UOBKayHian

Country Daily | Greater China

Friday, 06 November 2026



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51523.1	(3.4)	(1.6)	0.5	7.2
S&P 500	7353.7	(4.4)	(4.7)	(5.4)	7.4
FTSE 100	10782.7	(0.4)	0.6	2.7	8.6
AS30	9117.9	(0.9)	1.0	2.4	1.1
CSI 300	4113.4	0.3	1.8	(5.6)	(11.2)
FSSTI	5296.3	0.5	(1.8)	(7.1)	14.0
HSCEI	8369.1	3.9	7.9	3.0	(6.1)
HSI	24797.0	3.7	8.0	3.1	(3.3)
JCI	5030.3	2.2	(1.3)	(18.8)	(41.8)
KLCI	1635.9	1.2	1.5	0.2	(2.6)
KOSPI	5383.8	(5.3)	(6.1)	(22.4)	27.8
Nikkei 225	61077.9	(1.8)	(4.5)	(13.6)	21.3
SET	1498.0	(0.3)	(3.0)	(5.3)	18.9
TWSE	41574.7	(3.2)	(10.3)	(16.6)	43.5
BDI	2740	1.7	1.0	(10.7)	46.0
CPO (RM/mt)	4292	(1.7)	(3.2)	(1.7)	9.1
Brent Crude (US$/bbl)	98	3.9	(14.4)	(2.0)	61.5

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Virtual Meeting with UUE Holdings Berhad (UUE MK)	Malaysia	10 Nov	10 Nov
1HFY27 Post Results briefing with Valuetronics Holdings Ltd (VALUE SP)	Singapore	11 Nov	11 Nov
Analyst Marketing by Johnny Yum on GC AI Sector	Taipei	17 Nov	18 Nov
Corporate Roadshow with NTT DC REIT (NTTDCR SP)	Bangkok	23 Nov	23 Nov
Corporate Roadshow with NTT DC REIT (NTTDCR SP)	Kuala Lumpur	25 Nov	25 Nov
Virtual Analyst Presentation by Jonathan Koh on S-REITs Results Wrap	Singapore	25 Nov	25 Nov
Regional 1H2027 Strategy Conference	Malaysia	02 Dec	02 Dec

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
Oct Foreign Reserves	Hong Kong	06 Nov
Oct Foreign Reserves	China	07 Nov
Oct Inflation (PPI, CPI)	China	09 Nov
Oct Money Supply (M2, M1, M0)	China	9-15 Nov
Oct Trade Balance, Exports, Imports	China	10 Nov
Oct FDI YTD YoY CNY	China	11-17 Nov

Top Stories

Company Results | BeOne Medicines (6160 HK/**BUY**/HK$248.60/Target: HK$300.00)

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- BeOne's 3Q26 revenue rose 33.8% yoy to US$1.89b and adjusted net profit grew 77.4% yoy to US$539m, ahead of our and consensus expectations. Management raised its 2026 revenue guidance again, to US$6.9b-7.0b, and GAAP operating income guidance to US$1.2b-1.3b, on BRUKINSA's momentum and improving operating leverage. With a deep late-stage pipeline, BeOne is well positioned for sustained long-term growth. Maintain BUY with a higher target price of HK$300.00.

Company Results | ECARX Holdings Inc (ECX US/**BUY**/US$0.703/Target: US$2.20)

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- 3Q26 revenue rose 9.5% yoy and 6.9% qoq to US$240.8m, but gross margin fell to 7.0% as memory costs outpaced price increases, and net loss widened to US$48.4m. Management reaffirmed 2026 revenue guidance of US$1.0b-1.1b. We cut our 2026-28 net profit forecasts to a net loss of US$103.8m and net profits of US$22.4m and US$59.4m respectively. Maintain BUY. Cut target price to US$2.20.

Company Update | Sino Biopharmaceutical (1177 HK/**BUY**/HK$5.63/Target: HK$7.50)

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- Sino Biopharm and BI have entered into a US$7b strategic collaboration, with upfront and near-term milestone payment of US$358m, plus double-digit royalties. This marks the two parties' second oncology collaboration and Sino Biopharm's third MNC out-licensing deal in 2026, with total licensing value for the year exceeding US$10b. Most of the upfront payment is expected to be recognised next year, and this will significantly boost revenue and earnings growth in 2027. Maintain BUY and raise target price to HK$7.50.

Technical Analysis

Swire Pacific | 19 HK

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- Support levels: HK$108.50/HK$104.90
- Resistance levels: HK$118.90/HK$125.60

JD Health International | 6618 HK

Page 11 →

- Support levels: HK$40.06/HK$39.36
- Resistance levels: HK$47.80/HK$51.70

Disclaimer: In Traders' Corner, technical analysis is carried out purely based on charting patterns, price movements and trends, and is thus independent of the fundamental research views of our analysts. As a result, and from time to time, we may make a technical recommendation that is opposite to our fundamental BUY/HOLD/SELL rating.

BeOne Medicines (6160 HK)

3Q26: Results Outperform; Raising 2026 Guidance Again

Highlights

- BeOne's 3Q26 revenue rose 33.8% yoy to US$1.89b and adjusted net profit grew 77.4% yoy to US$539m, ahead of our and consensus expectations.
- Management raised its 2026 revenue guidance again, by US$250m at the midpoint to US$6.9b-7.0b, and GAAP operating income guidance to US$1.2b-1.3b, on BRUKINSA's momentum and improving operating leverage. With a deep late-stage pipeline, BeOne is well positioned for sustained long-term growth.
- Maintain BUY with a higher target price of HK$300.00.

3Q26 Results

Year to 31 Dec (US$m)	3Q25	3Q26	yoy % chg	9M25	9M26	yoy % chg
Revenue	1,412	1,890	33.8%	3,845	5,108	32.9%
Product revenue	1,395	1,855	33.0%	3,806	5,022	32.0%
Other revenue	17	35	101.3%	39	86	119.5%
Gross profit	1,216	1,673	37.6%	3,319	4,550	37.1%
SG&A expense	(529)	(593)	12.2%	(1,526)	(1,742)	14.1%
R&D expense	(524)	(661)	26.2%	(1,530)	(1,814)	18.5%
EBIT	163	419	156.7%	262	994	279.1%
Net profit	125	385	208.2%	220	849	285.2%
Adj. net profit	304	539	77.4%	693	1,358	96.1%
% of sales	3Q25	3Q26	yoy ppt chg	9M25	9M26	yoy ppt chg
Gross profit	86.1%	88.5%	2.4	86.3%	89.1%	2.7
SG&A expense	37.5%	31.4%	(6.1)	39.7%	34.1%	(5.6)
R&D expense	37.1%	35.0%	(2.1)	39.8%	35.5%	(4.3)
EBIT	11.5%	22.2%	10.6	6.8%	19.5%	12.6
Net profit	8.8%	20.4%	11.5	5.7%	16.6%	10.9
Adjusted net profit	21.5%	28.5%	7.0	18.0%	26.6%	8.6

Source: BeOne Medicines, UOB Kay Hian

Analysis

- **3Q26 results beat.** BeOne Medicines' (BeOne) 3Q26 revenue reached US$1,890m, up 33.8% yoy and 10.8% qoq, while adjusted net profit rose 77.4% yoy and 21.2% qoq to US$539m and reported net profit surged 208.2% yoy and 62.3% qoq to US$385m. 9M26 revenue was US$5,108m, up 32.9% yoy. 9M26 adjusted net profit came in at US$1,358m, up 96.1% yoy, significantly exceeding our and consensus estimates for 2026 growth.

Key Financials

Year to 31 Dec (US$m)	2024	2025	2026F	2027F	2028F
Net turnover	3,810	5,343	7,036	8,389	10,041
EBITDA	(382)	621	1,423	2,027	2,754
Operating profit	(568)	447	1,232	1,819	2,529
Net profit (rep./act.)	(645)	287	1,058	1,557	2,160
Net profit (adj.)	(55)	918	1,759	2,275	2,895
EPS (US$ cent)	(4.0)	62.2	119.3	154.3	196.3
PE (x)	n.a.	50.9	26.6	20.5	16.1
P/B (x)	13.0	10.3	8.3	6.4	4.9
EV/EBITDA (x)	n.a.	75.6	33.0	23.2	17.1
Dividend yield (%)	-	-	-	-	-
Net margin (%)	(1.4)	17.2	25.0	27.1	28.8
Net debt/(cash) to equity (%)	(48.6)	(82.3)	(88.8)	(90.3)	(90.6)
Interest cover (x)	n.m.	n.m.	n.m.	n.m.	n.m.
ROE (%)	(18.8)	7.5	21.6	25.1	26.8
Consensus net profit	n.a	n.a	878	1,262	1,684
UOBKH/Consensus (x)	n.a	n.a	1.20	1.23	1.28

Source: BeOne Medicines, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	HK$248.60
Target Price	HK$300.00
Upside	20.7%
Previous TP	HK$265.00

Stock Data

Sector	Health Care
Bloomberg ticker	6160 HK
Shares issued (m)	1,484.9
Market cap (HK$m)	406,246.8
Market cap (US$m)	51,786.2
3-mth avg daily t'over (US$m)	101.6

Price Performance (%)

52-week high/low				HK$250.00/HK$153.00
1mth	3mth	6mth	1yr	YTD
13.7	25.1	40.6	33.9	38.7

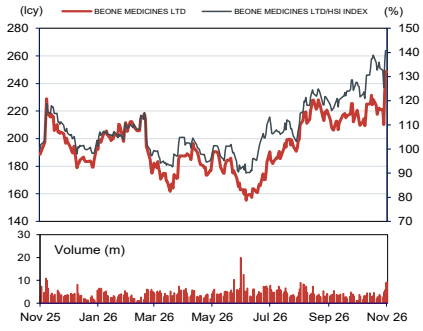
Major Shareholders (%)

Amgen	16.8
Baker Brothers	7.8

Balance Sheet Metrics

FY26 NAV/Share (US$)	3.8
FY26 Net Cash/Share (US$)	3.2

Price Chart



Source: Bloomberg

Company Description

BeOne Medicines is a global oncology company, which engages in the development and commercialisation of innovative molecularly targeted and immuno oncology.

- **Total revenue grew 33.8% yoy and 10.8% qoq to US$1,890m in 3Q26.** 3Q26 product revenue rose 33.0% yoy to US$1,855m, driven by BRUKINSA's robust global sales growth of 33.7% yoy to US$1,391m (about 73.6% of total revenue); US BRUKINSA sales increased 36.1% yoy to US$1,005m and European BRUKINSA sales expanded 33.3% yoy to US$218m. TEVIMBRA sales rose 27.6% yoy to US$243m and the products in-licensed from Amgen grew 26% yoy to US$167m. By region, US revenue rose 36.2% yoy to US$1,028m and made up 54.4% of total revenue in 3Q26, Europe went up 43.8% yoy to US$240m, the rest of the world increased 68.7% yoy to US$86m, and China grew 21.9% yoy to US$536m.
- **Margin expansion continued.** Gross margin improved to 88.5% in 3Q26, up 2.4ppt yoy, on a richer BRUKINSA sales mix and productivity gains in both BRUKINSA and TEVIMBRA, partly offset by a US$22m non-cash impairment charge after BeOne decided to stop promoting POBEVCY. The SG&A/revenue ratio fell 6.1ppt yoy to 31.4% and the R&D/revenue ratio dropped 2.1ppt yoy to 35.0%, although R&D expense rose 26.2% yoy as more programmes moved into late-stage development. Operating margin therefore widened 10.6ppt yoy to 22.2% and adjusted net margin expanded 7.0ppt yoy to 28.5% in 3Q26.
- **Management raised its 2026 revenue guidance again, by US$250m at the midpoint to US$6.9b-7.0b, reflecting improved performance through 3Q26.** The new range implies growth of 29-31% yoy, while gross margin guidance was kept at the high-80% range. Management also lifted its guidance for GAAP operating income to US$1.2b-1.3b (from US$1.0b-1.1b) and for non-GAAP operating income to US$1.9b-2.0b (from US$1.7b-1.8b), on combined R&D and SG&A expenses of US$4.9b-5.0b (from US$4.8b-5.0b). That implies 4Q26 revenue of US$1.79b-1.89b. BeOne also expects to reverse certain tax valuation allowances in 4Q26, which would bring a material tax benefit.
- **Pipeline progress supports long-term value.** The US FDA granted Priority Review to the BRUKINSA filing in 1L MCL (MANGROVE), and BeOne completed submissions in the EU and China, with Japan due in 4Q26; interim MANGROVE results will be presented at the ASH 2026 Plenary Session. TEVIMBRA won Japanese approval in 1L nasopharyngeal cancer, and the FDA approved a TEVIMBRA-based regimen with ZIIHERA for 1L HER2-positive GEA. Tacabrutideg (BGB-16673) met the primary endpoint of the pivotal Phase 2 portion of CaDAnCe-101 in r/r CLL, with a potential submission in mid-27. BeOne also signed a collaboration with Revolution Medicines that includes exclusive rights to its RAS(ON) inhibitors in selected Asian markets.

Valuation/Recommendation

- **Maintain BUY and raise target price to HK$300.00** (ONC US/BUY/ Target: US$497.45/ADS; 688235 CH/BUY/Target: Rmb394.07), based on our DCF model with WACC of 10.5% and terminal growth rate of 3.5%. The strong 3Q26 results and raised guidance underpin further share-price appreciation.

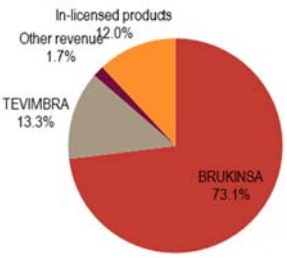
Earnings Revision/Risk

- We fine-tuned our forecasts based on the new guidance. Our estimates do not include the expected 4Q26 tax benefit.
- **Risks**: a) policy risks in the US, eg Most-Favoured-Nation drug pricing and Part-D re-design; b) intensifying market competition; and c) risks in R&D, product approval, and business collaborations etc.

Share Price Catalyst

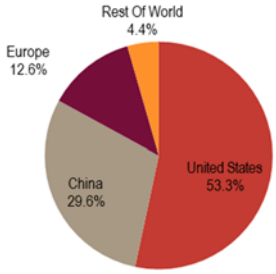
- Smooth R&D and market approvals, eg, US FDA approval of BRUKINSA in 1L MCL under Priority Review and the regulatory submission in Japan in 4Q26; China regulatory action on TEVIMBRA and ZIIHERA in 1L HER2-positive gastroesophageal adenocarcinoma (GEA) in 1H27.
- A strong BEQALZI launch, MANGROVE data at ASH 2026 and robust 2026 financial results.

Segmental Revenue (9M26)



Source: BeOne Medicines, UOB Kay Hian

Regional Revenue (9M26)



Source: BeOne Medicines, UOB Kay Hian

Near-Term Product/Indication Approvals

	Expected Indication / Market Approvals	Market	Estimated time of approval
TEVIMBRA	2L ESCC	CA	Approved in 1Q26
	1L NPC	UK	Approved in 1Q26
	1L ES-SCLC, Neo/adj NSCLC	UK	Approved in 1Q26
	1L GC	JP	Approved in 2Q26
	Alt Dosing Q6W	CN	Approved in 2Q26
	1L NPC	JP	Approved in 3Q26
	1L HER2+ GEA	US	Approved in Aug 26
	1L HER2+ GEA	CN	1H27
	1L HER2+ GEA	CA	2027
BRUKINSA	Tablet formulation	UK	Approved in 1Q26
	R/R MZL	JP	2026
	Tablet formulation	JP	2026
	TN MCL	US	2027
	TN MCL	CN	2027
Sonrotoclax	R/R MCL	CN	Approved in Dec 25
	R/R CLL	CN	Approved in Dec 25
	R/R MCL	US	Approved in May 26
	R/R MCL	EU	2026
	R/R MCL	BR	2027
Tarlatamab	3L+ SCLC	CN	Approved in Apr 26
	2L SCLC	CN	Approved in 2Q26
Zanidatamab	1L HER2+ GEA	CN	1H27

Note: ESCC: Esophageal Squamous Cell Carcinoma; NPC: Nasopharyngeal Carcinoma; GC: Gastric Cancer; ES-SCLC: Extensive-Stage Small Cell Lung Cancer; Neo/adj: Neoadjuvant or adjuvant chemotherapy; NSCLC: Non-Small Cell Lung Cancer, GEA: gastroesophageal adenocarcinoma; R/R: relapsed or refractory; MZL: marginal zone lymphoma; TN: treatment-naïve; MCL: mantle cell lymphoma; CLL: Chronic lymphocytic leukemia. Dosing frequency: Q2W:bi-weekly, Q4W: monthly, and Q6W: dose every six weeks.
Source: BeOne Medicines, UOB Kay Hian

Profit & Loss

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Net turnover	5,343	7,036	8,389	10,041
EBITDA	621	1,423	2,027	2,754
Deprec. & amort.	174	191	208	225
EBIT	447	1,232	1,819	2,529
Associate contributions	0	0	0	0
Net interest income/(expense)	12	12	12	12
Pre-tax profit	417	1,244	1,832	2,541
Tax	(130)	(187)	(275)	(381)
Minorities	0	0	0	0
Net profit	287	1,058	1,557	2,160
Net profit (adj.)	918	1,759	2,275	2,895

Balance Sheet

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Fixed assets	1,642	1,644	1,628	1,596
Other LT assets	313	317	317	317
Cash/ST investment	4,610	5,884	7,375	9,351
Other current assets	1,624	1,735	1,892	2,194
Total assets	8,189	9,580	11,211	13,458
ST debt	57.293	190.896	190.896	190.896
Other current liabilities	1,772	2,003	2,078	2,164
LT debt	961.913	882.163	882.163	882.163
Other LT liabilities	1,037	1,085	1,085	1,085
Shareholders' equity	4,361	5,419	6,976	9,136
Minority interest	0	0	0	0
Total liabilities & equity	8,189	9,580	11,211	13,458

Cash Flow

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Operating	1,128	1,352	1,677	2,163
Pre-tax profit	417	1,244	1,832	2,541
Tax	(130)	(187)	(275)	(381)
Deprec. & amort.	174	191	208	225
Working capital changes	(178)	(45)	(81)	(216)
Non-cash items	0	0	0	0
Other operating cashflows	845	149	(6)	(6)
Investing	(276)	(126)	(122)	(122)
Capex (growth)	(186)	(193)	(193)	(193)
Proceeds from sale of assets	70.505	70.505	70.505	70.505
Others	(161)	(3)	-	-
Financing	1,059	48	(65)	(65)
Dividend payments	-	-	-	-
Issue of shares	0	0	0	0
Proceeds from borrowings	-58.234	-64.5531	-64.5531	-64.5531
Loan repayment	0	0	0	0
Others/interest paid	1,118	112	-	-
Net cash inflow (outflow)	1,911	1,275	1,491	1,976
Beginning cash & cash equivalent	2,639	4,610	5,884	7,375
Changes due to forex impact	60.024	0	0	0
Ending cash & cash equivalent	4,610	5,884	7,375	9,351

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
Gross margin	87.5	89.2	89.7	90.2
Pre-tax margin	7.8	17.7	21.8	25.3
Net margin	5.4	15.0	18.6	21.5
ROA	4.1	11.9	15.0	17.5
ROE	7.5	21.6	25.1	26.8
Growth				
Turnover	40.2	31.7	19.2	19.7
Gross profit	45.3	34.2	19.9	20.4
Pre-tax profit	(178.2)	198.5	47.2	38.8
Net profit	(144.5)	268.6	47.2	38.8
Net profit (adj.)	(1,770.8)	91.7	29.4	27.3
EPS	(1,650.6)	91.7	29.4	27.3
Leverage				
Debt to total capital	18.94294	16.52945	13.3321	10.51102
Debt to equity	23.36988	19.80273	15.38297	11.7456
Net debt/(cash) to equity	(82.3)	(88.8)	(90.3)	(90.6)
Interest cover	n.m.	n.m.	n.m.	n.m.

ECARX Holdings Inc (ECX US)

3Q26: Memory Costs Cut Gross Margin To 7.0%

Highlights

- 3Q26 net loss widened to US$48.4m, missing our estimates, as gross margin fell 14.9ppt yoy to 7.0% on memory costs that outpaced price increases.
- Revenue rose 9.5% yoy and 6.9% qoq to US$240.8m, and management reaffirmed 2026 revenue guidance of US$1.0b-1.1b.
- We cut 2026-28 bottom line forecasts to a US$104m loss, US$22m and US$59m respectively.
- Maintain BUY, as Volkswagen programmes from 2027 reduce reliance on Geely, while Flyme, the cockpit software business acquired by ECARX, adds software revenue.

3Q26 Results

Year to 31 Dec (US$m)	3Q25	2Q26	3Q26	yoy %	qoq %	9M26	yoy %	Prev. 2026F	yoy %
Total revenue	219.9	225.2	240.8	9.5	6.9	597.5	10.0	1,051.3	24.0
Gross profit	48.2	44.5	16.9	(64.9)	(62.0)	90.5	(20.5)	197.7	22.6
Gross margin (%)	21.9	19.8	7.0	(14.9)	(12.7)	15.1	(5.8)	18.8	(0.2)
EBIT	(6.3)	(6.2)	(36.2)	474.6	483.9	(67.9)	(12.8)	13.7	n.a.
EBIT margin (%)	(2.9)	(2.8)	(15.0)	(12.2)	(12.3)	(11.4)	3.0	1.3	7.8
Net profit	(8.9)	(10.4)	(48.4)	443.8	365.4	(81.9)	(1.9)	(2.5)	(96.3)
Net margin (%)	(4.0)	(4.6)	(20.1)	(16.0)	(15.5)	(13.7)	1.7	(0.2)	7.6

Source: ECARX, UOB Kay Hian. 3Q25 restated for the Qiguang (Flyme) acquisition; 2Q26 as reported.

Analysis

- **3Q26 results missed our estimates, as memory costs cut gross margin to 7.0%.** ECARX Holdings Inc's (ECARX) gross profit fell 64.9% yoy/62.0% qoq to US$16.9m in 3Q26. Its net loss widened 443.8% yoy/365.4% qoq to US$48.4m, and its operating loss widened 474.6% yoy/483.9% qoq to US$36.2m. The 9M26 net loss of US$81.9m already exceeds our pre-revision 2026 forecast of a US$2.5m loss an consensus forecast of a US$9.2m loss. Adjusted EBITDA, which excludes share-based compensation of US$0.7m as well as interest, tax and depreciation and amortisation, swung to a loss of US$37.7m from a profit of US$0.5m in 2Q26.

Key Financials

Year to 31 Dec (US$m)	2024	2025	2026F	2027F	2028F
Net turnover	771.5	847.9	1,051.3	1,366.7	1,708.4
EBITDA	(102.3)	(34.9)	(51.5)	77.4	114.0
Operating profit	(122.9)	(54.8)	(71.5)	57.4	94.0
Net profit (rep./act.)	(129.8)	(66.0)	(103.8)	22.4	59.4
Net profit (adj.)	(125.7)	(77.1)	(103.8)	22.4	59.4
EPS (US cents)	(38.5)	(19.5)	(27.2)	5.8	15.3
PE (x)	n.a.	n.a.	n.a.	12.2	4.6
P/B (x)	n.a.	n.a.	n.a.	n.a.	n.a.
EV/EBITDA (x)	n.a.	n.a.	n.a.	7.6	5.2
Dividend yield (%)	-	-	-	-	-
Net margin (%)	(16.8)	(7.8)	(9.9)	1.6	3.5
Net debt/(cash) to equity (%)	n.a.	n.a.	n.a.	n.a.	n.a.
Interest cover (x)	n.a.	n.a.	(2.3)	1.6	2.7
ROE (%)	n.a.	n.a.	n.a.	n.a.	n.a.
Consensus net profit	-	-	(9.2)	25.1	55.9
UOBKH/Consensus (x)	-	-	n.a.	0.9	1.1

Source: ECARX, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	US$0.703
Target Price	US$2.20
Upside	+212.9%
Previous TP	US$2.70

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	ECX US
Shares issued (m)	381.1
Market cap (US$m)	396.3
3-mth avg daily t'over (US$m)	1.8

Price Performance (%)

52-week high/low				US$2.70/US$0.70
1mth	3mth	6mth	1yr	YTD
(9.6)	(3.7)	(46.1)	(32.0)	(39.5)

Major Shareholders (%)

Fu&Li Industrious Innovators Ltd.	43.10
Geely Technology Group Co., Ltd.	10.99
Baidu Holdings Ltd.	6.68

Balance Sheet Metrics

FY26 NTAV/Share (US$)	(0.88)
FY26 Net Debt/Share (US$)	1.17

Price Chart



Source: Bloomberg

Company Description

ECARX Holdings is an automobile intelligent solutions supplier, mainly engaged in the R&D of software and hardware solutions for automobile intelligence, including intelligent cockpit computing platforms, ADAS computing platforms, and central computing platforms.

- **Revenue rose 9.5% yoy/6.9% qoq to US$240.8m, driven by sales of goods.** Shipments rose 8% yoy/31% qoq to around 721,000 units, with the higher-end Antora platform at 30% of shipments (+5ppt yoy). Sales of goods revenue rose 22.6% yoy/13.4% qoq to US$222.7m, on higher volume and price increases. Service revenue fell 52.5% yoy/37.0% qoq to US$17.7m, as model launches peaked in 2Q26. 9M26 revenue was 56.8% of our 2026 forecast, against 64.1% a year earlier. This implies 4Q26 revenue of US$453.8m (+49.0% yoy).
- **Gross margin fell 14.9ppt yoy/12.7ppt qoq to 7.0%, as memory costs rose faster than prices.** Sales of goods margin fell 11.4ppt yoy to 4.3%, as ECARX absorbed much of the cost to protect volumes.
- **We cut our 2026 gross margin assumption to 12.9% (from 18.8%), based on 10.0% in 4Q26, and keep that for 2027-28 at 18.0%.** We assume a 3.0ppt qoq recovery in 4Q26, as programme launches lift service revenue, which carries a higher gross margin than sales of goods, and price adjustments on new programmes start; management gave no margin guidance. Our 2027-28 assumption is 1.0ppt below that of 2025. We assume that pricing talks, long-term memory supply agreements and more Antora and Flyme software sales will restore the pass-through of memory costs, which adds revenue but no profit. Each 1ppt shortfall would take US$13.7m off 2027's net profit, or 61% of our forecast.
- **R&D expenses fell 12.4% yoy to US$27.5m on R&D integration and AI use, while SG&A expenses rose 10.8% yoy on a one-off impairment.** Stripping out a US$6.7m impairment of DreamSmart convertible bonds, SG&A fell 18% yoy. **We raise 2026-28 R&D/revenue to 11.1%/8.0%/7.5% (from 10.0%/7.5%/7.0%) respectively to include the Flyme division, and SG&A/revenue to 8.7%/5.8%/5.0% (from 7.5%/5.8%/4.6%).**

- **We expect revenue to diversify beyond Geely from 2027.** The key drivers are:
  - **Volkswagen will become a multi-region customer from 2027.** After a Nov 25 award for digital cockpits in Latin America, Volkswagen plans to sell vehicles with ECARX products in Brazil and India from 2027, which would reduce reliance on Geely (about 75% of revenue).
  - **The mix is moving towards higher-value platforms and software.** Flyme's cockpit operating system, which is used in more than 3.5m vehicles, will add recurring software revenue at higher margins than hardware. We include Flyme's costs but no separate Flyme revenue uplift.
  - **Robotics LiDAR takes ECARX beyond cars.** Mass production for a lawn mower robot maker is planned for 2026; however, we have excluded this from our forecasts.

Earnings Revision/Risk

- **We cut our 2026-28 bottom line forecasts to a net loss of US$103.8m and net profits of US$22.4m and US$59.4m respectively,** from a net loss of US$2.5m and a net profit of US$28.6m/US$74.9m. The main risk to our forecasts is a sharper memory-cost squeeze.

Valuation/Recommendation

- **Maintain BUY and trim target price from US$2.70 to US$2.20,** based on 10-year DCF (WACC: 14%, terminal growth: 4%). Our target price of US$2.20 implies 30x 2027F PE.
- **Our BUY rating rests on ECARX's shift towards a platform with global customers, software revenue and uses beyond cars,** while the stock trades at 0.26x 2026F price-to-sales.

Share Price Catalyst

- 2026 revenue coming in within guidance.
- Easing memory costs and gross margin recovery.
- New non-Geely partnerships.

Profit & Loss

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Net turnover	847.9	1,051.3	1,366.7	1,708.4
EBITDA	(34.9)	(51.5)	77.4	114.0
Deprec. & amort.	(19.9)	(20.0)	(20.0)	(20.0)
EBIT	(54.8)	(71.5)	57.4	94.0
Total other non-operating income	7.1	(3.0)	-	-
Associate contributions	1.2	13.7	-	-
Net interest income/(expense)	(20.1)	(30.9)	(35.0)	(34.6)
Pre-tax profit	(67.7)	(105.4)	22.4	59.4
Tax	(1.2)	(0.6)	-	-
Minorities	2.9	2.2	-	-
Net profit	(66.0)	(103.8)	22.4	59.4
Net profit (adj.)	(77.1)	(103.8)	22.4	59.4

Balance Sheet

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Fixed assets	26.7	36.7	37.7	38.7
Other LT assets	152.5	158.5	159.5	160.5
Cash/ST investment	93.3	60.1	47.4	84.9
Other current assets	389.9	586.4	713.4	861.4
Total assets	662.4	841.7	958.0	1,145.5
ST debt	349.5	569.5	569.5	569.5
Other current liabilities	473.5	582.8	676.7	804.9
LT debt	65.9	213.4	213.4	213.4
Other LT liabilities	57.0	57.0	57.0	57.0
Shareholders' equity	(282.7)	(578.0)	(555.6)	(496.2)
Minority interest	(0.8)	(3.0)	(3.0)	(3.0)
Total liabilities & equity	662.4	841.7	958.0	1,145.5

Cash Flow

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Operating	(94.4)	(173.2)	9.3	59.5
Pre-tax profit	(68.9)	(106.0)	22.4	59.4
Tax	(1.2)	(0.6)	-	-
Deprec. & amort.	19.9	20.0	20.0	20.0
Working capital changes	(37.5)	(87.2)	(33.1)	(19.8)
Non-cash items	(6.6)	0.6	-	-
Other operating cashflows	-	-	-	-
Investing	(70.5)	(36.0)	(22.0)	(22.0)
Capex (growth)	(12.2)	(36.0)	(22.0)	(22.0)
Investments	-	1.0	2.0	3.0
Others	(58.3)	(1.0)	(2.0)	(3.0)
Financing	203.9	176.1	-	-
Dividend payments	-	-	-	-
Proceeds from borrowings	334.0	534.1	300.0	300.0
Loan repayment	(216.6)	(300.0)	(300.0)	(300.0)
Others/interest paid	86.5	(58.1)	-	-
Net cash inflow (outflow)	39.0	(33.2)	(12.7)	37.5
Beginning cash & cash equivalent	50.2	93.3	60.1	47.4
Changes due to forex impact	4.1	-	-	-
Ending cash & cash equivalent	93.3	60.1	47.4	84.9

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	(4.1)	(4.9)	5.7	6.7
Pre-tax margin	(8.0)	(10.0)	1.6	3.5
Net margin	(7.8)	(9.9)	1.6	3.5
ROA	(11.2)	(13.8)	2.5	5.6
ROE	n.a.	n.a.	n.a.	n.a.
Growth				
Turnover	9.9	24.0	30.0	25.0
EBITDA	n.a.	n.a.	(250.3)	47.2
Pre-tax profit	n.a.	n.a.	(121.2)	165.2
Net profit	n.a.	n.a.	(121.6)	165.2
Net profit (adj.)	n.a.	n.a.	(121.6)	165.2
EPS	n.a.	n.a.	(121.1)	165.2
Leverage				
Debt to total capital	62.7	93.0	81.7	68.3
Debt to equity	n.a.	n.a.	n.a.	n.a.
Net debt/(cash) to equity	n.a.	n.a.	n.a.	n.a.
Interest cover (x)	n.a.	(2.3)	1.6	2.7

Sino Biopharmaceutical (1177 HK)

US$7b Boehringer Ingelheim Deal To Boost Growth In 2027

Highlights

- Sino Biopharm and BI have entered into a US$7b strategic collaboration, with upfront and near-term milestone payment of US$358m, plus double-digit royalties.
- This marks the two parties' second oncology collaboration and Sino Biopharm's third MNC out-licensing deal in 2026, with total licensing value for the year exceeding US$10b.
- Most of the upfront payment expected to be recognised next year, and this will significantly boost revenue and earnings growth in 2027.
- Maintain BUY and raise target price to HK$7.50.

Analysis

- **Entered into US$7b collaboration with Boehringer Ingelheim.** Sino Biopharmaceutical (Sino Biopharm) has entered into a strategic option and license agreement with Boehringer Ingelheim (BI) on six preclinical asset programmes. The total deal value amounts to US$7b, including US$358m in upfront and near-term milestone income. The six pre-clinical oncology assets span antibody-drug conjugates (ADCs) and T-cell engager (TCEs). Pursuant to the agreement, Sino Biopharmaceutical (Sino Biopharm) is responsible for early research through global phase 1 clinical trials; upon achieving the agreed clinical milestones, Boehringer Ingelheim has the right to exercise its options (subject to an additional option exercise fee) to obtain exclusive global rights (excluding Mainland China, Hong Kong, and Macau) for the development, manufacturing, and commercialisation of four projects, and exclusive global rights for two projects.
- **Strong BD momentum supports global development of its innovative pipeline**. This new out-licensing deal is the second collaboration between the two parties in oncology. Ytd, Sino Biopharmaceutical has completed three out-licensing deals with MNCs (Sanofi, AstraZeneca, and BI), with the total deal value exceeding US$10b. The robust business development (BD) momentum has not only brought in significant cash flow and lifted revenue, but also provided strong support for the global development of its innovative pipeline and created long-term value gains. The company is actively seeking BD opportunities for its innovative assets and is expecting more BD deals in the years ahead.

Key Financials

Year to 31 Dec (Rmbm)	2024	2025	2026F	2027F	2028F
Net turnover	28,866	31,834	36,236	40,503	43,945
EBITDA	6,490	7,431	8,481	9,682	10,526
Operating profit	5,169	6,219	7,087	8,272	9,095
Net profit (rep./act.)	1,920	2,343	2,579	2,995	3,291
Net profit (adj.)	3,457	4,541	5,017	5,662	6,209
EPS	18.9	25.2	27.9	31.5	34.5
PE (x)	25.3	19.0	17.2	15.2	13.9
P/B (x)	2.7	2.8	2.7	2.7	2.6
EV/EBITDA (x)	17.7	15.4	13.5	11.8	10.9
Dividend yield (%)	1.4	1.9	2.1	2.4	2.6
Net margin (%)	12.0	14.3	13.8	14.0	14.1
Net debt/(cash) to equity (%)	18.8	27.2	30.6	25.7	23.3
Interest cover (x)	n.m.	n.m.	n.m.	n.m.	n.m.
ROE (%)	6.2	7.5	8.3	9.4	10.0
Consensus net profit	n.a	n.a	4,814	4,983	5,445
UOBKH/Consensus (x)	n.a	n.a	1.04	1.14	1.14

Source: Sino Biopharm, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	HK$5.63
Target Price	HK$7.50
Upside	33.3%
Previous TP	HK$7.20

Stock Data

Sector	Health Care
Bloomberg ticker	1177 HK
Shares issued (m)	18,683.0
Market cap (HK$m)	105,091.6
Market cap (US$m)	13,396.2
3-mth avg daily t'over (US$m)	52.4

Price Performance (%)

52-week high/low				HK$7.48/HK$4.19
1mth	3mth	6mth	1yr	YTD
1.4	15.1	3.4	(19.5)	(9.0)

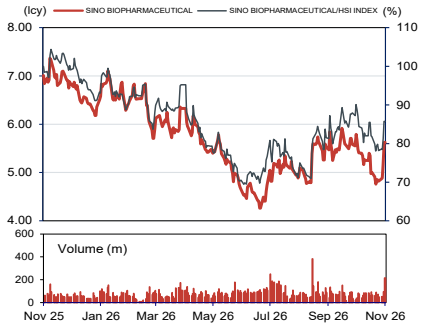
Major Shareholders (%)

Tse Family	42.7

Balance Sheet Metrics

FY26 NAV/Share (Rmb)	1.7
FY26 Net Cash/Share (Rmb)	-0.5

Price Chart



Source: Bloomberg

Company Description

Sino Biopharmaceutical is a leading pharmaceutical provider in China. It offers a broad range of drugs in the therapeutic areas of cardio cerebral vascular diseases, hepatitis, oncology, analgesic, respiratory, and diabetic medicines etc.

- **Targets double-digit revenue growth in 2026.** Sino Biopharm expects innovative drugs and out-licensing revenue to bring in about 50% of total revenue in 2026. This is supported by strong sales growth of innovative drugs and increasing out-licensing income (the US$200m upfront payment from AstraZeneca is expected to be booked in 2H26). We believe this is highly achievable as the company has launched an increasing number of new products, and has also taken Mainland China commercialisation rights from GSK for Bepirovirsen (May 26) as well as Trelegy Ellipta and Anoro Ellipta (Jul 26), whose China sales will be booked as its revenue. In addition, the company acquired an additional 5% stake in CT Tianqing in Sep 26, bringing its indirect equity interest in the subsidiary to 65%, which offers immediate earnings accretion and long-term strategic value for the company.
- **Out-licensing income expected to boost revenue growth in 2027.** Management expects most of the US$358m in upfront and near-term milestone payment to be booked as revenue next year. Moreover, LaNova's LM-299/MK-2010 (PD-1/VEGF bispecific) is expected to enter global phase 3 trial in 1H27, which will trigger a significant milestone income. We believe the upfront and milestone payment will significantly boost revenue growth for 2027. Assuming 70% of the US$358m is recognised in 2027, we estimate the incremental revenue will support a total revenue growth of approximately 12% yoy, up from our previously estimated 7% yoy. We also estimate a stronger growth rate in adjusted net earnings, as increasing out-licensing income should improve margins.
- **Innovative pipeline drives bright long-term outlook.** Focusing on first-in-class and best-in-class drug candidates, the company invests approximately 19% of its total revenue in R&D. It has nurtured a growing innovative pipeline, including bispecifics, tri-specifics, and ADCs with differentiated technologies, to support continued new product launches and BD programmes in the next few years. It expects to advance around 20 preclinical assets to Investigational New Drug stage per year and launch 30 more innovative products over 2026-30. The robust pipeline bodes well for a bright long-term growth outlook for the company.

Valuation/Recommendation

- **Maintain BUY and raise target price to HK$7.50,** based on SOTP valuation, comprising: a) HK$2.87/share at 8x 2026F PE for existing drugs; and b) NAV-derived pipeline value of HK$4.62/share (10.5% WACC, 3.3% perpetual growth rate).

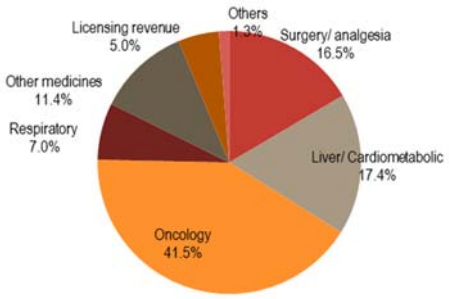
Earnings Revision/Risk

- **Risks** include: a) worse-than-expected policy risks including anti-corruption campaign and price pressure from the volume-based procurement programme etc, b) possible delay or failure in R&D and new product launches, and c) intensifying market competition.

Share Price Catalyst

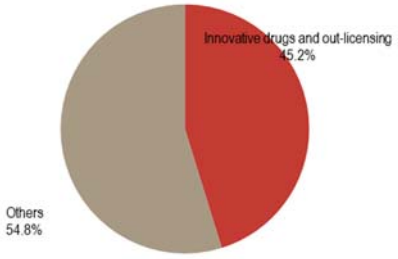
- a) Approval and launch of new innovative drugs and indications, b) further out-licensing deals, and c) stronger-than-expected 2026 results.

Revenue By Segment (1H26)



Source: Sino Biopharm, UOB Kay Hian

Innovative Drug Contribution (1H26)



Source: Sino Biopharm, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Net turnover	31,834	36,236	40,503	43,945
EBITDA	7,431	8,481	9,682	10,526
Deprec. & amort.	1,212	1,393	1,411	1,431
EBIT	6,219	7,087	8,272	9,095
Associate contributions	(151)	(151)	(151)	(151)
Net interest income/(expense)	355	306	314	322
Pre-tax profit	6,943	7,642	8,874	9,750
Tax	(1,629)	(1,793)	(2,082)	(2,287)
Minorities	(2,971)	(3,270)	(3,797)	(4,172)
Net profit	2,343	2,579	2,995	3,291
Net profit (adj.)	4,541	5,017	5,662	6,209

Balance Sheet

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Fixed assets	8,931	8,954	9,113	9,359
Other LT assets	32,613	33,806	33,902	33,972
Cash/ST investment	7,627	5,952	6,861	6,980
Other current assets	26,838	29,799	30,534	32,212
Total assets	76,010	78,511	80,410	82,522
ST debt	8,395	8,195	7,995	7,795
Other current liabilities	16,804	19,340	21,164	23,194
LT debt	7,584	7,384	7,184	6,984
Other LT liabilities	1,140	1,277	1,427	1,547
Shareholders' equity	30,671	31,439	32,391	33,441
Minority interest	11,415	10,875	10,249	9,560
Total liabilities & equity	76,010	78,511	80,410	82,522

Cash Flow

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Operating	8,218	8,087	8,093	8,036
Pre-tax profit	6,943	7,642	8,874	9,750
Tax	(1,192)	(1,745)	(1,997)	(2,227)
Deprec. & amort.	1,212	1,393	1,411	1,431
Working capital changes	2,555	2,047	1,064	349
Non-cash items	-	-	-	-
Other operating cashflows	(1,300)	(1,250)	(1,259)	(1,267)
Investing	(5,129)	(3,604)	(188)	(296)
Capex (growth)	(1,303)	(1,441)	(1,575)	(1,683)
Proceeds from sale of assets	-	-	-	-
Others	(3,826)	(2,163)	1,387	1,387
Financing	965	(6,157)	(6,996)	(7,621)
Dividend payments	(5,100)	(5,620)	(6,467)	(7,101)
Issue of shares	-	-	-	-
Proceeds from borrowings	6,344	(400)	(400)	(400)
Loan repayment	-	-	-	-
Others/interest paid	(278)	(137)	(128)	(120)
Net cash inflow (outflow)	4,054	(1,674)	909	118
Beginning cash & cash equivalent	3,573	7,627	5,952	6,861
Changes due to forex impact	-	-	-	-
Ending cash & cash equivalent	7,627	5,952	6,861	6,980

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
Gross margin	82.1	82.1	82.6	82.6
Pre-tax margin	21.8	21.1	21.9	22.2
Net margin	7.4	7.1	7.4	7.5
ROA	3.3	3.3	3.8	4.0
ROE	7.5	8.3	9.4	10.0
Growth				
Turnover	10.3	13.8	11.8	8.5
Gross profit	11.0	13.9	12.5	8.5
Pre-tax profit	31.6	10.1	16.1	9.9
Net profit	22.0	10.1	16.1	9.9
Net profit (adj.)	31.4	10.5	12.8	9.7
EPS	33.5	10.5	12.8	9.7
Leverage				
Debt to total capital	34.3	33.1	31.9	30.6
Debt to equity	52.1	49.6	46.9	44.2
Net debt/(cash) to equity	27.2	30.6	25.7	23.3
Interest cover	n.m.	n.m.	n.m.	n.m.

Technical Analysis

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Swire Pacific (0019 HK)

Last price:	HK$112.20
Support levels:	HK$108.50/HK$104.90
Resistance levels:	HK$118.90/HK$125.60

The price penetrated its prior swing high resistance to establish a fresh all-time high. By clearing all historical overhead supply boundaries, the price has entered price discovery mode. The RSI is bullish and sloping upward with high positive velocity toward overbought parameters. As long as the price remains defended above the resistance-turned-support baseline, we see continued upward expansion toward measured move projection targets.

Average timeframe: Around two weeks.



JD Health International (6618 HK)

Last price:	HK$43.24
Support levels:	HK$40.06/HK$39.36
Resistance levels:	HK$47.80/HK$51.70

The price penetrated its previous peak via a powerful gap-up yesterday. This action bypasses immediate overhead supply boundaries. The RSI remains firmly anchored in strong bullish territory and is occupying the overbought zone. As long as the price remains defended above the new gap-support, we see continued upward expansion toward higher resistance.

Average timeframe: Around two weeks.

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