UOBKayHian

Company – Results | Greater China

Wednesday, 26 August 2026

Innovent Biologics Inc (1801 HK)

1H26: Results Beat; Set New Revenue Target Of Rmb35b-40b By 2030

Highlights

- Innovent's 1H26 results beat estimates with total revenue rising 44.8% yoy to Rmb8.62b and product revenue surging 56.7% yoy to Rmb8.20b, and adjusted net profit surged by 40.5% yoy to Rmb1.70b, nearly matching the entire 2025 total.
- With sustained fast growth ahead, Innovent is on track to hit its Rmb20b 2027 revenue target and has raised its 2030 goal to Rmb35b-40b. It aims to become a global premier pharmaceutical company in the next 5-10 years.
- Maintain BUY, raise target price to HK$132.00.

1H26 Results

Year to 30 Jun (Rmbm)	1H25	1H26	yoy % chg
Revenue	5,953.1	8,617.8	44.8
Sales of pharmaceutical products	5,233.8	8,201.5	56.7
License fee income	665.6	309.9	(53.4)
R&D service fee income	53.7	106.4	98.1
Gross profit	5,119.6	7,321.8	43.0
Selling expense	(2,926.7)	(4,041.7)	38.1%
G&A expense	(442.1)	(493.9)	11.7
R&D expense	(1,008.8)	(1,683.7)	66.9
Operating profit (EBIT)	791.6	1,338.2	69.1
Finance income (cost), net	129.1	315.3	144.2
Profit attributed to shareholders	834.3	1,253.1	50.2
Adjusted Net Profit	1,213.2	1,703.9	40.5
Ratios (%)	1H25	1H26	yoy ppt chg
GP margin	86.0	85.0	(1.0)
Selling expense	49.2%	46.9%	(2.3)
G&A expense	7.4	5.7	(1.7)
R&D expense	16.9	19.5	2.6
EBIT Margin	13.3	15.5	2.2
Net margin	14.0	14.5	0.5
Adj. Net Margin	20.4	19.8	(0.6)

Source: Innovent, UOB Kay Hian

Analysis

- **Strong 1H26 results, with revenue up 44.8% yoy and adjusted net profit up 40.5% yoy**. Innovent Biologics Inc's (Innovent) 1H26 total revenue rose 44.8% yoy to Rmb8.62b and product revenue 56.7% yoy to Rmb8.20b. Net profit rose 50.2% yoy to Rmb1.25b and adjusted net profit surged 40.5% yoy to Rmb1.70b, nearly matching the entire 2025 total.

Key Financials

Year to 31 Dec (Rmbm)	2024	2025	2026F	2027F	2028F
Net turnover	9,422	13,042	18,737	23,133	27,706
EBITDA	(100)	981	2,878	4,390	6,589
Operating profit	(393)	577	2,461	3,894	6,013
Net profit (rep./act.)	(95)	814	2,247	3,674	5,475
Net profit (adj.)	332	1,723	3,013	4,424	6,255
EPS (Fen)	20.4	99.0	173.0	254.1	359.3
PE (x)	421.2	86.7	49.6	33.8	23.9
P/B (x)	10.6	7.4	6.5	5.4	4.4
EV/EBITDA (x)	(1,589.5)	162.1	55.3	36.2	24.1
Dividend yield (%)	-	-	-	-	-
Net margin (%)	3.5	13.2	16.1	19.1	22.6
Net debt/(cash) to equity (%)	4.1	n.a.	n.a.	n.a.	n.a.
Interest cover (x)	n.m.	12.3	38.3	58.5	87.8
ROE (%)	(0.7)	5.0	10.8	15.1	18.6
Consensus net profit	-	-	2,202	3,428	4,843
UOBKH/Consensus (x)	-	-	1.37	1.29	1.29

Source: Innovent, Bloomberg, UOB Kay Hian

Analyst(s)

Carol Dou
carol.dou@uobkh.com
+ 852 22366749

Sunny Chen
sunny.chen@uobkh.com
+ 852 2826 4857

BUY (Maintained)

Share Price	HK$100.10
Target Price	HK$132.00
Upside	31.9%
Previous TP	HK$112.00

Stock Data

Sector	Health Care
Bloomberg ticker	1801 HK
Shares issued (m)	1,744
Market cap (HK$m)	174,543
Market cap (US$m)	22,268
3-mth avg daily t'over (US$m)	162.2

Price Performance (%)

52-week high/low: HK$109.10/HK$69.55

1mth	3mth	6mth	1yr	YTD
11.3	23.7	13.2	0.2	31.3

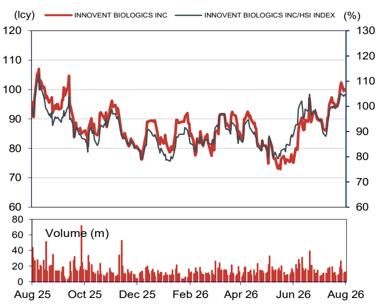
Major Shareholders (%)

Dr. Michael Yu	5.22

Balance Sheet Metrics

FY26 NAV/Share (Rmb)	13.23
FY26 Net Cash/Share (Rmb)	10.38

Price Chart



Source: Bloomberg

Company Description

Innovent Biologics is one of the leading biologics innovators in China.

- **Product sales surged 56.7% yoy to Rmb8.20b.** Product revenue reached Rmb8.20b in 1H26, or 95.2% of total revenue, on the dual-engine strategy – the general biomedicine portfolio. The marketed portfolio expanded to 20 products, 13 of them on the NRDL, with Verzenios and Vanflyta added in oncology; HALPRYZA won two new DLBCL indications, and a Mazdutide pre-filled multi-dose pen was approved. Licensing income fell 53.4% yoy to Rmb309.9m as only part of the Takeda upfront was recognized as revenue.
- **Net earnings exceeded the entire year of 2025 total.** Gross margin edged down 1.0ppt yoy to 85.0% as the product portfolio diversified. The selling expense ratio fell 2.3ppt yoy to 46.9% of total revenue and the G&A ratio fell 1.7ppt yoy to 5.7%, while R&D expenses rose 66.9% yoy to Rmb1.68b, or 19.5% of revenue, on systematic portfolio planning and globalisation. EBIT margin widened 2.2ppt yoy to 15.5%. Net finance income more than doubled to Rmb315.3m on a stronger cash position. Net earnings surged 50.2% yoy to Rmb1.25b, exceeding total net earnings for the whole of 2025.
- **Confident to achieve 2027 product sales target of Rmb20b, and sets new 2030 target of Rmb35b-40b total revenue.** Expecting sustainable sales growth of both oncology and general biomedicines portfolios, the company is confident in achieving its domestic product sales target of Rmb20b in 2027. Innovent now targets Rmb35b-40b of total revenue by 2030, supported by continued launches of new blockbuster products in both the oncology portfolio (eg, IBI363, IBI363, and IBI345) and general biomedicines (in the areas of cardiovascular, metabolism and ophthalmology, etc). In the meantime, the company expects to further improve its operating efficiency and boost earnings growth. It also targets product launches in the US and European markets with at least five assets in global Phase 3 trials by 2030.
- **Business collaborations to generate steady revenue streams.** Innovent's partnerships with Takeda, Lilly, Pfizer, Roche, Ollin and Spero now carry aggregate potential value of about US$34b across more than 20 assets, five of them on a co-development and co-commercialisation model. Management expects the remaining Takeda upfront, the US$350m from Eli Lilly and US$650m upfront recently received from Pfizer, to be booked in future terms, consistent with the progress of the respective collaborations. These projects are on track to deliver steady licensing revenue over the next 5-10 years.
- **Three global assets in or entering global Phase 3 trials: Globalisation on track.** IBI363 (PD-1/IL-2a-biased) is in its first global registrational Phase 3 (MarsLight-11) in IO-resistant squamous NSCLC, while China's pivotal head-to-head against pembrolizumab in IO-naive melanoma should read out with a potential NDA from end-26 to early-27. Arcotatug Tavatecan (IBI343, CLDN18.2 ADC) had its first NDA accepted with priority review by the NMPA in Jun 26 after the G-HOPE-001 Phase 3 met its primary endpoint. IBI324 (VEGF/ANG2) will begin global Phase 3 studies in DME and nAMD in 2H26 after positive head-to-head Phase 1b data versus faricimab. The three assets address a combined market of more than US$60b.

Valuation/Recommendation

- **Maintain BUY and raise target price to HK$132.00,** based on the DCF model with WACC of 10.8% and terminal growth rate of 4%.

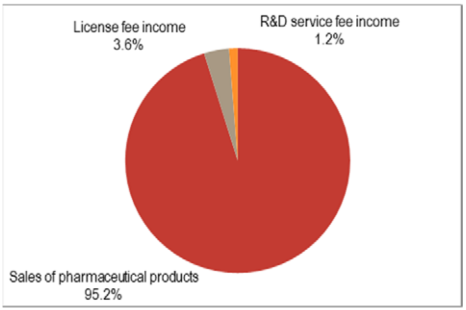
Earnings Revision/Risk

- We raised our 2026-28 revenue growth estimates slightly from 42.8%/23.2%/19.7% yoy to 43.7%/23.5%/19.8% yoy to reflect the company's stronger-than-expected growth momentum and new 2030 revenue target.
- **Risks:** a) Intensifying market competition, b) policy uncertainties, c) risks in R&D and new product launches, and d) risks in business development and global partnerships.

Share Price Catalyst

- a) Robust revenue and earnings growth; b) smooth R&D and continued new product launches; c) further global partnerships and the upfront and milestone income they carry.

Segmental Revenue (1H26)



Source: Innovent, UOB Kay Hian

Potential Near-Term (s)NDA Applications And (s)NDA Approvals

Product (indication)	Region	Expected time of NDA/BLA filing	Expected time of market approval
IBI-362/Mazdutide (T2D (6mg))	Macau		Approved in Jan 26
Jaypirca/Pirtobrutinib (CLL/SLL)	Mainland China		Approved in Feb 26
DOVBLERON/Taletrectinib (ROS1-positive NSCLC)	Macau		Approved in Apr 26
TYVYT + Fruquinitinib (RCC)	Mainland China	Accepted in Jun 25	Approved in May 26
HALPRYZA/Rituximab (1L DLBCL, r/r DLBCL)	Mainland China		Approved in May 26
IBI-362/Mazdutide (T2D, pre-filled multi-dose pen 2ml/24mg)	Mainland China		Approved in May 26
TYVYT (full approval of cHL)	Mainland China	Accepted in Apr 25	
IBI-362/Mazdutide (obesity (9mg))	Mainland China	Accepted in Nov 25	
IBI-343/Arcotatug Tavatecan (3L CLDN18.2-positive G/GEJA)	Mainland China	Accepted in Jun 26	
IBI354 (PROC)	Mainland China	2H26	
IBI302/Efdamrofusp alfa (nAMD)	Mainland China	End-26	
SINTBILO/Tafolecimab (1L hypercholesterolemia)	Mainland China	End-26	
IBI363 (IO-naïve melanoma)	Mainland China	End-26 to early-27	

Note: 1L: first-line treatment; 2L: second-line treatment; mCCA: metastatic cholangiocarcinoma; NSCLC: non-small cell lung cancer; CML: chronic myeloid leukemia; CML-CP: chronic-phase chronic myeloid leukemia; OC: ovarian cancer; ESCC: esophageal squamous cell carcinoma; EGFRm: EGFR mutated; TKI: tyrosine kinase inhibitor; non-FH: non-familial hypercholesterolemia; HeFH: heterozygous familial hypercholesterolemia; MM: multiple myeloma; r/r: recurrent or refractory; FL: follicular lymphoma; T2D: Type 2 diabetes; TED: thyroid eye disease, EMC: endometrial cancer; MSI-H/dMMR: microsatellite instability-high or mismatch repair deficiency; MCL: mantle cell lymphoma; cHL: classic Hodgkin's lymphoma; CLL: chronic lymphocytic leukemia; SLL: small lymphocytic lymphoma; DLBCL: diffuse large B-cell lymphoma; PROC: platinum-resistant ovarian cancer

Source: Innovent, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Net turnover	13,042	18,737	23,133	27,706
EBITDA	981	2,878	4,390	6,589
Deprec. & amort.	405	416	496	576
EBIT	577	2,461	3,894	6,013
Associate contributions	-	-	-	-
Net interest income/(expense)	359	525	525	525
Pre-tax profit	839	2,890	4,322	6,442
Tax	(25)	(643)	(648)	(966)
Minorities	-	-	-	-
Net profit	814	2,247	3,674	5,475
Net profit (adj.)	1,723	3,013	4,424	6,255

Balance Sheet

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Fixed assets	5,061	5,948	6,755	7,482
Other LT assets	10,273	11,647	11,647	11,647
Cash/ST investment	10,376	17,747	20,877	25,628
Other current assets	11,638	7,032	7,490	8,202
Total assets	37,348	42,375	46,770	52,960
ST debt	789	528	528	528
Other current liabilities	7,597	8,128	8,262	8,390
LT debt	1,990	1,763	1,763	1,763
Other LT liabilities	7,615	9,766	9,766	9,766
Shareholders' equity	19,356	22,190	26,450	32,513
Minority interest	-	-	-	-
Total liabilities & equity	37,348	42,375	46,770	52,960

Cash Flow

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Operating	10,001	3,597	3,321	4,942
Pre-tax profit	839	2,890	4,322	6,442
Tax	(1)	(643)	(648)	(966)
Deprec. & amort.	601	416	496	576
Working capital changes	7,945	1,459	(324)	(585)
Non-cash items	-	-	-	-
Other operating cashflows	617	(525)	(525)	(525)
Investing	(6,512)	3,181	(703)	(703)
Capex (growth)	(683)	(1,303)	(1,303)	(1,303)
Proceeds from sale of assets	315	600	600	600
Others	(6,143)	3,884	-	-
Financing	4,728	593	512	512
Dividend payments	-	-	-	-
Issue of shares	4,719	587	587	587
Proceeds from borrowings	2,504	(488)	-	-
Loan repayment	(2,543)	-	-	-
Others/interest paid	48	494	(75)	(75)
Net cash inflow (outflow)	8,218	7,372	3,130	4,751
Beginning cash & cash equivalent	2,273	10,376	17,747	20,877
Changes due to forex impact	(116)	-	-	-
Ending cash & cash equivalent	10,376	17,747	20,877	25,628

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
Gross margin	86.5	86.5	87.0	87.5
Pre-tax margin	6.4	15.4	18.7	23.3
Net margin	6.2	12.0	15.9	19.8
ROA	2.8	5.6	8.2	11.0
ROE	5.0	10.8	15.1	18.6
Growth				
Turnover	38.4	43.7	23.5	19.8
Gross profit	42.6	43.7	24.2	20.5
Pre-tax profit	(1,167.0)	244.4	49.6	49.0
Net profit	(959.7)	176.2	63.5	49.0
Net profit (adj.)	419.6	74.8	46.8	41.4
EPS	385.7	74.8	46.8	41.4
Leverage				
Debt to total capital	12.6	9.4	8.0	6.6
Debt to equity	14.4	10.3	8.7	7.0
Net debt/(cash) to equity	n.a.	n.a.	n.a.	n.a.
Interest cover	12.3	38.3	58.5	87.8