

Innovent Biologics (1801 HK)

IBI3003's clinical data validates leading position in MM TCEs

IBI3003 (BCMA×GPRC5D×CD3 trispecific TCE) has delivered encouraging early clinical data in relapsed/refractory multiple myeloma (R/R MM), supporting its positioning among the leading assets in this class. Backed by multiple near-term catalysts, management's reiterated confidence in achieving its RMB20bn sales target by 2027 and 2030 revenue guidance of RMB35–40bn, we maintain our BUY rating and raise target price to HK\$138.63.

■ **IBI3003 compares favourably with leading MM TCEs despite a higher-risk patient mix.** At IMS 2026, Innovent reported Ph1 data for IBI3003 in 102 R/R MM patients ([link](#)), with median four prior therapy lines; notably, 53.9% had extramedullary disease (EMD), and 37.1% were mSMART high-risk. At the RP2D of 360 µg/kg QW SC (n=26), IBI3003 achieved an ORR of 84.6% (≥CR 42.3% and ≥VGPR 57.7%). Efficacy was compelling in earlier relapse and high-risk subsets, with ORR reaching 94.7% in 2–4L patients and 87.5% in patients with non-bone EMD. These data suggest clear efficacy differentiation for IBI3003, vs bispecific TCEs which have typically shown ORRs of 58–73%. Cross-trial comparison with J&J's trispecific ramantamig is also constructive. While ramantamig demonstrated a similar ORR of 86.1% and deeper responses (≥CR 75% vs 42.3%, [link](#)), Innovent enrolled a substantially more challenging population, especially in terms of EMD burden (53.9% vs 8.3%). Given the shorter median follow-up for IBI3003 (7.6 vs 17.0 months), we believe the current gap in CR rate could narrow with longer follow-up. IBI3003 has a favourable safety profile, with CRS in 52% patients (all grade 1–2), ICANS in 3.9%, and grade≥3 infections in 26.5%. Overall, its safety profile is broadly comparable to that of ramantamig and favourable relative to currently available bispecific TCEs.

■ **IBI3003 holds meaningful global potential in the large MM market.** In China, three TCEs have been approved (JNJ's teclistamab/talquetamab and PFE's elranatamab). None has been included in NRDL, and penetration in triple-class-exposed MM remains limited given high list prices, suggesting substantial market upside as domestic products enter the market, in our view. Innovent has initiated a Ph3 China study of IBI3003 for 2–5L R/R MM. A Ph2 study of IBI3003 plus CD38 mAb in 1L MM is also ongoing. Globally, the commercial opportunity in MM is substantial, with JNJ indicating its own MM franchise to generate over US\$25bn in revenue by 2030. Supported by a first-tier clinical profile, IBI3003 is well positioned to capture meaningful value in the global MM market. Innovent is advancing a Ph1/2 study in the US, which could support broader global development following PoC readout.

■ **Rich pipeline of near-term catalysts.** Innovent/Takeda have expanded the global Ph3 MRCT of IBI363 in IO-resistant NSCLC to include the non-squamous population, in addition to the squamous cohort, broadening the addressable patient pool. We expect clinical updates for IBI363 in first-line NSCLC and first-line gastric cancer at ESMO in October. In addition, results from the China/Japan Ph3 trial of IBI343 (CLDN18.2 ADC) in 3L gastric cancer are expected in the ESMO LBA session. We also anticipate Ph1 PoC data for IBI3001 (EGFR/B7-H3 ADC) at ESMO, which could further validate Innovent's next-generation ADC platform.

■ **Maintain BUY.** We have incorporated IBI3003 into our updated financial model, and raise our DCF-derived target price from HK\$130.25 to HK\$138.63 (WACC: 9.5%, terminal growth: 4.0%).

Earnings Summary

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	9,422	13,042	19,331	24,444	28,123
YoY growth (%)	51.8	38.4	48.2	26.4	15.0
Net profit (RMB mn)	(94.6)	813.6	2,505.3	3,472.6	5,535.7
EPS (Reported) (RMB)	(0.06)	0.47	1.43	1.99	3.17

Source: Company data, CMBIGM estimates

BUY (Maintain)

Target Price	HK\$138.63
(Previous TP)	HK\$130.25)
Up/Downside	58.0%
Current Price	HK\$87.75

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Stock Data

Mkt Cap (HK\$ mn)	153,292.1
Avg 3 mths t/o (HK\$ mn)	1,160.3
52w High/Low (HK\$)	109.80/72.95
Total Issued Shares (mn)	1746.9

Source: FactSet

Shareholding Structure

Temasek Holdings	7.5%
Capital Group	6.6%

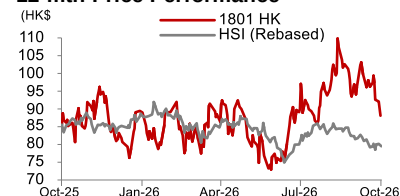
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-7.6%	-5.3%
3-mth	-9.6%	-7.3%
6-mth	-4.0%	3.5%

Source: FactSet

12-mth Price Performance



Source: FactSet

Figure 1: Cross-trial comparison of major medicines for multiple myeloma (R/R MM)

	IBI3003	JNJ-5322	Tecvayli (teclistamab)	Talvey (talquetamab)	Elrexio (elranatamab)	Lynozytic (linvoseltamab)	CARVYKTI
Company	Innovent	JNJ	JNJ	JNJ	PFE	REGN	JNJ/LEGN
Target	GPRC5D/BCMA/CD3 trispecific	GPRC5D/BCMA/CD3 trispecific	BCMA/CD3	GPRC5D/CD3	BCMA/CD3	BCMA/CD3	BCMA CART
Trial ID	NCT06083207	NCT05652335	MajesTEC-1	MonumenTAL-1	MagnetisMM-3	LINKER-MM1	CARTITUDE-1
Trial phase	Ph1	Ph1	Ph1/2	Ph1/2	Ph2	Ph1/2	Ph3
Follow up month	7.6m	17.0m	7.4m	5.9m	11.1m	11.3m	15.9m
Patient number	26 (RP2D, QW or Q2W)	36 (RP2D, Q4W)	110	100	97	80	97
Median no. of prior therapy lines	4	4	5	5	4	5	6
ORR	84.60%	86.10%	61.80%	73%	57.70%	70.00%	97.90%
>=CR	42.30%	75.00%	28.20%	35%	25.80%	45.00%	80.40%
VGPR	15.40%	-	29.10%	22%	25.80%	19.00%	14.40%
CRS (grade 3)	0 gr3 (52% gr1-2)	0 gr3 (53% gr1-2)	0.60%	1.50%	0.50%	0.90%	4%
ICANS	3.9%	0	6%	9%	3.30%	8%	13%
Infection (grade>=3)	28.2% (42.2% all gr)	33.3% (77.8% all gr)	35%	17%	31.00%	38%	24%
Source	Link	Link	Link	Link	Link	Link	Link

Source: CMBIGM estimates.

Notes: baseline characteristics of IBI3003 and JNJ-5322:

IBI3003: EMD 53.9%; high risk cytogenetics 37.1%; prior BCMA/GPRC5D therapy 15.4%; triple-class refractory 100%

JNJ-5322: EMD 8.3%; high risk cytogenetics 26.5%; prior BCMA/GPRC5D therapy 25%; triple-class refractory 52.8%

Figure 2: IBI3003's baseline characteristic and major efficacy data

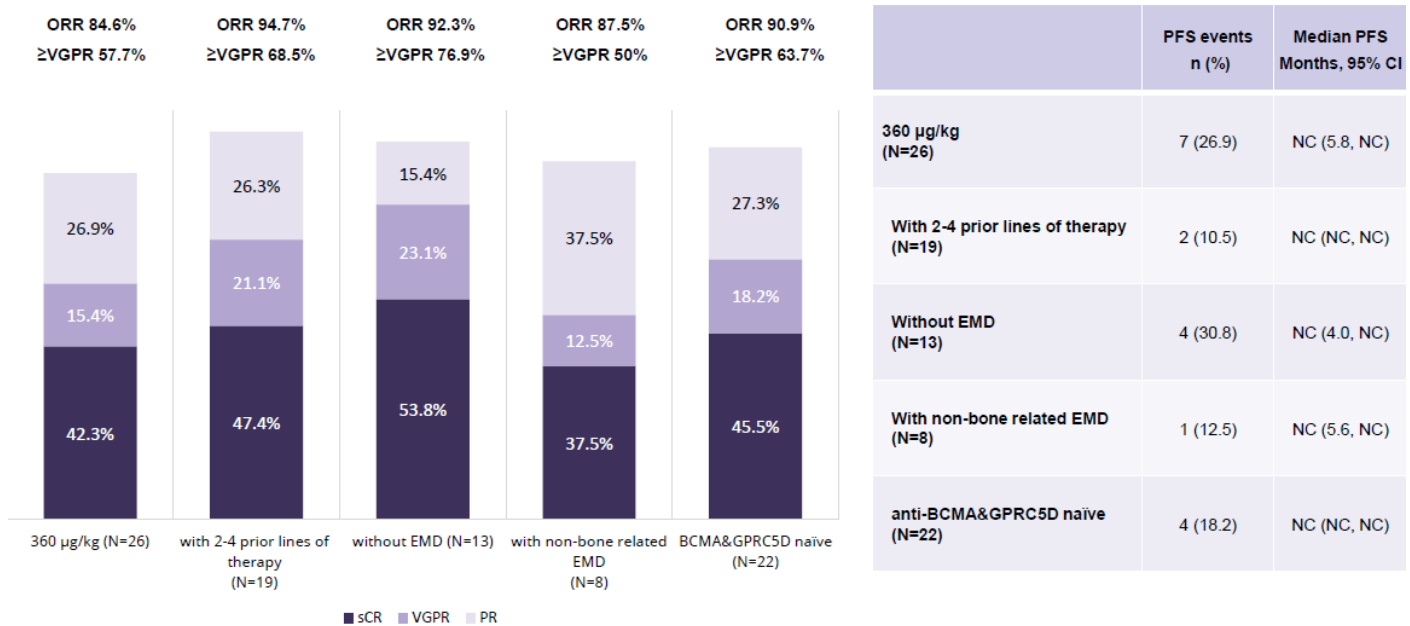
	360 µg/kg (N=26)	≥360 µg/kg (N=55)	Total (N=102)		360 µg/kg (N=26)	≥360 µg/kg (N=54)*
Age (years)				BOR, n (%)		
Median (Min-Max)	59.5 (43-76)	61 (43-76)	62.0 (40-88)	sCR	11 (42.3)	19 (35.2)
Sex, n (%)				CR	0	1 (1.9)
Male	16 (61.5)	32 (58.2)	54 (52.9)	VGPR	4 (15.4)	9 (16.7)
Female	10 (38.5)	23 (41.8)	48 (47.1)	PR	7 (26.9)	13 (24.1)
Race, n (%)				MR	1 (3.8)	1 (1.9)
Asian	26 (100)	55 (100)	98 (96.1)	SD	3 (11.5)	7 (13.0)
ECOG PS score, n (%)				PD	0	4 (7.4)
0	11 (42.3)	18 (32.7)	29 (28.4)	ORR, n (%)	22 (84.6)	42 (77.8)
1	15 (57.7)	37 (67.3)	73 (71.6)	95% CI	(65.1,95.6)	(64.4,88.0)
International staging system (ISS) class, n (%)				≥ CR, n (%)	11 (42.3)	20 (37.0)
Stage I	14 (53.8)	24 (43.6)	46 (45.1)	95% CI	(23.4,63.1)	(24.3,51.3)
Stage II	7 (26.9)	17 (30.9)	32 (31.4)	≥ VGPR, n (%)	15 (57.7)	29 (53.7)
Stage III	5 (19.2)	14 (25.5)	24 (23.5)	95% CI	(36.9,76.6)	(39.6,67.4)
≥1 Extramedullary plasmacytoma (EMD), n (%)	13 (50.0)	28 (50.9)	55 (53.9)			
≥1 non-bone related EMD, n (%)	8 (30.8)	18 (32.7)	26 (25.5)			
≥60% Bone marrow plasma cells, n (%)	1 (3.8)	4 (7.3)	10(9.8)			
Lines of Prior systemic therapy						
Median (Min-Max)	3.5 (2-7)	4.0 (2-12)	4.0 (2-12)			
Prior anticancer systemic therapy, n (%)						
ASCT	8 (30.8)	14 (25.5)	30 (29.4)			
Triple-class	26 (100)	55 (100)	102 (100)			
Penta-class	11 (42.3)	27 (49.1)	57 (55.9)			
BCMA/GPRC5D exposed	4 (15.4)	14 (25.5)	34 (33.3)			
ADC	0	0	1 (1.0)			
CAR-T therapy	2 (7.7)	7 (12.7)	22 (21.6)			
Bispecific antibody	2 (7.7)	4 (7.3)	8 (7.8)			
Trispecific antibody	0	2 (3.6)	4 (3.9)			
Refractory to last line of therapy, n (%)	23 (88.5)	46 (83.6)	90 (88.2)			
Time to follow-up (months)						
Median (Min-Max)	7.57 (1.4-14.3)	7.69 (1.4-14.3)	6.65 (0.8-15.2)			

*One patient without post-baseline tumor assessment was not included.

- IBI3003 demonstrated promising efficacy in a heavily-pretreated, high-risk, and difficult-to-treat R/R MM population

Abbreviations: Triple-class (≥1 CD38 monoclonal antibodies, ≥1 IMiD, and ≥1 PI. 7 Penta-class (≥1 CD38 monoclonal antibodies, ≥2 IMiD, and ≥2 PI).

Subgroup analysis of patients treated with 360 µg/kg (RP2D)



Source: Company data, CMBIGM estimates

Figure 3: Risk-adjusted DCF valuation

DCF Valuation (in RMB mn)	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
EBIT	2,409	3,550	5,697	7,137	10,014	11,504	14,797	17,921	19,832	20,682
Tax rate	21%	20%	15%	15%	15%	15%	15%	15%	15%	15%
EBIT*(1-tax rate)	1,903	2,840	4,842	6,066	8,512	9,778	12,577	15,233	16,857	17,580
+ D&A	456	443	430	419	408	399	390	382	374	367
- Change in working capital	-683	-977	-555	-933	-685	-659	-846	-855	-599	-146
- Capex	-270	-270	-270	-270	-270	-270	-270	-270	-270	-270
FCFF	1,406	2,036	4,448	5,282	7,965	9,248	11,851	14,490	16,362	17,531
Terminal value										332,023
PV of enterprise (RMB mn)	182,170									
Net debt (RMB mn)	-26,107									
Equity value (RMB mn)	208,278									
Equity value (HK\$ mn)	242,183									
No. of outstanding shares (mn)	1,747									
DCF per share (HK\$)	138.63									
Terminal growth rate	4.0%									
WACC	9.5%									
Cost of equity	13.0%									
Cost of debt	3.5%									
Equity beta	1.00									
Risk-free rate	3.0%									
Market risk premium	10.0%									
Target debt to asset ratio	35.0%									
Effective corporate tax rate	15.0%									

Source: CMBIGM estimates

Figure 4: Sensitivity analysis (HK\$)

		WACC				
		8.5%	9.0%	9.5%	10.0%	10.5%
Terminal growth rate	5.0%	206.77	180.16	159.56	143.14	129.77
	4.5%	186.67	165.17	148.05	134.11	122.55
	4.0%	171.04	153.18	138.63	126.58	116.44
	3.5%	158.54	143.37	130.79	120.21	111.20
	3.0%	148.31	135.20	124.16	114.76	106.66

Source: Company data, CMBIGM estimates

Figure 5: CMBIGM estimates: new vs old

RMB mn	NEW			OLD			Diff.		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	19,331	24,444	28,123	18,798	23,541	28,289	3%	4%	-1%
Gross profit	16,414	20,398	23,673	15,970	19,660	23,814	3%	4%	-1%
Net profit	2,505	3,473	5,536	2,403	3,285	5,448	4%	6%	2%
EPS (RMB)	1.43	1.99	3.17	1.38	1.88	3.12	4%	6%	2%
Gross margin	84.91%	83.45%	84.18%	84.96%	83.51%	84.18%	-0.05 ppt	-0.06 ppt	0.00 ppt
Net margin	12.96%	14.21%	19.68%	12.78%	13.95%	19.26%	+0.18 ppt	+0.26 ppt	+0.42 ppt

Source: Company data, CMBIGM estimates

Figure 6: CMBIGM estimates vs consensus

RMB mn	CMBIGM			Consensus			Diff(%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	19,331	24,444	28,123	18,818	23,530	27,580	3%	4%	2%
Gross profit	16,414	20,398	23,673	16,081	20,050	23,562	2%	2%	0%
Net profit	2,505	3,473	5,536	2,341	3,587	4,974	7%	-3%	11%
EPS (RMB)	1.43	1.99	3.17	1.38	2.14	3.02	4%	-7%	5%
Gross margin	84.91%	83.45%	84.18%	85.45%	85.21%	85.43%	-0.55 ppt	-1.76 ppt	-1.25 ppt
Net margin	12.96%	14.21%	19.68%	12.44%	15.24%	18.03%	+0.52 ppt	-1.04 ppt	+1.65 ppt

Source: Company data, Bloomberg, CMBIGM estimates

Risks: 1) Lower-than-expected consistency of forthcoming first-line efficacy and safety readouts for IBI363; and 2) intensifying competition of obesity medicines.

Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Revenue	6,206	9,422	13,042	19,331	24,444	28,123
Cost of goods sold	(1,136)	(1,510)	(1,756)	(2,918)	(4,046)	(4,449)
Gross profit	5,070	7,912	11,286	16,414	20,398	23,673
Operating expenses	(6,214)	(7,990)	(10,447)	(13,242)	(16,058)	(17,161)
Selling expense	(3,101)	(4,347)	(5,713)	(7,338)	(8,991)	(9,789)
Admin expense	(750)	(738)	(927)	(1,149)	(1,439)	(1,602)
R&D expense	(2,228)	(2,681)	(2,624)	(3,700)	(4,255)	(5,085)
Others	(136)	(224)	(1,182)	(1,055)	(1,373)	(685)
Pre-tax profit	(1,144)	(79)	839	3,171	4,341	6,513
Income tax	116	(16)	(25)	(666)	(868)	(977)
Minority interest	0	0	0	0	0	0
Net profit	(1,028)	(95)	814	2,505	3,473	5,536

BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Current assets	13,428	10,273	22,013	25,615	30,266	35,167
Cash & equivalents	10,052	7,508	17,345	20,050	23,450	27,698
Account receivables	1,006	1,184	1,714	2,148	2,716	3,125
Inventories	968	822	1,302	1,764	2,447	2,691
Financial assets at FVTPL	918	376	887	887	887	887
Other current assets	484	383	766	766	766	766
Non-current assets	7,199	11,330	15,335	15,148	14,975	14,815
PP&E	4,290	5,280	5,061	4,895	4,743	4,603
Intangibles	1,270	1,283	1,534	1,534	1,534	1,534
Other non-current assets	1,639	4,768	8,739	8,719	8,698	8,678
Total assets	20,627	21,603	37,348	40,763	45,241	49,982
Current liabilities	4,477	4,369	8,387	8,600	8,874	8,972
Short-term borrowings	1,195	405	789	789	789	789
Account payables	373	358	495	708	982	1,080
Tax payable	0	0	0	0	0	0
Other current liabilities	2,909	3,606	7,103	7,103	7,103	7,103
Non-current liabilities	3,623	4,116	9,605	9,606	9,606	9,607
Long-term borrowings	2,327	2,412	1,990	1,990	1,990	1,990
Obligations under finance leases	73	5	26	27	27	28
Other non-current liabilities	1,223	1,699	7,589	7,589	7,589	7,589
Total liabilities	8,100	8,485	17,992	18,206	18,480	18,579
Share capital	0	0	0	0	0	0
Other reserves	12,527	13,118	19,356	22,557	26,760	31,403
Total shareholders equity	12,528	13,118	19,356	22,557	26,761	31,403
Minority interest	0	0	0	0	0	0
Total equity and liabilities	20,627	21,603	37,348	40,763	45,241	49,982

CASH FLOW	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	(1,261)	(63)	864	3,837	5,209	7,490
Depreciation & amortization	276	293	451	436	422	410
Tax paid	116	(16)	(25)	(666)	(868)	(977)
Change in working capital	403	404	7,945	(683)	(977)	(555)
Others	511	703	911	(711)	(907)	(1,004)
Net cash from operations	148	1,287	10,001	2,213	2,879	5,363
Investing						
Capital expenditure	(1,119)	(966)	(270)	(270)	(270)	(270)
Acquisition of subsidiaries/ investments	(34)	(11)	0	0	0	0
Net proceeds from disposal of short-term investments	(358)	(366)	(6,704)	0	0	0
Others	513	177	462	841	870	895
Net cash from investing	(999)	(1,165)	(6,512)	571	600	625
Financing						
Dividend paid	0	0	0	0	0	(1,661)
Net borrowings	418	(704)	(39)	0	0	0
Proceeds from share issues	2,255	84	4,719	0	0	0
Others	(86)	14	48	(79)	(79)	(79)
Net cash from financing	2,587	(607)	4,728	(79)	(79)	(1,740)
Net change in cash						
Cash at the beginning of the year	9,163	10,052	7,508	17,345	20,050	23,450
Exchange difference	(7)	13	(116)	0	0	0
Cash at the end of the year	10,052	7,508	17,345	20,050	23,450	27,698
GROWTH	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Revenue	36.2%	51.8%	38.4%	48.2%	26.4%	15.0%
Gross profit	39.8%	56.1%	42.6%	45.4%	24.3%	16.1%
Net profit	na	na	na	207.9%	38.6%	59.4%
PROFITABILITY	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Gross profit margin	81.7%	84.0%	86.5%	84.9%	83.4%	84.2%
Return on equity (ROE)	(8.8%)	(0.7%)	5.0%	12.0%	14.1%	19.0%
GEARING/LIQUIDITY/ACTIVITIES	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Net debt to equity (x)	(0.6)	(0.7)	(1.2)	(1.2)	(1.1)	(1.1)
Current ratio (x)	3.0	2.4	2.6	3.0	3.4	3.9
Receivable turnover days	46.5	42.4	40.6	40.6	40.6	40.6
Inventory turnover days	385.0	216.3	220.7	220.7	220.7	220.7
Payable turnover days	112.1	88.2	88.6	88.6	88.6	88.6
VALUATION	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
P/E	ns	ns	160.1	52.2	37.6	23.6
P/B	9.3	9.3	6.5	5.8	4.9	4.2

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

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