19 Aug 2026

CMB International Global Markets | Equity Research | Company Update

Giant Biogene (2367 HK)

1H26 in line; eyes on injectables ramp

Giant Biogene reported 1H26 revenue of RMB2,918mn (-6.3% YoY, +21.3% HoH) and attributable NP of RMB940mn (-20.5% YoY, +28.2% HoH). Results were broadly in line with our expectations, with 1H26 revenue accounting for 48% of our previous 2026E forecast, versus a historical average of 47%. GPM declined 2.2ppts to 79.5%, due to product mix changes and the initial rollout of new products. The selling expense ratio rose 9.4ppts YoY to 43.4%, reflecting higher brand-building investments and new product launch-related spends in 1H26. As a result, attributable net margin fell 5.8ppts YoY to 32.3%. Looking ahead, we expect profitability to improve as new products release operating leverage and higher-margin injectables begin to contribute earnings more meaningfully.

- **Near-term pressure from channel adjustment; 618 indicated improved online momentum.** In 1H26, KOMFYMED's revenue declined by 7.7% YoY, while COLLGENE remained largely flat. This was primarily due to the Company's strategic reduction in influencer livestreaming, which led to a 2.2% YoY decline in online DTC revenue. Distributor sales also fell 13.2% YoY against a weak offline consumption environment. However, Giant Biogene continued to strengthen its self-operated channels, which delivered YoY growth in 1H26. During the 618 shopping festival in 2026, both KOMFYMED and COLLGENE demonstrated an early sign of recovery, with online GMV increasing over 25% and 30% YoY, respectively. We also see encouraging evidence of Giant Biogene's new products. For example, the newly launched Ultra-Translucent Stick (超透棒) generated over RMB30mn in GMV in its first week on self-operated channels. In our view, the broadening product portfolio will support a more diversified growth engine.
- **Injectables build the next leg of growth.** Giant Biogene has now obtained approvals for three Class III medical devices. Its first injectable product, COLLGENE 753 Collagen Injection (753 胶原针), was officially launched in June 2026 with a terminal price of RMB6,800. We expect its second injectable product to be commercialized by year-end. We believe injectables could gradually become a meaningful medium- to long-term growth driver.
- **Maintain BUY.** We expect revenue growth to re-accelerate given an easier base in 2H26E, and slightly raise our 2026E revenue growth forecast to +11.6% YoY. However, we lower our NP forecast by 3.6% to reflect structurally higher online traffic acquisition costs and continued elevated brand investment. Accordingly, we lower our DCF-derived TP slightly to HK$38.42 (WACC: 10.6%, terminal growth: 3.0%; previously HK$38.7), implying 19x 2026E P/E. Maintain BUY. **Risks**: intensifying competition, weak consumption environment, lower-than-expected injectables demand.

Earnings Summary

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	5,539	5,519	6,157	6,910	7,620
YoY growth (%)	57.2	(0.4)	11.6	12.2	10.3
Attributable net profit (RMB mn)	2,062	1,915	1,894	2,136	2,369
YoY growth (%)	42.1	(7.2)	(1.1)	12.8	10.9
P/E (x)	11.5	13.2	13.5	12.0	10.8
Net gearing (%)	(56.5)	(63.4)	(66.1)	(66.9)	(68.0)

Source: Company data, Bloomberg, CMBIGM estimates

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BUY (Maintain)

Target Price	**HK$38.42**
(Previous TP	HK$38.70)
Up/Downside	**36.7%**
Current Price	**HK$28.10**

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Stock Data

Mkt Cap (HK$ mn)	29,833.9
Avg 3 mths t/o (HK$ mn)	138.8
52w High/Low (HK$)	64.40/24.70
Total Issued Shares (mn)	1061.7

Source: FactSet

Shareholding Structure

Juzi Holding Co., Ltd	54.7%

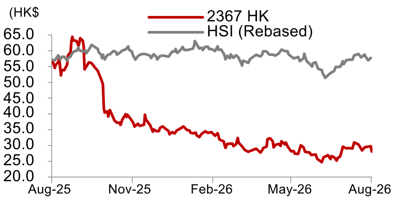
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-3.1%	-6.6%
3-mth	-0.1%	0.7%
6-mth	-17.9%	-14.0%

Source: FactSet

12-mth Price Performance



Source: FactSet

Figure 1: Earnings revision

RMB mn	New FY26E	New FY27E	New FY28E	Old FY26E	Old FY27E	Old FY28E	Diff (%) FY26E	Diff (%) FY27E	Diff (%) FY28E
Revenue	6,157	6,910	7,620	6,073	6,809	7,522	1.4%	1.5%	1.3%
Gross profit	4,907	5,487	6,027	4,828	5,379	5,905	1.6%	2.0%	2.1%
Net profit	1,894	2,136	2,369	1,964	2,201	2,432	-3.6%	-3.0%	-2.6%
EPS (RMB)	1.78	2.01	2.23	1.83	2.06	2.27	-2.7%	-2.1%	-1.8%
Gross margin	79.70%	79.40%	79.10%	79.50%	79.00%	78.50%	+0.20 ppt	+0.40 ppt	+0.60 ppt
Net margin	30.76%	30.91%	31.09%	32.33%	32.32%	32.33%	-1.58 ppt	-1.42 ppt	-1.25 ppt

Source: Company data, CMBIGM estimates

Figure 2: Risk-adjusted DCF valuation

DCF Valuation (in RMB mn)	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
EBIT	2,060	2,326	2,582	2,840	3,096	3,343	3,577	3,792	3,981
Tax rate	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
EBIT*(1-tax rate)	1,751	1,977	2,194	2,414	2,631	2,842	3,041	3,223	3,384
+ D&A	75	85	94	103	113	122	130	138	145
- Change in working capital	213	-39	-38	-41	-45	-49	-52	-55	-58
- Capex	-300	-250	-250	-275	-300	-324	-346	-367	-386
FCFF	**1,739**	**1,774**	**2,001**	**2,201**	**2,399**	**2,591**	**2,772**	**2,939**	**3,086**
Terminal value									**41,798**

Terminal growth rate	**3.0%**
WACC	**10.6%**
Cost of Equity	14.0%
Cost of Debt	5.0%
Equity Beta	1.05
Risk Free Rate	3.0%
Market Risk Premium	10.5%
Target Debt to Asset ratio	35.0%
Effective Corporate Tax Rate	15.0%

Terminal value (RMB mn)	16,874
Total PV (RMB mn)	**29,638**
Net debt (RMB mn)	-7,087
Minority interest (RMB mn)	13
Equity value (RMB mn)	**36,711**
Equity value (HK$ mn)	**40,790**
# of shares (mn)	1,062
Price per share (HK$ per share)	**38.42**

Source: CMBIGM estimates

Figure 3: Sensitivity analysis

		WACC				
		9.6%	**10.1%**	**10.6%**	**11.1%**	**11.6%**
	4.0%	47.62	44.19	41.29	38.80	36.64
	3.5%	45.35	42.34	39.75	37.51	35.55
Terminal growth rate	**3.0%**	43.43	40.75	**38.42**	36.38	34.59
	2.5%	41.78	39.36	37.25	35.39	33.73
	2.0%	40.34	38.15	36.22	34.50	32.96

Source: CMBIGM estimates

Figure 4: CMBIGM estimates vs consensus

RMB mn	CMBIGM FY26E	CMBIGM FY27E	CMBIGM FY28E	Consensus FY26E	Consensus FY27E	Consensus FY28E	Diff (%) FY26E	Diff (%) FY27E	Diff (%) FY28E
Revenue	6,157	6,910	7,620	6,071	6,851	7,719	1.4%	0.9%	-1.3%
Gross profit	4,907	5,487	6,027	4,826	5,440	6,123	1.7%	0.9%	-1.6%
Net profit	1,894	2,136	2,369	1,947	2,155	2,368	-2.7%	-0.9%	0.0%
EPS (RMB)	1.78	2.01	2.23	1.88	2.02	2.21	-5.0%	-0.4%	0.8%
Gross margin	79.70%	79.40%	79.10%	79.50%	79.40%	79.32%	+0.20 ppt	+0.00 ppt	-0.22 ppt
Net margin	30.76%	30.91%	31.09%	32.07%	31.46%	30.68%	-1.31 ppt	-0.55 ppt	+0.41 ppt

Source: Company data, Bloomberg, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Revenue	**3,524**	**5,539**	**5,519**	**6,157**	**6,910**	**7,620**
Cost of goods sold	(577)	(992)	(1,085)	(1,250)	(1,423)	(1,592)
Gross profit	**2,947**	**4,547**	**4,433**	**4,907**	**5,487**	**6,027**
Selling expense	(1,164)	(2,008)	(2,056)	(2,601)	(2,885)	(3,143)
Admin expense	(97)	(151)	(168)	(185)	(204)	(221)
R&D expense	(75)	(106)	(89)	(99)	(110)	(120)
Other income	103	139	190	190	208	227
Other expense	(0)	(3)	(1)	(15)	(15)	(15)
Other gains/(losses)	31	44	32	32	32	32
Interest expense	(0)	(0)	(0)	(0)	(0)	(0)
Others	1	(0)	1	0	0	0
Pre-tax profit	**1,745**	**2,458**	**2,350**	**2,228**	**2,512**	**2,787**
Income tax	(297)	(396)	(436)	(334)	(377)	(418)
After tax profit	**1,448**	**2,062**	**1,915**	**1,894**	**2,136**	**2,369**
Minority interest	(4)	(1)	(0)	(0)	(0)	(0)
Attributable net profit	**1,452**	**2,062**	**1,915**	**1,894**	**2,136**	**2,369**
Adjusted net profit	**1,452**	**2,152**	**1,960**	**1,877**	**2,119**	**2,352**

BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Current assets	**4,135**	**6,402**	**9,019**	**9,679**	**10,455**	**11,331**
Cash & equivalents	2,504	4,030	6,306	7,096	7,792	8,591
Account receivables	102	141	202	169	189	209
Inventories	200	311	391	404	460	515
Financial assets at FVTPL	1,275	1,829	1,984	1,984	1,984	1,984
Other current assets	54	91	135	26	29	33
Non-current assets	**838**	**1,636**	**1,823**	**2,050**	**2,216**	**2,374**
PP&E	663	1,042	1,204	1,439	1,614	1,780
Right-of-use assets	48	51	53	45	38	30
Deferred income tax	1	1	1	1	1	1
Intangibles	7	6	5	4	4	3
Other non-current assets	118	536	561	561	561	561
Total assets	**4,973**	**8,038**	**10,841**	**11,729**	**12,671**	**13,706**
Current liabilities	**531**	**836**	**800**	**883**	**924**	**964**
Account payables	133	287	199	279	318	356
Tax payable	117	117	70	70	70	70
Other current liabilities	243	410	508	508	508	508
Lease liabilities	2	5	6	6	6	6
Contract liabilities	36	17	17	19	21	23
Non-current liabilities	**71**	**82**	**117**	**117**	**117**	**117**
Deferred income	20	19	16	16	16	16
Other non-current liabilities	52	63	100	100	100	100
Total liabilities	**602**	**918**	**917**	**1,000**	**1,041**	**1,081**
Ordinary share capital	0	0	0	0	0	0
Preferred share capital	0	0	0	0	0	0
Treasury shares	(0)	(0)	(166)	(166)	(166)	(166)
Reserves	4,362	7,108	10,078	10,882	11,784	12,778
Minority interest	9	12	13	13	13	13
Total equity	**4,371**	**7,120**	**9,925**	**10,729**	**11,631**	**12,625**
Total equity and liabilities	**4,973**	**8,038**	**10,841**	**11,729**	**12,671**	**13,706**

CASH FLOW	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	**1,745**	**2,458**	**2,350**	**2,228**	**2,512**	**2,787**
Depreciation & amortization	34	49	82	75	85	94
Tax paid	(206)	(385)	(448)	(334)	(377)	(418)
Change in working capital	128	(26)	(38)	213	(39)	(38)
Others	(54)	(55)	(166)	(122)	(140)	(159)
Net cash from operations	**1,647**	**2,041**	**1,781**	**2,060**	**2,042**	**2,266**
Investing						
Capital expenditure	(226)	(247)	(421)	(300)	(250)	(250)
Others	(301)	(859)	102	167	185	204
Net cash from investing	**(527)**	**(1,106)**	**(319)**	**(133)**	**(65)**	**(46)**
Financing						
Dividend paid	0	(908)	(1,279)	(1,136)	(1,281)	(1,421)
Proceeds from share issues	0	1,499	2,164	0	0	0
Others	52	(7)	202	0	0	0
Net cash from financing	**52**	**583**	**1,087**	**(1,136)**	**(1,281)**	**(1,421)**
Net change in cash						
Cash at the beginning of the year	1,331	2,504	4,030	6,306	7,096	7,792
Exchange difference	1	8	(104)	0	0	0
Cash at the end of the year	**2,504**	**4,030**	**6,475**	**7,096**	**7,792**	**8,591**
GROWTH	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
YE 31 Dec						
Revenue	49.0%	57.2%	(0.4%)	11.6%	12.2%	10.3%
Gross profit	47.7%	54.3%	(2.5%)	10.7%	11.8%	9.8%
Net profit	44.9%	42.1%	(7.2%)	(1.1%)	12.8%	10.9%
Adj. net profit	37.4%	48.2%	(8.9%)	(4.2%)	12.9%	11.0%
PROFITABILITY	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
YE 31 Dec						
Gross profit margin	83.6%	82.1%	80.3%	79.7%	79.4%	79.1%
Adj. net profit margin	41.2%	38.8%	35.5%	30.5%	30.7%	30.9%
Return on equity (ROE)	40.3%	35.9%	22.5%	18.3%	19.1%	19.5%
GEARING/LIQUIDITY/ACTIVITIES	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
YE 31 Dec						
Net debt to equity (x)	(0.6)	(0.6)	(0.6)	(0.7)	(0.7)	(0.7)
Current ratio (x)	7.8	7.7	11.3	11.0	11.3	11.8
VALUATION	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
YE 31 Dec						
P/E	16.2	11.5	13.2	13.5	12.0	10.8
P/E (diluted)	16.4	11.7	13.4	13.5	12.0	10.8
P/B	5.4	3.3	2.5	2.4	2.2	2.0
Div yield (%)	3.7	5.3	5.1	4.4	5.0	5.5

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