Innovent Biologics (1801 HK)

Initial validation of overseas expansion capabilities

BUY (Maintain)

- **Out-licensed global rights of DLL3 ADC to Roche.** Innovent has out-licensed the global rights of IBI3009, a novel DLL3 ADC, to Roche through a blockbuster deal. The drug candidate obtained IND approval for a global Ph1 study in Dec 2024. Innovent and Roche will jointly focus on the early-stage development of the asset before Roche assumes full responsibility for its subsequent development. Innovent will receive an upfront payment of US$80mn, with potential milestone payments up to US$1.0bn, and tiered royalties on net sales reaching up to the mid-teens percentage. Besides the DLL3 ADC, Innovent also has IBI115 (DLL3/CD3 bsAb) at clinical development stage.
- **DLL3 ADC represents a promising therapy for pre-treated ES-SCLC.** DLL3 is a neuroendocrine-specific antigen highly expressed in SCLC (85%) and neuroendocrine tumors (NETs, 20-40%). Various strategies targeting DLL3 are being explored, including ADCs, bsAbs, tri-specific mAbs, CART, and antibody radionuclide conjugates. The early DLL3 ADC candidates faced challenges. AbbVie's Rova-T (DLL3 ADC) failed in Ph3 trial for 2L SCLC with ORR of 15% vs 21% and mOS of 6.3 vs 8.6 months compared to chemo topotecan (link), and its Ph3 trials in 1L maintenance and 3L SCLC also failed. AbbVie's another DLL3 ADC SC-002 delivered a modest ORR of 14% in SCLC with serious safety concerns (link). Nevertheless, recently, Zai Lab's next-gen DLL3 ADC, YL212, delivered a promising ORR of 74% in SCLC and favourable safety profile (grade≥3 TEAEs of 40%, link). Hengrui's SHR-4849 (DLL3 ADC) also demonstrated an ORR of 73% (link) in pre-treated SCLC. Amgen/BeiGene's tarlatamab, a DLL3/CD3 bispecific T-cell engager, was approved by the FDA for pre-treated ES-SCLC, which delivered an ORR of 40%, while it comes with 58% grade>=3 TEAEs and 51% CRS (link). Moreover, multiple B7-H3 ADCs are being assessed for pre-treated SCLC, including HS-20093, I-DXd, YL201, DB-1311, which have showed ORRs ranging from 55% to 68% (see Figure 3).
- **DLL3-targeted therapy has become increasingly dynamic with several significant transactions**. Recently, Hengrui out-licensed its DLL3 ADC to IDEAYA with a deal size similar to that between Innovent and Roche. In Jan 2024, MSD acquired Harpoon for US$680mn, securing its lead candidate, HPN328, a DLL3/CD3/albumin trispecific antibody. This was followed by a global development and commercialization agreement with Daiichi Sankyo for HPN328 in Aug 2024. Additionally, in late 2023, Novartis in-licensed LB2102 (DLL3 CART) from Legend Biotech, in a transaction valued at US$1.1bn.
- **Rich innovative drug pipeline with global potentials.** Besides DLL3 ADC, Innovent has multiple ADC assets in clinical stage with global rights, targeting CLDN.18.2, B7H3, TROP2, HER3, HER2, EGFR/B7H3, etc. Notably, Innovent's next-gen IO asset IBI363 (PD-1/IL-2) has demonstrated encouraging results in IO-resistant sq-NSCLC, MSS CRC, IO-naïve melanoma, etc. Another notable candidate, IBI343 (CLDN18.2 ADC), has demonstrated encouraging outcomes in PDAC, and has received a fast track designation from FDA. We see significant potential for out-licensing IBI363, IBI343, and other innovative drug candidates.
- **Maintain BUY.** We are positive on the global potential of Innovent's rich innovative drug pipelines. Factoring in the deal with Roche, we raise our DCF-based TP from HK$55.21 to HK$57.67 (WACC: 9.5%, terminal growth rate: 3.5%).

Earnings Summary

(YE 31 Dec)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenue (RMB mn)	4,556	6,206	8,219	10,840	13,961
YoY growth (%)	6.7	36.2	32.4	31.9	28.8
Net profit (RMB mn)	(2,179)	(1,028)	(731)	281	1,299
EPS (Reported) (RMB)	(1.43)	(0.66)	(0.45)	0.17	0.79
R&D expenses (RMB mn)	(2,871)	(2,228)	(2,795)	(3,035)	(3,071)
CAPEX (RMB mn)	(897)	(1,119)	(400)	(300)	(300)

Source: Company data, Bloomberg, CMBIGM estimates

Target Price	**HK$57.67**
(Previous TP	HK$55.21)
Up/Downside	**62.4%**
Current Price	**HK$35.50**

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Stock Data

Mkt Cap (HK$ mn)	58,065.0
Avg 3 mths t/o (HK$ mn)	512.0
52w High/Low (HK$)	51.15/30.10
Total Issued Shares (mn)	1635.6

Source: FactSet

Shareholding Structure

Temasek Holdings	7.9%
Capital Group	7.0%

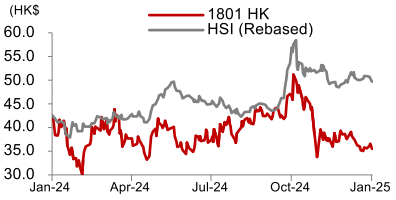
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-8.2%	-8.5%
3-mth	-23.8%	-12.9%
6-mth	-5.1%	-14.0%

Source: FactSet

12-mth Price Performance



Source: FactSet

Figure 1: Development stage of global DLL3-targeted therapies

Drug Name	Target	Action	Research Institute	Disease	Global Highest Phase	US Highest Phase	CN Highest Phase
tarlatamab	CD3;DLL3	CD3/DLL3 bsAb	Amgen;BeOne Medicines	SCLC; NEPC	Approved	Approved	Phase III
rovalpituzumab tesirine/ *(terminated)*	DLL3	**DLL3 ADC**	AbbVie	SCLC; cancer; melanoma; medullary thyroid cancer (MTC); NEPC; glioblastoma multiforme (GBM); LCNEC; solid tumor; NET	Phase III	Phase III	Phase III
BI 764532	CD3;DLL3	DLL3/CD3 bsAb	BI;Oxford BioTherap;Sino Biopharma	NET; LCNEC; SCLC; lung neuroendocrine neoplasm (Lung-NEN); glioma	Phase II	Phase II	Phase II
HPN823	CD3;DLL3;albumin	DLL3/CD3/albumin trispecific antibody	MSD;Daiichi Sankyo	SCLC; NEPC; NET	Phase I/II	Phase I/II	IND
PT217	CD47;DLL3	DLL3/CD47 bsAb	Phanes Therapeutics	NEPC; SCLC; LCNEC; gastroenteropancreatic neuroendocrine neoplasm (GEP-NEN); NET; solid tumor; prostate cancer	Phase I/II	Phase I/II	Phase I
ZG006	CD3;DLL3	CD3/DLL3 trispecific antibody	Gensun Biopharma	SCLC; NET; solid tumor	Phase I/II	IND	Phase I/II
89Zr-DFO-SC16.56	DLL3	DLL3 antibody radionuclide conjugates;89Zr-labeled PET agent	Memorial Sloan Kettering Cancer Center (MSKCC)	SCLC; positron emission tomography imaging	Phase I/II	Phase I	-
SC-002 *(terminated)*	DLL3	**DLL3 ADC**	Stemcentrx (AbbVie)	LCNEC; SCLC	Phase I	Phase I	-
AMG 119	DLL3	CAR T cell therapy	Amgen	SCLC	Phase I	Phase I	-
QLS31904	CD3;DLL3	CD3/DLL3 bsAb	Qilu Pharmaceutical	solid tumor	Phase I	-	Phase I
DLL3-CAR-NK cells	DLL3	CAR NK cell therapy	TMUCIH	SCLC	Phase I	-	Phase I
RO7616789	4-1BB;CD3;DLL3	DLL3/4-1BB/CD3 trispecific antibody	Roche	NET; SCLC	Phase I	Phase I	-
LB2102	DLL3	CAR T cell therapy	Legend;Novartis	lung neuroendocrine neoplasm (Lung-NEN); SCLC; LCNEC	Phase I	Phase I	-
[89Zr]Zr-BI 764532	CD3;DLL3	CD3/DLL3 antibody radionuclide conjugates;89Zr-labeled PET agent	Boehringer Ingelheim	SCLC; NET; positron emission tomography imaging	Phase I	-	-
YL212	DLL3	**DLL3 ADC**	ZAI Lab;MediLink	SCLC; NET	Phase I	Phase I	Phase I
BHP01	4-1BB;PDL1;DLL3	CAR T cell therapy	Brilliant Pharmaceutical	SCLC	Phase I	-	-
FZ-AD005	DLL3	**DLL3 ADC**	Fudan-Zhangjiang	solid tumor; SCLC; LCNEC	Phase I	-	Phase I
SHR-4849	DLL3	**DLL3 ADC**	IDEAYA;Hengrui	solid tumor	Phase I	-	Phase I
IBI3009	DLL3	**DLL3 ADC**	Innovent;Roche	NET; SCLC	Phase I	-	Phase I
ABD-147	DLL3	DLL3 antibody radionuclide conjugates	Abdera Therapeutics	LCNEC; SCLC; NET	Phase I	Phase I	-
IBI115	CD3;DLL3	DLL3/CD3 bsAb	Innovent	cancer	Phase I	-	IND

Source: Company data, CMBIGM. Notes: neuroendocrine tumor (NET), large-cell neuroendocrine lung carcinoma (LCNEC), neuroendocrine prostate cancer (NEPC).

Figure 2: Clinical data summary of DLL3 therapies in pre-treated ES-SCLC

Drug	ZL-1310	SHR-4849	Rova-T *(Terminated)*	Tarlatamab
MoA	DLL3 ADC	DLL3 ADC	DLL3 ADC	DLL3/CD3 bsAb
Company	Zai Lab, MediLink	Hengrui, IDEAYA	AbbVie	Amgen, BeiGene
Trial ID	NCT06179069, Ph1	NCT06443489, Ph1	TAHOE, Ph3	DeLLphi-301, Ph2
Baseline	≥1 prior PBC regimen and ≤3 prior regimens; prior DLL3-targeted therapy allowed	-	2L treatment	median 2.0 lines of prior treatment; 33% with at least 3 prior regimens
Regimen	ZL-1310 mono	SHR-4849 mono	Rova-T vs topotecan	Tarlatamab mono
Follow up	2.4 months	cut off in Dec 2024	8.3 months	10.6 months
Patient No.	19	11	296 vs 148	99 (10mg, FDA label dose)
ORR	**74%**	**73%**	**15%** vs 21%	**40%** (10mg)
PFS	-	-	-	4.9 months (10mg)
OS	-	-	6.3 vs 8.6 months, failed	-
TEAE (Gr>=3)	40% (10/25)	-	-	58% (57/99)
Discontinuations	No TEAE led to discontinuation	No drug-related discontinuations	60% vs 86%	7%
CRS	-	-	-	51% (10mg)
Update	Dose expansion of mono in 2L+ SCLC ongoing; advancing into 1L SCLC combo chemo + atezolizumab	To file a US IND in 1H25	Terminated	Approved in the US
Source	Link	Link	Link	Link

Source: PharmCube data, CMBIGM.

Figure 3: Clinical data summary of B7-H3 ADCs in pre-treated ES-SCLC

	HS-20093	I-DXd	YL201	DB-1311
Company	Hansoh/ GSK	Daiichi Sankyo/ MSD	MediLink	Duality Biologics
Trial ID	NCT05276609, Ph1	NCT04145622, Ph1/2	NCT05434234,NCT06057922, Ph1	NCT05914116, Ph1/2
Dose	8 or 10mg/kg, Q3W	6.4-16.0mg/kg, Q3W	0.8-3.0 mg/kg	
Patient No.	53 (31 vs 22 in 8 or 10mg/kg)	21	SCLC, n=72	SCLC, 76 pts, 20% white and black pts, 79% Asian
Baseline	Median 2 lines of prior therapy, 73.2% received prior immunotherapy	Median 2 lines of prior therapy, the majority were treated with platinum-based chemotherapy and immunotherapy	All pre-treated with chemo, 95% pre-treated with anti-PD-(L)1	Median 2.0 lines of prior treatment; prior IO 68.4%, prior IO+VEGF 9.2%, prior Top1i 11.8%
ORR	**61.3%** (8mg), 50.0% (10mg)	**54.8%** (12mg)	**68.1%** for SCLC	54.5% (6mg, n=33) **58.8%** (9mg, n=34)
mDoR	4.3 months (8mg)	5.9 months		
mPFS	5.9 months (8mg), 7.3 months (10mg)	5.5 months (12mg)	6.2 months	3-month PFS rate 67.4% (6mg), 79.3% (9mg)
mOS	9.8 months (8mg), NA (10mg)	11.8 months (12mg)		
TEAE (Gr>=3)	--	36.4%		
ILD	no ILD	one Gr2 treatment-related ILD or pneumonitis	3 (1.0%) ILD was reported	
Others		Treatment discontinuations due to adverse events occurred in 16.7% and 6.5% in the 12 mg/kg and 8 mg/kg cohorts	≥G3 TRAE 51%, SAE 28%. 3 cases of ILD (1.0%)	
Gr>=3 TRAE				
anaemia	16.1%		22%	6.3% (9mg/kg)
neutropenia/ neutrophil count decreased	39.3%		30%	29.1% (9mg/kg)
leukopenia/ white blood cell count decreased	33.9%		29%	16.5% (9mg/kg)
Latest development	Ph2 in SCLC ongoing, Ph3 trials in SCLC registered (8mg/kg, Q3W)	Ph3 in SCLC ongoing (12mg/kg, Q3W)		
Source	Link	Link; Link	Link; Link	

Source: PubMed, CMBIGM

Figure 4: Global transactions related to DLL3-targeted therapies in recent years

Date	Transferor	Transferee	Item	Total Payment US$mn	Upfront Payment US$mn
2025-01-02	Innovent Biologics	Roche	IBI3009 (DLL3 ADC)	1,080	80
2024-12-29	Hengrui	IDEAYA Biosciences	SHR-4849 (DLL3 ADC)	1,045	75
2024-08-06	Merck & Co.	Daiichi Sankyo	HPN823 (DLL3/CD3/albumin trispecific antibody)	-	170
2024-07-26	Escugen	Innolake Biopharm	ILB-3103 (DLL3/B7-H3 bsAb); EZWi-Fit® platform	-	-
2024-05-02	Mariana Oncology	Novartis	MC-339 (DLL3-targeting radiotherapeutic agent) and others	1,750 (acquisition)	1,000
2024-04-08	Boehringer Ingelheim	Sino Biopharmaceutical	BI 764532 (DLL3/CD3 bsAb) and other assets	-	-
2024-01-05	Orano Med	Molecular Partners	Radio-DARPin Therapies against multiple targets; MP0712(PreClinical)	-	-
2023-11-13	Legend Biotech	Novartis	LB2102 (DLL3 CART)	1,110	100
2023-06-27	Memorial Sloan Kettering Cancer Center (MSKCC)	CoImmune	Target DLL3 with IL-18 Armored CAR Technology	-	-
2023-04-27	MediLink Therapeutics	ZAI Lab	YL212 (DLL3 ADC)	-	-
2020-12-15	Allogene Therapeutics	Overland Pharmaceuticals	ALLO-213 (DLL3 CART), ILB-3103 (DLL3/B7-H3 bsAb ADC), and others	-	-
2020-10-14	Oxford BioTherapeutics	Boehringer Ingelheim	BI 764532 (DLL3/CD3 bsAb) and other assets	-	-

Source: PharmCube, CMBIGM.

Figure 5: Risk-adjusted DCF valuation

DCF Valuation (in RMB mn)	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
EBIT	-970	213	1,383	3,383	5,634	7,354	8,170	8,790	8,835	8,822	8,605	8,372
Tax rate	0%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
EBIT*(1-tax rate)	-970	181	1,176	2,876	4,789	6,251	6,944	7,472	7,510	7,498	7,314	7,116
+ D&A	318	319	320	321	321	322	323	324	324	325	326	326
- Change in working capital	-52	237	-434	-567	-588	-362	-234	-126	48	70	139	158
- Capex	-400	-300	-300	-300	-300	-300	-300	-300	-300	-300	-300	-300
FCFF	**-1,104**	**437**	**762**	**2,330**	**4,222**	**5,911**	**6,734**	**7,369**	**7,582**	**7,593**	**7,479**	**7,300**
Terminal value												**126,113**
FCF + Terminal value	**-1,104**	**437**	**762**	**2,330**	**4,222**	**5,911**	**6,734**	**7,369**	**7,582**	**7,593**	**7,479**	**133,414**

PV of enterprise (RMB mn)	76,574
Net debt (RMB mn)	-8,316
Equity value (RMB mn)	84,890
Equity value (HK$ mn)	94,322
No. of outstanding shares (mn)	1,636
DCF per share (HK$)	**57.67**
Terminal growth rate	**3.5%**
WACC	**9.5%**
Cost of equity	13.0%
Cost of debt	3.5%
Equity beta	1.00
Risk-free rate	2.5%
Market risk premium	10.5%
Target debt to asset ratio	35.0%
Effective corporate tax rate	15.0%

Source: CMBIGM estimates

Figure 6: Sensitivity analysis (HK$)

		WACC				
		8.5%	9.0%	9.5%	10.0%	10.5%
Terminal growth rate	4.5%	80.39	71.48	64.36	58.54	53.70
	4.0%	74.26	66.81	60.71	55.64	51.35
	3.5%	69.37	62.98	**57.67**	53.18	49.33
	3.0%	65.36	59.80	55.09	51.07	47.59
	2.5%	62.03	57.10	52.89	49.24	46.06

Source: Company data, CMBIGM estimates

Figure 7: CMBIGM estimates: new vs old

	NEW			OLD			Diff (%)		
RMB mn	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	8,219	10,840	13,961	8,219	9,911	14,631	0%	9%	-5%
Gross profit	6,822	9,051	11,518	6,822	8,226	12,217	0%	10%	-6%
Operating profit	155	1,338	2,730	155	956	3,313	N/A	N/A	-18%
Net profit	(731)	281	1,299	(731)	(62)	1,733	N/A	N/A	-25%
EPS (RMB)	(0.45)	0.17	0.79	(0.45)	(0.04)	1.06	N/A	N/A	-25%
Gross margin	83.00%	83.50%	82.50%	83.00%	83.00%	83.50%	0.00 ppt	+0.50 ppt	-1.00 ppt

Source: Company data, CMBIGM estimates

Figure 8: CMBIGM estimates vs consensus

	CMBIGM			Consensus			Diff (%)		
RMB mn	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	8,219	10,840	13,961	8,123	10,605	13,632	1%	2%	2%
Gross profit	6,822	9,051	11,518	6,722	8,801	11,395	1%	3%	1%
Operating profit	155	1,338	2,730	(1,028)	(103)	1,446	N/A	N/A	89%
Net profit	(731)	281	1,299	(707)	193	1,488	N/A	N/A	-13%
EPS (RMB)	(0.45)	0.17	0.79	(0.44)	0.10	0.93	N/A	N/A	-14%
Gross margin	83.00%	83.50%	82.50%	82.76%	82.99%	83.59%	+0.24 ppt	+0.51 ppt	-1.09 ppt

Source: Company data, Bloomberg, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
Revenue	**4,270**	**4,556**	**6,206**	**8,219**	**10,840**	**13,961**
Cost of goods sold	(505)	(931)	(1,136)	(1,397)	(1,789)	(2,443)
Gross profit	**3,764**	**3,625**	**5,070**	**6,822**	**9,051**	**11,518**
Operating expenses	**(6,406)**	**(5,796)**	**(6,214)**	**(7,553)**	**(8,720)**	**(9,989)**
Selling expense	(2,620)	(2,591)	(3,101)	(3,863)	(4,119)	(4,886)
Admin expense	(806)	(835)	(750)	(658)	(867)	(1,117)
R&D expense	(2,323)	(2,871)	(2,228)	(2,795)	(3,035)	(3,071)
Others	(657)	502	(136)	(237)	(699)	(914)
Pre-tax profit	**(2,642)**	**(2,170)**	**(1,144)**	**(731)**	**331**	**1,529**
Income tax	(87)	(9)	116	0	(50)	(229)
Minority interest	0	0	0	0	0	0
Net profit	**(2,729)**	**(2,179)**	**(1,028)**	**(731)**	**281**	**1,299**

BALANCE SHEET	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
Current assets	**11,551**	**11,507**	**13,428**	**13,309**	**14,398**	**16,619**
Cash & equivalents	8,377	9,163	10,052	9,824	11,030	12,617
Account receivables	968	575	1,006	934	1,084	1,396
Inventories	1,347	1,429	968	1,148	882	1,205
Financial assets at FVTPL	645	3	918	918	918	918
Other current assets	213	337	484	484	484	484
Non-current assets	**4,693**	**6,082**	**7,199**	**7,282**	**7,263**	**7,243**
PP&E	2,693	3,411	4,290	4,407	4,423	4,437
Intangibles	772	1,198	1,270	1,270	1,270	1,270
Other non-current assets	1,228	1,472	1,639	1,605	1,570	1,536
Total assets	**16,244**	**17,589**	**20,627**	**20,590**	**21,660**	**23,863**
Current liabilities	**3,050**	**3,499**	**4,477**	**4,534**	**4,654**	**4,855**
Short-term borrowings	365	888	1,195	1,195	1,195	1,195
Account payables	195	326	373	429	549	751
Tax payable	61	3	0	0	0	0
Other current liabilities	2,429	2,282	2,909	2,909	2,909	2,909
Non-current liabilities	**2,863**	**3,360**	**3,623**	**3,628**	**3,634**	**3,639**
Long-term borrowings	2,023	2,215	2,327	2,327	2,327	2,327
Obligations under finance leases	86	99	73	79	84	89
Other non-current liabilities	754	1,046	1,223	1,223	1,223	1,223
Total liabilities	**5,913**	**6,859**	**8,100**	**8,162**	**8,287**	**8,494**
Share capital	0	0	0	0	0	0
Other reserves	10,330	10,730	12,527	12,428	13,373	15,369
Total shareholders equity	**10,330**	**10,730**	**12,528**	**12,429**	**13,373**	**15,369**
Minority interest	0	0	0	0	0	0
Total equity and liabilities	**16,244**	**17,589**	**20,627**	**20,590**	**21,660**	**23,863**

CASH FLOW	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	**(2,555)**	**(2,162)**	**(1,261)**	**(731)**	**381**	**1,758**
Depreciation & amortization	165	245	276	283	284	285
Tax paid	(87)	(9)	116	0	(50)	(229)
Change in working capital	(90)	295	403	(52)	237	(434)
Others	542	(327)	511	432	536	361
Net cash from operations	**(2,025)**	**(1,958)**	**46**	**(67)**	**1,388**	**1,741**
Investing						
Capital expenditure	(1,066)	(897)	(1,119)	(400)	(300)	(300)
Acquisition of subsidiaries/ investments	(38)	(79)	0	0	0	0
Net proceeds from disposal of short-term investments	(2,000)	(583)	(358)	0	0	0
Others	1,964	768	478	348	209	236
Net cash from investing	**(1,139)**	**(790)**	**(999)**	**(52)**	**(91)**	**(64)**
Financing						
Dividend paid	0	0	0	0	0	0
Net borrowings	1,208	715	418	0	0	0
Proceeds from share issues	3,951	2,131	2,255	0	0	0
Others	(155)	46	(86)	(109)	(91)	(91)
Net cash from financing	**5,003**	**2,892**	**2,587**	**(109)**	**(91)**	**(91)**
Net change in cash						
Cash at the beginning of the year	1,276	1,359	1,016	10,052	9,824	11,030
Exchange difference	(197)	119	(7)	0	0	0
Cash at the end of the year	**8,377**	**9,163**	**10,052**	**9,824**	**11,030**	**12,617**

GROWTH	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
Revenue	11.1%	6.7%	36.2%	32.4%	31.9%	28.8%
Gross profit	8.9%	(3.7%)	39.8%	34.6%	32.7%	27.2%
Net profit	na	na	na	na	na	361.9%

PROFITABILITY	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
Gross profit margin	88.2%	79.6%	81.7%	83.0%	83.5%	82.5%
Return on equity (ROE)	(28.6%)	(20.7%)	(8.8%)	(5.9%)	2.2%	9.0%

GEARING/LIQUIDITY/ACTIVITIES	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
Net debt to equity (x)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
Current ratio (x)	3.8	3.3	3.0	2.9	3.1	3.4
Receivable turnover days	61.7	61.8	46.5	41.5	36.5	36.5
Inventory turnover days	741.4	544.2	385.0	300.0	180.0	180.0
Payable turnover days	114.0	102.1	112.1	112.1	112.1	112.1

VALUATION	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
P/E	ns	ns	ns	ns	194.0	42.0
P/B	4.7	4.7	4.2	4.4	4.1	3.6

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

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