中信建投证券 CHINA SECURITIES

Securities Research Report · H-share Quick Take | Healthcare

Commercialization meets expectations, RC148 successfully goes overseas

REMEGEN (9995.HK)

Key takeaway

The company's commercialization performance in 2025 meets expectations. In 2025, the company's total revenue was RMB3.251bn, up 89.36% YoY, showing excellent performance. Meanwhile, the revenue of the company's commercialized products was RMB2.271bn, up 33.67% YoY, reflecting the excellent competitiveness of the company's commercialized products. On this basis, the company's RC148 previously reached a deep cooperation with AbbVie to go overseas. This further demonstrates the R&D strength and strong competitiveness of the company's early pipeline. RC148 also showed excellent data in earlier clinical studies, making its future promising. Overall, we believe the company has excellent commercialization and R&D capabilities, and we are optimistic about its future development.

Event

On March 27, 2026, REMEGEN (9995.HK) released its 2025 annual report.

Thesis

Operating revenue performance in 2025 meets expectations, and RC148 going overseas has a promising future

Operating performance in 2025 meets expectations, with excellent commercialization results. The company's total revenue in 2025 was RMB3.251bn, up 89.36% YoY. This excellent performance meets market expectations. Among them, the revenue of commercialized products in 2025 was RMB2.271bn, up 33.67% YoY, showing excellent performance. The company's excellent commercialization is mainly due to the excellent volume growth of core pipelines telitacicept and disitamab vedotin. Telitacicept continues to increase its penetration rate in indications such as lupus erythematosus to benefit more patients. Its future sales are worth expecting. In 2025, the company's net profit was RMB710mn, achieving a significant turnaround from the net loss of RMB1.47bn in 2024, showing excellent performance. The net loss excluding BD revenue in 2025 was about RMB770mn, which also achieved a significant loss reduction compared to RMB1.47bn in 2024. Meanwhile, we expect the company to achieve breakeven or slight profitability

Maintain **Buy**

YUAN Qinghui
yuanqinghui@csc.com.cn
010-56135338
SAC Reg. No.: S1440520030001
SFC CE Ref.: BPW879
SHEN Yi
shenyibj@csc.com.cn
010-56135343
SAC Reg. No.: S1440525080005
CHENG Yujia
chengyujia@csc.com.cn
SAC Reg. No.: S1440525120003
SFC CE Ref.: BIQ365
ZHAO Xu
zhaoxu1@csc.com.cn
010-56135339
SAC CE Ref.: S1440525070003
HE Juying
hejuying@csc.com.cn
010-56135323
SAC Reg. No.: S1440517050001
SFC CE Ref.: ASZ591

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Key Data

Absolute/Relative Share Performance (%)		
1 month	3 months	12 months
18.59/14.37	-0.59/-1.80	690.46/650.89
12-month high/low price (HKD)		125.00/12.08
Total share capital (10,000 shares)		56,371.02
Floating H shares (10,000 shares)		20,858.12
Total market cap (HKD'00mn)		549.55
Floating market cap (HKD'00mn)		193.56
3-month average daily trading volume (10,000 shares)		510.31
Major shareholders		
Yantai Rongda venture capital center (limited partnership)		18.17%

in 2026 excluding BD revenue.

Previously, the company reached a partnership with AbbVie for RC148 with an upfront payment of USD650mn and milestone payments of USD4.95bn, successfully bringing the product to the global market. Specifically regarding the transaction terms: according to the agreement, AbbVie will obtain the exclusive rights for the development, production and commercialization of RC148 outside Greater China (hereinafter referred to as the "collaboration territory"). After the agreement takes effect upon relevant regulatory approvals, REMEGEN will receive an upfront payment of USD650mn and is eligible to receive up to USD4.95bn in development, regulatory and commercialization milestone payments, as well as tiered double-digit royalties on net sales outside Greater China. Overall, this transaction proves that AbbVie fully recognizes the clinical value of the company's RC148 and the company's R&D capabilities, and the subsequent overseas clinical trials of RC148 are worth expecting.

Excellent financial performance indicates promising future development for the company

In 2025, the company's commercialization gross profit margin was 84.3%, up 3.7 pcts YoY, mainly due to better cost control brought by the increased sales volume of the company's core pipelines. In 2025, the company's product selling expense ratio was 48.9%, down 6.9 pcts YoY, mainly due to the further improvement of the company's operational efficiency and the increase in sales revenue. In 2025, the company's R&D expense was RMB1.219bn, down from RMB1.54bn YoY, mainly due to the decrease in related R&D expenses caused by R&D pipeline optimization and technology licensing. As of the end of 2025, the company's cash on hand was about RMB1.493bn with sufficient cash, and the future development is promising.

Steady progress in commercialization of core products with continuous support from development of multiple indications

Telitacicept (RC18): As the world's first-in-class BLyS/APRIL dual-target fusion protein, its systemic lupus erythematosus indication has been included in the medical insurance, and the commercialization process will fully accelerate in 2025. The newly added myasthenia gravis (MG) indication ramped up quickly after approval in May, while the supplemental new drug applications for IgA nephropathy and Sjogren's syndrome (SS) were successively accepted by CDE and included in priority review, among which the phase III clinical data of Sjogren's syndrome indication was announced at the ACR conference with excellent efficacy, and the key data of IgA nephropathy will be disclosed at the ASN conference in the fourth quarter, which is worth expecting. In addition, phase III clinical trials have been initiated for indications such as ocular myasthenia gravis and connective tissue disease-associated interstitial pneumonia. The connective tissue disease-associated interstitial pneumonia indication was directly advanced to phase III. It can cover a patient population of 2.4 million and significantly save research and development time and costs. Overseas, the phase III clinical research for MG and SS indications is being actively advanced. The product has obtained the orphan drug designation in the European Union. It has also been licensed to Vor Bio for global development rights outside Greater China. It is expected to achieve international market breakthroughs with the help of partner resources.

Disitamab vedotin (RC48): It is China's first original ADC drug. Currently, indications for locally advanced or metastatic gastric cancer and advanced urothelial carcinoma have been approved for market launch. The gastric cancer indication has been included in the medical insurance. In May 2025, the product's new indication for HER2-positive breast cancer with liver metastasis was approved. The market application for its combination with toripalimab in the first-line treatment of HER2+ urothelial carcinoma was accepted in June. The phase III data of this combination regimen was published in the New England Journal of Medicine, showing significantly better efficacy than chemotherapy. Regarding overseas cooperation, the company is collaborating with Pfizer to

advance the market application for second-line urothelial carcinoma. Sales revenue sharing is expected to start in 2026, and its global value will continue to be released.

Innovative pipeline achieves multiple breakthroughs with key progress in all categories

RC28: It is the world's first-in-class VEGF/FGF dual-target ophthalmic drug. Its market application for the treatment of diabetic macular edema (DME) was accepted by the CDE in September. Phase III clinical trials show that its efficacy is non-inferior to aflibercept with a good safety profile, and its dosing frequency is more advantageous. The company has licensed its rights in Greater China and Asia to Santen Pharmaceutical. It received an upfront payment of RMB250mn and milestone payments of up to RMB1.045bn. It is expected to achieve rapid volume growth through Santen's mature channels. Meanwhile, the indication for wet age-related macular degeneration (wAMD) is expected to be filed for market launch in 2026.

RC88 (MSLN ADC): It is a mesothelin-targeted ADC drug for refractory tumors such as pancreatic cancer and mesothelioma. Currently, phase II clinical enrollment has been completed. Preliminary data shows significant efficacy, and key results are planned to be announced in 2026.

RC278: It is a novel ADC drug for the treatment of various solid tumors. Phase I/II clinical research was initiated in July 2025. Phase I will focus on safety and dose exploration, and phase II plans to evaluate the efficacy across multiple tumor types.

Clear advancement paths for multiple pipelines, and the key period of value realization is worth expecting

Multiple events after 2026 will continue to support the development of the company, and the growth logic is clear. (1) Continue to advance the review of telitacicept for IgA nephropathy and the NDA of disitamab vedotin for first-line urothelial carcinoma. (2) Accelerate the review process and commercialization preparation of RC28, and deepen its cooperation with Santen Pharmaceutical. (3) Advance the registrational clinical trials of combination therapies of RC148 and RC118, the phase II clinical progress of RC88, and the phase I/II clinical enrollment of RC278, to enrich the pipeline of bispecific antibody and ADC synergy. (4) Overseas clinical advancement plan of RC148.

We believe the company's pipeline echelon is well-structured, with multiple innovative assets entering a critical period for value realization. Following the successful overseas expansion of RC148, the company's international value has been further enhanced. Based on the effectiveness of internal optimization of the company, the pipeline advancement pace is clear, and future product commercialization revenue and clinical breakthroughs have strong accessibility, which is worth expecting.

Earnings forecast and investment rating

The company has established and improved three core innovative technology platforms with strong independent R&D capabilities. The indications of telitacicept and disitamab vedotin are expected to continue to expand, and the commercialization capability of the company has been verified. Meanwhile, the internationalization of the company has started, and it has reached a deep cooperation with AbbVie on RC148, making the overall operation increasingly mature and stable. We estimate that the revenue of the company from 2026 to 2028 will be RMB7.313bn, RMB4.244bn, and RMB6.07bn respectively, and we maintain the "Buy" rating.

Key financial indicators

	2024	2025	2026E	2027E	2028E
Revenue (million RMB)	1,716.86	3,251.05	7,313.24	4,243.87	6,070.44
YoY (%)	58.54	89.36	124.95	-41.97	43.04
Net profit (million RMB)	-1,468.36	709.65	3,618.84	463.25	2,244.01
YoY (%)	2.84	148.33	409.95	-87.20	384.41
Gross margin (%)	80.36	87.28	94.50	90.00	90.00
Net margin (%)	-85.53	21.83	49.48	10.92	36.97
ROE(%)	-73.93	19.66	50.07	6.02	22.59
EPS (Diluted/RMB)	-2.60	1.26	6.41	0.82	3.98
P/E (x)	-52.97	109.60	21.49	167.90	34.66
P/B (x)	39.16	21.55	10.76	10.11	7.83

Source: iFind, China Securities (excluding the impact of BD revenue recognition for now)

Risks:

The R&D progress of innovative drugs and the review time of new drugs of the company fall short of expectations. Core products of the company, such as telitacicept, disitamab vedotin, and RC28, all have different indications. Due to the numerous links, long cycles, and high uncertainties in the drug review and approval process, there are uncertainties in indication expansion. **The pressure of medical insurance cost control exceeds expectations, and the product pricing of the company falls short of expectations.** Core products of the company have currently been included in the medical insurance, and there will still be renewal negotiations for new indications in the future. If the price reduction is large, it may affect the commercialization process of the company. **The commercialization progress falls short of expectations**. If the progress in market expansion, academic promotion, and medical insurance coverage falls short of expectations, or the sales team fails to keep up with policy trends and grasp the market competition situation, the future commercialization capability of the company will be affected. **Overseas expansion falls short of expectations**.

Analysts

YUAN Qinghui

Co-chielf of Pharmaceutical and Healthcare Research Team at China Securities Research Department, Chief Analyst for the pharmaceutical industry. Bachelor of Science from Sun Yat-sen University, Master of Science from Georgia State University, and Research Scholar at the University of North Carolina at Chapel Hill School of Medicine. Previously involved in the R&D of new drugs for Alzheimer's disease and oncology, with expertise in innovative drug industry research. Joined China Securities Research Department in 2018.

Core member of the team ranked as a finalist, 5th, 4th, and 3rd in the 2020-2023 New Fortune Best Analysts for the pharmaceutical industry, and core member of the team ranked 2nd in the 2024-2025 Securities Times Best Analysts for the pharmaceutical industry. Ranked 1st and 2nd in the 2024-2025 Sina Golden Kirin Best Analysts for the Innovative Drug Industry.

SHEN Yi

Co-Chief Analyst of Pha rmaceuticals and Biotechnology at China Securities, Master'sdegree from the Chinese University of Hong Kong, with over 10 years of experience inindustry and industry research, previously worked at Hengrui Medicine and AstraZeneca, and won the President's Award. Entere d the secondary market in 2021,mainly conducting research related to innovative drugs and generic drugs.

CHENG Yujia

Earned a master's degree from Johns Hopkins University. Has experience in both domestic and international buy-side and sell-side roles, currently conducting pharmaceutical industry research.

ZHAO Xu

Pharmaceutical and biotechnology analyst

HE Juying

Chief Analyst of the Pharmaceutical Industry at China Securities, holds a Master's degree in Management from Fudan University, with over 10 years of experience in sell-side research in the pharmaceutical sector. Skilled in proactively identifying opportunities in niche segments, conducts in-depth and meticulous company research, and is responsible for overall investment direction decisions.

Honors include 7th place for Sina Finance Golden Kirin Best Analyst (pharmaceuticals) in 2020, finalist for New Fortune Best Analyst (pharmaceuticals), and 4th place for Wind Best Analyst (pharmaceuticals). In 2019, Wind's "Golden Analyst" ranked first in the pharmaceutical industry. In 2018, ranked 3rd in the pharmaceutical industry by Wind's "Gold Medal Analysts" and 1st in the pharmaceutical industry by the First Financial Best Analysts. Ranked 3rd in the 2013 New Fortune Pharmaceutical Industry and 5th in the Crystal Ball Pharmaceutical Industry.

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Investment rating standard		Ratings	Description
The rating standard involved in the investment recommendations in the report is based on the performance relative to the market within 6 months after the release date, i.e., the performance of the company's stock price (or industry index) within 6 months after the release date is benchmarked against the change of representative index of the relevant securities market over the same period. CSI 300 Index serves as the benchmark index for the A-share market; the NEEQ Component Index serves as the benchmark index for the NEEQ market; Hang Seng Index serves as the benchmark index for the Hong Kong market; and S&P 500 Index serves as the benchmark index of the US market.	Stock ratings	Buy	Increase by more than 15% relative to the benchmark index
		Overweight	Increase by 5%-15% relative to the benchmark index
		Neutral	Increase by -5%-5% relative to the benchmark index
		Underweight	Decrease by 5%-15% relative to the benchmark index
		Sell	Decrease by more than 15% relative to the benchmark index
	Industry ratings	Outperform	Increase by more than 10% relative to the benchmark index
		Neutral	Increase by -10-10% relative to the benchmark index
		Underperform	Decrease by more than 10% relative to the benchmark index

This report is a translation of the original Chinese report 【商业化表现符合预期，RC148 成功实现出海】, released on 【April 13, 2026】. If there is any inconsistency or ambiguity between the English version and ***the Chinese version, the Chinese version shall prevail.***

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Research Department, China Securities Co., Ltd.

Beijing
18th Floor, Building 1, No. 16 Jinghui Street, Chaoyang District
Phone: (8610) 8513-0588
Contact: Li Zhiyao
Mail: lizhiyao@csc.com.cn

Shanghai
Room 2103, South Tower, No. 528, South Pudong Road, Pudong New District
Phone: (8621) 6882-1600
Contact: Weng Qifan
Mail: wengqifan@csc.com.cn

Shenzhen
35th Floor, Radio and Television Financial Center, Intersection of Third Fuzhong Road and First Pengcheng Road, Futian District
Phone: (86755) 8252-1369
Contact: Cao Ying
Mail: caoying@csc.com.cn

China Securities (International)
Hong Kong
18th Floor, Two Exchange Square, Central
Phone: (852) 3465-5600
Contact: Liu Honglin
Mail: charleneliu@csci.hk