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Innovent Biologics partners with Pfizer to further upgrade globalization

INNOVENT BIOLOGICS (1801.HK)

Key takeaway

Innovent Biologics has entered a global strategic collaboration with Pfizer, under which Innovent Biologics will receive an upfront payment of USD650mn and will be eligible for up to USD9.85bn in development, regulatory, and commercialization milestone payments, bringing the total deal value to USD10.5bn. In addition, for each approved product, Innovent Biologics will receive sales royalties of up to a double-digit percentage. The agreement covers multiple collaboration models, including licensing, co-development, and co-commercialization (Co-Co). This collaboration combines Innovent Biologics's innovation capabilities in new drug discovery and early clinical development with Pfizer's comprehensive strengths in global R&D and commercialization. Through global co-development of core programs and co-commercialization in the US and Europe, it will further expand Innovent Biologics's global footprint. This marks another major milestone in Innovent Biologics's globalization following its strategic collaborations with Takeda and Eli Lilly, entering the high-profit markets in the US and Europe through the Co-Co model and establishing a clear pathway for global expansion by leveraging partners.

Event

On May 29, 2026, Innovent Biologics entered into a global strategic collaboration with Pfizer, under which Innovent Biologics will receive an upfront payment of USD650mn and will be eligible for up to USD9.85bn in development, regulatory, and commercialization milestone payments, bringing the total deal value to USD10.5bn. In addition, for each approved product, Innovent Biologics will receive sales royalties of up to a double-digit percentage. The agreement covers multiple collaboration models, including licensing, co-development, and co-commercialization (Co-Co). The collaboration covers multiple antibody-drug conjugates (ADCs) with novel differentiated payloads, as well as multispecific antibodies with differentiated immunomodulatory properties and unique structural designs. It consists of 12 programs, including eight early-stage pipelines from Innovent Biologics and four new (de novo) programs proposed by Pfizer.

Maintain **Buy**

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2 June 2026

Current price: HKD 83.35

Target price (6 months): HKD 147.70

Key Data

Absolute/relative share performance (%)

1 month	3 months	12 months
-10.41/-6.87	-12.04/-5.94	25.69/18.75

12-month high/low price (HKD)	107.00/60.20
Total share capital (10,000 shares)	173,823.72
Outstanding H Shares (10,000 shares)	173,823.72
Total Market Cap (HKD'00mn)	1,448.82
Floating market cap (HKD'00mn)	1,448.82
3-month average daily trading volume (10,000 shares)	1244.54
Major shareholders	
Yu Dechao	6.29%

Comments

Innovent Biologics forms strategic collaboration with Pfizer: Entering the US and European markets through the Co-Co model

Total collaboration value reaches up to USD10.5bn, covering multiple cooperation models including licensing, co-development, and co-commercialization. Innovent Biologics has entered a global strategic collaboration with Pfizer, under which Innovent Biologics will receive an upfront payment of USD650mn and will be eligible for up to USD9.85bn in development, regulatory, and commercialization milestone payments, bringing the total deal value to USD10.5bn. In addition, for each approved product, Innovent Biologics will receive sales royalties of up to a double-digit percentage. The agreement covers multiple collaboration models, including licensing, co-development, and co-commercialization (Co-Co). This marks another major milestone in Innovent Biologics's globalization following its strategic collaborations with Takeda and Eli Lilly.

The collaboration asset portfolio covers ADCs and multispecific antibodies, fully leveraging the complementary strengths and resources of both parties. This collaboration covers multiple antibody-drug conjugates (ADCs) with novel differentiated payloads, as well as multispecific antibodies featuring differentiated immune regulatory properties and unique structural designs. It consists of 12 programs, including eight early-stage pipelines from Innovent Biologics and four new (de novo) programs proposed by Pfizer. Among them,

① INNOVENT BIO and Pfizer will jointly develop four key programs globally and share development costs. Meanwhile, the two parties will jointly commercialize these programs in the United States and Europe and share profits. Meanwhile, Innovent Biologics retains the rights in the Greater China region;

② Innovent Biologics grants Pfizer exclusive licenses for four programs outside the Greater China region, with Pfizer bearing the majority of development costs;

③ Innovent Biologics grants Pfizer global exclusive licenses for four programs, with Pfizer bearing global development costs.

The collaboration between Pfizer and Innovent Biologics adopts the co-development (Co-Co) model, which Pfizer rarely uses, fully demonstrating Pfizer's trust in Innovent Biologics's R&D capabilities. In recent years, when conducting large-scale transactions, Pfizer has tended to directly acquire assets or buy out rights, while deep co-development collaborations have been very rare. This choice of joint development fully reflects Pfizer's recognition of Innovent Biologics's oncology pipeline and R&D strength; Innovent Biologics will also leverage Pfizer's global platform to accelerate the internationalization of its pipeline. The two sides' strengths in R&D and commercialization are highly complementary, breaking the boundaries of traditional licensing collaborations and demonstrating strong mutual confidence in each other's overall capabilities, pipeline potential, and long-term synergy value.

Table 1: Summary of Pfizer's major BD transactions in recent years

Transaction time	Seller	Buyer	Upfront payment /USD100mn	Total amount/USD100mn	Collaboration content	Collaboration structure
2026-05	INNOVENT BIO	Pfizer	6.5	105	12 oncology programs (ADCs and multispecific antibodies, including eight early-stage pipelines from Innovent Biologics + four brand-new programs proposed by Pfizer)	4 CoCo -(global co-development + joint commercialization in Europe and the US) +4 overseas out-licensing deals +4 global out-licensing deals
2026-02	Sciwind Biosciences	Pfizer	Not disclosed	4.95	Ecnoglutide (GLP-1, diabetes / weight loss)	China Exclusive commercialization license
2025-12	FOSUN PHARMA / Yaoyou Pharmaceutical	Pfizer	1.5	20.85	YP05002 (oral GLP-1R agonist)	Global exclusive pipeline license
2025-11	Metsera	Pfizer	70	92	GLP-1 / amylin weight-loss pipelines (MET-097i, MET-233i, etc.)	100% acquisition
2025-05	3SBIO / SUNSHINE GUOJIAN PHARMACEUTICAL	Pfizer	12.5 (plus an additional USD100mn equity investment)	60.5	SSGJ-707 (PD-1/VEGF bispecific antibody)	Overseas exclusive license + USD100mn equity investment
2023-08	Seagen	Pfizer	430	430	Four commercialized ADC drugs + ADC technology platform	100% acquisition
2022-10	Biohaven	Pfizer	116	116	NURTEC® ODT, Zavegepant (migraine drugs)	100% acquisition

2022-10	Global Blood Therapeutics	Pfizer	54	54	Oxbryta and rare hematology disease pipeline	100% acquisition
2022-03	Arena Pharmaceuticals	Pfizer	67	67	Etrasimod (oral S1P, ulcerative colitis / autoimmune diseases)	100% acquisition

Source: Company announcements, China Securities

Under the Co-Co model, Innovent Biologics is expected to further enter the high- margin markets in Europe and the US. This strategic cooperation organically combines Innovent Biologics's scientific discovery and clinical development capabilities in oncology innovation with Pfizer's deep strengths in scientific research, global clinical development, regulatory affairs, and commercialization scale. The two sides are highly complementary in core areas and form a synergistic force for innovation. In particular, the four key programs to be jointly developed globally and co- commercialized in Europe and the US will, following the global co- development and US co- commercialization partnership between IBI363 and Takeda, once again bring Innovent Biologics a long- term globalization opportunity to enter the high- margin markets in Europe and the US, while also serving as a testing platform to refine and strengthen its global team capabilities, breaking the value ceiling of the traditional licensing model.

Innovent Biologics builds a global innovation collaboration ecosystem: A clear path to global expansion by leveraging partnerships. Following the implementation of this cooperation, Innovent Biologics has established a global innovation collaboration ecosystem. To date, Innovent Biologics has established deep cooperation with four leading global multinational pharmaceutical companies—Eli Lilly, Takeda, Roche, and Pfizer. In total, five Co-Co core programs (IBI363 and four programs from this Pfizer collaboration) and more than 20 globally partnered pipelines have been implemented. This forms a collaborative ecosystem covering source innovation, global clinical development, and global commercialization, and the company's path toward globalization is now clearly visible.

Table 2: overview of Innovent Biologics's BD deals with MNCs in recent years

Transaction time	Partner	Upfront payment /USD100mn	Total amount /USD100mn	Collaboration content	Collaboration structure
2026-05	Pfizer	6.5	105	12 oncology programs (ADCs and multispecific antibodies, including eight early-stage pipelines from Innovent Biologics + four brand-new programs proposed by Pfizer)	4 CoCo -(global co-development + joint commercialization in Europe and the US) +4 overseas out-licensing deals +4 global out-licensing deals

2026-02	Eli Lilly	3.5	88.5	Multiple early-stage innovative pipelines in oncology and immunology Early-stage innovative pipelines	Overseas exclusive licensing
2025-10	Takeda	12 (including a USD100mn equity investment)	114	IBI363 (PD-1/IL-2α bispecific antibody), IBI343 (CLDN18.2 ADC), IBI3001 (EGFR/B7H3 ADC)	IBI363 global co-development + US co-commercialization; Exclusive overseas licensing of IBI343 Exclusive overseas option for IBI3001
2025-01	Roche	0.8	10.8	IBI3009 (DLL3 ADC)	Global exclusive licensing
2020-08	Eli Lilly	2.0	10.25	Sintilimab (PD-1 monoclonal antibody)	Overseas exclusive licensing

Source: Company announcements, China Securities

Innovent Biologics innovative pipeline continues to advance, IBI363 shows strong first-line and later-line NSCLC data

The company's innovative pipeline continues to advance with promising prospects, and it is expected to push at least five molecules into global MRCT phase III clinical studies by 2030. Currently, the company's three core assets, IBI363 (PD1/IL2α), IBI343 (CLDN18.2 ADC), and IBI324 (VEGF/ANG-2), are all conducting or about to initiate multiple phase III clinical studies in China and overseas. High-potential blockbuster candidates and a rich portfolio of next-generation innovative pipelines have also emerged in the cardiovascular and metabolic as well as autoimmune fields. Several early-stage pipelines, including IBI3032 (GLP1 oral small molecule), IBI3042 (GLP1 oral weekly formulation), and IBI3002 (IL4/TSLP), are also progressing steadily.

IBI363 presented strong first-line and later-line NSCLC data at the ASCO conference, with promising prospects ahead. IBI363 demonstrated strong ORR and DCR data in first-line NSCLC patients, especially in the 3–1.5 mg/kg group (n=22): ORR 86.4%, cORR 81.8%. At the same time, the drug showed favorable safety, with the incidence of ≥ grade 3 TEAEs at 65.2% in the 3–1.5 mg/kg group, and side effects such as arthralgia and rash were manageable. IBI363 (PD1/IL2α) combined with chemotherapy delivered better-than-expected first-line lung cancer data with favorable safety. Overall, IBI363 monotherapy showed strong OS benefit in later-line NSCLC patients, far exceeding the OS level of 10–12 months observed with docetaxel. In terms of safety, the incidence of drug-related patient death did not exceed 1%, safety was manageable, and the treatment interruption rate due to TEAEs was 8.1%, indicating excellent safety. Currently, for IO-resistant squamous NSCLC, IBI363 has initiated a phase III MRCT clinical study with docetaxel as the control. Considering that the current OS data of IBI363 significantly exceeds that of docetaxel, we believe the probability of success for this phase III clinical study is very high. In addition, a phase III MRCT clinical study for IO-resistant non-squamous NSCLC is planned to start within 2026, and given the strong OS data of IBI363 in the smoking population with non-squamous NSCLC, as well as the fact that more than 80% of EGFR wild-type adenocarcinoma patients in Europe and the US are smokers, we also believe the probability of clinical success is relatively high.

Table 3: Key company catalysts in 2026

Product	Event	Expected time
IBI363 (PD-1/IL2α)	1L CRC POC data readout	2026
IBI363 (PD-1/IL2α)	1L NSCLC preliminary data readout	2026 ASCO
IBI363 (PD-1/IL2α)	2L NSCLC full data readout	2026 ASCO
IBI363 (PD-1/IL2α)	Phase III MRCT initiation in IO-resistant nsqNSCLC	2026
IBI363 (PD-1/IL2α)	1L NSCLC dose escalation and optimization data release	2026
IBI363 (PD-1/IL2α)	POC data release in 1L gastric cancer and 1L SCLC	2026
IBI363 (PD-1/IL2α)	Key clinical data readout in IO treatment-naïve melanoma	2026H2
IBI343 (CLDN18.2 ADC)	Interim analysis readout of phase III GC data	2026
IBI324 (VEGF/ANG-2)	Initiation of global phase III trials for wAMD and DME	2026H2
IBI302 (VEGF/complement)	Submission of the marketing authorization application for wAMD in China	2026H1
IBI3002 (IL4/TSLP)	Phase I data readout in asthma indication	2026
IBI3001 (EGFR/B7H3 ADC)	Phase I data readout in solid tumors	2026
IBI3032 (oral small-molecule GLP-1R agonist)	Phase I data readout for weight loss	2026
IBI3014 (PDL1/TROP2 ADC)	Phase I data readout in solid tumors	2026
IBI3003 (BCMA/CD3/GPRC5D)	Initiation of pivotal trial in 2L-5L MM	2026
IBI3026 (PD1/IL12)	Potential phase I data update in solid tumors	2026H2
Xibimin (IGF-1R)	Phase III clinical readout in inactive TED	2026

Source: company announcement, Insight, China Securities

Earnings forecast and investment recommendation

Innovent Biologics has entered a new stage of dual-engine growth driven by both oncology and non-oncology businesses, together with global innovation. The company has established extensive positioning in the oncology track and has built a leading oncology brand. High-value clinical products are expected to further increase the company's oncology revenue. In the non-oncology track, the company has made extensive positioning in metabolic, autoimmune, and ophthalmology fields. Its chronic disease brand is also rising, and both marketed and pipeline products show strong competitiveness and leading progress. **We expect Innovent Biologics's revenue in 2026–2028 to reach RMB18.02bn, RMB24.33bn, and RMB28.58bn, with net profit of RMB2.21bn, RMB3.82bn, and RMB5.01bn. Using DCF valuation, the company's reasonable market capitalization is HKD256.26bn, and we raise the target price to HKD147.7.** We maintain "Buy" rating.

Risks

Uncertainty in new drug R&D. As tech innovation, the R&D of new medicine has features such as a long cycle, large investment, high risk, and low success rate. From lab research to approval, new medicines will go through preclinical research, clinical trials, registration and listing, after-sales supervision and many other complex procedures, and each is faced with the risk of failure. Existing products or treatments also have the risk of being replaced by new therapies and technologies.

Commercialization risks. Unexpected cost controls in government-funded medical insurance system can lead to innovative drug pricing not meeting expectations. Although the company has exclusive products in the volume ramp-up phase, the market for PD1 and biologic drugs is very competitive, which may result in sales shares below expectations or higher-than-expected selling expense ratio.

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 Pharmaceuticals and Biotechnology at China Securities, Master's degree from the Chinese University of Hong Kong, with over 10 years of experience in industry and industry research, previously worked at Hengrui Medicine and AstraZeneca, and won the President's Award. Entered 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.

YU Mengke

Analyst of the pharmaceuticals and biotechnology group. Master's degree from the University of Hong Kong. Previously worked at ChinaAMC and Zhengxingu Capital. Joined the Research Department of China Securities in 2025.

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Pharmaceuticals and biotechnology researcher.

HE Juying

Co-Head of the Research Department at China Securities, holds a Master's in Management from Fudan University, with over 10 years of experience in sell-side pharmaceutical research. Skilled in proactively identifying opportunities in niche sectors, conducts in-depth and meticulous company research, and is responsible for overall investment direction judgment.

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

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