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Sichuan Kelun Pharmaceutical Co Ltd | Asia Pacific

Additional ASCO and Investor Call Takeaways on OptiTROP-Lung05 for Sac-TMT

Key Takeaways

- Following an abstract release on May 21, details of OptiTROP-Lung05 trial was presented at ASCO and published in The Lancet, followed by an investor call.
- 12-mo PFS rate reached 62.4% for sac-TMT+Keytruda combo vs 29.0% for Keytruda control. In PD-L1 high subgroup, 12-mo PFS was 65.6% vs. 39% for control.
- Caveats include less competitive data in squamous pts, higher gr \geq 3 hematologic toxicity and stomatitis vs IO bsab, and low brain metastasis at baseline.
- Key catalysts ahead: OS first interim analysis possibly available in 4Q26 or 1H27; OptiTROP-Lung06 interim readout in 1L PD-L1 neg NSCLC likely at ESMO.
- Kelun plans to accelerate exploration of sac-TMT and I/O bsab combo across cancer types, and is also in discussion with partner Merck for combo strategy.

12-mo PFS/OS rates further support durability of sac-TMT+IO combo; OS interim analysis expected in late'26/1H27:

Following abstract release of headline HR ratios (note), the ASCO oral presentation disclosed 12-mo PFS/OS rates across subgroups at the same cutoff. Overall 12-mo PFS was 62.4% for sac-TMT + Keytruda vs. 29.0% for Keytruda mono. In PD-L1 TPS \geq 50%, 12-mo PFS was 65.6% vs. 39.0% for control, a more direct read-across to MRK's global trial (note). In PD-L1 TPS 1-49%, 12-mo PFS was 60.1% vs. 21.6%. Overall 12-mo OS was 80.4% vs. 68.9%. **Mgmt expects OS first interim analysis in 4Q26 or 1H27**, and noted the solid deep response rates and DOR shall convert into OS benefit.

Some caveats: 1) In squamous subgroup, 12-mo PFS of 51.3% vs. 24.6% for control (HR 0.44) appeared less competitive vs. IO bsAb; 2) grade \geq 3 TEAEs were 55.3% for treatment vs. 31.4% for control, mainly driven by gr \geq 3 neutrophil decrease 17.3%, anemia 9.1%, WBC decrease 8.7%, and stomatitis 5.3%. Discontinuation rates due to sac-TMT/Keytruda was 3.8%/5.3% vs. 4.9% for Keytruda mono arm; 3) low baseline brain metastasis rate ~3%.

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Asia Summer School 2026

India Investment Forum 2026

Sichuan Kelun Pharmaceutical Co Ltd (002422.SZ, 002422 CS)

China Healthcare | China

Stock Rating	Underweight
Industry View	Attractive
Price target	Rmb29.00
Up/downside to price target (%)	(20)
Shr price, close (May 29, 2026)	Rmb36.37
52-Week Range	Rmb41.72-28.14
Sh out, dil, curr (mn)	1,598
Mkt cap, curr (mn)	Rmb58,121
EV, curr (mn)	Rmb57,866
Avg daily trading value (mn)	Rmb541

Fiscal Year Ending	12/24	12/25e	12/26e	12/27e
EPS (Rmb)**	1.83	1.01	1.19	1.48
EPS (Rmb)§	1.91	1.19	1.40	1.59
Revenue, net (Rmb mn)	21,812	17,831	18,242	19,460
ModelWare net inc (Rmb mn)	2,936	1,610	1,904	2,365
P/E	16.3	29.1	30.5	24.6
P/BV	2.1	2.0	2.4	2.2
ROE (%)	14.9	7.2	8.1	9.6
EV/EBITDA	9.3	16.2	16.8	13.7

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework

** = Based on consensus methodology

§ = Consensus data is provided by Refinitiv Estimates

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China Healthcare: Catalyst Preview: ASCO 2026 Abstracts – Pharma Edition (5 May 2026)

Valuation Methodology and Risks

Sichuan Kelun Pharmaceutical Co Ltd (002422.SZ)

Base case, discounted cash flow methodology. We use this method because the company is FCF positive and mature, and generates sustainable earnings. We assume a WACC of 8.7% (COE of 9.1%), and a steady growth rate of 3%.

We also use a SOTP-based approach to back out the implied holdco discount at 51%, after deducting the value from IV infusion (15x P/E), generics (12x), current mkt cap of Chuaning, and Kelun Biotech.

Risks to Upside

- Early product launches
- API price hikes

Risks to Downside

- Continual rounds of centralized procurement coming to generic drug categories
- Large infusions segment saturation with flat or declining revenue growth
- Fluctuations in API pricing
- Pipeline setbacks or failures of novel and generic drugs
- Pace of drug launches not meeting market expectations

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(as of April 30, 2026)

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	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1546	42%	467	51%	30%	709	44%
Equal-weight/Hold	1568	43%	358	39%	23%	715	44%
Not-Rated/Hold	4	0%	0	0%	0%	1	0%
Underweight/Sell	555	15%	84	9%	15%	202	12%
Total	3,673		909			1627	

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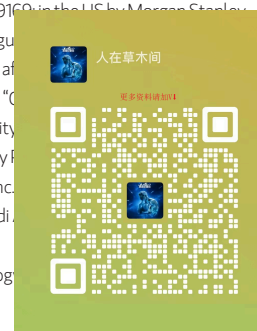
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INDUSTRY COVERAGE: China Healthcare

COMPANY (TICKER)	RATING (AS OF)	PRICE* (05/29/2026)
Alexis Yan, CFA		
3SBio (1530.HK)	O (08/01/2025)	HK\$18.50
Adicon Holdings Ltd (9860.HK)	O (08/03/2023)	HK\$4.30
Aier Eye Hospital Group (300015.SZ)	U (07/08/2024)	Rmb9.12
Alibaba Health Information Technology (0241.HK)	U (05/28/2025)	HK\$3.63
Angelalign Technology Inc (6699.HK)	E (03/17/2023)	HK\$70.35
Beauty Farm Medical and Health Industry (2373.HK)	O (01/21/2026)	HK\$19.53
Beijing Tiantan Biological Products Corp (600161.SS)	O (05/27/2024)	Rmb13.55
China Resources Boya Bio-pharmaceutical (300294.SZ)	E (05/27/2024)	Rmb16.49
CSPC Pharmaceutical Group (1093.HK)	O (08/15/2012)	HK\$7.50
Dian Diagnostics Group Co Ltd (300244.SZ)	E (07/12/2022)	Rmb17.66
Fosun Pharmaceutical (2196.HK)	O (09/08/2025)	HK\$17.02
Fosun Pharmaceutical (600196.SS)	O (09/08/2025)	Rmb23.25
Guangzhou Kingmed Diagnostics (603882.SS)	U (07/08/2024)	Rmb25.60
Gushengtang Holdings Ltd (2273.HK)	O (07/08/2024)	HK\$27.90
Hansoh Pharmaceutical Group Co Ltd (3692.HK)	O (07/16/2019)	HK\$31.44
Huadong Medicine Co Ltd (000963.SZ)	U (05/06/2024)	Rmb29.02
Hygeia Healthcare Holdings Co., Ltd. (6078.HK)	O (07/30/2020)	HK\$9.65
Imeik Technology Development Co Ltd (300896.SZ)	U (01/21/2026)	Rmb104.75
JD Health International Inc. (6618.HK)	E (05/28/2025)	HK\$38.40
Jiangsu Hengrui (600276.SS)	O (07/01/2025)	Rmb50.19
Jiangsu Hengrui (1276.HK)	O (07/01/2025)	HK\$60.20
Jinxin Fertility Group Ltd (1951.HK)	U (07/14/2025)	HK\$2.24
Mindray Bio-Medical (300760.SZ)	O (07/15/2020)	Rmb151.83
Ping An Healthcare and Technology (1833.HK)	E (05/28/2025)	HK\$8.92
Shandong Weigao (1066.HK)	E (07/10/2020)	HK\$3.36
Shanghai United Imaging Healthcare Co (688271.SS)	E (02/21/2025)	Rmb120.30
Shenzhen Edge Medical (2675.HK)	O (02/16/2026)	HK\$54.00

Shenzhen New Industries (300832.SZ)	O (05/28/2024)	Rmb46.74
Sichuan Kelun Pharmaceutical Co Ltd (002422.SZ)	U (05/16/2025)	Rmb36.37
Sincere Pharmaceutical Group (2096.HK)	E (05/16/2025)	HK\$9.97
Sino Biopharmaceutical (1177.HK)	O (04/09/2019)	HK\$4.99
Clinton Ng		
APT Medical Inc (688617.SS)	O (10/21/2025)	Rmb205.59
China Medical System (0867.HK)	E (05/16/2025)	HK\$10.58
MicroPort Scientific Corp. (0853.HK)	E (09/25/2023)	HK\$7.52
Peijia Medical Ltd (9996.HK)	O (06/18/2020)	HK\$4.72
Zylox-Tonbridge Medical Technology Co. (2190.HK)	O (08/05/2021)	HK\$20.04
Jack Lin		
Abbisko Cayman Ltd (2256.HK)	O (11/17/2021)	HK\$9.75
Akeso, Inc. (9926.HK)	O (05/28/2020)	HK\$118.10
Duality Biotherapeutics Inc (9606.HK)	O (05/22/2025)	HK\$225.60
Everest Medicines Ltd (1952.HK)	E (03/15/2024)	HK\$30.14
HUTCHMED (China) Ltd (0013.HK)	E (05/29/2026)	HK\$18.32
HUTCHMED (China) Ltd (HCM.O)	E (05/29/2026)	US\$11.45
InnoCare Pharma Ltd (9969.HK)	O (05/29/2026)	HK\$11.63
Innovent Biologics Inc (1801.HK)	O (03/03/2026)	HK\$83.35
Insilico Medicine (3696.HK)	O (02/03/2026)	HK\$41.58
Keymed Biosciences Inc. (2162.HK)	O (08/10/2021)	HK\$61.80
Nanjing Leads Biolabs Co Ltd (9887.HK)	E (09/02/2025)	HK\$61.30
RemeGen Co., Ltd. (9995.HK)	E (05/08/2024)	HK\$82.65
VISEN Pharmaceuticals (2561.HK)	O (04/29/2025)	HK\$22.94
Zai Lab Ltd (ZLAB.O)	O (12/14/2023)	US\$17.69
Zai Lab Ltd (9688.HK)	O (12/14/2023)	HK\$13.91
Laurence Tam		
Acrobiosystems Co Ltd (301080.SZ)	O (09/11/2025)	Rmb40.55
Apeloa Pharmaceutical Co Ltd (000739.SZ)	O (02/28/2025)	Rmb16.61
Asymchem Laboratories. Inc (002821.SZ)	E (08/01/2025)	Rmb117.42
Asymchem Laboratories. Inc (6821.HK)	E (06/06/2023)	HK\$92.00
Beijing Tongrentang (600085.SS)	U (11/03/2014)	Rmb25.65
Beijing Tongrentang Chinese Medicine (3613.HK)	O (01/14/2015)	HK\$6.93
China National Accord Medicines Corp Ltd (000028.SZ)	U (07/25/2022)	Rmb23.62
China Resources Pharmaceutical Group Ltd (3320.HK)	O (06/16/2022)	HK\$4.67
China Resources Sanjiu Medical & Pharma (000999.SZ)	O (08/30/2019)	Rmb24.45
China Traditional Chinese Medicine (0570.HK)	U (01/17/2025)	HK\$1.56
DaShenLin Pharmaceutical (603233.SS)	O (07/25/2022)	Rmb16.50
Dong E E Jiao Co. (000423.SZ)	O (05/16/2024)	Rmb49.99
Fu Shou Yuan International Group Ltd (1448.HK)	E (03/19/2025)	HK\$2.64
Genscript Biotech Corporation (1548.HK)	O (08/14/2024)	HK\$13.68
Hangzhou Tigermed Consulting (300347.SZ)	O (08/01/2025)	Rmb39.45
Jiangzhong Pharmaceutical Co. Ltd. (600750.SS)	O (02/08/2024)	Rmb25.05
Joynn Laboratories China Co Ltd (603127.SS)	E (06/06/2023)	Rmb35.17
Joynn Laboratories China Co Ltd (6127.HK)	E (02/26/2024)	HK\$17.99
Jointown Pharmaceutical Group (600998.SS)	U (07/26/2021)	Rmb4.80
LBX Pharmacy Chain (603883.SS)	O (03/14/2022)	Rmb12.26
Medtide (3880.HK)	E (08/06/2025)	HK\$21.74
Nanjing King-friend Biochemical (603707.SS)	O (02/28/2025)	Rmb8.08
Pharmaron (3759.HK)	O (09/25/2024)	HK\$17.52
Pharmaron (300759.SZ)	E (09/25/2024)	Rmb25.10
Shandong Xinhua Pharmaceutical Co Ltd (000756.SZ)	U (02/28/2025)	Rmb13.38
Shanghai Pharmaceutical (601607.SS)	E (08/17/2021)	Rmb16.48
Shanghai Pharmaceutical (2607.HK)	O (08/17/2021)	HK\$11.35
Shenzhen Hepalink Pharmaceutical (002399.SZ)	U (06/16/2023)	Rmb9.94

Sinopharm Group (1099.HK)	O (02/10/2023)	HK\$16.92
Tasly Pharmaceutical Group Co. Ltd (600535.SS)	E (07/19/2024)	Rmb14.07
The United Laboratories (3933.HK)	E (06/13/2017)	HK\$8.80
Tofflon Science & Technology Group (300171.SZ)	E (09/11/2025)	Rmb11.78
WuXi AppTec Co Ltd (603259.SS)	O (01/17/2019)	Rmb101.60
WuXi AppTec Co Ltd (2359.HK)	O (01/17/2019)	HK\$130.30
WuXi Biologics Cayman Inc (2269.HK)	O (07/17/2017)	HK\$33.34
WuXi XDC Cayman Inc. (2268.HK)	O (12/22/2023)	HK\$54.90
Yantai Dongcheng Biochemicals Co Ltd (002675.SZ)	E (02/28/2025)	Rmb12.79
Yifeng Pharmacy Chain Co Ltd (603939.SS)	O (07/25/2022)	Rmb21.14
Yixintang Pharmaceutical (002727.SZ)	E (07/25/2022)	Rmb11.57
Yunnan Baiyao Group (000538.SZ)	O (10/11/2021)	Rmb49.94
Zhangzhou Pientzhuang Pharmaceutical (600436.SS)	U (01/21/2022)	Rmb128.41
Zhejiang Hisun Pharmaceutical Co. Ltd. (600267.SS)	U (06/01/2023)	Rmb10.25
Zhejiang Huahai Pharmaceutical Co. Ltd. (600521.SS)	O (06/01/2023)	Rmb15.96
Zhejiang Jiuzhou Pharmaceutical Co Ltd (603456.SS)	E (02/28/2025)	Rmb12.64
Zhejiang Medicine Co. Ltd. (600216.SS)	E (02/28/2025)	Rmb12.76

Stock Ratings are subject to change. Please see latest research for each company.

* Historical prices are not split adjusted.