NOMURA

Global Markets Research

24 July 2026

BeOne ONC.OQ ONC US

EQUITY: HEALTH CARE & PHARMACEUTICALS

2Q26F preview and FY26F forecast revisions

We expect on-track sales growth in 2Q26F, while tax payment may drag down bottom-line performance

We expect 2Q26F revenue/earnings to reach USD1.6bn/USD55mn, +22%/-41% y-y

We expect BeOne to register 2Q26F revenue growth of 22% y-y to USD1.6bn. We estimate: 1) Zanubrutinib will book 20% y-y sales growth to USD1.1bn (vs USD1.1bn in 1Q26, due to seasonality) in 2Q26F; 2) Tisleizumab to book USD213mn (+10% y-y) in sales in the China market; and 3) flat agent products sales of USD150mn.

We forecast a higher gross margin of 88% (+0.5pp y-y), considering the sales mix change. Together with our opex estimate of USD1.3bn (+19% y-y), we expect that operating profit grew 74% y-y to USD152mn. However, due to a higher tax expense of USD129mn (see our report: *Quick Note - BeOne (6160 HK) (Buy) - Supplemented tax payment announced*), we expect the company to register a net profit-to-shareholders retreat of 41% y-y to USD55mn.

For 2H26F, we estimate BeOne to report revenue of USD3.2bn (+11% y-y) and a net profit of USD271mn (+42% y-y), to factor in the continued stable sales growth of Zanubrutinib in the global market. We believe BeOne is on track to achieve management's targets of USD6.3-6.5bn revenue, high 80% range GPM and GAAP operating income of USD750mn-850mn.

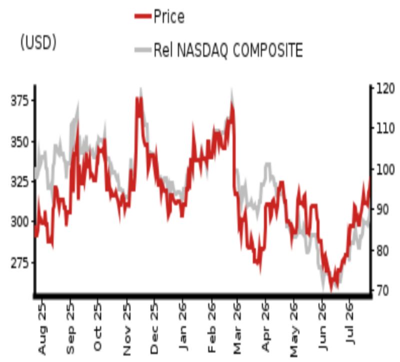
Maintain Buy rating and lift TP to USD454.75 from USD442.91, implying 39.2% upside

We fine-tune FY26F revenue/earnings estimates by 1.1%/-2.7%. Our FY26F revenue is 0.2% below the Bloomberg consensus estimate, while our earnings forecast is 12.4% lower. For 2H26F, we recommend that investors continue to closely monitor BeOne's commercialization progress on market drugs as well as the clinical progress of its pipelines..

We maintain our Buy rating and lift our DCF-based (assuming an unchanged WACC of 10.6% and a terminal growth rate of 4.0%) TP to USD454.75 from USD442.91. The stock currently trades at 2.1x FY35F sales of USD16.9bn.

Rating Remains	Buy
Target price Increased from USD 442.91	USD 454.75
Closing price 23 July 2026	USD 326.77
Implied upside	+39.2%
Market Cap (USD mn)	35,853.2
ADT (USD mn)	88.0

Relative performance chart



Source: LSEG, Nomura

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Year-end 31 Dec	FY25	FY26F		FY27F		FY28F	
Currency (USD)	Actual	Old	New	Old	New	Old	New
Revenue (mn)	5,343	6,286	6,355	7,213	7,347	0	8,437
Reported net profit (mn)	287	570	554	1,419	957	0	1,392
Normalised net profit (mn)	287	570	554	1,419	957	0	1,392
FD normalised EPS	21.45c	42.58c	41.42c	1.06	71.49c		1.04
FD norm. EPS growth (%)	–	2.9	93.2	149.1	72.6		45.5
FD normalised P/E (x)	1,523.7	–	788.9	–	457.1	–	314.1
EV/EBITDA (x)	55.1	–	35.8	–	24.1	–	16.7
Price/book (x)	100.3	–	88.9	–	74.5	–	60.2
Dividend yield (%)	–	–	–	–	–	–	–
ROE (%)	7.5	14.5	11.9	30.0	17.7		21.2
Net debt/equity (%)	net cash	net cash	net cash	net cash	net cash		net cash

Source: Company data, Nomura estimates

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Key data on BeOne

Performance

(%)	1M	3M	12M		
Absolute (USD)	18.3	9.0	10.8	M cap (USDmn)	35,853.2
Absolute (USD)	18.3	9.0	10.8	Free float (%)	102.4
Rel to NASDAQ COMPOSITE	20.1	6.1	-8.8	3-mth ADT (USDmn)	88.0

Income statement (USDmn)

Year-end 31 Dec	FY24	FY25	FY26F	FY27F	FY28F
Revenue	3,810	5,343	6,355	7,347	8,437
Cost of goods sold	-594	-669	-767	-888	-1,020
Gross profit	3,216	4,674	5,587	6,459	7,417
SG&A	-3,784	-4,227	-4,817	-5,290	-5,737
Employee share expense					
Operating profit	-568	447	771	1,169	1,680
EBITDA	-409	587	900	1,321	1,857
Depreciation	-155	-137	-117	-133	-151
Amortisation	-5	-3	-12	-19	-27
EBIT	-568	447	771	1,169	1,680
Net interest expense	48	12	-64	-81	-84
Associates & JCEs					
Other income	-13	-43	32	37	42
Earnings before tax	-533	417	739	1,125	1,637
Income tax	-112	-130	-185	-169	-246
Net profit after tax	-645	287	554	957	1,392
Minority interests	0	0	0	0	0
Other items					
Preferred dividends					
Normalised NPAT	-645	287	554	957	1,392
Extraordinary items					
Reported NPAT	-645	287	554	957	1,392
Dividends					
Transfer to reserves	-645	287	554	957	1,392
Valuations and ratios					
Reported P/E (x)	–	1,523.7	788.9	457.1	314.1
Normalised P/E (x)	-678.1	1,523.7	788.9	457.1	314.1
FD normalised P/E (x)	–	1,523.7	788.9	457.1	314.1
Dividend yield (%)	–	–	–	–	–
Price/cashflow (x)	–	387.7	679.1	443.6	302.9
Price/book (x)	131.2	100.3	88.9	74.5	60.2
EV/EBITDA (x)	–	55.1	35.8	24.1	16.7
EV/EBIT (x)	–	72.3	41.8	27.2	18.4
Gross margin (%)	84.4	87.5	87.9	87.9	87.9
EBITDA margin (%)	-10.7	11.0	14.2	18.0	22.0
EBIT margin (%)	-14.9	8.4	12.1	15.9	19.9
Net margin (%)	-16.9	5.4	8.7	13.0	16.5
Effective tax rate (%)	–	31.2	25.0	15.0	15.0
Dividend payout (%)	–	0.0	0.0	0.0	0.0
ROE (%)	-18.8	7.5	11.9	17.7	21.2
ROA (pretax %)	-19.2	12.9	20.3	28.1	36.1
Growth (%)					
Revenue	55.0	40.2	18.9	15.6	14.8
EBITDA		–	53.4	46.8	40.6
Normalised EPS		–	93.2	72.6	45.5
Normalised FDEPS		–	93.2	72.6	45.5

Source: Company data, Nomura estimates

Cashflow statement (USDmn)

Year-end 31 Dec	FY24	FY25	FY26F	FY27F	FY28F
EBITDA	-409	587	900	1,321	1,857
Change in working capital	-91	86	-30	-113	-116
Other operating cashflow	359	455	-226	-223	-298
Cashflow from operations	-141	1,128	644	986	1,443
Capital expenditure	-497	-206	-356	-407	-462
Free cashflow	-638	922	288	578	981
Reduction in investments	0	0	0	0	
Net acquisitions					
Dec in other LT assets	-79	49	2	2	1
Inc in other LT liabilities	-53	829	-194	-155	-123
Adjustments	81	-949	192	153	122
CF after investing acts	-689	851	288	578	981
Cash dividends					
Equity issue	0	0	0	0	0
Debt issue	173	4	54	57	60
Convertible debt issue					
Others	-29	1,065	-190	-150	-118
CF from financial acts	144	1,068	-136	-93	-58
Net cashflow	-545	1,920	152	485	923
Beginning cash	3,172	2,627	4,548	4,699	5,184
Ending cash	2,627	4,547	4,699	5,184	6,107
Ending net debt	-1,609	-3,528	-3,626	-4,054	-4,917

Balance sheet (USDmn)

As at 31 Dec	FY24	FY25	FY26F	FY27F	FY28F
Cash & equivalents	2,627	4,548	4,699	5,184	6,107
Marketable securities					
Accounts receivable	676	865	899	1,019	1,148
Inventories	495	608	639	718	802
Other current assets	193	213	213	213	213
Total current assets	3,992	6,234	6,450	7,135	8,269
LT investments					
Fixed assets	1,578	1,642	1,824	2,032	2,265
Goodwill					
Other intangible assets	51	63	114	169	227
Other LT assets	300	251	248	247	246
Total assets	5,921	8,189	8,637	9,583	11,007
Short-term debt	852	57	63	69	76
Accounts payable	405	479	509	592	683
Other current liabilities	958	1,293	1,297	1,301	1,306
Total current liabilities	2,215	1,829	1,869	1,962	2,065
Long-term debt	166	962	1,010	1,061	1,114
Convertible debt					
Other LT liabilities	207	1,037	843	688	565
Total liabilities	2,589	3,827	3,722	3,711	3,744
Minority interest	0	0	0	0	0
Preferred stock					
Common stock	0	0	0	0	0
Retained earnings	3,332	4,361	4,915	5,872	7,264
Proposed dividends					
Other equity and reserves					
Total shareholders' equity	3,332	4,361	4,915	5,872	7,264
Total equity & liabilities	5,921	8,189	8,637	9,583	11,007
Liquidity (x)					
Current ratio	1.80	3.41	3.45	3.64	4.00
Interest cover	–	–	12.1	14.5	19.9
Leverage					
Net debt/EBITDA (x)	–	net cash	net cash	net cash	net cash
Net debt/equity (%)	net cash	net cash	net cash	net cash	net cash
Per share					
Reported EPS (USD)	-48.19c	21.45c	41.42c	71.49c	1.04
Norm EPS (USD)	-48.19c	21.45c	41.42c	71.49c	1.04
FD norm EPS (USD)	-48.19c	21.45c	41.42c	71.49c	1.04
BVPS (USD)	2.49	3.26	3.67	4.39	5.43
DPS (USD)	0.00	0.00	0.00	0.00	0.00
Activity (days)					
Days receivable	49.5	52.6	50.7	47.7	47.0
Days inventory	279.9	301.2	296.6	278.9	272.6
Days payable	221.2	241.3	235.1	226.4	228.6
Cash cycle	108.2	112.5	112.2	100.2	91.0

Source: Company data, Nomura estimates

Company profile

BeOne is a global, commercial-stage biotechnology company focused on discovering, developing, manufacturing, and commercializing innovative medicines to improve treatment outcomes and expand access for patients worldwide. The company has delivered 10 molecules into the clinic in its first 10 years, including 3 commercial medicines. The internal clinical development capabilities are deep, which includes a more than 1,200+ highly credentialed scientists in global innovative medicine development team, so far. The company has more than 40+ medicines and drug candidates in commercial stage or clinical development, including 21 approved indications. .

Valuation Methodology

We drive our TP of USD454.75 based on our DCF model with WACC of 10.6% and terminal growth rate at 4.0%.The benchmark index for this stock is Nasdaq composite.

Risks that may impede the achievement of the target price

Downside risks include: (1) zanubrutinib sales growth slowdown. (2) clinical data of early stage assets not satisfactory. (3) geo-political tension that impacts investment sentimen

ESG

BeOne is driven to deliver affordable medicines to all and create a more equitable and sustainable world for patients, employees, and communities. This commitment is reflected in approach to ESG. The ESG framework reflects ambition to greatly expand access to high-quality, affordable medicines to more patients around the world; provide meaningful growth and development opportunities to employees; and operate business responsibly and sustainably.

Fig. 1: BeOne 1H/2Q26F income statement forecast

USD mn	1H25	1H26F	YoY	2Q25	2Q26F	YoY
Revenue	**2,433**	**3,118**	**28.2%**	**1,315**	**1,605**	**22.0%**
COGS	(330)	(360)	9.2%	(165)	(193)	17.0%
Gross profit	**2,103**	**2,759**	**31.2%**	**1,151**	**1,412**	**22.7%**
Gross profit margin(%)	*86.5%*	*88.5%*		*87.5%*	*88.0%*	
R&D expenses	(1,007)	(1,191)	18.3%	(525)	(650)	23.8%
Selling and G&A expenses	(997)	(1,165)	16.8%	(538)	(610)	13.4%
Operating profit	**99**	**402**	**306.5%**	**88**	**152**	**73.5%**
Operating profit margin(%)	*4.1%*	*12.9%*		*6.7%*	*9.5%*	
Other income and expenses	12	31	152.4%	8	16	96.5%
Interest expenses	9	11	15.9%	3	16	359.0%
Pre-tax profit	**120**	**444**	**268.4%**	**100**	**185**	**85.4%**
Income tax (beneift)	25	161	547.9%	5	129	2370.9%
Profit after tax	**96**	**283**	**195.8%**	**94**	**55**	**-41.3%**
Minority interest	-	-				
Net profit to shareholders	**96**	**283**	**195.8%**	**94**	**55**	**-41.3%**
Net profit margin (%)	*3.9%*	*9.1%*		*7.2%*	*3.5%*	

Source: Company data, Nomura estimates

Appendix A-1

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