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Asymchem Laboratories. Inc | Asia Pacific

3Q26 Briefing Takeaways

AlphaSignals Earnings Reaction

Unchanged	Modest upside	Modest revision higher
Impact to our thesis	Financial results versus consensus	Direction of next 12-month consensus EPS

Source: Company data, Morgan Stanley Research

Key Takeaways

- 3Q26 revenue and earnings reached Rmb1,788mn (+24.0% YoY) and Rmb332mn (+81.5% YoY), respectively, -12.9% and +7.5% vs. our estimates.
- Excluding extraordinary items, earnings were Rmb203mn (+25.7% YoY).
- 9M26 segment revenue trends: small molecule CDMO +3.6% YoY and emerging business (chemical and biological macromolecules) +50.2% YoY.
- In 9M26, newly signed orders value grew >50% YoY. Within that, newly signed contract amount was up 30% YoY in 3Q26.
- Full-year 2026 guidance reiterated: revenue growth 19-22% (Rmb), capex of Rmb2.6-2.8bn in 2026 and Rmb3.0bn in 2027. It expects higher revenue growth in 2027.

Following 16.5% YoY revenue growth in 9M26, 4Q26 order delivery remains critical to achieving full-year 2026 revenue growth guidance of 19% to 22% YoY in Rmb terms: Management remains confident that Asymchems current backlog provides sufficient revenue visibility to meet guidance despite persistent FX headwinds. Notably, ~40% of revenue from the two macromolecule (chemical + biological) segments is scheduled for delivery in 4Q26; some natural disruptions in August also led to the postponement of certain small molecule project deliveries at its facility in Northeast China. By geography, revenue from domestic clients and overseas clients grew 42.8% YoY and 11.6% YoY (at CER) in 9M26, respectively. Overall utilization remains high, with Rmb1.4bn of the budgeted Rmb2.6-2.8bn capex deployed in 9M26.

In peptides, solid phase synthesis capacity expansion is progressing steadily toward the year-end target of 69,000L. Further expansion plan is underway, supported by a pipeline of one commercial-stage and eight PPQ projects as of 1H26.

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Asymchem Laboratories. Inc (002821.SZ, 002821 CS)

China Healthcare | China

Stock Rating	**Equal-weight**
Industry View	**Attractive**
Price target	Rmb165.00
Up/downside to price target (%)	13
Shr price, close (Oct 23, 2026)	Rmb146.22
52-Week Range	Rmb200.00-88.46
Sh out, dil, curr (mn)	339
Mkt cap, curr (mn)	Rmb52,185.6
EV, curr (mn)	Rmb45,393.1
Avg daily trading value (mn)	Rmb990

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (Rmb)**	3.2	3.9	4.8	5.6
Prior EPS (Rmb)**	-	-	-	-
EPS (Rmb)§	3.2	3.8	5.0	6.1
Revenue, net (Rmb mn)	6,670.2	8,156.0	9,813.2	11,893.4
EBITDA (Rmb mn)	1,517.3	1,781.3	2,349.0	2,907.9
ModelWare net inc (Rmb mn)	1,132.6	1,383.5	1,711.6	2,008.5
P/E	29.3	37.7	30.5	26.0
P/BV	1.9	2.8	2.6	2.4
RNOA (%)	7.0	8.3	9.1	9.7
ROE (%)	6.7	7.8	9.2	10.1
EV/EBITDA	16.9	26.2	20.2	16.3
Div yld (%)	1.2	0.8	1.0	1.0
FCF yld ratio (%)**	0.4	(1.3)	(0.2)	1.5
Leverage (EOP) (%)	(42.2)	(35.6)	(33.3)	(34.8)

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework
** = Based on consensus methodology
§ = Consensus data is provided by Refinitiv Estimates
e = Morgan Stanley Research estimates

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Valuation Methodology and Risks

Asymchem Laboratories. Inc (002821.SZ)

Derived from discounted cash flow method using a WACC of 10.5% and a terminal growth rate of 3.0%. We use a RMB: HKD exchange rate of 1.1.

Risks to Upside

- Resilient demand for small molecule orders in improving funding environment
- Sustained overseas blockbuster orders with alleviated Sino-US tensions
- Higher contribution from new modality orders

Risks to Downside

- Margin erosion from shifted projects mix, redundant capacity, rising competition and business expansion
- Lower capacity utilization
- Deteriorated domestic competition landscape
- Geopolitical and currency risks

Asymchem Laboratories. Inc (6821.HK)

Derived from discounted cash flow using a WACC of 10.5% and a terminal growth rate of 3.0%. We use RMB:HKD exchange rate of 1.1 and an A-over-H premium of c. 28%.

Risks to Upside

- Resilient demand for small molecule orders in improving funding environment
- Sustained overseas blockbuster orders with alleviated Sino-US tensions
- Higher contribution from new modality orders

Risks to Downside

- Margin erosion from shift in project mix, redundant capacity, rising competition and business expansion
- Lower capacity utilization
- Deteriorated domestic competition landscape
- Geopolitical and currency risks

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(as of September 30, 2026)
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Stock Rating Category	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1599	43%	455	48%	28%	783	44%
Equal-weight/Hold	1563	42%	394	42%	25%	763	43%
Not-Rated/Hold	2	0%	1	0%	50%	1	0%
Underweight/Sell	570	15%	96	10%	17%	227	13%
Total	3,734		946			1774	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

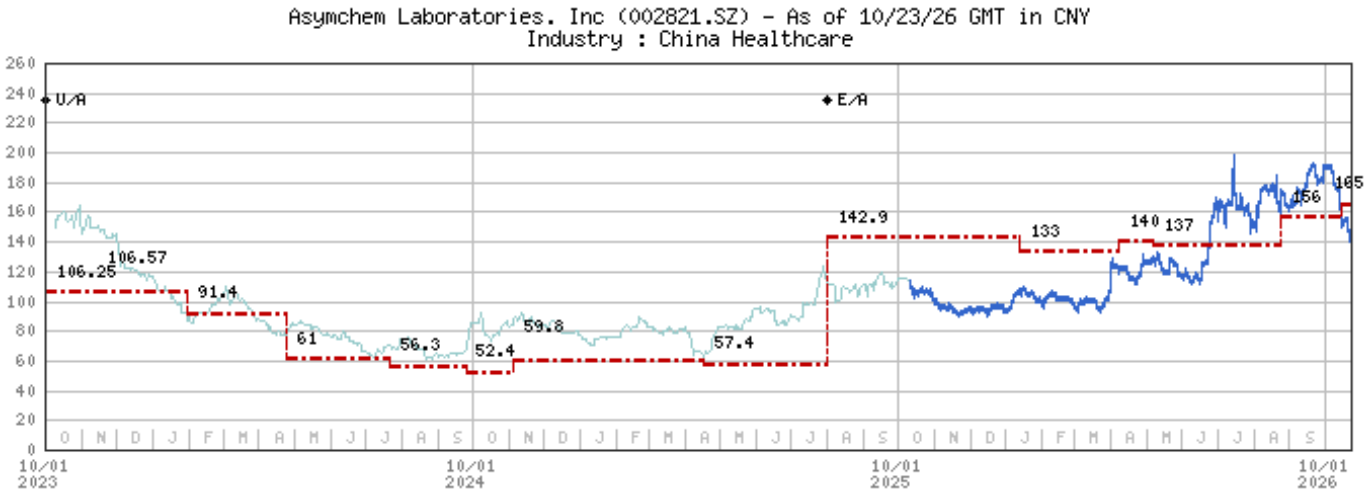
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Stock Price, Price Target and Rating History (See Rating Definitions)



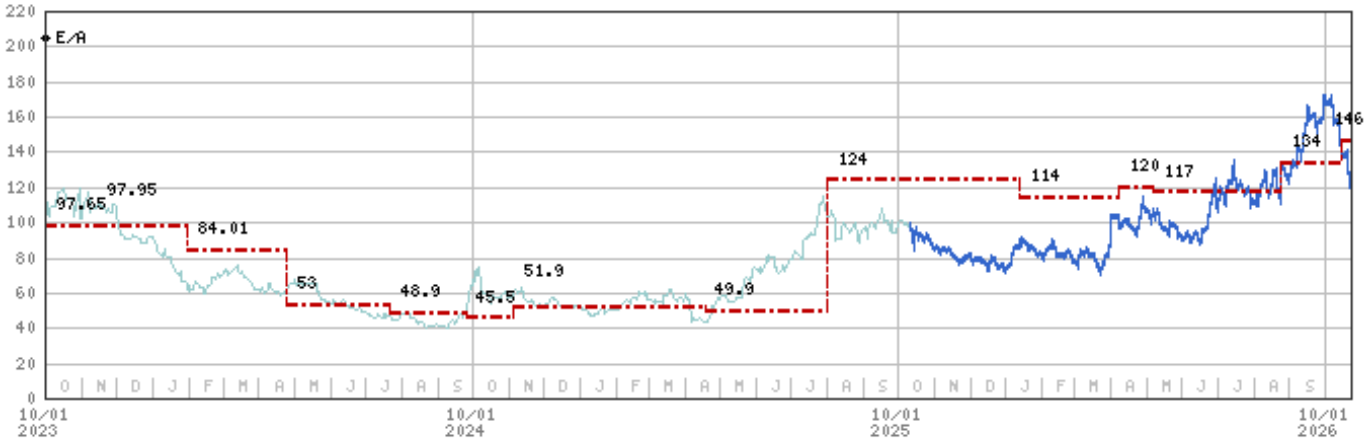
Stock Rating History: 6/6/23 : U/A; 8/1/25 : E/A

Price Target History: 6/6/23 : 106.25; 11/14/23 : 106.57; 1/30/24 : 91.4; 4/24/24 : 61; 7/22/24 : 56.3; 9/25/24 : 52.4; 11/5/24 : 59.8; 4/17/25 : 57.4; 8/1/25 : 142.9; 1/13/26 : 133; 4/8/26 : 140; 5/7/26 : 137; 8/25/26 : 156; 10/16/26 : 165

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target -- No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) — Stock Price (Covered by Current Analyst)
Stock and Industry Ratings (abbreviations below) appear as ◆ Stock Rating/Industry View
Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

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Stock Rating History: 6/6/23 : E/A

Price Target History: 6/6/23 : 97.65; 11/14/23 : 97.95; 1/30/24 : 84.01; 4/24/24 : 53; 7/22/24 : 48.9; 9/25/24 : 45.5; 11/5/24 : 51.9; 4/18/25 : 49.9; 8/1/25 : 124; 1/13/26 : 114; 4/8/26 : 120; 5/7/26 : 117; 8/25/26 : 134; 10/16/26 : 146

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target -- No Price Target Assigned (NA)
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INDUSTRY COVERAGE: China Healthcare

COMPANY (TICKER)	RATING (AS OF)	PRICE* (10/23/2026)
Alexis Yan, CFA		
3SBio (1530.HK)	O (08/01/2025)	HK$14.06
Adicon Holdings Ltd (9860.HK)	O (08/03/2023)	HK$4.44
Aier Eye Hospital Group (300015.SZ)	U (07/08/2024)	Rmb8.14
Alibaba Health Information Technology (0241.HK)	U (05/28/2025)	HK$2.87
Angelalign Technology Inc (6699.HK)	E (03/17/2023)	HK$81.20
APT Medical Inc (688617.SS)	O (10/21/2025)	Rmb268.00
Beauty Farm Medical and Health Industry (2373.HK)	O (01/21/2026)	HK$16.90
Beijing Tiantan Biological Products Corp (600161.SS)	O (05/27/2024)	Rmb12.24
China Medical System (0867.HK)	E (05/16/2025)	HK$10.10
China Resources Boya Bio-pharmaceutical (300294.SZ)	E (05/27/2024)	Rmb14.03
CSPC Pharmaceutical Group (1093.HK)	O (08/15/2012)	HK$8.35
Dian Diagnostics Group Co Ltd (300244.SZ)	U (07/20/2026)	Rmb21.66
Fosun Pharmaceutical (2196.HK)	O (09/08/2025)	HK$16.49
Fosun Pharmaceutical (600196.SS)	O (09/08/2025)	Rmb23.18
Guangzhou Kingmed Diagnostics (603882.SS)	U (07/08/2024)	Rmb30.60
Gushengtang Holdings Ltd (2273.HK)	O (07/08/2024)	HK$27.14
Hansoh Pharmaceutical Group Co Ltd (3692.HK)	O (07/16/2019)	HK$33.00
Huadong Medicine Co Ltd (000963.SZ)	U (05/06/2024)	Rmb26.38
Hygeia Healthcare Holdings Co., Ltd. (6078.HK)	O (07/30/2020)	HK$9.35
Imeik Technology Development Co Ltd (300896.SZ)	U (01/21/2026)	Rmb98.73
JD Health International Inc. (6618.HK)	E (05/28/2025)	HK$37.60
Jiangsu Hengrui (600276.SS)	O (07/01/2025)	Rmb47.02
Jiangsu Hengrui (1276.HK)	O (07/01/2025)	HK$47.76
Jinxin Fertility Group Ltd (1951.HK)	U (07/14/2025)	HK$2.22
Medcaptain Medical Technology Co Ltd. (2041.HK)	O (10/14/2026)	HK$6.29
MicroPort Scientific Corp. (0853.HK)	E (09/25/2023)	HK$6.08
Mindray Bio-Medical (300760.SZ)	O (07/15/2020)	Rmb177.30
Nanjing Leads Biolabs Co Ltd (9887.HK)	O (09/16/2026)	HK$35.80
Peijia Medical Ltd (9996.HK)	O (06/18/2020)	HK$4.05
Ping An Healthcare and Technology (1833.HK)	E (05/28/2025)	HK$5.53
Shandong Weigao (1066.HK)	E (07/10/2020)	HK$3.20
Shanghai United Imaging Healthcare Co (688271.SS)	E (02/21/2025)	Rmb112.18
Shenzhen Edge Medical (2675.HK)	O (02/16/2026)	HK$32.06
Shenzhen New Industries (300832.SZ)	O (05/28/2024)	Rmb56.66
Sichuan Kelun Pharmaceutical Co Ltd (002422.SZ)	O (09/03/2026)	Rmb42.75
Simcere Pharmaceutical Group (2096.HK)	++	HK$10.69
Sino l (1177.HK)	O (04/09/2019)	HK$5.00
Zylox-Tonbridge Medical Technology Co. (2190.HK)	O (08/05/2021)	HK$19.50
Jack Lin		
Abbisko Cayman Ltd (2256.HK)	O (11/17/2021)	HK$6.92
Akeso, Inc. (9926.HK)	O (05/28/2020)	HK$86.60
Duality Biotherapeutics Inc (9606.HK)	O (05/22/2025)	HK$149.70
Everest Medicines Ltd (1952.HK)	E (03/15/2024)	HK$30.64
HUTCHMED (China) Ltd (0013.HK)	E (05/29/2026)	HK$22.56
HUTCHMED (China) Ltd (HCM.O)	E (05/29/2026)	[illegible]
InnoCare Pharma Ltd (9969.HK)	O (05/29/2026)	
Innovent Biologics Inc (1801.HK)	O (03/03/2026)	
Insilico Medicine (3696.HK)	O (02/03/2026)	
Keymed Biosciences Inc. (2162.HK)	O (08/10/2021)	
RemeGen Co., Ltd. (9995.HK)	E (05/08/2024)	
VISEN Pharmaceuticals (2561.HK)	O (04/29/2025)	
Zai Lab Ltd (ZLAB.O)	O (12/14/2023)	



Zai Lab Ltd (9688.HK)	O (12/14/2023)	HK$17.78
Laurence Tam		
Acrobiosystems Co Ltd (301080.SZ)	U (10/14/2026)	Rmb88.08
Apeloa Pharmaceutical Co Ltd (000739.SZ)	O (02/28/2025)	Rmb19.68
Asymchem Laboratories. Inc (002821.SZ)	E (08/01/2025)	Rmb146.22
Asymchem Laboratories. Inc (6821.HK)	E (06/06/2023)	HK$120.40
Beijing Tongrentang (600085.SS)	U (11/03/2014)	Rmb24.64
Beijing Tongrentang Chinese Medicine (3613.HK)	O (01/14/2015)	HK$5.57
China National Accord Medicines Corp Ltd (000028.SZ)	U (07/25/2022)	Rmb20.64
China Resources Pharmaceutical Group Ltd (3320.HK)	O (06/16/2022)	HK$4.49
China Resources Sanjiu Medical & Pharma (000999.SZ)	O (08/30/2019)	Rmb24.78
China Traditional Chinese Medicine (0570.HK)	U (01/17/2025)	HK$1.17
DaShenLin Pharmaceutical (603233.SS)	O (07/25/2022)	Rmb18.16
Dong E E Jiao Co. (000423.SZ)	O (05/16/2024)	Rmb46.96
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$31.60
Hangzhou Tigermed Consulting (300347.SZ)	E (10/06/2026)	Rmb48.80
Jiangzhong Pharmaceutical Co. Ltd. (600750.SS)	O (02/08/2024)	Rmb22.93
Joinn Laboratories China Co Ltd (603127.SS)	U (10/05/2026)	Rmb45.35
Joinn Laboratories China Co Ltd (6127.HK)	E (02/26/2024)	HK$22.96
Jointown Pharmaceutical Group (600998.SS)	U (07/26/2021)	Rmb4.89
LBX Pharmacy Chain (603883.SS)	O (03/14/2022)	Rmb14.31
Medtide (3880.HK)	E (08/06/2025)	HK$19.38
Nanjing King-friend Biochemical (603707.SS)	O (02/28/2025)	Rmb8.15
Pharmaron (3759.HK)	O (09/25/2024)	HK$27.00
Pharmaron (300759.SZ)	E (09/25/2024)	Rmb38.02
Shandong Xinhua Pharmaceutical Co Ltd (000756.SZ)	U (02/28/2025)	Rmb12.72
Shanghai Pharmaceutical (601607.SS)	E (08/17/2021)	Rmb16.17
Shanghai Pharmaceutical (2607.HK)	O (08/17/2021)	HK$11.02
Shenzhen Hepalink Pharmaceutical (002399.SZ)	U (06/16/2023)	Rmb9.27
Sinopharm Group (1099.HK)	O (02/10/2023)	HK$15.34
Tasly Pharmaceutical Group Co. Ltd (600535.SS)	E (07/19/2024)	Rmb13.78
The United Laboratories (3933.HK)	E (06/13/2017)	HK$6.83
Tofflon Science & Technology Group (300171.SZ)	E (09/11/2025)	Rmb13.69
WuXi AppTec Co Ltd (603259.SS)	O (01/17/2019)	Rmb144.72
WuXi AppTec Co Ltd (2359.HK)	O (01/17/2019)	HK$186.00
WuXi Biologics Cayman Inc (2269.HK)	O (07/17/2017)	HK$45.80
WuXi XDC Cayman Inc. (2268.HK)	O (12/22/2023)	HK$71.30
Yantai Dongcheng Biochemicals Co Ltd (002675.SZ)	E (02/28/2025)	Rmb13.40
Yifeng Pharmacy Chain Co Ltd (603939.SS)	O (07/25/2022)	Rmb25.36
Yixintang Pharmaceutical (002727.SZ)	E (07/25/2022)	Rmb12.69
Yunnan Baiyao Group (000538.SZ)	O (10/11/2021)	Rmb52.40
Zhangzhou Pientzehuang Pharmaceutical (600436.SS)	U (01/21/2022)	Rmb123.15
Zhejiang Hisun Pharmaceutical Co. Ltd. (600267.SS)	U (06/01/2023)	Rmb14.10
Zhejiang Huahai Pharmaceutical Co. Ltd. (600521.SS)	O (06/01/2023)	Rmb16.73
Zhejiang Jiuzhou Pharmaceutical Co Ltd (603456.SS)	E (02/28/2025)	Rmb15.98
Zhejiang Medicine Co. Ltd. (600216.SS)	E (02/28/2025)	Rmb11.91

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