COMPANY UPDATE

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Yuhan (000100)

Lazertinib's next phase to start in 4Q

- **3Q review:** Yuhan's operating profit slowed in 3Q, due to an absence of licensing revenue and R&D cost increases at a subsidiary. But in 4Q, the recognition of milestone revenue related to Lazertinib should provide new earnings momentum.
- **Maintaining BUY and target price of KRW140,000:** We believe Lazcluze prescriptions will accelerate following the approval of subcutaneous Rybrevant. Several pipeline candidates should advance through clinical stages in 2026, ensuring momentum.

WHAT'S THE STORY?

3Q review: Yuhan reported 3Q sales of KRW570b (down 4.8% y-y and 1.5% q-q) and an operating profit of KRW22b (down 53.7% y-y and 55.8% q-q). Both prescription drug and API exports grew, but operating profit slowed due to an absence of licensing revenue, a change in API profit sharing scheme, and subsidiary ImmuneOncia's R&D cost increases. The launch of Lazertinib in China and Europe is set to bring in milestone revenue in 4Q (with the Chinese milestone already finalized at USD45m and European timing yet to be determined), while the availability of subcutaneous Rybrevant should accelerate prescriptions for the Lazcluze (US brand name for Lazertinib)+Rybrevant combination.

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AT A GLANCE

BUY

Target price	KRW140,000	22.3%
Current price	**KRW114,500**	
Market cap	KRW9.2t/USD6.4b	
Shares (float)	79,968,437 (68.7%)	
52-week high/low	KRW137,700/KRW101,100	
Avg daily trading value (60-day)	KRW39.7b/ USD27.4m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Yuhan (%)	-4.5	0.9	-15.6
Vs Kospi (%pts)	-15.8	-35.9	-46.2

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	140,000	140,000	0.0%
2025E EPS	1,569	1,613	-2.7%
2026E EPS	1,681	1,691	-0.6%

SAMSUNG vs THE STREET

No of estimates	6
Target price	152,500
Recommendation	4.0

※ Rating: 4 < → BUY, 3 = HOLD, 2 > → SELL

SUMMARY 3Q RESULTS

(KRWb)	3Q25	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	570.0	(4.8)	(1.5)	(1.1)	(1.5)
Operating profit	22.0	(53.7)	(55.8)	(25.5)	(14.3)
Pre-tax profit	35.2	(29.3)	(31.8)	(8.4)	3.0
Net profit*	21.4	(42.9)	(53.0)	(29.3)	(0.2)
Margins (%)					
Operating profit	3.9				
Pre-tax profit	6.2				
Net profit*	3.8				

Note: *Based on controlling, but not disclosed in preliminary results
Source: Company data, Fnguide, Samsung Securities estimates

VALUATION SUMMARY

	2024	2025E	2026E
Valuation (x)			
P/E	137.6	73.0	68.1
P/B	4.3	3.8	3.7
EV/EBITDA	82.8	44.3	51.2
Div yield (%)	0.4	0.4	0.4
EPS growth (% y-y)	-48.1	80.6	7.2
ROE (%)	3.4	5.9	6.0
Per-share data (KRW)			
EPS	869	1,569	1,681
BVPS	28,030	29,751	31,075
DPS	500	500	500

Portfolio expanding beyond oncology to metabolic disorders: Yuhan's portfolio expansion strategy is taking shape. Phase II trial of Lesigercept (YH35324; IgETRAP) in chronic urticaria patients began, with interim results expected in 2026. Yuhan is preparing to redesign and resume clinical development of YH25724 (FGF21XGLP-1), for which development rights were previously returned. In addition, it is co-developing a once-a-month oral GLP-1 obesity drug with Inventage Lab, targeting initiation of clinical trials in 2026.

Maintaining BUY and target price of KRW140,000: Our target price was derived by combining its: 1) operating value (KRW3.09t; based on the pharma sector's average EV/EBITDA multiple of 14x (FnGuide) applied to our forward (4Q25-3Q26) EBITDA forecast of KRW220.4b); and 2) pipeline asset value (KRW7.84t). Lazcluze has established itself as a first-line treatment, and now needs confirmation of actual prescription growth. Ultimately, royalty growth tied to Lazcluze prescriptions will be a critical driver for share price rerating. While a competing drug may attract market attention, Lazcluze's status as a first-line treatment should be intact given its favorable safety and tolerance profile. We maintain our BUY rating

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**1,859**	**2,068**	**2,275**	**2,378**	**2,596**
Cost of goods sold	1,293	1,378	1,511	1,648	1,799
Gross profit	**566**	**689**	**764**	**730**	**797**
Gross margin (%)	30.4	33.3	33.6	30.7	30.7
SG&A expenses	509	635	622	609	650
Operating profit	**57**	**55**	**142**	**121**	**147**
Operating margin (%)	3.1	2.7	6.3	5.1	5.7
Non-operating gains (losses)	**78**	**7**	**31**	**52**	**56**
Financial profit	27	24	11	10	10
Financial costs	16	19	37	39	39
Equity-method gains (losses)	56	47	35	52	54
Other	11	-45	22	30	32
Pre-tax profit	**135**	**61**	**173**	**173**	**203**
Taxes	1	6	41	38	45
Effective tax rate (%)	0.4	10.2	23.7	22.0	22.0
Profit from continuing operations	134	55	126	135	159
Profit from discontinued operations	0	0	0	0	0
Net profit	**134**	**55**	**126**	**135**	**159**
Net margin (%)	7.2	2.7	5.6	5.7	6.1
Net profit (controlling interests)	136	71	127	136	160
Net profit (non-controlling interests)	-2	-16	-1	-1	-2
EBITDA	101	118	210	182	202
EBITDA margin (%)	5.5	5.7	9.2	7.7	7.8
EPS (parent-based) (KRW)	1,673	869	1,569	1,681	1,975
EPS (consolidated) (KRW)	1,649	678	1,556	1,664	1,955
Adjusted EPS (KRW)*	1,673	869	1,569	1,681	1,975

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**1,256**	**1,360**	**1,571**	**1,687**	**1,845**
Cash & equivalents	299	306	381	349	340
Accounts receivable	559	609	688	774	871
Inventories	285	343	401	451	508
Other current assets	113	102	102	113	126
Fixed assets	**1,556**	**1,582**	**1,573**	**1,568**	**1,578**
Investment assets	572	521	517	574	638
Tangible assets	528	598	607	562	523
Intangible assets	291	285	280	263	248
Other long-term assets	165	177	168	168	168
Total assets	**2,812**	**2,942**	**3,144**	**3,256**	**3,422**
Current liabilities	**583**	**619**	**676**	**692**	**734**
Accounts payable	179	176	205	231	251
Short-term debt	128	168	198	198	198
Other current liabilities	276	275	273	263	285
Long-term liabilities	**128**	**172**	**181**	**179**	**181**
Bonds & long-term debt	60	121	128	128	128
Other long-term liabilities	68	51	53	51	54
Total liabilities	**712**	**791**	**857**	**870**	**916**
Owners of parent equity	**2,051**	**2,101**	**2,224**	**2,323**	**2,446**
Capital stock	78	81	81	81	81
Capital surplus	114	123	144	144	144
Retained earnings	1,976	2,010	2,096	2,195	2,318
Other	-116	-113	-97	-97	-97
Non-controlling interests' equity	**49**	**50**	**63**	**62**	**60**
Total equity	**2,101**	**2,151**	**2,288**	**2,385**	**2,507**
Net debt	-43	6	-28	2	10

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**144**	**55**	**91**	**65**	**94**
Net profit	134	55	126	135	159
Non-cash profit and expenses	-10	101	117	107	106
Depreciation	38	45	50	45	39
Amortization	6	18	18	17	15
Other	-54	38	49	45	52
Changes in A/L from operating activities	-8	-124	-148	-132	-120
Cash flow from investments	**-199**	**-117**	**-33**	**-2**	**-2**
Change in tangible assets	-161	-113	-42	0	0
Change in financial assets	15	-1	-2	-2	-2
Other	-53	-4	12	-0	0
Cash flow from financing	**63**	**66**	**40**	**-38**	**-37**
Change in debt	170	57	43	-1	1
Change in equity	1	12	21	0	0
Dividends	-27	-32	-37	-37	-37
Other	-81	29	13	0	-0
Change in cash	6	7	75	-32	-9
Cash at beginning of year	293	299	306	381	349
Cash at end of year	299	306	381	349	340
Gross cash flow	**124**	**156**	**244**	**242**	**265**
Free cash flow	**-17**	**-62**	**48**	**65**	**94**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	4.7	11.2	10.0	4.6	9.2
Operating profit	58.3	-3.8	159.1	-15.1	21.9
Net profit	48.2	-58.9	129.1	6.9	17.5
Adjusted EPS**	43.1	-48.1	80.6	7.2	17.5
Per-share data (KRW)					
EPS (parent-based)	1,673	869	1,569	1,681	1,975
EPS (consolidated)	1,649	678	1,556	1,664	1,955
Adjusted EPS**	1,673	869	1,569	1,681	1,975
BVPS	27,467	28,030	29,751	31,075	32,719
DPS (common)	430	500	500	500	500
Valuations (x)					
P/E***	41.1	137.6	73.0	68.1	58.0
P/B***	2.5	4.3	3.8	3.7	3.5
EV/EBITDA	52.8	82.8	44.3	51.2	46.3
Ratios (%)					
ROE	6.7	3.4	5.9	6.0	6.7
ROA	5.1	1.9	4.2	4.2	4.8
ROIC	4.4	3.3	6.6	5.5	6.4
Payout ratio	23.2	52.2	28.9	27.0	23.0
Dividend yield (common)	0.6	0.4	0.4	0.4	0.4
Net debt to equity	-2.0	0.3	-1.2	0.1	0.4
Interest coverage (x)	9.1	3.7	9.2	7.6	9.3

Note: *Excluding one-off items
**Fully diluted, excluding one-off items
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

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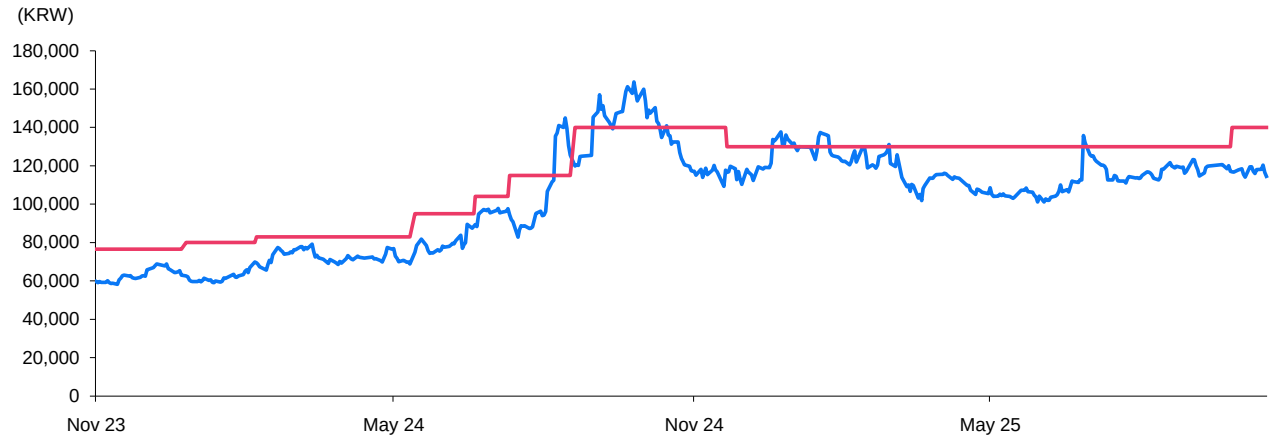

Rating changes over past two years (adjusted share prices)

Date	2023/10/31	2024/1/3	1/15	2/27	6/3	7/10	7/31	9/9	12/11	2025/4/3	10/16
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	HOLD	HOLD	BUY	BUY
Target price (KRW)	76567	76567	80000	83000	95000	104000	115000	140000	130000	130000	140000
Gap* (average)	-20.32	-15.26	-22.80	-12.51	-16.51	-7.77	-6.95	-3.59	-4.63	-13.36	
(max or min)**	-10.14	-13.41	-12.63	-4.58	-5.79	-5.96	26.00	16.93	5.92	4.46	

Note: * [(average, maximum, or minimum share price over duration of target price minus target price) / target price] x 100%
** Maximum/minimum share price if new target is higher/lower than market close on the business day prior to target price change

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Industry

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* Note: Effective Jul 27, 2023, BUY, HOLD, and SELL criteria are based on expectations of share-price moves of 15% or more within 12 months

Percentage of ratings in 12 months prior to 2025.09.30

BUY(83.5%)·HOLD(16.5%)·SELL(0%)

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