COMPANY UPDATE

2026. 1. 6

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Amorepacific (090430)

4Q preview: Books restructuring costs

- We forecast Amorepacific will post 4Q sales and an operating profit of KRW1.12t and KRW57.5b, respectively, missing consensus by 2% and 43%.
- Operating profit likely took a hit from a lump-sum recognition of more than KRW40b relating to restructuring costs (associated with domestic offline sales teams and corporate support teams).
- Sales in China and the US likely came in weaker than expected.

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WHAT'S THE STORY?

4Q results to disappoint: We forecast Amorepacific's 4Q sales grew 2.7% y-y to KRW1.12t and its operating profit dipped 26.7% y-y to KRW575b, with the figures missing consensus by 2% and 43%, respectively.

On the sales side, the most disappointing factor was the likely return to negative growth y-y in China, which nation had previously shown signs of recovery. China sales likely fell 10% y-y to KRW140.9b. Although a reduction in the number of offline Sulwhasoo stores likely had an impact, the probable turn to negative growth for online sales, which account for over 70% of its total China sales, was likely a key factor. Also, sales growth in the West (the main driver of the company's in-house brand sales) was likely weaker than anticipated (up just 13% y-y or up KRW140.3b y-y)—*eg*, sales growth in the US likely slowed to +12% y-y (due to differences in the Amazon Prime Day revenue recognition timing) and that in Europe likely decelerated to +19% y-y. Domestic sales likely grew 4.5% y-y. Meanwhile, COSRX brand sales likely fell 9.4% y-y, with the pace of decline likely slowing slightly.

(Continued on the next page)

Amorepacific: 4Q25 preview

(KRWb)	4Q25E	3Q25	Chg (% q-q)	4Q24	Chg (% y-y)	Consensus	Diff (%)
Sales	1,121.7	1,016.9	10.3	1,091.7	2.7	1,149.3	-2.4
Operating profit	57.5	91.9	-37.4	78.5	-26.7	101.0	-43.1
Pre-tax profit	32.5	98.8	-67.1	-49.7	nm	85.1	-61.8
Net profit	24.2	66.0	-63.3	-54.5	nm	81.1	-70.2
Margins (%)							
Operating profit	5.1	9.0		7.2		8.8	
Pre-tax profit	2.9	9.7		-4.6		7.4	
Net profit	2.2	6.5		-5.0		7.1	

Source: Company data, Samsung Securities estimates

▶ AT A GLANCE

BUY

Target price	KRW156,000	23.2%
Current price	**KRW126,600**	
Market cap	KRW7.4t/USD5.1b	
Shares (float)	58,492,759 (49.8%)	
52-week high/low	KRW145,700/KRW101,200	
Avg daily trading value (60-day)	KRW29.5b/ USD20.5m	

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
Amorepacific (%)	1.9	-5.2	17.1
Vs Kospi (%pts)	-6.3	-35.1	-35.8

▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	156,000	156,000	0.0%
2025E EPS	4,049	4,930	-17.9%
2026E EPS	6,491	6,555	-1.0%

▶ SAMSUNG vs THE STREET

No of estimates	17
Target price	161,235
Recommendation	3.9

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

Books restructuring costs; corporate overhaul positive: The main reason for the likely disappointing operating and net profit figures in 4Q was the probable one-off restructuring costs related to voluntary retirement programs. These programs (the first in five years) targeted domestic offline sales teams and corporate support teams, and likely resulted in costs of over KRW40b (vs roughly KRW85b in restructuring costs in 4Q20). Such costs are considered unavoidable given changing market dynamics, and we favorably view the company's efforts to move forward. The shift towards global markets is a notable highlight, and these costs should be interpreted as restructuring costs. Despite the likely disappointing 4Q results, we maintain our BUY rating.

Amorepacific: Results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	2023	2024	2025E	2026E	2027E
Sales	**911.5**	**904.8**	**977.2**	**1,091.7**	**1,067.5**	**1,005.0**	**1,016.9**	**1,121.7**	**3,674.0**	**3,885.1**	**4,238.1**	**4,710.1**	**5,272.1**
Amorepacific (ex COSRX)	911.5	807.7	826.6	954.0	965.9	912.6	913.2	997.0	3,674.0	3,446.2	3,746.3	4,213.9	4,758.9
Domestic	563.6	506.3	531.5	545.0	572.5	550.6	553.3	570.7	2,210.8	2,146.4	2,247.1	2,370.8	2,486.8
E-commerce	169.1	171.2	164.8	187.5	189.5	183.8	183.4	202.4	672.1	692.7	759.2	828.5	901.1
Duty-free	115.0	83.0	85.5	103.9	98.1	99.6	94.6	107.3	452.1	387.5	399.7	409.3	419.1
Other domestic	279.5	252.1	281.2	253.5	284.8	267.1	275.2	261.1	1,086.6	1,066.3	1,088.3	1,133.0	1,166.6
Overseas	336.8	288.2	283.7	391.1	376.2	347.0	354.1	408.6	1,391.8	1,299.8	1,499.2	1,843.1	2,272.0
Asia	231.7	188.3	182.6	267.1	232.4	248.0	219.0	268.3	1,053.2	869.7	967.7	1,140.1	1,374.7
China & Taiwan	148.2	107.7	97.6	156.5	132.8	132.7	106.0	140.9	696.2	510.0	512.4	548.2	575.6
Other Asia	83.5	80.6	85.0	110.6	99.6	115.3	113.0	127.5	357.0	359.7	455.3	591.9	799.1
Western market	105.1	99.9	101.1	123.9	143.9	112.3	135.1	140.3	338.6	430.1	531.5	703.0	897.3
US	87.8	82.0	81.3	103.2	114.1	90.2	107.3	115.6	286.8	354.3	427.3	534.1	647.3
EMEA	17.3	17.9	19.8	20.7	29.8	22.1	27.8	24.7	51.8	75.7	104.3	168.9	250.0
COSRX (consolidated portion)		97.1	150.6	137.7	101.6	92.4	103.7	124.8		392.9	422.4	435.1	443.8
Operating profit	**72.7**	**4.2**	**65.2**	**78.5**	**117.7**	**73.7**	**91.9**	**57.5**	**108.2**	**220.5**	**340.8**	**438.6**	**489.7**
Amorepacific (ex COSRX)	72.7	-20.0	20.0	44.1	90.3	50.1	67.0	31.3	108.2	116.7	238.8	347.3	409.8
COSRX (consolidated portion)		24.2	45.2	34.4	27.4	23.6	24.9	26.2		103.8	102.1	91.4	79.9
Pre-tax profit	**102.2**	**513.8**	**54.4**	**-49.7**	**141.0**	**52.4**	**98.8**	**32.5**	**280.6**	**620.8**	**324.8**	**470.6**	**521.7**
Net profit (controlling)	**78.6**	**531.5**	**37.6**	**-54.5**	**110.8**	**35.8**	**66.0**	**24.2**	**180.1**	**593.2**	**236.8**	**379.7**	**428.1**
Growth (% y-y)													
Sales	**-0.2**	**-4.3**	**9.9**	**17.9**	**17.1**	**11.1**	**4.1**	**2.7**	**-11.1**	**5.7**	**9.1**	**11.1**	**11.9**
Amorepacific (ex COSRX)	-0.2	-14.6	-7.0	3.0	6.0	13.0	10.5	4.5	-11.1	-6.2	8.7	12.5	12.9
Domestic	2.1	-8.8	-2.2	-2.7	1.6	8.7	4.1	4.7	-14.4	-2.9	4.7	5.5	4.9
E-commerce	-6.1	0.7	9.2	10.3	12.1	7.4	11.3	7.9	-23.4	3.1	9.6	9.1	8.8
Duty-free	38.8	-25.2	-30.9	-22.7	-14.7	20.1	10.6	3.2	-30.1	-14.3	3.2	2.4	2.4
Other domestic	-3.4	-8.0	4.7	-0.9	1.9	6.0	-2.1	3.0	2.9	-1.9	2.1	4.1	3.0
Overseas	-2.3	-22.6	-10.7	9.6	11.7	20.4	24.8	4.5	-5.8	-6.6	15.3	22.9	23.3
Asia	-14.4	-34.0	-22.2	1.7	0.3	31.7	19.9	0.4	-16.8	-17.4	11.3	17.8	20.6
China & Taiwan	-19.3	-44.3	-33.9	-8.8	-10.4	23.2	8.6	-10.0	-9.0	-26.7	0.5	7.0	5.0
Other Asia	-4.1	-12.2	-2.3	21.5	19.3	43.0	32.9	15.2	-28.7	0.8	26.6	30.0	35.0
Western markets	41.6	14.7	21.7	31.6	36.9	12.4	33.6	13.2	59.1	27.0	23.6	32.3	27.6
US	39.8	10.9	15.0	30.0	30.0	10.0	32.0	12.0	58.1	23.5	20.6	25.0	21.2
EMEA	51.8	35.5	60.0	40.0	72.0	23.6	40.0	19.0	65.0	46.2	37.7	62.0	48.0
COSRX (company total)	77.6	36.9	5.3	-10.0	-35.0	-34.0	-31.1	-9.4	138.2	20.1	-27.7	3.0	2.0
Operating profit	**12.9**	**-29.5**	**277.7**	**279.6**	**62.0**	**1,673.4**	**41.0**	**-26.7**	**-49.5**	**103.8**	**54.6**	**28.7**	**11.7**
Amorepacific (ex COSRX)	12.9	nm	15.9	113.1	24.2	nm	235.1	-28.8	-49.5	7.9	104.6	45.4	18.0
COSRX (consolidated portion)						-2.7	-44.9	-23.9			-1.7	-10.5	-12.6
Pre-tax profit	**3.2**	**2,575.4**	**42.5**	**nm**	**37.9**	**-89.8**	**81.6**	**nm**	**25.0**	**121.2**	**-47.7**	**44.9**	**10.9**
Net profit (controlling)	**-9.9**	**2,304.6**	**34.4**	**nm**	**41.0**	**-93.3**	**75.4**	**nm**	**33.9**	**229.4**	**-60.1**	**60.3**	**12.8**
Margin (%)													
Operating profit	**8.0**	**0.5**	**6.7**	**7.2**	**11.0**	**7.3**	**9.0**	**5.1**	**2.9**	**5.7**	**8.0**	**9.3**	**9.3**
Amorepacific (ex COSRX)		-2.5	2.4	4.6	9.3	5.5	7.3	3.1	2.9	3.4	6.4	8.2	8.6
COSRX (company total)		28.6	30.0	25.0	27.0	25.5	24.0	21.0		30.4	24.2	21.0	18.0
Pre-tax profit	**11.2**	**56.8**	**5.6**	**-4.6**	**13.2**	**5.2**	**9.7**	**2.9**	**7.6**	**16.0**	**7.7**	**10.0**	**9.9**
Net profit (controlling)	**8.6**	**58.7**	**3.9**	**-5.0**	**10.4**	**3.6**	**6.5**	**2.2**	**4.9**	**15.3**	**5.6**	**8.1**	**8.1**

Source: Amorepacific, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**3,674**	**3,885**	**4,211**	**4,710**	**5,272**
Cost of goods sold	1,155	1,138	1,185	1,366	1,471
Gross profit	**2,519**	**2,747**	**3,026**	**3,344**	**3,801**
Gross margin (%)	68.6	70.7	71.9	71.0	72.1
SG&A expenses	2,411	2,526	2,685	2,906	3,311
Operating profit	**108**	**220**	**341**	**439**	**490**
Operating margin (%)	2.9	5.7	8.1	9.3	9.3
Non-operating gains (losses)	**172**	**400**	**-16**	**32**	**32**
Financial profit	162	124	32	30	30
Financial costs	19	43	21	21	21
Equity-method gains (losses)	42	16	-0	23	23
Other	-12	302	-26	0	0
Pre-tax profit	**281**	**621**	**325**	**471**	**522**
Taxes	107	19	75	70	70
Effective tax rate (%)	38.0	3.1	23.1	14.9	13.4
Profit from continuing operations	174	602	250	401	452
Profit from discontinued operations	0	0	0	0	0
Net profit	**174**	**602**	**250**	**401**	**452**
Net margin (%)	4.7	15.5	5.9	8.5	8.6
Net profit (controlling interests)	180	593	237	380	428
Net profit (non-controlling interests)	-6	8	13	21	24
EBITDA	360	478	584	688	744
EBITDA margin (%)	9.8	12.3	13.9	14.6	14.1
EPS (parent-based) (KRW)	3,079	8,591	4,049	6,491	6,200
EPS (consolidated) (KRW)	2,973	8,713	4,272	6,849	6,541
Adjusted EPS (KRW)*	3,079	8,591	4,049	6,491	6,200

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**1,952**	**1,735**	**1,882**	**2,137**	**2,415**
Cash & equivalents	506	452	621	757	938
Accounts receivable	293	386	406	452	506
Inventories	394	498	487	561	604
Other current assets	759	399	367	367	367
Fixed assets	**3,934**	**5,049**	**5,186**	**5,243**	**5,299**
Investment assets	380	74	74	74	74
Tangible assets	2,442	2,296	2,434	2,490	2,547
Intangible assets	341	1,774	1,774	1,774	1,774
Other long-term assets	772	905	905	905	905
Total assets	**5,887**	**6,784**	**7,068**	**7,380**	**7,714**
Current liabilities	**813**	**1,096**	**1,288**	**1,374**	**1,412**
Accounts payable	86	96	130	150	161
Short-term debt	244	306	249	249	249
Other current liabilities	483	694	908	975	1,001
Long-term liabilities	**201**	**362**	**373**	**373**	**373**
Bonds & long-term debt	0	0	0	0	0
Other long-term liabilities	201	362	373	373	373
Total liabilities	**1,014**	**1,457**	**1,660**	**1,746**	**1,785**
Owners of parent equity	**4,898**	**5,252**	**5,370**	**5,596**	**5,892**
Capital stock	35	35	35	35	35
Capital surplus	794	623	580	540	540
Retained earnings	4,101	4,601	4,755	5,021	5,317
Other	-32	-6	0	0	0
Non-controlling interests' equity	**-25**	**74**	**38**	**38**	**38**
Total equity	**4,873**	**5,326**	**5,408**	**5,633**	**5,929**
Net debt	-330	-79	-696	-832	-1,012

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**348**	**335**	**514**	**546**	**622**
Net profit	174	602	250	401	452
Non-cash profit and expenses	267	-28	207	229	240
Depreciation	252	257	243	249	255
Amortization	0	0	0	0	0
Other	16	-286	-36	-20	-15
Changes in A/L from operating activities	-36	-192	57	-100	-86
Cash flow from investments	**-186**	**-312**	**-223**	**-228**	**-228**
Change in tangible assets	-108	-80	-76	-78	-78
Change in financial assets	-107	132	0	0	0
Other	29	-364	-147	-150	-150
Cash flow from financing	**-99**	**-99**	**-121**	**-182**	**-213**
Change in debt	-7	90	2	2	2
Change in equity	2	-171	0	0	0
Dividends	-47	-63	-78	-107	-139
Other	-47	45	-45	-76	-76
Change in cash	57	-55	170	136	181
Cash at beginning of year	450	506	452	621	757
Cash at end of year	506	452	621	757	938
Gross cash flow	**441**	**573**	**457**	**630**	**691**
Free cash flow	**214**	**254**	**436**	**466**	**542**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	-11.1	5.7	8.4	11.8	11.9
Operating profit	-49.5	103.8	54.6	28.7	11.7
Net profit	34.5	246.0	-58.5	60.3	12.8
Adjusted EPS**	33.9	179.0	-52.9	60.3	-4.5
Per-share data (KRW)					
EPS (parent-based)	3,079	8,591	4,049	6,491	6,200
EPS (consolidated)	2,973	8,713	4,272	6,849	6,541
Adjusted EPS**	3,079	8,591	4,049	6,491	6,200
BVPS	70,961	76,149	77,841	81,111	85,403
DPS (common)	910	1,125	1,555	2,005	2,270
Valuations (x)					
P/E***	47.1	12.2	29.5	19.5	20.4
P/B***	2.0	1.4	1.5	1.6	1.5
EV/EBITDA	23.6	13.5	11.6	10.3	9.3
Ratios (%)					
ROE	3.7	11.7	4.5	6.9	7.5
ROA	3.0	9.5	3.6	5.5	6.0
ROIC	2.0	5.4	5.8	8.4	9.3
Payout ratio	29.5	11.1	38.4	30.9	31.0
Dividend yield (common)	0.6	1.1	1.3	1.6	1.8
Net debt to equity	-6.8	-1.5	-12.9	-14.8	-17.1
Interest coverage (x)	6.6	7.8	n/a	21.1	23.6

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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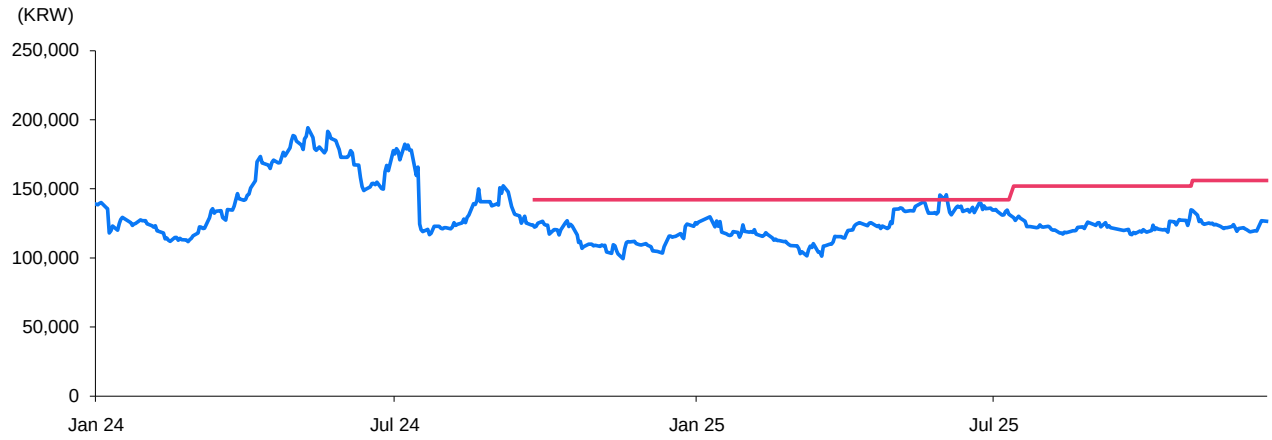
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2024/10/16	2025/8/4	11/21
Recommendation	BUY	BUY	BUY
Target price (KRW)	142000	152000	156000
Gap* (average)	-15.20	-19.44	
(max or min)**	2.61	-11.32	

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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BUY	Expected to increase in value by 15% or more within 12 months and is highly attractive within sector
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Industry

OVERWEIGHT	Expected to outperform market by 5% or more within 12 months
NEUTRAL	Expected to outperform/underperform market by less than 5% within 12 months
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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 2025.12.31

BUY (85.8%)·HOLD (14.2%)·SELL (0%)

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