COMPANY UPDATE

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Celltrion (068270)

Profitability turns around on new products

- Celltrion's 4Q consolidated earnings likely improved on the back of growing contributions from new high-margin products.
- We maintain BUY and raise our 12-month target price to KRW230,000 considering its clearing earnings visibility for 2026 and fundamental improvement in its earnings structure.

(§ The Korean version of this report was published on Jan 2)

WHAT'S THE STORY?

4Q25 preview: Celltrion announced on Dec 31 that it expects to report 4Q consolidated sales of KRW1.28t (up 20.7% y-y and 24.8% q-q) and an operating profit of KRW472.2b (up 140.4% y-y and 56.7% q-q), exceeding FnGuide consensus by 2% and 19%, respectively. This guidance (released ahead of the official earnings season) signals strong confidence in its profitability improvement. The key driver behind the probable earnings surprise was the rapid market-share expansion of its high-margin new product portfolio. The slower-than-forecast improvement in its COGS ratio until 3Q25 was the main reason behind its poor share performance. However, a significant increase in the contribution from new lucrative products in 4Q indicates that the stagnant earnings phase is now over.

(Continued on the next page)

▶ AT A GLANCE

BUY

Target price	KRW230,000	8%
Current price	**KRW213,000**	
Market cap	KRW49.2t/USD34.0b	
Shares (float)	230,960,969 (63.0%)	
52-week high/low	KRW213,000/KRW146,216	
Avg daily trading value (60-day)	KRW141.1b/ USD97.6m	

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
Celltrion (%)	16.2	19.7	20.4
Vs Kospi (%pts)	5.3	-19.2	-33.8

▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	230,000	220,000	4.5%
2025E EPS	3,782	3,104	21.8%
2026E EPS	5,526	5,555	-0.5%

▶ SAMSUNG vs THE STREET

No of estimates	16
Target price	238,125
Recommendation	4.0

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

SUMMARY FINANCIAL DATA

	2024	2025E	2026E	2027E
Revenue (KRWb)	3,557	4,116	5,224	5,835
Operating profit (KRWb)	492	1,165	1,684	1,914
Net profit (adj) (KRWb)	419	882	1,289	1,562
EPS (adj) (KRW)	1,787	3,782	5,526	6,697
EPS (adj) growth (% y-y)	-46.6	111.6	46.1	21.2
EBITDA margin (%)	25.6	35.4	37.4	36.9
ROE (%)	2.5	5.1	7.2	8.2
P/E (adj) (x)	101.1	47.9	38.5	31.8
P/B (x)	2.3	2.3	2.6	2.4
EV/EBITDA (x)	46.0	29.6	25.3	22.2
Dividend yield (%)	0.4	0.4	0.3	0.3

Source: Company data, Samsung Securities estimates

Maintaining BUY and raising target price to KRW230,000: Rolling forward the base period (to 1Q-4Q26), we increase our forward EBITDA forecast to KRW1.95t, to which we apply an EV/EBITDA multiple of 27x (the 2026 average for global pharmas; Bloomberg) to arrive at our new target price. We forecast the firm's 2026 sales at KRW5.22t (up 26.9%) and operating profit at KRW1.68t (up 44.5%), which represent upward revisions of 11% and 3% from our previous estimates. These new estimates reflect both structural growth of the biosimilar business and the positive impact of the acquisition of the Eli Lilly manufacturing facility. Furthermore, the Trump administration has recently decided to drive down drug prices by negotiating directly with global pharmas and by seeking to reduce or bypass the rebate-based structure of pharmacy benefit managers (PBMs; which function as intermediaries in the distribution chain). This shift should create substantial opportunities for biosimilar makers. As margins at intermediaries decline, the market environment should increasingly favor biosimilars given their superior price competitiveness. As a result, Celltrion's market share in the US is expected to grow.

4Q preview

(KRWb)	4Q25E	3Q25	4Q24	Consensus	Diff (%)		
					(q-q)	(y-y)	Consensus
Sales	1,283.9	1,029.0	1,063.6	1,257.9	24.8	20.7	2.1
Operating profit	472.2	301.4	196.4	396.8	56.7	140.4	19.0
Pre-tax profit	485.0	377.9	274.0	447.6	28.3	77.0	8.4
Net profit	374.5	331.4	236.6	398.8	13.0	58.3	(6.1)
Margins (%)							
Operating profit	36.8	29.3	18.5	31.5			
Pre-tax profit	37.8	36.7	25.8	35.6			
Net profit	29.2	32.2	22.2	31.7			

Source: Celltrion, FnGuide, Samsung Securities estimates

Celltrion: Valuation

(KRWb)	Estimated value	12M fwd EBITDA	EV/EBITDA (x)
Celltrion (A = B + C)	52,713		
Operating value (B)	52,683	1,951.2	27*
Net cash (C)	15		
Shares outstanding ('000) (D)	230,961		
Fair price per share (KRW) (A/D)	228,232		
Target price (KRW)	230,000		

Note: *Average 2026 multiple of global pharmaceutical firms whose sales are expected to grow 10-39%
Source: Bloomberg, Samsung Securities estimates

Detailed results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	1Q26E	2Q26E	3Q26E	4Q26E	2024	2025E	2026E
Sales	**737**	**875**	**882**	**1,064**	**842**	**961**	**1,029**	**1,284**	**1,172**	**1,283**	**1,339**	**1,430**	**3,557**	**4,116**	**5,224**
Chg (% y-y)					14.2	9.9	16.7	20.7	39.3	33.4	30.1	11.4		15.7	26.9
Biosimilars	**651**	**774**	**810**	**873**	**768**	**883**	**958**	**1,116**	**1,021**	**1,102**	**1,147**	**1,228**	**3,108**	**3,725**	**4,498**
Remsima IV/Inflectra	299	363	317	289	238	261	265	269	238	253	263	279	1,269	1,033	1,033
Remsima SC	112	111	171	170	135	184	177	200	168	179	186	197	565	696	730
Zymfentra	0	2	6	28	13	23	37	64	91	112	117	137	37	137	457
Truxima	101	115	102	132	129	103	113	98	114	122	127	134	450	442	497
Herzuma	37	62	49	49	54	51	64	82	68	72	75	80	197	251	295
Uflyma	67	80	94	108	118	137	121	107	137	146	152	161	349	484	597
Vegzelma	35	40	69	77	58	80	74	123	79	84	88	93	221	334	343
Stelrara	0	0	2	18	21	35	40	60	48	51	53	57	20	157	210
Xolair	0	0	0	0	0	4	10	14	18	19	20	21	0	27	77
Other	0	0	0	2	2	5	58	100	59	63	66	70	2	164	258
Celltrion Pharma+Chemical	81	95	65	79	68	71	69	57	68	88	95	94	320	266	345
Other	5	6	7	111	6	7	1	111	83	93	97	107	129	126	380
EBITDA	**147**	**205**	**283**	**275**	**220**	**319**	**375**	**543**	**434**	**474**	**500**	**544**	**910**	**1,458**	**1,951**
Chg (% y-y)					49.9	55.9	32.2	97.5	96.9	48.5	33.5	0.0		60.1	33.9
EBITDA margin	20.0	23.4	32.1	25.9	26.2	33.2	36.4	42.3	37.0	36.9	37.3	38.0	25.6	35.4	37.4
Operating profit	**15**	**72**	**208**	**196**	**149**	**242**	**301**	**472**	**364**	**406**	**434**	**480**	**492**	**1,165**	**1,684**
Chg (% y-y)					867.9	234.5	38.3	140.4	143.9	67.6	51.2	1.6		136.9	44.5
Operating margin	2.1	8.3	23.5	18.5	17.7	25.2	27.9	36.8	31.1	31.7	32.4	33.5	13.8	28.3	32.2
Net profit (controlling)	**22**	**78**	**86**	**237**	**109**	**61**	**331**	**375**	**269**	**302**	**318**	**387**	**423**	**876**	**1,276**
Chg (% y-y)					384.3	(21.6)	287.1	58.3	147.9	393.7	(4.1)	3.4		107.2	45.7
Net margin (%)	3.0	8.9	9.7	22.2	12.9	6.4	32.2	29.2	23.0	23.5	23.7	27.1	11.9	21.3	24.4

Source: Samsung Securities estimates

Celltrion biosimilar portfolio

Developer/ Clinical trials	Product	Original	Region	Seller	Comment	Remarks
Celltrion	Inflectra IV	Remicade	US	Pfizer	Nov 2016, sales began	
	Remsima IV		EU	Pfizer/Celltrion/local pharma	Feb 2015, sales began	
	Zymfentra SC		US	Celltrion	Mar 2024, sales began	US formulation patent registered; to expire in 2038
	Remsima SC		EU	Celltrion/local pharma	Feb 2020, sales began	
	Truxima	Rituxan	US	Teva	Jul 2019, sales began	
			EU	Celltrion/local pharma	Apr 2017, sales began	
	Herzuma	Herceptin	US	Teva	Mar 2020, sales began	
			EU	Celltrion/local pharma	May 2018, sales began	
	Yuflyma (High concentration)	Humira	US	Celltrion	Aug 2023, sales began	US IC license application in Jan 2024
			EU	Celltrion/local pharma	May 2021, sales began	
	Vegzelma	Avastin	US	Celltrion	Feb 2023, sales began	
			EU	Celltrion/local pharma	Oct 2022, sales began	
	Omlyclo	Xolair	US	Celltrion	Mar 2025, FDA approval granted	Nov 2025, formulation patent expires
			EU	Celltrion/local pharma	Sep 2025, sales began	Mar 2024, formulation patent expires
	Steqeyma	Stelara	US	Celltrion	Mar 2025, sales began	Substance patent expires Sep 2023; launch possible Apr 2025
			EU	Celltrion/local pharma	Nov 2024, sales began	Jul 2024, substance patent expires
	Avtozma	Actemra	US	Celltrion	Oct 2025, sales began	Substance patent expired 2015; formulation patent valid
			EU	Celltrion/local pharma	Feb 2025, EMA approval granted	Substance patent expired 2017; formulation patent valid
	CT-P42	Eylea	US	Celltrion	Oct 2025, FDA approval granted	May 2024, US exclusivity expires
			EU	Celltrion/local pharma	Feb 2025, EMA approval granted	Nov 2025, substance patent expires
	Stoboclo/ Osenvelt (CT-P41)	Prolia/ Xgeva	US	Celltrion	Mar 2025, FDA approval granted	Feb 2025, substance patent expires
			EU	Celltrion/local pharma	Dec 2025, sales began	Nov 2025, substance patent expires

Source: Celltrion, Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**2,176**	**3,557**	**4,116**	**5,224**	**5,835**
Cost of goods sold	1,125	1,876	1,682	1,845	1,993
Gross profit	**1,052**	**1,682**	**2,434**	**3,379**	**3,842**
Gross margin (%)	48.3	47.3	59.1	64.7	65.8
SG&A expenses	400	1,190	1,268	1,695	1,928
Operating profit	**651**	**492**	**1,165**	**1,684**	**1,914**
Operating margin (%)	29.9	13.8	28.3	32.2	32.8
Non-operating gains (losses)	**20**	**84**	**-55**	**-32**	**89**
Financial profit	31	57	45	42	67
Financial costs	20	80	90	70	70
Equity-method gains (losses)	-11	-12	-3	-11	-6
Other	19	120	-6	7	98
Pre-tax profit	**671**	**576**	**1,111**	**1,653**	**2,003**
Taxes	131	157	229	364	441
Effective tax rate (%)	19.6	27.3	20.6	22.0	22.0
Profit from continuing operations	540	419	882	1,289	1,562
Profit from discontinued operations	0	0	0	0	0
Net profit	**540**	**419**	**882**	**1,289**	**1,562**
Net margin (%)	24.8	11.8	21.4	24.7	26.8
Net profit (controlling interests)	536	423	876	1,276	1,547
Net profit (non-controlling interests)	4	-4	6	13	16
EBITDA	897	910	1,458	1,951	2,154
EBITDA margin (%)	41.2	25.6	35.4	37.4	36.9
EPS (parent-based) (KRW)	3,344	1,787	3,782	5,526	6,697
EPS (consolidated) (KRW)	3,370	1,771	3,808	5,582	6,765
Adjusted EPS (KRW)*	3,344	1,787	3,782	5,526	6,697

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**5,094**	**5,584**	**6,345**	**7,919**	**9,748**
Cash & equivalents	565	996	1,558	2,776	4,226
Accounts receivable	939	1,215	1,453	1,512	1,574
Inventories	3,039	2,766	2,755	2,983	3,221
Other current assets	552	607	579	648	727
Fixed assets	**14,863**	**15,471**	**15,473**	**15,222**	**14,999**
Investment assets	135	161	178	193	210
Tangible assets	1,215	1,245	1,240	1,155	1,079
Intangible assets	13,291	13,702	13,539	13,357	13,194
Other long-term assets	222	364	516	516	516
Total assets	**19,957**	**21,055**	**21,819**	**23,141**	**24,747**
Current liabilities	**2,512**	**3,187**	**4,363**	**4,525**	**4,697**
Accounts payable	51	75	107	121	136
Short-term debt	1,608	1,989	2,746	2,746	2,746
Other current liabilities	854	1,123	1,510	1,658	1,814
Long-term liabilities	**319**	**288**	**235**	**257**	**281**
Bonds & long-term debt	99	87	37	37	37
Other long-term liabilities	220	201	198	219	244
Total liabilities	**2,831**	**3,475**	**4,599**	**4,782**	**4,977**
Owners of parent equity	**16,981**	**17,439**	**17,072**	**18,198**	**19,593**
Capital stock	220	221	239	239	239
Capital surplus	14,790	14,828	14,212	14,212	14,212
Retained earnings	3,964	3,744	4,253	5,379	6,775
Other	-1,993	-1,353	-1,632	-1,632	-1,633
Non-controlling interests' equity	**145**	**141**	**148**	**161**	**176**
Total equity	**17,126**	**17,580**	**17,220**	**18,359**	**19,770**
Net debt	1,131	1,064	1,218	-15	-1,482

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**537**	**902**	**1,276**	**1,437**	**1,572**
Net profit	540	419	882	1,289	1,562
Non-cash profit and expenses	373	649	653	669	617
Depreciation	64	73	92	85	77
Amortization	182	346	200	182	163
Other	127	231	361	402	377
Changes in A/L from operating activities	-221	-21	185	-157	-167
Cash flow from investments	**-139**	**-169**	**-228**	**27**	**121**
Change in tangible assets	-210	-135	-70	0	0
Change in financial assets	-134	47	25	-15	-17
Other	205	-81	-183	42	139
Cash flow from financing	**-385**	**-353**	**-433**	**-220**	**-219**
Change in debt	1,071	318	690	1	1
Change in equity	13,993	38	-607	0	0
Dividends	-52	-104	-154	-151	-151
Other	-15,397	-605	-362	-70	-70
Change in cash	13	432	561	1,218	1,450
Cash at beginning of year	551	565	996	1,558	2,776
Cash at end of year	565	996	1,558	2,776	4,226
Gross cash flow	**913**	**1,068**	**1,535**	**1,958**	**2,179**
Free cash flow	**327**	**767**	**1,207**	**1,437**	**1,572**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	-4.7	63.4	15.7	26.9	11.7
Operating profit	0.7	-24.5	136.9	44.5	13.6
Net profit	-0.5	-22.4	110.5	46.2	21.2
Adjusted EPS**	-1.0	-46.6	111.6	46.1	21.2
Per-share data (KRW)					
EPS (parent-based)	3,344	1,787	3,782	5,526	6,697
EPS (consolidated)	3,370	1,771	3,808	5,582	6,765
Adjusted EPS**	3,344	1,787	3,782	5,526	6,697
BVPS	73,863	78,173	78,098	83,247	89,630
DPS (common)	459	689	689	689	689
Valuations (x)					
P/E***	55.4	101.1	47.9	38.5	31.8
P/B***	2.5	2.3	2.3	2.6	2.4
EV/EBITDA	34.3	46.0	29.6	25.3	22.2
Ratios (%)					
ROE	5.1	2.5	5.1	7.2	8.2
ROA	4.2	2.0	4.1	5.7	6.5
ROIC	4.6	1.9	5.1	7.3	8.3
Payout ratio	19.3	36.4	17.2	11.8	9.7
Dividend yield (common)	0.2	0.4	0.4	0.3	0.3
Net debt to equity	6.6	6.1	7.1	-0.1	-7.5
Interest coverage (x)	67.4	6.5	16.3	24.2	27.5

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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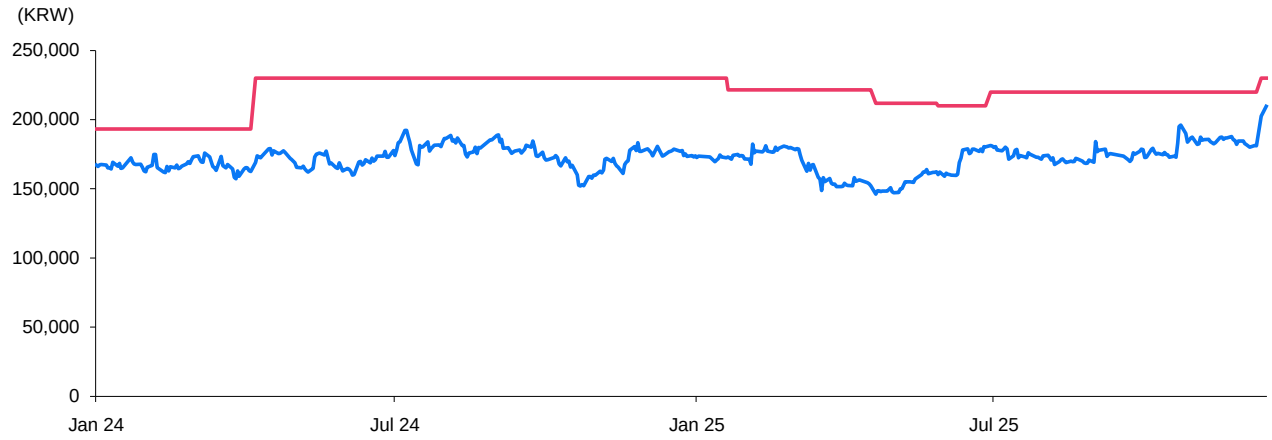
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2023/3/6	2024/3/6	2024/4/29	12/31	2025/2/11	5/12	6/19	7/21	2026/1/2
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	193191	193191	229989	229989	221539	211907	210000	220000	230000
Gap* (average)	-22.30	-13.75	-24.55	-24.16	-24.51	-27.24	-18.76	-19.27	
(max or min)**	10.24	-8.95	-16.40	-22.31	-17.70	-22.65	-14.10	-10.86	

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

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
UNDERWEIGHT	Expected to underperform market by 5% or more within 12 months

* 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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