COMPANY UPDATE

2026. 1. 8

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Cosmax (192820)

4Q preview: 4Q results to disappoint, but 2026 guidance positive

- We forecast Cosmax's consolidated 4Q sales came to KRW588.3b (missing consensus by 3%) and its operating profit to KRW32.9b (missing by 26%).
- This would imply that its consolidated sales and operating profit grew a respective 10% and 7% in full-year 2025, significantly below its initial guidance (*eg*, parent-based sales growth of 20% vs actual growth of 13%).
- The company, however, has issued aggressive 2026 guidance (*eg*, parent-based sales growth of 15%), reflecting the clearing visibility of customer inventory depletion. Orders should resume being placed in 1Q.

WHAT'S THE STORY?

4Q results to disappoint: Cosmax's 4Q consolidated sales likely rose 5.4% y-y to KRW588.3b, though its operating profit likely dipped 17.4% y-y to KRW32.9b (for an operating margin of 5.6%).

- **Domestic (parent):** Its 4Q domestic sales likely grew 5% y-y to KRW363.6b, though its operating profit likely fell 21% y-y to KRW27.3b (for an operating margin of 7.5%). The likely weaker-than-expected sales growth owed partly to there being fewer operating days (down 4% y-y), but mainly to reduced high-margin, large-volume orders from clients. This should result in full-year 2025 sales growth of 12.8%, below the guidance it gave in January (up 20%).
- **China (consolidated):** Its 4Q sales in China (Shanghai and Guangzhou) rose an estimated 12% y-y to KRW173.4b—Shanghai sales up 20% y-y to KRW114.4b and Guangzhou sales up 9% y-y to KRW53.1b. While Shanghai likely logged sound growth on customer diversification, Guangzhou likely missed expectations due to intensified competition and poor performance by its online/influencer-based brands (which brands account for over 70% of its customer base).

(Continued on the next page)

Cosmax 4Q25 preview

(KRWb)	4Q25E	3Q25	Chg (% q-q)	4Q24	Chg (% y-y)	Consensus	Diff (%)
Sales	588.3	585.6	0.5	558.0	5.4	606.8	-3.0
Operating profit	32.9	42.7	-23.0	39.8	-17.4	44.4	-25.8
Pre-tax profit	48.8	40.0	21.9	29.4	65.7	35.6	37.2
Net profit	13.4	9.0	48.9	11.9	12.6	28.8	-53.5
Margins (%)							
Operating profit	5.6	7.3		7.1		7.3	
Pre-tax profit	8.3	6.8		5.3		5.9	
Net profit	2.3	1.5		2.1		4.7	

Source: Company data, Samsung Securities estimates

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AT A GLANCE

BUY

Target price	KRW235,000	33.7%
Current price	**KRW175,800**	
Market cap	KRW2.0t/USD1.4b	
Shares (float)	11,349,509 (72.2%)	
52-week high/low	KRW282,000/KRW143,400	
Avg daily trading value (60-day)	KRW15.5b/ USD10.7m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Cosmax (%)	6.4	-28.7	22.6
Vs Kospi (%pts)	-3.6	-51.9	-32.6

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	235,000	235,000	0.0%
2025E EPS	3,064	6,200	-50.6%
2026E EPS	11,125	16,676	-33.3%

SAMSUNG vs THE STREET

No of estimates	19
Target price	237,105
Recommendation	4.0

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

- **US:** Its US sales in 4Q grow an estimated 9.5% y-y to KRW32.6b and it likely stayed in the red (operating income basis). Sales growth was likely driven by new customers in the West, but the scale of growth was likely insufficient to cover fixed costs. It needs more time to break even.
- **Indonesia and Thailand:** Its Indonesian sales in 4Q likely shrank 24% y-y to KRW23.9b, and its Thai sales were likely flat y-y at KRW12.6b. Both markets were affected by increased competition from low-cost indie brands, which competition has hurt Cosmax's premium positioning.

Implications of positive 2026 guidance: Despite the likely disappointing 2025 results, the company's 2026 guidance is positive, with its businesses in most regions set to perform better—sales to rise 15% in Korea (according to guidance), 15% in China, 20% in the US, 10% in Indonesia, and 20% in Thailand. Notably, the domestic market is seeing signs that orders will gradually resume—the K-beauty inventory restocking cycle has begun. Given its attractive valuation, we maintain BUY.

Cosmax: Results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	2023	2024	2025E	2026E	2027E
Sales	526.8	551.5	529.8	558.0	588.6	623.6	585.6	588.3	1,777.5	2,166.1	2,386.0	2,720.6	3,045.9
Korea headquarters (parent)	315.4	348.2	346.3	346.3	362.8	420.5	383.5	363.6	1,057.5	1,356.2	1,530.4	1,740.9	1,967.2
China entities	157.4	147.6	114.4	155.0	162.7	148.6	140.0	173.4	547.4	574.4	624.7	709.9	784.5
Shanghai	107.6	97.5	72.0	95.3	109.0	108.6	91.0	114.4	399.7	372.4	423.0	499.1	559.0
Guangzhou	46.8	49.5	39.7	48.7	48.5	41.1	45.5	53.1	140.6	184.7	188.2	210.8	225.5
US entity	38.8	36.0	32.5	29.8	28.7	30.0	36.9	32.6	139.9	137.1	128.2	155.8	174.8
Indonesia entity	24.1	25.4	32.3	31.4	29.6	20.9	21.5	23.9	85.5	113.2	95.9	101.6	106.7
Thailand entity	9.5	10.3	11.1	12.6	23.9	23.1	15.2	12.6	25.5	43.5	74.8	86.0	96.4
Operating profit	45.5	46.7	43.4	39.8	51.3	60.8	42.7	32.9	115.7	175.4	187.8	209.5	243.7
Korea headquarters (parent)	30.1	34.5	39.5	34.6	34.3	49.9	34.3	27.3	86.8	138.7	145.8	160.1	177.1
Overseas entities and adjustment	15.4	12.2	3.9	5.2	17.0	10.9	8.4	5.6	28.9	36.7	42.0	49.4	66.6
Net profit (controlling)	19.2	33.6	21.1	11.9	8.1	20.9	9.0	13.4	57.1	85.8	34.8	126.3	144.2
Korea headquarters (parent)	29.0	29.9	17.1	30.7	16.5	25.7	27.6	22.9	18.2	106.7	92.7	95.8	102.3
China entities	5.8	-1.1	-7.4	1.3	-4.9	-0.3	-1.7	-1.7	19.7	-1.4	-8.6	22.5	42.8
Shanghai	5.1	3.4	-3.1	-2.1	7.2	5.3	3.8	2.3	18.7	3.3	18.6	35.9	41.9
Guangzhou	6.6	2.2	3.1	-5.6	3.9	1.7	2.0	1.1	15.1	6.3	8.7	11.6	12.9
US entity	-13.8	-9.6	-9.2	-14.7	-11.7	-20.4	-7.4	-8.2	-50.0	-47.3	-47.7	-0.8	1.7
Indonesia entity	2.3	2.5	9.7	-1.7	2.7	2.4	0.6	2.9	5.6	12.8	8.6	8.1	9.1
Thailand entity	-0.8	0.1	2.7	2.8	2.1	2.2	0.8	1.0	-2.4	4.8	6.1	6.9	7.2
Margins (%)													
Operating profit	8.6	8.5	8.2	7.1	8.7	9.8	7.3	5.6	6.5	8.1	7.9	7.7	8.0
Korea headquarters (parent)	9.5	9.9	11.4	10.0	9.5	11.9	8.9	7.5	8.2	10.2	9.5	9.2	9.0
Overseas entities and adjustment	7.3	6.0	2.1	2.5	7.6	5.4	4.2	2.5	4.0	4.5	4.9	5.0	6.2
Net profit (controlling)	3.7	6.1	4.0	2.1	1.4	3.4	1.5	2.3	3.2	4.0	1.5	4.6	4.7
Korea headquarters (parent)	9.2	8.6	4.9	8.9	4.5	6.1	7.2	6.3	1.7	7.9	6.1	5.5	5.2
China entities	3.7	-0.7	-6.5	0.8	-3.0	-0.2	-1.2	-1.0	3.6	-0.2	-1.4	3.2	5.5
Shanghai	4.8	3.5	-4.3	-2.2	6.6	4.9	4.2	2.0	4.7	0.9	4.4	7.2	7.5
Guangzhou	14.1	4.4	7.8	-11.5	8.0	4.1	4.4	2.0	10.7	3.4	4.6	5.5	5.7
US entity	-35.6	-26.7	-28.3	-49.3	-40.8	-68.0	-20.1	-25.0	-35.7	-34.5	-37.2	-0.5	1.0
Indonesia entity	9.5	9.8	30.0	-5.4	9.1	11.5	2.8	12.0	6.5	11.3	8.9	8.0	8.5
Thailand entity	-8.4	1.0	24.3	22.2	8.8	9.5	5.3	8.0	-9.3	11.0	8.2	8.0	7.5
Growth (% y-y)													
Sales	30.6	15.1	15.6	27.8	11.7	13.1	10.5	5.4	11.1	21.9	10.2	14.0	12.0
Korea headquarters (parent)	29.6	25.1	20.2	39.7	15.0	20.8	10.7	5.0	23.8	28.2	12.8	13.8	13.0
China entities	28.6	-4.0	-7.5	5.1	3.4	0.7	22.4	11.9	-1.7	4.9	8.8	13.6	10.5
Shanghai	17.6	-12.9	-15.8	-14.0	1.3	11.4	26.4	20.0	-7.5	-6.8	13.6	18.0	12.0
Guangzhou	57.6	23.7	7.6	43.2	3.6	-17.0	14.6	9.0	18.9	31.4	1.9	12.0	7.0
US entity	43.2	-5.6	-11.8	-21.3	-26.0	-16.7	13.5	9.5	-14.6	-2.0	-6.5	21.5	12.2
Indonesia entity	26.2	23.1	38.8	39.6	22.8	-17.7	-33.4	-24.0	28.0	32.4	-15.3	6.0	5.0
Thailand entity	86.3	51.8	69.1	77.5	151.6	124.3	36.9	0.1	31.5	70.3	72.0	15.0	12.1
Operating profit	229.1	1.4	30.4	76.8	13.0	30.2	-1.6	-17.5	117.9	51.6	7.0	11.6	16.3
Korea headquarters (parent)	130.7	13.6	52.9	97.6	14.0	44.5	-13.2	-21.2	102.5	59.8	5.1	9.8	10.6
Overseas entities and adjustment	1,877.7	-22.2	-47.6	4.0	10.9	-10.4	115.4	7.3	182.1	26.9	14.4	17.8	34.8

Source: Cosmax, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**1,777**	**2,166**	**2,386**	**2,721**	**3,046**
Cost of goods sold	1,484	1,748	1,977	2,185	2,446
Gross profit	**294**	**418**	**409**	**536**	**600**
Gross margin (%)	16.5	19.3	17.2	19.7	19.7
SG&A expenses	178	243	221	326	356
Operating profit	**116**	**175**	**188**	**209**	**244**
Operating margin (%)	6.5	8.1	7.9	7.7	8.0
Non-operating gains (losses)	**-31**	**-38**	**-41**	**-52**	**-66**
Financial profit	21	47	26	31	32
Financial costs	44	68	67	83	98
Equity-method gains (losses)	-2	-0	0	0	0
Other	-6	-17	0	0	0
Pre-tax profit	**84**	**138**	**147**	**157**	**178**
Taxes	46	49	90	30	33
Effective tax rate (%)	55.1	35.8	61.6	19.3	18.3
Profit from continuing operations	38	88	56	127	146
Profit from discontinued operations	0	0	0	0	0
Net profit	**38**	**88**	**56**	**127**	**146**
Net margin (%)	2.1	4.1	2.4	4.7	4.8
Net profit (controlling interests)	57	86	35	126	144
Net profit (non-controlling interests)	-19	3	22	1	1
EBITDA	175	244	286	318	363
EBITDA margin (%)	9.9	11.3	12.0	11.7	11.9
EPS (parent-based) (KRW)	5,034	7,560	3,064	11,125	12,704
EPS (consolidated) (KRW)	3,331	7,790	4,960	11,192	12,830
Adjusted EPS (KRW)*	5,034	7,560	3,064	11,125	12,704

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**822**	**943**	**972**	**1,099**	**1,283**
Cash & equivalents	257	256	196	224	303
Accounts receivable	272	349	397	462	526
Inventories	218	257	298	329	369
Other current assets	75	80	81	83	85
Fixed assets	**735**	**991**	**1,153**	**1,254**	**1,364**
Investment assets	82	56	1	1	1
Tangible assets	547	778	934	1,028	1,130
Intangible assets	54	63	69	76	84
Other long-term assets	53	94	149	149	149
Total assets	**1,557**	**1,934**	**2,125**	**2,352**	**2,647**
Current liabilities	**989**	**1,114**	**1,279**	**1,429**	**1,642**
Accounts payable	241	231	271	299	335
Short-term debt	403	464	485	492	492
Other current liabilities	346	419	523	637	815
Long-term liabilities	**209**	**311**	**337**	**349**	**349**
Bonds & long-term debt	106	188	189	191	191
Other long-term liabilities	103	123	148	158	158
Total liabilities	**1,199**	**1,425**	**1,616**	**1,778**	**1,991**
Owners of parent equity	**363**	**473**	**476**	**543**	**624**
Capital stock	6	6	6	6	6
Capital surplus	29	28	28	28	28
Retained earnings	313	384	386	453	534
Other	15	56	56	56	56
Non-controlling interests' equity	**-4**	**35**	**34**	**32**	**32**
Total equity	**359**	**509**	**510**	**575**	**656**
Net debt	442	615	573	566	487

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**231**	**73**	**148**	**212**	**243**
Net profit	38	88	56	127	146
Non-cash profit and expenses	161	186	215	227	238
Depreciation	56	64	93	103	113
Amortization	4	5	5	5	6
Other	102	117	117	119	119
Changes in A/L from operating activities	79	-127	-49	-68	-67
Cash flow from investments	**-105**	**-160**	**-198**	**-169**	**-138**
Change in tangible assets	-81	-161	-197	-167	-136
Change in financial assets	-17	-2	0	0	0
Other	-6	3	-1	-2	-2
Cash flow from financing	**-39**	**68**	**-11**	**-15**	**-26**
Change in debt	105	166	12	11	0
Change in equity	-258	-0	0	0	0
Dividends	0	-6	-33	-59	-63
Other	114	-93	10	33	38
Change in cash	88	-1	-61	29	79
Cash at beginning of year	169	257	256	196	224
Cash at end of year	257	256	196	224	303
Gross cash flow	**199**	**274**	**271**	**354**	**383**
Free cash flow	**145**	**-92**	**-53**	**41**	**103**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	11.1	21.9	10.2	14.0	12.0
Operating profit	117.9	51.6	7.0	11.6	16.3
Net profit	nm	133.9	-36.3	125.7	14.6
Adjusted EPS**	174.1	50.2	-59.5	263.1	14.2
Per-share data (KRW)					
EPS (parent-based)	5,034	7,560	3,064	11,125	12,704
EPS (consolidated)	3,331	7,790	4,960	11,192	12,830
Adjusted EPS**	5,034	7,560	3,064	11,125	12,704
BVPS	31,952	41,725	41,919	47,847	54,973
DPS (common)	500	2,300	2,870	5,200	5,580
Valuations (x)					
P/E***	25.1	19.7	53.2	15.8	13.8
P/B***	4.0	3.6	3.9	3.7	3.2
EV/EBITDA	10.7	9.6	8.6	8.2	6.9
Ratios (%)					
ROE	12.1	20.5	7.3	24.8	24.7
ROA	2.6	5.1	2.8	5.7	5.8
ROIC	6.8	12.7	6.5	14.1	16.2
Payout ratio	9.9	30.4	93.7	46.7	43.9
Dividend yield (common)	0.4	1.5	1.8	3.0	3.2
Net debt to equity	123.2	120.9	112.5	98.4	74.2
Interest coverage (x)	3.6	3.9	4.0	4.1	4.9

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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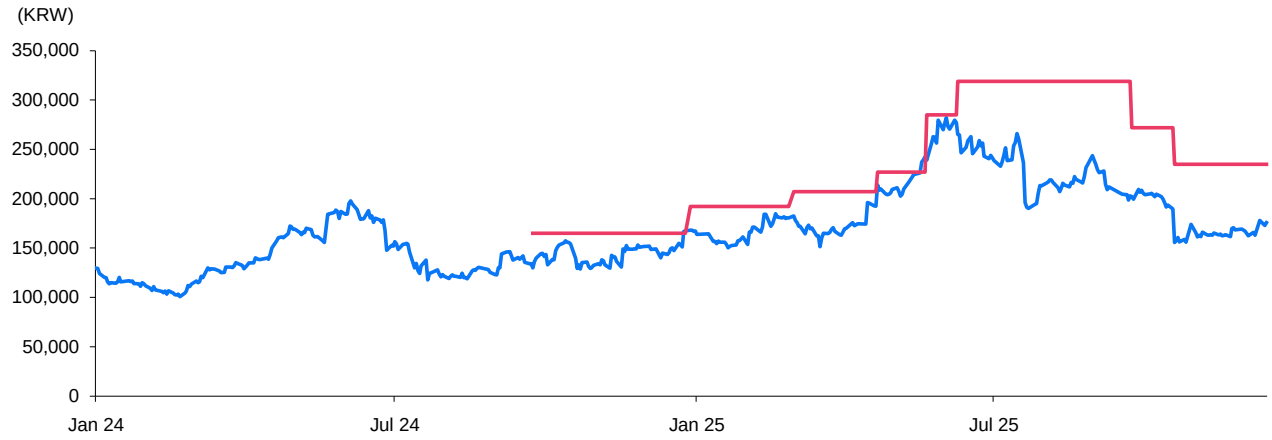
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2023/11/14	2024/10/16	2025/1/20	3/24	5/14	6/13	7/2	10/16	11/11
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	179000	165000	192000	207000	227000	285000	319000	272000	235000
Gap* (average)	-24.80	-12.63	-13.29	-17.08	-5.16	-5.12	-28.33	-25.91	
(max or min)**	10.50	1.52	-3.70	-5.27	6.83	-1.05	-16.61	-22.98	

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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HOLD	Expected to increase/decrease in value by less than 15% within 12 months
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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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