COMPANY UPDATE

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Samsung Epis Holdings

(0126Z0)

Boasts a premium, but guidance conservative

- Samsung Epis Holdings' product sales grew well in 2025 despite milestone income falling y-y. Operating profit was hit by rises in R&D and SG&A costs.
- In 2026, the holding company expects product sales to expand over 10% y-y on the back of: 1) biosimilar launches; and 2) an expansion of direct sales in the EU. R&D momentum remains strong, with the initiation of clinical trials on antibody-drug conjugates (ADCs).

▶ **AT A GLANCE**

Not rated

Target price	KRW00,000	(00.0%)
Current price	**KRW00,000**	
Market cap	KRW000.0t/USD000.0b	
Shares (float)	00,000 (00.0%)	
52-week high/low	KRW00,000/KRW00,000	
Avg daily trading value (60-day)	KRW0,000.0b/ USD0,000.0m	

WHAT'S THE STORY?

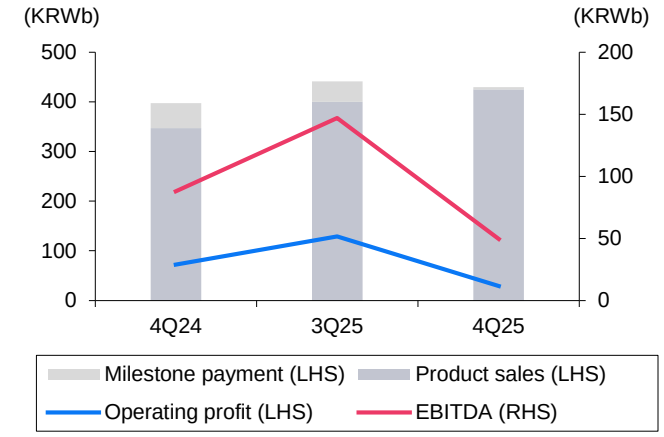
4Q review: Samsung Bioepis reported 2025 sales of KRW1.67t (up 8.7% y-y) and operating profit of KRW375.9b (down 13.7% y-y). Excluding milestone income, full-year sales and operating profit would have grown 28.4% and 101.1% y-y, respectively. In 4Q25, sales reached KRW429.4b (down 2.6% q-q but up 8.1% y-y), driven by a strong biosimilar performance, but operating profit tumbled 77.4% q-q and 59.6% y-y to KRW29.2b due to: 1) a rise in R&D costs, arising from the advancement of key pipeline programs; 2) higher SG&A costs, related to the firm's preparations for direct sales in the EU; and 3) provisioning set aside for potential liabilities. Factoring out milestone income, which created a high base, operating results were solid in 4Q25. Samsung Epis Holdings reported 4Q consolidated sales of KRW251.7b and an operating loss of KRW63.6b. These quarterly results cover only two months of results as the firm was spun off on Nov 1, 2025. We attribute the operating loss to non-cash accounting adjustments, including KRW54.5b in PPA amortization and KRW28.2b in unrealized gains from inventory—the PPA amortization should be recognized over the next ten years and the unrealized gains from inventory until 2027.

New products to underpin growth and profitability gains: For 2026, the holding company expects Samsung Bioepis to see product sales grow over 10% and operating margin remain at 20% or higher. Growth should be driven by early-stage biosimilars, including Soliris (SB12), Stelara (SB17), Lucentis (SB11; direct sales in the EU from Jan 2026), and Xgeva (SB16; to hit the EU market in February). Samsung Bioepis should also book KRW50b in milestone income from Biogen (BIIB US) this year by extending a commercialization rights agreement with its US partner. Meanwhile, the Korean firm's 2026 guidance is conservative, reflecting external market uncertainties. Based on this conservative outlook, Samsung Epis Holdings is trading at around 30x EV/EBITDA—still a premium to peers, which we believe is justified by the potential for its biosimilar sales expand and by the value of its pipeline assets (*eg*, ADCs).

(Continued on the next page)

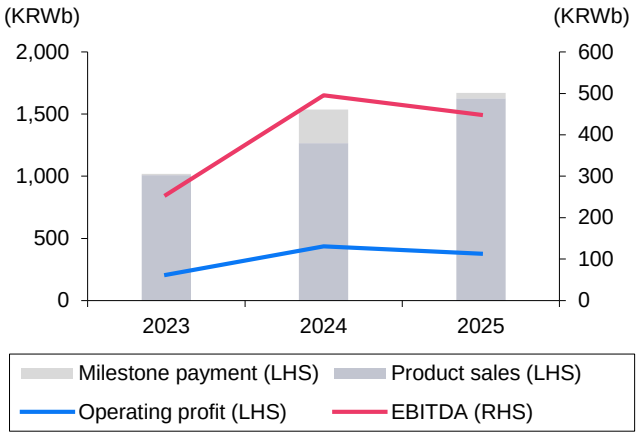
Portfolio diversified; new-drug development gaining momentum: By 2030, Samsung Epis Holdings aims to have a portfolio of over 20 products, including a Keytruda biosimilar. In the new-drug space, the company received US IND clearance for SB303 (a Nectin4 ADC for bladder cancer) on Jan 15 and plans to initiate Phase Ia trials to determine optimal dosing. Through its subsidiary Epis NexLab, the company is also developing a peptide new-drug platform and plans to expand into various modalities.

Samsung Epis Holdings: Quarterly sales (total)



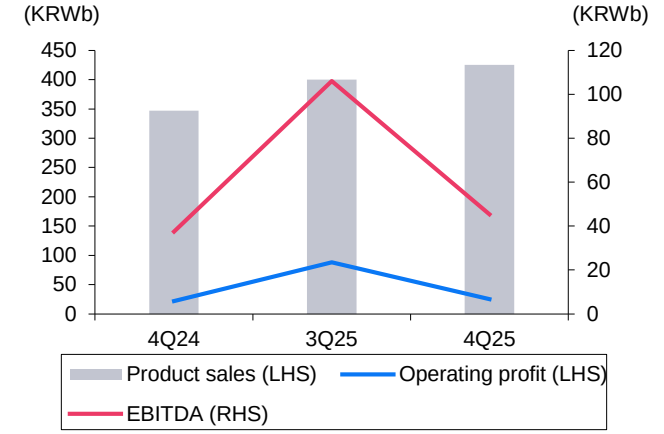
Source: Company data, Samsung Securities

Samsung Epis Holdings: Annual sales (total)



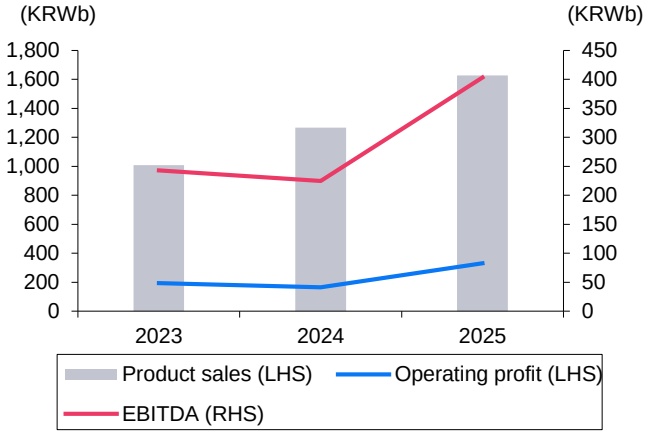
Source: Company data, Samsung Securities

Samsung Epis Holdings: Quarterly sales (product)



Source: Company data, Samsung Securities

Samsung Epis Holdings: Annual sales (product)



Source: Company data, Samsung Securities

Samsung Epis Holdings: Performance over Nov-Dec 2025

(KRWb)	Samsung Epis Holdings (consolidated)	Bioepis	Samsung Epis Holdings/NexLab	Consolidation adjustment
Revenue	**252**	**252**	**0**	**(1)**
COGS	160	133	0	26
COGS	133	133	0	0
PPA-related* development cost amortization	55	0	0	55
Unrealized profit from inventories	(28)	0	0	(28)
Gross profit	92	119	0	(27)
SG&A costs	156	154	2	(1)
Operating profit	**(64)**	**(35)**	**(2)**	**(26)**
Depreciation & amortization	68	14	0	55
EBITDA	**5**	**(21)**	**(2)**	**28**

Note: *Purchase price allocation: Accounting process that allocates acquisition purchase price to identifiable assets and liabilities at fair value

Source: Company data, Samsung Securities

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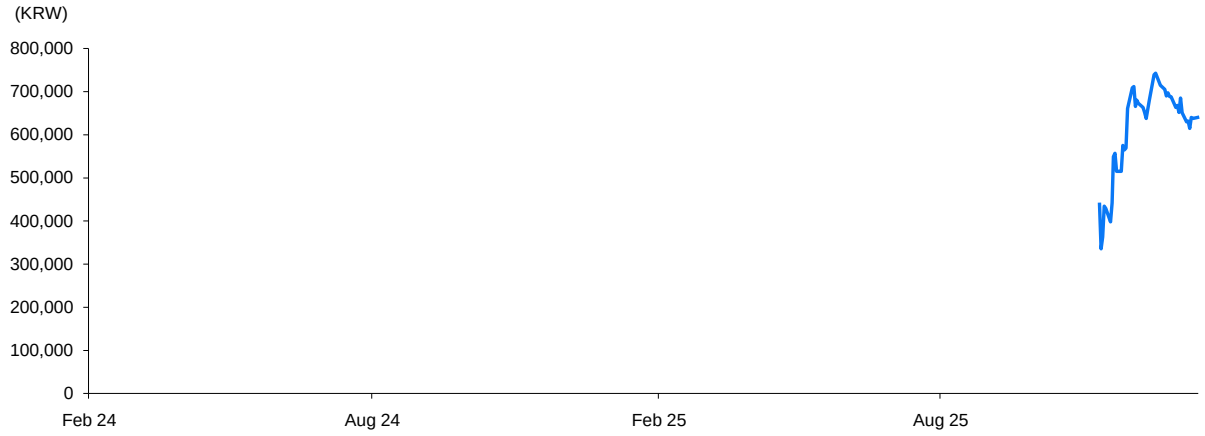
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2026/1/27
Recommendation	Not rated
Target price (KRW)	n/a
Gap* (average)	
(max or min)**	

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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Company

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

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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