COMPANY UPDATE

2026. 2. 2

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Cosmecca Korea (241710)

Strategic focus on cosmetics ODM business paying off

- Cosmecca Korea, despite being a late starter, is now catching up to its competitors thanks to its focus on the cosmetics ODM business.
- A lot of brands that initially placed small orders are now entrusting their entire product lines to the company. Meanwhile, some brands are switching from other manufacturers to Cosmecca Korea during product renewals.
- We believe Cosmecca Korea's 4Q sales came in at KRW176.3b and operating profit at KRW23.3b, beating consensus by 8% and 6%, respectively. The firm should grow more rapidly than any other ODM this year. We raise our target price by 24% to KRW114,000.

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AT A GLANCE

BUY

Target price	KRW114,000	18.3%
Current price	KRW96,400	
Market cap	KRW1.0t/USD0.7b	
Shares (float)	10,680,000 (60.0%)	
52-week high/low	KRW96,400/KRW40,100	
Avg daily trading value (60-day)	KRW8.3b/ USD5.8m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Cosmecca Korea (%)	44.7	41.8	85.4
Vs Kosdaq (%pts)	16.5	-0.9	17.5

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	114,000	92,000	23.9%
2025E EPS	4,815	4,791	0.5%
2026E EPS	6,545	6,073	7.8%

SAMSUNG vs THE STREET

No of estimates	12
Target price	98,333
Recommendation	4.0

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

WHAT'S THE STORY?

Strategic focus on cosmetics ODM paying off: Cosmecca Korea, a latecomer to the cosmetics ODM business, has chosen to focus exclusively on the segment, differing from its competitors, which are diversifying into health functional foods or pharmaceuticals. This single-minded approach began to bear fruit in 2H25. Brands that initially placed orders for just one or two SKUs are now ordering their entire product lines. Meanwhile, some brands that previously used other ODMs are switching to Cosmecca Korea for product renewals, drawn by its competitive pricing and formulation capabilities.

Cosmecca Korea 4Q25 preview

(Continued on the next page)

(KRWb)	4Q25	3Q25	Chg (% q-q)	4Q24	Chg (% y-y)	Consensus	Diff (%)
Sales	176.3	182.4	-3.3	128.3	37.4	163.2	8.0
Operating profit	23.3	27.2	-14.3	13.3	74.8	22.0	6.1
Pre-tax profit	24.0	29.6	-19.0	20.7	16.2	22.1	8.5
Net profit	17.7	16.7	6.0	11.8	50.0	15.2	16.4
Margins (%)							
Operating profit	13.2	14.9		10.4		13.5	
Pre-tax profit	13.6	16.2		16.1		13.5	
Net profit	10.0	9.2		9.2		9.3	

Source: Company data, Samsung Securities estimates

Valuations

(KRWb)	Sales	Operating profit	Pre-tax profit	Net profit	EPS (KRW)	EPS growth (% y-y)	P/E (x)	Net debt	EV/EBITDA (x)	P/B (x)	ROE (%)
2023	471	49	46	34	2,090	740.3	17.4	69	8.0	2.3	14.1
2024	524	60	68	54	4,007	91.8	13.8	61	9.5	2.7	22.1
2025E	639	86	82	65	4,815	20.1	13.8	48	8.3	2.7	21.5
2026E	750	108	110	87	6,545	35.9	14.7	22	9.2	3.1	23.8
2027E	844	128	130	103	7,707	17.7	12.5	-11	7.9	2.5	22.2

Source: Company data, Samsung Securities estimates

4Q25 results solid, 1Q26 results to prove even stronger: We now believe Cosmecca Korea will report 4Q25 sales of KRW176.3b and operating profit of KRW23.3b, beating consensus by a respective 8% and 6%. We expect this momentum to be sustained well into 1Q26. The better-than-forecast results are attributable to a key client at the parent company. This client places roughly 90% of its product orders with Cosmecca Korea, and with its products becoming highly popular on platforms such as TikTok in the US, order volumes have been growing each quarter. Moreover, another client that previously worked with other ODMs has switched to Cosmecca Korea during product renewals, attracted by its price competitiveness. Still, Cosmecca Korea's top five clients account for less than 35% of its revenue—implying good risk management.

Raising target price by 24%: Factoring in our new earnings estimates and a shift in valuation period, we raise our target price to KRW114,000 (based on 17x forward P/E).

Cosmecca Korea: Results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	1Q26E	2Q26E	3Q26E	4Q26E	2023	2024	2025E	2026E	2027E
Sales	**125.6**	**143.8**	**126.6**	**128.3**	**118.4**	**161.7**	**182.4**	**176.3**	**176.7**	**173.8**	**201.1**	**198.4**	**470.7**	**524.3**	**638.8**	**750.0**	**843.8**
Parent	68.8	94.6	82.5	82.8	74.3	110.0	129.8	127.6	129.8	121.4	143.8	140.2	268.6	328.7	441.8	535.1	609.7
Korea brand	55.4	77.1	68.2	66.8	59.5	91.7	110.5	107.5	112.4	100.8	122.1	117.7	216.7	267.6	369.1	453.0	518.1
Overseas brand	13.3	17.6	14.3	15.9	14.9	18.3	19.4	20.1	17.4	20.5	21.7	22.5	52.0	61.1	72.7	82.2	91.7
China entity	12.2	10.7	9.3	8.2	8.7	8.6	8.1	8.0	8.1	7.9	7.4	7.7	50.4	40.4	33.5	31.1	29.5
Englewood Lab	52.6	46.0	41.1	42.2	42.5	57.5	61.8	52.9	50.2	61.7	68.2	68.7	206.8	182.2	200.4	248.8	276.5
US (Totowa)	33.8	28.4	26.1	24.2	27.3	31.6	30.4	29.9	28.7	29.4	33.7	34.4	106.2	112.7	119.2	126.2	140.8
Incheon	18.9	17.9	15.8	18.2	16.3	26.7	31.7	23.0	21.5	32.3	34.5	34.3	100.8	70.7	97.7	122.6	135.6
Operating profit	**13.7**	**18.1**	**15.2**	**13.3**	**12.3**	**23.0**	**27.2**	**23.3**	**22.5**	**24.8**	**31.4**	**29.7**	**49.2**	**60.4**	**85.8**	**108.4**	**127.7**
Parent	7.4	14.3	12.0	10.7	8.0	13.8	14.5	15.2	16.4	15.8	20.6	19.2	22.9	44.5	51.6	71.9	86.6
China entity	0.0	-0.1	-0.3	-0.7	-0.6	-1.1	-0.6	-0.5	-0.7	-0.8	-0.9	-0.8	0.1	-1.1	-2.8	-3.2	-3.8
Englewood Lab	6.6	4.3	4.1	3.7	4.6	10.1	13.2	8.7	6.9	9.9	11.8	11.4	28.9	18.8	36.5	40.1	45.2
US (Totowa)	2.3	0.3	0.3	-0.6	0.3	2.1	3.0	2.5	0.8	1.1	1.7	1.8	4.6	2.3	7.9	5.5	8.2
Incheon	4.3	4.0	3.9	4.2	4.3	8.2	9.7	6.2	6.1	8.9	10.1	9.5	24.3	16.5	28.4	34.6	37.0
Net profit	**8.8**	**13.7**	**8.5**	**11.8**	**7.6**	**9.3**	**16.7**	**17.7**	**14.6**	**15.9**	**20.2**	**19.2**	**22.3**	**42.8**	**51.4**	**69.9**	**82.3**
Margins (%)																	
Operating profit	**10.9**	**12.6**	**12.0**	**10.4**	**10.4**	**14.2**	**14.9**	**13.2**	**12.7**	**14.3**	**15.6**	**15.0**	**10.4**	**11.5**	**13.4**	**14.4**	**15.1**
Parent	10.8	15.2	14.5	12.9	10.8	12.6	11.2	11.9	12.6	13.0	14.3	13.7	8.5	13.5	11.7	13.4	14.2
China entity	0.1	-1.0	-2.8	-8.7	-6.8	-13.2	-7.3	-6.3	-8.9	-9.7	-12.5	-10.2	0.2	-2.6	-8.4	-10.3	-12.8
Englewood Lab	12.6	9.4	9.9	8.8	10.8	17.5	21.4	16.4	13.8	16.1	17.4	16.6	14.0	10.3	18.2	16.1	16.4
US (Totowa)	6.8	1.0	1.1	-2.5	1.0	6.8	10.0	8.3	2.9	3.6	5.1	5.3	4.3	2.1	6.6	4.3	5.8
Incheon	22.9	22.7	24.7	23.1	26.3	30.9	30.7	26.8	28.2	27.5	29.3	27.8	24.1	23.3	29.1	28.2	27.3
Net profit	**7.0**	**9.5**	**6.7**	**9.2**	**6.4**	**5.8**	**9.2**	**10.1**	**8.3**	**9.1**	**10.1**	**9.7**	**4.7**	**8.2**	**8.0**	**9.3**	**9.8**
Growth (% y-y)																	
Sales	**8.3**	**24.3**	**8.8**	**4.6**	**-5.8**	**12.5**	**44.0**	**37.4**	**49.3**	**7.5**	**10.3**	**12.5**	**17.9**	**11.4**	**21.8**	**17.4**	**12.5**
Parent	4.3	41.9	24.3	18.8	8.1	16.2	57.4	54.1	74.6	10.3	10.7	9.9	18.1	22.3	34.4	21.1	13.9
Korea brand	4.7	51.6	23.2	16.2	7.2	19.0	61.9	60.8	89.0	10.0	10.5	9.5	10.7	23.5	37.9	22.7	14.4
Overseas brand	2.7	10.8	29.7	31.3	11.8	4.3	35.8	26.1	17.0	12.0	12.0	12.0	64.2	17.6	19.0	13.0	11.6
China entity	-5.1	-3.5	-25.5	-41.2	-28.0	-20.0	-12.8	-2.8	-7.5	-8.2	-8.5	-3.5	6.6	-19.8	-17.2	-7.0	-5.2
Englewood Lab	14.2	-6.7	-24.4	-26.3	-19.1	25.0	50.3	25.4	18.0	7.3	10.4	29.8	36.5	-11.9	10.0	24.1	11.1
US (Totowa)	10.6	5.6	4.6	2.3	-19.1	11.5	16.2	23.6	5.0	-7.0	11.0	15.0	-3.6	6.2	5.7	5.9	11.6
Incheon	21.5	-20.6	-46.5	-45.9	-13.4	49.4	100.9	26.4	31.5	21.1	9.0	49.0	141.3	-29.8	38.1	25.5	10.6
Operating profit	**48.4**	**62.1**	**11.0**	**-11.3**	**-10.5**	**27.2**	**78.8**	**74.4**	**82.8**	**7.9**	**15.4**	**27.8**	**374.1**	**22.8**	**42.1**	**26.4**	**17.8**
Parent	61.9	126.4	153.3	47.6	8.4	-3.5	20.8	42.0	103.5	13.9	41.8	26.5	198.0	94.1	16.0	39.4	20.5
China entity	-105.0	-81.0	-155.1	-234.4	-3,623	967.9	125.4	-30.1	22.3	-32.4	56.3	57.5	-102.3	-1,110.0	163.5	13.9	17.6
Englewood Lab	19.2	-30.8	-55.5	-53.4	-31.0	133.5	224.9	133.5	51.3	-1.4	-10.5	31.4	192.0	-34.9	94.3	9.7	12.9
US (Totowa)	21.4	-76.1	-71.4	-251.5	-88.2	621.5	949.7	-504.5	211.3	-50.7	-42.9	-26.2	-3.0	-48.7	237.8	-31.1	50.8
Incheon	24.9	-18.7	-51.9	-46.5	-0.4	103.5	150.0	47.0	41.2	7.7	4.1	54.6	369.4	-32.2	72.7	21.7	7.0
Net profit	**96.5**	**132.1**	**16.5**	**153.5**	**-13.4**	**-32.0**	**97.4**	**50.2**	**91.9**	**70.3**	**20.8**	**8.2**	**740.3**	**91.8**	**20.1**	**35.9**	**17.7**

Source: Company data, Samsung securities estimates

Cosmecca Korea: Target-price calculation

(KRW)	Calculation	
12-month-forward EPS	(A=BxD+Cx(1-D))	6,692
2026E	(B)	6,599
2027E	(C)	7,707
2026 weighting* (%)	(D)	91.6%
Target P/E (x)**	(E)	17.0
Target price	(F=AxE)	114,000
Last price*	(G)	96,400
Upside	(F/G-1)	18.3%

Note: *As of Jan 30, 2026;
**25% premium to peer average
Source: Bloomberg, FnGuide, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**471**	**524**	**639**	**750**	**844**
Cost of goods sold	364	400	477	559	629
Gross profit	**107**	**125**	**162**	**191**	**215**
Gross margin (%)	22.8	23.7	25.3	25.5	25.5
SG&A expenses	58	64	76	83	87
Operating profit	**49**	**60**	**86**	**108**	**128**
Operating margin (%)	10.4	11.5	13.4	14.4	15.1
Non-operating gains (losses)	**-3**	**7**	**-4**	**2**	**2**
Financial profit	3	11	6	6	6
Financial costs	7	4	10	4	4
Equity-method gains (losses)	0	0	0	0	0
Other	1	0	1	0	0
Pre-tax profit	**46**	**68**	**82**	**110**	**130**
Taxes	12	14	17	23	27
Effective tax rate (%)	26.5	20.6	21.1	20.6	20.7
Profit from continuing operations	34	54	65	87	103
Profit from discontinued operations	0	0	0	0	0
Net profit	**34**	**54**	**65**	**87**	**103**
Net margin (%)	7.2	10.2	10.1	11.7	12.2
Net profit (controlling interests)	22	43	51	70	82
Net profit (non-controlling interests)	12	11	13	17	21
EBITDA	66	78	106	129	148
EBITDA margin (%)	14.0	14.9	16.5	17.2	17.6
EPS (parent-based) (KRW)	2,090	4,007	4,815	6,545	7,707
EPS (consolidated) (KRW)	3,173	5,027	6,042	8,182	9,634
Adjusted EPS (KRW)*	2,090	4,007	4,815	6,545	7,707

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**221**	**255**	**311**	**361**	**426**
Cash & equivalents	33	54	63	77	110
Accounts receivable	109	114	140	164	185
Inventories	66	67	84	97	107
Other current assets	14	20	24	23	24
Fixed assets	**211**	**262**	**297**	**334**	**353**
Investment assets	3	3	3	3	3
Tangible assets	153	196	234	272	294
Intangible assets	38	36	37	37	37
Other long-term assets	18	27	23	22	20
Total assets	**433**	**518**	**608**	**695**	**780**
Current liabilities	**155**	**171**	**184**	**172**	**152**
Accounts payable	44	39	54	61	60
Short-term debt	57	78	70	50	41
Other current liabilities	54	54	61	61	51
Long-term liabilities	**36**	**40**	**49**	**53**	**61**
Bonds & long-term debt	28	26	32	39	48
Other long-term liabilities	8	14	17	14	12
Total liabilities	**190**	**210**	**233**	**225**	**213**
Owners of parent equity	**170**	**218**	**259**	**329**	**411**
Capital stock	5	5	5	5	5
Capital surplus	58	69	63	63	63
Retained earnings	100	132	184	254	336
Other	6	12	7	7	7
Non-controlling interests' equity	**73**	**89**	**115**	**141**	**155**
Total equity	**242**	**308**	**374**	**470**	**567**
Net debt	69	61	48	22	-11

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**42**	**69**	**59**	**63**	**55**
Net profit	34	54	65	87	103
Non-cash profit and expenses	38	35	31	33	35
Depreciation	14	14	17	18	18
Amortization	3	3	3	3	3
Other	21	17	11	12	15
Changes in A/L from operating activities	-22	-3	-18	-28	-44
Cash flow from investments	**-22**	**-53**	**-39**	**-37**	**-22**
Change in tangible assets	-17	-49	-38	-38	-22
Change in financial assets	-6	-1	-1	1	-0
Other	1	-3	-0	0	-0
Cash flow from financing	**-13**	**2**	**-10**	**-12**	**-0**
Change in debt	-12	14	-10	-12	-0
Change in equity	0	11	0	0	0
Dividends	0	-1	-2	-1	-1
Other	-1	-21	2	1	1
Change in cash	7	21	9	14	33
Cash at beginning of year	26	33	54	63	77
Cash at end of year	33	54	63	77	110
Gross cash flow	**72**	**88**	**96**	**120**	**138**
Free cash flow	**23**	**21**	**21**	**25**	**33**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	17.9	11.4	21.8	17.4	12.5
Operating profit	374.1	22.8	42.1	26.4	17.8
Net profit	464.5	58.4	20.2	35.4	17.7
Adjusted EPS**	740.3	91.8	20.1	35.9	17.7
Per-share data (KRW)					
EPS (parent-based)	2,090	4,007	4,815	6,545	7,707
EPS (consolidated)	3,173	5,027	6,042	8,182	9,634
Adjusted EPS**	2,090	4,007	4,815	6,545	7,707
BVPS	15,874	20,450	24,267	30,812	38,520
DPS (common)	0	100	100	100	100
Valuations (x)					
P/E***	17.4	13.8	13.8	14.7	12.5
P/B***	2.3	2.7	2.7	3.1	2.5
EV/EBITDA	8.0	9.5	8.3	9.2	7.9
Ratios (%)					
ROE	14.1	22.1	21.5	23.8	22.2
ROA	8.2	11.3	11.5	13.4	14.0
ROIC	12.0	14.4	17.7	19.5	19.9
Payout ratio	0.0	2.5	2.1	1.5	1.3
Dividend yield (common)	0.0	0.2	0.2	0.1	0.1
Net debt to equity	28.5	19.8	12.8	4.7	-2.0
Interest coverage (x)	12.2	18.9	26.8	32.5	38.2

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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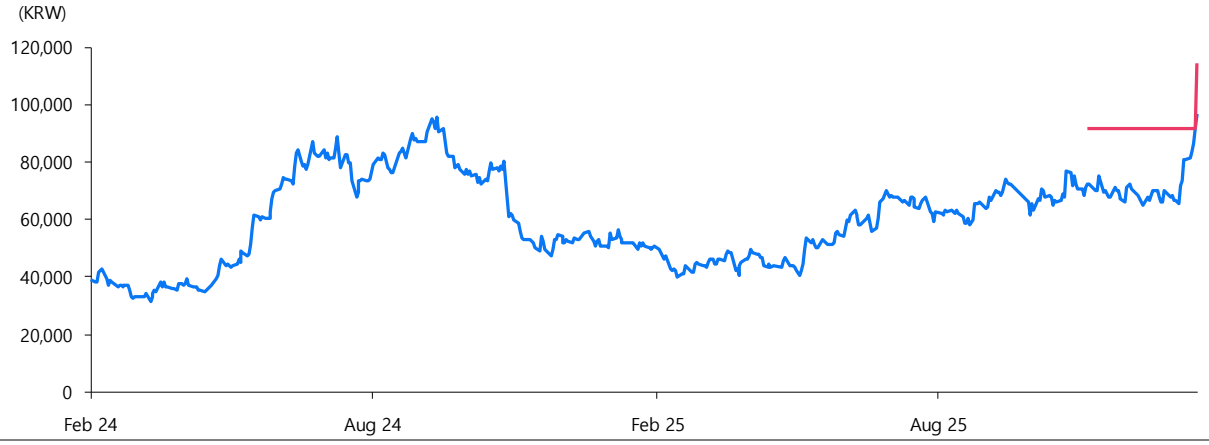
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2025/11/21	2026/2/2
Recommendation	BUY	BUY
Target price (KRW)	92000	114000
Gap* (average)	-22.12	
(max or min)**	4.78	

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

Samsung Securities uses the following investment ratings*

Company

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