COMPANY UPDATE

2026. 2. 13

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SK Biopharmaceuticals (326030)

Xcopri preempts rival

- **4Q review:** SK Biopharmaceuticals' operating profit missed consensus, despite steady growth in Xcopri, due to seasonal costs and one-off sales deductions.
- **Maintaining BUY and target price of KRW140,000:** Xcopri should maintain strong growth by capturing an increasing share of the market, at least until a new competing drug becomes commercially available.

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WHAT'S THE STORY?

4Q review: SK Biopharmaceuticals posted 4Q sales of KRW194.4b (up 19.2% y-y and 1.4% q-q) and an operating profit of KRW46.3b (up 13.8% y-y but down 34% q-q), the latter missing consensus by 16%. The company generated KRW170.8b (up 32.1% y-y but down 0.8% q-q) in US Xcopri (cenobamate) sales, with a slight q-q decline attributed to wholesaler inventory fluctuations and higher gross-to-net (GTN) adjustments (which include co-pay assistance). Nonetheless, total prescriptions (TRx) grew steadily, pointing to solid underlying demand. The company generated KRW12.5b (down 62.4% y-y and 30.6% q-q) in service sales, thanks to one-off milestone related to a Japanese NDA submission. Net profit came to KRW132.7b (down 28.8% y-y but up 86.0% q-q), boosted by the recognition of a deferred tax asset (KRW100b).

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW140,000	23.5%
Current price	**KRW113,400**	
Market cap	KRW8.9t/USD6.2b	
Shares (float)	78,313,250 (35.8%)	
52-week high/low	KRW140,700/KRW88,500	
Avg daily trading value (60-day)	KRW30.0b/ USD20.8m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
SK Biopharmaceuticals (%)	-7.8	14.8	-8.8
Vs Kospi (%pts)	-22.8	-33.7	-57.9

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	140,000	140,000	0.0%
2025E EPS	3,409	2,384	43.0%
2026E EPS	3,165	4,522	-30.0%

SAMSUNG vs THE STREET

No of estimates	10
Target price	158,000
Recommendation	4.0

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

SUMMARY 4Q RESULTS

(KRWb)	4Q25	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	194.4	19.2	1.4	(4.3)	(0.8)
Operating profit	46.3	13.8	(34.0)	(27.8)	(15.6)
Pre-tax profit	33.8	7.0	(45.6)	(48.6)	(19.8)
Net profit (controlling basis)	136.6	(28.2)	84.2	142.4	308.6
Margins (%)					
Operating profit	23.8				
Pre-tax profit	17.4				
Net profit (controlling basis)	70.3				

Source: Company data, Fnguide, Samsung Securities estimates

VALUATION SUMMARY

	2024	2025E	2026E
Valuation (x)			
P/E	36.1	36.6	35.8
P/B	15.9	12.1	8.4
EV/EBITDA	75.5	42.9	26.9
Div yield (%)	0.0	0.0	0.0
EPS growth (% y-y)	nm	10.9	-7.1
ROE (%)	58.0	39.4	26.6
Per-share data (KRW)			
EPS	3,074	3,409	3,165
BVPS	6,975	10,335	13,501
DPS	0	0	0

Maintaining BUY and target price of KRW140,000: We now forecast 2026 sales of KRW910b (up 28.8% y-y) and operating profit of KRW300.9b (up 47.6% y-y). Our operating profit forecast has been lowered by 21% to account for potentially higher R&D costs resulting from clinical advancements. The company has provided 2026 guidance for Xcopri US sales of USD550-580m. Recent prescription data reveal that prescriptions for older-generation epilepsy treatments are either stagnant or declining, while those for the third-generation treatment Xcopri continue to rise sharply. By demonstrating overwhelming seizure-free rates in patients with drug-resistant epilepsy who are unresponsive to existing medications, Xcopri is expanding market share. A potential competitor is Xenon Pharmaceuticals' XEN1101, whose Phase III (X-TOLE2) results are expected in Mar 2026. If XEN1101 replicates the seizure reduction efficacy and dosing convenience seen in Phase IIb, that could cap SK Biopharmaceuticals' valuation upside. However, until XEN1101 becomes commercially available, Xcopri's dominant market position—supported by real-world evidence (RWE) and marketing infrastructure—and high-growth trajectory should remain intact. The role of its second product (which should become visible within the year) will be important in unlocking further valuation upside. At that point, the company could demonstrate the operating leverage of its existing US direct sales network and no longer relies on a single product.

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**355**	**548**	**707**	**910**	**1,192**
Cost of goods sold	34	43	43	61	98
Gross profit	**321**	**504**	**664**	**849**	**1,094**
Gross margin (%)	90.4	92.1	93.9	93.3	91.8
SG&A expenses	358	408	460	548	542
Operating profit	**-38**	**96**	**204**	**301**	**552**
Operating margin (%)	-10.6	17.6	28.9	33.1	46.3
Non-operating gains (losses)	**-6**	**-24**	**-43**	**-12**	**4**
Financial profit	35	52	34	37	44
Financial costs	35	45	53	58	47
Equity-method gains (losses)	1	-31	-18	8	8
Other	-7	1	-7	1	-1
Pre-tax profit	**-44**	**73**	**161**	**289**	**556**
Taxes	-8	-154	-102	64	122
Effective tax rate (%)	19.3	-212.7	-63.6	22.0	22.0
Profit from continuing operations	-35	227	253	225	434
Profit from discontinued operations	0	0	0	0	0
Net profit	**-35**	**227**	**253**	**225**	**434**
Net margin (%)	-10.0	41.4	35.8	24.8	36.4
Net profit (controlling interests)	-33	241	267	248	477
Net profit (non-controlling interests)	-2	-14	-14	-23	-43
EBITDA	-22	114	220	309	556
EBITDA margin (%)	-6.3	20.8	31.1	33.9	46.6
EPS (parent-based) (KRW)	-420	3,074	3,409	3,165	6,089
EPS (consolidated) (KRW)	-452	2,898	3,234	2,878	5,536
Adjusted EPS (KRW)*	-420	3,074	3,409	3,165	6,089

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**489**	**651**	**785**	**1,047**	**1,508**
Cash & equivalents	240	323	387	608	1,024
Accounts receivable	111	174	237	267	301
Inventories	103	112	105	109	114
Other current assets	35	43	56	63	71
Fixed assets	**234**	**385**	**386**	**387**	**394**
Investment assets	104	92	73	82	92
Tangible assets	14	12	9	4	2
Intangible assets	27	33	29	27	25
Other long-term assets	90	249	276	276	276
Total assets	**723**	**1,037**	**1,171**	**1,434**	**1,902**
Current liabilities	**242**	**396**	**272**	**305**	**335**
Accounts payable	2	3	2	2	3
Short-term debt	50	50	0	0	0
Other current liabilities	189	343	270	303	332
Long-term liabilities	**161**	**67**	**77**	**81**	**87**
Bonds & long-term debt	94	0	0	0	0
Other long-term liabilities	66	67	77	81	87
Total liabilities	**402**	**463**	**349**	**387**	**421**
Owners of parent equity	**284**	**546**	**809**	**1,057**	**1,534**
Capital stock	39	39	39	39	39
Capital surplus	1,085	1,085	1,085	1,085	1,085
Retained earnings	-862	-622	-354	-107	370
Other	21	44	40	40	40
Non-controlling interests' equity	**37**	**28**	**13**	**-10**	**-53**
Total equity	**321**	**574**	**822**	**1,048**	**1,481**
Net debt	-65	-136	-337	-557	-981

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**-94**	**95**	**216**	**221**	**449**
Net profit	-35	227	253	225	434
Non-cash profit and expenses	21	-88	-39	53	121
Depreciation	9	11	12	5	2
Amortization	6	6	4	2	2
Other	6	-106	-55	46	117
Changes in A/L from operating activities	-76	-33	-80	-4	-4
Cash flow from investments	**225**	**-11**	**-6**	**-1**	**-25**
Change in tangible assets	-2	-1	-3	0	0
Change in financial assets	198	6	-2	-1	-1
Other	30	-15	-2	-0	-23
Cash flow from financing	**7**	**-4**	**-155**	**0**	**-8**
Change in debt	22	11	-136	0	-8
Change in equity	0	0	0	0	0
Dividends	0	0	0	0	0
Other	-16	-15	-19	0	0
Change in cash	136	83	65	221	416
Cash at beginning of year	104	240	323	387	608
Cash at end of year	240	323	387	608	1,024
Gross cash flow	**-14**	**139**	**215**	**279**	**555**
Free cash flow	**-97**	**94**	**214**	**221**	**449**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	44.2	54.3	29.1	28.8	31.0
Operating profit	nm	nm	111.7	47.6	83.4
Net profit	nm	nm	11.6	-11.0	92.4
Adjusted EPS**	nm	nm	10.9	-7.1	92.4
Per-share data (KRW)					
EPS (parent-based)	-420	3,074	3,409	3,165	6,089
EPS (consolidated)	-452	2,898	3,234	2,878	5,536
Adjusted EPS**	-420	3,074	3,409	3,165	6,089
BVPS	3,622	6,975	10,335	13,501	19,590
DPS (common)	0	0	0	0	0
Valuations (x)					
P/E***	n/a	36.1	36.6	35.8	18.6
P/B***	27.7	15.9	12.1	8.4	5.8
EV/EBITDA	n/a	75.5	42.9	26.9	14.1
Ratios (%)					
ROE	-11.0	58.0	39.4	26.6	36.8
ROA	-5.1	25.8	22.9	17.3	26.0
ROIC	-18.0	114.5	96.3	58.9	102.0
Payout ratio	0.0	0.0	0.0	0.0	0.0
Dividend yield (common)	0.0	0.0	0.0	0.0	0.0
Net debt to equity	-20.3	-23.7	-40.9	-53.2	-66.2
Interest coverage (x)	-4.5	9.0	26.3	53.5	105.5

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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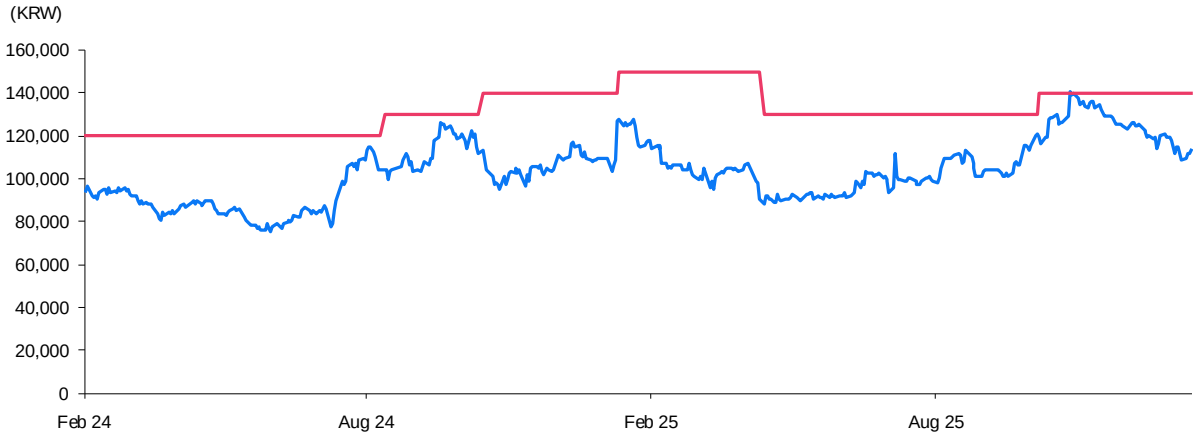
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2023/8/11	2024/8/11	2024/9/9	11/11	2025/2/7	5/12	11/6
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	120000	120000	130000	140000	150000	130000	140000
Gap* (average)	-27.71	-10.82	-12.32	-24.25	-27.98	-23.06	
(max or min)**	-13.42	-4.17	-3.15	-9.29	-14.80	-7.23	

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

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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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