COMPANY UPDATE

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Hugel (145020)

Strong 4Q, a prelude of things to come?

- **4Q review:** Hugel beat consensus, thanks to greater toxin exports to the US and China, along with a recovery in domestic performance.
- **Maintaining BUY and raising target price to KRW370,000:** As its domestic weakness is being addressed, we apply a standard valuation multiple. The firm's investments across distribution, marketing, and R&D in 2026 should fuel top-line growth, potentially triggering a re-rating of shares.

▶ AT A GLANCE

BUY

Target price	KRW370,000	29.4%
Current price	**KRW286,000**	
Market cap	KRW3.5t/USD2.4b	
Shares (float)	12,304,033 (44.2%)	
52-week high/low	KRW388,000/KRW214,000	
Avg daily trading value (60-day)	KRW20.3b/ USD14.0m	

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
Hugel (%)	17.9	-18.1	11.1
Vs Kosdaq (%pts)	0.3	-40.3	-25.3

▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	370,000	320,000	15.6%
2025E EPS	11,116	11,470	-4.7%
2026E EPS	14,538	15,085	-3.6%

▶ SAMSUNG vs THE STREET

No of estimates	10
Target price	361,000
Recommendation	4.0

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

WHAT'S THE STORY?

4Q review: Hugel reported sales of KRW119.1b (up 21.3% y-y and 12.5% q-q) and an operating profit of KRW58.6b (up 26.2% y-y and 23.7% q-q; beating consensus). In Korea, the firm saw toxin sales of KRW19.5b (down 10.8% q-q but up 33.8% y-y), led by SKU diversification and academic marketing toward medical professionals. Meanwhile, the firm's toxin exports reached KRW52.1b in 4Q25 (up 66.1% y-y and 14.3% q-q) thanks to: 1) favorable forex effects—the won weakened 4.6% q-q against the US dollar (average); and 2) stronger than anticipated shipments to the US and China. Filler sales were solid at KRW30.9b (down 3.1% y-y but up 2.4% q-q), despite slower growth in the global market. Cosmetics sales (primarily generated through health & beauty stores) and other sales expanded by a combined 27.5% y-y and 7.2% q-q to KRW16.6b. Growth in toxin exports to the US and China, and the delay of test batch production (to 1H26) allowed for an operating margin of 49.2%.

(Continued on the next page)

SUMMARY 4Q RESULTS

(KRWb)	4Q25	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	119.1	21.3	12.5	5.6	4.8
Operating profit	58.6	26.2	23.7	13.2	12.4
Pre-tax profit	52.1	47.5	1.8	(6.3)	1.3
Net profit	35.7	(10.7)	(3.0)	(15.9)	(12.3)
Margins (%)					
Operating profit	49.2				
Pre-tax profit	43.7				
Net profit	30.0				

Source: Company data, Fnguide, Samsung Securities estimates

VALUATION SUMMARY

	2024	2025E	2026E
Valuation (x)			
P/E	25.5	20.7	19.7
P/B	3.8	2.6	2.8
EV/EBITDA	17.6	10.8	12.1
Div yield (%)	0.0	0.0	0.0
EPS growth (% y-y)	46.1	1.2	30.8
ROE (%)	17.5	15.8	17.4
Per-share data (KRW)			
EPS	10,985	11,116	14,538
BVPS	74,668	87,184	103,751
DPS	0	0	0

Maintaining BUY and raising target price to KRW370,000: As Hugel shifted its growth strategy from focusing on profitability to making more aggressive investments (eg, US direct sales, R&D, academic marketing), we raise our 2026 sales forecast by 7.7% and lower our operating profit forecast by 2.5%. However, as it is addressing its domestic weakness—culprit behind the recent derating—through SKU diversification and pricing strategies, we apply the peer average multiple of the medical aesthetics sector (14.1x), raising our forward EBITDA-based target price to KRW 370,000. The 4Q25 results of Evolus and AbbVie, both competitors and key indicators of the broader market, show that while the US toxin market is growing at less than 10%, opportunities for growth remain—which Evolus capitalized by expanding its portfolio and building a repeat customer base, and AbbVie through brand marketing and enhanced training/management of practitioners. Hugel plans to establish a direct sales system in the US that can coexist with its existing distributor (Benev), with related sales likely to begin in earnest in 2H26, earlier than announced at the JPMorgan Healthcare Conference. The company's Chinese partner, Sihuan Pharmaceutical, has noted that Letybo's market share is close to 20% (based on volume estimates) and its medical aesthetics business has grown at a 2021-2025 CAGR of 37%—which is a positive sign for Hugel's exports to China. If the costs executed in 2026 pay off with stronger top-line growth, the stock would re-rate higher.

Hugel: Valuation (new)

(KRWb)	Calculation	Estimated value	Note
Forward EBITDA	(A)	238.0	1Q26E-4Q26E
Target EV/EBTIDA (x)	(B)	14.1	Peer (medical aesthetic) average*
Operating value	(C = AxB)	3,352	
Net debt	(D)	-667	
Fair value	(E = C-D)	4,020	
Outstanding shares ('000)	(F)	10,760	
Fare price per share (KRW)	(E/F)	373,579	
Target price (KRW)		370,000	

Note: *Medytox, PharmaReserach, Classys
Source: Bloomberg, Samsung Securities estimates

Hugel: Results and forecasts (consolidated)

(KRWb)	2024	2025P	2026E	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25P	1Q26E	2Q26E	3Q26E	4Q26E
Sales	**378.4**	**425.1**	**515.8**	**74.3**	**95.4**	**105.1**	**98.2**	**89.8**	**110.3**	**105.9**	**119.1**	**116.6**	**128.5**	**129.9**	**140.7**
Botulinum toxin	203.3	233.8	300.7	34.3	51.0	64.7	53.2	40.7	61.2	60.2	71.6	65.6	76.4	77.3	81.4
Domestic	82.1	72.6	74.7	17.2	20.3	22.8	21.9	19.5	19.0	14.6	19.5	17.3	19.2	18.1	20.1
Exports	121.2	161.2	226.0	17.1	30.8	41.9	31.4	21.3	42.2	45.6	52.1	48.3	57.2	59.2	61.3
Filler	127.6	129.7	141.0	29.3	36.5	29.9	31.9	34.4	34.1	30.2	30.9	32.8	36.3	34.5	37.5
Domestic	29.1	22.4	23.5	6.4	9.5	6.5	6.7	7.2	6.4	3.2	5.5	5.2	6.4	4.6	7.3
Exports	98.6	107.3	117.5	22.9	27.0	23.4	25.3	27.2	27.7	27.0	25.4	27.6	29.9	29.8	30.2
Cosmetics and others	42.1	61.7	74.0	10.7	7.9	10.5	13.0	14.7	14.9	15.5	16.6	18.2	15.9	18.1	21.8
Gross profit	**287.2**	**333.5**	**403.8**	**57.1**	**71.5**	**82.9**	**75.7**	**69.0**	**86.6**	**81.7**	**96.2**	**89.8**	**100.7**	**102.6**	**110.7**
Operating profit	**166.2**	**201.6**	**218.6**	**24.0**	**42.4**	**53.4**	**46.5**	**39.0**	**56.7**	**47.4**	**58.6**	**47.4**	**58.4**	**55.5**	**57.3**
Pre-tax profit	**165.2**	**207.8**	**236.7**	**29.4**	**47.5**	**53.0**	**35.3**	**41.1**	**53.3**	**51.1**	**52.1**	**51.4**	**62.8**	**60.2**	**62.3**
Net profit (controlling)	**135.8**	**138.0**	**178.9**	**20.8**	**34.8**	**40.3**	**40.0**	**29.1**	**36.4**	**36.8**	**35.7**	**38.9**	**47.5**	**45.5**	**47.1**
Growth (% y-y)															
Sales	**18.3**	**12.3**	**21.3**	**15.4**	**17.0**	**23.9**	**10.5**	**20.9**	**15.5**	**0.8**	**21.3**	**29.9**	**16.6**	**22.6**	**18.1**
Botulinum toxin	20.2	15.0	28.6	10.7	17.6	41.0	9.0	18.8	20.0	-7.0	34.5	61.1	24.8	28.4	13.7
Domestic	-0.2	-11.6	3.0	7.0	-16.9	5.3	8.3	13.2	-6.0	-36.1	-10.8	-11.1	0.9	24.3	3.2
Exports	39.6	33.1	40.2	14.6	62.0	72.9	9.6	24.4	37.1	8.9	66.1	127.2	35.6	29.7	17.6
Filler	8.3	1.6	8.7	12.1	20.0	-4.4	6.4	17.5	-6.5	1.1	-3.1	-4.7	6.3	14.0	21.2
Domestic	-5.6	-23.0	5.0	-5.5	12.0	-19.2	-11.2	12.6	-32.1	-50.3	-17.4	-27.9	-0.6	43.4	32.1
Exports	13.3	8.9	9.5	18.2	23.1	0.7	12.3	18.9	2.5	15.4	0.7	1.5	7.9	10.5	18.8
Cosmetics and others	57.2	46.4	20.0	47.0	1.8	37.3	29.6	37.0	88.6	47.5	27.5	24.1	6.2	17.2	31.4
Gross profit	16.7	16.1	21.1	14.0	13.7	25.2	13.0	20.9	21.2	-1.4	27.1	30.1	16.3	25.6	15.1
Operating profit	41.1	21.3	8.4	29.5	51.6	54.5	26.4	62.6	33.6	-11.2	26.2	21.6	3.1	17.1	-2.2
Pre-tax profit	23.9	25.8	13.9	21.1	53.8	-1.2	44.2	39.7	12.2	-3.6	47.5	25.2	18.0	17.7	19.7
Net profit (controlling)	45.9	1.6	29.6	27.1	64.7	2.2	146.7	39.7	4.7	-8.6	-10.7	33.7	30.3	23.5	31.9
Margins (%)															
Gross profit	**75.9**	**78.5**	**78.3**	**76.8**	**74.9**	**78.8**	**77.1**	**76.8**	**78.6**	**77.1**	**80.8**	**77.0**	**78.4**	**79.0**	**78.7**
Operating profit	**43.9**	**47.4**	**42.4**	**32.2**	**44.5**	**50.8**	**47.3**	**43.4**	**51.4**	**44.8**	**49.2**	**40.6**	**45.5**	**42.7**	**40.7**
Pre-tax profit	**43.6**	**48.9**	**45.9**	**39.6**	**49.8**	**50.4**	**35.9**	**45.7**	**48.3**	**48.3**	**43.7**	**44.1**	**48.9**	**46.3**	**44.3**
Net profit (controlling)	**35.9**	**32.5**	**34.7**	**28.0**	**36.4**	**38.3**	**40.7**	**32.4**	**33.0**	**34.8**	**30.0**	**33.3**	**36.9**	**35.0**	**33.4**

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**320**	**373**	**425**	**516**	**591**
Cost of goods sold	74	86	92	112	114
Gross profit	**246**	**287**	**334**	**404**	**477**
Gross margin (%)	77.0	77.0	78.5	78.3	80.7
SG&A expenses	128	121	132	185	222
Operating profit	**118**	**166**	**202**	**219**	**255**
Operating margin (%)	36.8	44.6	47.4	42.4	43.1
Non-operating gains (losses)	**15**	**-1**	**6**	**18**	**24**
Financial profit	42	25	16	17	22
Financial costs	15	5	6	-1	-2
Equity-method gains (losses)	-0	-0	-0	0	0
Other	-12	-21	-4	-0	-0
Pre-tax profit	**133**	**165**	**208**	**237**	**278**
Taxes	36	22	53	52	61
Effective tax rate (%)	26.7	13.3	25.7	22.0	22.0
Profit from continuing operations	98	143	144	185	217
Profit from discontinued operations	0	0	0	0	0
Net profit	**98**	**143**	**144**	**185**	**217**
Net margin (%)	30.5	38.4	33.9	35.8	36.7
Net profit (controlling interests)	93	136	138	179	210
Net profit (non-controlling interests)	5	7	6	6	7
EBITDA	132	181	221	238	272
EBITDA margin (%)	41.2	48.6	52.0	46.1	46.1
EPS (parent-based) (KRW)	7,517	10,985	11,116	14,538	17,092
EPS (consolidated) (KRW)	7,887	11,578	11,599	15,004	17,641
Adjusted EPS (KRW)*	7,517	10,985	11,116	14,538	17,092

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**568**	**523**	**646**	**858**	**1,098**
Cash & equivalents	106	130	521	710	933
Accounts receivable	44	48	59	69	77
Inventories	34	43	52	61	68
Other current assets	383	302	16	17	19
Fixed assets	**361**	**417**	**413**	**396**	**381**
Investment assets	23	30	28	30	32
Tangible assets	135	151	148	134	122
Intangible assets	182	196	196	190	185
Other long-term assets	21	40	42	42	42
Total assets	**929**	**939**	**1,060**	**1,254**	**1,478**
Current liabilities	**57**	**61**	**74**	**83**	**90**
Accounts payable	3	4	5	6	7
Short-term debt	0	0	0	0	0
Other current liabilities	54	57	69	77	83
Long-term liabilities	**92**	**38**	**14**	**15**	**16**
Bonds & long-term debt	89	25	0	0	0
Other long-term liabilities	3	13	14	15	16
Total liabilities	**150**	**99**	**89**	**98**	**106**
Owners of parent equity	**747**	**804**	**941**	**1,120**	**1,331**
Capital stock	6	7	7	7	7
Capital surplus	327	394	437	437	437
Retained earnings	936	1,071	1,158	1,336	1,547
Other	-523	-668	-660	-660	-660
Non-controlling interests' equity	**32**	**37**	**30**	**36**	**42**
Total equity	**780**	**841**	**971**	**1,156**	**1,373**
Net debt	-386	-377	-479	-667	-890

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**118**	**149**	**151**	**191**	**225**
Net profit	98	143	144	185	217
Non-cash profit and expenses	43	48	72	53	55
Depreciation	9	10	14	14	12
Amortization	4	5	6	6	5
Other	29	33	52	34	38
Changes in A/L from operating activities	-2	-19	-14	-13	-10
Cash flow from investments	**43**	**42**	**276**	**-1**	**-1**
Change in tangible assets	-24	-12	-9	0	0
Change in financial assets	47	82	286	-1	-1
Other	20	-28	-1	0	0
Cash flow from financing	**-187**	**-172**	**-36**	**1**	**1**
Change in debt	-27	-53	1	1	1
Change in equity	-0	67	43	0	0
Dividends	-0	0	0	0	0
Other	-160	-186	-80	0	0
Change in cash	-26	24	390	189	224
Cash at beginning of year	132	106	130	521	710
Cash at end of year	106	130	521	710	933
Gross cash flow	**141**	**191**	**216**	**238**	**272**
Free cash flow	**94**	**137**	**143**	**191**	**225**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	13.5	16.7	14.0	21.3	14.5
Operating profit	16.2	41.1	21.3	8.4	16.5
Net profit	60.9	46.6	0.6	28.2	17.6
Adjusted EPS**	62.4	46.1	1.2	30.8	17.6
Per-share data (KRW)					
EPS (parent-based)	7,517	10,985	11,116	14,538	17,092
EPS (consolidated)	7,887	11,578	11,599	15,004	17,641
Adjusted EPS**	7,517	10,985	11,116	14,538	17,092
BVPS	70,885	74,668	87,184	103,751	123,228
DPS (common)	0	0	0	0	0
Valuations (x)					
P/E***	19.9	25.5	20.7	19.7	16.7
P/B***	2.1	3.8	2.6	2.8	2.3
EV/EBITDA	11.4	17.6	10.8	12.1	9.8
Ratios (%)					
ROE	12.1	17.5	15.8	17.4	17.2
ROA	9.9	15.3	14.4	16.0	15.9
ROIC	25.1	38.5	36.5	40.3	47.5
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	-49.5	-44.9	-49.4	-57.7	-64.8
Interest coverage (x)	40.1	141.1	-562.0	-148.9	-165.6

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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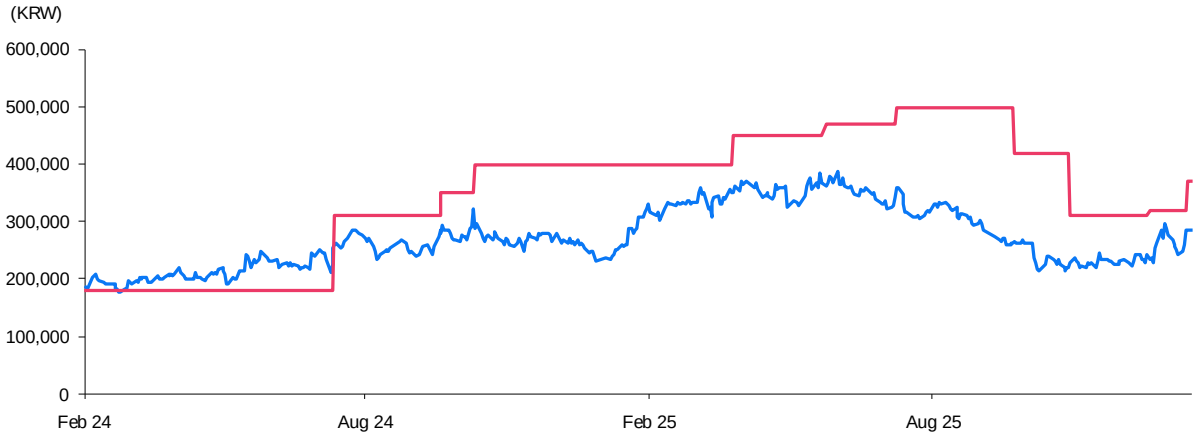
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2023/11/14	2024/8/8	10/16	11/7	2025/4/23	6/23	8/7	10/23	11/28	2026/1/19	2/12
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	180000	310000	350000	400000	450000	470000	500000	420000	310000	320000	370000
Gap* (average)	5.96	-16.20	-19.89	-27.40	-21.15	-25.03	-38.57	-43.73	-25.61	-17.74	
(max or min)**	41.67	-7.58	-8.29	-10.50	-14.67	-17.45	-28.20	-36.07	-20.81	-7.34	

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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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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