COMPANY UPDATE

2026. 4. 14

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Celltrion (068270)

Earnings performance to pick up

- Celltrion is emerging from its seasonal trough in 1Q and is poised to resume quarterly earnings growth, with the full impacts of stronger new product sales and margin expansion in 2H set to power the stock's upwards momentum.
- In the US, policy changes are reinforcing the structural adoption of biosimilars. Celltrion, equipped with direct sales infrastructure, is uniquely positioned to convert these policy tailwinds into tangible earnings results faster than peers are able.

WHAT'S THE STORY?

1Q preview: We forecast Celltrion will post consolidated 1Q sales of KRW1.11t (up 32.1% y-y, but down 16.4% q-q) and an operating profit of KRW305.6b (up 104.5% y-y, but down 35.7% q-q). The results should reflect: 1) a front-loading of inventory shipments in 4Q (ahead of year-beginning price increases); and 2) a one-off cost of KRW35b related to the temporary shutdown of the US plant. The underlying cost ratio improvement trend remains intact.

2026 outlook: We forecast the firm's full-year sales and operating profit will reach KRW5.257t (up 26.3%) and KRW1.81t (up 54.9%), respectively, driven by: 1) a rise in market share for newly-launched products in Europe; 2) accelerated market entry of new products in the US; and 3) an improving regulatory environment.

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW260,000	33.2%
Current price	**KRW195,200**	
Market cap	KRW43.3t/USD29.1b	
Shares (float)	221,938,261 (62.9%)	
52-week high/low	KRW248,500/KRW146,216	
Avg daily trading value (60-day)	KRW144.4b/ USD97.0m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Celltrion (%)	-5.0	14.2	25.8
Vs Kospi (%pts)	-10.3	-29.5	-47.3

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	260,000	260,000	0.0%
2026E EPS	5,781	5,703	1.4%
2027E EPS	7,064	6,889	2.5%

SAMSUNG vs THE STREET

No of estimates	18
Target price	271,667
Recommendation	4.0

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

SUMMARY FINANCIAL DATA

	2025	2026E	2027E	2028E
Revenue (KRWb)	4,162	5,257	6,047	6,954
Operating profit (KRWb)	1,168	1,810	2,166	2,644
Net profit (adj) (KRWb)	1,031	1,309	1,583	2,148
EPS (adj) (KRW)	4,447	5,781	7,064	9,581
EPS (adj) growth (% y-y)	148.8	30.0	22.2	35.6
EBITDA margin (%)	35.0	39.2	39.7	41.1
ROE (%)	5.9	7.3	8.2	10.3
P/E (adj) (x)	40.7	33.8	27.6	20.4
P/B (x)	2.3	2.3	2.2	2.0
EV/EBITDA (x)	30.5	21.7	18.1	14.7
Dividend yield (%)	0.4	0.4	0.4	0.4

Source: Company data, Samsung Securities estimates

US policy environment favorable for biosimilars: The Centers for Medicare & Medicaid Services (CMS) proposed 2027 Medicare Advantage payment rules include an adjustment to Part D of the out-of-pocket cost cap, raising it from USD2,100 to USD2,400. Costs exceeding the cap will now be borne by insurers, increasing their incentive to adopt lower-cost biosimilars. Additionally, the shift from disease code-based to evidence-based clinical review criteria should enhance the competitive advantage of subcutaneous formulations. Meanwhile, the recently passed Consolidated Appropriations Act (CAA) reform mandates pharmacy benefit manager (PBM) pass-through requirements. This should strengthen the incentive for PBMs to construct formularies based on list prices rather than rebates, directly benefiting biosimilars with lower wholesale acquisition costs (WAC).

Maintaining BUY with target price of KRW260,000: We maintain our 12-month target price of KRW260,000 (derived by applying a 27x EV/EBITDA multiple to our 12-month forward EBITDA estimate (2Q26–1Q27) of KRW2.22t). Celltrion is on track to achieve annual revenue growth through expanding market share of its new product portfolio, while leveraging sales to reach an operating margin in the mid-to-high 30% range. Enhanced shareholder returns—including dividend increases and treasury share cancellations—should serve as additional catalysts for its valuation re-rating.

1Q preview

(KRWb)	1Q26E	4Q25	1Q25	Consensus	Diff (%)		
					(q-q)	(y-y)	Consensus
Sales	1,112.1	1,330.2	841.9	1,127.2	(16.4)	32.1	(1.3)
Operating profit	305.6	475.2	149.4	335.7	(35.7)	104.5	(9.0)
Pre-tax profit	274.7	527.9	195.5	337.4	(48.0)	40.5	(18.6)
Net profit	212.1	528.4	108.7	275.8	(59.9)	95.2	(23.1)
Margins (%)							
Operating profit	27.5	35.7	17.7	29.8			
Pre-tax profit	24.7	39.7	23.2	29.9			
Net profit	19.1	39.7	12.9	24.5			

Source: Celltrion, FnGuide, Samsung Securities estimates

Celltrion: Valuation

(KRWb)	Estimated value	12M fwd EBITDA	EV/EBITDA (x)
Celltrion (A = B - C)	58,626		
Operating value (B)	59,965	2,220.9	27.0
Net debt (C)	1,339		
Shares outstanding ('000) (D)	221,938		
Fair price per share (KRW) (A/D)	264,154		
Target price (KRW)	260,000		

Note: *Average 2026 multiple of global pharmaceutical firms whose sales are expected to grow 10-39%
Source: Bloomberg, Samsung Securities estimates

Detailed results and forecasts

(KRWb)	2025	2026E	2027E	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	1Q27E	2Q27E	3Q27E	4Q27E
Sales	**4,162**	**5,257**	**6,047**	**842**	**961**	**1,029**	**1,330**	**1,112**	**1,267**	**1,344**	**1,534**	**1,374**	**1,478**	**1,541**	**1,654**
Chg (% y-y)	17.0	26.3	15.0	14.2	9.9	16.7	25.1	32.1	31.8	30.6	15.3	23.5	16.6	14.7	7.8
Biosimilars	**3,861**	**4,648**	**5,358**	**768**	**883**	**958**	**1,252**	**1,042**	**1,117**	**1,185**	**1,305**	**1,232**	**1,313**	**1,366**	**1,447**
Remsima IV/Inflectra	1,050	1,050	997	238	261	265	285	241	257	268	283	229	244	254	269
Remsima SC	717	753	776	135	161	185	236	173	184	192	203	178	190	198	209
Zymfentra	122	297	700	13	23	28	58	59	73	76	89	161	171	178	189
Truxima	526	497	492	129	103	126	169	114	122	127	134	113	121	126	133
Herzuma	217	295	232	54	51	49	64	68	72	75	80	53	57	59	63
Uflyma	503	597	693	118	137	144	104	137	146	152	161	159	170	177	187
Vegzelma	369	343	351	59	80	75	155	79	84	88	93	81	86	89	95
Stelrara	134	210	315	21	35	35	42	48	51	53	57	72	77	80	85
Xolair	99	248	372	0	22	28	49	50	55	63	81	86	91	95	101
Other	124	358	430	0	10	23	90	72	72	91	124	99	105	110	116
Celltrion Pharma+Chemical	283	345	372	68	71	69	74	68	88	95	94	74	94	102	102
Other	19	264	317	6	7	1	3	2	63	64	135	68	71	72	105
EBITDA	**1,456**	**2,063**	**2,399**	**220**	**319**	**375**	**542**	**371**	**470**	**561**	**661**	**529**	**583**	**612**	**675**
Chg (% y-y)	60.0	41.7	16.3	49.9	55.9	32.2	96.9	68.3	47.3	49.8	21.9	42.5	23.9	9.0	2.2
EBITDA margin	35.0	39.2	39.7	26.2	33.2	36.4	40.7	33.4	37.1	41.8	43.1	38.5	39.4	39.7	40.8
Operating profit	**1,168**	**1,810**	**2,166**	**149**	**242**	**301**	**475**	**306**	**406**	**499**	**599**	**469**	**524**	**554**	**619**
Chg (% y-y)	137.5	54.9	19.7	867.9	234.5	45.1	141.9	104.5	67.6	65.4	26.2	53.4	29.0	11.2	3.3
Operating margin	28.1	34.4	35.8	17.7	25.2	29.3	35.7	27.5	32.1	37.1	39.1	34.1	35.5	36.0	37.4
Net profit (controlling)	**1,030**	**1,296**	**1,568**	**109**	**61**	**331**	**528**	**212**	**288**	**359**	**437**	**336**	**379**	**401**	**452**
Chg (% y-y)	143.6	25.9	21.0	384.3	(21.6)	287.1	123.3	95.2	370.7	8.3	(17.3)	58.4	31.5	11.9	3.3
Net margin (%)	24.7	24.7	25.9	12.9	6.4	32.2	39.7	19.1	22.7	26.7	28.5	24.5	25.6	26.1	27.3

Source: Samsung Securities estimates

Celltrion biosimilar portfolio

Developer/ Clinical trials	Product	Original	Region	Seller	Comment	Remarks
Celltrion	Inflectra IV	Remicade	US	Pfizer	Nov 2016, sales began	
	Remsima IV		EU	Pfizer/Celltrion/local pharma	Feb 2015, sales began	
	Zymfentra SC		US	Celltrion	Mar 2024, sales began	US formulation patent registered; to expire in 2038
	Remsima SC		EU	Celltrion/local pharma	Feb 2020, sales began	
	Truxima	Rituxan	US	Teva	Jul 2019, sales began	
			EU	Celltrion/local pharma	Apr 2017, sales began	
	Herzuma	Herceptin	US	Teva	Mar 2020, sales began	
			EU	Celltrion/local pharma	May 2018, sales began	
	Yuflyma (High concentration)	Humira	US	Celltrion	Aug 2023, sales began	US IC license application in Jan 2024
			EU	Celltrion/local pharma	May 2021, sales began	
	Vegzelma	Avastin	US	Celltrion	Feb 2023, sales began	
			EU	Celltrion/local pharma	Oct 2022, sales began	
	Omlyclo	Xolair	US	Celltrion	Mar 2025, FDA approval granted	Nov 2025, formulation patent expires
			EU	Celltrion/local pharma	Sep 2025, sales began	Mar 2024, formulation patent expires
	Steqeyma	Stelara	US	Celltrion	Mar 2025, sales began	Substance patent expires Sep 2023; launch possible Apr 2025
			EU	Celltrion/local pharma	Nov 2024, sales began	Jul 2024, substance patent expires
	Avtozma	Actemra	US	Celltrion	Oct 2025, sales began	Substance patent expired 2015; formulation patent valid
			EU	Celltrion/local pharma	Jan 2026, sales began	Substance patent expired 2017; formulation patent valid
	CT-P42	Eylea	US	Celltrion	Oct 2025, FDA approval granted	May 2024, US exclusivity expires
			EU	Celltrion/local pharma	Feb 2025, EMA approval granted	Nov 2025, substance patent expires
	Stoboclo/ Osenvelt (CT-P41)	Prolia/ Xgeva	US	Celltrion	Jul 2025, sales began	Feb 2025, substance patent expires
			EU	Celltrion/local pharma	Dec 2025, sales began	Nov 2025, substance patent expires

Source: Celltrion, Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**3,557**	**4,162**	**5,257**	**6,047**	**6,954**
Cost of goods sold	1,876	1,695	1,860	2,077	2,388
Gross profit	**1,682**	**2,467**	**3,398**	**3,970**	**4,566**
Gross margin (%)	47.3	59.3	64.6	65.7	65.7
SG&A expenses	1,190	1,299	1,588	1,804	1,922
Operating profit	**492**	**1,168**	**1,810**	**2,166**	**2,644**
Operating margin (%)	13.8	28.1	34.4	35.8	38.0
Non-operating gains (losses)	**84**	**-15**	**-132**	**-136**	**-19**
Financial profit	57	60	28	48	70
Financial costs	80	96	90	90	89
Equity-method gains (losses)	-12	-14	32	16	0
Other	120	36	-102	-110	0
Pre-tax profit	**576**	**1,154**	**1,678**	**2,030**	**2,626**
Taxes	157	122	369	447	478
Effective tax rate (%)	27.3	10.6	22.0	22.0	18.2
Profit from continuing operations	419	1,031	1,309	1,583	2,148
Profit from discontinued operations	0	0	0	0	0
Net profit	**419**	**1,031**	**1,309**	**1,583**	**2,148**
Net margin (%)	11.8	24.8	24.9	26.2	30.9
Net profit (controlling interests)	423	1,030	1,296	1,568	2,126
Net profit (non-controlling interests)	-4	2	13	16	21
EBITDA	910	1,456	2,063	2,399	2,858
EBITDA margin (%)	25.6	35.0	39.2	39.7	41.1
EPS (parent-based) (KRW)	1,787	4,447	5,781	7,064	9,581
EPS (consolidated) (KRW)	1,771	4,455	5,840	7,135	9,678
Adjusted EPS (KRW)*	1,787	4,447	5,781	7,064	9,581

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**5,584**	**6,205**	**7,718**	**9,484**	**11,809**
Cash & equivalents	996	1,119	2,266	3,584	5,024
Accounts receivable	1,215	1,790	1,863	2,008	2,310
Inventories	2,766	2,803	3,035	3,271	3,762
Other current assets	607	492	554	620	713
Fixed assets	**15,471**	**16,130**	**15,890**	**15,672**	**15,479**
Investment assets	161	170	183	198	218
Tangible assets	1,245	1,703	1,612	1,528	1,450
Intangible assets	13,702	13,778	13,616	13,467	13,331
Other long-term assets	364	479	479	479	479
Total assets	**21,055**	**22,335**	**23,607**	**25,156**	**27,288**
Current liabilities	**3,187**	**4,454**	**4,567**	**4,686**	**4,814**
Accounts payable	75	125	140	151	174
Short-term debt	1,989	3,239	3,239	3,239	3,239
Other current liabilities	1,123	1,090	1,187	1,295	1,401
Long-term liabilities	**288**	**529**	**543**	**553**	**574**
Bonds & long-term debt	87	387	387	387	387
Other long-term liabilities	201	141	156	166	187
Total liabilities	**3,475**	**4,982**	**5,110**	**5,239**	**5,388**
Owners of parent equity	**17,439**	**17,208**	**18,341**	**19,744**	**21,705**
Capital stock	221	239	239	239	239
Capital surplus	14,828	14,215	14,215	14,215	14,215
Retained earnings	3,744	4,407	5,539	6,943	8,905
Other	-1,353	-1,653	-1,653	-1,653	-1,655
Non-controlling interests' equity	**141**	**144**	**157**	**173**	**194**
Total equity	**17,580**	**17,353**	**18,498**	**19,917**	**21,900**
Net debt	1,064	2,500	1,339	5	-1,533

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**902**	**646**	**1,368**	**1,538**	**1,742**
Net profit	419	1,031	1,309	1,583	2,148
Non-cash profit and expenses	649	553	652	705	710
Depreciation	73	93	91	84	78
Amortization	346	195	163	149	136
Other	231	266	399	472	497
Changes in A/L from operating activities	-21	-495	-224	-304	-638
Cash flow from investments	**-169**	**-860**	**13**	**31**	**47**
Change in tangible assets	-135	-108	0	0	0
Change in financial assets	47	30	-15	-17	-23
Other	-81	-782	28	48	70
Cash flow from financing	**-353**	**339**	**-252**	**-253**	**-328**
Change in debt	318	1,531	1	1	-75
Change in equity	38	-604	0	0	0
Dividends	-104	-154	-164	-164	-164
Other	-605	-434	-90	-90	-89
Change in cash	432	123	1,147	1,318	1,440
Cash at beginning of year	565	996	1,119	2,266	3,584
Cash at end of year	996	1,119	2,266	3,584	5,024
Gross cash flow	**1,068**	**1,585**	**1,961**	**2,288**	**2,858**
Free cash flow	**767**	**538**	**1,368**	**1,538**	**1,742**

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	63.4	17.0	26.3	15.0	15.0
Operating profit	-24.5	137.5	54.9	19.7	22.1
Net profit	-22.4	146.2	26.9	21.0	35.6
Adjusted EPS**	-46.6	148.8	30.0	22.2	35.6
Per-share data (KRW)					
EPS (parent-based)	1,787	4,447	5,781	7,064	9,581
EPS (consolidated)	1,771	4,455	5,840	7,135	9,678
Adjusted EPS**	1,787	4,447	5,781	7,064	9,581
BVPS	78,173	78,721	83,866	90,285	99,252
DPS (common)	689	750	750	750	750
Valuations (x)					
P/E***	101.1	40.7	33.8	27.6	20.4
P/B***	2.3	2.3	2.3	2.2	2.0
EV/EBITDA	46.0	30.5	21.7	18.1	14.7
Ratios (%)					
ROE	2.5	5.9	7.3	8.2	10.3
ROA	2.0	4.8	5.7	6.5	8.2
ROIC	1.9	5.5	7.2	8.6	10.9
Payout ratio	36.4	15.9	12.7	10.5	7.7
Dividend yield (common)	0.4	0.4	0.4	0.4	0.4
Net debt to equity	6.1	14.4	7.2	0.0	-7.0
Interest coverage (x)	6.5	15.5	20.2	24.1	29.7

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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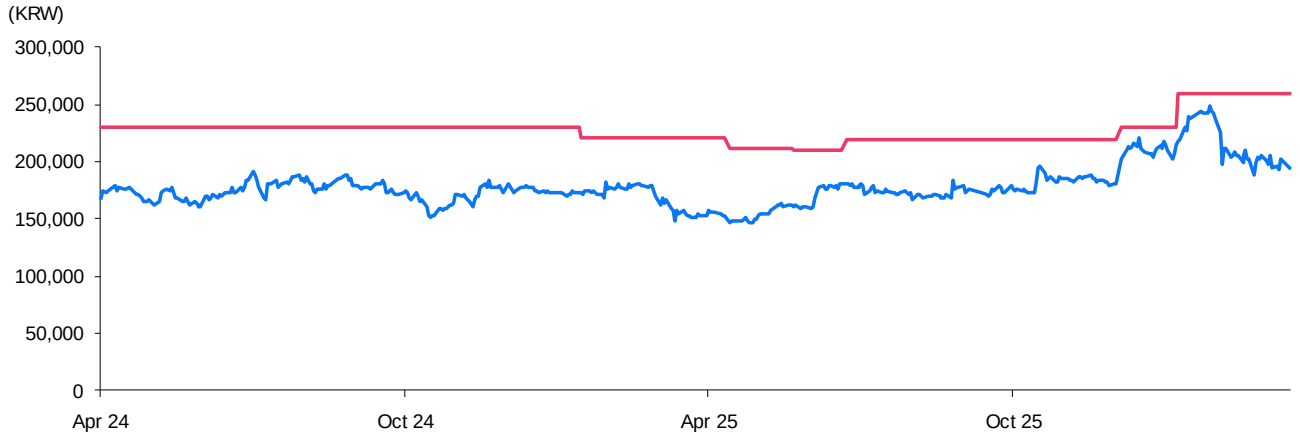
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2024/4/29	12/31	2025/2/11	5/12	6/19	7/21	2026/1/2	2/5
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	229989	229989	221539	211907	210000	220000	230000	260000
Gap* (average)	-24.55	-24.16	-24.51	-27.24	-18.76	-19.27	-8.10	
(max or min)**	-16.40	-22.31	-17.70	-22.65	-14.10	-10.86	-3.91	

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
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 2026.03.31

BUY (85.2%)·HOLD (14.8%)·SELL (0%)

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