COMPANY UPDATE

2026. 5. 15

Innovation Team

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PharmaResearch (214450)

Moderate growth to lead to rerating

- **1Q review:** PharmaResearch reported in-line 1Q operating results thanks to stabilization of domestic Rejuran sales and robust growth in cosmetics sales.
- **Maintaining BUY rating and cutting target price to KRW500,000:** Future catalysts include renewed inbound demand driven by brand originality, expanding export markets, and upside potential in the cosmetics segment.

WHAT'S THE STORY?

1Q26 review: PharmaResearch reported 1Q sales of KRW146.1b (up 25% y-y and 1.9% q-q) and an operating profit of KRW57.3b (up 28.1% y-y and 10.4% q-q), in line with consensus. Domestic medical device sales amounted to KRW58.4b (up 20.9% y-y but down 2.2% q-q) on a rebound in the number of procedures performed from March. Medical device exports declined to some countries, whose travelers visiting Korea expanded (eg, Japan), but such export sales stood at KRW21.1b (down 0.1% y-y and 10.2% q-q) thanks to initial shipments to Western Europe (around KRW2b). Domestic cosmetics sales jumped to KRW15.3b (up 43.3% y-y and 27.6% q-q), mainly drive by solid performance at Olive Young, and exports also climbed to KRW26.9b (up 55.8% y-y and 4.7% q-q), supported by new listings on Southeast Asian e-commerce platforms (Shopee) and the impact from its entries into Sephora stores in the US and China in March. PharmaResearch's pharmaceutical products (eg, PDRN products for pharmacy channels, which had drawn high expectations) posted modest domestic sales of KRW11.2b (up 5.5% y-y but down 18.6% q-q), but export sales (driven by botulinum toxin products) grew strongly to KRW10.2b (up 55.4% y-y and 11.4% q-q). SG&A costs remained stable q-q, despite increased advertising and promotional spending, resulting in an operating margin of 39.2%.

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW500,000	42.5%
Current price	**KRW351,000**	
Market cap	KRW3.6t/USD2.4b	
Shares (float)	10,389,648 (65.0%)	
52-week high/low	KRW711,000/KRW282,500	
Avg daily trading value (60-day)	KRW30.9b/ USD20.7m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
PharmaResearch (%)	17.6	-22.3	-17.1
Vs Kosdaq (%pts)	10.8	-41.5	-48.6

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	500,000	580,000	-13.8%
2026E EPS	19,484	20,412	-4.5%
2027E EPS	24,231	25,731	-5.8%

SAMSUNG vs THE STREET

No of estimates	8
Target price	473,750
Recommendation	4.0

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

SUMMARY 1Q RESULTS

(KRWb)	1Q26	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	146.1	25.0	1.9	0.0	-2.3
Operating profit	57.3	28.1	10.4	0.0	-4.2
Pre-tax profit	68.0	48.0	36.2	-0.0	1.5
Net profit	48.7	35.2	23.8	-0.1	-0.7
Margins (%)					
Operating profit	39.2				
Pre-tax profit	46.5				
Net profit	33.3				

Source: Company data, Fnguide, Samsung Securities estimates

VALUATION SUMMARY

	2025	2026E	2027E
Valuation (x)			
P/E	28.4	18.0	14.5
P/B	6.8	4.7	3.6
EV/EBITDA	17.1	11.1	8.3
Div yield (%)	0.9	1.1	1.1
EPS growth (% y-y)	65.1	37.1	24.4
ROE (%)	26.9	28.9	28.2
Per-share data (KRW)			
EPS	14,209	19,484	24,231
BVPS	59,603	75,387	96,295
DPS	3,700	3,700	3,700

Maintaining BUY and lowering target price to KRW500,000: The company has three major share-price catalysts: 1) Inbound medical tourism upside: Domestic medical tourism expenditure reached KRW491b in 1Q, up 33% y-y. Given the pattern of procedure recovery since the February low over the past three years, a rebound in domestic sales of Rejuran is expected in 2Q. 2) Recovery of existing export markets and expansion of new sales: The company aims to restore sales in Japan—its key export market—starting in 2Q through product refreshes, while strong consumer reception in early-stage markets such as the UK and France brightens prospects of shipments to Western Europe exceeding minimum order quantities (MOQ) beginning in 2Q. 3) Expansion of cosmetic distribution channels: The company has recently launched on Shopee, Southeast Asia's largest e-commerce platform, and entered Sephora in March (with over 380 physical stores and an online platform in the US, plus approximately 300 stores in China)—significantly broadening its global retail footprint. Amid growth in demand for K-beauty, the company maintains a premium positioning within the PDRN skincare segment, enjoying a clear competitive advantage. Applying valuation multiples observed during the period of expectations for concurrent growth in inbound and export growth (Mar-May 2025), we set our target price (based on forward EBITDA) at KRW500,000 and maintain BUY.

PharmaResearch: Valuation (new)

(KRWb)		Note
12-month forward EBITDA (A)	306.4	2026E
Target EV/EBTIDA multiple (x) (B)	17.2	20% discount to our target multiple for Classys*
Operating value (C = AxB)	5,270.2	
Net debt (D)	-472.6	
Equity value (C-D)	5,742.8	
Shares outstanding ('000)	11,565	
Fair value per share (KRW)	496,556	
Target price (KRW)	**500,000**	

Note: *Upper end of band in which Classys traded over 2022-2024
Source: Bloomberg, Samsung Securities estimates

PharmaResearch: Results and forecasts (consolidated)

(KRWb)	2025	2026E	2027E	1Q25	2Q25	3Q25	4Q25	1Q26P	2Q26E	3Q26E	4Q26E	1Q27E	2Q27E	3Q27E	4Q27E
Sales	**536.3**	**662.1**	**807.4**	**116.9**	**140.6**	**135.4**	**143.3**	**146.1**	**163.3**	**171.4**	**181.3**	**180.5**	**205.1**	**205.6**	**216.2**
Pharmaceuticals	82.5	93.6	115.4	17.2	20.5	22.0	22.9	21.4	23.9	23.6	24.7	27.5	29.2	29.6	29.1
Domestic	51.1	52.7	62.2	10.6	13.4	13.3	13.7	11.2	13.5	13.5	14.5	14.3	15.9	16.3	15.8
Exports	31.5	40.9	53.2	6.6	7.0	8.6	9.2	10.2	10.4	10.1	10.1	13.2	13.3	13.3	13.3
Medical devices	314.4	372.9	443.3	69.5	85.0	76.7	83.2	79.5	90.0	97.3	106.0	99.3	111.6	110.7	121.7
Domestic	225.9	258.7	293.0	48.3	60.7	57.2	59.7	58.4	63.3	67.1	70.0	67.9	75.0	73.4	76.8
Exports	88.6	114.1	150.3	21.2	24.3	19.6	23.6	21.1	26.8	30.2	36.0	31.4	36.7	37.3	45.0
Cosmetics	131.5	187.7	240.3	27.9	30.8	35.2	37.6	42.2	46.8	48.7	50.0	51.7	61.3	63.2	64.1
Domestic	47.2	62.3	78.3	10.7	11.3	13.2	12.0	15.3	16.3	15.3	15.4	17.6	20.6	19.4	20.7
Exports	84.3	125.4	162.0	17.2	19.5	21.9	25.6	26.9	30.5	33.4	34.6	34.1	40.7	43.8	43.4
Other	7.2	8.0	8.4	2.4	4.4	1.5	-1.0	3.0	2.6	1.8	0.7	2.0	2.9	2.1	1.3
Gross profit	**411.2**	**511.0**	**626.7**	**85.4**	**107.2**	**109.1**	**109.4**	**112.9**	**125.4**	**132.3**	**140.4**	**139.2**	**158.5**	**159.8**	**169.2**
Operating profit	**214.4**	**276.0**	**344.7**	**44.7**	**55.9**	**61.9**	**51.9**	**57.3**	**68.3**	**72.9**	**77.5**	**73.4**	**89.6**	**88.2**	**93.4**
Pre-tax profit	**216.5**	**291.2**	**368.2**	**45.9**	**55.8**	**64.8**	**49.9**	**68.0**	**71.8**	**76.7**	**82.1**	**78.6**	**95.1**	**94.2**	**100.3**
Net profit (controlling)	**165.1**	**225.3**	**280.2**	**36.2**	**47.4**	**49.0**	**32.6**	**47.6**	**55.3**	**59.1**	**63.3**	**59.9**	**72.4**	**71.7**	**76.3**
Growth (% y-y)															
Sales	**53.2**	**23.5**	**21.9**	**56.5**	**69.2**	**51.8**	**39.1**	**25.0**	**16.1**	**26.6**	**26.5**	**23.5**	**25.6**	**19.9**	**19.3**
Pharmaceuticals	27.6	13.4	23.3	5.4	13.1	36.4	61.7	24.7	16.7	7.4	7.6	28.3	22.4	25.4	17.9
Domestic	33.1	3.1	18.1	4.7	40.5	32.9	58.5	5.5	0.6	1.0	5.9	28.1	17.6	20.8	8.5
Exports	19.6	30.0	30.0	6.6	-17.5	42.0	66.9	55.4	47.6	17.4	10.2	28.5	28.6	31.6	31.4
Medical devices	62.4	18.6	18.9	81.0	97.6	51.5	35.3	14.5	5.9	26.8	27.3	24.8	24.0	13.7	14.9
Domestic	64.4	14.6	13.2	71.9	93.4	58.7	42.5	20.9	4.2	17.4	17.2	16.3	18.4	9.3	9.7
Exports	57.7	28.8	31.7	105.9	109.1	33.7	20.0	-0.1	10.2	54.2	52.9	48.3	37.2	23.5	24.9
Cosmetics	70.1	42.7	28.0	57.5	54.7	108.1	65.2	51.0	52.2	38.5	32.8	22.7	30.8	29.8	28.2
Domestic	53.5	32.1	25.7	29.8	42.7	126.4	36.7	43.3	44.8	15.6	28.3	15.2	25.9	27.0	34.4
Exports	81.1	48.7	29.2	81.6	62.7	98.5	83.0	55.8	56.5	52.3	34.9	26.9	33.5	31.0	25.5
Other	-49.4	10.0	5.0	1.5	90.3	-72.6	-124.5	25.8	-41.4	16.5	-164.8	-31.2	13.4	17.2	102.6
Gross profit	**63.7**	**24.3**	**22.7**	**65.0**	**81.0**	**69.0**	**44.6**	**32.2**	**17.0**	**21.2**	**28.3**	**23.3**	**26.4**	**20.8**	**20.5**
Operating profit	**70.1**	**28.7**	**24.9**	**67.7**	**81.7**	**77.2**	**54.1**	**28.1**	**22.3**	**17.8**	**49.3**	**28.2**	**31.2**	**21.1**	**20.5**
Pre-tax profit	**87.0**	**34.5**	**26.4**	**97.6**	**47.1**	**108.9**	**111.7**	**48.0**	**28.6**	**18.3**	**64.5**	**15.6**	**32.5**	**22.8**	**22.1**
Net profit (controlling)	**79.4**	**36.5**	**24.4**	**109.8**	**51.0**	**98.1**	**74.2**	**31.5**	**16.7**	**20.7**	**94.4**	**25.8**	**30.8**	**21.2**	**20.6**
Margins (%)															
Gross profit	**76.7**	**77.2**	**77.6**	**73.1**	**76.2**	**80.6**	**76.3**	**77.3**	**76.8**	**77.2**	**77.4**	**77.1**	**77.3**	**77.7**	**78.2**
Operating profit	**40.0**	**41.7**	**42.7**	**38.3**	**39.7**	**45.7**	**36.2**	**39.2**	**41.8**	**42.5**	**42.7**	**40.7**	**43.7**	**42.9**	**43.2**
Pre-tax profit	**40.4**	**44.0**	**45.6**	**39.3**	**39.7**	**47.9**	**34.8**	**46.6**	**44.0**	**44.7**	**45.3**	**43.6**	**46.4**	**45.8**	**46.4**
Net profit (controlling)	**30.8**	**34.0**	**34.7**	**30.9**	**33.7**	**36.2**	**22.7**	**32.6**	**33.9**	**34.5**	**34.9**	**33.2**	**35.3**	**34.9**	**35.3**

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**350**	**536**	**662**	**807**	**930**
Cost of goods sold	99	125	151	181	206
Gross profit	**251**	**411**	**511**	**627**	**723**
Gross margin (%)	71.8	76.7	77.2	77.6	77.8
SG&A expenses	125	197	235	282	324
Operating profit	**126**	**214**	**276**	**345**	**399**
Operating margin (%)	36.0	40.0	41.7	42.7	42.9
Non-operating gains (losses)	**-10**	**2**	**15**	**23**	**34**
Financial profit	25	30	26	35	45
Financial costs	41	21	11	11	11
Equity-method gains (losses)	6	0	0	0	0
Other	-0	-7	0	-0	-0
Pre-tax profit	**116**	**217**	**291**	**368**	**433**
Taxes	27	48	68	81	95
Effective tax rate (%)	23.2	22.3	23.2	22.0	22.0
Profit from continuing operations	89	168	231	287	338
Profit from discontinued operations	0	0	0	0	0
Net profit	**89**	**168**	**231**	**287**	**338**
Net margin (%)	25.4	31.4	34.9	35.6	36.3
Net profit (controlling interests)	92	165	225	280	330
Net profit (non-controlling interests)	-3	3	6	7	8
EBITDA	140	230	291	357	410
EBITDA margin (%)	39.9	42.9	43.9	44.3	44.1
EPS (parent-based) (KRW)	8,608	14,209	19,484	24,231	28,503
EPS (consolidated) (KRW)	8,319	14,478	19,965	24,829	29,207
Adjusted EPS (KRW)*	8,608	14,209	19,484	24,231	28,503

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**555**	**760**	**981**	**1,260**	**1,588**
Cash & equivalents	165	176	272	436	644
Accounts receivable	38	44	56	67	79
Inventories	57	83	105	125	146
Other current assets	293	457	548	632	720
Fixed assets	**301**	**284**	**280**	**276**	**275**
Investment assets	88	51	61	71	81
Tangible assets	147	175	164	154	145
Intangible assets	33	31	28	24	22
Other long-term assets	32	27	27	27	27
Total assets	**856**	**1,044**	**1,261**	**1,536**	**1,863**
Current liabilities	**83**	**110**	**138**	**163**	**189**
Accounts payable	11	11	15	17	20
Short-term debt	0	0	0	0	0
Other current liabilities	71	99	123	145	169
Long-term liabilities	**203**	**210**	**211**	**213**	**214**
Bonds & long-term debt	1	0	0	0	0
Other long-term liabilities	202	209	211	212	214
Total liabilities	**286**	**320**	**349**	**375**	**403**
Owners of parent equity	**539**	**689**	**872**	**1,114**	**1,405**
Capital stock	5	5	5	5	5
Capital surplus	197	194	194	194	194
Retained earnings	343	492	675	916	1,208
Other	-6	-2	-2	-2	-2
Non-controlling interests' equity	**30**	**35**	**40**	**47**	**55**
Total equity	**569**	**724**	**912**	**1,161**	**1,460**
Net debt	-197	-290	-473	-716	-1,007

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**138**	**183**	**236**	**291**	**339**
Net profit	89	168	231	287	338
Non-cash profit and expenses	61	66	67	70	72
Depreciation	10	11	11	10	9
Amortization	4	4	4	3	2
Other	47	50	52	58	61
Changes in A/L from operating activities	0	-25	-10	-9	-10
Cash flow from investments	**-226**	**-156**	**-89**	**-82**	**-87**
Change in tangible assets	-36	-30	0	0	0
Change in financial assets	-180	-90	-89	-82	-87
Other	-10	-37	0	0	-0
Cash flow from financing	**183**	**-15**	**-41**	**-37**	**-37**
Change in debt	179	4	2	2	2
Change in equity	22	-4	0	0	0
Dividends	-10	-12	-43	-38	-38
Other	-9	-4	0	0	0
Change in cash	98	10	97	164	207
Cash at beginning of year	67	165	176	272	436
Cash at end of year	165	176	272	436	644
Gross cash flow	**150**	**234**	**298**	**357**	**410**
Free cash flow	**102**	**153**	**236**	**291**	**339**

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	34.1	53.2	23.5	21.9	15.1
Operating profit	36.6	70.1	28.7	24.9	15.8
Net profit	15.1	89.2	37.2	24.4	17.6
Adjusted EPS**	15.1	65.1	37.1	24.4	17.6
Per-share data (KRW)					
EPS (parent-based)	8,608	14,209	19,484	24,231	28,503
EPS (consolidated)	8,319	14,478	19,965	24,829	29,207
Adjusted EPS**	8,608	14,209	19,484	24,231	28,503
BVPS	46,640	59,603	75,387	96,295	121,474
DPS (common)	1,100	3,700	3,700	3,700	3,700
Valuations (x)					
P/E***	30.5	28.4	18.0	14.5	12.3
P/B***	5.6	6.8	4.7	3.6	2.9
EV/EBITDA	18.6	17.1	11.1	8.3	6.6
Ratios (%)					
ROE	18.9	26.9	28.9	28.2	26.2
ROA	12.8	17.7	20.0	20.5	19.9
ROIC	44.5	70.1	83.9	107.7	125.3
Payout ratio	12.4	23.3	17.1	13.7	11.7
Dividend yield (common)	0.4	0.9	1.1	1.1	1.1
Net debt to equity	-34.6	-40.0	-51.8	-61.7	-68.9
Interest coverage (x)	27.2	20.6	24.8	30.7	35.3

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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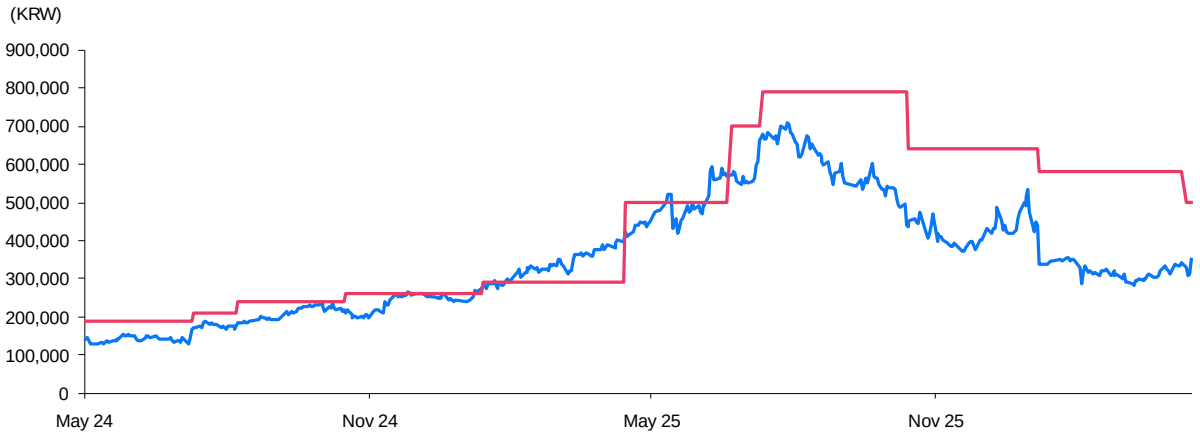
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2023/9/25	2024/8/8	9/6	11/14	2025/2/11	5/14	7/21	8/11	11/12	2026/2/5	5/11
Recommendation	BUY	BUY	BUY	BUY	HOLD	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	190000	210000	240000	260000	290000	500000	700000	790000	640000	580000	500000
Gap* (average)	-37.31	-15.85	-11.50	-8.18	15.36	-2.42	-17.83	-24.23	-32.93	-44.87	
(max or min)**	-12.16	-10.43	-1.88	5.19	38.45	18.80	-5.14	-10.00	-16.56	-38.53	

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 2026.03.31

BUY(85.2%)·HOLD(14.8%)·SELL(0%)

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