

COMPANY UPDATE

2026. 6. 30

Innovation Team

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Analyst

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▶ AT A GLANCE

BUY

Target price **KRW200,000** 25.7%

Current price **KRW159,100**

Market cap KRW1.8t/USD1.2b

Shares (float) 11,349,509 (72.2%)

52-week high/low KRW279,500/KRW144,900

Avg daily trading value (60-day) KRW15.9b/USD10.3m

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
Cosmax (%)	-8.4	-4.0	-41.2
Vs Kospi (%pts)	-7.5	-51.7	-78.6

▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	200,000	235,000	-14.9%
2026E EPS	13,121	11,125	17.9%
2027E EPS	15,415	12,704	21.3%

▶ SAMSUNG vs THE STREET

No of estimates	19
Target price	247,000
Recommendation	4.0

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



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Cosmax (192820)

From K-beauty incubator to global beauty partner

- Cosmax is benefiting from rising exports by K-beauty indie brands and growing orders from indie brands placed with its operations in the US, China, and Europe.
- We initiate coverage with a BUY rating and a KRW200,000 target price. The company should benefit from strong revenue leverage from top-tier K-beauty clients and improving profitability at its subsidiaries in the US and China.

(The original report has been published in June 24th)

WHAT'S THE STORY?

K-beauty's global ascent and strategic collaborations with multinationals and C-beauty players: In 2025, domestic sales accounted for 64% of Cosmax's revenue, driven primarily by indie brands focused on skincare categories such as cleansers, gel masks, and creams. The company is expanding direct exports to multinationals, with shipments to these clients rising 30% y-y in 1Q26 and creating a more stable, high-margin revenue base. In China, where many Korean brands struggled in the late 2010s, Cosmax has successfully pivoted to supplying C-beauty makeup brands, enabling its Shanghai and Guangzhou subsidiaries to sustain operating margins of over 7% in 1Q26. This dual-track strategy—supporting K-beauty's global rise while deepening regional diversification—has strengthened earnings resilience. In the US, growing orders from indie brands have narrowed the operating loss at the company's US subsidiary. Although a rising gel mask portion of production is weighing on domestic margins, we expect margins to improve gradually, supported by increasing orders from multinationals (placed with the Korean operation) and from US indie brands (placed with the US subsidiary).

SUMMARY FINANCIAL DATA

(Continued on the next page)

	2025	2026E	2027E	2028E
Revenue (KRWb)	2,399	2,709	3,058	3,479
Operating profit (KRWb)	196	224	260	306
Net profit (adj) (KRWb)	131	152	176	211
EPS (adj) (KRW)	10,843	13,121	15,415	18,471
EPS (adj) growth (% y-y)	43.4	21.0	17.5	19.8
EBITDA margin (%)	11.3	12.2	12.3	12.5
ROE (%)	23.9	24.3	23.7	23.5
P/E (adj) (x)	15.0	12.1	10.3	8.6
P/B (x)	3.3	2.7	2.2	1.8
EV/EBITDA (x)	10.2	7.5	6.4	5.4
Dividend yield (%)	2.0	2.1	2.1	2.1

Source: Company data, Samsung Securities estimates

Initiating coverage at BUY with KRW200,000 target price: Cosmax is a direct beneficiary of K-beauty brands' aggressive expansion into offline retail channels in the US and Europe, as well as the emergence of new indie brands. Management is targeting a 2026 operating margin of 10%; we conservatively forecast 8.3%. Key catalysts in 2H26 include: 1) expansion of the Pyeongtaek plant in Korea, a KRW60b investment that will add new skincare production lines; and 2) the commissioning of a new plant in Thailand in Sep 2026, which will lift annual production capacity from 100m units to 230m. Whether Keminova, an Italy-based ODM acquired in early 2026, will be consolidated into results remains under review. If consolidated, it could add around KRW15b in annual revenue and create cross-selling opportunities between Korean and European clients. Despite a steady share-price decline since 2Q25, driven by investor rotation away from ODMs and into brands, Cosmax's valuation remains attractive relative to its position as the world's largest publicly listed beauty ODM. With a diversified client base supporting earnings resilience and limiting downside, we view the stock as a compelling opportunity.

Cosmax: Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	2023	2024	2025	2026E	2027E
Sales	588.6	623.6	585.6	601.0	682.0	729.5	646.4	651.4	1,777.5	2,166.1	2,398.8	2,709.4	3,058.2
Korea headquarters (parent)	362.8	420.5	383.5	359.7	423.2	488.6	424.2	395.7	1,057.5	1,356.2	1,526.5	1,731.6	1,974.1
China entities	162.7	148.6	140.0	181.4	194.7	180.9	164.3	196.9	547.4	574.4	632.7	736.8	799.6
Shanghai	109.0	108.6	91.0	116.8	123.1	132.5	110.1	134.3	399.7	372.4	425.4	500.0	592.6
Guangzhou	48.5	41.1	45.5	53.1	41.2	44.8	49.6	57.9	140.6	184.7	188.2	193.5	207.0
US entity	28.7	30.0	36.9	37.0	42.0	37.5	42.4	43.3	139.9	137.1	132.6	165.2	190.5
Indonesia entity	29.6	20.9	21.5	25.7	22.7	19.9	21.1	24.4	85.5	113.2	97.7	88.0	92.4
Thailand entity	23.9	23.1	15.2	11.1	24.3	23.8	17.0	11.2	25.5	43.5	73.3	76.4	85.6
Operating profit	51.3	60.8	42.7	40.9	53.0	67.4	49.9	53.6	115.7	175.4	195.8	224.0	259.9
Korea headquarters (parent)	34.3	49.9	34.3	36.0	38.0	53.7	37.3	37.6	86.8	138.7	154.5	166.7	187.5
Overseas entities and adjustment	17.0	10.9	8.4	4.9	15.0	13.6	12.6	16.0	28.9	36.7	41.3	57.3	72.4
Net profit (controlling)	8.1	20.9	9.0	85.1	41.6	44.4	28.0	34.9	57.1	85.8	123.1	148.9	174.9
Korea headquarters (parent)	16.5	25.7	27.6	61.4	52.3	47.9	32.2	32.8	18.2	106.7	131.2	165.3	157.9
China entities	-4.9	-0.3	-1.7	20.9	1.7	5.1	1.4	5.4	19.7	-1.4	14.0	13.6	32.9
Shanghai	7.2	5.3	3.8	7.1	9.0	8.7	4.4	8.1	18.7	3.3	23.4	30.2	35.6
Guangzhou	3.9	1.7	2.0	1.0	2.9	1.3	2.0	2.3	15.1	6.3	8.6	8.5	9.3
US entity	-11.7	-20.4	-7.4	-8.5	-7.8	-1.9	2.1	1.7	-50.0	-47.3	-48.0	-5.8	1.9
Indonesia entity	2.7	2.4	0.6	1.6	0.5	0.4	0.5	1.0	5.6	12.8	7.3	2.4	3.2
Thailand entity	2.1	2.2	0.8	-0.4	0.8	1.2	0.3	0.2	-2.4	4.8	4.7	2.5	3.4
Margins (%)													
Operating profit	8.7	9.8	7.3	6.8	7.8	9.2	7.7	8.2	6.5	8.1	8.2	8.3	8.5
Korea headquarters (parent)	9.5	11.9	8.9	10.0	9.0	11.0	8.8	9.5	8.2	10.2	10.1	9.6	9.5
Overseas entities and adjustment	7.6	5.4	4.2	2.0	5.8	5.7	5.7	6.3	4.0	4.5	4.7	5.9	6.7
Net profit (controlling)	1.4	3.4	1.5	14.2	6.1	6.1	4.3	5.4	3.2	4.0	5.1	5.5	5.7
Korea headquarters (parent)	4.5	6.1	7.2	17.1	12.4	9.8	7.6	8.3	1.7	7.9	8.6	9.5	8.0
China entities	-3.0	-0.2	-1.2	11.5	0.9	2.8	0.8	2.7	3.6	-0.2	2.2	1.8	4.1
Shanghai	6.6	4.9	4.2	6.1	7.3	6.6	4.0	6.0	4.7	0.9	5.5	6.0	6.0
Guangzhou	8.0	4.1	4.4	1.9	7.0	3.0	4.0	4.0	10.7	3.4	4.6	4.4	4.5
US entity	-40.8	-68.0	-20.1	-23.0	-18.6	-5.0	5.0	4.0	-35.7	-34.5	-36.2	-3.5	1.0
Indonesia entity	9.1	11.5	2.8	6.2	2.3	2.0	2.5	4.0	6.5	11.3	7.5	2.7	3.5
Thailand entity	8.8	9.5	5.3	-3.6	3.3	5.0	2.0	1.5	-9.3	11.0	6.4	3.3	4.0
Growth (% y-y)													
Sales	11.7	13.1	10.5	7.7	15.9	17.0	10.4	8.4	11.1	21.9	10.7	12.9	12.9
Korea headquarters (parent)	15.0	20.8	10.7	3.9	16.6	16.2	10.6	10.0	23.8	28.2	12.6	13.4	14.0
China entities	3.4	0.7	22.4	17.0	19.7	21.8	17.3	8.5	-1.7	4.9	10.1	16.5	8.5
Shanghai	1.3	11.4	26.4	22.6	13.0	22.0	21.0	15.0	-7.5	-6.8	14.2	17.5	18.5
Guangzhou	3.6	-17.0	14.6	9.0	-15.1	9.0	9.0	9.0	18.9	31.4	1.9	2.8	7.0
US entity	-26.0	-16.7	13.5	24.2	46.3	25.0	15.0	17.0	-14.6	-2.0	-3.3	24.6	15.3
Indonesia entity	22.8	-17.7	-33.4	-18.2	-23.3	-5.0	-2.0	-5.0	28.0	32.4	-13.7	-9.9	5.0
Thailand entity	151.6	124.3	36.9	-11.9	1.7	3.0	12.0	1.2	31.5	70.3	68.5	4.2	12.1
Operating profit	13.0	30.2	-1.6	2.7	3.3	10.8	16.9	31.1	117.9	51.6	11.6	14.4	16.1
Korea headquarters (parent)	14.0	44.5	-13.2	4.0	10.8	7.7	8.8	4.4	102.5	59.8	11.4	7.9	12.5
Overseas entities and adjustment	10.9	-10.4	115.4	-6.0	-11.8	24.9	49.7	226.7	182.1	26.9	12.6	38.8	26.4

Source: Company data, Samsung Securities estimates

Cosmax: Valuation

(KRWb)	Calculation	Value
Forward EBITDA	$(A = B \times D + C \times (1 - D))$	352
2026E EBITDA	(B)	331
2027E EBITDA	(C)	377
2026 weighting (%)	(D)	53.3%
Target EV/EBITDA multiple* (x)	(E)	8.0
Enterprise value	$(F = A \times E)$	2,820
Net debt	(G)	582
Equity value	$(H = F - G)$	2,238
Shares outstanding ('000)	(I)	11,350
Fair value per share (KRW)	(H/I)	197,156
Target price (KRW)		200,000

Note: *Average forward EV/EBITDA multiple at which global ODM peers are trading
Source: Bloomberg, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	2,166	2,399	2,709	3,058	3,479
Cost of goods sold	1,748	1,990	2,234	2,517	2,853
Gross profit	418	409	475	541	626
Gross margin (%)	19.3	17.1	17.5	17.7	18.0
SG&A expenses	243	213	251	281	320
Operating profit	175	196	224	260	306
Operating margin (%)	8.1	8.2	8.3	8.5	8.8
Non-operating gains (losses)	-38	-39	-22	-34	-37
Financial profit	47	64	60	64	65
Financial costs	68	99	83	98	103
Equity-method gains (losses)	-0	-0	0	0	0
Other	-17	-5	0	0	0
Pre-tax profit	138	157	202	226	269
Taxes	49	25	50	50	58
Effective tax rate (%)	35.8	16.3	24.8	22.1	21.5
Profit from continuing operations	88	131	152	176	211
Profit from discontinued operations	0	0	0	0	0
Net profit	88	131	152	176	211
Net margin (%)	4.1	5.5	5.6	5.8	6.1
Net profit (controlling interests)	86	123	149	175	210
Net profit (non-controlling interests)	3	8	3	1	1
EBITDA	244	270	331	377	435
EBITDA margin (%)	11.3	11.3	12.2	12.3	12.5
EPS (parent-based) (KRW)	7,560	10,843	13,121	15,415	18,471
EPS (consolidated) (KRW)	7,790	11,549	13,356	15,508	18,599
Adjusted EPS (KRW)*	7,560	10,843	13,121	15,415	18,471

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	73	87	188	221	256
Net profit	88	131	152	176	211
Non-cash profit and expenses	186	147	210	221	236
Depreciation	64	69	102	112	123
Amortization	5	5	5	5	6
Other	117	72	103	103	106
Changes in A/L from operating activities	-127	-87	-70	-72	-86
Cash flow from investments	-160	-179	-184	-149	-199
Change in tangible assets	-161	-183	-176	-147	-198
Change in financial assets	-2	7	0	0	0
Other	3	-4	-8	-2	-1
Cash flow from financing	68	28	-36	0	4
Change in debt	256	76	-32	0	3
Change in equity	-0	-16	0	0	0
Dividends	-6	-26	-37	-37	-37
Other	-183	-6	33	38	39
Change in cash	-1	-64	-32	73	62
Cash at beginning of year	257	256	192	161	233
Cash at end of year	256	192	161	233	295
Gross cash flow	274	278	362	397	447
Free cash flow	-92	-100	8	70	54

Note: *Excluding one-off items;

**Fully diluted, excluding one-off items;

***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	943	975	1,056	1,244	1,443
Cash & equivalents	256	192	161	233	295
Accounts receivable	349	427	466	534	616
Inventories	257	271	337	379	430
Other current assets	80	85	93	97	102
Fixed assets	991	1,150	1,249	1,358	1,478
Investment assets	56	53	1	1	1
Tangible assets	778	926	1,018	1,120	1,232
Intangible assets	63	64	70	77	85
Other long-term assets	94	108	160	160	160
Total assets	1,934	2,125	2,306	2,602	2,921
Current liabilities	1,114	1,201	1,237	1,396	1,541
Accounts payable	231	271	306	345	391
Short-term debt	464	499	492	492	493
Other current liabilities	419	431	439	559	657
Long-term liabilities	311	312	367	367	369
Bonds & long-term debt	188	195	217	217	218
Other long-term liabilities	123	117	150	150	151
Total liabilities	1,425	1,513	1,604	1,763	1,910
Owners of parent equity	473	558	670	807	979
Capital stock	6	6	6	6	6
Capital surplus	28	13	13	13	13
Retained earnings	384	483	595	732	905
Other	56	56	56	56	56
Non-controlling interests' equity	35	54	32	32	32
Total equity	509	612	702	839	1,011
Net debt	705	846	655	582	524

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	21.9	10.7	12.9	12.9	13.8
Operating profit	51.6	11.6	14.4	16.1	17.8
Net profit	133.9	48.2	15.6	16.1	19.9
Adjusted EPS**	50.2	43.4	21.0	17.5	19.8
Per-share data (KRW)					
EPS (parent-based)	7,560	10,843	13,121	15,415	18,471
EPS (consolidated)	7,790	11,549	13,356	15,508	18,599
Adjusted EPS**	7,560	10,843	13,121	15,415	18,471
BVPS	41,725	49,196	59,020	71,139	86,315
DPS (common)	2,300	3,300	3,300	3,300	3,300
Valuations (x)					
P/E***	19.7	15.0	12.1	10.3	8.6
P/B***	3.6	3.3	2.7	2.2	1.8
EV/EBITDA	10.0	10.2	7.5	6.4	5.4
Ratios (%)					
ROE	20.5	23.9	24.3	23.7	23.5
ROA	5.1	6.5	6.8	7.2	7.6
ROIC	12.1	13.1	12.0	13.8	15.4
Payout ratio	30.4	30.4	25.2	21.4	17.9
Dividend yield (common)	1.5	2.0	2.1	2.1	2.1
Net debt to equity	138.5	138.1	93.4	69.4	51.8
Interest coverage (x)	3.9	4.2	4.5	4.9	5.8

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Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2023/11/14	2024/10/16	2025/1/20	3/24	5/14	6/13	7/2	10/16	11/11	2026/6/24
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	179000	165000	192000	207000	227000	285000	319000	272000	235000	200000
Gap* (average)	-24.80	-12.63	-13.29	-17.08	-5.16	-5.12	-28.33	-25.91	-22.47	
(max or min)**	10.50	1.52	-3.70	-5.27	6.83	-1.05	-16.61	-22.98	-3.40	

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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- 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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