COMPANY UPDATE

2026. 6. 30

Innovation Team

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PharmaResearch (214450)

Medical tourism with a cosmetics growth engine

- PharmaResearch is reducing its dependence on domestic Rejuran sales by expanding internationally and growing its cosmetics business.
- We cut our target price to KRW400,000 but maintain BUY on the stock. Even after adjusting our target to reflect supply-demand imbalances and a short-term lull in momentum, we continue to view the company as attractively valued.

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

AT A GLANCE

BUY

Target price	KRW400,000	14.6%
Current price	**KRW349,000**	
Market cap	KRW3.6t/USD2.3b	
Shares (float)	10,389,648 (65.0%)	
52-week high/low	KRW711,000/KRW259,000	
Avg daily trading value (60-day)	KRW32.6b/ USD21.1m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
PharmaResearch (%)	18.3	-12.9	-28.1
Vs Kosdaq (%pts)	38.1	-11.7	-39.0

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	400,000	500,000	-20.0%
2026E EPS	18,834	19,484	-3.3%
2027E EPS	24,041	24,231	-0.8%

SAMSUNG vs THE STREET

No of estimates	14
Target price	481,429
Recommendation	4.0

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

WHAT'S THE STORY?

Still the largest beneficiary of Korea's medical tourism: PharmaResearch's Rejuran, which launched in Korea more than a decade ago, has become a staple in dermatology clinics despite modest procedural margins and is among the few Korean products widely purchased by medical tourists visiting these clinics. Upcoming launches of energy-based devices (EBDs; products that combine microneedling RF with Rejuran) in 2H and high-concentration Rejuran in 2027-2028 are expected to reignite domestic demand and build longer-term export momentum. Rejuran's clinical credibility, once largely confined to East Asia, now extends across Europe and the Middle East. Exports to Ukraine, shipped via Lithuania, jumped 167.3% y-y to USD9.5m in 2025, while exports to Australia surged 348% y-y to USD4.3m, pointing to adoption beyond Rejuran's traditional Asian user base. Even amid geopolitical tensions, shipments to the UAE rose 62.8% q-q to USD0.37m in 1Q. Shipments to Western Europe reached USD2.2m in Apr 2026, exceeding minimum order quantities, with additional shipments expected in June.

(Continued on the next page)

SUMMARY FINANCIAL DATA

	2025	2026E	2027E	2028E
Revenue (KRWb)	536	663	818	950
Operating profit (KRWb)	214	270	346	407
Net profit (adj) (KRWb)	168	223	285	341
EPS (adj) (KRW)	14,209	18,834	24,041	28,814
EPS (adj) growth (% y-y)	65.1	32.6	27.7	19.9
EBITDA margin (%)	42.9	43.2	44.0	44.8
ROE (%)	26.9	28.0	28.5	27.6
P/E (adj) (x)	28.4	18.5	14.5	12.1
P/B (x)	6.8	4.7	3.7	3.0
EV/EBITDA (x)	17.1	11.4	8.5	6.7
Dividend yield (%)	0.9	1.5	2.2	2.9

Source: Company data, Samsung Securities estimates

Samsung Securities

Skincare business growing into a core pillar: In 2025, the brand stepped up its US marketing in response to rising unprompted demand. Moving beyond Amazon-centric distribution, it made its official offline debut in 2026 through Sephora. US-bound exports have grown explosively, from USD0.4m in 2024 to USD9.3m in 2025 and USD7.6m in 2026 as of May. The brand has also gained meaningful visibility, with its skincare products ranking in the top two on Olive Young US, which recently opened its first physical store and online mall simultaneously. Increased shipments ahead of Amazon Prime Day in June are likely to lift 2Q26 cosmetics sales to KRW30.5b (up 13.5% q-q and 56.5% y-y). Cosmetics are now projected to account for 29% of total sales in 2026, up 4%pts y-y.

Lowering target price due to limited short-term momentum, but maintaining BUY: We leave our annual forecasts largely unchanged. However, with momentum briefly slowing around the 1Q earnings release and investor focus remaining on large caps, we cut the multiple applied to our forward EBITDA estimate by 25%, yielding a target price of KRW400,000. Key points to watch this year include: 1) structural growth in shipments to Western Europe; 2) export-volume expansion as more countries grant regulatory approval; 3) domestic demand recovery fueled by rising medical tourism; and 4) the impact of broader cosmetics distribution channels.

PharmaResearch: Valuation

(KRWb)	Calculation	Value
Forward EBITDA	(A = B x D + C x (1 - D))	320.7
2026E EBITDA	(B)	286
2027E EBITDA	(C)	360
2026 weighting	(D)	53.3%
Target EV/EBITDA multiple* (x)	(E)	12.9
Enterprise value	(F = A x E)	4,136.7
Net debt	(G)	-502.0
Equity value	(H = F - G)	4,638.6
Shares outstanding ('000)	(I)	11,565
Fair value per share (KRW)	(H/I)	401,080
Target price (KRW)		400,000

Note: *25% discount to average multiple over Mar-May 2025, when the market expected growth in both inbound visitors to Korea and PharmaResearch's exports
Source: Bloomberg, Samsung Securities estimates

PharmaResearch: Results and forecasts (consolidated)

(KRWb)	2025	2026E	2027E	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E
Sales	**536.3**	**662.8**	**818.3**	**74.7**	**83.1**	**89.2**	**103.1**	**116.9**	**140.6**	**135.4**	**143.3**	**146.1**	**165.3**	**167.1**	**184.2**
Pharmaceuticals	82.5	93.6	115.4	16.3	18.1	16.1	14.2	17.2	20.5	22.0	22.9	21.4	23.9	23.6	24.7
Domestic	51.1	52.7	62.2	10.1	9.6	10.0	8.7	10.6	13.4	13.3	13.7	11.2	13.5	13.5	14.5
Exports	31.5	40.9	53.2	6.2	8.5	6.1	5.5	6.6	7.0	8.6	9.2	10.2	10.4	10.1	10.1
Medical devices	314.4	371.0	442.2	38.4	43.0	50.7	61.5	69.5	85.0	76.7	83.2	79.5	92.0	94.3	105.2
Domestic	225.9	254.3	284.8	28.1	31.4	36.0	41.9	48.3	60.7	57.2	59.7	58.4	63.5	63.4	69.0
Exports	88.6	116.7	157.4	10.3	11.6	14.7	19.6	21.2	24.3	19.6	23.6	21.1	28.5	30.9	36.1
Cosmetics	131.5	190.2	252.4	17.7	19.9	16.9	22.8	27.9	30.8	35.2	37.6	42.2	46.8	47.5	53.8
Domestic	47.2	64.9	84.3	8.2	7.9	5.9	8.8	10.7	11.3	13.2	12.0	15.3	16.3	15.9	17.3
Exports	84.3	125.4	168.1	9.5	12.0	11.1	14.0	17.2	19.5	21.9	25.6	26.9	30.5	31.5	36.5
Other	7.2	8.0	8.4	2.3	2.3	5.5	4.2	2.4	4.4	1.5	-1.0	3.0	2.6	1.8	0.7
Gross profit	**411.2**	**511.3**	**634.9**	**51.8**	**59.2**	**64.6**	**75.7**	**85.4**	**107.2**	**109.1**	**109.4**	**112.9**	**127.1**	**128.8**	**142.5**
Operating profit	**214.4**	**270.3**	**346.5**	**26.7**	**30.8**	**34.9**	**33.7**	**44.7**	**55.9**	**61.9**	**51.9**	**57.3**	**66.0**	**68.4**	**78.6**
Pre-tax profit	**216.5**	**288.8**	**365.3**	**23.3**	**38.0**	**31.0**	**23.6**	**45.9**	**55.8**	**64.8**	**49.9**	**68.0**	**68.4**	**70.8**	**81.6**
Net profit (controlling)	**165.1**	**217.8**	**278.0**	**17.2**	**31.4**	**24.7**	**18.7**	**36.2**	**47.4**	**49.0**	**32.6**	**47.6**	**52.7**	**54.6**	**62.9**
Growth (% y-y)															
Sales	**53.2**	**23.6**	**23.5**	**34.8**	**24.4**	**29.7**	**47.3**	**56.5**	**69.2**	**51.8**	**39.1**	**25.0**	**17.5**	**23.4**	**28.5**
Pharmaceuticals	27.6	13.4	23.3	32.7	33.7	8.5	3.2	5.4	13.1	36.4	61.7	24.7	16.7	7.4	7.6
Domestic	33.1	3.1	18.1	30.3	13.9	10.1	5.2	4.7	40.5	32.9	58.5	5.5	0.6	1.0	5.9
Exports	19.6	30.0	30.0	36.6	66.2	5.8	0.0	6.6	-17.5	42.0	66.9	55.4	47.6	17.4	10.2
Medical devices	62.4	18.0	19.2	27.2	24.2	46.8	67.1	81.0	97.6	51.5	35.3	14.5	8.2	22.9	26.3
Domestic	64.4	12.6	12.0	41.7	36.0	45.4	53.5	71.9	93.4	58.7	42.5	20.9	4.5	10.9	15.7
Exports	57.7	31.7	34.9	-0.7	0.5	50.4	105.9	105.9	109.1	33.7	20.0	-0.1	17.5	57.7	53.4
Cosmetics	70.1	44.6	32.7	61.1	18.1	0.3	48.6	57.5	54.7	108.1	65.2	51.0	52.2	34.9	42.8
Domestic	53.5	37.4	29.9	27.4	-14.4	-23.3	29.1	29.8	42.7	126.4	36.7	43.3	44.9	20.3	44.1
Exports	81.1	48.7	34.1	109.2	57.4	19.8	64.0	81.6	62.7	98.5	83.0	55.8	56.5	43.8	42.2
Other	-49.4	10.0	5.0	38.5	28.4	114.7	2.8	1.5	90.3	-72.6	-124.5	25.8	-41.4	16.5	-164.8
Gross profit	**63.7**	**24.3**	**24.2**	**28.1**	**18.8**	**27.6**	**53.1**	**65.0**	**81.0**	**69.0**	**44.6**	**32.2**	**18.5**	**18.0**	**30.2**
Operating profit	**70.1**	**26.1**	**28.2**	**28.6**	**30.1**	**27.0**	**65.4**	**67.7**	**81.7**	**77.2**	**54.1**	**28.1**	**18.1**	**10.5**	**51.5**
Pre-tax profit	**87.0**	**33.4**	**26.5**	**1.9**	**63.1**	**-9.5**	**16.1**	**97.6**	**47.1**	**108.9**	**111.7**	**48.0**	**22.5**	**9.3**	**63.4**
Net profit (controlling)	**79.4**	**31.9**	**27.7**	**-2.6**	**87.6**	**-7.4**	**21.3**	**109.8**	**51.0**	**98.1**	**74.2**	**31.5**	**11.3**	**11.5**	**93.1**
Margins (%)															
Gross profit	**76.7**	**77.1**	**77.6**	**69.3**	**71.3**	**72.4**	**73.4**	**73.1**	**76.2**	**80.6**	**76.3**	**77.3**	**76.9**	**77.1**	**77.3**
Operating profit	**40.0**	**40.8**	**42.3**	**35.7**	**37.0**	**39.1**	**32.7**	**38.3**	**39.7**	**45.7**	**36.2**	**39.2**	**39.9**	**40.9**	**42.7**
Pre-tax profit	**40.4**	**43.6**	**44.6**	**31.1**	**45.7**	**34.8**	**22.9**	**39.3**	**39.7**	**47.9**	**34.8**	**46.6**	**41.4**	**42.4**	**44.3**
Net profit (controlling)	**30.8**	**32.9**	**34.0**	**23.1**	**37.8**	**27.7**	**18.1**	**30.9**	**33.7**	**36.2**	**22.7**	**32.6**	**31.9**	**32.7**	**34.1**

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**350**	**536**	**663**	**818**	**950**
Cost of goods sold	99	125	151	183	212
Gross profit	**251**	**411**	**511**	**635**	**739**
Gross margin (%)	71.8	76.7	77.1	77.6	77.7
SG&A expenses	125	197	241	288	332
Operating profit	**126**	**214**	**270**	**346**	**407**
Operating margin (%)	36.0	40.0	40.8	42.3	42.8
Non-operating gains (losses)	**-10**	**2**	**19**	**19**	**31**
Financial profit	25	30	35	28	39
Financial costs	41	21	15	10	9
Equity-method gains (losses)	6	0	0	0	0
Other	-0	-7	-2	0	0
Pre-tax profit	**116**	**217**	**289**	**365**	**438**
Taxes	27	48	66	80	96
Effective tax rate (%)	23.2	22.3	22.7	22.0	22.0
Profit from continuing operations	89	168	223	285	341
Profit from discontinued operations	0	0	0	0	0
Net profit	**89**	**168**	**223**	**285**	**341**
Net margin (%)	25.4	31.4	33.7	34.8	35.9
Net profit (controlling interests)	92	165	218	278	333
Net profit (non-controlling interests)	-3	3	5	7	8
EBITDA	140	230	286	360	426
EBITDA margin (%)	39.9	42.9	43.2	44.0	44.8
EPS (parent-based) (KRW)	8,608	14,209	18,834	24,041	28,814
EPS (consolidated) (KRW)	8,319	14,478	19,299	24,635	29,525
Adjusted EPS (KRW)*	8,608	14,209	18,834	24,041	28,814

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**555**	**760**	**909**	**1,133**	**1,398**
Cash & equivalents	165	176	208	319	449
Accounts receivable	38	44	57	68	81
Inventories	57	83	106	126	150
Other current assets	293	457	538	620	719
Fixed assets	**301**	**284**	**350**	**375**	**396**
Investment assets	88	51	82	91	102
Tangible assets	147	175	214	234	246
Intangible assets	33	31	28	25	22
Other long-term assets	32	27	26	26	26
Total assets	**856**	**1,044**	**1,259**	**1,508**	**1,794**
Current liabilities	**83**	**110**	**138**	**162**	**191**
Accounts payable	11	11	15	17	21
Short-term debt	0	0	0	0	0
Other current liabilities	71	99	123	144	171
Long-term liabilities	**203**	**210**	**215**	**216**	**218**
Bonds & long-term debt	1	0	0	0	0
Other long-term liabilities	202	209	214	216	217
Total liabilities	**286**	**320**	**352**	**378**	**409**
Owners of parent equity	**539**	**689**	**867**	**1,084**	**1,330**
Capital stock	5	5	5	5	5
Capital surplus	197	194	194	194	194
Retained earnings	343	492	669	886	1,132
Other	-6	-2	-1	-1	-1
Non-controlling interests' equity	**30**	**35**	**40**	**47**	**55**
Total equity	**569**	**724**	**907**	**1,130**	**1,385**
Net debt	-197	-290	-414	-603	-826

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**138**	**183**	**186**	**290**	**349**
Net profit	89	168	223	285	341
Non-cash profit and expenses	61	66	66	75	84
Depreciation	10	11	12	10	16
Amortization	4	4	4	3	3
Other	47	50	50	62	66
Changes in A/L from operating activities	0	-25	-51	-9	-11
Cash flow from investments	**-226**	**-156**	**-137**	**-110**	**-125**
Change in tangible assets	-36	-30	-50	-30	-28
Change in financial assets	-180	-90	-96	-80	-97
Other	-10	-37	10	0	-0
Cash flow from financing	**183**	**-15**	**-44**	**-60**	**-85**
Change in debt	179	4	3	2	2
Change in equity	22	-4	0	0	0
Dividends	-10	-12	-43	-62	-87
Other	-9	-4	-4	0	0
Change in cash	98	10	32	111	130
Cash at beginning of year	67	165	176	208	319
Cash at end of year	165	176	208	319	449
Gross cash flow	**150**	**234**	**289**	**360**	**426**
Free cash flow	**102**	**153**	**136**	**260**	**321**

Note: *Excluding one-off items;
**Fully diluted, excluding one-off items;
***From companies subject to equity-method valuation
Source: Company data, Samsung Securities estimates

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	34.1	53.2	23.6	23.5	16.1
Operating profit	36.6	70.1	26.1	28.2	17.5
Net profit	15.1	89.2	32.7	27.7	19.9
Adjusted EPS**	15.1	65.1	32.6	27.7	19.9
Per-share data (KRW)					
EPS (parent-based)	8,608	14,209	18,834	24,041	28,814
EPS (consolidated)	8,319	14,478	19,299	24,635	29,525
Adjusted EPS**	8,608	14,209	18,834	24,041	28,814
BVPS	46,640	59,603	74,978	93,696	114,975
DPS (common)	1,100	3,700	5,371	7,678	10,189
Valuations (x)					
P/E***	30.5	28.4	18.5	14.5	12.1
P/B***	5.6	6.8	4.7	3.7	3.0
EV/EBITDA	18.6	17.1	11.4	8.5	6.7
Ratios (%)					
ROE	18.9	26.9	28.0	28.5	27.6
ROA	12.8	17.7	19.4	20.6	20.7
ROIC	44.5	70.1	75.1	85.6	93.4
Payout ratio	12.4	23.3	25.6	28.7	31.8
Dividend yield (common)	0.4	0.9	1.5	2.2	2.9
Net debt to equity	-34.6	-40.0	-45.6	-53.3	-59.6
Interest coverage (x)	27.2	20.6	26.2	36.3	46.8

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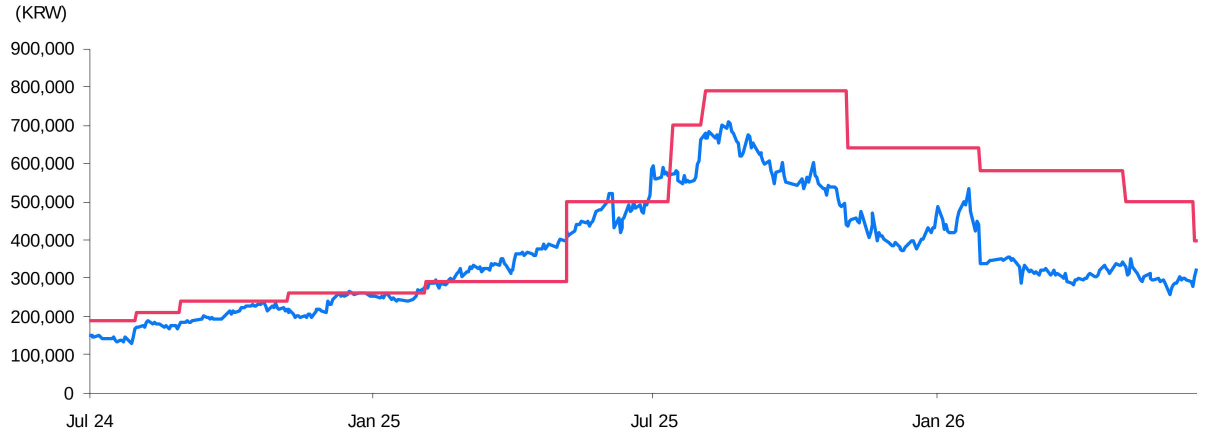
Target price changes in past two years



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	6/24
Recommendation	BUY	BUY	BUY	BUY	HOLD	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	190000	210000	240000	260000	290000	500000	700000	790000	640000	580000	500000	400000
Gap* (average)	-37.31	-15.85	-11.50	-8.18	15.36	-2.42	-17.83	-24.23	-32.93	-44.87	-40.37	
(max or min)**	-12.16	-10.43	-1.88	5.19	38.45	18.80	-5.14	-10.00	-16.56	-38.53	-29.80	

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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