COMPANY UPDATE

2026. 7. 10

Innovation Team

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AT A GLANCE

BUY

Target price	KRW140,000	36.2%
Current price	KRW102,800	
Market cap	KRW2.4t/USD1.6b	
Shares (float)	23,605,077 (73.4%)	
52-week high/low	KRW117,800/KRW61,100	
Avg daily trading value (60-day)	KRW28.6b/ USD19.0m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Kolmar Korea (%)	25.7	62.4	-3.0
Vs Kospi (%pts)	39.5	2.1	-58.3

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	140,000	110,000	27.3%
2026E EPS	7,351	6,664	10.3%
2027E EPS	8,825	8,598	2.6%

SAMSUNG vs THE STREET

No of estimates	19
Target price	122,211
Recommendation	4.0

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

Samsung Securities

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Kolmar Korea (161890)

Plenty of growth from Korea alone

- We believe Kolmar Korea will post 2Q results that meet consensus givens: 1) peak seasonality for suncare products; and 2) margin improvement from expanded shipments of skincare products.
- Volume expansion across the suncare and skincare categories should continue to drive growth, as should steady margin expansion at subsidiaries. We maintain our BUY rating and raise our target price to KRW140,000.

WHAT'S THE STORY?

2Q preview: We now believe Kolmar Korea's consolidated sales and operating profit came in at KRW824.9b (up 13.3% q-q and 12.9% y-y) and KRW93.7b (up 18.8% q-q and 27.5% y-y; meeting consensus), respectively, in 2Q. Parent-based sales likely reached KRW410.5b (up 19.7% q-q and 25.1% y-y), supported by: 1) the start of peak season for suncare products; 2) key domestic clients' export market expansion from the US to Europe; and 3) improved profitability in skincare product lines. We believe the firm's Chinese subsidiary just managed to reached breakeven, its US and Canadian subsidiaries suffered another quarter of losses, and Yonwoo's operating profit came in slightly above breakeven. The domestic business, which serves K-beauty brands, remains the core growth driver, with performance closely tied to robust Korean cosmetics exports in 2Q—particularly to North America (24,000 tonnes; up 31.9% y-y) and Europe (20,000 tonnes; up 63% y-y). We expect this momentum to remain strong into 3Q, when shipments for the year-end peak season are delivered.

(Continued on the next page)

SUMMARY FINANCIAL DATA

(KRWb)	2025	2026E	2027E	2028E
Revenue	2,722	3,071	3,492	3,903
Operating profit	240	317	398	451
Net profit (adj)	168	229	270	308
EPS (adj) (KRW)	5,299	7,351	8,825	9,979
EPS (adj) growth (% y-y)	38.3	38.7	20.1	13.1
EBITDA margin (%)	12.6	13.9	11.4	11.6
ROE (%)	14.7	17.5	17.7	16.9
P/E (adj) (x)	11.7	14.0	11.6	10.3
P/B (x)	1.6	2.3	1.9	1.6
EV/EBITDA (x)	9.1	9.7	9.6	8.0
Dividend yield (%)	1.4	0.9	1.1	1.2

Source: Company data, Samsung Securities estimates

Maintaining BUY and raising target price: We revise up our 2026 and 2027 operating profit forecasts by 7.1% and 5.7%, respectively, to reflect an extended peak season in the domestic operation and improved profitability at subsidiaries. Factoring in improved investor sentiment toward the cosmetics sector, including ODMs, since late June and a 12.5% increase in peer valuation multiples, we raise our target price to KRW140,000. While increased orders from multinational corporations contributed to the Korean operation's 2Q performance, the fundamental growth driver remains volume expansion across some skincare categories and steady margin expansion in skincare overall. For the US subsidiary, we recommend a more conservative outlook given order volatility. However, solid performances from key subsidiaries such as Yonwoo and HK inno.N provide downside protection. We maintain our BUY rating on the stock. Domestic capacity utilization stood at 78% in 1Q. With additional shifts and outsourced production planned ahead of the Sejong plant's full completion in 2H27, we do not expect capacity constraints to limit top-line growth.

2Q preview

(KRWb)	2Q26E	1Q26	2Q25	Consensus	Diff (%)		
					q-q	y-y	Consensus
Sales	824.9	728.0	730.8	821.5	13.3	12.9	0.4
Operating profit	93.7	78.9	73.5	93.8	18.8	27.5	(0.1)
Pre-tax profit	87.7	77.8	54.0	85.5	12.8	62.4	2.6
Net profit	68.8	60.0	41.8	67.6	14.8	64.7	1.8
Margins (%)							
Operating profit	11.4	10.8	10.1	11.4			
Pre-tax profit	10.6	10.7	7.4	10.4			
Net profit	8.3	8.2	5.7	8.2			

Source: Company data, FnGuide, Samsung Securities estimates

Kolmar Korea: Valuation

(KRWb)	Calculation	Value
Fair value of cosmetics ODM/packaging business	**(A = B x F)**	**3,340.1**
Forward EBITDA (ex. HK Inno.N)	(B = C x E + D x (1 - E))	309.3
2026E	(C)	274.5
2027E	(D)	342.7
2026 weighting	(E)	49.0%
Target EV/EBITDA multiple* (x)	(F)	10.8
Equity value of HK Inno.N stake	(G = H x I x (1 - J))	251.9
HK Inno.N market cap	(H)	1,171.4
Equity stake (%)	(I)	43.01%
Discount rate (%)	(J)	50%
Net debt	(K)	403
Target market cap	**(L = A + G - K)**	**3,188.9**
Shares outstanding ('000)	(M)	23,605,077
Target price (KRW)	(L/M)	140,000

Note: *20% premium to global ODM average, reflecting Kolmar Korea's leading position in sunscreen and its profit growth potential
Source: Bloomberg, Samsung Securities

Kolmar Korea: Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	2023	2024	2025	2026E	2027E
Sales	**653.1**	**730.8**	**683.0**	**655.5**	**728.0**	**824.9**	**795.2**	**723.1**	**2,155.7**	**2,452.1**	**2,722.4**	**3,071.2**	**3,492.1**
Cosmetics ODM/OEM	346.3	406.4	371.1	315.9	412.1	489.3	458.4	377.7	1,116.7	1,315.9	1,359.7	1,737.5	2,079.2
Domestic entity (parent)	274.3	328.1	322.0	268.3	343.0	410.5	401.2	325.9	856.8	1,059.7	1,086.3	1,480.6	1,803.4
China entity	41.6	49.9	31.8	32.9	47.3	51.0	34.9	34.0	158.2	153.7	160.8	167.2	179.7
US entity	21.7	18.4	8.1	6.7	13.4	15.4	10.2	7.9	37.4	57.9	72.6	46.9	52.3
Canada entity	8.7	10.0	9.2	8.0	8.4	12.3	12.1	9.9	45.9	39.5	39.2	42.7	43.8
Cosmetic packaging (Yonwoo)	63.7	70.7	61.8	54.7	62.4	65.6	64.2	55.1	236.4	275.5	272.0	247.4	249.8
Pharma (HK Inno.N)	247.4	263.1	260.8	291.9	258.7	275.5	278.0	295.1	828.9	897.1	931.9	1,107.2	1,180.0
Operating profit	**59.9**	**73.5**	**58.3**	**47.8**	**78.9**	**93.7**	**83.3**	**60.8**	**136.1**	**193.9**	**239.6**	**316.8**	**397.8**
Cosmetics ODM/OEM	37.2	55.2	35.0	9.3	49.0	64.4	53.9	27.0	81.0	117.5	134.7	194.4	261.2
Domestic entity (parent)	33.9	49.0	44.3	22.3	51.2	62.9	57.1	31.0	79.7	122.4	133.5	202.3	252.8
China entity	3.1	6.1	-1.6	-1.6	3.2	5.6	0.7	-0.3	12.7	8.0	9.3	9.2	9.9
US entity	1.5	-0.2	-6.4	-8.3	-3.7	-2.3	-2.1	-2.1	-9.5	-6.0	-2.0	-10.2	-1.0
Canada entity	-1.3	0.3	-1.3	-3.1	-1.7	-1.8	-1.8	-1.5	-1.9	-6.9	-6.1	-6.8	-0.4
Cosmetic packaging (Yonwoo)	-1.0	0.8	-0.2	0.8	-0.3	1.9	1.3	0.6	0.4	1.4	0.4	3.4	3.7
Pharma (HK Inno.N)	25.4	19.5	25.9	40.1	33.2	31.4	31.6	35.7	65.0	88.2	96.4	131.9	149.4
Net profit (controlling)	**13.2**	**34.9**	**31.8**	**45.1**	**45.2**	**56.2**	**45.7**	**26.5**	**5.2**	**90.1**	**125.1**	**173.5**	**208.3**
Margins (%)													
Operating profit	**9.2**	**10.1**	**8.5**	**7.3**	**10.8**	**11.4**	**10.5**	**8.4**	**6.3**	**7.9**	**8.8**	**10.3**	**11.4**
Cosmetics ODM/OEM	10.7	13.6	9.4	2.9	11.9	13.2	11.8	7.2	7.2	8.9	9.9	11.2	12.6
Domestic entity (parent)	12.4	14.9	13.8	8.3	14.9	15.3	14.2	9.5	9.3	11.5	12.3	13.7	14.0
China entity	7.5	12.2	-5.0	-4.9	6.8	11.0	2.0	-1.0	8.0	5.2	5.8	5.5	5.5
US entity	6.9	-1.1	-79.0	-123.9	-27.6	-15.0	-20.6	-26.6	-25.4	-10.4	-2.8	-21.8	-2.0
Canada entity	-14.9	3.0	-14.1	-38.8	-20.2	-14.9	-14.9	-14.9	-4.1	-17.5	-15.5	-16.0	-1.0
Cosmetic packaging (Yonwoo)	-1.6	1.1	-0.3	1.5	-0.5	2.9	2.0	1.0	0.2	0.5	0.1	1.4	1.5
Pharma (HK Inno.N)	10.3	7.4	9.9	13.7	12.8	11.4	11.4	12.1	7.8	9.8	10.3	11.9	12.7
Net profit (controlling)	**2.0**	**4.8**	**4.7**	**6.9**	**6.2**	**6.8**	**5.7**	**3.7**	**0.2**	**3.7**	**4.6**	**5.7**	**6.0**
Growth (% y-y)													
Sales	**13.6**	**10.7**	**9.0**	**11.0**	**11.5**	**12.9**	**16.4**	**10.3**	**15.5**	**13.7**	**11.0**	**12.8**	**13.7**
Cosmetics ODM/OEM	14.5	7.9	10.1	5.3	19.0	20.4	23.5	19.6	20.4	17.8	3.3	27.8	19.7
Domestic entity (parent)	10.7	10.5	17.7	11.2	25.0	25.1	24.6	21.5	18.2	23.7	2.5	36.3	21.8
China entity	20.4	-5.2	-13.1	10.0	13.7	2.2	9.6	3.4	41.2	-2.8	4.6	4.0	7.5
US entity	210.9	37.5	-53.7	-66.5	-38.2	-16.1	25.9	17.9	45.8	54.6	25.4	-35.3	11.5
Canada entity	-3.0	-20.9	0.0	-8.0	-3.4	23.4	31.6	23.5	-5.2	-14.0	-0.7	8.9	2.5
Cosmetic packaging (Yonwoo)	-5.3	-4.4	-15.1	-11.1	-2.0	-7.1	3.8	0.8	0.6	16.5	-1.3	-9.0	1.0
Pharma (HK Inno.N)	16.3	20.0	13.7	23.8	4.6	4.7	6.6	1.1	-2.1	8.2	3.9	18.8	6.6
Operating profit	**84.8**	**2.4**	**7.0**	**36.2**	**31.6**	**27.5**	**42.8**	**27.0**	**85.8**	**42.4**	**23.6**	**32.2**	**25.6**
Cosmetics ODM/OEM	85.7	13.3	5.9	-40.8	31.7	16.6	53.9	190.7	79.6	45.1	14.6	44.4	34.4
Domestic entity (parent)	48.5	10.8	19.0	23.2	51.0	28.4	28.9	38.8	15.3	53.7	9.0	51.6	25.0
China entity	72.2	-9.0	nm	nm	3.2	-8.0	nm	nm	nm	-37.0	16.3	-1.4	7.8
US entity	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Canada entity	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Cosmetic packaging (Yonwoo)	nm	-33.3	nm	nm	nm	138.0	nm	-31.1	-60.0	252.5	-71.6	759.7	9.0
Pharma (HK Inno.N)	47.2	-19.9	16.5	64.2	30.7	60.8	22.2	-11.0	22.6	35.7	9.2	36.8	13.3

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**2,452**	**2,722**	**3,071**	**3,492**	**3,903**
Cost of goods sold	1,753	1,931	2,187	2,470	2,755
Gross profit	**699**	**791**	**884**	**1,022**	**1,147**
Gross margin (%)	28.5	29.1	28.8	29.3	29.4
SG&A expenses	505	552	567	625	696
Operating profit	**194**	**240**	**317**	**398**	**451**
Operating margin (%)	7.9	8.8	10.3	11.4	11.6
Non-operating gains (losses)	**-54**	**-28**	**-24**	**-50**	**-54**
Financial profit	30	28	18	9	10
Financial costs	54	54	42	50	55
Equity-method gains (losses)	12	1	2	1	1
Other	-42	-2	-1	-10	-10
Pre-tax profit	**140**	**212**	**293**	**348**	**397**
Taxes	14	44	64	78	90
Effective tax rate (%)	10.3	20.5	21.8	22.3	22.6
Profit from continuing operations	125	168	229	270	308
Profit from discontinued operations	0	0	0	0	0
Net profit	**125**	**168**	**229**	**270**	**308**
Net margin (%)	5.1	6.2	7.5	7.7	7.9
Net profit (controlling interests)	90	125	174	208	236
Net profit (non-controlling interests)	35	43	55	62	72
EBITDA	286	344	426	398	451
EBITDA margin (%)	11.7	12.6	13.9	11.4	11.6
EPS (parent-based) (KRW)	3,830	5,299	7,351	8,825	9,979
EPS (consolidated) (KRW)	5,329	7,126	9,694	11,452	13,028
Adjusted EPS (KRW)*	3,830	5,299	7,351	8,825	9,979

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**859**	**1,010**	**1,295**	**1,468**	**1,867**
Cash & equivalents	142	225	337	445	747
Accounts receivable	284	333	445	469	524
Inventories	328	325	393	431	481
Other current assets	105	126	120	124	115
Fixed assets	**2,268**	**2,448**	**2,468**	**2,577**	**2,577**
Investment assets	55	135	142	142	142
Tangible assets	811	902	913	1,033	1,033
Intangible assets	1,249	1,243	1,244	1,244	1,244
Other long-term assets	153	168	169	159	159
Total assets	**3,127**	**3,458**	**3,763**	**4,046**	**4,444**
Current liabilities	**1,215**	**1,360**	**1,551**	**1,536**	**1,582**
Accounts payable	188	231	270	338	377
Short-term debt	667	639	810	600	550
Other current liabilities	361	490	472	597	654
Long-term liabilities	**406**	**430**	**369**	**442**	**592**
Bonds & long-term debt	309	330	275	330	480
Other long-term liabilities	97	100	94	112	112
Total liabilities	**1,621**	**1,790**	**1,920**	**1,977**	**2,173**
Owners of parent equity	**793**	**910**	**1,068**	**1,289**	**1,491**
Capital stock	12	12	12	12	12
Capital surplus	295	301	256	300	300
Retained earnings	488	593	798	978	1,180
Other	-2	5	2	-1	-1
Non-controlling interests' equity	**713**	**757**	**775**	**780**	**780**
Total equity	**1,506**	**1,667**	**1,843**	**2,069**	**2,271**
Net debt	952	917	942	595	402

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**215**	**291**	**342**	**490**	**519**
Net profit	125	168	229	270	308
Non-cash profit and expenses	195	203	228	238	238
Depreciation	69	81	84	0	0
Amortization	23	24	26	0	0
Other	103	98	118	238	238
Changes in A/L from operating activities	-40	0	-51	38	33
Cash flow from investments	**-205**	**-248**	**-193**	**-182**	**-252**
Change in tangible assets	-245	-162	-133	-180	-250
Change in financial assets	43	-36	0	-2	-2
Other	-3	-50	-60	0	0
Cash flow from financing	**-43**	**40**	**-39**	**-198**	**36**
Change in debt	48	82	10	-173	61
Change in equity	33	6	0	0	0
Dividends	-19	-23	-19	-25	-25
Other	-104	-26	-30	0	0
Change in cash	-29	83	112	110	303
Cash at beginning of year	171	142	225	337	445
Cash at end of year	142	225	337	445	747
Gross cash flow	**320**	**371**	**457**	**508**	**545**
Free cash flow	**-32**	**127**	**208**	**310**	**269**

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	13.7	11.0	12.8	13.7	11.8
Operating profit	42.4	23.6	32.2	25.6	13.5
Net profit	398.5	34.2	36.0	18.1	13.8
Adjusted EPS**	1,588.1	38.3	38.7	20.1	13.1
Per-share data (KRW)					
EPS (parent-based)	3,830	5,299	7,351	8,825	9,979
EPS (consolidated)	5,329	7,126	9,694	11,452	13,028
Adjusted EPS**	3,830	5,299	7,351	8,825	9,979
BVPS	33,579	38,566	45,248	54,590	63,170
DPS (common)	720	864	1,030	1,200	1,400
Valuations (x)					
P/E***	14.4	11.7	14.0	11.6	10.3
P/B***	1.6	1.6	2.3	1.9	1.6
EV/EBITDA	10.4	9.1	9.7	9.6	8.0
Ratios (%)					
ROE	12.5	14.7	17.5	17.7	16.9
ROA	4.1	5.1	6.3	6.9	7.2
ROIC	7.6	7.9	9.8	12.1	13.9
Payout ratio	18.9	16.3	16.3	13.6	14.0
Dividend yield (common)	1.3	1.4	0.9	1.1	1.2
Net debt to equity	63.2	55.0	51.1	28.8	17.7
Interest coverage (x)	4.2	6.2	7.9	n/a	n/a

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- As of 7/9 2026, Samsung Securities' holdings of shares and debt instruments convertible into shares of each company covered in this report would not, if such debt instruments were converted, exceed 1% of each company's outstanding shares.
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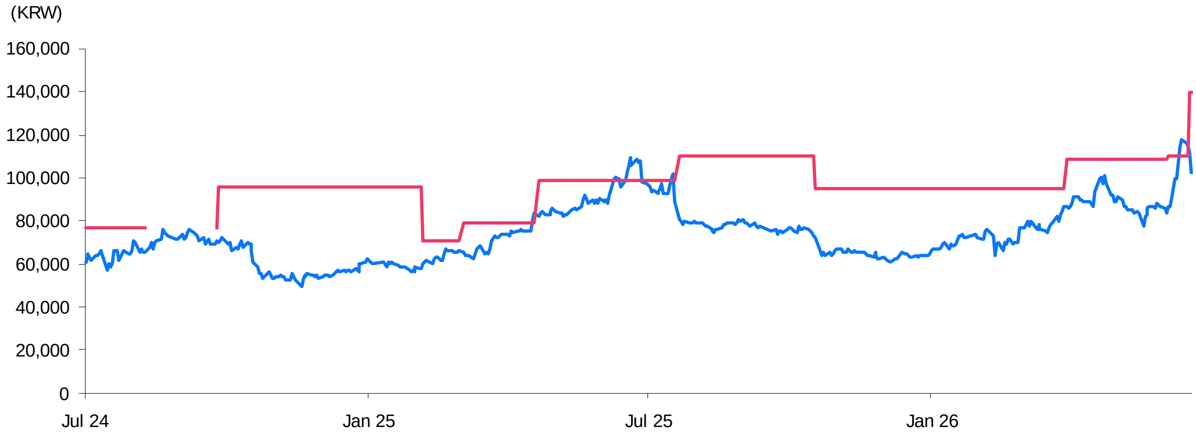
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2023/8/14	2024/8/14	2024/10/16	2025/2/26	3/24	5/12	8/11	11/7	2026/4/20	6/24	7/8
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	77000	77000	96000	71000	79000	99000	110000	95000	109000	110000	140000
Gap* (average)	-30.26	-13.28	-38.69	-10.11	-10.29	-6.37	-29.65	-27.19	-18.72	-4.45	
(max or min)**	-5.19	-8.31	-24.90	-6.06	5.82	10.30	-26.64	-8.63	-7.52	7.09	

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 2026.06.30

BUY(85.5%)·HOLD(14.5%)·SELL(0%)

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