COMPANY UPDATE

2026. 7. 31

Innovation Team

Keunhee Seo, Ph.D.
Team Leader
keunhee.seo@samsung.com

Suhan Shin
Research Associate
shn.shin@samsung.com

▶ AT A GLANCE

BUY

Target price	**KRW110,000**	**48.6%**
Current price	**KRW74,000**	
Market cap	KRW5.9t/USD4.1b	
Shares (float)	73,615,781 (68.9%)	
52-week high/low	KRW125,000/KRW66,400	
Avg daily trading value (60-day)	KRW24.9b/ USD17.3m	

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
Yuhan (%)	5.4	-31.5	-38.2
Vs Kospi (%pts)	59.7	-36.0	-64.1

▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	110,000	120,000	-8.3%
2026E EPS	1,849	1,864	-0.8%
2027E EPS	2,272	2,334	-2.7%

▶ SAMSUNG vs THE STREET

No of estimates	12
Target price	127,083
Recommendation	4.0

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

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Yuhan (000100)

Growth scenario written by Lazcluze

- We maintain our BUY rating on Yuhan, but revise down our target price to KRW110,000 to reflect adjustments to our target EV/EBITDA multiple and a more conservative revaluation of the Lesigercept pipeline value.

WHAT'S THE STORY?

2Q26 review: Yuhan's consolidated sales reached KRW639.5b (up 10.4% y-y and 21.4% q-q), while operating profit came in at KRW66.9b (up 34.1% y-y and 658.6% q-q). Growth was driven by expanded sales of existing pharmaceutical drugs, increased licensed-in product sales, and higher licensing revenue from Janssen following the commencement of European sales.

2026 outlook: We forecast Yuhan's 2026 consolidated sales at KRW2.34t (up 7.1% y-y) and operating profit at KRW119.6b (up 14.6% y-y). Following the inclusion of the Lazcluze + Rybrevant combination therapy as a first-line treatment option in the NCCN Guidelines, the acquisition of a permanent J-code (J9062) for Rybrevant Faspro (SC) effective Jul 1 has removed a key practical barrier to prescribing. Recent precedents show that newly approved anticancer SC formulations experienced meaningful increases in prescriptions shortly after transitioning to permanent J-codes, driven by improved prescribing convenience. This suggests that Lazcluze combination therapy is now entering a similar inflection point for prescription growth. Furthermore, if upcoming updates to the mOS data from the MARIPOSA clinical trial are positively received, the combined enhancement of clinical evidence and prescribing convenience (SC formulation + J-code) could provide additional momentum to expand Lazcluze's market penetration in the first-line NSCLC segment.

(Continued on the next page)

SUMMARY 2Q RESULTS

(KRWb)	2Q26	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	639.5	10.4	21.4	-4.8	1.8
Operating profit	66.9	34.1	658.6	71.5	14.8
Pre-tax profit	88.4	71.3	207.3	45.4	24.8
Net profit	68.0	54.6	191.2	13.5	10.3
Margins (%)					
Operating profit	10.5				
Pre-tax profit	13.8				
Net profit	10.6				

Source: Company data, FnGuide, Samsung Securities estimates

VALUATION SUMMARY

	2025	2026E	2027E
Valuations (x)			
P/E	47.1	40.0	32.6
P/B	3.6	2.1	2.0
EV/EBITDA	52.8	30.7	32.0
Div yield (%)	0.5	0.8	0.8
EPS growth (% y-y)	175.1	-22.6	22.9
ROE (%)	8.8	6.1	6.9
Per-share data (KRW)			
EPS	2,389	1,849	2,272
BVPS	30,855	35,026	36,898
DPS	600	600	600

Maintaining BUY; lowering target price to KRW110,000: We derive our target price based on a SOTP method, combining an operating value of KRW1.71t (based on 12M forward EBITDA of KRW155.9b and a pharmaceutical sector average EV/EBITDA multiple of 11x, down from 14x) with a new drug value of KRW5.63t (down from KRW6.84t). Within the new drug pipeline valuation, we revise down the rNPV of Lesigercept, as recent clinical data from competing allergy treatment candidates demonstrate more robust response rates and durability than previously assumed, leading us to conservatively lower the addressable market share given heightened competition. Despite these downward revisions, we only slightly adjust our target price, as the positive impact of recent share cancellation (reducing total shares by approximately 7.5%) largely offset the valuation compression. While the revisions reflect a modest downward adjustment to fundamental expectations, the improvement in per-share value from shareholder returns should offset this impact.

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**2,068**	**2,187**	**2,343**	**2,584**	**2,780**
Cost of goods sold	1,378	1,457	1,585	1,790	1,926
Gross profit	**689**	**730**	**758**	**794**	**854**
Gross margin (%)	33.3	33.4	32.4	30.7	30.7
SG&A expenses	635	626	639	676	717
Operating profit	**55**	**104**	**120**	**119**	**136**
Operating margin (%)	2.7	4.8	5.1	4.6	4.9
Non-operating gains (losses)	**7**	**118**	**58**	**97**	**104**
Financial profit	24	19	32	29	31
Financial costs	19	25	21	21	22
Equity-method gains (losses)	47	42	51	53	56
Other	-45	83	-4	36	40
Pre-tax profit	**61**	**223**	**178**	**216**	**241**
Taxes	6	37	40	47	53
Effective tax rate (%)	10.2	16.8	22.8	22.0	22.0
Profit from continuing operations	55	185	144	168	188
Profit from discontinued operations	0	0	0	0	0
Net profit	**55**	**185**	**144**	**168**	**188**
Net margin (%)	2.7	8.5	6.1	6.5	6.8
Net profit (controlling interests)	71	194	145	170	190
Net profit (non-controlling interests)	-16	-9	-1	-2	-2
EBITDA	118	174	193	183	194
EBITDA margin (%)	5.7	7.9	8.2	7.1	7.0
EPS (parent-based) (KRW)	869	2,389	1,849	2,272	2,538
EPS (consolidated) (KRW)	678	2,281	1,836	2,250	2,513
Adjusted EPS (KRW)*	869	2,389	1,849	2,272	2,538

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**1,360**	**1,512**	**1,787**	**1,994**	**2,216**
Cash & equivalents	306	349	463	505	540
Accounts receivable	609	694	699	787	886
Inventories	343	373	478	538	606
Other current assets	102	96	147	164	184
Fixed assets	**1,582**	**1,709**	**1,662**	**1,656**	**1,665**
Investment assets	521	549	539	598	665
Tangible assets	598	639	609	561	519
Intangible assets	285	300	286	269	254
Other long-term assets	177	222	227	227	227
Total assets	**2,942**	**3,221**	**3,449**	**3,650**	**3,881**
Current liabilities	**619**	**734**	**836**	**905**	**982**
Accounts payable	176	175	255	287	324
Short-term debt	168	200	201	201	201
Other current liabilities	275	358	380	417	458
Long-term liabilities	**172**	**125**	**152**	**158**	**164**
Bonds & long-term debt	121	71	91	91	91
Other long-term liabilities	51	54	61	67	73
Total liabilities	**791**	**859**	**988**	**1,063**	**1,146**
Owners of parent equity	**2,101**	**2,307**	**2,406**	**2,535**	**2,683**
Capital stock	81	81	81	81	81
Capital surplus	123	145	146	146	146
Retained earnings	2,010	2,188	2,275	2,404	2,552
Other	-113	-108	-96	-96	-96
Non-controlling interests' equity	**50**	**55**	**54**	**53**	**51**
Total equity	**2,151**	**2,362**	**2,461**	**2,588**	**2,734**
Net debt	6	-9	-102	-146	-183

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**55**	**106**	**152**	**144**	**145**
Net profit	55	185	144	168	188
Non-cash profit and expenses	101	30	107	116	114
Depreciation	45	52	54	48	42
Amortization	18	17	19	17	15
Other	38	-39	34	52	56
Changes in A/L from operating activities	-124	-136	-77	-89	-100
Cash flow from investments	**-117**	**-71**	**-19**	**-2**	**-2**
Change in tangible assets	-113	-99	-21	0	0
Change in financial assets	-1	-6	3	-2	-2
Other	-4	34	-1	0	0
Cash flow from financing	**66**	**8**	**-27**	**-41**	**-41**
Change in debt	57	34	18	0	0
Change in equity	12	23	0	0	0
Dividends	-32	-37	-45	-41	-41
Other	29	-11	-0	0	0
Change in cash	7	42	114	42	35
Cash at beginning of year	299	306	349	463	505
Cash at end of year	306	349	463	505	540
Gross cash flow	**156**	**215**	**251**	**285**	**302**
Free cash flow	**-62**	**7**	**131**	**144**	**145**

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	11.2	5.7	7.1	10.3	7.6
Operating profit	-3.8	90.2	14.6	-0.8	15.0
Net profit	-58.9	235.9	-22.4	17.0	11.7
Adjusted EPS**	-48.1	175.1	-22.6	22.9	11.7
Per-share data (KRW)					
EPS (parent-based)	869	2,389	1,849	2,272	2,538
EPS (consolidated)	678	2,281	1,836	2,250	2,513
Adjusted EPS**	869	2,389	1,849	2,272	2,538
BVPS	28,030	30,855	35,026	36,898	39,061
DPS (common)	500	600	600	600	600
Valuations (x)					
P/E***	137.6	47.1	40.0	32.6	29.2
P/B***	4.3	3.6	2.1	2.0	1.9
EV/EBITDA	82.8	52.8	30.7	32.0	30.1
Ratios (%)					
ROE	3.4	8.8	6.1	6.9	7.3
ROA	1.9	6.0	4.3	4.7	5.0
ROIC	3.3	5.2	5.3	5.2	5.8
Payout ratio	52.2	22.8	28.0	23.9	21.4
Dividend yield (common)	0.4	0.5	0.8	0.8	0.8
Net debt to equity	0.3	-0.4	-4.1	-5.6	-6.7
Interest coverage (x)	3.7	6.8	7.6	7.5	8.6

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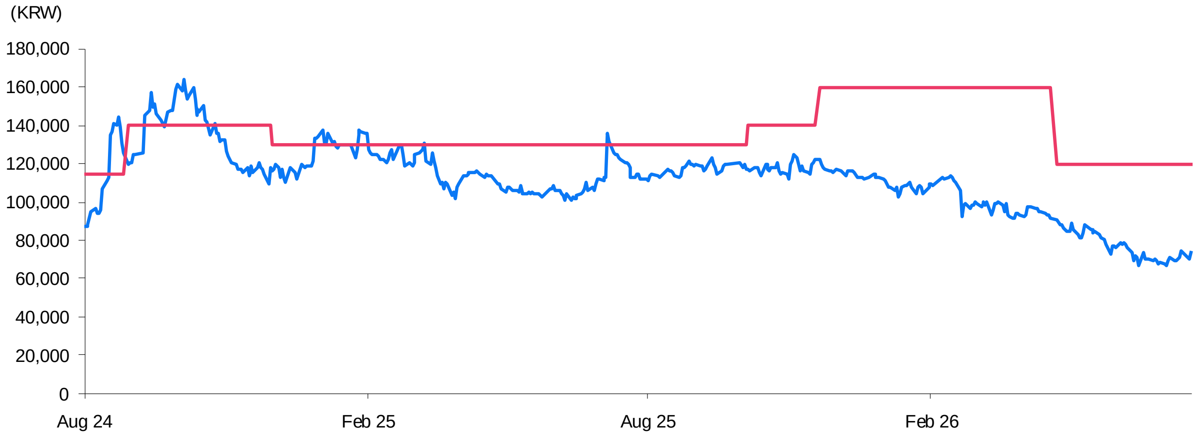

Rating changes over past two years (adjusted share prices)

Date	2024/7/31	9/9	12/11	2025/4/3	10/16	12/1	2026/5/4	7/31
Recommendation	BUY	HOLD	HOLD	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	115000	140000	130000	130000	140000	160000	120000	110000
Gap* (average)	-6.95	-3.59	-4.63	-13.36	-15.80	-34.22	-36.25	
(max or min)**	26.00	16.93	5.92	4.46	-10.71	-25.00	-25.50	

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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Industry

OVERWEIGHT	Expected to outperform market by 5% or more within 12 months
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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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SAMSUNG SECURITIES

Samsung Electronics Bldg., 11, 74-gil,
Seochodae-ro, Seocho-gu, Seoul, Korea 06620
Tel: 02 2020 8000 / www.samsungpop.com

Family Center: 1588 2323

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For more information,
please call our sales representatives:

LONDON

Samsung Securities Europe Limited
1st Floor, 30 Gresham Street, London EC2V 7PG UK
Tel. 44-207-776-4311
Fax. 44-203-837-9219

NEW YORK

Samsung Securities America Limited
1330 Avenue of the Americas. 10th Floor. New York,
NY 10019
Tel: 1-212-972-2454
Fax: 1-212-972-2704

HONG KONG

Samsung Securities (Asia) Limited
Suite 4511, Two International Finance Center,
8 Finance Street, Central, Hong Kong
Tel: 852-3411-3608
Fax: 852-2114-0290

BEIJING

Samsung Securities Beijing Representative Office
Rm. 910, The Exchange Building No 118 JianGuo Lu, Chao
Yang District, Beijing, China
Tel: 86-10-6522-1855 (extension 7891)
Fax: 86-10-6522-1855 (extension 7889)

TOKYO

Samsung Securities Tokyo Representative Office
#106-8532 19F, Roppongi T-Cube 3-1-1,
Roppongi Minato-ku Tokyo, Japan
Tel: 81-3-6333-2952
Fax: 81-3-6333-2953

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