COMPANY UPDATE

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PharmaResearch (214450)

Emergence of new synergies

- **2Q26 review:** PharmaResearch's 2Q sales topped consensus by 5.5% on increasing shipments to Europe and a surge in cosmetics exports while operating profit was in line with consensus, reflecting rising SG&A costs.
- **Maintaining BUY and raising target to KRW500,000:** Synergies between increasing Rejuran export markets and cosmetics sales are being validated. Earnings momentum should receive some boosts from year-end promotional event in the US and the launch of an energy-based device in November.

AT A GLANCE

BUY

Target price	KRW500,000	32.1%
Current price	KRW378,500	
Market cap	KRW3.9t/USD2.8b	
Shares (float)	10,389,648 (65.0%)	
52-week high/low	KRW711,000/KRW259,000	
Avg daily trading value (60-day)	KRW56.2b/ USD39.7m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
PharmaResearch (%)	11.2	11.3	-37.7
Vs Kosdaq (%pts)	15.7	50.6	-37.2

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	500,000	420,000	19.0%
2026E EPS	20,032	19,297	3.8%
2027E EPS	26,069	24,982	4.4%

SAMSUNG vs THE STREET

No of estimates	15
Target price	494,000
Recommendation	4.0

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

WHAT'S THE STORY?

2Q26 review: PharmaResearch reported 2Q sales of KRW178.7b (up 27.1% y-y and 22.3% q-q; beating consensus by 5.5%) and an operating profit of KRW66.5b (up 19% y-y and 16%q-q; in line with consensus). Domestic medical device sales amounted to KRW64.5b (up 6.2% y-y and 10.4% q-q) on seasonality and the rising number of foreign tourists to Korea. Medical device exports climbed 32.6% y-y and 52.2% q-q, each, to KRW32.2b, driven by expanded sales in Western Europe (up from KRW2b in 1Q26 to KRW5b in 2Q26) and stronger customer retention. Domestic cosmetics sales jumped to KRW16.6b (up 47% y-y and 8.4%q-q), mainly drive by growing inbound traffics and new pharmacy-distributed product launches. Cosmetics exports also leapt to KRW43.6b (up 123.6% y-y and 62.3% q-q), supported by growing Rejuran sales in Asian markets and promotional events in America. Even excluding initial shipments to Eastern Europe (KRW4b) cosmetic exports expanded 47% q-q. PharmaResearch's pharmaceutical sales declined 10% y-y and 14.1% q-q to KRW18.4b, reflecting a shift in toxin product mix and flat domestic demand. While 2Q gross margin remained similar q-q at 77%, operating margin edged down 2%pts q-q to 37.2% due to increased marketing costs (up KRW7b q-q), bonus payment, and cosmetics-related commissions. Advertising and labor cost should decrease in 3Q26.

(Continued on the next page)

SUMMARY 2Q RESULTS

(KRWb)	2Q26	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	178.7	27.1	22.3	3.6	5.5
Operating profit	66.5	19.0	16.0	(5.0)	(1.8)
Pre-tax profit	74.1	32.7	8.9	n/a	3.0
Net profit	56.6	19.3	18.9	1.4	(0.8)
Margins (%)					
Operating profit	37.2				
Pre-tax profit	41.4				
Net profit	31.7				

Source: Company data, Fnguide, Samsung Securities estimates

VALUATION SUMMARY

	2025	2026E	2027E
Valuation (x)			
P/E	28.4	18.9	14.5
P/B	6.8	5.0	3.9
EV/EBITDA	17.1	12.0	8.8
Div yield (%)	0.9	1.5	1.9
EPS growth (% y-y)	65.1	41.0	30.1
ROE (%)	26.9	29.5	30.2
Per-share data (KRW)			
EPS	14,209	20,032	26,069
BVPS	59,603	76,176	96,521
DPS	3,700	5,576	7,257

Samsung Securities

Maintaining BUY and raising target to KRW500,000: While 2Q domestic marketing spend exceeded expectations, we raise our 12-month target price for the stock (based on a 12-month forward EBITDA) to KRW500,000 based on three factors. First, the cosmetics portion in total sales rose 5pts q-q but operating margin held up well—suggesting further operating leverage as sales grow. Second, the company's export market expansion (Asia, Europe, and America) should drive growth in both medical devices and cosmetics. Third, reflecting improved sector-wide investor sentiment, we reduce the historical discount from 25% to 10%. Recent operating results from Galderma (GALD SW), which markets Sculptra (PLLA), highlighted that PN skin boosters remain in early adoption phase, with management acknowledging significant room for market expansion. This underscores Rejuran's growing competitive presence abroad. We forecast 2H26 Rejuran exports will surge 79% y-y to KRW77b and cosmetics exports by 59.1% y-y to KRW75.7b. The domestic launch in November of its MicroNeedle RF device is expected to enhance margins at dermatology clinics by using a dedicated injector that is designed for higher-viscosity products (which reduces the amount of Rejuran that is discarded). As more clinics take delivery of its MicroNeedle RF device, so demand for Rejuran should grow.

PharmaResearch: Results and forecasts (consolidated)

(KRWb)	2025	2026E	2027E	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26P	3Q26E	4Q26E
Sales	**536.3**	**700.1**	**875.6**	**74.7**	**83.1**	**89.2**	**103.1**	**116.9**	**140.6**	**135.4**	**143.3**	**146.1**	**178.7**	**180.1**	**195.2**
Pharmaceuticals	**82.5**	**85.3**	**106.2**	**16.3**	**18.1**	**16.1**	**14.2**	**17.2**	**20.5**	**22.0**	**22.9**	**21.4**	**18.4**	**21.5**	**23.9**
Domestic	51.1	47.3	55.8	10.1	9.6	10.0	8.7	10.6	13.4	13.3	13.7	11.2	10.7	12.1	13.3
Exports	31.5	38.0	50.3	6.2	8.5	6.1	5.5	6.6	7.0	8.6	9.2	10.2	7.7	9.4	10.6
Medical devices	**314.4**	**391.5**	**480.3**	**38.4**	**43.0**	**50.7**	**61.5**	**69.5**	**85.0**	**76.7**	**83.2**	**79.5**	**96.7**	**104.0**	**111.3**
Domestic sales	225.9	261.2	298.4	28.1	31.4	36.0	41.9	48.3	60.7	57.2	59.7	58.4	64.5	67.7	70.5
Exports	88.6	130.4	181.9	10.3	11.6	14.7	19.6	21.2	24.3	19.6	23.6	21.1	32.2	36.3	40.7
Asia		70.6	89.7					16.7	17.0	12.7	14.6	11.4	17.7	19.7	21.8
Europe/Oceania		50.9	80.8					4.2	6.6	5.9	7.5	7.4	12.6	14.4	16.5
Middle East		6.8	8.2					0.2	0.5	0.8	0.7	2.1	1.3	1.6	1.8
Americas		2.2	3.2					0.0	0.2	0.2	0.7	0.2	0.6	0.6	0.7
Cosmetics	**131.5**	**212.3**	**277.8**	**17.7**	**19.9**	**16.9**	**22.8**	**27.9**	**30.8**	**35.2**	**37.6**	**42.2**	**60.2**	**52.2**	**57.8**
Domestic	47.2	66.1	87.3	8.2	7.9	5.9	8.8	10.7	11.3	13.2	12.0	15.3	16.6	16.9	17.3
Exports	84.3	146.2	190.5	9.5	12.0	11.1	14.0	17.2	19.5	21.9	25.6	26.9	43.6	35.3	40.5
Asia		71.8	89.6					10.9	10.5	11.6	13.1	12.4	19.6	18.8	21.0
Americas		59.8	78.7					5.5	8.4	9.0	8.5	12.9	16.6	14.2	16.2
Europe		13.4	20.9					0.9	0.6	1.3	4.1	1.3	7.0	2.0	3.1
Middle East		1.2	1.3					0.0	0.0	0.0	0.0	0.3	0.4	0.2	0.3
Other	**7.2**	**11.0**	**11.2**	**2.3**	**2.3**	**5.5**	**4.2**	**2.4**	**4.4**	**1.5**	**-1.0**	**3.0**	**3.5**	**2.4**	**2.2**
Gross profit	**411.2**	**541.1**	**671.4**	**51.8**	**59.2**	**64.6**	**75.7**	**85.4**	**107.2**	**109.1**	**109.4**	**112.9**	**137.5**	**139.6**	**151.0**
Operating profit	**214.4**	**278.8**	**363.3**	**26.7**	**30.8**	**34.9**	**33.7**	**44.7**	**55.9**	**61.9**	**51.9**	**57.3**	**66.5**	**79.8**	**75.2**
Pre-tax profit	**216.5**	**297.3**	**386.6**	**23.3**	**38.0**	**31.0**	**23.6**	**45.9**	**55.8**	**64.8**	**49.9**	**68.0**	**74.1**	**82.3**	**78.2**
Net profit (controlling)	**165.1**	**231.7**	**301.5**	**17.2**	**31.4**	**24.7**	**18.7**	**36.2**	**47.4**	**49.0**	**32.6**	**47.6**	**56.6**	**65.4**	**62.1**
Growth (%)															
Sales	***53.2***	***30.5***	***25.1***	***34.8***	***24.4***	***29.7***	***47.3***	***56.5***	***69.2***	***51.8***	***39.1***	***25.0***	***27.1***	***33.0***	***36.1***
Pharmaceuticals	***27.6***	***3.3***	***24.5***	***32.7***	***33.7***	***8.5***	***3.2***	***5.4***	***13.1***	***36.4***	***61.7***	***24.7***	***-10.0***	***-2.2***	***4.4***
Domestic	*33.1*	*-7.5*	*18.1*	*30.3*	*13.9*	*10.1*	*5.2*	*4.7*	*40.5*	*32.9*	*58.5*	*5.5*	*-20.3*	*-9.4*	*-3.1*
Exports	*19.6*	*20.8*	*32.5*	*36.6*	*66.2*	*5.8*	*0.0*	*6.6*	*-17.5*	*42.0*	*66.9*	*55.4*	*9.6*	*9.1*	*15.6*
Medical Devices	***62.4***	***24.5***	***22.7***	***27.2***	***24.2***	***46.8***	***67.1***	***81.0***	***97.6***	***51.5***	***35.3***	***14.5***	***13.8***	***35.6***	***33.7***
Domestic	*64.4*	*15.6*	*14.3*	*41.7*	*36.0*	*45.4*	*53.5*	*71.9*	*93.4*	*58.7*	*42.5*	*20.9*	*6.2*	*18.5*	*18.1*
Exports	*57.7*	*47.2*	*39.5*	*-0.7*	*0.5*	*50.4*	*105.9*	*105.9*	*109.1*	*33.7*	*20.0*	*-0.1*	*32.6*	*85.4*	*73.0*
Asia		*15.6*	*27.1*									*-31.7*	*4.2*	*54.4*	*49.2*
Europe/Oceania		*110.2*	*58.9*									*74.9*	*91.6*	*144.8*	*119.2*
Middle East		*214.0*	*20.5*									*1,010.5*	*165.2*	*109.8*	*148.3*
Americas		*84.5*	*50.2*									*899.4*	*165.2*	*216.3*	*-4.2*
Cosmetics	***70.1***	***61.4***	***30.9***	***61.1***	***18.1***	***0.3***	***48.6***	***57.5***	***54.7***	***108.1***	***65.2***	***51.0***	***95.6***	***48.2***	***53.6***
Europe	*53.5*	*40.1*	*32.1*	*27.4*	*-14.4*	*-23.3*	*29.1*	*29.8*	*42.7*	*126.4*	*36.7*	*43.3*	*47.0*	*27.6*	*44.6*
Exports	*81.1*	*73.4*	*30.3*	*109.2*	*57.4*	*19.8*	*64.0*	*81.6*	*62.7*	*98.5*	*83.0*	*55.8*	*123.6*	*60.7*	*57.8*
Asia		*55.7*	*24.9*									*13.8*	*86.4*	*61.9*	*60.3*
Americas		*90.6*	*31.7*									*133.7*	*97.6*	*57.4*	*90.8*
Europe		*95.8*	*55.6*									*55.8*	*1,092.8*	*54.9*	*-24.7*
Middle East		*nm*	*5.0*									*nm*	*nm*	*nm*	*nm*
Other	***-49.4***	***52.1***	***2.0***	***38.5***	***28.4***	***114.7***	***2.8***	***1.5***	***90.3***	***-72.6***	***n/a***	***25.8***	***-21.5***	***61.1***	***n/a***
Gross profit	***63.7***	***31.6***	***24.1***	***28.1***	***18.8***	***27.6***	***53.1***	***65.0***	***81.0***	***69.0***	***44.6***	***32.2***	***28.3***	***27.9***	***38.0***
Operating profit	***70.1***	***30.0***	***30.3***	***28.6***	***30.1***	***27.0***	***65.4***	***67.7***	***81.7***	***77.2***	***54.1***	***28.1***	***19.0***	***29.0***	***44.9***
Pre-tax profit	***87.0***	***37.3***	***30.0***	***1.9***	***63.1***	***-9.5***	***16.1***	***97.6***	***47.1***	***108.9***	***111.7***	***48.0***	***32.7***	***26.9***	***56.6***
Net profit (controlling)	***79.4***	***40.3***	***30.1***	***-2.6***	***87.6***	***-7.4***	***21.3***	***109.8***	***51.0***	***98.1***	***74.2***	***31.5***	***19.3***	***33.5***	***90.7***
Margin (%)															
Gross profit	**76.7**	**77.3**	**76.7**	**69.3**	**71.3**	**72.4**	**73.4**	**73.1**	**76.2**	**80.6**	**76.3**	**77.3**	**77.0**	**77.5**	**77.4**
Operating profit	**40.0**	**39.8**	**41.5**	**35.7**	**37.0**	**39.1**	**32.7**	**38.3**	**39.7**	**45.7**	**36.2**	**39.2**	**37.2**	**44.3**	**38.5**
Pre-tax profit	**40.4**	**42.5**	**44.2**	**31.1**	**45.7**	**34.8**	**22.9**	**39.3**	**39.7**	**47.9**	**34.8**	**46.6**	**41.4**	**45.7**	**40.1**
Net profit (controlling)	**30.8**	**33.1**	**34.4**	**23.1**	**37.8**	**27.7**	**18.1**	**30.9**	**33.7**	**36.2**	**22.7**	**32.6**	**31.7**	**36.3**	**31.8**

Source: PharmaResearch, Samsung Securities estimates

PharmaResearch: Valuation

(KRWb)	Calculation	Value
Forward EBITDA	(A = B x D + C x (1 - D))	344.1
2026E EBITDA	(B)	295
2027E EBITDA	(C)	377
2026 weighting	(D)	40%
Target EV/EBITDA multiple* (x)	(E)	15.3
Enterprise value	(F = A x E)	5,265.1
Net debt	(G)	-550.8
Equity value	(H = F - G)	5,815.9
Shares outstanding ('000)	(I)	11,565
Fair value per share (KRW)	(H/I)	502,871
Target price (KRW)		**500,000**

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

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**350**	**536**	**700**	**876**	**1,028**
Cost of goods sold	99	125	159	204	239
Gross profit	**251**	**411**	**541**	**671**	**789**
Gross margin (%)	71.8	76.7	77.3	76.7	76.8
SG&A expenses	125	197	262	308	353
Operating profit	**126**	**214**	**279**	**363**	**436**
Operating margin (%)	36.0	40.0	39.8	41.5	42.4
Non-operating gains (losses)	**-10**	**2**	**18**	**23**	**33**
Financial profit	25	30	35	34	44
Financial costs	41	21	15	10	11
Equity-method gains (losses)	6	0	0	0	0
Other	-0	-7	-2	-0	-0
Pre-tax profit	**116**	**217**	**297**	**387**	**469**
Taxes	27	48	71	85	103
Effective tax rate (%)	23.2	22.3	23.8	22.0	22.0
Profit from continuing operations	89	168	232	302	366
Profit from discontinued operations	0	0	0	0	0
Net profit	**89**	**168**	**232**	**302**	**366**
Net margin (%)	25.4	31.4	33.1	34.4	35.6
Net profit (controlling interests)	92	165	232	302	366
Net profit (non-controlling interests)	-3	3	0	0	0
EBITDA	140	230	295	377	448
EBITDA margin (%)	39.9	42.9	42.1	43.0	43.6
EPS (parent-based) (KRW)	8,608	14,209	20,032	26,069	31,631
EPS (consolidated) (KRW)	8,319	14,478	20,037	26,076	31,639
Adjusted EPS (KRW)*	8,608	14,209	20,032	26,069	31,631

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**138**	**183**	**192**	**302**	**367**
Net profit	89	168	232	302	366
Non-cash profit and expenses	61	66	71	75	82
Depreciation	10	11	12	10	9
Amortization	4	4	4	3	3
Other	47	50	55	62	70
Changes in A/L from operating activities	0	-25	-54	-13	-11
Cash flow from investments	**-226**	**-156**	**-162**	**-115**	**-100**
Change in tangible assets	-36	-30	-50	0	0
Change in financial assets	-180	-90	-122	-115	-100
Other	-10	-37	10	0	0
Cash flow from financing	**183**	**-15**	**-43**	**-62**	**-81**
Change in debt	179	4	3	2	2
Change in equity	22	-4	0	0	0
Dividends	-10	-12	-43	-64	-83
Other	-9	-4	-4	0	0
Change in cash	98	10	10	112	176
Cash at beginning of year	67	165	176	186	298
Cash at end of year	165	176	186	298	474
Gross cash flow	**150**	**234**	**303**	**377**	**448**
Free cash flow	**102**	**153**	**142**	**302**	**367**

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	**555**	**760**	**923**	**1,196**	**1,511**
Cash & equivalents	165	176	186	298	474
Accounts receivable	38	44	61	76	89
Inventories	57	83	113	141	165
Other current assets	293	457	564	681	783
Fixed assets	**301**	**284**	**353**	**352**	**352**
Investment assets	88	51	85	98	110
Tangible assets	147	175	214	204	195
Intangible assets	33	31	28	25	22
Other long-term assets	32	27	26	26	26
Total assets	**856**	**1,044**	**1,276**	**1,548**	**1,863**
Current liabilities	**83**	**110**	**145**	**180**	**211**
Accounts payable	11	11	16	20	23
Short-term debt	0	0	0	0	0
Other current liabilities	71	99	130	161	188
Long-term liabilities	**203**	**210**	**215**	**217**	**219**
Bonds & long-term debt	1	0	0	0	0
Other long-term liabilities	202	209	215	217	218
Total liabilities	**286**	**320**	**360**	**397**	**429**
Owners of parent equity	**539**	**689**	**881**	**1,116**	**1,399**
Capital stock	5	5	5	5	5
Capital surplus	197	194	194	194	194
Retained earnings	343	492	683	921	1,203
Other	-6	-2	-1	-3	-3
Non-controlling interests' equity	**30**	**35**	**34**	**35**	**35**
Total equity	**569**	**724**	**915**	**1,151**	**1,434**
Net debt	-197	-290	-417	-640	-912

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	34.1	53.2	30.5	25.1	17.4
Operating profit	36.6	70.1	30.0	30.3	20.0
Net profit	15.1	89.2	37.7	30.1	21.3
Adjusted EPS**	15.1	65.1	41.0	30.1	21.3
Per-share data (KRW)					
EPS (parent-based)	8,608	14,209	20,032	26,069	31,631
EPS (consolidated)	8,319	14,478	20,037	26,076	31,639
Adjusted EPS**	8,608	14,209	20,032	26,069	31,631
BVPS	46,640	59,603	76,176	96,521	120,959
DPS (common)	1,100	3,700	5,576	7,257	8,805
Valuations (x)					
P/E***	30.5	28.4	18.9	14.5	12.0
P/B***	5.6	6.8	5.0	3.9	3.1
EV/EBITDA	18.6	17.1	12.0	8.8	6.8
Ratios (%)					
ROE	18.9	26.9	29.5	30.2	29.1
ROA	12.8	17.7	20.0	21.4	21.5
ROIC	44.5	70.1	75.9	92.5	110.6
Payout ratio	12.4	23.3	25.0	25.0	25.0
Dividend yield (common)	0.4	0.9	1.5	1.9	2.3
Net debt to equity	-34.6	-40.0	-45.5	-55.6	-63.6
Interest coverage (x)	27.2	20.6	27.0	34.7	41.2

Compliance notice

- As of 8/7 2026, the covering analyst(s) did not own any shares, or debt instruments convertible into shares, of any company covered in this report.
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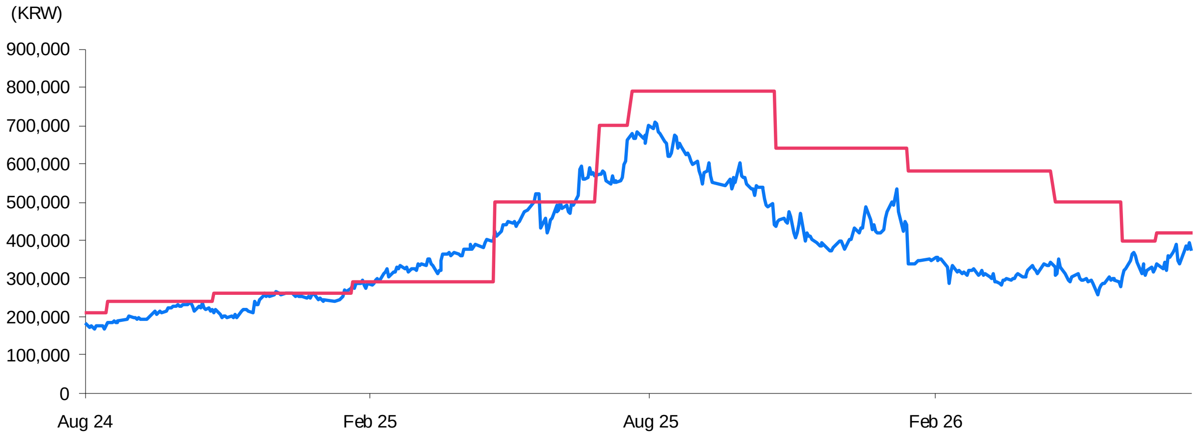
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	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	7/16
Recommendation	BUY	BUY	BUY	HOLD	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	210000	240000	260000	290000	500000	700000	790000	640000	580000	500000	400000	420000
Gap* (average)	-15.85	-11.50	-8.18	15.36	-2.42	-17.83	-24.23	-32.93	-44.87	-40.37	-16.45	-13.67
(max or min)**	-10.43	-1.88	5.19	38.45	18.80	-5.14	-10.00	-16.56	-38.53	-29.80	-8.38	-6.07

Date	8/10
Recommendation	BUY
Target price (KRW)	500000
Gap* (average)	
(max or min)**	

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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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
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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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General

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