COMPANY UPDATE

2026. 8. 14

Innovation Team

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Next Biomedical (389650)

Nexpowder must carry the business

- Next Biomedical's 2Q sales expanded 24.4% y-y on solid exports of Nexpowder, but operating loss expanded y-y on one-off labor cost.
- The key to achieving earnings improvement by 2027 should be whether Nexpowder sales ramp-up, accelerated by its partner's strengthened commercial efforts, can offset the rising clinical costs of Nexsphere-F.

AT A GLANCE

Not rated

Target price	n/a
Current price	**KRW37,600**
Market cap	KRW311.23b/USD219.27m
Shares (float)	8,277,286 (69.6%)
52-week high/low	KRW98,000/KRW32,450
Avg daily trading value (60-day)	KRW2.3b/ USD1.6m

ONE-YEAR PERFORMANCE

	1M	6M	12M
Next Biomedical (%)	2.7	-47.6	-31.5
Vs Kosdaq (%pts)	-4.7	-32.8	-35.3

SAMSUNG vs THE STREET

No of estimates	2
Target price	97,000
Recommendation	4.0

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

WHAT'S THE STORY?

2Q review: Next Biomedical reported 2Q sales of KRW4.94b (+24.4% y-y and 19.8%; 9%), with an operating loss of KRW1.03b (remaining in the red y-y and q-q). Nexpowder sales amounted to KRW4.1b (up 19% y-y and 19% q-q), accounting for 80.4% of total sales—specifically, 53% sales came from the US, 41% from Europe, and 5% from Japan. Sales of Nexsphere-F (a gelatin-based hydrophilic material for endovascular embolization) expanded 144% y-y and 62% q-q, respectively, to KRW520m, whereas sales of Nexsphere (embolic microspheres) declined 12% y-y and 15% q-q, each, to KRW250m due to distributor changes and product returns. Gross margin held steady y-y at 71.2% on a stable product mix, but operating loss widened y-y to KRW1.03b due to one-off severance payments to executives and a 61.9% y-y rise in SG&A expenses (to KRW4.55b resulting from increased marketing spend).

(Continued on the next page)

SUMMARY 2Q RESULTS

(KRWb)	2Q26	Chg (% y-y)	Chg (% q-q)	Diff (%) Samsung	Diff (%) Consensus
Sales	4.9	24.3	19.8	n/a	(2.3)
Operating profit	(1.0)	nm	nm	n/a	n/a
Pre-tax profit	(0.6)	nm	nm	n/a	n/a
Net profit	(0.6)	nm	nm	n/a	n/a
Margins (%)					
Operating profit	n/a				
Pre-tax profit	n/a				
Net profit	n/a				

Source: Company data, FnGuide, Samsung Securities

VALUATION SUMMARY

	2023	2024	2025
Valuations (x)			
P/E	n/a	106.1	n/a
P/B	n/a	7.3	15.2
EV/EBITDA	n/a	n/a	n/a
Div yield (%)	n/a	0.0	0.0
EPS growth (% y-y)	nm	nm	nm
ROE (%)	244.4	14.6	n/a
Per-share data (KRW)			
EPS	-1,089	386	-38
BVPS	-846	5,588	5,864
DPS	0	0	0

Samsung Securities

Clinical trials on Nexsphere-F progressing smoothly: Nexsphere-F's FDA approval clinical trial (RESORB; 126 patients across 15 sites) is on track, with 63% of patients enrolled and full enrollment expected by year-end. The company should file for US FDA approval in Jun–Jul 2027, with potential approval in 4Q27-1Q28. In Europe, it signed a distribution agreement with Terumo in June, but reimbursement coverage remains limited to Germany. Expansion to other European markets is deferred until US clinical data become available, delaying meaningful commercial ramp-up until after 2027. The US partner selection process is prioritizing optimal terms over speed, with a focus on firms possessing established office-based laboratory networks. Next Biomedical is scheduled to present Nexsphere and Nexsphere-F indications and host procedural training centers at the CIRSE 2026 Annual Congress (September), aiming to engage European clinicians and expand local awareness.

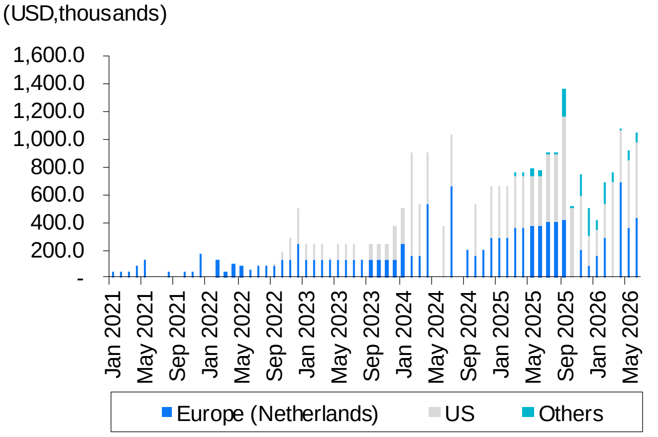
Earnings improvement to hinge on the pace of Nexpowder growth: The company has revised down full-year sales guidance from KRW23b to KRW20b, but the reduction applies entirely to Nexsphere and Nexsphere-F, while Nexpowder sales target remains unchanged at KRW17b-KRW17.5b. Given the likelihood of additional clinical costs in 2H26, the key to achieving earnings improvement by 2027 should be the pace of Nexpowder sales growth. With Medtronic having recently established a dedicated sales team for Nexpowder, any outperformance against expectations could trigger a re-rating.

Next Biomedical: Performance and consensus

(KRWb)	2023	2024	2025P	2026E	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26P
Sales	**4.9**	**9.5**	**16.5**	**25.0**	**2.4**	**2.8**	**2.2**	**2.2**	**3.8**	**4.0**	**4.9**	**3.8**	**4.1**	**4.9**
Nexpowder	4.3	8.3			2.1	2.3	1.7	2.0	3.1	3.4	4.3	2.9	3.4	4.1
Nexsphere	0.6	0.8							0.3	0.3	0.3	0.5	0.3	0.3
Nexsphere-F	0.0	0.5							0.3	0.2	0.3	0.4	0.3	0.5
Others	0.0	0.0			0.3	0.5	0.5	0.2	0.0	0.0	0.1	0.1	0.1	0.1
Gross profit	2.1	5.8			1.4	1.7	1.3	1.3	2.4	2.8	3.6	2.7	2.8	3.5
Operating profit	-5.2	-3.6	-0.7	-1.2	-0.6	-0.9	-1.0	-1.1	-0.7	0.0	0.4	-0.4	-1.2	-1.0
Net profit(controlling)	-7.5	2.9	-0.3	-1.0	-0.4	-0.7	3.8	0.1	-0.4	-0.9	1.1	0.0	-0.1	-0.6
Chg (% y-y)														
Sales		95.5	72.7	51.4					59.2	44.2	125.1	70.6	9.2	24.3
Nexpowder		93.4							48.4	49.0	151.3	44.5	10.2	19.5
Nexsphere		34.0											-0.3	-12.4
Nexsphere-F		3337.7											-7.2	144.1
Others		-16.0							-94.7	-90.4	-89.4	-69.4	381.6	59.4
Gross profit		176.1							71.3	63.7	165.0	103.4	13.3	24.2
Operating profit		-31.6	-79.4	56.4					18.5	-102.3	Turned pos	-60.3	Remained neg	Remained neg
Net profit(controlling)		-138.0	-111.4	195.8					18.5	32.2	Turned pos	-134.7	Remained neg	Remained neg
Margins (%)														
Gross profit	**43.2**	**61.0**			**60.3**	**62.8**	**61.5**	**59.1**	**64.9**	**71.3**	**72.5**	**70.4**	**67.3**	**71.2**
Operating profit	**-107.1**	**-37.5**	**-4.5**	**-4.6**	**-23.8**	**-32.3**	**-46.0**	**-50.0**	**-17.7**	**0.5**	**7.5**	**-11.6**	**-28.9**	**-20.9**
Net profit (controlling)	**-154.1**	**30.0**	**-2.0**	**-3.9**	**-15.0**	**-24.8**	**171.3**	**6.4**	**-11.1**	**-22.7**	**21.5**	**-1.3**	**-3.5**	**-12.8**

Note: Estimates are based on consensus
Source: QuantiWise, Samsung Securities

Exports of sterile absorbable surgical hemostatics



Note: HS Code 3006.10.4000 (Yeonsu-gu, Incheon), assumed to be Nexpowder export data
Source: TRASS, Samsung Securities

Next Biomedical: Clinical status of major products

	Major clinical trials	Remarks
Nexpowder	Two clinical trials ongoing after launch 1) Primary treatment (US, 278 patients) NCT06188585	Medtronic leads; in the case of the first clinical trial, the goal is to be listed as a standard treatment for endoscopic bleeding
Nexsphere-F	In clinical trials for approval (Sep 2025) (RESORB, 126 in the US) NCT06872567 Large-scale post-marketing clinical trial planned in Europe (500 patients)	To secure US partners in 2026 Aims to expand indications to include sports arthritis Mar 2025, designated FDA BDD May 2025, designated CMS IDE Category B May 2025, FDA TAP (regulatory science consultation and strategic support)
Nexsphere (Uterine fibroids/Liver cancer)	Additional clinical trials expected in 2026 if needed	FDA 510(k) pre-submission completed in Nov 2025 Aims to be approved in 2026

Source: Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2021	2022	2023	2024	2025
Sales	**2**	**3**	**5**	**10**	**16**
Cost of goods sold	3	3	3	4	5
Gross profit	**-1**	**0**	**2**	**6**	**12**
Gross margin (%)	-27.6	10.2	43.2	61.0	70.0
SG&A expenses	6	6	7	9	12
Operating profit	**-7**	**-6**	**-5**	**-4**	**-1**
Operating margin (%)	-307.4	-206.4	-107.1	-37.5	-4.4
Non-operating gains (losses)	**-10**	**0**	**-2**	**6**	**0**
Financial profit	0	1	1	7	1
Financial costs	10	0	3	1	1
Equity-method gains (losses)	0	0	0	0	0
Other	0	-1	0	0	0
Pre-tax profit	**-17**	**-6**	**-8**	**3**	**-0**
Taxes	0	0	0	0	0
Effective tax rate (%)	0.0	0.0	0.0	0.0	0.0
Profit from continuing operations	-17	-6	-8	3	-0
Profit from discontinued operations	0	0	0	0	0
Net profit	**-17**	**-6**	**-8**	**3**	**-0**
Net margin (%)	-734.1	-205.1	-154.1	30.0	-1.9
Net profit (controlling interests)	-17	-6	-8	3	-0
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	-7	-5	-5	-3	-0
EBITDA margin (%)	-288.3	-189.8	-97.5	-32.3	-1.2
EPS (parent-based) (KRW)	-2,525	-838	-1,089	386	-38
EPS (consolidated) (KRW)	-2,525	-838	-1,089	386	-38
Adjusted EPS (KRW)*	-2,525	-838	-1,089	386	-38

Balance sheet

Year-end Dec 31 (KRWb)	2021	2022	2023	2024	2025
Current assets	**24**	**18**	**18**	**47**	**43**
Cash & equivalents	22	3	4	5	7
Accounts receivable	0	0	1	2	2
Inventories	1	2	2	3	3
Other current assets	0	12	11	38	31
Fixed assets	**16**	**15**	**12**	**12**	**16**
Investment assets	4	3	0	0	1
Tangible assets	12	12	11	11	14
Intangible assets	0	0	0	0	0
Other long-term assets	0	0	0	0	1
Total assets	**40**	**32**	**30**	**59**	**59**
Current liabilities	**13**	**31**	**34**	**12**	**8**
Accounts payable	0	0	0	0	0
Short-term debt	6	6	6	6	2
Other current liabilities	7	25	28	6	6
Long-term liabilities	**22**	**1**	**2**	**2**	**3**
Bonds & long-term debt	0	1	1	1	1
Other long-term liabilities	22	1	1	1	2
Total liabilities	**35**	**32**	**36**	**14**	**11**
Owners of parent equity	**5**	**-0**	**-6**	**45**	**48**
Capital stock	3	3	3	4	4
Capital surplus	61	61	62	107	111
Retained earnings	-60	-65	-73	-70	-71
Other	1	1	2	4	3
Non-controlling interests' equity	**0**	**0**	**0**	**0**	**0**
Total equity	**5**	**-0**	**-6**	**45**	**48**
Net debt	10	16	20	-15	-8

Cash flow statement

Year-end Dec 31 (KRWb)	2021	2022	2023	2024	2025
Cash flow from operations	**-5**	**-8**	**-4**	**-1**	**1**
Net profit	-17	-6	-8	3	-0
Non-cash profit and expenses	11	0	4	-3	1
Depreciation	0	0	0	0	0
Amortization	0	0	0	0	0
Other	10	-0	4	-4	1
Changes in A/L from operating activities	0	-2	-1	-1	-1
Cash flow from investments	**-1**	**-11**	**4**	**-26**	**2**
Change in tangible assets	-0	-0	-0	-0	-3
Change in financial assets	-1	-12	2	-10	11
Other	-0	1	2	-16	-7
Cash flow from financing	**22**	**0**	**1**	**28**	**-1**
Change in debt	-29	-1	3	-23	-3
Change in equity	60	0	1	46	4
Dividends	0	0	0	0	0
Other	-10	1	-3	5	-2
Change in cash	15	-19	1	1	2
Cash at beginning of year	7	22	3	4	5
Cash at end of year	22	3	4	5	7
Gross cash flow	**-6**	**-6**	**-3**	**-1**	**1**
Free cash flow	**-6**	**-8**	**-4**	**-2**	**-2**

Note: *Excluding one-off items;
**Fully diluted, excluding one-off items;
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities

Financial ratios

Year-end Dec 31	2021	2022	2023	2024	2025
Growth (%)					
Sales	0.3	23.3	74.7	95.5	72.7
Operating profit	nm	nm	nm	nm	nm
Net profit	nm	nm	nm	nm	nm
Adjusted EPS**	nm	nm	nm	nm	nm
Per-share data (KRW)					
EPS (parent-based)	-2,525	-838	-1,089	386	-38
EPS (consolidated)	-2,525	-838	-1,089	386	-38
Adjusted EPS**	-2,525	-838	-1,089	386	-38
BVPS	743	-37	-846	5,588	5,864
DPS (common)	0	0	0	0	0
Valuations (x)					
P/E***	n/a	n/a	n/a	106.1	n/a
P/B***	n/a	n/a	n/a	7.3	15.2
EV/EBITDA	n/a	n/a	n/a	n/a	n/a
Ratios (%)					
ROE	97.8	-237.4	244.4	14.6	-0.7
ROA	-51.8	-16.0	-24.3	6.5	-0.5
ROIC	-58.4	-44.6	-36.6	-23.8	-4.1
Payout ratio	0.0	0.0	0.0	0.0	0.0
Dividend yield (common)	n/a	n/a	n/a	0.0	0.0
Net debt to equity	191.5	-6,361.3	-331.9	-32.7	-17.4
Interest coverage (x)	-4.9	-16.0	-9.1	-6.9	-2.0

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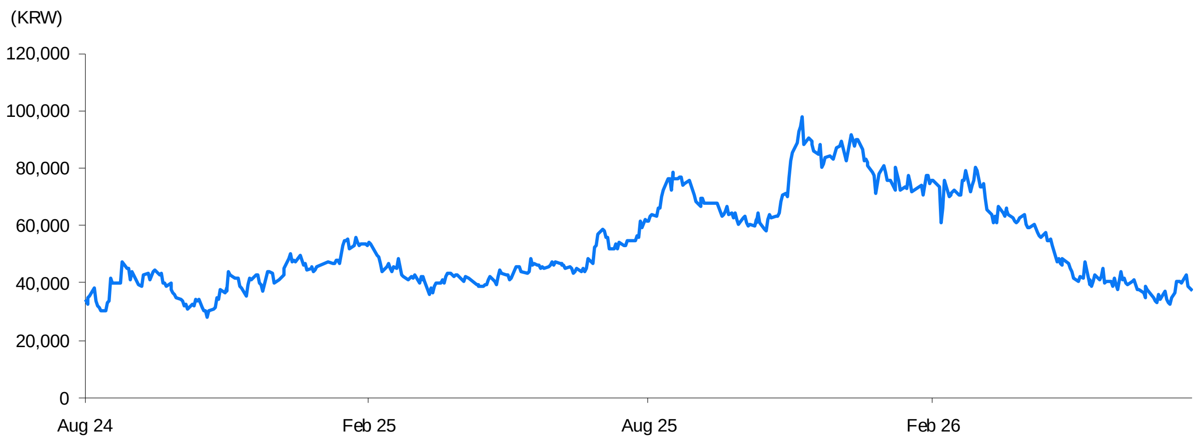

Rating changes over past two years (adjusted share prices)

Date	2026/8/14
Recommendation	Not Rated
Target price (KRW)	n/a
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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Percentage of ratings in 12 months prior to 2026.06.30

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