

Innovation Team

Donghee Jeong

Analyst

donghee1009.jeong@samsung.com



Scan to go to
Research Center report database

Medtech/Cosmetics (OVERWEIGHT)

Silicon2 raises capital from European PE fund

- Silicon2 secured an investment of KRW300b from CVC Capital (a European private equity fund) on Aug 18.
- The proceeds are expected to be used to support the expansion of the firm's overseas logistics and sales networks. In light of what happened to PharmaResearch's shares after CVC Capital invested in the firm, this investment bodes well for Silicon2's shares.

WHAT'S THE STORY?

Capital raise and strong 2Q earnings bode well for share price: Silicon2 has secured a private placement of roughly KRW300b, it announced on Aug 18. While officially marked as working capital, the proceeds are expected to be used to: 1) support the firm's overseas logistics and sales network expansion; and 2) repay debt. The offering comprises 6.67m redeemable convertible shares (RCS; redeemable at KRW45,000 per share) and was fully subscribed by Starlink Investment L.P. (a fund that was set up by CVC Capital (CVC)). The payment is due Sep 15, and the new shares will be locked up for one year. Once the shares are converted to common stock, CVC's stake in Silicon2 will reach 9.23%. The shares will be issued at a 5.64% premium over the reference share price of KRW42,599, providing a technical floor for the shares. On the same day, Silicon2 disclosed the agenda for its Oct 1 extraordinary general meeting, at which event it aims to appoint two non-executive directors that have been nominated by CVC.

CVC's investment in PharmaResearch triggers market-cap surge: This investment in Silicon2 can be compared to CVC's Sep 2024 investment (KRW200b) in PharmaResearch (for a 10.21% stake at an issuance price of KRW170,000/share). The investment helped PharmaResearch secure a Europe-wide distribution partnership with Vivacy (France; which it signed in Aug 2025), leading to estimated sales of KRW2b in 1Q26 and KRW5b in 2Q26. PharmaResearch's market cap (KRW1.8t when CVC made its investment) more than doubled within a year of CVC's investment, driven by sustained domestic growth of Rejuran and expectations for overseas expansion. In Sep 2025, CVC recovered 95% of its principal investment through recapitalizing a term loan while retaining a large portion of its equity stake, alleviating near-term share overhang concerns.

(Continued on the next page)

The most visible benefit for Silicon2 from this investment is the potential transition to direct sales via Douglas, a company in which CVC owns a stake. Acquired by CVC in 2015, Douglas is Europe's largest premium beauty platform, operating roughly 2,000 stores across 22 countries. Silicon2 is currently in discussions to shift from indirect distribution (through wholesalers) to direct sales. By transacting directly with retailers, the company can gain full control over its SKUs across retail channels and leverage its direct relationships with retailers to enhance its negotiating power with brand partners—tangible impacts are expected in 2027. The longer-term deployment of investment capital is likely to focus on M&As or equity investments in distribution infrastructure across Europe and Latin America.

Investment synergy and fund utilization critical to dampening overhang risk: Silicon2's earnings in 3Q should be supported by the recognition of delayed European shipments (delayed from 2Q to 3Q), tariff refunds (since July), and overlapping peak-season orders in North America, and its 3Q results are expected to once again grow q-q. Overhang concerns remain a risk. Glenwood Credit's 4.4m RCS (KRW32,695 per share, totaling KRW144b for a 6.72% stake) were fully converted after the Mar 23 (2026) conversion trigger date, but have not yet been sold. This, combined with CVC's 9.23% stake in Silicon2, should increase the nominal share overhang for Silicon2. However, the potential selling of these shares owned by CVC is restricted until after the lock-up period ends (Oct 2027). CVC's new shares will be frozen for the time being—near-term selling pressure should center on Glenwood Credit's shares. Given the strategic investor (SI) orientation of this investment by CVC (vs Glenwood Credit's investment in Silicon2), a re-rating for Silicon2 could emerge if measurable business outcomes are achieved within the next year.

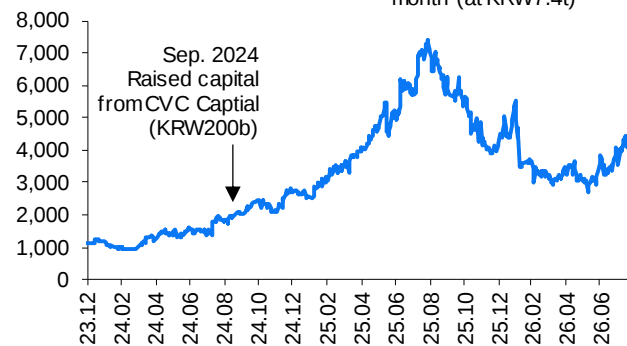
Case comparison: PharmaResearch and Silicon2

Item	PharmaResearch	Silicon2
Board resolution date	Sep 5, 2024 (amended Sep 30, 2024)	Aug 18, 2026
Payment date	Oct 8, 2024	Sep 15, 2026
Share certificate delivery date	Oct 29, 2024	Oct 2, 2026
Subscriber (investment vehicle)	Polish Company Limited	Starlink Investment L.P.
Subscriber (actual investor)	CVC Capital	CVC Capital
Type of security	RCPS	Registered RCS
Shares issued (mil shares)	1.18	6.67
Issue price (KRW)	170,119	45,000
Proceeds (KRWb)	200	300
Portion of total shares outstanding	10.21%	9.23%
Reference price (KRW)	168,691	42,599
Premium (%)	0.847	5.64
Purpose of third-party allotment	To strengthen aesthetics biz, source new growth	Global infra expansion, market share gains
Annual deployment plan	Not disclosed	KRW209.5b in 2026 / KRW90.5b in 2027
Conversion price (KRW)	170,119	45,000
Conversion period	Oct 8, 2025-Oct 7, 2034	Sep 15, 2027-Sep 15, 2036
Conversion start	1 yr from issuance	1 yr from issuance (Sep 15, 2027 according to the filing)
Refixing (floor price)	None	None
Redemption period	Oct 8, 2027-Oct 8, 2034	Sep 15, 2029- Sep 15, 2036
Redemption start	3 yrs from issuance	3 yrs from issuance
Maturity	2034.10.8	2036.9.15
Voting rights	Yes (1 vote per share)	Yes
Dividends	Participating/cumulative pref., 1% of issue price	No preference, <i>pari passu</i> with common
Lock-up	1 yr (all shares)	1 yr (all shares)
Additional transfer restriction	3 yrs from issuance	Not disclosed
Director appointment	Mar 2025 AGM, 2 non-executive directors	Oct 1 2026 EGM, 2 non-executive directors
CVC-nominated directors	Lee Kyu-chul (resigned), Lee Won-bae	Lee Won-bae, Cho Eun-chul

Source: DART, Samsung Securities

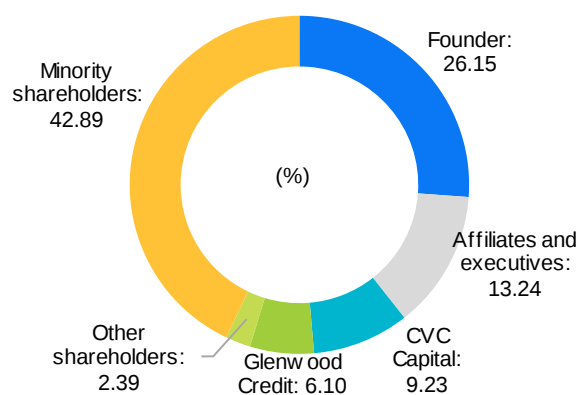
Market cap: PharmaResearch

(KRWb) Announced distribution partnership with Vivacy in Aug 2025, with its market cap peaking the same month (at KRW7.4t)



Source: QuantiWise, Samsung Securities

Ownership structure: Silicon2



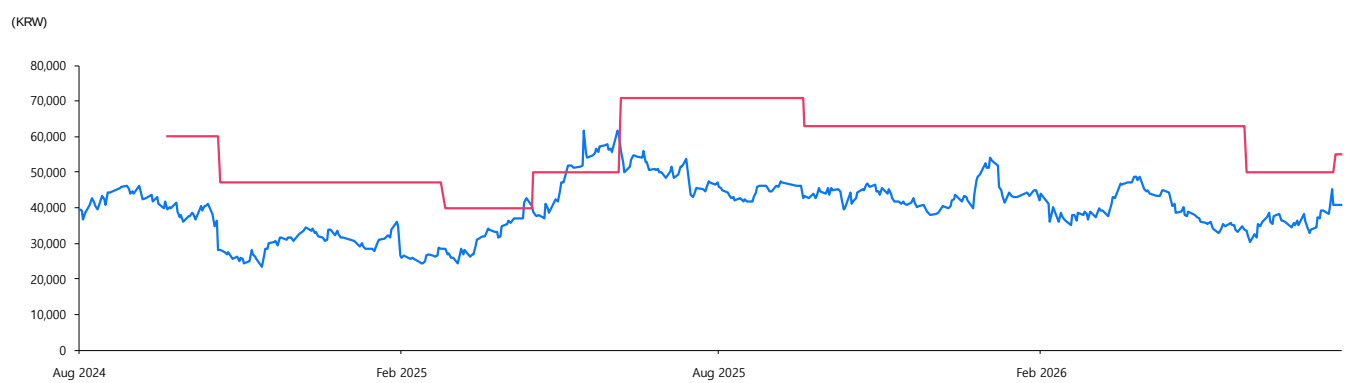
Note: Assuming full conversion of CVC Capital's investment stake

Source: DART, Samsung Securities

Compliance notice

- As of 8/18 2026, the covering analyst(s) did not own any shares, or debt instruments convertible into shares, of any company covered in this report.
- As of 8/18 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.
- This report has been prepared without any undue external influence or interference, and accurately reflects the views of the analyst(s) covering the company or companies herein.
- All material presented in this report, unless specifically indicated otherwise, is under copyright to Samsung Securities.
- Neither the material nor its content (including copies) may be altered in any form, or by any means transmitted, copied, or distributed to another party, without prior express written permission from Samsung Securities.
- This memorandum is based upon information available to the public. While we have taken all reasonable care to ensure its reliability, we do not guarantee its accuracy or completeness. This memorandum is not intended to be an offer, or a solicitation of any offer, to buy or sell the securities mentioned herein. Samsung Securities shall not be liable whatsoever for any loss, direct or consequential, arising from the use of this memorandum or its contents. Statements made regarding affiliates of Samsung Securities are also based upon publicly available information and do not necessarily represent the views of management at such affiliates.
- This material has not been distributed to institutional investors or other third parties prior to its publication.

Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Silicon2

Date	2024/10/16	11/15	2025/3/24	5/13	7/2	10/15	2026/6/24	8/14
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	60000	47000	40000	50000	71000	63000	50000	55000
Gap* (average)	-36.45	-37.76	-20.46	-0.05	-33.10	-33.60	-27.36	
(max or min)**	-31.17	-23.51	6.63	23.60	-20.99	-13.97	-9.50	

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

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%)

Global Disclosures & Disclaimers

General

This research report is for information purposes only. It is not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This report does not provide individually tailored investment advice. This report does not take into account individual client circumstances, objectives, or needs and is not intended as recommendations of particular securities, financial instruments or strategies to any particular client. The securities and other financial instruments discussed in this report may not be suitable for all investors. The recipient of this report must make its own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser.

This report may not be altered, reproduced, distributed, transmitted or published in whole or in part for any purpose. References to "Samsung Securities" are references to any company in the Samsung Securities, Co., Ltd. group of companies.

Samsung Securities and/or other affiliated companies, its and their directors, officers, representatives, or employees may have long or short positions in any of the securities or other financial instruments mentioned in this report or of issuers described herein and may purchase and/or sell, or offer to purchase and/or sell, at any time, such securities or other financial instruments in the open market or otherwise, as either a principal or agent. Any pricing of securities or other financial instrument contained herein is as of the close of market for such day, unless otherwise stated. Opinions and estimates contained herein constitute our judgment as of the date of this report and are subject to change without notice.

The information provided in this report is provided "AS IS". Although the information contained herein has been obtained from sources believed to be reliable, no representation or warranty, either expressed or implied, is provided by Samsung Securities in relation to the accuracy, completeness or reliability of such information or that such information was provided for any particular purpose and Samsung Securities expressly disclaims any warranties of merchantability or fitness for a particular purpose. Furthermore, this report is not intended to be a complete statement or summary of the securities, markets or developments referred to herein.

Samsung Securities does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. Samsung Securities, its affiliates, or any of its and their affiliates, directors, officers, employees or agents disclaim any and all responsibility or liability whatsoever for any loss (direct or consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice. Past performance is not indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security or financial instrument mentioned in this report. For investment advice, trade execution or other enquiries, clients should contact their local sales representative. Any opinions expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of Samsung Securities. Any analysis contained herein is based on numerous assumptions. Different assumptions may result in materially different results. Samsung Securities is under no obligation to update or keep current the information contained herein. Samsung Securities relies on information barriers to control the flow of information contained in one or more areas or groups within Samsung Securities into other areas or groups of Samsung Securities. Any prices stated in this report are for information purposes only and do not represent valuations for individual securities or other financial instruments. Samsung Securities makes no representation that any transaction can or could have been effected at those prices and any prices contained herein may not reflect Samsung Securities' internal books and records or theoretical model-based valuations and may be based on certain assumptions. Different assumptions by Samsung Securities or any other source may yield substantially different results. Additional information is available upon request.

For reports to be distributed to US:

Securities research is prepared, issued and exclusively distributed by Samsung Securities Co., Ltd., an organization licensed with the Financial Supervisory Service of South Korea. This research may be distributed in the United States only to major institutional investors as defined in Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended, and may not be circulated to any other person otherwise. All transactions by U.S. investors involving securities discussed in this report must be effected through Samsung Securities (America) Inc., a broker-dealer registered with the U.S. Securities & Exchange Commission and a member of the Financial Industry Regulatory Authority/SIPC, and not through any non-U.S. affiliate thereof. The analysts listed [on the front of this report] are employees of Samsung Securities Co., Ltd., or a non-U.S. affiliate thereof, and are not registered/qualified as research analysts under applicable U.S. rules and regulations and may not be subject to U.S. restrictions on communications with covered companies, public appearances, and trading securities held by a research analyst account.

For reports to be distributed to UK:

This report is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). To the extent that this report does constitute such an invitation or inducement, it is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (as amended) of the United Kingdom (the "Financial Promotion Order"); (ii) persons who fall within Articles 49(2)(a) to (d) ("high-net-worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iii) any other persons to whom this report can, for the purposes of section 21 of FSMA, otherwise lawfully be made (all such persons together being referred to as "relevant persons").

Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons must not act or rely on this report.

For reports to be distributed to Korea:

This report is for private circulation only, not for sale, and is issued and distributed only to persons permitted under the laws and regulations of Korea.

For reports to be distributed to Singapore:

This report is provided pursuant to the financial advisory licensing exemption under Regulation 27(1)(e) of the Financial Advisers Regulation of Singapore and accordingly may only be provided to persons in Singapore who are "institutional investors" as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This report is intended only for the person to whom Samsung Securities has provided this report and such person may not send, forward or transmit in any way this report or any copy of this report to any other person.

Analyst certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of such analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research report. The analyst(s) principally responsible for the preparation of this research report receives compensation based on determination by research management and senior management (not including investment banking), based on the overall revenues, including investment banking revenues of Samsung Securities Co., Ltd. and its related entities and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

Copyright © 2010 Samsung Securities Co., Ltd. All rights reserved. This report or any portion hereof may not be reprinted, sold or redistributed without the prior written consent of Samsung Securities America Inc

Samsung Securities

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

Voice Of Customer: 080 911 0900

**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



Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA