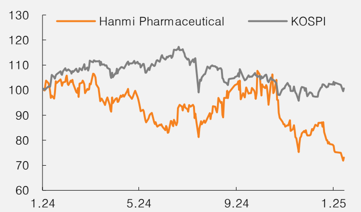
MIRAE ASSET Securities

Equity Research
February 5, 2025

(Maintain)	Buy
Target price	▼ W350,000
Current price (2/4/25)	W238,000
Upside	47.1%

OP (24P, Wbn)	216
Consensus OP (24F, Wbn)	224
EPS growth (24P, %)	-13.5
Market EPS growth (24F, %)	68.6
P/E (24P, x)	28.4
Market P/E (24F, x)	10.6
KOSPI	2,481.69
Market cap (Wbn)	3,049
Shares (mn)	13
Free float (%)	48.4
Foreign ownership (%)	16.9
Beta (12M)	0.62
52-week low (W)	234,000
52-week high (W)	350,500

(%)	1M	6M	12M
Absolute	-15.9	-16.6	-25.3
Relative	-17.2	-10.1	-21.3



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128940 KS · Pharma/Biotech

Hanmi Pharm

Focus on potential recovery in quarterly earnings and June ADA event

4Q24 review and 2025 outlook

For 4Q24, Hanmi Pharm reported consolidated revenue of W351.6bn (-17% YoY; 6% below the consensus), operating profit of W30.4bn (-57% YoY; 21% below the consensus), and a net loss of W2.1bn (turning to loss YoY). The net loss was caused by additional tax charges resulting from a regular audit. Standalone revenue and operating profit came in at W280.5bn (-13% YoY) and W29.7bn (-45% YoY), respectively, affected by an unfavorable base (milestone recognition in 4Q23) and the later-than-usual flu season. Beijing Hanmi posted revenue of W74.9bn (-28% YoY) and operating profit of W4.2bn (-78% YoY), also affected by a tough base (pneumonia outbreak in China at end-2023) and the delayed flu season. Hanmi Fine Chemical reported revenue of W20.7bn (-39% YoY) and an operating loss of W2.4bn (turning to red YoY), hit by a decline in CDMO revenue and weak API exports caused by the delayed flu season.

For 2025, we look for revenue of W1.61tr (+7% YoY) and operating profit of W225.4bn (+4% YoY). We expect chronic disease treatments such as Rosuzet, Amosartan, and Esomezol to drive parent earnings. At Beijing Hanmi, earnings will likely recover in 1Q25 with the arrival of the flu season; we also expect issues related to uncollected receivables from Runmeikang to be resolved within 1H25. Reflecting weaker-than-expected 4Q24 results, we lowered our 2025 revenue and operating profit forecasts by 11% and 23%, respectively.

Cut TP to W350,000 (from W440,000), but maintain Buy

Our target price is based on the sum of operating value (W3.9tr) and pipeline value (W0.9tr). We revised down our operating value estimate (from W4.9tr) and applied a 20% discount to the peer average EV/EBITDA multiple, reflecting Hanmi Group's governance issues and the uncertain outlook for a recovery in earnings growth. That said, we believe that governance issues are close to being resolved, and a potential recovery in core business earnings this year could help dispel doubts.

Clinical trials of drug candidates in the pipeline are progressing smoothly. 1) HM15275 is a long-acting GLP/GIP/GCG triple agonist that belongs to the same class as Eli Lilly's retatrutide, which has demonstrated the highest levels of weight loss in clinical trials so far. Phase 1 data (weight loss efficacy and safety) are expected to be presented at the American Diabetes Association (ADA) conference in June. 2) Efinopegdutide is a GLP-1/GCG dual agonist licensed to Merck for the treatment of metabolic dysfunction-associated steatohepatitis (MASH). Patient recruitment for a phase 2 trial has been completed, with clinical data expected to be released by year-end. 3) For HM17321 (long-acting CRFR2 selective and biased UCN2 analog), an IND application is expected to be submitted in 2H25. The candidate was shown to increase muscle mass in a preclinical trial, drawing attention to the potential use of HM15275-HM17321 combo therapy to reduce weight without significant muscle loss. 4) Efpeglenatide (GLP-1 agonist) is currently in a domestic phase 3 trial for obesity treatment; the candidate could be launched in the domestic market in 2026 (following an approval application in early 2026). 5) A phase 2 trial of efocipegtrutide (GLP-1/GIP/GCG triple agonist for MASH treatment) is also progressing smoothly.

(Dec.)	2022	2023	2024P	2025F	2026F
Revenue (Wbn)	1,332	1,491	1,496	1,606	1,758
OP (Wbn)	158	221	216	225	260
OP margin (%)	11.9	14.8	14.4	14.0	14.8
NP (Wbn)	83	146	127	149	178
EPS (W)	6,463	11,415	9,878	11,629	13,874
ROE (%)	9.9	16.0	12.5	13.0	13.6
P/E (x)	45.2	30.9	28.4	20.5	17.2
P/B (x)	4.1	4.5	3.2	2.4	2.1
Dividend yield (%)	0.2	0.1	0.2	0.2	0.2

Notes: Under consolidated K-IFRS; NP is attributable to owners of the parent
Source: Company data, Mirae Asset Securities Research estimates

Table 1. Valuation table (Wbn, x)

	Value	Notes
12MF EBITDA	342	
EV/EBITDA	11.3	20% discount to avg. of top six domestic pharmas (reflecting management dispute-related noise)
Operating value	3,860	
Total debt	428	2025F
Cash & equivalents	154	2025F
Net cash	274	
Pipeline value	880	
Triple agonist (efocipegtrutide)	480	Assumptions: 2028 release; peak NASH M/S of 12% (seven years after release); 13% royalty rate; 8% manufacturing margin; 13% discount rate; -10% terminal growth; 15% likelihood of approval; Hanmi Pharm/Hanmi Science revenue split of 70%/30%
Dual agonist (efinopegdutide)	400	Assumptions: 2028 release; peak NASH M/S of 12% (seven years after release); 13% royalty rate; 8% manufacturing margin; 13% discount rate; -10% terminal growth; 15% likelihood of approval; Hanmi Pharm/Hanmi Science revenue split of 70%/30%
Fair value	4,466	
No. of shares ('000)	12,680	
Fair value/share (W)	350,310	TP: W350,000
Current price (W)	238,000	
Upside	47.1%	

Source: Mirae Asset Securities Research

Table 2. Peer valuation table (consensus) (Wbn, %, x)

Company	Market cap (Wtr)	Revenue		OP		OP margin		NP		ROE		P/E		P/B		EV/EBITDA		P/S	
		FY1	FY2	FY1	FY2	FY1	FY2	FY1	FY2	FY1	FY2	FY1	FY2	FY1	FY2	FY1	FY2	FY1	FY2
Yuhan	9.6	2,083	2,276	94	164	4.5	7.2	117	183	5.9	8.4	82.9	55.1	4.9	4.6	64.9	43.3	5.0	4.6
Hanmi Pharm	3.0	1,535	1,656	231	248	15.1	15.0	169	182	14.2	13.7	19.5	17.9	2.8	2.4	10.1	9.2	2.0	1.8
GC Biopharma	1.6	1,345	1,445	154	175	11.4	12.1	67	119	8.2	12.8	23.7	13.5	1.9	1.7	10.2	9.0	1.2	1.1
Daewoong	1.5	1,691	1,861	43	81	2.5	4.3	-14	36	-1.0	2.7	-	45.4	1.2	1.2	19.8	15.2	0.9	0.8
CKD	1.1	1,561	1,683	93	97	6.0	5.8	105	86	12.3	9.3	10.1	12.3	1.2	1.1	7.2	6.6	0.7	0.7
HK inno.N	1.0	908	995	91	109	10.1	11.0	63	79	-	-	16.0	12.6	-	-	10.0	8.1	1.1	1.0
Dong-A ST	0.4	652	709	35	40	5.3	5.6	17	27	2.7	4.1	25.3	16.3	0.7	0.7	11.1	11.0	0.7	0.6
Avg.						**7.8**	**8.7**			**7.1**	**8.5**	**29.6**	**24.7**	**2.1**	**2.0**	**19.0**	**14.6**	**1.7**	**1.5**

Source: FactSet, Mirae Asset Securities Research

Table 3. 4Q24P review (Wbn, %, %p)

	4Q23	3Q24	4Q24P			Growth	
			Preliminary	Consensus	Diff.	YoY	QoQ
Revenue	422	362	352	372	-5.5	-16.8	-2.9
GP	243	199	185			-23.8	-6.8
Gross margin	57.6	54.9	52.7			-4.9	-2.2
OP	70	51	30	39	-21.4	-56.6	-40.4
OP margin	16.6	14.1	8.6	10.4	-2.7	-7.9	-5.4
NP	36	35	-2	23		TRR	TRR

Source: FnGuide, Mirae Asset Securities Research

Table 4. Earnings forecast revisions (Wbn, %)

	Previous		Revised		Chg.	
	24F	25F	24P	25F	24P	25F
Revenue	1,639	1,801	1,496	1,606	-8.7	-10.9
OP	267	293	216	225	-19.2	-23.1
EBITDA	356	382	314	324	-11.8	-15.2
NP	199	231	143	169	-28.1	-26.9

Source: Mirae Asset Securities Research

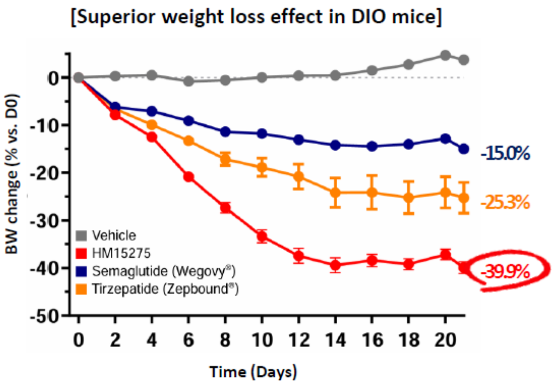
Table 5. Quarterly and annual earnings (Wbn, %)

	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24P	2022	2023	2024P	2025F
Revenue	361	343	365	422	404	378	362	352	1,331	1,491	1,496	1,606
YoY	12.5	8.3	6.6	20.2	11.8	10.3	-0.7	-16.8	10.4	12.0	0.3	7.4
Parent	251	253	272	321	275	282	277	281	981	1,097	1,114	1,179
YoY	10.6	6.7	8.5	20.3	9.7	11.3	1.7	-12.6	6.7	11.8	1.6	5.8
Beijing Hanmi	111	90	93	103	128	99	84	75	351	398	386	431
YoY	17.1	14.8	0.3	22.5	15.0	9.5	-9.6	-27.5	21.4	13.4	-3.0	11.8
Hanmi Fine Chemical	26	30	22	34	25	34	29	21	101	111	109	119
YoY	9.3	25.5	-7.3	13.5	-4.2	14.3	34.7	-38.4	15.4	10.5	-2.0	9.0
Consolidation adj.	-26	-31	-22	-35	-24	-37	-28	-25	-102	-115	-113	-123
GP	207	180	199	243	227	207	199	185	719	829	817	882
YoY	19.9	8.6	5.5	27.1	9.4	14.7	-0.1	-23.8	13.6	15.4	-1.5	8.0
Gross margin	57.3	52.6	54.5	57.6	56.1	54.7	54.9	52.7	54.0	55.6	54.6	54.9
OP	60	33	58	70	77	58	51	30	158	221	216	225
YoY	46.6	5.0	22.9	80.5	27.9	75.3	-11.4	-56.6	26.1	39.6	-2.1	4.3
OP margin	16.6	9.7	15.8	16.6	19.0	15.4	14.1	8.6	11.9	14.8	14.5	14.0
EBITDA	85	58	82	95	101	83	75	55	255	319	314	324
YoY	32.8	6.2	12.9	47.8	19.2	42.6	-8.1	-42.0	18.8	25.2	-1.7	3.3
EBITDA margin	23.4	16.9	22.5	22.4	25.0	21.8	20.8	15.6	19.2	21.4	21.0	20.2
NP	50	19	61	36	63	47	35	-2	96	165	143	169
YoY	98.3	-17.3	93.5	118.0	27.2	151.0	-42.3	TTR	17.4	72.8	-13.5	17.7

Source: Company data, Mirae Asset Securities Research

Figure 1. HM15275 (long-acting GLP/GIP/GCG triple agonist): Preclinical results and phase 1 study design

➢ **Pre-clinical Results:** ADA (2024.06)[1)]



➢ **Phase 1 Study Design**[2)]

- **Title:** Randomized, Double-Blind, Placebo-Controlled, SAD/MAD Study to Assess Safety, Tolerability, PK and PD of HM15275 in Healthy and Obese Subjects
- **Enrollment:** 90
- **Outcome Measures:** PK&PD (Change in body weight(kg) from baseline) and Safety/Tolerability(TEAEs)
- **Inclusion Criteria:**
  - **Part A:** Healthy subjects with BMI ≥ 20 kg/m² and 27 kg/m²
  - **Part B:** Obese subjects with BMI ≥ 30 kg/m² and ≤ 45kg/m² with a stable body weight for 3 months prior to screening (defined as change < 5%)

Source: Park Sang-hyun (ADA 2024), company materials, Mirae Asset Securities Research

Figure 2. Merck: Key data readouts (efinopegdutide included)

Significant Potential Approvals & Launches

Vaccines
- GARDASIL male indication in China for ages 9 to 26[1]

Infectious Disease
- Clesrovimab (PDUFA June 10th)

Oncology
- SC pembrolizumab with berahyaluronidase alfa
- Patritumab deruxtecan (HER3-DXd ADC)[2]

Animal Health
- BRAVECTO Injectable (U.S.)
- Dermatology product in Companion Animal

Key Data Readouts

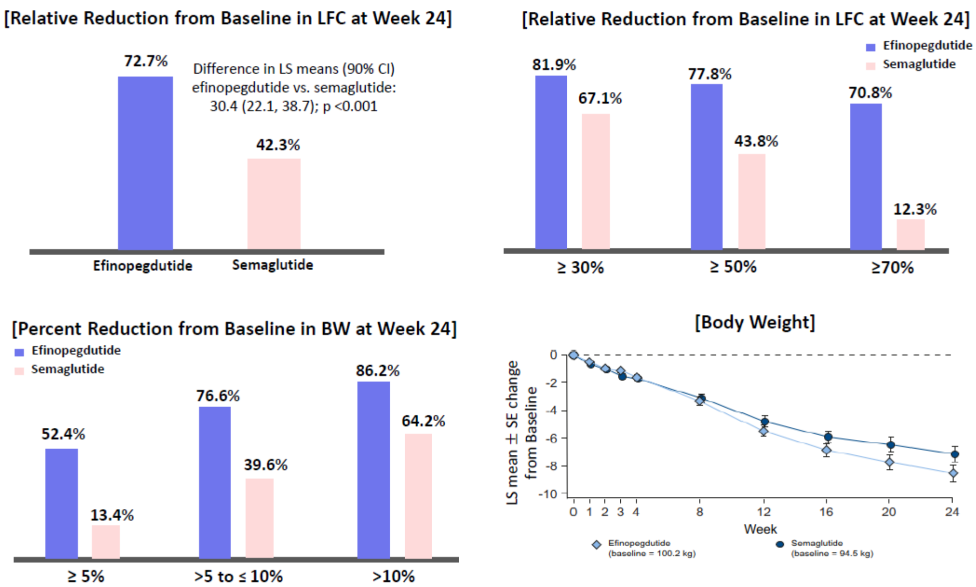
Cardiometabolic
- Enlicitide decanoate (Oral PCSK9i)
- WINREVAIR in PH due to LHD (Phase 2 CADENCE)
- Efinopegdutide (GLP-1 / glucagon receptor co-agonist)

Infectious Disease
- Islatravir based regimens (NRTTI for HIV treatment)
- MK-8527 (NRTTI for HIV PrEP)

Oncology
- KEYTRUDA + chemotherapy in earlier stage HNSCC

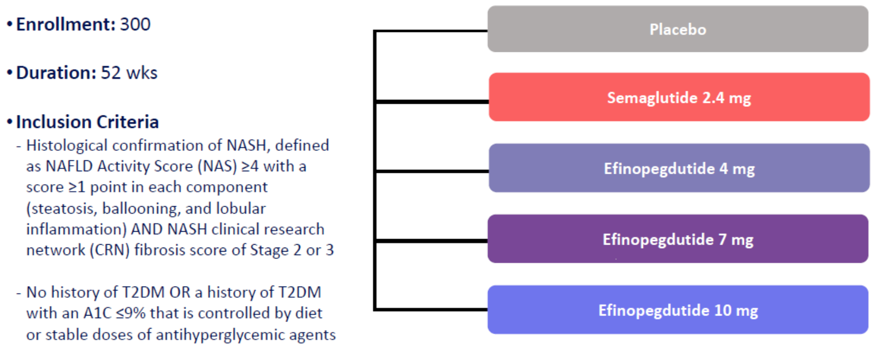
Source: Merck, Mirae Asset Securities Research

Figure 3. Efinopegdutide (GLP/GIP dual agonist): Phase 2a trial data



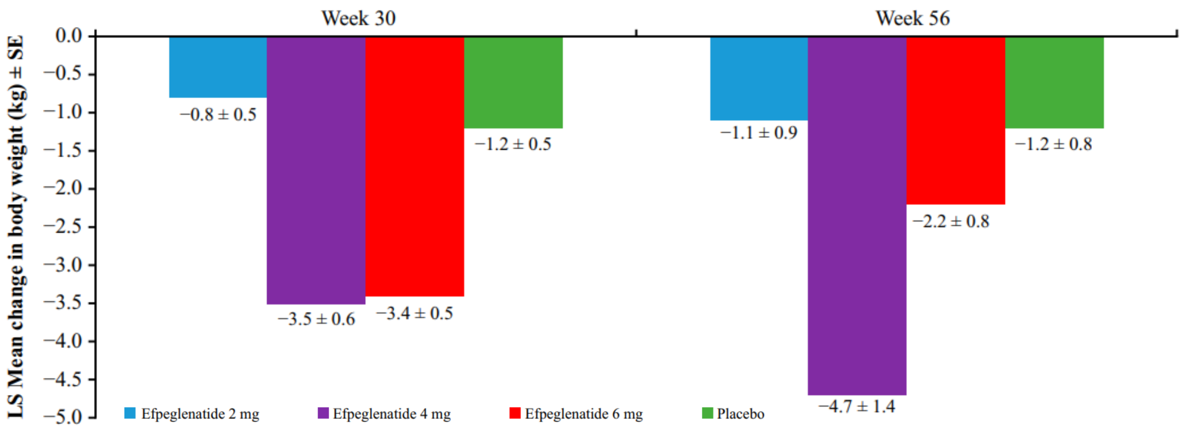
Source: *Journal of Hepatology*, company materials, Mirae Asset Securities Research

Figure 4. Efinopegdutide (GLP/GIP dual agonist): Phase 2b trial design



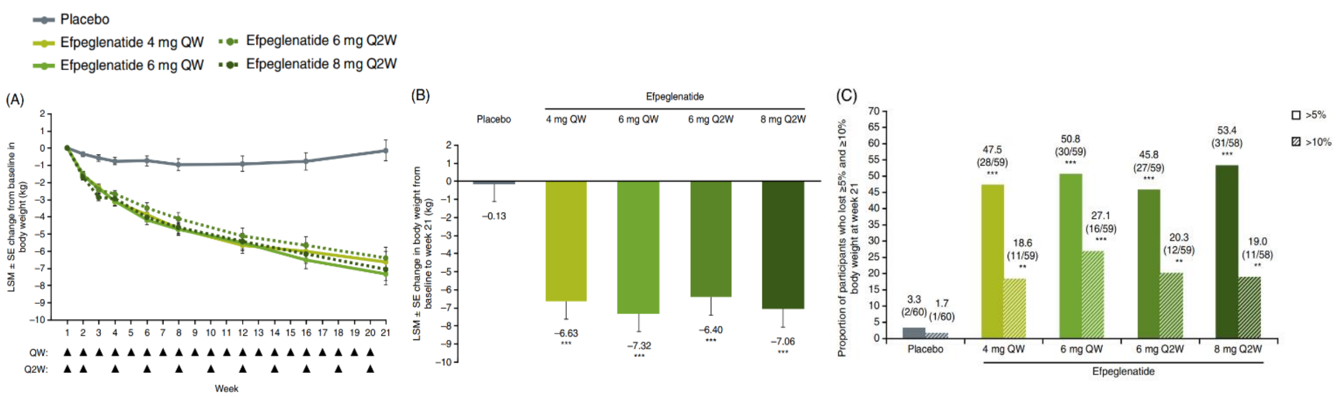
Source: Company materials, Mirae Asset Securities Research

Figure 5. Efpeglenatide AMPLITUDE-M phase 3 trial data: Chg. in body weight for adults with diabetes



Source: *Diabetes Care*, Mirae Asset Securities Research

Figure 6. Efpeglenatide phase 2 trial data: Chg. in body weight for overweight/obese adults without diabetes



Source: *Diabetes, Obesity & Metabolism*, Mirae Asset Securities Research

Figure 7. Hanmi Pharm: NME pipeline R&D update (4Q24)

	Pre-clinical	Phase 1	Phase 2	Phase 3/ Registration	Approved
Obesity/ Metabolism	**$^{\text{LAPS}}$Glucagon Combo** [Efpegerglucagon+Efpeglenatide] Obesity/Metabolic disease	**LA-GLP/GIP/GCG** [HM15275] Obesity, Entering Part B of Phase 1	**$^{\text{LAPS}}$GLP/GCG** MSD [Efinopegdutide] MASH, formerly NASH	**$^{\text{LAPS}}$Exd4 Analog** [Efpeglenatide] T2DM/Obesity	
	LA-UCN2 [HM17321] Obesity		**$^{\text{LAPS}}$Triple Agonist** [Efocipegtrutide] MASH, formerly NASH		
Oncology	**SOS1** [HM99462] Solid tumors	**Rolvedon®** ASSERTIO [Eflapegrastim] Chemotherapy-induced Neutropenia (Same Day Administration)	**pan-RAF Inhibitor** Roche [Belvarafenib] BRAF mutant/fusion solid tumor	**pan-HER Inhibitor** ASSERTIO [Poziotinib] HER2 exon 20-mutated NSCLC (2^{nd} line)	**Rolvedon®** ASSERTIO [Eflapegrastim] Chemotherapy-induced Neutropenia
	sHER2 [HM100714] Non-small cell lung cancer	**pan-RAF Inhibitor** Genentech [Belvarafenib] Solid tumors (melanoma)	**Tivumecirnon** RAPT [FLX475] Gastric cancer	**Oraxol®** [Paclitaxel+Encequidar] Solid tumors (breast cancer)	
		PD-1/HER2 BsAb B [BH2950] Solid tumors Innovent	**BTK** [Poseltinib] B-cell lymphoma		
		MKI APTOSE [Tuspetinib] Acute Myeloid Leukemia			
		EZH1/2 Inhibitor [HM97662] Solid tumors, hematologic cancers			
		PD-L1/4-1BB BsAb B [BH3120] Solid tumors, Combination with 'KEYTRUDA'			
		$^{\text{LAPS}}$IL-2 Analog [HM16390] Solid tumors			
Rare Diseases/ Other	**$^{\text{LAPS}}$Triple Agonist** [HM15211] Idiopathic Pulmonary Fibrosis		**$^{\text{LAPS}}$Glucagon Analog** [Efpegerglucagon] Congenital Hyperinsulinism		**Synojoynt®** Arthrex [Sodum hyaluronate] Pain in osteoarthritis of the knee
		LA-GLA GC [HM15421] Fabry disease	**$^{\text{LAPS}}$GLP-2 Analog** [Sonefpeglutide] Short Bowel Syndrome		
			$^{\text{LAPS}}$hGH [Efpegsomatropin] Growth Hormone Deficiency		
			Luminate® Allegro AffaMed Therapeutics [ALG-1001] Dry Age-related Macular Degeneration		

B Beijing Hanmi ☐ : Q4 Updated

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Source: Company materials, Mirae Asset Securities Research

Hanmi Pharm (128940 KS)

Income statement (summarized)

(Wbn)	2023	2024F	2025F	2026F
Revenue	**1,491**	**1,496**	**1,606**	**1,758**
Cost of revenue	**662**	**678**	**724**	**776**
GP	**829**	**818**	**882**	**982**
SG&A expenses	**609**	**601**	**657**	**722**
OP (adj.)	**221**	**216**	**225**	**260**
OP	**221**	**216**	**225**	**260**
Non-operating profit	**-27**	**-43**	**-24**	**-21**
Net financial income	-24	-17	-10	-6
Net income from associates	-1	0	0	0
Pretax profit	194	173	201	239
Income tax	29	30	32	38
Profit from continuing operations	165	143	168	201
Profit from discontinued operations	0	0	0	0
NP	**165**	**143**	**168**	**201**
Attributable to owners	146	127	149	178
Attributable to minority interests	19	17	19	23
Total comprehensive income	**111**	**143**	**168**	**201**
Attributable to owners	93	120	141	168
Attributable to minority interests	18	23	27	33
EBITDA	319	314	324	360
FCF	189	259	271	275
EBITDA margin (%)	21.4	21.0	20.2	20.5
OP margin (%)	14.8	14.4	14.0	14.8
Net margin (%)	9.8	8.5	9.3	10.1

Balance sheet (summarized)

(Wbn)	2023	2024F	2025F	2026F
Current assets	**731**	**832**	**1,120**	**1,435**
Cash & equivalents	55	154	399	654
AR & other receivables	169	170	183	200
Inventory	289	290	311	341
Other current assets	218	218	227	240
Non-current assets	**1,168**	**1,059**	**950**	**853**
Investments in associates	2	2	2	3
PP&E	833	728	620	535
Intangible assets	81	77	73	59
Total assets	**1,899**	**1,891**	**2,070**	**2,288**
Current liabilities	**705**	**560**	**577**	**599**
AP & other payables	145	145	156	170
Short-term financial liabilities	484	338	339	339
Other current liabilities	76	77	82	90
Non-current liabilities	**94**	**94**	**94**	**95**
Long-term financial liabilities	89	89	89	89
Other non-current liabilities	5	5	5	6
Total liabilities	**798**	**654**	**671**	**694**
Equity attributable to owners	**955**	**1,076**	**1,218**	**1,390**
Capital stock	31	31	31	31
Capital surplus	412	412	412	412
Retained earnings	582	702	845	1,017
Minority interests	**145**	**161**	**181**	**204**
Shareholders' equity	**1,100**	**1,237**	**1,399**	**1,594**

Cash flow statement (summarized)

(Wbn)	2023	2024F	2025F	2026F
Operating cash flow	**217**	**239**	**249**	**275**
NP	165	143	168	201
Non-cash income/expenses	166	144	141	144
Depreciation	86	86	86	86
Amortization	12	12	13	14
Other	68	46	42	44
Chg. in working capital	-57	-1	-18	-26
Chg. in AR & other receivables	-3	-1	-12	-17
Chg. in inventory	-17	-1	-21	-30
Chg. in AP & other payables	6	0	3	5
Income tax	-31	-30	-32	-38
Cash flow from investing activities	**-183**	**11**	**3**	**-15**
Chg. in PP&E	-25	20	22	0
Chg. in intangible assets	-16	-8	-9	0
Chg. in financial assets	-39	0	-11	-15
Other	-103	-1	1	0
Cash flow from financing activities	**-127**	**-152**	**-6**	**-6**
Chg. in financial liabilities	-105	-145	0	0
Chg. in equity	0	0	0	0
Dividends	-18	-6	-6	-6
Other	-4	-1	0	0
Chg. in cash	**-92**	**99**	**245**	**255**
Beginning balance	147	55	154	399
Ending balance	55	154	399	654

Key valuation metrics/ratios

	2023	2024F	2025F	2026F
P/E (x)	30.9	28.4	20.5	17.2
P/CF (x)	13.6	12.5	9.8	8.8
P/B (x)	4.5	3.2	2.4	2.1
EV/EBITDA (x)	15.6	12.2	9.4	7.8
EPS (W)	11,415	9,878	11,629	13,874
CFPS (W)	25,861	22,436	24,168	26,912
BPS (W)	77,706	87,099	98,242	111,631
DPS (W)	490	490	490	490
Dividend payout ratio (%)	3.8	4.3	3.7	3.1
Dividend yield (%)	0.1	0.2	0.2	0.2
Revenue growth (%)	12.0	0.3	7.4	9.5
EBITDA growth (%)	25.2	-1.7	3.3	11.2
OP growth (%)	39.6	-2.1	4.3	15.5
EPS growth (%)	76.6	-13.5	17.7	19.3
AR turnover (x)	8.6	8.9	9.2	9.3
Inventory turnover (x)	5.4	5.2	5.3	5.4
AP turnover (x)	15.6	15.0	15.4	15.2
ROA (%)	8.7	7.6	8.5	9.2
ROE (%)	16.0	12.5	13.0	13.6
ROIC (%)	14.8	15.0	17.3	21.6
Debt-to-equity ratio (%)	72.6	52.9	47.9	43.5
Current ratio (%)	103.7	148.5	194.3	239.3
Net debt-to-equity ratio (%)	37.1	5.9	-12.9	-28.0
Interest coverage ratio (x)	7.7	9.5	11.6	13.4

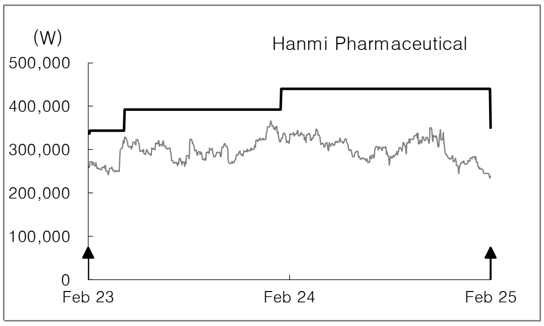
Source: Company data, Mirae Asset Securities Research estimates

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Hanmi Pharm (128940)	02/05/25	Buy	350,000
	01/22/25	One year	440,000
	01/22/24	Buy	440,000
	04/13/23	Buy	392,453
	02/09/23	Buy	343,396
	11/02/22	Buy	337,244



Stock ratings	
Buy	Expected 12-month performance: +20% or greater
Trading Buy	Expected 12-month performance: +10% to +20%
Hold	Expected 12-month performance: -10% to +10%
Sell	Expected 12-month performance: -10% or worse

Sector ratings	
Overweight	Expected to outperform the market over 12 months
Neutral	Expected to perform in line with the market over 12 months
Underweight	Expected to underperform the market over 12 months

Rating and TP history: Share price (─), TP (▬), Not Rated (■), Buy (▲), Trading Buy (■), Hold (●), Sell (♦)
* Our investment rating is a guide to the expected return of the stock over the next 12 months.
* Outside of the official ratings of Mirae Asset Securities Co., Ltd., analysts may call trading opportunities should technical or short-term material developments arise.
* The TP was determined by the research analyst through valuation methods discussed in this report, in part based on estimates of future earnings.
* TP achievement may be impeded by risks related to the subject securities and companies, as well as general market and economic conditions.

Ratings distribution and investment banking services

	Buy	Trading Buy	Hold	Sell
Ratings distribution	84.62%	7.14%	8.24%	0%
Investment banking services	85.71%	0%	14.29%	0%

* Based on recommendations in the last 12-months (as of December 31, 2024)

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