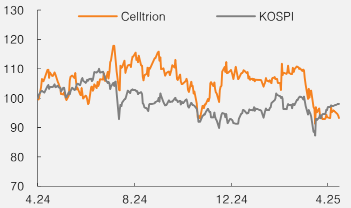
Equity Research
May 12, 2025

(Maintain)	Buy
Target price	▼ W220,000
Current price (5/9/25)	W158,000
Upside	39.2%

OP (25F, Wbn)	1,053
Consensus OP (25F, Wbn)	1,285
EPS growth (25F, %)	102.9
Market EPS growth (25F, %)	25.2
P/E (25F, x)	42.0
Market P/E (25F, x)	9.3
KOSPI	2,577.27
Market cap (Wbn)	35,232
Shares (mn)	222
Free float (%)	66.4
Foreign ownership (%)	22.1
Beta (12M)	0.63
52-week low (W)	154,500
52-week high (W)	199,614

(%)	1M	6M	12M
Absolute	2.3	-8.9	-12.8
Relative	-9.0	-9.4	-8.2



Mirae Asset Securities Co., Ltd.

Seung-min Kim
sm.kim.a@miraeasset.com

Se-eun Jo
seeun.jo@miraeasset.com

068270 KS · Pharma/Biotech

Celltrion

Earnings miss on lower Remsima IV sales and higher CMO share

Lower TP to W220,000 (from W250,000), but maintain Buy

Our target price for Celltrion is based on our 12-month forward EBITDA estimate of W1.6tr and a target EV/EBITDA of 27x (the multiple garnered by US novel drug developer Vertex Pharmaceuticals during its high-growth phase). We lowered our 2025 and 2026 EBITDA estimates by 33% and 26%, respectively, reflecting lower sales estimates for Zymfentra and slower-than-expected improvements in cost structure. That said, the impact on our target price was limited, as we shifted our valuation base from 2025F to 12-month forward and reflected a change in the number of shares.

1Q25 review

For 1Q25 (preliminary), Celltrion posted consolidated revenue of W841.9bn (+14% YoY) and operating profit of W149.4bn (+868% YoY), missing the consensus estimates by 11% and 31%, respectively. Revenue from legacy products was mostly stable (-20% YoY for Remsima IV, +28% YoY for Truxima, and +44% YoY for Herzuma), while newer products saw robust growth (+20% YoY for Remsima SC, +76% YoY for Yuflyma, and +68% YoY for Vegzelma). However, Zymfentra revenue declined QoQ to W13bn, and Remsima IV sales were weaker than expected, as higher channel inventories in 4Q24 led to reduced orders. Furthermore, although gross margin widened 1.5%p QoQ to 52.6%, the improvement was smaller than expected due to an increased share of outsourced CMO production. The combination of weaker Remsima IV sales and slower-than-expected cost improvement drove the consensus miss.

2025 outlook

For 2025, we look for consolidated revenue of W4.14tr (+17% YoY), operating profit of W1.05tr (+114% YoY), and an OP margin of 25.5% (+12%p YoY). We trimmed our revenue and operating profit forecasts by 7% and 38%, respectively.

Key growth catalysts include Remsima SC, Yuflyma, Steqeyma (Stelara biosimilar), and Zymfentra. That said, the pace of Zymfentra's penetration in the US market is slower than we had anticipated, prompting us to revise down our 2025 revenue estimate for the drug to W181bn (from W462.6bn). On the other hand, Yuflyma and Steqeyma should rapidly penetrate the European market. While cost structure is improving more slowly than expected, cost ratio improvements are gradually materializing, aided by the growth of new biosimilar products following the merger with Celltrion Healthcare. Further improvement is likely as full-scale production of titer improvement (TI) products begins in 2Q25. Meanwhile, management maintained its 2025 revenue guidance of W5tr.

(Dec.)	2023	2024	2025F	2026F	2027F
Revenue (Wbn)	2,176	3,557	4,139	5,133	5,903
OP (Wbn)	651	492	1,053	1,739	1,926
OP margin (%)	29.9	13.8	25.4	33.9	32.6
NP (Wbn)	536	423	841	1,418	1,606
EPS (W)	3,472	1,855	3,765	6,071	6,563
ROE (%)	5.1	2.5	4.7	7.6	8.0
P/E (x)	55.4	101.1	42.0	26.0	24.1
P/B (x)	2.3	2.2	1.7	1.8	1.8
Dividend yield (%)	0.2	0.4	0.5	0.5	0.5

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, W)

	Value	
12MF EBITDA	1,654	
Target EV/EBITDA	27	Multiple of global peer Vertex Pharmaceuticals during its high-growth phase
EV	45,393	
Net cash	1,064	As of 2024
Fair value	44,329	
No. of shares ('000)	203,619	
Fair value per share	217,704	TP: W220,000
Current price	158,000	
Upside	39.2%	

Source: Mirae Asset Securities Research

Table 2. Peer valuation table: Leading biosimilar/generic drug companies

Company	Market cap (Wtr)	Revenue (Wbn)		OP (Wbn)		OP margin (%)		NP (Wbn)		ROE (%)		P/E (x)		P/B (x)		P/S (x)		EV/EBITDA (x)	
		FY1	FY2	FY1	FY2	FY1	FY2	FY1	FY2	FY1	FY2	FY1	FY2	FY1	FY2	FY1	FY2	FY1	FY2
Celltrion	33.3	4,478	5,399	1,285	1,768	28.7	32.8	1,034	1,412	5.6	7.1	33.2	24.6	1.9	1.8	7.9	6.5	20.5	15.5
Teva	28.9	23,944	23,953	6,202	6,468	25.9	27.0	4,138	4,472	37.5	31.9	7.1	6.6	2.6	2.1	1.2	1.2	6.8	6.0
Sandoz	27.2	15,106	16,021	2,741	3,165	18.1	19.8	1,354	1,836	15.3	16.3	14.1	12.0	2.2	2.0	1.8	1.7	10.1	8.7
Viatris	15.0	19,306	19,593	5,149	5,466	26.7	27.9	3,739	4,002	14.1	14.8	4.1	3.7	0.6	0.6	0.8	0.8	5.8	5.3
Biocon	6.5	2,875	3,349	358	493	12.5	14.7	142	240	3.9	6.2	45.2	26.3	1.8	1.6	2.2	1.9	13.2	10.5
Organon	3.3	8,755	8,754	2,517	2,568	28.8	29.3	1,394	1,467	103.5	55.7	2.3	2.3	2.4	1.3	0.4	0.4	5.3	4.8
Avg.						23.4	25.2			30.0	22.0	17.7	12.6	1.9	1.5	2.4	2.1	10.3	8.5

Note: As of May 9
Source: FactSet, Mirae Asset Securities Research

Table 3. Peer valuation table: Leading novel drug developers

Company	Market cap (Wtr)	Revenue (Wbn)		OP (Wbn)		OP margin (%)		NP (Wbn)		ROE (%)		P/E (x)		P/B (x)		P/S (x)		EV/EBITDA (x)	
		FY1	FY2	FY1	FY2	FY1	FY2	FY1	FY2	FY1	FY2	FY1	FY2	FY1	FY2	FY1	FY2	FY1	FY2
Eli Lilly	994.1	83,378	100,103	33,951	44,979	40.7	44.9	27,415	37,485	74.4	60.8	34.2	25.2	25.4	15.4	11.9	9.9	28.1	21.2
Novo Nordisk	304.7	71,190	82,309	32,492	38,094	45.6	46.3	24,663	29,438	54.8	51.1	16.2	13.6	8.9	6.9	5.7	4.9	11.7	9.8
AstraZeneca	291.3	80,378	85,733	25,849	28,913	32.2	33.7	19,474	22,282	30.8	30.5	15.0	13.2	4.6	4.0	3.6	3.4	11.2	9.8
Vertex	154.0	16,651	18,493	7,530	8,820	45.2	47.7	6,473	7,565	23.2	21.5	23.9	20.6	5.5	4.4	9.2	8.3	17.6	13.4
Regeneron	82.5	18,700	19,954	5,524	6,197	29.5	31.1	5,666	6,228	11.7	11.9	15.2	13.9	1.8	1.6	4.4	4.1	12.2	10.2
Celltrion	33.3	4,478	5,399	1,285	1,768	28.7	32.8	1,034	1,412	5.6	7.1	33.2	24.6	1.9	1.8	7.9	6.5	20.5	15.5
Avg.						38.7	40.7			39.0	35.2	20.9	17.3	9.3	6.5	7.0	6.1	16.1	12.9

Note: As of May 9
Source: FactSet, Mirae Asset Securities Research

Table 4. 1Q25 review (Wbn, %, %p)

	1Q24	4Q24	1Q25P			Growth	
			Preliminary	Consensus	Diff.	YoY	QoQ
Revenue	737	1,064	842	942	-10.6	14.2	-20.8
GP	307	544	443	497	-10.9	44.5	-18.5
Gross margin	41.6	51.1	52.6	52.8	-0.2	11.0	1.5
OP	15	196	149	215	-30.7	867.8	-23.9
OP margin	2.1	18.5	17.7	22.9	-5.1	15.7	-0.7
NP	22	237	108	156	-30.6	381.3	-54.4

Source: QuantiWise, Mirae Asset Securities Research

Table 5. Earnings forecast revisions

(Wbn, %)

	Previous		Revised		Chg.	
	25F	26F	25F	26F	25F	26F
Revenue	4,429	5,306	4,139	5,133	-6.6	-3.3
OP	1,699	2,425	1,054	1,739	-37.9	-28.3
EBITDA	1,954	2,685	1,308	1,999	-33.1	-25.5

Source: Mirae Asset Securities Research

Table 6. Quarterly and annual earnings

(Wbn, %)

	1Q24	2Q24	3Q24	4Q24	1Q25P	2Q25F	3Q25F	4Q25F	2024	2025F	2026F
Revenue	737	875	882	1064	842	945	1,078	1,276	3,553	4,139	5,133
YoY					14.2	8.0	22.2	19.9		16.5	24.0
Zymfentra		2	7	28	13	36	56	76	37	181	510
YoY										390.8	181.6
Remsima SC	112	111	171	170	135	139	184	199	564	657	843
YoY					20.1	24.8	7.7	17.3		16.4	28.3
Remsima IV	299	363	317	289	238	300	295	256	1,269	1,088	1,016
YoY					-20.4	-17.4	-7.2	-11.5		-14.2	-6.6
Truxima	101	115	102	132	129	118	106	109	450	462	415
YoY					28.1	2.0	3.8	-17.2		2.6	-10.1
Herzuma	37	62	49	49	54	53	50	49	196	206	166
YoY					44.4	-14.6	3.6	0.1		4.8	-19.5
Yuflyma	67	80	94	108	118	123	130	138	349	509	627
YoY					76.1	53.4	38.0	28.1		45.8	23.2
Vegzelma	35	40	69	77	58	65	84	91	221	298	424
YoY					67.6	63.0	21.4	18.0		35.0	42.2
Stelara biosimilar			2	17	21	28	43	50		142	202
YoY										0.0	42.0
Actemra biosimilar						4	21	45		70	148
YoY											112.7
Xolair biosimilar											151
YoY											
Prolia biosimilar											122
YoY											
CMO				106				109	106	109	113
YoY								3.0		3.0	3.0
Pharm/Chemical	81	95	65	79	68	74	71	72	320	284	287
YoY					-15.5	-22.6	8.3	-8.7		-11.0	0.8
Other		6	7	5	6	6	7	6	23	25	25
YoY						6.9	-1.5	11.1		8.7	-0.5
GP	307	368	463	544	443	539	647	740	1682	2368	3210
YoY					44.4	46.4	39.5	36.0		40.8	35.6
Gross margin	41.6	42.1	52.5	51.1	52.6	57.0	60.0	58.0	47.3	57.2	62.5
OP	15	73	208	197	149	230	308	367	492	1054	1739
YoY					867.9	217.8	48.1	86.6		114.2	64.9
OP margin					17.7	24.4	28.5	28.8	13.9	25.5	33.9
EBITDA	147	205	283	275	219	299	366	424	910	1308	1999
YoY					49.0	46.3	29.2	53.9		43.7	52.8
EBITDA margin	20.0	23.4	32.1	25.9	26.0	31.7	34.0	33.2	25.6	31.6	38.9
NP	21	79	84	236	108	193	179	353	423	841	1419
YoY					420.0	146.1	113.3	49.9		99.0	68.7
Net margin	2.8	9.0	9.5	22.1	12.8	20.4	16.6	27.7	11.9	20.3	27.6

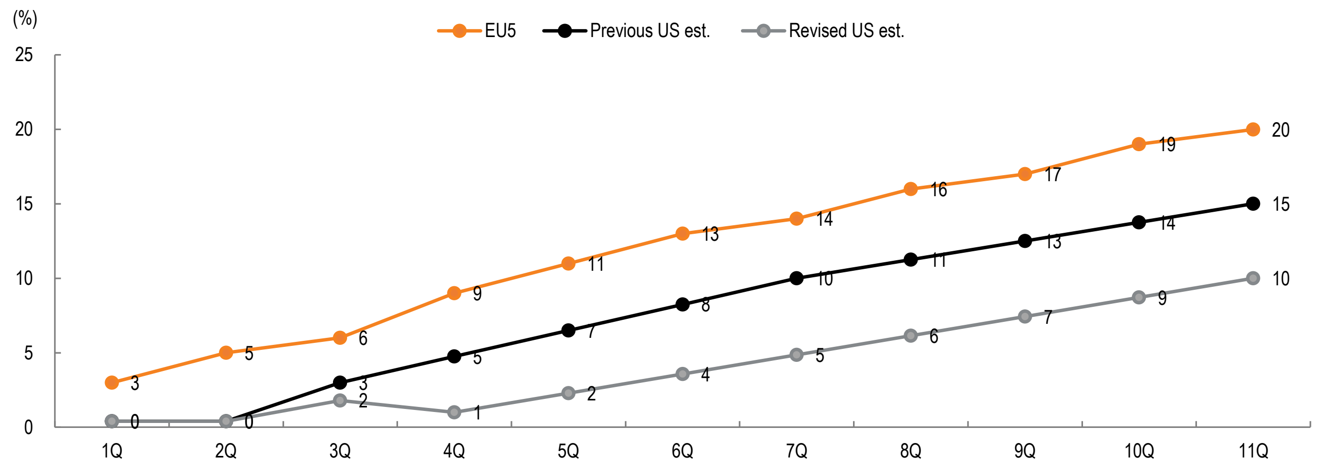
Source: Mirae Asset Securities Research

Table 7. Quarterly revenue and penetration outlook

Zymfentra ('000)	1Q24	2Q24	3Q24	4Q24	1Q25P	2Q25F	3Q25F	4Q25F	1Q26F	2Q26F	3Q26F	4Q26F	2024	2025F	2026F
(US) Crohn's disease patients	576	576	576	576	580	580	580	580	583	583	583	583			
Moderate to severe (43.2%)	249	249	249	249	250	250	250	250	252	252	252	252			
(US) Ulcerative colitis patients	853	853	853	853	861	861	861	861	868	868	868	868			
Moderate to severe (48%)	409	409	409	409	413	413	413	413	417	417	417	417			
Total	658	658	658	658	663	663	663	663	668	668	668	668			
% of infliximab (28%)		184	184	184	186	186	186	186	187	187	187	187			
Penetration		0.4%	0.4%	1.8%	0.9%	2.3%	3.6%	4.9%	6.1%	7.4%	8.7%	10.0%			
No. of patients (cumulative)		737	737	3,226	1,579	4,245	6,634	9,022	11,493	13,898	16,303	18,709			
Monthly price (US$)		6,181	6,181	6,181	6,367	6,367	6,367	6,367	6,558	6,558	6,558	6,558			
Gross revenue		4.6	14	60	30	81	127	172	226	273	321	368	78	410	1,188
Rebate/discount		65%	65%	65%	66%	66%	66%	66%	67%	67%	67%	67%	65%	66%	67%
Net revenue (US$mn)		1.6	5	21	10	28	43	59	75	90	106	121	27	139	392
Net revenue (Wbn)		22	65	283	130	358	560	762	970	1,173	1,376	1,579	369	1,810	5,098

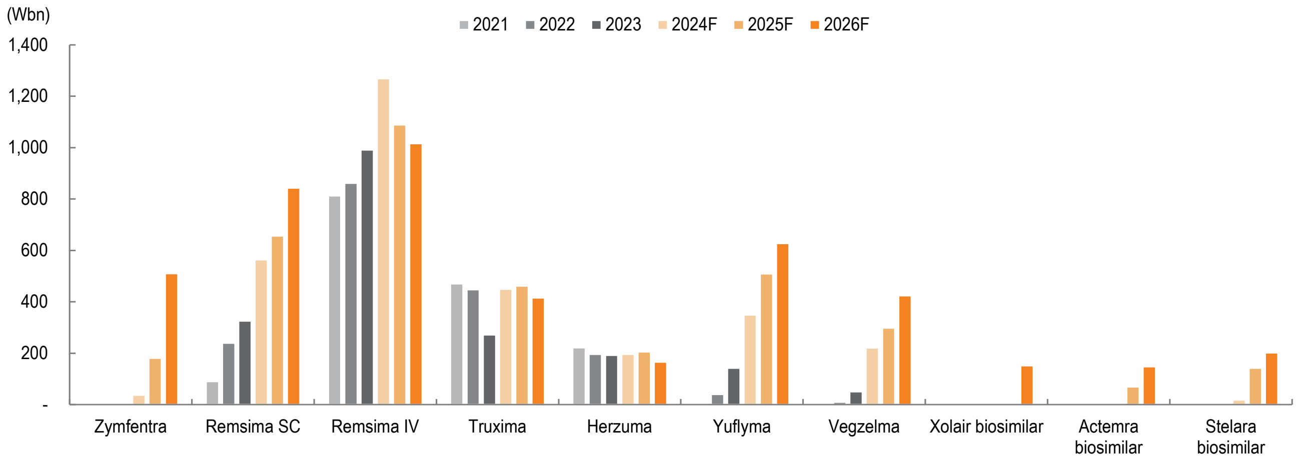
Source: Mirae Asset Securities Research

Figure 1. Revised Zymfentra US penetration assumptions



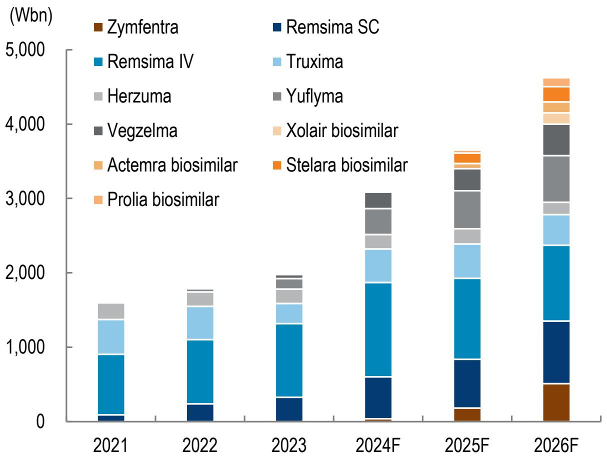
Source: Mirae Asset Securities Research

Figure 2. Annual revenue forecasts



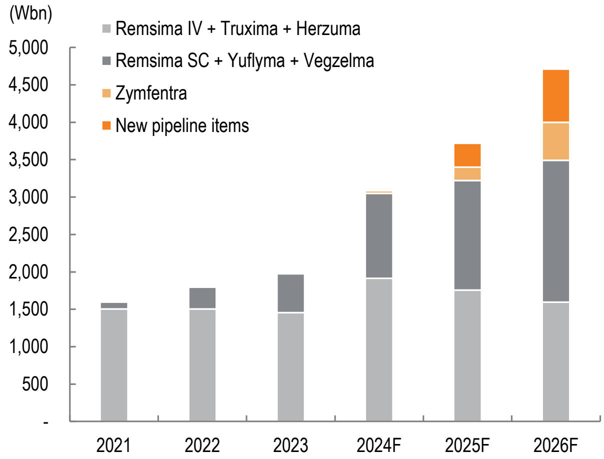
Source: Mirae Asset Securities Research

Figure 3. Revenue breakdown (1)



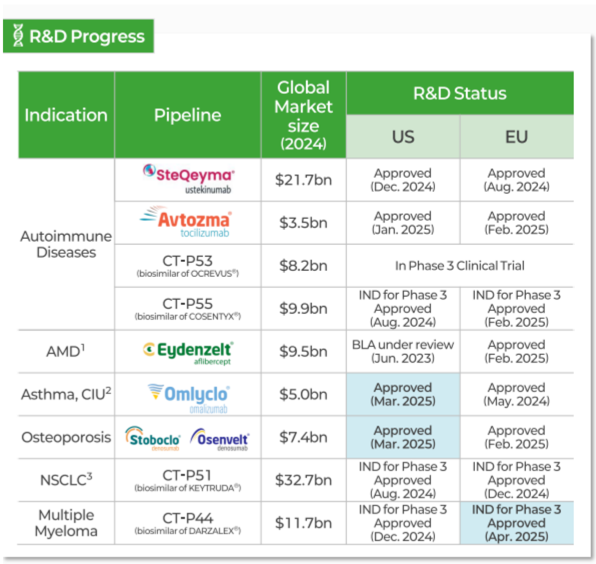
Source: Mirae Asset Securities Research

Figure 4. Revenue breakdown (2)



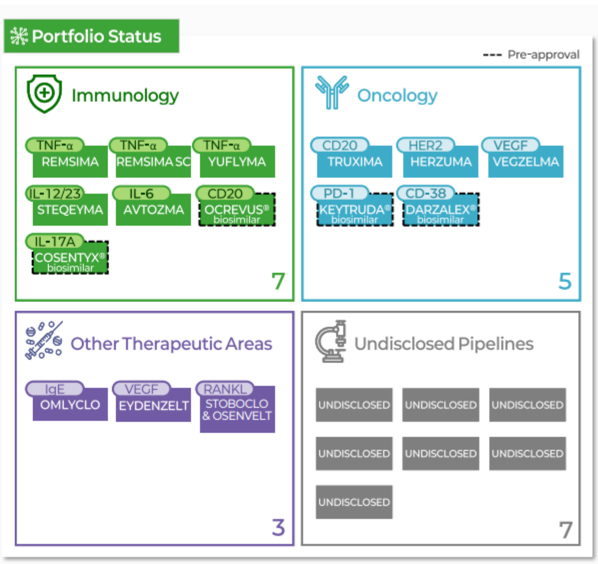
Source: Mirae Asset Securities Research

Figure 5. Biosimilar R&D update (1Q25)



R&D Progress

Indication	Pipeline	Global Market size (2024)	R&D Status US	R&D Status EU
Autoimmune Diseases	SteQeyma ustekinumab	$21.7bn	Approved (Dec. 2024)	Approved (Aug. 2024)
	Avtozma tocilizumab	$3.5bn	Approved (Jan. 2025)	Approved (Feb. 2025)
	CT-P53 (biosimilar of OCREVUS®)	$8.2bn	In Phase 3 Clinical Trial	
	CT-P55 (biosimilar of COSENTYX®)	$9.9bn	IND for Phase 3 Approved (Aug. 2024)	IND for Phase 3 Approved (Feb. 2025)
AMD[1]	Eydenzelt aflibercept	$9.5bn	BLA under review (Jun. 2023)	Approved (Feb. 2025)
Asthma, CIU[2]	Omlyclo omalizumab	$5.0bn	Approved (Mar. 2025)	Approved (May. 2024)
Osteoporosis	Stoboclo denosumab, Osenvelt denosumab	$7.4bn	Approved (Mar. 2025)	Approved (Feb. 2025)
NSCLC[3]	CT-P51 (biosimilar of KEYTRUDA®)	$32.7bn	IND for Phase 3 Approved (Aug. 2024)	IND for Phase 3 Approved (Dec. 2024)
Multiple Myeloma	CT-P44 (biosimilar of DARZALEX®)	$11.7bn	IND for Phase 3 Approved (Dec. 2024)	IND for Phase 3 Approved (Apr. 2025)



Source: Company materials, Mirae Asset Securities Research

Celltrion (068270 KS)

Income statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Revenue	**3,557**	**4,139**	**5,133**	**5,903**
Cost of revenue	**1,876**	**1,772**	**1,923**	**2,211**
GP	**1,681**	**2,367**	**3,210**	**3,692**
SG&A expenses	**1,190**	**1,314**	**1,471**	**1,765**
OP (adj.)	**492**	**1,053**	**1,739**	**1,926**
OP	**492**	**1,053**	**1,739**	**1,926**
Non-operating profit	**84**	**-4**	**74**	**154**
Net financial income	-42	-11	49	103
Net income from associates	-12	0	0	0
Pretax profit	576	1,049	1,813	2,080
Income tax	157	216	408	488
Profit from continuing operations	419	833	1,406	1,592
Profit from discontinued operations	0	0	0	0
NP	**419**	**833**	**1,406**	**1,592**
Attributable to owners	423	841	1,418	1,606
Attributable to minority interests	-4	-8	-13	-14
Total comprehensive income	**925**	**833**	**1,406**	**1,592**
Attributable to owners	929	837	1,411	1,599
Attributable to minority interests	-4	-3	-6	-7
EBITDA	910	1,308	1,999	2,186
FCF	767	1,860	1,865	1,397
EBITDA margin (%)	25.6	31.6	38.9	37.0
OP margin (%)	13.8	25.4	33.9	32.6
Net margin (%)	11.9	20.3	27.6	27.2

Balance sheet (summarized)

(Wbn)	2024	2025F	2026F	2027F
Current assets	**5,584**	**6,912**	**9,144**	**11,081**
Cash & equivalents	996	2,877	4,992	6,307
AR & other receivables	1,257	1,442	1,788	2,056
Inventory	2,766	1,936	1,549	1,781
Other current assets	565	657	815	937
Non-current assets	**15,471**	**15,235**	**15,006**	**14,771**
Investments in associates	112	130	161	185
PP&E	1,245	1,045	845	645
Intangible assets	13,702	13,647	13,587	13,527
Total assets	**21,055**	**22,147**	**24,151**	**25,852**
Current liabilities	**3,187**	**3,569**	**4,277**	**4,515**
AP & other payables	386	449	556	640
Short-term financial liabilities	2,102	2,307	2,711	2,715
Other current liabilities	699	813	1,010	1,160
Non-current liabilities	**288**	**318**	**369**	**408**
Long-term financial liabilities	106	106	106	106
Other non-current liabilities	182	212	263	302
Total liabilities	**3,475**	**3,887**	**4,645**	**4,923**
Equity attributable to owners	**17,439**	**18,127**	**19,384**	**20,823**
Capital stock	221	231	241	253
Capital surplus	14,828	14,828	14,828	14,828
Retained earnings	3,744	4,421	5,669	7,096
Minority interests	**141**	**133**	**121**	**106**
Shareholders' equity	**17,580**	**18,260**	**19,505**	**20,929**

Cash flow statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Operating cash flow	**902**	**1,860**	**1,865**	**1,397**
NP	419	833	1,406	1,592
Non-cash income/expenses	649	458	589	610
Depreciation	73	200	200	200
Amortization	346	55	60	60
Other	230	203	329	350
Chg. in working capital	-21	784	279	-317
Chg. in AR & other receivables	-174	-199	-340	-263
Chg. in inventory	225	830	387	-232
Chg. in AP & other payables	-144	12	21	16
Income tax	-145	-216	-408	-488
Cash flow from investing activities	**-169**	**49**	**104**	**175**
Chg. in PP&E	-135	0	0	0
Chg. in intangible assets	-195	0	0	0
Chg. in financial assets	47	-24	-42	-32
Other	114	73	146	207
Cash flow from financing activities	**-353**	**-35**	**147**	**-269**
Chg. in financial liabilities	318	205	404	3
Chg. in equity	38	0	0	0
Dividends	-104	-154	-160	-168
Other	-605	-86	-97	-104
Chg. in cash	**432**	**1,881**	**2,115**	**1,314**
Beginning balance	565	996	2,877	4,992
Ending balance	996	2,877	4,992	6,307

Key valuation metrics/ratios

	2024	2025F	2026F	2027F
P/E (x)	101.1	42.0	26.0	24.1
P/CF (x)	40.0	27.3	18.5	17.6
P/B (x)	2.2	1.7	1.8	1.8
EV/EBITDA (x)	46.0	26.5	16.5	14.5
EPS (W)	1,855	3,765	6,071	6,563
CFPS (W)	4,688	5,783	8,536	8,994
BPS (W)	85,910	90,739	87,805	89,416
DPS (W)	716	716	716	716
Dividend payout ratio (%)	36.7	19.2	12.0	11.1
Dividend yield (%)	0.4	0.5	0.5	0.5
Revenue growth (%)	63.4	16.3	24.0	15.0
EBITDA growth (%)	1.4	43.7	52.8	9.4
OP growth (%)	-24.5	114.1	65.1	10.8
EPS growth (%)	-46.6	102.9	61.3	8.1
AR turnover (x)	3.3	3.1	3.2	3.1
Inventory turnover (x)	1.2	1.8	2.9	3.5
AP turnover (x)	29.7	21.8	19.6	18.9
ROA (%)	2.0	3.9	6.1	6.4
ROE (%)	2.5	4.7	7.6	8.0
ROIC (%)	1.9	4.7	8.0	8.8
Debt-to-equity ratio (%)	19.8	21.3	23.8	23.5
Current ratio (%)	175.2	193.7	213.8	245.5
Net debt-to-equity ratio (%)	6.1	-3.5	-12.2	-17.8
Interest coverage ratio (x)	6.5	12.4	18.0	18.5

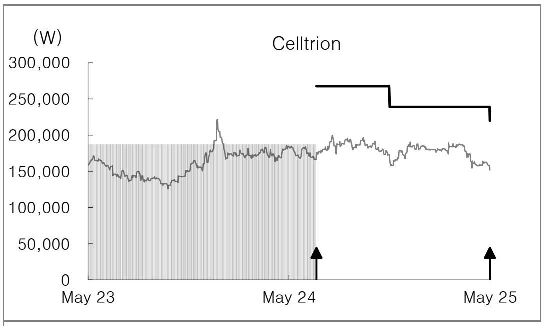
Source: Company data, Mirae Asset Securities Research estimates

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Celltrion (068270)	05/12/25	Buy	220,000
	11/11/24	Buy	238,773
	07/01/24	Buy	267,426



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	83.98%	6.63%	8.84%	0.55%
Investment banking services	88.24%	0%	11.76%	0%

* Based on recommendations in the last 12-months (as of March 31, 2025)

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Mirae Asset Securities International Network

Mirae Asset Securities Co., Ltd. (Seoul)
One-Asia Equity Sales Team
Mirae Asset Center 1 Building
26 Eulji-ro 5-gil, Jung-gu, Seoul 04539
Korea

Tel: 82-2-3774-2124

Mirae Asset Securities (HK) Ltd.
Units 8501, 8507-8508, 85/F
International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong SAR
Tel: 852-2845-6332

Mirae Asset Securities (UK) Ltd.
41st Floor, Tower 42
25 Old Broad Street,
London EC2N 1HQ
United Kingdom

Tel: 44-20-7982-8000

Mirae Asset Securities (USA) Inc.
810 Seventh Avenue, 37th Floor
New York, NY 10019
USA

Tel: 1-212-407-1000

Mirae Asset Wealth Management (Brazil) CCTVM
Rua Funchal, 418, 18th Floor, E-Tower Building
Vila Olimpia
Sao Paulo - SP
04551-060
Brazil
Tel: 55-11-2789-2100

PT. Mirae Asset Sekuritas Indonesia
District 8, Treasury Tower Building Lt. 50
Sudirman Central Business District
Jl. Jend. Sudirman, Kav. 52-54
Jakarta Selatan 12190
Indonesia
Tel: 62-21-5088-7000

Mirae Asset Securities (Singapore) Pte. Ltd.
6 Battery Road, #11-01
Singapore 049909
Republic of Singapore

Tel: 65-6671-9845

Mirae Asset Securities (Vietnam) LLC
7F, Saigon Royal Building
91 Pasteur St.
District 1, Ben Nghe Ward, Ho Chi Minh City
Vietnam

Tel: 84-8-3911-0633 (ext.110)

Mirae Asset Securities Mongolia UTsK LLC
#406, Blue Sky Tower, Peace Avenue 17
1 Khoroo, Sukhbaatar District
Ulaanbaatar 14240
Mongolia

Tel: 976-7011-0806

Mirae Asset Investment Advisory (Beijing) Co., Ltd
2401B, 24th Floor, East Tower, Twin Towers
B12 Jianguomenwai Avenue, Chaoyang District
Beijing 100022
China

Tel: 86-10-6567-9699

Beijing Representative Office
2401A, 24th Floor, East Tower, Twin Towers
B12 Jianguomenwai Avenue, Chaoyang District
Beijing 100022
China

Tel: 86-10-6567-9699 (ext. 3300)

Shanghai Representative Office
38T31, 38F, Shanghai World Financial Center
100 Century Avenue, Pudong New Area
Shanghai 200120
China

Tel: 86-21-5013-6392

Ho Chi Minh Representative Office
7F, Saigon Royal Building
91 Pasteur St.
District 1, Ben Nghe Ward, Ho Chi Minh City
Vietnam

Tel: 84-8-3910-7715

Mirae Asset Capital Markets (India) Pvt Ltd
1st Floor, Tower 4, Equinox Business Park,
LBS Marg, Off BKC, Kurla (West), Mumbai - 400 070
India

Tel: 91-22-62661300 / 48821300