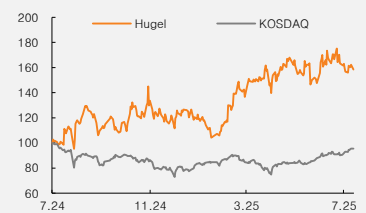


(Maintain)	Buy
Target price	W480,000
Current price (7/21/25)	W351,000
Upside	36.8%

OP (25F, Wbn)	209
Consensus OP (25F, Wbn)	219
EPS growth (25F, %)	24.3
Market EPS growth (25F, %)	24.5
P/E (25F, x)	25.7
Market P/E (25F, x)	11.7
KOSDAQ	821.69

Market cap (Wbn)	4,319
Shares (mn)	12
Free float (%)	43.7
Foreign ownership (%)	56.7
Beta (12M)	0.39
52-week low (W)	211,000
52-week high (W)	388,000

(%)	1M	6M	12M
Absolute	-4.7	42.1	57.0
Relative	-8.2	25.6	58.4



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Hugel

Earnings outlook remains solid despite likely 2Q consensus miss

2Q25 preview: Revenue of W110.1bn (+15% YoY) and OP of W53.9bn (+27% YoY)

We expect Hugel to report below-consensus 2Q25 results, with revenue of W110.1bn (+15.4% YoY; vs. consensus of W118.1bn) and operating profit of W53.9bn (+26.9% YoY; vs. consensus of W59bn). We attribute the likely consensus miss to delayed recognition of US-bound botulinum toxin sales, which are likely to be spread across 2H25.

We estimate botulinum toxin revenue at W59bn (+15.6% YoY). Revenue from exports to North and South America likely climbed W8.1bn YoY to W10.8bn, driven by sizable US-bound exports. However, revenue from Asia-Pacific markets likely declined 10% YoY, affected by a high base stemming from strong China sales in 2Q24. Of note, botulinum toxin exports from the Chuncheon site grew 4% YoY to US\$23.6mn in 2Q25.

We estimate domestic botulinum toxin revenue increased 3% YoY to W20.9bn. Domestic filler revenue likely declined 7% YoY to W8.8bn, affected by a high base in 2Q24 (+12% YoY), when orders were pulled forward ahead of a price hike in Jul. 2024.

2H25 outlook: US-bound botulinum toxin exports to pick up

We maintain our Buy rating and target price of W480,000 on Hugel. For 2025, we look for revenue of W432.9bn (+16.1% YoY) and operating profit of W208.7bn (+25.5% YoY). While we revised down our estimate for 2Q25 US botulinum toxin revenue from W15bn to W7bn, we maintain our full-year estimate, as deferred revenue is likely to be recognized in 3Q25 and 4Q25.

The stock is currently trading at a 12-month forward P/E of 26x, below the average of domestic aesthetic peers PharmaResearch and Classys (37x). Starting this year, we expect Hugel's products to increase their market penetration in both China and the US. Following the release of export data on Jul. 1, the stock declined on concerns over slowing earnings. However, it appears that some US-bound shipments were merely deferred to 3Q25, suggesting that the recent concerns are overblown.

We expect US botulinum toxin exports to rise steadily through 4Q25. Shipments to China should remain steady, while exports to Brazil (which decreased temporarily due to a change in the company's local partner) are likely to pick up from 3Q25. The company is also targeting regulatory approval in Saudi Arabia in 3Q25, which could open up a new export destination. All in all, we forecast botulinum toxin exports to increase 53% in 2H25 compared to 1H25, potentially driving share price momentum.

(Dec.)	2023	2024	2025F	2026F	2027F
Revenue (Wbn)	320	373	433	508	597
OP (Wbn)	118	166	209	259	316
OP margin (%)	36.9	44.5	48.3	51.0	52.9
NP (Wbn)	93	136	170	214	253
EPS (W)	7,517	10,985	13,658	17,428	20,561
ROE (%)	12.1	17.5	19.0	19.7	19.2
P/E (x)	19.9	25.5	25.7	20.1	17.1
P/B (x)	2.0	3.1	3.3	2.8	2.4
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0

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

Table 1. 2Q25 preview

(Wbn, %, %p)

	2Q24	1Q25	2Q25F		Growth	
			Mirae Asset	Consensus	YoY	QoQ
Revenue	95.4	89.8	110.1	118.1	15.3	22.5
OP	42.4	39.0	53.9	59.0	26.9	38.2
OP margin	44.5	43.4	48.9	49.9	4.4	5.5
Pretax profit	47.5	41.1	57.4	62.2	20.9	39.8
Net profit	34.8	29.1	42.1	48.2	21.1	45.0

Source: Company data, FnGuide, Mirae Asset Securities Research

Table 2. Quarterly/annual earnings and forecasts

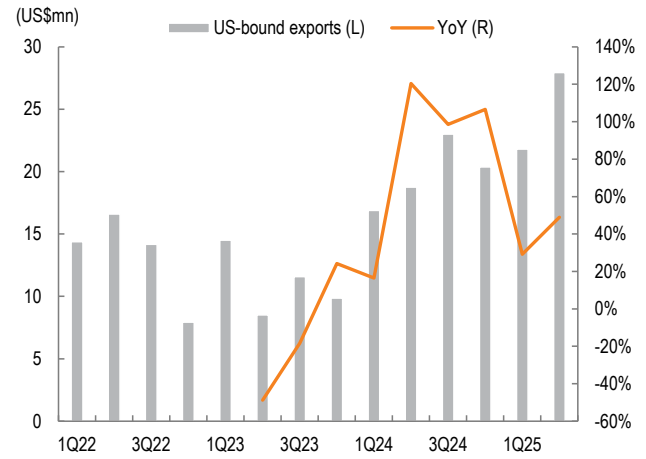
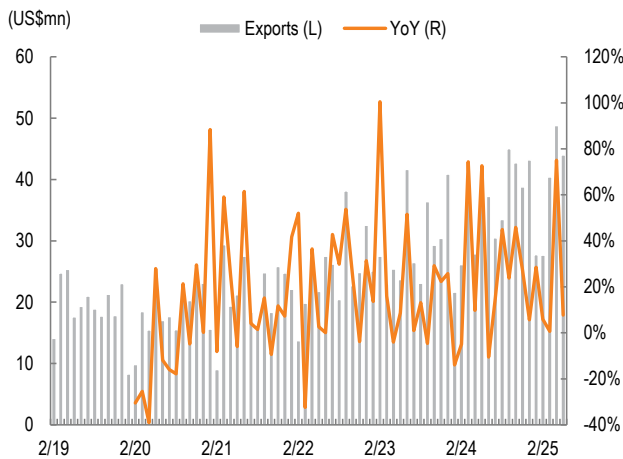
(Wbn)

	1Q25	2Q25F	3Q25F	4Q25F	1Q26F	2Q26F	3Q26F	4Q26F	2025F	2026F	2027F
Revenue	89.9	110.1	111.4	121.7	109	126.4	129.9	143.2	432.9	508.4	596.7
YoY	20.90%	15.4%	6.0%	23.9%	21.3%	14.8%	16.6%	17.7%	16.1%	17.4%	17.4%
Botulinum toxin	40.7	59	66.4	71.6	55.6	70.6	80.2	87.9	237.8	294.3	365
YoY	18.80%	15.6%	2.7%	34.5%	36.5%	19.7%	20.6%	22.8%	17.0%	23.8%	24.0%
Fillers	34.4	39.7	33.6	36.6	37.9	43.8	37.7	41	144.3	160.3	176.4
YoY	17.70%	8.9%	12.2%	14.5%	10.0%	10.1%	12.4%	12.1%	13.1%	11.1%	10.0%
Cosmetics	13.2	9.9	9.7	12.1	13.9	10.4	10.2	12.7	44.9	47.1	48.5
YoY	38.90%	50.0%	8.0%	3.0%	5.0%	5.0%	5.0%	5.0%	21.9%	5.0%	3.0%
OP	39	53.9	55	60.8	53.2	65.4	67.2	73	208.7	258.9	316.2
YoY	62.60%	26.9%	3.1%	30.9%	36.5%	21.5%	22.1%	20.0%	25.5%	24.0%	22.2%
OP margin	43.40%	48.9%	49.4%	50.0%	48.8%	51.8%	51.8%	51.0%	48.2%	50.9%	53.0%

Source: Company data, Mirae Asset Securities Research estimates

Figure 1. Korea's botulinum toxin exports

Figure 2. Korea's US-bound botulinum toxin exports



Source: TRASS, Mirae Asset Securities Research

Source: TRASS, Mirae Asset Securities Research

Hugel (145020 KQ)

Income statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Revenue	373	433	508	597
Cost of revenue	86	101	119	143
GP	287	332	389	454
SG&A expenses	121	124	130	137
OP (adj.)	166	209	259	316
OP	166	209	259	316
Non-operating profit	-1	14	21	29
Net financial income	14	15	21	28
Net income from associates	0	0	0	0
Pretax profit	165	223	280	345
Income tax	22	42	52	76
Profit from continuing operations	143	180	228	269
Profit from discontinued operations	0	0	0	0
NP	143	180	228	269
Attributable to owners	136	170	214	253
Attributable to minority interests	7	11	13	16
Total comprehensive income	161	186	228	269
Attributable to owners	153	177	217	256
Attributable to minority interests	7	9	11	13
EBITDA	181	224	272	328
FCF	137	189	232	271
EBITDA margin (%)	48.5	51.7	53.5	54.9
OP margin (%)	44.5	48.3	51.0	52.9
Net margin (%)	36.5	39.3	42.1	42.4

Cash flow statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Operating cash flow	149	192	232	271
NP	143	180	228	269
Non-cash income/expenses	48	46	44	60
Depreciation	10	10	9	7
Amortization	5	5	5	5
Other	33	31	30	48
Chg. in working capital	-19	-6	-9	-10
Chg. in AR & other receivables	-2	-14	-11	-12
Chg. in inventory	-9	-12	-9	-11
Chg. in AP & other payables	0	3	1	1
Income tax	-39	-43	-52	-76
Cash flow from investing activities	42	-62	-64	-74
Chg. in PP&E	-12	-4	0	0
Chg. in intangible assets	-21	-7	0	0
Chg. in financial assets	82	-70	-64	-74
Other	-7	19	0	0
Cash flow from financing activities	-172	-5	1	1
Chg. in financial liabilities	-53	1	1	1
Chg. in equity	67	0	0	0
Dividends	0	0	0	0
Other	-186	-6	0	0
Chg. in cash	24	124	168	196
Beginning balance	106	130	254	422
Ending balance	130	254	422	618

Source: Company data, Mirae Asset Securities Research estimates

Balance sheet (summarized)

(Wbn)	2024	2025F	2026F	2027F
Current assets	523	735	988	1,282
Cash & equivalents	130	254	422	618
AR & other receivables	50	62	73	86
Inventory	43	53	62	73
Other current assets	300	366	431	505
Non-current assets	417	407	396	387
Investments in associates	5	7	8	9
PP&E	151	145	137	130
Intangible assets	196	194	189	185
Total assets	939	1,141	1,383	1,668
Current liabilities	61	76	89	105
AP & other payables	13	16	19	22
Short-term financial liabilities	5	7	8	9
Other current liabilities	43	53	62	74
Non-current liabilities	38	38	39	39
Long-term financial liabilities	35	35	35	35
Other non-current liabilities	3	3	4	4
Total liabilities	99	114	128	144
Equity attributable to owners	804	980	1,195	1,447
Capital stock	7	7	7	7
Capital surplus	394	394	394	394
Retained earnings	1,071	1,243	1,457	1,710
Minority interests	37	48	61	77
Shareholders' equity	841	1,028	1,256	1,524

Key valuation metrics/ratios

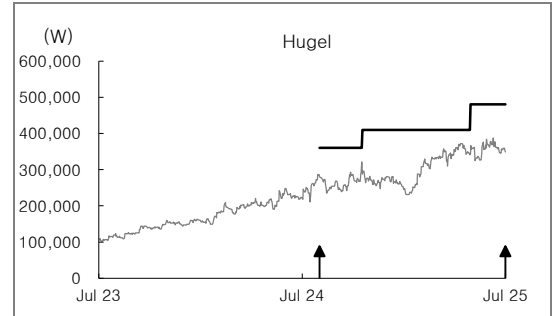
	2024	2025F	2026F	2027F
P/E (x)	25.5	25.7	20.1	17.1
P/CF (x)	18.1	19.2	15.9	13.2
P/B (x)	3.1	3.3	2.8	2.4
EV/EBITDA (x)	17.6	17.0	13.1	10.1
EPS (W)	10,985	13,658	17,428	20,561
CFPS (W)	15,478	18,249	22,132	26,690
BPS (W)	89,876	106,466	123,895	144,456
DPS (W)	0	0	0	0
Dividend payout ratio (%)	0.0	0.0	0.0	0.0
Dividend yield (%)	0.0	0.0	0.0	0.0
Revenue growth (%)	16.7	16.0	17.4	17.4
EBITDA growth (%)	37.7	23.4	21.8	20.6
OP growth (%)	41.1	25.5	24.0	22.2
EPS growth (%)	46.1	24.3	27.6	18.0
AR turnover (x)	8.1	8.0	7.8	7.8
Inventory turnover (x)	9.7	9.1	8.8	8.8
AP turnover (x)	23.5	20.7	20.3	20.8
ROA (%)	15.3	17.3	18.1	17.6
ROE (%)	17.5	19.0	19.7	19.2
ROIC (%)	38.5	42.3	53.3	62.7
Debt-to-equity ratio (%)	11.7	11.1	10.2	9.4
Current ratio (%)	856.1	971.2	1,109.0	1,226.3
Net debt-to-equity ratio (%)	-44.9	-55.4	-63.7	-70.0
Interest coverage ratio (x)	141.1	6,220.0	7,444.9	8,827.9

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Hugel (145020)	05/20/25	Buy	480,000
	11/07/24	Buy	410,000
	08/22/24	Buy	360,000



Stock ratings

Buy	Expected 12-month return: +20% or greater
Hold	Expected 12-month return: Greater than -10% and less than +10%
Sell	Expected 12-month return: -10% or less

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

As of May 12, 2025, the Trading Buy rating category has been removed from our investment rating system.

Stocks expected to deliver a 12-month return between +10% and less than +20% may be rated either Buy or Hold at the discretion of the research analyst.

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	84.91%	5.59%	8.94%	0.56%
Investment banking services	88.89%	0%	11.11%	0%

* Based on recommendations in the last 12-months (as of June 30, 2025)

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