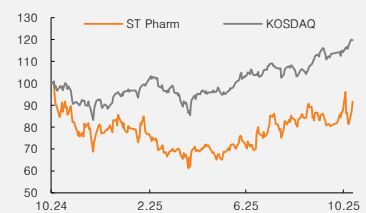


(Maintain)	Buy
Target price	W125,000
Current price (10/29/25)	W100,800
Upside	24.0%

OP (25F, Wbn)	60
Consensus OP (25F, Wbn)	48
EPS growth (25F, %)	43.9
Market EPS growth (25F, %)	26.9
P/E (25F, x)	39.4
Market P/E (25F, x)	14.6
KOSDAQ	901.59

Market cap (Wbn)	2,086
Shares (mn)	21
Free float (%)	61.9
Foreign ownership (%)	6.2
Beta (12M)	0.72
52-week low (W)	67,300
52-week high (W)	105,700

(%)	1M	6M	12M
Absolute	12.5	28.9	6.4
Relative	5.7	3.9	-12.1



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ST Pharm

Above-consensus results led by oligo CDMO revenue

3Q25 review: Oligo CDMO revenue drives solid growth

For 3Q25, ST Pharm reported revenue of W81.9bn (+32.7% YoY) and operating profit of W14.7bn (+141.1% YoY), both well above the consensus estimates (W66.9bn and W6.5bn, respectively). The company recognized oligonucleotide (oligo) CDMO revenue related to a chronic hepatitis B treatment earlier than expected, which appears to have been a major factor driving the strong consensus beat.

Oligo CDMO revenue came in at W68.6bn (+92.9% YoY), including W22.2bn from the chronic hepatitis B treatment, W25.6bn from a rare cardiovascular disease treatment, W7.9bn from a hyperlipidemia treatment, and W7.2bn from an arteriosclerosis treatment. Meanwhile, small-molecule CDMO revenue totaled only W100mn, as shipments of a mitochondrial deficiency syndrome treatment were postponed to 4Q25 amid approval delays, while mRNA-related CDMO revenue came in at W1.4bn, mainly from early-stage R&D projects (including the Smart Cap platform).

Maintain Buy and TP of W125,000; earnings stabilizing

We maintain our Buy rating and target price of W125,000 on ST Pharm. Encouragingly, both revenue and operating profit are becoming more stable as the company's oligo CDMO portfolio becomes more diversified. Out of total oligo CDMO revenue in 3Q25, W25.6bn came from a commercial-scale project for a product that secured FDA approval in August, while W22.2bn came from clinical-stage services for the chronic hepatitis B treatment (482% YoY increase in clinical-stage revenue). Notably, new drug-related oligo CDMO revenue accounted for 83.8% of overall revenue in 3Q25, supporting strong profitability (OP margin of 18%).

For 2025, we look for revenue of W343.1bn (+25% YoY) and operating profit of W59.6bn (+115% YoY). We expect fourth-quarter earnings to be the strongest of the year (as they were in 2024). As the number of FDA-approved oligo CDMO products has expanded to five, quarterly revenue volatility stemming from shipment timing differences across products is expected to ease. In 2025 alone, ST Pharm has secured 13 new CDMO orders, bringing the total number of active projects to 43. Of note, Novartis's Leqvio (a key product) generated sales of US\$380mn in 3Q25, up 56% YoY. As Leqvio sales expand, ST Pharm is likely to see YoY growth in related CDMO orders. The stock is currently trading at a 2026F P/E of 38x. We believe valuation pressure is easing as earnings improve.

(Dec.)	2023	2024	2025F	2026F	2027F
Revenue (Wbn)	285	274	343	401	480
OP (Wbn)	34	28	60	68	91
OP margin (%)	11.9	10.2	17.5	17.0	19.0
NP (Wbn)	20	35	52	55	73
EPS (W)	1,041	1,780	2,561	2,652	3,531
ROE (%)	5.4	7.8	9.9	9.6	11.7
P/E (x)	65.1	50.0	39.4	38.0	28.5
P/B (x)	3.3	3.6	3.8	3.5	3.2
Dividend yield (%)	0.7	0.6	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. 3Q25 review

(Wbn, %, %p)

	3Q24	2Q25	3Q25P		Growth	
			Preliminary	Consensus	YoY	QoQ
Revenue	61.7	68.3	81.9	66.9	32.7	20.0
OP	6.1	12.9	14.7	6.5	141.1	13.8
OP margin (%)	9.9	18.9	17.9	9.8	8.0	-1.0
Pretax profit	14.9	6.9	14.7	-	-1.3	112.7
NP	14.6	5.4	20.6	6.1	40.8	279.3

Source: Company data, Mirae Asset Securities Research

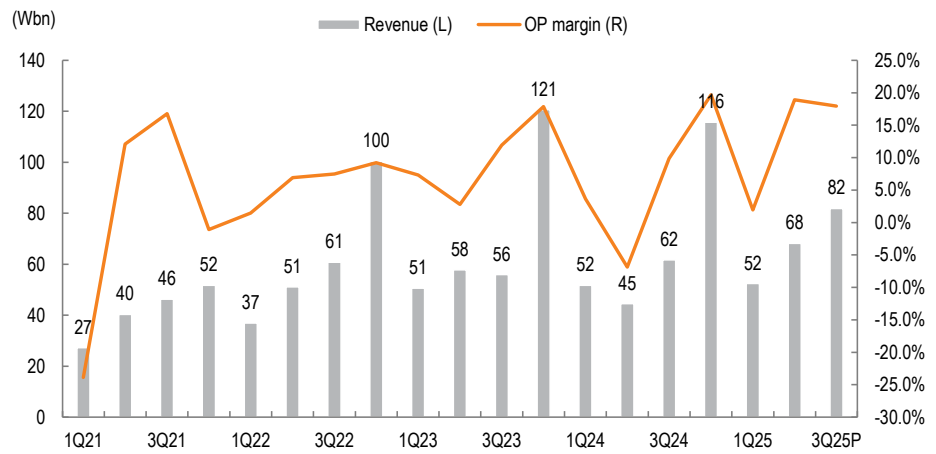
Table 2. Quarterly/annual earnings and forecasts

(Wbn)

		1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25P	4Q25F	2023	2024	2025F	2026F
Revenue		51.7	44.6	61.7	115.7	52.4	68.2	81.9	140.5	285.0	273.8	343.1	401.1
YoY		2.1%	-22.8%	10.3%	-4.1%	1.3%	52.9%	32.7%	21.4%	14.3%	-3.9%	25.3%	16.9%
New drug API CDMO	Small-molecule	4.4	1.6	8.8	10.9	1.1	6.7	0.1	13.1	21.7	25.7	21.0	25.2
	Oligo	34.5	23.8	35.6	82.2	37.5	43.5	68.6	111.0	169.6	176.1	260.6	312.7
OP		1.9	(3.1)	6.1	22.8	1.0	12.8	14.7	30.9	33.5	27.7	59.6	67.9
YoY		-49.3%	TTR	-8.6%	5.8%	-46.8%	TTR	141.1%	35.7%	87.7%	-17.4%	115.1%	14.1%
NP		5.4	0.9	13.7	12.4	0.7	5.4	20.4	24.7	17.5	32.5	51.2	54.3
YoY		87.8%	-25.4%	307.8%	23.6%	-86.9%	491.7%	48.7%	98.8%	0.0%	85.3%	57.6%	6.2%

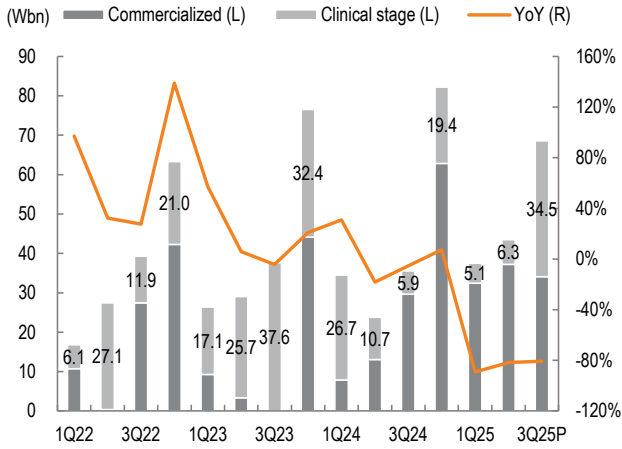
Source: Company data, Mirae Asset Securities Research

Figure 1. Revenue and OP margin



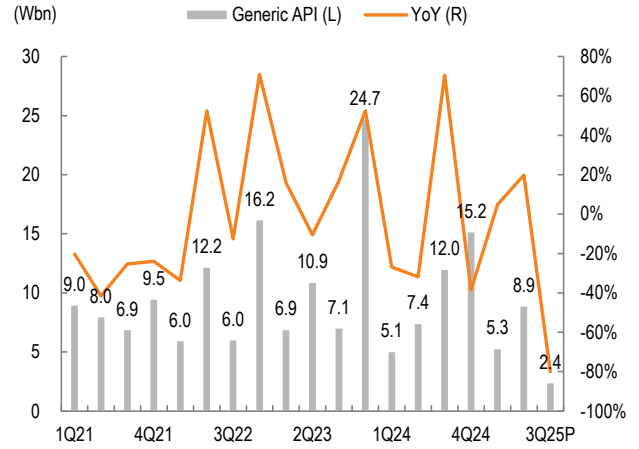
Source: Company data, Mirae Asset Securities Research

Figure 2. Oligo CDMO revenue



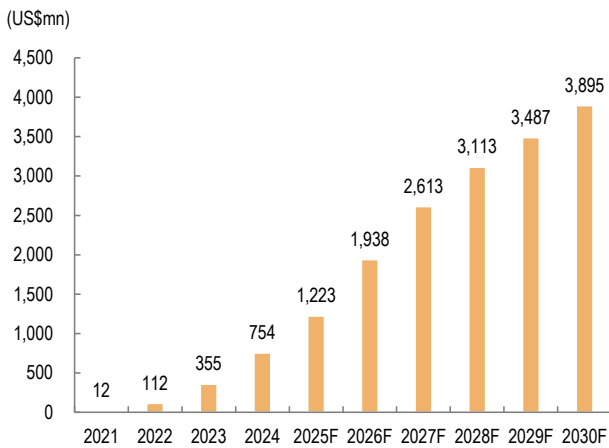
Source: Company data, Mirae Asset Securities Research

Figure 3. Generic API CDMO revenue



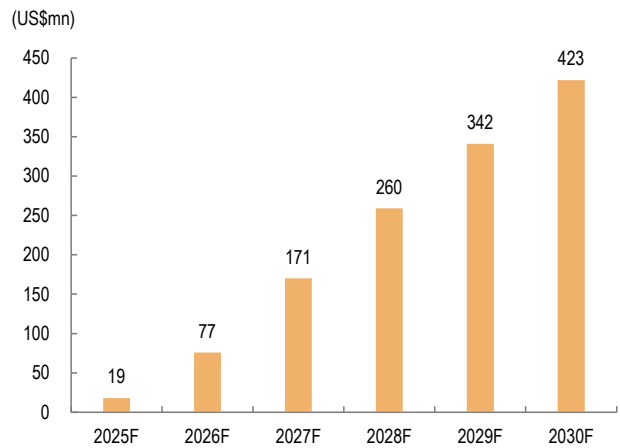
Source: Company data, Mirae Asset Securities Research

Figure 4. Leqvio revenue outlook



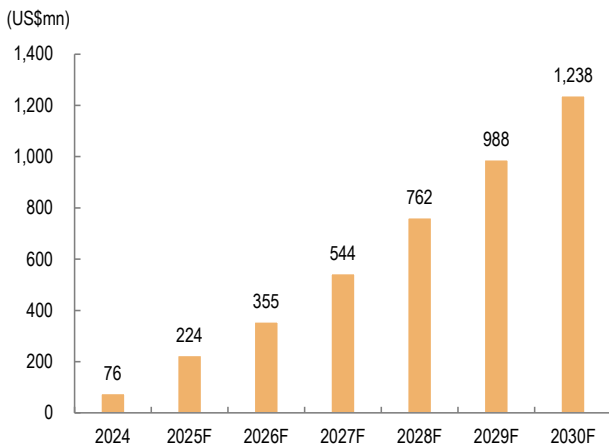
Source: Evaluate Pharma, Mirae Asset Securities Research

Figure 5. Dawnzera revenue outlook



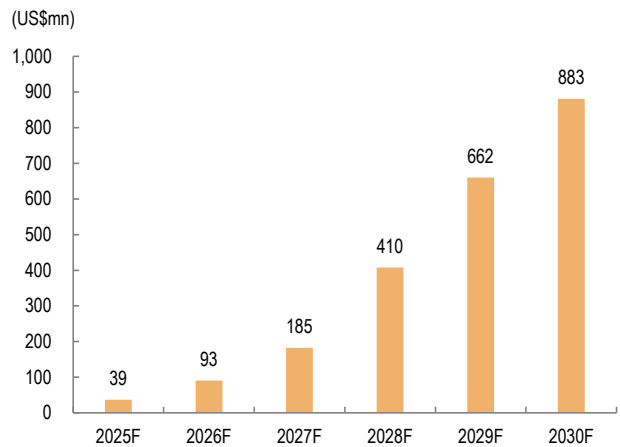
Source: Evaluate Pharma, Mirae Asset Securities Research

Figure 6. Rytelo revenue outlook



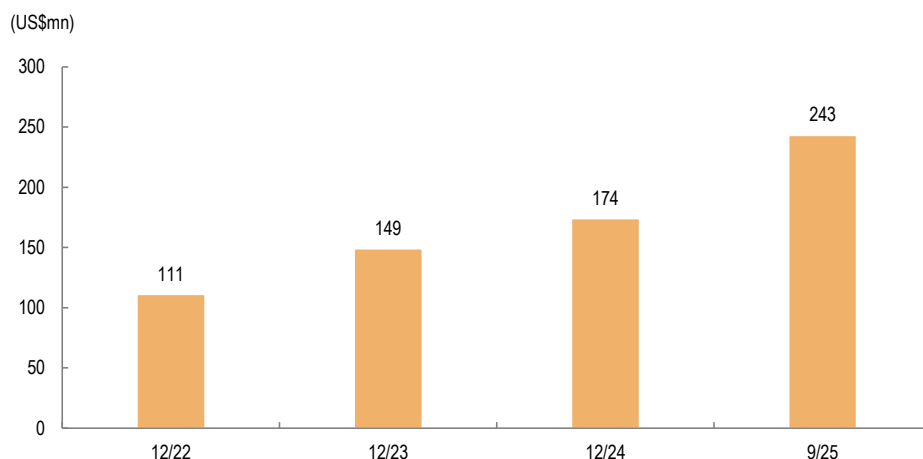
Source: Evaluate Pharma, Mirae Asset Securities Research

Figure 7. Tryngolza revenue outlook



Source: Evaluate Pharma, Mirae Asset Securities Research

Figure 8. Order backlog trend



Source: Company data, Bloomberg, Mirae Asset Securities Research

Table 3. Oligo order pipeline (partial)

Partner	Indication	Phase
Global pharma A	Hyperlipidemia	Commercialization
Global pharma B	Spinal muscular atrophy	Commercialization
Global biotech firm C	MDS/MF/AML	Commercialization
Global biotech firm D	Cardiovascular disease	Commercialization
Global biotech firm D	Hereditary angioedema	FDA approval
Global pharma A	Arteriosclerosis	Phase 3
Global pharma E	Chronic hepatitis B	Phase 3
Global biotech firm D	Thrombosis	Phase 2
Global pharma F	Chronic hepatitis B	Phase 2
Global pharma G	Macular degeneration	Phase 2
Global pharma G	Chronic hepatitis B	Phase 2

Source: Company data, Mirae Asset Securities Research

ST Pharm (237690 KQ)

Income statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Revenue	274	343	401	480
Cost of revenue	178	206	259	307
GP	96	137	142	173
SG&A expenses	68	78	74	82
OP (adj.)	28	60	68	91
OP	28	60	68	91
Non-operating profit	15	-6	0	0
Net financial income	-3	0	0	0
Net income from associates	0	0	0	0
Pretax profit	43	54	68	91
Income tax	10	12	14	19
Profit from continuing operations	32	43	54	72
Profit from discontinued operations	0	9	0	0
NP	32	51	54	72
Attributable to owners	35	52	55	73
Attributable to minority interests	-2	-1	-1	-1
Total comprehensive income	32	52	54	72
Attributable to owners	34	53	56	74
Attributable to minority interests	-2	-2	-1	-2
EBITDA	53	86	92	114
FCF	27	44	50	60
EBITDA margin (%)	19.3	25.1	22.9	23.8
OP margin (%)	10.2	17.5	17.0	19.0
Net margin (%)	12.8	15.2	13.7	15.2

Balance sheet (summarized)

(Wbn)	2024	2025F	2026F	2027F
Current assets	330	422	506	606
Cash & equivalents	63	157	191	229
AR & other receivables	69	84	99	119
Inventory	127	154	183	219
Other current assets	71	27	33	39
Non-current assets	392	400	380	362
Investments in associates	0	0	0	0
PP&E	336	346	323	301
Intangible assets	17	16	15	14
Total assets	722	823	886	968
Current liabilities	133	184	198	211
AP & other payables	32	39	46	55
Short-term financial liabilities	73	111	111	107
Other current liabilities	28	34	41	49
Non-current liabilities	86	93	99	106
Long-term financial liabilities	62	64	64	64
Other non-current liabilities	24	29	35	42
Total liabilities	219	277	296	316
Equity attributable to owners	503	547	592	654
Capital stock	10	10	10	10
Capital surplus	316	316	316	316
Retained earnings	159	202	246	309
Minority interests	0	-1	-2	-2
Shareholders' equity	503	546	590	652

Cash flow statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Operating cash flow	109	70	50	60
NP	32	51	54	72
Non-cash income/expenses	45	49	38	42
Depreciation	25	25	23	22
Amortization	1	1	1	1
Other	19	23	14	19
Chg. in working capital	37	-11	-28	-35
Chg. in AR & other receivables	53	-17	-15	-19
Chg. in inventory	-13	-30	-29	-36
Chg. in AP & other payables	-7	3	2	3
Income tax	-5	-19	-14	-19
Cash flow from investing activities	-87	-25	-6	-7
Chg. in PP&E	-83	-27	0	0
Chg. in intangible assets	0	0	0	0
Chg. in financial assets	24	-6	-6	-7
Other	-28	8	0	0
Cash flow from financing activities	-11	4	-10	-14
Chg. in financial liabilities	-75	40	0	-4
Chg. in equity	90	0	0	0
Dividends	-9	-10	-10	-10
Other	-17	-26	0	0
Chg. in cash	13	93	34	38
Beginning balance	50	63	157	191
Ending balance	63	157	191	229

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

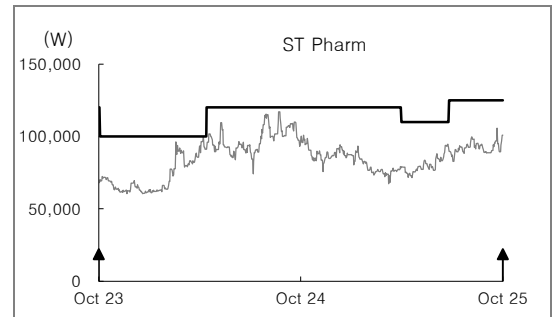
	2024	2025F	2026F	2027F
P/E (x)	50.0	39.4	38.0	28.5
P/CF (x)	22.3	20.5	22.6	18.3
P/B (x)	3.6	3.8	3.5	3.2
EV/EBITDA (x)	34.8	24.4	22.3	17.7
EPS (W)	1,780	2,561	2,652	3,531
CFPS (W)	3,984	4,919	4,459	5,500
BPS (W)	24,966	26,418	28,570	31,601
DPS (W)	500	500	500	500
Dividend payout ratio (%)	31.0	20.2	19.1	14.3
Dividend yield (%)	0.6	0.5	0.5	0.5
Revenue growth (%)	-3.9	25.3	16.9	19.5
EBITDA growth (%)	-5.8	60.7	7.8	23.3
OP growth (%)	-17.4	115.1	14.0	34.2
EPS growth (%)	71.0	43.9	3.6	33.1
AR turnover (x)	2.9	4.6	4.5	4.5
Inventory turnover (x)	2.2	2.4	2.4	2.4
AP turnover (x)	12.5	17.4	18.3	18.2
ROA (%)	4.6	6.6	6.4	7.8
ROE (%)	7.8	9.9	9.6	11.7
ROIC (%)	4.2	9.1	9.8	12.8
Debt-to-equity ratio (%)	43.5	50.8	50.3	48.5
Current ratio (%)	247.7	229.8	256.1	287.6
Net debt-to-equity ratio (%)	12.3	1.2	-5.0	-11.4
Interest coverage ratio (x)	3.6	0.0	0.0	0.0

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
ST Pharm (237690)	07/25/25	Buy	125,000
	04/30/25	Buy	110,000
	05/13/24	Buy	120,000
	11/02/23	Buy	100,000
	03/20/23	Buy	120,000



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	78.61%	1.73%	19.08%	0.58%
Investment banking services	84.62%	0%	15.38%	0%

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

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