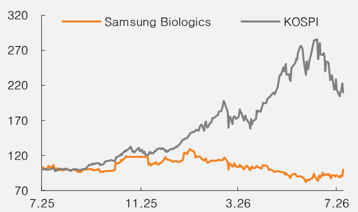
MIRAE ASSET Securities

Equity Research
July 27, 2026

(Maintain)	**Buy**
Target price	▼ **W2,100,000**
Current price (7/24/26)	W1,518,000
Upside	38.3%

OP (26F, Wbn)	2,367
Consensus OP (26F, Wbn)	2,414
EPS growth (26F, %)	58.4
Market EPS growth (26F, %)	260.0
P/E (26F, x)	36.1
Market P/E (26F, x)	6.9
KOSPI	6,690.62
Market cap (Wbn)	70,270
Shares (mn)	46
Free float (%)	25.5
Foreign ownership (%)	12.9
Beta (12M)	0.25
52-week low (W)	996,000
52-week high (W)	1,965,000

(%)	1M	6M	12M
Absolute	9.6	-15.8	39.5
Relative	38.8	-37.2	-33.5



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Samsung Biologics

Order concerns ease as growth drivers expand

Lower TP to W2,100,000 (from W2,300,000), but maintain Buy rating

We derived our target price for Samsung Biologics by applying an EV/EBITDA of 33x to the present value of 2027F EBITDA (W2.85tr), vs. the present value of 2028F EBITDA (W3.05tr) previously. Our target multiple represents a 50% premium to Lonza's five-year average multiple, as we expect Samsung Biologics to see faster earnings improvement than peers while maintaining industry-leading profitability.

Reflecting weaker-than-expected order momentum, we now expect Plant 5 to reach full utilization in 2029 rather than 2028 and have lowered our utilization assumptions accordingly. We also reduced our target multiple to 33x (from 35x) to reflect the broader valuation compression across the CDMO sector. That said, we see upside to our utilization/earnings estimates and target price depending on whether non-binding commitments translate into actual orders. We also plan to incorporate the value of PolyPeptide Group into our estimates and valuation once the acquisition closes.

2Q26 preliminary results and full-year outlook

For 2Q26, Samsung Biologics reported consolidated revenue of W1.32tr (+30% YoY, +5% QoQ), operating profit of W586.4bn (+23% YoY, +1% QoQ), an OP margin of 44.4% (-2.7%p YoY, -1.8%p QoQ), and an EBITDA margin of 52.9% (-3.5%p YoY, -0.8%p QoQ). Both revenue and operating profit were broadly in line with the consensus. Plants 1–4 continued operating at full capacity. In addition, efforts to optimize utilization by minimizing product changeovers together with a strong US dollar (average USD/KRW rate: 1,501) supported top-line growth. That said, margins narrowed slightly, as costs associated with Plant 5 process performance qualification (PPQ) batch production and operation of the Rockville facility were recognized ahead of the associated revenue. The relevant revenue contributions are likely to begin ramping up from 3Q26.

The 2Q26 labor strikes disrupted the production of roughly 20 batches, and the associated revenue (roughly W150bn) is now expected to be recognized in 3Q26. Management believes part of the production shortfall can be recovered within the year through production rescheduling, with favorable FX providing an additional offset. The company revised its previous expectation for steady sequential quarterly revenue growth, now expecting growth to moderate in 3Q26 before becoming more concentrated in 4Q26. Reflecting expected contributions from Plant 5 and the Rockville facility, the company raised its 2026 revenue growth guidance to 20% YoY.

For 2026, we look for revenue of W5.47tr (+20% YoY), operating profit of W2.37tr (+14% YoY), an OP margin of 43.2% (-2.2%p YoY), and an EBITDA margin of 51.1% (-2.4%p YoY). We expect Plants 1–4 to remain fully utilized throughout the year and forecast 2H26 revenue from Plant 5 and the Rockville facility at W126.9bn and W246.8bn, respectively. We expect Plant 6 investment plans to be tied to additional orders for Plant 5, while PolyPeptide's earnings are likely to be consolidated from 2027.

(Dec.)	2024	2025	2026F	2027F	2028F
Revenue (Wbn)	3,497	4,557	5,475	6,134	7,061
OP (Wbn)	1,321	2,069	2,367	2,610	3,110
OP margin (%)	37.8	45.4	43.2	42.5	44.0
NP (Wbn)	1,083	1,784	1,948	2,152	2,637
EPS (W)	15,221	26,572	42,083	46,497	56,966
ROE (%)	10.4	19.4	23.1	20.5	20.5
P/E (x)	91.8	63.8	36.1	32.6	26.6
P/B (x)	9.1	7.6	5.7	4.9	4.1
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0

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

PolyPeptide acquisition to broaden CDMO modality portfolio into peptides

PolyPeptide Group is a global peptide CDMO headquartered in Baar, Switzerland. Established in 1996, the company has operated six cGMP manufacturing plants across five countries (Sweden, Belgium, the US, France, and India) and built a track record spanning more than 1,000 peptide therapeutics development and manufacturing projects. On Jul. 18, Samsung Biologics signed an agreement to acquire PolyPeptide for CHF44.31 per share, implying an equity value of approximately CHF1.5bn (around W2.7tr).

Following a public tender offer between September and November, the acquisition is expected to proceed once more than two-thirds (66.7%) of the voting rights have been secured. Samsung Biologics aims to complete the transaction by year-end and ultimately acquire 100% ownership. If the acquisition closes as scheduled, PolyPeptide's earnings are expected to be fully consolidated beginning in 2027.

Through the acquisition, Samsung Biologics is likely to broaden its antibody-focused CDMO portfolio into peptides while gaining immediate access to proven development and commercial manufacturing infrastructure in the key US and European markets. The deal aligns well with the company's three-pronged growth strategy of expanding its capacity, portfolio, and global footprint.

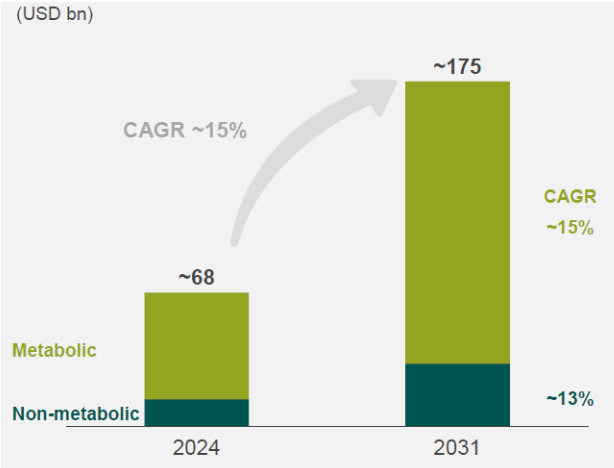
The global therapeutic peptide market is expected to grow at a CAGR of approximately 15%, from about US$68bn in 2024 to roughly US$175bn by 2031. Metabolic disease therapies, led by GLP-1-based treatments, are expected to remain the primary growth driver. There are currently 572 peptide candidates in phase 1–3 clinical development or the pre-approval stage, with metabolic diseases accounting for 22% of the pipeline. Other candidates are spread across a wide range of therapeutic areas, including oncology (18%), neurology (12%), cardiovascular diseases (8%), and infectious diseases (7%). This suggests that the growth opportunity for peptide CDMOs extends well beyond GLP-1 therapies.

PolyPeptide is working on 37 metabolic disease projects for around 25 customers, including seven that have reached phase 3 trials. It also supports 10 commercial-stage metabolic programs. Its business extends beyond injectable GLP-1s to include oral peptides, multi-agonists, and combination therapies. Rather than relying on a single customer or production site, the company has built a diversified production network spanning multiple customers, technologies, and regions, which is a key strength.

The company's financial performance has also continued to improve, with both revenue and margins expanding. Revenue rose from EUR320mn in 2023 to EUR389mn in 2025, and the company is targeting EUR640mn by 2028. EBITDA margin improved from -1.9% in 2023 to 12% in 2025, with a target of approaching 25% by 2028. As late-stage clinical projects move into commercial production and facility utilization rates rise, revenue growth should drive meaningful operating leverage.

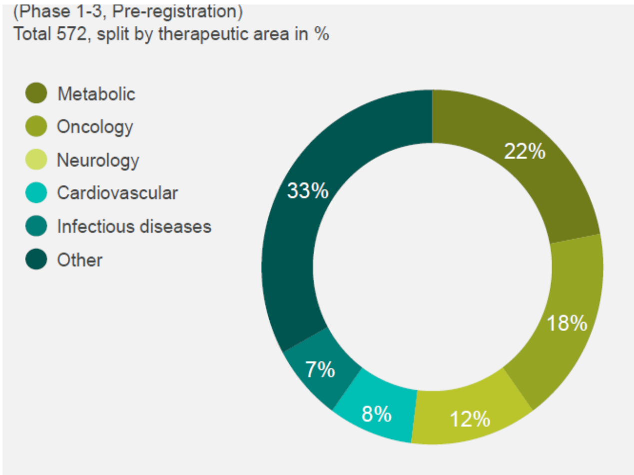
Big pharmas are increasingly pursuing multiple modalities—including antibodies and peptides—even within the same therapeutic area. This should create opportunities for Samsung Biologics to offer PolyPeptide's peptide development and manufacturing services to its existing antibody customers, while also cross-selling its antibody CDMO capabilities to PolyPeptide's customer base.

Figure 1. Global therapeutic peptide market potential



Source: PolyPeptide, Mirae Asset Securities Research

Figure 2. Peptide drug pipeline by therapeutic area



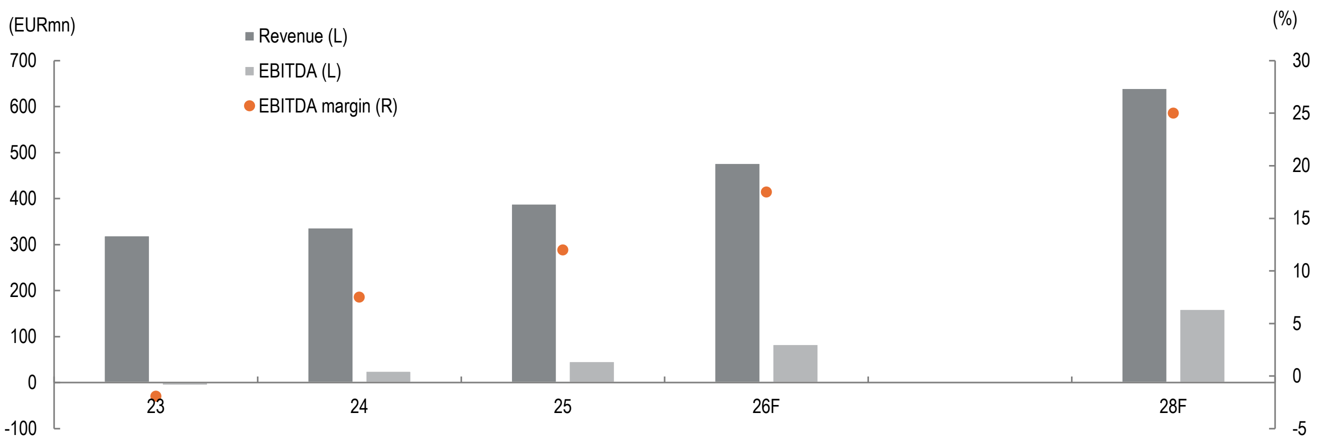
Source: PolyPeptide, Mirae Asset Securities Research

Figure 3. PolyPeptide: Earnings trend and guidance (1)

	2023A	2024A	2025A	2026 Guidance	2028 Outlook
Revenue EUR m	320	337 *(+5.1% growth)*	389 *(+15.6% growth)*	20% to 25% growth vs. 2025[1]	Double 2023 revenue
EBITDA Margin	-1.9%	7.5%	12.0%	Mid- to high-teens	Approaching 25%
CAPEX (in % of Revenue)	17.1%	26.1%	28.2%	15-20%	15% to 20%

Source: PolyPeptide, Mirae Asset Securities Research

Figure 4. PolyPeptide: Earnings trend and guidance (2)



Source: PolyPeptide, Mirae Asset Securities Research

Table 1. Valuation table

	Value	Notes
Samsung Biologics - CDMO (Wbn)	95,224 (vs. 105,068 previously)	- Based on present value of 2027F EBITDA (W2.85tr; WACC: 7.5%); previously based on present value of 2028F EBITDA (W3.05tr), assuming full utilization of Plant 5 - Target EV/EBITDA of 33x (50% premium to Lonza's five-year average EV/EBITDA); lowered from 35x to reflect the recent multiple compression among CDMO peers - Valuation premium (50%) reflects higher EBITDA growth and EBITDA margin vs. Lonza
Net cash (Wbn)	2,200	- 2026F
Fair value (Wbn)	97,424	
No. of shares ('000)	46,240	
Fair value/share (W)	2,106,949	- TP: W2,100,000 (-9% vs. previous TP of W2,300,000)
Current price (W)	1,518,000	
Upside	38.3%	

Source: Mirae Asset Securities Research

Table 2. Samsung Biologics: 2Q26P review (standalone)

(Wbn, %, %p)

	2Q25	1Q26	2Q26P			Growth	
			Preliminary	Consensus	Diff.	YoY	QoQ
Revenue	1,014.2	1,257.1	1,320.9	1,322.2	-0.1	30.2	5.1
OP	477.0	580.8	586.4	599.7	-2.2	22.9	1.0
OP margin	47.0	46.2	44.4	45.4	-1.0	-2.6	-1.8
NP	324.4	469.2	430.5	462.5	-6.9	32.7	-8.3
Net margin	32.0	37.3	32.6	35.0	-2.4	1.9	-12.7

Note: Under non-consolidated K-IFRS

Source: QuantiWise, Mirae Asset Securities Research

Table 3. Samsung Biologics: Quarterly/annual earnings and forecasts (standalone)

(Wbn, %)

	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26P	3Q26F	4Q26F	2024	2025	2026F	2027F
Revenue	999.5	1,014.2	1,257.5	1,285.7	1,257.1	1,320.9	1,391.0	1,505.6	3,497.1	4,556.9	5,474.6	6,133.7
YoY					25.8	30.2	10.6	17.1	19.0	30.3	20.1	12.0
Plant 1	106.8	120.4	120.4	109.4	123.1	130.2	110.9	122.5	394.0	457.0	486.7	468.4
Plant 2	270.4	303.2	320.8	309.7	303.0	305.6	296.7	335.7	1,071.5	1,204.2	1,241.0	1,284.6
Plant 3	320.1	335.4	363.7	351.1	343.3	334.4	324.3	355.3	1,302.9	1,370.3	1,357.4	1,404.9
Plant 4	263.0	356.8	402.4	407.7	440.6	467.5	419.8	447.6	661.6	1,429.9	1,775.5	1,903.3
Plant 5							43.3	83.6			126.9	572.0
Rockville							146.0	100.8			246.8	240.5
Services	78.1	44.5	37.6	38.5	34.4	40.0	50.0	60.0	111.3	198.7	184.4	260.0
GP	542.0	566.2	736.4	672.2	679.9	699.9	737.2	790.5	1,711.2	2,516.6	2,907.5	3,203.7
YoY					25.4	23.6	0.1	17.6	-5.1	47.1	15.5	10.2
Gross margin	54.2	55.8	58.6	52.3	54.1	53.0	53.0	52.5	48.9	55.2	53.1	52.2
OP	430.1	477.0	633.4	528.3	580.8	586.4	580.7	619.5	1,321.4	2,068.8	2,367.4	2,610.1
YoY					35.0	22.9	-8.3	17.3	18.6	56.6	14.4	10.3
OP margin	43.0	47.0	50.4	41.1	46.2	44.4	41.7	41.1	37.8	45.4	43.2	42.6
EBITDA	514.6	572.1	728.5	623.5	675.3	698.4	693.6	731.2	1,920.5	2,438.7	2,798.6	3,083.5
YoY					31.2	22.1	-4.8	17.3	19.8	27.0	14.8	10.2
EBITDA margin	51.5	56.4	57.9	48.5	53.7	52.9	49.9	48.6	54.9	53.5	51.1	50.3
NP	331.3	324.4	574.5	510.0	469.2	430.4	413.0	635.4	1,083.3	1,784.4	1,948.1	2,152.4
YoY					41.6	32.7	-28.1	24.6	26.3	64.7	9.2	10.5
Net margin	33.1	32.0	45.7	39.7	37.3	32.6	29.7	42.2	31.0	39.2	35.6	35.1

Notes: Under non-consolidated K-IFRS; revenue figures by plant are not disclosed by the company and are therefore estimates.

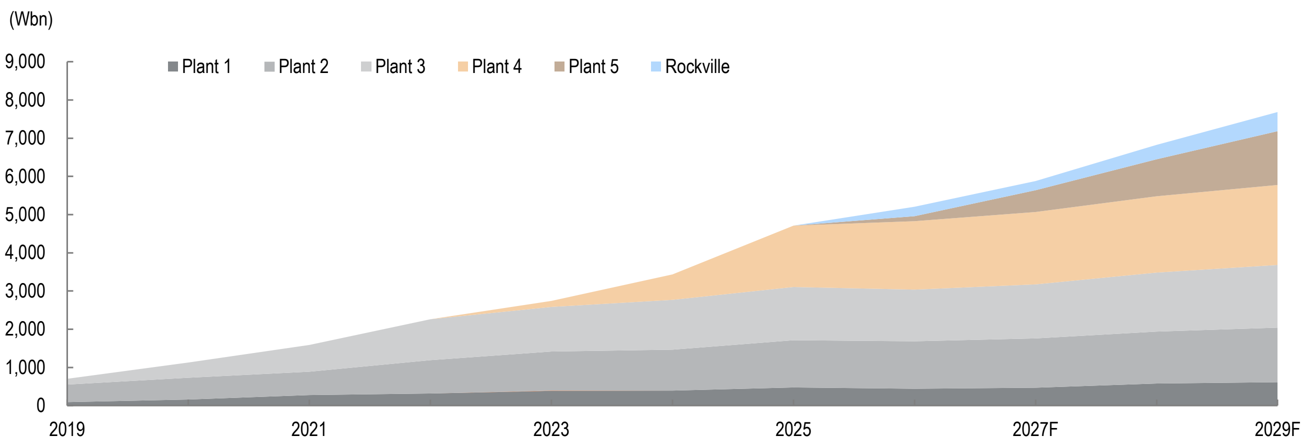
Source: Mirae Asset Securities Research

Table 4. Samsung Biologics: Annual earnings and forecasts (standalone) (Wbn, %)

	2019	2020	2021	2022	2023	2024	2025	2026F	2027F	2028F	2029F
Revenue	702	1,165	1,568	2,437	2,939	3,497.1	4,557	5,475	6,134	7,061	7,653
YoY	30.9	66.0	34.6	55.4	20.6	19.0	30.3	20.1	12.0	15.1	8.4
Plant 1	87	156	273	318	389	394	473	440	468	577	612
Utilization	75%	80%	83%	86%	86%	80%	84%	70%	68%	85%	85%
Plant 2	464	575	613	873	1,023	1,071	1,237	1,244	1,289	1,361	1,429
Utilization	73%	80%	80%	75%	85%	84%	88%	81%	83%	84%	84%
Plant 3	149	396	701	1,065	1,169	1,303	1,394	1,348	1,413	1,545	1,639
Utilization	23%	46%	76%	83%	83%	82%	88%	80%	83%	85%	85%
Plant 4					154	662	1,608	1,794	1,894	1,993	2,093
Utilization					13%	36%	80%	84%	86%	85%	85%
Plant 5								127	572	972	1,408
Utilization								15%	33%	53%	73%
Rockville								247	240	374	501
Utilization								60%	36%	53%	76%
Services	53	62	126	176	279	111	199	184	260	350	430
OP	92	293	536	968	1,204	1,321.3	2,069	2,367	2,610	3,110	3,652
YoY		218.9	83.4	80.4	24.4	9.7	56.6	14.4	10.3	19.2	17.4
OP margin	13.1	25.1	34.2	39.7	41.0	37.8	45.4	43.2	42.6	44.0	47.7
EBITDA	225	436	699	1,292	1,603	1,835	2,454	2,799	3,087	3,601	4,158
YoY		94.3	60.2	84.8	24.1	14.4	33.7	14.1	10.3	16.6	15.5
EBITDA margin	32.0	37.5	44.6	53.0	54.6	52.5	53.8	51.1	50.3	51.0	54.3

Source: Company data, Mirae Asset Securities Research

Figure 5. Revenue estimates by plant



Source: Mirae Asset Securities Research

Samsung Biologics (207940 KS)

Income statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Revenue	**4,557**	**5,475**	**6,134**	**7,061**
Cost of revenue	**2,040**	**2,567**	**2,930**	**3,429**
GP	**2,517**	**2,908**	**3,204**	**3,632**
SG&A expenses	**447**	**540**	**594**	**522**
OP (adj.)	**2,069**	**2,367**	**2,610**	**3,110**
OP	**2,069**	**2,367**	**2,610**	**3,110**
Non-operating profit	**50**	**68**	**151**	**243**
Net financial income	17	68	151	243
Net income from associates	43	0	0	0
Pretax profit	2,119	2,435	2,761	3,353
Income tax	504	487	609	716
Profit from continuing operations	1,614	1,948	2,152	2,637
Profit from discontinued operations	170	0	0	0
NP	**1,784**	**1,948**	**2,152**	**2,637**
Attributable to owners	1,784	1,948	2,152	2,637
Attributable to minority interests	0	0	0	0
Total comprehensive income	**1,779**	**1,948**	**2,152**	**2,637**
Attributable to owners	1,779	1,948	2,152	2,637
Attributable to minority interests	0	0	0	0
EBITDA	2,703	2,799	3,083	3,597
FCF	856	2,331	2,591	3,075
EBITDA margin (%)	59.3	51.1	50.3	50.9
OP margin (%)	45.4	43.2	42.5	44.0
Net margin (%)	39.1	35.6	35.1	37.3

Balance sheet (summarized)

(Wbn)	2025	2026F	2027F	2028F
Current assets	**4,408**	**7,300**	**10,301**	**13,955**
Cash & equivalents	149	2,182	4,568	7,355
AR & other receivables	665	798	894	1,030
Inventory	2,128	2,557	2,864	3,298
Other current assets	1,466	1,763	1,975	2,272
Non-current assets	**6,652**	**5,931**	**5,471**	**5,002**
Investments in associates	78	94	105	121
PP&E	6,029	5,612	5,152	4,679
Intangible assets	60	46	32	18
Total assets	**11,061**	**13,231**	**15,772**	**18,957**
Current liabilities	**2,533**	**2,659**	**2,979**	**3,429**
AP & other payables	172	206	231	266
Short-term financial liabilities	327	9	10	11
Other current liabilities	2,034	2,444	2,738	3,152
Non-current liabilities	**1,077**	**1,173**	**1,242**	**1,339**
Long-term financial liabilities	600	600	600	600
Other non-current liabilities	477	573	642	739
Total liabilities	**3,610**	**3,832**	**4,221**	**4,768**
Equity attributable to owners	**7,451**	**9,399**	**11,552**	**14,189**
Capital stock	116	116	116	116
Capital surplus	3,392	3,392	3,392	3,392
Retained earnings	6,871	8,819	10,971	13,608
Minority interests	**0**	**0**	**0**	**0**
Shareholders' equity	**7,451**	**9,399**	**11,552**	**14,189**

Cash flow statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Operating cash flow	**2,248**	**2,331**	**2,591**	**3,075**
NP	1,784	1,948	2,152	2,637
Non-cash income/expenses	1,187	851	931	960
Depreciation	369	417	459	473
Amortization	265	14	14	14
Other	553	420	458	473
Chg. in working capital	-131	-48	-35	-49
Chg. in AR & other receivables	293	-132	-95	-133
Chg. in inventory	-388	-429	-308	-433
Chg. in AP & other payables	-226	12	9	12
Income tax	-602	-487	-609	-716
Cash flow from investing activities	**-1,862**	**-271**	**-195**	**-274**
Chg. in PP&E	-1,390	0	0	0
Chg. in intangible assets	-83	0	0	0
Chg. in financial assets	-377	-271	-195	-274
Other	-12	0	0	0
Cash flow from financing activities	**-621**	**-318**	**1**	**1**
Chg. in financial liabilities	-564	-318	1	1
Chg. in equity	-2,333	0	0	0
Dividends	0	0	0	0
Other	2,276	0	0	0
Chg. in cash	**-242**	**2,033**	**2,386**	**2,786**
Beginning balance	391	149	2,182	4,568
Ending balance	149	2,182	4,568	7,355

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

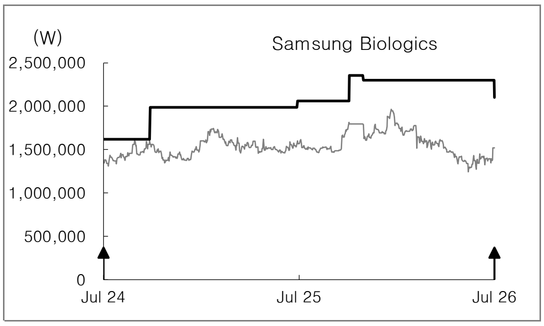
	2025	2026F	2027F	2028F
P/E (x)	63.8	36.1	32.6	26.6
P/CF (x)	38.3	25.1	22.8	19.5
P/B (x)	7.6	5.7	4.9	4.1
EV/EBITDA (x)	28.8	24.0	20.9	17.1
EPS (W)	26,572	42,083	46,497	56,966
CFPS (W)	44,251	60,456	66,611	77,707
BPS (W)	223,776	265,859	312,356	369,321
DPS (W)	0	0	0	0
Dividend payout ratio (%)	0.0	0.0	0.0	0.0
Dividend yield (%)	0.0	0.0	0.0	0.0
Revenue growth (%)	30.3	20.1	12.0	15.1
EBITDA growth (%)	40.7	3.5	10.2	16.7
OP growth (%)	56.6	14.4	10.3	19.2
EPS growth (%)	74.6	58.4	10.5	22.5
AR turnover (x)	13.9	7.6	7.4	7.4
Inventory turnover (x)	1.8	2.3	2.3	2.3
AP turnover (x)	17.2	39.0	38.5	39.6
ROA (%)	12.6	16.0	14.8	15.2
ROE (%)	19.4	23.1	20.5	20.5
ROIC (%)	16.5	28.3	31.9	40.7
Debt-to-equity ratio (%)	48.4	40.8	36.5	33.6
Current ratio (%)	174.0	274.5	345.8	406.9
Net debt-to-equity ratio (%)	-7.5	-33.8	-49.8	-62.1
Interest coverage ratio (x)	70.9	127.8	177.6	211.1

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Samsung Biologics (207940)	07/27/26	Buy	2,100,000
	11/24/25	Buy	2,300,000
	10/29/25	Buy	2,354,790
	07/24/25	Buy	2,060,442
	10/22/24	Buy	1,986,854
	07/19/24	One year	



Stock ratings		Sector ratings	
Buy	Expected 12-month return: +20% or greater	Overweight	Expected to outperform the market over 12 months
Hold	Expected 12-month return: Greater than -10% and less than +10%	Neutral	Expected to perform in line with the market over 12 months
Sell	Expected 12-month return: -10% or less	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.
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	Buy	Trading Buy	Hold	Sell
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