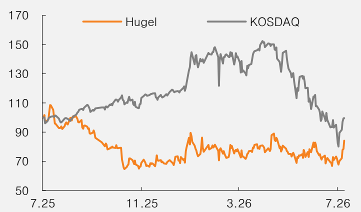
MIRAE ASSET Securities

Equity Research
August 7, 2026

(Maintain)	Buy
Target price	W350,000
Current price (8/6/26)	W279,000
Upside	25.4%

OP (26F, Wbn)	213
Consensus OP (26F, Wbn)	217
EPS growth (26F, %)	17.7
Market EPS growth (26F, %)	277.0
P/E (26F, x)	20.9
Market P/E (26F, x)	6.2
KOSDAQ	801.67
Market cap (Wbn)	3,492
Shares (mn)	13
Free float (%)	43.5
Foreign ownership (%)	56.7
Beta (12M)	0.66
52-week low (W)	214,000
52-week high (W)	360,000

(%)	1M	6M	12M
Absolute	13.6	14.6	-18.4
Relative	20.1	54.5	-18.2



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Hugel

2Q26 review: Solid results ease concerns

2Q26 review: Stable earnings despite higher SG&A costs

For 2Q26, Hugel reported revenue of W137.9bn (+25% YoY) and operating profit of W56bn (-1.2% YoY), beating the consensus estimates (W126.9bn and W51.2bn, respectively). The strong results were driven by increased botulinum toxin sales across all regions alongside growth in cosmetics revenue. While operating profit declined slightly YoY due to expenses associated with the launch of direct sales operations in the US and global medical marketing activities, OP margin remained solid at 41%. Gross margin narrowed 2%p YoY to 77%, reflecting the impact of non-commercial batch production at Plant 3 and a higher contribution from cosmetics.

Botulinum toxin export revenue reached W63.5bn (+51% YoY), driven by strong shipments to the company's four key markets—the US, Brazil, Europe, and China—as well as to Australia. Domestic botulinum toxin revenue increased 7.6% YoY. In China, despite intensifying competition, the company continues to deliver steady growth through its differentiated strategy centered on 50U vials and brand-building efforts.

For fillers, export revenue rose 0.4% YoY to W27.8bn, while domestic revenue declined 2.6% YoY to W6.3bn. Although the trend warrants further monitoring, recent results from competitors suggest that the filler market may be returning to growth following two years of contraction. Meanwhile, cosmetics/other revenue expanded 33% YoY to W19.8bn.

Maintain Buy and TP of W350,000

For 2026, we forecast revenue at W534.9bn (+26% YoY) and operating profit at W212.8bn (+5.9% YoY). SG&A expenses rose 66% YoY in 2Q26, and we expect the company to continue making proactive investments in 2H26 to secure medium/long-term growth drivers.

Hugel officially launched direct sales operations in the US following its national sales meeting in July. The firm is expected to avoid competing primarily through rebates and instead adopt a transparent volume-based pricing strategy. It will pursue a two-track marketing strategy combining the B2C-oriented K-Tox campaign with B2B initiatives focused on medical education and engagement with healthcare professionals. The tariff burden should be limited, as tariffs are levied on the import price at which products are supplied by headquarters to the US subsidiary (Hugel America).

Hugel has demonstrated that it can maintain a strong OP margin of 41% despite elevated marketing costs. In 2H26, we expect a further valuation re-rating as the performance of its US direct sales operations becomes increasingly visible.

(Dec.)	2024	2025	2026F	2027F	2028F
Revenue (Wbn)	373	425	535	672	843
OP (Wbn)	166	201	213	289	388
OP margin (%)	44.5	47.3	39.8	43.0	46.0
NP (Wbn)	136	141	166	219	295
EPS (W)	10,985	11,348	13,358	17,491	23,537
ROE (%)	17.5	16.1	15.9	17.7	19.7
P/E (x)	25.5	20.3	20.9	16.0	11.9
P/B (x)	3.1	2.3	2.5	2.2	1.8
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0

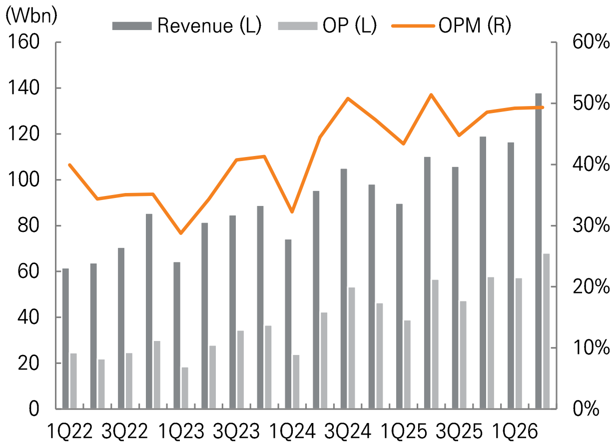
Notes: Under consolidated K-IFRS; NP is attributable to owners of the parent
Source: Company data, Mirae Asset Securities Research estimates

Table 1. Quarterly/annual earnings and forecasts (Wbn)

	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26P	3Q26F	4Q26F	2025	2026F	2027F
Revenue	89.9	110.2	105.9	119.2	116.6	137.9	132.2	148.3	425.1	534.9	672.4
YoY	20.9%	13.1%	0.8%	21.4%	29.7%	25.1%	24.8%	24.4%	14.0%	25.8%	25.7%
Botulinum toxin	40.7	61.2	60.2	71.6	65.4	84.0	80.3	95.7	233.7	325.4	440.3
YoY	18.8%	20.0%	-7.0%	34.6%	60.6%	37.3%	33.4%	33.6%	15.0%	39.2%	35.3%
Fillers	34.4	34.1	30.2	30.9	32.1	34.1	35.7	35.1	129.7	136.9	155.8
YoY	17.7%	-6.5%	1.1%	-3.1%	-6.8%	-0.1%	18.0%	13.5%	1.7%	5.6%	13.8%
Cosmetics	14.7	14.9	15.5	16.6	19.1	19.8	16.3	17.4	61.7	72.6	76.2
YoY	36.1%	50.5%	47.6%	27.7%	29.9%	32.9%	5.0%	5.0%	39.6%	17.7%	5.0%
OP	39.0	56.7	47.4	57.8	47.6	56.0	52.9	56.3	200.9	212.8	289.1
YoY	62.6%	33.6%	-11.2%	24.5%	22.1%	-1.2%	11.6%	-2.6%	20.8%	5.9%	35.9%
OP margin	43.4%	51.4%	44.8%	48.5%	40.8%	40.6%	40.0%	38.0%	47.2%	39.8%	43.0%

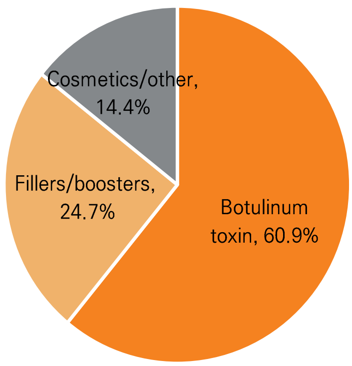
Source: Company data, Mirae Asset Securities Research estimates

Figure 1. Quarterly revenue and OP



Source: Company data, Mirae Asset Securities Research

Figure 2. Revenue breakdown (2Q26)



Source: Company data, Mirae Asset Securities Research

Hugel (145020 KQ)

Income statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Revenue	**425**	**535**	**672**	**843**
Cost of revenue	**92**	**125**	**161**	**202**
GP	**333**	**410**	**511**	**641**
SG&A expenses	**133**	**197**	**222**	**253**
OP (adj.)	**201**	**213**	**289**	**388**
OP	**201**	**213**	**289**	**388**
Non-operating profit	**-4**	**21**	**19**	**25**
Net financial income	12	15	19	26
Net income from associates	0	0	0	0
Pretax profit	197	234	308	413
Income tax	50	63	82	108
Profit from continuing operations	147	171	226	305
Profit from discontinued operations	0	0	0	0
NP	**147**	**171**	**226**	**305**
Attributable to owners	141	166	219	295
Attributable to minority interests	6	6	8	10
Total comprehensive income	**150**	**180**	**226**	**305**
Attributable to owners	144	176	220	296
Attributable to minority interests	6	5	6	8
EBITDA	221	233	307	404
FCF	137	175	219	292
EBITDA margin (%)	52.0	43.6	45.7	47.9
OP margin (%)	47.3	39.8	43.0	46.0
Net margin (%)	33.2	31.0	32.6	35.0

Balance sheet (summarized)

(Wbn)	2025	2026F	2027F	2028F
Current assets	**679**	**881**	**1,147**	**1,492**
Cash & equivalents	210	298	401	559
AR & other receivables	76	94	121	151
Inventory	56	69	89	112
Other current assets	337	420	536	670
Non-current assets	**397**	**398**	**384**	**372**
Investments in associates	6	7	9	12
PP&E	147	143	130	119
Intangible assets	191	194	189	184
Total assets	**1,077**	**1,280**	**1,531**	**1,864**
Current liabilities	**93**	**110**	**133**	**161**
AP & other payables	11	13	17	22
Short-term financial liabilities	29	30	31	32
Other current liabilities	53	67	85	107
Non-current liabilities	**4**	**4**	**5**	**7**
Long-term financial liabilities	1	1	1	1
Other non-current liabilities	3	3	4	6
Total liabilities	**97**	**114**	**139**	**167**
Equity attributable to owners	**950**	**1,129**	**1,349**	**1,644**
Capital stock	7	7	7	7
Capital surplus	437	437	437	437
Retained earnings	1,160	1,326	1,544	1,839
Minority interests	**30**	**36**	**43**	**53**
Shareholders' equity	**980**	**1,165**	**1,392**	**1,697**

Cash flow statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Operating cash flow	**150**	**187**	**219**	**292**
NP	147	171	226	305
Non-cash income/expenses	84	70	81	99
Depreciation	14	15	13	11
Amortization	6	5	5	5
Other	64	50	63	83
Chg. in working capital	-44	-9	-26	-29
Chg. in AR & other receivables	-23	-12	-26	-30
Chg. in inventory	-16	-10	-20	-23
Chg. in AP & other payables	2	1	2	2
Income tax	-48	-60	-82	-108
Cash flow from investing activities	**-49**	**-95**	**-115**	**-133**
Chg. in PP&E	-13	-11	0	0
Chg. in intangible assets	-16	-3	0	0
Chg. in financial assets	-35	-80	-115	-133
Other	15	-1	0	0
Cash flow from financing activities	**-22**	**-5**	**1**	**1**
Chg. in financial liabilities	-11	1	1	1
Chg. in equity	43	0	0	0
Dividends	0	0	0	0
Other	-54	-6	0	0
Chg. in cash	**80**	**88**	**103**	**158**
Beginning balance	130	210	298	401
Ending balance	210	298	401	559

Key valuation metrics/ratios

	2025	2026F	2027F	2028F
P/E (x)	20.3	20.9	16.0	11.9
P/CF (x)	12.4	14.4	11.4	8.6
P/B (x)	2.3	2.5	2.2	1.8
EV/EBITDA (x)	10.7	12.2	8.6	5.9
EPS (W)	11,348	13,358	17,491	23,537
CFPS (W)	18,633	19,435	24,551	32,280
BPS (W)	99,078	111,757	129,248	152,785
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 (%)	14.0	25.8	25.7	25.3
EBITDA growth (%)	21.7	5.6	31.9	31.5
OP growth (%)	20.8	6.0	35.8	34.1
EPS growth (%)	3.3	17.7	30.9	34.6
AR turnover (x)	6.9	6.4	6.3	6.3
Inventory turnover (x)	8.6	8.5	8.5	8.4
AP turnover (x)	17.7	18.5	19.0	18.8
ROA (%)	14.6	14.5	16.1	18.0
ROE (%)	16.1	15.9	17.7	19.7
ROIC (%)	36.9	36.6	48.4	63.4
Debt-to-equity ratio (%)	9.9	9.8	10.0	9.8
Current ratio (%)	730.1	802.5	859.7	929.1
Net debt-to-equity ratio (%)	-51.4	-58.0	-64.0	-69.4
Interest coverage ratio (x)	177.7	220.7	275.8	355.9

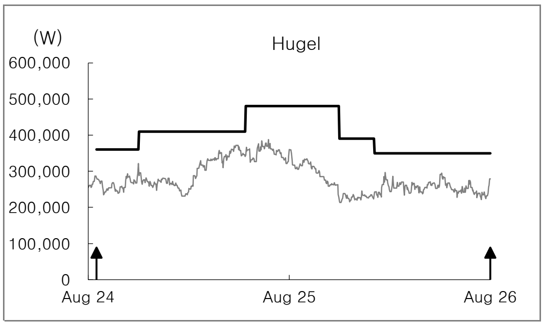
Source: Company data, Mirae Asset Securities Research estimates

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Hugel (145020)	01/09/26	Buy	350,000
	11/06/25	Buy	390,000
	05/20/25	Buy	480,000
	11/07/24	Buy	410,000
	08/22/24	Buy	360,000



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.
* 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	83.02%	0%	16.35%	0.63%
Investment banking services	86.67%	0%	13.33%	0%

* Based on recommendations in the last 12-months (as of June 30, 2026)

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