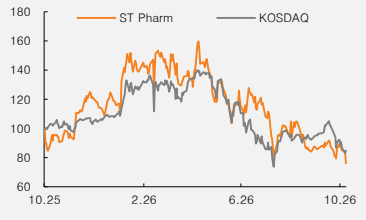
MIRAE ASSET Securities

Equity Research
October 27, 2026

(Maintain)	**Buy**
Target price	**W150,000**
Current price (10/27/26)	W80,400
Upside	86.6%

OP (26F, Wbn)	75
Consensus OP (26F, Wbn)	75
EPS growth (26F, %)	-6.7
Market EPS growth (26F, %)	278.0
P/E (26F, x)	31.9
Market P/E (26F, x)	5.5
KOSDAQ	743.83
Market cap (Wbn)	1,678
Shares (mn)	21
Free float (%)	62.1
Foreign ownership (%)	13.4
Beta (12M)	0.95
52-week low (W)	80,400
52-week high (W)	168,700

(%)	1M	6M	12M
Absolute	-11.9	-52.0	-14.6
Relative	0.0	-20.9	3.7



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237690 KQ · Pharma/Biotech

ST Pharm

3Q26 review: Growth sustained despite FX headwinds

3Q26 review: Net profit declines on won appreciation

For 3Q26, ST Pharm posted revenue of W97.6bn (+19.2% YoY) and operating profit of W15.7bn (+6.6% YoY), both below the consensus estimates (W99bn and W17.6bn, respectively). OP margin declined 1.9%p YoY due to won appreciation and an increased revenue contribution from lower-margin products (e.g., generics). Net profit fell sharply, affected by roughly W9bn in FX transaction losses and W5bn in FX translation losses. The decline was thus largely attributable to non-operating factors related to FX rate movements.

Oligonucleotide (oligo) CDMO revenue came in at W69bn, with commercial-stage projects accounting for 72%. Small-molecule CDMO revenue increased to W11.6bn, driven by higher revenue from commercial-stage projects. We expect further growth in this business. As of end-Sep. 2026, ST Pharm's total order backlog stood at US$330mn, with commercial-stage projects representing roughly 80%.

Maintain Buy and TP of W150,000

We maintain our Buy rating and target price of W150,000 on ST Pharm. The stock fell 9.6% on the day of the earnings release, apparently reflecting the sharp YoY decline in net profit. However, we view the sell-off as excessive, as non-operating factors related to FX rate movements accounted for much of the decline.

ST Pharm typically sees a seasonal concentration of revenue and operating profit in 4Q. While the won's appreciation relative to 1H26 has increased pressure on 4Q26 profitability, we forecast revenue at W153.6bn (+19.0% YoY) and operating profit at W29.2bn (+11.1% YoY), implying an OP margin of around 19%.

Moderna's release of cancer vaccine trial results has renewed interest in mRNA therapeutics. ST Pharm is also taking on additional mRNA CDMO projects, including personalized cancer vaccines. We expect further order growth as new approvals and broader indications expand the market for RNA therapeutics.

As of Oct. 27, ST Pharm had secured 12 new oligo and mRNA orders in 2026. The indications covered are diversifying to include obesity, neurological disorders, metabolic diseases, and autoimmune diseases. Additional antibody-oligonucleotide conjugate (AOC) orders are also broadening its conjugate project portfolio.

(Dec.)	2024	2025	2026F	2027F	2028F
Revenue (Wbn)	274	332	427	506	603
OP (Wbn)	28	55	75	102	127
OP margin (%)	10.2	16.6	17.6	20.2	21.1
NP (Wbn)	35	55	53	82	107
EPS (W)	1,780	2,706	2,524	3,934	5,124
ROE (%)	7.8	10.0	8.4	11.9	13.8
P/E (x)	50.0	44.1	31.9	20.4	15.7
P/B (x)	3.6	4.2	2.6	2.3	2.0
Dividend yield (%)	0.6	0.4	0.6	0.6	0.6

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

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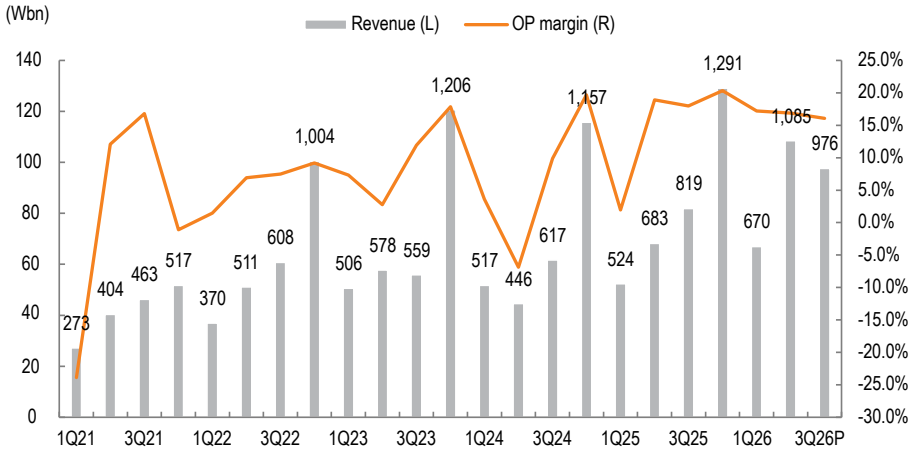
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Table 1. Quarterly/annual earnings and forecasts (Wbn)

		1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26P	4Q26F	2024	2025	2026F	2027F
Revenue		52	68	82	129	67	109	98	154	274	332	427	506
YoY		*1.4%*	*53.1%*	*32.7%*	*11.5%*	*27.7%*	*58.9%*	*19.2%*	*19.0%*	*-3.9%*	*21.2%*	*28.6%*	*18.6%*
New drug API CDMO	Small-molecule	1	7	0	18	5	18	12	22	26	26	56	59
	Oligo	38	44	69	88	40	80	69	110	176	238	299	373
OP		1	13	15	26	12	18	16	29	28	55	75	102
YoY		*-45.5%*	*TTB*	*141.6%*	*15.3%*	*1024.6%*	*41.7%*	*6.6%*	*11.1%*	*-17.4%*	*98.4%*	*36.0%*	*36.8%*

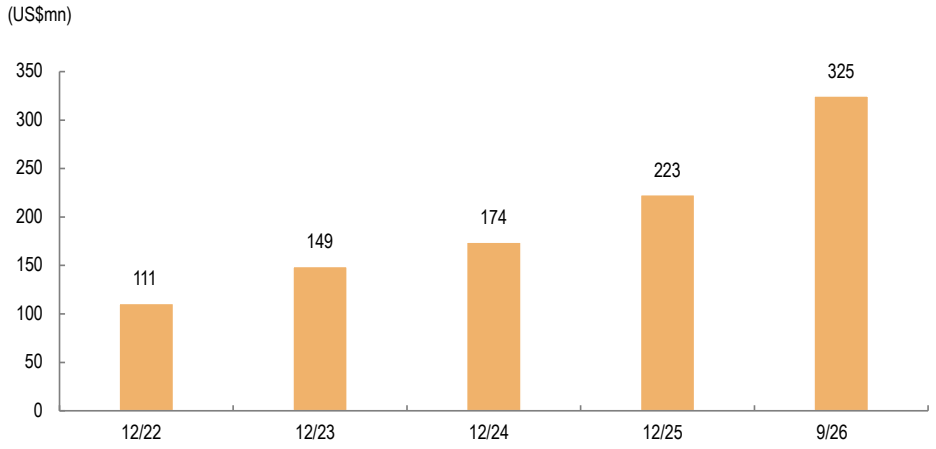
Source: Company data, Mirae Asset Securities Research

Figure 1. Revenue and OP margin



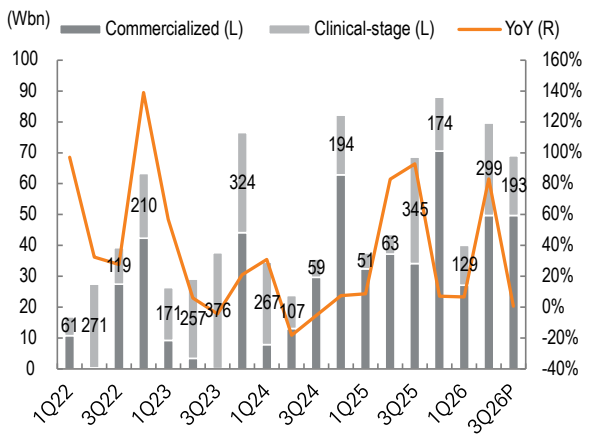
Source: Company data, Mirae Asset Securities Research

Figure 2. Order backlog



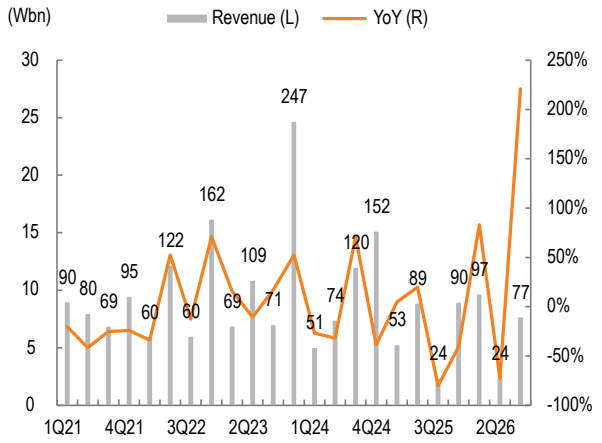
Source: Company data, Mirae Asset Securities Research

Figure 3. Oligo CDMO revenue and growth



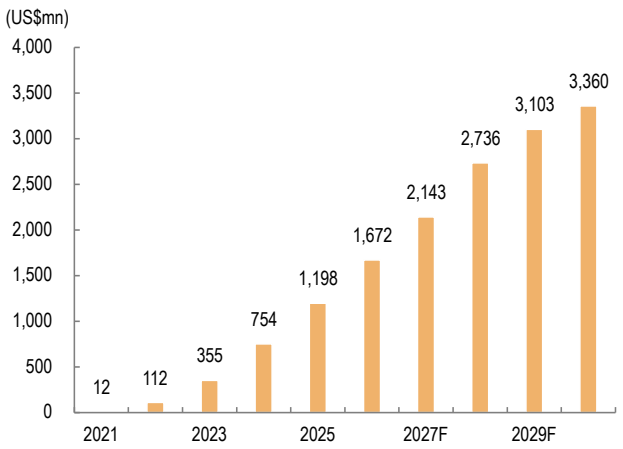
Source: Company data, Mirae Asset Securities Research

Figure 4. Generic drug CDMO revenue and growth



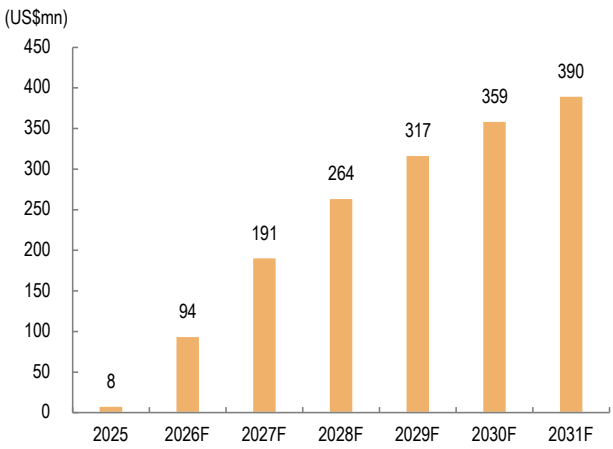
Source: Company data, Mirae Asset Securities Research

Figure 5. Hyperlipidemia drug revenue outlook



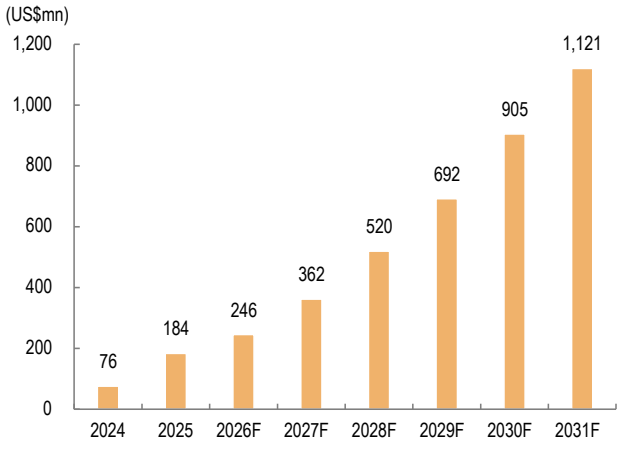
Source: Evaluate Pharma, Mirae Asset Securities Research

Figure 6. Hereditary angioedema drug revenue outlook



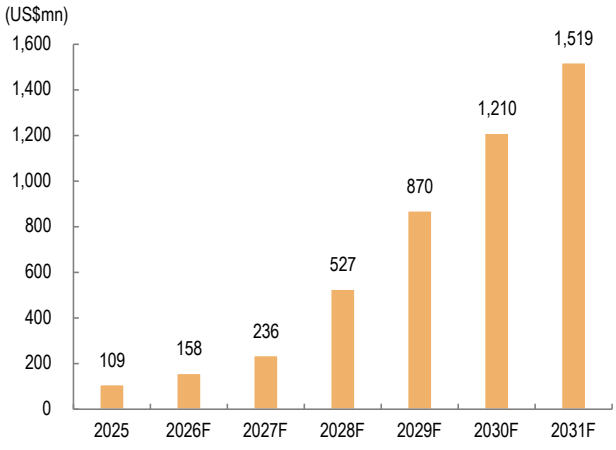
Source: Evaluate Pharma, Mirae Asset Securities Research

Figure 7. Hematologic cancer drug revenue outlook



Source: Evaluate Pharma, Mirae Asset Securities Research

Figure 8. Cardiovascular drug revenue outlook



Source: Evaluate Pharma, Mirae Asset Securities Research

ST Pharm (237690 KQ)

Income statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Revenue	**332**	**427**	**506**	**603**
Cost of revenue	**195**	**266**	**306**	**349**
GP	**137**	**161**	**200**	**254**
SG&A expenses	**81**	**86**	**98**	**127**
OP (adj.)	**55**	**75**	**102**	**127**
OP	**55**	**75**	**102**	**127**
Non-operating profit	**4**	**-9**	**0**	**0**
Net financial income	-1	0	0	0
Net income from associates	0	0	0	0
Pretax profit	59	66	102	127
Income tax	4	14	20	20
Profit from continuing operations	55	53	82	106
Profit from discontinued operations	0	0	0	0
NP	**55**	**53**	**82**	**106**
Attributable to owners	55	53	82	107
Attributable to minority interests	0	0	0	0
Total comprehensive income	**56**	**54**	**82**	**106**
Attributable to owners	56	54	82	107
Attributable to minority interests	0	0	0	0
EBITDA	85	108	133	155
FCF	-33	53	71	85
EBITDA margin (%)	25.6	25.3	26.3	25.7
OP margin (%)	16.6	17.6	20.2	21.1
Net margin (%)	16.6	12.4	16.2	17.7

Balance sheet (summarized)

(Wbn)	2025	2026F	2027F	2028F
Current assets	**373**	**472**	**598**	**751**
Cash & equivalents	31	26	89	166
AR & other receivables	98	117	139	165
Inventory	169	202	240	285
Other current assets	75	127	130	135
Non-current assets	**410**	**387**	**357**	**329**
Investments in associates	0	0	0	0
PP&E	357	342	312	285
Intangible assets	17	17	15	14
Total assets	**783**	**859**	**955**	**1,080**
Current liabilities	**165**	**178**	**197**	**221**
AP & other payables	31	37	44	52
Short-term financial liabilities	91	89	93	96
Other current liabilities	43	52	60	73
Non-current liabilities	**25**	**28**	**33**	**38**
Long-term financial liabilities	3	2	2	2
Other non-current liabilities	22	26	31	36
Total liabilities	**190**	**205**	**230**	**260**
Equity attributable to owners	**593**	**654**	**726**	**822**
Capital stock	10	10	10	10
Capital surplus	358	377	377	377
Retained earnings	204	246	318	414
Minority interests	**0**	**-1**	**-1**	**-1**
Shareholders' equity	**593**	**653**	**725**	**821**

Cash flow statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Operating cash flow	**14**	**68**	**71**	**85**
NP	55	53	82	106
Non-cash income/expenses	48	55	51	48
Depreciation	28	32	30	27
Amortization	1	1	1	1
Other	19	22	20	20
Chg. in working capital	-79	-29	-41	-50
Chg. in AR & other receivables	-31	-18	-22	-26
Chg. in inventory	-53	-37	-38	-46
Chg. in AP & other payables	1	2	3	3
Income tax	-9	-11	-20	-20
Cash flow from investing activities	**-26**	**-57**	**-1**	**-1**
Chg. in PP&E	-47	-15	0	0
Chg. in intangible assets	0	0	0	0
Chg. in financial assets	22	-1	-1	-1
Other	-1	-41	0	0
Cash flow from financing activities	**-20**	**-16**	**-7**	**-7**
Chg. in financial liabilities	-41	-2	3	4
Chg. in equity	43	19	0	0
Dividends	-10	-10	-10	-10
Other	-12	-23	0	-1
Chg. in cash	**-33**	**-5**	**63**	**77**
Beginning balance	63	31	26	89
Ending balance	31	26	89	166

Key valuation metrics/ratios

	2025	2026F	2027F	2028F
P/E (x)	44.1	31.9	20.4	15.7
P/CF (x)	23.7	15.6	12.6	10.8
P/B (x)	4.2	2.6	2.3	2.0
EV/EBITDA (x)	29.8	15.1	11.8	9.7
EPS (W)	2,706	2,524	3,934	5,124
CFPS (W)	5,024	5,165	6,380	7,418
BPS (W)	28,666	31,318	34,752	39,376
DPS (W)	500	500	500	500
Dividend payout ratio (%)	19.1	19.9	12.8	9.8
Dividend yield (%)	0.4	0.6	0.6	0.6
Revenue growth (%)	21.2	28.6	18.6	19.1
EBITDA growth (%)	59.2	27.8	22.9	16.3
OP growth (%)	98.4	36.0	36.8	23.8
EPS growth (%)	52.0	-6.7	55.9	30.2
AR turnover (x)	4.0	4.0	4.0	4.0
Inventory turnover (x)	2.2	2.3	2.3	2.3
AP turnover (x)	17.4	20.6	19.9	19.1
ROA (%)	7.3	6.4	9.0	10.5
ROE (%)	10.0	8.4	11.9	13.8
ROIC (%)	9.3	10.3	13.2	16.7
Debt-to-equity ratio (%)	32.0	31.5	31.7	31.6
Current ratio (%)	226.2	265.4	302.8	339.4
Net debt-to-equity ratio (%)	10.6	-6.9	-14.5	-21.8
Interest coverage ratio (x)	13.6	0.0	0.0	0.0

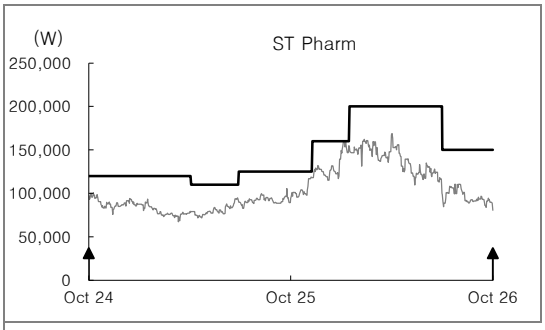
Source: Company data, Mirae Asset Securities Research estimates

Appendix 1

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Two-year rating and TP history

Company	Date	Rating	TP (W)
ST Pharm (237690)	07/28/26	Buy	150,000
	02/10/26	Buy	200,000
	12/05/25	Buy	160,000
	07/25/25	Buy	125,000
	04/30/25	Buy	110,000
	05/13/24	Buy	120,000



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	89.66%	0%	9.77%	0.57%
Investment banking services	92.86%	0%	7.14%	0%

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

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