

MARKET-RESEARCH MONOGRAPH SERIES

A market under *reform* — Korean pharmaceuticals, read through one maker

A study of the Korean professional & OTC drug market and its high-growth adjacent lanes — aesthetic injectables, CDMO and the metabolic wave — told through Huons, a mid-cap sterile-injectable specialist watching the same reform reshape its own revenue. The market is the subject; the company is the lens.

KOSDAQ 243070 · Huons Co., Ltd.

<p>Korea pharma TAM 2025</p> <p>\$14–30_{bn}</p>	<p>Forward CAGR (house band)</p> <p>2.4–9.2%</p>	<p>Generic price ceiling</p> <p>53.6→40_s%</p>	<p>Fastest domestic lane</p> <p>~14%</p>
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Evidence base.

Market sizing & growth: Mordor Intelligence, Fortune Business Insights, Grand View Research / Horizon, Statista, Market Data Forecast, Expert Market Research, Ken Research, Spherical Insights, KD Market Insights, IQVIA Institute — house ranges preserved, never averaged. Company-as-evidence: DART Annual Report FY2025 (20260323001636) and the Huons Lab merger filing (20260604000612), line-item verified. KRX deliberately unused (this lens removes short-interest as a hook). Not investment advice · no price target · company financials cited only as market evidence.

Contents

THE ANALYTICAL SPINE

This monograph reads one market in seven movements: **size it** across the houses that disagree, trace the **demand** and the reform that bends where its margin flows, project a **forward band** rather than a false point, map the **competitive structure**, place the **company within the market**, and close on **what the market teaches**.

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LENS

How to read this document. This is a study of a **market**, told through one participant. Huons (KOSDAQ 243070) appears only as the *lens* that makes the market's layers legible — its financials are cited as evidence of where demand and margin are moving, never as a value argument. There is no valuation, no price target, no upside/downside framing; the opening hook is the structural 2026 generic price reform, not a stock move, and KRX market data is deliberately unused.

Executive Summary

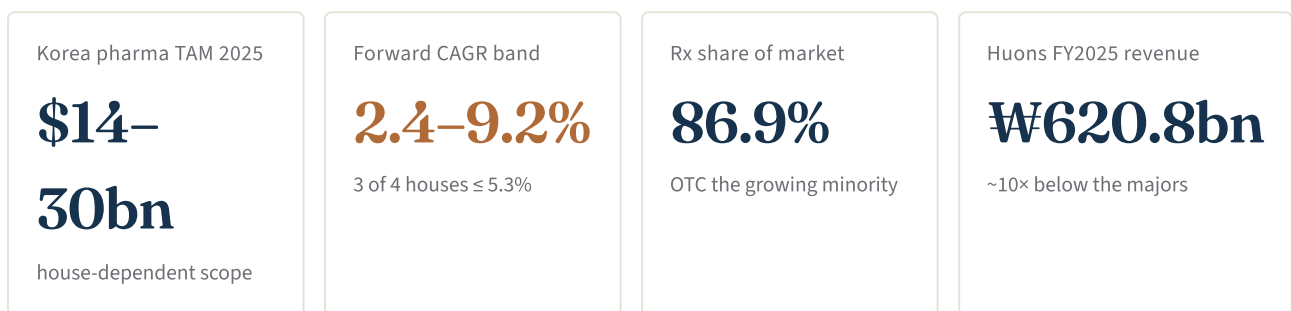
THE MARKET, IN BRIEF

In March 2026 the Korean government did the one thing a generic-centric drug market is built to fear: it cut the price. The generic reimbursement ceiling falls from **53.55% to the low-40s%** of the originator price

Korea Biomedical Review; Shin & Kim, rolling out from H2-2026 — compressing the pricing model that has anchored Korean pharmaceutical economics for a generation. That single structural fact is the subject of this study.

The reform does not shrink the market so much as **bend where its margin flows**. The large, slow, reimbursement-priced Rx core — prescription drugs are **86.88%** of the market ^{Mordor} — is exactly what the cut compresses. The escape routes price outside the reimbursement system: **aesthetic injectables** (~14% domestic CAGR ^{Grand View}), **CDMO** contract manufacturing (~7% ^{Grand View}) riding a January-2025 export deregulation, and **biopharma / biologics**. The market's central question is therefore not how fast it grows but **how a generic field migrates up the value chain when its base is repriced**.

We read that question through **Huons Co., Ltd.** (KOSDAQ 243070), a ₩620.8bn mid-cap sterile-injectable specialist ^{DART 20260323001636} — an order of magnitude below the ₩1.5–4.6tn Korean majors, too small to defend the generic core on scale. Its segment mix is a dated read of the rotation: ETC steady at ~45%, Beauty & Wellness contracting 34%→26%, contract manufacturing rising, and the biologics-subsidiary line near-tripling 7%→17% ^{DART 20260323001636}. In May 2026 it stated the thesis aloud, absorbing its unlisted R&D arm Huons Lab and citing verbatim the "structural limits of a lack of new-drug pipeline" and the reform's "intensifying downward pressure" ^{DART 20260604000612}.



THESIS

The study's argument, in one line. A reimbursement-price cut on the slow generic core is pushing the entire market's value into faster, reform-escaping lanes — aesthetics & export, CDMO, and biopharma. Huons is a clean, dated case of that migration, and its merger filing names the exact reform as the reason.

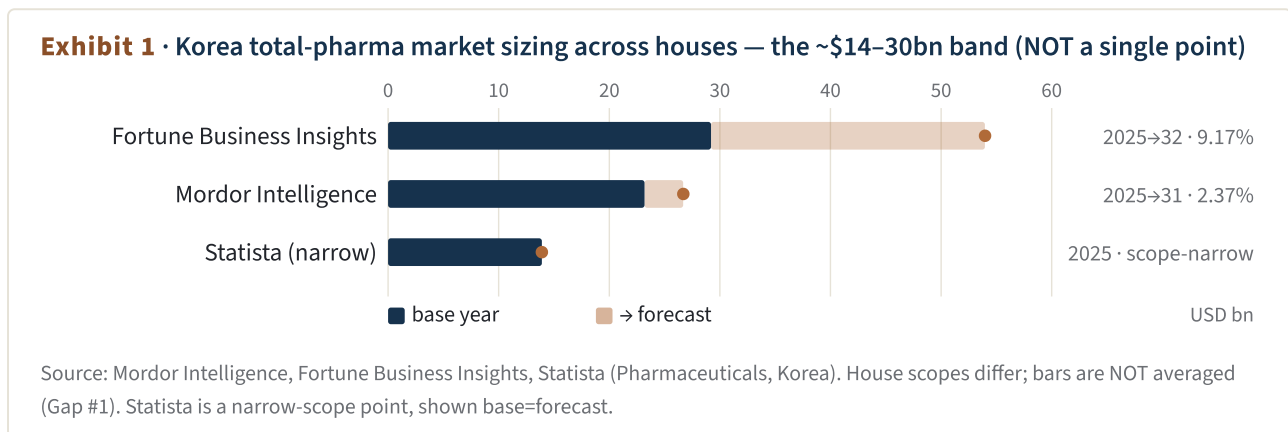
1 The Market

SIZING, STRUCTURE, VALUE CHAIN

The first discipline of a market study is to refuse a single number where the houses do not agree. For Korean pharmaceuticals, they disagree by roughly **two-fold** on base size and **seven percentage points** on growth — almost entirely because of scope and whether the 2026 price reform is modelled at all ^{01-market.md; Gap #1}.

Statista's narrow definition puts the 2025 market near **USD 13.9bn**; Fortune Business Insights' broad scope puts it at **USD 29.2bn**; Mordor sits between at **USD 23.19bn** with the price-reform drag baked into a low 2.37% forward rate

Mordor; Fortune; Statista. **Exhibit 1** shows every house as its own bar, never collapsed into a false midpoint.



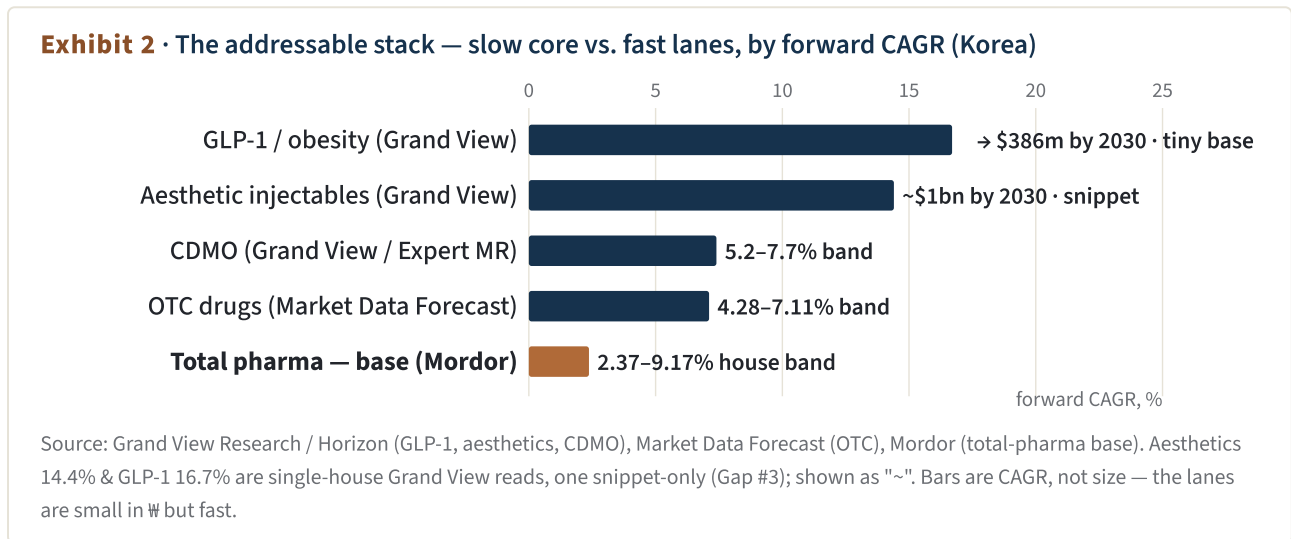
The honest centre of gravity is **low-single-digit**: three of the four growth reads cluster at or below **5.3%** (Mordor 2.37%, Spherical 2.88%, Ken 5.27%), with Fortune's 9.17% the broad-scope outlier ^{03-forecast.md}. For global frame, the worldwide medicine market is roughly **USD 1.6tn (2025) → ~2.4tn by 2029** at 5–8% ^{IQVIA Institute}; Korea is ~1–2% of that — a price-taker on global innovation, a price-setter only inside the protected reimbursement system the 2026 reform now reshapes.

CAVEAT
Why the band, not the number. Statista (~\$14bn) and Fortune (~\$29bn) differ ~2× on the same year purely by scope. No single house publishes a clean Korea-only "professional + OTC + aesthetics + CDMO" combined TAM ^{Gap #2} — the addressable market must be read as a stack of separately-sized layers, which §1 (next page) does. Any summed figure would be a cross-house composite and is flagged as such.

1 The Market

THE ADDRESSABLE STACK & INTERNAL SHAPE

Beneath the headline TAM sit the layers a maker like Huons actually addresses. They share a striking shape: each **growth lane is a fraction of the slow core's size but grows 2–7× faster**. This size-versus-growth contrast is the structural engine of the entire study — value is migrating from the large-slow core into the small-fast lanes.



THE MARKET'S INTERNAL SHAPE

Exhibit 3 · Korea pharma structure — segmentation across five axes (where the market's weight sits)

Axis	Largest slice	Share	Fastest-growing	CAGR
Prescription status	Prescription (ETC)	86.88%	OTC	3.04%
Therapeutic class	Cardiovascular	14.05%	Oncology	4.24%
Molecule	Small molecules	67.42%	Biologics	3.72%
Formulation	Tablets	51.55%	Injectables	2.86%
Distribution	Hospital pharmacies	45.62%	Online pharmacies	3.81%

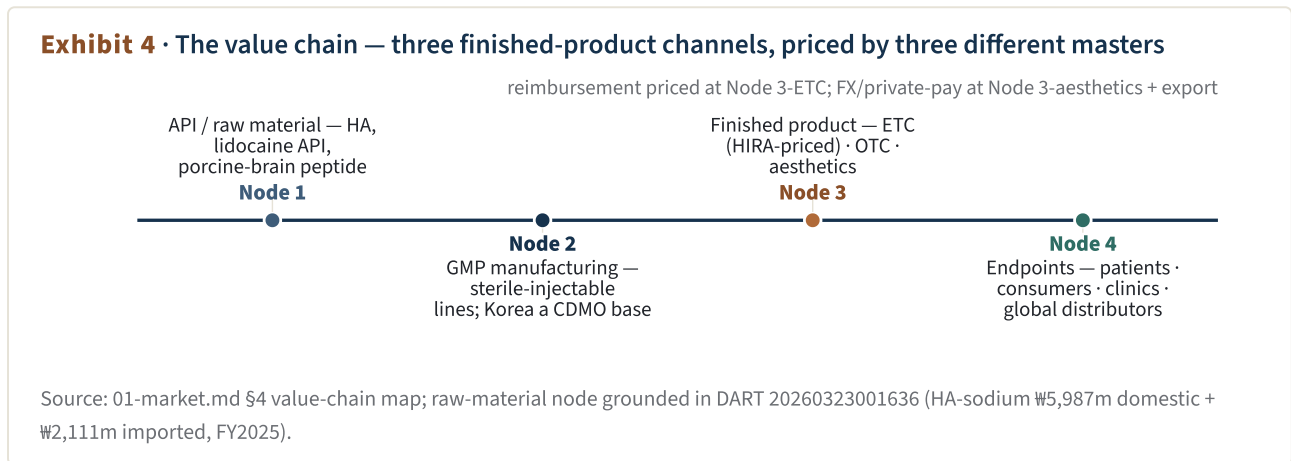
Source: Mordor Intelligence (2025 structure reads). Each axis shows the dominant slice and the fastest-growing slice — the market is large-and-stable at its centre, fast only at its edges.

Read down the "fastest-growing" column and the migration is already visible in the structure: away from **small molecules** toward **biologics**, **tablets** toward **injectables**, the hospital counter toward **online**. Huons' core competence — sterile-injectable GMP manufacturing — sits squarely on the injectables axis, and the biologics axis is precisely the gap its Huons Lab merger targets ⁵⁵.

1 The Market

THE VALUE CHAIN — WHERE MARGIN LIVES, WHERE IT IS SQUEEZED

To see why the reform bends the market rather than merely shrinking it, follow the value chain to the node where price is set. Korean pharma runs from **API / raw material** → **GMP manufacturing** → **finished product** across three demand channels → **demand endpoints**. The decisive fact is that the three finished-product channels are priced by three different masters.



WHERE MARGIN IS SQUEEZED

The **ETC channel** is reimbursement-priced by HIRA (Health Insurance Review & Assessment), so the generic price-ceiling cut hits margin **directly at this node**. Domestic prices are administered with little movement DART 20260323001636 — the maker cannot raise price to offset the cut.

WHERE MARGIN ESCAPES

The **aesthetics and export nodes** price in foreign currency or private-pay, escaping the reimbursement cut entirely. The **CDMO node** monetizes spare GMP capacity at contract margin, riding the January-2025 "Biopharmaceutical CDMO Support Act" that lets CDMO exports proceed without a full domestic manufacturing license 01-market.md §4 — a structurally rising lane.

VALUE-CHAIN LOGIC

The structural insight. Price is set at the ETC node by the regulator, but escapes the regulator at the aesthetics, export and contract nodes. The reform therefore does not destroy demand — it *reroutes margin* along the value chain, from the administered node to the market-priced ones. Every strategic move that follows in this study is a maker walking along this chain toward the nodes the regulator does not touch.

2 Demand

WHAT PULLS VOLUME THROUGH THE MARKET

Two questions define the demand chapter: what pulls volume through the market, and what the decisive regulatory shift does to where that volume — and its margin — flows. The pulls are durable; the reform is the lever that accelerates the rotation between them.

Exhibit 5 · Structural demand drivers — the durable pulls on volume (Korea)

Driver	Mechanism	Quantified signal
Aging population	chronic-disease Rx + OTC self-medication rise	underpins OTC 7.11% & the ETC base
Self-medication	pharmacy + online channels expand	OTC +7.11% CAGR vs ~2-3% ETC
Aesthetic culture	among the world's highest procedure density	>38% of 2023 cosmetic procedures used toxin
GLP-1 / obesity wave	metabolic surge, semaglutide-led	+16.7% CAGR; Wegovy = 87.6% of 2024 Korea GLP-1
Export pull (aesthetics)	toxin / filler to SE-Asia, LatAm, China	"exports growing faster than semiconductors"
Export pull (generics)	NA local-anesthetic chronic shortage	NA market ~ ₩500bn / ~\$357m

Source: Market Data Forecast (OTC / aging), Grand View / Horizon (aesthetics, GLP-1), KED Global (export pull), Korea Biomedical Review (NA local-anesthetic shortage). [industry/trade-press flags per row].

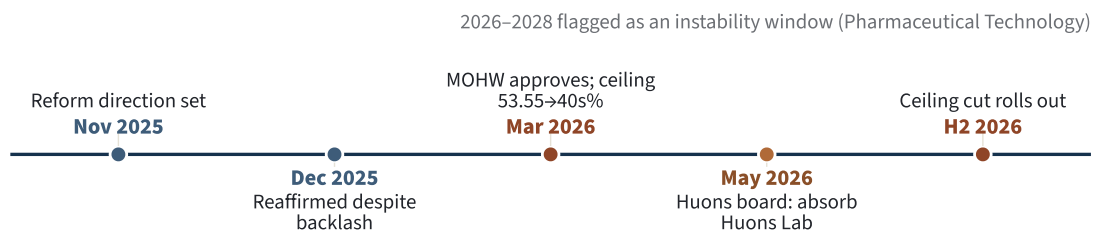
Read together, the drivers describe a **bifurcating demand base**: a large, aging-driven but reimbursement-compressed Rx/OTC core growing low-single-digit, and a set of private-pay / export / contract lanes growing high-single to mid-teens. Huons reads as a direct demand signal here — it added a metabolic line (empagliflozin, brand Hudiang) to ride the GLP-1 wave, and its lidocaine local-anesthetic franchise (5+ US FDA ANDA approvals) is direct participation in the North-American shortage-driven export pull ^{DART 20260323001636}.

2 Demand

THE DECISIVE SHIFT — DRUG-PRICE REFORM

The single most important structural event in this market — and the hook of this study — is the 2026 drug-price reform. The Ministry of Health & Welfare approved a sweeping reform on **26 March 2026** (direction set November 2025, reaffirmed in December despite industry backlash) ^{Korea Biomedical Review; Seoul Economic Daily}. Its core mechanism cuts the **generic price ceiling from 53.55% to the low-40s%** of the originator price, rolling out from H2-2026 ^{Korea Biomedical Review; Shin & Kim} — compressing the generic-centric model directly.

Exhibit 6 · The reform timeline — direction, approval, rollout, and the maker's response



Source: Korea Biomedical Review; Seoul Economic Daily; Shin & Kim newsletter; DART 20260518000408 / 20260604000612.

The reform also introduces a "**flexible pricing contract**" — an NHIS-to-company negotiated reimbursement that can differ from list price, to be finalized in H1-2026 ^{Korea Biomedical Review}. Forecasters expect market instability across **2026–2028** ^{Pharmaceutical Technology}.

[INDUSTRY CLAIM]

Drugmaker associations claim the reform could cost the sector up to **₩3.6tn** in annual revenue and put **~14,800 jobs** at risk. This is an **industry advocacy estimate**, not a neutral fact — we label it as such and do not treat it as a measured outcome ^{The Investor; Gap #7}.

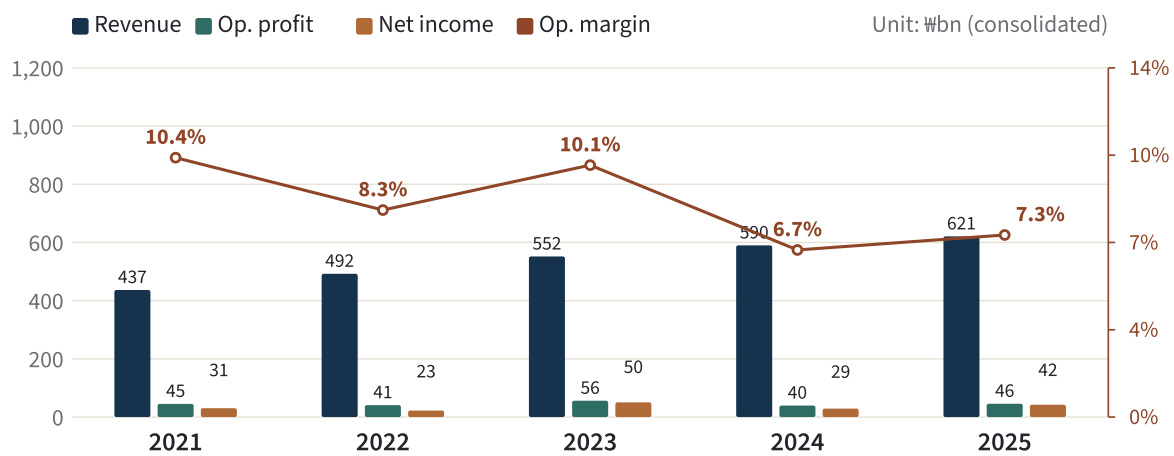
Why it is the spine: the market's central question — *how do generic-centric manufacturers respond to reimbursement-price compression?* — is answered, in miniature, by Huons' strategic pivot, which names this reform verbatim in a regulatory filing ^{DART 20260604000612}.

2 The Five-Year Past

TRAJECTORY AS A MARKET READ

A single maker's dated, primary-source revenue is a clean proxy for industry volume/mix dynamics. Across FY2021–25 Huons' consolidated revenue grows from ₩436.9bn to ₩620.8bn — but **decelerates sharply**, from +12.7% to +5.2% YoY DART 20260323001636, while operating margin stays range-bound at 6.7–10.4% with no upward trend. That combination — a maturing top line and a flat margin — is the market's margin-squeeze signature, the exact pressure the 2026 reform is set to intensify.

Exhibit 7 · A maturing, margin-flat trajectory — Huons consolidated, as a read on the domestic squeeze



Source: DART 20260323001636 (CFS, fnlIttSinglAcnt 2021–2025). Op-margin re-computed = op-profit ÷ revenue. Company shown as market evidence (the domestic-margin squeeze), not as a value argument.

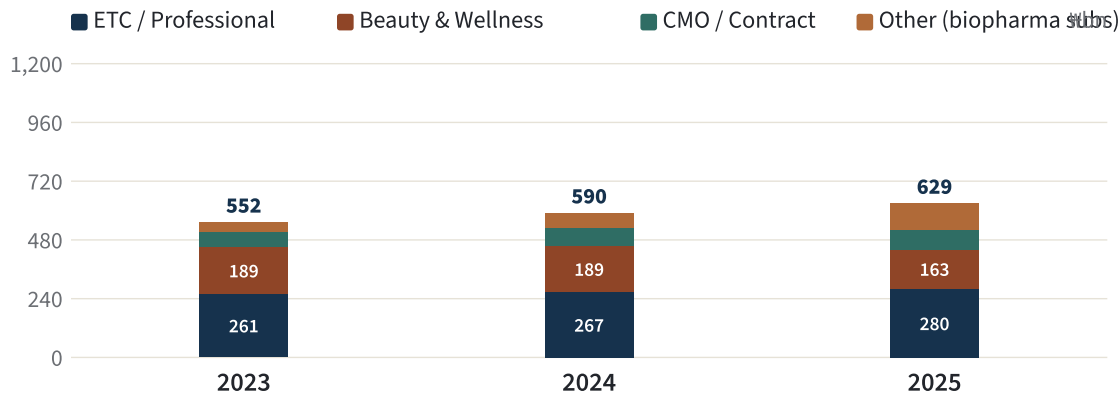
The growth that remains is increasingly carried by **consolidated subsidiaries and export**, not the domestic generic core. The next page's segment-mix shift makes that rotation explicit and dated.

2 The Five-Year Past

THE MIX SHIFT — ROTATION, MADE VISIBLE

If the trajectory shows the squeeze, the segment mix shows the response. Over just three years the company's revenue mix rotates measurably away from the squeezed domestic lane and toward the reform-escaping ones.

Exhibit 8 · Segment-mix rotation — the slow core holds, the escape lanes near-triple (Huons, ₩bn)



Source: DART 20260323001636 segment table. Segment %s are standalone-entity; total is consolidated (Gap #5) — the four bars do not sum to the consolidated total on the same base; "Other" carries subsidiary consolidation.

ETC steady (~45%). The reform-exposed Rx core holds its share but faces the coming cut — cardiovascular, anesthetics, metabolic, GI, antibiotics.

Beauty & Wellness contracting (34%→26%). The visible casualty of the domestic-margin squeeze; the company rotates this demand toward export toxin and metabolic.

CMO rising (12%→13%). Riding the CDMO ~7.4% lane and the Jan-2025 export deregulation; Jecheon Plant 2 (GMP-certified 2023) is the capacity behind it.

"Other" near-tripling (7%→17%, ₩37bn→₩108bn). Biologics subsidiaries consolidating — Huons-N, Huons Bioscience, Pangen (Jun-2025), Bio-Rosette (Nov-2025).

CAPTION DISCIPLINE

The rotation is dated, not asserted. The biologics climb shows up in the financials *before* the Huons Lab merger formalizes it — the market's migration up the value chain is already in the numbers. The segment %s are standalone-entity while the total is consolidated, so the lines do not sum cleanly ^{Gap #5}; the "Other" line carries the subsidiary consolidation that is itself the biologics signal.

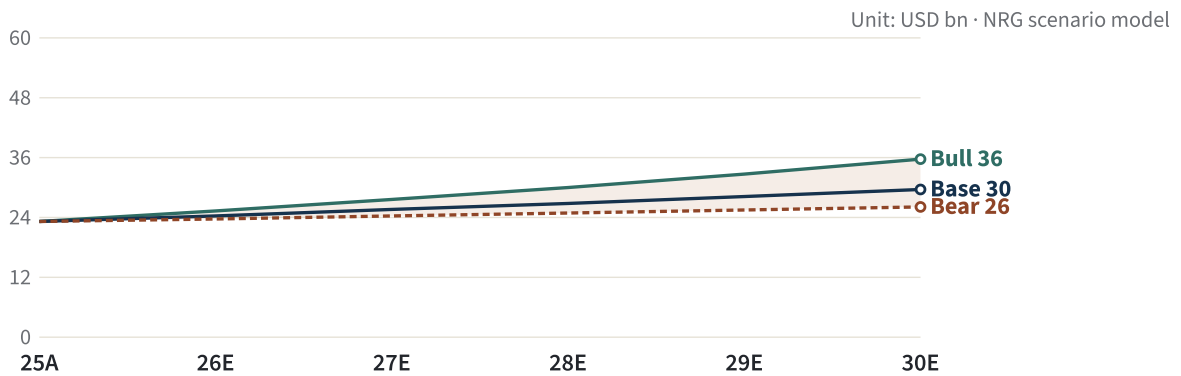
3 Forward Forecast

SCENARIO RANGES, NOT A FALSE POINT

The forecast chapter's discipline is honesty about disagreement. The houses do not agree on where Korean pharma is going; the responsible move is to show the band, not fabricate a single line. The headline disagreement is a **~7-percentage-point** spread on total-pharma CAGR — **2.37% (Mordor) to 9.17% (Fortune)** ^{03-forecast.md; Gap #1} — the single widest in the packet.

We anchor a forward market-size fan to the most scope-neutral base — Mordor's **USD 23.19bn** for 2025 — and let three CAGR rays diverge to 2030. This is a forecast of the **market**, not a company price (there is no price target anywhere in this study). The shaded band is the honest uncertainty between the bear and bull rays.

Exhibit 9 · Forward Korea-pharma market size — three scenario rays off a scope-neutral 2025 anchor



Unit: USD bn · NRG scenario model
 Source: NRG scenario model anchored to Mordor 2025 base (USD 23.19bn). Bull ~9% (Fortune-end), Base ~5% (Ken-centre), Bear ~2.4% (Mordor-end). Bear driver — full generic-price-cut bite + the [industry claim] ₩3.6tn loss (Gap #7) — partially materializing.

Exhibit 10 · The scenario logic — what each ray assumes about the market environment

Scenario	Driver logic	CAGR anchor	2030 size
Bear	full price-cut bite lands H2-2026; weak export; compression dominates	~2.4%	\$26bn
Base	reform partly offset by injectable + CDMO + export growth; grinds through 2026–28	~5.0%	\$30bn
Bull	aesthetics export + US-ANDA generics + China toxin outrun price erosion	~9.0%	\$36bn

Source: 03-forecast.md §2. CAGR anchors map to the house band; no single point is implied. The Bear driver rests on an industry advocacy estimate (Gap #7).

3 Forward Forecast

WHY THE LANES MATTER MORE THAN THE HEADLINE

The headline 2–9% band understates the strategic story. The market's **value is rotating into the fast lanes even if the aggregate grows slowly** — the forecast must hold both truths at once: a slow headline and a fast rotation, without collapsing either.

Exhibit 11 · The forward house-disagreement bands by market layer — the fast rotation under the slow headline

Market layer	Low	High	Centre of gravity
Korea total pharma	2.37%	9.17%	low-single-digit (3 of 4 ≤ 5.3%)
OTC drugs	4.28%	7.11%	~mid-single-digit
CDMO	5.20%	7.7%	~6–7%
Aesthetic injectables	~14.4%	—	fastest domestic lane
GLP-1 / obesity	16.7%	—	high-% but tiny ₩ base
Global toxin (export pool)	9.11%	9.8%	~9–10% · Korea over-exports

Source: Mordor / Fortune / Ken / Spherical (total), Statista / Market Data Forecast (OTC), Expert MR / Grand View (CDMO), Grand View Horizon (aesthetics ~14% snippet — Gap #3; GLP-1). Single-house reads marked "~".

A note on weighting: **GLP-1's ~17% is the fastest percentage but off a tiny base** — Korea is just 0.9% of the global GLP-1 pool, reaching only ~\$386m by 2030 Grand View Horizon. High-growth, low-absolute; a flag against over-weighting it. The lane that combines real scale with real speed is **aesthetics export** — Korea is a disproportionate exporter into the ~9–10% global toxin pool Mordor; Grand View.

FORECAST

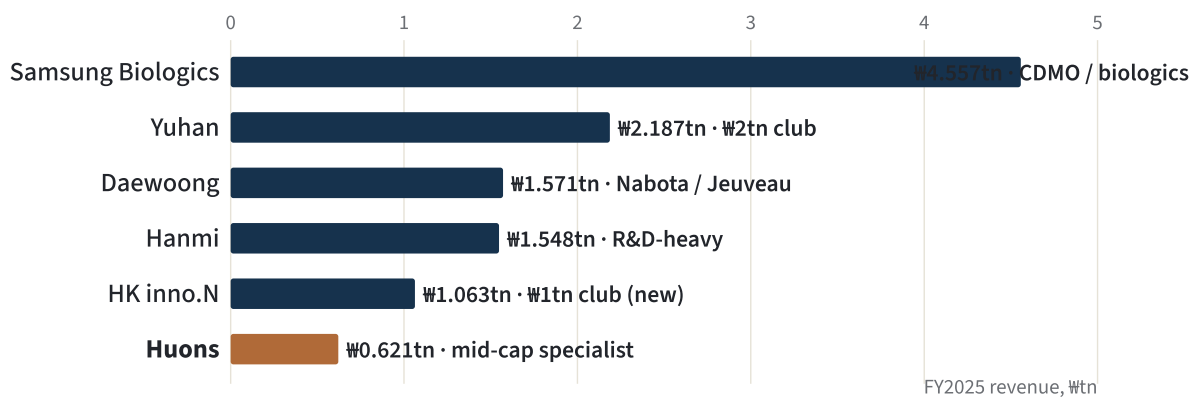
Forecast synthesis. A low-single-digit aggregate market masking a high-single-to-mid-teens migration into private-pay / export / contract / biopharma lanes. The aggregate is reform-pressured and slow; the rotation inside it is fast. A maker's forward fortune turns less on the headline CAGR than on how quickly it walks the value chain toward the lanes the regulator does not price — the question \$4 and \$5 answer through the competitive map.

4 Competitive Structure

THE SCALE LADDER

The market has two faces. A **fragmented, reform-targeted domestic generic field**, where many makers compete on reimbursement-priced generics so the cut bites broadly — and a **concentrated, fast-growing export-aesthetics field**, an oligopoly of Hugel / Medytox / Daewoong plus fast-following challengers. The first question is scale.

Exhibit 12 · The Korean pharma scale ladder — Huons is ~10× below the majors (FY2025 revenue, ₩tn)



Source: Seoul Economic Daily / Statista (FY2025); Huons DART-verified (20260323001636, ₩620.8bn = 0.621tn). Samsung Biologics is a different category (contract biomanufacturing), shown for scale only.

Huons (~\$0.45bn) is roughly an **order of magnitude below** the ₩1.5–4.6tn majors. It is not a scale competitor in the domestic generic core. The competitive question for a maker its size is not "can it out-scale Yuhan" but "**can it ride the lane-migration faster than its size-peers**" — which reframes competition from scale to speed along the value chain.

STRUCTURE

The reform compresses the field where the most competitors sit — the fragmented domestic generic core — and rewards the field where few sit — the concentrated export-aesthetics lane. Structurally, the reform is a *consolidation force*: it makes the crowded, price-set core less attractive and the concentrated, market-priced lanes more so.

4 Competitive Structure

THE CONCENTRATED EXPORT LANE

The fast lane is the opposite of the core: **concentrated and oligopolistic**. A Hugel / Medytox / Daewoong "duopoly-plus" dominates Korean toxin export, with Huons (via Hutox / Huons Biopharma) as the fast-following challenger — smaller absolute scale, but growing export double-digit and entering China in H2-2026.

Exhibit 13 · Aesthetics / botulinum-toxin peers — mixed-year, annotated per row (NOT one undated bar)

Company	Revenue (year)	Mkt cap	Note
Hugel	~\$244m (2023)	~\$2.1bn	Botulax / Letybo; US FDA Feb-2024
Daewoong	~\$1.1bn (2022, co.)	~\$1.2bn	Nabota / Jeuveau; ~11% US share
Medytox	~\$165m (2023)	~\$960m	Letibotulinum
Huons (Hutox)	₩16.4bn export	—	+16.7% YoY [company-reported]; China H2-2026

Source: 04-competitors.md §2. Peer revenue years differ (Hugel/Medytox 2023, Daewoong 2022) — annotated per row, not plotted on one bar (Gap #6). Hutox is a company-reported export line, not total toxin revenue (Gap #10).

Global multinationals — Novartis, AbbVie, AstraZeneca, Bayer, GSK, Takeda, Roche, Astellas, Eisai, alongside Korean Hanmi, Yuhan, Celltrion — are active across the Korea market Fortune Business Insights. Their **originator pricing is the benchmark** against which domestic generic margins are compressed: the reform cuts the generic ceiling *relative to the originator price*, so the multinationals' pricing is the reference line the whole reform is drawn against.

CONCENTRATION, IN ONE READ

- ▶ **Domestic generics — fragmented.** Many makers, reimbursement-priced; the reform's cut bites broadly.
- ▶ **Exported aesthetics — concentrated.** A Hugel/Medytox/Daewoong oligopoly; Huons the fast-following challenger.
- ▶ **CDMO — rising and contestable.** Spare-capacity contract margin on the Jan-2025 export-deregulation tailwind.

4 Competitive Structure HUONS' POSITION — LANE MIGRATION, NOT SCALE

Place Huons against the structure and a single positioning thesis emerges: it is **too small to win the domestic generic core on scale, and that core is exactly what the reform compresses**. Its competitive logic is therefore *lane migration* — redeploying sterile-injectable manufacturing competence into the lanes the reform rewards.

Exhibit 14 · Huons' competitive position by dimension — a fast-follower across the reform-escaping lanes

Dimension	Huons' position	Market layer
Scale	mid-cap ₩620.8bn; ~10× below the majors	not a scale player in the core
Core competence	sterile injectables & ophthalmics (GMP); lidocaine franchise	injectables formulation axis
Domestic generic core	ETC ~45% of mix — exposed to the 2026 cut	the reform-pressured node
Aesthetics export	fast-follower; Hutox +16.7% YoY; China H2-2026	concentrated fast lane
CDMO	Jecheon Plant 2 (GMP 2023); Jan-2025 deregulation	rising contract lane
Biopharma	subsidiary consolidation + Huons Lab merger	biologics vertical
US generics	5+ FDA ANDA incl. 2% lidocaine	~₩500bn NA shortage lane

Source: 04-competitors.md §4; DART 20260323001636 (segment mix, ANDA approvals); 20260604000612 (merger). Read as the maker's participation across market layers, not a value scorecard.

POSITION

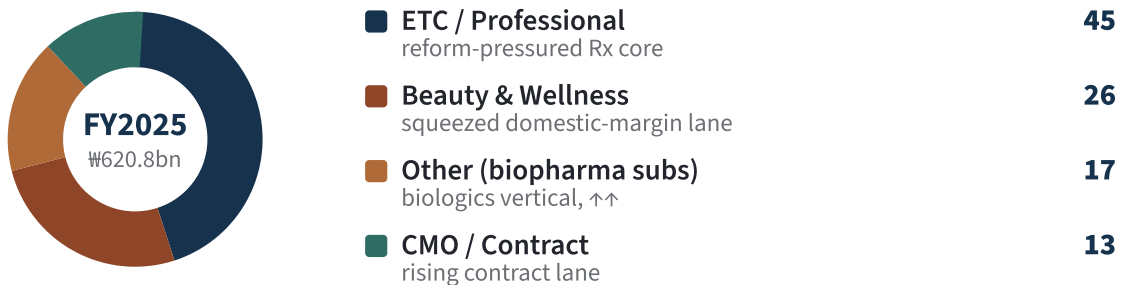
Positioning thesis. The competitive map and the strategic event (\$5) are the same story from two angles: a mid-cap escaping a compressing core by climbing the value chain. The reform-pressured core (ETC) is held, not defended; the escape lanes (aesthetics export, CDMO, biopharma) are where the company invests speed it cannot get from scale.

5 The Company Within the Market

SEGMENTS AS MARKET PARTICIPATION

Huons is the lens, not the subject. Each of its segments reads as participation in a market layer; together they are a dated, primary-source-verified case study of the market's central rotation. The company interior is deliberately compact — it is *evidence of a market dynamic*, not the thing being valued.

Exhibit 15 · Huons FY2025 revenue mix — each slice a read on a market layer (₩620.8bn consolidated)



Source: DART 20260323001636 segment table. Mix %s standalone-entity; total consolidated (Gap #5). Cited as market evidence — where demand and margin are moving — not as a value argument.

I. ETC / Professional — ₩280bn (45%). The reimbursement-priced generic core the reform compresses; anchored in lidocaine local anesthetics and ophthalmic solutions. Escape valve: *export*, not domestic price — 5+ US FDA ANDA approvals targeting the ~₩500bn NA local-anesthetic shortage.

II. Beauty & Wellness — ₩163bn (26%). The visible casualty: fell from 34% to 26% of mix. Offset via toxin export (Hutox) and metabolic (empagliflozin / Hudiang) riding the GLP-1 wave.

III. CMO / Contract — ₩78bn (13%). Rose 12%→13%; monetizes spare GMP capacity at contract margin on the CDMO ~7.4% lane and the Jan-2025 export-deregulation tailwind.

IV. Other — ₩108bn (17%). The fastest-moving line, near-tripling from 7%; biopharma subsidiaries consolidating (Huons-N, Huons Bioscience, Pangen, Bio-Rosette) — the biologics climb, *in the numbers before the merger formalizes it*.

5 The Company Within the Market

THE MERGER — THE THESIS, IN MINIATURE

In May 2026 the market's central dynamic was stated aloud, in the company's own regulatory filing. Huons (surviving, KOSDAQ-listed) is absorbing **Huons Lab**, its unlisted biopharma R&D arm — board resolution 2026-05-18 DART 20260518000408, amended 2026-06-04 DART 20260604000612. The structure: a merger ratio of **1 : 0.4256943**, **3,825,373** new common shares (24.20%) issued, with **no controlling-shareholder change**.

<p>Merger ratio</p> <p>1 : 0.4256943</p> <p>Huons : Huons Lab</p>	<p>New shares</p> <p>3,825,373</p> <p>24.20% of enlarged</p>	<p>Huons Lab revenue</p> <p>₩83.8m</p> <p>pre-revenue R&D vehicle</p>	<p>Huons Lab equity</p> <p>—</p> <p>₩1.80bn</p> <p>negative; buying a pipeline</p>
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The target is not earnings — Huons Lab is a **pre-revenue R&D vehicle**: total assets ₩8.26bn, revenue ₩83.8m, net loss -₩10.19bn, negative equity -₩1.80bn DART 20260604000612. Huons is buying a **pipeline** — a human-derived hyaluronidase drug-diffusion platform synergistic with its injectable / aesthetic infrastructure (HA is already a top raw material: HA-sodium ₩5,987m domestic + ₩2,111m imported in FY2025 DART 20260323001636).

THESIS-IN-MINIATURE

Stated purpose (verbatim, translated). The merger is to resolve "the structural limits of a lack of new-drug pipeline and the intensifying downward pressure on revenue and profitability from the government's drug-price-system reform, by building a biopharmaceutical Full Value Chain and strengthening R&D capability." A generic-centric maker, squeezed by price reform, buying its way up the value chain into biopharma — the exact market dynamic this study examines, in the company's own words DART 20260604000612.

The lens and the market are the same story. The market's question — how does a generic field respond to reimbursement compression? — is answered, in a single filing, by a maker walking the value chain toward the nodes the regulator does not price.

6 Three Market-Environment Scenarios

A FORWARD PICTURE OF THE MARKET

These three pictures describe the **market environment** through ~2030 — not a company price, not a target. Each is a coherent reading of how the reform, the export pull and the biologics climb resolve, anchored to the house band (\$3). They bracket the environment a maker like Huons must navigate.

Bear — Compression Wins

~2.4% CAGR

The full generic price-cut bite lands in H2-2026; export momentum stalls; reimbursement compression dominates the aggregate. The [industry-claimed] ₩3.6tn revenue loss partially materializes. The slow core drags the headline; the fast lanes are too small to offset it in time. Makers without escape capacity are stranded in a repriced core.

Market reaches ~\$26bn by 2030.

Base — Grind, Then Stabilize

~5.0% CAGR

Reform compression is *partly offset* by injectable, CDMO and export growth. The market grinds through the 2026–2028 instability window flagged by forecasters, then stabilizes as the rotation into the fast lanes matures. The aggregate is slow but the migration is real — value moves layer to layer faster than the headline implies.

Market reaches ~\$30bn by 2030.

Bull — Lanes Outrun the Cut

~9.0% CAGR

Aesthetics export, US-ANDA generics and China-toxin scale outrun domestic-price erosion; a biologics/biosimilar mix lifts value per unit. Korea's disproportionate export position into the ~9–10% global toxin pool carries the aggregate above its reform-dragged base. The fast lanes become large enough to set the headline, not just hide beneath it.

Market reaches ~\$36bn by 2030.

READING THE SCENARIOS

Across all three, the same structural truth holds: **the aggregate is reform-pressured and slow; the rotation inside it is fast.** The scenarios differ only in how completely the fast lanes offset the repriced core. None is a price target; each is a description of the market environment, anchored to the published house band and labelled with its caveats Gaps #1, #3, #7.

7 What the Market Teaches

THE LESSON OF THE LENS

A market study earns its keep when the lens generalizes. Read through Huons, the Korean pharmaceutical market teaches a lesson that travels well beyond one mid-cap maker.

1. Regulation that sets price reroutes margin; it rarely destroys demand. The 2026 generic price cut does not make Koreans need fewer drugs — it makes the administered node less profitable and the market-priced nodes (aesthetics, export, contract, biopharma) relatively more so. The right unit of analysis for a price-regulated market is therefore **not the aggregate but the value chain**: where price is set, and where it escapes.

2. A slow aggregate can hide a fast rotation. Korean pharma's 2–9% headline band understates a high-single-to-mid-teens migration into the fast lanes. Sizing the market at the top line alone would miss the actual story; the layered, segment-level read is what reveals it. **Disaggregate before you forecast.**

3. Scale and speed are different competitive currencies. Huons cannot out-scale the majors, and the reform compresses the very core where scale would matter most. Its viable currency is **speed along the value chain** — how fast it migrates competence into the reform-escaping lanes. In a repriced market, the consolidation pressure rewards the maker who moves, not the maker who is merely large.

4. The clearest market signal is often a participant naming the dynamic itself. The single most valuable evidence in this study is not a research-house number but a maker writing the market's central dynamic into a regulatory filing: drug-price reform as a "structural limit," answered by buying a way up the value chain. **When a participant states the thesis aloud, the analyst's job is to verify it, not to invent one.**

WHAT THE MARKET TEACHES

The lens, generalized. A price-regulated market under reform does not simply grow or shrink — it *reroutes its own margin along the value chain*, and its participants migrate toward the nodes the regulator does not touch. Huons is one dated, verifiable instance of that migration. The market is the subject; the company is the lens that makes it legible.

Working With Nathan Research

EXPERT NETWORK · ENGAGEMENT

This monograph is a starting point, not an endpoint. Nathan Research Group pairs primary-source market work — DART/regulatory filings, cross-house sizing, value-chain mapping — with a curated expert bench that can pressure-test every claim against people who have operated inside the market.

A SECTOR-FITTED EXPERT BENCH

- ▶ **Korean reimbursement & HIRA pricing** — former payer-side and regulatory-affairs operators who can model the generic price-ceiling cut at line-item level.
- ▶ **Sterile-injectable & CDMO manufacturing** — GMP plant and contract-manufacturing leaders on capacity economics and the Jan-2025 export deregulation.
- ▶ **Aesthetics export** — toxin / filler operators across SE-Asia, LatAm and the China launch path.
- ▶ **US ANDA & the NA shortage lane** — specialists on generic export into the North-American local-anesthetic shortage.
- ▶ **Biopharma / biologics R&D** — pipeline and platform experts on hyaluronidase drug-diffusion and the biologics value-chain build.
- ▶ **Korean capital markets & M&A** — advisers on the merger mechanics behind the value-chain climb.

HOW AN ENGAGEMENT RUNS

1 · Scope

We translate your decision into a market question and a short list of the claims that must hold for it — sizing, reform impact, lane economics, competitive position.

2 · Evidence

We assemble the primary-source factbase (filings, cross-house sizing, value-chain map) and convene the expert bench to verify each claim against operating reality.

3 · Synthesis

We deliver a decision-grade read — what the market is doing, where its margin is moving, and which claims survive scrutiny — with every number traced to a source.

OPEN QUESTIONS

The questions this study leaves open. (1) How far does the low-40s% ceiling land per therapeutic class once the "flexible pricing contract" is finalized? (2) How large is Hutox's China ramp from H2-2026, and does it close the gap to the Hugel/Medytox/Daewoong oligopoly? (3) Does the Huons Lab hyaluronidase platform reach commercial approval, and when? (4) Where does the cross-house combined Korea TAM settle once a house finally publishes one? Each is answerable with primary work and the right expert.

Partner With Nathan Research

CONTACTS & COMPLIANCE

To commission a market study, pressure-test this one with our expert bench, or scope a custom engagement on the Korean pharmaceutical market and its adjacent lanes, reach us directly.

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DISCLAIMER. This document is a **market-research study**, prepared by Nathan Research Group for professional and institutional readers. It is **not investment advice**, not a solicitation, and contains **no price target, valuation, or recommendation** with respect to any security. Huons Co., Ltd. (KOSDAQ 243070) and its peers are referenced only as **lenses on a market**; company financials are cited solely as evidence of a market dynamic, never as a value argument. Market sizes are presented as **house ranges**, preserved rather than averaged; figures flagged as single-house, snippet-sourced, industry-advocacy, or company-reported are labelled as such. Company figures are drawn from primary DART filings; market figures from the named research houses. KRX market data was deliberately not used in this lens. © 2026 Nathan Research Group. All rights reserved.

Appendix

SOURCES · METHODOLOGY

Sources

Market-research houses (sizing & growth — ranges preserved).

Mordor Intelligence — Korea pharma 2025 USD 23.19bn → 2031 26.69bn @ 2.37%; structure reads.

Fortune Business Insights — Korea pharma 2025 USD 29.20bn → 2032 53.97bn @ 9.17% (broadest scope).

Statista — Pharmaceuticals Korea 2025 ~USD 13.91bn (narrow scope).

Ken Research (5.27%); Spherical Insights (2.88%) — mid/conservative reads.

Grand View Research / Horizon — CDMO (USD 3.52bn→5.81bn @ 7.4%); aesthetic injectables (~\$1bn by 2030 @ ~14.4% [snippet, Gap #3]); GLP-1 (→\$386.1m @ 16.7%); global toxin.

Market Data Forecast — Korea OTC USD 5.76bn (2024) → 10.69bn (2033) @ 7.11%.

Expert Market Research — CDMO broad (5.20%). KD Market Insights — toxin USD 351.7m (2025) [Gap #4].

IQVIA Institute — global medicine ~USD 1.6tn→2.4tn (context frame).

DART filings (company-as-evidence — line-item verified).

20260323001636 — Annual Report FY2025 (2026-03-23): 5-yr financials, segment table, raw-material table.

20260604000612 — Merger amendment (2026-06-04): ratio, new shares, Huons Lab profile, stated purpose.

20260518000408 — Merger board resolution (2026-05-18).

20260515003052 — Q1-2026; 20251114002901 — Q3-2025 (trajectory cross-check).

Trade press / regulatory.

Korea Biomedical Review; KED Global; Seoul Economic Daily; The Investor; Shin & Kim newsletter; Pharmaceutical Technology; Springer J. Neural Transmission.

KRX. Deliberately near-unused in this lens. The only legitimate future use is cross-checking Huons' listed-share count against the merger's 3,825,373 new-share issuance — a capital-event cross-check, **not** a valuation input.

Methodology

Market sizing is read across multiple houses with ranges preserved, never averaged into a false single point; scope differences (whether biologics, CDMO and vaccines are counted, and whether the 2026 reform is modelled) drive the ~2x base-size and ~7-pt CAGR disagreements and are flagged at each exhibit. The forward fan is an NRG scenario model anchored to Mordor's scope-neutral 2025 base (USD 23.19bn) with three published-CAGR rays; it is a market-size projection, not a price. Company figures are drawn from primary DART filings and verified line-item against the source; segment %s are standalone-entity while revenue totals are consolidated (Gap #5), so segment lines are not summed to the consolidated total. Single-house, snippet-sourced (Gap #3), industry-advocacy (Gap #7), company-reported (Gap #10) and mixed-year peer (Gap #6) figures are labelled at point of use.

Appendix

GLOSSARY · SCOPE

Glossary

For foreign readers matching Korean-language DART filings and trade press to the English terms used in this study. Format:

한글 (romanization) – English definition.

휴온스 (Huons) – Huons Co., Ltd., KOSDAQ 243070; the mid-cap sterile-injectable maker used as this study's lens.

휴온스글로벌 (Huons Global) – KOSDAQ 084110; the parent holding company (do not conflate with the lens).

휴온스랩 (Huons Lab) – the unlisted biopharma R&D arm absorbed by Huons in the 2026 merger.

휴메딕스 (Humedix) – KOSDAQ 200670; sister affiliate in HA fillers / aesthetics.

전문약품 (jeonmun-uiyakpum) – ETC / professional (prescription) pharmaceuticals.

뷰티·웰빙 (beauty-wellbing) – Beauty & Wellness segment (HFF, vitamin injectables, obesity Rx, devices).

수탁 (sutak) – contract manufacturing (CMO / CDMO).

약가제도 개편 (yakga-jedo gaepyeon) – drug-price-system reform; the 2026 generic price-ceiling cut.

사업보고서 (saeop-bogoseo) – Annual (Business) Report – DART 20260323001636.

분기보고서 (bunggi-bogoseo) – Quarterly Report.

익산 (Iksan) – Korean place name (manufacturing geography).

제천 (Jecheon) – Chungbuk city; Huons' GMP plant site (Plant 2 certified 2023).

휴톡스 (Hutox) – Huons' botulinum-toxin export brand.

휴디앙 (Hudiang) – Huons' empagliflozin metabolic brand.

HIRA – Health Insurance Review & Assessment Service; sets reimbursement prices at the ETC node.

SCOPE

Scope & disclaimer. This is a **market-research study** of the Korean pharmaceutical market and its adjacent growth lanes, told through Huons (KOSDAQ 243070) as a lens. It is **not investment advice** and carries **no price target**, valuation, or recommendation. Company financials are cited **only as market evidence** of where demand and margin are moving. Market sizes are house ranges, preserved not averaged; labelled estimates and claims are flagged at point of use. Hangul appears in this study only in this glossary, to let foreign readers match the DART originals.