COMPANY UPDATE

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EV/Mobility Team

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KCC Corporation (002380)

Petrochemical-independent specialty chemical company

- We initiate coverage of KCC at BUY with a 12-month target price of KRW470,000.
- As its fundamentals are improving and earnings momentum is picking up, the firm's valuation looks undemanding even after the share-price runup in 2025. We expect the stock to rerate further.

WHAT'S THE STORY?

View—Fine chemical company immune to shifts in oil demand: We initiate coverage of KCC at BUY with a 12-month target price of KRW470,000. We used a sum-of-the-parts (SOTP) valuation to calculate our target price given its diverse business portfolio, and the peer multiple we used was derived from comparable domestic and international firms. KCC not only has a portfolio insulated from possible falls in oil demand (stemming from the rising EV penetration), but it is beginning to show strength in terms of both its fundamentals (driven by the silicone business's recovery and the coatings business's solid performance) and earnings momentum (on a rise in the value of its asset holdings).

Silicone profitability enters recovery phase: Its takeover of Momentive has turned KCC into a fine chemical company that focuses on silicone. Its profitability recently began to improve thanks to: 1) a leveling-off of the price decline for metallurgical silicone; and 2) strong sales of its specialty products. We expect its silicone operating margin to improve to around 4% over 2025-2026. The start of a new plant in Thailand should help KCC meet demand in ASEAN.

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW470,000	20.1%
Current price	KRW391,500	
Market cap	KRW3.5t/USD2.5b	
Shares (float)	8,886,471 (47.1%)	
52-week high/low	KRW437,500/KRW216,500	
Avg daily trading value (60-day)	KRW13.8b/ USD9.7m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
KCC Corporation (%)	-8.5	64.8	46.9
Vs Kospi (%pts)	-17.6	7.3	0.1

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	470,000	470,000	0.0%
2025E EPS	147,163	147,163	0.0%
2026E EPS	35,195	35,195	0.0%

SAMSUNG vs THE STREET

No of estimates	5
Target price	517,400
Recommendation	4.0

※ Rating: 4 < → BUY, 3 = HOLD, 2 > → SELL

SUMMARY FINANCIAL DATA

	2024	2025E	2026E	2027E
Revenue (KRWb)	6,659	6,746	6,923	7,251
Operating profit (KRWb)	471	479	515	543
Net profit (adj) (KRWb)	293	1,308	313	345
EPS (adj) (KRW)	34,948	147,163	35,195	38,877
EPS (adj) growth (% y-y)	46.0	321.1	-76.1	10.5
EBITDA margin (%)	13.7	14.4	14.6	14.6
ROE (%)	6.1	23.2	4.9	5.2
P/E (adj) (x)	6.7	2.7	11.1	10.1
P/B (x)	0.3	0.5	0.4	0.4
EV/EBITDA (x)	7.3	8.2	7.3	6.4
Dividend yield (%)	4.2	2.6	2.6	2.6

Source: Company data, Samsung Securities estimates

Coatings continue to offer solid profitability: KCC has shown superior profitability vs its domestic rivals thanks to its high exposure to the auto and shipbuilding sectors. The operating margin of KCC's coatings business rose from around 11% in 2024 to over 12% in 1H25. Short-term momentum stemming from Hyundai Motor Group's (HMG) increasing hybrid sales and Korean shipbuilders' elevated order backlog should offset the impact of a slowdown in the construction market.

Asset holdings to lift corporate value: Treasury shares currently represent more than 17% of its total shares outstanding. If its recently announced treasury share plan is fully implemented, its EPS could rise 12%. Meanwhile, the value of its investment assets has surged to KRW4.4t (from KRW2.8t at end-2024), with the figure now exceeding its market cap. Notably, it has recently used shares in HD Korea Shipbuilding & Offshore Engineering to issue exchangeable bonds (EBs), powering EPS improvements.

Valuation and target price

Valuation still undemanding

Initiating coverage at BUY with target price of KRW470,000

We initiate coverage of KCC at BUY with a 12-month target price of KRW470,000. We used a sum-of-the-parts (SOTP) valuation method to arrive at our target price, as the company operates across distinct business segments comprising silicon, building materials, coatings, and others.

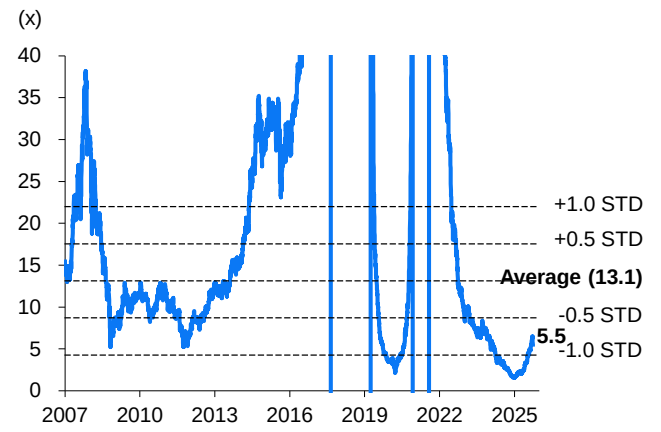
The operating value of each business has been estimated by applying EV/EBITDA multiples to our 12-month forward EBITDA forecast. We identified global players Dow, Wacker, and Shin-Etsu as its peer companies to the silicon business; global window or insulator firms LX Hausys, Nippon Sheet Glass, Saint Gobain, and Owens Corning as peer companies to the building materials business; and global coatings companies Akzo Nobel, PPG Industries, Sherwin-Williams, and Nippon Paint Holdings as peer companies to the coatings business. We excluded US coatings firm Sherwin-Williams from its peer group due to its lofty valuation.

KCC: SOTP valuation

(KRWb)	12MF EBITDA	Multiples (x)	EV	Details
Operating value (A)				
Silicone	389	8.0	3,129	Peers (Dow, Wacker, Shin-Etsu)
Building materials	166	5.7	951	Peers (LX Hausys, Nippon Sheet Glass, Saint Gobain, Owens Corning)
Coatings	246	9.6	2,374	Peers (Akzo Nobel, PPG Industries, Nippon Paint Holdings)
Others	101	7.8	790	Applying the average multiples to the silicone/building materials/coatings segment
Total	**903**	**8.0**	**7,243**	
Net Asset Value (B)			787	70%* discount on investment assets
Net debt (C)			3,890	2025E
Fair market cap (E = A + B - C)			**4,140**	
Total shares outstanding ('000)			8,886	
Fair price (KRW)			465,870	
Target price (KRW)			**470,000**	
Current price (KRW)			372,000	As of Oct 1 close
Upside (%)			26.3	
2025 implied P/E (x)			3.2	
2026 implied P/E (x)			13.4	
2025 implied P/B (x)			0.55	
2026 implied P/B (x)			0.53	

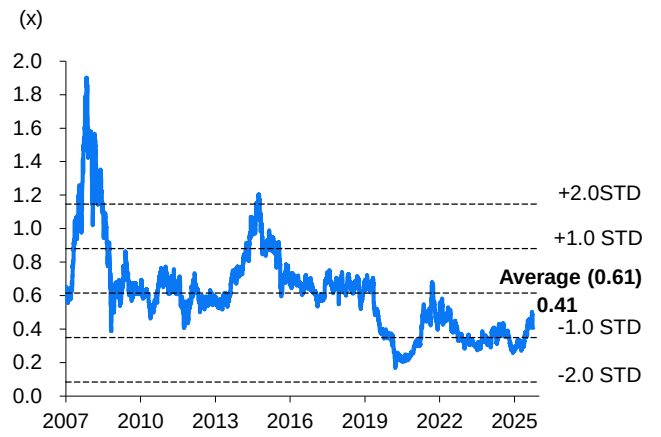
Note: * Applying a 75% NAV discount to the listed company's shares
Source: Bloomberg, Samsung Securities estimates

KCC: 12M forward P/E



Source: QuantiWise, Samsung Securities

KCC: 12M forward P/B



Source: QuantiWise, Samsung Securities

Despite its shares rallying 52% ytd, KCC is still trading at undemanding valuations. As its EPS (inherently swayed by the recognition of valuation gains/losses on its investment assets) has surged this year (shares in its investment assets have rallied), it is now trading at just 5.5x forward P/E. Based on its 2026 P/E, which excludes this year's valuation gains, it is trading at 10.1x, still below its post-2007 average of 13.1x (excluding 2018, 2019, and 2021, which are years when it posted a negative EPS that resulted in an abnormal valuation).

On a P/B basis, it is trading below its historical average. It currently trades at 0.41x forward P/B and 0.40x 2026 P/B—a very low valuation given that its P/B averaged 0.61x post-2007 and that +2 standard deviations from the average is 1.15x. Even if looking at its 2026 ROE and P/B relationship (considering this year's hefty one-off valuation gains from investment assets), its projected 2026 ROE (4.9%) is above the 2007-2024 average (4.4%) but has been paired with a 2026 P/B of 0.40x, which is below the historical average of 0.61x.

KCC: Peer valuation, by division

(x)	Currency	Share	Price performance (%)				Market cap	P/E			P/B			EV/EBITDA		
		Price	1W	1M	3M	YTD	(USDb)	2024	2025E	2026E	2024	2025E	2026E	2024	2025E	2026E
Silicone								**14.4**	**81.1**	**58.4**	**1.24**	**1.21**	**1.18**	**6.3**	**8.6**	**7.3**
Shin-Etsu Chemical	JPY	4,802	4.6	4.5	1.4	(9.3)	63.7	17.1	17.6	15.9	2.09	2.01	1.91	8.0	9.0	8.2
Dow	USD	23.0	(2.3)	(6.6)	(15.0)	(42.8)	16.2	11.6	n/a	134.3	0.90	0.92	0.97	5.5	9.5	7.7
Wacker	EUR	64.2	1.6	(2.1)	0.7	(8.3)	3.9	14.4	144.6	25.1	0.72	0.70	0.66	5.3	7.4	5.9
Building materials								**9.3**	**15.7**	**9.5**	**1.24**	**1.22**	**1.12**	**6.3**	**6.0**	**5.5**
Saint-Gobain	EUR	91.3	(2.6)	(2.5)	(9.7)	6.5	53.3	14.6	13.9	12.9	1.84	1.74	1.65	7.8	7.6	7.1
Owens Corning	USD	143	(1.7)	(6.1)	3.7	(16.0)	12.0	9.2	10.5	9.9	2.17	2.26	2.01	6.1	6.7	6.6
Nippon Sheet Glass	JPY	527	4.4	(1.1)	17.1	47.6	0.3	n/a	15.6	6.4	0.65	0.56	0.51	8.4	5.7	5.0
LX Hausys	KRW	28,150	(1.7)	(1.7)	(9.0)	(11.8)	0.2	4.2	23.1	8.7	0.32	0.32	0.31	2.8	3.8	3.4
Coatings								**19.1**	**18.1**	**16.3**	**7.32**	**6.42**	**5.87**	**12.9**	**12.7**	**11.7**
Sherwin-Williams	USD	341.9	(1.4)	(6.6)	(1.1)	0.6	85.2	30.3	30.2	26.9	22.08	18.81	17.09	21.0	21.0	19.2
PPG Industries	USD	103.7	(5.3)	(6.8)	(9.2)	(13.2)	23.4	12.7	13.2	12.1	3.16	3.21	3.00	9.2	10.0	9.4
Nippon Paint Holdings	JPY	1,005.0	(0.9)	(6.6)	(13.1)	(1.8)	15.9	18.4	14.1	12.8	1.72	1.46	1.35	11.6	10.2	9.2
Akzo Nobel	EUR	60.3	(1.7)	1.7	0.6	4.1	12.1	14.8	14.7	13.5	2.30	2.19	2.05	9.7	9.6	8.9

Note: Based on Bloomberg consensus as of September 26

Source: Bloomberg, Samsung Securities

KCC: Results and forecasts

(KRWb)	1Q25	2Q25	3Q25E	4Q25E	1Q26E	2Q26E	3Q26E	4Q26E	2023	2024	2025E	2026E
KRW/USD (average)	1,453	1,399	1,385	1,340	1,320	1,310	1,300	1,285	1,306	1,365	1,394	1,304
Sales	**1,599**	**1,705**	**1,694**	**1,748**	**1,676**	**1,794**	**1,789**	**1,663**	**6,288**	**6,659**	**6,746**	**6,923**
Growth (% q-q)	-3.5	6.6	-0.7	3.2	-4.1	7.0	-0.3	-7.0				
Growth (% y-y)	0.7	-4.1	3.6	5.5	4.8	5.2	5.6	-4.8	-7.2	5.9	1.3	2.6
Silicone	774	797	781	793	797	807	817	824	2,952	2,995	3,145	3,245
Building materials	232	252	252	275	242	258	273	291	1,118	1,097	1,011	1,063
Coatings	458	518	490	497	479	570	541	390	1,657	1,944	1,962	1,980
Others	135	138	171	183	159	159	159	159	561	623	628	634
Operating profit	**103**	**140**	**129**	**107**	**118**	**147**	**143**	**107**	**313**	**471**	**479**	**515**
Growth (% q-q)	5.2	35.7	-8.2	-17.2	10.3	25.4	-3.1	-24.8				
Growth (% y-y)	-3.2	-0.1	2.8	8.4	13.7	5.0	10.9	0.8	-33.2	50.7	1.7	7.5
Silicone	21	41	37	32	33	38	39	33	-83	73	131	143
Growth (% q-q)	-20.5	98.5	-8.5	-15.1	3.1	15.7	3.2	-14.7				
Growth (% y-y)	651.3	122.2	44.5	22.7	59.1	-7.3	4.6	5.1	To turn neg	To turn pos	79.1	9.6
Building materials	24	32	29	35	25	33	33	38	193	174	120	129
Growth (% q-q)	-32.0	34.4	-7.9	17.7	-28.7	32.5	1.5	14.7				
Growth (% y-y)	-46.6	-40.3	-27.9	-0.9	4.0	2.5	13.0	10.1	61.3	-10.1	-31.1	7.6
Coatings	56	65	56	38	56	71	63	32	176	217	215	223
Growth (% q-q)	43.3	15.6	-12.9	-32.2	46.9	26.8	-11.1	-49.5				
Growth (% y-y)	2.4	-2.1	-1.2	-2.1	0.4	10.1	12.3	-16.3	191.3	23.3	-0.7	3.5
Others	-4	-1	1	-3	-1	1	2	-1	4	-12	-8	1
Growth (% q-q)	Remained neg	Remained neg	To turn pos	To turn neg	To remain neg	To turn pos	292.1	To turn neg				
Growth (% y-y)	Remained neg	Remained neg	To turn pos	To remain neg	To remain neg	To turn pos	263.3	To remain neg	-34.3	To turn neg	To remain neg	To turn pos
Consolidation adj.	8	4	5	5	5	5	5	5	23	20	21	20
Growth (% q-q)	49.2	-49.8	32.0	0.0	0.0	0.0	0.0	0.0				
Growth (% y-y)	24.6	-6.5	3.6	-1.2	-33.8	32.0	0.0	0.0	13.2	-11.5	6.7	-6.3
Pre-tax profit	**75**	**1,267**	**468**	**58**	**88**	**131**	**119**	**96**	**244**	**470**	**1,867**	**434**
Growth (% q-q)	-84.0	1,580.2	-63.1	-87.7	-95.3	48.2	-9.3	-19.6				
Growth (% y-y)	-88.1	11,449.0	To turn pos	To turn pos	17.3	-89.6	-74.6	65.8	118.3	92.2	297.4	-76.7
Net profit	**44**	**893**	**330**	**41**	**64**	**94**	**86**	**69**	**93**	**293**	**1,308**	**313**
Growth (% q-q)	To turn pos	1,927.9	-63.1	-87.7	56.7	48.2	-9.3	-19.6				
Growth (% y-y)	-90.4	To turn pos	To turn pos	To turn pos	44.7	-89.4	-74.0	69.4	222.7	217.1	345.9	-76.1
Attributable to parent	44	893	330	41	64	94	86	69	213	311	1,308	313
Margins (%)												
Operating profit	6.5	8.2	7.6	6.1	7.0	8.2	8.0	6.5	5.0	7.1	7.1	7.4
Silicone	2.7	5.1	4.8	4.0	4.1	4.7	4.8	4.1	-2.8	2.4	4.2	4.4
Building materials	10.2	12.7	11.7	12.6	10.2	12.7	12.2	13.1	17.3	15.8	11.8	12.1
Coatings	12.2	12.5	11.5	7.7	11.7	12.5	11.7	8.2	10.6	11.2	11.0	11.2
Others	-3.3	-0.7	0.3	-1.7	-0.7	0.3	1.3	-0.7	0.7	-2.0	-1.2	0.1
Pre-tax profit	4.7	74.3	27.6	3.3	5.3	7.3	6.7	5.8	3.9	7.1	27.7	6.3
Net profit	2.8	52.4	19.5	2.3	3.8	5.3	4.8	4.1	1.5	4.4	19.4	4.5

Source: KCC, Samsung Securities estimates

Investment points

Fine chemical company insulated from shifts in oil demand

Silicone profitability enters recovery phase

KCC used to focus on building materials and coatings. But its acquisition of global silicone firm Momentive significantly altered its business structure, turning it into a fine chemical company that is focused on silicone. Back in 2018 before it acquired Momentive, silicone represented just 11% of its sales (vs 39% for building materials and 37% for coatings). But the figure has jumped to 47% this year (1H25; vs 15% for building materials and 29% for coatings). By region, 39% of its silicone sales come from Asia, 31% from the US, and 30% from Europe (as of 2024).

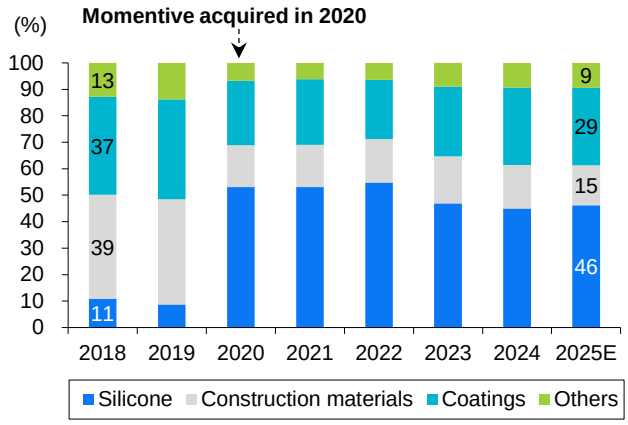
Its silicone business chiefly produces organosilicone. For the synthesis of organosilicone, it purchases dimethylcylcosiloxane (DMC). A type of siloxane, DMC is typically made with metallurgical silicon (MG-Si). The company offers a broad range of organosilicone products, including silicone oil (lubrication, water repellence, electric insulation), silicone rubber (electric/electronic, auto parts), silicone resin (paint, coatings, adhesives), and sealants (building materials).

Its silicone profitability recently began to recover after a two-year slump. Prices of metallurgical silicone, a raw material of organosilicone, surged in 2021 on China's dual control of energy. The Chinese policy sought to curb both 'total energy consumption' and 'energy intensity' (energy use per unit of GDP), setting energy saving targets at the province level. Provinces that missed their energy targets were forced to curtail production. China's restriction of energy supplies resulted in less production and higher prices of metallurgical silicone—a market where China accounted for over 70% of the global supply. The raw material price hikes ignited a rally in product prices, lifting KCC's profitability (operating margin) to 7-9% over 2021-2022.

But after 2022, China gradually eased energy regulations to counteract an economic slowdown. China's metallurgical silicone capacity utilization recovered, causing prices to fall through 2024. Having to recognize negative lag effects (stemming from falling raw material prices), KCC saw silicone profitability (operating margin) slow from 7% in 2022 to -2.8% in 2023 and 2.4% in 2024.

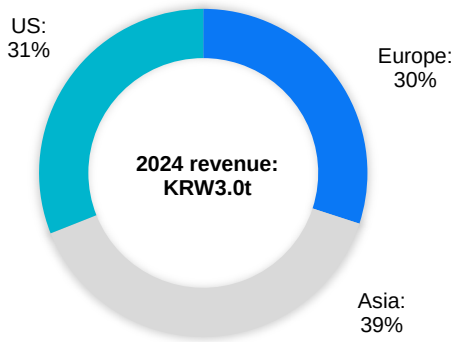
Its profitability recently began to improve thanks to a leveling-off of the price decline in metallurgical silicone and strong sales of its specialty products. After recovering from 0-2% in 1H24 to 3.6% in 3Q24 and 3.5% in 4Q24, its profitability rose to 5.1% in 2Q25. While the ongoing global tariff war has cast uncertainty over the global economy, its profitability should keep improving thanks to the US tariffs; moreover, the addition of a new plant in Thailand should help it meet demand in Southeast Asia. We expect its operating margin to improve from -2.8% in 2023 and 2.4% in 2024 to 4.2% in 2025 and 4.4% in 2026.

KCC: Sales portion, by division



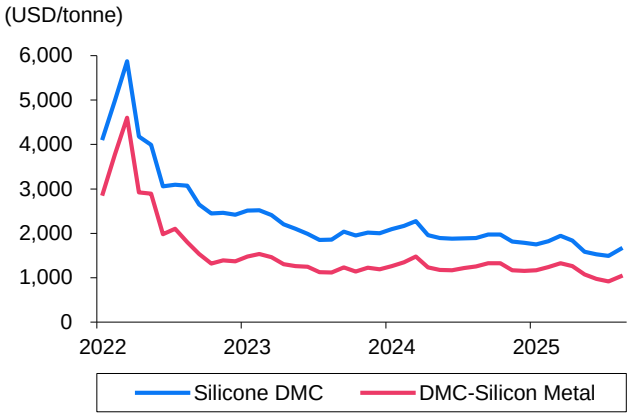
Source: KCC, Samsung Securities

KCC Silicone division: Sales portion, by region



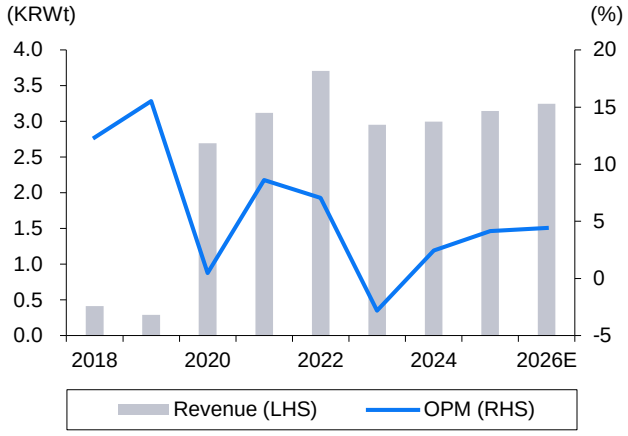
Source: KCC, Samsung Securities

DMC: Product prices and spread



Source: Shanghai Metals Market, Samsung Securities

KCC: Silicone division's results and forecasts



Source: KCC, Samsung Securities

Coatings division continues to generate solid profitability

Another pillar supporting KCC's fundamentals is its coatings business, which division consistently logs solid profitability. Coatings, such as paint, are liquid substances that are applied in a thin film to the surface of an object to provide protection and improve its aesthetics.

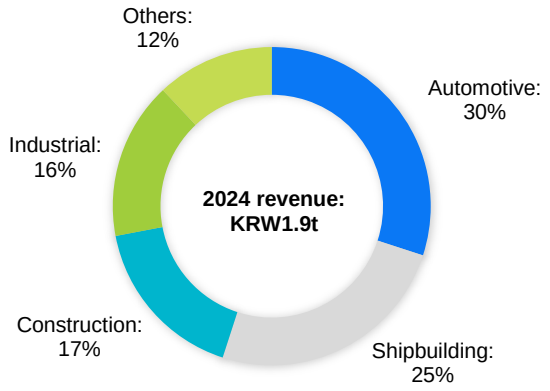
KCC offers a diverse lineup of coatings: Architectural coatings, ship coatings, plant coatings, powder coatings, general industrial coatings, PCM coatings, automotive coatings, plastic coatings, and more. Their applications can be grouped into five categories: Auto, shipbuilding, architecture, industrial, and others. KCC's coatings business is most exposed to the auto sector (30% of sales), followed by shipbuilding (25%), architecture (17%), industrial (16%), and others (12%). Its domestic rivals' (Noroo Paint, Samhwa Paint, and Chokwang Paint) have high sales exposure to architectural products.

Encouragingly, KCC has shown superior profitability to its rivals over the past 2-3 years amid a domestic construction slump—the nation's auto and shipbuilding sectors have continued to boom. The profitability (operating margin) of KCC's coating business stood at a mere 2-4% over 2020-2022, but leapt to 10.6% in 2023 and 11.2% in 2024. The figure climbed further to 12.4% in 1H25. Growing sales of lucrative auto and shipbuilding coatings appear to have improved the division's profitability mix, thereby offsetting the impact of a slowdown in the architecture market.

None of its domestic rivals have seen their margins improve as much KCC. Noroo Paint posted a profitability (operating margin) of 3-5% over 2020-2022, 5.5% in 2023, 5.5% in 2024, and 4.7% in 1H25. Samhwa Paint's profitability slid from 2.7% in 2020 to as low as 0.1% in 2021 before holding steady around 3-4% over 2022-2024 before slowing again to 1.5% in 1H25. Chokwang Paint, with the smallest sales among KCC's domestic peers, suffered from negative profitability (operating margin) of -1 to - 4% over 2020-2022. The figure turned positive (+1%) over 2023-2024 but plunged to -7.5% in 2025. We attribute the sharp profitability contraction to its high dependence on architectural product sales and small economies of scale—with sales less than half of KCC's, it possesses weaker bargaining power in terms of procuring raw materials.

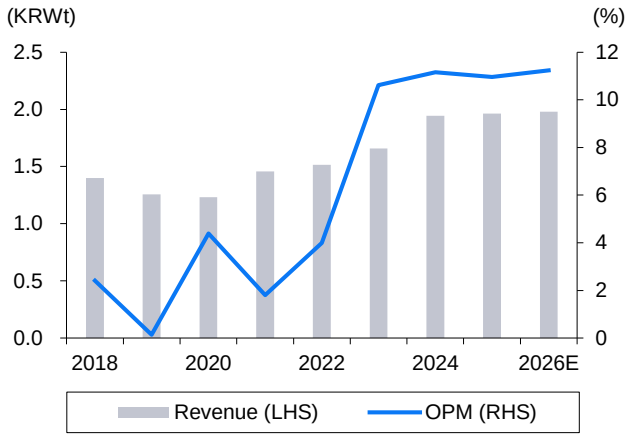
KCC's sales to its auto and shipbuilding clients, pivotal to its strong profitability, should be sustained thanks to favorable market conditions for both sectors. Hyundai Motor Group (HMG) is dealing with the EV slump by increasing its hybrid sales, which action has brightened the short-term sales growth prospects for automotive coatings. Also, Korean shipbuilders have an elevated order backlog that will translate to sales over time, which should keep KCC's coatings business highly profitable.

KCC: Coating division's sales portion, by client



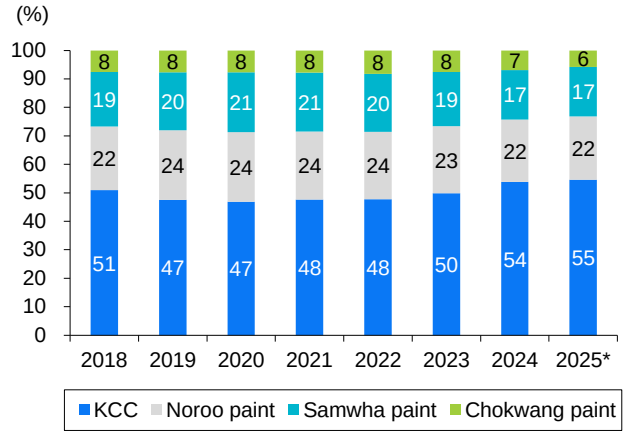
Source: KCC, Samsung Securities estimates

KCC: Coating division's results and forecasts



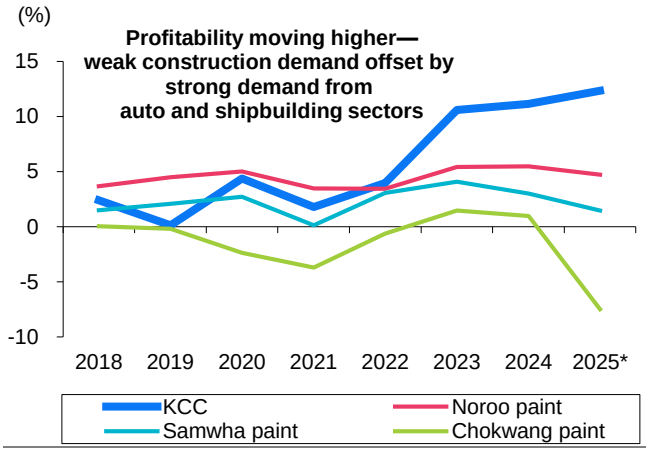
Source: KCC, Samsung Securities

Domestic coating companies: Market share changes



Note: * Based on 1H25 results
Market share based on each company's sales (KCC limited to coating sales only)
Source: Samsung Securities estimates

Domestic coating companies: OPM trends



Note: * Based on 1H25 results
KCC OPM is based on coating division
Source: KCC, Samsung Securities

Asset holdings boosting corporate value

In addition to the healthy fundamentals of its silicon and coatings businesses, KCC's asset holdings are rising in value or are being highlighted by the market—a positive development in terms of corporate value. Its asset holdings consist of treasury shares and financial assets measured at fair value through profit or loss (FVPL).

Treasury shares currently represent 17.2% of its total shares outstanding—one of the highest percentages in the sector. Its treasury share portion was 6.8% until 2020. But in Sep 2020, KCC decided to buy back KRW100b worth of shares (6.9% of total shares outstanding) to enhance shareholder value in the process of separating it silicon business. The figure rose to 13.8% by Dec 2020.

KCC decided to buy back another KRW100b worth of shares (3.4% of its total) to further enhance shareholder value in Feb 2022 after it sold a portion of its stake in HD Korea Shipbuilding & Offshore Engineering (HD KSOE; 2.7%) for KRW165.6b. This lifted its treasury share portion to 17.2%. In sum, over the past five years, the company has spent KRW200b in cash to buy a 10.3% stake in itself, which value has risen 92% to KRW383.2b (based on its current share price). Theoretically, cancelling the treasury shares in their entirety would boost its EPS and BVPS by around 21%.

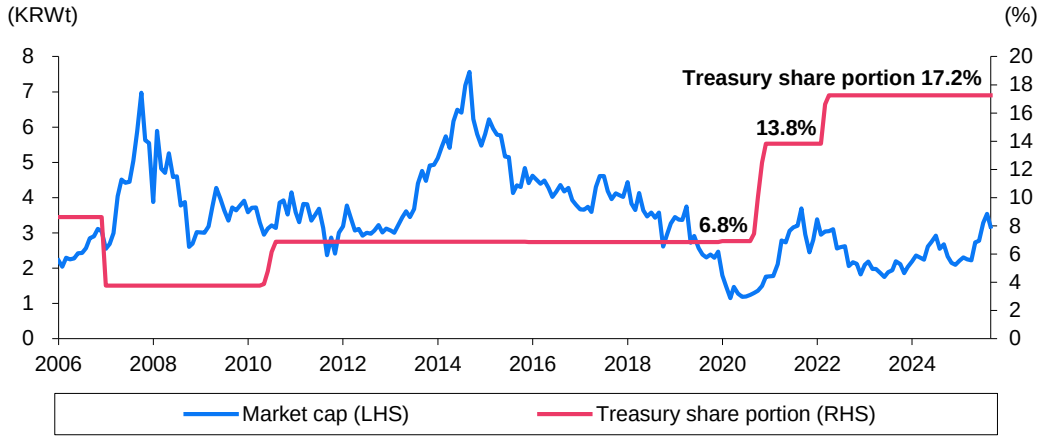
On Sep 24, KCC announced how it intended to utilize its treasury shares, a day after the domestic media reported on the possibility of KCC issuing exchangeable bonds (EBs) that give the bondholder the right to exchange the bonds for its treasury shares. According to its plan for its treasury shares (17.2% of total shares outstanding), 3.9% will be cancelled, 9.9% will be used as underlying assets for EBs, and 3.4% will be allocated to an employee welfare fund. The shares tumbled 14% over the next three days, reflecting investor disappointment. However, this remains only a plan—final actions will be confirmed through disclosure at a later time. Even if the EBs are issued to refinance borrowings (with rates of up to 8%), its EPS would still improve. If the plan is fully implemented, the treasury share cancellation would raise its EPS 4.1% and its debt repayment through EB issuance by another 8.1%, for a total EPS increase of 12%. Considering that canceling 100% of its treasury shares would boost its EPS 21%, the 14% decline in share price following the plan's announcement seems excessive.

Meanwhile, KCC's investment assets, classified as financial assets measured at FVPL, have been gaining value amid sector strength and a bullish Korean stock market. It currently owns shares in nine listed firms, with valuation gains/losses on these holdings, measured at fair value at the end of every reporting period, recognized as a non-operating profit/loss. (Dividend and interest income are also reflected in net profit.) This explains why its net profit fluctuates more widely than its operating profit.

The value of KCC's investment assets moderated slightly from KRW2.84t at end-2023 to KRW2.78t at end-2024. Since the end of last year, the value has surged 41% to KRW3.91t (as of end-2Q25), supported by a strong stock market and favorable business conditions for the companies, and has since risen an additional 13% to stand at KRW4.42t (as of Sep 26). As these investment assets exceed its market cap, their liquidation could dramatically enhance its corporate value.

After selling a 2.7% stake in HD KSOE (KRW165.6b) in Feb 2022, KCC took no major action on its remaining 3.91% stake for three years. In Jul 2025, it issued KRW882.8b (USD650m) in EBs backed by a 2.9% stake in HD KSOE. While it still holds the underlying shares for the EBs, having raised KRW882.8b in proceeds, it may be preparing to gradually divest its stake. The EBs carry a low interest rate of 1.75%, and proceeds were used to repay debt related to the Momentive acquisition (which debt bore a 6.8% interest rate). As such, we believe KCC's net interest cost peaked at KRW311.8b in 2024 and will fall to KRW253.4b in 2025 and to KRW161.8b in 2026, driving EPS improvements.

KCC: Market cap vs treasury share portion



Source: QuantiWise, Samsung Securities

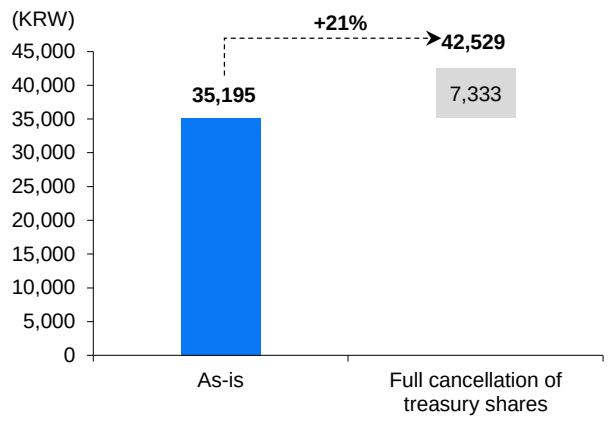
KCC: Treasury share utilization plan—announced Sep 24 but withdrawn Sep 30

	Shares	Ownership (%)	Amount* (KRWb)	Expected timing	Fundamental impact
Treasury share cancellation	350,000	3.9	125	4Q25E-1Q26E	EPS & BVPS to improve 4.1%**
Exchangeable bond issuance	882,300	9.9	315	4Q25E	EPS to improve 8.1%***
Contribution to Employee Welfare Fund	300,000	3.4	107	4Q25E-1Q26E	

Note: *Based on current share price of KRW357,000
**Assuming only the direct impact of share count reduction
***Assuming repayment of the company's most expensive debt (8.1%)

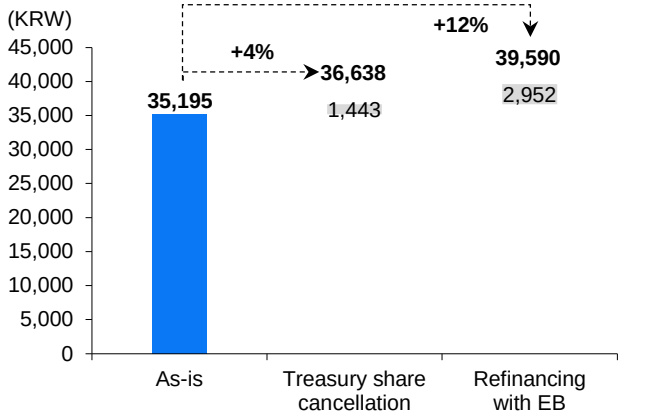
Source: KCC, Samsung Securities

KCC: EPS impact in 2026 assuming full cancellation of treasury shares



Source: KCC, Samsung Securities

KCC: EPS impact in 2026 based on the announced treasury share utilization plan



Note: Exchangeable bond coupon assumed at 0%, refinancing assumed as repayment of the remaining 8% borrowing / Source: KCC, Samsung Securities

KCC: Status of financial assets measured at fair value through profit or loss (FVTPL)

(KRWb)	Ownership (%)	Acquisition cost	Fair value			
			End-2023	End-2024	End-2Q25	Now*
Samsung C&T	10.01	1,081.1	2,405.8	2,043.0	2,745.3	3,197.1
HD Hyundai Heavy Industries	3.91	173.0	334.6	630.9	1,011.6	1,100.0
Hyundai Mobis	0.001	0.0	0.2	0.2	0.3	0.3
HDC	1.79	5.6	7.4	12.7	25.1	19.1
HDC Hyundai Development Company	2.37	18.3	22.8	28.2	35.1	31.6
Hyundai Corporation	12.00	31.1	30.0	30.3	46.0	33.6
Hyundai Corporation Holdings	12.00	25.4	11.7	11.2	14.2	13.4
HL D&I	9.78	50.0	7.6	8.2	9.9	8.7
HL Holdings	4.59	27.2	15.5	15.5	17.5	17.0
Total		**1,411.7**	**2,835.6**	**2,780.4**	**3,905.0**	**4,420.7**

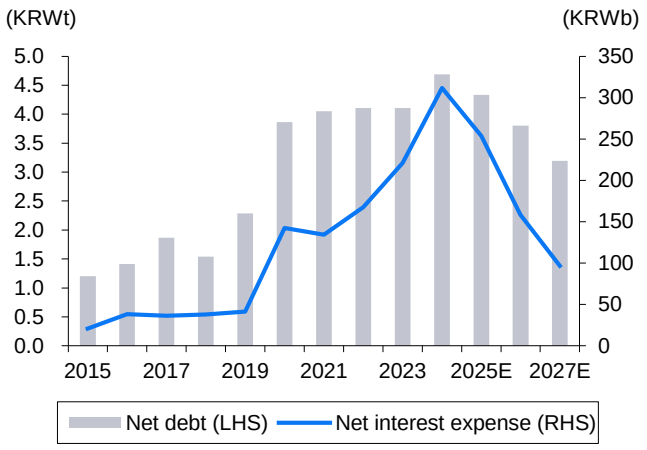
Note: * As of Sep 26 close / Source: KCC, Samsung Securities

KCC: Details of exchangeable bond issuance backed by HD Hyundai Heavy Industries shares

(KRWb)	Details
Issuance amount (USD mn)	650.0
Issuance amount (KRW bn)	882.8
Exchange price (KRW)	429,650
Exchange vs share price at issuance (%)	130%
Number of shares subject to exchange (ownership %)	2,054,614 (2.90%)
Ratio vs existing shareholding (%)	74%
Remaining shares after exchange	709,348 (1.00%)
Coupon rate	1.75%
Maturity	Jul 10, 2030
Use of proceeds	Repayment of debt through capital injection into Momentive

Source: KCC, Samsung Securities

KCC: Net debt and net interest expense trends and outlook



Source: KCC, Samsung Securities estimates

Appendix

Company overview

Company overview

KCC emerged from Kumgang Slate Industry (a building materials business; founded in 1958). Kumgang Slate Industry established Korea Chemical (coatings business) in 1974 to expand into a new business area. The two companies (Kumgang Slate Industry and Korea Chemical) merged in 2000 under the name Kumgang Korea Chemical, establishing KCC's current business model. Kumgang Korea Chemical expanded into the silicone business by acquiring overseas silicone firms Basildon and Momentive in 2011 and 2018, respectively.

Notably, its Momentive takeover altered its primary business. Back in 2017, KCC generated 41% of its sales from building materials, 37% from coatings, and 10% from silicone. But its sales now break down as 47% silicon, 29% coatings, and 15% building materials (as of 2025).

Its silicone business chiefly produces organosilicone. For the synthesis of organosilicone, it purchases dimethylcylcosiloxane (DMC). A type of siloxane, DMC is typically made with metallurgical silicon (MG-Si). The company offers a broad range of organosilicone products, including silicone oil (lubrication, water repellence, electric insulation), silicone rubber (electric/electronic, auto parts), silicone resin (coating, paint, adhesives), and sealants (building materials).

The building materials business is KCC's legacy business that manufactures and sells interior materials, ceiling materials, and insulation products. Its: 1) interior materials include gypsum board; 2) ceiling materials include Mitone (acoustic ceiling board made from natural mineral wool) and Gypsum Tex (gypsum board, maximizing sound absorption); and 3) insulation materials include mineral wool, glass wool, and ceramic fiber. With the extensive lineup, it can meet various consumer needs for use across construction, industrial, vessel, panel, and more projects.

KCC is involved in coatings, which are used not only in industrial settings (architecture, autos, ships) but also for homes. The company used to mass produce uniform products, but recently shifted to a multi-product manufacturing system to meet a variety of needs. Core applications are gravitating towards high value added, technology intensive products such as specialty marine coatings. The company's key products range from architectural coatings to heavy duty coatings, powder coatings, general industrial coatings, PCM coatings, automotive coatings, and plastic coatings.

The 'others' business offers alumina metalizing (A/M), direct copper bonding (DCB), and glass fiber products. A/M products, consisting of metalized ceramics (ceramics and metal are bonded for enhanced insulation performance) and brazed ceramics, are a core material of electric/electronic insulation components. DCB is used in ceramic substrates that dissipate heat generated by high-power

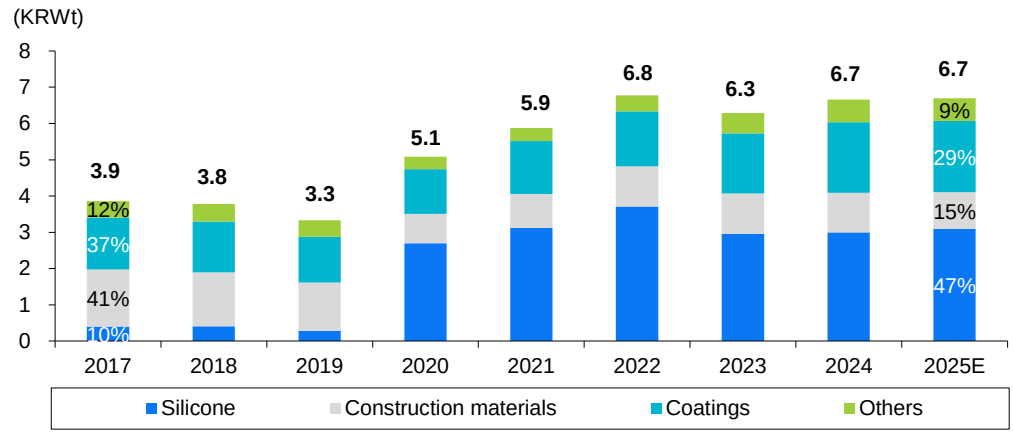
power modules. Glass fiber, which exhibits excellent chemical resistance, strength, electric insulation, heat insulation, and durability, is used as a composite material across electric, electronic, automotive, and aircraft component industries.

KCC: Major milestones

Year	Detail	Year	Detail
1958.09	Established Kumgang Slate Industry (building materials)	2005.02	Changed company name from Kumgang-Korea Chemical to KCC
1974.07	Established Korea Chemical (paints & coatings)	2011.04	Acquired UK-based silicone manufacturer Basildon
1976.03	Renamed Kumgang Slate Industry to Kumgang	2018.09	Signed merger and acquisition agreement with global silicone producer Momentive
1989.01	Established Kumgang Construction (KCC Construction) and Kumgang Leisure	2020.09	Spun off existing silicone business and established new entity KCC Silicone
2000.04	Merged Kumgang and Korea Chemical, renamed Kumgang - Korea Chemical	2021.01	Sold KCC Silicone to Momentive, integrating the global silicone business

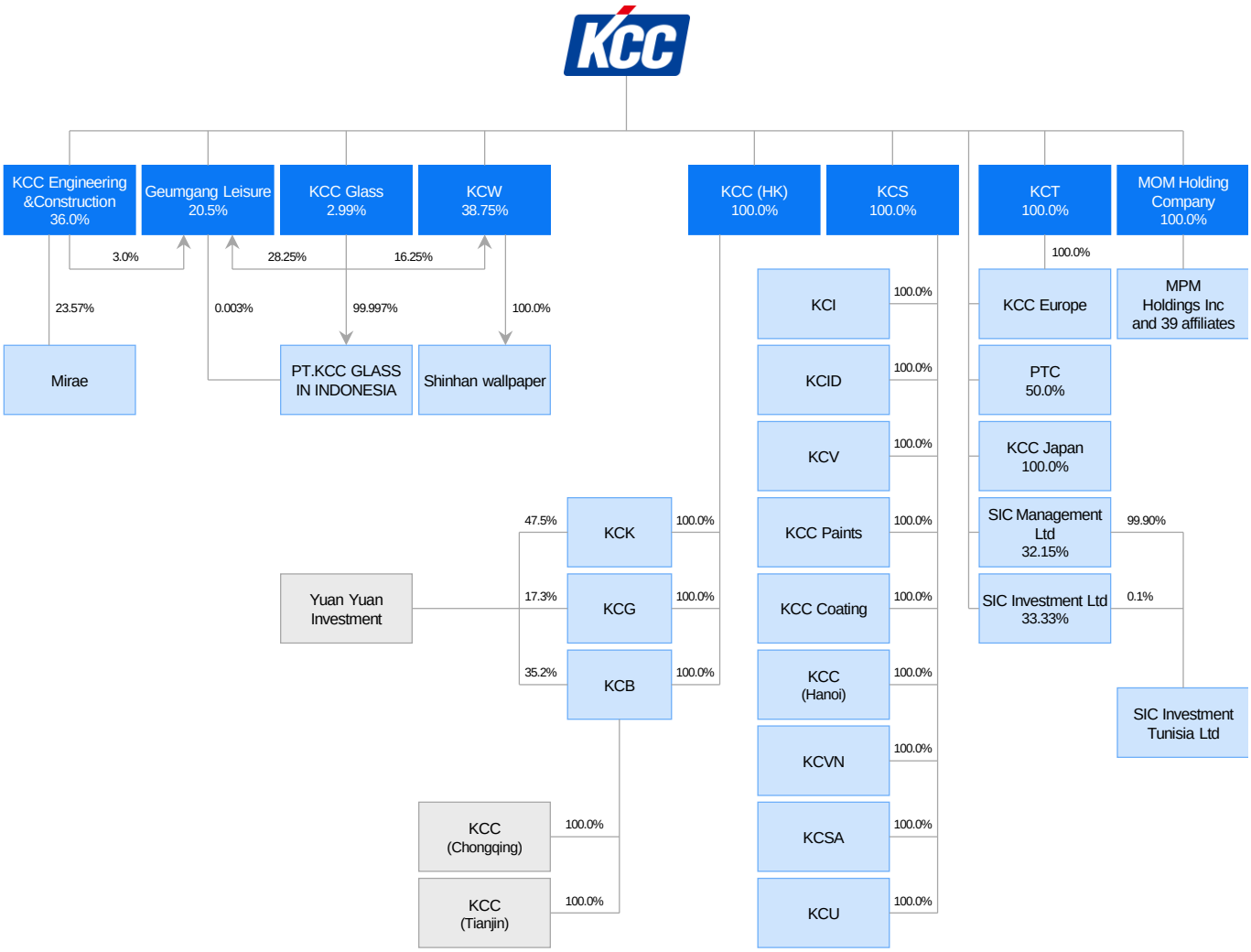
Source: KCC, Samsung Securities

KCC: Sales, by division



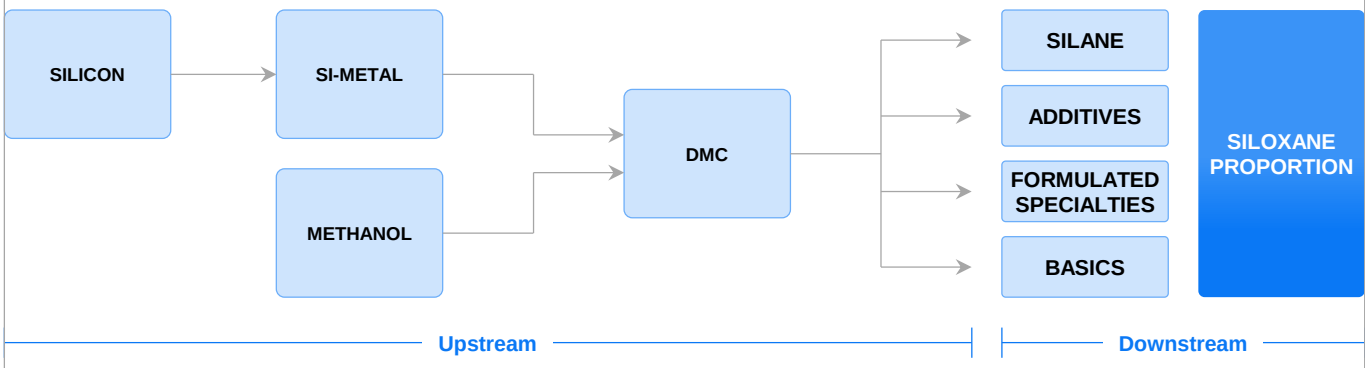
Source: KCC, Samsung Securities

KCC: Ownership structure



Source: KCC, Samsung Securities

Silicone value chain



SILICON	This is a chemical element widely used as a raw material for producing chemical substances related to the electronics and silicon industries. Due to its importance in the technology and energy sectors, demand for it has remained steady.
SI-METAL	It is a raw material used in the production of aluminum-silicon alloys and silicon-based chemicals. In addition to its use in organosilicon compounds, it is an essential raw material for semiconductors and solar panels. More than 60% of global production takes place in China.
METHANOL	Methyl chloride (CH_3Cl) is produced by reacting hydrogen chloride (HCl) with methanol (CH_3OH), and it is used in the synthesis of the silicon monomer MCS (methylchlorosilane). Production is concentrated mainly in North America and Southeast Asia.
DMC	It is a chemical intermediate mainly used as a solvent in polymers, pharmaceuticals, coatings, and adhesives. The production cost is largely composed of raw material, electricity, and labor expenses, and China is the primary producer.

Source: KCC, Samsung Securities

KCC Silicone: Key global production sites

Country	Region	Key Milestones & Main Products
Korea	Daejuk	• 2007: Completed construction of the Daejuk Silicone Plant → First in Korea to produce both silicone raw materials and downstream products • Produces Basics and Formulated Specialties (e.g., Elastomers)
	Jeonju	• 2003: Completed construction of the Jeonju Silicone Plant • Produces Basics, Formulated Specialties (e.g., EM, Release Coatings), and Performance Additives (e.g., Personal Care materials)
United States	Waterfold	• 1947: Began silicone production (GE Silicones) • Produces Formulated Specialties (Elastomers, EM, Hard-Coatings, Sealants, etc.) and Performance Additives (Silanes and other additives)
	Sisterville	• 2004: Integrated into GE Silicones (formerly Union Carbide) • Produces Performance Additives (Silanes and other additives)
Japan	Ohta	• 1974: Began silicone production (GE Toshiba Silicone) • Produces Basics, Formulated Specialties (Sealant, EM, Elastomer, etc.) and Performance Additives (Silane, Personal Care, etc.)
China	Nantong	• Produces Formulated Specialties (Elastomers, EM, Release Coatings, etc.)
Thailand	Rayong	• Produces Formulated Specialties (Elastomers, Hard-Coating, etc.) • Produces Performance Additives (Tire, Silane, etc.)
Germany	Leverkusen	• Produces Formulated Specialties (Elastomers, Hard-Coating, etc.) • Produces Performance Additives (Tire, Silane, etc.)
United Kingdom	Abingdon	• Produces Performance Additives (Personal Care and other additives)
Italy	Termoli	• Produces Performance Additives (Silanes and other additives)

Source: KCC, Samsung Securities

KCC Silicone: Products, by industry

End use	Application	Product Types
Personal care	Skin and hair care products, skin-adhesive patches, color cosmetics, sun care, etc.	Cosmetic raw materials such as Silicone Emulsion and Silicone Oil
Automotive	Electric and internal combustion vehicles — electronic components, tires, airbag coatings, interior and exterior materials	Silane, High Consistency Rubber (HCE), Liquid Silicone Rubber (LSR)
Construction	Thermal insulation, water repellents for buildings, sealants for windows, waterproofing, and general construction use	Sealants, Silicone Emulsion, etc.
Consumer	Bedding polyurethane foam, kitchenware, baby products, etc.	High Consistency Rubber (HCE), Room Temperature Vulcanizing Silicone Rubber (RTV), Liquid Silicone Rubber (LSR), Pressure-Sensitive Adhesives, Release Agents, etc.
Industrial	Paint additives, sports goods, industrial adhesives, and coatings	Silicone Emulsion, Room Temperature Vulcanizing Silicone Rubber (RTV), Silane
Others	Semiconductors, aerospace, agriculture, food, medical devices, and electronic materials (EM)	High Consistency Rubber (HCE), Room Temperature Vulcanizing Silicone Rubber (RTV), Liquid Silicone Rubber (LSR), Silane

Source: KCC, Samsung Securities

KCC Silicone: Products, by type

Type	Name	Characteristics	Major Applications
HCE (High Consistency Elastomer)	High-temperature-cured silicone rubber	• Solid silicone rubber cured at high temperatures • Can be molded using various methods • Superior to organic rubber in heat and chemical resistance; used across diverse industries	Automotive: Keypads, hoses, etc. Industrial: Mobile devices, watch bands, etc. Electronic Materials: Electric cables, remote-control keypads, etc. Consumer & Others: Medical and dairy hoses, swimming gear, etc.
LSR (Liquid Silicone Rubber)	Liquid silicone rubber	• Liquid-form, high-temperature-cured silicone rubber • Low viscosity and high fluidity enable automated injection molding • Used in products that come into contact with skin or food	Electronic: High-voltage insulators, home appliances Automotive: Airbag coatings Consumer & Others: Baby products, medical components
RTV (Room Temperature Vulcanization)	Room-temperature-cured silicone rubber	• (RTV-1) Excellent adhesion; bonds to most substrates • (RTV-2) Excellent electric properties, heat/weather/frost resistance, and impact absorption	Electronic Materials: Thermal interface materials, wire coatings, sealants, LEDs Industrial: Industrial adhesives, thermal-insulation protective coatings Personal Care: Skin-adhesive patches
Emulsion / Silicone Oil	Silicone emulsion and oil	• Stable dispersion created by uniformly mixing oil and water • Used for defoaming, release, water repellency, lubrication, and anti-blocking	Automotive: Tire polishes, release agents Construction: Insulation, water repellents Industrial: Road additives, tack-preventive agents, defoamers Personal Care: Skin and hair-care products
PSA / RLC (Pressure Sensitive Adhesives, Release Coatings)	Pressure-sensitive adhesives and release coatings	• PSA: Functional adhesives maintaining tack at both high and low temperatures • RLC: Used as release and coating materials for tapes, labels, and films	Electronic Materials: LCD protection, process protection films Consumer / Industrial: Labels (release liners), films
Silane / Resin	Silane / Resin	• Organosilicon compounds in gaseous or liquid form • Used to enhance the thermal properties of end products in tire, semiconductor, and petrochemical industries	Automotive: Coupling agents for tires (e.g., NXT) Electronic Materials: Front-end semiconductor materials, manufacturing equipment Industrial: Additives for road construction and petrochemical processes
Sealant	Sealant	• Material used to fill joints or gaps to maintain water and air tightness • Improves building durability through excellent adhesion and elasticity	Construction: General-purpose silicone, window glazing, waterproofing, civil engineering, and road construction applications

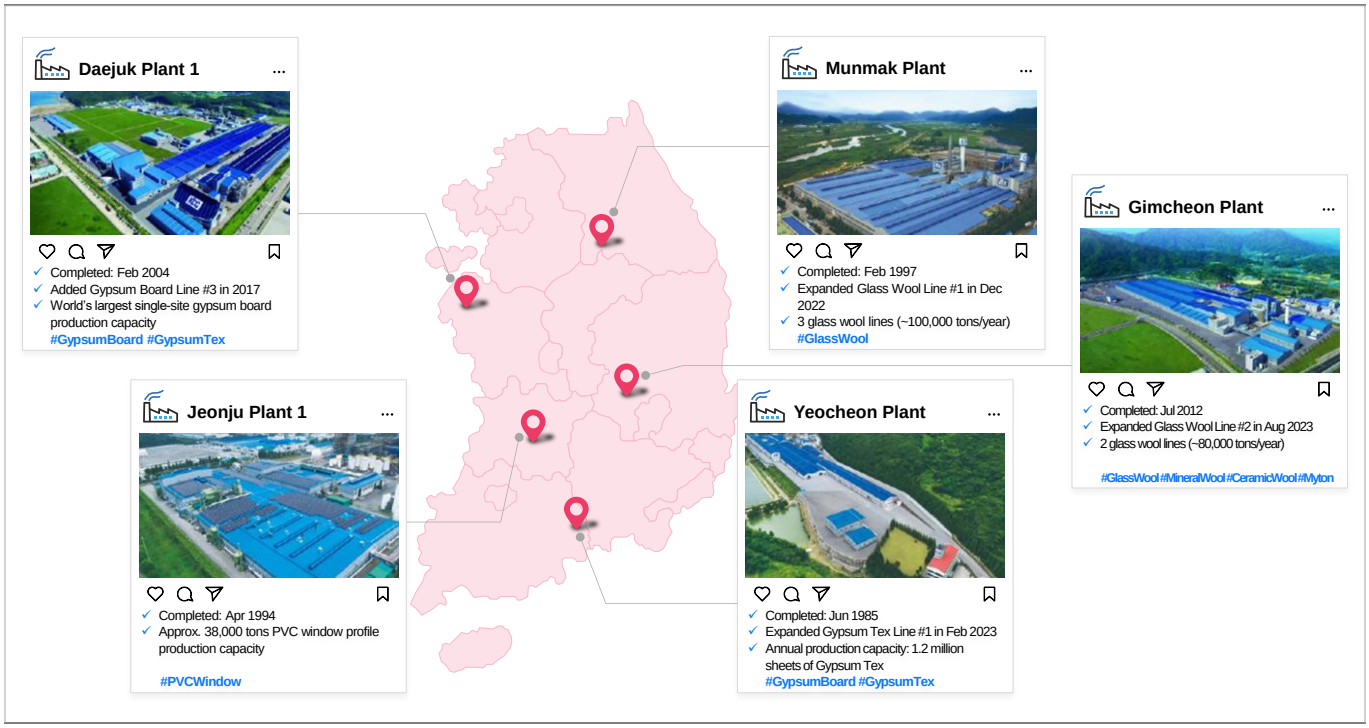
Note: This information is categorized by KCC Silicone according to the type of silicone processing method
Source: KCC, Samsung Securities

KCC Building materials division: Product overview

Product	Applications	Major products
Gypsum Board	Apartment complexes, factories, hospitals, hotels, etc.	Perforated sound-absorbing gypsum boards, fire-resistant / waterproof / anti-fungal gypsum boards, high-strength gypsum boards, fully waterproof gypsum boards
Ceiling Board	Offices, schools, hospitals, shopping malls, etc.	GypsumTex PLUS, Myton, Mytex, Claudia, Sahara, etc.
PVC Window	Residential buildings (apartments, balconies, etc.)	Standard windows, balcony windows, system windows, Klenze series
Glass Wool	Architectural and commercial use (sandwich panels, piping insulation)	Nature, WaterSafe (for external insulation)
Mineral Wool	Building exteriors and roofs, fire doors, industrial plants	Blanket-type, loose wool, HighWool
Ceramic Fiber	Industrial plants, steelworks, shipbuilding	Bulk fiber, hardboard, paper-type ceramic fiber

Source: KCC, Samsung Securities

KCC Building materials division: Production sites



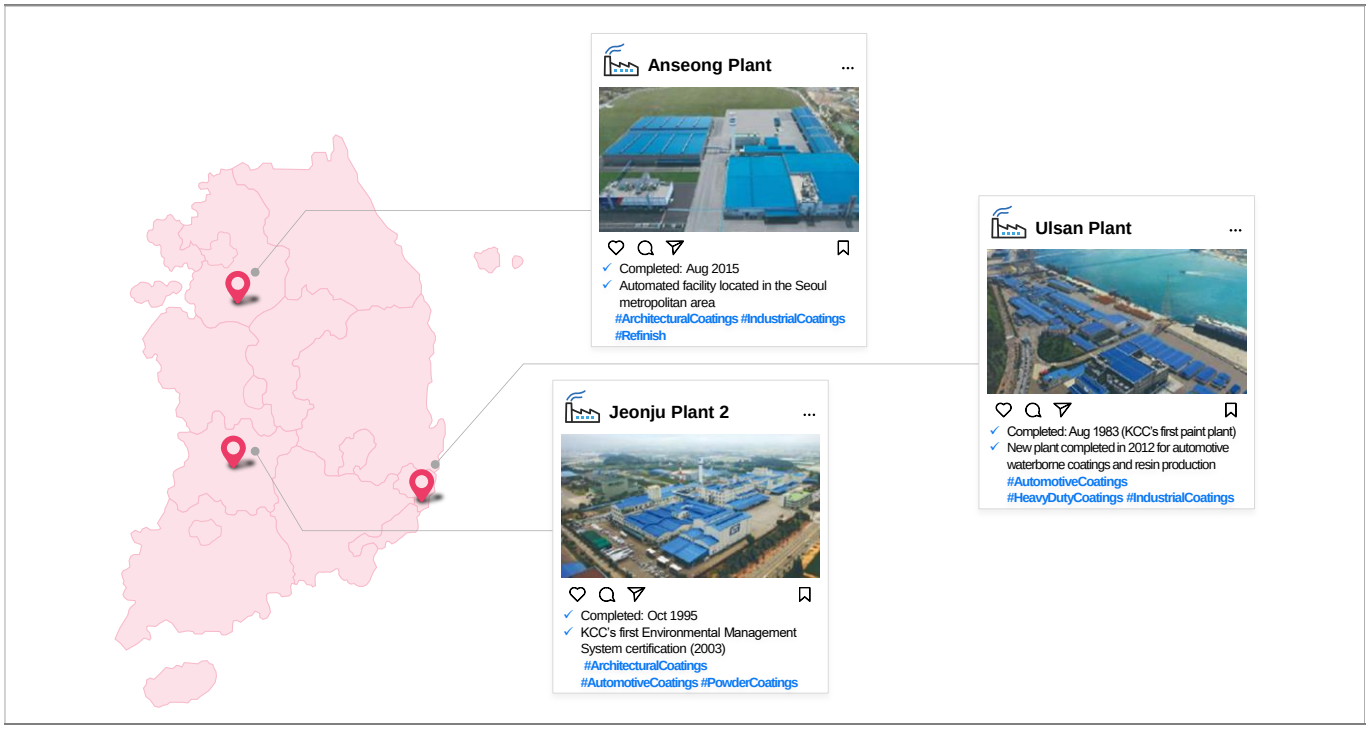
Source: KCC, Samsung Securities

KCC Paints Division: Product overview

Product	Application	Major products
Automotive, OEM	Electrodeposition, primer, top coat, refinish, plastics, etc.	Edion (electrodeposition), Koster Surfacer (primer), Kovacryl Topcoat (top coat), etc.
Marine	Anti-corrosion and anti-fouling coatings for ships	MetaCruise NS, Egis ELF II, etc.
Architectural	Exterior and interior construction, fireproofing, waterproofing	Supro, Unipoxy, Spotan, Firemask, etc.
Industrial, PCM	Machine tools, aircraft, railway, defense industry, pre-coated metal (PCM)	K-Tan, Koflux, etc.
Plant	Industrial facilities, steel bridges, steel structures, power plants	Corepox, Ceracare, etc.
Powder	Electronics, home appliances, electric devices, automotive, plant facilities, steel pipes	Gaurumel, etc.

Source: KCC, Samsung Securities

KCC paint division: Production sites (domestic)



Source: KCC, Samsung Securities

KCC paint division: Production sites (overseas)

(KRWb)		Key Milestones & Characteristics	Main Products	Total assets	Sales
China	KCK	• Established in June 2000 • Core production base in the global marine coatings network	Container, marine, plant, automotive, and industrial coatings	318.8	308.8
	KCG	• Established in August 2005 • Focused on developing and improving coatings to meet local market needs	Container, marine, industrial, and PCM coatings	101.5	80.5
	KCTJ	• Established in February 2003 • Targets local automobile manufacturers with localized coating development and marketing	Automotive, industrial, and PCM coatings	81.7	78.7
Singapore	KCS	• Established in May 1992 (KCC's first overseas subsidiary) • Serves as the strategic base for Southeast Asia (sales subsidiary)	Marine and industrial coatings	383.8	9.5
Malaysia	KCM	• Established in June 1997 (sales subsidiary) • Develops and markets coatings optimized for local conditions	Architectural coatings	28.4	22.2
Vietnam	KCV	• Established in June 2007 • Focused on eco-friendly products through localization strategy	Architectural, marine, automotive, industrial, and PCM coatings	75.8	92.3
	KCH	• Established in Oct 2014 • Major production base in Southeast Asia (mobile and plastic coatings)	Automotive and plastic coatings	48.7	34.1
India	KCI	• Established in September 2006 • Supplies coatings to local auto parts manufacturers across India	Automotive, industrial, PCM, and architectural coatings	48.5	75.8
Indonesia	KCID	• Established in June 2010 • Sales subsidiary targeting India and Indonesia markets	Architectural and plant coatings	3.2	2.9
Saudi Arabia	KCSA	• Established in September 2011 • Specialized powder coating production base for Middle East market	Powder coatings	46.5	44.3
Turkey	KCT	• Established in September 2006 • Production base targeting Turkey, Europe, Middle East, and Russia	Automotive, marine, PCM, and powder coatings	59.9	71.2

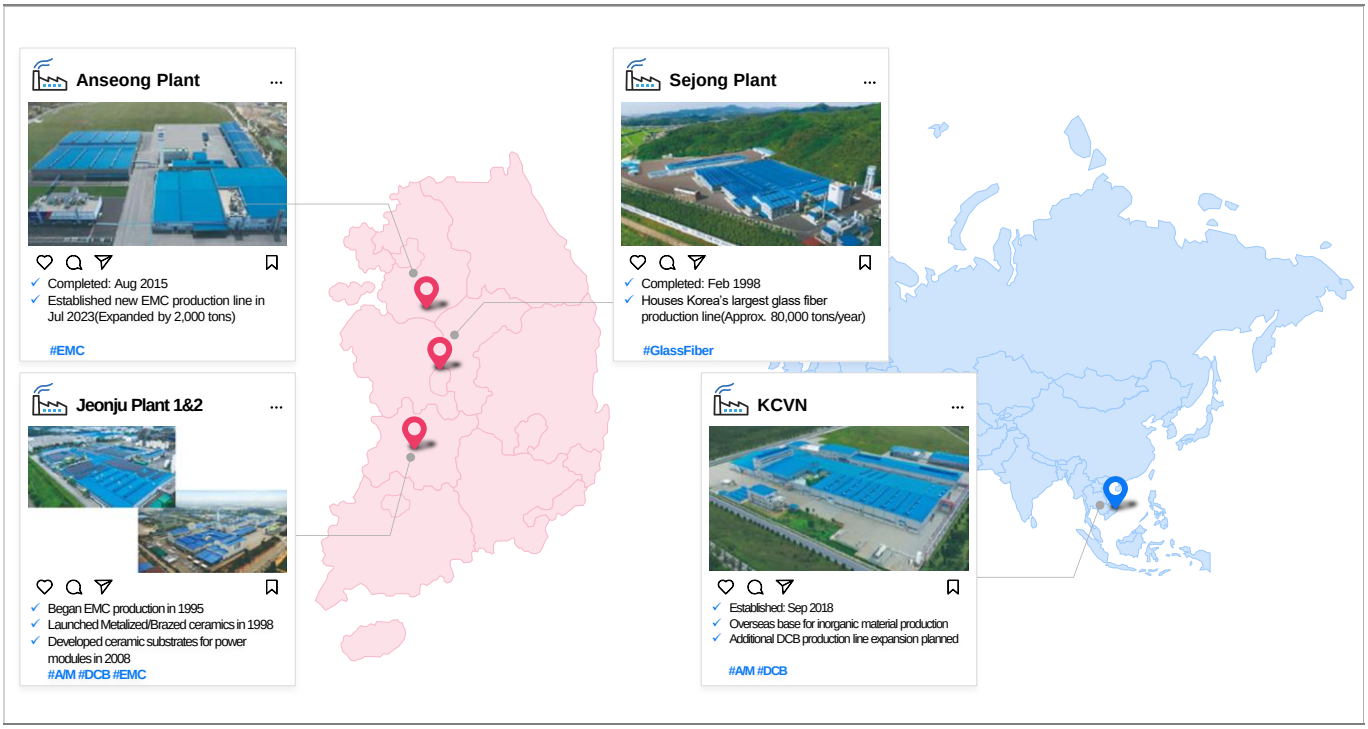
Note: Total assets and sales figures are based on the disclosures in the 2024 year-end business report footnotes.
Source: KCC, Samsung Securities

KCC Materials Business Division: Product Overview

Category		Sales Region	Major Competing Countries	Characteristics	Representative Applications	Major Product Names
Inorganic Materials	A/M (Alumina Metalizing)	Europe, China, Japan, etc.	India, Japan, etc.	Ceramic materials for high-voltage electronic components requiring high-temperature durability and insulation	• Ceramics for VI: Vacuum interrupters used in power transmission/distribution equipment for construction, chemical, and plant industries • Power Tube: High-power beam radiators and X-rays for industrial and medical use • Brazed Ceramic: High-voltage silicon rectifiers used in automotive, aerospace, and defense industries	VI Ceramic, Power Tube Ceramic, Brazed Ceramic
	Ceramic Substrates (DCB, AMB)	Korea, Europe, China, etc	U.S., Germany, etc.	Power module semiconductor substrates made by bonding copper to various ceramic materials	• Automotive power modules: EV, HEV • Industrial power modules: General industry, renewable energy • Home appliance power modules: Air conditioners, refrigerators, TVs, etc.	DCB: Al2O3, ZTA, etc. AMB: Si3N4, etc.
Organic Materials	EMC (Epoxy Molding Compound)	Korea, China, Southeast Asia, etc.	Japan, China, etc.	Epoxy encapsulants that protect semiconductor chips from external environments	• Automotive semiconductors/power modules: EV, HEV • Industrial semiconductors/power modules: General industry, renewable energy • Home appliance semiconductors/power modules: Smartphones, refrigerators, TVs, etc.	KTMC 1000G, 3000G, 4000G, 5000G Series
Composite Materials	Glass Fiber	Korea, etc.	US, China, etc.	Products made by melting mixed inorganic raw materials at extremely high temperatures and drawing them into fine micro-sized filaments	• Automotive electric components • Electrical/electronic components, interior/exterior construction materials	Chopped Strand, Chopped Strand Mat, etc.

Note: The “major competing countries” refer to the nations where key competitors’ headquarters are located.
Source: KCC, Samsung Securities

KCC materials business divisions: Production sites (domestic and overseas)



Source: KCC, Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**6,288**	**6,659**	**6,746**	**6,923**	**7,251**
Cost of goods sold	4,960	5,028	5,105	5,209	5,456
Gross profit	**1,328**	**1,631**	**1,641**	**1,714**	**1,795**
Gross margin (%)	21.1	24.5	24.3	24.8	24.8
SG&A expenses	1,016	1,160	1,162	1,199	1,252
Operating profit	**313**	**471**	**479**	**515**	**543**
Operating margin (%)	5.0	7.1	7.1	7.4	7.5
Non-operating gains (losses)	**-68**	**-1**	**1,388**	**-81**	**-64**
Financial profit	723	709	1,675	222	241
Financial costs	554	770	346	347	348
Equity-method gains (losses)	-200	72	32	32	32
Other	-37	-13	26	12	11
Pre-tax profit	**244**	**470**	**1,867**	**434**	**480**
Taxes	152	177	560	121	134
Effective tax rate (%)	62.2	37.6	30.0	28.0	28.0
Profit from continuing operations	93	293	1,308	313	345
Profit from discontinued operations	0	0	0	0	0
Net profit	**93**	**293**	**1,308**	**313**	**345**
Net margin (%)	1.5	4.4	19.4	4.5	4.8
Net profit (controlling interests)	213	311	1,308	313	345
Net profit (non-controlling interests)	-120	-17	0	0	0
EBITDA	756	913	969	1,012	1,058
EBITDA margin (%)	12.0	13.7	14.4	14.6	14.6
EPS (parent-based) (KRW)	23,931	34,948	147,163	35,195	38,877
EPS (consolidated) (KRW)	10,409	33,005	147,163	35,195	38,877
Adjusted EPS (KRW)*	23,931	34,948	147,163	35,195	38,877

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**4,178**	**3,994**	**3,984**	**4,598**	**5,353**
Cash & equivalents	1,045	501	805	1,336	1,935
Accounts receivable	1,040	1,213	1,144	1,174	1,230
Inventories	1,399	1,583	1,493	1,532	1,605
Other current assets	694	696	542	556	582
Fixed assets	**9,175**	**9,114**	**10,397**	**10,095**	**9,748**
Investment assets	3,440	3,114	4,277	4,286	4,303
Tangible assets	3,447	3,525	3,309	3,036	2,706
Intangible assets	1,282	1,407	1,364	1,326	1,292
Other long-term assets	1,007	1,068	1,448	1,448	1,448
Total assets	**13,353**	**13,109**	**14,381**	**14,693**	**15,101**
Current liabilities	**3,836**	**3,231**	**2,785**	**2,834**	**2,926**
Accounts payable	647	770	780	801	839
Short-term debt	1,217	910	910	910	910
Other current liabilities	1,972	1,550	1,095	1,123	1,177
Long-term liabilities	**4,069**	**4,838**	**5,350**	**5,374**	**5,419**
Bonds & long-term debt	3,010	3,807	4,307	4,307	4,307
Other long-term liabilities	1,059	1,031	1,043	1,067	1,112
Total liabilities	**7,906**	**8,069**	**8,135**	**8,208**	**8,344**
Owners of parent equity	**5,177**	**5,039**	**6,246**	**6,485**	**6,757**
Capital stock	48	48	48	48	48
Capital surplus	553	350	350	350	350
Retained earnings	4,902	5,166	6,400	6,639	6,911
Other	-326	-525	-552	-552	-552
Non-controlling interests' equity	**270**	**0**	**0**	**0**	**0**
Total equity	**5,448**	**5,039**	**6,246**	**6,485**	**6,757**
Net debt	4,081	4,537	4,424	3,890	3,285

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**788**	**597**	**519**	**949**	**978**
Net profit	93	293	1,308	313	345
Non-cash profit and expenses	760	783	-419	765	780
Depreciation	397	393	447	459	480
Amortization	47	48	43	38	34
Other	316	341	-909	268	266
Changes in A/L from operating activities	87	-346	190	-7	-13
Cash flow from investments	**-355**	**282**	**-288**	**-21**	**21**
Change in tangible assets	-344	-251	-230	-186	-151
Change in financial assets	-31	21	156	-10	-19
Other	19	511	-214	175	191
Cash flow from financing	**-162**	**-1,454**	**-386**	**-413**	**-408**
Change in debt	390	-98	34	7	13
Change in equity	0	-203	0	0	0
Dividends	-59	-59	-74	-74	-74
Other	-493	-1,094	-346	-347	-348
Change in cash	268	-544	303	531	600
Cash at beginning of year	777	1,045	501	805	1,336
Cash at end of year	1,045	501	805	1,336	1,935
Gross cash flow	**852**	**1,076**	**889**	**1,078**	**1,126**
Free cash flow	**409**	**339**	**249**	**723**	**788**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	-7.2	5.9	1.3	2.6	4.7
Operating profit	-33.2	50.7	1.7	7.5	5.4
Net profit	222.7	217.1	345.9	-76.1	10.5
Adjusted EPS**	528.0	46.0	321.1	-76.1	10.5
Per-share data (KRW)					
EPS (parent-based)	23,931	34,948	147,163	35,195	38,877
EPS (consolidated)	10,409	33,005	147,163	35,195	38,877
Adjusted EPS**	23,931	34,948	147,163	35,195	38,877
BVPS	704,004	685,232	849,272	881,801	918,777
DPS (common)	8,000	10,000	10,000	10,000	10,000
Valuations (x)					
P/E***	9.5	6.7	2.7	11.1	10.1
P/B***	0.3	0.3	0.5	0.4	0.4
EV/EBITDA	8.4	7.3	8.2	7.3	6.4
Ratios (%)					
ROE	4.1	6.1	23.2	4.9	5.2
ROA	0.7	2.2	9.5	2.2	2.3
ROIC	1.8	4.5	5.2	6.1	6.7
Payout ratio	27.7	23.7	5.6	23.5	21.3
Dividend yield (common)	3.5	4.2	2.6	2.6	2.6
Net debt to equity	74.9	90.0	70.8	60.0	48.6
Interest coverage (x)	1.2	1.4	1.4	1.5	1.6

Note: *Excluding one-off items
**Fully diluted, excluding one-off items
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

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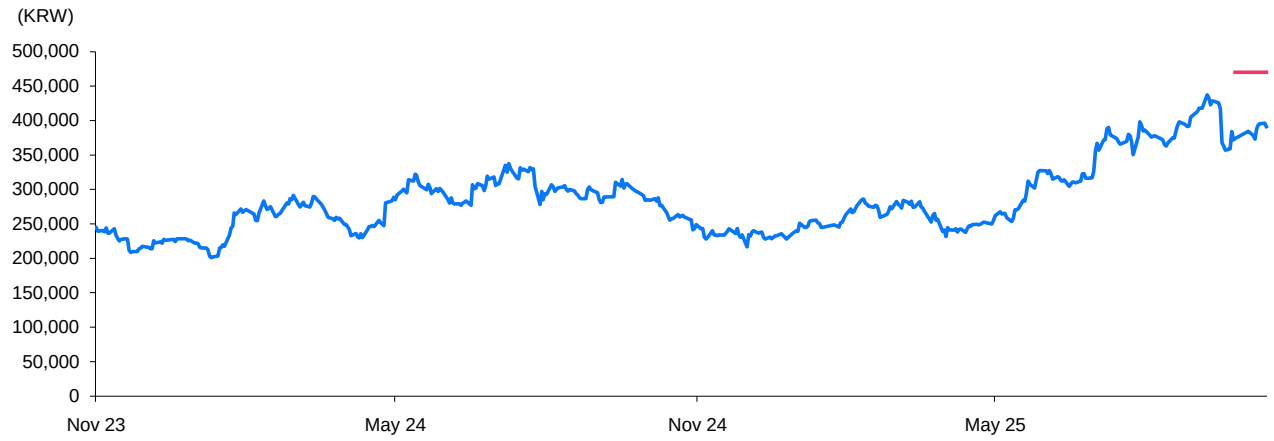
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2025/10/2
Recommendation	BUY
Target price (KRW)	470000
Gap* (average)	
(max or min)**	

Note: * [(average, maximum, or minimum share price over duration of target price minus target price) / target price] x 100%
** Maximum/minimum share price if new target is higher/lower than market close on the business day prior to target price change

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Industry

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