COMPANY UPDATE

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HYBE (352820)

To shine bright soon

- HYBE posted a y-y turn to an operating loss of KRW42.2b in 3Q as investments in global artist IPs and the one-off cost related to restructuring of North American operation had the effect of reducing operating margin by 12%pts.
- The agency's artists are becoming more active at home and abroad, capitalizing on strong popularity.
- We revise up our 2026 operating profit forecast by 10% and raise our SOTP-based target price to KRW410,000 (based on a sum-of-the-parts valuation).

▶ AT A GLANCE

BUY

Target price	**KRW410,000**	**34.2%**
Current price	**KRW305,500**	
Market cap	KRW12.9t/USD8.9b	
Shares (float)	42,560,114 (52.8%)	
52-week high/low	KRW342,500/KRW185,300	
Avg daily trading value (60-day)	KRW76.4b/ USD52.7m	

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
HYBE (%)	12.1	13.1	53.8
Vs Kospi (%pts)	-0.6	-28.4	-3.3

▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	410,000	365,000	12.3%
2025E EPS	566	2,717	-79.2%
2026E EPS	9,006	8,183	10.1%

▶ SAMSUNG vs THE STREET

No of estimates	17
Target price	388,824
Recommendation	4.0

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

WHAT'S THE STORY?

3Q review: HYBE reported 3Q consolidated sales of KRW727.2b (up 37.8% y-y) and an operating loss of KRW42.2b (vs operating profit of KRW54.2b in 3Q24)—the former hitting an all-time high but the latter missing consensus. The loss was primarily due to around KRW90b—related with investments to expand global artist IPs and the one-off cost for restructuring North American operation—which had the effect of driving down operating margin by almost 12%pts. In 3Q, Big Hit Music's new five-member boy group Cortis debuted and two projects were underway in Latin America. HYBE signed three acts (including Musza, the winner of an audition program Pase a la Fama, broadcast from Jun 8 to Aug 24) and also formed five-member boy group Santos Bravos from the namesake Latin American reality series (aired from Aug 15 to Oct 21). Backed by huge tours by Jin (a member of BTS), TXT, and Enhypen, concert sales surged 231.1% y-y to KRW245b and merchandise & licensing sales climbed 69.8% y-y to KRW166.8b. Weverse turned profitable in 3Q, with its monthly active users rising to 11.6m in 3Q (up 0.7m q-q).

(Continued on the next page)

SUMMARY 3Q RESULTS

(KRWb)	3Q25	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	727.2	37.8	3.1	4.5	5.3
Operating profit	-42.2	nm	nm	nm	nm
Pre-tax profit	-29.9	nm	nm	nm	nm
Net profit	-52.0	nm	nm	nm	nm
Margins (%)					
Operating profit	-5.8				
Pre-tax profit	-4.1				
Net profit	-7.2				

Source: Company data, Fnguide, Samsung Securities estimates

VALUATION SUMMARY

	2024	2025E	2026E
Valuation (x)			
P/E	858.8	539.6	33.9
P/B	2.5	4.3	3.8
EV/EBITDA	24.9	75.6	21.5
Div yield (%)	0.1	0.1	0.4
EPS growth (% y-y)	-95.0	151.4	1,490.6
ROE (%)	0.3	0.8	12.0
Per-share data (KRW)			
EPS	225	566	9,006
BVPS	77,427	71,117	79,698
DPS	200	450	1,300

Armed with attractive artist lineup: Cortis, which debuted in August, has been quite active at home and abroad (eg, the US and Japan), rapidly expanding its fan base. The boy group's debut album sold 0.96m copies by October. Meantime, Katseye has established itself in North America, as its multiple songs have entered the Billboard Hot 100 (US) and the global group has been nominated for two Grammy Awards. In Japan, YX Label's &TEAM and Aeon (debuted in June) have been stepping up their activities. In 2026, attention should focus on a four-member girl group (set to debut in North America) and performances of Santos Bravos.

BTS to make a comeback: As confirmed by the members themselves, BTS is preparing for a comeback as a full-group next spring. While the specific timeline is not yet officially announced, the seven-member group should reportedly put on 65 times of concerts (including 30+ in North America) after releasing a new album in Mar 2026. Considering the larger size of the venues and higher average ticket price in North America, we believe the group's focus on this market will pull in larger audiences. Although BTS recently appeared only on Weverse Live, the massive real-time viewership levels and strong engagement seen through individual projects confirm its strong fandom. The upcoming world tour, scheduled to commence next year, is highly likely to break the record for the largest audience numbers ever achieved by a K-pop artist. The tour should boost not only concert sales but also sales of merchandise, content, album, and streaming.

To open a new chapter in 2026; maintaining BUY: HYBE's 2025 earnings should miss our previous expectations, primarily due to domestic and global IP expansion projects and an organizational overhaul. However, a rising number of its artists are now delivering measurable returns, validating earlier investment decisions. Its business model has proved successful not only in Korea but also in major markets like the US and Japan—key to long-term growth. Furthermore, Weverse turned to a profit in 3Q, reaffirming the effectiveness of its monetization strategy (eg, digital memberships, Weverse DM, and advertising). The game business (via subsidiary DrimAge; formerly, HYBE IM) removed some low-margin or uncertain projects, positive to profitability. In 2026, performances of localized artists should warrant more attention and the BTS comeback should drive a significant rebound in HYBE's earnings. Assuming that BTS' world tour will begin in 2Q26 (vs previously, mid-2026), we revise up our 2026 operating profit estimate by 10% and increase our SOTP-based target price from KRW365,000 to KRW410,000. Next year, the entertainment powerhouse should enjoy strong earnings momentum and further expand its influence across the global landscape.

Table 1. Results and forecasts

(KRWb)	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	2023	2024	2025E	2026E
Sales	**410.6**	**621.0**	**537.9**	**608.6**	**360.9**	**640.5**	**527.8**	**726.4**	**500.6**	**705.6**	**727.2**	**706.6**	**2,178.1**	**2,255.6**	**2,640.0**	**3,909.0**
Recorded music	184.3	245.9	264.1	276.2	145.1	249.6	214.5	251.8	136.5	228.6	189.8	205.6	970.5	861.0	760.5	961.4
Concert	25.2	157.5	86.9	89.5	44.0	144.0	74.0	188.9	155.2	188.7	245.0	180.2	359.1	450.9	769.0	1,472.8
Ads/appearance fees	25.0	33.0	31.4	52.5	27.8	30.3	34.5	41.9	30.8	30.6	42.6	43.9	141.9	134.5	147.9	167.4
Merchandising/licensing	68.9	111.9	85.7	59.1	60.7	109.1	99.1	151.2	106.4	152.9	168.3	183.9	325.6	420.2	611.5	909.1
Content	87.3	50.8	48.7	103.1	61.3	83.8	79.8	62.5	41.2	70.2	46.8	57.5	289.9	287.3	215.8	248.2
Fanclub and other	20.0	21.8	21.0	28.4	21.9	23.7	26.0	30.2	30.5	34.6	34.6	35.6	91.2	101.8	135.3	150.2
Operating profit	**52.5**	**81.3**	**72.7**	**89.1**	**14.4**	**50.9**	**54.2**	**64.6**	**21.6**	**65.9**	**-42.2**	**20.5**	**295.6**	**184.0**	**65.8**	**503.5**
Operating margin (%)	12.8	13.1	13.5	14.6	4.0	7.9	10.3	8.9	4.3	9.3	-5.8	2.9	13.6	8.2	2.5	12.9
Non-operating profit (losses)	-1.2	64.7	60.1	-169.2	6.6	-17.2	-60.7	-93.3	58.6	-34.7	12.3	-24.6	-45.5	-164.6	11.5	-15.0
Pre-tax profit	51.3	146.1	132.8	-80.1	21.0	33.7	-6.6	-28.7	80.2	31.1	-29.9	-4.1	250.1	19.4	77.3	488.5
Net profit (controlling)	**24.3**	**117.3**	**102.7**	**-57.1**	**17.2**	**14.6**	**6.4**	**-28.8**	**60.2**	**18.1**	**-50.3**	**-4.3**	**187.3**	**9.4**	**23.7**	**383.3**
Chg (% y-y)																
Sales	**44.1**	**21.2**	**20.7**	**14.1**	**-12.1**	**3.1**	**-1.9**	**19.4**	**38.7**	**10.2**	**37.8**	**-2.7**	**22.6**	**3.6**	**17.0**	**48.1**
Recorded music	185.1	16.6	104.4	85.2	-21.3	1.5	-18.8	-8.8	-5.9	-8.4	-11.5	-18.3	75.2	-11.3	-11.7	26.4
Concert	-58.8	85.4	83.9	38.4	74.5	-8.6	-14.8	111.0	252.3	31.0	231.1	-4.6	39.1	25.6	70.6	91.5
Ads/appearance fees	-5.3	10.0	5.4	-30.6	11.4	-8.2	9.8	-20.2	10.9	0.9	23.4	4.7	-12.3	-5.2	9.9	13.2
Merchandising/licensing	-0.9	13.3	-25.3	-47.5	-11.9	-2.5	15.7	156.0	75.2	40.2	69.8	21.6	-17.7	29.1	45.5	48.7
Content	79.8	-28.1	-54.5	-10.4	-29.8	64.9	63.6	-39.4	-32.7	-16.2	-41.3	-7.9	-15.1	-0.9	-24.9	15.0
Fanclub and other	37.3	29.4	21.3	54.4	9.8	8.6	23.4	6.5	39.0	46.2	33.3	17.8	35.9	11.6	32.9	11.0
Operating profit	**41.7**	**-7.9**	**19.8**	**75.1**	**-72.6**	**-37.4**	**-25.4**	**-27.6**	**50.3**	**29.4**	**적전**	**-68.3**	**24.8**	**-37.7**	**-64.3**	**665.4**
Operating margin (%pts y-y)	-0.2	-4.1	-0.1	5.1	-8.8	-5.2	-3.2	-5.8	0.3	1.4	-16.1	-6.0	0.2	-5.4	-5.7	10.4
Non-operating profit (losses)	nm	61.0	-18.0	nm	nm	nm	nm	nm	791.6	nm	nm	nm	nm	nm	nm	nm
Pre-tax profit	6.2	16.4	9.2	nm	-59.2	-76.9	nm	nm	282.8	-7.6	nm	nm	159.2	-92.2	297.9	532.1
Net profit (controlling)	**-25.3**	**20.1**	**14.6**	**nm**	**-29.1**	**-87.6**	**-93.8**	**nm**	**249.2**	**23.8**	**nm**	**nm**	**257.9**	**-95.0**	**152.4**	**1,518.7**

Source: Company data, Samsung Securities

Table 2. Albums and concerts in 2025

Group	Album/EP	Release date	Category	Sales (units)
TXT	Star Chapter: Together	Jul 21	4th album	2,117,286
Enhypen	Yoi	Jul 29	Japanese 4th single	
ILLIT	Toki Yo Tomare	Sep 1	Japanese 1th single	
Cortis	Color Outside The Lines	Sep 8	Debut album	620,056
Hoshi (Seventeen)	Take A Shot	Sep 16	Digital single	
Lee Hyun	A(E)Nd	Sep 16	3rd EP	
S.Coups & Minkyu	Hype Vibes	Sep 29	1st EP	901,862
TWS	Play Hard	Oct 13	4th EP	699,964
Aoen	Seishun Incredibles	Oct 15	Digital single	
BoyNextDoor	The Action	Oct 20	5th EP	1,163,474
Santos Bravos	0%	Oct 21	Debut single	
Le Sserafim	Spaghetti	Oct 24	1st single	525,179
&Team	Back To Life	Oct 28	1st EP	1,229,640
Yeonjun (TXT)	No Labels: Part 01	Nov 7	1st solo album	
ILLIT	Not Cute Anymore	Nov 24	1st single	
Dogyeom & Seungkwan (Seventeen)	TBD	Jan 2026	TBD	
BTS	TBD	2026 spring	TBD	

Artists	Region	Concert	Dates	City	Shows
Enhypen	Global	Walk the line	Jul 5-Sep 3	2 Japanese cities, 4 US cities, 6 European cities	16
&Team	Asia	Awaken the Bloodline	Jul 5-26	Kobe, Hongkong	3
Jin (BTS)	Global	(Fan-concert) #Runseok_Jin	Jul 5-Aug 10	2 Japanese cities, 5 US cities, 2 European cities	16
TWS	Japan	24/7 With:Us	Jul 11-Aug 10	6 Japanese cities	13
Le Sserafim	Global	Easy Crazy Hot	Jul 19-Sep 23	5 Asian cities, 8 US cities	16
BoyNextDoor	Seoul	Knock on vol.1	Jul 25-27	Seoul	3
I'll-it	Japan	(Fan concert) Glitter day	Aug 10-Sep 4	Kanagawa, Yokohama	4
TXT	Global	Act: Tomorrow	Aug 22-Sep 28	Seoul, 6 US cities	9
Seventeen	Asia	NEW_	Sep 13-Dec 21	Incheon, Hongkong	4
TXT	Global	Act: Tomorrow	Oct 1-Dec 28	Newark, Saitama, Nagoya, Fukuoka	8
Enhypen	Asia	Walk the line	Oct 3-26	Singapore, Seoul	6
Seventeen	Global	NEW_	Oct 11-Dec 21	5 US cities, 4 Japanese cities	19
Santos Bravos	Mexico	Santos Bravos	Oct 21	Mexico City	1
&Team	Japan	Awaken the bloodline	Oct 25-26	Saitama	2
Jin (BTS)	Korea	(Fan-concert) #Runseok_Jin	Oct 31-Nov 1	Incheon	2
ILLIT	Korea	(Fan-concert) Glitter day	Nov 8-9	Seoul	2
Katseye	US	The beautiful chaos tour	Nov 15-Dec 16	13 US cities	16
Le Sserafim	Japan	Easy crazy hot	Nov 18-19	Tokyo	2
TXT	Asia	Act: Tomorrow	Jan 10-Feb 14	4 Asia cities	6
Seventeen	Asia	New_	Mar 7-21	Singapore, Bullacan	2

Notes: Album sales volumes are as of Sep 30, 2025; sum of original version and Weverse version
Source: Local media, Company data, Circle Chart, Samsung Securities

Table 3. Album sales: 3Q25 vs 3Q24

3Q25				3Q24			
Rank	Artists	Key album	Sales (units)	Rank	Artists	Key album	Sales (units)
1	TXT	Total	2,117,286	1	Enhypen	Total	3,087,633
		Star Chapter: Together	1,809,788			Romance : Untold	2,342,967
2	S.Coups & Minkyu	Total	901,862	2	BoyNextDoor	Total	1,000,589
	(Seventeen)	1st Mini Album `HYPE VIBES`	809,204			19.99	832,308
3	Cortis	Total	620,056	3	Jimin (BTS)	Total	903,279
		Color Outside The Lines	464,926			Muse	721,644
4	BTS	Total	476,261	4	Le Sserafim	Total	811,897
		Permission To Dance Live	476,261			Crazy	757,895
5	Enhypen	Total	134,656	5	Seventeen	Total	609,236
		Desire : Unleash	48,283			Seventeenth Heaven	94,044
Total album sales			**4,868,758**				**7,315,431**
Weverse album sales			**269,867**				**1,045,323**

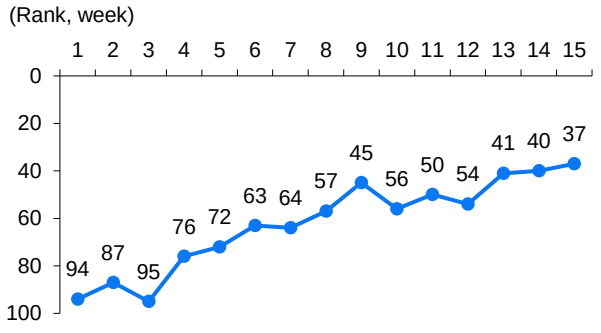
Note: Based on Circle Chart Top 100 / Source: Company data, Circle Chart, Samsung Securities

Table 4. Album sales: 4Q25 vs 4Q24

4Q25 (Oct)				4Q24			
Rank	Artists	Key album	Sales (units)	Rank	Artists	Key album	Sales (units)
1	&Team	Total	1,229,640	1	Seventeen	Total	3,935,611
		Back To Life	1,206,864			12th EP `Spill The Feels`	3,179,092
2	Boynextdoor	Total	1,163,474	2	Txt	Total	1,892,655
		The Action	1,015,234			Star Chapter: Sanctuary	1,663,159
3	TWS	Total	699,964	3	Enhypen	Total	1,659,736
		4th Mini Album `Play Hard`	626,388			Romance : Untold -Daydream-	1,290,540
4	Le Sserafim	Total	525,179	4	Jin (BTS)	Total	1,057,744
		Spaghetti	494,970			Happy	932,599
5	Cortis	Total	348,417	5	Illit	Total	582,333
		Color Outside The Lines	243,565			I`LI Like You	504,363
Total album sales			**4,163,669**				**10,266,081**
Weverse album sales			**266,874**				**1,026,563**

Note: Based on Circle Chart Top 100 / Source: Company data, Circle Chart, Samsung Securities

Chart 1. Katseye: Billboard Hot 100 rank



Source: Company data, Billboard, Samsung Securities

Chart 2. Global girl group audition '*Prelude: The Final Piece*'

Note: Global audition program co-produced with Japan's Ameba, scheduled to air in early-2026
Source: Company data, Samsung Securities

Chart 3. Cortis 1st EP (Sep 8)

Source: Company data, Samsung Securities

Chart 4. S.Coups & Minkyu 1st EP (Sep 29)

Source: Company data, Samsung Securities

Chart 5. TWS 4th EP (Oct 13)

Source: Company data, Samsung Securities

Chart 6. BoyNextDoor 5th EP (Oct 20)

Source: Company data, Samsung Securities

Chart 7. Le Sserafim 1st single (Oct 24)

Source: Company data, Samsung Securities

Chart 8. &Team 1st EP (Oct 28)

Source: Company data, Samsung Securities

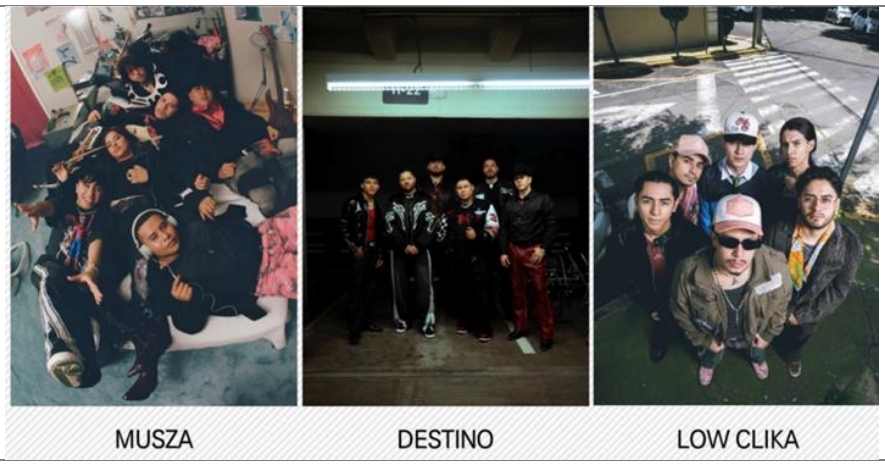
Chart 9. BigHit: New boy group Cortis debuts (Aug 18)

Note: 1st EP was released on Sep 8
Source: Company data, Samsung Securities

Chart 10. Latin boy group Santos Bravos debut (Oct 21)

Note: The final five members selected through the reality series and their debut song '0%' were unveiled in the concert on Oct 21
Source: Company data, Samsung Securities

Chart 11. Latin America – S1ento Records' 3 band



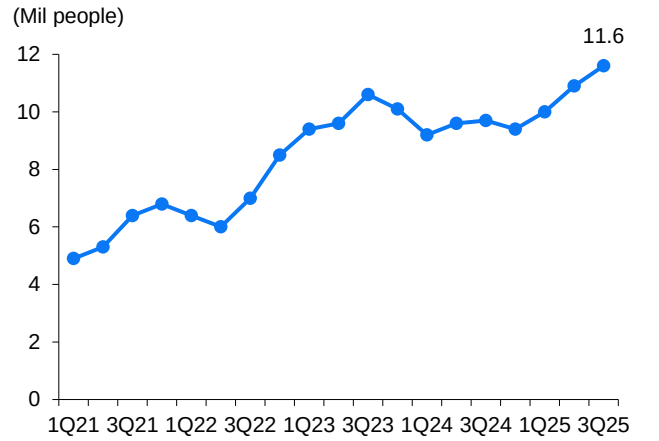
Note: Singed contracts with Musza, the winning team of the band audition program 'Pase a la Fama' as well as Destino and Low Clika, who advanced to finals

Table 5. HYBE artists that have Weverse DM

Artist	Label	Month joined Weverse DM
&Team	HYBE Japan	Mar 2024
I'll-it	Belift Lab	Sep 2024
Katseye	HYBE UMG	Aug 2024
TXT	Bighit Music	Sep 2024
Le Sserafim	Source Music	Jan 2025

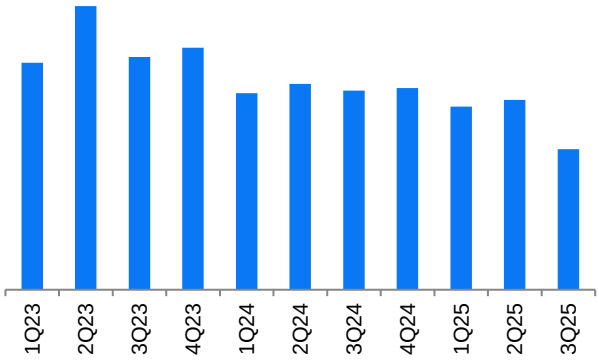
Source: Company data, Samsung Securities

Chart 12. Weverse: MAU



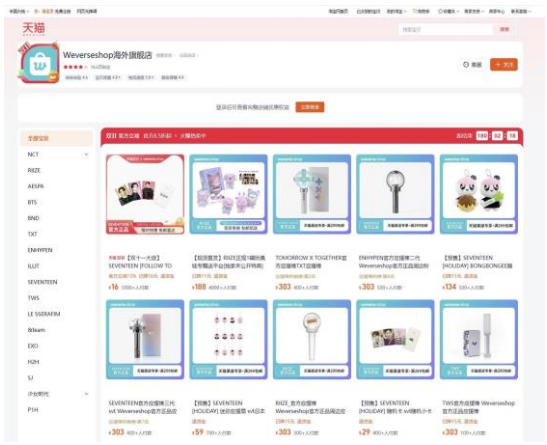
Source: Company data, Samsung Securities

Chart 13. Weverse: ARPPU



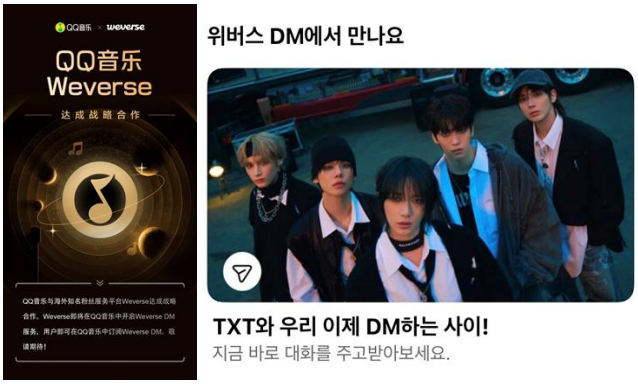
Source: Company data, Samsung Securities

Chart 14. Opens Weverse Shop flagship store in China's Tmall



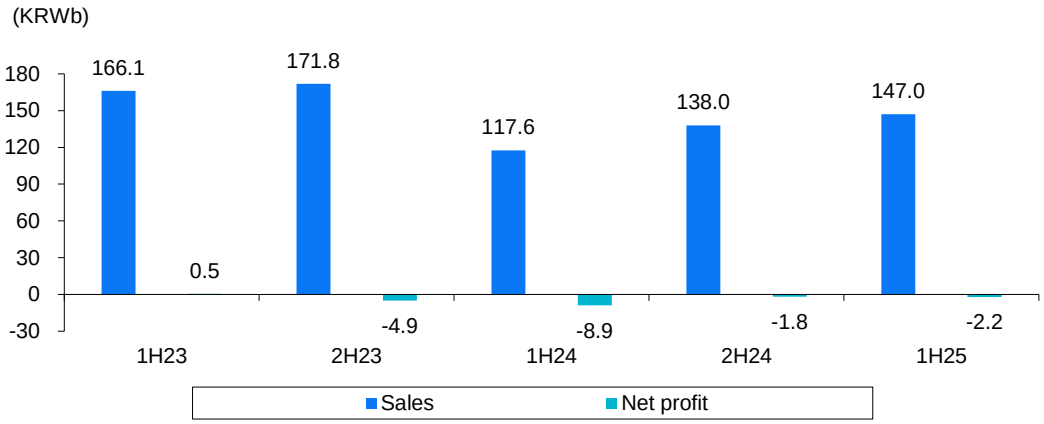
Source: Company data, Samsung Securities

Chart 15. Opens Weverse DM in China's QQ Music (Nov 18)



Source: Company data, Samsung Securities

Chart 16. Weverse company's earnings



Note: In earnings conference call, 2025 cumulative operating income turned positive in 3Q25
Source: Company data, Samsung Securities

Table 6. HYBE multiple labels (1H25)

Label	Stake	Sales (KRWb)	Net income (KRWb)	Artists
Bighit Music	100.0%	189.1	15.1	BTS, TXT, New 5-members boy group (scheduled to debut in 3Q25)
Pledis Entertainment	85.0%	163.1	30.2	Seventeen, TWS, Bumzu, Hwang Min-hyun
Source Music	80.0%	38.7	4.5	Le Sserafim
KOZ Entertainment	75.0%	33.9	7.1	Zico, BoyNextDoor
Ador	80.0%	17.3	3.6	NewJeans
Belift Lab	100.0%	71.8	16.0	Enhypen, I'll-it
HYBE America*	100.0%	142.5	-25.4	*US HQ
- HYBE UMG	51.0%			Katseye, New 4-member girl group (2026)
- HYBE America x AU				Established in Apr 2025, collaborate with Allan Chikin Chow
HYBE Japan*	100.0%	334.1	31.9	*Japan HQ
- YX Labels	100.0%	10.9	-2.3	&Team, aeon
HYBE Latin America	100.0%	1.0	-10.5	Established in Dec 2023, Santos Bravos
-S1ento Records	100.0%			Musza, Destino, Low Clika
HYBE China	100.0%			Established in Apr 2025
HYBE India	100.0%			Established in Sep 2025

Note:* HYBE America's labels include Big Machine Labels, QC Music, HYBE UMG
** HYBE Japan's labels include YX Labels
*** HYBE Japan liquidated its subsidiary label Naeco in 1Q25
Source: Company data, Dart, Samsung Securities

Chart 17. *Architect: Land of Exiles* launched on Oct 22

Source: Company data, Aquatree, Samsung Securities

Chart 18. *Arkheron* to be published in Korea and Japan

Source: Company data, Bonfire Studio, Samsung Securities

Table 7. HYBE sells entire 7.7% stake in YG Plus

Category	Detail
Disposed shares	4,864,565
Disposal amount	38,220,887,205
Disposal purpose	Optimizing investment portfolio
Disposal date	Sep 23, 2025
Stake change	7.67% → 0%
Price per share (KRW)	7,857
Other	8% discount to Sep 23 closing price, through a block deal

Note: 10.23% stake held through Weverse was maintained
Source: Company data, Dart, Samsung Securities

Table 8. HYBE: Sum-of-the-parts valuation

(KRWb)	12-mth fwd	Multiple (x)	Value	Note
Labels	**440.9**	**35**	**15,607.7**	**Including Ithaca Holdings, QC Music**
Weverse			**1,045.6**	**55.42% stake**
Equity investments			368.3	Based on book value in 1H25
Dunamu			225.0	2.47% stake
Supertone			72.3	56.60% stake
Aqua Tree			30.0	14.29% stake
Naver Z			19.4	3.4% stake
Flint			9.7	3.05% stake
Lambda256			3.6	2.83% stake
Blast			3.0	3.8 stake
Macovill			2.9	7.1% stake
Hashed			2.5	0.90% stake
EV			**17,021.7**	
Outstanding shares ('000)			41,822	
Fair value (KRW)			407,005	
Target price (KRW)			**410,000**	
Current price (Nov 10)			305,500	
Upside (%)			34.2	

Source: Samsung Securities estimates

Table 9. Revisions to 2025 and 2026 forecasts

(KRWb)	2025E			2026E		
	Old	New	Chg (%)	Old	New	Chg %
Sales	2,575.3	2,640.0	2.5	3,590.1	3,909.0	8.9
Operating profit	171.8	65.8	-61.7	457.2	503.5	10.1
Operating margin (%, %pts)	6.7	2.5	-4.2	12.7	12.9	0.1
Pre-tax profit	154.9	77.3	-50.1	454.6	488.5	7.5
Net profit (controlling)	113.2	23.7	-79.1	340.8	383.3	12.5

Note: The decline was significant due to one-off expenses recognized in 3Q25

Source: Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**2,178**	**2,256**	**2,640**	**3,909**	**4,331**
Cost of goods sold	1,169	1,296	1,675	2,330	2,608
Gross profit	**1,009**	**960**	**965**	**1,578**	**1,724**
Gross margin (%)	46.3	42.6	36.6	40.4	39.8
SG&A expenses	713	776	900	1,075	1,182
Operating profit	**296**	**184**	**66**	**504**	**541**
Operating margin (%)	13.6	8.2	2.5	12.9	12.5
Non-operating gains (losses)	**-46**	**-165**	**11**	**-15**	**-23**
Financial profit	207	119	229	124	114
Financial costs	250	141	218	139	137
Equity-method gains (losses)	11	-18	0	0	0
Other	-14	-124	0	0	0
Pre-tax profit	**250**	**19**	**77**	**489**	**519**
Taxes	67	23	63	130	139
Effective tax rate (%)	26.7	117.7	82.1	26.7	26.8
Profit from continuing operations	183	-3	14	358	380
Profit from discontinued operations	0	0	0	0	0
Net profit	**183**	**-3**	**14**	**358**	**380**
Net margin (%)	8.4	-0.2	0.5	9.2	8.8
Net profit (controlling interests)	187	9	24	383	397
Net profit (non-controlling interests)	-4	-13	-10	-25	-17
EBITDA	423	330	172	583	602
EBITDA margin (%)	19.4	14.6	6.5	14.9	13.9
EPS (parent-based) (KRW)	4,504	225	566	9,006	9,324
EPS (consolidated) (KRW)	4,413	-82	332	8,416	8,924
Adjusted EPS (KRW)*	4,504	225	566	9,006	9,324

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**1,889**	**1,788**	**1,952**	**2,651**	**3,095**
Cash & equivalents	358	412	415	722	975
Accounts receivable	215	262	307	454	504
Inventories	126	163	172	254	282
Other current assets	1,190	950	1,059	1,220	1,333
Fixed assets	**3,457**	**3,691**	**3,499**	**3,585**	**3,580**
Investment assets	723	763	750	916	971
Tangible assets	101	97	62	42	31
Intangible assets	2,165	2,244	2,174	2,114	2,065
Other long-term assets	468	587	513	513	513
Total assets	**5,346**	**5,479**	**5,451**	**6,236**	**6,674**
Current liabilities	**1,772**	**831**	**978**	**1,323**	**1,403**
Accounts payable	23	33	39	57	63
Short-term debt	100	0	0	0	0
Other current liabilities	1,649	798	940	1,266	1,340
Long-term liabilities	**464**	**1,134**	**1,165**	**1,266**	**1,299**
Bonds & long-term debt	100	742	742	742	742
Other long-term liabilities	364	392	423	524	557
Total liabilities	**2,236**	**1,965**	**2,143**	**2,589**	**2,703**
Owners of parent equity	**2,919**	**3,215**	**3,019**	**3,383**	**3,724**
Capital stock	21	21	21	21	21
Capital surplus	1,570	1,636	1,636	1,636	1,636
Retained earnings	1,420	1,401	1,416	1,780	2,122
Other	-91	157	-54	-54	-54
Non-controlling interests' equity	**191**	**299**	**289**	**264**	**247**
Total equity	**3,110**	**3,514**	**3,308**	**3,647**	**3,972**
Net debt	-240	-125	-182	-614	-1,004

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**311**	**152**	**190**	**617**	**500**
Net profit	183	-3	14	358	380
Non-cash profit and expenses	236	372	171	204	181
Depreciation	53	62	35	20	11
Amortization	74	85	71	59	50
Other	109	226	65	125	120
Changes in A/L from operating activities	-40	-148	71	179	60
Cash flow from investments	**-471**	**-10**	**-25**	**-129**	**-103**
Change in tangible assets	-22	-32	0	0	0
Change in financial assets	273	245	-99	-129	-103
Other	-722	-224	74	-0	0
Cash flow from financing	**-11**	**-118**	**21**	**-65**	**-105**
Change in debt	6	-72	29	-46	-50
Change in equity	-1,081	66	0	0	0
Dividends	0	-29	-8	-19	-55
Other	1,063	-83	0	0	0
Change in cash	-174	54	3	307	254
Cash at beginning of year	532	358	412	415	722
Cash at end of year	358	412	415	722	975
Gross cash flow	**420**	**369**	**185**	**562**	**560**
Free cash flow	**288**	**119**	**190**	**617**	**500**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	22.6	3.6	17.0	48.1	10.8
Operating profit	24.8	-37.7	-64.3	665.4	7.5
Net profit	281.9	nm	nm	2,481.9	6.0
Adjusted EPS**	256.0	-95.0	151.4	1,490.6	3.5
Per-share data (KRW)					
EPS (parent-based)	4,504	225	566	9,006	9,324
EPS (consolidated)	4,413	-82	332	8,416	8,924
Adjusted EPS**	4,504	225	566	9,006	9,324
BVPS	70,090	77,427	71,117	79,698	87,747
DPS (common)	700	200	450	1,300	1,500
Valuations (x)					
P/E***	51.8	858.8	539.6	33.9	32.8
P/B***	3.3	2.5	4.3	3.8	3.5
EV/EBITDA	22.9	24.9	75.6	21.5	20.1
Ratios (%)					
ROE	6.6	0.3	0.8	12.0	11.2
ROA	3.6	-0.1	0.3	6.1	5.9
ROIC	11.6	-1.4	0.5	16.4	18.6
Payout ratio	15.6	88.5	80.7	14.4	16.0
Dividend yield (common)	0.3	0.1	0.1	0.4	0.5
Net debt to equity	-7.7	-3.6	-5.5	-16.8	-25.3
Interest coverage (x)	6.3	3.7	1.4	10.5	11.8

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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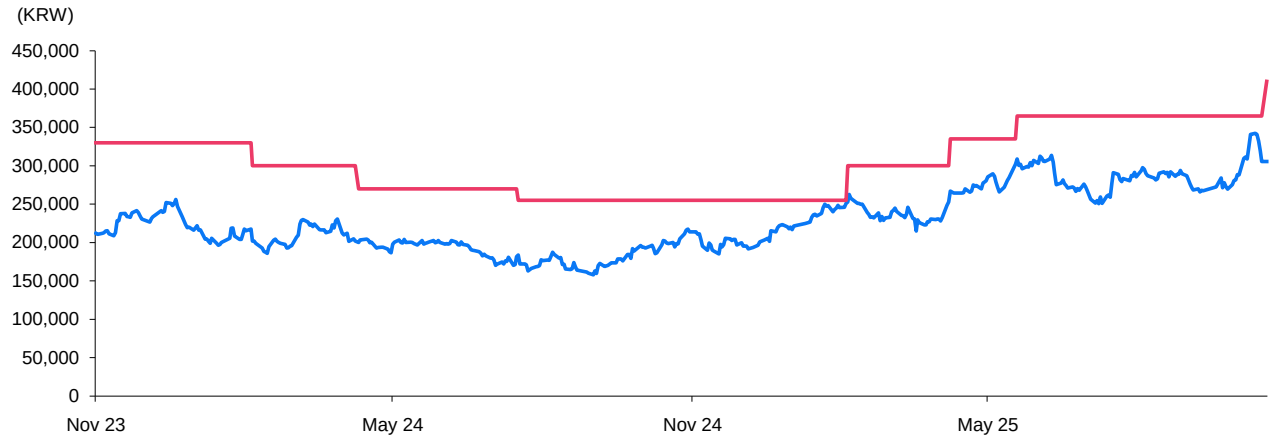
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2023/11/3	2024/2/27	5/2	8/8	2025/2/26	4/30	6/10	11/11
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	330000	300000	270000	255000	300000	335000	365000	410000
Gap* (average)	-33.38	-30.37	-28.66	-22.34	-21.23	-17.66	-21.45	
(max or min)**	-22.42	-23.17	-24.26	-1.57	-12.50	-9.85	-6.16	

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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