SECTOR UPDATE

2025. 11. 13

Finance/Consumer Goods Team

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Analyst
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▶ AT A GLANCE

Kakao Pay (377300 KS, 52,000)		
Target price	KRW69,000	32.7%
BUY		
NHN KCP (060250 KQ, 15,620)		
Target price	KRW20,100	28.7%
BUY		
KG Inicis (035600 KQ, 10,230)		
Target price	KRW12,200	19.3%
HOLD		
Nice I&T (036800 KQ, 23,150)		
Target price	KRW25,000	8%
HOLD		
KG Mobilians (046440 KQ, 4,775)		
Target price	KRW5,800	21.5%
HOLD		

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Payments (NEUTRAL)

Consumption recovery and AI commerce

- Korea's 3Q payment data indicate clear improvement in consumer spending.
- Korean payment firms are still developing AI commerce-related services.
- We cut our 12-month target prices for payment firms—despite their stable earnings prospects—to reflect cooling stablecoin-related anticipation.

WHAT'S THE STORY?

Card spending rises in 3Q—positive signal of consumption recovery: We believe card spending in Korea reached an all-time quarterly high of KRW323.3t in 3Q, as: 1) uncertainties that had weighed on consumer sentiment through 1H25 eased significantly; and 2) the government's economic stimulus programs finally began to bring their intended results.

Weak housing transactions to have minimal impact on consumption: The government's housing policies have dampened the number of housing transactions, but we do not think this will lead to a consumption slowdown, as: 1) housing prices in Seoul and the Seoul Metropolitan Area remain on an uptrend due to robust demand; 2) the BOK's housing price outlook index remains high; and 3) the government needs to take steps to reinvigorate regional housing markets.

Consumer sentiment to hold steady or pick up: The Consumer Sentiment Index came in at 109.8 in October, falling for a second straight month. However, this does not signal a structural downturn in sentiment. We believe that its fall is natural given the index's spike in 3Q (fueled by an easing of domestic political uncertainties and the economic stimulus measures). The index could bounce if macroeconomic uncertainties (*eg*, tariff negotiations) disappear.

Cutting target prices to reflect weakening expectations towards stablecoin-related benefits: We reduce our target prices for the payment companies in our universe to reflect waning stablecoin-related anticipation, despite our optimism towards earnings growth (amid improving consumption).

Integration of agentic AI into payments—need to consider coming changes: Big payment companies (including Visa, Mastercard, and PayPal) have been rolling out AI-powered services by integrating agentic AI into their payment services. It is still too early to expect related earnings improvement at Korean payment firms—they are still developing related services. Yet, those possessing payment data or platform capabilities merit attention.

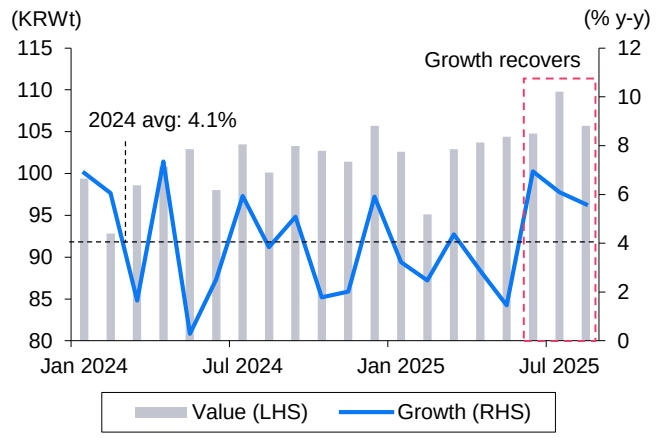
Payment industry pulse check: Consumption recovery confirmed

Card spending rises in 3Q, signaling consumption recovery

We believe (debit and credit) card spending in Korea reached an all-time quarterly high of KRW323.3t in 3Q (up 5.3% y-y and 3.3% q-q). This would suggest that: 1) uncertainties (both at home and abroad) that had caused consumer sentiment to sour through 1H25 eased significantly; and 2) the government's economic stimulus programs finally began to bring their intended results.

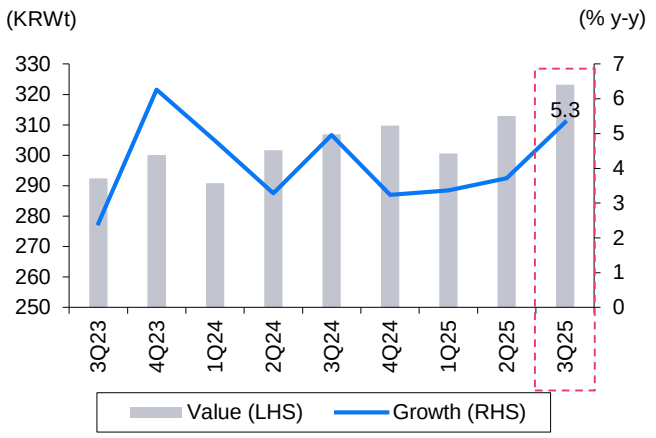
It is noteworthy that card spending across the major sectors rebounded in 3Q. Card spending in the sectors of wholesale & retail transaction, accommodation & restaurants, health & social work, and associations & other personal services (together accounting for 95.6% of total card spending) all expanded over 4% y-y in August—the first time that all of the major sectors rose more than 4% y-y in a month since Jan 2024. It appears as though the increase in card spending in 3Q: 1) was not confined to specific sectors; and 2) stemmed from an overall improvement in consumption.

Monthly card transaction value vs growth



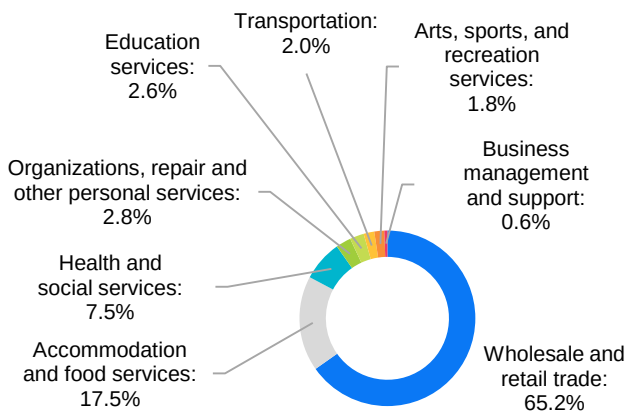
Source: Crefia, Samsung Securities

Quarterly card transaction value vs growth



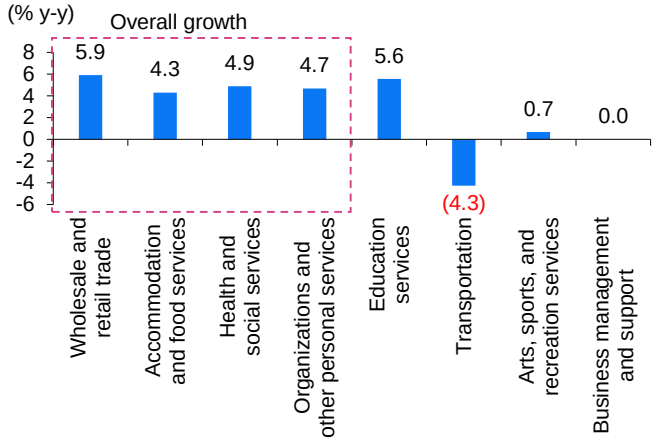
Source: Crefia, Samsung Securities estimates

Aug 2025 monthly card transaction value breakdown



Source: Crefia, Samsung Securities

Aug 2025 monthly card transaction change, by industry



Source: Crefia, Samsung Securities

Consumption to continue recovering through year-end

We expect domestic consumption to sustain its recovery until at least year-end. Although the government's real-estate measures have dampened housing transactions (which is negative for the consumption recovery), consumer sentiment has stabilized and may improve if macroeconomic uncertainties ease.

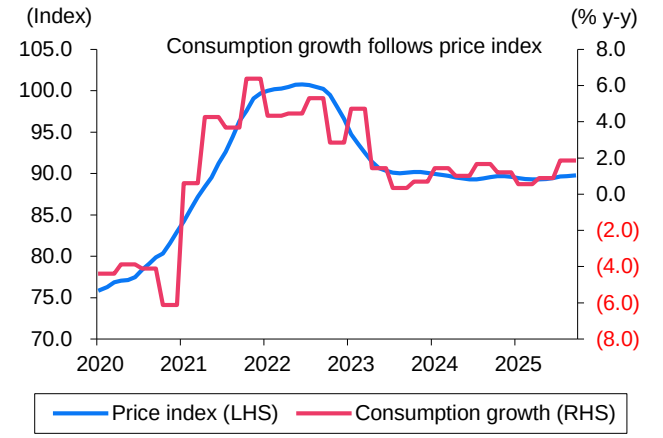
Weak housing transactions to have minimal impact of consumption

Domestic consumption and real-estate market conditions are closely correlated—real estate accounts for a high portion of household assets. According to the Bank of Korea (BOK) and Korea Statistics, real estate makes up 74.6% of household and non-profit organizations' net assets (housing 50.9%, non-residential properties 23.7%).

Households' heavy exposure to real estate has bolstered consumption in 2H (the real-estate market picked up in 1H), but concerns are rising that their heavy exposure could burden future consumption—the government's housing policies have dampened the number of housing transactions, which could in turn weigh on consumption. Indeed, the apartment transaction volume in the Seoul Metropolitan Area (SMA) tumbled 64.1% over the 10 days following the announcement of the government's new housing-related measures on Jun 27 (vs the 10 days prior to the announcement) and 78.8% after its Oct 15 announcement (vs the prior 10 days).

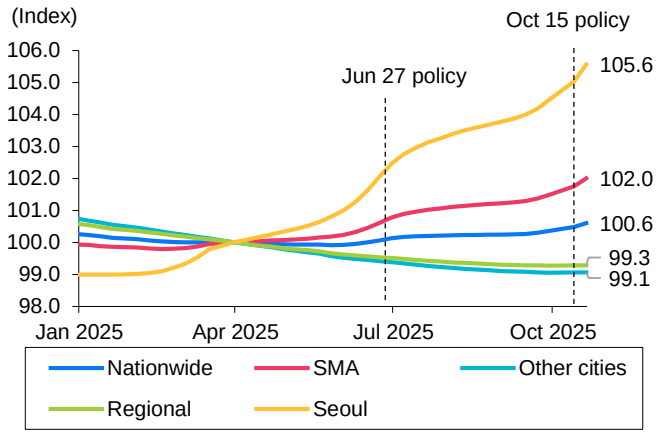
While the slowing number of housing transactions may weigh on consumer sentiment, we do not think it will lead to a consumption slowdown, as: 1) housing prices in Seoul and the SMA remain on an uptrend thanks to robust demand; 2) the Bank of Korea's (BOK) housing price outlook index jumped 10pts m-m to 122 in October (despite the Oct 15 real-estate measures); and 3) the government needs to take action to reinvigorate regional housing markets.

National housing price index vs consumption growth



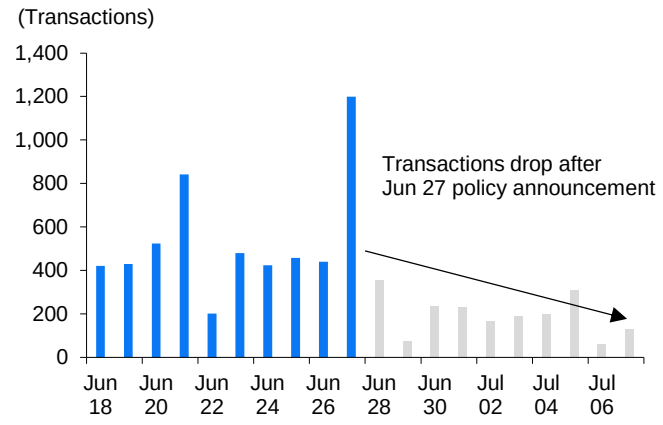
Note: Jan 2022 = 100
Source: K-REB, BOK, Samsung Securities

Weekly housing price index, by region



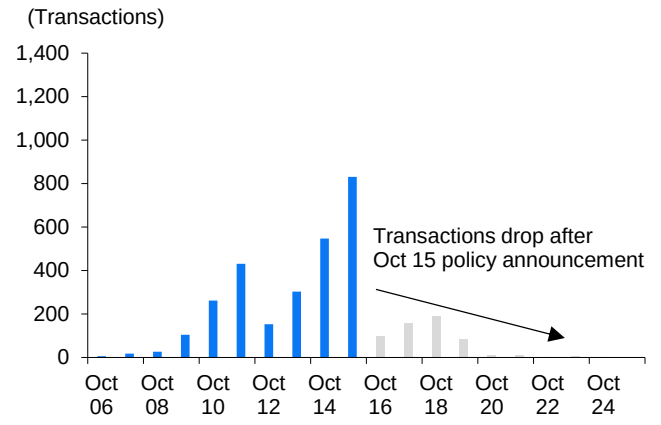
Note: Mar 2025 = 100
Source: K-REB, Samsung Securities

Seoul: Number of housing sales before/after policy announcement



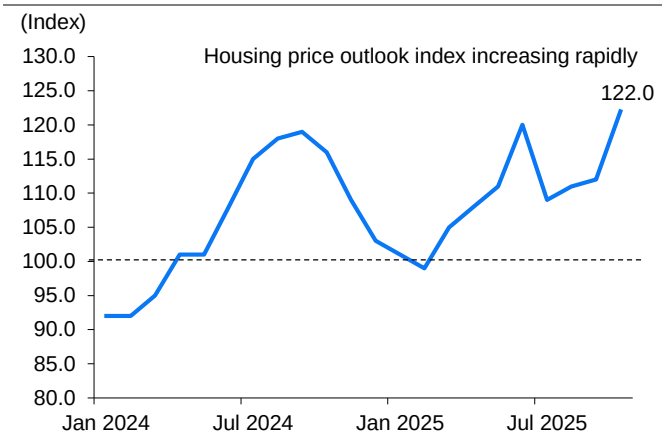
Source: MoLIT, Samsung Securities

Seoul: Number of housing sales before/after policy announcement



Source: MoLIT, Samsung Securities

Housing price outlook index



Source: BOK, Samsung Securities

News about efforts to reinvigorate regional housing market

Date	Details
Oct 27	Loan limits for non-SMA regions eased
Aug 18	Added more regions to a list of places where having a second home comes with various tax benefits

Source: Media, Samsung Securities

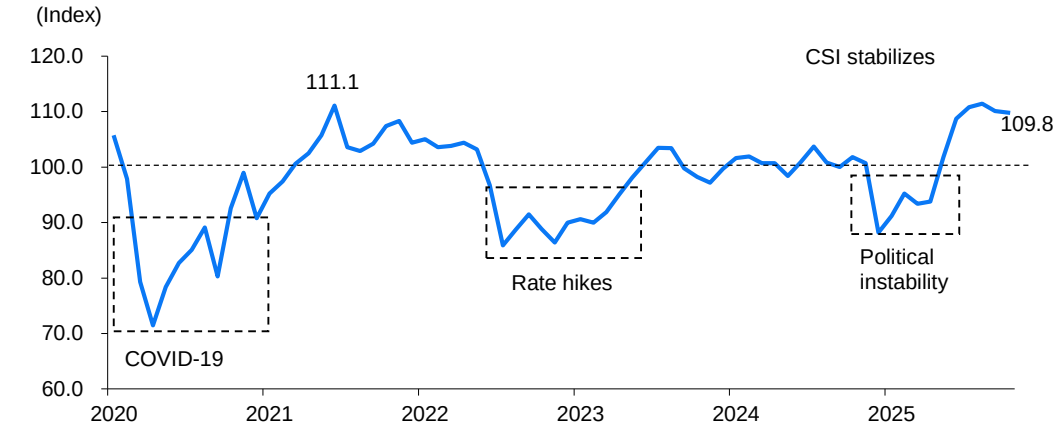
Consumer sentiment to hold steady or pick up (depending on economic stimulus measures and state of macro uncertainties)

The Consumer Sentiment Index (CSI) came in at 109.8 in October (down 0.3pts m-m). However, this slight drop does not in our view signal the start of a structural downturn in sentiment. We believe that the fall is natural given the index's spike in 3Q (which was fueled by domestic political uncertainties easing and the government's economic stimulus measures). The index could bounce if macroeconomic uncertainties (*eg*, tariff negotiations) disappear.

The recent two-month decline in the CSI should therefore be viewed as a natural phenomenon after the spike in 3Q. We attribute the spike to: 1) resolution of domestic political instability (which instability was large in 1H), unleashing a wave of pent-up consumer demand in 3Q; and 2) the full effects of the government's economic stimulus measures (*eg*, consumption coupons) becoming visible.

We forecast consumer sentiment will remain stable through the end of the year. It could even improve—the second round of dispersion of the government's consumption coupons, for which the public may apply and use in November, may temporarily boost spending. Consumer sentiment could pick up further if macro uncertainties ease on the conclusion of Korea-US tariff negotiations.

Consumer Sentiment Index



Source: BOK, Samsung Securities

3Q preview—solid growth expected (revenue up 15% y-y)

Revenue up 15% y-y in 3Q thanks to improving consumption and low base

We estimate the combined revenue for the five payment companies under our coverage grew 15% y-y in 3Q to KRW1.09t, given: 1) improvements in consumption indicators; and 2) the dissipation of the impact of the Tmon-WeMakePrice scandal.

That said, growth inevitably varied by company. At Kakao Pay, stricter household loan regulations have slowed the pace of loan refinancing, but the firm's securities brokerage subsidiary likely delivered strong profit growth, supporting its overall earnings. NHN KCP, NICE I&T, and KG Inicis likely saw their 3Q sales rebound y-y, backed by increasing consumer spending and the absence of impacts relating to the Tmon-WeMakePrice scandal (Jul 2024). That scandal also did not affect KG Mobilians, whose top-line growth, however, should take longer to recover due to delays in adding new merchants.

Combined operating profit up 838% y-y (or up 283% y-y if excluding Kakao Pay)

We estimate their combined operating profit grew 838% y-y in 3Q to KRW61.7b (or up 283% y-y to KRW53.9b if excluding Kakao Pay). The sharp y-y increase likely owned much to the low base (KG Mobilians incurred an operating loss in 3Q24 due to scandal-related one-off costs).

Operating profit growth also likely varied by company. Kakao Pay likely enjoyed operating profit improvement thanks to earnings growth at its securities unit and growing consumer spending. Meanwhile, KG Mobilians' operating profit likely surged y-y on a rising portion of direct-carrier billing.

3Q results to confirm full consumption recovery

All in all, we believe earnings at payment companies began to expand gradually from 2Q, as: 1) the non-cash portion of payments is increasing (a structural shift); 2) factors behind the slump in consumption (which lasted until end-1H25) are retreating and the government's economic stimulus programs finally began having an effect in 3Q; and 3) payment companies should achieve gradual profitability growth (via cost efficiency improvement efforts).

3Q sales and operating profit forecasts

(KRWb)	Sales	Chg (%)		Operating	Chg (%)	
		q-q	y-y	profit	q-q	y-y
Kakao Pay	256.5	7.7	37.8	7.9	(15.8)	n/a
NHN KCP	315.7	5.0	15.9	14.1	14.2	60.7
KG Inicis *	185.2	11.0	2.4	14.2	31.0	9.5
Nice I&T	274.5	2.9	11.4	16.7	7.0	71.8
KG Mobilians	64.1	14.1	(4.2)	8.8	17.8	n/a
Total	**1,096.0**	**6.5**	**15.0**	**61.7**	**10.9**	**838.0**
Excluding Kakao Pay	**839.5**	**32.7**	**119.8**	**53.9**	**16.3**	**283.0**

Source: Company data, Samsung Securities estimates

2025 earnings revisions—raising operating profit forecast for Kakao Pay

We have made some adjustments to our forecasts for payment companies' full-year earnings. Overall, our adjustments are modest because the weaker-than-expected 2Q results will inevitably dampen the impact of improving consumption on investment sentiment in 2H. By company, we lift our earnings estimates for: 1) NHN KCP to factor in stronger growth in transaction value at high-margin overseas merchants; 2) Nice I&T, reflecting the expected margin improvement driven by continued market-share gains; 3) KG Inicis on the prospects of additional transaction value growth based on its adding large merchants; and 4) KG Mobilians for 2026 due to a rising portion of direct-carrier billing, though we lower our 2025 operating profit forecast for the firm to reflect delays in its adding merchants.

Meanwhile, we raise our 2025 and 2026 operating profit forecasts for Kakao Pay by 39.3% and 16.5%, respectively, due to forecasts for robust earnings at the securities unit amid the stock-market surge. In addition, given that our estimate for the firm's 2025 operating profit (KRW28.8b) is far below our sales estimate (KRW984.3b), there exists plenty of room to lift our operating profit forecast.

Annual sales forecasts

(KRWb)	2025			2026		
	Old	New	Chg (%)	Old	New	Chg (%)
Kakao Pay	914.9	984.3	7.6	1,074.7	1,427.6	32.8
NHN KCP	1,174.6	1,224.8	4.3	1,265.8	1,382.1	9.2
KG Inicis *	729.0	707.6	(2.9)	807.3	762.7	(5.5)
Nice I&T	1,105.0	1,088.4	(1.5)	1,205.1	1,190.9	(1.2)
KG Mobilians	288.7	255.9	(11.4)	318.3	308.6	(3.1)
Total	**4,212.2**	**4,261.0**	**1.2**	**4,671.3**	**5,071.8**	**8.6**
Excluding Kakao Pay	**3,297.2**	**3,276.6**	**(0.6)**	**3,596.5**	**3,644.3**	**1.3**

Note: The above forecasts for Kakao Pay have been revised as of Nov 11
Source: Samsung Securities estimates

Annual operating profit forecasts

(KRWb)	2025			2026		
	Old	New	Chg (%)	Old	New	Chg (%)
Kakao Pay	20.7	28.8	39.3	46.8	54.6	16.5
NHN KCP	51.9	52.7	1.6	60.0	65.4	9.0
KG Inicis *	51.4	52.6	2.2	59.4	59.8	0.7
Nice I&T	45.9	54.8	19.5	48.8	54.2	11.0
KG Mobilians	42.1	36.6	(13.0)	48.0	57.9	20.8
Total	**212.0**	**225.6**	**6.4**	**263.0**	**291.9**	**11.0**
Excluding Kakao Pay	**191.3**	**196.8**	**2.8**	**216.2**	**237.4**	**9.8**

Note: The above forecasts for Kakao Pay have been revised as of Nov 11
Source: Samsung Securities estimates

Cutting target prices—fundamentals to improve but stablecoin-related hopes wane

We lower our target P/E multiple for the domestic payment sector (excluding Kakao Pay) from 9x to 8x, reflecting: 1) the government's economic stimulus measures (which had a visible impact in 3Q); 2) a delay in the BOK's interest-rate cuts (which has reduced expectations of an additional boost to consumption); and 3) weakening expectations towards stablecoin-related benefits (which optimism had fueled share-price rallies). For reference, stablecoin issuer Circle's P/S has slipped from 15.9x (at end-July) to 11.9x. This shows that even with legislative support, expectations alone cannot sustain high valuations if the ecosystem remains underdeveloped.

To factor in the lower sector multiple, we reduce our target prices for the domestic payment companies under our coverage, which are trading at an average P/E of 7.9x 2026 P/E (excluding Kakao Pay), a figure that is far lower than their six-year average of 15.6x.

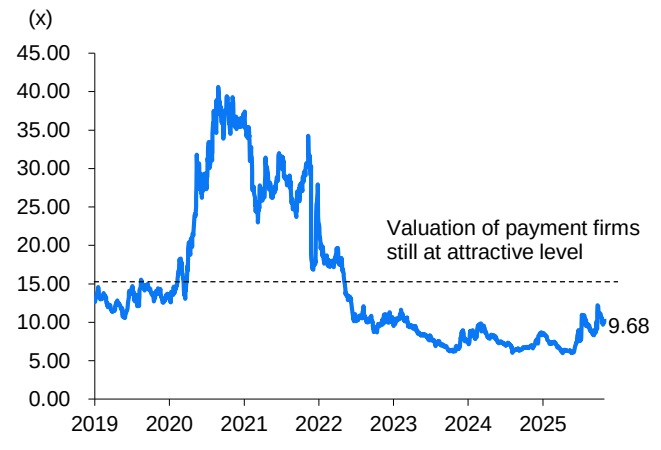
For Kakao Pay, we reduce our target multiple to 7x P/S to reflect: 1) the worsening results at its refinancing service amid stricter regulations on household loans; and 2) falling expectations towards stablecoin-related benefits. For reference, our target is higher than the stock's post-2024 average of 6.1x P/S, but far lower than its stablecoin-related global peer average of 14.2x P/S.

Target price changes

(KRW)	Recommendation	Old	New	Current price	Upside (%)	Target P/E (x)
Kakao Pay*	BUY	79,000	69,000	52,400	31.7	7.0
NHN KCP	BUY	20,200	20,100	16,090	24.9	15.8
KG Inicis	HOLD	12,500	12,200	10,280	18.7	4.8
Nice I&T	HOLD	28,000	25,000	22,500	11.1	5.2
KG Mobilians	HOLD	6,100	5,800	4,940	17.4	6.0

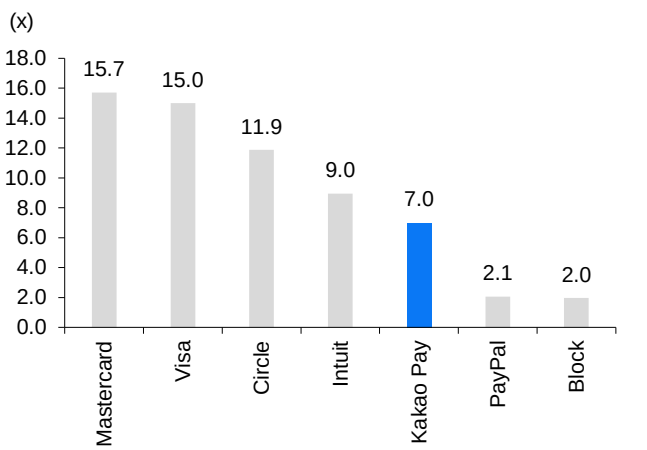
Note: As of Oct 30 / *Kakao Pay based on target P/S
Source: QuantiWise, Samsung Securities estimates

Average P/E of Korean payment firms



Note: Excluding Kakao Pay
Source: QuantiWise, Samsung Securities estimates

2026E P/S: Global payment companies vs Kakao Pay



Note: As of Oct 30
Source: Bloomberg, Samsung Securities estimates

Agentic AI and payments: Change coming; plausibility matters

Change coming, first in the US: Integration of agentic AI into payments

Change is underway in the payments industry, led by developments in the US. Following the passage of the GENIUS Act (Guiding and Establishing National Innovation for US Stablecoins of 2025), stablecoin integration into payments drew significant attention in 1H. In May, global payment companies rushed to unveil detailed plans for AI-powered services to prepare for the emerging AI era.

These shifts in the US have spurred similar moves in Korea, where payment companies have been racing since June to incorporate stablecoins into their systems. More recently, they have begun sharing their strategies for leveraging AI. Among these initiatives, we focus on the integration of AI into payments.

Innovation to stem from agentic AI, not stablecoins

Shares of payment companies have rallied this year on the back of stablecoin-related headlines, but we believe the true driver of industry transformation will be the integration of agentic AI into payments. Stablecoin legislation will take time to develop, whereas AI is already embedded in everyday life and faces far less regulatory uncertainty. Indeed, stablecoin bills pending in the National Assembly have yet to pass committee review. Even if government proposals are finalized by end-2025, implementation will take considerably longer.

Progress of digital asset related bills

Bill	Date	Status
General Act on Digital Assets	Jun 11	Pending
Bill on Payment Innovation Utilizing Value-Fixed Digital Assets	Jul 27	Pending
Bill on the Issuance and Distribution of Value-Stable Digital Assets	Jul 28	Pending
Bill on the Issuance of Stable Digital Assets and Related Businesses	Aug 21	Pending
Bill on the Innovation and Growth of the Digital Asset Market	Sep 22	Pending
Digital Asset Market Integration Act	Sep 25	Pending
General Act on Developing Digital Assets	Oct 1	Pending
Phase 2 of digital asset legislation	Projected announcement by end-2025	

Source: Korean National Assembly, Samsung Securities

Integration of agentic AI into payments: Visa's vision

The rise of AI-powered commerce

At its annual Visa Global Product Drop event in May 2025, Visa announced the dawn of an AI-powered commerce era that will reshape consumer markets as profoundly as e-commerce once did. While e-commerce eliminated the physical burden of visiting stores, it introduced a new cognitive burden—consumers now face an overwhelming volume of online reviews and information, complicating purchase decisions. AI-powered commerce aims to eliminate this fatigue entirely through agentic AI, which can decide what to buy and make purchases on behalf of consumers.

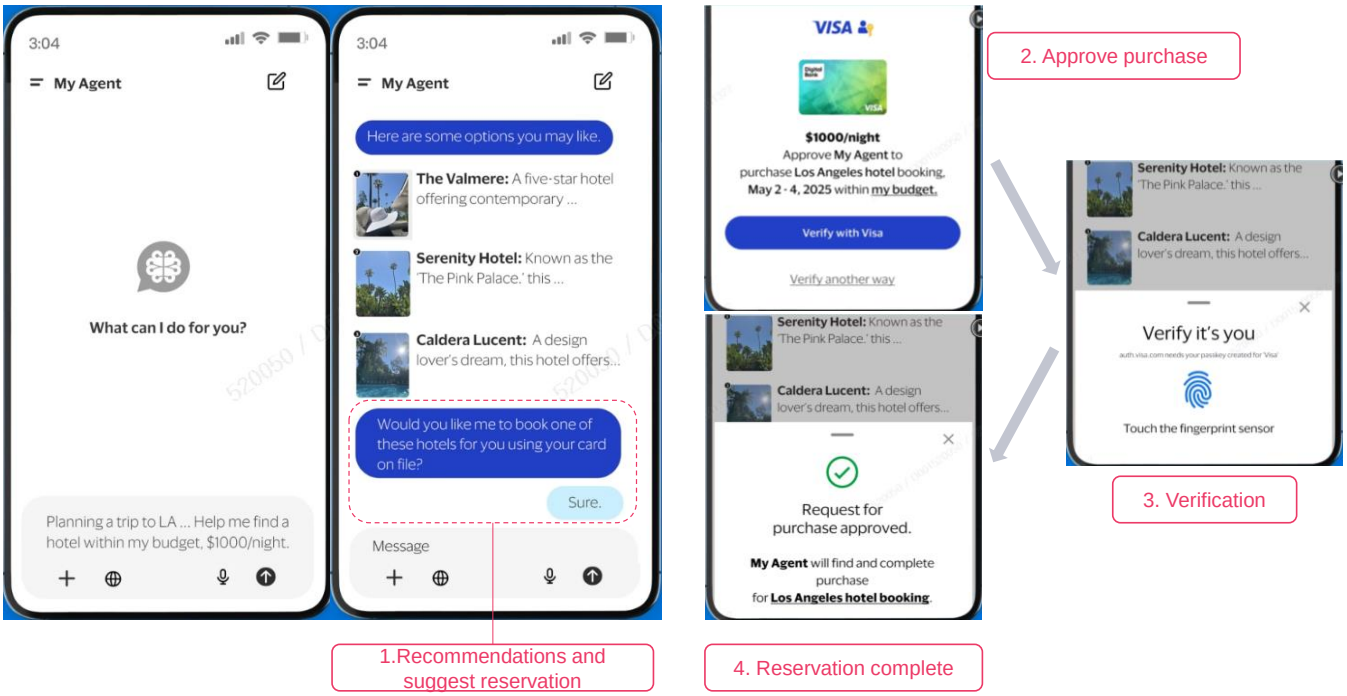
Visa Intelligent Commerce: Payment API package for all AI agents

Visa has launched Visa Intelligent Commerce, a payment API package available to all AI agents. The service allows consumers to bypass traditional steps such as product comparison, form-filling, and manual payment. For example, when a consumer asks an AI agent to recommend a hotel in Los Angeles priced under USD1,000 per night, the agent provides a list of options and requests permission to complete the booking using a pre-registered credit card. Upon receiving the consumer's approval and authentication, the agentic AI finalizes the reservation automatically. In essence, the consumer delegates the cognitive burden of tasks such as product comparison and data entry to the AI—leaving only the decision-making step in human hands. Visa's CEO noted that the company aims to officially launch Visa Intelligent Commerce within the next few quarters.

Visa Intelligent Commerce enables AI agents to deliver secure, reliable experiences throughout the transaction process. By operating within Visa's trusted ecosystem, AI agents can enhance efficiency, streamline interactions, and elevate the shopping experience for all participants across the payments value chain.

Consumers will soon be able to authorize AI agents to browse, select, purchase, and manage transactions on their behalf. For this to work, AI agents must be trusted not only by users, but also by banks and merchants.

Visa Intelligent Commerce: Proxy reservation process



Source: Company data, Samsung Securities

Emergence of ultra-personalized AI: Integration of AI with payments data

At the core of Visa Intelligent Commerce lies hyper-personalization, driven by the integration of AI with consumer payments data. Current generative AI models make recommendations based on aggregate preferences—such as popular or highly rated destinations—but agentic AI, when combined with individual payment histories, can deliver truly personalized experiences.

For instance, when planning a three-day trip to Miami, generative AI might suggest restaurants and attractions frequented by most tourists. To reflect individual preferences, users must typically provide additional prompts. By contrast, agentic AI powered by payments data can autonomously recommend a Japanese restaurant, a local racing event, and a renowned fishing spot based on the user's past spending patterns—and even propose booking race tickets or purchasing fishing gear in advance.

Tokenization and authentication: Ensuring confidence in transactions and data security

Visa employs tokenization and advanced authentication to address concerns about granting AI agents spending authority. Each transaction is protected with a unique, cryptographically generated 16-digit token, which is sent to the user's AI agent. Once the user authorizes the token's use, the AI agent completes biometric authentication (via fingerprint or facial recognition) through Visa's API. This system enables Visa to block unauthorized AI-initiated payments.

Visa also emphasizes its commitment to data protection, allaying consumer concerns about the sharing of consumption history (which is needed for service personalization). Each Visa card generates a range of payment-related data, but only aggregated insights—not raw data—are shared with the agentic AI.

Moreover, users can revoke access to these insights at any time. As a result, all transaction histories remain securely stored within Visa's database, with users retaining full ownership and control over their data.

Case studies

Mastercard Agent Pay: Payment reliability the foundation of AI-powered commerce

In May 2025, Mastercard unveiled its agentic payments program, Mastercard Agent Pay, joining the race to enable AI-powered commerce. While the firm has yet to disclose detailed information about the API package, we believe its structure and functionality are broadly similar to Visa Intelligent Commerce. A promotional video for the service highlights two key features: 1) payment reliability underpinned by tokenization; and 2) enhanced consumer convenience through the removal of purchase-related cognitive burden.

According to press reports, Mastercard plans to initially roll out the service to select Citibank and US Bank customers, before expanding it to all Mastercard users in the US by end-2025.

Mastercard Agent Pay: Acquiring reliability and improving convenience

Source: Company data

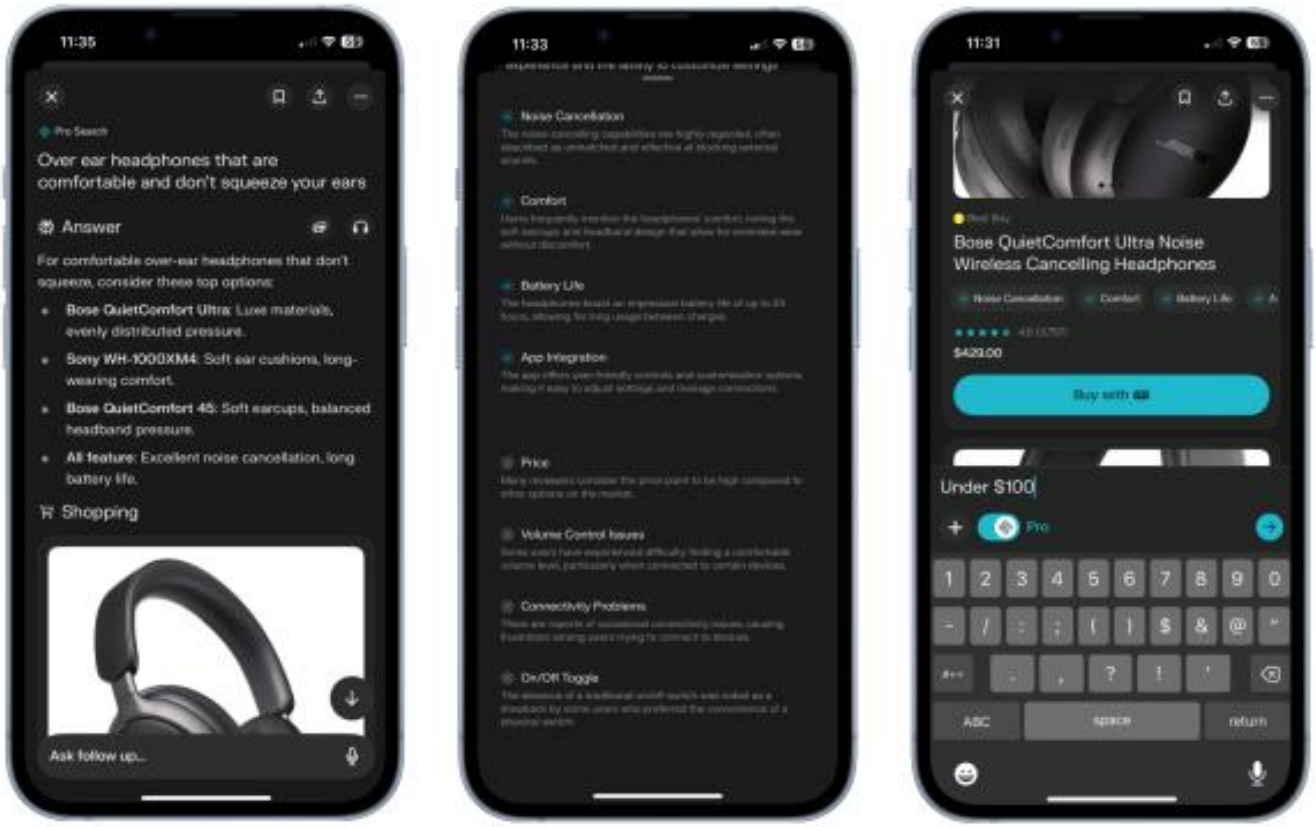
PayPal: AI-powered payments

PayPal has taken a different route to AI-enabled commerce.

While Visa and Mastercard issue agent-specific tokens—usable only by the AI to which they are assigned—and process each AI-initiated payment through their APIs with additional biometric authentication, PayPal has instead introduced the PayPal Agent Toolkit, which embeds PayPal's payment capabilities directly within AI agents.

In May, Perplexity integrated this toolkit into its chatbot. Using the PayPal Agent Toolkit, consumers can search for products, book travel, or buy tickets directly within a chatbot interface, completing the entire process—including payment, shipping, tracking, and invoicing—on the backend through AI automation.

Perplexity: Payment options within chatbot

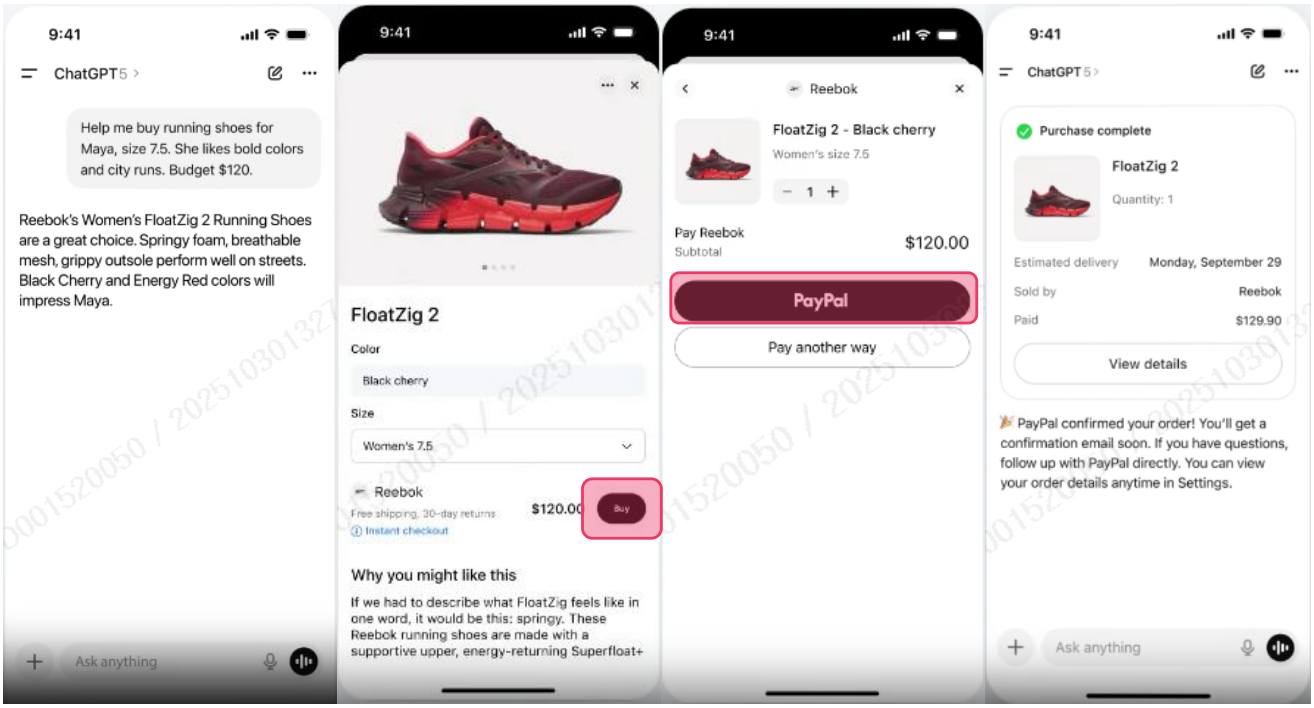


Source: Company data

PayPal further announced a collaboration with OpenAI during its 3Q earnings call on Oct 28. According to media reports, PayPal will implement the Agentic Commerce Protocol, enabling PayPal merchants to connect with ChatGPT users starting next year. This integration will allow merchants to make their products discoverable within ChatGPT, while users will be able to complete purchases with a one-click payment process—without leaving the chat interface.

In a promotional video released by PayPal, a consumer asked ChatGPT to recommend running shoes, received a tailored suggestion, and completed the purchase using PayPal—all within the same conversation. Beginning next year, PayPal and OpenAI aim to offer a seamless service that lets consumers browse, order, pay, and track deliveries entirely within ChatGPT.

PayPal and OpenAI: Buy with PayPal



Source: Company data

Korean players: Still in development stage

Kakao Pay: Pursuing a two-track AI strategy in personal finance and shopping

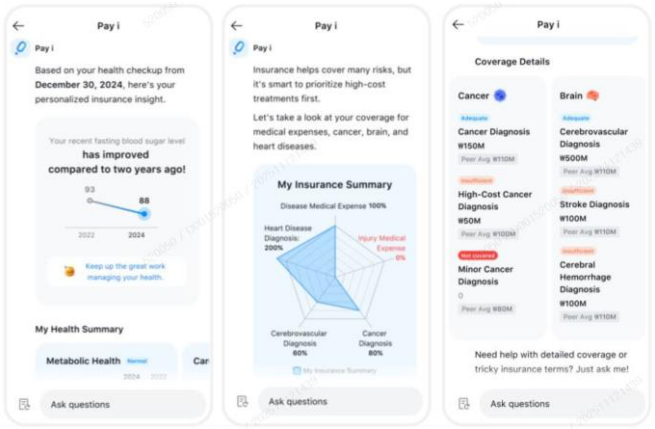
Kakao Pay has entered the agentic AI market with the launch of its AI brand, 'Pay AI'. The initiative seeks to deliver highly personalized AI services through two agents: 1) a financial agent that acts as a personal assistant for wealth and health management; and 2) a payment agent designed as a shopping AI with integrated payment capabilities.

The financial agent's first service, an insurance consultation AI, was rolled out in June. It analyzes users' health checkup data to assess insurance coverage and provide tailored product recommendations. Kakao Pay plans to expand the financial agent's capabilities to include wealth management, allowing users to view and manage both their financial and health information in one place.

The payment agent's first service—an early iteration of a shopping AI—is scheduled for release in 1H26. In August, Kakao Pay unveiled its Model Context Protocol (MCP) Agent Toolkit, which integrates Kakao Pay's payment API into AI agents. Demonstration videos showed how large language models (LLMs) such as ChatGPT can use Kakao Pay's API to generate checkout links with tracking and cancellation options.

That said, full-fledged agentic AI capabilities—where AI-driven recommendations translate directly into autonomous execution—have not yet been realized in Kakao Pay's current system.

Kakao Pay: "Insurance Diagnosis AI" screen

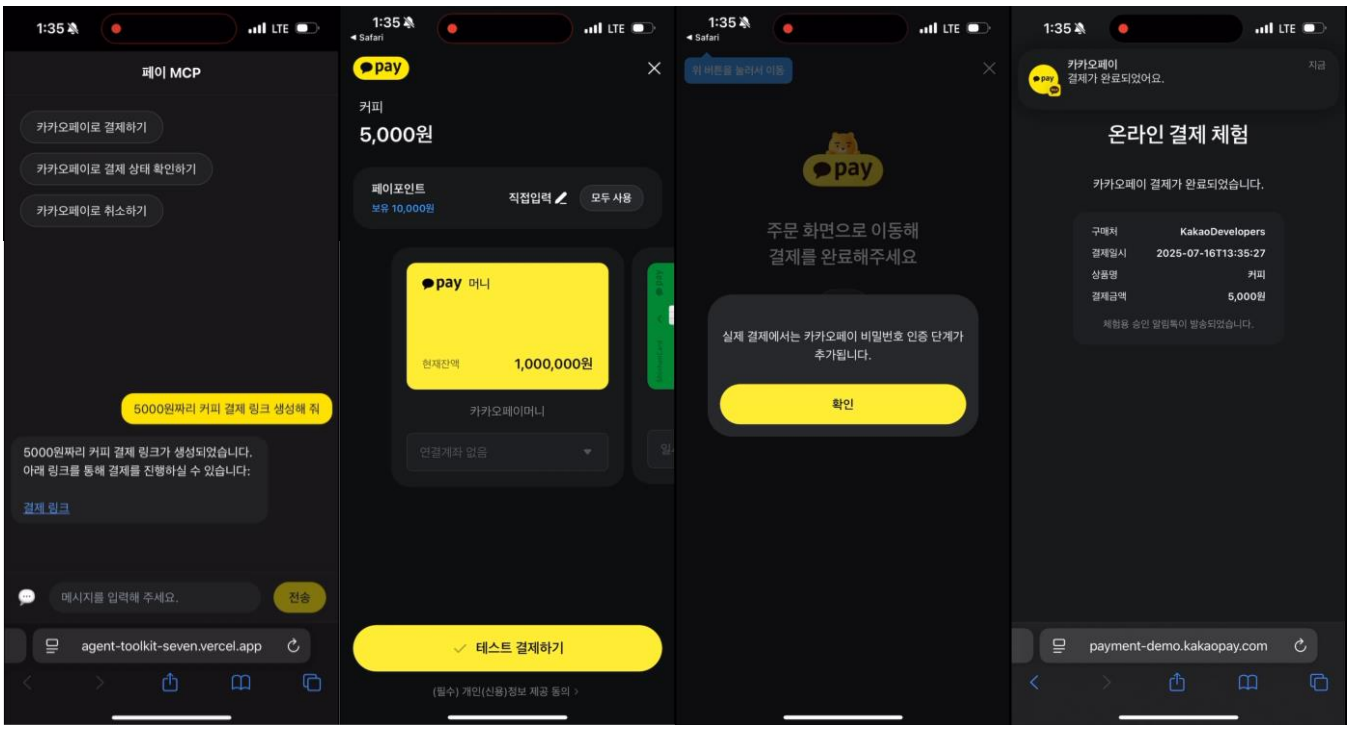


Source: Company data

Kakao Pay: AI services roadmap

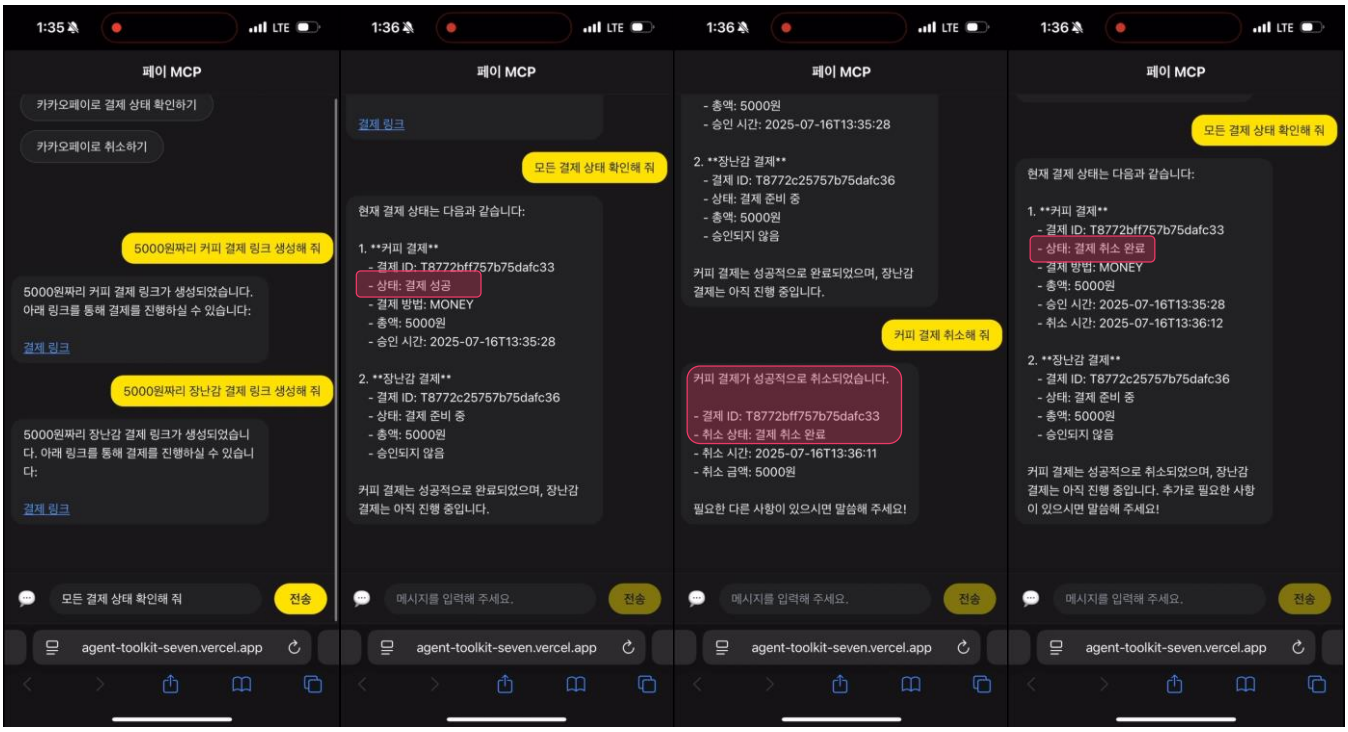
Source: Company data

Kakao Pay—MCP chatbot test video: Creating payment links and approving payments



Source: Company data

Kakao Pay—MCP chatbot test video: Cancelling payments and reviewing payment status



Source: Company data

Coocon: Building data infrastructure for agentic AI

Unlike Kakao Pay, Coocon does not develop front-end APIs that interact directly with AI agents. Instead, it plays a foundational role by providing data infrastructure for payment AI developers such as Kakao Pay and financial institutions adopting agentic AI—essentially acting as a bridge between data providers and data consumers.

In July, Webcash Group and NH Nonghyup Bank partnered to develop AI-based banking services, reportedly with Coocon providing the technical foundation for real-time data retrieval and integration. The new service will allow NH Nonghyup Bank employees to use natural language commands for corporate client fund management and internet banking, with Coocon likely responsible for enabling real-time access to the diverse financial data required.

Although there have been no additional media reports of agentic AI-related contracts or collaborations involving Coocon, its role as a key data provider positions it well for future growth. With numerous payment firms, financial institutions, and corporate clients already relying on Coocon's data APIs, demand for its data infrastructure is likely to increase as agentic AI adoption accelerates.

Coocon's data network

Acquires daily data from **500+** Korean organizations
Only firm in Korea to acquire data from **2,000+** financial institutions from **40+** countries

Source: Company data

Implications: Data possession is key to success

Market to be reshaped around holders of payment data

What can be inferred from Visa Intelligent Commerce is that in the era of agentic AI, the market landscape will likely be redefined by entities that control payment data. Ultra-personalized services—the core strength of agentic AI—depend on access to detailed consumption histories. To refine their AI models and enhance competitiveness, developers of agentic AI will inevitably need to leverage the vast payment data held by major payment companies. Visa, for instance, is aiming to establish an early lead in AI commerce through its suite of APIs that enable AI agents to make secure, seamless purchases on users' behalf.

Agentic AI still needs human in the loop

Although agentic AI can execute transactions autonomously, human oversight remains essential at critical decision points. While generative AI merely offers suggestions, agentic AI can complete economic actions—such as making payments—and report them to the user. To ensure accountability and prevent errors, agentic AI systems must be designed to pause and request final human confirmation before executing any payment.

Merchants need change of strategy

In traditional commerce, consumers compare and analyze products before deciding what to buy. For merchants, winning over consumers requires maximizing visibility, strengthening brand image, and maintaining price competitiveness—often through heavy promotional spending, ad exposure on e-commerce platforms, and sustained brand marketing.

However, if purchase decisions become driven by agentic AI, merchants will need to rethink their approach. Future strategies must operate on two fronts: 1) optimizing product data to increase the likelihood of being discovered by AI algorithms; and 2) engaging consumers at the final approval stage, where human authorization of AI-generated purchase decisions still takes place.

Payment platforms set to expand their role

While payment platforms such as PayPal, Alipay, Kakao Pay, and Naver Pay have evolved considerably since their inception, the payment market remains highly fragmented across platforms and tools. In Korea, for instance, consumers often use separate payment tools for online and offline transactions, with online payments further divided among multiple platforms.

The rise of agentic AI is likely to consolidate this fragmentation, helping payment platforms gain ground. If centralized transactional data can be leveraged to deliver ultra-personalized services—and if continued data accumulation enhances accuracy and customization—consumer activity may increasingly concentrate around a few dominant payment tools or platforms.

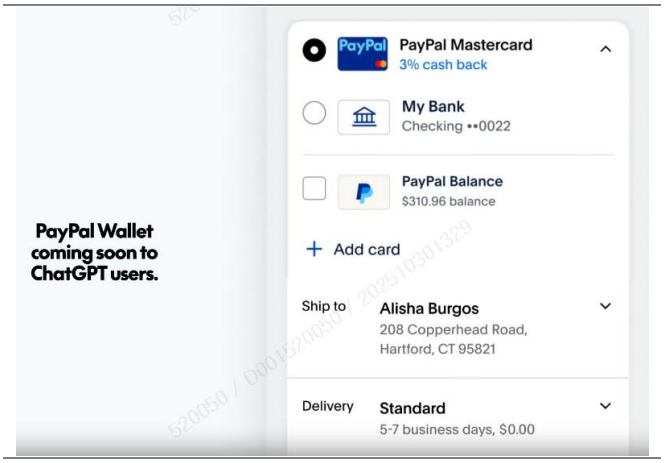
This evolution could transform payment platforms from simple transaction facilitators into active participants in users' financial lives, offering tailored recommendations not only for goods and services, but also for financial products such as insurance and investments.

Investment strategy: Still early, but firms with payment data or platform capabilities merit attention

In Korea, development of agentic AI remains at an early stage, making it premature to expect a meaningful impact on corporate earnings. Nonetheless, as adoption advances, large payments firms—particularly those with strong platform ecosystems or extensive commerce-related payment data—are likely to emerge as key beneficiaries. These firms could establish a virtuous circle of differentiated profit growth in which: 1) higher payment traffic generates richer data; 2) enhanced data enable more-sophisticated AI models and smoother user experiences; and 3) improved user engagement drives customer retention, further expanding data volumes. As AI commerce boosts transaction value, payments firms could see corresponding earnings growth, potentially lifting valuation appeal.

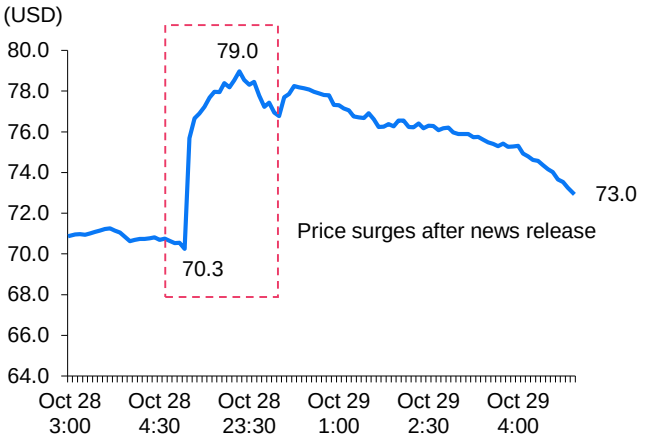
PayPal illustrates the market's sensitivity to AI-related developments. Its share price surged 12.4% intraday to USD79 immediately after the firm announced a partnership with OpenAI, though much of the gain was reversed in after-hours trading—underscoring that it is still early to position decisively on this theme.

PayPal and OpenAI: Promotion video



Source: Company data

PayPal share price



Note: Based on KST
Source: Bloomberg, Samsung Securities

If a Korean payments firm were to announce a similar AI commerce initiative, short-term valuation effects would likely be more subdued than PayPal's, given that PayPal: 1) partnered with the world's most widely used AI platform; and 2) plans to launch its service as early as next year. In summary, domestic AI commerce-related investments do not yet signal the start of a rerating but rather present a nascent source of upside.

Kakao Pay's potential backed by Kakao's AI ecosystem

Still, Kakao Pay's potential merits close attention, given that it is: 1) the most proactive among listed payments firms in disclosing AI-related developments; 2) expanding its payment channels across both online and offline platforms; and 3) expected to integrate with Kakao's broader AI ecosystem launched this year.

Kakao Pay stands out among listed domestic peers for its transparency in communicating AI initiatives. During its 2Q earnings call, the company presented a roadmap for launching its proprietary AI brand, Pay AI, and shared detailed progress on developing APIs compatible with AI agents via its Model Context Protocol (MCP). Among competitors, Naver Pay and Toss have also mentioned AI-related efforts, but their approaches differ. Naver Pay, while exploring AI agent integration, remains unlisted and thus inaccessible to investors, while Toss is primarily leveraging AI agents to enhance internal efficiency rather than enable AI-driven payments.

Like Visa and Mastercard, Kakao Pay continues to strengthen its payment channels across both online and offline markets—an essential step toward increasing customer retention. In July, it launched 'Offline QR Order' and 'Boss Plus' to broaden its merchant base, while simultaneously enhancing consumer appeal through programs such as 'Good Deal' and interest distribution on Kakao Pay Money.

Kakao Pay is also expected to become a key part of Kakao's AI ecosystem. During its 2Q earnings call, the company stated that: 1) it is preparing to enable Kakao Pay functionalities within Kakao's AI agent; 2) the scope of integration will expand gradually; and 3) the ultimate goal is for Kakao's AI agent to recommend products and execute payments seamlessly within the ecosystem. However, achieving this vision will take time. Kakao Pay noted that it must still finalize technical arrangements with Kakao and onboard additional third-party partners before full integration is possible.

Coocon's positioning warrants attention, but improvement in fundamentals is key

As competition in agentic AI intensifies, the value of high-quality data will rise, expanding downstream opportunities for Coocon, which already serves a broad client base spanning payment firms, financial institutions, and companies. After all, high-quality user data is needed to make agentic AI more sophisticated and ultra-personalized.

However, advances in agentic AI may not immediately translate into stronger fundamentals or a rerating for Coocon. Key uncertainties remain: 1) whether growth in downstream markets will meaningfully boost sales, given the inherently low fees of the data business; and 2) how much bargaining power Coocon can retain as large platforms—expected to dominate the agentic AI ecosystem—gain greater influence.

Valuation matrix

Company name		Kakao Pay	NHN KCP	KG Inicis	Nice I&T	KG Mobilians
Ticker		A377300	A060250	A035600	A036800	A046440
Recommendation		BUY	BUY	HOLD	HOLD	HOLD
Current price (KRW)		52,400	16,090	10,280	22,500	4,940
Target price (KRW)		69,000	20,100	12,200	25,000	5,800
Target market cap (KRWb)		9,300	807	340	218	220
Upside (%)		31.7	24.9	18.7	11.1	17.4
Target P/S (x)		7.0	0.6	0.3	0.2	0.7
Target P/E (x)		137.1	15.8	4.8	5.2	6.0
Market cap (KRWb)		7,081.2	646.2	283.3	225.0	187.8
Sales (KRWb)	2024	766.2	1,105.3	1,354.3	975.1	266.1
	2025E	984.3	1,224.8	1,302.9	1,088.4	255.9
	2026E	1,427.6	1,382.1	1,358.7	1,190.9	308.6
Sales growth (%)	2024	24.5	13.7	0.7	9.4	(4.8)
	2025E	28.5	10.8	(3.8)	11.6	(3.9)
	2026E	45.0	12.8	4.3	9.4	20.6
Operating profit (KRWb)	2024	(57.5)	43.8	61.0	39.9	7.4
	2025E	28.8	52.7	101.7	54.8	36.6
	2026E	54.6	65.4	116.7	54.2	57.9
Operating margin (%)	2024	(7.5)	4.0	4.5	4.1	2.8
	2025E	2.9	4.3	7.8	5.0	14.3
	2026E	3.8	4.7	8.6	4.6	18.8
Net income (KRWb)	2024	(21.5)	45.2	41.2	38.3	9.7
	2025E	53.5	46.2	68.4	43.2	26.1
	2026E	67.9	56.4	80.1	44.3	42.7
EPS (KRW)	2024	(102)	1,126	1,478	4,382	250
	2025E	357	1,151	2,483	4,950	686
	2026E	462	1,403	2,908	5,067	1,124
EPS growth (%)	2024	n/a	28.2	(46.7)	29.6	(77.7)
	2025E	n/a	2.3	68.0	13.0	174.3
	2026E	29.2	21.9	17.1	2.4	63.8
SPS (KRW)	2024	5,691	27,523	48,535	111,623	6,854
	2025E	7,308	30,499	47,286	124,584	6,731
	2026E	10,598	34,414	49,310	136,324	8,117
SPS growth (%)	2024	24.2	13.7	0.7	12.2	(4.8)
	2025E	28.4	10.8	(2.6)	11.6	(1.8)
	2026E	45.0	12.8	4.3	9.4	20.6
P/S (x)	2024	4.6	0.3	0.2	0.2	0.7
	2025E	7.2	0.5	0.2	0.2	0.7
	2026E	4.9	0.5	0.2	0.2	0.6
P/E (x)	2024	n/a	6.3	6.0	4.1	19.0
	2025E	146.6	14.0	4.1	4.5	7.2
	2026E	113.5	11.5	3.5	4.4	4.4
ROE (%)	2024	(1.1)	18.5	5.7	10.2	2.8
	2025E	2.8	16.4	8.9	10.7	7.4
	2026E	3.4	17.4	9.7	10.1	11.4

Note: As of Jul 30 / Kakao Pay forecasts have been revised as of Nov 11

Source: Company data, Samsung Securities estimates

Kakao Pay

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	3,430	3,908	4,730	5,670	6,042
Cash and cash equivalents	1,257	1,564	1,580	1,596	1,612
Other current assets	2,173	2,343	3,150	4,075	4,430
Non-current assets	536	507	502	522	543
Investments in associates	29	45	47	49	51
Property and equipment	45	39	36	38	39
Intangible assets	144	127	123	128	133
Other non-current assets	318	296	296	308	320
Total assets	**3,966**	**4,415**	**5,231**	**6,193**	**6,586**
Current liabilities	1,909	2,381	3,162	4,056	4,331
Deposits received	522	584	589	595	601
Trade and other payables	574	624	764	795	827
Other current liabilities	813	1,173	1,809	2,666	2,903
Non-current liabilities	123	123	127	132	137
Total liabilities	**2,032**	**2,504**	**3,289**	**4,188**	**4,468**
Share capital	67	67	67	67	67
Share premium	1,815	1,818	1,803	1,803	1,803
Accumulated deficit	(170)	(184)	(136)	(74)	39
Other components equity	165	160	165	165	165
Non-controlling interest	58	50	43	43	43
Total equity	**1,935**	**1,911**	**1,942**	**2,005**	**2,118**

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**615.4**	**766.2**	**984.3**	**1,427.6**	**1,818.5**
Digital Payment	443.4	490.0	500.3	566.3	635.8
Digital Finance	142.8	244.1	434.5	798.3	1,106.2
Others	29.1	32.1	49.6	62.9	76.5
Operating expenses	**672.0**	**823.7**	**955.5**	**1,373.0**	**1,687.4**
Labor expenses	203.1	215.4	247.5	278.9	314.8
Payment fee	318.0	360.2	386.4	435.8	485.2
Marketing	56.5	65.5	81.0	88.4	93.8
Others	94.3	182.5	240.6	570.0	793.6
Operating profit	**(56.6)**	**(57.5)**	**28.8**	**54.6**	**131.1**
Operating margin (%)	(9.2)	(7.5)	2.9	3.8	7.2
Other non-operating income	9.7	5.8	7.3	7.4	7.5
Other non-operating expense	15.9	19.0	18.1	18.3	18.5
Financial income	68.4	65.8	58.7	52.8	47.5
Financial cost	12.8	5.6	5.1	4.6	4.1
Share of loss of associates	1.6	5.1	4.1	4.1	4.1
Before tax	**(5.6)**	**(5.4)**	**75.6**	**95.9**	**167.6**
tax	17.3	16.2	22.2	28.1	49.1
Net profit	**(22.9)**	**(21.5)**	**53.5**	**67.9**	**118.6**
Growth (% y-y)	n/a	n/a	n/a	26.9	74.7

Margins

Year-end Dec 31 (%)	2023	2024	2025E	2026E	2027E
Operating margin	(9.2)	(7.5)	2.9	3.8	7.2
Pre-tax profit margin	(0.9)	(0.7)	7.7	6.7	9.2
Net profit margin	(3.7)	(2.8)	5.4	4.8	6.5
ROA	(0.6)	(0.5)	1.0	1.1	1.8
ROE	(1.2)	(1.1)	2.8	3.4	5.6

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	18.0	24.5	28.5	45.0	27.4
Operating profit	n/a	n/a	n/a	89.1	140.3
Net profit	n/a	n/a	n/a	26.9	74.7
Per-share data (KRW)					
EPS	3	(102)	357	462	838
SPS	4,583	5,691	7,308	10,598	13,501
DPS (common)	0	0	0	0	0
Valuations (x)					
P/E	n/a	n/a	146.6	113.5	62.5
P/S	10.8	4.6	7.2	4.9	3.9

Source: Company data, Samsung Securities estimates

Year-end Dec 31	Sales (KRWb)	Net profit (KRWb)	EPS (KRW)	Chg (%)	Sales per share (KRW)	P/E (x)	P/S (x)	ROA (%)	ROE (%)	DPS (KRW)	Div yield (%)
2023	615.4	(22.9)	3	(99.2)	4,583	n/a	10.8	(0.6)	(1.2)	-	-
2024	766.2	(21.5)	(102)	n/a	5,691	n/a	4.6	(0.5)	(1.1)	-	-
2025E	984.3	53.5	357	n/a	7,308	146.6	7.2	1.0	2.8	-	-
2026E	1,427.6	67.9	462	29.2	10,598	113.5	4.9	1.1	3.4	-	-
2027E	1,818.5	118.6	838	81.5	13,501	62.5	3.9	1.8	5.6	-	-

Source: Company data, Samsung Securities estimates

NHN KCP

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	430.1	480.1	491.6	523.4	551.1
Cash & equivalents	254.9	159.4	137.8	143.4	149.3
Other current assets	175.3	320.7	353.8	379.9	401.8
Fixed assets	91.9	90.2	90.2	96.0	101.1
Tangible assets	28.3	33.6	34.2	35.6	37.1
Investment assets	13.2	7.9	8.0	8.3	8.7
Other fiexd assets	50.3	48.7	47.9	52.0	55.3
Total assets	**522.0**	**570.3**	**581.8**	**619.4**	**652.2**
Current liabilities	294.1	297.5	273.9	263.9	243.0
Fixed liabilities	4.3	7.6	7.6	7.6	7.6
Total liabilities	**298.4**	**305.1**	**281.5**	**271.5**	**250.6**
Capital stock	20.1	20.1	20.1	20.1	20.1
Additional paid in capital-common stock	38.9	38.9	38.9	38.9	38.9
Retained earnings	208.3	244.4	287.0	334.6	388.4
Other	(43.7)	(43.7)	(51.6)	(51.6)	(51.6)
Owners of parent equity	223.5	259.7	294.5	342.0	395.8
Non-controlling interests' equity	0.1	5.4	5.8	5.8	5.8
Total equity	**223.6**	**265.2**	**300.3**	**347.9**	**401.6**

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**972.0**	**1,105.3**	**1,224.8**	**1,382.1**	**1,538.9**
Cost of goods sold	879.6	1,006.9	1,107.4	1,247.3	1,386.9
Gross profit	**92.4**	**98.5**	**117.5**	**134.8**	**152.0**
SG&A expenses	50.4	54.7	64.8	69.4	76.5
SG&A expenses rate (%)	5.2	4.9	5.3	5.0	5.0
Operating profit	**42.0**	**43.8**	**52.7**	**65.4**	**75.4**
Operating margin (%)	4.3	4.0	4.3	4.7	4.9
Financial profit	6.8	11.6	11.1	11.8	12.5
Financial costs	4.8	0.4	2.1	2.1	2.0
Equity-method gains (losses)	1.5	1.1	0.2	0.2	0.2
Other profit	1.2	3.0	0.4	0.5	0.5
Other costs	1.1	0.3	0.2	0.3	0.3
Pre-tax profit	**45.6**	**58.9**	**62.1**	**75.5**	**86.4**
Taxes	10.4	13.6	15.4	18.7	21.4
Effective tax rate (%)	22.8	23.1	24.7	24.8	24.8
Net profit	**35.2**	**45.3**	**46.7**	**56.8**	**65.0**
Net profit (non-controlling interests)	(0.1)	0.1	0.5	0.5	0.5
Net profit (controlling interests)	**35.3**	**45.2**	**46.2**	**56.4**	**64.5**
Growth (% y-y)	1.0	28.2	2.3	21.9	14.5

Margins

Year-end Dec 31 (%)	2023	2024	2025E	2026E	2027E
Gross profit margin	9.5	8.9	9.6	9.8	9.9
Operating margin	4.3	4.0	4.3	4.7	4.9
Pre-tax profit margin	4.7	5.3	5.1	5.5	5.6
Net profit margin	3.6	4.1	3.8	4.1	4.2
ROA	7.1	8.3	8.0	9.4	10.1
ROE	16.7	18.5	16.4	17.4	17.2

Financial ratios

Year-end Dec 31 (KRW)	2023	2024	2025E	2026E	2027E
EPS	878	1,126	1,151	1,403	1,606
SPS	24,203	27,523	30,499	34,414	38,318
DPS	200	100	230	280	320
PER (x)	11.7	6.3	14.0	11.5	10.0
PSR (x)	0.4	0.3	0.5	0.5	0.4
Dividend payout ratio (%)	21.9	8.6	20.0	20.0	20.0
Div yield (%)	1.9	1.4	1.4	1.7	2.0

Year-end Dec 31	Sales (KRWb)	Net profit (KRWb))	EPS (KRW)	Chg (% y-y)	Sales per share (KRW)	P/E (x)	P/S (x)	ROA (%)	ROE (%)	DPS (KRW)	Div yield (%)
2023	972.0	35.2	878	1.0	24,203	11.7	0.4	7.1	16.7	200	1.9
2024	1,105.3	45.3	1,126	28.2	27,523	6.3	0.3	8.3	18.5	100	1.4
2025E	1,224.8	46.7	1,151	2.3	30,499	14.0	0.5	8.0	16.4	230	1.4
2026E	1,382.1	56.8	1,403	21.9	34,414	11.5	0.5	9.4	17.4	280	1.7
2027E	1,538.9	65.0	1,606	14.5	38,318	10.0	0.4	10.1	17.2	320	2.0

Source: NHN KCP, Samsung Securities estimates

KG Inicis

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	792.7	913.2	1,034.9	1,112.7	1,208.5
Fixed assets	919.4	953.2	1,067.8	1,111.5	1,158.0
Total assets	**1,712.1**	**1,866.4**	**2,102.7**	**2,224.2**	**2,366.5**
Current liabilities	833.5	1,056.5	1,008.8	1,005.9	1,002.8
Fixed liabilities	183.3	56.3	320.7	356.8	396.6
Total liabilities	**1,016.7**	**1,112.9**	**1,322.5**	**1,355.7**	**1,392.5**
Capital stock	14.0	14.0	14.0	14.0	14.0
Additional paid in capital-common stock	78.3	88.2	72.6	72.6	72.6
Accumulated other comprehensive income	33.3	4.2	32.7	81.7	142.7
Retained earnings	373.8	398.0	421.8	456.9	497.1
Other	(23.9)	(23.7)	(19.0)	(19.0)	(19.0)
Owners of parent equity	475.5	480.6	522.1	606.1	707.4
Non-controlling interests' equity	220.0	272.9	258.2	262.4	266.6
Total equity	**695.4**	**753.6**	**780.2**	**868.5**	**974.0**

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**1,344.8**	**1,354.3**	**1,302.9**	**1,358.7**	**1,441.8**
Cost of sales	1,057.4	1,062.2	1,001.9	1,037.0	1,090.9
Gross profit	**287.4**	**292.1**	**301.1**	**321.7**	**350.9**
SG&A expenses	181.1	231.1	199.4	205.0	219.7
SG&A expenses rate (%)	13.5	17.1	15.3	15.1	15.2
Operating profit	**106.3**	**61.0**	**101.7**	**116.7**	**131.2**
Operating margin (%)	7.9	4.5	7.8	8.6	9.1
Other profit	16.0	(17.0)	(10.2)	(12.1)	(13.2)
Pre-tax profit	**122.3**	**44.0**	**91.5**	**104.5**	**118.0**
Taxes	25.2	(0.7)	21.0	22.3	25.4
Effective tax rate (%)	20.6	(1.5)	23.0	21.3	21.5
Net profit	**97.1**	**44.7**	**70.5**	**82.2**	**92.6**
Net profit (non-controlling interests)	19.7	3.5	2.1	2.1	2.1
Net profit (controlling interests)	**77.4**	**41.2**	**68.4**	**80.1**	**90.5**
Growth (% y-y)	35.1	(46.7)	65.9	17.1	12.9

Margins

Year-end Dec 31 (%)	2023	2024	2025E	2026E	2027E
Gross profit margin	21.4	21.6	23.1	23.7	24.3
Operating margin	7.9	4.5	7.8	8.6	9.1
Pre-tax profit margin	9.1	3.3	7.0	7.7	8.2
Net profit margin	5.8	3.0	5.3	5.9	6.3
ROA	4.9	2.3	3.4	3.7	3.9
ROE	11.9	5.7	8.9	9.7	9.8

Financial ratios

Year-end Dec 31 (KRW)	2023	2024	2025E	2026E	2027E
EPS	2,775	1,478	2,483	2,908	3,284
SPS	48,193	48,535	47,286	49,310	52,327
DPS	420	500	500	570	640
PER (x)	4.3	6.0	4.1	4.1	4.1
PSR (x)	0.2	0.2	0.2	0.2	0.2
Dividend payout ratio (%)	21.0	39.9	25.9	26.0	27.6
Div yield (%)	3.5	5.7	4.9	4.9	4.9

Year-end Dec 31	Sales (KRWb)	Net profit (KRWb))	EPS (KRW)	Chg (% y-y)	Sales per share (KRW)	P/E (x)	P/S (x)	ROA (%)	ROE (%)	DPS (KRW)	Div yield (%)
2023	1,344.8	77.4	2,775	35.1	48,193	4.3	0.2	4.9	11.9	420	3.5
2024	1,354.3	41.2	1,478	(46.7)	48,535	6.0	0.2	2.3	5.7	500	5.7
2025E	1,302.9	68.4	2,483	68.0	47,286	4.1	0.2	3.4	8.9	500	4.9
2026E	1,358.7	80.1	2,908	17.1	49,310	3.5	0.2	3.7	9.7	570	5.5
2027E	1,441.8	90.5	3,284	12.9	52,327	3.1	0.2	3.9	9.8	640	6.2

Source: KG Inicis, Samsung Securities estimates

Nice I&T

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	1,007.5	906.2	1,116.8	1,125.2	1,130.8
Fixed assets	203.7	216.3	325.8	333.6	338.8
Total assets	**1,211.2**	**1,122.6**	**1,442.7**	**1,458.7**	**1,469.5**
Current liabilities	832.1	725.8	862.4	867.0	870.2
Fixed liabilities	12.8	10.9	(144.3)	(115.4)	(79.1)
Total liabilities	**844.9**	**736.7**	**1,023.6**	**999.4**	**966.3**
Capital stock	5.0	5.0	5.0	5.0	5.0
Additional paid in capital-common stock	2.8	2.9	0.6	0.6	0.6
Accumulated other comprehensive income	0.0	0.0	0.0	0.0	0.0
Retained earnings	331.7	363.8	399.0	435.1	474.8
Other	(13.1)	(18.1)	(21.1)	(16.9)	(12.6)
Owners of parent equity	326.4	353.6	383.6	423.8	467.8
Non-controlling interests' equity	36.4	33.1	35.5	35.5	35.5
Total equity	**366.3**	**385.9**	**419.1**	**459.3**	**503.3**

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**891.6**	**975.1**	**1,088.4**	**1,190.9**	**1,275.7**
Cost of goods sold	752.6	832.8	923.8	1,011.1	1,081.8
Gross profit	**139.0**	**142.3**	**164.6**	**179.8**	**193.9**
SG&A expenses	102.3	102.4	109.8	125.6	134.6
SG&A expenses rate (%)	11.5	10.5	10.1	10.5	10.5
Operating profit	**36.8**	**39.9**	**54.8**	**54.2**	**59.4**
Operating margin (%)	4.1	4.1	5.0	4.6	4.7
Financial profit	9.7	16.1	11.5	11.8	11.8
Financial costs	5.8	5.1	7.0	7.0	7.0
Equity-method gains (losses)	2.1	6.9	6.0	6.0	6.0
Other profit	3.4	6.9	11.0	11.0	11.0
Other costs	(0.6)	(0.1)	(0.5)	(0.5)	(0.5)
Pre-tax profit	**38.7**	**50.7**	**53.8**	**53.5**	**58.7**
Taxes	9.0	13.0	10.6	9.3	10.2
Effective tax rate (%)	23.1	25.7	19.6	17.3	17.3
Net profit	**29.8**	**37.6**	**43.2**	**44.3**	**48.5**
Net profit (non-controlling interests)	(0.5)	(0.7)	0.0	0.0	0.0
Net profit (controlling interests)	**30.3**	**38.3**	**43.2**	**44.3**	**48.5**
Growth (% y-y)	(25.7)	26.3	13.0	2.4	9.6

Margins

Year-end Dec 31 (%)	2023	2024	2025E	2026E	2027E
Gross profit margin	15.6	14.6	15.1	15.1	15.2
Operating margin	4.1	4.1	5.0	4.6	4.7
Pre-tax profit margin	4.3	5.2	4.9	4.5	4.6
Net profit margin	3.4	3.9	4.0	3.7	3.8
ROA	2.7	3.3	3.4	3.1	3.3
ROE	8.5	10.2	10.7	10.1	10.1

Financial ratios

Year-end Dec 31 (KRW)	2023	2024	2025E	2026E	2027E
EPS	3,381	4,382	4,950	5,067	5,556
SPS	99,483	111,623	124,584	136,324	146,033
DPS	730	810	940	1,010	1,110
PER (x)	6.4	4.1	4.5	4.5	4.5
PSR (x)	0.2	0.2	0.2	0.2	0.2
Dividend payout ratio (%)	21.6	18.5	19.0	20.0	20.0
Div yield (%)	3.4	4.5	4.2	4.2	4.2

Year-end Dec 31	Sales (KRWb)	Net profit (KRWb))	EPS (KRW)	Chg (% y-y)	Sales per share (KRW)	P/E (x)	P/S (x)	ROA (%)	ROE (%)	DPS (KRW)	Div yield (%)
2023	891.6	30.3	3,381	(23.0)	99,483	6.4	0.2	2.7	8.5	730	3.4
2024	975.1	38.3	4,382	29.6	111,623	4.1	0.2	3.3	10.2	810	4.5
2025E	1,088.4	43.2	4,950	13.0	124,584	4.5	0.2	3.4	10.7	940	4.2
2026E	1,190.9	44.3	5,067	2.4	136,324	4.4	0.2	3.1	10.1	1,010	4.5
2027E	1,275.7	48.5	5,556	9.6	146,033	4.0	0.2	3.3	10.1	1,110	4.9

Source: Nice I&T, Samsung Securities estimates

KG Mobilians

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	393.8	396.2	544.1	607.4	690.1
Fixed assets	135.6	142.3	190.8	209.7	234.3
Total assets	**529.4**	**538.5**	**735.0**	**817.1**	**924.3**
Current liabilities	172.4	187.1	255.6	282.0	316.5
Fixed liabilities	7.3	4.4	118.9	147.0	178.5
Total liabilities	**179.7**	**191.5**	**374.5**	**429.0**	**495.0**
Capital stock	19.4	19.4	19.0	19.0	19.0
Additional paid in capital-common stock	133.3	133.3	133.3	133.3	133.3
Accumulated other comprehensive income	(0.0)	(0.0)	4.0	4.0	7.0
Retained earnings	206.8	208.3	220.4	247.9	286.1
Other	(16.2)	(18.9)	(20.7)	(20.7)	(20.7)
Owners of parent equity	343.4	342.2	356.0	383.6	424.8
Non-controlling interests' equity	6.3	4.8	4.5	4.5	4.5
Total equity	**349.7**	**347.0**	**360.5**	**388.1**	**429.3**

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**279.6**	**266.1**	**255.9**	**308.6**	**347.5**
Cost of sales	189.2	179.6	175.1	201.9	217.8
Gross profit	**90.4**	**86.5**	**80.7**	**106.6**	**129.6**
SG&A expenses	57.4	79.1	44.1	48.7	54.9
SG&A expenses rate (%)	20.5	29.7	17.2	15.8	15.8
Operating profit	**33.0**	**7.4**	**36.6**	**57.9**	**74.8**
Operating margin (%)	11.8	2.8	14.3	18.8	21.5
Other profit	24.0	(5.4)	(4.4)	(3.7)	(3.1)
Pre-tax profit	**57.0**	**2.0**	**32.2**	**54.2**	**71.6**
Taxes	15.6	(6.2)	7.8	13.2	17.4
Effective tax rate (%)	27.4	(306.9)	24.3	24.4	24.4
Net profit	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Net profit (non-controlling interests)	41.3	8.2	24.4	41.0	54.2
Net profit (controlling interests)	**(2.3)**	**(1.5)**	**(1.7)**	**(1.7)**	**(1.7)**
Growth (% y-y)	43.6	9.7	26.1	42.7	55.9

Financial ratios

Year-end Dec 31 (KRW)	2023	2024	2025E	2026E	2027E
EPS	1,124	250	686	1,124	1,469
SPS	7,201	6,854	6,731	8,117	9,142
DPS	220	220	230	250	270
PER (x)	4.9	19.0	7.2	4.4	3.4
PSR (x)	0.8	0.7	0.7	0.6	0.5
Dividend payout ratio (%)	18.7	88.0	33.5	22.2	18.4
Div yield (%)	4.0	4.6	4.7	5.1	5.5

Margins

Year-end Dec 31 (%)	2023	2024	2025E	2026E	2027E
Gross profit margin	32.3	32.5	31.6	34.6	37.3
Operating margin	11.8	2.8	14.3	18.8	21.5
Pre-tax profit margin	20.4	0.8	12.6	17.6	20.6
Net profit margin	15.6	3.6	10.2	13.8	16.1
ROA	8.7	1.8	4.1	5.5	6.4
ROE	13.1	2.8	7.4	11.4	13.7

Year-end Dec 31	Sales (KRWb)	Net profit (KRWb))	EPS (KRW)	Chg (% y-y)	Sales per share (KRW)	P/E (x)	P/S (x)	ROA (%)	ROE (%)	DPS (KRW)	Div yield (%)
2023	279.6	43.6	1,124	56.0	7,201	4.9	0.8	8.7	13.1	220	4.0
2024	266.1	9.7	250	(77.7)	6,854	19.0	0.7	1.8	2.8	220	4.6
2025E	255.9	26.1	686	174.3	6,731	7.2	0.7	4.1	7.4	230	4.7
2026E	308.6	42.7	1,124	63.8	8,117	4.4	0.6	5.5	11.4	250	5.1
2027E	347.5	55.9	1,469	30.7	9,142	3.4	0.5	6.4	13.7	270	5.5

Source: KG Mobilians, Samsung Securities estimates

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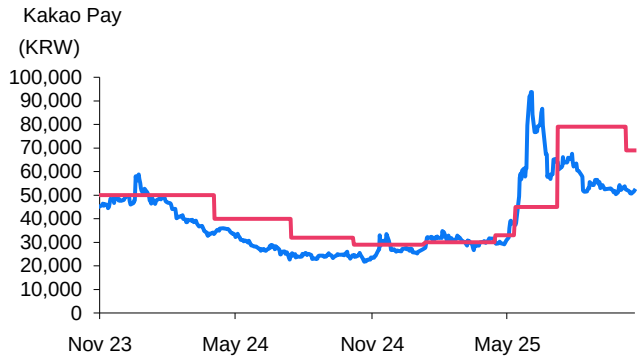
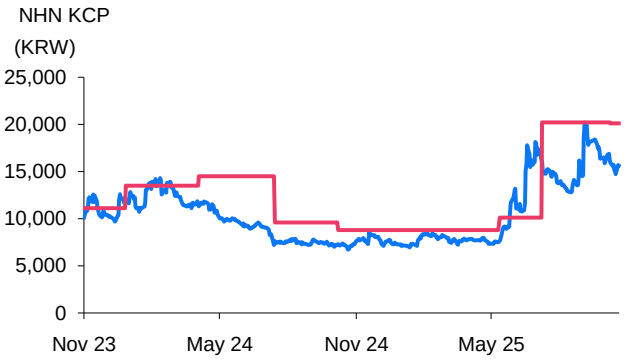
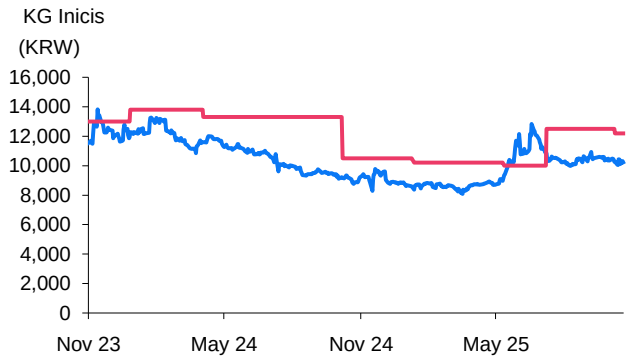
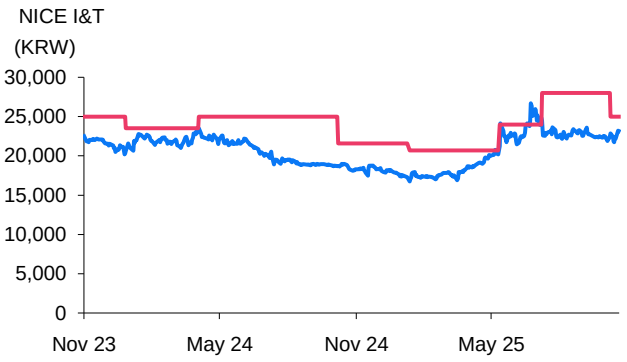
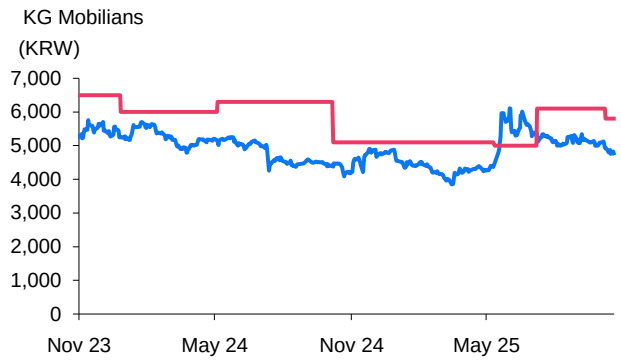
Target price changes in past two years











Rating changes over past two years (adjusted share prices)

Kakao Pay									
Date	2023/7/21	2024/4/26	8/7	10/30	2025/2/3	5/8	6/4	7/31	10/31
Recommendation	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	BUY	BUY	BUY
Target price (KRW)	50000	40000	32000	29000	30000	33000	45000	79000	69000
Gap* (average)	-12.01	-25.87	-23.99	-9.68	2.97	-2.09	54.46	-28.21	
(max or min)**	-34.60	-10.13	-18.75	15.34	16.00	18.48	108.44	-14.56	

NHN KCP								
Date	2023/11/9	2024/1/19	4/26	8/6	10/30	2025/6/4	7/31	10/31
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	11100	13500	14500	9600	8800	10100	20200	20100
Gap* (average)	-4.66	-7.82	-32.60	-22.19	-12.88	29.23	-24.40	
(max or min)**	13.51	5.93	-18.48	-18.02	-2.16	79.70	0.00	

KG Inicis								
Date	2023/7/21	2024/1/19	4/26	10/30	2025/2/3	6/4	7/31	10/31
Recommendation	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD
Target price (KRW)	13000	13800	13300	10500	10200	10000	12500	12200
Gap* (average)	-12.63	-12.01	-21.34	-13.57	-15.18	11.76	-16.95	
(max or min)**	6.31	-3.91	-9.70	-6.95	-10.78	28.30	-12.48	

NICE I&T								
Date	2023/7/21	2024/1/19	4/26	10/30	2025/2/3	6/4	7/31	10/31
Recommendation	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD
Target price (KRW)	25000	23500	25000	21600	20700	24000	28000	25000
Gap* (average)	-12.58	-6.63	-18.45	-15.53	-12.19	-2.20	-18.90	
(max or min)**	-2.20	-1.06	-8.80	-12.04	0.24	11.25	-15.54	

KG Mobilians							
Date	2023/7/21	2024/1/19	5/28	10/30	2025/6/4	7/31	10/31
Recommendation	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD
Target price (KRW)	6500	6000	6300	5100	5000	6100	5800
Gap* (average)	-16.94	-12.45	-24.35	-13.60	10.65	-15.68	
(max or min)**	-6.62	-5.00	-16.67	-3.73	22.20	-12.46	

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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HOLD	Expected to increase/decrease in value by less than 15% within 12 months
SELL	Expected to decrease in value by 15% or more within 12 months

Industry

OVERWEIGHT	Expected to outperform market by 5% or more within 12 months
NEUTRAL	Expected to outperform/underperform market by less than 5% within 12 months
UNDERWEIGHT	Expected to underperform market by 5% or more within 12 months

* Note: Effective Jul 27, 2023, BUY, HOLD, and SELL criteria are based on expectations of share-price moves of 15% or more within 12 months

Percentage of ratings in 12 months prior to 2025.09.30

BUY (83.5%)·HOLD (16.5%)·SELL (0%)

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