COMPANY UPDATE

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Nextin (348210)

Focus on turnaround in 2026

- Nextin turned to an operating loss in 3Q, resulting in a negative earnings surprise. We now expect the firm to turn to a net loss in 2025 on a full-year basis.
- We however believe the firm will stage a strong turnaround in 2026 on the back of new capacity additions by SK Hynix.
- We raise our 2026 earnings estimate and target P/E multiple for the stock, and thus lift our target price to KRW73,000.

WHAT'S THE STORY?

3Q review: Nextin's 3Q sales plunged 69% y-y and 54% q-q, amid a prolonged period of absence of new orders from Chinese clients. In addition, KROKY sales in 3Q equated to a mere 30% of 2Q figure. Due to the falling sales, the firm turned to an operating loss in the quarter, recording a negative earnings surprise.

2025 loss to be outweighed by 2026 turnaround: Our 4Q outlook is not so rosy, and thus we believe the firm will turn to a net loss in 2025 on a full-year basis. However, market is now focusing on a turnaround in 2026 when Chinese clients are expected to return (now that the firm's local subsidiary has been up and running) and SK Hynix should expand its capex. It is only a month since the Chinese subsidiary was founded, suggesting the visibility of Chinese demand is not high. However, SK Hynix has stepped up its investment in HBM capacity at its new M15X, and mentioned, at its 3Q earnings conference call, the possibility that it could move up the opening of its new Yongin plant. We believe the 2026 business outlook for Nextin has become more solid than a month ago.

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW73,000	15.5%
Current price	**KRW63,200**	
Market cap	KRW662.15b/USD454.46m	
Shares (float)	10,477,005 (69.6%)	
52-week high/low	KRW67,000/KRW41,000	
Avg daily trading value (60-day)	KRW5.0b/ USD3.4m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Nextin (%)	22.5	10.5	6.0
Vs Kosdaq (%pts)	15.7	-9.1	-19.5

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	73,000	65,000	12.3%
2025E EPS	-106	1,417	-107.5%
2026E EPS	3,574	3,250	10.0%

SAMSUNG vs THE STREET

No of estimates	4
Target price	59,500
Recommendation	4.0

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

SUMMARY 3Q RESULTS

(KRWb)	3Q25	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	10.7	-69.1	-53.6	-37.4	-29.2
Operating profit	-3.7	nm	nm	nm	nm
Pre-tax profit	-2.4	nm	nm	nm	nm
Net profit	-2.4	nm	nm	nm	nm
Margins (%)					
Operating profit	-34.2				
Pre-tax profit	-22.0				
Net profit	-22.1				

Source: Company data, Fnguide, Samsung Securities estimates

VALUATION SUMMARY

	2024	2025E	2026E
Valuation (x)			
P/E	13.6	-598.6	17.7
P/B	3.3	4.3	3.6
EV/EBITDA	9.8	84.4	12.0
Div yield (%)	1.0	0.8	0.8
EPS growth (% y-y)	21.4	nm	nm
ROE (%)	27.0	-0.7	22.0
Per-share data (KRW)			
EPS	3,748	-106	3,574
BVPS	15,388	14,623	17,786
DPS	500	500	500

We now expect the firm to stage a strong turnaround in 2026. Reflecting this, we forecast the firm's 2026 sales to grow 128% y-y to KRW145.8b and an operating profit to hit KRW44.6b (for a margin of 30.6%). In 2026, we believe the firm's earnings will be affected by a variety of variables—1) capacity expansion at SK Hynix; 2) Chinese resumption of semiconductor investment; 3) NAND capex for tech migration; and 4) how the firm's new equipment will perform.

Raising target price: We raise our target price to KRW73,000 to reflect our upward earnings revision for 2026 and the rising valuation of the overall equipment sector. To calculate our target, we apply a P/E multiple of 21x to our 2026 EPS estimate, a 30% discount to the world's top player KLA's.

Results and forecasts

Summary income statement

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	2024	2025E	2026E
Sales	**34**	**14**	**35**	**31**	**17**	**23**	**11**	**13**	**114**	**64**	**146**
Growth (% y-y)	84.5	-60.8	140.8	61.9	-50.0	64.0	-69.1	-58.0	29.3	-43.8	128.3
Growth (% q-q)	80.3	-58.7	145.8	-11.5	-44.4	35.6	-53.6	20.1			
Cost of goods sold	9	5	11	10	6	14	6	5	34	31	62
Gross profit	**26**	**9**	**24**	**21**	**11**	**9**	**5**	**8**	**80**	**33**	**84**
Gross margin (%)	74.7	66.9	68.9	67.2	62.8	40.9	45.5	61.7	69.9	51.7	57.3
SG&A expenses	7	10	9	7	7	7	9	8	33	31	39
Operating profit	**19**	**-0**	**15**	**14**	**3**	**3**	**-4**	**-0**	**47**	**2**	**45**
Operating margin (%)	55.4	-0.9	42.0	44.3	20.0	11.1	-34.2	-3.7	41.3	2.9	30.6
Non-operating profit	0	1	-1	1	0	-3	1	-0	2	-1	1
Pre-tax profit	**19**	**1**	**14**	**15**	**4**	**-0**	**-2**	**-1**	**49**	**1**	**46**
Pre-tax margin (%)	56.8	6.1	39.8	48.4	22.0	-0.8	-22.0	-4.4	43.0	1.0	31.3
Net profit	**15**	**1**	**9**	**13**	**3**	**-1**	**-2**	**-1**	**38**	**-1**	**36**
Net margin (%)	43.0	9.7	26.7	42.6	16.8	-4.4	-22.1	-4.4	33.8	-1.7	25.0
EPS (KRW)	**1,444**	**134**	**900**	**1,275**	**279**	**-99**	**-232**	**-55**	**3,748**	**-106**	**3,574**
Growth (% y-y)	93.0	-90.1	91.3	142.6	-80.7	nm	nm	nm	21.4	nm	nm
Growth (% q-q)	174.9	-90.8	574.4	41.6	-78.1	nm	nm	nm			

Source: Company data, Samsung Securities estimates

Sales, by segment

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	2024	2025E	2026E
Product	31.2	11.0	32.7	25.8	12.1	19.8	6.1	8.9	100.6	46.8	126.8
AEGIS	31.2	11.0	32.7	20.4	12.1	-0.2	0.0	2.8	95.2	14.7	65.9
IRIS II	0.0	0.0	0.0	5.4	0.0	0.0	0.0	0.0	5.4	0.0	10.8
KROKY	0.0	0.0	0.0	0.0	0.0	20.0	5.9	6.0	0.0	31.8	39.5
ASPER	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.3	0.5
Service and other	3.0	3.2	2.0	4.9	5.0	3.4	4.7	4.0	13.1	17.0	19.0
Total	34.2	14.1	34.7	30.7	17.1	23.2	10.7	12.9	113.7	63.9	145.8
Growth (% y-y)											
Product	121.2	-65.4	247.1	26.9	-61.2	80.5	-81.4	-65.5	33.3	-53.4	170.7
Service and other	-32.2	-27.5	-58.7	nm	66.1	6.7	130.7	-18.6	5.4	30.0	11.7
Total	84.5	-60.8	142.5	61.1	-50.0	64.0	-69.1	-58.0	29.3	-43.8	128.3
Growth (% q-q)											
Product	53.5	-64.9	198.3	-21.1	-53.1	63.7	-69.3	46.4			
Service and other	nm	5.1	-36.1	143.1	1.7	-32.4	38.2	-14.3			
Total	79.4	-58.7	145.8	-11.5	-44.4	35.6	-53.6	20.1			

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**88**	**114**	**64**	**146**	**177**
Cost of goods sold	26	34	31	62	70
Gross profit	**62**	**80**	**33**	**84**	**108**
Gross margin (%)	70.9	69.9	51.7	57.3	60.7
SG&A expenses	26	33	31	39	43
Operating profit	**36**	**47**	**2**	**45**	**64**
Operating margin (%)	41.1	41.3	2.9	30.6	36.3
Non-operating gains (losses)	**1**	**2**	**-1**	**1**	**1**
Financial profit	3	4	2	3	3
Financial costs	2	1	2	2	2
Equity-method gains (losses)	-0	-0	-0	0	0
Other	1	-0	-1	0	0
Pre-tax profit	**38**	**49**	**1**	**46**	**66**
Taxes	7	11	2	9	13
Effective tax rate (%)	17.7	21.5	268.3	20.0	20.0
Profit from continuing operations	31	38	-1	36	52
Profit from discontinued operations	0	0	0	0	0
Net profit	**31**	**38**	**-1**	**36**	**52**
Net margin (%)	35.2	33.8	-1.7	25.0	29.6
Net profit (controlling interests)	31	38	-1	36	52
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	39	51	8	55	75
EBITDA margin (%)	44.8	45.2	12.3	37.6	42.6
EPS (parent-based) (KRW)	3,088	3,748	-106	3,574	5,138
EPS (consolidated) (KRW)	3,088	3,748	-106	3,574	5,138
Adjusted EPS (KRW)*	3,088	3,748	-106	3,574	5,138

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**79**	**111**	**93**	**124**	**171**
Cash & equivalents	8	32	32	30	16
Accounts receivable	9	14	3	10	17
Inventories	52	55	44	62	109
Other current assets	10	10	14	21	29
Fixed assets	**64**	**79**	**110**	**114**	**118**
Investment assets	9	10	10	10	10
Tangible assets	25	36	62	68	72
Intangible assets	1	2	4	3	2
Other long-term assets	29	32	34	34	34
Total assets	**143**	**190**	**202**	**238**	**290**
Current liabilities	**14**	**19**	**38**	**42**	**46**
Accounts payable	4	2	1	5	9
Short-term debt	0	0	28	28	28
Other current liabilities	11	17	9	9	9
Long-term liabilities	**1**	**13**	**13**	**13**	**13**
Bonds & long-term debt	0	10	10	10	10
Other long-term liabilities	1	3	3	3	3
Total liabilities	**16**	**32**	**52**	**56**	**59**
Owners of parent equity	**127**	**158**	**150**	**181**	**229**
Capital stock	5	5	5	5	5
Capital surplus	34	34	35	35	35
Retained earnings	93	125	119	151	198
Other	-5	-7	-9	-9	-9
Non-controlling interests' equity	**0**	**0**	**1**	**1**	**1**
Total equity	**127**	**158**	**151**	**182**	**230**
Net debt	-11	-26	3	-3	4

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**0**	**43**	**16**	**18**	**5**
Net profit	31	38	-1	36	52
Non-cash profit and expenses	11	20	6	10	11
Depreciation	3	4	6	10	10
Amortization	0	0	0	1	1
Other	8	16	0	0	0
Changes in A/L from operating activities	-26	-12	11	-29	-58
Cash flow from investments	**-38**	**-19**	**-32**	**-15**	**-15**
Change in tangible assets	-16	-15	-32	-15	-15
Change in financial assets	-1	-0	0	0	0
Other	-21	-4	0	0	0
Cash flow from financing	**-4**	**-0**	**16**	**-5**	**-5**
Change in debt	0	9	32	0	0
Change in equity	1	1	0	0	0
Dividends	-5	-5	-5	-5	-5
Other	-1	-4	-11	0	0
Change in cash	-42	24	0	-2	-14
Cash at beginning of year	50	8	32	32	30
Cash at end of year	8	32	32	30	16
Gross cash flow	**42**	**59**	**5**	**47**	**63**
Free cash flow	**-16**	**28**	**-11**	**3**	**-10**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	-23.5	29.3	-43.8	128.3	21.6
Operating profit	-36.0	29.9	-96.1	2,318.8	44.5
Net profit	-28.7	24.2	nm	nm	43.7
Adjusted EPS**	-30.3	21.4	nm	nm	43.7
Per-share data (KRW)					
EPS (parent-based)	3,088	3,748	-106	3,574	5,138
EPS (consolidated)	3,088	3,748	-106	3,574	5,138
Adjusted EPS**	3,088	3,748	-106	3,574	5,138
BVPS	12,676	15,388	14,623	17,786	22,461
DPS (common)	500	500	500	500	500
Valuations (x)					
P/E***	22.5	13.6	n/a	17.7	12.3
P/B***	5.5	3.3	4.3	3.6	2.8
EV/EBITDA	17.5	9.8	84.4	12.0	8.8
Ratios (%)					
ROE	27.3	27.0	-0.7	22.0	25.5
ROA	23.4	23.1	-0.6	16.6	19.9
ROIC	50.9	41.8	-2.9	27.3	30.2
Payout ratio	16.5	13.4	-471.9	14.0	9.7
Dividend yield (common)	0.7	1.0	0.8	0.8	0.8
Net debt to equity	-8.6	-16.8	1.8	-1.6	1.6
Interest coverage (x)	3,139.6	1,123.7	137.0	2,941.6	4,251.3

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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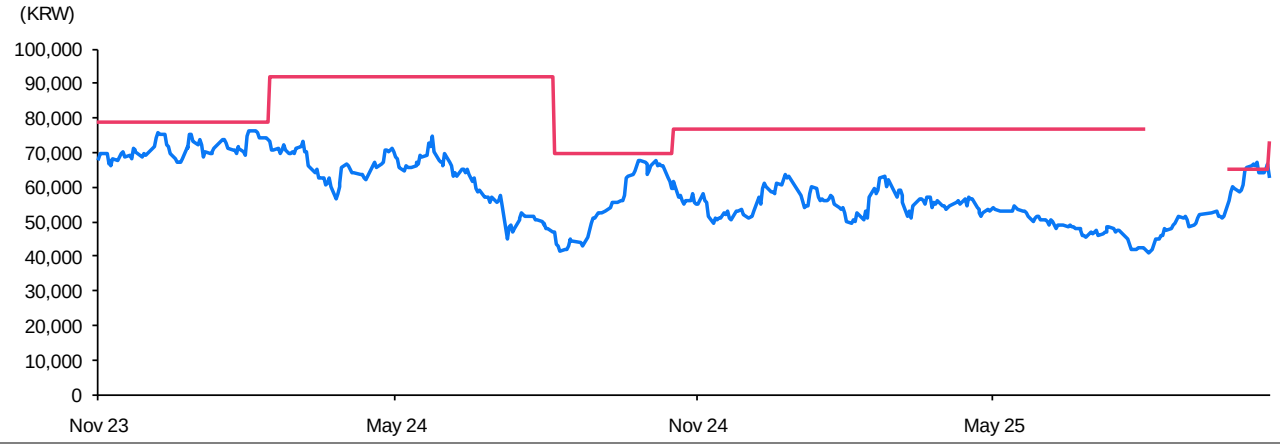

Rating changes over past two years (adjusted share prices)

Date	2023/4/14	11/15	2024/3/13	9/3	11/14	2025/10/20	11/17
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	82000	79000	92000	70000	77000	65000	73000
Gap* (average)	-13.73	-10.55	-31.90	-19.80	-30.64	-2.83	
(max or min)**	10.00	-3.54	-18.91	-3.29	-17.01	3.08	

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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