COMPANY UPDATE

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CJ CGV (079160)

Focusing on special theater operations

- CJ CGV has beefed up efforts to improve its domestic theater business by closing low-margin theaters and adjusting how it operates. Still, given key domestic distributors' thin lineups for 2026, it remains unclear whether there will be more box-office hits next year than there were this year.
- CJ CGV is seeking to expand through a focus on its special theater operations. Considering lingering financial uncertainty (*eg*, financial investors' growing demand for CJ CGV to surrender control of CGI Holdings, its subsidiary which manages operations in Asia), we maintain HOLD on the stock.

WHAT'S THE STORY?

Striving to lift fundamentals domestically amid box-office slump: Between January and mid-November, Korean theaters sold 86.69m tickets (down 17.3% y-y) and generated box-office sales of KRW851.2b (down 16.5% y-y). Facing an unfavorable business environment, CJ CGV has beefed up efforts to bolster its domestic theater business—*eg*, by closing some low-margin locations and changing how it operates. But given key domestic distributors' thin lineups for 2026, it remains unclear whether there will be more box-office hits next year than there were this year.

(Continued on the next page)

AT A GLANCE

HOLD

Target price	KRW6,000	8.3%
Current price	**KRW5,540**	
Market cap	KRW917.32b/USD622.54m	
Shares (float)	165,581,489 (45.6%)	
52-week high/low	KRW6,570/KRW4,330	
Avg daily trading value (60-day)	KRW3.7b/ USD2.5m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
CJ CGV (%)	14.1	12.7	0.0
Vs Kospi (%pts)	16.7	-22.5	-38.8

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	HOLD	HOLD	
Target price	6,000	5,200	15.4%
2025E EPS	-715	-431	nm
2026E EPS	-264	-32	nm

SAMSUNG vs THE STREET

No of estimates	6
Target price	6,633
Recommendation	3.7

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

SUMMARY FINANCIAL DATA

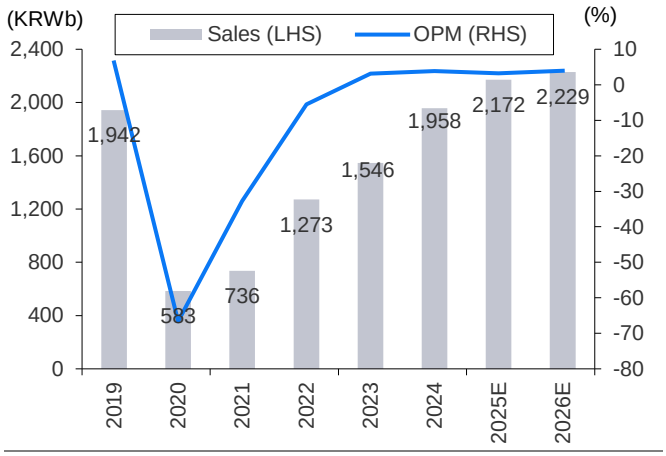
	2024	2025E	2026E	2027E
Revenue (KRWb)	1,958	2,199	2,263	2,335
Operating profit (KRWb)	76	54	90	116
Net profit (adj) (KRWb)	-175	-114	-43	16
EPS (adj) (KRW)	-1,163	-715	-264	81
EPS (adj) growth (% y-y)	nm	nm	nm	nm
EBITDA margin (%)	18.1	14.4	14.5	14.1
ROE (%)	-30.7	-18.1	-7.4	2.3
P/E (adj) (x)	n/a	n/a	n/a	68.6
P/B (x)	1.3	1.5	1.6	1.6
EV/EBITDA (x)	8.5	9.5	9.3	8.8
Dividend yield (%)	0.0	0.0	0.0	0.0

Source: Company data, Samsung Securities estimates

Subsidiary CJ 4DPLEX accelerates business expansion: CJ CGV is seeking a breakthrough centered on special theater operations. Subsidiary CJ 4DPLEX—which develops technology for special screen formats (*eg*, 4DX and ScreenX), produces/distributes original content, and produces visual effects footage—has multiple strengths. For example, it has high exposure to overseas markets and offers content that provides moviegoers with special experiences. CJ CGV plans to expand its top-line growth by increasing its number of special theaters globally (including in the US and Europe) from 1,218 in 3Q25 to 2,000 by 2030.

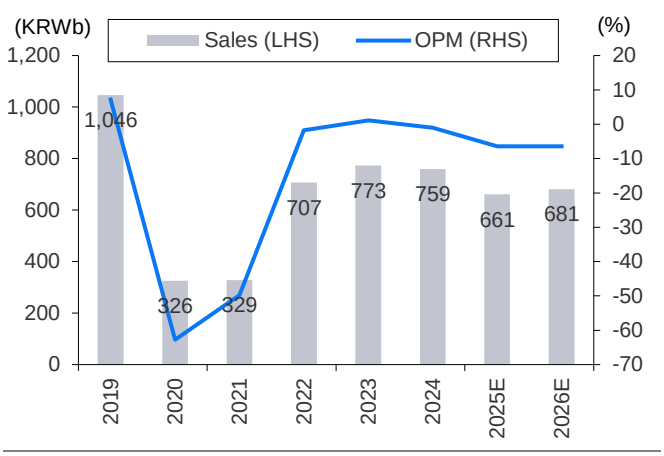
Maintaining HOLD: Despite robust self-rescue measures, CJ CGV still faces a great deal of financial uncertainty. With CGI Holdings—its subsidiary managing operations in China, Vietnam, and Indonesia—failing to go public by its deadline, financial investors are forcing CJ CGV to surrender control. As we change our valuation basis to 2026, we revise up our target price to KRW6,000 (based on a sum-of-the-parts valuation; see page 8 for details). Yet, we maintain our HOLD rating given the stock's limited upside.

Chart 1. Sales and operating margin (consolidated)



Source: Company data, Samsung Securities

Chart 2. Sales and operating margin (parent basis)



Source: Company data, Samsung Securities

Chart 3. CGV: Special theaters—4DX (LHS), 4-sided ScreenX (RHS)

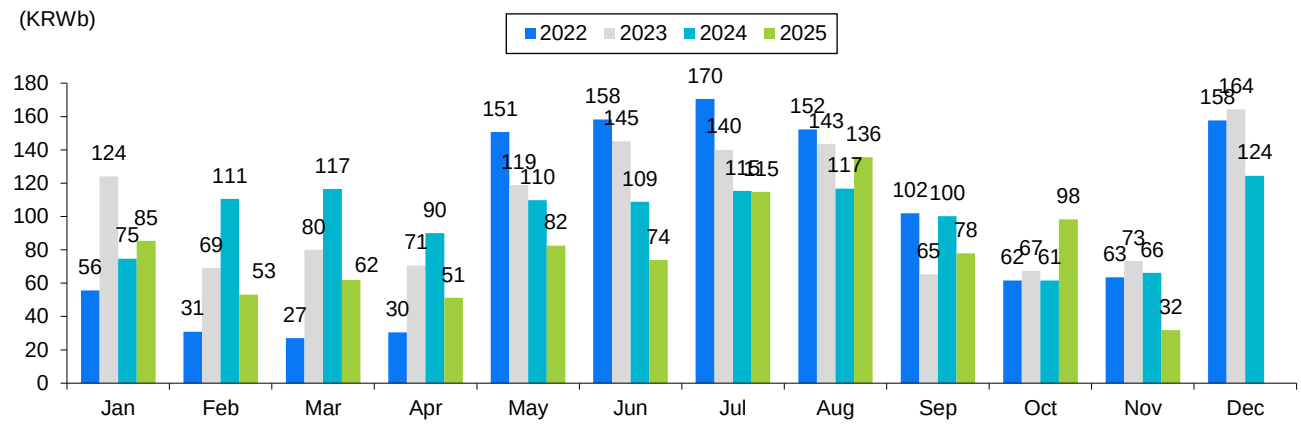
Source: Company data, Samsung Securities

Table 1. Box-office hits: 2022-2025

Rank	2022	Tickets ('000)	2023	Tickets ('000)	2024	Tickets ('000)	2025	Tickets ('000)
1	The Roundup	12,693	12.12: The Day	11,855	Exhuma	11,915	My Daughter is a Zombie	5,637
2	Top Gun: Maverick	8,177	The Roundup: |No Way Out	10,683	The Roundup: Punishment	11,503	F1	5,634
3	Avatar: The Way of Water	7,313	Elemental	7,238	Inside Out 2	8,799	Mission Impossible: The Final Reckoning	5,213
4	Hansan: Rising Dragon	7,265	Suzume	5,574	I, The Executioner	7,525	Yadang: The Snitch	3,393
5	Confidential Assignment 2: International	6,983	Smugglers	5,143	Pilot	4,718	Mickey 16	3,378
Total		**112,805**		**125,136**		**123,125**		**88,450**

Note: 2025 box office figures are as of Nov 19, 2025
Source: KOFIC, Samsung Securities

Chart 4. Box-office comparison: 2022-2025



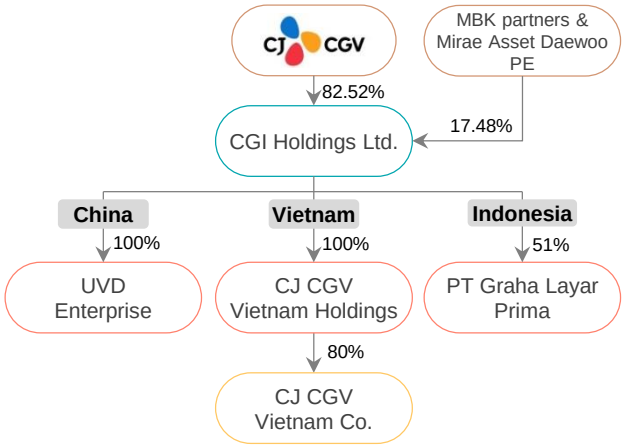
Note: Figure for Nov 2025 spans Nov 1-19 / Source: KOBIS, Samsung Securities

Table 2. Film release schedule in Korea

Title	Release	Distributor	Genre	Director
Jurassic World Rebirth	Jul 2	Universal Pictures	Action, adventure	Gareth Edwards
Superman	Jul 9	Warner Bros	Super hero	Janmes Gun
Omniscient Reader: The Prophecy	Jul 23	Lotte Entertainment	Fantansy, action	Kim Byeongwoo
Fantastic Four: First Step	Jul 24	Walt Disney	Super hero	Matt Shakman
My Daughter is a Zombie	Jul 30	New	Comedy, horror	Pil Gamsung
Pretty Crazy	Aug 13	CJ ENM	Romance, comedy	Lee Sanggeun
The Ugly	Sep 11	Plus M	Mystery, drama	Yeon Sangho
No Other Choice	Sep 24	CJ ENM	Thriller	Park Chanwook
Boss	Oct 3	Hybe Media Corp	Comedy, action	La Heechan
First Ride	Oct 29	Shobox	Comedy	Nam Daejoong
Bugonia	Nov 5	CJ ENM	Comedy, crime	Yorgos Lantimos
Predator: Badlands	Nov 5	Walt Disney	SF, action	Dan Trachtenberg
Now You See Me: Now You Don't	Nov 12	Lotte Cultureworks	Crime, action	Ruben Fleischer
Wicked: For good	Nov 19	Universal Pictures	Fantasy, musical	John Choo
Zootopia 2	Nov 26	Walt Disney	Animation	Jared Bush
Concrete Market	Mar 3	Lotte Entertainment	Disaster, thriller	Hong Giwon
Avatar: Fire and Ash	Dec 2025	Walt Disney	SF, Action	James Cameron
Once We Were Us	Jan 2026	Showbox	Melo, romance	Kim Doyoung
Hoppers	Mar 2026	Walt Disney		Daniel Chong
Super Mario Galaxy	Apr 29, 2026	Universal Pictures	Animation	Michael Jelenic
The Devil Wears Prada 2	Apr 2026	Walt Disney	Drama	David P
Michael	May 13, 2026	Universal Pictures	Drama	Anton Hukua
Star Wars: The Mandalorian and Grogu	May 2026	Walt Disney	SF	Jon Favreau
Toy Story 5	Jun 2026	Walt Disney	Animation	Andrew Stanton
Minions 3	Jul 2026	Universal Pictrues	Animation	Pierre Coffin
Moana	Jul 2026	Walt Disney	Family, adventure	Thomas Kail
Odyssey	Jul 2026	Universal Pictures	Fantasy, historical	Christopher Nolan
Hope	2026 Summer	SF, action	SF, action	Na Hongjin

Source: KOBIS, Company data, Industry data, Samsung Securities

Chart 5. CGI Holdings: Governance structure



Note: A 2019 investment in CGI Holdings (by MBK Partners and Mirae Asset Daewoo PE) valued the firm at KRW1.15t;
CJ CGV on Jul 17 announced plans to acquire 198,830 CGI Holdings shares, raising its stake from 71.43% to 80.72%;
CJ CGV on Oct 15 announced plans to acquire 41,152 CGI Holdings shares, raising its stake from 80.72% to 82.42%

Source: Company data, Samsung Securities

Table 3. Consolidated results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	1Q26E	2Q26E	3Q26E	4Q26E	2023	2024	2025E	2026E
Sales	392.9	429.9	547.0	588.0	533.6	491.6	583.1	590.8	530.9	515.0	596.4	620.5	1,545.8	1,957.9	2,199.1	2,262.8
COGS	246.6	272.7	373.9	383.6	378.7	347.1	400.5	445.3	391.7	379.1	430.6	458.8	948.9	1,276.8	1,571.6	1,660.2
Gross profit	146.3	157.3	173.1	204.4	154.9	144.5	182.6	145.5	139.2	135.9	165.8	161.7	597.0	681.1	627.5	602.6
SG&A costs	141.8	134.9	141.0	187.4	151.7	142.8	159.2	119.6	130.4	123.6	132.2	126.4	547.9	605.2	573.3	512.6
Operating profit	4.5	22.3	32.1	17.0	3.2	1.7	23.3	25.9	8.9	12.3	33.6	35.3	49.1	75.9	54.2	90.0
Operating margin	1.2	5.2	5.9	2.9	0.6	0.3	4.0	4.4	1.7	2.4	5.6	5.7	3.2	3.9	2.5	4.0
Pre-tax profit	-51.8	-4.9	8.0	-122.8	-32.0	-45.4	-8.2	-12.8	-14.6	-13.3	2.5	-6.7	-125.5	-172.1	-98.3	-32.2
Net profit (controlling)	-37.8	-3.7	4.2	-133.8	-37.8	-35.8	-30.0	-14.8	-17.7	-21.1	3.3	-8.2	-96.2	-171.0	-118.4	-43.8
Chg (% y-y)																
Sales	0.2	7.6	34.9	68.8	35.8	14.3	6.6	0.5	-0.5	4.8	2.3	5.0	21.4	26.7	12.3	2.9
COGS	-5.3	6.6	60.2	92.6	53.6	27.3	7.1	16.1	3.4	9.2	7.5	3.0	13.4	34.6	23.1	5.6
Gross profit	9.9	7.9	-0.6	42.1	5.9	-8.1	5.5	-28.8	-10.1	-5.9	-9.2	11.1	34.3	14.1	-7.9	-4.0
SG&A costs	-3.7	3.8	-1.8	47.6	7.0	5.8	12.9	-36.2	-14.1	-13.4	-17.0	5.7	5.1	10.4	-5.3	-10.6
Operating profit	nm	36.4	2.2	20.4	-29.5	-92.3	-27.2	52.6	177.0	618.3	43.8	36.1	nm	54.8	-28.7	66.2
Operating margin	4.4	1.1	-1.9	-1.2	-0.6	-4.8	-1.9	1.5	1.1	2.0	1.6	1.3	8.7	0.7	-1.4	1.5
Pre-tax profit	nm	nm	-82.9	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Net profit (controlling)	nm	nm	-78.3	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm

Note: CJ OliveNetworks' results reflected from Jun 2024;

Source: Company data, Samsung Securities

Table 4. Parent company: Results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	1Q26E	2Q26E	3Q26E	4Q26E	2023	2024	2025E	2026E
Sales	**180.1**	**193.7**	**209.3**	**175.6**	**128.3**	**141.8**	**196.2**	**187.6**	**136.2**	**148.4**	**203.5**	**189.0**	**773.3**	**758.8**	**653.9**	**677.1**
Box office	102.6	99.9	112.9	87.4	67.2	65.4	110.9	94.5	70.3	72.2	116.5	96.8	426.1	402.8	338.0	355.8
Concessions	36.9	41.2	43.3	34.7	25.4	28.1	45.3	38.9	27.5	31.5	47.3	40.6	139.2	156.2	137.8	147.0
Ads	26.3	38.3	39.2	39.4	22.1	32.4	24.1	39.5	23.8	30.5	25.0	36.6	143.6	143.3	118.1	116.0
Other	14.2	14.2	13.9	14.2	13.6	15.9	15.8	14.6	14.5	14.2	14.6	15.0	64.5	56.5	60.0	58.3
COGS	**113.3**	**109.9**	**117.5**	**102.3**	**84.9**	**87.2**	**117.6**	**111.2**	**81.7**	**88.9**	**116.5**	**108.1**	**448.1**	**442.9**	**400.8**	**395.2**
Film rental	53.0	52.1	61.6	46.0	35.6	34.1	90.5	57.6	36.5	40.1	68.4	54.1	222.9	212.7	217.7	199.2
Depreciation	27.4	27.1	26.9	27.2	25.8	25.8	21.0	25.3	24.4	24.4	23.7	24.7	117.0	108.5	97.9	97.3
Other	32.9	30.6	29.0	29.2	23.5	27.3	6.2	28.3	20.7	24.5	24.4	29.2	108.1	121.7	85.2	98.8
Gross profit	**66.9**	**83.8**	**91.8**	**73.3**	**43.4**	**54.6**	**78.6**	**76.4**	**54.4**	**59.6**	**86.9**	**80.9**	**325.2**	**315.8**	**253.1**	**281.8**
Operating profit	**-14.7**	**3.7**	**4.4**	**-1.1**	**-31.0**	**-17.3**	**-5.6**	**2.6**	**-23.1**	**-16.1**	**0.9**	**1.6**	**8.6**	**-7.6**	**-51.3**	**-36.7**
Operating margin (%)	-8.2	1.9	2.1	-0.6	-24.2	-12.2	-2.9	1.4	-17.0	-10.9	0.4	0.9	1.1	-1.0	-7.9	-5.4
Pre-tax profit	**-15.6**	**9.3**	**5.0**	**-230.2**	**11.4**	**-35.8**	**-20.6**	**-152.9**	**1.5**	**-43.7**	**-28.3**	**-149.0**	**-147.9**	**-231.5**	**-197.9**	**-219.6**
Net profit	**-15.6**	**9.3**	**5.0**	**-236.2**	**11.4**	**-35.8**	**-20.6**	**-130.0**	**1.3**	**-37.2**	**-24.1**	**-126.7**	**-149.2**	**-237.6**	**-174.9**	**-186.7**
Chg (% y-y)																
Sales	**2.1**	**-1.6**	**0.9**	**-8.9**	**-28.8**	**-26.8**	**-6.3**	**6.8**	**6.1**	**4.7**	**3.7**	**0.8**	**9.4**	**-1.9**	**-13.8**	**3.5**
Box office	-0.5	-9.3	-0.9	-11.7	-34.5	-34.6	-1.7	8.2	4.6	10.4	5.1	2.4	2.7	-5.5	-16.1	5.3
Concessions	24.7	8.4	15.3	2.1	-31.1	-31.8	4.6	12.2	8.2	12.1	4.4	4.4	28.5	12.2	-11.8	6.7
Ads	-1.4	15.0	-6.5	-5.2	-16.3	-15.6	-38.5	0.4	8.1	-5.8	3.9	-7.4	12.5	-0.2	-17.6	-1.8
Other	-16.2	-7.0	-0.7	-22.4	-4.3	12.3	13.7	3.0	6.6	-10.6	-8.0	2.5	15.4	-12.4	6.1	-2.8
COGS	**-1.6**	**-3.5**	**3.5**	**-3.3**	**-25.0**	**-20.6**	**0.1**	**8.6**	**-3.7**	**2.0**	**-0.9**	**-2.8**	**3.9**	**-1.2**	**-9.5**	**-1.4**
Film rental	-4.8	-8.7	3.9	-9.7	-32.9	-34.6	46.9	25.2	2.7	17.4	-24.4	-5.9	5.6	-4.6	2.4	-8.5
Depreciation	-6.9	-6.9	-9.2	-6.3	-5.5	-4.8	-22.0	-6.8	-5.4	-5.5	13.3	-2.4	1.9	-7.3	-9.8	-0.6
Other	9.8	10.8	17.9	12.8	-28.6	-10.9	-78.7	-3.1	-11.6	-10.4	294.6	3.3	2.7	12.6	-30.0	15.9
Gross profit	**8.9**	**1.1**	**-2.2**	**-15.7**	**-35.1**	**-34.8**	**-14.4**	**4.2**	**25.4**	**9.0**	**10.6**	**5.9**	**18.1**	**-2.9**	**-19.9**	**11.4**
Operating profit	**nm**	**-59.5**	**-66.5**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**-37.4**	**nm**	**nm**	**nm**	**nm**
Operating margin (%)	3.1	-2.8	-4.2	-3.7	-16.0	-14.1	-5.0	2.0	7.2	1.3	3.3	-0.5	2.9	-2.1	-6.8	2.4
Pre-tax profit	**nm**	**489.4**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**-87.1**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**
Net profit	**nm**	**489.4**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**-89.0**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**

Source: Company data, Samsung Securities

Table 5. Overseas, 4DX and OliveNetworks: Results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	1Q26E	2Q26E	3Q26E	4Q26E	2023	2024	2025E	2026E
Sales	226.6	254.2	391.2	449.7	452.9	373.0	432.7	442.7	434.5	403.7	433.8	471.2	828.4	1,321.7	1,701.3	1,743.3
China	75.8	49.5	70.1	56.5	105.0	38.4	71.3	43.6	77.8	51.9	71.0	61.4	309.0	251.9	258.3	262.0
Turkey	42.4	29.8	26.8	55.7	38.5	29.2	29.9	53.2	41.2	30.4	31.1	55.4	117.1	154.7	150.8	158.2
Vietnam	66.4	55.3	47.2	38.3	76.8	57.4	67.1	45.7	71.2	64.8	62.4	50.7	184.9	207.2	247.0	249.0
Indonesia	22.6	30.1	23.9	24.8	17.2	36.4	26.1	25.6	18.1	37.7	26.9	26.3	92.7	101.4	105.3	109.0
4DX business	19.4	23.4	40.2	40.2	26.5	30.0	34.0	36.7	34.4	33.9	34.7	35.5	124.7	123.2	127.2	138.5
OliveNetworks	-	66.1	183.0	234.2	188.9	181.6	204.3	237.8	191.8	185.1	207.8	241.9	-	483.3	812.6	826.5
Operating income	17.7	17.6	27.3	19.2	36.4	18.9	29.9	24.3	32.6	28.9	33.3	33.9	37.2	81.8	109.5	128.7
China	-1.1	-8.9	3.2	-9.4	18.9	-11.6	2.1	-6.2	5.0	-3.3	2.6	-0.6	0.5	-16.2	3.2	3.6
Turkey	3.7	-3.3	-3.2	1.3	-1.8	-5.2	-8.9	0.7	-2.0	-4.8	-5.2	1.2	-3.6	-1.5	-15.2	-10.8
Vietnam	11.2	8.7	3.2	3.2	12.9	8.0	14.7	3.2	11.2	9.9	12.7	5.9	14.0	26.3	38.8	39.7
Indonesia	2.6	7.0	2.6	0.5	-1.3	8.9	3.4	2.0	0.2	8.0	3.6	3.5	11.2	12.7	13.0	15.1
4DX business	1.3	5.0	5.1	6.0	-0.9	2.3	3.5	3.8	3.2	3.6	3.8	3.9	15.1	17.4	8.7	14.5
OliveNetworks	-	9.1	16.4	17.6	8.6	16.5	15.1	20.7	15.0	15.6	16.0	20.0	-	43.1	60.9	66.6

Note: CJ OliveNetworks' results reflected from Jun 2024 / Source: Company data, Samsung Securities

Table 6. Rights offering impact on outstanding shares

Category	Shares
Outstanding shares (as of Sep 1, 2023)	47,730,920
Newly listed shares (Sep 27, 2023)	74,700,000
Outstanding shares (Sep 30, 2025)	165,581,235*

Note: Due to conversions of CB, number of outstanding shares differs day to day
Source: DART, Samsung Securities

Table 7. Outstanding convertible bonds and change of conversion price

Convertible stocks	Balance (KRWm)	Conversion price (KRW)	Shares eligible for conversion	Exercise period
Outstanding convertible bonds (issued in Jun 2021)	221,887	21,455	10,341,499	Jul 8, 2021-May 8, 2051
Outstanding convertible bonds (issued in Jul 2022)	399,248	17,745	22,499,208	Aug 21, 2022-Jun 21, 2052
Total	621,125			
			Number of shares	
Outstanding shares			165,581,235	

Note: Number of outstanding shares reflects rights offering (as of Sep 30, 2025)
Source: DART, Samsung Securities

Table 8. Sum-of-the-parts valuation

(KRWb)	NOPLAT	Multiple (x)	Value	Note
Operating value			1,911	
Korea	28	18	499	12MF earnings
China	24	15	301	12MF earnings; CGI Holdings (82.42% stake)
Vietnam	4	18	48	12MF earnings; Mars Entertainment (75.24% stake)
Turkey	32	18	472	12MF earnings; CGI Holdings (82.42% stake)
Indonesia	21	15	260	2024E earnings; CGI Holdings (82.42% stake)
4DX			333	Based on our model (90% stake)
Net debt			923	Excludes leasing liabilities
EV			988	
Outstanding shares ('000)			165,581	Refer to note and table 8, 9
Fair value (KRW)			5,967	
Target price (KRW)			6,000	
Current price (Nov 20, KRW)			5,600	
Upside (%)			7.1	

Source: Samsung Securities

Table 9. Revisions to 2025 and 2026 forecasts

(KRWb)	2025E			2026E		
	Old	New	Chg (%)	Old	New	Chg %
Sales	2,171.6	2,199.1	1.3	2,229.1	2,262.8	1.5
Operating profit	69.1	54.2	-21.6	88.6	90.0	1.6
Operating margin (%, %pts)	3.2	2.5	-0.7	4.0	4.0	0.0
Pre-tax profit	-81.0	-98.3	nm	-3.3	-32.2	nm
Net profit (controlling)	-71.4	-118.4	nm	-5.3	-43.8	nm

Source: Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**1,546**	**1,958**	**2,199**	**2,263**	**2,335**
Cost of goods sold	0	0	0	0	0
Gross profit	**1,546**	**1,958**	**2,199**	**2,263**	**2,335**
Gross margin (%)	100.0	100.0	100.0	100.0	100.0
SG&A expenses	1,497	1,882	2,145	2,173	2,219
Operating profit	**49**	**76**	**54**	**90**	**116**
Operating margin (%)	3.2	3.9	2.5	4.0	5.0
Non-operating gains (losses)	**-175**	**-248**	**-151**	**-122**	**-105**
Financial profit	54	117	53	63	62
Financial costs	228	302	198	161	150
Equity-method gains (losses)	-2	-2	12	-2	-3
Other	1	-61	-18	-23	-14
Pre-tax profit	**-126**	**-172**	**-97**	**-32**	**11**
Taxes	-2	3	18	11	-4
Effective tax rate (%)	1.7	-1.9	-18.8	-34.9	-39.1
Profit from continuing operations	-115	-167	-116	-43	16
Profit from discontinued operations	-8	-9	2	0	0
Net profit	**-123**	**-175**	**-114**	**-43**	**16**
Net margin (%)	-8.0	-9.0	-5.2	-1.9	0.7
Net profit (controlling interests)	-96	-171	-118	-44	13
Net profit (non-controlling interests)	-27	-4	4	0	2
EBITDA	348	355	316	328	329
EBITDA margin (%)	22.5	18.1	14.4	14.5	14.1
EPS (parent-based) (KRW)	-1,191	-1,163	-715	-264	81
EPS (consolidated) (KRW)	-1,528	-1,193	-690	-262	96
Adjusted EPS (KRW)*	-1,191	-1,163	-715	-264	81

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**475**	**779**	**841**	**886**	**862**
Cash & equivalents	191	231	332	285	315
Accounts receivable	160	293	251	307	274
Inventories	19	21	31	25	26
Other current assets	105	234	228	268	247
Fixed assets	**2,720**	**3,218**	**3,108**	**3,095**	**3,048**
Investment assets	63	258	186	219	208
Tangible assets	781	812	765	698	627
Intangible assets	203	576	571	572	575
Other long-term assets	1,672	1,572	1,585	1,606	1,639
Total assets	**3,194**	**3,997**	**3,949**	**3,981**	**3,910**
Current liabilities	**1,032**	**1,703**	**1,849**	**1,909**	**1,802**
Accounts payable	100	144	154	172	183
Short-term debt	326	564	609	627	506
Other current liabilities	606	995	1,086	1,109	1,113
Long-term liabilities	**1,900**	**1,717**	**1,596**	**1,612**	**1,632**
Bonds & long-term debt	251	143	143	143	143
Other long-term liabilities	1,650	1,574	1,454	1,470	1,489
Total liabilities	**2,933**	**3,420**	**3,446**	**3,521**	**3,434**
Owners of parent equity	**421**	**692**	**614**	**570**	**584**
Capital stock	61	83	83	83	83
Capital surplus	917	1,336	1,336	1,336	1,336
Retained earnings	-1,243	-1,418	-1,537	-1,581	-1,567
Other	686	692	733	733	733
Non-controlling interests' equity	**-160**	**-115**	**-111**	**-110**	**-108**
Total equity	**261**	**577**	**503**	**460**	**476**
Net debt	2,204	2,267	2,208	2,236	2,077

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**180**	**191**	**170**	**197**	**325**
Net profit	-123	-175	-114	-43	16
Non-cash profit and expenses	475	538	413	381	336
Depreciation	286	259	242	218	193
Amortization	13	20	20	20	20
Other	176	259	151	143	123
Changes in A/L from operating activities	-48	-45	23	2	96
Cash flow from investments	**-99**	**-231**	**-187**	**-225**	**-165**
Change in tangible assets	-73	-41	-195	-151	-121
Change in financial assets	31	-188	63	-33	12
Other	-57	-3	-55	-42	-56
Cash flow from financing	**-280**	**79**	**89**	**-15**	**-131**
Change in debt	-369	134	40	-15	-131
Change in equity	359	440	0	0	0
Dividends	-40	-19	0	0	0
Other	-230	-476	50	0	0
Change in cash	-204	40	101	-47	30
Cash at beginning of year	395	191	231	332	285
Cash at end of year	191	231	332	285	315
Gross cash flow	**351**	**363**	**299**	**338**	**352**
Free cash flow	**95**	**150**	**-25**	**46**	**204**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	21.4	26.7	12.3	2.9	3.2
Operating profit	nm	54.8	-28.7	66.2	29.4
Net profit	nm	nm	nm	nm	nm
Adjusted EPS**	nm	nm	nm	nm	nm
Per-share data (KRW)					
EPS (parent-based)	-1,191	-1,163	-715	-264	81
EPS (consolidated)	-1,528	-1,193	-690	-262	96
Adjusted EPS**	-1,191	-1,163	-715	-264	81
BVPS	3,441	4,177	3,709	3,445	3,526
DPS (common)	0	0	0	0	0
Valuations (x)					
P/E***	n/a	n/a	n/a	n/a	68.6
P/B***	1.7	1.3	1.5	1.6	1.6
EV/EBITDA	7.9	8.5	9.5	9.3	8.8
Ratios (%)					
ROE	-24.1	-30.7	-18.1	-7.4	2.3
ROA	-3.6	-4.9	-2.9	-1.1	0.4
ROIC	2.0	3.2	2.6	5.0	6.9
Payout ratio	0.0	0.0	0.0	0.0	0.0
Dividend yield (common)	0.0	0.0	0.0	0.0	0.0
Net debt to equity	843.6	393.1	438.6	486.3	436.6
Interest coverage (x)	0.3	0.5	0.3	0.5	0.7

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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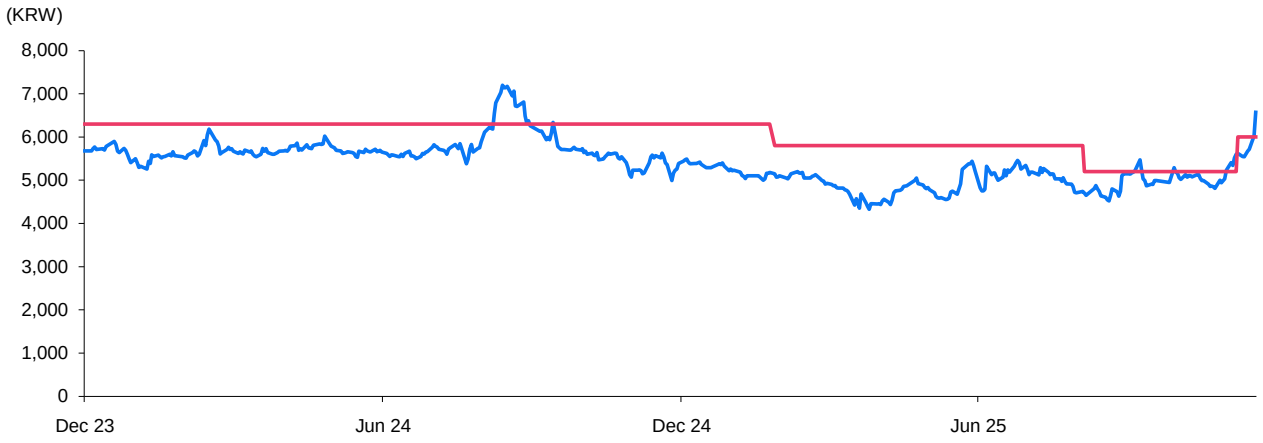
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2023/11/14	2024/11/14	2025/2/10	8/19	11/21
Recommendation	HOLD	HOLD	HOLD	HOLD	HOLD
Target price (KRW)	6300	6300	5800	5200	6000
Gap* (average)	-8.73	-15.89	-15.09	-4.00	
(max or min)**	14.29	-10.63	-5.86	7.69	

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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