COMPANY UPDATE

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Contentree Joongang (036420)

Lifting profit through restructuring

- Contentree Joongang's profitability should continue to improve in 2026. With a rising per-title recoup ratio and scheduled content delivery by Wiip, its full-year profits appear set to improve.
- Key variables to watch in 2026 are: 1) ongoing efforts to merge Megabox and Lotte Cultureworks; and 2) SLL's IPO decision in the context of a 2026 IPO deadline that was set in 2021, when it attracted investment from a financial investor.

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AT A GLANCE

BUY

Target price	KRW11,500	19.8%
Current price	KRW9,600	
Market cap	KRW184.92b/USD125.5m	
Shares (float)	19,262,308 (56.9%)	
52-week high/low	KRW13,640/KRW7,500	
Avg daily trading value (60-day)	KRW0.6b/ USD0.4m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Contentree Joongang (%)	4.7	-25.0	4.9
Vs Kospi (%pts)	7.1	-48.4	-35.8

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	11,500	11,500	0.0%
2025E EPS	-4,326	-4,263	nm
2026E EPS	-1,817	-1,881	nm

SAMSUNG vs THE STREET

No of estimates	13
Target price	14,083
Recommendation	3.9

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

WHAT'S THE STORY?

2026 outlook: Contentree Joongang's content production subsidiary SLL is seeking to enhance content profitability by supplying its content to OTT platforms on a title-by-title basis, as it is no longer restricted by regulations barred production firms from providing all of their content to a single OTT platform—a rule that had been in place until mid-2025 to prevent any single OTT platform from monopolizing the content produced by domestic firms. Thus, SLL is now choosing distribution channels based on platform-specific profitability—a move that should help lift recoup rates per title. Overseas production subsidiary Wiip, whose performances have weighed on consolidated profits, is expected to deliver at least five titles to global OTT platforms next year, generating a healthy full-year profit. Notably, the burden from purchase price allocation (PPA) amortization is also easing. Led by subsidiary Studio Slam, Contentree Joongang is enjoying stronger performances from its variety show content, and it is likely to expand its music business through its music label Uncore. We forecast 2026 sales of KRW1.2t (up 7.3% y-y) and an operating profit of KRW19.4b (up 219.5% y-y).

(Continued on the next page)

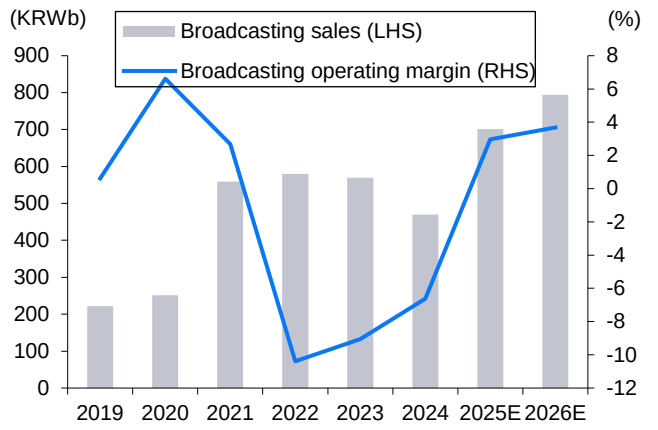
SUMMARY FINANCIAL DATA

	2024	2025E	2026E	2027E
Revenue (KRWb)	879	1,108	1,189	1,257
Operating profit (KRWb)	-47	6	19	23
Net profit (adj) (KRWb)	-92	-96	-42	-37
EPS (adj) (KRW)	-3,449	-4,326	-1,817	-1,559
EPS (adj) growth (% y-y)	nm	nm	nm	nm
EBITDA margin (%)	17.7	15.1	12.7	10.6
ROE (%)	-72.0	-127.1	-628.5	111.4
P/E (adj) (x)	n/a	n/a	n/a	n/a
P/B (x)	1.6	7.9	n/a	n/a
EV/EBITDA (x)	12.3	11.6	12.1	13.6
Dividend yield (%)	0.0	0.0	0.0	0.0

Source: Company data, Samsung Securities estimates

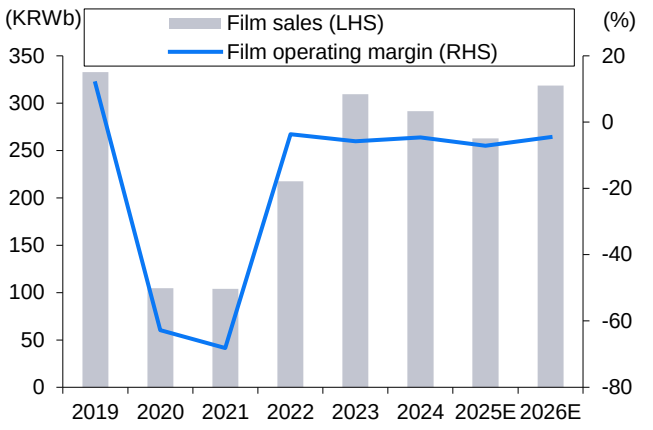
Remaining variables: In May, Korea's second- and third-largest multiplex cinema chains—Lotte Cultureworks (owned 86.37% by Lotte Shopping) and Megabox Joongang (owned 95.98% by Contentree Joongang)—signed an MOU to merge their cinema operations. In July, they filed for a 'pre-consultation request for a merger' with the Fair Trade Commission. The companies are reportedly bringing in external investors, and how the merger reshapes governance will be a variable that affects 2026 earnings and business direction. Meanwhile, next year, subsidiary SLL faces an IPO deadline set in 2021, when it attracted investment from a financial investor. It is reportedly considering multiple strategic options, and the ultimate decision could materially influence the company's trajectory.

Chart 1. Broadcasting division: Sales and operating margin



Source: Company data, Samsung Securities estimates

Chart 2. Film division: Sales and operating margin



Source: Company data, Samsung Securities estimates

Table 1. Wiip: Content lineup from 2023

Title	Channel	Release date	Cast
The White House Plumbers	HBO	May 1, 2023	Alex Gregory, Peter Huyck
The Summer I Turned Pretty 2	Amazon Prime Video	Jul 14, 2023	Marty Scott, Deborah Swisher
Bodkin	Netflix	May 9, 2024	Will Forte, Siobhan Cullen
The Summer I Turned Pretty S3	Amazon Prime Video	Jul 16, 2025	Marty Scott, Deborah Swisher
Task	HBO	Sep 8, 2025	Mark Ruffalo
The Undertow	Netflix	2026	James Watson, Mackenzie Davis
The Off Weeks	Apple TV	2026	Ben Stiller, Jessica Chastain
The Summer I Turned Pretty - Movie	Amazon Prime Video	2026	Lola Tung, Christopher Briney
The Uninhabitable Earth	HBO	TBD	David Wallace-Wells, Adam McKay
Coercion	Showtime	TBD	Brea Bee, Catherine Dent

Source: Company data, Samsung Securities

Chart 3. Prime Video <The Summer I turned Pretty Movie>

Source: Amazon prime. Wiip, Company data, Samsung Securities

Chart 4. Apple TV+ <The Off Weeks>

Source: HBO, Wiip, Company data, Samsung Securities

Table 2. Contentree Joongang: Content line-up (2025~)

Year	Channel	Title	Air date	Eps	Writer	Director	Day
2025	JTBC	The Art of Negotiation	Mar 8 - Apr 20	12	Lee Seungyoung	Ahn Panseok	Sat, Sun
	JTBC	More Beautiful Than Heaven	Apr 19-May 25	12	Lee Namgyu	Kim Seokyun	Sat, Sun
	JTBC	Good Boy (Disney+ in Korea)	May 31-Jul 20	16	Lee Daeil	Sim Nayeon	Sat, Sun
	JTBC	The Good Man	Jul 18-Aug 29	14	Kim Woonkyung	Song Haesung	Fri
	JTBC	Esquire	Aug 2- Sep 8	12	Park Mihyun	Kim Jaehong	Wed, Thu
	JTBC	My Youth	Sep 5-Oct 10	12	Park Sihyun	Lee Sangyeop	Fri
	JTBC	A Hundred Memories	Sep 13-Oct 19	12	Yang Heeseung	Kim Sangho	Sat, Sun
	JTBC	Manager Kim	Oct 25- Nov 30	12	Kim Hongki	Cho Hyeontak	Sat, Sun
	JTBC	Love Me	Dec 5-Jan 9, 2026	12	Park Eunyoung	Cho Youngmin	Wed, Thu
	JTBC	Waiting for Gyeong Do (Coupang play in Korea)	Dec -Jan 10, 2026	12	Yu Younga	Lim Hyeonwook.	Sat, Sun
	Tving	The Love Story of Choon Hwa	Feb 6-Mar 6	10	Seo Eunjung	Lee Kwangyoung	
	Tving	Shark: The Storm	May 15	6	Min Ji	Je Eojun	
	Netflix/Animation	Lost in Starlight	May 30		Han Jiwon	Han Jiwon	
	Netflix	The Price of Confession	Dec 5	12	Kwon Jongkwan	Lee Junghyo	
	Netflix	Cashero	4Q25			Lee Changmin	
	Disney+	Low Life	Jul 16-Aug 13	10	Kang Yunsung	Kang Yunsung	
	Amazon Prime	The Summer I turned Pretty 3	Jul 16	11		*Produced by Wiip	
	MBC	The Moon Flows over the River	Nov 7-Dec 20	14	Cho Seunghee	Lee Donghyun	Fri, Sat
	ENA	Heroes Next Door	Nov 17-Dec 16	10	Kim Sangyoon	Cho Woong	Mon, Tue
	HBO	Task S1	Sep 7-Oct 19	7		*Produced by Wiip	
	TV Asahi	Mamono	Apr 18-Jun 20			*Produced by SLL Japan	Fri
	(Movie)	Concrete Market (Produced by Climax)	Dec 3			Hong Kiwon	
2026~	JTBC	Shinning	2026	10	Lee Sookyeon	Kim Yunjin	Sat, Sun
	JTBC	Efficient Dating of Single Man and Women	2026		Lee Ijin	Lee Jaehoon	Sat, Sun
	JTBC	Marble of God	2026	12	Jung Hyunmin	Jung Daeyoon	Sat, Sun
	JTBC	New Employee Chairman Kang	2026	12	Hyun Jimin	Go Hyejin	Sat, Sun
	JTBC	Everyone is Fighting Their Own worthlessness	2026		Park Hyeyoung	Cha Younghoon	
	JTBC	Apartment	2026		Kim Yoonyoung	Cho Yongwon	
	JTBC	Human X Gumiho	2026		Lim Meari		
	JTBC	Gold Digger	2026		Kang Eunkyung	Sunyoung	
	tvN	Second signal	Jun 2026	8	Kim Eunhee	Ahn Taejin	
	Netflix	Lady Doir	2026	8	Choo Songyun	Kim Jinmin	
	Netflix	The Undertow	2026			*Produced by Wiip	
	Netflix	All of Us Are Dead 2	TBD		Cheon Sungil	Lee Jaekyu	
	Disney+	The Waking	2026		Park Jooseok	Kim Taegon	
	Disney+	Knock Off Season 1	TBD	9	Han Junghoon	Park Hyeonsuk	
	Disney+	Knock Off Season 2	TBD	9	Han Junghoon	Park Hyeonsuk	
	Prime Video	The Summer I Turned Pretty- Movie	TBD			*Produced by Wiip	
	Apple TV+	The Off Weeks	TBD	8		*Produced by Wiip	
	(Movie)	Project Y	2026			Lee Hwan	
	(Movie)	Intern	TBD		Choi Jaewon	Kim Doyoung	
	(Movie)	The Roundup 5	TBD			Lee Sangyong	
	TBD	The Sense	TBD		Jung Hyunjin	Lee Jungheum	
	TBD	I'm Home	TBD		Lee Boram	La Hana	
	TBD	Pleasant Outcast	TBD		Kim Botong	Min Yongkeun	

Note: Green highlights indicate simultaneous distribution on Netflix; orange highlights indicate simultaneous distribution on Disney+; blue highlights indicate simultaneous distribution on Tving, yellow highlights indicate simultaneous distribution on Amazon Prime

Source: Company data, Samsung Securities

Table 3. Contentree Joongang's consolidated subsidiaries

Company	Acquisition	Stake	Note
SLL Joongang*	Jul 21, 2021	53.82%	Reborn Rich, Doctor Cha, King the Land, Esquire
Wiip**	Jul 21, 2021	80.0%	Mare of Easttown, Dickinson, Dummy
SLL Japan	May 10, 2022	100.0%	(Japan)
Studio Phoenix	Jun 17, 2021	100.0%	Heavenly Even After, Law School, My Liberation Day
B.A. Entertainment	Dec 30, 2019	77.46%	The Outlaws, Esquire, Casino, The Art of Negotiation
Perfect Storm Film	Dec 30, 2019	100.0%	Hijack 1971, Ashfall, Narco-Saints, Take Point
Studio Vird	Mar 18, 2020	100.0%	(CG/VFX Studio) The Tyrant, Revolver, Ballerina
Anthology Studios	Mar 30, 2020	100.0%	Cobweb, Intern
Dramahouse	Jul 30, 2020	100.0%	SKY Castle, Good Boy, Manager Kim, Cashero
Climax Studio	Jul 15, 2021	73.68%	D.P, Hellbound, Concrete Utopia, Ballerina
Production H	Jul 15, 2021	93.81%	Life on Mars, The Tale of Nokdu, A Model Family
Film Monster***	Sep 28, 2022	90.0%	Intimate strangers, All of Us Are Dead, Pyramid Game
HighZium Studio****	July 1, 2022	60.84%	My Youth, Mr Plankton, Money Heist, Hwaran
How Pictures	Aug 14, 2019	33.0%	Celebrity, Tale of the Nine Tailed Fox, I Haven't Done My Best Yet
Npioe Entertainment	Oct 15, 2019	28.03%	The Murky Stream, Jeongnyeon, King the Land
Studio Slam	Sep 30, 2021	100.0%	Culinery Class War, Sing Again, Crime Scene, Just Makeup
Betty & Creators*****	Mar 4, 2022		The Uncanny Counter S2: Counter punch
E Channel	Nov 15, 2000	0.91%	Entertainment-specialized channel
Iflix	May 17, 2019	0.85%	OTT service company in Southeast Asia
Tving	Jan 29, 2021	12.74%	OTT (online video service)
Take One Company	Jan 29, 2021	4.16%	L.U.C.A: The Beginning, The Contorted House, BTS World (game)
VA Corporation	Jul 29, 2021	1.72%	Metaverse platform firm, VFX company 'Mofac', virtual production
21 Studio	Jan 8, 2022	7.14%	(Production Company focus on story IP)
Storigin Company	Aug 20, 2022	25.93%	(Webtoon content studio) Don't collapse

Note: Sublime is excluded from consolidated subsidiaries as all of its shares (15.33%) had been sold to HLL Joongang as of Jul 1 (announced on Jun 30, 2022)
*SLL Joongang (Studio Lululala Joongang, previously called JTBC Studio), Wiip label owned by Contentree Joongang
**SLL Joongang (100%) → SLL America (70%)→ SLL Shark Holdings (80.01%)→ Tornado Enterprises (100%)→ Wiip
***Contentree Joongang on Jun 30, 2022 announced the sales of its 100% stake in Film Monster to SLL Joongang (90%) and other investors (10%)—the deal was completed Sep 28
****HighZium Studio obtained by merging it with Zium Contents (63.17% owned by Contentree Joongang) on Jul 1 (announced May 2, 22)
******Acquired KRW4.5b worth of Betty & Creators' convertible bonds (Conversion period: Mar 4 2023- Mar 3, 2027)
Source: Company data, Samsung Securities

Chart 5. Netflix original variety <Culinary Class War S2>

Source: Company data, Samsung Securities

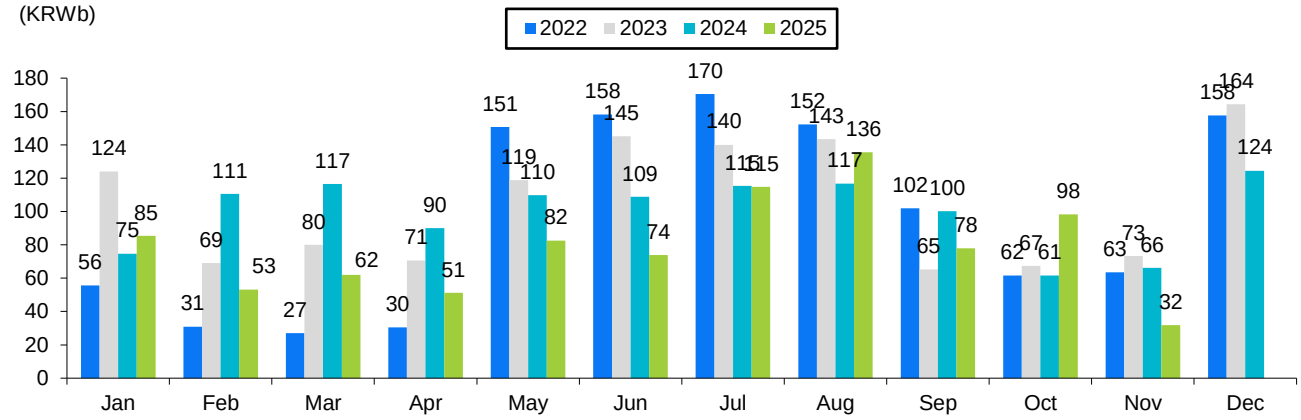
Chart 6. Tving original variety <Sell Me The Show>

Source: Company data, Samsung Securities

Chart 7. tvN variety <After School Theater Club>

Source: Company data, Samsung Securities

Chart 8. Box-office comparison: 2022-2025



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

Table 4. 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

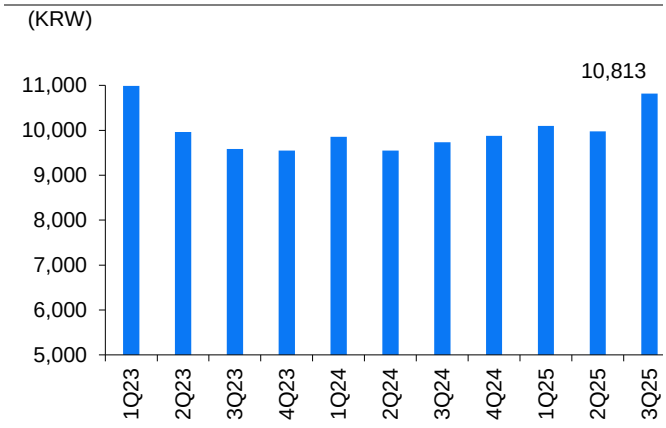
Source: KOBIS, Company data, Industry data, Samsung Securities

Table 5. Megabox Plus M: Distributed movies

Year	No.	Film	Release date	Genre	Tickets ('000)
2023	1	The Point Men	Jan 18	Drama	1,721
	2	The Devil's Deal	Mar 1	Drama	756
	3	Dream	Apr 26	Drama	1,128
	4	The Roundup: No Way Out	May 31	Crime, action	10,683
	5	Target	Aug 30	Horror, thriller	425
	6	Hwaran	Oct 11	Drama	264
	7	Spring in Seoul	Nov 22	Drama	13,126
2024	1	Dead Man	Feb 7	Drama	238
	2	The Roundup: Punishment	Apr 24	Crime, action	11,500
	3	Escape	Jul 3	Action	2,561
	4	Revolver	Aug 7	Crime	249
	5	Love in the Big City	Oct 2	Drama	879
	6	Hear Me: Our Summer	Nov 6	Drama	802
	7	Bogota	Dec 31	Drama	422
2025-	1	The Noisy Mansion	Feb 26	Comedy, mystery	43
	2	Yadang: The Snitch	Apr 23	Crime, drama	2,708
	3	Face	Sep 11	Mystery, drama	1,076
2026	1	Hope 1	2026 summer	SF, Thriller	
	2	Night Fever	2026	Action	
	3	Project Y	2026	Crime, Drama	
	4	Pig Village	2026	Thriller	
	5	Canvas of Blood	2026	Drama	
	6	Land	2026	Crime	
TBD	1	Pavane For the Dead	TBD	Drama, romance	
	2	Sword, Godumakhan	TBD	History, Action	
	3	The Roundup5	TBD	Action	

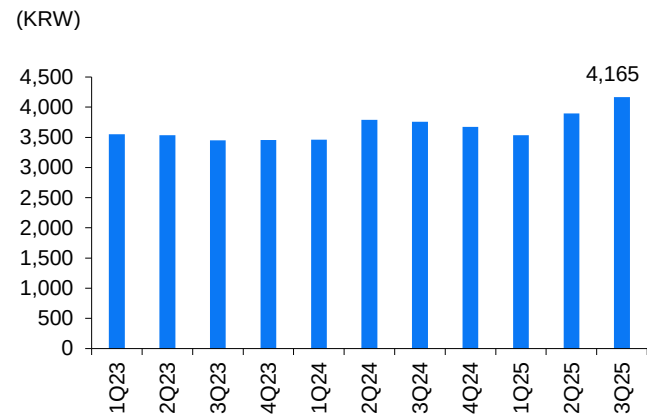
Note: As of Nov 5; Including joint distribution movies
Source: KOBIS, Local media, Samsung Securities estimates

Chart 9. Film division: Average ticket price (ATP)



Source: Company data, Samsung Securities

Chart 10. ATP (film division: Concession per patron)



Source: Company data, Samsung Securities

Table 6. Subsidiary Phoenix Sports secures exclusive broadcast rights for FIFA World Cup

Details		
-Joongang Group signed a contract with FIFA, securing exclusive domestic broadcast rights for the 2026 and 2030 World Cups. - Phoenix Sports has decided to enter into a novation agreement to assume the exclusive broadcasting rights contract initially held by a Joongang Group affiliate. - Under this agreement, Phoenix Sports has been granted broadcasting and exhibition rights from FIFA, enabling it to exercise these rights directly and resell them for the tournaments covered by the agreement.		
Tournament	**Region**	**Dates**
2026 World Cup	Canada, Mexico, US	Jun 11-Jul 19, 2026
2030 World Cup	Spain, Portugal, Morocco	Jun 8-Jul 21, 2030
2027 Women's World Cup	Brazil	Jun 24-Jul 25, 2027
2025 Under-20s World Cup	Chile	Sep 27-Oct 19, 2025
2027 Under-20s World Cup	TBD	TBD

Note: Announced Oct 29, 2024

Source: Company data, Samsung Securities

Table 7. Results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	1Q26E	2Q26E	3Q26E	4Q26E	2023	2024	2025E	2026E
Sales	**220.9**	**226.8**	**228.2**	**203.5**	**225.2**	**315.5**	**278.7**	**289.1**	**249.6**	**354.0**	**285.3**	**300.4**	**993.0**	**879.5**	**1,108.5**	**1,189.3**
Broadcasting	103.0	127.1	124.6	115.5	139.7	221.8	164.3	175.4	160.5	254.1	182.3	196.9	569.1	470.1	701.3	793.8
Film	85.4	71.2	75.2	59.7	44.9	52.7	78.4	86.8	64.9	71.9	91.6	90.2	309.6	291.6	263.0	318.6
Playtime	18.8	14.4	16.5	13.8	16.3	13.3	17.1	14.1	17.5	14.3	17.2	14.5	63.6	0.0	-1.1	-4.2
Operating profit	**-10.0**	**-6.5**	**-12.8**	**-18.0**	**-12.1**	**1.7**	**11.4**	**5.1**	**-2.6**	**6.2**	**10.5**	**5.3**	**-68.0**	**-47.4**	**6.1**	**19.4**
Broadcasting	-9.5	-5.3	-14.5	-1.9	-4.5	10.4	8.3	6.5	1.7	12.0	7.9	7.5	-51.6	-31.2	20.7	29.2
Film	-1.4	0.1	0.6	-12.8	-10.3	-8.5	1.9	-1.7	-6.2	-6.2	0.6	-2.6	-17.7	-13.4	-18.7	-14.4
Playtime	2.1	-0.1	1.5	-0.7	1.4	-0.2	1.9	0.3	1.9	0.4	1.9	0.4	6.8	2.8	3.4	4.6
Operating margin (%)	-4.5	-2.9	-5.6	-8.8	-5.4	0.5	4.1	1.8	-1.0	1.8	3.7	1.8	-6.8	-5.4	0.5	1.6
Pre-tax profit	-33.1	-25.4	-35.0	-20.1	-37.3	-60.1	-3.4	-16.1	-20.6	-19.9	-0.9	-12.4	-153.5	-113.5	-116.9	-53.7
Net profit (controlling)	**-21.4**	**-18.9**	**-22.5**	**-3.6**	**-28.9**	**-48.1**	**1.9**	**-8.1**	**-13.8**	**-12.6**	**-0.5**	**-8.1**	**-119.1**	**-66.4**	**-83.3**	**-35.0**
Chg (% y-y)																
Sales	**18.1**	**-18.8**	**-15.2**	**-21.0**	**1.9**	**39.1**	**22.1**	**42.1**	**10.9**	**12.2**	**2.4**	**3.9**	**16.5**	**-11.4**	**26.0**	**7.3**
Broadcasting	10.0	-29.1	-24.6	-11.9	35.7	74.6	31.9	51.9	14.9	14.6	10.9	12.3	-1.8	-17.4	49.2	13.2
Film	30.5	-1.6	5.1	-40.4	-47.4	-25.9	4.3	45.5	44.4	36.3	16.8	3.9	42.3	-5.8	-9.8	21.2
Playtime	12.6	5.9	-8.3	-9.8	-13.3	-7.6	3.6	2.5	7.3	7.6	0.8	2.5	552.4	**-100.0**	**적지**	**적지**
Operating profit	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**274.0**	**-8.0**	**2.6**	**nm**	**nm**	**nm**	**219.5**
Broadcasting	nm	nm	nm	nm	nm	nm	nm	nm	nm	15.7	-4.4	14.5	nm	nm	nm	40.7
Film	nm	-90.7	nm	nm	nm	nm	219.1	nm	nm	nm	-65.7	nm	nm	nm	nm	적지
Playtime	-19.2	nm	-51.6	nm	-33.3	nm	23.3	nm	35.1	nm	2.7	19.1	nm	-58.8	22.4	33.8
Operating margin (%)	11.6	-5.7	-8.0	11.4	-0.8	3.4	9.7	10.6	4.3	1.2	-0.4	-0.0	1.6	1.5	5.9	1.1
Pre-tax profit	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Net profit (controlling)	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**

Source: Company data, Samsung Securities estimates

Table 8. Sum-of-the-parts valuation

(KRWb)	NOPLAT	Multiple (x)	Value	Note
Broadcasting (a)	40	20	426	12-month forward; 30% discount to target multiple of industry leader
Movie (b)	11	10	106	12-month forward; 30% discount to target multiple of industry leader; 95.98% stake in Megabox
Playtime (c)			125	Based on acquisition price (Nov 2022)
Total			657	(a)+(b)+(c)
Net debt			431	Excludes long-term lease liabilities
Fair value (KRWb)			226	
Outstanding shares ('000)			19,262	
Fair value per share (KRW)			11,734	
Target price (KRW)			11,500	
Current price (KRW, Nov 20)			9,380	
Upside (%)			22.6	

Source: FnGuide, Samsung Securities estimates

Table 9. Revisions to 2025 and 2026 forecasts

(KRWb)	2025E			2026E		
	Old	New	Chg (%)	Old	New	Chg %
Sales	1,125.6	1,108.5	-1.5	1,185.4	1,189.3	0.3
Operating profit	8.8	6.1	-30.9	15.4	19.4	26.1
Operating margin (%, %pts)	0.8	0.5	-0.2	1.3	1.6	0.3
Pre-tax profit	-114.3	-116.9	nm	-55.8	-53.7	nm
Net profit (controlling)	-82.0	-83.3	nm	-36.2	-35.0	nm

Source: Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**993**	**879**	**1,108**	**1,189**	**1,257**
Cost of goods sold	763	647	841	901	957
Gross profit	**230**	**232**	**268**	**288**	**300**
Gross margin (%)	23.1	26.4	24.1	24.2	23.8
SG&A expenses	298	279	262	268	277
Operating profit	**-68**	**-47**	**6**	**19**	**23**
Operating margin (%)	-6.8	-5.4	0.5	1.6	1.8
Non-operating gains (losses)	**-86**	**-66**	**-123**	**-73**	**-70**
Financial profit	76	66	31	36	37
Financial costs	116	116	134	96	96
Equity-method gains (losses)	-15	-16	-9	-3	-3
Other	-31	0	-12	-10	-8
Pre-tax profit	**-153**	**-114**	**-117**	**-54**	**-47**
Taxes	14	-22	-21	-12	-11
Effective tax rate (%)	-9.0	19.1	18.2	22.2	22.2
Profit from continuing operations	-167	-92	-96	-42	-37
Profit from discontinued operations	0	0	0	0	0
Net profit	**-167**	**-92**	**-96**	**-42**	**-37**
Net margin (%)	-16.8	-10.4	-8.6	-3.5	-2.9
Net profit (controlling interests)	-119	-66	-83	-35	-30
Net profit (non-controlling interests)	-48	-25	-12	-7	-7
EBITDA	123	156	167	151	134
EBITDA margin (%)	12.4	17.7	15.1	12.7	10.6
EPS (parent-based) (KRW)	-6,184	-3,449	-4,326	-1,817	-1,559
EPS (consolidated) (KRW)	-8,687	-4,771	-4,964	-2,170	-1,914
Adjusted EPS (KRW)*	-6,184	-3,449	-4,326	-1,817	-1,559

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**536**	**587**	**637**	**657**	**667**
Cash & equivalents	178	257	257	253	251
Accounts receivable	198	129	190	187	204
Inventories	4	6	5	6	6
Other current assets	156	195	185	211	205
Fixed assets	**1,953**	**2,172**	**2,083**	**2,041**	**2,008**
Investment assets	483	534	543	572	576
Tangible assets	278	288	235	200	176
Intangible assets	593	701	648	607	575
Other long-term assets	599	649	656	663	680
Total assets	**2,488**	**2,759**	**2,719**	**2,698**	**2,674**
Current liabilities	**1,149**	**1,426**	**1,483**	**1,499**	**1,519**
Accounts payable	11	17	18	23	24
Short-term debt	184	317	314	616	546
Other current liabilities	954	1,091	1,151	860	949
Long-term liabilities	**802**	**764**	**764**	**769**	**762**
Bonds & long-term debt	301	358	358	358	358
Other long-term liabilities	501	406	406	411	404
Total liabilities	**1,951**	**2,190**	**2,248**	**2,268**	**2,281**
Owners of parent equity	**76**	**108**	**23**	**-12**	**-42**
Capital stock	96	96	96	96	96
Capital surplus	151	135	135	135	135
Retained earnings	-208	-276	-360	-395	-425
Other	38	153	151	151	151
Non-controlling interests' equity	**461**	**461**	**449**	**442**	**435**
Total equity	**537**	**569**	**472**	**430**	**393**
Net debt	1,261	1,289	1,307	1,207	1,204

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**-85**	**-28**	**47**	**193**	**83**
Net profit	-167	-92	-96	-42	-37
Non-cash profit and expenses	343	267	220	197	174
Depreciation	84	79	53	35	24
Amortization	107	124	108	97	87
Other	152	64	59	66	63
Changes in A/L from operating activities	-188	-134	-19	103	9
Cash flow from investments	**-2**	**-75**	**-50**	**-83**	**-65**
Change in tangible assets	-20	-33	0	0	0
Change in financial assets	16	-48	12	-21	8
Other	2	6	-63	-62	-73
Cash flow from financing	**58**	**177**	**24**	**-96**	**-5**
Change in debt	92	112	24	-96	-5
Change in equity	-15	-16	0	0	0
Dividends	0	-0	0	0	0
Other	-19	82	0	-0	-0
Change in cash	-29	79	0	-4	-2
Cash at beginning of year	207	178	257	257	253
Cash at end of year	178	257	257	253	251
Gross cash flow	**176**	**175**	**124**	**156**	**137**
Free cash flow	**-128**	**-62**	**47**	**193**	**83**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	16.5	-11.4	26.0	7.3	5.7
Operating profit	nm	nm	nm	219.5	18.7
Net profit	nm	nm	nm	nm	nm
Adjusted EPS**	nm	nm	nm	nm	nm
Per-share data (KRW)					
EPS (parent-based)	-6,184	-3,449	-4,326	-1,817	-1,559
EPS (consolidated)	-8,687	-4,771	-4,964	-2,170	-1,914
Adjusted EPS**	-6,184	-3,449	-4,326	-1,817	-1,559
BVPS	4,001	5,658	1,208	-625	-2,196
DPS (common)	0	0	0	0	0
Valuations (x)					
P/E***	n/a	n/a	n/a	n/a	n/a
P/B***	3.8	1.6	7.9	n/a	n/a
EV/EBITDA	16.4	12.3	11.6	12.1	13.6
Ratios (%)					
ROE	-109.5	-72.0	-127.1	-628.5	111.4
ROA	-6.6	-3.5	-3.5	-1.5	-1.4
ROIC	-5.9	-3.1	0.4	1.4	1.9
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	234.7	226.5	277.0	280.7	306.4
Interest coverage (x)	-0.8	-0.5	0.1	0.2	0.2

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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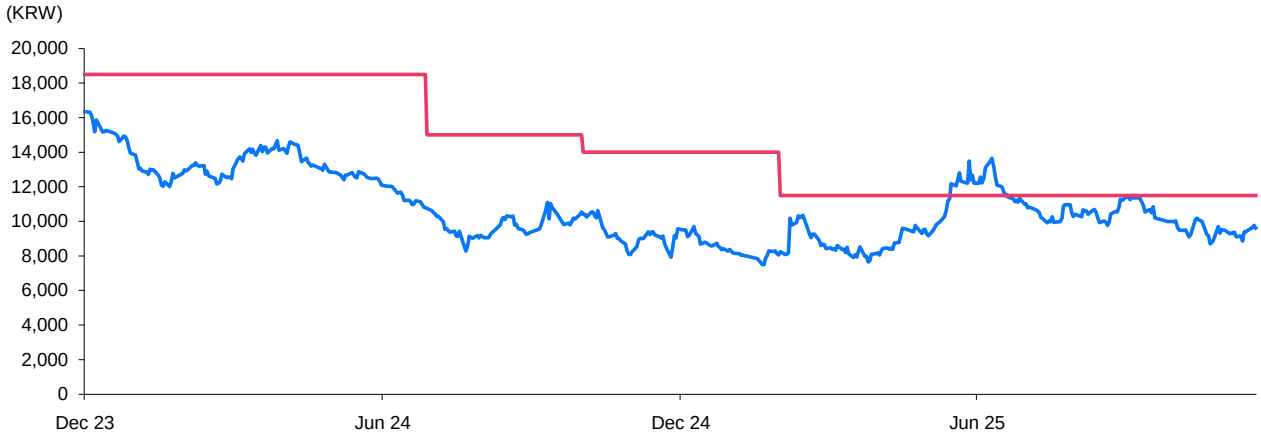

Rating changes over past two years (adjusted share prices)

Date	2023/11/3	2024/7/12	10/16	2025/2/14
Recommendation	BUY	BUY	BUY	BUY
Target price (KRW)	18500	15000	14000	11500
Gap* (average)	-27.24	-35.01	-36.74	
(max or min)**	-3.78	-26.00	-24.14	

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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