COMPANY UPDATE

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Studio Dragon (253450)

Scaling globally with well-made content

- Studio Dragon has demonstrated its production capabilities by generating strong buzz for content across major global platforms.
- The company aims to reinforce its growth potential by expanding local production and scaling its IP business globally.

WHAT'S THE STORY?

Global platform successes underscore content appeal: K-content continues to broaden its influence in the global market. As Korea's leading production studio, Studio Dragon has diversified its distribution across major domestic and international platforms, delivering consistently solid global performance. Titles such as *Genie, Make a Wish* (Netflix), *The Manipulated* (Disney+), *Marry My Husband* (Japanese version; Amazon Prime Video), and *Dear X* (Tving) generated significant pre- and post-release buzz and achieved impressive results.

Expanding global local production: Efforts to move beyond the domestic market through local content production are gaining traction. The company previously produced the US series *The Big Door Prize* and participated in the production of three Japanese dramas in 2025. In 2026, it plans to release one to two US series in collaboration with Paramount Skydance, along with one to two Japanese dramas. In addition, it is pursuing co-planning and production initiatives in Taiwan, further broadening its regional production footprint.

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW55,000	18.2%
Current price	KRW46,550	
Market cap	KRW1.4t/USD1.0b	
Shares (float)	30,058,498 (45.2%)	
52-week high/low	KRW56,000/KRW37,350	
Avg daily trading value (60-day)	KRW3.7b/ USD2.5m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Studio Dragon (%)	16.7	-6.8	9.3
Vs Kosdaq (%pts)	14.6	-22.9	-20.7

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	55,000	55,000	0.0%
2025E EPS	674	674	0.0%
2026E EPS	1,415	1,415	0.0%

SAMSUNG vs THE STREET

No of estimates	12
Target price	58,083
Recommendation	4.0

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

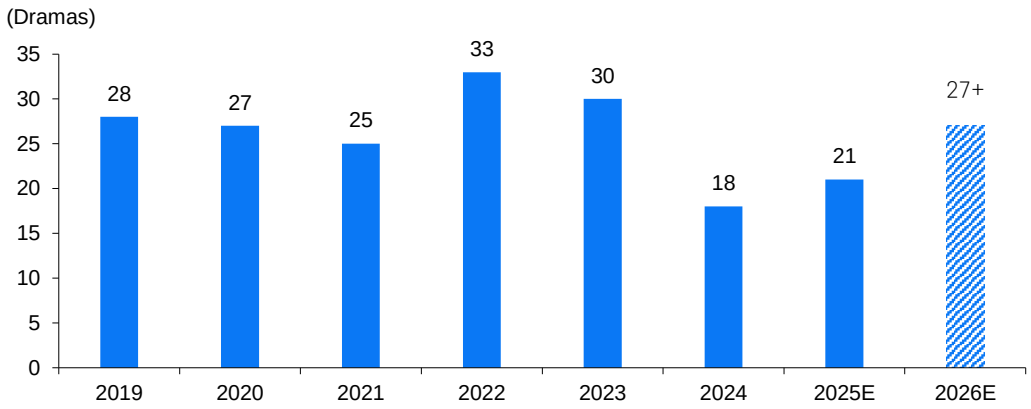
SUMMARY FINANCIAL DATA

	2024	2025E	2026E	2027E
Revenue (KRWb)	550	538	664	736
Operating profit (KRWb)	36	27	53	62
Net profit (adj) (KRWb)	33	20	43	49
EPS (adj) (KRW)	1,114	674	1,415	1,630
EPS (adj) growth (% y-y)	11.3	-39.5	110.1	15.2
EBITDA margin (%)	33.3	33.6	31.9	31.0
ROE (%)	4.6	2.7	5.6	6.1
P/E (adj) (x)	38.6	63.5	32.9	28.6
P/B (x)	1.7	1.8	1.8	1.7
EV/EBITDA (x)	6.1	6.3	5.9	5.5
Dividend yield (%)	0.0	0.0	0.0	0.0

Source: Company data, Samsung Securities estimates

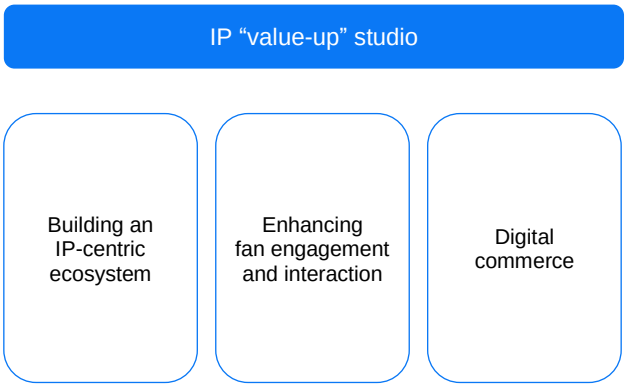
Transitioning to an IP "value-up" studio: In 2026, Studio Dragon plans to accelerate expansion of its IP business. Beyond traditional content production, it is targeting longer-term IP monetization across four areas: branded commerce; digital content (including YouTube and short-form video); merchandise based on existing IP; and human IP development (*eg*, talent discovery). The company aims to lift the IP portion of revenue from 3% to 30%. We are bullish on this shift from a content-centric model to a long-tail business model and, if executed successfully, it should emerge as a new driver of long-term growth. We maintain our target price at KRW55,000 (based on 7.5x forward EV/EBITDA, a 10% discount to the three-year average).

Dramas delivered (annual)



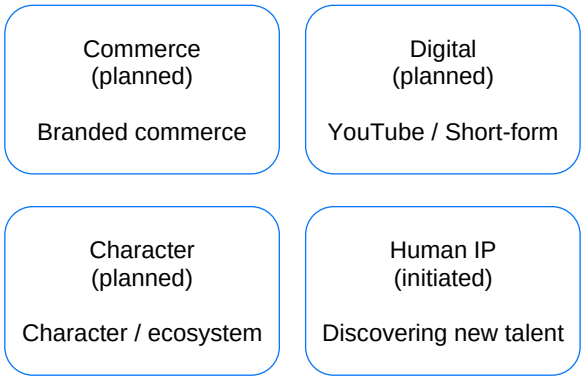
Source: Company data, Samsung Securities

Goal: Becoming an IP "value-up" studio



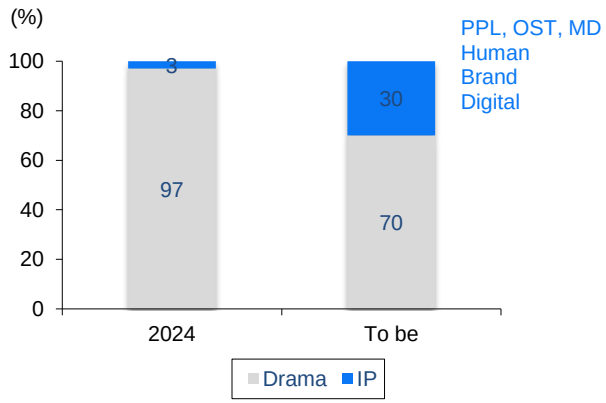
Source: Company data, Samsung Securities

Longer-term IP monetization across four areas



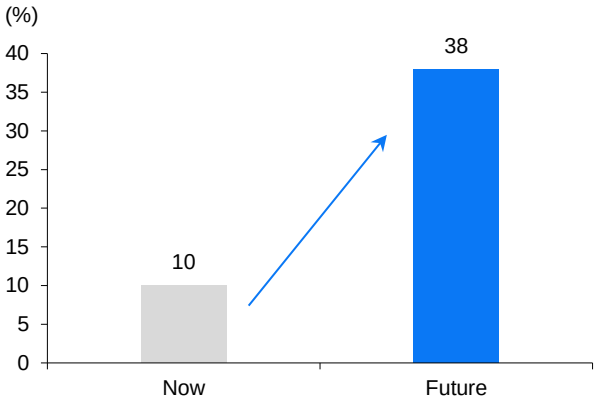
Source: Company data, Samsung Securities

Long-term revenue mix target



Source: Company data, Samsung Securities

IP share of operating profit: Long-term target



Source: Company data, Samsung Securities

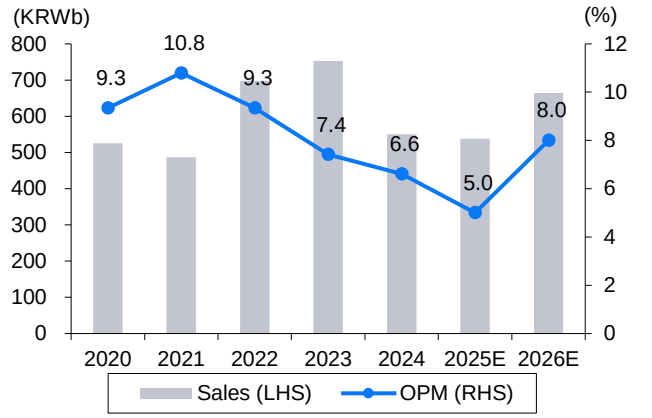
Drama lineup (from 2025)

Year	No.	Channel	Title	Air dates	Episodes	Writers	Director	Days
2025	1	tvN	When the Stars Gossip	Jan 4-Feb 23	16	Seo Sookhyang	Park Shinwoos	Sat, Sun
	2		The Queen Who Crowns	Jan 6-Feb 11	12+2	Lee Youngmi	Kim Sangho	Mon, Tue
	3		My Dearest Nemesis	Feb 17- Apr 8	16	Kim Sooyeon	Lee Suhyeon	Mon, Tue
	4		Second Shot at Love	May 12-Jun 17	12	Myeong Soohyeon	Jang Yujung	Mon, Tue
	5		Our Unwritten Seoul	May 24-Jun 29	12	Lee Kang	Park Shinwoo	Sat, Sun
	6		Gyeon U and Fairy	Jun 23-Jul 29	12	Yang Jihoon	Kim Yongwan	Mon, Tue
	7		First, for Love	Aug 4-Sep 9	12	Yang Heesun	Yoo Jaewon	Mon., Tue
	8		The Tyrant's Chef	Aug 16-Sep 21	12	Hapjak	Jang Taeyu	Sat, Sun
	9		New President Project	Sep 15-Oct 21	12	Ban Giri	Sin Gyeongsoo	Mon, Tue
	10		Typhoon Boss	Oct 11-Nov 30	16	Jang Hyunsook	Lee Najung	Sat, Sun
	11		Mean Love	Nov 3-Dec 23	16	Jung Yeorang	Kim Garam	Mon, Tue
	12		Pro Bono	Dec 6-Nov 11, 2026	12	Moon Yuseok	Kim Sungyoon	Sat, Sun
	13	Tving	Study Group (Amazon Prime)	Jan 23-Feb 20	10	Um Seonho	Lee Janghoon	
	14		Dear X (Supply in 4Q25)	Nov 6	12	Choi Jaewon	Lee Eungbok	
	15	Netflix	Dear Hongrang (Supply over 4Q24-1Q25)	May 16	11	Kim Jin-a	Kim Hongsun	
	16		Genie, Make a Wish (Supply over 2Q25-3Q25)	Oct 3	13	Kim Eunsook	Lee Byeonghun	
	17		The Price of Confession (Supply in 3Q25)	Dec 5	12	Kwon Jongkwan	Lee Junghyo	
	18		Soul mate (made by Gtist, 4Q25)	2026	8		(Japanese drama)	
	19	Disney+	The Manipulated (Supply in 3Q25)	Nov 5-Dec 3	12	Oh Sangho	Park Shinwoo	
	20	Amazon	Marry My Husband (JPN) (Supply over 2Q25-3Q25)	Jun 27-Jul 25	10		(Japanese drama)	
	21	TBS	Hatsukoi Dogs (Calculated in 4Q25)	Jul 1-Sep 2	10		(Japanese drama)	Tue
2026~	1	tvN	Miss Undercover Boss	Jan 17-Mar 8	16	Moon Hyunkyung	Park Seonho	Sat, Sun
	2		Siren;s Kiss	Feb 16-Mar 24	12	Leeyoung	Kim Chulgyu	Mon, Tue
	3		I'll Give You the Universe	Feb 2026	12	Soojin	Lee Hyunseok	Wed, Thu
	4		How to Become a Building Owner in Korea	1H26	12	O Hangi	Lim Philsung	Sat, Sun
	5		Secret Gratitude	1H26	12	Yeo Eunho	Lee Soohyun	Sat, Sun
	6		Let's Go to Work Tomorrow	1H26	12	Kim Kyoungmin	Jo Eunsol	Mon, Tue
	7		The Second Signal	2026	8	Kim Eunhi	Ahn Taejin	Sat, Sun
	8		Favorite Employee	2026	12		Park Jihyeon	
	9		Asura Balbalta	2026	12	Ahn Areum	Jung Jeehyun	
	10		100 Days of Lies	2026	16	Ryu Bori	Yu Insik	Sat, Sun
	11		Four Hands	2026	12	Sin Yiwon	Park Hyeonsuk	Sat, Sun
	12		Men of the Harem	2026	16	Hwang Jinyoung	Lee Eungbok	Sat, Sun
	13		Gift	2026			Kim Gyutae	
	14	Tving	Yumi's Cells Season 3	1H26	8	Song Jaejung	Lee Sangyeob	
	15		Becoming a Cooking Soldier Legend	1H26	12	Choi Ryong	Cho Namhyung	
	16		Substitute College Entrance Exam	2026		Choi Hyesoo	Park Soyeon	
	17		Study Group S2	TBD		Um Seonho	Lee Janghoon	
	18	Netflix	Slowly and Intensely	2026	22	No Heekyung	Lee Yunjung	
	19		True Lessons (made by Gtist)	2026		Lee Namkyu	Hong Jongchan	
	20		Notes frm the Last Row (made by Gtist)	2026	6	Jang Myeongwoo	Kim Kyutae	
	21		Grand Mother	TBD			Han dongwook	
	22	Disney+	Gold Land	Apr 2026		Hwang Joyoon	Kim Seonghoon	
	23	KBS2	Dear Bandit	Jan 3-Feb 22	16	Lee Sun	Han Youngirl	Wed, Thu
	24	SBS	Doctor X	1H26	16	Pyeon Sungeun	Lee Jungrim	Fri, Sat
	25		Wicked World (made by Gill Pictures)	1H26	14	Kang Hyeonjoo	Han Taeseob	Fri, Sat
	26	MBC	Fifties Professionals	May 2026	10	Jang Wonseob	Han Donghwa	Fri, Sat
	27	TBD	The Congressman Sends My Condolences	TBD				
	28		Soul	TBD		Park Jieun	Kim Wonseok	

Note: Titles highlighted in green are streamed through Netflix, light blue Tving, and orange Disney+, yellow Amazon Prime

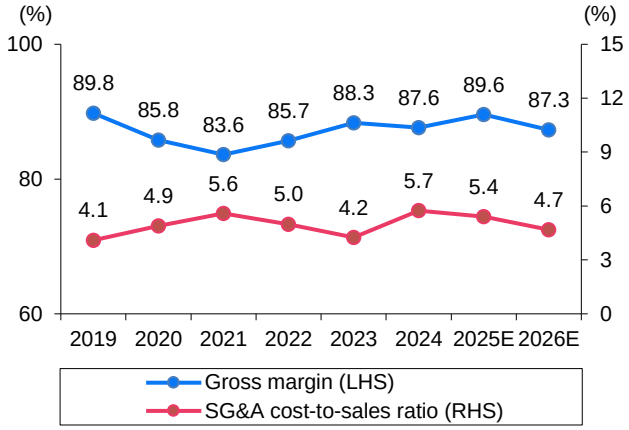
Source: Company data, Samsung Securities

Yearly sales and operating margin



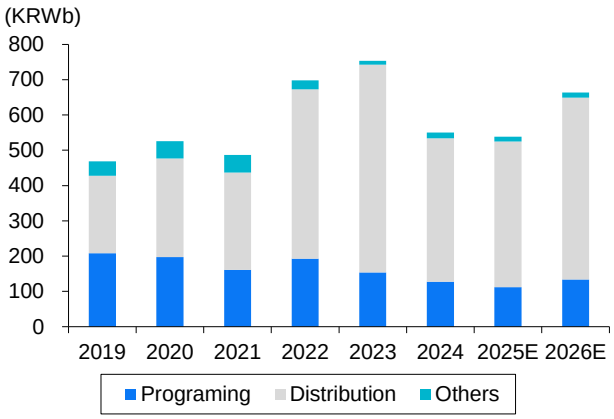
Source: Company data, Samsung Securities

Gross margin vs SG&A cost-to-sales ratio



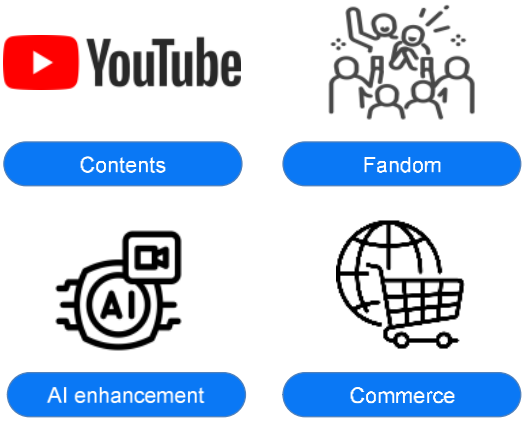
Source: Company data, Samsung Securities

Yearly sales, by division



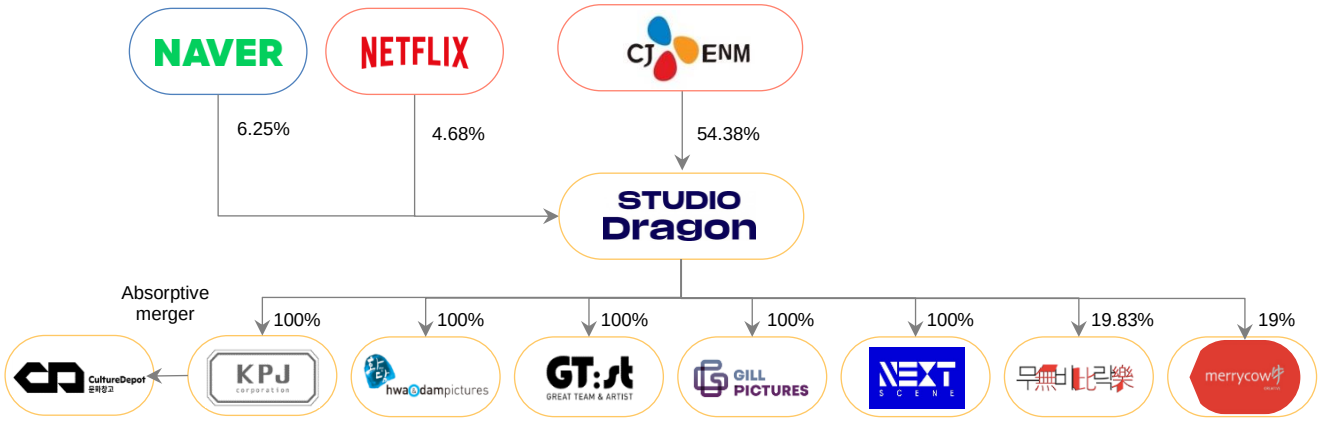
Source: Company data, Samsung Securities

New business outlook



Source: Company data, Samsung Securities

Ownership structure



Note: As of 3Q25; KPJ merged with Culture Depot in 3Q25
Source: Company data, Samsung Securities

Results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	1Q26E	2Q26E	3Q26E	4Q26E	2023	2024	2025E	2026E
Sales	**192.1**	**137.1**	**90.3**	**130.6**	**133.8**	**114.5**	**136.5**	**153.4**	**147.7**	**151.9**	**179.7**	**184.7**	**753.1**	**550.1**	**538.2**	**664.0**
Programing	47.3	30.7	21.6	27.6	33.2	17.3	27.6	33.6	33.6	27.8	34.0	38.8	154.1	127.2	111.8	134.2
Distribution	141.3	102.5	64.4	98.3	98.2	92.4	105.9	116.2	110.6	120.3	142.1	142.2	588.9	406.5	412.8	515.1
Other	3.5	3.9	4.3	4.6	2.3	4.7	3.0	3.6	3.5	3.8	3.6	3.8	10.1	16.4	13.6	14.7
Gross profit	**28.7**	**18.1**	**5.9**	**15.3**	**11.4**	**3.8**	**17.1**	**23.8**	**16.9**	**22.9**	**24.9**	**19.6**	**87.9**	**68.0**	**56.1**	**84.3**
SG&A	7.2	7.7	6.8	9.9	7.1	6.7	6.7	8.7	7.4	7.3	7.4	9.0	32.0	31.6	29.1	31.1
Operating profit	21.5	10.5	-0.9	5.4	4.3	-2.9	10.5	15.1	9.5	15.6	17.4	10.6	55.9	36.4	26.9	53.2
Non-operating profit	5.7	2.7	-3.1	-13.4	1.8	-3.5	1.3	1.4	0.7	-0.3	1.4	-0.1	-18.7	-8.2	1.0	1.6
Pre-tax profit	27.2	13.2	-4.1	-8.1	6.1	-6.4	11.8	16.5	10.2	15.3	18.8	10.5	37.2	28.2	28.0	54.7
Net profit (controlling)	**20.2**	**8.2**	**-6.1**	**11.3**	**2.4**	**-3.7**	**8.9**	**12.7**	**7.9**	**11.9**	**14.6**	**8.2**	**30.1**	**33.5**	**20.3**	**42.5**
Gross margin	14.9	13.2	6.5	11.7	8.5	3.3	12.5	15.5	11.5	15.1	13.8	10.6	11.7	12.4	10.4	12.7
Operating margin	11.2	7.6	-1.0	4.1	3.2	-2.5	7.7	9.8	6.4	10.3	9.7	5.7	7.4	6.6	5.0	8.0
Net margin (controlling)	10.5	5.9	-6.8	8.6	1.8	-3.3	6.5	8.3	5.3	7.8	8.1	4.4	4.0	6.1	3.8	6.4
Chg (% y-y)																
Sales	**-9.0**	**-16.1**	**-58.5**	**-19.0**	**-30.3**	**-16.5**	**51.1**	**17.5**	**10.4**	**32.7**	**31.6**	**20.4**	**7.9**	**-27.0**	**-2.2**	**23.4**
Programing	9.5	-27.6	-38.4	-17.2	-29.7	-43.6	28.0	21.5	1.0	60.4	23.1	15.5	-20.0	-17.4	-12.1	20.0
Distribution	-14.7	-13.8	-64.2	-20.9	-30.5	-9.8	64.4	18.2	12.6	30.2	34.1	22.3	22.6	-31.0	1.6	24.8
Other	50.7	85.4	85.8	36.4	-33.3	20.9	-31.7	-22.5	51.6	-19.2	21.8	4.8	-59.7	61.2	-16.9	8.1
Gross profit	**-7.0**	**-24.2**	**-79.5**	**253.4**	**-60.3**	**-79.2**	**190.0**	**55.8**	**48.6**	**506.1**	**45.2**	**-17.5**	**-12.1**	**-22.6**	**-17.5**	**50.3**
SG&A	-22.5	0.3	-1.5	21.3	-0.5	-12.8	-2.7	-12.4	4.4	8.4	11.5	3.7	-8.0	-1.3	-7.7	6.7
Operating profit	**-0.4**	**-35.7**	**nm**	**nm**	**-80.1**	**nm**	**nm**	**182.2**	**122.2**	**nm**	**66.6**	**-29.8**	**-14.3**	**-34.9**	**-26.0**	**97.5**
Non-operating profit	1,078.1	nm	nm	nm	-68.2	nm	nm	nm	-63.5	nm	4.5	nm	nm	nm	nm	52.5
Pre-tax profit	23.2	-16.8	nm	nm	-77.6	nm	nm	nm	67.0	nm	59.8	-36.5	-36.5	-24.2	-0.9	95.9
Net profit (controlling)	**9.8**	**-20.0**	**nm**	**nm**	**-88.3**	**nm**	**nm**	**12.8**	**233.5**	**nm**	**64.0**	**-35.8**	**-40.5**	**11.3**	**-39.5**	**110.1**
Gross margin	0.3	-1.4	-6.7	9.0	-6.4	-9.9	6.0	3.8	2.9	11.8	1.3	-4.9	-2.7	0.7	-1.9	2.3
Operating margin	1.0	-2.3	-11.1	6.5	-8.0	-10.2	8.7	5.7	3.2	12.8	2.0	-4.1	-1.9	-0.8	-1.6	3.0
Net margin (controlling)	1.8	-0.3	-15.1	19.0	-8.7	-9.2	13.3	-0.3	3.6	11.1	1.6	-3.9	-3.3	2.1	-2.3	2.6

Source: Company data, Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**753**	**550**	**538**	**664**	**736**
Cost of goods sold	665	482	482	580	641
Gross profit	**88**	**68**	**56**	**84**	**95**
Gross margin (%)	11.7	12.4	10.4	12.7	12.9
SG&A expenses	32	32	29	31	33
Operating profit	**56**	**36**	**27**	**53**	**62**
Operating margin (%)	7.4	6.6	5.0	8.0	8.4
Non-operating gains (losses)	**-19**	**-8**	**1**	**2**	**2**
Financial profit	15	20	9	8	8
Financial costs	18	8	6	4	4
Equity-method gains (losses)	0	0	0	0	0
Other	-16	-20	-2	-2	-2
Pre-tax profit	**37**	**28**	**28**	**55**	**63**
Taxes	7	-5	8	12	14
Effective tax rate (%)	19.2	-18.7	27.6	22.3	22.3
Profit from continuing operations	30	33	20	43	49
Profit from discontinued operations	0	0	0	0	0
Net profit	**30**	**33**	**20**	**43**	**49**
Net margin (%)	4.0	6.1	3.8	6.4	6.7
Net profit (controlling interests)	30	33	20	43	49
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	242	183	181	212	228
EBITDA margin (%)	32.1	33.3	33.6	31.9	31.0
EPS (parent-based) (KRW)	1,001	1,114	674	1,415	1,630
EPS (consolidated) (KRW)	1,001	1,114	674	1,415	1,630
Adjusted EPS (KRW)*	1,001	1,114	674	1,415	1,630

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**405**	**394**	**319**	**344**	**332**
Cash & equivalents	158	178	146	153	150
Accounts receivable	149	101	84	92	88
Inventories	0	0	0	0	0
Other current assets	97	115	89	99	94
Fixed assets	**688**	**532**	**557**	**598**	**652**
Investment assets	175	156	159	165	170
Tangible assets	12	12	9	8	6
Intangible assets	359	205	240	282	326
Other long-term assets	141	159	148	144	149
Total assets	**1,092**	**926**	**876**	**942**	**984**
Current liabilities	**368**	**169**	**126**	**148**	**140**
Accounts payable	11	5	7	8	10
Short-term debt	170	2	2	2	2
Other current liabilities	187	163	118	138	128
Long-term liabilities	**16**	**16**	**15**	**18**	**19**
Bonds & long-term debt	0	0	0	0	0
Other long-term liabilities	16	16	15	18	19
Total liabilities	**384**	**186**	**142**	**166**	**158**
Owners of parent equity	**708**	**740**	**734**	**776**	**825**
Capital stock	15	15	15	15	15
Capital surplus	473	473	473	473	473
Retained earnings	242	275	295	338	387
Other	-23	-24	-49	-49	-49
Non-controlling interests' equity	**0**	**0**	**0**	**0**	**0**
Total equity	**708**	**740**	**734**	**776**	**825**
Net debt	23	-169	-138	-145	-142

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**45**	**180**	**165**	**202**	**211**
Net profit	30	33	20	43	49
Non-cash profit and expenses	216	159	156	165	175
Depreciation	3	4	2	2	1
Amortization	183	143	152	157	165
Other	30	12	2	7	9
Changes in A/L from operating activities	-179	4	-4	6	1
Cash flow from investments	**-1**	**10**	**-169**	**-189**	**-209**
Change in tangible assets	-3	-1	0	0	0
Change in financial assets	-4	0	1	-1	0
Other	6	11	-170	-189	-209
Cash flow from financing	**-9**	**-175**	**-2**	**-0**	**-0**
Change in debt	-1	-172	-2	0	0
Change in equity	0	0	0	0	0
Dividends	0	0	0	0	0
Other	-8	-3	-0	-0	-0
Change in cash	35	20	-32	7	-3
Cash at beginning of year	124	158	178	146	153
Cash at end of year	158	178	146	153	150
Gross cash flow	**246**	**192**	**176**	**208**	**224**
Free cash flow	**42**	**178**	**165**	**202**	**211**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	7.9	-27.0	-2.2	23.4	10.8
Operating profit	-14.3	-34.9	-26.0	97.5	15.7
Net profit	-40.5	11.3	-39.5	110.1	15.2
Adjusted EPS**	-40.6	11.3	-39.5	110.1	15.2
Per-share data (KRW)					
EPS (parent-based)	1,001	1,114	674	1,415	1,630
EPS (consolidated)	1,001	1,114	674	1,415	1,630
Adjusted EPS**	1,001	1,114	674	1,415	1,630
BVPS	23,546	24,606	24,416	25,832	27,462
DPS (common)	0	0	0	0	0
Valuations (x)					
P/E***	51.5	38.6	63.5	32.9	28.6
P/B***	2.2	1.7	1.8	1.8	1.7
EV/EBITDA	6.5	6.1	6.3	5.9	5.5
Ratios (%)					
ROE	4.4	4.6	2.7	5.6	6.1
ROA	2.8	3.3	2.2	4.7	5.1
ROIC	8.5	9.7	5.1	9.9	10.5
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	3.3	-22.8	-18.8	-18.7	-17.2
Interest coverage (x)	6.4	7.8	64.6	142.7	165.2

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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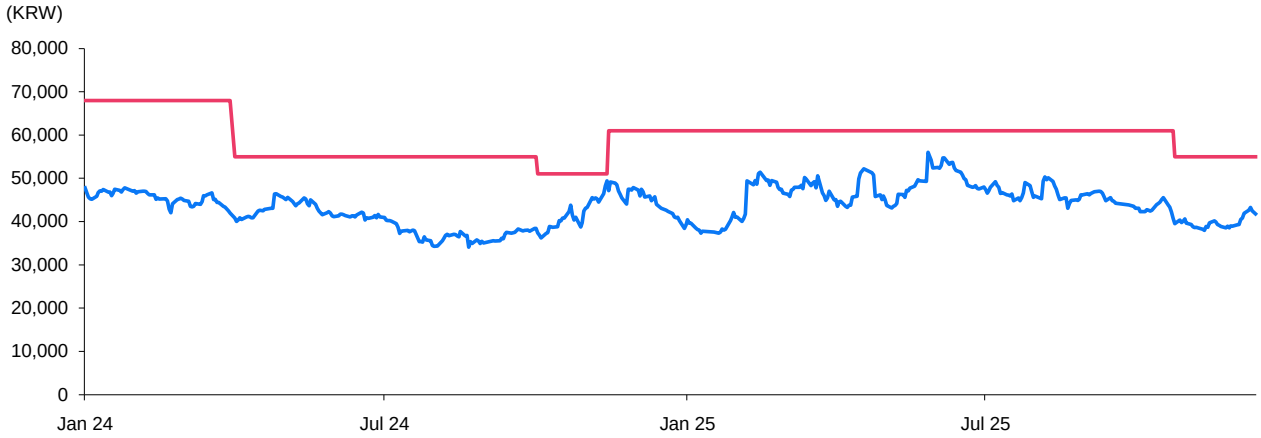
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2023/8/11	2024/1/8	4/15	10/16	11/28	2025/11/7
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	74000	68000	55000	51000	61000	55000
Gap* (average)	-30.14	-32.59	-27.80	-18.23	-24.45	
(max or min)**	-22.57	-24.71	-15.55	-3.14	-8.20	

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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Company

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Industry

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* 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 2025.12.31

BUY(83.5%)·HOLD(16.5%)·SELL(0%)

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