SECTOR UPDATE

2026. 1. 19

Finance/Consumer Goods Team

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▶ AT A GLANCE

Youngone Corporation (111770 KS, 84,500)		
Target price	KRW117,000	38.5%
BUY		
HANSAE (105630 KS, 14,040)		
Target price	KRW17,000	21.1%
BUY		
HWASEUNG ENTERPRISE (241590 KS, 4,945)		
Target price	KRW5,600	13.2%
HOLD		

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Apparel (OVERWEIGHT)

K-shaped order recovery drives divergent OEM earnings

- We believe Korean apparel OEMs saw across-the-board order volume growth in 4Q, supported by stronger-than-expected US apparel retail sales and low inventory levels.
- Premium brands should lead growth, as consumption is rebounding most strongly among high-income earners, who continue to outspend other income groups.
- OEM earnings should diverge by company, reflecting differences in customer portfolios. Youngone Corporation remains our top pick.

WHAT'S THE STORY?

OEMs—Orders rebound on resilient US apparel demand, restocking: We believe Korean apparel OEMs saw a rise in order volumes in 4Q, driven by: 1) stronger-than-forecast US apparel retail sales; and 2) low inventory levels. US apparel retail sales growth from July to October remained robust at 5-9% y-y, a trend that likely extended into November and December. Online retail sales rose 9.1% y-y on Black Friday (Nov 28) and 7.1% y-y on Cyber Monday, with apparel sales up 5.2% y-y on Cyber Monday. Meanwhile, US wholesale apparel inventory levels have fallen to their lowest level since they peaked in 2H22, raising the likelihood of inventory restocking. Consistent with this, Taiwanese OEMs reported q-q improvement in monthly sales growth in 4Q25, and Korean OEMs likely experienced similar momentum.

K-shaped order recovery; premium brands driving growth: While overall apparel retail sales remain healthy, demand is particularly strong for premium brands. This reflects the resilience of high-income US consumers, whose spending continues to outpace that of other income groups. Since 2020, average annual spending growth for the top 20% of US earners has been around 7%, compared with 5-6% for other income brackets. In 2Q25, the top 10% accounted for 49% of total consumer spending, up from 43% in 2020. This polarization is evident in brand performance: low-end casual brands such as Target and Kohl's are posting low single-digit or negative growth, while higher-end casual brands, including Aritzia and Polo, are delivering double-digit growth. A similar pattern holds in sportswear, where premium brands such as Lululemon and Amer Sports are outperforming. We expect order recovery to continue in this K-shaped pattern.

(Continued on the next page)

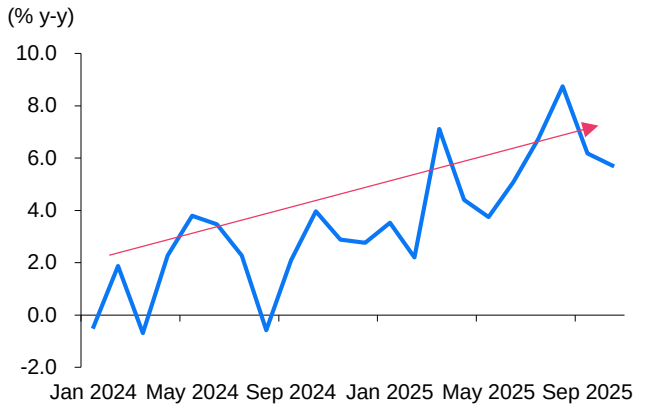
OEM performance to vary by customer mix: Among our coverage, Youngone Corporation remains our top pick. We estimate its 4Q25 sales at KRW966.2b (up 14% y-y) and a y-y turn to an operating profit of KRW65.8b. Strong OEM order growth driven by premium brand customers, together with narrowing losses at Scott, should underpin company-wide profit improvement. Hansae also warrants attention, given stronger-than-expected US apparel retail sales. Considering the strong correlation between US consumer spending and Hansae's operating performance (given the firm's high exposure to US sales), order growth should benefit from the recovery in US consumption. Meanwhile, we also anticipate profit improvement from 2H as the Guatemala factory comes online. In contrast, Hwaseung Enterprise is likely to continue facing weak orders amid Adidas's conservative inventory management. A turnaround likely depends on Adidas normalizing its inventory policy.

OEMs—Orders rebound on resilient US apparel demand, restocking

We believe Korean apparel OEMs saw a rise in order volumes in 4Q, driven by: 1) stronger-than-forecast US apparel retail sales; and 2) low inventory levels. US apparel retail sales growth from July to October remained robust at 5-9% y-y, a trend that likely extended into the key winter shopping season in November and December, given that: 1) online retail sales rose 9.1% y-y on Black Friday (Nov 28) and 7.1% y-y on Cyber Monday; and 2) apparel climbed 5.2% y-y on Cyber Monday.

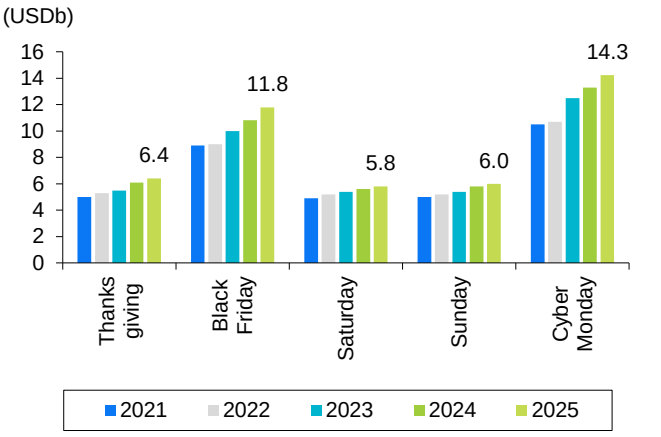
Meanwhile, US wholesale apparel inventory levels have fallen to their lowest level since they peaked in 2H22, and the pace of y-y inventory declines has slowed. This suggests that OEMs are likely to see order rise as clients look to restock. Consistent with this, Taiwanese OEMs reported q-q improvement in monthly sales growth in 4Q25, and Korean OEMs likely experienced similar momentum

US: Monthly apparel sales growth



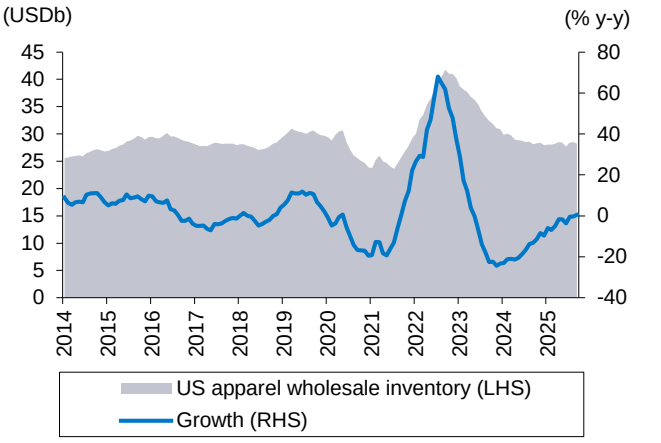
Source: Bloomberg, Samsung Securities

US: Thanksgiving online shopping sales



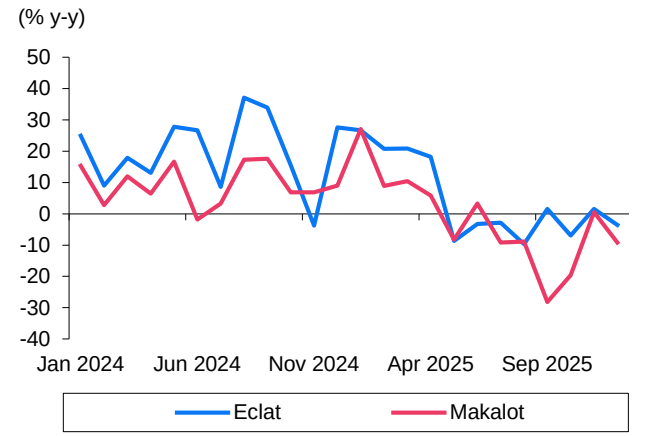
Source: Adobe Analytics, Samsung Securities

US: Apparel wholesale inventory



Source: Bloomberg, Samsung Securities

Taiwanese OEMs: Monthly sales growth



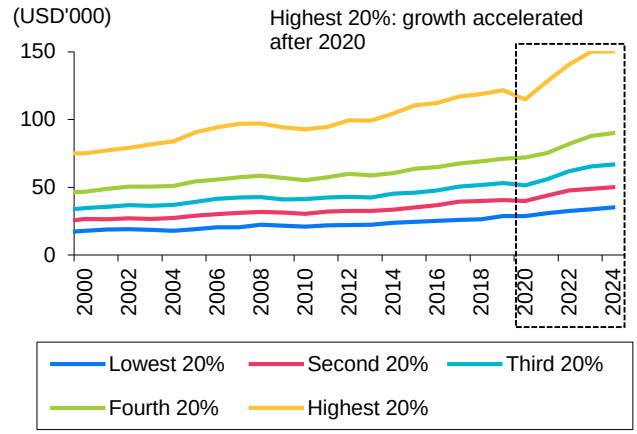
Source: Company data, Samsung Securities

K-shaped order recovery; premium brands driving growth

While overall apparel retail sales remain healthy, demand is particularly strong for premium brands. This reflects the resilience of high-income US consumers, whose spending continues to outpace that of other income groups. Since 2020, average annual spending growth for the top 20% of US earners has been around 7%, compared with 5-6% for other income brackets. In 2Q25, the top 10% accounted for 49% of total consumer spending, up from 43% in 2020 and the highest share since 1990.

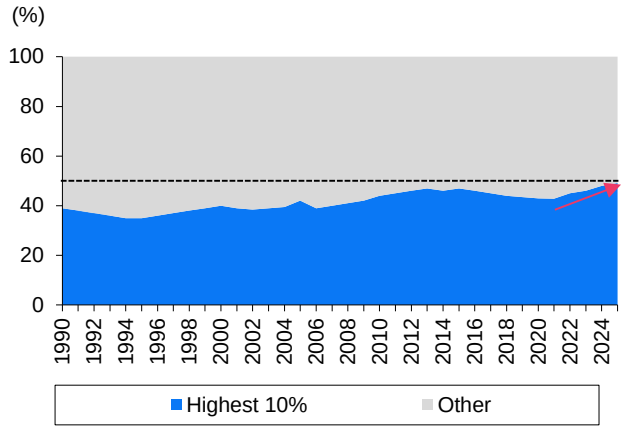
High-income consumers should serve as a key factor supporting relatively resilient demand for premium brands. This polarization is evident in brand performance. In casual apparel, low-end brands such as Target, Kohl's, and GAP continue to post negative or low single-digit sales growth, while higher-end casual brands including Aritzia and Polo are delivering double-digit growth. A similar pattern holds in sportswear. while global brands are generally maintaining positive growth, premium players such as Lululemon and Amer Sports are enjoying steeper growth trajectories. Against this backdrop, we expect future order recovery to remain K-shaped, with premium brands leading.

Average annual consumption, by income group



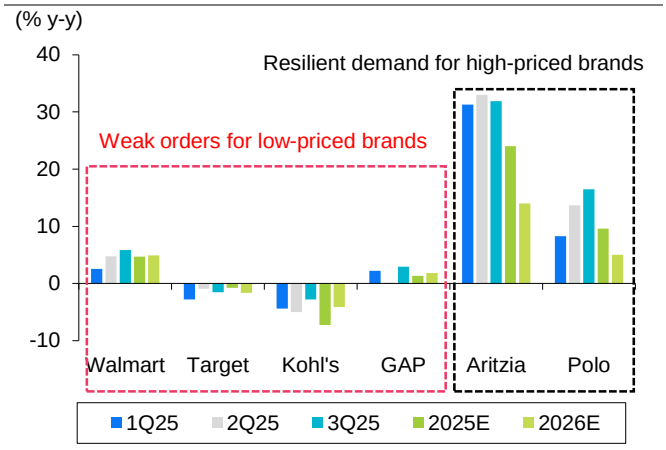
Source: US Bureau of Labor Statistics, Samsung Securities

Top-10% of earners' share of total retail sales



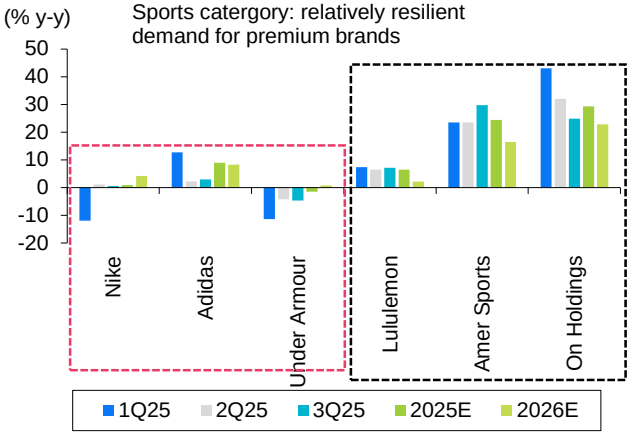
Source: Moody's Analytics, Samsung Securities

Casual brands: Sales growth



Source: Bloomberg, Samsung Securities

Sports brands: Sales growth



Source: Bloomberg, Samsung Securities

OEM performance to vary by customer mix

Korean OEMs should report improved 4Q earnings compared to 1H25, though the magnitude of recovery should vary by company, depending on customer portfolio characteristics. Among our coverage, Youngone Corporation is positioned to deliver the strongest OEM order growth, driven by robust performances at its key customers. We forecast 4Q sales of KRW966.2b (up 14% y-y and beating FnGuide consensus by 5%) and a y-y turn to an operating profit of KRW65.8b.

We expect Hansae to post 4Q25 sales of KRW450.8b (up 12% y-y, or up 8% y-y in USD terms) and operating profit of KRW19.5b (up 19% y-y), with sales beating consensus by 6% and operating profit by 38%. This should be supported by strong US apparel sales, driving: 1) a recovery in orders from major mass-market retailers; and 2) increased orders from higher-end brands such as Carhartt and Aeropostale, lifting both volumes and pricing. Operating leverage from volume recovery should underpin a return to positive profit growth, marking the first such increase in seven quarters.

By contrast, Hwaseung Enterprise is likely to report weak 4Q25 results, with sales of down 9% y-y to KRW443.3b and operating profit plunging 76% y-y to KRW9.3b, missing consensus by 2% and 33%, respectively. The weak performance reflects reduced orders from Adidas amid conservative inventory management; Adidas's inventory assets declined 5% y-y in 3Q25, limiting the scope for a near-term order rebound. A turnaround is more likely around 2Q26, coinciding with the FIFA World Cup, which will be held in North and Central America. However, a full recovery will depend on a shift in Adidas's inventory management strategy.

Apparel OEMs: 4Q preview and recommendations

(KRWb)		Target price	4Q25E sales	Chg (% y-y)	4Q25E operating profit	Chg (% y-y)	2025E sales	Chg (% y-y)	2025E operating profit	Chg (% y-y)	2025E P/E (x)	2025E P/B (x)
Youngone	BUY	117,000	966	14.1	66	nm	4,020	14.3	475	50.5	8.4	0.9
Hansae	BUY	17,000	451	11.6	19	19.3	1,936	7.7	89	-37.4	8.6	0.7
Hwaseung	HOLD	5,600	443	-8.9%	9	-76.4	1,609	0.0	32	-61.0	-	0.6

Source: Samsung Securities estimates

Global OEM peer valuations

(KRWb)	Market cap	P/E (x)		EPS growth (% y-y)		P/B (x)		ROE (%)		Dividend payout ratio (%)	
		2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E
Youngone	3,789	8.6	7.6	13.0	12.9	0.9	0.8	11.4	11.7	16.1	16.8
Hansae	550	9.7	8.1	(21.5)	19.8	0.7	0.7	7.0	8.9	35.8	30.8
Hwaseung	292	54.5	6.9	(84.7)	689.1	0.6	0.6	2.6	9.0	50.8	7.3
Korean average		**24.3**	**7.5**	**(31.1)**	**240.6**	**0.8**	**0.7**	**7.0**	**9.9**	**34.2**	**18.3**
Eclat	4,853	19.5	16.2	(18.8)	20.7	3.6	3.3	18.6	21.7	72.1	69.5
Makalot	3,383	20.7	18.2	(14.5)	14.0	5.3	4.9	24.7	27.7	93.9	87.6
ShenZhou	17,475	13.0	11.8	11.7	10.6	2.1	1.9	17.0	17.2	59.6	58.7
Bosideng	9,482	12.4	11.5	23.3	7.9	2.8	2.4	23.9	21.6	82.6	82.7
Yueyuan	4,891	9.4	8.7	(16.4)	7.1	0.7	0.7	8.1	8.3	68.9	68.9
Feng Tay	4,832	20.1	16.9	(12.7)	19.4	4.0	3.7	20.1	23.5	83.9	82.1
Global average		**15.8**	**13.9**	**(4.6)**	**13.3**	**3.1**	**2.8**	**18.8**	**20.0**	**76.9**	**74.9**

Note: As of Jan 10, 2026
Source: Bloomberg, Samsung Securities

COMPANY UPDATE

2026. 1. 19

Finance/Consumer Goods Team

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Youngone Corporation (111700)

Outdoor segment still strong, underpinning earnings improvement

- We believe Youngone Corp will report 4Q results showing sales of KRW966.2b (up 14% y-y) and an operating profit of KRW65.8b (beating FnGuide consensus slightly).
- With strong growth continuing among its key customers and Scott Sports' losses narrowing, Youngone Corp's earnings should head north.
- We maintain our BUY rating on the stock, with a 12-month target price of KRW117,000 (based on 10.5x 2026 P/E).

WHAT'S THE STORY?

4Q25 preview: We now believe Youngone Corp's 4Q sales came in at KRW966.2b (up 14% y-y) with a y-y turn to operating profit of KRW65.8b (beating FnGuide consensus by around 5%). The OEM unit likely posted sales of KRW637.4b (up 12%, or up 10% in US dollar terms) and an operating profit of KRW89.2b (up 26% y-y). The company has strong relationships with premium sports and outdoor brands that are enjoying solid demand. These brands delivered stable sales growth in 3Q (eg, sales up 7% y-y at Lululemon, up 30% y-y at Amer Sports, and up 6% y-y at The North Face), supporting continued order growth in 4Q. Meantime, the Scott Sports unit likely posted sales of KRW273.5b (up 18% y-y, 4% in franc terms) and an operating loss of KRW27.3b (to remain in the red y-y). Inventory of existing products was cleared smoothly, and we expect the operating loss to continue shrinking—Scott's inventory assets were KRW504b in 3Q25 down 20% y-y and 18% q-q.

Maintaining BUY rating and target price: We keep the stock at BUY and maintain our target price of KRW117,000 (based on 10.5x 2026 P/E, a 20% discount to its 2019 high of 13x, which reflected favorable market conditions for domestic OEMs arising from the US-China trade war). The firm is: 1) among the few OEMs seeing sustained double-digit order growth; and 2) trading at a 55% discount to global peers' average P/E of 17.2x. We expect this valuation gap to narrow over time.

AT A GLANCE

BUY

Target price	KRW117,000	38.5%
Current price	**KRW84,500**	
Market cap	KRW3.7t/USD2.5b	
Shares (float)	44,311,468 (45.3%)	
52-week high/low	KRW94,000/KRW40,400	
Avg daily trading value (60-day)	KRW6.5b/ USD4.4m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Youngone Corporation (%)	-3.5	40.1	107.1
Vs Kospi (%pts)	-20.3	-7.8	8.1

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	117,000	117,000	0.0%
2025E EPS	10,093	10,093	0.0%
2026E EPS	11,486	11,486	0.0%

SAMSUNG vs THE STREET

No of estimates	11
Target price	103,273
Recommendation	4.0

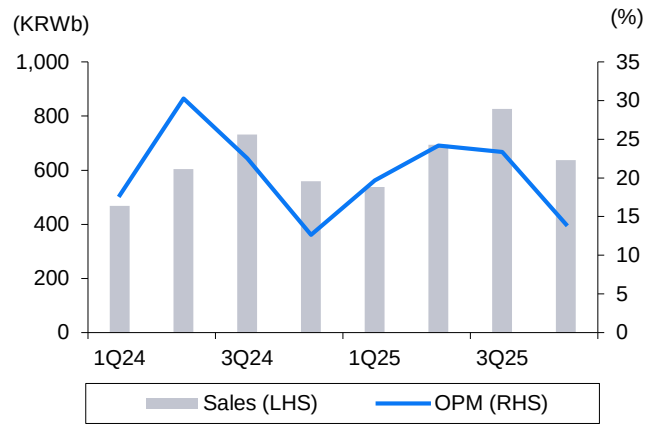
※ Rating: 4 < → BUY, 3 = HOLD, 2 > → SELL

Results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	1Q26E	2Q26E	3Q26E	4Q26E	2024	2025E	2026E
Sales	710	893	1,068	847	811	1,038	1,205	966	903	1,145	1,328	1,004	3,518	4,020	4,380
OEM	468	604	732	559	538	694	827	637	569	770	906	693	2,376	2,697	2,938
Scott	196	240	287	231	226	300	330	273	286	331	373	254	954	1,130	1,243
Other	46	49	50	57	47	43	48	55	48	45	50	57	201	194	200
Operating profit	71	166	105	(26)	82	146	181	66	98	172	216	92	316	475	579
OEM	83	183	165	71	106	168	193	89	111	181	217	101	502	556	610
Scott	(16)	(21)	(68)	(107)	(28)	(26)	(20)	(27)	(17)	(13)	(7)	(13)	(212)	(102)	(51)
Other	4	4	8	4	4	4	6	4	5	4	7	4	20	19	19
Margins (%)															
Operating margin	10.0	18.6	9.8	(3.1)	10.1	14.0	15.0	6.8	10.9	15.0	16.3	9.1	9.0	11.8	13.2
OEM	17.8	30.3	22.5	12.7	19.7	24.2	23.4	14.0	19.5	23.5	24.0	14.5	21.1	20.6	20.8
Scott	(8.2)	(8.7)	(23.8)	(46.4)	(12.4)	(8.8)	(6.1)	(10.0)	(6.0)	(4.0)	(2.0)	(5.0)	(22.3)	(9.0)	(4.1)
Other	8.6	8.6	15.9	7.6	9.4	9.9	13.1	7.0	9.4	9.9	13.1	7.0	10.1	9.7	9.7
Growth (% y-y)															
Sales	(15.6)	(11.4)	7.0	11.8	14.3	16.3	12.8	14.1	11.3	10.3	10.3	3.9	(2.4)	14.3	9.0
OEM	(5.1)	(5.3)	22.5	24.5	15.2	14.9	12.9	14.1	5.7	10.9	9.6	8.7	9.1	13.5	8.9
Scott	(35.4)	(28.5)	(17.0)	(10.6)	15.3	25.3	15.1	18.3	26.4	10.0	13.0	(7.2)	(23.2)	18.5	10.0
Other	4.4	42.5	(11.2)	13.7	1.6	(10.5)	(3.3)	(3.0)	3.0	3.0	3.0	3.0	9.2	(3.8)	3.0
Operating profit	(57.5)	(20.9)	(41.9)	nm	15.9	(12.5)	73.4	nm	19.5	18.1	19.5	39.6	(50.5)	50.5	21.8
OEM	(39.3)	(5.4)	2.6	3.2	27.4	(8.2)	17.2	26.2	4.8	7.7	12.5	12.6	(10.4)	10.9	9.6
Scott	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Other	28.5	1,255.5	8.5	(46.0)	10.7	2.6	(20.1)	(10.1)	3.0	3.0	3.0	3.0	9.1	(7.4)	3.0

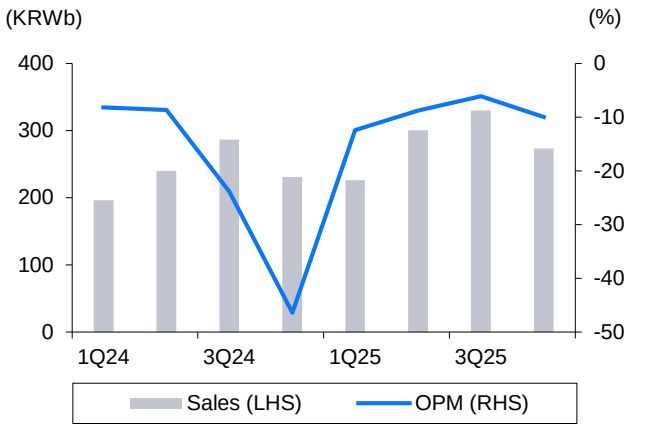
Source: Company data, Samsung Securities

OEM: Sales and operating margin



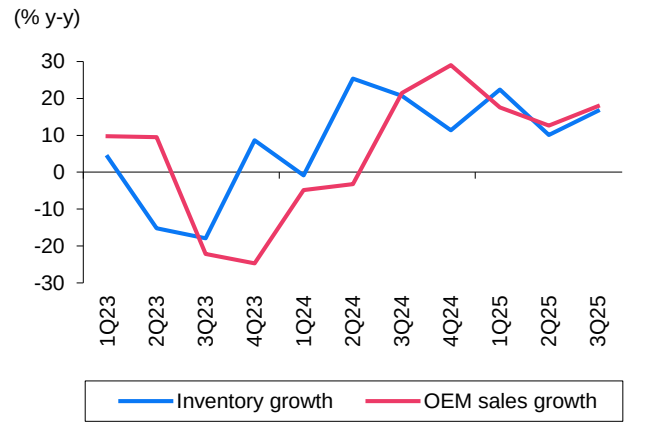
Source: Company data, Samsung Securities estimates

Scott: Sales and operating margin



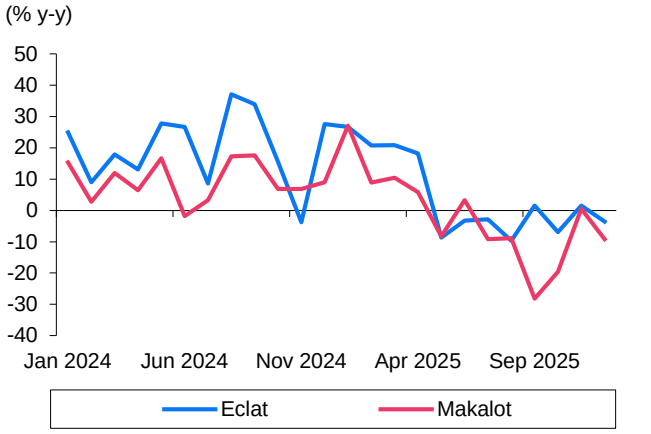
Source: Company data, Samsung Securities estimates

OEM: Inventory and sales growth



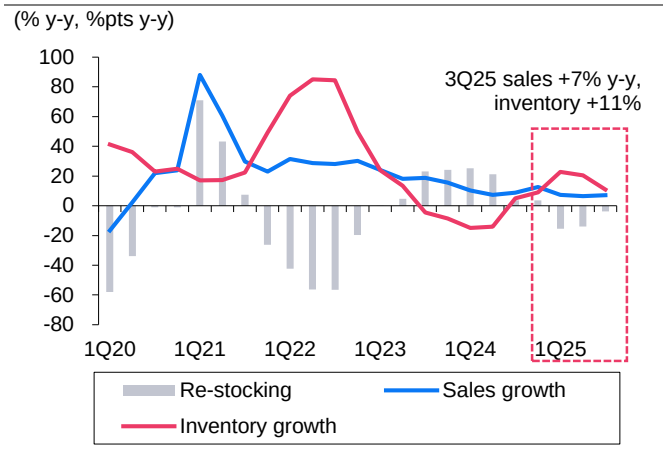
Source: Company data, Samsung Securities estimates

Eclat & Makalot: Monthly sales growth



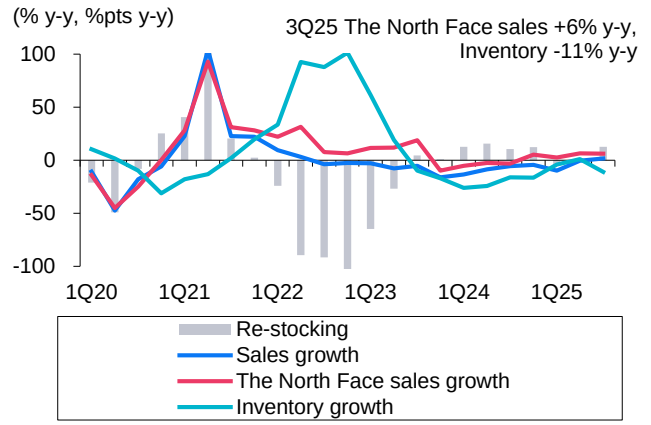
Source: Company data, Samsung Securities estimates

Lululemon: Sales, inventory, restocking



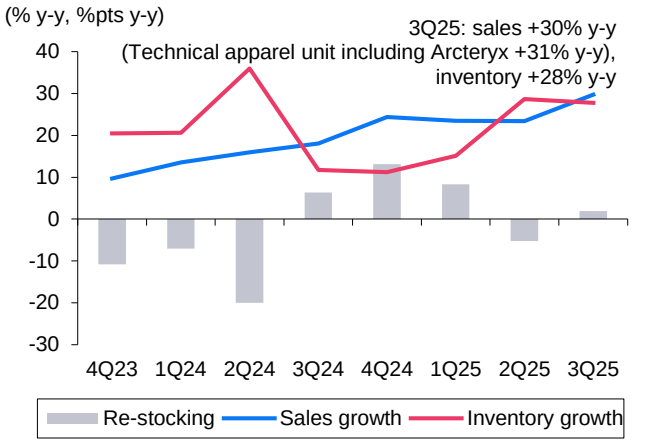
Note: Re-stocking = y-y sales growth – y-y inventory growth
Source: Bloomberg, Samsung Securities

VFC: Sales, inventory, restocking



Source: Bloomberg, Samsung Securities

Amer sports: Sales, inventory, restocking



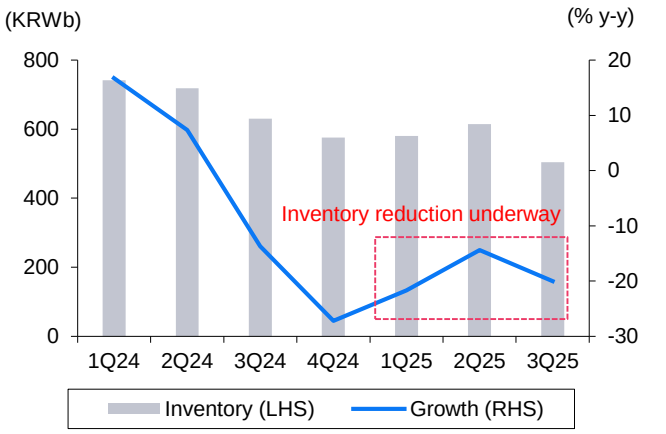
Source: Bloomberg, Samsung Securities

Brands: Guidance and comments

Brand	Comments
Lulu lemon	• 3Q25 sales growth +7%, beating consensus • US sales -2% y-y, but China sales +46% • 4Q25 sales guidance: USD3.5b-3.6b (growth: -3%~-1%) • 2025 sales growth guidance revised from 2-4% to 4-5%
VFC	• 3Q25 sales +2%; North Face sales +6%, Vans -9% • 3Q25 inventory -11%, expecting expansion on restocking demand • North Face sales in US +2%, turning around from negative growth in 1H25; EMEA +10%, APAC +7%
Amer Sports	• 3Q25 sales +30%, upward revision to guidance • 2025 sales guidance revised from 20-21% to 23-24%

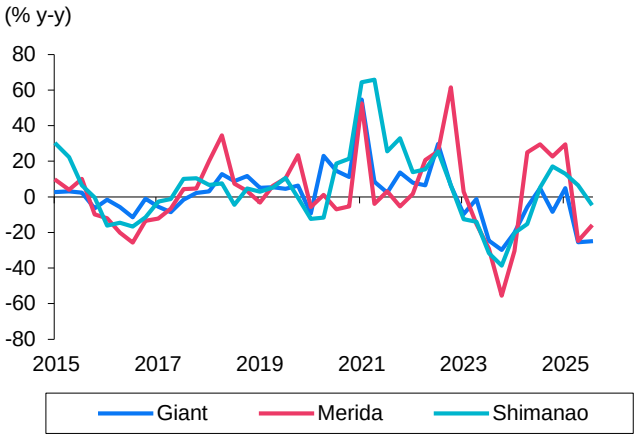
Source: Company data, Samsung Securities

Scott: Inventory



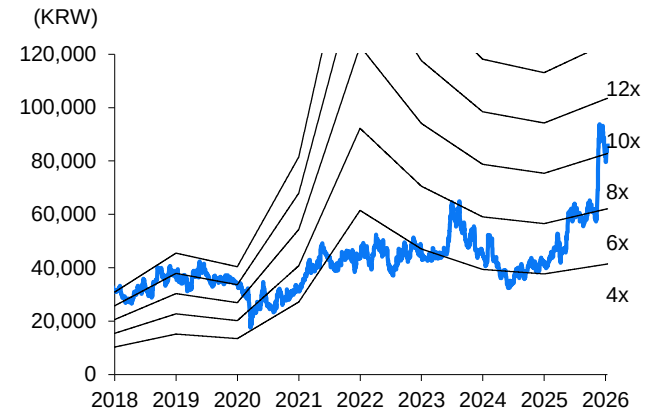
Source: Company data, Samsung Securities

Bike brands and OEMs: Sales growth



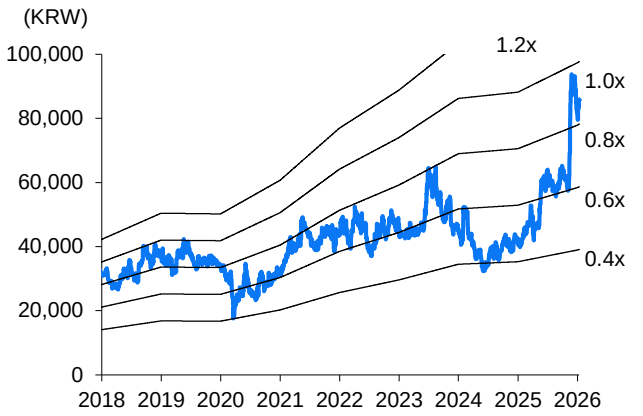
Source: Bloomberg, Samsung Securities

Youngone: Forward P/E band



Note: As of Jan 12, 2026
Source: Bloomberg, Samsung Securities

Youngone: Forward P/B band



Note: As of Jan 12, 2026
Source: Bloomberg, Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**1,214**	**1,610**	**1,609**	**1,726**	**1,912**
Cost of goods sold	1,050	1,388	1,430	1,517	1,670
Gross profit	**163**	**222**	**179**	**209**	**242**
Gross margin (%)	13.5	13.8	11.1	12.1	12.6
SG&A expenses	150	139	147	150	159
Operating profit	**13**	**83**	**32**	**59**	**83**
Operating margin (%)	1.1	5.1	2.0	3.4	4.4
Non-operating gains (losses)	**-32**	**-42**	**-38**	**-36**	**-34**
Financial profit	13	20	12	8	8
Financial costs	40	43	44	41	39
Equity-method gains (losses)	-0	0	0	0	0
Other	-5	-18	-6	-3	-3
Pre-tax profit	**-19**	**41**	**-5**	**23**	**49**
Taxes	7	6	3	4	8
Effective tax rate (%)	-35.6	15.8	-62.5	15.5	15.5
Profit from continuing operations	-25	34	-9	19	42
Profit from discontinued operations	0	0	0	0	0
Net profit	**-25**	**34**	**-9**	**19**	**42**
Net margin (%)	-2.1	2.1	-0.6	1.1	2.2
Net profit (controlling interests)	-26	33	-10	19	41
Net profit (non-controlling interests)	1	1	1	0	1
EBITDA	84	154	110	130	147
EBITDA margin (%)	6.9	9.6	6.8	7.5	7.7
EPS (parent-based) (KRW)	-434	546	-167	314	672
EPS (consolidated) (KRW)	-417	567	-147	321	687
Adjusted EPS (KRW)*	-434	546	-167	314	672

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**647**	**747**	**659**	**697**	**775**
Cash & equivalents	121	116	83	75	99
Accounts receivable	107	184	168	181	197
Inventories	263	282	257	278	302
Other current assets	155	165	151	163	177
Fixed assets	**714**	**791**	**713**	**673**	**610**
Investment assets	9	10	9	10	10
Tangible assets	565	614	553	516	455
Intangible assets	41	42	40	36	33
Other long-term assets	98	125	112	112	112
Total assets	**1,361**	**1,538**	**1,372**	**1,370**	**1,385**
Current liabilities	**719**	**900**	**836**	**816**	**790**
Accounts payable	145	228	207	224	244
Short-term debt	457	563	524	444	364
Other current liabilities	117	109	104	148	182
Long-term liabilities	**82**	**74**	**55**	**56**	**58**
Bonds & long-term debt	39	26	13	13	13
Other long-term liabilities	43	48	42	43	45
Total liabilities	**801**	**974**	**891**	**873**	**848**
Owners of parent equity	**514**	**524**	**472**	**489**	**527**
Capital stock	30	30	30	30	30
Capital surplus	169	129	120	120	120
Retained earnings	140	200	186	202	240
Other	174	165	137	137	137
Non-controlling interests' equity	**45**	**40**	**9**	**9**	**10**
Total equity	**559**	**564**	**481**	**498**	**537**
Net debt	376	485	467	429	349

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**59**	**81**	**82**	**73**	**85**
Net profit	-25	34	-9	19	42
Non-cash profit and expenses	115	125	119	103	99
Depreciation	67	68	74	67	61
Amortization	4	3	4	4	3
Other	44	53	42	33	35
Changes in A/L from operating activities	8	-42	3	-19	-22
Cash flow from investments	**-56**	**-41**	**-44**	**-36**	**-7**
Change in tangible assets	-45	-50	-47	-30	0
Change in financial assets	-3	10	8	-6	-7
Other	-8	-1	-4	0	-0
Cash flow from financing	**-67**	**-56**	**-67**	**-44**	**-54**
Change in debt	-60	93	-58	-39	-49
Change in equity	-1	-40	-9	0	0
Dividends	-3	-3	-3	-3	-3
Other	-3	-106	2	-2	-2
Change in cash	-62	-6	-33	-8	23
Cash at beginning of year	183	121	116	83	75
Cash at end of year	121	116	83	75	99
Gross cash flow	**90**	**159**	**110**	**123**	**140**
Free cash flow	**5**	**29**	**34**	**43**	**75**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	-26.6	32.6	-0.0	7.2	10.8
Operating profit	-75.5	537.0	-61.0	84.6	40.3
Net profit	nm	nm	nm	nm	114.0
Adjusted EPS**	nm	nm	nm	nm	114.0
Per-share data (KRW)					
EPS (parent-based)	-434	546	-167	314	672
EPS (consolidated)	-417	567	-147	321	687
Adjusted EPS**	-434	546	-167	314	672
BVPS	8,485	8,652	7,796	8,065	8,692
DPS (common)	45	45	45	45	45
Valuations (x)					
P/E***	n/a	15.8	n/a	15.8	7.4
P/B***	1.0	1.0	0.6	0.6	0.6
EV/EBITDA	11.1	6.8	7.1	5.7	4.5
Ratios (%)					
ROE	-5.0	6.4	-2.0	4.0	8.0
ROA	-1.8	2.4	-0.6	1.4	3.0
ROIC	1.8	7.0	5.2	5.4	7.8
Payout ratio	-10.4	8.2	-27.0	14.3	6.7
Dividend yield (common)	0.5	0.5	0.9	0.9	0.9
Net debt to equity	67.3	86.0	97.1	86.2	65.1
Interest coverage (x)	0.4	2.1	0.9	1.7	2.5

Note: *Excluding one-off items;
**Fully diluted, excluding one-off items;
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

COMPANY UPDATE

2026. 1. 19

Finance/Consumer Goods Team

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Research Center report database

Hansae (105630)

Starting point for earnings improvement

- Hansae should post 4Q sales of KRW450.8b (up 12% y-y) and operating profit of KRW19.5b (up 19% y-y), topping FnGuide consensus by 6% and 38%.
- The company stands to gain from solid retail apparel sales in the US. It also boasts a medium to long-term growth momentum thanks to the establishment of the Guatemala factory.
- We raise our target price for the stock to KRW17,000 (based on 10x P/E) and maintain our BUY rating.

WHAT'S THE STORY?

4Q operating profit to beat consensus substantially: Hansae should post 4Q sales of KRW450.8b (up 12% y-y or up 8% y-y in terms of dollar) and operating profit of KRW19.5b (up 19% y-y), topping FnGuide consensus by 6% and 38%. Based on strong US apparel retail sales, we expect improvement in both quantity (Q) and price (P) due to: 1) recovery in orders from major retailers (eg, Walmart, Target); and 2) increased orders from high-margin brands (eg, Carhartt, Aeropostale). Meanwhile, the operating profit growth outpacing sales growth is attributed to: 1) low base effect from 4Q24 (caused by IT factory downsizing and retirement benefits of approximately KRW2b); and 2) operating leverage from sales growth driving profit improvement.

Guatemala factory setup on track: Hansae's sales and profitability should improve simultaneously starting in 2H led by the commencement of the Guatemala factory. The onset should improve fabric manufacturing subsidiary Color & Touch's knitting and dyeing capacity by 19% and 27%, respectively (equivalent to 20% of the subsidiary's 2026 sales forecasts). Hansae's growth momentum should accelerate toward 2H given the key advantages of the Guatemala factory—1) low reciprocal tariffs (10%); 2) proximity to the US (enabling faster shipping and higher output); and 3) expectations for ASP hike from sportswear fabric production.

Raising target price and maintaining BUY: We raise our target price for the stock to KRW17,000 (based on a P/E of 10x, a 40% discount to peer average 2026 P/E of 17x to reflect lower ROE and dividend payout ratio, Bloomberg). We, however, maintain our BUY rating. The rationale for our target price increase is: 1) 2026 EPS revised up by 5% due to better-than-expected US apparel retail sales; and 2) expansion of our target multiple (from 8x to 10x).

AT A GLANCE

BUY

Target price	KRW17,000	21.1%
Current price	**KRW14,040**	
Market cap	KRW561.6b/USD381.11m	
Shares (float)	40,000,000 (32.8%)	
52-week high/low	KRW15,030/KRW9,090	
Avg daily trading value (60-day)	KRW2.4b/ USD1.7m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
HANSAE (%)	3.1	28.6	6.1
Vs Kospi (%pts)	-14.8	-15.4	-44.6

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	17,000	15,000	13.3%
2025E EPS	1,551	1,551	0.0%
2026E EPS	1,694	1,694	0.0%

SAMSUNG vs THE STREET

No of estimates	10
Target price	15,000
Recommendation	3.8

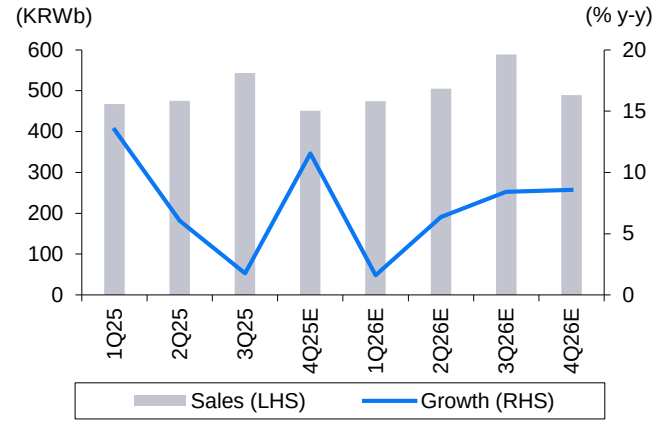
※ Rating: 4 < → BUY, 3 = HOLD, 2 > → SELL

Hansae: Results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	1Q26E	2Q26E	3Q26E	4Q26E	2024	2025E	2026E
Sales	412	448	534	404	467	475	543	451	475	505	589	489	1,798	1,936	2,059
Operating profit	38	43	45	16	20	12	37	19	21	14	41	24	142	89	101
Net income	18	22	36	(18)	9	7	20	11	9	21	22	16	58	62	68
Margins (%)															
Operating margin	9.3	9.5	8.5	4.0	4.3	2.6	6.8	4.3	4.4	2.7	7.0	5.0	7.9	4.6	4.9
Net margin	4.4	5.0	6.7	(4.4)	2.0	1.5	3.8	2.5	2.0	4.6	3.7	2.7	3.2	3.2	3.3
Growth (% y-y)															
Sales	0.2	4.1	4.3	13.6	13.5	6.0	1.8	11.6	1.6	6.4	8.4	8.6	5.2	7.7	6.3
Operating profit	6.2	(4.1)	(25.4)	(40.3)	(46.8)	(71.0)	(18.2)	19.3	3.4	10.4	12.2	25.6	(15.5)	(37.4)	12.9
Net profit	(24.6)	(23.8)	(10.2)	nm	(47.8)	(1.7)	(43.0)	nm	2.9	5.9	11.0	18.3	(47.9)	6.2	9.2

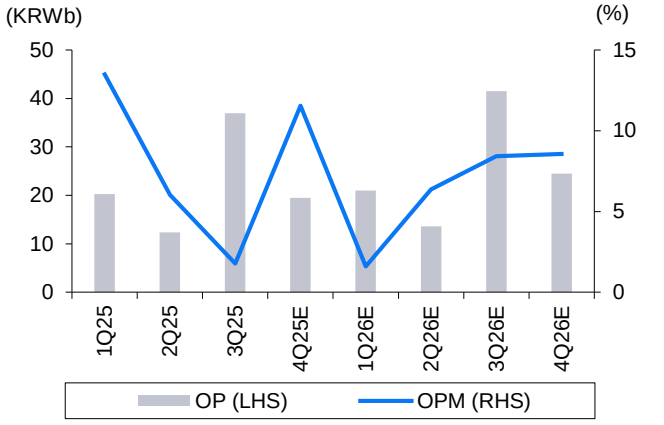
Source: Company data, Samsung Securities estimates

Hansae: Sales and growth



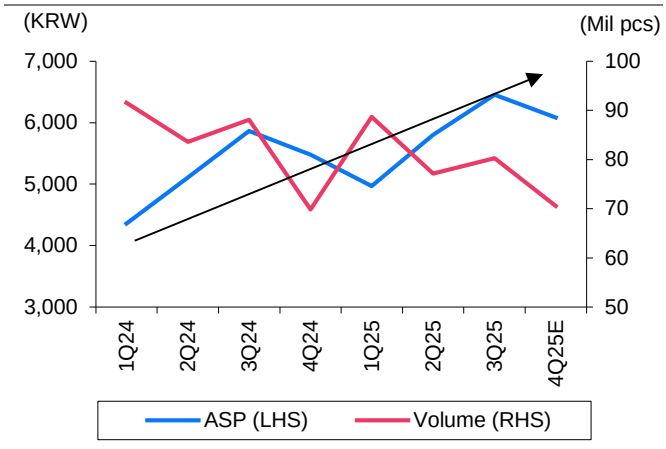
Source: Company data, Samsung Securities estimates

Hansae: Operating profit and operating margin



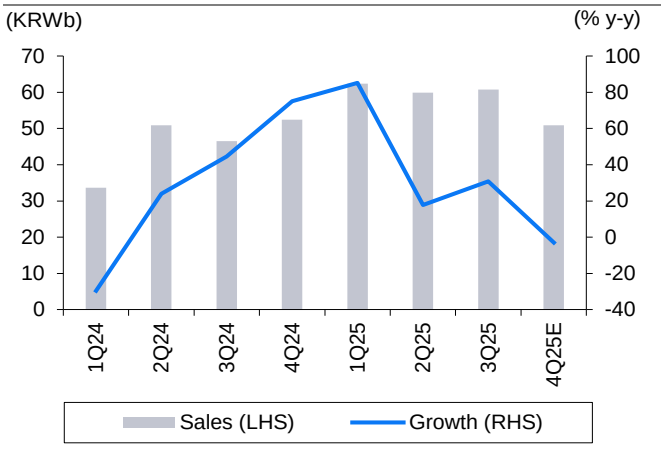
Source: Company data, Samsung Securities estimates

Hansae: ASP and volume



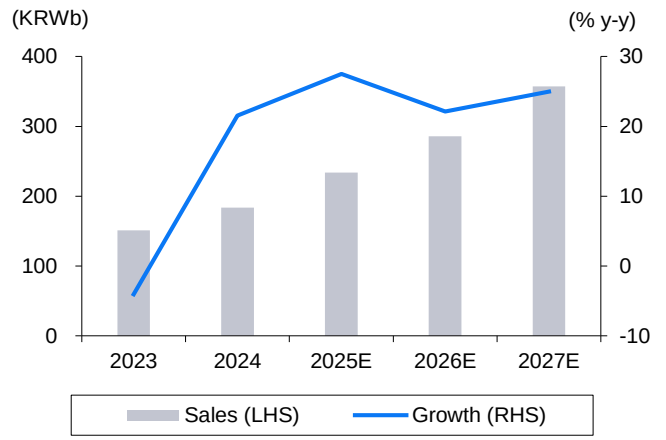
Source: Company data, Samsung Securities estimates

Color&Touch: Sales and growth



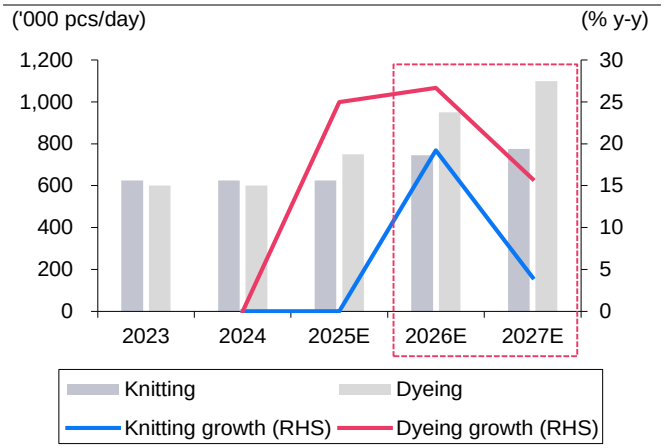
Source: Company data, Samsung Securities estimates

Color&Touch: Sales and growth



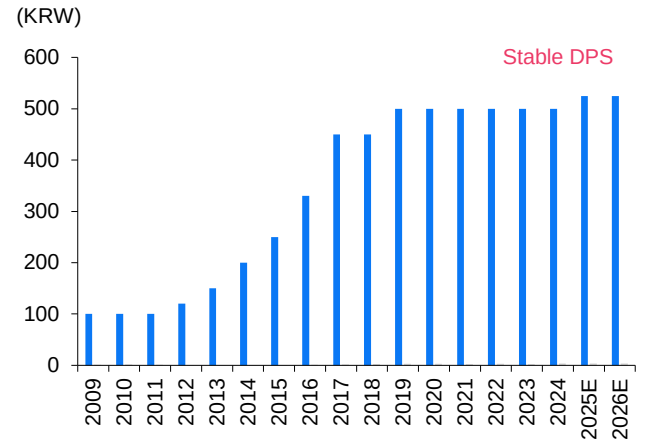
Source: Company data, Samsung Securities

Color&Touch: Capacity



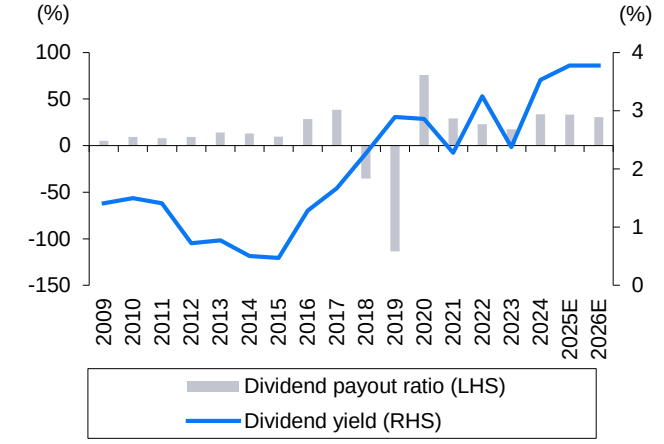
Note: Assume T-shirt weight is 200 g
Source: Company data, Samsung Securities

Hansae: DPS



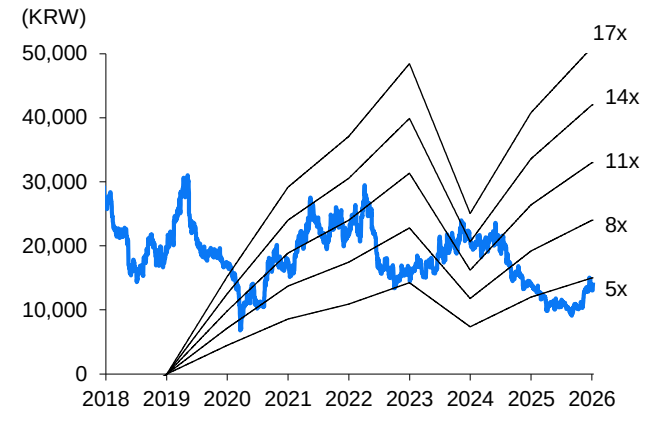
Source: Company data, Samsung Securities estimates

Hansae: Dividend payout ratio and dividend yield



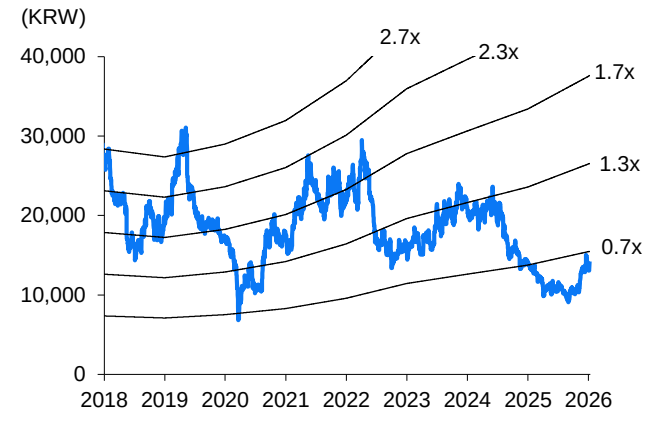
Source: Company data, Samsung Securities estimates

Hansae: Forward P/E band



Note: As of Jan 14, 2026
Source: Bloomberg, Samsung Securities

Hansae: Forward P/B band



Note: As of Jan 14, 2026
Source: Bloomberg, Samsung Securities

Buyers: Re-stocking*

(%pts y-y)	Walmart	Target	Kohl's	GAP** (30%)	AEO** (15%)
1Q21	(9.8)	0.6	85.1	99.8	76.9
2Q21	(13.8)	(17.3)	29.2	41.0	15.6
3Q21	(6.6)	(4.3)	14.6	1.1	(8.6)
4Q21	(25.2)	(21.1)	(12.6)	(4.1)	(19.8)
1Q22	(29.7)	(39.1)	(44.5)	(28.6)	(44.2)
2Q22	(17.1)	(32.6)	(55.7)	(36.3)	(36.1)
3Q22	(3.8)	(11.1)	(40.8)	(11.5)	(10.5)
4Q22	7.2	4.2	(11.4)	(10.6)	(6.5)
1Q23	14.6	17.0	1.7	0.7	10.8
2Q23	11.1	12.4	9.2	6.4	7.5
3Q23	6.4	9.7	7.8	5.4	8.4
4Q23	8.7	13.6	8.6	9.6	2.7
1Q24	8.8	3.9	7.3	4.2	(3.2)
2Q24	6.7	3.4	5.1	1.4	3.3
3Q24	6.5	(1.9)	(5.2)	(6.4)	(5.5)
4Q24	1.3	(10.3)	(11.6)	(12.4)	(3.8)
1Q25	(1.2)	(14.0)	(6.2)	(5.2)	0.5
2Q25	1.0	(3.1)	(0.0)	(8.7)	(8.8)
3Q25	2.6	0.2	1.3	(2.5)	(5.1)

Note: *Re-stocking = y-y sales growth – y-y inventory growth;
**GAP accounts for 30% of Hansae's sales, AEO accounts for 15%, and Walmart, Kohl's, and Target account for a combined 25%
Source: Bloomberg, Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**1,709**	**1,798**	**1,936**	**2,059**	**2,143**
Cost of goods sold	1,388	1,489	1,670	1,765	1,825
Gross profit	**321**	**308**	**266**	**293**	**318**
Gross margin (%)	18.8	17.2	13.7	14.3	14.8
SG&A expenses	153	166	177	193	188
Operating profit	**168**	**142**	**89**	**101**	**130**
Operating margin (%)	9.8	7.9	4.6	4.9	6.1
Non-operating gains (losses)	**-27**	**-53**	**-10**	**-15**	**-9**
Financial profit	10	11	21	23	26
Financial costs	27	29	39	47	47
Equity-method gains (losses)	0	2	2	2	2
Other	-11	-37	7	6	9
Pre-tax profit	**141**	**89**	**79**	**85**	**120**
Taxes	29	31	17	17	25
Effective tax rate (%)	20.5	34.5	21.5	20.5	21.0
Profit from continuing operations	112	58	62	68	95
Profit from discontinued operations	0	0	0	0	0
Net profit	**112**	**58**	**62**	**68**	**95**
Net margin (%)	6.6	3.2	3.2	3.3	4.4
Net profit (controlling interests)	112	58	62	68	95
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	200	176	130	139	168
EBITDA margin (%)	11.7	9.8	6.7	6.7	7.9
EPS (parent-based) (KRW)	2,801	1,451	1,551	1,694	2,375
EPS (consolidated) (KRW)	2,801	1,460	1,551	1,694	2,375
Adjusted EPS (KRW)*	2,801	1,451	1,551	1,694	2,375

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**679**	**688**	**825**	**878**	**954**
Cash & equivalents	72	69	43	44	94
Accounts receivable	178	205	228	248	258
Inventories	259	303	338	367	382
Other current assets	170	112	216	219	221
Fixed assets	**558**	**736**	**764**	**776**	**783**
Investment assets	239	316	238	249	254
Tangible assets	218	283	346	349	351
Intangible assets	11	29	27	26	25
Other long-term assets	89	108	152	152	152
Total assets	**1,237**	**1,425**	**1,589**	**1,654**	**1,737**
Current liabilities	**500**	**568**	**648**	**662**	**669**
Accounts payable	49	61	68	74	77
Short-term debt	362	421	478	478	478
Other current liabilities	89	86	102	110	114
Long-term liabilities	**93**	**147**	**206**	**210**	**213**
Bonds & long-term debt	44	72	129	129	129
Other long-term liabilities	50	75	77	81	83
Total liabilities	**594**	**715**	**854**	**872**	**882**
Owners of parent equity	**644**	**710**	**734**	**781**	**856**
Capital stock	20	20	20	20	20
Capital surplus	59	59	59	59	59
Retained earnings	579	611	654	701	775
Other	-14	20	2	2	2
Non-controlling interests' equity	**0**	**0**	**0**	**0**	**0**
Total equity	**644**	**710**	**734**	**781**	**856**
Net debt	349	463	607	606	557

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**190**	**56**	**59**	**77**	**117**
Net profit	112	58	62	68	95
Non-cash profit and expenses	90	110	101	61	66
Depreciation	31	34	39	37	37
Amortization	0	1	1	1	1
Other	58	76	60	23	27
Changes in A/L from operating activities	41	-60	-49	-35	-18
Cash flow from investments	**-150**	**-84**	**-187**	**-17**	**-9**
Change in tangible assets	-43	-58	-109	-40	-40
Change in financial assets	7	-54	-11	-9	-5
Other	-114	28	-67	32	35
Cash flow from financing	**-141**	**21**	**101**	**-59**	**-59**
Change in debt	-106	94	119	1	0
Change in equity	-0	0	0	0	0
Dividends	-20	-20	-20	-21	-21
Other	-16	-54	1	-39	-39
Change in cash	-101	-3	-26	1	50
Cash at beginning of year	173	72	69	43	44
Cash at end of year	72	69	43	44	94
Gross cash flow	**202**	**169**	**163**	**129**	**161**
Free cash flow	**146**	**-3**	**-52**	**37**	**77**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	-22.5	5.2	7.7	6.3	4.1
Operating profit	-6.3	-15.5	-37.4	12.9	29.0
Net profit	30.8	-47.9	6.2	9.2	40.2
Adjusted EPS**	30.8	-48.2	6.9	9.2	40.2
Per-share data (KRW)					
EPS (parent-based)	2,801	1,451	1,551	1,694	2,375
EPS (consolidated)	2,801	1,460	1,551	1,694	2,375
Adjusted EPS**	2,801	1,451	1,551	1,694	2,375
BVPS	16,345	18,020	18,641	19,837	21,724
DPS (common)	500	500	525	525	525
Valuations (x)					
P/E***	7.5	9.8	8.6	8.4	6.0
P/B***	1.3	0.8	0.7	0.7	0.7
EV/EBITDA	6.0	5.8	8.8	8.5	6.7
Ratios (%)					
ROE	19.0	8.6	8.6	8.9	11.6
ROA	9.0	4.4	4.1	4.2	5.6
ROIC	20.7	12.8	7.9	8.1	10.1
Payout ratio	17.6	33.9	33.3	30.5	21.8
Dividend yield (common)	2.4	3.5	3.9	3.7	3.7
Net debt to equity	54.2	65.2	82.6	77.6	65.1
Interest coverage (x)	6.3	4.9	2.4	2.6	3.3

Note: *Excluding one-off items;
**Fully diluted, excluding one-off items;
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

COMPANY UPDATE

2026. 1. 19

Finance/Consumer Goods Team

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Hwaseung Enterprise (241590)

Adidas Originals production expansion takes an unexpected turn

- We now believe Hwaseung Enterprise will post 4Q25 results showing sales and operating profit down 9% and 76% y-y, respectively, to KRW443.3b and KRW9.3b—the latter significantly missing consensus.
- Profit likely fell more sharply than sales, owing to: 1) increased fixed cost burden from reduced orders; and 2) productivity erosion from a high-mix, low-volume manufacturing.
- We leave our target price at KRW5,600 (based on 11x P/E) and maintain our HOLD rating.

WHAT'S THE STORY?

Expecting 4Q25 operating profit miss: We now believe Hwaseung Enterprise will post 4Q25 results showing sales and operating profit down 9% and 76% y-y, respectively, to KRW443.3b and KRW9.3b—both figures falling short of FnGuide consensus by 2% and 33%.

Even greater production of Adidas Originals did not help—cutting 4Q25 operating profit forecast by 53%: The primary reason for the weak 4Q25 sales outlook is reduced orders from Adidas, due to the latter's conservative inventory management. In 3Q25, Hwaseung's inventory assets decreased by -5% y-y, suggesting limited order recovery in 4Q25. Operating profit likely fell more sharply than sales, owing to: 1) increased fixed cost burden from reduced orders; and 2) productivity erosion from the expanded production of Adidas Originals. At the start of 2025, the company expected higher ASPs and improved productivity from scaling Originals production. But instead, its production efficiency likely deteriorated as Adidas opted for a high-mix, low-volume strategy that led to more color and design variations.

Maintaining target price of KRW5,600 (based on 11x P/E) and HOLD: Given Adidas's conservative inventory policy, Hwaseung's short-term earnings weakness will probably persist. A potential turnaround should emerge around the FIFA World Cup 2026 to be held in 2Q26 across the US, Canada, and Mexico. Our target price is therefore left unchanged at KRW5,600, based on a P/E multiple of 11x applied to the average of our 2026 and 2027 EPS forecasts. (Our target P/E multiple represents a 10% discount to the peer average of 12.8x, reflecting the company's low ROE and dividend payout ratio; Bloomberg)

AT A GLANCE

HOLD

Target price	KRW5,600	13.2%
Current price	**KRW4,970**	
Market cap	KRW301.13b/USD204.89m	
Shares (float)	60,589,276 (31.3%)	
52-week high/low	KRW11,290/KRW4,680	
Avg daily trading value (60-day)	KRW0.8b/ USD0.5m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Hwaseung Enterprise (%)	-4.1	-38.8	-45.8
Vs Kospi (%pts)	-18.2	-59.0	-71.8

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	HOLD	HOLD	
Target price	5,600	5,600	0.0%
2025E EPS	-167	-167	0.0%
2026E EPS	314	314	0.0%

SAMSUNG vs THE STREET

No of estimates	5
Target price	6,380
Recommendation	3.4

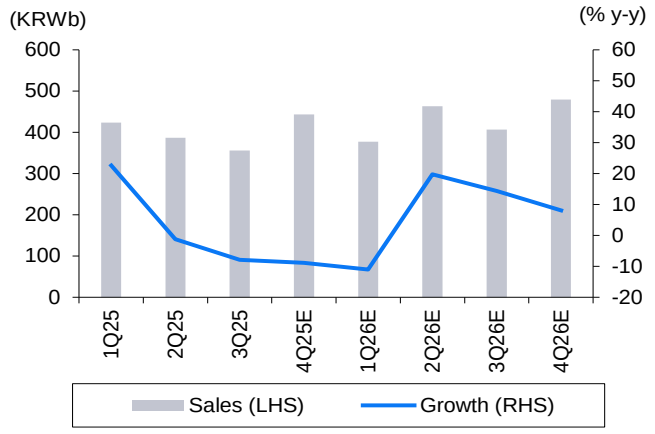
※ Rating: 4 < → BUY, 3 = HOLD, 2 > → SELL

Hwaseung: Results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	1Q26E	2Q26E	3Q26E	4Q26E	2024	2025E	2026E
Sales	345	392	386	486	423	387	356	443	377	463	407	479	1,610	1,609	1,726
Operating profit	5.3	18.8	19.1	39.4	13	9	0.1	9	10	22	9	19	83	32	59
Net income	(2)	7	8	21	1	(10)	(5)	5	0	11	0	9	34	(9)	19
Margins (%)															
Operating profit	1.5	4.8	5.0	8.1	3.2	2.4	0.0	2.1	2.6	4.7	2.2	3.9	5.1	2.0	3.4
Net income	(0.5)	1.8	2.1	4.3	0.2	(2.6)	(1.4)	1.1	0.1	2.3	0.0	1.8	2.1	(0.6)	1.1
Growth (% y-y)															
Sales	13.1	21.7	47.8	49.6	22.6	(1.2)	(7.9)	(8.9)	(11.0)	19.7	14.4	8.0	32.6	0.0	7.2
Operating profit	nm	147.6	nm	392.4	151.9	(50.4)	(99.3)	(76.4)	(27.1)	135.2	nm	102.7	537.0	(61.0)	84.6
Net income	nm	nm	nm	nm	nm	nm	nm	(75.7)	(77.5)	nm	nm	68.3	nm	nm	nm

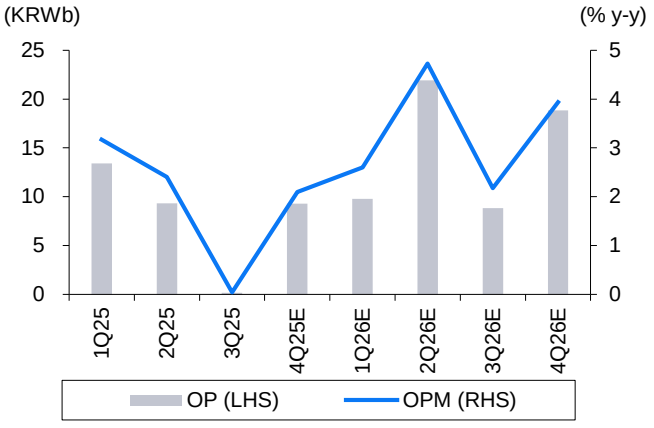
Source: Samsung Securities estimates

Sales and growth



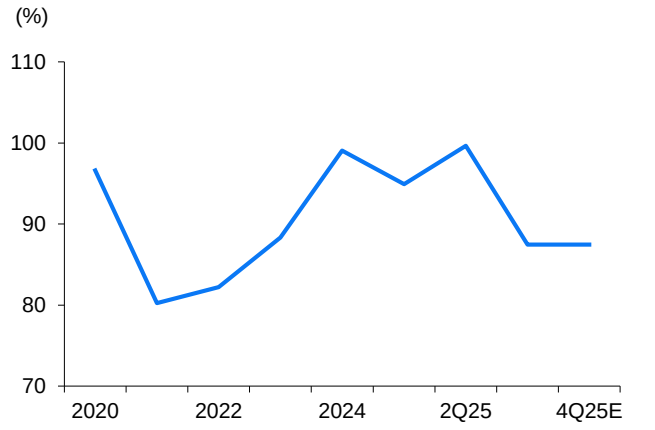
Source: Company data, Samsung Securities estimates

Operating profit and operating margin



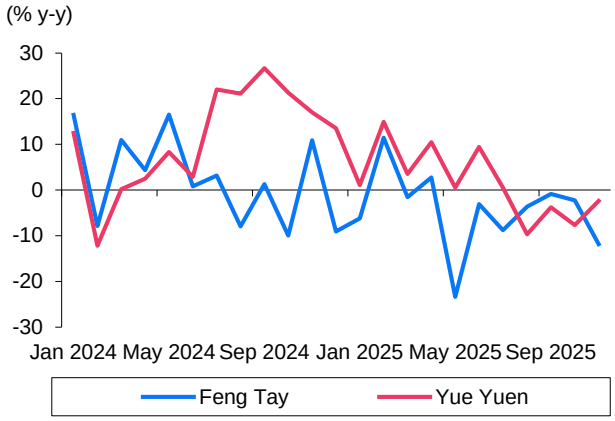
Source: Company data, Samsung Securities estimates

Utilization rate



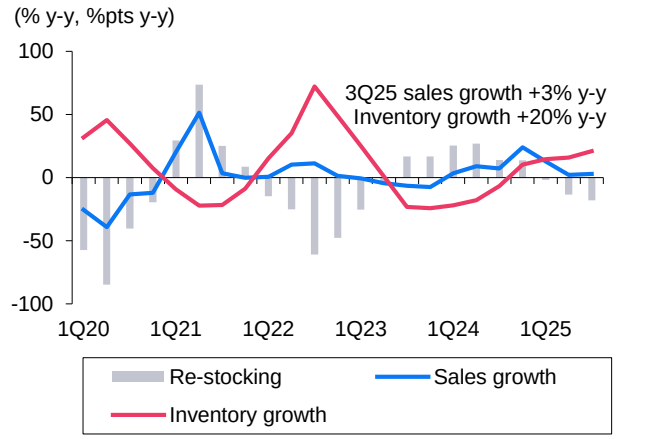
Source: Company data, Samsung Securities

Peers: Monthly sales growth



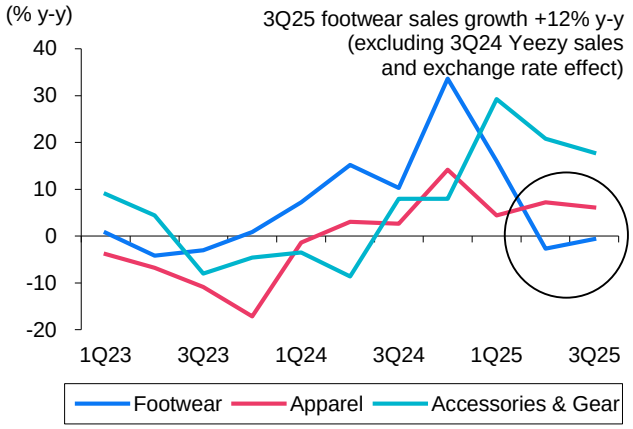
Source: Company data, Samsung Securities

Adidas: Sales, inventory, and restocking



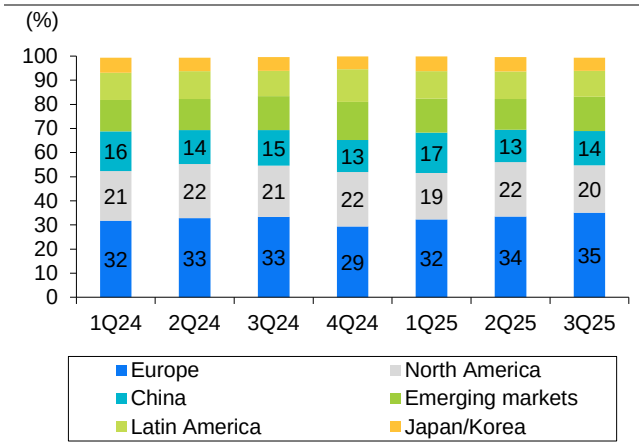
Note: Restocking = y-y sales growth – y-y inventory growth
Source: Bloomberg, Samsung Securities

Adidas: Sales growth



Source: Bloomberg, Samsung Securities

Adidas: Sales, by region



Source: Company data, Samsung Securities

Adidas: Guidance and comments

Adidas: 3Q25 review

3Q25 sales +3% y-y (1H25 sales +7%)

3Q25 sales EUR 6.6b (+3% y-y, constant current and ex. Yeezy sales +12%), aligns with consensus, showing resilient sales growth (1H25 sales +14% y-y)
Europe +12% y-y (ex. Yeezy and exchange rate change effect), China +10%, EMs +13%, Latin America +21%, Japan/Korea +11%, North America +8%

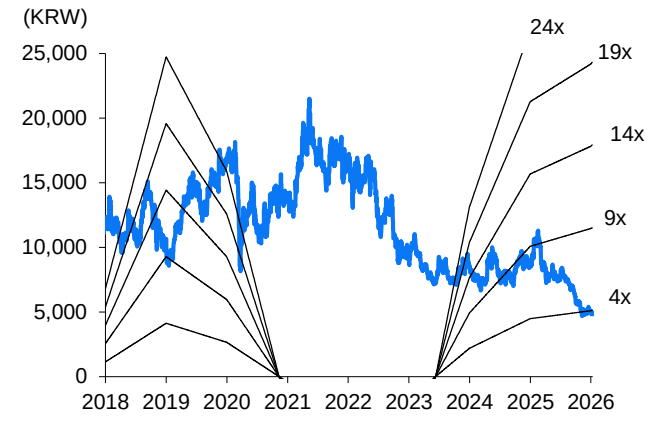
Guidance and main comments

Raising 2025 guidance
Sales growth up high-single-digit growth (7-8%) to 9%;
Operating profit: from EUR1.7b-1.8b to EUR2b

Tariffs to erode operating profit by EUR120m
(vs original estimate of EUR200m)

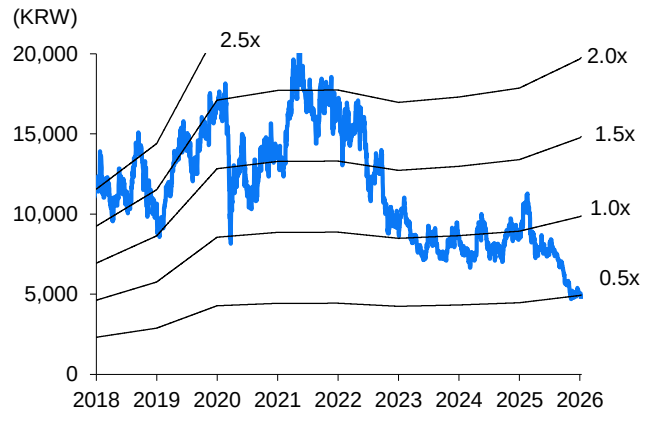
Source: Company data, Samsung Securities

Hwaseung: Forward P/E band



Note: As of Jan 13, 2026
Source: Bloomberg, Samsung Securities

Hwaseung: Forward P/B band



Note: As of Jan 13, 2026
Source: Bloomberg, Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**1,214**	**1,610**	**1,609**	**1,726**	**1,912**
Cost of goods sold	1,050	1,388	1,430	1,517	1,670
Gross profit	**163**	**222**	**179**	**209**	**242**
Gross margin (%)	13.5	13.8	11.1	12.1	12.6
SG&A expenses	150	139	147	150	159
Operating profit	**13**	**83**	**32**	**59**	**83**
Operating margin (%)	1.1	5.1	2.0	3.4	4.4
Non-operating gains (losses)	**-32**	**-42**	**-38**	**-36**	**-34**
Financial profit	13	20	12	8	8
Financial costs	40	43	44	41	39
Equity-method gains (losses)	-0	0	0	0	0
Other	-5	-18	-6	-3	-3
Pre-tax profit	**-19**	**41**	**-5**	**23**	**49**
Taxes	7	6	3	4	8
Effective tax rate (%)	-35.6	15.8	-62.5	15.5	15.5
Profit from continuing operations	-25	34	-9	19	42
Profit from discontinued operations	0	0	0	0	0
Net profit	**-25**	**34**	**-9**	**19**	**42**
Net margin (%)	-2.1	2.1	-0.6	1.1	2.2
Net profit (controlling interests)	-26	33	-10	19	41
Net profit (non-controlling interests)	1	1	1	0	1
EBITDA	84	154	110	130	147
EBITDA margin (%)	6.9	9.6	6.8	7.5	7.7
EPS (parent-based) (KRW)	-434	546	-167	314	672
EPS (consolidated) (KRW)	-417	567	-147	321	687
Adjusted EPS (KRW)*	-434	546	-167	314	672

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**647**	**747**	**659**	**697**	**775**
Cash & equivalents	121	116	83	75	99
Accounts receivable	107	184	168	181	197
Inventories	263	282	257	278	302
Other current assets	155	165	151	163	177
Fixed assets	**714**	**791**	**713**	**673**	**610**
Investment assets	9	10	9	10	10
Tangible assets	565	614	553	516	455
Intangible assets	41	42	40	36	33
Other long-term assets	98	125	112	112	112
Total assets	**1,361**	**1,538**	**1,372**	**1,370**	**1,385**
Current liabilities	**719**	**900**	**836**	**816**	**790**
Accounts payable	145	228	207	224	244
Short-term debt	457	563	524	444	364
Other current liabilities	117	109	104	148	182
Long-term liabilities	**82**	**74**	**55**	**56**	**58**
Bonds & long-term debt	39	26	13	13	13
Other long-term liabilities	43	48	42	43	45
Total liabilities	**801**	**974**	**891**	**873**	**848**
Owners of parent equity	**514**	**524**	**472**	**489**	**527**
Capital stock	30	30	30	30	30
Capital surplus	169	129	120	120	120
Retained earnings	140	200	186	202	240
Other	174	165	137	137	137
Non-controlling interests' equity	**45**	**40**	**9**	**9**	**10**
Total equity	**559**	**564**	**481**	**498**	**537**
Net debt	376	485	467	429	349

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**59**	**81**	**82**	**73**	**85**
Net profit	-25	34	-9	19	42
Non-cash profit and expenses	115	125	119	103	99
Depreciation	67	68	74	67	61
Amortization	4	3	4	4	3
Other	44	53	42	33	35
Changes in A/L from operating activities	8	-42	3	-19	-22
Cash flow from investments	**-56**	**-41**	**-44**	**-36**	**-7**
Change in tangible assets	-45	-50	-47	-30	0
Change in financial assets	-3	10	8	-6	-7
Other	-8	-1	-4	0	-0
Cash flow from financing	**-67**	**-56**	**-67**	**-44**	**-54**
Change in debt	-60	93	-58	-39	-49
Change in equity	-1	-40	-9	0	0
Dividends	-3	-3	-3	-3	-3
Other	-3	-106	2	-2	-2
Change in cash	-62	-6	-33	-8	23
Cash at beginning of year	183	121	116	83	75
Cash at end of year	121	116	83	75	99
Gross cash flow	**90**	**159**	**110**	**123**	**140**
Free cash flow	**5**	**29**	**34**	**43**	**75**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	-26.6	32.6	-0.0	7.2	10.8
Operating profit	-75.5	537.0	-61.0	84.6	40.3
Net profit	nm	nm	nm	nm	114.0
Adjusted EPS**	nm	nm	nm	nm	114.0
Per-share data (KRW)					
EPS (parent-based)	-434	546	-167	314	672
EPS (consolidated)	-417	567	-147	321	687
Adjusted EPS**	-434	546	-167	314	672
BVPS	8,485	8,652	7,796	8,065	8,692
DPS (common)	45	45	45	45	45
Valuations (x)					
P/E***	n/a	15.8	n/a	15.8	7.4
P/B***	1.0	1.0	0.6	0.6	0.6
EV/EBITDA	11.1	6.8	7.1	5.7	4.5
Ratios (%)					
ROE	-5.0	6.4	-2.0	4.0	8.0
ROA	-1.8	2.4	-0.6	1.4	3.0
ROIC	1.8	7.0	5.2	5.4	7.8
Payout ratio	-10.4	8.2	-27.0	14.3	6.7
Dividend yield (common)	0.5	0.5	0.9	0.9	0.9
Net debt to equity	67.3	86.0	97.1	86.2	65.1
Interest coverage (x)	0.4	2.1	0.9	1.7	2.5

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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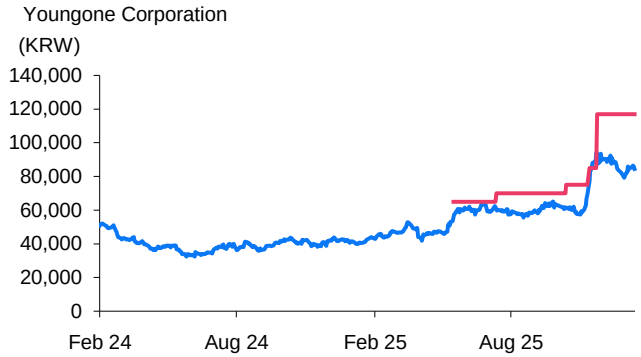
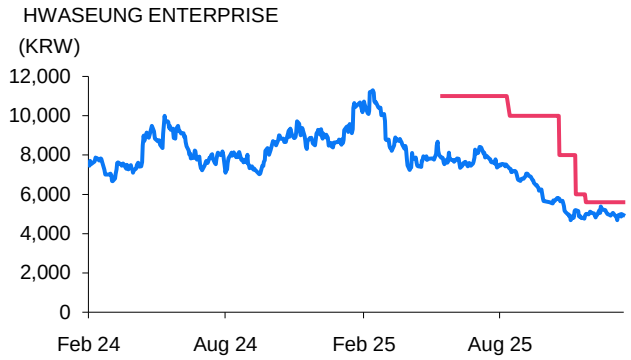
Target price changes in past two years





Rating changes over past two years (adjusted share prices)

Youngone Corporation					
Date	2025/5/20	7/16	10/17	11/17	11/27
Recommendation	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	65000	70000	75000	85000	117000
Gap* (average)	-7.01	-14.48	-19.09	2.76	
(max or min)**	-1.54	-6.86	-7.73	10.35	

HANSAE				
Date	2025/5/20	8/18	11/14	2026/1/12
Recommendation	BUY	BUY	BUY	BUY
Target price (KRW)	15000	14000	15000	17000
Gap* (average)	-28.61	-26.03	-9.91	
(max or min)**	-21.47	-13.79	0.20	

HWASEUNG ENTERPRISE					
Date	2025/5/20	8/18	10/23	11/14	11/27
Recommendation	BUY	BUY	BUY	BUY	HOLD
Target price (KRW)	11000	10000	8000	6000	5600
Gap* (average)	-29.71	-35.00	-35.80	-18.66	
(max or min)**	-23.45	-27.10	-29.13	-14.17	

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

BUY	Expected to increase in value by 15% or more within 12 months and is highly attractive within sector
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 2025.12.31

BUY(85.8%)·HOLD(14.2%)·SELL(0%)

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