# COMPANY UPDATE

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**EV/Mobility Team**

**Hyunryul Cho**
Senior Analyst
hyunryul.cho@samsung.com

**Wonyoung Kim**
Research Associate
wonyoung10.kim@samsung.com


# S-Oil (010950)

## 4Q review: Chemicals unit rises, following refining unit

- S-Oil reported a 4Q operating profit of KRW424.5b (up 85% q-q), topping consensus (KRW360.8b) by 18% and edging our forecast by 4%. Improving refining margins offset the impact of falling oil prices.
- We raise our 2026 ROE forecast, which leads us to increase our target price from KRW110,000 to 125,000 (based on 1.4x forward P/B). S-Oil remains our sector top pick.

### WHAT'S THE STORY?

**4Q25 review—results in line with our forecast:** S-Oil reported a 4Q operating profit of KRW424.5b (up 85% q-q), topping FnGuide consensus (KRW360.8b) by 18% but in line with our forecast (KRW406.8b). While the refining unit fell short of our expectation, the petrochemical and lube base oil units beat.

- **Refining unit:** S-Oil's refining unit saw an operating profit of KRW225.3b in 4Q (up 95% q-q). Oil prices fell q-q, resulting in an inventory valuation loss of KRW87.7b (down KRW89.7b q-q from a KRW2b gain in 3Q). The impact of lower oil prices was fully offset by sharp improvements in spot refining margin to USD17.1/bbl (up USD5.5/bbl q-q from USD11.5/bbl in 3Q).
- **Petrochemical unit:** At the petrochemical unit, operating loss narrowed KRW12.1b q-q to KRW7.8b. Although spreads on benzene and PP tightened (down 25% q-q and 20% q-q, respectively, from USD137/bbl to USD103/bbl and from USD276/bbl to USD221/bbl), spreads on PO and PX widened (up 24% and 7% q-q, respectively, from USD421/bbl to USD520/bbl and from USD228/bbl to USD245/bbl).
- **Lube base oil unit:** Operating profit at the lube base oil unit rose 55% q-q to KRW207b in 4Q thanks to some time lag effect (approximately 3 months) between changes in the raw material prices and the product price adjustments. The lube base oil-VGO spread came to USD55.2/bbl (up USD4.6/bbl q-q).

*(Continued on the next page)*

### AT A GLANCE

**BUY**

| | | |
|---|---|---|
| Target price | KRW125,000 | 27.2% |
| **Current price** | **KRW98,300** | |
| Market cap | KRW11.1t/USD7.7b | |
| Shares (float) | 112,582,792 (36.6%) | |
| 52-week high/low | KRW99,500/KRW50,400 | |
| Avg daily trading value (60-day) | KRW29.7b/ USD20.6m | |

### ONE-YEAR PERFORMANCE

| | 1M | 6M | 12M |
|---|---|---|---|
| S-Oil (%) | 19.9 | 57.8 | 61.9 |
| Vs Kospi (%pts) | 0.0 | 1.9 | -17.0 |

### KEY CHANGES

| (KRW) | New | Old | Diff |
|---|---|---|---|
| Recommend. | BUY | BUY | |
| Target price | 125,000 | 110,000 | 13.6% |
| 2025E EPS | 1,860 | 1,860 | 0.0% |
| 2026E EPS | 7,205 | 7,205 | 0.0% |

### SAMSUNG vs THE STREET

| | |
|---|---|
| No of estimates | 17 |
| Target price | 103,971 |
| Recommendation | 3.9 |

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

### SUMMARY 4Q RESULTS

| (KRWb) | 4Q25 | Chg | | Diff (%) | |
|---|---|---|---|---|---|
| | | (% y-y) | (% q-q) | Samsung | Consensus |
| Sales | 8,792.6 | -1.4 | 4.5 | 0.0 | 2.1 |
| Operating profit | 424.5 | 90.9 | 85.2 | 0.0 | 11.3 |
| Pre-tax profit | 317.9 | nm | 290.2 | -0.0 | -1.6 |
| Net profit | 265.0 | nm | 319.3 | -0.0 | 45.1 |
| **Margins (%)** | | | | | |
| Operating profit | 4.8 | | | | |
| Pre-tax profit | 3.6 | | | | |
| Net profit | 3.0 | | | | |

Source: Company data, Fnguide, Samsung Securities estimates

### VALUATION SUMMARY

| | 2024 | 2025E | 2026E |
|---|---|---|---|
| **Valuation (x)** | | | |
| P/E | n/a | 44.6 | 13.6 |
| P/B | 0.7 | 1.1 | 1.2 |
| EV/EBITDA | 10.5 | 17.7 | 9.7 |
| Div yield (%) | 0.2 | 0.3 | 1.1 |
| EPS growth (% y-y) | nm | nm | 287.4 |
| ROE (%) | -2.2 | 2.5 | 9.0 |
| **Per-share data (KRW)** | | | |
| EPS | -1,656 | 1,860 | 7,205 |
| BVPS | 74,692 | 76,706 | 83,671 |
| DPS | 125 | 250 | 1,125 |

**1Q26 preview—results to beat consensus again:** We expect S-Oil to post a 1Q operating profit of KRW398.9b (down 6% q-q), beating FnGuide consensus (KRW356b) by 12%. Spot refining margin may retreat USD2.8/bbl q-q (from USD17.1/bbl to USD14.3/bbl), but earnings should be strong, supported by the narrowing of inventory valuation losses to KRW20b (up KRW67.7b q-q from a KRW87.7b loss in 4Q) and the widening of aromatics (benzene, PX) spreads.

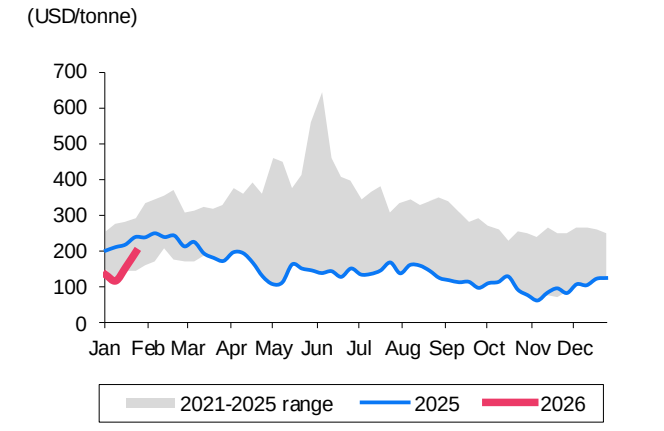
**View—petrochemicals recovering on top of refining:** We shift the base period for forward BVPS from end-2025 to end-2026, and raise our 2026 ROE forecast from 7.7% to 9.0%, which move our target P/B multiple from 1.38x to 1.40x (0.25 standard deviation below post-2007 average P/B). In turn, we increase our target price by 14% from KRW110,000 to KRW125,000. Not only have refining margins improved since 4Q25, but petrochemical spreads have recently been recovering in an encouraging development. Given particularly notable improvements in aromatics (benzene, toluene, and xylene), we forecast that the petrochemical unit will return to operating profit in 2026, swinging from a loss of KRW136.8b to a profit of KRW136.4b. Positively viewing the profitability recovery in petrochemicals—coming on top of chemicals—we keep S-Oil as our sector top pick.

**S-Oil: P/B valuation**

| (KRW) | Old | New | Details |
|---|---|---|---|
| Target P/B (x) | 1.38 | 1.40 | Average P/B since 2007 – 0.25 std |
| Forward BVPS | 82,141 | 89,052 | Revised up 8.4% |
| **Fair price per share** | **113,355** | **124,415** | |
| **Target price** | **110,000** | **125,000** | **Revised up 13.6%** |
| Current price | | 99,500 | |
| Upside (%) | | 25.6 | |
| 2026 implied P/E (x) | 15.3 | 17.3 | |
| 2027 implied P/E (x) | 16.9 | 19.2 | |

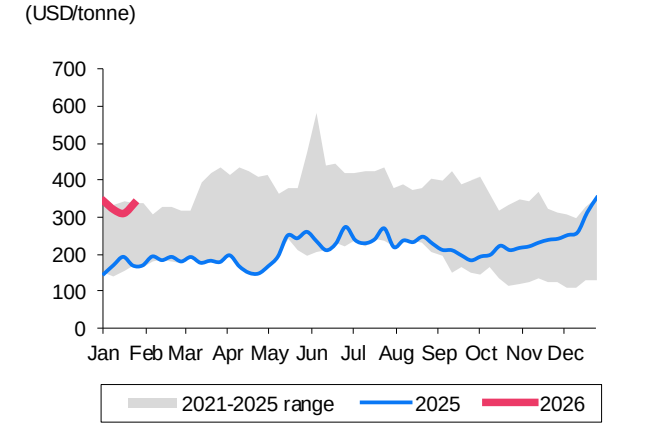
Source: Samsung Securities estimates

**Benzene – Naphtha spread**




Source: S&P Global Platts, ICIS, Samsung Securities

**PX – Naphtha spread**




Source: S&P Global Platts, ICIS, Samsung Securities

### S-Oil: Quarterly results

| (KRWb) | 4Q25 | 3Q25 | 4Q24 | Consensus | Samsung | Diff (%) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | (% q-q) | (% y-y) | Consensus | Samsung |
| Sales | 8,793 | 8,415 | 8,917 | 8,583 | 8,511 | 4.5 | -1.4 | 2.4 | 3.3 |
| Operating income | 424 | 229 | 222 | 361 | 407 | 85.2 | 90.9 | 17.6 | 4.3 |
| Pre-tax income | 318 | 81 | -246 | 285 | 275 | 290.2 | Turned pos | 11.4 | 15.7 |
| Net income | 265 | 63 | -132 | 180 | 213 | 319.3 | Turned pos | 47.0 | 24.3 |
| Attributable to parent | 265 | 63 | -132 | 221 | 213 | 319.3 | Turned pos | 19.9 | 24.3 |
| **Margins (%)** | | | | | | | | | |
| Operating income | 4.8 | 2.7 | 2.5 | 4.2 | 4.8 | | | | |
| Pre-tax income | 3.6 | 1.0 | -2.8 | 3.3 | 3.2 | | | | |
| Net income | 3.0 | 0.8 | -1.5 | 2.1 | 2.5 | | | | |
| Attributable to parent | 3.0 | 0.8 | -1.5 | 2.6 | 2.5 | | | | |

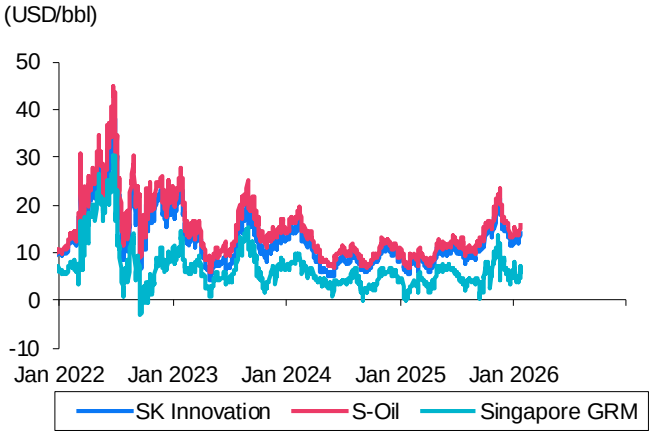
Source: Company data, FnGuide, Samsung Securities estimates

### S-Oil: Quarterly results, by division

| (KRWb) | 4Q25 | 3Q25 | 4Q24 | Chg (% q-q) | Chg (% y-y) |
|---|---|---|---|---|---|
| **Sales** | **8,793** | **8,415** | **8,917** | **4.5** | **-1.4** |
| Refining | 6,979 | 6,694 | 7,014 | 4.3 | -0.5 |
| Petrochemical | 1,056 | 1,016 | 1,096 | 3.9 | -3.6 |
| Lube base oil | 757 | 705 | 807 | 7.4 | -6.2 |
| **Operating income** | **424** | **229** | **222** | **85.2** | **90.9** |
| Refining | 225 | 115 | 145 | 95.1 | 55.4 |
| Petrochemical | -8 | -20 | -36 | Remained neg | Remained neg |
| Lube base oil | 207 | 134 | 113 | 54.9 | 83.2 |
| Pre-tax income | 318 | 81 | -246 | 290.2 | Turned pos |
| **Net income** | **265** | **63** | **-132** | **319.3** | **Turned pos** |
| **Margins (%)** | | | | | |
| Operating income | 4.8 | 2.7 | 2.5 | | |
| Refining | 3.2 | 1.7 | 2.1 | | |
| Petrochemical | -0.7 | -2.0 | -3.2 | | |
| Lube base oil | 27.3 | 19.0 | 14.0 | | |
| Pre-tax income | 3.6 | 1.0 | -2.8 | | |
| Net income | 3.0 | 0.8 | -1.5 | | |

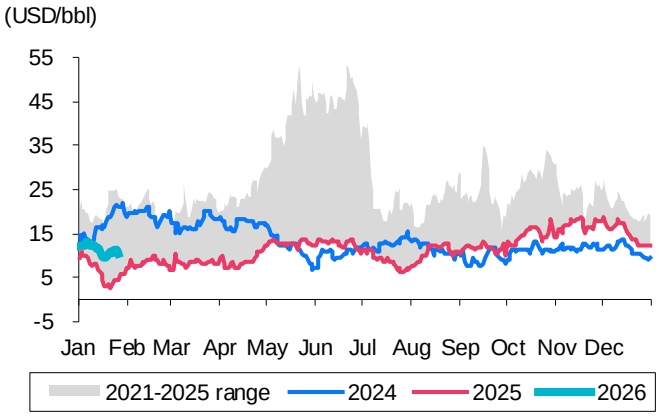
Source: S-Oil, Samsung Securities

**Mixed margin at Korean refiners vs Singapore GRM**



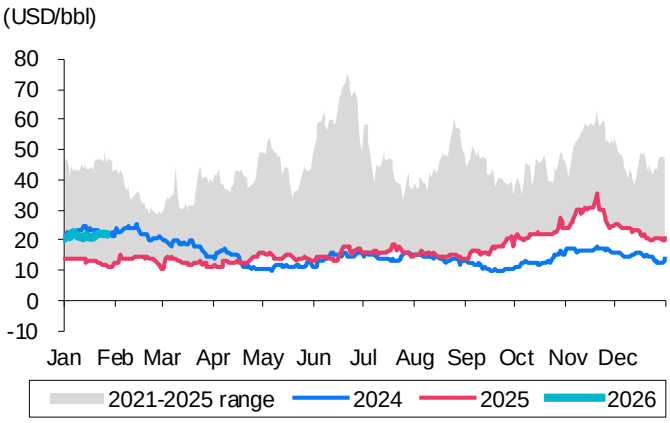

Source: Company data, DataStream, Samsung Securities

**Gasoline: Spot refining margin vs Dubai oil**



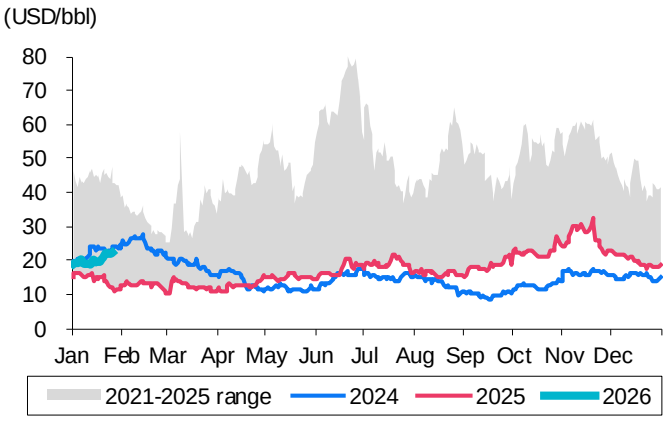

Source: Petronet, Samsung Securities

**Kerosene: Spot refining margin vs Dubai oil**



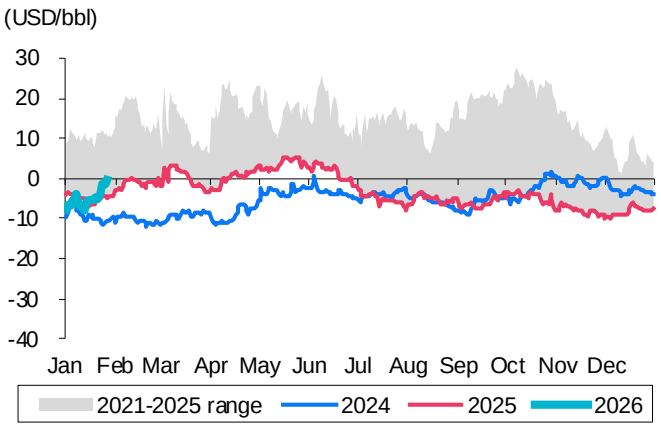

Source: Petronet, Samsung Securities

**Diesel: Spot refining margin vs Dubai oil**



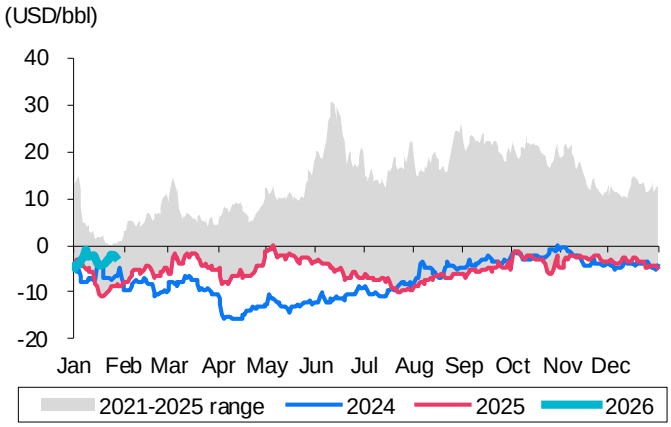

Source: Petronet, Samsung Securities

**Bunker-C: Spot refining margin vs Dubai oil**




Source: Petronet, Samsung Securities

**Naphtha: Spot refining margin vs Dubai oil**




Source: Petronet, Samsung Securities

**S-Oil: Results and forecasts**

| (KRWb) | 1Q25 | 2Q25 | 3Q25 | 4Q25 | 1Q26E | 2Q26E | 3Q26E | 4Q26E | 2024 | 2025 | 2026E | 2027E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| KRW/USD (average) | 1,453 | 1,401 | 1,387 | 1,449 | 1,450 | 1,400 | 1,350 | 1,315 | 1,365 | 1,422 | 1,379 | 1,315 |
| **Sales** | **8,991** | **8,049** | **8,415** | **8,793** | **8,320** | **7,930** | **7,671** | **7,388** | **36,637** | **34,247** | **31,309** | **29,683** |
| Growth (% q-q) | 0.8 | -10.5 | 4.6 | 4.5 | -5.4 | -4.7 | -3.3 | -3.7 | | | | |
| Growth (% y-y) | -3.4 | -15.9 | -4.8 | -1.4 | -7.5 | -1.5 | -8.8 | -16.0 | 2.5 | -6.5 | -8.6 | -5.2 |
| Refining | 7,072 | 6,260 | 6,694 | 6,979 | 6,335 | 5,994 | 5,793 | 5,579 | 28,805 | 27,005 | 23,701 | 22,385 |
| Petrochemical | 1,128 | 1,034 | 1,016 | 1,056 | 1,233 | 1,185 | 1,147 | 1,123 | 4,703 | 4,234 | 4,687 | 4,512 |
| Lube base oil | 791 | 755 | 705 | 757 | 753 | 751 | 730 | 687 | 3,130 | 3,007 | 2,921 | 2,786 |
| **Operating income** | **-22** | **-344** | **229** | **424** | **399** | **316** | **304** | **272** | **422** | **288** | **1,291** | **1,334** |
| Growth (% q-q) | Turned neg | Remained neg | Turned pos | 85.2 | -6.0 | -20.7 | -4.0 | -10.4 | | | | |
| Growth (% y-y) | Turned neg | Turned neg | Turned pos | 90.9 | To turn pos | To turn pos | 32.6 | -35.8 | -68.8 | -31.7 | 348.2 | 3.3 |
| Refining | -57 | -441 | 115 | 225 | 220 | 147 | 145 | 110 | -273 | -157 | 622 | 613 |
| Growth (% q-q) | Turned neg | Remained neg | Turned pos | 95.1 | -2.2 | -33.1 | -1.8 | -24.0 | | | | |
| Growth (% y-y) | Turned neg | Remained neg | Turned pos | 55.4 | To turn pos | To turn pos | 25.4 | -51.2 | Turned neg | Remained neg | To turn pos | -1.6 |
| Petrochemical | -75 | -35 | -20 | -8 | 39 | 38 | 31 | 28 | 127 | -136.8 | 136.4 | 196.6 |
| Growth (% q-q) | Remained neg | Remained neg | Remained neg | Remained neg | To turn pos | -4.3 | -16.3 | -10.7 | | | | |
| Growth (% y-y) | Turned neg | Turned neg | Turned neg | Remained neg | To turn pos | To turn pos | To turn pos | To turn pos | -33.2 | Turned neg | To turn pos | 44.2 |
| Lube base oil | 110 | 132 | 134 | 207 | 139 | 131 | 128 | 134 | 568 | 582 | 533 | 525 |
| Growth (% q-q) | -2.9 | 20.1 | 1.4 | 54.9 | -32.6 | -5.8 | -2.9 | 5.2 | | | | |
| Growth (% y-y) | -29.5 | -9.6 | -13.1 | 83.2 | 27.1 | -0.3 | -4.5 | -35.2 | -29.9 | 2.4 | -8.5 | -1.5 |
| Pre-tax income | -67 | -106 | 81 | 318 | 320 | 320 | 305 | 232 | -333 | 226 | 1,177 | 1,062 |
| Growth (% q-q) | Remained neg | Remained neg | Turned pos | 290.2 | 41.9 | -0.1 | -4.8 | -23.9 | | | | |
| Growth (% y-y) | Turned neg | Remained neg | Turned pos | Turned pos | To turn pos | To turn pos | 274.0 | -27.1 | Turned neg | -0.6 | To turn pos | 231.3 |
| **Net income** | **-45** | **-67** | **63** | **265** | **229** | **229** | **217** | **165** | **-193** | **217** | **840** | **758** |
| Growth (% q-q) | Remained neg | Remained neg | Turned pos | 319.3 | 5.4 | -0.1 | -4.8 | -23.9 | | | | |
| Growth (% y-y) | Turned neg | Remained neg | Turned pos | Turned pos | To turn pos | To turn pos | 244.1 | -37.6 | Turned neg | 30.5 | To turn pos | 231.3 |
| Attributable to parent | -45 | -67 | 63 | 265 | 229 | 229 | 217 | 165 | -193 | 217 | 840 | 758 |
| **Margins (%)** | | | | | | | | | | | | |
| Operating income | -0.2 | -4.3 | 2.7 | 4.8 | 4.8 | 4.0 | 4.0 | 3.7 | 1.2 | 0.8 | 4.1 | 4.5 |
| Refining | -0.8 | -7.0 | 1.7 | 3.2 | 3.5 | 2.5 | 2.5 | 2.0 | -0.9 | -0.6 | 2.6 | 2.7 |
| Petrochemical | -6.6 | -3.4 | -2.0 | -0.7 | 3.2 | 3.2 | 2.7 | 2.5 | 2.7 | -3.2 | 2.9 | 4.4 |
| Lube base oil | 13.9 | 17.5 | 19.0 | 27.3 | 18.5 | 17.5 | 17.5 | 19.5 | 18.2 | 19.4 | 18.2 | 18.8 |
| Pre-tax income | -0.7 | -1.3 | 1.0 | 3.6 | 3.9 | 4.0 | 4.0 | 3.1 | -0.9 | 0.7 | 3.8 | 3.6 |
| Net income | -0.5 | -0.8 | 0.8 | 3.0 | 2.7 | 2.9 | 2.8 | 2.2 | -0.5 | 0.6 | 2.7 | 2.6 |

Source: Company data, Samsung Securities estimates

## Income statement

| Year-end Dec 31 (KRWb) | 2023 | 2024 | 2025E | 2026E | 2027E |
|---|---|---|---|---|---|
| **Sales** | **35,727** | **36,637** | **34,247** | **31,309** | **29,683** |
| Cost of goods sold | 33,621 | 35,411 | 33,208 | 29,331 | 27,698 |
| **Gross profit** | **2,106** | **1,226** | **1,039** | **1,978** | **1,985** |
| Gross margin (%) | 5.9 | 3.3 | 3.0 | 6.3 | 6.7 |
| SG&A expenses | 751 | 804 | 751 | 687 | 651 |
| **Operating profit** | **1,355** | **422** | **288** | **1,291** | **1,334** |
| Operating margin (%) | 3.8 | 1.2 | 0.8 | 4.1 | 4.5 |
| **Non-operating gains (losses)** | **-223** | **-755** | **-62** | **-114** | **-273** |
| Financial profit | 299 | 389 | 758 | 557 | 351 |
| Financial costs | 500 | 833 | 555 | 464 | 442 |
| Equity-method gains (losses) | 2 | 6 | 6 | 6 | 6 |
| Other | -24 | -317 | -272 | -214 | -187 |
| **Pre-tax profit** | **1,132** | **-333** | **226** | **1,177** | **1,062** |
| Taxes | 183 | -139 | 9 | 337 | 304 |
| Effective tax rate (%) | 16.2 | 41.9 | 3.9 | 28.6 | 28.6 |
| Profit from continuing operations | 949 | -193 | 217 | 840 | 758 |
| Profit from discontinued operations | 0 | 0 | 0 | 0 | 0 |
| **Net profit** | **949** | **-193** | **217** | **840** | **758** |
| Net margin (%) | 2.7 | -0.5 | 0.6 | 2.7 | 2.6 |
| Net profit (controlling interests) | 949 | -193 | 217 | 840 | 758 |
| Net profit (non-controlling interests) | 0 | 0 | 0 | 0 | 0 |
| EBITDA | 2,074 | 1,174 | 1,044 | 2,020 | 2,054 |
| EBITDA margin (%) | 5.8 | 3.2 | 3.0 | 6.5 | 6.9 |
| EPS (parent-based) (KRW) | 8,137 | -1,656 | 1,860 | 7,205 | 6,497 |
| EPS (consolidated) (KRW) | 8,137 | -1,656 | 1,860 | 7,205 | 6,497 |
| Adjusted EPS (KRW)* | 8,137 | -1,656 | 1,860 | 7,205 | 6,497 |

## Balance sheet

| Year-end Dec 31 (KRWb) | 2023 | 2024 | 2025E | 2026E | 2027E |
|---|---|---|---|---|---|
| **Current assets** | **9,648** | **10,048** | **7,726** | **9,498** | **9,953** |
| Cash & equivalents | 1,963 | 1,946 | 348 | 2,918 | 3,851 |
| Accounts receivable | 2,308 | 2,171 | 1,834 | 1,512 | 1,297 |
| Inventories | 4,639 | 4,493 | 4,200 | 3,840 | 3,640 |
| Other current assets | 738 | 1,438 | 1,344 | 1,229 | 1,165 |
| **Fixed assets** | **11,928** | **14,403** | **17,791** | **18,203** | **18,028** |
| Investment assets | 168 | 203 | 196 | 188 | 183 |
| Tangible assets | 11,152 | 13,582 | 16,986 | 17,415 | 17,253 |
| Intangible assets | 116 | 149 | 139 | 130 | 122 |
| Other long-term assets | 493 | 470 | 470 | 470 | 470 |
| **Total assets** | **21,576** | **24,451** | **25,517** | **27,702** | **27,982** |
| **Current liabilities** | **9,255** | **11,657** | **10,498** | **9,885** | **9,546** |
| Accounts payable | 3,989 | 4,982 | 4,657 | 4,257 | 4,036 |
| Short-term debt | 2,142 | 3,355 | 3,355 | 3,355 | 3,355 |
| Other current liabilities | 3,123 | 3,320 | 2,487 | 2,273 | 2,155 |
| **Long-term liabilities** | **3,284** | **4,099** | **6,088** | **8,075** | **8,068** |
| Bonds & long-term debt | 2,837 | 3,791 | 5,791 | 7,791 | 7,791 |
| Other long-term liabilities | 447 | 308 | 297 | 284 | 277 |
| **Total liabilities** | **12,539** | **15,756** | **16,587** | **17,961** | **17,614** |
| **Owners of parent equity** | **9,038** | **8,696** | **8,930** | **9,741** | **10,368** |
| Capital stock | 292 | 292 | 292 | 292 | 292 |
| Capital surplus | 1,332 | 1,332 | 1,332 | 1,332 | 1,332 |
| Retained earnings | 7,380 | 7,030 | 7,233 | 8,044 | 8,670 |
| Other | 35 | 42 | 74 | 74 | 74 |
| **Non-controlling interests' equity** | **0** | **0** | **0** | **0** | **0** |
| **Total equity** | **9,038** | **8,696** | **8,930** | **9,741** | **10,368** |
| Net debt | 3,839 | 6,001 | 8,939 | 8,369 | 7,436 |

## Cash flow statement

| Year-end Dec 31 (KRWb) | 2023 | 2024 | 2025E | 2026E | 2027E |
|---|---|---|---|---|---|
| **Cash flow from operations** | **2,526** | **1,468** | **1,639** | **2,073** | **1,885** |
| Net profit | 949 | -193 | 217 | 840 | 758 |
| Non-cash profit and expenses | 995 | 1,328 | 1,209 | 1,391 | 1,292 |
| Depreciation | 711 | 741 | 746 | 720 | 712 |
| Amortization | 8 | 11 | 10 | 9 | 8 |
| Other | 276 | 576 | 453 | 662 | 572 |
| Changes in A/L from operating activities | 1,473 | 829 | 215 | 172 | 131 |
| **Cash flow from investments** | **-2,066** | **-3,027** | **-4,600** | **-1,478** | **-827** |
| Change in tangible assets | -2,165 | -3,038 | -4,150 | -1,150 | -550 |
| Change in financial assets | 151 | -57 | 8 | 10 | 5 |
| Other | -52 | 68 | -458 | -338 | -282 |
| **Cash flow from financing** | **193** | **1,539** | **1,322** | **1,966** | **-134** |
| Change in debt | 618 | 2,167 | 1,336 | 1,995 | -3 |
| Change in equity | 0 | 0 | 0 | 0 | 0 |
| Dividends | -373 | -189 | -15 | -29 | -131 |
| Other | -53 | -439 | 0 | -0 | 0 |
| Change in cash | 653 | -17 | -1,598 | 2,570 | 933 |
| Cash at beginning of year | 1,310 | 1,963 | 1,946 | 348 | 2,918 |
| Cash at end of year | 1,963 | 1,946 | 348 | 2,918 | 3,851 |
| **Gross cash flow** | **1,944** | **1,135** | **1,426** | **2,231** | **2,050** |
| **Free cash flow** | **340** | **-1,574** | **-2,511** | **923** | **1,335** |

## Financial ratios

| Year-end Dec 31 | 2023 | 2024 | 2025E | 2026E | 2027E |
|---|---|---|---|---|---|
| **Growth (%)** | | | | | |
| Sales | -15.8 | 2.5 | -6.5 | -8.6 | -5.2 |
| Operating profit | -60.2 | -68.8 | -31.7 | 348.2 | 3.3 |
| Net profit | -54.9 | nm | nm | 287.4 | -9.8 |
| Adjusted EPS** | -54.9 | nm | nm | 287.4 | -9.8 |
| **Per-share data (KRW)** | | | | | |
| EPS (parent-based) | 8,137 | -1,656 | 1,860 | 7,205 | 6,497 |
| EPS (consolidated) | 8,137 | -1,656 | 1,860 | 7,205 | 6,497 |
| Adjusted EPS** | 8,137 | -1,656 | 1,860 | 7,205 | 6,497 |
| BVPS | 77,629 | 74,692 | 76,706 | 83,671 | 89,052 |
| DPS (common) | 1,700 | 125 | 250 | 1,125 | 1,125 |
| **Valuations (x)** | | | | | |
| P/E*** | 8.6 | n/a | 44.6 | 13.6 | 15.1 |
| P/B*** | 0.9 | 0.7 | 1.1 | 1.2 | 1.1 |
| EV/EBITDA | 5.7 | 10.5 | 17.7 | 9.7 | 9.1 |
| **Ratios (%)** | | | | | |
| ROE | 10.8 | -2.2 | 2.5 | 9.0 | 7.5 |
| ROA | 4.6 | -0.8 | 0.9 | 3.2 | 2.7 |
| ROIC | 9.0 | 1.8 | 1.7 | 5.2 | 5.4 |
| Payout ratio | 20.2 | -7.3 | 13.0 | 15.1 | 16.7 |
| Dividend yield (common) | 2.4 | 0.2 | 0.3 | 1.1 | 1.1 |
| Net debt to equity | 42.5 | 69.0 | 100.1 | 85.9 | 71.7 |
| Interest coverage (x) | 5.7 | 1.5 | n/a | n/a | n/a |

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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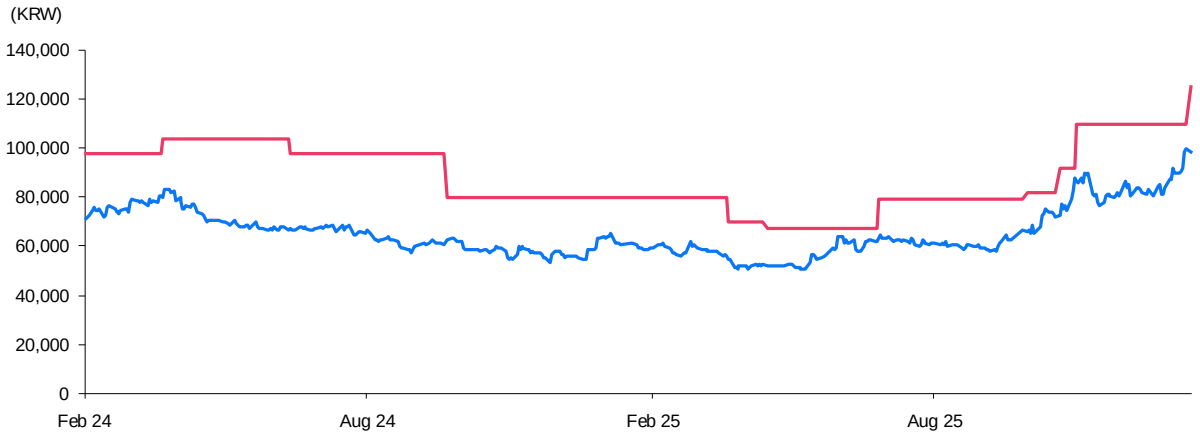
## Target price changes in past two years




## Rating changes over past two years (adjusted share prices)

| Date | 2023/9/27 | 2024/4/4 | 6/25 | 10/4 | 2025/4/3 | 4/28 | 7/9 | 10/13 | 11/3 | 11/13 | 2026/1/26 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Recommendation | BUY | BUY | BUY | BUY | BUY | BUY | BUY | BUY | BUY | BUY | BUY |
| Target price (KRW) | 98000 | 104000 | 98000 | 80000 | 70000 | 67000 | 79000 | 82000 | 92000 | 110000 | 125000 |
| Gap* (average) | -27.68 | -31.26 | -34.27 | -26.70 | -25.77 | -15.35 | -22.55 | -13.94 | -14.35 | -23.17 | |
| (max or min)** | -17.96 | -19.71 | -29.80 | -18.38 | -22.29 | -4.93 | -15.44 | -8.66 | -4.89 | -9.55 | |

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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| | |
|---|---|
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**Industry**

| | |
|---|---|
| **OVERWEIGHT** | Expected to outperform market by 5% or more within 12 months |
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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(85.8%)·HOLD(14.2%)·SELL(0%)

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**SAMSUNG SECURITIES**

Samsung Electronics Bldg., 11, 74-gil,
Seochodae-ro, Seocho-gu, Seoul, Korea 06620
Tel: 02 2020 8000 / www.samsungpop.com

**Family Center:** 1588 2323

**Voice Of Customer:** 080 911 0900


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**For more information,**
**please call our sales representatives:**


## LONDON

**Samsung Securities Europe Limited**
1st Floor, 30 Gresham Street, London EC2V 7PG UK
Tel. 44-207-776-4311
Fax. 44-203-837-9219

## NEW YORK

**Samsung Securities America Limited**
1330 Avenue of the Americas. 10th Floor. New York,
NY 10019
Tel: 1-212-972-2454
Fax: 1-212-972-2704

## HONG KONG

**Samsung Securities (Asia) Limited**
Suite 4511, Two International Finance Center,
8 Finance Street, Central, Hong Kong
Tel: 852-3411-3608
Fax: 852-2114-0290

## BEIJING

**Samsung Securities Beijing Representative Office**
Rm. 910, The Exchange Building No 118 JianGuo Lu, Chao Yang District, Beijing, China
Tel: 86-10-6522-1855 (extension 7891)
Fax: 86-10-6522-1855 (extension 7889)

## TOKYO

**Samsung Securities Tokyo Representative Office**
#106-8532 19F, Roppongi T-Cube 3-1-1,
Roppongi Minato-ku Tokyo, Japan
Tel: 81-3-6333-2952
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