COMPANY UPDATE

2026. 2. 19

Industrial Team

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Doosan Bobcat (241560)

Industry cycle rebounding

- Doosan Bobcat's 4Q operating profit met lowered market expectations.
- Global construction equipment companies have seen stock price rallies despite slow earnings recovery.
- This suggests that the market is focusing more on the potential for an industry-wide upturn rather than short-term earnings. Actually, sales volumes in developed markets are showing signs of recovery. Reflecting a sharp rise in valuations among peers, we revise up our target price.

WHAT'S THE STORY?

4Q review: Doosan Bobcat's won-denominated operating profit grew 11% q-q in 4Q25, primarily driven by forex effects rather than underlying industry improvement. Operating margin failed to improve q-q due to ongoing cost pressures from tariffs. However, the result met the lowered market consensus. Operating profit came in 15% below our previous estimate. Price increases have been slower than anticipated. We revise down our 2026 profit forecast by 11%, reflecting more conservative assumptions.

Conservative guidance, no need for alarm: The company's 2026 sales guidance assumes a 4% growth from 2025 levels. On the other hand, the company projects flat y-y operating profit, implying a decline in operating margin. However, we do not believe this should be interpreted solely as a negative signal. The guidance appears to be based on the assumption that the key North American market will not recover at all in 2026. This is an overly more conservative stance than recent forecasts from competitors and 9% below our lowered profit estimate. It is also worth noting that the company's profitability deteriorated sharply in 2H25. The 2026 guidance assumes that profitability will recover to the 1H25 level by 2H26. This implies a gradual improvement in profitability throughout the year.

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW87,000	34.5%
Current price	**KRW64,700**	
Market cap	KRW6.2t/USD4.3b	
Shares (float)	95,856,065 (51.6%)	
52-week high/low	KRW67,000/KRW41,000	
Avg daily trading value (60-day)	KRW17.6b/ USD12.2m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Doosan Bobcat (%)	5.5	15.7	35.1
Vs Kospi (%pts)	-10.1	-32.2	-36.6

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	87,000	77,000	13.0%
2025E EPS	4,197	4,494	-6.6%
2026E EPS	5,444	6,136	-11.3%

SAMSUNG vs THE STREET

No of estimates	6
Target price	74,167
Recommendation	4.0

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

SUMMARY 4Q25 RESULTS

(KRWb)	4Q25	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	2,377	11.0	12.4	-2.9	4.3
Operating profit	148	-17.7	11.0	-15.2	-1.5
Pre-tax profit	126	-22.5	21.7	-14.9	-6.1
Net profit	85	-31.4	4.2	-25.0	-22.7
Margins (%)					
Operating profit	6.2				
Pre-tax profit	5.3				
Net profit	3.6				

Source: Company data, Fnguide, Samsung Securities estimates

VALUATION SUMMARY

	2024	2025E	2026E
Valuation (x)			
P/E	11.5	15.4	11.9
P/B	0.9	0.9	0.8
EV/EBITDA	5.3	6.3	4.9
Div yield (%)	2.5	2.6	2.8
EPS growth (% y-y)	-38.9	-25.3	29.7
ROE (%)	8.8	5.7	7.2
Per-share data (KRW)			
EPS	5,620	4,197	5,444
BVPS	68,774	74,345	77,906
DPS	1,600	1,700	1,800

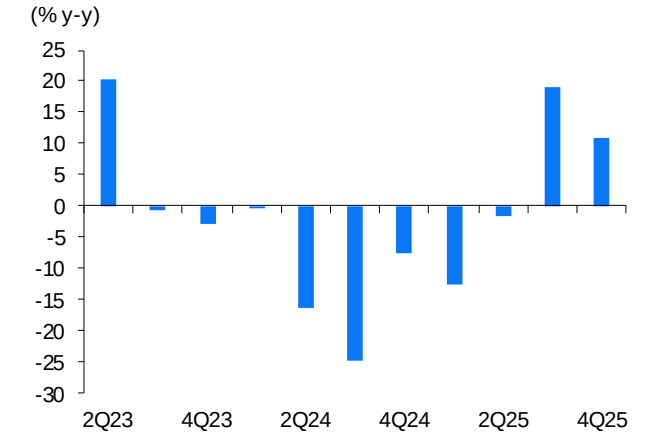
Recent market attention regarding construction equipment stocks: Two key trends have emerged among global construction equipment companies. First, profit growth has lagged behind sales recovery, largely due to tariff-related cost pressures and slow price pass-through. Second, despite slow profitability improvements and muted guidance, stock prices have surged. This suggests that the market is now prioritizing the potential for an industry-wide upturn—particularly in developed markets—over short-term earnings. With global sales having declined for four consecutive years, and considering the cyclical nature of the industry (typically 4–5 years), expectations for a rebound are not unreasonable. Evidence of recovery is emerging: Caterpillar's North American retail sales volume have grown for three consecutive quarters. Doosan Bobcat also saw y-y sales growth for two consecutive quarters without increasing promotional spending. The company's sales had declined for eight straight quarters starting in 2H23 before rebounding in the previous quarter. As sales volumes recover, price increases should follow. Given Doosan Bobcat's leadership in the compact equipment segment, it is unlikely to be left behind in this trend. Companies with low inventory levels are likely to see faster earnings improvements once prices rise. Despite the downward revision to our profit forecast, we raise our target price to KRW87,000, reflecting the sharp rise in valuations among peers. (We apply the same 2026 P/E multiple of 16x that we have used for domestic competitors in our coverage).

Doosan Bobcat: 4Q25 review

(KRWb)	4Q25	3Q25	Chg (% q-q)	4Q24	Chg (% y-y)	Consensus	Diff (%)	Samsung	Diff (%)
Sales	2,377	2,115	12.4	2,142	11.0	2,278	4.3	2,449	-2.9
Operating profit	148	134	11.0	180	-17.7	151	-1.5	175	-15.2
Pre-tax profit	126	103	21.7	162	-22.5	134	-6.1	148	-14.9
Net profit*	85	82	4.2	124	-31.4	110	-22.7	114	-25.0
Margins (%)									
Operating profit	6.2	6.3		8.4		6.6		7.1	
Pre-tax profit	5.3	4.9		7.6		5.9		6.0	
Net profit*	3.6	3.9		5.8		4.8		4.6	

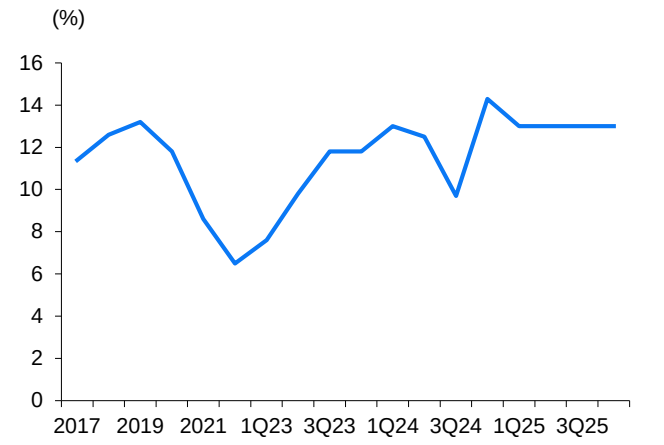
Note: *Controlling
Source: Company data, FnGuide, Samsung Securities estimates

Doosan Bobcat quarterly sales growth



Source: Company data

Doosan Bobcat North America: Promotional costs



Source: Company data

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**9,759**	**8,551**	**8,792**	**8,919**	**9,068**
Cost of goods sold	7,382	6,560	7,038	7,113	7,134
Gross profit	**2,377**	**1,991**	**1,754**	**1,806**	**1,934**
Gross margin (%)	24.4	23.3	20.0	20.2	21.3
SG&A expenses	987	1,120	1,068	1,088	1,110
Operating profit	**1,390**	**871**	**686**	**718**	**824**
Operating margin (%)	14.2	10.2	7.8	8.0	9.1
Non-operating gains (losses)	**-133**	**-73**	**-110**	**-3**	**52**
Financial profit	115	217	101	114	166
Financial costs	207	246	142	148	149
Equity-method gains (losses)	1	-0	-0	-0	-0
Other	-41	-44	-68	31	36
Pre-tax profit	**1,257**	**798**	**576**	**715**	**876**
Taxes	336	235	174	193	237
Effective tax rate (%)	26.7	29.4	30.2	27.0	27.0
Profit from continuing operations	921	563	402	522	640
Profit from discontinued operations	0	0	0	0	0
Net profit	**921**	**563**	**402**	**522**	**640**
Net margin (%)	9.4	6.6	4.6	5.9	7.1
Net profit (controlling interests)	921	563	402	522	640
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	1,635	1,165	945	1,120	1,310
EBITDA margin (%)	16.8	13.6	10.7	12.6	14.5
EPS (parent-based) (KRW)	9,192	5,620	4,197	5,444	6,672
EPS (consolidated) (KRW)	9,192	5,620	4,197	5,444	6,672
Adjusted EPS (KRW)*	9,192	5,620	4,197	5,444	6,672

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**3,886**	**4,487**	**4,547**	**5,027**	**5,525**
Cash & equivalents	1,400	1,857	1,703	1,992	2,202
Accounts receivable	530	483	602	611	745
Inventories	1,814	1,985	2,047	2,199	2,360
Other current assets	142	162	195	225	218
Fixed assets	**6,486**	**7,523**	**7,851**	**8,124**	**8,305**
Investment assets	19	26	26	26	26
Tangible assets	1,259	1,653	1,966	2,225	2,392
Intangible assets	4,985	5,587	5,602	5,616	5,631
Other long-term assets	224	257	257	257	257
Total assets	**10,372**	**12,010**	**12,398**	**13,151**	**13,830**
Current liabilities	**2,411**	**2,467**	**2,288**	**2,320**	**2,282**
Accounts payable	1,154	945	1,036	1,051	994
Short-term debt	62	125	51	51	51
Other current liabilities	1,194	1,397	1,202	1,218	1,238
Long-term liabilities	**2,006**	**2,648**	**2,983**	**3,364**	**3,651**
Bonds & long-term debt	1,096	1,624	1,424	1,274	1,074
Other long-term liabilities	910	1,024	1,559	2,089	2,577
Total liabilities	**4,417**	**5,115**	**5,272**	**5,683**	**5,934**
Owners of parent equity	**5,955**	**6,895**	**7,126**	**7,468**	**7,896**
Capital stock	56	63	63	63	63
Capital surplus	1,908	2,175	2,175	2,175	2,175
Retained earnings	4,543	5,615	5,847	6,188	6,617
Other	-551	-958	-958	-958	-958
Non-controlling interests' equity	**0**	**0**	**0**	**0**	**0**
Total equity	**5,955**	**6,895**	**7,126**	**7,468**	**7,896**
Net debt	-202	-64	-213	-680	-1,080

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**1,280**	**784**	**457**	**773**	**700**
Net profit	921	563	402	522	640
Non-cash profit and expenses	262	315	344	383	396
Depreciation	180	218	270	322	370
Amortization	66	76	64	64	64
Other	17	21	10	-4	-39
Changes in A/L from operating activities	96	-94	-290	-131	-336
Cash flow from investments	**-249**	**-623**	**-337**	**-334**	**-290**
Change in tangible assets	-166	-291	-337	-334	-290
Change in financial assets	2	-5	0	0	0
Other	-85	-327	0	0	0
Cash flow from financing	**-347**	**164**	**-274**	**-150**	**-200**
Change in debt	-89	633	-274	-150	-200
Change in equity	-949	275	0	0	0
Dividends	-155	-173	-170	-180	-211
Other	846	-571	170	180	211
Change in cash	689	261	-154	290	209
Cash at beginning of year	711	1,596	1,857	1,703	1,992
Cash at end of year	1,400	1,857	1,703	1,992	2,202
Gross cash flow	**1,183**	**878**	**746**	**905**	**1,035**
Free cash flow	**1,110**	**488**	**115**	**435**	**405**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	13.2	-12.4	2.8	1.4	1.7
Operating profit	29.7	-37.3	-21.3	4.6	14.8
Net profit	43.1	-38.9	-28.6	29.7	22.6
Adjusted EPS**	43.1	-38.9	-25.3	29.7	22.6
Per-share data (KRW)					
EPS (parent-based)	9,192	5,620	4,197	5,444	6,672
EPS (consolidated)	9,192	5,620	4,197	5,444	6,672
Adjusted EPS**	9,192	5,620	4,197	5,444	6,672
BVPS	59,400	68,774	74,345	77,906	82,379
DPS (common)	1,600	1,600	1,700	1,800	2,200
Valuations (x)					
P/E***	7.0	11.5	15.4	11.9	9.7
P/B***	1.1	0.9	0.9	0.8	0.8
EV/EBITDA	3.7	5.3	6.3	4.9	3.9
Ratios (%)					
ROE	16.8	8.8	5.7	7.2	8.3
ROA	9.4	5.0	3.3	4.1	4.7
ROIC	15.4	8.5	5.9	6.1	6.6
Payout ratio	17.4	28.5	40.5	33.1	33.0
Dividend yield (common)	2.5	2.5	2.6	2.8	3.4
Net debt to equity	-3.4	-0.9	-3.0	-9.1	-13.7
Interest coverage (x)	12.4	8.1	7.0	8.4	10.9

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

Source: Company data, Samsung Securities estimates

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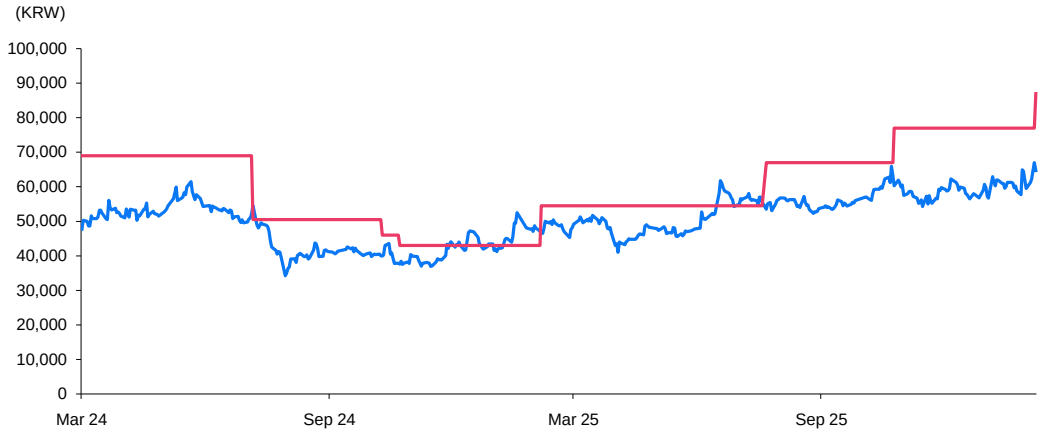

Rating changes over past two years (adjusted share prices)

Date	2023/10/30	2024/7/12	10/16	10/29	2025/2/11	4/29	7/28	10/31	2026/2/13
Recommendation	BUY	HOLD	HOLD	HOLD	HOLD	BUY	BUY	BUY	BUY
Target price (KRW)	69000	50500	46000	43000	54500	54500	67000	77000	87000
Gap* (average)	-28.68	-17.65	-12.26	-1.08	-12.37	-4.24	-16.23	-22.87	
(max or min)**	-10.87	-32.18	-5.33	22.09	-5.14	13.39	-1.64	-12.99	

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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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(85.8%)·HOLD(14.2%)·SELL(0%)

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