COMPANY UPDATE

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Seobu T&D (006730)

4Q review: Earning via hotels, moving up via development

- Seobu T&D reported record-high 4Q results showing sales up 46.9% y-y and operating profit up 43.7% y-y.
- It has secured 2,270 hotel rooms through Shinhan Seobu T&D REIT, enabling rapid expansion.
- Groundbreaking on the Yongsan Najin Arcade project in October ignited development momentum. The company is trading at 0.8x 2026 P/B following asset revaluation.

WHAT'S THE STORY?

Operating profit surges 44%: Seobu T&D reported record-high 4Q results, with sales up 46.9% y-y and operating profit up 43.7% y-y. Net profit jumped 19% y-y to KRW85.7b, led by KRW80.9b in asset revaluation gains after year-end revaluations.

- **Hotel revenue growth:** The acquisition of Shilla Stay Mapo in May boosted the company's sales growth to 48.5% in 2H25 (vs 14.1% in 1H25). Seobu T&D directly owns Novotel and Ibis at Yongsan Dragon City, and through Shinhan Seobu T&D REIT, it holds Grand Mercure, Nine Tree by Parnas Seoul Dongdaemun, Shilla Stay Gwanghwamun, and Shilla Stay Mapo (totaling 2,270 rooms and making it the largest hotel operator in Korea). The company plans to sell Dongdaemun Nine Tree in 2026 to secure additional investment capacity through the REIT. It acquired the property in 2023 for KRW54b, and recent bids for it exceeded KRW90b. Seobu T&D plans to operate future hotel acquisitions directly after master lease contracts expire.
- **One-off gains:** The company booked a KRW7.6b one-off gain from the sale of remaining land at Dragon City, and a KRW32.6b gain on exemption of debts related to a lawsuit involving Daewoo E&C.

(Continued on the next page)

SUMMARY FINANCIAL DATA

(KRWb)	2021	2022	2023	2024
Revenue	97	135	169	187
Operating profit	-5	19	37	48
Net profit (adj)	39	25	147	65
EPS (adj) (KRW)	597	248	2,052	514
EPS (adj) growth (% y-y)	nm	-58.5	728.4	-74.9
EBITDA margin (%)	11.0	26.4	31.7	34.4
ROE (%)	6.2	2.5	18.0	3.7
P/E (adj) (x)	13.4	28.5	3.5	10.5
P/B (x)	0.8	0.7	0.5	0.4
EV/EBITDA (x)	123.6	36.5	25.1	24.9
Dividend yield (%)	0.5	0.6	0.6	1.8

Source: Company data, Samsung Securities estimates

AT A GLANCE

Not rated

Target price	n/a
Current price	**KRW17,310**
Market cap	KRW1.1t/USD0.8b
Shares (float)	64,926,923 (47.7%)
52-week high/low	KRW18,580/KRW5,280
Avg daily trading value (60-day)	KRW21.3b/ USD14.8m

ONE-YEAR PERFORMANCE

	1M	6M	12M
Seobu T&D (%)	16.0	90.2	204.8
Vs Kosdaq (%pts)	0.1	29.2	104.9

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	Not Rated	Not Rated	
Target price	n/a	n/a	n/a
2025E EPS	372	372	0.0%
2026E EPS	194	194	0.0%

SAMSUNG vs THE STREET

No of estimates	4
Target price	17,875
Recommendation	4.0

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

Samsung Securities

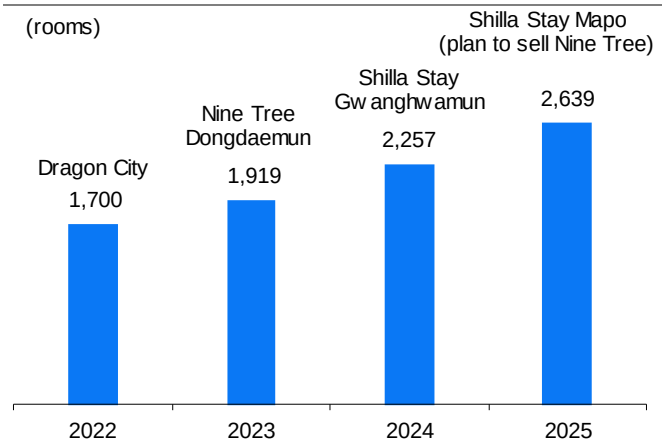
- **NAV of KRW1.4t:** The value of the company's development sites in Yongsan, Sinjeong-dong, and Incheon stands at KRW801b, up 29% from the 2022 level thanks to asset revaluation. The company's parent-based total asset value—including these sites—stands at KRW960b. The company's total consolidated asset value—including hotel and retail assets held through Shinhan Seobu T&D REIT—stands at KRW2.9t. With a NAV of KRW1.4t, the company trades at 0.8x 2026 P/B.
- **Leveraging REITs for development:** In October, the company began construction on the long-undeveloped Yongsan Najin Arcade project. As the project's residential units are to be sold immediately upon the onset of construction, the company should be able to generate instant sales. The Sinjeong-dong development project (set to begin in early 2027) is a multi-trillion-won project that will maximize financial leverage through project REITs and Shinhan Seobu T&D REIT. 2026 should: 1) mark a shift in business focus from hotel-driven growth to development-driven momentum; and 2) serve as the starting point for the value of its core assets being recognized as development begins.

Seobu T&D's key assets: Revaluation results

(KRWb)		2022	2023	2024	2025
Sinjeong-dong	Land	420	562	592	615
	Building	6	5	5	-
Yongsan Najin Arcade	Land	139	142	148	162
	Building	2	2	-	-
Square 1 Plus	Land	61	61	24	24
	Building	2	2	1	1
3 development-ready sites	**Total**	**620**	**765**	**763**	**801**
Yongsan Electronics Market	Land	31	32	40	43
(Hanggangno 3-ga)	Building	1	1	1	1
Casino	Land	-	51	58	60
(Hanggangno 3-ga)	Building	-	49	55	55
5 assets total	Land	651	847	860	903
	Building	10	59	61	56
	Total	**661**	**906**	**921**	**960**

Source: Company data, Samsung Securities

Status of hotel room inventory



Source: Company data, Samsung Securities

Sinjeong-dong land development plan

Source: Company data

Major development projects

	Yongsan Najin Arcade	Singjeong-dong	Square 1 Plus
Location	Yongsan-gu Hanggangno 3-ga	Yangcheon-gu, Sinjeongdong 1315	
Land area (*pyeong*)	1,823	31,534	5,858
Gross floor area (*pyeong*)	23,000 (plan)	238,936 (plan)	
Primary use	Offices/High-end offices	Logistics center/Shopping mall/Officetel/Apartments	Retail/Neighborhood commercial facilities/Facilities contributed to the public
Site development plan			
Land acquisition date	2020	Before 1979	2019
Land book value (end-2024)	KRW161.5b	KRW614.8b	KRW24.3b
Total development cost (plan)	KRW700b	Not decided	Not decided

Source: Company data, Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2020	2021	2022	2023	2024
Sales	**85**	**97**	**135**	**169**	**187**
Cost of goods sold	71	66	82	92	97
Gross profit	**14**	**30**	**53**	**77**	**90**
Gross margin (%)	16.2	31.4	39.3	45.6	48.2
SG&A expenses	36	36	34	40	42
Operating profit	**(23)**	**(5)**	**19**	**37**	**48**
Operating margin (%)	(26.8)	(5.5)	14.2	22.0	25.6
Non-operating gains (losses)	**(13)**	**41**	**11**	**140**	**9**
Financial profit	1	1	3	5	11
Financial costs	32	33	36	45	54
Equity-method gains (losses)	0	0	0	0	(2)
Other	18	73	44	179	55
Pre-tax profit	**(36)**	**36**	**30**	**177**	**57**
Taxes	(1)	(3)	5	29	(8)
Effective tax rate (%)	2.6	(8.5)	16.7	16.6	(13.2)
Profit from continuing operations	(35)	39	25	147	65
Profit from discontinued operations	0	0	0	0	0
Net profit	**(35)**	**39**	**25**	**147**	**65**
Net margin (%)	(41.5)	40.5	18.8	87.2	34.5
Net profit (controlling interests)	(35)	40	17	138	34
Net profit (non-controlling interests)	(1)	(1)	9	9	30
EBITDA	(3)	11	36	54	64
EBITDA margin (%)	(4.0)	11.0	26.4	31.7	34.4
EPS (parent-based) (KRW)	(514)	597	248	2,052	514
EPS (consolidated) (KRW)	(522)	581	377	2,187	968
Adjusted EPS (KRW)*	(514)	597	248	2,052	514

Balance sheet

Year-end Dec 31 (KRWb)	2020	2021	2022	2023	2024
Current assets	196	216	143	138	148
Cash & equivalents	16	40	40	42	97
Accounts receivable	4	6	8	9	10
Inventories	0	1	1	1	1
Other current assets	176	169	95	86	40
Fixed assets	1,783	1,842	1,923	2,210	2,746
Investment assets	3	3	50	49	50
Tangible assets	854	843	831	791	958
Intangible assets	1	1	0	0	0
Other long-term assets	924	995	1,041	1,370	1,737
Total assets	1,979	2,058	2,066	2,348	2,894
Current liabilities	381	312	789	417	494
Accounts payable	1	2	4	3	3
Short-term debt	162	133	94	173	173
Other current liabilities	218	177	691	241	318
Long-term liabilities	968	945	460	934	1,160
Bonds & long-term debt	672	663	171	608	879
Other long-term liabilities	296	282	288	325	281
Total liabilities	1,349	1,257	1,249	1,351	1,654
Owners of parent equity	626	667	679	859	998
Capital stock	29	30	30	31	34
Capital surplus	136	136	136	136	71
Retained earnings	389	427	440	574	656
Other	72	75	74	118	238
Non-controlling interests' equity	4	134	137	138	242
Total equity	630	801	817	997	1,241
Net debt	738	646	699	768	1,005

Cash flow statement

Year-end Dec 31 (KRWb)	2020	2021	2022	2023	2024
Cash flow from operations	(10)	8	39	49	63
Net profit	(35)	39	25	147	65
Non-cash profit and expenses	33	(23)	13	(94)	2
Depreciation	19	15	16	16	16
Amortization	0	0	0	0	0
Other	14	(39)	(4)	(111)	(14)
Changes in A/L from operating activities	(8)	(5)	4	(5)	(4)
Cash flow from investments	(77)	(19)	16	(57)	3
Change in tangible assets	(3)	(5)	(7)	(11)	(3)
Change in financial assets	(160)	(0)	22	9	44
Other	86	(14)	1	(55)	(38)
Cash flow from financing	91	35	(55)	11	(11)
Change in debt	912	(68)	(15)	63	246
Change in equity	163	(0)	(0)	0	(65)
Dividends	0	(3)	(10)	(12)	(10)
Other	(984)	106	(30)	(41)	(182)
Change in cash	5	24	(1)	3	55
Cash at beginning of year	11	16	40	40	42
Cash at end of year	16	40	40	42	97
Gross cash flow	(2)	16	38	53	67
Free cash flow	(13)	3	32	38	60

Financial ratios

Year-end Dec 31	2020	2021	2022	2023	2024
Growth (%)					
Sales	n/a	14.1	39.9	25.0	10.8
Operating profit	nm	nm	nm	94.0	28.9
Net profit	nm	nm	(35.2)	480.2	(56.2)
Adjusted EPS**	nm	nm	(58.5)	728.4	(74.9)
Per-share data (KRW)					
EPS (parent-based)	(514)	597	248	2,052	514
EPS (consolidated)	(522)	581	377	2,187	968
Adjusted EPS**	(514)	597	248	2,052	514
BVPS	9,651	10,273	10,462	13,380	15,485
DPS (common)	43	44	45	46	100
Valuations (x)					
P/E***	(12.9)	13.4	28.5	3.5	10.5
P/B***	0.7	0.8	0.7	0.5	0.4
EV/EBITDA	(350.5)	123.6	36.5	25.1	24.9
Ratios (%)					
ROE	(5.5)	6.2	2.5	18.0	3.7
ROA	(1.8)	1.9	1.2	6.7	2.5
ROIC	(3.0)	(0.8)	2.2	4.5	7.7
Payout ratio	(8.1)	7.1	17.4	2.1	18.8
Dividend yield (common)	0.6	0.5	0.6	0.6	1.8
Net debt to equity	117.2	80.6	85.6	77.0	81.0
Interest coverage (x)	(0.7)	(0.2)	0.5	0.8	0.9

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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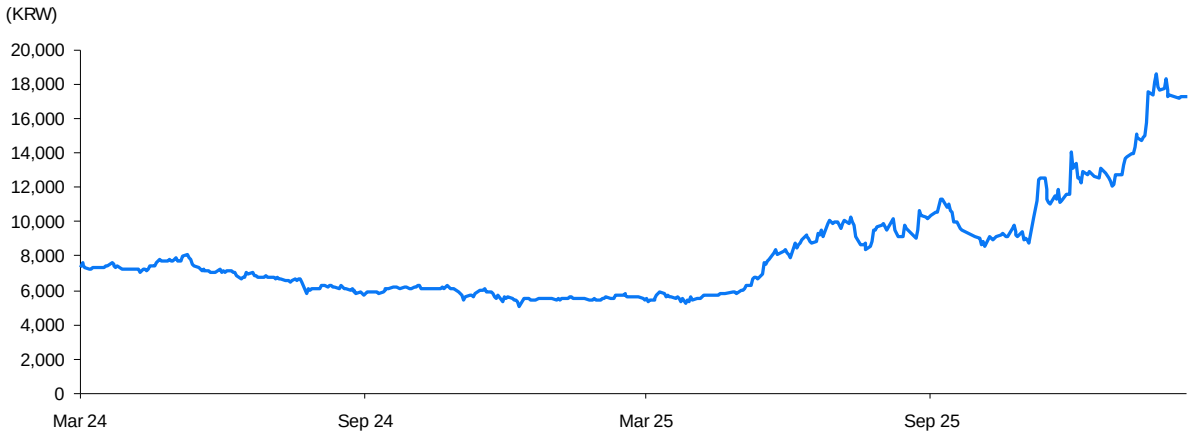
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2026/2/24
Recommendation	Not Rated
Target price (KRW)	n/a
Gap* (average)	
(max or min)**	

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

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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