COMPANY UPDATE

2026. 3. 4

Finance/Consumer Goods Team

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Youngone Corporation (111770)

Earnings beat again on OEM capability gap

- Youngone Corp reported solid 4Q25 results, with sales and operating profit beating consensus by 6% and 46%, respectively.
- Continued sales growth at key clients supports outlook for sustained OEM growth.
- We raise our target price to KRW120,000 (based on 10.5x P/E; from KRW117,000) and maintain BUY.

▶ AT A GLANCE

BUY

Target price	KRW120,000	22.4%
Current price	**KRW98,000**	
Market cap	KRW4.3t/USD2.9b	
Shares (float)	44,311,468 (45.3%)	
52-week high/low	KRW98,000/KRW41,900	
Avg daily trading value (60-day)	KRW7.8b/ USD5.3m	

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
Youngone Corporation (%)	10.1	67.0	105.7
Vs Kospi (%pts)	0.5	-8.2	-10.1

▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	120,000	117,000	2.6%
2025E EPS	10,986	10,986	0.0%
2026E EPS	11,551	11,551	0.0%

▶ SAMSUNG vs THE STREET

No of estimates	6
Target price	120,333
Recommendation	4.0

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

WHAT'S THE STORY?

Both sales and operating profit improve, beating consensus: Youngone Corp reported 4Q25 sales of KRW1t (up 19% y-y) and an operating profit of KRW105.2b (turning around y-y; for an operating margin of 10%), beating consensus by 6% and 46%, respectively. Growth was solid across businesses, with the OEM and 'others' units contributing combined estimated sales of KRW743.5b (up 21% y-y) and Scott Sports contributing estimated sales of KRW265.8b (up 15% y-y). The company successfully turned to an operating profit, thanks to operating leverage from growing OEM sales and narrowing of losses at Scott Sports to an estimated KRW30b (vs loss of KRW107.2b in 4Q24).

Continued solid sales growth at clients supports outlook for sustained OEM growth: Based on the company's 4Q25 performance, we expect OEM order growth to continue. Key clients showed healthy sales growth in 4Q25, with The North Face up 8% and Amer Sports up 28%. Notably, Amer Sports has guided for 16-18% sales growth in 2026, indicating that solid demand is likely to persist. Meanwhile, inventory assets at Scott Sports have been declining steadily—from KRW790.5b in 2023 to KRW575.5b in 2024 and further to KRW504b in 3Q25—suggesting that losses will continue to narrow going forward.

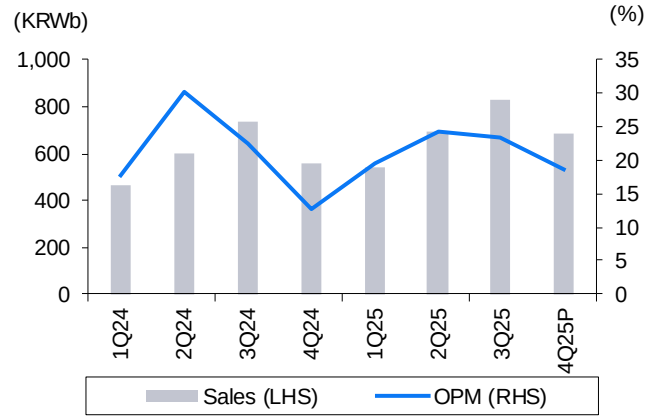
Raising target price and maintaining BUY: We raise our target price to KRW120,000 (based on 10.5x P/E, a 20% discount to the company's 2019 P/E high of 13.3x—back in 2019, Korean OEMs benefited from favorable industry conditions like the US-China trade war). We note that Youngone Corp: 1) remains one of the few domestic and global OEMs achieving double-digit OEM order growth; and 2) is still deep in oversold territory, trading at a 50% discount to global peers' average P/E of 18x (Bloomberg), which we believe needs to narrow.

Results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25P	2024	2025P	2026E
Sales	710	893	1,068	847	811	1,038	1,205	1,009	3,518	4,064	4,372
OEM	468	604	732	559	538	694	827	688	2,571	2,748	2,938
SCOTT	196	240	287	231	226	300	330	266	973	1,122	1,234
Operating profit	71	166	105	(26)	82	146	181	105	316	514	583
OEM	83	183	165	71	106	168	193	129	502	596	610
SCOTT	(16)	(21)	(68)	(107)	(28)	(26)	(20)	(31)	(212)	(105)	(50)
Margin (%)											
Operating profit	10.0	18.6	9.8	(3.1)	10.1	14.0	15.0	10.4	9.0	12.7	13.3
OEM	17.8	30.3	22.5	12.7	19.7	24.2	23.4	18.7	21.1	21.7	20.8
SCOTT	(8.2)	(8.7)	(23.8)	(46.4)	(12.4)	(8.8)	(6.1)	(11.5)	(22.3)	(9.4)	(4.1)
Growth (% y-y)											
Sales	(15.6)	(11.4)	7.0	11.8	14.3	16.3	12.8	19.2	(2.4)	15.5	7.6
OEM	(5.1)	(5.3)	22.5	24.5	15.2	14.9	12.9	23.2	9.1	15.6	6.9
SCOTT	(35.4)	(28.5)	(17.0)	(10.6)	15.3	25.3	15.1	15.0	(23.2)	17.7	10.0
Operating profit	(57.5)	(20.9)	(41.9)	nm	15.9	(12.5)	73.4	nm	(50.5)	63.0	13.2
OEM	(39.3)	(5.4)	2.6	3.2	27.4	(8.2)	17.2	81.7	(10.4)	18.7	2.4
SCOTT	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm

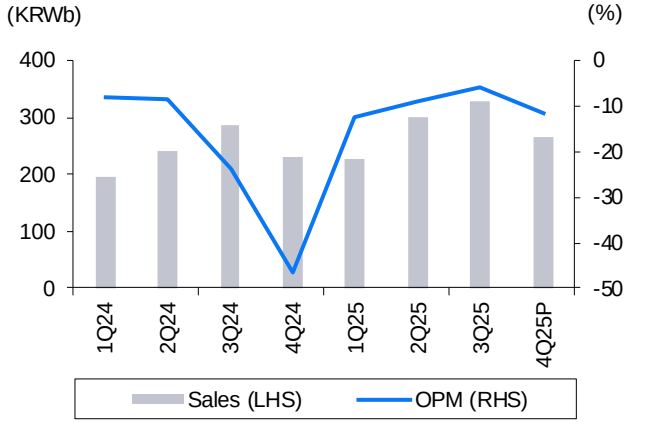
Source: Company data, Samsung Securities

OEM: Sales and OPM



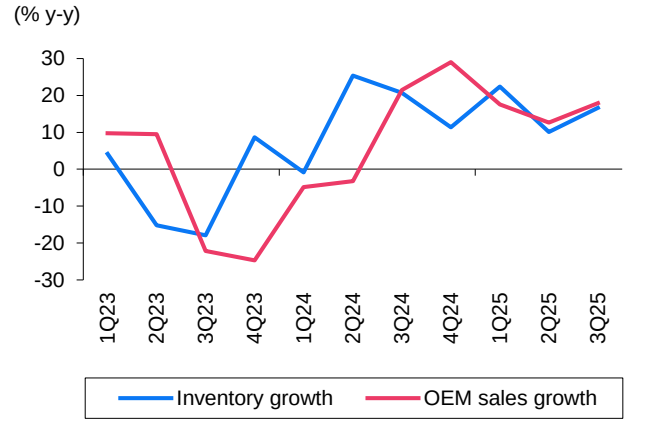
Source: Company data, Samsung Securities

Scott: Sales and OPM



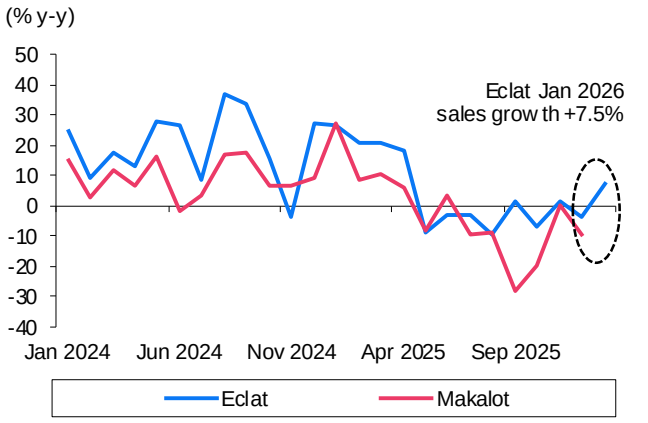
Source: Company data, Samsung Securities

OEM: Inventory and sales growth



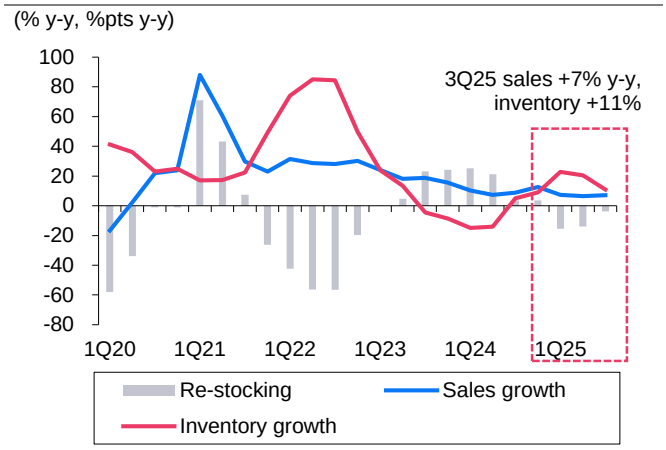
Source: Company data, Samsung Securities

Eclat & Makalot: Monthly sales growth



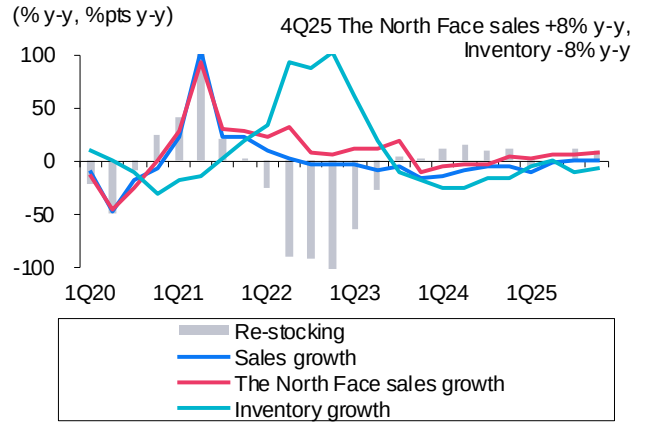
Source: Company data, Samsung Securities

Lululemon: Sales, inventory, re-stocking growth



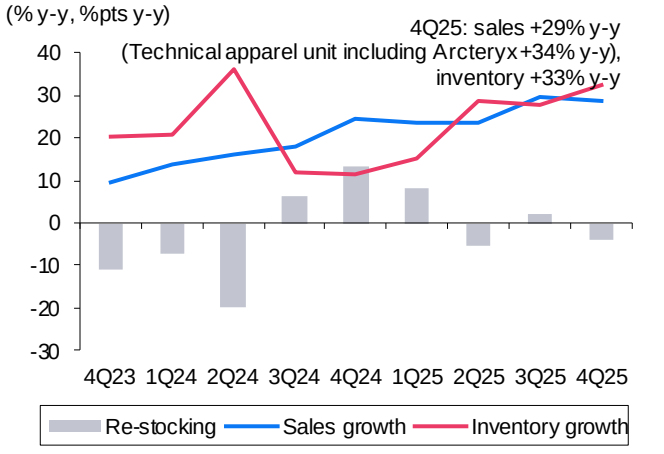
Source: Bloomberg, Samsung Securities

VFC: Sales, inventory, re-stocking growth



Source: Bloomberg, Samsung Securities

Amer sports: sales, inventory, re-stocking growth



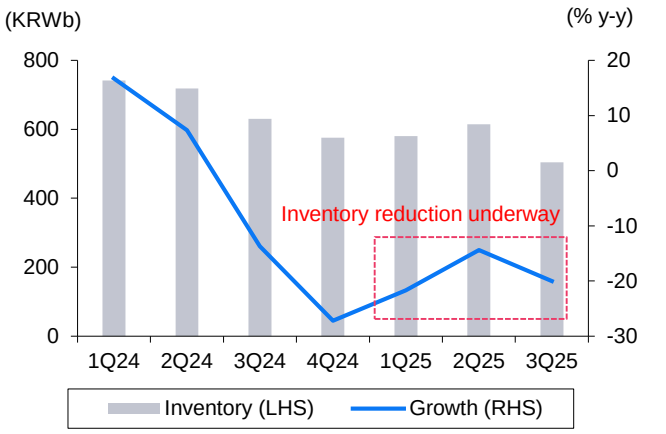
Source: Bloomberg, Samsung Securities

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	• 4Q25 North Face sales growth 8%, accelerated from 6% in 2Q, 6% in 3Q • By region: America +15%, EMEA +5%, APAC -1%
Amer Sports	• 4Q25 sales +29% (Technical apparel: sales +34%) • 2026 sales growth guidance: 16-18%

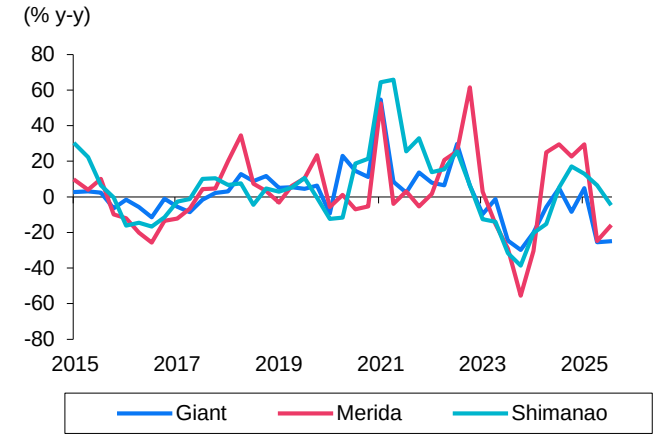
Source: Company data, Samsung Securities

Scott: Inventory



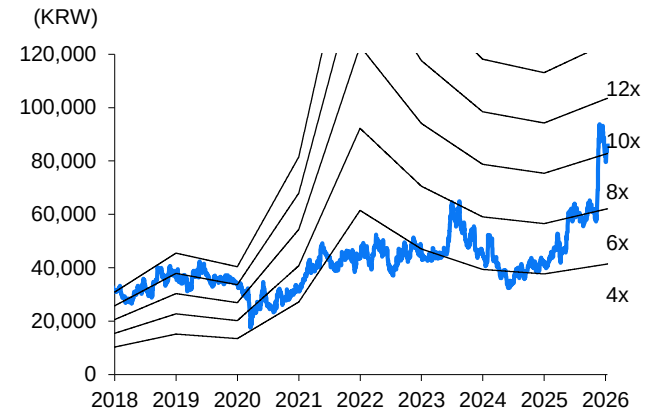
Source: Company data, Samsung Securities

Bicycle companies: Sales growth



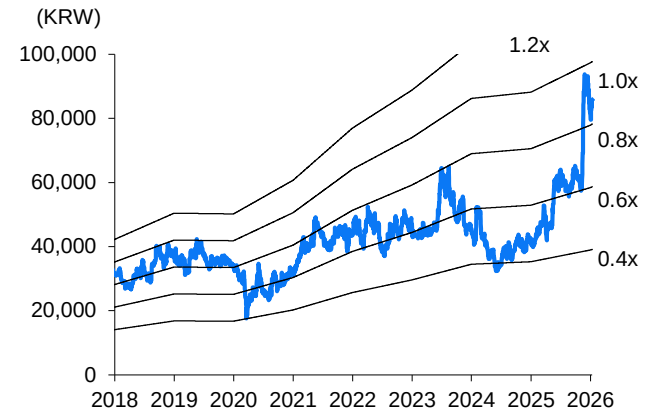
Source: Bloomberg, Samsung Securities

Youngone: Forward P/E band



Note: As of Feb 27, 2026
Source: Bloomberg, Samsung Securities

Youngone: Forward P/B band



Note: As of Feb 27, 2026
Source: Bloomberg, Samsung Securities

OEM: Global peer valuations

	Market cap (KRWb)	P/E (x)		EPS growth (% y-y)		P/B (x)		ROE (%)		Dividend payout ratio (%)	
		2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E
Youngone	4,400	8.4	7.6	9.6	10.2	1.0	0.9	12.1	12.0	16.6	18.0
Hansae	575	8.2	6.9	22.8	18.9	0.7	0.7	9.1	10.0	31.5	26.5
Hwaseung	338	11.1	7.7	(270.5)	45.2	0.8	0.7	6.8	8.9	10.6	7.8
Korean average		9.3	7.4	(79.4)	24.7	0.8	0.8	9.3	10.3	19.6	17.4
Eclat	5,298	17.4	15.5	20.8	12.7	3.6	3.3	21.8	22.3	69.7	64.9
Makalot	3,683	19.1	17.1	15.9	12.0	5.2	4.8	28.2	29.7	85.8	88.3
ShenZhou	17,454	11.5	10.3	10.8	11.6	1.9	1.7	17.2	17.7	60.2	60.6
Bosideng	10,526	12.4	11.1	8.2	11.1	2.6	2.4	21.8	22.5	82.5	82.7
Yueyuan	5,545	9.8	8.9	7.6	9.5	0.8	0.8	8.3	8.8	69.3	68.2
Feng Tay	4,269	15.6	14.4	12.2	8.9	3.4	3.1	21.9	22.1	82.4	84.4
Global average		14.3	12.9	12.6	11.0	2.9	2.7	19.9	20.5	75.0	74.8

Note: As of Feb 27, 2026
Source: Bloomberg, Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**3,604**	**3,518**	**4,064**	**4,372**	**4,587**
Cost of goods sold	2,449	2,621	2,989	3,146	3,278
Gross profit	**1,155**	**896**	**1,075**	**1,226**	**1,308**
Gross margin (%)	32.0	25.5	26.4	28.0	28.5
SG&A expenses	518	581	560	643	649
Operating profit	**637**	**316**	**514**	**583**	**659**
Operating margin (%)	17.7	9.0	12.7	13.3	14.4
Non-operating gains (losses)	**44**	**93**	**67**	**25**	**29**
Financial profit	37	42	41	41	46
Financial costs	31	32	29	31	32
Equity-method gains (losses)	2	-2	23	0	0
Other	36	84	31	14	15
Pre-tax profit	**682**	**408**	**582**	**607**	**689**
Taxes	149	114	154	134	151
Effective tax rate (%)	21.8	27.8	26.4	22.0	22.0
Profit from continuing operations	533	295	428	474	537
Profit from discontinued operations	0	0	0	0	0
Net profit	**533**	**295**	**428**	**474**	**537**
Net margin (%)	14.8	8.4	10.5	10.8	11.7
Net profit (controlling interests)	516	427	487	512	580
Net profit (non-controlling interests)	17	-133	-59	-38	-43
EBITDA	735	423	623	686	769
EBITDA margin (%)	20.4	12.0	15.3	15.7	16.8
EPS (parent-based) (KRW)	11,644	9,637	10,986	11,551	13,095
EPS (consolidated) (KRW)	12,030	6,647	9,662	10,692	12,121
Adjusted EPS (KRW)*	11,644	9,637	10,986	11,551	13,095

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**3,347**	**3,430**	**3,643**	**3,819**	**4,132**
Cash & equivalents	896	800	509	607	763
Accounts receivable	491	546	651	645	676
Inventories	1,329	1,225	1,460	1,446	1,517
Other current assets	631	859	1,024	1,121	1,176
Fixed assets	**1,950**	**1,960**	**2,155**	**2,272**	**2,366**
Investment assets	488	450	416	517	521
Tangible assets	811	906	1,104	1,088	1,186
Intangible assets	195	153	161	194	186
Other long-term assets	457	451	473	473	473
Total assets	**5,297**	**5,390**	**5,798**	**6,091**	**6,498**
Current liabilities	**1,123**	**728**	**1,110**	**1,102**	**1,142**
Accounts payable	456	425	507	502	526
Short-term debt	399	26	93	93	93
Other current liabilities	269	276	510	507	522
Long-term liabilities	**586**	**766**	**651**	**596**	**569**
Bonds & long-term debt	77	258	68	18	-32
Other long-term liabilities	508	508	583	578	601
Total liabilities	**1,709**	**1,494**	**1,761**	**1,699**	**1,710**
Owners of parent equity	**3,247**	**3,687**	**3,873**	**4,267**	**4,705**
Capital stock	22	22	22	22	22
Capital surplus	453	453	453	453	453
Retained earnings	2,713	3,083	3,450	3,843	4,282
Other	59	129	-52	-52	-52
Non-controlling interests' equity	**341**	**209**	**164**	**126**	**83**
Total equity	**3,588**	**3,896**	**4,037**	**4,393**	**4,788**
Net debt	-723	-1,049	-826	-1,074	-1,324

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**525**	**624**	**338**	**580**	**588**
Net profit	533	295	428	474	537
Non-cash profit and expenses	280	256	257	223	239
Depreciation	92	101	101	96	102
Amortization	7	6	7	8	7
Other	182	148	149	119	129
Changes in A/L from operating activities	-110	192	-213	10	-51
Cash flow from investments	**-437**	**-255**	**-444**	**-214**	**-239**
Change in tangible assets	-169	-108	-326	-80	-200
Change in financial assets	-117	-176	-132	-101	-46
Other	-152	29	14	-33	7
Cash flow from financing	**21**	**-412**	**-129**	**-169**	**-190**
Change in debt	174	-243	65	-50	-49
Change in equity	0	0	0	0	0
Dividends	-67	-57	-119	-119	-142
Other	-86	-112	-74	0	0
Change in cash	160	-97	-291	99	156
Cash at beginning of year	736	896	800	509	607
Cash at end of year	896	800	509	607	763
Gross cash flow	**813**	**550**	**686**	**697**	**776**
Free cash flow	**354**	**507**	**3**	**350**	**238**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	-7.8	-2.4	15.5	7.6	4.9
Operating profit	-22.6	-50.5	63.0	13.2	13.2
Net profit	-28.3	-44.7	45.4	10.7	13.4
Adjusted EPS**	-23.5	-17.2	14.0	5.1	13.4
Per-share data (KRW)					
EPS (parent-based)	11,644	9,637	10,986	11,551	13,095
EPS (consolidated)	12,030	6,647	9,662	10,692	12,121
Adjusted EPS**	11,644	9,637	10,986	11,551	13,095
BVPS	74,013	86,238	91,012	100,252	110,559
DPS (common)	1,300	1,400	2,712	3,224	4,286
Valuations (x)					
P/E***	3.9	4.4	7.4	8.5	7.5
P/B***	0.6	0.5	0.9	1.0	0.9
EV/EBITDA	2.2	2.5	4.8	4.9	4.0
Ratios (%)					
ROE	17.0	12.3	12.9	12.6	12.9
ROA	10.9	5.5	7.7	8.0	8.5
ROIC	21.6	9.2	14.0	15.5	17.0
Payout ratio	11.1	14.0	23.7	26.8	31.4
Dividend yield (common)	2.9	3.3	3.3	3.3	4.4
Net debt to equity	-20.1	-26.9	-20.5	-24.5	-27.7
Interest coverage (x)	20.5	10.0	17.7	22.3	27.8

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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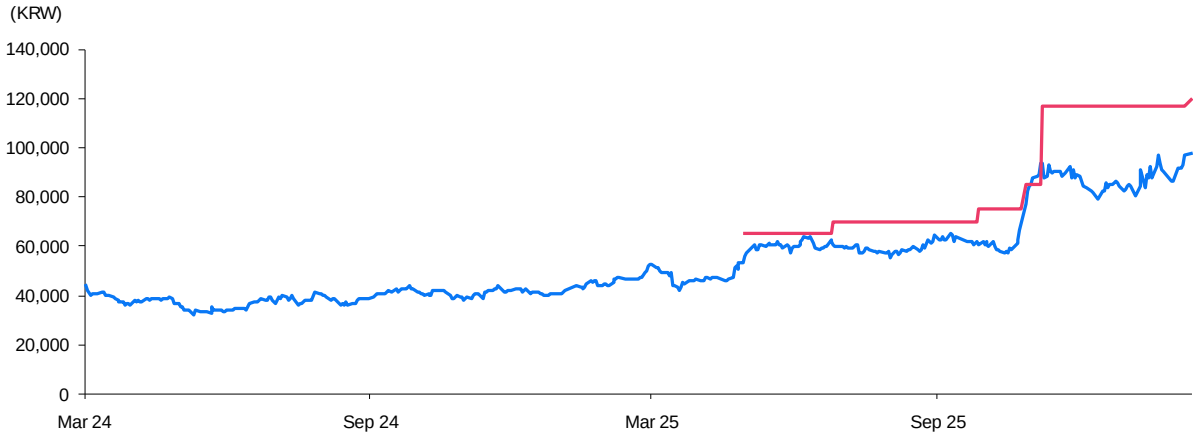
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2025/5/20	7/16	10/17	11/17	11/27	2026/3/3
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	65000	70000	75000	85000	117000	120000
Gap* (average)	-7.01	-14.48	-19.09	2.76	-25.11	
(max or min)**	-1.54	-6.86	-7.73	10.35	-16.92	

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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