COMPANY UPDATE

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SK Telecom (017670)

Earnings rebound on AI transition

- In 2026, SK Telecom's earnings and shareholder returns should normalize given the low base and improving operating results.
- The firm should keep focusing on AI businesses, including AI data centers.
- Reflecting a rise in the estimated value of its stake in Anthropic, we increase our target price to KRW87,000.

WHAT'S THE STORY?

Back on track: We forecast SK Telecom's (SKT) 2026 sales and operating profit will reach KRW17.7t (up 3.8%) and KRW1.9t (up 77%), respectively. Most of the one-time costs related to the Apr 2025 cyberattack were reflected in 2025, and the telco's earnings should improve this year on the low base and normalization of core operations. The firm is expected to work hard at strengthening its fundamentals (by restructuring low-margin and non-core businesses) while concurrently expanding investments in AI infrastructure (*eg*, data centers).

Becoming AI infrastructure company: SKT has been aggressively reallocating its corporate resources towards AI-related businesses, overhauling its business portfolio to prioritize high-growth areas. Strategic moves include divesting non-core assets to enhance capital efficiency and sharpen its focus on core operations. Additionally, the company's early-stage investments in global AI leaders (*eg*, Anthropic and Perplexity) are likely to increasingly draw investor attention. Alongside this, the mobile carrier is scaling up its AI data center business with next-generation infrastructure, positioning itself not merely as a telecom service provider but as a long-term AI infra player—opening the door to a meaningful rerating.

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW87,000	11.7%
Current price	KRW77,900	
Market cap	KRW16.7t/USD11.4b	
Shares (float)	214,790,053 (68.6%)	
52-week high/low	KRW86,500/KRW50,700	
Avg daily trading value (60-day)	KRW88.6b/ USD60.4m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
SK Telecom (%)	0.5	42.2	37.6
Vs Kospi (%pts)	-7.1	-18.4	-36.9

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	87,000	66,000	31.8%
2025E EPS	1,901	1,540	23.4%
2026E EPS	5,976	5,270	13.4%

SAMSUNG vs THE STREET

No of estimates	17
Target price	84,441
Recommendation	3.8

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

SUMMARY FINANCIAL DATA

	2024	2025E	2026E	2027E
Revenue (KRWb)	17,941	17,099	17,749	18,158
Operating profit (KRWb)	1,823	1,073	1,900	2,017
Net profit (adj) (KRWb)	1,387	375	1,330	1,430
EPS (adj) (KRW)	5,810	1,901	5,976	6,387
EPS (adj) growth (% y-y)	16.3	-67.3	214.3	6.9
EBITDA margin (%)	30.8	27.6	31.0	31.8
ROE (%)	10.8	3.5	10.5	10.7
P/E (adj) (x)	9.5	28.1	13.0	12.2
P/B (x)	1.0	1.0	1.3	1.3
EV/EBITDA (x)	3.7	4.2	4.4	4.2
Dividend yield (%)	6.4	3.1	4.5	4.6

Source: Company data, Samsung Securities estimates

Strong commitment to shareholder returns: Although SKT did not pay a quarterly dividend in 3Q25 or 4Q25, we believe its dividend payment will return to the 2023-2024 DPS of KRW3,540 this year. Furthermore, a proposal to reduce capital reserves by KRW1.7t and reclassify the amount as retained earnings should be presented at the upcoming shareholders' meeting. If approved, this could enable the firm to introduce capital-reduction dividends (which are treated as non-taxable). It has pledged to allocate over 50% of its consolidated net profit to shareholder returns.

Raising target price to KRW87,000: We increase our SOTP-based target price to KRW87,000 to reflect two key developments—*ie*, rises in its operating value and a hike in the estimated value of its stake in Anthropic (KRW1.95t). First, Anthropic's recent series G funding round valued the US company at USD380b, significantly higher than its valuation when SKT invested in it. This has prompted us to revise up our estimated value of SKT's stake in the firm. Although SKT held a 0.7% stake as of mid-1H25, we conservatively assume a 0.35% ownership to factor in possible share dilution (stemming from future equity issuances). Second, we revise up our 2026 and 2027 net profit forecasts by 13.4% and 10.2%, respectively, on the prospects of: 1) better operating results at the parent and consolidated subsidiaries on business normalization; and 2) expansion of the data center segment.

Table 1. Consolidated results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2025	2026E	2027E
Sales	**4,474.6**	**4,422.4**	**4,532.1**	**4,511.5**	**4,453.7**	**4,338.8**	**3,978.1**	**4,328.7**	**4,409.1**	**4,379.0**	**4,466.2**	**4,494.6**	**17,099.2**	**17,748.9**	**18,158.2**
Parent	3,188.7	3,191.5	3,203.2	3,190.6	3,167.5	3,135.1	2,664.7	3,083.7	3,084.0	3,142.7	3,163.0	3,217.1	12,051.1	12,606.9	12,796.2
Operating costs	3,976.1	3,884.9	3,998.9	4,257.4	3,886.3	4,000.5	3,929.6	4,209.5	3,889.4	3,850.5	3,932.9	4,176.5	16,026.0	15,849.4	16,141.2
Labor	660.6	624.0	639.4	801.8	671.6	594.2	605.3	840.1	656.9	581.3	593.6	777.7	2,711.3	2,609.5	2,694.0
Marketing (parent)	719.5	715.5	726.2	747.4	691.7	725.1	719.4	763.5	708.3	735.1	726.3	777.2	2,899.7	2,947.0	3,023.0
Depreciation	930.1	916.9	920.6	927.0	897.5	894.4	897.7	900.6	889.6	886.5	891.4	893.3	3,590.2	3,560.9	3,523.5
Operating profit	**498.5**	**537.5**	**533.3**	**254.1**	**567.4**	**338.3**	**48.4**	**119.1**	**519.7**	**528.5**	**533.3**	**318.1**	**1,073.2**	**1,899.5**	**2,017.0**
Operating margin (%)	11.1	12.2	11.8	5.6	12.7	7.8	1.2	2.8	11.8	12.1	11.9	7.1	6.3	10.7	11.1
Pre-tax profit	440.7	478.2	364.7	478.1	507.9	240.4	-163.9	137.8	465.1	478.6	455.1	368.8	722.3	1,767.7	1,894.0
Net profit (controlling)	**353.0**	**337.4**	**268.9**	**290.9**	**364.4**	**89.6**	**-158.2**	**112.5**	**320.6**	**348.0**	**367.1**	**247.7**	**408.4**	**1,283.5**	**1,371.8**
Chg (% y-y)															
Sales	**2.3**	**2.7**	**2.9**	**-0.3**	**-0.5**	**-1.9**	**-12.2**	**-4.1**	**-1.0**	**0.9**	**12.3**	**3.8**	**-4.7**	**3.8**	**2.3**
Parent	2.3	2.3	1.7	-0.4	-0.7	-1.8	-16.8	-3.3	-2.6	0.2	18.7	4.3	-5.7	4.6	1.5
Operating costs	2.5	1.1	2.4	0.6	-2.3	3.0	-1.7	-1.1	0.1	-3.7	0.1	-0.8	-0.6	-1.1	1.8
Labor	7.0	5.6	4.1	20.5	1.7	-4.8	-5.3	4.8	-2.2	-2.2	-1.9	-7.4	-0.5	-3.8	3.2
Marketing (parent)	-4.9	-5.1	-3.0	-4.9	-3.9	1.3	-0.9	2.1	2.4	1.4	1.0	1.8	-0.3	1.6	2.6
Depreciation	-0.3	-3.4	-0.8	-1.4	-3.5	-2.5	-2.5	-2.9	-0.9	-0.9	-0.7	-0.8	-2.8	-0.8	-1.1
Operating profit	**0.8**	**16.0**	**7.1**	**-14.4**	**13.8**	**-37.1**	**-90.9**	**-53.1**	**-8.4**	**56.2**	**1,000.9**	**167.0**	**-41.1**	**77.0**	**6.2**
Operating margin (%pts y-y)	-0.2	1.4	0.5	-0.9	1.6	-4.4	-10.5	-2.9	-1.0	4.3	10.7	4.3	-3.9	4.4	0.4
Pre-tax profit	4.7	6.3	-8.8	119.9	15.2	-49.7	n/a	-71.2	-8.4	99.1	n/a	167.5	-59.0	144.7	7.1
Net profit (controlling)	**21.5**	**2.5**	**-9.7**	**65.3**	**3.2**	**-73.4**	n/a	**-61.3**	**-12.0**	**288.3**	n/a	**120.1**	**-67.3**	**214.3**	**6.9**

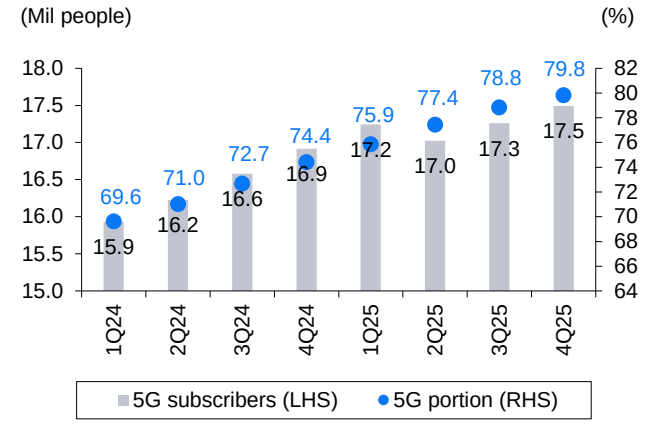
Source: Company data, Samsung Securities

Table 2. Key operating metrics

('000 people)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2025	2026E	2027E
Mobile subscribers*	**33,884**	**34,147**	**34,228**	**34,276**	**34,376**	**33,939**	**33,426**	**33,452**	**33,388**	**33,433**	**33,481**	**33,519**	**33,452**	**33,711**	**33,864**
Net additions (q-q)	225	263	81	48	101	-437	-513	26	-64	45	48	38	-824	259	154
LTE	6,918	6,598	6,264	5,892	5,601	5,079	4,932	4,637	4,385	4,142	3,948	3,747	4,637	3,747	3,094
5G	15,932	16,226	16,577	16,917	17,242	17,022	17,260	17,492	17,787	17,932	18,098	18,284	17,492	18,284	18,920
Fixed-line service subscribers	**16,578**	**16,651**	**16,729**	**16,765**	**16,815**	**16,666**	**16,655**	**16,688**	**16,723**	**16,726**	**16,755**	**16,779**	**16,688**	**16,779**	**16,899**
Broadband	6,990	7,048	7,113	7,156	7,215	7,173	7,196	7,238	7,262	7,252	7,270	7,282	7,238	7,282	7,359
IPTV	9,588	9,603	9,616	9,608	9,600	9,494	9,459	9,450	9,462	9,474	9,486	9,497	9,450	9,497	9,540
Mobile ARPU (KRW)	**29,239**	**29,298**	**29,389**	**29,495**	**29,202**	**29,204**	**24,125**	**28,848**	**28,528**	**28,299**	**28,222**	**28,096**	**27,845**	**28,286**	**28,065**
Chg (% q-q)	-1.1	0.2	0.3	0.4	-1.0	0.0	-17.4	19.6	-1.1	-0.8	-0.3	-0.4	-5.1	1.6	-0.8

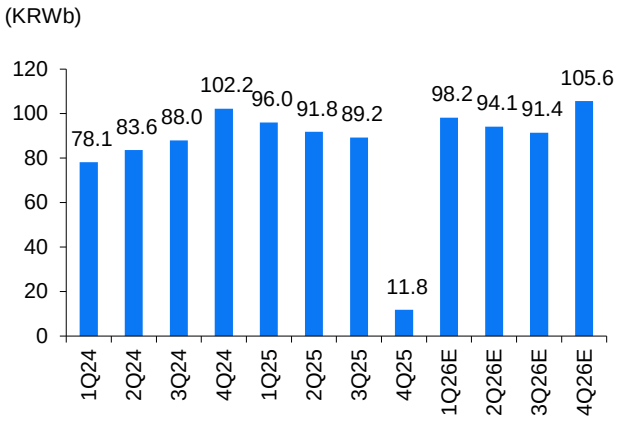
Note: *Mobile subscriber data from 3Q23 reflects changed standards
Source: Company data, Samsung Securities

Chart 1. 5G subscribers: Absolute and as portion of total



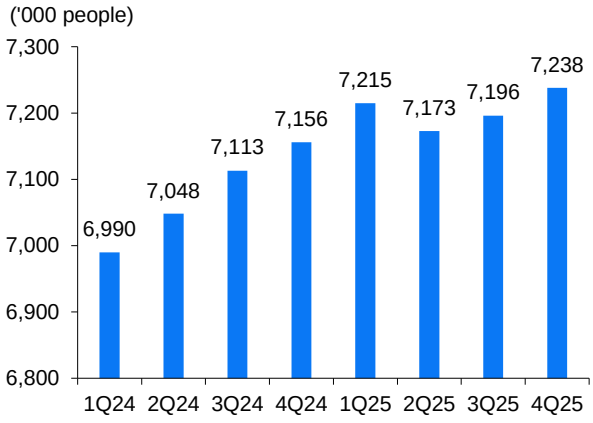
Source: Company data, Samsung Securities

Chart 2. SK Broadband: Operating profit



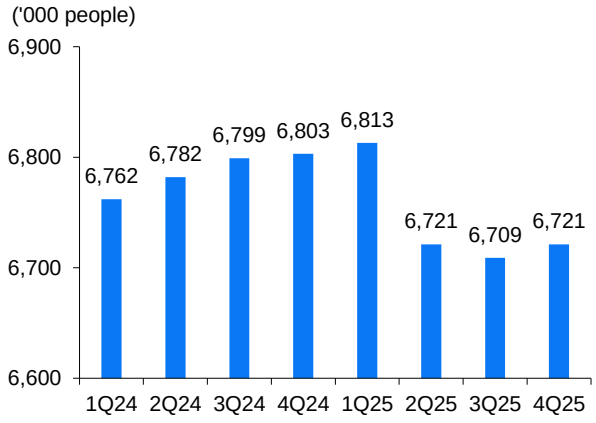
Source: Company data, Samsung Securities

Chart 3. Number of broadband subscribers



Source: Company data, Samsung Securities

Chart 4. Number of IPTV subscribers



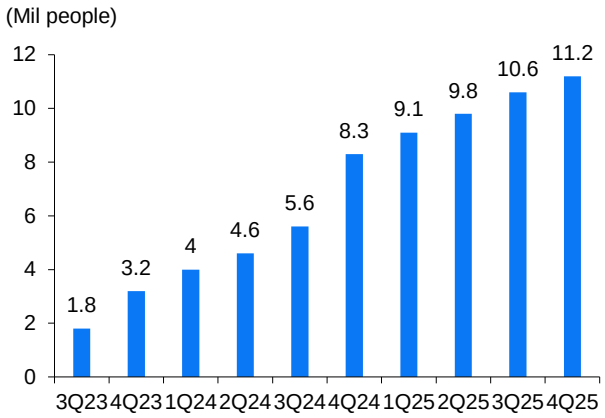
Source: Company data, Samsung Securities

Table 3. SK Telecom: Investments in AI companies

Company	Business	Investment amount	Investment date	AI infra				AIX	AI Service
				AI DC	AI Chip	Edge AI	Telco LLM		
Konan Technologies	AI software (LLM)	KRW22.4b	Oct 2022						✓
Scatter lab	AI agent	KRW15.0b	Apr 2023						✓
Anthropic	Generative AI (LLM)	USD100m	Aug 2023				✓		
Persona AI	AI customer service	KRW5b	Aug 2023					✓	
Allganize	LLM all-in-one solution	USD4m	Nov 2023					✓	
ImpriMed	Anticancer drug diagnosis	USD3m	Nov 2023						
Lambda	GPU cloud	USD20m	Dec 2024	✓				✓	
Sapeon-Rebellions	AX semi-conductor X330		Jun 2024		✓				
Perplexity	Generative AI search engine	USD10m	Jun 2024						✓
GTAA JV	Global Telco AI Alliance		Jul 2024						
Penguin Solution	AI data center solution	USD200m	Jul 2024	✓		✓			
Twelve Labs	AI video analyze	USD3m	Dec 2024					✓	
Together AI	AI cloud and opensource		Feb 2025					✓	
TimeTree	Scheduling platform	JYP2.2b	Sep 2025						✓

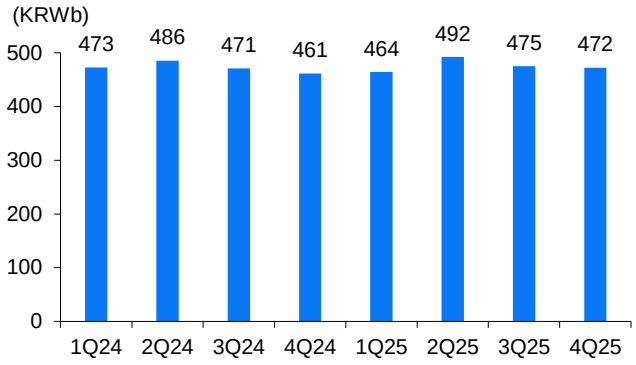
Source: Company data, press reports, Samsung Securities

Chart 5. A.: Number of subscribers



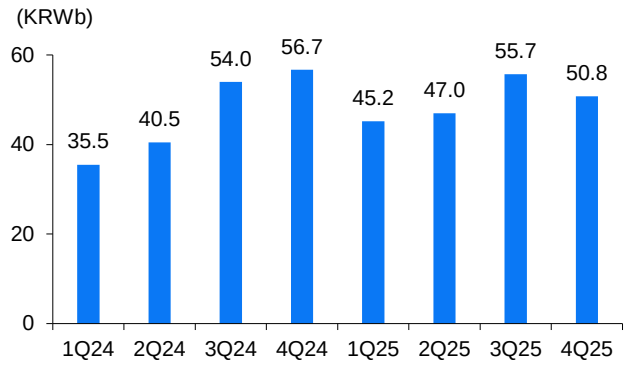
Note: Launched Sep 26, 2023
Source: Company data, Samsung Securities

Chart 6. Telecom-related B2B: Sales



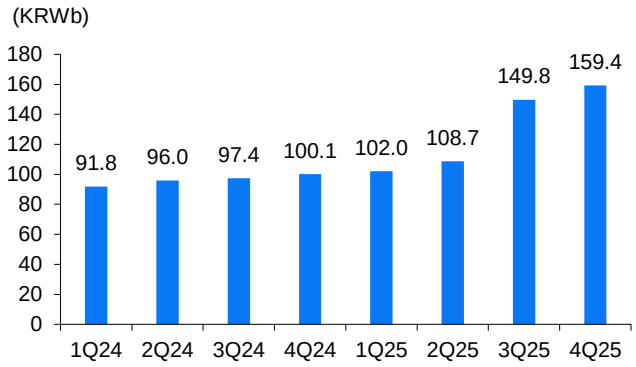
Note: B2B includes connectivity, business messaging service, payment, etc.
Source: Company data, Samsung Securities

Chart 7. AIX: Sales



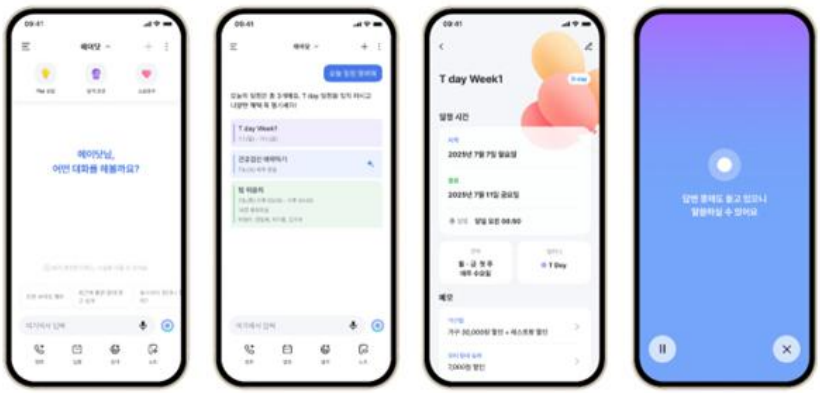
Note: Note: AIX includes AI cloud, AI Vision, AICC, etc.
Source: Company data, Samsung Securities

Chart 8. AI DC: Sales



Note: AI DC includes data centers, leased lines, GPUaaS, etc.
Source: Company data, Samsung Securities

Chart 9. AI agent 'A.'



Source: Company data, Samsung Securities

Table 4. Normal data center vs AI data center

AI data centers	Category	General data center
Deep learning training, inference, NLP, image/video recognition	Purpose	Webhosting, Enterprise Application, Database and Cloud
Optimized for large-scale data analysis and AI workloads	Use case	Business system and general computing
Relies on GPUs and AI accelerators; requires high-performance servers	Hardware	CPU-based servers; standard networking
Liquid or immersion cooling for high-heat GPUs (40-100 kW per rack)	Cooling	Primarily air cooling (10-12 kW per rack)
20-40+ kW per rack due to GPU demand	Power	About 5-10 kW per rack

Source: Company data, Samsung Securities

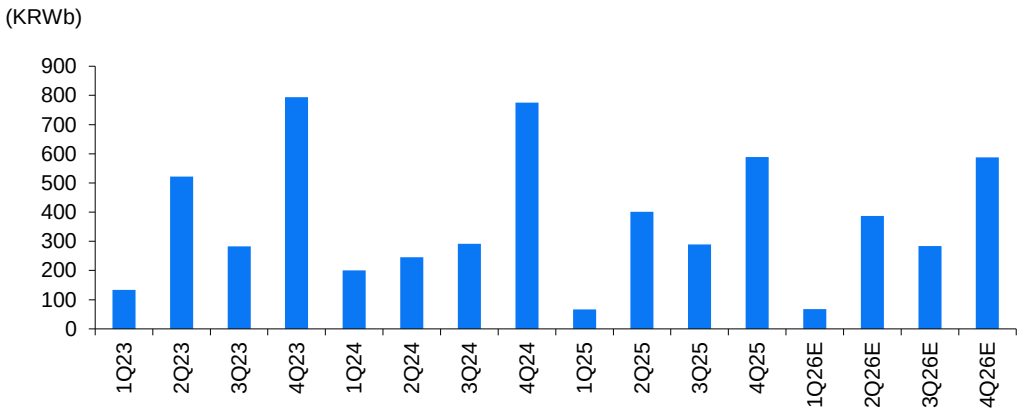
Table 5. SK-AWS Ulsan AI data center project

Category	Detail
Location	Ulsan Mipo National Industrial Complex
Total investment	About KRW7t
Participating companies	SK Group's affiliates, Amazon Web Service (AWS) - SK Broadband (SK Telecom): Cloud network infrastructure - SK Hynix: Supply of HBM-based AI semiconductors - SK Innovation and ·SK Gas: Power supply via LNG cogeneration plant - SK Ecoplant: Design, construction, and eco-friendly infrastructure - SK AX: IT infrastructure integration and data center operation
Purpose	Construction and operation of a hyperscale AI data center - Secure high-performance AI computing infrastructure to strengthen Korea's AI competitiveness
Key features	1) Largest in Korea: The nation's first and largest hyperscale AI-dedicated data center 2) Location: 10,000-pyeong site adjacent to the SKMU power plant 3) Eco-friendly AI DC: Highest efficiency in Korea, powered by LNG-based district electricity 4) Global partner AWS: Partnership with AWS, the world's No.1 cloud provider, to boost domestic AI capabilities and growth
Ground breaking	Sep 1, 2025
Operation starts	Phase 1: Nov 2027 (41 MW) / Phase 2: Feb 2029 (103 MW)

Note: SK Broadband acquired land and buildings in Nam-gu, Ulsan from SK Chemicals for KRW 28.3b on Apr 17, 2025
SK-AWS held a contract signing ceremony, officially announcing the construction of the Ulsan AI data center
SK Broadband will serve as the owner and operator of the Ulsan AI data center

Source: Company data, Samsung Securities

Chart 10. SKT: Capex



Note: Based on separate financial statements; 2024 capex was KRW2,742b

Source: Company data, Samsung Securities

Chart 11. SK Telecom's value-up plan

Capital efficiency	Shareholder returns	AI Vision 2030
ROE 10%+ (2026)	Adjusted consolidated profit 50%+ (2024~2026)	Total revenue KRW30t with AI business 35% of this figure (2030)
Maintain industry-leading profitability	Shareholder returns based on total consolidated profit	Operate competitive AI business
AI & OI strategies to increase profitability	Remove upper limit on shareholder returns	Secure AI leadership based on cooperation
Improve financial soundness via asset efficiency	Shareholder return ratio exceeds industry's average	Develop 'profit-generating AI' (AI DC + AI B2B + AI B2C)

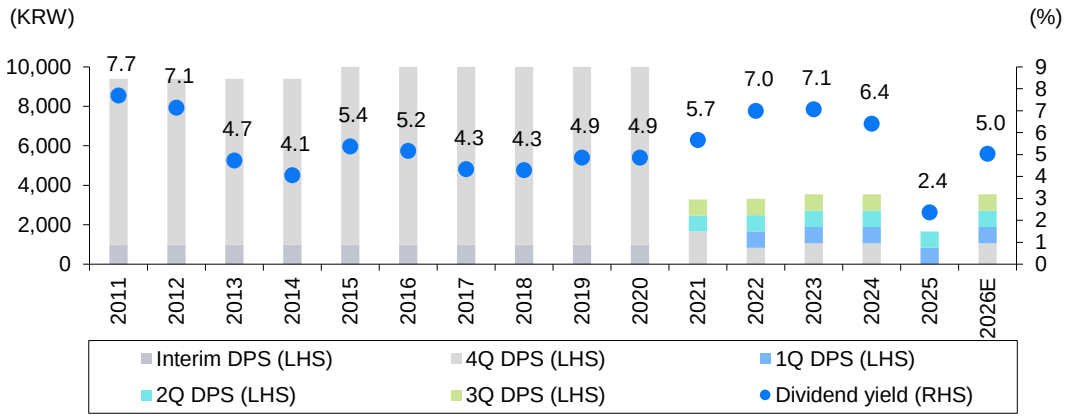
Note: Announced on Oct 24, 2024
Source: Company data, Samsung Securities

Table 6. Change of shareholder return policy

Category	Before	After
Year	2021-2023	2024-2026
Resources	30-40% of EBITDA-capex	At least 50% of adjusted profit for the year on a consolidated basis
Method	Cash dividend	Cash dividend and share buyback/cancellation

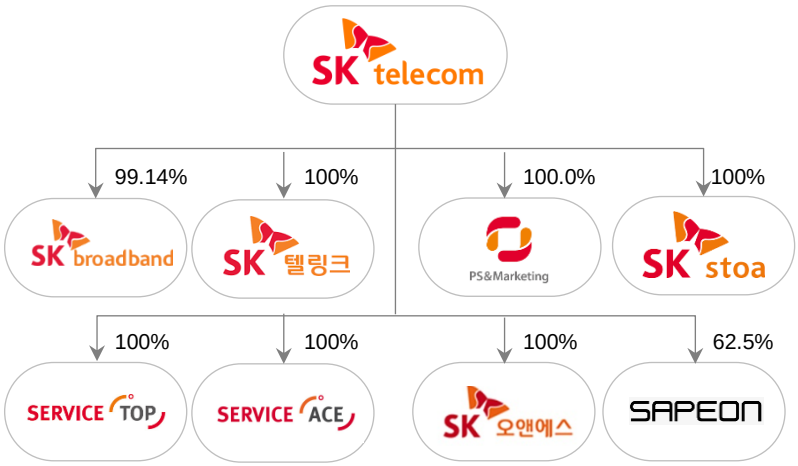
Source: Company data, Samsung Securities

Chart 12. Dividend yield and DPS



Note: 2021 DPS reflects spinoff (Nov 1, 2021);
Adopted quarterly dividend payout policy in 2Q21;
As of Mar 4 close;
SKT confirmed that no dividend will be paid for 3Q25, and we conservatively assume no dividend for 4Q25, either
Source: QuantiWise, Company data, Samsung Securities

Chart 13. Ownership structure



Note: As of 1H25; SK Telecom made a strategic investment in Kakao via a share swap in 2019
SK broadband's stakes are based on after acquisition in May 14, 2025 (announced on Nov 13, 2024)
Sapeon Korea and Rebellions will merge through an absorption, with rebellions as the surviving entity. The merged corporation Rebellions launched in Dec 2024 (Sapeon holds a 26.05% stake in Rebellions)
SK Telecom sold its entire 2.44% stake in Kakao via block trade in the after-hours market, raising KRW 413.3b
Source: Company data, Samsung Securities

Table 7. Sum-of-the-parts valuation

(KRWb)	Value	Stake (%)	Net profit	Multiple (x)	Note
Parent	**17,691**		**1,361**	**13**	**Based on 2026 estimates**
SK Broadband	3,541	99		3.6	10% discount to previous multiple
Anthropic	1,947	0.35			
Other	2,835				SK Stoa; other investments
Net debt	7,406				Based on 2026 estimates
Fair value	**18,607**				
Outstanding shares ('000)	214,790				
Fair value per share	**86,628**				
Target price (KRW)	**87,000**				

Note: SKT's stake in Anthropic was 0.7% (3.7m shares) as of 1H25, but we assume its stake at 0.35% due to dilution from Series F (Sep 2025) and Series G (Feb 2026) investment rounds. Anthropic's value (USD380b) is calculated based on enterprise value from most recent investment round
Source: Samsung Securities estimates

Table 8. Revisions to full-year forecasts

(KRWb)	2026E			2027E		
	Old	New	Chg (%)	Old	New	Chg (%)
Sales	17,644.6	17,748.9	0.6	18,062.2	18,158.2	0.5
Operating profit	1,790.8	1,899.5	6.1	1,916.8	2,017.0	5.2
Operating margin (%, %pts)	10.1	10.7	0.6	10.6	11.1	0.5
Pre-tax profit	1,510.2	1,767.7	17.0	1,668.5	1,894.0	13.5
Net profit	1,132.0	1,283.5	13.4	1,245.3	1,371.8	10.2

Source: Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**17,609**	**17,941**	**17,099**	**17,749**	**18,158**
Cost of goods sold	0	0	0	0	0
Gross profit	**17,609**	**17,941**	**17,099**	**17,749**	**18,158**
Gross margin (%)	100.0	100.0	100.0	100.0	100.0
SG&A expenses	15,855	16,117	16,026	15,849	16,141
Operating profit	**1,753**	**1,823**	**1,073**	**1,900**	**2,017**
Operating margin (%)	10.0	10.2	6.3	10.7	11.1
Non-operating gains (losses)	**-265**	**-62**	**-351**	**-132**	**-123**
Financial profit	248	355	219	221	208
Financial costs	527	606	482	439	421
Equity-method gains (losses)	11	322	-64	8	8
Other	3	-133	-25	78	81
Pre-tax profit	**1,488**	**1,762**	**722**	**1,768**	**1,894**
Taxes	342	375	347	437	464
Effective tax rate (%)	23.0	21.3	48.1	24.7	24.5
Profit from continuing operations	1,146	1,387	375	1,330	1,430
Profit from discontinued operations	0	0	0	0	0
Net profit	**1,146**	**1,387**	**375**	**1,330**	**1,430**
Net margin (%)	6.5	7.7	2.2	7.5	7.9
Net profit (controlling interests)	1,094	1,250	408	1,284	1,372
Net profit (non-controlling interests)	52	137	-33	47	58
EBITDA	5,504	5,523	4,728	5,509	5,770
EBITDA margin (%)	31.3	30.8	27.6	31.0	31.8
EPS (parent-based) (KRW)	4,997	5,810	1,901	5,976	6,387
EPS (consolidated) (KRW)	5,237	6,446	1,746	6,194	6,656
Adjusted EPS (KRW)*	4,997	5,810	1,901	5,976	6,387

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**6,586**	**7,477**	**7,039**	**7,566**	**7,615**
Cash & equivalents	1,455	2,024	1,983	2,455	2,412
Accounts receivable	1,979	1,989	1,918	1,881	1,941
Inventories	180	210	169	186	190
Other current assets	2,972	3,254	2,970	3,045	3,072
Fixed assets	**23,534**	**23,039**	**22,298**	**22,699**	**23,197**
Investment assets	3,765	4,476	4,408	5,051	5,148
Tangible assets	13,006	12,617	12,510	12,401	12,838
Intangible assets	4,936	4,267	4,134	4,107	4,097
Other long-term assets	1,826	1,678	1,246	1,139	1,114
Total assets	**30,119**	**30,515**	**29,337**	**30,265**	**30,812**
Current liabilities	**6,994**	**9,224**	**6,843**	**7,194**	**7,070**
Accounts payable	140	127	115	121	123
Short-term debt	0	100	100	100	100
Other current liabilities	6,854	8,998	6,627	6,972	6,847
Long-term liabilities	**10,897**	**9,463**	**10,607**	**10,383**	**10,378**
Bonds & long-term debt	7,422	6,567	7,497	7,257	7,232
Other long-term liabilities	3,475	2,897	3,110	3,126	3,146
Total liabilities	**17,891**	**18,688**	**17,449**	**17,577**	**17,448**
Owners of parent equity	**11,389**	**11,699**	**11,793**	**12,546**	**13,164**
Capital stock	30	30	30	30	30
Capital surplus	1,771	1,771	1,771	1,771	1,771
Retained earnings	22,800	22,976	22,807	23,561	24,178
Other	-13,212	-13,079	-12,816	-12,816	-12,816
Non-controlling interests' equity	**839**	**129**	**96**	**143**	**200**
Total equity	**12,228**	**11,828**	**11,888**	**12,688**	**13,364**
Net debt	9,491	8,604	8,489	7,406	7,314

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**4,947**	**5,087**	**3,301**	**5,608**	**5,088**
Net profit	1,146	1,387	375	1,330	1,430
Non-cash profit and expenses	4,546	4,313	4,204	4,255	4,409
Depreciation	3,751	3,700	3,654	3,610	3,753
Amortization	0	0	0	0	0
Other	796	613	550	645	657
Changes in A/L from operating activities	-274	-109	-687	684	-85
Cash flow from investments	**-3,353**	**-2,712**	**-2,889**	**-3,402**	**-4,137**
Change in tangible assets	-2,961	-2,440	-3,547	-3,501	-4,190
Change in financial assets	112	-213	120	-52	1
Other	-504	-59	538	151	52
Cash flow from financing	**-2,021**	**-1,810**	**-842**	**-1,120**	**-910**
Change in debt	-458	-192	-245	-570	-138
Change in equity	0	0	0	0	0
Dividends	-774	-804	-577	-530	-754
Other	-789	-814	-20	-19	-18
Change in cash	-427	569	-41	473	-43
Cash at beginning of year	1,882	1,455	2,024	1,983	2,455
Cash at end of year	1,455	2,024	1,983	2,455	2,412
Gross cash flow	**5,692**	**5,700**	**4,579**	**5,585**	**5,839**
Free cash flow	**1,973**	**2,600**	**-246**	**2,107**	**898**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	1.8	1.9	-4.7	3.8	2.3
Operating profit	8.8	4.0	-41.1	77.0	6.2
Net profit	20.9	21.0	-73.0	254.7	7.5
Adjusted EPS**	19.9	16.3	-67.3	214.3	6.9
Per-share data (KRW)					
EPS (parent-based)	4,997	5,810	1,901	5,976	6,387
EPS (consolidated)	5,237	6,446	1,746	6,194	6,656
Adjusted EPS**	4,997	5,810	1,901	5,976	6,387
BVPS	53,625	54,952	55,369	58,905	61,806
DPS (common)	3,540	3,540	1,660	3,540	3,590
Valuations (x)					
P/E***	10.0	9.5	28.1	13.0	12.2
P/B***	0.9	1.0	1.0	1.3	1.3
EV/EBITDA	3.9	3.7	4.2	4.4	4.2
Ratios (%)					
ROE	9.6	10.8	3.5	10.5	10.7
ROA	3.7	4.6	1.3	4.5	4.7
ROIC	6.7	7.7	3.2	8.3	8.9
Payout ratio	70.0	60.3	86.6	58.7	55.7
Dividend yield (common)	7.1	6.4	3.1	4.5	4.6
Net debt to equity	77.6	72.7	71.4	58.4	54.7
Interest coverage (x)	4.5	4.5	2.8	5.2	5.8

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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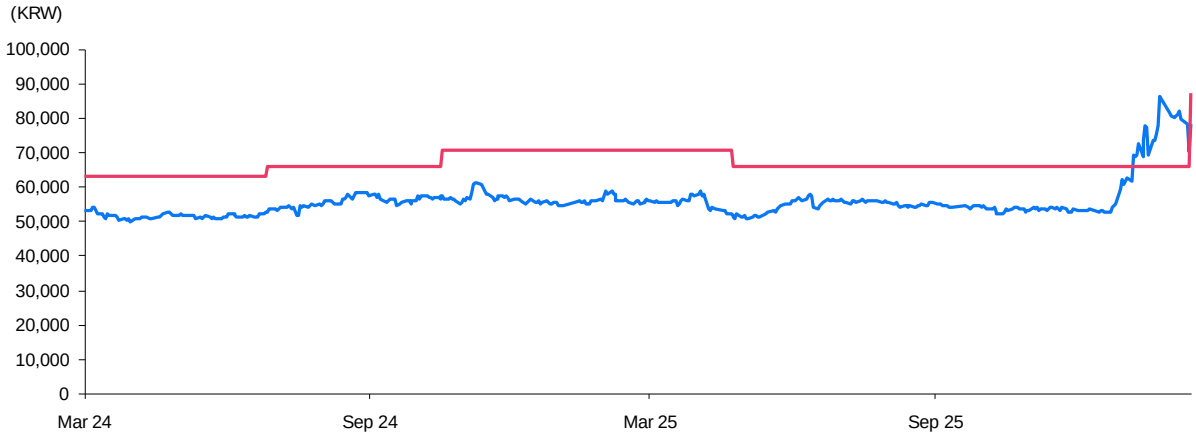
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2023/7/18	2024/7/17	11/7	2025/5/13	2026/3/5
Recommendation	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	63000	66000	71000	66000	87000
Gap* (average)	-20.04	-15.43	-20.65	-13.50	
(max or min)**	-14.13	-11.52	-13.38	31.06	

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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