COMPANY UPDATE

2026. 4. 3

Alternative Investment Team

Kyungja Lee
Team Leader
kyungja.lee@samsung.com

Jumi Hong
Research Associate
jumihong14.hong@samsung.com

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IGIS Value REIT (334890)

Corporate day takeaways: Dividend increase driven by the disposal of initially acquired assets

- IGIS Value Plus REIT has recently participated in bids exclusively for core office assets to respond to the projected hike in supply.
- It plans to dispose of the Taepyeongno Building and Isu Chemical Office by end-2026. It wants to sell the former for a price reflecting the premium from its approved renovation permit.
- Realized gains from these asset disposals, combined with proactive portfolio rebalancing, should serve as a catalyst for resolving the current undervaluation.

WHAT'S THE STORY?

External growth: In Jul 2025, IGIS Value Plus REIT completed a KRW70.4b rights offering, reducing its loan-to-value (LTV) ratio to 60% and significantly enhancing its investment capacity.

- New investment opportunities: The REIT has recently participated in a bid for the Myeongdong Cheonghui Building (a retail-hotel complex) as an alpha strategy (considering the domestic hotel sector growth outlook) and to diversify its portfolio.

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW5,700	37.5%
Current price	**KRW4,145**	
Market cap	KRW287.86b/USD189.42m	
Shares (float)	69,448,683 (88.2%)	
52-week high/low	KRW4,983/KRW3,945	
Avg daily trading value (60-day)	KRW0.7b/ USD0.5m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
IGIS Value REIT (%)	-1.0	-2.1	-10.1
Vs Kospi (%pts)	18.2	-33.6	-57.0

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	5,700	5,700	0.0%
2026E EPS	141	141	0.0%
2027E EPS	143	143	0.0%

SAMSUNG vs THE STREET

No of estimates	1
Target price	5,700
Recommendation	4.0

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

SUMMARY FINANCIAL DATA

	2025	2026E	2027E	2028E
Revenue (KRWb)	38	38	39	41
Operating profit (KRWb)	18	18	18	19
Net profit (adj) (KRWb)	10	9	10	10
EPS (adj) (KRW)	199	141	143	151
EPS (adj) growth (% y-y)	-61.9	-28.8	0.9	5.8
EBITDA margin (%)	52.1	47.2	46.7	46.3
ROE (%)	2.6	2.5	2.7	3.0
P/E (adj) (x)	21.5	29.3	29.0	27.4
P/B (x)	0.6	0.8	0.8	0.8
P/FFO (x)	18.6	29.3	29.0	27.4
Dividend yield (%)	8.1	7.7	7.7	7.7

Source: Company data, Samsung Securities estimates

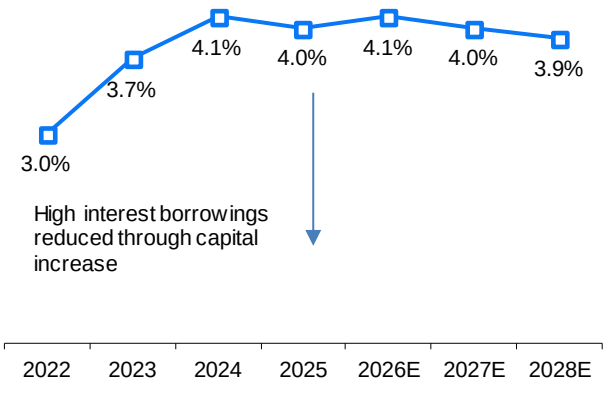
- **Pursuit of disposal of two key assets:** The REIT has initiated portfolio rebalancing by planning to sell the Taepyeongno Building and Isu Chemical Office by end-2026 in anticipation for an increase in office supply around 2030. Taepyeongno Building: The renovation plan was submitted for architectural review in Dec 2025 (following finalization of the Seosomun 1-2 zone redevelopment plan), and a formal review is scheduled for Apr 2026. Upon completion, the building's total floor area is expected to increase by 10%, unlocking a regulatory premium that will be reflected in the sale price. As of Aug 2025, valuation gains on the Taepyeong-ro Building and Isu Chemical Office (vs acquisition costs) were projected at KRW150b and KRW24.6b, respectively. As both assets are trading at 30–51% premiums to their purchase prices, now seems to be an opportune moment for value realization.

Internal growth: The REIT's average occupancy rate for office assets stands at 100%, the highest in the industry.

- **E.NOC growth**: As of Feb 2026, the REIT's effective net occupancy cost (E.NOC) rose significantly y-y—eg, Taepyeongno Building up 9.4% y-y, Twin Tree Tower up 5.2% y-y, and Samsung Heavy Industries Office and Isue Chemical Office up 2–3% y-y each. The sharp increases at Taepyeongno Building and Twin Tree Tower reflect successful rent re-optimization during tenant renewals.
- **Asset appreciation:** The values of the REIT's four key office assets have risen 19–51% since acquisition.

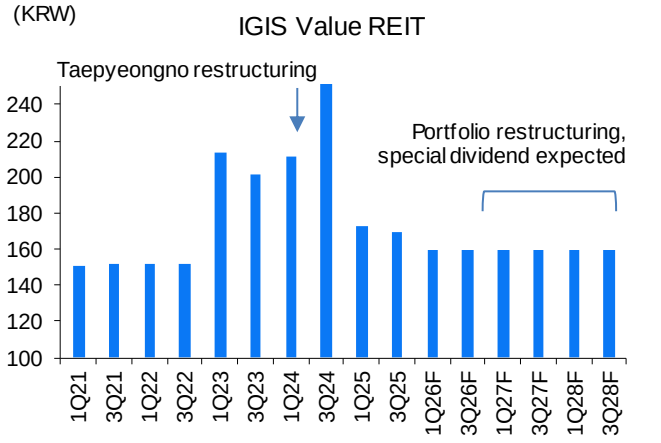
Asset disposals to narrow the gap between intrinsic value and market price: If the Taepyeongno Building is sold at current market prices, the REIT should book disposal profits of around KRW1,000 per share. The return of the profits to shareholders should resolve the chronic low P/NAV issue gradually. Proceeds from the asset sales should be used to reinvest in higher-yielding assets and repay debt, enhancing portfolio efficiency and financial resilience. The pace of the asset disposals should be key to the stock price.

Weighted average funding rate



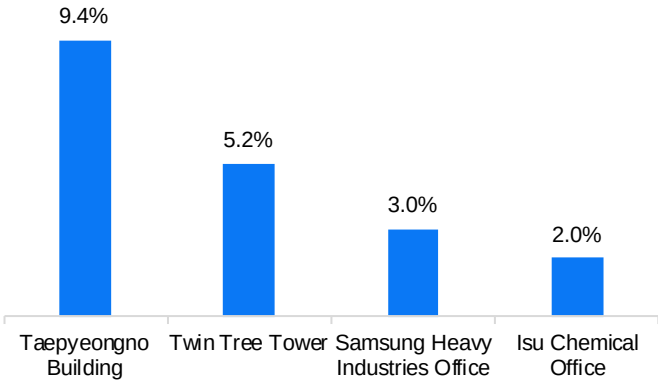
Source: Company data, Samsung securities

DPS trend



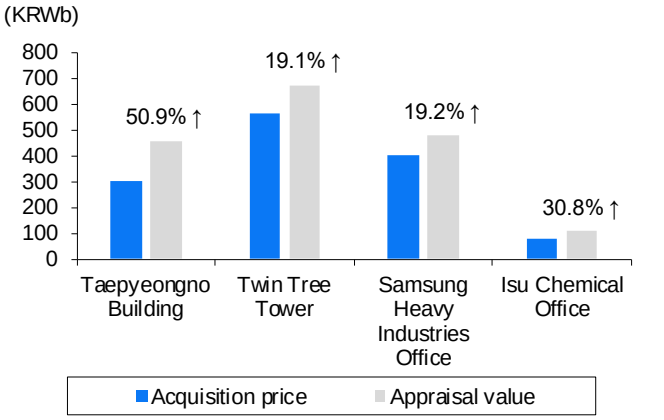
Source: Company data, Samsung securities

E.NOC growth rate (y-y)



Source: Company data, Samsung securities

Office asset value status



Source: Company data, Samsung securities

Valuation

(KRWb)	Taepyeongro building	Icheon YM logistics center	Bundang Hostway IDC	North America DC Portfolio	Isu Chemical Office	Twin Tree Tower	Samsung Heavy Industries Office	Total
Investment method	Not consolidated (fund)	Consolidated (REIT)	Consolidated (REIT)	Consolidated (REIT)	Not consolidated (fund)	Not consolidated (fund)	Not consolidated (fund)	5,600
Acquisition price	303	48	43	4,147	80	580	400	5,600
Appraisal value	456	58	55	5,846	105	672	477	7,670
Stake (%)	65.7	96.8	60.0	5.1	80.3	99.7	30.0	
Acquisition price (stake considered)	199	46	26	216	64	578	120	1,250
Appraisal value (stake considered)	300	45	27	239	84	670	143	1,507
Base date for asset appraisal	2025/08	2024/03	2023/11	2025/09	2025/08	2025/08	2025/07	
Debt (stake considered)								992
NAV								393
NAV per share (KRW)								5,700

Source: Company data, Samsung securities

Income statement

Year-end Aug 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**53**	**38**	**38**	**39**	**41**
Cost of goods sold	0	0	0	0	0
Gross profit	**53**	**38**	**38**	**39**	**41**
Gross margin (%)	100.0	100.0	100.0	100.0	100.0
SG&A expenses	17	20	20	21	22
Operating profit	**36**	**18**	**18**	**18**	**19**
Operating margin (%)	67.8	47.9	47.2	46.7	46.3
Non-operating gains (losses)	**-7**	**-8**	**-9**	**-9**	**-9**
Financial profit	0	0	0	0	0
Financial costs	8	9	9	9	9
Equity-method gains (losses)	0	0	0	0	0
Other	0	-0	0	0	0
Pre-tax profit	**29**	**10**	**9**	**10**	**10**
Taxes	2	0	0	0	0
Effective tax rate (%)	5.8	0.5	0.0	0.0	0.0
Profit from continuing operations	27	10	9	10	10
Profit from discontinued operations	0	0	0	0	0
Net profit	**27**	**10**	**9**	**10**	**10**
Net margin (%)	50.9	26.8	24.8	25.2	25.6
Net profit (controlling interests)	27	10	9	10	10
Net profit (non-controlling interests)	-0	-0	0	0	0
EBITDA	36	20	18	18	19
EBITDA margin (%)	67.8	52.1	47.2	46.7	46.3
EPS (parent-based) (KRW)	521	199	141	143	151
EPS (consolidated) (KRW)	520	197	141	143	151
Adjusted EPS (KRW)*	521	199	141	143	151

Balance sheet

Year-end Aug 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**63**	**23**	**27**	**27**	**27**
Cash & equivalents	7	9	12	12	12
Accounts receivable	0	0	0	0	0
Inventories	0	0	0	0	0
Other current assets	57	15	15	15	15
Fixed assets	**457**	**555**	**505**	**504**	**500**
Investment assets	457	506	505	504	500
Tangible assets	0	49	0	0	0
Intangible assets	0	0	0	0	0
Other long-term assets	-0	-0	0	0	0
Total assets	**520**	**578**	**532**	**531**	**527**
Current liabilities	**62**	**195**	**161**	**172**	**180**
Accounts payable	0	0	0	0	0
Short-term debt	8	53	30	0	0
Other current liabilities	54	142	131	172	180
Long-term liabilities	**49**	**4**	**3**	**3**	**3**
Bonds & long-term debt	46	0	0	0	0
Other long-term liabilities	3	4	3	3	3
Total liabilities	**110**	**198**	**164**	**175**	**183**
Owners of parent equity	**410**	**380**	**368**	**356**	**344**
Capital stock	51	51	51	51	51
Capital surplus	187	187	187	187	187
Retained earnings	173	143	130	117	106
Other	-1	-1	0	0	-0
Non-controlling interests' equity	**0**	**0**	**0**	**0**	**0**
Total equity	**410**	**380**	**368**	**356**	**344**
Net debt	99	187	150	161	169

Cash flow statement

Year-end Aug 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**1**	**12**	**9**	**9**	**10**
Net profit	27	10	9	10	10
Non-cash profit and expenses	57	50	23	23	23
Depreciation	0	2	0	0	0
Amortization	0	0	0	0	0
Other	57	49	23	23	23
Changes in A/L from operating activities	3	-3	-24	-24	-24
Cash flow from investments	**64**	**-58**	**98**	**1**	**4**
Change in tangible assets	0	0	49	0	0
Change in financial assets	4	0	0	0	0
Other	60	-58	50	1	4
Cash flow from financing	**-69**	**48**	**-104**	**-10**	**-14**
Change in debt	-48	90	-23	-30	0
Change in equity	-10	0	0	0	0
Dividends	-21	-40	-21	-22	-22
Other	10	-2	-60	42	8
Change in cash	-4	2	3	0	0
Cash at beginning of year	11	7	9	12	12
Cash at end of year	7	9	12	12	12
Gross cash flow	**84**	**61**	**32**	**33**	**33**
Free cash flow	**1**	**12**	**9**	**9**	**10**

Financial ratios

Year-end Aug 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	-44.0	-28.2	-1.1	4.0	4.0
Operating profit	-49.5	-49.3	-2.6	2.9	3.1
Net profit	-58.8	-62.2	-8.5	5.5	5.8
Adjusted EPS**	-68.6	-61.9	-28.8	0.9	5.8
Per-share data (KRW)					
EPS (parent-based)	521	199	141	143	151
EPS (consolidated)	520	197	141	143	151
Adjusted EPS**	521	199	141	143	151
BVPS	7,851	7,276	5,298	5,121	4,952
DPS (common)	823	345	320	320	320
Valuations (x)					
P/E***	9.9	21.5	29.3	29.0	27.4
P/B***	0.7	0.6	0.8	0.8	0.8
P/FFO (x)	9.9	18.6	29.3	29.0	27.4
Ratios (%)					
ROE	6.7	2.6	2.5	2.7	3.0
ROA	5.0	1.9	1.7	1.9	2.0
ROIC	66.9	31.9	32.3	37.6	38.8
Payout ratio	155.8	201.0	236.5	224.2	211.9
Dividend yield (common)	16.0	8.1	7.7	7.7	7.7
Net debt to equity	24.1	49.2	40.8	45.3	49.1
Interest coverage (x)	4.7	2.1	2.1	2.2	2.2

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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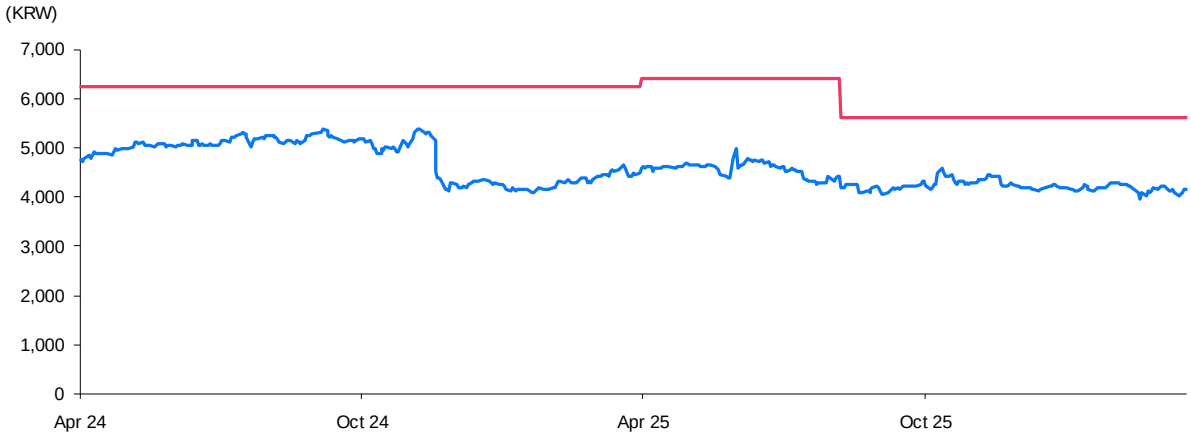
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2023/7/24	2024/7/24	2025/4/15	8/22	10/21
Recommendation	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	6264	6264	6414	5624	5624
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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BUY	Expected to increase in value by 15% or more within 12 months and is highly attractive within sector
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Industry

OVERWEIGHT	Expected to outperform market by 5% or more within 12 months
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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 2026.03.31

BUY(85.2%)·HOLD(14.8%)·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

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,
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Tel: 81-3-6333-2952
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