COMPANY UPDATE

2026. 4. 8

Tech Team

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CJ ENM (035760)

Focus on direction of near-term earnings

- We now expect CJ ENM to report a 1Q operating profit of KRW19.2b (up 2,622% y-y), missing consensus. Weak TV ad sales and recognition of content acquisition costs for Tving, particularly related to the 2026 WBC, likely weighed on results.
- Tving's expanding subscriber base and the music division's deepening artist IP portfolio and strengthening platform capabilities warrant attention.
- Reflecting downward revisions to our earnings estimates and a decline in equity value, we cut our target price to KRW80,000 (based on SOTP valuation).

AT A GLANCE

BUY

Target price	KRW80,000	53.8%
Current price	**KRW52,000**	
Market cap	KRW1.1t/USD0.7b	
Shares (float)	21,929,154 (51.8%)	
52-week high/low	KRW81,800/KRW52,000	
Avg daily trading value (60-day)	KRW5.9b/ USD3.9m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
CJ ENM (%)	-21.2	-26.0	-11.1
Vs Kosdaq (%pts)	-12.2	-39.1	-44.2

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	80,000	94,000	-14.9%
2026E EPS	2,926	3,499	-16.4%
2027E EPS	4,021	4,735	-15.1%

SAMSUNG vs THE STREET

No of estimates	14
Target price	91,286
Recommendation	4.0

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

WHAT'S THE STORY?

1Q preview—results to miss consensus: We now expect CJ ENM to report 1Q consolidated sales KRW1.25t (up 9.4% y-y) and an operating profit of KRW19.2b (up 2,622.1% y-y), the latter missing consensus of KRW32b. The media/platform division's profitability likely came in below initial expectations, due to a decline in TV ad sales and higher content acquisition costs for Tving. TV ad sales likely weakened as viewership shifted toward news channels during the Winter Olympics and amid prolonged global conflicts. Tving expanded partnerships with domestic and international content providers, which probably helped stably grow its subscriber base and ad sales. However, the one-time cost of exclusive OTT live-broadcast rights for the 2026 WBC (Mar 5-17), fully recognized in the quarter, likely weighed on profitability. The movie/drama division had no new theatrical releases but likely booked sales from ancillary rights to the film *No Other Choice*, while Fifth Season is confirmed to have delivered three new series.

(Continued on the next page)

SUMMARY FINANCIAL DATA

	2025	2026E	2027E	2028E
Revenue (KRWb)	5,135	5,513	5,856	6,222
Operating profit (KRWb)	133	183	216	242
Net profit (adj) (KRWb)	17	74	107	147
EPS (adj) (KRW)	1,345	2,926	4,021	5,516
EPS (adj) growth (% y-y)	nm	117.5	37.5	37.2
EBITDA margin (%)	27.0	22.1	21.7	21.4
ROE (%)	1.1	2.3	3.2	4.2
P/E (adj) (x)	48.0	17.8	12.9	9.4
P/B (x)	0.5	0.4	0.4	0.4
EV/EBITDA (x)	2.8	2.8	2.6	2.4
Dividend yield (%)	0.0	0.0	0.8	1.3

Source: Company data, Samsung Securities estimates

The music division likely saw a boost from ALD1's debut album (sold over 1.46m copies) and ZB1's encore concert, but its profitability probably dipped due to Mnet Plus-related investments and a high base from 1Q25 (when a major concert was held by an artist under Japan's Lapone Entertainment). The commerce division likely maintained stable profits, supported by solid performance across key categories including fashion, beauty, and living.

Tving's expanding subscriber base and strengthening monetization strategies: Tving is working to make its content more compelling, so subscribers watch longer. While expanding its subscriber base through aggressive partnerships with multiple companies, Tving has launched branded channels on global OTT platforms to spread its content overseas, paving the way for stronger profitability.

Trajectory of music business noteworthy: This year, the music division will likely broaden its regional and genre offerings while growing its roster of artists, with an emphasis on elevating platform capabilities. The January debut of boy group Alpha Drive One (ALD1) will be followed by the April debut of Modyssey, a Chinese boy group formed from winners of the TV survival show Planet C: Home Race. In 2Q, AOMG's girl crew will begin official activities, while Hype Princess, a Korean-Japanese girl group born from Unpretty Rapstar: Hip-Hop Princesses, is gearing up for debuts in Korea and Japan. Meanwhile, Produce 101 Japan: Shinsekai started airing in late March, with the potential for a new Japanese boy group to emerge before year's end. The K-POP content platform Mnet Plus is strengthening its original content and using cross-programming with TV channels to grow its global subscriber base. Looking ahead, as it continues to diversify its revenue sources, the platform is well-positioned to steadily enhance its competitiveness.

Despite variability across business units, overall direction toward improvement remains valid: Although earnings may fluctuate quarter to quarter, the path to enhanced profitability is clear. Tving is narrowing its losses by growing its subscriber base, boosting ad sales, and expanding content distribution. The music division is poised to unlock greater growth by deepening its artist IP portfolio and enhancing its platform capabilities. The commerce division is focusing on mobile commerce to drive transaction growth and sustain steady profit improvement. The prolonged weakness in TV advertising is disappointing, but we expect gradual recovery as the company rolls out integrated broadcast-digital ad products. With the overall trajectory of earnings improvement firmly in place, we maintain our BUY rating. However, we cut our target price from KRW94,000 to KRW 80,000 (based on SOTP method; table 9), as we reduce our estimate of the company's: 1) operating value from KRW2.73t to KRW2.59t, reflecting a more conservative outlook for the media/platform division—primarily driven by our lowered forecast for 2026 TV ad sales; and 2) equity holdings from KRW962.4b to KRW807.6b.

Table 1. Forecasts and consensus

(KRWb)	1Q25	4Q25	1Q26E	Chg (% q-q)	Chg (% y-y)	Consensus	Diff (%)
Sales	1,138.3	1,437.8	1,245.0	-13.4	9.4	1,209.6	2.9
Gross profit	0.7	86.0	19.2	-77.7	2,622.1	32.0	-40.1
Operating profit	0.1	6.0	1.5	-4.4	1.5	2.6	-1.1
Operating margin (%)	-72.2	-50.3	2.0	nm	nm	19.4	-89.7
Pre-tax profit	-62.1	-80.1	1.3	nm	nm	10.6	-87.9

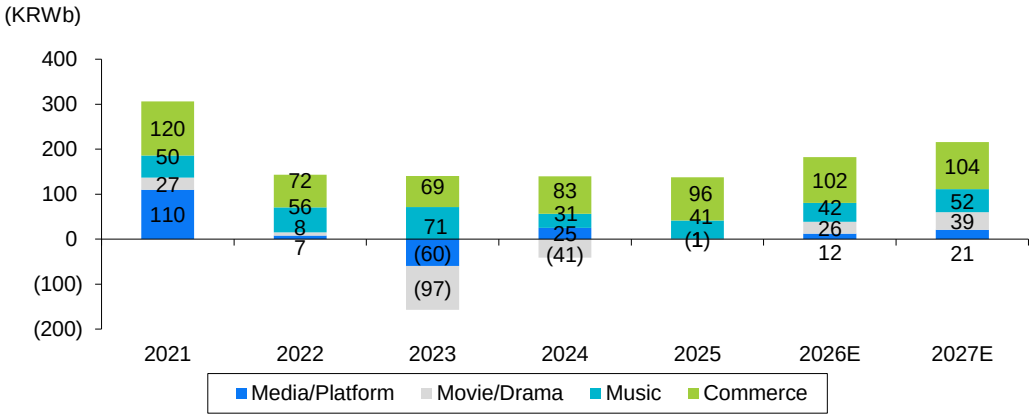
Source: Company data, Samsung Securities

Table 2. Results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2024	2025	2026E	2027E
Sales	**1,154.1**	**1,164.7**	**1,124.6**	**1,787.9**	**1,138.3**	**1,312.9**	**1,245.6**	**1,437.8**	**1,245.0**	**1,384.9**	**1,332.4**	**1,550.7**	**5,231.4**	**5,134.5**	**5,513.1**	**5,856.3**
Media/Platform	314.2	352.9	356.5	349.6	292.8	319.3	319.8	409.6	301.2	341.6	338.3	435.9	1,373.2	1,341.6	1,417.1	1,506.8
Commerce	366.4	287.6	251.6	799.2	315.9	410.5	372.9	357.9	396.9	439.1	413.7	397.4	1,704.7	1,457.3	1,647.1	1,768.8
Movie/Drama	125.8	152.3	182.7	241.3	167.2	197.2	197.3	255.9	172.7	210.3	217.2	287.0	702.1	817.6	887.3	979.0
Music	347.8	371.9	333.8	397.9	362.3	385.8	355.7	414.3	374.2	393.9	363.1	430.4	1,451.4	1,518.0	1,561.6	1,601.8
Gross profit	**401.2**	**442.7**	**404.6**	**462.8**	**386.6**	**424.1**	**396.0**	**498.9**	**408.5**	**455.5**	**427.9**	**530.3**	**1,711.2**	**1,705.6**	**1,822.2**	**1,926.5**
Operating profit	**12.3**	**35.3**	**15.8**	**41.0**	**0.7**	**28.6**	**17.6**	**86.0**	**19.2**	**43.9**	**34.0**	**85.5**	**104.5**	**132.9**	**182.5**	**215.8**
Media/Platform	-3.5	16.5	10.8	1.5	-5.7	-8.0	-3.3	17.8	-6.2	-2.2	5.9	15.0	25.3	0.8	12.3	20.5
Commerce	-17.8	-18.2	-6.0	0.7	-23.2	-1.2	6.8	16.4	-3.5	7.7	6.8	14.9	-41.3	-1.0	25.9	39.3
Movie/Drama	4.8	4.9	2.4	18.9	2.7	17.1	1.9	19.0	1.9	12.8	7.3	20.2	30.9	40.7	42.2	51.5
Music	26.2	27.5	9.1	20.3	25.8	21.4	12.6	35.9	27.1	25.7	14.0	35.4	83.1	95.8	102.1	104.4
Pre-tax profit	-17.0	29.4	-400.9	-143.4	-72.2	121.6	85.1	-50.3	2.0	35.4	39.5	20.3	-531.9	84.2	97.2	142.3
Net profit (controlling)	**-15.1**	**20.9**	**-482.8**	**-26.4**	**-62.1**	**126.0**	**45.8**	**-80.1**	**1.3**	**18.8**	**32.1**	**12.0**	**-503.4**	**29.5**	**64.2**	**88.2**
Gross margin (%)	34.8	38.0	36.0	25.9	34.0	32.3	31.8	34.7	32.8	32.9	32.1	34.2	32.7	33.2	33.1	32.9
Operating margin (%)	1.1	3.0	1.4	2.3	0.1	2.2	1.4	6.0	1.5	3.2	2.6	5.5	2.0	2.6	3.3	3.7
Net margin (%)	-1.3	1.8	-42.9	-1.5	-5.5	9.6	3.7	-5.6	0.1	1.4	2.4	0.8	-9.6	0.6	1.2	1.5
Chg (%)																
Sales	21.6	11.0	1.2	41.9	-1.4	12.7	10.8	-19.6	9.4	5.5	7.0	7.9	19.8	-1.9	7.4	6.2
Media/Platform	13.1	3.0	13.4	6.9	-6.8	-9.5	-10.3	17.2	2.9	7.0	5.8	6.4	8.8	-2.3	5.6	6.3
Commerce	55.2	25.3	-22.9	166.3	-13.8	42.7	48.2	-55.2	25.7	7.0	11.0	11.0	56.1	-14.5	13.0	7.4
Movie/Drama	5.7	16.4	7.4	-6.0	32.9	29.5	8.0	6.0	3.3	6.6	10.1	12.2	3.8	16.4	8.5	10.3
Music	10.0	7.6	11.2	5.9	4.2	3.7	6.5	4.1	3.3	2.1	2.1	3.9	8.5	4.6	2.9	2.6
Gross profit	13.9	17.7	13.0	7.5	-3.6	-4.2	-2.1	7.8	5.7	7.4	8.1	6.3	12.8	-0.3	6.8	5.7
Operating profit	nm	nm	113.8	-30.2	-94.3	-19.0	11.0	109.8	2,622.1	53.4	93.4	-0.6	nm	27.2	37.3	18.2
Media/Platform	nm	nm	471.5	-32.2	nm	nm	nm	1,048.9	nm	nm	nm	-15.8	nm	-96.7	1,393.7	66.4
Commerce	nm	nm	nm	nm	nm	nm	nm	2,386.2	nm	nm	-0.0	-9.7	nm	nm	nm	52.0
Movie/Drama	-41.0	-59.2	-84.8	-46.7	-43.9	248.7	-20.2	0.9	-29.6	-25.1	286.5	6.4	-56.5	31.8	3.7	22.1
Music	49.7	47.0	29.6	-21.9	-1.4	-22.0	37.5	77.0	4.7	19.7	11.5	-1.5	20.1	15.2	6.6	2.3
Pre-tax profit	nm	nm	nm	nm	nm	313.3	nm	nm	nm	-70.9	-53.6	nm	nm	nm	15.5	46.4
Net profit (controlling)	nm	nm	nm	nm	nm	501.8	nm	nm	nm	-85.1	-29.8	nm	nm	nm	117.5	37.5
Gross margin (%pts)	-2.3	2.1	3.7	-8.3	-0.8	-5.7	-4.2	8.8	-1.1	0.6	0.3	-0.5	-2.0	0.5	-0.2	-0.2
Operating margin (%pts)	6.4	5.9	0.7	-2.4	-1.0	-0.9	0.0	3.7	1.5	1.0	1.1	-0.5	2.3	0.6	0.7	0.4
Net margin (%pts)	5.9	11.1	-39.3	7.2	-4.2	7.8	46.6	-4.1	5.6	-8.2	-1.3	6.3	-2.4	10.2	0.6	0.3

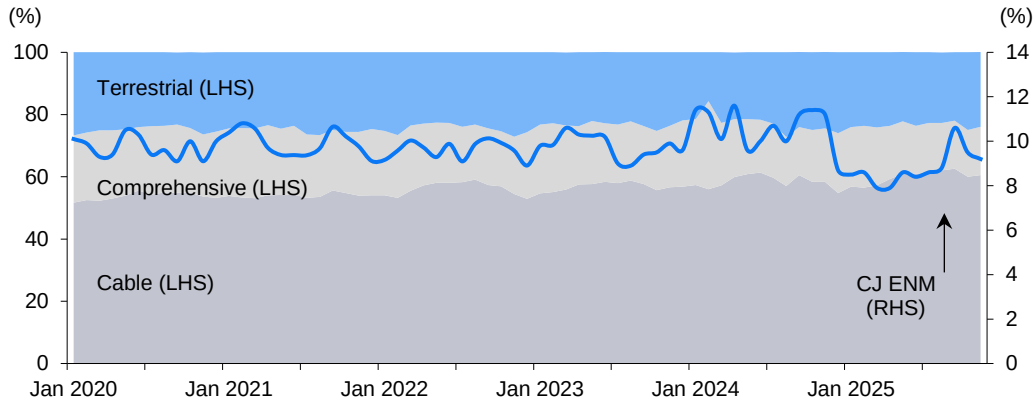
Note: In 2Q25, CJ E&M's financial income surged on derivative gains from a price return swap contract, as Netmarble's shares rose following a partial stake sale in Jul 2024
Source: Company data, Samsung Securities estimates

Chart 1. Operating income, by division



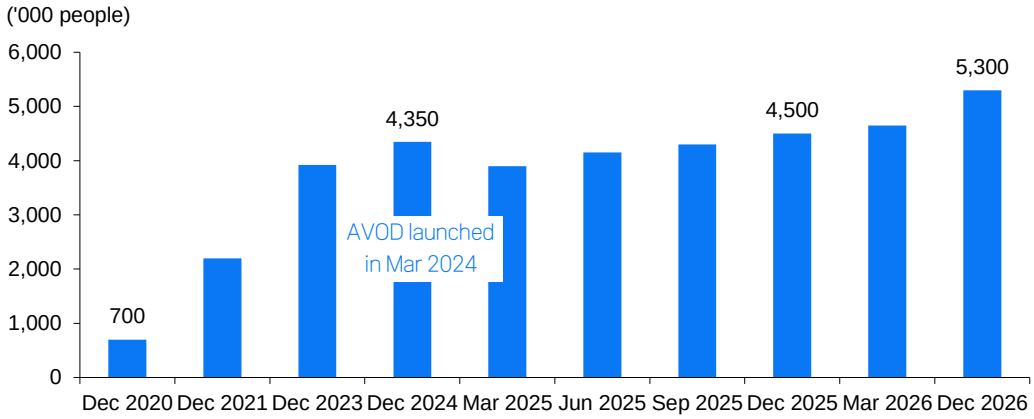
Source: Company data, Samsung Securities

Chart 2. Share of viewers



Source: Company data, Samsung Securities

Chart 3. Tving: Number of paying subscribers



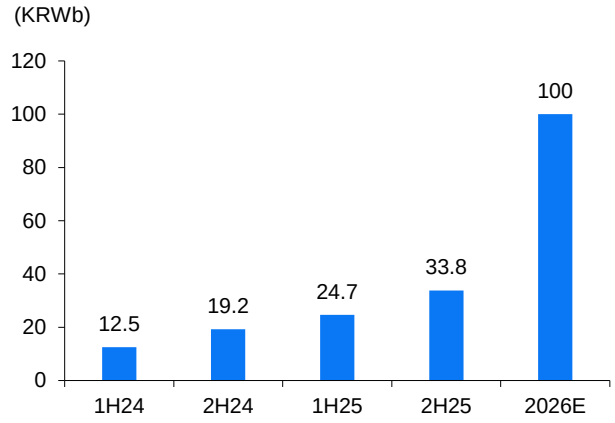
Source: Company data, Samsung Securities

Table 3. Tving original content lineup

Title	Genre	Broadcast date	Episodes	Writer	Director
Watch together (content)	Interactive	Jul 2025-			
Watch together (sport)	Interactive	Jul 2025-			
EXchange Season 4	Variety	Oct 1 – Nov 21	21		Kim Minha
Sprit fingers (exclusive release)	Drama	Oct 29-Nov 26	12	Jung Yoonjung	Lee Chulha
Baseball representatives	Variety	Nov 3-Oct 8	11		Ko Donghwan
Dear X	Drama	Nov 6-Dec 4	12	Choi Jawon	Lee Ungbok
Superrace freestyle	Variety	Nov 7-Dec 26	10		Kim Younghwa
Villans	Drama	Dec 18-Jan 9	8	Kim Hyungjoon	Jin Hyeok
Baseball player Lim Chan Gyu	Variety	Jan 12			Go Gyeongdeok
Yacha's world	Variety	Jan 17			
Terror man	Animation	Jan 29			
Yumi's Cells Season 3	Drama	Apr 13	8	Song Jaejung	Lee Sangyub
Becoming a Cooking Soldier Legend	Drama	May 11	12	Choi Ryong	Jo Namhyng
The Winner of the Lottery Will Go to Work	Drama	1H26	10		Yoon Youngbin
Make Me Tremble	Drama	1H26	12	Ahn Saebom	Kim Yeji
Substitute College Entrance Exam	Drama	2026		Choi Hyesoo	Park Soyeon
M: Reboot	Drama	2026		Hong Eunmi	
Nano List	Animation	2026	12		
Tale of the Nine-Tailed: Beginning	Animation	2026			
Sell Me the Show	Variety	2026			
New Exorcism Chronicles	Variety	2026			
Heaven's Night	Drama	TBD			Yoon Jongho
Shamon S2	Documentary	TBD			

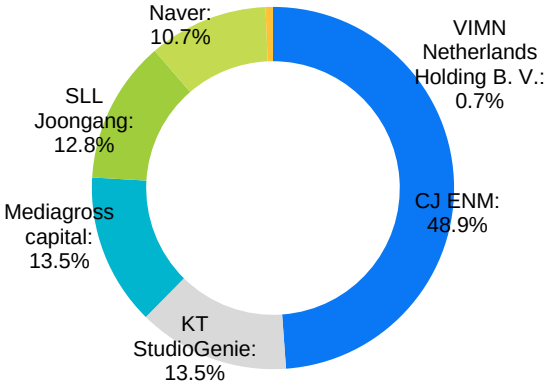
Note: Exclusive OTT live streaming of all 2026 WBC games over approximately two weeks from March 5.
Source: Company data, Samsung Securities

Chart 4. Tving's advertising sales and 2026 goal



Note: 2026E Tving revenue target announcement at 4Q25 earnings conference call
Source: Company data, Samsung Securities

Chart 5. Tving: Major shareholders



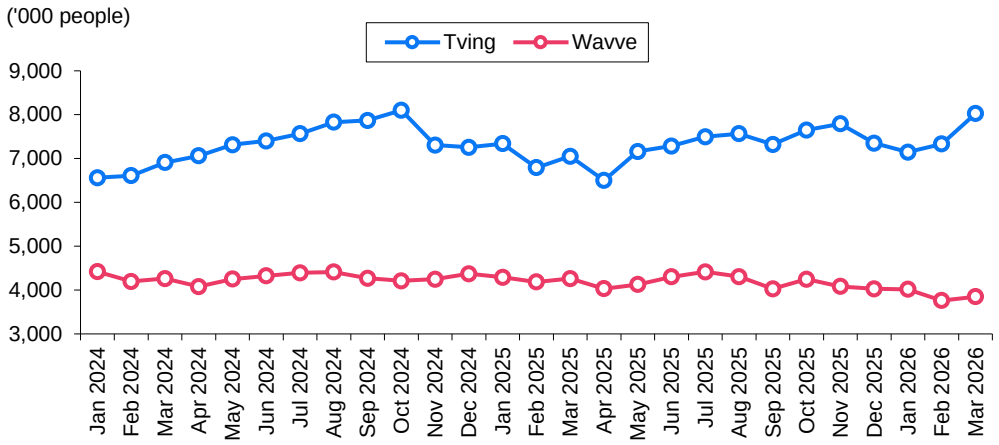
Source: Company data, Samsung Securities

Table 4. Tving's partnerships with domestic and overseas platforms

Platform	Date	Details
Apple TV+	Dec 10, 2024	Launched AppleTV+ branded section in Tving (for premium subscribers)
Baemin Club	Jun 2, 2025	Launched Tving and Baemin Club bundle
Wavve	Jun 16, 2025	Launched Double Plan (a bundle of Tving and Wavve)
SK Telecom (T Universe)	Jul 15, 2025	T Universe added Tving as a selectable membership option
HBO Max (WBD)	Nov 2025 (pre-release) Early 2026 (Official)	To launch Tving-branded section in HBO Max in early 2026
Disney+	Nov 5, 2025	Launched Tving-branded section in Disney+ Japan
SSG.com	Mar 5, 2025	Launched SSG7 club service
Lottecard	Mar 20, 2025	Launched 'Digiloca X Tving' service

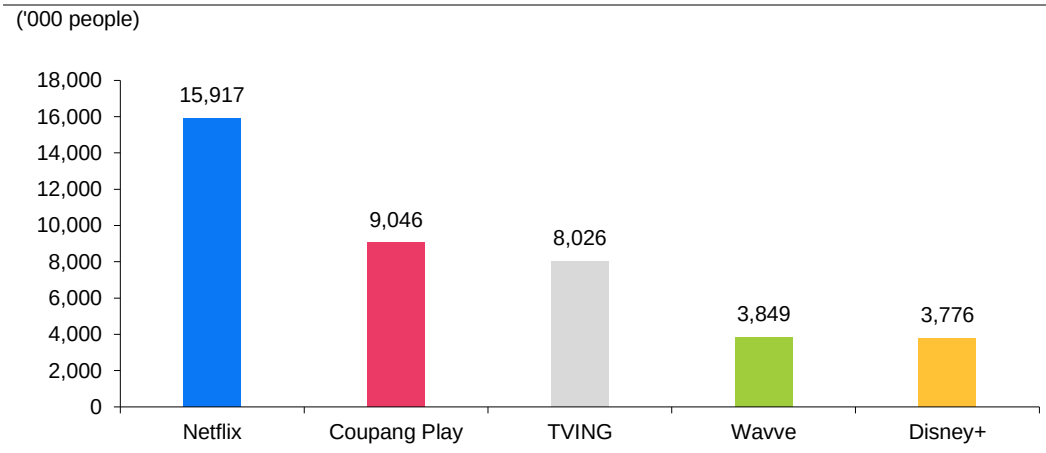
Note: Netflix, Wavve and Disney+ launched an ad-supported plan (Nov 18, 2025)
Source: Company data, Samsung Securities

Chart 6. Tving vs Wavve MAU



Note: Android + iOS
Source: Mobile Index, Samsung Securities

Chart 7. Korean OTT apps: MAU (Mar 2026)



Note: Android + iOS
Source: Mobile Index, Samsung Securities

Table 5. Tving's partnerships with domestic and overseas platforms

Subsidiary	Stake	Acquisition date	Key artists
Wakeone	100%	Mar 2014	(Center 1) ZB1, izna (Center 2) ALD1 (Solo) Kim Feel, Ha Hyeonsang, Jo Yuri (IP) I.O.I, Kepler
AOMG	75.5%	Dec 2015	Yugeom, Jung Chansung, Kian84, Hoody, Kibitz
Higher Music	100%	Jun 2017	Ph-1, Big Naughty
Ameba Culture	60%	Nov 2017	Dynamic Duo, Gumi
Lapone Entertainment	70%	May 2019	JO1, INI, Dxteen, New boy (Produce 101 Japan: Shinsekai)
- Lapone Girls	100%	Feb 2024	ME:I, Is:sue
Chapter I	67%	Sep 2025	H//PE Princess
ONECEAD			MODYSSEY

Note: 1. Groups highlighted in blue are debuted or scheduled to debut in 2026
2. ONECEAD: joint venture by CJ ENM and NCC(JYP-Tecent Music JV)
Source: Company data, Samsung Securities

Chart 8. Artist debuting after 2026

Note: 1. Alpha Drive One (8-member boy group) debut (Jan 12, 2026, 1st mini album EUPHORIA)
2. Planet C survival program, 7-member Chinese boy group MODYSSEY formation, debut scheduled (Apr 13 single release)
3. Keywest (AOMG 75.5% subsidiary) 5-member girl group formation, debut planned end-April
4. H//PE Princess, 7-member Korea-Japn girl group, debut scheduled 1H26
5. Produce 101 Japan: SHINSEKAI (season 4), broadcast start (Mar 26, 2026), debut scheduled late-2026 of early-2027
Source: Company data, Samsung Securities

Table 6. Lapone Entertainment and Lapone Girls' schedule

Date	Artist	Classification	Title	Note
Jan 4-8, 2026	Is:sue	Concert	IS:SUE is coming	1st tour (2cities)
Jan 9	Me:I	Song	LとR	Digital single
Jan 14, 2026	Is:sue	Album	Phase	4th single
Feb 27	ME:I	Song	Best Match	Digital single
Mar 25	DXTEEN	Album	Heart Beat	2nd album
Apr 8-23	JO1	Concert	JO1DER SHOW 2026 'EIEN 永遠	Tokyo, Kyosera Dome (2 cities, 4 shows)
Apr 22	INI	Album	PULSE	8th single
Apr 26-May 9	DXTEEN	Concert	2ND ONE MAN LIVE TOUR	2nd live tour (3 cities, 3 shows)
May 20	IS:SUE	Album	QUARTET	1st album
May 24	IS:SUE	Concert	IS:SUE is coming - Final	1st tour (Tokyo, 1 shows)
Jun 3	JI BLUE*	Album	Keshiki	Special single

Note: JI BLUE, 12-member special unit with selected JO1 and INI members, Japan national football team official ambassador
Source: Lapone Entertainment, Lapone Girls, Samsung Securities

Chart 9. Global K-pop content platform 'Mnet Plus'

Source: Company data, Samsung Securities

Table 7. Film distribution

Year	No.	Film	Released	Genre	Tickets ('000)
2024	1	Alienoid 2	Jan 10	SF, action	1,430
	2	Dog Days	Feb 7	Drama	368
	3	Project Silence	Jul 12	Action	690
	4	Veteran 2	Sep 13	Crime, action	7,525
	5	Harbin	Dec 18	Crime, action	4,911
2025	1	Pretty Crazy	Aug 13	Romance, comedy	438
	2	There is no choice	Sep 24	Drama	2,943
	3	Bugonia (US)	Nov 5	SF, comedy	73
2026	1	Tazza 4	TBD	Drama, crime	
	2	Ode to My Father 2	TBD	Drama	
	3	Paradise	TBD	Mystery	
TBD	2	Veteran 3	TBD	Crime, action	

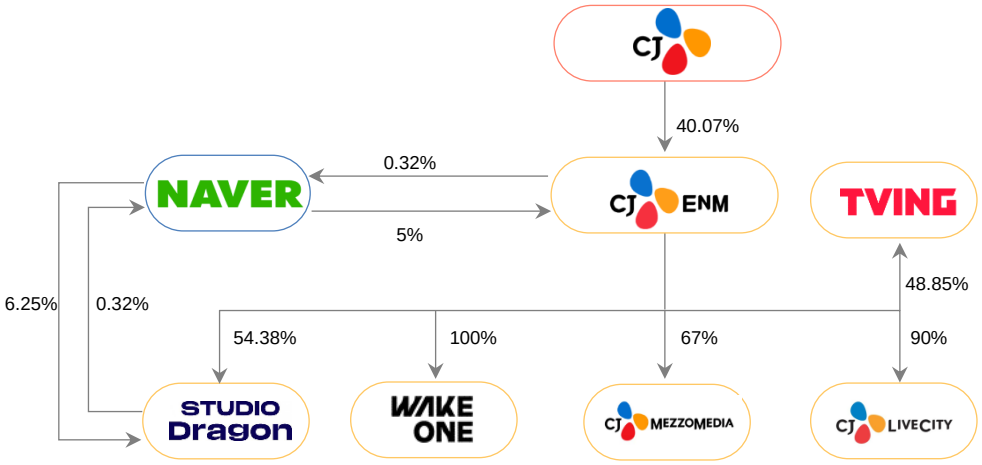
Note: 1. Domestic cumulative audience (as of Apr 4, 2026)
2. *Bugonia, remake of Save the Green Planet, US release (Oct 31,2025), Korea release (Nov 5, 2025)
Source: Media reports, Korean Film Council, Samsung Securities

Table 8. Equity holdings

Company (ticker)	Stake (%)	Value of stake (KRWb)	Company (ticker)
Netmarble (251270)*	16.8	687.6	Nov 2011
Studio Dragon (253450)	54.4	559.0	May 2016
Naver (035420)	0.3	105.2	Oct 2020
KT Genie Music (043610)	15.4	15.0	Oct 2018
APR (278470)	0.1	6.9	Jun 2023
Dexter (206560)	6.7	5.2	Mar 2020
YLab (432430)	9.3	4.7	Aug 2021
Total	-	1,383.6	-
Treasury stock	5.4	63.4	-

Note: 1. Treasury stock acquisition (merger-related put option exercise, Jul 1, 2018), treasury share swap with Naver (Oct 27, 2020)
2. Stake reference (FY 25 annual report), valuation reference (Apr 3, 2026 closing price)
Source: Dart, FnGuide, Samsung Securities

Chart 10. CJ ENM: Ownership structure



Source: Company data, Samsung Securities

Table 9. Sum-of-the-parts valuation

(KRWb)	NOPLAT	Multiple (x)	Value	Note
Operating value (a)			**2,598**	**12MF basis**
Media/Platform	44	20	871	
Pictures/Drama	32	20	637	Excludes value of Studio Dragon
Music	52	10	522	IP value
Commerce	81	7	567	Peer 12-month forward PER
Equity value (b)			**808**	
Studio Dragon			336	40% discount to market cap; 54.5% stake
Netmarble			413	40% discount to market cap; 16.8% stake*
Naver			59	40% discount to market cap; 0.32% stake
Total value			**3,405**	
Net debt (c)			1,643	
Fair value			**1,762**	**=(a)+(b)-(c)**
Shares ('000)			21,929	
Fair value per share			80,369	
Target price (KRW)			**80,000**	
Current price			53,500	
Upside (%)			49.5	

Note: based on Apr 3 closing prices

Source: FnGuide, Samsung Securities estimates

Table 10. Adjustments to full-year forecasts

(KRWb)	2026E			2027E		
	Old	New	Diff (%)	New	Diff (%)	Old
Sales	5,505.8	5,513.1	0.1	5,846.5	5,856.3	0.2
Operating profit	205.7	182.5	-11.3	251.0	215.8	-14.0
Operating margin (%, %pts)	3.7	3.3	-0.4	4.3	3.7	-0.6
Pre-tax profit	108.1	97.2	-10.1	161.6	142.3	-11.9
Net profit (controlling)	76.7	64.2	-16.4	103.8	88.2	-15.1

Source: Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**5,231**	**5,135**	**5,513**	**5,856**	**6,222**
Cost of goods sold	3,520	3,429	3,691	3,930	4,191
Gross profit	**1,711**	**1,706**	**1,822**	**1,926**	**2,030**
Gross margin (%)	32.7	33.2	33.1	32.9	32.6
SG&A expenses	1,607	1,573	1,640	1,711	1,788
Operating profit	**104**	**133**	**183**	**216**	**242**
Operating margin (%)	2.0	2.6	3.3	3.7	3.9
Non-operating gains (losses)	**-636**	**-49**	**-85**	**-74**	**-46**
Financial profit	150	131	85	81	84
Financial costs	292	237	179	180	162
Equity-method gains (losses)	-0	37	47	51	56
Other	-493	21	-38	-25	-24
Pre-tax profit	**-532**	**84**	**97**	**142**	**196**
Taxes	49	67	23	36	49
Effective tax rate (%)	-9.2	79.8	23.9	25.1	25.1
Profit from continuing operations	-581	17	74	107	147
Profit from discontinued operations	0	0	0	0	0
Net profit	**-581**	**17**	**74**	**107**	**147**
Net margin (%)	-11.1	0.3	1.3	1.8	2.4
Net profit (controlling interests)	-503	30	64	88	121
Net profit (non-controlling interests)	-77	-12	10	18	26
EBITDA	1,706	1,387	1,217	1,273	1,328
EBITDA margin (%)	32.6	27.0	22.1	21.7	21.4
EPS (parent-based) (KRW)	-22,955	1,345	2,926	4,021	5,516
EPS (consolidated) (KRW)	-26,487	776	3,375	4,863	6,699
Adjusted EPS (KRW)*	-22,955	1,345	2,926	4,021	5,516

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**2,909**	**2,552**	**2,737**	**2,821**	**2,974**
Cash & equivalents	973	782	812	819	858
Accounts receivable	1,115	1,021	1,130	1,177	1,250
Inventories	137	143	146	156	162
Other current assets	684	606	649	670	704
Fixed assets	**6,407**	**6,115**	**5,887**	**5,946**	**6,010**
Investment assets	1,994	2,021	2,065	2,052	2,054
Tangible assets	861	849	832	833	839
Intangible assets	2,664	2,321	2,068	2,104	2,146
Other long-term assets	889	923	923	957	971
Total assets	**9,317**	**8,667**	**8,624**	**8,767**	**8,984**
Current liabilities	**3,814**	**3,201**	**3,184**	**3,201**	**3,218**
Accounts payable	253	281	281	278	288
Short-term debt	1,046	763	682	618	640
Other current liabilities	2,515	2,158	2,221	2,305	2,290
Long-term liabilities	**1,824**	**2,020**	**2,054**	**2,073**	**2,135**
Bonds & long-term debt	1,010	1,197	1,197	1,173	1,203
Other long-term liabilities	814	822	857	900	931
Total liabilities	**5,639**	**5,221**	**5,238**	**5,275**	**5,353**
Owners of parent equity	**2,794**	**2,789**	**2,719**	**2,808**	**2,920**
Capital stock	111	111	111	111	111
Capital surplus	2,432	2,431	2,431	2,431	2,431
Retained earnings	380	412	476	564	677
Other	-129	-164	-298	-298	-298
Non-controlling interests' equity	**884**	**656**	**666**	**685**	**711**
Total equity	**3,678**	**3,446**	**3,386**	**3,492**	**3,631**
Net debt	1,886	1,747	1,643	1,510	1,398

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**1,403**	**1,166**	**994**	**1,194**	**1,211**
Net profit	-581	17	74	107	147
Non-cash profit and expenses	2,315	1,480	1,146	1,172	1,204
Depreciation	81	82	71	64	58
Amortization	1,521	1,172	964	993	1,028
Other	714	226	111	114	118
Changes in A/L from operating activities	-148	-179	-63	85	38
Cash flow from investments	**-936**	**-1,023**	**-765**	**-1,159**	**-1,168**
Change in tangible assets	106	-25	-54	-65	-65
Change in financial assets	-23	-21	-6	-35	-23
Other	-1,019	-977	-705	-1,059	-1,080
Cash flow from financing	**-569**	**-330**	**-70**	**-104**	**-66**
Change in debt	-341	-323	-70	-104	-58
Change in equity	-24	-2	0	0	0
Dividends	0	0	0	0	-8
Other	-204	-5	0	0	0
Change in cash	-59	-191	30	7	39
Cash at beginning of year	1,033	973	782	812	819
Cash at end of year	973	782	812	819	858
Gross cash flow	**1,735**	**1,497**	**1,220**	**1,278**	**1,351**
Free cash flow	**1,339**	**1,137**	**940**	**1,129**	**1,146**

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	19.8	-1.9	7.4	6.2	6.2
Operating profit	nm	27.2	37.3	18.2	12.1
Net profit	nm	nm	335.0	44.1	37.7
Adjusted EPS**	nm	nm	117.5	37.5	37.2
Per-share data (KRW)					
EPS (parent-based)	-22,955	1,345	2,926	4,021	5,516
EPS (consolidated)	-26,487	776	3,375	4,863	6,699
Adjusted EPS**	-22,955	1,345	2,926	4,021	5,516
BVPS	134,764	134,461	131,088	135,339	140,770
DPS (common)	0	0	0	400	700
Valuations (x)					
P/E***	n/a	48.0	17.8	12.9	9.4
P/B***	0.4	0.5	0.4	0.4	0.4
EV/EBITDA	2.3	2.8	2.8	2.6	2.4
Ratios (%)					
ROE	-16.7	1.1	2.3	3.2	4.2
ROA	-6.0	0.2	0.9	1.2	1.7
ROIC	2.6	0.7	3.7	4.5	5.0
Payout ratio	0.0	0.0	0.0	9.4	12.0
Dividend yield (common)	0.0	0.0	0.0	0.8	1.3
Net debt to equity	51.3	50.7	48.5	43.2	38.5
Interest coverage (x)	0.6	0.8	1.1	1.4	1.6

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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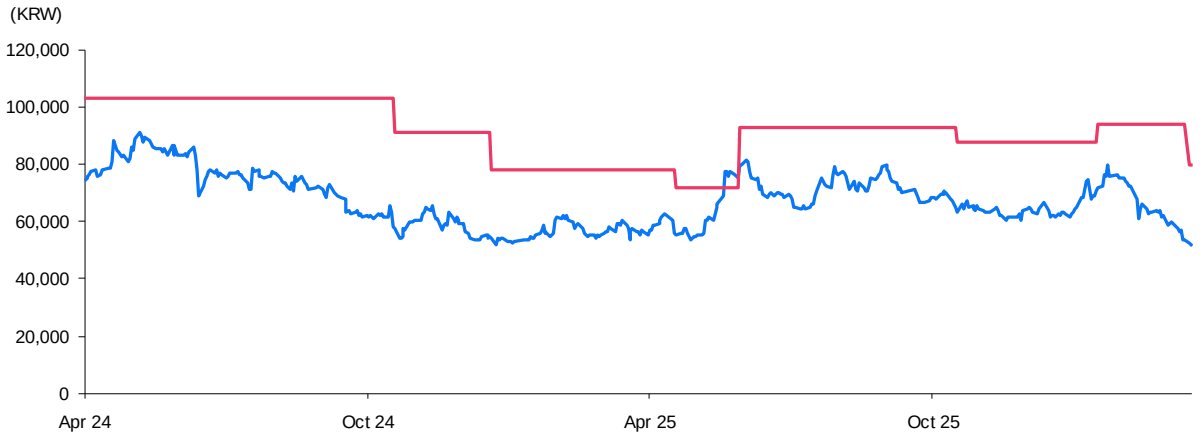

Rating changes over past two years (adjusted share prices)

Date	2024/2/8	11/8	2025/1/10	5/9	6/19	11/7	2026/2/6	4/8
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	103000	91000	78000	72000	93000	88000	94000	80000
Gap* (average)	-26.04	-35.21	-27.11	-12.02	-23.09	-26.75	-29.99	
(max or min)**	-11.55	-27.69	-19.87	7.64	-12.04	-15.00	-14.89	

Note: * [(average, maximum, or minimum share price over duration of target price minus target price) / target price] x 100%
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