COMPANY UPDATE

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Samsung FN REIT (448730)

Corporate day takeways: Enhanced dividend paying capacity driven by inclusion of Jamsil Building

- Samsung FN REITs' AUM expanded to KRW1.1t on addition of Jamsil Building—and the acquisition was fully funded through debt without rights offering.
- A corporate bond issuance in March should enhance borrowing flexibility and diversifies the funding mix.
- Inclusion of Jamsil Building and stabilization of interest rates should eliminate the need for capital injection by around 2030.

WHAT'S THE STORY?

External growth: Samsung FN REITs' AUM expanded to KRW1.1t on addition of Jamsil Building (acquired for KRW200b).

- **Jamsil Building:** This building maintains a high occupancy rate of 92.1%. Major tenants include Samsung Life and other group affiliates (which together account for 32.2% of the floor space). Marketing efforts are underway to reduce the vacancy. The Jamsil Building acquisition should drive up annual operating income by KRW2.4b.
- **Corporate bond issuance:** In March, Samsung FN REITs issued KRW20b worth corporate bonds with maturities of 1.5 and 2 years. The weighted average coupon of 4.1%—despite rising market rates— reflects a strong outcome for its first-time bond offering. As an unsecured bond, this issuance enhances borrowing flexibility and diversifies the funding mix.

(Continued on the next page)

AT A GLANCE

Not Rated

Target price	n/a
Current price	**KRW5,570**
Market cap	KRW507.15b/USD337.16m
Shares (float)	91,050,000 (60.2%)
52-week high/low	KRW5,580/KRW4,220
Avg daily trading value (60-day)	KRW0.6b/ USD0.4m

ONE-YEAR PERFORMANCE

	1M	6M	12M
Samsung FN REIT (%)	6.1	26.6	28.6
Vs Kospi (%pts)	7.8	-18.2	-45.5

SAMSUNG vs THE STREET

No of estimates	1
Target price	6,000
Recommendation	4.0

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

SUMMARY FINANCIAL DATA

	2023	2024	2025
Revenue (KRWb)	34	38	48
Operating profit (KRWb)	23	25	31
Net profit (adj) (KRWb)	0	4	12
EPS (adj) (KRW)	0	50	134
EPS (adj) growth (% y-y)	n/a	n/a	168.7
EBITDA margin (%)	76.9	75.4	76.0
ROE (%)	0.0	1.0	3.0
P/E (adj) (x)	n/a	93.7	33.8
P/B (x)	1.0	1.0	1.0
P/FFO (x)	79.6	45.3	23.5
Dividend yield (%)	3.9	5.9	6.2

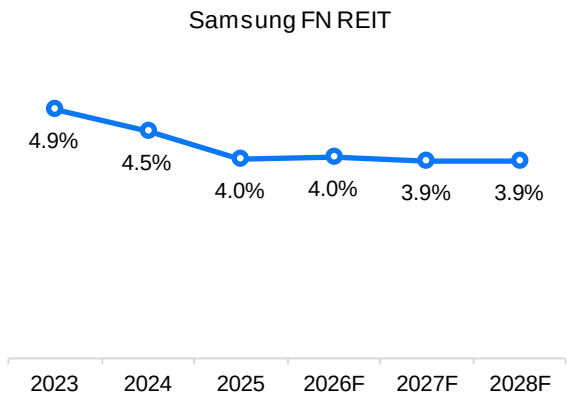
Source: Company data, Samsung Securities estimates

Internal growth: Including Jamsil Building, the REIT's weighted average occupancy rate stands at an impressive 97.4%.

- **Effective net occupancy cost (E.NOC) rising:** Its E.NOC for FN Tower Sunhwa and FN Tower Pangyo climbed by 10.1% and 27.8%, respectively, on lease contract renewals in 2025. These improvements should translate to larger distributable income. Meanwhile, the estimated value of its three other assets rose 18.9% from their acquisition costs.
- **Interest rates down:** The REIT's weighted average loan rate fell from 4.6% in Sep 2024 to 3.68% in Sep 2025. It has risen slightly since end-2025 and now sits in the low 4% range, but the weighted average rate will likely remain stable around low 4% in 2026.

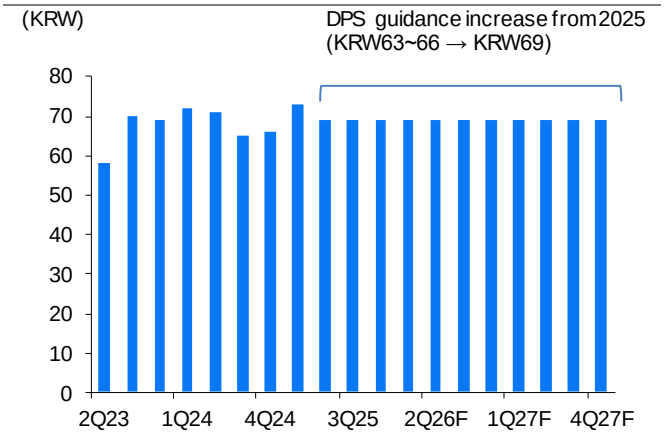
No need for capital injection in around 2030: Reflecting the lower funding costs and higher rental income in 2025, the REIT revised up its quarterly dividend guidance from KRW63–KRW65 to KRW69. Inclusion of Jamsil Building should reinforce dividend capacity—a factor for the REIT to fully eliminate the necessity of capital injection by around 2030.

Weighted average funding rate



Source: Company data

DPS trend



Source: Company data

Income statement

Year-end Oct 31 (KRWb)	2023	2024	2025
Sales	**34**	**38**	**48**
Cost of goods sold	0	0	0
Gross profit	**34**	**38**	**48**
Gross margin (%)	100.0	100.0	100.0
SG&A expenses	12	14	17
Operating profit	**23**	**25**	**31**
Operating margin (%)	65.5	64.4	64.8
Non-operating gains (losses)	**-23**	**-21**	**-19**
Financial profit	0	1	1
Financial costs	23	22	20
Equity-method gains (losses)	0	0	0
Other	0	1	0
Pre-tax profit	**0**	**4**	**12**
Taxes	0	0	0
Effective tax rate (%)	0.0	0.0	0.0
Profit from continuing operations	0	4	12
Profit from discontinued operations	0	0	0
Net profit	**0**	**4**	**12**
Net margin (%)	-0.1	10.3	25.6
Net profit (controlling interests)	0	4	12
Net profit (non-controlling interests)	0	0	0
EBITDA	26	29	36
EBITDA margin (%)	76.9	75.4	76.0
EPS (parent-based) (KRW)	0	50	134
EPS (consolidated) (KRW)	0	50	134
Adjusted EPS (KRW)*	0	50	134

Balance sheet

Year-end Oct 31 (KRWb)	2023	2024	2025
Current assets	**29**	**45**	**33**
Cash & equivalents	28	39	30
Accounts receivable	0	0	0
Inventories	0	0	0
Other current assets	1	6	2
Fixed assets	**713**	**837**	**835**
Investment assets	0	1	2
Tangible assets	0	0	0
Intangible assets	0	0	0
Other long-term assets	713	836	833
Total assets	**742**	**883**	**868**
Current liabilities	**3**	**16**	**435**
Accounts payable	0	0	0
Short-term debt	0	0	0
Other current liabilities	3	16	435
Long-term liabilities	**366**	**447**	**26**
Bonds & long-term debt	345	428	0
Other long-term liabilities	21	19	26
Total liabilities	**369**	**463**	**462**
Owners of parent equity	**373**	**419**	**407**
Capital stock	39	46	46
Capital surplus	332	375	367
Retained earnings	2	-1	-6
Other	0	0	0
Non-controlling interests' equity	**0**	**0**	**0**
Total equity	**373**	**419**	**407**
Net debt	317	389	399

Cash flow statement

Year-end Oct 31 (KRWb)	2023	2024	2025
Cash flow from operations	**8**	**14**	**23**
Net profit	0	4	12
Non-cash profit and expenses	29	28	27
Depreciation	4	4	5
Amortization	0	0	0
Other	25	24	22
Changes in A/L from operating activities	0	0	5
Cash flow from investments	**-717**	**-130**	**-2**
Change in tangible assets	0	0	0
Change in financial assets	0	-1	-2
Other	-717	-129	0
Cash flow from financing	**737**	**126**	**-30**
Change in debt	0	83	1
Change in equity	0	50	-8
Dividends	-10	-16	-30
Other	747	10	7
Change in cash	28	11	-9
Cash at beginning of year	0	28	39
Cash at end of year	28	39	30
Gross cash flow	**29**	**32**	**39**
Free cash flow	**8**	**14**	**23**

Financial ratios

Year-end Oct 31	2023	2024	2025
Growth (%)			
Sales	n/a	11.5	24.3
Operating profit	n/a	9.5	25.2
Net profit	n/a	n/a	207.6
Adjusted EPS**	nm	n/a	168.7
Per-share data (KRW)			
EPS (parent-based)	0	50	134
EPS (consolidated)	0	50	134
Adjusted EPS**	0	50	134
BVPS	4,783	4,607	4,465
DPS (common)	197	274	280
Valuations (x)			
P/E***	n/a	93.7	33.8
P/B***	1.0	1.0	1.0
P/FFO (x)	79.6	45.3	23.5
Ratios (%)			
ROE	0.0	1.0	3.0
ROA	0.0	0.5	1.4
ROIC	-1,139.3	-422.9	-533.6
Payout ratio	-79,481.4	557.0	207.7
Dividend yield (common)	3.9	5.9	6.2
Net debt to equity	84.9	92.7	98.1
Interest coverage (x)	1.0	1.2	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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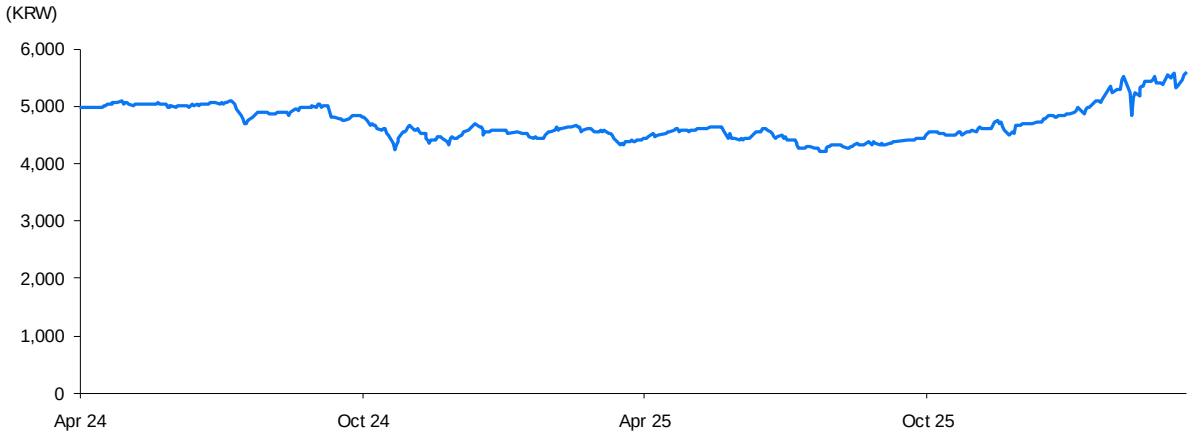
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2026/4/8
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
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 2026.03.31

BUY(85.2%)·HOLD(14.8%)·SELL(0%)

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