COMPANY UPDATE

2026. 4. 8

EV/Mobility Team

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Kia (000270)

1Q preview; rising cash, growing confidence in earnings

- Kia is showing sales recovery across all regions in 2026. Its 1Q operating profit likely met consensus, excluding an estimated KRW300b increase in warranty provisions due to a spike in year-end KRW/USD rate.
- Amid a slowdown in auto demand in 2026, Kia is likely to be the only automaker delivering earnings growth, supported by strong hybrid vehicle sales and high used-car values. It accumulates cash of KRW2-4t every year.
- Kia is expected to unveil its software-defined vehicle (SDV) roadmap and outline its role in Hyundai Motor Group's robotics ecosystem at the upcoming CEO Investor Day. A shift in market perception could trigger a re-rating, aligning share price more closely with underlying earnings and momentum.

WHAT'S THE STORY?

Cutting target price by 14.8% to KRW230,000: We lower our target P/E multiple for Kia from 12x to 10x.

- **Target price based 10x 2026 P/E:** We used Toyota's current P/E multiple of 10x (Bloomberg) as our target P/E multiple for Kia. Even as US demand softened following the dot-com bubble in the 2000s, Toyota expanded its market share through hybrid models and high vehicle resale values.

  In the US, high auto loan rates and inflation have extended vehicle replacement cycles. The average age of vehicles on US roads has risen from 11.8 years in 2019 to a record 13 years in 2026. As consumers keep vehicles longer, ownership costs matter more—and the biggest factor in those costs is the vehicle's resale value. Kia is growing its market share in the US by expanding its hybrid lineup and benefiting from strong used-car values (ranked fourth in the industry).

(Continued on the next page)

SUMMARY FINANCIAL DATA

	2025	2026E	2027E	2028E
Revenue (KRWb)	114,141	124,297	128,499	133,762
Operating profit (KRWb)	9,078	10,290	11,117	12,011
Net profit (adj) (KRWb)	7,554	8,897	9,541	10,407
EPS (adj) (KRW)	19,111	22,790	24,439	26,657
EPS (adj) growth (% y-y)	-21.7	19.2	7.2	9.1
EBITDA margin (%)	10.3	10.4	10.6	10.7
ROE (%)	12.9	13.8	13.5	13.3
P/E (adj) (x)	6.4	6.6	6.2	5.7
P/B (x)	0.8	0.9	0.8	0.7
EV/EBITDA (x)	2.4	2.6	2.0	1.3
Dividend yield (%)	5.6	4.6	5.0	5.0

Source: Company data, Samsung Securities estimates

AT A GLANCE

BUY

Target price	KRW230,000	52.5%
Current price	KRW150,800	
Market cap	KRW58.9t/USD39.2b	
Shares (float)	390,412,998 (60.4%)	
52-week high/low	KRW206,000/KRW82,000	
Avg daily trading value (60-day)	KRW290.6b/ USD193.2m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Kia (%)	-9.7	44.7	78.3
Vs Kospi (%pts)	-8.2	-6.5	-24.5

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	230,000	270,000	-14.8%
2026E EPS	22,790	22,790	0.0%
2027E EPS	24,439	24,439	0.0%

SAMSUNG vs THE STREET

No of estimates	26
Target price	213,846
Recommendation	4.0

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

Meanwhile, Kia's lower P/E multiple compared to Hyundai Motor's (HMC) is unavoidable, given: 1) its smaller stake in robotics ventures (HMC and Kia own a respective 27% and 18% of Boston Dynamics, and a respective 60% and 40% of Hyundai Motor Group Robotics Lab); 2) stronger retail investor buying of HMC shares; and 3) ETFs structured with a heavy weighting toward HMC.

- **Kia to deliver solid growth:** Kia is the only major automaker expected to deliver top-line growth in 2026, targeting wholesale volume of 3.35m vehicles (up 6.8% y-y), revenue of KRW122.3t (up 7.2% y-y), and operating profit of KRW10.2t. Its financial plan assumes an exchange rate of KRW1,370/USD. With a KRW10/USD move translating into a KRW300b-350b increase in profits, we expect the carmaker to deliver an earnings surprise
- **Solid financials:** Despite 2025 marking the most challenging operating environment since the global pandemic, Kia sustained positive free cash flow (up KRW430b) and increased its net cash position to KRW19.6t (up KRW897b y-y) equivalent to 33% of its market cap. For reference, HMC's net cash (excluding its financial subsidiaries) stood at KRW12.5t. Leveraging these strong operating results and financials, the company remains committed to its shareholder return policy, targeting a total payout ratio of 35%. Kia may also take on a larger role in HMG's growing investments in data centers, robot training facilities, and robotic manufacturing plants.
- **Kia's operating profit to miss consensus by 12.5%:** Kia's global wholesale sales, excluding China, totaled 775,000 units (up 1.9% q-q and 0.3% y-y). US sales dipped 2% y-y to 202,000 units due to a high base of 1Q25, but should return to growth following the February launch of the second-generation Telluride. Sales in Kora increased 5.3% y-y 142,000 units, supported by robust demand for EVs and key models. In Europe, sales rebounded 2.1% y-y to 140,000 units, driven by expansion of its EV lineup.

  We expect 1Q sales of KRW29t (up 3.2% q-q and 3.5% y-y) and an operating profit of KRW2.1t (up 15.6% q-q but down 29.2% y-y), for an operating margin of 7.3%. Excluding a KRW300b increase in warranty provisions due to a spike in year-end KRW/USD rate, operating profit is likely to read KRW2.4t, meeting the FnGuide consensus of KRW2.4t.
- **Production disruption in 2Q:** A fire at a tier-2 supplier of engine valves is likely to result in a production loss of 30,000 units each for HMC and Kia during April-May. Both automakers are partially offsetting the impact by ramping up production overseas (including the US). Currently coordinating design with alternative suppliers, the automakers will be able to normalize production by June.

Market's perception of Kia to shift following CEO Investor Day (Apr 9): We expect two key outcomes from Kia's upcoming CEO Investor Day: 1) clear articulation of Kia's autonomous-driving technology roadmap should catalyze business model transformation and a step-up in profitability; and 2) greater visibility into Kia's role in Hyundai Motor Group's (HMG) robotics initiatives should help the automaker close its valuation gap with peers.

- **Clearer software-defined vehicle (SDV) roadmap:** We expect Kia to: 1) unveil detailed plans to enhance the "Atria AI" autonomous-driving inference model, including potential use of Nvidia's Alpamayo platform; and 2) disclose concrete timelines for deploying its Pace Car fleet and commercializing Level 2+ autonomous driving.

- **Commercialization of Level 2+ autonomous driving—Catalyst for business model transformation and profitability improvement:** Kia is expected to pursue subscription-based revenue streams for advanced driver-assistance features, enabling stable earnings as customer adoption rises. Software revenue typically carries gross margins exceeding 50%. Under a subscription model, once sensors and computing hardware are embedded in the vehicle at the point of sale, software subscription revenue is recognized as operating profit, without COGS expenses.
- **Robotics business—Kia's role aligned with HMC's:** Kia's lower equity stakes in HMG's robotics initiatives relative to HMC's is already reflected in its share price. For example, in Boston Dynamics, HMC holds 27% vs Kia's 18%, while in Robotics Lab, HMC holds 60% vs Kia's 40%. Kia's share price has risen only about half as much as HMC's ytd, with its P/E valuation at roughly 60% of HMC's. However, Kia is expected to be equally as critical to HMG's robotics ecosystem as HMC is—including providing real-world action data for robots, operating robot training centers, and managing robot production facilities.

Commercialization of Level 2+ to reshape business model and lift profitability: HMC and Kia could significantly improve profitability by shifting from free to paid subscriptions for connectivity services and Level 2+ autonomous-driving features.

- **GM building a recurring revenue engine with Super Cruise:** Since 2017, GM has offered its Level 2+ autonomous-driving system, Super Cruise, free of charge for three years to new vehicle buyers. After the trial period, around 40% of customers transition to a paid monthly subscription of USD40. By 2025, Super Cruise had 620,000 subscribers, generating USD230m in annual revenue. The US carmaker has set revenue targets of USD400m for 2026 and USD2b by 2030. Super Cruise enables hands-free driving on more than 750,000 miles of North American highways using high-definition mapping. GM plans to upgrade Super Cruise for eyes-off driving in 2028, pushing closer to fully autonomous vehicle technology.

  GM sells roughly 3.3m vehicles annually in North America. Its software and connectivity services (eg, OnStar, over-the-air updates, and in-vehicle data) has already attracted 12m subscribers—roughly 20 times the number of drivers paying for self-driving features. With over 60m vehicles sold in North America over the past 20 years, GM's connectivity subscription penetration stands at around 20%.

  In 2025, total software-related recurring revenue (including Super Cruise) surged 65% y-y to USD5.4b. The company targets 13m OnStar subscribers and USD7.5b in software revenue in 2026, rising to USD25b by 2030 (equivalent to 13.5% of its 2025 total revenue of USD185b). While vehicle sales generate margins of 4-5%, software delivers margins above 40-50%, and subscription services can reach 70-80% as hardware costs are fully absorbed at the time of sale.
- **Tesla building a physical AI platform via FSD:** Tesla has fully transitioned to a subscription model for Full Self-Driving (FSD), offering it exclusively at USD99 per month starting Feb 14, 2026—more than double the price of GM's Super Cruise. The company is advancing toward Level 4 autonomy without driver intervention, with FSD designed not only for cars but as a foundational AI platform for humanoid robots.

  As of 2025, FSD had been activated on 1.1m vehicles, representing 12.3% of Tesla's cumulative 8.9m deliveries. Adoption remains confined to North America, where it reaches 30% of the 3.4m vehicles

sold in the region. Based on Elon Musk's stock option targets, Tesla aims to sell 20m vehicles over the next decade, with 10m of them activated with FSD subscriptions (a target adoption rate of 50%).

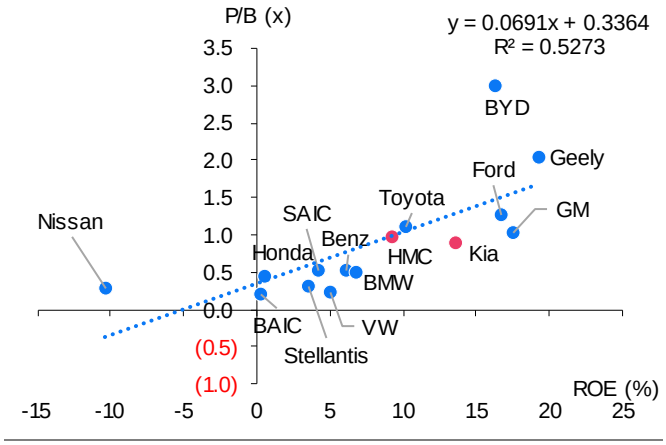
Tesla's connectivity service is priced at USD9.99 per month (or USD99 annually) and is adopted on nearly all vehicles. Total software-related recurring revenue reached USD3.8b last year.

- **HMC/Kia, High ADAS adoption driving ASP growth:** Advanced driver-assistance systems (ADAS)—including smart cruise control, lane-keeping assist, and automated parking—are bundled into packages with adoption rates of 70% and 80% in the US and Korea, respectively. However, these features are typically available only on higher trims (adding KRW3m-4m to the vehicle price) or as a standalone option (around KRW2m). This helps explain why ASPs continue to climb despite rising incentives. As consumers in advanced markets grow more accustomed to advanced convenience features, demand for Level 2+ systems—enhanced with AI-powered capabilities—should rise sharply.
- **HMC/Kia's software sales to grow from 2027:** HMC and Kia currently provide connectivity services free of charge in North America and for five years in Korea, resulting in virtually no software revenue. At present, ADAS features rely on software hardwired into vehicle chips, limiting revenue to a one-time sale at purchase. With Level 2+ autonomy, however, software will be decoupled from hardware, enabling over-the-air updates. This unlocks flexible monetization options: customers can either pay an upfront fee or opt for a subscription model. This transition allows automakers to generate recurring revenue over a vehicle's lifespan (15-20 years).

  If HMC and Kia achieve a 40% paid subscription rate for Level 2+ autonomous driving and connectivity services (similar to GM's), vehicle-level operating profit could expand by 6-8% in the early stages (assuming sales at 2025 levels). Over a 15-year lifecycle, cumulative operating profit per vehicle should more than double. With widespread adoption of Level 2+ technology and connectivity services, Kia could achieve an operating margin above 12%.

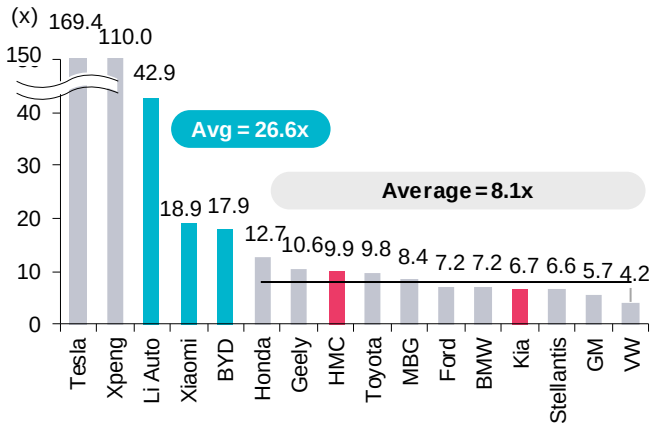
  Kia has also strengthened its market position since 2019 through disciplined inventory and incentive management, leading to a significant increase in used-car values. As new-model launches are scheduled from 2026, these higher residual values should support new-car demand. With projected annual North American sales of around 1m units (on par with HMC), Kia is well-positioned to capitalize on future software revenue growth.

Automakers: P/B vs ROE (2026E)



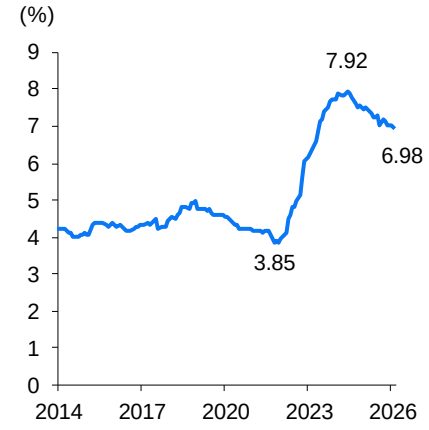
Source: Bloomberg, Samsung Securities

Automakers: 12-month forward P/E valuation



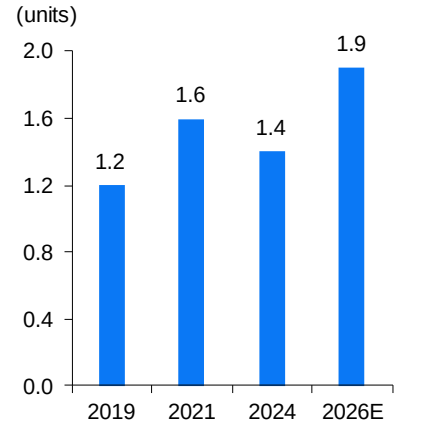
Source: Bloomberg, Samsung Securities

US: Rates on 60-month loans for new cars



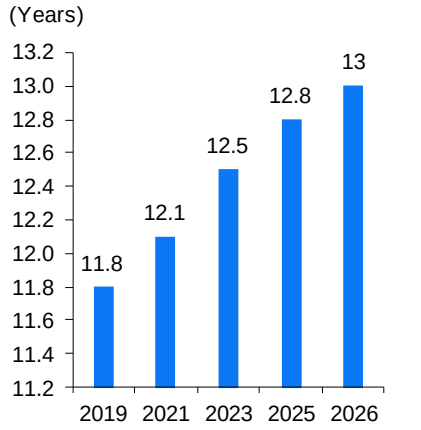
Source: Statista, Samsung Securities

US: Number of used vehicles sold per new vehicle sold



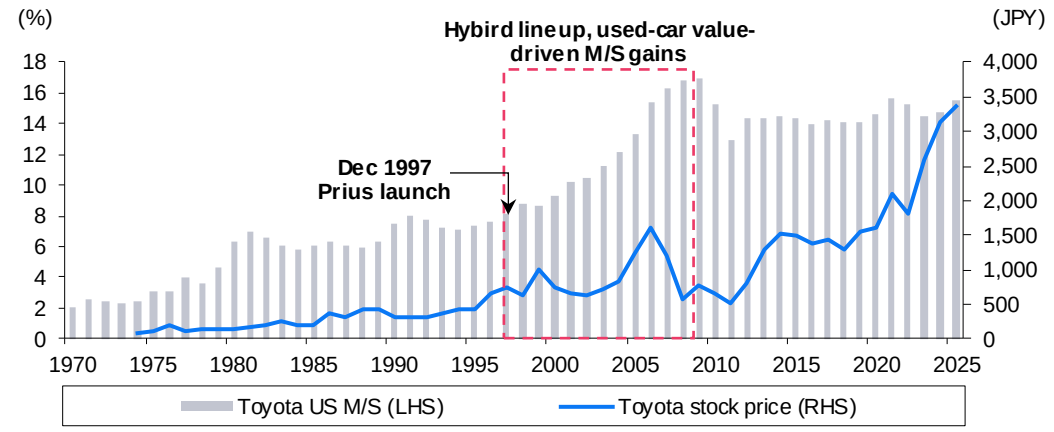
Source: Cox Automotive, Samsung Securities

US: Average age of vehicles on road



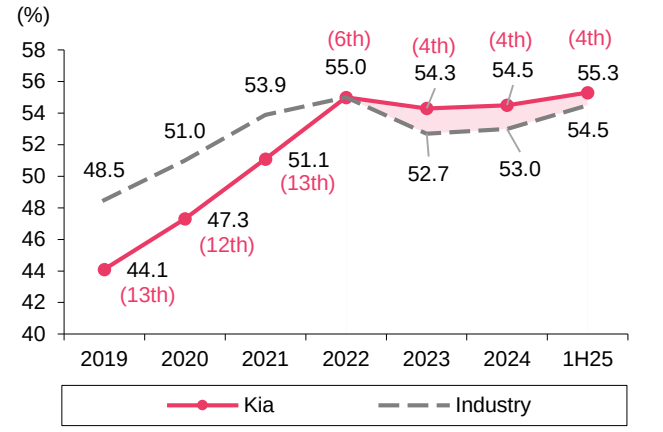
Source: S&P Global Mobility, Samsung Securities

Toyota: Market share in US



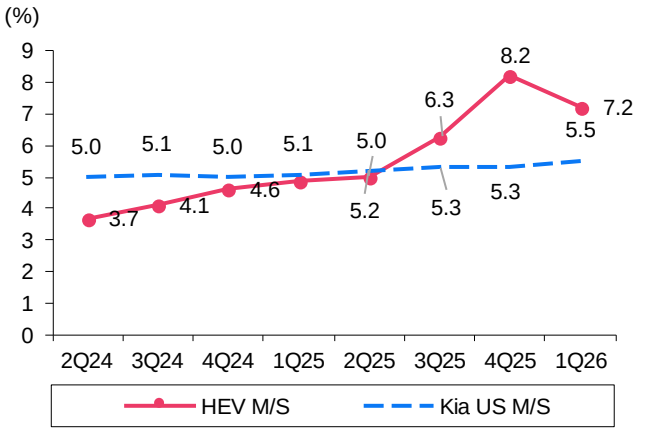
Source: Toyota, Bloomberg, Samsung Securities

Residual value and ranking



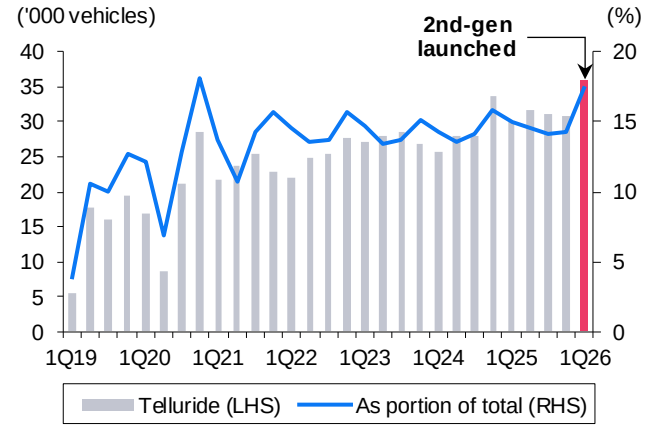
Source: U.S. ALG Residual Value, Company data, Samsung Securities

Kia: Hybrid market share in US



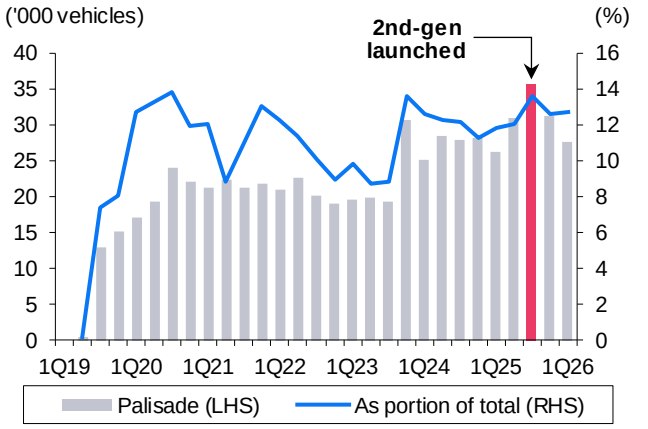
Source: Company data, Samsung Securities

Kia: Telluride sales volume and as portion of total sales



Source: Company data, Samsung Securities

HMC: Palisade sales volume and as portion of total sales



Source: Company data, Samsung Securities

Telluride profitability analysis

	Telluride 1st gen	Telluride 2nd gen
Selling price (USD)	46,453	55,743
Wholesale price (USD)	41,807	50,169
Sales volume (units)	127,000	177,000
Revenue (USDm)	5,309	8,880
Profitability (%)	20%	22%
Operating profit (USDm)	**1,062**	**1,954**
Operating profit (KRWb)	**1,529**	**2,813**

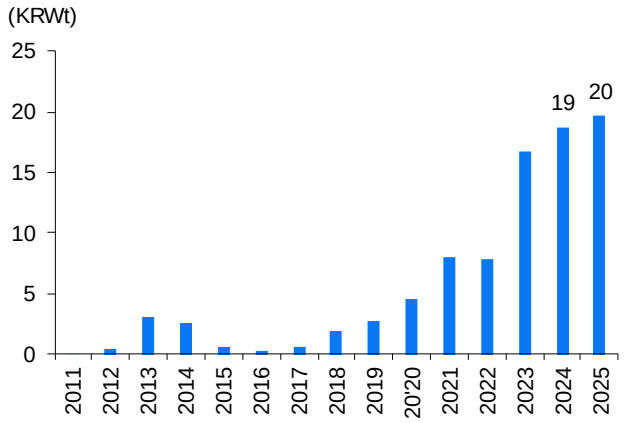
Source: Samsung Securities estimates

HMG: USD sensitivity estimation

	HMC	Kia	Mobis
USD revenue	106,070	62,403	29,869
USD COGS and SG&A	61,739	24,234	23,071
USD exposure	44,331	38,169	6,798
Hedge (5%)	2,217	1,908	340
Net Exposure	**42,114**	**36,261**	**6,458**
1% movement	421	363	65
2025 operating profit	11,468	9,078	3,838
OP impact	**3.7%**	**4.0%**	**1.7%**

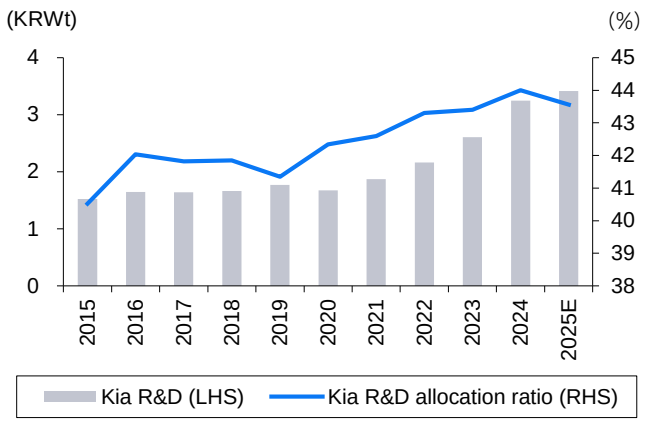
Source: Company data, Samsung Securities estimates

Kia: Net cash



Source: Company data, Samsung Securities

Kia: R&D expense and allocation ratio



Note: Kia's R&D allocation ratio is based on its share of the total R&D costs combined with HMC

Source: Company data, Samsung Securities

Global automakers: Software revenue (2025)

('000 units)	GM	Tesla	Hyundai	Kia
Global sales volume	6,182	1,636	4,138	3,129
North America sales volume	3,361	550	1,939	1,469
Cumulative North America sales volume since 2019	18,060	3,400	12,093	9,161
Consolidated revenue (USDm)	185,000	94,827	130,980	80,268
Connectivity subscription fee (USD/month)	Basic: USD9.99 Max: USD64.99 (includes Super Cruise, Wi-Fi, app services)	9.99 (or USD99/year)	Free since 2023 (5-year free in Korea)	Free since 2023 (5-year free in Korea)
Level 2+ autonomous-driving subscription fee (USD/month)	40	99		
Connectivity subscribers ('000 people)	12,000	3,400		
Level 2+ autonomous-driving subscribers ('000 people)	620	1,100		
Deferred software revenue (USDm)	5,400	3,822		
Software portion of total revenue (%)	2.9	4		

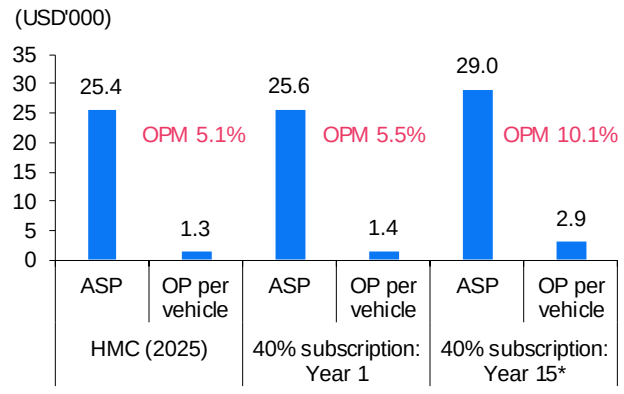
Source: Company data, Samsung Securities

GM: North America subscription programs

Subscription program	Key services	Monthly fee (USD)
OnStar One	Integrated package including safety, remote control, and app connectivity	34.99-39.99
Protect	Collision response, stolen vehicle assistance, 24/7 emergency dispatch	29.99
Remote access	Remote start and vehicle status monitoring via smartphone app	14.99
In-vehicle data	Wi-Fi hotspot and in-vehicle streaming app data usage	15.00
Super Cruise	Hands-free autonomous-driving technology	39.99

Source: Company data, Samsung Securities

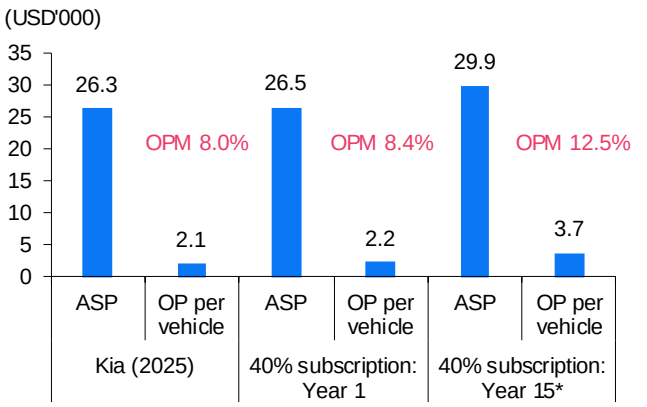
HMC: Estimated profitability changes from software sales



Note: *Assumes 15% subscription rate, 40% profitability for Level 2+ ADAS, and 70% profitability for connectivity

Source: Company data, Samsung Securities estimates

Kia: Estimated profitability changes from software sales



Note: *Assumes 15% subscription rate, 40% profitability for Level 2+ ADAS, and 70% profitability for connectivity

Source: Company data, Samsung Securities estimates

Kia: Global sales volume and forecasts

('000 vehicles)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2024	2025	2026E	2027E
Global plant sales	776	808	758	742	778	831	833	809	3,044	3,083	3,250	3,410
Domestic	394	417	397	379	401	402	393	375	1,547	1,587	1,570	1,590
Overseas	382	391	360	363	377	429	440	434	1,496	1,496	1,680	1,820
US (KMMG)	88	91	88	84	89	105	114	101	352	352	410	460
Europe (KMS)	89	86	64	56	73	98	90	98	351	295	360	380
China (DYK)	57	67	63	67	49	60	68	73	248	254	250	250
Mexico (KMM)	68	74	73	74	75	78	81	76	274	288	310	350
India (KMI)	81	73	72	82	90	87	87	86	270	307	350	380
Global retail sales	772	814	784	760	775	835	810	813	3,083	3,129	3,220	3,330
Global ASP (KRWm)	37.2	37.0	37.6	38.1	38.4	39.1	39.5	40.7	35.8	37.5	39.6	39.5

Source: Company data, Samsung Securities estimates

Kia: Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2024	2025	2026E	2027E
KRW/USD (avg)	1,453	1,401	1,387	1,452	1,467	1,450	1,430	1,420	1,365	1,423	1,442	1,390
Revenue	28,018	29,350	28,686	28,088	28,997	31,922	31,225	32,152	107,449	114,141	124,297	128,499
Gross profit	6,081	5,875	5,409	5,143	5,782	6,254	5,739	6,006	24,771	22,508	23,781	24,497
Operating profit	3,009	2,765	1,462	1,843	2,129	2,872	2,395	2,894	12,667	9,078	10,290	11,117
Pre-tax profit	3,243	3,000	1,887	2,111	2,599	3,067	3,056	3,302	13,500	10,241	12,023	12,894
Net profit	2,393	2,268	1,422	1,471	1,923	2,270	2,261	2,443	9,775	7,554	8,897	9,541
Controlling profit	2,393	2,269	1,425	1,474	1,923	2,270	2,261	2,443	9,773	7,561	8,897	9,541
Margins (%)												
Gross profit	21.7	20.0	18.9	18.3	19.9	19.6	18.4	18.7	23.1	19.7	19.1	19.1
Operating profit	10.7	9.4	5.1	6.6	7.3	9.0	7.7	9.0	11.8	8.0	8.3	8.7
Net profit	8.5	7.7	5.0	5.2	6.6	7.1	7.2	7.6	9.1	6.6	7.2	7.4
Controlling profit	8.5	7.7	5.0	5.2	6.6	7.1	7.2	7.6	9.1	6.6	7.2	7.4

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**107,449**	**114,141**	**124,297**	**128,499**	**133,762**
Cost of goods sold	82,678	91,633	100,515	104,002	107,570
Gross profit	**24,771**	**22,508**	**23,781**	**24,497**	**26,192**
Gross margin (%)	23.1	19.7	19.1	19.1	19.6
SG&A expenses	12,104	13,430	13,491	13,380	14,181
Operating profit	**12,667**	**9,078**	**10,290**	**11,117**	**12,011**
Operating margin (%)	11.8	8.0	8.3	8.7	9.0
Non-operating gains (losses)	**833**	**1,163**	**1,734**	**1,777**	**1,865**
Financial profit	1,351	1,300	1,051	1,301	1,621
Financial costs	610	578	51	38	38
Equity-method gains (losses)	395	415	964	1,007	1,057
Other	-304	26	-230	-494	-775
Pre-tax profit	**13,500**	**10,241**	**12,023**	**12,894**	**13,876**
Taxes	3,725	2,687	3,126	3,352	3,469
Effective tax rate (%)	27.6	26.2	26.0	26.0	25.0
Profit from continuing operations	9,775	7,554	8,897	9,541	10,407
Profit from discontinued operations	0	0	0	0	0
Net profit	**9,775**	**7,554**	**8,897**	**9,541**	**10,407**
Net margin (%)	9.1	6.6	7.2	7.4	7.8
Net profit (controlling interests)	9,773	7,561	8,897	9,541	10,407
Net profit (non-controlling interests)	2	-7	0	0	0
EBITDA	15,216	11,792	12,917	13,594	14,357
EBITDA margin (%)	14.2	10.3	10.4	10.6	10.7
EPS (parent-based) (KRW)	24,413	19,111	22,790	24,439	26,657
EPS (consolidated) (KRW)	24,418	19,094	22,790	24,439	26,657
Adjusted EPS (KRW)*	24,413	19,111	22,790	24,439	26,657

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**41,797**	**44,426**	**50,803**	**58,886**	**67,582**
Cash & equivalents	13,567	13,998	17,696	24,671	31,979
Accounts receivable	3,561	3,552	3,868	3,999	4,162
Inventories	12,419	14,666	15,971	16,511	17,187
Other current assets	12,251	12,210	13,268	13,705	14,253
Fixed assets	**50,958**	**54,553**	**56,359**	**56,390**	**56,804**
Investment assets	27,223	28,149	30,582	31,589	32,850
Tangible assets	17,928	19,934	19,875	19,398	18,992
Intangible assets	4,094	4,806	4,238	3,738	3,298
Other long-term assets	1,713	1,664	1,664	1,664	1,664
Total assets	**92,756**	**98,979**	**107,162**	**115,276**	**124,386**
Current liabilities	**26,977**	**28,378**	**29,628**	**30,623**	**31,868**
Accounts payable	10,455	10,662	11,611	12,004	12,495
Short-term debt	221	211	211	211	211
Other current liabilities	16,302	17,505	17,806	18,408	19,162
Long-term liabilities	**9,938**	**9,410**	**10,130**	**10,428**	**10,802**
Bonds & long-term debt	2,176	979	979	979	979
Other long-term liabilities	7,763	8,431	9,151	9,450	9,823
Total liabilities	**36,916**	**37,789**	**39,759**	**41,051**	**42,670**
Owners of parent equity	**55,831**	**61,188**	**67,401**	**74,222**	**81,714**
Capital stock	2,139	2,139	2,139	2,139	2,139
Capital surplus	1,760	1,771	1,771	1,771	1,771
Retained earnings	50,241	54,520	60,774	67,595	75,087
Other	1,691	2,758	2,716	2,716	2,716
Non-controlling interests' equity	**9**	**3**	**3**	**3**	**3**
Total equity	**55,840**	**61,190**	**67,404**	**74,224**	**81,717**
Net debt	-15,303	-19,162	-24,712	-31,975	-39,645

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**12,564**	**9,054**	**11,704**	**11,484**	**12,289**
Net profit	9,775	7,554	8,897	9,541	10,407
Non-cash profit and expenses	9,666	8,455	3,596	3,366	2,982
Depreciation	2,010	2,070	2,060	1,977	1,906
Amortization	540	644	567	500	440
Other	7,116	5,741	969	889	636
Changes in A/L from operating activities	-4,287	-4,328	1,143	473	592
Cash flow from investments	**-10,153**	**-4,960**	**-2,892**	**-1,869**	**-1,962**
Change in tangible assets	-3,424	-3,593	-2,000	-1,500	-1,500
Change in financial assets	-4,788	-1,940	-892	-369	-462
Other	-1,941	573	0	-0	0
Cash flow from financing	**-3,570**	**-4,175**	**-3,790**	**-2,718**	**-2,912**
Change in debt	-525	-887	-1,147	3	3
Change in equity	2	11	0	0	0
Dividends	-2,194	-2,559	-2,642	-2,721	-2,915
Other	-853	-740	0	0	0
Change in cash	-787	432	3,698	6,975	7,308
Cash at beginning of year	14,353	13,567	13,998	17,696	24,671
Cash at end of year	13,567	13,998	17,696	24,671	31,979
Gross cash flow	**19,441**	**16,009**	**12,494**	**12,907**	**13,389**
Free cash flow	**9,079**	**5,290**	**9,704**	**9,984**	**10,789**

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	7.7	6.2	8.9	3.4	4.1
Operating profit	9.1	-28.3	13.3	8.0	8.0
Net profit	11.4	-22.7	17.8	7.2	9.1
Adjusted EPS**	12.1	-21.7	19.2	7.2	9.1
Per-share data (KRW)					
EPS (parent-based)	24,413	19,111	22,790	24,439	26,657
EPS (consolidated)	24,418	19,094	22,790	24,439	26,657
Adjusted EPS**	24,413	19,111	22,790	24,439	26,657
BVPS	141,812	157,456	173,421	190,970	210,248
DPS (common)	6,500	6,800	7,000	7,500	7,500
Valuations (x)					
P/E***	4.1	6.4	6.6	6.2	5.7
P/B***	0.7	0.8	0.9	0.8	0.7
EV/EBITDA	1.6	2.4	2.6	2.0	1.3
Ratios (%)					
ROE	19.1	12.9	13.8	13.5	13.3
ROA	11.3	7.9	8.6	8.6	8.7
ROIC	45.2	27.3	28.9	32.2	36.5
Payout ratio	26.2	34.9	30.6	30.6	28.0
Dividend yield (common)	6.5	5.6	4.6	5.0	5.0
Net debt to equity	-27.4	-31.3	-36.7	-43.1	-48.5
Interest coverage (x)	124.8	120.8	200.9	294.3	317.4

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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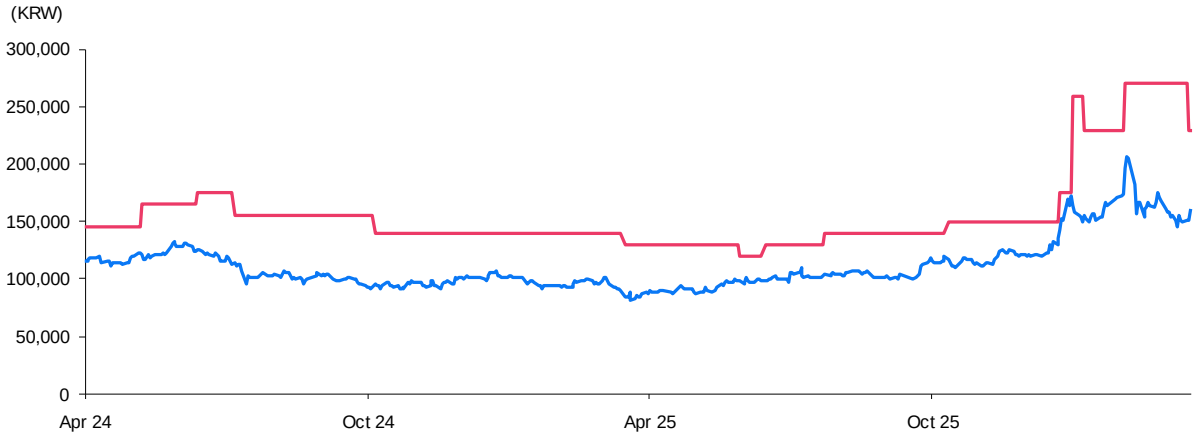
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2024/2/5	5/29	7/4	7/29	10/28	2025/4/7	6/20	7/7	8/14	11/3	2026/1/14	1/22
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	145000	165000	175000	155000	140000	130000	120000	130000	140000	150000	175000	260000
Gap* (average)	-19.81	-24.20	-31.41	-34.54	-30.66	-30.49	-17.88	-21.50	-24.00	-20.38	-7.53	-40.63
(max or min)**	-11.38	-19.82	-27.83	-27.68	-23.79	-23.38	-15.75	-15.08	-14.36	-9.33	-1.66	-38.85

Date	1/29	2/25	4/7
Recommendation	BUY	BUY	BUY
Target price (KRW)	230000	270000	230000
Gap* (average)	-30.12	-39.27	
(max or min)**	-24.35	-23.70	

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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