COMPANY UPDATE

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Kia (000270)

CEO Investor Day: Ready for take-off

- Amid stalled global demand for autos, Kia expects to sell 3.35m units in 2026 and 4.13m units in 2030, driven by a hike in sales of hybrid vehicles and purpose-built vehicles (PBVs).
- Hyundai Motor Group (HMG) has adopted a two-track strategy for SDV development: 1) partnering with Nvidia for mass-production in early 2028; and 2) developing proprietary models through data sharing. The establishment of an in-house data center underpins the group's efforts to build proprietary autonomous driving AI capabilities.
- While HMG's robotics roadmap has been reaffirmed, the lack of production specifics and dearth of scaling plans (beyond 2030) has disappointed. These elements are likely to be addressed at an upcoming Hyundai Motor event.

WHAT'S THE STORY?

Impact of Middle East war: Kia estimates that if the war concludes within three months, sales losses in the Middle East will amount to roughly 40,000 units. But roughly half of this impact could be offset by stronger demand in other regions.

- **Cost pressures from raw materials to be offset by won weakness:** If oil prices hold at USD100/bbl, Kia could face an additional cost burden of KRW150b-200b. However, this burden can be offset by the won's depreciation. (Kia's business plan assumes a 2026 forex rate of KRW1,370/USD).

Global demand outlook revised down vs forecast made in 2025: The global auto demand outlook for 2030 has been trimmed from 92.5m units to 92.1m units (CAGR of 1.4%). In 2026, global auto demand is projected at 87.1m units.

(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	2.7	2.0	1.4
Dividend yield (%)	5.6	4.6	5.0	5.0

Source: Company data, Samsung Securities estimates

AT A GLANCE

BUY

Target price	KRW230,000	51.8%
Current price	KRW151,500	
Market cap	KRW59.1t/USD40.1b	
Shares (float)	390,412,998 (60.4%)	
52-week high/low	KRW206,000/KRW84,700	
Avg daily trading value (60-day)	KRW277.2b/ USD188.1m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Kia (%)	-7.8	46.0	76.6
Vs Kospi (%pts)	-16.9	-12.4	-28.2

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	230,000	230,000	0.0%
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	211,346
Recommendation	4.0

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

- **Kia's global sales target:** Kia plans to sell 3.35m units in 2026 (up 6.8%) for a global market share of 3.8%, and 4.13m units in 2030 (for a 2026-2030 CAGR of 5.4%) for a market share of 4.5%.
- **Sales targets, by powertrain:** Kia aims to move: 1) 0.69m hybrids (up 47.8%) in 2026 and 0.4m EVs (up 31%); and 2) 1.15m hybrids in 2030 (CAGR of 13.6%) and 1m EVs (CAGR of 25.7%).
- **PBV sales target:** Following their launch in 4Q25, Kia sold 8,500 purpose-built vehicles (PBV) in 2025. The cumulative number should rise to 54,000 units by end-2026, as PBVs are set to be launched in Europe in 2026. It has set a yearly PBV sales target of 232,000 units by end-2030.
- **Financial targets:** Kia targets: 1) 2026 sales of KRW122t (up 7%) and an operating profit of KRW10.2t (up 12%), for an operating margin of 8.3%; and 2) 2030 sales of KRW170t (2026-2030 CAGR of 8.6%) and an operating profit of KRW17t (CAGR of 13.6%), for an operating margin of 10%.
- **Shareholder return policy:** Kia plans to return 35% of its net profit to shareholders over 2025-2027, with 25% allocated to dividends and 10% to share buybacks. A DPS of KRW5,000 has been guaranteed.

Autonomous driving—two-track strategy: The mass-production of autonomous driving autos will begin in early 2028, leveraging Nvidia's Alpamayo and Hyperion platforms. The Atria AI inference model, developed by 42dot, will be further refined for deployment in HMG's autos from 2030.

- **SDV roadmap:** Data collection will commence with the mass-production of the Pace Car in 3Q26. By end-2027, Hyundai Motor (HMC) and Kia are expected to complete SDV model development of their each of their first offerings (B-segment SUV). In early 2028, HMC and Kia will launch their first SDV models. To speed up the pace of data collection, the system will also be rolled out across other mass-market vehicles. The launch of highway and urban autonomous vehicles (Level 2++) is scheduled for 2029, while robotaxi operations (Level 4) are slated to commence in 2030.
- **Sensor suite standardization and data sharing:** Standardizing the sensor suite means aligning key parameters—such as camera field of view, radar/lidar detection range, and sensor mounting height—across all vehicles. This will ensure that visual data from camera-only vehicles and high-precision distance data from lidar/radar-equipped vehicles all reference the same coordinate system (with real-time corrections applied for differences due to vehicle size). As a result, data from any HMG auto, regardless of its sensor setup, will be combined into one large, unified training dataset. It should also allow engineers to fully understand the maximum capability of each sensor type.

  Nvidia's Hyperion platform uses lidar, radar, and vision sensors together. Until now, HMC's autonomous driving systems have been primarily vision-based. But standardizing the data suite should enable seamless data sharing. Also, HMC will be able to use data that has been collected by other automakers that use Hyperion.
- **Sensor fusion and flexible sensor configuration, by autonomy level:** Hyundai Motor Group's (HMG) sensor development strategy focuses on maximizing the strengths of each sensor type while compensating for their respective weaknesses through sensor fusion. Depending on cost considerations for mass-market autos, some models may use vision-only sensors to achieve Level 2 autonomy, while others can integrate the full sensor suite to enable Level 4 robotaxi capabilities.
- **Working on proprietary autonomous driving AI model:** Globally, only about 5-6 companies, including Tesla and Nvidia, are capable of developing and licensing autonomous driving AI models.

HMG will initially deploy Nvidia's models in its SDV vehicles, but plans to simultaneously develop its own proprietary models through data accumulation and learning. HMG already has the internal codebase and training infrastructure in place to enable large-scale AI learning from vast datasets.

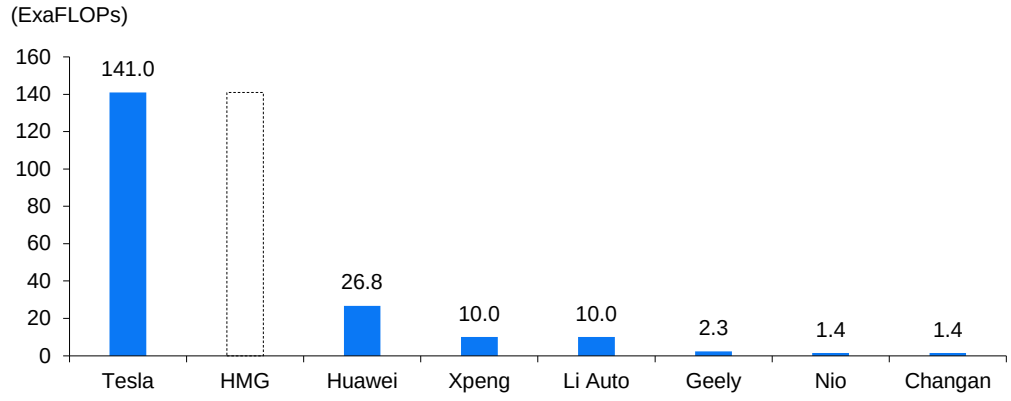
The key to advancing HMG's proprietary model will lie in the speed of data accumulation and training. Data collected from vehicles using Nvidia's platform will be shared with Nvidia as well as with other automakers using the Hyperion platform (such as Mercedes-Benz and Geely). This shared data ecosystem should significantly accelerate training speeds from 2028.

- **Importance of building in-house data centers:** HMG is the only auto company that is pursuing data center capabilities on par with Tesla's. Most automakers are likely to rely on licensed third-party software, which will ultimately erode product differentiation and profitability.
- **Transplanting Nvidia's 'extreme co-design' culture into 42dot and AVP division:** Jensen Huang, Nvidia's CEO, is known for bringing together 60 team leads in a single room when critical issues arise—breaking down silos, aligning hardware and software development, and ensuring everyone shares the same strategic context and decision-making framework. Minwoo Park, the CEO of 42dot and head of HMG's Advanced Vehicle Platform (AVP) division, spent nine years leading Nvidia's autonomous driving team. He now convenes weekly meetings with team leads from 42dot and AVP division to jointly make decisions and shape their integrated stack. With 42dot responsible for software and AVP division for hardware, the two have a shared target of completing full-stack SDV models by 2029.

Boston Dynamics to begin mass-production in 2028: Boston Dynamics, in collaboration with Google DeepMind and Nvidia, is advancing AI capabilities for its robots.

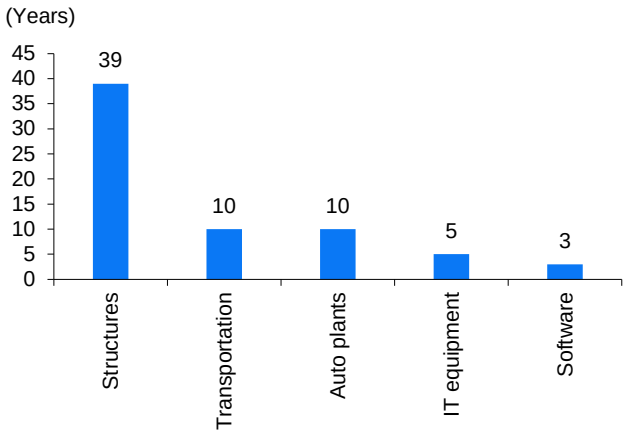
- **Production entity and investment scale to be announced shortly:** Robot production will be conducted through a newly established entity, tentatively named Robotics America. Mass-production is scheduled to commence in 2028. Planned production capacity is 30,000 units, with a target output of 25,000 units *pa*. The robots will initially be deployed at HMC and Kia manufacturing facilities in the US, with plans to sell the robots to non-affiliates in the logistics and service sectors. The planned production scale beyond 2030 remains undetermined. Robots sold in the US will be produced there, and the same will hold true in Korea.
- **Collaboration with Google DeepMind:** Boston Dynamics is currently conducting foundational research in partnership with Google DeepMind, and both teams are jointly defining roles, responsibilities, and engineering systems. They are co-developing a research roadmap centered on the VLA model and are jointly evaluating real-world application pathways through site visits to HMG's plants. The lower-level control systems that enable robot operation are being developed by Boston Dynamics.
- **Division of roles between Google DeepMind and Nvidia:** Boston Dynamics' robotic AI system is not a single VLA model but a complex system incorporating agentic components. Nvidia provides the core computing platform, Thor system, and Boston Dynamics is developing the entire robot software platform—including camera pipelines, OS, control loops, machine learning loops—to run on Nvidia's hardware. The VLA model is being jointly developed by Boston Dynamics and Google DeepMind, and the top-level reasoning model will be developed by Google DeepMind.

Tesla vs Chinese automakers: Computing power



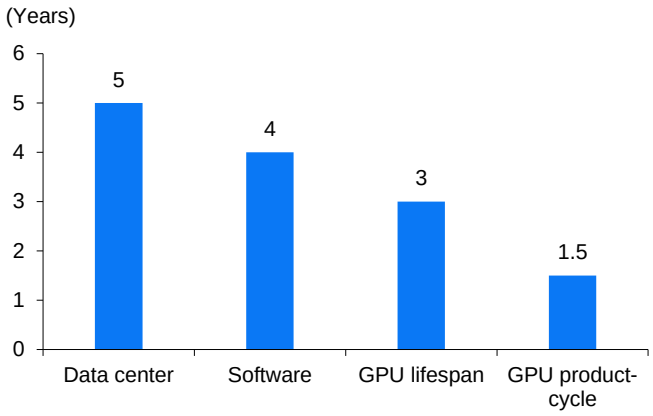
Source: CITIC, Samsung Securities

Capex items and tax-prescribed depreciation rates



Source: Tax code, Samsung Securities

Data center asset depreciable life



Source: Nvidia, Samsung Securities

Key Q&As

Robotics

- **Q. Atlas production timeline, scale, and location:** The mass-production of Atlas should be led by the newly established subsidiary, Robotics America. Sampling of production-ready models is set to begin in 2028, with gradual scaling expected following multiple test batches. The equity structure of Robotics America has not yet been finalized—it will be disclosed at a later date.

  Regarding Atlas' production, Kia is also evaluating its participation in the robotic manufacturing venture. HMG is considering a strategy where US demand is met by US-based production and Korean demand by Korean production.

- **Q. Progress in collaboration with Google DeepMind:** At the three-month mark since the partnership began, both teams are still in the foundational phase of joint research. Engineers from both sides are aligning roles, responsibilities, and engineering systems. Overall, collaboration is progressing smoothly. A joint research roadmap centering on the vision-language-action (VLA) model is under development. The teams have also jointly visited HMG's manufacturing facilities to evaluate real-world application pathways.

- **Q. Potential conflict between Google DeepMind and Nvidia collaboration:** Boston Dynamics is simultaneously: 1) expanding prototype production; 2) collecting operational data; and 3) co-designing the system architecture. The Atlas AI system is not a single VLA model but a complex system incorporating agentic components. There is no conflict between Nvidia and DeepMind's roles. Nvidia provides the core computing platform—the Thor system-on-module—while DeepMind does not supply its own device-level computing hardware.

  Boston Dynamics is among the first partners to adopt the Thor system, and is currently developing the entire robot software platform—including camera pipelines, operating system, control loops, and machine learning loops—to run natively on Nvidia's infrastructure. The machine learning models jointly developed with DeepMind are being optimized to operate at high performance on this platform.

- **Q. Plausibility of cumulative 30,000 Atlas units sales target by 2030:** The cumulative 30,000-unit sales target represents the designed production capacity of Robotics America's facilities. HMG plans to eventually sell the robots to non-affiliates (beyond HMG's internal usage), which industrial customers are expected to constitute a significant portion of demand. Internal demand should provide stable early traction and strategically strengthen supply-chain resilience.

- **Q. Cost structure with Google and Nvidia:** The cost-sharing model with Google and Nvidia is still under negotiation and is expected to be disclosed next year.

- **Q. Background for leadership change at Boston Dynamics:** The CEO transition was intentionally scheduled shortly after CES 2026, as it was deemed the most appropriate time to carry out the action. The outgoing CEO, who had led the company since its early founding, stepped down after CES concluded successfully, signaling that the company had reached a stage of independent, sustainable growth. Minor organizational adjustments followed, but these were relatively minimal and aligned with natural organizational maturation.

- **Q. Cost competition with Chinese robotics companies:** Having cost competitiveness versus Chinese robotics firms is viewed as being critically important. The new Atlas features the simplest mechanical structure ever designed by Boston Dynamics, and is regarded as being out most mature design, balancing high performance, reliability, and cost efficiency. Combined with HMG's supply-chain management capabilities and collaboration with Mobis, Boston Dynamics believes it has a solid foundation to compete effectively even against its Chinese competitors.
- **Q. Atlas mass-production timeline:** The timeline is not being rushed because delivering a highly refined product that provides tangible value to customers is prioritized over speed. On the AI side, further development is needed to ensure the robot can perform useful tasks in real production environments. On the hardware side, achieving automotive-grade reliability requires extensive data collection and iterative design improvements. The goal is to launch a mature product that balances cost, reliability, and real-world usability.
- **Q. Evaluation of humanoid productivity:** The economic viability of humanoids must be assessed not just by price, but also by actual productivity. Initially, focus will be on tasks such as parts logistics and sequencing within production facilities. These tasks involve diverse part types and frequent changes due to model updates, making them difficult to automate with traditional fixed automation systems.
- **Q. Target markets for Atlas:** While initial deployment will focus on the auto manufacturing industry, the core value lies not in the industry itself, but in the set of skills the robot can perform. The parts logistics skills developed for auto plants are broadly applicable to most manufacturing assembly processes. From there, expansion into logistics and service industries is anticipated.

  The ultimate goal is to create robots that enhance—not replace—human workers, ensuring enhanced safety and a reduced physical burden. Just as Kia tests new assembly methods in pilot plants before their full-scale rollout, Atlas should be validated in controlled pilot environments before deployment at HMG's Savannah and Georgia plants (and eventually across its global sites). Once proven, other automakers with similar production systems are likely to adopt the technology rapidly.
- **Q. Co-design and co-development with DeepMind:** Specific details about the co-designing with DeepMind remain confidential, but the AI system is not built on a single VLA model. Instead, it consists of three distinct but interconnected modules: Low-level motor control, mid-level VLA perception-action integration, and high-level reasoning and agent planning. These modules can be jointly trained, but operate on different functional and temporal scales. The overall architecture—including how computation is distributed across data centers, on-premise systems, and on-device hardware—is being led and architected by Boston Dynamics.

Autonomous driving

- **Q. Concept of the Data Union:** Autonomous driving data differ fundamentally from internet text data—autonomous driving data must be collected under specific sensor configurations, mounting positions, and environmental conditions to be truly useful. This makes standardized sensor suites critical. Nvidia's validated sensor package, proven across a wide range of driving scenarios, offers strong interoperability and is therefore seen as a high-value asset within the HMG. By integrating this identical sensor architecture across vehicles from Motional, 42dot, AVP, HMC, and Kia, data collected from each vehicle can be usable. Growing interest from automakers in China, the US, and Europe to adopt similar sensor standards opens the door for future data-sharing partnerships. Beyond direct data exchanges, Kia can also capture value through licensing foundation models. As partnerships with Nvidia and others deepen, Kia may later negotiate usage rights for those models.
- **Q. Data center ownership:** In the short term, data center operations should remain flexible. Long-term, however, the goal is the internalization of data centers. What matters most is not who runs the data center—it is whether the datasets are fully utilized and whether Kia has the training models and the proprietary codebase for model learning. HMG already has the internal infrastructure to train large-scale models efficiently.
- **Q. Evolution of autonomous driving strategy (vision-only vs sensor fusion):** Atria AI was built as a vision-centric system, while Nvidia's Drive Hyperion integrates lidar, radar, cameras, and ultrasonic sensors. Adopting Nvidia's solution does not signal a pivot away from Atria—Hyperion is designed to be fully compatible and combinable with Atria's existing software stack.

  The guiding principle is to leverage each one's strengths while offsetting its weaknesses. Tesla's success with vision-only FSD demonstrates the potential of pushing vision to its limits. Kia's approach, by contrast, pursues a more comprehensive path: Maximizing the potential of vision, radar, ultrasonic sensors, and lidar, then fusing them intelligently.

  There is no need to use every sensor in the suite at all times. What matters most is whether the vehicle's configuration supports the subset of sensors required for its target autonomy level. For mass-market cars, Kia should use essential sensors in consideration of cost. For L3–L4 systems, it should build in flexibility so that lidar or other sensors can be added later as needed.
- **Q. Differentiation strategy against competitors using Alpamayo:** Kia expects four or five major autonomous driving software providers to emerge in the coming years. Simply licensing a third-party solution will not create meaningful differentiation for customers. But by owning full control of a vehicle's dynamics through SDV architecture—spanning suspension tuning, driving behavior, and user preference adaptation—the company can deliver real, perceptible distinctions.

  True differentiation comes not from buying software, but from building it: From accumulating vast, high-quality real-world data, especially edge cases. With HMG's global scale and accumulated vehicle data, Kia is positioned to utilize one of the richest datasets in the industry. Ultimately, the core differentiator should be building a system that customers can truly trust. That is something no off-the-shelf solution can deliver.
- **Q. Tesla's critique of synthetic data:** Tesla's concerns about synthetic data are valid today. But over the next 1-2 years, advances in generative AI and foundation models could fundamentally change this calculus. When synthetic data are enriched with safety-critical datasets and insurers' real-world accident records, its value could rise dramatically.

- **Q. Centralized SDV architecture:** Kia does not see centralized architecture as the only path for SDVs. While centralization brings benefits—simpler wiring, lower weight, and better platform adaptability—safety and redundancy are non-negotiable for autos. If a system can scale efficiently, reduce costs, and deliver the core functions of an SDV, it does not need to be fully centralized.

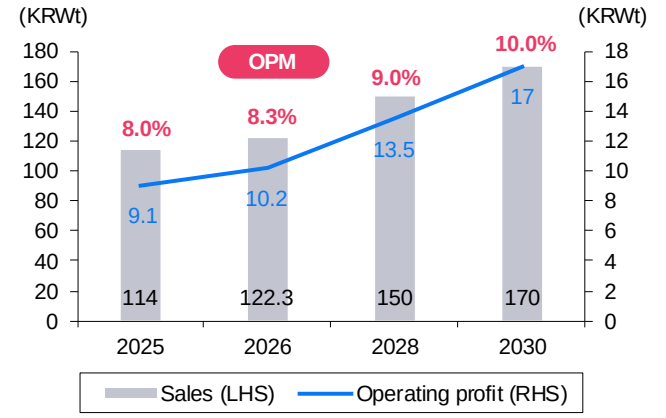
  The 2028 Kia SDV platform will not be a pure centralized design—it should be functionally equivalent in capability. The current architecture under consideration is designed with safety and redundancy in mind, and is deemed sufficient to fulfill the core functions of an SDV. While transitioning to zonal architecture offers wiring and weight advantages, the automotive ecosystem as a whole is not yet fully prepared—an immediate, broad reduction in all component costs is not expected. But as the SDV ecosystem matures, Kia anticipates faster development cycles, lower costs, and quicker response times (to changing market conditions and trends).

Kia CEO Investor Day: Strategic transition from 2025 to 2026

	2025 CID	2026 CID	Change
2030 mid-to-long-term sales strategy			
Global demand	9.25m units	9.21m units	-40,000 units
Global sales	4.19m units	4.13m units	-60,000 units
Global M/S	4.5%	4.5%	Unchanged
xEV sales target			
Total xEV	2.33m units / penetration 56%	2.15m units / penetration 52%	-180,000 units, +4%pt
EV	1.26m units (30%)	1.00m units (24%), M/S 3.8%	-260,000 units
xHEV	1.07m units (26%)	1.15m units (27%)	+80,000 units
HEV	0.993m units	1.10m units	+107,000 units
Regional sales			
US	1.11m units, M/S 6%	1.02m units, M/S 6.2%	-90,000 units, +0.2%pt
Europe	0.774m units, M/S 5%	74.6m units, M/S 4.8%	-20,800 units, -0.2%pt
India	0.40m units, M/S 7.4%	0.41m units, M/S 7.6%	+10,000 units, +0.2%pt
2030 financial target			
Sales	KRW170t	KRW170t	Unchanged
Operating profit	KRW18t	KRW17t	-KRW1t
Operating margin	10%+α	10%	more conservative assumption
Investment plan	**(2025-2029)**	**(2026-2030)**	
5-year investment plan	Total: KRW42t Future business: KRW19t	Total: KRW49t Future business: KRW21t	Total: +KRW7t Future business: +KRW2t

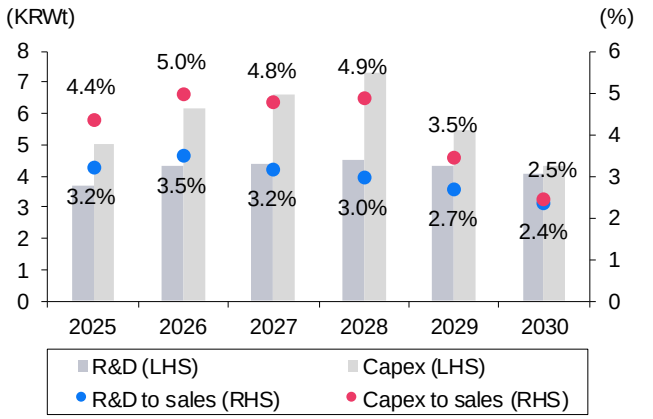
Source: Company data, Samsung Securities

Kia: Financial guidance



Source: Company data, Samsung Securities

Kia: 5-year R&D and capex

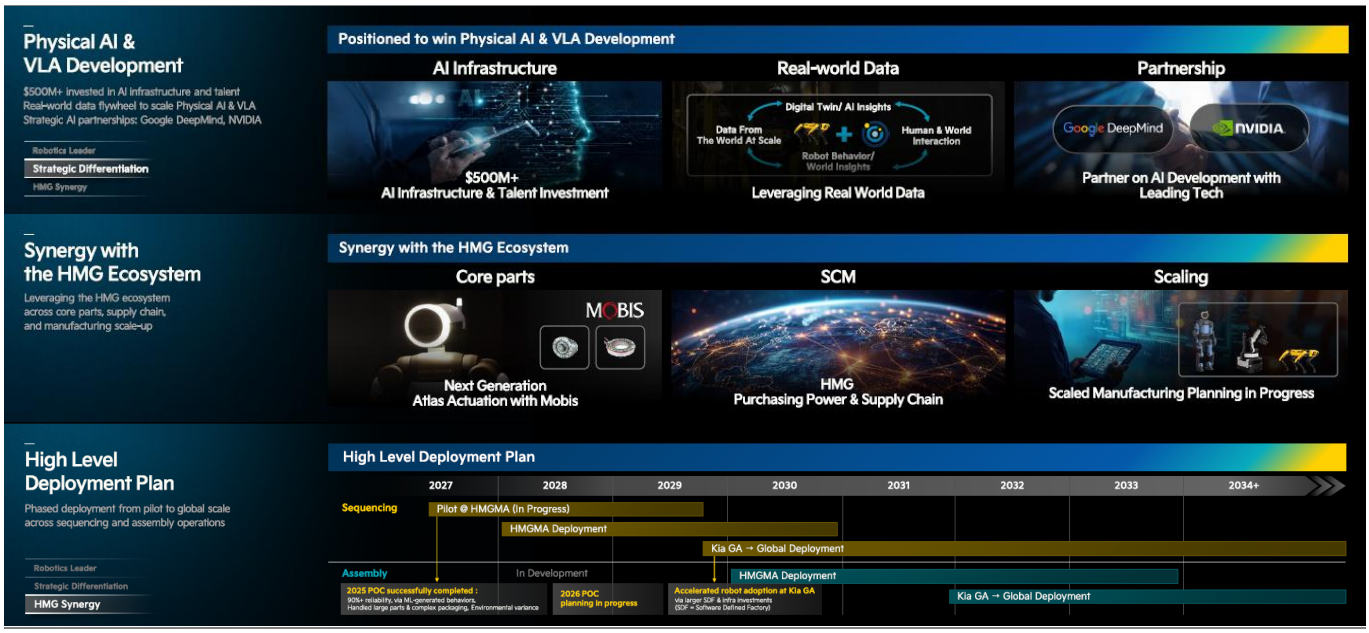


Source: Company data, Samsung Securities

Kia: SDV Pace Car launch (2027) and mid-to-long-term roadmap

Source: Company data

Boston Dynamics: Group synergies and mid-to-long-term roadmap



Source: Company data

Kia: PBV sales strategy focused on the European and domestic eLCV markets

Source: Company data

Kia new model launch schedule: By 2030, launch of 9 ICE models / 10 xHEV models / 3 EV models

Source: Company data

Kia: Maintaining shareholder return policy with TSR at 35%

Source: Company data

Kia: New 5-year investment plan (2026-2030)

Source: Company data

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	2.7	2.0	1.4
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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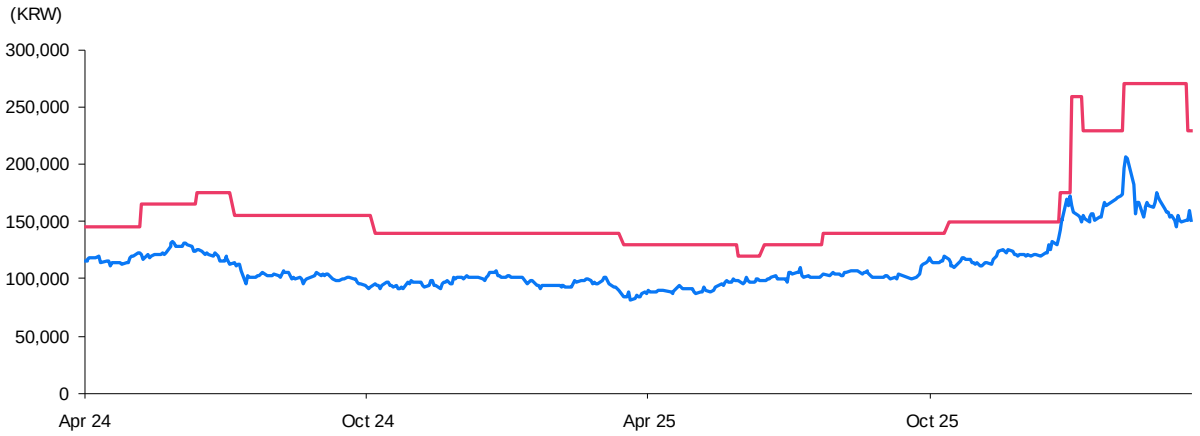
Target price changes in past two years



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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