COMPANY UPDATE

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Tech Team

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KT (030200)

Stability and growth convergence phase

- KT's earnings resilience should strengthen further led by its strategic shift to AX initiatives centered on AI, cloud, and data centers.
- Its 1Q earnings should miss consensus due to customer appreciation programs and increased marketing expenses.
- Structural improvements in profitability should further support its expansion of shareholder returns.

▶ AT A GLANCE

BUY

Target price	**KRW73,000**	**16.2%**
Current price	**KRW62,800**	
Market cap	KRW15.8t/USD10.7b	
Shares (float)	252,021,685 (84.6%)	
52-week high/low	KRW68,900/KRW48,250	
Avg daily trading value (60-day)	KRW32.1b/ USD21.8m	

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
KT (%)	3.5	24.4	27.6
Vs Kospi (%pts)	-3.8	-23.7	-49.0

▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	73,000	73,000	0.0%
2026E EPS	5,908	5,908	0.0%
2027E EPS	6,337	6,337	0.0%

▶ SAMSUNG vs THE STREET

No of estimates	16
Target price	75,250
Recommendation	4.0

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

WHAT'S THE STORY?

Sustained structural growth amid strengthening core competitiveness: KT is undergoing a structural transformation centered on AI, cloud, and data center businesses. Amid industry shifts, the company is expected to continue improving earnings. Moreover, it should remain committed to enhancing shareholder returns through sustained dividend payments and share buybacks & cancellations. While immediate large-scale treasury share cancellations are constrained by Korea's Telecommunications Business Act, which caps foreign ownership at 49%—requiring companies with such caps to dispose of treasury shares within three years—, KT is actively executing its previously announced buyback program. Following last year's initiative, KT is conducting another KRW250b share buyback (Mar 10–Sep 9, 2026), providing meaningful support to its stock price. We maintain our BUY rating and target price of KRW73,000 (based on a 12-month forward P/E of 12x, in line with KT's three-year average).

(Continued on the next page)

SUMMARY FINANCIAL DATA

	2025	2026E	2027E	2028E
Revenue (KRWb)	28,244	27,647	28,082	28,804
Operating profit (KRWb)	2,469	2,075	2,280	2,367
Net profit (adj) (KRWb)	1,837	1,503	1,644	1,738
EPS (adj) (KRW)	6,869	5,908	6,337	6,691
EPS (adj) growth (% y-y)	271.3	-14.0	7.3	5.6
EBITDA margin (%)	22.7	21.5	21.8	21.3
ROE (%)	10.2	8.1	8.1	8.2
P/E (adj) (x)	7.7	10.6	9.9	9.4
P/B (x)	0.7	0.8	0.8	0.7
EV/EBITDA (x)	3.9	4.6	4.4	4.3
Dividend yield (%)	4.6	3.8	4.0	4.1

Source: Company data, Samsung Securities estimates

1Q26 earnings preview – To miss consensus: We forecast KT to post 1Q consolidated sales of KRW6.593t (down 3.7% y-y) and operating profit of KRW487.6b (down 29.2% y-y), both below consensus. The y-y decline should owe to a high base effect from property sale gains recorded in 1Q25 (Jangyang-dong). Additionally, about 238,000 subscribers were lost during the grace period (Dec 31, 2025–Jan 13, 2026) for contract terminations following a major cyberattack. While net subscriber growth has since resumed, KT likely incurred customer retention efforts--increased marketing expenses. Furthermore, as part of a customer appreciation program (see Table 4), it is offering all customers free 100GB monthly data allowances from February through August 2026. This initiative likely prompted some users to downgrade their plans. As a result, wireless sales likely rose 1.6% y-y in 2Q. For reference, KT's wireless sales grew 4.7% y-y in 2H25 due to benefits from competitors' cyber incidents.

Accelerating transformation into an AX-driven platform company: Following the March shareholder meeting, newly appointed CEO Park Yoon-young has set "AX (AI Transformation)" as the company's core strategic direction. He has prioritized reinforcing KT's foundational competitive advantages—network stability and security—while focusing on organizational stability and growth rooted in core business fundamentals. KT is expected to accelerate its medium- to long-term growth strategy by clearly defining its roadmap around AX and B2B services.

Visible earnings growth amid data center expansion: In response to rising demand for AX services, KT is expanding its data center footprint. Its key subsidiary, KT Cloud, delivers integrated infrastructure services — including servers, power, cooling, security, and networking — as a unified offering. KT currently operates 16 data centers: eight in the Seoul metropolitan area and eight outside. With strong demand from major Korean enterprises for cloud and AI services, utilization rates remain high, supporting continued earnings momentum. KT Cloud's earnings keep expanding—eg, in 2025, it posted consolidated revenue of KRW997.5b (up 27.4% y-y) and operating profit of KRW66.3b (up 25.7% y-y) (see Table 7). In Nov 2025, KT opened Korea's first liquid-cooled AI data center in Gasan (Seoul) and should open an additional data center in Bucheon (Gyeonggi Province) in mid-to-late 2026 (see Table 6).

Table 1. Quarterly results and forecasts

(KRWb)	1Q25	4Q25	1Q26E	Chg (% q-q)	Chg (% y-y)	Consensus	Diff (%)
Sales	6,845.1	6,845.0	6,593.1	-3.7	-3.7	6,795.2	-3.0
Operating income	688.8	227.3	487.6	114.5	-29.2	524.2	-7.0
Operating margin (%)	10.1	3.3	7.4	-4.2	13.3	7.7	-0.3
Pre-tax income	711.8	137.9	457.9	232.1	-35.7	504.4	-9.2
Net profit (controlling)	539.8	111.7	355.1	217.9	-34.2	354.6	0.1

Source: Company data, FnGuide, Samsung Securities

Table 2. Results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2024	2025E	2026E
Operating revenue (consolidated)	**6,654.6**	**6,546.4**	**6,654.7**	**6,575.6**	**6,845.1**	**7,427.4**	**7,126.7**	**6,845.0**	**6,593.1**	**6,967.3**	**7,138.3**	**6,948.4**	**28,244.2**	**27,647.1**	**28,081.7**
Services	5,722.7	5,776.6	5,752.0	5,754.7	5,700.4	5,817.8	5,920.8	5,949.4	5,431.5	5,396.2	6,050.0	6,081.6	23,388.4	22,959.2	23,374.3
Products	931.9	769.8	902.7	820.9	1,144.7	1,609.6	1,205.9	895.6	1,161.6	1,571.1	1,088.3	866.8	4,855.8	4,687.9	4,707.4
Operating revenue (parent)	**4,694.8**	**4,548.3**	**4,765.0**	**4,571.6**	**4,682.0**	**4,772.8**	**5,109.0**	**4,760.2**	**4,764.2**	**4,795.3**	**5,023.3**	**4,777.6**	**19,324.0**	**19,360.4**	**19,646.5**
Wireless	1,736.5	1,765.1	1,740.4	1,717.8	1,753.1	1,781.7	1,809.6	1,811.0	1,780.6	1,808.5	1,814.6	1,836.7	7,155.4	7,240.4	7,373.2
Fixed-line	1,322.4	1,316.6	1,312.6	1,317.1	1,311.7	1,334.5	1,331.9	1,333.0	1,321.9	1,346.3	1,336.3	1,342.6	5,311.1	5,347.1	5,382.8
B2B	895.0	882.7	926.4	856.5	892.2	922.7	932.7	858.6	917.2	942.3	955.6	885.4	3,606.2	3,700.4	3,772.5
Real estate, *etc*	86.7	83.6	89.6	104.3	87.4	92.8	105.6	120.0	90.0	95.6	105.4	104.0	405.8	395.0	421.0
Handset	654.2	500.3	696.0	575.8	637.5	641.1	929.1	637.7	654.4	602.6	811.5	608.9	2,845.4	2,677.5	2,697.0
Subsidiaries	**3,202.2**	**3,286.9**	**3,248.8**	**3,518.3**	**3,524.2**	**4,159.5**	**3,681.4**	**3,913.2**	**3,211.1**	**3,689.6**	**3,661.8**	**3,741.5**	**15,278.3**	**14,303.9**	**14,698.1**
Operating costs	6,148.1	6,052.4	6,190.6	7,230.7	6,156.3	6,412.6	6,588.5	6,617.7	6,105.5	6,392.0	6,549.5	6,525.6	25,775.1	25,572.6	25,801.8
Labor	1,100.9	1,213.2	1,118.3	2,189.6	1,121.8	1,119.4	1,167.6	1,184.0	1,124.4	1,130.6	1,178.3	1,208.8	4,592.8	4,642.1	4,732.8
Depreciation	973.7	966.2	964.8	973.1	968.7	975.9	965.7	969.9	968.3	979.1	971.5	972.8	3,880.2	3,891.7	3,907.6
Marketing	32.1	40.8	44.4	52.0	32.2	37.3	45.5	53.7	32.7	37.8	46.1	54.5	168.7	171.1	176.1
SG&A expenses	599.6	600.8	600.8	608.4	598.0	615.1	632.6	874.8	649.0	621.1	643.2	798.2	2,720.5	2,711.5	2,768.2
Operating profit	**506.5**	**494.0**	**464.1**	**-655.1**	**688.8**	**1,014.8**	**538.2**	**227.3**	**487.6**	**575.3**	**588.8**	**422.8**	**2,469.1**	**2,074.5**	**2,279.9**
Operating margin (%)	7.6	7.5	7.0	-10.0	10.1	13.7	7.6	3.3	7.4	8.3	8.2	6.1	8.7	7.5	8.1
Pre-tax profit	529.0	556.7	509.1	-1,010.1	711.8	974.9	593.4	137.9	457.9	586.9	652.7	317.4	2,418.1	2,014.9	2,225.1
Net profit (controlling)	375.5	393.0	357.3	-655.6	539.8	687.9	391.5	111.7	355.1	438.8	486.1	209.0	1,731.0	1,489.0	1,597.1
Chg (% y-y)															
Operating revenue	**3.3**	**0.0**	**-0.6**	**-1.8**	**2.9**	**13.5**	**7.1**	**4.1**	**-3.7**	**-6.2**	**0.2**	**1.5**	**6.9**	**-2.1**	**1.6**
Services	2.2	-1.0	-1.5	0.6	-0.4	0.7	2.9	3.4	-4.7	-7.2	2.2	2.2	1.7	-1.8	1.8
Products	10.1	8.0	5.6	-16.1	22.8	109.1	33.6	9.1	1.5	-2.4	-9.8	-3.2	41.8	-3.5	0.4
KT (parent)	1.6	1.4	2.0	-0.4	-0.3	4.9	7.2	4.1	1.8	0.5	-1.7	0.4	4.0	0.2	1.5
Wireless	1.7	2.5	1.9	-0.8	1.0	0.9	4.0	5.4	1.6	1.5	0.3	1.4	2.8	1.2	1.8
Fixed-line	1.0	-0.3	-1.3	0.4	-0.8	1.4	1.5	1.2	0.8	0.9	0.3	0.7	0.8	0.7	0.7
B2B	5.0	-1.0	2.5	5.3	-0.3	4.5	0.7	0.2	2.8	2.1	2.5	3.1	1.3	2.6	1.9
Real estate, *etc*	2.8	-1.1	15.0	23.3	0.8	11.0	17.9	15.1	3.0	3.0	-0.2	-13.4	11.4	-2.7	6.6
Handset	-1.8	6.7	6.6	-11.5	-2.6	28.1	33.5	10.8	2.7	-6.0	-12.7	-4.5	17.3	-5.9	0.7
Subsidiaries	**5.4**	**-0.4**	**-2.8**	**-2.1**	**10.1**	**26.5**	**13.3**	**11.2**	**-8.9**	**-11.3**	**-0.5**	**-4.4**	**15.3**	**-6.4**	**2.8**
Operating costs	3.2	1.4	-2.9	12.4	0.1	6.0	6.4	-8.5	-0.8	-0.3	-0.6	-1.4	0.6	-0.8	0.9
Labor	3.0	7.2	-6.1	89.1	1.9	-7.7	4.4	-45.9	0.2	1.0	0.9	2.1	-18.3	1.1	2.0
Depreciation	4.8	4.0	2.9	-4.0	-0.5	1.0	0.1	-0.3	0.0	0.3	0.6	0.3	0.1	0.3	0.4
Marketing	-9.1	1.7	15.0	31.0	0.3	-8.6	2.5	3.3	1.4	1.4	1.4	1.4	-0.4	1.4	2.9
SG&A expenses	-0.2	-5.2	-3.6	-5.8	-0.3	2.4	5.3	43.8	8.5	1.0	1.7	-8.8	12.9	-0.3	2.1
Operating profit	**4.2**	**-14.3**	**44.2**	**nm**	**36.0**	**105.4**	**16.0**	nm	**-29.2**	**-43.3**	**9.4**	**86.0**	**205.0**	**-16.0**	**9.9**
Operating margin (%)	0.1	-1.3	2.2	-13.9	2.5	6.1	0.6	13.3	-2.7	-5.4	0.7	2.8	5.7	-1.2	0.6
Pre-tax profit	20.9	1.6	45.3	nm	34.6	75.1	16.6	nm	-35.7	-39.8	10.0	130.3	313.6	-16.7	10.4
Net profit (controlling)	26.6	-0.4	35.2	nm	43.8	75.0	9.6	nm	-34.2	-36.2	24.1	87.1	268.1	-14.0	7.3

Source: Company data, Samsung Securities

Table 3. Key operating metrics

('000 people)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2025	2026E	2027E
Wireless subscribers*	**24,834**	**24,904**	**25,199**	**26,132**	**26,445**	**27,491**	**28,328**	**28,985**	**28,178**	**28,571**	**28,720**	**29,136**	**28,985**	**29,136**	**29,719**
Net additions (q-q)	-63	70	295	933	313	1,046	837	657	-807	393	149	416	2,853	151	583
5G**	9,948	10,093	10,251	10,400	10,552	10,866	11,048	11,156	11,033	11,082	11,183	11,254	11,156	11,254	11,648
LTE***	3,416	3,270	3,099	2,894	2,736	2,739	2,600	2,585	2,524	2,444	2,372	2,293	2,585	2,293	2,018
Fixed-line subscribers	**21,321**	**21,171**	**21,171**	**20,924**	**20,758**	**20,665**	**20,559**	**20,423**	**20,382**	**20,316**	**20,257**	**20,173**	**20,423**	**20,173**	**20,018**
Broadband	9,862	9,899	9,899	9,956	9,984	10,073	10,135	10,170	10,221	10,275	10,326	10,372	10,170	10,372	10,546
IPTV	9,418	9,423	9,423	9,449	9,438	9,490	9,520	9,533	9,523	9,542	9,551	9,557	9,533	9,557	9,581
PSTN + VoIP	11,903	11,748	11,748	11,475	11,320	11,175	11,039	10,890	10,859	10,775	10,706	10,617	10,890	10,617	10,436
ARPU	**34,461**	**34,507**	**34,560**	**34,302**	**34,856**	**35,236**	**35,295**	**35,335**	**35,233**	**35,451**	**35,881**	**36,005**	**35,181**	**35,642**	**35,867**
Chg (% q-q, % y-y)	0.5	0.1	0.2	-0.7	1.6	1.1	0.2	0.1	-0.3	0.6	1.2	0.3	2.1	1.3	0.6

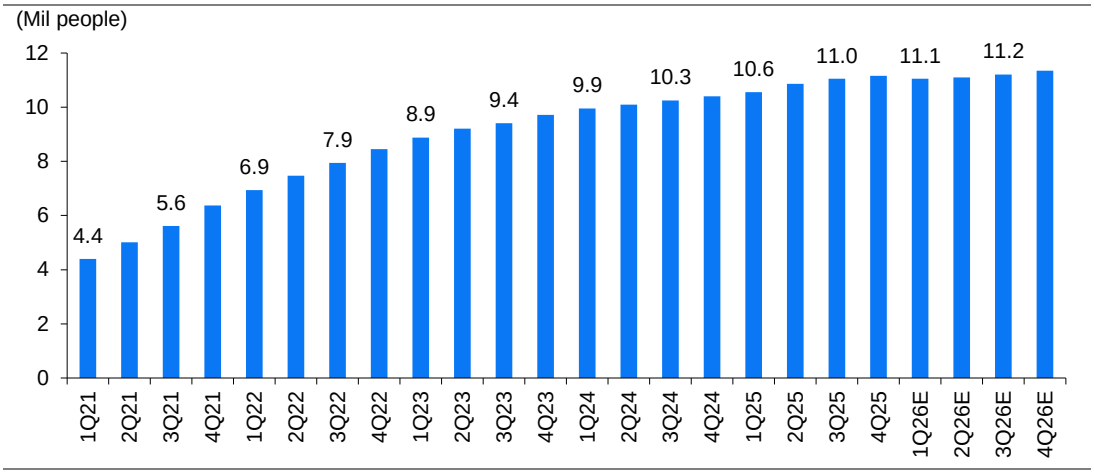
Note: *Includes MVNO subscribers

**Handsets (and does not include MVNO subscribers);

***Non-5G handsets (and does not include MVNO subscribers), second devices, IoT devices, etc

Source: Company data, Samsung Securities

Chart 1. Number of 5G subscribers



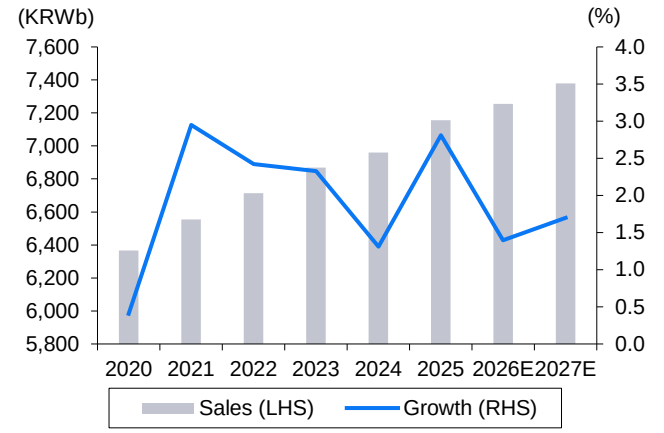
Source: Company data, Samsung Securities

Table 4. KT's customer compensation

Category	Details
Data	Provide 100GB of data monthly for 6 months to all customers
OTT	Provide OTT subscription pass
Membership	Discounts on popular brands for 6 months (Feb-Jul) Provide twice a month, up to 2 brands per session
Insurance	Safety/security insurance for 2 years Coverage for damages such as phone phishing, hacking (up to KRW10m), and internet shopping fraud (up to KRW2m) Customers aged 65 and older are automatically provided without application
Roaming	Provide 50% additional data for 6 months (Mar-Aug)

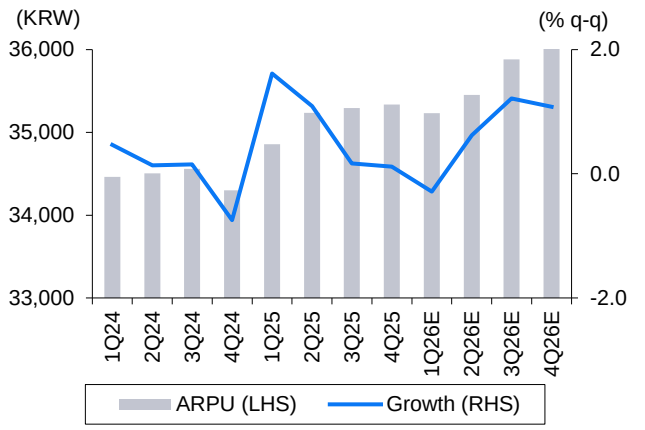
Source: Company data, Samsung Securities

Chart 2. Wireless sales (parent)



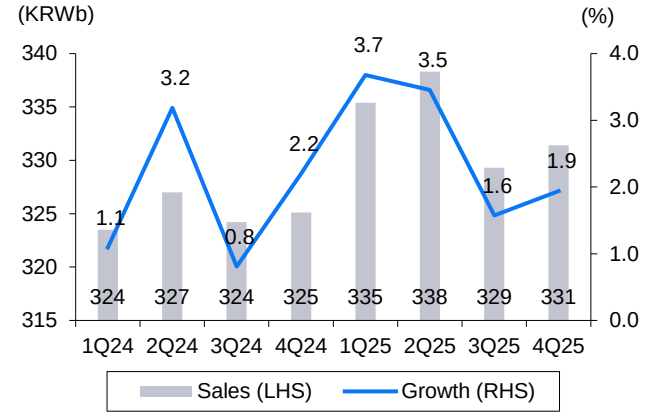
Source: Company data, Samsung Securities

Chart 3. ARPU



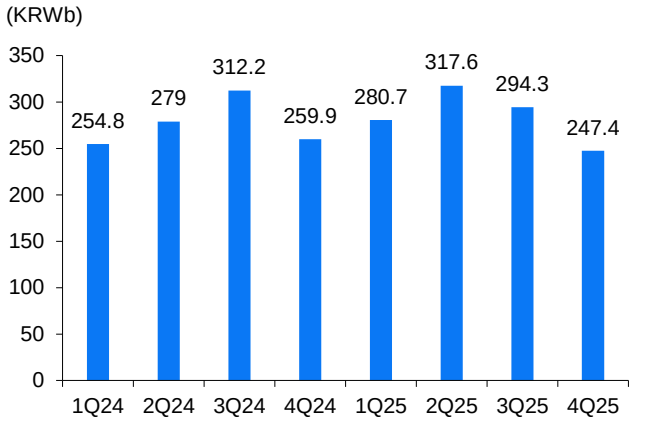
Source: Company data, Samsung Securities

Chart 4. Enterprise broadband and data sales



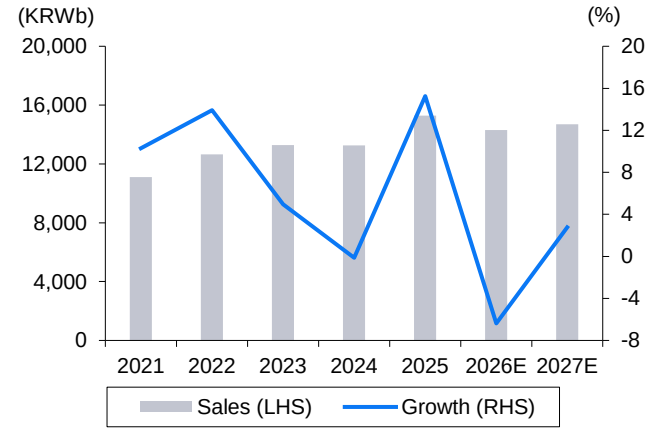
Source: Company data, Samsung Securities

Chart 5. AI/IT sales



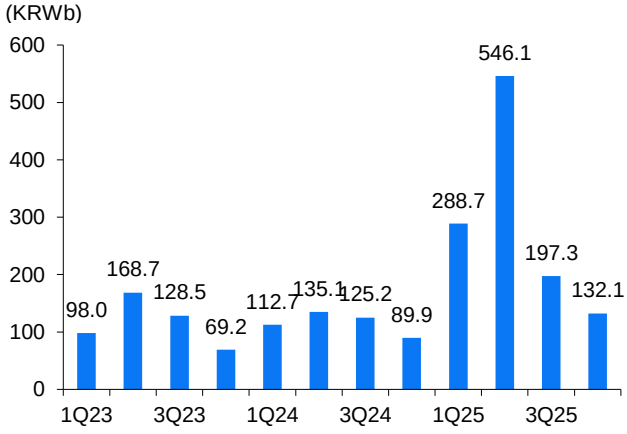
Source: Company data, Samsung Securities

Chart 6. Subsidiaries: Sales



Source: Company data, Samsung Securities

Chart 7. Subsidiaries: Contribution to consolidated OP



Source: Company data, Samsung Securities

Table 5. KT: Growth plan for 'AICT' strategy

Phase	Phase 1 (2024)	Phase 2 (2025)	Phase 3 (2026~)
Growth plan	Gain infra and capabilities for AX transform	Full-scale growth of AX business (AI, cloud, IT)	Complete conversion into AX and AICT company

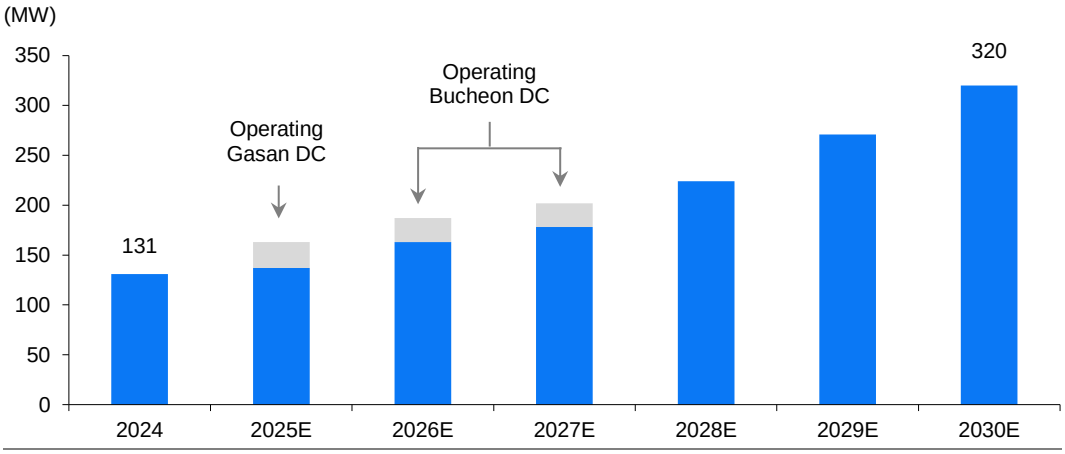
Source: Company data, Samsung Securities

Table 6. KT's data centers

Category	Location	Note	Capacity
Seoul Metropolitan Area (9+)	Bundang		
	Ganganam		
	Mokdong 1		
	Yeouido		
	Mokdong 2		
	Yongsan		40 MW
	Namguro		
	Baeksuk		
	Gasan	Launched Nov 5, 2025	26 MW
	Bucheon	Scheduled to launch in 2026	48 MW
Provinces (7+)	Cheonan		
	Gimhae		
	Daejeon		
	Cheonan		
	Cheongju		
	Busan		
	Yecheon	Launched in Jun 2025	

Note: As of Apr 2026, 9 sites in Seoul Metropolitan Area, 7 in the provinces in operation, Bucheon under construction targeting mid-2026 completion
Source: Company data, Samsung Securities

Chart 8. KT: Data center capacity forecasts



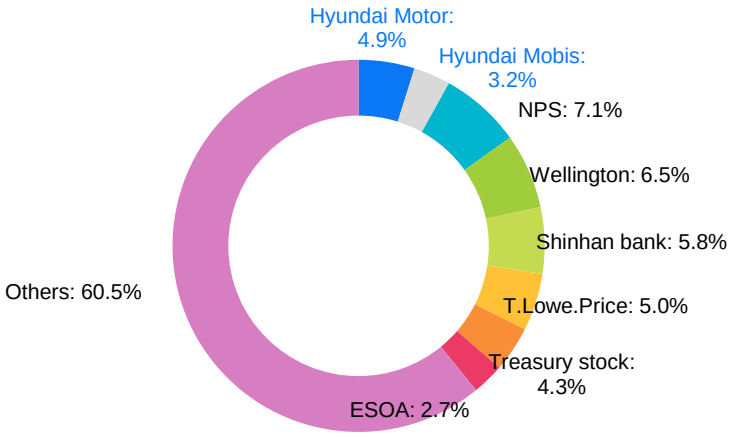
Note: Total data center capacity is 163 MW in 3Q25;
Plans to add 60-100 MW annually through 2027, securing more than 500 MW over the longer term
Source: Company data, Samsung Securities

Table 7. Main affiliates: Key financial metrics

Affiliates	(KRWb)	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	2023	2024	2025
BC Card	Sales	953	1049	996	1027	936	978	931	961	872	910	918	935	4,026.9	3,805.8	3,635.1
	Operating profit	12	37	26	24	35	47	36	16	36	46	33	20	98.6	132.6	134.5
	Net profit	-1	32	39	6	50	50	29	14	35	60	41	16	75.5	143.3	151.7
KT Cloud	Sales	149	154	194	182	175	180	207	221	249	222	249	228	678.3	783.2	997.5
	Operating profit													43.1	52.7	66.3
	Net profit	10	8	9	37	3	11	22	-1	19	17	11	-10	64.0	35.7	38.1
KT Estate	Sales	113	145	142	203	136	156	148	181	135	160	190	235	603.6	620.5	719.3
	Operating profit													77.3	101.8	100.5
	Net profit	-1	12	7	-1	5	9	2	20	-2	5	10	39	17.4	34.7	51.8
KT Skylife	Sales	255	261	260	249	254	255	257	257	243	247	247	247	1,025.6	1,022.9	984.2
	Operating profit	16	19	5	-26	3	0	2	-6	5	13	16	-12	14.1	-1.1	23.0
	Net profit	7	18	2	-140	1	-2	2	-158	2	11	12	-23	-113.7	-156.1	1.5
KT Nasmedia	Sales	32	35	40	39	23	36	35	39	24	26	31	37	146.8	142.6	117.9
	Operating profit	2	5	7	6	2	7	6	5	2	3	4	4	20.5	19.9	12.3
	Net profit	3	5	7	3	3	7	6	-21	3	0	5	-1	17.7	-4.6	6.8
KT Genie Music	Sales	70	68	96	74	74	74	80	74	69	73	83	77	307.0	301.6	302.9
	Operating profit	3	4	5	4	3	5	3	1	4	5	6	1	15.4	12.2	16.2
	Net profit	3	4	4	11	3	-1	3	-19	2	4	4	-29	21.7	-13.8	-18.5
KT Alpha	Sales	107	110	99	114	97	108	99	84	97	100	96	103	430.4	388.2	395.9
	Operating profit	2	7	3	1	9	9	3	3	12	14	11	7	12.3	24.6	44.2
	Net profit	5	7	5	0	8	3	4	4	11	13	13	7	16.3	19.7	43.6
KT Studio Genie	Sales	110	124	151	155	107	99	121	129	113	117	122	118	540.3	455.2	470.3
	Operating profit													45.8	12.0	17.8
	Net profit	5	10	6	-8	2	-5	3	-26	3	7	3	-55	13.0	-26.0	-41.6

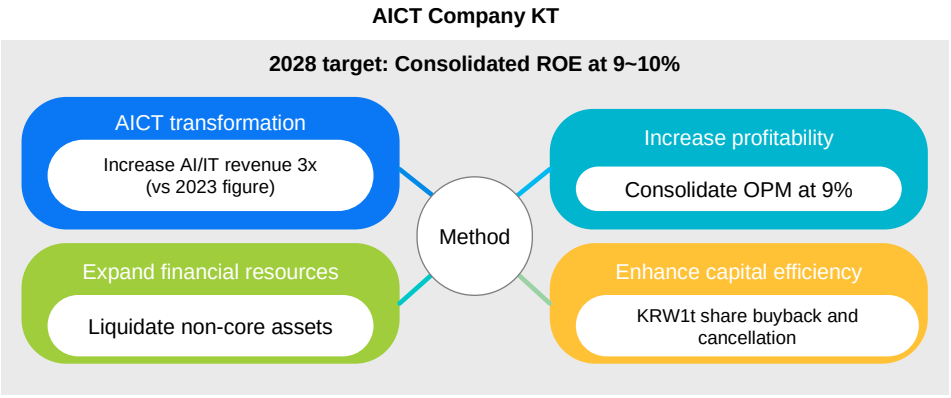
Source: Company data, Samsung Securities

Chart 9. KT: Shareholders (as of 4Q25)



Note: Wellington is as of Jan 15, 2026. NPS is as of Jan 29; T.Lowe.Price is as of Feb 3, 2026
Source: Company data, Samsung Securities

Chart 10. KT'S value-up plan



Note: Announced on Nov 5, 2024;
Targeting 2028 ROE 9~10% (announced Mar 31, 2026 "2025 corporate value enhancement plan")
Source: Company data, Samsung Securities

Table 8. Revisions to full-year forecasts

(KRWb)	2026E			2027E		
	Old	New	Chg (%)	Old	New	Chg (%)
Sales	27,670.5	27,647.1	-0.1	28,102.8	28,081.7	-0.1
Operating income	2,135.9	2,074.5	-2.9	2,363.5	2,279.9	-3.5
Operating margin (%, %pts)	7.7	7.5	-0.2	8.4	8.1	-0.3
Pre-tax income	2,062.4	2,014.9	-2.3	2,247.9	2,225.1	-1.0
Net income	1,531.0	1,489.0	-2.7	1,632.9	1,597.1	

Source: Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**26,431**	**28,244**	**27,647**	**28,082**	**28,804**
Cost of goods sold	0	0	0	0	0
Gross profit	**26,431**	**28,244**	**27,647**	**28,082**	**28,804**
Gross margin (%)	100.0	100.0	100.0	100.0	100.0
SG&A expenses	25,622	25,775	25,573	25,802	26,436
Operating profit	**809**	**2,469**	**2,075**	**2,280**	**2,367**
Operating margin (%)	3.1	8.7	7.5	8.1	8.2
Non-operating gains (losses)	**-225**	**-51**	**-60**	**-55**	**-16**
Financial profit	918	627	463	443	454
Financial costs	995	772	669	638	654
Equity-method gains (losses)	9	18	13	12	12
Other	-156	76	133	128	171
Pre-tax profit	**585**	**2,418**	**2,015**	**2,225**	**2,351**
Taxes	168	581	512	581	613
Effective tax rate (%)	28.7	24.0	25.4	26.1	26.1
Profit from continuing operations	417	1,837	1,503	1,644	1,738
Profit from discontinued operations	0	0	0	0	0
Net profit	**417**	**1,837**	**1,503**	**1,644**	**1,738**
Net margin (%)	1.6	6.5	5.4	5.9	6.0
Net profit (controlling interests)	470	1,731	1,489	1,597	1,686
Net profit (non-controlling interests)	-53	106	14	47	52
EBITDA	4,739	6,407	5,950	6,131	6,142
EBITDA margin (%)	17.9	22.7	21.5	21.8	21.3
EPS (parent-based) (KRW)	1,850	6,869	5,908	6,337	6,691
EPS (consolidated) (KRW)	1,641	7,288	5,962	6,525	6,895
Adjusted EPS (KRW)*	1,850	6,869	5,908	6,337	6,691

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**14,252**	**13,978**	**14,922**	**15,781**	**16,761**
Cash & equivalents	3,717	3,507	3,511	3,978	4,112
Accounts receivable	2,922	2,938	3,159	3,325	3,492
Inventories	940	416	730	607	726
Other current assets	6,673	7,116	7,523	7,871	8,431
Fixed assets	**27,628**	**28,971**	**29,386**	**29,536**	**29,904**
Investment assets	4,321	4,927	5,413	5,495	5,757
Tangible assets	14,826	14,258	13,876	13,492	13,261
Intangible assets	1,863	1,557	1,525	1,528	1,507
Other long-term assets	6,618	8,229	8,572	9,021	9,379
Total assets	**41,880**	**42,949**	**44,309**	**45,317**	**46,665**
Current liabilities	**13,875**	**11,693**	**11,583**	**11,519**	**11,671**
Accounts payable	1,037	1,144	1,146	1,197	1,260
Short-term debt	450	710	710	710	710
Other current liabilities	12,388	9,839	9,727	9,612	9,701
Long-term liabilities	**10,009**	**11,798**	**11,803**	**11,809**	**11,869**
Bonds & long-term debt	6,616	8,286	8,286	8,286	8,286
Other long-term liabilities	3,393	3,512	3,517	3,523	3,583
Total liabilities	**23,883**	**23,491**	**23,386**	**23,328**	**23,540**
Owners of parent equity	**16,211**	**17,656**	**19,107**	**20,126**	**21,210**
Capital stock	1,564	1,564	1,564	1,564	1,564
Capital surplus	1,443	1,443	1,443	1,443	1,443
Retained earnings	13,780	14,964	15,875	16,895	17,979
Other	-577	-316	224	224	224
Non-controlling interests' equity	**1,786**	**1,802**	**1,816**	**1,863**	**1,915**
Total equity	**17,997**	**19,458**	**20,923**	**21,989**	**23,125**
Net debt	8,754	9,707	9,618	9,155	8,971

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**5,066**	**4,942**	**4,542**	**5,195**	**5,191**
Net profit	417	1,837	1,503	1,644	1,738
Non-cash profit and expenses	4,864	5,238	4,449	4,514	4,506
Depreciation	3,278	3,330	3,264	3,239	3,171
Amortization	652	608	611	613	603
Other	934	1,301	574	663	732
Changes in A/L from operating activities	69	-1,775	-880	-369	-438
Cash flow from investments	**-2,845**	**-4,518**	**-3,951**	**-3,994**	**-4,056**
Change in tangible assets	-2,806	-3,539	-2,881	-2,855	-2,941
Change in financial assets	-286	130	-102	-5	-59
Other	247	-1,110	-967	-1,133	-1,057
Cash flow from financing	**-1,390**	**-631**	**-595**	**-577**	**-606**
Change in debt	180	673	-17	1	-4
Change in equity	-0	-0	0	0	0
Dividends	-872	-578	-578	-578	-602
Other	-698	-727	-0	0	0
Change in cash	837	-210	4	467	135
Cash at beginning of year	2,880	3,717	3,507	3,511	3,978
Cash at end of year	3,717	3,507	3,511	3,978	4,112
Gross cash flow	**5,281**	**7,075**	**5,952**	**6,159**	**6,244**
Free cash flow	**2,156**	**1,345**	**1,661**	**2,340**	**2,250**

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	0.2	6.9	-2.1	1.6	2.6
Operating profit	-50.9	205.0	-16.0	9.9	3.8
Net profit	-57.8	340.4	-18.2	9.4	5.7
Adjusted EPS**	-52.4	271.3	-14.0	7.3	5.6
Per-share data (KRW)					
EPS (parent-based)	1,850	6,869	5,908	6,337	6,691
EPS (consolidated)	1,641	7,288	5,962	6,525	6,895
Adjusted EPS**	1,850	6,869	5,908	6,337	6,691
BVPS	65,942	73,231	79,380	83,616	88,121
DPS (common)	2,000	2,400	2,400	2,500	2,600
Valuations (x)					
P/E***	23.7	7.7	10.6	9.9	9.4
P/B***	0.7	0.7	0.8	0.8	0.7
EV/EBITDA	4.6	3.9	4.6	4.4	4.3
Ratios (%)					
ROE	2.9	10.2	8.1	8.1	8.2
ROA	1.0	4.3	3.4	3.7	3.8
ROIC	2.7	9.0	7.1	7.6	7.8
Payout ratio	104.5	33.6	38.8	37.7	37.1
Dividend yield (common)	4.6	4.6	3.8	4.0	4.1
Net debt to equity	48.6	49.9	46.0	41.6	38.8
Interest coverage (x)	2.2	6.7	5.8	6.3	6.6

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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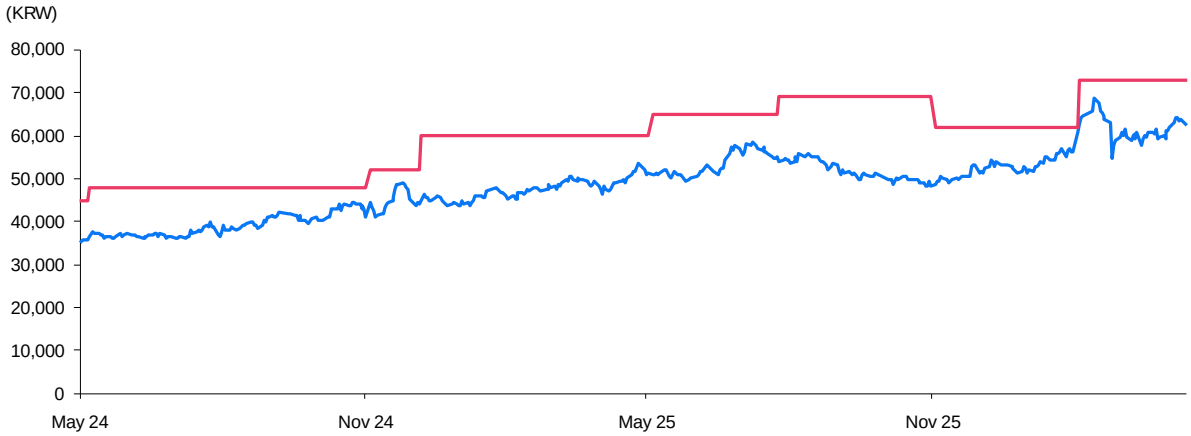

Rating changes over past two years (adjusted share prices)

Date	2024/2/13	5/14	11/11	12/13	2025/5/12	8/1	11/10	2026/2/11
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	45000	48000	52000	60000	65000	69000	62000	73000
Gap* (average)	-17.67	-18.62	-13.45	-20.80	-17.43	-24.94	-14.65	
(max or min)**	-6.22	-7.60	-5.77	-10.83	-10.15	-19.28	-2.10	

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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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

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