COMPANY UPDATE

2026. 5. 6

Tech Team

Minha Choi
Senior Analyst
minha22.choi@samsung.com

Scan to go to
Research Center report database

HYBE (352820)

Focus shifts to performance beyond 2Q

- HYBE suffered a turn to an operating loss of KRW196.6b in 1Q due to an expense of KRW255b related to the shares of the largest shareholder donated to the company to fund performance-based compensation for employees. Barring this item, adjusted operating profit came in at KRW58.5b, better than market expectations.
- Earnings momentum should pick up steam as major artists make comebacks and global tours begin in 2Q.

AT A GLANCE

BUY

Target price	KRW380,000	47.6%
Current price	**KRW257,500**	
Market cap	KRW11.1t/USD7.6b	
Shares (float)	43,102,249 (56.5%)	
52-week high/low	KRW404,500/KRW245,500	
Avg daily trading value (60-day)	KRW104.9b/ USD71.7m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
HYBE (%)	-4.6	-24.5	-2.6
Vs Kospi (%pts)	-26.1	-55.1	-64.1

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	380,000	380,000	0.0%
2026E EPS	4,142	4,142	0.0%
2027E EPS	9,227	9,227	0.0%

SAMSUNG vs THE STREET

No of estimates	21
Target price	398,333
Recommendation	4.0

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

WHAT'S THE STORY?

1Q review: HYBE reported 1Q consolidated sales of KRW698.3b, up 39.5% y-y and the highest quarterly sales in company history. But it turned to an operating loss of KRW196.6b due to a one-off, non-cash expense of KRW255b related to the shares of the largest shareholder donated to the company at no cost to fund performance-based compensation for employees. Excluding this item, adjusted operating profit came in at KRW58.5b (up 170.3% y-y), with an adjusted margin of 8.4%, clearly exceeding market consensus of KRW42.9b and 6.8%. Indirect sales—merchandise, licensing, content, and fan club sales—exceeded expectations, helping to offset concerns over profitability. Merchandise & licensing sales rose 29.2% y-y to KRW137.4b, while content sales jumped 157% y-y to KRW105.9b, fueled by BTS tour merchandise, the Gwanghwamun comeback livestream, documentaries, and sales of old DVDs.

(Continued on the next page)

SUMMARY FINANCIAL DATA

(KRWb)	2025	2026E	2027E	2028E
Revenue	2,650	4,220	4,001	4,189
Operating profit	49	244	482	502
Net profit (adj)	-254	175	401	408
EPS (adj) (KRW)	-5,673	4,142	9,227	9,333
EPS (adj) growth (% y-y)	nm	nm	122.8	1.2
EBITDA margin (%)	7.4	8.7	14.7	14.4
ROE (%)	-7.3	5.5	11.6	10.7
P/E (adj) (x)	n/a	62.2	27.9	27.6
P/B (x)	4.3	3.4	3.1	2.8
EV/EBITDA (x)	69.9	28.9	17.6	16.8
Dividend yield (%)	0.2	0.7	0.8	0.9

Source: Company data, Samsung Securities estimates

The real test begins in 2Q: Earnings momentum should pick up steam in 2Q, as: 1) BTS and Enhypen launch their global tours; and 2) key acts—including TXT, Le Sserafim, &Team, BoyNextDoor, TWS, Illit, and Cortis—should roll out new albums. Katseye is set to begin its second tour in August following its new album release, with plans to expand both geographic reach and venue scale and raise average ticket prices.

Maintaining BUY: Recent share price weakness reflects near-term concerns over profitability and a peak-out. Yet, HYBE's long-term growth story remains intact, underpinned by steady expansion across its domestic and international artist roster, including rookie artists that are gaining popularity globally. Considering its solid medium- to long-term growth momentum, we maintain BUY rating and our SOTP-based target price of KRW380,000. We shift our valuation window for labels to 2Q26–1Q27.

Table 1. Results vs consensus

(KRWb)	1Q25	4Q25	1Q26E	Chg (% q-q)	Chg (% y-y)	Consensus	Diff (%)
Sales	500.6	716.4	698.3	-2.5	39.5	632.6	10.4
Operating income	21.6	4.6	-196.6	nm	nm	42.9	-557.9
Operating margin (%)	4.3	0.6	-28.1	nm	nm	6.8	-34.9
Pre-tax income	80.2	-266.3	-132.6	nm	nm	63.3	-309.6
Net profit (controlling)	60.2	-267.8	-158.5	nm	nm	44.4	-456.7

Note: Adjusted operating profit, excluding stock-based compensation expenses (KRW255b) in 1Q26, stands at KRW58.5b
Source: Company data, Samsung Securities estimates

Table 2. Results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2023	2024	2025E	2026E
Sales	**360.9**	**640.5**	**527.8**	**726.4**	**500.6**	**705.6**	**727.2**	**716.4**	**698.3**	**1,239.3**	**1,199.8**	**1,082.6**	**2,255.6**	**2,649.9**	**4,220.0**	**4,001.1**
Recorded music	145.1	249.6	214.5	251.8	136.5	228.6	189.8	218.0	271.5	287.4	116.8	264.9	861.0	773.0	940.6	840.3
Concert	44.0	144.0	74.0	188.9	155.2	188.7	245.0	175.1	88.7	519.8	618.4	417.5	450.9	763.9	1,644.5	1,593.0
Ads/appearance fees	27.8	30.3	34.5	41.9	30.8	30.6	42.6	43.1	43.4	42.6	43.0	44.3	134.5	147.2	173.3	179.7
Merchandising/licensing	60.7	109.1	99.1	151.2	106.4	152.9	168.3	142.9	137.4	290.6	317.6	223.6	420.2	570.6	969.1	880.6
Content	61.3	83.8	79.8	62.5	41.2	70.2	46.8	100.6	105.9	53.7	63.0	92.5	287.3	258.8	315.2	338.4
Fanclub and other	21.9	23.7	26.0	30.2	30.5	34.6	34.6	36.7	51.3	45.2	41.0	39.8	101.8	136.4	177.3	169.0
Operating profit	**14.4**	**50.9**	**54.2**	**64.6**	**21.6**	**65.9**	**-42.2**	**4.6**	**-196.6**	**150.5**	**146.7**	**143.4**	**184.0**	**49.9**	**244.0**	**481.7**
Operating margin (%)	4.0	7.9	10.3	8.9	4.3	9.3	-5.8	0.6	-28.1	12.1	12.2	13.2	8.2	1.9	5.8	12.0
Non-operating profit (losses)	6.6	-17.2	-60.7	-93.3	58.6	-34.7	12.3	-270.9	64.0	-4.7	12.4	-21.6	-164.6	-234.8	50.2	24.4
Pre-tax profit	21.0	33.7	-6.6	-28.7	80.2	31.1	-29.9	-266.3	-132.6	145.9	159.1	121.8	19.4	-184.9	294.2	506.1
Net profit (controlling)	**17.2**	**14.6**	**6.4**	**-28.8**	**60.2**	**18.1**	**-50.3**	**-267.8**	**-158.5**	**112.0**	**112.3**	**112.6**	**9.4**	**-239.8**	**178.4**	**397.7**
Chg (% y-y)																
Sales	**-12.1**	**3.1**	**-1.9**	**19.4**	**38.7**	**10.2**	**37.8**	**-1.4**	**39.5**	**75.6**	**65.0**	**51.1**	**3.6**	**17.5**	**59.3**	**-5.2**
Recorded music	-21.3	1.5	-18.8	-8.8	-5.9	-8.4	-11.5	-13.4	98.9	25.7	-38.5	21.5	-11.3	-10.2	21.7	-10.7
Concert	74.5	-8.6	-14.8	111.0	252.3	31.0	231.1	-7.3	-42.8	175.5	152.4	138.4	25.6	69.4	115.3	-3.1
Ads/appearance fees	11.4	-8.2	9.8	-20.2	10.9	0.9	23.4	3.0	40.7	39.3	1.1	2.6	-5.2	9.4	17.8	3.7
Merchandising/licensing	-11.9	-2.5	15.7	156.0	75.2	40.2	69.8	-5.5	29.2	90.0	88.6	56.5	29.1	35.8	69.8	-9.1
Content	-29.8	64.9	63.6	-39.4	-32.7	-16.2	-41.3	61.0	157.0	-23.5	34.5	-8.0	-0.9	-9.9	21.8	7.4
Fanclub and other	9.8	8.6	23.4	6.5	39.0	46.2	33.3	21.5	68.5	30.4	18.5	8.5	11.6	34.0	30.0	-4.7
Operating profit	**-72.6**	**-37.4**	**-25.4**	**-27.6**	**50.3**	**29.4**	**nm**	**-92.9**	**nm**	**128.5**	**nm**	**3,033.3**	**-37.7**	**-72.9**	**389.2**	**97.4**
Operating margin (%pts y-y)	-8.8	-5.2	-3.2	-5.8	0.3	1.4	-16.1	-8.3	-32.5	2.8	18.0	12.6	-5.4	-6.3	3.9	6.3
Non-operating profit (losses)	nm	nm	nm	nm	791.6	nm	nm	nm	9.2	nm	1.2	nm	nm	nm	nm	-51.3
Pre-tax profit	-59.2	-76.9	nm	nm	282.8	-7.6	nm	nm	nm	368.4	nm	nm	-92.2	nm	nm	72.0
Net profit (controlling)	**-29.1**	**-87.6**	**-93.8**	**nm**	**249.2**	**23.8**	**nm**	**nm**	**nm**	**519.8**	**nm**	**nm**	**-95.0**	**nm**	**nm**	**122.9**

Note: Adjusted operating profit, excluding stock-based compensation expenses (KRW255b) in 1Q26, stands at KRW58.5b
Source: Company data, Samsung Securities estimates

Table 3. Album sales: 1Q26 vs 1Q25

1Q26				1Q25			
Rank	**Artists**	**Key album**	**Sales (units)**	**Rank**	**Artists**	**Key album**	**Sales (units)**
1	BTS	Total	4,843,119	1	BSS	Total	705,749
		Arirang	4,175,303		(Seventeen)	Teleparty	499,999
2	Enhypen	Total	2,511,186	2	Le Sserafim	Total	689,912
		The Sin: Vanish	2,122,561			Hot	649,092
3	DK X Seungkwan	Total	705,896	3	Hoshi X Woozi	Total	448,382
	(Seventeen)	1st EP “Serenade”	698,896		(Seventeen)	1st Single “Beam”	339,925
4	Cortis	Total	633,555	4	Seventeen	Total	223,677
		Color Outside the Lines	613,764			Spill the feels	55,234
5	Illit	Total	102,821	5	BoyNextDoor	Total	197,196
		Not Cute Anymore	51,459			How	54,893
Total album sales			9,084,834				2,676,002
Weverse album sales			794,659				269,721

Note: Based on Circle Chart Top 100

Source: Company data, Circle Chart, Samsung Securities

Table 4. 2026 albums

Group	Album/EP	Release date	Category	Sales (units)
Katseye	Internet Girl	Jan 2	Digital single	
DK X Seungkwan (Seventeen)	Serenade	Jan 12	1st EP	705,896
Illit	Sunday Morning	Jan 13	Japanese digital single	
Enhypen	The Sin: Vanish	Jan 16	7th EP	2,404,358
TXT	SSS	Jan 26	Japanese digital single	
Santos Bravos	Kawasaki	Jan 30	Digital single	
BoyNextDoor	Knock on vol 1 Final – Live	Feb 4	Live album	
TWS	Nice to see you again	Feb 8	Digital single	
Santos Bravos	DUAL	Mar 13	1st EP	
&TEAM	Sakura-iro Yell	Mar 14	Japanese digital single	
aoen	Instant Crush	Mar 18	Japanese 2nd single	
BTS	Arirang	Mar 20	5th album	4,753,755
BTS	Come Over	Apr 3	Deluxe LP	
Illit	Bubee	Apr 6	Japanese digital single	
Katseye	Pinky Up	Apr 9	US digital single	
TXT	7th Year: A Moment of Stillness in the Thorns	Apr 13	8th EP	1,806,740*
Cortis	RedRed	Apr 20	2nd EP	
Le Sserafim	Celebration	Apr 24	2nd album	
&TEAM	We on Fire	Apr 21	Japanese 3rd EP	1,387,553*
TWS	No Tragedy	Apr 27	5th EP	
Illit	Mamihlapinatapai	Apr 30	4th EP	
Cortis	GreenGreen	May 4	2nd EP	
Le Sserafim	'Pureflow pt.1	May 22	2nd album	
BoyNextDoor	TBD	Jun	1st album	
The 8 X Vernon (Seventeen)	TBD	Jun	album	
Katseye	WILD	Aug 14	3rd EP	

Note: Album sales volumes are as of Mar 31, 2026;

*Based on first-week sales

Source: Local media, Company data, Circle Chart, Samsung Securities

Table 5. 2026 concerts

Artists	Region	Concert/Event	Dates	City	Shows
TXT	Asia	Act: Tomorrow	Jan 10-Feb 14	6 Asian cities	12
S.Coups X Mingyu	Korea	Double Up	Jan 23-25	Incheon	3
TWS	Asia	24/7 With Us	Jan 24-31	Macau, Kaohsiung	2
Le Sserafim	Korea	Easy crazy hot	Jan 31-Feb 1	Seoul	2
Zico	Japan	Tokyo Drive	Feb 7	Tokyo	1
TXT	Korea	(Fan-con) 2026 Txt Moa Con	Feb 27-Mar1	Seoul	3
Seventeen	Asia	New_	Feb 28-Mar 21	Hong Kong, Singapore, Bangkok, Bulacan	6
Illit	Korea	Press Start	Mar 14-15	Seoul	2
TWS	Korea	(Fan meeting) <42:Club>	Mar 27-29	Seoul	3
Seventeen	Korea	New_[Encore]	Apr 4-5	Incheon	2
TWS	Japan	(Fan meeting) <42:Club>	Apr 8-9	Yokohama (4/9 twice)	3
BTS	Global	Arirang	Apr 9-Jun 27	3 Asian cities, 5 North American cities, Madrid	24
aoen	Japan	Live Tour 2026	Apr 23-Jun 19	24 Japanese cities	24
DK X Seungkwan (Seventeen)	Asia	Serenade On Stage	Apr 17-Jun 6	Seoul, Chiba, Daegu, Macao	8
Enhypen	Korea	Blood Saga	May 1-3	Seoul	3
&TEAM	Asia	Blaze The Way	May 13-Jun 28	5 Japanese cities, Taipei	11
TXT	Japan	(Fan-con) 2026 TXT Moa Con	May 23-Jun 24	Nagoya, Chiba, Fukuoka, Kobe	8
Illit	Japan	Press Start	Jun 13-30	Aichi, Osaka, Fukuoka	6
Seventeen	Korea	(Fan meeting) Seventeen in	Jun 20-21	Seoul	2
BTS	Global	Arirang	Jul 1-Sep 4	4 European cities, 7 North American cities	24
Enhypen	North America	Blood Saga	Jul 4-Aug 1	3 South American cities, 5 North American cities	10
&TEAM	Asia	Blaze The Way	Jul 4-Aug 22	Seoul, Hong Kong, Bangkok, Chiba, Singapore	7
Illit	Asia	Press Start	Jul 18-Aug 22	Hyogo, Tokyo, Hong Kong	6
DK X Seungkwan (Seventeen)	Taiwan	Serenade On Stage	Jul 25	Kaohsiung	1
BTS	Global	Arirang	Oct 2-Dec 27	5 South American cities, 5 Asian cities	25
Enhypen	Asia	Blood Saga	Oct 17-Dec 27	Macao, 2 Japanese cities	6
Enhypen	Global	Blood Saga	Jan 23-Mar14, 2027	4 Asian cities, 4 European cities	10
BTS	Global	Arirang	Feb 12-Mar14, 2027	2 Australian cities, 2 Asian cities	9

Source: Company data, Circle Chart, Samsung Securities

Chart 1. BTS comeback: Live concert (Mar 21)

Note: Exclusive live-stream across 190+ countries and regions via Netflix partner
Source: Company data, Netflix, Samsung Securities

Chart 2. Netflix documentary *BTS: The Return* (Mar 27)

Note: Documentary covering new-album production process
Source: Company data, Netflix, Samsung Securities

Table 6. BTS world tour *Arirang* schedule (85+ concerts)

Date	Region	Stadium	Shows	Seats per venue	Total seats
Apr 9, 11-12	Goyang	Goyang Stadium	3	43,000	129,000
Apr 17-18	Tokyo	Tokyo Dome	2	50,000	100,000
Apr 25-26, 28	Tempa	Raymond James Stadium	3	75,000	225,000
May 2-3	El Paso	Sun Bowl Stadium	2	51,500	103,000
May 7, 9-10	Mexico City	Estadio GNP Seguros	3	65,000	195,000
May 16-17, 19	San Francisco	Stanford Stadium	3	50,424	151,272
May 23-24, 27-28	Las Vegas	Allegiant stadium	4	65,000	260,000
Jun 12-13	Busan	Asiad Main Stadium	2	53,769	107,538
Jun 26-27	Madrid	Riyadh Air Metropolitano	2	70,463	140,920
2Q26			**24**	**58,822**	**1,411,730**
Jul 1-2	Brussels	Stade Roi Baudouin	2	50,903	101,806
Jul 6-7	London	Tottenham Hotspur Stadium	2	62,850	125,700
Jul 11-12	Bayern	Allianz Arena	2	75,024	150,048
Jul 17-18	Paris	Stade de France	2	80,000	160,000
Aug 1-2	New Jersey	MetLife Stadium	2	82,500	165,000
Aug 5-6	Foxborough	Gillette Stadium	2	65,878	131,756
Aug 10-11	Baltimore	M&T Bank Stadium	2	71,088	142,176
Aug 15-16	Allington	AT&T Stadium	2	80,000	160,000
Aug 22-23	Toronto	Rogers Stadium	2	50,000	100,000
Aug 27-28	Chicago	Soldier Field	2	61,500	123,000
Sep 1-2, 5-6	LA	Sofi Stadium	4	70,000	280,000
3Q26			**24**	**68,312**	**1,639,486**
Oct 2-3	Bogota	Nemesio Camacho El Campin Stadium	2	39,000	78,000
Oct 9-10	Lima	Estadio Nacional del Peru	3	32,000	96,000
Oct 16-17	Santiago	Estadio Nacional Julio Marinez Pradanos	3	43,086	146,235
Oct 23-24	Buenos Aires	Estadio Monumental	3	53,000	159,000
Oct 28, 30-31	São Paulo	Estadio do Morumbi	3	72,039	216,117
Nov 19, 21-22	Kaohsiung	Kaohsiung National Stadium	3	55,000	165,000
Dec 3, 5-6	Bangkok	Rajamangala National Stadium	3	51,552	154,656
Dec 12-13	Kuala Lumpur	Bukit Jalil National Stadium	2	87,411	174,822
Dec 17, 19-20, 22	Singapore	Singapore National Stadium	4	55,000	220,000
Dec 26-27	Jakarta	Jakarta National Stadium	2	82,000	164,000
4Q26			**28**	**56,208**	**1,573,830**
2026			**76**	**60,856**	**4,625,046**
Feb 12-13	Melbourne	Melbourne Cricket Stadium	2	100,024	200,048
Feb 20-21	Sydney	Accor Stadium	2	83,500	167,000
Mar 4, 6-7	Hongkong	Kai Tak Stadium	3	50,000	150,000
Mar 13-14	Manila	Philippine Stadium	2	55,000	110,000
	+ Japan				
	+ West Asia				
	+ More				
1Q27			**9**	**69,672**	**627,048**
Total concert			**85**	**61,789**	**5,252,094**

Note: World tour schedule was announced Jan 14, and venues have been confirmed through Sep 2026;
Reflects 3 additional US shows (Jan 23-24, Tampa, San Francisco, Las Vegas);
34 cities, 82 shows across various regions (North America 14, Asia 19, Korea 5, Oceania 4, Japan 2);
Venues and ticket schedules announced for 5 Latin America cities (Mar 27);
Green highlights indicate shows for which a specific stadium has yet to be announced—largest venue in each city assumed;
Additional cities in Japan and Middle East under consideration for 2027

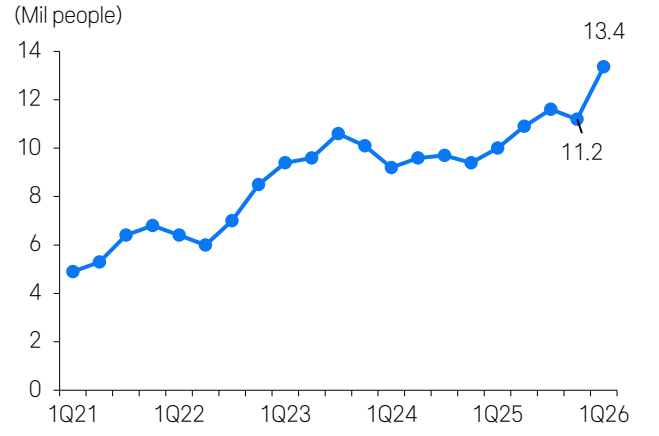
Source: Company data, Samsung Securities

Table 7. HYBE artists that have signed up to Weverse DM

Artist	Label	Month joined Weverse DM
&Team	HYBE Japan	Mar 2024
I'll-it	Belift Lab	Sep 2024
Katseye	HYBE UMG	Aug 2024
TXT	Bighit Music	Sep 2024
Le Sserafim	Source Music	Jan 2025
Hwang Minhyun	Pledis	Dec 2025
aoen	YX Labels	Dec 2025

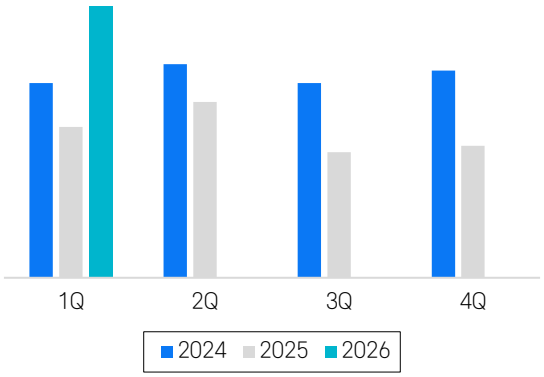
Source: Company data, Samsung Securities

Chart 3. Weverse: MAU



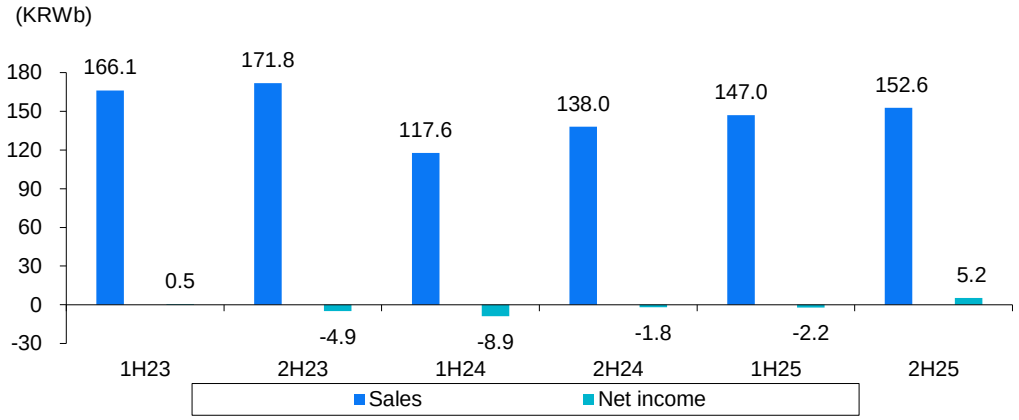
Source: Company data, Samsung Securities

Chart 4. Weverse: ARPPU



Source: Company data, Samsung Securities

Chart 5. Weverse: Sales and net income



Note: 2025 revenue of KRW299.7b (+17.3%), operating profit of KRW2b (vs loss of KRW14.1b in 2024), net profit of KRW3b (vs loss of KRW 10.7b in 2024)

Source: Company data, Samsung Securities

Table 8. HYBE's multiple labels

Label	Stake	Sales (KRWb)	Net income (KRWb)	Artists/Note
Bighit Music	100%	322.1	23.1	BTS, TXT, Cortis
Pledis Entertainment	85%	227.2	46.6	Seventeen, TWS, Bumzu, Hwang Min-hyun
Source Music	80%	54,8	6.2	Le Sserafim
KOZ Entertainment	75%	48.6	10.7	Zico, BoyNextDoor
Ador	80%	24.4	4.5	NewJeans
Belift Lab	100%	113.8	28.6	Enhypen, I'll-it
HYBE America*	100%	214.7	-91.4	*US HQ
- HYBE UMG	51%			Katseye (new 4-member girl group; 2026)
- Big Machine Label Group				Includes Big Machine Records, Valory Music, BMLG Records
- QC Music				Lil Baby, Lil Yachty
- HYBE America x AU				(Established in Apr 2025) collaboration with Allan Chikin Chow
- NFO LLC				(Established in Dec 2025) Tyla
HYBE Japan*	100%	511.4	43.0	Japan HQ*
- YX Labels	100%	15.3	-2.6	&Team
- Jconic	100%			(Established in Jan 2026) aoen
HYBE Latin America	100%	1.9	-45.3	(Established in Dec 2023) Santos Bravos*
- Zarpazo Entertainment	100%			(Acquired by HYBE in Nov 2023)
- Docemil Music	100%			(Established in Feb 2025), Meme Del Real
-S1ento Records	100%			Musza, Destino, Low Clika
HYBE China	100%			(Established in Apr 2025)
HYBE India	100%			(Established in Sep 2025)

Note: HYBE America established joint venture NFO LLC on Dec 2025 and acquired a majority stake to secure management rights. Signed South African artist Tyla;
In Jan 2026, Jconic was established under HYBE Japan, and aoen transferred from YX Labels to Jconic;
In 1Q26, HYBE America's subsidiary label Big Machine Label group was renamed Blue Highway Records
Source: Company data, Dart, Samsung Securities

Table 9. HYBE: Sum-of-the-parts valuation

(KRWb)	12-month fwd	Multiple (x)	Value	Note
Labels	**508.7**	**30**	**15,262.4**	**Including Ithaca Holdings, QC Music**
Weverse			**696.0**	**55.42% stake**
Equity investments			397.3	Based on book value in 4Q25
Dunamu			303.1	2.47% stake
Aqua Tree			30.0	14.29% stake
Supertone			29.0	56.60% stake
Naver Z			19.4	4.05% stake
Blast			6.2	9.94% stake
Lambda256			3.5	2.83% stake
Flint			3.1	3.05 stake
Hashed			2.3	1.25% stake
Macovill			0.7	7.1% stake
EV			15,721.6	
Outstanding shares ('000)			43,070	
Fair value per share (KRW)			365,020	
Target price (KRW)			380,000	
Current price (Apr 29)			252,500	
Upside (%)			50.5	

Note: Given large one-off SG&A costs in 1Q26, the reference period for label valuation was shifted from 2Q26 to 1Q27
Source: Company data, Dart, Samsung Securities

Table 10. Revisions to 2026 and 2027 forecasts

(KRWb)	2026E			2027E		
	Old	New	Chg (%)	Old	New	Chg (%)
Sales	4,186.2	4,220.0	0.8	4,024.5	4,001.1	-0.6
Operating profit	526.1	244.0	-53.6	507.0	481.7	-5.0
Operating margin (%, %pts)	12.6	5.8	-6.8	12.6	12.0	-0.6
Pre-tax profit	512.2	294.2	-42.6	516.8	506.1	-2.1
Net profit (controlling)	385.0	178.4	-53.7	381.5	397.7	4.2

Note: Reflecting share-based compensation expenses (KRW225b) in 1Q26, 2026 earnings forecasts were revised significantly down; Non-cash, accounting-recognized expenses

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**2,256**	**2,650**	**4,220**	**4,001**	**4,189**
Cost of goods sold	1,296	1,714	2,601	2,446	2,540
Gross profit	**960**	**936**	**1,619**	**1,555**	**1,650**
Gross margin (%)	42.6	35.3	38.4	38.9	39.4
SG&A expenses	776	887	1,375	1,074	1,148
Operating profit	**184**	**49**	**244**	**482**	**502**
Operating margin (%)	8.2	1.9	5.8	12.0	12.0
Non-operating gains (losses)	**-165**	**-227**	**50**	**24**	**13**
Financial profit	119	231	201	155	142
Financial costs	141	161	151	130	130
Equity-method gains (losses)	-18	-12	0	0	0
Other	-124	-285	0	-0	-0
Pre-tax profit	**19**	**-177**	**294**	**506**	**515**
Taxes	23	77	119	105	107
Effective tax rate (%)	117.7	-43.4	40.5	20.8	20.8
Profit from continuing operations	-3	-254	175	401	408
Profit from discontinued operations	0	0	0	0	0
Net profit	**-3**	**-254**	**175**	**401**	**408**
Net margin (%)	-0.2	-9.6	4.1	10.0	9.7
Net profit (controlling interests)	9	-237	178	398	402
Net profit (non-controlling interests)	-13	-17	-3	3	6
EBITDA	330	196	368	588	601
EBITDA margin (%)	14.6	7.4	8.7	14.7	14.4
EPS (parent-based) (KRW)	225	-5,673	4,142	9,227	9,333
EPS (consolidated) (KRW)	-82	-6,082	4,064	9,304	9,469
Adjusted EPS (KRW)*	225	-5,673	4,142	9,227	9,333

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**152**	**107**	**379**	**383**	**460**
Net profit	-3	-254	175	401	408
Non-cash profit and expenses	372	429	193	165	158
Depreciation	62	59	55	53	58
Amortization	85	88	68	53	41
Other	226	282	69	58	60
Changes in A/L from operating activities	-148	-34	122	-91	-21
Cash flow from investments	**-10**	**-169**	**-208**	**-174**	**-244**
Change in tangible assets	-32	-31	-51	-48	-59
Change in financial assets	245	-376	-142	-112	-145
Other	-224	238	-14	-14	-40
Cash flow from financing	**-118**	**187**	**58**	**-84**	**-138**
Change in debt	-72	-5	79	-7	-52
Change in equity	66	253	0	0	0
Dividends	-29	-8	-21	-78	-86
Other	-83	-52	0	-0	0
Change in cash	54	123	89	126	81
Cash at beginning of year	358	412	535	624	749
Cash at end of year	412	535	624	749	831
Gross cash flow	**369**	**174**	**368**	**566**	**566**
Free cash flow	**119**	**76**	**328**	**335**	**401**

Note: *Excluding one-off items;
**Fully diluted, excluding one-off items;
***From companies subject to equity-method valuation
Source: Company data, Samsung Securities estimates

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**1,788**	**2,364**	**2,653**	**2,934**	**3,206**
Cash & equivalents	412	535	624	749	831
Accounts receivable	262	284	306	323	347
Inventories	163	184	210	227	238
Other current assets	950	1,361	1,513	1,634	1,790
Fixed assets	**3,691**	**3,121**	**3,130**	**3,112**	**3,139**
Investment assets	763	520	587	614	641
Tangible assets	97	87	83	77	79
Intangible assets	2,244	1,987	1,919	1,866	1,824
Other long-term assets	587	527	542	555	596
Total assets	**5,479**	**5,485**	**5,782**	**6,046**	**6,345**
Current liabilities	**831**	**734**	**938**	**859**	**861**
Accounts payable	33	56	76	78	78
Short-term debt	0	0	0	0	0
Other current liabilities	798	678	862	781	783
Long-term liabilities	**1,134**	**1,200**	**1,289**	**1,308**	**1,283**
Bonds & long-term debt	742	859	859	859	859
Other long-term liabilities	392	340	430	448	424
Total liabilities	**1,965**	**1,934**	**2,227**	**2,167**	**2,144**
Owners of parent equity	**3,215**	**3,257**	**3,265**	**3,585**	**3,901**
Capital stock	21	21	21	21	21
Capital surplus	1,636	1,888	1,888	1,888	1,888
Retained earnings	1,401	1,155	1,312	1,632	1,948
Other	157	193	44	44	44
Non-controlling interests' equity	**299**	**294**	**291**	**294**	**300**
Total equity	**3,514**	**3,551**	**3,556**	**3,879**	**4,201**
Net debt	-125	-659	-777	-1,027	-1,300

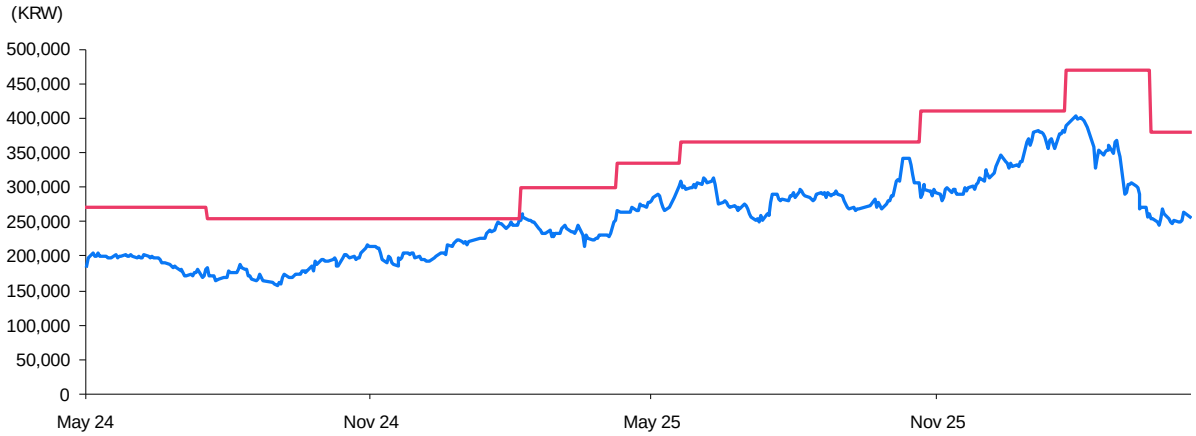
Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	3.6	17.5	59.3	-5.2	4.7
Operating profit	-37.7	-73.2	394.8	97.4	4.3
Net profit	nm	nm	nm	129.1	1.8
Adjusted EPS**	-95.0	nm	nm	122.8	1.2
Per-share data (KRW)					
EPS (parent-based)	225	-5,673	4,142	9,227	9,333
EPS (consolidated)	-82	-6,082	4,064	9,304	9,469
Adjusted EPS**	225	-5,673	4,142	9,227	9,333
BVPS	77,427	76,647	75,750	83,178	90,513
DPS (common)	200	500	1,800	2,000	2,200
Valuations (x)					
P/E***	858.8	n/a	62.2	27.9	27.6
P/B***	2.5	4.3	3.4	3.1	2.8
EV/EBITDA	24.9	69.9	28.9	17.6	16.8
Ratios (%)					
ROE	0.3	-7.3	5.5	11.6	10.7
ROA	-0.1	-4.6	3.1	6.8	6.6
ROIC	-1.4	3.0	6.6	17.4	17.8
Payout ratio	88.5	-9.1	43.5	21.7	23.6
Dividend yield (common)	0.1	0.2	0.7	0.8	0.9
Net debt to equity	-3.6	-18.6	-21.9	-26.5	-30.9
Interest coverage (x)	3.7	1.0	4.8	9.1	9.8

Compliance notice

- As of 4/30 2026, the covering analyst(s) did not own any shares, or debt instruments convertible into shares, of any company covered in this report.
- As of 4/30 2026, Samsung Securities' holdings of shares and debt instruments convertible into shares of each company covered in this report would not, if such debt instruments were converted, exceed 1% of each company's outstanding shares.
- This report has been prepared without any undue external influence or interference, and accurately reflects the views of the analyst(s) covering the company or companies herein.
- All material presented in this report, unless specifically indicated otherwise, is under copyright to Samsung Securities.
- Neither the material nor its content (including copies) may be altered in any form, or by any means transmitted, copied, or distributed to another party, without prior express written permission from Samsung Securities.
- This memorandum is based upon information available to the public. While we have taken all reasonable care to ensure its reliability, we do not guarantee its accuracy or completeness. This memorandum is not intended to be an offer, or a solicitation of any offer, to buy or sell the securities mentioned herein. Samsung Securities shall not be liable whatsoever for any loss, direct or consequential, arising from the use of this memorandum or its contents. Statements made regarding affiliates of Samsung Securities are also based upon publicly available information and do not necessarily represent the views of management at such affiliates.
- This material has not been distributed to institutional investors or other third parties prior to its publication.

Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2024/5/2	8/8	2025/2/26	4/30	6/10	11/11	2026/2/13	4/9
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	270000	255000	300000	335000	365000	410000	470000	380000
Gap* (average)	-28.66	-22.34	-21.23	-17.66	-21.45	-20.16	-28.50	
(max or min)**	-24.26	-1.57	-12.50	-9.85	-6.16	-6.59	-13.94	

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

Samsung Securities uses the following investment ratings*

Company

BUY	Expected to increase in value by 15% or more within 12 months and is highly attractive within sector
HOLD	Expected to increase/decrease in value by less than 15% within 12 months
SELL	Expected to decrease in value by 15% or more within 12 months

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%)

Global Disclosures & Disclaimers

General

This research report is for information purposes only. It is not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This report does not provide individually tailored investment advice. This report does not take into account individual client circumstances, objectives, or needs and is not intended as recommendations of particular securities, financial instruments or strategies to any particular client. The securities and other financial instruments discussed in this report may not be suitable for all investors. The recipient of this report must make its own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser.

This report may not be altered, reproduced, distributed, transmitted or published in whole or in part for any purpose. References to "Samsung Securities" are references to any company in the Samsung Securities, Co., Ltd. group of companies.

Samsung Securities and/or other affiliated companies, its and their directors, officers, representatives, or employees may have long or short positions in any of the securities or other financial instruments mentioned in this report or of issuers described herein and may purchase and/or sell, or offer to purchase and/or sell, at any time, such securities or other financial instruments in the open market or otherwise, as either a principal or agent. Any pricing of securities or other financial instrument contained herein is as of the close of market for such day, unless otherwise stated. Opinions and estimates contained herein constitute our judgment as of the date of this report and are subject to change without notice.

The information provided in this report is provided "AS IS". Although the information contained herein has been obtained from sources believed to be reliable, no representation or warranty, either expressed or implied, is provided by Samsung Securities in relation to the accuracy, completeness or reliability of such information or that such information was provided for any particular purpose and Samsung Securities expressly disclaims any warranties of merchantability or fitness for a particular purpose. Furthermore, this report is not intended to be a complete statement or summary of the securities, markets or developments referred to herein.

Samsung Securities does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. Samsung Securities, its affiliates, or any of its and their affiliates, directors, officers, employees or agents disclaim any and all responsibility or liability whatsoever for any loss (direct or consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice. Past performance is not indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security or financial instrument mentioned in this report. For investment advice, trade execution or other enquiries, clients should contact their local sales representative. Any opinions expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of Samsung Securities. Any analysis contained herein is based on numerous assumptions. Different assumptions may result in materially different results. Samsung Securities is under no obligation to update or keep current the information contained herein. Samsung Securities relies on information barriers to control the flow of information contained in one or more areas or groups within Samsung Securities into other areas or groups of Samsung Securities. Any prices stated in this report are for information purposes only and do not represent valuations for individual securities or other financial instruments. Samsung Securities makes no representation that any transaction can or could have been effected at those prices and any prices contained herein may not reflect Samsung Securities' internal books and records or theoretical model-based valuations and may be based on certain assumptions. Different assumptions by Samsung Securities or any other source may yield substantially different results. Additional information is available upon request.

For reports to be distributed to US:

Securities research is prepared, issued and exclusively distributed by Samsung Securities Co., Ltd., an organization licensed with the Financial Supervisory Service of South Korea. This research may be distributed in the United States only to major institutional investors as defined in Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended, and may not be circulated to any other person otherwise. All transactions by U.S. investors involving securities discussed in this report must be effected through Samsung Securities (America) Inc., a broker-dealer registered with the U.S. Securities & Exchange Commission and a member of the Financial Industry Regulatory Authority/SIPC, and not through any non-U.S. affiliate thereof. The analysts listed [on the front of this report] are employees of Samsung Securities Co., Ltd., or a non-U.S. affiliate thereof, and are not registered/qualified as research analysts under applicable U.S. rules and regulations and may not be subject to U.S. restrictions on communications with covered companies, public appearances, and trading securities held by a research analyst account.

For reports to be distributed to UK:

This report is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). To the extent that this report does constitute such an invitation or inducement, it is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (as amended) of the United Kingdom (the "Financial Promotion Order"); (ii) persons who fall within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iii) any other persons to whom this report can, for the purposes of section 21 of FSMA, otherwise lawfully be made (all such persons together being referred to as "relevant persons").

Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons must not act or rely on this report.

For reports to be distributed to Korea:

This report is for private circulation only, not for sale, and is issued and distributed only to persons permitted under the laws and regulations of Korea.

For reports to be distributed to Singapore:

This report is provided pursuant to the financial advisory licensing exemption under Regulation 27(1)(e) of the Financial Advisers Regulation of Singapore and accordingly may only be provided to persons in Singapore who are "institutional investors" as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This report is intended only for the person to whom Samsung Securities has provided this report and such person may not send, forward or transmit in any way this report or any copy of this report to any other person.

Analyst certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of such analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research report. The analyst(s) principally responsible for the preparation of this research report receives compensation based on determination by research management and senior management (not including investment banking), based on the overall revenues, including investment banking revenues of Samsung Securities Co., Ltd. and its related entities and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

Copyright © 2010 Samsung Securities Co., Ltd.. All rights reserved. This report or any portion hereof may not be reprinted, sold or redistributed without the prior written consent of Samsung Securities America Inc

Samsung Securities

SAMSUNG SECURITIES

Samsung Electronics Bldg., 11, 74-gil,
Seochodae-ro, Seocho-gu, Seoul, Korea 06620
Tel: 02 2020 8000 / www.samsungpop.com

Family Center: 1588 2323

Voice Of Customer: 080 911 0900

For more information,
please call our sales representatives:

LONDON

Samsung Securities Europe Limited
1st Floor, 30 Gresham Street, London EC2V 7PG UK
Tel. 44-207-776-4311
Fax. 44-203-837-9219

NEW YORK

Samsung Securities America Limited
1330 Avenue of the Americas. 10th Floor. New York,
NY 10019
Tel: 1-212-972-2454
Fax: 1-212-972-2704

HONG KONG

Samsung Securities (Asia) Limited
Suite 4511, Two International Finance Center,
8 Finance Street, Central, Hong Kong
Tel: 852-3411-3608
Fax: 852-2114-0290

BEIJING

Samsung Securities Beijing Representative Office
Rm. 910, The Exchange Building No 118 JianGuo Lu, Chao Yang District, Beijing, China
Tel: 86-10-6522-1855 (extension 7891)
Fax: 86-10-6522-1855 (extension 7889)

TOKYO

Samsung Securities Tokyo Representative Office
#106-8532 19F, Roppongi T-Cube 3-1-1,
Roppongi Minato-ku Tokyo, Japan
Tel: 81-3-6333-2952
Fax: 81-3-6333-2953

Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CSA