COMPANY UPDATE

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NHN KCP (060250)

1Q review: Distinctive top-line growth confirmed

- NHN KCP reported 1Q sales and operating profit of KRW344.9b and KRW13.8b (up 22.7% and 26.4% y-y), with transaction volume at overseas merchants soaring 68.3% y-y.
- Such robust topline growth was impressive. Operating margin fell 0.7%pt q-q to 4% due to bonus payment.
- We remain upbeat on the company for its differentiated growth. Further re-rating of shares would require profitability improvements and the good performance of new businesses.

WHAT'S THE STORY?

1Q results confirm distinctive topline growth: NHN KCP reported 1Q sales of KRW344.9b (up 22.7% y-y). While offline transaction volume held flat y-y, online transaction volume leapt 25.2% y-y. Non-operating profit included a one-off gain of KRW5.8b stemming from tax refunds related to overseas merchant sentiments. Its transaction volume increased 21.2% y-y, with such volume at overseas merchants surging 68.3% y-y—accordingly, the portion of transactions at overseas merchant rose 5.1%pts y-y to 18.3%. Besides, the company was selected as the core technology partner for Mercedes pay last month—a catalyst to boost its overseas growth down the road.

Operating profit up 26.4% y-y and operating margin stands at 4%: NHN KCP's operating profit expanded 26.4% y-y to KRW13.8b. However, operating margin came to 4% (down 0.7% q-q and up 0.1% y-y) due to bonus payments in 1Q that pushed labor cost up 14.4% y-y. For reference, the company pays bonuses twice annually (typically in 1Q and 3Q).

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW26,000	31.6%
Current price	**KRW19,750**	
Market cap	KRW793.17b/USD531.97m	
Shares (float)	40,160,611 (50.7%)	
52-week high/low	KRW23,800/KRW7,330	
Avg daily trading value (60-day)	KRW20.0b/ USD13.4m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
NHN KCP (%)	8.1	18.0	148.7
Vs Kosdaq (%pts)	1.8	-11.1	54.3

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	26,000	26,000	0.0%
2025E EPS	0	0	n/a
2026E EPS	0	0	n/a

SAMSUNG vs THE STREET

No of estimates	5
Target price	25,600
Recommendation	4.0

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

SUMMARY 1Q RESULTS

(KRWb)	1Q26	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	344.9	22.7	2.7	3.7	7.7
Operating profit	13.8	26.3	(11.9)	(9.9)	2.9
Pre-tax profit	22.1	67.1	29.4	22.0	52.3
Net profit	16.2	62.7	29.2	18.0	33.8
Margins (%)					
Operating profit	4.0				
Pre-tax profit	6.4				
Net profit	4.7				

Source: Company data, FnGuide, Samsung Securities estimates

VALUATION SUMMARY

	2025	2026E	2027E
Valuations (x)			
P/E	13.2	13.6	12.0
P/S	0.5	0.6	0.5
Div yield (%)	1.7	1.6	1.9
EPS growth (% y-y)	0.2	28.8	12.9
ROE (%)	16.0	17.9	17.5
Per-share data (KRW)			
EPS	1,128	1,453	1,640
SPS	30,749	34,737	38,174
DPS	250	310	370

Maintaining positive outlook based on distinctive growth: Trading at a 2026 P/E of 13.4x and P/S of 0.6x, the stock remains attractively valued relative to global payment peers, particularly given its distinctive growth rate.

Profitability and new businesses crucial to structural rerating: A sustained rerating should hinge on the speed of profitability improvement and the performance of new businesses. Recently, the valuation trends of global payments companies have been differentiated by growth. Therefore, for NHN KCP as well, expanding overseas merchant networks and securing new growth drivers to drive volume growth and improve profitability should be the most important factors.

Balance Sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	480.1	578.5	604.7	635.1	666.1
Cash & equivalents	159.4	375.0	390.2	406.1	422.5
Other current assets	320.7	203.5	214.5	229.1	243.6
Fixed assets	90.2	80.6	84.3	88.5	92.9
Tangible assets	33.6	34.5	35.9	37.4	38.9
Investment assets	7.9	13.3	13.8	14.4	15.0
Other fiexd assets	48.7	32.9	34.6	36.8	39.0
Total assets	**570.3**	**659.1**	**689.0**	**723.6**	**759.0**
Current liabilities	297.5	353.8	334.4	314.9	292.0
Fixed liabilities	7.6	4.6	4.6	4.6	4.6
Total liabilities	**305.1**	**358.4**	**339.0**	**319.5**	**296.6**
Capital stock	20.1	20.1	20.1	20.1	20.1
Additional paid in capital-common stock	38.9	38.9	38.9	38.9	38.9
Retained earnings	244.4	286.8	336.2	390.3	448.6
Other	(43.7)	(51.2)	(51.2)	(51.2)	(51.2)
Owners of parent equity	259.7	294.6	344.0	398.1	456.3
Non-controlling interests' equity	5.4	6.1	6.1	6.1	6.1
Total equity	**265.2**	**300.7**	**350.1**	**404.2**	**462.4**

Income Statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**1,105.3**	**1,234.9**	**1,395.0**	**1,533.1**	**1,680.8**
Cost of goods sold	1,006.9	1,114.1	1,256.9	1,379.8	1,511.9
Gross profit	98.5	120.8	138.1	153.3	168.9
SG&A expenses	54.7	66.1	72.2	78.2	85.7
SG&A expenses rate (%)	4.9	5.4	5.2	5.1	5.1
Operating profit	**43.8**	**54.7**	**66.0**	**75.1**	**83.2**
Operating margin (%)	4.0	4.4	4.7	4.9	5.0
Financial profit	11.6	9.1	13.1	13.8	14.5
Financial costs	0.4	1.4	1.7	1.6	1.5
Equity-method gains (losses)	1.1	(0.0)	0.1	0.1	0.1
Other profit	3.0	0.2	0.5	0.6	0.6
Other costs	0.3	1.2	0.4	0.5	0.5
Pre-tax profit	**58.9**	**61.3**	**77.6**	**87.5**	**96.4**
Taxes	13.6	15.5	18.8	21.2	23.3
Effective tax rate (%)	23.1	25.3	24.2	24.2	24.2
Net profit	**45.3**	**45.8**	**58.8**	**66.3**	**73.1**
Net profit (non-controlling interests)	0.1	0.5	0.5	0.5	0.5
Net profit (controlling interests)	**45.2**	**45.3**	**58.3**	**65.9**	**72.6**
Growth (% y-y)	28.2	0.2	28.8	12.9	10.2

Margins

Year-end Dec 31 (%)	2024	2025	2026E	2027E	2028E
Gross profit margin	8.9	9.8	9.9	10.0	10.1
Operating margin	4.0	4.4	4.7	4.9	5.0
Pre-tax profit margin	5.3	5.0	5.6	5.7	5.7
Net profit margin	4.1	3.7	4.2	4.3	4.3
ROA	8.3	7.4	8.7	9.3	9.8
ROE	18.5	16.0	17.9	17.5	16.7

Financial ratios

Year-end Dec 31 (KRW)	2024	2025	2026E	2027E	2028E
EPS	1,126	1,128	1,453	1,640	1,807
SPS	27,523	30,749	34,737	38,174	41,852
DPS	100	250	310	370	410
P/E (x)	6.3	13.2	13.6	12.0	10.9
P/S (x)	0.3	0.5	0.6	0.5	0.5
Dividend payout ratio (%)	8.6	20.8	21.0	22.5	22.5
Div yield (%)	1.4	1.7	1.6	1.9	2.1

Year-end Dec 31	Sales (KRWb)	Net profit (KRWb)	EPS (KRW)	Chg (% y-y)	Sales per share (KRW)	P/E (x)	P/S (x)	ROA (%)	ROE (%)	DPS (KRW)	Div yield (%)
2024	1,105.3	45.3	1,126	28.2	27,523	6.3	0.3	8.3	18.5	100	1.4
2025	1,234.9	45.8	1,128	0.2	30,749	13.2	0.5	7.4	16.0	250	1.7
2026E	1,395.0	58.8	1,453	28.8	34,737	13.6	0.6	8.7	17.9	310	1.6
2027E	1,533.1	66.3	1,640	12.9	38,174	12.0	0.5	9.3	17.5	370	1.9
2028E	1,680.8	73.1	1,807	10.2	41,852	10.9	0.5	9.8	16.7	410	2.1

Source: Company data, Samsung Securities

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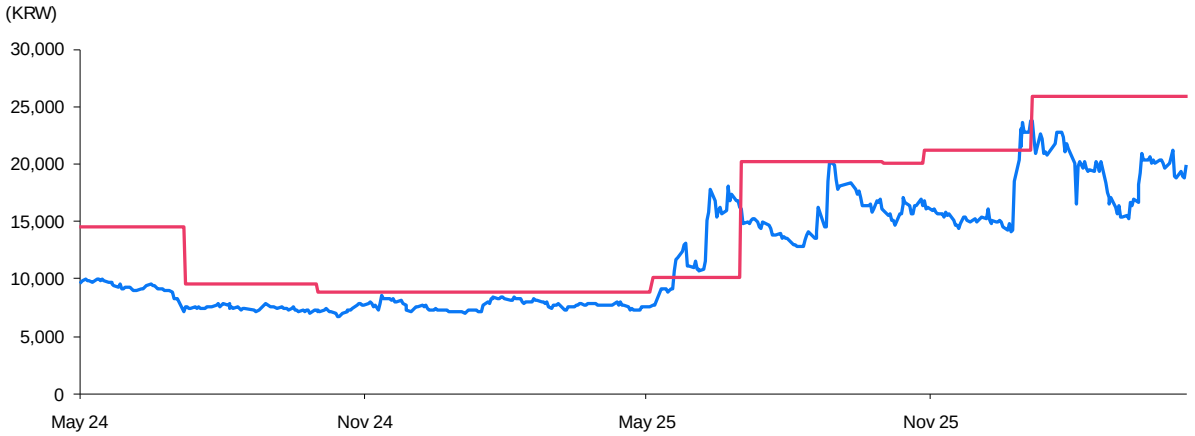

Rating changes over past two years (adjusted share prices)

Date	2024/4/26	8/6	10/30	2025/6/4	7/31	10/31	11/26	2026/2/4
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	14500	9600	8800	10100	20200	20100	21200	26000
Gap* (average)	-32.60	-22.19	-12.88	29.23	-24.40	-20.39	-22.53	
(max or min)**	-18.48	-18.02	-2.16	79.70	0.00	-14.78	12.03	

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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Percentage of ratings in 12 months prior to 2026.03.31

BUY (85.2%)·HOLD (14.8%)·SELL (0%)

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