COMPANY UPDATE

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Dentium (145720)

Beats consensus by optimizing costs

- **1Q review:** Dentium's 1Q operating profit topped consensus, despite a decline in sales, thanks to improved cost and tight control over SG&A costs.
- **Maintaining BUY and target price of KRW70,000:** Amid a severe delay in sales growth, the stock price is being supported by a range of measures. A recovery in China in 2H will be critical.

WHAT'S THE STORY?

1Q review: Dentium reported 1Q sales of KRW71.4b (-7.1% y-y and -34.6% q-q) and an operating profit of KRW15.9b (+65.4% y-y but -40.2% q-q), the latter 43.1% above consensus. Despite the decline in sales, operating profit rebounded on: 1) improved COGS, driven by reduced purchases from related party (Genoss) and greater use of lower-cost titanium inventory; and 2) tight control over SG&A costs, which fell 2.8% q-q KRW38.9b, mainly through cuts in personnel and advertising spending. While gross margin improved by 15.7% q-q, it is unclear whether this trend will continue—future quarterly results will be key to confirm sustainability. Domestic sales remained sluggish at KRW15.2b (-6.5% y-y and -17.6% q-q).

Exports amounted to: 1) KRW32.1b in China (-5.9% y-y and -0.9% q-q), as seasonal effects have eased due to a low base in the prior quarter; 2) KRW15b (+7.3% y-y but -29.6% q-q) in Asia ex-China, on growth in Vietnam (KRW5b; +18% y-y) and Thailand (KRW3b; +48% y-y); and 3) KRW7.6b (-24.6% y-y and -79.1% q-q) in Europe, due to a high base in 1Q25 marked by large shipment to Russia. Thanks to the dramatic gross margin gains and strict SG&A cost controls, operating margin reached 22.2%.

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW70,000	29.9%
Current price	**KRW53,900**	
Market cap	KRW464.83b/USD311.76m	
Shares (float)	8,623,891 (74.0%)	
52-week high/low	KRW71,900/KRW43,700	
Avg daily trading value (60-day)	KRW2.5b/ USD1.7m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Dentium (%)	1.1	-2.2	-15.4
Vs Kospi (%pts)	-24.4	-50.8	-72.0

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	70,000	70,000	0.0%
2026E EPS	8,726	7,663	13.9%
2027E EPS	9,988	8,714	14.6%

SAMSUNG vs THE STREET

No of estimates	4
Target price	70,000
Recommendation	4.0

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

SUMMARY 1Q RESULTS

(KRWb)	1Q26	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	71.4	-7.1	-34.6	-8.4	-7.3
Operating profit	15.9	65.9	-40.0	99.8	43.6
Pre-tax profit	21.0	175.5	434.8	198.2	200.0
Net profit	17.1	34.8	nm	207.3	144.3
Margins (%)					
Operating profit	22.3				
Pre-tax profit	29.4				
Net profit	23.9				

Source: Company data, Fnguide, Samsung Securities estimates

VALUATION SUMMARY

	2025	2026E	2027E
Valuation (x)			
P/E	31.2	6.2	5.4
P/B	0.7	0.7	0.6
EV/EBITDA	7.9	5.1	4.0
Div yield (%)	1.3	1.1	1.1
EPS growth (% y-y)	-77.4	488.6	14.5
ROE (%)	2.9	13.0	12.8
Per-share data (KRW)			
EPS	1,483	8,726	9,988
BVPS	65,218	74,732	84,271
DPS	600	600	600

Maintaining BUY and target price of KRW70,000: Conservatively reflecting the cost improvements seen in 1Q, we raise our 2026 operating profit forecast by 9%. However, given the growth of long-term accounts receivable driven by expansion in emerging markets such as India, alongside a gradual increase in borrowings to fund working capital, we leave our target price (based on forward EBITDA) unchanged. Amid a longer-than-expected delay in China's volume-based procurement (VBP) policy implementation, Dentium is protecting margins through a range of measures—including adjusting its sales mix and exhausting lower-cost raw materials—drawing on its decades of expertise in implant manufacturing and commercialization. The company is mitigating the impact of sales pressure on its stock price through a series of shareholder-friendly measures—influenced by shareholder proposals from Align Partners, the company has reduced related-party transactions since late 2025, fully canceled its treasury shares, disclosed the signing of a trust agreement to acquire an additional KRW60b worth of its own shares in March, and set a target of delivering an average annual total shareholder return of at least 25% over 2026-2028. With the implementation of VBP 2.0 in 2H having become uncertain, a gradual recovery in procedures postponed for nearly a year since last year or the eventual implementation of VBP 2.0 could drive a rebound in China sales and serve as a fundamental catalyst for future stock re-rating.

Dentium: Valuation

(KRWb)	Estimated value	Note
12-month forward EBITDA	118.4	
Target EV/EBTIDA (x)	6.2	20% discount* to average 12-month-forward multiple at which peer group** is trading
Operating value	737	
Net debt	162.5	
Fair value	574.7	
Outstanding shares ('000)	8,624	Excludes treasury stock
Fair value per share (KRW)	66,635	
Target price (KRW)	70,000	

Note: *Discount applied for unfavorable market sentiment due to: 1) Dentium's high export dependency on China; and 2) Dentium being the only Kospi-listed implant firm;

**Our target EV/EBITDA multiple of 6.8x reflects a 20% discount to an adjusted global peer average. In calculating this peer average, we apply a 50% discount to the multiples of Straumann and Align Tech to account for their significantly larger market capitalizations relative to Dentium, while keeping other peers (Dio, Ray, Envista, Dentsply Sirona, and ZimVie) at full weight

Source: Bloomberg, Samsung Securities estimates

Dentium: Results and forecasts (consolidated)

(KRWb)	2025	2026E	2027E	1Q25	2Q25	3Q25	4Q25	1Q26P	2Q26E	3Q26E	4Q26E	1Q27E	2Q27E	3Q27E	4Q27E
Sales	**346.5**	**385.7**	**456.5**	**76.8**	**82.3**	**78.2**	**109.1**	**71.4**	**90.7**	**91.0**	**132.6**	**85.9**	**109.2**	**109.0**	**152.4**
Domestic	66.0	68.1	72.8	16.3	15.6	15.6	18.5	15.2	16.3	16.3	20.2	17.7	17.0	16.9	21.3
Overseas	280.4	317.6	383.7	60.5	66.7	62.6	90.6	56.1	74.4	74.6	112.4	68.3	92.2	92.1	131.1
China	132.6	151.5	177.3	34.1	37.5	28.5	32.4	32.1	37.9	37.8	43.7	38.6	46.9	42.6	49.1
Asia	67.1	81.1	109.6	14.0	16.4	15.4	21.3	15.0	20.2	19.1	26.7	20.3	27.0	28.2	34.1
Europe	73.7	77.6	88.3	10.1	10.8	16.5	36.4	7.6	14.2	15.7	40.0	7.8	16.0	19.1	45.4
Other*	6.9	7.4	8.5	2.4	2.0	2.2	0.3	1.4	2.1	1.9	2.0	1.5	2.3	2.2	2.5
Implant	306.1	362.6	429.1	65.1	74.8	67.1	99.1	67.1	85.3	85.5	124.6	80.8	102.6	102.5	143.2
Other	40.3	23.1	27.4	11.7	7.4	11.1	10.0	4.3	5.4	5.5	8.0	5.2	6.5	6.5	9.1
Gross profit	**218.1**	**259.4**	**295.4**	**48.2**	**54.1**	**49.1**	**66.6**	**54.8**	**59.3**	**59.4**	**85.9**	**55.7**	**70.6**	**70.5**	**98.7**
Operating profit	**64.1**	**97.2**	**119.2**	**9.6**	**15.5**	**12.5**	**26.5**	**15.9**	**17.9**	**21.1**	**42.3**	**12.3**	**26.5**	**28.0**	**52.3**
Pre-tax profit	**23.1**	**92.0**	**110.4**	**7.6**	**0.0**	**11.6**	**3.9**	**21.0**	**16.6**	**19.7**	**41.0**	**10.1**	**24.3**	**25.8**	**50.2**
Net profit (controlling)	**16.4**	**77.6**	**86.1**	**12.6**	**4.8**	**4.0**	**(5.0)**	**17.2**	**13.0**	**15.4**	**32.0**	**7.9**	**19.0**	**20.1**	**39.1**
Growth (%)															
Sales	***(15.0)***	***11.3***	***18.3***	***(7.1)***	***(26.3)***	***(17.4)***	***(8.1)***	***(7.1)***	***10.3***	***16.3***	***21.5***	***20.4***	***20.3***	***19.8***	***14.9***
Domestic	*(26.2)*	*3.2*	*6.9*	*(22.8)*	*(33.8)*	*(26.9)*	*(20.7)*	*(6.5)*	*4.7*	*4.8*	*9.2*	*15.8*	*4.0*	*3.5*	*5.3*
Overseas	*(12.1)*	*13.3*	*20.8*	*(1.8)*	*(24.3)*	*(14.6)*	*(5.7)*	*(7.2)*	*11.6*	*19.2*	*24.1*	*21.6*	*23.9*	*23.4*	*16.6*
China	*(31.9)*	*14.3*	*17.0*	*(21.2)*	*(35.8)*	*(42.1)*	*(25.4)*	*(5.9)*	*1.1*	*32.4*	*34.7*	*20.4*	*23.6*	*12.6*	*12.6*
Asia	*40.9*	*20.8*	*35.2*	*47.1*	*19.1*	*17.4*	*90.0*	*7.3*	*23.4*	*24.2*	*25.4*	*35.6*	*33.3*	*47.4*	*27.5*
Europe	*7.6*	*5.3*	*13.9*	*36.2*	*(24.2)*	*71.0*	*(2.3)*	*(24.6)*	*32.0*	*(4.4)*	*10.0*	*2.9*	*12.6*	*21.3*	*13.5*
Other	*(18.6)*	*7.3*	*14.7*	*67.0*	*19.8*	*79.3*	*(92.3)*	*(40.8)*	*2.3*	*(11.6)*	*527.0*	*5.9*	*13.2*	*13.7*	*23.2*
Implant	*(13.1)*	*18.4*	*18.3*	*(8.1)*	*(24.3)*	*(21.8)*	*2.1*	*3.1*	*14.0*	*27.5*	*25.7*	*20.4*	*20.3*	*19.8*	*14.9*
Other	*(27.1)*	*(42.6)*	*18.3*	*(1.6)*	*(42.1)*	*24.7*	*(53.7)*	*(63.5)*	*(26.7)*	*(51.0)*	*(20.4)*	*20.4*	*20.3*	*19.8*	*14.9*
Gross profit	***(16.2)***	***19.0***	***13.9***	***(13.9)***	***(20.4)***	***(24.6)***	***(6.4)***	***13.6***	***9.5***	***21.1***	***29.0***	***1.6***	***19.0***	***18.5***	***14.9***
Operating profit	***(34.9)***	***51.6***	***22.6***	***(50.1)***	***(43.9)***	***(48.8)***	***(2.5)***	***65.4***	***15.3***	***69.1***	***59.7***	***(22.5)***	***48.0***	***33.0***	***23.6***
Pre-tax profit	***(75.4)***	***297.8***	***20.1***	***(59.2)***	***(100.0)***	***(28.9)***	***(86.3)***	***175.4***	***n/a***	***70.7***	***945.0***	***(51.8)***	***46.3***	***30.7***	***22.3***
Net profit (controlling)	***(77.4)***	***372.7***	***11.0***	***(24.5)***	***(76.8)***	***(72.7)***	***(124.0)***	***36.3***	***171.4***	***285.4***	***(742.8)***	***(54.1)***	***46.3***	***30.7***	***22.3***
Margins (%)															
Gross profit	**62.9**	**67.3**	**64.7**	**62.8**	**65.8**	**62.8**	**61.0**	**76.7**	**65.3**	**65.3**	**64.8**	**64.8**	**64.6**	**64.6**	**64.8**
Operating profit	**18.5**	**25.2**	**26.1**	**12.5**	**18.9**	**15.9**	**24.3**	**22.2**	**19.7**	**23.2**	**31.9**	**14.3**	**24.3**	**25.7**	**34.3**
Pre-tax profit	**6.7**	**23.8**	**24.2**	**9.9**	**0.0**	**14.8**	**3.6**	**29.4**	**18.3**	**21.7**	**30.9**	**11.8**	**22.3**	**23.7**	**32.9**
Net profit (controlling)	**4.7**	**20.1**	**18.9**	**16.4**	**5.8**	**5.1**	**(4.6)**	**24.1**	**14.3**	**16.9**	**24.1**	**9.2**	**17.4**	**18.5**	**25.7**

Note: *Includes few Asian countries

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**408**	**346**	**386**	**456**	**609**
Cost of goods sold	148	128	126	161	194
Gross profit	**260**	**218**	**259**	**295**	**416**
Gross margin (%)	63.8	62.9	67.3	64.7	68.2
SG&A expenses	162	154	162	176	195
Operating profit	**98**	**64**	**97**	**119**	**220**
Operating margin (%)	24.2	18.5	25.2	26.1	36.2
Non-operating gains (losses)	**-5**	**-41**	**-5**	**-9**	**-9**
Financial profit	27	10	6	3	4
Financial costs	15	26	11	12	13
Equity-method gains (losses)	0	0	0	0	0
Other	-17	-25	-0	-0	-0
Pre-tax profit	**94**	**23**	**92**	**110**	**212**
Taxes	22	7	21	24	47
Effective tax rate (%)	22.9	29.4	22.8	22.0	22.0
Profit from continuing operations	72	16	77	86	165
Profit from discontinued operations	0	0	0	0	0
Net profit	**72**	**16**	**77**	**86**	**165**
Net margin (%)	17.8	4.7	20.1	18.9	27.1
Net profit (controlling interests)	73	16	78	86	165
Net profit (non-controlling interests)	-0	-0	-0	0	0
EBITDA	122	89	123	142	241
EBITDA margin (%)	29.8	25.8	31.8	31.1	39.5
EPS (parent-based) (KRW)	6,569	1,483	8,726	9,988	19,139
EPS (consolidated) (KRW)	6,542	1,475	8,711	9,988	19,139
Adjusted EPS (KRW)*	6,569	1,483	8,726	9,988	19,139

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**477**	**456**	**581**	**720**	**900**
Cash & equivalents	100	77	121	191	371
Accounts receivable	165	142	173	198	198
Inventories	148	204	248	285	285
Other current assets	64	32	39	45	45
Fixed assets	**418**	**477**	**452**	**430**	**410**
Investment assets	10	13	14	15	15
Tangible assets	305	347	323	301	281
Intangible assets	6	5	4	3	3
Other long-term assets	97	111	111	111	111
Total assets	**894**	**933**	**1,034**	**1,150**	**1,310**
Current liabilities	**293**	**318**	**345**	**380**	**380**
Accounts payable	12	15	18	21	21
Short-term debt	124	140	150	170	170
Other current liabilities	157	162	177	189	189
Long-term liabilities	**48**	**54**	**55**	**56**	**56**
Bonds & long-term debt	43	47	47	47	47
Other long-term liabilities	5	7	8	9	9
Total liabilities	**341**	**372**	**400**	**436**	**436**
Owners of parent equity	**555**	**562**	**635**	**716**	**876**
Capital stock	6	6	6	6	6
Capital surplus	49	49	49	49	49
Retained earnings	497	507	580	661	821
Other	2	-0	-0	-0	-0
Non-controlling interests' equity	**-1**	**-1**	**-1**	**-1**	**-1**
Total equity	**554**	**561**	**633**	**715**	**874**
Net debt	146	198	162	111	-70

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**36**	**13**	**42**	**58**	**185**
Net profit	72	16	77	86	165
Non-cash profit and expenses	67	83	56	56	76
Depreciation	22	24	25	22	20
Amortization	1	1	1	1	1
Other	44	57	30	33	55
Changes in A/L from operating activities	-61	-64	-61	-51	0
Cash flow from investments	**-65**	**-63**	**-4**	**-3**	**0**
Change in tangible assets	-18	-53	0	0	0
Change in financial assets	-6	-6	-4	-3	0
Other	-42	-4	0	0	0
Cash flow from financing	**35**	**27**	**5**	**15**	**-5**
Change in debt	48	31	11	21	0
Change in equity	0	0	0	0	0
Dividends	-3	-5	-5	-5	-5
Other	-9	1	-0	0	0
Change in cash	13	-22	44	70	180
Cash at beginning of year	87	100	77	121	191
Cash at end of year	100	77	121	191	371
Gross cash flow	**140**	**99**	**133**	**142**	**241**
Free cash flow	**18**	**-40**	**42**	**58**	**185**

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	3.7	-15.0	11.3	18.3	33.5
Operating profit	-28.8	-34.9	51.6	22.6	85.0
Net profit	-25.0	-77.5	374.3	11.2	91.6
Adjusted EPS**	-24.7	-77.4	488.6	14.5	91.6
Per-share data (KRW)					
EPS (parent-based)	6,569	1,483	8,726	9,988	19,139
EPS (consolidated)	6,542	1,475	8,711	9,988	19,139
Adjusted EPS**	6,569	1,483	8,726	9,988	19,139
BVPS	64,317	65,218	74,732	84,271	103,101
DPS (common)	600	600	600	600	600
Valuations (x)					
P/E***	9.5	31.2	6.2	5.4	2.8
P/B***	1.0	0.7	0.7	0.6	0.5
EV/EBITDA	6.8	7.9	5.1	4.0	1.6
Ratios (%)					
ROE	14.3	2.9	13.0	12.8	20.7
ROA	8.7	1.8	7.9	7.9	13.4
ROIC	13.0	6.7	10.4	12.3	22.6
Payout ratio	7.1	31.5	6.6	5.9	3.1
Dividend yield (common)	1.0	1.3	1.1	1.1	1.1
Net debt to equity	26.4	35.4	25.6	15.5	-8.0
Interest coverage (x)	10.3	6.0	8.5	10.0	17.4

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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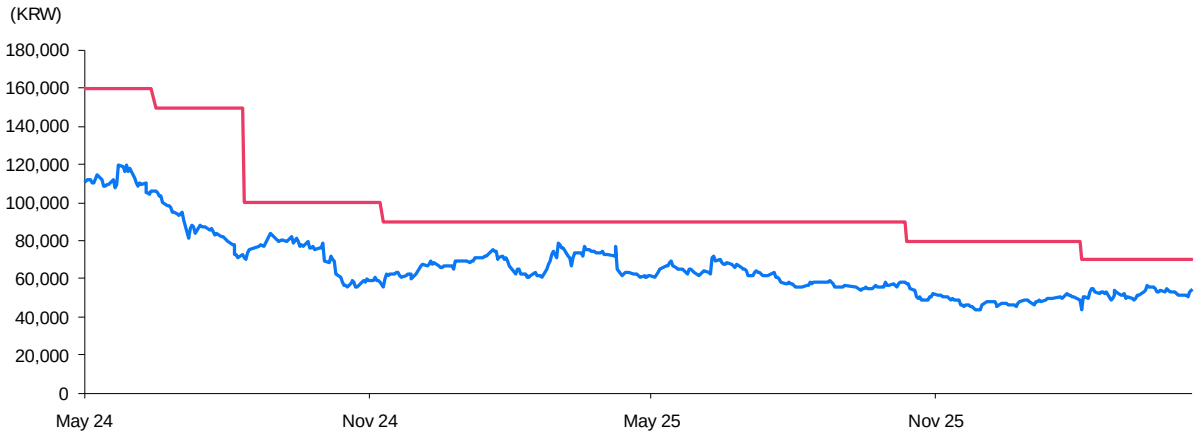
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2024/2/29	7/15	9/10	12/9	2025/11/11	2026/3/4
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	160000	150000	100000	90000	80000	70000
Gap* (average)	-22.62	-41.63	-29.75	-28.43	-38.83	
(max or min)**	-8.25	-30.07	-15.70	-12.22	-28.13	

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%)

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