COMPANY UPDATE

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Finance/Consumer Goods Team

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Korea Investment Holdings (071050)

Strength across all business segments

- Korea Investment Holdings (KIH) reported a 1Q net profit attributable to controlling shareholders of KRW914.9b, beating consensus by 33%
- The company delivered strong performance across all business segments, including brokerage, trading, wealth management, IB and subsidiaries
- In light of its high profitability, KIH is attractively valued relative to peers

WHAT'S THE STORY?

Capital market strength demonstrated across all business segments: Korea Investment Holdings (KIH) reported a 1Q consolidated net profit attributable to controlling shareholders of KRW914.9b (up 99.6% y-y), beating consensus by 33%. Its securities subsidiary delivered a consolidated net profit of KRW784.7b (up 133% q-q and 75% y-y), with net sales growing across all business segments of brokerage (KRW248.6b; up 172% y-y), brokerage interest (KRW139.1b; up 70% y-y), wealth management (KRW104.2b; up 155.3% y-y), IB (KRW215.7b; up 14.7% y-y) and trading (KRW455.1b; up 4% y-y). Among subsidiaries: 1) Korea Investment Value Asset Management recorded a net profit of KRW119.7b (up 470% y-y), driven by valuation gains on assets holdings amid a bullish stock market; and 2) Korea Investment Savings Bank posted a net profit of KRW89.9b (up 287% y-y), thanks to increased valuation gains on previously invested assets, including affiliate funds

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW320,000 24%
Current price	**KRW258,000**
Market cap	KRW14.4t/USD9.6b
Shares (float)	55,725,992 (73.3%)
52-week high/low	KRW292,500/KRW93,500
Avg daily trading value (60-day)	KRW83.3b/ USD55.5m

ONE-YEAR PERFORMANCE

	1M	6M	12M
Korea Investment Holdings (%)	1.2	52.0	175.9
Vs Kospi (%pts)	-17.8	-18.6	-3.5

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	320,000	320,000	0.0%
2026E EPS	40,556	26,591	52.5%
2027E EPS	30,698	28,763	6.7%

SAMSUNG vs THE STREET

No of estimates	15
Target price	341,600
Recommendation	4.0

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

Korea Investment Holdings 1Q26 review

(KRWb)	1Q26P	4Q25	Chg (% q-q)	1Q25	Chg (% y-y)	Consensus	Diff (%)
Operating profit	1,106.3	381.1	190.3	529.6	108.9	851.9	29.9
Pre-tax profit	1,236.2	453.0	172.9	615.0	101.0	905.3	36.5
Net profit	914.9	349.1	162.1	458.4	99.6	689.3	32.7
Kospi (year-end)	5,052.5	4,214.2	19.9	2,481.1	103.6	n/a	n/a
Average daily trading	66.6	37.1	79.8	18.6	258.0	n/a	n/a
Treasury bond rate	3.0	2.6	0.5	2.6	0.4	n/a	n/a

Source: Company data, FnGuide Samsung Securities

Valuations

(KRWb)	Net op revenue	Op profit	Net profit	BVPS (KRW)	EPS (KRW)	P/B (x)	P/E (x)	ROE (%)	Dividend yield (%)
2024	2,633	1,198	1,040	165,262	16,883	0.4	4.2	11.5	5.6
2025	4,009	2,345	2,020	197,134	32,808	0.8	4.9	19.1	5.4
2026E	5,162	3,297	2,498	230,338	40,556	1.1	6.4	20.0	3.7
2027E	4,521	2,617	1,891	262,712	30,698	1.0	8.4	13.1	3.1
2028E	4,698	2,756	1,991	271,560	32,336	1.0	8.0	12.8	3.4

Source: Company data, Samsung Securities

Attractively valued relative to peers in light of profitability: This year, the stock has underperformed relative to peers, due to: 1) lower brokerage share of sales compared to competitors; and 2) concerns over US private credit exposure. However, as shown in the 1Q results, KIH is benefiting across all business segments from the current capital market upswing, supported by its diversified portfolio, while potential losses from private credit remain limited to date. Despite higher projected ROE levels compared to peers—20% in 2026 and 13% in 2027—we believe the stock has room to rise on valuation metrics like P/E and P/B. We raise our target price by 18.5% to KRW320,000, reflecting improved profit forecasts driven by a more favorable stock market outlook.

Calculation of target price

Korea Investment Holdings: Valuation

		2026E-2027E
I. P/B-ROE valuation		
Forward ROA (%)		1.3
Total asset / total equity (x)		15.1
Sustainable ROE (%)	(A)	13.4
Cost of capital (%)	(B)	9.2
Long-term growth (%)	(C)	4.0
Target P/B (x)	(D = {A-C}/{B-C})	1.62
Forward BVPS (KRW)	(E)	262,712
Fair price (KRW)	(F = D*E)	398,319
II. Total shareholder return yield valuation		
Industry target yield (%)	(G)	3.3
Total shareholder return amount (KRWb)	(J)	558.6
Estimated total payout ratio (%)		22.4
Target market cap (KRWb)	(K = J / I)	14,478.2
Fair price (KRW)	(L)	274,528
III. Target price		
Fair price (KRWb)	(F+L) / 2	336,424
Target price (KRW)		320,000
**Current price (KRW)		258,000
Upside (%)		24.0%
Previous target price (KRW)		270,000
Diff (%)		18.5%

Note: * As of May 14, 2026
Source: Samsung Securities estimates

Balance sheet (KIS)

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash & dues from banks	12,605	17,710	19,170	20,750	21,165
Securities	61,461	72,376	78,342	84,800	86,496
Loans	8,601	14,037	15,194	16,447	16,776
Tangible assets	422	400	382	366	362
Other assets	2,281	3,620	1,176	-2,414	-3,341
Total assets	**85,370**	**108,144**	**114,265**	**119,949**	**121,458**
Customer deposit liability	8,654	13,130	13,663	14,217	14,360
Liability from borrowing	65,282	80,076	83,328	86,711	87,578
Other liabilities	3,523	5,458	5,568	5,680	5,709
Total liabilities	**77,460**	**98,664**	**102,559**	**106,609**	**107,647**
Paid-in capital	176	176	176	176	176
Capital surplus	4,829	5,729	5,729	5,729	5,729
Accumulated OCI	270	514	514	514	514
Retained earnings	4,041	4,043	5,287	6,920	7,392
Total shareholder equity	**9,317**	**11,162**	**11,707**	**13,340**	**13,811**

Balance sheet (KIH)

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash and bank deposits	15,481	20,820	21,998	23,092	23,383
Investment securities	66,793	81,780	86,409	90,707	91,848
Loans	23,722	28,739	30,365	31,876	32,277
Fixed assets	852	968	1,023	1,074	1,088
Other assets	2,372	3,855	4,073	4,276	4,330
Total assets	**109,220**	**136,162**	**143,869**	**151,025**	**152,925**
Customer deposits	16,139	19,809	20,810	21,650	21,871
Borrowings	51,430	63,612	66,825	69,524	70,234
Debentures	11,153	12,742	13,386	13,927	14,069
Other liabilities	20,764	27,899	29,309	30,493	30,804
Total liabilities	**99,486**	**124,062**	**130,329**	**135,594**	**136,978**
Paid-in capital	308	308	308	308	308
Consolidated capital surplus	608	184	184	184	184
Consolidated retained earnings	8,036	10,283	12,222	14,112	14,629
Consolidated capital adjustments	-51	-51	-51	-51	-51
Accumulated OCI	750	789	789	789	789
Total shareholder equity	**9,735**	**11,601**	**13,540**	**15,431**	**15,947**

Financial ratios & per-share data

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Efficiency (%)					
SG&A expense ratio	119.8	70.9	56.6	72.7	70.4
Cost-to-income ratio	124.9	133.5	115.0	110.3	108.7
Dividends & per share data					
BVPS (KRW)	165,262	197,134	230,338	262,712	271,560
EPS (KRW)	16,883	32,808	40,556	30,698	32,336
DPS (KRW)	3,980	8,690	9,559	8,000	8,800
P/B (x)	0.4	0.8	1.1	1.0	1.0
P/E (x)	4.2	4.9	6.4	8.4	8.0
Dividend payout ratio (%)	22.3	25.1	22.3	24.6	25.7
Total payout ratio (%)	22.3	25.1	22.3	24.6	25.7
Div yield (cash, common, %)	5.6	5.4	3.7	3.1	3.4

Source: Company data, Samsung Securities estimates

Income statement (KIS)

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Net commission income	976	1,260	1,871	1,867	1,939
Brokerage commission	263	378	865	922	965
BC commission	86	113	148	149	161
Wrap commission	19	35	71	29	29
Underwriting commission	102	97	111	120	133
Other commission	505	637	676	647	652
Net interest income	530	799	1,002	1,085	1,174
Net trading income	169	472	516	399	682
Other net income	864	778	439	341	341
Net operating income	**2,540**	**3,308**	**3,827**	**3,691**	**4,136**
SG&A expenses	1,000	1,189	1,377	1,439	1,506
Labor	639	788	885	892	899
Other	361	401	492	547	607
Operating profit	**1,540**	**2,119**	**2,450**	**2,252**	**2,630**
Pre-tax profit	**1,464**	**2,223**	**2,489**	**2,252**	**2,630**
Taxation	269	487	686	619	723
Net profit *	**1,195**	**1,735**	**1,803**	**1,633**	**1,907**

Source: *Excluding dividend income from subsidiaries including KI value asset management

Income statement (KIH)

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Net commission income	1,225	1,562	2,250	2,175	2,183
Net interest income	1,253	1,591	1,808	2,037	2,294
Net trading income	33	1,201	1,062	309	221
Other net income	122	-346	42	0	0
Net operating income	**2,633**	**4,009**	**5,162**	**4,521**	**4,698**
SG&A expenses	1,435	1,663	1,866	1,903	1,942
Operating profit	**1,198**	**2,345**	**3,297**	**2,617**	**2,756**
Pre-tax profit	**1,399**	**2,724**	**3,426**	**2,617**	**2,756**
Taxation	353	699	922	720	758
Net profit	**1,040**	**2,020**	**2,498**	**1,891**	**1,991**

Key growth & profitability indicators

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth rates (% y-y)					
Customer deposits	18.2	22.7	5.1	4.0	1.0
Total assets	13.9	24.7	5.7	5.0	1.3
Total shareholder equity	15.3	19.2	16.7	14.0	3.3
Net operating income	32.5	52.2	28.8	-12.4	3.9
Net profit	47.7	93.6	23.7	-24.2	5.3
EPS	47.1	94.3	23.6	-24.3	5.3
BVPS	15.3	19.3	16.8	14.1	3.4
Profitability (%)					
Equity turnover	47.2	52.9	90.9	107.4	108.7
Return on average assets	1.0	1.6	1.8	1.3	1.3
Return on average equity	11.5	19.1	20.0	13.1	12.8
Operating profit/Total assets	1.0	1.4	2.0	2.0	1.8

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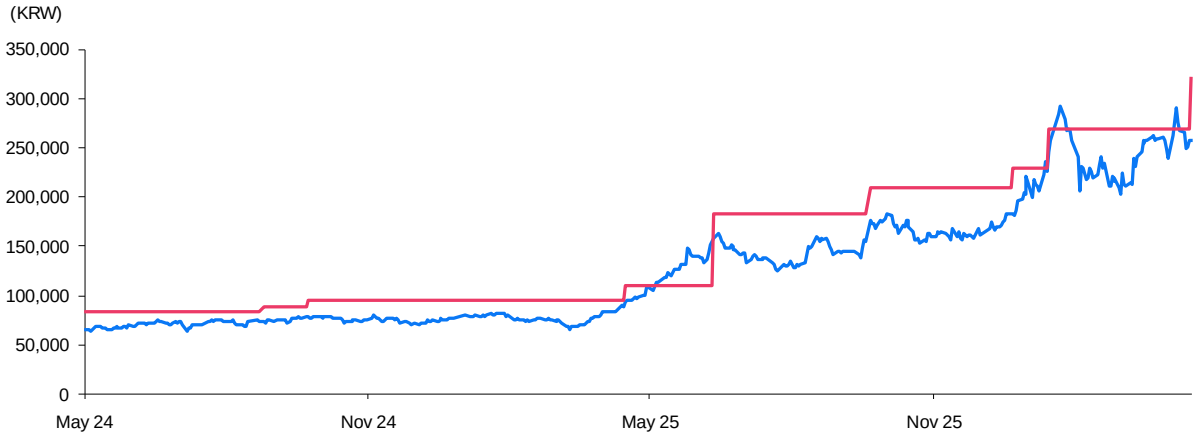
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2024/5/8	9/23	10/22	2025/5/15	7/11	10/20	2026/1/20	2/12	5/15
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	84000	88000	95000	110000	183000	210000	230000	270000	320000
Gap* (average)	-16.49	-14.41	-19.81	11.30	-21.88	-20.51	-9.29	-9.97	
(max or min)**	-10.00	-11.25	-5.89	40.09	-10.60	-12.95	2.39	8.33	

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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Industry

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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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