COMPANY UPDATE

2026. 5. 19

Finance/Consumer Goods Team

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Youngone Corporation (111770)

Positive earnings, momentum, and valuation

- Youngone Corporation's 1Q operating profit topped consensus by 12% primarily on larger-than-forecast narrowing of an operating loss at Scott Sports.
- The firm's inventory assets expanded 21% y-y in 1Q and the OEM business should enjoy another quarter of remarkable earnings in 2Q.
- We maintain BUY rating and KRW120,000 target price.

1Q review: Youngone Corporation reported 1Q sales of KRW895.8b (up 10% y-y) and operating profit of KRW120.4b (up 46%; beating consensus by 12%). The OEM division's sales and operating profit grew 10% and 16% y-y, respectively, to KRW592.5b and KRW123b, driven by a 68% y-y surge in sales to its key client, Arc'teryx. Meantime, Scott Sports logged 1Q sales of KRW267b (up 18% y-y) and an operating loss of KRW2.2b—way better than our previous forecast of KRW21b in operating loss thanks to a drop in the share of discount sales.

Inventory assets up 21% y-y in 1Q; OEM business to deliver solid results in 2Q: For 2Q, we anticipate continued topline growth in the OEM division and reduction in Scott Sports' operating loss. Youngone Corporation's inventory assets expanded 21% y-y in 1Q26, accelerating from 17% growth in 3Q25 and 9% in 4Q25. This suggests a q-q order growth in 2Q26. Scott Sports' inventory assets, measured in Swiss francs, also declined 10% y-y (or up 5% to KRW607.1b in Korean won terms), indicating continued reduction in the operating loss.

Maintaining BUY rating and KRW120,000 target: We reiterate BUY rating, with an unchanged target price of KRW120,000 (based on 10x P/E, a 20% discount to the company's 2019 P/E high of 13x). We note that Youngone Corporation: 1) is the only player among domestic and global peers sustaining robust order growth; and 2) is still deep in oversold territory, trading at around 50% discount (6-7x P/E) to global peers' average P/E of 12x, which we believe needs to narrow.

AT A GLANCE

BUY

Target price	KRW120,000	36.5%
Current price	**KRW87,900**	
Market cap	KRW3.9t/USD2.6b	
Shares (float)	44,311,468 (45.3%)	
52-week high/low	KRW98,000/KRW53,100	
Avg daily trading value (60-day)	KRW8.0b/ USD5.3m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Youngone Corporation (%)	3.5	6.4	65.5
Vs Kospi (%pts)	-14.7	-44.0	-42.1

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	120,000	120,000	0.0%
2026E EPS	12,025	12,025	0.0%
2027E EPS	13,490	13,490	0.0%

SAMSUNG vs THE STREET

No of estimates	5
Target price	124,000
Recommendation	4.0

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

SUMMARY 1Q26 RESULTS

(KRWb)	1Q26	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	895.8	10.4	-11.2	0.0	1.6
Operating profit	120.4	46.3	14.4	-0.0	11.5
Pre-tax profit	189.2	92.5	37.2	-0.0	43.3
Net profit	149.7	113.2	45.5	-0.0	67.4
Margins (%)					
Operating profit	13.4				
Pre-tax profit	21.1				
Net profit	16.7				

Source: Company data, FnGuide, Samsung Securities estimates

VALUATION SUMMARY

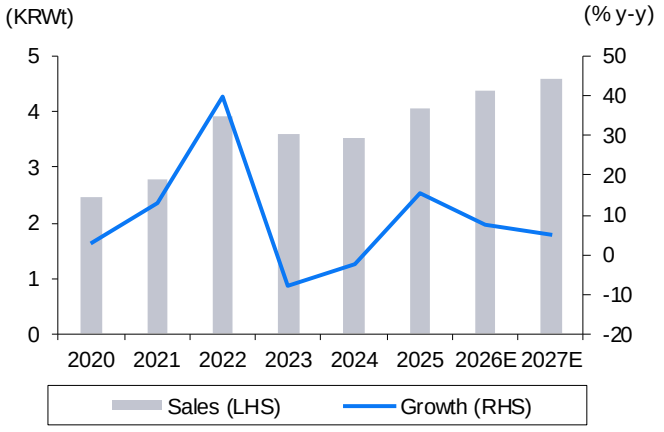
	2025	2026E	2027E
Valuations (x)			
P/E	7.4	7.3	6.5
P/B	0.9	0.8	0.8
EV/EBITDA	4.1	3.4	2.8
Div yield (%)	2.6	4.1	5.4
EPS growth (% y-y)	15.3	8.2	12.2
ROE (%)	12.7	12.4	12.6
Per-share data (KRW)			
EPS	11,109	12,025	13,490
BVPS	96,154	106,401	116,725
DPS	2,100	3,616	4,756

Earnings forecast

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	2024	2025	2026E	2027E
Sales	710	893	1,068	847	811	1,038	1,205	1,009	896	1,157	1,285	1,040	3,518	4,064	4,378	4,599
OEM	468	604	732	559	538	694	827	690	593	795	911	742	2,376	2,749	3,040	3,198
Scott	196	240	287	231	226	300	330	266	267	321	328	240	954	1,122	1,156	1,214
Other	46	49	50	57	47	43	48	53	36	41	46	59	201	192	182	188
Operating profit	71	166	105	(26)	82	146	181	105	120	178	198	126	316	514	622	671
OEM	83	183	165	71	106	168	193	130	123	191	208	136	502	597	658	702
Scott	(16)	(21)	(68)	(107)	(28)	(26)	(20)	(31)	(2)	(13)	(13)	(12)	(212)	(105)	(40)	(39)
Other	4	4	8	4	4	4	6	4	(0)	0	2	2	20	19	4	7
Net profit	79	164	49	2	70	100	153	103	150	102	155	124	295	426	531	596
Margins (%)																
Operating profit	10.0	18.6	9.8	(3.1)	10.1	14.0	15.0	10.4	13.4	15.4	15.4	12.1	9.0	12.7	14.2	14.6
OEM	17.8	30.3	22.5	12.7	19.7	24.2	23.4	18.9	20.8	24.0	22.9	18.4	21.1	21.7	21.7	22.0
Scott	(8.2)	(8.7)	(23.8)	(46.4)	(12.4)	(8.8)	(6.1)	(11.5)	(0.9)	(4.0)	(4.0)	(5.0)	(22.3)	(9.4)	(3.5)	(3.2)
Other	8.6	8.6	15.9	7.6	9.4	9.9	13.1	8.2	(1.0)	1.0	5.0	3.0	10.1	10.1	2.3	3.9
Net profit	11.2	18.4	4.6	0.3	8.7	9.6	12.7	10.2	16.7	8.8	12.1	12.0	8.4	10.5	12.1	12.9
Growth (% y-y)																
Sales	(15.6)	(11.4)	7.0	11.8	14.3	16.3	12.8	19.2	10.4	11.5	6.6	3.1	(2.4)	15.5	7.7	5.0
OEM	(5.1)	(5.3)	22.5	24.5	15.2	14.9	12.9	23.5	10.0	14.5	10.2	7.5	9.1	15.7	10.6	5.2
Scott	(35.4)	(28.5)	(17.0)	(10.6)	15.3	25.3	15.1	15.0	18.1	7.0	(0.6)	(9.8)	(23.2)	17.7	3.0	5.0
Other	4.4	42.5	(11.2)	13.7	1.6	(10.5)	(3.3)	(6.3)	(22.8)	(5.0)	(5.0)	10.5	9.2	(4.8)	(5.0)	3.0
Operating profit	(57.5)	(20.9)	(41.9)	nm	15.9	(12.5)	73.4	nm	46.3	22.3	9.1	19.7	(50.5)	63.0	20.9	7.8
OEM	(39.3)	(5.4)	2.6	3.2	27.4	(8.2)	17.2	84.0	16.2	13.5	7.9	4.6	(10.4)	19.1	10.2	6.7
Scott	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Other	28.5	1,255.5	8.5	(46.0)	10.7	2.6	(20.1)	1.6	nm	(90.4)	(63.9)	(59.5)	9.1	(4.9)	(78.8)	78.5
Net profit	(44.1)	2.5	(70.3)	(96.8)	(11.4)	(39.1)	213.2	4,720.4	113.2	1.4	1.4	20.9	(44.7)	44.7	24.5	12.2

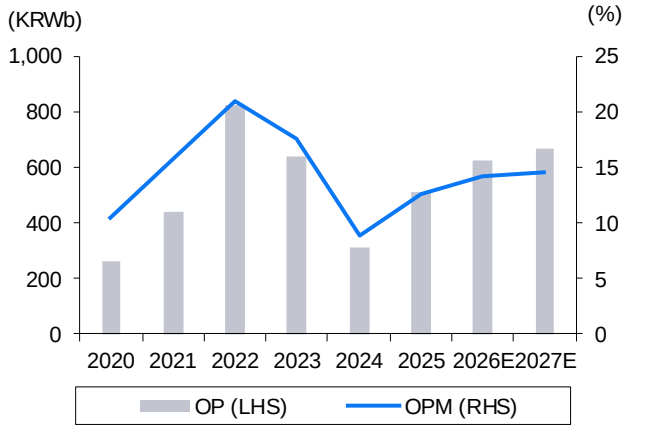
Source: Company data, Samsung Securities estimates

Youngone: Sales and growth



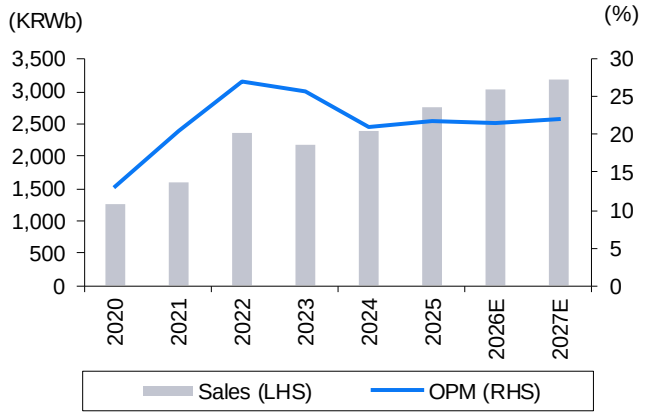
Source: Company data, Samsung Securities estimates

Youngone: Operating profit and operating margin



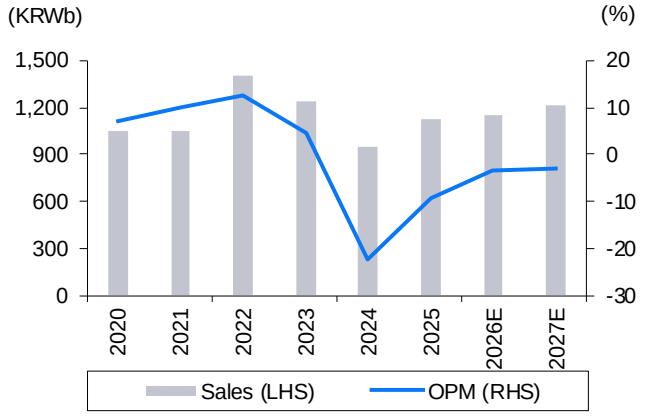
Source: Company data, Samsung Securities estimates

OEM: Sales and operating margin



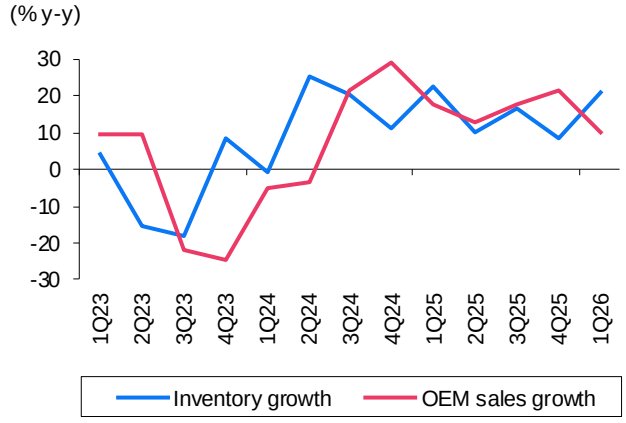
Source: Company data, Samsung Securities estimates

Scott: Sales and operating margin



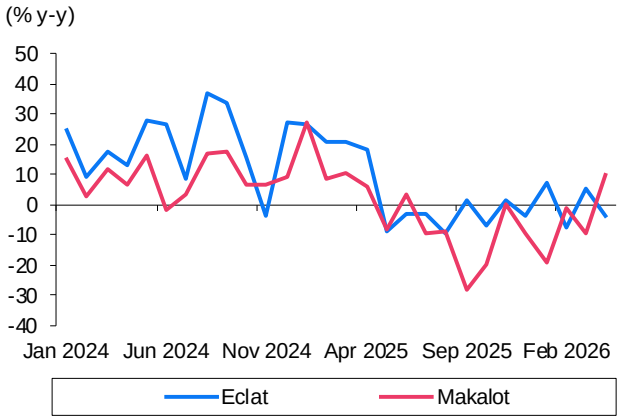
Source: Company data, Samsung Securities estimates

OEM: Inventory and sales growth



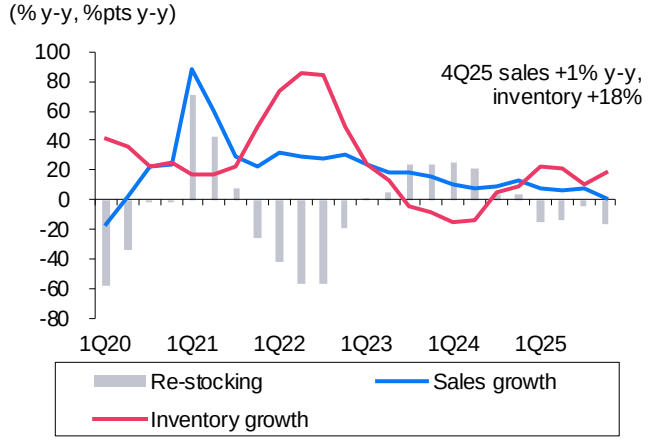
Source: Company data, Samsung Securities

Eclat & Makalot: Monthly sales growth



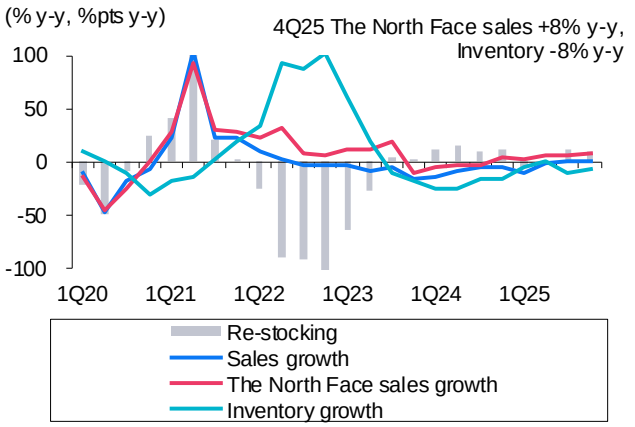
Source: Company data, Samsung Securities

Lululemon: Sales, inventory, and re-stocking growth



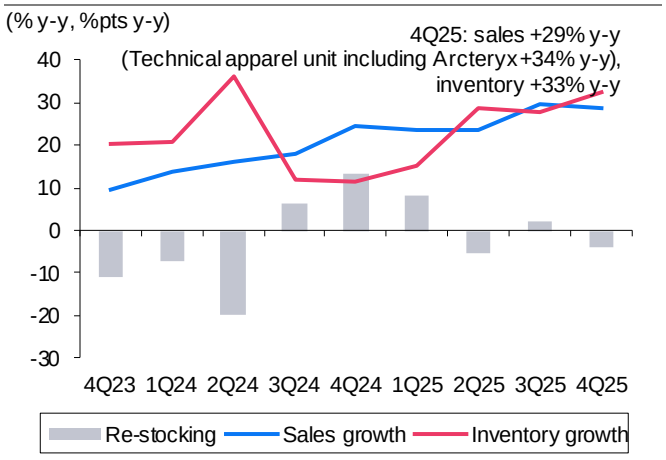
Source: Bloomberg, Samsung Securities

VFC: Sales, inventory, and re-stocking growth



Source: Bloomberg, Samsung Securities

Amer Sports: Sales, inventory, and re-stocking growth



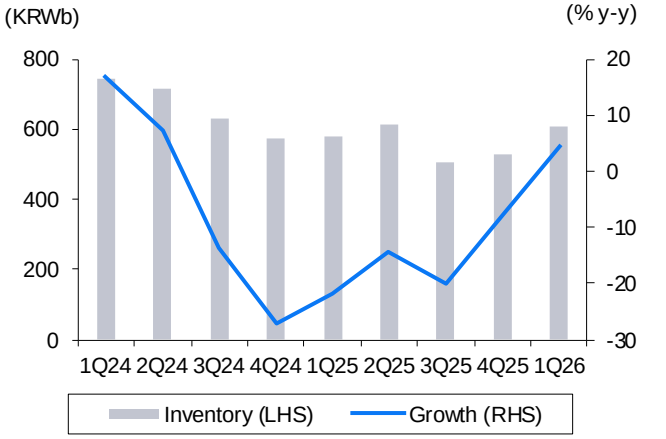
Source: Bloomberg, Samsung Securities

Brands: Guidance and comments

Brand	Comments
Lulu lemon	• 4Q25 sales growth of 1%, down from 6-7% over 1Q25-3Q25 • By region: US -6%, China +24% • 2026 sales guidance: USD11.4b-11.5b, implying growth of 2.2-2.5%, down from 2025 sales growth of 5%
VFC	• 4Q25 North Face sales growth of 8%, accelerating from 6% in 2Q25 and 3Q25 • By region: US 15%, EMEA 5%, APAC -1%
Amer Sports	• 4Q25 sales growth of 29% y-y (Technical apparel unit sales growth of 34% y-y) • 2026 sales growth guidance: 16-18%

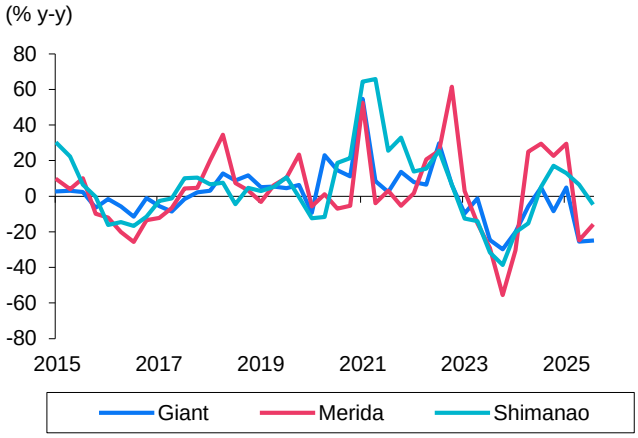
Source: Company data, Samsung Securities

Scott: Inventory



Source: Company data, Samsung Securities

Bicycle companies: Sales growth



Source: Bloomberg, Samsung Securities

Global OEM peers: Valuations

	Market cap (KRWb)	P/E (x)		EPS growth (% y-y)		P/B (x)		ROE (%)		Dividend payout ratio (%)	
		2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E
Youngone	3,536	6.6	5.9	11.4	10.5	0.8	0.7	12.4	12.3	17.9	19.3
Hansae	415	6.0	5.1	21.0	17.3	0.5	0.5	9.0	9.8	32.3	27.6
Hwaseung	265	8.8	6.1	(269.6)	44.2	0.6	0.6	6.7	8.8	11.0	8.1
Korean average		7.1	5.7	(79.0)	24.0	0.6	0.6	9.4	10.3	20.4	18.3
Eclat	4,437	14.1	12.7	23.2	11.0	3.0	2.8	21.5	22.3	70.8	70.7
Makalot	2,605	13.8	12.6	12.0	9.4	3.9	3.7	28.1	30.3	92.3	91.0
ShenZhou	13,652	10.2	9.3	(5.3)	9.7	1.5	1.4	15.3	15.7	61.3	61.4
Bosideng	9,524	11.2	10.2	4.7	9.6	2.3	2.1	21.1	21.5	82.2	82.1
Yueyuan	4,553	8.6	7.9	(1.3)	9.5	0.6	0.6	7.6	8.1	69.2	70.2
Feng Tay	3,297	13.0	11.6	2.5	12.6	2.6	2.4	20.5	21.5	81.1	83.4
Global average		11.8	10.7	6.0	10.3	2.3	2.2	19.0	19.9	76.2	76.5

Note: As of May 15, 2026
Source: Bloomberg, Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**3,518**	**4,064**	**4,378**	**4,599**	**4,826**
Cost of goods sold	2,621	2,946	3,153	3,290	3,428
Gross profit	**896**	**1,117**	**1,226**	**1,309**	**1,397**
Gross margin (%)	25.5	27.5	28.0	28.5	29.0
SG&A expenses	581	603	603	639	681
Operating profit	**316**	**514**	**622**	**671**	**717**
Operating margin (%)	9.0	12.7	14.2	14.6	14.9
Non-operating gains (losses)	**93**	**65**	**20**	**93**	**103**
Financial profit	42	41	37	41	49
Financial costs	32	30	29	27	25
Equity-method gains (losses)	-2	-0	-2	-2	-2
Other	84	55	13	80	80
Pre-tax profit	**408**	**580**	**642**	**763**	**819**
Taxes	114	153	111	168	180
Effective tax rate (%)	27.8	26.5	17.3	22.0	22.0
Profit from continuing operations	295	426	531	596	639
Profit from discontinued operations	0	0	-0	0	0
Net profit	**295**	**426**	**531**	**596**	**639**
Net margin (%)	8.4	10.5	12.1	12.9	13.2
Net profit (controlling interests)	427	492	533	598	642
Net profit (non-controlling interests)	-133	-66	-2	-2	-2
EBITDA	423	628	736	788	828
EBITDA margin (%)	12.0	15.4	16.8	17.1	17.2
EPS (parent-based) (KRW)	9,637	11,109	12,025	13,490	14,478
EPS (consolidated) (KRW)	6,647	9,619	11,979	13,439	14,423
Adjusted EPS (KRW)*	9,637	11,109	12,025	13,490	14,478

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**3,430**	**3,644**	**4,037**	**4,394**	**4,992**
Cash & equivalents	800	1,091	1,360	1,582	2,043
Accounts receivable	546	637	656	689	723
Inventories	1,225	1,225	1,262	1,326	1,390
Other current assets	859	692	758	796	835
Fixed assets	**1,960**	**2,073**	**2,097**	**2,185**	**2,078**
Investment assets	450	418	517	521	525
Tangible assets	906	1,014	907	998	894
Intangible assets	153	164	196	189	182
Other long-term assets	451	477	477	477	477
Total assets	**5,390**	**5,717**	**6,135**	**6,578**	**7,070**
Current liabilities	**728**	**940**	**961**	**995**	**1,031**
Accounts payable	425	399	411	432	453
Short-term debt	26	76	76	76	76
Other current liabilities	276	465	473	487	502
Long-term liabilities	**766**	**672**	**635**	**606**	**628**
Bonds & long-term debt	258	123	73	23	23
Other long-term liabilities	508	549	562	584	606
Total liabilities	**1,494**	**1,611**	**1,595**	**1,602**	**1,659**
Owners of parent equity	**3,687**	**4,092**	**4,528**	**4,968**	**5,404**
Capital stock	22	22	22	22	22
Capital surplus	453	453	453	453	453
Retained earnings	3,083	3,485	3,921	4,361	4,797
Other	129	132	132	132	132
Non-controlling interests' equity	**209**	**13**	**11**	**9**	**6**
Total equity	**3,896**	**4,105**	**4,540**	**4,977**	**5,410**
Net debt	-1,049	-1,046	-1,425	-1,724	-2,213

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**624**	**375**	**606**	**652**	**685**
Net profit	295	426	531	596	639
Non-cash profit and expenses	256	249	221	274	271
Depreciation	101	106	106	109	104
Amortization	6	7	8	7	7
Other	148	135	107	157	160
Changes in A/L from operating activities	192	-175	-30	-51	-52
Cash flow from investments	**-255**	**16**	**-94**	**-220**	**-16**
Change in tangible assets	-108	-207	0	-200	0
Change in financial assets	-176	188	-63	-29	-30
Other	29	35	-31	9	14
Cash flow from financing	**-412**	**-95**	**-146**	**-207**	**-204**
Change in debt	-243	102	-49	-49	1
Change in equity	0	0	0	0	0
Dividends	-57	-90	-97	-158	-205
Other	-112	-108	-0	0	0
Change in cash	-97	291	270	222	461
Cash at beginning of year	896	800	1,091	1,360	1,582
Cash at end of year	800	1,091	1,360	1,582	2,043
Gross cash flow	**550**	**675**	**752**	**870**	**910**
Free cash flow	**507**	**152**	**456**	**302**	**685**

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	-2.4	15.5	7.7	5.0	4.9
Operating profit	-50.5	63.0	20.9	7.8	6.8
Net profit	-44.7	44.7	24.5	12.2	7.3
Adjusted EPS**	-17.2	15.3	8.2	12.2	7.3
Per-share data (KRW)					
EPS (parent-based)	9,637	11,109	12,025	13,490	14,478
EPS (consolidated)	6,647	9,619	11,979	13,439	14,423
Adjusted EPS**	9,637	11,109	12,025	13,490	14,478
BVPS	86,238	96,154	106,401	116,725	126,971
DPS (common)	1,400	2,100	3,616	4,756	5,104
Valuations (x)					
P/E***	4.4	7.4	7.3	6.5	6.1
P/B***	0.5	0.9	0.8	0.8	0.7
EV/EBITDA	2.5	4.1	3.4	2.8	2.0
Ratios (%)					
ROE	12.3	12.7	12.4	12.6	12.4
ROA	5.5	7.7	9.0	9.4	9.4
ROIC	9.2	14.5	19.0	18.8	19.7
Payout ratio	14.0	18.2	28.9	33.9	33.9
Dividend yield (common)	3.3	2.6	4.1	5.4	5.8
Net debt to equity	-26.9	-25.5	-31.4	-34.6	-40.9
Interest coverage (x)	10.0	17.4	21.3	25.2	29.3

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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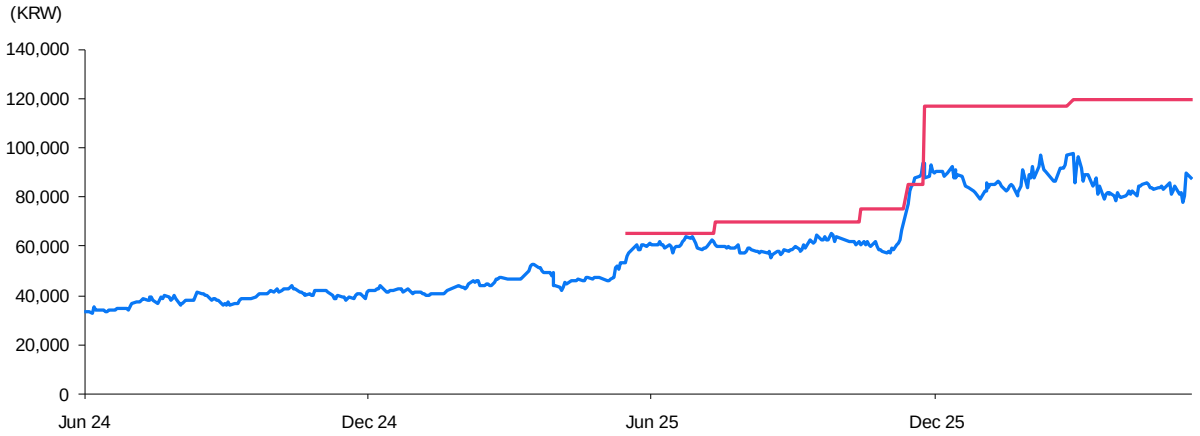
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2025/5/20	7/16	10/17	11/17	11/27	2026/3/3
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	65000	70000	75000	85000	117000	120000
Gap* (average)	-7.01	-14.48	-19.09	2.76	-25.11	
(max or min)**	-1.54	-6.86	-7.73	10.35	-16.92	

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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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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