COMPANY UPDATE

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YG Entertainment (122870)

Earnings to pick up in 2H

- YG Entertainment's 1Q consolidated operating profit of KRW19.4b (up 103.9% y-y) was in line with consensus, largely backed by Blackpink's new album and Hong Kong tour and Treasure's Asia tour.
- The agency's earnings momentum is strengthening based on rookie group's popularity and likely to pick up more steam in 2H26.

WHAT'S THE STORY?

1Q review: YG Entertainment (YGE) logged 1Q consolidated sales of KRW147.1b (up 46.9% y-y) and an operating profit of KRW19.4b (up 103.9% y-y; meeting consensus). Album sales, concert sales, and royalties jumped 323.7%, 313%, and 216.1% y-y, respectively, to KRW25.2b, KRW30.9b, and KRW11.6b, as Blackpink sold 1.94m copies of its third EP and held 6 shows (three at Tokyo Dome and three at Hong Kong Kai Tak Stadium) and Treasure also put on six shows in Asia tour. Yet, pre-tax profit slightly missed consensus due to valuation losses from its equity holdings in Tencent Music Entertainment.

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW71,000	45.8%
Current price	**KRW48,700**	
Market cap	KRW910.25b/USD603.69m	
Shares (float)	18,691,049 (72.0%)	
52-week high/low	KRW107,400/KRW48,050	
Avg daily trading value (60-day)	KRW12.4b/ USD8.2m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
YG Entertainment (%)	-12.9	-20.3	-33.2
Vs Kosdaq (%pts)	-6.0	-36.0	-56.0

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	71,000	92,000	-22.8%
2026E EPS	3,059	3,265	-6.3%
2027E EPS	3,343	3,447	-3.0%

SAMSUNG vs THE STREET

No of estimates	19
Target price	79,684
Recommendation	4.0

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

SUMMARY 1Q RESULTS

(KRWb)	1Q26	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	147.1	46.9	-14.4	8.6	6.5
Operating profit	19.4	103.7	-13.1	16.9	0.3
Pre-tax profit	17.8	40.5	37.6	-16.7	-25.5
Net profit	9.8	-4.2	24.4	-40.3	-47.3
Margins (%)					
Operating profit	13.2				
Pre-tax profit	12.1				
Net profit	6.7				

data, Fnguide, Samsung Securities estimates

VALUATION SUMMARY

	2025	2026E	2027E
Valuation (x)			
P/E	35.2	15.9	14.6
P/B	2.5	1.6	1.5
EV/EBITDA	15.6	8.7	8.8
Div yield (%)	0.4	0.8	0.9
EPS growth (% y-y)	99.2	54.9	9.3
ROE (%)	7.4	10.6	10.5
Per-share data (KRW)			
EPS	1,974	3,059	3,343
BVPS	27,689	30,553	33,521
DPS	300	400	450

Earnings momentum to pick up from 2H26: In 2Q, Babymonster and Treasure are both scheduled to release new albums. Treasure should hold seven concerts in Asia tour and three fan concerts in Seoul. Babymonster should embark on a second world tour, with three shows in Seoul. Considering the scale and geographic reach of upcoming tours, we forecast YGE's earnings will expand h-h in 2H26. Meantime, BIGBANG, celebrating its 20th anniversary, is set to release a new album and go on a world tour. While specific dates and venue details have yet to be announced, the official confirmation of a tour launch in August means that sales from the tour will begin to materially impact operating results from 2H26. BABYMONSTER, meanwhile, has planned a Japan tour (11 shows) in 3Q, including Osaka's Kyocera Dome—a clear signal of their upgraded scale. The seven-member girl group should expand further into Europe, North America, and Oceania later. Investors need to note that the agency's rookie artists are generating meaningful revenue through merchandise and licensing, and as their tours expand, related merchandise sales should sustain stable growth.

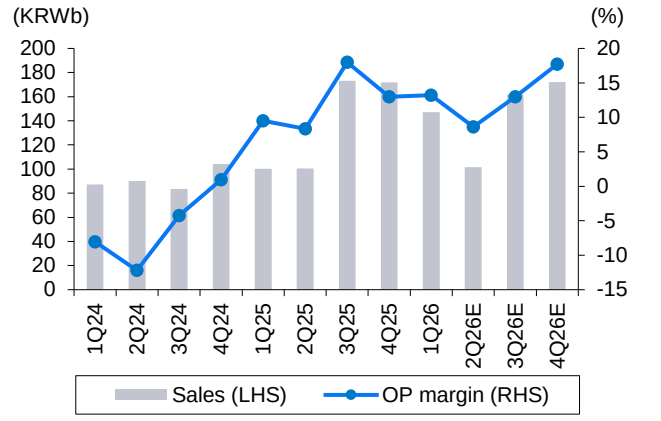
Maintaining BUY: We trim our 2026 and 2027 net profit estimate by 6% and 3%, respectively, and lower our target P/E multiple to 22x (from 25x previously) to reflect a drop in the sector's valuation. Accordingly, we reduce our target price to KRW71,000 (based on a 12-month forward P/E of 22x, a 10% discount to domestic and overseas peers; Bloomberg). A new boy group (scheduled to debut this autumn) should further bolster the firm's artist roster.

Table 1. Results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	2024	2025	2026E	2027E
Sales	**87.3**	**90.0**	**83.5**	**104.1**	**100.2**	**100.4**	**173.1**	**171.8**	**147.1**	**101.6**	**161.7**	**172.1**	**364.9**	**545.4**	**582.5**	**567.4**
Album/DVD	2.9	4.7	2.8	4.9	5.9	2.0	11.8	8.8	25.2	16.2	8.4	14.3	15.3	28.5	64.0	40.6
Digital content	15.8	17.7	14.7	19.1	15.8	19.8	20.2	20.0	19.6	20.1	21.7	22.6	67.3	75.8	84.0	89.6
Merchandising	16.4	16.4	13.9	23.0	26.0	19.2	28.1	24.1	20.5	14.2	32.3	33.8	69.6	97.5	100.7	97.7
Concert	2.0	7.0	3.1	4.9	7.5	8.8	50.8	59.3	30.9	5.1	38.5	23.4	17.0	126.4	98.0	99.5
Ads	10.9	9.2	6.4	8.4	5.1	5.3	9.2	8.6	6.6	7.3	8.2	8.6	34.9	28.2	30.6	33.0
Royalties	11.2	-1.2	10.5	4.8	3.7	9.3	16.3	15.7	11.6	3.9	15.6	30.3	25.4	45.0	61.4	48.2
Guarantee	2.7	2.7	4.4	6.8	2.6	4.1	4.5	1.8	0.9	1.7	3.0	4.2	16.5	13.0	9.8	12.9
Music service	17.0	21.5	19.2	21.0	22.4	22.1	21.2	21.6	20.5	22.7	22.6	22.8	78.6	87.2	88.6	97.8
Commission	8.5	12.1	8.5	11.2	11.1	9.9	11.0	11.8	11.3	10.4	11.4	12.2	40.3	43.7	45.3	48.1
Operating profit	**-7.0**	**-11.0**	**-3.6**	**1.0**	**9.5**	**8.4**	**31.1**	**22.3**	**19.4**	**8.8**	**21.0**	**30.5**	**-20.6**	**71.3**	**79.7**	**75.0**
Operating margin (%)	-8.0	-12.2	-4.3	1.0	9.5	8.3	18.0	13.0	13.2	8.6	13.0	17.7	-5.6	13.1	13.7	13.2
Non-operating gains (losses)	10.1	12.5	4.5	22.3	3.1	5.5	4.7	-9.4	-1.6	6.2	8.0	5.5	49.4	3.9	18.2	23.9
Pre-tax profit	3.1	1.5	0.9	23.3	12.7	13.8	35.8	12.9	17.8	15.0	29.0	36.0	28.8	75.2	97.8	98.9
Net profit (controlling)	**0.4**	**-1.9**	**-0.2**	**20.3**	**5.2**	**8.0**	**17.0**	**6.7**	**4.8**	**9.6**	**18.8**	**24.0**	**18.5**	**36.9**	**57.2**	**62.5**
Chg (% y-y)																
Sales	**-44.5**	**-43.1**	**-42.0**	**-4.9**	**14.7**	**11.6**	**107.2**	**65.1**	**46.9**	**1.2**	**-6.6**	**0.2**	**-35.9**	**49.4**	**6.8**	**-2.6**
Album/DVD	-80.9	-24.6	-86.3	171.1	104.1	-57.6	321.9	77.7	323.7	718.3	-28.9	62.2	-64.9	85.9	124.8	-36.6
Digital content	-16.6	-9.3	-12.1	-8.5	0.2	12.1	37.1	4.8	24.1	1.5	7.4	13.1	-11.5	12.7	10.8	6.7
Merchandising	-4.1	-33.0	-25.9	31.1	59.1	17.1	102.2	5.1	-21.4	-26.1	15.0	39.9	-10.5	40.0	3.3	-3.0
Concert	-95.0	-77.7	-90.7	-23.7	270.5	26.9	1,528.3	1,115.1	313.0	-42.0	-24.1	-60.6	-84.8	644.0	-22.5	1.6
Ads	-34.8	-39.1	-49.2	-42.0	-53.0	-42.4	43.5	2.9	27.6	37.0	-10.9	-0.5	-40.7	-19.2	8.3	7.9
Royalties	-16.9	적전	221.6	-46.9	-67.2	nm	55.4	225.8	216.1	-57.8	-4.4	92.4	-45.3	77.7	36.4	-21.6
Guarantee	-47.1	-33.2	-1.4	73.1	-3.6	49.5	2.5	-73.0	-65.4	-58.2	-32.9	128.3	-5.3	-21.7	-24.6	31.6
Music service	-21.5	-6.5	-18.8	1.4	31.9	2.7	10.9	2.7	-8.3	2.7	6.3	5.7	-11.6	11.0	1.5	10.4
Commission	-3.6	-11.9	-21.3	-22.2	30.7	-18.6	28.3	5.6	1.8	5.7	4.0	3.3	-15.6	8.4	3.7	6.0
Operating profit	**nm**	**nm**	**nm**	**149.6**	**nm**	**nm**	**nm**	**2,146.0**	**103.9**	**4.8**	**-32.5**	**36.4**	**nm**	**nm**	**11.7**	**-5.9**
Operating margin (%pts)	-31.2	-30.4	-19.0	0.6	17.5	20.5	22.2	12.0	3.7	0.3	-5.0	4.7	-20.9	18.7	0.6	-0.5
Non-operating gains (losses)	91.9	nm	nm	942.2	-69.0	-56.3	4.6	nm	nm	13.6	72.0	nm	688.9	-92.1	367.6	31.5
Pre-tax profit	-92.5	-94.5	-95.6	817.6	306.1	794.3	3,865.8	-44.4	40.4	8.3	-18.8	178.3	-69.1	161.0	30.0	1.1
Net profit (controlling)	**-98.6**	**nm**	**nm**	**378.1**	**1,375.6**	**nm**	**nm**	**-66.8**	**-7.7**	**20.4**	**10.4**	**257.0**	**-69.8**	**99.3**	**54.9**	**9.3**

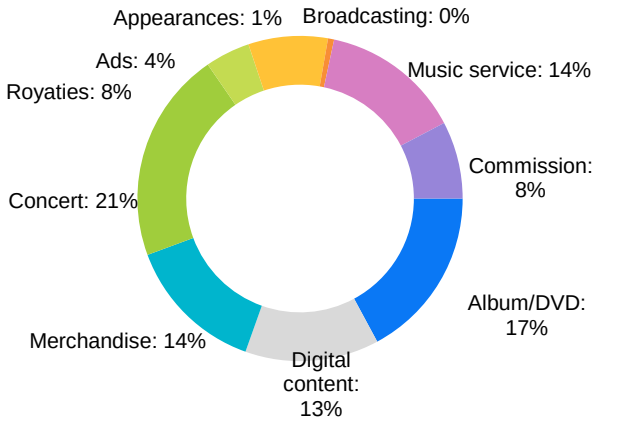
Source: Company data, Samsung Securities

Chart 1. Sales and operating margin



Source: Company data, Samsung Securities

Chart 2. Sales, by division (1Q26 basis)



Source: Company data, Samsung Securities

Table 2. 1Q26 vs 1Q25 album sales

1Q26				1Q25			
Key album	**Sales (units)**	**Key album**	**Sales (units)**	**Key album**	**Sales (units)**	**Key album**	**Sales (units)**
1	Blackpink	Total	1,995,955	1	Treasure	Total	796,505
		Deadline	1,942,638			Special EP [Pleasure]	796,505
2	Babymonster	Total	69,096	2	Babymonster	Total	110,697
		We Go Up	46,371			Drip (Nemo)	50,353
3	Yoon (Winner)	Total	8,006	3	Blackpink	Total	46,326
		PAGE 2	8,006			Born Pink	21,524
4	Rose (Blackpink)	Total	6,561				
		R	6,561				
Total			2,079,618				985,075

Note: Based on Circle Chart Top 100; Since Blackpink members' solo activities have been managed separately since 2024. Only catalog sales are included
Source: Company data, Circle Chart, Samsung Securities

Table 3. 2Q26 vs 2Q25 album sales

2Q26 (Apr)				2Q25			
Rank	**Artists**	**Rank**	**Artists**	**Rank**	**Artists**	**Rank**	**Artists**
1	Blackpink	Total	47,951	1	Babymonster	Total	99,186
		Deadline	47,951			Drip	50,126
2				2	Blackpink	Total	16,465
						Born Pink	12,206
3				3	Rose (Blackpink)	Total	6,944
						R	6,944
				4	Treasure	Total	6,598
						[Pleasure]	6,598
				5	Bigbang	Total	6,024
						4th mini album	6,024
Total			47,951				135,217

Note: Based on Circle Chart Top 100; Since Blackpink members' solo activities have been managed separately since 2024. Only catalog sales are included
Source: Company data, Circle Chart, Samsung Securities

Table 4. Albums and concerts from 2026

Artists	Album		Release	Category	Sales (units)
Blackpink	Deadline		Feb 27, 2026	3rd EP	1,990,589
Babymonster	CHOOM		May 4	3rd mini album	601,005*
Treasure	NEW WAV		Jun 1	4th mini album	
Babymonster	SUGAR HONEY		Jun	Digital Single	
Bigbang	TBD				
Artists	**Country**	**Concert/fan meeting**	**Dates**	**Cities**	**Appearances**
Babymonster	Asia	(Fan concert) LOVE MONSTERS	Jan 2-3	Taipei	2
Yoon (Winner)	Asia	PASSSAGE#2	Jan 3-Mar 15	Korea 4cities, Japan 2cities	6
Blackpink	Asia	Deadline	Jan 16-26	Tokyo, Hongkong	6
Treasure	Asia	Pulse On	Feb 10-11	Kanagawa, Osaka, Macao, Taipei	6
Treasure	Asia	Pulse On	Apr 18- May 30	Asia 6cities	7
Treasure	Korea	(Fan concert) The Stage 2026	Jun 19-21	Seoul	3
Babymonster	Korea	CHOOM	Jun 26-28	Seoul	3
Treasure	Japan	(Fan concert) The Stage 2026	Jul 8-Sep 6	Japan 7cities	17
Babymonster	Japan	CHOOM	Jul 8-Sep 23	Japan 6cities	11
Bigbang	Global	TBD	Aug ~		
Babymonster	Global	CHOOM		Asia, Oceania, Europe, North America, South America	

Note: Album sales volumes are as of Apr 30, 2026; Babymonster sales are from the first week only
Source: Company data, Circle Chart Top-100, Samsung Securities

Table 5. Blackpink: 2025-2026 world tour <Deadline>

Date	City	Appearances	Details
Jul 5-6	Goyang	2	Goyang Sports Complex
Jul 12-13	LA	2	Sofi Stadium
Jul 18	Chicago	1	Solder Field
Jul 22-23	Toronto	2	Rogers Center
Jul 26-27	New York	2	Citi Field
Aug 2-3	Paris	2	Stade De France
Aug 6	Milan	1	Ippodromo Snai La Maura
Aug 9	Barcelona	1	Estadi Olimpic Lluis Companys
Aug 15-16	London	2	Wembley Stadium
Oct 18-19	Kaohsiung	2	Kaohsiung National Stadium
Oct 24-26	Bangkok	3	Raja Mangala National Stadium
Nov 1-2	Jakarta	2	Gelora Bung Karno Stadium
Nov 22-23	Bulacan	2	Philippine Arena
Nov 28-30	Singapore	3	Singapore National Stadium
Jan 16-18, 2026	Tokyo	3	Tokyo Dome
Jan 24-26	Hong Kong	3	Kaitak Stadium

Note: Concert may add more / Source: Company data, Samsung Securities

Table 6. Treasure's 2025-2026 plan

Date	Category	Details
Jan 10-May 30	Concert 'PULSE ON'	4 concerts (Japan), 9 concerts (Asia 8 cities)
Jun 1	Album	4th mini album
Jun 19-Sep 6	Fan concert 'The Stage 2026'	3 concerts (Korea), 17 concerts (Japan 7 cities)
2H26	Album	Solo, Units

Source: Company data, Samsung Securities

Table 7. Treasure World tour <Pulse On>

Month	Dates	City	Appearances	Month	Dates	City	Appearances
Oct	10-12	Seoul	3	Mar	6	Macao	1
	25-26	Tokyo	2		28	Taipei	1
Nov	7-9	Aichi	3	Apr	18	Manila	1
	14-16	Fukuoka	3		25-26	Jakarta	2
	22-24	Kanagawa	3	May	3	Singapore	1
Jan 2026	10-11	Kanagawa	2		9	Hongkong	1
Feb	10-11	Osaka	2		30	Kula Lumpur	1
				Mar	6	Macao	1

Note: 27 concerts 14 cities
Source: Company data, Samsung Securities

Table 8. Babymonster World tour <Choom>

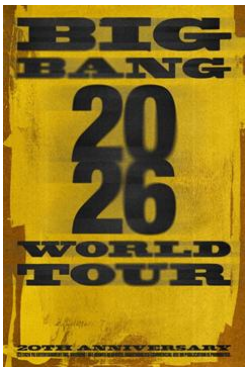
Month	Dates	City	Appearances	Month	Dates	City	Appearances
6	26-28	Seoul	3	9	22~23	Osaka	2
7	8~9	Kobe	2			Asia	
	28~29	Fukuoka	2			Oceania	
8	1~2	Yokohama	2			Europe	
	11~12	Chiba	2			North America	
	16	Nagoya	1			South America	

Note: Based on currently announced concerts (14 concerts across 7 cities). Asia, Oceania, Europe, North America, and South America are expected to be announced
Source: Company data, Samsung Securities

Chart 3. Babymonster world tour 'Choom'

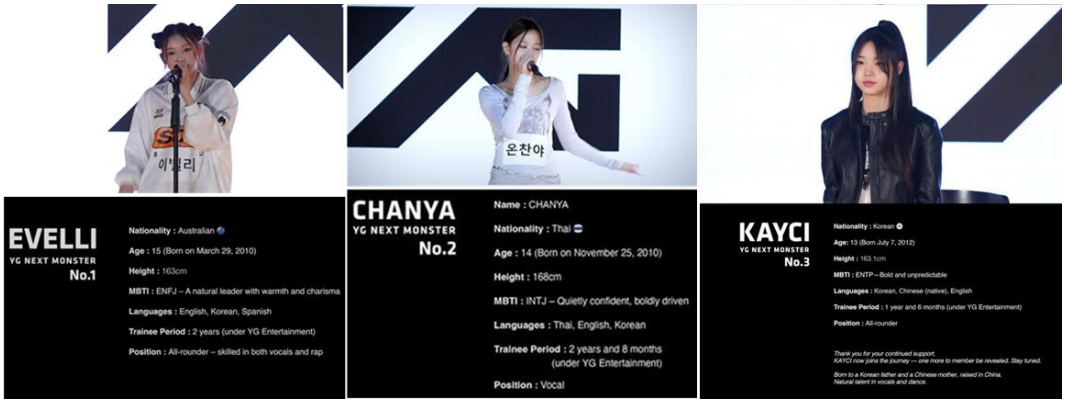
Source: Company data, Samsung Securities

Chart 4. Bigbang 20th anniversary world tour teaser



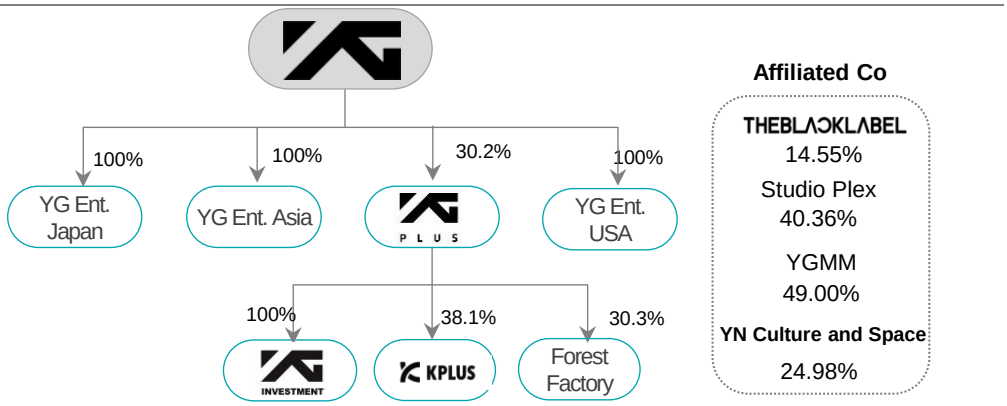
Note: Bigbang announced 20th anniversary world tour will begin in August in Coachella
Source: Company data, Samsung Securities

Chart 5. Three members of an upcoming girl group revealed



Note: Member reveal of upcoming four-member rookie girl group (Evelli in May 2025, Chanya in Jun 2025, Kayci in Apr 2026)
Source: Company data, Samsung Securities

Chart 6. Governance structure (as of 2025)



Source: Company data, Samsung Securities

Table 9. Lineup

Group	Member	Debut	Group	Member	Debut	Group	Member	Debut
Jinu-Sean	Sean	1997	**Treasure***	Jaehyuk	2020	**Babymonster****	Ruka	Apr 2024
Eun Ji-won		1997		Haruto			Pharita	
Akmu	Lee Chan-hyuk	2013		Junghwan			Asa	
	Lee Su-hyun			Junkyu			Ahyeon	
Winner	Seungyoon	2014		Jeongwoo			Haram	
	Jinwoo			Hyunsuk			Rora	
	Seunghoon			Doyoung			Chiquita	
	Mino			Yoshi		**New boy group**	TBD	2026
Blackpink	*Only group	2016		Jihoon		**New girl group**	4 members	2027
	(Jisoo, Jennie, Rose, Lisa)			Asahi				

Note: *Treasure (debuted on Aug 7, 2020) announced that they had completed their early contract renewal in a march 2025 media interview
**Babymonster initially began their activities with digital single 'Batter Up' on Nov 27, 2023, but their official debut date was later changed to Apr 1, 2024 when they released an EP as a full 7-member group
*** Akmu announced departure from YG (Dec, 2025)
Source: Company data, Samsung Securities

Table 10. Revisions to 2026 and 2027 forecasts

Category	Details
Subject	Establishment of a three-year shareholder return policy (2024-2026)
Disclosure date	Feb 29, 2024
Purpose	Enhancement of shareholder value
Method	Dividend
Policy	Annual dividend payout ratio of 10-20% of net income; reflecting business conditions and market environment
Policy period	Three years (2024-2026)

Source: Company data, Samsung Securities

Table 11. Revisions to 2026 and 2027 forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	Chg (% q-q)	Chg (% y-y)	2023	2024	2025
Sales	41.5	48.1	41.0	54.4	59.0	48.3	69.9	58.8	-15.8	8.2	223.6	184.9	236.0
Operating profit	-2.0	0.4	-1.1	2.0	8.7	4.2	14.1	5.4	-61.9	162.2	21.2	-0.7	32.3
Pre-tax profit	0.3	3.2	-0.7	1.3	7.9	5.4	14.7	0.9	-93.7	-31.6	25.0	4.1	28.9
Net profit	-0.1	2.2	-1.0	0.9	7.0	4.5	10.5	1.7	-84.1	83.4	22.3	2.0	23.6

Note: 1Q26 results yet to be announced
Source: Dart, Samsung Securities

Table 12. Revisions to 2026 and 2027 forecasts

(KRWb)	2026E			2027E		
	Old	New	Chg (%)	Old	New	Chg %
Sales	552.4	582.5	5.4	589.2	567.4	-3.7
Operating profit	70.5	79.7	13.0	76.7	75.0	-2.2
Operating margin (%, %pts)	12.8	13.7	0.9	13.0	13.2	0.2
Pre-tax profit	95.7	97.8	2.3	102.8	98.9	-3.8
Net profit (controlling)	61.0	57.2	-6.3	64.4	62.5	-3.0

Source: Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**365**	**545**	**582**	**567**	**618**
Cost of goods sold	265	359	389	384	425
Gross profit	**99**	**187**	**194**	**183**	**193**
Gross margin (%)	27.3	34.2	33.3	32.2	31.3
SG&A expenses	118	134	116	108	110
Operating profit	**-21**	**71**	**80**	**75**	**83**
Operating margin (%)	-5.6	13.1	13.7	13.2	13.4
Non-operating gains (losses)	**49**	**4**	**18**	**24**	**25**
Financial profit	19	18	21	20	21
Financial costs	4	11	10	3	3
Equity-method gains (losses)	23	0	2	2	3
Other	12	-3	4	5	5
Pre-tax profit	**29**	**75**	**98**	**99**	**108**
Taxes	9	21	26	23	26
Effective tax rate (%)	30.5	28.6	26.2	23.7	23.7
Profit from continuing operations	20	54	72	75	82
Profit from discontinued operations	0	0	0	0	0
Net profit	**20**	**54**	**72**	**75**	**82**
Net margin (%)	5.5	9.9	12.4	13.3	13.3
Net profit (controlling interests)	19	37	57	62	68
Net profit (non-controlling interests)	2	17	15	13	14
EBITDA	11	82	103	96	101
EBITDA margin (%)	3.1	15.1	17.7	16.9	16.4
EPS (parent-based) (KRW)	991	1,974	3,059	3,343	3,659
EPS (consolidated) (KRW)	1,072	2,875	3,862	4,036	4,413
Adjusted EPS (KRW)*	991	1,974	3,059	3,343	3,659

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**0**	**91**	**79**	**94**	**91**
Net profit	20	54	72	75	82
Non-cash profit and expenses	10	37	42	35	34
Depreciation	15	14	14	14	14
Amortization	15	16	11	7	4
Other	-20	7	18	14	15
Changes in A/L from operating activities	-20	11	-17	-2	-10
Cash flow from investments	**1**	**3**	**-28**	**-16**	**-22**
Change in tangible assets	-5	-5	-15	-14	-16
Change in financial assets	-5	7	-9	0	-3
Other	10	1	-4	-2	-3
Cash flow from financing	**-12**	**-12**	**-6**	**-8**	**-8**
Change in debt	6	-6	-1	-0	0
Change in equity	0	0	0	0	0
Dividends	-6	-5	-6	-7	-8
Other	-13	-1	0	0	-0
Change in cash	-10	82	18	65	54
Cash at beginning of year	97	87	168	186	251
Cash at end of year	87	168	186	251	305
Gross cash flow	**30**	**91**	**115**	**111**	**116**
Free cash flow	**-7**	**85**	**64**	**80**	**75**

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	**303**	**446**	**496**	**574**	**642**
Cash & equivalents	87	168	186	251	305
Accounts receivable	69	92	103	107	112
Inventories	10	21	21	22	24
Other current assets	137	165	187	195	202
Fixed assets	**431**	**393**	**410**	**404**	**414**
Investment assets	183	163	186	185	195
Tangible assets	188	175	176	176	178
Intangible assets	47	35	24	17	13
Other long-term assets	13	19	23	25	28
Total assets	**734**	**839**	**906**	**978**	**1,056**
Current liabilities	**110**	**171**	**171**	**174**	**177**
Accounts payable	35	34	39	38	37
Short-term debt	0	0	0	0	0
Other current liabilities	76	137	132	136	140
Long-term liabilities	**21**	**17**	**17**	**17**	**17**
Bonds & long-term debt	7	6	6	6	6
Other long-term liabilities	13	11	11	11	11
Total liabilities	**131**	**188**	**187**	**191**	**195**
Owners of parent equity	**483**	**514**	**567**	**622**	**682**
Capital stock	10	10	10	10	10
Capital surplus	227	227	227	227	227
Retained earnings	229	258	310	365	425
Other	18	19	20	20	20
Non-controlling interests' equity	**120**	**137**	**152**	**165**	**179**
Total equity	**603**	**651**	**719**	**787**	**861**
Net debt	-65	-152	-171	-236	-290

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	-35.9	49.4	6.8	-2.6	8.9
Operating profit	nm	nm	11.7	-5.9	10.4
Net profit	-74.0	168.3	34.3	4.5	9.3
Adjusted EPS**	-69.8	99.2	54.9	9.3	9.5
Per-share data (KRW)					
EPS (parent-based)	991	1,974	3,059	3,343	3,659
EPS (consolidated)	1,072	2,875	3,862	4,036	4,413
Adjusted EPS**	991	1,974	3,059	3,343	3,659
BVPS	26,050	27,689	30,553	33,521	36,759
DPS (common)	250	300	400	450	450
Valuations (x)					
P/E***	46.2	35.2	15.9	14.6	13.3
P/B***	1.8	2.5	1.6	1.5	1.3
EV/EBITDA	80.3	15.6	8.7	8.8	7.9
Ratios (%)					
ROE	3.9	7.4	10.6	10.5	10.5
ROA	2.7	6.8	8.3	8.0	8.1
ROIC	-6.3	22.9	28.3	27.3	29.9
Payout ratio	25.0	15.1	13.0	13.4	12.2
Dividend yield (common)	0.5	0.4	0.8	0.9	0.9
Net debt to equity	-10.8	-23.4	-23.8	-30.0	-33.7
Interest coverage (x)	-27.2	125.4	166.9	159.9	175.0

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Target price changes in past two years

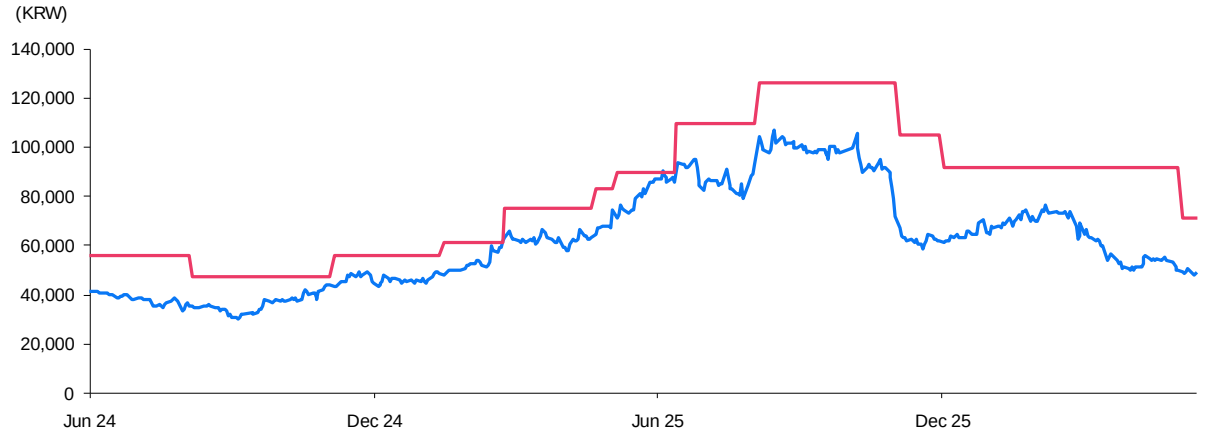

Chart 1. Rating changes over past two years (adjusted share prices)

Date	2024/1/17	8/12	11/11	2025/1/20	2/28	4/28	5/12	6/19	8/11	11/10	12/8	2026/5/11
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	56000	47000	56000	61000	75000	83000	90000	110000	126000	105000	92000	71000
Gap* (average)	-25.77	-22.33	-16.95	-12.45	-16.69	-17.33	-9.40	-20.56	-23.06	-40.76	-31.51	
(max or min)**	-15.89	-5.96	-11.96	1.31	-10.93	-10.36	0.33	-13.45	-14.76	-38.19	-16.85	

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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BUY(85.2%)·HOLD(14.8%)·SELL(0%)

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