COMPANY UPDATE

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Tech Team

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Innocean Worldwide (214320)

Opportunities growing, earnings stable

- Innocean Worldwide reported 1Q operating profit of KRW39.8b (up 33.3% y-y), which beat consensus by 20.6%. The topline growth was driven by increasing customer experience (CX) projects and growing non-captive orders. Margins improved y-y on better operation efficiencies.
- The agency is prioritizing expansion in the promising CX business and global sports marketing.
- It is likely to keep focusing on profitability. With solid earnings momentum intact, its shareholder returns are likely to increase.

WHAT'S THE STORY?

1Q results beat consensus: Innocean Worldwide reported 1Q gross profit of KRW250.1b (up 7.7% y-y), with operating profit reaching KRW39.8b (up 33.3% y-y; topping consensus by 20.6%). The remarkable results were driven by:1) growing demand for customer experience (CX) projects, fueled by a rising number of large-scale offline campaigns at home and abroad; 2) addition of new clients; and 3) the firm's service coverage expansion. Operating margin as a percentage of gross profit improved 3.1%pts y-y to 15.9%, reflecting a powerful mix of domestic CX business expansion, a more diversified global portfolio, and AI-powered operational efficiencies. Net profit leapt 134.5% y-y, buoyed by favorable forex valuation gains.

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW25,000	21.7%
Current price	**KRW20,550**	
Market cap	KRW822b/USD545.53m	
Shares (float)	40,000,000 (70.8%)	
52-week high/low	KRW21,850/KRW16,760	
Avg daily trading value (60-day)	KRW4.1b/ USD2.7m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Innocean Worldwide (%)	9.1	14.5	16.6
Vs Kospi (%pts)	-5.9	-36.4	-57.9

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	25,000	25,000	0.0%
2026E EPS	2,785	2,474	12.6%
2027E EPS	2,937	2,586	13.6%

SAMSUNG vs THE STREET

No of estimates	8
Target price	25,375
Recommendation	4.0

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

SUMMARY 1Q RESULTS

(KRWb)	1Q26	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	523.8	4.1	-17.1	0.9	2.0
Operating profit	39.8	33.4	-12.0	24.2	20.6
Pre-tax profit	47.2	72.4	129.1	41.2	41.0
Net profit	39.6	134.5	14.0	86.3	64.3
Margins (%)					
Operating profit	7.6				
Pre-tax profit	9.0				
Net profit	7.6				

data, Fnguide, Samsung Securities estimates

VALUATION SUMMARY

	2025	2026E	2027E
Valuation (x)			
P/E	8.0	7.4	7.0
P/B	0.7	0.7	0.7
EV/EBITDA	1.1	1.3	1.0
Div yield (%)	6.4	5.9	6.1
EPS growth (% y-y)	-8.5	21.4	5.5
ROE (%)	8.9	10.2	10.1
Per-share data (KRW)			
EPS	2,294	2,785	2,937
BVPS	26,618	28,227	29,959
DPS	1,175	1,205	1,255

Focusing on new growth engines: In response to evolving advertising and marketing environments, Innocean Worldwide is doubling down on two key segments: CX and global sports marketing. The CX business is becoming a fully integrated, end-to-end offering that seamlessly connects physical and digital touchpoints, from spatial design and venue execution to digital engagement. We see this business promising in the long term. Meanwhile, global sports marketing is a structurally growing segment. With proven expertise in major campaigns—including Indian cricket leagues and the FIFA World Cup—Innocean has built a track record and should steadily scale its pipeline as global sports events continue to expand in number and scale.

Fundamentals and profitability to improve: Beyond steady order growth from its captive clients, Innocean has been proactively upgrading its service capabilities and broadening its client base to stay ahead of market shifts. This strategy should fuel further growth in both media volume and service scope. The agency remains committed to a profit-first business model in 2026. With solid earnings momentum intact, the firm is likely to keep increasing returns to shareholders.

Table 1. Results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	2024	2025	2026E	2027E
Sales	**459.7**	**496.8**	**497.5**	**639.0**	**503.4**	**519.0**	**491.5**	**632.1**	**523.8**	**530.5**	**495.9**	**655.5**	**2,120.6**	**2,146.0**	**2,205.7**	**2,264.3**
Gross profit	**177.1**	**213.4**	**211.5**	**247.7**	**232.1**	**241.6**	**248.3**	**268.2**	**250.1**	**257.7**	**262.8**	**281.9**	**941.9**	**990.2**	**1,052.4**	**1,096.6**
Parent	34.6	52.2	48.9	69.8	46.7	56.7	55.2	70.0	50.3	50.9	58.3	66.3	214.4	228.5	225.8	226.8
Media representative	12.5	21.6	21.1	29.6	15.4	23.3	22.5	28.9	14.4	17.7	24.7	25.8	87.8	90.1	82.7	82.1
Advertising productions	9.3	15.6	14.3	19.6	16.2	16.4	17.2	22.4	14.3	16.1	17.8	21.8	62.3	72.1	70.0	70.8
Outdoor advertising	2.1	2.6	2.9	2.4	2.1	3.0	3.1	2.9	2.3	3.1	3.1	2.9	10.8	11.1	11.4	11.6
Promotions	5.6	8.5	6.1	12.0	9.0	8.7	6.8	8.8	10.7	8.6	7.2	8.6	35.0	33.3	35.1	35.0
Other	5.1	3.9	4.3	6.1	4.0	5.3	5.6	7.0	8.7	5.4	5.5	7.2	18.5	21.9	26.7	27.3
Overseas	142.6	161.3	162.7	178.7	185.7	185.1	193.3	198.4	200.0	206.7	204.6	215.6	728.8	762.5	826.9	869.8
SG&A costs	157.9	171.7	170.7	199.4	202.3	205.1	197.0	223.0	210.3	218.1	209.0	236.3	786.3	827.4	873.6	907.6
Labor costs	121.6	134.6	133.9	158.0	160.9	163.4	155.9	177.8	166.3	172.2	167.5	185.8	614.6	658.0	691.8	720.0
Other	36.3	37.0	36.7	41.4	41.4	41.7	41.1	45.2	43.9	45.8	41.5	50.6	171.7	169.4	181.8	187.6
Operating profit	**19.2**	**41.7**	**40.8**	**48.2**	**29.8**	**36.4**	**51.3**	**45.2**	**39.8**	**39.6**	**53.8**	**45.6**	**155.7**	**162.8**	**178.8**	**189.0**
Operating margin (%)	10.9	19.5	19.3	19.5	12.9	15.1	20.7	16.9	15.9	15.4	20.5	16.2	16.5	16.4	17.0	17.2
Pre-tax profit	27.8	49.8	48.3	35.4	27.4	33.0	54.2	20.6	47.2	37.0	56.3	36.5	168.7	135.2	177.0	186.6
Net profit	**20.9**	**27.9**	**39.3**	**13.5**	**12.4**	**19.6**	**28.5**	**31.2**	**35.9**	**21.9**	**29.2**	**24.4**	**100.3**	**91.8**	**111.4**	**117.5**
Growth (% y-y)																
Sales	**32.6**	**22.5**	**6.5**	**20.3**	**3.3**	**-0.6**	**-4.0**	**5.5**	**4.1**	**2.2**	**0.9**	**3.7**	**1.3**	**1.2**	**2.8**	**2.7**
Gross profit	**7.5**	**20.1**	**10.0**	**7.5**	**10.0**	**3.1**	**4.4**	**3.7**	**7.7**	**6.7**	**5.8**	**5.1**	**10.9**	**5.1**	**6.3**	**4.2**
Parent	5.3	35.5	9.6	12.1	10.5	4.9	10.5	2.6	7.8	-10.1	5.6	-5.3	4.4	6.6	-1.2	0.4
Media representative	-14.0	13.4	3.9	-9.7	-5.7	7.5	3.4	2.9	-6.4	-23.7	9.9	-11.0	3.6	2.6	-8.3	-0.7
Advertising productions	35.0	47.9	20.7	13.6	46.2	-12.0	30.1	15.3	-11.8	-1.8	3.5	-2.4	5.9	15.7	-3.0	1.1
Outdoor advertising	10.3	12.0	21.8	39.5	-4.3	31.8	-3.1	-7.3	5.3	4.7	0.1	0.6	7.2	2.7	2.4	1.8
Promotions	-23.1	101.2	6.9	95.9	-2.2	25.4	-18.9	-15.6	18.9	-1.8	5.5	-2.0	8.3	-4.7	5.2	-0.1
Other	129.7	63.0	2.1	41.2	15.8	17.1	66.4	-2.2	119.1	1.9	-2.1	2.4	-5.0	18.4	22.2	2.3
Overseas	8.1	15.8	10.1	6.2	9.9	2.3	2.7	4.0	7.7	11.7	5.8	8.6	12.9	4.6	8.4	5.2
SG&A costs	13.1	13.2	9.4	10.2	12.1	3.8	2.6	3.2	4.0	6.3	6.1	6.0	12.4	5.2	5.6	3.9
Labor costs	11.3	13.1	10.5	15.5	13.8	5.4	4.1	5.6	3.4	5.4	7.4	4.5	12.1	7.1	5.1	4.1
Other	19.4	13.6	5.8	-6.1	5.7	-2.0	-2.6	-5.3	6.1	9.9	1.0	11.9	13.4	-1.3	7.3	3.2
Operating profit	-23.5	60.5	12.5	-2.4	-2.1	-0.7	11.8	6.1	33.3	8.7	4.9	0.8	3.8	4.6	9.8	5.7
Operating margin (%pts)	-4.4	4.9	0.4	-2.0	-1.6	-0.6	1.4	0.4	3.1	0.3	-0.2	-0.7	-1.1	-0.1	0.5	0.2
Pre-tax profit	-5.8	73.2	6.1	-9.6	-33.3	-17.3	12.9	-48.1	72.4	12.1	3.8	77.2	4.6	-19.8	30.9	5.4
Net profit	**46.6**	**323.7**	**28.7**	**-29.3**	**-52.3**	**-14.0**	**4.4**	**29.8**	**188.7**	**11.5**	**2.4**	**-21.7**	**-1.5**	**-8.5**	**21.4**	**5.5**

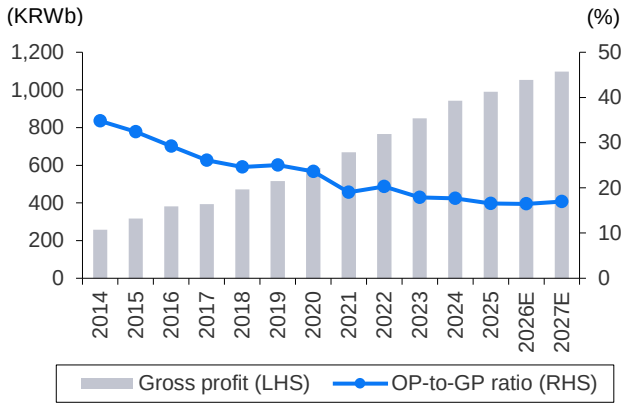
Source: Company data, Samsung Securities

Table 2. Gross profit and operating profit, by region

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2024	2025	2026E	2027E
Gross profit	**211.0**	**234.4**	**237.9**	**258.7**	**232.1**	**241.6**	**248.3**	**268.2**	**242.5**	**257.6**	**262.4**	**284.2**	**941.9**	**990.2**	**1,046.7**	**1,089.9**
Parent	42.2	54.0	49.9	68.3	46.7	56.7	55.2	70.0	46.8	52.3	57.1	67.9	214.4	228.5	224.1	223.7
Europe	25.5	28.3	27.8	31.5	29.6	30.2	32.1	37.1	31.4	33.7	35.5	39.9	113.1	129.1	140.6	150.3
Americas	120.8	126.6	133.6	131.1	132.3	128.5	136.3	132.7	134.2	130.5	138.2	134.6	512.0	529.8	537.5	547.6
China	1.5	3.0	3.7	4.2	1.3	2.2	2.6	4.3	1.3	2.3	2.6	4.3	12.4	10.4	10.5	10.5
Other	21.2	22.9	23.1	24.0	22.5	24.1	22.3	24.3	28.8	38.8	29.0	37.4	91.3	93.2	134.0	157.7
Operating profit	**30.5**	**36.7**	**45.9**	**42.6**	**29.8**	**36.4**	**51.3**	**45.7**	**32.0**	**39.4**	**54.0**	**47.2**	**155.7**	**163.3**	**172.6**	**180.7**
Parent	-0.7	2.2	4.0	11.8	0.1	4.9	8.9	11.5	0.4	4.8	9.6	12.3	17.3	25.4	27.1	28.3
Europe	5.0	6.2	6.4	8.1	6.3	5.9	7.0	7.8	6.7	6.7	7.9	8.9	25.7	27.0	30.2	32.4
Americas	24.5	25.1	33.3	21.8	23.5	22.8	32.6	19.7	24.5	24.7	34.5	22.0	104.8	98.7	105.7	109.3
China	-1.1	0.2	0.8	0.5	-1.2	0.3	0.3	1.1	-1.1	0.3	0.3	1.1	0.4	0.4	0.7	0.6
Other	2.5	2.5	2.9	0.8	1.2	2.7	2.1	0.8	1.5	2.9	1.7	2.9	8.8	6.8	8.9	10.2

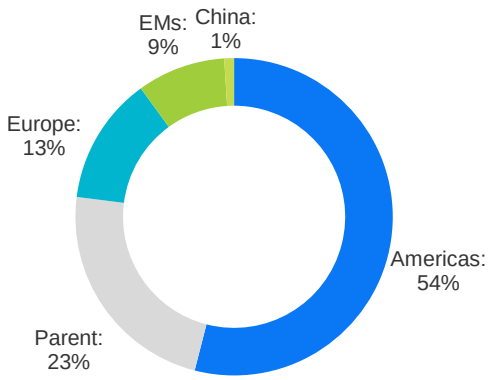
Source: Company data, Samsung Securities

Chart 1. Gross profit and OP-to-GP ratio



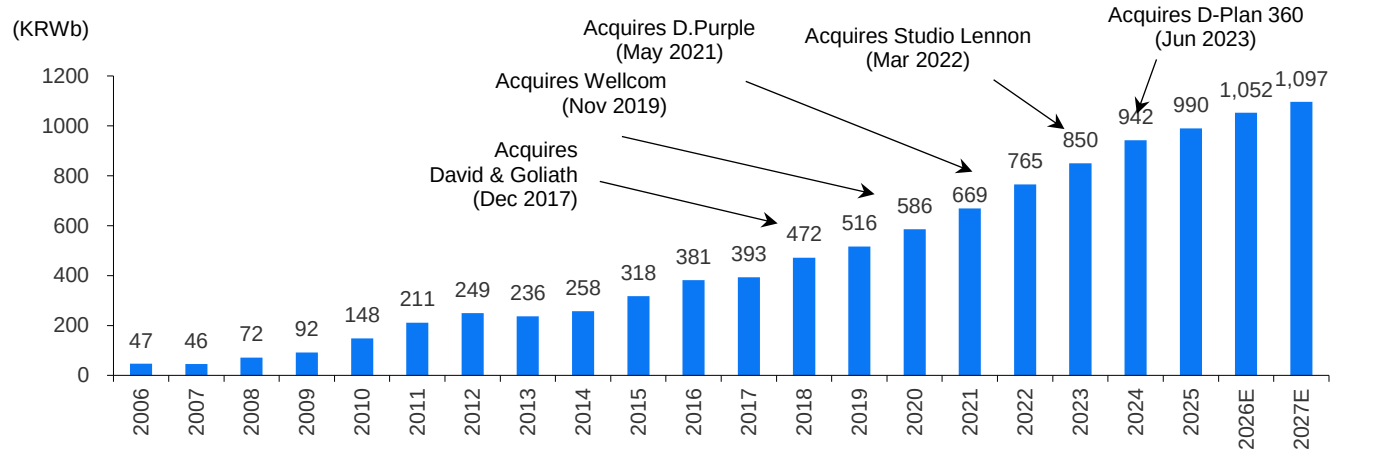
Source: Company data, Samsung Securities

Chart 2. Gross profit, by region (2025)



Source: Company data, Samsung Securities

Chart 3. Gross profit



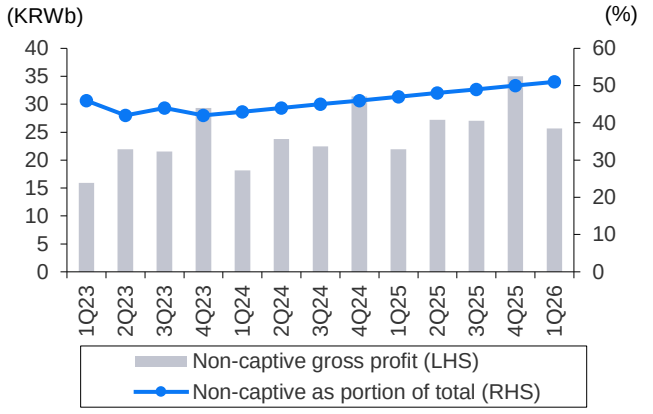
Note: Dates are dates acquisitions were announced
Source: Company data, Samsung Securities

Table 3. Innocean's main subsidiaries

Company	Stake (%)	Acquisition date	Business	Location
Canvas WW	100.0	Aug 2015	Media agency	US
David & Goliath	100.0	Jan 2018	Advertising production	US
Wellcom	100.0	Nov 2019	Digital marketing	Australia
D.Purple	100.00	May 2021	Performance marketing	Korea
Modu.up	17.58	Jul 2021	AdTech platform	Korea
Studio Lennon	63.93	May 2022	VFX	Korea
D-Plan360	78.22	Jul 2023	Digital marketing	Korea
Studio Abit	40.0	Aug 2023	Content creation	Korea
Innocean S	100.0	Sep 2023	Social marketing	Korea

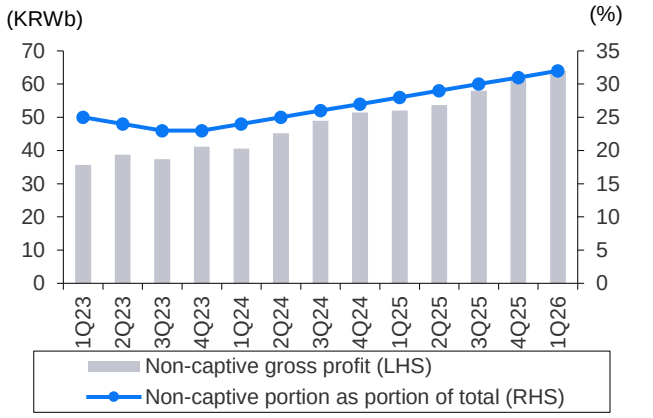
Note: Company acquired an additional 7.5% in Wellcom via Sidcom's exercise of a put option (92.5% as of end of 2024); As of 2025
Source: Dart, Company data, Samsung Securities

Chart 4. Parent: Non-captive gross profit and portion



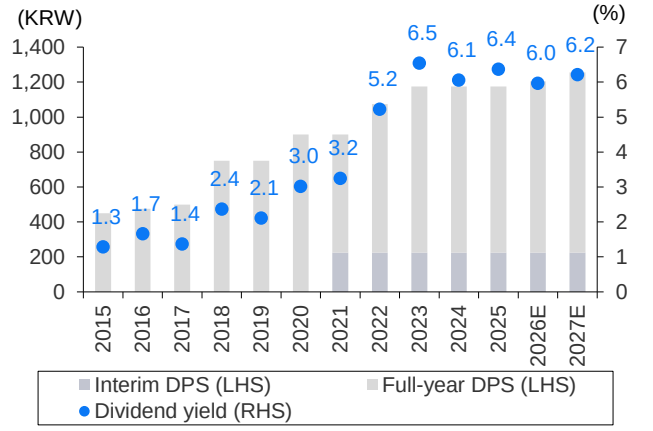
Source: Company data, Samsung Securities

Chart 5. Overseas: Non-captive gross profit and portion



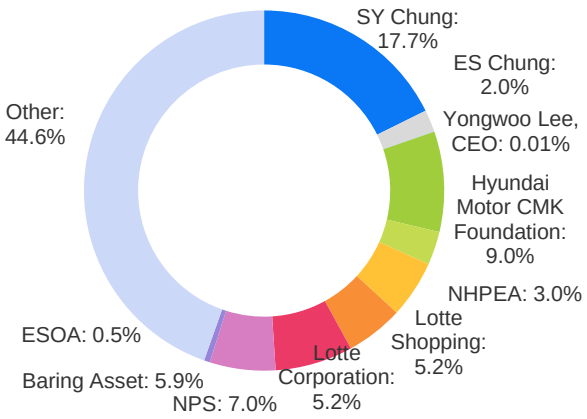
Source: Company data, Samsung Securities

Chart 6. Parent: Non-captive gross profit and portion



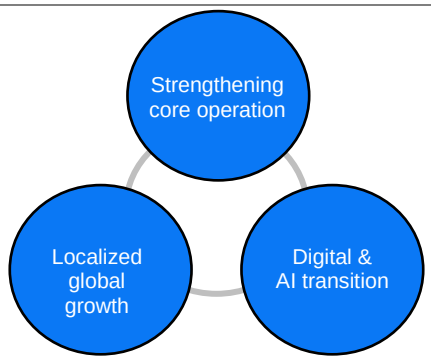
Note: Innocean announced an interim dividend from 2021
Source: Company data, Samsung Securities

Chart 7. Shareholders



Note: As of end of 2025; NHPEA stake as of Apr 17
Source: Company data, Samsung Securities

Chart 8. 2025 main strategy: Increase enterprise and shareholder value



Source: Company data, Samsung Securities

Table 4. Revisions to full-year forecasts

(KRWb)	2026E			2027E		
	Old	New	Chg (%)	Old	New	Chg (%)
Sales	2,224.9	2,205.7	-0.9	2,283.1	2,264.3	-0.8
Gross profit	1,046.7	1,052.4	0.6	1,089.9	1,096.6	0.6
Operating income	172.6	178.8	3.6	180.7	189.0	4.6
Operating margin (%, %pts)	7.8	8.1	0.3	7.9	8.3	0.4
Pre-tax income	171.8	177.0	3.0	179.9	186.6	3.7
Net income	99.0	111.4	12.6	103.5	117.5	13.6

Source: Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**2,121**	**2,146**	**2,206**	**2,264**	**2,342**
Cost of goods sold	1,179	1,156	1,153	1,168	1,196
Gross profit	**942**	**990**	**1,052**	**1,097**	**1,146**
Gross margin (%)	44.4	46.1	47.7	48.4	48.9
SG&A expenses	786	827	874	908	948
Operating profit	**156**	**163**	**179**	**189**	**198**
Operating margin (%)	7.3	7.6	8.1	8.3	8.4
Non-operating gains (losses)	**13**	**-28**	**-2**	**-2**	**-3**
Financial profit	38	28	27	27	27
Financial costs	16	31	19	20	22
Equity-method gains (losses)	1	1	2	2	2
Other	-10	-25	-11	-11	-10
Pre-tax profit	**169**	**135**	**177**	**187**	**195**
Taxes	53	26	48	50	53
Effective tax rate (%)	31.2	19.4	26.9	27.0	27.0
Profit from continuing operations	116	109	129	136	142
Profit from discontinued operations	0	0	0	0	0
Net profit	**116**	**109**	**129**	**136**	**142**
Net margin (%)	5.5	5.1	5.9	6.0	6.1
Net profit (controlling interests)	100	92	111	117	123
Net profit (non-controlling interests)	16	17	18	19	20
EBITDA	214	222	235	246	253
EBITDA margin (%)	10.1	10.4	10.6	10.9	10.8
EPS (parent-based) (KRW)	2,506	2,294	2,785	2,937	3,071
EPS (consolidated) (KRW)	2,903	2,724	3,234	3,405	3,560
Adjusted EPS (KRW)*	2,506	2,294	2,785	2,937	3,071

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**182**	**281**	**125**	**178**	**162**
Net profit	116	109	129	136	142
Non-cash profit and expenses	108	121	92	94	93
Depreciation	46	49	46	47	46
Amortization	12	10	10	10	10
Other	50	61	36	37	38
Changes in A/L from operating activities	-6	91	-63	-18	-38
Cash flow from investments	**-267**	**28**	**-57**	**-73**	**-52**
Change in tangible assets	-206	-17	-43	-48	-45
Change in financial assets	-61	49	-27	-3	-7
Other	0	-4	14	-21	-0
Cash flow from financing	**-5**	**-115**	**-52**	**-40**	**-47**
Change in debt	47	23	-5	9	3
Change in equity	0	0	0	0	0
Dividends	-63	-65	-47	-48	-50
Other	11	-74	0	0	0
Change in cash	-47	197	16	66	63
Cash at beginning of year	529	483	679	696	761
Cash at end of year	483	679	696	761	824
Gross cash flow	**224**	**230**	**221**	**230**	**236**
Free cash flow	**-24**	**264**	**82**	**130**	**117**

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	**1,985**	**2,021**	**2,163**	**2,263**	**2,390**
Cash & equivalents	483	679	696	761	824
Accounts receivable	448	395	436	445	471
Inventories	0	0	0	0	0
Other current assets	1,054	947	1,032	1,057	1,094
Fixed assets	**730**	**760**	**730**	**741**	**729**
Investment assets	33	31	30	31	32
Tangible assets	253	265	262	263	262
Intangible assets	304	276	274	271	270
Other long-term assets	140	189	165	177	166
Total assets	**2,715**	**2,782**	**2,893**	**3,005**	**3,118**
Current liabilities	**1,484**	**1,462**	**1,500**	**1,512**	**1,531**
Accounts payable	195	186	189	193	200
Short-term debt	103	103	103	103	103
Other current liabilities	1,186	1,173	1,208	1,216	1,227
Long-term liabilities	**199**	**226**	**218**	**229**	**232**
Bonds & long-term debt	0	0	0	0	0
Other long-term liabilities	199	226	218	229	232
Total liabilities	**1,683**	**1,688**	**1,718**	**1,741**	**1,762**
Owners of parent equity	**1,002**	**1,065**	**1,129**	**1,198**	**1,271**
Capital stock	20	20	20	20	20
Capital surplus	122	122	122	122	122
Retained earnings	857	902	966	1,035	1,108
Other	3	21	21	21	21
Non-controlling interests' equity	**30**	**29**	**47**	**65**	**85**
Total equity	**1,032**	**1,093**	**1,176**	**1,264**	**1,356**
Net debt	-398	-521	-570	-629	-696

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	1.3	1.2	2.8	2.7	3.4
Operating profit	3.8	4.6	9.8	5.7	4.7
Net profit	-0.5	-6.2	18.7	5.3	4.6
Adjusted EPS**	-1.5	-8.5	21.4	5.5	4.6
Per-share data (KRW)					
EPS (parent-based)	2,506	2,294	2,785	2,937	3,071
EPS (consolidated)	2,903	2,724	3,234	3,405	3,560
Adjusted EPS**	2,506	2,294	2,785	2,937	3,071
BVPS	25,050	26,618	28,227	29,959	31,775
DPS (common)	1,175	1,175	1,205	1,255	1,305
Valuations (x)					
P/E***	7.7	8.0	7.4	7.0	6.7
P/B***	0.8	0.7	0.7	0.7	0.6
EV/EBITDA	1.9	1.1	1.3	1.0	0.8
Ratios (%)					
ROE	10.5	8.9	10.2	10.1	9.9
ROA	4.4	4.0	4.6	4.6	4.7
ROIC	18.0	21.0	21.5	21.5	21.5
Payout ratio	46.9	51.2	43.3	42.7	42.5
Dividend yield (common)	6.1	6.4	5.9	6.1	6.4
Net debt to equity	-38.6	-47.7	-48.5	-49.8	-51.3
Interest coverage (x)	22.9	25.4	27.0	28.4	29.2

Chart 9. Compliance notice

- As of 5/20 2026, the covering analyst(s) did not own any shares, or debt instruments convertible into shares, of any company covered in this report.
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Target price changes in past two years

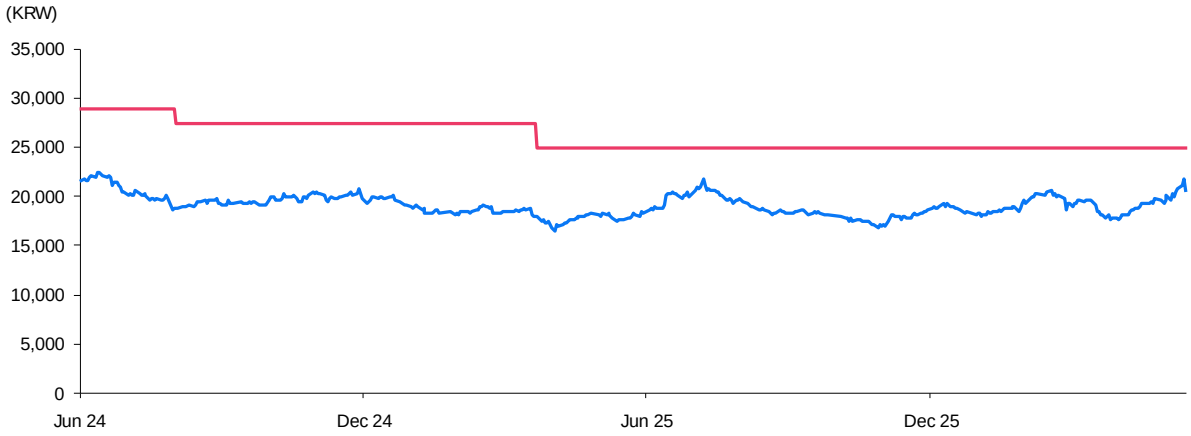

Chart 10. Rating changes over past two years (adjusted share prices)

Date	2024/2/1	8/7	2025/3/28	2026/3/28
Recommendation	BUY	BUY	BUY	BUY
Target price (KRW)	29000	27500	25000	25000
Gap* (average)				
(max or min)**				

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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