

# COMPANY UPDATE

2026. 6. 2

## Tech Team

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## ▶ AT A GLANCE

**BUY**

Target price **KRW25,000** 24.4%

Current price **KRW20,100**

Market cap KRW804b/USD534.47m

Shares (float) 40,000,000 (70.8%)

52-week high/low KRW21,850/KRW16,760

Avg daily trading value (60-day) KRW4.4b/USD3.0m

## ▶ ONE-YEAR PERFORMANCE

|                        | 1M    | 6M    | 12M   |
|------------------------|-------|-------|-------|
| Innocean Worldwide (%) | 1.5   | 10.3  | 10.6  |
| Vs Kospi (%pts)        | -23.8 | -50.8 | -66.1 |

## ▶ KEY CHANGES

| (KRW)        | New    | Old    | Diff |
|--------------|--------|--------|------|
| Recommend.   | BUY    | BUY    |      |
| Target price | 25,000 | 25,000 | 0.0% |
| 2026E EPS    | 2,790  | 2,790  | 0.0% |
| 2027E EPS    | 2,941  | 2,941  | 0.0% |

## ▶ SAMSUNG vs THE STREET

|                 |        |
|-----------------|--------|
| No of estimates | 8      |
| Target price    | 25,375 |
| Recommendation  | 4.0    |

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



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# Innocean Worldwide (214320)

## Seeking growth pillars beyond traditional advertising

- Amid a rapidly evolving media landscape, Innocean Worldwide is driving growth through expanded customer experience initiatives and sports marketing.
- The company is well positioned to increase shareholder returns as profitability continues to improve.

## WHAT'S THE STORY?

**Strengthening CX capabilities amid a changing media landscape:** As media and marketing channels evolve, Innocean Worldwide is driving growth by expanding beyond traditional advertising into digital and customer experience (CX) initiatives. There is growing demand for experiential marketing that builds brand loyalty and preference through immersive offline experiences, such as branded spaces that reflect a brand's core identity. Innocean has built expertise through major CX projects, including: 1) the Kia Global Dealer Convention; and 2) the KT Showroom in Gwanghwamun.

**Growth potential in global sports marketing:** Global sports marketing is another key growth pillar, with the segment expanding rapidly across the advertising industry. As an official mobility partner of FIFA, Hyundai Motor Group is expected to carry out a wide range of global marketing activities during the 2026 FIFA World Cup (Jun 11-Jul 19), including stadium banners, exhibition content, and digital experiences. Innocean has built substantial know-how and a strong track record through global campaigns for the World Cup, golf, cricket, and other sports. With demand for global sports marketing on the rise, the scale and scope of such projects should continue to expand.

(Continued on the next page)

## SUMMARY FINANCIAL DATA

| (KRWb)                   | 2025  | 2026E | 2027E | 2028E |
|--------------------------|-------|-------|-------|-------|
| Revenue                  | 2,146 | 2,211 | 2,280 | 2,353 |
| Operating profit         | 163   | 179   | 190   | 199   |
| Net profit (adj)         | 109   | 130   | 136   | 142   |
| EPS (adj) (KRW)          | 2,294 | 2,790 | 2,941 | 3,060 |
| EPS (adj) growth (% y-y) | -8.5  | 21.6  | 5.4   | 4.1   |
| EBITDA margin (%)        | 10.4  | 10.6  | 10.8  | 10.8  |
| ROE (%)                  | 8.9   | 10.2  | 10.1  | 9.9   |
| P/E (adj) (x)            | 8.0   | 7.2   | 6.8   | 6.6   |
| P/B (x)                  | 0.7   | 0.7   | 0.7   | 0.6   |
| EV/EBITDA (x)            | 1.1   | 1.2   | 1.0   | 0.8   |
| Dividend yield (%)       | 6.4   | 6.0   | 6.2   | 6.5   |

Source: Company data, Samsung Securities estimates

**Overhang easing; focus on profitability gains:** NHPEA, a special-purpose company established by Morgan Stanley Private Equity for investment purposes, held an 18% stake in Innocean ahead of its 2014 listing. In early 2025, NHPEA began selling shares to recover investment capital; as of Apr 2026 disclosures, its stake had declined to 3%. The overhang risk tied to NHPEA’s stake has been largely resolved, in our view. For reference, Lotte Group holds a 10.3% stake in Innocean (5.15% via Lotte Corporation and 5.15% via Lotte Shopping) following a 2019 share swap. This year, Innocean should continue to pursue profitability improvements, raising the likelihood of higher shareholder returns as earnings grow.

**Chart 1. “KT Onmaru” campaign: Innocean participated in the entire process, from space planning to exhibition construction**



Note: Image taken from Innocean website  
Source: Innocean, KT, Samsung Securities

**Table 1. Innocean’s main subsidiaries (as of 2025)**

| 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         | 92.5      | Nov 2019         | Digital marketing      | Australia |
| D.Purple        | 100.0     | May 2021         | Performance marketing  | Korea     |
| Modu.up         | 17.6      | Jul 2021         | AdTech platform        | Korea     |
| Studio Lennon   | 63.9      | May 2022         | VFX                    | Korea     |
| D-Plan360       | 78.2      | 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)  
Source: Dart, Company data, Samsung Securities

**Table 2. Results and forecasts**

| (KRWb)                  | 1Q24         | 2Q24         | 3Q24         | 4Q24         | 1Q25         | 2Q25         | 3Q25         | 4Q25         | 1Q26         | 2Q26E        | 3Q26E        | 4Q26E        | 2024           | 2025           | 2026E          | 2027E          |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|
| <b>Sales</b>            | <b>459.7</b> | <b>496.8</b> | <b>497.5</b> | <b>639.0</b> | <b>503.4</b> | <b>519.0</b> | <b>491.5</b> | <b>632.1</b> | <b>523.8</b> | <b>530.4</b> | <b>495.1</b> | <b>662.0</b> | <b>2,120.6</b> | <b>2,146.0</b> | <b>2,211.2</b> | <b>2,280.2</b> |
| <b>Gross profit</b>     | <b>177.1</b> | <b>213.4</b> | <b>211.5</b> | <b>247.7</b> | <b>232.1</b> | <b>241.6</b> | <b>248.3</b> | <b>268.2</b> | <b>250.1</b> | <b>257.6</b> | <b>262.4</b> | <b>284.7</b> | <b>941.9</b>   | <b>990.2</b>   | <b>1,054.7</b> | <b>1,104.4</b> |
| Parent                  | 34.6         | 52.2         | 48.9         | 69.8         | 46.7         | 56.7         | 55.2         | 70.0         | 50.3         | 50.8         | 58.3         | 66.3         | 214.4          | 228.5          | 225.7          | 225.8          |
| Media representative    | 12.5         | 21.6         | 21.1         | 29.6         | 15.4         | 23.3         | 22.5         | 28.9         | 14.4         | 17.6         | 24.7         | 25.8         | 87.8           | 90.1           | 82.5           | 82.0           |
| 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           | 70.0           |
| 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           | 27.2           |
| Overseas                | 142.6        | 161.3        | 162.7        | 178.7        | 185.7        | 185.1        | 193.3        | 198.4        | 200.0        | 206.8        | 204.1        | 218.4        | 728.8          | 762.5          | 829.3          | 878.6          |
| SG&A costs              | 157.9        | 171.7        | 170.7        | 199.4        | 202.3        | 205.1        | 197.0        | 223.0        | 210.3        | 218.0        | 208.6        | 238.6        | 786.3          | 827.4          | 875.6          | 914.1          |
| Labor costs             | 121.6        | 134.6        | 133.9        | 158.0        | 160.9        | 163.4        | 155.9        | 177.8        | 166.3        | 172.2        | 167.2        | 187.6        | 614.6          | 658.0          | 693.3          | 725.2          |
| Other                   | 36.3         | 37.0         | 36.7         | 41.4         | 41.4         | 41.7         | 41.1         | 45.2         | 43.9         | 45.8         | 41.5         | 51.0         | 171.7          | 169.4          | 182.2          | 188.8          |
| <b>Operating profit</b> | <b>19.2</b>  | <b>41.7</b>  | <b>40.8</b>  | <b>48.2</b>  | <b>29.8</b>  | <b>36.4</b>  | <b>51.3</b>  | <b>45.2</b>  | <b>39.8</b>  | <b>39.6</b>  | <b>53.7</b>  | <b>46.1</b>  | <b>155.7</b>   | <b>162.8</b>   | <b>179.2</b>   | <b>190.4</b>   |
| 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         | 56.2         | 36.9         | 168.7          | 135.2          | 177.3          | 186.8          |
| <b>Net profit</b>       | <b>20.9</b>  | <b>27.9</b>  | <b>39.3</b>  | <b>13.5</b>  | <b>12.4</b>  | <b>19.6</b>  | <b>28.5</b>  | <b>31.2</b>  | <b>35.9</b>  | <b>21.9</b>  | <b>29.1</b>  | <b>24.7</b>  | <b>100.3</b>   | <b>91.8</b>    | <b>111.6</b>   | <b>117.6</b>   |
| Growth (% y-y)          |              |              |              |              |              |              |              |              |              |              |              |              |                |                |                |                |
| <b>Sales</b>            | <b>32.6</b>  | <b>22.5</b>  | <b>6.5</b>   | <b>20.3</b>  | <b>3.3</b>   | <b>-0.6</b>  | <b>-4.0</b>  | <b>5.5</b>   | <b>4.1</b>   | <b>2.2</b>   | <b>0.7</b>   | <b>4.7</b>   | <b>1.3</b>     | <b>1.2</b>     | <b>3.0</b>     | <b>3.1</b>     |
| <b>Gross profit</b>     | <b>7.5</b>   | <b>20.1</b>  | <b>10.0</b>  | <b>7.5</b>   | <b>10.0</b>  | <b>3.1</b>   | <b>4.4</b>   | <b>3.7</b>   | <b>7.7</b>   | <b>6.6</b>   | <b>5.7</b>   | <b>6.1</b>   | <b>10.9</b>    | <b>5.1</b>     | <b>6.5</b>     | <b>4.7</b>     |
| Parent                  | 5.3          | 35.5         | 9.6          | 12.1         | 10.5         | 4.9          | 10.5         | 2.6          | 7.8          | -10.4        | 5.6          | -5.3         | 4.4            | 6.6            | -1.3           | 0.1            |
| Media representative    | -14.0        | 13.4         | 3.9          | -9.7         | -5.7         | 7.5          | 3.4          | 2.9          | -6.4         | -24.2        | 9.9          | -11.0        | 3.6            | 2.6            | -8.4           | -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           | 0.1            |
| Outdoor advertising     | 10.3         | 12.0         | 21.8         | 39.5         | -4.3         | 31.8         | -3.1         | -7.3         | 5.3          | 4.3          | 0.1          | 0.5          | 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           | 1.7            |
| Overseas                | 8.1          | 15.8         | 10.1         | 6.2          | 9.9          | 2.3          | 2.7          | 4.0          | 7.7          | 11.7         | 5.6          | 10.0         | 12.9           | 4.6            | 8.8            | 5.9            |
| SG&A costs              | 13.1         | 13.2         | 9.4          | 10.2         | 12.1         | 3.8          | 2.6          | 3.2          | 4.0          | 6.3          | 5.9          | 7.0          | 12.4           | 5.2            | 5.8            | 4.4            |
| Labor costs             | 11.3         | 13.1         | 10.5         | 15.5         | 13.8         | 5.4          | 4.1          | 5.6          | 3.4          | 5.4          | 7.2          | 5.5          | 12.1           | 7.1            | 5.4            | 4.6            |
| Other                   | 19.4         | 13.6         | 5.8          | -6.1         | 5.7          | -2.0         | -2.6         | -5.3         | 6.1          | 9.9          | 0.8          | 12.9         | 13.4           | -1.3           | 7.6            | 3.6            |
| Operating profit        | -23.5        | 60.5         | 12.5         | -2.4         | -2.1         | -0.7         | 11.8         | 6.1          | 33.3         | 8.7          | 4.7          | 1.9          | 3.8            | 4.6            | 10.1           | 6.2            |
| 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         | 3.6          | 79.1         | 4.6            | -19.8          | 31.1           | 5.3            |
| <b>Net profit</b>       | <b>46.6</b>  | <b>323.7</b> | <b>28.7</b>  | <b>-29.3</b> | <b>-52.3</b> | <b>-14.0</b> | <b>4.4</b>   | <b>29.8</b>  | <b>188.7</b> | <b>11.5</b>  | <b>2.2</b>   | <b>-20.9</b> | <b>-1.5</b>    | <b>-8.5</b>    | <b>21.6</b>    | <b>5.4</b>     |

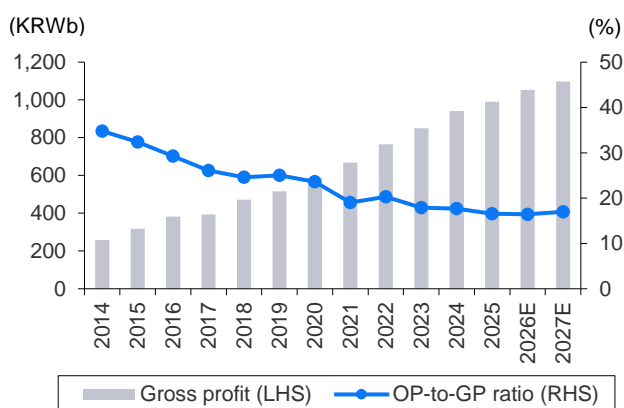
Source: Company data, Samsung Securities

**Table 3. Gross profit and operating profit, by region**

| (KRWb)                  | 1Q24         | 2Q24         | 3Q24         | 4Q24         | 1Q25         | 2Q25         | 3Q25         | 4Q25         | 1Q26E        | 2Q26E        | 3Q26E        | 4Q26E        | 2024         | 2025         | 2026E          | 2027E          |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|
| <b>Gross profit</b>     | <b>211.0</b> | <b>234.4</b> | <b>237.9</b> | <b>258.7</b> | <b>232.1</b> | <b>241.6</b> | <b>248.3</b> | <b>268.2</b> | <b>242.5</b> | <b>257.6</b> | <b>262.4</b> | <b>284.7</b> | <b>941.9</b> | <b>990.2</b> | <b>1,054.7</b> | <b>1,104.4</b> |
| Parent                  | 42.2         | 54.0         | 49.9         | 68.3         | 46.7         | 56.7         | 55.2         | 70.0         | 46.8         | 50.8         | 58.3         | 66.3         | 214.4        | 228.5        | 225.7          | 225.8          |
| Europe                  | 25.5         | 28.3         | 27.8         | 31.5         | 29.6         | 30.2         | 32.1         | 37.1         | 31.4         | 34.4         | 35.5         | 40.3         | 113.1        | 129.1        | 147.0          | 155.8          |
| Americas                | 120.8        | 126.6        | 133.6        | 131.1        | 132.3        | 128.5        | 136.3        | 132.7        | 134.2        | 131.5        | 139.7        | 136.5        | 512.0        | 529.8        | 545.0          | 565.9          |
| China                   | 1.5          | 3.0          | 3.7          | 4.2          | 1.3          | 2.2          | 2.6          | 4.3          | 1.3          | 2.3          | 2.7          | 4.3          | 12.4         | 10.4         | 11.1           | 11.3           |
| Other                   | 21.2         | 22.9         | 23.1         | 24.0         | 22.5         | 24.1         | 22.3         | 24.3         | 28.8         | 38.6         | 26.3         | 37.2         | 91.3         | 93.2         | 126.2          | 145.6          |
| <b>Operating profit</b> | <b>30.5</b>  | <b>36.7</b>  | <b>45.9</b>  | <b>42.6</b>  | <b>29.8</b>  | <b>36.4</b>  | <b>51.3</b>  | <b>45.7</b>  | <b>32.0</b>  | <b>39.6</b>  | <b>53.7</b>  | <b>46.1</b>  | <b>155.7</b> | <b>162.8</b> | <b>179.2</b>   | <b>190.4</b>   |
| Parent                  | -0.7         | 2.2          | 4.0          | 11.8         | 0.1          | 4.9          | 8.9          | 11.5         | 0.4          | 4.7          | 9.8          | 12.0         | 17.3         | 25.4         | 29.3           | 30.7           |
| Europe                  | 5.0          | 6.2          | 6.4          | 8.1          | 6.3          | 5.9          | 7.0          | 7.8          | 6.7          | 6.9          | 7.9          | 9.0          | 25.7         | 27.0         | 32.2           | 34.2           |
| Americas                | 24.5         | 25.1         | 33.3         | 21.8         | 23.5         | 22.8         | 32.6         | 19.7         | 24.5         | 24.9         | 34.9         | 22.3         | 104.8        | 98.7         | 107.8          | 113.5          |
| 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          | 1.3            | 1.4            |
| Other                   | 2.5          | 2.5          | 2.9          | 0.8          | 1.2          | 2.7          | 2.1          | 0.8          | 1.5          | 2.9          | 0.9          | 1.6          | 8.8          | 6.8          | 8.2            | 10.6           |

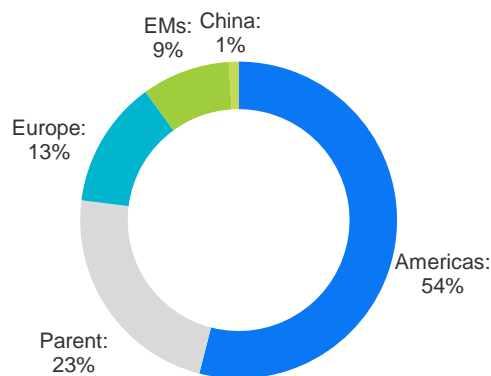
Source: Company data, Samsung Securities

**Chart 2. Gross profit and OP-to-GP ratio**



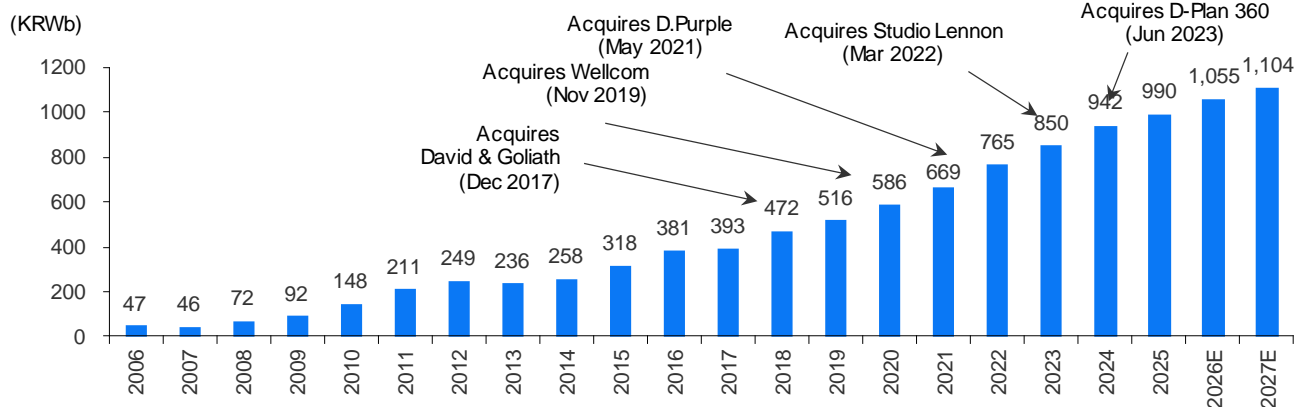
Source: Company data, Samsung Securities

**Chart 3. Gross profit, by region (1Q26)**



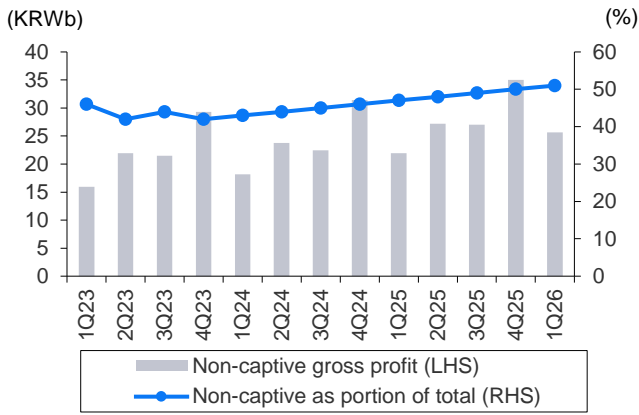
Source: Company data, Samsung Securities

**Chart 4. Gross profit**



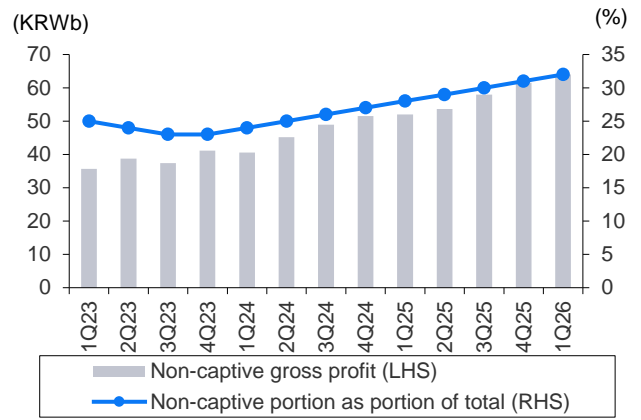
Note: Dates are acquisition announcement dates  
Source: Company data, Samsung Securities

**Chart 5. Parent: Non-captive gross profit and portion**



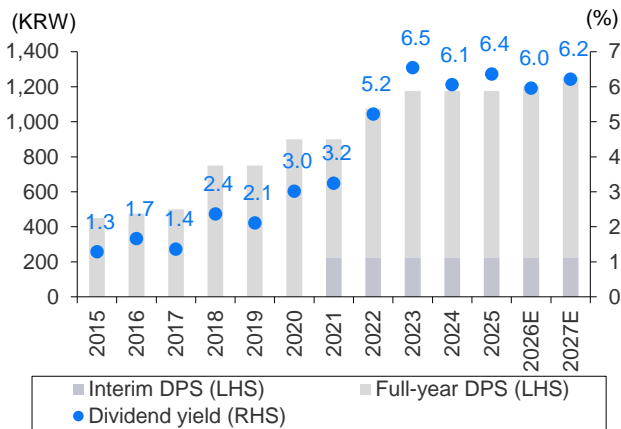
Source: Company data, Samsung Securities

**Chart 6. Overseas: Non-captive gross profit and portion**



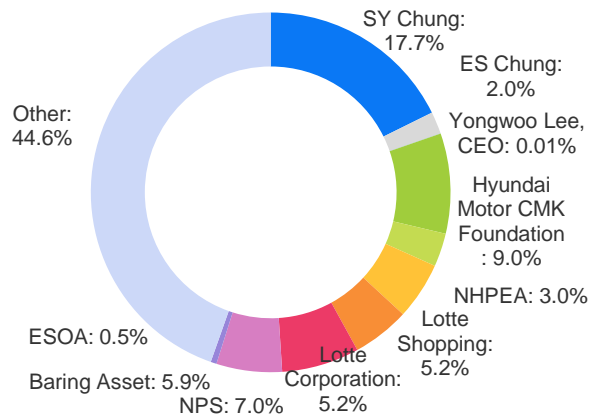
Source: Company data, Samsung Securities

**Chart 7. Parent: Non-captive gross profit and portion**



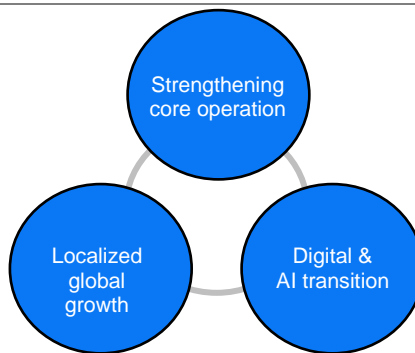
Note: Innocean announced interim dividends from 2021  
Source: Company data, Samsung Securities

**Chart 8. Shareholders**



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

**Chart 9. 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                         | 2,205.7 | 2,211.2 | 0.2     | 2,264.3 | 2,280.2 | 0.7     |
| Gross profit                  | 1,052.4 | 1,054.7 | 0.2     | 1,096.6 | 1,104.4 | 0.7     |
| Operating income              | 178.8   | 179.2   | 0.2     | 189.0   | 190.4   | 0.7     |
| Operating margin<br>(%, %pts) | 8.1     | 8.1     | -0.0    | 8.3     | 8.3     | 0.0     |
| Pre-tax income                | 177.0   | 177.3   | 0.2     | 186.6   | 186.8   | 0.1     |
| Net income                    | 111.4   | 111.6   | 0.2     | 117.5   | 117.6   | 0.1     |

Source: Samsung Securities

### Income statement

| Year-end Dec 31 (KRWb)                 | 2024         | 2025         | 2026E        | 2027E        | 2028E        |
|--|--------------|--------------|--------------|--------------|--------------|
| <b>Sales</b>                           | <b>2,121</b> | <b>2,146</b> | <b>2,211</b> | <b>2,280</b> | <b>2,353</b> |
| Cost of goods sold                     | 1,179        | 1,156        | 1,156        | 1,176        | 1,202        |
| <b>Gross profit</b>                    | <b>942</b>   | <b>990</b>   | <b>1,055</b> | <b>1,104</b> | <b>1,152</b> |
| Gross margin (%)                       | 44.4         | 46.1         | 47.7         | 48.4         | 48.9         |
| SG&A expenses                          | 786          | 827          | 876          | 914          | 953          |
| <b>Operating profit</b>                | <b>156</b>   | <b>163</b>   | <b>179</b>   | <b>190</b>   | <b>199</b>   |
| Operating margin (%)                   | 7.3          | 7.6          | 8.1          | 8.3          | 8.5          |
| <b>Non-operating gains (losses)</b>    | <b>13</b>    | <b>-28</b>   | <b>-2</b>    | <b>-4</b>    | <b>-5</b>    |
| Financial profit                       | 38           | 28           | 28           | 27           | 27           |
| Financial costs                        | 16           | 31           | 22           | 23           | 24           |
| Equity-method gains (losses)           | 1            | 1            | 1            | 2            | 1            |
| Other                                  | -10          | -25          | -9           | -9           | -9           |
| <b>Pre-tax profit</b>                  | <b>169</b>   | <b>135</b>   | <b>177</b>   | <b>187</b>   | <b>194</b>   |
| Taxes                                  | 53           | 26           | 48           | 50           | 52           |
| Effective tax rate (%)                 | 31.2         | 19.4         | 26.9         | 27.0         | 27.0         |
| Profit from continuing operations      | 116          | 109          | 130          | 136          | 142          |
| Profit from discontinued operations    | 0            | 0            | 0            | 0            | 0            |
| <b>Net profit</b>                      | <b>116</b>   | <b>109</b>   | <b>130</b>   | <b>136</b>   | <b>142</b>   |
| Net margin (%)                         | 5.5          | 5.1          | 5.9          | 6.0          | 6.0          |
| Net profit (controlling interests)     | 100          | 92           | 112          | 118          | 122          |
| Net profit (non-controlling interests) | 16           | 17           | 18           | 19           | 19           |
| EBITDA                                 | 214          | 222          | 235          | 247          | 254          |
| EBITDA margin (%)                      | 10.1         | 10.4         | 10.6         | 10.8         | 10.8         |
| EPS (parent-based) (KRW)               | 2,506        | 2,294        | 2,790        | 2,941        | 3,060        |
| EPS (consolidated) (KRW)               | 2,903        | 2,724        | 3,240        | 3,409        | 3,547        |
| Adjusted EPS (KRW)*                    | 2,506        | 2,294        | 2,790        | 2,941        | 3,060        |

### Cash flow statement

| Year-end Dec 31 (KRWb)                   | 2024        | 2025        | 2026E      | 2027E      | 2028E      |
|--|-------------|-------------|------------|------------|------------|
| <b>Cash flow from operations</b>         | <b>182</b>  | <b>281</b>  | <b>125</b> | <b>179</b> | <b>161</b> |
| Net profit                               | 116         | 109         | 130        | 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        | -17        | -39        |
| <b>Cash flow from investments</b>        | <b>-267</b> | <b>28</b>   | <b>-57</b> | <b>-73</b> | <b>-52</b> |
| Change in tangible assets                | -206        | -17         | -43        | -48        | -45        |
| Change in financial assets               | -61         | 49          | -28        | -4         | -7         |
| Other                                    | 0           | -4          | 14         | -21        | -0         |
| <b>Cash flow from financing</b>          | <b>-5</b>   | <b>-115</b> | <b>-52</b> | <b>-39</b> | <b>-48</b> |
| 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         | 17         | 66         | 62         |
| Cash at beginning of year                | 529         | 483         | 679        | 696        | 762        |
| Cash at end of year                      | 483         | 679         | 696        | 762        | 825        |
| <b>Gross cash flow</b>                   | <b>224</b>  | <b>230</b>  | <b>221</b> | <b>230</b> | <b>235</b> |
| <b>Free cash flow</b>                    | <b>-24</b>  | <b>264</b>  | <b>82</b>  | <b>131</b> | <b>116</b> |

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        |
|--|--------------|--------------|--------------|--------------|--------------|
| <b>Current assets</b>                    | <b>1,985</b> | <b>2,021</b> | <b>2,167</b> | <b>2,275</b> | <b>2,397</b> |
| Cash & equivalents                       | 483          | 679          | 696          | 762          | 825          |
| Accounts receivable                      | 448          | 395          | 437          | 448          | 473          |
| Inventories                              | 0            | 0            | 0            | 0            | 0            |
| Other current assets                     | 1,054        | 947          | 1,034        | 1,064        | 1,100        |
| <b>Fixed assets</b>                      | <b>730</b>   | <b>760</b>   | <b>730</b>   | <b>741</b>   | <b>729</b>   |
| 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          |
| <b>Total assets</b>                      | <b>2,715</b> | <b>2,782</b> | <b>2,898</b> | <b>3,017</b> | <b>3,126</b> |
| <b>Current liabilities</b>               | <b>1,484</b> | <b>1,462</b> | <b>1,503</b> | <b>1,522</b> | <b>1,537</b> |
| Accounts payable                         | 195          | 186          | 190          | 195          | 201          |
| Short-term debt                          | 103          | 103          | 103          | 103          | 103          |
| Other current liabilities                | 1,186        | 1,173        | 1,211        | 1,224        | 1,233        |
| <b>Long-term liabilities</b>             | <b>199</b>   | <b>226</b>   | <b>218</b>   | <b>230</b>   | <b>233</b>   |
| Bonds & long-term debt                   | 0            | 0            | 0            | 0            | 0            |
| Other long-term liabilities              | 199          | 226          | 218          | 230          | 233          |
| <b>Total liabilities</b>                 | <b>1,683</b> | <b>1,688</b> | <b>1,722</b> | <b>1,752</b> | <b>1,770</b> |
| <b>Owners of parent equity</b>           | <b>1,002</b> | <b>1,065</b> | <b>1,129</b> | <b>1,199</b> | <b>1,271</b> |
| Capital stock                            | 20           | 20           | 20           | 20           | 20           |
| Capital surplus                          | 122          | 122          | 122          | 122          | 122          |
| Retained earnings                        | 857          | 902          | 966          | 1,036        | 1,108        |
| Other                                    | 3            | 21           | 21           | 21           | 21           |
| <b>Non-controlling interests' equity</b> | <b>30</b>    | <b>29</b>    | <b>47</b>    | <b>65</b>    | <b>85</b>    |
| <b>Total equity</b>                      | <b>1,032</b> | <b>1,093</b> | <b>1,176</b> | <b>1,264</b> | <b>1,356</b> |
| Net debt                                 | -398         | -521         | -571         | -630         | -696         |

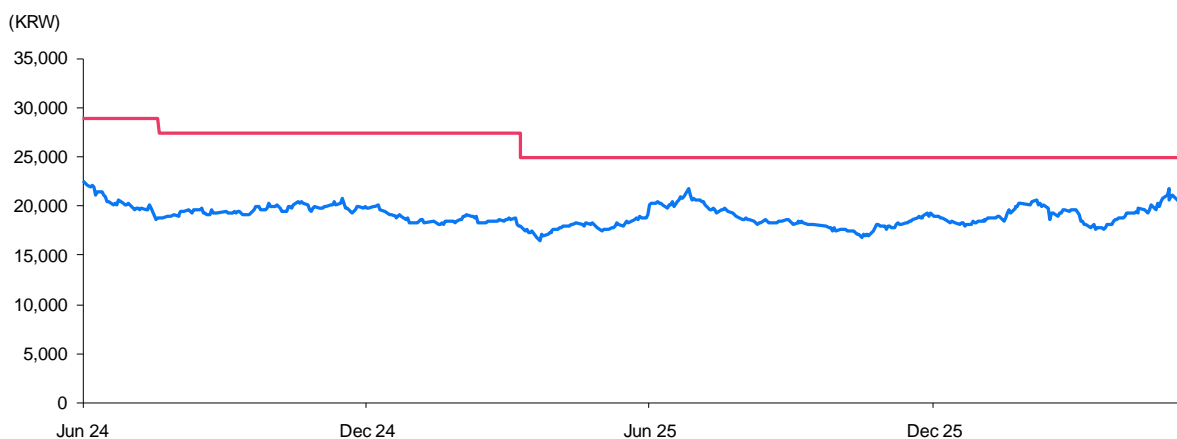
### Financial ratios

| Year-end Dec 31             | 2024   | 2025   | 2026E  | 2027E  | 2028E  |
|-----------------------------|--------|--------|--------|--------|--------|
| <b>Growth (%)</b>           |        |        |        |        |        |
| Sales                       | 1.3    | 1.2    | 3.0    | 3.1    | 3.2    |
| Operating profit            | 3.8    | 4.6    | 10.1   | 6.2    | 4.5    |
| Net profit                  | -0.5   | -6.2   | 18.9   | 5.2    | 4.1    |
| Adjusted EPS**              | -1.5   | -8.5   | 21.6   | 5.4    | 4.1    |
| <b>Per-share data (KRW)</b> |        |        |        |        |        |
| EPS (parent-based)          | 2,506  | 2,294  | 2,790  | 2,941  | 3,060  |
| EPS (consolidated)          | 2,903  | 2,724  | 3,240  | 3,409  | 3,547  |
| Adjusted EPS**              | 2,506  | 2,294  | 2,790  | 2,941  | 3,060  |
| BVPS                        | 25,050 | 26,618 | 28,233 | 29,968 | 31,773 |
| DPS (common)                | 1,175  | 1,175  | 1,205  | 1,255  | 1,305  |
| <b>Valuations (x)</b>       |        |        |        |        |        |
| P/E***                      | 7.7    | 8.0    | 7.2    | 6.8    | 6.6    |
| P/B***                      | 0.8    | 0.7    | 0.7    | 0.7    | 0.6    |
| EV/EBITDA                   | 1.9    | 1.1    | 1.2    | 1.0    | 0.8    |
| <b>Ratios (%)</b>           |        |        |        |        |        |
| ROE                         | 10.5   | 8.9    | 10.2   | 10.1   | 9.9    |
| ROA                         | 4.4    | 4.0    | 4.6    | 4.6    | 4.6    |
| ROIC                        | 18.0   | 21.0   | 21.5   | 21.6   | 21.6   |
| Payout ratio                | 46.9   | 51.2   | 43.2   | 42.7   | 42.6   |
| Dividend yield (common)     | 6.1    | 6.4    | 6.0    | 6.2    | 6.5    |
| Net debt to equity          | -38.6  | -47.7  | -48.5  | -49.9  | -51.3  |
| Interest coverage (x)       | 22.9   | 25.4   | 27.1   | 28.5   | 29.2   |

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### Target price changes in past two years



### 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)     | -25.59   | -29.89 | -25.30    |           |
| (max or min)**     | -18.10   | -24.55 | -12.60    |           |

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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