

COMPANY UPDATE

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Tech Team

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▶ AT A GLANCE

BUY

Target price **KRW47,000** 45.7%

Current price **KRW32,250**

Market cap	KRW707.22b/USD471.95m
Shares (float)	21,929,154 (51.8%)
52-week high/low	KRW80,000/KRW30,500
Avg daily trading value (60-day)	KRW3.8b/ USD2.5m

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
CJ ENM (%)	-12.5	-48.0	-53.7
Vs Kosdaq (%pts)	1.6	-37.4	-53.7

▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	47,000	71,000	-33.8%
2026E EPS	1,476	2,239	-34.1%
2027E EPS	3,360	3,713	-9.5%

▶ SAMSUNG vs THE STREET

No of estimates	11
Target price	73,273
Recommendation	4.0

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



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CJ ENM (035760)

Growth drivers intact, pace of recovery key

- We now expect CJ ENM to report 2Q consolidated operating profit of KRW27b (down 5.5% y-y), with the figure falling short of consensus. The probable miss is attributable to a likely absence of series deliveries by Fifth Season and soft TV ad sales.
- Growth momentum of its digital businesses (including Tving) and expansion of the music unit's IP portfolio warrant investors' attention in our view.

WHAT'S THE STORY?

2Q preview—results to miss consensus: We now expect CJ ENM to report 2Q consolidated sales of KRW1.3t (down 0.5% y-y) and an operating profit of KRW27b (down 5.5% y-y), the latter missing consensus. The media/platform division likely broke even, backed by the success of Tving's original content, the start of the Korea Baseball Organization (KBO) season, and expanded partnerships. However, TV ad sales likely shrank 19.2% y-y, limiting overall earnings growth. The movie/drama division likely remained in the red, as Fifth Season likely: 1) delivered only 3 films and dramas (in total); and 2) failed to provide any high-margin series. The music division likely saw Mnet Plus-related investments and new artist-debuting costs weigh on its profitability. The commerce division likely achieved earnings improvement thanks to its focus on profitability.

Key areas to watch—Tving's growth and music IP expansion: Tving's rising user engagement, driven by its attractive original content, has translated into stronger advertising revenue—a positive sign. However, the data breach in early June may impact subscriber metrics, and the effects of this breach ought to be monitored closely in the near term.

(Continued on the next page)

SUMMARY FINANCIAL DATA

	2025	2026E	2027E	2028E
Revenue (KRWb)	5,135	5,445	5,742	6,093
Operating profit (KRWb)	133	112	201	223
Net profit (adj) (KRWb)	17	30	115	151
EPS (adj) (KRW)	1,345	1,476	3,360	4,614
EPS (adj) growth (% y-y)	nm	9.7	127.6	37.3
EBITDA margin (%)	27.0	21.1	21.9	21.5
ROE (%)	1.1	1.2	2.7	3.6
P/E (adj) (x)	48.0	21.8	9.6	7.0
P/B (x)	0.5	0.2	0.2	0.2
EV/EBITDA (x)	2.8	2.7	2.3	2.2
Dividend yield (%)	0.0	0.0	1.2	2.2

Source: Company data, Samsung Securities estimates

Meanwhile, the music unit is: 1) expanding its own artist IP portfolio through partnerships with domestic and international labels; and 2) debuting multiple artists. Close monitoring of its operating results is recommended.

Pace of recovery at ad and content businesses critical: Considering the strong headwinds for the media/platform and movie/drama divisions, we downwardly adjust our SOTP-based target price from KRW71,000 to KRW47,000. While overall growth—driven by its digital businesses—remains intact, its near-term stock performance should hinge more on the speed at which its TV ad sales and content businesses' sales recover.

Table 1. 2Q26 forecasts and consensus

(KRWb)	2Q25	1Q26	2Q26E	Chg (% q-q)	Chg (% y-y)	Consensus	Diff (%)
Sales	1,312.9	1,329.7	1,306.2	-1.8	-0.5	1,283.1	1.8
Gross profit	28.6	1.5	27.0	1,752.5	-5.5	34.4	-21.3
Operating profit	2.2	0.1	2.1	2.0	-0.1	2.7	-0.6
Operating margin (%)	121.6	0.2	15.3	9,186.0	-87.4	22.9	-33.1
Pre-tax profit	126.0	6.1	6.3	3.9	-95.0	14.5	-56.7

Source: Company data, Samsung Securities

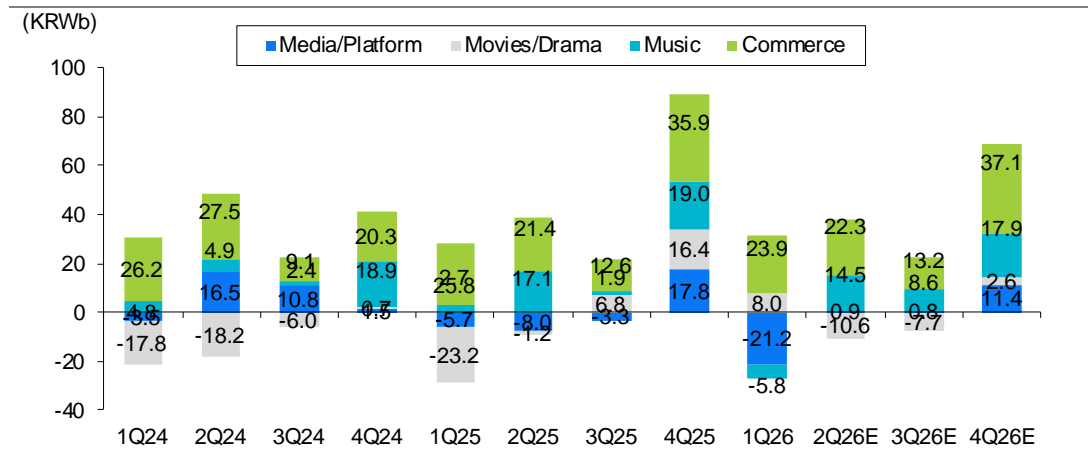
Table 2. Results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	2024	2025	2026E	2027E
Sales	1,154.1	1,164.7	1,124.6	1,787.9	1,138.3	1,312.9	1,245.6	1,437.8	1,329.7	1,306.2	1,299.2	1,510.2	5,231.4	5,134.5	5,445.3	5,741.7
Media/Platform	314.2	352.9	356.5	349.6	292.8	319.3	319.8	409.6	326.8	344.5	336.4	436.9	1,373.2	1,341.6	1,444.6	1,565.0
Commerce	366.4	287.6	251.6	799.2	315.9	410.5	372.9	357.9	457.3	364.4	379.6	379.7	1,704.7	1,457.3	1,581.0	1,628.4
Movie/Drama	125.8	152.3	182.7	241.3	167.2	197.2	197.3	255.9	167.0	210.3	217.2	270.8	702.1	817.6	865.3	955.1
Music	347.8	371.9	333.8	397.9	362.3	385.8	355.7	414.3	378.5	387.0	366.0	422.8	1,451.4	1,518.0	1,554.4	1,593.2
Gross profit	401.2	442.7	404.6	462.8	386.6	424.1	396.0	498.9	393.0	419.6	397.4	498.8	1,711.2	1,705.6	1,708.9	1,863.2
Operating profit	12.3	35.3	15.8	41.0	0.7	28.6	17.6	86.0	1.5	27.0	14.8	69.0	104.5	132.9	112.3	201.2
Media/Platform	-3.5	16.5	10.8	1.5	-5.7	-8.0	-3.3	17.8	-21.2	0.9	0.8	11.4	25.3	0.8	-8.2	13.6
Commerce	-17.8	-18.2	-6.0	0.7	-23.2	-1.2	6.8	16.4	8.0	-10.6	-7.7	2.6	-41.3	-1.0	-7.7	32.5
Movie/Drama	4.8	4.9	2.4	18.9	2.7	17.1	1.9	19.0	-5.8	14.5	8.6	17.9	30.9	40.7	35.2	57.3
Music	26.2	27.5	9.1	20.3	25.8	21.4	12.6	35.9	23.9	22.3	13.2	37.1	83.1	95.8	96.4	97.8
Pre-tax profit	-17.0	29.4	-400.9	-143.4	-72.2	121.6	85.1	-50.3	0.2	15.3	11.2	23.0	-531.9	84.2	49.7	153.0
Net profit (controlling)	-15.1	20.9	-482.8	-26.4	-62.1	126.0	45.8	-80.1	6.1	6.3	7.0	13.0	-503.4	29.5	32.4	73.7
Gross margin (%)	34.8	38.0	36.0	25.9	34.0	32.3	31.8	34.7	29.6	32.1	30.6	33.0	32.7	33.2	31.4	32.4
Operating margin (%)	1.1	3.0	1.4	2.3	0.1	2.2	1.4	6.0	0.1	2.1	1.1	4.6	2.0	2.6	2.1	3.5
Net margin (%)	-1.3	1.8	-42.9	-1.5	-5.5	9.6	3.7	-5.6	0.5	0.5	0.5	0.9	-9.6	0.6	0.6	1.3
Chg (%)																
Sales	21.6	11.0	1.2	41.9	-1.4	12.7	10.8	-19.6	16.8	-0.5	4.3	5.0	19.8	-1.9	6.1	5.4
Media/Platform	13.1	3.0	13.4	6.9	-6.8	-9.5	-10.3	17.2	11.6	7.9	5.2	6.7	8.8	-2.3	7.7	8.3
Commerce	55.2	25.3	-22.9	166.3	-13.8	42.7	48.2	-55.2	44.8	-11.2	1.8	6.1	56.1	-14.5	8.5	3.0
Movie/Drama	5.7	16.4	7.4	-6.0	32.9	29.5	8.0	6.0	-0.1	6.6	10.1	5.8	3.8	16.4	5.8	10.4
Music	10.0	7.6	11.2	5.9	4.2	3.7	6.5	4.1	4.5	0.3	2.9	2.1	8.5	4.6	2.4	2.5
Gross profit	13.9	17.7	13.0	7.5	-3.6	-4.2	-2.1	7.8	1.7	-1.1	0.4	-0.0	12.8	-0.3	0.2	9.0
Operating profit	nm	nm	113.8	-30.2	-94.3	-19.0	11.0	109.8	107.2	-5.5	-15.6	-19.8	nm	27.2	-15.5	79.1
Media/Platform	nm	nm	471.5	-32.2	nm	nm	nm	1,048.9	nm	nm	nm	-36.1	nm	-96.7	nm	nm
Commerce	nm	nm	nm	nm	nm	nm	nm	2,386.2	nm	nm	nm	-84.0	nm	nm	nm	nm
Movie/Drama	-41.0	-59.2	-84.8	-46.7	-43.9	248.7	-20.2	0.9	nm	-15.2	355.8	-5.8	-56.5	31.8	-13.4	62.6
Music	49.7	47.0	29.6	-21.9	-1.4	-22.0	37.5	77.0	-7.6	3.9	5.1	3.2	20.1	15.2	0.7	1.4
Pre-tax profit	nm	nm	nm	nm	nm	313.3	nm	nm	nm	-87.4	-86.9	nm	nm	nm	-41.0	208.0
Net profit (controlling)	nm	nm	nm	nm	nm	501.8	nm	nm	nm	-95.0	-84.7	nm	nm	nm	9.7	127.6
Gross margin (%pts)	-2.3	2.1	3.7	-8.3	-0.8	-5.7	-4.2	8.8	-4.4	-0.2	-1.2	-1.7	-2.0	0.5	-1.8	1.1
Operating margin (%pts)	6.4	5.9	0.7	-2.4	-1.0	-0.9	0.0	3.7	0.0	-0.1	-0.3	-1.4	2.3	0.6	-0.5	1.4
Net margin (%pts)	5.9	11.1	-39.3	7.2	-4.2	7.8	46.6	-4.1	5.9	-9.1	-3.1	6.4	-2.4	10.2	0.0	0.7

Note: In 2Q25, CJ E&M's financial income surged on derivative gains from a price return swap contract, as Netmarble's shares rose following a partial stake sale in Jul 2024

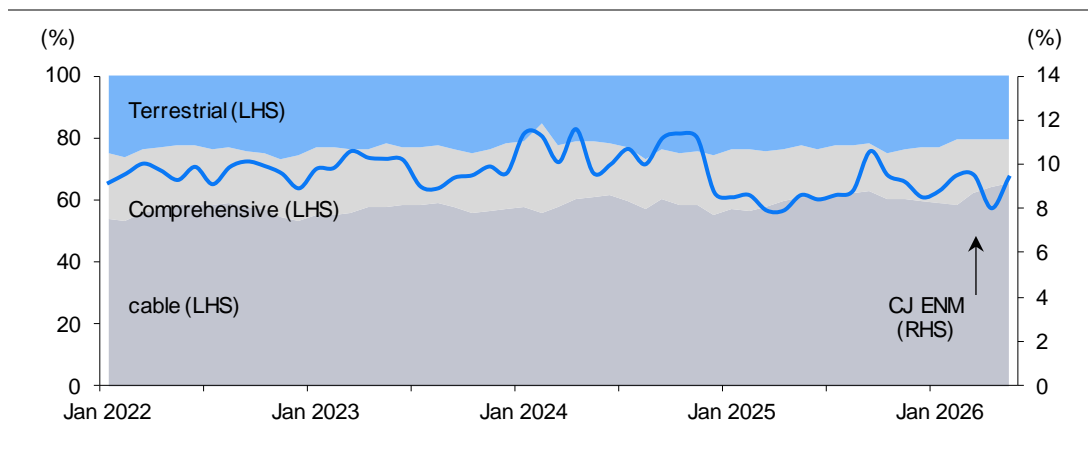
Source: Company data, Samsung Securities estimates

Chart 1. Operating income, by division



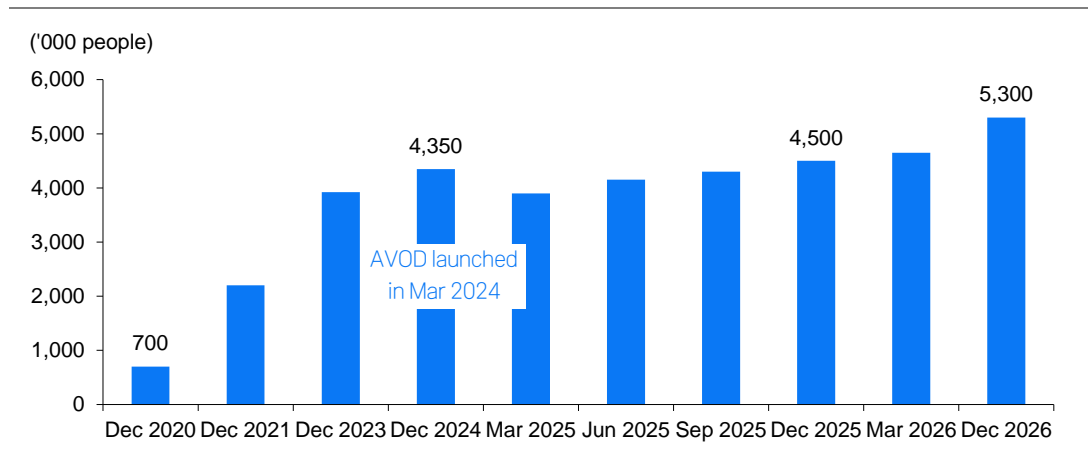
Source: Company data, Samsung Securities

Chart 2. Share of viewers



Source: Company data, Samsung Securities

Chart 3. Tving: Number of paying subscribers



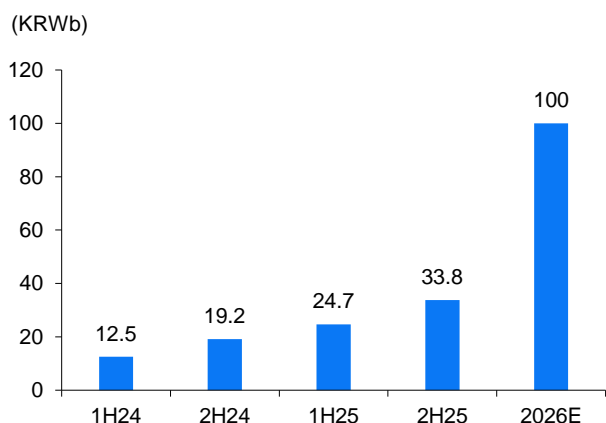
Source: Company data, Samsung Securities

Table 3. Tving original content lineup

Title	Genre	Broadcast date	Episodes	Writer	Director
Watch together (content)	Interactive	Jul 2025-			
Watch together (sport)	Interactive	Jul 2025-			
EXchange Season 4	Variety	Oct 1 – Nov 21	21		Kim Minha
Villans	Drama	Dec 18-Jan 9	8	Kim Hyungjoon	Jin Hyeok
Baseball player Lim Chan Gyu	Variety	Jan 12~			Go Gyeongdeok
Show me the money 12: Yacha's world	Variety	Jan 17-Feb 14	5	Cho Geunae	Park Sojeong
Terror man	Animation	Jan 29	8		Seok Jongseo
2026 WBC	Sports	Mar 5-17			
Yumi's Cells Season 3	Drama	Apr 13-May 4	8	Song Jaejung	Lee Sangyub
Becoming a Cooking Soldier Legend	Drama	May 11-Jun 16	12	Choi Ryong	Jo Namhyng
Comedy Short League	Variety	Jun 22-Sep 20	12		
Shamon S2	Documentary	Jul 6-Jul 27	8		
The Winner of the Lottery Will Go to Work	Drama	Sep 2026	10		Yoon Youngbin
Make Me Tremble	Drama	2026	10	Ahn Saebom	Kim Yeji
Substitute College Entrance Exam	Drama	2026		Choi Hyesoo	Park Soyeon
Nano List	Animation	TBD	12		
Tale of the Nine-Tailed: Beginning	Animation	TBD			
Sell Me the Show	Variety	TBD			
New Exorcism Chronicles	Variety	TBD			
Study Group Season 2	Drama	TBD		Kitproject	Lee Janghoon
M: Reboot	Drama	TBD		Hong Eunmi	
Night of Heaven	Drama	TBD			Yoon Jongho
Sseoning Yagudan	Drama	TBD		Min Ginki	Min Ginki
Tame Killer	Drama	TBD			
EXchange Season 5	Variety	TBD			

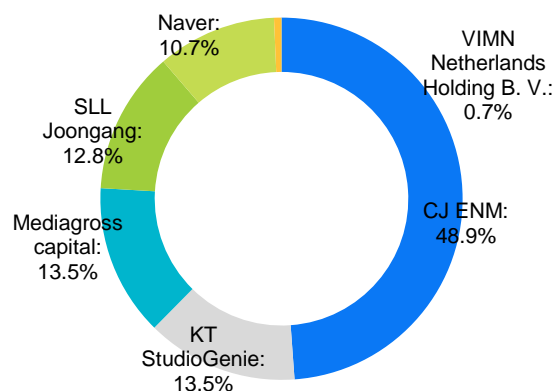
Note: Exclusive OTT live streaming of all 2026 WBC games over approximately two weeks from March 5.
Source: Company data, Samsung Securities

Chart 4. Tving's advertising sales vs 2026 goal



Note: 2026E Tving revenue target announced at 4Q25 earnings conference
Source: Company data, Samsung Securities

Chart 5. Tving: Major shareholders



Source: Company data, Samsung Securities

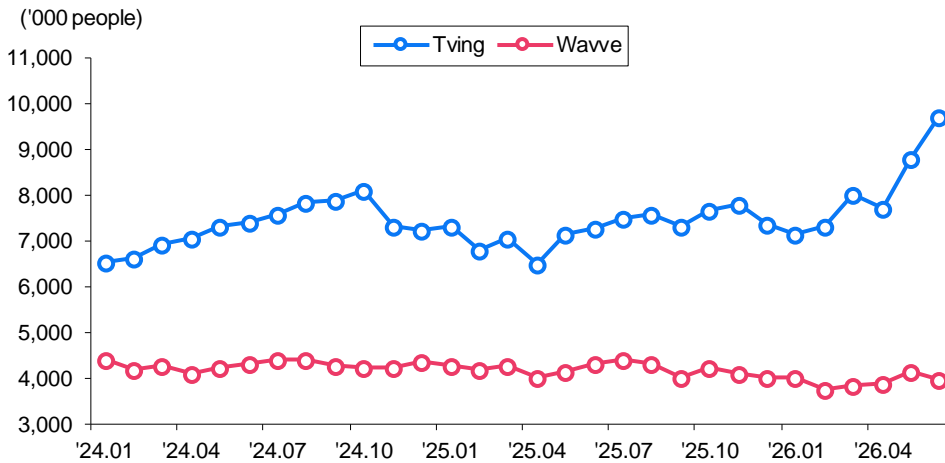
Table 4. Tving's partnerships with domestic and overseas platforms

Platform	Date	Details
Apple TV+	Dec 10, 2024	Launched AppleTV+ branded section in Tving (for premium subscribers)
Baemin Club	Jun 2, 2025	Launched Tving and Baemin Club bundle
Wavve	Jun 16, 2025	Launched Double Plan (a bundle of Tving and Wavve)
SK Telecom (T Universe)	Jul 15, 2025	T Universe added Tving as a selectable membership option
HBO Max (WBD)	Nov 2025 (pre-release) Early 2026 (Official)	To launch Tving-branded section in HBO Max in early 2026
Disney+	Nov 5, 2025	Launched Tving-branded section in Disney+ Japan
SSG.com	Mar 5, 2025	Launched SSG7 club service
Lotte Card	Mar 20, 2025	Launched 'Digiloca X Tving' service

Note: Netflix, Wavve and Disney+ launched an ad-supported plan (Nov 18, 2025)

Source: Company data, Samsung Securities

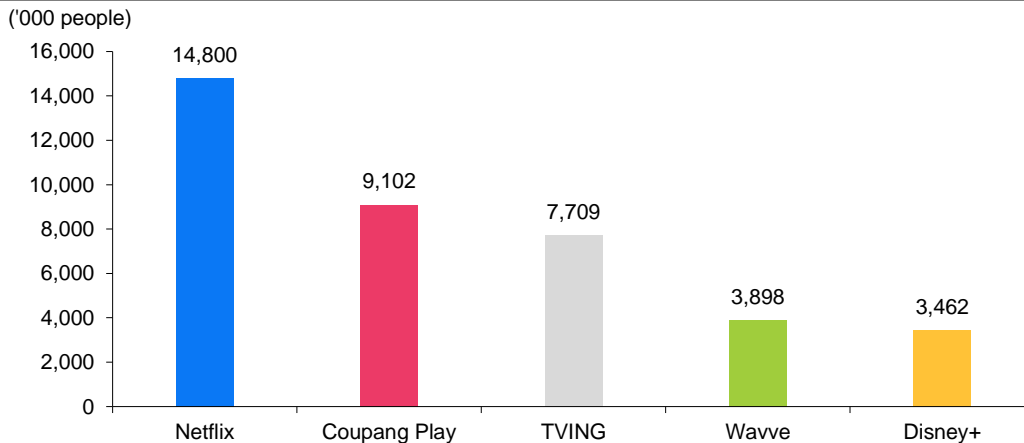
Chart 6. Tving vs Wavve MAU



Note: Android + iOS

Source: Mobile Index, Samsung Securities

Chart 7. Korean OTT apps: MAU (Apr 2026)



Note: Android + iOS

Source: Mobile Index, Samsung Securities

Table 5. Tving's partnerships with domestic and overseas platforms

Subsidiary	Stake	Acquisition date	Key artists
Wakeone	100%	Mar 2014	(Center 1) ZB1, izna (Center 2) ALD1 (Solo) Kim Feel, Ha Hyeonsang, Jo Yuri (IP) I.O.I, Kepler
AOMG	75.5%	Dec 2015	Yugeom, Jung Chansung, Kian84, Hoody, Keyveatz
Higher Music	100%	Jun 2017	Ph-1, Big Naughty
Ameba Culture	60%	Nov 2017	Dynamic Duo, Gumi
Lapone Entertainment	70%	May 2019	JO1, INI, Dxteen, K01KEYZ
- Lapone Girls	100%	Feb 2024	ME:I, IS:SUE
Chapter I	67%	Sep 2025	H//PE Princess
Onecead	100%	2026	Modyssey

Note: 1. Groups highlighted in blue are debuted or scheduled to debut in 2026

2. ONECEAD: Joint venture by CJ ENM and NCC (JYP-Tencent Music JV)

Source: Company data, Samsung Securities

Chart 8. Artists debuting 2026 or 2027



Note: 1. Alpha Drive One (8-member boy group) debut (Jan 12, 2026, 1st mini album EUPHORIA)

2. Planet C survival program, 7-member Chinese boy group MODYSSEY debut (Apr 13, 2026)

3. Keyveatz (AOMG 75.5% subsidiary) 5-member girl group formation, debut on Apr 29

4. H//PE Princess, 7-member Korea-Japan girl group, re-release single released on Apr 29 and first mini album scheduled on May 27

5. Produce 101 Japan: SHINSEKAI (season 4), broadcast start (Mar 26, 2026), debut scheduled late-2026 or early-2027

Source: Company data, Samsung Securities

Table 6. Lapone Entertainment and Lapone Girls' schedule

Date	Artist	Classification	Title	Note
Apr 4-Apr 8	JO1	Concert	JO1DER SHOW 2026 'EIEN 永遠	Tokyo, Kyosera Dome (2 cities, 4 shows)
Apr 22	INI	Album	PULSE	8th single
Apr 26-May 9	DXTEEN	Concert	2 ND ONE MAN LIVE TOUR	2nd live tour (3 cities, 3 shows)
May 20	IS:SUE	Album	QUARTET	1 st album
May 24	IS:SUE	Concert	IS:SUE is coming - Final	1 st tour (Tokyo, 1 shows)
Jun 3	JI BLUE*	Album	Keshiki	Special single
Aug 1-Sep 23	ME:I	Concert	ME:I WAY	2nd arena tour (4 cities, 8 shows)
Aug 5	ME:I	Album	花咲く道	Mini 4th
Aug 21-Sep 10	K01KEYZ	Fan meeting	K01KEYZ 1st fanmeeting	Janpan (2 cities, 5 shows)
Sep 16	INI	Album	ANTHEM	9th single
Sep 16-Sep 17	INI	Concert	2026 INI DOME LIVE TOUR	Tokyo Dome
Oct 2-Oct 11	KO1	Album/concert	AnimL	USEP, North America 5 cities
Oct 7	K01KEYZ	Album	TBD	
Nov 14-Nov 15	INI	Concert	City of Lights	Osaka Kyocera Dome (2 shows)
Nov	K01KEYZ	Fan meeting	K01KEYZ 1st fanmeeting	Korea

Note: JI BLUE, 12-member special unit with selected JO1 and INI members, Japan national football team official ambassador

Source: Lapone Entertainment, Lapone Girls, Samsung Securities

Chart 9. Global K-pop content platform ‘Mnet Plus’



Source: Company data, Samsung Securities

Table 7. Film distribution

Year	No.	Film	Released	Genre	Tickets ('000)
2024	1	Alienoid 2	Jan 10	SF, action	1,430
	2	Dog Days	Feb 7	Drama	368
	3	Project Silence	Jul 12	Action	690
	4	Veteran 2	Sep 13	Crime, action	7,525
	5	Harbin	Dec 18	Crime, action	4,911
2025	1	Pretty Crazy	Aug 13	Romance, comedy	438
	2	There is no choice	Sep 24	Drama	2,943
	3	Bugonia (US)	Nov 5	SF, comedy	74
2026	1	Tazza 4	TBD	Drama, crime	
	2	Ode to My Father 2	TBD	Drama	
	3	Paradise	TBD	Mystery	
TBD	1	Veteran 3	TBD	Crime, action	

Note: 1. Domestic cumulative audience (as of Jul 8, 2026)

2. *Bugonia, remake of Save the Green Planet, US release (Oct 31, 2025), Korea release (Nov 5, 2025)

Source: Media reports, Korean Film Council, Samsung Securities

Table 8. Equity holdings

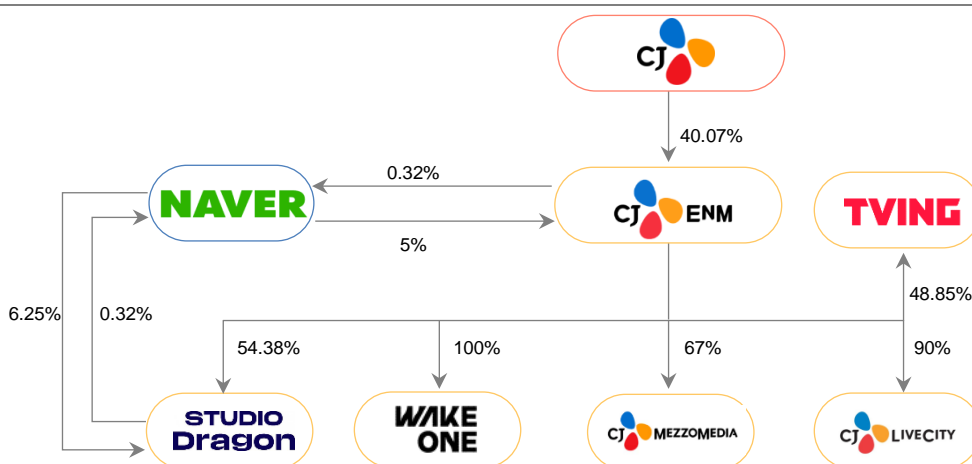
Company (ticker)	Stake (%)	Value of stake (KRWb)	Acquisition date
Netmarble (251270)	16.8	533.4	Nov 2011
Studio Dragon (253450)	54.4	363.7	May 2016
Naver (035420)	0.3	102.6	Oct 2020
KT Genie Music (043610)	15.4	12.7	Oct 2018
APR (278470)	0.1	8.1	Jun 2023
Dexter (206560)	6.7	1.9	Mar 2020
YLab (432430)	9.3	3.3	Aug 2021
Total	-	1025.8	-
Treasury stock	5.4	38.2	-

Note: 1. Treasury stock acquisition (merger-related put option exercise, Jul 1, 2018), treasury share swap with Naver (Oct 27, 2020)

2. Stake reference (2025 annual report), valuation reference (Jul 8, 2026 closing price)

Source: Dart, FnGuide, Samsung Securities

Chart 10. CJ ENM: Ownership structure



Source: Company data, Samsung Securities

Table 9. Sum-of-the-parts valuation

(KRWb)	NOPLAT	Multiple (x)	Value	Note
Operating value (a)			2,038	12MF basis
Media/Platform	34	18	618	
Pictures/Drama	26	18	462	Excludes value of Studio Dragon
Music	44	10	440	IP value
Commerce	74	7	518	Peer 12-month forward PER
Equity value (b)			596	
Studio Dragon			218	40% discount to market cap; 54.5% stake
Netmarble			320	40% discount to market cap; 16.8% stake*
Naver			58	40% discount to market cap; 0.32% stake
Total value			2,635	
Net debt (c)			1,608	
Fair value			1,027	=(a)+(b)-(c)
Shares ('000)			21,929	
Fair value per share			46,824	
Target price (KRW)			47,000	
Current price			32,250	
Upside (%)			45.7	

Note: Based on Jul 8 closing prices

Source: FnGuide, Samsung Securities estimates

Table 10. Adjustments to full-year forecasts

(KRWb)	2026E			2027E		
	Old	New	Diff (%)	New	Diff (%)	Old
Sales	5,471.0	5,445.3	-0.5	5,775.8	5,741.7	-0.6
Operating profit	128.6	112.3	-12.7	204.0	201.2	-1.4
Operating margin (% , %pts)	2.4	2.1	-0.3	3.5	3.5	-0.0
Pre-tax profit	79.6	49.7	-37.6	165.5	153.0	-7.6
Net profit (controlling)	49.1	32.4	-34.1	81.4	73.7	-9.5

Source: Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	5,231	5,135	5,445	5,742	6,093
Cost of goods sold	3,520	3,429	3,736	3,879	4,134
Gross profit	1,711	1,706	1,709	1,863	1,959
Gross margin (%)	32.7	33.2	31.4	32.4	32.2
SG&A expenses	1,607	1,573	1,597	1,662	1,736
Operating profit	104	133	112	201	223
Operating margin (%)	2.0	2.6	2.1	3.5	3.7
Non-operating gains (losses)	-636	-49	-63	-48	-23
Financial profit	150	131	91	85	86
Financial costs	292	237	191	183	165
Equity-method gains (losses)	-0	37	67	73	79
Other	-493	21	-30	-23	-23
Pre-tax profit	-532	84	50	153	201
Taxes	49	67	20	38	50
Effective tax rate (%)	-9.2	79.8	40.3	25.1	24.9
Profit from continuing operations	-581	17	30	115	151
Profit from discontinued operations	0	0	0	0	0
Net profit	-581	17	30	115	151
Net margin (%)	-11.1	0.3	0.5	2.0	2.5
Net profit (controlling interests)	-503	30	32	74	101
Net profit (non-controlling interests)	-77	-12	-3	41	50
EBITDA	1,706	1,387	1,147	1,259	1,310
EBITDA margin (%)	32.6	27.0	21.1	21.9	21.5
EPS (parent-based) (KRW)	-22,955	1,345	1,476	3,360	4,614
EPS (consolidated) (KRW)	-26,487	776	1,353	5,225	6,875
Adjusted EPS (KRW)*	-22,955	1,345	1,476	3,360	4,614

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	1,403	1,166	919	1,172	1,189
Net profit	-581	17	30	115	151
Non-cash profit and expenses	2,315	1,480	1,123	1,153	1,182
Depreciation	81	82	71	64	58
Amortization	1,521	1,172	964	993	1,028
Other	714	226	88	96	96
Changes in A/L from operating activities	-148	-179	-74	77	36
Cash flow from investments	-936	-1,023	-763	-1,156	-1,167
Change in tangible assets	106	-25	-54	-65	-65
Change in financial assets	-23	-21	-4	-33	-22
Other	-1,019	-977	-705	-1,059	-1,080
Cash flow from financing	-569	-330	-70	-104	-66
Change in debt	-341	-323	-70	-104	-58
Change in equity	-24	-2	0	0	0
Dividends	0	0	0	0	-8
Other	-204	-5	0	0	0
Change in cash	-59	-191	-6	20	44
Cash at beginning of year	1,033	973	782	776	796
Cash at end of year	973	782	776	796	840
Gross cash flow	1,735	1,497	1,153	1,268	1,333
Free cash flow	1,339	1,137	865	1,107	1,124

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	2,909	2,552	2,678	2,759	2,912
Cash & equivalents	973	782	776	796	840
Accounts receivable	1,115	1,021	1,116	1,154	1,224
Inventories	137	143	144	153	158
Other current assets	684	606	641	657	690
Fixed assets	6,407	6,115	5,869	5,917	5,978
Investment assets	1,994	2,021	2,047	2,023	2,022
Tangible assets	861	849	832	833	839
Intangible assets	2,664	2,321	2,068	2,104	2,146
Other long-term assets	889	923	923	957	971
Total assets	9,317	8,667	8,547	8,675	8,890
Current liabilities	3,814	3,201	3,160	3,161	3,173
Accounts payable	253	281	278	273	282
Short-term debt	1,046	763	682	618	640
Other current liabilities	2,515	2,158	2,201	2,270	2,251
Long-term liabilities	1,824	2,020	2,046	2,059	2,119
Bonds & long-term debt	1,010	1,197	1,197	1,173	1,203
Other long-term liabilities	814	822	848	885	915
Total liabilities	5,639	5,221	5,206	5,220	5,292
Owners of parent equity	2,794	2,789	2,688	2,761	2,854
Capital stock	111	111	111	111	111
Capital surplus	2,432	2,431	2,431	2,431	2,431
Retained earnings	380	412	444	518	611
Other	-129	-164	-298	-298	-298
Non-controlling interests' equity	884	656	654	695	744
Total equity	3,678	3,446	3,341	3,456	3,598
Net debt	1,886	1,747	1,680	1,536	1,419

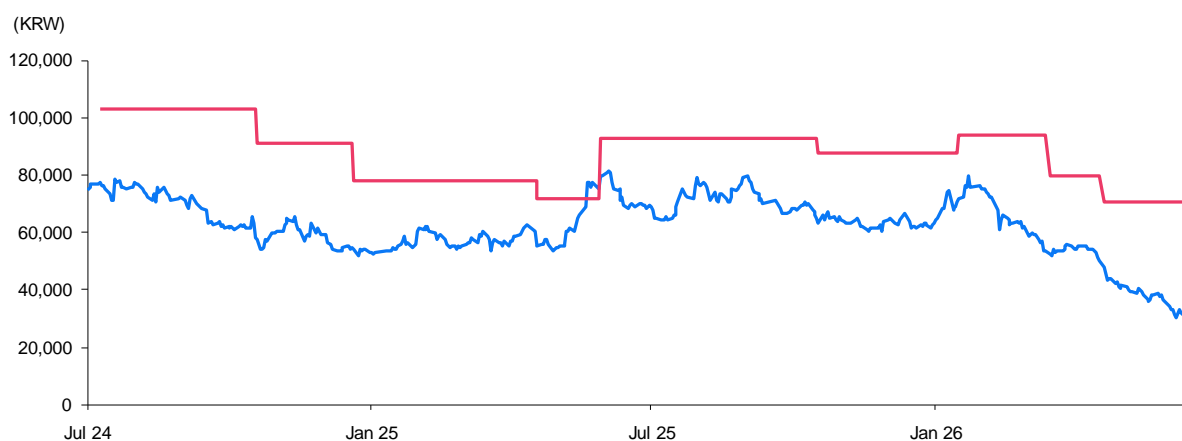
Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	19.8	-1.9	6.1	5.4	6.1
Operating profit	nm	27.2	-15.5	79.1	11.0
Net profit	nm	nm	74.4	286.2	31.6
Adjusted EPS**	nm	nm	9.7	127.6	37.3
Per-share data (KRW)					
EPS (parent-based)	-22,955	1,345	1,476	3,360	4,614
EPS (consolidated)	-26,487	776	1,353	5,225	6,875
Adjusted EPS**	-22,955	1,345	1,476	3,360	4,614
BVPS	134,764	134,461	129,555	133,107	137,585
DPS (common)	0	0	0	400	700
Valuations (x)					
P/E***	n/a	48.0	21.8	9.6	7.0
P/B***	0.4	0.5	0.2	0.2	0.2
EV/EBITDA	2.3	2.8	2.7	2.3	2.2
Ratios (%)					
ROE	-16.7	1.1	1.2	2.7	3.6
ROA	-6.0	0.2	0.3	1.3	1.7
ROIC	2.6	0.7	1.8	4.2	4.6
Payout ratio	0.0	0.0	0.0	11.3	14.4
Dividend yield (common)	0.0	0.0	0.0	1.2	2.2
Net debt to equity	51.3	50.7	50.3	44.4	39.4
Interest coverage (x)	0.6	0.8	0.7	1.3	1.5

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Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2024/2/8	11/8	2025/1/10	5/9	6/19	11/7	2026/2/6	4/6	5/11	7/9
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	103000	91000	78000	72000	93000	88000	94000	80000	71000	47000
Gap* (average)	-26.04	-35.21	-27.11	-12.02	-23.09	-26.75	-29.99	-32.53	-47.36	
(max or min)**	-11.55	-27.69	-19.87	7.64	-12.04	-15.00	-14.89	-30.25	-35.35	

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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- 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

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Percentage of ratings in 12 months prior to 2026.06.30

BUY (85.5%)-HOLD (14.5%)-SELL (0%)

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