COMPANY UPDATE

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EV/Mobility Team

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LG Chem (051910)

2Q review: Earnings stronger than expected

- LG Chem reported a 2Q operating profit of KRW599.6b (better by KRW649.3b q-q), beating consensus (KRW353.5b), driven by stronger-than-expected profitability across all business segments excluding the battery subsidiary.
- We lower our SOTP-based target price to reflect recent declines in the value of its equity holdings in subsidiaries. But as the core advanced materials business shows strengthening fundamentals, we keep the stock as our sector top pick.

AT A GLANCE

BUY

Target price	KRW380,000	47.3%
Current price	**KRW258,000**	
Market cap	KRW18.2t/USD12.8b	
Shares (float)	70,592,341 (65.0%)	
52-week high/low	KRW429,500/KRW232,500	
Avg daily trading value (60-day)	KRW107.8b/ USD75.7m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
LG Chem (%)	-7.9	-16.9	-14.4
Vs Kospi (%pts)	18.4	-34.2	-57.9

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	380,000	400,000	-5.0%
2026E EPS	-13,796	-13,796	0.0%
2027E EPS	23,528	23,528	0.0%

SAMSUNG vs THE STREET

No of estimates	16
Target price	428,688
Recommendation	3.8

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

WHAT'S THE STORY?

View—advanced materials recovery outlook intact: Factoring in recent declines in the value of equity holdings due to subsidiary stock price corrections, we reduce our SOTP-based target price for LG Chem by 5% (from KRW400,000 to KRW380,000). While the chemicals division is set to return to loss in 3Q—a disappointment—the outlook for advanced materials, our key focus, remains intact. The cathode materials unit should turn profitable in 4Q, as sales volumes quadruple h-h from 8,000 tonnes in 1H to 31,000 tonnes in 2H. Rising demand for coated separators for US ESS applications should further support margin expansion. Electronic materials deliver consistent double-digit margins. Given that advanced materials trade at valuation multiples over three times those of chemicals, their improving fundamentals are likely to drive a more meaningful uplift in overall corporate value. We keep the stock as our sector top pick.

(Continued on the next page)

SUMMARY 2Q RESULTS

(KRWb)	2Q26	Chg (% y-y)	Chg (% q-q)	Diff (%) Samsung	Diff (%) Consensus
Sales	14,176	29.3	15.8	7.4	1.5
Operating profit	599.6	3,044.7	nm	23.6	41.2
Pre-tax profit	429.3	nm	nm	94.6	471.8
Net profit	66.8	nm	nm	-78.1	-76.2
Margins (%)					
Operating profit	4.2				
Pre-tax profit	3.0				
Net profit	0.5				

Source: Company data, FnGuide, Samsung Securities estimates

VALUATION SUMMARY

	2025	2026E	2027E
Valuations (x)			
P/E	n/a	n/a	11.0
P/B	0.8	0.6	0.6
EV/EBITDA	13.0	9.6	6.1
Div yield (%)	0.6	0.8	3.5
EPS growth (% y-y)	nm	nm	nm
ROE (%)	-5.5	-3.4	5.7
Per-share data (KRW)			
EPS	-23,242	-13,796	23,528
BVPS	419,617	403,815	425,340
DPS	2,000	2,000	9,000

Samsung Securities

2Q results beat consensus: LG Chem reported a 2Q operating profit of KRW599.6b (better by KRW649.3b q-q), beating consensus (KRW353.5b; FnGuide) and our estimate (KRW484.9b). All business segments—excluding battery subsidiary—exceeded our forecasts, including chemicals division, advanced materials division, Farm Hannong, and life sciences divisions.

- **Chemicals:** The chemicals division logged an operating profit of KRW426.5b (up by KRW261.7b q-q). Profitability improved markedly, driven by favorable inventory effects from rising naphtha prices.
- **Advanced materials:** The advanced materials division posted an operating profit of KRW19.9b (better by KRW63.2b q-q) for a margin of 2% (vs -5.1% in 1Q), exceeding our estimate of KRW7.7b. The cathode materials unit saw sales of KRW0.2t (up 38% q-q) and an operating loss of KRW70b (narrower by KRW39b q-q) for a margin of -35%. Sales volume stayed flat q-q, falling short of the anticipated 30% q-q rise due to delays in selling to new customers—factory utilization was only 10%. Still, profitability improved because it received about KRW30b in compensation from its end customer. Other advanced materials (besides cathode materials) contributed sales of KRW0.8t (up 15% q-q) and an operating profit of KRW89.9b (up 25% q-q) for a margin of 11.3% (vs 9.4% in 1Q).
- **Batteries:** The battery subsidiary (LGES) announced a 2Q operating profit of KRW113.3b (up by KRW321.1b q-q), below both the consensus (KRW203.4b; FnGuide) and our forecast (KRW226.1b), in line with its preliminary announcement on Jul 7. Compared to our estimates, the EV battery business and IRA AMPC underperformed, while the small battery and ESS businesses did relatively well. The ESS strength is largely attributable to reciprocal tariff refunds (estimated around KRW80b).
- **Farm Hannong:** Its subsidiary Farm Hannong recorded an operating profit of KRW25.4b (down by KRW9.4b q-q) for a margin of 9.3%. Sales and profits improved on stronger domestic sales of crop protection products and advance purchases of fertilizers driven by the Middle East war.
- **Life Sciences:** Operating profit at the life sciences division amounted to KRW60b (up 26.3b q-q) for a margin of 16.3%. Sales and profitability improved thanks to higher q-q export shipment volumes.

3Q preview—results to miss consensus: We expect LG Chem to report a 3Q operating profit of KRW17.5b (down by KRW582.1b q-q), missing consensus (KRW537.1b; FnGuide), due to the chemicals division's turn to losses and lower earnings from the battery subsidiary. Its battery subsidiary is likely to miss consensus (KRW460b; FnGuide) by 48% with an operating profit of KRW239.5b (up 111% q-q). The chemicals division will likely swing to an operating loss of KRW212.8b (worse by KRW639.3b q-q), as unfavorable inventory effects from weakening naphtha prices began to materialize. The advanced materials division will likely grow operating profit further to KRW43.8b (up 120% q-q). The cathode materials unit will likely see sales of KRW0.32t (up 61% q-q) and an operating loss of KRW48.4b (up by KRW21.6b q-q) for a margin of -15%. Cathode materials shipments should rise significantly to 7,800 tonnes (up 100% q-q), on the beginning of sales to new customers, but utilization will likely remain low at 20%, keeping the unit in the red. The unit should turn profitable in 4Q, achieving an operating margin of 1%, driven by full-quarter sales to the new customers that lift utilization to 58%.

LG Chem: Sum-of-the-parts valuation

(KRWb)	Forward EBITDA	Multiple (x)	Enterprise value	Note
Operating value (A)				
Chemicals	751	4.9	3,677	Peers (global NCCs/ECCs)
Advanced Materials	923	16.5	15,224	Peers (display materials manufacturers and cathode materials manufacturers*);
Batteries			12,272	Apply a discount to the ownership stake; **Revised down from KRW14.0t**
Farm Hannong	107	6.4	681	30% premium to chemicals division
Life Sciences	296	6.4	1,882	30% premium to chemicals division
Total	**2,077**	**10.3**	**33,736**	
Asset value (B)			**2,401**	**30% discount**
Net debt (C)			**8,683**	**Based on end-2026 excludes LG Energy Solution's net debt**
Market capitalization of preferred shares (D)			**903**	**As of Jul 31 close**
Fair market capitalization (E = A + B - C - D)			**26,552**	
Outstanding shares ('000)			70,592	
Fair price (KRW)			376,133	
Target price (KRW)			**380,000**	**Revised down by 5% from KRW400,000**
Current price (KRW)			258,000	As of Jul 31 close
Upside (%)			47.3	
2026 implied P/E (x)			nm	
2027 implied P/E (x)			16.2	
2026 implied P/B (x)			0.94	
2027 implied P/B (x)			0.89	

Note: *Weighted average of display materials company (70%; previously 85%) and battery cathode materials company (30%; previously 15%). The weighting change is based on the assumption of a turnaround at the cathode unit in 2027;
**Reflects the discount to net asset value (NAV) applied to the ownership stake, based on the average share price over the most recent month.
For the 60% stake required to maintain control over the medium-to-long term, a discount rate of 85% is applied. For the remaining stake, a discount rate of 35% is applied, taking into account the potential for monetization (liquidity). Accordingly, the final discount rate to net asset value applied to the relevant stake is 73%.
Source: Bloomberg, Samsung Securities estimates

LG Chem: Quarterly results

(KRWb)	2Q26P	1Q26	2Q25	Consensus	Samsung	Diff (%)			
						(% q-q)	(% y-y)	Consensus	Samsung
Sales	14,176	12,247	11,418	13,379	13,203	15.8	24.2	6.0	7.4
Operating profit	600	-50	477	353	485	Turned pos	25.8	69.6	23.6
Pre-tax profit	429	-566	-185	82	221	Turned pos	Turned pos	423.4	94.6
Net profit	67	-782	-112	296	305	Turned pos	Turned pos	-77.4	-78.1
Attributable to parent	93	-348	-434	112	310	Turned pos	Turned pos	-17.1	-70.1
Margins (%)									
Operating profit	4.2	-0.4	4.2	2.6	3.7				
Pre-tax profit	3.0	-4.6	-1.6	0.6	1.7				
Net profit	0.5	-6.4	-1.0	2.2	2.3				
Attributable to parent	0.7	-2.8	-3.8	0.8	2.3				

Note: Net profit attributable to controlling shareholders is our estimate based on the announced operating profit
Source: Company data, FnGuide, Samsung Securities estimates

LG Chem: Quarterly results, by division

(KRWb)	2Q26P	1Q26	2Q25	Chg (% q-q)	Chg (% y-y)
Sales	**14,176**	**12,247**	**11,418**	**15.8**	**24.2**
Chemicals	5,329	4,472	4,696	19.2	13.5
Advanced Materials	999	843	1,061	18.5	-5.8
Batteries	7,560	6,555	6,056	15.3	24.8
Farm Hannong	274	266	242	3.0	13.1
Life Sciences	369	313	337	18.0	9.5
Operating profit	**600**	**-50**	**477**	**Turned pos**	**25.8**
Chemicals	427	165	-90	158.8	Turned pos
Advanced Materials	20	-43	71	Turned pos	-71.9
Batteries	113	-208	492	Turned pos	-77.0
Farm Hannong	25	35	13	-27.0	103.2
Life Sciences	60	34	25	78.0	143.9
Cons. Adjustment	-45	-32	-33	Remained neg	Remained neg
Pre-tax profit	429	-566	-185	Turned pos	Turned pos
Net profit	**67**	**-782**	**-112**	**Turned pos**	**Turned pos**
Margins (%)					
Operating profit	4.2	-0.4	4.2		
Chemicals	8.0	3.7	-1.9		
Advanced Materials	2.0	-5.1	6.7		
Batteries	1.5	-3.2	8.1		
Farm Hannong	9.3	13.1	5.2		
Life Sciences	16.3	10.8	7.3		
Pre-tax profit	3.0	-4.6	-1.6		
Net profit	0.5	-6.4	-1.0		

Source: Company data, Samsung Securities

LG Chem: Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26P	3Q26E	4Q26E	2024	2025	2026E	2027E
KRW/USD (average)	1,453	1,401	1,387	1,452	1,467	1,502	1,440	1,380	1,365	1,423	1,447	1,380
Sales	**12,579**	**11,418**	**11,196**	**11,197**	**12,247**	**14,176**	**14,621**	**14,288**	**48,700**	**45,932**	**55,332**	**64,199**
Growth (% q-q)	2.4	-9.2	-1.9	0.0	9.4	15.8	3.1	-2.3				
Growth (% y-y)	8.8	-6.7	-11.3	-8.8	-2.6	24.2	30.6	27.6	-11.9	-5.7	20.5	16.0
Chemicals	4,782	4,696	4,461	3,947	4,472	5,329	4,671	3,701	19,160	17,886	18,174	14,751
Advanced Materials	1,440	1,061	838	725	843	999	1,142	1,576	6,412	4,064	4,561	6,877
Batteries	6,723	6,056	6,065	6,474	6,555	7,560	8,986	9,732	25,620	25,319	32,833	45,308
Farm Hannong	246	242	102	185	266	274	109	133	762	775	783	806
Life Sciences	286	337	375	356	313	369	358	374	1,334	1,353	1,414	1,491
Operating profit	**895**	**477**	**680**	**-413**	**-50**	**600**	**18**	**576**	**875**	**1,181**	**1,144**	**4,668**
Growth (% q-q)	Turned pos	-46.8	42.6	Turned neg	Remained neg	Turned pos	-97.1	3,186.8				
Growth (% y-y)	252.6	21.5	38.9	Remained neg	Turned neg	25.8	-97.4	To turn pos	-65.4	35.0	-3.1	308.1
Chemicals	-57	-90	29	-239.0	165	427	-213	-85	-105	-357	294	-231
Growth (% q-q)	Remained neg	Remained neg	Turned pos	Turned neg	Turned pos	158.8	To turn neg	To remain neg				
Growth (% y-y)	Remained neg	Turned neg	Turned pos	Remained neg	Turned pos	Turned pos	To turn neg	To remain neg	Remained neg	Remained neg	To turn pos	To turn neg
Advanced Materials	118	71	7	-50	-43	20	44	86	510	146	106	436
Growth (% q-q)	146.0	-39.9	-89.7	Turned neg	Remained neg	Turned pos	120.2	96.4				
Growth (% y-y)	-17.0	-58.3	-95.1	Turned neg	Turned neg	-71.9	500.2	To turn pos	-12.7	-71.3	-27.2	309.3
Batteries	375	492	601	-122	-208	113	240	569	575	1,346	714	4,443
Growth (% q-q)	Turned pos	31.3	22.2	Turned neg	Remained neg	Turned pos	111.4	137.6				
Growth (% y-y)	138.1	151.9	34.1	Remained neg	Turned neg	-77.0	-60.2	To turn pos	-73.4	133.9	-46.9	522.1
Farm Hannong	31	13	-20	14	35	25	-20	10	44	37	50	45
Growth (% q-q)	243.3	-59.5	Turned neg	Turned pos	148.6	-27.0	To turn neg	To turn pos				
Growth (% y-y)	-11.5	-37.5	Remained neg	55.6	12.6	103.2	To remain neg	-28.0	-2.4	-14.8	33.2	-10.2
Life Sciences	-13	25	101	16	34	60	-3	9	110	128	100	95
Growth (% q-q)	Remained neg	Turned pos	308.9	-84.1	110.6	78.0	To turn neg	To turn pos				
Growth (% y-y)	Turned neg	-77.4	Turned pos	Turned pos	Turned pos	143.9	To turn neg	-46.7	287.2	15.9	-22.0	-4.3
Consol. Adj.	442	-33	-39	-32	-32	-45	-30	-12	-260	-120	-120	-120
Growth (% q-q)	4,463.6	Turned neg	Remained neg	Remained neg	Remained neg	Remained neg	To remain neg	To remain neg				
Growth (% y-y)	Turned pos	Remained neg	Remained neg	Turned neg	Turned neg	Remained neg	To remain neg	To remain neg	Remained neg	Remained neg	To remain neg	To remain neg
Pre-tax profit	437	-185	457	-2,489	-566	429	-284	-345	-310	-1,780	-766	3,364
Growth (% q-q)	Turned pos	Turned neg	Turned pos	Turned neg	Remained neg	Turned pos	To turn neg	To remain neg				
Growth (% y-y)	40.3	Turned neg	23.3	Remained neg	Turned neg	Turned pos	To turn neg	To remain neg	Turned neg	Remained neg	To remain neg	To turn pos
Net profit	**260**	**-112**	**447**	**-1,573**	**-782**	**67**	**-235**	**-286**	**515**	**-977**	**-1,235**	**2,781**
Growth (% q-q)	-49.4	Turned neg	Turned pos	Turned neg	Remained neg	Turned pos	To turn neg	To remain neg				
Growth (% y-y)	-23.8	Turned neg	-55.8	Remained neg	Turned neg	Turned pos	To turn neg	To remain neg	-74.9	Turned neg	To remain neg	To turn pos
Attributable to parent	-108	-434	119	-1,397	-348	93	-379	-445	-691	-1,819	-1,080	1,842
Margins (%)												
Operating profit	7.1	4.2	6.1	-3.7	-0.4	4.2	0.1	4.0	1.8	2.6	2.1	7.3
Chemicals	-1.2	-1.9	0.7	-6.1	3.7	8.0	-4.6	-2.3	-0.5	-2.0	1.6	-1.6
Advanced Materials	8.2	6.7	0.9	-6.9	-5.1	2.0	3.8	5.5	8.0	3.6	2.3	6.3
Batteries	5.6	8.1	9.9	-1.9	-3.2	1.5	2.7	5.8	2.2	5.3	2.2	9.8
Farm Hannong	12.6	5.2	-19.7	7.6	13.1	9.3	-18.7	7.6	5.8	4.8	6.4	5.6
Life Sciences	-4.7	7.3	26.9	4.5	10.8	16.3	-0.7	2.3	8.3	9.4	7.0	6.4
Pre-tax profit	3.5	-1.6	4.1	-22.2	-4.6	3.0	-1.9	-2.4	-0.6	-3.9	-1.4	5.2
Net profit	2.1	-1.0	4.0	-14.0	-6.4	0.5	-1.6	-2.0	1.1	-2.1	-2.2	4.3

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**48,700**	**45,932**	**55,332**	**64,199**	**73,367**
Cost of goods sold	41,247	38,123	45,218	49,152	53,827
Gross profit	**7,452**	**7,809**	**10,114**	**15,047**	**19,541**
Gross margin (%)	15.3	17.0	18.3	23.4	26.6
SG&A expenses	8,057	8,275	8,970	10,380	11,878
Operating profit	**875**	**1,181**	**1,144**	**4,668**	**7,663**
Operating margin (%)	1.8	2.6	2.1	7.3	10.4
Non-operating gains (losses)	**-282**	**-1,983**	**-1,910**	**-1,304**	**-1,229**
Financial profit	2,112	1,945	-1,733	-1,145	-1,067
Financial costs	2,703	2,158	0	0	0
Equity-method gains (losses)	-25	-118	-14	-17	-19
Other	334	-1,651	-163	-143	-143
Pre-tax profit	**593**	**-802**	**-767**	**3,364**	**6,434**
Taxes	53	16	469	582	1,114
Effective tax rate (%)	8.9	-2.0	-61.2	17.3	17.3
Profit from continuing operations	-362	-1,796	-1,235	2,781	5,320
Profit from discontinued operations	877	819	-0	0	0
Net profit	**515**	**-977**	**-1,235**	**2,781**	**5,320**
Net margin (%)	1.1	-2.1	-2.2	4.3	7.3
Net profit (controlling interests)	-691	-1,819	-1,080	1,842	3,935
Net profit (non-controlling interests)	1,206	842	-155	939	1,385
EBITDA	4,077	4,792	6,507	10,220	13,258
EBITDA margin (%)	8.4	10.4	11.8	15.9	18.1
EPS (parent-based) (KRW)	-8,825	-23,242	-13,796	23,528	50,269
EPS (consolidated) (KRW)	6,579	-12,481	-15,782	35,529	67,956
Adjusted EPS (KRW)*	-8,825	-23,242	-13,796	23,528	50,269

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**27,816**	**32,527**	**34,531**	**41,887**	**52,928**
Cash & equivalents	7,855	9,900	6,405	9,254	15,635
Accounts receivable	8,166	6,725	8,969	10,406	11,893
Inventories	8,847	8,177	9,851	11,429	13,062
Other current assets	2,947	7,725	9,306	10,797	12,339
Fixed assets	**66,042**	**68,535**	**71,161**	**71,885**	**71,435**
Investment assets	3,626	3,347	3,636	3,909	4,190
Tangible assets	54,570	56,458	59,266	60,109	59,706
Intangible assets	3,619	3,502	3,032	2,639	2,312
Other long-term assets	4,226	5,228	5,228	5,228	5,228
Total assets	**93,858**	**101,062**	**105,691**	**113,771**	**124,364**
Current liabilities	**21,086**	**26,137**	**31,476**	**36,287**	**41,599**
Accounts payable	3,682	3,537	4,260	4,943	5,649
Short-term debt	1,812	3,273	3,973	3,973	3,973
Other current liabilities	15,592	19,327	23,243	27,371	31,977
Long-term liabilities	**24,777**	**27,819**	**28,502**	**29,146**	**29,812**
Bonds & long-term debt	18,981	21,183	21,183	21,183	21,183
Other long-term liabilities	5,795	6,636	7,319	7,963	8,629
Total liabilities	**45,862**	**53,956**	**59,978**	**65,434**	**71,411**
Owners of parent equity	**33,284**	**32,846**	**31,609**	**33,294**	**36,524**
Capital stock	391	391	391	391	391
Capital surplus	11,569	12,654	12,654	12,654	12,654
Retained earnings	18,592	16,999	15,762	17,447	20,677
Other	2,732	2,801	2,801	2,801	2,801
Non-controlling interests' equity	**14,711**	**14,260**	**14,104**	**15,044**	**16,428**
Total equity	**47,995**	**47,106**	**45,713**	**48,338**	**52,952**
Net debt	19,483	23,345	29,116	28,188	24,131

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**7,012**	**8,234**	**1,213**	**6,336**	**8,936**
Net profit	515	-977	-1,235	2,781	5,320
Non-cash profit and expenses	6,709	9,379	4,657	5,097	5,724
Depreciation	4,200	4,694	4,893	5,160	5,267
Amortization	482	563	470	392	327
Other	2,026	4,121	-706	-455	129
Changes in A/L from operating activities	1,012	1,522	-1,752	-973	-1,006
Cash flow from investments	**-13,663**	**-12,471**	**-6,996**	**-5,408**	**-4,334**
Change in tangible assets	-14,493	-13,503	-7,700	-6,003	-4,864
Change in financial assets	-770	-855	-472	-445	-461
Other	1,600	1,887	1,176	1,040	991
Cash flow from financing	**4,821**	**6,243**	**2,375**	**2,005**	**1,868**
Change in debt	5,219	6,722	2,532	2,162	2,573
Change in equity	-3	1,085	0	0	0
Dividends	-367	-227	-157	-157	-705
Other	-27	-1,337	0	-0	0
Change in cash	-1,230	2,045	-3,495	2,849	6,381
Cash at beginning of year	9,085	7,855	9,900	6,405	9,254
Cash at end of year	7,855	9,900	6,405	9,254	15,635
Gross cash flow	**7,224**	**8,402**	**3,421**	**7,879**	**11,043**
Free cash flow	**-7,603**	**-5,427**	**-6,487**	**333**	**4,072**

Note: *Excluding one-off items;
**Fully diluted, excluding one-off items;
***From companies subject to equity-method valuation
Source: Company data, Samsung Securities estimates

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	-11.9	-5.7	20.5	16.0	14.3
Operating profit	-65.4	35.0	-3.1	308.1	64.2
Net profit	-74.9	nm	nm	nm	91.3
Adjusted EPS**	nm	nm	nm	nm	113.7
Per-share data (KRW)					
EPS (parent-based)	-8,825	-23,242	-13,796	23,528	50,269
EPS (consolidated)	6,579	-12,481	-15,782	35,529	67,956
Adjusted EPS**	-8,825	-23,242	-13,796	23,528	50,269
BVPS	425,221	419,617	403,815	425,340	466,609
DPS (common)	1,000	2,000	2,000	9,000	13,000
Valuations (x)					
P/E***	n/a	n/a	n/a	11.0	5.1
P/B***	0.6	0.8	0.6	0.6	0.6
EV/EBITDA	13.0	13.0	9.6	6.1	4.5
Ratios (%)					
ROE	-2.1	-5.5	-3.4	5.7	11.3
ROA	0.6	-1.0	-1.2	2.5	4.5
ROIC	1.7	1.7	2.5	5.0	8.1
Payout ratio	-10.2	-7.8	-13.1	34.5	23.3
Dividend yield (common)	0.4	0.6	0.8	3.5	5.0
Net debt to equity	40.6	49.6	63.7	58.3	45.6
Interest coverage (x)	0.9	1.0	n/a	n/a	n/a

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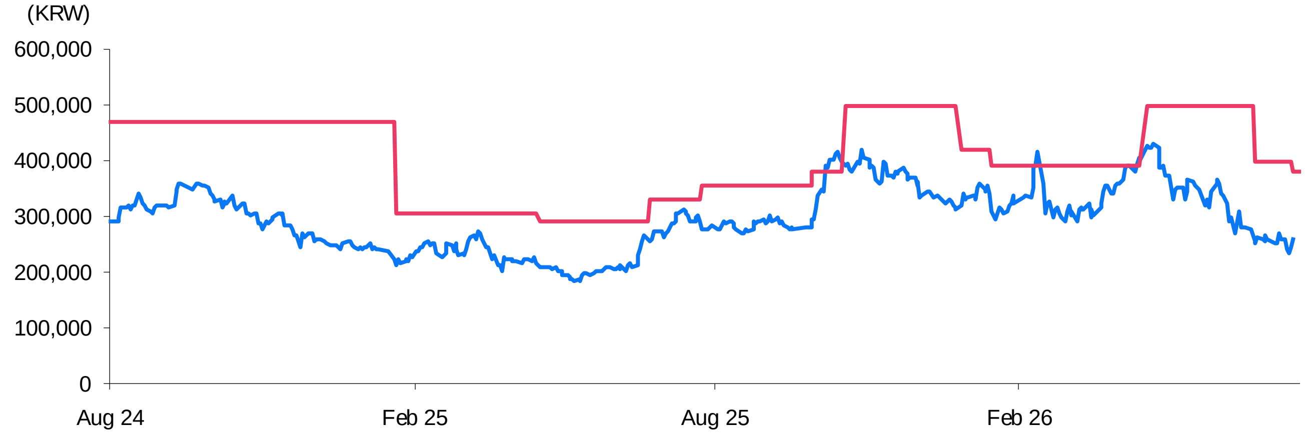
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2024/7/25	2025/2/4	5/2	7/8	8/8	10/14	11/3	2026/1/12	1/30	5/4	7/8	7/31
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	HOLD	BUY	BUY	BUY
Target price (KRW)	470000	305000	290000	330000	355000	380000	500000	420000	390000	500000	400000	380000
Gap* (average)	-37.05	-23.11	-28.41	-12.72	-20.02	-1.68	-26.61	-18.52	-13.98	-31.83	-36.33	
(max or min)**	-23.19	-10.82	-8.79	-5.15	-15.21	9.74	-16.10	-14.76	7.05	-14.10	-32.13	

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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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 2026.06.30

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