COMPANY UPDATE

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AT A GLANCE

BUY		
Target price	KRW17,000	15.4%
Current price	**KRW14,730**	
Market cap	KRW591.57b/USD417.78m	
Shares (float)	40,160,611 (50.7%)	
52-week high/low	KRW23,800/KRW11,240	
Avg daily trading value (60-day)	KRW6.6b/ USD4.6m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
NHN KCP (%)	14.1	-29.5	-1.7
Vs Kosdaq (%pts)	11.4	-8.4	-6.9

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	17,000	17,000	0.0%
2026E EPS	1,398	1,398	0.0%
2027E EPS	1,569	1,569	0.0%

SAMSUNG vs THE STREET

No of estimates	4
Target price	19,500
Recommendation	4.0

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

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NHN KCP (060250)

2Q review; profitability improvement needed

- NHN KCP reported 2Q sales and operating profit of KRW383.4b and KRW15.4b (up 27.5% and 24.8% y-y), with transaction volume at overseas merchants soaring 45.9% y-y.
- Such robust topline growth was impressive. But operating margin stayed low at 4.0%, due to sales growth fueled by transactions from large merchants, which carry lower fee rates.
- We remain upbeat on the company for its differentiated growth within the payments sector. But further re-rating of shares will depend on improving operating margins and demonstrating clearer visibility into new business initiatives.

WHAT'S THE STORY?

Differentiated sales growth continue into 2Q: NHN KCP's 2Q sales rose 27.5% y-y to KRW383.4b, confirming sustained differentiated growth. This was led by online sales, which jumped 30.8% y-y, fueled by: 1) onboarding of new large-scale merchants; and 2) a surge in transaction volume from overseas merchants (up 45.9% y-y). The overseas merchant share in transaction volume expanded 1.5%pts y-y to 19.7%. Mercedes Pay-related transactions began contributing meaningfully from 2Q.

Operating profit up 24.8% y-y, but operating margin needs to improve: NHN KCP's operating profit increased 24.8% y-y to KRW15.4b, but operating margin remained flat q-q at a low 4.0%. The persistent pressure on operating margin stems from growth driven primarily by large merchants, which carry lower fee rates. As such, improving profitability—measured by operating margin—while sustaining growth will be critical going forward.

(Continued on the next page)

SUMMARY 2Q RESULTS

(KRWb)	2Q26	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	383.4	27.5	11.2	10.2	5.8
Operating profit	15.4	24.8	12.0	0.8	(2.3)
Pre-tax profit	17.7	39.7	(19.8)	1.4	(1.1)
Net profit	13.0	36.0	(19.9)	(2.0)	(6.0)
Margins (%)					
Operating profit	4.0				
Pre-tax profit	4.6				
Net profit	3.4				

Source: Company data, FnGuide, Samsung Securities estimates

VALUATION SUMMARY

	2025	2026E	2027E
Valuations (x)			
P/E	13.2	10.5	9.4
P/S	0.5	0.4	0.3
Div yield (%)	1.7	2.0	2.4
EPS growth (% y-y)	0.2	23.9	12.2
ROE (%)	16.0	17.3	16.9
Per-share data (KRW)			
EPS	1,128	1,398	1,569
SPS	30,749	38,847	45,491
DPS	250	290	350

Samsung Securities

Maintaining positive outlook based on distinctive growth and valuation appeal: Within the payments sector, we maintain a positive view on NHN KCP, given: 1) its sustained differentiation in growth; and 2) an attractive 2026 P/E of 10.1x, trading below both global payments peers and its own historical average.

Re-rating hinges on profitability and new business visibility: However, the company's structural valuation re-rating will depend on improving profitability and enhancing visibility around new business initiatives. Key focus areas include: 1) increasing the share of higher-margin merchants in transaction volume; 2) achieving meaningful economies of scale to drive margin expansion; and 3) clarifying the company's potential role and monetization pathways under emerging regulatory frameworks for stablecoins and digital assets.

Income Statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	1,105.3	1,234.9	1,560.1	1,827.0	2,035.8
Cost of goods sold	1,006.9	1,114.1	1,425.6	1,670.4	1,860.4
Gross profit	98.5	120.8	134.5	156.6	175.5
Gross margin (%)	54.7	66.1	71.8	78.6	87.5
SG&A expenses	4.9	5.4	4.6	4.3	4.3
Operating profit	43.8	54.7	62.7	78.0	87.9
Operating margin (%)	4.0	4.4	4.0	4.3	4.3
Non-operating gains (losses)	**11.6**	**9.1**	**11.5**	**11.6**	**13.2**
Financial profit	0.4	1.4	2.6	3.6	3.7
Financial costs	1.1	(0.0)	(0.1)	0.1	0.1
Equity-method gains (losses)	**3.0**	**0.2**	**6.3**	**0.6**	**0.7**
Other	0.3	1.2	0.8	0.5	0.5
Pre-tax profit	58.9	61.3	77.1	86.3	97.7
Taxes	13.6	15.5	20.5	22.8	25.8
Effective tax rate (%)	23.1	25.3	26.6	26.4	26.4
Profit from continuing operations	45.3	45.8	56.6	63.5	71.9
Profit from discontinued operations	0.1	0.5	0.5	0.5	0.5
Net profit	**45.2**	**45.3**	**56.1**	**63.0**	**71.4**

Balance Sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**480.1**	**578.5**	**650.9**	**691.1**	**727.1**
Cash & equivalents	159.4	375.0	265.1	275.8	287.0
Accounts receivable	320.7	203.5	385.8	415.3	440.0
Inventories	90.2	81.3	83.3	88.5	93.1
Other current assets	33.6	34.5	34.5	35.9	37.4
Fixed assets	**7.9**	**13.3**	**13.6**	**14.2**	**14.8**
Investment assets	48.7	33.5	35.2	38.4	41.0
Tangible assets	570.3	659.7	734.2	779.6	820.2
Intangible assets	297.5	353.8	379.9	373.6	356.4
Other long-term assets	7.6	5.2	6.3	6.3	6.3
Total assets	305.1	359.1	386.2	379.9	362.7
Current liabilities	20.1	20.1	20.1	20.1	20.1
Accounts payable	**38.9**	**38.9**	**38.9**	**38.9**	**38.9**
Short-term debt	244.4	286.8	333.8	385.5	443.2
Other current liabilities	(43.7)	(51.2)	(51.1)	(51.1)	(51.1)
Long-term liabilities	**259.7**	**294.6**	**341.7**	**393.4**	**451.1**
Bonds & long-term debt	5.4	6.1	6.3	6.3	6.3
Other long-term liabilities	**265.2**	**300.7**	**348.0**	**399.7**	**457.4**
Total liabilities	305	359	328	318	304

Margins

Year-end Dec 31 (%)	2024	2025	2026E	2027E	2028E
Gross profit margin	8.9	9.8	8.6	8.6	8.6
Operating margin	4.0	4.4	4.0	4.3	4.3
Pre-tax profit margin	5.3	5.0	4.9	4.7	4.8
Net profit margin	4.1	3.7	3.6	3.4	3.5
ROA	8.3	7.4	8.1	8.3	8.9
ROE	18.5	16.0	17.3	16.9	16.7

Financial ratios

Year-end Dec 31 (KRW)	2024	2025	2026E	2027E	2028E
EPS	1,126	1,128	1,398	1,569	1,777
SPS	27,523	30,749	38,847	45,491	50,693
DPS	100	250	290	350	400
P/E (x)	6.3	13.2	10.5	9.4	8.3
P/S (x)	0.3	0.5	0.4	0.3	0.3
Dividend payout ratio (%)	8.6	20.8	21.0	22.5	22.5
Div yield (%)	1.4	1.7	2.0	2.4	2.7

Year-end Dec 31	Sales (KRWb)	Net profit (KRWb)	EPS (KRW)	Chg (% y-y)	Sales per share (KRW)	P/E (x)	P/S (x)	ROA (%)	ROE (%)	DPS (KRW)	Div yield (%)
2024	1,105.3	45.3	1,126	28.2	27,523	6.3	0.3	8.3	18.5	100	1.4
2025	1,234.9	45.8	1,128	0.2	30,749	13.2	0.5	7.4	16.0	250	1.7
2026E	1,560.1	56.6	1,398	23.9	38,847	10.5	0.4	8.1	17.3	290	2.0
2027E	1,827.0	63.5	1,569	12.2	45,491	9.4	0.3	8.3	16.9	350	2.4
2028E	2,035.8	71.9	1,777	13.3	50,693	8.3	0.3	8.9	16.7	400	2.7

Source: Company data, Samsung Securities

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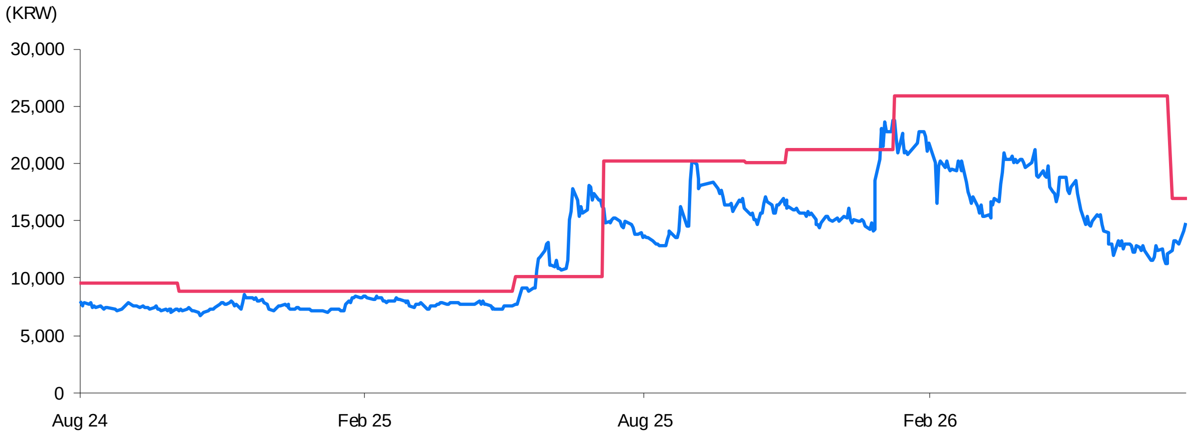

Rating changes over past two years (adjusted share prices)

Date	2024/8/6	10/30	2025/6/4	7/31	10/31	11/26	2026/2/4	8/3
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	9600	8800	10100	20200	20100	21200	26000	17000
Gap* (average)	-22.19	-12.88	29.23	-24.40	-20.39	-22.53	-34.20	
(max or min)**	-18.02	-2.16	79.70	0.00	-14.78	12.03	-12.31	

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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Percentage of ratings in 12 months prior to 2026.06.30

BUY(85.5%)·HOLD(14.5%)·SELL(0%)

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