COMPANY UPDATE

2026. 8. 13

Tech Team

Minha Choi
Senior Analyst
minha22.choi@samsung.com

Hyerim Yu
Research Associate
hyerim0705.yu@samsung.com

Scan to go to
Research Center report database

CJ CGV (079160)

Changing the formula for survival

- CJ CGV continues to pursue a strategy of differentiating the viewing experience through premium formats, non-film content, and CGV-exclusive offerings.
- Domestic earnings are improving, supported by ongoing cost-efficiency initiatives. Meanwhile, subsidiary CJ 4DPlex's global expansion and potential external investment should highlight the value of its technology-driven premium theater business.
- Financial burdens, including high interest expenses, persist. Thus, we maintain HOLD. We, however, raise our target price to KRW6,200 (a SOTP method), reflecting a change in our valuation basis and earnings forecasts.

AT A GLANCE

HOLD

Target price	**KRW6,200**	**12.7%**
Current price	**KRW5,500**	
Market cap	KRW910.7b/USD643.29m	
Shares (float)	165,582,596 (45.6%)	
52-week high/low	KRW6,570/KRW4,220	
Avg daily trading value (60-day)	KRW2.4b/ USD1.7m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
CJ CGV (%)	23.7	-9.7	13.3
Vs Kospi (%pts)	40.6	-24.2	-45.1

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	HOLD	HOLD	
Target price	6,200	5,300	17.0%
2026E EPS	-576	-921	0.0%
2027E EPS	-308	-604	0.0%

SAMSUNG vs THE STREET

No of estimates	4
Target price	6,875
Recommendation	3.8

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

WHAT'S THE STORY?

Cinemas—Enriching content and experience: As OTT platforms become mainstream, traditional cinema business models face mounting pressure to adapt. To remain competitive, multiplexes have to evolve. Indeed, multiplexes are expanding specialty theaters offering immersive, multisensory experiences available only in theaters—such as ScreenX and 4DX—while diversifying into non-film offerings like live concerts, VR experiences, live sports broadcasts, and real-time event viewings. These innovations are creating new demand by transforming theaters into multi-purpose entertainment hubs. Recent global growth in premium theater technologies, combined with a string of Hollywood blockbusters, has further heightened consumer interest in special theaters. CJ CGV is also differentiating itself by enhancing unique cinema-only experiences through specialized screens such as ScreenX and 4DX, alongside exclusive CGV-only content.

(Continued on the next page)

SUMMARY FINANCIAL DATA

(KRWb)	2025	2026E	2027E	2028E
Revenue	2,275	2,495	2,564	2,637
Operating profit	96	97	108	122
Net profit (adj)	-143	-68	-65	-21
EPS (adj) (KRW)	-868	-576	-308	-88
EPS (adj) growth (% y-y)	nm	nm	nm	nm
EBITDA margin (%)	16.7	14.8	14.6	14.3
ROE (%)	-22.8	-18.4	-11.6	-3.6
P/E (adj) (x)	n/a	n/a	n/a	n/a
P/B (x)	1.7	2.0	2.2	2.3
EV/EBITDA (x)	7.8	7.8	7.7	7.3
Dividend yield (%)	0.0	0.0	0.0	0.0

Source: Company data, Samsung Securities estimates

Samsung Securities

Demonstrating technological competitiveness through value: Since 3Q, CJ CGV has showcased multiple milestones highlighting its technological edge. *Spider-Man: Beyond the New Day* (released Jul 29) was the first major film produced from inception using the "Shot for ScreenX" approach—designed specifically to leverage ScreenX's four-sided screen format, delivering an immersive, panoramic viewing experience. Meanwhile, CJ 4DPlex, the subsidiary (90% owned by CJ CGV) responsible for developing and selling equipment for ScreenX, 4DX, and other premium formats, is advancing its strategic positioning. According to media reports, CJ 4DPlex is actively pursuing external investment from funds such as the National Growth Fund's Advanced Strategic Industry Fund. As the adoption of premium theater content expands globally, and CJ 4Dplex's potential external investment gains attention, interest in CJ CGV's technological competitive edge and its subsidiary CJ 4Dplex should rise.

Cost efficiency and site competitiveness enhancement: CJ CGV continues to streamline its business structure through targeted cost optimization (*eg*, the closure of underperforming locations both domestically and internationally), thereby reducing fixed cost burdens. At the same time, the company is prioritizing the enhancement of core theater competitiveness by upgrading key sites with premium technology formats—such as ScreenX and 4DX. By simultaneously improving cost structure and strengthening site-level competitiveness, CJ CGV is driving a structural shift toward higher per-location productivity.

Domestic recovery, overseas diversification by market: Led by a strong box office, CJ CGV's domestic revenue rose 26% y-y in 1H, fueled by an y-y increase in hit films such as *The King's Warden* (16.9m admissions), along with *Colony*, *Spider-Man: Brand New Day*, and *Hope* (each drawing 4-5m viewers). Although the domestic business remained in the red in 1H, operating losses narrowed sharply to KRW12.8b (vs an operating loss of KRW48.3b in 1H25). In contrast, the China business turned to an operating loss in 1H due to a high base effect from last year's blockbuster *Ne Zha 2*. The Vietnam business suffered a y-y fall in margin due to a hike in the distribution revenue portion, although it remained profitable. The Indonesia business experienced a y-y decline in earnings due to temporary market contraction.

Financial burden remains elevated: Although CJ CGV posted a y-y improvement in operating profit and a y-y turn to a net profit in 2Q, it is important to note that part of this improvement was driven by the reduction in lease liabilities following theater closures. Overall financial burden remains substantial, with quarterly financial expenses still hovering around KRW50b. On a positive note, the global expansion of premium formats such as ScreenX and 4DX is enhancing the strategic value of these businesses. However, given the lingering uncertainty around the pace of financial deleveraging, we maintain HOLD. Reflecting a change in our valuation basis and our earnings forecasts, we raise our target price to KRW6,200 (based on a sum-of-the-parts valuation; Table 9).

Chart 1. CGV: Special theaters—4DX (LHS), 4-sided ScreenX (RHS)

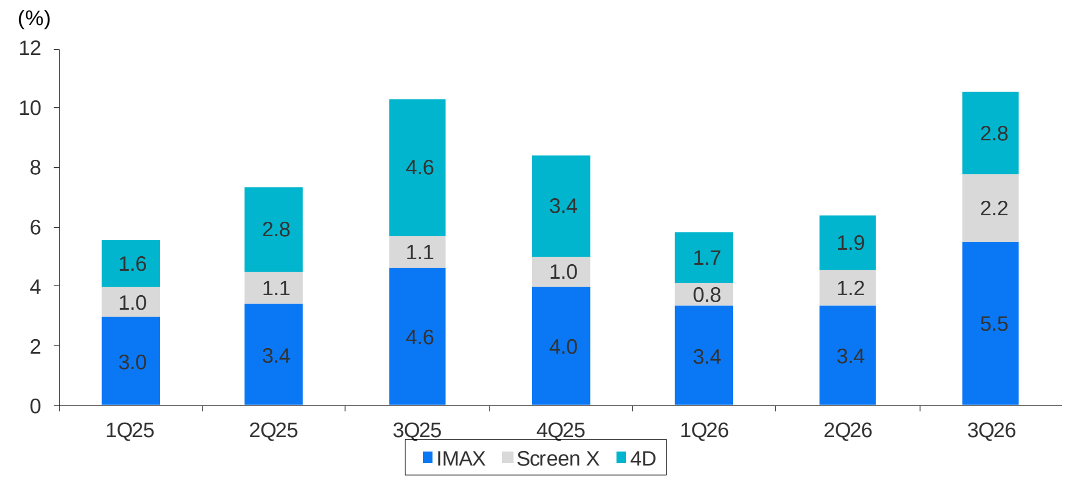
Source: Company data, Samsung Securities

Table 1. Sales by screening type (Korea market basis)

(KRWm)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26E
2D	188,102.4	190,565.1	288,719.9	268,590.5	292,813.9	240,863.1	167,725.4
IMAX	5,963.6	7,116.4	15,256.4	12,433.8	10,666.6	8,784.9	10,639.3
Screen X	**2,021.2**	**2,259.8**	**3,454.4**	**3,182.5**	**2,468.7**	**3,151.5**	**4,244.4**
Dolby Cinema	1,054.7	1,486.4	4,777.0	4,977.3	2,862.4	2,792.8	3,124.1
VR	-	69.5	971.0	875.5	968.1	678.6	803.0
4D	**3,214.0**	**5,898.9**	**15,223.3**	**10,606.4**	**5,430.8**	**4,837.3**	**5,396.2**
Film	3.8	5.0	14.3	9.4	4.0	12.4	3.3
3D	-	171.5	112.9	10,133.4	2,800.7	6.1	0.7
Total	200,360	207,572	328,529	310,809	318,015	261,127	191,936

Note: 4DX and ScreenX are specialized theaters based on proprietary technology developed by CJ CGV; currently, the subsidiary CJ 4D Plex handles all development, operations, and overseas exports;
Dolby Cinema figures aggregate Dolby Cinema, Dolby Cinema 3D, and Dolby Cinema dubbing
Source: Integrated Cinema Ticketing System, Samsung Securities

Chart 2. Market share of sales by screening type (based on the Korean market): Specialized theaters operated by CJ CGV



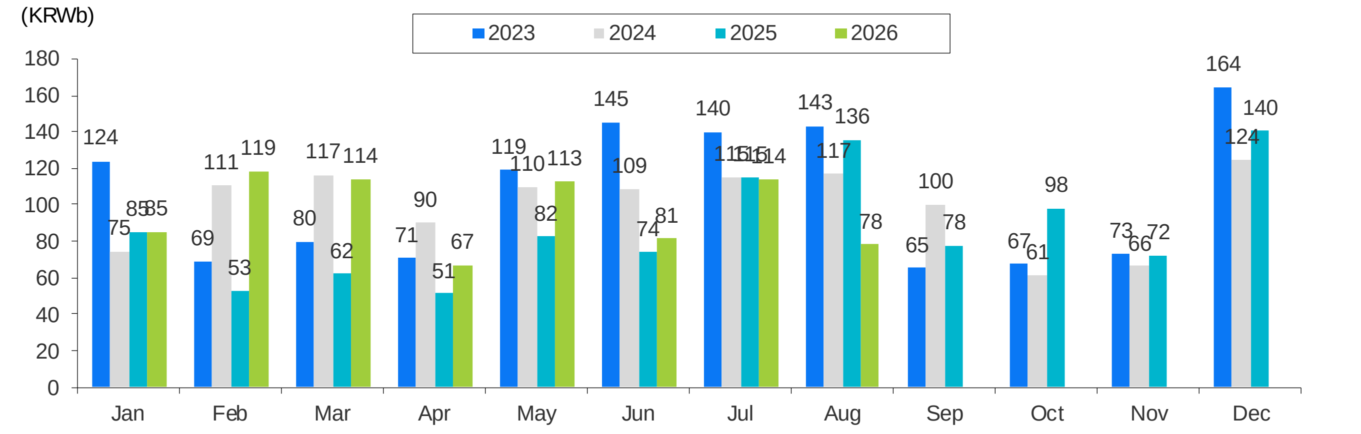
Note: ScreenX and 4DX are available only at CJ CGV in Korea
Source: Integrated Cinema Ticketing System, Samsung Securities

Table 2. Box-office hits: 2023-2026

Rank	2023	Tickets ('000)	2024	Tickets ('000)	2025	Tickets ('000)	2026	Tickets ('000)
1	12.12: The Day	11,855	Exhuma	11,915	Zootopia 2	7,706	The King's Warden	16,918
2	The Roundup: No Way Out	10,683	The Roundup: Punishment	11,503	The Movie: Infinity Castle	5,692	Colony	5,953
3	Elemental	7,238	Inside Out 2	8,799	My Daughter is a Zombie	5,640	Spider-Man: Brand New Day	5,912
4	Suzume	5,574	I, The Executioner	7,525	F1 the movie	5,215	Hope	4,394
5	Smugglers	5,143	Pilot	4,718	Avatar: Fire and Ash	4,570	Salmokji	3,241
Total		**125,136**		**123,125**		**106,089**		**75,321**

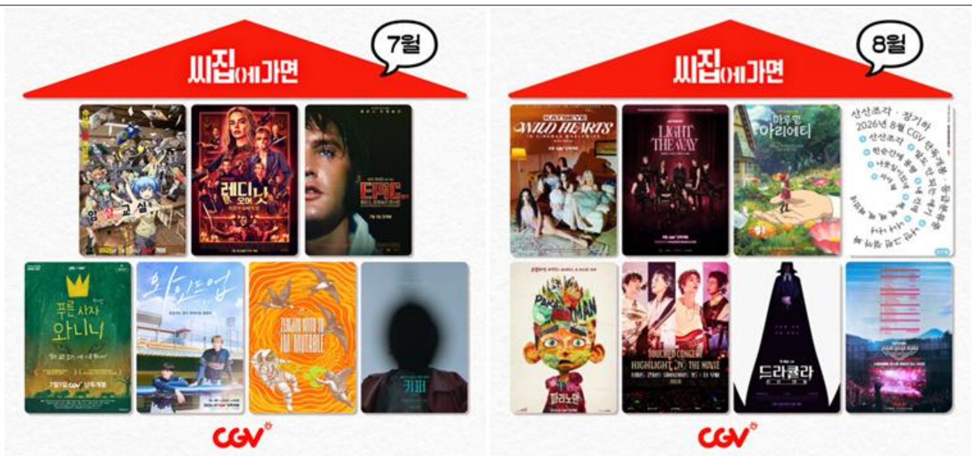
Note: 2026 box office figures are as of Aug 9
Source: KOFIC, Samsung Securities

Chart 3. Chart 4. Box-office comparison: 2022-2026



Note: Aug 2026 domestic box office sales as of cumulative Aug 9
Source: KOBIS, Samsung Securities

Chart 4. July-August CGV exclusive content lineup



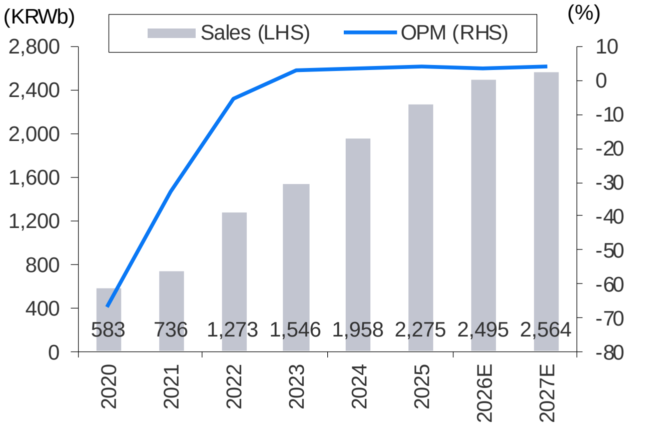
Note: "If You Go to the Cinema" is exclusive content lineup available only at CGV
Source: CJ CGV, Samsung Securities

Table 3. Film release schedule in Korea

Movie Title	Release date	Distributor	Genre	Director
Salmokji	Apr 8	Showbox	Horror, Thriller	Lee Sangmin
My Name Is	Apr 15	CJ CGV	Drama	Jeong Jiyoung
Crong	Apr 22	Byeopoem Studio	Drama	Jeong Woo, Oh Sungho
Super Mario Galaxy	Apr 29	Universal Pictures	Animation	Michael Jaronik
The Devil Wears Prada 2	Apr 29	Walt Disney	Drama	David Frankel
Michael	May13	Universal Pictures	Drama	Director: Antoine Fuqua
Colony	May21	Showbox	Action, Thriller	Yeon Sangho
Star Wars: The Mandalorian and Grogu	May27	Walt Disney	SF	Jon Favreau
Back Room	May27	Byeopoem Studio	Horror, Thriller	Kane Parsons
Wild Sing	Jun3	Lotte Cultureworks	Comedy	Son Jaegon
Toy Story 5	Jun17	Walt Disney	Animation	Andrew Stanton
The Pupils	Jun 24	Byeopoem Studio	Thriller	Yeon Jiho
Moana	Jul 8	Walt Disney	Family, Adventure	Thomas Kyle
Minions 3	Jul 15	Universal Pictures	Animation	Pierre Copin
Hope	Jul 15	Plus M	SF, Action	Na Hongjin
Spider-Man: Brand New Day	Jul 29	Sony Pictures Entertainment	Action, Adventure, Fantasy	Destin Daniel Cretton
Odyssey	Aug 5	Universal Pictures	Fantasy, Historical Drama	Christopher Nolan
Love Hatchup: The Legend of the Whale Gem	Aug 5	Byeopoom Studio	Animation	Kim Soohoon
OK Madam 2	Aug 12	CJ CGV Pictures	Comedy	Lee Cheolha
Dog Star: The Last Hope	Aug 26	Walt Disney	Action, SF	Ridley Scott
The Light	Sep 2	Playgram	Drama	Lee Jiwon
Intern	Sep 16	Warner Bros.	Drama	Kim Doyoung
Assassins	September	HYBE Media Corp.	Crime, Drama	Heo Jinho
Tazza: The Song of Beelzebub	September	CJ ENM	Drama, Crime	Choi Gukhee
Resurrection Man: The Red	September	Lotte Entertainment	Action	Baek Jongyeol
Resident Evil: Welcome to Raccoon City	September	Sony Pictures Entertainment	Action, SF	Jack Craig
Whalefall: The Man Eaten by a Whale	October	Walt Disney	Adventure, Thriller	Brian DeFilippo
The Cat in the Hat	November	Warner Bros.	Animation	Alessandro Carloni
Scrooge: A Christmas Carol	November	Lotte Entertainment	Drama	Tie West
Dune: Part 3	December	Warner Bros.	Action	Denis Villeneuve
Avengers: Doomsday	December	Walt Disney	Action, Adventure, SF	Anthony Russo

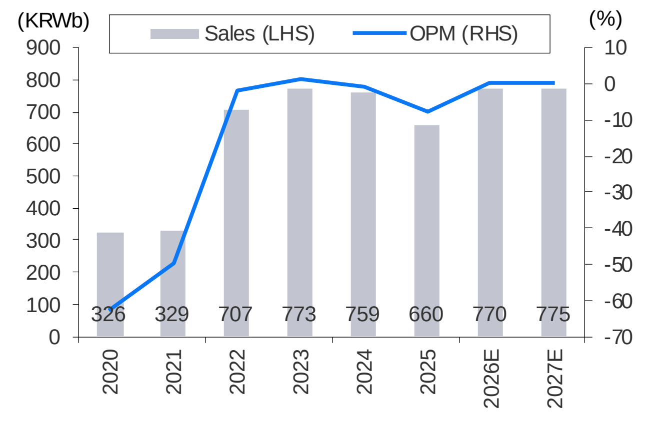
Source: KOBIS, Company data, Industry data, Samsung Securities

Chart 5. Sales and operating margin (consolidated)



Note: CJ OliveNetworks' results reflected from Jun 2024
Source: Company data, Samsung Securities

Chart 6. Sales and operating margin (parent basis)



Source: Company data, Samsung Securities

Table 4. Consolidated results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26E	4Q26E	2024	2025	2026E	2027E
Sales	392.9	429.9	547.0	588.0	533.6	491.6	583.1	667.1	573.4	594.0	653.4	674.3	1,957.9	2,275.4	2,495.0	2,563.6
COGS	246.6	272.7	373.9	383.6	378.7	347.1	400.5	438.6	409.9	430.4	482.4	511.3	1,276.8	1,565.0	1,834.0	1,947.0
Gross profit	146.3	157.3	173.1	204.4	154.9	144.5	182.6	228.5	163.5	163.5	171.0	163.0	681.1	710.4	661.0	616.6
SG&A costs	141.8	134.9	141.0	187.4	151.7	142.8	159.2	160.5	154.8	152.0	128.4	128.9	605.2	614.2	564.1	508.5
Operating profit	4.5	22.3	32.1	17.0	3.2	1.7	23.3	68.0	8.7	11.5	42.6	34.1	75.9	96.2	96.9	108.1
Operating margin	1.2	5.2	5.9	2.9	0.6	0.3	4.0	10.2	1.5	1.9	6.5	5.1	3.9	4.2	3.9	4.2
Pre-tax profit	-51.8	-4.9	8.0	-122.8	-32.0	-45.4	-8.2	-43.1	-12.8	9.0	13.6	-88.9	-171.4	-114.9	-79.1	-59.1
Net profit (controlling)	-37.8	-3.7	4.2	-133.8	-37.8	-35.8	-30.0	-40.2	-40.3	27.6	14.3	-97.0	-171.0	-143.8	-95.4	-51.1
Chg (% y-y)																
Sales	0.2	7.6	34.9	68.8	35.8	14.3	6.6	13.4	7.5	20.8	12.1	1.1	26.7	16.2	9.7	2.8
COGS	-5.3	6.6	60.2	92.6	53.6	27.3	7.1	14.4	8.2	24.0	20.5	16.6	34.6	22.6	17.2	6.2
Gross profit	9.9	7.9	-0.6	42.1	5.9	-8.1	5.5	11.8	5.6	13.2	-6.4	-28.6	14.1	4.3	-7.0	-6.7
SG&A costs	-3.7	3.8	-1.8	47.6	7.0	5.8	12.9	-14.4	2.0	6.5	-19.4	-19.7	10.4	1.5	-8.2	-9.9
Operating profit	nm	36.4	2.2	20.4	-29.5	-92.3	-27.2	300.3	172.4	568.1	82.4	-49.8	54.8	26.7	0.7	11.6
Operating margin	4.4	1.1	-1.9	-1.2	-0.6	-4.8	-1.9	7.3	0.9	1.6	2.5	-5.1	0.7	0.4	-0.3	0.3
Pre-tax profit	nm	nm	-82.9	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Net profit (controlling)	nm	nm	-78.3	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm

Note: CJ OliveNetworks' results reflected from Jun 2024
Source: Company data, Samsung Securities

Table 5. Parent company: Results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26E	4Q26E	2024	2025	2026E	2027E
Sales	**180.1**	**193.7**	**209.3**	**175.6**	**128.3**	**141.8**	**196.2**	**194.1**	**175.4**	**166.0**	**222.7**	**205.9**	**758.8**	**660.4**	**770.0**	**774.8**
Box office	102.6	99.9	112.9	87.4	67.2	65.4	110.9	104.8	99.9	85.5	132.3	112.5	402.8	348.3	430.2	431.9
Concessions	36.9	41.2	43.3	34.7	25.4	28.1	45.3	46.6	39.9	35.2	53.3	48.8	156.2	145.5	177.2	177.2
Ads	26.3	38.3	39.2	39.4	22.1	32.4	24.1	27.8	22.8	33.1	22.9	30.1	143.3	106.4	108.8	106.5
Other	14.2	14.2	13.9	14.2	13.6	15.9	15.8	14.9	12.8	12.3	14.2	14.5	56.5	60.3	53.8	59.2
COGS	**113.3**	**109.9**	**117.5**	**102.3**	**84.9**	**87.2**	**117.6**	**110.1**	**107.3**	**100.9**	**126.0**	**120.8**	**442.9**	**399.7**	**455.0**	**459.1**
Film rental	53.0	52.1	61.6	46.0	35.6	34.1	90.5	53.6	52.5	44.4	69.7	58.4	212.7	179.7	225.0	225.5
Depreciation	27.4	27.1	26.9	27.2	25.8	25.8	21.0	26.0	25.2	27.1	26.0	26.3	108.5	103.4	104.6	105.7
Other	32.9	30.6	29.0	29.2	23.5	27.3	6.2	30.5	29.6	29.5	30.4	36.0	121.7	116.7	125.4	128.0
Gross profit	**66.9**	**83.8**	**91.8**	**73.3**	**43.4**	**54.6**	**78.6**	**84.0**	**68.1**	**65.1**	**96.7**	**85.1**	**315.8**	**260.7**	**314.9**	**315.7**
Operating profit	**-14.7**	**3.7**	**4.4**	**-1.1**	**-31.0**	**-17.3**	**-5.6**	**4.4**	**-6.6**	**-6.2**	**10.3**	**5.6**	**-7.6**	**-49.5**	**3.1**	**2.6**
Operating margin (%)	-8.2	1.9	2.1	-0.6	-24.2	-12.2	-2.9	2.3	-3.8	-3.8	4.6	2.7	-1.0	-7.5	0.4	0.3
Pre-tax profit	**-15.6**	**9.3**	**5.0**	**-230.2**	**11.4**	**-35.8**	**-20.6**	**-87.3**	**-10.0**	**7.1**	**-6.6**	**-97.1**	**-231.5**	**-132.3**	**-106.6**	**-114.9**
Net profit	**-15.6**	**9.3**	**5.0**	**-236.2**	**11.4**	**-35.8**	**-20.6**	**-66.5**	**-10.0**	**31.0**	**-5.6**	**-82.6**	**-237.6**	**-111.5**	**-67.2**	**-97.6**
Chg (% y-y)																
Sales	**2.1**	**-1.6**	**0.9**	**-8.9**	**-28.8**	**-26.8**	**-6.3**	**10.5**	**36.7**	**17.1**	**13.5**	**6.1**	**-1.9**	**-13.0**	**16.6**	**0.6**
Box office	-0.5	-9.3	-0.9	-11.7	-34.5	-34.6	-1.7	19.9	48.7	30.7	19.3	7.4	-5.5	-13.5	23.5	0.4
Concessions	24.7	8.4	15.3	2.1	-31.1	-31.8	4.6	34.4	57.1	25.1	17.5	4.8	12.2	-6.8	21.8	-0.0
Ads	-1.4	15.0	-6.5	-5.2	-16.3	-15.6	-38.5	-29.4	3.1	2.1	-5.1	8.1	-0.2	-25.8	2.3	-2.1
Other	-16.2	-7.0	-0.7	-22.4	-4.3	12.3	13.7	5.2	-6.2	-22.8	-10.4	-2.6	-12.4	6.7	-10.8	10.0
COGS	**-1.6**	**-3.5**	**3.5**	**-3.3**	**-25.0**	**-20.6**	**0.1**	**7.6**	**26.3**	**15.8**	**7.2**	**9.7**	**-1.2**	**-9.7**	**13.8**	**0.9**
Film rental	-4.8	-8.7	3.9	-9.7	-32.9	-34.6	46.9	16.5	47.5	30.1	23.5	9.1	-4.6	-15.5	25.2	0.2
Depreciation	-6.9	-6.9	-9.2	-6.3	-5.5	-4.8	-22.0	-4.1	-2.4	5.0	1.0	1.2	-7.3	-4.7	1.2	1.0
Other	9.8	10.8	17.9	12.8	-28.6	-10.9	-78.7	4.4	25.9	8.0	-14.3	18.2	12.6	-4.2	7.5	2.1
Gross profit	**8.9**	**1.1**	**-2.2**	**-15.7**	**-35.1**	**-34.8**	**-14.4**	**14.5**	**56.9**	**19.1**	**23.0**	**1.3**	**-2.9**	**-17.5**	**20.8**	**0.2**
Operating profit	**nm**	**-59.5**	**-66.5**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**28.0**	**nm**	**nm**	**nm**	**-18.0**
Operating margin (%)	3.1	-2.8	-4.2	-3.7	-16.0	-14.1	-5.0	2.9	20.4	8.4	7.5	0.5	-2.1	-6.5	7.9	-0.1
Pre-tax profit	**nm**	**489.4**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**
Net profit	**nm**	**489.4**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**

Source: Company data, Samsung Securities

Table 6. Overseas, 4DX and OliveNetworks: Results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26E	4Q26E	2023	2024	2025E	2026E
Sales	226.6	254.2	391.2	449.7	452.9	373.0	432.7	529.5	453.4	476.7	482.8	522.1	1,321.7	1,804.1	1,935.0	1,998.3
China	75.8	49.5	70.1	56.5	105.0	38.4	71.3	75.4	66.2	45.8	67.3	67.8	251.9	290.1	247.1	237.5
Turkey	42.4	29.8	26.8	55.7	38.5	29.2	29.9	53.9	49.1	39.7	31.6	55.3	154.7	151.5	175.7	174.4
Vietnam	66.4	55.3	47.2	38.3	76.8	57.4	67.1	52.3	78.8	64.0	63.1	51.5	207.2	253.6	257.4	254.8
Indonesia	22.6	30.1	23.9	24.8	17.2	36.4	26.1	29.6	18.6	25.8	24.3	30.4	101.4	109.3	99.1	102.1
4DX business	19.4	23.4	40.2	40.2	26.5	30.0	34.0	55.9	28.9	46.9	52.6	45.2	123.2	146.4	173.6	194.5
OliveNetworks	-	66.1	183.0	234.2	188.9	181.6	204.3	262.4	211.8	254.5	243.9	271.9	483.3	853.2	982.1	1,034.9
Operating income	17.7	17.6	27.3	19.2	36.4	18.9	29.9	65.6	22.0	22.5	37.0	33.7	81.8	151.6	115.2	126.3
China	-1.1	-8.9	3.2	-9.4	18.9	-11.6	2.1	2.3	1.4	-11.9	-0.8	2.3	-16.2	11.7	-9.0	-11.5
Turkey	3.7	-3.3	-3.2	1.3	-1.8	-5.2	-8.9	6.7	-1.0	-5.4	-6.0	0.4	-1.5	-9.2	-12.0	-11.2
Vietnam	11.2	8.7	3.2	3.2	12.9	8.0	14.7	1.8	11.8	7.4	13.1	1.1	26.3	37.4	33.5	33.7
Indonesia	2.6	7.0	2.6	0.5	-1.3	8.9	3.4	4.9	-0.7	4.1	2.8	5.0	12.7	15.9	11.2	12.9
4DX business	1.3	5.0	5.1	6.0	-0.9	2.3	3.5	6.4	-0.8	8.3	9.9	6.0	17.4	11.3	23.3	29.1
OliveNetworks	-	9.1	16.4	17.6	8.6	16.5	15.1	43.5	11.3	20.0	18.0	18.9	43.1	84.5	68.2	73.2

Note: CJ OliveNetworks' results reflected from Jun 2024 / Source: Company data, Samsung Securities

Table 7. Rights offering impact on outstanding shares

Category	Shares
Outstanding shares (as of Sep 1, 2023)	47,730,920
Newly listed shares (Sep 27, 2023)	74,700,000
Outstanding shares (Mar 31, 2026)	165,582,369*

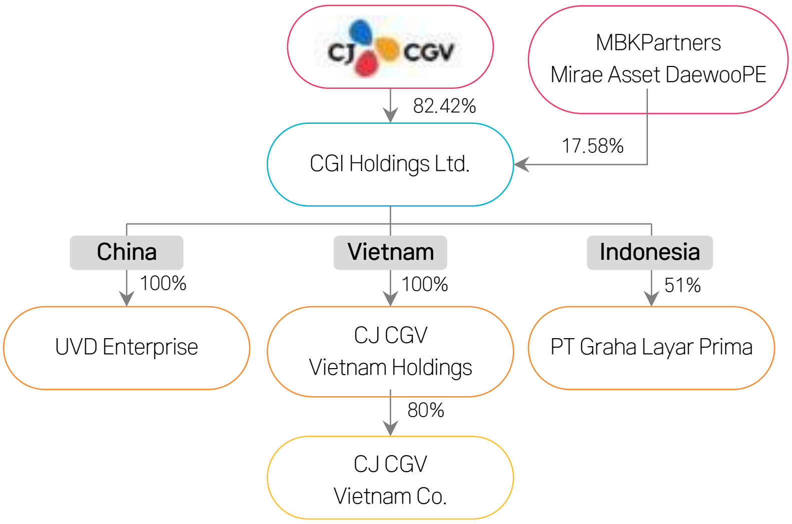
Note: The number of issued shares varies daily due to the exercise of conversion rights on subordinated convertible bonds.
Source: DART, Samsung Securities

Table 8. Outstanding convertible bonds and change of conversion price

Convertible stocks	Balance (KRWm)	Conversion price (KRW)	Shares eligible for conversion	Exercise period
Outstanding convertible bonds (issued in Jun 2021)	221,859	21,455	10,340,679	Jul 8, 2021-May 8, 2051
Outstanding convertible bonds (issued in Jul 2022)	399,243	17,745	22,498,878	Aug 21, 2022-Jun 21, 2052
Total	621,102		32,839,557	
			Number of shares	
Outstanding shares			165,581,556	

Note: Number of outstanding shares reflects rights offering (as of Mar 31, 2026)
Due to conversions of CB, number of outstanding shares differs day to day. 32nd KRW 26,600→ 21,455, 35th KRW 22,000→ 17,745
Source: DART, Samsung Securities

Chart 7. CGI Holdings: Governance structure



Note: A 2019 investment in CGI Holdings (by MBK Partners and Mirae Asset Daewoo PE) valued the firm at KRW1.15t;
CJ CGV on Jul 17 announced plans to acquire 198,830 CGI Holdings shares, raising its stake from 71.43% to 80.72%;
CJ CGV on Oct 15 announced plans to acquire 41,152 CGI Holdings shares, raising its stake from 80.72% to 82.42%;
Financial investors' drag-along right exercise notice, no call option exercised by CJ CGV; external sale of CGI Holdings conditional on valuation exceeding USD 400mn under right of first refusal (as of 3Q25)
Source: Company data, Samsung Securities

Table 9. Sum-of-the-parts valuation

(KRWb)	NOPLAT	Multiple (x)	Value	Note
Operating value			2,281	
Korea	59	15	888	12MF earnings (include CJ OliveNetworks)
China	21	15	258	12MF earnings; CGI Holdings (82.42% stake)
Vietnam	6	15	70	12MF earnings; Mars Entertainment (75.24% stake)
Turkey	28	15	343	12MF earnings; CGI Holdings (82.42% stake)
Indonesia	20	15	244	12MF earnings; CGI Holdings (82.42% stake)
4DX			479	Based on our model (90% stake)
Net debt			1,258	Excludes leasing liabilities
EV			1,023	
Outstanding shares ('000)			165,583	Refer to note and table 6, 7
Fair value (KRW)			6,178	
Target price (KRW)			6,200	
Current price (Apr 3 KRW)			5,570	
Upside (%)			11.3	

Note: Ownership stake as of end of 2025;
43,147,043 new shares issued via third-party allotment at CJ OliveNetworks (Jun 2024);
Due to CB conversions, the number of outstanding shares differs day to day (32nd conversion Jul 2021, 35th conversion Jul 2022)
Source: DART, Samsung Securities

Table 10. Revisions to 2026 and 2027 forecasts

(KRWb)	2026E			2027E		
	Old	New	Chg (%)	Old	New	Chg %
Sales	2,310.9	2,495.0	8.0	2,352.7	2,563.6	9.0
Operating profit	103.1	96.9	-6.0	116.7	108.1	-7.3
Operating margin (%, %pts)	4.5	3.9	-0.6	5.0	4.2	-0.7
Pre-tax profit	-144.1	-79.1	nm	-93.9	-59.1	nm
Net profit (controlling)	-152.5	-95.4	nm	-99.9	-51.1	nm

Source: Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**1,958**	**2,275**	**2,495**	**2,564**	**2,637**
Cost of goods sold	0	0	0	0	0
Gross profit	**1,958**	**2,275**	**2,495**	**2,564**	**2,637**
Gross margin (%)	100.0	100.0	100.0	100.0	100.0
SG&A expenses	1,882	2,179	2,398	2,455	2,515
Operating profit	**76**	**96**	**97**	**108**	**122**
Operating margin (%)	3.9	4.2	3.9	4.2	4.6
Non-operating gains (losses)	**-248**	**-230**	**-176**	**-167**	**-139**
Financial profit	117	35	75	67	65
Financial costs	302	198	196	193	194
Equity-method gains (losses)	-2	-2	11	-3	-3
Other	-61	-66	-66	-39	-8
Pre-tax profit	**-172**	**-134**	**-79**	**-59**	**-17**
Taxes	3	9	-11	6	4
Effective tax rate (%)	-1.9	-6.8	14.0	-10.4	-23.5
Profit from continuing operations	-167	-145	-68	-65	-21
Profit from discontinued operations	-9	1	0	0	0
Net profit	**-175**	**-143**	**-68**	**-65**	**-21**
Net margin (%)	-9.0	-6.3	-2.7	-2.5	-0.8
Net profit (controlling interests)	-171	-144	-95	-51	-15
Net profit (non-controlling interests)	-4	0	27	-14	-7
EBITDA	355	381	369	375	376
EBITDA margin (%)	18.1	16.7	14.8	14.6	14.3
EPS (parent-based) (KRW)	-1,163	-868	-576	-308	-88
EPS (consolidated) (KRW)	-1,193	-866	-410	-394	-128
Adjusted EPS (KRW)*	-1,163	-868	-576	-308	-88

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**779**	**1,162**	**1,210**	**1,289**	**1,440**
Cash & equivalents	231	511	539	579	733
Accounts receivable	293	271	318	323	331
Inventories	21	21	23	24	24
Other current assets	234	359	330	364	353
Fixed assets	**3,218**	**2,960**	**2,912**	**2,961**	**2,908**
Investment assets	258	252	276	276	281
Tangible assets	812	786	753	739	706
Intangible assets	576	535	532	530	529
Other long-term assets	1,572	1,387	1,351	1,416	1,392
Total assets	**3,997**	**4,123**	**4,122**	**4,250**	**4,348**
Current liabilities	**1,703**	**1,758**	**1,832**	**1,842**	**1,914**
Accounts payable	144	155	187	199	215
Short-term debt	564	670	692	641	665
Other current liabilities	995	933	952	1,002	1,034
Long-term liabilities	**1,717**	**1,714**	**1,716**	**1,898**	**1,946**
Bonds & long-term debt	143	300	300	315	315
Other long-term liabilities	1,574	1,414	1,416	1,583	1,630
Total liabilities	**3,420**	**3,472**	**3,548**	**3,740**	**3,860**
Owners of parent equity	**692**	**570**	**467**	**416**	**401**
Capital stock	83	83	83	83	83
Capital surplus	1,336	1,336	1,336	1,336	1,336
Retained earnings	-1,418	-1,580	-1,675	-1,726	-1,741
Other	692	731	724	724	724
Non-controlling interests' equity	**-115**	**80**	**108**	**93**	**87**
Total equity	**577**	**650**	**574**	**509**	**488**
Net debt	2,267	1,895	1,874	1,898	1,761

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**191**	**215**	**266**	**305**	**352**
Net profit	-175	-143	-68	-65	-21
Non-cash profit and expenses	538	528	400	413	397
Depreciation	259	260	248	242	230
Amortization	20	25	24	24	24
Other	259	243	128	146	143
Changes in A/L from operating activities	-45	2	48	90	106
Cash flow from investments	**-231**	**-197**	**-207**	**-341**	**-186**
Change in tangible assets	-41	-86	-215	-228	-196
Change in financial assets	-188	-87	22	-25	10
Other	-3	-24	-14	-88	0
Cash flow from financing	**79**	**253**	**-47**	**75**	**-11**
Change in debt	134	8	-34	89	3
Change in equity	440	0	0	0	0
Dividends	-19	0	0	0	0
Other	-476	245	-14	-14	-14
Change in cash	40	280	28	40	154
Cash at beginning of year	191	231	511	539	579
Cash at end of year	231	511	539	579	733
Gross cash flow	**363**	**384**	**332**	**347**	**375**
Free cash flow	**150**	**128**	**51**	**77**	**156**

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

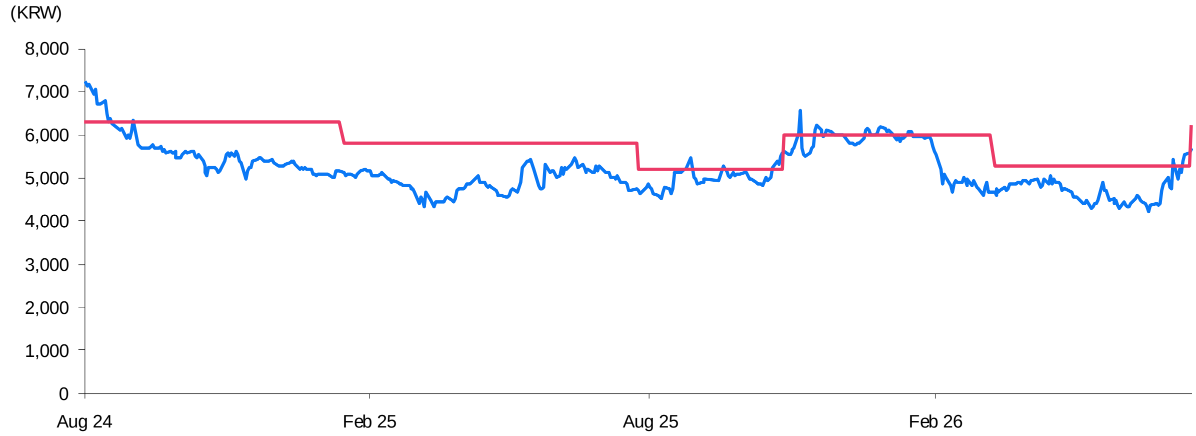
Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	26.7	16.2	9.7	2.8	2.9
Operating profit	54.8	26.7	0.7	11.6	12.9
Net profit	nm	nm	nm	nm	nm
Adjusted EPS**	nm	nm	nm	nm	nm
Per-share data (KRW)					
EPS (parent-based)	-1,163	-868	-576	-308	-88
EPS (consolidated)	-1,193	-866	-410	-394	-128
Adjusted EPS**	-1,163	-868	-576	-308	-88
BVPS	4,177	3,444	2,819	2,511	2,423
DPS (common)	0	0	0	0	0
Valuations (x)					
P/E***	n/a	n/a	n/a	n/a	n/a
P/B***	1.3	1.7	2.0	2.2	2.3
EV/EBITDA	8.5	7.8	7.8	7.7	7.3
Ratios (%)					
ROE	-30.7	-22.8	-18.4	-11.6	-3.6
ROA	-4.9	-3.5	-1.6	-1.6	-0.5
ROIC	3.2	4.3	3.8	5.7	7.5
Payout ratio	0.0	0.0	0.0	0.0	0.0
Dividend yield (common)	0.0	0.0	0.0	0.0	0.0
Net debt to equity	393.1	291.3	326.3	372.7	360.8
Interest coverage (x)	0.5	0.6	0.6	0.6	0.7

Compliance notice

- As of 8/12 2026, the covering analyst(s) did not own any shares, or debt instruments convertible into shares, of any company covered in this report.
- As of 8/12 2026, Samsung Securities' holdings of shares and debt instruments convertible into shares of each company covered in this report would not, if such debt instruments were converted, exceed 1% of each company's outstanding shares.
- This report has been prepared without any undue external influence or interference, and accurately reflects the views of the analyst(s) covering the company or companies herein.
- All material presented in this report, unless specifically indicated otherwise, is under copyright to Samsung Securities.
- Neither the material nor its content (including copies) may be altered in any form, or by any means transmitted, copied, or distributed to another party, without prior express written permission from Samsung Securities.
- This memorandum is based upon information available to the public. While we have taken all reasonable care to ensure its reliability, we do not guarantee its accuracy or completeness. This memorandum is not intended to be an offer, or a solicitation of any offer, to buy or sell the securities mentioned herein. Samsung Securities shall not be liable whatsoever for any loss, direct or consequential, arising from the use of this memorandum or its contents. Statements made regarding affiliates of Samsung Securities are also based upon publicly available information and do not necessarily represent the views of management at such affiliates.
- This material has not been distributed to institutional investors or other third parties prior to its publication.

Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2023/11/14	2024/11/14	2025/2/10	8/19	11/21	2026/4/6	8/11
Recommendation	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD
Target price (KRW)	6300	6300	5800	5200	6000	5300	6200
Gap* (average)	-8.73	-15.89	-15.09	-4.00	-5.93	-11.07	
(max or min)**	14.29	-10.63	-5.86	7.69	9.50	5.09	

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 2026.06.30

BUY (85.5%)·HOLD (14.5%)·SELL (0%)

Global Disclosures & Disclaimers

General

This research report is for information purposes only. It is not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This report does not provide individually tailored investment advice. This report does not take into account individual client circumstances, objectives, or needs and is not intended as recommendations of particular securities, financial instruments or strategies to any particular client. The securities and other financial instruments discussed in this report may not be suitable for all investors. The recipient of this report must make its own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser.

This report may not be altered, reproduced, distributed, transmitted or published in whole or in part for any purpose. References to "Samsung Securities" are references to any company in the Samsung Securities, Co., Ltd. group of companies.

Samsung Securities and/or other affiliated companies, its and their directors, officers, representatives, or employees may have long or short positions in any of the securities or other financial instruments mentioned in this report or of issuers described herein and may purchase and/or sell, or offer to purchase and/or sell, at any time, such securities or other financial instruments in the open market or otherwise, as either a principal or agent. Any pricing of securities or other financial instrument contained herein is as of the close of market for such day, unless otherwise stated. Opinions and estimates contained herein constitute our judgment as of the date of this report and are subject to change without notice.

The information provided in this report is provided "AS IS". Although the information contained herein has been obtained from sources believed to be reliable, no representation or warranty, either expressed or implied, is provided by Samsung Securities in relation to the accuracy, completeness or reliability of such information or that such information was provided for any particular purpose and Samsung Securities expressly disclaims any warranties of merchantability or fitness for a particular purpose. Furthermore, this report is not intended to be a complete statement or summary of the securities, markets or developments referred to herein.

Samsung Securities does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. Samsung Securities, its affiliates, or any of its and their affiliates, directors, officers, employees or agents disclaim any and all responsibility or liability whatsoever for any loss (direct or consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice. Past performance is not indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security or financial instrument mentioned in this report. For investment advice, trade execution or other enquiries, clients should contact their local sales representative. Any opinions expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of Samsung Securities. Any analysis contained herein is based on numerous assumptions. Different assumptions may result in materially different results. Samsung Securities is under no obligation to update or keep current the information contained herein. Samsung Securities relies on information barriers to control the flow of information contained in one or more areas or groups within Samsung Securities into other areas or groups of Samsung Securities. Any prices stated in this report are for information purposes only and do not represent valuations for individual securities or other financial instruments. Samsung Securities makes no representation that any transaction can or could have been effected at those prices and any prices contained herein may not reflect Samsung Securities' internal books and records or theoretical model-based valuations and may be based on certain assumptions. Different assumptions by Samsung Securities or any other source may yield substantially different results. Additional information is available upon request.

For reports to be distributed to US:

Securities research is prepared, issued and exclusively distributed by Samsung Securities Co., Ltd., an organization licensed with the Financial Supervisory Service of South Korea. This research may be distributed in the United States only to major institutional investors as defined in Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended, and may not be circulated to any other person otherwise. All transactions by U.S. investors involving securities discussed in this report must be effected through Samsung Securities (America) Inc., a broker-dealer registered with the U.S. Securities & Exchange Commission and a member of the Financial Industry Regulatory Authority/SIPC, and not through any non-U.S. affiliate thereof. The analysts listed [on the front of this report] are employees of Samsung Securities Co., Ltd., or a non-U.S. affiliate thereof, and are not registered/qualified as research analysts under applicable U.S. rules and regulations and may not be subject to U.S. restrictions on communications with covered companies, public appearances, and trading securities held by a research analyst account.

For reports to be distributed to UK:

This report is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). To the extent that this report does constitute such an invitation or inducement, it is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (as amended) of the United Kingdom (the "Financial Promotion Order"); (ii) persons who fall within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iii) any other persons to whom this report can, for the purposes of section 21 of FSMA, otherwise lawfully be made (all such persons together being referred to as "relevant persons").

Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons must not act or rely on this report.

For reports to be distributed to Korea:

This report is for private circulation only, not for sale, and is issued and distributed only to persons permitted under the laws and regulations of Korea.

For reports to be distributed to Singapore:

This report is provided pursuant to the financial advisory licensing exemption under Regulation 27(1)(e) of the Financial Advisers Regulation of Singapore and accordingly may only be provided to persons in Singapore who are "institutional investors" as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This report is intended only for the person to whom Samsung Securities has provided this report and such person may not send, forward or transmit in any way this report or any copy of this report to any other person.

Analyst certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of such analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research report. The analyst(s) principally responsible for the preparation of this research report receives compensation based on determination by research management and senior management (not including investment banking), based on the overall revenues, including investment banking revenues of Samsung Securities Co., Ltd. and its related entities and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

Samsung Securities

SAMSUNG SECURITIES

Samsung Electronics Bldg., 11, 74-gil,
Seochodae-ro, Seocho-gu, Seoul, Korea 06620
Tel: 02 2020 8000 / www.samsungpop.com

Family Center: 1588 2323

Voice Of Customer: 080 911 0900

**For more information,
please call our sales representatives:**

LONDON

Samsung Securities Europe Limited
1st Floor, 30 Gresham Street, London EC2V 7PG UK
Tel. 44-207-776-4311
Fax. 44-203-837-9219

NEW YORK

Samsung Securities America Limited
1330 Avenue of the Americas. 10th Floor. New York,
NY 10019
Tel: 1-212-972-2454
Fax: 1-212-972-2704

HONG KONG

Samsung Securities (Asia) Limited
Suite 4511, Two International Finance Center,
8 Finance Street, Central, Hong Kong
Tel: 852-3411-3608
Fax: 852-2114-0290

BEIJING

Samsung Securities Beijing Representative Office
Rm. 910, The Exchange Building No 118 JianGuo Lu, Chao
Yang District, Beijing, China
Tel: 86-10-6522-1855 (extension 7891)
Fax: 86-10-6522-1855 (extension 7889)

TOKYO

Samsung Securities Tokyo Representative Office
#106-8532 19F, Roppongi T-Cube 3-1-1,
Roppongi Minato-ku Tokyo, Japan
Tel: 81-3-6333-2952
Fax: 81-3-6333-2953