COMPANY UPDATE

2026. 8. 14

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JYP Entertainment (035900)

2Q review and future IP

- JYP Entertainment's 2Q consolidated operating profit of KRW31b missed consensus by 19%. While album and streaming sales grew y-y, concert and merchandise sales declined y-y on a high base (from Stray Kids' North and South American tours in 2Q25).
- Stray Kid's should become active in 2H, and INNIT Entertainment's seven-member girl group Ourbirthday should to debut on Aug 19.
- To sustain long-term growth, the agency needs to expand earnings contribution of rookie groups. We revise down our 2026 and 2027 earnings estimates and reduce the target price to KRW62,000.

AT A GLANCE

BUY

Target price	KRW62,000	51.8%
Current price	**KRW40,850**	
Market cap	KRW1.5t/USD1.1b	
Shares (float)	35,532,492 (77.3%)	
52-week high/low	KRW85,000/KRW40,850	
Avg daily trading value (60-day)	KRW12.2b/ USD8.6m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
JYP Entertainment (%)	-17.7	-42.2	-46.0
Vs Kosdaq (%pts)	-23.6	-25.8	-49.0

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	62,000	77,000	-19.5%
2026E EPS	3,485	3,814	-8.6%
2027E EPS	3,322	4,075	-18.5%

SAMSUNG vs THE STREET

No of estimates	18
Target price	78,722
Recommendation	4.0

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

WHAT'S THE STORY?

2Q review miss consensus: JYP Entertainment posted 2Q consolidated sales of KRW183.1b (down 15.1% y-y) and an operating profit of KRW31b (down 41.4% y-y; 19% short of consensus). Album sales volume came in at 2.35m copies, driven by new releases by KickFlip, NEXZ, Nmixx, and ITZY, and reissues by Stray Kids. Album and streaming sales expanded a respective 37% and 72%, respectively—for reference, YouTube income is reclassified from "other" sales to streaming sales, effective 1Q26. However, concert and merchandise sales declined 36% and 35% y-y, each, due to a high base from Stray Kids' large-scale tours in Western countries and the excess profit from North American concerts in 2Q25. Subsidiary Blue Garage's operating margin slipped from 11.1% in 1Q26 to near breakeven in 2Q26, as costs for fan kit production across multiple artists were recognized all at once.

Artists to become more active in 2H: Stray Kids should launch a new album and embark on their fourth world tour, "RUN IT," driving growth in concerts and merchandising sales.

(Continued on the next page)

SUMMARY 2Q26 RESULTS

(KRWb)	2Q26	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	183.1	-15.2	-1.5	-7.1	-8.9
Operating profit	31.0	-41.4	-7.1	-18.8	-18.7
Pre-tax profit	31.6	-34.7	-25.8	-22.6	-20.3
Net profit	21.7	-40.2	-32.0	-25.5	-22.5
Margins (%)					
Operating profit	16.9				
Pre-tax profit	17.3				
Net profit	11.9				

Source: Company data, Fnguide, Samsung Securities estimates

VALUATION SUMMARY

	2025	2026E	2027E
Valuation (x)			
P/E	16.1	13.2	13.8
P/B	3.9	2.1	1.9
EV/EBITDA	12.8	6.9	6.6
Div yield (%)	1.2	1.6	1.7
EPS growth (% y-y)	64.2	-22.9	-4.7
ROE (%)	29.2	18.5	15.5
Per-share data (KRW)			
EPS	4,519	3,485	3,322
BVPS	18,730	21,567	24,412
DPS	877	717	792

Samsung Securities

Additional digital merchandise sales are anticipated from its fan meetings, SKZOO pop-up stores, and collaborations with Sanrio. JYP Entertainment is also rolling out city-specific pop-up stores tied to artists' concert locations, creating further upside for concert-linked merchandise. Nmixx, having completed their first world tour (17 cities, 21 shows), is set to officially debut in Japan in 4Q26, expanding their global footprint. Meanwhile, INNIT Entertainment's seven-member girl group Ourbirthday is scheduled to debut on Aug 19, adding to the artist roster.

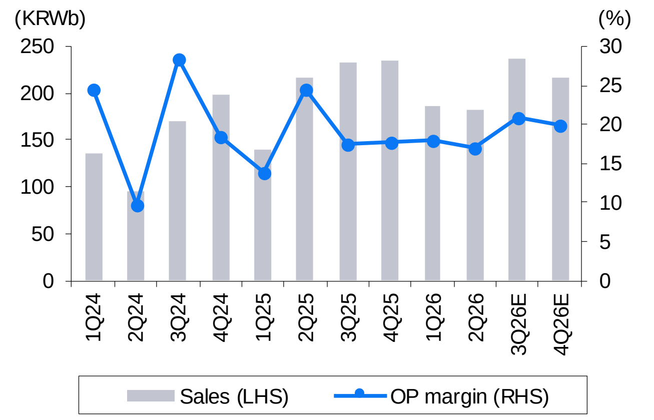
Challenges in securing long-term growth: Twice is currently in negotiations for their second contract renewal. The nine-girl group may become less active due to possible departures of some members and increased solo activities. Furthermore, Stray Kids' world tours should support solid earnings through 2H26 and into 1H27, but some of its members should do their military service next year. This underscores the need for the agency to accelerate the growth and earnings contribution of rookie groups over the medium to long term. In light of this, we revise down our 2026 and 2027 net profit estimates by 9% and 19%, respectively, and cut our target price to KRW62,000 (12-month forward P/E of 18x; a 10% discount to global peer averages; Bloomberg).

Table 1. Results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26E	4Q26E	2024	2025	2026E	2027E
Sales	**136.5**	**95.7**	**170.5**	**199.1**	**140.8**	**215.8**	**232.6**	**235.6**	**186.0**	**183.1**	**236.2**	**217.1**	**601.8**	**824.8**	**822.5**	**798.4**
Albums	46.7	26.4	68.3	75.8	44.7	38.6	80.4	94.3	45.0	56.7	72.1	78.0	217.2	257.9	251.9	268.0
Management	42.0	31.2	35.9	55.9	39.5	83.0	87.2	62.5	59.8	60.4	71.9	53.3	165.0	272.2	245.5	238.4
Concerts	29.4	14.0	22.1	38.0	21.7	62.0	63.3	41.8	40.9	39.9	49.1	32.3	103.6	188.9	162.1	157.1
Ads	7.9	9.2	8.4	8.8	9.0	11.3	12.8	11.9	13.6	13.6	12.3	11.6	34.3	45.0	51.1	47.7
Appearances	4.7	7.9	5.4	9.1	8.8	9.7	11.1	8.8	5.3	7.0	10.6	9.4	27.1	38.3	32.2	33.6
Merchandise	23.9	14.7	50.2	43.9	32.7	66.9	40.0	48.9	60.6	43.8	67.4	59.5	132.6	188.5	231.4	187.8
Others	23.9	23.5	16.0	23.5	23.9	27.4	25.1	29.9	20.6	22.1	24.8	26.2	86.9	106.2	93.7	104.2
COGS	75.8	62.4	86.6	120.5	89.1	125.7	155.3	148.4	113.6	112.3	145.9	131.8	345.4	518.4	503.6	481.5
Gross profit	**60.7**	**33.3**	**83.9**	**78.6**	**51.7**	**90.2**	**77.3**	**84.2**	**72.4**	**70.8**	**90.3**	**85.4**	**256.4**	**303.4**	**318.9**	**316.9**
SG&A costs	27.1	23.9	35.5	41.7	32.1	37.3	36.5	42.3	39.0	39.8	40.9	41.9	128.1	148.2	161.6	165.5
Operating profit	**33.6**	**9.3**	**48.4**	**36.9**	**19.6**	**52.9**	**40.8**	**41.9**	**33.4**	**31.0**	**49.4**	**43.5**	**128.3**	**155.2**	**157.3**	**151.4**
Operating margin (%)	24.6	9.8	28.4	18.5	13.9	24.5	17.5	17.8	17.9	16.9	20.9	20.0	21.3	18.8	19.1	19.0
Non-operating gains (losses)	5.3	-3.4	0.4	5.7	77.4	-4.5	1.9	-6.6	9.2	0.6	3.0	1.0	7.9	68.1	13.8	11.7
Pre-tax profit	38.9	5.9	48.8	42.6	97.0	48.4	42.7	35.3	42.6	31.6	52.4	44.4	136.2	223.4	171.1	163.1
Net profit (controlling)	**31.7**	**1.4**	**38.7**	**25.9**	**69.4**	**36.4**	**27.1**	**27.7**	**32.0**	**21.8**	**37.9**	**32.1**	**97.8**	**160.6**	**123.8**	**118.0**
Growth (% y-y)																
Sales	**15.6**	**-36.9**	**22.1**	**26.8**	**3.1**	**125.5**	**36.5**	**18.3**	**32.1**	**-15.1**	**1.6**	**-7.8**	**6.2**	**37.1**	**-0.3**	**-2.9**
Albums	-10.0	-69.6	18.4	13.8	-4.4	46.3	17.6	24.4	0.7	47.1	-10.2	-17.2	-17.3	18.7	-2.3	6.4
Management	195.9	28.4	45.2	31.3	-6.0	166.2	142.9	11.8	51.5	-27.2	-17.6	-14.7	56.0	64.9	-9.8	-2.9
Concerts	335.1	-3.1	87.6	26.0	-26.3	342.3	186.8	10.0	88.7	-35.7	-22.6	-22.8	63.9	82.4	-14.2	-3.1
Ads	46.9	29.4	3.6	13.7	14.6	22.4	52.1	35.2	50.9	20.5	-3.9	-2.6	21.0	31.2	13.5	-6.6
Guarantees	127.3	194.4	12.0	95.0	86.1	22.1	104.4	-3.3	-39.8	-28.0	-4.8	7.6	90.2	41.2	-15.9	4.3
Appearances	-13.2	-32.5	57.6	31.2	37.1	355.9	-20.5	11.5	85.2	-34.5	68.8	21.7	15.8	42.1	22.8	-18.9
Others	-2.2	23.0	-36.9	62.7	-0.0	16.5	56.9	26.9	-13.8	-19.2	-1.2	-12.3	4.3	22.2	-11.8	11.2
COGS	31.1	-21.4	18.9	36.8	17.5	101.2	79.3	23.1	27.5	-10.6	-6.0	-11.2	15.8	50.1	-2.9	-4.4
Gross profit	**0.8**	**-54.0**	**25.5**	**14.0**	**-14.8**	**171.1**	**-7.8**	**7.2**	**40.0**	**-21.4**	**16.8**	**1.3**	**-4.4**	**18.4**	**5.1**	**-0.6**
SG&A costs	48.9	-10.2	54.3	34.2	18.4	55.8	3.0	1.6	21.6	6.9	11.9	-1.0	29.6	15.7	9.0	2.4
Operating profit	**-20.0**	**-79.6**	**10.4**	**-2.6**	**-41.6**	**466.3**	**-15.7**	**13.6**	**70.0**	**-41.4**	**21.2**	**3.7**	**-24.3**	**21.0**	**1.3**	**-3.8**
Operating margin (%pts)	-11.0	-20.4	-3.0	-5.6	-10.7	14.8	-10.9	-0.7	4.0	-7.6	3.4	2.2	-8.6	-2.5	0.3	-0.2
Non-operating gains (losses)	-50.3	nm	-10.9	nm	1,370.7	nm	355.2	nm	-88.1	nm	59.5	nm	nm	762.7	-79.8	-15.2
Pre-tax profit	-26.1	-85.0	10.2	118.7	149.5	720.6	-12.6	-17.1	-56.1	-34.7	22.9	26.0	-12.5	64.0	-23.4	-4.7
Net profit (controlling)	**-23.6**	**-94.4**	**12.2**	**562.7**	**118.9**	**2,445.7**	**-30.0**	**6.8**	**-53.8**	-40.1	39.7	16.0	-7.3	64.2	-22.9	-4.7

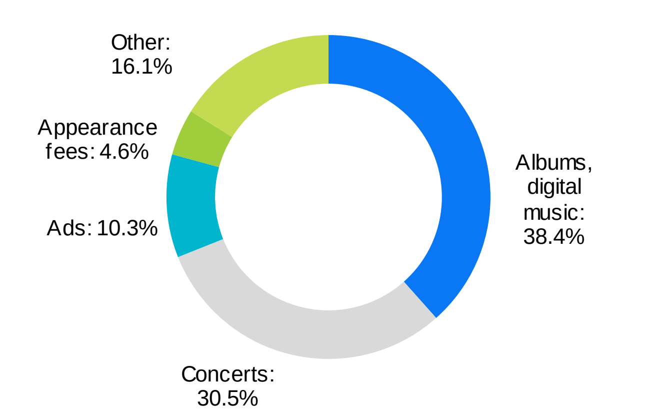
Note: 1Q25 earnings included a one-off gain from the sale of an 8% stake in DearU (KRW73.5b)
Source: Company data, Samsung Securities estimates

Chart 1. Sales and operating margin



Source: Company data, Samsung Securities

Chart 2. Sales, by segment (1H26)



Source: Company data, Samsung Securities

Table 2. Album sales: 2Q26 vs 2Q25

2Q26				2Q25			
Rank	**Artist**	**Key album**	**Sales (units)**	**Rank**	**Artist**	**Key album**	**Sales (units)**
1	KickFlip	Total	469,753	1	ITZY	Total	498,600
		My First Kick	240,411			Girls Will Be Girls	411,237
2	NEXZ	Total	443,870	2	KickFlip	Total	361,249
		Mmchk	347,270			Kick Out, Flip Now!	351,498
3	Stray Kids	Total	422,655	3	NEXZ	Total	258,794
		DO IT	139,131			O-RLY?	204,272
4	NMIXX	Total	376,977	4	Stray Kids	Total	117,254
		Heavy Serenade	281,453			合 (HOP)	23,354
5	ITZY	Total	356,429	5	NiziU	Total	40,629
		Motto	251,538			LOVE LINE	40,629
Total			**2,345,812**				**1,316,215**

Note: Based on Circle Chart Top 100 / Source: Company data, Circle Chart, Samsung Securities

Table 3. Album launches scheduled for 2026

Artist	Album	Release date	Category	Sales (units)*
Stray Kids	STAY	Mar 25	Digital single	
Xdinary Heroes	X room	Mar 25	8th EP's pre-release single	
Wonpil (DAY6)	Unpiltered	Mar 30	1st EP	173,228
NiziU	GOOD GIRL NOT FOR YOU	Apr 1	Japanese 2nd EP	
KickFlip	My First Kick	Apr 6	4th EP	469,704
Xdinary Heroes	DEAD AND	Apr 17	8th EP	183,127
NEXZ	Mmchk	Apr 27	Digital single	450,102
Nmixx	Crescendo	Apr 28	5th EP's pre-release single	
CIIU	Heartpick	May 6	Digital single	
Nmixx	Heavy Serenade	May 11	5th EP	389,106
ITZY	Motto	May 18	12th EP	372,284
Jun.K	Midnight Ticket	Jun 15	Digital single	
Dodree	HAWWAH	Jul 24	Digital single	
Stray Kids	Run it	Jun 24	Digital single	
NiziU	Portfolio	Jul 1	Japanese 1st album	
OURBIRTHDAY	Hungry (Side A)	Jul 22	Digital single	
JYP	WET	Jul 23	Single CD	
Girlset	CHAT	Jul 24	Single CD	
Young K (DAY6)	YOUNGEST	Jul 27	2nd album	181,450
Stray Kids	This & That	Aug 7	10th EP	3,187,278*
Donghyun (KickFlip)	Breathe (with Etham)	Aug 14	Digital single	
Jun.K (2PM)	Your Lips (Feat. Wendy)	Aug 17	Digital single	
OURBIRTHDAY	Our Birthday	Aug 19	1st single	
NEXZ	SAUCIN	Aug 24	4th EP	
NiziU	TBD	Sep	1st EP	
NMIXX	N=MIXX	Dec 9	Japanese debut album	

Note: Sales volume based on Circle Chart Top 100 on Jul 31, 2026;
*Dodree is an artist signed to subsidiary Innit Entertainment
*Stray Kids' 10th mini album 'This & That' sales cover the period from Aug 7 to Aug 12.
Source: Local media, company data, Circle Chart, Hanteo Chart, Samsung Securities

Table 4. Concerts scheduled for 2026

Artist	Country	Concert/fan meeting	Dates	Cities	Sessions
Stray Kids	Korea	(Fan Meeting) Stay in Our Little House	4.4~4.5	Incheon	2
NMIXX	Global	ZERO FRONTIER	4.2~6.20	North America 4 cities, Bangkok, Singapore	6
TWICE	Global	THIS IS FOR	4.3~6.4	North America 6 cities, Japan 1 city, Europe 8 cities	23
Stray Kids	Korea	(Fanmeeting) STAY in Our Little House	4.4~4.5	Incheon	2
ITZY	Global	TUNNEL VISION	4.17~6.28	Melbourne, Sydney, Auckland, Tokyo…	7
DAY6	Asia	The DECADE	4.18~6.21	Singapore, Tokyo, Macau, Busan, Kobe	8
Wonpil (DAY6)	Korea	Unplitered	5.1~5.3	Seoul	3
2PM	Japan	THE RETURN	5.9~5.10	Tokyo	2
NEXZ	Japan	NEXZ LIVE TOUR 2026	5.30~6.13	Tokyo, Osaka	4
Xdinary Heroes	Europe	The New Xcene	5.31~6.9	4 European cities	5
NiziU	Japan	NiziU Live With U 2026	6.6~6.14	Tokyo, Osaka	4
Xdinary Heroes	Korea	Summer Special 'The Xcape'	6.27~6.28	Seoul	2
DAY6	Korea	The DECADE	7.3~7.5	Seoul	3
ITZY	Asia	TUNNEL VISION	7.4~9.17	4 cities in Asia, 4 cities in Europe	8
TWICE	Korea	THIS IS FOR (Finale)	7.10~7.12	Seoul	3
NMIXX	Asia	ZERO FRONTIER	7.12~8.9	Kaohsiung, Hong Kong, Tokyo	6
Stray Kids	Asia	RUN IT	7.25~9.20	Seoul, Japan	11
2PM	Korea	THE RETURN	8.8~8.9	Seoul	2
ITZY	Korea	(Fan Meeting) ALL IN, MIDZY	8.8~8.9	Seoul	2
NMIXX	Asia	ZERO FRONTIER	8.8~8.9	Kaohsiung, Hong Kong, Tokyo	6
Young K (DAY6)	Korea	YOUNGEST	8.14~8.16	Seoul	3
Xdinary Heroes	Korea	(Fan meeting) The X-Town	9.18~9.20	Seoul	3
ITZY	Asia	TUNNEL VISION	10.3	Singapore	1
Young K (DAY6)	Asia	YOUNGEST	10.10~11.29	Bangkok, Taipei	2
Stray Kids	Asia	RUN IT	10.24~12.12	Fukuoka, Hong Kong, Taiwan	3
NMIXX	Japan	(Japan Debut Showcase) "N=MIXX"	11.7~12.13	Tokyo, Nagoya	4
Young K (DAY6)	Asia	YOUNGEST	'27.1.15~3.20	4 cities in Asia	4
Stray Kids	Asia	RUN IT	'27.1.16~3.7	Bangkok, Singapore	4

Source: Company data, Circle Chart, Hanteo Chart, Samsung Securities

Chart 3. Stray Kids, SKZOO Global Pop-up Store

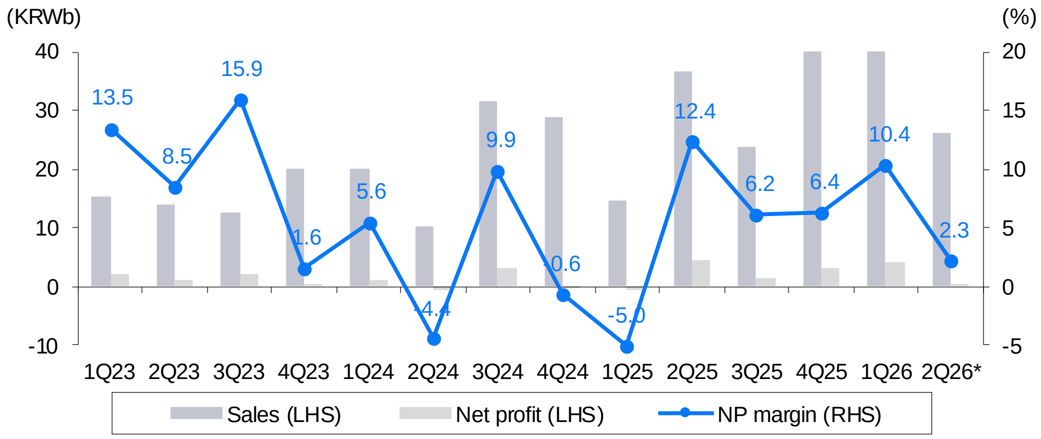
Source: Company data, Samsung Securities

Chart 4. New 7-member girl group 'OURBIRTHDAY' to officially debut on Aug 19

Note: 1. Affiliated with subsidiary Innit Entertainment. 2. Following the logo motion reveal on Jul 2, a pre-debut digital single was released on Jul 22.

Source: Company data, Samsung Securities

Chart 5. Blue Garage: Quarterly sales and net profit



Note: Blue Garage disclosed 1H26 sales of KRW67.1b and an operating margin in the mid-to-high single digits.

Source: Company data, Samsung Securities

Table 5. Stray Kids: World tours since debuting

Category	Tour	Date	Sessions	Details
1st world tour	District 9: Unlock	Nov 23, 2019 – Feb 16, 2020	10	Concerts canceled since mid-February due to pandemic
Online concert	Unlock: Go Live in Life	Nov 22, 2020	1	Beyond Live online concert
2nd world tour	Maniac	Apr 29, 2022 – Apr 2, 2023	42	
Japan dome tour	5-Star Dome Tour 2023	Aug 16 – Oct 29, 2023	10	
3rd world tour	dominATE	Aug 24, 2024 – Oct 19, 2025	56	56 dates in 35 cities (include additional concerts)
4th world tour	RUN IT	Jul 25, 2026-Mar 7, 2027 (+add)	18	Asia 9 cities

Source: Company data, Samsung Securities

Table 6. Stray Kids 2026-2027 World Tour 'RUN IT'

2024~2025 World Tour dominATE			2026~2027 World Tour RUN IT		
Performance Date	Region	No. of Shows	Performance Date	Region	No. of Shows
'24.8.24~9.1	Seoul	4	'26.7.25~8.2	Seoul	5
9.28	Singapore	1	8.29~8.30	Tokyo	2
10.19	Melbourne	1	9.5~9.6	Nagoya	2
10.26	Sydney	1	9.19~9.20	Osaka	2
11.3	Kaohsiung	1	10.24	Fukuoka	1
11.14~11.17	Tokyo	3	12.5	Hong Kong	1
11.23	Bulacan	1	12.12	Taipei	1
11.29~11.30	Macau	2	'27.1.16~1.17	Bangkok	2
12.5~12.8	Osaka	3	3.6~3.7	Singapore	2
12.14	Bangkok	1			
12.21	Jakarta	1			
'25.1.18~1.19	Hong Kong	2			
3.27~3.28	Santiago	2			
4.1	Rio de Janeiro	1			
4.5~4.6	São Paulo	2			
4.9	Lima	1			
4.12~4.13	Mexico City	2			
5.10~5.18	Shizuoka	4			
5.24	Seattle	1			
5.28	San Francisco	1			
5.31~6.1	Los Angeles	2			
6.6~6.7	Arlington	2			
6.10	Atlanta	1			
6.14	Orlando	1			
6.18~6.19	New York	2			
6.23	Washington D.C.	2			
6.26	Chicago	1			
6.29	Toronto	2			
7.11	Amsterdam	2			
7.15	Frankfurt	2			
7.18~7.19	London	2			
7.22~7.23	Madrid	2			
7.26~7.27	Paris	2			
7.30	Rome	1			
10.18~10.19	Incheon (Encore)	2			
Total 56 performances (35 cities)			Total 18+ shows (additional venues to be announced)		

Source: Company data, Samsung Securities

Table 7. Twice: World tour 'This Is For'

2023-2024 world tour 'Ready To Be'			2025-2026 World tour 'This Is For'		
Dates	**Location**	**Sessions**	**Dates**	**Location**	**Sessions**
Apr 15-16, 2023	Seoul	2	Jul 19-20, 2025	Incheon	2
May 2-3	Sydney	2	Jul 26-27	Osaka	2
May 6-7	Melbourne	2	Aug 23-24	Aichi	2
May 13-14	Osaka	2	Aug 30-31	Fukuoka	2
May 20-21	Tokyo	2	Sep 16-17	Tokyo	2
Jun 10	LA	1	Sep 27-28	Macao	2
Jun 12-13	Oakland	2	Oct 4	Bulacan	1
Jun 16	Seattle	1	Oct 11-12	Singapore	2
Jun 21	Dallas	1	Oct 205	Kuala Lumpur	1
Jun 24-25	Huston	2	Nov 1-2	Sydney	2
Jun 28-29	Chicago	2	Nov 8-9	Melbourne	2
Jul 2-3	Toronto	2	Nov 22-23	Gashing	2
Jul 6	New York	1	Dec 6-7	Hongkong	2
Jul 9	Atlanta	1	Dec 13-14	Bangkok	2
Sep 2-3	Singapore	2	Jan 9-10, 2026	Vancouver	2
Sep 7-8	London	2	Jan 13-14	Seattle	2
Sep 11	Paris	1	Jan 17-18	Oakland	2
Sep 13-14	Berlin	2	Jan 21-25	LA	4
Sep 23-24	Bangkok	2	Jan 28	Phoenix	1
Sep 30-Oct 1	Bulacan	2	Jan 31-Feb 1	Dallas	2
Nov 4	Melbourne	1	Feb 13-14	Washington D.C	2
Dec 16-17	Nagoya	2	Feb 18-21	New York	3
Dec 23	Jakarta	1	Feb 24	Philadelphia	1
Dec 27-28	Fukuoka	2	Feb 27	Atlanta	1
Feb 2-3, 2024	Mexico City	2	Mar 3	Montreal	1
Feb 6-7	Sao Paulo	2	Mar 6-7	Hamilton	2
Mar 16	Las Vegas	1	Mar 21	Taipei	1
Jul 13-14	Osaka	2	Mar 27-28	Orlando	2
Jul 20-21	Tokyo	2	Mar 31	Charlotte	1
Jul 27-28	Yokohama	2	Apr 3-4	Boston	2
			Apr 6-7	Chicago	2
			Apr 10	Detroit	1
			Apr 12	Saint Paul	1
			Apr 14	Denver	1
			Apr 17-18	Ostin	2
			Apr 25-28	Tokyo	3
			May 9	Lisbon	1
			May 12	Barcelona	1
			May 16-17	Paris	2
			May 20	Torino	1
			May 23	Berlin	1
			May 26	Cologne	2
			May 30-31	Amsterdam	2
			Jun 3-4	London	2
			Jul 10-Jul 12	Seoul	3
Total 51 concerts			Total 81+ concerts		

Source: Local media, Samsung Securities

Table 8. Artist lineup

Artist	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E
2PM				Contract renewal						Contract renewal		
Day6	Debut							Contract renewal			Contract renewal	
Twice	Debut							Contract renewal				
Stray Kids				Debut							Contract renewal	
Boy Story (China)				Debut							Contract renewal	
Itzy					Debut							Contract renewal
NiziU (Japan)						Debut						
YAOCHEN (China)						Debut						
Xdinary Heroes							Debut					
Nmixx								Debut				
Girlset (US)										Debut		
NexZ (Japan)										Debut		
KickFlip											1Q25 debut	
CIIU (China)											3Q25 debut	
New Project												2026 debut

Note: ITZY renewed contracts early in Sep 2025, ahead of 2026 expiration;
Timing of new group (New Project) launch undisclosed
Twice is currently in second-round renewal negotiations, with member Jeongyeon's departure officially confirmed while group activities will continue
Source: Company data, Samsung Securities

Table 9. Dividend policy

Category	Details
Current policy	- To enhance shareholder value, we have maintained a dividend payout ratio of 16-18% (based on consolidated net profit) every year since 2018, considering the financial situation, the business environment, and our investments
2025-2028 policy	- To maintain a dividend payout ratio of 15-20% (based on annual consolidated net profit)

Source: Company data, Samsung Securities

Table 10. Revisions to 2026 and 2027 forecasts

(KRWb)	2026E			2027E		
	Old	New	Chg (%)	Old	New	Chg %
Sales	863.8	822.5	-4.8	931.9	798.4	-14.3
Operating profit	172.1	157.3	-8.6	191.0	151.4	-20.7
Operating margin (%, %pts)	19.9	19.1	-0.8	20.5	19.0	-1.5
Pre-tax profit	187.1	171.1	-8.6	201.9	163.1	-19.2
Net profit (controlling)	135.5	123.8	-8.6	144.8	118.0	-18.5

Source: Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**602**	**822**	**822**	**798**	**817**
Cost of goods sold	345	518	504	482	493
Gross profit	**256**	**303**	**319**	**317**	**324**
Gross margin (%)	42.6	36.9	38.8	39.7	39.7
SG&A expenses	128	148	162	166	169
Operating profit	**128**	**155**	**157**	**151**	**155**
Operating margin (%)	21.3	18.9	19.1	19.0	18.9
Non-operating gains (losses)	**8**	**68**	**14**	**12**	**13**
Financial profit	14	13	21	21	22
Financial costs	5	17	12	13	13
Equity-method gains (losses)	3	75	3	3	4
Other	-4	-3	1	1	1
Pre-tax profit	**136**	**223**	**171**	**163**	**168**
Taxes	38	63	48	46	47
Effective tax rate (%)	28.2	28.1	28.0	28.0	28.0
Profit from continuing operations	98	161	123	117	121
Profit from discontinued operations	0	0	0	0	0
Net profit	**98**	**161**	**123**	**117**	**121**
Net margin (%)	16.2	19.5	15.0	14.7	14.8
Net profit (controlling interests)	98	161	124	118	122
Net profit (non-controlling interests)	-0	0	-1	-1	-1
EBITDA	143	176	174	164	165
EBITDA margin (%)	23.8	21.5	21.1	20.6	20.2
EPS (parent-based) (KRW)	2,751	4,519	3,485	3,322	3,423
EPS (consolidated) (KRW)	2,750	4,519	3,465	3,304	3,405
Adjusted EPS (KRW)*	2,751	4,519	3,485	3,322	3,423

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**362**	**496**	**606**	**710**	**817**
Cash & equivalents	191	294	404	513	616
Accounts receivable	49	38	38	37	37
Inventories	14	20	20	20	20
Other current assets	108	144	144	140	143
Fixed assets	**317**	**355**	**338**	**322**	**314**
Investment assets	105	131	131	128	130
Tangible assets	140	142	133	126	121
Intangible assets	60	67	59	53	48
Other long-term assets	12	15	15	15	15
Total assets	**679**	**851**	**945**	**1,032**	**1,131**
Current liabilities	**175**	**206**	**206**	**200**	**205**
Accounts payable	57	51	51	50	51
Short-term debt	0	0	0	0	0
Other current liabilities	117	155	155	151	154
Long-term liabilities	**21**	**20**	**20**	**19**	**20**
Bonds & long-term debt	0	0	0	0	0
Other long-term liabilities	21	20	20	19	20
Total liabilities	**196**	**226**	**226**	**220**	**225**
Owners of parent equity	**479**	**621**	**715**	**809**	**904**
Capital stock	18	18	18	18	18
Capital surplus	79	79	79	79	79
Retained earnings	390	533	627	722	817
Other	-8	-9	-10	-10	-10
Non-controlling interests' equity	**4**	**4**	**4**	**3**	**2**
Total equity	**483**	**625**	**718**	**812**	**907**
Net debt	-207	-328	-437	-545	-649

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**89**	**124**	**140**	**129**	**132**
Net profit	98	161	123	117	121
Non-cash profit and expenses	52	15	57	49	46
Depreciation	9	11	9	7	5
Amortization	6	10	8	6	5
Other	38	-6	40	36	36
Changes in A/L from operating activities	-7	-8	0	-2	1
Cash flow from investments	**-100**	**3**	**-0**	**3**	**-3**
Change in tangible assets	-87	-6	0	0	0
Change in financial assets	21	-70	-0	3	-3
Other	-33	79	0	0	0
Cash flow from financing	**-22**	**-22**	**-29**	**-24**	**-26**
Change in debt	-1	-0	0	-0	0
Change in equity	1	0	0	0	0
Dividends	-19	-18	-29	-24	-26
Other	-3	-5	0	0	0
Change in cash	-27	104	110	109	103
Cash at beginning of year	217	191	294	404	513
Cash at end of year	191	294	404	513	616
Gross cash flow	**150**	**176**	**180**	**166**	**167**
Free cash flow	**2**	**118**	**140**	**129**	**132**

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	6.2	36.6	0.1	-2.9	2.3
Operating profit	-24.3	21.0	1.3	-3.8	2.2
Net profit	-7.0	64.3	-23.3	-4.6	3.1
Adjusted EPS**	-7.4	64.2	-22.9	-4.7	3.1
Per-share data (KRW)					
EPS (parent-based)	2,751	4,519	3,485	3,322	3,423
EPS (consolidated)	2,750	4,519	3,465	3,304	3,405
Adjusted EPS**	2,751	4,519	3,485	3,322	3,423
BVPS	14,445	18,730	21,567	24,412	27,292
DPS (common)	534	877	717	792	887
Valuations (x)					
P/E***	25.4	16.1	11.7	12.3	11.9
P/B***	4.8	3.9	1.9	1.7	1.5
EV/EBITDA	16.0	12.8	5.9	5.5	4.9
Ratios (%)					
ROE	22.4	29.2	18.5	15.5	14.2
ROA	15.6	21.0	13.7	11.9	11.2
ROIC	80.6	65.3	71.5	75.6	83.9
Payout ratio	18.1	18.1	19.2	22.2	24.2
Dividend yield (common)	0.8	1.2	1.8	1.9	2.2
Net debt to equity	-42.9	-52.4	-60.9	-67.2	-71.6
Interest coverage (x)	635.2	906.8	929.6	900.9	922.5

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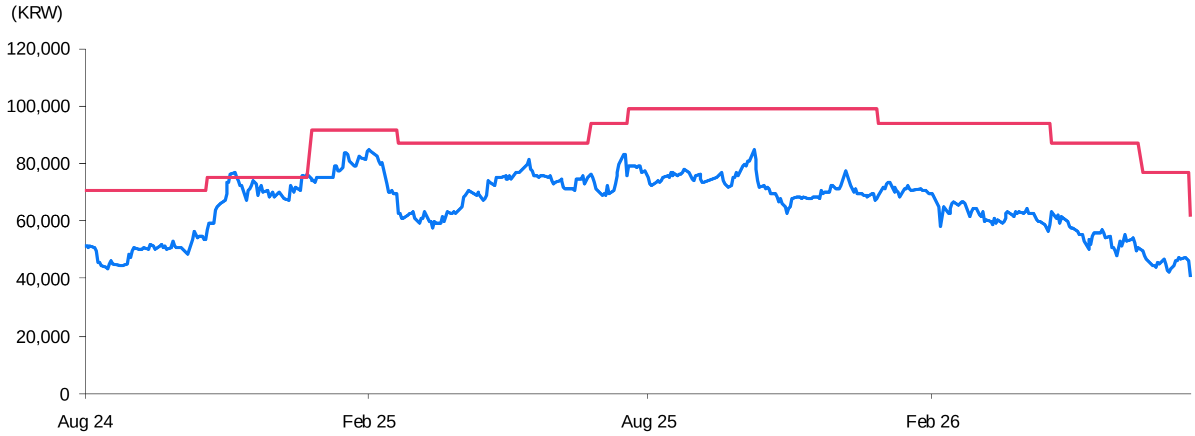
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2024/8/14	11/14	2025/1/20	3/18	7/21	8/14	2026/1/23	5/15	7/13	8/13
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	71000	75000	92000	87000	94000	99000	94000	87000	77000	62000
Gap* (average)	-29.35	-5.93	-14.83	-19.99	-21.19	-26.40	-30.89	-36.90	-40.86	
(max or min)**	-20.14	2.80	-7.50	-6.44	-11.60	-14.14	-21.49	-28.62	-37.79	

Note: * [(average, maximum, or minimum share price over duration of target price minus target price) / target price] x 100%
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