

COMPANY UPDATE

2026. 9. 16

Tech Team

Minha Choi
Senior Analyst
minha22.choi@samsung.com

Hyerim Yu
Research Associate
hyerim0705.yu@samsung.com

▶ AT A GLANCE

HOLD		
Target price	KRW21,000	10.8%
Current price	KRW18,910	
Market cap	KRW2.2t	
Shares (float)	115,041,225 (59.7%)	
52-week high/low	KRW23,150/KRW17,980	
Avg daily trading value (60-day)	KRW5.9b/ USD4.4m	

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
Cheil Worldwide (%)	-0.2	-8.5	-6.0
Vs Kospi (%pts)	4.2	-24.8	-52.2

▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	HOLD	BUY	
Target price	21,000	23,500	-10.6%
2026E EPS	1,711	1,920	-10.9%
2027E EPS	1,828	2,018	-9.4%

▶ SAMSUNG vs THE STREET

No of estimates	11
Target price	25,136
Recommendation	4.0
※ Rating: 4 < → BUY, 3 = HOLD, 2 > → SELL	



Scan to go to
Research Center report database

Cheil Worldwide (030000)

Unavoidable headwinds, tempered expectations

- We cut our earnings forecasts for Cheil Worldwide to reflect sustained marketing efficiency pressure from its major clients. Given limited near-term upside, we downgrade the stock to HOLD.
- We forecast that the firm will report a 3Q operating profit of KRW81.8b (down 15% y-y), missing consensus by 19%.

WHAT'S THE STORY?

Downgrading to HOLD: Despite Cheil Worldwide's efforts to defend its earnings (through offering differentiated services and striving for growth in key areas), intensifying marketing efficiency pressure from its largest clients is expected to result in short-term profits missing expectations. Moreover, one-off costs in 1H make it increasingly unlikely that the firm will meet its year-beginning guidance of '5% gross profit growth and stable operating margin.' We now forecast the company's 2026: 1) gross profit will rise just 0.3%; and 2) operating profit will shrink 13%. As such, we cut our 2026 and 2027 net profit estimates by 11% and 9%, respectively, and lower our 12-month target price by 10.6% to KRW21,000 (12-month forward P/E of 12x, in line with the three-year average). Given limited near-term upside, we downgrade the stock to HOLD. Its high dividend yield (backed by a policy of maintaining a payout ratio of around 60%) and potential to cancel its treasury shares (which account for 12% of shares outstanding) should provide meaningful downside support for its share price.

(Continued on the next page)

SUMMARY FINANCIAL DATA

	2025	2026E	2027E	2028E
Revenue (KRWb)	4,547	4,392	4,571	4,746
Operating profit (KRWb)	337	292	324	350
Net profit (adj) (KRWb)	209	197	217	244
EPS (adj) (KRW)	1,804	1,711	1,828	2,059
EPS (adj) growth (% y-y)	0.0	-5.2	6.8	12.6
EBITDA margin (%)	9.3	8.5	8.9	9.1
ROE (%)	13.7	12.2	12.3	13.1
P/E (adj) (x)	11.6	11.1	10.3	9.2
P/B (x)	1.4	1.1	1.1	1.0
EV/EBITDA (x)	4.4	-1.6	-1.5	-1.5
Dividend yield (%)	5.9	6.5	6.6	7.5

Source: Company data, Samsung Securities estimates

3Q earnings preview—To miss consensus: We forecast that the company will record a 3Q gross profit of KRW447.8b (down 2.1% y-y) and an operating profit of KRW81.8b (down 14.7% y-y; missing consensus of KRW100.8b by 19%). The impact of global marketing budget efficiency initiatives by its largest clients should be felt in earnest in 3Q, despite projected new-product launches. While its non-media advertising business and D2C-focused service capabilities—such as retail, CRM, and experiential marketing—are expected to sustain non-affiliate gross profit growth, this improvement is expected to only partially offset the decline stemming from reduced captive volume. Additionally, the recent won strengthening trend is set to exert a modestly negative impact on the firm's earnings.

Table 1. Quarterly results and forecasts

(KRWb)	3Q25	2Q26	3Q26E	Chg (% q-q)	Chg (% y-y)	Consensus	Diff (%)
Sales	1,188.9	1,074.5	1,103.4	2.7	-7.2	1,167.9	-5.5
Operating income	457.4	489.6	447.8	-8.5	-2.1	473.0	-5.3
Operating margin (%)	95.9	92.7	81.8	-11.8	-14.7	100.8	-18.8
Pre-tax income	21.0	18.9	18.3	-0.7	-2.7	21.3	-3.0
Net profit (controlling)	98.7	95.0	78.0	-17.9	-21.0	102.4	-23.9

Source: Company data, Samsung Securities

Table 2. Results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26E	4Q26E	2024	2025	2026E	2027E
Sales	1,018.0	1,089.4	1,072.5	1,164.3	1,039.4	1,118.8	1,188.9	1,199.7	1,017.6	1,074.5	1,103.4	1,196.5	4,344.3	4,546.9	4,392.1	4,571.4
Parent	300.7	363.2	351.9	372.1	303.4	361.4	354.8	396.1	305.8	373.3	363.5	401.6	1,387.9	1,415.6	1,444.2	1,486.6
Four major media outlets	7.3	10.3	12.0	15.1	8.0	9.8	10.7	15.6	7.9	11.4	10.8	14.8	44.7	44.0	45.0	45.4
Cable TV/internet	9.2	13.4	16.0	20.1	11.4	15.0	15.2	18.6	11.1	16.3	16.3	20.4	58.7	60.1	64.1	67.9
Production/promotions	284.2	339.5	323.9	336.9	284.1	336.6	328.9	361.8	286.8	345.6	336.5	366.3	1,284.5	1,311.4	1,335.2	1,373.4
Consolidated subsidiaries	717.3	726.3	720.6	792.1	736.0	757.4	834.1	803.7	711.8	701.2	739.9	795.0	2,956.3	3,131.3	2,947.8	3,084.8
Gross profit	390.7	453.4	428.5	454.8	433.5	483.8	457.4	485.3	442.3	489.6	447.8	486.5	1,727.5	1,859.9	1,866.2	1,940.5
Parent	75.7	105.8	96.8	95.2	85.9	106.8	101.0	97.1	88.8	107.6	95.6	94.4	373.5	390.8	386.4	398.9
Four major media outlets	7.3	10.3	12.0	15.1	8.0	9.8	10.7	15.6	7.9	11.4	10.8	14.9	44.7	44.0	45.0	45.4
Cable TV/internet	9.2	13.4	16.0	20.1	11.4	15.0	15.2	18.6	11.1	16.3	16.3	20.4	58.7	60.1	64.1	67.9
Production/promotions	59.2	82.1	68.7	60.0	66.5	82.0	75.2	62.9	69.9	79.8	68.5	59.1	270.1	286.6	277.3	285.6
Consolidated subsidiaries	315.0	347.6	331.7	359.6	347.6	377.0	356.4	388.1	353.5	382.0	352.2	392.1	1,354.0	1,469.1	1,479.8	1,541.6
SG&A costs	336.2	365.2	332.9	372.4	375.0	391.7	361.5	394.9	405.8	396.9	366.0	405.3	1,406.7	1,523.0	1,574.0	1,616.0
SG&A costs-to-sales ratio	33.0	33.5	31.0	32.0	36.1	35.0	30.4	32.9	39.9	36.9	33.2	33.9	32.4	33.5	35.8	35.4
Operating profit	54.5	88.2	95.6	82.4	58.5	92.1	95.9	90.4	36.5	92.7	81.8	81.2	320.7	336.9	292.2	324.5
OP-to-GP ratio (%)	14.0	19.5	22.3	18.1	13.5	19.0	21.0	18.6	8.3	18.9	18.3	16.7	18.6	18.1	15.7	16.7
Pre-tax profit	63.4	93.1	90.9	66.1	41.9	74.7	98.7	89.4	40.9	95.0	78.0	75.7	313.5	304.7	289.6	318.6
Net profit (controlling)	42.7	64.7	61.5	38.6	28.3	50.8	64.7	63.7	28.3	63.4	51.0	54.2	207.5	207.5	196.8	210.3
Growth (% y-y)																
Sales	8.1	12.2	-0.5	1.5	2.1	2.7	10.9	3.0	-2.1	-4.0	-7.2	-0.3	5.0	4.7	-3.4	4.1
Parent	5.5	16.7	19.7	5.2	0.9	-0.5	0.8	6.4	0.8	3.3	2.5	1.4	11.6	2.0	2.0	2.9
Four major media outlets	2.1	0.2	29.5	9.5	8.9	-5.2	-10.9	3.3	-1.1	17.3	0.8	-4.9	10.4	-1.6	2.1	0.9
Cable TV/internet	1.8	-4.8	9.5	9.8	24.0	11.9	-5.3	-7.4	-2.3	8.8	7.3	9.5	4.8	2.5	6.5	5.9
Production/promotions	5.7	18.3	19.9	4.8	-0.0	-0.8	1.5	7.4	1.0	2.6	2.3	1.2	11.9	2.1	1.8	2.9
Consolidated subsidiaries	9.3	10.0	-8.1	-0.2	2.6	4.3	15.8	1.5	-3.3	-7.4	-11.3	-1.1	2.1	5.9	-5.9	4.6
Gross profit	7.3	6.8	6.9	6.0	10.9	6.7	6.8	6.7	2.0	1.2	-2.1	0.3	6.7	7.7	0.3	4.0
Parent	6.2	4.2	9.9	7.8	13.4	0.9	4.4	2.0	3.4	0.8	-5.4	-2.8	7.0	4.6	-1.1	3.2
Four major media outlets	2.1	8.6	19.3	9.5	8.9	-5.0	-11.1	3.3	-1.3	17.2	0.8	-4.7	10.4	-1.6	2.1	0.9
Cable TV/internet	1.8	-4.8	9.5	9.8	24.0	11.9	-5.3	-7.4	-2.3	8.8	7.3	9.5	4.8	2.5	6.5	5.9
Production/promotions	7.4	5.3	8.5	6.7	12.3	-0.1	9.4	4.8	5.0	-2.6	-8.9	-6.0	6.9	6.1	-3.2	3.0
Consolidated subsidiaries	7.6	7.6	6.0	5.5	10.3	8.4	7.4	7.9	1.7	1.3	-1.2	1.0	6.6	8.5	0.7	4.2
SG&A	8.2	7.4	8.3	5.4	11.5	7.2	8.6	6.0	8.2	1.3	1.2	2.7	7.3	8.3	3.3	2.7
SG&A costs-to-sales ratio	0.0	-1.5	2.5	1.2	3.0	1.5	-0.6	0.9	3.8	1.9	2.8	1.0	0.7	1.1	2.3	-0.5
Operating profit	2.1	4.2	2.3	8.4	7.2	4.4	0.3	9.7	-37.6	0.6	-14.7	-10.2	4.3	5.0	-13.3	11.1
OP-to-GP ratio (%pts)	-0.7	-0.5	-1.0	0.4	-0.5	-0.4	-1.3	0.5	-5.2	-0.1	-2.7	-1.9	-0.4	-0.5	-2.5	1.1
Pre-tax profit	5.5	2.6	-9.4	96.5	-33.9	-19.8	8.5	35.4	-2.6	27.2	-21.0	-15.3	10.1	-2.8	-5.0	10.0
Net profit (controlling)	7.5	0.6	-6.1	118.0	-33.7	-21.4	5.2	65.1	-0.3	24.7	-21.2	-14.8	10.8	0.0	-5.2	6.8

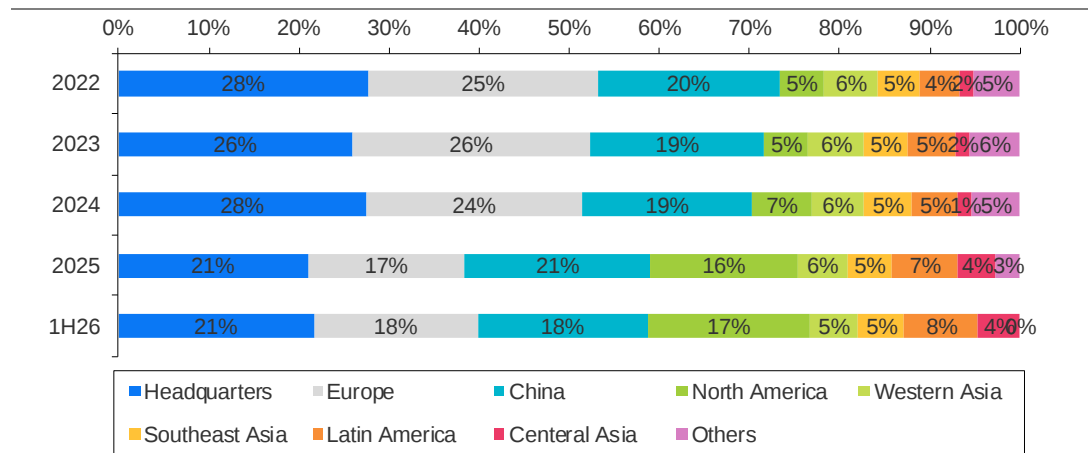
Note: 1Q25 non-operating expense recognition (KRW 20bn), EVR Studio transition-related valuation loss;

2Q25 forex loss driven by KRW/USD decline, non-operating loss of KRW17.4b (vs KRW4.9b in 2Q24)

1Q26 one-off personnel costs driven by overseas restructuring, higher severance provisioning

Source: Company data, Samsung Securities

Chart 1. Developments in regional gross profit mix



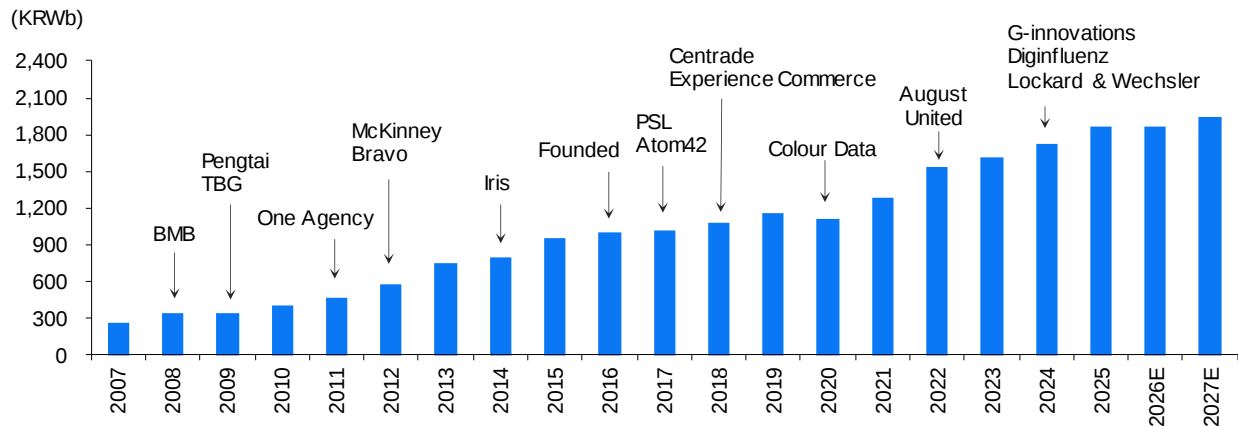
Source: Company data, Samsung Securities

Table 3. Key financials of major subsidiaries

Country	Subsidiaries	Key financials	1H25	2H26	Chg (% y-y)
China	Pentai Greater China Company Limited	Revenue	89.0	96.4	8.4
		Gross profit	67.4	73.0	8.2
		Net profit	9.6	9.3	-3.5
	Pentai Interactive Advertising Co., LTD	Revenue	141.8	99.4	-29.9
		Gross profit	36.4	35.1	-3.4
		Net profit	5.1	4.2	-17.5
	PENGTAI E-COMMERCE CO., LTD	Revenue	96.5	78.4	-18.7
		Gross profit	14.2	6.9	-51.2
		Net profit	-0.2	-3.9	n/a
Europe	Cheil Germany GmbH	Revenue	132.1	129.5	-2.0
		Gross profit	52.2	59.0	12.9
		Net profit	4.9	5.1	4.0
	Cheil Europe LTD	Revenue	42.1	57.8	37.3
		Gross profit	17.2	18.3	6.0
		Net profit	0.9	-2.3	n/a
US	Cheil USA Inc	Revenue	99.4	107.2	7.8
		Gross profit	50.6	48.9	-3.4
		Net profit	8.7	8.3	-5.6
	McKinney Ventures LLC	Revenue	92.4	105.3	14.0
		Gross profit	53.0	51.4	-3.0
		Net profit	6.5	15.6	140.2
	Barbarian Group LLC	Revenue	72.7	77.3	6.3
		Gross profit	32.0	40.9	27.9
		Net profit	2.1	2.6	22.1
	Lockard & Wechsler LLC	Revenue	19.1	21.6	13.3
		Gross profit	19.1	21.6	13.3
		Net profit	4.4	5.1	17.7
India	Cheil India Private Limited	Revenue	89.2	85.5	-4.1
		Gross profit	42.7	38.9	-8.8
		Net profit	12.2	10.6	-12.8
Middle East	Cheil MEA FZ-LLC	Revenue	35.0	32.8	-6.3
		Gross profit	23.1	22.8	-1.4
		Net profit	6.6	6.8	3.3

Source: Company data, Samsung Securities

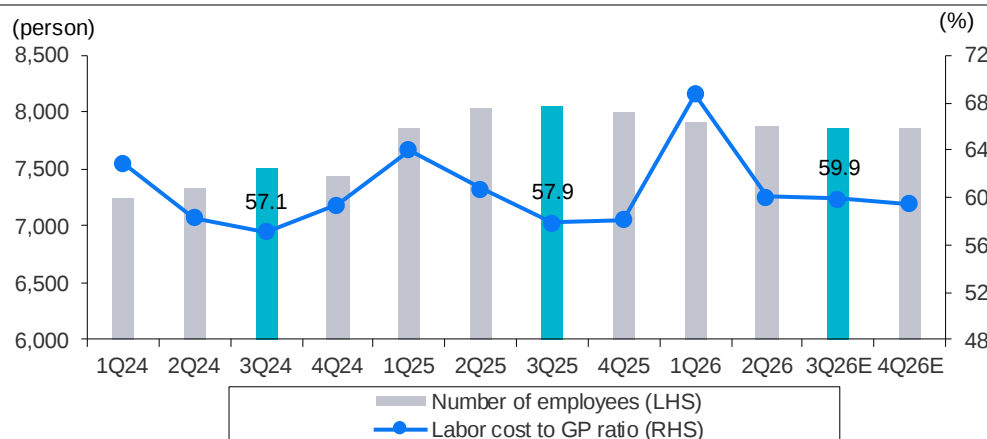
Chart 2. Gross profit growth



Note: Atom42 (1Q23) and Founded (4Q25) liquidated; functions absorbed by other subsidiaries

Source: Company data, Samsung Securities

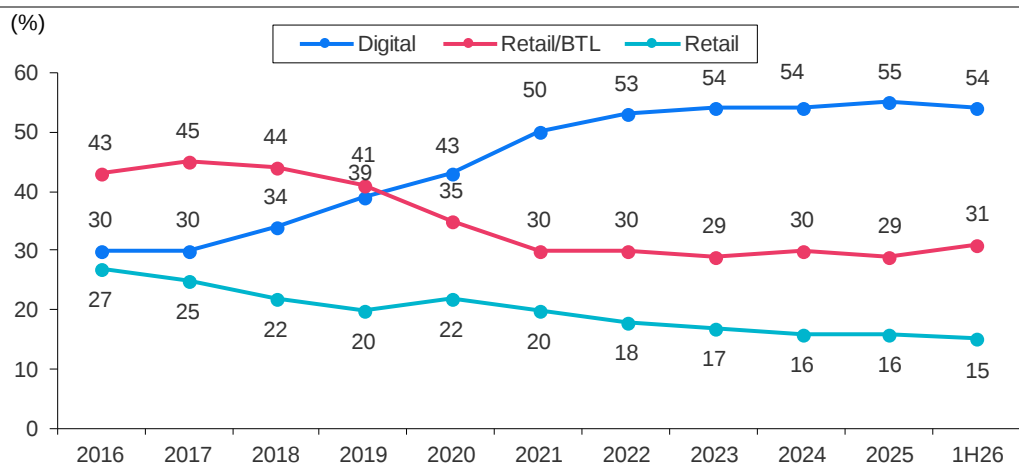
Chart 3. Number of employees and labor cost-to-gross profit ratio



Note: One-off personnel costs were recognized in 1Q26, including personnel restructuring costs for overseas operations and additional severance pay provisions

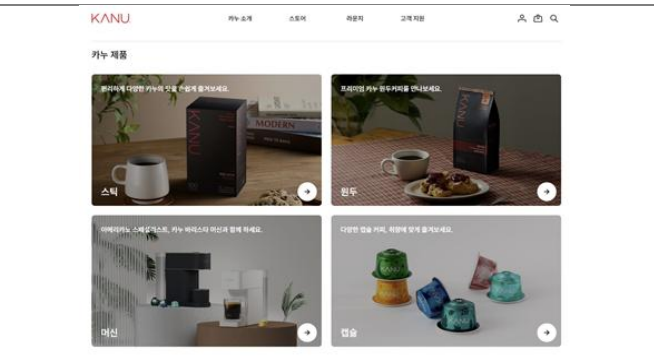
Source: Samsung Securities

Chart 4. Contribution to gross profit, by segment



Source: Company data, Samsung Securities

Chart 5. Dongsuh Foods' Kanu Official Store



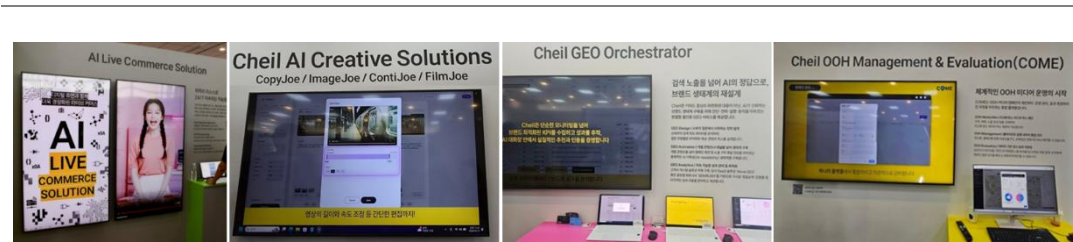
Note: Image taken from Cheil Worldwide Korea website;
Continuously enhancing sign-up and purchase conversion efficiency through the integration of CRM solutions
Source: Cheil Worldwide, Samsung Securities

Chart 6. Philip Morris International, a UK client of Cheil WW



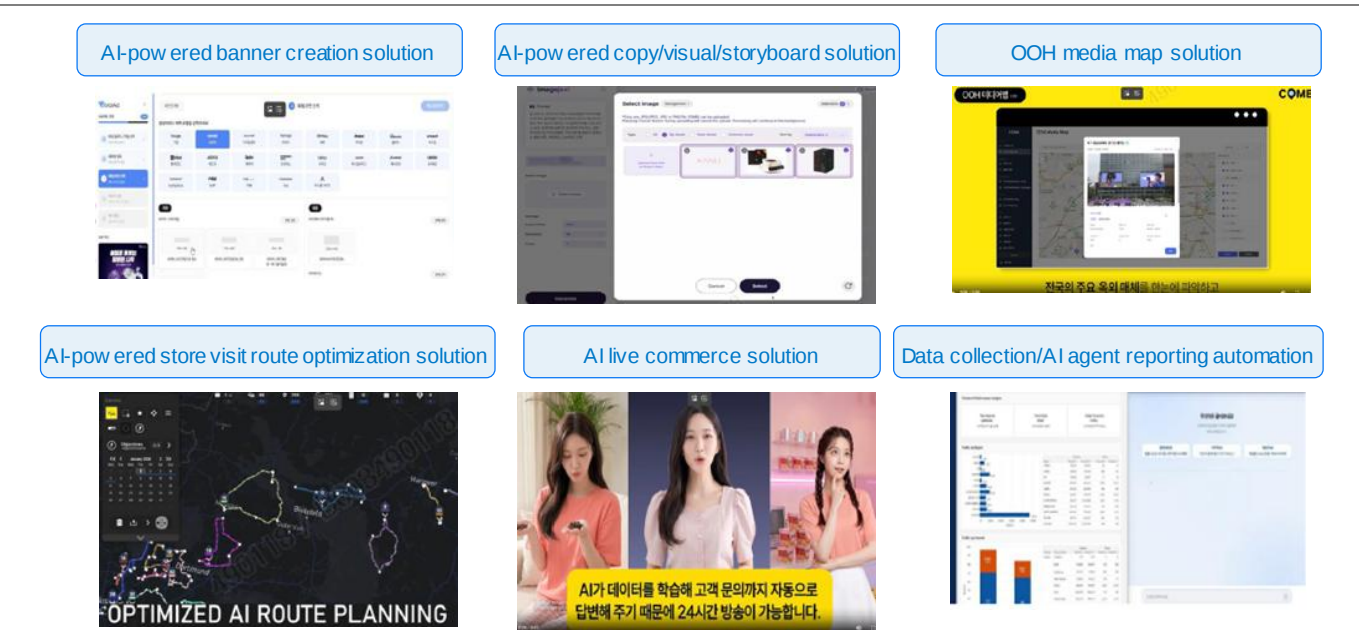
Note: Image taken from Cheil Worldwide UK website;
Providing services, including operational strategy, website management, marketing automation, managed services, and digital analytics
Source: Cheil Worldwide, Samsung Securities

Chart 7. AI and data-based solutions and use cases presented at the Cheil Tech showcase



Note: Image taken from Cheil Tech showcase 2026 (May 27-May 29, 2026) ; Showcased 17 of its tech solution offerings
Source: Cheil Worldwide, Samsung Securities

Chart 8. AI-powered marketing solutions



Source: Cheil Worldwide, Samsung Securities

Table 4. M&A activities to strengthen competitiveness

Company	Acquisition date	Country	Est.	Business area	Main clients
BMB	Nov 2008	UK	1999	Creative	Bill & Melinda Gates Foundation, LinkedIn
Pengtai (formerly OpenTide China)	Sep 2009	China	2000	Digital marketing	Industrial and Commercial Bank of China, China Mobile, China Unicom
The Barbarian Group (TBG)	Dec 2009	US	2001	Digital creative	GE, Google, Pepsi, IBM
One Agency	2011	UAE	2011	Retail	Samsung Electronics, GM, LS
McKinney	Jul 2012	US	1969	Creative	CarMax, Crocs, Mentos
Bravo Asia	Aug 2012	China	2006	Creative	Pepsi, Porsche, Moet Hennessy
Iris	Nov 2014	UK	1999	Digital retail	Shell, Guinness, Johnnie Walker
Pricing Solutions Limited (PSL)	Mar 2017	Canada	1993	B2B marketing	Lego, Allegan
Centrade	May 2018	Romania	1993	Digital marketing	P&G, Raiffeisen
Experience Commerce	Jun 2018	India	2006	Digital marketing	Lenovo, MRF, Wipro
89 Degrees	Nov 2018	US	1996	Marketing strategy	Ikea, Jeep, Marriot
WDMP	Nov 2018	UK	2002	Creative	Wyevale Garden Centre, Wonga
Fixers Group	Nov 2018	Netherlands	2005	Marketing strategy	Adidas, Heineken, Shell, Reebok
Colour Data	Jun 2020	China	2014	Digital Marketing	Samsung Electronics, Pfizer, Schneider Electric
August United	Dec 2022	UK	1999	Influencer Marketing	Samsung Electronics, Henkel, Kroger, CircleK, Microsoft
g-innovations	Apr 2024	US	2008	Marketing tech	Samsung
Diginfluenz Private Limited	Oct 2024	India	2020	Digital marketing	Flipkart, Tata Cliq, Boat, Samsung
Lockard & Wechsler LLC	Dec 2024	US	1991	Total media marketing	Rosetta Stone, Esurance, Sling TV, Walmart

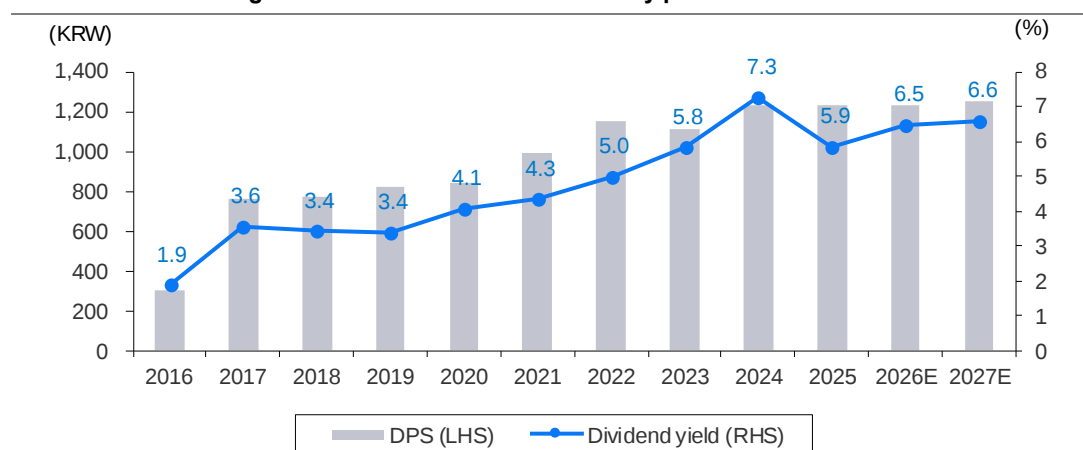
Note: August United, which was integrated in Dec 2022, was the influencer marketing department of Audacious. August United owns Tailwind (in charge of digital marketing)

B2B marketing firm Founded acquired Apr 2016 and liquidated in 4Q25;

UK digital marketing firm Atom42 acquired Nov 2017 and liquidated in 1Q23

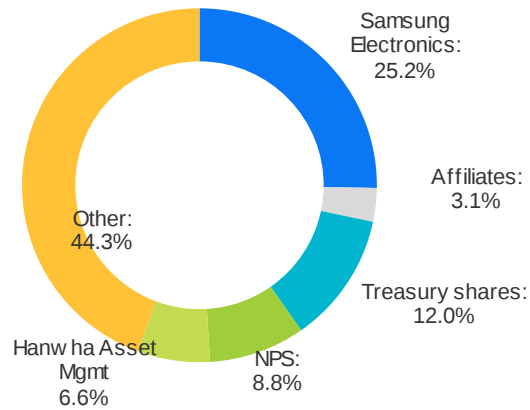
Source: Company data, Samsung Securities

Chart 9. Sustained high dividends via shareholder-friendly policies



Source: Company data, Samsung Securities

Chart 10. Major shareholders



Note: Affiliates are Samsung Card, Samsung Life, and include stakes held by executives;

NPS and treasury shares are based on the semi-annual report, Hanwha Asset Management as of Jun 19, and the largest shareholder and related parties as of Aug 28

Source: Company data, Samsung Securities

Table 5. Shareholder return policy (2025-2027) & value-up plan (2026)

Category	Explanation
Shareholder return policy (2025-2027)	Dividend policy: Payout ratio set at ~60% of consolidated net income, considering investment, working capital, and business conditions
2026 corporate value enhancement plan	
Objectives	1) Lift gross profit via business expansion and client base expansion 2) Boost profitability through enhanced global operating efficiency 3) Maintain shareholder returns via ~60% dividend payout ratio
Key initiatives	1) Expand core businesses (digital platforms, retail, experimental marketing) 2) Diversify revenue, leveraging advertising/content/solution capabilities 3) Strengthen competitiveness via AI tech and data-based investment 4) Improve service quality through global talent acquisition 5) Continued execution of shareholder return policy (announced Feb 2, 2026)
Value-up disclosure participation	Yes (2025 dividend payout ratio: 60%)

Note: Shareholder return policy announced on Feb 2, value-up plan disclosed on Mar 19

Source: Company data, Samsung Securities estimates

Table 6. Table 5. Revisions to full-year forecasts

(KRWb)	2026E			2027E		
	Old	New	Chg (%)	Old	New	Chg %
Sales	4,448.2	4,392.1	-1.3	4,684.6	4,571.4	-2.4
Gross profit	1,905.4	1,866.2	-2.1	2,007.4	1,940.5	-3.3
Operating profit	318.9	292.2	-8.4	348.5	324.5	-6.9
Operating margin (% , %pts)	7.2	6.7	-0.5	7.4	7.1	-0.3
Pre-tax profit	322.5	289.6	-10.2	350.3	318.6	-9.0
Net profit (controlling)	220.9	196.8	-10.9	232.1	210.3	-9.4

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	4,344	4,547	4,392	4,571	4,746
Cost of goods sold	2,617	2,687	2,526	2,631	2,721
Gross profit	1,727	1,860	1,866	1,941	2,025
Gross margin (%)	39.8	40.9	42.5	42.4	42.7
SG&A expenses	1,407	1,523	1,574	1,616	1,675
Operating profit	321	337	292	324	350
Operating margin (%)	7.4	7.4	6.7	7.1	7.4
Non-operating gains (losses)	-7	-32	-3	-6	8
Financial profit	63	53	52	47	56
Financial costs	44	63	50	49	46
Equity-method gains (losses)	1	1	-0	3	3
Other	-28	-24	-4	-6	-4
Pre-tax profit	313	305	290	319	358
Taxes	105	96	92	102	115
Effective tax rate (%)	33.5	31.5	31.8	31.9	32.0
Profit from continuing operations	208	209	197	217	244
Profit from discontinued operations	0	0	0	0	0
Net profit	208	209	197	217	244
Net margin (%)	4.8	4.6	4.5	4.7	5.1
Net profit (controlling interests)	208	208	197	210	237
Net profit (non-controlling interests)	1	1	1	7	7
EBITDA	398	421	375	408	433
EBITDA margin (%)	9.2	9.3	8.5	8.9	9.1
EPS (parent-based) (KRW)	1,804	1,804	1,711	1,828	2,059
EPS (consolidated) (KRW)	1,811	1,813	1,716	1,885	2,119
Adjusted EPS (KRW)*	1,804	1,804	1,711	1,828	2,059

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	346	212	274	264	256
Net profit	208	209	197	217	244
Non-cash profit and expenses	221	210	174	188	160
Depreciation	67	73	73	74	75
Amortization	10	12	10	9	8
Other	144	126	91	104	77
Changes in A/L from operating activities	-5	-102	-13	-46	-43
Cash flow from investments	-78	-107	-116	-141	-107
Change in tangible assets	-26	-29	-73	-75	-76
Change in financial assets	-32	-107	-4	-19	-18
Other	-20	29	-40	-47	-13
Cash flow from financing	-170	-188	-179	-122	-124
Change in debt	-16	133	-55	2	2
Change in equity	0	0	0	0	0
Dividends	-113	-125	-125	-125	-127
Other	-42	-196	0	0	0
Change in cash	98	-83	1	-1	24
Cash at beginning of year	607	705	622	624	623
Cash at end of year	705	622	624	623	646
Gross cash flow	429	419	371	405	404
Free cash flow	320	182	202	189	180

Note: *Excluding one-off items

**Fully diluted, excluding one-off items

***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	2,724	2,881	2,823	2,935	3,067
Cash & equivalents	705	622	624	623	646
Accounts receivable	1,642	1,799	1,716	1,804	1,873
Inventories	61	46	56	55	61
Other current assets	316	414	428	453	486
Fixed assets	583	707	726	760	797
Investment assets	108	96	93	97	99
Tangible assets	92	95	94	96	97
Intangible assets	216	212	202	193	185
Other long-term assets	166	304	337	375	417
Total assets	3,307	3,588	3,550	3,696	3,864
Current liabilities	1,565	1,628	1,494	1,538	1,580
Accounts payable	678	676	656	654	666
Short-term debt	4	4	4	4	4
Other current liabilities	883	948	834	880	910
Long-term liabilities	268	372	372	381	390
Bonds & long-term debt	0	3	3	3	3
Other long-term liabilities	268	369	369	379	388
Total liabilities	1,833	2,000	1,866	1,919	1,971
Owners of parent equity	1,458	1,572	1,667	1,753	1,863
Capital stock	23	23	23	23	23
Capital surplus	124	124	124	124	124
Retained earnings	1,587	1,690	1,762	1,848	1,958
Other	-276	-264	-242	-242	-242
Non-controlling interests' equity	16	16	16	23	30
Total equity	1,474	1,588	1,684	1,776	1,893
Net debt	-674	-558	-621	-633	-671

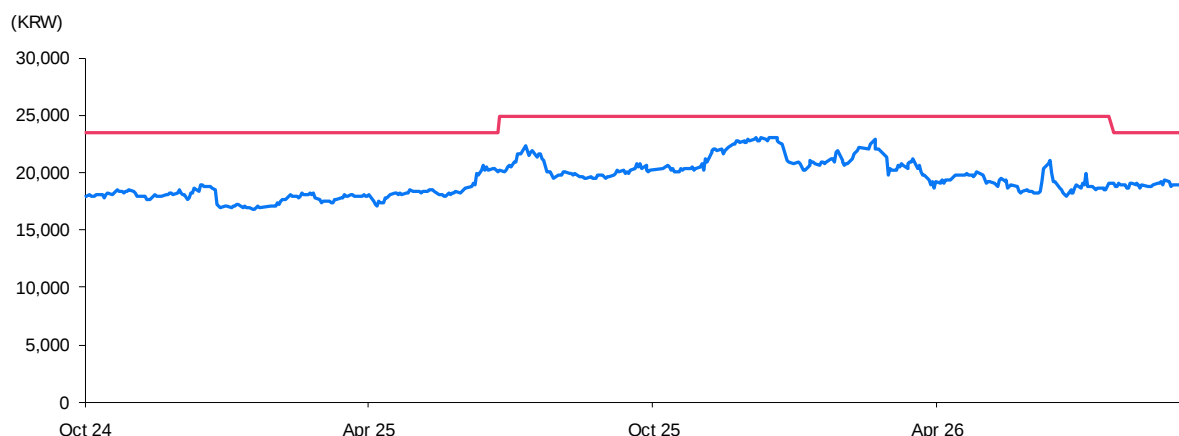
Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	5.0	4.7	-3.4	4.1	3.8
Operating profit	4.3	5.0	-13.3	11.1	7.9
Net profit	9.6	0.1	-5.4	9.8	12.4
Adjusted EPS**	10.8	0.0	-5.2	6.8	12.6
Per-share data (KRW)					
EPS (parent-based)	1,804	1,804	1,711	1,828	2,059
EPS (consolidated)	1,811	1,813	1,716	1,885	2,119
Adjusted EPS**	1,804	1,804	1,711	1,828	2,059
BVPS	14,396	15,525	16,464	17,310	18,399
DPS (common)	1,230	1,230	1,230	1,250	1,410
Valuations (x)					
P/E***	9.4	11.6	11.1	10.3	9.2
P/B***	1.2	1.4	1.1	1.1	1.0
EV/EBITDA	3.2	4.4	-1.6-	-1.5-	-1.5-
Ratios (%)					
ROE	15.1	13.7	12.2	12.3	13.1
ROA	6.7	6.1	5.5	6.0	6.5
ROIC	26.8	24.3	18.5	19.5	19.6
Payout ratio	60.0	60.0	63.3	60.2	60.3
Dividend yield (common)	7.3	5.9	6.5	6.6	7.5
Net debt to equity	-45.7	-35.1	-36.9	-35.6	-35.5
Interest coverage (x)	32.7	22.3	17.0	18.6	20.1

Compliance notice

- As of 9/15 2026, Samsung Securities shared group affiliation with Cheil Worldwide.
- As of 9/15 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 9/15 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	2024/8/1	2025/6/27	2026/6/27	2026/7/27	9/15
Recommendation	BUY	BUY	BUY	BUY	HOLD
Target price (KRW)	23500	25000	25000	23500	21000
Gap* (average)	-23.06	-17.84	-24.96	-19.31	
(max or min)**	-11.91	-7.40	-20.04	-17.70	

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.

Copyright © 2010 Samsung Securities Co., Ltd. All rights reserved. This report or any portion hereof may not be reprinted, sold or redistributed without the prior written consent of Samsung Securities America Inc

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



Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA