

## Platform Business Team

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## ▶ AT A GLANCE

Recommend	<b>BUY</b>	
Target price	KRW108,000	(19.6%)
Current price	<b>KRW90,300</b>	
Market cap	KRW2.5t/USD2.1b	
Shares (float)	28,096,370 (38.3%)	
52-week high/low	KRW90,300/KRW54,000	
Avg daily trading value (60-day)	KRW34.4b/USD28.7m	

## ▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
Studio Dragon (%)	15.8	16.8	33.0
Vs Kosdaq (%pts)	14.2	0.7	21.5

## ▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	108,000	108,000	0.0%
2020E EPS	1,718	1,785	-3.8%
2021E EPS	2,133	2,111	1.0%

## ▶ SAMSUNG vs THE STREET

No of estimates	23
Target price	101,609
Recommendation	3.9
BUY★★★: 5 / BUY: 4 / HOLD: 3 / SELL: 2 / SELL★★★: 1	

# Studio Dragon (253450)

## Content gaining international popularity

- Studio Dragon is likely to post 2Q results that show an operating profit of KRW15.2b, meeting consensus thanks to robust overseas sales (eg, to Netflix).
- Netflix's top-10 list of its most-watched content by country (a new feature added in February) shows that Studio Dragon is building a global presence beyond Asia. Drama remakes and co-productions with global firms should add to its long-term growth momentum.
- China was formerly a massive consumer of Korean content. If it allows the sale of Korean media copyright to resume, Studio Dragon should enjoy stronger earnings momentum than any other Korean content provider in the near term.

## WHAT'S THE STORY?

**2Q preview:** We believe Studio Dragon will post in-line 2Q operating results that show sales and operating profit up 6% and 40.7% y-y, respectively, to KRW135.9b and KRW15.2b. Sales growth likely held steady in 2Q as Korea was one of only a few countries that did not experience disruptions to TV broadcasting schedules. In 2Q, four dramas (16 episodes of *The King: Eternal Monarch*; four episodes of *Hi Bye Mama*; four episodes of *It's Okay Not to Be Okay*; and 14 episodes of *Rugals*) aired simultaneously on domestic channels and global OTT platform Netflix, and some of the firm's old titles (eg, *Guardian: The Lonely and Great God* and *My Mister*; both dramas broadcast two to three years ago) were also sold to Netflix. Studio Dragon's operating profit growth likely benefited from a low base—in 2Q19, it recognized ten episodes of tent-pole drama *Arthdal Chronicles* as sales, but they barely managed to reach breakeven point.

**Global market influence proven:** Studio Dragon's content has increased its presence not only in Korea but also in overseas markets. Some of its dramas rank highly in Netflix's top-10 list of most-watched content, in many Asian countries and some western countries, too. The firm's drama remakes and co-productions with global players (eg, *Hotel del Luna*) should add to its long-term growth momentum. Such efforts may not pay off in the near term but should pave the way for qualitative growth in the long run.

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## SUMMARY FINANCIAL DATA

	2019	2020E	2021E	2022E
Revenue (KRWb)	469	533	604	648
Operating profit (KRWb)	29	56	68	73
Net profit (adj) (KRWb)	26	48	60	66
EPS (adj) (KRW)	941	1,718	2,133	2,343
EPS (adj) growth (% y-y)	(26.3)	82.5	24.1	9.9
EBITDA margin (%)	31.1	33.7	31.9	31.3
ROE (%)	6.4	10.7	11.9	11.6
P/E (adj) (x)	85.9	52.6	42.3	38.5
P/B (x)	5.3	5.3	4.7	4.2
EV/EBITDA (x)	15.0	13.5	12.4	11.6
Dividend yield (%)	0.0	0.0	0.0	0.0

Source: Company data, Samsung Securities estimates

**Reiterating BUY:** We keep the stock at BUY and reiterate our target price of KRW108,000 (based on 16x forward EV/EBITDA; the average of 2017-2018 lows). The market strongly expects China to once again permit the sale of Korean media copyright sales, but such expectations are not yet reflected in our earnings forecasts. When the expectations become reality, Studio Dragon should enjoy stronger earnings momentum than any other Korean content provider in the near term, thanks to: 1) the sale of old titles that were broadcast domestically during the period when China's was restricting Korean content; and 2) the sale of distribution rights for new tent-pole dramas.

Table 1. Quarterly results and forecasts

(KRWb)	2Q19	1Q20	2Q20E	Chg (% q-q)	Chg (% y-y)	Consensus	Diff (%)
Sales	128.2	120.3	135.9	13.0	6.0	140.1	-3.0
Operating profit	10.8	11.6	15.2	30.4	40.7	16.1	-6.0
Operating margin (%)	8.4	9.7	11.2	1.5	2.8	11.5	-0.4
Pre-tax profit	11.9	12.0	16.5	37.3	38.6	17.4	-5.2
Net profit (controlling)	7.3	8.5	12.9	50.6	75.3	13.2	-2.8

Source: Company data, WiseFn, Samsung Securities

Table 2. Results and forecasts

(KRWb)	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20E	3Q20E	4Q20E	2018	2019	2020E	2021E
<b>Sales</b>	<b>79.9</b>	<b>74.3</b>	<b>123.7</b>	<b>101.7</b>	<b>111.8</b>	<b>128.2</b>	<b>131.2</b>	<b>97.4</b>	<b>120.3</b>	<b>135.9</b>	<b>131.2</b>	<b>145.4</b>	<b>379.6</b>	<b>468.7</b>	<b>532.8</b>	<b>603.7</b>
Programing	40.7	34.1	48.9	54.4	44.1	58.1	60.8	45.7	45.2	55.8	51.6	52.5	178.1	208.7	205.1	218.5
Distribution	32.1	28.8	63.4	37.8	56.2	60.3	60.0	42.8	66.9	71.8	70.4	84.0	162.1	219.3	293.1	348.3
Other	7.1	11.4	11.4	9.5	11.5	9.8	10.4	8.9	8.2	8.4	9.2	8.8	39.4	40.6	34.6	36.8
<b>Gross profit</b>	<b>13.6</b>	<b>10.6</b>	<b>24.8</b>	<b>6.5</b>	<b>15.0</b>	<b>15.4</b>	<b>15.3</b>	<b>2.2</b>	<b>16.7</b>	<b>20.8</b>	<b>20.0</b>	<b>21.5</b>	<b>55.6</b>	<b>47.9</b>	<b>79.0</b>	<b>92.8</b>
SG&A costs	3.0	3.3	3.3	6.0	4.0	4.6	4.4	6.2	5.1	5.6	5.3	6.6	15.7	19.2	22.6	24.7
<b>Operating profit</b>	<b>10.7</b>	<b>7.3</b>	<b>21.5</b>	<b>0.4</b>	<b>11.0</b>	<b>10.8</b>	<b>10.9</b>	<b>-4.0</b>	<b>11.6</b>	<b>15.2</b>	<b>14.7</b>	<b>14.9</b>	<b>39.9</b>	<b>28.7</b>	<b>56.5</b>	<b>68.1</b>
Non-operating profit	0.2	3.7	0.6	1.3	2.1	1.1	2.2	-1.1	0.4	1.3	2.8	2.0	5.7	4.3	6.5	8.7
Pre-tax profit	10.8	11.0	22.1	1.7	13.2	11.9	13.1	-5.1	12.0	16.5	17.6	16.9	45.7	33.1	63.0	76.8
<b>Net profit (controlling)</b>	<b>7.9</b>	<b>8.9</b>	<b>17.3</b>	<b>1.7</b>	<b>9.2</b>	<b>7.3</b>	<b>11.5</b>	<b>-1.6</b>	<b>8.5</b>	<b>12.9</b>	<b>13.7</b>	<b>13.2</b>	<b>35.8</b>	<b>26.4</b>	<b>48.3</b>	<b>59.9</b>
Gross margin	17.1	14.3	20.1	6.4	13.4	12.0	11.7	2.2	13.8	15.3	15.2	14.8	14.6	10.2	14.8	15.4
Operating margin	13.3	9.9	17.4	0.4	9.9	8.4	8.3	-4.1	9.7	11.2	11.2	10.3	10.5	6.1	10.6	11.3
Net margin (controlling)	9.8	12.0	14.0	1.7	8.2	5.7	8.8	-1.7	7.1	9.5	10.4	9.1	9.4	5.6	9.1	9.9
<b>Chg (% y-y)</b>																
<b>Sales</b>	<b>6.0</b>	<b>19.6</b>	<b>59.7</b>	<b>41.5</b>	<b>40.0</b>	<b>72.6</b>	<b>6.0</b>	<b>-4.2</b>	<b>7.6</b>	<b>6.0</b>	<b>0.0</b>	<b>49.2</b>	<b>32.4</b>	<b>23.5</b>	<b>13.7</b>	<b>13.3</b>
Programing	54.5	41.1	17.1	39.5	8.4	70.5	24.4	-16.1	2.5	-4.0	-15.1	15.0	35.7	17.2	-1.7	6.5
Distribution	-12.0	9.5	172.0	46.9	75.1	109.2	-5.4	13.3	19.1	19.0	17.4	96.4	44.9	35.3	33.7	18.9
Other	-43.4	-1.9	-8.3	33.1	63.1	-14.1	-9.0	-6.7	-29.2	-14.5	-11.5	-0.6	-9.8	3.0	-14.8	6.5
<b>Gross profit</b>	<b>-18.6</b>	<b>-12.8</b>	<b>131.0</b>	<b>-12.9</b>	<b>9.9</b>	<b>45.1</b>	<b>-38.4</b>	<b>-66.2</b>	<b>11.1</b>	<b>34.9</b>	<b>30.9</b>	<b>882.5</b>	<b>17.9</b>	<b>-13.8</b>	<b>64.9</b>	<b>17.4</b>
SG&A costs	7.3	0.2	-16.6	51.9	33.1	40.2	31.0	2.7	28.4	21.6	20.2	5.8	11.5	22.4	17.6	9.4
<b>Operating profit</b>	<b>-23.7</b>	<b>-17.6</b>	<b>223.0</b>	<b>-87.3</b>	<b>3.5</b>	<b>47.3</b>	<b>-49.2</b>	<b>Turned neg</b>	<b>5.5</b>	<b>40.7</b>	<b>35.2</b>	<b>To turn pos</b>	<b>21.0</b>	<b>-28.1</b>	<b>96.9</b>	<b>20.5</b>
Non-operating profit	Turned pos	3948.9	Turned pos	Turned pos	1160.7	-71.7	290.9	Turned neg	-79.7	24.5	26.5	To turn pos	Turned pos	-24.3	50.0	34.0
Pre-tax profit	-18.2	23.0	247.7	1.9	22.2	7.6	-40.8	Turned neg	-9.2	38.6	34.2	To turn pos	51.0	-27.5	90.2	22.0
<b>Net profit (controlling)</b>	<b>-41.3</b>	<b>217.4</b>	<b>206.3</b>	<b>-12.6</b>	<b>17.2</b>	<b>-17.4</b>	<b>-33.5</b>	<b>Turned neg</b>	<b>-7.3</b>	<b>75.3</b>	<b>18.9</b>	<b>To turn pos</b>	<b>50.3</b>	<b>-26.3</b>	<b>82.7</b>	<b>24.1</b>
Gross margin	-5.2	-5.3	6.2	-4.0	-3.7	-2.3	-8.4	-4.1	0.4	3.3	3.6	12.6	-1.8	-4.4	4.6	0.5
Operating margin	-5.2	-4.5	8.8	-4.4	-3.5	-1.4	-9.0	-4.6	-0.2	2.8	2.9	14.4	-1.0	-4.4	4.5	0.7
Net margin (controlling)	-7.9	7.5	6.7	-1.1	-1.6	-6.2	-5.2	-3.4	-1.1	3.7	1.7	10.8	1.1	-3.8	3.4	0.9

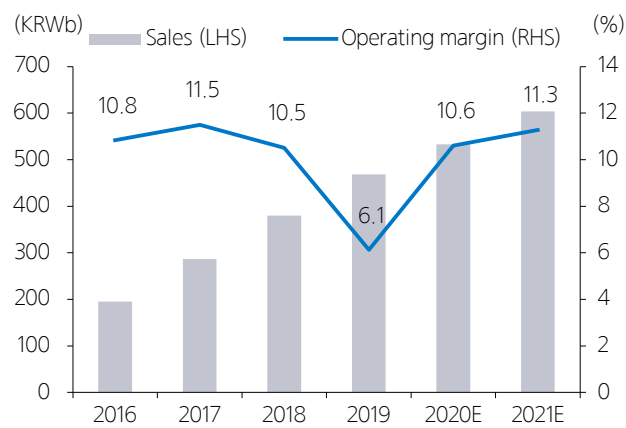
Source: Company data, Samsung Securities

Table 3. 2020 drama line-up

Year	No.	Channel Title	Air dates	Episodes	Writers	Director	Leading actors	Days
2020	1	Black Dog	Dec 14, 2019-Feb 4, 2020	16	Park Ji-eun	Lee Jung-hyo	Hyeon Bin, Son Ye-jin, Seo Ji-hye	Mon, Tue
	2	Crash Landing on You	Dec 16, 2019-Feb 16, 2020	16	Park Ju Yeon	Hwang Jun Hyeok	Seo Hyeon Jin, Ra Mi Ran	Sat, Sun
	3	Money Game	Jan 5-Mar 5	16	Lee Young Mi	Kim Sang Ho	Ko Soo, Sim Eun Kyeong	Wed, Thu
	4	Method	Feb 10-Mar 17	12	Yeon Sang Ho	Kim Yong Wan	Um Ji Won, Sung Dong Il, Cho Min Soo	Mon, Tue
	5	Hi Bye Mama	Feb 22-Apr 12	16	Kwon Hye-joo	Yoo Je-won	Kim Tae-hee, Lee Kyu-hyung	Sat, Sun
	6	Memorist	March	16	Ahn Doha, Hwang Hana	Kim Hui, So Jae-hyun	Yoo Seung-ho, Lee Se-young	Wed, Thu
	7	A Piece of Your Mind	March	12	Lee Sook Yeon	Lee Sang Yeob	Jung Hae-in, Chae Soo-bin	Mon, Tue
	8	When My Love Blooms	April	16	Jeon Hui-yung	Son Jung-hyun	Yoo Ji-tae, Lee Bo-yung	Sat, Sun
	9	Mothers	May 4-5	2				Mon, Tue
	10	Oh My Baby	May 13-Jul 2	16	Roh Seon-jae	Nam Ki-hoon	Jang Nara, Ko Jun, Park Byung-eun	Wed, Thu
	11	My Unfamiliar Family	Jun 1-Jul 21	16	Kim Eun-jung	Kwon Yung-il	Han Ye Ri, Choo Jae Hyun, Hye Jung	Mon, Tue
	12	Psycho, But It's Okay	Jun 20-Aug 9	16	Cho Yong	Park Shin-woo	Kim Soo-hyun, Seo Ye-ji	Sat, Sun
	13	The Flower of Evil	Jul 22-Sep 10	16	Yoo Jung-hui	Kim Chul-kyu	Lee Jun-ki, Moon Chae-won	Wed, Thu
	14	Secret Forest Season 2	Aug 15-Oct 4	16	Lee Soo-yeon	Park Hyun-seok	Cho Seung-woo, Yoon Se-ah, Lee Jun-hyuk	Sat, Sun
	15	The Tale of a Gumiho	Sep 30-Nov 19	16	Han Woo-ri	Kang Shin-hyo	Lee Dong Wook, Jo Bo-ah	Wed, Thu
	16	LUCA	Aug 31-	12				Mon, Tue
	17	A Record of Youth	Sep	16	Ha Myung-hee	Ahn Gil-ho	Park Bo-gum, Park So-dam	Mon, Tue
	18	StartUp	Oct 10-	16	Park Hye-ryun	Oh Chung-hwan	Nam Ju-hyuk, Suji, Kim Sun-ho	Sat, Sun
	19	Day and Night	Nov	16	Shin Yoo-dam	Jo Soo-won	Namgung-min, Han Ye-seul	Wed, Thu
	20	True Beauty	Nov		Lee Si-eun		Cha Eun-woo, Moon Ga-young	Wed, Thu
	21	Fall From the Sky	2H	16		Kim Sang-ho	Yoon Hyun-min, Ahn Woo-yeon	-
	22	Call It Like You See It	Feb 1-Mar 22		Ko Young Jae	Lee Jun Hyeong	Jang Hyeok, Jin Su Yeon	Sat, Sun
	23	Rugal	Mar 28-May 17	16	Do Hyeon	Kang Chul Woo	Park Sung Woong, Choi Jin Hyeok	Sat, Sun
	24	Train	Jul 11-Aug 30		Park Ga-yeon	Ryu Seung-jin	Kim Jae-wook	Sat, Sun
	25	Missing	Sep	12	Ban Ki-ri, Jung So-young	Kim Sung-soo		Sat, Sun
	26	Search	TBD	16	Lim Dae-woong		Jang Dong-yoon	Sat, Sun
	27	The Fifth Column	TBD	10	Nam Sang Wook, Hwang In-ho	Lee Seung-young		Wed, Thu
	28	So You	TBD	12		Bang Eun-jin		
	29	Miss and Mrs. Cops	TBD	12				
	30	Island	TBD					
	31	My Holo Love	Feb 7		Ryu Yong-jae	Lee Sang-yeop	Yoon Hyun-min, Ko Sung-hee	-
	32	Sweet Home	TBD	12	Hong So-ri, Kim Hyung-min	Lee Eung-bok	Song Kang, Lee Jin-wook, Lee Si-young	-
	33	Love Alarm Season 2	TBD		Lee Ah-yeon, Seo Bo-ra	Lee Na-jung	Kim So-hyun, Jung Ga-ram, Song Kang	-
	34	I've Been There Once	Mar 28-Sep 13		Yang Hee-seung	Lee Jae-sang	Lee Min-jung, Lee Sang-yeop, Lee Jung-eun	Sat, Sun
	35	The King: The Eternal Monarch	Apr 17-Jun 12	50	Kim Eun Sook	Paik Sang Hoon	Lee Min Ho, Kim Ko Eun, Woo Do Hwan	Fri, Sat
	36	Golden Hour	TBD	16	So Hyeon Kyeong, On Lee Won			
	37	Here	TBD		Roh Hee-kyung	Kim Kyu-tae	Lee Byung-hun, Han Ji-min, Shin Min-ah	

Source: Company data, Samsung Securities

Chart 1. Annual sales and operating margin



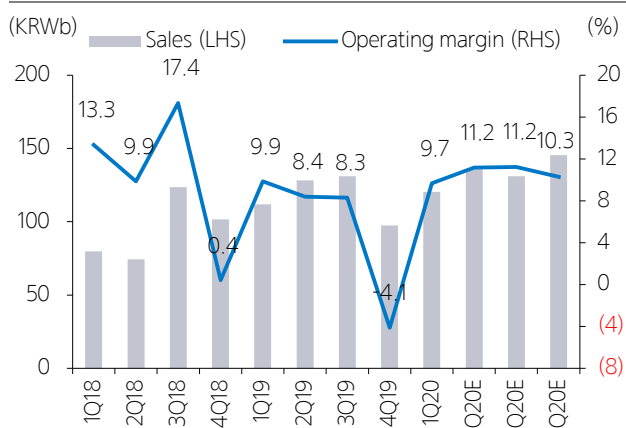
Source: Company data, Samsung Securities

Chart 2. Netflix originals in 2020



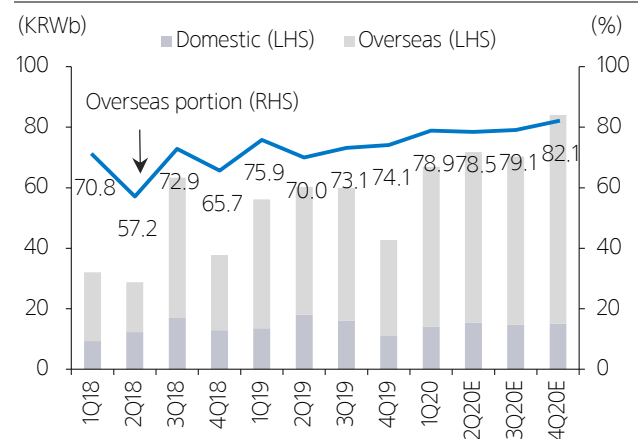
Source: Company image, Samsung Securities

Chart 3. Quarterly sales and operating margin



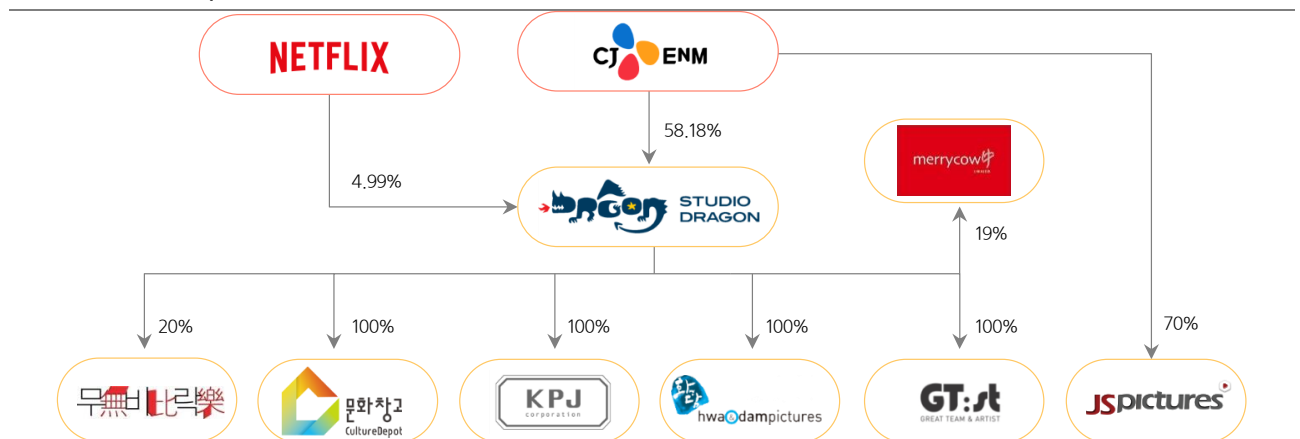
Source: Company data, Samsung Securities

Chart 4. Sales: Domestic and overseas



Source: Company data, Samsung Securities

Chart 5. Ownership structure



Source: Company data, Samsung Securities

Table 4. Earnings forecast revisions

(KRWb)	2020E			2021E		
	Old	New	Chg (%)	Old	New	Chg (%)
Sales	542.8	532.8	-1.8	609.1	603.7	-0.9
Operating profit	56.1	56.5	0.8	66.6	68.1	2.3
Operating margin (%)	10.3	10.6	0.3	10.9	11.3	0.3
Pre-tax profit	65.4	63.0	-3.7	76.0	76.8	1.0
Net profit (controlling)	50.2	48.3	-3.8	59.3	59.9	1.0

Source: Samsung Securities

## Income statement

Year-end Dec 31 (KRWb)	2018	2019	2020E	2021E	2022E
<b>Sales</b>	<b>380</b>	<b>469</b>	<b>533</b>	<b>604</b>	<b>648</b>
Cost of goods sold	324	421	454	511	548
<b>Gross profit</b>	<b>56</b>	<b>48</b>	<b>79</b>	<b>93</b>	<b>99</b>
Gross margin (%)	14.6	10.2	14.8	15.4	15.3
SG&A expenses	16	19	23	25	26
<b>Operating profit</b>	<b>40</b>	<b>29</b>	<b>56</b>	<b>68</b>	<b>73</b>
Operating margin (%)	10.5	6.1	10.6	11.3	11.3
<b>Non-operating gains (losses)</b>	<b>6</b>	<b>4</b>	<b>7</b>	<b>9</b>	<b>11</b>
Financial profit	7	10	20	19	19
Financial costs	1	6	13	10	8
Equity-method gains (losses)	0	0	0	0	0
Other	(0)	0	0	0	0
<b>Pre-tax profit</b>	<b>46</b>	<b>33</b>	<b>63</b>	<b>77</b>	<b>84</b>
Taxes	10	7	15	17	19
Effective tax rate (%)	21.5	20.1	23.3	22.0	22.0
Profit from continuing operations	36	26	48	60	66
Profit from discontinued operations	0	0	0	0	0
<b>Net profit</b>	<b>36</b>	<b>26</b>	<b>48</b>	<b>60</b>	<b>66</b>
Net margin (%)	9.4	5.6	9.1	9.9	10.2
Net profit (controlling interests)	36	26	48	60	66
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	115	146	180	192	203
EBITDA margin (%)	30.3	31.1	33.7	31.9	31.3
EPS (parent-based) (KRW)	1,278	941	1,718	2,133	2,343
EPS (consolidated) (KRW)	1,278	941	1,718	2,133	2,343
Adjusted EPS (KRW)*	1,278	941	1,718	2,133	2,343

## Cash flow statement

Year-end Dec 31 (KRWb)	2018	2019	2020E	2021E	2022E
<b>Cash flow from operations</b>	<b>(29)</b>	<b>(12)</b>	<b>148</b>	<b>166</b>	<b>178</b>
Net profit	36	26	48	60	66
Non-cash profit and expenses	84	124	135	138	144
Depreciation	0	2	1	0	0
Amortization	75	115	122	124	129
Other	9	7	12	13	14
Changes in A/L from operating activities	(139)	(143)	(21)	(14)	(13)
<b>Cash flow from investments</b>	<b>141</b>	<b>(81)</b>	<b>(86)</b>	<b>(131)</b>	<b>(144)</b>
Change in tangible assets	(0)	(0)	0	0	0
Change in financial assets	140	(42)	26	(3)	(4)
Other	1	(39)	(112)	(128)	(140)
<b>Cash flow from financing</b>	<b>(10)</b>	<b>(0)</b>	<b>(3)</b>	<b>(4)</b>	<b>(0)</b>
Change in debt	(8)	8	(2)	(4)	0
Change in equity	1	2	0	0	0
Dividends	0	0	0	0	0
Other	(2)	(9)	(1)	(0)	(0)
Change in cash	102	(93)	59	31	33
Cash at beginning of year	51	153	60	119	150
Cash at end of year	153	60	119	150	183
<b>Gross cash flow</b>	<b>120</b>	<b>150</b>	<b>184</b>	<b>198</b>	<b>210</b>
<b>Free cash flow</b>	<b>(29)</b>	<b>(13)</b>	<b>148</b>	<b>166</b>	<b>178</b>

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)	2018	2019	2020E	2021E	2022E
<b>Current assets</b>	<b>247</b>	<b>244</b>	<b>303</b>	<b>371</b>	<b>431</b>
Cash & equivalents	153	60	119	150	183
Accounts receivable	69	84	101	120	131
Inventories	1	0	1	1	1
Other current assets	25	101	83	100	117
<b>Fixed assets</b>	<b>265</b>	<b>337</b>	<b>338</b>	<b>347</b>	<b>366</b>
Investment assets	4	13	23	25	28
Tangible assets	1	1	0	0	0
Intangible assets	199	233	229	231	237
Other long-term assets	62	89	86	92	101
<b>Total assets</b>	<b>512</b>	<b>582</b>	<b>641</b>	<b>718</b>	<b>797</b>
<b>Current liabilities</b>	<b>108</b>	<b>145</b>	<b>157</b>	<b>178</b>	<b>191</b>
Accounts payable	20	18	24	27	29
Short-term debt	0	0	0	0	0
Other current liabilities	89	127	133	151	162
<b>Long-term liabilities</b>	<b>3</b>	<b>8</b>	<b>9</b>	<b>5</b>	<b>5</b>
Bonds & long-term debt	0	0	0	0	0
Other long-term liabilities	3	8	9	5	5
<b>Total liabilities</b>	<b>111</b>	<b>153</b>	<b>166</b>	<b>183</b>	<b>196</b>
<b>Owners of parent equity</b>	<b>401</b>	<b>428</b>	<b>476</b>	<b>535</b>	<b>601</b>
Capital stock	14	14	14	14	14
Capital surplus	320	322	322	322	322
Retained earnings	68	94	142	202	268
Other	(0)	(1)	(2)	(2)	(2)
<b>Non-controlling interests' equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total equity</b>	<b>401</b>	<b>428</b>	<b>476</b>	<b>535</b>	<b>601</b>
Net debt	(153)	(91)	(116)	(152)	(186)

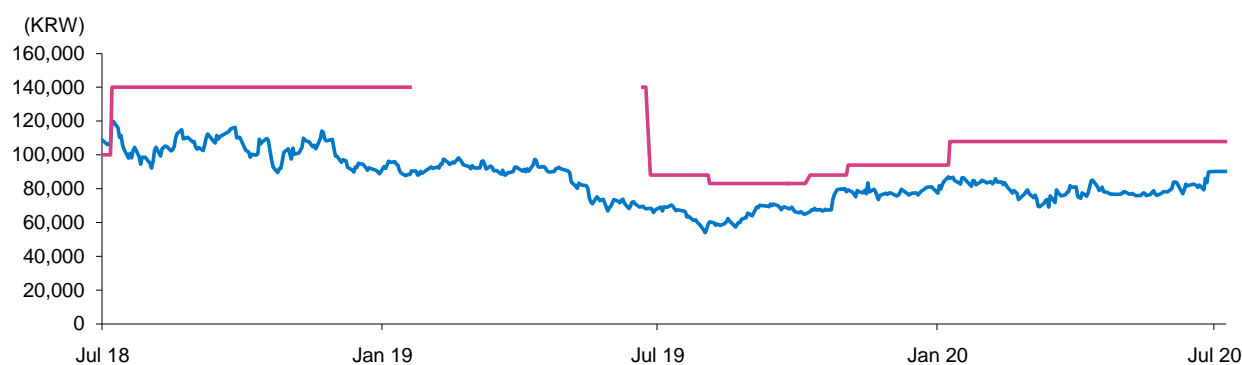
## Financial ratios

Year-end Dec 31	2018	2019	2020E	2021E	2022E
<b>Growth (%)</b>					
Sales	32.4	23.5	13.7	13.3	7.3
Operating profit	21.0	(28.1)	96.6	20.7	7.2
Net profit	50.3	(26.3)	82.7	24.1	9.9
Adjusted EPS**	21.7	(26.3)	82.5	24.1	9.9
<b>Per-share data (KRW)</b>					
EPS (parent-based)	1,278	941	1,718	2,133	2,343
EPS (consolidated)	1,278	941	1,718	2,133	2,343
Adjusted EPS**	1,278	941	1,718	2,133	2,343
BVPS	14,305	15,242	16,925	19,058	21,401
DPS (common)	0	0	0	0	0
<b>Valuations (x)</b>					
P/E***	72.3	85.9	52.6	42.3	38.5
P/B***	6.5	5.3	5.3	4.7	4.2
EV/EBITDA	21.2	15.0	13.5	12.4	11.6
<b>Ratios (%)</b>					
ROE	9.3	6.4	10.7	11.9	11.6
ROA	7.4	4.8	7.9	8.8	8.7
ROIC	15.2	8.7	14.3	16.4	16.4
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	(38.2)	(21.2)	(24.4)	(28.5)	(31.0)
Interest coverage (x)	343.0	58.1	77.2	139.9	225.0

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### Target price changes in past two years



### Rating changes over past two years (adjusted share prices)

Date	2018/3/13	7/12	2019/7/1	8/9	10/14	11/8	2020/1/14
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	100,000	140,000	88,000	83,000	88,000	94,000	108,000
Gap* (average)	-1.06	-27.09	-26.53	-21.77	-17.92	-16.65	
(max or min)**	17.10	-14.43	-20.00	-14.46	-8.98	-7.45	

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

\*\* Maximum/minimum share price if new target is higher/lower than market close on the business day prior to target price change

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<b>SELL</b>	Expected to decrease in value by 10% or more within 12 months

#### Industry

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