

# COMPANY UPDATE

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## Platform Business Team

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### ▶ AT A GLANCE

Recommend	<b>BUY</b>
Target price	KRW108,000 (35%)
Current price	KRW80,000
Market cap	KRW2.3t/USD2.0b
Shares (float)	28,127,000 (38.3%)
52-week high/low	KRW92,500/KRW67,000
Avg daily trading value (60-day)	KRW21.1b/ USD18.6m

### ▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
Studio Dragon (%)	-4.8	-1.1	19.4
Vs Kosdaq (%pts)	-0.6	-21.2	-2.6

### ▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	108,000	108,000	0.0%
2020E EPS	1,438	1,445	-0.5%
2021E EPS	1,814	1,816	-0.1%

### ▶ SAMSUNG vs THE STREET

No of estimates	20
Target price	108,500
Recommendation	4.0
BUY★★★: 5 / BUY: 4 / HOLD: 3 / SELL: 2 / SELL★★★: 1	

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## Studio Dragon (253450)

### Global presence growing growing

- Backed by the growing global popularity of its content, Studio Dragon is selling more dramas at higher prices (thanks to price hikes for both old and new titles).
- It is adding global OTT platforms (in addition to Netflix) and broadcasters as distribution channels.
- Judging from its production prowess—which has been proven at home and abroad—we believe Studio Dragon will position itself as a global player.

### WHAT'S THE STORY?

**Global presence growing; growth momentum still strong:** Studio Dragon's overseas sales are gaining growth momentum. The advent of multiple global OTT service providers has helped the firm expand its content distribution channels and has enabled K-content to gain international fame. Netflix does not unveil content viewership figures but has disclosed the 10 most-watched TV shows in Asia since February, helping us gauge the popularity of Studio Dragon's offerings. Among domestic drama production firms, Studio Dragon is the unparalleled leader on the global stage. For instance, out of its dramas that aired in 1H on Netflix, *It's Okay Not to Be Okay* ranked 12th, *The King: Eternal Monarch* ranked 16th, and *Crash Landing on You* at 41<sup>st</sup> (all rankings are as of Sep 7). Thanks to the growing popularity of its content, Studio Dragon is selling more dramas at higher prices (on price hikes for both old and new titles).

**Securing more overseas distribution channels:** Studio Dragon is in talks with global players to co-plan and co-produce new shows based on its original content and IP. The company expanded its distribution channel last year with the production of Netflix Original Series. Its enterprise value may level up again as another global OTT platform is exploring ordering original content production from Studio Dragon. Despite the adverse broadcasting and production environment, producing dramas for more non-captive channels would add to Studio Dragon's earnings growth momentum. Meanwhile, Studio Dragon is teaming up with American production company Skydance to remake its TV series *Hotel Del Luna*. Instead of selling the copyright, Studio Dragon will be involved in the full production process as an equal partner (with Skydance). Our estimates have Studio Dragon's overseas sales climbing 30% in 2020 and 25% in 2021, though these figures may prove overly conservative if it inks more deals with overseas OTT platforms or with broadcasters (for drama production).

### SUMMARY FINANCIAL DATA

	2019	2020E	2021E	2022E
Revenue (KRWb)	469	515	594	644
Operating profit (KRWb)	29	50	61	71
Net profit (adj) (KRWb)	26	40	51	59
EPS (adj) (KRW)	941	1,438	1,814	2,102
EPS (adj) growth (% y-y)	-26.3	52.7	26.2	15.9
EBITDA margin (%)	31.1	32.7	32.1	32.4
ROE (%)	6.4	9.0	10.3	10.8
P/E (adj) (x)	85.0	55.7	44.1	38.1
P/B (x)	5.2	4.8	4.3	3.9
EV/EBITDA (x)	14.8	12.7	11.1	10.1
Dividend yield (%)	0.0	0.0	0.0	0.0

Source: Company data, Samsung Securities estimates

**Positioning itself as a global player:** We maintain BUY and a KRW108,000 target price (based on 16x its forward EV/EBITDA: the average of its lows over 2017-2018) on Studio Dragon. The company boasts production prowess both at home and abroad. It is generating stable revenue from captive channels and is also making progress overseas. Taking these positives into account, we believe Studio Dragon will emerge as a global player servicing a multitude of Korean and overseas platforms.

Table 1. Results and forecasts

(KRWb)	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	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>161.4</b>	<b>107.2</b>	<b>125.7</b>	<b>379.6</b>	<b>468.7</b>	<b>514.6</b>	<b>594.2</b>
Programing	40.7	34.1	48.9	54.4	44.1	58.1	60.8	45.7	45.2	65.4	41.5	43.1	178.1	208.7	195.2	211.7
Distribution	32.1	28.8	63.4	37.8	56.2	60.3	60.0	42.8	66.9	75.7	53.5	69.2	162.1	219.3	265.3	324.9
Other	7.1	11.4	11.4	9.5	11.5	9.8	10.4	8.9	8.2	20.3	12.2	13.4	39.4	40.6	54.0	57.6
<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>21.8</b>	<b>14.9</b>	<b>18.4</b>	<b>55.6</b>	<b>47.9</b>	<b>71.9</b>	<b>84.7</b>
SG&A costs	3.0	3.3	3.3	6.0	4.0	4.6	4.4	6.2	5.1	4.9	5.2	6.4	15.7	19.2	21.6	23.6
<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>16.9</b>	<b>9.8</b>	<b>12.0</b>	<b>39.9</b>	<b>28.7</b>	<b>50.3</b>	<b>61.1</b>
Non-operating profit	0.2	3.7	0.6	1.3	2.1	1.1	2.2	-1.1	0.4	0.3	0.1	0.8	5.7	4.3	1.6	3.4
Pre-tax profit	10.8	11.0	22.1	1.7	13.2	11.9	13.1	-5.1	12.0	17.2	9.9	12.7	45.7	33.1	51.8	64.5
<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>13.4</b>	<b>7.9</b>	<b>10.6</b>	<b>35.8</b>	<b>26.4</b>	<b>40.4</b>	<b>51.0</b>
Gross margin (%)	17.1	14.3	20.1	6.4	13.4	12.0	11.7	2.2	13.8	13.5	13.9	14.7	14.6	10.2	14.0	14.3
Operating margin (%)	13.3	9.9	17.4	0.4	9.9	8.4	8.3	-4.1	9.7	10.4	9.1	9.5	10.5	6.1	9.8	10.3
Net margin (controlling) (%)	9.8	12.0	14.0	1.7	8.2	5.7	8.8	-1.7	7.1	8.3	7.4	8.4	9.4	5.6	7.8	8.6
<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>25.9</b>	<b>-18.3</b>	<b>29.0</b>	<b>32.4</b>	<b>23.5</b>	<b>9.8</b>	<b>15.5</b>
Programing	54.5	41.1	17.1	39.5	8.4	70.5	24.4	-16.1	2.5	12.6	-31.8	-5.6	35.7	17.2	-6.5	8.5
Distribution	-12.0	9.5	172.0	46.9	75.1	109.2	-5.4	13.3	19.1	25.5	-10.8	61.8	44.9	35.3	21.0	22.5
Other	-43.4	-1.9	-8.3	33.1	63.1	-14.1	-9.0	-6.7	-29.2	107.1	17.4	50.3	-9.8	3.0	33.0	6.6
<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>41.7</b>	<b>-2.2</b>	<b>741.0</b>	<b>17.9</b>	<b>-13.8</b>	<b>50.1</b>	<b>17.9</b>
SG&A costs	7.3	0.2	-16.6	51.9	33.1	40.2	31.0	2.7	28.4	5.8	18.2	3.5	11.5	22.4	12.6	9.5
<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>56.3</b>	<b>-10.4</b>	<b>To turn pos</b>	<b>21.0</b>	<b>-28.1</b>	<b>75.1</b>	<b>21.5</b>
Non-operating profit	Turned pos	3.9	48.9	Turned pos	1,160.7	-71.7	290.9	Turned neg	-79.7	-69.4	-94.9	To turn pos	Turned pos	-24.3	-62.7	111.1
Pre-tax profit	-18.2	23.0	247.7	1.9	22.2	7.6	-40.8	Turned neg	-9.2	44.5	-24.5	To turn pos	51.0	-27.5	56.5	24.5
<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>82.1</b>	<b>-31.4</b>	<b>To turn pos</b>	<b>50.3</b>	<b>-26.3</b>	<b>52.8</b>	<b>26.2</b>
Gross margin (%pts)	-5.2	-5.3	6.2	-4.0	-3.7	-2.3	-8.4	-4.1	0.4	1.5	2.3	12.4	-1.8	-4.4	3.7	0.3
Operating margin (%pts)	-5.2	-4.5	8.8	-4.4	-3.5	-1.4	-9.0	-4.6	-0.2	2.0	0.8	13.7	-1.0	-4.4	3.6	0.5
Net margin (controlling) (%pts)	-7.9	7.5	6.7	-1.1	-1.6	-6.2	-5.2	-3.4	-1.1	2.6	-1.4	10.1	1.1	-3.8	2.2	0.7

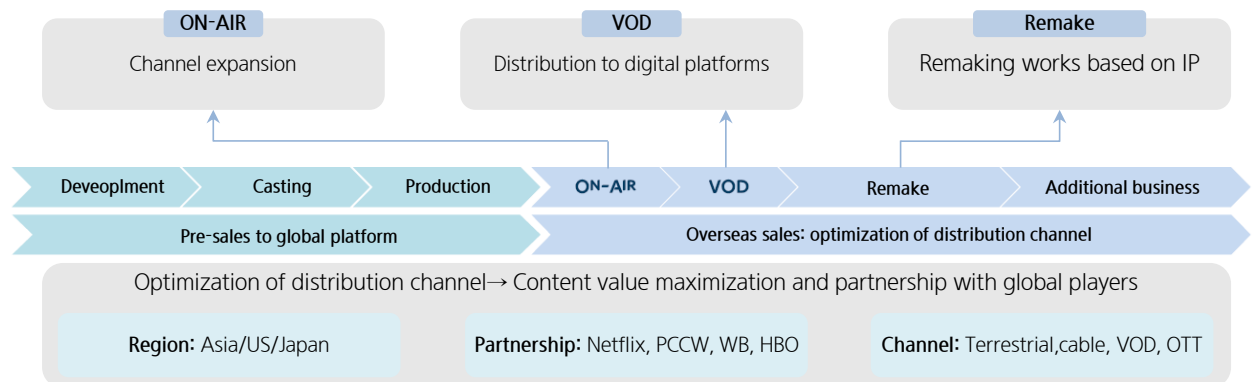
Source: Company data, Samsung Securities

## 2020 drama lineup

Year	No.	Channel	Title	Air dates	Episodes	Writers	Director	Leading actors	Days
2020	1		<i>Black Dog</i>	Dec 14, 2019-Feb 4, 2020	16	Park Ji-eun	Lee Jung-hyo	Hyeon Bin, Son Ye-jin, Seo Ji-hye	Mon, Tue
	2		<i>Crash Landing on You</i>	Dec 16, 2019-Feb 16, 2020	16	Park Ju Yeon	Hwang Jun Hyeok	Seo Hyeon Jin, Ra Mi Ran	Sat, Sun
	3		<i>Money Game</i>	Jan 5-Mar 5	16	Lee Young Mi	Kim Sang Ho	Ko Soo, Sim Eun Kyeong	Wed, Thu
	4		<i>Method</i>	Feb 10-Mar 17	12	Yeon Sang Ho	Kim Yong Wan	Um Ji Won, Sung Dong Il, Cho Min Soo	Mon, Tue
	5		<i>Hi Bye Mama</i>	Feb 22-Apr 12	16	Kwon Hye-joo	Yoo Je-won	Kim Tae-hee, Lee Kyu-hyung	Sat, Sun
	6		<i>Memorist</i>	Mar 11-Apr 30	16	Ahn Doha, Hwang Hana	Kim Hui, So Jae-hyun	Yoo Seung-ho, Lee Se-young	Wed, Thu
	7		<i>A Piece of Your Mind</i>	Mar 23-Apr 28	12	Lee Sook Yeon	Lee Sang Yeob	Jung Hae-in, Chae Soo-bin	Mon, Tue
	8		<i>When My Love Blooms</i>	Apr 25-Jun 14	16	Jeon Hui-yung	Son Jung-hyun	Yoo Ji-tae, Lee Bo-yung	Sat, Sun
	9	tvN	<i>Mothers</i>	May 4-5	2	Ryu Bori Jang	Jang Jeong-do	Han Hye Jin, Kim Mi Kyung, Jung Jung Yeon	Mon, Tue
	10		<i>Oh My Baby</i>	May 13-Jul 2	16	Roh Seon-jae	Nam Ki-hoon	Jang Nara, Ko Jun, Park Byung-eun	Wed, Thu
	11		<i>My Unfamiliar Family</i>	Jun 1-Jul 21	16	Kim Eun-jung	Kwon Yung-il	Han Ye Ri, Choo Jae Hyun, Hye Jung	Mon, Tue
	12		<i>It's Okay to Not Be Okay</i>	Jun 20 - Aug 9	16	Cho Yong	Park Shin-woo	Kim Soo-hyun, Seo Ye-ji	Sat, Sun
	13		<i>The Flower of Evil</i>	Jul 29-Sep 17	16	Yoo Jung-hui	Kim Chul-kyu	Lee Jun-ki, Moon Chae-won	Wed, Thu
	14		<i>Secret Forest Season 2</i>	Aug 15-Oct 4	16	Lee Soo-yeon	Park Hyun-seok	Cho Seung-woo, Yoon Se-ah, Lee Jun-hyuk	Sat, Sun
	15		<i>A Record of Youth</i>	Sep 7-Oct 27	16	Ha Myung-hee	Ahn Gil-ho	Park Bo-gum, Park So-dam	Mon, Tue
	16		<i>The Tale of a Gumiho</i>	Oct 7-Nov 26	16	Han Woo-ri	Kang Shin-hyo	Lee Dong Wook, Jo Bo-ah	Wed, Thu
	17		<i>StartUp</i>	Oct 17-Dec 6	16	Park Hye-ryun	Oh Chung-hwan	Nam Ju-hyuk, Suji, Kim Sun-ho	Sat, Sun
	18		<i>Day and Night</i>	Nov 30-Jan 19, 2021	16	Shin Yoo-dam	Jo Soo-won	Namgung-min, Lee Chung-a	Wed, Thu
	19		<i>True Beauty</i>	Nov	16	Lee Si-eun	Kim Sang-hyeop	Cha Eun-woo, Moon Ga-young	-
	20		<i>LUCA</i>	Oct	12	Cheon Sung-il	Kim Hong-seon	Kim Rae-won, Lee Da-hee	Mon, Tue
	21		<i>Call It Like You See It</i>	Feb 1 - Mar 22	16	Ko Young Jae	Lee Jun Hyeong	Jang Hyeok, Jin Su Yeon	Sat, Sun
	22		<i>Rugal</i>	Mar 28 - May 17	16	Do Hyeon	Kang Chul Woo	Park Sung Woong, Choi Jin Hyeok	Sat, Sun
	23	OCN	<i>Train</i>	Jul 11 - Aug 16	12	Park Ga-yeon	Ryu Seung-jin	Kim Jae-wook	Sat, Sun
	24		<i>Missing</i>	Aug 29-Oct 11	16	Ban Ki-ri, Jung So-young	Kim Sung-soo	Ko Soo, Ahn So-hee, Seo Eun-soo	Sat, Sun
	25		<i>Wonderful Rumors</i>	Nov 28-Jan 3, 2021-		Yeojina	Yoo Seon-dong	Cho Byung-gyu, Yoo Jun-sang, Kim Se-jung	Sat, Sun
	26		<i>My Holo Love</i>	Feb 7	12	Ryu Yong-jae	Lee Sang-yeop	Yoon Hyun-min, Ko Sung-hee	-
	27	Netflix	<i>Sweet Home</i>	TBD		Hong So-ri, Kim Hyung-min	Lee Eung-bok	Song Kang, Lee Jin-wook, Lee Si-young	-
	28	KBS	<i>I've Been There Once</i>	Mar 28-Sep 13	50	Yang Hee-seung	Lee Jae-sang	Lee Min-jung, Lee Sang-yeop, Lee Jung-eun	Sat, Sun
	29	SBS	<i>The King: The Eternal Monarch</i>	Apr 17-Jun 12	16	Kim Eun Sook	Paik Sang Hoon	Lee Min Ho, Kim Ko Eun, Woo Do Hwan	Fri, Sat

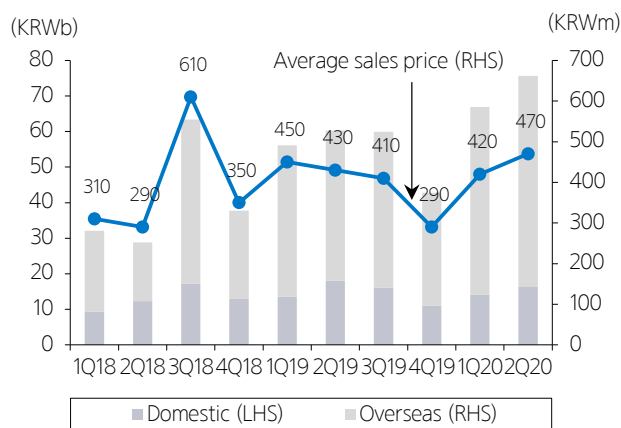
Source: Company data, Samsung Securities

## Drama studio growth strategy in 2020



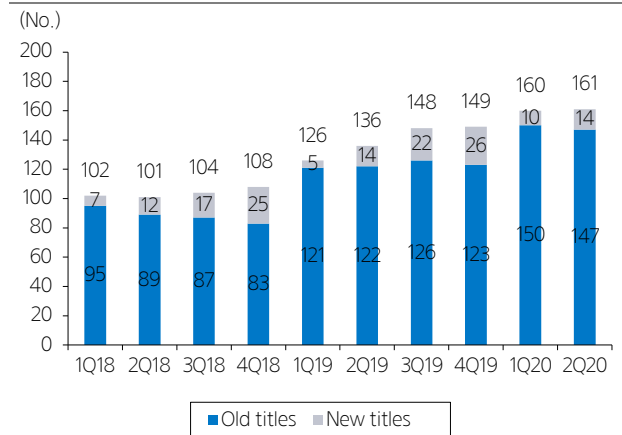
Source: Company data, Samsung Securities

## Distribution sales



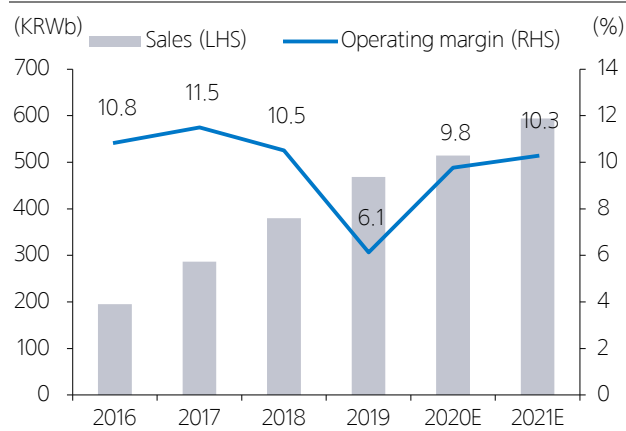
Source: Company data, Samsung Securities

## Library sales



Source: Company data, Samsung Securities

## Annual sales and operating margin



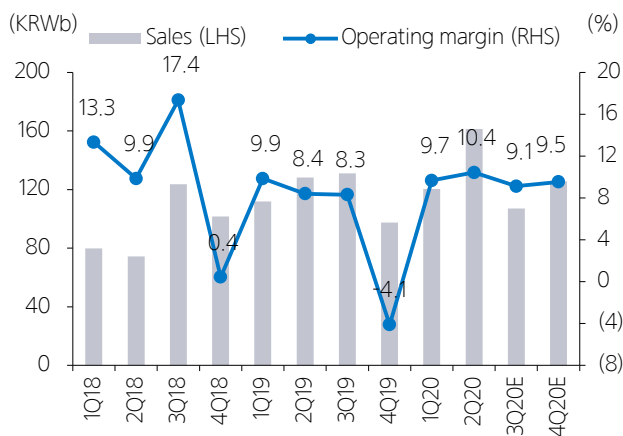
Source: Company data, Samsung Securities

## Netflix originals in 2020



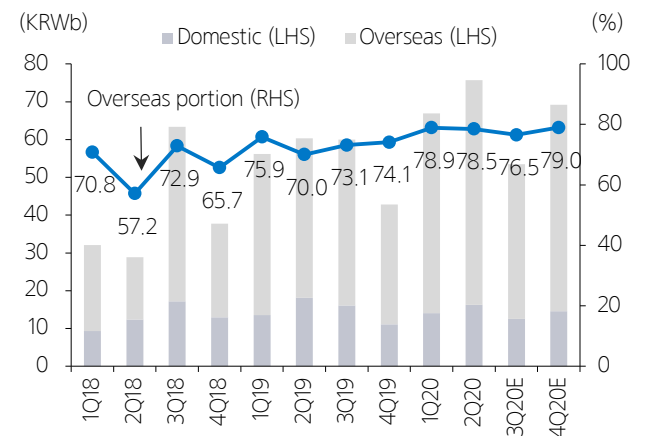
Source: Company image, Samsung Securities

## Quarterly sales and operating margin



Source: Company data, Samsung Securities

## Sales: Domestic and overseas



Source: Company data, Samsung Securities

## Income statement

Year-end Dec 31 (KRWb)	2018	2019	2020E	2021E	2022E
<b>Sales</b>	<b>380</b>	<b>469</b>	<b>515</b>	<b>594</b>	<b>644</b>
Cost of goods sold	324	421	443	509	548
<b>Gross profit</b>	<b>56</b>	<b>48</b>	<b>72</b>	<b>85</b>	<b>97</b>
Gross margin (%)	14.6	10.2	14.0	14.3	15.0
SG&A expenses	16	19	22	24	25
<b>Operating profit</b>	<b>40</b>	<b>29</b>	<b>50</b>	<b>61</b>	<b>71</b>
Operating margin (%)	10.5	6.1	9.8	10.3	11.1
<b>Non-operating gains (losses)</b>	<b>6</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>4</b>
Financial profit	7	10	9	7	7
Financial costs	1	6	7	3	3
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>52</b>	<b>64</b>	<b>75</b>
Taxes	10	7	11	14	16
Effective tax rate (%)	21.5	20.1	22.1	21.0	21.0
Profit from continuing operations	36	26	40	51	59
Profit from discontinued operations	0	0	0	0	0
<b>Net profit</b>	<b>36</b>	<b>26</b>	<b>40</b>	<b>51</b>	<b>59</b>
Net margin (%)	9.4	5.6	7.8	8.6	9.2
Net profit (controlling interests)	36	26	40	51	59
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	115	146	168	191	209
EBITDA margin (%)	30.3	31.1	32.7	32.1	32.4
EPS (parent-based) (KRW)	1,278	941	1,438	1,814	2,102
EPS (consolidated) (KRW)	1,278	941	1,438	1,814	2,102
Adjusted EPS (KRW)*	1,278	941	1,438	1,814	2,102

## 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>130</b>	<b>162</b>	<b>179</b>
Net profit	36	26	40	51	59
Non-cash profit and expenses	84	124	127	140	150
Depreciation	0	2	1	1	1
Amortization	75	115	117	129	137
Other	9	7	9	10	12
Changes in A/L from operating activities	-139	-143	-26	-16	-14
<b>Cash flow from investments</b>	<b>141</b>	<b>-81</b>	<b>-96</b>	<b>-146</b>	<b>-158</b>
Change in tangible assets	-0	-0	-1	-1	-1
Change in financial assets	140	-42	3	-8	-7
Other	1	-39	-99	-137	-151
<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	29	10	17
Cash at beginning of year	51	153	60	89	99
Cash at end of year	153	60	89	99	116
<b>Gross cash flow</b>	<b>120</b>	<b>150</b>	<b>167</b>	<b>191</b>	<b>209</b>
<b>Free cash flow</b>	<b>-29</b>	<b>-13</b>	<b>129</b>	<b>161</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>297</b>	<b>352</b>	<b>402</b>
Cash & equivalents	153	60	89	99	116
Accounts receivable	69	84	101	122	134
Inventories	1	0	1	1	1
Other current assets	25	101	107	130	150
<b>Fixed assets</b>	<b>265</b>	<b>337</b>	<b>331</b>	<b>347</b>	<b>371</b>
Investment assets	4	13	22	26	32
Tangible assets	1	1	1	1	1
Intangible assets	199	233	222	228	237
Other long-term assets	62	89	86	92	101
<b>Total assets</b>	<b>512</b>	<b>582</b>	<b>628</b>	<b>699</b>	<b>773</b>
<b>Current liabilities</b>	<b>108</b>	<b>145</b>	<b>152</b>	<b>175</b>	<b>190</b>
Accounts payable	20	18	23	27	29
Short-term debt	0	0	0	0	0
Other current liabilities	89	127	129	148	161
<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>161</b>	<b>180</b>	<b>195</b>
<b>Owners of parent equity</b>	<b>401</b>	<b>428</b>	<b>468</b>	<b>519</b>	<b>578</b>
Capital stock	14	14	14	14	14
Capital surplus	320	322	322	322	322
Retained earnings	68	94	134	185	244
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>468</b>	<b>519</b>	<b>578</b>
Net debt	-153	-91	-110	-130	-150

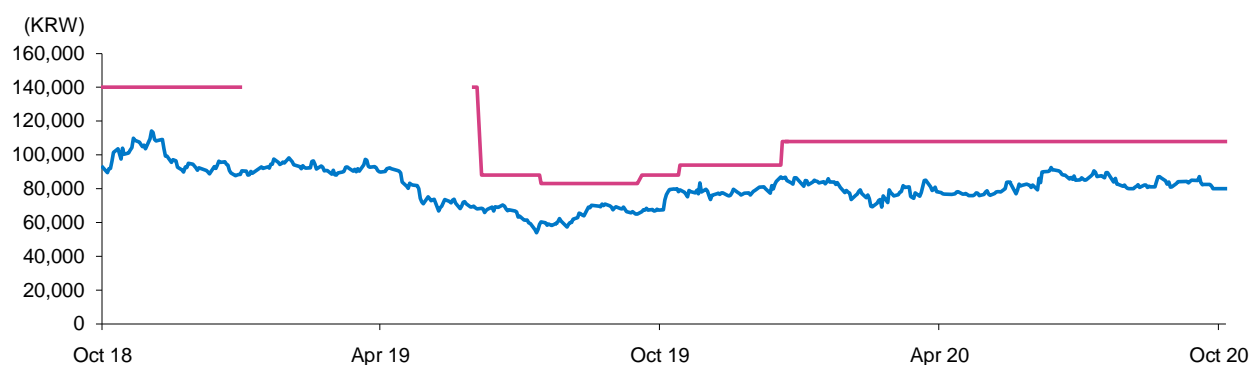
## Financial ratios

Year-end Dec 31	2018	2019	2020E	2021E	2022E
<b>Growth (%)</b>					
Sales	32.4	23.5	9.8	15.5	8.4
Operating profit	21.0	-28.1	75.1	21.5	16.6
Net profit	50.3	-26.3	52.9	26.2	15.9
Adjusted EPS**	21.7	-26.3	52.7	26.2	15.9
<b>Per-share data (KRW)</b>					
EPS (parent-based)	1,278	941	1,438	1,814	2,102
EPS (consolidated)	1,278	941	1,438	1,814	2,102
Adjusted EPS**	1,278	941	1,438	1,814	2,102
BVPS	14,305	15,242	16,645	18,458	20,561
DPS (common)	0	0	0	0	0
<b>Valuations (x)</b>					
P/E***	62.6	85.0	55.7	44.1	38.1
P/B***	5.6	5.2	4.8	4.3	3.9
EV/EBITDA	18.2	14.8	12.7	11.1	10.1
<b>Ratios (%)</b>					
ROE	9.3	6.4	9.0	10.3	10.8
ROA	7.4	4.8	6.7	7.7	8.0
ROIC	15.2	8.7	12.9	14.9	15.9
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	-23.5	-25.0	-25.9
Interest coverage (x)	343.0	58.1	68.8	125.4	219.4

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### Target price changes in past two years



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

Date	2018/7/12	2019/7/1	8/9	10/14	11/8	2020/1/14
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	140,000	88,000	83,000	88,000	94,000	108,000
Gap* (average)	-27.09	-26.53	-21.77	-17.92	-16.65	
(max or min)**	-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>HOLD</b>	Expected to increase/decrease in value by less than 10% within 12 months
<b>SELL</b>	Expected to decrease in value by 10% or more within 12 months

#### Industry

<b>OVERWEIGHT</b>	Expected to outperform market by 5% or more within 12 months
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### Percentage of ratings in 12 months prior to Sep 30, 2020

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