

February 23, 2021

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Maintain BUY; revise up target price to KRW127,000 (+5.8%)

We revise up our TP for Studio Dragon by 5.8% to KRW127,000, given: (1) continued rise in ASP for library works amid increased competition among OTT providers; and (2) top-line growth driven by an increase in the number of episodes produced. Our TP is based on a target P/E multiple of 57.1x (the average of global OTT providers) and 12m fwd EPS of KRW2,219.

Growth to continue in 2021

We forecast 2021E revenue of KRW621.3bn (+18.2% YoY) and OP of KRW7.73bn (+57.2% YoY). Distribution revenue should continue to rise as it did in 2020 thanks to strong content demand. Programming revenue should register growth once again upon a recovery in the ad market, which has been sluggish due to the impact of COVID-19, as well as an increase in the number of episodes produced.

ASP to continue uptrend

We believe the rise in competition among OTT providers will continue to fuel an increase in average distribution revenue per title—posting growth of 12% YoY in 2021 (to KRW1.74bn), compared to 10% and 8% YoY in 2019 and 2020, respectively. The number of titles sold should also continue to rise. As such, we expect 2021E distribution revenue to amount to KRW344.1bn (+23.0% YoY). Meanwhile, 2021E programming revenue should rebound to KRW225.8bn (+14.6% YoY; vs. -5.6% YoY in 2020) as the number of episodes produced (27 episodes, -1 episode YoY) pulls out of the decline seen in 2020 due to COVID-19.

Buy Maintain

| | |
|------------------------------|-------------------|
| Target Price (Raised) | KRW127,000 |
| Dividend yield* | 0.0% |
| Total return | 32.4% |
| Current price (Feb 23) | KRW95,900 |
| Consensus target price | KRW121,850 |
| Market capitalization | USD2.6bn |
| * 12-month forward | |

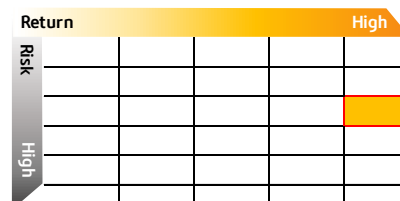
Trading Data

| | |
|---------------------------|---------------------|
| Free float | 44.1% |
| Avg. T/O val. (3m, KRWbn) | 33.0 |
| Foreign ownership | 11.6% |
| Major shareholders | CJ ENM and 3 others |
| | Naver |
| | 6.3% |

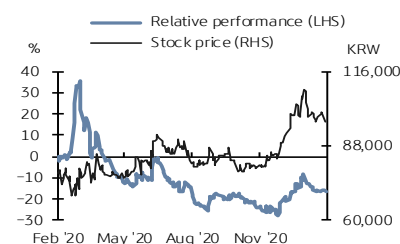
Stock Price Performance

| (%) | 1M | 3M | 6M | 12M |
|----------|-------|------|------|-------|
| Absolute | -11.4 | 20.5 | 17.2 | 20.0 |
| Relative | -9.0 | 9.9 | -2.2 | -16.0 |

Risk & Total Return (annualized over three years)



Stock Price & Relative Performance



Source(s): Company data, KB Securities

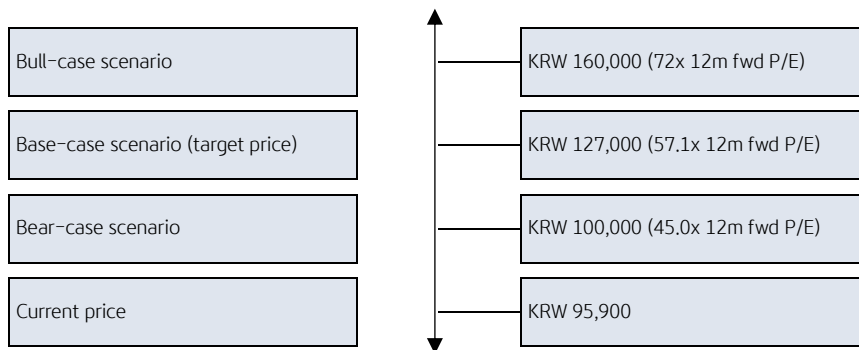
Earnings Forecast & Valuation

| Fiscal year-end | 2020P | 2021E | 2022E | 2023E |
|-----------------------------|-------|-------|-------|-------|
| Revenue (KRWbn) | 526 | 621 | 745 | 854 |
| OP (KRWbn) | 49 | 77 | 94 | 89 |
| NP to control, int. (KRWbn) | 30 | 64 | 79 | 70 |
| EPS (KRW) | 1,016 | 2,143 | 2,648 | 2,344 |
| EPS growth (%) | 8.0 | 110.9 | 23.6 | -11.5 |
| P/E (x) | 91.2 | 45.2 | 36.6 | 41.3 |
| EV/EBITDA (x) | 14.4 | 19.3 | 21.7 | 24.8 |
| P/B (x) | 6.1 | 5.6 | 4.8 | 4.3 |
| ROE (%) | 6.7 | 13.1 | 14.1 | 11.0 |
| Div. yield (%) | 0.0 | 0.0 | 0.0 | 0.0 |

**Top-line growth to accelerate once
China's ban on Korean products
lifted**

Following the Feb 22, 2021 announcement of a strategic partnership between Korea's KBS and China's CCTV, the potential for a reopening of the market in China for Korean content has increased. Although Studio Dragon has yet to have its content broadcast in China since *Entourage* in November 2016, demand in China has remained strong with Korean content continuing to reach audiences there via licensing to OTT providers in China and production of original content. We believe a reopening of the market in China would lead to accelerated top-line growth for Studio Dragon, given the company's vast library.

Investment Opinion & Risks



Base-case scenario: Catalysts

- 1) Sales to China resume in 2021
- 2) Distribution ASP +11.8% YoY in 2021

Bull-case scenario: Upside risks

- 1) Sales to China resume in 1H22
- 2) Distribution ASP +15.0% YoY in 2021

Bear-case scenario: Downside risks

- 1) Sales to China delayed
- 2) Distribution ASP +5.0% YoY in 2021

Revised Earnings Estimates

| (KRWbn, %) | Previous | | Revised | | Change | |
|-----------------------|----------|-------|---------|-------|--------|-------|
| | 2021E | 2022E | 2021E | 2022E | 2021E | 2022E |
| Revenue | 600.8 | 719.5 | 621.3 | 744.6 | 3.4 | 3.5 |
| OP | 78.7 | 95.6 | 77.3 | 94.0 | -1.8 | -1.7 |
| NP (to control. int.) | 64.5 | 79.1 | 64.4 | 79.5 | -0.2 | 0.6 |

Source(s): KB Securities estimates

KB Estimates vs. Consensus

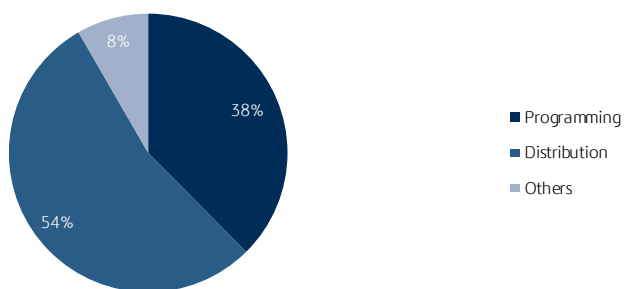
| (KRWbn, %) | KB Estimates | | Consensus | | Difference | |
|-----------------------|--------------|-------|-----------|-------|------------|-------|
| | 2021E | 2022E | 2021E | 2022E | 2021E | 2022E |
| Revenue | 621.3 | 744.6 | 584.8 | 661.4 | 6.2 | 12.6 |
| OP | 77.3 | 94.0 | 68.5 | 89.5 | 12.8 | 5.0 |
| NP (to control. int.) | 64.4 | 79.5 | 53.9 | 70.0 | 19.5 | 13.6 |

Source(s): DataGuide, KB Securities estimates

Valuation & Target Price Calculation

- 1) Valuation method:
P/E valuation
- 2) Target price calculation:
57.1x 12m fwd EPS (KRW2,219)
- 3) Target price range:
KRW100,000 – KRW160,000
- 4) Valuation at target price:
57.1x 12m fwd P/E

Revenue Composition (2021E)



Source(s): KB Securities estimates

Earnings Sensitivity Analysis

| (%) | EPS Change | |
|----------------------------|------------|-------|
| | 2021E | 2022E |
| +1pp rise in interest rate | +2.1 | +2.1 |
| +1% in FX rate | +0.4 | +0.4 |

Peer Group Comparison

| (KRWbn, x, %) | Market Cap | 12m fwd P/E | 5y EPS CAGR | 12m fwd P/B | 12m fwd EV/EBITDA | 5y EBITDA CAGR |
|---------------|------------|-------------|-------------|-------------|-------------------|----------------|
| Jcontentree | 724.2 | 43.6 | N/A | 2.8 | 9.6 | 16.1 |
| Studio Dragon | 2,877.4 | 46.5 | N/A | 5.2 | 14.2 | N/A |
| Walt Disney | 386,576.9 | 64.2 | -5.7 | 3.9 | 24.1 | -8.4 |
| Netflix | 262,543.6 | 50.0 | 95.2 | 15.0 | 29.0 | 68.7 |

Source(s): Bloomberg consensus, KB Securities estimates

Table 1. 4Q20 Earnings Results (consolidated)

| (KRWbn, %, pp) | 4Q20 | 3Q20 | QoQ | 4Q19 | YoY | KB Estimates | Diff. | Consensus | Diff. |
|-----------------------|--------------|-------------|---------------|--------------|--------------|--------------|--------------|------------|--------------|
| Revenue | 137.7 | 106.3 | 29.5 | 97.4 | 41.3 | 120.6 | 14.2 | 122.1 | 12.8 |
| OP | 4.6 | 16.0 | (71.0) | (4.0) | TTB | 10.9 | (57.4) | 11.2 | (58.5) |
| <i>OPM</i> | <i>3.4</i> | <i>15.1</i> | <i>(11.7)</i> | <i>(4.1)</i> | <i>7.5</i> | <i>9.1</i> | <i>(5.7)</i> | <i>9.2</i> | <i>(5.8)</i> |
| NP (to control. int.) | (2.9) | 10.6 | TTR | (1.6) | RR | 8.0 | TTR | 8.2 | TTR |
| <i>NPM</i> | <i>(2.1)</i> | <i>10.0</i> | <i>(12.1)</i> | <i>(1.7)</i> | <i>(0.4)</i> | <i>6.6</i> | <i>(8.7)</i> | <i>6.7</i> | <i>(8.8)</i> |

Source(s): FnGuide, KB Securities estimates

Note: TTB=turn to black, TTR=turn to red, RR=remain in red

Table 2. Earnings Forecast (consolidated)

| (KRWbn) | 1Q20 | 2Q20 | 3Q20 | 4Q20P | 1Q21E | 2Q21E | 3Q21E | 4Q21E | 2019 | 2020P | 2021E | 2022E |
|------------------------------|------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|------------|------------|-------------|-------------|
| Revenue | 120.3 | 161.4 | 106.3 | 137.7 | 131.6 | 178.8 | 133.2 | 177.7 | 468.7 | 525.7 | 621.3 | 744.6 |
| (% QoQ) | 23.5 | 34.2 | (34.2) | 29.5 | (4.4) | 35.9 | (25.5) | 33.4 | - | - | - | - |
| (% YoY) | 7.6 | 25.9 | (19.0) | 41.3 | 9.4 | 10.8 | 25.3 | 29.1 | 23.5 | 12.2 | 18.2 | 19.8 |
| Programming | 45.2 | 65.4 | 45.7 | 40.7 | 40.7 | 64.3 | 60.4 | 60.4 | 208.7 | 197.0 | 225.8 | 267.4 |
| Distribution | 66.9 | 75.7 | 50.9 | 86.3 | 82.3 | 93.1 | 62.6 | 106.1 | 219.3 | 279.7 | 344.1 | 423.2 |
| Others | 8.2 | 20.4 | 9.7 | 10.7 | 8.6 | 21.4 | 10.2 | 11.2 | 40.7 | 49.0 | 51.4 | 54.0 |
| Operating expenses | 108.7 | 144.6 | 90.3 | 133.0 | 115.3 | 155.7 | 117.1 | 155.9 | 440.0 | 476.5 | 544.0 | 650.6 |
| (% QoQ) | 7.1 | 33.1 | (37.6) | 47.4 | (13.3) | 35.0 | (24.8) | 33.1 | - | - | - | - |
| (% YoY) | 7.8 | 23.1 | (24.9) | 31.1 | 6.1 | 7.7 | 29.8 | 17.2 | 29.5 | 8.3 | 14.2 | 19.6 |
| Operating profit | 11.6 | 16.9 | 16.0 | 4.6 | 16.2 | 23.1 | 16.1 | 21.8 | 28.7 | 49.2 | 77.3 | 94.0 |
| (% QoQ) | TTB | 44.9 | (5.0) | (71.0) | 249.8 | 42.3 | (30.5) | 35.9 | - | - | - | - |
| (% YoY) | 5.5 | 56.3 | 46.8 | TTB | 0.4 | 0.4 | 0.0 | 3.7 | (28.1) | 71.3 | 57.2 | 21.6 |
| <i>OPM (%)</i> | <i>9.7</i> | <i>10.4</i> | <i>15.1</i> | <i>3.4</i> | <i>12.3</i> | <i>12.9</i> | <i>12.1</i> | <i>12.3</i> | <i>6.1</i> | <i>9.4</i> | <i>12.4</i> | <i>12.6</i> |
| NP (to control. int.) | 8.5 | 13.4 | 10.6 | (2.9) | 13.8 | 19.2 | 13.5 | 17.9 | 26.4 | 29.6 | 64.4 | 79.5 |
| (% QoQ) | TTB | 56.5 | (20.6) | TTR | TTB | 39.2 | (29.5) | 32.9 | - | - | - | - |
| (% YoY) | (7.3) | 82.1 | (8.0) | RR | 61.1 | 43.3 | 27.3 | TTB | (26.3) | 12.1 | 117.2 | 23.6 |
| <i>NPM (%)</i> | <i>7.1</i> | <i>8.3</i> | <i>10.0</i> | <i>(2.1)</i> | <i>10.5</i> | <i>10.7</i> | <i>10.1</i> | <i>10.1</i> | <i>5.6</i> | <i>5.6</i> | <i>10.4</i> | <i>10.7</i> |

Source(s): Company data, KB Securities estimates

Note: TTB=turn to black, TTR=turn to red, RR=remain in red

Table 3. Revisions to Earnings Estimates

| (KRWbn, %, pp) | 2021E | | | | | 2022E | | | | |
|-----------------------|-------------|-------------|--------------|-------------|------------|-------------|-------------|--------------|-------------|--------------|
| | Revised | Previous | Chg. | Consensus | Diff. | Revised | Previous | Chg. | Consensus | Diff. |
| Revenue | 621.3 | 600.8 | 3.4 | 584.8 | 6.2 | 744.6 | 719.5 | 3.5 | 661.4 | 12.6 |
| OP | 77.3 | 78.7 | (1.8) | 68.5 | 12.8 | 94.0 | 95.6 | (1.7) | 89.5 | 5.0 |
| <i>OPM</i> | <i>12.4</i> | <i>13.1</i> | <i>(0.7)</i> | <i>11.7</i> | <i>0.7</i> | <i>12.6</i> | <i>13.3</i> | <i>(0.7)</i> | <i>13.5</i> | <i>(0.9)</i> |
| NP (to control. int.) | 64.4 | 64.5 | (0.2) | 53.9 | 19.5 | 79.5 | 79.1 | 0.6 | 70.0 | 13.6 |
| <i>NPM</i> | <i>10.4</i> | <i>10.7</i> | <i>(0.4)</i> | <i>9.2</i> | <i>1.2</i> | <i>10.7</i> | <i>11.0</i> | <i>(0.3)</i> | <i>10.6</i> | <i>0.1</i> |

Source(s): FnGuide, KB Securities estimates

Table 4. TP Calculation: P/E Valuation

| (KRWbn, %, '000, KRW) | Value | Notes |
|-------------------------------|----------------|---|
| 12m fwd NP (to control, int.) | 66.6 | |
| Target P/E (x) | 57.1 | Average 12m fwd P/E of global OTT providers |
| Fair value | 3,803 | |
| No. of shares ('000) | 30,004 | NAVER rights issue |
| Target price (KRW) | 127,000 | |
| Current price (KRW) | 95,900 | Feb 23, 2021 |
| Upside (%) | 32.4% | |

Source(s): KB Securities estimates

Note: Global OTT providers include Netflix, Walt Disney

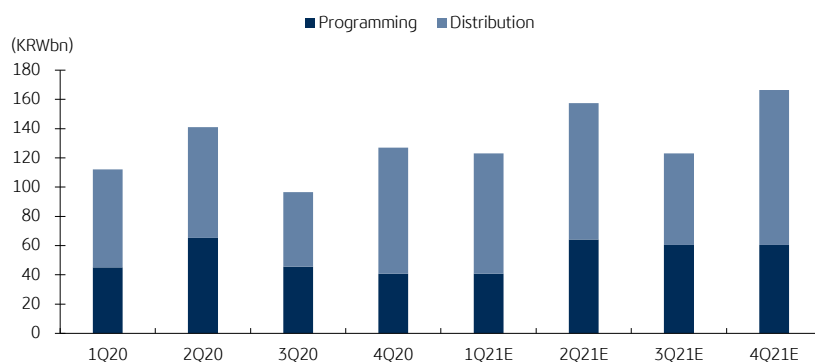
Fig 1. CCTV & KBS Sign MOU

CCTV (China) announces strategic partnership with KBS (Korea) via TV broadcast on Feb 22, 2021



Source(s): CCTV, KB Securities

Fig 2. Revenue Outlook



Source(s): Company data, KB Securities estimates

| Income Statement | | | | | |
|--|----------|----------|----------|----------|----------|
| (KRWbn) | 2019A | 2020P | 2021E | 2022E | 2023E |
| (Reporting standard) | (IFRS-C) | (IFRS-C) | (IFRS-C) | (IFRS-C) | (IFRS-C) |
| Revenue | 469 | 526 | 621 | 745 | 854 |
| Cost of revenue | 421 | 451 | 522 | 625 | 738 |
| Gross profit | 48 | 75 | 99 | 119 | 115 |
| SG&A expenses | 19 | 26 | 22 | 25 | 26 |
| Operating profit | 29 | 49 | 77 | 94 | 89 |
| EBITDA | 146 | 182 | 135 | 116 | 98 |
| Non-operating accounts | 4 | -8 | 4 | 7 | 0 |
| Interest income | 3 | 4 | 14 | 16 | 0 |
| Interest expenses | 0 | 8 | 4 | 4 | 0 |
| Profit on equity method | 0 | 0 | 0 | 0 | 0 |
| Net other non-operating income | 1 | -4 | -5 | -6 | 0 |
| Profit before tax | 33 | 42 | 81 | 101 | 89 |
| Income tax expense | 7 | 12 | 17 | 21 | 19 |
| Net profit | 26 | 30 | 64 | 80 | 70 |
| NP attributable to controlling interests | 26 | 30 | 64 | 79 | 70 |
| Adj. net profit | 26 | 30 | 64 | 79 | 70 |

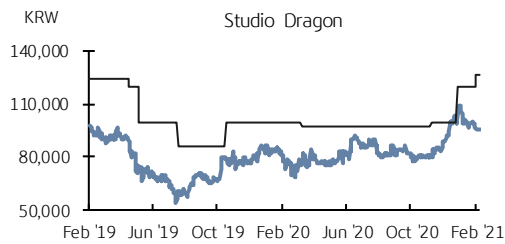
| Operating Statistics & Ratios | | | | | |
|-------------------------------|-------|-------|-------|-------|-------|
| (%) | 2019A | 2020P | 2021E | 2022E | 2023E |
| Revenue growth | 23.5 | 12.2 | 18.2 | 19.8 | 14.7 |
| OP growth | -28.1 | 71.3 | 57.2 | 21.6 | -5.2 |
| EBITDA growth | 26.4 | 25.0 | -25.5 | -14.4 | -15.2 |
| NP growth of parent | -26.3 | 12.2 | 117.0 | 23.6 | -11.5 |
| GP margin | 10.2 | 14.2 | 16.0 | 16.0 | 13.5 |
| OP margin | 6.1 | 9.4 | 12.4 | 12.6 | 10.4 |
| EBITDA margin | 31.1 | 34.6 | 21.8 | 15.6 | 11.5 |
| EBT margin | 7.1 | 7.9 | 13.1 | 13.5 | 10.4 |
| NP margin of parent | 5.6 | 5.6 | 10.4 | 10.7 | 8.2 |

| Statement of Cash Flows | | | | | |
|--------------------------------------|-------|-------|-------|-------|-------|
| (KRWbn) | 2019A | 2020P | 2021E | 2022E | 2023E |
| Cash flow from operating activities | -12 | 82 | 139 | 120 | 80 |
| Net profit | 26 | 30 | 64 | 80 | 70 |
| Depreciation & amortization | 117 | 133 | 58 | 22 | 9 |
| Other non-cash adjustments | 7 | 12 | 17 | 21 | 19 |
| Investments in working capital | -143 | -81 | 16 | 19 | 0 |
| Decrease(Increase) in receivables | -22 | -39 | -5 | -5 | 0 |
| Decrease(Increase) in inventory | 1 | 0 | 0 | 0 | 0 |
| Increase(Decrease) in payables | 9 | 4 | 2 | 3 | 0 |
| Investments in other working capital | -130 | -47 | 18 | 21 | 0 |
| Other operating cash flow | -19 | -12 | -17 | -21 | -19 |
| Cash flow from investing activities | -81 | 6 | -16 | -17 | 0 |
| Capital expenditure | 0 | -4 | -1 | -1 | 0 |
| Investments in intangibles | 0 | -1 | -1 | -1 | 0 |
| Changes in investment assets | -57 | -24 | -1 | -1 | 0 |
| Other investment cash flow | -23 | 35 | -12 | -14 | 0 |
| Cash flow from financing activities | 0 | 0 | 2 | 2 | 0 |
| Proceeds from (repayment of) debt | 0 | 0 | 2 | 2 | 0 |
| Changes in equity | 1 | 0 | 0 | 0 | 0 |
| Dividends paid | 0 | 0 | 0 | 0 | 0 |
| Other financing cash flow | -1 | 0 | 0 | 0 | 0 |
| Other cash flow | 0 | 1 | 0 | 0 | 0 |
| Increase/decrease in cash | -93 | 89 | 125 | 105 | 80 |
| Cash and cash equivalents at FYE | 60 | 149 | 273 | 378 | 458 |
| Free cash flow | -13 | 78 | 137 | 119 | 80 |
| Net cash flow | -51 | 54 | 123 | 103 | 80 |
| Net cash (net debt) | 106 | 160 | 283 | 386 | 466 |

| Statement of Financial Position | | | | | |
|--|----------|----------|----------|----------|----------|
| (KRWbn) | 2019A | 2020P | 2021E | 2022E | 2023E |
| (Reporting standard) | (IFRS-C) | (IFRS-C) | (IFRS-C) | (IFRS-C) | (IFRS-C) |
| Total assets | 582 | 654 | 743 | 851 | 921 |
| Current assets | 245 | 343 | 474 | 586 | 666 |
| Cash and cash equivalents | 60 | 149 | 273 | 378 | 458 |
| Current financial assets | 57 | 24 | 24 | 24 | 24 |
| Trade receivables | 84 | 118 | 122 | 127 | 127 |
| Inventory | 0 | 0 | 0 | 0 | 0 |
| Other current assets | 45 | 52 | 55 | 57 | 57 |
| Non-current assets | 337 | 312 | 269 | 265 | 255 |
| Investment assets | 13 | 31 | 32 | 33 | 33 |
| Property, plant and equipment | 1 | 4 | 3 | 2 | -1 |
| Intangible assets | 233 | 161 | 107 | 88 | 81 |
| Other non-current assets | 89 | 116 | 128 | 141 | 141 |
| Total liabilities | 153 | 196 | 221 | 249 | 249 |
| Current liabilities | 145 | 188 | 211 | 238 | 238 |
| Trade payables | 18 | 20 | 22 | 25 | 25 |
| Short-term financial liabilities | 2 | 4 | 5 | 6 | 6 |
| Other current liabilities | 125 | 164 | 184 | 207 | 207 |
| Non-current liabilities | 8 | 8 | 10 | 11 | 11 |
| Non-current financial liabilities | 8 | 8 | 9 | 11 | 11 |
| Other non-current liabilities | 0 | 0 | 0 | 0 | 0 |
| Total equity | 428 | 458 | 523 | 602 | 673 |
| Issued capital | 14 | 14 | 14 | 14 | 14 |
| Share premium | 322 | 322 | 322 | 322 | 322 |
| Other equity interest | 0 | 0 | 0 | 0 | 0 |
| Accumulated other comprehensive income | -1 | -1 | -1 | -1 | -1 |
| Retained earnings | 94 | 123 | 187 | 267 | 337 |
| Controlling interests | 428 | 458 | 522 | 602 | 672 |
| Non-controlling interests | 0 | 0 | 0 | 0 | 0 |

| Key Ratios | | | | | |
|---------------------------------|----------|----------|----------|----------|----------|
| (x, %, KRW) | 2019A | 2020P | 2021E | 2022E | 2023E |
| Multiples | | | | | |
| P/E | 85.9 | 91.2 | 45.2 | 36.6 | 41.3 |
| P/B | 5.3 | 6.1 | 5.6 | 4.8 | 4.3 |
| P/S | 4.8 | 5.1 | 4.7 | 3.9 | 3.4 |
| EV/EBITDA | 14.9 | 14.4 | 19.3 | 21.7 | 24.8 |
| EV/EBIT | 75.5 | 53.3 | 33.9 | 26.8 | 27.4 |
| Dividend yield, ordinary (%) | N/A | 0.0 | 0.0 | 0.0 | 0.0 |
| EPS | 941 | 1,016 | 2,143 | 2,648 | 2,344 |
| BVPS | 15,242 | 15,271 | 17,414 | 20,062 | 22,407 |
| SPS | 16,698 | 18,022 | 20,707 | 24,815 | 28,452 |
| DPS (annual, ordinary) | 0 | 0 | 0 | 0 | 0 |
| Cash dividends payout ratio (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Operating performance | | | | | |
| ROE | 6.4 | 6.7 | 13.1 | 14.1 | 11.0 |
| ROA | 4.8 | 4.8 | 9.2 | 10.0 | 8.0 |
| ROIC | 8.8 | 13.1 | 27.9 | 42.1 | 44.0 |
| Financial structure (%) | | | | | |
| Total liab./equity | 35.8 | 42.8 | 42.3 | 41.3 | 37.0 |
| Net debt/equity | Net Cash | Net Cash | Net Cash | Net Cash | Net Cash |
| Current ratio | 1.7 | 1.8 | 2.3 | 2.5 | 2.8 |
| Interest coverage (x) | 58.1 | 6.1 | 19.3 | 23.5 | 0.0 |
| Activity ratios | | | | | |
| Asset turnover (x) | 0.9 | 0.9 | 0.9 | 0.9 | 1.0 |
| Receivables turnover (x) | 6.2 | 5.2 | 5.2 | 6.0 | 6.7 |
| Payables turnover (x) | 24.7 | 27.6 | 29.8 | 31.7 | 34.4 |
| Inventory turnover (x) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Source(s): Company data, KB Securities estimates

**Studio Dragon (253450)**

| Date | Rating | Target Price (KRW) | Differential (%) | |
|-------------|--------|-----------------------|------------------|---------|
| | | | Avg. | Max/Min |
| Feb-15-2019 | Buy | 125,000 | -25.98 | |
| May-09-2019 | Buy | 120,000 | -34.46 | -30.08 |
| May-29-2019 | Buy | 100,000 | -32.68 | -26.20 |
| Aug-09-2019 | Buy | 86,000 | -21.88 | -6.86 |
| Nov-08-2019 | Buy | 100,000 | -20.81 | -13.00 |
| Mar-30-2020 | Buy | 97,000 | -15.46 | -4.64 |
| Nov-30-2020 | Buy | 100,000 | -9.63 | 3.70 |
| Jan-18-2021 | Buy | 120,000 | -15.59 | -9.00 |
| Feb-23-2021 | Buy | 127,000 | | |

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Proportion of investment rating (as of December 31, 2020)

| Buy | Hold | Sell |
|------|------|------|
| 77.9 | 22.1 | - |

* Note: Based on reports presented with investment ratings over the past one year

Classification and Standards for Investment Rating**Investment Rating for Company**

(based on estimation of 12-month absolute returns)

| | | |
|---------------------|----------------------------|----------------------|
| Buy: +15% or beyond | Hold: Between 15% and -15% | Sell: -15% or beyond |
|---------------------|----------------------------|----------------------|

Note: KB Securities' classification of investment ratings has shifted from four stages (Strong BUY, BUY, Marketperform, Underperform) to three stages (Buy, Hold, Sell) based on Korean reports since February 23, 2017.

KB Securities' standards for stock rating shifted starting on Feb 10, 2020 from an estimation of six-month absolute returns to an estimation of 12-month absolute returns.

Investment Rating for Industry

(based on estimation of 12-month absolute returns)

| Positive: | Neutral: | Negative: |
|----------------------|-----------------------------|------------------------|
| To outperform market | To match market performance | To underperform market |

Notes: The industry rating system of KB Securities has shifted from (Overweight, Neutral, Underweight) to (Positive, Neutral, Negative) as of Jun 28, 2017.

KB Securities' standards for industry rating shifted starting on Feb 10, 2020 from an estimation of six-month absolute returns to an estimation of 12-month absolute returns.

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