

## Platform Business Team

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### ▶ AT A GLANCE

<b>Recommend</b>	<b>BUY</b>	
<b>Target price</b>	<b>KRW135,000</b>	<b>45.8%</b>
<b>Current price</b>	<b>KRW92,600</b>	
Market cap	KRW2.8t/USD2.4b	
Shares (float)	30,004,345 (44.1%)	
52-week high/low	KRW109,200/KRW78,100	
Avg daily trading value (60-day)	KRW11.3b/USD9.9m	

### ▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
<b>Studio Dragon (%)</b>	<b>-2.9</b>	<b>-6.4</b>	<b>2.3</b>
Vs Kosdaq (%pts)	-4.1	-14.5	-18.2

### ▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	135,000	135,000	0.0%
2021E EPS	1,818	1,895	-4.1%
2022E EPS	2,471	2,465	0.2%

### ▶ SAMSUNG vs THE STREET

No of estimates	19
Target price	129,105
Recommendation	4.0

BUY ★★★: 5 / BUY: 4 / HOLD: 3 / SELL: 2 / SELL ★★★: 1

## Studio Dragon (253450)

### Gaining attention from global players

- Studio Dragon's 2Q operating profit of KRW13.8b (down 18.2% y-y) missed consensus. We find it positive that its earnings remained stable although the firm produced fewer titles y-y and a high base was in effect.
- The number of its dramas produced should normalize in 3Q on broadcasting of more digital original content.
- The company should keep expanding its global presence on solid track record. We reiterate BUY rating.

### WHAT'S THE STORY?

**2Q review:** Studio Dragon reported 2Q sales of KRW106b (down 34.3% y-y) and operating profit of KRW13.8b (down 18.2% y-y), the latter missing consensus (KRW15.1b) by 8.5%. The y-y contraction in earnings had been anticipated because the firm produced fewer titles y-y in 2Q and a high base was in effect as: 1) The King: Eternal Monarch was aired over Apr 17-Jun 12, 2020 and it supplied dramas to non-captive channels (terrestrial broadcasters) in 2Q20; and 2) it supplied original dramas to Netflix and Thing in 2Q20. Nevertheless, it delivered stable earnings on strong popularity of its content and its improving bargaining power. COGS slipped 5.7%pts y-y to 80.8% in 2Q and operating margin rose 2.6%pts y-y to 13%, proving once again its strong bargaining power related with content production and sale. Three dramas-Vincenzo (8 episodes), Navillera (8 episodes), and Mine (16)-were broadcast both on tvN and Netflix last quarter. My Roommate Is a Gumiho (the first original Korean series broadcast by iQiyi) also made contribution to sales channel expansion and profitability improvement.

The number of dramas produced to normalize in 3Q: In 1H, the company produced fewer titles y-y but its earnings momentum stayed solid on quality content. We expect the number of its drama production to normalize in 3Q on broadcasting of more digital original content-eg, The Witch's Diner (Thing original drama; 8 episodes), Yumi's Cells (broadcast simultaneously on tvN and Thing), Kingdom: Ashin of the North (Netflix Original drama, co-produced with Baram Pictures), You Are My Spring, and Hometown Cha-Cha-Cha (the last two to be aired both on Netflix and tvN).

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### SUMMARY OF 2Q RESULTS

(KRWb)	2Q21	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	106.0	-34.3	-9.5	7.7	-9.7
Operating profit	13.8	-18.2	-22.8	6.6	-8.5
Pre-tax profit	14.0	-18.2	-33.3	1.1	-14.9
Net profit	9.5	-29.1	-39.2	-7.9	-20.9
<b>Margins (%)</b>					
Operating profit	13.0				
Pre-tax profit	13.3				
Net profit	8.9				

Source: Company data, Samsung Securities estimates

### VALUATION SUMMARY

	2020	2021E	2022E
<b>Valuation (x)</b>			
P/E	88.7	50.9	37.5
P/B	4.6	4.2	3.8
EV/EBITDA	16.5	13.1	11.0
Div yield (%)	0.0	0.0	0.0
EPS growth (% y-y)	10.9	74.1	36.0
ROE (%)	5.7	8.5	10.5
<b>Per-share data (KRW)</b>			
EPS	1,044	1,818	2,471
BVPS	20,309	22,219	24,690
DPS	0	0	0

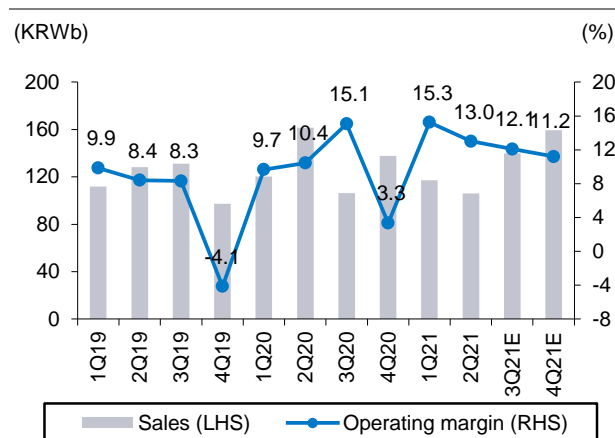
**Maintaining BUY:** Studio Dragon's presence in the content market has been well testified by a slew of love calls from abroad. Overseas sales of its old titles as well as new ones have been on the rise. The company has been supplying original content to Netflix under a three-year contract. It is also in talks with other global OTT platforms to produce eight dramas, of which: 1) two titles are in production and should be aired in end-2021 or early 2022; 2) other two are in pre-production; and 3) some could come in several seasons. Armed with strong production capabilities and growing global presence, Studio Dragon should scale up its production capacity via co-production with a global player. Our BUY rating and KRW135,000 target price target price (based on 16x 12-month forward EV/EBITDA) remains unchanged.

Table 1. Results and forecasts

(KRWb)	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21E	4Q21E	2019	2020	2021E	2022E
<b>Sales</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>106.3</b>	<b>137.7</b>	<b>117.1</b>	<b>106.0</b>	<b>139.8</b>	<b>159.4</b>	<b>468.7</b>	<b>525.7</b>	<b>522.4</b>	<b>620.1</b>
Programing	44.1	58.1	60.8	45.7	45.2	65.4	45.7	40.7	43.8	28.2	43.4	47.0	208.7	197.0	162.3	182.6
Distribution	56.2	60.3	60.0	42.8	66.9	75.7	50.9	86.3	63.2	67.5	84.2	99.6	219.3	279.7	314.5	389.6
Other	11.5	9.8	10.4	8.9	8.2	20.3	9.7	10.7	10.1	10.3	12.3	12.9	40.6	48.9	45.6	48.0
<b>Gross profit</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>21.3</b>	<b>15.0</b>	<b>23.7</b>	<b>20.3</b>	<b>23.1</b>	<b>29.6</b>	<b>47.9</b>	<b>74.8</b>	<b>96.8</b>	<b>122.4</b>
SG&A costs	4.0	4.6	4.4	6.2	5.1	4.9	5.3	10.4	5.5	6.5	6.2	11.8	19.2	25.7	30.3	32.4
<b>Operating profit</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>16.0</b>	<b>4.6</b>	<b>17.9</b>	<b>13.8</b>	<b>16.9</b>	<b>17.9</b>	<b>28.7</b>	<b>49.1</b>	<b>66.4</b>	<b>90.0</b>
Non-operating profit	2.1	1.1	2.2	-1.1	0.4	0.3	-0.8	-7.5	3.2	0.3	2.8	3.5	4.3	-7.6	9.7	13.0
Pre-tax profit	13.2	11.9	13.1	-5.1	12.0	17.2	15.2	-2.9	21.1	14.0	19.7	21.4	33.1	41.5	76.1	103.1
<b>Net profit (controlling)</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>10.6</b>	<b>-2.8</b>	<b>15.6</b>	<b>9.5</b>	<b>14.1</b>	<b>15.4</b>	<b>26.4</b>	<b>29.7</b>	<b>54.5</b>	<b>74.1</b>
Gross margin	13.4	12.0	11.7	2.2	13.8	13.5	20.0	10.9	20.2	19.2	16.5	18.6	10.2	14.2	18.5	19.7
Operating margin	9.9	8.4	8.3	-4.1	9.7	10.4	15.1	3.3	15.3	13.0	12.1	11.2	6.1	9.3	12.7	14.5
Net margin (controlling)	8.2	5.7	8.8	-1.7	7.1	8.3	10.0	-2.1	13.3	8.9	10.1	9.6	5.6	5.6	10.4	12.0
<b>Chg (% y-y)</b>																
<b>Sales</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>-19.0</b>	<b>41.3</b>	<b>-2.7</b>	<b>-34.3</b>	<b>31.6</b>	<b>15.8</b>	<b>23.5</b>	<b>12.2</b>	<b>-0.6</b>	<b>18.7</b>
Programing	8.4	70.5	24.4	-16.1	2.5	12.6	-24.9	-10.9	-3.2	-56.9	-4.9	15.4	17.2	-5.6	-17.6	12.5
Distribution	75.1	109.2	-5.4	13.3	19.1	25.5	-15.2	101.6	-5.5	-10.8	65.4	15.4	35.3	27.6	12.4	23.9
Other	63.1	-14.1	-9.0	-6.7	-29.2	107.1	-6.4	20.2	24.0	-49.3	26.2	20.6	3.0	20.4	-6.7	5.4
<b>Gross profit</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>39.2</b>	<b>585.3</b>	<b>42.2</b>	<b>-6.9</b>	<b>8.6</b>	<b>97.5</b>	<b>-13.8</b>	<b>56.2</b>	<b>29.4</b>	<b>26.5</b>
SG&A costs	33.1	40.2	31.0	2.7	28.4	5.8	21.3	67.6	7.5	33.6	16.6	13.3	22.4	34.0	18.0	6.9
<b>Operating profit</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>46.8</b>	<b>Turned pos</b>	<b>53.6</b>	<b>-18.2</b>	<b>5.6</b>	<b>287.4</b>	<b>-28.1</b>	<b>71.1</b>	<b>35.3</b>	<b>35.5</b>
Non-operating profit	1,160.7	-71.7	290.9	Turned neg	-79.7	-69.4	Turned neg	Remained neg	642.7	-20.7	To turn pos	To turn pos	-24.3	Turned neg	To turn pos	34.5
Pre-tax profit	22.2	7.6	-40.8	Turned neg	-9.2	44.5	16.2	Remained neg	75.3	-18.2	29.2	To turn pos	-27.5	25.4	83.3	35.4
<b>Net profit (controlling)</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>-8.0</b>	<b>Remained neg</b>	<b>82.2</b>	<b>-29.1</b>	<b>33.4</b>	<b>To turn pos</b>	<b>-26.3</b>	<b>12.3</b>	<b>83.9</b>	<b>35.9</b>
Gross margin	-3.7	-2.3	-8.4	-4.1	0.4	1.5	8.4	8.7	6.4	5.7	-3.5	7.7	-4.4	4.0	4.3	1.2
Operating margin	-3.5	-1.4	-9.0	-4.6	-0.2	2.0	6.8	7.5	5.6	2.6	-3.0	7.9	-4.4	3.2	3.4	1.8
Net margin (controlling)	-1.6	-6.2	-5.2	-3.4	-1.1	2.6	1.2	-0.4	6.2	0.7	0.1	11.7	-3.8	0.0	4.8	1.5

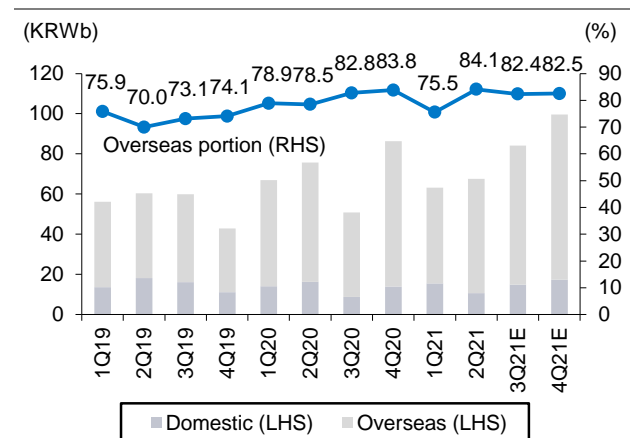
Source: Company data, Samsung Securities

Chart 1. Quarterly sales and operating margin



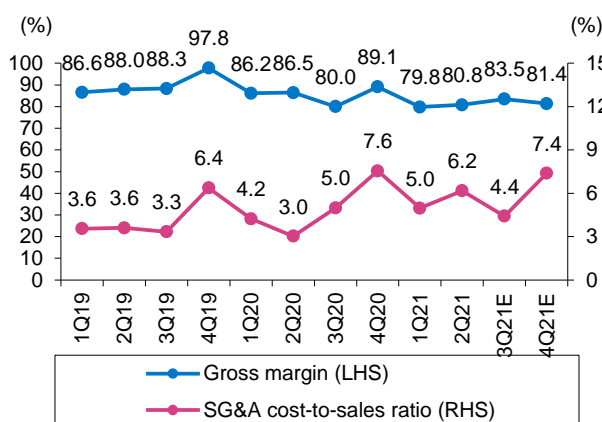
Source: Company data, Samsung Securities

Chart 2. Sales: Domestic and overseas



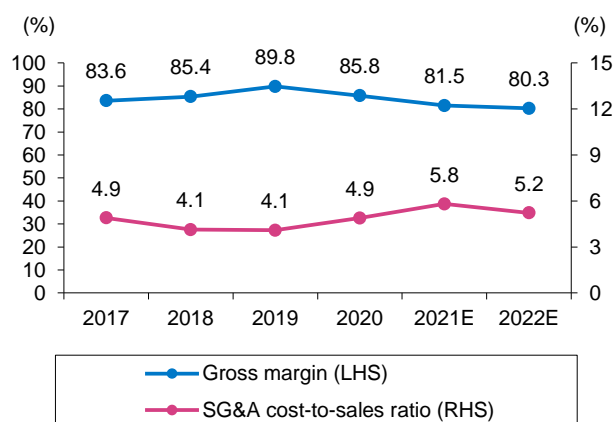
Source: Company data, Samsung Securities

Chart 3. Quarterly gross margin and SG&amp;A costs-to-sales ratio



Source: Company data, Samsung Securities

Chart 4. Annual gross margin and SG&amp;A costs-to-sales ratio



Source: Company data, Samsung Securities

Table 2. 2021 drama lineup

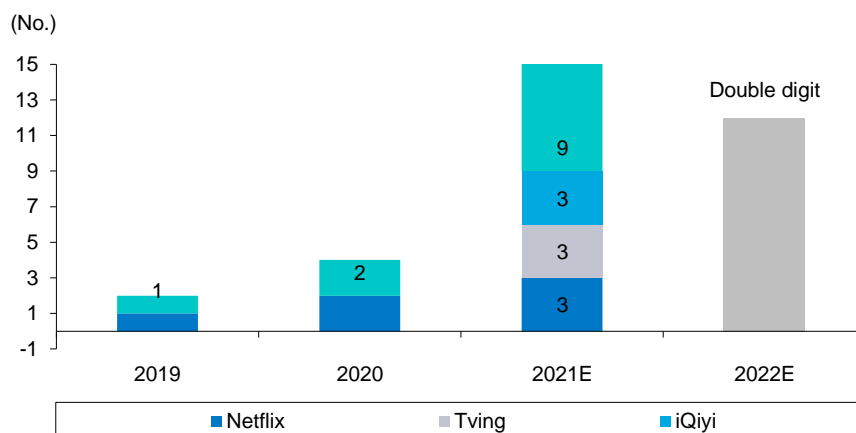
Year	No.	Channel	Title	Air dates	Episodes	Writers	Director	Starring	Days
2021	1	tvN	L. U. C. A : The Beginning	Feb 01-Mar 09	16	Chun Sung-ill	Kim Hong-sun	Kim Rae-won, Lee Dae-hee	Mon, Tue
	2		Vincenzo	Feb 20-Apr 25	20	Park Jae-bum	Kim Hee-won	Song Joong-ki, Jeon Yeo-bin	Sat, Sun
	3		Navillera	Mar 22-Apr 27	12	Lee Eun-mi	Han Dong-hwa	Park In-hwan, Song Kang, Na Mun-hee	Mon, Tue
	4		Mine	May 8-Jun 27	16	Baek Mi-kyeong	Lee Na-jeong	Kim Seo-hyung, Lee Bo-young	Sat, Sun
	5		Doom at Your Service	May 10-Jun 29	16	Immeari	Kwon Young-il	Seo In-guk, Park Bo-young	Mon, Tue
	6		My roommate is Gumiho*	May 26-Jul 15	16	Baek Sunwoo, Choi Bo-rim	Nam Sung-woo	Jang Ki-yong, Lee Hye-ri	Wed, Thu
	7		Voice 4	Jun 18-Jul 31	14	Ma Jinwon, Kim Jung-hyun	Sin Yong-hui, Yoon Ra-young	Lee Hana, Song Seung-hun	Fri, Sat
	8		Devilish Judge	Jul 3-Aug 22	16	Moon Yoo Suk	Choi Jung Kyu	Ji Sung, Park Jin Young	Sat, Sun
	9		You Are My Spring	Jul 5-Aug 24	16	Lee Mina	Jung Ji-hyun	Kim Dong-wook, Seo Hyun-jin	Mon, Tue
	10		The Road: Tragedy of One	Aug 4-Sep 9	12	Yoon Hui-jung	Kim No-won	Jin Jin-hee, Yoon Se-a, Kim Hye-eun	Wed, Thu
	11		Hometown Chachacha	Aug 28-Oct 17	16	Shin Ha-eun	Yoo Je-won	Sin Min-ah, Kim Seon-wook	Sat, Sun
	12		High Class	Sep 6-Oct 26	16	Hyun Jung	Choi Byung-gil	Cho Yeo-jung, Kim Ji-soo	Mon, Tue
	13		Yumi's Cells	Sep 17-Oct 30	14	Song Jae-jung, Kim Yoon-joo, Kim Kyung-ran	Lee Sang-yeop	Kim Go-eun, Ahn Byung-hyun	Wed, Thu
	14		Hometown	Sep	6	Jujin	Park Hyun-seok	Um Tae-gu, Yoo Jae-myung	-
	15		Jirisan	Oct 23-Dec 12	16	Kim Eun-hee	Lee Eung-bok	Jeon Ji-hyun, Joo Ji-hoon	Sat, Sun
	16		Tale of the Secret Royal Inspector and Jo Yi	Oct 25-Dec 14	16	Lee Jae-yoon	Yoo Jong-seon	Jeong So-min, Ok Taek-yeon	Mon, Tue
	17	OCN	Times	Feb 20-Mar 28	12	Lee Sae-bom	Yoon Jong-ho	Lee Seo-jin, Lee Joo-young	Sat, Sun
	18		Happiness	2H	12	Han Sang-woon	Ahn Ki-ho	Han Hyo-ju, Park Hyung-sik	Sat, Sun
	19	Netflix	Love Alarm 2	Mar 12	6	Yoo Bo-rah, Cha Yeon-soo	Kim Jin-woo	Kim So-hyun, Song Gang	-
	20		Kingdom: Asin saga	Jul 23	1	Kim Eun-hee	Kim Sung-hoon	Jeon Ji-hyun, Park Pyung-eun	-
	21		Juvenile Judgment	TBD		Kim Min-seok	Hong Jong-chan	Kim Hye-soo, Kim Moo-yeol	-
	22	TVING	Scripting Your Destiny	Mar 26	10 (5)	Kim Byeong-soo	Eun Sun-woo	Jeon So-nee, Ki Do-hoon	-
	23		The Witcher's Diner	Jul 16-Aug 6	8 (4)	Lee Young-sook	So Jae-hyun, Lee Young-sook	Song Ji-hyo, Nam Ji-hyun	-

Note: Titles highlighted are streaming through Netflix (in green), iQiyi Global (in grey), and TVING (in blue)

\*My Roommate is Gumiho is an iQiyi original

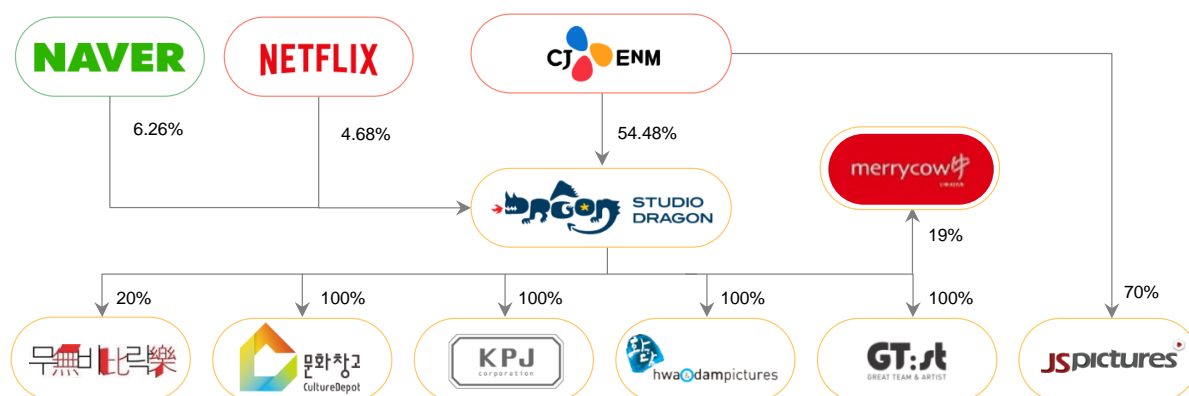
Source: Company data, Samsung Securities

Chart 5. Number of digital contents in lineup



Source: Company data, Samsung Securities

Chart 6. Ownership structure



Source: Company data, Samsung Securities

Table 3. Earnings revisions

(KRWb)	2021E			2022E		
	Old	New	Chg %	Old	New	Chg %
Sales	524.6	522.4	-0.4	613.7	620.1	1.1
Operating profit	67.3	66.4	-1.3	88.4	90.0	1.9
Operating margin (% , %pts)	12.8	12.7	-0.1	14.4	14.5	0.1
Pre-tax profit	76.6	76.1	-0.6	100.1	103.1	3.0
Net profit (controlling)	56.8	54.5	-4.1	74.0	74.1	0.2

Source: Samsung Securities

## Income statement

Year-end Dec 31 (KRWb)	2019	2020	2021E	2022E	2023E
<b>Sales</b>	<b>469</b>	<b>526</b>	<b>522</b>	<b>620</b>	<b>667</b>
Cost of goods sold	421	451	426	498	529
<b>Gross profit</b>	<b>48</b>	<b>75</b>	<b>97</b>	<b>122</b>	<b>138</b>
Gross margin (%)	10.2	14.2	18.5	19.7	20.7
SG&A expenses	19	26	30	32	35
<b>Operating profit</b>	<b>29</b>	<b>49</b>	<b>66</b>	<b>90</b>	<b>103</b>
Operating margin (%)	6.1	9.3	12.7	14.5	15.4
<b>Non-operating gains (losses)</b>	<b>4</b>	<b>-8</b>	<b>10</b>	<b>13</b>	<b>15</b>
Financial profit	10	10	15	19	19
Financial costs	6	14	4	4	3
Equity-method gains (losses)	0	0	0	0	0
Other	0	-4	-1	-1	-2
<b>Pre-tax profit</b>	<b>33</b>	<b>42</b>	<b>76</b>	<b>103</b>	<b>118</b>
Taxes	7	12	22	29	33
Effective tax rate (%)	20.1	28.7	28.4	28.1	28.1
Profit from continuing operations	26	30	55	74	85
Profit from discontinued operations	0	0	0	0	0
<b>Net profit</b>	<b>26</b>	<b>30</b>	<b>55</b>	<b>74</b>	<b>85</b>
Net margin (%)	5.6	5.6	10.4	12.0	12.7
Net profit (controlling interests)	26	30	55	74	85
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	146	165	197	233	258
EBITDA margin (%)	31.1	31.4	37.7	37.6	38.7
EPS (parent-based) (KRW)	941	1,044	1,818	2,471	2,827
EPS (consolidated) (KRW)	941	1,044	1,818	2,471	2,827
Adjusted EPS (KRW)*	941	1,044	1,818	2,471	2,827

## Cash flow statement

Year-end Dec 31 (KRWb)	2019	2020	2021E	2022E	2023E
<b>Cash flow from operations</b>	<b>-12</b>	<b>5</b>	<b>120</b>	<b>191</b>	<b>226</b>
Net profit	26	30	55	74	85
Non-cash profit and expenses	124	135	149	167	183
Depreciation	2	3	2	2	2
Amortization	115	113	128	141	154
Other	7	19	18	24	27
Changes in A/L from operating activities	-143	-144	-62	-21	-8
<b>Cash flow from investments</b>	<b>-81</b>	<b>-16</b>	<b>-144</b>	<b>-164</b>	<b>-176</b>
Change in tangible assets	-0	-7	-1	-1	-1
Change in financial assets	-42	31	-12	1	-9
Other	-39	-41	-131	-164	-166
<b>Cash flow from financing</b>	<b>-0</b>	<b>0</b>	<b>-7</b>	<b>-0</b>	<b>-0</b>
Change in debt	8	1	-7	0	0
Change in equity	2	149	0	0	0
Dividends	0	0	0	0	0
Other	-9	-150	-0	-0	-0
Change in cash	-93	-11	134	24	50
Cash at beginning of year	153	60	49	184	207
Cash at end of year	60	49	184	207	257
<b>Gross cash flow</b>	<b>150</b>	<b>165</b>	<b>203</b>	<b>241</b>	<b>267</b>
<b>Free cash flow</b>	<b>-13</b>	<b>-2</b>	<b>119</b>	<b>190</b>	<b>225</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

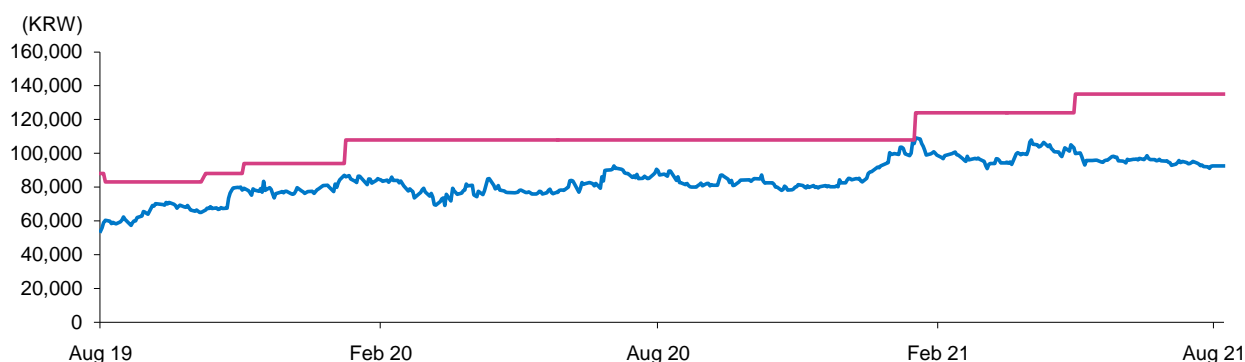
Year-end Dec 31 (KRWb)	2019	2020	2021E	2022E	2023E
<b>Current assets</b>	<b>244</b>	<b>228</b>	<b>359</b>	<b>414</b>	<b>491</b>
Cash & equivalents	60	49	184	207	257
Accounts receivable	84	107	81	115	126
Inventories	0	0	0	0	0
Other current assets	101	73	95	92	108
<b>Fixed assets</b>	<b>337</b>	<b>529</b>	<b>369</b>	<b>403</b>	<b>421</b>
Investment assets	13	180	15	21	22
Tangible assets	1	8	6	5	5
Intangible assets	233	230	243	260	277
Other long-term assets	89	111	104	116	118
<b>Total assets</b>	<b>582</b>	<b>757</b>	<b>729</b>	<b>817</b>	<b>913</b>
<b>Current liabilities</b>	<b>145</b>	<b>132</b>	<b>51</b>	<b>64</b>	<b>74</b>
Accounts payable	18	6	11	10	14
Short-term debt	0	0	0	0	0
Other current liabilities	127	126	40	53	60
<b>Long-term liabilities</b>	<b>8</b>	<b>16</b>	<b>11</b>	<b>13</b>	<b>13</b>
Bonds & long-term debt	0	0	0	0	0
Other long-term liabilities	8	16	11	13	13
<b>Total liabilities</b>	<b>153</b>	<b>148</b>	<b>62</b>	<b>76</b>	<b>87</b>
<b>Owners of parent equity</b>	<b>428</b>	<b>609</b>	<b>667</b>	<b>741</b>	<b>826</b>
Capital stock	14	15	15	15	15
Capital surplus	322	470	470	470	470
Retained earnings	94	123	177	252	336
Other	-1	1	4	4	4
<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>428</b>	<b>609</b>	<b>667</b>	<b>741</b>	<b>826</b>
Net debt	-91	-45	-201	-221	-279

## Financial ratios

Year-end Dec 31	2019	2020	2021E	2022E	2023E
<b>Growth (%)</b>					
Sales	23.5	12.2	-0.6	18.7	7.6
Operating profit	-28.1	71.1	35.3	35.5	14.4
Net profit	-26.3	12.1	84.1	36.0	14.4
Adjusted EPS**	-26.3	10.9	74.1	36.0	14.4
<b>Per-share data (KRW)</b>					
EPS (parent-based)	941	1,044	1,818	2,471	2,827
EPS (consolidated)	941	1,044	1,818	2,471	2,827
Adjusted EPS**	941	1,044	1,818	2,471	2,827
BVPS	15,242	20,309	22,219	24,690	27,517
DPS (common)	0	0	0	0	0
<b>Valuations (x)</b>					
P/E***	85.9	88.7	50.9	37.5	32.8
P/B***	5.3	4.6	4.2	3.8	3.4
EV/EBITDA	15.0	16.5	13.1	11.0	9.7
<b>Ratios (%)</b>					
ROE	6.4	5.7	8.5	10.5	10.8
ROA	4.8	4.4	7.3	9.6	9.8
ROIC	8.7	11.2	13.0	15.3	16.1
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	-21.2	-7.5	-30.1	-29.8	-33.8
Interest coverage (x)	58.1	84.8	160.0	389.1	445.3

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**Target price changes in past two years****Rating changes over past two years** (adjusted share prices)

Date	2019/7/1	8/9	10/14	11/8	2020/1/14	2021/1/14	1/22	5/7
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	88,000	83,000	88,000	94,000	108,000	108,000	124,000	135,000
Gap* (average)	-26.53	-21.77	-17.92	-16.65	-23.70	-5.37	-19.74	
(max or min)**	-20.00	-14.46	-8.98	-7.45	-3.98	-1.02	-12.50	

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
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**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 Jun 30, 2021**

BUY (87.9%) | HOLD (12.1%) | SELL (0%)



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