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## Tech Team

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## ▶ AT A GLANCE

<b>Recommend</b>	<b>BUY</b>	
<b>Target price</b>	<b>KRW61,000</b>	<b>29.4%</b>
<b>Current price</b>	<b>KRW47,150</b>	
Market cap	KRW1.4t/USD1.0b	
Shares (float)	30,058,498 (45.2%)	
52-week high/low	KRW55,700/KRW34,100	
Avg daily trading value (60-day)	KRW3.7b/USD2.6m	

## ▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
<b>Studio Dragon (%)</b>	<b>21.5</b>	<b>4.3</b>	<b>-15.4</b>
Vs Kosdaq (%pts)	29.6	27.8	-0.5

## ▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	61,000	51,000	19.6%
2024E EPS	833	901	-7.5%
2025E EPS	1,553	1,478	5.0%

## ▶ SAMSUNG vs THE STREET

No of estimates	15
Target price	54,200
Recommendation	4.0
BUY ★★★: 5 / BUY: 4 / HOLD: 3 / SELL: 2 / SELL ★★★: 1	

# Studio Dragon (253450)

## Ready to run

- Studio Dragon's earnings will probably shrink this year as it produced only 19 dramas.
- The firm should make more dramas in 2025 as a result of: 1) its captive channel reinstating Wednesday/Thursday slots; and 2) its drama production for overseas markets. Its focus on making production more efficient should help it lower costs.
- Reflecting an improving business environment and earnings momentum, we raise our target price to KRW61,000.

## WHAT'S THE STORY?

**Keep struggling in 2024:** Fulfilling growing demand from Korean and overseas OTT streaming platforms, Studio Dragon expanded its drama production steadily and produced 33 dramas in 2022. Yet it produced fewer dramas in 2023, as tvN cancelled its Wednesday/Thursday slots in May, and the ad market turned sluggish. This has dealt a blow to 2024 operating results. Judging from its programming lineups, we believe Studio Dragon will supply just 19 dramas this year. The shortfall was not fully offset by ASP hikes for new titles and sales of lucrative old titles.

**Ready to run in 2025:** In 2025, however, we believe Studio Dragon will produce at least five more dramas than it did this year. First, captive channel tvN will probably reinstate the Wednesday/Thursday slots sometime in 2H25. If so, it should broadcast at least three additional dramas. Second, the company in 2025 is planning a Japanese remake of *Marry My Husband*, whose original webtoon made a splash in Korea. Studio Dragon is also planning to: 1) produce dramas for terrestrial broadcaster KBS under an MOU; and 2) provide additional original content for global OTT platforms. Big-budget content (such as *When the Stars Gossip*, *All the Love You Wish For*, and *Show Business*) should lift its ASP, boosting earnings. Efforts to streamline its production structure should help reduce costs and enhance the firm's bottom line.

**Maintaining BUY:** Considering improvements to the business environment and earnings momentum, we raise our 2025 net profit forecast by 5%, reduce the discount rate we use in our valuation, and raise our target EV/EBITDA multiple from 6.6x to 7.6x (a 10% discount to 3-year average). Accordingly, our target price rises to KRW61,000. We plan to revisit our 2025 earnings forecasts once we have better visibility of the timing of tvN resuming its drama slots.

## SUMMARY FINANCIAL DATA

	2023	2024E	2025E	2026E
Revenue (KRWb)	753	522	672	838
Operating profit (KRWb)	56	37	60	77
Net profit (adj) (KRWb)	30	25	47	59
EPS (adj) (KRW)	1,001	833	1,553	1,959
EPS (adj) growth (% y-y)	-40.6	-16.8	86.4	26.2
EBITDA margin (%)	32.1	34.9	34.3	32.2
ROE (%)	4.4	3.5	6.4	7.5
P/E (adj) (x)	51.5	56.6	30.4	24.1
P/B (x)	2.2	2.0	1.9	1.7
EV/EBITDA (x)	6.5	7.4	5.8	4.9
Dividend yield (%)	0.0	0.0	0.0	0.0

Source: Company data, Samsung Securities estimates

Table 1. Results and forecasts

(KRWb)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24E	2022	2023	2024E	2025E
<b>Sales</b>	<b>121.1</b>	<b>157.5</b>	<b>228.9</b>	<b>190.5</b>	<b>211.1</b>	<b>163.5</b>	<b>217.4</b>	<b>161.1</b>	<b>192.1</b>	<b>137.1</b>	<b>90.3</b>	<b>102.6</b>	<b>697.9</b>	<b>753.1</b>	<b>522.1</b>	<b>671.9</b>
Programing	35.4	43.8	59.4	54.0	43.2	42.5	35.0	33.4	47.3	30.7	21.6	22.7	192.5	154.1	122.3	142.7
Distribution	77.7	103.9	165.8	132.8	211.1	163.5	217.4	161.1	192.1	137.1	90.3	102.6	480.2	588.9	384.1	512.3
Other	8.0	9.8	3.8	3.7	2.3	2.1	2.3	3.4	3.5	3.9	4.3	4.0	25.2	10.1	15.7	16.9
<b>Gross profit</b>	<b>25.5</b>	<b>35.4</b>	<b>27.4</b>	<b>11.7</b>	<b>30.8</b>	<b>23.9</b>	<b>28.8</b>	<b>4.3</b>	<b>28.7</b>	<b>18.1</b>	<b>5.9</b>	<b>13.9</b>	<b>100.0</b>	<b>87.9</b>	<b>66.6</b>	<b>90.9</b>
SG&A	7.4	8.4	8.4	10.5	9.2	7.7	6.9	8.2	7.2	7.7	6.8	8.0	34.8	32.0	29.6	31.2
<b>Operating profit</b>	<b>18.1</b>	<b>27.0</b>	<b>18.9</b>	<b>1.2</b>	<b>21.6</b>	<b>16.3</b>	<b>21.9</b>	<b>-3.8</b>	<b>21.5</b>	<b>10.5</b>	<b>-0.9</b>	<b>5.9</b>	<b>65.2</b>	<b>55.9</b>	<b>37.0</b>	<b>59.8</b>
Non-operating profit	2.0	3.0	6.5	-18.1	0.5	-0.4	3.3	-22.0	5.7	2.7	-3.1	-4.0	-6.6	-18.7	1.2	-0.4
Pre-tax profit	20.1	30.0	25.5	-17.0	22.1	15.8	25.1	-25.8	27.2	13.2	-4.1	1.9	58.6	37.2	38.2	59.4
<b>Net profit (controlling)</b>	<b>15.6</b>	<b>25.6</b>	<b>17.8</b>	<b>-8.5</b>	<b>18.4</b>	<b>10.2</b>	<b>18.2</b>	<b>-16.7</b>	<b>20.2</b>	<b>8.2</b>	<b>-6.1</b>	<b>2.8</b>	<b>50.6</b>	<b>30.1</b>	<b>25.0</b>	<b>46.7</b>
Gross margin	21.1	22.5	12.0	6.1	14.6	14.6	13.2	2.7	14.9	13.2	6.5	13.5	14.3	11.7	12.8	13.5
Operating margin	15.0	17.1	8.3	0.6	10.2	9.9	10.1	-2.4	11.2	7.6	-1.0	5.8	9.3	7.4	7.1	8.9
Net margin (controlling)	12.9	16.2	7.8	-4.4	8.7	6.2	8.4	-10.4	10.5	5.9	-6.8	2.7	7.2	4.0	4.8	6.9
<b>Chg (% y-y)</b>																
<b>Sales</b>	<b>3.4</b>	<b>48.5</b>	<b>97.2</b>	<b>28.8</b>	<b>74.4</b>	<b>3.8</b>	<b>-5.0</b>	<b>-15.4</b>	<b>-9.0</b>	<b>-16.1</b>	<b>-58.5</b>	<b>-36.3</b>	<b>43.3</b>	<b>7.9</b>	<b>-30.7</b>	<b>28.7</b>
Programing	-19.1	55.4	64.0	1.5	21.9	-3.1	-41.0	-38.1	9.5	-27.6	-38.4	-32.1	19.4	-20.0	-20.6	16.7
Distribution	23.0	53.8	155.2	66.4	171.6	57.3	31.2	21.3	-9.0	-16.1	-58.5	-36.3	74.3	22.6	-34.8	33.4
Other	-21.5	-5.1	-74.8	-75.3	-71.0	-78.4	-38.3	-7.8	50.7	85.4	85.8	18.6	-49.9	-59.7	55.2	7.4
<b>Gross profit</b>	<b>7.8</b>	<b>74.0</b>	<b>30.5</b>	<b>-20.7</b>	<b>20.8</b>	<b>-32.4</b>	<b>5.2</b>	<b>-63.1</b>	<b>-7.0</b>	<b>-24.2</b>	<b>-79.5</b>	<b>221.3</b>	<b>25.4</b>	<b>-12.1</b>	<b>-24.2</b>	<b>36.6</b>
SG&A	27.7	28.1	31.7	25.1	24.3	-8.7	-17.8	-22.4	-22.5	0.3	-1.5	-2.6	27.9	-8.0	-7.4	5.2
<b>Operating profit</b>	<b>1.4</b>	<b>95.7</b>	<b>29.9</b>	<b>-81.4</b>	<b>19.3</b>	<b>-39.8</b>	<b>15.4</b>	<b>nm</b>	<b>-0.4</b>	<b>-35.7</b>	<b>nm</b>	<b>nm</b>	<b>24.0</b>	<b>-14.3</b>	<b>-33.8</b>	<b>61.7</b>
Non-operating profit	-37.8	1,085.2	67.8	nm	-75.6	nm	-49.9	nm	1,078.1	nm	nm	nm	nm	nm	nm	nm
Pre-tax profit	-4.6	113.7	37.9	nm	10.0	-47.3	-1.3	nm	23.2	-16.8	nm	nm	12.7	-36.5	2.6	55.6
<b>Net profit (controlling)</b>	<b>0.4</b>	<b>170.2</b>	<b>20.5</b>	<b>nm</b>	<b>17.8</b>	<b>-60.1</b>	<b>1.9</b>	<b>nm</b>	<b>9.8</b>	<b>-20.0</b>	<b>nm</b>	<b>nm</b>	<b>29.5</b>	<b>-40.5</b>	<b>-16.8</b>	<b>86.4</b>
Gross margin	0.9	3.3	-6.1	-3.8	-6.5	-7.8	1.3	-3.5	0.3	-1.4	-6.7	10.8	-2.0	-2.7	1.1	0.8
Operating margin	-0.3	4.1	-4.3	-3.7	-4.7	-7.2	1.8	-3.0	1.0	-2.3	-11.1	8.2	-1.4	-1.9	-0.3	1.8
Net margin (controlling)	-0.4	7.3	-5.0	-3.9	-4.2	-10.0	0.6	-5.9	1.8	-0.3	-15.1	13.1	-0.8	-3.3	0.8	2.2

Source: Company data, Samsung Securities

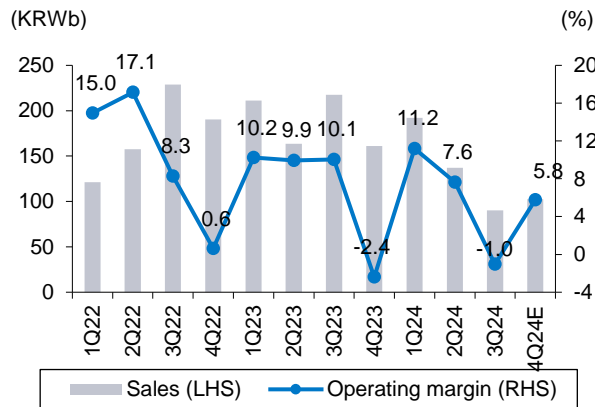
Table 2. Drama lineup (from 2024)

Year	No.	Channel	Title	Air dates	Episodes	Writers	Director	Days
2024	1	tvN	Maestra: Strings of Truth	Dec 9, 2023- Jan 14	12	Choi Yiyun	Kim Jeongkwon	Sat, Sun
	2		Marry My Husband	Jan 1-Feb 20	16	Sin Yudam	Park Wonkook	Mon, Tue
	3		Captivating the King	Jan 21-Mar 3	16	Kim Seonduk	Cho Namkook	Sat, Sun
	4		Wedding Impossible	Feb 26-Apr 2	12	Park Seulki	Kwon Yeongil	Mon, Tue
	5		Queen of Tears	Mar 9-Apr 28	16	Park Jieun	Kim Heewon	Sat, Sun
	6		The Midnight Romance in Hagwon	May 11-Jun 30	16	Park Kyeonghwa	Ahn Panseok	Sat, Sun
	7		Player S2: Master of Swindlers	Jun 3-Jul 9	12	Park Sangmoon	So Jaehyun	Mon, Tue
	8		The Auditors	Jul 6-Aug 11	12	Choi Minho	Kwon Youngil	Mon, Tue
			O'PENing 2024	Jul 15-	7	One-act play	6 dramas	
	9		Serendipity's Embrace	Jul 22-Aug 13	8	Park Gro	Song Hyeonwook	Mon, Tue
	10		Love Next Door	Aug 17-Oct 6	16	Shin Haeun	Yu Jewon	Sat, Sun
	11		Jeongnyeon: The Star is Born	Oct 12-Nov 17	12	Choi Hyobi	Jung Jiin	Sat, Sun
	12		Love Your Enemy	Nov 23-Dec 29	12	Lim Yejin	Park Joonhwa	Sat, Sun
	13	TVING	Dong Jae, the Good or the Bastard	Oct 14-Nov 12	10	Hwang Hajeong	Park Gunho	
	14	Netflix	Hierarchy (supply in 1Q24)	Jun 7	7	Cho Hyemi	Bae Hyunjin	
	15		Whirlwind (supply over 1Q24-2Q24)	Jun 28	12	Park Kyeongsoo	Kim Yongwan	
	16		Sweet Home 3	Jul 19	8		Lee Eungbok	
	17		Gyeongseong Creature S2	Sep 27	7	Kang Eungyeong	Jeong Dongyun	
	18		The Trunk (supply in 3Q24)	Nov 29	8	Park Eunyoung	Kim Kyutae	
	19	GenieTV	To My Harry (Broadcasted in ENA)	Sep 23-Oct 29	12	Han Garam	Jung Jihyun	Mon, Tue
	20	AppleTV+	The Big Door Prize 2 (supply over 3Q23-4Q23)	Apr 24-Jun 12	10	David West Read	Anu Valia	
TBD	1	tvN	When the Stars Gossip	Jan 4-Feb 23	16	Seo Sookhyang	Park Shinwoos	Sat, Sun
	2		Won Kyung (tvN X Tving)	Jan 6	12	Lee Youngmi	Kim Sangho	Mon, Tue
	3		My Dearest Nemesis	Feb 17- Apr 8	16	Kim Sooyeon	Lee Suhyeon	Mon, Tue
	4		Take care of Keumju	2025	12	Myeong Soohyeon	Jang Yujung	Mon, Tue
	5		Unknown Seoul	2025	12	Lee Kang	Park Shinwoo	Sat, Sun
	6		Gyeon U and Fairy	2025	12	Yang Jihoon	Kim Yongwan	
	7		The Confidence Man KR	2025	12	Hong Seunghyeon	Nam Kihoon	
	8		Typhoon Boss	2025	16		Lee Najung	Sat, Sun
	9		Signal 2	2025	19	Kim Eunhi	Ahn Taejin	
	10	Tving	Study Group (Amazon Prime)	1H25	10	Um Seonho	Lee Janghoon	
	11		Dear X	TBD	12	Choi Jaewon	Lee Eungbok	
	12	Netflix	Hong Rang	1H25	12	Kim Jin-a	Kim Hongsun	
	13		All the Love You Wish For	2025	12	Kim Eunsook	Lee Byeonghun	
	14		The Price of Confession	2025		Kwon Jongkwan	Lee Junghyo	
	15	Disney+	The Manipulated	2025	10	Oh Sangho	Park Shiwoo	
	16	KBS2	My Secret Romance	2025		Lee Sun		
	17	Japan	Marry My Husband (JPN)	TBD			(Japanese drama)	
	18		Show Business	TBD	22	No Heekyung	Lee Yunjung	
	19		Mary Kills People	TBD	12	Lee Sua	Park Joonwoo	
	20		I'm Against My Romance	TBD		Kim Eun	Lee Eungbok	

Note: Titles highlighted in green are streamed through Netflix, light blue Tving, and orange Disney+, yellow Amazon Prime

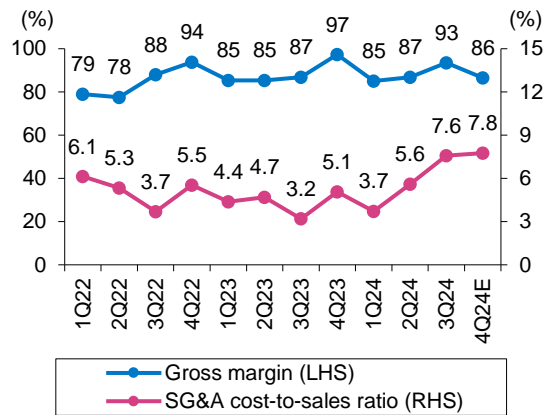
Source: Company data, Samsung Securities

Chart 1. Quarterly sales and operating margin



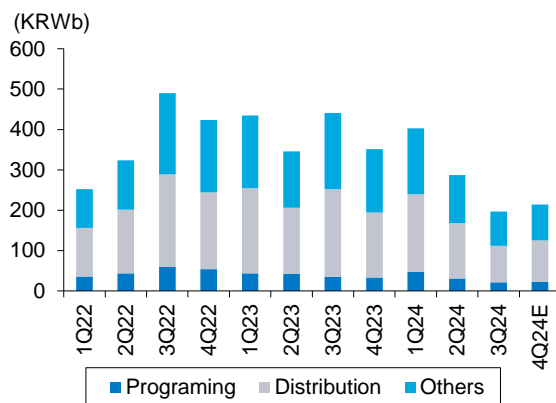
Source: Company data, Samsung Securities

Chart 2. Gross margin vs SG&amp;A cost-to-sales ratio



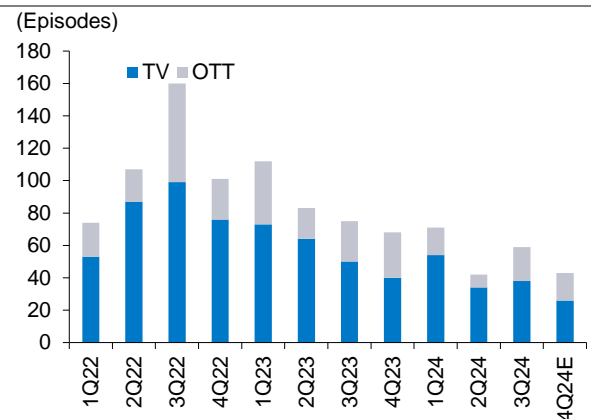
Source: Company data, Samsung Securities

Chart 3. Quarterly sales, by division



Source: Company data, Samsung Securities

Chart 4. Number of episodes supplied, by channel



Source: Company data, Samsung Securities

Chart 5. Dong Jae, the Good or the Bastard (Tving; Oct 10)



Source: Company data, Samsung Securities

Chart 6. Jeong Nyeon (tvN; Oct 12)



Source: Company data, Samsung Securities

Chart 7. Love Your Enemy (tvN; Nov 23)



Source: Company data, Samsung Securities

Chart 8. When the Stars Gossip  
(tvN; Jan 4, 2024)

Source: Company data, Samsung Securities

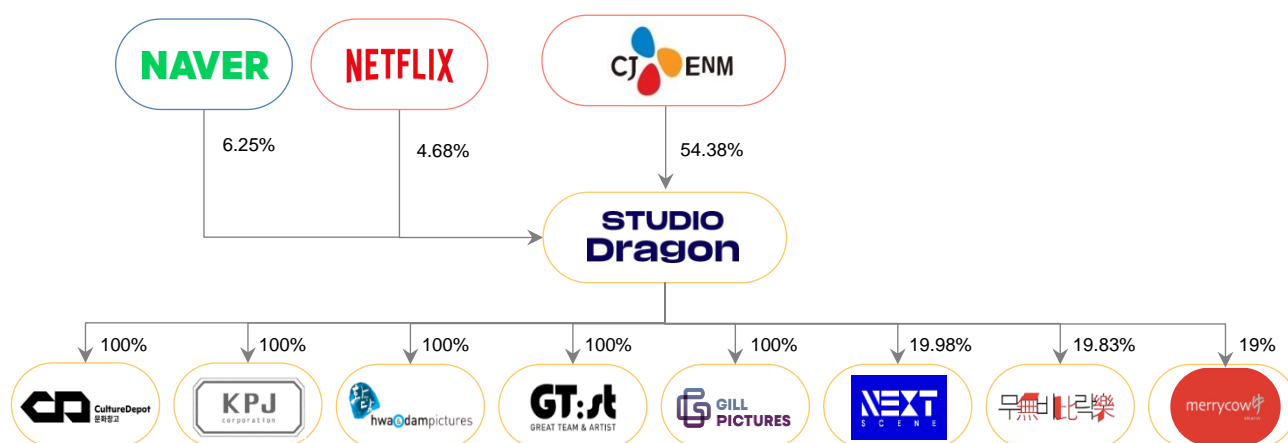
Chart 9. All the Love You Wish for  
(Netflix; 2025)

Source: Company data, Samsung Securities

Chart 10. Study Group  
(tvN; 2025)

Source: Company data, Samsung Securities

Chart 11. Ownership structure

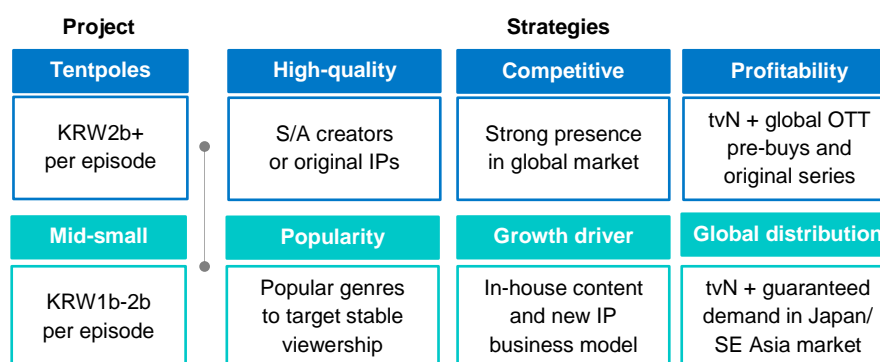


Note: As of 3Q24 / Source: Company data, Samsung Securities

**Table 3. 2024 strategies to facilitate transition to major global studio**

	2017-2023	2024-
Non-captive portion of projects	13%	50%-
In-house portion of production	26%	50%-
Major strategies for platforms	Volume deals	More volume deals
Programming strategies	Mainly programming/distribution; a smaller portion of IP development	Equal parts programming/distribution and IP development

Source: Company data, Samsung Securities

**Chart 12. Key strategies****Tentpoles:**

7+ titles in 2025, 1+ title per quarter

**Pre-buys:**

8+ titles in 2025 (+ strong partnership)

Source: Company data, Samsung Securities

**Table 4. Changes to full-year forecasts**

(KRWb)	2024E			2025E		
	Previous	Revised	Chg (%)	Previous	Revised	Chg (%)
Sales	537.2	522.1	-2.8	670.3	671.9	0.3
Operating profit	39.0	37.0	-5.2	59.1	59.8	1.1
OPM (% , %pts)	7.3	7.1	-0.2	8.8	8.9	0.1
Pre-tax profit	39.5	38.2	-3.4	57.6	59.4	3.2
NP (controlling)	27.1	25.0	-7.5	44.4	46.7	5.0

Source: Company data, Samsung Securities

## Income statement

Year-end Dec 31 (KRWb)	2022	2023	2024E	2025E	2026E
<b>Sales</b>	<b>698</b>	<b>753</b>	<b>522</b>	<b>672</b>	<b>838</b>
Cost of goods sold	598	665	456	581	728
<b>Gross profit</b>	<b>100</b>	<b>88</b>	<b>67</b>	<b>91</b>	<b>110</b>
Gross margin (%)	14.3	11.7	12.8	13.5	13.1
SG&A expenses	35	32	30	31	33
<b>Operating profit</b>	<b>65</b>	<b>56</b>	<b>37</b>	<b>60</b>	<b>77</b>
Operating margin (%)	9.3	7.4	7.1	8.9	9.2
<b>Non-operating gains (losses)</b>	<b>-7</b>	<b>-19</b>	<b>1</b>	<b>-0</b>	<b>-2</b>
Financial profit	21	15	17	15	16
Financial costs	19	18	11	10	12
Equity-method gains (losses)	0	0	0	0	0
Other	-9	-16	-5	-5	-6
<b>Pre-tax profit</b>	<b>59</b>	<b>37</b>	<b>38</b>	<b>59</b>	<b>75</b>
Taxes	8	7	13	13	16
Effective tax rate (%)	13.7	19.2	34.4	21.4	21.4
Profit from continuing operations	51	30	25	47	59
Profit from discontinued operations	0	0	0	0	0
<b>Net profit</b>	<b>51</b>	<b>30</b>	<b>25</b>	<b>47</b>	<b>59</b>
Net margin (%)	7.2	4.0	4.8	6.9	7.0
Net profit (controlling interests)	51	30	25	47	59
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	219	242	182	230	270
EBITDA margin (%)	31.3	32.1	34.9	34.3	32.2
EPS (parent-based) (KRW)	1,684	1,001	833	1,553	1,959
EPS (consolidated) (KRW)	1,684	1,001	833	1,553	1,959
Adjusted EPS (KRW)*	1,684	1,001	833	1,553	1,959

## Balance sheet

Year-end Dec 31 (KRWb)	2022	2023	2024E	2025E	2026E
<b>Current assets</b>	<b>400</b>	<b>405</b>	<b>425</b>	<b>435</b>	<b>485</b>
Cash & equivalents	124	158	251	255	280
Accounts receivable	142	149	108	112	127
Inventories	0	0	0	0	0
Other current assets	135	97	66	69	78
<b>Fixed assets</b>	<b>691</b>	<b>688</b>	<b>598</b>	<b>648</b>	<b>693</b>
Investment assets	150	175	172	178	183
Tangible assets	11	12	10	9	7
Intangible assets	378	359	281	314	361
Other long-term assets	152	141	135	147	141
<b>Total assets</b>	<b>1,091</b>	<b>1,092</b>	<b>1,023</b>	<b>1,083</b>	<b>1,179</b>
<b>Current liabilities</b>	<b>416</b>	<b>368</b>	<b>302</b>	<b>314</b>	<b>349</b>
Accounts payable	16	11	11	13	17
Short-term debt	170	170	170	170	170
Other current liabilities	230	187	121	130	163
<b>Long-term liabilities</b>	<b>14</b>	<b>16</b>	<b>14</b>	<b>15</b>	<b>17</b>
Bonds & long-term debt	0	0	0	0	0
Other long-term liabilities	14	16	14	15	17
<b>Total liabilities</b>	<b>430</b>	<b>384</b>	<b>316</b>	<b>329</b>	<b>366</b>
<b>Owners of parent equity</b>	<b>661</b>	<b>708</b>	<b>707</b>	<b>754</b>	<b>812</b>
Capital stock	15	15	15	15	15
Capital surplus	473	473	473	473	473
Retained earnings	213	242	267	314	373
Other	-40	-23	-49	-49	-49
<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>661</b>	<b>708</b>	<b>707</b>	<b>754</b>	<b>812</b>
Net debt	59	23	-71	-75	-100

## Cash flow statement

Year-end Dec 31 (KRWb)	2022	2023	2024E	2025E	2026E
<b>Cash flow from operations</b>	<b>-63</b>	<b>45</b>	<b>174</b>	<b>223</b>	<b>263</b>
Net profit	51	30	25	47	59
Non-cash profit and expenses	176	216	159	183	208
Depreciation	3	3	2	2	1
Amortization	150	183	143	169	192
Other	23	30	14	12	15
Changes in A/L from operating activities	-280	-179	3	7	12
<b>Cash flow from investments</b>	<b>-43</b>	<b>-1</b>	<b>-48</b>	<b>-206</b>	<b>-224</b>
Change in tangible assets	-4	-3	0	0	0
Change in financial assets	0	-4	3	-1	0
Other	-39	6	-51	-205	-224
<b>Cash flow from financing</b>	<b>165</b>	<b>-9</b>	<b>-11</b>	<b>-9</b>	<b>-9</b>
Change in debt	172	-1	-2	0	0
Change in equity	3	0	0	0	0
Dividends	0	0	0	0	0
Other	-9	-8	-9	-9	-9
Change in cash	59	35	93	4	25
Cash at beginning of year	65	124	158	251	255
Cash at end of year	124	158	251	255	280
<b>Gross cash flow</b>	<b>226</b>	<b>246</b>	<b>184</b>	<b>229</b>	<b>267</b>
<b>Free cash flow</b>	<b>-67</b>	<b>42</b>	<b>174</b>	<b>223</b>	<b>263</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

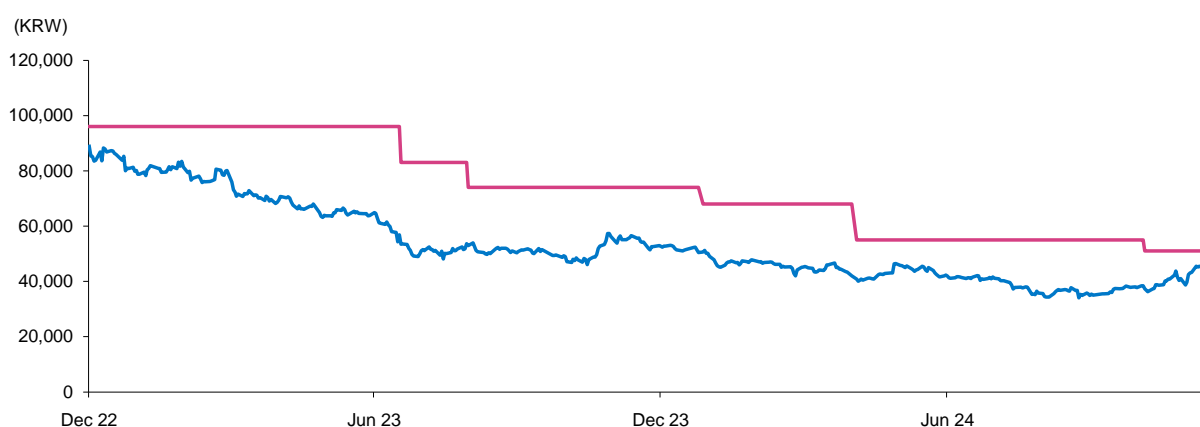
## Financial ratios

Year-end Dec 31	2022	2023	2024E	2025E	2026E
<b>Growth (%)</b>					
Sales	43.3	7.9	-30.7	28.7	24.7
Operating profit	24.0	-14.3	-33.8	61.7	28.3
Net profit	29.5	-40.5	-16.8	86.4	26.2
Adjusted EPS**	29.4	-40.6	-16.8	86.4	26.2
<b>Per-share data (KRW)</b>					
EPS (parent-based)	1,684	1,001	833	1,553	1,959
EPS (consolidated)	1,684	1,001	833	1,553	1,959
Adjusted EPS**	1,684	1,001	833	1,553	1,959
BVPS	21,982	23,546	23,516	25,069	27,028
DPS (common)	0	0	0	0	0
<b>Valuations (x)</b>					
P/E***	51.1	51.5	56.6	30.4	24.1
P/B***	3.9	2.2	2.0	1.9	1.7
EV/EBITDA	12.1	6.5	7.4	5.8	4.9
<b>Ratios (%)</b>					
ROE	7.5	4.4	3.5	6.4	7.5
ROA	5.1	2.8	2.4	4.4	5.2
ROIC	12.1	8.5	5.0	10.2	12.3
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	8.9	3.3	-10.1	-10.0	-12.4
Interest coverage (x)	13.2	6.4	4.3	6.9	8.9



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

Date	2022/10/6	2023/6/29	8/11	2024/1/8	4/15	10/16	11/28
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	96000	83000	74000	68000	55000	51000	61000
Gap* (average)	-24.88	-38.39	-30.14	-32.59	-27.80	-18.23	
(max or min)**	-7.40	-35.30	-22.57	-24.71	-15.55	-3.14	

Note: \*  $\frac{[(\text{average, maximum, or minimum share price over duration of target price} - \text{target price}) / \text{target price}] \times 100\%}{}$

\*\* 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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**Industry**

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<b>UNDERWEIGHT</b>	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 2024.09.30**

BUY(81.3%)·HOLD(18.7%)·SELL(0%)



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