

## Tech Team

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## ▶ AT A GLANCE

<b>Recommend</b>	<b>BUY</b>	
<b>Target price</b>	<b>KRW61,000</b>	<b>44%</b>
<b>Current price</b>	<b>KRW42,350</b>	
Market cap	KRW1.3t/USD0.9b	
Shares (float)	30,058,498 (45.2%)	
52-week high/low	KRW52,400/KRW34,100	
Avg daily trading value (60-day)	KRW4.9b/USD3.3m	

## ▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
<b>Studio Dragon (%)</b>	<b>-12.7</b>	<b>5.0</b>	<b>-19.2</b>
Vs Kosdaq (%pts)	-14.5	24.3	-0.2

## ▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	61,000	61,000	0.0%
2024E EPS	742	833	-10.9%
2025E EPS	1,531	1,553	-1.4%

## ▶ SAMSUNG vs THE STREET

No of estimates	15
Target price	56,133
Recommendation	4.0
BUY★★★: 5 / BUY: 4 / HOLD: 3 / SELL: 2 / SELL★★★: 1	

# Studio Dragon (253450)

## Starting point of structural change

- We believe Studio Dragon's 4Q results will show operating profit missing consensus due to the recognition of costs for dramas that were in planning or development but not fixed in the programming lineups for a long time. On a q-q basis, the firm's results likely improved in 4Q thanks to a decline in amortization costs.
- Earnings should rise y-y in 2025 as the firm produce more dramas and cuts costs.
- Changes that warrant investors' attention are Studio Dragon's profit-sharing system with entertainment companies and improving efficiency in production processes.

## WHAT'S THE STORY?

**4Q preview:** We now expect Studio Dragon to report 4Q results that show sales down 36.7% y-y to KRW101.9b, and an operating profit of KRW3.7b, turning positive y-y (from a 4Q23 operating loss of KRW3.8b) but missing consensus of KRW5.7b due to the recognition of costs for dramas that were in planning or development but not fixed in programming lineups for a long time. Without one-offs, the quarterly results would likely meet market expectations. Only 42 episodes of its dramas were broadcast in 4Q (26 episodes on TV channels and 16 on OTT platforms), far below the 71 episodes broadcast in 4Q23 and 59 in 3Q24. Nevertheless, operating profit likely improved y-y as: 1) three titles—*Love Next Door*, *Jeongnyeon: The Star is Born*, and *Love Your Enemy*—aired simultaneously on TV and global OTT platforms; and 2) amortization cost diminished q-q and y-y.

**Several positives in store:** Studio Dragon delivered 33 dramas in 2022 amid strong demand for K-content at home and overseas. But it delivered only 30 dramas in 2023 and a mere 18 (11 for TV and 7 for OTT platforms) in 2024. We believe the Korean drama production company will produce 5-7 more dramas y-y in 2025. This, combined with production process efficiency improvements, should boost its earnings momentum. We see five positives in store for Studio Dragon this year. First, captive channel tvN will probably reinstate its Wednesday/Thursday slots sometime in 2H25 with a focus on romantic comedies or melodramas. Second, Studio Dragon should provide dramas to KBS (such as *My Secret Romance*) and co-produce some dramas (such as *Dear X* and *Unknown Seoul*) with the terrestrial broadcaster. Third, a Japanese remake of *Marry My Husband*, which aired at tvN on Mondays/Tuesdays early last year, should be produced and broadcast this year. (The firm is also planning more Japanese dramas.) Fourth, Studio Dragon intends to establish a system collaborate with management firms to discover talent from the early stages of production and share earnings with those companies. Fifth, better production process efficiencies should begin to curtail cost from mid-2025.

(Continued on the next page)

## SUMMARY FINANCIAL DATA

	2023	2024E	2025E	2026E
Revenue (KRWb)	753	521	671	835
Operating profit (KRWb)	56	35	59	76
Net profit (adj) (KRWb)	30	22	46	59
EPS (adj) (KRW)	1,001	742	1,531	1,954
EPS (adj) growth (% y-y)	-40.6	-25.9	106.4	27.6
EBITDA margin (%)	32.1	34.5	34.2	32.3
ROE (%)	4.4	3.2	6.3	7.5
P/E (adj) (x)	51.5	58.0	27.7	21.7
P/B (x)	2.2	1.8	1.7	1.6
EV/EBITDA (x)	6.5	6.8	5.2	4.4
Dividend yield (%)	0.0	0.0	0.0	0.0

Source: Company data, Samsung Securities estimates

**Growth momentum to pick up:** Earnings should improve in earnest from this year, backed by an increase in the production of dramas, a distribution channel expansion, profit-sharing with entertainment firms, and greater production process efficiency. We maintain our target price of KRW61,000 (based on 7.7x forward EV/EBITDA; a 10% discount to the 3-year average).

Table 1. Quarterly results and forecasts

(KRWb)	4Q23	3Q24	4Q24E	Chg (% q-q)	Chg (% y-y)	Consensus	Diff (%)
Sales	90.3	101.9	12.9	-36.7	111.8	-8.8	-17.1
Operating profit	(0.9)	3.7	nm	nm	5.7	-33.9	-82.9
Operating margin	(1.0)	3.7	nm	nm	5.1	-1.4	-6.6
Pre-tax profit	(4.1)	0.1	nm	nm	-1.5	-103.5	-98.1
Net profit (controlling)	(6.1)	0.1	nm	nm	1.0	-92.1	-98.0

Source: Company data, FnGuide, Samsung Securities

Table 2. 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>101.9</b>	<b>697.9</b>	<b>753.1</b>	<b>521.4</b>	<b>670.8</b>
Programing	35.4	43.8	59.4	54.0	43.2	42.5	35.0	33.4	47.3	30.7	21.6	22.8	192.5	154.1	122.4	147.4
Distribution	77.7	103.9	165.8	132.8	211.1	163.5	217.4	161.1	192.1	137.1	90.3	101.9	480.2	588.9	383.1	506.1
Other	8.0	9.8	3.8	3.7	2.3	2.1	2.3	3.4	3.5	3.9	4.3	4.2	25.2	10.1	16.0	17.3
<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>11.7</b>	<b>100.0</b>	<b>87.9</b>	<b>64.4</b>	<b>89.9</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>3.7</b>	<b>65.2</b>	<b>55.9</b>	<b>34.8</b>	<b>58.7</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	-3.7	-6.6	-18.7	1.6	-0.1
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	0.1	58.6	37.2	36.3	58.6
<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>0.1</b>	<b>50.6</b>	<b>30.1</b>	<b>22.3</b>	<b>46.0</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	11.5	14.3	11.7	12.4	13.4
Operating margin	15.0	17.1	8.3	0.6	10.2	9.9	10.1	-2.4	11.2	7.6	-1.0	3.7	9.3	7.4	6.7	8.8
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	0.1	7.2	4.0	4.3	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>-36.7</b>	<b>43.3</b>	<b>7.9</b>	<b>-30.8</b>	<b>28.6</b>
Programing	-19.1	55.4	64.0	1.5	21.9	-3.1	-41.0	-38.1	9.5	-27.6	-38.4	-31.8	19.4	-20.0	-20.6	20.5
Distribution	23.0	53.8	155.2	66.4	171.6	57.3	31.2	21.3	-9.0	-16.1	-58.5	-36.7	74.3	22.6	-35.0	32.1
Other	-21.5	-5.1	-74.8	-75.3	-71.0	-78.4	-38.3	-7.8	50.7	85.4	85.8	24.9	-49.9	-59.7	57.3	8.4
<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>171.0</b>	<b>25.4</b>	<b>-12.1</b>	<b>-26.7</b>	<b>39.5</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>-37.7</b>	<b>68.7</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	-2.3	61.1
<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>-25.9</b>	<b>106.4</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	8.8	-2.0	-2.7	0.7	1.0
Operating margin	-0.3	4.1	-4.3	-3.7	-4.7	-7.2	1.8	-3.0	1.0	-2.3	-11.1	6.1	-1.4	-1.9	-0.7	2.1
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	10.4	-0.8	-3.3	0.3	2.6

Source: Company data, Samsung Securities

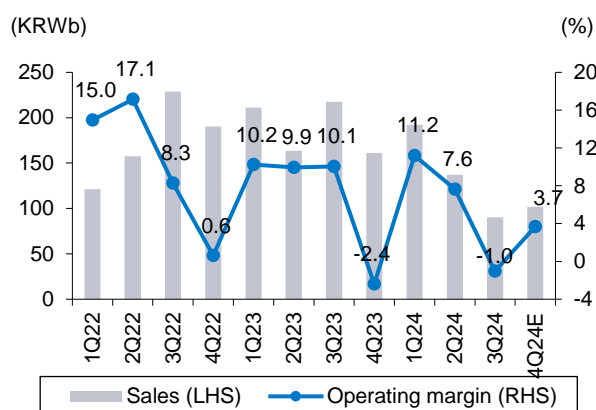
Table 3. Drama lineup (from 2024)

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

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

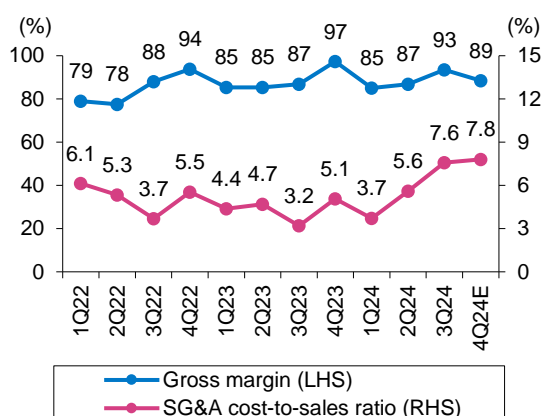
Source: Company data, Samsung Securities

Chart 1. Quarterly sales and operating margin



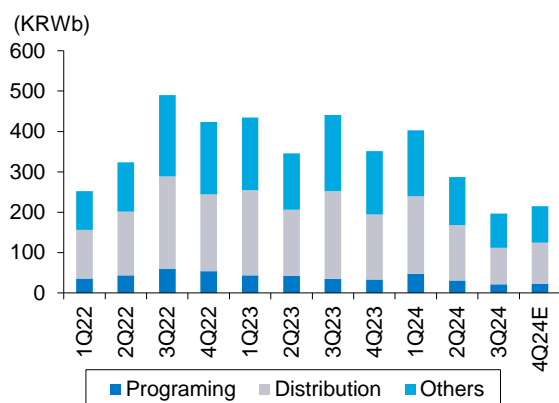
Source: Company data, Samsung Securities

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



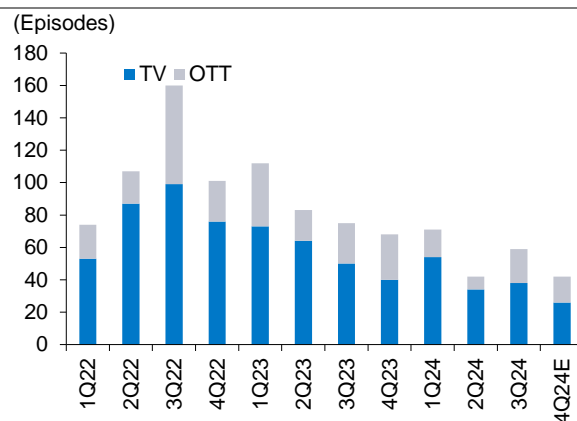
Source: Company data, Samsung Securities

Chart 3. Quarterly sales, by division



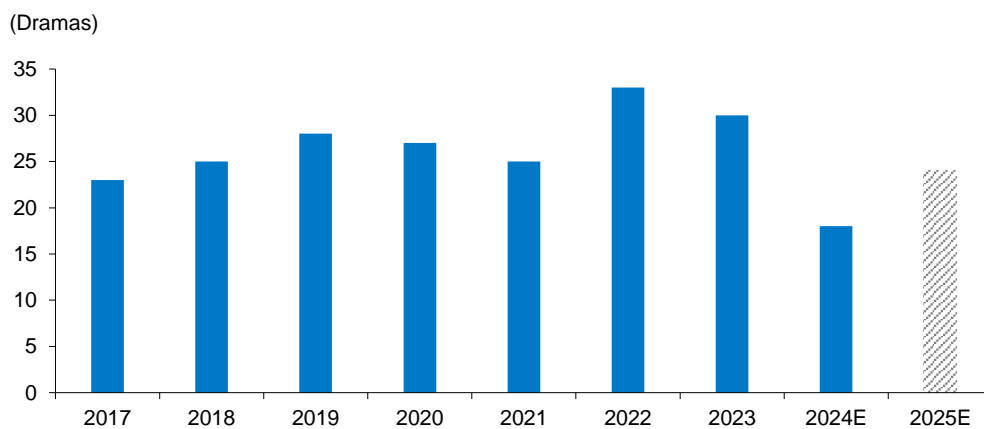
Source: Company data, Samsung Securities

Chart 4. Number of episodes supplied, by broadcaster type



Source: Company data, Samsung Securities

Chart 5. Dramas delivered per year



Source: Company data, Samsung Securities

Chart 6. Dong Jae, the Good or the Bastard (Tving; Oct 10)



Source: Company data, Samsung Securities

Chart 7. Jeong Nyeon (tvN; Oct 12)



Source: Company data, Samsung Securities

Chart 8. Love Your Enemy (tvN; Nov 23)



Source: Company data, Samsung Securities

Chart 9. The Trunk (Netflix; Nov 29)



Source: Company data, Samsung Securities

Chart 10. When the Stars Gossip (tvN; Jan 4)

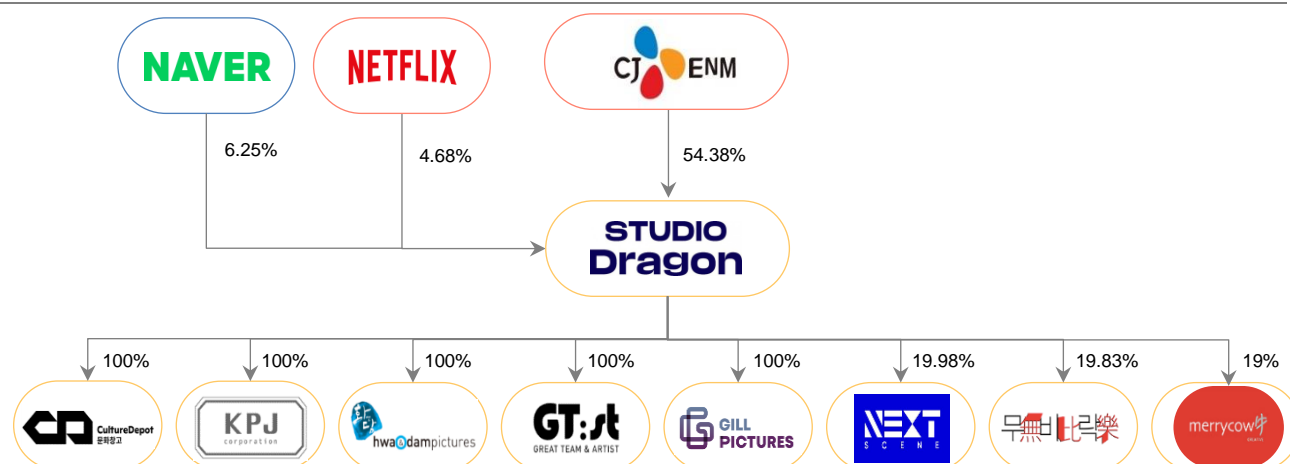
Source: Company data, Samsung Securities  
When the Stars Gossip

Chart 11. The Queen Who Crowns (tvN; Jan 6)



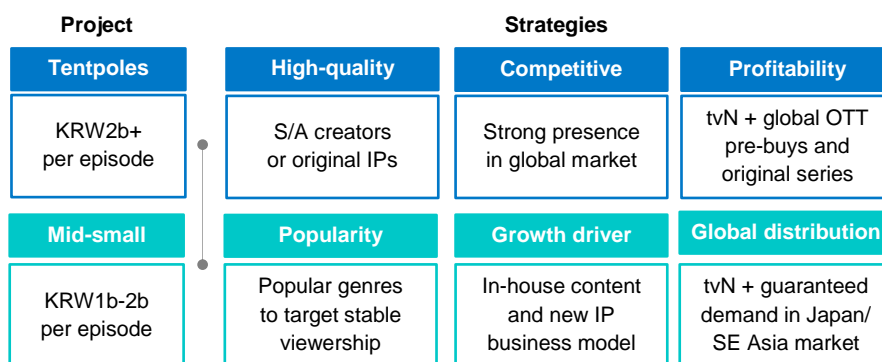
Source: Company data, Samsung Securities

Chart 12. Ownership structure



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

Chart 13. 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	522.1	521.4	-0.1	671.9	670.8	-0.2
Operating profit	37.0	34.8	-5.9	59.8	58.7	-1.8
OPM (% , %pts)	7.1	6.7	-0.4	8.9	8.8	-0.1
Pre-tax profit	38.2	36.3	-4.8	59.4	58.6	-1.4
NP (controlling)	25.0	22.3	-10.9	46.7	46.0	-1.4

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>521</b>	<b>671</b>	<b>835</b>
Cost of goods sold	598	665	457	581	725
<b>Gross profit</b>	<b>100</b>	<b>88</b>	<b>64</b>	<b>90</b>	<b>109</b>
Gross margin (%)	14.3	11.7	12.4	13.4	13.1
SG&A expenses	35	32	30	31	33
<b>Operating profit</b>	<b>65</b>	<b>56</b>	<b>35</b>	<b>59</b>	<b>76</b>
Operating margin (%)	9.3	7.4	6.7	8.8	9.1
<b>Non-operating gains (losses)</b>	<b>-7</b>	<b>-19</b>	<b>2</b>	<b>-0</b>	<b>-1</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>36</b>	<b>59</b>	<b>75</b>
Taxes	8	7	14	13	16
Effective tax rate (%)	13.7	19.2	38.6	21.4	21.4
Profit from continuing operations	51	30	22	46	59
Profit from discontinued operations	0	0	0	0	0
<b>Net profit</b>	<b>51</b>	<b>30</b>	<b>22</b>	<b>46</b>	<b>59</b>
Net margin (%)	7.2	4.0	4.3	6.9	7.0
Net profit (controlling interests)	51	30	22	46	59
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	219	242	180	229	269
EBITDA margin (%)	31.3	32.1	34.5	34.2	32.3
EPS (parent-based) (KRW)	1,684	1,001	742	1,531	1,954
EPS (consolidated) (KRW)	1,684	1,001	742	1,531	1,954
Adjusted EPS (KRW)*	1,684	1,001	742	1,531	1,954

## 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>172</b>	<b>223</b>	<b>263</b>
Net profit	51	30	22	46	59
Non-cash profit and expenses	176	216	160	183	208
Depreciation	3	3	2	2	1
Amortization	150	183	143	169	192
Other	23	30	15	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	90	3	25
Cash at beginning of year	65	124	158	249	252
Cash at end of year	124	158	249	252	277
<b>Gross cash flow</b>	<b>226</b>	<b>246</b>	<b>183</b>	<b>229</b>	<b>267</b>
<b>Free cash flow</b>	<b>-67</b>	<b>42</b>	<b>172</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

## Balance sheet

Year-end Dec 31 (KRWb)	2022	2023	2024E	2025E	2026E
<b>Current assets</b>	<b>400</b>	<b>405</b>	<b>422</b>	<b>431</b>	<b>481</b>
Cash & equivalents	124	158	248	252	277
Accounts receivable	142	149	108	111	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>1,020</b>	<b>1,079</b>	<b>1,174</b>
<b>Current liabilities</b>	<b>416</b>	<b>368</b>	<b>302</b>	<b>313</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	162
<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>365</b>
<b>Owners of parent equity</b>	<b>661</b>	<b>708</b>	<b>704</b>	<b>750</b>	<b>809</b>
Capital stock	15	15	15	15	15
Capital surplus	473	473	473	473	473
Retained earnings	213	242	264	310	369
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>704</b>	<b>750</b>	<b>809</b>
Net debt	59	23	-69	-72	-97

## Financial ratios

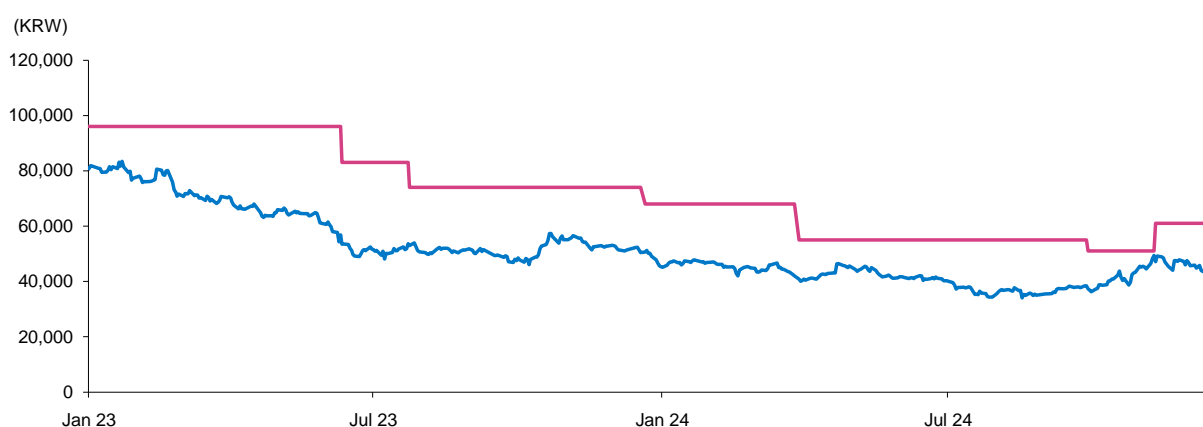
Year-end Dec 31	2022	2023	2024E	2025E	2026E
<b>Growth (%)</b>					
Sales	43.3	7.9	-30.8	28.6	24.5
Operating profit	24.0	-14.3	-37.7	68.7	29.7
Net profit	29.5	-40.5	-25.9	106.4	27.6
Adjusted EPS**	29.4	-40.6	-25.9	106.4	27.6
<b>Per-share data (KRW)</b>					
EPS (parent-based)	1,684	1,001	742	1,531	1,954
EPS (consolidated)	1,684	1,001	742	1,531	1,954
Adjusted EPS**	1,684	1,001	742	1,531	1,954
BVPS	21,982	23,546	23,425	24,956	26,910
DPS (common)	0	0	0	0	0
<b>Valuations (x)</b>					
P/E***	51.1	51.5	58.0	27.7	21.7
P/B***	3.9	2.2	1.8	1.7	1.6
EV/EBITDA	12.1	6.5	6.8	5.2	4.4
<b>Ratios (%)</b>					
ROE	7.5	4.4	3.2	6.3	7.5
ROA	5.1	2.8	2.1	4.4	5.2
ROIC	12.1	8.5	4.4	10.0	12.2
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	-9.8	-9.6	-12.0
Interest coverage (x)	13.2	6.4	4.0	6.8	8.8



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

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BUY(80.4%)·HOLD(19.6%)·SELL(0%)



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