COMPANY UPDATE

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Tech Team

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Soop (067160)

Undervalued given ad business's growth potential

- Soop's 3Q operating profit grew 30% y-y, despite slowing platform sales, thanks to robust growth in ad sales.
- We expect the firm's ad business unit (being strengthened by a recent M&A) to enjoy robust sales growth and operating leverage (despite lower profitability) on the back of economies of scale.
- Reflecting slower platform sales growth, we cut our target price for the stock by 9.1% to KRW100,000. Still, we keep the stock at BUY given its solid earnings growth and attractive valuation (around 7x P/E).

▶ AT A GLANCE

BUY

Target price	KRW100,000	37.6%
Current price	KRW72,700	
Market cap	KRW835.67b/USD586.68m	
Shares (float)	11,494,767 (66.8%)	
52-week high/low	KRW127,900/KRW70,600	
Avg daily trading value (60-day)	KRW3.7b/ USD2.6m	

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
Soop (%)	-3.1	-11.4	-24.3
Vs Kosdaq (%pts)	-9.4	-29.5	-37.5

▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	100,000	110,000	-9.1%
2025E EPS	8,907	9,183	-3.0%
2026E EPS	10,020	9,643	3.9%

▶ SAMSUNG vs THE STREET

No of estimates	3
Target price	104,333
Recommendation	3.3

※ Rating: 4 < → BUY, 3 = HOLD, 2 > → SELL

WHAT'S THE STORY?

3Q review: Soop's 3Q sales grew 20.7% y-y, although its platform sales growth softened to 1.7% y-y, as advertising sales grew 86% y-y on 114% y-y growth in game leagues-related brand/content ad sales, in addition to benefit from the consolidation of PlayD (adding about KRW10b to its quarterly sales). Thanks to rising sales, the firm's operating profit grew 30% y-y to KRW31.2b, despite KRW4.8b in one-off bonus payment relating to its CEO replacement. Adjusting for this one-off bonus payment and 3Q24's loss write-offs, we estimate the firm's operating profit would have grown 18.7% y-y in 3Q25.

Ad business unit to enjoy M&A-related synergies: The acquisition of PlayD should create synergies with Soop's existing ad subsidiaries (such as FreeBR and CTTD). By strengthening its competence in the advertising business, Soop has been enjoying robust growth in content ad sales. We expect the firm's 4Q ad sales growth to accelerate further q-q on rising ads relating to G-Star. Content ads offer lower profitability than platform sales, but should generate operating leverage on economies of scale.

(Continued on the next page)

SUMMARY 3Q RESULTS

(KRWb)	3Q25	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	127.4	15.8	9.0	4.7	5.7
Operating profit	31.2	30.7	4.0	-7.5	1.3
Pre-tax profit	32.7	11.7	8.2	-10.1	-4.1
Net profit	25.5	6.2	13.3	-10.1	-2.7
Margins (%)					
Operating profit	24.5				
Pre-tax profit	25.7				
Net profit	20.0				

Source: Company data, Fnguide, Samsung Securities estimates

VALUATION SUMMARY

	2024	2025E	2026E
Valuation (x)			
P/E	10.9	7.9	7.0
P/B	2.6	1.6	1.3
EV/EBITDA	5.6	3.2	2.1
Div yield (%)	1.7	2.4	2.4
EPS growth (% y-y)	28.7	6.9	12.5
ROE (%)	30.2	23.9	22.3
Per-share data (KRW)			
EPS	8,332	8,907	10,020
BVPS	35,552	43,596	52,610
DPS	1,500	1,725	1,725

Platform sales rebound slowing: As 'Excel' broadcasts lost steam, the firm's platform sales growth has been stalling. We believe the firm needs to explore new content since the firm has seen both traffic and ARPU growth slow at home and abroad. The firm plans to bolster platform sales via expansion of game broadcasts and diversification of content.

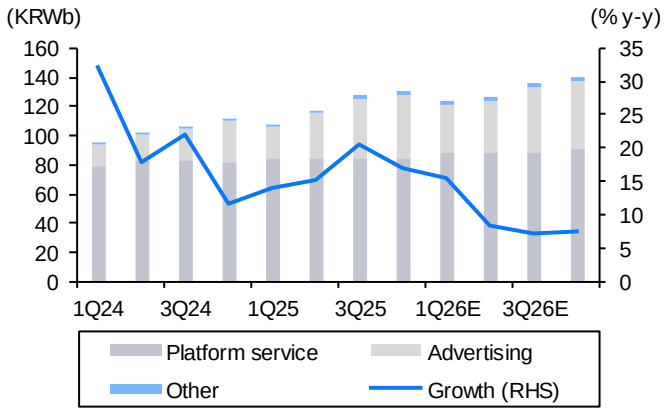
Valuation cheap for ad growth potential: Reflecting slower platform sales growth, we cut our target price for the firm by 9.1% from KRW110,000 to KRW100,000 (10.3x 12-month forward P/E, a 50% discount to the average at which global streaming platform companies are trading). While shares in the firm are currently trading at a cheap 7.4x 12-month forward P/E after a recent correction, the firm has been enjoying double-digit growth in operating profit thanks to ad sales growth. We thus keep the stock at BUY.

3Q review

(KRWb)	3Q25			Diff (%)		2Q24	1Q25	Chg	
	Result	Samsung	Consensus	Samsung	Consensus			(% y-y)	(% q-q)
Sales	**127.4**	**121.6**	**120.6**	**4.8**	**5.7**	**105.6**	**116.9**	**20.7**	**9.0**
Platform Service	84.1	87.7		(4.1)		82.6	84.5	1.7	(0.6)
Advertising	40.5	32.3		25.2		21.7	30.8	86.4	31.5
Other	2.9	1.7		75.6		1.3	1.6	131.6	86.1
Operating expenses	**96.3**	**87.9**		**9.5**		**81.7**	**86.9**	**17.8**	**10.8**
Labor costs	33.8	31.1		8.6		22.7	30.5	48.6	10.7
Commission and service charge	18.4	18.7		(1.4)		16.4	18.5	12.3	(0.3)
Paying charges	14.5	15.1		(3.8)		13.5	14.6	7.2	(0.3)
Depreciation	5.6	5.7		(1.7)		5.3	5.5	4.5	2.0
Other	24.0	17.4		38.1		23.8	17.9	1.0	34.1
Operating profit	**31.2**	**33.7**	**30.8**	**(7.6)**	**1.3**	**23.9**	**30.0**	**30.6**	**3.9**
Pre-tax profit	32.7	36.4	34.1	(10.1)	(4.1)	29.3	30.2	11.6	8.2
Net profit	25.5	28.4	26.2	(10.1)	(2.8)	24.0	22.5	6.1	13.2
Net profit (controlling)	25.0	27.7	25.8	(9.9)	(3.1)	23.9	22.0	4.6	13.5
Margins (%)									
Operating profit	24.5	27.7	25.5			22.6	25.7		
Pre-tax profit	25.7	29.9	28.3			27.7	25.8		
Net profit	20.0	23.3	21.7			22.7	19.3		
Net profit (controlling)	19.6	22.8	21.4			22.6	18.8		

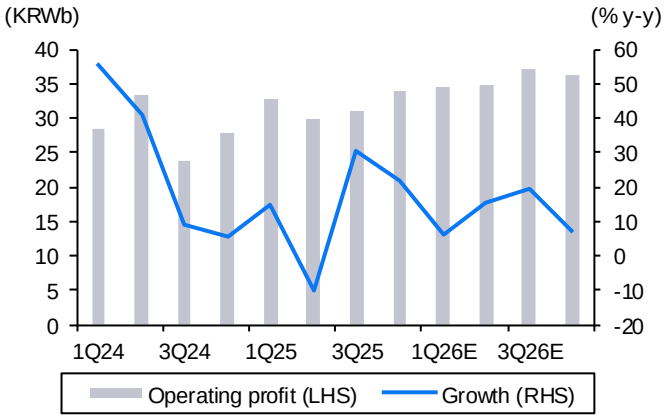
Source: Company data, FnGuide, Samsung Securities estimates

Quarterly sales and growth



Source: Company data, Samsung Securities estimates

Quarterly operating profit and growth

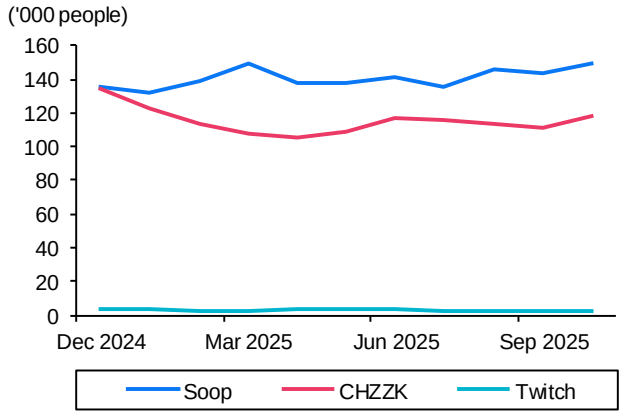


Source: Company data, Samsung Securities estimates

Valorant champions tour (VCT) league

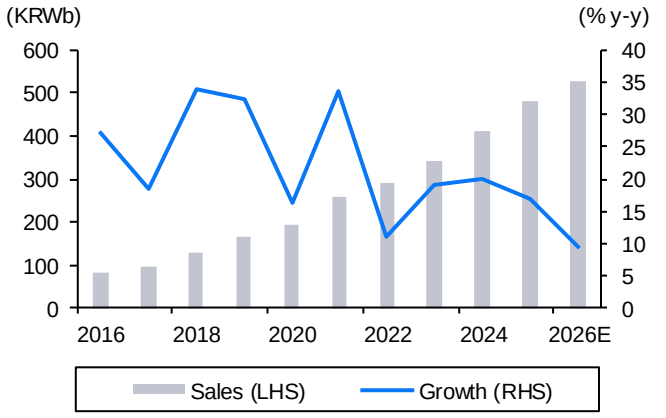
Source: Riot Games

Major Korean streaming platforms: Avg number of viewers



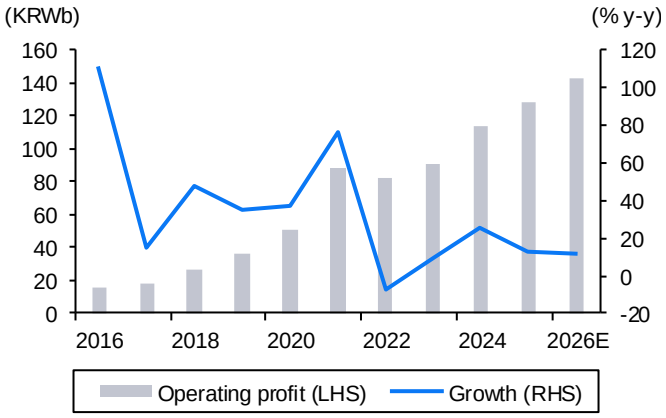
Source: Softcone, Samsung Securities

Annual sales



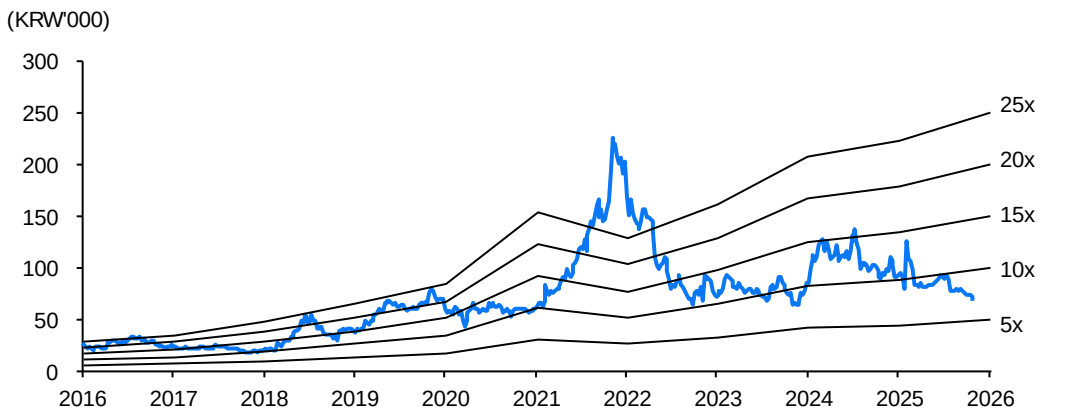
Source: Company data, Samsung Securities estimates

Annual operating profit



Source: Company data, Samsung Securities estimates

12-month forward P/E



Source: QuantiWise, Samsung Securities

Valuation

	(KRW)
12-month forward EPS	9,844
Target P/E (x) *	10.3
Fair value per share	101,384
Target price	**100,000**
Current price	72,700
Upside (%)	37.6

Note: * 50% discount to the weighted average of 2025 and 2026 P/E at which peer group is trading; Based on Oct 31 closing prices
Source: Samsung Securities estimates

Global peer P/E valuations

(x)	2025E	2026E	Average*
IQIYI	75.5	16.4	31.2
JOYY	12.1	11.2	11.4
HUYA	28.4	20.2	22.2
Disney	18.7	17.1	17.5
Average	**33.7**	**16.2**	**20.6**

Note: Based on Jul 30 closing prices; * 1:3 weighted average
Source: Bloomberg

Quarterly results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25P	4Q25E	1Q26E	2Q26E	3Q26E	4Q26E
Sales	**94.4**	**101.5**	**105.6**	**111.7**	**107.7**	**116.9**	**127.4**	**130.8**	**124.3**	**126.8**	**136.5**	**140.6**
Platform Service	78.7	82.8	82.6	82.4	84.9	84.5	84.1	84.7	89.0	87.9	88.3	90.6
Advertising	14.6	17.5	21.7	27.9	21.9	30.8	40.5	43.0	32.1	35.5	44.7	46.3
Other	1.1	1.2	1.3	1.4	0.9	1.6	2.9	3.0	3.2	3.3	3.5	3.7
Operating expenses	**65.8**	**68.2**	**81.7**	**83.9**	**74.9**	**86.9**	**96.3**	**96.9**	**89.6**	**92.0**	**99.3**	**104.3**
Labor costs	22.4	23.0	22.7	23.6	24.9	30.5	33.8	31.3	31.9	32.5	33.1	33.7
Commission and service charge	12.9	12.8	16.4	23.9	14.1	18.5	18.4	24.3	18.4	19.6	19.5	26.1
Paying charges	12.5	13.7	13.5	13.4	14.2	14.6	14.5	14.6	15.4	15.2	15.2	15.6
Depreciation	5.2	5.3	5.3	5.4	5.5	5.5	5.6	5.7	5.8	6.0	6.2	6.4
Other	12.8	13.4	23.8	17.5	16.2	17.9	24.0	20.9	18.1	18.8	25.3	22.4
Operating profit	**28.5**	**33.3**	**23.9**	**27.8**	**32.7**	**30.0**	**31.2**	**33.9**	**34.7**	**34.7**	**37.2**	**36.4**
Pre-tax profit	31.6	36.1	29.3	31.4	34.7	30.2	32.7	35.5	36.7	36.7	39.3	38.6
Net profit	24.7	27.7	24.0	26.0	27.1	22.5	25.5	27.7	28.3	28.2	30.4	29.9
Net profit (controlling)	24.6	27.5	23.9	25.2	26.7	22.0	25.0	27.2	27.7	27.6	29.8	29.3
Adjusted EPS (KRW)	2,044	2,294	1,840	2,151	2,313	2,007	2,197	2,390	2,420	2,420	2,613	2,566
Margins (%)												
Operating profit	30.2	32.8	22.6	24.9	30.4	25.7	24.5	25.9	27.9	27.4	27.2	25.9
Pre-tax profit	33.4	35.6	27.7	28.1	32.3	25.8	25.7	27.2	29.5	28.9	28.8	27.4
Net profit	26.2	27.3	22.7	23.3	25.2	19.3	20.0	21.2	22.8	22.3	22.3	21.2
Net profit (controlling)	26.1	27.1	22.6	22.6	24.8	18.8	19.6	20.8	22.3	21.8	21.8	20.8

Source: Company data, Samsung Securities estimates

Revisions to full-year forecasts

(KRWb)	2025E			2026E			2027E		
	Old	New	Diff (%)	Old	New	Diff (%)	Old	New	Diff (%)
Sales	**476.4**	**482.7**	**1.3**	**523.7**	**528.2**	**0.8**	**581.8**	**577.2**	**(0.8)**
Platform Service	346.1	338.2	(2.3)	373.3	355.8	(4.7)	414.2	383.3	(7.5)
Advertising	124.5	136.1	9.4	142.6	158.6	11.2	158.1	177.1	12.0
Other	5.9	8.4	43.6	7.8	13.7	75.6	9.5	16.8	75.6
Operating expenses	**345.2**	**354.9**	**2.8**	**387.6**	**385.2**	**(0.6)**	**430.2**	**419.8**	**(2.4)**
Labor costs	118.1	120.4	2.0	138.1	131.3	(4.9)	147.8	140.6	(4.9)
Commission and service charge	72.4	75.3	4.1	81.9	83.7	2.1	92.8	91.1	(1.8)
Paying charges	59.1	57.8	(2.2)	64.2	61.4	(4.4)	71.3	66.2	(7.2)
Depreciation	22.5	22.2	(1.3)	24.8	24.3	(1.7)	28.8	28.3	(1.7)
Other	73.1	79.1	8.1	78.6	84.5	7.5	89.5	93.7	4.6
Operating profit	**131.2**	**127.8**	**(2.5)**	**136.1**	**143.0**	**5.0**	**151.7**	**157.4**	**3.8**
Pre-tax profit	137.9	133.2	(3.4)	145.3	151.2	4.1	163.5	170.5	4.3
Net profit	106.5	102.8	(3.5)	112.2	116.8	4.1	126.4	131.8	4.3
Net profit (controlling)	104.4	100.9	(3.4)	109.7	114.4	4.3	123.5	129.1	4.5
Adjusted EPS (KRW)	9,183	8,907	(3.0)	9,643	10,020	3.9	10,823	11,120	2.7
Margins (%)									
Operating profit	27.5	26.5		26.0	27.1		26.1	27.3	
Pre-tax profit	28.9	27.6		27.7	28.6		28.1	29.5	
Net profit	22.4	21.3		21.4	22.1		21.7	22.8	
Net profit (controlling)	21.9	20.9		20.9	21.7		21.2	22.4	

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**344**	**413**	**483**	**528**	**577**
Cost of goods sold	0	0	0	0	0
Gross profit	**344**	**413**	**483**	**528**	**577**
Gross margin (%)	100.0	100.0	100.0	100.0	100.0
SG&A expenses	254	300	355	385	420
Operating profit	**90**	**114**	**128**	**143**	**157**
Operating margin (%)	26.3	27.5	26.5	27.1	27.3
Non-operating gains (losses)	**6**	**15**	**5**	**8**	**13**
Financial profit	12	11	11	13	15
Financial costs	1	1	1	1	1
Equity-method gains (losses)	-0	0	0	0	0
Other	-5	4	-5	-4	-1
Pre-tax profit	**96**	**128**	**133**	**151**	**170**
Taxes	21	26	30	34	39
Effective tax rate (%)	22.3	20.2	22.8	22.8	22.7
Profit from continuing operations	75	102	103	117	132
Profit from discontinued operations	0	0	0	0	0
Net profit	**75**	**102**	**103**	**117**	**132**
Net margin (%)	21.7	24.8	21.3	22.1	22.8
Net profit (controlling interests)	75	101	101	114	129
Net profit (non-controlling interests)	0	1	2	2	3
EBITDA	110	135	152	167	182
EBITDA margin (%)	32.1	32.6	31.4	31.7	31.5
EPS (parent-based) (KRW)	6,489	8,805	8,775	9,956	11,233
EPS (consolidated) (KRW)	6,492	8,910	8,946	10,160	11,463
Adjusted EPS (KRW)*	6,473	8,332	8,907	10,020	11,120

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**481**	**615**	**776**	**929**	**1,107**
Cash & equivalents	136	224	243	368	510
Accounts receivable	24	23	23	25	27
Inventories	1	0	1	1	1
Other current assets	320	369	510	535	569
Fixed assets	**97**	**100**	**137**	**113**	**90**
Investment assets	14	13	6	6	7
Tangible assets	36	36	38	16	-6
Intangible assets	18	16	51	49	47
Other long-term assets	30	35	42	42	42
Total assets	**578**	**716**	**913**	**1,042**	**1,196**
Current liabilities	**274**	**325**	**399**	**429**	**469**
Accounts payable	1	1	1	1	1
Short-term debt	4	2	1	1	1
Other current liabilities	269	322	398	428	468
Long-term liabilities	**11**	**8**	**13**	**14**	**14**
Bonds & long-term debt	4	0	0	0	0
Other long-term liabilities	6	8	13	14	14
Total liabilities	**285**	**333**	**412**	**442**	**484**
Owners of parent equity	**291**	**379**	**465**	**561**	**671**
Capital stock	6	6	6	6	6
Capital surplus	66	66	66	66	66
Retained earnings	288	380	463	559	670
Other	-69	-74	-70	-70	-70
Non-controlling interests' equity	**2**	**4**	**36**	**39**	**41**
Total equity	**293**	**382**	**501**	**599**	**713**
Net debt	-194	-288	-359	-494	-649

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**120**	**157**	**123**	**150**	**170**
Net profit	75	102	103	117	132
Non-cash profit and expenses	44	47	51	47	49
Depreciation	19	20	22	22	22
Amortization	1	1	2	2	2
Other	24	25	28	22	24
Changes in A/L from operating activities	12	27	-2	13	17
Cash flow from investments	**-26**	**-43**	**-85**	**-10**	**-14**
Change in tangible assets	-9	-13	-20	0	0
Change in financial assets	-16	-5	-56	-11	-14
Other	-1	-25	-9	1	1
Cash flow from financing	**-34**	**-28**	**-21**	**-18**	**-17**
Change in debt	9	-1	3	1	1
Change in equity	1	0	0	0	0
Dividends	-8	-9	-16	-18	-18
Other	-36	-18	-8	-0	-0
Change in cash	60	88	19	126	142
Cash at beginning of year	77	136	224	243	368
Cash at end of year	136	224	243	368	510
Gross cash flow	**119**	**149**	**154**	**163**	**181**
Free cash flow	**111**	**144**	**103**	**150**	**170**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	19.0	20.1	16.8	9.4	9.3
Operating profit	9.6	25.7	12.6	11.8	10.1
Net profit	25.4	37.3	0.4	13.6	12.8
Adjusted EPS**	26.0	28.7	6.9	12.5	11.0
Per-share data (KRW)					
EPS (parent-based)	6,489	8,805	8,775	9,956	11,233
EPS (consolidated)	6,492	8,910	8,946	10,160	11,463
Adjusted EPS**	6,473	8,332	8,907	10,020	11,120
BVPS	27,160	35,552	43,596	52,610	63,001
DPS (common)	850	1,500	1,725	1,725	1,725
Valuations (x)					
P/E***	13.2	10.9	8.2	7.3	6.5
P/B***	3.2	2.6	1.7	1.4	1.2
EV/EBITDA	7.2	5.6	3.4	2.3	1.3
Ratios (%)					
ROE	28.0	30.2	23.9	22.3	21.0
ROA	14.3	15.8	12.6	11.9	11.8
ROIC	-106.2	-95.6	-119.9	-158.6	-112.4
Payout ratio	12.2	15.8	18.2	16.1	14.2
Dividend yield (common)	1.0	1.7	2.4	2.4	2.4
Net debt to equity	-66.1	-75.3	-71.6	-82.4	-91.0
Interest coverage (x)	113.6	135.7	181.1	199.3	210.3

Note: *Excluding one-off items
**Fully diluted, excluding one-off items
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

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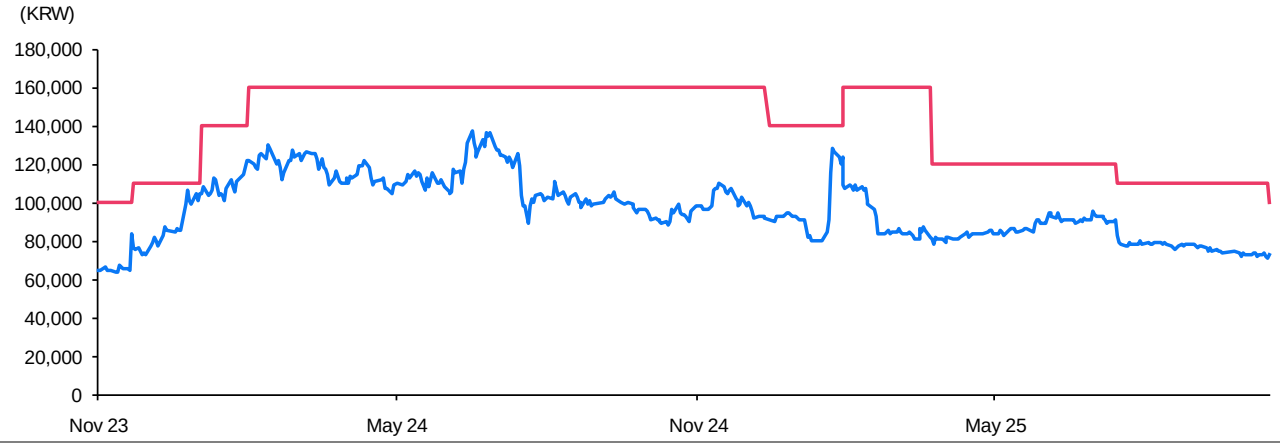
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2023/10/31	12/7	2024/1/18	2/16	12/30	2025/2/13	4/8	7/30	10/31
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	100000	110000	140000	160000	140000	160000	120000	110000	100000
Gap* (average)	-34.22	-21.19	-22.33	-31.72	-30.55	-42.81	-27.25	-30.62	
(max or min)**	-16.60	-2.91	-13.21	-14.38	-8.64	-31.88	-20.50	-26.82	

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

Samsung Securities uses the following investment ratings*

Company

BUY	Expected to increase in value by 15% or more within 12 months and is highly attractive within sector
HOLD	Expected to increase/decrease in value by less than 15% within 12 months
SELL	Expected to decrease in value by 15% or more within 12 months

Industry

OVERWEIGHT	Expected to outperform market by 5% or more within 12 months
NEUTRAL	Expected to outperform/underperform market by less than 5% within 12 months
UNDERWEIGHT	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 2025.09.30

BUY(83.5%)·HOLD(16.5%)·SELL(0%)

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