COMPANY UPDATE

2025. 12. 16

Innovation Team

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Fila Holdings (081660)

Acushnet Holdings growing, Misto business turning around

- We forecast Misto Holdings will post 2025 sales of KRW4.4t (up 2%) and an operating profit of KRW476.9b (up 32%). Its sales and operating profit should rise 2% and 13%, respectively, in 2026.
- Misto Holdings should turn around this year, backed by: 1) Acushnet Holdings' stable growth amid growth of the global golf market; and 2) rising Fila sales at home and abroad and a shrinking operating loss at Fila US.
- We initiate coverage of Misto Holdings at BUY with a KRW54,000 target price (based on a sum-of-the-parts valuation).

Misto Holdings' earnings to improve on stable cash flow at subsidiary Acushnet Holdings and earnings turnaround at the Misto business: We forecast Misto Holdings will post 2025 sales of KRW4.4t (up 2%) and an operating profit of KRW476.9b (up 32%). Its 2026 sales should rise to KRW4.5t (up 2%) and its operating profit to KRW538.1b (up 13%), sustaining the strength seen in 2025. The solid earnings growth should owe to: 1) stable earnings growth at subsidiary Acushnet Holdings (on solid growth of the golf market); and 2) an earnings turnaround at the Misto business (an additional growth driver).

Acushnet Holdings' stable growth: Acushnet Holdings should post 2025 sales and operating profit of KRW3.5t (up 5%) and KRW417.3b (up 4%), respectively, and its 2026 figures should reach KRW3.6t (up 3%) and KRW435.8b (up 4%). Our solid earnings growth outlook for the subsidiary owes to two factors: 1) regional expansion of the golf industry; and 2) its portfolio (which is centered on golf equipment—it is less sensitive to economic conditions than apparel; demand for golf equipment should keep rising even if there is a global economic slowdown).

Misto business to turn around: The Misto business should post 2025 sales of KRW856.4b (down 7% y-y) and an operating profit of KRW59.6b (moving into the black). Its 2026 sales and operating profit are set to grow 3% and 71%, respectively, as: 1) continued growth of the Fila brand at home and abroad—coupled with increasing distribution revenue from new brands—should offset any drop in US sales; and 2) shrinking operating losses at the US operation should help the Misto business turn to profit. In particular, Misto Holdings should enjoy remarkable earnings growth in 2027, with the Misto business's sales and operating profit likely to increase a respective 21% and 80%. Distribution sales in China should act as a new growth engine, with such sales likely climbing 35% in 2026 and 56% in 2027. Our bright outlook is supported by: 1) the rising popularity of K-fashion in China; and 2) the firm's diversified brand portfolio.

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW54,000	24.6%
Current price	**KRW43,350**	
Market cap	KRW2.6t/USD1.8b	
Shares (float)	60,095,839 (52.3%)	
52-week high/low	KRW45,050/KRW33,200	
Avg daily trading value (60-day)	KRW4.3b/ USD2.9m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Fila Holdings (%)	8.1	28.4	3.6
Vs Kospi (%pts)	6.0	-9.1	-36.8

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	54,000	54,000	0.0%
2025E EPS	3,892	3,892	0.0%
2026E EPS	4,286	4,286	0.0%

SAMSUNG vs THE STREET

No of estimates	9
Target price	54,778
Recommendation	4.0

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

Earnings to turn around in 2025: We initiate coverage of Misto Holdings at BUY with a KRW54,000 target price (based on 11x 2027 P/E). Our target price is derived from a sum-of-the-parts valuation, which includes the value of its equity in US subsidiary Acushnet Holdings (KRW1.7t) and the Misto business's operating value (KRW1t). Over the longer term, the stock should stage a rerating as: 1) Acushnet Holdings should maintain stable growth amid growth of the global golf market; 2) the Misto business should see its earnings improve thanks to the sound performance of Fila's domestic and overseas operations and the rapid ascent of K-fashion brands in China; and 3) Misto Holdings will likely maintain an aggressive shareholder return policy.

Company overview: Acushnet + Fila

Fila was founded in 1911 by Ettore and Giansevero Fila in Italy, and the firm initially manufactured textiles. Fila Korea (established in 1991) operated the brand under a license in 2005 and acquired the brand and all of its international subsidiaries in 2007.

Fila Korea was listed on the Kospi in 2010. It, together with Mirae Asset Global Investments and some other firms, bought 100% of Acushnet Holdings in Jul 2011 from Fortune Brands for USD1.225b (or KRW1.3t). At the time of the acquisition, Fila Korea took a 12.5% stake in Acushnet Holdings, and has since been gradually increasing its stake. In 2016, Fila Korea became Acushnet Holdings' largest shareholder with a 51% stake, after which it made Acushnet Holdings a subsidiary.

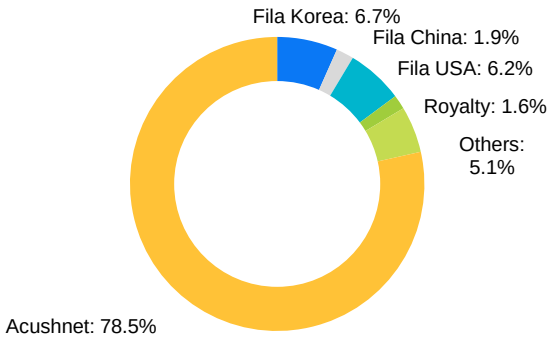
Meanwhile, Fila Holdings changed its corporate name to Misto Holdings this year to strengthen its identity as a holding company that manages a diverse range of brands (not only the Fila and Acushnet brands) and runs a licensing distribution business (distributing K-fashion brands in Taiwan, Hong Kong, and China).

Acushnet Holdings represents 79% of 2024 sales

Misto Holdings is composed of two operations:1) the Misto business (Fila and other brands); and 2) Acushnet Holdings. In 2024, Acushnet Holdings generated 79% of Misto Holdings' total sales and 111% of Misto Holdings' total operating profit (the Misto business suffered an operating loss).

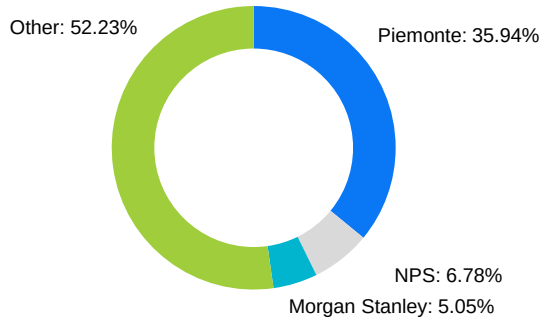
The Misto business is made of five units: 1) Fila Korea; 2) Fila China (Misto Holdings recognizes 3% of Full Prospect's [a JV with Anta Sports (China)] sales as design commission sales); 3) Fila USA; 4) the global royalty business (royalty income related to the use of the Fila brand); and 5) the licensing distribution business. In sum, Fila-related sales generate the lion's portion of Misto business's revenue.

Misto Holdings: Portion of sales, by business (2024)



Source: Company data, Samsung Securities

Misto Holdings: Ownership structure (1H25)



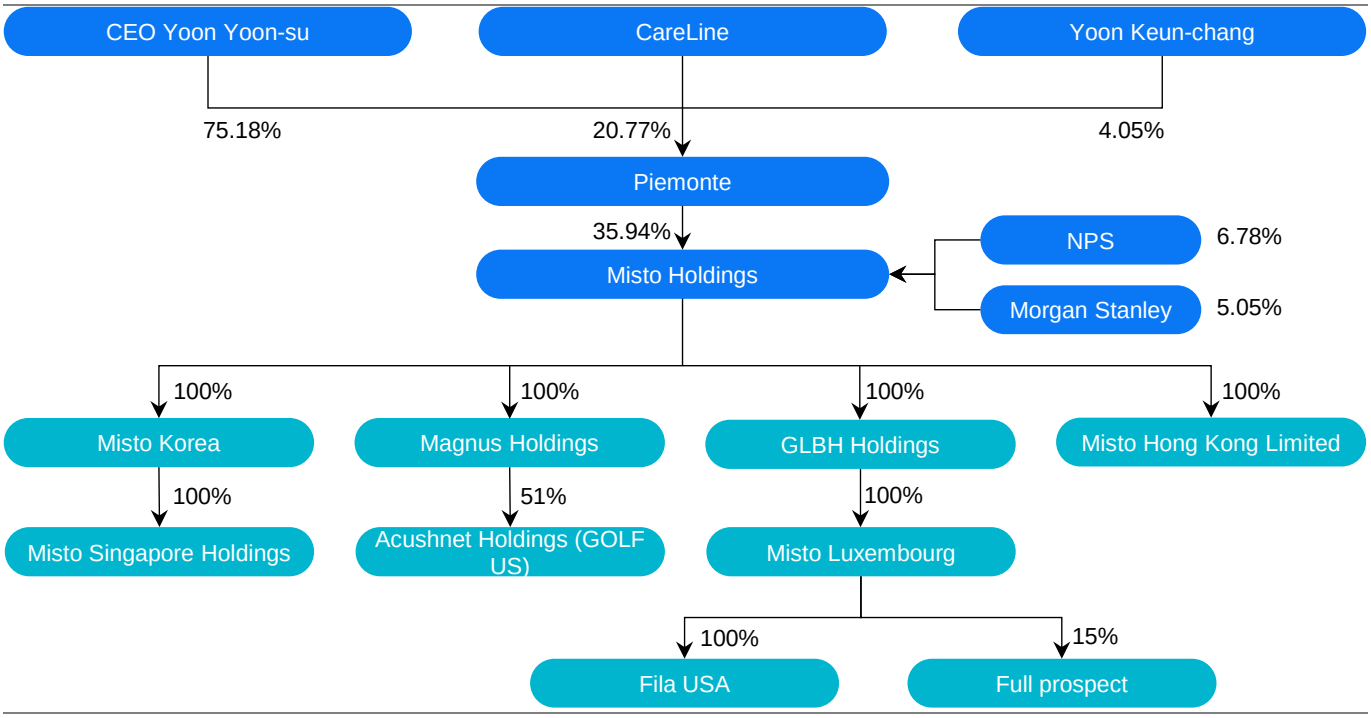
Source: Company data, Samsung Securities

Misto Holdings: History

Year	Note
1911	Launch of Fila brand
1990	Establishment of Fila USA
1991	Establishment of Fila Korea
2007	Acquisition of Fila global license
2009	Establishment of JV with Anta Sports to facilitate expansion in China
2010	Listed on Kospi
2011	Reacquired Fila's European license / acquisition of a 30% stake in Acushnet
2016	Acushnet listed on NYSE and acquired an additional 20% stake of Acushnet, making it a consolidated subsidiary.
2020	Converted into a holding company through a spin-off and changed its name from Fila Korea to Fila Holdings
2025	Later renamed as Misto Holdings

Source: Company data, News, Samsung Securities

Misto Holdings: Shareholders



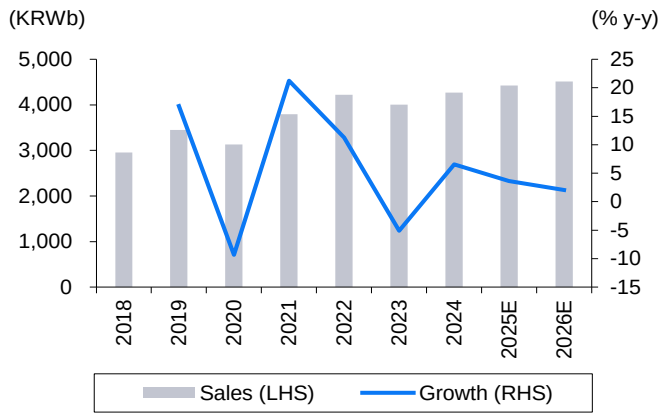
Note: As of 1H25
Source: Company data, Samsung Securities

Earnings growth to be sustained on stable cash flows at Acushnet Holdings and earnings turnaround at Misto business

Misto Holdings—to enjoy rapid operating profit growth in 2025

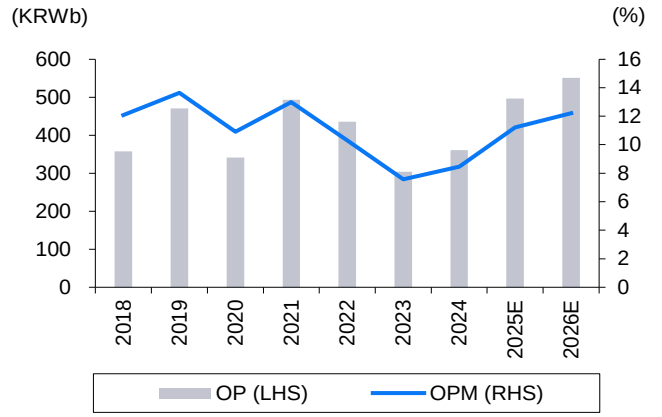
We forecast Misto Holdings will post 2025 sales of KRW4.4t (up 2%) and an operating profit of KRW476.9b (up 32%). Its sales in 2026 should rise to KRW4.5t (up 2%) and its operating profit is set to climb to KRW538.1b (up 13%), sustaining the strength seen in 2025.

Misto Holdings: Sales and growth



Source: Company data, Samsung Securities estimates

Misto Holdings: Operating profit and OPM

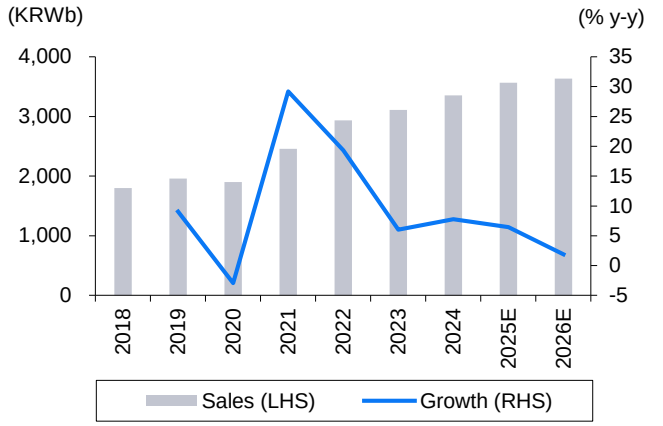


Source: Company data, Samsung Securities estimates

Acushnet Holdings—to keep posting stable growth

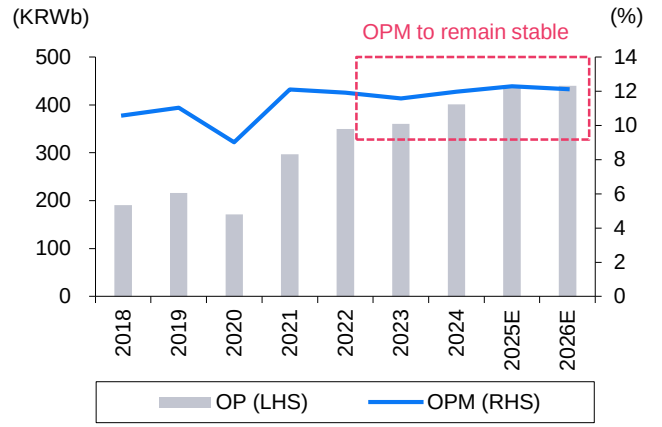
We expect Acushnet Holdings to keep posting stable earnings growth on rising demand for golf equipment. Its 2025 sales and operating profit should rise 5% and 4%, respectively, and its 2026 figures to climb 4% each. Although its sales growth should slow in 2026, its operating profit should grow again on a sustained operating margin of 12%. Thanks to its golf business (which is less sensitive to industry conditions), Acushnet Holdings should remain pivotal in keeping Misto Holdings' earnings stable.

Acushnet Holdings: Sales and growth



Source: Company data, Samsung Securities estimates

Acushnet Holdings: Operating profit and OPM



Source: Company data, Samsung Securities estimates

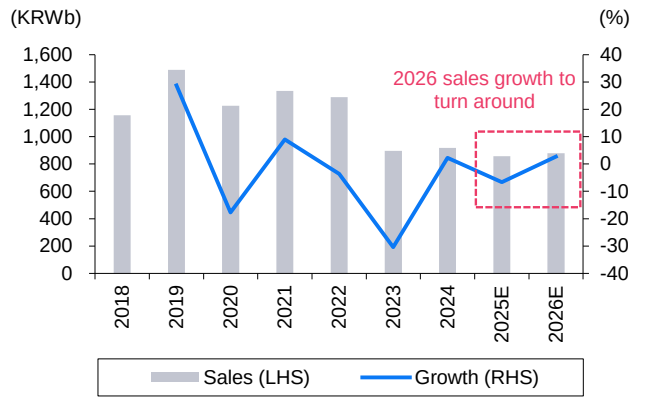
Misto business—to turn around in 2025

We expect the Misto business to turn around in 2025, fueling consolidated earnings growth at Misto Holdings. The Misto business looks set to log: 1) a sales decline of 7% in 2025 but sales growth of 3% in 2026; and 2) an operating profit in 2025 (moving into the black thanks to narrowing losses at the US operation) and a 71% hike in operating profit in 2026.

Misto Holdings should begin booking full-blown earnings growth from 2027. The Misto business, in particular, should see in 2027 its sales rise 21% and its operating profit grow 80%. We forecast the China distribution operation—which is operated by the Misto business—will see its sales rise 35% in 2026 and then 56% in 2027, making a notable earnings contribution to Misto Holdings, as: 1) Korean brands' sales in China should accelerate, with K-fashion categories taking firm root globally; and 2) Misto Holdings plans to launch more brands in China (it currently has five).

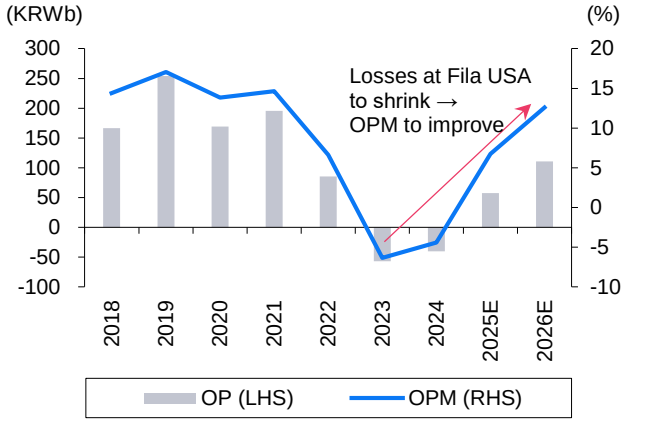
In sum, Misto Holdings' earnings growth should be driven by: 1) Acushnet Holdings' stable earnings growth; and 2) the Misto business turning around (an alpha factor).

Misto business: Sales and growth



Source: Company data, Samsung Securities estimates

Misto business: Operating profit and OPM



Source: Company data, Samsung Securities estimates

Misto Holdings: Earnings forecasts

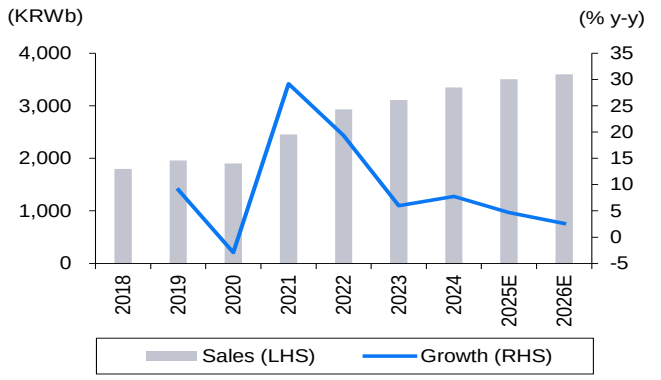
(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25E	4Q25E	2024	2025E	2026E	2027E
Sales	1,183	1,175	1,049	861	1,237	1,228	1,060	839	4,269	4,364	4,478	4,771
Misto	243	238	205	232	216	216	192	214	917	856	880	1,064
Fila Korea	68	75	66	75	72	76	67	79	284	295	309	325
Fila China	18	20	15	30	22	22	17	32	83	94	105	117
Fila USA	86	76	53	51	39	30	11	5	266	85	4	4
Fila royalty	17	17	18	15	17	17	18	16	67	68	71	74
Licensing distribution	-	-	-	-	32	44	53	63	-	193	261	408
Acushnet Holdings	940	938	844	630	1,022	1,011	864	611	3,351	3,508	3,599	3,707
Operating profit	163	140	93	(36)	163	182	108	25	361	477	538	641
Misto	6	(3)	(16)	(27)	2	34	(0)	24	(40)	60	103	185
Acushnet Holdings	157	143	109	(9)	160	148	108	1	401	417	436	456
(% to sales)												
Operating profit	13.8	11.9	8.9	(4.2)	13.1	14.8	10.1	3.0	8.5	10.9	12.0	13.4
Misto	2.5	(1.1)	(7.8)	(11.8)	1.1	15.8	(0.2)	10.3	(4.4)	7.0	11.6	17.4
Acushnet Holdings	16.7	15.2	13.0	(1.4)	15.7	14.6	12.5	0.2	12.0	11.9	12.1	12.3
(% y-y)												
Sales	6.7	2.5	6.0	13.2	4.6	3.7	1.0	(2.6)	6.5	2.2	2.6	6.4
Misto	4.1	(1.4)	(2.8)	9.5	(11.1)	(8.9)	(6.7)	(7.8)	2.2	(6.6)	2.7	20.9
Fila Korea	(14.9)	(2.5)	4.9	(0.8)	6.4	0.7	2.0	6.0	(3.9)	3.7	5.0	5.0
Fila China	5.5	14.3	6.2	27.0	24.1	12.0	15.9	7.5	14.8	13.7	11.7	10.7
Fila USA	11.9	(16.6)	(18.8)	(6.6)	(54.3)	(60.4)	(80.0)	(90.0)	(7.6)	(68.0)	(95.3)	0.0
Fila royalty	(11.2)	(12.6)	(5.2)	(25.7)	1.2	(4.4)	3.0	3.0	(13.9)	0.6	5.0	5.0
Acushnet Holdings	7.4	3.5	8.4	14.7	8.7	7.9	2.3	(3.0)	7.8	4.7	2.6	3.0
Operating profit	1.8	52.4	0.9	nm	(0.4)	29.8	13.7	nm	18.9	32.2	12.8	19.0
Misto	45.8	nm	nm	nm	(62.0)	nm	nm	nm	nm	nm	71.7	79.2
Acushnet Holdings	0.6	3.1	13.0	nm	2.0	3.4	(1.4)	nm	11.3	4.1	4.4	4.7

Source: Company data, Samsung Securities estimates

Acushnet Holdings: Earnings keep rising

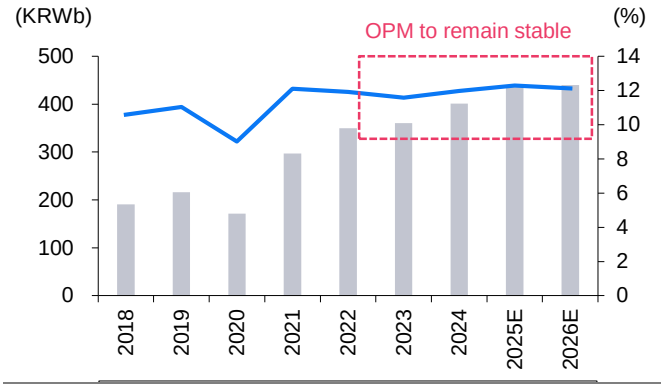
Acushnet Holdings' stable earnings growth should become a key driver of Misto Holdings' earnings growth. Acushnet Holdings looks set to post 2025 sales and operating profit of KRW3.5t (up 5%) and KRW417.3b (up 4%), respectively, and 2026 sales of KRW3.6t (up 3%) and an operating profit of KRW435.8b (up 4%). Our rosy earnings growth outlook for Acushnet Holdings stems from: 1) the growing global popularity of the golf industry; and 2) the company's business portfolio as it centers on golf equipment (which is less sensitive to economic conditions than apparel; demand for golf equipment should keep rising even if a global economic slowdown emerges).

Acushnet Holdings: Sales and growth



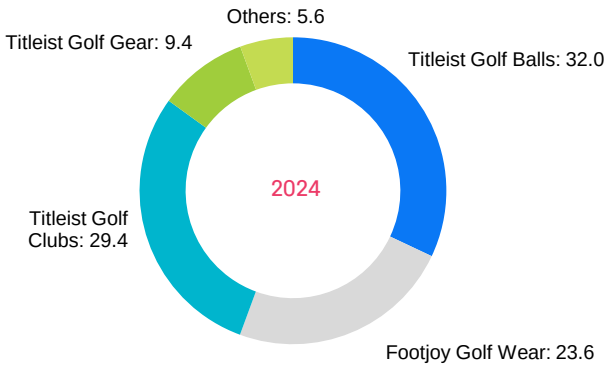
Source: Company data, Samsung Securities estimates

Acushnet Holdings: Operating profit and OPM



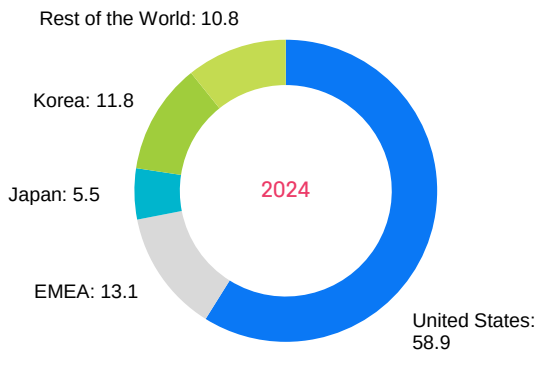
Source: Company data, Samsung Securities estimates

Acushnet Holdings: Sales portion, by product



Source: Company data, Samsung Securities

Acushnet Holdings: Sales portion, by region



Source: Company data, Samsung Securities

Acushnet Holdings: Earnings

(USDm)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	2024	2025E	2026E	2027E
Sales	708	684	621	445	703	721	658	454	2,457	2,511	2,586	2,664
Chg (% y-y)	3.1	(0.8)	4.6	7.8	(0.6)	5.4	6.0	2.0	3.2	2.2	3.0	3.0
By Segment												
Titleist Golf Balls	208	248	191	141	213	262	202					
Footjoy Golf Wear	192	157	133	97	178	153	137					
Titleist Golf Clubs	204	178	214	126	208	192	225					
Titleist Golf Gear	68	69	52	38	71	77	61					
Others	35	33	31	43	33	37	33					
Chg (% y-y)												
Titleist Golf Balls	8.3	4.2	(1.0)	0.7	2.5	5.9	6.2					
Footjoy Golf Wear	(6.3)	(0.6)	(2.6)	1.2	(7.3)	(2.9)	2.6					
Titleist Golf Clubs	12.8	(5.6)	18.2	15.8	1.9	7.9	5.3					
Titleist Golf Gear	1.8	(1.4)	8.2	19.9	4.1	11.3	18.6					
Others	(14.9)	(8.1)	(11.5)	17.7	(6.2)	13.3	4.5					
Sales portion (%)												
Titleist Golf Balls	29.4	36.2	30.7	31.6	30.3	36.4	30.8					
Footjoy Golf Wear	27.2	23.0	21.5	21.9	25.4	21.2	20.7					
Titleist Golf Clubs	28.8	26.0	34.5	28.3	29.5	26.6	34.2					
Titleist Golf Gear	9.6	10.1	8.3	8.5	10.1	10.6	9.3					
Others	5.0	4.8	5.0	9.7	4.7	5.2	5.0					
Sales, by region												
United States	418	409	374	246	424	435	397					
EMEA	102	87	76	57	104	99	91					
Japan	37	30	42	25	35	30	37					
Korea	75	84	67	65	66	80	68					
Rest of the World	75	75	62	52	74	77	65					
Chg (% y-y)												
United States	13.1	1.8	6.2	8.7	1.4	6.4	6.1					
EMEA	(3.0)	0.7	(0.1)	18.3	2.2	14.3	20.7					
Japan	(19.8)	(9.1)	6.9	(18.9)	(5.4)	(0.0)	(11.5)					
Korea	(15.4)	(3.2)	2.1	7.1	(12.1)	(4.8)	0.9					
Rest of the World	(1.3)	(8.9)	2.3	11.6	(1.7)	2.7	4.8					
Sales portion (%)												
United States	59.1	59.7	60.3	55.2	60.3	60.3	60.3					
EMEA	14.4	12.7	12.2	12.8	14.8	13.8	13.8					
Japan	5.3	4.4	6.7	5.7	5.0	4.1	5.6					
Korea	10.6	12.3	10.8	14.6	9.4	11.1	10.3					
Rest of the World	10.6	11.0	10.0	11.7	10.5	10.7	9.9					
Gross profit	378	334	304	101	337	354	319	103	1,188	1,138	1,172	1,249
Chg (% y-y)	3.4	(9.5)	(1.4)	(52.0)	(10.8)	(4.7)	4.9	2.0	(5.2)	(4.2)	3.0	3.0
GPM (%)	53.4	48.8	49.0	22.6	47.9	49.2	48.5	22.6	48.3	45.3	45.3	46.9
Operating profit	121	106	82	(5)	115	110	93	(5)	304	304	313	328
Chg (% y-y)	(2.8)	(0.4)	4.4	nm	(5.6)	3.7	13.3	nm	6.6	0.1	2.9	4.7
OPM (%)	17.2	15.5	13.2	(1.2)	16.3	15.3	14.1	(1.0)	12.4	12.1	12.1	12.3
Net profit	85	70	55	(8)	99	76	48	(5)	202	227	232	239
Chg (% y-y)	(7.6)	(5.6)	(3.1)	nm	17.1	7.7	(13.1)	nm	2.5	12.5	2.0	3.0
NPM (%)	12.0	10.3	8.9	(1.8)	14.1	10.5	7.3	(1.0)	8.2	9.0	9.0	9.1

Source: Company data, Samsung Securities estimates

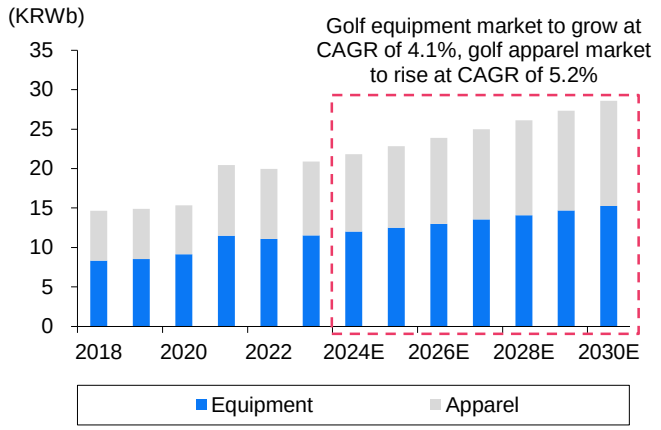
Golf industry—to keep growing on regional expansion

The global golf industry should keep growing at a CAGR of 3-5%. As of 2024: 1) the golf equipment & apparel market was worth USD21.8b (growing at a CAGR of 8% since 2020); and 2) about 67.73m people enjoyed the sport/rounds of gold were played (9- or 18-hole basis; CAGR of 4%).

Countries other than the US, Korea, and Japan (golf demand is particularly strong in these three countries) should prove key to sustaining the golf industry's stable growth. Although the golf market in the US is still growing rapidly, growth in Korea and Japan has slowed, causing concerns over Acushnet Holdings' earnings. We, however, note that: 1) the number of people playing golf in places other than in the three key countries (*eg*, those in Oceania and Africa) is rapidly growing; and 2) countries in the Middle East (*eg*, Saudi Arabia, the UAE, Qatar) are striving to expand their golfing infrastructure and beef up their presence in the international golf market (a new growth engine for the golf industry).

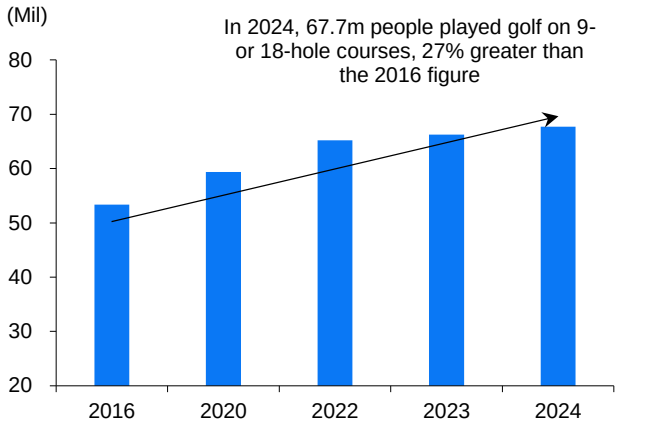
Indeed: 1) the government of Saudi Arabia is fostering its golf industry—under 'Saudi Vision 2030'—by creating premium golf courses and hosting global tournaments; 2) the UAE is nurturing golf tourism by striving to attract more high-income tourists who play golf; and 3) Qatar is seeking to expand its golf industry by hosting global golf tournaments and fostering youths under 'Qatar National Vision 2030'.

Global golf market size



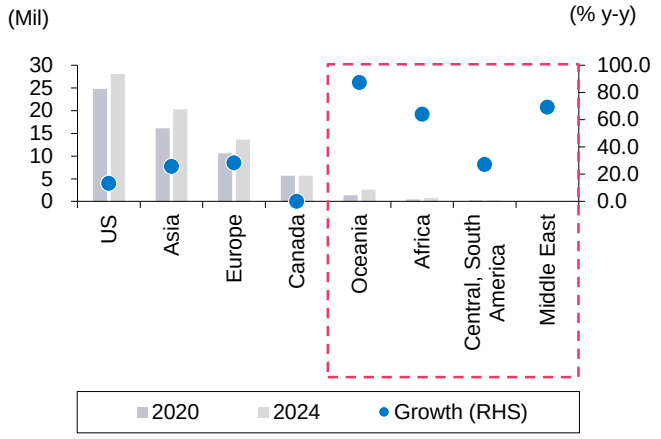
Source: US Golf Datatech, Japan Yano research, Samsung Securities estimates

Number of people playing 9- and 18-hole courses



Source: R&A, NGF, Samsung Securities

Number of 9- and 18-hole golfers by region: 2020 vs 2024



Source: R&A, NGF, Samsung Securities

Golf industry in the Middle East

Country	Major plan	Outline
Saudi Arabia	Golf course expansion	• PIF plans to triple the number of golf courses in the country over the next few years • The initiative goes beyond promoting sports culture domestically, aiming to position Saudi Arabia as a premium destination for golf tourism
	Development of Qiddiya city	• Aims to transform itself into a leading golf destination
UAE	Growth at Al Zorah golf club	• UAE Al Zorah club saw 20% revenue growth and a 25% increase in rounds in 2024, strengthening its position as a key golf destination in the Middle East
Qatar	Qetaifan Island North	• Qatar aims to become a leading golf tourism hub through developing luxury golf courses; recognized as the Middle East's top tourism project in 2024

Source: News, Samsung Securities

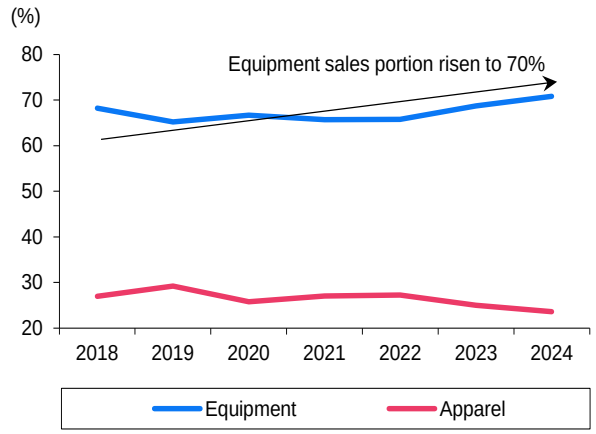
Golf equipment-centered portfolio—key to earnings stability

What makes Acushnet Holdings' earnings even more stable is its golf equipment-centered business portfolio. As golf equipment is less sensitive to economic or seasonal factors than apparel, demand can keep rising at a solid pace even if the global economy slows.

In 2024, Acushnet Holdings' sales broke down as golf equipment (golf balls, clubs, and gear; 71%) and golf apparel (23%). In 2021, golf apparel took up 27% of its total sales. The change in sales mix shows that its golf equipment-centered portfolio has contributed to its earnings growth. Acushnet Holdings' golf ball has become the standard in global tournaments (retail sales growth is also stable), and its equipment (*eg*, drivers and irons) remains the world's unrivalled choice among PGA golf players.

Acushnet's differentiated earnings stability (driven by its equipment-focused portfolio) stands out when compared to rival Callaway Golf. Unlike Acushnet Holdings, Callaway Golf generates only 30% of its sales from golf equipment. Due to its low exposure to golf equipment, it has suffered a y-y sales contraction since 2024, the year when the global economy began slowing—Acushnet Holdings enjoyed a 3% hike in sales in 2024.

Acushnet Holdings: Sales of equipment vs sales of apparel



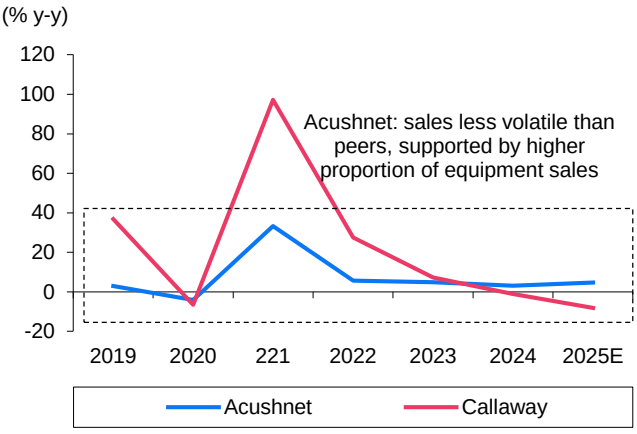
Source: Company data, Samsung Securities

Golf brand: Brand popularity among PGA golfers (2025)

	Golf balls		Drivers		Irons	
Rank	Brand	Number of tour players	Brand	Number of tour players	Brand	Number of tour players
1	Titleist	102	Titleist	60	Titleist	93
2	Callaway	13	Ping	39	Callaway	50
3	Srixon	10	Callaway	28	Srixon	41
4	Taylormade	6	Taylormade	18	Ping	39
5	BSgolf	5	Srixon	4	Taylormade	30

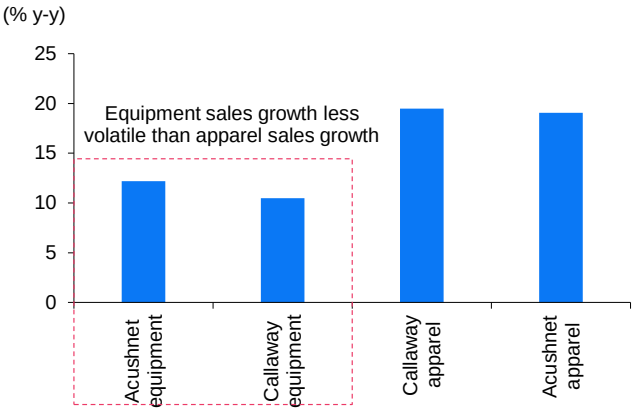
Source: PGAClub tracker, Samsung Securities

Acushnet Holdings vs Callaway: Sales growth



Source: Company data, Bloomberg, Samsung Securities

Golf equipment vs apparel: Standard deviation of sales growth



Source: R&A, NGF, Samsung Securities

Misto business to turn around

Striving to lift operating profit in 2025

Misto Holdings' operating results should also receive a boost from the Misto business turning around. We estimate the Misto business will log 2025 sales of KRW856.4b (down 7% y-y) and an operating profit of KRW59.6b (moving into the black), as: 1) continued growth of the Fila brand at home and abroad—coupled with increasing distribution revenue from new brands—should offset the drop in US sales; and 2) a narrowing operating loss for the US operation should make a significant contribution to the holding company's earnings improvement.

The y-y contraction in the division's 2025 sales should primarily stem from the restructuring of Fila USA, whose sales are set to slump 68% to KRW85b (vs KRW265.8b in 2024).

However, its earnings should head north as losses at the US operation shrink. Fila USA's operating loss came in at KRW107b in 2024 but should shrink to KRW26b in 2025.

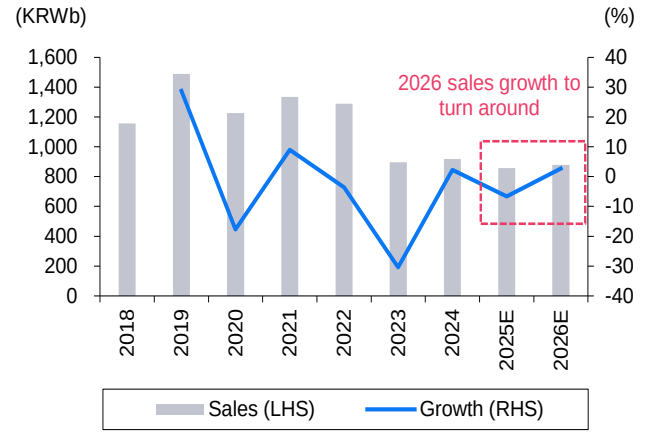
Poised for robust growth in 2027

The Misto business should achieve solid results in 2026, with sales and operating profit rising 3% and 71%, each, to KRW879.1b and KRW102.3b. This improvement should be driven by: 1) a low base (relating to Fila USA's sales in 2025); and 2) a narrowing of the US operation's operating loss.

Following the US subsidiary's restructuring, Fila Korea and Fila China should together make up 46% of sales at the Misto business (excluding Acushnet Holdings) in 2025 and more than 50% in 2026 (vs 40% in 2024). This shift implies that the future valuation of the Fila brand should increasingly reflect its operating results in Korea and China.

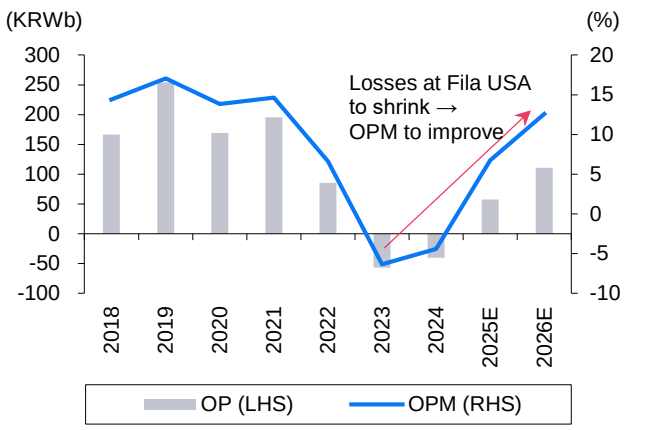
Misto Holdings should enjoy remarkable growth in 2027, with the Misto division's sales and operating profit likely to grow a respective 21% and 80%. In particular, distribution sales in China should jump 35% in 2026 and 56% in 2027, contributing to the firm's earnings. Such growth should be supported by: 1) the growing popularity of K-fashion, which is now a separate market category in China; and 2) the firm's planned brand additions (currently 5), a factor to accelerate its overall growth momentum.

Misto business: Sales and growth, by brand



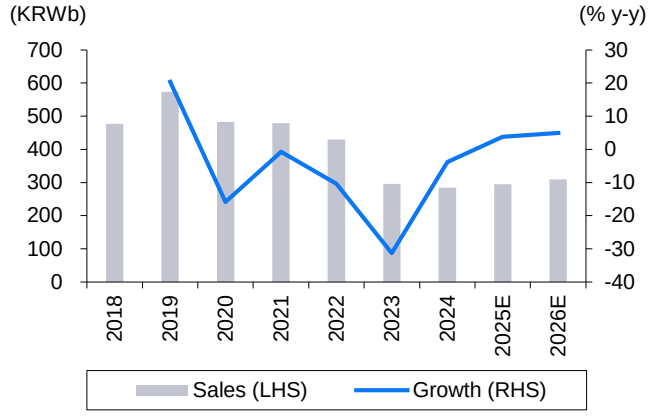
Source: Company data, Samsung Securities estimates

Misto business: Operating profit and OPM



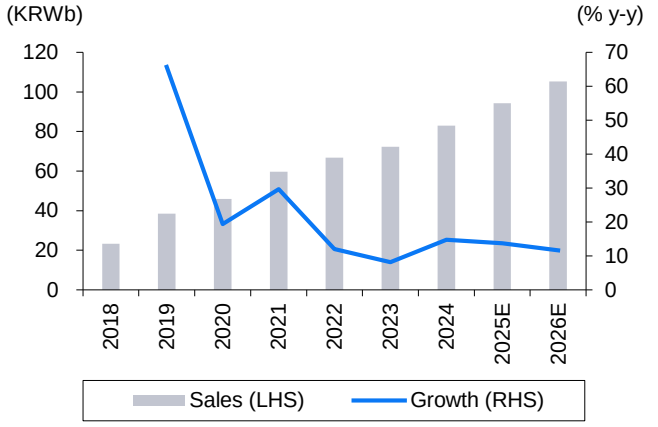
Source: Company data, Samsung Securities estimates

Fila Korea: Sales and growth



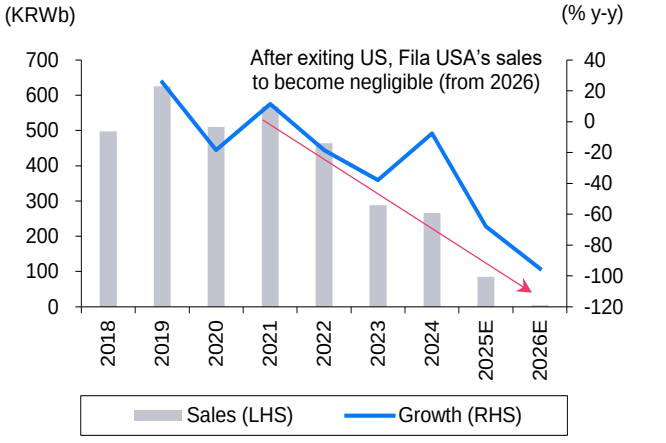
Source: Company data, Samsung Securities estimates

Fila DSF: Sales and growth



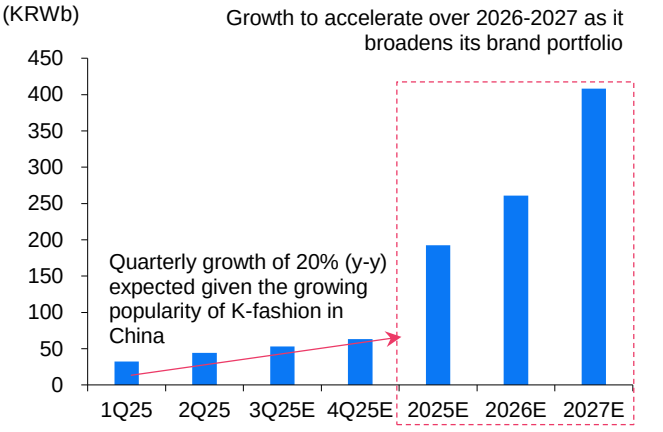
Source: Company data, Samsung Securities estimates

Fila USA: Sales and growth



Source: Company data, Samsung Securities estimates

Licensing distribution: Sales



Source: Company data, Samsung Securities estimates

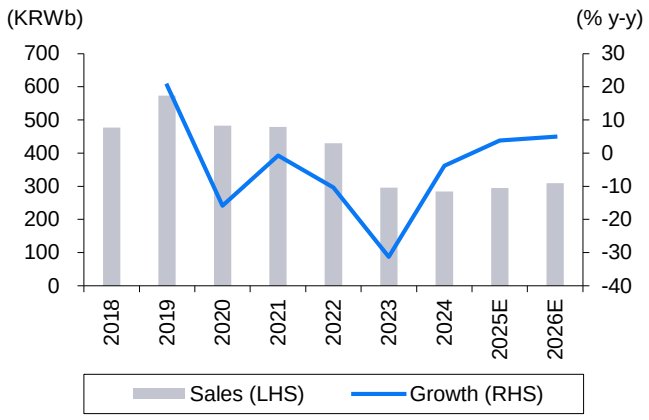
Fila Korea: Echappe sneakers driving growth

Fila Korea's sales should expand 4% to KRW294.5b in 2025 and 5% to KRW309.2b in 2026 after shrinking 31% in 2023 and 4% in 2024.

This likely turnaround owes much to the company's brand renewal strategy, which was announced in 2022—it aimed to reposition Fila from being a mid-tier sportswear brand to a premium lifestyle brand. Now in its third year, the initiative to elevate the brand's value is finally yielding tangible results.

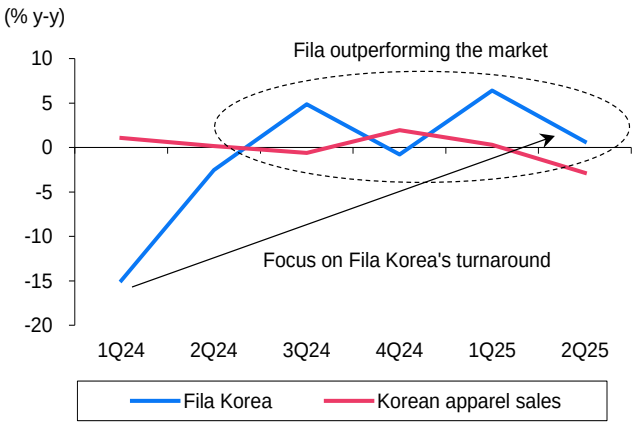
A key driver of the projected earnings turnaround is the success of the Echappe footwear line (launched as part of the rebranding strategy). Echappe shoes are among the top-10 best-selling items over the past month on 29CM, a major online fashion platform that is popular with Korean women in their 20s and 30s. Additionally, new color variations released in 2H25 have also entered the sales rankings, accompanied by favorable customer reviews. Echappe's popularity is driven by three factors: 1) its distinctive design (which sets it apart); 2) its superior comfort; and 3) its value for money (high quality, reasonable price). As long as the rebranding efforts continue, the sneaker line should continue to grow.

Fila Korea: Sales and growth



Source: Company data, Samsung Securities estimates

Fila Korea vs Korea apparel retail sales: Growth

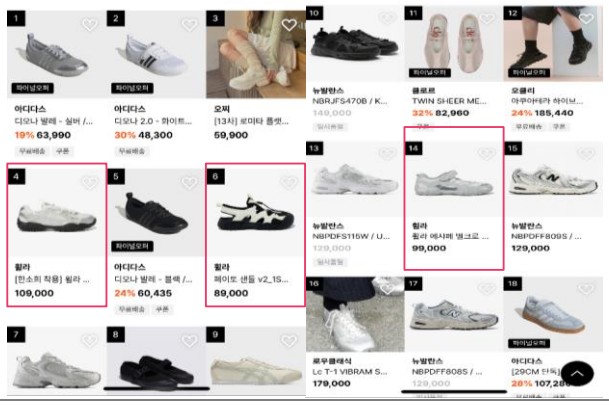


Source: Company data, Statistics Korea, Samsung Securities

Fila Echappe

Source: Company data, Samsung Securities

Fila Echappe: Steady demand (1-month sales ranking)

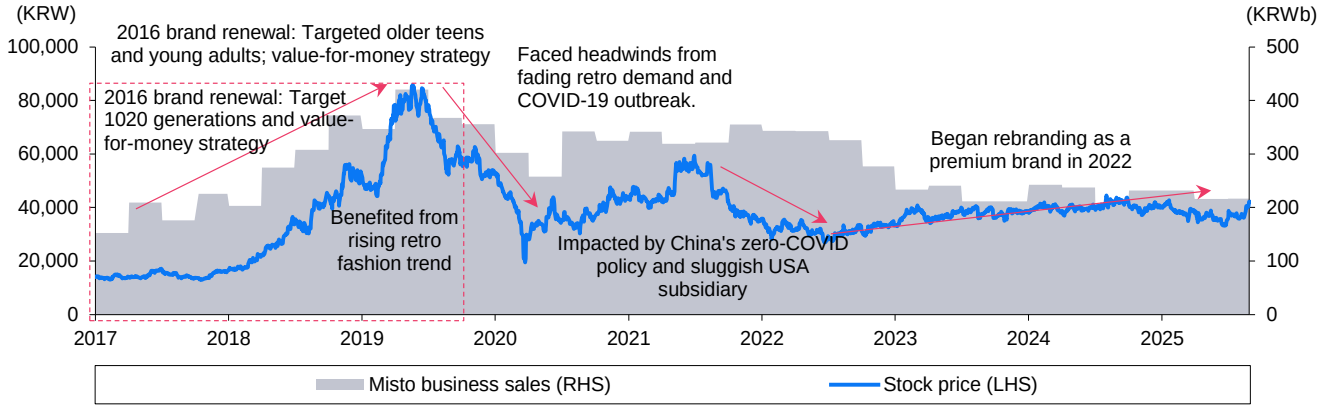


Source: 29cm, Samsung Securities

Rebranding initiative in 2016 led to better earnings and valuation rerating

The Fila rebranding strategy in 2016 directly contributed to both earnings improvement and its shares rerating. At that time, the company undertook significant rebranding to appeal to older teenagers and young adults (those in their 20s). To this end, its efforts revitalized Fila's image, introducing affordable footwear (KRW60,000-70,000) and focusing on select shops tailored to young consumers while concurrently reducing the number of directly-run stores. As a result, Fila became recognized by teens and young adults as offering fantastic value for money. he Misto business's operating profit surged 1,741% over 2016-2018.

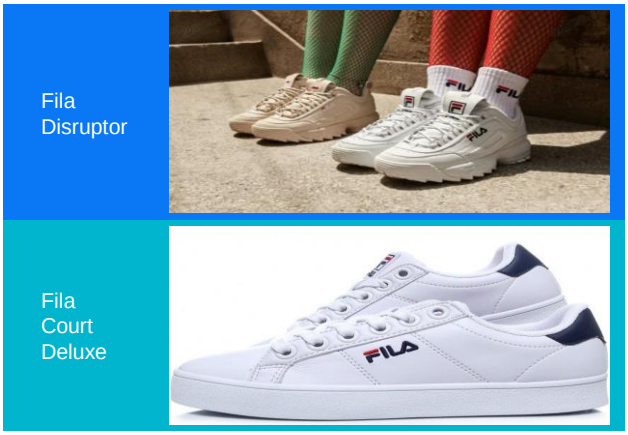
Misto business: Sales vs share performance



Source: QuantiWise, Samsung Securities

Building on the lessons learned from its previous rebranding initiative, Misto Holdings' recent brand rebuilding efforts have focused on positioning Fila as a premium brand (rather than a value brand), targeting those with deeper pockets. The company also maintains low inventory levels to ensure it can respond faster to changes in market trends. Indeed, the firm releases entirely new designs and colors each season, continually refreshing its popular items. This rebranding strategy should help the Misto division sustain steady growth over time.

2018 Fila's signature hit item



Source: Company data, Samsung Securities

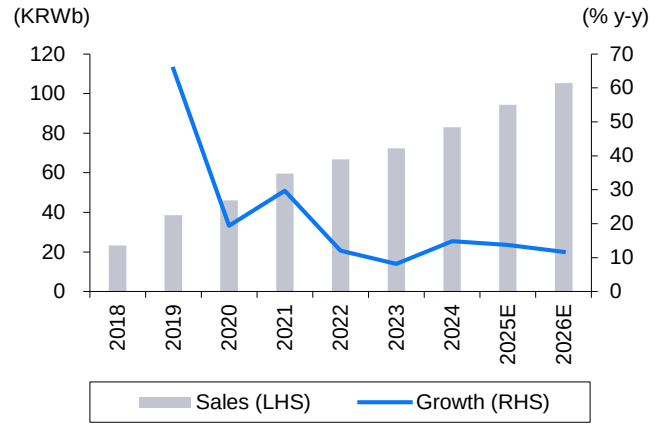
Echappe: New colors added each season

Source: Company data, Samsung Securities

Fila China: Fila established as premium brand in China

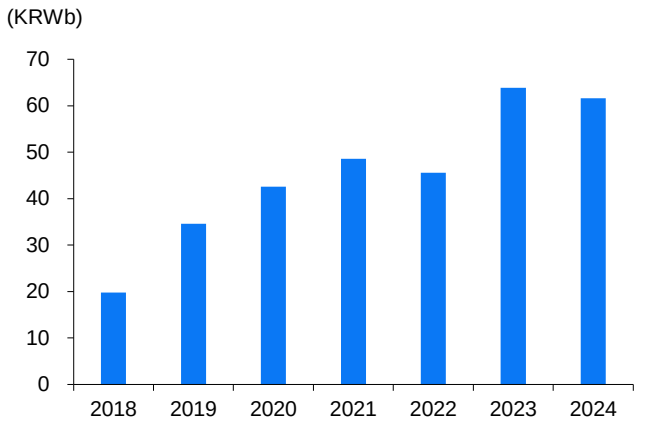
Fila China's sales, measured by design service fees, should reach KRW94.3b in 2025 (up 14%) and KRW105.3b in 2026 (up 12%), as: 1) more Chinese are enjoying sports; and 2) Fila has a well-established reputation as a premium brand in China, building strong consumer loyalty.

Fila DSF: Sales and growth



Source: Company data, Samsung Securities estimates

Misto Holdings: Equity-method profit



Source: Company data, Samsung Securities

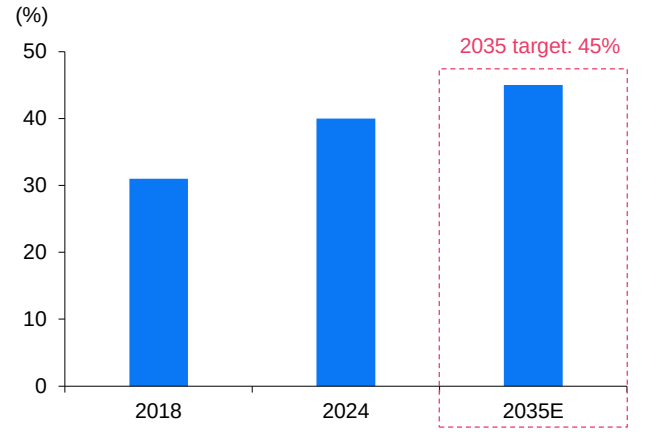
Sports activities booming across China; sportswear market expanding

Around 31% of the Chinese population engaged in regular exercise—defined as taking part in physical activity at least three times a week, with each session lasting at least 30 minutes at a moderate intensity—in 2018 and the figure has since climbed to 40% (as of 2024).

This growing interest in fitness has naturally fueled growth of the sportswear market. In 2024, China's sportwear market was worth roughly CNY540b (or KRW100t)—it has grown at a CAGR of over 14% since 2018. Several market research firms forecast the market will grow at a CAGR of 9-11% over 2025-2030, far faster than the expected CAGR for the global sportswear market (6%).

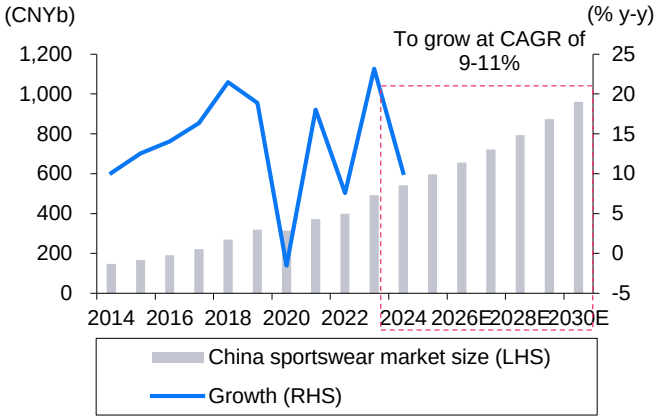
The rise of China's sportswear industry is also reflected in related firms' corporate results. While many global fashion brands have suffered from slowing sales growth in Europe and North America due to economic headwinds and tariffs, they have delivered strong results in China thanks to the solid demand for sportswear.

Portion of Chinese doing regular exercise



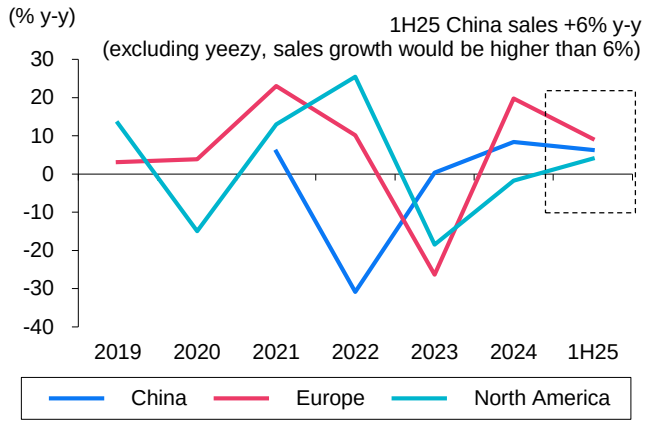
Source: News, Samsung Securities

Chinese sportswear market size



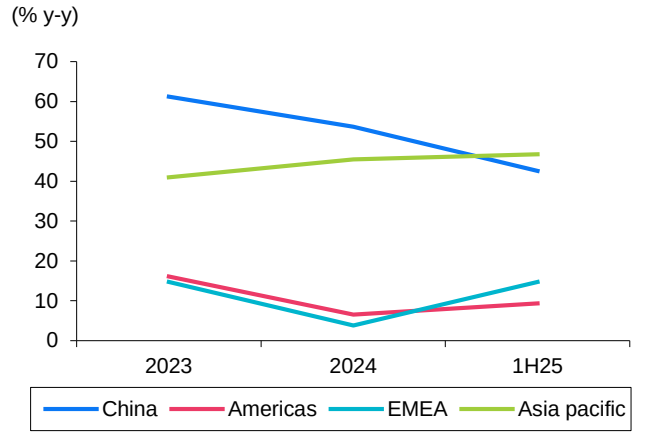
Note: Based on the average growth forecasts from market research institutions
Source: Grand view research, Data bridge market research, Euromonitor, iiMedia research, Samsung Securities

Adidas: Sales growth, by region



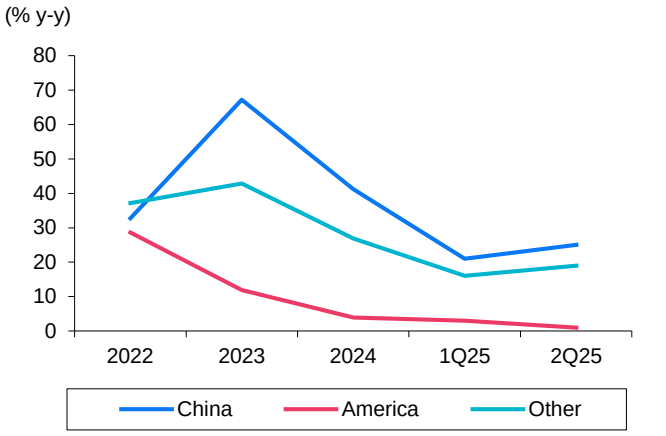
Source: Company data, Samsung Securities

Amer Sports: Sales growth, by region



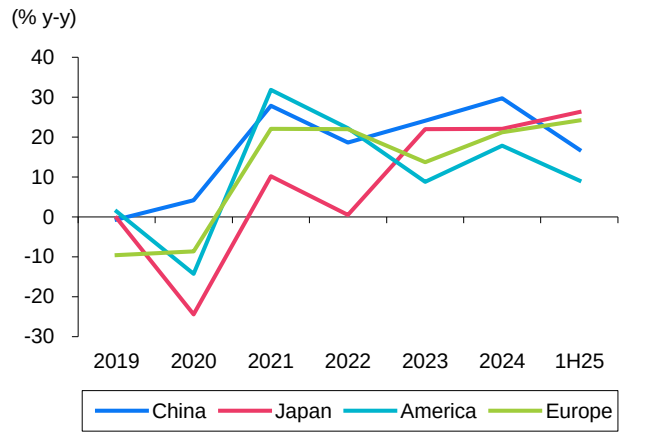
Source: Company data, Samsung Securities

Lulu: Sales growth, by region



Source: Company data, Samsung Securities

Asics: Sales growth, by region



Source: Company data, Samsung Securities

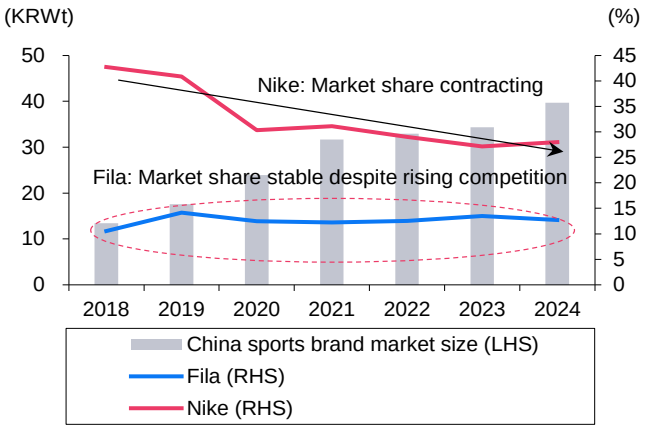
Fila: The brand trusted by Chinese consumers

Fila should maintain a solid market position in China. The brand has firmly established itself as one of the country's leading sportswear names and now has strong consumer recognition. Since 2018, Fila has consistently held a 12% share of the Chinese sportswear market and more often than not has ranked second in terms of transaction value among sports brands on Tmall during major shopping festivals.

Despite intensifying competition, Fila's market share stable in China

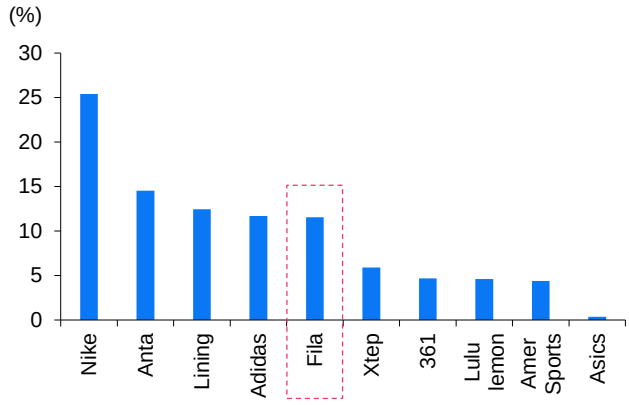
This stability is a clear sign of Fila's brand competitiveness. Many global sports brands are locked in fierce competition in China, a nation where Fila's market share remained steady at around 12-13% over 2019-2024. In comparison, Nike's market share fell from 40% in 2019 to 28% in 2024.

Market share in China: Fila vs Nike



Note: Market size is the sum of sales in China for sports brand (Anta, Lining, Xtep, 361 Nike, Adidas, Lulu, Asics, Amer)
Source: Bloomberg, Samsung Securities

China: Market share in 2024, by sports brand



Source: Bloomberg, Samsung Securities

Tmall shopping festival: GMV ranking, by sports brand

Rank	1H22	2H22	1H23	2H23	1H24	2H24	1H25
1	Nike	Fila	Nike	Nike	Nike	Nike	Nike
2	Fila	Lining	Fila	Fila	Fila	Fila	Fila
3	Adidas	Anta	Adidas	Anta	Adidas	Adidas	Adidas
4	Lining	Descente	Lining	Adidas	Lululemon	Lining	Lululemon
5	Anta	Adidas	Anta	Lining	Anta	Anta	Lining
6	Descente	Nike	Jordan	New Balance	Lining	Lululemon	Anta
7	Under Armour	MLB	Lululemon	Jordan	Jordan	New Balance	New Balance
8	Lululemon	New Balance	New Balance	Lululemon	Asics	Descente	Asics
9	Lorna Jane	-	Skechers	Skechers	New Balance	Jordan	Decathlon
10	MLB	-	Asics	Xtep	361	Skechers	Descente

Source: Company data, Samsung Securities

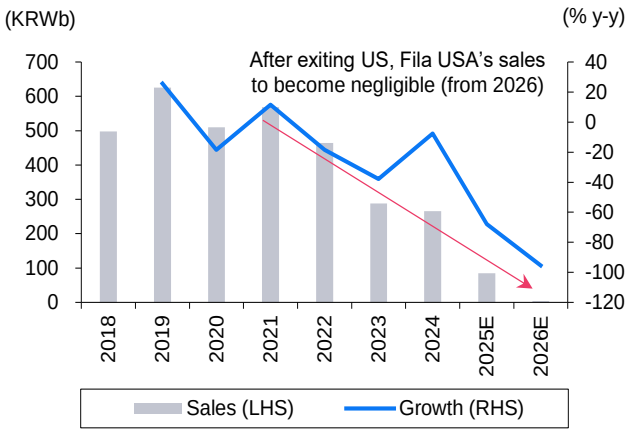
Fila USA: Operating loss to disappear in 2H25

Fila USA's operating loss in 2025 should be around KRW26b, far better than the loss recorded in 2024 (KRW107b). Misto Holdings used to ship inventory to the US subsidiary about six months in advance. However, no inventory shipments have been made ytd. This means that the goods shipped in 2H24 were sold in 1H25. Fila USA's sales should fall in 2H25 and its operating loss should shrink further.

To reenter US market after completion of Fila rebranding

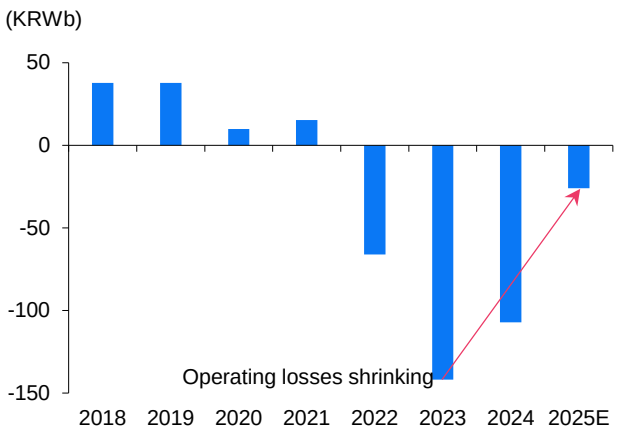
We attribute the firm's failure in the US to Fila positioning itself as a low-priced brand. In the US, Fila was primarily seen as a value-oriented label—it was available at retail chains like Costco. However, as consumer spending became increasingly polarized between luxury and budget segments, demand for brands positioned in the middle weakened, leading to substantial operating losses for Fila USA. Acknowledging that its position was untenable, Misto Holdings has finally decided to withdraw from the US market. In the future, it intends to launch Fila again in the US as a premium brand.

Fila USA: Sales and growth



Source: Company data, Samsung Securities estimates

Fila USA: Operating income



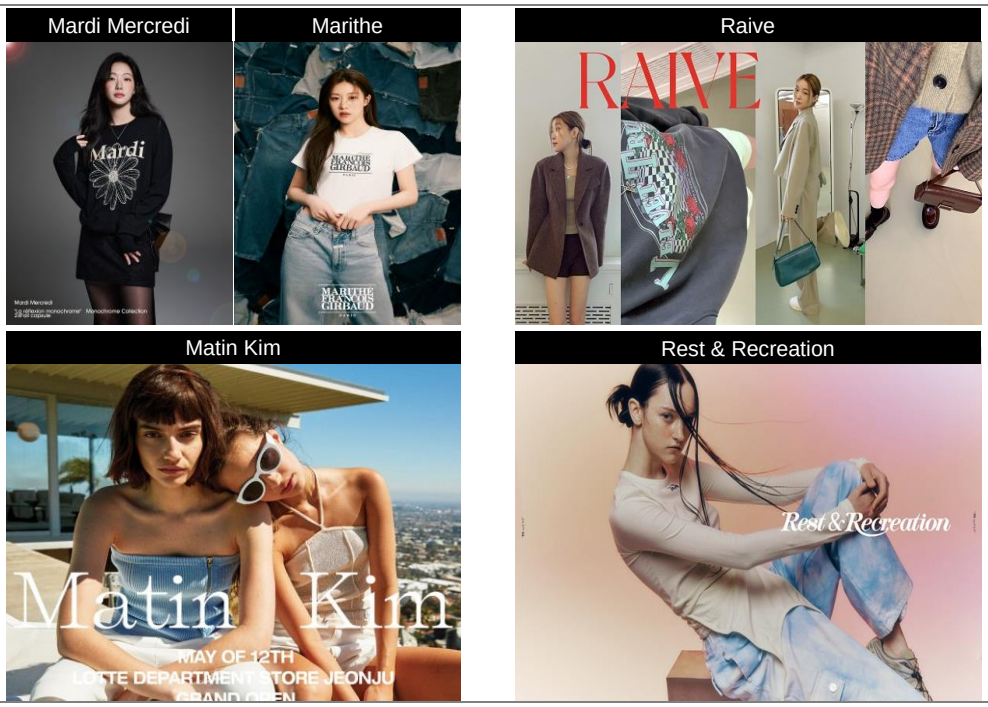
Source: Company data, Samsung Securities estimates

Distribution of K-fashion brands in China—new growth engine

On top of its flagship Fila brand, Misto Holdings is distributing Korean fashion brands across Taiwan, Hong Kong, and China, aiming to strengthen its overall brand portfolio. It has already signed distribution agreements with five Korean brands and now operates 60-odd stores in China. This business should act as a new growth engine for the company.

Its distribution sales in China should leap 35% in 2026 and 56% in 2027, and the business should emerge as a long-term growth driver. This outlook is supported by: 1) the rising popularity of K-fashion in China; 2) the fact that its distribution sales in China are growing rapidly (up 50% q-q from KRW32.3b in 1Q25 to KRW48.4b in 2Q25); and 3) the firm's plan to diversify its brand portfolio (it currently has five brands) and increase the number of stores in China.

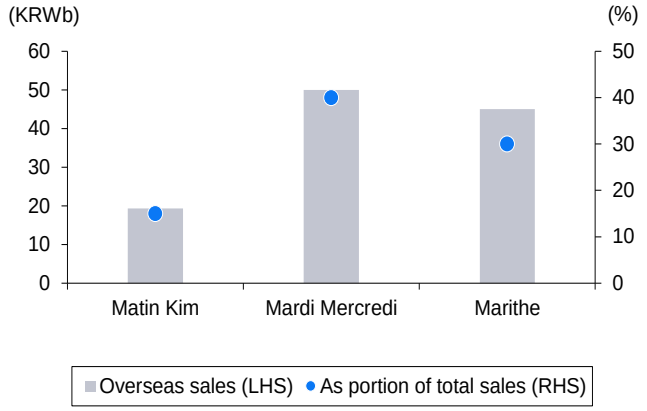
K-fashion brands distributed by Misto Holdings



Source: Company data, Samsung Securities

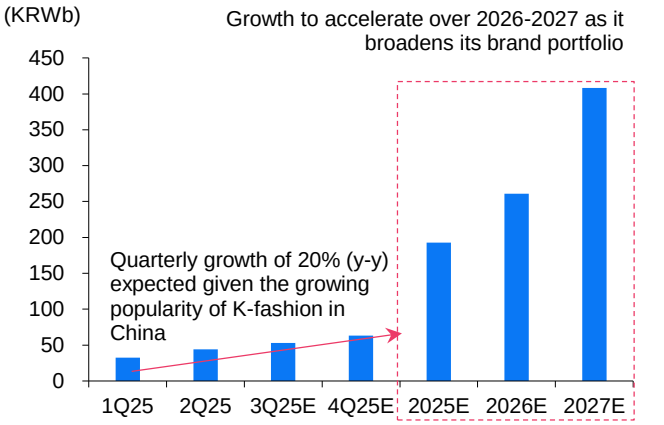
We believe the firm's distribution business in China will serve as a new contributor to its operating results in 2027. If another five brands are added to its portfolio in 2026, earnings relating to the 10 brands should be fully reflected in 2027, accelerating its earnings momentum. Furthermore, as already stated, K-fashion as a whole should gain recognition in the global market, creating a favorable environment for sustained expansion. Accordingly, the distribution business should begin to deliver rapid growth from 2027.

Overseas sales, by brand (2024)



Source: Company data, Samsung Securities

Licensing distribution: Sales



Source: Company data, Samsung Securities estimates

Strong shareholder return policy

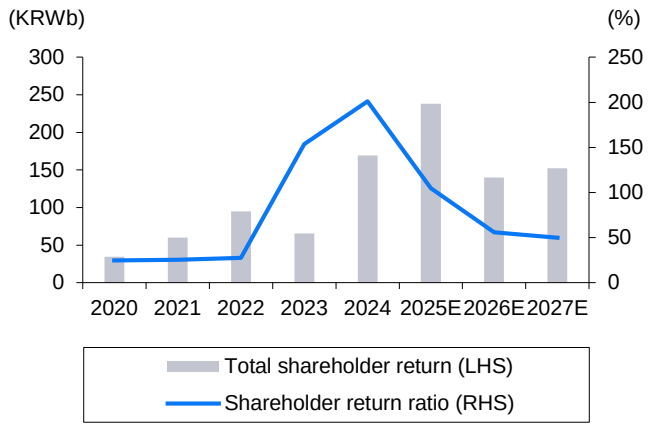
To sustain payout ratio above 30% and shareholder yield above 50% over longer term

We expect Misto Holdings to maintain a payout ratio of more than 30% and a shareholder yield of at least 50% over the longer term. In March, the company announced a plan of returning up to KRW500b to shareholders over 2025-2027 (in the form of share buybacks and dividends), indicating that it will sustain a total shareholder yield of more than 50% during the period. The company bought back KRW150b worth of shares in 1H25. Assuming that its DPS is flat this year, the 1H25 buyback alone would meet more than 40% of its 2025 shareholder return goal (based on its 2025-2027 plan).

Announces stronger shareholder return policy

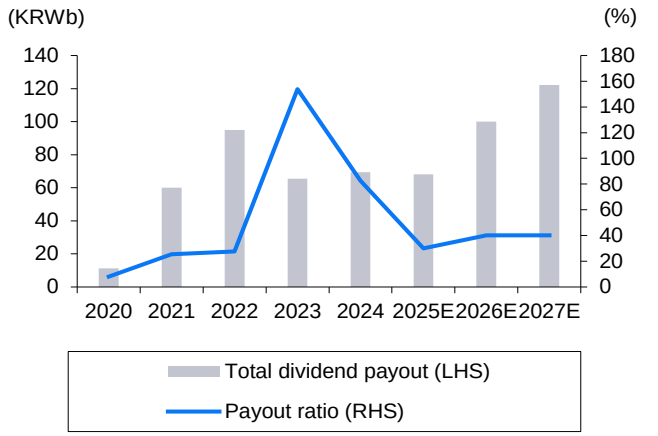
The company's shareholder return policy that it announced in March is much stronger than its 5-year plan (announced in 2022). Back then, the company said it will return up to KRW600b to shareholders over 2022-2026. According to its new plan (which it announced in March), the company will: 1) extend the shareholder return policy horizon to 2027; and 2) return KRW200b more than the previous shareholder return amount (it returned KRW330b to shareholders over 2022-2024).

Total shareholder return and shareholder return ratio



Source: Company data, Samsung Securities estimates

Total dividend payout and payout ratio



Source: Company data, Samsung Securities estimates

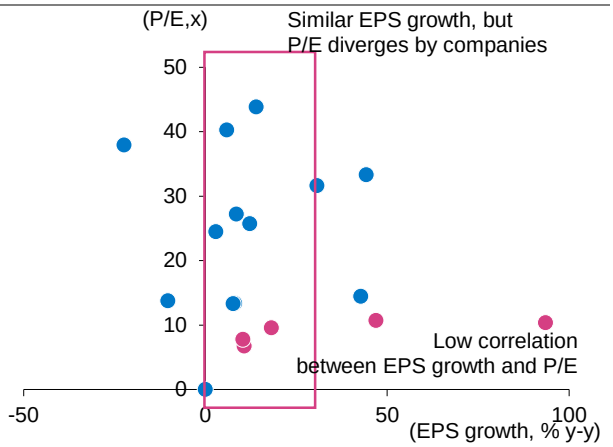
Stronger shareholder returns drive up valuation despite low growth

As fashion companies' P/E has a high correlation with dividend payments (vs EPS growth), enhancing their shareholder returns can lift their valuations. Indeed, some overseas rivals have seen their valuations grow following announcements of stronger shareholder returns, despite logging sluggish sales growth. Key examples are Nike, Zara, and H&M. Despite their low growth outlooks, they trade at high valuations thanks to their proactive shareholder return policies.

Nike is trading at 40x 2026 P/E, though its sales are expected to grow 7% next year and its operating profit shrink 10%. Zara and H&M are also trading at more than 20x 2026 P/E thanks to their strong shareholder returns, though their 2026 sales should grow just 8% and 2%, respectively, and their operating profit should expand 8% and 12%.

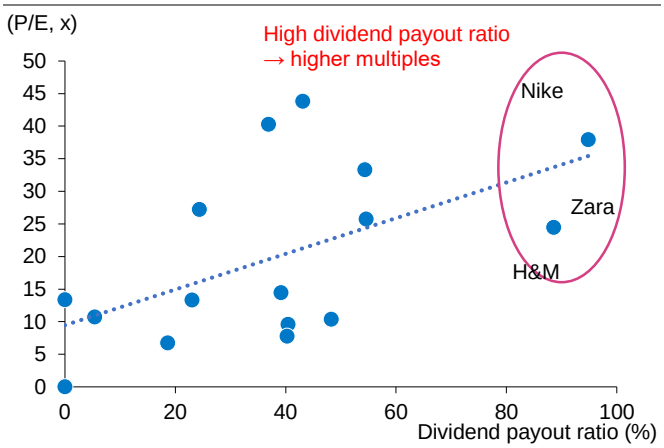
Misto Holdings should offer a payout ratio of more than 30% this year. As its total shareholder yield should reach 50-100% over the next three years, its robust shareholder return policy should put upwards pressure on its valuation.

Global brands: Correlation between EPS growth and P/E



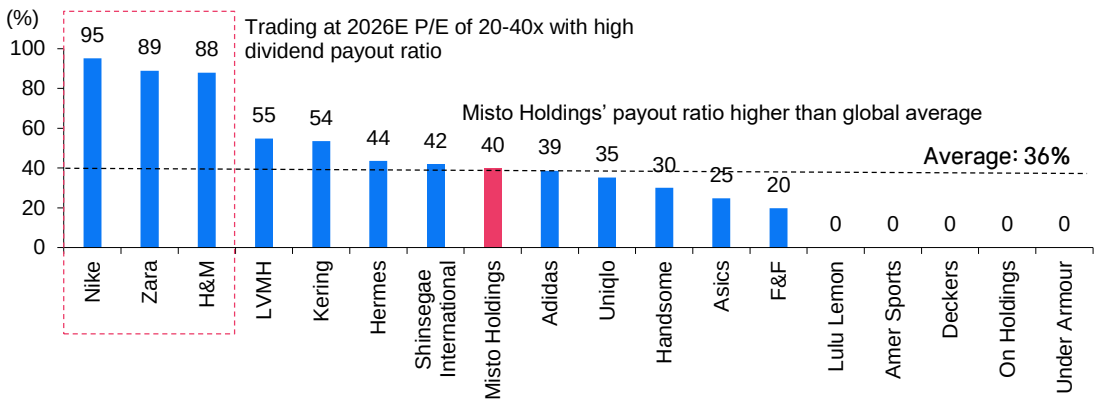
Note: As of 2026E
Source: Bloomberg, Samsung Securities

Global brands: Correlation between payout ratio and P/E



Note: As of 2026E
Source: Bloomberg, Samsung Securities

Global fashion brand: Payout ratio (2026E)



Source: Bloomberg, Samsung Securities

Luxury is luxury

European luxury brands are trading at 34x 2026 P/E. They trade at high multiples because: 1) their earnings are less sensitive to economic cycles; and 2) their operating margins are high and stable. For instance, LVMH and Hermes posted respective operating margins of 22% and 40% in 2024 and should post similar figures over 2025-2026.

Misto Holdings holds traits similar to those found in luxury brands thanks to its ownership of Acushnet Holdings. Acushnet Holdings (which generates 80% of Misto Holdings' total sales): 1) suffers limited sales volatility; and 2) has maintained an operating margin of 11-12%.

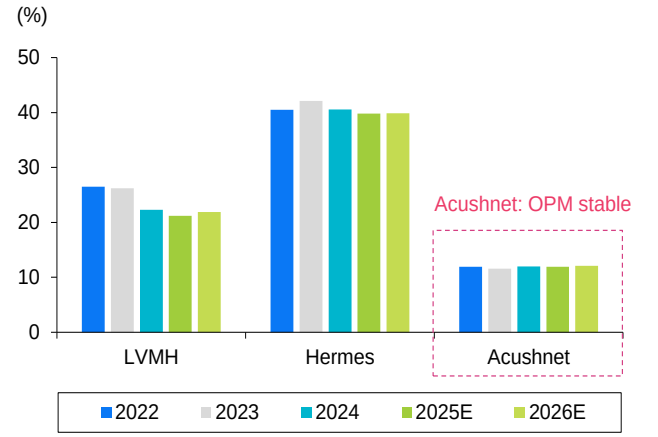
Indeed, Acushnet Holdings (a US-listed company that trades on the NYSE) is trading at a premium. It is trading at 13x 2026 EV/EBITDA, 4.3x higher than Callaway Golf (4.3x). Given that Misto Holdings is trading at 10x 2026 P/E and 5x EV/EBITDA, Misto Holdings has ample upside.

High overseas growth to lead to valuation hike

Global fashion companies trade at disparate valuations, despite their low payout ratios, when their high overseas sales growth has been confirmed. A key example is Uniqlo. Although its payout ratio is slightly lower than its global peers', the company is trading at 37x 2026 P/E, which we owe to sustained high growth overseas. While the company's domestic sales (Japan) grew just 5% in FY24 (fiscal year ends August) and 10% in FY25, its overseas sales jumped 19% and 12%, respectively, powering its differentiated earnings growth and valuation.

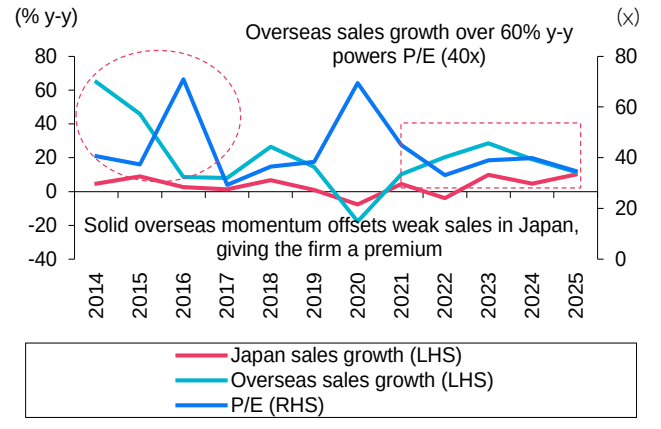
Misto Holdings has ample room to expand its presence in overseas markets (particularly in China). It has beefed up its role as a distributor of K-fashion brands (not to mention its own brand, Fila). When its sales growth in China takes off, its valuation should get a big boost.

OPM: Luxury brands vs Acushnet Holdings



Source: Bloomberg, Samsung Securities

Uniqlo: Sales growth and P/E



Source: Company data, Bloomberg, Samsung Securities

Investment highlights and valuation

Target price derived using SOTP valuation method

We initiate coverage of Misto Holdings at BUY with a 12-month target of KRW54,000 (based on a sum-of-the-parts valuation). Our target is equivalent to a 2027 P/E of 11x, which includes its equity value in US subsidiary Acushnet Holdings (KRW1.7t) and the Misto business's operating value (KRW1t).

Misto Holdings: SOTP valuation

Acushnet market cap (KRWb)	6,874	As of Oct 27, 2025
Stake for Acushnet (%)	51%	
Holding company discount (%)	50%	
A.Acushnet EV (KRWb)	1,753	
Misto EBITDA (KRWb)	187	2027E consolidated – Acushnet Holdings
Target EV/EBITDA (x)	5.6	50% discount to global sports brands' average 2027E EV/EBITDA
B.Misto business EV (KRWb)	1,048	
C.Net cash (KRWb)	273	Consolidated – Acushnet Holdings
Misto Holdings target market cap (KRWb)	3,074	A+B+C, AS of 2027
Discount	10%	WACC
Shares outstanding ('000)	51,655	Excluding treasury shares
Target price (KRW)	54,000	2027E P/E 11x

Source: Bloomberg, Samsung Securities estimates

Earnings to grow in earnest in 2025

In the short term, Misto Holdings' earnings should improve in earnest this year. Its 2025 operating profit is set to surge 32%. First, restructuring of the US business is nearing completion, meaning that 2025 will be the last year it books losses. Second, as confirmed in 1H25, Fila is doing well in Korea and China, and its K-fashion brand distribution business has begun to grow rapidly.

Acushnet Holdings and Misto business to drive rerating over longer term

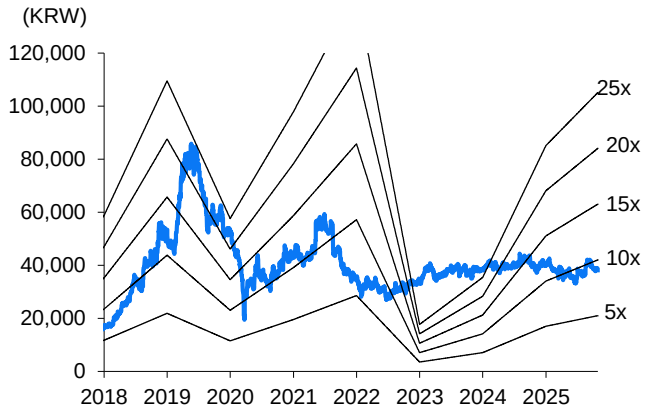
From a longer-term perspective, we believe Misto Holdings has the potential to rerate further, as: 1) Acushnet Holdings should maintain stable growth amid a rise of the global golf market; 2) the Misto business should achieve earnings improvement thanks to Fila's operations doing well at home and abroad and the rapid ascent of K-fashion brands in China; and 3) Misto Holdings will likely maintain an aggressive shareholder return policy.

Excessive concerns over valuation burden

Concerns over the firm's valuation exist. The shares are trading at 9.5x 2026 P/E, which is higher than the post-2018 low of 6x.

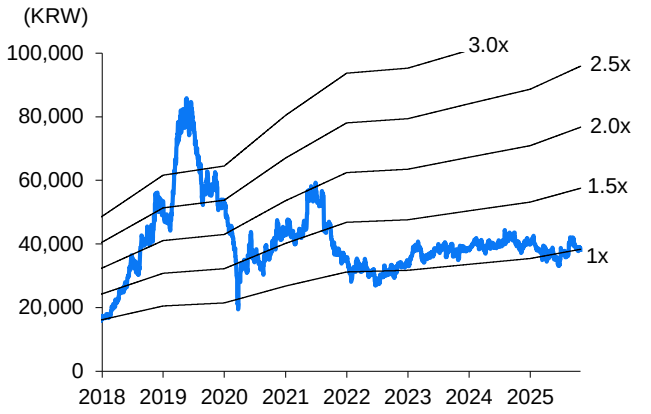
However, we see such a comparison (its current valuation of 9.5x vs its low of 6x) as being inappropriate considering the firm's business structure. The stock traded at a P/E of 6-7x over 2022-2023 amid tumbling sales at Fila USA (down 18% in 2022 for an operating loss of KRW66.2b; down 38% in 2023 for a loss of KRW142b). With the restructuring of the US operation set to be concluded this year, the holding company is unlikely to record poor results again anytime soon. Therefore, concerns about its shares possibly returning to the 2022-2023 valuation level appear excessive.

12m FWD P/E band



Note: As of Oct 27, 2025
Source: Bloomberg, Samsung Securities

12m FWD P/B band



Note: As of Oct 27, 2025
Source: Bloomberg, Samsung Securities

Risk factors: Tariff concern for Acushnet Holdings

The main risk factor for Misto Holdings lies in the US tariff burden facing Acushnet Holdings. During its 2Q earnings announcement, the US subsidiary stated that the gross full-year 2025 tariff impact would be around USD35m, half of which could be offset by various measures.

First, the company has reduced its tariff exposure by relocating some of its production from China to Southeast Asia (*eg*, Vietnam) in 1H25 and by preemptively stocking key products before the new tariffs came into effect. Accordingly, Acushnet Holdings' inventory grew 0.1% y-y in 1Q25 and 11% y-y in 2Q25, after consistently declining in 2024. Second, the company plans to roll out more premium products from 2H25 to enhance its product mix and better defend its gross margins.

Although the US tariffs resulted in an additional cost of about USD5m in 2Q25, these mitigation efforts proved effective. Acushnet Holdings' 2Q gross profit expanded 6% y-y to USD354m and its gross margin rose 0.4%pts y-y to 49.2%. Overall, Acushnet Holdings' proactive measures and focus on premium products have not only helped it absorb tariff pressure but also improved its margins, suggesting that further room for profitability growth exists.

Acushnet Holdings: Comments about tariff

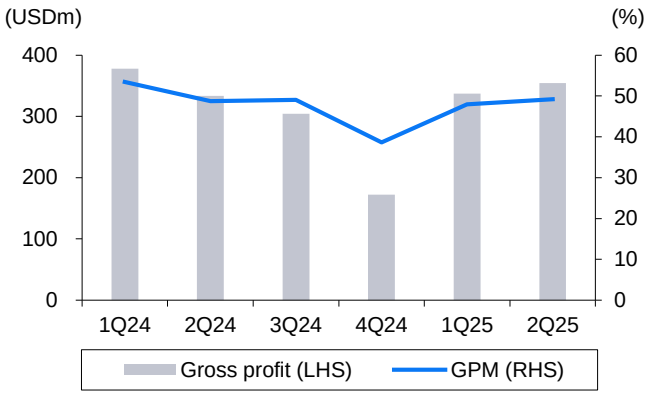
- Gross full-year 2025 tariff impact approximately $35 million
  - Based on rates announced on August 1st
  - $5 million impact incurred in the second quarter
  - $30 million estimated for the second half of 2025

- Mitigation actions estimated to offset greater than 50% of the $30 million

Mr. Maher continued, "The U.S. golfer base grew for the seventh straight year in 2024, and global participation is healthy and resilient even as several regions experienced poor spring weather. Despite an uncertain tariff landscape, golf industry fundamentals remain positive. As we look ahead to the second half of 2025, we are excited with the launch of new Titleist T-series irons, Scotty Cameron putters and line extensions to our popular FJ Hyperflex and Quantum golf shoes. I would like to thank my teammates and partners for their commitment to delivering great products and services to dedicated golfers which in turn enables us to deliver long-term value for our shareholders."

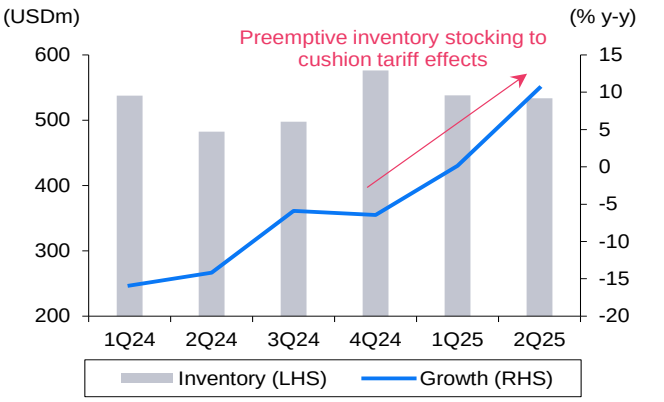
Source: Company data, Samsung Securities

Acushnet Holdings: Gross profit vs gross margin



Source: Company data, Samsung Securities

Acushnet Holdings: Inventory



Source: Company data, Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**4,007**	**4,269**	**4,403**	**4,522**	**4,798**
Cost of goods sold	2,036	2,031	2,073	2,112	2,227
Gross profit	**1,970**	**2,238**	**2,330**	**2,410**	**2,571**
Gross margin (%)	49.2	52.4	52.9	53.3	53.6
SG&A expenses	1,667	1,877	1,841	1,871	1,935
Operating profit	**303**	**361**	**489**	**539**	**636**
Operating margin (%)	7.6	8.5	11.1	11.9	13.3
Non-operating gains (losses)	**-26**	**-21**	**2**	**-14**	**4**
Financial profit	43	67	51	49	63
Financial costs	126	141	146	133	136
Equity-method gains (losses)	64	62	67	74	81
Other	-7	-8	29	-4	-4
Pre-tax profit	**277**	**339**	**491**	**525**	**640**
Taxes	124	132	93	110	134
Effective tax rate (%)	44.8	38.8	19.0	21.0	21.0
Profit from continuing operations	153	208	397	415	506
Profit from discontinued operations	0	0	0	0	0
Net profit	**153**	**208**	**397**	**415**	**506**
Net margin (%)	3.8	4.9	9.0	9.2	10.5
Net profit (controlling interests)	43	84	234	258	314
Net profit (non-controlling interests)	110	124	164	157	192
EBITDA	436	512	677	717	793
EBITDA margin (%)	10.9	12.0	15.4	15.9	16.5
EPS (parent-based) (KRW)	701	1,398	3,892	4,286	5,222
EPS (consolidated) (KRW)	2,519	3,448	6,614	6,906	8,414
Adjusted EPS (KRW)*	701	1,398	3,892	4,286	5,222

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**2,242**	**2,462**	**2,478**	**3,238**	**4,194**
Cash & equivalents	586	683	648	1,324	2,127
Accounts receivable	434	508	501	525	569
Inventories	1,045	1,019	1,004	1,053	1,141
Other current assets	177	252	325	336	358
Fixed assets	**2,738**	**3,074**	**3,090**	**2,951**	**2,842**
Investment assets	236	208	208	217	235
Tangible assets	601	799	838	758	697
Intangible assets	1,778	1,973	1,981	1,913	1,848
Other long-term assets	124	93	63	63	63
Total assets	**4,980**	**5,536**	**5,567**	**6,190**	**7,036**
Current liabilities	**1,161**	**1,234**	**1,148**	**1,156**	**1,285**
Accounts payable	256	298	294	308	334
Short-term debt	371	420	345	315	375
Other current liabilities	533	516	509	533	577
Long-term liabilities	**1,265**	**1,566**	**1,684**	**1,749**	**1,826**
Bonds & long-term debt	864	1,105	1,230	1,280	1,330
Other long-term liabilities	401	461	453	469	496
Total liabilities	**2,426**	**2,800**	**2,831**	**2,905**	**3,111**
Owners of parent equity	**1,908**	**2,005**	**2,022**	**2,413**	**2,861**
Capital stock	61	61	61	61	61
Capital surplus	57	71	95	95	95
Retained earnings	1,629	1,621	1,756	1,941	2,173
Other	161	252	109	316	532
Non-controlling interests' equity	**646**	**731**	**714**	**872**	**1,064**
Total equity	**2,554**	**2,736**	**2,736**	**3,285**	**3,925**
Net debt	853	937	1,020	361	-336

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**578**	**494**	**603**	**490**	**529**
Net profit	153	208	397	415	506
Non-cash profit and expenses	342	357	322	295	280
Depreciation	92	107	125	110	91
Amortization	40	44	63	68	65
Other	210	206	134	117	123
Changes in A/L from operating activities	247	24	-6	-29	-52
Cash flow from investments	**-246**	**-194**	**-295**	**268**	**264**
Change in tangible assets	-159	-146	-149	-30	-30
Change in financial assets	-32	-45	1	-5	-9
Other	-55	-3	-147	303	303
Cash flow from financing	**-307**	**-254**	**-354**	**-150**	**-58**
Change in debt	198	226	46	23	115
Change in equity	4	14	25	0	0
Dividends	-98	-102	-129	-72	-82
Other	-411	-391	-295	-100	-90
Change in cash	178	98	-36	676	803
Cash at beginning of year	407	586	683	648	1,324
Cash at end of year	586	683	648	1,324	2,127
Gross cash flow	**495**	**564**	**719**	**710**	**786**
Free cash flow	**418**	**348**	**453**	**460**	**499**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	-5.1	6.5	3.1	2.7	6.1
Operating profit	-30.2	18.9	35.5	10.3	18.0
Net profit	-67.3	35.7	91.3	4.4	21.8
Adjusted EPS**	-87.6	99.4	178.5	10.1	21.8
Per-share data (KRW)					
EPS (parent-based)	701	1,398	3,892	4,286	5,222
EPS (consolidated)	2,519	3,448	6,614	6,906	8,414
Adjusted EPS**	701	1,398	3,892	4,286	5,222
BVPS	31,752	34,479	37,914	45,670	54,893
DPS (common)	1,090	1,200	1,860	1,450	1,800
Valuations (x)					
P/E***	55.2	28.8	11.1	10.1	8.3
P/B***	1.2	1.2	1.1	0.9	0.8
EV/EBITDA	8.8	8.0	6.4	5.4	4.2
Ratios (%)					
ROE	2.3	4.3	11.6	11.6	11.9
ROA	3.1	4.0	7.2	7.1	7.6
ROIC	4.9	6.2	10.5	11.5	13.8
Payout ratio	153.8	82.5	42.5	30.0	30.0
Dividend yield (common)	2.8	3.0	4.3	3.3	4.2
Net debt to equity	33.4	34.2	37.3	11.0	-8.6
Interest coverage (x)	3.5	3.5	4.6	5.2	5.9

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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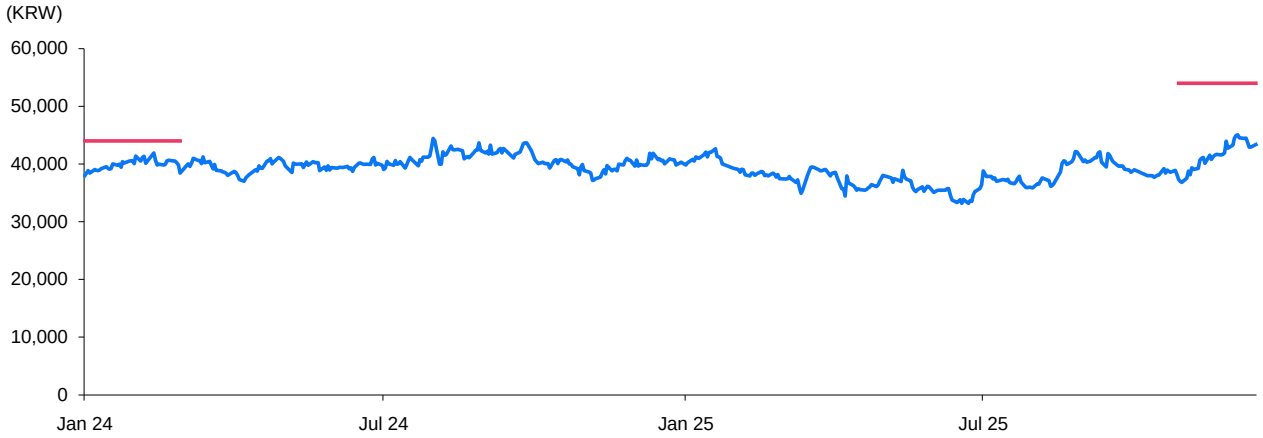
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2023/5/15	2024/5/15	2025/5/15	2025/10/29
Recommendation	BUY	BUY		BUY
Target price (KRW)	44000	44000		54000
Gap* (average)	-12.49	-100.00	-	
(max or min)**	-4.77	-100.00	-	

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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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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