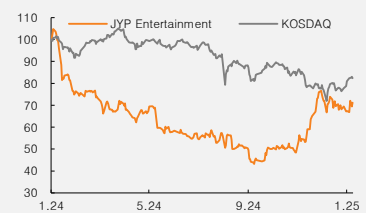


(Maintain)	Buy
Target price	▲ W90,000
Current price (1/10/25)	W71,600
Upside	25.7%

OP (24F, Wbn)	128
Consensus OP (24F, Wbn)	128
EPS growth (24F, %)	-16.4
Market EPS growth (24F, %)	70.6
P/E (24F, x)	28.2
Market P/E (24F, x)	10.6
KOSDAQ	717.89

Market cap (Wbn)	2,544
Shares (mn)	36
Free float (%)	77.3
Foreign ownership (%)	24.3
Beta (12M)	0.58
52-week low (W)	43,500
52-week high (W)	100,400

(%)	1M	6M	12M
Absolute	0.8	27.0	-28.6
Relative	-7.1	51.8	-12.9



Mirae Asset Securities Co., Ltd.

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JYP Entertainment

US momentum to build further

4Q24 preview: Revenue of W174.9bn and OP of W33bn

For 4Q24, we expect JYP Entertainment to report revenue of W174.9bn (above the consensus of W162.5bn) and operating profit of W33bn (below the consensus of W38.2bn).

Performance metrics were strong, backed by increased artist activities. Domestic album sales reached approximately 4mn copies; notable releases included Stray Kids' *Giant* (Japan; 250,000 copies sold) and *Hop* (2mn copies), Twice's *Strategy* (700,000 copies), and MiSaMo's *Haute Couture* (100,000 copies). The number of Spotify streams increased to 1.8bn, similar to the level in 1Q24, when streaming revenue hit a record high. In addition, concert tours from Stray Kids, Day6, and MiSaMo (which are still ongoing) drove QoQ growth in both the number of performances (103) and per-show attendance. That said, there is some uncertainty regarding the timing of revenue recognition for Japan concerts. For merchandise (the main driver of the earnings surprise in 3Q24), we estimate revenue was W43.9bn.

2025 outlook: Positive expectations for both new and established artists

We raise our target price on JYP Entertainment to W90,000 (from W80,000), as we revised up our earnings estimates. For 2025, we look for revenue of W728.4bn (+26% YoY) and operating profit of W161.4bn (+30% YoY).

The stock has recently gained on momentum related to Stray Kids' upcoming US concerts (scheduled for May-June). Based on Twice's US stadium tour in 2023, we believe share price momentum is likely to build further.

We also advise monitoring the performance of the new boy group KickFlip, which will officially debut on Jan. 20. The music video for the group's pre-release single "Umm Great" (released on its official YouTube account) recorded 11mn views in just two days and 13mn views after one week. In addition, NMIXX, Xdinary Heroes, and Nexz are likely to expand their fan bases through small-scale concerts/fan meetings. Meanwhile, we expect the business focus of subsidiary Innit Entertainment (established in 2024) to become clearer once the audition show *The Entertainer* (broadcast by KBS) finishes airing in 1Q25.

(Dec.)	2022	2023	2024F	2025F	2026F
Revenue (Wbn)	346	567	530	704	726
OP (Wbn)	97	169	128	156	173
OP margin (%)	28.0	29.8	24.2	22.2	23.8
NP (Wbn)	67	105	88	112	126
EPS (W)	1,901	2,971	2,483	3,142	3,548
ROE (%)	24.7	30.4	20.6	21.9	20.4
P/E (x)	35.7	34.1	28.2	22.8	20.2
P/B (x)	7.7	8.9	5.2	4.5	3.7
Dividend yield (%)	0.5	0.6	0.8	0.8	0.8

Notes: Under consolidated K-IFRS; NP is attributable to owners of the parent

Source: Company data, Mirae Asset Securities Research estimates

Table 1. Quarterly and annual earnings

(Wbn)

	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24F	2023	2024F	2025F	2026F
Revenue	118	152	140	157	137	96	171	175	567	577	728	763
YoY	74%	124%	47%	36%	16%	-37%	22%	11%	64%	2%	26%	5%
OP	42	46	44	38	34	10	48	33	169	125	161	171
YoY	119%	88%	59%	48%	-20%	-79%	10%	-13%	75%	-27%	30%	6%
OP margin	36%	30%	31%	24%	25%	10%	28%	19%	30%	22%	22%	22%
NP (attr. to owners of the parent)	41	26	35	4	50	4.7	39	13	105	86	116	125
YoY	155%	67%	54%	-83%	21%	-82%	12%	235%	56%	-19%	35%	8%
Net margin	36%	17%	25%	1%	37%	5%	23%	10%	19%	15%	16%	16%
Revenue by business												
Albums	41	74	43	53	31	14	55	21	211	155	130	147
Streaming	11	12	15	14	16	13	14	16	52	58	65	72
Domestic	2	2	2	2	3	2	3	3	8	10	9	9
Overseas	9	10	13	11	13	11	11	13	44	48	56	63
Ads	5	7	8	8	8	9	8	9	28	34	41	48
Concerts	7	14	12	30	29	14	22	30	63	98	206	199
Appearances	2	3	5	5	5	8	5	3	14	21	30	32
Merchandise	27	22	32	33	24	15	50	44	115	133	175	181
Other	24	19	25	14	24	23	16	14	83	78	81	85
YouTube	5	5	6	5	5	5	5	5	20	20	21	22
Other	20	14	20	9	19	19	11	9	63	58	60	63
Revenue breakdown												
Albums	34%	49%	31%	34%	23%	14%	32%	32%	37%	27%	18%	19%
Streaming	9%	8%	11%	9%	12%	13%	8%	9%	9%	10%	9%	9%
Domestic	17%	18%	11%	17%	17%	16%	23%	17%	15%	18%	14%	12%
Overseas	83%	82%	89%	83%	83%	84%	77%	83%	85%	82%	86%	88%
Ads	5%	5%	6%	5%	6%	10%	5%	5%	5%	6%	6%	6%
Concerts	6%	10%	8%	19%	22%	15%	13%	18%	11%	17%	28%	26%
Appearances	2%	2%	3%	3%	3%	8%	3%	2%	3%	4%	4%	4%
Merchandise	23%	14%	23%	21%	17%	15%	29%	25%	20%	23%	24%	24%
Other	21%	13%	18%	9%	17%	25%	9%	8%	15%	13%	11%	11%
YouTube	4%	3%	4%	3%	4%	5%	3%	3%	4%	3%	3%	3%
Other	17%	9%	14%	6%	14%	20%	6%	5%	11%	10%	8%	8%

Source: Company data, Mirae Asset Securities Research estimates

Table 2. Valuation table

	Value	
2025F NP (Wbn)	116	P/E in 2021-22, when Twice and Stray Kids showed tangible results in the US market
Target P/E (x)	28	
Fair market cap (Wbn)	3,243	
No. of shares ('000)	35,517	
Target price (W)	90,000	
Current price (W)	71,600	
Upside	25.7%	

Source: Mirae Asset Securities Research estimates

JYP Entertainment (035900 KQ)

Income statement (summarized)

(Wbn)	2023	2024F	2025F	2026F
Revenue	567	577	728	763
Cost of revenue	298	332	437	450
GP	269	245	291	313
SG&A expenses	99	121	130	141
OP (adj.)	169	124	161	171
OP	169	124	161	171
Non-operating profit	-13	0	-2	23
Net financial income	2	2	2	2
Net income from associates	4	17	19	21
Pretax profit	156	128	154	196
Income tax	51	38	41	57
Profit from continuing operations	105	89	112	139
Profit from discontinued operations	0	0	0	0
NP	105	87	116	125
Attributable to owners	105	86	116	125
Attributable to minority interests	0	1	1	1
Total comprehensive income	105	89	111	126
Attributable to owners	105	89	110	126
Attributable to minority interests	-1	0	0	0
EBITDA	180	140	169	187
FCF	139	52	10	89
EBITDA margin (%)	31.7	26.4	24.0	25.8
OP margin (%)	29.8	24.2	22.2	23.8
Net margin (%)	18.5	16.6	15.9	17.4

Balance sheet (summarized)

(Wbn)	2023	2024F	2025F	2026F
Current assets	369	394	396	464
Cash & equivalents	217	226	204	266
AR & other receivables	19	55	61	63
Inventory	24	13	17	17
Other current assets	109	100	114	118
Non-current assets	203	226	368	426
Investments in associates	53	62	62	64
PP&E	56	58	185	241
Intangible assets	41	48	62	62
Total assets	572	621	764	890
Current liabilities	154	134	180	186
AP & other payables	56	42	57	59
Short-term financial liabilities	4	4	5	5
Other current liabilities	94	88	118	122
Non-current liabilities	19	18	22	23
Long-term financial liabilities	7	7	7	7
Other non-current liabilities	12	11	15	16
Total liabilities	173	152	202	208
Equity attributable to owners	394	463	556	678
Capital stock	18	18	18	18
Capital surplus	78	78	78	78
Retained earnings	311	380	474	594
Minority interests	4	5	5	4
Shareholders' equity	398	468	561	682

Cash flow statement (summarized)

(Wbn)	2023	2024F	2025F	2026F
Operating cash flow	151	60	144	154
NP	105	89	112	139
Non-cash income/expenses	74	48	52	59
Depreciation	6	6	7	9
Amortization	5	6	5	5
Other	63	36	40	45
Chg. in working capital	15	-41	19	1
Chg. in AR & other receivables	18	-38	-6	-2
Chg. in inventory	-22	12	-4	-1
Chg. in AP & other payables	4	-13	10	1
Income tax	-44	-38	-41	-47
Cash flow from investing activities	-61	-17	-147	-72
Chg. in PP&E	-12	-8	-134	-65
Chg. in intangible assets	-1	-13	-20	-5
Chg. in financial assets	-34	4	7	-2
Other	-14	0	0	0
Cash flow from financing activities	-13	-19	-18	-19
Chg. in financial liabilities	6	0	1	0
Chg. in equity	1	0	0	0
Dividends	-12	-19	-19	-19
Other	-8	0	0	0
Chg. in cash	78	8	-22	62
Beginning balance	140	217	226	204
Ending balance	217	226	204	266

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

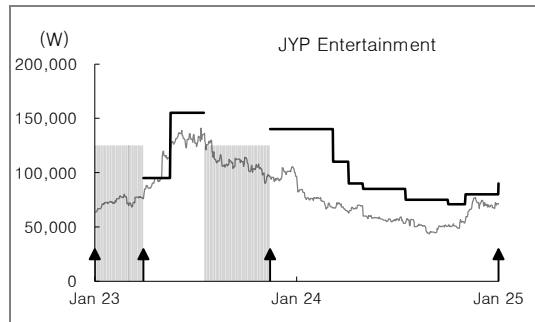
	2023	2024F	2025F	2026F
P/E (x)	34.1	28.2	22.8	20.2
P/CF (x)	20.1	18.1	15.5	12.9
P/B (x)	8.9	5.2	4.5	3.7
EV/EBITDA (x)	18.6	15.9	13.8	12.0
EPS (W)	2,971	2,483	3,142	3,548
CFPS (W)	5,030	3,864	4,626	5,563
BPS (W)	11,435	13,378	16,012	19,410
DPS (W)	574	574	574	574
Dividend payout ratio (%)	18.1	21.3	17.0	13.7
Dividend yield (%)	0.6	1.1	1.1	1.1
Revenue growth (%)	63.8	-6.5	32.8	3.3
EBITDA growth (%)	75.8	-22.4	20.3	11.1
OP growth (%)	75.4	-24.4	21.5	11.3
EPS growth (%)	56.3	-16.4	26.6	12.9
AR turnover (x)	32.4	15.6	12.6	12.2
Inventory turnover (x)	42.2	28.6	48.2	42.9
AP turnover (x)	10.1	9.3	14.1	11.8
ROA (%)	21.4	15.0	16.2	16.8
ROE (%)	30.4	20.6	21.9	20.4
ROIC (%)	206.2	115.1	70.2	48.1
Debt-to-equity ratio (%)	43.6	32.5	36.0	30.6
Current ratio (%)	238.9	294.0	220.1	249.7
Net debt-to-equity ratio (%)	-63.3	-55.0	-40.7	-42.7
Interest coverage ratio (x)	640.8	346.4	401.9	420.2

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (₩)
JYP Entertainment (035900)	01/13/25	Buy	90,000
	11/14/24	Buy	80,000
	10/14/24	Buy	71,000
	07/29/24	Buy	75,000
	05/13/24	Buy	85,000
	04/17/24	Buy	90,000
	03/20/24	Buy	110,000
	11/27/23	Buy	140,000
	07/31/23	No Coverage	
	05/31/23	Buy	155,000
	04/12/23	Buy	95,000
	10/11/22	No Coverage	



Stock ratings

Buy	Expected 12-month performance: +20% or greater
Trading Buy	Expected 12-month performance: +10% to +20%
Hold	Expected 12-month performance: -10% to +10%
Sell	Expected 12-month performance: -10% or worse

Sector ratings

Overweight	Expected to outperform the market over 12 months
Neutral	Expected to perform in line with the market over 12 months
Underweight	Expected to underperform the market over 12 months

Rating and TP history: Share price (—), TP (—), Not Rated (■), Buy (▲), Trading Buy (■), Hold (●), Sell (◆)

* Our investment rating is a guide to the expected return of the stock over the next 12 months.

* Outside of the official ratings of Mirae Asset Securities Co., Ltd., analysts may call trading opportunities should technical or short-term material developments arise.

* The TP was determined by the research analyst through valuation methods discussed in this report, in part based on estimates of future earnings.

* TP achievement may be impeded by risks related to the subject securities and companies, as well as general market and economic conditions.

Ratings distribution and investment banking services

	Buy	Trading Buy	Hold	Sell
Ratings distribution	84.62%	7.14%	8.24%	0%
Investment banking services	85.71%	0%	14.29%	0%

* Based on recommendations in the last 12-months (as of December 31, 2024)

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