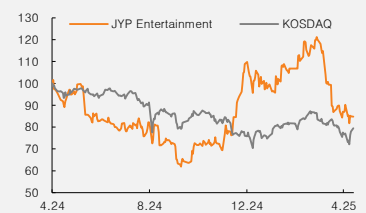


(Maintain)	Buy
Target price	W90,000
Current price (4/14/25)	W59,500
Upside	51.3%

OP (25F, Wbn)	124
Consensus OP (25F, Wbn)	149
EPS growth (25F, %)	24.9
Market EPS growth (25F, %)	25.6
P/E (25F, x)	17.3
Market P/E (25F, x)	8.8
KOSDAQ	708.98

Market cap (Wbn)	2,114
Shares (mn)	36
Free float (%)	77.3
Foreign ownership (%)	21.3
Beta (12M)	0.48
52-week low (W)	43,500
52-week high (W)	85,100

(%)	1M	6M	12M
Absolute	-14.8	16.2	-8.3
Relative	-11.7	26.3	11.3



Mirae Asset Securities Co., Ltd.

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JYP Entertainment

Sustainability is key

1Q25 preview: Revenue of W134.9bn and OP of W20.3bn

For 1Q25, we expect JYP Entertainment to report revenue of W134.9bn (7% above the consensus) and operating profit of W20.3bn (1.5% below the consensus).

Albums/streaming: We estimate the firm sold 1.8mn album copies (generating revenue of W31.8bn), with most releases coming from newer groups such as KickFlip, NMIXX, Xdinary Heroes, NiziU, and Nexz. We estimate streaming revenue at W12.4bn; the number of streams likely declined QoQ due to seasonal effects, and the early recognition of streaming revenue from China in 4Q24 (W1.5bn) also likely had a negative impact.

Concerts: Since 4Q24, the company has begun recognizing Japan concert revenue in the same quarter in which the concerts take place. In 1Q25, Stray Kids, Day6, and Twice held a total of 46 concerts in Japan (across 24 cities). Concerts in Korea (for which gross revenue is recognized) accounted for around 20% of total attendance.

Merchandise: We estimate merchandise revenue was strong at W28.9bn, driven by album releases from newer artists and active concert touring by established artists.

Meanwhile, W2.7bn in remaining production costs for *The Entertainer* were reflected in SG&A expenses, and labor expenses likely increased due to the establishment of subsidiary Innit Entertainment. As a result, we estimate OP margin at 15%.

2025 outlook

In 2025, earnings will likely be influenced by both positive and negative factors. We see earnings upside if Twice embarks on a US stadium tour equal in size to the 2023 tour. However, the biggest variable is the contract renewal terms for Stray Kids; earnings should be especially sensitive to the profit-sharing ratio for concerts (which are likely to make the largest contribution to overall revenue this year). We also expect the firm to book one-off expenses related to an artist debut in China and an audition program in Latin America (*LatinAmerica2Korea*). Accordingly, we raised our 2025 COGS ratio estimate by 8%p YoY.

Retain Buy and TP of W90,000

We maintain our target price of W90,000 on JYP Entertainment. Our target P/E of 28x reflects likely momentum from Stray Kids' North American tour (from May) and the potential resumption of Twice's US tour.

(Dec.)	2023	2024	2025F	2026F	2027F
Revenue (Wbn)	567	602	798	821	872
OP (Wbn)	169	128	124	121	129
OP margin (%)	29.8	21.3	15.5	14.7	14.8
NP (Wbn)	105	98	122	83	95
EPS (W)	2,971	2,751	3,436	2,329	2,679
ROE (%)	30.4	22.4	23.0	13.5	13.9
P/E (x)	34.1	25.4	17.3	25.5	22.2
P/B (x)	8.9	5.1	3.6	3.2	2.9
Dividend yield (%)	0.6	0.8	1.0	1.0	1.0

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)

	1Q24	2Q24	3Q24	4Q24	1Q25F	2Q25F	3Q25F	4Q25F	2023	2024	2025F	2026F
Revenue	137	96	170	199	135	198	243	212	567	602	798	821
YoY	16%	-37%	22%	27%	-1%	106%	42%	6%	64%	6%	33%	3%
OP	34	10	48	37	20	21	36	35	169	128	113	121
YoY	-20%	-79%	10%	-3%	-40%	124%	-25%	-4%	75%	-24%	-12%	8%
OP margin	25%	10%	28%	19%	15%	11%	15%	17%	30%	21%	14%	15%
NP (attr. to owners of the parent)	50	4.7	39	26	62	12	26	18	105	98	114	83
YoY	21%	-82%	12%	563%	95%	757%	-34%	-31%	56%	-7%	17%	-27%
Net margin	37%	5%	23%	13%	46%	6%	11%	8%	19%	16%	14%	10%
Revenue by business												
Albums	31	14	55	54	16	35	53	53	211	153	157	135
Streaming	16	13	14	22	12	12	14	17	52	65	66	78
Domestic	3	2	3	3	3	3	3	3	8	11	11	11
Overseas	13	11	11	19	12	12	14	17	44	53	54	66
Ads	8	9	8	9	9	11	11	11	28	34	42	50
Concerts	29	14	22	38	32	71	68	44	63	104	215	233
Appearances	5	8	5	9	5	7	8	10	14	27	29	32
Merchandise	24	15	50	44	29	41	57	49	115	133	174	181
Other	24	23	16	24	28	20	34	31	83	87	113	113
YouTube	5	5	5	6	5	5	5	5	20	20	20	20
Other	19	19	11	18	23	15	28	26	63	67	93	93
Revenue breakdown												
Albums	23%	14%	32%	27%	13%	18%	22%	25%	37%	25%	20%	16%
Streaming	12%	13%	8%	11%	10%	6%	6%	8%	9%	11%	8%	9%
Domestic	17%	16%	23%	16%	21%	22%	20%	20%	15%	17%	17%	14%
Overseas	83%	84%	77%	84%	100%	100%	100%	100%	85%	83%	83%	86%
Ads	6%	10%	5%	4%	7%	5%	5%	5%	5%	6%	5%	6%
Concerts	22%	15%	13%	19%	24%	36%	28%	20%	11%	17%	27%	28%
Appearances	3%	8%	3%	5%	4%	4%	3%	5%	3%	5%	4%	4%
Merchandise	17%	15%	29%	22%	21%	21%	23%	23%	20%	22%	22%	22%
Other	17%	25%	9%	12%	22%	10%	14%	15%	15%	14%	14%	14%
YouTube	4%	5%	3%	3%	4%	2%	2%	2%	4%	3%	3%	2%
Other	14%	20%	6%	9%	18%	8%	12%	12%	11%	11%	12%	11%

Source: Company data, Mirae Asset Securities Research estimates

Table 2. Earnings forecast revisions

(Wbn)

	Previous		Revised		Chg. (%)		Notes
	2025F	2026F	2025F	2026F	2025F	2026F	
Revenue	728	796	798	821	10%	3%	Reflected 1Q25 album sales and additional Stray Kids concert data
OP	161	164	113	121	-3%	-3%	Revised profit-sharing and subsidiary cost assumptions
NP (attr. to owners of the parent)	116	115	114	83	-2%	-3%	Partial sale of Dear U stake

Source: Mirae Asset Securities Research

Table 3. Valuation table

	Value	
2025F NP (Wbn)	114	P/E in 2021-22, when Twice and Stray Kids showed tangible results in the US market
Target P/E (x)	28x	
Fair market cap (Wbn)	3,192	
No. of shares ('000)	35,532	
Target price (W)	90,000	
Current price (W)	59,500	
Upside	51.3%	

Source: Mirae Asset Securities Research estimates

JYP Entertainment (035900 KQ)

Income statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Revenue	602	798	821	872
Cost of revenue	345	517	536	569
GP	257	281	285	303
SG&A expenses	128	158	164	174
OP (adj.)	128	124	121	129
OP	128	124	121	129
Non-operating profit	8	46	-6	4
Net financial income	3	3	3	3
Net income from associates	3	61	0	0
Pretax profit	136	170	115	133
Income tax	38	48	33	37
Profit from continuing operations	98	122	83	95
Profit from discontinued operations	0	0	0	0
NP	98	122	83	95
Attributable to owners	98	122	83	95
Attributable to minority interests	0	0	0	0
Total comprehensive income	103	122	83	95
Attributable to owners	103	122	83	95
Attributable to minority interests	0	0	0	0
EBITDA	143	142	140	144
FCF	2	14	44	117
EBITDA margin (%)	23.8	17.8	17.1	16.5
OP margin (%)	21.3	15.5	14.7	14.8
Net margin (%)	16.3	15.3	10.1	10.9

Cash flow statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Operating cash flow	89	148	109	117
NP	98	122	83	95
Non-cash income/expenses	52	15	53	49
Depreciation	9	10	11	9
Amortization	6	8	8	6
Other	37	-3	34	34
Chg. in working capital	-7	55	3	6
Chg. in AR & other receivables	-39	47	0	0
Chg. in inventory	3	-11	-1	-2
Chg. in AP & other payables	36	6	2	4
Income tax	-55	-48	-33	-37
Cash flow from investing activities	-100	-169	-72	-4
Chg. in PP&E	-87	-134	-65	0
Chg. in intangible assets	-24	-20	-5	0
Chg. in financial assets	21	-15	-2	-4
Other	-10	0	0	0
Cash flow from financing activities	-22	-18	-19	-19
Chg. in financial liabilities	-1	1	0	0
Chg. in equity	1	0	0	0
Dividends	-19	-19	-19	-19
Other	-3	0	0	0
Chg. in cash	-27	18	12	91
Beginning balance	217	191	209	221
Ending balance	191	209	221	312

Source: Company data, Mirae Asset Securities Research estimates

Balance sheet (summarized)

(Wbn)	2024	2025F	2026F	2027F
Current assets	362	381	398	500
Cash & equivalents	191	209	221	312
AR & other receivables	51	5	5	6
Inventory	14	26	26	28
Other current assets	106	141	146	154
Non-current assets	317	450	503	492
Investments in associates	57	48	49	52
PP&E	140	264	318	309
Intangible assets	60	72	70	63
Total assets	679	831	901	993
Current liabilities	175	219	225	239
AP & other payables	94	112	115	122
Short-term financial liabilities	5	6	6	7
Other current liabilities	76	101	104	110
Non-current liabilities	21	26	27	28
Long-term financial liabilities	5	5	5	5
Other non-current liabilities	16	21	22	23
Total liabilities	196	245	252	267
Equity attributable to owners	479	582	646	722
Capital stock	18	18	18	18
Capital surplus	79	79	79	79
Retained earnings	390	493	556	633
Minority interests	4	4	4	4
Shareholders' equity	483	586	650	726

Key valuation metrics/ratios

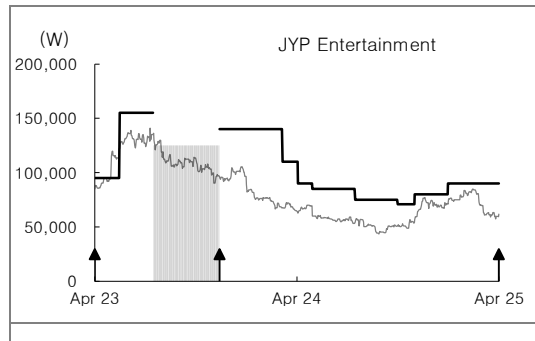
	2024	2025F	2026F	2027F
P/E (x)	25.4	17.3	25.5	22.2
P/CF (x)	16.6	15.4	15.6	14.6
P/B (x)	5.1	3.6	3.2	2.9
EV/EBITDA (x)	16.0	13.3	13.4	12.3
EPS (W)	2,751	3,436	2,329	2,679
CFPS (W)	4,223	3,865	3,822	4,062
BPS (W)	13,811	16,711	18,505	20,649
DPS (W)	574	574	574	574
Dividend payout ratio (%)	19.5	15.6	23.0	20.0
Dividend yield (%)	0.8	0.7	0.7	0.7
Revenue growth (%)	6.2	32.7	2.8	6.2
EBITDA growth (%)	-20.8	-0.6	-1.5	3.1
OP growth (%)	-24.3	-3.3	-2.1	6.2
EPS growth (%)	-7.4	24.9	-32.2	15.0
AR turnover (x)	18.7	31.2	404.8	411.3
Inventory turnover (x)	31.1	39.9	31.5	32.0
AP turnover (x)	7.3	8.6	8.4	8.5
ROA (%)	15.6	16.2	9.6	10.0
ROE (%)	22.4	23.0	13.5	13.9
ROIC (%)	79.3	42.2	30.6	31.1
Debt-to-equity ratio (%)	40.6	41.8	38.8	36.8
Current ratio (%)	207.2	174.3	177.0	209.3
Net debt-to-equity ratio (%)	-42.9	-39.7	-37.8	-46.6
Interest coverage ratio (x)	635.2	591.5	537.8	557.9

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



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	83.98%	6.63%	8.84%	0.55%
Investment banking services	88.24%	0%	11.76%	0%

* Based on recommendations in the last 12-months (as of March 31, 2025)

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