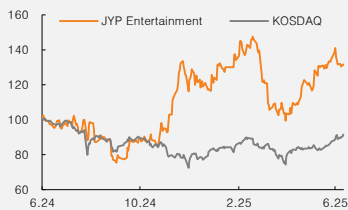


(Maintain)	Buy
Target price	▲ W95,000
Current price (6/20/25)	W76,000
Upside	25.0%

OP (25F, Wbn)	129
Consensus OP (25F, Wbn)	150
EPS growth (25F, %)	37.5
Market EPS growth (25F, %)	25.7
P/E (25F, x)	20.1
Market P/E (25F, x)	11.0
KOSDAQ	791.53

Market cap (Wbn)	2,700
Shares (mn)	36
Free float (%)	77.3
Foreign ownership (%)	22.7
Beta (12M)	0.43
52-week low (W)	43,500
52-week high (W)	85,100

(%)	1M	6M	12M
Absolute	0.8	8.6	35.2
Relative	-8.9	-8.3	46.5



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035900 KQ • Entertainment

JYP Entertainment

Cost concerns vs. potential scale effects

Concerns remain over US concert cost ratios

JYP Entertainment's 2Q25 results will be closely watched, as they will fully reflect concert earnings from Stray Kids under the group's revised profit-sharing ratio (following its contract renewal).

One factor that is raising some concerns is the firm's historical cost structure for concert-related revenue. In 2023, the company delivered sharp growth in revenue (+64% YoY) and operating profit (+75% YoY), yet its cost ratio for services revenue (concerts, appearances, and other activities) was extremely high at 97%. In comparison, the cost ratio for albums/content/YouTube was only 38%.

The main culprit behind the inflated concert cost ratio in 2023 was Twice's North American stadium tour (the first such tour by a Korean girl group). That year, we estimate that concerts by Twice accounted for more than half of JYP Entertainment's total concert attendance. And given that these concerts were held following the group's first contract renewal (in Oct. 2022), revised profit-sharing terms were reflected. A similar situation is playing out now, with Stray Kids (also in the first year of its renewed contract) projected to drive more than half of JYP's total concert attendance in 2025.

Encouragingly, however, Stray Kids is seeing an increase in its US Google Trends score following concerts, suggesting a broadening fan base. This momentum is likely to drive growth in high-margin segments, such as albums and merchandise, which should be positive for profits.

Raise TP to W95,000; maintain Buy

We raise our target price on JYP Entertainment to W95,000 (from W90,000). We revised up our 2026 revenue and operating profit estimates by 6.1% and 6.2%, respectively, as we lifted our assumption for the number of Stray Kids album releases in 2026 (factoring in increased activities by the group's sub-units).

(Dec.)	2023	2023	2024	2025F	2026F
Revenue (Wbn)	567	567	602	805	867
OP (Wbn)	169	169	128	129	154
OP margin (%)	29.8	29.8	21.3	16.0	17.8
NP (Wbn)	105	105	98	136	121
EPS (W)	2,971	2,971	2,751	3,782	3,635
ROE (%)	30.4	30.4	22.4	25.1	19.9
P/E (x)	34.1	34.1	25.4	20.1	20.9
P/B (x)	8.9	8.9	5.1	4.5	3.8
Dividend yield (%)	0.6	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. Valuation table

	Value	
2026F NP (Wbn)	121	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)	3,383	
No. of shares ('000)	35,532	
Target price (₩)	95,000	
Current price (₩)	76,000	
Upside	25.0%	

Source: Mirae Asset Securities Research estimates

Table 2. Quarterly and annual earnings

(Wbn)

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25F	3Q25F	4Q25F	2023	2024	2025F	2026F
Revenue	137	96	170	199	141	218	242	205	567	602	805	867
YoY	16%	-37%	22%	27%	3%	128%	42%	3%	64%	6%	34%	8%
OP	34	10	48	37	20	36	40	34	169	128	130	154
YoY	-20%	-79%	10%	-3%	-42%	289%	-17%	-8%	75%	-24%	1%	19%
OP margin	25%	10%	28%	19%	13.9%	17%	17%	17%	30%	21%	16%	18%
NP (owners of the parent)	50	4.7	39	26	69	23	28	15	105	98	136	121
YoY	21%	-82%	12%	563%	119%	1,530%	-27%	-44%	56%	-7%	39%	-11%
Net margin	37%	5%	23%	13%	49%	11%	12%	7%	19%	16%	17%	14%

Revenue by business

Albums	31	14	55	54	30	38	50	54	211	153	172	173
Streaming	16	13	14	22	15	14	16	20	52	65	66	78
Domestic	3	2	3	3	2	3	3	4	8	11	11	11
Overseas	13	11	11	19	12	12	14	16	44	53	54	66
Ads	8	9	8	9	9	11	11	11	28	34	42	50
Concerts	29	14	22	38	22	75	70	44	63	104	211	228
Appearances	5	8	5	9	9	7	8	6	14	27	29	32
Merchandise	24	15	50	44	33	51	53	35	115	133	171	188
Other	24	23	16	24	24	22	33	35	83	87	114	118
YouTube	5	5	5	6	5	5	5	5	20	20	20	20
Other	19	19	11	18	19	17	28	30	63	67	94	98

Revenue breakdown

Albums	23%	14%	32%	27%	21%	17%	21%	27%	37%	25%	21%	20%
Streaming	12%	13%	8%	11%	11%	7%	7%	10%	9%	11%	8%	9%
Domestic	17%	16%	23%	16%	16%	18%	17%	18%	15%	17%	17%	14%
Overseas	83%	84%	77%	84%	84%	82%	83%	82%	85%	83%	83%	86%
Ads	6%	10%	5%	4%	6%	5%	5%	5%	5%	6%	5%	6%
Concerts	22%	15%	13%	19%	15%	34%	29%	22%	11%	17%	26%	26%
Appearances	3%	8%	3%	5%	6%	3%	3%	3%	3%	5%	4%	4%
Merchandise	17%	15%	29%	22%	23%	23%	22%	17%	20%	22%	21%	22%
Other	17%	25%	9%	12%	17%	10%	14%	17%	15%	14%	14%	14%
YouTube	4%	5%	3%	3%	4%	2%	2%	2%	4%	3%	3%	2%
Other	14%	20%	6%	9%	13%	8%	12%	15%	11%	11%	12%	11%

Source: Company data, Mirae Asset Securities Research estimates

Table 3. Earnings forecast revisions

(Wbn)

	Previous		Revised		Chg.		Notes
	2025F	2026F	2025F	2026F	2025F	2026F	
Revenue	805	817	805	867	-	6.1%	Reflected 1Q album sales data and additional Stray Kids concerts
OP	130	145	130	154	-	6.2%	Adjusted profit-sharing ratio and subsidiary-related cost assumptions
NP (attr. to owners of the parent)	135	123	136	121	0.7%	-1.6%	Gains from Dear U stake sale

Source: Mirae Asset Securities Research

JYP Entertainment (035900 KQ)

Income statement (summarized)

(Wbn)	2023	2024	2025F	2026F
Revenue	567	602	805	867
Cost of revenue	298	345	509	552
GP	269	257	296	315
SG&A expenses	99	128	167	161
OP (adj.)	169	128	129	154
OP	169	128	129	154
Non-operating profit	-13	8	58	26
Net financial income	2	3	3	3
Net income from associates	4	3	73	23
Pretax profit	156	136	187	180
Income tax	51	38	53	51
Profit from continuing operations	105	98	134	129
Profit from discontinued operations	0	0	0	0
NP	105	98	136	121
Attributable to owners	105	98	136	121
Attributable to minority interests	0	0	0	0
Total comprehensive income	105	103	134	129
Attributable to owners	105	103	134	129
Attributable to minority interests	-1	0	0	0
EBITDA	180	143	147	173
FCF	139	2	14	64
EBITDA margin (%)	31.7	23.8	18.3	20.0
OP margin (%)	29.8	21.3	16.0	17.8
Net margin (%)	18.5	16.3	16.6	14.9

Balance sheet (summarized)

(Wbn)	2023	2024	2025F	2026F
Current assets	369	362	395	466
Cash & equivalents	217	191	221	279
AR & other receivables	19	51	5	6
Inventory	24	14	26	28
Other current assets	109	106	143	153
Non-current assets	203	317	450	507
Investments in associates	53	57	48	52
PP&E	56	140	264	318
Intangible assets	41	60	72	70
Total assets	572	679	845	974
Current liabilities	154	175	221	237
AP & other payables	56	94	113	122
Short-term financial liabilities	4	5	6	7
Other current liabilities	94	76	102	108
Non-current liabilities	19	21	26	28
Long-term financial liabilities	7	5	5	5
Other non-current liabilities	12	16	21	23
Total liabilities	173	196	247	265
Equity attributable to owners	394	479	594	704
Capital stock	18	18	18	18
Capital surplus	78	79	79	79
Retained earnings	311	390	505	615
Minority interests	4	4	4	4
Shareholders' equity	398	483	598	708

Cash flow statement (summarized)

(Wbn)	2023	2024	2025F	2026F
Operating cash flow	151	89	148	129
NP	105	98	134	129
Non-cash income/expenses	74	52	8	40
Depreciation	6	9	10	11
Amortization	5	6	8	8
Other	63	37	-10	21
Chg. in working capital	15	-7	56	7
Chg. in AR & other receivables	18	-39	47	0
Chg. in inventory	-22	3	-12	-2
Chg. in AP & other payables	4	36	6	5
Income tax	-44	-55	-53	-51
Cash flow from investing activities	-61	-100	-169	-75
Chg. in PP&E	-12	-87	-134	-65
Chg. in intangible assets	-1	-24	-20	-5
Chg. in financial assets	-34	21	-15	-5
Other	-14	-10	0	0
Cash flow from financing activities	-13	-22	-17	-19
Chg. in financial liabilities	6	-1	2	0
Chg. in equity	1	1	0	0
Dividends	-12	-19	-19	-19
Other	-8	-3	0	0
Chg. in cash	78	-27	30	58
Beginning balance	140	217	191	221
Ending balance	217	191	221	279

Key valuation metrics/ratios

	2023	2024	2025F	2026F
P/E (x)	34.1	25.4	20.1	20.9
P/CF (x)	20.1	16.6	19.0	16.0
P/B (x)	8.9	5.1	4.5	3.8
EV/EBITDA (x)	18.6	16.0	16.7	13.9
EPS (W)	2,971	2,751	3,782	3,635
CFPS (W)	5,030	4,223	4,003	4,745
BPS (W)	11,435	13,811	17,057	20,157
DPS (W)	574	574	574	574
Dividend payout ratio (%)	18.1	19.5	14.2	14.7
Dividend yield (%)	0.6	0.8	0.8	0.8
Revenue growth (%)	63.8	6.2	33.7	7.7
EBITDA growth (%)	75.8	-20.8	2.8	17.5
OP growth (%)	75.4	-24.3	0.5	19.7
EPS growth (%)	56.3	-7.4	37.5	-3.9
AR turnover (x)	32.4	18.7	31.4	417.3
Inventory turnover (x)	42.2	31.1	40.0	32.2
AP turnover (x)	10.1	7.3	8.4	8.4
ROA (%)	21.4	15.6	17.6	14.2
ROE (%)	30.4	22.4	25.1	19.9
ROIC (%)	206.2	79.3	43.9	39.4
Debt-to-equity ratio (%)	43.6	40.6	41.3	37.5
Current ratio (%)	238.9	207.2	179.0	196.3
Net debt-to-equity ratio (%)	-63.3	-42.9	-40.9	-43.1
Interest coverage ratio (x)	640.8	635.2	613.7	671.8

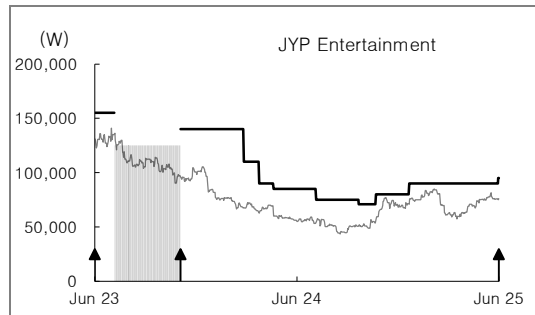
Source: Company data, Mirae Asset Securities Research estimates

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
JYP Entertainment (035900)	06/23/25	Buy	95,000
	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



Stock ratings

Buy	Expected 12-month return: +20% or greater
Hold	Expected 12-month return: Greater than -10% and less than +10%
Sell	Expected 12-month return: -10% or less

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

As of May 12, 2025, the Trading Buy rating category has been removed from our investment rating system.

Stocks expected to deliver a 12-month return between +10% and less than +20% may be rated either Buy or Hold at the discretion of the research analyst.

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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