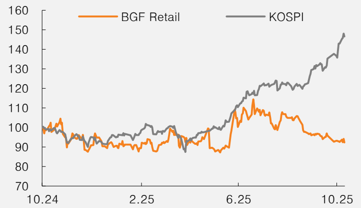
MIRAE ASSET Securities

Equity Research
October 24, 2025

(Maintain)	Buy
Target price	W140,000
Current price (10/23/25)	W104,800
Upside	33.6%

OP (25F, Wbn)	241
Consensus OP (25F, Wbn)	247
EPS growth (25F, %)	-6.6
Market EPS growth (25F, %)	26.4
P/E (25F, x)	9.9
Market P/E (25F, x)	14.2
KOSPI	3,845.56
Market cap (Wbn)	1,811
Shares (mn)	17
Free float (%)	48.6
Foreign ownership (%)	29.1
Beta (12M)	0.71
52-week low (W)	99,000
52-week high (W)	129,800

(%)	1M	6M	12M
Absolute	-3.6	0.5	-8.8
Relative	-12.6	-34.0	-38.3



Mirae Asset Securities Co., Ltd.

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282330 KS · Retail

BGF Retail

Sustaining SSS growth will be key

3Q25 preview: Below-consensus results likely

We expect BGF Retail to report below-consensus 3Q25 results, with revenue of W2.41tr (+4% YoY) and operating profit of W92.7bn (+2% YoY).

In the previous quarter, the company revised its full-year store expansion guidance to focus on more profitable, larger-format stores, reducing its net store additions target from 700 to 300. As a result, we believe that closures of less efficient stores have risen and overall store count growth has slowed to around 2.5%

Meanwhile, we estimate same-store sales (SSS) growth slightly improved to +1.2% YoY in 3Q25 (vs. -2.1% YoY in both 1Q25 and 2Q25). Growth likely turned positive from late July, following the launch of the government's cash voucher program. Cash vouchers should continue to support SSS growth through early 4Q25 (with the second round of payments having begun in late September). We estimate that the cash voucher program is having a largely neutral impact on the product mix, with spending seeming to be distributed evenly between cigarettes and general merchandise.

With BGF Retail emphasizing profitability and slowing the pace of net store additions, fixed cost pressures likely declined, allowing operating profit to return to YoY growth (following declines in both 1Q25 and 2Q25). The product mix, which was previously hurt by weaker sales of processed food products (following price hikes), does not appear to have deteriorated further.

Key will be sustaining SSS growth after the cash voucher effect subsides

Until BGF Retail completes its store efficiency efforts, expectations for store count growth should remain subdued, making SSS growth more important. While SSS likely grew modestly in 3Q25 thanks to cash vouchers, the overall impact of the program remains somewhat limited, and external factors, such as weather, continue to have a meaningful influence. It will be important to monitor whether the company can sustain SSS growth after the cash voucher effect subsides in 4Q25.

Encouragingly, the cost environment remains favorable. Depreciation on right-of-use assets rose only 5% in 1H25, and management projects that profits could grow even if SSS growth reaches just 1-2%. Offline retail channels as a whole are seeing a recovery in foot traffic, and inbound foreign visitors are gradually increasing, creating supportive conditions for a SSS growth recovery. Of note, BGF Retail is pursuing product differentiation and expanding into new categories (cosmetics, health supplements, etc.); if successful, these initiatives should be key in supporting SSS growth.

(Dec.)	2023	2024	2025F	2026F	2027F
Revenue (Wbn)	8,195	8,699	9,012	9,348	9,688
OP (Wbn)	253	252	241	253	264
OP margin (%)	3.1	2.9	2.7	2.7	2.7
NP (Wbn)	196	195	182	193	203
EPS (W)	11,331	11,295	10,545	11,164	11,719
ROE (%)	19.2	17.3	14.8	14.3	13.8
P/E (x)	11.6	9.1	9.9	9.4	8.9
P/B (x)	2.1	1.5	1.4	1.3	1.2
Dividend yield (%)	3.1	4.0	3.8	4.2	4.2

Notes: Under consolidated K-IFRS; NP is attributable to owners of the parent
Source: Company data, Mirae Asset Securities Research estimates

Table 1. Annual earnings and forecasts (Wbn)

	2022	2023	2024	2025F	2026F	2027F
Revenue	7,616	8,195	8,699	9,012	9,348	9,688
Convenience stores	7,578	8,132	8,592	8,837	9,160	9,492
Other	38	63	107	176	187	196
OP	252	253	252	241	253	264
Convenience stores	249	241	230	216	226	235
Other	3	12	21	26	28	29
Pretax profit	254	248	245	237	251	263
NP	194	196	195	182	193	203
OP margin (%)	3.3	3.1	2.9	2.7	2.7	2.7
Revenue growth (%, YoY)	12.3	7.6	6.2	3.6	3.7	3.6
OP growth (%, YoY)	26.6	0.3	(0.6)	(4.1)	5.0	4.2
NP growth (%, YoY)	31.1	1.2	(0.3)	(6.6)	5.9	5.0

Source: Company data, Mirae Asset Securities Research

Table 2. Quarterly earnings and forecasts (Wbn)

	1Q24	2Q24	3Q24	4Q24	2024	1Q25	2Q25	3Q25F	4Q25F	2025
Revenue	1,954	2,203	2,326	2,216	8,699	2,016	2,290	2,414	2,292	9,012
Convenience stores	1,950	2,174	2,291	2,177	8,592	1,975	2,238	2,376	2,247	8,837
Other	4	29	35	39	107	41	52	38	45	176
OP	33	76	91	52	252	23	69	93	56	241
Convenience stores	33	69	82	45	230	23	60	83	49	216
Other	-1	7	9	6	21	-1	9	10	7	26
Pretax profit	31	74	89	51	245	17	67	92	61	237
NP	23	58	70	43	195	13	53	71	45	182
OP margin (%)	1.7	3.5	3.9	2.3	2.9	1.1	3.0	3.8	2.5	2.7
Revenue growth (%, YoY)	5.6	5.0	5.4	8.6	6.2	3.2	4.0	3.8	3.4	3.6
OP growth (%, YoY)	(11.8)	(2.4)	4.8	1.1	(0.6)	(30.7)	(8.9)	1.7	9.3	(4.1)
NP growth (%, YoY)	(15.5)	(1.7)	(0.2)	12.6	(0.3)	(42.9)	(9.7)	1.3	4.3	(6.6)

Source: Company data, Mirae Asset Securities Research

BGF Retail (282330 KS)

Income statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Revenue	**8,699**	**9,012**	**9,348**	**9,688**
Cost of revenue	**7,073**	**7,337**	**7,606**	**7,879**
GP	**1,626**	**1,675**	**1,742**	**1,809**
SG&A expenses	**1,374**	**1,435**	**1,488**	**1,545**
OP (adj.)	**252**	**241**	**253**	**264**
OP	**252**	**241**	**253**	**264**
Non-operating profit	**-7**	**-4**	**-2**	**-1**
Net financial income	-23	38	56	71
Net income from associates	-1	-1	-1	-1
Pretax profit	245	237	251	263
Income tax	50	54	58	61
Profit from continuing operations	195	182	193	203
Profit from discontinued operations	0	0	0	0
NP	**195**	**182**	**193**	**203**
Attributable to owners	195	182	193	203
Attributable to minority interests	0	0	0	0
Total comprehensive income	**181**	**182**	**193**	**203**
Attributable to owners	181	182	193	203
Attributable to minority interests	0	0	0	0
EBITDA	767	752	650	590
FCF	550	595	408	346
EBITDA margin (%)	8.8	8.3	7.0	6.1
OP margin (%)	2.9	2.7	2.7	2.7
Net margin (%)	2.2	2.0	2.1	2.1

Balance sheet (summarized)

(Wbn)	2024	2025F	2026F	2027F
Current assets	**1,052**	**1,455**	**1,807**	**2,091**
Cash & equivalents	325	444	769	1,025
AR & other receivables	243	251	259	269
Inventory	212	220	228	236
Other current assets	272	540	551	561
Non-current assets	**2,351**	**2,656**	**2,477**	**2,370**
Investments in associates	18	19	20	20
PP&E	834	824	637	521
Intangible assets	79	76	72	69
Total assets	**3,403**	**4,111**	**4,285**	**4,462**
Current liabilities	**1,296**	**1,894**	**1,944**	**1,994**
AP & other payables	769	795	825	855
Short-term financial liabilities	353	919	932	946
Other current liabilities	174	180	187	193
Non-current liabilities	**922**	**931**	**932**	**934**
Long-term financial liabilities	881	888	888	888
Other non-current liabilities	41	43	44	46
Total liabilities	**2,218**	**2,825**	**2,876**	**2,928**
Equity attributable to owners	**1,184**	**1,286**	**1,409**	**1,533**
Capital stock	17	17	17	17
Capital surplus	322	322	322	322
Retained earnings	831	942	1,064	1,189
Minority interests	**0**	**0**	**0**	**0**
Shareholders' equity	**1,184**	**1,286**	**1,409**	**1,533**

Cash flow statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Operating cash flow	**769**	**896**	**608**	**546**
NP	195	182	193	203
Non-cash income/expenses	593	562	397	314
Depreciation	506	501	387	316
Amortization	9	10	10	9
Other	78	51	0	-11
Chg. in working capital	28	151	20	19
Chg. in AR & other receivables	20	-220	-6	-7
Chg. in inventory	-35	-7	-8	-8
Chg. in AP & other payables	56	601	23	24
Income tax	-55	-26	-58	-61
Cash flow from investing activities	**-346**	**-1,080**	**-384**	**-398**
Chg. in PP&E	-218	-298	-200	-200
Chg. in intangible assets	-5	-7	-6	-6
Chg. in financial assets	0	-18	-21	-21
Other	-123	-757	-157	-171
Cash flow from financing activities	**-400**	**115**	**35**	**160**
Chg. in financial liabilities	-21	-870	13	14
Chg. in equity	0	0	0	0
Dividends	-71	-71	-71	-78
Other	-308	1,056	93	224
Chg. in cash	**22**	**119**	**325**	**256**
Beginning balance	302	325	444	769
Ending balance	325	444	769	1,025

Key valuation metrics/ratios

	2024	2025F	2026F	2027F
P/E (x)	9.1	9.9	9.4	8.9
P/CF (x)	2.2	2.4	3.1	3.5
P/B (x)	1.5	1.4	1.3	1.2
EV/EBITDA (x)	3.2	3.6	3.6	3.6
EPS (W)	11,295	10,545	11,164	11,719
CFPS (W)	45,601	43,072	34,131	29,863
BPS (W)	68,611	74,529	81,596	88,817
DPS (W)	4,100	4,100	4,500	4,500
Dividend payout ratio (%)	36.3	38.9	40.3	38.4
Dividend yield (%)	4.0	3.8	4.2	4.2
Revenue growth (%)	6.2	3.6	3.7	3.6
EBITDA growth (%)	5.0	-1.9	-13.6	-9.3
OP growth (%)	-0.6	-4.1	5.0	4.2
EPS growth (%)	-0.3	-6.6	5.9	5.0
AR turnover (x)	50.0	52.6	52.7	52.7
Inventory turnover (x)	44.7	41.7	41.8	41.8
AP turnover (x)	12.3	11.8	11.9	11.8
ROA (%)	5.9	4.9	4.6	4.6
ROE (%)	17.3	14.8	14.3	13.8
ROIC (%)	13.0	12.1	14.0	16.6
Debt-to-equity ratio (%)	187.3	219.6	204.2	191.0
Current ratio (%)	81.1	76.8	93.0	104.9
Net debt-to-equity ratio (%)	57.1	67.0	38.4	18.9
Interest coverage ratio (x)	4.9	0.0	0.0	0.0

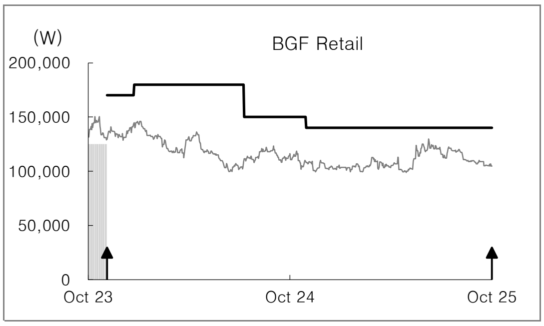
Source: Company data, Mirae Asset Securities Research estimates

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
BGF Retail (282330)	11/22/24	Buy	140,000
	08/02/24	Buy	150,000
	01/16/24	Buy	180,000
	11/28/23	Buy	170,000



Stock ratings		Sector ratings	
Buy	Expected 12-month return: +20% or greater	Overweight	Expected to outperform the market over 12 months
Hold	Expected 12-month return: Greater than -10% and less than +10%	Neutral	Expected to perform in line with the market over 12 months
Sell	Expected 12-month return: -10% or less	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	78.61%	1.73%	19.08%	0.58%
Investment banking services	84.62%	0%	15.38%	0%

* Based on recommendations in the last 12-months (as of September 30, 2025)

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