

Small cap

Not canceled but delayed

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Due to internal and external factors, certain factors, identified as the keys to growth, failed to materialize in 2023. Thus, we need to revise our 2023 earnings forecast. However, we do not need to lower valuations, as these factors have been delayed rather than cancelled and will play a critical role in 2024 sales growth.

Interjo: FDA

We had expected the company to win approval from the FDA for its clear silicone lens, which would have enabled Interjo to enter the world's largest market and improved ASP and margin, thus boosting valuations. We had expected FDA approval by end-2023 after successful clinical trials in 2Q23, but there has yet to be any news of an approval. The FDA may have requested additional data. Given it is an equivalence test, we believe approval has only been delayed and cancellation is unlikely.

Woongjin Thinkbig: ARpedia

"ARpedia" received attention as a growth engine for 2023, as the company signed a supply agreement with a Taiwanese studio (Jul 2023) and an IP agreement with Disney Korea (Jul 2023). In particular, given the strong global preference for Disney IP, there were expectations that new products using Disney IP would be released within 2023, driving sales growth. However, gaining certification to use Disney IP and approval from countries to enter overseas markets is taking time. We expect such procedures to be completed in 1H24, driving earnings growth in 2024. It should be noted that sales recognition has been delayed, not cancelled.

MegaStudyEdu: M&A

The company is trying to acquire industry leader ST Unitas (operates civil service exam academy "Gongdang") to transform its loss-making civil service exam education business. After MegaStudyEdu announced in Oct 2022 that it was going ahead with the acquisition, we expected a decision to be made within a year. Currently, the Fair Trade Commission (FTC) is reviewing the monopoly issue in the civil service exam education market, and the company is awaiting the result. We expect sales and OP to improve when progress is made regarding the acquisition.

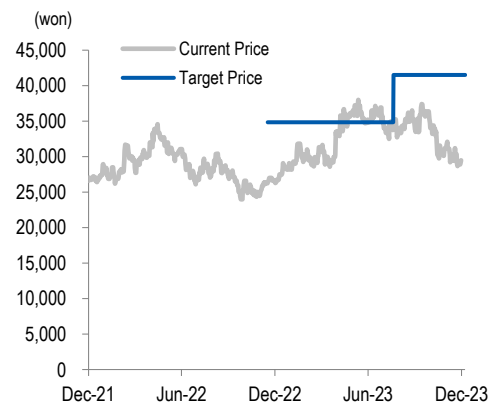
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Small cap

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Company	Rating	TP (won)
Interjo	BUY (M)	41,500 (M)
Woongjin Thinkbig	BUY (M)	3,500 (M)
MegaStudyEdu	BUY (M)	93,000 (M)

Interjo (119610 KS) ratings and target price history



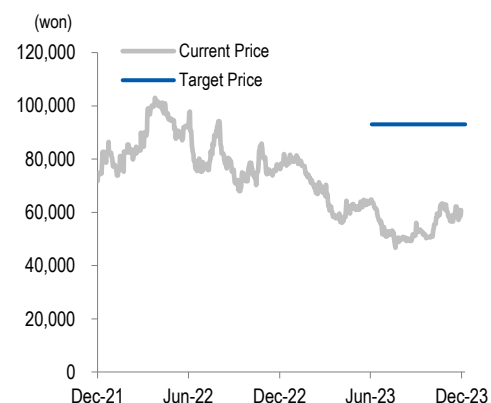
Date	Rating	TP (won)	TP time frame	Difference (%)	
				vs avg price	vs high (low)
2023/12/06	BUY	41,500	1 yr		
2023/07/26	BUY	41,500	1 yr		
2022/11/22	BUY	34,850	1 yr	-8.49	9.04
2022/06/22	NOT RATED	-	1 yr		
	Analyst changed				
2021/10/05	NOT RATED	-	1 yr		

Woongjin Thinkbig (095720 KS) ratings and target price history



Date	Rating	TP (won)	TP time frame	Difference (%)	
				vs avg price	vs high (low)
2023/12/06	BUY	3,500	1 yr		
2023/05/24	BUY	3,500	1 yr		
2023/03/17	NOT RATED	-	1 yr		
	Analyst changed				
2021/03/31	BUY	4,800	1 yr	-15.57	-1.25

MegaStudyEdu (215200 KS) ratings and target price history



Date	Rating	TP (won)	TP time frame	Difference (%)	
				vs avg price	vs high (low)
2023/12/06	BUY	93,000	1 yr		
2023/06/09	BUY	93,000	1 yr		
2023/04/21	NOT RATED	-	1 yr		

Note: Difference = (actual price* - target price) / target price x 100

* 1) The average price until the day target price was suggested

2) The highest (lowest) price until the day target price was suggested

Source: Yuanta Securities

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Analyst certification

I/We, as the research analyst/analysts who prepared this research report, do hereby certify that the views expressed in this report accurately reflect my/our personal views about the subject securities discussed in this report.

Stock and sector ratings

- **Stock ratings** include an Investment Rating (Strong Buy, Buy, Hold, Sell) based on the expected absolute return of a stock over the next 6 -12 months.
- - Strong Buy: Expected to return 30% or more
- - Buy: Expected to return between 10% and 30%
- - Hold: Expected to return between -10 and +10%
- - Sell: Expected to return -10% or less
- **Sector ratings** suggest 6 to 12 - month forward investment weighting of a given sector compared to its market capitalization weighting.
- - Overweight: Investment weighting is higher than the market capitalization weighting
- - Neutral: Investment weighting is equal to the market capitalization weighting
- - Underweight: Investment weighting is lower than the market capitalization weighting

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