

# Chang Tech (35682) Stock Report

**Sector** Electronics/IT Components  
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## Investment Summary

Category	Details	Note
<b>Investment Opinion</b>	<b>Buy</b>	
<b>Target Price (12M)</b>	<b>KRW 15,500</b>	(Raised from KRW 15,000)
<b>Current Price (7.15)</b>	KRW 13,500	
<b>Upside Potential</b>	14.8%	

- **2Q25E Operating Profit** expected to be **KRW 12.6 billion**, largely meeting the market consensus (KRW 12.7 billion).
- Reflects the rise in **hinge ASP (+30%)** for the new model this year and a partial recovery in market share.
- Forecasted **2025 Operating Profit** raised by +6.8% from the previous estimate to **KRW 28.5 billion** (+30.2% YoY).

## 1. Reviving Market Expectations

The anticipation for the new foldable product launch by the domestic client, along with the entry of North American competitors, is a key variable set to reignite the **structural growth of the overall foldable device market**. This renewed structural growth expectation for the foldable market is projected to act as a **positive momentum** for the stock price.

## 2. 2Q25 Preview: Expected to Meet Consensus

Consolidated 2Q25 revenue and operating profit are estimated at KRW 135.5 billion (+33.4% YoY) and **KRW 12.6 billion** (+48.1% YOY), respectively, which is expected to meet the market operating profit consensus (KRW 12.7 billion).

Due to the change in hinge material and increased complexity in the manufacturing process for the new model's reduced thickness, the **Average Selling Price (ASP)** rose by approximately 30%, leading to favorable results within the foldable value chain. Furthermore, due to the increased difficulty in hinge production, the company is understood to have **partially recovered market share**, primarily for the Fold model.

### 3. Maintain Buy, Raise Target Price to KRW 15,500

We maintain our **Buy** investment opinion on Chang Tech and raise the target price from the previous KRW 13,000 to **KRW 15,500**. This revision reflects the upward adjustment of our earnings forecast and the increased weighting of the 2026 earnings in our target price calculation methodology.

In the short term, the expectation of strong performance from this year's model, and in the mid-to-long term, the expected structural growth of the foldable market, are anticipated to provide sustained positive momentum for the stock price.

#### Chang Tech Annual Financial Forecast (2025E)

(KRW bn)	2024 (Actual)	2025E (Forecast)	(% YoY)
Revenue	311.0	371.2	19.3%
Operating Profit	21.9	28.5	30.2%
Net Income (Controlling)	21.3	23.8	11.7%
EPS (KRW)	900	1,030	14.4%
PER (x)	9.0	12.6	-

*Disclaimer: This material is not intended as an investment recommendation, and the final responsibility for investment decisions rests with the investor.*