트레이드 렌즈
TRADE LENS

Bringing investing into focus.

COMPANY RESEARCH / No.13

KRX 003230 · GLOBAL FOOD BRAND · REPEATABLE MARGINS

How Far Can Buldak's Global Success Go?

What Sustains Samyang Foods' High Margins

Overseas sales, tariff refunds and the economics of manufacturing expansion

24.8%
Q3 reported operating margin [1]

83.5%
Q3 overseas share · calculation [1] [4]

22.3%
Margin after refund-only adjustment [1] [2]

The growth engine is strong.
Repeatable margins and cash returns are the test.

Q3 earnings are preliminary. The refund-only adjustment is analytical, not a company-defined metric.

Analysis date 7 November 2026

TRADELENS.KR

Business model, profitability, cash flow and capital allocation

01 / RESEARCH VIEW

The earnings engine holds; the peak margin is a different test.

TradeLens view | Overseas expansion is credible; a 24.8% margin is not a permanent baseline.

Core conclusion

Buldak's expansion is more than a single sales spike. Distribution and manufacturing capabilities have widened together. The latest margin, however, includes a tariff refund. Net pricing, repeat orders and utilization must translate into cash after investment. [1] [2] [3] [7]

Evidence for growth

Q3 revenue was KRW791.8bn and operating profit KRW196.2bn. Profit growth exceeded sales growth. [1]

Quality of margin

Removing only the roughly KRW20bn refund leaves a 22.3% margin: still high, but below the reported peak. [1] [2]

The next growth path

China manufacturing can change local supply and Korean capacity allocation. Demand absorption determines the benefit. [7]

What would weaken the thesis

If replenishment slows despite heavier promotions and inventories or receivables build, growth is buying less economic value.

How far can success extend?

The geographic runway and earnings franchise remain constructive. That does not justify a fixed number of growth years or converting capacity additions directly into sales growth. **The next phase is less about relieving shortages and more about selling additional output at attractive net prices.**

The decision rule

Awareness → repeat purchases → net sales after distribution → manufacturing and logistics contribution → cash after investment. That chain determines the durability of success.

02 / EARNINGS BASELINE

Profit outgrew sales

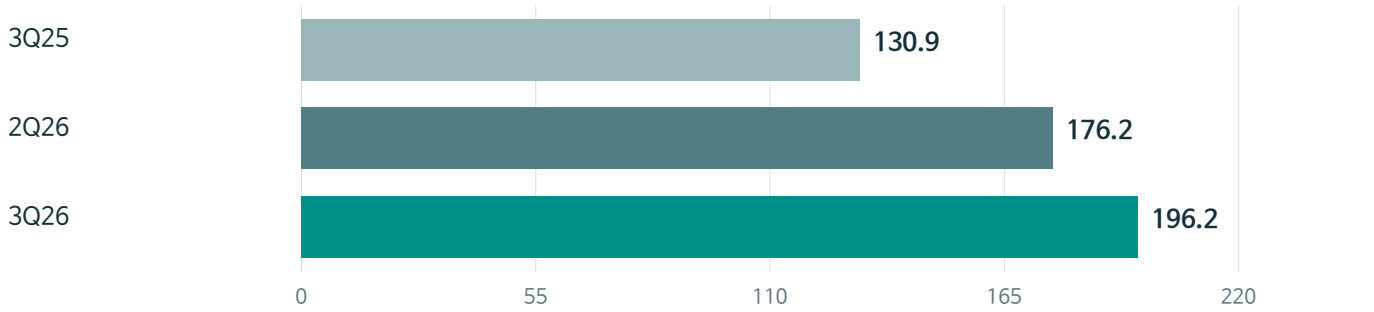
Consolidated quarterly results. Q3 is the preliminary, unreviewed release of 6 November.

Metric	Q3 2025	Q2 2026	Q3 2026
Revenue	632.0	770.3	791.8
Operating profit	130.9	176.2	196.2
Operating margin	20.7%	22.9%	24.8%
Net income · total	110.0	137.5	89.2

KRW bn. Margins use rounded disclosed values. Total net income includes non-controlling interests and differs from attributable net income of KRW89.8bn. [1]

Quarterly operating profit

KRW bn



Revenue rose 25.3% and operating profit 49.9% year over year. Nine-month revenue and operating profit reached KRW2,276.6bn and KRW549.5bn. A quarterly net-income decline coexists with stronger year-to-date earnings. [1]

What the results establish

Sales expansion has translated into operating profit. But the full margin increase cannot be credited to pricing power or productivity. Separating the refund from the reported result changes the benchmark for persistence.

03 / MARGIN QUALITY

Do not treat 24.8% as the normalized margin

A refund-only calculation combines the disclosed profit with an analyst-reported refund.

Q3 operating profit: one-item adjustment

KRW bn



KRW196.2bn less approximately KRW20bn = KRW176.2bn; divided by sales = 22.3%. Refund: KB Securities, 6 November. This is neither a company-adjusted metric nor a full normalization. [1] [2]

Ratios in KB research	Q2 2026	Q3 2026	Change
Gross margin	48.1%	46.6%	-1.5pp
SG&A / sales	25.2%	21.8%	-3.4pp
Operating margin	22.9%	24.8%	+1.9pp

Rounded analyst ratios. Gross margin and SG&A moved in different directions; these ratios are not a substitute for detailed reported cost accounts. [2]

The refund-only profit is still about 34.6% above the prior-year reported result, but is approximately level with the previous quarter's reported profit. Neither comparator is fully normalized, so this is not a pure underlying growth rate.

Assessment

The high-margin franchise remains credible. The next test is not another refund, but **protecting margins after normal input, promotional and logistics costs.**

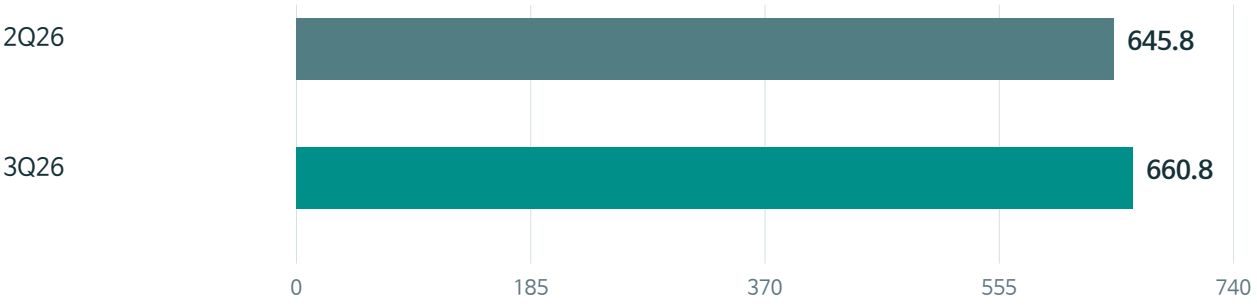
04 / GEOGRAPHIC GROWTH

Overseas sales broaden; economics still vary by market

Total overseas sales and individual subsidiary sales have different perimeters.

Overseas revenue: quarter-on-quarter comparison

KRW bn



Q2: company release; Q3: reporting of company statements. Q3 overseas sales rose 29.4% year over year and represented approximately 83.5% of consolidated revenue. [1] [3] [4]

Selected subsidiary	Q3 2026 sales	Year-on-year	Route to growth
United States	212.5	+36.6%	Major US retail channels and Mexico
China	208.9	+13.2%	Existing distribution and snack channels

KRW bn. Subsidiary sales are not assumed to equal consolidated external-customer sales by country. They are neither added to consolidated revenue nor treated as an exhaustive regional split. [4]

Distinguish distribution gains from inventory loading

Large US retailers widen customer access, while China's snack channels add points of contact. Initial stocking must be followed by replenishment. Volume, net pricing and inventory turnover need to improve together before distribution breadth can be read as durable penetration.

Growth quality test

Overseas sales increased about 2.3% sequentially. Strong annual growth and a more modest sequential pace coexist. Replenishment and net contribution matter more than extrapolating a single growth rate.

05 / BRAND & DISTRIBUTION

Repeat purchase economics matter more than reach

TradeLens analysis | Link brand, distribution and manufacturing to the profit retained.

The company reported cumulative Buldak sales above 10 billion units at end-May 2026. This demonstrates reach, not active buyers, repeat-purchase rates or product margins. [3] Korea Investors Service cited brand and pricing strength while monitoring fixed-cost absorption after expansion. [9]

01 **Discovery** — Content and shelf
> 02 **Repeat demand** — Repurchase/reorders
> 03 **Net sales** — Discounts and terms
> 04 **Contribution** — Production/logistics

Source of value	Cost or risk that grows too	Persistence indicator
Brand preference	Concentration in one franchise	Reorders without deeper discounting
Local sales and distribution	Trade terms, promotions, local stock	Net pricing, collection, inventory turns
Automation and scale	Fixed costs, quality and allocation	Saleable output and waste costs

Geographic diversification is not brand diversification

Selling in more countries diversifies local demand and channel shocks. A common brand preference can still transmit a reputation or trend shock across markets. New flavors, sauces and formats are options, not automatic diversification: incremental contribution must exceed the costs of extending the franchise.

The competitive test

Distinctive taste for consumers, shelf productivity for retailers and attractive net pricing for the producer must coexist. Expansion that enriches only one participant is a weaker defense of long-run margins.

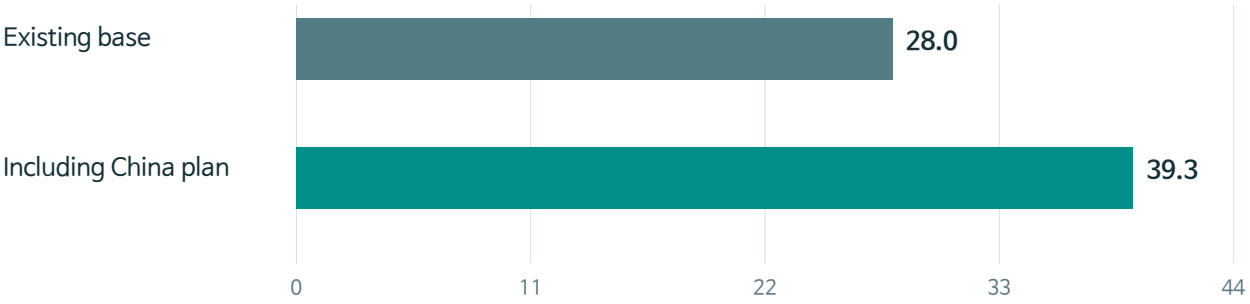
06 / CAPACITY & ALLOCATION

China capacity changes allocation, not just output

Separate the completed Miryang expansion from the planned China ramp.

Company-presented capacity path

100m servings · company plan



March 2026 IR diagram: existing 2.8bn servings plus China 1.13bn, totaling 3.93bn. Rounded capacity, not actual output or sales. China operation is a 2027 company plan. [7]

Location / stage	Completed step or plan	Economic implication
Miryang Plant 2	Completed June 2025 [8]	Post-expansion demand absorption
New China manufacturing	Planned operation in 2027 [7]	Local supply and Korean capacity reallocation
Existing Korean plants	Export production and upgrades [6]	Other demand must fill released production time

If Chinese output replaces shipments previously made in Korea, group sales do not rise one-for-one. The initial benefit is logistical and operational. **Growth is added when the Korean capacity released is sold into incremental demand elsewhere.**

From planned capacity to returns

Completion → quality and channel readiness → utilization → regional inventory optimization → cash recovery. Nameplate capacity is only the first stage.

07 / OPERATING LEVERAGE

Utilization and net price jointly decide expansion returns

Illustrative plant model; not Samyang's actual unit cost, pricing or break-even point.

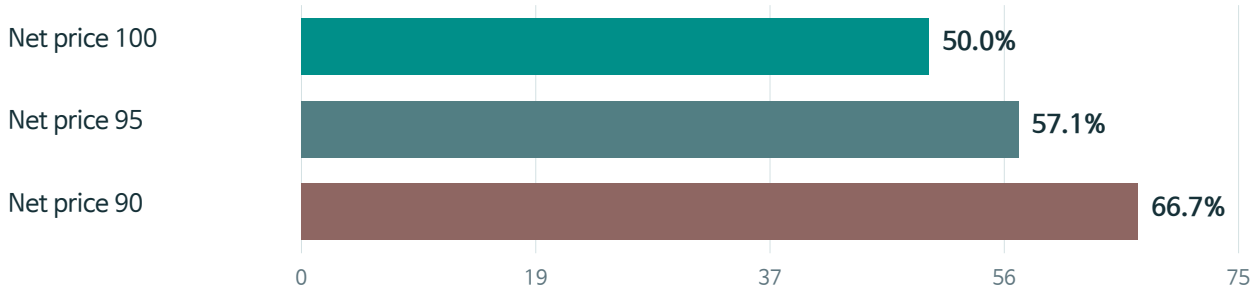
Assume capacity of 100 units, unit net price of 100, variable cost of 60 and fixed manufacturing cost of 2,000 per period. Plant profit is before selling, administration, tax and financing. Fixed cost is unchanged; only price and utilization vary.

Utilization	Net price 100	Net price 95	Net price 90
50%	0	-250	-500
70%	800	450	100
90%	1,600	1,150	700

Arbitrary monetary units. Plant profit = units sold × (net price − 60) − 2,000. All output is sold; inventory, changeovers and incremental working capital are excluded.

Break-even utilization

% · illustration



At 70% utilization, a price cut from 100 to 90 lowers sales by 10% but plant profit by 87.5%, from 800 to 100. Aggressive channel-loading discounts can erase manufacturing efficiency gains. Selling more saleable output at an unchanged price has the opposite effect.

Operating priority

Maximizing utilization alone is not enough. Net pricing by channel and total production/logistics cost must be managed together. During a ramp, monitor both shipment pace and promotional intensity.

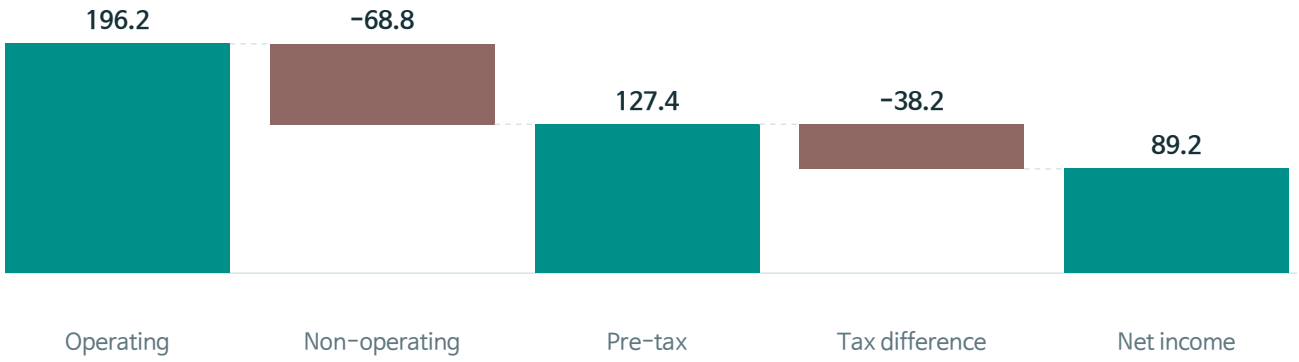
08 / OPERATING TO NET INCOME

Operating strength and weaker net income can coexist

An arithmetic bridge of preliminary earnings; do not assign the whole residual to one loss item.

Q3 2026 earnings bridge

KRW bn



Non-operating residual = pre-tax less operating profit; tax difference = pre-tax less total net income. Consolidated preliminary values, not a breakdown of individual expense notes. [1]

Year-on-year net-income bridge	Amount	Meaning
Operating-profit increase	+65.3	Improved operating result
Change in non-operating residual	-75.9	Bridge to pre-tax income
Increase in tax difference	-10.2	Pre-tax to after-tax difference
Decline in net income	-20.8	KRW110.0bn → KRW89.2bn

Translation of foreign sales, remeasurement of monetary balances, and actual currency settlement affect earnings and cash at different times. Higher operating profit does not mean every shareholder outcome improved; lower net income does not demonstrate a collapse in brand demand.

What detailed reporting should resolve

Separate remeasurement, realized currency effects, financing and tax from recurring operations. A non-cash valuation effect must not be counted again as an operating cash shortfall.

09 / CASH AFTER INVESTMENT

High margins do not guarantee cash after investment

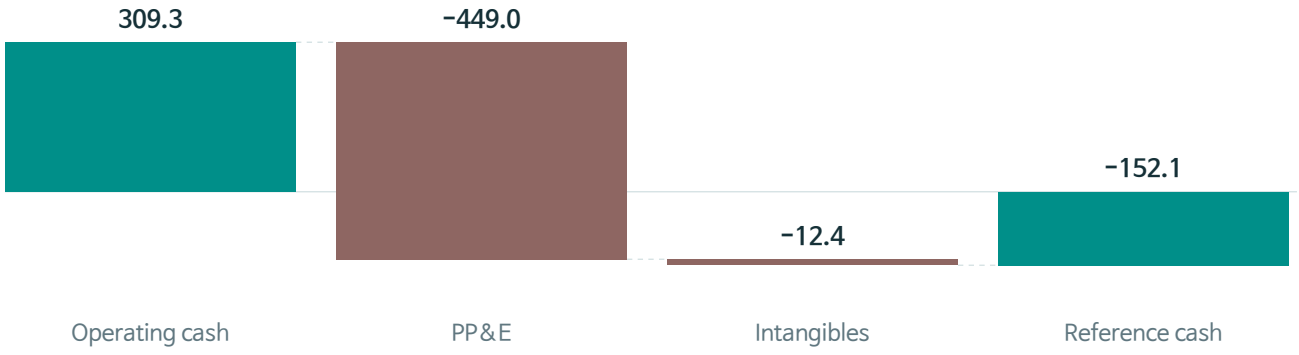
Historical case: consolidated FY2024/25 cash flows, not an estimate of current 2026 cash.

Cash item	FY2024	FY2025
Operating cash flow	357.90	309.29
Cash purchases of PP&E	228.45	448.99
Cash purchases of intangibles	4.97	12.38
Reference cash after both purchases	124.48	-152.09

KRW bn. Reference cash = operating cash less PP&E and intangible purchases. Not company-defined FCF; interest, leases, dividends, acquisitions and disposals are separate. [5]

FY2025 cash after specified investment

KRW bn



In FY2025 operating profit rose about 52.1%, but operating cash fell KRW48.62bn. Cash generated before tax rose KRW18.51bn while cash taxes rose KRW67.13bn. Tax timing and investment are not equivalent to weaker operating competitiveness, but the funding need is real. [5] [11]

Assessment

The key is whether invested capital generates subsequent repeatable cash. Neither a negative expansion-period residual nor a high operating margin alone settles that question.

10 / WORKING CAPITAL

Collection timing shapes the conversion of profit to cash

Historical case: Q1 2026 consolidated note 24, not a proxy for H1 or Q3.

Q1 cash-flow adjustment	Cash effect	Interpretation
Trade receivables	-20.66	Revenue versus collection
Other receivables	+38.71	Separate recurring and timing effects
Inventories	+14.17	Inventory release or rebuilding
Trade payables	+14.04	Supplier payment timing

KRW bn. These are cash-flow-note adjustments, not raw balance-sheet changes. The four items are only part of the reconciliation. [6]

01 **Sales growth** — Local stock/credit
> 02 **Collection** — Customer payment
> 03 **Tax/investment** — Cash uses
> 04 **Next cycle** — Stock and capacity

Operating cash in that quarter was KRW211.34bn. The different cash profiles in FY2025 and Q1 2026 illustrate payment, collection and investment timing. A strong single-quarter conversion rate is not a permanent rate for the next quarter or a new plant. [6]

Why exports can require cash before generating it

Safety stock and retailer credit can absorb cash ahead of realized growth. Inventory supporting demand differs from stock stranded by slowing demand. Working-capital outflows already included in operating cash must not be deducted again when calculating cash after investment.

Follow-up test

Match sales, collection and inventory turns over the same period. If sales growth comes with longer collection periods and mounting provisions, downgrade the quality of that growth.

11 / CURRENCY & NET EXPOSURE

Overseas revenue share is not FX sensitivity

TradeLens analysis | Separate sales translation, net currency exposure and balance-sheet remeasurement.

Channel	What changes	Offsets and timing
Translation of sales	Revenue/profit in KRW	Local price, volume, translation rates
Trade settlement	Actual receipts and payments	Foreign-currency input/logistics costs; hedging
Monetary remeasurement	Valuation effects; later settlement	Net balances and measurement dates

Illustrative net-exposure model

Assume foreign-currency revenue of 100, costs in the same currency of 40 and KRW fixed cost of 30. At an initial exchange rate of 1, profit is 30. If the foreign currency falls 10% in KRW terms, profit becomes $100 \times 0.9 - 40 \times 0.9 - 30 = 24$.

Exchange rate	Translated sales	Translated FX cost	Profit
1.00	100	40	30
0.95	95	38	27
0.90	90	36	24

Arbitrary units. Price, volume, hedging, remeasurement and tax are fixed or excluded. This is neither actual company exposure nor an FX forecast. A sales decline of 10 is partly offset by cost savings of 4.

The question returns to pricing power

Top-line expansion alone does not offset currency pressure. Local net prices, production allocation, foreign-currency costs and hedging interact. KRW sales growth and local demand growth are not interchangeable measures.

12 / CAPITAL ALLOCATION

The next stage of success is recovering invested capital

Distinguish multi-year investment plans from cash paid in a specific reporting period.

Company IR category	Amount	Period
Additional capex decisions	KRW351.7bn	2025 - 2026
Miryang Plant 2	KRW183.7bn	2023 - 2025
China plant	KRW207.2bn	2025 - 2027
Total · routine capex excluded	KRW742.6bn	Multiple plan periods

Company value-up report, 26 March 2026, p.9. Additional capex reflects board/committee decisions. The total is neither remaining commitments nor solely new noodle capacity, and is not added to FY2025 actual purchases. [7]

01 **Growth capital** Plant/working capital > 02 **Economic test** Utilization/contribution > 03 **Cash retention** Collection after capex > 04 **Capital choice** Dividends/reinvestment

The policy targets a 9 - 11% consolidated payout until stable FCF is established. [10] Payout capacity also depends on cash after ramp-up, routine capex, debt and working capital.

How brand value stays with the company

Expansion may grow sales while tying capital in stock and equipment. A new site succeeds through repeated cash recovery over its life, not its construction budget or size.

Capital-allocation assessment

Investment fits the opportunity, but capital turnover and cash conversion must improve after expansion. Announced capacity is not evidence of an investment return.

13 / CONDITIONAL OUTLOOK

Base view: continued expansion, not a fixed peak margin

Conditional business outlook, not earnings targets, assigned probabilities or share-price forecasts.

Path	Evidence to observe	Economic result
Base: quality expansion	Reorders persist, net pricing holds and plant allocation improves	High operating profitability without refunds; cash varies during investment
Upside: joint operating efficiency	Saleable China output plus incremental Korean sales; stable collection	Fixed-cost absorption and inventory efficiency support profit and cash
Downside: expensive growth	More promotions, weaker replenishment and low utilization/slow stock	Contribution and capital recovery weaken even if sales grow

What supports the base view

Current overseas growth and the 22.3% refund-only reference margin indicate that the franchise is not solely a refund story. That figure is not a future margin floor: price, cost, currency and regional mix can all change the result. [1] [2] [4]

Evidence that would change the view

Downgrade growth quality if expanding sales coexist with lower contribution after promotions, longer collection, rising inventory burden and underused new capacity. Stronger replenishment, unit economics and cash after investment would reinforce the view.

Sequence for testing the outlook

01
Next earnings
Margins without refunds

02
China ramp
Quality output and cost

03
After expansion
Capital turnover and cash

Near-term earnings depend on refunds and selling costs; the next stage depends on ramp costs and output allocation. Repeatable cash after both stages, not extrapolated sales growth, is the durability test.

14 / MONITORING & FINAL VIEW

The next milestone is repeatable earnings, not just units

Link four decisive indicators using consistent periods and accounting scopes.

Monitor	Strengthens the view	Weakens the view
Local demand	Replenishment and sustained new-channel sales	Weak repeats after initial stocking; returns
Repeatable margin	Balanced pricing, costs and selling spend ex one-offs	Discounts/input costs outrun efficiency gains
Manufacturing expansion	China ramp and Korean exports improve together	Fixed costs and stock rise ahead of demand
Cash and capital	Better collection, inventory and post-capex cash	Repeated funding dependence despite profit growth

Reconcile quarterly earnings with the subsequent detailed filing, and track new plants through announced completion and commercial operation. Subsidiary sales, consolidated external-customer sales and factory output are distinct observations.

Final judgment

The global growth and high-margin franchise remain constructive. More important than the reported 24.8% is profitability without refunds and the capital efficiency of the enlarged production and distribution system. Success endures when repeat orders turn into net contribution and cash after investment, not merely when the brand reaches more countries.

Distinguishing ramp costs from structural weakness

A ramp-period margin dip alongside better repeat orders and collection can reflect start-up fixed costs. High sales growth accompanied by discounts and accumulating stock demands a different conclusion. Read demand, unit economics and cash together, rather than relying on a single margin.

Boundary of the analysis

No undisclosed repeat rates, brand margins, plant profits or net prices are estimated. Models illustrate sensitivities, not Samyang's earnings or investment returns.

15 / SOURCE REGISTER

Link the core claims to their original evidence

Teal reference numbers, source titles and “Open source” link directly to the cited material.

01. Samyang Foods | Q3 2026 preliminary results Open source

6 Nov 2026 · KRX filing · Quarterly/YTD income; preliminary, unreviewed

02. KB Securities | Samyang Foods Q3 2026 review Open source

6 Nov 2026 · Analyst research · KRW20bn tariff refund; cost ratios

03. Samyang Foods | Q2 2026 earnings announcement Open source

14 Aug 2026 · Company release · Overseas sales, Buldak sales milestone

04. iNews24 | Q3 results and overseas subsidiary sales Open source

6 Nov 2026 · Reporting of company statements · Overseas/US/China sales

05. Samyang Foods | FY2025 annual report Open source

18 Mar 2026 · KRX filing · III.2-4 consolidated cash flows, FY2024/25

06. Samyang Foods | Q1 2026 quarterly report Open source

13 May 2026 · KRX filing · II.3 capacity; III.2-4 and note 24 cash flow

Nature of the earnings evidence

[1] is a preliminary consolidated filing. Refund and cost-ratio information in [2] is analyst research, not an official adjusted-income measure. [4] reports company statements. These sources retain their distinct status.

Scope of cash evidence

Annual cash in [5] and Q1 cash in [6] are historical structural cases. They are not substituted for H1, Q3 or current liquidity and are not annualized.

16 / SOURCE REGISTER

Distinguish company plans from external assessment

Capacity, investment and dividend information retain their dates and scopes.

07. Samyang Foods | Value-up plan implementation report Open source

26 Mar 2026 · Company IR, redistributed · pp.6 - 9 capacity, capex, dividends

08. MAFRA | Completion ceremony for Miryang Plant 2 Open source

11 Jun 2025 · Government release · Miryang Plant 2 completion

09. Korea Investors Service | Samyang Foods credit opinion Open source

3 Apr 2026 rating date · Credit research · pp.2 - 3 pricing and investment risk

10. Samyang Foods | Medium-term dividend policy Open source

Adopted 12 Nov 2025 · Company policy · 9 - 11% payout before stable FCF

11. Samyang Foods | Annual financial information Open source

FY2023 - 2025 · Company financial data · Historical consolidated earnings

Company plans

[7] is a redistributed original company IR document. China capacity and multi-year capex retain the disclosed plan/approval status, not completion as of 7 November. [8] supports Miryang's completion.

Assessment and arithmetic

[9] is a dated credit assessment, not a guarantee. Refund subtraction, earnings bridges and reference cash balances are TradeLens calculations using the stated inputs. They are not extrapolated into company forecasts.

17 / METHODOLOGY & USE

Methodology, disclaimer and permitted use

Reported facts, company plans, TradeLens analysis and illustrations are distinguished.

Item	Application
Date / subject	7 Nov 2026 · Samyang Foods (KRX 003230). Latest earnings anchor: preliminary Q3 results released 6 November.
Units / scope	English tables use KRW bn; Korean tables use KRW100m. Keep consolidated, parent and subsidiary data and quarterly, YTD and annual periods separate.
Adjustments / rounding	Only an approximately KRW20bn tariff refund is subtracted. This is not full normalization. Rounded source values can create small differences.
Historical cash	FY2025 and Q1 2026 filings are structural cash cases, not H1, Q3 or current-cash estimates.
Plans / assumptions	China operation and capex are company plans. Plant (p.8) and FX (p.12) models are illustrative, not actual segment margins or currency forecasts.
Research boundary	Business, profitability, cash and capital allocation. No buy/sell recommendations, trading timing, fair-value/target prices or personalized advice.

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