

# COMPANY UPDATE

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## EV/Mobility Team

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## ▶ AT A GLANCE

**BUY**

Target price **KRW600,000** 44.2%

Current price **KRW416,000**

Market cap	KRW97.3t/USD64.3b
Shares (float)	234,000,000 (20.3%)
52-week high/low	KRW514,000/KRW288,000
Avg daily trading value (60-day)	KRW216.0b/ USD142.7m

## ▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
LG Energy Solution (%)	-0.2	0.1	41.5
Vs Kospi (%pts)	-15.7	-54.2	-52.9

## ▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	600,000	600,000	0.0%
2026E EPS	-509	-509	0.0%
2027E EPS	11,589	11,589	0.0%

## ▶ SAMSUNG vs THE STREET

No of estimates	23
Target price	576,565
Recommendation	4.0

※ Rating: 4 <→ BUY, 3 = HOLD, 2 > → SELL



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# LG Energy Solution (373220)

## 2H outlook: Major ESS orders in full swing

- The key investment themes for LG Energy Solution (LGES) in 2H26 are: 1) improved profitability from North American ESS business expansion; and 2) significant ESS order wins and reduced losses in the EV battery segment.
- The ESS division should become the company's largest revenue driver starting in 3Q26, solidifying its top market position in the US ESS battery market—a positive development. We maintain our BUY rating and KRW600,000 target price.

## WHAT'S THE STORY?

**Outlook (1)—To enjoy huge ESS-related order momentum:** LGES took 90 GWh of new ESS battery orders in 2025 and is targeting over 90 GWh in 2026. The firm has likely won approximately 10 GWh in new orders ytd, with the remainder of the order target expected to be fulfilled in 2H26. On the back of production capacity expansion, the ESS business' sales and operating profit (including the Advanced Manufacturing Production Credits, or AMPCs; created under the US Inflation Reduction Act) should rise from KRW4.15t and KRW120b (operating margin of 3%) in 1H26 to KRW6.46t and KRW780b (operating margin of 12%) in 2H26.

**Outlook (2)—Gradual recovery in EV battery plants' utilization:** The EV battery business has struggled from anemic demand and operating losses across most EV battery products (excluding cylindrical batteries). However, such sales have expanded through a specification shift for VW Group—from high-nickel to mid-nickel chemistries. Profitability should head north from 3Q26 onward, as high-margin sales to GM resume.

(Continued on the next page)

## SUMMARY FINANCIAL DATA

(KRWb)	2025	2026E	2027E	2028E
Revenue	23,672	31,107	40,960	50,565
Operating profit	1,346	1,440	5,195	7,839
Net profit (adj)	81	114	3,945	6,679
EPS (adj) (KRW)	-4,585	-509	11,589	21,297
EPS (adj) growth (% y-y)	nm	nm	nm	83.8
EBITDA margin (%)	14.3	20.1	27.9	18.4
ROE (%)	-5.2	-0.6	12.6	19.7
P/E (adj) (x)	n/a	n/a	35.9	19.5
P/B (x)	4.3	4.8	4.3	3.5
EV/EBITDA (x)	33.6	20.2	10.9	12.6
Dividend yield (%)	0.0	0.0	0.0	0.0

Source: Company data, Samsung Securities estimates

**2Q results to meet consensus:** We forecast a 2Q operating profit of KRW226.1b (up by KRW433.9b q-q), which would be in line with FnGuide-based consensus (KRW216b; up 4.9%) but fall short of our previous forecast of KRW297.6b. The probable miss is ascribable to timing differences in compensation recognition: compensation from a North American client—expected in 2Q and without requiring recognition of costs—has been deferred to 2H, while compensation from other carmakers, which involve recognition of some costs, were booked earlier in 2Q. By segment, we estimate an operating profit of KRW150.6b (up 13% q-q) from the small-battery business, an operating loss of KRW140.7b (narrower by KRW169b q-q) from the EV battery business, an operating loss of KRW80.3b (narrower by KRW141.4b q-q) from the ESS business, and KRW296.5b (up 56% q-q; on sales volume expanding an estimated 45% q-q to 6.8 GWh) in IRA AMPC.

**LG Energy Solution: 2Q preview**

(KRWb)	2Q26E	1Q26	2Q25	Consensus	Diff (%)		
					q-q	y-y	Consensus
Sales	7,887	6,555	5,598	7,110	20.3	40.9	10.9
Operating profit	226	-208	34	216	To turn pos	556.5	4.9
Pre-tax profit	65	-859	-27	107	To turn pos	To turn pos	-39.4
Net profit	58	-944	91	193	To turn pos	-35.5	-69.7
Attributable to parent	0	-676	-297	67	To remain neg	To remain neg	To turn neg
<b>Margins (%)</b>							
Operating profit	2.9	-3.2	0.6	3.0			
Pre-tax profit	0.8	-13.1	-0.5	1.5			
Net profit	0.7	-14.4	1.6	2.7			
Attributable to parent	0.0	-10.3	-5.3	0.9			

Source: Company data, FnGuide, Samsung Securities estimates

**LG Energy Solution: Quarterly results, by division**

(KRWb)	2Q26E	1Q26	2Q25	Chg (% q-q)	Chg (% y-y)
<b>Sales</b>	<b>7,887</b>	<b>6,555</b>	<b>5,598</b>	<b>20.3</b>	<b>40.9</b>
Small batteries	2,216	1,999	1,095	10.8	102.4
EV batteries	3,127	2,950	4,087	6.0	-23.5
ESS batteries	2,544	1,606	417	58.4	510.7
<b>Operating profit</b>	<b>226</b>	<b>-208</b>	<b>34</b>	<b>To turn pos</b>	<b>556.5</b>
Small batteries	151	134	-366	12.5	To turn pos
EV batteries	-141	-310	-91	To remain neg	To remain neg
ESS batteries	-80	-222	0	To remain neg	To turn neg
IRAAMPC	296	190	491	56.3	-39.6
Pre-tax profit	65	-859	-27	To turn pos	To turn pos
<b>Net profit</b>	<b>58</b>	<b>-944</b>	<b>91</b>	<b>To turn pos</b>	<b>-35.5</b>
<b>Margins (%)</b>					
Operating profit	2.9	-3.2	0.6		
Small batteries	6.8	6.7	-33.4		
EV batteries	-4.5	-10.5	-2.2		
ESS	-3.2	-13.8	0.0		
Pre-tax profit	0.8	-13.1	-0.5		
Net profit	0.7	-14.4	1.6		

Source: Company data, Samsung Securities estimates

**LG Energy Solution: Simulation of tax credit benefits under IRA**

(GWh)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total
<b>Advanced Manufacturing Production Credits</b>													
Battery cell (USD/kWh)			35.0	35.0	35.0	35.0	35.0	35.0	26.3	17.5	8.8	0.0	
Battery module (USD/kWh)			10.0	10.0	10.0	10.0	10.0	10.0	7.5	5.0	2.5	0.0	
<b>LGES US battery capacity</b>													
<b>Total</b>	<b>5</b>	<b>15</b>	<b>45</b>	<b>70</b>	<b>87</b>	<b>140</b>	<b>176</b>	<b>203</b>	<b>203</b>	<b>203</b>	<b>203</b>	<b>203</b>	<b>203</b>
Michigan (100%)	5	5	5	5	5	25	25	25	25	25	25	25	25
Michigan ESS (100%)					17	29	45	62	62	62	62	62	62
Ultium Cells #1 (50%)		10	40	45	45	45	45	45	45	45	45	45	45
Ultium Cells #2 (50%)				20	20	10	10	10	10	10	10	10	10
L-H Battery (50%)					0	10	10	10	10	10	10	10	10
Nextstar Energy (51%)						11	11	11	11	11	11	11	11
Arizona (100%)						10	20	30	30	30	30	30	30
HL-GA Battery (50%)							10	10	10	10	10	10	10
<b>LGES US battery operating rate</b>													
<b>Total</b>	<b>80%</b>	<b>43%</b>	<b>49%</b>	<b>53%</b>	<b>43%</b>	<b>31%</b>	<b>52%</b>	<b>65%</b>	<b>79%</b>	<b>85%</b>	<b>88%</b>	<b>88%</b>	
Michigan (100%)	80%	80%	80%	29%	60%	10%	18%	38%	68%	73%	78%	80%	
Michigan ESS (100%)					31%	77%	69%	79%	94%	94%	94%	94%	
Ultium Cells #1 (50%)		25%	43%	59%	47%	11%	32%	47%	67%	77%	81%	81%	
Ultium Cells #2 (50%)				21%	22%	28%	95%	95%	95%	95%	95%	95%	
L-H Battery (50%)					0%	7%	75%	90%	95%	95%	95%	95%	
Nextstar Energy (51%)						58%	95%	95%	95%	95%	95%	95%	
Arizona (100%)						1%	21%	49%	74%	89%	94%	94%	
HL-GA Battery (50%)							23%	23%	43%	63%	73%	73%	
<b>LGES US battery production</b>													
<b>Total</b>	<b>4</b>	<b>7</b>	<b>15</b>	<b>31</b>	<b>33</b>	<b>35</b>	<b>83</b>	<b>122</b>	<b>161</b>	<b>173</b>	<b>178</b>	<b>179</b>	
Michigan (100%)	4	4	4	1	3	1	4	9	17	18	19	20	
Michigan ESS (100%)					5	17	31	48	58	58	58	58	
Ultium Cells #1 (50%)		3	11	25	21	5	14	21	30	35	36	36	
Ultium Cells #2 (50%)				4	4	4	10	10	10	10	10	10	
L-H Battery (50%)						1	8	9	10	10	10	10	
Nextstar Energy (51%)						6	10	10	10	10	10	10	
Arizona (100%)						0	3	12	22	27	28	28	
HL-GA Battery (50%)							2	2	4	6	7	7	
<b>LGES IRA tax credit benefits (total; USDm)</b>													
<b>Total</b>			<b>517</b>	<b>1,081</b>	<b>1,158</b>	<b>1,043</b>	<b>2,929</b>	<b>5,158</b>	<b>6,748</b>	<b>5,423</b>	<b>3,725</b>	<b>1,868</b>	<b>29,649</b>
Battery cell			517	1,074	1,110	886	2,528	4,286	5,622	4,538	3,123	1,566	25,250
Battery module			0	7	48	157	401	872	1,125	885	602	302	4,399
<b>LGES IRA tax credit benefits (total; KRWb)</b>													
<b>Total</b>			<b>677</b>	<b>1,480</b>	<b>1,647</b>	<b>1,492</b>	<b>4,042</b>	<b>6,705</b>	<b>8,772</b>	<b>7,050</b>	<b>4,842</b>	<b>2,428</b>	<b>39,135</b>
Battery cell			677	1,470	1,578	1,268	3,489	5,571	7,309	5,900	4,059	2,035	33,357
Battery module			0	10	69	224	553	1,134	1,463	1,150	783	393	5,778
<b>LGES IRA tax credit benefits (controlling interests; USDm)</b>													
<b>Total</b>			<b>329</b>	<b>314</b>	<b>492</b>	<b>794</b>	<b>2,436</b>	<b>4,392</b>	<b>5,698</b>	<b>4,519</b>	<b>3,088</b>	<b>1,549</b>	<b>23,611</b>
Battery cell			329	307	443	641	2,084	3,591	4,665	3,706	2,535	1,272	19,573
Battery module			0	7	48	154	351	801	1,033	813	553	277	4,037
<b>LGES IRA tax credit benefits (controlling interests; KRWb)</b>													
<b>Total</b>			<b>427</b>	<b>408</b>	<b>639</b>	<b>1,033</b>	<b>3,166</b>	<b>5,710</b>	<b>7,408</b>	<b>5,874</b>	<b>4,014</b>	<b>2,014</b>	<b>30,694</b>
Battery cell			427	399	577	833	2,709	4,669	6,065	4,817	3,296	1,654	25,445
Battery module			0	9	63	200	457	1,041	1,343	1,057	719	360	5,249
<b>Present value* of IRA tax credit benefits (controlling interests; KRWb)</b>													
<b>Total</b>			<b>427</b>	<b>408</b>	<b>639</b>	<b>983</b>	<b>2,872</b>	<b>4,933</b>	<b>6,094</b>	<b>4,603</b>	<b>2,996</b>	<b>1,431</b>	<b>25,386</b>
Battery cell			427	399	577	793	2,458	4,033	4,990	3,775	2,459	1,175	21,085
Battery module			0	9	63	190	414	900	1,105	828	536	256	4,301

Note: \*Discounted to the beginning of 2025, using a discount rate of 5% / Source: Samsung Securities estimates

**LG Energy Solution: Results and forecasts**

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	2024	2025	2026E	2027E
KRW/USD (average)	1,453	1,401	1,387	1,452	1,467	1,496	1,440	1,380	1,365	1,423	1,446	1,380
<b>Sales</b>	<b>7,180</b>	<b>5,598</b>	<b>6,065</b>	<b>6,474</b>	<b>6,555</b>	<b>7,887</b>	<b>8,134</b>	<b>8,531</b>	<b>25,620</b>	<b>23,672</b>	<b>31,107</b>	<b>40,960</b>
Growth (% q-q)	11.3	-22.0	8.3	6.7	1.2	20.3	3.1	4.9				
Growth (% y-y)	17.2	-9.1	-11.8	0.4	-8.7	40.9	34.1	31.8	-24.1	-1.2	22.9	31.7
Small batteries	2,103	1,095	1,653	1,976	1,999	2,216	2,300	2,246	7,363	6,826	8,761	9,364
Growth (% q-q)	29.9	-47.9	51.0	19.5	1.2	10.8	3.8	-2.3				
Growth (% y-y)	-3.3	-40.8	-3.9	22.0	-4.9	102.4	39.1	13.7	-22.9	-7.3	28.4	6.9
EV batteries	4,568	4,087	3,784	3,068	2,950	3,127	2,844	2,821	16,408	15,508	11,741	12,987
Growth (% q-q)	8.9	-10.5	-7.4	-18.9	-3.9	6.0	-9.0	-0.8				
Growth (% y-y)	22.2	2.0	-15.3	-26.8	-35.4	-23.5	-24.8	-8.1	-24.5	-5.5	-24.3	10.6
ESS batteries	510	417	628	1,431	1,606	2,544	2,990	3,464	1,849	2,985	10,604	18,610
Growth (% q-q)	-20.2	-18.3	50.8	127.8	12.3	58.4	17.5	15.9				
Growth (% y-y)	137.7	35.2	-8.7	124.0	215.0	510.7	376.1	142.2	-24.5	61.4	255.2	75.5
<b>EBITDA</b>	<b>1,689</b>	<b>917</b>	<b>1,519</b>	<b>913</b>	<b>887</b>	<b>1,456</b>	<b>1,890</b>	<b>2,030</b>	<b>3,621</b>	<b>5,037</b>	<b>6,264</b>	<b>11,424</b>
Growth (% q-q)	166.6	-45.7	65.6	-39.9	-2.8	64.2	29.8	7.4				
Growth (% y-y)	106.9	-1.4	22.4	44.1	-47.5	58.8	24.5	122.4	-18.6	39.1	24.3	82.4
<b>Operating profit</b>	<b>832</b>	<b>34</b>	<b>601</b>	<b>-122</b>	<b>-208</b>	<b>226</b>	<b>654</b>	<b>768</b>	<b>575</b>	<b>1,346</b>	<b>1,440</b>	<b>5,195</b>
Growth (% q-q)	Tunedpos	-95.9	1,645.8	Tunedneg	Remainedneg	Totumpos	189.2	17.4				
Growth (% y-y)	429.0	-82.4	34.1	Remainedneg	Tunedneg	556.5	8.8	Totumpos	-73.4	134.0	7.0	260.7
Small batteries	581	-366	115	126	134	151	218	123	195	457	626	639
Growth (% q-q)	Tunedpos	Tunedneg	Tunedpos	9.7	6.3	12.5	45.0	-43.5				
Growth (% y-y)	639.3	Tunedneg	48.9	Tunedpos	-77.0	Totumpos	90.2	-2.0	-74.3	134.7	37.2	2.0
EV batteries	-107	-91	87	-488	-310	-141	-10	-10	-880	-599	-470	-22
Growth (% q-q)	Remainedneg	Remainedneg	Tunedpos	Tunedneg	Remainedneg	Toremainneg	Toremainneg	Toremainneg				
Growth (% y-y)	Remainedneg	Remainedneg	Tunedpos	Remainedneg	Remainedneg	Toremainneg	Toturneg	Toremainneg	Tunedneg	Remainedneg	Toremainneg	Toremainneg
ESS batteries	-99	0	34	-93	-222	-80	-5	99	-219	-158	-208	536
Growth (% q-q)	Remainedneg	Tunedpos	81,331.0	Tunedneg	Remainedneg	Toremainneg	Toremainneg	Totumpos				
Growth (% y-y)	Remainedneg	Tunedpos	49,214.9	Remainedneg	Remainedneg	Toturneg	Toturneg	Totumpos	Tunedneg	Remainedneg	Toremainneg	Totumpos
AMPC	458	491	365	333	190	296	451	555	1,480	1,647	1,492	4,042
Growth (% q-q)	21.3	7.2	-25.5	-8.9	-43.0	56.3	52.0	23.3				
Growth (% y-y)	142.2	9.6	-21.6	-11.8	-58.6	-39.6	23.3	66.9	118.7	11.3	-9.4	170.8
<b>Pre-tax profit</b>	<b>365</b>	<b>-27</b>	<b>553</b>	<b>-476</b>	<b>-859</b>	<b>65</b>	<b>726</b>	<b>382</b>	<b>349</b>	<b>414</b>	<b>315</b>	<b>4,375</b>
Growth (% q-q)	4.5	Tunedneg	Tunedpos	Tunedneg	Tunedneg	Totumpos	1,020.2	-47.4				
Growth (% y-y)	63.7	Tunedneg	63.0	Remainedneg	Tunedneg	Totumpos	31.4	Totumpos	-82.9	18.7	-24.0	1,290.6
<b>Net profit</b>	<b>227</b>	<b>91</b>	<b>536</b>	<b>-772</b>	<b>-944</b>	<b>58</b>	<b>655</b>	<b>344</b>	<b>339</b>	<b>81</b>	<b>114</b>	<b>3,945</b>
Growth (% q-q)	-33.1	-60.0	491.7	Tunedneg	Tunedneg	Totumpos	1,020.2	-47.4				
Growth (% y-y)	6.8	Tunedpos	-4.5	Remainedneg	Tunedneg	-35.5	22.2	Totumpos	-79.3	-76.1	40.7	3,368.4
Attributable to parent	-146	-297	247	-877	-676	0	430	127	-1,019	-1,073	-119	2,712
<b>Margins (%)</b>												
EBITDA	23.5	16.4	25.0	14.1	13.5	18.5	23.2	23.8	14.1	19.9	20.1	27.9
Operating profit	11.6	0.6	9.9	-1.9	-3.2	2.9	8.0	9.0	2.2	5.3	4.6	12.7
Small batteries	27.6	-33.4	6.9	6.4	6.7	6.8	9.5	5.5	2.6	6.7	7.1	6.8
EV batteries	-2.4	-2.2	2.3	-15.9	-10.5	-4.5	-0.4	-0.3	-5.4	-3.9	-4.0	-0.2
ESS batteries	-19.5	0.0	5.4	-6.5	-13.8	-3.2	-0.2	2.8	-11.9	-5.3	-2.0	2.9
Pre-tax profit	5.1	-0.5	9.1	-7.4	-13.1	0.8	8.9	4.5	1.4	1.6	1.0	10.7
Net profit	3.2	1.6	8.8	-11.9	-14.4	0.7	8.1	4.0	1.3	0.3	0.4	9.6

Source: Company data, Samsung Securities estimates

### Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
<b>Sales</b>	<b>25,620</b>	<b>23,672</b>	<b>31,107</b>	<b>40,960</b>	<b>50,565</b>
Cost of goods sold	22,214	19,440	25,681	32,533	39,867
<b>Gross profit</b>	<b>3,406</b>	<b>4,232</b>	<b>5,426</b>	<b>8,427</b>	<b>10,699</b>
Gross margin (%)	13.3	17.9	17.4	20.6	21.2
SG&A expenses	4,311	4,533	5,478	7,273	8,942
<b>Operating profit</b>	<b>575</b>	<b>1,346</b>	<b>1,440</b>	<b>5,195</b>	<b>7,839</b>
Operating margin (%)	2.2	5.7	4.6	12.7	15.5
<b>Non-operating gains (losses)</b>	<b>-227</b>	<b>-932</b>	<b>-1,126</b>	<b>-820</b>	<b>-591</b>
Financial profit	1,048	1,018	115	288	572
Financial costs	1,261	1,104	953	944	991
Equity-method gains (losses)	-49	-2	-2	-2	-2
Other	35	-844	-286	-162	-171
<b>Pre-tax profit</b>	<b>349</b>	<b>414</b>	<b>315</b>	<b>4,375</b>	<b>7,247</b>
Taxes	10	333	201	431	568
Effective tax rate (%)	2.9	80.5	63.9	9.8	7.8
Profit from continuing operations	339	81	114	3,945	6,679
Profit from discontinued operations	0	0	0	0	0
<b>Net profit</b>	<b>339</b>	<b>81</b>	<b>114</b>	<b>3,945</b>	<b>6,679</b>
Net margin (%)	1.3	0.3	0.4	9.6	13.2
Net profit (controlling interests)	-1,019	-1,073	-119	2,712	4,983
Net profit (non-controlling interests)	1,357	1,154	233	1,233	1,696
EBITDA	3,621	3,391	6,264	11,424	9,294
EBITDA margin (%)	14.1	14.3	20.1	27.9	18.4
EPS (parent-based) (KRW)	-4,354	-4,585	-509	11,589	21,297
EPS (consolidated) (KRW)	1,447	345	486	16,857	28,542
Adjusted EPS (KRW)*	-4,354	-4,585	-509	11,589	21,297

### Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
<b>Cash flow from operations</b>	<b>5,112</b>	<b>4,432</b>	<b>4,466</b>	<b>9,452</b>	<b>13,513</b>
Net profit	339	81	114	3,945	6,679
Non-cash profit and expenses	4,984	5,524	5,897	7,386	8,477
Depreciation	2,856	3,414	4,565	5,986	7,308
Amortization	190	278	259	243	229
Other	1,939	1,832	1,074	1,157	940
Changes in A/L from operating activities	691	-365	-528	-700	-683
<b>Cash flow from investments</b>	<b>-12,065</b>	<b>-10,881</b>	<b>-6,409</b>	<b>-5,796</b>	<b>-5,250</b>
Change in tangible assets	-12,324	-10,758	-6,000	-5,400	-4,860
Change in financial assets	-277	-167	-203	-269	-262
Other	536	44	-206	-127	-127
<b>Cash flow from financing</b>	<b>5,382</b>	<b>6,286</b>	<b>-1,657</b>	<b>1,178</b>	<b>1,229</b>
Change in debt	4,383	7,124	-1,657	1,178	1,229
Change in equity	0	0	0	0	0
Dividends	0	0	0	0	0
Other	998	-838	0	0	0
Change in cash	-1,170	-119	-2,773	4,800	9,459
Cash at beginning of year	5,069	3,899	3,779	1,006	5,806
Cash at end of year	3,899	3,779	1,006	5,806	15,264
<b>Gross cash flow</b>	<b>5,323</b>	<b>5,604</b>	<b>6,011</b>	<b>11,330</b>	<b>15,156</b>
<b>Free cash flow</b>	<b>-7,287</b>	<b>-6,402</b>	<b>-1,534</b>	<b>4,052</b>	<b>8,653</b>

Note: \*Excluding one-off items;

\*\*Fully diluted, excluding one-off items;

\*\*\*From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

### Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
<b>Current assets</b>	<b>15,327</b>	<b>18,412</b>	<b>20,235</b>	<b>31,125</b>	<b>46,521</b>
Cash & equivalents	3,899	3,779	1,006	5,806	15,264
Accounts receivable	4,944	4,311	5,665	7,460	9,209
Inventories	4,552	4,350	5,717	7,528	9,293
Other current assets	1,932	5,971	7,847	10,332	12,755
<b>Fixed assets</b>	<b>44,979</b>	<b>48,736</b>	<b>49,423</b>	<b>49,026</b>	<b>46,773</b>
Investment assets	1,272	1,522	1,735	2,017	2,291
Tangible assets	38,350	40,795	42,230	41,644	39,196
Intangible assets	1,285	1,592	1,483	1,390	1,311
Other long-term assets	4,073	4,827	3,975	3,975	3,975
<b>Total assets</b>	<b>60,307</b>	<b>67,148</b>	<b>69,657</b>	<b>80,151</b>	<b>93,295</b>
<b>Current liabilities</b>	<b>12,055</b>	<b>16,785</b>	<b>16,283</b>	<b>20,528</b>	<b>24,636</b>
Accounts payable	2,705	2,153	2,829	3,725	4,599
Short-term debt	1,291	2,681	2,681	2,681	2,681
Other current liabilities	8,058	11,952	10,773	14,123	17,357
<b>Long-term liabilities</b>	<b>17,285</b>	<b>21,041</b>	<b>23,939</b>	<b>26,243</b>	<b>28,599</b>
Bonds & long-term debt	12,641	15,513	17,530	18,665	19,883
Other long-term liabilities	4,644	5,528	6,409	7,578	8,717
<b>Total liabilities</b>	<b>29,340</b>	<b>37,826</b>	<b>40,222</b>	<b>46,771</b>	<b>53,236</b>
<b>Owners of parent equity</b>	<b>21,116</b>	<b>20,216</b>	<b>20,097</b>	<b>22,808</b>	<b>27,792</b>
Capital stock	117	117	117	117	117
Capital surplus	17,165	17,165	17,165	17,165	17,165
Retained earnings	1,397	332	213	2,925	7,908
Other	2,437	2,602	2,602	2,602	2,602
<b>Non-controlling interests' equity</b>	<b>9,850</b>	<b>9,106</b>	<b>9,339</b>	<b>10,572</b>	<b>12,267</b>
<b>Total equity</b>	<b>30,967</b>	<b>29,322</b>	<b>29,435</b>	<b>33,380</b>	<b>40,059</b>
Net debt	11,493	18,690	19,791	16,150	7,901

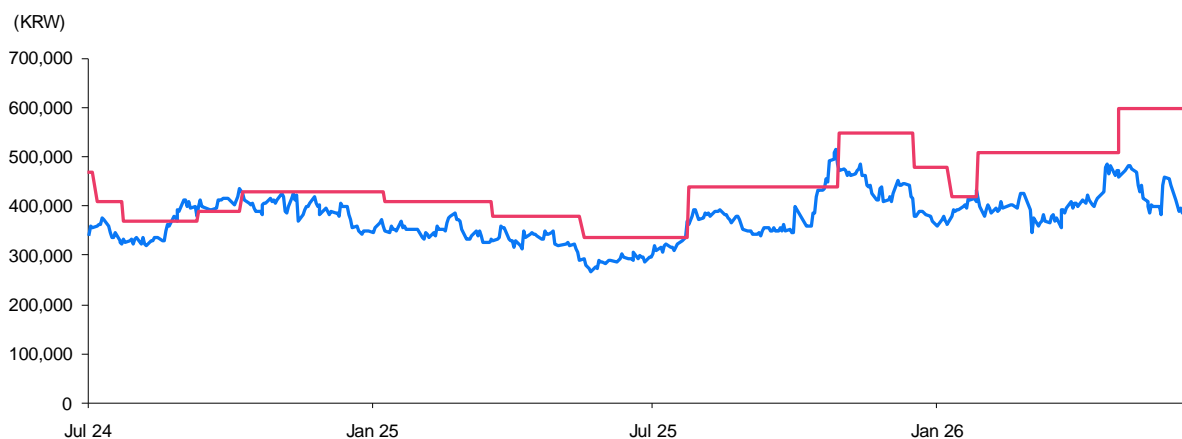
### Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
<b>Growth (%)</b>					
Sales	-24.1	-7.6	31.4	31.7	23.5
Operating profit	-73.4	134.0	7.0	260.7	50.9
Net profit	-79.3	-76.1	40.7	3,368.4	69.3
Adjusted EPS**	nm	nm	nm	nm	83.8
<b>Per-share data (KRW)</b>					
EPS (parent-based)	-4,354	-4,585	-509	11,589	21,297
EPS (consolidated)	1,447	345	486	16,857	28,542
Adjusted EPS**	-4,354	-4,585	-509	11,589	21,297
BVPS	90,240	86,391	85,883	97,471	118,768
DPS (common)	0	0	0	0	0
<b>Valuations (x)</b>					
P/E***	n/a	n/a	n/a	35.9	19.5
P/B***	3.9	4.3	4.8	4.3	3.5
EV/EBITDA	28.4	33.6	20.2	10.9	12.6
<b>Ratios (%)</b>					
ROE	-4.9	-5.2	-0.6	12.6	19.7
ROA	0.6	0.1	0.2	5.3	7.7
ROIC	1.5	0.6	1.0	8.9	13.6
Payout ratio	0.0	0.0	0.0	0.0	0.0
Dividend yield (common)	0.0	0.0	0.0	0.0	0.0
Net debt to equity	37.1	63.7	67.2	48.4	19.7
Interest coverage (x)	1.0	1.6	1.5	5.5	7.9

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### Target price changes in past two years



### Rating changes over past two years (adjusted share prices)

Date	2024/1/26	6/20	7/8	7/25	9/11	10/10	2025/1/10	3/21	5/19	7/25	10/31	12/18
Recommendation	BUY	BUY	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	BUY	HOLD	HOLD
Target price (KRW)	510000	470000	410000	370000	390000	430000	410000	380000	335000	440000	550000	480000
Gap* (average)	-25.18	-27.55	-15.22	-3.89	5.00	-9.14	-14.77	-12.67	-10.19	-12.74	-19.50	-21.65
(max or min)**	-17.75	-23.62	-8.54	11.35	0.38	-0.70	-5.98	-5.26	9.85	16.82	-11.91	-18.65
<b>Date</b>	2026/1/12	1/29	4/30									
<b>Recommendation</b>	HOLD	BUY	BUY									
<b>Target price (KRW)</b>	420000	510000	600000									
Gap* (average)	-3.83	-20.82										
(max or min)**	2.62	-5.00										

Note: \* [(average, maximum, or minimum share price over duration of target price minus target price) / target price] x 100%

\*\* Maximum/minimum share price if new target is higher/lower than market close on the business day prior to target price change

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\* Note: Effective Jul 27, 2023, BUY, HOLD, and SELL criteria are based on expectations of share-price moves of 15% or more within 12 months

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BUY(85.2%)-HOLD(14.8%)-SELL(0%)

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