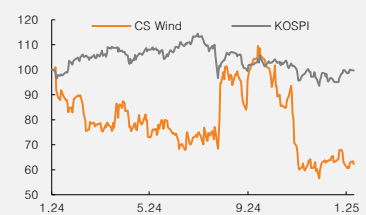


(Maintain)	Buy
Target price	▼ W62,000
Current price (1/21/25)	W41,100
Upside	50.9%

OP (24F, Wbn)	306
Consensus OP (24F, Wbn)	293
EPS growth (24F, %)	950.9
Market EPS growth (24F, %)	69.1
P/E (24F, x)	8.5
Market P/E (24F, x)	10.7
KOSPI	2,518.03

Market cap (Wbn)	1,733
Shares (mn)	42
Free float (%)	56.7
Foreign ownership (%)	13.7
Beta (12M)	0.11
52-week low (W)	37,300
52-week high (W)	72,300

(%)	1M	6M	12M
Absolute	-2.3	-18.9	-30.1
Relative	-6.7	-10.0	-31.4



Mirae Asset Securities Co., Ltd.

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CS Wind

4Q24 earnings to help improve sentiment

Lower TP to W62,000, but maintain Buy; still our top pick

We lower our target price for CS Wind to W62,000 (from W68,000). In deriving our target price, we applied a P/B of 1.8x (2025F ROE of 22.7%) and assumed a 30% advanced manufacturing production credit (AMPC) reduction. Nevertheless, we maintain our Buy rating and continue to recommend the stock as our top pick in the energy sector.

President Trump has been vocal in criticizing wind power, weighing on the shares of related companies. However, we remain positive on CS Wind, as: 1) the company is able to post solid margins even without the AMPC; 2) demand for onshore wind power is growing in the US; and 3) there is a substructure shortage in Europe. Even considering potential Trump-related volatility, the stock looks attractively priced.

4Q24 preview: Clearer picture of underlying fundamentals to emerge

For 4Q24, we expect CS Wind to report revenue of W777.1bn (4% above consensus) and operating profit of W76.7bn (17% above consensus). Notably, one-off gains from pricing adjustments (which bolstered earnings in the previous two quarters) were likely absent in 4Q24; accordingly, the results should serve as a more accurate indicator of the firm's underlying fundamentals and earnings growth potential for 2025.

For the tower business, we estimate operating profit at W46.4bn (including W29.5bn in AMPC recognition), improving sharply QoQ (vs. W25.9bn in 3Q24). The business likely benefited from operating leverage effects stemming from higher utilization in the US and Vietnam. For CS Wind Offshore, we estimate operating profit at W27.9bn (OP margin of 11%), remaining at a healthy level despite the absence of the one-off gains recorded in 2Q-3Q24.

2025 outlook: Profitability to improve despite a lack of substation orders

For 2025, we forecast revenue at W3.2tr (flat YoY) and operating profit at W327.4bn (+7.1% YoY; OP margin of 10.2%). Notably, we believe CS Wind Offshore's 4Q25 revenue contribution will be limited in light of its backlog composition and the timeline for the substation order secured in Nov. 2024 (its first order since being acquired by CS Wind). That said, we believe growth in the tower business (supported by rapid capacity ramp-ups) will offset this issue. Moreover, if 4Q24 results confirm strong underlying fundamentals for CS Wind Offshore, profitability should expand in 2025. We forecast AMPC recognition this year at W126.7bn (factoring in AMPC sharing).

(Dec.)	2022	2023	2024F	2025F	2026F
Revenue (Wbn)	1,375	1,520	3,177	3,200	3,821
OP (Wbn)	42	105	306	327	405
OP margin (%)	3.1	6.9	9.6	10.2	10.6
NP (Wbn)	2	20	209	292	361
EPS (W)	45	471	4,953	6,918	8,562
ROE (%)	0.2	2.2	20.4	22.7	22.7
P/E (x)	1,521.1	149.0	8.5	5.9	4.8
P/B (x)	3.1	3.2	1.5	1.2	1.0
Dividend yield (%)	0.7	0.7	1.2	1.2	1.2

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

Table 1. CS Wind: Quarterly and annual earnings

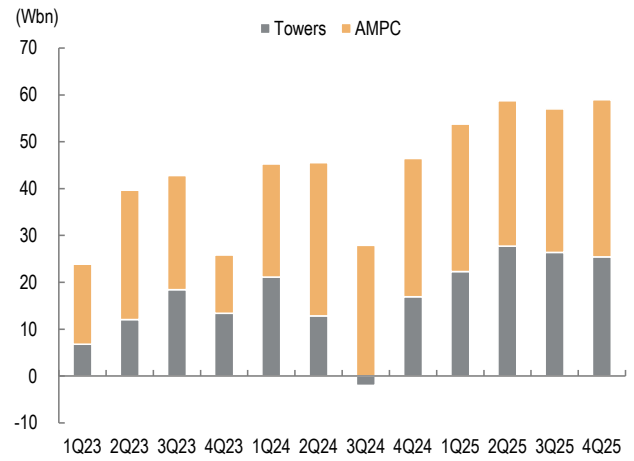
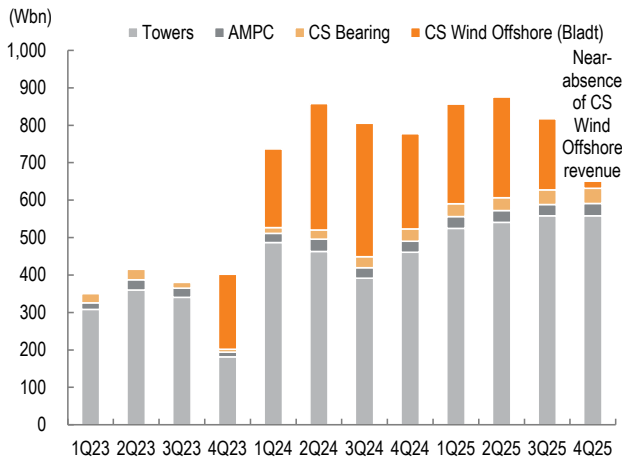
(Wbn)

		1Q24	2Q24	3Q24	4Q24F	1Q25F	2Q25F	3Q25F	4Q25F	2023	2024F	2025F
Revenue	Total	736.7	857.8	805.5	777.1	856.7	875.5	817.6	650.4	1,548.6	3,177.1	3,200.2
	Towers	487.0	463.0	391.7	460.9	524.6	541.0	558.0	557.9	1,190.5	1,802.6	2,181.4
	AMPC	24.1	32.7	27.9	29.5	31.5	31.1	30.6	33.5	81.5	114.2	126.7
	CS Bearing	15.6	24.8	29.0	32.7	34.3	34.3	38.6	40.3	76.6	102.1	147.5
	CS Wind Offshore	210.0	337.3	356.9	253.9	266.3	269.2	190.4	18.8	200.0	1,158.1	744.7
OP	Total	-9.5	129.0	109.6	76.7	86.8	92.9	82.4	65.3	142.3	305.8	327.4
	Towers	21.1	12.8	-2.0	16.9	22.3	27.7	26.4	25.4	50.7	48.9	101.8
	AMPC	24.1	32.7	27.9	29.5	31.5	31.1	30.6	33.5	81.5	114.2	126.7
	CS Bearing	-2.1	0.8	2.0	2.4	1.1	1.8	2.5	4.1	0.1	3.1	9.6
	CS Wind Offshore	-53.6	80.1	81.6	27.9	32.0	32.3	22.8	2.3	10.0	136.1	89.4
Pretax profit		-34.9	110.4	100.4	76.7	86.8	92.9	82.4	65.3	23.9	252.6	327.4
NP		-38.8	106.6	72.7	68.4	77.4	82.8	73.4	58.2	19.9	208.9	291.7

Source: FnGuide, Mirae Asset Securities Research

Figure 1. CS Wind: Revenue breakdown by business

Figure 2. CS Wind: Tower and AMPC OP estimates

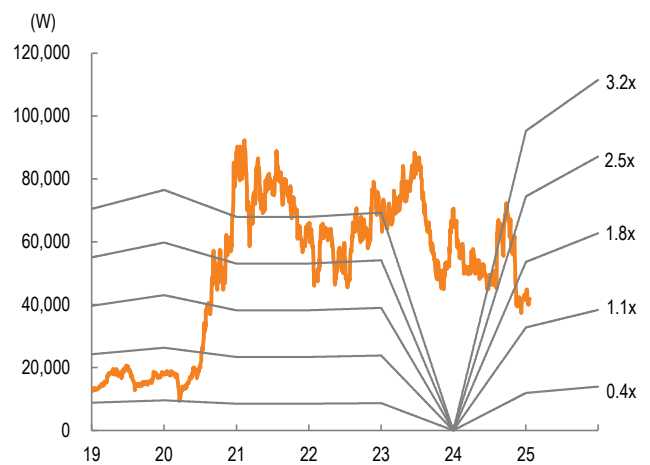
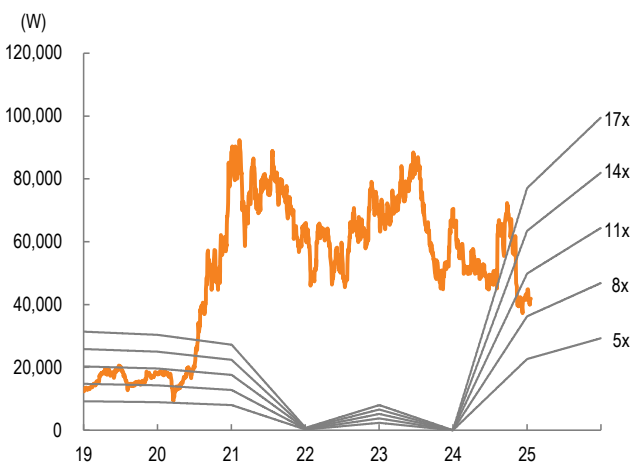


Source: Company data, Mirae Asset Securities Research

Source: Company data, Mirae Asset Securities Research

Figure 3. CS Wind: 12-month forward P/E band chart

Figure 4. CS Wind: 12-month forward P/B band chart



Source: FnGuide, Mirae Asset Securities Research

Source: FnGuide, Mirae Asset Securities Research

CS Wind (112610 KS)

Income statement (summarized)

(Wbn)	2023	2024F	2025F	2026F
Revenue	1,520	3,177	3,200	3,821
Cost of revenue	1,314	2,756	2,758	3,301
GP	206	421	442	520
SG&A expenses	101	115	115	115
OP (adj.)	105	306	327	405
OP	105	306	327	405
Non-operating profit	-81	-53	0	0
Net financial income	-29	0	0	0
Net income from associates	-4	-4	0	0
Pretax profit	24	253	327	405
Income tax	5	42	33	41
Profit from continuing operations	19	211	295	365
Profit from discontinued operations	0	0	0	0
NP	19	211	295	365
Attributable to owners	20	209	292	361
Attributable to minority interests	-1	2	3	4
Total comprehensive income	35	231	295	365
Attributable to owners	36	229	294	364
Attributable to minority interests	-1	1	0	0
EBITDA	179	422	454	523
FCF	-81	690	-172	384
EBITDA margin (%)	11.8	13.3	14.2	13.7
OP margin (%)	6.9	9.6	10.2	10.6
Net margin (%)	1.3	6.6	9.1	9.4

Balance sheet (summarized)

(Wbn)	2023	2024F	2025F	2026F
Current assets	1,368	2,738	2,689	3,940
Cash & equivalents	207	1,122	937	1,279
AR & other receivables	322	451	378	574
Inventory	582	794	1,063	1,616
Other current assets	257	371	311	471
Non-current assets	1,464	1,661	1,664	1,613
Investments in associates	15	32	26	40
PP&E	916	1,070	1,092	1,026
Intangible assets	261	257	245	238
Total assets	2,833	4,399	4,352	5,553
Current liabilities	1,417	2,367	2,059	2,880
AP & other payables	631	1,313	1,099	1,670
Short-term financial liabilities	529	520	513	531
Other current liabilities	257	534	447	679
Non-current liabilities	471	835	821	857
Long-term financial liabilities	432	752	752	752
Other non-current liabilities	39	83	69	105
Total liabilities	1,888	3,201	2,880	3,737
Equity attributable to owners	896	1,149	1,420	1,760
Capital stock	21	21	21	21
Capital surplus	611	655	655	655
Retained earnings	241	429	700	1,041
Minority interests	48	49	52	56
Shareholders' equity	944	1,198	1,472	1,816

Cash flow statement (summarized)

(Wbn)	2023	2024F	2025F	2026F
Operating cash flow	111	872	-34	428
NP	19	211	295	365
Non-cash income/expenses	171	247	157	156
Depreciation	59	100	116	111
Amortization	15	15	11	7
Other	97	132	30	38
Chg. in working capital	-57	473	-456	-55
Chg. in AR & other receivables	212	-130	71	-188
Chg. in inventory	-200	-199	-269	-552
Chg. in AP & other payables	-52	343	-161	429
Income tax	-8	-19	-33	-41
Cash flow from investing activities	-236	-221	-128	-70
Chg. in PP&E	-188	-178	-138	-44
Chg. in intangible assets	0	-1	0	0
Chg. in financial assets	-22	-31	10	-26
Other	-26	-11	0	0
Cash flow from financing activities	141	284	-28	-3
Chg. in financial liabilities	480	311	-7	18
Chg. in equity	2	44	0	0
Dividends	-21	-21	-21	-21
Other	-320	-50	0	0
Chg. in cash	16	914	-185	342
Beginning balance	192	207	1,122	937
Ending balance	207	1,122	937	1,279

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

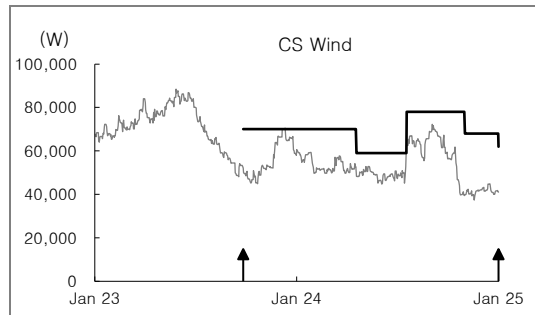
	2023	2024F	2025F	2026F
P/E (x)	149.0	8.5	5.9	4.8
P/CF (x)	15.6	3.9	3.8	3.3
P/B (x)	3.2	1.5	1.2	1.0
EV/EBITDA (x)	21.0	4.6	4.6	3.3
EPS (W)	471	4,953	6,918	8,562
CFPS (W)	4,493	10,844	10,713	12,354
BPS (W)	22,277	28,244	34,671	42,741
DPS (W)	500	500	500	500
Dividend payout ratio (%)	109.4	9.8	7.0	5.7
Dividend yield (%)	0.7	1.2	1.2	1.2
Revenue growth (%)	10.6	109.0	0.7	19.4
EBITDA growth (%)	65.8	136.1	7.7	15.2
OP growth (%)	148.5	192.3	7.0	23.8
EPS growth (%)	942.0	950.9	39.7	23.8
AR turnover (x)	4.5	8.6	8.0	8.4
Inventory turnover (x)	3.2	4.6	3.4	2.9
AP turnover (x)	3.5	3.8	3.0	3.2
ROA (%)	0.8	5.8	6.7	7.4
ROE (%)	2.2	20.4	22.7	22.7
ROIC (%)	5.8	17.8	18.7	21.0
Debt-to-equity ratio (%)	199.9	267.2	195.6	205.8
Current ratio (%)	96.6	115.7	130.6	136.8
Net debt-to-equity ratio (%)	77.9	9.5	20.2	-2.3
Interest coverage ratio (x)	3.0	0.0	0.0	0.0

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (₩)
CS Wind (112610)	01/22/25	Buy	62,000
	11/22/24	Buy	68,000
	08/09/24	Buy	78,000
	05/10/24	Buy	59,000
	10/18/23	Buy	70,000



Stock ratings

Buy	Expected 12-month performance: +20% or greater
Trading Buy	Expected 12-month performance: +10% to +20%
Hold	Expected 12-month performance: -10% to +10%
Sell	Expected 12-month performance: -10% or worse

Sector ratings

Overweight	Expected to outperform the market over 12 months
Neutral	Expected to perform in line with the market over 12 months
Underweight	Expected to underperform the market over 12 months

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	84.62%	7.14%	8.24%	0%
Investment banking services	85.71%	0%	14.29%	0%

* Based on recommendations in the last 12-months (as of December 31, 2024)

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