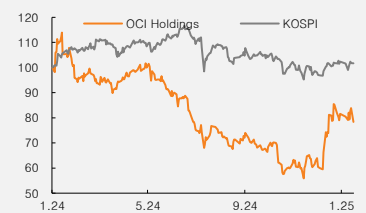


(Maintain)	Buy
Target price	▲ W100,000
Current price (2/10/25)	W77,000
Upside	29.9%

OP (24P, Wbn)	102
Consensus OP (24F, Wbn)	191
EPS growth (24P, %)	-89.1
Market EPS growth (24F, %)	68.0
P/E (24P, x)	15.0
Market P/E (24F, x)	10.8
KOSPI	2,521.27

Market cap (Wbn)	1,473
Shares (mn)	19
Free float (%)	68.1
Foreign ownership (%)	20.0
Beta (12M)	1.04
52-week low (W)	54,900
52-week high (W)	106,000

(%)	1M	6M	12M
Absolute	-3.5	9.5	-25.6
Relative	-3.7	12.4	-22.7



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OCI Holdings

US business expansion taking shape

Raise TP to W100,000; maintain Buy

We maintain our Buy rating on OCI Holdings and raise our target price to W100,000 (from W98,000). Unlike Chinese polysilicon producers, OCI Holdings will likely deliver a marked earnings recovery starting in April. In deriving our target price, we applied a 12-month forward P/E of 6x, a 40% discount to peers (vs. 50% previously). Potential US business expansion (to include cell/module production) would help ensure a stable polysilicon customer base and thus remains a key catalyst for a further re-rating.

4Q24 review: Earnings miss due to sluggish performance from DCRE

For 4Q24, OCI Holdings reported an operating loss of W107.8bn, missing the consensus (loss of W18.9bn) by a wide margin. The weaker-than-expected results were mainly driven by urban development subsidiary DCRE, which posted an operating loss of W140bn due to higher infrastructure-related expenses (preemptively reflected) as well as impairment losses on existing assets.

OCI TerraSus (OCITS; formerly OCIM) also reported an operating loss (-W27bn) due to scheduled maintenance. Low utilization (estimated at 35%) led to higher fixed cost pressures and also likely contributed to inventory valuation losses.

Entry into US value chain to dispel concerns over medium/long-term demand

We expect 1Q25 earnings to remain under pressure, partly due to additional cost recognition at DCRE (related to presales for the seventh City O Ciel complex). However, we see earnings improving from 2Q25, as the US's final decision on antidumping/countervailing duties (which is likely to come in April) should eliminate uncertainty, allowing polysilicon sales volume (OCITS) to recover in earnest.

Meanwhile, the firm's entry into the US cell/wafer value chain is becoming more visible, which should help mitigate concerns over medium/long term polysilicon demand. Previously, direct exports to the US (bypassing China) were not possible due to the absence of capex investments by non-China wafer suppliers. However, with more options now available, the formation of a non-China value chain has become feasible. During its earnings call, management said its joint venture partner is ready to ramp up capacity, with revenue generation likely to start as early as mid-2026.

(Dec.)	2022	2023	2024P	2025F	2026F
Revenue (Wbn)	2,769	2,650	3,577	3,988	4,507
OP (Wbn)	752	531	102	301	559
OP margin (%)	27.2	20.0	2.9	7.5	12.4
NP (Wbn)	880	714	76	302	543
EPS (W)	36,910	36,002	3,910	15,776	28,846
ROE (%)	25.2	18.7	2.0	7.5	12.1
P/E (x)	2.2	2.9	15.0	4.9	2.7
P/B (x)	0.5	0.6	0.3	0.3	0.3
Dividend yield (%)	3.1	3.1	0.2	-	-

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

Table 1. Quarterly and annual earnings

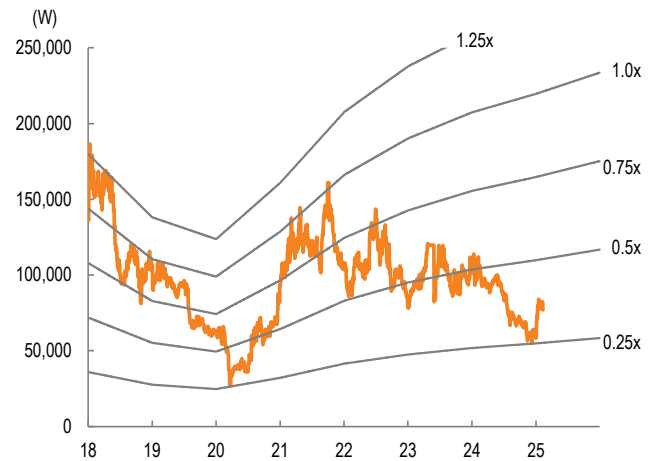
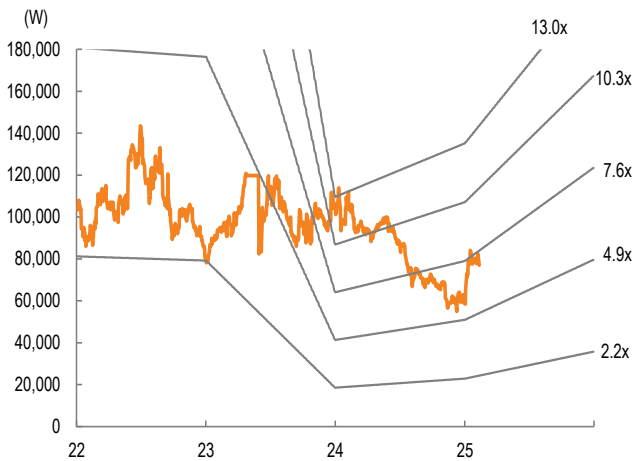
(Wbn)

		1Q24	2Q24	3Q24	4Q24P	1Q25F	2Q25F	3Q25F	4Q25F	2023	2024P	2025F
Revenue	Total	865.0	949.9	908.9	853.9	958.7	976.1	1,075.5	977.3	4,558.7	3,577.7	3,987.5
	OCITS (polysilicon)	161.2	176.0	65.0	95.0	95.3	136.8	159.4	169.2	938.5	497.2	560.6
	OCI SE + E	143.7	119.0	153.0	111.0	143.3	155.0	186.7	184.7	644.9	526.7	669.6
	OCI	540.0	566.0	589.0	519.8	516.1	472.6	509.7	423.4	1,855.2	2,214.8	1,921.7
	DCRE	150.6	107.0	124.0	151.0	154.0	161.7	169.8	150.0	576.0	532.6	635.5
	Other	60.2	-18.1	-22.1	50.0	50.0	50.0	50.0	50.0	544.1	70.0	200.0
OP	Total	99.5	89.6	20.5	-107.8	37.2	58.3	93.7	112.2	531.0	101.8	301.4
	OCITS (polysilicon)	37.4	56.0	6.0	-27.0	21.0	33.8	44.3	51.4	403.6	72.4	150.4
	OCI SE + E	19.8	3.0	32.0	-14.0	11.9	12.0	23.3	27.6	32.9	40.8	74.8
	OCI	39.0	34.0	18.0	20.4	21.1	19.8	21.1	15.6	105.5	111.4	77.7
	DCRE	20.1	10.0	-32.0	-140.0	-7.7	4.9	8.5	10.5	45.3	-141.9	16.1
	Other	-9.1	-12.1	-3.5	52.8	-9.1	-12.1	-3.5	7.0	39.8	28.1	-17.7
	Pretax profit	209.9	91.2	-22.1	-103.5	41.8	61.7	95.9	113.3	533.0	175.4	312.8
	NP	175.0	16.5	-21.2	-94.0	40.4	59.5	92.4	109.3	713.5	76.3	301.6

Source: Company data, Mirae Asset Securities Research

Figure 1. OCI Holdings: 12-month forward P/E band chart

Figure 2. OCI Holdings: 12-month forward P/B band chart



Source: FnGuide, Mirae Asset Securities Research

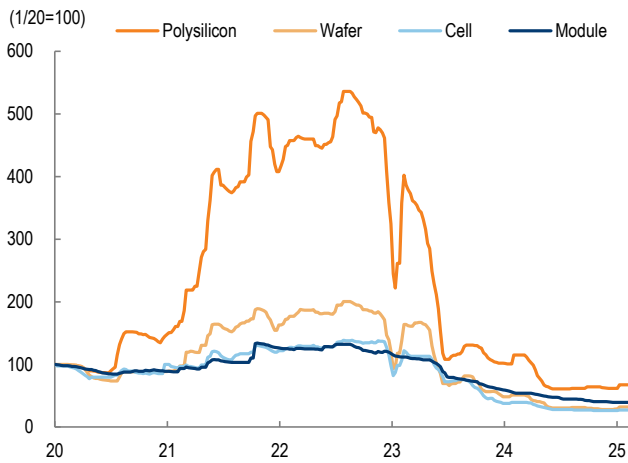
Source: FnGuide, Mirae Asset Securities Research

Table 2. Valuation table

	Value	Notes
12MF NP (Wbn)	320	Only 20% of operating subsidiary OCI's NP reflected
Target P/E (x)	6.0	40% discount to peer avg. (10x)
Fair value (Wbn)	1,914	
No. of shares (mn)	19.1	
Fair value/share (W)	100,188	TP: W100,000
Current price (W)	77,000	
Upside (%)	30.1	

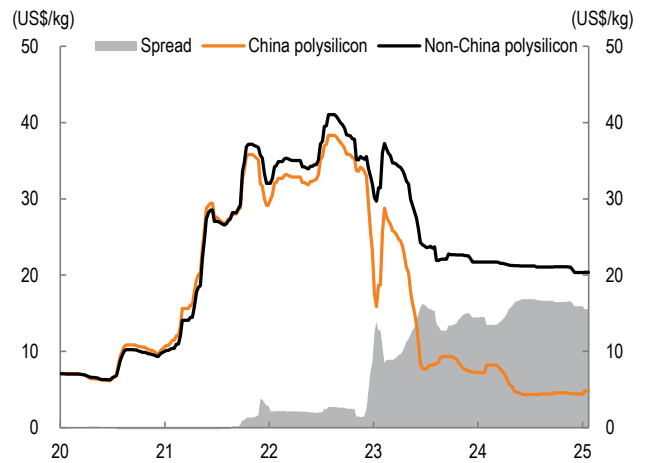
Source: Company data, Mirae Asset Securities Research

Figure 3. Relative price performance of solar PV value chain



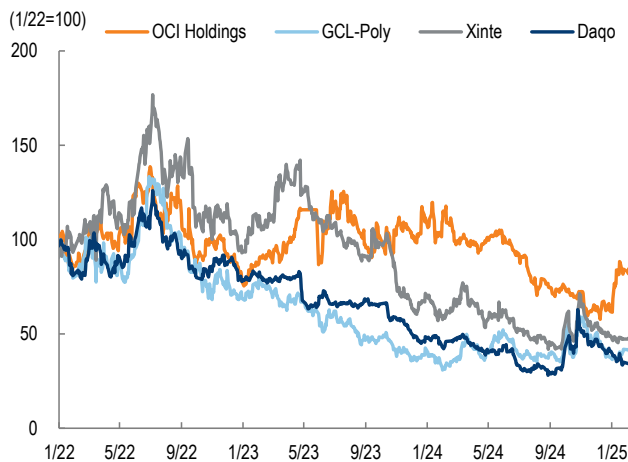
Source: PVinsights, Mirae Asset Securities Research

Figure 4. Polysilicon price trends (China and non-China)



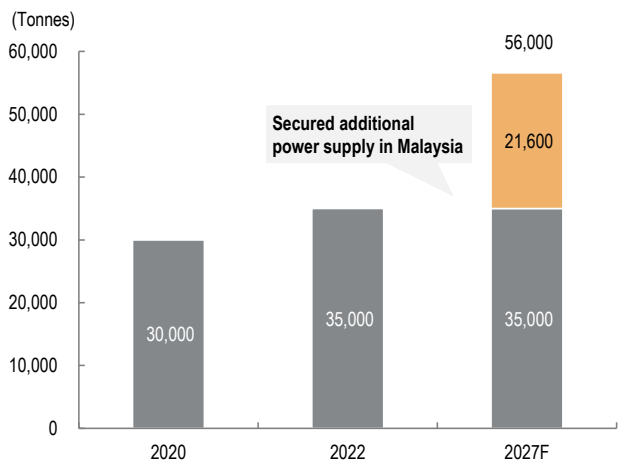
Source: PVinsights, Mirae Asset Securities Research

Figure 5. Share performance of global polysilicon suppliers



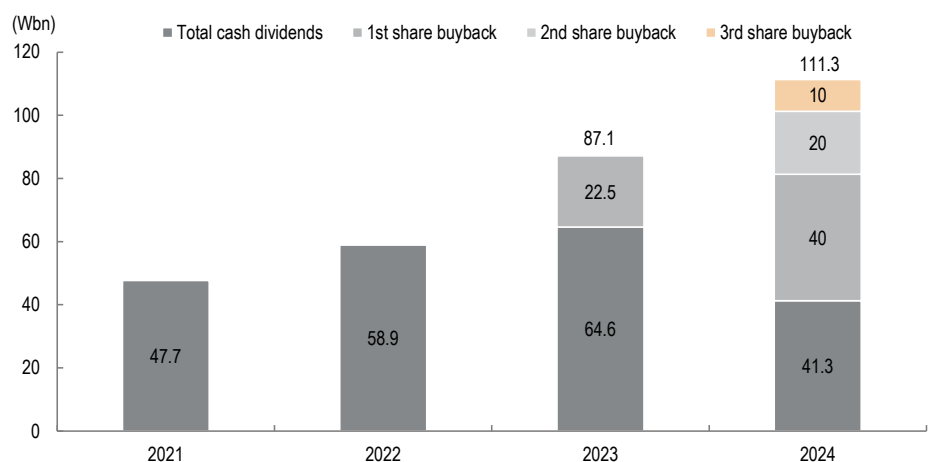
Source: FactSet, Mirae Asset Securities Research

Figure 6. OCI Holdings' polysilicon capacity expansion plans



Source: Company data, Mirae Asset Securities Research

Figure 7. Annual shareholder return trends



Source: Company data, Mirae Asset Securities Research

OCI Holdings (010060 KS)

Income statement (summarized)

(Wbn)	2023	2024F	2025F	2026F
Revenue	2,650	3,577	3,988	4,507
Cost of revenue	1,939	3,198	3,408	3,670
GP	711	379	580	837
SG&A expenses	179	278	278	278
OP (adj.)	531	102	301	559
OP	531	102	301	559
Non-operating profit	2	73	12	4
Net financial income	43	34	11	4
Net income from associates	38	15	0	0
Pretax profit	533	175	313	563
Income tax	75	63	47	84
Profit from continuing operations	458	113	266	478
Profit from discontinued operations	252	0	0	0
NP	710	113	266	478
Attributable to owners	714	76	302	543
Attributable to minority interests	-3	37	-36	-64
Total comprehensive income	668	310	266	478
Attributable to owners	672	284	259	466
Attributable to minority interests	-4	26	7	12
EBITDA	641	296	531	822
FCF	522	4	-279	-33
EBITDA margin (%)	24.2	8.3	13.3	18.2
OP margin (%)	20.0	2.9	7.5	12.4
Net margin (%)	26.9	2.1	7.6	12.0

Balance sheet (summarized)

(Wbn)	2023	2024F	2025F	2026F
Current assets	3,994	4,064	3,958	4,272
Cash & equivalents	1,214	728	128	31
AR & other receivables	474	569	651	689
Inventory	1,732	2,078	2,390	2,748
Other current assets	574	689	789	804
Non-current assets	1,962	3,480	3,850	4,298
Investments in associates	507	671	768	915
PP&E	1,176	2,250	2,549	2,869
Intangible assets	27	157	128	105
Total assets	5,957	7,544	7,808	8,570
Current liabilities	880	1,473	1,461	1,596
AP & other payables	308	407	466	555
Short-term financial liabilities	420	864	765	766
Other current liabilities	152	202	230	275
Non-current liabilities	1,262	1,302	1,342	1,405
Long-term financial liabilities	1,048	1,019	1,019	1,019
Other non-current liabilities	214	283	323	386
Total liabilities	2,142	2,774	2,804	3,001
Equity attributable to owners	3,721	3,885	4,155	4,784
Capital stock	107	107	107	107
Capital surplus	902	905	905	905
Retained earnings	3,576	3,569	3,838	4,468
Minority interests	94	885	849	785
Shareholders' equity	3,815	4,770	5,004	5,569

Cash flow statement (summarized)

(Wbn)	2023	2024F	2025F	2026F
Operating cash flow	674	339	221	527
NP	710	113	266	478
Non-cash income/expenses	43	176	205	283
Depreciation	107	164	201	240
Amortization	3	31	29	23
Other	-67	-19	-25	20
Chg. in working capital	-38	-2	-275	-215
Chg. in AR & other receivables	155	226	-25	-38
Chg. in inventory	-125	31	-312	-358
Chg. in AP & other payables	93	-39	47	72
Income tax	-40	11	-47	-84
Cash flow from investing activities	-535	-342	-593	-564
Chg. in PP&E	-151	-333	-500	-560
Chg. in intangible assets	-6	-2	0	0
Chg. in financial assets	-428	-108	-93	-4
Other	50	101	0	0
Cash flow from financing activities	-178	-227	-131	87
Chg. in financial liabilities	-421	415	-99	1
Chg. in equity	88	3	0	0
Dividends	-60	-77	-2	116
Other	215	-568	-30	-30
Chg. in cash	-32	-486	-599	-97
Beginning balance	1,246	1,214	728	128
Ending balance	1,214	728	128	31

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

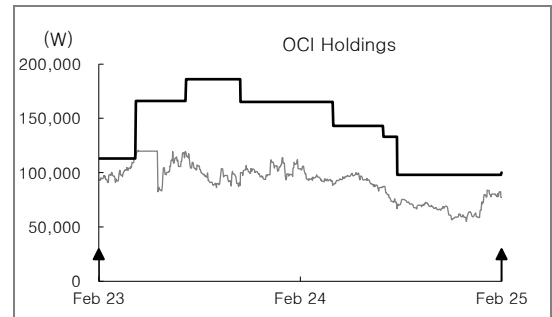
	2023	2024F	2025F	2026F
P/E (x)	2.9	15.0	4.9	2.7
P/CF (x)	2.8	4.0	3.1	1.9
P/B (x)	0.6	0.3	0.3	0.3
EV/EBITDA (x)	3.0	8.6	6.1	4.0
EPS (W)	36,002	3,910	15,776	28,846
CFPS (W)	38,013	14,814	24,617	40,472
BPS (W)	188,949	205,326	222,924	260,492
DPS (W)	3,300	100	-6,300	-800
Dividend payout ratio (%)	9.1	1.7	-43.8	-3.0
Dividend yield (%)	3.1	0.2	-8.6	-1.1
Revenue growth (%)	-4.3	35.0	11.5	13.0
EBITDA growth (%)	-29.0	-53.8	79.6	54.8
OP growth (%)	-29.4	-80.9	196.9	85.5
EPS growth (%)	-2.5	-89.1	303.4	82.8
AR turnover (x)	6.4	22.3	21.3	20.6
Inventory turnover (x)	1.5	1.9	1.8	1.8
AP turnover (x)	6.8	11.2	9.8	9.0
ROA (%)	11.2	1.7	3.5	5.8
ROE (%)	18.7	2.0	7.5	12.1
ROIC (%)	13.2	-1.0	5.4	8.9
Debt-to-equity ratio (%)	56.1	58.2	56.0	53.9
Current ratio (%)	454.1	276.0	270.8	267.6
Net debt-to-equity ratio (%)	-7.0	11.1	18.8	18.7
Interest coverage ratio (x)	27.3	2.7	8.7	17.0

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
OCI Holdings (010060)	02/11/25	Buy	100,000
	08/06/24	Buy	98,000
	07/12/24	Buy	133,000
	04/12/24	Buy	143,000
	10/27/23	Buy	165,000
	07/20/23	Buy	186,000
	04/20/23	Buy	166,000
	01/26/23	Buy	113,000



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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