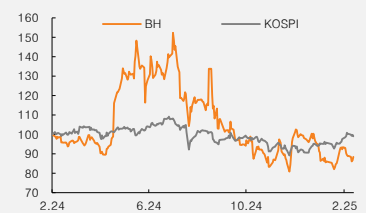


(Maintain)	Buy
Target price	▼ W22,000
Current price (2/27/25)	W15,770
Upside	39.5%

OP (24P, Wbn)	87
Consensus OP (24F, Wbn)	-
EPS growth (24P, %)	-23.4
Market EPS growth (24F, %)	68.2
P/E (24P, x)	8.6
Market P/E (24F, x)	11.3
KOSPI	2,621.75

Market cap (Wbn)	544
Shares (mn)	34
Free float (%)	68.1
Foreign ownership (%)	13.5
Beta (12M)	0.95
52-week low (W)	14,410
52-week high (W)	27,150

(%)	1M	6M	12M
Absolute	2.7	-23.3	-7.8
Relative	-0.6	-21.3	-7.7



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BH

Valuation to normalize

4Q24 review: Another weak fourth quarter

For 4Q24, BH reported consolidated revenue of W487.8bn (-5.6% YoY) and an operating loss of W5.3bn (swinging to red YoY), missing the consensus by a wide margin. High fixed cost pressures (exacerbated by weak IT-use OLED revenue and cost reduction efforts by the company's key North American customer) weighed on earnings, and soft sales of new products likely increased channel inventory pressures. We expect these negative factors to persist through 1H25. Meanwhile, revenue from mobile-use FPCBs supplied to domestic customers remained relatively solid, supported by early orders ahead of the release of new models. BH EVS posted revenue of W83bn (flat QoQ).

1Q25 preview: Earnings to normalize

For 1Q25, we look for revenue of W300.4bn (+0.5% YoY) and operating profit of W4.1bn (-51.7% YoY). While FPCB revenue from the key North American customer is likely to increase YoY, continued fixed cost pressures in the IT segment should limit profitability improvement. Meanwhile, mobile-use FPCB sales to domestic customers will likely decline due to reduced Galaxy A series shipments (though Galaxy S series shipments are likely to be robust). For automotive-use wireless charging modules, we expect revenue to contract YoY due to weak shipments by customers.

Encouragingly, BH's North American customer is expected to see a meaningful sales recovery in China. The customer has partnered with Alibaba to develop AI features tailored to the Chinese market (which have been submitted for regulatory approval); this, together with the customer's broader efforts to strengthen its AI positioning in China, should help boost investor sentiment. The Siri update scheduled for May should also contribute to sales and earnings growth.

Cut TP, but maintain Buy rating

We cut our target price for BH to W22,000 (from W30,000) but maintain our Buy rating. In deriving our target price, we applied a P/E of 9.55x—the 2021 average multiple—to our 2025 EPS estimate of W2,292. While the stock lacks earnings momentum in the near term due to seasonally weak demand, we expect momentum to build over the medium to long term thanks to an expanded new product lineup at the North American customer in 3Q25 (and the potential addition of foldable models in 2026). In addition, Chinese panel suppliers still lack competitiveness in low-temperature polycrystalline oxide (LTPO) panel technology, presenting an opportunity for BH and other domestic panel makers to gain market share. The potential adoption of IT-use OLED panels by MacBook models could also help boost revenue and ease fixed cost pressures.

(Dec.)	2022	2023	2024P	2025F	2026F
Revenue (Wbn)	1,681	1,592	1,754	1,780	1,824
OP (Wbn)	131	85	87	97	109
OP margin (%)	7.8	5.3	5.0	5.4	6.0
NP (Wbn)	144	91	69	79	91
EPS (W)	4,206	2,631	2,015	2,292	2,640
ROE (%)	29.7	15.1	10.4	10.8	11.2
P/E (x)	5.3	8.0	8.6	6.9	6.0
P/B (x)	1.3	1.0	0.8	0.7	0.6
Dividend yield (%)	1.1	1.2	1.4	1.6	1.6

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

Table 1. Earnings forecast revisions

(Wbn, %, %p)

	Revised		Previous		% chg.	
	2024P	2025F	2024F	2025F	2024P	2025F
Revenue	1,754.3	1,779.9	1713.4	1940.2	2.4	-8.3
OP	87.1	96.7	111.2	130.6	-21.7	-26.0
OP margin (%)	5.0	5.4	6.5	6.7	-1.5	-1.3
Pretax profit	105.6	91.7	137.9	152.3	-23.4	-30.7
NP attr. to owners	69.4	79.0	119.3	127.2	-41.8	-37.9

Source: Mirae Asset Securities Research

Table 2. Quarterly and annual earnings

(Wbn, %)

	1Q24	2Q24	3Q24	4Q24P	1Q25F	2Q25F	3Q25F	4Q25F	2023	2024P	2025F
Revenue	298.9	468.4	499.2	487.8	300.4	425.4	540.1	514.0	1,592.0	1,754.3	1,779.9
<i>QoQ</i>	-42.2	56.7	6.6	-2.3	-38.4	41.6	27.0	-4.8			
<i>YoY</i>	-4.8	53.4	9.5	-5.6	0.5	-9.2	8.2	5.4	-5.3	10.2	1.5
N. America smartphone display FPCB	133.5	265.4	364.5	340.0	168.3	273.8	393.4	353.2	985.8	1,103.4	1,148.7
Ex-N. America smartphone display FPCB	53.0	70.5	32.8	44.0	48.8	64.9	30.2	40.5	167.2	200.3	184.3
Battery PCM	6.2	8.2	3.5	2.8	5.7	8.2	3.5	2.8	30.5	20.7	20.2
Other - MX	2.9	8.3	3.2	2.8	3.2	5.3	4.2	3.8	30.5	17.2	16.5
Other - camera modules	1.8	5.0	4.0	2.5	2.5	3.8	3.8	2.5		13.3	12.6
IT OLED			0.0	8.2	5.2	6.2	6.9	9.2		8.2	27.5
Automotive FPCB	11.0	14.9	8.5	4.0	3.8	3.6	5.6	5.8	47.3	38.4	18.8
Automotive OLED	0.9	1.5	0.9	0.5	0.5	0.6	0.7	1.0	6.3	3.8	2.8
BH EVS	89.5	94.6	81.8	83.0	62.4	59.1	91.9	95.2	324.3	348.9	308.5
OP	8.4	31.3	52.6	-5.3	4.1	15.5	56.4	20.7	84.8	87.1	96.7
<i>QoQ</i>	-45.2	272.1	67.8	-110.1	-176.9	281.2	263.3	-63.2			
<i>YoY</i>	-5.5	222.9	3.5	-134.5	-51.7	-50.5	7.2	-491.8	-35.4	2.7	11.1
OP margin	2.8	6.7	10.5	-1.1	1.4	3.6	10.4	4.0	5.3	5.0	5.4
Pretax profit	15.6	34.3	48.6	7.1	8.0	16.0	55.9	11.8	97.1	105.6	91.7
NP attr. to owners of the parent	11.5	26.5	34.0	-2.5	7.0	13.7	48.1	10.2	90.7	69.4	79.0
Net margin	3.8	5.6	6.8	-0.5	2.3	3.2	8.9	2.0	5.7	4.0	4.4

Source: Company data, Mirae Asset Securities Research

Table 3. Valuation table

	Value	Notes
12MF EPS (W)	2,292	
Target P/E (x)	9.6	2021 avg.
Fair value/share (W)	21,889	
Target price (W)	22,000	
Current price (W)	15,770	
Upside (%)	39.5	

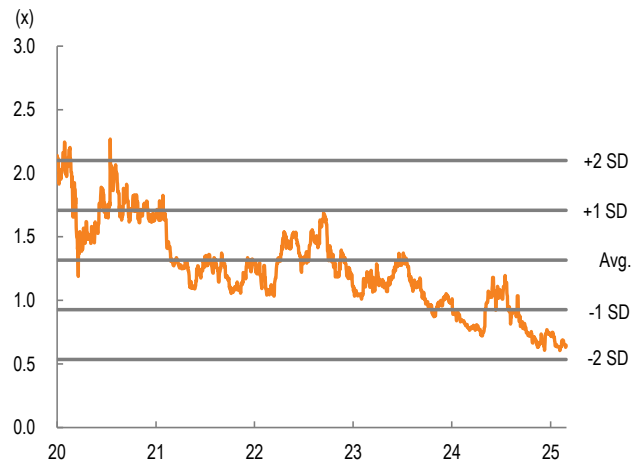
Source: QuantiWise, Mirae Asset Securities Research

Figure 1. 12-month forward P/E ± 2 SD



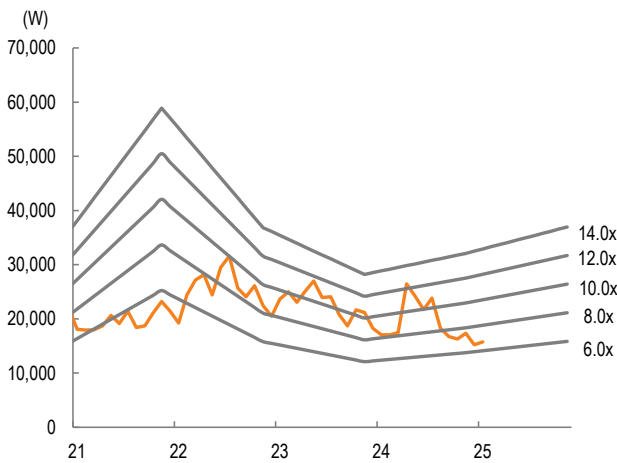
Note: Based on Bloomberg consensus
Source: Bloomberg, Mirae Asset Securities Research

Figure 2. 12-month forward P/B ± 2 SD



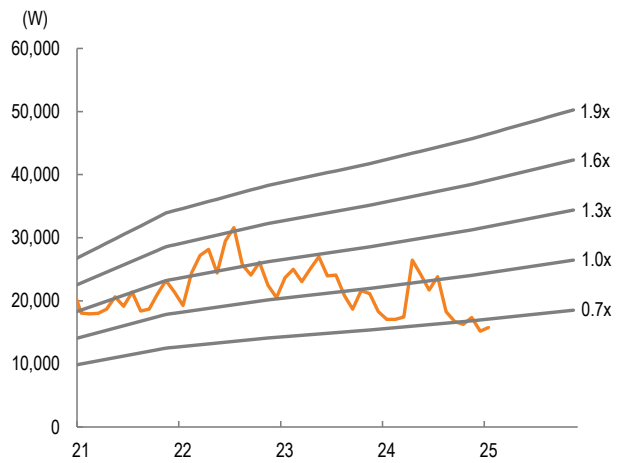
Note: Based on Bloomberg consensus
Source: Bloomberg, Mirae Asset Securities Research

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



Source: DataGuide, Mirae Asset Securities Research

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



Source: DataGuide, Mirae Asset Securities Research

BH (090460 KS)

Income statement (summarized)

(Wbn)	2023	2024F	2025F	2026F
Revenue	1,592	1,754	1,780	1,824
Cost of revenue	1,436	1,593	1,618	1,650
GP	156	161	162	174
SG&A expenses	71	74	65	65
OP (adj.)	85	87	97	109
OP	85	87	97	109
Non-operating profit	12	19	-5	-4
Net financial income	-6	-9	-9	-9
Net income from associates	4	2	0	0
Pretax profit	97	106	92	105
Income tax	12	19	13	14
Profit from continuing operations	85	80	79	91
Profit from discontinued operations	0	0	0	0
NP	85	77	79	91
Attributable to owners	91	69	79	91
Attributable to minority interests	-6	8	0	0
Total comprehensive income	81	77	79	91
Attributable to owners	87	69	76	88
Attributable to minority interests	-6	8	3	3
EBITDA	137	146	156	165
FCF	26	75	78	98
EBITDA margin (%)	8.6	8.3	8.8	9.0
OP margin (%)	5.3	5.0	5.4	6.0
Net margin (%)	5.7	3.9	4.4	5.0

Balance sheet (summarized)

(Wbn)	2023	2024F	2025F	2026F
Current assets	575	659	739	842
Cash & equivalents	139	247	305	398
AR & other receivables	206	194	205	209
Inventory	137	130	136	140
Other current assets	93	88	93	95
Non-current assets	514	534	538	523
Investments in associates	65	61	64	66
PP&E	272	308	316	306
Intangible assets	128	126	118	111
Total assets	1,089	1,194	1,277	1,365
Current liabilities	419	401	412	417
AP & other payables	174	164	173	177
Short-term financial liabilities	195	189	189	188
Other current liabilities	50	48	50	52
Non-current liabilities	20	70	71	72
Long-term financial liabilities	4	56	56	56
Other non-current liabilities	16	14	15	16
Total liabilities	439	471	483	488
Equity attributable to owners	640	697	769	852
Capital stock	17	17	17	17
Capital surplus	91	92	92	92
Retained earnings	572	633	704	787
Minority interests	11	25	25	25
Shareholders' equity	651	722	794	877

Cash flow statement (summarized)

(Wbn)	2023	2024F	2025F	2026F
Operating cash flow	90	154	138	138
NP	85	77	79	91
Non-cash income/expenses	77	118	91	74
Depreciation	45	50	52	50
Amortization	7	8	8	7
Other	25	60	31	17
Chg. in working capital	-56	-3	-10	-4
Chg. in AR & other receivables	-54	-1	-9	-4
Chg. in inventory	-39	9	-7	-3
Chg. in AP & other payables	-3	-6	9	4
Income tax	-14	-27	-13	-14
Cash flow from investing activities	-53	-99	-70	-35
Chg. in PP&E	-64	-78	-60	-40
Chg. in intangible assets	-7	-6	0	0
Chg. in financial assets	35	0	0	0
Other	-17	-15	-10	5
Cash flow from financing activities	11	36	-8	-9
Chg. in financial liabilities	23	46	0	-1
Chg. in equity	0	1	0	0
Dividends	-8	-8	-8	-8
Other	-4	-3	0	0
Chg. in cash	49	109	58	93
Beginning balance	90	139	247	305
Ending balance	139	247	305	398

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

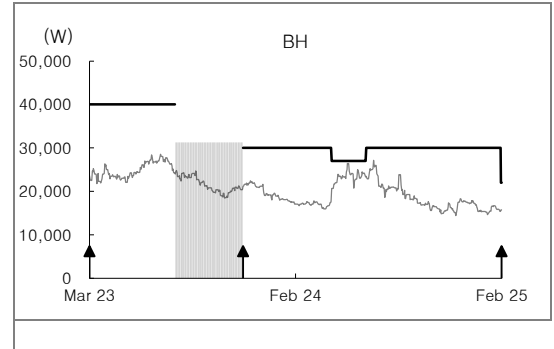
	2023	2024F	2025F	2026F
P/E (x)	8.0	8.6	6.9	6.0
P/CF (x)	4.5	3.1	3.2	3.3
P/B (x)	1.0	0.8	0.7	0.6
EV/EBITDA (x)	5.8	4.3	3.2	2.5
EPS (W)	2,631	2,015	2,292	2,640
CFPS (W)	4,685	5,659	4,942	4,800
BPS (W)	20,155	21,972	24,040	26,456
DPS (W)	250	250	250	250
Dividend payout ratio (%)	9.3	10.0	9.8	8.5
Dividend yield (%)	1.2	1.4	1.6	1.6
Revenue growth (%)	-5.3	10.2	1.5	2.5
EBITDA growth (%)	-21.6	5.9	7.4	5.8
OP growth (%)	-35.4	2.7	11.1	12.3
EPS growth (%)	-37.4	-23.4	13.8	15.2
AR turnover (x)	10.3	10.0	10.2	10.1
Inventory turnover (x)	13.4	13.2	13.4	13.2
AP turnover (x)	8.3	9.6	9.8	9.6
ROA (%)	8.1	6.8	6.4	6.9
ROE (%)	15.1	10.4	10.8	11.2
ROIC (%)	12.3	10.9	12.8	14.4
Debt-to-equity ratio (%)	67.4	65.2	60.9	55.7
Current ratio (%)	137.2	164.5	179.3	202.2
Net debt-to-equity ratio (%)	9.1	-0.5	-7.7	-17.7
Interest coverage ratio (x)	8.9	6.5	7.3	8.4

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (₩)
BH (090460)	02/27/25	Buy	22,000
	07/03/24	Buy	30,000
	05/03/24	Buy	27,000
	11/28/23	Buy	30,000
	07/31/23	No Coverage	
	05/30/23	One year	40,000
	05/30/22	Buy	40,000



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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