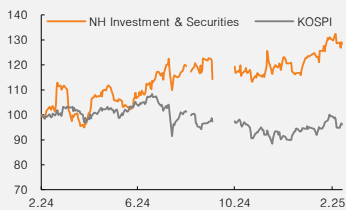


(Maintain)	Buy
Target price	▲ W18,000
Current price (3/7/25)	W14,850
Upside	21.2%

OP (24F, Wbn)	901
Consensus OP (24F, Wbn)	913
EPS growth (24F, %)	23.9
Market EPS growth (24F, %)	68.2
P/E (24F, x)	7.1
Market P/E (24F, x)	10.9
KOSPI	2,563.48

Market cap (Wbn)	4,863
Shares outstanding (mn)	327
Free float (%)	40.2
Foreign ownership (%)	17.4
Beta (12M)	0.24
52-week low (W)	10,990
52-week high (W)	15,320

(%)	1M	6M	12M
Absolute	2.2	7.8	24.5
Relative	0.5	7.0	28.6



Mirae Asset Securities Co., Ltd.

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NH Investment & Securities

Higher trading volume and robust shareholder returns

Maintain Buy and raise TP to W18,000

We maintain our Buy rating on NH Investment & Securities (NH I&S) and raise our target price to W18,000 (from W17,000). NH I&S is one of 14 securities firms participating in Nextrade, Korea's first alternative stock trading platform. The new platform (which launched last week) is likely to drive up trading volume, which should directly benefit NH I&S due to its high reliance on domestic equity brokerage fee/commission income; reflecting this, we raised our 2025 net profit estimate by 5.3%. While trading will be restricted if the six-month average trading volume exceeds 15% of the KRX's total trading volume, any restrictions would not go into effect at least until 3Q25. Additionally, even if trading volume reaches this threshold, we think financial authorities would ease restrictions in consideration of actual market conditions.

Despite weak 4Q24 earnings, NH I&S announced a DPS of W950 for common shares (in line with our estimate) and a W50bn share buyback/cancellation plan on Mar. 6, reaffirming its strong commitment to shareholder returns. The company has a dividend payout ratio of 45.2% (staying above 40% for the second consecutive year) and a total shareholder return ratio of 52.5% (including treasury shares), with its dividend yield and shareholder return yield standing at 6.8% and 7.9%, respectively (based on the closing price at end-2024). Given that it has announced a share buyback/cancellation plan alongside dividends, the company is expected to see a limited ex-dividend price drop (smaller in magnitude than its dividend yield).

We expect even higher shareholder returns in 2025, as earnings are likely to improve. For 2025, we expect the company to pay out a DPS of W1,050 and buy back/cancel W50bn worth of shares; based on the Mar. 7 closing price, this would result in a dividend yield of 7.1% and shareholder return yield of 8.1%. While the company set a minimum DPS of W500 under its corporate value enhancement plan, it has historically increased dividends whenever earnings improved. Even in 2022, when profits fell sharply, the company paid a DPS of W700, resulting in a payout ratio of 76.4%.

(Dec.)	2022	2023	2024F	2025F	2026F
Net operating revenue (Wbn)	1,366	1,678	2,012	2,123	2,437
OP (Wbn)	521	726	901	1,026	1,341
NP (Wbn)	303	556	687	772	1,003
EPS (W)	882	1,582	1,959	2,211	2,909
BPS (W)	20,647	21,757	23,474	24,759	26,490
P/E (x)	9.9	6.5	7.1	6.7	5.1
P/B (x)	0.40	0.50	0.60	0.60	0.60
ROE (%)	4.5	7.8	8.7	9.3	11.5
Shareholder return yield (%)	8.0	7.7	7.9	8.1	10.4
Equity (Wbn)	7,228	7,613	8,119	8,480	8,966

Notes: Under consolidated K-IFRS; NP is attributable to owners of the parent

Source: Company data, Mirae Asset Securities Research estimates

Table 1. NH I&S: TP calculation

(W, x, %)

	Value	Notes
Previous TP	17,000	
2025F ROE	9.2	Mirae Asset Securities est.
Adj. discount rate	12.9	
Target P/B	0.72	
2025F BPS	23,750	Mirae Asset Securities est.
Revised TP	18,000	
2025F ROE	9.3	Mirae Asset Securities est.
Adj. discount rate	12.9	
Target P/B	0.72	
2025F BPS	24,759	Mirae Asset Securities est.
Current price	14,850	
Upside	21.2	
Rating	Buy	Over 20% upside

Source: Company data, Mirae Asset Securities Research

NH Investment & Securities (005940 KS)

Income statement (stand-alone)

(Wbn)	2023	2024F	2025F	2026F
Net operating revenue	1,564	1,903	1,965	2,278
Net fee/commission income	789	951	1,058	1,193
Fees/commissions	981	1,144	1,279	1,442
Brokerage	470	510	584	713
WM	95	106	92	101
IB/other	416	527	603	628
Fee/commission expenses	192	193	220	250
Interest income	679	680	704	753
Trading/financial products	-50	151	82	211
Other	146	121	121	121
SG&A expenses	874	1,024	1,009	1,009
OP	690	879	955	1,269
Non-OP	26	46	46	46
Non-operating expenses	130	75	75	75
Pretax profit	586	850	926	1,240
Taxes	151	224	245	327
NP	435	626	682	913

Balance sheet (stand-alone)

(Wbn)	2023	2024F	2025F	2026F
Assets	53,454	59,281	62,415	66,427
Cash/deposits	4,633	5,685	5,986	6,371
Securities	33,282	38,168	40,186	42,769
Loans	8,153	8,089	8,268	9,275
Tangible assets	173	129	136	144
Intangible assets	16	49	52	55
Investment properties	52	54	57	61
Other	7,145	7,106	7,730	7,752
Liabilities	46,347	51,889	54,751	58,369
Deposits	6,629	7,458	8,424	9,089
Borrowings/debentures	32,206	36,760	38,233	40,651
Provisions for other est.liabilities	60	116	123	131
Deferred tax liabilities	0	0	0	0
Other	7,452	7,555	7,972	8,498
Equity	7,107	7,392	7,663	8,058
Capital stock	1,783	1,783	1,783	1,783
Capital surplus	1,885	1,885	1,885	1,885
Retained earnings	3,189	3,485	3,806	4,261
Other	250	240	190	129

ROA breakdown (stand-alone)

(%)	2023	2024F	2025F	2026F
Net operating revenue				
Net fee/commission income	50.5	50.0	53.9	52.4
Fees/commissions	62.7	60.1	65.1	63.3
Brokerage	30.1	26.8	29.7	31.3
WM	6.1	5.6	4.7	4.4
IB/other	26.6	27.7	30.7	27.6
Interest income	43.4	35.7	35.8	33.1
Trading/financial products	-3.2	7.9	4.2	9.3
Other	9.3	6.3	6.1	5.3
Asset turnover ratio				
Net fee/commission income	1.48	1.60	1.70	1.80
Fees/commissions	1.84	1.93	2.05	2.17
Brokerage	0.88	0.86	0.94	1.07
WM	0.18	0.18	0.15	0.15
IB/other	0.78	0.89	0.97	0.95
Interest income	1.27	1.15	1.13	1.13
Trading/financial products	-0.09	0.25	0.13	0.32
Other	0.27	0.20	0.19	0.18

Financial statement (consolidated)

(Wbn)	2023	2024F	2025F	2026F
Net operating revenue	1,678	2,012	2,123	2,437
Net fee/commission income	789	955	1,084	1,218
Interest income	791	802	826	877
Trading/financial products	-67	57	65	194
Other	164	198	148	148
SG&A expenses	953	1,111	1,097	1,096
OP	726	901	1,026	1,341
Non-OP	95	113	113	113
Non-operating expenses	100	89	89	89
Pretax profit	721	925	1,050	1,365
Taxes	168	238	279	362
NP	553	687	772	1,003
Attr. to owners of the parent	556	687	772	1,003
Minority interests	0	0	0	0
Assets	56,698	62,427	65,674	69,801
Liabilities	49,084	54,308	57,194	60,836
Equity	7,613	8,119	8,480	8,966

Investment indicators

(x, %, W)	2023	2024F	2025F	2026F
Valuation				
P/B	0.50	0.60	0.60	0.60
P/E	6.5	7.1	6.7	5.1
Payout ratio	7.7	6.8	7.1	9.1
Per-share indicators				
BPS	21,757	23,474	24,759	26,490
EPS	1,582	1,959	2,211	2,909
DPS	800	950	1,050	1,350
Growth				
BPS	5.4	7.9	5.5	7.0
EPS	79.4	23.9	12.9	31.6
Profitability				
ROE	7.8	8.7	9.3	11.5
ROA	1.00	1.20	1.20	1.50
Cost-to-income ratio	55.9	53.8	51.4	44.3
OP margin	43.2	44.8	48.3	55.0
Pretax margin	42.9	46.0	49.5	56.0
Net margin	33.2	34.1	36.3	41.2
Financial leverage (stand-alone)	6.8	7.1	7.1	7.1

ROA breakdown (consolidated)

(%)	2023	2024F	2025F	2026F
Net operating revenue				
Net fee/commission income	47.0	47.4	51.0	50.0
Interest income	47.1	39.9	38.9	36.0
Trading/financial products	-4.0	2.8	3.1	8.0
Other	9.8	9.9	7.0	6.1
Asset turnover ratio				
Net fee/commission income	1.39	1.53	1.65	1.74
Interest income	1.40	1.28	1.26	1.26
Trading/financial products	-0.12	0.09	0.10	0.28
Other	0.29	0.32	0.23	0.21

No. of shares & dividend payout ratio

('000, %)	2023	2024F	2025F	2026F
Issued shares (year-end)	350,537	346,363	342,996	338,956
Common	331,666	327,492	324,125	320,085
Preferred	18,871	18,871	18,871	18,871
dividend payout ratio				
Common	50.5	48.0	46.7	45.6
Preferred	2.9	2.7	2.7	2.6

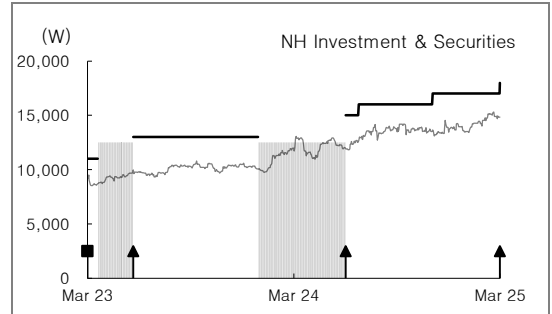
Source: Company data, Mirae Asset Securities Research estimates

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
NH Investment & Securities (005940)	03/10/25	Buy	18,000
	11/11/24	Buy	17,000
	07/03/24	Buy	16,000
	06/10/24	Buy	15,000
	01/08/24	No Coverage	
	05/31/23	Buy	13,000
	03/30/23	No Coverage	
	11/23/22	Trading Buy	11,000



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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