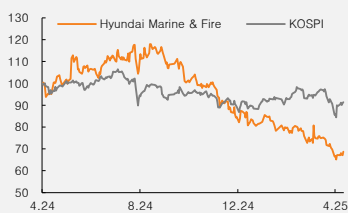


(Maintain)	Hold
Target price	▼ W23,000
Current price (4/18/25)	W21,050
Upside	9.3%

OP (25F, Wbn)	1,102
Consensus OP (25F, Wbn)	1,192
EPS growth (25F, %)	-22.7
Market EPS growth (25F, %)	24.5
P/E (25F, x)	2.9
Market P/E (25F, x)	9.1
KOSPI	2,483.42

Market cap (Wbn)	1,882
Shares outstanding (mn)	89
Free float (%)	64.9
Foreign ownership (%)	37.2
Beta (12M)	0.78
52-week low (W)	19,960
52-week high (W)	36,150

(%)	1M	6M	12M
Absolute	-9.3	-30.8	-28.3
Relative	-4.6	-27.7	-23.9



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Hyundai Marine & Fire

Concerns linger over decline in core capital and adverse experience variances

Maintain Hold; lower TP to W23,000

We lower our target price for Hyundai Marine & Fire (Hyundai M&F) to W23,000 (from W25,000) and maintain our Hold rating on the stock. In 1Q25, the company likely incurred additional large-scale adverse experience variances and saw a further decline in its core (tier 1) capital ratio. Due to these factors, we revised down our 2025 earnings estimates.

The ongoing decline in core capital is worrying, as it could constrain new business growth. Although detailed regulatory thresholds have not been finalized, we note that new contract sales lead to increased capital requirements (and thus pressure the core capital ratio). Hyundai M&F's efforts to improve profitability should support a continued rise in the new business CSM multiple, but whether these efforts will translate into core capital ratio improvement remains to be seen.

Meanwhile, it is concerning that the firm continues to record adverse experience variances despite making large year-end CSM adjustments every fourth quarter to reflect assumption changes. This points to a potential unresolved issue in its model, which could lead to additional large year-end CSM adjustments and affect earnings beyond 2025.

We estimate 1Q25 net profit at W203.4bn, 20.3% below the consensus (W255.3bn). Adverse experience variances likely remained similar to 4Q24 levels due to increased medical service usage/insurance claims (driven by a flu outbreak, etc.). We do not expect experience variances to improve markedly this year.

We estimate CSM increased 5.2% QoQ, driven by: 1) an increase in new business CSM (supported by a higher CSM multiple); and 2) a roughly W300bn positive adjustment following changes in age-specific loss ratio assumptions.

The K-ICS ratio likely held steady QoQ. While the gradual adjustment of discount rates for insurance liabilities likely put downward pressure on the ratio, we believe the impact was offset by: 1) changes in age-specific loss ratio assumptions; and 2) subordinated debt issuance.

(Dec.)	2023	2024	2025F	2026F	2027F
Underwriting profit (Wbn)	526	1,043	799	934	1,022
Pretax profit (Wbn)	998	1,366	1,068	1,203	1,325
NP (Wbn)	806	1,031	805	907	974
EPS (W)	6,426	9,514	7,354	8,293	8,907
BPS (W)	77,222	60,491	75,180	90,049	108,421
P/E (x)	4.8	2.6	2.9	2.5	2.4
P/B (x)	0.40	0.40	0.30	0.20	0.19
ROE (%)	12.3	18.7	14.7	13.7	12.2
Shareholder return yield (%)	6.7	0.0	0.0	0.0	0.0
K-ICS ratio (%)	173	156	154	159	164.3

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

Source: Company data, Mirae Asset Securities Research estimates

Table 1. Hyundai M&F: TP calculation

(W, x, %)

	Value	Notes
Previous TP	25,000	
2025F ROE	16.5	Mirae Asset Securities est.
Adj. discount rate	49.1	
Target P/B	0.34	
2025F BPS	74,256	Mirae Asset Securities est.
Revised TP	23,000	
2025F ROE	14.7	Mirae Asset Securities est.
Adj. discount rate	49.0	
Target P/B	0.30	
2025F BPS	75,180	Mirae Asset Securities est.
Current price	21,050	
Upside	9.3	
Rating	Hold	

Source: Company data, Mirae Asset Securities Research

Table 2. Hyundai M&F: Earnings and forecasts

(Wbn)

	1Q25F	2Q25F	3Q25F	4Q25F	2024	2025F	2026F
Underwriting profit	195	274	221	109	1,043	799	934
CSM release	228	230	234	226	951	918	925
RA release	34	34	34	34	133	136	136
Adj. for experience variances	-99	-49	-49	-49	-212	-246	-123
Other expenses	32	59	2	-102	171	-9	-4
Investment profit	83	84	83	53	352	303	303
Excl. insurance fin. gains/losses	365	366	365	335	1,295	1,431	1,431
OP	278	358	304	162	1,395	1,102	1,237
Non-OP	-9	-9	-9	-9	-29	-34	-34
Pretax profit	270	350	295	153	1,366	1,068	1,203
Taxes	66	86	72	38	336	262	295
NP	203	264	223	116	1,031	805	907

Source: Company data, Mirae Asset Securities Research

Hyundai Marine & Fire (001450 KS)

Income statement

(Wbn)	2024	2025F	2026F	2027F
Underwriting profit	1,043	799	934	1,022
CSM release	951	918	925	949
RA release	133	136	136	136
Adj. for experience variances	-212	-246	-123	-62
Other	171	-9	-4	-2
Investment profit	352	303	303	303
Excl. insurance fin. gains/losses	1,295	1,431	1,431	1,431
FVPL valuation gains/losses	-129	-58	-58	-58
Disposal gains/losses	-65	0	0	0
OP	1,395	1,102	1,237	1,325
Non-OP	-29	-34	-34	-34
Pretax profit	1,366	1,068	1,203	1,291
Taxes	336	262	295	317
Tax rate	25	25	25	24.6
NP	1,031	805	907	974

Key ratios

(x, %, W, Wbn)	2024	2025F	2026F	2027F
P/E	2.6	2.9	2.5	2.4
P/B	0.40	0.30	0.20	0.19
Dividend yield	0.0	0.0	0.0	0.0
EPS	9,514	7,354	8,293	8,907
BPS	60,491	75,180	90,049	108,421
DPS	0	0	0	0
ROE	18.7	14.7	13.7	12.2
ROA	2.25	1.63	1.75	1.79
K-ICS ratio	155.8	153.9	158.6	164.3
Available capital	11,528	12,479	13,943	15,703
Required capital	7,399	8,107	8,793	9,558
Dividend payout ratio	0.0	0.0	0.0	0.0
Common	0.0	0.0	0.0	0.0
Preferred	0.0	0.0	0.0	0.0

Source: Company data, Mirae Asset Securities Research estimates

Balance sheet

(Wbn)	2024	2025F	2026F	2027F
Assets	47,978	50,619	53,143	55,852
Cash	2,119	2,235	2,347	2,466
Financial assets	32,189	33,961	35,655	37,472
FVPL	8,453	8,918	9,363	9,840
FVOCI	22,671	23,920	25,112	26,392
AC	0	0	0	0
Other assets	13,670	14,423	15,142	15,914
Liabilities	43,051	44,589	45,921	47,156
Insurance liabilities	34,802	36,341	37,672	38,907
BEL	20,913	22,108	23,204	24,203
CSM	8,248	8,611	8,883	9,170
RA	2,093	2,074	2,038	1,987
Other	3,548	3,548	3,548	3,548
Other liabilities	8,249	8,249	8,249	8,249
Equity	4,927	6,030	7,223	8,696
Capital stock	45	45	45	45
Capital surplus	113	113	113	113
Retained earnings	7,391	8,197	9,104	10,077
Surrender value reserves	4,018	4,761	5,470	6,108
Capital adj.	-68	-68	-68	-68
AOCI	-2,554	-2,757	-2,971	-2,971
Hybrid securities	500	500	1,000	1,500

CSM chg.

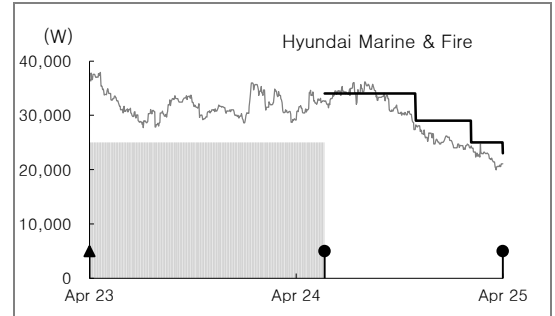
(Wbn)	2024	2025F	2026F	2027F
Starting CSM	9,079	8,248	8,611	8,883
New business	1,821	1,994	1,795	1,616
Discount unwind	319	331	331	331
Adj.	-2,038	-1,045	-930	-711
Release	-933	-918	-925	-949
Ending CSM	8,248	8,611	8,883	9,170

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Hyundai Marine & Fire (001450)	04/21/25	Hold	23,000
	02/24/25	Hold	25,000
	11/18/24	Hold	29,000
	06/10/24	Hold	34,000
	03/30/23	No Coverage	



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	83.98%	6.63%	8.84%	0.55%
Investment banking services	88.24%	0%	11.76%	0%

* Based on recommendations in the last 12-months (as of March 31, 2025)

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