

(Maintain)	Buy
Target price	▼ W31,000
Current price (5/8/25)	W23,100
Upside	34.2%

OP (25F, Wbn)	-144
Consensus OP (25F, Wbn)	-148
EPS growth (25F, %)	RR
Market EPS growth (25F, %)	25.6
P/E (25F, x)	-
Market P/E (25F, x)	9.3
KOSPI	2,579.48

Market cap (Wbn)	1,647
Shares (mn)	71
Free float (%)	37.8
Foreign ownership (%)	6.0
Beta (12M)	1.51
52-week low (W)	19,400
52-week high (W)	59,000

(%)	1M	6M	12M
Absolute	14.6	-23.3	-60.8
Relative	3.7	-23.8	-58.3



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SK IE Technology

Tariff-driven supply chain shifts leading to new customer wins

Lower TP to W31,000

We lower our target price for SK IE Technology (SKIET) to W31,000 (from W35,000), as we revised down our target P/E to 1.0x (from 1.2x) amid a broad-based decline in global peer valuations. While earnings continue to be pressured by weak end-market demand and low utilization rates, we believe the stock deserves attention, as: 1) shipments are likely to increase gradually from 2Q25; and 2) US tariffs are driving a shift away from China-made materials, leading to meaningful customer base expansion. The stock is currently trading at a 2025F P/B of only 0.7x, providing an attractive entry point from a medium/long-term perspective.

Revenue to gradually recover from 2Q25

For 1Q25, SKIET reported revenue of W58.2bn (-2% QoQ) and an operating loss of W69.6bn (remaining in the red QoQ). Fixed cost pressures continued to weigh heavily on the bottom line, as end-market demand remained weak and utilization rates remained low (due to customers prioritizing inventory drawdowns). For 2Q25, we expect the firm to post revenue of W86.8bn (+49% QoQ) and a narrower operating loss of W40bn, supported by increased shipments to SK On—bound for Hyundai Motor (HMC) and Kia Corp. (Kia)—along with supply to a new domestic EV/ESS customer; we expect overall shipments to expand 66% QoQ. Additionally, the completion of inventory adjustments at domestic and overseas lines in 1Q25 should lead to meaningful utilization improvements from 2Q25. For the full year, we look for revenue of W350bn (+60% YoY) and an operating loss of W144.1bn (remaining in the red YoY). By 4Q25, utilization rates will likely recover sufficiently to ease fixed cost pressures.

US tariffs accelerating shift away from Chinese supply chain

SKIET appears to have significantly expanded its customer base in March and April, when volatility around US tariffs on China intensified. While final tariff rates have yet to be confirmed, the current US tariff on China-made separators stands at 176.5%. Even if this rate is eventually lowered, continued uncertainties over US tariff policy will likely cause downstream customers to accelerate efforts to diversify away from Chinese suppliers. SKIET had previously struggled to compete on price against Chinese rivals, leading to market share losses; however, tariffs could serve as a medium/long-term tailwind for order growth. In the EV value chain, the move away from Chinese materials is particularly evident among HMC/Kia and Tesla (already customers of SKIET).

(Dec.)	2022	2023	2024	2025F	2026F
Revenue (Wbn)	586	648	218	350	588
OP (Wbn)	-52	50	-291	-144	12
OP margin (%)	-8.9	7.7	-133.5	-41.1	2.0
NP (Wbn)	-30	82	-247	-91	11
EPS (W)	-416	1,152	-3,459	-1,280	148
ROE (%)	-1.4	3.6	-10.4	-4.0	0.5
P/E (x)	-	68.5	-	-	155.6
P/B (x)	1.7	2.3	0.7	0.7	0.7
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0

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

Table 1. Valuation table

		Notes
2025F BPS (Wbn)	31,301	
Target P/B (x)	1.0	Previously 1.2x
Target price (W)	31,000	
Current price (W)	23,100	
Upside (%)	34.2	

Source: Mirae Asset Securities Research

Table 2. Quarterly and annual earnings

(Wbn, %)

	1Q25	2Q25F	3Q25F	4Q25F	1Q26F	2Q26F	3Q26F	4Q26F	2024	2025F	2026F
Revenue	58.2	86.8	96.3	108.5	118.4	131.6	159.7	178.0	217.9	349.8	587.7
OP	-69.6	-39.8	-28.4	-6.2	-6.4	0.8	8.1	9.7	-291.0	-144.1	12.2
Pretax profit	-46.9	-37.0	-25.5	-10.8	-5.8	1.0	7.4	8.0	-315.6	-120.2	10.6
Net profit	-21.6	-35.1	-24.3	-10.3	-5.8	1.0	7.4	8.0	-246.6	-91.3	10.6
OP margin	-119.7	-45.9	-29.5	-5.7	-5.4	0.6	5.1	5.5	-133.6	-41.2	2.1
Pretax margin	-80.6	-42.6	-26.5	-10.0	-4.9	0.8	4.6	4.5	-144.9	-34.4	1.8
Net margin	-37.1	-40.5	-25.2	-9.5	-4.9	0.8	4.6	4.5	-113.2	-26.1	1.8
Growth (QoQ/YoY)											
Revenue	-1.9	49.2	10.9	12.7	9.1	11.1	21.4	11.5	-66.4	60.5	68.0
OP	RR	RR	RR	RR	RR	TTB	953.1	19.9	TTR	RR	TTB
Pretax profit	RR	RR	RR	RR	RR	TTB	644.3	7.4	TTR	RR	TTB
NP	RR	RR	RR	RR	RR	TTB	644.3	7.4	TTR	RR	TTB

Source: Company data, Mirae Asset Securities Research

SK IE Technology (361610 KS)

Income statement (summarized)

(Wbn)	2023	2024	2025F	2026F
Revenue	648	218	350	588
Cost of revenue	491	380	385	444
GP	157	-162	-35	144
SG&A expenses	107	129	109	131
OP (adj.)	50	-291	-144	12
OP	50	-291	-144	12
Non-operating profit	67	-22	24	-1
Net financial income	-8	-14	-20	-21
Net income from associates	0	0	0	0
Pretax profit	117	-313	-120	11
Income tax	20	-69	-29	0
Profit from continuing operations	97	-244	-91	11
Profit from discontinued operations	-14	-2	0	0
NP	82	-247	-91	11
Attributable to owners	82	-247	-91	11
Attributable to minority interests	0	0	0	0
Total comprehensive income	236	-85	-91	11
Attributable to owners	236	-85	-91	11
Attributable to minority interests	0	0	0	0
EBITDA	205	-135	7	183
FCF	-374	-401	78	-52
EBITDA margin (%)	31.6	-61.9	2.0	31.1
OP margin (%)	7.7	-133.5	-41.1	2.0
Net margin (%)	12.7	-113.3	-26.0	1.9

Cash flow statement (summarized)

(Wbn)	2023	2024	2025F	2026F
Operating cash flow	125	-87	78	148
NP	82	-247	-91	11
Non-cash income/expenses	122	151	189	241
Depreciation	149	150	148	169
Amortization	6	6	3	2
Other	-33	-5	38	70
Chg. in working capital	2	45	-28	-83
Chg. in AR & other receivables	-25	121	-37	-52
Chg. in inventory	-38	0	-82	-142
Chg. in AP & other payables	-3	-17	3	4
Income tax	-33	-18	29	0
Cash flow from investing activities	-438	-333	1	-250
Chg. in PP&E	-499	-313	0	-200
Chg. in intangible assets	-4	0	0	0
Chg. in financial assets	78	-23	48	0
Other	-13	3	-47	-50
Cash flow from financing activities	372	148	0	0
Chg. in financial liabilities	386	294	0	0
Chg. in equity	1	1	0	0
Dividends	0	0	0	0
Other	-15	-147	0	0
Chg. in cash	76	-262	79	-102
Beginning balance	463	538	276	355
Ending balance	538	276	355	253

Source: Company data, Mirae Asset Securities Research estimates

Balance sheet (summarized)

(Wbn)	2023	2024	2025F	2026F
Current assets	894	550	704	819
Cash & equivalents	538	276	355	253
AR & other receivables	170	64	117	192
Inventory	151	140	222	364
Other current assets	35	70	10	10
Non-current assets	3,189	3,600	3,449	3,479
Investments in associates	0	0	0	0
PP&E	3,073	3,407	3,260	3,291
Intangible assets	11	7	3	2
Total assets	4,084	4,150	4,153	4,298
Current liabilities	718	928	1,016	1,141
AP & other payables	131	59	109	178
Short-term financial liabilities	477	822	822	822
Other current liabilities	110	47	85	141
Non-current liabilities	954	898	904	914
Long-term financial liabilities	941	889	889	889
Other non-current liabilities	13	9	15	25
Total liabilities	1,672	1,826	1,921	2,054
Equity attributable to owners	2,412	2,325	2,233	2,243
Capital stock	71	71	71	71
Capital surplus	1,897	1,898	1,898	1,898
Retained earnings	297	50	-42	-31
Minority interests	0	0	0	0
Shareholders' equity	2,412	2,325	2,233	2,243

Key valuation metrics/ratios

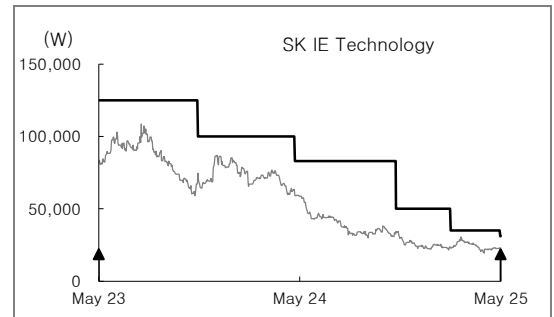
	2023	2024	2025F	2026F
P/E (x)	68.5	-	-	155.6
P/CF (x)	27.6	-	16.8	6.5
P/B (x)	2.3	0.7	0.7	0.7
EV/EBITDA (x)	31.6	-	432.5	17.0
EPS (W)	1,152	-3,459	-1,280	148
CFPS (W)	2,860	-1,339	1,376	3,530
BPS (W)	33,825	32,604	31,313	31,461
DPS (W)	0	0	0	0
Dividend payout ratio (%)	0.0	0.0	0.0	0.0
Dividend yield (%)	0.0	0.0	0.0	0.0
Revenue growth (%)	10.7	-66.4	60.5	68.0
EBITDA growth (%)	97.9	TTR	TTB	2,529.0
OP growth (%)	TTB	TTR	RR	TTB
EPS growth (%)	TTB	TTR	RR	TTB
AR turnover (x)	4.7	2.2	5.5	5.5
Inventory turnover (x)	4.9	1.5	1.9	2.0
AP turnover (x)	25.0	33.2	72.9	49.3
ROA (%)	2.2	-6.0	-2.2	0.3
ROE (%)	3.6	-10.4	-4.0	0.5
ROIC (%)	1.4	-6.7	-3.0	0.6
Debt-to-equity ratio (%)	69.3	78.5	86.0	91.6
Current ratio (%)	124.6	59.3	69.3	71.8
Net debt-to-equity ratio (%)	35.7	59.7	60.8	65.0
Interest coverage ratio (x)	2.6	-11.8	-4.7	0.4

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (₩)
SK IE Technology (361610)	05/08/25	Buy	31,000
	02/07/25	Buy	35,000
	10/31/24	Buy	50,000
	04/30/24	Buy	83,000
	11/06/23	Buy	100,000
	05/09/23	Buy	125,000
	11/03/22	Buy	100,000



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	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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