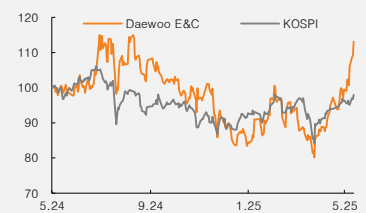


(Maintain)	Buy
Target price	▲ W5,600
Current price (5/28/25)	W4,190
Upside	33.7%

OP (25F, Wbn)	527
Consensus OP (25F, Wbn)	466
EPS growth (25F, %)	29.6
Market EPS growth (25F, %)	25.8
P/E (25F, x)	5.7
Market P/E (25F, x)	9.6
KOSPI	2,670.15

Market cap (Wbn)	1,741
Shares (mn)	416
Free float (%)	47.9
Foreign ownership (%)	11.3
Beta (12M)	0.57
52-week low (W)	2,970
52-week high (W)	4,260

(%)	1M	6M	12M
Absolute	21.3	11.9	12.5
Relative	15.8	4.9	14.7



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Daewoo E&C

Valuation discount to narrow as overseas momentum recovers

Turkmenistan project helps to fill overseas order gap

Concerns about a slowdown in revenue due to a gap in overseas orders are likely to ease gradually. Management guided full-year overseas orders at W4.4tr. Although overseas order intake in 1Q25 amounted to only W0.2tr, the company recently secured a W1.1tr mineral fertilizer plant project in Turkmenistan (for which it had been selected as the preferred bidder in 2024). It is likely to secure additional overseas orders later this year, including an infrastructure reconstruction project in Iraq and chemical plant projects in Nigeria and Kuwait. Furthermore, following delays, construction work and revenue recognition should resume for previously awarded projects (e.g., the W1.1tr fast-track power plant project in Libya and the W0.7tr Mozambique LNG Area 1 project), helping to shore up revenue.

2025 outlook: OP growth expectations intact despite likely revenue decline

For 2025, we look for consolidated revenue of W8.7tr (-17% YoY) and operating profit of W527.5bn (+31% YoY). The company delivered an earnings surprise for 1Q25, driven by an improved housing cost ratio and a strong plant gross margin (22.6%). Despite this, the stock has underperformed peers due to: 1) deepening concerns over revenue due to a lack of overseas orders; and 2) worries about potential bad debt expenses related to unsold homes. While revenue is likely to continue to decline throughout the year, we continue to expect operating profit to expand on the back of an improved housing cost ratio and solid plant margins. In 1Q25, housing presales totaled only 845 units, but management revised up its 2025 presale guidance to 17,519 units (from 16,422 units), reflecting the addition of several new projects.

Maintain Buy and raise TP to W5,600

We maintain our Buy rating on Daewoo E&C and raise our target price by 30% to W5,600 (from W4,300), as we lifted our target P/B from 0.4x to 0.5x to reflect the likely narrowing of the stock's valuation discount. Alongside momentum from existing overseas nuclear projects (in the Czech Republic and Poland) and LNG-related projects, improving overseas order intake should support a revenue rebound and serve as an upside catalyst for shares. In Vietnam, the ongoing Hanoi Starlake project is scheduled to be completed in 2028, and the company is exploring opportunities for additional projects through joint ventures with local developers.

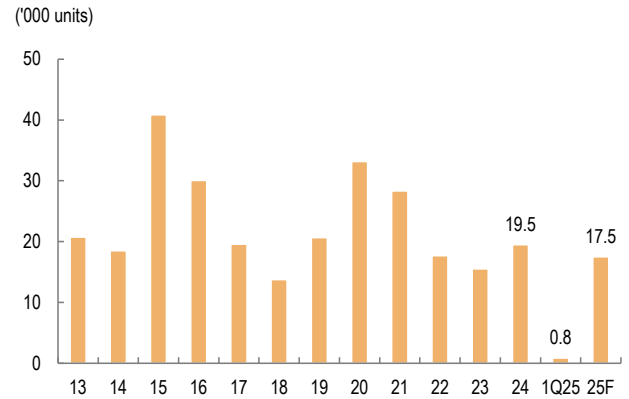
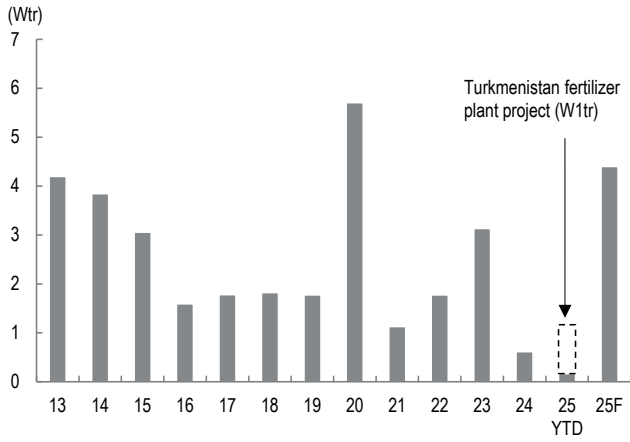
(Dec.)	2023	2024	2025F	2026F	2027F
Revenue (Wbn)	11,648	10,504	8,699	9,243	9,710
OP (Wbn)	663	403	527	626	705
OP margin (%)	5.7	3.8	6.1	6.8	7.3
NP (Wbn)	512	234	303	383	448
EPS (W)	1,231	563	730	922	1,078
ROE (%)	13.2	5.6	6.9	8.2	8.8
P/E (x)	3.4	5.5	5.7	4.5	3.9
P/B (x)	0.4	0.3	0.4	0.4	0.3
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0

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

Source: Company data, Mirae Asset Securities Research estimates

Figure 1. Daewoo E&C: Overseas order trend and guidance

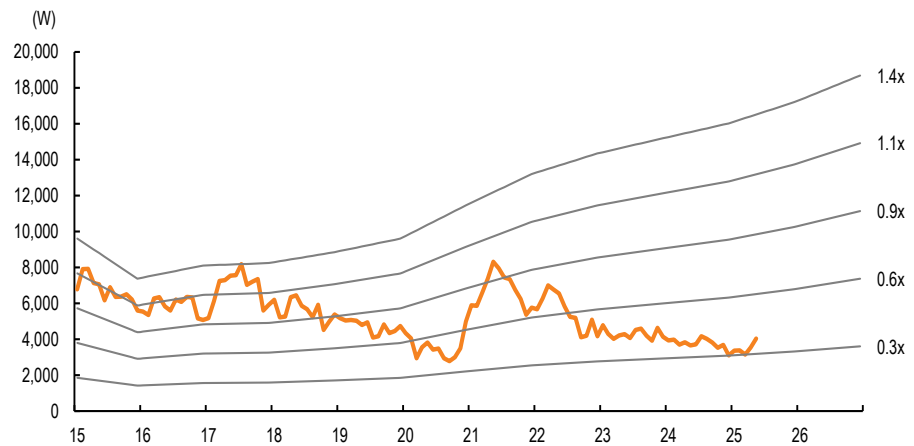
Figure 2. Daewoo E&C: Housing sales volume and guidance



Source: Mirae Asset Securities Research

Source: Mirae Asset Securities Research

Figure 3. Daewoo E&C: P/B band chart



Source: Mirae Asset Securities Research

Table 1. Daewoo E&C: TP calculation

(W, x)

	Value	Notes
BPS	11,143	2025F
Target P/B	0.5	Target P/B applied to housing-focused builders
Target price	5,600	Rounded up
Current price	4,190	May 28 closing price
Upside	34%	

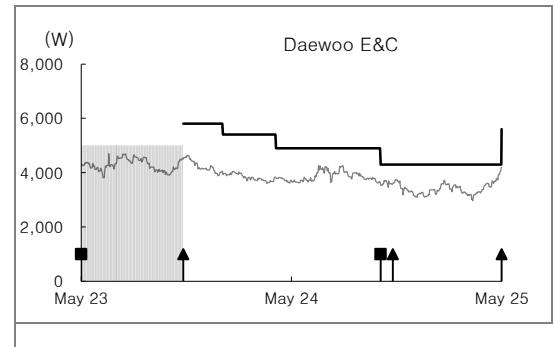
Source: Mirae Asset Securities Research

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Daewoo E&C (047040)	05/29/25	Buy	5,600
	11/21/24	Buy	4,300
	10/31/24	Trading Buy	4,300
	05/02/24	Buy	4,900
	01/31/24	Buy	5,400
	11/23/23	Buy	5,800
	04/28/23	No Coverage	



Stock ratings

Buy	Expected 12-month return: +20% or greater
Hold	Expected 12-month return: Greater than -10% and less than +10%
Sell	Expected 12-month return: -10% or less

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

As of May 12, 2025, the Trading Buy rating category has been removed from our investment rating system.

Stocks expected to deliver a 12-month return between +10% and less than +20% may be rated either Buy or Hold at the discretion of the research analyst.

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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