

(Maintain)	Buy
Target price	₩66,000
Current price (7/30/25)	₩34,200
Upside	93.0%

OP (25F, Wbn)	109
Consensus OP (25F, Wbn)	-
EPS growth (25F, %)	-41.1
Market EPS growth (25F, %)	25.2
P/E (25F, x)	10.5
Market P/E (25F, x)	11.9
KOSDAQ	803.67

Market cap (Wbn)	812
Shares (mn)	24
Free float (%)	80.6
Foreign ownership (%)	4.1
Beta (12M)	1.44
52-week low (W)	30,150
52-week high (W)	61,800

(%)	1M	6M	12M
Absolute	10.5	-11.9	-36.4
Relative	7.5	-20.1	-36.4



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People & Technology

Fundamentals remain solid

2Q25 preview: Large-scale projects likely supported a margin rebound

For 2Q25, we expect People & Technology (PNT) to report revenue of ₩138.2bn (-9.0% QoQ) and operating profit of ₩25bn (+77% QoQ; OP margin of 18.1%), with profitability improving markedly QoQ. We attribute the likely OP margin rebound to full-scale revenue recognition for large-scale projects. And given that these are structured as multi-year contracts (rather than one-off deals), we see this as a sign of improved earnings stability. With contracts typically spanning two years, PNT has recently benefited from favorable FX at the time of revenue recognition (despite FX volatility).

For 2025, we look for revenue of ₩908.8bn (-12% YoY) and operating profit of ₩109.5bn (-33% YoY; OP margin of 12%), which are 7% and 25% lower than our previous estimates, respectively. The downward revision reflects low utilization rates at Korean cell makers and delays in their capacity expansion plans. In addition, up-front costs related to new materials development and initiatives to address the LFP battery segment are likely to weigh on OP margin this year (compared to last year).

Customer diversification ongoing; push into copper foil requires monitoring

Leveraging its electrode process technology, PNT is pursuing customer base diversification (e.g., expanding into overseas markets such as India) and proactively responding to growing demand for dry coating and all-solid-state battery equipment. While the commercialization of dry coating technology has been somewhat delayed, we believe the company is well-positioned to become a key beneficiary once large-scale adoption begins.

We are also positive on PNT's push into the copper foil business. Despite a broader slowdown in this segment, the company aims to capitalize on stable demand in China. It plans to secure 50,000 tonnes of production capacity for copper/nickel foil; once operating at full capacity, the business could generate annual revenue of over ₩500bn, creating a steady cash flow buffer that could help offset volatility in equipment revenue.

TP remains unchanged

Although we lowered our earnings estimates for 2025, the stock remains undervalued at a 2025F P/E of 10.5x and 2026F P/E of 8.3x (below the rechargeable battery sector averages). Given the long-term growth potential arising from ongoing technological shifts (from wet to dry processes), we believe the stock remains attractive from a fundamental standpoint. Accordingly, we recommend Buy from a medium/long-term investment perspective.

(Dec.)	2023	2024	2025F	2026F	2027F
Revenue (Wbn)	545	1,035	909	1,213	1,468
OP (Wbn)	77	163	109	128	133
OP margin (%)	14.1	15.7	12.0	10.6	9.1
NP (Wbn)	70	142	84	106	106
EPS (W)	2,808	5,519	3,250	4,127	4,132
ROE (%)	20.0	26.5	12.8	14.2	12.5
P/E (x)	17.9	6.9	10.5	8.3	8.3
P/B (x)	2.8	1.6	1.3	1.1	1.0
Dividend yield (%)	0.0	0.3	0.3	0.3	0.3

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

Table 1. Quarterly and annual earnings

(Wbn, %)

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25F	3Q25F	4Q25F	2024	2025F	2026F
Revenue	204.5	240.5	200.9	389.2	151.8	138.2	222.7	396.1	1,035.1	908.8	1,213.3
OP	38.1	26.1	31.0	68.0	14.2	25.0	18.4	51.9	163.2	109.5	127.9
Pretax profit	43.2	31.1	23.9	86.5	14.5	24.7	18.2	55.2	184.7	112.6	136.2
NP	33.8	21.4	17.9	68.7	10.3	18.2	13.6	41.4	142.0	83.6	106.2
OP margin	18.6	10.9	15.4	17.5	9.3	18.1	8.2	13.1	15.8	12.0	10.5
Pretax margin	21.1	12.9	11.9	22.2	9.6	17.8	8.2	13.9	17.8	12.4	11.2
Net margin	16.5	8.9	8.9	17.7	6.8	13.2	6.1	10.5	13.7	9.2	8.7
Growth (QoQ/YoY)											
Revenue	-10.6	17.6	-16.5	93.7	-61.0	-9.0	61.1	77.9	89.8	-12.2	33.5
OP	1.9	-31.4	18.5	119.7	-79.2	76.6	-26.5	182.7	112.2	-32.9	16.9
Pretax profit	34.9	-28.1	-23.1	262.1	-83.2	69.6	-26.4	204.0	122.3	-39.1	21.0
NP	18.6	-36.6	-16.3	283.1	-85.0	76.6	-25.2	203.4	103.5	-41.1	27.0

Source: Mirae Asset Securities Research

Table 2. Earnings forecast revisions

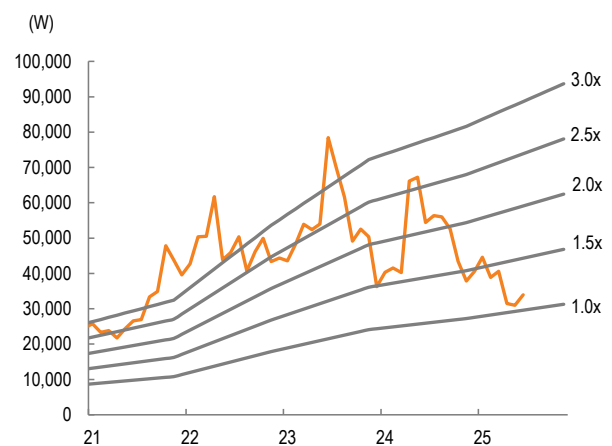
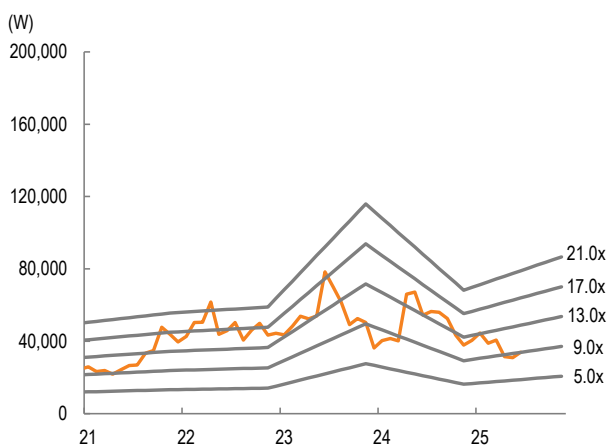
(Wbn, %, %p)

	Revised		Previous		% chg.		Notes
	25F	26F	25F	26F	25F	26F	
Revenue	908.8	1,213.3	978.5	1,304.3	-7.1	-7.0	- 2025 revenue: Delays in revenue recognition due to weak downstream investment - 2025 OP: Costs related to new materials and LFP battery segment
OP	109.5	127.9	146.8	174.9	-25.4	-26.9	
Pretax profit	112.6	136.2	149.5	176.9	-24.7	-23.0	
NP	83.6	106.2	112.8	141.7	-25.9	-25.1	
OP margin	12.0	10.5	15.0	13.4	-3.0	-2.9	
Pretax margin	12.4	11.2	15.3	13.6	-2.9	-2.4	
Net margin	9.2	8.7	11.5	10.9	-2.3	-2.2	

Source: Mirae Asset Securities Research

Figure 1. 12-month forward P/E band chart

Figure 2. 12-month forward P/B band chart



Source: DataGuide, Mirae Asset Securities Research

Source: DataGuide, Mirae Asset Securities Research

People & Technology (137400 KQ)

Income statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Revenue	1,035	909	1,213	1,468
Cost of revenue	822	742	1,002	1,227
GP	213	167	211	241
SG&A expenses	50	58	83	108
OP (adj.)	163	109	128	133
OP	163	109	128	133
Non-operating profit	22	4	8	6
Net financial income	-5	-4	-3	-3
Net income from associates	0	0	0	0
Pretax profit	185	113	136	139
Income tax	42	29	30	33
Profit from continuing operations	142	84	106	106
Profit from discontinued operations	0	0	0	0
NP	142	84	106	106
Attributable to owners	142	84	106	106
Attributable to minority interests	0	0	0	0
Total comprehensive income	160	84	106	106
Attributable to owners	160	84	106	106
Attributable to minority interests	0	0	0	0
EBITDA	173	119	137	141
FCF	-34	38	-12	9
EBITDA margin (%)	16.7	13.1	11.3	9.6
OP margin (%)	15.7	12.0	10.6	9.1
Net margin (%)	13.7	9.2	8.7	7.2

Balance sheet (summarized)

(Wbn)	2024	2025F	2026F	2027F
Current assets	1,211	1,345	1,704	2,050
Cash & equivalents	35	157	120	135
AR & other receivables	164	167	222	269
Inventory	811	825	1,102	1,333
Other current assets	201	196	260	313
Non-current assets	410	440	431	424
Investments in associates	0	0	0	0
PP&E	378	407	398	390
Intangible assets	2	2	1	1
Total assets	1,620	1,785	2,135	2,473
Current liabilities	949	982	1,229	1,463
AP & other payables	184	187	250	302
Short-term financial liabilities	128	146	113	113
Other current liabilities	637	649	866	1,048
Non-current liabilities	47	98	98	98
Long-term financial liabilities	46	97	97	97
Other non-current liabilities	1	1	1	1
Total liabilities	996	1,080	1,326	1,561
Equity attributable to owners	615	696	800	904
Capital stock	13	13	13	13
Capital surplus	204	204	204	204
Retained earnings	390	471	575	679
Minority interests	10	9	9	9
Shareholders' equity	625	705	809	913

Cash flow statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Operating cash flow	40	83	-12	9
NP	142	84	106	106
Non-cash income/expenses	14	36	31	35
Depreciation	9	9	9	8
Amortization	0	0	0	0
Other	5	27	22	27
Chg. in working capital	-134	3	-115	-96
Chg. in AR & other receivables	-81	-3	-55	-46
Chg. in inventory	206	-14	-276	-231
Chg. in AP & other payables	8	3	56	47
Income tax	-19	-40	-30	-33
Cash flow from investing activities	-68	-29	11	9
Chg. in PP&E	-73	-45	0	0
Chg. in intangible assets	0	0	0	0
Chg. in financial assets	0	0	-1	-1
Other	5	16	12	10
Cash flow from financing activities	38	68	-36	-2
Chg. in financial liabilities	43	69	-34	0
Chg. in equity	0	0	0	0
Dividends	0	0	-2	-2
Other	-5	-1	0	0
Chg. in cash	11	122	-37	15
Beginning balance	25	35	157	120
Ending balance	35	157	120	135

Key valuation metrics/ratios

	2024	2025F	2026F	2027F
P/E (x)	6.9	10.5	8.3	8.3
P/CF (x)	6.2	7.4	6.4	6.2
P/B (x)	1.6	1.3	1.1	1.0
EV/EBITDA (x)	6.1	7.6	6.6	6.3
EPS (W)	5,519	3,250	4,127	4,132
CFPS (W)	6,077	4,643	5,321	5,491
BPS (W)	24,067	27,198	31,235	35,276
DPS (W)	100	100	100	100
Dividend payout ratio (%)	1.6	2.8	2.2	2.2
Dividend yield (%)	0.3	0.3	0.3	0.3
Revenue growth (%)	89.8	-12.2	33.5	21.0
EBITDA growth (%)	109.5	-31.2	15.1	3.2
OP growth (%)	112.2	-32.9	16.9	3.8
EPS growth (%)	96.5	-41.1	27.0	0.1
AR turnover (x)	8.6	5.6	6.3	6.1
Inventory turnover (x)	1.1	1.1	1.3	1.2
AP turnover (x)	5.2	4.5	5.2	5.0
ROA (%)	8.8	4.9	5.4	4.6
ROE (%)	26.5	12.8	14.2	12.5
ROIC (%)	20.1	11.0	12.3	11.2
Debt-to-equity ratio (%)	159.4	153.2	164.0	171.0
Current ratio (%)	127.6	136.9	138.7	140.1
Net debt-to-equity ratio (%)	22.2	11.2	10.1	7.3
Interest coverage ratio (x)	24.9	15.9	17.1	19.2

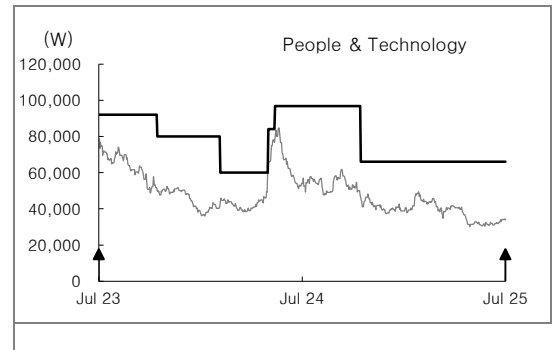
Source: Company data, Mirae Asset Securities Research estimates

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (₩)
People & Technology (137400)	11/12/24	Buy	66,000
	06/11/24	Buy	96,700
	05/30/24	Buy	84,000
	03/05/24	Buy	60,000
	11/13/23	Buy	80,000
	07/13/23	Buy	92,000



Stock ratings		Sector ratings	
Buy	Expected 12-month return: +20% or greater	Overweight	Expected to outperform the market over 12 months
Hold	Expected 12-month return: Greater than -10% and less than +10%	Neutral	Expected to perform in line with the market over 12 months
Sell	Expected 12-month return: -10% or less	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	84.91%	5.59%	8.94%	0.56%
Investment banking services	88.89%	0%	11.11%	0%

* Based on recommendations in the last 12-months (as of June 30, 2025)

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