

# 2026 OUTLOOK REPORT

## **Electrical/Electronic Components (Overweight)**

Set to enter a structural up-cycle

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# CONTENTS

<b>[Summary]</b>	3
<b>I. End-market analysis</b>	4
<b>II. Components</b>	11
<b>III. Foldables</b>	23
<b>IV. Company analysis</b>	26
<b>Samsung Electro-Mechanics (009150 KS) - Top pick</b>	
LG Innotek (011070 KS)	
LG Electronics (066570 KS)	

# [Summary] Set to enter a structural up-cycle

## From training to inference: Expanding AI beneficiaries

- As AI workloads increasingly move from training to inference tasks, LLM token usage continues to rise. This is leading to sustained high growth in AI data center capex.
- Several structural changes are underway: 1) a shift toward high-capacity/low-power DRAM (HBM); 2) the spread of multi-architecture systems combining GPUs, ASICs, and NPUs; 3) a generational shift in networking from 800G to 1.6T transceivers; and 4) a sharp increase in demand for HDDs, SSDs, and NAND used in inference workloads.
- Investment point 1: Pay attention to beneficiaries of the transition from training to inference
- Investment point 2: Structural changes could revitalize even some legacy segments, bringing renewed attention to related firms

## AI drives ASP increases

- As AI performance improves, component requirements are shifting toward higher-layer/more complex structures (FC-BGAs and MLCCs) and toward higher-efficiency materials (CCL), driving meaningful ASP increases.
- FC-BGAs: ASIC mass production is boosting utilization for multi-layer FC-BGA package substrates; strong demand from AI and networking applications is accelerating this structural shift.
- MLCCs: By 3Q26, top-tier companies are expected to run at full capacity; supply should remain tight for high-end MLCCs used in AI servers and automotive applications.
- CCL/MLBs: CCL efficiency upgrades (M8 → M9) continue; for MLBs, demand remains strong for high-layer-count boards used in networking and server applications.
- Glass substrates: Development timelines are being pulled forward (samples expected in 2026, mass production likely in 2027).

## Foldables, the shift from China to India, and HDD/PCB growth

- IT device demand is beginning to recover, with some structural growth drivers re-emerging. In foldables, Apple's entry into the category is likely to trigger a period of high growth.
- Some global electronics production is shifting from China to India. Equipment suppliers and supply chain players outside of China are emerging as beneficiaries.
- HDDs/SSDs: Demand is surging on rising inference workloads and storage requirements; for HDDs, order lead times remain longer than two years.
- Solder balls: Inference-oriented memory modules require a greater number of parallel channels, which in turn increases I/O pin counts. As a result, demand for solder balls continues to rise.

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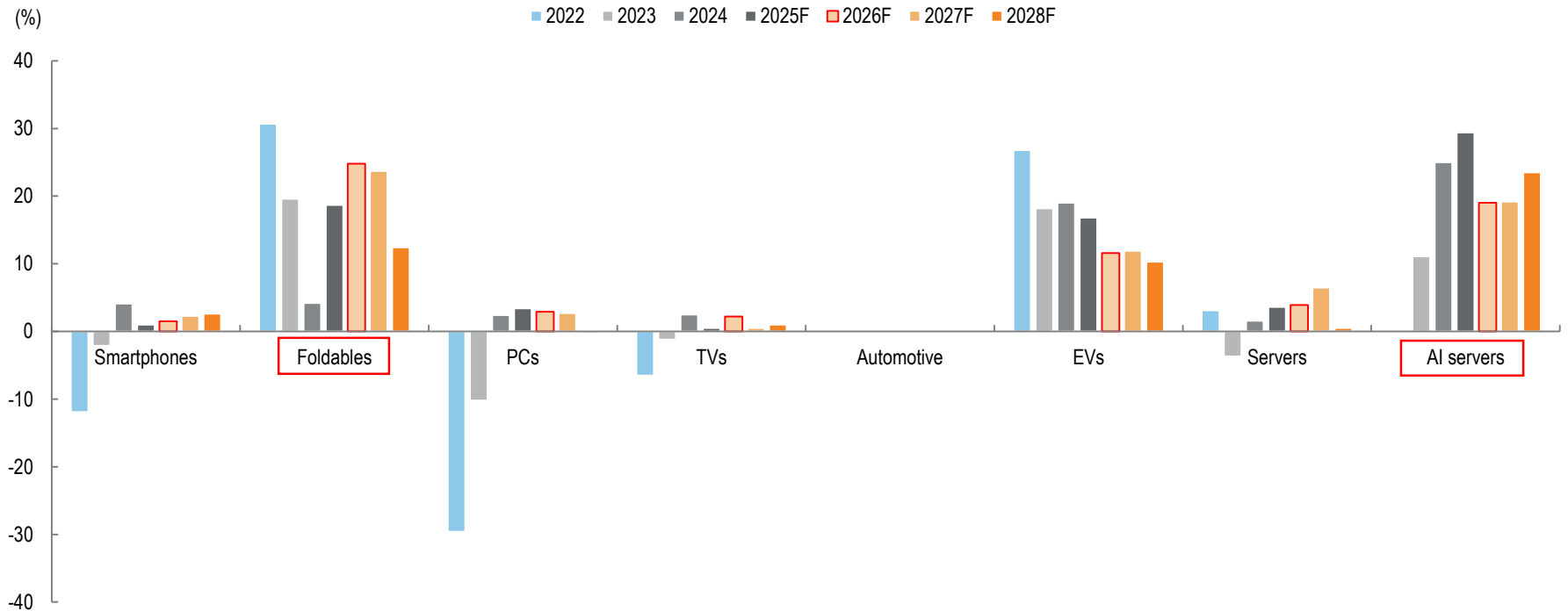
# End-market analysis

# I. End-market analysis

## Growth drivers: AI servers and foldable devices

- The overall IT device/server market is likely to recover gradually, but the magnitude of the rebound should vary by category.
- We expect the primary growth engines to be AI servers and foldable devices, with 2025-28 likely to be a high growth period for both categories.
- Suppliers with higher exposure to AI server components are positioned for structural growth.
- Meanwhile, Apple's expected entry into the foldables category in 2026 should provide significant opportunities (entry of new vendors and increased component demand).

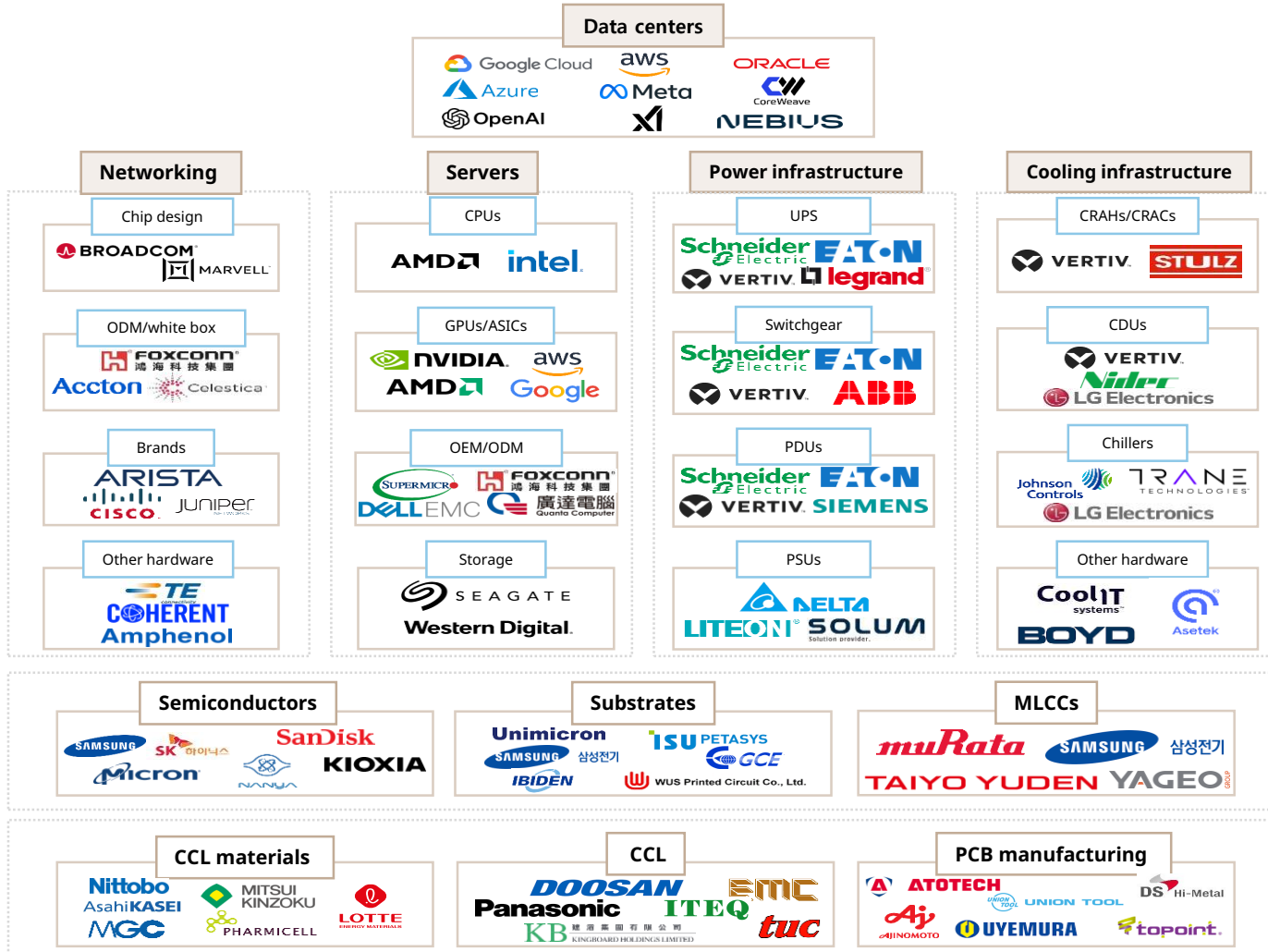
### AI servers and foldables to be key growth drivers



Source: TrendForce, SIA, DigiTimes, Counterpoint, ISA, Mirae Asset Securities Research

# I. End-market analysis: Servers

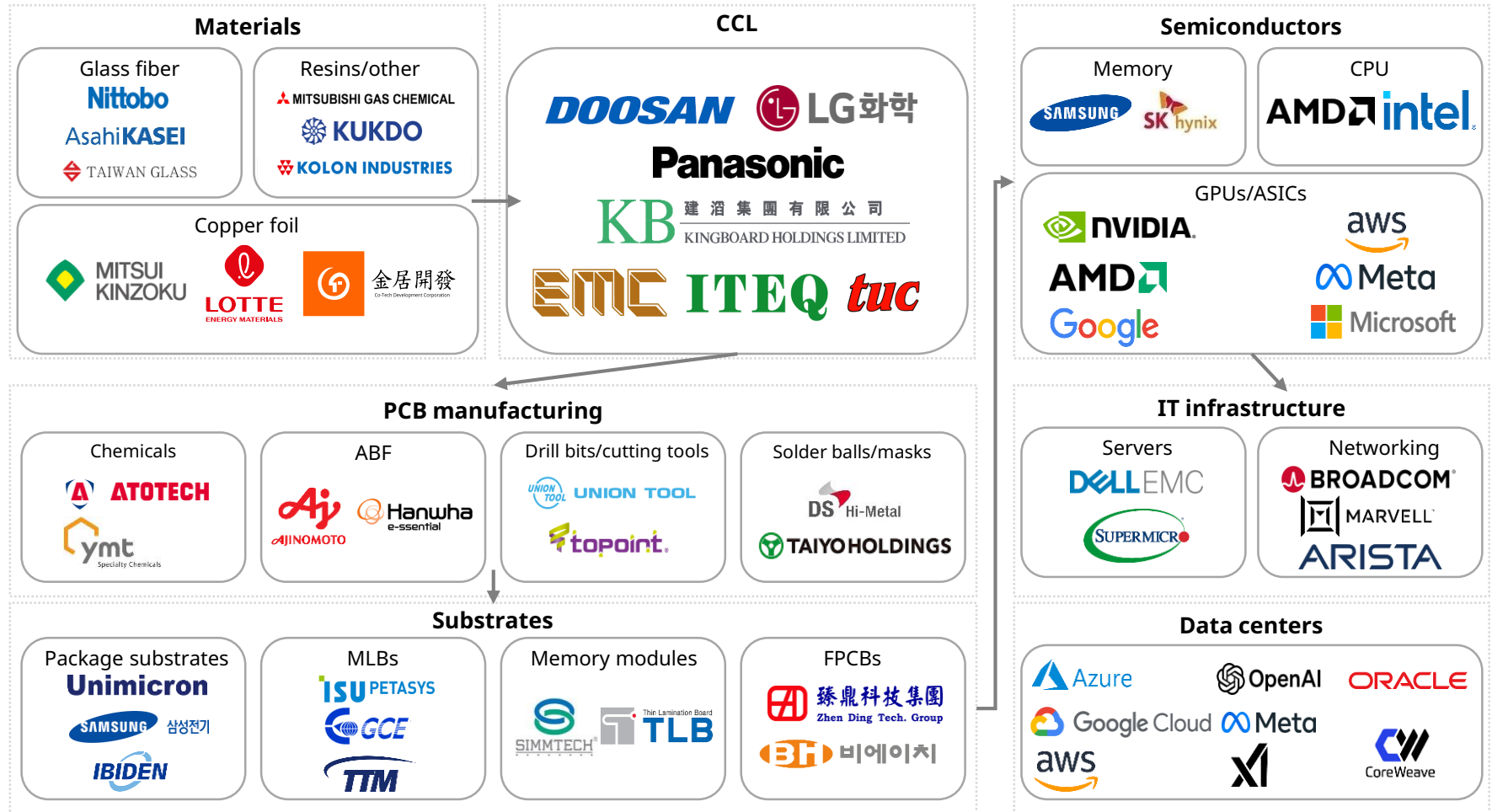
## Overview of AI data center value chain (1)



Source: Mirae Asset Securities Research

# I. End-market analysis: Servers

## Overview of AI data center value chain (2)



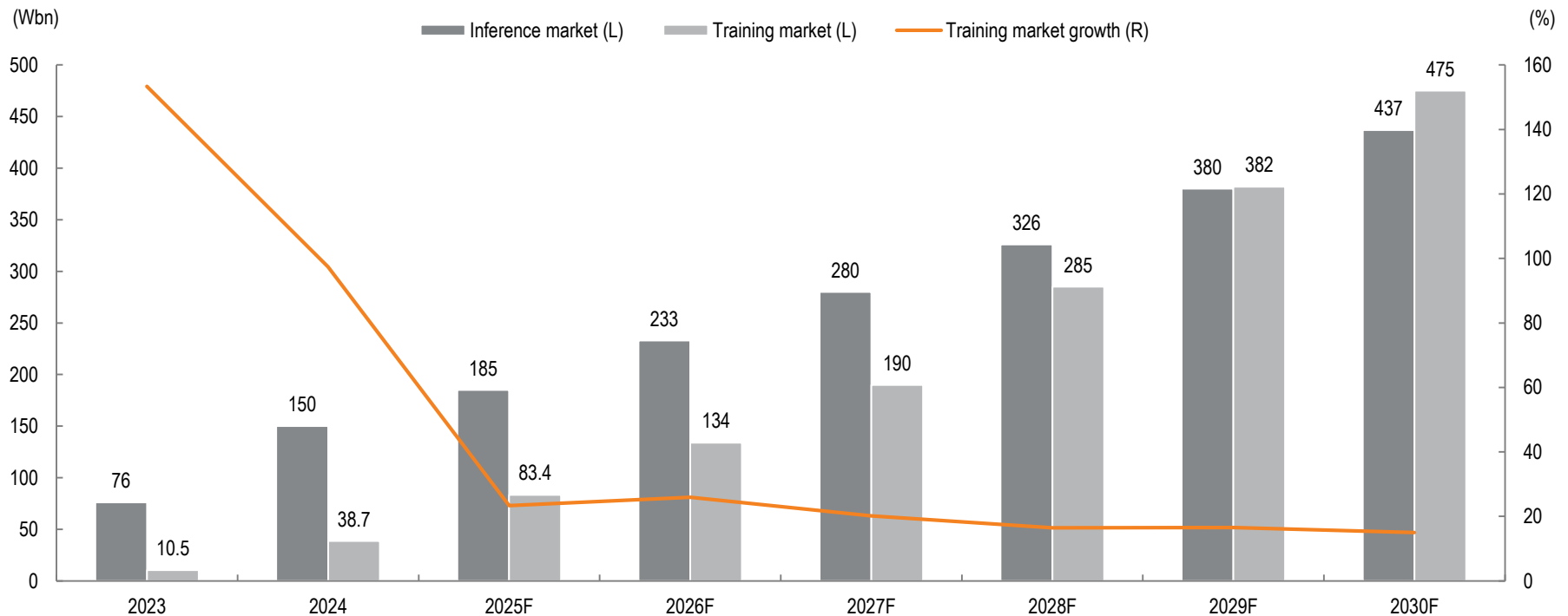
Source: Mirae Asset Securities Research

# I. End-market analysis: Servers

## Hardware paradigm shifting as focus moves from training to inference

- Large AI model usage is rapidly shifting from training to inference. According to Omdia, the share of Nvidia's high-end GPU compute allocated to training is expected to fall to 30% in 2025 from 60% in 2024.
- Inference workloads require massive volumes of repetitive and parallel operations. As the number of tokens and operations per query surges, demand for relevant hardware is rising sharply.
- Training architectures are also changing amid the shift toward post-training and fine-tuning processes, making hardware requirements less demanding.
- Key hardware shifts include: 1) a move toward high-capacity/low-power DRAM (HBM); 2) broader adoption of multi-architecture systems combining GPUs, ASICs, and NPUs; 3) a transition from 800G to 1.6T transceivers; and 4) surging demand for HDDs, SSDs, and NAND for inference workloads.

### Training market growth slows while inference market growth accelerates



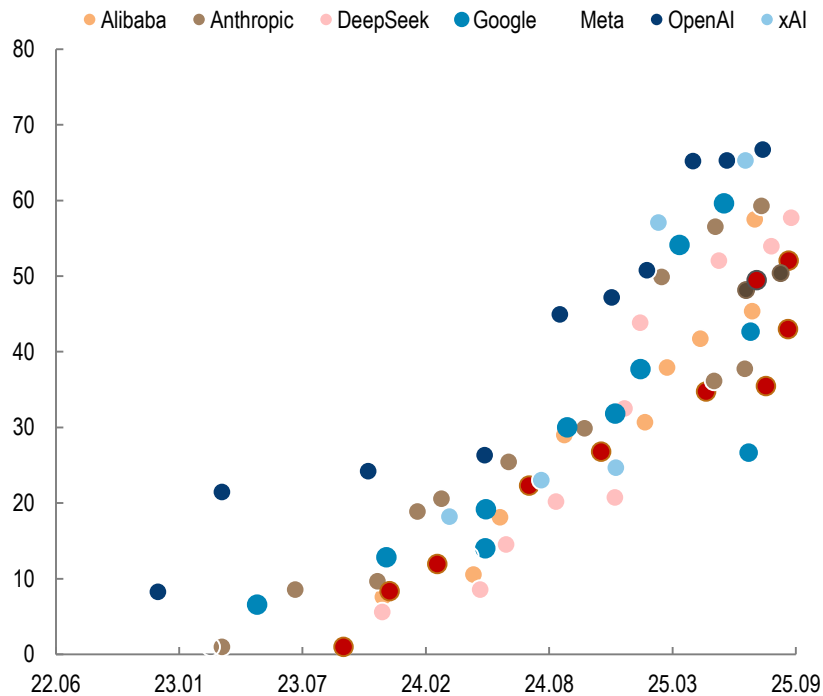
Source: Bloomberg, Mirae Asset Securities Research

# I. End-market analysis: Servers

## Inference demand to drive renewed acceleration in global server market growth

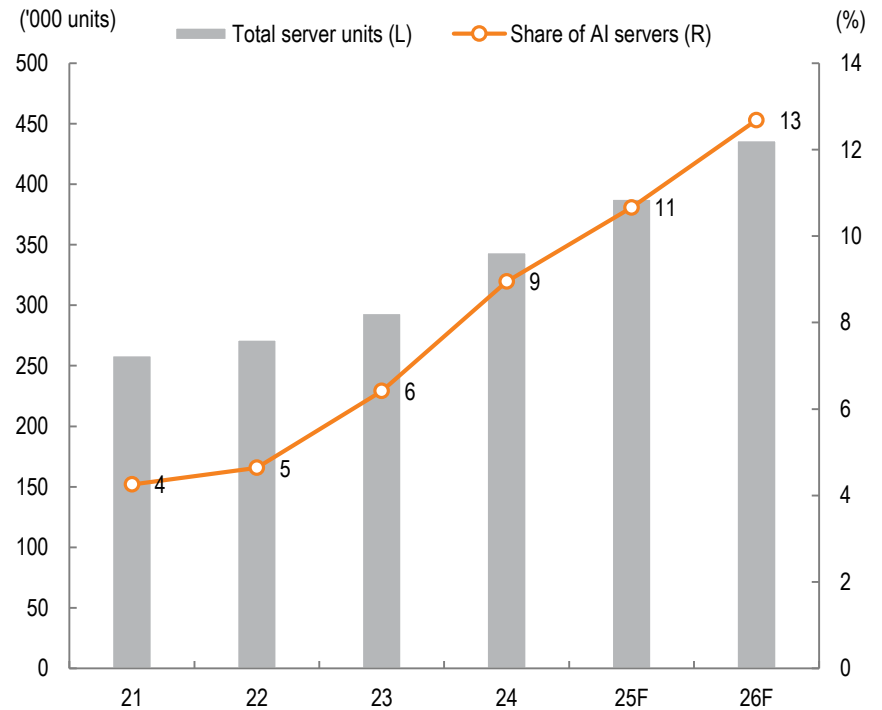
- Soaring inference-related demand will likely cause global server market growth to reaccelerate in 2026.
- As workloads shift toward inference, token consumption should continue to rise. Steady improvement in the performance of new LLMs will likely reinforce this trend.
- We believe server infrastructure is entering a sustained expansion phase, supported by aggressive AI investments by big tech companies, the transition from commodity CPUs to AI chips, TSMC's expansion of CoWoS capacity, and ASIC market growth.

### Recent performance trends of major LLMs



Source Artificial Intelligence, Mirae Asset Securities Research

### Global server market



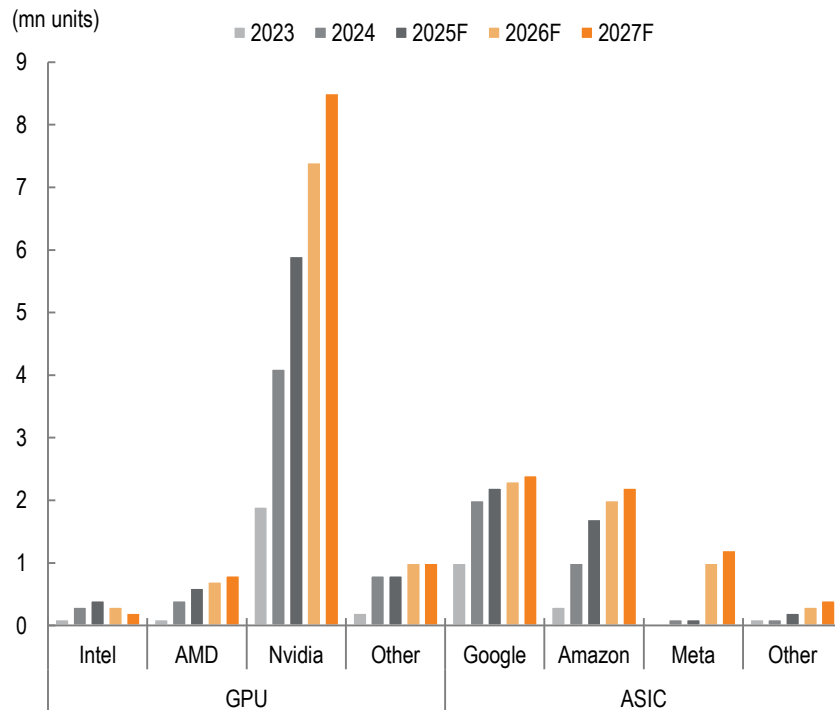
Source: TrendForce, Mirae Asset Securities Research

# I. End-market analysis: Servers

## Rising demand for AI server chips and packaging

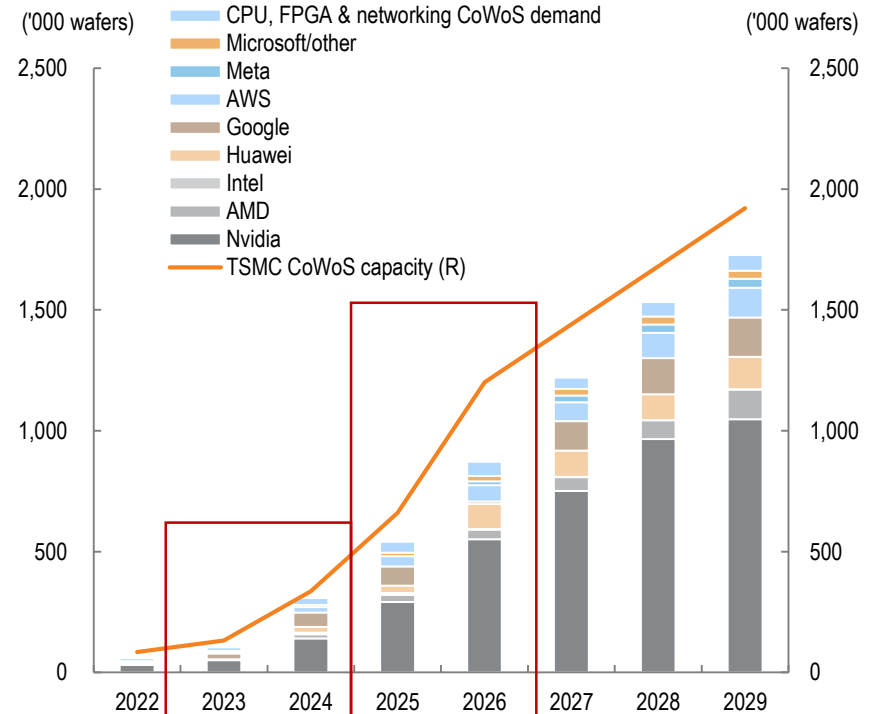
- Adoption of ASICs is increasing as companies seek to enhance cost and power efficiency, and this trend is having a positive impact on the server market.
- The ASIC market is expected to grow more than 30% YoY in 2026.
- TSMC is set to significantly expand its CoWoS capacity beginning in 2026, resolving what had been a major bottleneck in advanced packaging supply.
- The easing of this bottleneck should lead to increased GPU and ASIC supply, which should, in turn, support further server market growth.

### Outlook for GPU and ASIC demand from data centers



Source: Prismark, Mirae Asset Securities Research

### TSMC's CoWoS capacity outlook and demand by customer



Source: Prismark, Mirae Asset Securities Research

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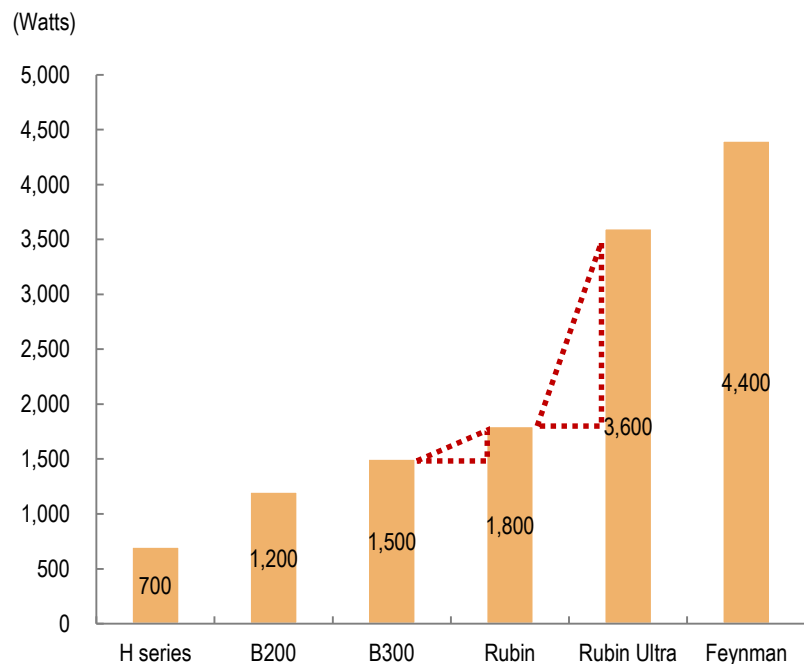
**Components**

## II. MLCCs

### MLCC segment undergoing a structural transition

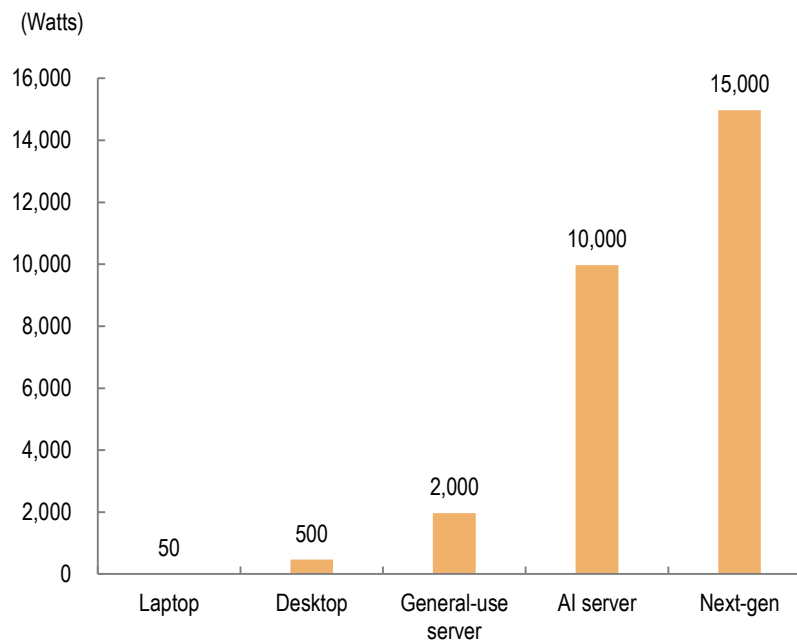
- As power consumption in AI servers rises, demand for high-reliability, ultra-high-capacitance MLCCs is expanding rapidly.
- The increase in MLCC content per system is driving disproportionate/non-linear supply tightness, pushing prices higher.
- The expansion of the inference market is reinforcing this dynamic, with increasing GPU/ASIC deployment leading to higher power consumption, which, in turn, drives sharp MLCC content growth.

Nvidia AI accelerator thermal design power (TDP) trend



Source: Nvidia, Mirae Asset Securities Research

AI server power consumption



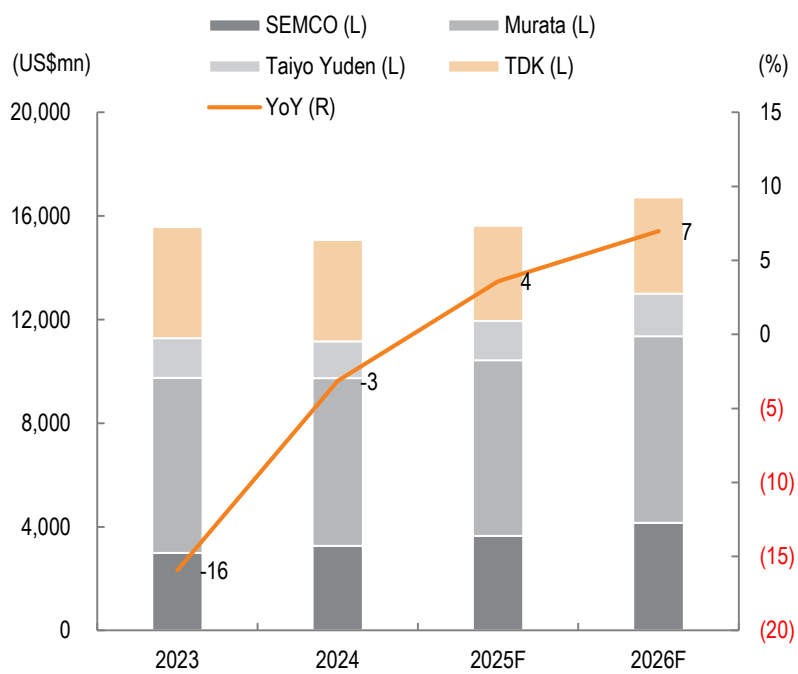
Source: SEMCO, Mirae Asset Securities Research

## II. MLCCs

### MLCC supply constraints point to imminent ASP rebound

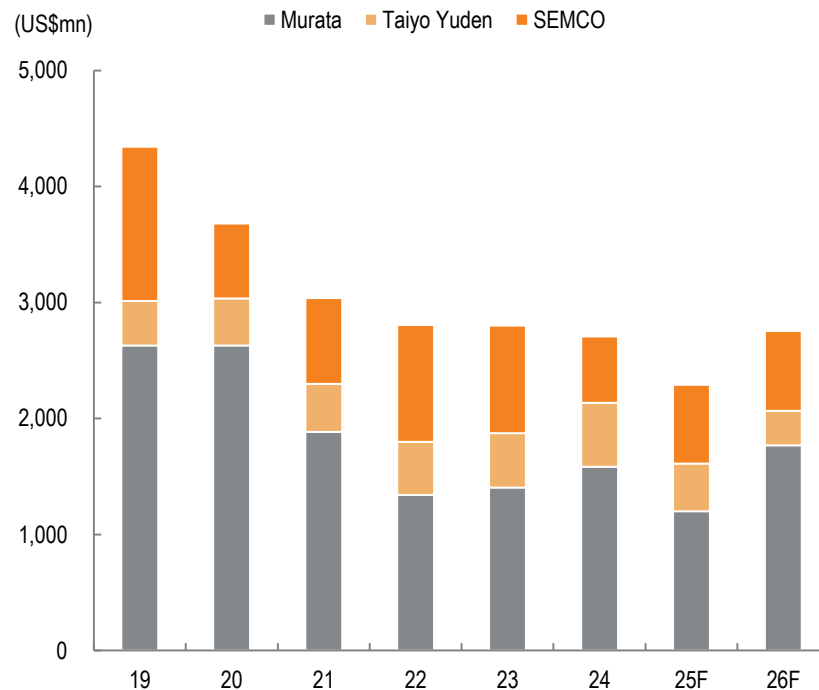
- Leading MLCC players are running at 90-95% capacity as of 4Q25. With the market remaining firm even during what is traditionally a slow period, tight supply conditions should continue.
- At the four major MLCC producers, component revenue is projected to return to growth in 2025-26, with the YoY recovery strengthening next year.
- With most major MLCC makers planning to maintain conservative capex through 2026, capacity additions should lag demand growth.
- Given solid demand and limited capex, the likelihood of MLCC price increases is rising—particularly for high-end products.

#### Revenue consensus for four major MLCC players' component businesses



Source: Bloomberg, Mirae Asset Securities Research

#### MLCC makers' capex trend: Limited expansion to keep supply tight



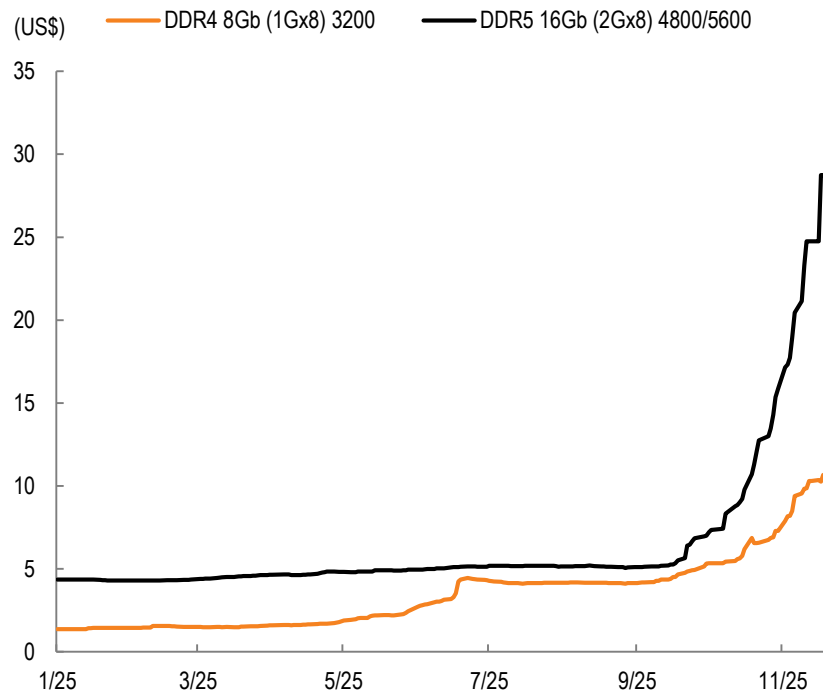
Source: Bloomberg, Mirae Asset Securities Research

## II. Substrates

### DDR5 and AI server demand driving memory substrate recovery

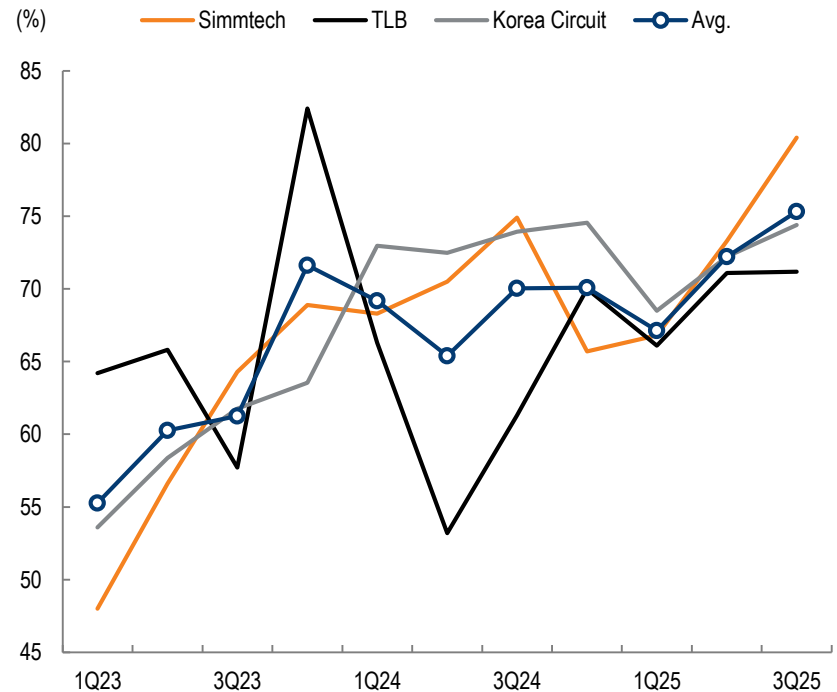
- The memory substrate market is poised for robust growth in 2026, driven by faster migration to DDR5 and rising demand for high-end products such as enterprise SSDs, GDDR7, and LPDDR5.
- With demand from both AI and general-use servers expanding simultaneously, the memory cycle is rebounding, supporting earnings growth for substrate makers.
- DDR5 pricing remains structurally stronger than DDR4, and the recovery in memory ASPs is supporting an improved market environment for memory substrates.
- Utilization rates at the three major PCB names—Simmtech, TLB, and Korea Circuit—continue to rise, and we expect industry conditions to strengthen further through 2026.

DDR4 and DDR5 spot price trends



Source: Bloomberg, Mirae Asset Securities Research

Memory module substrate makers: Quarterly utilization rates



Source: Company data, Mirae Asset Securities Research

## II. Substrates

### Rising demand for high-end memory substrates

- HBM demand is rising rapidly as Rubin CPX (GDDR7) and SOCAMM2 (LPDDR5X) adoption spreads.
- SOCAMM2 substrates: More than twice the technical complexity and cost of DDR5 substrates → structural ASP upside for substrate manufacturers
- Broader adoption of GDDR7 and LPDDR5X is becoming a key growth driver for the memory substrate market.

#### Rubin CPX vs. other Nvidia platforms

	Unit	GB200 NVL 72	GB300 NVL 72	VR200 NVL 144	VR200 NVL144 CPX
Compute trays		18x GB200 NVL72	18x GB300 NVL72	18x VR NVL144	18x VR CPX 18x VR NVL144
GPU		B200	B300	R200	R200
CPU		Grace	Grace	Vera	Vera
CPX GPU					Rubin CPX
FP4 dense FLOPs	PFLOPs	720	1,080	2,397.6	5,277.6
HBM capacity	TB	13.8	20.7	20.7	20.7
GDDR7 memory capacity	TB				18.4
HBM bandwidth	TB/s	576	576	1,476	1,476
GDDR7 memory bandwidth	TB/s				288

Source: SemiAnalysis, Mirae Asset Securities Research

#### Memory module comparison

	SO-DIMM (DDR5)	LPCAMM	SOCAMM
Maximum bandwidth	6,400 MT/s	7,500 MT/s	≥ 8,500 MT/s
Number of I/O ports	260	644	694
Form factor	DIMM	CAMM	SoC integrated CAMM
Supported memory	DDR5	LPDDR5, LPDDR5X	LPDDR5X
Power consumption	High	Medium	Low
Main applications	PCs, laptops, servers	PCs, laptops	AI data centers, AI PCs
JEDEC compliance	O	O	X
Substrate ASP (US\$)	500-600	-	> 1,000

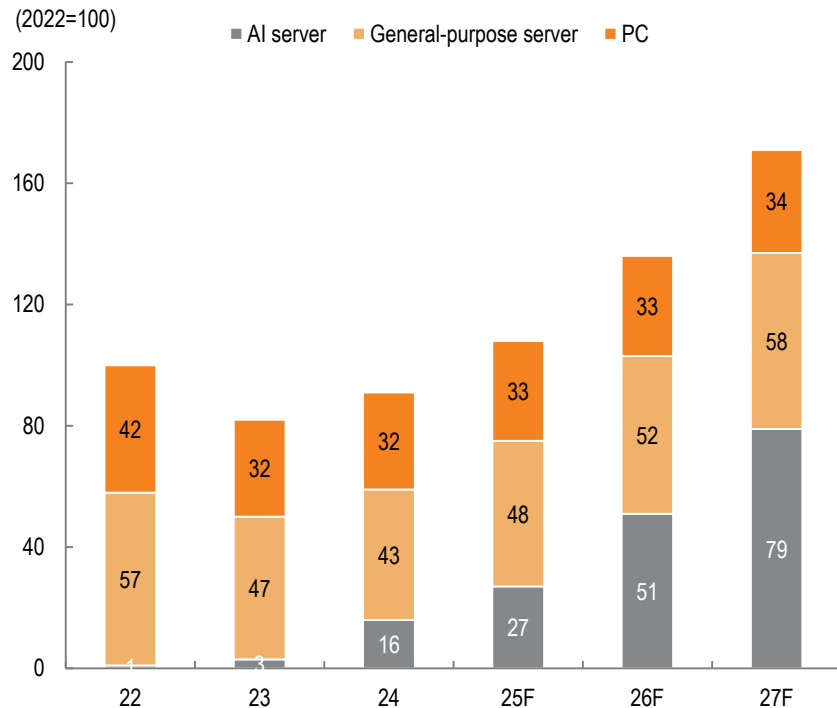
Source: Media reports, Mirae Asset Securities Research

## II. Substrates

### AI servers accelerating FC-BGA growth

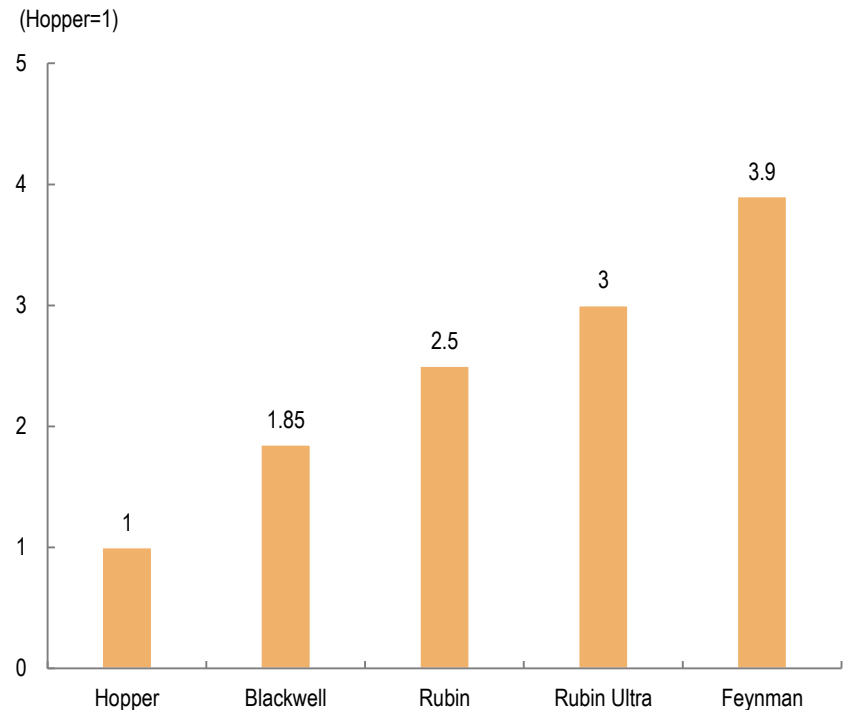
- Starting in 2026, the server FC-BGA market is increasingly likely to become supplier-driven.
- As FC-BGA substrates move toward higher layer counts and larger areas, manufacturing complexity rises, preventing capacity additions from keeping pace with demand.
- While capacity growth remains slow, AI server-related demand is surging. AI servers are projected to account for over 50% of substrate demand by 2027.
- Nvidia's GPU architecture road map (Hopper → Blackwell → Rubin → Feynman) implies sharp increases in both layer counts and substrate consumption per system, structurally lifting long-term FC-BGA demand.

Ibiden's FC-BGA demand by application: AI server share to surge



Source: Ibiden, Mirae Asset Securities Research

FC-BGA layer counts and substrate usage by Nvidia platform



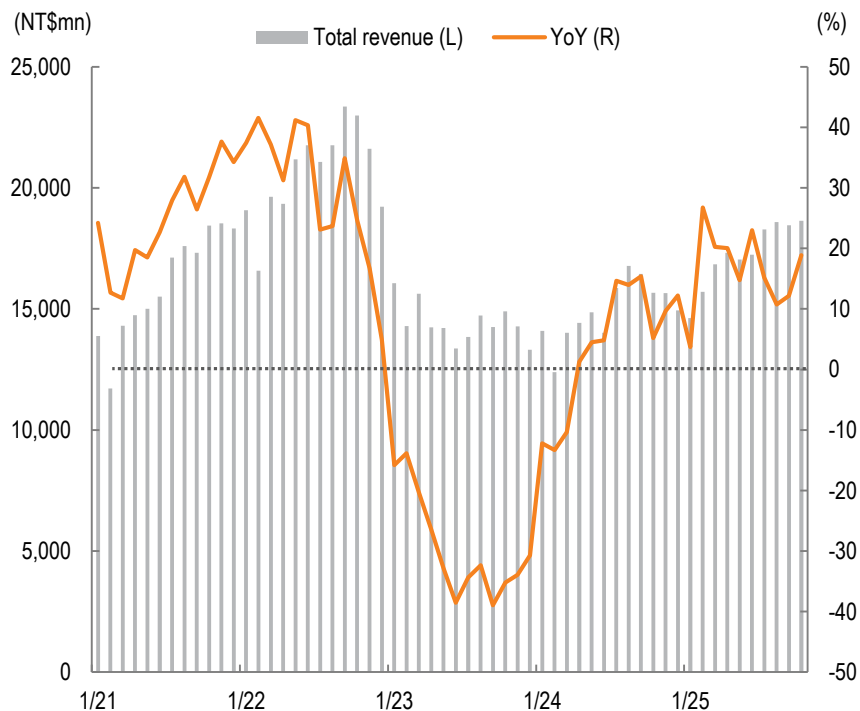
Source: Bloomberg, Mirae Asset Securities Research

## II. Substrates

### FC-BGAs in a structural growth phase

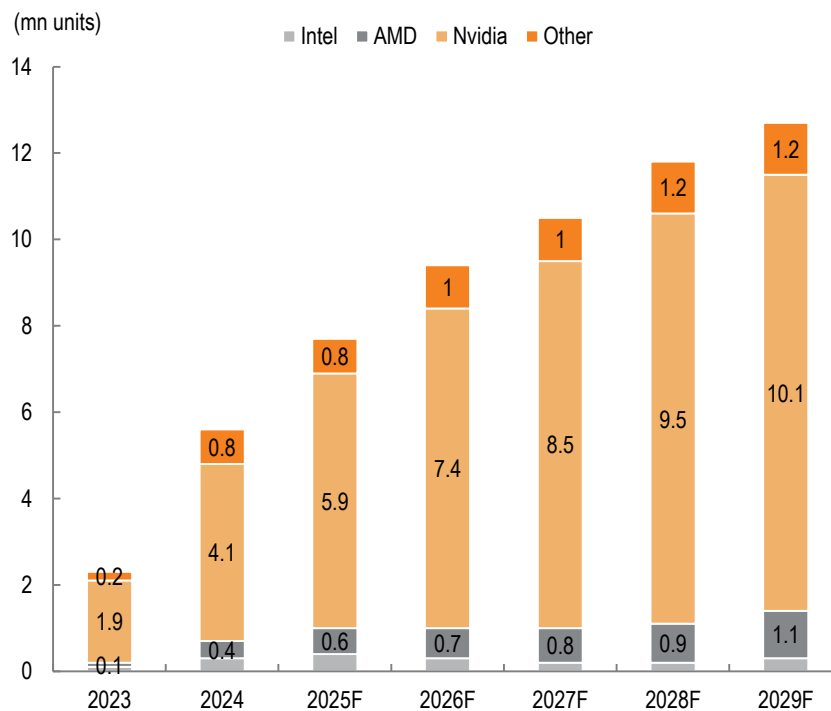
- Aided by surging demand for AI server GPUs/ASIC packages, FC-BGA demand has entered a structural growth phase.
- Taiwan's high-end substrate makers are seeing rapid improvements in both revenue and utilization, boosted by the AI cycle.
- Strong shipment growth for Nvidia and AMD GPUs in 2024-26 should translate directly into higher FC-BGA demand.
- In addition, the rising share of AI servers within the overall server mix is likely to keep FC-BGA supply structurally tight, benefiting high-end substrate makers.

Revenue at three Taiwanese FC-BGA firms: AI-driven up-cycle



Notes: Unimicron, Nanya PCB, and Kinsus  
Source: MOPS, Mirae Asset Securities Research

AI data center GPU demand forecasts



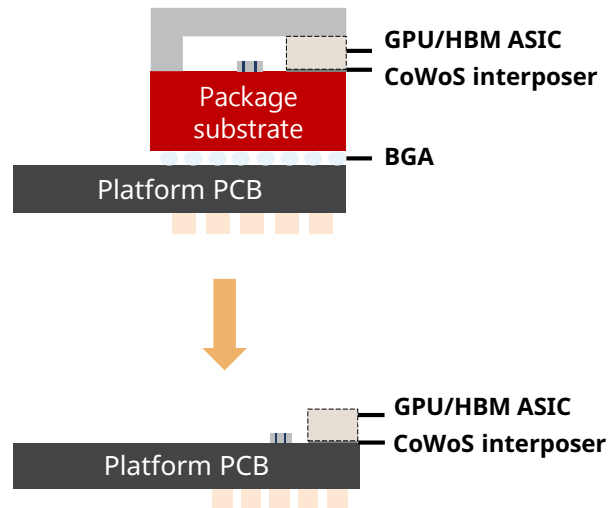
Source: Prismark, Mirae Asset Securities Research

## II. Substrates

### CoWoP and glass substrate outlooks

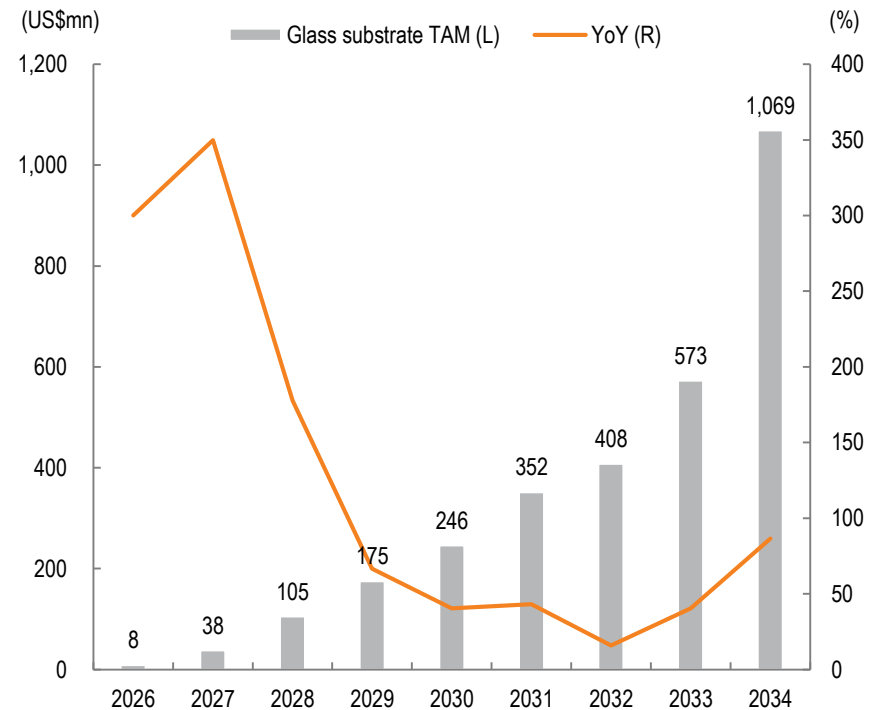
- Near-term commercialization and broad adoption of chip-on-wafer-on-PCB (CoWoP) packaging technology does not appear likely.
- Meaningful mass production is unlikely before 2028, and even then, CoWoP is expected to operate in parallel with CoWoS (rather than replacing it outright).
- By contrast, glass substrates are expected to begin full-scale commercialization in 2026 and emerge as a core next-generation technology, given the proliferation of AI hardware and higher frequency/density requirements.
- Big tech companies are actively pursuing glass substrate adoption, viewing it as a strategic necessity to reduce dependence on CoWoS and achieve cost savings, improved reliability, and better performance.

#### CoWoS (top) vs. CoWoP (bottom)



Source: Mirae Asset Securities Research

#### Glass substrate market outlook



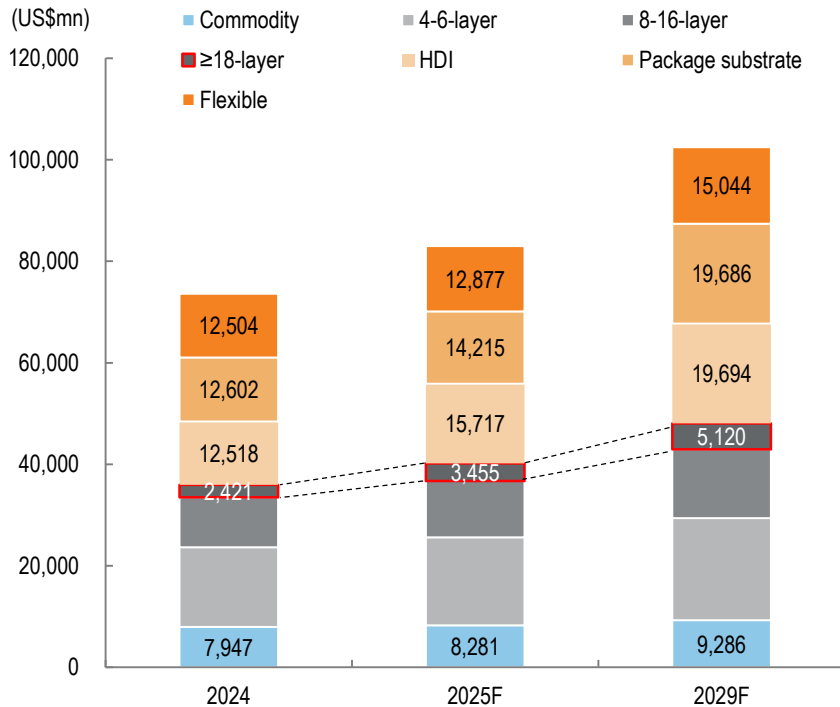
Source: Mirae Asset Securities Research

# II. Substrates

## Demand for MLBs rising amid steady investments in AI servers

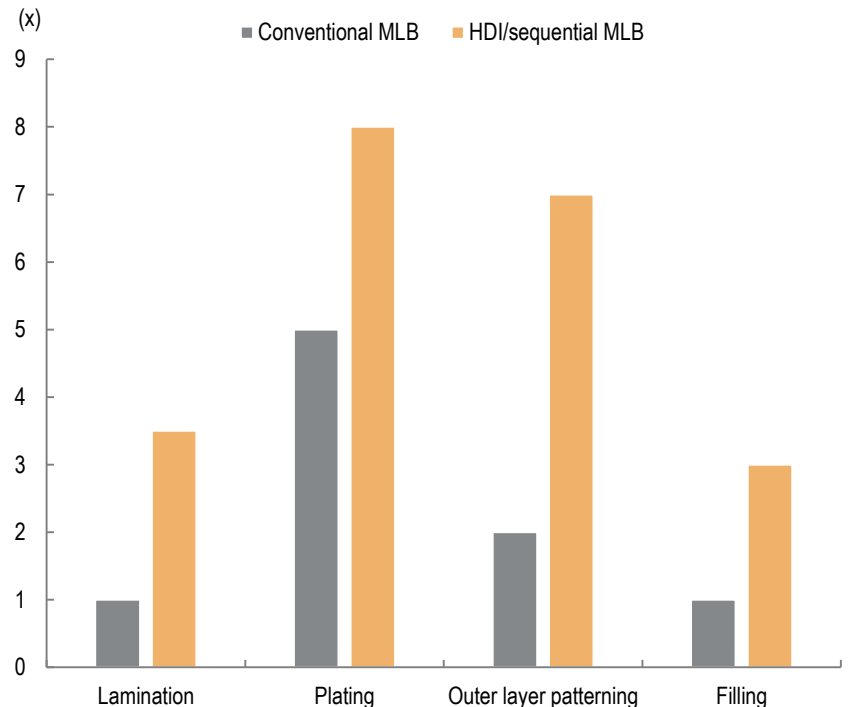
- As AI servers proliferate and high-speed network infrastructure continues to expand, demand for high-layer MLBs (18 layers and above) is rising rapidly.
- MLB substrates are seeing ASP growth due to rising circuit design complexity and the increased number of process steps.
- Wider adoption of multi-stacking processes—such as HDI and sequential lamination—is structurally lowering MLB substrate yields, thus becoming a key driver of ASP increases.
- MLBs with 18 or more layers—the core substrates for servers and switches—are expected to deliver the highest growth rate among MLB segments from 2024 to 2029 (CAGR forecast of 10.3%).

**Growth outlook by substrate type: ≥18-layer MLBs to post the highest growth**



Source: Prismark, Mirae Asset Securities Research

**Difference in process load between conventional MLBs and HDI/sequential MLBs**



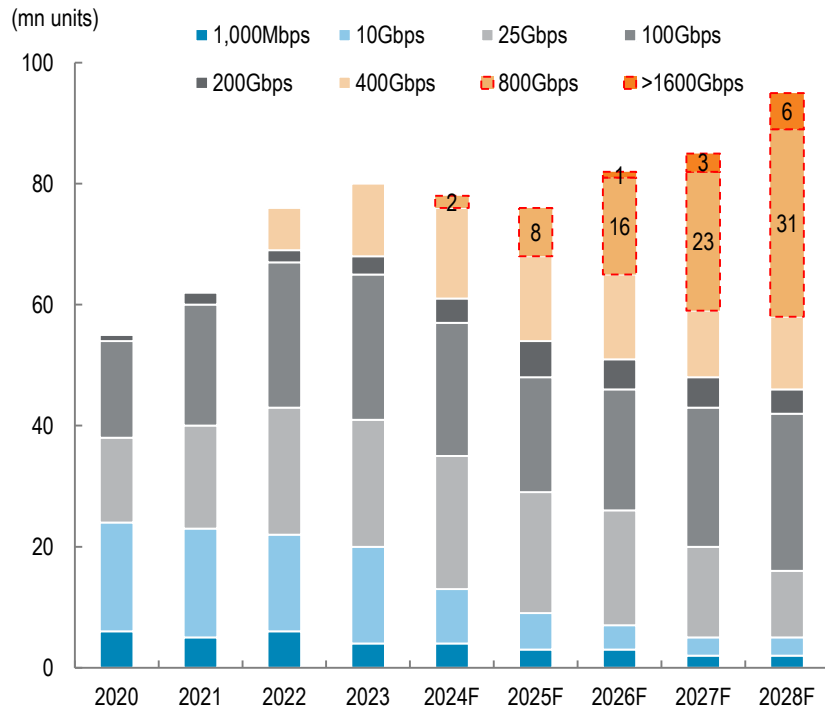
Source: Isu Petasys, Mirae Asset Securities Research

## II. CCL

### High-end CCL market driven by AI server advancement

- As AI servers and network equipment move to higher speeds, the importance of high-performance CCL attributes—such as low dielectric constant (Dk) and low dissipation factor (Df)—will likely rise.
- In addition, general-use servers' transition to PCIe Gen6 and 800G/1600G network market expansion are driving structural growth in high-end CCL demand.
- Constraints in raw material supply (e.g., CTE glass fiber) along with rising HVLP copper foil prices serve as additional drivers for CCL market growth.
- In Nvidia-based AI server platforms, adoption of high-performance CCL is increasing across key PCB components (switch trays, OAM, compute trays, etc.). As a result, CCL suppliers are seeing their server-related revenue mix expand rapidly.

#### Ethernet switch-port shipments: Rapid shift toward 800G/1600G



Source: Cisco, Mirae Asset Securities Research

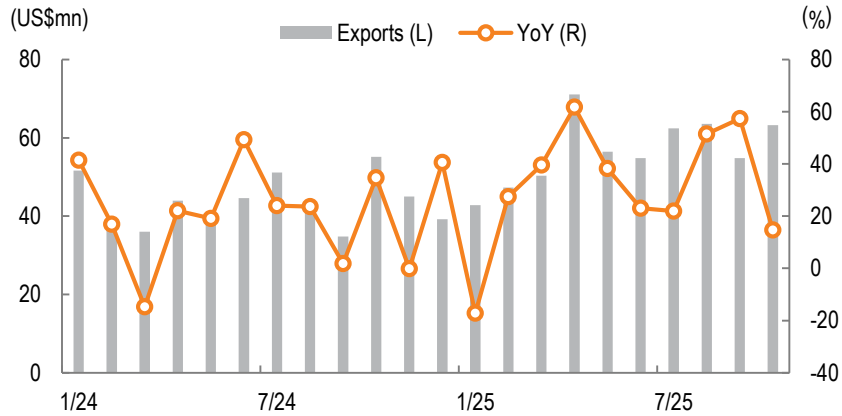
#### PCB/CCL structure by Nvidia platform: Growing share of high-layer, low-loss materials

	HGX H100	HGX B200	HGX B300	GB200	GB300	VR200 (Bianca)	VR200 (Cordelia)
PCB	OAM HDI (18L)	OAM HDI (20L)	OAM HDI (20L)	Compute tray HDI (22L)	Compute tray HDI (22L)	Compute tray HDI (24L)	OAM-HDI (24L) UBB-PTH (24L)
	UBB-PTH (24L)	UBB-PTH (24L)	UBB-PTH (24L)	Switch tray PTH (22L)	Switch tray PTH (22L)	Switch tray PTH (32L)	Switch tray PTH (32L)
CCL	OAM M7	OAM M4+M7	OAM M4+M7	Compute tray M4+M8	Compute tray M4+M8	Compute tray M8-M9+M6	OAM M8-M9+M6
	UBB M7	UBB M7	UBB M7	Switch tray M8	Switch tray M8	Switch tray M9	UBB M8-M9+M6
							Switch tray M9

Source: Media reports, Mirae Asset Securities Research

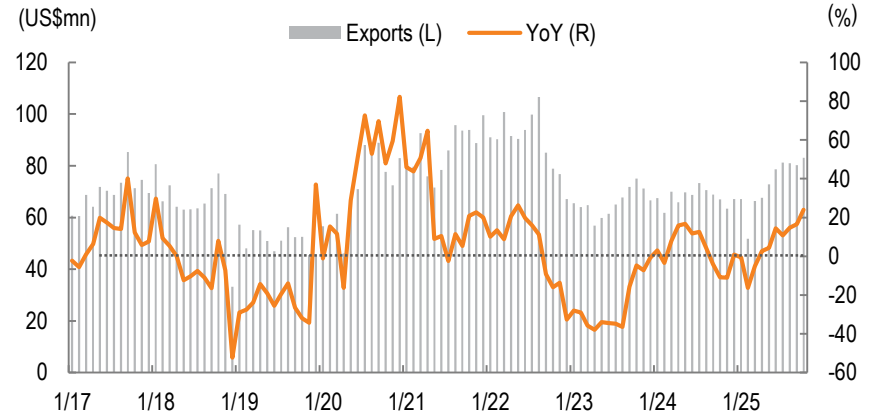
## II. Substrate manufacturers' export trends

**Dalseong PCB exports (Isu Petasys)**



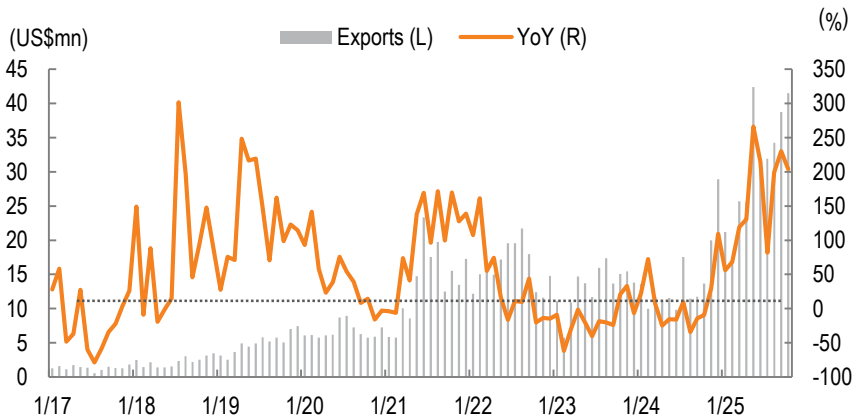
Source: QuantiWise, Mirae Asset Securities Research

**Ansan PCB exports (Daeduck Electronics)**



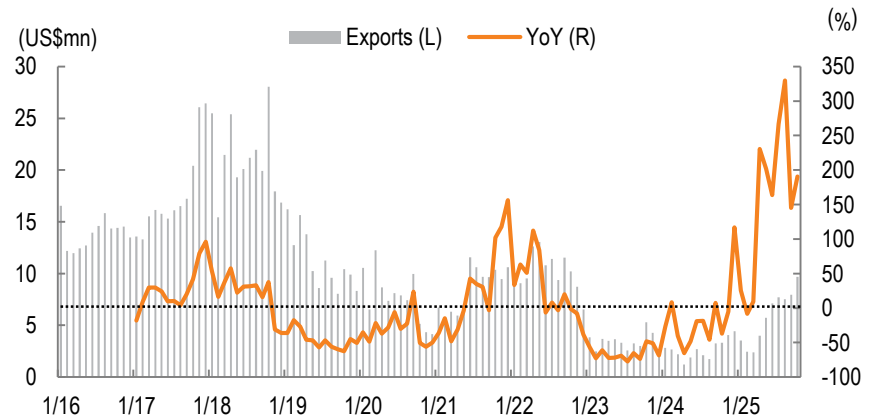
Source: QuantiWise, Mirae Asset Securities Research

**Jeungpyeong CCL exports (Doosan Corp.)**



Source: QuantiWise, Mirae Asset Securities Research

**Cheongju PCB exports (Simmtech)**



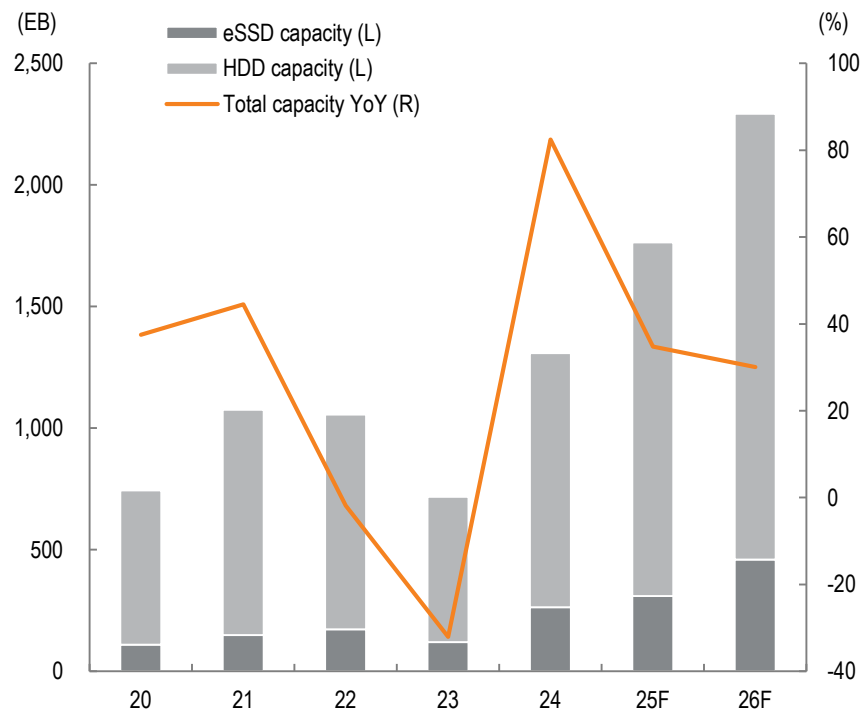
Source: QuantiWise, Mirae Asset Securities Research

## II. HDDs

### A new cycle led by nearline HDDs

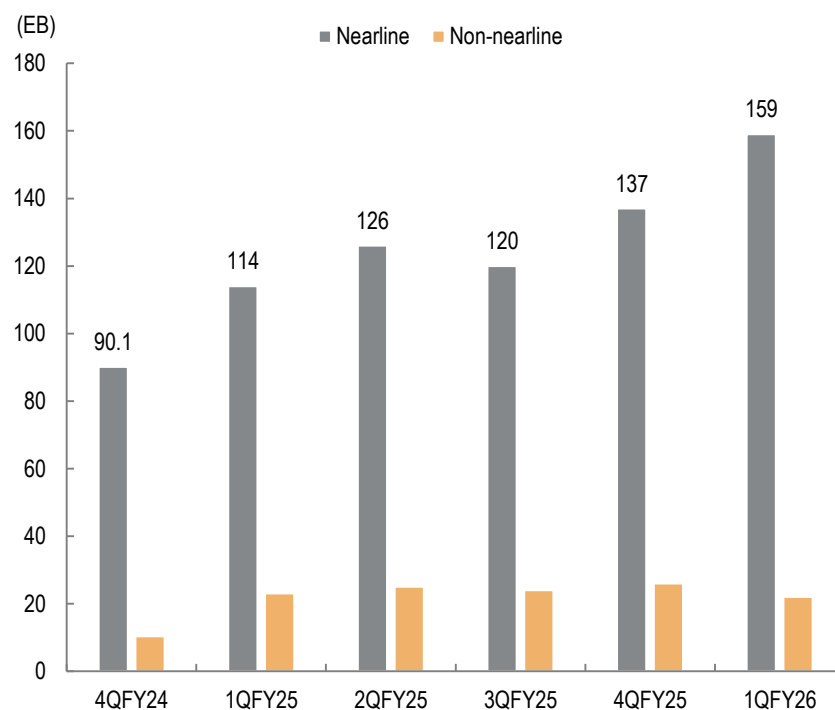
- The expansion of AI inference workloads is driving a surge in demand for data storage and retention, positioning high-capacity nearline HDDs as the key driver of the upcoming storage cycle.
- As the warm data tier expands—and as HDDs continue to offer superior cost efficiency (based on capacity)— the HDD cycle is likely to prove longer-lasting than in past upturns.
- Deepening storage shortages at hyperscalers are expected to lead to higher HDD shipment volumes, which could trigger an up-cycle in ASPs.
- Although enterprise SSD adoption is also increasing, nearline HDDs should remain the backbone of large-scale cloud expansion.

#### Cloud storage demand trends: Enterprise SSDs and HDDs growing together



Source: IDC, Gartner, Mirae Asset Securities Research

#### Seagate's quarterly HDD shipments: Nearline-driven growth to continue



Source: Seagate, Mirae Asset Securities Research

**III**

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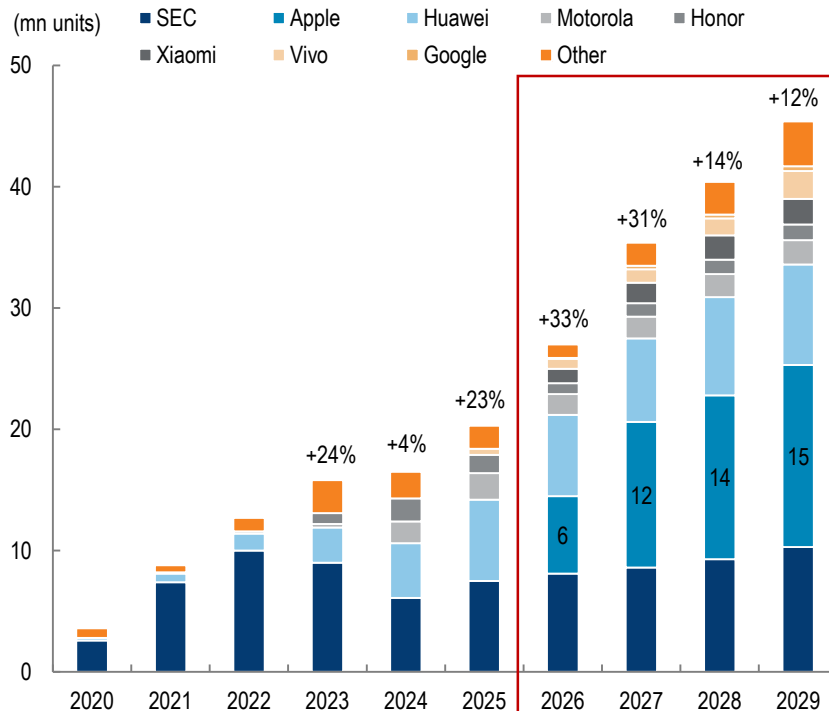
**Foldables**

# III. Foldables to emerge as a key driver of smartphone growth

## Apple's entry to reshape the market

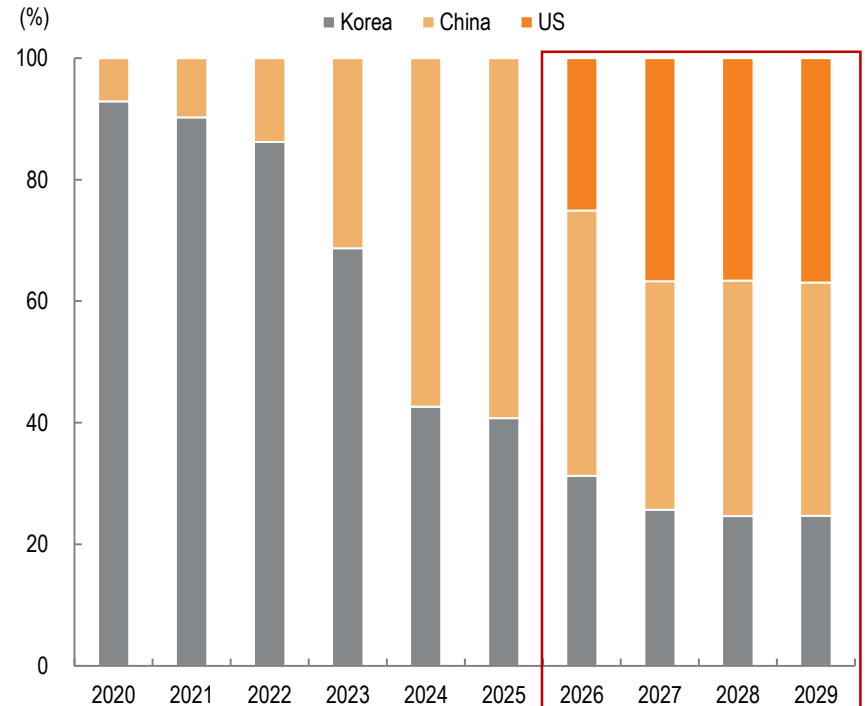
- Apple's expected foldables lineup is likely to see rapid growth, with shipments projected to reach 6.4mn units in 2026, 12mn units in 2027, 13.5mn units in 2028
- Companies expected to be in Apple's foldables value chain include Samsung Display, BH, Duksan Neolux, Fine M-Tec, and LG Innotek.
- Apple's entry should have a disruptive impact on a market that has long been centered on Samsung Electronics (SEC), ushering in a more competitive landscape.
- The foldables category is poised to become a key driver of overall smartphone market growth going forward.

### Foldable device shipment outlook



Source: Counterpoint, Mirae Asset Securities Research

### With Apple's entry, foldables market likely to shift to a tri-polar structure (Korea, China, and the US)



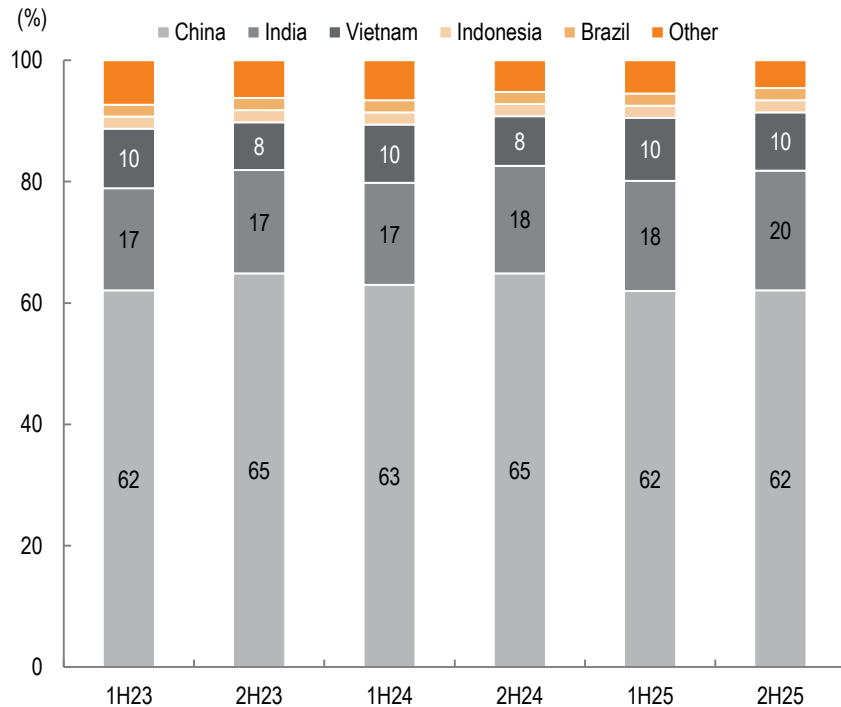
Source: Counterpoint, Mirae Asset Securities Research

# III. Smartphones: Accelerated production shift (China → India)

## Apple's entry to reshape the market

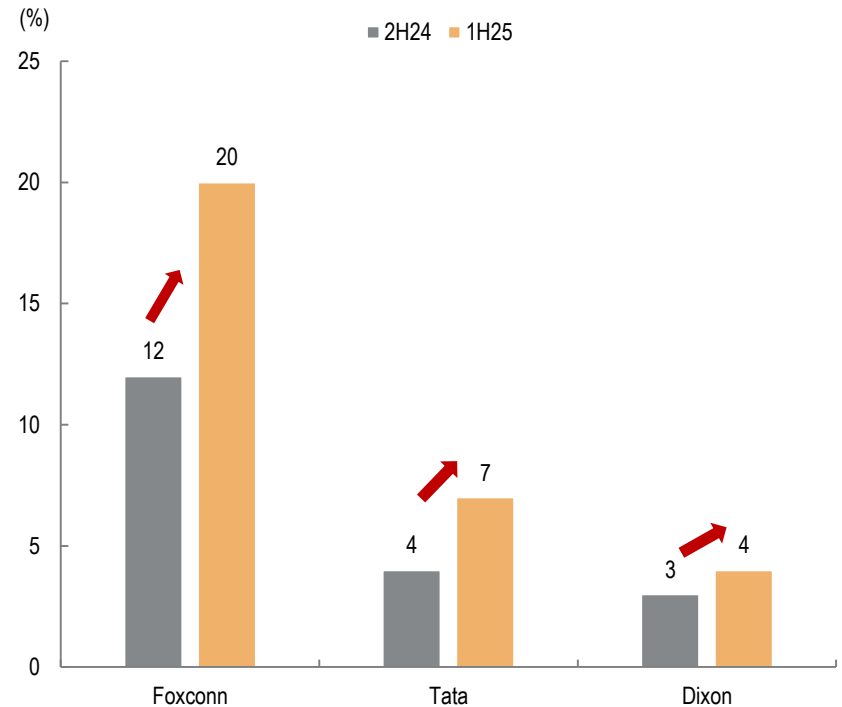
- India's ODM production capacity continues to expand, and Korean companies supplying cameras, modules, and related infrastructure (including HyVision System and LG Electronics) are well-positioned to benefit.
- Under its production-linked incentive (PLI) scheme, India is explicitly seeking to reduce reliance on China-made capital goods and components, accelerating Apple's supply chain transition.
- At Apple partner factories in India, the import of Chinese automation and camera module equipment has already been delayed, indicating that the supply chain transition is now materializing.

Global smartphone production: Breakdown by country



Source: Counterpoint, Mirae Asset Securities Research

Major ODMs continue increasing the share of production in India



Source: Counterpoint, Mirae Asset Securities Research

**IV**

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**Company analysis**

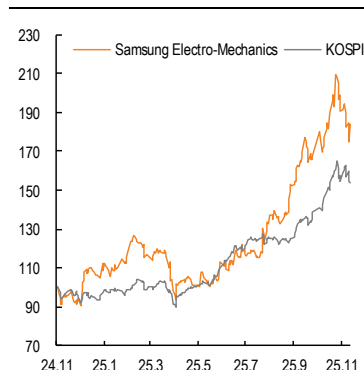
## FC-BGA capacity effectively fully booked

(Maintain)	Buy
Target price	₩320,000
Current price (11/19/25)	₩215,000
Upside	48.8%

OP (25F, Wbn)	903		
Consensus OP (25F, Wbn)	889		
EPS growth (25F, %)	5.4		
Market EPS growth (25F, %)	32.0		
P/E (25F, x)	23.3		
Market P/E (25F, x)	14.1		
KOSPI	3,929.51		
Market cap (Wbn)	16,059		
Shares (mn)	75		
Free float (%)	73.5		
Foreign ownership (%)	38.9		
Beta (12M)	1.12		
52-week low (W)	105,600		
52-week high (W)	245,000		
(%)	1M	6M	12M
Absolute	3.9	78.1	93.5
Relative	-0.9	18.0	21.7

### Investment points

- For 4Q25, we expect Samsung Electro-Mechanics' (SEMCO) revenue and operating profit to exceed the consensus by 1%, and 7%, respectively, driven by favorable FX and solid demand for MLCCs and FC-BGAs used in AI servers.
- For 2026, we lifted our operating profit forecast to ₩1.3tr (+43% YoY). SEMCO should deliver structural profitability improvement on a favorable product mix, rising FC-BGA utilization, ASP increases from higher layer counts, and the pass-through of higher T-glass prices.
- FC-BGA capacity effectively fully booked through 2027: SEMCO has secured four new customers (including big tech companies), pointing to meaningful shipment growth from 2026. Higher layer counts and raw material prices should support a structural ASP uptrend.
- Bottleneck shifting from packaging to substrates: While TSMC has aggressively expanded CoWoS capacity, easing packaging bottlenecks, this has raised the need for additional capacity expansion for ABF substrates.
- Rising demand for high-end MLCCs: Rising power requirements in AI servers are driving strong demand for high-capacitance/high-voltage MLCCs. While the IT-use MLCC market has already reached the maturity stage, we note that higher material prices, accelerating production line conversions toward AI/auto applications, and easing inventory pressures at customers are supporting both ASP increases and mix improvements.



(Dec.)	2023	2024	2025F	2026F	2027F
Revenue (Wbn)	8,892	10,294	11,243	12,764	14,345
OP (Wbn)	661	735	903	1,293	1,608
OP margin (%)	7.4	7.1	8.0	10.1	11.2
NP (Wbn)	423	679	716	1,177	1,425
EPS (W)	5,450	8,752	9,221	15,165	18,364
ROE (%)	5.5	8.2	7.9	12.1	13.1
P/E (x)	28.1	14.1	23.3	14.2	11.7
P/B (x)	1.5	1.1	1.9	1.7	1.6
Dividend yield (%)	0.8	1.5	0.8	0.8	0.8

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

Source: Company data, Mirae Asset Securities Research estimates

TP: W320,000; further valuation upside

A	Operating value (Wbn)			23,760	Notes
		2026F EBITDA (Wbn)	EV/EBITDA (x)		
	Package solutions	648	12.1	7,846	Avg. of Ibiden, Unimicron, and Nanya PCB
	Components	1,289	11.4	14,693	Avg. of Murata, TDK, Taiyo Yuden, and Yageo
	Optics solutions	222	5.5	1,221	Avg. of LG Innotek, Partron, Mcnex, and Sunny Optical
<b>B = C+D</b>	<b>Non-operating value (Wbn)</b>			<b>407</b>	
<b>C</b>	<b>Listed subsidiaries (Wbn)</b>			<b>304</b>	
		Market cap (Wbn)	Stake		
	Samsung Heavy	13,834	2.2%	299	
	iMarketKorea	280	1.8%	5	
<b>D</b>	<b>Unlisted subsidiaries (Wbn)</b>			<b>103</b>	
		Net value (Wbn)	Stake		
	STEMCO	176	30.0%	53	
	Samsung Global Research	53	23.8%	13	
	Samsung Venture	135	17.0%	23	
	Other			15	
E	Net debt (Wbn)			(651)	
F	Non-controlling interest (Wbn)			242	
G= A+B-E-F	Fair value (Wbn)			24,576	
H	No. of shares (mn)			78	
<b>I = G/H</b>	<b>Target price (W)</b>			<b>320,000</b>	
	Current price (W)			215,000	
	Upside (%)			48.8%	

Source: Bloomberg, Mirae Asset Securities Research

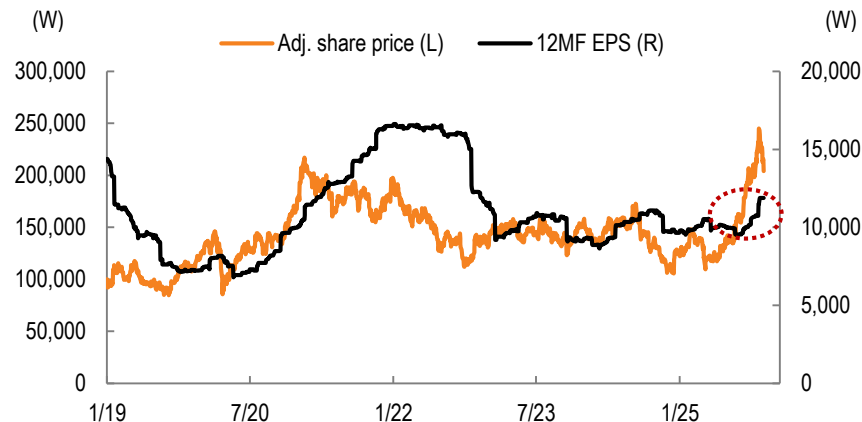
# Samsung Electro-Mechanics (009150 KS)

Top pick

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25F	2024	2025F	2026F
(Wbn, %, %p)											
Revenue	2,624.0	2,580.1	2,597.7	2,492.3	2,738.6	2,786.2	2,889.5	2,830.5	10,294.1	11,244.8	12,764.2
Components	1,023.0	1,160.3	1,197.0	1,081.7	1,216.2	1,280.7	1,381.3	1,331.3	4,462.1	5,209.6	6,145.8
Package solutions	428.0	499.1	558.3	549.3	499.4	564.6	593.2	607.4	2,034.7	2,264.6	2,745.2
Optics solutions	1,173.3	920.7	842.1	861.2	1,023.0	939.9	914.0	890.7	3,797.3	3,767.6	3,869.1
OP	180.0	208.1	231.8	115.0	200.5	213.0	260.3	229.4	735.0	903.1	1,292.8
Components	96.9	141.8	145.4	55.6	133.5	156.7	180.7	160.8	439.7	631.7	843.4
Package solutions	20.7	41.6	52.5	42.9	22.7	24.8	40.0	41.8	157.6	129.3	284.4
Optics solutions	62.8	24.7	33.6	16.6	44.3	31.5	39.6	26.7	137.6	142.1	165.0
Pretax profit	219.2	231.1	148.7	198.2	173.7	171.4	281.2	251.9	797.3	878.2	1,405.0
NP attr. to owners	182.8	172.4	115.5	208.4	133.7	129.7	241.9	210.2	679.1	715.5	1,176.8
OP margin	6.9	8.1	8.9	4.6	7.3	7.6	9.0	8.1	7.1	8.0	10.1
Components	9.5	12.2	12.1	5.1	11.0	12.2	13.1	12.1	9.9	12.1	13.7
Package solutions	4.8	8.3	9.4	7.8	4.6	4.4	6.7	6.9	7.7	5.7	10.4
Optics solutions	5.3	2.7	4.0	1.9	4.3	3.4	4.3	3.0	3.6	3.8	4.3
QoQ/YoY (%)											
Revenue	13.8	-1.7	0.7	-4.1	9.9	1.7	3.7	-2.0	15.5	9.2	13.5
OP	21.2	15.6	11.4	-50.4	74.3	6.2	22.2	-11.9	8.5	22.9	43.1
NP attr. to owners	202.4	-5.7	-33.0	80.4	-35.8	-3.0	86.5	-13.1	54.3	5.4	64.5

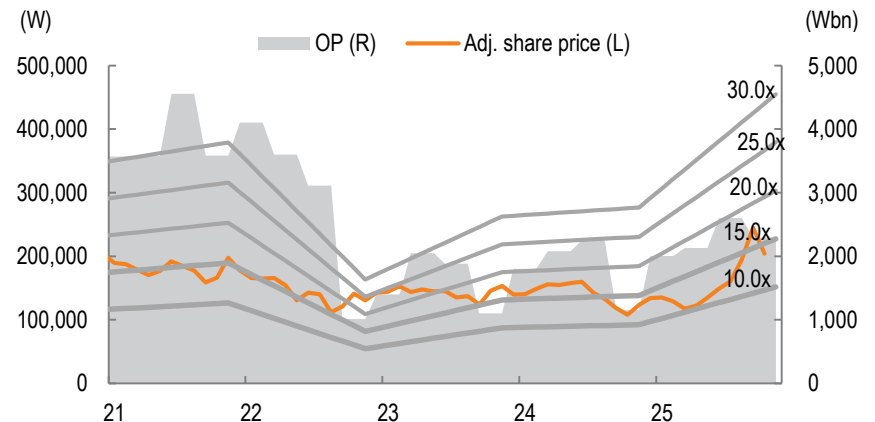
Source: Company data, Mirae Asset Securities Research

## Adj. share price and 12-month forward EPS



Source: QuantiWise, Mirae Asset Securities Research

## Adj. share price and OP



Source: DataGuide, Mirae Asset Securities Research

## Income statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Revenue	10,294	11,243	12,764	14,345
Cost of revenue	8,335	8,994	9,940	11,016
GP	1,959	2,249	2,824	3,329
SG&A expenses	1,224	1,346	1,532	1,721
OP (adj.)	735	903	1,293	1,608
OP	735	903	1,293	1,608
Non-operating profit	62	-25	112	100
Net financial income	-1	-18	-9	4
Net income from associates	-1	7	31	31
Pretax profit	797	878	1,405	1,708
Income tax	132	146	231	284
Profit from continuing operations	665	733	1,174	1,424
Profit from discontinued operations	38	-17	3	2
NP	703	716	1,177	1,425
Attributable to owners	679	716	1,177	1,425
Attributable to minority interests	24	0	0	0
Total comprehensive income	1,074	716	1,177	1,425
Attributable to owners	1,028	685	1,127	1,365
Attributable to minority interests	46	30	50	61
EBITDA	1,575	1,831	2,290	2,649
FCF	654	644	603	1,043
EBITDA margin (%)	15.3	16.3	17.9	18.5
OP margin (%)	7.1	8.0	10.1	11.2
Net margin (%)	6.6	6.4	9.2	9.9

Source: Company data, Mirae Asset Securities Research estimates

## Balance sheet (summarized)

(Wbn)	2024	2025F	2026F	2027F
Current assets	5,892	6,928	7,880	9,080
Cash & equivalents	2,013	2,925	3,281	4,068
AR & other receivables	1,484	1,793	2,058	2,254
Inventory	2,251	2,085	2,371	2,548
Other current assets	144	125	170	210
Non-current assets	6,901	6,760	6,941	7,095
Investments in associates	65	27	30	37
PP&E	5,933	5,648	5,685	5,684
Intangible assets	146	149	165	180
Total assets	12,792	13,688	14,821	16,175
Current liabilities	3,057	3,487	3,558	3,602
AP & other payables	750	1,020	957	1,011
Short-term financial liabilities	1,580	1,701	1,787	1,783
Other current liabilities	727	766	814	808
Non-current liabilities	720	719	759	801
Long-term financial liabilities	56	160	114	149
Other non-current liabilities	664	559	645	652
Total liabilities	3,777	4,207	4,317	4,403
Equity attributable to owners	8,789	9,239	10,233	11,470
Capital stock	388	388	388	388
Capital surplus	1,054	1,148	1,148	1,148
Retained earnings	6,490	7,048	7,999	9,192
Minority interests	227	242	272	302
Shareholders' equity	9,016	9,481	10,505	11,772

## Key valuation metrics/ratios

	2024	2025F	2026F	2027F
P/E (x)	14.1	23.3	14.2	11.7
P/CF (x)	5.5	11.2	8.0	7.1
P/B (x)	1.1	1.9	1.7	1.6
EV/EBITDA (x)	5.9	8.5	6.6	5.5
EPS (W)	8,752	9,221	15,165	18,364
CFPS (W)	22,681	19,270	26,845	30,329
BPS (W)	115,152	110,621	122,876	138,253
DPS (W)	1,800	1,800	1,800	1,800
Dividend payout ratio (%)	18.6	18.3	11.1	9.2
Dividend yield (%)	1.5	1.3	1.3	1.3
Revenue growth (%)	15.8	9.2	13.5	12.4
EBITDA growth (%)	5.2	16.2	25.1	15.7
OP growth (%)	11.3	22.9	43.1	24.4
EPS growth (%)	60.6	5.4	64.5	21.1
AR turnover (x)	8.2	7.4	7.1	7.1
Inventory turnover (x)	4.7	5.2	5.7	5.8
AP turnover (x)	15.2	15.7	15.7	17.4
ROA (%)	5.8	5.4	8.3	9.2
ROE (%)	8.2	7.9	12.1	13.1
ROIC (%)	7.3	9.1	11.8	13.7
Debt-to-equity ratio (%)	41.9	44.4	41.1	37.4
Current ratio (%)	192.7	198.7	221.5	252.1
Net debt-to-equity ratio (%)	-4.3	-11.7	-13.5	-18.6
Interest coverage ratio (x)	10.1	10.0	14.3	17.8

# LG Innotek (011070 KS)

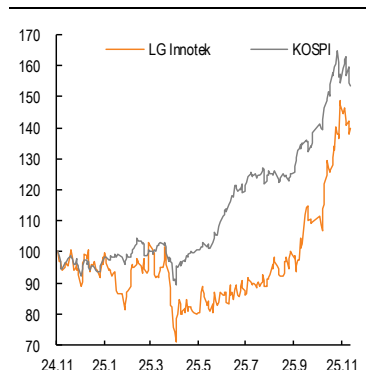
## Improving price, volume, and cost dynamics

(Maintain)	Buy
Target price	₩300,000
Current price (11/19/25)	₩240,500
Upside	24.7%

OP (25F, Wbn)	659		
Consensus OP (25F, Wbn)	660		
EPS growth (25F, %)	3.3		
Market EPS growth (25F, %)	32.0		
P/E (25F, x)	12.3		
Market P/E (25F, x)	14.1		
KOSPI	3,929.51		
Market cap (Wbn)	5,692		
Shares (mn)	24		
Free float (%)	59.2		
Foreign ownership (%)	27.7		
Beta (12M)	0.85		
52-week low (W)	122,000		
52-week high (W)	256,000		
(%)	1M	6M	12M
Absolute	14.8	67.5	45.1
Relative	9.5	11.0	-8.7

### Investment points

- We expect LG Innotek's earnings to improve, driven by higher shipment guidance (91 mn → 94mn units) from its key North American customer, which is seeing strong sales on the back of new product designs and replacement demand. Additionally, by year-end, the FC-BGA substrate business is likely to see applications broaden from chipsets to CPUs, which should drive ASP gains.
- For 4Q25, we look for revenue of ₩7.4tr (+12% YoY) and operating profit of ₩318.8bn (+29% YoY; 9% above the consensus), factoring in the North American customer's new model shipment guidance upgrade, favorable FX, and resilient auto component margins thanks to a strong product mix (lighting/telecom applications).
- In semiconductor substrates, mobile demand should remain strong, and further ASP improvement is expected as the adoption of FC-BGA in CPUs becomes more visible.
- We forecast 2026 operating profit at ₩843.3bn (+28% YoY). The adoption of variable aperture camera technology should increase the complexity of module assembly, highlighting the firm's technological strength and supporting market share gains. Meanwhile, depreciation expenses are likely to decline on a higher Vietnam production mix and the end of a major capex cycle. All in all, favorable price, volume, and cost dynamics should support an earnings turnaround over the medium term.



(Dec.)	2023	2024	2025F	2026F	2027F
Revenue (Wbn)	20,605	21,201	21,741	23,106	24,069
OP (Wbn)	831	706	659	843	918
OP margin (%)	4.0	3.3	3.0	3.6	3.8
NP (Wbn)	565	449	464	633	795
EPS (W)	23,881	18,983	19,605	26,752	33,609
ROE (%)	12.6	8.9	8.4	10.7	12.2
P/E (x)	10.0	8.5	12.3	9.0	7.2
P/B (x)	1.2	0.7	1.0	0.9	0.8
Dividend yield (%)	1.1	1.3	0.9	0.9	0.9

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

Source: Company data, Mirae Asset Securities Research estimates

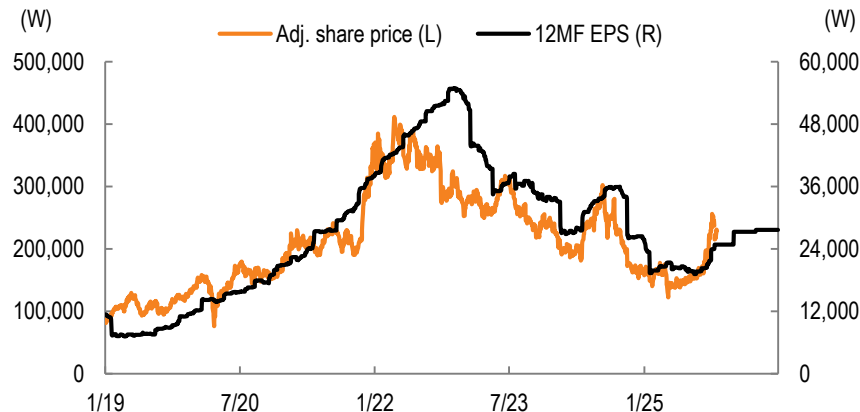
# LG Innotek (011070 KS)

(Wbn, %, %p)

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25F	2024	2025F	2026F
Revenue	4,333.6	4,555.3	5,685.1	6,626.8	4,982.8	3,934.6	5,369.5	7,453.8	21,200.8	21,740.7	23,106.3
Optical solutions	3,514.2	3,680.3	4,836.9	5,768.7	4,138.4	3,052.7	4,481.2	6,506.4	17,800.1	18,178.7	19,402.0
Auto components	491.2	496.7	477.9	474.8	467.5	465.7	437.7	449.0	1,940.6	1,819.9	1,891.1
Substrates	328.2	378.2	370.3	383.3	376.9	416.2	450.6	498.3	1,460.0	1,742.0	1,813.3
OP	176.0	151.7	130.4	247.9	125.1	11.4	203.7	318.8	706.0	659.0	843.3
Optical solutions	151.9	102.5	114.1	228.1	73.4	-33.6	154.3	247.2	596.6	441.3	592.1
Auto components	14.6	22.0	4.5	-2.4	22.9	22.4	17.6	15.7	38.7	78.6	85.7
Substrates	9.6	27.1	11.8	22.2	28.8	22.6	31.9	55.8	70.8	139.1	165.5
Pretax profit	164.3	123.6	124.5	176.4	103.8	-7.7	186.1	293.2	588.8	575.4	748.1
NP attributable to owners	138.5	98.9	105.0	106.9	85.6	-8.7	142.6	244.4	449.3	464.0	633.1
OP margin	4%	3%	2%	4%	3%	0%	4%	4%	3%	3%	4%
Optical solutions	4%	3%	2%	4%	2%	-1.1%	3%	4%	3%	2%	3%
Auto components	3%	4%	1%	-1%	5%	4.8%	4%	4%	2%	4%	5%
Substrates	3%	7%	3%	6%	8%	5.4%	7%	11%	5%	8%	9%
QoQ/YoY											
Revenue	-43%	5%	25%	17%	-25%	-21%	36%	39%	3%	3%	6%
OP	-64%	-14%	-14%	90%	-50%	-91%	1,690%	56%	-15%	-7%	28%
NP attributable to owners	-61%	-29%	6%	2%	-20%	-110%	-1,741%	71%	-21%	3%	36%

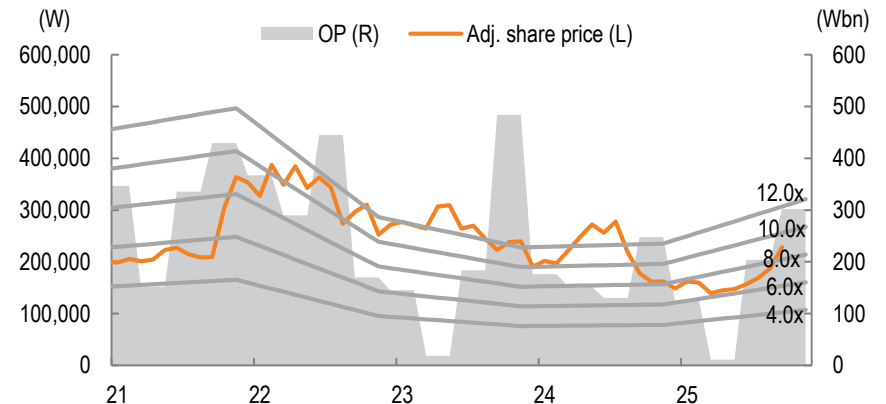
Source: Company data, Mirae Asset Securities Research

## Adj. share price and 12-month forward EPS



Source: QuantiWise, Mirae Asset Securities Research

## Adj. share price and OP



Source: DataGuide, Mirae Asset Securities Research

# LG Innotek (011070 KS)

## Income statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Revenue	21,201	21,741	23,106	24,069
Cost of revenue	19,457	20,035	21,142	21,987
GP	1,744	1,706	1,964	2,082
SG&A expenses	1,038	1,046	1,121	1,164
OP (adj.)	706	659	843	918
OP	706	659	843	918
Non-operating profit	-117	-84	-95	-45
Net financial income	-74	-46	-56	-7
Net income from associates	0	0	0	0
Pretax profit	589	575	748	873
Income tax	140	111	115	77
Profit from continuing operations	449	464	633	795
Profit from discontinued operations	0	0	0	0
NP	449	464	633	795
Attributable to owners	449	464	633	795
Attributable to minority interests	0	0	0	0
Total comprehensive income	701	464	633	795
Attributable to owners	701	464	633	795
Attributable to minority interests	0	0	0	0
EBITDA	1,986	1,838	2,110	2,305
FCF	231	151	52	182
EBITDA margin (%)	9.4	8.5	9.1	9.6
OP margin (%)	3.3	3.0	3.6	3.8
Net margin (%)	2.1	2.1	2.7	3.3

Source: Company data, Mirae Asset Securities Research estimates

## Balance sheet (summarized)

(Wbn)	2024	2025F	2026F	2027F
Current assets	5,853	6,572	7,535	8,583
Cash & equivalents	1,329	949	864	908
AR & other receivables	2,809	2,722	3,416	3,939
Inventory	1,575	2,737	3,073	3,546
Other current assets	140	164	182	190
Non-current assets	5,525	4,993	4,619	4,130
Investments in associates	0	0	0	0
PP&E	4,480	3,922	3,506	2,971
Intangible assets	219	243	228	212
Total assets	11,378	11,566	12,153	12,713
Current liabilities	3,955	4,161	4,218	4,084
AP & other payables	2,737	3,000	2,980	2,915
Short-term financial liabilities	693	639	694	649
Other current liabilities	525	522	544	520
Non-current liabilities	2,069	1,742	1,742	1,742
Long-term financial liabilities	2,007	1,694	1,692	1,693
Other non-current liabilities	62	48	50	49
Total liabilities	6,024	5,904	5,960	5,826
Equity attributable to owners	5,354	5,662	6,193	6,887
Capital stock	118	118	118	118
Capital surplus	1,134	1,251	1,251	1,251
Retained earnings	3,868	4,300	4,832	5,525
Minority interests	0	0	0	0
Shareholders' equity	5,354	5,662	6,193	6,887

## Key valuation metrics/ratios

	2024	2025F	2026F	2027F
P/E (x)	8.5	12.3	9.0	7.2
P/CF (x)	1.9	3.2	2.7	2.5
P/B (x)	0.7	1.0	0.9	0.8
EV/EBITDA (x)	2.6	3.8	3.4	3.1
EPS (W)	18,983	19,605	26,752	33,609
CFPS (W)	84,347	76,045	87,493	95,767
BPS (W)	226,229	239,577	262,030	291,340
DPS (W)	2,090	2,090	2,090	2,090
Dividend payout ratio (%)	11.0	10.7	7.8	6.2
Dividend yield (%)	1.3	1.2	1.2	1.2
Revenue growth (%)	2.9	2.5	6.3	4.2
EBITDA growth (%)	5.8	-7.5	14.8	9.3
OP growth (%)	-15.0	-6.7	28.0	8.9
EPS growth (%)	-20.5	3.3	36.5	25.6
AR turnover (x)	8.4	8.0	7.6	6.6
Inventory turnover (x)	13.5	10.1	8.0	7.3
AP turnover (x)	8.2	8.6	8.8	9.2
ROA (%)	4.0	4.0	5.3	6.4
ROE (%)	8.9	8.4	10.7	12.2
ROIC (%)	8.9	12.0	9.7	10.5
Debt-to-equity ratio (%)	112.5	104.3	96.2	84.6
Current ratio (%)	148.0	157.9	178.6	210.2
Net debt-to-equity ratio (%)	25.4	24.2	24.3	20.6
Interest coverage ratio (x)	6.2	7.7	10.2	11.1

# LG Electronics (066570 KS)

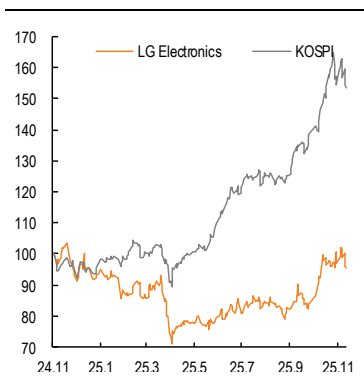
## Fundamentals improving

(Maintain)	Buy
Target price	₩110,000
Current price (11/19/25)	₩87,100
Upside	26.3%

OP (25F, Wbn)	2,430		
Consensus OP (25F, Wbn)	2,558		
EPS growth (25F, %)	263.4		
Market EPS growth (25F, %)	32.0		
P/E (25F, x)	11.8		
Market P/E (25F, x)	14.1		
KOSPI	3,929.51		
Market cap (Wbn)	14,187		
Shares (mn)	163		
Free float (%)	64.7		
Foreign ownership (%)	31.6		
Beta (12M)	0.83		
52-week low (W)	64,700		
52-week high (W)	94,500		
(%)	1M	6M	12M
Absolute	3.4	23.9	-4.1
Relative	-1.3	-17.9	-39.7

### Investment points

- LG Electronics (LGE) appears to be on a clear profitability recovery trajectory, driven by the easing of cost/tariff issues and product mix improvements. We expect structural improvements to drive earnings growth in 2026.
- A reduced tariff burden in the home appliance solutions (HS) unit, the expansion of B2B/industrial applications in the eco solutions (ES) unit, and rising adoption of premium options in the the vehicle component solutions (VS) unit are driving structural profitability improvements. In the media entertainment solutions (MS) unit, earnings volatility is easing on progress in restructuring.
- The ES and VS units have the strongest structural growth potential; both revenue and margins are improving thanks to increasing cooling system demand from data centers/industrial facilities (ES) and rising adoption of high-value automotive options such as infotainment, audio systems, and displays (VS).
- Even if the IT device market remains weak next year, the MS and webOS businesses should also support an overall earnings recovery thanks to normalizing costs and a rise in subscription/advertising ARPU.
- To see meaningful upside, however, we believe LGE must clearly articulate how it intends to deploy the proceeds from the Indian unit's IPO (approximately ₩1.6tr after tax)—whether to strengthen shareholder returns or secure long-time growth drivers (e.g., sales network expansion via M&As).
- Business diversification and structural improvements should limit downside risks, but upside should depend on a clear plan for the use of the Indian IPO proceeds.



(Dec.)	2023	2024	2025F	2026F	2027F
Revenue (Wbn)	82,263	87,728	88,399	91,484	95,197
OP (Wbn)	3,653	3,420	2,430	3,241	3,843
OP margin (%)	4.4	3.9	2.7	3.5	4.0
NP (Wbn)	713	368	1,335	1,762	2,390
EPS (W)	3,942	2,032	7,385	9,742	13,216
ROE (%)	3.7	1.8	6.3	8.2	10.6
P/E (x)	25.8	41.1	11.8	8.9	6.6
P/B (x)	0.9	0.7	0.7	0.7	0.7
Dividend yield (%)	0.8	1.2	1.3	1.8	2.3

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

Source: Company data, Mirae Asset Securities Research estimates

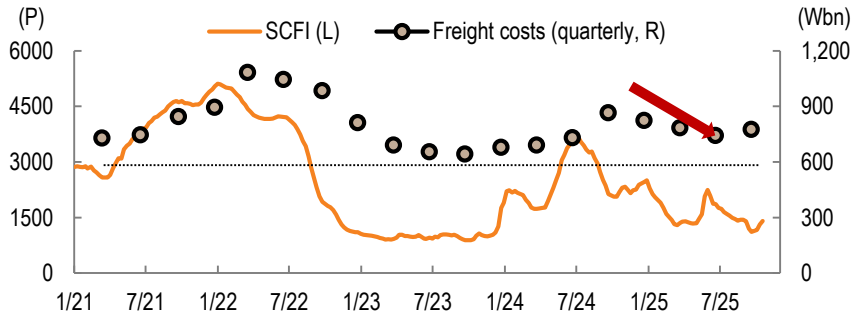
# LG Electronics (066570 KS)

(Wbn, %, %p)

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25F	2024	2025F	2026F
Consolidated revenue	21,095.9	21,694.4	22,176.4	22,761.5	22,739.8	20,735.2	21,873.7	23,050.3	87,728.2	88,399.0	91,484.5
MS	5,061.3	5,076.6	5,138.5	5,612.6	4,950.3	4,511.1	4,652.5	5,256.3	20,889.0	19,370.1	19,823.0
HS	6,129.1	6,416.3	6,282.2	5,978.1	6,696.8	6,594.4	6,580.4	5,906.7	24,805.7	25,778.2	26,445.9
VS	2,661.9	2,691.9	2,611.3	2,655.4	2,843.2	2,849.4	2,646.7	2,586.4	10,620.5	10,925.6	11,269.1
ES	2,589.0	2,535.7	2,144.1	1,552.3	3,054.4	2,644.2	2,167.2	1,571.4	8,821.1	9,437.2	9,861.0
LG Innotek	4,333.6	4,555.2	5,685.1	6,626.9	4,982.8	3,934.6	5,369.5	7,453.8	21,200.7	21,740.7	23,106.3
Other	489.9	615.9	506.0	515.8	365.2	376.2	432.6	475.8	2,127.6	1,649.8	1,779.2
Internal	-168.9	-197.2	-190.8	-179.6	-152.9	-174.6	24.8	-200.0	-736.4	-502.7	-800.0
Consolidated OP	1,335.1	1,197.5	751.9	135.4	1,258.8	639.4	690.1	-158.5	3,419.9	2,429.8	3,240.6
MS	181.0	126.8	10.8	-50.4	4.9	-191.7	-302.6	-320.6	268.2	-810.0	-313.8
HS	586.5	429.0	354.5	-68.9	644.6	439.9	365.9	-76.8	1,301.1	1,373.6	1,431.0
VS	51.8	82.8	1.1	-19.9	125.1	126.2	149.6	28.4	115.8	429.4	502.2
ES	335.6	248.9	156.4	-65.6	406.7	250.5	132.9	-133.6	675.3	656.6	686.5
LG Innotek	177.5	152.3	131.7	249.3	124.8	11.4	204.9	320.3	710.8	661.4	845.8
Other	2.7	157.7	97.4	90.9	-47.3	3.1	139.3	23.8	348.7	118.9	89.0
Pretax profit	978.4	896.7	555.3	-1,095.3	1,117.8	761.5	841.9	-518.1	1,335.1	2,203.1	3,128.3
NP attr. to owners of the parent	474.8	559.1	47.7	-714.8	798.7	604.6	456.7	-524.9	366.8	1,335.1	1,761.7
Consolidated OP margin	6%	6%	3%	1%	6%	3%	3%	-1%	4%	3%	4%
MS	4%	2%	0%	-1%	0%	-4%	-7%	-6%	1%	-4%	-2%
HS	10%	7%	6%	-1%	10%	7%	6%	-1%	5%	5%	5%
VS	2%	3%	0%	-1%	4%	4%	6%	1%	1%	4%	4%
ES	13%	10%	7%	-4%	13%	9%	6%	-9%	8%	7%	7%
LG Innotek	4%	3%	2%	4%	3%	0%	4%	4%	3%	3%	4%
Other	1%	26%	19%	18%	-13%	1%	32%	5%	16%	7%	5%

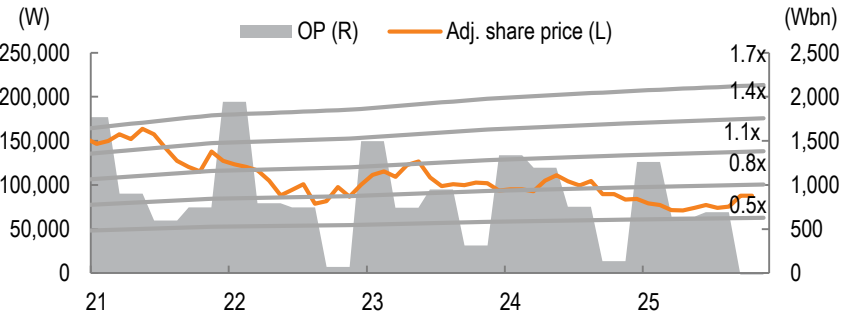
Source: Company data, Mirae Asset Securities Research

## Correlation between freight costs and SCFI



Source: Mirae Asset Securities Research

## Adj. share price and OP



Source: DataGuide, Mirae Asset Securities Research

# LG Electronics (066570 KS)

## Income statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Revenue	87,728	88,399	91,484	95,197
Cost of revenue	66,349	68,113	69,947	72,314
GP	21,379	20,286	21,537	22,883
SG&A expenses	17,960	17,856	18,297	19,039
OP (adj.)	3,420	2,430	3,241	3,843
OP	3,420	2,430	3,241	3,843
Non-operating profit	-2,084	-227	-113	-111
Net financial income	-71	-121	0	156
Net income from associates	-992	-388	-160	-81
Pretax profit	1,336	2,203	3,128	3,732
Income tax	463	474	920	1,001
Profit from continuing operations	873	1,729	2,208	2,731
Profit from discontinued operations	-282	-220	-434	-434
NP	591	1,510	1,774	2,296
Attributable to owners	368	1,335	1,762	2,390
Attributable to minority interests	224	174	12	-94
Total comprehensive income	2,068	1,510	1,774	2,296
Attributable to owners	1,620	1,182	1,389	1,799
Attributable to minority interests	448	327	384	497
EBITDA	6,954	6,073	7,049	7,682
FCF	1,486	3,549	5,881	6,297
EBITDA margin (%)	7.9	6.9	7.7	8.1
OP margin (%)	3.9	2.7	3.5	4.0
Net margin (%)	0.4	1.5	1.9	2.5

Source: Company data, Mirae Asset Securities Research estimates

## Balance sheet (summarized)

(Wbn)	2024	2025F	2026F	2027F
Current assets	33,924	33,337	33,985	36,439
Cash & equivalents	7,573	7,190	9,234	11,762
AR & other receivables	10,968	11,460	10,774	10,309
Inventory	10,729	11,159	10,472	10,885
Other current assets	4,654	3,528	3,505	3,483
Non-current assets	31,706	31,045	31,327	30,798
Investments in associates	2,776	2,133	2,286	2,316
PP&E	17,075	15,959	15,142	14,299
Intangible assets	3,519	3,598	3,438	3,291
Total assets	65,630	64,382	65,312	67,237
Current liabilities	27,307	26,416	26,476	26,919
AP & other payables	14,354	14,132	14,041	14,339
Short-term financial liabilities	3,278	3,197	3,191	3,251
Other current liabilities	9,675	9,087	9,244	9,329
Non-current liabilities	13,110	12,565	12,667	12,774
Long-term financial liabilities	12,025	11,568	11,640	11,750
Other non-current liabilities	1,085	997	1,027	1,024
Total liabilities	40,418	38,980	39,143	39,693
Equity attributable to owners	20,995	21,151	21,906	23,375
Capital stock	904	904	904	904
Capital surplus	2,970	3,852	3,852	3,852
Retained earnings	16,353	17,183	17,938	19,407
Minority interests	4,217	4,251	4,263	4,169
Shareholders' equity	25,212	25,402	26,169	27,544

## Key valuation metrics/ratios

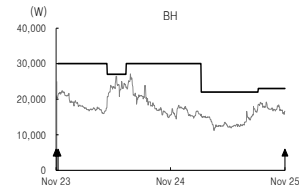
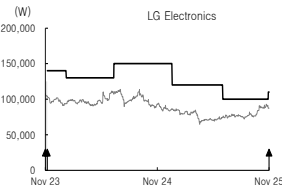
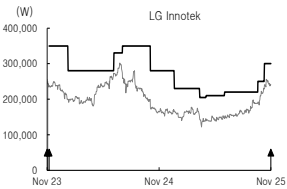
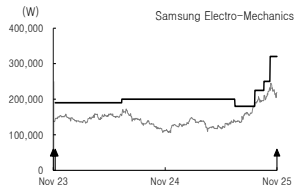
	2024	2025F	2026F	2027F
P/E (x)	41.1	11.8	8.9	6.6
P/CF (x)	1.7	4.1	3.7	3.4
P/B (x)	0.7	0.7	0.7	0.7
EV/EBITDA (x)	3.7	4.3	3.4	2.8
EPS (W)	2,032	7,385	9,742	13,216
CFPS (W)	48,287	21,153	23,608	25,295
BPS (W)	116,348	121,326	125,501	133,624
DPS (W)	1,000	1,100	1,600	2,000
Dividend payout ratio (%)	27.5	11.9	14.7	14.2
Dividend yield (%)	1.2	1.3	1.9	2.4
Revenue growth (%)	6.6	0.8	3.5	4.1
EBITDA growth (%)	1.2	-12.7	16.1	9.0
OP growth (%)	-6.4	-28.9	33.4	18.6
EPS growth (%)	-48.4	263.4	31.9	35.7
AR turnover (x)	8.9	8.2	8.5	9.4
Inventory turnover (x)	8.8	8.1	8.5	8.9
AP turnover (x)	6.9	6.9	7.1	7.3
ROA (%)	0.9	2.3	2.7	3.5
ROE (%)	1.8	6.3	8.2	10.6
ROIC (%)	9.0	18.6	7.4	9.5
Debt-to-equity ratio (%)	160.3	153.5	149.6	144.1
Current ratio (%)	124.2	126.2	128.4	135.4
Net debt-to-equity ratio (%)	27.1	27.9	18.7	9.5
Interest coverage ratio (x)	6.0	4.3	6.3	7.4

# Appendix 1

## Important disclosures and disclaimers

### Two-year rating and TP history

Company	Date	Rating	TP (₩)	Company	Date	Rating	TP (₩)	
Samsung Electro-Mechanics (009150)					11/28/23	Buy	350,000	
					07/31/23	No Coverage		
	10/30/25	Buy	320,000	LG Electronics (066570)				
	10/10/25	Buy	250,000					
	09/10/25	Buy	225,000			11/19/25	Buy	110,000
	07/07/25	Buy	180,000			06/23/25	Buy	100,000
	07/03/25	One year	200,000			01/09/25	Buy	120,000
	07/03/24	Buy	200,000			07/03/24	Buy	150,000
	11/28/23	Buy	190,000			01/29/24	Buy	130,000
07/31/23	No Coverage				11/28/23	Buy	140,000	
					07/31/23	No Coverage		
LG Innotek (011070)				BH (090460)				
	10/31/25	Buy	300,000			08/28/25	Buy	23,000
	10/10/25	Buy	250,000			02/27/25	Buy	22,000
	06/23/25	Buy	220,000			07/03/24	Buy	30,000
	04/24/25	Buy	210,000			07/03/24	Buy	30,000
	04/03/25	Buy	205,000			05/03/24	Buy	27,000
	01/10/25	Buy	230,000			11/28/23	Buy	30,000
	10/24/24	Buy	280,000			07/31/23	No Coverage	
	07/25/24	Buy	350,000					
	06/27/24	Buy	330,000					
	01/29/24	Buy	280,000					



### 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.

# Appendix 1

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	Buy	Trading Buy	Hold	Sell
Ratings distribution	78.61%	1.73%	19.08%	0.58%
Investment banking services	84.62%	0%	15.38%	0%

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

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