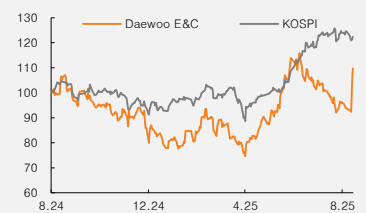


(Maintain)	Buy
Target price	▲ W6,100
Current price (8/22/25)	W4,370
Upside	39.6%

OP (25F, Wbn)	511
Consensus OP (25F, Wbn)	451
EPS growth (25F, %)	-21.3
Market EPS growth (25F, %)	23.2
P/E (25F, x)	9.9
Market P/E (25F, x)	11.7
KOSPI	3,168.73

Market cap (Wbn)	1,816
Shares (mn)	416
Free float (%)	47.9
Foreign ownership (%)	12.1
Beta (12M)	0.58
52-week low (W)	2,970
52-week high (W)	4,610

(%)	1M	6M	12M
Absolute	10.2	22.9	4.4
Relative	10.3	3.0	-10.8



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Daewoo E&C

Nuclear momentum coming into focus; discount factors fading

Nuclear power momentum coming into focus

Shares of Daewoo E&C have surged recently, driven by a rebound in overseas orders and a renewed focus on nuclear power momentum. As a member of the “Team Korea” consortium led by Korea Hydro & Nuclear Power (KHNP), the company has already been selected as a contractor for nuclear projects in the Czech Republic and Poland. Despite the recent controversy over alleged unfair contract terms, we believe Daewoo E&C still has the potential to sign an EPC contract with KHNP for the Czech project within 2025.

Looking ahead, a potential KHNP-Westinghouse joint venture is expected to be discussed at the upcoming Korea-US summit. All in all, the expansion of Team Korea’s overseas nuclear initiatives should provide momentum for Daewoo E&C by broadening its nuclear pipeline. Notably, the company brings prior experience in overseas nuclear projects, having built the Jordan Research and Training Reactor (JRTR) in 2010-16.

Discount factors gradually fading as overseas orders recover

We believe the discount factors that had weighed on the stock are gradually fading. Overseas orders, which totaled just W600bn in 2024, reached W1.1tr in 1H25 on the back of the Turkmenistan fertilizer project (W940bn). If the company signs an EPC contract for the Czech nuclear project in 3Q25, it could achieve or even surpass its full-year order guidance ahead of schedule.

Furthermore, Daewoo E&C is pursuing directly negotiated contracts in key markets (including Nigeria)—a strategy that has helped it to maintain stable plant cost ratios. In addition to new order wins, the potential resumption of the Mozambique LNG Area 1 project (W820bn) this year could support a revenue recovery. In the LNG segment, the firm is carrying out EPC work on the Nigeria LNG Train 7 project jointly with Chiyoda (Japan) and Saipem (Italy), aiming to strengthen its standing in the global LNG market.

Lift TP to W6,100 and maintain Buy; stock to watch

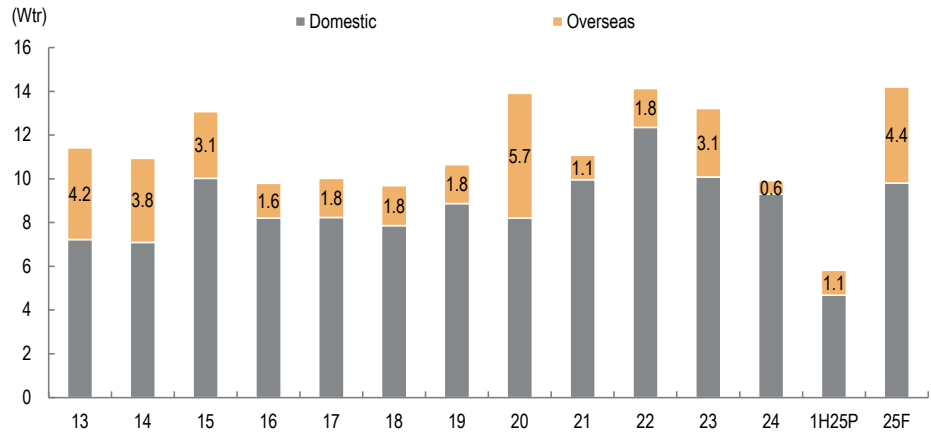
We maintain our Buy rating on Daewoo E&C, which remains one of our stocks to watch in the sector. We raised our target price to W6,100 (from W5,600), as we revised up our target P/B from 0.5x to 0.55x (a 10% premium to target multiple for housing-focused peers) to reflect recovering overseas order momentum (nuclear, etc.). While share price volatility may increase depending on progress in the Czech nuclear project, we see potential for further multiple expansion once the EPC contract is signed. In the overseas housing development segment, the firm is exploring new opportunities in North America (in addition to its existing efforts in Vietnam).

(Dec.)	2023	2024	2025F	2026F	2027F
Revenue (Wbn)	11,648	10,504	8,675	9,084	9,751
OP (Wbn)	663	403	511	631	738
OP margin (%)	5.7	3.8	5.9	6.9	7.6
NP (Wbn)	512	234	184	344	455
EPS (W)	1,231	563	443	828	1,096
ROE (%)	13.2	5.6	4.2	7.4	9.1
P/E (x)	3.4	5.5	9.9	5.3	4.0
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

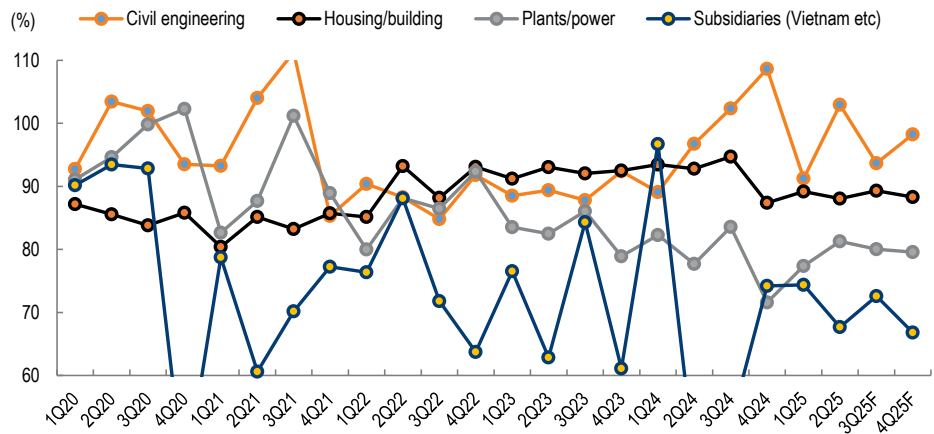
Source: Company data, Mirae Asset Securities Research estimates

Figure 1. Daewoo E&C: Order trend and 2025F guidance



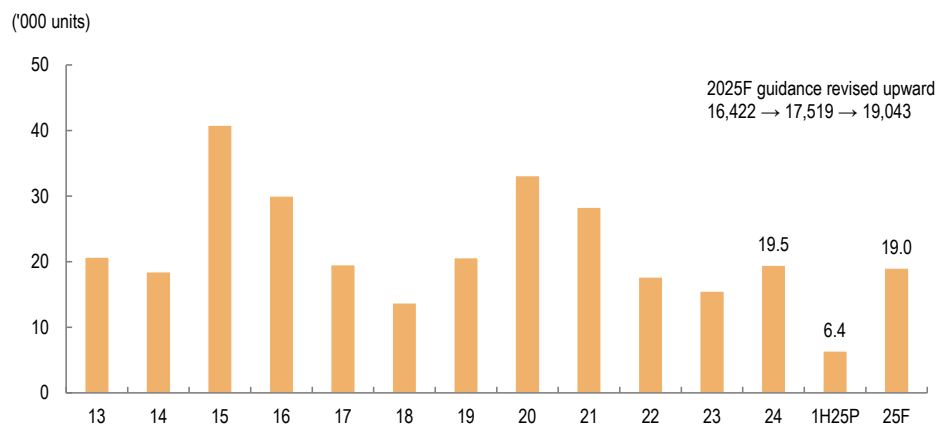
Source: Company data, Mirae Asset Securities Research

Figure 2. Daewoo E&C: Cost ratio trend by business



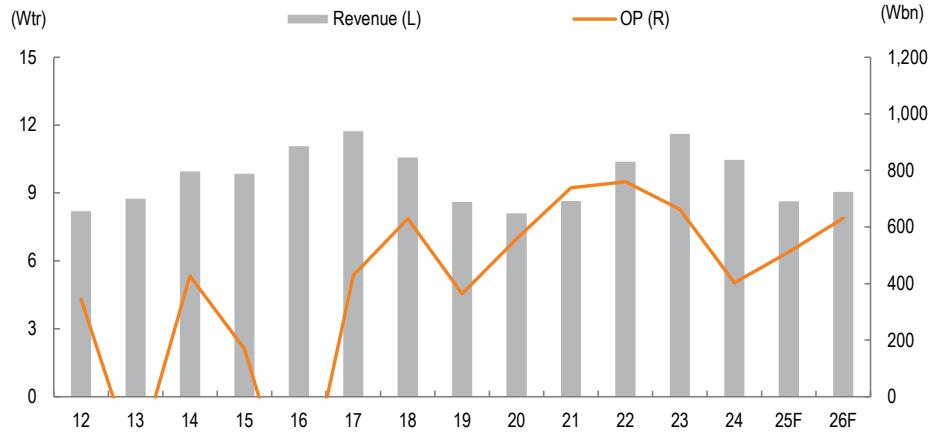
Source: Company data, Mirae Asset Securities Research

Figure 3. Daewoo E&C: Housing presale volume and 2025F guidance



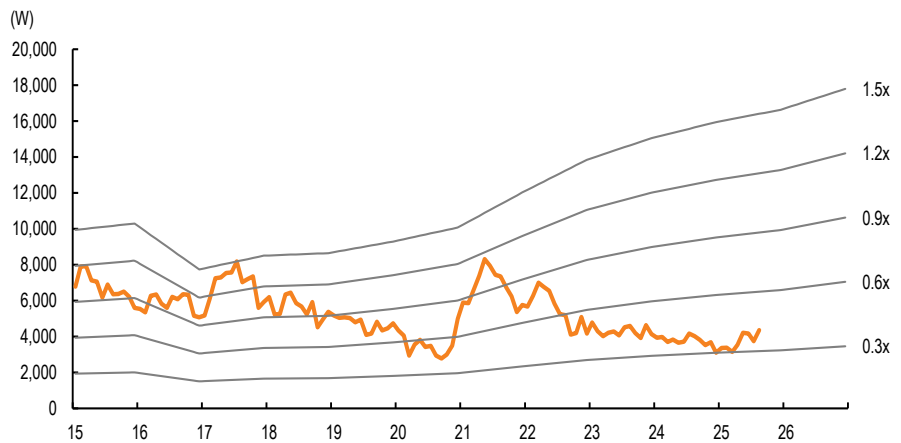
Source: Company data, Mirae Asset Securities Research

Figure 4. Daewoo E&C: Revenue and OP trends



Source: Mirae Asset Securities Research

Figure 5. Daewoo E&C: P/B band chart



Source: Mirae Asset Securities Research

Table 1. Daewoo E&C: TP calculation

(W, x)

	Value	Notes
BPS	11,029	2025F
Target P/B	0.55	10% premium to target P/B for housing-oriented stocks
Target price	6,100	
Current price	4,370	Aug. 22 closing price
Upside	40%	

Source: Mirae Asset Securities Research

Daewoo E&C (047040 KS)

Income statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Revenue	10,504	8,675	9,084	9,751
Cost of revenue	9,576	7,670	7,970	8,504
GP	928	1,005	1,114	1,247
SG&A expenses	524	494	484	509
OP (adj.)	403	511	631	738
OP	403	511	631	738
Non-operating profit	-45	-200	-108	-48
Net financial income	-57	-55	-52	-47
Net income from associates	0	0	1	1
Pretax profit	358	311	523	690
Income tax	116	109	157	207
Profit from continuing operations	243	201	366	483
Profit from discontinued operations	0	0	0	0
NP	243	201	366	483
Attributable to owners	234	184	344	455
Attributable to minority interests	9	17	22	28
Total comprehensive income	239	213	342	470
Attributable to owners	233	206	331	455
Attributable to minority interests	6	7	11	15
EBITDA	526	635	761	871
FCF	-1,321	255	319	349
EBITDA margin (%)	5.0	7.3	8.4	8.9
OP margin (%)	3.8	5.9	6.9	7.6
Net margin (%)	2.2	2.1	3.8	4.7

Balance sheet (summarized)

(Wbn)	2024	2025F	2026F	2027F
Current assets	9,589	9,788	10,002	10,373
Cash & equivalents	1,162	1,367	1,514	1,704
AR & other receivables	3,400	3,361	3,388	3,481
Inventory	1,945	1,930	1,944	1,993
Other current assets	3,082	3,130	3,156	3,195
Non-current assets	3,070	3,179	3,212	3,265
Investments in associates	124	148	151	155
PP&E	380	418	430	451
Intangible assets	63	67	69	70
Total assets	12,658	12,966	13,214	13,638
Current liabilities	4,544	4,477	4,419	4,404
AP & other payables	1,082	1,072	1,082	1,131
Short-term financial liabilities	1,332	1,282	1,229	1,184
Other current liabilities	2,130	2,123	2,108	2,089
Non-current liabilities	3,780	3,948	3,911	3,881
Long-term financial liabilities	2,769	2,915	2,865	2,819
Other non-current liabilities	1,011	1,033	1,046	1,062
Total liabilities	8,324	8,425	8,330	8,284
Equity attributable to owners	4,291	4,483	4,803	5,245
Capital stock	2,078	2,078	2,078	2,078
Capital surplus	562	562	562	562
Retained earnings	2,183	2,367	2,712	3,167
Minority interests	43	59	81	109
Shareholders' equity	4,334	4,542	4,884	5,354

Cash flow statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Operating cash flow	-1,284	349	451	492
NP	243	201	366	483
Non-cash income/expenses	461	315	312	360
Depreciation	114	116	120	123
Amortization	8	9	10	11
Other	339	190	182	226
Chg. in working capital	-1,873	-53	-45	-124
Chg. in AR & other receivables	-884	47	-20	-70
Chg. in inventory	-119	14	-14	-49
Chg. in AP & other payables	-193	-33	4	18
Income tax	-26	-80	-157	-207
Cash flow from investing activities	104	-233	-196	-204
Chg. in PP&E	-35	-93	-132	-143
Chg. in intangible assets	-6	-13	-12	-12
Chg. in financial assets	-10	-41	-18	-24
Other	155	-86	-34	-25
Cash flow from financing activities	1,170	84	-103	-91
Chg. in financial liabilities	1,320	96	-103	-91
Chg. in equity	13	0	0	0
Dividends	0	0	0	0
Other	-163	-12	0	0
Chg. in cash	180	206	147	190
Beginning balance	982	1,162	1,367	1,514
Ending balance	1,162	1,367	1,514	1,704

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

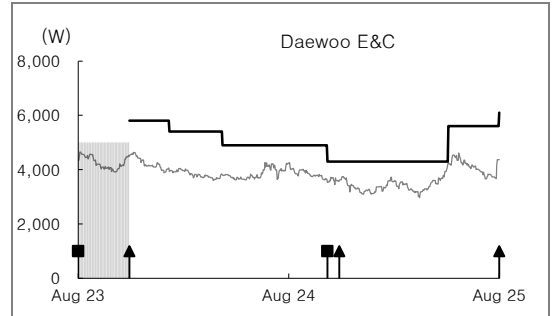
	2024	2025F	2026F	2027F
P/E (x)	5.5	9.9	5.3	4.0
P/CF (x)	1.8	3.5	2.7	2.2
P/B (x)	0.3	0.4	0.4	0.3
EV/EBITDA (x)	6.4	5.9	4.6	3.7
EPS (W)	563	443	828	1,096
CFPS (W)	1,695	1,242	1,631	2,028
BPS (W)	10,569	11,029	11,799	12,864
DPS (W)	0	0	0	0
Dividend payout ratio (%)	0.0	0.0	0.0	0.0
Dividend yield (%)	0.0	0.0	0.0	0.0
Revenue growth (%)	-9.8	-17.4	4.7	7.3
EBITDA growth (%)	-33.4	20.9	19.8	14.5
OP growth (%)	-39.2	26.7	23.5	16.9
EPS growth (%)	-54.3	-21.3	86.8	32.3
AR turnover (x)	4.5	3.1	3.3	3.5
Inventory turnover (x)	5.8	4.5	4.7	5.0
AP turnover (x)	33.4	31.1	32.6	33.3
ROA (%)	2.0	1.6	2.8	3.6
ROE (%)	5.6	4.2	7.4	9.1
ROIC (%)	5.6	5.4	7.7	8.9
Debt-to-equity ratio (%)	192.1	185.5	170.6	154.7
Current ratio (%)	211.0	218.6	226.3	235.6
Net debt-to-equity ratio (%)	46.7	41.3	33.0	24.6
Interest coverage ratio (x)	2.5	3.2	3.8	4.5

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Daewoo E&C (047040)	08/25/25	Buy	6,100
	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		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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As of the publication date, Mirae Asset Securities Co., Ltd. is acting as a financial advisor to Daewoo E&C for its treasury share buyback and cancellation.

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