

(Maintain)	Buy
Target price	W110,000
Current price (9/16/25)	W70,700
Upside	55.6%

OP (25F, Wbn)	-242
Consensus OP (25F, Wbn)	-246
EPS growth (25F, %)	RR
Market EPS growth (25F, %)	23.0
P/E (25F, x)	-
Market P/E (25F, x)	12.7
KOSPI	3,449.62

Market cap (Wbn)	2,568
Shares (mn)	36
Free float (%)	68.7
Foreign ownership (%)	13.0
Beta (12M)	1.85
52-week low (W)	47,800
52-week high (W)	119,400

(%)	1M	6M	12M
Absolute	-21.9	-3.7	-21.8
Relative	-27.0	-28.3	-41.6



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2H25 earnings forecasts revised up

Reaffirm Buy and TP of W110,000

We reaffirm our target price of W110,000 on L&F and retain the stock as our top pick in the battery materials space. While the stock has fallen sharply since late August, we believe fundamentals remain intact. In fact, we revised up our 2H25 earnings estimates, reflecting: 1) robust demand for the six-seat Tesla Model Y L in China; and 2) Tesla's plan to raise production at its German plant in 3Q-4Q25. Against this backdrop, we now forecast L&F to report operating profits in both 3Q25 and 4Q25, and we lifted our 4Q25 revenue forecast by 10%. Further upward earnings revisions are possible, depending on whether inventory valuation losses are reversed (based on lithium price movements).

Long-awaited return to profit likely in 3Q25

For 3Q25, we expect L&F to report revenue of W654bn (+26% QoQ) and operating profit of W9bn (swinging to profit QoQ). For 4Q25, we raised our revenue forecast by 10% and look for operating profit of W11bn (vs. -W6.7bn previously). On the shipment side, the main drivers of our upward revisions are: 1) robust demand for the six-seat Tesla Model Y L in China; and 2) Tesla's plan to raise production at its German plant in 3Q-4Q25. Additionally, we believe the rise in lithium carbonate prices (which are up 20% from June levels) will support a turnaround to operating profit. Further upward earnings revisions are possible, depending on lithium price trends. A key near-term variable is whether production permits for major mines in Jiangxi, China are renewed at end-September.

LFP order momentum to pick up in North American ESS market

In the US, a key policy change under the One Big Beautiful Bill Act is the loss of AMPC eligibility if projects receive "material assistance" from prohibited foreign entities. Because the cost of materials sourced from such entities must be below a certain threshold, producers must diversify sourcing of LFP cathode materials (which account for over 40% of total material costs). Accordingly, we expect order momentum in the North American ESS market (where near-term demand is strong) to accelerate. The main earnings and share price drivers for L&F are: 1) sales trends of Tesla models released in 2025 (rather than Tesla's entire lineup); and 2) orders for LFP materials. We are seeing positive developments in both areas.

(Dec.)	2023	2024	2025F	2026F	2027F
Revenue (Wbn)	4,644	1,907	2,227	2,911	4,571
OP (Wbn)	-222	-559	-242	90	205
OP margin (%)	-4.8	-29.3	-10.9	3.1	4.5
NP (Wbn)	-194	-378	-247	28	121
EPS (W)	-5,372	-10,416	-6,798	763	3,332
ROE (%)	-16.4	-41.7	-41.9	5.8	21.9
P/E (x)	-	-	-	92.7	21.2
P/B (x)	6.7	4.1	5.4	5.1	4.1
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

Table 1. Quarterly and annual earnings

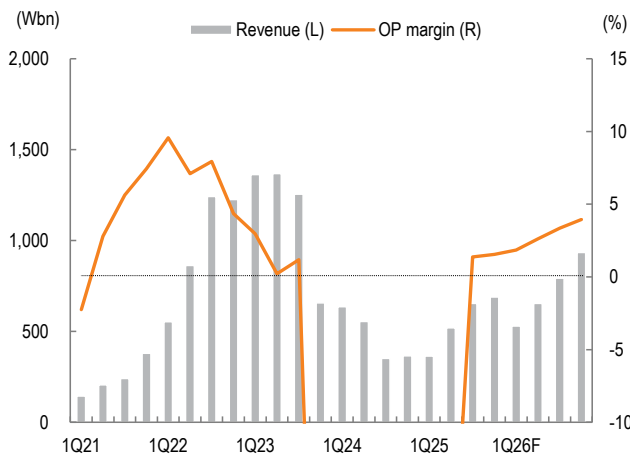
(Wbn, %)

	1Q25	2Q25	3Q25F	4Q25F	1Q26F	2Q26F	3Q26F	4Q26F	2025F	2026F	2027F
Revenue	364.8	520.1	654.0	688.6	529.2	654.4	793.2	934.6	2,227.5	2,911.3	4,570.8
OP	-140.3	-121.1	9.0	10.7	9.8	17.1	26.5	36.9	-241.6	90.3	205.0
Pretax profit	-145.4	-145.1	-16.0	-14.3	-4.6	2.7	12.1	22.3	-320.8	32.6	142.4
NP	-110.9	-111.7	-12.8	-11.5	-3.9	2.3	10.3	19.0	-246.9	27.7	121.0
OP margin	-38.4	-23.3	1.4	1.6	1.8	2.6	3.3	4.0	-10.8	3.1	4.5
Pretax margin	-39.9	-27.9	-2.4	-2.1	-0.9	0.4	1.5	2.4	-14.4	1.1	3.1
Net margin	-30.4	-21.5	-2.0	-1.7	-0.7	0.4	1.3	2.0	-11.1	1.0	2.6
Growth (QoQ/YoY)											
Revenue	-0.1	42.6	25.7	5.3	-23.2	23.7	21.2	17.8	16.8	30.7	57.0
OP	RR	RR	TTB	18.5	-8.7	75.2	55.0	39.3	RR	TTB	127.0
Pretax profit	RR	RR	RR	RR	RR	TTB	340.6	84.3	RR	TTB	336.6
NP	RR	RR	RR	RR	RR	TTB	340.6	84.3	RR	TTB	336.6

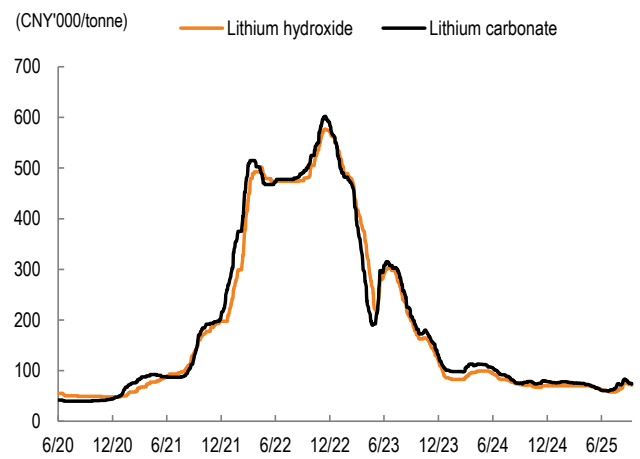
Source: Company data, Mirae Asset Securities Research

Figure 1. Quarterly revenue and OP margin

Figure 2. Lithium price trend



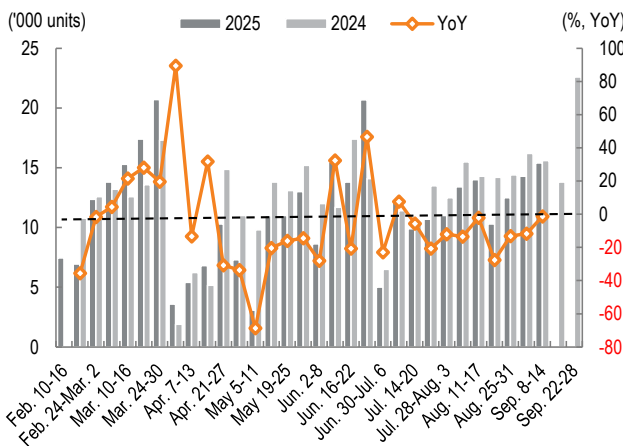
Source: Mirae Asset Securities Research



Source: ICC Battery, Mirae Asset Securities Research

Figure 3. Tesla's weekly Chinese sales

Figure 4. Tesla's German plant plans to lift production



Note: Based on weekly insurance registration data
Source: CnEVPost, X, Mirae Asset Securities Research

Tesla's German plant plans to lift production, factory boss tells DPA news agency

By Reuters
September 14, 2025 7:57 PM CMT+9 - Updated September 14, 2025



A view of the building of Tesla's production plant in Gruenheide outside Berlin, Germany, March 5, 2024. REUTERS/Lisa Hiepner/Photo Purchase Licensing Rights

Source: Reuters, Mirae Asset Securities Research

L&F (066970 KS)

Income statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Revenue	1,907	2,227	2,911	4,571
Cost of revenue	2,371	2,379	2,728	4,238
GP	-464	-152	183	333
SG&A expenses	95	90	93	128
OP (adj.)	-559	-242	90	205
OP	-559	-242	90	205
Non-operating profit	39	-79	-57	-63
Net financial income	-101	0	-69	-69
Net income from associates	0	0	0	0
Pretax profit	-520	-321	33	142
Income tax	-139	-74	5	21
Profit from continuing operations	-381	-247	28	121
Profit from discontinued operations	0	0	0	0
NP	-381	-247	28	121
Attributable to owners	-378	-247	28	121
Attributable to minority interests	-3	0	0	0
Total comprehensive income	-384	-247	28	121
Attributable to owners	-381	-246	28	121
Attributable to minority interests	-3	-1	0	0
EBITDA	-495	-167	171	304
FCF	73	-333	-67	91
EBITDA margin (%)	-26.0	-7.5	5.9	6.7
OP margin (%)	-29.3	-10.9	3.1	4.5
Net margin (%)	-19.8	-11.1	1.0	2.6

Balance sheet (summarized)

(Wbn)	2024	2025F	2026F	2027F
Current assets	1,090	1,424	1,547	2,026
Cash & equivalents	280	306	171	192
AR & other receivables	214	403	543	768
Inventory	575	712	830	1,063
Other current assets	21	3	3	3
Non-current assets	1,710	1,781	1,800	1,701
Investments in associates	136	136	136	136
PP&E	1,260	1,300	1,322	1,225
Intangible assets	17	14	11	9
Total assets	2,800	3,204	3,347	3,727
Current liabilities	1,552	2,239	2,350	2,603
AP & other payables	192	362	457	679
Short-term financial liabilities	1,336	1,832	1,832	1,832
Other current liabilities	24	45	61	92
Non-current liabilities	524	490	493	499
Long-term financial liabilities	519	480	480	480
Other non-current liabilities	5	10	13	19
Total liabilities	2,076	2,728	2,843	3,102
Equity attributable to owners	713	464	492	613
Capital stock	18	18	18	18
Capital surplus	702	224	224	224
Retained earnings	-23	208	236	357
Minority interests	10	12	12	12
Shareholders' equity	723	476	504	625

Cash flow statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Operating cash flow	281	-222	33	91
NP	-381	-247	28	121
Non-cash income/expenses	-77	84	154	190
Depreciation	60	71	78	97
Amortization	3	3	3	2
Other	-140	10	73	91
Chg. in working capital	776	-83	-144	-199
Chg. in AR & other receivables	209	-297	-121	-184
Chg. in inventory	589	-212	-119	-233
Chg. in AP & other payables	-88	271	53	97
Income tax	0	39	-5	-21
Cash flow from investing activities	-240	-107	-95	5
Chg. in PP&E	-208	-111	-100	0
Chg. in intangible assets	-2	0	0	0
Chg. in financial assets	12	6	0	0
Other	-42	-2	5	5
Cash flow from financing activities	-20	356	-74	-74
Chg. in financial liabilities	-179	457	0	0
Chg. in equity	-2	-478	0	0
Dividends	0	0	0	0
Other	161	377	-74	-74
Chg. in cash	38	27	-135	21
Beginning balance	241	280	306	171
Ending balance	280	306	171	192

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

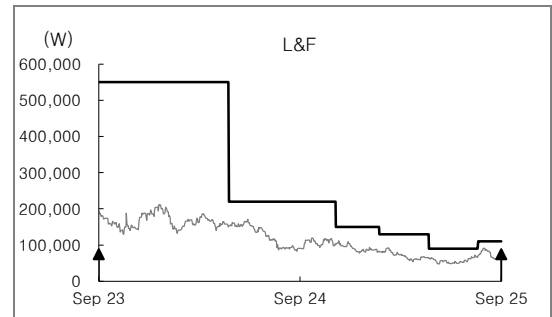
	2024	2025F	2026F	2027F
P/E (x)	-	-	92.7	21.2
P/CF (x)	-	-	14.1	8.3
P/B (x)	4.1	5.4	5.1	4.1
EV/EBITDA (x)	-	-	27.6	15.4
EPS (W)	-10,416	-6,798	763	3,332
CFPS (W)	-12,602	-4,500	5,008	8,566
BPS (W)	19,859	12,980	13,743	17,075
DPS (W)	0	0	0	0
Dividend payout ratio (%)	0.0	0.0	0.0	0.0
Dividend yield (%)	0.0	0.0	0.0	0.0
Revenue growth (%)	-58.9	16.8	30.7	57.0
EBITDA growth (%)	RR	RR	TTB	77.9
OP growth (%)	RR	RR	TTB	127.0
EPS growth (%)	RR	RR	TTB	336.6
AR turnover (x)	6.3	8.6	7.3	8.3
Inventory turnover (x)	2.2	3.5	3.8	4.8
AP turnover (x)	21.4	21.1	15.7	17.0
ROA (%)	-12.4	-8.2	0.8	3.4
ROE (%)	-41.7	-41.9	5.8	21.9
ROIC (%)	-18.2	-11.3	3.6	7.8
Debt-to-equity ratio (%)	287.1	573.2	564.5	496.6
Current ratio (%)	70.2	63.6	65.8	77.8
Net debt-to-equity ratio (%)	217.0	420.8	424.6	338.9
Interest coverage ratio (x)	-5.3	0.0	1.2	2.8

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
L&F(066970)	08/05/25	Buy	110,000
	05/08/25	Buy	90,000
	02/07/25	Buy	130,000
	11/20/24	Buy	150,000
	05/10/24	Buy	220,000
	05/30/23	Buy	550,000



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.

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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