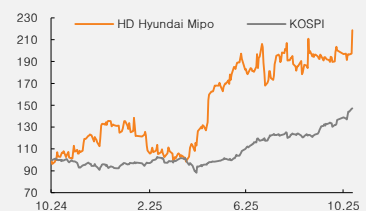


(Maintain)	Buy
Target price	W270,000
Current price (10/21/25)	W224,000
Upside	20.5%

OP (25F, Wbn)	405
Consensus OP (25F, Wbn)	376
EPS growth (25F, %)	131.6
Market EPS growth (25F, %)	26.2
P/E (25F, x)	36.6
Market P/E (25F, x)	14.0
KOSPI	3,823.84

Market cap (Wbn)	8,947
Shares (mn)	40
Free float (%)	57.0
Foreign ownership (%)	21.6
Beta (12M)	0.49
52-week low (W)	100,700
52-week high (W)	224,000

(%)	1M	6M	12M
Absolute	13.9	72.3	112.7
Relative	2.6	12.1	44.9



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HD Hyundai Mipo

OP to beat consensus by 28%

3Q25 preview: OP to beat consensus by 28%

For 3Q25, we expect HD Hyundai Mipo to post revenue of W1.22tr (+13% YoY; 1.8% above the consensus), operating profit of W121.8bn (+246% YoY; 27.6% above the consensus), and an OP margin of 10%. Earnings likely significantly outperformed expectations thanks to: 1) a one-off settlement payment from KiwiRail related to the cancellation of a contract for two RoPax vessels (New Zealand); 2) additional shifts by foreign workers during the holiday period (offsetting the impact of fewer working days); and 3) a more favorable vessel mix (boosting profitability).

Drag from low-priced container ships removed; profit recovery to accelerate

As noted in our 2Q25 review report, mix improvements (in terms of both order year and vessel type) are likely to provide a clear boost to 2H25 earnings. For 3Q25, we estimate that 21% of revenue came from orders won in 2022 or earlier, 56% from those won in 2023, and 23% from those won in 2024. By vessel type, we believe revenue came almost entirely from MR tankers (62%) and medium gas carriers (MGCs; 37%), with low-priced feeder container ship deliveries now out of the way. From 2026, the recognition of LNG bunkering vessel orders should lift overall margins to the low-10% range.

In 1H25, the company secured new orders worth US\$2.05bn (six LNG bunkering vessels, one MR tanker, five MGCs, and 18 feeder ships), achieving 53.9% of its full-year order target (US\$3.8bn). For MR tankers, we see a rising likelihood of newbuilding orders due to: 1) increased demand for petroleum product transport (tied to global commitments to purchase US energy); and 2) demand stemming from the US's strategic commercial fleet program. In the mid-sized feeder container ship segment, the high share of aging vessels points to potential replacement demand. As for LNG bunkering vessels, demand is likely to rise due to the expansion of the LNG dual-fuel fleet. All in all, we expect HD Hyundai Mipo to maintain a stable order backlog.

Maintain Buy and TP of W270,000

We maintain our Buy rating on HD Hyundai Mipo with a target price of W270,000. Following the merger with HD Hyundai Heavy Industries (HD HHI), the company plans to dedicate two of its four docks to the construction of special-purpose/naval vessels. For such vessels, anticipated export contracts by end-2025 include icebreakers for Sweden and two offshore patrol vessels (OPVs) for Morocco. The company aims to increase dock revenue from W4.6tr currently to W10.7tr in 2030 and W12.5tr in 2035, pointing to a further strengthening of the shipbuilding business.

(Dec.)	2023	2024	2025F	2026F	2027F
Revenue (Wbn)	4,039	4,630	5,021	5,880	6,314
OP (Wbn)	-153	89	405	608	776
OP margin (%)	-3.8	1.9	8.1	10.3	12.3
NP (Wbn)	-143	106	244	470	605
EPS (W)	-3,579	2,642	6,120	11,771	15,137
ROE (%)	-7.0	5.3	11.2	18.9	20.9
P/E (x)	-	50.8	36.6	19.0	14.8
P/B (x)	1.7	2.6	3.9	3.3	2.9
Dividend yield (%)	0.0	0.5	1.0	1.8	1.8

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

Source: Company data, Mirae Asset Securities Research estimates

Table 1. Earnings forecast revisions

(Wbn)

	Revised			Previous			Chg.		
	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F
Order backlog	13,601	15,607	16,424	13,656	15,564	16,344	-0.4%	0.3%	0.5%
Order backlog/revenue (years)	2.7	2.7	2.6	2.7	2.7	2.6	0.3%	-1.7%	0.0%
New orders	5,826	7,886	7,131	5,902	7,772	7,063	-1.3%	1.5%	1.0%
New orders/revenue (years)	1.2	1.3	1.1	1.2	1.3	1.1	-3.3%	3.2%	2.7%
Revenue	5,021	5,880	6,314	5,042	5,864	6,283	-0.4%	0.3%	0.5%
OP	405	608	776	362	607	775	11.8%	0.2%	0.2%
OP margin (%)	8.1	10.3	12.3	7.2	10.4	12.3	0.9%p	-0.1%p	0.0%p
NP (att. to owners of the parent)	244	470	605	277	481	619	-11.7%	-2.3%	-2.3%
Net margin (%)	4.9	8.0	9.6	5.5	8.2	9.9	-0.6%p	-0.2%p	-0.3%p
EPS (W)	6,120	11,771	15,137	6,943	12,043	15,495	-11.8%	-2.3%	-2.3%

Source: Mirae Asset Securities Research

Table 2. Quarterly and annual earnings

(Wbn)

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25F	4Q25F	2024	2025F	2026F	2027F
Order backlog	10,454	12,213	12,195	12,796	12,257	12,090			12,796	13,601	15,607	16,424
Revenue	1,000	1,129	1,078	1,423	1,184	1,235	1,218	1,385	4,630	5,021	5,880	6,314
YoY (%)	10.0	9.3	8.4	29.0	18.3	9.3	13.0	-2.6	14.6	8.5	17.1	7.4
OP	-11	17	35	47	69	89	122	125	89	405	608	776
YoY (%)	RR	TTB	TTB	TTB	TTB	413.2	245.5	166.3	TTB	357.0	50.3	27.7
OP margin (%)	-1.1	1.5	3.3	3.3	5.8	7.2	10.0	9.0	1.9	8.1	10.3	12.3
NP attr. to owners of the parent	2	27	0	76	49	22	81	92	105	244	470	605
YoY (%)	TTB	TTB	TTB	TTB	2,534.4	-18.5	TTB	20.2	TTB	140.9	94.9	28.6
Net margin attr. to owners of the parent (%)	0.2	2.4	0.0	5.4	4.1	1.8	6.7	6.6	2.3	4.9	8.0	9.6

Source: Company data, Mirae Asset Securities Research

HD Hyundai Mipo (010620 KS)

Income statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Revenue	4,630	5,021	5,880	6,314
Cost of revenue	4,382	4,469	5,128	5,369
GP	248	552	752	945
SG&A expenses	159	148	143	168
OP (adj.)	89	405	608	776
OP	89	405	608	776
Non-operating profit	57	-101	-20	-20
Net financial income	-3	8	21	28
Net income from associates	0	-30	5	-8
Pretax profit	146	304	588	756
Income tax	33	32	57	73
Profit from continuing operations	113	273	531	683
Profit from discontinued operations	0	0	0	0
NP	113	273	531	683
Attributable to owners	106	244	470	605
Attributable to minority interests	8	28	61	79
Total comprehensive income	93	317	531	683
Attributable to owners	78	320	543	698
Attributable to minority interests	15	-3	-12	-15
EBITDA	167	490	697	868
FCF	216	440	813	900
EBITDA margin (%)	3.6	9.8	11.9	13.7
OP margin (%)	1.9	8.1	10.3	12.3
Net margin (%)	2.3	4.9	8.0	9.6

Balance sheet (summarized)

(Wbn)	2024	2025F	2026F	2027F
Current assets	2,787	3,153	4,088	5,082
Cash & equivalents	165	351	967	1,593
AR & other receivables	131	125	178	219
Inventory	271	258	282	330
Other current assets	2,220	2,419	2,661	2,940
Non-current assets	2,322	2,342	2,344	2,368
Investments in associates	0	0	0	0
PP&E	1,862	1,926	1,913	1,904
Intangible assets	21	20	19	17
Total assets	5,109	5,495	6,432	7,450
Current liabilities	2,706	3,027	3,551	4,071
AP & other payables	506	484	474	520
Short-term financial liabilities	350	307	284	284
Other current liabilities	1,850	2,236	2,793	3,267
Non-current liabilities	297	91	65	40
Long-term financial liabilities	280	74	46	18
Other non-current liabilities	17	17	19	22
Total liabilities	3,002	3,118	3,616	4,110
Equity attributable to owners	2,048	2,298	2,676	3,121
Capital stock	200	200	200	200
Capital surplus	82	82	82	82
Retained earnings	1,499	1,696	2,073	2,518
Minority interests	58	79	140	219
Shareholders' equity	2,106	2,377	2,816	3,340

Cash flow statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Operating cash flow	361	534	887	981
NP	113	273	531	683
Non-cash income/expenses	65	175	146	156
Depreciation	78	84	87	90
Amortization	0	2	2	2
Other	-13	89	57	64
Chg. in working capital	188	103	246	187
Chg. in AR & other receivables	34	5	-50	-34
Chg. in inventory	-30	5	-24	-48
Chg. in AP & other payables	30	-18	-24	19
Income tax	-1	-24	-57	-73
Cash flow from investing activities	-149	-293	-128	-167
Chg. in PP&E	-144	-94	-74	-82
Chg. in intangible assets	-7	-1	0	0
Chg. in financial assets	-245	10	-33	-65
Other	247	-208	-21	-20
Cash flow from financing activities	-363	-55	52	-10
Chg. in financial liabilities	-45	-248	-51	-29
Chg. in equity	0	0	0	0
Dividends	0	-47	-92	-160
Other	-318	240	195	179
Chg. in cash	-145	186	616	626
Beginning balance	310	165	351	967
Ending balance	165	351	967	1,593

Key valuation metrics/ratios

	2024	2025F	2026F	2027F
P/E (x)	50.8	36.6	19.0	14.8
P/CF (x)	30.0	20.0	13.2	10.7
P/B (x)	2.6	3.9	3.3	2.9
EV/EBITDA (x)	34.3	18.5	12.6	9.4
EPS (W)	2,642	6,120	11,771	15,137
CFPS (W)	4,472	11,199	16,945	21,015
BPS (W)	51,439	57,694	67,152	78,284
DPS (W)	710	2,316	4,011	4,011
Dividend payout ratio (%)	25.0	33.9	30.1	23.4
Dividend yield (%)	0.5	1.0	1.8	1.8
Revenue growth (%)	14.6	8.5	17.1	7.4
EBITDA growth (%)	TTB	194.0	42.2	24.6
OP growth (%)	TTB	357.0	50.3	27.7
EPS growth (%)	TTB	131.6	92.3	28.6
AR turnover (x)	44.7	58.4	54.3	42.1
Inventory turnover (x)	18.5	19.0	21.8	20.6
AP turnover (x)	12.9	12.9	15.8	16.7
ROA (%)	2.3	5.1	8.9	9.8
ROE (%)	5.3	11.2	18.9	20.9
ROIC (%)	3.2	19.2	30.4	44.3
Debt-to-equity ratio (%)	142.5	131.1	128.4	123.1
Current ratio (x)	103.0	104.2	115.1	124.8
Net debt-to-equity ratio (%)	13.8	2.5	-10.5	-28.4
Interest coverage ratio (x)	4.5	72.6	203.1	317.2

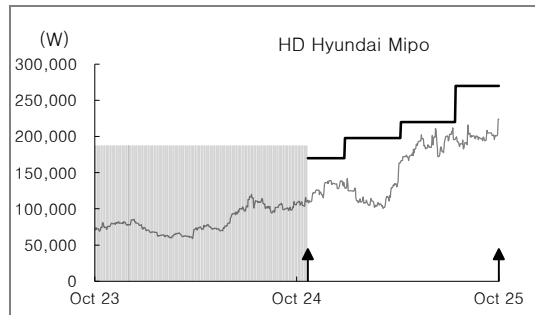
Source: Company data, Mirae Asset Securities Research estimates

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
HD Hyundai Mipo (010620)	08/05/25	Buy	270,000
	04/28/25	Buy	220,000
	01/17/25	Buy	198,000
	11/11/24	Buy	170,000



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	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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