

(Maintain)	Buy
Target price	W180,000
Current price (1/2/26)	W94,300
Upside	90.9%

OP (25F, Wbn)	-200
Consensus OP (25F, Wbn)	-228
EPS growth (25F, %)	RR
Market EPS growth (25F, %)	34.0
P/E (25F, x)	-
Market P/E (25F, x)	14.9
KOSPI	4,309.63

Market cap (Wbn)	3,794
Shares (mn)	40
Free float (%)	70.3
Foreign ownership (%)	17.7
Beta (12M)	1.87
52-week low (W)	47,800
52-week high (W)	147,000

(%)	1M	6M	12M
Absolute	-27.0	85.6	21.7
Relative	-32.3	32.5	-32.3



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Standing out on its own

Take the recent correction as a buying opportunity

We maintain our target price of W180,000 on L&F and continue to recommend the stock as our top pick in the battery materials sector. We believe the company's fundamentals will remain largely insulated from market concerns over a slowdown in North American EV demand. The corrective disclosure related to orders for direct supply to a North American OEM—announced late last year—largely represents a retrospective confirmation of the downcycle already reflected in earnings over the past two years, rather than a new negative development. As such, we see limited risk of extreme outcomes such as a severance of the customer relationship. Rather, alongside new product launches (e.g., Cybercap), specifications for Tesla's 4680 platform appear to be nearing finalization, raising the possibility that supply of 95Ni cathodes for 4680 cells could begin to ramp up in 2Q26–3Q26.

4Q25 preview: Standing out

For 4Q25, we forecast L&F to report revenue of W658.6bn (flat QoQ) and operating profit of W39.0bn (+76% QoQ). While shipments across the sector are expected to remain weak through 4Q25–1Q26 amid softer North American EV demand, we expect L&F to sustain stable shipment volumes, supported by continued supply for Tesla's new products. We also expect meaningful reversals of inventory valuation allowances, reflecting the sharp rise in lithium prices in 4Q25 (as of end-4Q25: lithium carbonate spot prices +65% QoQ; lithium hydroxide spot prices +35% QoQ).

Relative to peers, L&F benefits from (1) lower exposure to North American EV demand and (2) a relatively larger balance of inventory valuation allowances, supporting continued reversals. As a result, we expect a solid earnings trajectory to extend into 2026. For 2026, we forecast revenue of W3.1tr (+41% YoY) and operating profit of W165bn (turning profitable YoY). We raise our 2026 operating profit estimate by 9%, reflecting (1) partial inclusion of direct supply volumes to Tesla and (2) spread expansion and allowance reversals driven by higher lithium pricing.

(Dec.)	2023	2024	2025F	2026F	2027F
Revenue (Wbn)	4,644	1,907	2,196	3,094	4,252
OP (Wbn)	-222	-559	-200	165	237
OP margin (%)	-4.8	-29.3	-9.1	5.3	5.6
NP (Wbn)	-194	-378	-328	103	181
EPS (W)	-5,372	-10,416	-8,860	2,563	4,503
ROE (%)	-16.4	-41.7	-59.8	23.6	31.3
P/E (x)	-	-	-	36.8	20.9
P/B (x)	6.7	4.1	9.8	7.7	5.6
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

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Timing of direct supply to North American OEMs to be critical in 2026

L&F has secured an early-mover advantage through its proactive investment in ESS-use LFP cathode materials. That said, while ESS LFP represents an important multiple driver, it is unlikely to deliver a meaningful near-term uplift to consolidated earnings. Instead, the key swing factor for 2026-27 earnings will be the timing and scale of direct supply volumes for Tesla's 4680 platform.

Based on our latest industry research, specifications for Tesla's in-house 4680 cells appear to be nearing finalization, with some value-chain players reportedly beginning supply as early as 1Q25. We estimate that L&F could supply up to 30,000 tonnes of 95Ni cathode materials for Tesla's direct procurement in 2026, equivalent to 23GWh.

Table 1. Quarterly and annual earnings

(Wbn, %)

	1Q25	2Q25	3Q25	4Q25F	1Q26F	2Q26F	3Q26F	4Q26F	2025F	2026F	2027F
Revenue	364.8	520.1	652.3	658.6	693.8	700.7	853.1	846.8	2,195.9	3,094.4	4,252.0
OP	-140.3	-121.1	22.1	39.0	39.9	34.3	47.8	43.0	-200.3	165.0	237.5
Pretax profit	-145.4	-145.2	-101.5	15.8	28.2	23.5	37.8	31.9	-376.3	121.4	215.3
NP	-110.9	-111.9	-118.2	12.7	23.9	19.9	32.1	27.1	-328.4	103.1	181.1
OP margin	-38.4	-23.3	3.4	5.9	5.7	4.9	5.6	5.1	-9.1	5.3	5.6
Pretax margin	-39.9	-27.9	-15.6	2.4	4.1	3.4	4.4	3.8	-17.1	3.9	5.1
Net margin	-30.4	-21.5	-18.1	1.9	3.4	2.8	3.8	3.2	-15.0	3.3	4.3
Growth (QoQ/YoY)											
Revenue	-0.1	42.6	25.4	1.0	5.3	1.0	21.7	-0.7	15.1	40.9	37.4
OP	RR	RR	TTB	76.2	2.4	-14.0	39.4	-10.1	RR	TTB	44.0
Pretax profit	RR	RR	RR	TTB	77.8	-16.7	61.1	-15.6	RR	TTB	77.3
NP	RR	RR	RR	TTB	88.9	-16.7	61.1	-15.6	RR	TTB	75.7

Source: Company data, Mirae Asset Securities Research

L&F (066970 KS)

Income statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Revenue	1,907	2,196	3,094	4,252
Cost of revenue	2,371	2,308	2,830	3,895
GP	-464	-112	264	357
SG&A expenses	95	88	100	119
OP (adj.)	-559	-200	165	237
OP	-559	-200	165	237
Non-operating profit	39	-176	-44	-22
Net financial income	-101	0	-64	-62
Net income from associates	0	-1	0	0
Pretax profit	-520	-376	121	215
Income tax	-139	-47	18	32
Profit from continuing operations	-381	-329	103	183
Profit from discontinued operations	0	0	0	0
NP	-381	-329	103	183
Attributable to owners	-378	-328	103	181
Attributable to minority interests	-3	-1	0	2
Total comprehensive income	-384	-329	103	183
Attributable to owners	-381	-328	103	183
Attributable to minority interests	-3	-1	0	0
EBITDA	-495	-116	246	337
FCF	73	-160	-25	28
EBITDA margin (%)	-26.0	-5.3	8.0	7.9
OP margin (%)	-29.3	-9.1	5.3	5.6
Net margin (%)	-19.8	-14.9	3.3	4.3

Balance sheet (summarized)

(Wbn)	2024	2025F	2026F	2027F
Current assets	1,090	1,182	1,362	1,895
Cash & equivalents	280	238	150	116
AR & other receivables	214	385	496	704
Inventory	575	551	709	1,068
Other current assets	21	8	7	7
Non-current assets	1,710	1,806	1,826	1,727
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	2,988	3,187	3,621
Current liabilities	1,552	2,188	2,281	2,526
AP & other payables	192	346	427	644
Short-term financial liabilities	1,336	1,799	1,799	1,799
Other current liabilities	24	43	55	83
Non-current liabilities	524	412	414	420
Long-term financial liabilities	519	403	403	403
Other non-current liabilities	5	9	11	17
Total liabilities	2,076	2,599	2,696	2,947
Equity attributable to owners	713	384	488	669
Capital stock	18	18	18	18
Capital surplus	702	225	225	225
Retained earnings	-23	126	230	411
Minority interests	10	4	4	6
Shareholders' equity	723	388	492	675

Cash flow statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Operating cash flow	281	-36	75	28
NP	-381	-329	103	183
Non-cash income/expenses	-77	226	162	194
Depreciation	60	81	78	97
Amortization	3	3	3	2
Other	-140	142	81	95
Chg. in working capital	776	122	-172	-316
Chg. in AR & other receivables	209	-396	-92	-166
Chg. in inventory	589	-2	-157	-360
Chg. in AP & other payables	-88	425	40	92
Income tax	0	-3	-18	-32
Cash flow from investing activities	-240	-139	-93	8
Chg. in PP&E	-208	-123	-100	0
Chg. in intangible assets	-2	-1	0	0
Chg. in financial assets	12	6	0	0
Other	-42	-21	7	8
Cash flow from financing activities	-20	137	-70	-70
Chg. in financial liabilities	-179	346	0	0
Chg. in equity	-2	-477	0	0
Dividends	0	0	0	0
Other	161	268	-70	-70
Chg. in cash	38	-41	-88	-34
Beginning balance	241	280	238	150
Ending balance	280	238	150	116

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

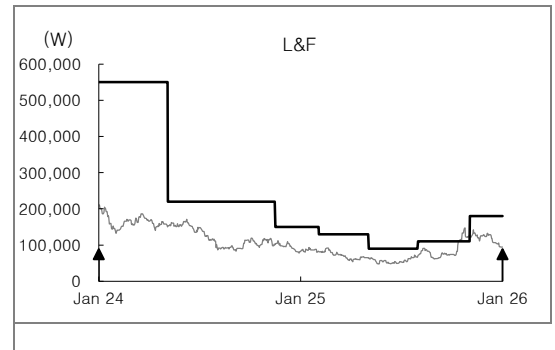
	2024	2025F	2026F	2027F
P/E (x)	-	-	36.8	20.9
P/CF (x)	-	-	14.3	10.1
P/B (x)	4.1	9.8	7.7	5.6
EV/EBITDA (x)	-	-	23.8	17.5
EPS (W)	-10,416	-8,860	2,563	4,503
CFPS (W)	-12,602	-2,785	6,601	9,363
BPS (W)	19,859	9,746	12,308	16,811
DPS (W)	0	0	0	0
Dividend payout ratio (%)	0.0	0.0	0.0	0.0
Dividend yield (%)	0.0	0.0	0.0	0.0
Revenue growth (%)	-58.9	15.1	40.9	37.4
EBITDA growth (%)	RR	RR	TTB	37.1
OP growth (%)	RR	RR	TTB	44.0
EPS growth (%)	RR	RR	TTB	75.7
AR turnover (x)	6.3	8.7	8.4	8.5
Inventory turnover (x)	2.2	3.9	4.9	4.8
AP turnover (x)	21.4	21.0	17.6	17.1
ROA (%)	-12.4	-11.4	3.3	5.4
ROE (%)	-41.7	-59.8	23.6	31.3
ROIC (%)	-18.2	-12.1	7.2	9.3
Debt-to-equity ratio (%)	287.1	669.1	548.3	436.8
Current ratio (%)	70.2	54.0	59.7	75.0
Net debt-to-equity ratio (%)	217.0	503.6	415.9	308.1
Interest coverage ratio (x)	-5.3	0.0	2.3	3.4

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
L&F (066970)	11/07/25	Buy	180,000
	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	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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