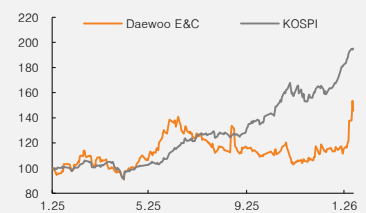


(Maintain)	Buy
Target price	▲ W6,500
Current price (1/21/26)	W4,765
Upside	36.4%

OP (25F, Wbn)	371
Consensus OP (25F, Wbn)	386
EPS growth (25F, %)	TTR
Market EPS growth (25F, %)	35.0
P/E (25F, x)	-
Market P/E (25F, x)	16.9
KOSPI	4,909.93

Market cap (Wbn)	1,980
Shares (mn)	416
Free float (%)	48.0
Foreign ownership (%)	10.1
Beta (12M)	0.70
52-week low (W)	2,970
52-week high (W)	5,020

(%)	1M	6M	12M
Absolute	26.7	19.3	51.5
Relative	3.8	-22.0	-22.3



Mirae Asset Securities Co., Ltd.

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Daewoo E&C

Ready for entry into the global nuclear market

First overseas nuclear EPC contract to be secured in 2026

In 2026, we expect Daewoo E&C to secure its first-ever overseas nuclear power EPC contract (the Czech project). In Jun. 2025, the Team Korea consortium, led by Korea Hydro & Nuclear Power (KHNP), signed a contract with CEZ for units 5 and 6 of the Dukovany nuclear power plant. While the EPC contract with Daewoo E&C, initially expected in 2025, was delayed, KEPCO E&C and Doosan Enerbility disclosed in Dec. 2025 that they had signed contracts covering the engineering and procurement scopes, respectively. Provided KHNP's participation in the Czech project is not canceled, we believe a construction contract with Daewoo E&C will inevitably follow.

Broader overseas nuclear exposure expected via Team Korea

We are also encouraged by the firm's potential to expand its overseas nuclear presence via Team Korea. We believe that expectations for broader participation across the nuclear value chain via Team Korea are supported by recent developments, including: 1) discussions to revamp the dual-track nuclear export framework involving KEPCO and KHNP; 2) KEPCO's review of direct investments in US nuclear companies; and 3) KHNP's acquisition of a stake in TerraPower to facilitate SMR adoption.

Beyond the Czech project, Team Korea is targeting other large-scale overseas nuclear opportunities in Saudi Arabia, Romania, and Turkiye. Consequently, we expect Daewoo E&C's overseas nuclear order pipeline via Team Korea to expand and diversify further over time.

Raise TP to W6,500; our second-most preferred pick in the sector

We raise our target price for Daewoo E&C by 20% from W5,400 to W6,500 (target P/B raised from 0.5x to 0.6x, reflecting a 20% premium to the target P/B for housing peers) and recommend the stock as our second-most preferred pick. Despite the recent share rally, the Jan. 21 closing price remained below par value (W5,000), suggesting it is premature to raise valuation concerns.

Relative to Hyundai E&C, our sector top pick, Daewoo E&C faces limitations, stemming from: 1) restricted access to the North American and European markets due to a less extensive global partnership network; and 2) the absence of SMR-related upside. Nuclear projects secured through Team Korea entail both advantages and drawbacks: while they offer more stable margins than private-sector partnerships, the company's scope of involvement is largely confined to construction. Nevertheless, we believe Daewoo E&C's first tangible achievement in overseas nuclear projects and the potential for further expansion via Team Korea warrant a valuation re-rating. Even after the recent share price surge, the stock trades at a 2026F P/B of 0.44x, which we view as still attractive considering the housing peer average (0.35x) and Hyundai E&C (P/B 1.41x).

(Dec.)	2023	2024	2025F	2026F	2027F
Revenue (Wbn)	11,648	10,504	8,438	8,885	9,504
OP (Wbn)	663	403	371	479	561
OP margin (%)	5.7	3.8	4.4	5.4	5.9
NP (Wbn)	512	234	-33	294	386
EPS (W)	1,231	563	-80	707	929
ROE (%)	13.2	5.6	-0.8	6.9	8.5
P/E (x)	3.4	5.5	-	6.7	5.1
P/B (x)	0.4	0.3	0.4	0.4	0.4
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0

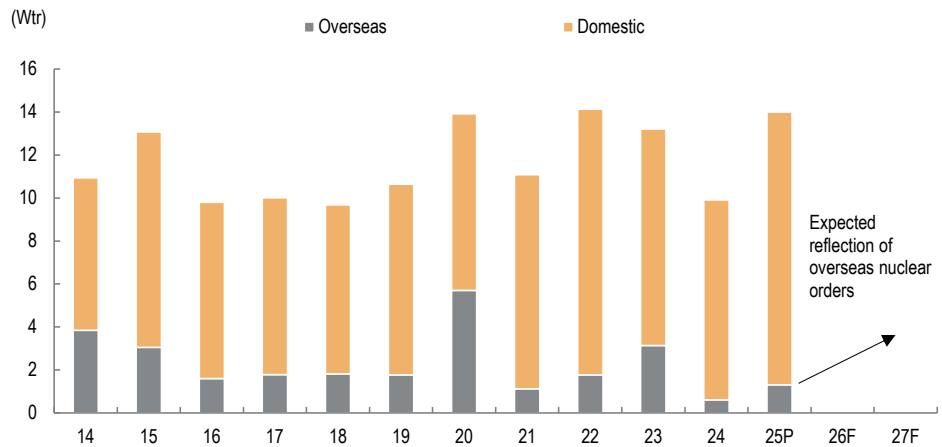
Notes: Under consolidated K-IFRS; NP is attributable to owners of the parent
Source: Company data, Mirae Asset Securities Research estimates

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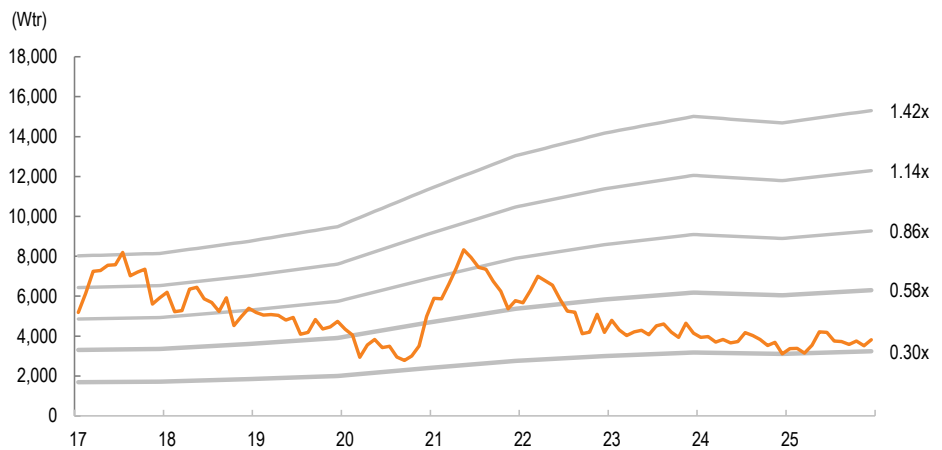
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Figure 1. Daewoo E&C: Domestic vs. overseas order intake



Source: Company data, Mirae Asset Securities Research

Figure 2. Daewoo E&C: 12-month forward P/B band chart



Source: Mirae Asset Securities Research

Table 1. Daewoo E&C: TP calculation (W, x)

	Value	Notes
BPS	10,779	2026F
Target P/B	0.6	20% premium to target P/B for housing-focused builders
Target price	6,500	Rounded
Current price	4,765	As of Jan. 21
Upside	36.4%	

Source: Mirae Asset Securities Research

Daewoo E&C (047040 KS)

Income statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Revenue	10,504	8,438	8,885	9,504
Cost of revenue	9,576	7,543	7,906	8,418
GP	928	895	979	1,086
SG&A expenses	524	523	500	525
OP (adj.)	403	371	479	561
OP	403	371	479	561
Non-operating profit	-45	-370	-43	10
Net financial income	-57	-66	-61	-54
Net income from associates	0	-82	3	4
Pretax profit	358	1	436	571
Income tax	116	31	131	171
Profit from continuing operations	243	-29	305	400
Profit from discontinued operations	0	0	0	0
NP	243	-29	305	400
Attributable to owners	234	-33	294	386
Attributable to minority interests	9	4	11	14
Total comprehensive income	239	-87	193	340
Attributable to owners	233	-100	157	276
Attributable to minority interests	6	13	36	64
EBITDA	526	485	597	683
FCF	-1,321	-175	325	423
EBITDA margin (%)	5.0	5.7	6.7	7.2
OP margin (%)	3.8	4.4	5.4	5.9
Net margin (%)	2.2	-0.4	3.3	4.1

Cash flow statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Operating cash flow	-1,284	-45	445	549
NP	243	-29	305	400
Non-cash income/expenses	461	490	326	362
Depreciation	114	106	109	112
Amortization	8	8	8	9
Other	339	376	209	241
Chg. in working capital	-1,873	-328	26	32
Chg. in AR & other receivables	-884	-161	-102	-44
Chg. in inventory	-119	31	122	145
Chg. in AP & other payables	-193	51	31	16
Income tax	-26	-76	-131	-171
Cash flow from investing activities	104	-9	-266	-228
Chg. in PP&E	-35	-122	-120	-126
Chg. in intangible assets	-6	-12	-9	-12
Chg. in financial assets	-10	124	-16	-20
Other	155	1	-121	-70
Cash flow from financing activities	1,170	789	-76	-88
Chg. in financial liabilities	1,320	736	-76	-88
Chg. in equity	13	0	0	0
Dividends	0	-2	0	0
Other	-163	55	0	0
Chg. in cash	180	681	98	224
Beginning balance	982	1,162	1,843	1,941
Ending balance	1,162	1,843	1,941	2,165

Source: Company data, Mirae Asset Securities Research estimates

Balance sheet (summarized)

(Wbn)	2024	2025F	2026F	2027F
Current assets	9,589	10,713	10,850	11,042
Cash & equivalents	1,162	1,843	1,941	2,165
AR & other receivables	3,400	3,677	3,799	3,870
Inventory	1,945	2,350	2,228	2,083
Other current assets	3,082	2,843	2,882	2,924
Non-current assets	3,070	3,024	3,055	3,100
Investments in associates	124	168	172	179
PP&E	380	402	413	426
Intangible assets	63	66	67	69
Total assets	12,658	13,737	13,905	14,141
Current liabilities	4,544	4,705	4,734	4,692
AP & other payables	1,082	1,043	1,121	1,159
Short-term financial liabilities	1,332	1,358	1,332	1,295
Other current liabilities	2,130	2,304	2,281	2,238
Non-current liabilities	3,780	4,757	4,703	4,641
Long-term financial liabilities	2,769	3,479	3,429	3,378
Other non-current liabilities	1,011	1,278	1,274	1,263
Total liabilities	8,324	9,462	9,437	9,333
Equity attributable to owners	4,291	4,196	4,378	4,704
Capital stock	2,078	2,078	2,078	2,078
Capital surplus	562	562	562	562
Retained earnings	2,183	2,152	2,446	2,832
Minority interests	43	79	90	104
Shareholders' equity	4,334	4,275	4,468	4,808

Key valuation metrics/ratios

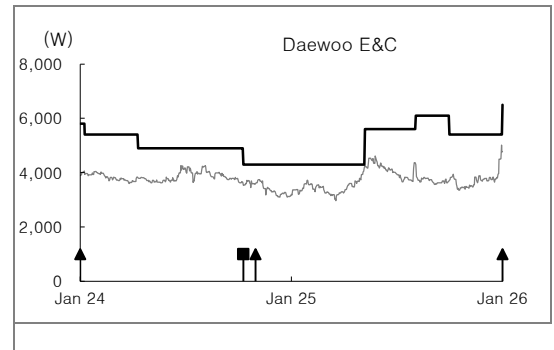
	2024	2025F	2026F	2027F
P/E (x)	5.5	-	6.7	5.1
P/CF (x)	1.8	3.4	3.1	2.6
P/B (x)	0.3	0.4	0.4	0.4
EV/EBITDA (x)	6.4	7.9	6.8	5.5
EPS (W)	563	-80	707	929
CFPS (W)	1,695	1,108	1,517	1,832
BPS (W)	10,569	10,341	10,779	11,563
DPS (W)	0	0	0	0
Dividend payout ratio (%)	0.0	0.0	0.0	0.0
Dividend yield (%)	0.0	0.0	0.0	0.0
Revenue growth (%)	-9.8	-19.7	5.3	7.0
EBITDA growth (%)	-33.4	-7.7	23.0	14.4
OP growth (%)	-39.2	-7.9	29.0	17.2
EPS growth (%)	-54.3	TTR	TTB	31.4
AR turnover (x)	4.5	2.9	3.0	3.1
Inventory turnover (x)	5.8	3.9	3.9	4.4
AP turnover (x)	33.4	32.2	33.7	32.6
ROA (%)	2.0	-0.2	2.2	2.9
ROE (%)	5.6	-0.8	6.9	8.5
ROIC (%)	5.6	-170.8	5.7	6.7
Debt-to-equity ratio (%)	192.1	221.3	211.2	194.1
Current ratio (%)	211.0	227.7	229.2	235.3
Net debt-to-equity ratio (%)	46.7	50.8	44.4	34.5
Interest coverage ratio (x)	2.5	2.0	2.3	2.7

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Daewoo E&C (047040)	01/22/26	Buy	6,500
	10/22/25	Buy	5,400
	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



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	79.76%	1.19%	19.05%	0%
Investment banking services	83.33%	0%	16.67%	0%

* Based on recommendations in the last 12-months (as of December 31, 2025)

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