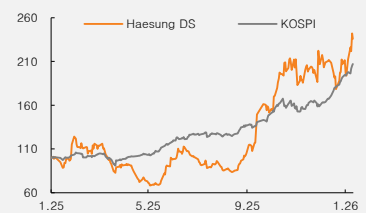


(Maintain)	Buy
Target price	▲ W90,000
Current price (1/29/26)	W62,000
Upside	45.2%

OP (25P, Wbn)	47
Consensus OP (25F, Wbn)	44
EPS growth (25P, %)	-41.0
Market EPS growth (25F, %)	36.0
P/E (25P, x)	27.3
Market P/E (25F, x)	17.9
KOSPI	5,221.25

Market cap (Wbn)	1,054
Shares (mn)	17
Free float (%)	61.8
Foreign ownership (%)	13.7
Beta (12M)	1.55
52-week low (W)	18,000
52-week high (W)	63,700

(%)	1M	6M	12M
Absolute	12.1	154.1	133.5
Relative	-9.4	57.2	13.5



Mirae Asset Securities Co., Ltd.

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Haesung DS

Margin pressure remains contained

Raise TP; robust leadframe market conditions

We raise our target price for Haesung DS to W90,000 (from W35,000), as we: 1) revised up our earnings forecasts (2026F EPS of W5,598; +167% YoY); and 2) applied a target P/E of 16x, in line with the 2026F average of domestic package substrate peers. Starting this year, leadframe utilization should improve sharply, while shipments of new DDR5 products should expand, driving improvements in product mix and ASP. We believe the leadframe market has moved beyond a simple recovery phase, with demand now being driven by structural changes in downstream customers' inventory policies. For 2026, we look for revenue of W793.3bn (+21% YoY) and operating profit of W116.8bn (+151% YoY). Rising utilization of high-margin leadframe products, together with an increasing share of DDR5 products and new customer acquisitions, should support a sustainable recovery in margins and earnings growth over the medium to long term.

Leadframe demand rebounding rapidly; margins defended by LME pass-through

The leadframe market has picked up on a meaningful recovery in order momentum from major global automotive semiconductor customers. Customers like Infineon, NXP, and STMicroelectronics are shifting away from conservative inventory management toward proactive restocking. This strategy appears aimed at preemptively building inventories in order to mitigate future cost pressures amid rising raw material prices. Despite this environment, Haesung DS is well positioned to pass rising LME prices through to prices, allowing it to defend margins even amid rising input costs. As utilization of high-margin leadframes increases, operating leverage should expand rapidly. We view 2026 as the starting point of a structural up-cycle for leadframes. Of note, Texas Instruments noted during its earnings call that inventory levels remain healthy (below 11 weeks; as low as six weeks for some products). Furthermore, rising automotive semiconductor content per vehicle and the growing number of customers seeking immediate supply point to improving market conditions.

Memory substrates: Cost pressures persist; new volume to provide support

Rising raw material prices have increased cost pressures across substrate manufacturers. However, we believe Haesung DS is relatively well positioned to defend profitability, supported by its reel-to-reel manufacturing process and incremental volumes driven by new customer additions both in Korea and overseas. The reel-to-reel process is optimized for continuous manufacturing, resulting in lower unit costs than single-sheet processing. As a result, the company retains a relative pricing advantage even amid higher input costs. In addition, the rollout of new DDR5 products incorporating process improvements should become more visible, supporting structural margin improvement.

(Dec.)	2023	2024	2025P	2026F	2027F
Revenue (Wbn)	672	603	653	793	854
OP (Wbn)	103	57	47	117	130
OP margin (%)	15.3	9.5	7.2	14.8	15.2
NP (Wbn)	84	59	35	95	110
EPS (W)	4,966	3,453	2,037	5,598	6,471
ROE (%)	17.5	11.0	6.1	15.4	15.6
P/E (x)	11.2	6.8	27.3	11.1	9.6
P/B (x)	1.8	0.7	1.6	1.6	1.4
Dividend yield (%)	1.6	3.4	1.4	1.3	1.6

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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Table 1. Quarterly and annual earnings

(Wbn, %)

	1Q25	2Q25	3Q25	4Q25P	1Q26F	2Q26F	3Q26F	4Q26F	2024	2025P	2026F
Revenue	137.5	157.4	178.6	179.9	192.0	197.4	200.8	203.0	603.0	653.3	793.3
<i>QoQ</i>	-5.3	14.5	13.5	0.7	6.7	2.8	1.8	1.1			
<i>YoY</i>	-11.2	2.5	19.5	23.9	39.7	25.4	12.5	12.9	-10.3	8.4	21.4
Automotive LFs	73.7	81.2	84.6	84.6	98.4	101.3	99.1	99.7	287.9	324.1	398.5
IT-use LFs	27.8	43.2	50.1	46.3	42.8	41.2	44.1	44.3	146.6	167.4	172.4
Package substrates	27.5	34.3	46.7	51.1	50.9	54.9	57.6	59.1	168.7	159.6	222.4
OP	0.4	8.2	16.1	21.8	25.5	28.3	30.8	32.2	56.9	46.5	116.8
<i>QoQ</i>	-94.3	2219.9	95.8	35.4	17.0	10.9	8.8	4.5			
<i>YoY</i>	-98.3	-54.3	37.6	248.2	7098.9	244.2	91.2	47.5	-44.5	-18.2	151.2
OP margin	0.3	5.2	9.0	12.1	13.3	14.3	15.3	15.9	9.4	7.1	14.7
Pretax profit	0.0	-0.8	18.8	25.1	177.8	177.6	177.6	177.6	67.0	43.1	114.0
NP attr. to owners	0.6	-0.4	14.1	20.4	1,952.7	580.8	702.2	844.6	58.7	34.6	95.2
Net margin	0.4	-0.3	7.9	11.4	1016.9	294.3	349.6	416.0	9.7	5.3	12.0

Source: Mirae Asset Securities Research

Haesung DS (195870 KS)

Income statement (summarized)

(Wbn)	2024	2025P	2026F	2027F
Revenue	603	653	793	854
Cost of revenue	492	555	642	662
GP	111	98	151	192
SG&A expenses	55	52	64	60
OP (adj.)	57	47	117	130
OP	57	47	117	130
Non-operating profit	10	-4	-3	1
Net financial income	0	-3	-4	-1
Net income from associates	0	0	0	0
Pretax profit	67	43	114	131
Income tax	8	8	19	21
Profit from continuing operations	59	35	95	110
Profit from discontinued operations	0	0	0	0
NP	59	35	95	110
Attributable to owners	59	35	95	110
Attributable to minority interests	0	0	0	0
Total comprehensive income	57	35	95	110
Attributable to owners	57	35	95	110
Attributable to minority interests	0	0	0	0
EBITDA	107	104	142	186
FCF	-88	-88	76	97
EBITDA margin (%)	17.7	15.9	17.9	21.8
OP margin (%)	9.5	7.2	14.8	15.2
Net margin (%)	9.8	5.4	12.0	12.9

Balance sheet (summarized)

(Wbn)	2024	2025P	2026F	2027F
Current assets	322	403	495	617
Cash & equivalents	84	88	118	213
AR & other receivables	120	149	180	194
Inventory	107	133	161	174
Other current assets	11	33	36	36
Non-current assets	472	579	565	563
Investments in associates	0	0	0	0
PP&E	425	527	516	515
Intangible assets	32	43	40	38
Total assets	794	982	1,061	1,180
Current liabilities	201	293	279	291
AP & other payables	73	90	109	118
Short-term financial liabilities	96	163	121	121
Other current liabilities	32	40	49	52
Non-current liabilities	36	111	122	133
Long-term financial liabilities	31	104	114	124
Other non-current liabilities	5	7	8	9
Total liabilities	238	405	402	424
Equity attributable to owners	556	577	659	755
Capital stock	85	85	85	85
Capital surplus	22	22	22	22
Retained earnings	449	470	552	648
Minority interests	0	0	0	0
Shareholders' equity	556	577	659	755

Cash flow statement (summarized)

(Wbn)	2024	2025P	2026F	2027F
Operating cash flow	61	93	116	147
NP	59	35	95	110
Non-cash income/expenses	73	74	77	73
Depreciation	48	54	51	50
Amortization	2	4	4	3
Other	23	16	22	20
Chg. in working capital	-60	-1	-33	-15
Chg. in AR & other receivables	-12	-25	-31	-13
Chg. in inventory	-21	-24	-28	-12
Chg. in AP & other payables	-9	4	5	2
Income tax	-11	-11	-19	-21
Cash flow from investing activities	-144	-215	-40	-49
Chg. in PP&E	-148	-180	-40	-50
Chg. in intangible assets	-11	-17	-1	-1
Chg. in financial assets	0	0	0	0
Other	15	-18	1	2
Cash flow from financing activities	27	127	-46	-4
Chg. in financial liabilities	47	140	-32	10
Chg. in equity	0	0	0	0
Dividends	-15	-14	-14	-14
Other	-5	1	0	0
Chg. in cash	-56	4	30	94
Beginning balance	140	84	88	118
Ending balance	84	88	118	213

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

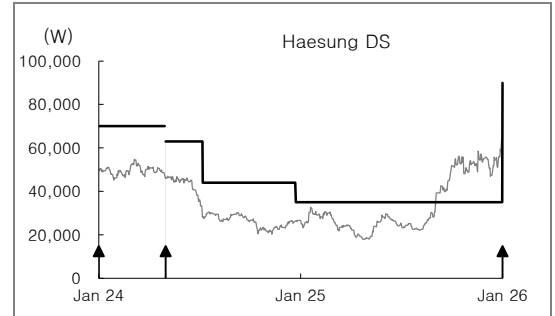
	2024	2025P	2026F	2027F
P/E (x)	6.8	27.3	11.1	9.6
P/CF (x)	3.0	8.7	6.1	5.8
P/B (x)	0.7	1.6	1.6	1.4
EV/EBITDA (x)	4.1	10.6	8.1	5.7
EPS (W)	3,453	2,037	5,598	6,471
CFPS (W)	7,751	6,373	10,112	10,782
BPS (W)	32,722	33,964	38,763	44,434
DPS (W)	800	800	800	1,000
Dividend payout ratio (%)	23.2	39.3	14.3	15.5
Dividend yield (%)	3.4	1.4	1.5	1.9
Revenue growth (%)	-10.3	8.4	21.4	7.6
EBITDA growth (%)	-27.3	-2.5	36.4	30.5
OP growth (%)	-44.5	-18.2	151.2	11.0
EPS growth (%)	-30.5	-41.0	174.8	15.6
AR turnover (x)	5.5	5.0	4.9	4.7
Inventory turnover (x)	6.1	5.4	5.4	5.1
AP turnover (x)	19.8	24.4	23.0	20.8
ROA (%)	7.9	3.9	9.3	9.8
ROE (%)	11.0	6.1	15.4	15.6
ROIC (%)	9.5	5.6	13.1	14.3
Debt-to-equity ratio (%)	42.8	70.1	61.0	56.2
Current ratio (%)	159.7	137.2	177.4	211.8
Net debt-to-equity ratio (%)	7.8	27.6	14.7	1.7
Interest coverage ratio (x)	17.9	6.5	12.9	15.0

Appendix 1

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Two-year rating and TP history

Company	Date	Rating	TP (W)
Haesung DS (195870)	01/30/26	Buy	90,000
	01/21/26	One year	35,000
	01/21/25	Buy	35,000
	08/06/24	Buy	44,000
	05/31/24	Buy	63,000
	05/30/24	No Coverage	
	11/30/23	Buy	70,000



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	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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