001120 KS · Energy

LX International

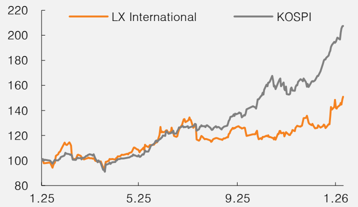
Weak earnings, but a rebound remains possible

Equity Research
February 2, 2026

(Maintain)	**Hold**
Target price	▲ **W38,000**
Current price (1/30/26)	W38,250
Downside	-0.7%

OP (25P, Wbn)	292
Consensus OP (25F, Wbn)	299
EPS growth (25P, %)	-19.2
Market EPS growth (25F, %)	36.0
P/E (25P, x)	8.9
Market P/E (25F, x)	17.9
KOSPI	5,224.36
Market cap (Wbn)	1,483
Shares (mn)	39
Free float (%)	64.9
Foreign ownership (%)	23.0
Beta (12M)	0.73
52-week low (W)	23,900
52-week high (W)	38,250

(%)	1M	6M	12M
Absolute	17.7	18.4	54.2
Relative	-5.1	-26.2	-25.1



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4Q25 review: Earnings miss on weak market conditions and one-off losses

For 4Q25, LX International reported operating profit of W55.5bn (vs. W64.8bn in 3Q25 and W94.2bn in 4Q24; below the consensus of W62.2bn). LX Glas failed to rebound, posting an operating loss of W7.6bn, while Poseung Green Power also remained in the red with a loss of W6.8bn. As a result, trading operating profit fell to W14.4bn (vs. W27.6bn in 4Q24).

Logistics operating profit declined to W33.1bn (vs. W50.9bn in 4Q24) due to persistently weak container market conditions. Resources operating profit was tepid at W8bn, as lower Indonesian coal prices and one-off losses of W7bn at the GAM mine drove a W1.3bn loss for the minerals business.

LX International recorded a net loss of W53.4bn. In addition to weak operating profit, non-operating profit deteriorated sharply due to an impairment loss of W89bn at LX Glas and the revaluation of other minority equity investments.

Earnings rebound expected in 2026 on market stabilization and base effects

The dissipation of one-off factors and gradual market stabilization should support a recovery in earnings going forward. In the resources division, the absence of one-off costs (e.g. mine maintenance expenses recognized in 4Q25), along with a rebound in Indonesian coal prices (to the high-US$40 range), should drive earnings improvement. In logistics, we expect volumes to recover after the end of the seasonal lull, while freight rate adjustments should stabilize amid supply control by shipping lines. We also expect profit contribution from the contract logistics business to expand, supported by strategic customer volumes. Trading earnings should likewise rebound as losses at Poseung Green Power and LX Glas narrow following the removal of one-off factors.

Raise TP to W38,000; maintain Hold

We raise our target price for LX International to W38,000 (from W30,000), as we revised up our target EV/EBITDA to 4x (from 3x) to reflect share price gains among peers and changed the valuation base year. With limited share upside, we maintain our Hold rating. Despite weak earnings, it is positive that the company maintained its 2025 DPS at W2,000, in line with the prior year. From a long-term perspective, valuation is low at a P/B of 0.5x; however, to outperform the market, we believe LX International needs clearer momentum from improving market conditions alongside new mine development and overseas asset acquisition opportunities.

(Dec.)	2023	2024	2025P	2026F	2027F
Revenue (Wbn)	14,514	16,638	16,706	16,836	17,225
OP (Wbn)	433	489	292	320	365
OP margin (%)	3.0	2.9	1.7	1.9	2.1
NP (Wbn)	117	176	142	193	222
EPS (W)	3,021	4,533	3,660	4,987	5,724
ROE (%)	5.2	7.1	5.3	7.0	7.6
P/E (x)	9.7	6.0	8.9	7.7	6.7
P/B (x)	0.5	0.4	0.5	0.5	0.5
Dividend yield (%)	4.1	7.4	6.2	5.5	5.5

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

Table 1. 4Q25 review (Wbn, %, %p)

	4Q24	3Q25	4Q25P			Growth	
			Preliminary	Mirae Asset Securities	Consensus	YoY	QoQ
Revenue	4,228	4,508	4,320	4,080	4,158	2.2	-4.2
OP	94	65	56	89	62	-41.1	-14.3
OP margin (%)	2.2	1.4	1.3	2.2	1.5	-42.3	-10.6
Pretax profit	-13	60	-40	81	55	RR	TTR
NP	-80	43	-53	49	37	RR	TTR

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

Table 2. Quarterly and annual earnings (Wbn, %).

	Previous		Revised		% chg.		Notes
	25F	26F	25P	26F	25P	26F	
Revenue	16,217	16,804	16,706	16,836	3.0	0.2	Reflected 4Q25 results
OP	323	374	292	320	-9.7	-14.6	Revised down logistics margins
Pretax profit	325	339	203	286	-37.6	-15.5	
NP	239	217	142	193	-40.5	-10.9	Reflected one-off costs
EPS (W)	6,154	5,596	3,660	4,987	-40.5	-10.9	

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

Table 3. Quarterly and annual earnings (Wbn)

	1Q25	2Q25	3Q25	4Q25P	1Q26F	2Q26F	3Q26F	4Q26F	2025P	2026F	2027F
Revenue	4,048	3,830	4,508	4,320	3,968	3,923	4,577	4,367	16,706	16,836	17,225
Trading/new growth	1,731	1,631	2,241	2,014	1,783	1,677	2,299	2,062	7,617	7,821	8,031
Resources	309	268	324	317	277	277	277	277	1,218	1,107	1,128
Logistics	2,009	1,931	1,943	1,989	1,908	1,970	2,001	2,028	7,872	7,908	8,066
OP	117	55	65	56	92	66	82	80	292	320	365
Trading/new growth	38	11	17	14	30	20	28	31	80	109	121
Resources	34	9	11	8	26	16	17	15	62	74	103
Logistics	45	35	37	33	36	30	38	34	150	137	141
Pretax profit	117	65	60	-40	71	64	79	72	203	286	329
NP	100	53	43	-53	48	43	53	48	142	193	222
OP margin (%)	2.9	1.4	1.4	1.3	2.3	1.7	1.8	1.8	1.7	1.9	2.1
Pretax margin (%)	2.9	1.7	1.3	-0.9	1.8	1.6	1.7	1.6	1.2	1.7	1.9
Net margin (%)	2.7	1.5	1.0	-1.3	1.3	1.2	1.3	1.2	0.8	1.1	1.3

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

LX International (001120 KS)

Income statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Revenue	**16,638**	**16,706**	**16,836**	**17,225**
Cost of revenue	**15,131**	**15,329**	**15,337**	**15,893**
GP	**1,507**	**1,377**	**1,499**	**1,332**
SG&A expenses	**1,018**	**1,085**	**1,179**	**967**
OP (adj.)	**489**	**292**	**320**	**365**
OP	**489**	**292**	**320**	**365**
Non-operating profit	**-29**	**-89**	**-34**	**-36**
Net financial income	-85	-92	-81	-82
Net income from associates	181	133	67	44
Pretax profit	460	203	286	329
Income tax	191	45	72	82
Profit from continuing operations	269	158	215	247
Profit from discontinued operations	0	0	0	0
NP	**269**	**158**	**215**	**247**
Attributable to owners	176	142	193	222
Attributable to minority interests	94	16	21	25
Total comprehensive income	**508**	**120**	**215**	**247**
Attributable to owners	357	117	185	212
Attributable to minority interests	151	3	30	35
EBITDA	853	689	715	786
FCF	617	-64	138	161
EBITDA margin (%)	5.1	4.1	4.2	4.6
OP margin (%)	2.9	1.7	1.9	2.1
Net margin (%)	1.1	0.8	1.1	1.3

Balance sheet (summarized)

(Wbn)	2024	2025F	2026F	2027F
Current assets	**4,577**	**4,668**	**4,637**	**4,850**
Cash & equivalents	1,218	1,236	1,167	1,304
AR & other receivables	1,733	1,771	1,791	1,830
Inventory	878	897	907	926
Other current assets	748	764	772	790
Non-current assets	**4,354**	**4,633**	**4,646**	**4,691**
Investments in associates	682	697	705	720
PP&E	1,745	2,102	2,182	2,280
Intangible assets	1,280	1,183	1,108	1,039
Total assets	**8,931**	**9,301**	**9,283**	**9,541**
Current liabilities	**3,397**	**3,183**	**3,198**	**3,276**
AP & other payables	1,772	1,810	1,830	1,870
Short-term financial liabilities	1,022	756	744	768
Other current liabilities	603	617	624	638
Non-current liabilities	**2,214**	**2,701**	**2,526**	**2,535**
Long-term financial liabilities	1,796	2,274	2,094	2,094
Other non-current liabilities	418	427	432	441
Total liabilities	**5,611**	**5,884**	**5,724**	**5,811**
Equity attributable to owners	**2,661**	**2,713**	**2,834**	**2,981**
Capital stock	194	194	194	194
Capital surplus	174	172	172	172
Retained earnings	2,100	2,169	2,290	2,437
Minority interests	**659**	**704**	**726**	**750**
Shareholders' equity	**3,320**	**3,417**	**3,560**	**3,731**

Cash flow statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Operating cash flow	**724**	**537**	**538**	**611**
NP	269	158	215	247
Non-cash income/expenses	650	426	407	466
Depreciation	289	319	320	352
Amortization	74	77	75	69
Other	287	30	12	45
Chg. in working capital	-122	-53	-6	-12
Chg. in AR & other receivables	-148	-119	-18	-36
Chg. in inventory	104	-43	-10	-20
Chg. in AP & other payables	-29	58	16	31
Income tax	-103	-121	-72	-82
Cash flow from investing activities	**-253**	**-514**	**-401**	**-452**
Chg. in PP&E	-98	-573	-400	-450
Chg. in intangible assets	-25	-22	0	0
Chg. in financial assets	0	-2	-1	-2
Other	-130	83	0	0
Cash flow from financing activities	**-398**	**74**	**-264**	**-52**
Chg. in financial liabilities	271	212	-192	24
Chg. in equity	74	-2	0	0
Dividends	-76	-112	-72	-76
Other	-667	-24	0	0
Chg. in cash	**79**	**18**	**-68**	**136**
Beginning balance	1,139	1,218	1,236	1,167
Ending balance	1,218	1,236	1,167	1,304

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

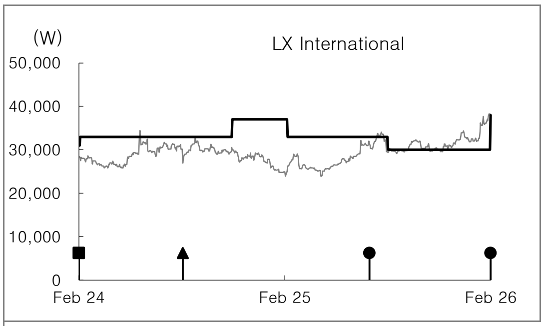
	2024	2025F	2026F	2027F
P/E (x)	6.0	8.9	7.7	6.7
P/CF (x)	1.1	2.2	2.4	2.1
P/B (x)	0.4	0.5	0.5	0.5
EV/EBITDA (x)	3.8	5.4	5.4	4.8
EPS (W)	4,533	3,660	4,987	5,724
CFPS (W)	23,728	15,085	16,037	18,371
BPS (W)	69,684	71,029	74,161	77,936
DPS (W)	2,000	2,000	2,100	2,100
Dividend payout ratio (%)	26.7	45.4	35.2	30.6
Dividend yield (%)	7.4	6.2	5.6	5.6
Revenue growth (%)	14.6	0.4	0.8	2.3
EBITDA growth (%)	14.2	-19.3	3.9	9.9
OP growth (%)	12.9	-40.3	9.4	14.1
EPS growth (%)	50.1	-19.2	36.2	14.8
AR turnover (x)	11.7	10.5	10.4	10.4
Inventory turnover (x)	18.7	18.8	18.7	18.8
AP turnover (x)	11.3	10.9	10.7	10.9
ROA (%)	3.2	1.7	2.3	2.6
ROE (%)	7.1	5.3	7.0	7.6
ROIC (%)	7.1	6.0	5.4	6.2
Debt-to-equity ratio (%)	169.0	172.2	160.8	155.8
Current ratio (%)	134.7	146.6	145.0	148.1
Net debt-to-equity ratio (%)	47.2	51.6	46.0	40.9
Interest coverage ratio (x)	3.9	2.3	2.8	3.1

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
LX International (001120)	02/02/26	Hold	38,000
	08/04/25	Hold	30,000
	07/02/25	Hold	33,000
	02/07/25	Buy	33,000
	11/01/24	Buy	37,000
	08/05/24	Buy	33,000
	02/05/24	Trading Buy	33,000
	01/05/24	Trading Buy	31,000



Stock ratings		Sector ratings	
Buy	Expected 12-month return: +20% or greater	Overweight	Expected to outperform the market over 12 months
Hold	Expected 12-month return: Greater than -10% and less than +10%	Neutral	Expected to perform in line with the market over 12 months
Sell	Expected 12-month return: -10% or less	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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