





**Table 4. SOTP valuation**

(Wbn)			Notes
Operating value	Total	73,694	- Excl. Hanwha Systems, Hanwha Ocean, and Satrec Initiative
	Land systems	73,370	
	NOPLAT	2,274	- 20% corporate tax rate; 2026-27F land systems OP
	Target P/E (x)	32.3	- 2026-27F P/E of global peers
	Discount rate		
	Aerospace	324	
	NOPLAT	14	- 20% corporate tax rate; 2026-27F aircraft engine OP
	Target P/E (x)	29.6	- 2026-27F P/E of global peers
	Discount rate	20%	
	Non-operating value Total	11,238	
	Hanwha Systems	4,657	
	Market cap	19,723	- Feb. 9 closing price
	Stake	47.2%	
	Discount rate	50%	
	Hanwha Ocean	6,204	
	Market cap	40,814	- Feb. 9 closing price
	Stake	30.4%	
	Discount rate	50%	
	Satrec Initiative	377	
	Market cap	2,245	- Feb. 9 closing price
	Stake	33.6%	
	Discount rate	50%	
Net debt		-113	- W4.2tr rights offering reflected
Fair value		85,045	
No. of shares ('000)		51,563	
Target price (W)		1,650,000	- Raised 17.9% from W1,400,000
Current price (W0)		1,193,000	
Upside		38.3%	
EPS (W)	2026F	49,302	
	2027F	60,956	
	2028F	74,543	
Implied P/E (x)	2026F	33.5	
	2027F	27.1	
	2028F	22.1	

Source: Company data, Mirae Asset Securities Research

## Hanwha Aerospace (012450 KS)

## Income statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
<b>Revenue</b>	<b>11,240</b>	<b>26,608</b>	<b>31,349</b>	<b>34,379</b>
<b>Cost of revenue</b>	<b>8,370</b>	<b>20,901</b>	<b>24,367</b>	<b>26,443</b>
<b>GP</b>	<b>2,870</b>	<b>5,707</b>	<b>6,982</b>	<b>7,936</b>
<b>SG&amp;A expenses</b>	<b>1,138</b>	<b>2,672</b>	<b>2,510</b>	<b>2,501</b>
<b>OP (adj.)</b>	<b>1,732</b>	<b>3,034</b>	<b>4,472</b>	<b>5,435</b>
<b>OP</b>	<b>1,732</b>	<b>3,034</b>	<b>4,472</b>	<b>5,435</b>
<b>Non-operating profit</b>	<b>915</b>	<b>-889</b>	<b>-460</b>	<b>-460</b>
Net financial income	-173	-269	-130	-49
Net income from associates	105	-126	47	-410
Pretax profit	2,647	2,145	4,012	4,975
Income tax	136	3	494	612
Profit from continuing operations	2,511	2,142	3,519	4,363
Profit from discontinued operations	29	0	0	0
<b>NP</b>	<b>2,540</b>	<b>2,142</b>	<b>3,519</b>	<b>4,363</b>
Attributable to owners	2,299	1,388	2,542	3,143
Attributable to minority interests	241	754	977	1,220
<b>Total comprehensive income</b>	<b>2,598</b>	<b>2,156</b>	<b>3,519</b>	<b>4,363</b>
Attributable to owners	2,376	1,417	2,448	3,035
Attributable to minority interests	222	739	1,071	1,328
EBITDA	2,063	3,813	5,229	6,170
FCF	815	1,469	2,237	2,401
EBITDA margin (%)	18.4	14.3	16.7	17.9
OP margin (%)	15.4	11.4	14.3	15.8
Net margin (%)	20.5	5.2	8.1	9.1

## Cash flow statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
<b>Operating cash flow</b>	<b>1,393</b>	<b>2,478</b>	<b>2,707</b>	<b>3,041</b>
NP	2,540	2,142	3,519	4,363
Non-cash income/expenses	5	1,801	1,251	1,322
Depreciation	259	466	454	447
Amortization	72	312	303	288
Other	-326	1,023	494	587
Chg. in working capital	-903	-1,041	-1,469	-2,014
Chg. in AR & other receivables	-1,097	-3,234	-1,262	-1,489
Chg. in inventory	-882	-1,416	-1,782	-1,641
Chg. in AP & other payables	-78	1,070	425	272
Income tax	-219	-147	-494	-612
<b>Cash flow from investing activities</b>	<b>-1,367</b>	<b>-3,705</b>	<b>-805</b>	<b>-1,070</b>
Chg. in PP&E	-577	-947	-300	-476
Chg. in intangible assets	-149	-274	-308	-307
Chg. in financial assets	-897	-1,597	-327	-362
Other	256	-887	130	75
<b>Cash flow from financing activities</b>	<b>1,066</b>	<b>5,111</b>	<b>632</b>	<b>422</b>
Chg. in financial liabilities	6,928	2,301	979	631
Chg. in equity	-10	3,405	0	0
Dividends	-120	-195	-177	-177
Other	-5,732	-400	-170	-32
<b>Chg. in cash</b>	<b>1,161</b>	<b>4,911</b>	<b>2,334</b>	<b>2,274</b>
Beginning balance	1,806	2,968	7,878	10,213
Ending balance	2,968	7,878	10,213	12,487

Source: Company data, Mirae Asset Securities Research estimates

## Balance sheet (summarized)

(Wbn)	2024	2025F	2026F	2027F
<b>Current assets</b>	<b>22,868</b>	<b>35,382</b>	<b>42,791</b>	<b>51,482</b>
Cash & equivalents	2,968	7,878	10,213	12,487
AR & other receivables	8,876	5,619	6,981	8,534
Inventory	6,290	7,910	9,692	11,333
Other current assets	4,734	13,975	15,905	19,128
<b>Non-current assets</b>	<b>20,469</b>	<b>20,748</b>	<b>21,102</b>	<b>21,374</b>
Investments in associates	964	300	660	780
PP&E	8,320	8,998	8,843	8,871
Intangible assets	7,744	7,551	7,557	7,576
<b>Total assets</b>	<b>43,337</b>	<b>56,130</b>	<b>63,893</b>	<b>72,856</b>
<b>Current liabilities</b>	<b>25,516</b>	<b>32,479</b>	<b>36,174</b>	<b>40,364</b>
AP & other payables	2,874	3,648	4,399	4,926
Short-term financial liabilities	6,566	8,545	9,312	9,685
Other current liabilities	16,076	20,286	22,463	25,753
<b>Non-current liabilities</b>	<b>6,456</b>	<b>7,178</b>	<b>7,904</b>	<b>8,491</b>
Long-term financial liabilities	4,558	4,946	5,157	5,415
Other non-current liabilities	1,898	2,232	2,747	3,076
<b>Total liabilities</b>	<b>31,973</b>	<b>39,657</b>	<b>44,078</b>	<b>48,855</b>
<b>Equity attributable to owners</b>	<b>4,995</b>	<b>9,627</b>	<b>11,992</b>	<b>14,958</b>
Capital stock	240	270	270	270
Capital surplus	207	3,582	3,582	3,582
Retained earnings	4,747	5,936	8,301	11,267
<b>Minority interests</b>	<b>6,369</b>	<b>6,846</b>	<b>7,823</b>	<b>9,043</b>
<b>Shareholders' equity</b>	<b>11,364</b>	<b>16,473</b>	<b>19,815</b>	<b>24,001</b>

## Key valuation metrics/ratios

	2024	2025F	2026F	2027F
P/E (x)	7.0	33.3	24.2	19.6
P/CF (x)	6.3	11.7	12.9	10.8
P/B (x)	3.0	4.7	5.1	4.1
EV/EBITDA (x)	13.9	15.5	13.7	11.5
EPS (W)	46,183	28,231	49,301	60,956
CFPS (W)	51,113	80,199	92,509	110,249
BPS (W)	108,270	198,706	233,126	290,681
DPS (W)	3,443	3,443	3,443	3,443
Dividend payout ratio (%)	6.3	8.3	5.0	4.1
Dividend yield (%)	1.1	0.4	0.3	0.3
Revenue growth (%)	42.5	136.7	17.8	9.7
EBITDA growth (%)	121.0	84.8	37.1	18.0
OP growth (%)	191.4	75.2	47.4	21.5
EPS growth (%)	190.7	-38.9	74.6	23.6
AR turnover (x)	2.1	3.8	5.2	4.6
Inventory turnover (x)	2.5	3.7	3.6	3.3
AP turnover (x)	6.4	11.8	11.8	11.0
ROA (%)	8.1	4.3	5.9	6.4
ROE (%)	53.9	19.0	23.5	23.3
ROIC (%)	15.1	19.1	19.7	21.2
Debt-to-equity ratio (%)	281.3	240.7	222.4	203.6
Current ratio (%)	89.6	108.9	118.3	127.5
Net debt-to-equity ratio (%)	65.7	22.0	10.6	0.9
Interest coverage ratio (x)	7.1	6.0	7.9	9.0





