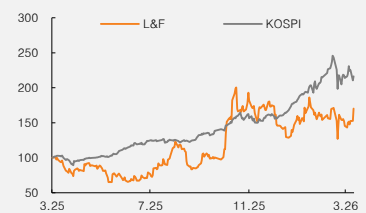


(Maintain)	Buy
Target price	W180,000
Current price (3/24/26)	W125,000
Upside	44.0%

OP (26F, Wbn)	131
Consensus OP (26F, Wbn)	125
EPS growth (26F, %)	TTB
Market EPS growth (26F, %)	118.0
P/E (26F, x)	44.1
Market P/E (26F, x)	8.8
KOSPI	5,553.92

Market cap (Wbn)	5,040
Shares (mn)	40
Free float (%)	71.6
Foreign ownership (%)	19.6
Beta (12M)	1.17
52-week low (W)	47,800
52-week high (W)	147,000

(%)	1M	6M	12M
Absolute	0.4	67.1	80.9
Relative	7.9	4.5	-14.3



Mirae Asset Securities Co., Ltd.

Chuljoong Kim

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LFP order momentum likely to build further

Maintain TP of W180,000; our top pick in battery materials

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. In LFP cathode materials, the firm's proactive investments have begun to translate into orders, with more likely to follow. L&F recently disclosed an LFP cathode materials order related to Samsung SDI's North American ESS business, and we see potential for additional orders from Europe across both EV and ESS applications depending on downstream order wins. We also expect solid near-term earnings, supported by relatively firm downstream demand (driven in part by new Tesla models in Europe and China) and reversals of inventory valuation allowances amid favorable lithium prices. While market-driven volatility could persist, the company's solid fundamentals justify retaining it as our top pick.

Proactive investment in ESS-use LFP cathode materials paying off

L&F secured an order to supply cathode materials to Samsung SDI for its North American ESS-use LFP battery business. The relevant line has annual capacity of 22GWh and is scheduled to ramp up from 4Q26. Of the total capacity, 10GWh is expected to be allocated to Tesla's North American ESS operations (California/Texas) starting in early 2027. Over 2026-29, we project Samsung SDI's North American ESS LFP battery shipments to reach 60GWh, implying LFP cathode materials demand of around 120,000 tonnes. Based on implied pricing, L&F appears to have secured a more than 20% premium vs. current Chinese ESS LFP cathode material prices (US\$7.7/kg), which seems reasonable in light of US tariffs on China and Korea. We believe that LFP cathode materials order momentum is just beginning to build; a key factor will be whether Samsung SDI secures LFP cell orders from European EV makers (e.g., Volkswagen).

Takeaways from China trip: Lithium prices to remain firm throughout 2026

The direction of lithium prices is a key determinant of near-term earnings, as L&F is better positioned than peers in terms of potential reversals of inventory valuation allowances. We continue to expect lithium prices to remain solid throughout 2026, given ongoing tight supply in the spot market. During our visit to China in the second week of March, both Ganfeng Lithium and major market research firms projected lithium prices to remain strong (in the CNY150,000-200,000/tonne range) throughout the year. Current industry lithium carbonate inventories stand at just over 90,000 tonnes, equivalent to less than one month of inventory. The timing of CATL's lithium production line restart also remains uncertain. In addition, supply disruptions such as Zimbabwe's lithium export suspension point to continued strength in lithium prices.

(Dec.)	2024	2025	2026F	2027F	2028F
Revenue (Wbn)	1,907	2,155	2,897	3,976	5,242
OP (Wbn)	-559	-157	131	183	273
OP margin (%)	-29.3	-7.3	4.5	4.6	5.2
NP (Wbn)	-378	-534	114	173	250
EPS (W)	-10,416	-14,393	2,837	4,290	6,205
ROE (%)	-41.7	-77.0	15.7	19.8	23.0
P/E (x)	-	-	44.1	29.1	20.1
P/B (x)	4.1	5.7	6.4	5.2	4.1
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

Table 1. Quarterly and annual earnings

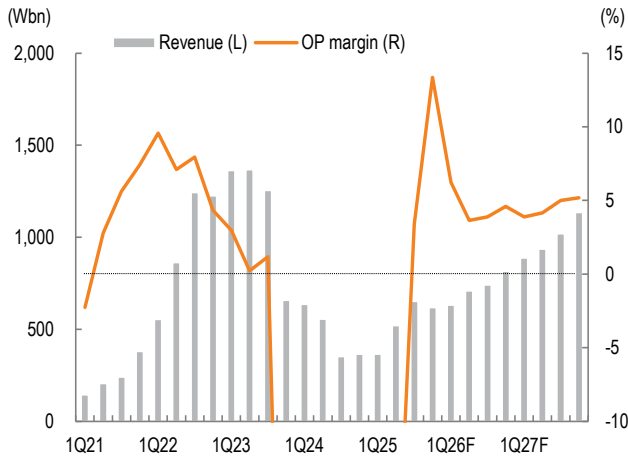
(Wbn, %)

	1Q26F	2Q26F	3Q26F	4Q26F	1Q27F	2Q27F	3Q27F	4Q27F	2025	2026F	2027F
Revenue	631.9	709.1	740.5	815.7	887.5	935.5	1,018.7	1,134.1	2,155.1	2,897.2	3,975.8
OP	39.3	25.8	28.8	37.6	34.5	38.8	50.9	58.8	-156.7	131.4	183.0
Pretax profit	39.4	26.7	30.3	38.2	39.1	44.4	57.6	64.4	-567.8	134.6	205.5
NP	33.5	22.7	25.7	32.5	32.9	37.4	48.5	54.2	-533.5	114.4	173.0
OP margin	6.2	3.6	3.9	4.6	3.9	4.2	5.0	5.2	-7.3	4.5	4.6
Pretax margin	6.2	3.8	4.1	4.7	4.4	4.7	5.7	5.7	-26.3	4.6	5.2
Net margin	5.3	3.2	3.5	4.0	3.7	4.0	4.8	4.8	-24.8	3.9	4.4
Growth (QoQ/YoY)											
Revenue	2.3	12.2	4.4	10.2	8.8	5.4	8.9	11.3	13.0	34.4	37.2
OP	-52.4	-34.4	11.5	30.6	-8.2	12.6	31.0	15.5	RR	TTB	39.3
Pretax profit	TTB	-32.3	13.6	26.1	2.4	13.6	29.7	11.7	RR	TTB	52.7
NP	TTB	-32.3	13.6	26.1	1.4	13.6	29.7	11.7	RR	TTB	51.2

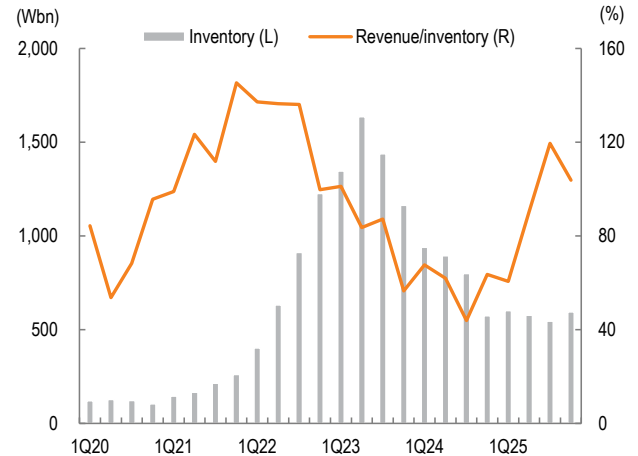
Source: Company data, Mirae Asset Securities Research

Figure 1. L&F: Revenue and OP margin trends

Figure 2. L&F: Inventory trends



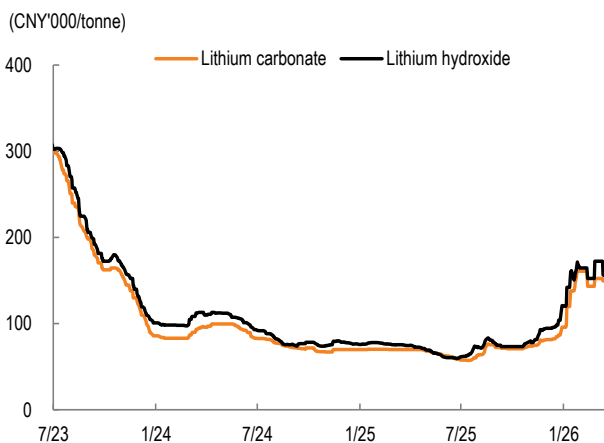
Source: Mirae Asset Securities Research



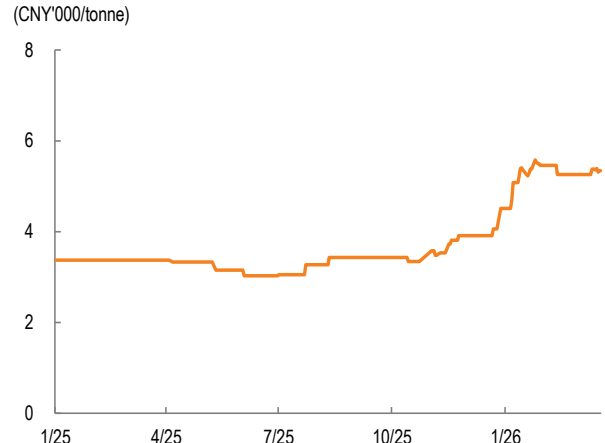
Source: Mirae Asset Securities Research

Figure 3. Carbonate price trends

Figure 4. LFP cathode material price trends



Source: ICC Battery, Mirae Asset Securities Research



Source: ICC Battery, Mirae Asset Securities Research

L&F (066970 KS)

Income statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Revenue	2,155	2,897	3,976	5,242
Cost of revenue	2,226	2,674	3,688	4,838
GP	-71	223	288	404
SG&A expenses	86	92	105	131
OP (adj.)	-157	131	183	273
OP	-157	131	183	273
Non-operating profit	-411	4	23	24
Net financial income	-116	-57	-57	-56
Net income from associates	-4	0	0	0
Pretax profit	-568	135	206	297
Income tax	-33	20	31	45
Profit from continuing operations	-535	114	175	253
Profit from discontinued operations	0	0	0	0
NP	-535	114	175	253
Attributable to owners	-534	114	173	250
Attributable to minority interests	-1	0	2	3
Total comprehensive income	-512	114	175	253
Attributable to owners	-511	114	175	253
Attributable to minority interests	-1	0	0	0
EBITDA	-72	229	294	400
FCF	-167	-74	-84	101
EBITDA margin (%)	-3.3	7.9	7.4	7.6
OP margin (%)	-7.3	4.5	4.6	5.2
Net margin (%)	-24.8	3.9	4.4	4.8

Balance sheet (summarized)

(Wbn)	2025	2026F	2027F	2028F
Current assets	1,347	1,538	1,936	2,621
Cash & equivalents	383	312	228	411
AR & other receivables	333	440	615	796
Inventory	595	785	1,092	1,413
Other current assets	36	1	1	1
Non-current assets	1,787	1,840	1,829	1,702
Investments in associates	132	132	132	132
PP&E	1,326	1,381	1,372	1,247
Intangible assets	15	12	10	8
Total assets	3,134	3,378	3,765	4,323
Current liabilities	2,060	2,187	2,396	2,696
AP & other payables	363	475	660	854
Short-term financial liabilities	1,652	1,652	1,652	1,734
Other current liabilities	45	60	84	108
Non-current liabilities	397	399	403	408
Long-term financial liabilities	389	389	389	389
Other non-current liabilities	8	10	14	19
Total liabilities	2,457	2,586	2,799	3,104
Equity attributable to owners	673	787	960	1,211
Capital stock	20	20	20	20
Capital surplus	693	693	693	693
Retained earnings	-76	39	212	462
Minority interests	4	4	6	8
Shareholders' equity	677	791	966	1,219

Cash flow statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Operating cash flow	-29	76	16	101
NP	-535	114	175	253
Non-cash income/expenses	369	175	199	228
Depreciation	82	95	109	125
Amortization	3	3	2	2
Other	284	77	88	101
Chg. in working capital	209	-136	-269	-279
Chg. in AR & other receivables	-124	-104	-171	-176
Chg. in inventory	73	-191	-307	-321
Chg. in AP & other payables	279	104	167	175
Income tax	0	-20	-31	-45
Cash flow from investing activities	-138	-148	-100	0
Chg. in PP&E	-137	-150	-100	0
Chg. in intangible assets	-2	0	0	0
Chg. in financial assets	4	2	0	0
Other	-3	0	0	0
Cash flow from financing activities	273	0	0	82
Chg. in financial liabilities	185	0	0	82
Chg. in equity	-7	0	0	0
Dividends	0	0	0	0
Other	95	0	0	0
Chg. in cash	103	-71	-84	183
Beginning balance	280	383	312	228
Ending balance	383	312	228	411

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

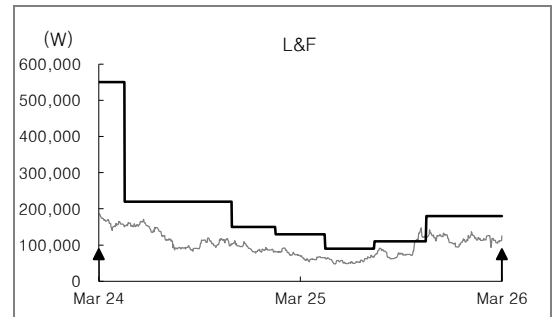
	2025	2026F	2027F	2028F
P/E (x)	-	44.1	29.1	20.1
P/CF (x)	-	17.4	13.5	10.5
P/B (x)	5.7	6.4	5.2	4.1
EV/EBITDA (x)	-	29.6	23.3	16.9
EPS (W)	-14,393	2,837	4,290	6,205
CFPS (W)	-4,467	7,167	9,270	11,912
BPS (W)	16,841	19,643	23,933	30,137
DPS (W)	0	0	0	0
Dividend payout ratio (%)	0.0	0.0	0.0	0.0
Dividend yield (%)	0.0	0.0	0.0	0.0
Revenue growth (%)	13.0	34.4	37.2	31.8
EBITDA growth (%)	RR	TTB	28.3	36.3
OP growth (%)	RR	TTB	39.3	49.3
EPS growth (%)	RR	TTB	51.2	44.6
AR turnover (x)	8.6	7.7	7.7	7.6
Inventory turnover (x)	3.7	4.2	4.2	4.2
AP turnover (x)	11.0	7.1	7.2	7.1
ROA (%)	-18.0	3.5	4.9	6.2
ROE (%)	-77.0	15.7	19.8	23.0
ROIC (%)	-7.9	5.6	7.0	9.6
Debt-to-equity ratio (%)	363.1	326.7	289.7	254.6
Current ratio (%)	65.4	70.3	80.8	97.2
Net debt-to-equity ratio (%)	244.6	218.3	187.5	140.3
Interest coverage ratio (x)	-1.3	2.0	2.8	4.1

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	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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