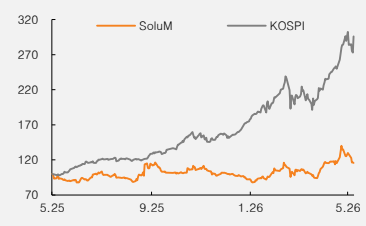


(Maintain)	Buy
Target price	▲ W28,000
Current price (5/21/26)	W19,500
Upside	43.6%

OP (26F, Wbn)	82
Consensus OP (26F, Wbn)	88
EPS growth (26F, %)	320.6
Market EPS growth (26F, %)	237.0
P/E (26F, x)	17.9
Market P/E (26F, x)	8.5
KOSPI	7,815.59

Market cap (Wbn)	932
Shares (mn)	48
Free float (%)	77.4
Foreign ownership (%)	19.8
Beta (12M)	0.64
52-week low (W)	14,780
52-week high (W)	23,600

(%)	1M	6M	12M
Absolute	-0.1	10.2	20.1
Relative	-18.3	-45.7	-59.6



Mirae Asset Securities Co., Ltd.

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SoluM

ESL fundamentals strengthening; power modules offer additional upside

Lift TP to W28,000 on ESL margin improvement and stronger top-line visibility

We lift our target price for SoluM by 27% to W28,000 (from W22,000), applying a target P/B of 2.6x to our 2026F BPS of W10,937. This revision reflects: 1) confirmed margin improvement in the electronic shelf label (ESL) unit; and 2) improving visibility on top-line growth this year. For 2026, we look for revenue of W1.79tr (+6% YoY) and operating profit of W81.9bn (+76% YoY), aided by both volume expansion and mix improvement.

Backed by higher ESL utilization and an expanding mix of high-value new products, the ESL business is achieving notable margin improvement. As a result, the ICT division has posted double-digit OP margins for two consecutive quarters. We expect margins to continue to improve, supported by new customer acquisitions, sales network expansion, and the favorable FX environment. Accordingly, we forecast company-wide OP margin to improve sharply from 2.7% in 2025 to 4.6% in 2026.

Additional catalyst: Power modules for global big tech customers

We expect additional share momentum to come from SoluM's new growth initiatives, particularly power modules for global big tech customers. Progress on this front is becoming more visible, with the firm pushing to enter the supply chain for North American hyperscalers' next-generation data centers. As a starting point, it has selected BBUs, which are less tightly tied to specific compute and PSU ecosystems and therefore offer lower capex requirements and integration barriers. The structural increase in rack-level power density at AI data centers is driving a transition from 50V IT racks to 800VDC high-voltage DC power architectures, creating an entry opportunity for SoluM.

Large-format ESL products and backlog growth support further upside

Growth momentum in the core ESL business also remains solid. SoluM recently completed a successful demo of an advanced communications solution for a US mega-retailer and is in discussions regarding large-scale pilot deployments for new products (including large-format ESLs). As such, we expect the supply of large-format ESL products to a major North American retail customer to serve as an additional growth driver. Notably, the order backlog has increased to W2.3tr as of end-1Q26.

The ESL business is benefiting from accelerating new customer additions and sales network expansion, highlighted by a 50% YoY revenue surge in Europe in 1Q26 and the ongoing ramp-up of local production in North America. Combined with FX tailwinds, these factors are driving simultaneous improvement in revenue and margins.

(Dec.)	2024	2025	2026F	2027F	2028F
Revenue (Wbn)	1,594	1,700	1,795	2,067	2,182
OP (Wbn)	69	47	82	109	115
OP margin (%)	4.3	2.8	4.6	5.3	5.3
NP (Wbn)	40	13	60	96	95
EPS (W)	790	259	1,088	1,759	1,337
ROE (%)	9.5	2.7	10.4	14.9	12.9
P/E (x)	24.3	64.1	17.9	11.1	14.6
P/B (x)	2.0	1.7	1.8	2.0	2.3
Dividend yield (%)	0.0	0.5	0.4	0.4	0.4

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

Mirae Asset Securities Research AI translation

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Table 1. SoluM: Quarterly and annual earnings

(Wbn, %)

	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26F	3Q26F	4Q26F	2025	2026F	2027F
Revenue	397.4	402.6	472.6	427.7	478.2	483.0	440.6	393.0	1,670.0	1,860.2	2,066.7
QoQ	15.7	1.3	17.4	-9.5	11.8	1.0	-8.8	-10.8			
YoY	3.3	2.2	0.1	24.5	20.3	20.0	-6.8	-8.1	4.7	11.4	11.1
Electronic components	284	259	309	284	297	282	233	198	1,135.0	1,074.8	1,191.6
QoQ	22.8	-8.9	19.3	-8.0	4.6	-5.2	-17.4	-14.7			
YoY	4.5	-13.2	-9.0	22.8	4.6	8.9	-24.6	-30.1	-0.4	-5.3	10.9
ICT	113	144	164	113	181	201	208	195	535.0	785.4	875.2
QoQ	11.8	26.9	14.0	-30.8	59.8	11.1	3.3	-6.5			
YoY	0.2	49.9	23.4	11.8	59.8	39.9	26.8	71.5	20.6	46.8	11.4
Consolidated OP	11.5	12.2	14.8	11.5	21.7	26.8	29.4	4.1	49.9	81.9	108.9
QoQ	811.2	6.5	20.7	-22.2	88.8	23.6	9.7	-86.1			
YoY	-43.5	-40.6	-45.3	811.2	88.8	119.0	99.0	-64.4	-27.8	64.0	33.0
Consolidated OP margin	2.9	3.0	3.1	2.7	4.5	5.5	6.7	1.0	3.0	4.4	5.3
Pretax profit	6.2	15.4	14.4	-4.3	23.8	26.0	22.7	1.9	31.7	66.8	88.2
NP attr. to owners	3.0	10.0	7.5	-7.1	4.7	27.4	24.5	2.3	13.4	58.8	95.7
Net margin	0.8	2.5	1.6	-1.7	1.0	5.7	5.6	0.6	0.8	3.2	4.6

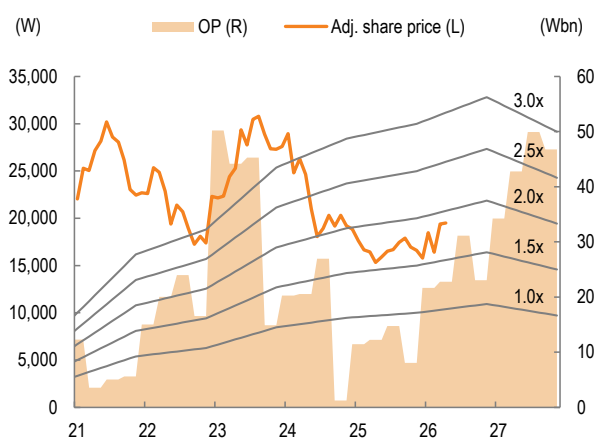
Source: Company data, Mirae Asset Securities Research

Table 2. SoluM: TP calculation

	2026F	Notes
BPS (W)	10,937	
Target P/B (x)	2.6	Avg. P/B during 2Q-3Q24, when expectations for new orders were high
Fair value per share (W)	28,436	
TP (W)	28,000	
CP (W)	19,500	May 21 closing price
Upside (%)	43.6%	

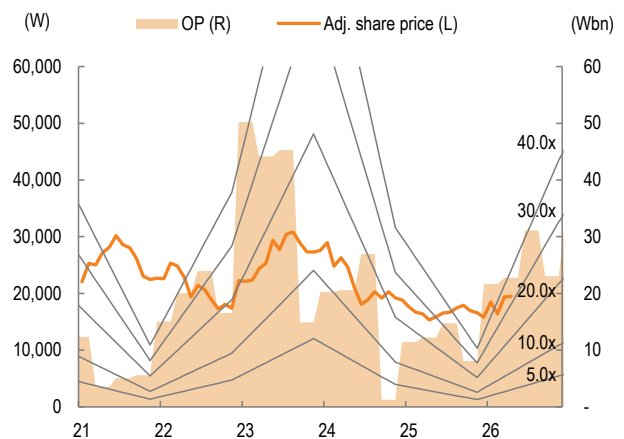
Source: Mirae Asset Securities Research

Figure 1. 12-month forward P/B and OP



Source: QuantiWise, Mirae Asset Securities Research

Figure 2. 12-month forward P/E and OP



Source: QuantiWise, Mirae Asset Securities Research

SoluM (248070 KS)

Income statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Revenue	1,700	1,795	2,067	2,182
Cost of revenue	1,424	1,481	1,750	1,848
GP	276	314	317	334
SG&A expenses	230	232	207	219
OP (adj.)	47	82	109	115
OP	47	82	109	115
Non-operating profit	-15	-14	-20	-12
Net financial income	-16	-19	-18	-18
Net income from associates	-1	0	0	0
Pretax profit	32	68	89	103
Income tax	18	19	22	37
Profit from continuing operations	14	49	67	66
Profit from discontinued operations	0	0	0	0
NP	14	43	67	66
Attributable to owners	13	60	96	95
Attributable to minority interests	1	-19	-30	-29
Total comprehensive income	13	43	67	66
Attributable to owners	12	25	39	39
Attributable to minority interests	1	17	27	27
EBITDA	92	126	153	160
FCF	-44	76	23	43
EBITDA margin (%)	5.4	7.0	7.4	7.3
OP margin (%)	2.8	4.6	5.3	5.3
Net margin (%)	0.8	3.3	4.6	4.4

Balance sheet (summarized)

(Wbn)	2025	2026F	2027F	2028F
Current assets	760	751	815	876
Cash & equivalents	157	197	175	200
AR & other receivables	185	170	197	208
Inventory	396	364	419	442
Other current assets	22	20	24	26
Non-current assets	516	536	545	562
Investments in associates	6	5	6	6
PP&E	347	361	371	388
Intangible assets	35	41	40	38
Total assets	1,277	1,287	1,360	1,437
Current liabilities	574	553	561	576
AP & other payables	208	191	220	232
Short-term financial liabilities	336	334	309	311
Other current liabilities	30	28	32	33
Non-current liabilities	140	139	141	141
Long-term financial liabilities	129	129	129	129
Other non-current liabilities	11	10	12	12
Total liabilities	714	692	702	718
Equity attributable to owners	548	599	692	783
Capital stock	28	28	28	39
Capital surplus	81	81	81	81
Retained earnings	348	403	496	576
Minority interests	15	-4	-34	-63
Shareholders' equity	563	595	658	720

Cash flow statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Operating cash flow	55	133	75	104
NP	14	43	67	66
Non-cash income/expenses	101	80	78	94
Depreciation	44	42	42	44
Amortization	1	2	2	1
Other	56	36	34	49
Chg. in working capital	-48	28	-50	-20
Chg. in AR & other receivables	1	13	-22	-9
Chg. in inventory	-63	32	-55	-23
Chg. in AP & other payables	19	-15	26	11
Income tax	-14	-19	-22	-37
Cash flow from investing activities	-163	-62	-48	-56
Chg. in PP&E	-99	-57	-52	-61
Chg. in intangible assets	-2	-8	0	0
Chg. in financial assets	-2	1	-2	-1
Other	-60	2	6	6
Cash flow from financing activities	184	-29	-59	-26
Chg. in financial liabilities	122	-1	-25	1
Chg. in equity	8	0	0	0
Dividends	0	-7	-4	-5
Other	54	-21	-30	-22
Chg. in cash	71	40	-22	25
Beginning balance	86	157	197	175
Ending balance	157	197	175	200

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

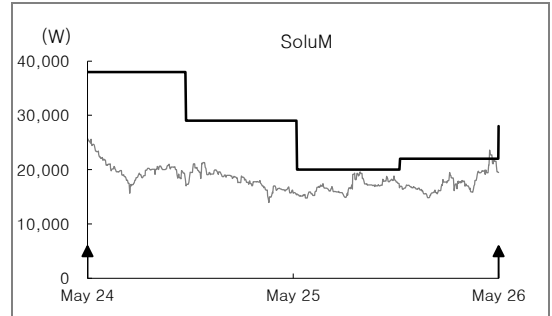
	2025	2026F	2027F	2028F
P/E (x)	64.1	17.9	11.1	14.6
P/CF (x)	7.5	8.7	7.4	8.7
P/B (x)	1.7	1.8	2.0	2.3
EV/EBITDA (x)	12.0	9.4	7.5	6.9
EPS (W)	259	1,088	1,759	1,337
CFPS (W)	2,207	2,237	2,647	2,246
BPS (W)	9,997	10,937	9,716	8,452
DPS (W)	75	75	75	75
Dividend payout ratio (%)	25.3	8.4	7.0	9.2
Dividend yield (%)	0.5	0.3	0.3	0.3
Revenue growth (%)	6.6	5.6	15.1	5.6
EBITDA growth (%)	-19.6	37.0	21.0	4.7
OP growth (%)	-32.7	76.1	33.0	5.6
EPS growth (%)	-67.3	320.6	61.7	-24.0
AR turnover (x)	11.3	12.1	13.5	13.0
Inventory turnover (x)	4.7	4.7	5.3	5.1
AP turnover (x)	8.1	8.2	9.4	9.0
ROA (%)	1.3	3.3	5.0	4.7
ROE (%)	2.7	10.4	14.9	12.9
ROIC (%)	2.9	7.8	10.5	8.9
Debt-to-equity ratio (%)	126.8	116.3	106.6	99.7
Current ratio (x)	132.6	135.9	145.2	151.9
Net debt-to-equity ratio (%)	53.3	43.5	38.8	32.1
Interest coverage ratio (x)	2.6	4.0	5.4	5.9

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (₩)
SoluM (248070)	05/22/26	Buy	28,000
	11/28/25	Buy	22,000
	05/29/25	Buy	20,000
	11/13/24	Buy	29,000
	04/12/24	Buy	38,000



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	80.84%	0%	18.56%	0.6%
Investment banking services	86.67%	0%	13.33%	0%

* Based on recommendations in the last 12-months (as of March 31, 2026)

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