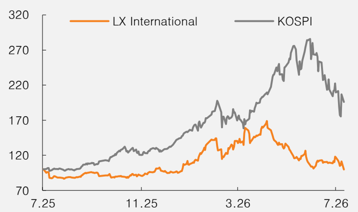
Equity Research
August 4, 2026

(Maintain)	Buy
Target price	W56,000
Current price (8/3/26)	W33,550
Upside	66.9%

OP (26F, Wbn)	428
Consensus OP (26F, Wbn)	482
EPS growth (26F, %)	71.5
Market EPS growth (26F, %)	277.0
P/E (26F, x)	5.3
Market P/E (26F, x)	6.2
KOSPI	6,257.45
Market cap (Wbn)	1,300
Shares (mn)	39
Free float (%)	65.0
Foreign ownership (%)	26.3
Beta (12M)	0.01
52-week low (W)	29,150
52-week high (W)	56,700

(%)	1M	6M	12M
Absolute	-11.2	-14.8	13.3
Relative	14.7	-28.0	-43.5



Mirae Asset Securities Co., Ltd.

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001120 KS · Energy

LX International

Strong earnings lift shareholder return expectations

2Q26 review: Logistics and trading drive earnings

LX International posted 2Q26 consolidated revenue of W4.776tr and operating profit of W117.8bn, with the latter slightly exceeding both our estimate (W111.4bn) and the consensus (W110.7bn).

Resources operating profit declined W10.5bn QoQ to W21.6bn, weighed down by lower coal production due to the Indonesian government's production quota restrictions. That said, the AKP mine delivered a sharp improvement on favorable nickel market conditions, posting standalone revenue of W54.2bn and operating profit of W14.8bn.

The trading/new growth division posted operating profit of W45.2bn, growing both QoQ and YoY. The improvement was driven by stronger methanol and coal market conditions and a narrower loss at consolidated subsidiary LX Glas. The logistics unit delivered the strongest performance, with operating profit rising 46% YoY to W51bn. The key driver was higher container freight rates (as reflected in the SCFI) amid supply-chain disruptions stemming from the war in the Middle East. Aggressive sales efforts in third-party logistics also supported growth in both ocean and air freight volumes.

2H26: Earnings recovery likely to continue; focus on new asset acquisitions

We expect solid earnings momentum to continue in 2H26, with both trading and logistics benefiting from peak-season effects. In resources, production restrictions could persist. However, the impact on margins could be mitigated by firmer coal prices as export volumes decline following the Indonesian government's push to raise the domestic market obligation (DMO) ratio.

Potential acquisitions of new bauxite and nickel assets are likely to come into focus in 2H26. Given the strong performance of the AKP mine, successful acquisitions would provide a basis for raising long-term earnings estimates. The company plans to invest approximately W2tr over the next three years, primarily in resources and logistics.

Maintain Buy; solid earnings to support shareholder returns

We maintain our Buy rating and target price of W56,000 on LX International. Visibility on 3Q26 earnings remains high, supported by firm commodity prices and freight rates. Despite the earnings recovery, the stock remains deeply undervalued at 0.4x P/B. The company is expected to announce a shareholder return policy centered on dividends, which would likely drive simultaneous improvement in ROE and valuation.

(Dec.)	2024	2025	2026F	2027F	2028F
Revenue (Wbn)	16,638	16,706	18,959	19,304	19,635
OP (Wbn)	489	292	428	435	425
OP margin (%)	2.9	1.7	2.3	2.3	2.2
NP (Wbn)	176	142	243	262	217
EPS (W)	4,533	3,659	6,276	6,752	5,608
ROE (%)	7.1	5.2	8.4	8.4	6.6
P/E (x)	6.0	8.9	5.3	5.0	6.0
P/B (x)	0.4	0.4	0.4	0.4	0.4
Dividend yield (%)	7.4	6.2	6.3	6.3	6.3

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

Table 1. 2Q26 review (Wbn, %, %p)

	2Q25	1Q26	2Q26P			Growth	
			Preliminary	Mirae Asset Securities	Consensus	YoY	QoQ
Revenue	3,830	4,211	4,776	4,169	4,259	24.7	13.4
OP	55	109	118	111	111	114.0	8.2
OP margin (%)	1.4	2.6	2.5	2.7	2.6	1.0	-0.1
Pretax profit	65	123	117	100	117	80.6	-4.7
NP	53	62	67	60	78	27.2	7.3

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
	26F	27F	26F	27F	26F	27F	
Revenue	17,631	18,014	18,959	19,304	7.5	7.2	2Q26P earnings reflected
OP	415	397	428	435	3.2	9.6	Improved logistics/trading earnings
Pretax profit	396	367	426	411	7.7	12.0	
NP	232	234	243	262	4.9	12.0	
EPS (W)	5,982	6,029	6,276	6,752	4.9	12.0	

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	4Q25	1Q26	2Q26P	3Q26F	4Q26F	2025	2026F	2027F
Revenue	4,048	3,830	4,508	4,320	4,211	4,776	5,209	4,762	16,706	18,959	19,304
Trading/new growth	1,731	1,631	2,241	2,014	1,963	2,158	2,711	2,316	7,617	9,148	9,394
Resources	309	268	324	317	324	365	321	298	1,218	1,308	1,238
Logistics	2,009	1,931	1,943	1,989	1,925	2,253	2,176	2,148	7,872	8,502	8,672
OP	117	55	65	55	109	118	107	94	292	428	435
Trading/new growth	38	11	17	14	43	45	41	35	80	164	170
Resources	34	9	11	8	32	22	29	24	62	106	108
Logistics	45	35	37	33	33	51	38	36	150	158	156
Pretax profit	117	65	60	-40	123	117	107	79	203	426	411
NP	100	53	43	-53	62	67	66	48	142	243	262
OP margin (%)	2.9	1.4	1.4	1.3	2.6	2.5	2.1	2.0	1.7	2.3	2.3
Pretax margin (%)	2.9	1.7	1.3	-0.9	2.9	2.4	2.1	1.7	1.2	2.2	2.1
Net margin (%)	2.7	1.5	1.0	-1.3	1.7	1.7	1.5	1.2	0.8	1.3	1.4

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)	2025	2026F	2027F	2028F
Revenue	**16,706**	**18,959**	**19,304**	**19,635**
Cost of revenue	**15,329**	**17,292**	**17,820**	**18,017**
GP	**1,377**	**1,667**	**1,484**	**1,618**
SG&A expenses	**1,085**	**1,238**	**1,050**	**1,192**
OP (adj.)	**292**	**428**	**435**	**425**
OP	**292**	**428**	**435**	**425**
Non-operating profit	**-89**	**-2**	**-24**	**-83**
Net financial income	-90	-97	-96	-89
Net income from associates	133	135	67	0
Pretax profit	203	426	411	342
Income tax	45	139	103	85
Profit from continuing operations	158	287	308	256
Profit from discontinued operations	0	0	0	0
NP	**158**	**287**	**308**	**256**
Attributable to owners	142	243	262	217
Attributable to minority interests	16	43	47	39
Total comprehensive income	**220**	**402**	**308**	**256**
Attributable to owners	186	334	256	213
Attributable to minority interests	34	68	52	43
EBITDA	697	881	906	898
FCF	110	217	251	285
EBITDA margin (%)	4.2	4.6	4.7	4.6
OP margin (%)	1.7	2.3	2.3	2.2
Net margin (%)	0.8	1.3	1.4	1.1

Balance sheet (summarized)

(Wbn)	2025	2026F	2027F	2028F
Current assets	**4,685**	**5,176**	**5,311**	**5,485**
Cash & equivalents	1,423	1,585	1,637	1,753
AR & other receivables	1,865	2,052	2,099	2,132
Inventory	907	1,000	1,023	1,039
Other current assets	490	539	552	561
Non-current assets	**4,644**	**4,838**	**4,832**	**4,806**
Investments in associates	610	672	688	699
PP&E	2,053	2,257	2,307	2,335
Intangible assets	1,220	1,181	1,110	1,044
Total assets	**9,328**	**10,014**	**10,143**	**10,291**
Current liabilities	**3,188**	**3,609**	**3,496**	**3,458**
AP & other payables	1,902	2,097	2,145	2,179
Short-term financial liabilities	787	962	788	707
Other current liabilities	499	550	563	572
Non-current liabilities	**2,604**	**2,552**	**2,561**	**2,567**
Long-term financial liabilities	2,278	2,193	2,193	2,193
Other non-current liabilities	326	359	368	374
Total liabilities	**5,793**	**6,161**	**6,057**	**6,024**
Equity attributable to owners	**2,772**	**3,038**	**3,224**	**3,367**
Capital stock	194	194	194	194
Capital surplus	172	172	172	172
Retained earnings	2,170	2,341	2,528	2,669
Minority interests	**764**	**815**	**862**	**900**
Shareholders' equity	**3,536**	**3,853**	**4,086**	**4,267**

Cash flow statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Operating cash flow	**694**	**657**	**701**	**721**
NP	158	287	308	256
Non-cash income/expenses	576	235	157	201
Depreciation	326	375	400	408
Amortization	79	78	72	66
Other	171	-218	-315	-273
Chg. in working capital	0	-101	-12	-9
Chg. in AR & other receivables	-158	-161	-42	-30
Chg. in inventory	-16	-93	-23	-16
Chg. in AP & other payables	153	164	40	28
Income tax	-132	-110	-103	-85
Cash flow from investing activities	**-533**	**-471**	**-452**	**-437**
Chg. in PP&E	-552	-439	-450	-436
Chg. in intangible assets	-25	-6	0	0
Chg. in financial assets	7	-8	-2	-1
Other	37	-18	0	0
Cash flow from financing activities	**63**	**-40**	**-249**	**-156**
Chg. in financial liabilities	247	90	-174	-81
Chg. in equity	-2	0	0	0
Dividends	-113	-6	-76	-76
Other	-69	-124	1	1
Chg. in cash	**206**	**162**	**51**	**117**
Beginning balance	1,218	1,423	1,585	1,637
Ending balance	1,423	1,585	1,637	1,753

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

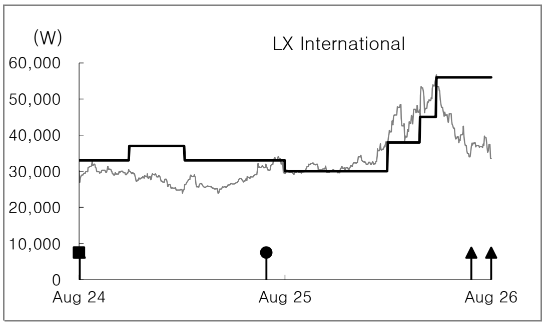
	2025	2026F	2027F	2028F
P/E (x)	8.9	5.3	5.0	6.0
P/CF (x)	1.7	2.5	2.8	2.8
P/B (x)	0.4	0.4	0.4	0.4
EV/EBITDA (x)	5.2	4.1	3.8	3.7
EPS (W)	3,659	6,276	6,752	5,608
CFPS (W)	18,934	13,459	12,010	11,807
BPS (W)	72,567	79,440	84,243	87,903
DPS (W)	2,000	2,100	2,100	2,100
Dividend payout ratio (%)	45.5	26.3	24.5	29.5
Dividend yield (%)	6.2	5.9	5.9	5.9
Revenue growth (%)	0.4	13.5	1.8	1.7
EBITDA growth (%)	-18.3	26.4	2.9	-0.9
OP growth (%)	-40.3	46.6	1.5	-2.3
EPS growth (%)	-19.3	71.5	7.6	-16.9
AR turnover (x)	10.3	10.8	10.4	10.4
Inventory turnover (x)	18.7	19.9	19.1	19.0
AP turnover (x)	10.4	10.5	10.2	10.1
ROA (%)	1.7	3.0	3.1	2.5
ROE (%)	5.2	8.4	8.4	6.6
ROIC (%)	5.3	6.9	7.2	7.0
Debt-to-equity ratio (%)	163.8	159.9	148.2	141.2
Current ratio (%)	146.9	143.4	151.9	158.6
Net debt-to-equity ratio (%)	45.0	39.3	31.5	25.5
Interest coverage ratio (x)	2.3	3.2	3.1	3.1

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
LX International (001120)	06/30/26	Buy	56,000
	04/29/26	Hold	56,000
	03/31/26	Hold	45,000
	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



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	83.02%	0%	16.35%	0.63%
Investment banking services	86.67%	0%	13.33%	0%

* Based on recommendations in the last 12-months (as of June 30, 2026)

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