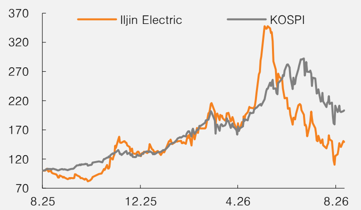
MIRAE ASSET Securities

Equity Research
August 12, 2026

(Maintain)	Buy
Target price	▲ W114,000
Current price (8/11/26)	W61,800
Upside	84.5%

OP (26F, Wbn)	249
Consensus OP (26F, Wbn)	220
EPS growth (26F, %)	72.7
Market EPS growth (26F, %)	278.0
P/E (26F, x)	16.4
Market P/E (26F, x)	6.2
KOSPI	6,345.53
Market cap (Wbn)	2,947
Shares (mn)	48
Free float (%)	55.9
Foreign ownership (%)	10.6
Beta (12M)	1.12
52-week low (W)	33,900
52-week high (W)	144,100

(%)	1M	6M	12M
Absolute	-6.6	-13.3	48.7
Relative	10.0	-26.9	-24.8



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103590 KS · Power Infrastructure

Iljin Electric

Most undervalued power equipment player

2Q26 review: Higher US revenue contribution drives consensus beat

For 2Q26, Iljin Electric reported revenue of W637.4bn (+21.9% YoY; 9.5% above the consensus), operating profit of W72bn (+91.4% YoY; 30.1% above the consensus), and an OP margin of 11.3%. The strong performance was driven by the heavy electrical equipment division (transformers and circuit breakers), which saw revenue expand sharply as the company operated its production lines above nameplate capacity to meet delivery schedules (1H26 utilization rate: 108%). Profitability hit a record high, supported by a higher US revenue mix (heavy electrical equipment OP margin: 25.8%). We estimate that the US accounted for 17.4% of overall revenue, with North America representing around 30% of heavy electrical equipment revenue. One-off items included a roughly W3bn provision reversal in the power cable division.

Growth concerns are excessive

We expect margins to improve further as the US accounts for a growing share of revenue. The share of North America in heavy electrical equipment revenue—currently around 30%—remains lower than the levels at domestic peers. By contrast, the overseas share of the company's order backlog has steadily increased from around 50% in 2021 to 80% in 2026. Given the roughly three-year lead time from order intake to revenue recognition, we expect the North American revenue mix to steadily grow until the orders currently secured for 2029 enter full-scale delivery. Accordingly, we believe the heavy electrical equipment division's OP margin has room to improve by a further 2-3%p.

While Iljin Electric's conservative capacity expansion plans have raised concerns about future growth, weighing on its valuation, such concerns should ease somewhat following the latest results. In 2Q26, the company demonstrated that it can generate further revenue growth without additional capacity expansion by operating its existing production lines above nameplate capacity. The ability to generate incremental revenue from its existing production base without additional capex should also be positive for profitability.

Maintain Buy and raise TP by 20.0% to W114,000

We raise our target price for Iljin Electric to W114,000 (from W95,000) and maintain our Buy rating. We revised up our earnings estimates to reflect: 1) margin improvement from the rising US revenue mix; and 2) the firm's demonstrated ability to generate additional output from existing capacity (2028F EPS: W4,769 vs. W4,537 previously). Based on our estimates, the stock is trading at 13.0x 2028F P/E, the lowest valuation among global and domestic peers. With the latest results alleviating growth concerns somewhat, we view the current valuation as an attractive entry point.

(Dec.)	2024	2025	2026F	2027F	2028F
Revenue (Wbn)	1,577	2,045	2,369	2,628	2,770
OP (Wbn)	80	151	249	272	298
OP margin (%)	5.1	7.4	10.5	10.4	10.8
NP (Wbn)	46	104	179	204	227
EPS (W)	992	2,179	3,763	4,282	4,769
ROE (%)	10.6	19.1	26.9	24.8	22.8
P/E (x)	27.5	25.0	16.4	14.4	13.0
P/B (x)	2.6	4.4	4.0	3.3	2.7
Dividend yield (%)	1.1	0.9	1.4	1.6	1.8

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

Table 1. Quarterly/annual earnings and forecasts (Wbn)

	1Q26	2Q26	3Q26F	4Q26F	1Q27F	2Q27F	3Q27F	4Q27F	2024	2025	2026F	2027F	2028F
New orders	355.0	416.3	370.5	372.9	386.6	390.4	377.9	393.5	1,026.8	956.7	1,514.8	1,548.4	1,607.2
Power cables	71.6	206.9	125.3	121.9	136.3	138.0	127.3	142.3	365.2	441.5	525.6	543.8	586.3
Heavy electrical equipment	283.5	209.5	245.3	251.0	250.3	252.4	250.6	251.2	661.6	515.2	989.2	1,004.6	1,020.9
Backlog	1,761.6	1,939.1	2,083.3	2,221.2	2,370.6	2,518.7	2,650.6	2,794.1	1,671.9	1,624.8	2,221.2	2,794.1	3,374.4
Power cables	531.8	649.0	656.9	656.1	668.8	680.3	678.5	689.5	565.6	556.9	656.1	689.5	748.1
Heavy electrical equipment	1,229.8	1,290.1	1,426.4	1,565.1	1,701.8	1,838.3	1,972.1	2,104.6	1,106.3	1,067.9	1,565.1	2,104.6	2,626.3
Book-to-bill (x)	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.5	0.6	0.6	0.6
Revenue	506.1	637.4	598.1	627.8	634.2	651.3	664.8	677.9	1,577.2	2,044.6	2,369.4	2,628.2	2,770.4
Power cables	384.7	430.3	439.3	462.5	466.4	479.1	490.7	500.1	1,298.0	1,541.9	1,716.7	1,936.3	2,011.8
Bare conductors	224.7	273.9	258.6	267.2	266.4	267.6	273.4	275.2	762.8	857.6	1,024.5	1,082.6	1,088.7
Power cables/insulated wires	99.8	88.6	113.1	132.2	134.8	144.9	151.0	158.9	369.2	418.6	433.8	589.7	655.0
Other	60.1	67.8	67.5	63.0	65.3	66.6	66.2	65.9	166.1	265.7	258.4	264.0	268.1
Heavy electrical equipment	120.7	206.5	157.9	164.4	166.9	171.3	173.2	176.9	275.4	499.0	649.6	688.4	754.8
Heavy electrical equipment	111.0	200.6	152.2	158.2	159.9	165.2	166.6	170.1	255.6	483.0	622.1	661.9	726.0
Other	9.7	5.9	5.7	6.2	7.1	6.1	6.6	6.8	19.8	16.1	27.5	26.6	28.8
Other businesses	0.7	0.6	0.9	0.8	0.8	0.8	0.9	0.9	3.9	3.6	3.1	3.5	3.7
COGS	428.4	527.3	500.3	523.5	528.1	543.1	556.0	566.8	1,421.6	1,764.1	1,979.6	2,194.0	2,303.2
SG&A	26.9	38.1	36.8	39.3	39.9	40.3	40.4	41.2	75.9	129.2	141.1	161.8	169.4
OP	50.8	72.0	61.0	65.0	66.1	67.8	68.4	70.0	79.7	151.3	248.7	272.3	297.8
Power cables	21.1	18.9	19.9	21.9	21.9	22.2	21.8	22.0	40.8	44.2	81.9	88.0	89.0
Heavy electrical equipment	29.2	53.3	41.1	43.1	44.2	45.7	46.6	48.0	38.7	116.0	166.7	184.4	208.9
Other businesses	0.5	-0.2	0.0	-0.1	0.0	-0.1	0.0	0.0	-0.8	-1.2	0.1	-0.1	-0.1
YoY (%)													
Revenue	10.6	21.9	32.9	2.2	25.3	2.2	11.2	8.0	26.5	29.6	15.9	10.9	5.4
Power cables	0.8	10.2	31.1	6.4	21.3	11.4	11.7	8.1	36.5	18.8	11.3	12.8	3.9
Heavy electrical equipment	60.6	57.1	38.6	-7.9	38.3	-17.0	9.7	7.6	-5.8	81.2	30.2	6.0	9.6
Other businesses	-4.0	-23.2	-17.3	-6.6	12.9	32.3	0.0	7.0	3.1	-7.0	-13.1	11.5	5.7
OP	49.1	91.4	72.5	46.9	30.3	-5.7	12.2	7.7	31.2	89.7	64.4	9.5	9.3
Power cables	21.0	82.5	21.1	TTB	4.0	17.4	9.6	0.5	58.6	8.2	85.4	7.5	1.1
Heavy electrical equipment	-11.2	142.3	236.7	-11.8	51.2	-14.2	13.4	11.2	14.6	199.6	43.7	10.6	13.3
Other businesses	TTB	RR	TTR	RR	-92.6	RR	RR	RR	TTR	RR	TTB	TTR	RR
OP margin (%)													
Overall	10.0	11.3	10.2	10.4	10.4	10.4	10.3	10.3	5.1	7.4	10.5	10.4	10.7
Power cables	5.5	4.4	4.5	4.7	4.7	4.6	4.5	4.4	3.1	2.9	4.8	4.5	4.4
Heavy electrical equipment	24.2	25.8	26.0	26.2	26.5	26.7	26.9	27.1	14.1	23.2	25.7	26.8	27.7
Other businesses	62.0	-35.8	-4.1	-7.2	4.0	-8.7	-3.8	-3.7	-20.8	-33.2	4.3	-3.1	-3.8
Non-operating profit	-8.1	-2.6	-2.8	-3.3	-2.7	-1.9	-2.9	-3.4	-16.0	-8.8	-16.8	-10.8	-6.9
Pretax profit	42.6	69.3	58.1	61.7	63.5	65.9	65.5	66.6	63.8	142.4	231.8	261.5	290.9
NP attr. to owners	35.9	49.9	44.6	49.0	49.4	51.4	51.4	52.0	46.2	103.9	179.4	204.2	227.4
Net margin (%)	7.1	7.8	7.5	7.8	7.8	7.9	7.7	7.7	2.9	5.1	7.6	7.8	8.2
EPS (W)	**753**	**1,047**	**935**	**1,028**	**1,036**	**1,078**	**1,078**	**1,090**	**1,072**	**2,353**	**3,763**	**4,282**	**4,769**
YoY (%)	**15.1**	**90.3**	**61.5**	**80.3**	**37.6**	**3.0**	**15.3**	**6.1**	**23.1**	**119.6**	**59.9**	**13.8**	**11.4**

Source: Company data, Mirae Asset Securities Research

Table 2. TP calculation

	Value	Notes
2028F NP attr. to owners of the parent (Wbn)	227.4	
No. of shares (mn)	47.7	
2028F EPS (W)	4,768.8	
Power cables: OP share (%)	29.9	
Power cables: EPS (W)	1,425.5	
Power cables: Target P/E (x)	17.6	Avg. 2028F P/E of global power cable peers
Power cables: Fair value/share (W)	25,089	
Heavy electrical equipment: OP share (%)	70.2	
Heavy electrical equipment: EPS (W)	3,345.5	
Heavy electrical equipment: Target P/E (x)	26.7	Avg. 2028F P/E of global power equipment peers
Heavy electrical equipment: Fair value/share (W)	89,324	
Target price (W)	114,000	Rounded
Current price (W)	61,800	Aug. 11 closing price
Upside (%)	84.5	Buy rating

Source: Mirae Asset Securities Research

Table 3. Earnings forecast revisions

(Wbn, %)

	Previous				Revised				Chg.			
	3Q26F	2026F	2027F	2028F	3Q26F	2026F	2027F	2028F	3Q26F	2026F	2027F	2028F
Revenue	618.2	2,388.0	2,648.5	2,758.1	598.1	2,369.4	2,628.2	2,770.4	-3.3	-0.8	-0.8	0.4
OP	59.1	233.8	262.5	284.0	61.0	249.2	272.3	297.8	3.2	6.6	3.8	4.8
NP attr. to owners	44.3	171.0	196.4	216.4	44.6	179.4	204.2	227.4	0.6	4.9	4.0	5.1
EPS (W)	929.0	3,585.0	4,119.0	4,537.0	934.6	3,762.6	4,282.5	4,768.8	0.6	5.0	4.0	5.1

Source: Mirae Asset Securities Research

Table 4. Annual earnings and forecasts

(Wbn)

	2022	2023	2024	2025	2026F	2027F	2028F
Revenue	1,164.7	1,246.7	1,577.2	2,044.6	2,369.4	2,628.2	2,770.4
Power cables	908.7	950.7	1,298.0	1,541.9	1,716.7	1,936.3	2,011.8
Bare conductors	557.8	614.3	762.8	857.6	1,024.5	1,082.6	1,088.7
Power cables/insulated wires	203.8	167.0	369.2	418.6	433.8	589.7	655.0
Other	147.0	169.3	166.1	265.7	258.4	264.0	268.1
Heavy electrical equipment	251.8	292.3	275.4	499.0	649.6	688.4	754.8
Heavy electrical equipment	219.8	273.6	255.6	483.0	622.1	661.9	726.0
Other	32.0	18.7	19.8	16.1	27.5	26.6	28.8
Other businesses	4.2	3.7	3.9	3.6	3.1	3.5	3.7
COGS	1,068.5	1,129.4	1,421.6	1,764.1	1,979.6	2,194.0	2,303.2
SG&A	64.7	56.6	75.9	129.2	141.1	161.8	169.4
OP	31.5	60.8	79.7	151.3	248.7	272.3	297.8
Power cables	21.7	25.7	40.8	44.2	81.9	88.0	89.0
Heavy electrical equipment	15.1	33.8	38.7	116.0	166.7	184.4	208.9
Other businesses	-4.4	1.6	-0.8	-1.2	0.1	-0.1	-0.1
OP margin (%)	2.7	4.9	5.1	7.4	10.5	10.4	10.7
Non-operating profit	-3.8	-17.2	-16.0	-8.8	-16.8	-10.8	-6.9
Pretax profit	27.7	43.6	63.8	142.4	231.8	261.5	290.9
NP attr. to owners	24.2	34.5	46.2	103.9	179.4	204.2	227.4
Net margin (%)	2.1	2.8	2.9	5.1	7.6	7.8	8.2
EPS (W)	611	871	1,072	2,353	3,763	4,282	4,769
YoY (%)		42.6	23.1	119.6	59.9	13.8	11.4

Source: Company data, Mirae Asset Securities Research

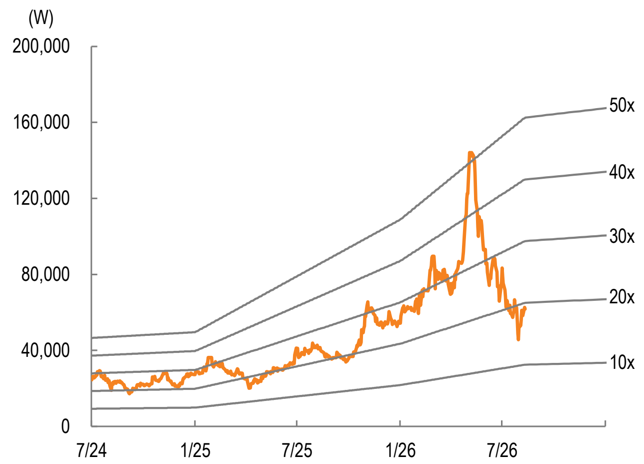
Table 5. Peer valuation table

(Wtr, %, x)

Company	Market cap	Earnings metrics (2026F)			Earnings metrics (2028F)			Valuation (2026F)			Valuation (2028F)		
		Revenue	OP	OP margin	Revenue	OP	OP margin	P/E	P/B	EV/EBITDA	P/E	P/B	EV/EBITDA
Iljin Electric	3.4	2.2	0.2	9.6	2.5	0.3	10.8	21.3	4.7	14.3	15.8	3.2	11.2
LS Electric	30.7	6.5	0.7	10.8	9.2	1.3	13.8	55.2	12.4	37.3	30.8	7.4	21.9
Sanil Electric	5.7	0.7	0.3	37.9	1.1	0.4	40.4	26.9	7.7	20.8	16.0	4.6	12.3
Hyosung Heavy Industries	26.5	7.2	1.1	15.5	9.9	2.0	20.1	33.5	8.6	22.5	18.0	4.9	12.7
HD Hyundai Electric	26.9	4.7	1.2	26.3	6.5	1.9	29.3	27.9	9.9	19.6	18.1	5.8	13.0
GE Vernova	372.9	65.0	6.3	9.7	85.3	15.5	18.1	43.1	18.3	40.4	28.9	10.9	20.0
GE Vernova T&D	16.8	0.9	0.2	25.3	1.5	0.4	25.1	92.8	40.9	69.0	54.7	20.0	41.6
Siemens Energy	219.5	72.1	8.3	11.5	92.9	14.8	15.9	35.7	11.2	18.7	19.7	7.7	11.7
Hitachi	226.4	92.8	10.4	11.2	110.4	14.5	13.1	31.8	4.2	15.3	22.8	3.5	11.9
ABB	261.1	53.9	10.5	19.5	66.4	14.0	21.0	29.5	9.5	22.6	24.6	6.8	17.4
EHV equipment peer avg.								42.0	14.7	29.7	26.7	8.5	18.3
Taihan Cable & Solution	5.5	4.4	0.2	5.2	5.2	0.3	6.2	59.6	3.2	22.2	24.8	2.5	15.8
Sumitomo Electric Industries	60.9	45.0	3.5	7.7	50.2	5.0	10.0	21.5	2.7	12.4	16.2	2.2	9.1
Prysmian	63.1	36.2	3.5	9.8	42.6	4.9	11.6	26.2	5.0	15.1	18.3	3.5	11.4
NKT	10.7	5.7	0.4	7.4	7.7	0.9	11.4	30.5	2.9	14.6	15.7	2.3	7.9
Nexans	9.9	11.9	0.9	7.3	14.0	1.2	8.7	19.1	2.8	8.9	12.8	2.2	6.8
Power cable peer avg.								31.4	3.3	14.6	17.6	2.5	10.2

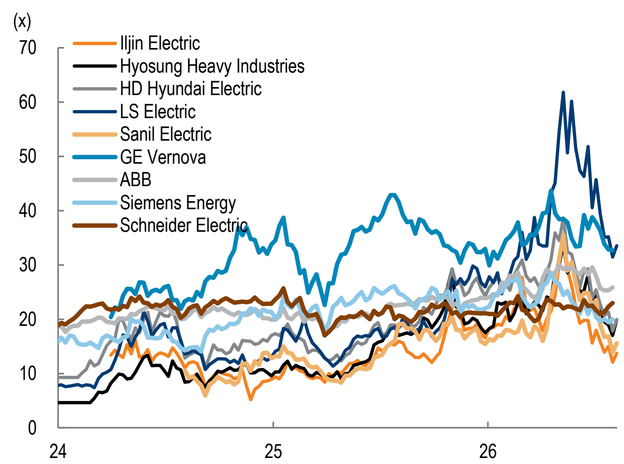
Source: Bloomberg, Mirae Asset Securities Research

Figure 1. Iljin Electric: 12-month forward P/E band chart



Source: Bloomberg, Mirae Asset Securities Research

Figure 2. Global power equipment suppliers: 24-month forward P/E trends



Source: Bloomberg, Mirae Asset Securities Research

Iljin Electric (103590 KS)

Income statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Revenue	**2,045**	**2,369**	**2,628**	**2,770**
Cost of revenue	**1,764**	**1,980**	**2,194**	**2,303**
GP	**281**	**389**	**434**	**467**
SG&A expenses	**129**	**141**	**162**	**169**
OP (adj.)	**151**	**249**	**272**	**298**
OP	**151**	**249**	**272**	**298**
Non-operating profit	**-9**	**-17**	**-10**	**-7**
Net financial income	-3	-6	-4	0
Net income from associates	0	0	0	0
Pretax profit	142	232	262	291
Income tax	39	49	57	63
Profit from continuing operations	104	183	204	227
Profit from discontinued operations	0	0	0	0
NP	**104**	**179**	**204**	**227**
Attributable to owners	104	179	204	227
Attributable to minority interests	0	0	0	0
Total comprehensive income	**101**	**181**	**204**	**227**
Attributable to owners	101	181	204	227
Attributable to minority interests	0	0	0	0
EBITDA	168	269	295	323
FCF	62	-149	153	186
EBITDA margin (%)	8.2	11.4	11.2	11.7
OP margin (%)	7.4	10.5	10.4	10.8
Net margin (%)	5.1	7.6	7.8	8.2

Balance sheet (summarized)

(Wbn)	2025	2026F	2027F	2028F
Current assets	**967**	**1,223**	**1,423**	**1,618**
Cash & equivalents	138	105	217	356
AR & other receivables	317	411	444	464
Inventory	336	473	511	534
Other current assets	176	234	251	264
Non-current assets	**559**	**578**	**607**	**634**
Investments in associates	0	0	0	0
PP&E	442	463	493	521
Intangible assets	13	13	12	11
Total assets	**1,526**	**1,801**	**2,030**	**2,252**
Current liabilities	**835**	**934**	**991**	**1,027**
AP & other payables	339	292	315	330
Short-term financial liabilities	132	269	274	277
Other current liabilities	364	373	402	420
Non-current liabilities	**103**	**124**	**133**	**138**
Long-term financial liabilities	18	20	20	20
Other non-current liabilities	85	104	113	118
Total liabilities	**937**	**1,058**	**1,124**	**1,165**
Equity attributable to owners	**589**	**743**	**906**	**1,087**
Capital stock	48	48	48	48
Capital surplus	219	219	219	219
Retained earnings	320	476	639	819
Minority interests	**0**	**0**	**0**	**0**
Shareholders' equity	**589**	**743**	**906**	**1,087**

Cash flow statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Operating cash flow	**87**	**-108**	**204**	**239**
NP	104	179	204	227
Non-cash income/expenses	114	76	84	89
Depreciation	16	19	22	25
Amortization	1	1	1	1
Other	97	56	61	63
Chg. in working capital	-104	-316	-23	-14
Chg. in AR & other receivables	-146	-89	-32	-20
Chg. in inventory	-90	-137	-38	-24
Chg. in AP & other payables	120	-53	21	13
Income tax	-10	-42	-57	-63
Cash flow from investing activities	**-35**	**-58**	**-56**	**-55**
Chg. in PP&E	-24	-40	-51	-52
Chg. in intangible assets	-3	0	0	0
Chg. in financial assets	-40	-4	-5	-3
Other	32	-14	0	0
Cash flow from financing activities	**-53**	**136**	**-36**	**-44**
Chg. in financial liabilities	-18	139	5	3
Chg. in equity	0	0	0	0
Dividends	0	0	-41	-47
Other	-35	-3	0	0
Chg. in cash	**-2**	**-32**	**111**	**139**
Beginning balance	140	138	105	217
Ending balance	138	105	217	356

Key valuation metrics/ratios

	2025	2026F	2027F	2028F
P/E (x)	25.0	16.4	14.4	13.0
P/CF (x)	11.9	11.5	10.2	9.3
P/B (x)	4.4	4.0	3.3	2.7
EV/EBITDA (x)	15.2	11.4	10.0	8.7
EPS (W)	2,179	3,763	4,282	4,769
CFPS (W)	4,569	5,353	6,050	6,644
BPS (W)	12,346	15,588	19,007	22,793
DPS (W)	500	864	983	1,094
Dividend payout ratio (%)	22.9	22.9	22.9	22.9
Dividend yield (%)	0.9	1.2	1.3	1.5
Revenue growth (%)	29.6	15.9	10.9	5.4
EBITDA growth (%)	81.4	59.9	9.7	9.5
OP growth (%)	89.6	64.8	9.3	9.3
EPS growth (%)	119.6	72.7	13.8	11.4
AR turnover (x)	8.3	6.8	6.4	6.3
Inventory turnover (x)	7.0	5.9	5.3	5.3
AP turnover (x)	6.9	6.9	8.0	7.9
ROA (%)	7.5	10.8	10.7	10.6
ROE (%)	19.1	26.9	24.8	22.8
ROIC (%)	20.9	28.2	23.3	23.9
Debt-to-equity ratio (%)	159.2	142.3	124.0	107.2
Current ratio (%)	115.9	131.0	143.6	157.5
Net debt-to-equity ratio (%)	-6.6	17.0	1.6	-11.4
Interest coverage ratio (x)	31.1	31.0	31.1	33.7

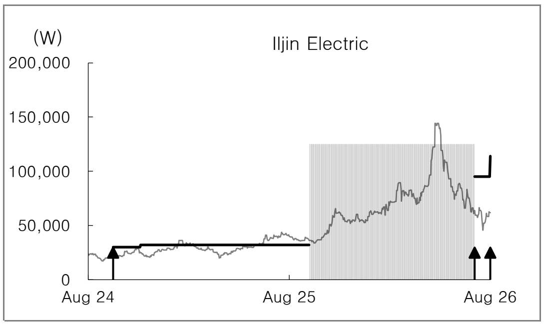
Source: Company data, Mirae Asset Securities Research estimates

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Iljin Electric (103590)	08/12/26	Buy	114,000
	07/15/26	Buy	95,000
	09/18/25	No Coverage	
	11/15/24	Buy	32,000
	09/26/24	Buy	30,000



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)

Disclosures

As of the publication date, Mirae Asset Securities Co., Ltd. has been acting as an advisor to Iljin Electric

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