MIRAE ASSET Securities

Equity Research
August 18, 2026

006260 KS · Multi-Sector Holdings

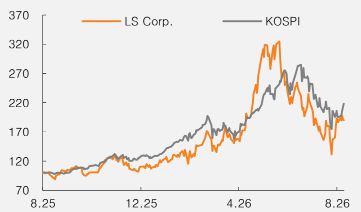
LS Corp.

Broadening earnings momentum

(Maintain)	Buy
Target price	▲ W452,000
Current price (8/14/26)	W323,500
Upside	39.7%

OP (26F, Wbn)	2,202
Consensus OP (26F, Wbn)	1,735
EPS growth (26F, %)	111.6
Market EPS growth (26F, %)	278.0
P/E (26F, x)	18.1
Market P/E (26F, x)	6.8
KOSPI	6,977.94
Market cap (Wbn)	10,093
Shares (mn)	31
Free float (%)	54.5
Foreign ownership (%)	16.7
Beta (12M)	1.06
52-week low (W)	150,800
52-week high (W)	553,000

(%)	1M	6M	12M
Absolute	10.6	30.4	95.5
Relative	8.7	2.9	-9.6



Mirae Asset Securities Co., Ltd.

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Raise TP to W452,000; maintain Buy

We raise our target price for LS Corp. to W452,000 (from W316,000) and maintain our Buy rating. We derived our target price by applying a target NAV discount of 41.2% to our NAV estimate of W21.01tr. Our target price revision reflects a substantive increase in asset value rather than multiple expansion. In particular, shares of listed subsidiary LS Electric have moved higher, and the earnings power of unlisted subsidiaries is strengthening as well. That said, the increase in asset value is partially offset by a higher discount (from 40.9% to 41.2%), reflecting the increased share of unlisted subsidiaries in NAV (from 26% to 31.1%).

2Q26 review: A quarterly record, beating the consensus by 25%

For 2Q26, LS Corp. posted record consolidated operating profit of W595.6bn (equity-method gains included; +153% YoY), beating the consensus of W475.2bn by 25.3%. Revenue also expanded 40% YoY to W11.02tr.

Notably, the quality of earnings has strengthened. Gross margin rose 1.7%p to 9.9%, with top-line growth translating into margin expansion despite the group's raw-material-intensive business structure. Operating profit for 1H26 reached W1.07tr, already exceeding the full-year figure for 2025.

Broad-based profitability improvements

Three main demand drivers—North American AI data centers, European and Asian offshore wind projects, and the replacement of aging power grids globally—are benefiting both listed and unlisted subsidiaries. LS Electric saw its operating profit surge 64% and order backlog increase 82% in just six months, driven by its distribution equipment business. Among unlisted subsidiaries, LS Cable & System recorded a 71% rise in operating profit on improved bus duct margins, while LS I&D reported a 166% surge on strong demand for specialty winding wire.

LS MnM is expanding into battery materials. The company aims to complete the acquisition of its stake in an Indonesian nickel smelter by end-2026, with operations targeted to begin in 1Q27. Its Onsan battery materials plant is scheduled to commence operations in 2H26, while its precursor plant is slated to begin production next year following completion in November.

(Dec.)	2024	2025	2026F	2027F	2028F
Revenue (Wbn)	27,545	31,870	43,198	43,307	46,419
OP (Wbn)	1,073	1,053	2,202	2,602	3,041
OP margin (%)	3.9	3.3	5.1	6.0	6.6
NP (Wbn)	237	271	560	828	972
EPS (W)	7,371	8,458	17,899	26,523	31,168
ROE (%)	5.1	5.6	10.7	14.2	14.7
P/E (x)	12.8	23.6	18.1	12.2	10.4
P/B (x)	0.6	1.2	1.8	1.6	1.4
Dividend yield (%)	1.7	1.3	1.1	1.4	1.5

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

2Q26 review

Record earnings, beating the consensus by 25%

In 2Q26, unlisted subsidiaries accounted for more than half of LS Corp.'s operating profit surprise. While LS Electric posted above-consensus operating profit of W178.5bn, unlisted subsidiaries—LS Cable & System (W141.3bn; +71% YoY) and LS I&D (W74.1bn; +166% YoY)—delivered much stronger earnings growth.

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

	2Q25	1Q26	2Q26P			Growth	
			Preliminary	Mirae Asset Securities	Consensus	YoY	QoQ
Revenue	7,854	9,504	11,024	10,069	10,221	40.3	16.0
OP	236	476	585	546	484	148.4	23.0
OP margin (%)	3.0	5.0	5.3	5.4	4.7	2.3	0.3
Pretax profit	229	305	425	428	365	85.6	39.4
NP	100	156	188	202	244	88.1	20.9

Notes: Under consolidated K-IFRS; OP excludes equity-method gains; NP is attributable to owners of the parent
Source: LS, Mirae Asset Securities Research

LS Cable & System posted broad-based growth across all divisions on a standalone basis. Operating profit jumped 134% YoY to W48.5bn for the energy/construction unit and 107% to W39.1bn for the distribution unit. Notably, operating profit at the telecommunications/industrial business surged from a negligible W0.4bn to W13.1bn. After three years of sluggishness, the telecommunications business turned profitable in April, driven by tight optical fiber cable supply/demand conditions stemming from AI data center demand and exports to Ukraine; the company expects the business to generate over W30bn in operating profit for the full year.

Underground cable margins roughly doubled QoQ, while submarine cable profitability slipped amid lower utilization. This margin contraction in submarine cables is attributable to quarterly volatility from progress-based revenue recognition, which should reverse once TenneT-related volumes at the Donghae plants 4 and 5 are recognized in earnest in 4Q26. On a recent conference call, management confirmed that 2H26 submarine cable revenue will rise meaningfully with no changes to the TenneT revenue recognition schedule. It also noted that bus duct OP margin improved from 16.7% in 1Q26 to around 22% in 2Q26, and should remain solid in 2H26 given steady order intake.

For LS MnM, the earnings mix is more important than the headline numbers. Electrolytic copper revenue neared W3tr, but operating profit from the business was muted at W2.4bn due to weak treatment and refining charges (TCs/RCs). Overall earnings were supported by sulfuric acid. Sulfuric acid/PSA revenue expanded 40% YoY to W136.1bn, generating an operating profit of W50.6bn, which—alongside precious metals (W98.5bn)—helped offset the weakness in copper. This allowed LS MnM to defend quarterly operating profit at W175.7bn, despite a 23% QoQ decline in precious metals earnings amid weaker gold and silver prices. Notably, the company's countervailing earnings drivers are helping to reduce overall earnings volatility. As for the quarterly earnings trajectory, management said that profit typically declines in 1Q due to scheduled maintenance, rebounds in 2Q, and then remains broadly steady at the 2Q level through 3Q-4Q—which is why our 2H26 quarterly earnings estimates are broadly in line with the 2Q26 level. That said, management refrained from predicting a potential recovery in TCs/RCs or gold and silver price trends.

At LS I&D, earnings improvement was driven primarily by Essex Solutions, which contributes 85–90% of LS I&D's revenue and around 85% of its operating profit. Amid surging demand for specialty winding wire—including magnet wire for EV motors and continuously transposed cables (CTCs) for extra-high-voltage transformers—European power equipment customers (ABB, etc.) have been requesting capacity expansions. Superior Solutions, a US telecommunications cable manufacturer, also returned to operating profitability despite constraints in optical fiber procurement. The company expects to find a solution to the sourcing constraints by year-end.

Table 2. Earnings forecast revisions (Wbn, %)

	Previous		Revised		Chg.		Notes
	2026F	2027F	2026F	2027F	2026F	2027F	
Revenue	39,524	43,614	43,198	43,307	9.3	-0.7	
OP	1,807	2,397	2,202	2,602	21.8	8.5	Reflected 2Q26 results
Pretax profit	1,390	1,973	1,202	1,812	-13.5	-8.2	Reflected 2Q26 results
NP	666	931	560	828	-15.9	-11.1	
EPS (W)	21,295	29,842	17,899	26,523	-15.9	-11.1	

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

Table 3. Subsidiary earnings (consolidated basis)

(Wbn)	2Q25	1Q26	2Q26	YoY	QoQ	2Q26 OP	OP margin
LS Electric (listed)	1,193	1,376.6	1,577	32%	15%	178.5	11.3%
LS Cable & System	1,889.4	2,043.7	2,479.5	31%	21%	141.3	5.7%
LS MnM	3,663.1	4,784.4	5,451.8	49%	14%	175.7	3.2%
LS I&D	1,250.3	1,492.2	1,740.3	39%	17%	74.1	4.3%
LS Mtron	311.8	305.4	307.7	-1%	1%	11.9	3.9%

Source: Company data, Mirae Asset Securities Research

Issues and catalysts

Order backlogs confirm solid power infrastructure demand

The key takeaway from the quarter is order backlog expansion rather than headline earnings. LS Electric's standalone order backlog surged 82% from W3.86tr at end-2025 to W7tr at end-2Q26. The backlog for switchboards more than doubled from W955.7bn to W2tr, while the backlog for transformers and other equipment rose from W2.9tr to W5tr. Unlike peers that focus on the transmission segment, LS Electric has greater exposure to distribution. The company believes that distribution replacement demand is growing structurally as power demand becomes increasingly diversified across cities, industrial complexes, AI data centers, and EV charging infrastructure. To meet growing demand in North America, the company is building a new plant in Utah (scheduled for completion in 2H27), while also considering capacity expansion in Texas.

LS Cable & System's order backlog increased from W6.95tr at end-2025 to W7.83tr at end-2Q26. The submarine cable backlog remained broadly flat QoQ at around W3tr, while the underground cable backlog increased by W500bn from end-2025 to W3.7tr. Bus duct orders are not reflected in the backlog, as they are supplied through individual purchase orders under framework agreements with customers. Already, the company has secured W2–4tr worth of bus duct orders, which will be evenly recognized over four years, starting this year. In addition to US big tech companies, discussions are also underway with automakers and other customers, leaving room for further order wins.

Table 4. Order backlog overview (standalone)

(Wbn)	End-2025	End-2Q26	Chg.
LS Electric: Switchboards	956	2,001	109%
LS Electric: Transformers, etc.	2,900	4,999	72%
LS Electric (total)	3,856	7,000	82%
LS Cable & System (total)	6,952	7,834	13%
(Submarine)	Approx. 3,000	Approx. 3,000	Flat
(Land)	Approx. 3,200	Approx. 3,700	16%

Source: Company data, Mirae Asset Securities Research

Growth of unlisted subsidiaries and improving financial health

LS MnM is pushing into battery materials. The company aims to complete its acquisition of a stake in an Indonesian nickel smelter by end-2026, with operations targeted to begin in 1Q27. Its Onsan battery materials plant is scheduled to commence operations in 2H26, while its precursor plant is slated to begin production next year following completion in November. LS Cable & System is investing in the LS GreenLink plant in the US, a production base designed to mitigate tariff-related risks and serve European customers. As for the rare earth permanent magnet plant reported in the media in April, management disclosed on Aug. 5 that the project remains under review with no finalized decisions. The company views it as a medium/long-term initiative to be pursued in earnest once LS Eco Energy's rare earth metal business is established.

Financial health is improving as well. According to company materials, consolidated net debt/EBITDA improved from 4.9x at end-2025 to 3.9x at end-2Q26, while the interest coverage ratio rose from 2.7x to 4.9x. In June, all three domestic credit rating agencies—Korea Investors Service, Korea Ratings, and NICE Investors Service—raised the outlook on the company's A+ rating from Stable to Positive. With strong EBITDA generation offsetting growing debt resulting from large-scale capex, financial stability is improving rapidly.

Investment strategy and valuation

Raise TP to W452,000; maintain Buy

We raise our target price for LS Corp. to W452,000 (from W316,000) and maintain our Buy rating. We derived our target price by applying a target NAV discount of 41.2% to our NAV estimate of W21.01tr. Our target price revision reflects a substantive increase in asset value rather than multiple expansion.

In deriving our target discount, we first calculated a baseline discount factoring in corporate governance and capital allocation metrics. We then added a penalty proportional to the company's share of unlisted assets (31.1%), resulting in a structural discount anchor of 45.85%. We subsequently deducted the pathway and NAV growth premiums to arrive at a target discount of 41.2%.

Table 5. LS Corp.: TP calculation (Wbn)

	Value	Notes
Listed subsidiaries	15,011	LS Electric
(+) Unlisted subsidiaries	6,787	
LS Cable & System	3,755	EBITDA of 8x
LS MnM	2,346	EBITDA of 5x
LS Mtron	392	EBITDA of 6x
LS I&D	294	Book value
(+) Brand royalties	770	Royalties W50.2bn ÷ (Ke - g)
(−) Net debt	-1,051	
(−) Holding company overhead	-508	W48.4bn ÷ Ke
NAV	21,007	
Current market cap	8,847	
Current discount	57.9%	1 – market cap/NAV
Target discount	41.2%	
No. of shares	27,347,538	Excl. treasury shares
TP (W)	452,000	
Upside	39.7%	

Notes: Illiquidity discount applied to unlisted subsidiaries; Ke = 9.52%; g = 3.0%
Source: Mirae Asset Securities Research

Notably, while an increase in the value of unlisted subsidiaries leads to NAV expansion, it also raises the share of unlisted assets, resulting in a higher anchor penalty. In this report, raising the value of unlisted subsidiaries from W4.21tr to W6.79tr increased our target discount from 40.9% to 41.2%, partially dampening our upward target price revision. Conversely, the reduction in our valuation multiples is partly offset by the same mechanism.

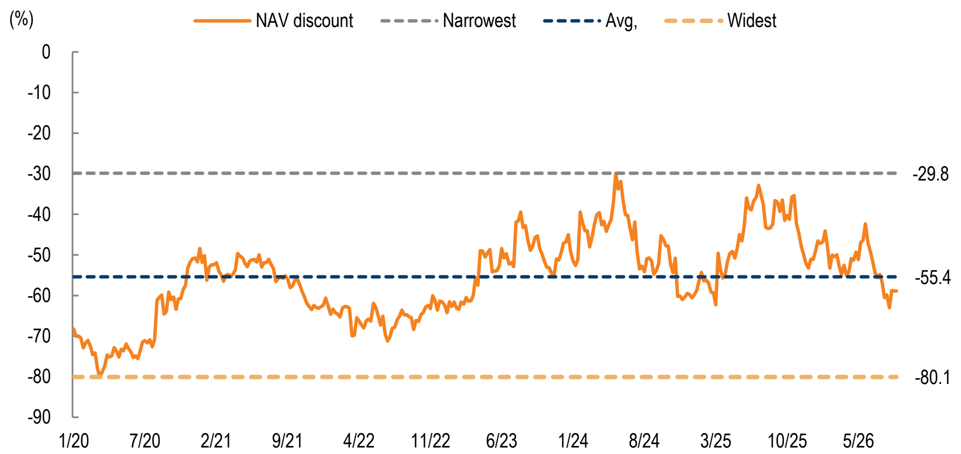
Meanwhile, we raised our cost of capital assumption from 8.50% to 9.52%. That said, our brand value estimate increased from W581.8bn to W769.9bn, as the impact of raising our royalty income assumption from W32bn to W50.2bn more than offset the higher cost of capital. A higher cost of capital is clearly a headwind, but we still raised our target price from W316,000 to W452,000, reflecting the strengthened earnings power of the unlisted subsidiaries.

Table 6. LS Corp.: Quarterly and annual earnings (Wbn, %)

	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26P	3Q26F	4Q26F	2025	2026F	2027F
Revenue	6,914	7,854	8,073	9,029	9,504	11,024	11,161	11,509	31,870	43,198	43,307
Standalone	110	128	86	74	171	218	162	184	211	736	905
LS Electric	1,032	1,193	1,216	1,524	1,377	1,577	1,635	1,920	4,966	6,508	8,046
LS Cable & System	1,944	1,889	1,887	1,868	2,044	2,480	2,480	2,480	7,588	9,482	10,525
LS I&D	1,168	1,250	1,203	1,237	1,492	1,740	1,740	1,740	4,859	6,713	6,982
LS Mtron	348	312	239	219	305	308	308	308	1,118	1,228	1,290
LS MnM	2,831	3,663	3,888	4,561	4,784	5,452	5,452	5,452	14,942	21,140	18,170
Consolidation adj., etc.	-519	-581	-447	-454	-669	-751	-616	-574	-2,001	-2,609	-2,611
OP	305	236	257	255	476	585	587	553	1,053	2,202	2,602
Standalone	97	115	74	30	157	204	149	138	315	648	814
LS Electric	87	109	101	130	127	179	185	226	426	716	1,044
LS Cable & System	83	83	80	34	97	141	124	52	280	414	460
LS I&D	32	28	23	22	43	74	61	58	105	236	245
LS Mtron	27	19	1	-3	25	12	12	12	44	61	64
LS MnM	75	-5	43	113	190	176	88	102	225	555	364
Consolidation adj., etc.	-97	-112	-64	-69	-162	-200	-32	-35	-343	-429	-389
OP margin (%)	4.4	3.0	3.2	2.8	5.0	5.3	5.3	4.8	3.3	5.1	6.0
Pretax profit	195	229	125	133	305	425	311	162	682	1,202	1,812
NP	87	100	66	18	156	188	143	72	271	560	828
Net margin (%)	2.0	2.1	1.3	0.8	2.5	2.7	2.0	1.0	0.8	1.3	1.9

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

Figure 1. LS Corp.: Historical NAV discount



Source: KRX, DART, Mirae Asset Securities Research.

LS Corp. (006260 KS)

Income statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Revenue	**31,870**	**43,198**	**43,307**	**46,419**
Cost of revenue	**29,037**	**38,738**	**38,374**	**40,915**
GP	**2,833**	**4,460**	**4,933**	**5,504**
SG&A expenses	**1,764**	**2,260**	**2,331**	**2,464**
OP (adj.)	**1,053**	**2,202**	**2,602**	**3,041**
OP	**1,053**	**2,202**	**2,602**	**3,041**
Non-operating profit	**-371**	**-1,000**	**-790**	**-907**
Net financial income	-316	-379	-383	-384
Net income from associates	0	0	0	0
Pretax profit	682	1,202	1,812	2,134
Income tax	194	324	509	602
Profit from continuing operations	487	878	1,303	1,531
Profit from discontinued operations	-2	0	0	0
NP	**485**	**878**	**1,303**	**1,531**
Attributable to owners	271	560	828	972
Attributable to minority interests	214	318	476	559
Total comprehensive income	**597**	**831**	**1,303**	**1,531**
Attributable to owners	355	606	950	1,116
Attributable to minority interests	242	225	353	415
EBITDA	1,585	2,777	3,247	3,772
FCF	-941	-1,274	709	250
EBITDA margin (%)	5.0	6.4	7.5	8.1
OP margin (%)	3.3	5.1	6.0	6.6
Net margin (%)	0.9	1.3	1.9	2.1

Balance sheet (summarized)

(Wbn)	2025	2026F	2027F	2028F
Current assets	**16,415**	**19,897**	**20,390**	**21,727**
Cash & equivalents	2,087	1,648	2,274	2,266
AR & other receivables	4,061	5,176	5,138	5,521
Inventory	6,679	8,514	8,451	9,081
Other current assets	3,588	4,559	4,527	4,859
Non-current assets	**8,580**	**9,508**	**10,158**	**10,875**
Investments in associates	430	549	545	585
PP&E	5,902	6,471	7,188	7,897
Intangible assets	964	1,014	954	897
Total assets	**24,995**	**29,405**	**30,548**	**32,602**
Current liabilities	**13,776**	**17,008**	**16,946**	**17,562**
AP & other payables	2,095	2,670	2,651	2,848
Short-term financial liabilities	8,401	10,157	10,147	10,255
Other current liabilities	3,280	4,181	4,148	4,459
Non-current liabilities	**3,540**	**4,000**	**3,997**	**4,027**
Long-term financial liabilities	3,001	3,595	3,595	3,595
Other non-current liabilities	539	405	402	432
Total liabilities	**17,315**	**21,008**	**20,943**	**21,589**
Equity attributable to owners	**5,004**	**5,470**	**6,203**	**7,052**
Capital stock	161	161	161	161
Capital surplus	-188	-215	-215	-215
Retained earnings	5,025	5,507	6,239	7,088
Minority interests	**2,676**	**2,927**	**3,402**	**3,961**
Shareholders' equity	**7,680**	**8,397**	**9,605**	**11,013**

Cash flow statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Operating cash flow	**206**	**-315**	**2,011**	**1,634**
NP	485	878	1,303	1,531
Non-cash income/expenses	1,265	1,398	1,529	1,710
Depreciation	450	512	585	675
Amortization	65	64	60	56
Other	750	822	884	979
Chg. in working capital	-958	-1,899	63	-629
Chg. in AR & other receivables	-211	-960	38	-383
Chg. in inventory	-1,688	-1,761	63	-630
Chg. in AP & other payables	359	431	-20	198
Income tax	-257	-309	-509	-602
Cash flow from investing activities	**-1,690**	**-1,567**	**-1,282**	**-1,587**
Chg. in PP&E	-1,111	-959	-1,302	-1,384
Chg. in intangible assets	-42	-6	0	0
Chg. in financial assets	-1,308	-591	20	-203
Other	771	-11	0	0
Cash flow from financing activities	**1,983**	**1,580**	**-107**	**-14**
Chg. in financial liabilities	2,360	2,122	-11	109
Chg. in equity	-245	-27	0	0
Dividends	-100	0	-96	-123
Other	-32	-515	0	0
Chg. in cash	**495**	**-439**	**627**	**-8**
Beginning balance	1,592	2,087	1,648	2,274
Ending balance	2,087	1,648	2,274	2,266

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

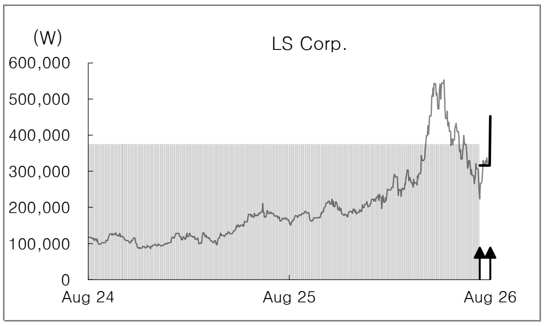
	2025	2026F	2027F	2028F
P/E (x)	23.6	18.1	12.2	10.4
P/CF (x)	3.7	4.4	3.6	3.1
P/B (x)	1.2	1.8	1.6	1.4
EV/EBITDA (x)	10.4	8.1	6.9	6.1
EPS (W)	8,458	17,899	26,523	31,168
CFPS (W)	54,665	72,756	90,780	103,885
BPS (W)	160,841	178,049	201,504	228,728
DPS (W)	2,500	3,500	4,500	5,000
Dividend payout ratio (%)	14.1	10.9	9.4	8.9
Dividend yield (%)	1.3	1.1	1.4	1.6
Revenue growth (%)	15.7	35.5	0.3	7.2
EBITDA growth (%)	1.0	75.2	16.9	16.2
OP growth (%)	-1.9	109.2	18.2	16.9
EPS growth (%)	14.8	111.6	48.2	17.5
AR turnover (x)	7.9	9.4	8.4	8.7
Inventory turnover (x)	5.4	5.7	5.1	5.3
AP turnover (x)	15.1	16.3	14.4	14.9
ROA (%)	2.1	3.2	4.3	4.8
ROE (%)	5.6	10.7	14.2	14.7
ROIC (%)	5.5	10.6	10.9	12.1
Debt-to-equity ratio (%)	225.5	250.2	218.1	196.0
Current ratio (%)	119.2	117.0	120.3	123.7
Net debt-to-equity ratio (%)	96.5	114.4	93.6	81.0
Interest coverage ratio (x)	2.7	5.0	5.7	6.7

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
LS Corp. (006260)	08/18/26	Buy	452,000
	07/30/26	Buy	316,000



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	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

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