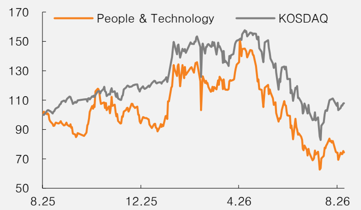
MIRAE ASSET Securities

Equity Research
August 31, 2026

(Maintain)	Buy
Target price	▼ W40,000
Current price (8/28/26)	W29,950
Upside	33.6%

OP (26F, Wbn)	75
Consensus OP (26F, Wbn)	-
EPS growth (26F, %)	-3.0
Market EPS growth (26F, %)	282.0
P/E (26F, x)	10.7
Market P/E (26F, x)	6.6
KOSDAQ	838.41
Market cap (Wbn)	710
Shares (mn)	24
Free float (%)	82.1
Foreign ownership (%)	4.6
Beta (12M)	1.29
52-week low (W)	25,200
52-week high (W)	60,900

(%)	1M	6M	12M
Absolute	8.3	-45.2	-23.2
Relative	-8.8	-22.1	-26.9



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137400 KQ · Battery Equipment

People & Technology

Diversified customer base; materials business progress is key

Leader in dry-process equipment; order backlog quality has improved

People & Technology's (PNT) current W1.5tr order backlog is markedly different in composition from the backlog of five years ago. At end-2021, the firm had a W900bn backlog concentrated among Chinese and Korean cell makers. By contrast, the backlog mix as of end-1H26 consisted of roughly 30% each from China, Europe, and the US, with Korea accounting for 10%. Notably, India has emerged as a new source of orders. A new 40GWh battery cell plant is under construction in the country, and PNT is expected to receive related electrode manufacturing equipment orders.

PNT's diversified order structure should allow differences in capacity expansion cycles across regions to offset one another, smoothing order volatility. This is particularly meaningful at a time when Korean cell makers are prioritizing utilization of existing lines over new capacity additions. The firm's technological positioning is also becoming clearer. Over the past six months, its patent applications related to dry-electrode technology increased from eight to 20, while those related to ultra-high-pressure roll presses for all-solid-state batteries rose from three to five.

Key is translating equipment cash flow into materials business growth

PNT posted disappointing 1H26 results, with revenue of W219bn (-17% YoY) and operating profit of W12.5bn (-66% YoY; OP margin of 5.7%). This was not due to weak demand, but rather reflected: 1) deferred revenue recognition due to delays in the acceptance and delivery of major projects; and 2) a greater fixed-cost burden resulting from lower utilization. The fact that the backlog remained at W1.5tr amid revenue contraction also suggests that revenue recognition was merely deferred. For 3Q26, we expect operating profit to recover to W16.8bn (+25% YoY).

PNT's Chinese subsidiary has established annual copper foil capacity of 20,000 tonnes and plans to expand this to 35,000 tonnes in 2027 and 50,000 tonnes in 2029. As the cash generated by the equipment business is deployed into the materials business, the pace of revenue growth and margin improvement in materials will be key going forward.

Lower TP to W40,000; reassess earnings power based on 2027 outlook

We lower our target price for PNT to W40,000 (from W70,000), reflecting: 1) a shift in our valuation base year from 2026F to 2027F; and 2) a reduction in our target P/E from the three-year average of 15x to the five-year average of 11x. Our target price is based on a 2027F EPS of W3,512. For 2026, we forecast revenue at W760.2bn (+2% YoY) and operating profit at W75bn (-21% YoY; OP margin of 9.9%). For 2027, we look for revenue of W951.8bn (+25% YoY) and operating profit of W118.1bn (+57% YoY; OP margin of 12.4%).

Importantly, our target price revision reflects delays in revenue recognition rather than a loss of order volume. At end-2Q26, the consolidated order backlog comprised 447 orders worth W1.551tr, an increase from end-2025. In 1H26, new orders totaled W251.1bn, equivalent to 65% of full-year 2025 order intake.

(Dec.)	2024	2025	2026F	2027F	2028F
Revenue (Wbn)	1,035	745	760	952	1,077
OP (Wbn)	164	96	75	118	140
OP margin (%)	15.8	12.9	9.9	12.4	13.0
NP (Wbn)	142	74	72	90	118
EPS (W)	5,519	2,890	2,803	3,512	4,601
ROE (%)	26.5	11.4	9.8	11.0	12.8
P/E (x)	6.9	13.0	10.7	8.5	6.5
P/B (x)	1.6	1.4	1.0	0.9	0.8
Dividend yield (%)	0.3	0.5	0.7	0.7	0.7

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, %)

	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26F	4Q26F	2025	2026F	2027F
Revenue	151.8	113.4	107.5	372.1	101.4	117.6	164.9	376.3	744.9	760.2	951.8
OP	14.4	22.6	13.5	45.2	8.8	3.7	16.8	46.0	95.6	75.2	118.1
Pretax profit	14.5	8.6	17.6	47.0	25.6	10.2	16.6	52.6	87.7	105.0	129.2
NP attr. to owners	10.3	7.9	14.2	42.0	21.2	5.9	10.6	34.2	74.3	72.0	90.2
OP margin	9.5	19.9	12.5	12.2	8.7	3.1	10.2	12.2	12.8	9.9	12.4
Pretax margin	9.6	7.6	16.4	12.6	25.3	8.7	10.1	14.0	11.8	13.8	13.6
Net margin	6.8	6.9	13.2	11.3	20.9	5.0	6.4	9.1	10.0	9.5	9.5
YoY											
Revenue	-25.8	-52.8	-46.5	-4.4	-33.2	3.7	53.3	1.1	-28.0	2.1	25.2
OP	-62.2	-15.3	-56.6	-33.7	-39.0	-83.6	24.5	1.7	-41.7	-21.3	57.0
Pretax profit	-66.4	-72.2	-26.3	-45.7	76.3	18.2	-5.6	11.9	-52.5	19.7	23.0
NP attr. to owners	-69.5	-63.3	-21.0	-38.9	105.5	-24.6	-25.1	-18.5	-47.6	-3.2	25.3

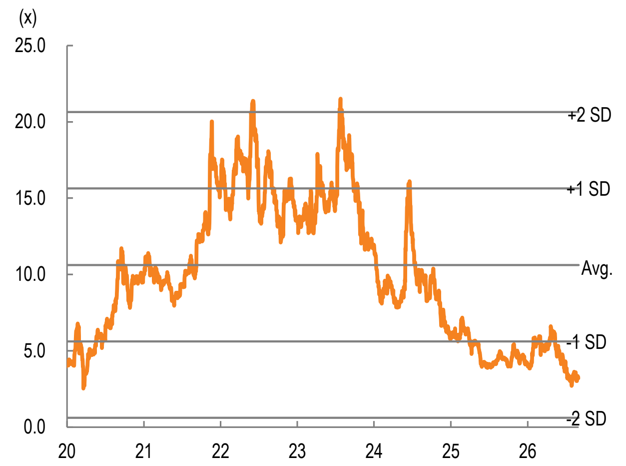
Source: Company data, Mirae Asset Securities Research

Table 2. TP calculation

2027F EPS (W)	3,512	
Target P/E (x)	11.0	5Y avg.
Fair value/share (W)	38,532	
TP (W)	40,000	Rounded
CP (W)	29,950	
Upside (%)	33.6	

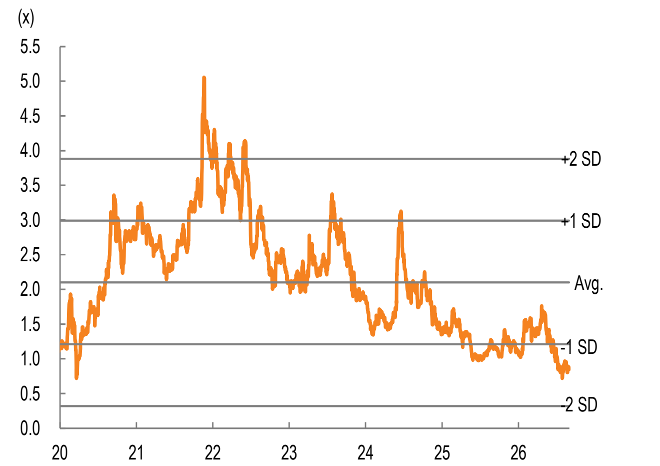
Source: Mirae Asset Securities Research

Figure 1. 12-month forward P/E ±2 SD



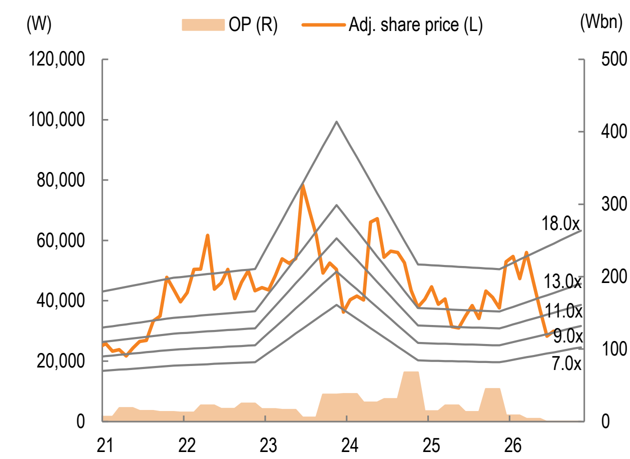
Source: Bloomberg, Mirae Asset Securities Research

Figure 2. 12-month forward P/B ±2 SD



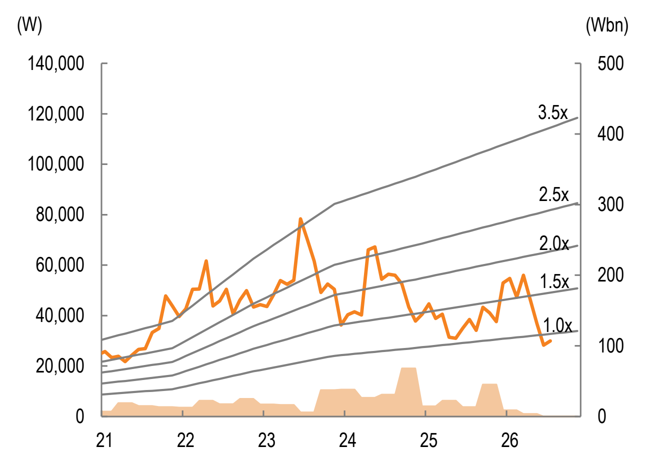
Source: Bloomberg, Mirae Asset Securities Research

Figure 3. 12-month forward P/E band chart



Source: Bloomberg, Mirae Asset Securities Research

Figure 4. 12-month forward P/B band chart



Source: Bloomberg, Mirae Asset Securities Research

People & Technology (137400 KQ)

Income statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Revenue	**745**	**760**	**952**	**1,077**
Cost of revenue	**609**	**618**	**778**	**877**
GP	**136**	**142**	**174**	**200**
SG&A expenses	**41**	**67**	**56**	**60**
OP (adj.)	**96**	**75**	**118**	**140**
OP	**96**	**75**	**118**	**140**
Non-operating profit	**-8**	**30**	**11**	**29**
Net financial income	-5	-12	-15	-14
Net income from associates	0	0	0	0
Pretax profit	88	105	129	169
Income tax	18	25	29	38
Profit from continuing operations	70	80	100	131
Profit from discontinued operations	0	0	0	0
NP	**70**	**80**	**100**	**131**
Attributable to owners	74	72	90	118
Attributable to minority interests	-5	8	10	13
Total comprehensive income	**72**	**99**	**100**	**131**
Attributable to owners	77	95	96	126
Attributable to minority interests	-5	4	4	5
EBITDA	108	94	136	157
FCF	-123	47	-14	36
EBITDA margin (%)	14.5	12.4	14.3	14.6
OP margin (%)	12.9	9.9	12.4	13.0
Net margin (%)	9.9	9.5	9.5	11.0

Balance sheet (summarized)

(Wbn)	2025	2026F	2027F	2028F
Current assets	**1,193**	**1,426**	**1,677**	**1,938**
Cash & equivalents	49	263	228	301
AR & other receivables	146	147	184	209
Inventory	760	768	962	1,089
Other current assets	238	248	303	339
Non-current assets	**525**	**579**	**561**	**544**
Investments in associates	0	0	0	0
PP&E	496	539	522	505
Intangible assets	2	2	2	2
Total assets	**1,718**	**2,004**	**2,238**	**2,482**
Current liabilities	**872**	**914**	**1,052**	**1,170**
AP & other payables	125	126	158	179
Short-term financial liabilities	165	198	156	156
Other current liabilities	582	590	738	835
Non-current liabilities	**148**	**296**	**297**	**297**
Long-term financial liabilities	147	296	296	296
Other non-current liabilities	1	0	1	1
Total liabilities	**1,020**	**1,210**	**1,349**	**1,467**
Equity attributable to owners	**693**	**780**	**865**	**978**
Capital stock	13	13	13	13
Capital surplus	208	209	209	209
Retained earnings	461	528	613	726
Minority interests	**5**	**14**	**24**	**37**
Shareholders' equity	**698**	**794**	**889**	**1,015**

Cash flow statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Operating cash flow	**4**	**101**	**-14**	**36**
NP	70	80	100	131
Non-cash income/expenses	21	20	36	26
Depreciation	12	18	17	17
Amortization	0	0	0	0
Other	9	2	19	9
Chg. in working capital	-59	33	-106	-69
Chg. in AR & other receivables	23	5	-36	-24
Chg. in inventory	58	-3	-194	-127
Chg. in AP & other payables	-81	14	21	14
Income tax	-40	-30	-29	-38
Cash flow from investing activities	**-121**	**-46**	**25**	**43**
Chg. in PP&E	-128	-54	0	0
Chg. in intangible assets	0	0	0	0
Chg. in financial assets	1	0	0	0
Other	6	8	25	43
Cash flow from financing activities	**130**	**153**	**-47**	**-5**
Chg. in financial liabilities	138	182	-42	0
Chg. in equity	4	1	0	0
Dividends	-3	-5	-5	-5
Other	-9	-25	0	0
Chg. in cash	**13**	**215**	**-35**	**73**
Beginning balance	35	49	263	228
Ending balance	49	263	228	301

Key valuation metrics/ratios

	2025	2026F	2027F	2028F
P/E (x)	13.0	10.7	8.5	6.5
P/CF (x)	10.7	7.7	5.7	4.9
P/B (x)	1.4	1.0	0.9	0.8
EV/EBITDA (x)	10.8	9.9	6.9	5.6
EPS (W)	2,890	2,803	3,512	4,601
CFPS (W)	3,524	3,907	5,292	6,117
BPS (W)	27,154	30,518	33,833	38,237
DPS (W)	200	200	200	200
Dividend payout ratio (%)	6.7	5.8	4.7	3.6
Dividend yield (%)	0.5	0.7	0.7	0.7
Revenue growth (%)	-28.0	2.1	25.2	13.2
EBITDA growth (%)	-37.9	-13.0	44.7	15.6
OP growth (%)	-41.7	-21.3	57.0	18.7
EPS growth (%)	-47.6	-3.0	25.3	31.0
AR turnover (x)	4.9	5.3	5.9	5.6
Inventory turnover (x)	0.9	1.0	1.1	1.1
AP turnover (x)	4.9	7.4	8.2	7.8
ROA (%)	4.2	4.3	4.7	5.6
ROE (%)	11.4	9.8	11.0	12.8
ROIC (%)	9.3	5.9	9.0	10.0
Debt-to-equity ratio (%)	146.1	152.4	151.7	144.6
Current ratio (%)	136.7	156.0	159.4	165.6
Net debt-to-equity ratio (%)	37.6	25.8	22.3	12.3
Interest coverage ratio (x)	14.2	6.5	8.7	10.8

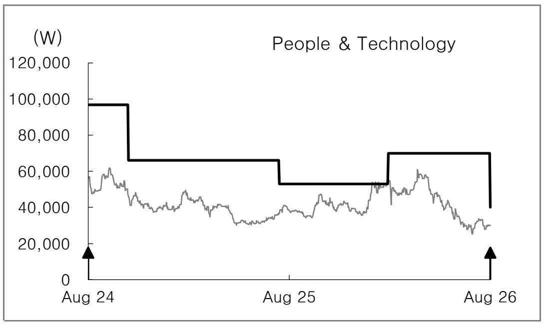
Source: Company data, Mirae Asset Securities Research estimates

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
People & Technology (137400)	08/31/26	Buy	40,000
	02/27/26	Buy	70,000
	08/13/25	Buy	53,000
	11/12/24	Buy	66,000
	06/11/24	Buy	96,700



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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