

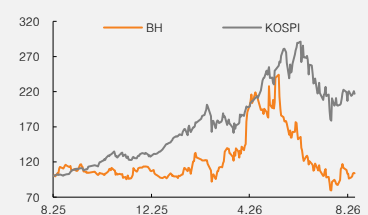
Equity Research
 August 31, 2026

(Maintain)	Buy
Target price	W25,000
Current price (8/28/26)	W17,100
Upside	46.2%

OP (26F, Wbn)	90
Consensus OP (26F, Wbn)	-
EPS growth (26F, %)	129.7
Market EPS growth (26F, %)	282.0
P/E (26F, x)	8.2
Market P/E (26F, x)	6.6
KOSPI	6,788.88

Market cap (Wbn)	576
Shares (mn)	34
Free float (%)	74.7
Foreign ownership (%)	11.2
Beta (12M)	0.76
52-week low (W)	13,100
52-week high (W)	40,200

(%)	1M	6M	12M
Absolute	16.1	-11.6	-8.1
Relative	3.0	-18.7	-56.7



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090460 KS • Electrical/Electronic Components

BH

Two growth drivers: Foldables and robotics

Foldable components are key to sustaining utilization

BH can accommodate incremental FPCB orders for foldable devices using its existing spare capacity, without adding new production lines. Given the high share of depreciation in FPCB production costs, higher utilization allows a substantial portion of incremental revenue to flow through to operating profit. Because foldable devices have both internal and external displays, they require twice as many FPCBs per unit, driving both higher volumes and ASP. Notably, large-area internal display FPCBs carry an ASP more than four times that of the FPCBs used for external displays.

We expect foldable component volumes for BH's key North American customer to reach 6.6mn units in 2026 and rise to 12mn units in 2027, with BH's related revenue estimated at W145.6bn in 2026 and W260.4bn in 2027.

Robotics momentum not yet priced in

We believe the robotics business is not reflected in the current share price. Vendor registration with a North American robotics customer is expected by year-end, and BH is already working on samples for actuator and perception sensor applications, indicating that the business has progressed beyond the conceptual phase. We estimate FPCB requirements per humanoid robot at more than 100 units. Furthermore, given that flexible circuitry is required at every joint, the value added per unit should be substantially higher than for smartphone applications. That said, vendor registration would merely open the door to potential orders; the scale of the eventual earnings contribution will ultimately depend on downstream robotics shipment volume. A meaningful rise in North America-bound robot shipments would provide a key catalyst.

Meanwhile, 2H26 should bring a succession of nearer-term catalysts, including the recognition of foldable-related revenue, the dissipation of relocation costs, and the conclusion of the vendor registration process.

Maintain TP at W25,000

We maintain our Buy rating and target price of W25,000 for BH. In 2Q26, operating profit contracted 50.8% YoY to W7.9bn, but this reflected fixed cost pressures from low utilization of IT OLED lines, not a deterioration in demand. Excluding one-off costs related to the relocation to Vietnam and IT OLED-related losses, the core mobile and automotive electronics businesses fared well, returning to normal earnings levels.

For 1H26, BH swung to an operating profit of W18.5bn (vs. -W9.3bn in 1H25). Domestic operations swung from an operating loss of W16.4bn to a profit of W5.1bn, while operating losses in Vietnam narrowed from W12.5bn to W2.7bn. This marked the first half-year period since 2023 in which earnings improved at both production bases simultaneously. All in all, the 52% share price decline over the past three months appears excessive.

(Dec.)	2024	2025	2026F	2027F	2028F
Revenue (Wbn)	1,754	1,793	1,891	2,071	2,280
OP (Wbn)	87	54	90	109	130
OP margin (%)	5.0	3.0	4.8	5.3	5.7
NP (Wbn)	67	31	70	77	97
EPS (W)	1,945	906	2,081	2,292	2,870
ROE (%)	9.9	4.2	8.8	8.8	10.1
P/E (x)	8.9	17.8	8.2	7.5	6.0
P/B (x)	0.8	0.7	0.7	0.6	0.6
Dividend yield (%)	1.4	1.6	1.5	1.5	1.5

Notes: Under non-consolidated K-IFRS; NP is attributable to owners of the parent

Source: Company data, Mirae Asset Securities Research estimates

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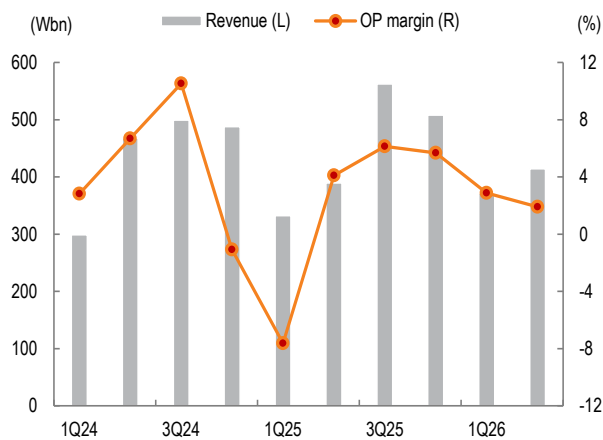
Table 1. Quarterly and annual earnings

(Wbn, %, %p)

	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26F	4Q26F	2025	2026F	2027F
Revenue	332.4	389.7	562.5	508.0	371.6	414.2	604.7	500.3	1,792.7	1,890.9	2,070.7
QoQ	-31.9	17.2	44.3	-9.7	-26.9	11.5	46.0	-17.3			
YoY	11.2	-16.8	12.7	4.1	11.8	6.3	7.5	-1.5	2.2	5.5	9.5
N. America	182.0	215.0	410.0	360.0	217.4	215.0	457.0	358.5	1,167.0	1,270.6	1,403.9
Ex-N. America smartphone FPCB	42.1	60.3	47.3	56.5	57.0	60.0	42.0	51.3	206.2	210.3	212.4
Domestic battery PCM	4.3	5.0	3.7	2.2	1.2	1.4	3.7	2.2	15.2	8.5	8.6
Other – MX	3.0	4.0	3.6	1.8	2.3	1.3	3.6	1.8	12.4	9.0	9.1
Other – camera modules	3.5	4.3	3.7	2.0	1.5	1.5	3.7	2.0	13.5	8.7	9.0
IT OLED	4.5	6.0	6.2	4.0	4.5	17.0	10.2	8.0	20.7	39.7	47.6
Automotive FPCB	2.0	0.7	1.5	0.7	0.9	1.0	1.5	0.7	4.9	4.1	6.2
Automotive OLED	1.5	2.0	2.6	1.5	1.5	2.1	2.1	1.5	7.6	7.2	7.6
BH EVS	87.5	92.4	83.9	79.3	87.7	89.9	80.9	74.3	343.1	332.8	366.4
OP	-25.4	16.0	34.5	28.8	10.7	7.9	37.9	33.2	54.0	89.6	109.0
QoQ	379.1	-163.2	115.1	-16.4	-63.0	-26.0	379.7	-12.2			
YoY	-401.1	-48.8	-34.4	-644.5	-142.0	-50.8	9.8	15.3	-38.0	66.1	21.6
OP margin	-7.6	4.1	6.1	5.7	2.9	1.9	6.3	6.6	3.0	5.1	5.3
Pretax profit	-24.5	5.4	45.5	25.8	37.0	13.7	41.9	27.7	52.2	120.2	117.1
NP attr. to owners of the parent	-28.3	2.1	37.8	19.4	22.3	2.6	10.6	6.7	31.0	42.2	43.0
Net margin	-8.5	0.5	6.7	3.8	6.0	0.6	1.8	1.3	1.7	2.2	2.1

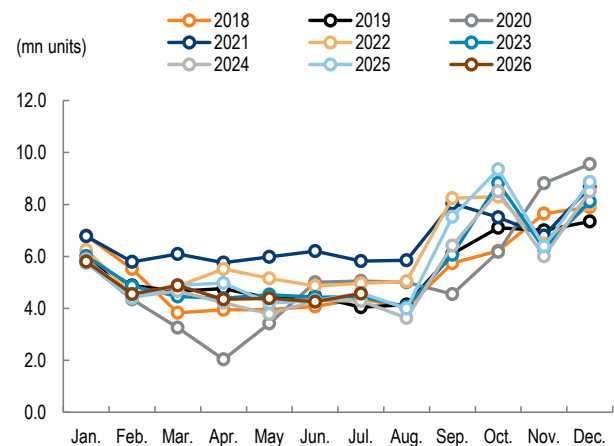
Source: Company data, Mirae Asset Securities Research

Figure 1. Quarterly revenue and OP margin



Source: Company data, Mirae Asset Securities Research

Figure 2. US: Monthly iPhone sales



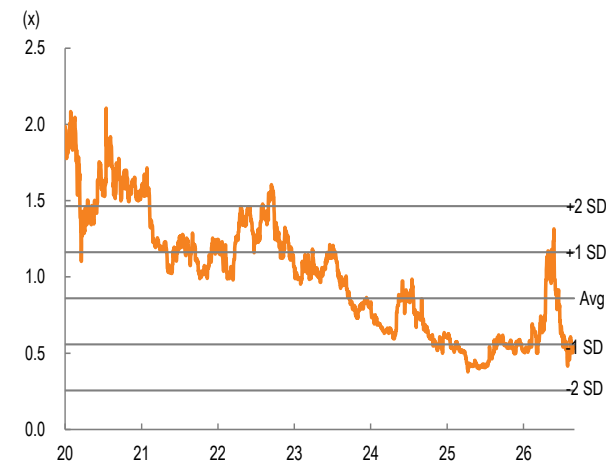
Source: Counterpoint, Mirae Asset Securities Research

Figure 3. 12-month forward P/E ± 2 SD



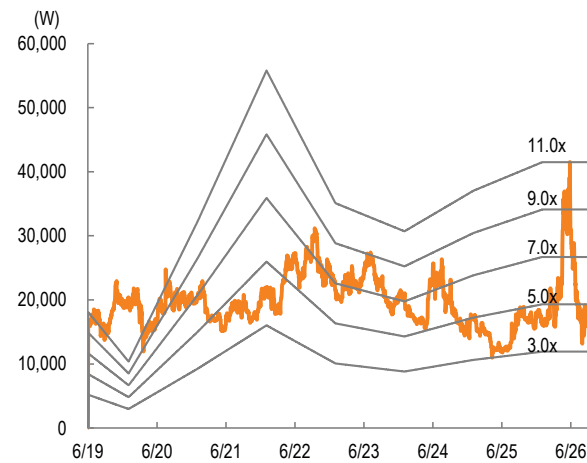
Source: Bloomberg, Mirae Asset Securities Research

Figure 4. 12-month forward P/B ± 2 SD



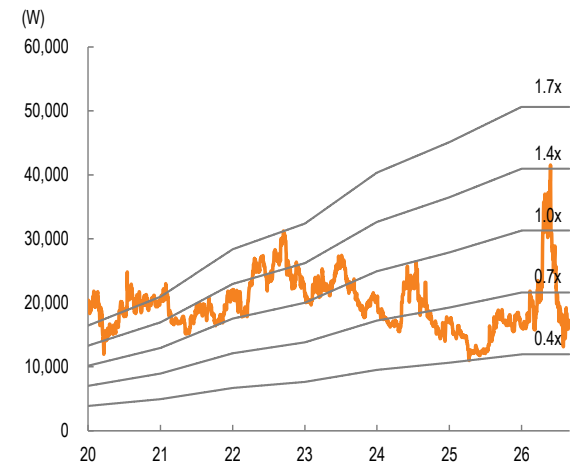
Source: Bloomberg, Mirae Asset Securities Research

Figure 5. 12-month forward P/E band chart



Source: Bloomberg, Mirae Asset Securities Research

Figure 6. 12-month forward P/B band chart



Source: Bloomberg, Mirae Asset Securities Research

BH (090460 KS)

Income statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Revenue	1,793	1,891	2,071	2,280
Cost of revenue	1,645	1,692	1,842	2,019
GP	148	199	229	261
SG&A expenses	94	109	120	132
OP (adj.)	54	90	109	130
OP	54	90	109	130
Non-operating profit	-2	30	8	13
Net financial income	-7	-6	-7	-7
Net income from associates	5	4	0	0
Pretax profit	52	120	117	143
Income tax	12	35	23	26
Profit from continuing operations	41	85	94	117
Profit from discontinued operations	0	0	0	0
NP	41	85	94	117
Attributable to owners	31	70	77	97
Attributable to minority interests	10	15	16	21
Total comprehensive income	23	108	94	117
Attributable to owners	13	86	69	86
Attributable to minority interests	9	22	25	31
EBITDA	118	153	164	176
FCF	51	95	119	130
EBITDA margin (%)	6.6	8.1	7.9	7.7
OP margin (%)	3.0	4.8	5.3	5.7
Net margin (%)	1.7	3.7	3.7	4.3

Balance sheet (summarized)

(Wbn)	2025	2026F	2027F	2028F
Current assets	753	860	1,003	1,182
Cash & equivalents	288	401	500	629
AR & other receivables	235	231	254	279
Inventory	185	183	200	220
Other current assets	45	45	49	54
Non-current assets	617	634	587	549
Investments in associates	82	81	89	98
PP&E	341	367	323	285
Intangible assets	141	136	126	117
Total assets	1,371	1,493	1,589	1,731
Current liabilities	458	485	495	526
AP & other payables	245	242	264	291
Short-term financial liabilities	170	202	184	184
Other current liabilities	43	41	47	51
Non-current liabilities	122	106	107	108
Long-term financial liabilities	110	94	94	94
Other non-current liabilities	12	12	13	14
Total liabilities	580	591	602	634
Equity attributable to owners	749	844	914	1,002
Capital stock	17	17	17	17
Capital surplus	93	93	93	93
Retained earnings	634	695	764	853
Minority interests	42	58	74	95
Shareholders' equity	791	902	988	1,097

Cash flow statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Operating cash flow	159	150	119	130
NP	41	85	94	117
Non-cash income/expenses	104	87	71	64
Depreciation	55	52	44	38
Amortization	9	12	10	9
Other	40	23	17	17
Chg. in working capital	45	2	-15	-18
Chg. in AR & other receivables	-6	16	-22	-25
Chg. in inventory	-15	3	-17	-20
Chg. in AP & other payables	32	5	22	26
Income tax	-24	-20	-23	-26
Cash flow from investing activities	-133	-56	14	16
Chg. in PP&E	-106	-54	0	0
Chg. in intangible assets	-15	-7	0	0
Chg. in financial assets	0	0	0	0
Other	-12	5	14	16
Cash flow from financing activities	34	3	-26	-8
Chg. in financial liabilities	31	16	-18	0
Chg. in equity	-1	-1	0	0
Dividends	-8	-8	-8	-8
Other	12	-4	0	0
Chg. in cash	60	113	99	129
Beginning balance	227	288	401	500
Ending balance	288	401	500	629

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

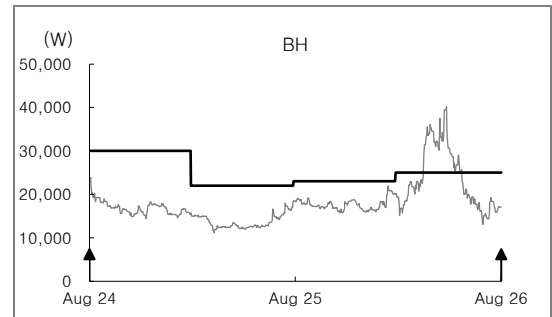
	2025	2026F	2027F	2028F
P/E (x)	17.8	8.2	7.5	6.0
P/CF (x)	3.8	3.4	3.5	3.2
P/B (x)	0.7	0.7	0.6	0.6
EV/EBITDA (x)	4.9	3.4	2.6	1.8
EPS (W)	906	2,081	2,292	2,870
CFPS (W)	4,227	5,101	4,883	5,366
BPS (W)	22,911	25,394	27,445	30,074
DPS (W)	250	250	250	250
Dividend payout ratio (%)	20.0	9.5	8.7	6.9
Dividend yield (%)	1.6	1.5	1.5	1.5
Revenue growth (%)	2.2	5.5	9.5	10.1
EBITDA growth (%)	-19.3	30.1	6.7	7.8
OP growth (%)	-38.0	66.1	21.6	18.9
EPS growth (%)	-53.4	129.7	10.1	25.2
AR turnover (x)	7.5	8.2	8.6	8.6
Inventory turnover (x)	10.1	10.3	10.8	10.9
AP turnover (x)	6.8	7.1	7.5	7.4
ROA (%)	3.0	5.9	6.1	7.1
ROE (%)	4.2	8.8	8.8	10.1
ROIC (%)	6.2	9.4	12.7	16.3
Debt-to-equity ratio (%)	73.3	65.5	60.9	57.8
Current ratio (x)	164.5	177.2	202.7	224.7
Net debt-to-equity ratio (%)	-1.3	-11.9	-22.7	-32.2
Interest coverage ratio (x)	4.5	7.6	9.3	11.4

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
BH (090460)	02/25/26	Buy	25,000
	08/28/25	Buy	23,000
	02/27/25	Buy	22,000
	07/03/24	Buy	30,000



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)

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