MIRAE ASSET Securities

Equity Research
September 1, 2026

000720 KS · Infrastructure/Materials

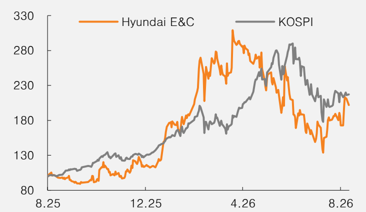
Hyundai E&C

Broadening order base in global nuclear business

(Maintain)	**Buy**
Target price	**W175,000**
Current price (8/31/26)	W123,300
Upside	41.9%

OP (26F, Wbn)	825
Consensus OP (26F, Wbn)	871
EPS growth (26F, %)	31.5
Market EPS growth (26F, %)	282.0
P/E (26F, x)	28.2
Market P/E (26F, x)	6.6
KOSPI	6,820.02
Market cap (Wbn)	13,730
Shares (mn)	111
Free float (%)	65.1
Foreign ownership (%)	25.5
Beta (12M)	0.64
52-week low (W)	54,400
52-week high (W)	188,700

(%)	1M	6M	12M
Absolute	30.3	-25.1	98.6
Relative	26.0	-31.5	-7.2



Mirae Asset Securities Co., Ltd.

Ki Ryong Kim
kiryong.kim@miraeasset.com

Building a broader base of global nuclear project opportunities

Hyundai E&C is steadily strengthening its foothold in the global nuclear market. In the US SMR market, the company expanded beyond its existing partnership with Holtec (Gen III+ SMR-300) by signing a framework agreement with Gen IV reactor developer TerraPower in August. The agreement covers Hyundai E&C's participation in TerraPower's FOAK Kemmerer unit 1 project and grants the company EPC partner rights for up to eight follow-on Natrium units. In 2025, Hyundai E&C formed partnerships with several US contractors, including Whiting-Turner, to establish the local capabilities needed to carry out nuclear projects in the US.

We believe a potential Korean government investment in Westinghouse (reportedly proposed by the US) would be positive for closer cooperation between Hyundai E&C and Westinghouse. Under their strategic partnership established in 2022 to jointly pursue global large-scale nuclear projects, the two companies are already working together on Bulgaria's Kozloduy project and are pursuing additional opportunities in Finland and Sweden.

Strong new orders; nuclear contracts could provide further upside

In 1H26, consolidated new orders reached W22.8tr, or roughly 68% of the firm's full-year guidance. Major wins included Hyundai Steel's US electric arc furnace steel mill project (W5.4tr), the Bokjeong Station-area mixed-use development project (W3tr), and large-scale projects secured by Hyundai Engineering in the US and Kazakhstan. As a result, the consolidated order backlog reached approximately W104tr, exceeding the W100tr mark for the first time in the company's history.

While the company has yet to secure an overseas nuclear order in 2026, we still see potential for package-level/phased contract awards related to: 1) the Palisades SMR project in the US; 2) the Fermi America project in the US (four large-scale reactors); and 3) Bulgaria's Kozloduy nuclear power plant (units 7 and 8). We estimate the combined potential order value of these three projects at around US$30bn. With tangible progress on new projects being pursued with several US utilities likely to become visible from 2027, we expect the firm's nuclear project pipeline to expand gradually.

Maintain Buy and TP of W175,000; our top pick in the sector

We maintain our Buy rating and target price of W175,000 on Hyundai E&C and retain the stock as our top pick in the sector. The share price has repeatedly risen on expectations for overseas nuclear projects, only to retreat when those expectations failed to translate into tangible results. Nevertheless, the project owners behind the key overseas nuclear projects in the firm's pipeline remain firmly committed to moving them forward this year. With expectations for broader participation in overseas nuclear projects still intact, we believe tangible progress through package-level contract awards could provide renewed support for a share price rebound.

(Dec.)	2024	2025	2026F	2027F	2028F
Revenue (Wbn)	32,670	31,063	27,420	29,022	32,121
OP (Wbn)	-1,263	653	825	1,004	1,249
OP margin (%)	-3.9	2.1	3.0	3.5	3.9
NP (Wbn)	-169	373	491	589	735
EPS (W)	-1,500	3,320	4,365	5,165	6,352
ROE (%)	-2.1	4.6	5.5	5.9	6.7
P/E (x)	-	21.1	28.2	23.9	19.4
P/B (x)	0.4	1.0	1.5	1.3	1.3
Dividend yield (%)	2.4	1.1	0.6	0.8	1.0

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

Table 1. Hyundai E&C: Major nuclear power project opportunities

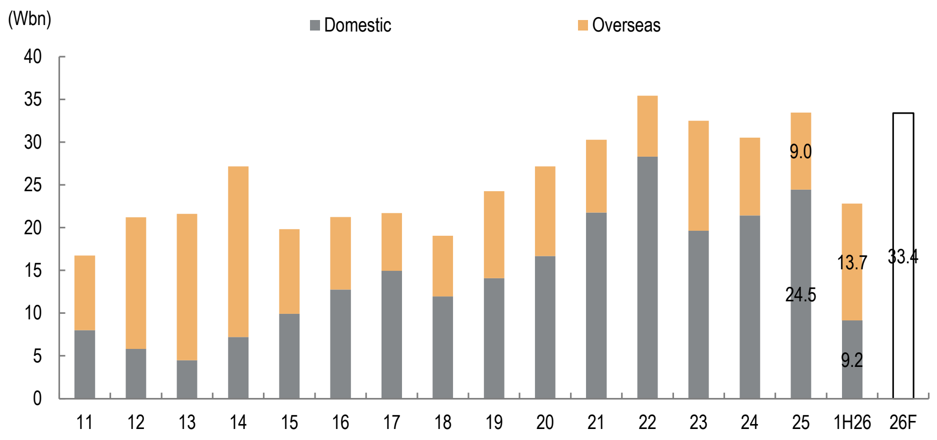
Country	Project	Partner	Project type	Expected award	Status/expectation
US	Palisades SMR	Holtec	SMR	2H26F	Package-level contract expected in 2H26; full contract targeted for 2027
US	Fermi Matador (4 units)	Fermi	Large-scale nuclear	2H26F	FEED completed in Apr. 2026
Bulgaria	Kozloduy 7/8	WEC	Large-scale nuclear	2H26F	FID expected in 2H26
US	Kemmerer SMR	TerraPower	SMR	2027F	First NRC construction permit for an SMR obtained
Saudi Arabia	Duwaiheen 1/2	Team Korea	Large-scale nuclear	2027F	
Vietnam	Ninh Thuan 2	Team Korea	Large-scale nuclear	2027F	
Slovenia	Krško 2	WEC	Large-scale nuclear	2027F	Feasibility study completed
Romania	Cernavoda 3/4	Team Korea	Large-scale nuclear	2027F	
Finland	Fortum	WEC	Large-scale nuclear	2028F	EWA completed
Turkey	Sinop (4 units)	Team Korea	Large-scale nuclear	2028F	
US	Oyster Creek SMR	Holtec	SMR	2028F	
Sweden	Oskarshamn	WEC	Large-scale nuclear	2029F	
UK	Cottam SMR	Holtec	SMR	2031F	
US	NOAK SMR	TerraPower	SMR	-	Linked to Meta project
Other (Slovakia, Netherlands, UAE, South Africa, Ukraine)				TBD	

Source: Company data, media reports, Mirae Asset Securities Research

Figure 1. Hyundai E&C's SMR business progress and road map

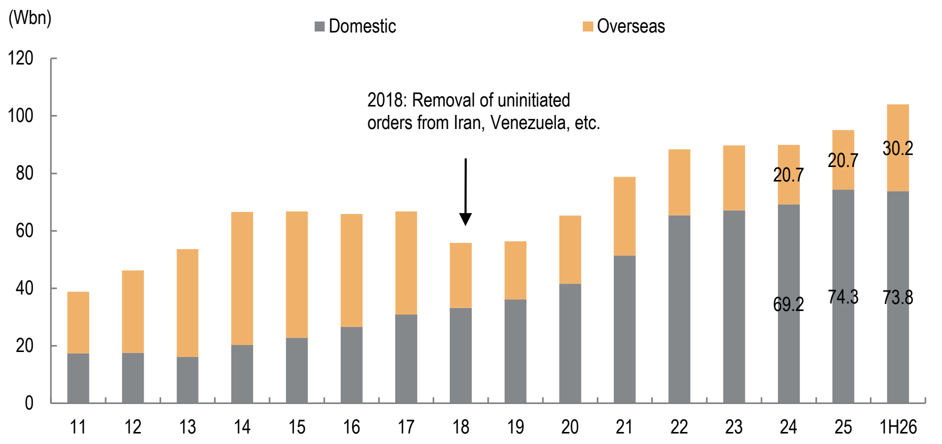
Source: Company materials, Mirae Asset Securities Research

Figure 2. Hyundai E&C (consolidated): Domestic and overseas new orders



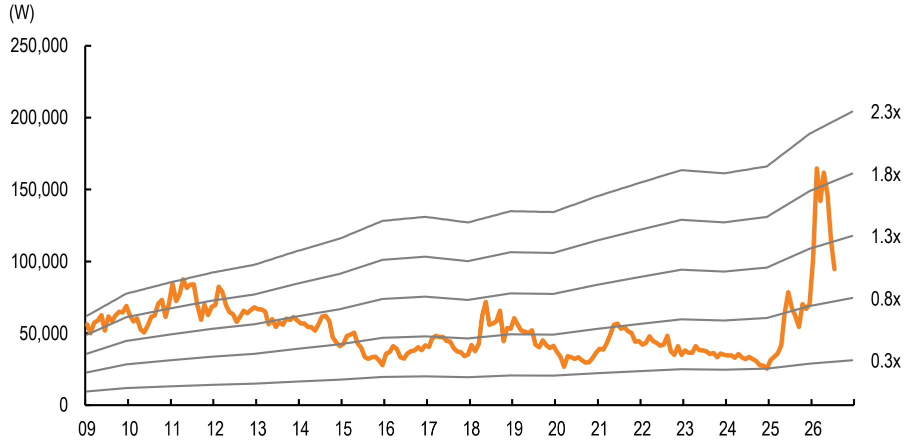
Source: Company data, Mirae Asset Securities Research

Figure 3. Hyundai E&C (consolidated): Domestic and overseas order backlog



Source: Company data, Mirae Asset Securities Research

Figure 4. Hyundai E&C: 12-month forward P/B band chart



Source: Company data, Mirae Asset Securities Research

Hyundai E&C (000720 KS)

Income statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Revenue	**31,063**	**27,420**	**29,022**	**32,121**
Cost of revenue	**29,083**	**25,287**	**26,667**	**29,445**
GP	**1,980**	**2,133**	**2,355**	**2,676**
SG&A expenses	**1,327**	**1,308**	**1,352**	**1,427**
OP (adj.)	**653**	**825**	**1,004**	**1,249**
OP	**653**	**825**	**1,004**	**1,249**
Non-operating profit	**-6**	**57**	**72**	**94**
Net financial income	78	-11	5	31
Net income from associates	-7	9	1	1
Pretax profit	647	882	1,076	1,343
Income tax	88	253	301	376
Profit from continuing operations	559	629	775	967
Profit from discontinued operations	0	0	0	0
NP	**559**	**629**	**775**	**967**
Attributable to owners	373	491	589	735
Attributable to minority interests	186	138	186	232
Total comprehensive income	**512**	**1,196**	**847**	**1,047**
Attributable to owners	307	1,003	619	765
Attributable to minority interests	205	193	228	282
EBITDA	854	1,042	1,231	1,481
FCF	-855	-844	527	715
EBITDA margin (%)	2.7	3.8	4.2	4.6
OP margin (%)	2.1	3.0	3.5	3.9
Net margin (%)	1.2	1.8	2.0	2.3

Balance sheet (summarized)

(Wbn)	2025	2026F	2027F	2028F
Current assets	**21,958**	**22,645**	**23,135**	**23,757**
Cash & equivalents	4,813	4,804	5,009	5,274
AR & other receivables	8,083	8,181	8,304	8,454
Inventory	747	759	783	869
Other current assets	8,315	8,901	9,039	9,160
Non-current assets	**5,834**	**6,669**	**6,801**	**7,000**
Investments in associates	200	212	226	248
PP&E	1,225	1,935	1,968	2,018
Intangible assets	765	773	782	793
Total assets	**27,792**	**29,314**	**29,936**	**30,757**
Current liabilities	**14,843**	**14,641**	**14,591**	**14,574**
AP & other payables	6,691	6,694	6,764	6,914
Short-term financial liabilities	2,270	2,601	2,510	2,381
Other current liabilities	5,882	5,346	5,317	5,279
Non-current liabilities	**2,836**	**3,159**	**2,574**	**2,480**
Long-term financial liabilities	1,826	2,192	1,614	1,530
Other non-current liabilities	1,010	967	960	950
Total liabilities	**17,679**	**17,799**	**17,164**	**17,053**
Equity attributable to owners	**8,265**	**9,505**	**10,576**	**11,275**
Capital stock	562	562	579	579
Capital surplus	1,095	1,095	1,579	1,579
Retained earnings	6,403	7,118	7,616	8,236
Minority interests	**1,848**	**2,010**	**2,196**	**2,429**
Shareholders' equity	**10,113**	**11,515**	**12,772**	**13,704**

Cash flow statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Operating cash flow	**-748**	**-451**	**776**	**983**
NP	559	629	775	967
Non-cash income/expenses	671	507	519	573
Depreciation	190	207	215	219
Amortization	11	11	12	13
Other	470	289	292	341
Chg. in working capital	-1,991	-1,359	-225	-215
Chg. in AR & other receivables	-1,288	-1,107	0	0
Chg. in inventory	64	188	-24	-86
Chg. in AP & other payables	225	-453	36	48
Income tax	-91	-226	-301	-376
Cash flow from investing activities	**25**	**-233**	**-270**	**-344**
Chg. in PP&E	-87	-391	-249	-268
Chg. in intangible assets	-8	-19	-21	-24
Chg. in financial assets	-149	-51	-38	-67
Other	269	228	38	15
Cash flow from financing activities	**434**	**572**	**-259**	**-329**
Chg. in financial liabilities	451	697	-669	-213
Chg. in equity	0	0	500	0
Dividends	-69	-117	-90	-116
Other	52	-8	0	0
Chg. in cash	**-318**	**-8**	**205**	**265**
Beginning balance	5,130	4,813	4,804	5,009
Ending balance	4,813	4,804	5,009	5,274

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

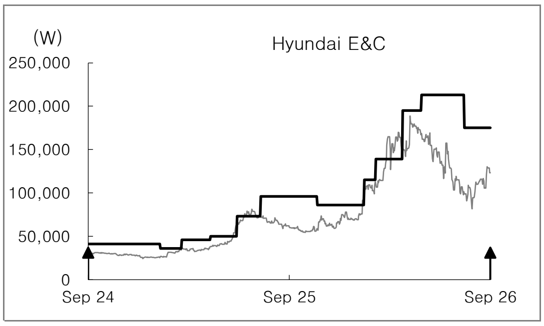
	2025	2026F	2027F	2028F
P/E (x)	21.1	28.2	23.9	19.4
P/CF (x)	6.4	12.2	10.9	9.3
P/B (x)	1.0	1.5	1.3	1.3
EV/EBITDA (x)	9.4	14.1	11.4	9.3
EPS (W)	3,320	4,365	5,165	6,352
CFPS (W)	10,942	10,109	11,349	13,307
BPS (W)	73,523	84,553	91,380	97,425
DPS (W)	800	800	1,000	1,200
Dividend payout ratio (%)	15.9	14.2	14.8	14.2
Dividend yield (%)	1.1	0.6	0.8	1.0
Revenue growth (%)	-4.9	-11.7	5.8	10.7
EBITDA growth (%)	TTB	22.1	18.1	20.3
OP growth (%)	TTB	26.3	21.7	24.4
EPS growth (%)	TTB	31.5	18.3	23.0
AR turnover (x)	8,629.8	9,105.6	8,339.3	8,615.4
Inventory turnover (x)	40.8	36.4	37.6	38.9
AP turnover (x)	7.3	6.4	6.7	7.4
ROA (%)	2.0	2.2	2.6	3.2
ROE (%)	4.6	5.5	5.9	6.7
ROIC (%)	8.1	7.0	7.6	9.0
Debt-to-equity ratio (%)	174.8	154.6	134.4	124.4
Current ratio (%)	147.9	154.7	158.6	163.0
Net debt-to-equity ratio (%)	-16.9	-9.2	-15.3	-18.1
Interest coverage ratio (x)	5.3	4.1	5.0	6.9

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Hyundai E&C (000720)	07/16/26	Buy	175,000
	04/29/26	Buy	213,000
	03/26/26	Buy	195,000
	02/05/26	Buy	139,000
	01/15/26	Buy	115,000
	10/22/25	Buy	86,000
	07/11/25	Buy	96,000
	05/29/25	Buy	73,000
	04/11/25	Buy	50,000
	02/18/25	Buy	46,000
	01/10/25	Buy	36,000
	07/08/24	Buy	41,000



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 acted as a liquidity provider for equity-linked warrants backed by shares of Hyundai E&C as an underlying asset; other than this, Mirae Asset Securities has no other special interests in the covered companies.
Mirae Asset Securities Co., Ltd.`s analyst attended an IR meeting held by Hyundai E&C within the past one month. Expenses related to the meeting were covered by Hyundai E&C

Analyst certification

The research analysts who prepared this report (the "Analysts") are registered with the Korea Financial Investment Association and are subject to Korean securities regulations. They are neither registered as research analysts in any other jurisdiction nor subject to the laws or regulations thereof. Each Analyst responsible for the preparation of this report certifies that (i) all views expressed in this report accurately reflect the personal views of the Analyst about any and all of the issuers and securities named in this report and (ii) no part of the compensation of the Analyst was, is, or will be directly or indirectly related to the specific recommendations or views contained in this report. Mirae Asset Securities Co., Ltd. ("Mirae Asset Securities") policy prohibits its Analysts and members of their households from owning securities of any company in the Analyst's area of coverage, and the Analysts do not serve as an officer, director, or advisory board member of the subject companies. Except as otherwise specified herein, the Analysts have not received any compensation or any other benefits from the subject companies in the past 12 months and have not been promised the same in connection with this report. Like all employees of Mirae Asset Securities, the Analysts receive compensation that is determined by overall firm profitability, which includes revenues from, among other business units, the institutional equities, investment banking, proprietary trading, and private client divisions. At the time of publication of this report, the Analysts do not know or have reason to know of any actual, material conflict of interest of the Analyst or Mirae Asset Securities except as otherwise stated herein.

Disclaimers

This report was prepared by Mirae Asset Securities, a broker-dealer registered in the Republic of Korea and a member of the Korea Exchange. Information and opinions contained herein have been compiled in good faith and from sources believed to be reliable, but such information has not been independently verified and Mirae Asset Securities makes no guarantee, representation or warranty, express or implied, as to the fairness, accuracy, completeness, or correctness of the information and opinions contained herein or of any translation into English from the Korean language. In case of an English translation of a report prepared in the Korean language, the original Korean language report may have been made available to investors in advance of this report.
The intended recipients of this report are sophisticated institutional investors who have substantial knowledge of the local business environment, its common practices, laws, and accounting principles, and no person whose receipt or use of this report would violate any laws or regulations or subject Mirae Asset Securities or any of its affiliates to registration or licensing requirements in any jurisdiction shall receive or make any use hereof.
This report is for general information purposes only and is not and shall not be construed as an offer or a solicitation of an offer to effect transactions in any

securities or other financial instruments. The report does not constitute investment advice to any person, and such person shall not be treated as a client of Mirae Asset Securities by virtue of receiving this report. This report does not take into account the particular investment objectives, financial situations, or needs of individual clients. The report is not to be relied upon in substitution for the exercise of independent judgment. Information and opinions contained herein are as of the date hereof and are subject to change without notice. The price and value of the investments referred to in this report and the income from them may depreciate or appreciate, and investors may incur losses on investments. Past performance is not a guide to future performance. Future returns are not guaranteed, and a loss of original capital may occur. Mirae Asset Securities, its affiliates, and their directors, officers, employees, and agents do not accept any liability for any loss arising out of the use hereof.
Mirae Asset Securities may have issued other reports that are inconsistent with, and reach different conclusions from, the opinions presented in this report. The reports may reflect different assumptions, views, and analytical methods of the analysts who prepared them. Mirae Asset Securities may make investment decisions that are inconsistent with the opinions and views expressed in this research report. Mirae Asset Securities, its affiliates, and their directors, officers, employees, and agents may have long or short positions in any of the subject securities at any time and may make a purchase or sale, or offer to make a purchase or sale, of any such securities or other financial instruments from time to time in the open market or otherwise, in each case either as principals or agents. Mirae Asset Securities and its affiliates may have had, or may be expecting to enter into, business relationships with the subject companies to provide investment banking, market-making, or other financial services as are permitted under applicable laws and regulations.
No part of this document may be copied or reproduced in any manner or form or redistributed or published, in whole or in part, without the prior written consent of Mirae Asset Securities. For further information regarding company-specific information as it pertains to the representations and disclosures in this Appendix 1, please contact compliance@miraeasset.us.com or +1 (212) 407-1000.

Distribution
United Kingdom: This report is being distributed by Mirae Asset Securities (UK) Ltd. in the United Kingdom only to (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), and (ii) high net worth companies and other persons to whom it may lawfully be communicated, falling within Article 49(2)(A) to (E) of the Order (all such persons together being referred to as "Relevant Persons"). This report is directed only at Relevant Persons. Any person who is not a Relevant Person should not act or rely on this report or any of its contents.
United States: Mirae Asset Securities is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This report is distributed in the U.S. by Mirae Asset Securities (USA) Inc., a member of FINRA/SIPC, to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6(b)(4) under the U.S. Securities Exchange Act of 1934, as amended. All U.S. persons that receive this document by their acceptance hereof represent and warrant that they are a major U.S. institutional investor and have not received this report under any express or implied understanding that they will direct commission income to Mirae Asset Securities or its affiliates. Any U.S. recipient of this document wishing to effect a transaction in any securities discussed herein should contact and place orders with Mirae Asset Securities (USA) Inc. Mirae Asset Securities (USA) Inc. accepts responsibility for the contents of this report in the U.S., subject to the terms hereof, to the extent that it is delivered to a U.S. person other than a major U.S. institutional investor. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through Mirae Asset Securities. The securities described in this report may not have been registered under the U.S. Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the U.S. or to U.S. persons absent registration or an applicable exemption from the registration requirements.
Hong Kong SAR: This report is distributed in Hong Kong SAR by Mirae Asset Securities (HK) Limited, which is regulated by the Hong Kong Securities and Futures Commission. The contents of this report have not been reviewed by any regulatory authority in Hong Kong SAR. This report is for distribution only to professional investors within the meaning of Part I of Schedule 1 to the Securities and Futures Ordinance of Hong Kong SAR (Cap. 571, Laws of Hong Kong SAR) and any rules made thereunder and may not be redistributed in whole or in part in Hong Kong SAR to any person.
India: This report is being distributed by Mirae Asset Capital Markets (India) Private Limited ("MACM") in India to the customers based in India and is personal information only for those authorised recipient(s). MACM is inter alia a Securities and Exchange Board of India ("SEBI") registered Research Analyst in India and is not registered outside India. MACM and Mirae Asset, Korea are group entities. MACM makes no guarantee, representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information and opinions contained herein. The user assumes the entire risk of any use made of this information. This report has been provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Recipient must read the entire Appendix 1 to the report carefully for Important Disclosures & Disclaimers.
All other jurisdictions: Customers in all other countries who wish to effect a transaction in any securities referenced in this report should contact Mirae Asset Securities or its affiliates only if distribution to or use by such customer of this report would not violate applicable laws and regulations and not subject Mirae Asset Securities and its affiliates to any registration or licensing requirement within such jurisdiction.

Mirae Asset Securities International Network

Mirae Asset Securities Co., Ltd. (Seoul)
One-Asia Equity Sales Team
Mirae Asset Center 1 Building
26 Eulji-ro 5-gil, Jung-gu, Seoul 04539
Korea

Tel: 82-2-3774-2124

Mirae Asset Securities (HK) Ltd.
Units 8501, 8507-8508, 85/F
International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong SAR
Tel: 852-2845-6332

Mirae Asset Securities (UK) Ltd.
41st Floor, Tower 42
25 Old Broad Street,
London EC2N 1HQ
United Kingdom

Tel: 44-20-7982-8000

Mirae Asset Securities (USA) Inc.
810 Seventh Avenue, 37th Floor
New York, NY 10019
USA

Tel: 1-212-407-1000

Mirae Asset Wealth Management (Brazil) CCTVM
Rua Funchal, 418, 18th Floor, E-Tower Building
Vila Olimpia
Sao Paulo - SP
04551-060
Brazil
Tel: 55-11-2789-2100

PT. Mirae Asset Sekuritas Indonesia
District 8, Treasury Tower Building Lt. 50
Sudirman Central Business District
Jl. Jend. Sudirman, Kav. 52-54
Jakarta Selatan 12190
Indonesia
Tel: 62-21-5088-7000

Mirae Asset Securities (Singapore) Pte. Ltd.
6 Battery Road, #11-01
Singapore 049909
Republic of Singapore

Tel: 65-6671-9845

Mirae Asset Securities (Vietnam) LLC
7F, Saigon Royal Building
91 Pasteur St.
District 1, Ben Nghe Ward, Ho Chi Minh City
Vietnam

Tel: 84-8-3911-0633 (ext.110)

Mirae Asset Securities Mongolia UTsK LLC
#406, Blue Sky Tower, Peace Avenue 17
1 Khoroo, Sukhbaatar District
Ulaanbaatar 14240
Mongolia

Tel: 976-7011-0806

Mirae Asset Investment Advisory (Beijing) Co., Ltd
2401B, 24th Floor, East Tower, Twin Towers
B12 Jianguomenwai Avenue, Chaoyang District
Beijing 100022
China

Tel: 86-10-6567-9699

Beijing Representative Office
2401A, 24th Floor, East Tower, Twin Towers
B12 Jianguomenwai Avenue, Chaoyang District
Beijing 100022
China

Tel: 86-10-6567-9699 (ext. 3300)

Shanghai Representative Office
38T31, 38F, Shanghai World Financial Center
100 Century Avenue, Pudong New Area
Shanghai 200120
China

Tel: 86-21-5013-6392

Ho Chi Minh Representative Office
7F, Saigon Royal Building
91 Pasteur St.
District 1, Ben Nghe Ward, Ho Chi Minh City
Vietnam

Tel: 84-8-3910-7715

Mirae Asset Capital Markets (India) Pvt Ltd
1st Floor, Tower 4, Equinox Business Park,
LBS Marg, Off BKC, Kurla (West), Mumbai - 400 070
India

Tel: 91-22-62661300 / 48821300