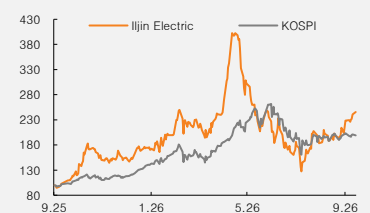


(Maintain)	Buy
Target price	W114,000
Current price (10/6/26)	W87,900
Upside	29.7%

OP (26F, Wbn)	248
Consensus OP (26F, Wbn)	253
EPS growth (26F, %)	72.7
Market EPS growth (26F, %)	280.0
P/E (26F, x)	23.4
Market P/E (26F, x)	6.7
KOSPI	6,941.39

Market cap (Wbn)	4,192
Shares (mn)	48
Free float (%)	55.9
Foreign ownership (%)	8.9
Beta (12M)	1.18
52-week low (W)	36,850
52-week high (W)	144,100

(%)	1M	6M	12M
Absolute	28.7	15.7	138.5
Relative	24.0	-9.2	22.0



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Iljin Electric

Solid earnings trajectory and rising domestic grid investment

3Q26 preview: Earnings trajectory remains solid

For 3Q26, we expect Iljin Electric to post revenue of W612.9bn (+36.1% YoY; 5.1% above the consensus) and operating profit of W62.9bn (+78.1% YoY; in line with the consensus). Following a strong 2Q26 driven by the start-up of additional production lines in the heavy electrical equipment division and a one-off provision reversal in the power cable division, earnings likely softened slightly QoQ. That said, we believe the overall earnings growth trajectory remains solid. In the cable business, copper prices have continued to rise, and orders reached a quarterly record, backed by European cable contracts totaling W271.6bn. The heavy electrical equipment division also continues to operate at full capacity, and we expect profitability to improve further on mix improvements arising from the high share of overseas orders in the backlog.

Beneficiary of domestic power grid investment

We expect Iljin Electric to benefit from the recent expansion in domestic power infrastructure investment. In the revised demand outlook for the 12th Basic Plan for Long-Term Electricity Supply and Demand, the government raised its forecast for electricity consumption in 2040 by roughly 28%, from 657.6–694.1TWh to 847.3–885.1TWh. As installed transformer capacity closely tracks electricity demand, we expect domestic demand for new transformers to surge from 2028, when power demand from semiconductor fabs and data centers should begin to rise in earnest. Iljin Electric has already secured ultra-high-voltage transformer orders for delivery through 2029. Its shorter lead times relative to competitors should position the company to respond promptly to expanding power infrastructure investment.

We also expect the valuation discount associated with Iljin Electric's high domestic revenue mix to narrow. On Aug. 20, the National Assembly passed an amendment to the Special Act on the Expansion of the National Power Grid to allow private sector participation in grid development (alongside KEPCO). If this enables multiple grid projects to proceed simultaneously, both the volume and pace of power equipment orders are likely to rise. A broader customer base should intensify competition to secure supply, supporting higher ASPs and improved margins after years of pricing pressure under KEPCO-centered procurement. While the company's high domestic revenue share previously constrained profitability, expanding domestic shipment volumes could become a key driver of margin improvement.

Maintain Buy and TP of W114,000

We maintain our Buy rating and target price of W114,000 for Iljin Electric. While earnings may have declined QoQ in 3Q26, this should be viewed as a normalization following an exceptionally strong 2Q driven by one-off factors. Meanwhile, increased domestic power grid investment and the potential for further capacity expansion in the heavy electrical equipment business should support further improvement in the company's medium/long-term earnings fundamentals. Based on our estimates, the stock is currently trading at 18.9x 2028F P/E, remaining undervalued relative to its domestic and global power equipment peers (27x).

(Dec.)	2024	2025	2026F	2027F	2028F
Revenue (Wbn)	1,577	2,045	2,363	2,518	2,660
OP (Wbn)	80	151	248	263	292
OP margin (%)	5.1	7.4	10.5	10.4	11.0
NP (Wbn)	46	104	179	197	222
EPS (W)	992	2,179	3,762	4,124	4,654
ROE (%)	10.6	19.1	26.9	23.9	22.5
P/E (x)	27.5	25.0	23.4	21.3	18.9
P/B (x)	2.6	4.4	5.6	4.7	3.9
Dividend yield (%)	1.1	0.9	1.0	1.1	1.2

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	495.5	359.0	369.1	370.8	360.3	383.6	1,026.8	956.7	1,625.9	1,483.8	1,551.1
Power cables	71.6	206.9	244.9	118.2	131.2	132.3	120.4	137.1	365.2	441.5	641.5	521.1	560.8
Heavy electrical equipment	283.5	209.5	250.6	240.8	237.9	238.5	239.9	246.5	661.6	515.2	984.4	962.7	990.4
Backlog	1,761.6	1,939.1	2,203.9	2,334.6	2,474.7	2,612.5	2,736.7	2,876.2	1,671.9	1,624.8	2,334.6	2,876.2	3,432.1
Power cables	531.8	649.0	773.9	772.7	784.3	794.6	792.0	802.0	565.6	556.9	772.7	802.0	855.1
Heavy electrical equipment	1,229.8	1,290.1	1,430.0	1,561.9	1,690.5	1,817.9	1,944.7	2,074.2	1,106.3	1,067.9	1,561.9	2,074.2	2,577.0
Book-to-bill (x)	0.7	0.7	0.8	0.6	0.6	0.6	0.6	0.6	0.7	0.5	0.7	0.6	0.6
Revenue	506.1	637.4	612.9	607.0	608.6	622.0	630.8	656.5	1,577.2	2,044.6	2,363.4	2,517.9	2,659.9
Power cables	384.7	430.3	450.6	448.4	449.2	459.3	464.1	482.1	1,298.0	1,541.9	1,713.9	1,854.7	1,924.2
Bare conductors	224.7	273.9	269.6	259.7	257.0	257.0	254.7	262.3	762.8	857.6	1,027.9	1,030.9	1,028.5
Power cables/insulated wires	99.8	88.6	113.5	125.7	127.0	135.8	143.1	153.9	369.2	418.6	427.6	559.8	627.6
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	161.4	157.8	158.6	161.9	165.8	173.6	275.4	499.0	646.4	659.9	732.2
Heavy electrical equipment	111.0	200.6	155.5	151.8	151.9	156.1	159.5	166.9	255.6	483.0	619.0	634.5	704.3
Other	9.7	5.9	5.8	6.0	6.7	5.8	6.3	6.7	19.8	16.1	27.4	25.4	27.9
Other businesses	0.7	0.6	0.9	0.8	0.8	0.8	0.9	0.9	3.9	3.6	3.1	3.3	3.5
COGS	428.4	527.3	512.3	506.5	507.3	519.2	526.2	547.4	1,421.6	1,764.1	1,974.5	2,100.1	2,205.5
SG&A	26.9	38.1	37.7	38.0	38.3	38.6	38.4	39.9	75.9	129.2	140.7	155.2	162.9
OP	50.8	72.0	62.9	62.4	63.0	64.3	66.1	69.2	79.7	151.3	248.1	262.6	291.6
Power cables	21.1	18.9	21.0	21.1	21.0	21.1	21.6	22.2	40.8	44.2	82.1	85.9	89.1
Heavy electrical equipment	29.2	53.3	42.0	41.4	42.0	43.2	44.6	47.1	38.7	116.0	165.9	176.8	202.6
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	36.1	-1.2	20.2	-2.4	2.9	8.2	26.5	29.6	15.6	6.5	5.6
Power cables	0.8	10.2	34.4	3.1	16.8	6.8	3.0	7.5	36.5	18.8	11.2	8.2	3.8
Heavy electrical equipment	60.6	57.1	41.7	-11.6	31.4	-21.6	2.8	10.0	-5.8	81.2	29.5	2.1	11.0
Other businesses	-4.0	-23.2	-15.2	-9.6	8.4	26.4	-7.2	7.2	3.1	-7.0	-13.2	7.1	6.0
OP	49.1	91.4	78.1	41.1	24.1	-10.7	5.0	11.0	31.2	89.7	64.0	5.8	11.0
Power cables	21.0	82.5	27.6	TTB	-0.6	11.8	2.6	5.3	58.6	8.2	86.0	4.6	3.7
Heavy electrical equipment	-11.2	142.3	244.2	-15.3	43.7	-18.9	6.2	13.7	14.6	199.6	43.0	6.6	14.6
Other businesses	TTB	RR	TTR	RR	-92.6	RR	RR	RR	TTR	RR	TTB	TTR	RR
OP margin (%)													
OP	10.0	11.3	10.3	10.3	10.3	10.3	10.5	10.5	5.1	7.4	10.5	10.4	11.0
Power cables	5.5	4.4	4.7	4.7	4.7	4.6	4.6	4.6	3.1	2.9	4.8	4.6	4.6
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	-4.0	-7.4	4.2	-9.1	-4.0	-3.9	-20.8	-33.2	4.3	-3.2	-3.9
Non-operating profit	-8.1	-2.6	-1.0	-1.4	-0.5	-0.4	-0.6	-1.1	-16.0	-8.8	-13.2	-2.6	1.3
Pretax profit	42.6	69.3	61.9	61.0	62.5	63.8	65.6	68.1	63.8	142.4	234.9	260.0	292.9
NP attr. to owners	35.9	49.9	46.5	47.1	46.9	48.4	49.8	51.5	46.2	103.9	179.4	196.7	221.9
Net margin (%)	7.1	7.8	7.6	7.8	7.7	7.8	7.9	7.8	2.9	5.1	7.6	7.8	8.3
EPS	753	1,047	975	987	984	1,014	1,045	1,081	1,072	2,353	3,762	4,124	4,654
YoY (%)	15.1	90.3	68.5	73.1	30.7	-3.1	7.2	9.5	23.1	119.6	59.9	9.6	12.9

Source: Company data, Mirae Asset Securities Research

Table 2. TP calculation

	Value	Notes
2028F NP attr. to owners of the parent (Wbn)	221.9	
No. of shares (mn)	47.7	
2028F EPS (W)	4,654.0	
Power cables: OP share (%)	30.6	
Power cables: EPS (W)	1,421.9	
Power cables: Target P/E (x)	18.4	Avg. 2028F P/E of global power cable peers
Power cables: Fair value/share (W)	26,164	
Heavy electrical equipment: OP share (%)	69.5	
Heavy electrical equipment: EPS (W)	3,234.3	
Heavy electrical equipment: Target P/E (x)	27.0	Avg. 2028F P/E of global power equipment peers
Heavy electrical equipment: Fair value/share (W)	87,484	
Target price (W)	114,000	Rounded
Current price (W)	87,900	Oct. 6 closing price
Upside (%)	29.7	Buy rating

Source: Company data, 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	598.1	2,369.4	2,628.2	2,770.4	612.9	2,363.4	2,517.9	2,659.9	2.5	-0.3	-4.2	-4.0
OP	61.0	249.2	272.3	297.8	62.9	248.1	262.6	291.6	3.3	-0.4	-3.6	-2.1
NP attr. to owners	44.6	179.4	204.2	227.4	46.5	179.4	196.7	221.9	4.3	0.0	-3.7	-2.4
EPS (W)	934.6	3,762.6	4,282.5	4,768.8	974.9	3,762.2	4,123.9	4,654.0	4.3	0.0	-3.7	-2.4

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	2,363.4	2,517.9	2,659.9
Power cables	908.7	950.7	1,298.0	1,541.9	1,713.9	1,854.7	1,924.2
Bare conductors	557.8	614.3	762.8	857.6	1,027.9	1,030.9	1,028.5
Power cables/insulated wires	203.8	167.0	369.2	418.6	427.6	559.8	627.6
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	646.4	659.9	732.2
Heavy electrical equipment	219.8	273.6	255.6	483.0	619.0	634.5	704.3
Other	32.0	18.7	19.8	16.1	27.4	25.4	27.9
Other businesses	4.2	3.7	3.9	3.6	3.1	3.3	3.5
COGS	1,068.5	1,129.4	1,421.6	1,764.1	1,974.5	2,100.1	2,205.5
SG&A	64.7	56.6	75.9	129.2	140.7	155.2	162.9
OP	31.5	60.8	79.7	151.3	248.1	262.6	291.6
Power cables	21.7	25.7	40.8	44.2	82.1	85.9	89.1
Heavy electrical equipment	15.1	33.8	38.7	116.0	165.9	176.8	202.6
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	11.0
Non-operating profit	-3.8	-17.2	-16.0	-8.8	-13.2	-2.6	1.3
Pretax profit	27.7	43.6	63.8	142.4	234.9	260.0	292.9
NP attr. to owners	24.2	34.5	46.2	103.9	179.4	196.7	221.9
Net margin (%)	2.1	2.8	2.9	5.1	7.6	7.8	8.3
EPS	611	871	1,072	2,353	3,762	4,124	4,654
YoY (%)		42.6	23.1	119.6	59.9	9.6	12.9

Source: Company data, Mirae Asset Securities Research

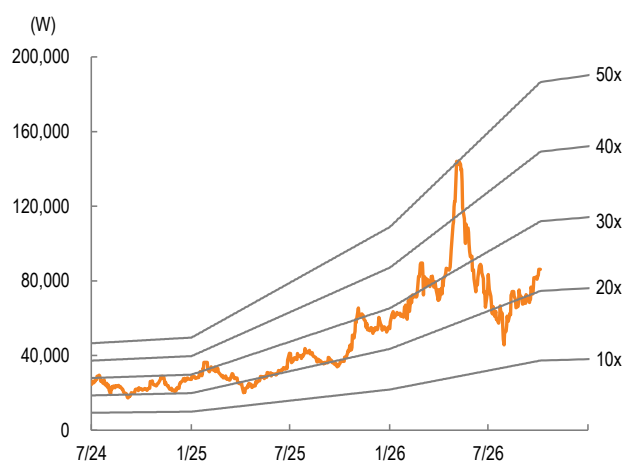
Table 5. Peer valuation table

(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	4.4	2.5	0.3	10.8	2.8	0.3	11.6	23.1	5.6	15.3	17.8	3.7	12.4
LS Electric	33.4	6.7	0.7	10.9	9.6	1.3	14.0	59.7	12.9	38.4	32.4	7.8	22.4
Sanil Electric	7.6	0.7	0.3	37.7	1.1	0.5	40.4	33.8	9.6	26.3	19.8	5.7	15.3
Hyosung Heavy Industries	27.4	7.5	1.2	15.6	10.5	2.1	20.0	32.8	8.4	22.0	17.4	4.7	12.4
HD Hyundai Electric	26.0	4.9	1.3	26.3	6.7	2.0	29.3	25.9	9.1	18.1	16.8	5.4	12.0
GE Vernova	372.6	65.3	6.3	9.6	86.2	16.1	18.7	41.6	18.4	40.2	28.4	10.6	20.3
GE Vernova T&D	16.0	0.9	0.2	25.3	1.5	0.4	25.3	89.2	39.3	66.3	54.8	19.2	39.6
Siemens Energy	198.7	70.3	8.2	11.7	91.0	15.0	16.4	32.6	10.6	17.1	19.8	7.1	10.6
Hitachi	231.0	92.8	10.4	11.2	116.4	15.5	13.3	32.2	4.2	15.5	22.2	3.5	11.3
ABB	253.4	53.8	10.6	19.7	66.3	14.1	21.3	28.7	9.3	22.0	23.7	6.7	16.9
EHV equipment peer avg.								40.4	14.2	28.7	27.0	8.2	17.6
Taihan Cable & Solution	6.6	4.6	0.2	5.2	5.4	0.3	6.2	80.4	3.5	24.9	27.8	2.8	17.5
Sumitomo Electric	70.3	45.0	3.5	7.7	53.2	5.2	9.9	24.6	3.1	14.1	18.5	2.4	10.2
Prysmian	62.7	35.8	3.4	9.6	43.8	5.0	11.5	27.2	4.8	15.3	17.9	3.4	11.0
NKT	10.2	5.7	0.4	7.7	7.6	0.9	11.3	28.1	2.8	14.1	15.3	2.2	7.9
Nexans	9.3	12.2	0.8	6.9	13.9	1.2	8.7	18.7	2.7	8.5	11.9	2.1	6.4
Power cable peer avg.								35.8	3.4	15.4	18.4	2.6	10.6

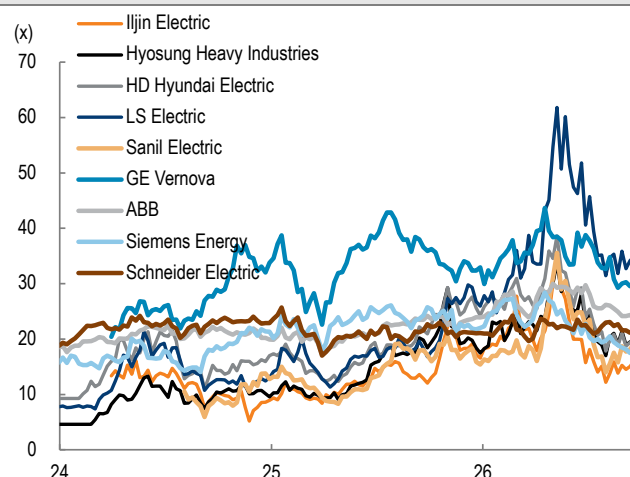
Source: Bloomberg, Mirae Asset Securities Research

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	2,363	2,518	2,660
Cost of revenue	1,764	1,975	2,100	2,206
GP	281	388	418	454
SG&A expenses	129	141	155	163
OP (adj.)	151	248	263	292
OP	151	248	263	292
Non-operating profit	-9	-13	-3	1
Net financial income	-3	-5	-2	2
Net income from associates	0	0	0	0
Pretax profit	142	235	260	293
Income tax	39	56	63	71
Profit from continuing operations	104	179	197	222
Profit from discontinued operations	0	0	0	0
NP	104	179	197	222
Attributable to owners	104	179	197	222
Attributable to minority interests	0	0	0	0
Total comprehensive income	101	182	197	222
Attributable to owners	101	182	197	222
Attributable to minority interests	0	0	0	0
EBITDA	168	268	286	317
FCF	62	-20	154	189
EBITDA margin (%)	8.2	11.3	11.4	11.9
OP margin (%)	7.4	10.5	10.4	11.0
Net margin (%)	5.1	7.6	7.8	8.3

Balance sheet (summarized)

(Wbn)	2025	2026F	2027F	2028F
Current assets	967	1,073	1,262	1,438
Cash & equivalents	138	155	268	412
AR & other receivables	317	354	383	395
Inventory	336	368	398	411
Other current assets	176	196	213	220
Non-current assets	559	569	598	625
Investments in associates	0	0	0	0
PP&E	442	455	485	513
Intangible assets	13	14	12	11
Total assets	1,526	1,643	1,860	2,063
Current liabilities	835	818	873	897
AP & other payables	339	256	277	286
Short-term financial liabilities	132	202	207	209
Other current liabilities	364	360	389	402
Non-current liabilities	103	81	87	90
Long-term financial liabilities	18	2	2	2
Other non-current liabilities	85	79	85	88
Total liabilities	937	898	960	986
Equity attributable to owners	589	744	900	1,077
Capital stock	48	48	48	48
Capital surplus	219	219	219	219
Retained earnings	320	476	631	808
Minority interests	0	0	0	0
Shareholders' equity	589	744	900	1,077

Cash flow statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Operating cash flow	87	12	205	241
NP	104	179	197	222
Non-cash income/expenses	114	90	88	95
Depreciation	16	19	22	25
Amortization	1	1	1	1
Other	97	70	65	69
Chg. in working capital	-104	-178	-14	-6
Chg. in AR & other receivables	-146	-47	-28	-12
Chg. in inventory	-90	-32	-30	-13
Chg. in AP & other payables	120	-86	19	8
Income tax	-10	-52	-63	-71
Cash flow from investing activities	-35	-39	-56	-54
Chg. in PP&E	-24	-32	-51	-52
Chg. in intangible assets	-3	-1	0	0
Chg. in financial assets	-40	5	-4	-2
Other	32	-11	-1	0
Cash flow from financing activities	-53	47	-36	-43
Chg. in financial liabilities	-18	54	5	2
Chg. in equity	0	0	0	0
Dividends	0	0	-41	-45
Other	-35	-7	0	0
Chg. in cash	-2	17	113	144
Beginning balance	140	138	155	268
Ending balance	138	155	268	412

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

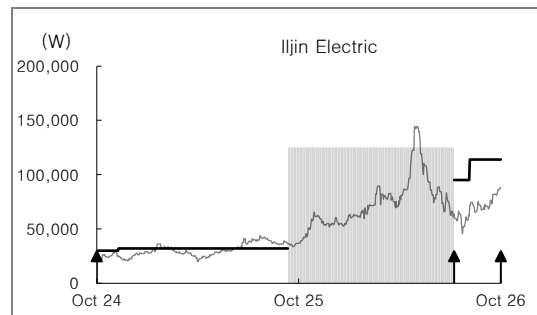
	2025	2026F	2027F	2028F
P/E (x)	25.0	23.4	21.3	18.9
P/CF (x)	11.9	15.6	14.7	13.2
P/B (x)	4.4	5.6	4.7	3.9
EV/EBITDA (x)	15.2	15.6	14.3	12.4
EPS (W)	2,179	3,762	4,124	4,654
CFPS (W)	4,569	5,648	5,976	6,646
BPS (W)	12,346	15,611	18,872	22,579
DPS (W)	500	863	946	1,068
Dividend payout ratio (%)	22.9	22.9	22.9	22.9
Dividend yield (%)	0.9	1.0	1.1	1.2
Revenue growth (%)	29.6	15.6	6.5	5.6
EBITDA growth (%)	81.4	59.1	6.6	11.1
OP growth (%)	89.6	64.1	5.9	11.0
EPS growth (%)	119.6	72.7	9.6	12.9
AR turnover (x)	8.3	7.4	7.2	7.2
Inventory turnover (x)	7.0	6.7	6.6	6.6
AP turnover (x)	6.9	7.3	8.8	8.7
ROA (%)	7.5	11.3	11.2	11.3
ROE (%)	19.1	26.9	23.9	22.5
ROIC (%)	20.9	28.8	25.9	27.1
Debt-to-equity ratio (%)	159.2	120.7	106.7	91.6
Current ratio (x)	115.9	131.3	144.6	160.4
Net debt-to-equity ratio (%)	-6.6	0.2	-12.4	-23.7
Interest coverage ratio (x)	31.1	36.7	40.8	44.5

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (₩)
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

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	89.66%	0%	9.77%	0.57%
Investment banking services	92.86%	0%	7.14%	0%

* Based on recommendations in the last 12-months (as of September 30, 2026)

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