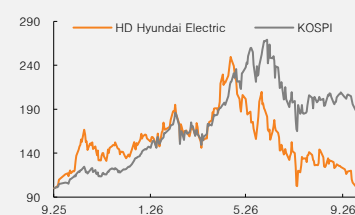


(Maintain)	Buy
Target price	▼ W1,100,000
Current price (10/12/26)	W582,000
Upside	89.0%

OP (26F, Wbn)	1,133
Consensus OP (26F, Wbn)	1,222
EPS growth (26F, %)	16.1
Market EPS growth (26F, %)	277.0
P/E (26F, x)	24.7
Market P/E (26F, x)	6.5
KOSPI	6,384.24

Market cap (Wbn)	20,979
Shares (mn)	36
Free float (%)	62.7
Foreign ownership (%)	33.6
Beta (12M)	0.86
52-week low (W)	582,000
52-week high (W)	1,420,000

(%)	1M	6M	12M
Absolute	-22.1	-41.7	-11.8
Relative	-15.7	-46.5	-50.1



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HD Hyundai Electric

Awaiting purchase orders from big tech customers

3Q26 preview: Below-consensus results expected due to won appreciation

For 3Q26, we expect HD Hyundai Electric to report revenue of W1.14tr (+14.1% YoY; 3.7% below the consensus) and operating profit of W287.2bn (+16.2% YoY; 7.9% below the consensus). The USD/KRW rate has fallen more than 14% since end-2Q26, weighing on revenue. The company partially hedges anticipated foreign currency cash flows rather than matching its currency hedges to individual project delivery schedules. Gains on these hedges are recognized in non-operating income, leaving operating results exposed to the adverse impact of won appreciation. On a positive note, seasonal strength in shipments likely partially offset the adverse FX impact. As a result, we estimate that the company maintained double-digit YoY growth in both revenue and operating profit.

Awaiting big tech orders in 2H26

A key share price factor for 2H26 is whether supply plans for big tech customers translate into firm orders. For the W1.1tr in planned big tech deliveries disclosed in July, the company appears to be awaiting the issuance of individual purchase orders (POs). These planned deliveries should be added to the order backlog in stages once PO issuance begins. The detailed ordering schedule is currently being coordinated, and volumes scheduled for delivery in 2027–28 could slightly exceed the previously announced amount. Discussions are also underway regarding volumes for delivery in 2029–30. Furthermore, talks with other global big tech companies are progressing, suggesting significant upside to medium/long-term orders. While order momentum could moderate in 2H26 following a concentration of new orders in 1H26, we expect the company to comfortably meet its full-year order guidance.

Lower TP by 8.3% to W1,100,000; maintain Buy

We maintain our Buy rating on HD Hyundai Electric but lower our target price to W1,100,000 (from W1,200,000), reflecting downward revisions to our earnings estimates following the decline in the USD/KRW rate. Valuation appeal has increased following the recent pullback, with the stock trading at 16.3x our 2028F EPS. During periods of heightened market volatility, investor buying tends to be concentrated in sector leaders. Despite near-term earnings concerns, the company's medium/long-term growth story remains intact. We view the current share price as a buying opportunity.

(Dec.)	2024	2025	2026F	2027F	2028F
Revenue (Wbn)	3,322	4,079	4,495	5,181	6,074
OP (Wbn)	669	995	1,133	1,376	1,691
OP margin (%)	20.1	24.4	25.2	26.6	27.8
NP (Wbn)	502	733	851	1,024	1,286
EPS (W)	13,914	20,324	23,594	28,404	35,687
ROE (%)	39.3	41.5	36.4	34.2	34.0
P/E (x)	27.5	38.1	24.7	20.5	16.3
P/B (x)	9.1	13.6	7.9	6.3	5.0
Dividend yield (%)	1.4	0.9	1.5	1.8	2.2

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

Source: Company data, Mirae Asset Securities Research estimates

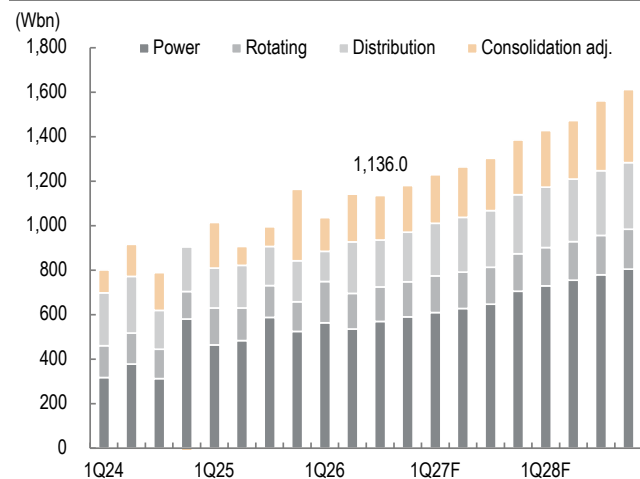
Table 1. HD Hyundai Electric: Quarterly/annual earnings and forecasts

(Wbn)

	1Q26	2Q26	3Q26F	4Q26F	1Q27F	2Q27F	3Q27F	4Q27F	2024	2025	2026F	2027F	2028F
New orders (US\$mn)	1,797	1,440	1,055	928	1,333	1,346	1,361	1,421	3,816	4,273	5,220	5,461	5,917
Backlog (US\$mn)	7,888	8,490	8,683	8,716	9,117	9,504	9,876	10,245	5,541	6,731	8,716	10,245	11,549
Book-to-bill (x)	2.6	1.1	1.3	1.1	1.5	1.5	1.5	1.4	1.6	1.5	1.5	1.5	1.4
Revenue	1,036.5	1,141.8	1,136.0	1,181.0	1,229.0	1,263.7	1,302.5	1,385.9	3,322.3	4,079.5	4,495.3	5,181.0	6,074.2
Power	564.0	535.9	570.1	590.7	609.1	628.2	646.8	705.3	1,588.9	2,060.5	2,260.6	2,589.4	3,069.1
Rotating	135.9	231.2	210.3	223.0	237.2	245.9	255.0	264.6	867.7	731.9	800.3	1,002.8	1,142.4
Distribution	184.8	159.9	154.9	157.6	164.9	163.3	166.2	169.1	537.1	588.7	657.2	663.6	701.7
Consolidation adj.	151.8	214.8	200.8	209.7	217.7	226.3	234.4	246.8	328.6	698.4	777.2	925.2	1,160.9
YoY (%)													
New orders	34.6	44.6	-13.0	27.1	-25.8	-6.5	29.0	53.1	7.1	12.0	22.2	4.6	8.4
Backlog	28.2	29.6	24.4	29.5	15.6	11.9	13.7	17.5	28.8	21.5	29.5	17.5	12.7
Revenue	2.2	26.0	14.1	1.5	18.6	10.7	14.7	17.3	22.9	22.8	10.2	15.3	17.2
Power	21.6	10.7	-3.0	12.5	8.0	17.2	13.5	19.4	34.5	29.7	9.7	14.5	18.5
Rotating	10.8	9.5	8.0	19.0	-10.8	2.2	7.3	7.3	14.6	9.6	11.6	1.0	5.7
Distribution	-24.2	20.2	20.1	20.3	74.6	6.4	21.3	18.7	34.9	-15.7	9.3	25.3	13.9
Consolidation adj.	-26.0	156.0	125.2	-34.5	43.4	5.3	16.7	17.7	-227.0	112.5	11.3	19.0	25.5
OP	258.3	287.0	287.2	300.9	314.1	332.4	346.8	382.5	668.9	995.3	1,133.4	1,375.8	1,691.0
QoQ (%)	-19.5	11.1	0.1	4.8	4.4	5.8	4.3	10.3	-	-	-	-	-
YoY (%)	18.4	37.2	16.2	-6.2	21.6	15.8	20.8	27.1	112.2	48.8	13.9	21.4	22.9
OP margin (%)	24.9	25.1	25.3	25.5	25.6	26.3	26.6	27.6	20.1	24.4	25.2	26.6	27.8
Non-operating profit	25.9	-8.2	-5.2	-3.9	-5.1	-2.7	0.3	0.9	-18.8	-38.9	8.5	-6.5	28.3
Pretax profit	284.2	278.8	282.0	296.9	308.9	329.7	347.1	383.4	650.1	956.4	1,141.9	1,369.3	1,719.3
NP attr. to owners	208.1	206.6	212.7	223.1	230.1	246.6	260.2	287.0	501.6	732.6	850.5	1,023.9	1,286.4
Net margin (%)	20.1	18.1	18.7	18.9	18.7	19.5	20.0	20.7	15.1	18.0	18.9	19.8	21.2
EPS (W)	5,772	5,732	5,900	6,190	6,383	6,841	7,219	7,961	13,914.2	20,324	23,594	28,404	35,687
YoY (%)	35.0	45.1	11.3	-8.9	10.6	19.4	22.3	28.6	93.5	46.1	16.1	20.4	25.6

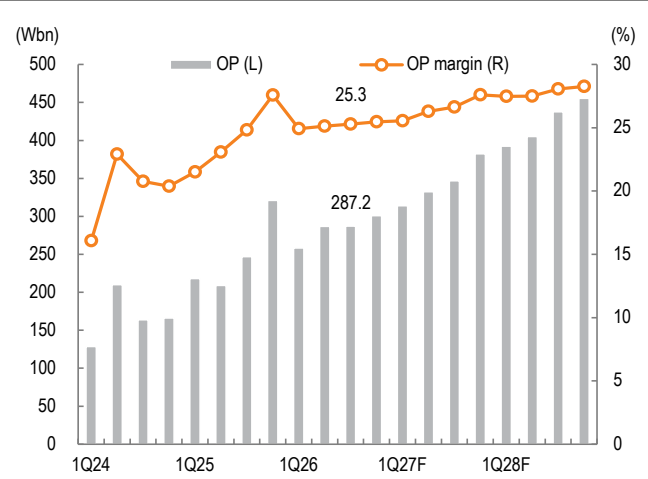
Source: Company data, Mirae Asset Securities Research

Figure 1. HD Hyundai Electric: Quarterly revenue



Source: Company data, Mirae Asset Securities Research

Figure 2. HD Hyundai Electric: Quarterly OP and OP margin



Source: Company data, Mirae Asset Securities Research

Table 2. HD Hyundai Electric: TP calculation

	Value	Notes
2028F NP attr. to owners of the parent (Wbn)	1,286.4	
No. of shares (mn)	36.0	
2028F EPS (W)	35,687	
Target P/E (x)	30.8	Avg. 2028F P/E of EHV transformer peers
Target price (W)	1,100,000	Rounded
Current price (W)	582,000	Oct. 12 closing price
Upside (%)	89.0	Buy rating

Source: Mirae Asset Securities Research

Table 3. HD Hyundai Electric: Earnings forecast revisions

(Wbn)

	Previous				Revised				% chg.			
	3Q26F	2026F	2027F	2028F	3Q26F	2026F	2027F	2028F	3Q26F	2026F	2027F	2028F
Revenue	1,184.7	4,594.6	5,421.4	6,361.0	1,136.0	4,495.3	5,181.0	6,074.2	-4.1	-2.2	-4.4	-4.5
OP	320.6	1,226.6	1,521.5	1,834.9	287.2	1,133.4	1,375.8	1,691.0	-10.4	-7.6	-9.6	-7.8
NP attr. to owners	242.4	913.6	1,155.9	1,422.3	212.7	850.5	1,023.9	1,286.4	-12.3	-6.9	-11.4	-9.6
EPS (W)	6,724	25,344	32,067	39,457	5,900	23,594	28,404	35,687	-12.3	-6.9	-11.4	-9.6

Source: Mirae Asset Securities Research

Table 4. HD Hyundai Electric: Annual earnings and forecasts

(Wbn)

	2022	2023	2024	2025	2026F	2027F	2028F
New orders (US\$m)	2,960	3,564	3,816	4,273	5,220	5,461	5,917
Backlog (US\$m)	2,713	4,302	5,541	6,731	8,716	10,245	11,549
Book-to-bill (x)	1.8	1.7	1.6	1.5	1.5	1.5	1.4
Revenue	2,104.5	2,702.8	3,322.3	4,079.5	4,495.3	5,181.0	6,074.2
Power	848.5	1,181.1	1,588.9	2,060.5	2,260.6	2,589.4	3,069.1
Distribution	576.7	643.4	867.7	731.9	800.3	1,002.8	1,142.4
Rotating	404.8	468.7	537.1	588.7	657.2	663.6	701.7
Consolidation adj.	274.5	409.6	328.6	698.4	777.2	925.2	1,160.9
YoY (%)							
New orders	59.5	20.4	7.1	12.0	22.2	4.6	8.4
Backlog	50.9	58.6	28.8	21.5	29.5	17.5	12.7
Revenue	16.5	28.4	22.9	22.8	10.2	15.3	17.2
Power	23.5	39.2	34.5	29.7	9.7	14.5	18.5
Distribution	13.1	11.6	34.9	-15.7	9.3	25.3	13.9
Rotating	13.2	15.8	14.6	9.6	11.6	1.0	5.7
Consolidation adj.	9.1	49.2	-19.8	112.5	11.3	19.0	25.5
OP	133.0	315.2	668.9	995.3	1,133.4	1,375.8	1,691.0
YoY (%)	1,265.3	136.9	112.2	48.8	13.9	21.4	22.9
OP margin (%)	6.3	11.7	20.1	24.4	25.2	26.6	27.8
Non-operating profit	30.9	-4.7	-18.8	-38.9	8.5	-6.5	28.3
Pretax profit	163.9	310.5	650.1	956.4	1,141.9	1,369.3	1,719.3
NP attr. to owners	162.5	259.2	501.6	732.6	850.5	1,023.9	1,286.4
Net margin (%)	7.7	9.6	15.1	18.0	18.9	19.8	21.2
EPS (W)	4,508	7,189	13,914	20,324	23,594	28,404	35,687
YoY (%)	TTB	59.5	93.5	46.1	16.1	20.4	25.6

Source: Mirae Asset Securities Research

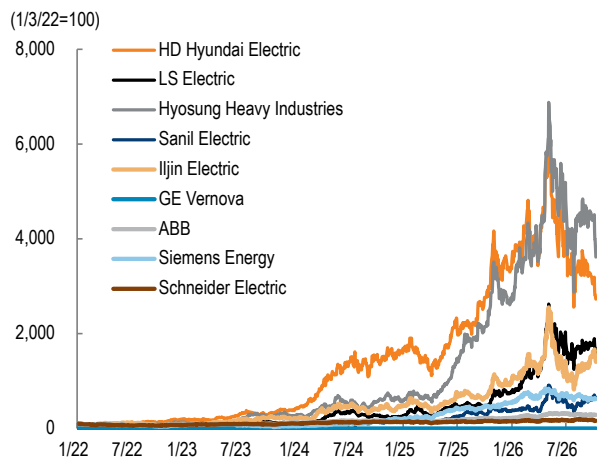
Table 5. HD Hyundai Electric: Peer valuation table

(Wtr, %, x)

Company	Market cap	Earnings metrics (2026F)			Earnings metrics (2028F)			Valuation (2026F)			Valuation (2028F)		
		Revenue	OP	OPM	Revenue	OP	OPM	P/E	P/B	EV/EBITDA	P/E	P/B	EV/EBITDA
HD Hyundai Electric	21.0	4.6	1.2	26.2	6.3	1.9	29.2	22.2	7.8	15.4	14.4	4.6	10.2
LS Electric	27.5	6.5	0.7	11.0	9.4	1.3	14.2	51.2	11.2	33.1	27.0	6.6	18.9
Sanil Electric	6.6	0.7	0.3	37.7	1.1	0.5	40.8	31.0	8.7	24.0	17.6	5.2	13.5
Hyosung Heavy Industries	20.9	7.1	1.1	15.5	9.9	2.0	20.1	26.7	6.8	17.9	14.0	3.8	10.0
Ilgjin Electric	3.5	2.4	0.3	10.8	2.6	0.3	11.6	19.1	4.7	12.6	14.9	3.1	10.5
GE Vernova	356.4	61.6	5.9	9.6	81.1	15.2	18.7	42.7	18.8	40.8	28.9	10.9	20.6
GE Vernova T&D	15.2	0.9	0.2	25.3	1.4	0.4	25.4	89.4	39.4	66.4	52.3	19.2	39.9
Siemens Energy	187.9	65.9	7.7	11.7	85.3	14.0	16.4	32.8	10.7	17.2	17.8	7.3	10.6
Siemens Energy India	15.4	1.3	0.3	19.4	2.1	0.4	20.7	71.1	19.0	50.9	45.0	10.9	31.6
Hitachi	216.1	87.5	9.8	11.2	109.7	14.6	13.3	32.1	4.2	15.4	21.6	3.5	11.3
Hitachi Energy	19.4	1.1	0.1	13.7	2.3	0.4	17.3	142.5	27.2	114.8	60.6	15.8	44.7
ABB	233.3	50.7	9.9	19.4	62.5	13.2	21.1	28.5	9.0	21.5	22.8	6.5	16.4
Avg.								53.9	15.6	39.7	30.9	9.0	21.7

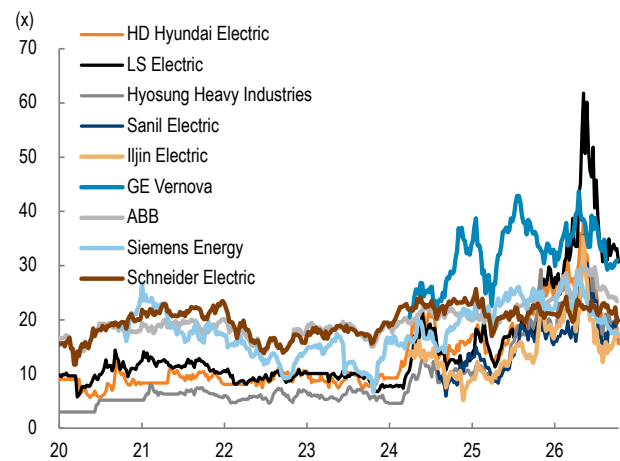
Source: Bloomberg, Mirae Asset Securities Research

Figure 3. Global peers: Relative share performance



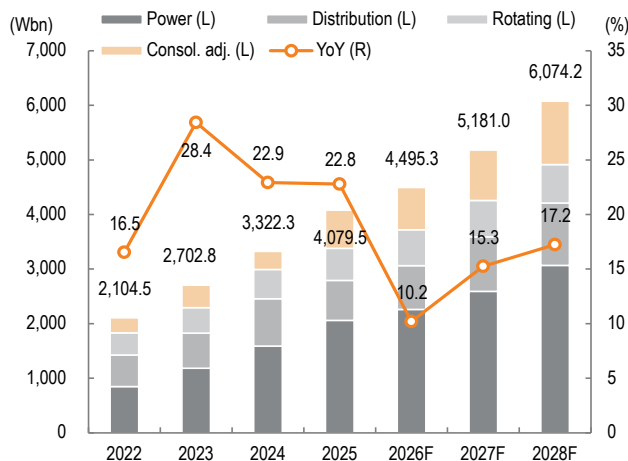
Source: Bloomberg, Mirae Asset Securities Research

Figure 4. Global peers: 24-month forward P/E trends



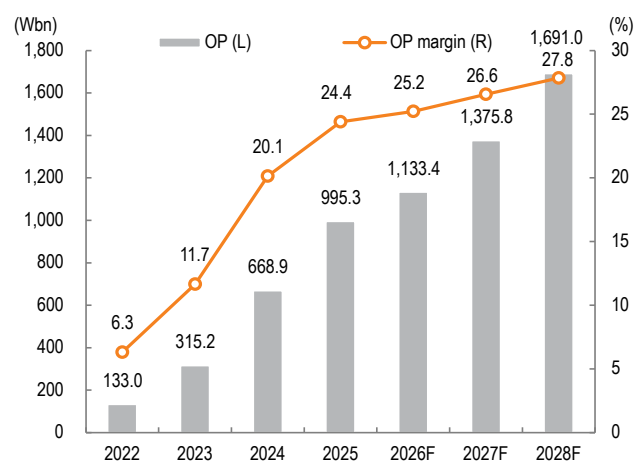
Source: Bloomberg, Mirae Asset Securities Research

Figure 5. HD Hyundai Electric: Annual revenue trends



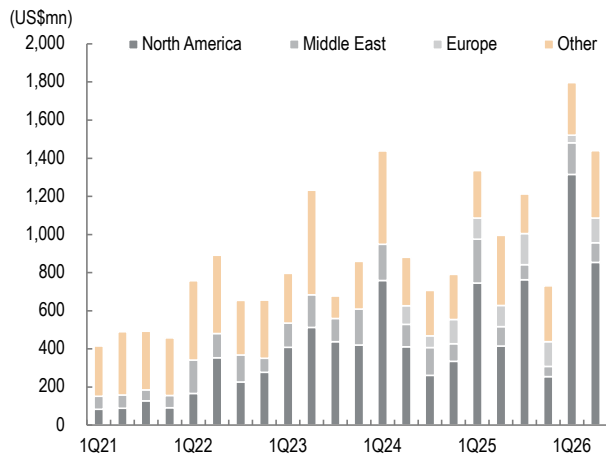
Source: Mirae Asset Securities Research

Figure 6. HD Hyundai Electric: Annual OP and OP margin trends



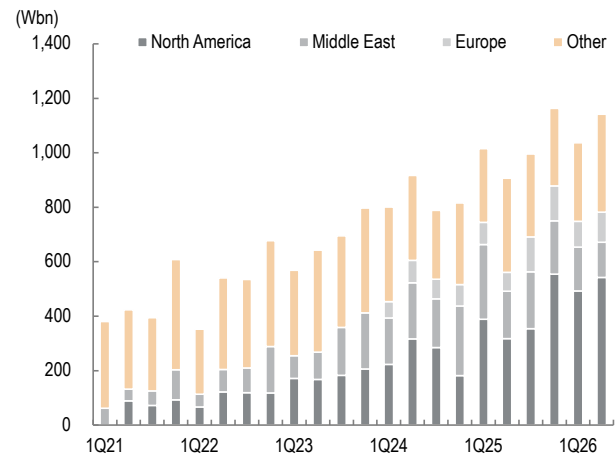
Source: Mirae Asset Securities Research

Figure 7. HD Hyundai Electric: OP and OP margin



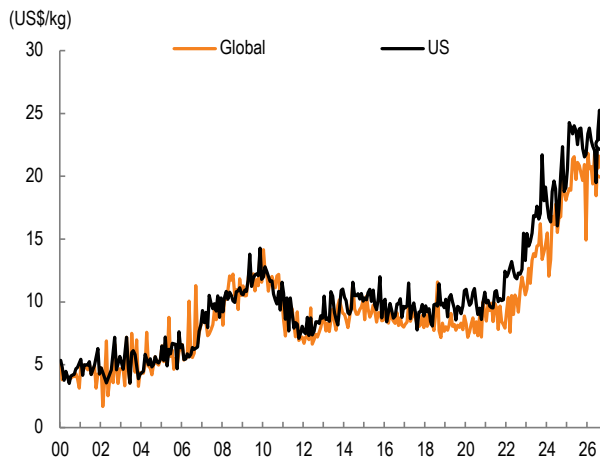
Source: Mirae Asset Securities Research

Figure 8. HD Hyundai Electric: Revenue breakdown by region



Source: Mirae Asset Securities Research

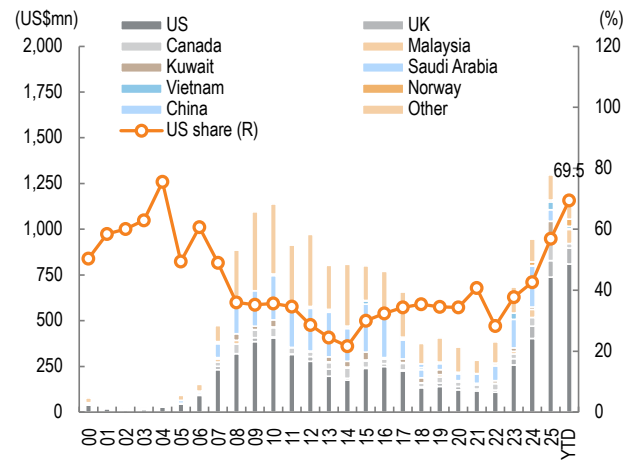
Figure 9. Global vs. North America: Large transformer unit price per kg



Note: Based on HS code 850423

Source: Korea Trade Statistics, Mirae Asset Securities Research

Figure 10. Korea: Large transformer export value by country and US share



Note: Based on HS code 850423

Source: Korea Trade Statistics, Mirae Asset Securities Research

HD Hyundai Electric (267260)

Income statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Revenue	4,079	4,495	5,181	6,074
Cost of revenue	2,687	2,918	3,302	3,787
GP	1,392	1,577	1,879	2,287
SG&A expenses	398	444	503	596
OP (adj.)	995	1,133	1,376	1,691
OP	995	1,133	1,376	1,691
Non-operating profit	-39	9	-7	28
Net financial income	8	24	45	80
Net income from associates	0	-1	0	0
Pretax profit	956	1,142	1,369	1,719
Income tax	225	293	348	436
Profit from continuing operations	732	849	1,022	1,283
Profit from discontinued operations	0	0	0	0
NP	732	849	1,022	1,283
Attributable to owners	733	851	1,024	1,286
Attributable to minority interests	-1	-2	-2	-3
Total comprehensive income	748	894	1,022	1,283
Attributable to owners	748	896	1,024	1,286
Attributable to minority interests	0	-2	-2	-3
EBITDA	1,069	1,224	1,492	1,816
FCF	726	633	900	1,288
EBITDA margin (%)	26.2	27.2	28.8	29.9
OP margin (%)	24.4	25.2	26.6	27.8
Net margin (%)	18.0	18.9	19.8	21.2

Balance sheet (summarized)

(Wbn)	2025	2026F	2027F	2028F
Current assets	3,426	3,728	4,716	6,064
Cash & equivalents	951	1,215	1,767	2,634
AR & other receivables	769	781	917	1,066
Inventory	1,267	1,286	1,509	1,755
Other current assets	439	446	523	609
Non-current assets	1,344	1,625	1,769	1,786
Investments in associates	0	0	0	0
PP&E	943	1,139	1,274	1,283
Intangible assets	65	75	84	92
Total assets	4,770	5,353	6,485	7,851
Current liabilities	2,549	2,551	2,975	3,444
AP & other payables	490	497	583	679
Short-term financial liabilities	172	138	143	150
Other current liabilities	1,887	1,916	2,249	2,615
Non-current liabilities	188	157	172	189
Long-term financial liabilities	102	70	70	70
Other non-current liabilities	86	87	102	119
Total liabilities	2,737	2,708	3,147	3,633
Equity attributable to owners	2,029	2,643	3,337	4,221
Capital stock	180	180	180	180
Capital surplus	402	402	402	402
Retained earnings	1,323	1,892	2,587	3,470
Minority interests	4	2	0	-3
Shareholders' equity	2,033	2,645	3,337	4,218

Cash flow statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Operating cash flow	960	892	1,139	1,411
NP	732	849	1,022	1,283
Non-cash income/expenses	315	376	418	481
Depreciation	65	80	105	113
Amortization	9	10	11	12
Other	241	286	302	356
Chg. in working capital	193	-37	2	2
Chg. in AR & other receivables	53	60	-130	-143
Chg. in inventory	-196	47	-223	-246
Chg. in AP & other payables	79	-50	71	78
Income tax	-292	-321	-348	-436
Cash flow from investing activities	-226	-287	-264	-147
Chg. in PP&E	-233	-259	-239	-122
Chg. in intangible assets	-7	-19	-20	-20
Chg. in financial assets	11	0	-5	-5
Other	3	-9	0	0
Cash flow from financing activities	-350	-381	-324	-396
Chg. in financial liabilities	-126	-67	6	6
Chg. in equity	0	0	0	0
Dividends	-221	-281	-330	-403
Other	-3	-33	0	1
Chg. in cash	381	264	552	867
Beginning balance	570	951	1,215	1,767
Ending balance	951	1,215	1,767	2,634

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

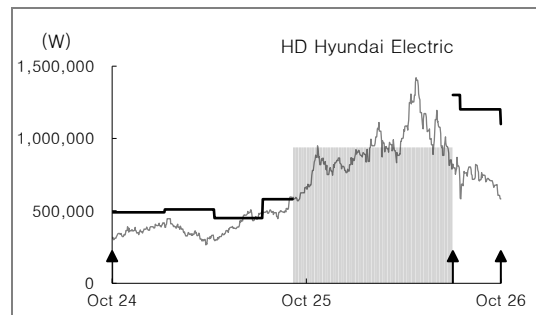
	2025	2026F	2027F	2028F
P/E (x)	38.1	24.7	20.5	16.3
P/CF (x)	26.7	17.1	14.6	11.9
P/B (x)	13.6	7.9	6.3	5.0
EV/EBITDA (x)	25.4	16.3	13.0	10.2
EPS (W)	20,324	23,594	28,404	35,687
CFPS (W)	29,042	33,975	39,939	48,955
BPS (W)	56,704	73,744	93,002	117,515
DPS (W)	7,100	8,630	10,389	13,052
Dividend payout ratio (%)	34.9	36.6	36.6	36.6
Dividend yield (%)	0.9	1.3	1.5	1.9
Revenue growth (%)	22.8	10.2	15.3	17.2
EBITDA growth (%)	45.6	14.5	21.9	21.7
OP growth (%)	48.8	13.9	21.4	22.9
EPS growth (%)	46.1	16.1	20.4	25.6
AR turnover (x)	5.3	6.1	6.4	6.4
Inventory turnover (x)	3.5	3.5	3.7	3.7
AP turnover (x)	7.4	7.2	7.4	7.3
ROA (%)	17.1	16.8	17.3	17.9
ROE (%)	41.5	36.4	34.2	34.0
ROIC (%)	55.3	51.6	61.9	70.6
Debt-to-equity ratio (%)	134.6	102.4	94.3	86.1
Current ratio (x)	134.4	146.2	158.5	176.1
Net debt-to-equity ratio (%)	-34.4	-39.0	-47.4	-58.0
Interest coverage ratio (x)	59.3	108.7	151.3	179.4

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (₩)
HD Hyundai Electric (267260)	10/13/26	Buy	1,100,000
	07/29/26	Buy	1,200,000
	07/15/26	Buy	1,300,000
	09/18/25	No Coverage	
	07/23/25	Buy	580,000
	04/23/25	Buy	450,000
	01/20/25	Buy	510,000
	09/26/24	Buy	490,000



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)

Disclosures

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