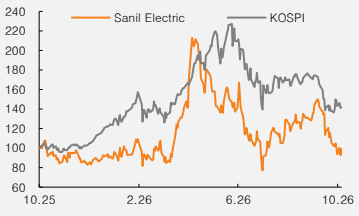
MIRAE ASSET Securities

Equity Research
November 5, 2026

(Maintain)	**Buy**
Target price	**W270,000**
Current price (11/4/26)	W155,000
Upside	74.2%

OP (26F, Wbn)	247
Consensus OP (26F, Wbn)	0
EPS growth (26F, %)	38.9
Market EPS growth (26F, %)	276.0
P/E (26F, x)	22.8
Market P/E (26F, x)	5.6
KOSPI	5,683.80
Market cap (Wbn)	4,750
Shares (mn)	31
Free float (%)	54.3
Foreign ownership (%)	17.6
Beta (12M)	1.10
52-week low (W)	120,800
52-week high (W)	333,500

(%)	1M	6M	12M
Absolute	-31.7	-53.5	-7.7
Relative	-15.9	-43.3	-33.1



Mirae Asset Securities Co., Ltd.

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062040 KS · Power Infrastructure

Sanil Electric

3Q26 review: Look beyond revenue to shipments

3Q26 review: Delayed revenue vs. stronger orders

For 3Q26, Sanil Electric reported revenue of W146bn (+10% YoY; 15% below the consensus) and operating profit of W44.7bn (+4.7% YoY; 30.2% below the consensus), with an OP margin of 30.6%. Earnings missed expectations due to shipment-related revenue recognition delays, won appreciation, and a lagged raw material cost impact. Typhoons in Asia and shipping route diversions around the Middle East delayed shipments to the US, leaving around W78bn worth of products awaiting revenue recognition—W48bn more than the typical quarter-end balance of W30bn. Meanwhile, the average USD/KRW rate fell around 5.5% QoQ, while raw materials purchased when the won was weaker were reflected in costs with a lag, squeezing spreads. Rising prices of key materials such as insulating oil and aluminum also weighed on profitability.

Shipments increased in 3Q26

Despite slower reported revenue growth, we estimate that shipments increased significantly in 3Q26. Transformer exports from Ansan reached a record W184.3bn, up 23% from W149.4bn in 2Q26. With the average USD/KRW rate down about 5.5% over the same period, we believe the increase in shipment volume was even stronger. Ansan transformer exports exceeded Sanil Electric's revenue by W38.3bn, broadly comparable to the roughly W48bn in additional revenue deferred by shipping delays. Products that have cleared Korean customs may appear in export figures before they appear in reported sales, as export statistics are based on the date of customs clearance while Sanil Electric recognizes revenue only when control of the products passes to customers. Given the historically strong correlation between the company's revenue and Ansan's transformer exports, we view the 3Q26 revenue slowdown as a consequence of shipment delays/revenue deferrals rather than weaker demand or lower production.

We also expect the margin decline to prove temporary. The products awaiting revenue recognition at end-3Q26 are finished goods, most of which should be delivered and recognized as revenue in 4Q26. The increase in revenue should ease fixed-cost pressures, supporting QoQ improvement in OP margin. As some raw materials purchased when the won was weaker remain in inventory, cost pressures are likely to persist into 4Q26. However, the company is passing higher raw material costs through to new order prices, limiting the risk of structural margin erosion. If FX rates remain at current levels, the exchange rate timing mismatch between raw material costs and revenue recognition should normalize from 1Q27, leading to further margin improvement.

(Dec.)	2024	2025	2026F	2027F	2028F
Revenue (Wbn)	334	502	680	869	1,107
OP (Wbn)	109	179	247	348	441
OP margin (%)	32.6	35.7	36.3	40.0	39.8
NP (Wbn)	84	149	208	282	359
EPS (W)	3,214	4,891	6,793	9,194	11,724
ROE (%)	19.3	29.2	30.7	31.8	31.4
P/E (x)	21.3	26.6	22.8	16.9	13.2
P/B (x)	4.8	6.8	6.2	4.8	3.7
Dividend yield (%)	0.6	1.0	1.1	1.5	1.9

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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Please see analyst certifications and important disclosures & disclaimers in Appendix 1 at the end of the report.

Order momentum remains strong

Order momentum remains strong. New orders rose 119% YoY to W278.9bn in 3Q26, bringing cumulative 1Q-3Q26 orders to approximately W701.4bn—already meeting the full-year guidance. At the current pace, we expect full-year orders to comfortably surpass W800bn. After becoming an approved supplier to Bloom Energy and securing an order in 2Q26, the company secured repeat orders in 3Q26. In October, it also secured an initial order worth W32bn from a new data center customer.

In 3Q26, the company secured its largest single reactor order to date, worth more than W50bn. If US restrictions on Chinese-made inverters help non-Chinese suppliers such as TMEIC gain share, follow-on orders for reactors and specialty transformers could increase. We also expect the Democratic sweep in the US midterm election to bring renewable energy into focus, supporting investment in renewable power generation and ESS, two of the company's key end-markets.

4Q26 preview: Strong earnings beat likely

We expect a significant earnings beat in 4Q26. Based on the production ramp-up alone, we expect revenue to reach W187.1bn. Assuming that a conservative two-thirds of the additional W48bn deferred from 3Q26 is recognized in 4Q26, our revenue forecast rises to W219.1bn, 14.7% above the consensus of W191bn. Profitability should also improve sharply QoQ as stronger revenue eases fixed-cost pressures and higher raw material costs are reflected in selling prices. We estimate 4Q26 operating profit at W83.5bn (OP margin of 38.1%), 17.6% higher than the consensus (W71bn). With delayed shipments expected to be recognized as revenue in 4Q26, we expect a sharp rebound from the 3Q26 earnings miss.

Maintain Buy and TP of W270,000

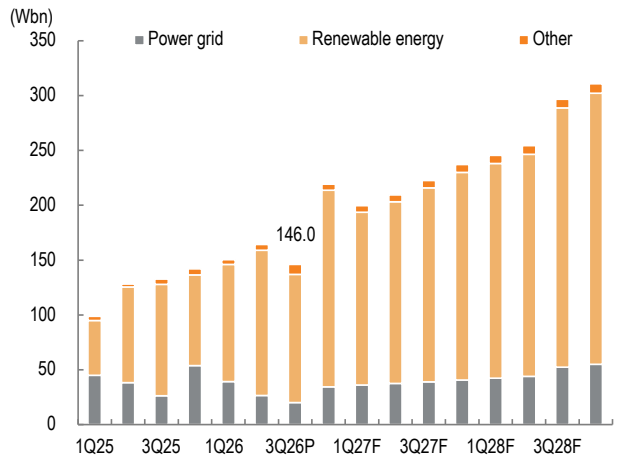
We maintain our Buy rating and target price of W270,000 on Sanil Electric. We attribute the recent share price pullback mainly to valuation multiple compression across the power equipment sector, rather than a deterioration in the company's earnings or order momentum. Shipments delayed in 3Q26 should contribute to revenue in 4Q26, and the order backlog has increased 66% YoY to W689.7bn, improving earnings visibility for 2027. The Democrats' landslide victory in the US could ease concerns over further rollbacks in US renewable energy policy, potentially reviving demand for specialty transformers used in renewable energy and ESS. The company has also diversified its product and customer portfolios, securing orders from new data center customers and winning large-scale reactor contracts. All in all, we believe a valuation re-rating is possible as downstream demand recovers.

Table 1. Sanil Electric: Quarterly/annual earnings and forecasts (Wbn)

	1Q26	2Q26	3Q26P	4Q26F	1Q27F	2Q27F	3Q27F	4Q27F	2025	2026F	2027F	2028F	2029F	2030F
New orders	179.0	243.5	278.9	251.9	228.9	239.5	253.8	269.6	565.8	953.3	991.8	1,250.3	1,516.0	1,676.6
Backlog	477.4	556.7	689.7	722.5	751.8	781.9	813.1	845.7	448.9	722.5	845.7	988.8	1,147.6	1,306.3
Book-to-bill (x)	1.2	1.2	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.4	1.1	1.1	1.1	1.1
Revenue	150.3	164.2	146.1	219.1	199.6	209.4	222.5	237.1	501.9	679.7	868.6	1,107.2	1,357.2	1,517.8
Power grid	39.3	26.6	20.0	34.5	36.1	37.6	39.1	40.7	163.3	120.4	153.5	193.6	247.4	284.7
Renewable energy	106.7	132.4	116.9	179.1	157.6	165.6	176.7	189.3	321.8	535.1	689.1	882.0	1,073.9	1,193.1
Other	4.3	5.2	9.2	5.5	5.9	6.3	6.7	7.1	16.8	24.2	26.0	31.6	35.9	40.0
YoY (%)														
New orders	5.7	163.5	118.7	42.6	27.9	-1.6	-9.0	7.0	38.9	68.5	4.0	26.1	21.3	10.6
Backlog	3.9	32.7	66.5	61.0	57.5	40.4	17.9	17.0	15.3	61.0	17.0	16.9	16.1	13.8
Revenue	52.1	28.0	10.1	54.2	32.8	27.5	52.3	8.2	50.3	35.4	27.8	27.5	22.6	11.8
Power grid	-12.6	-30.5	-23.8	-35.9	-8.1	41.3	95.5	17.9	6.8	-26.3	27.5	26.1	27.8	15.1
Renewable energy	113.3	51.7	14.9	116.3	47.7	25.1	51.2	5.7	112.4	66.3	28.8	28.0	21.8	11.1
Other	12.1	91.9	92.2	-0.3	37.4	20.3	-27.2	30.1	-43.0	43.6	7.5	21.5	13.6	11.4
COGS	79.7	86.6	86.5	114.5	101.4	105.5	111.2	117.5	267.9	367.3	435.7	557.4	699.3	776.2
SG&A	15.2	15.5	14.8	21.1	19.8	20.7	21.7	23.2	55.0	66.6	85.4	108.7	133.2	149.0
OP	55.7	62.2	44.7	83.5	78.4	83.3	89.6	96.3	179.0	247.1	347.5	441.1	524.7	592.6
QoQ (%)	6.1	11.7	-28.1	86.8	-6.1	6.2	7.6	7.5	-	-	-	-	-	-
YoY (%)	48.4	34.3	4.7	59.0	40.8	33.9	100.4	15.3	64.0	37.3	41.4	26.9	19.0	12.9
OP margin (%)	37.1	37.9	30.6	38.1	39.3	39.8	40.3	40.6	35.7	36.2	40.0	39.8	38.7	39.0
Non-operating profit	4.1	8.4	9.5	2.2	2.8	3.6	6.6	5.6	11.9	24.5	18.6	25.9	36.5	51.3
Pretax profit	59.8	70.6	54.2	85.7	81.2	86.9	96.2	101.9	190.9	270.3	366.1	467.0	561.2	643.9
NP attr. to owners	45.9	54.6	41.8	65.7	62.5	66.9	74.0	78.3	148.9	208.0	281.7	359.3	431.7	495.3
YoY (%)	46.9	44.2	13.5	52.8	36.2	22.5	77.0	19.3	121.6	39.6	35.5	27.5	20.2	14.7
Net margin (%)	30.5	33.2	28.6	30.0	31.3	31.9	33.2	33.0	29.7	30.6	32.4	32.4	31.8	32.6
EPS (W)	1,502	1,783	1,364	2,143	2,041	2,182	2,414	2,556	4,890	6,793	9,194	11,724	14,088	16,165
YoY (%)	46.6	43.3	12.8	51.8	35.9	22.4	76.9	19.3	53.1	38.9	35.3	27.5	20.2	14.7

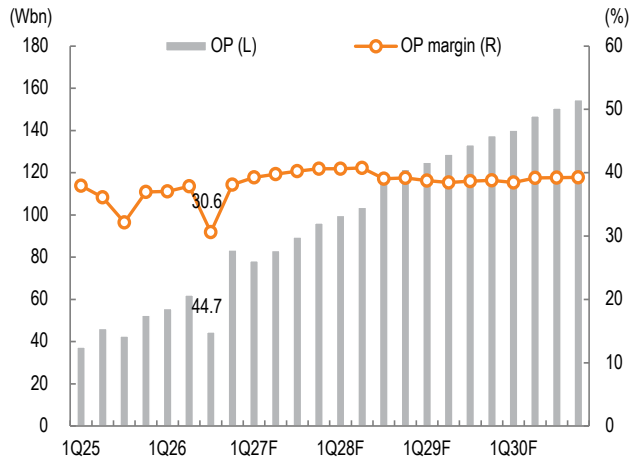
Source: Company data, Mirae Asset Securities Research

Figure 1. Sanil Electric: Quarterly revenue



Source: Company data, Mirae Asset Securities Research

Figure 2. Sanil Electric: Quarterly OP and OP margin



Source: Company data, Mirae Asset Securities Research

Table 2. Sanil Electric: TP calculation

	Value	Notes
2030F NP attr. to owners of the parent (Wbn)	495.3	
No. of shares (mn)	30.6	
2030F EPS (W)	16,164.5	
Target P/E (x)	16.6	Unchanged
Target price (W)	270,000	Rounded
Current price (W)	155,000	Nov. 4 closing price
Upside (%)	74.2	Buy rating

Source: Company data, Mirae Asset Securities Research

Table 3. Sanil Electric: Annual earnings and forecasts (Wbn)

	2022	2023	2024	2025	2026F	2027F	2028F	2029F	2030F
New orders	-	-	407.2	565.8	953.3	991.8	1,250.3	1,516.0	1,676.6
Backlog	-	-	389.2	448.9	722.5	845.7	988.8	1,147.6	1,306.3
Book-to-bill (x)	-	-	1.2	1.1	1.4	1.1	1.1	1.1	1.1
Revenue	118.3	214.5	334.0	501.9	679.7	868.6	1,107.2	1,357.2	1,517.8
Power grid	14.8	52.8	152.9	163.3	120.4	153.5	193.6	247.4	284.7
Renewable energy	76.9	144.5	151.5	321.8	535.1	689.1	882.0	1,073.9	1,193.1
Other	26.5	17.3	29.5	16.8	24.2	26.0	31.6	35.9	40.0
YoY (%)									
New orders	-	-	-	38.9	68.5	4.0	26.1	21.3	10.6
Backlog	-	-	-	15.3	61.0	17.0	16.9	16.1	13.8
Revenue	-	81.4	55.7	50.3	35.4	27.8	27.5	22.6	11.8
Power grid	-	255.5	189.7	6.8	-26.3	27.5	26.1	27.8	15.1
Renewable energy	-	87.8	4.9	112.4	66.3	28.8	28.0	21.8	11.1
Other	-	-34.8	70.9	-43.0	43.6	7.5	21.5	13.6	11.4
COGS	78.5	136.7	190.7	267.9	367.3	435.7	557.4	699.3	776.2
SG&A	17.3	31.2	34.0	55.0	66.6	85.4	108.7	133.2	149.0
OP	22.5	46.6	109.2	179.0	247.1	347.5	441.1	524.7	592.6
YoY (%)		107.3	134.3	64.0	37.3	41.4	26.9	19.0	12.9
OP margin (%)	19.0	21.7	32.7	35.7	36.2	40.0	39.8	38.7	39.0
Non-operating profit	-17.9	1.5	-3.9	11.9	24.5	18.6	25.9	36.5	51.3
Pretax profit	4.6	48.1	105.3	190.9	270.3	366.1	467.0	561.2	643.9
NP attr. to owners	4.1	39.0	67.2	148.9	208.0	281.7	359.3	431.7	495.3
YoY (%)		854.2	72.2	121.6	39.6	35.5	27.5	20.2	14.7
Net margin (%)	3.5	18.2	20.1	29.7	30.6	32.4	32.4	31.8	32.6
EPS (W)	-	-	3,195	4,890	6,793	9,194	11,724	14,088	16,165
YoY (%)	-	-	-	53.1	38.9	35.3	27.5	20.2	14.7

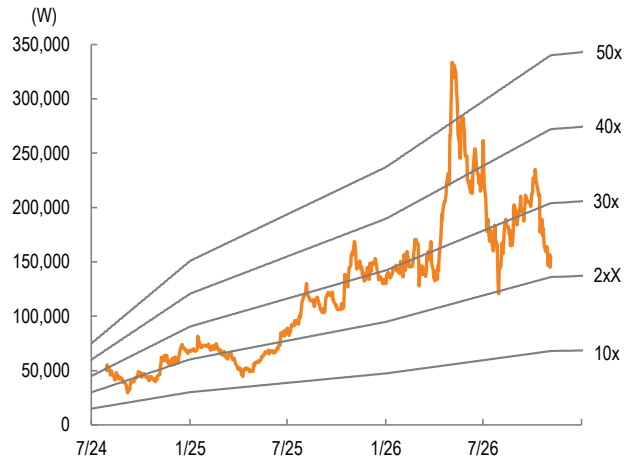
Source: Company data, Mirae Asset Securities Research

Table 4. Peer valuations (Wtr, %, x)

Company	Market cap	Earnings metrics (2026F)			Earnings metrics (2030F)			Valuation (P/E)					
		Revenue	OP	OP margin	Revenue	OP	OP margin	2025	2026F	2027F	2028F	2029F	2030F
Sanil Electric	4.7	0.7	0.3	37.8	1.7	-	-	26.5	22.2	16.9	12.5	-	-
HD Hyundai Electric	15.8	4.6	1.2	25.5	7.1	1.8	25.7	38.3	17.9	13.8	11.4	10.9	10.8
Hyosung Heavy Industries	19.1	7.1	1.1	15.0	10.2	2.1	20.6	32.1	24.7	17.4	12.9	11.9	11.1
LS Electric	22.6	6.7	0.8	11.3	12.7	1.9	14.8	48.3	40.9	27.3	20.7	17.4	13.6
Iljin Electric	2.6	2.4	0.3	10.8	2.3	0.3	12.3	25.0	14.3	12.9	11.2	11.6	11.4
GE Vernova	325.0	62.9	6.1	9.7	106.9	23.6	22.1	35.9	38.6	35.7	25.5	20.0	16.8
ABB	216.0	51.1	10.1	19.8	72.9	16.6	22.7	29.9	26.4	23.7	20.5	18.2	16.4
Schneider Electric	216.7	67.8	12.6	18.5	97.3	20.2	20.8	31.7	23.2	19.3	16.4	14.7	13.2
Eaton	203.5	44.4	8.5	19.1	62.9	14.3	22.7	27.8	28.8	24.3	20.8	17.9	15.9
Avg.								33.6	26.8	21.8	17.4	15.3	13.7

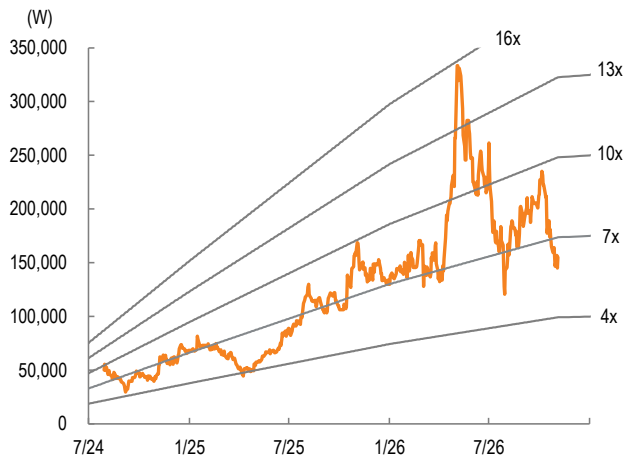
Source: Company data, Mirae Asset Securities Research

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



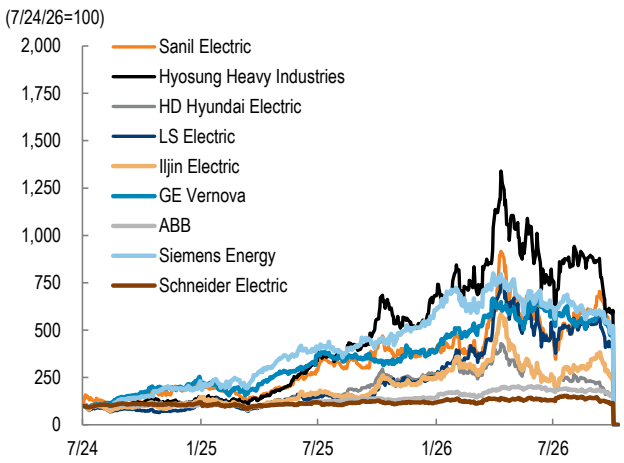
Source: Bloomberg, Mirae Asset Securities Research

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



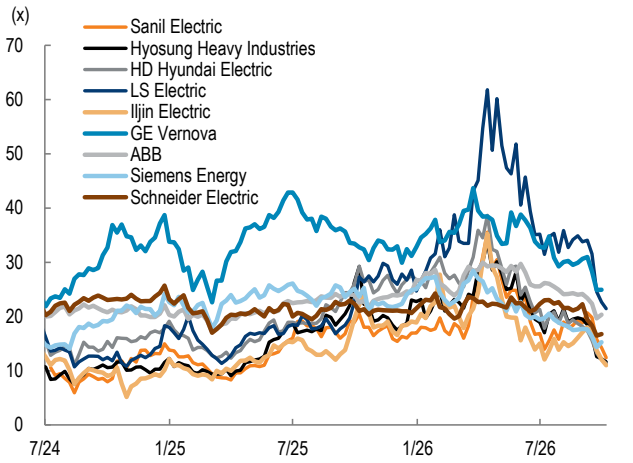
Source: Bloomberg, Mirae Asset Securities Research

Figure 5. Global peer group: Relative share performance



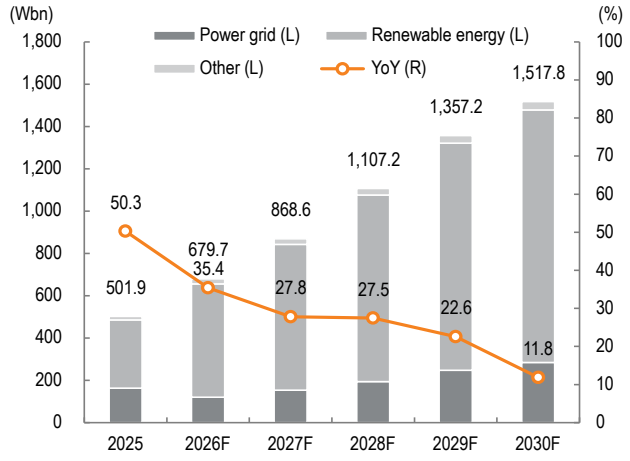
Source: Bloomberg, Mirae Asset Securities Research

Figure 6. Global peer group: 24-month forward P/E trends



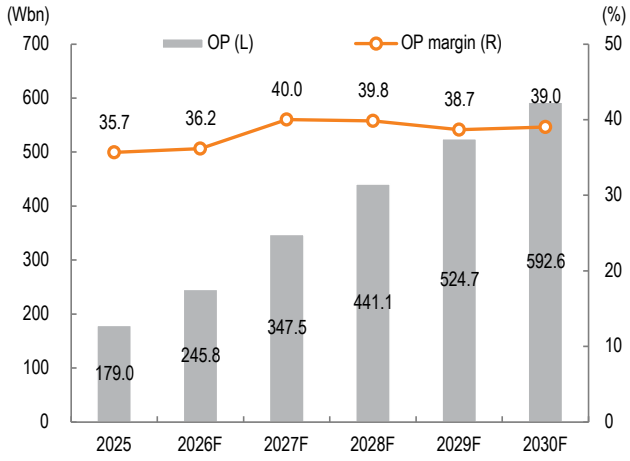
Source: Bloomberg, Mirae Asset Securities Research

Figure 7. Sanil Electric: Annual revenue and growth



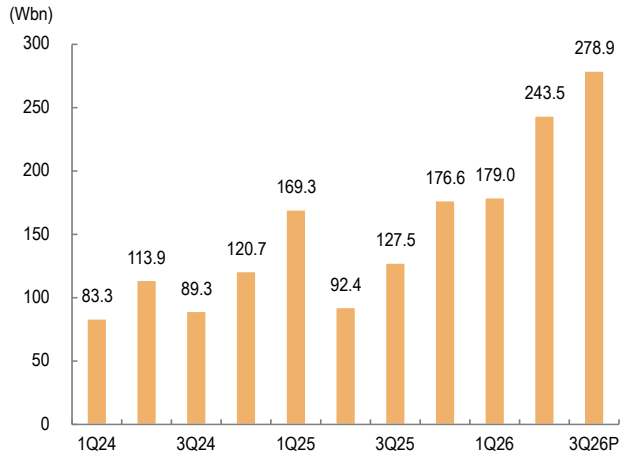
Source: Company data, Mirae Asset Securities Research

Figure 8. Sanil Electric: Annual OP and OP margin



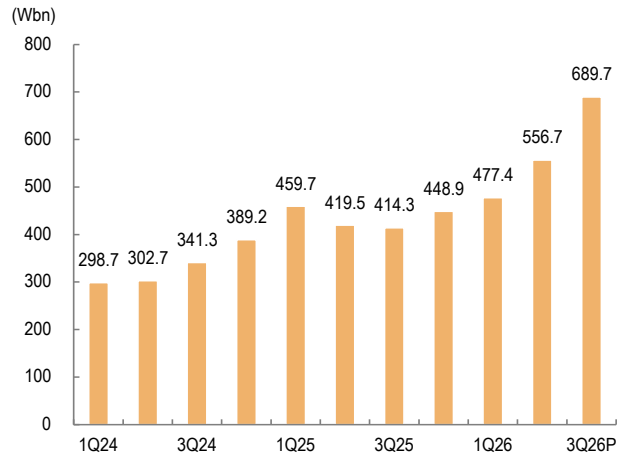
Source: Company data, Mirae Asset Securities Research

Figure 9. Sanil Electric: Quarterly new orders



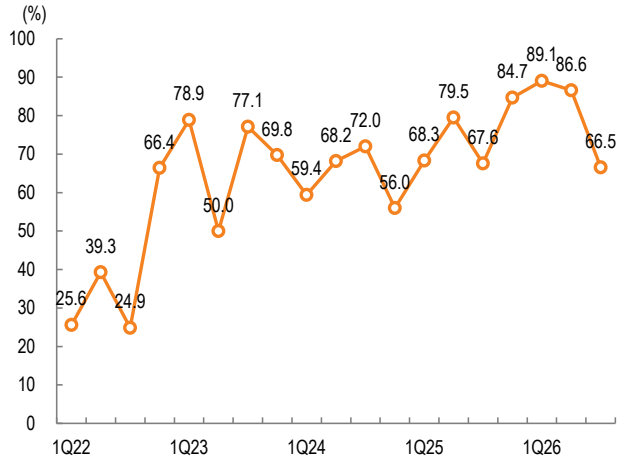
Source: Company data, Mirae Asset Securities Research

Figure 10. Sanil Electric: Quarterly backlog



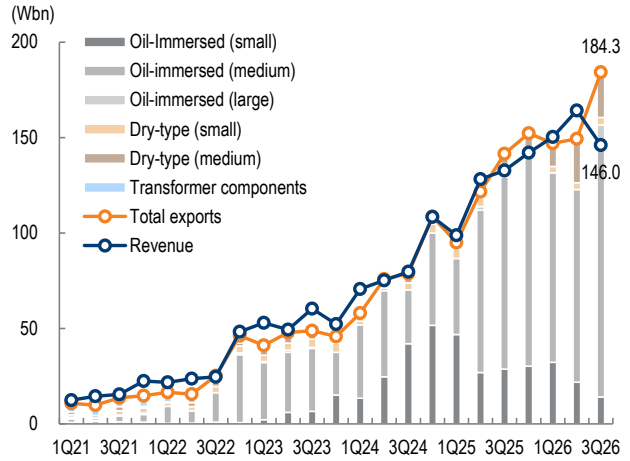
Source: Company data, Mirae Asset Securities Research

Figure 11. Sanil Electric: US revenue share



Source: Mirae Asset Securities Research

Figure 12. Sanil Electric: Revenue vs. est. exports



Note: Based on aggregate value of transformer exports from Ansan
Source: Mirae Asset Securities Research

Sanil Electric (062040 KS)

Income statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Revenue	**502**	**680**	**869**	**1,107**
Cost of revenue	**268**	**367**	**436**	**557**
GP	**234**	**313**	**433**	**550**
SG&A expenses	**55**	**66**	**85**	**109**
OP (adj.)	**179**	**247**	**348**	**441**
OP	**179**	**247**	**348**	**441**
Non-operating profit	**12**	**18**	**18**	**26**
Net financial income	5	6	11	17
Net income from associates	0	0	0	0
Pretax profit	191	265	366	467
Income tax	42	61	84	108
Profit from continuing operations	149	204	282	359
Profit from discontinued operations	0	0	0	0
NP	**149**	**208**	**282**	**359**
Attributable to owners	149	208	282	359
Attributable to minority interests	0	0	0	0
Total comprehensive income	**149**	**208**	**282**	**359**
Attributable to owners	149	208	282	359
Attributable to minority interests	0	0	0	0
EBITDA	183	254	359	456
FCF	100	137	219	248
EBITDA margin (%)	36.5	37.4	41.3	41.2
OP margin (%)	35.7	36.3	40.0	39.8
Net margin (%)	29.7	30.6	32.5	32.4

Balance sheet (summarized)

(Wbn)	2025	2026F	2027F	2028F
Current assets	**437**	**600**	**798**	**1,093**
Cash & equivalents	109	139	308	483
AR & other receivables	136	172	186	244
Inventory	91	147	159	208
Other current assets	101	142	145	158
Non-current assets	**245**	**313**	**355**	**395**
Investments in associates	0	0	0	0
PP&E	179	204	244	283
Intangible assets	2	4	5	6
Total assets	**682**	**913**	**1,153**	**1,488**
Current liabilities	**90**	**132**	**143**	**187**
AP & other payables	46	64	69	91
Short-term financial liabilities	2	3	3	4
Other current liabilities	42	65	71	92
Non-current liabilities	**6**	**10**	**11**	**14**
Long-term financial liabilities	0	0	0	0
Other non-current liabilities	6	10	11	14
Total liabilities	**96**	**142**	**154**	**201**
Equity attributable to owners	**585**	**771**	**999**	**1,287**
Capital stock	15	15	15	15
Capital surplus	230	232	232	232
Retained earnings	284	454	683	970
Minority interests	**0**	**0**	**0**	**0**
Shareholders' equity	**585**	**771**	**999**	**1,287**

Cash flow statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Operating cash flow	**115**	**171**	**270**	**301**
NP	149	208	282	359
Non-cash income/expenses	58	63	78	97
Depreciation	4	7	11	14
Amortization	0	0	1	1
Other	54	56	66	82
Chg. in working capital	-69	-42	-16	-65
Chg. in AR & other receivables	-40	-24	-13	-54
Chg. in inventory	-33	-57	-12	-49
Chg. in AP & other payables	22	20	4	17
Income tax	-27	-64	-84	-108
Cash flow from investing activities	**-54**	**-99**	**-55**	**-63**
Chg. in PP&E	-15	-34	-51	-52
Chg. in intangible assets	-1	-2	-2	-2
Chg. in financial assets	15	12	-2	-8
Other	-53	-75	0	-1
Cash flow from financing activities	**-13**	**-44**	**-53**	**-71**
Chg. in financial liabilities	-8	0	0	1
Chg. in equity	0	2	0	0
Dividends	-13	-38	-53	-72
Other	8	-8	0	0
Chg. in cash	**47**	**30**	**169**	**175**
Beginning balance	62	109	139	308
Ending balance	109	139	308	483

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

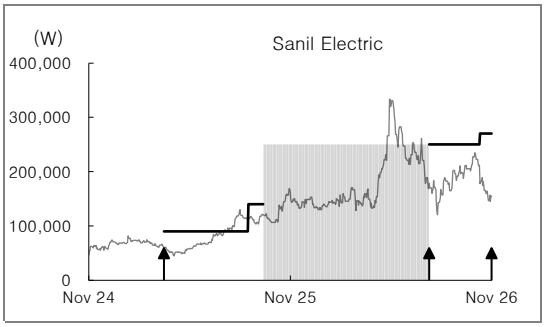
	2025	2026F	2027F	2028F
P/E (x)	26.6	22.8	16.9	13.2
P/CF (x)	19.2	17.5	13.2	10.4
P/B (x)	6.8	6.2	4.8	3.7
EV/EBITDA (x)	20.9	17.7	12.0	9.1
EPS (W)	4,891	6,793	9,194	11,724
CFPS (W)	6,789	8,858	11,743	14,891
BPS (W)	19,230	25,155	32,618	41,997
DPS (W)	1,250	1,734	2,349	2,996
Dividend payout ratio (%)	25.5	25.5	25.5	25.5
Dividend yield (%)	1.0	0.8	1.0	1.3
Revenue growth (%)	50.3	35.4	27.8	27.5
EBITDA growth (%)	63.4	38.6	41.5	27.0
OP growth (%)	63.5	38.0	41.0	26.9
EPS growth (%)	52.2	38.9	35.3	27.5
AR turnover (x)	4.4	4.6	5.2	5.5
Inventory turnover (x)	6.6	5.7	5.7	6.0
AP turnover (x)	14.0	9.2	8.4	8.9
ROA (%)	25.4	26.1	27.3	27.2
ROE (%)	29.2	30.7	31.8	31.4
ROIC (%)	44.7	48.9	60.2	64.3
Debt-to-equity ratio (%)	16.5	18.4	15.4	15.6
Current ratio (%)	483.9	454.5	558.8	584.1
Net debt-to-equity ratio (%)	-24.3	-34.1	-43.4	-47.8
Interest coverage ratio (x)	18,239.1	6,535.0	8,861.4	9,276.3

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Sanil Electric (062040)	10/15/26	Buy	270,000
	07/15/26	Buy	250,000
	09/18/25	No Coverage	
	08/21/25	Buy	140,000
	03/21/25	Buy	90,000



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	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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