

Aegis Tech (743851)

Memory Cycle Recovery

Fully Priced In, Focus on Custom Chip Validation

Investment	Opinion	Analyst	Contact
Rating (Maintain)	HOLD	Analyst	Haeun Kim
Target Price (12M)	KRW 95,000	RA	Junsu Lee
Current Price (7.15)	KRW 85,000	Industry	Electronics/IT Components
Upside Potential	+11.8%		

Investment Summary: Limited Upside, Strong Fundamentals

The company’s core memory module business is stabilizing, reflected in consensus-beating 2Q25 earnings (OP est. KRW 72.0 bn vs. Cons. KRW 68.0 bn). While structural recovery is strong, the valuation already reflects near-term catalysts. Our Hold rating is based on limited upside (+11.8%) until significant revenue contribution from the newly secured high-margin custom chip validation project (Project 'Atlas') materializes in 2026.

2Q25 Preview: Beat Driven by Inventory Stabilization

2Q25 consolidated Revenue is expected to reach KRW 680.0 billion (+22.0% YoY). Operating Profit is forecast at KRW 72.0 billion (+45.0% YoY). The margin surprise is mainly attributed to lower-than-expected inventory valuation loss adjustments and tighter cost control within the component manufacturing division. We project the ASP of display driver ICs to begin increasing in 3Q25, providing a foundation for continued sequential improvement.

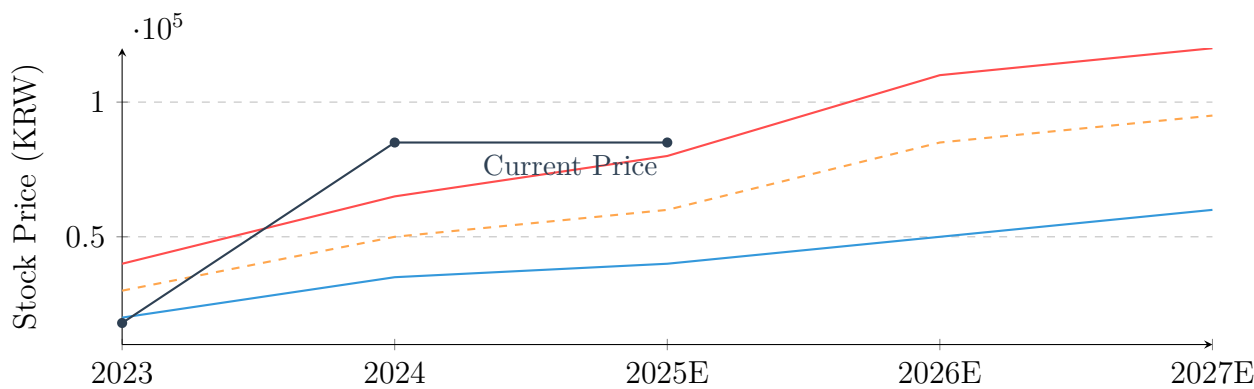
Project 'Atlas': Key Long-Term Catalyst

Project 'Atlas' involves mass production testing and packaging for a large North American AI chip developer. Initial pilot volume indicates potential for KRW 150.0 billion in annual high-margin revenue starting 2026. This project fundamentally changes the earnings quality of Aegis Tech, shifting the mix toward high-value, non-memory services. Successful execution remains the definitive factor for any major rating upgrade beyond 2025.

Financial Forecast Summary (KRW bn)

Metric	2023 (A)	2024 (A)	2025E	2026E	2027E	25E/24A YoY (%)
Revenue	1,950.0	2,350.0	2,900.0	3,550.0	4,100.0	+23.4%
Operating Profit	15.0	210.0	350.0	520.0	650.0	+66.7%
Net Income (Cont.)	12.0	185.0	290.0	450.0	580.0	+56.8%
EPS (KRW)	150	2,300	3,625	5,625	7,250	+57.6%
PER (x)	566.7	37.0	23.5	15.2	11.9	-
PBR (x)	1.2	1.1	1.0	0.9	0.8	-
ROE (%)	0.2	3.0	4.3	6.2	7.5	-

Valuation Chart: 12M Fwd P/E Band



Compliance Notice (BLUE WAVE ASSET)

- The contents reflect the views of the analyst (Haeun Kim) and were prepared without undue external pressure or interference.
- This report is for informational purposes only. Investment decisions should be based on the investor’s own judgment.
- **Rating Guide (12M):** Buy (+15% or more), Hold (-15% to +15%), Sell (-15% or less).