COMPANY UPDATE

2025. 10. 21

Scan to go to
Research Center report database

EV/Mobility Team

Hyunryul Cho
Senior Analyst
hyunryul.cho@samsung.com

Kim Won Young
Research Associate
wonyoung10.kim@samsung.com

Unid (014830)

Standing out from peers with two key strengths

- We initiate coverage of Unid at BUY with a 12-month target price of KRW95,000.
- The company has two fundamental advantages over its domestic peers: 1) its inorganic chemical business; and 2) its global leadership in potassium hydroxide production. In addition, capacity expansion in China should act as a catalyst for higher ROE and rerating.

WHAT'S THE STORY?

View—ROE improvement to drive rerating: We initiate coverage of Unid with a BUY rating and 12-month target price of KRW95,000. We value the stock using an ROE-PB valuation approach to capture both the cyclical nature of the chemical industry and the strong correlation between ROE and valuation. The company has secured two structural advantages that its peers can only pursue over the long term: production of inorganic chemical products and global leadership in potassium hydroxide production. We believe its valuation does not yet reflect the ROE upside potential from the firm's capacity expansion in China. Once ROE visibly improves, rerating is likely.

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW95,000	27%
Current price	KRW74,800	
Market cap	KRW506.22b/USD356.69m	
Shares (float)	6,767,600 (52.4%)	
52-week high/low	KRW97,600/KRW59,000	
Avg daily trading value (60-day)	KRW1.8b/ USD1.3m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
UNID (%)	-2.0	-6.3	7.0
Vs Kospi (%pts)	-11.5	-39.0	-27.2

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	95,000	95,000	0.0%
2025E EPS	11,697	n/a	n/a
2026E EPS	15,155	n/a	n/a

SAMSUNG vs THE STREET

No of estimates	8
Target price	108,875
Recommendation	4.0

※ Rating: 4 < → BUY, 3 = HOLD, 2 > → SELL

SUMMARY FINANCIAL DATA

	2024	2025E	2026E	2027E
Revenue (KRWb)	1,112	1,311	1,396	1,535
Operating profit (KRWb)	95	107	128	143
Net profit (adj) (KRWb)	76	79	103	114
EPS (adj) (KRW)	11,265	11,697	15,155	16,795
EPS (adj) growth (% y-y)	368.7	3.8	29.6	10.8
EBITDA margin (%)	13.4	13.0	14.9	16.0
ROE (%)	8.0	7.7	9.3	9.5
P/E (adj) (x)	6.4	6.4	4.9	4.5
P/B (x)	0.5	0.5	0.4	0.4
EV/EBITDA (x)	4.2	3.9	2.7	1.9
Dividend yield (%)	2.5	2.8	3.5	3.6

Source: Company data, Samsung Securities estimates

Investment point—Inorganic chemicals and global leadership in potassium hydroxide: Unid produces inorganic chemicals—such as potassium hydroxide and potassium carbonate—using potassium chloride as a feedstock, rather than naphtha derived from crude oil or natural gas. This confers two key advantages: 1) the company is insulated from structural shifts in petroleum demand and potential oversupply of commodity organic chemicals as EV adoption accelerates; and 2) it enjoys margin stability regardless of industry cycles. Unid is also the world's top potassium hydroxide producer, commanding 33% of the global market, vs 15% for Occidental (US) and 10% for Ineos (US). Its dominant market position should deter new entrants and support sustained profitability.

Investment point—Capacity expansion momentum in China: In January, Unid completed phase I of its new UHC plant in Yichang, Hubei Province, adding 90,000 tonnes of potassium hydroxide capacity. Phase II, scheduled for completion by end-2027, will add another 90,000 tonnes. This will increase Unid's global potassium hydroxide capacity to 900,000 tonnes (from 720,000 tonnes in 2024). The expansion should enable the company to capture more market share in China, particularly in central and western regions, while reducing logistics costs.

Valuation and target price calculation

ROE improvement to drive rerating

Initiating coverage at BUY with target price of KRW95,000

We initiate coverage of Unid with a BUY rating and 12-month target price of KRW95,000. We derive our target using an ROE-PB valuation approach, as we believe applying a P/B multiple proportional to ROE is appropriate given the cyclical nature of the chemical industry. (The correlation coefficient between ROE and forward P/B for 2021-2025 is 0.78.)

The company's ROE, which bottomed at 1.8% in 2023, recovered to 8% in 2024 and is expected to ease slightly to 7.7% in 2025. We expect ROE to improve to 9.3% in 2026, driven by incremental contributions from its new capacity in China. Based on the historical correlation between ROE and forward P/B (2021-2025), the target P/B multiple that corresponds to our 2026 ROE estimate is 0.56x. Applying this multiple to our forward BVPS forecast of KRW169,045 yields an implied fair value of KRW95,000 per share.

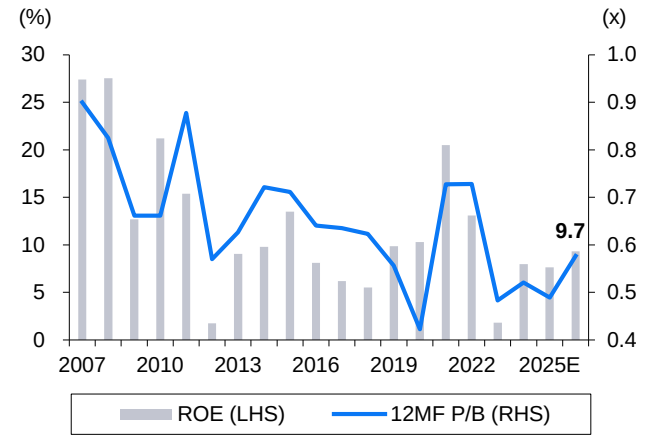
Despite its expected ROE improvement in 2026, Unid's valuation remains well below peers', suggesting meaningful rerating potential. The company's key products—caustic potash (KOH) and potassium carbonate (K_2CO_3)—face competition from Occidental and Olin (US), Evonik (Europe), and Tosoh and AGC (Japan). These competitors have potassium-related revenue exposure of 30-60%, making their business portfolios not directly comparable to Unid's. Still, the average correlation coefficient between ROE and P/B for the five competitors (excluding Unid) is 0.76, versus 0.40 when including Unid (six companies in total). According to Bloomberg consensus, Unid's 2026 ROE is expected to reach 9.2%, second only to Olin (12.4%), yet its 2026 P/B of 0.42x remains the lowest among the six peers. As ROE improves, we believe rerating potential will emerge accordingly.

Unid: P/B vs ROE valuation

(KRW)		Note
Target P/B (x)	0.56	Derived from relationship between ROE and forward P/B observed over 2021-2025
Forward BVPS	169,045	
Fair value per share	**95,128**	
Target price	**95,000**	
Current price	70,700	As of Sep 26, 2025
Upside (%)	34.4	
2025 implied P/E (x)	8.1	
2026 implied P/E (x)	6.3	

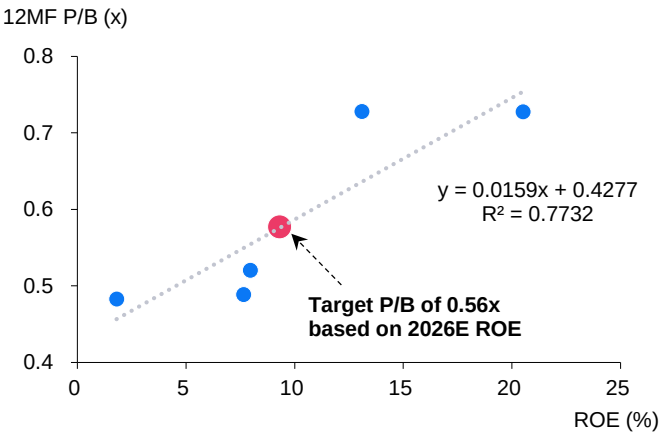
Source: Samsung Securities estimates

Unid: ROE vs forward P/B



Source: Company data, Samsung Securities

Unid: Correlation between ROE and forward P/B



Source: Company data, Samsung Securities

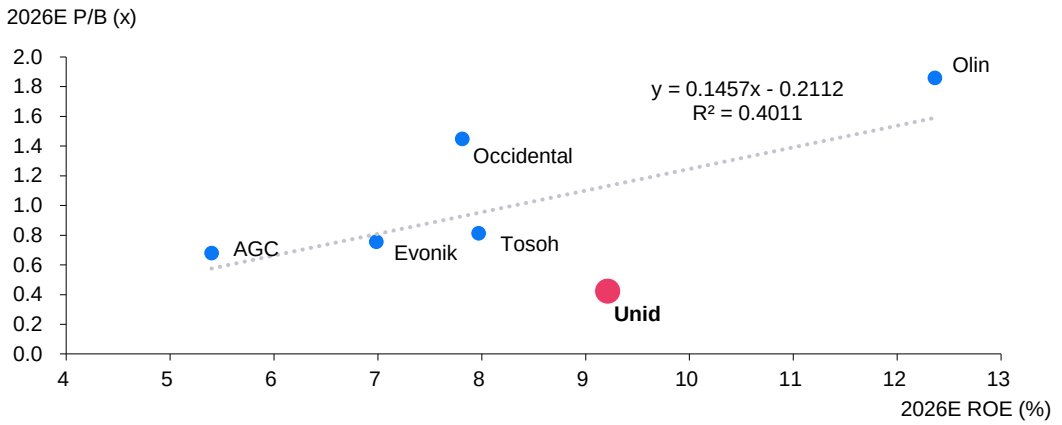
Unid: Peer valuations

	Currency	Share price	Price performance (%) 1W	1M	3M	YTD	Market cap (USDb)	P/E (x) 2024	2025E	2026E	P/B (x) 2024	2025E	2026E	EV/EBITDA (x) 2024	2025E	2026E
Unid	**KRW**	**71,800**	**(5.9)**	**(6.4)**	**(18.1)**	**(0.7)**	**0.4**	**5.8**	**5.3**	**4.7**	**0.49**	**0.45**	**0.42**	**3.5**	**3.0**	**2.8**
Potassium hydroxide (KOH)								**74.0**	**17.3**	**13.0**	**1.29**	**1.27**	**1.37**	**6.4**	**5.9**	**5.3**
Occidental	USD	47	3.0	(0.1)	11.4	(3.9)	46.5	13.8	20.6	17.5	1.52	1.54	1.45	5.8	5.7	5.2
Tosoh	JPY	2,280	(2.0)	(2.3)	8.5	7.7	5.1	11.7	12.3	10.5	0.88	0.85	0.81	5.8	5.9	5.4
Olin	USD	24.0	(0.8)	4.8	17.3	(29.1)	2.9	196.4	18.9	11.0	1.47	1.40	1.86	7.5	6.0	5.2
Potassium carbonate (K_2CO_3)								**9.5**	**15.0**	**11.5**	**0.75**	**0.73**	**0.72**	**5.5**	**5.6**	**5.0**
Evonik	EUR	14.7	(5.5)	(11.5)	(19.9)	(12.2)	8.8	9.5	11.6	10.5	0.77	0.76	0.76	5.1	5.5	5.2
AGC	JPY	4,846	1.5	4.6	15.0	4.8	7.0	n/a	18.3	12.5	0.73	0.70	0.68	5.9	5.6	4.7

Note: Based on Bloomberg consensus as of Sep 26

Source: Bloomberg, Samsung Securities

Global potash producers: 2026E P/B vs ROE



Source: Bloomberg, Samsung Securities

Unid: Results and forecasts

(KRWb)	1Q25	2Q25	3Q25E	4Q25E	1Q26E	2Q26E	3Q26E	4Q26E	2023	2024	2025E	2026E
KRW/USD (average)	1,453	1,399	1,385	1,340	1,320	1,310	1,300	1,285	1,306	1,365	1,394	1,304
Sales	**323**	**341**	**353**	**295**	**334**	**357**	**372**	**334**	**1,134**	**1,112**	**1,311**	**1,396**
Chg (% q-q)	17.1	5.7	3.5	-16.3	13.1	6.8	4.4	-10.4				
Chg (% y-y)	26.6	16.9	21.7	7.1	3.5	4.6	5.6	13.0	-19.3	-1.9	18.0	6.5
Domestic	154	163	158	120	148	160	149	116	646	609	595	573
China	172	183	200	180	191	202	228	222	527	522	735	843
EBITDA	**44**	**48**	**44**	**34**	**48**	**55**	**57**	**48**	**81**	**149**	**170**	**208**
Chg (% q-q)	66.4	9.8	-8.8	-23.5	42.2	14.3	3.7	-14.9				
Chg (% y-y)	9.5	0.4	29.2	27.4	9.0	13.4	29.0	43.5	-58.4	84.4	14.3	22.3
Domestic	26	28	24	16	25	30	26	17	57	89	93	98
Chg (% q-q)	100.5	5.4	-14.9	-32.4	58.7	18.2	-13.0	-32.7				
Chg (% y-y)	8.8	-5.3	5.6	21.6	-3.7	7.9	10.4	9.9	-52.8	55.0	5.2	5.6
China	17	20	21	17	22	24	30	29	21	60	74	105
Chg (% q-q)	32.2	16.6	2.9	-18.3	31.3	10.2	23.8	-5.0				
Chg (% y-y)	6.2	5.1	65.9	29.6	28.6	21.6	46.3	70.1	-70.0	187.6	23.1	41.0
Operating profit	**29**	**33**	**28**	**17**	**30**	**35**	**36**	**27**	**32**	**95**	**107**	**128**
Chg (% q-q)	130.1	14.5	-14.6	-38.2	70.4	19.0	3.3	-26.7				
Chg (% y-y)	4.2	-6.3	36.9	39.0	3.0	7.0	29.5	53.6	-78.3	197.6	11.9	19.4
Domestic	19	20	16	8	17	21	17	9	29	60	64	64
Chg (% q-q)	237.2	7.6	-19.2	-47.9	98.2	23.3	-15.8	-48.3				
Chg (% y-y)	10.4	-8.7	9.5	52.9	-10.1	3.0	7.3	6.3	-69.3	101.7	7.1	0.7
China	9	12	12	9	12	14	18	17	0	36	42	62
Chg (% q-q)	41.5	29.9	-1.4	-24.6	39.0	13.7	31.7	-6.7				
Chg (% y-y)	-12.9	-7.9	91.7	36.5	34.1	17.4	56.8	94.2	-99.6	16,467.0	15.5	48.5
Pre-tax profit	**28**	**34**	**28**	**16**	**30**	**35**	**37**	**29**	**23**	**87**	**107**	**131**
Chg (% q-q)	-67.3	20.0	-16.7	-42.8	-72.3	16.7	7.9	-22.4				
Chg (% y-y)	4.5	-2.2	69.3	102.2	4.5	1.6	31.6	78.6	-55.8	48.9	166.7	RB
Net profit	**22**	**24**	**21**	**12**	**23**	**27**	**29**	**23**	**16**	**76**	**79**	**103**
Chg (% q-q)	-70.7	6.6	-11.5	-42.8	-70.6	16.7	7.9	-22.4				
Chg (% y-y)	3.0	-12.4	6.1	58.5	4.5	14.3	39.3	89.1	-87.2	368.7	3.8	29.6
Attrib. to parent company	22	24	21	12	23	27	29	23	16	76	79	103
Margins (%)												
EBITDA	13.7	14.2	12.5	11.4	14.4	15.4	15.3	14.5	7.1	13.4	13.0	14.9
Domestic	17.0	17.0	14.9	13.3	17.0	18.7	17.4	15.1	8.8	14.5	15.7	17.2
China	9.9	10.9	10.3	9.3	11.6	12.0	13.2	12.8	4.0	11.6	10.1	12.4
Operating profit	8.9	9.6	7.9	5.9	8.8	9.9	9.7	8.0	2.8	8.6	8.1	9.1
Domestic	12.2	12.4	10.3	7.1	11.4	13.0	11.7	7.8	4.6	9.8	10.7	11.2
China	5.3	6.5	5.9	4.9	6.5	7.0	8.1	7.7	0.0	6.9	5.7	7.4
Pre-tax profit	8.8	10.0	8.0	5.5	8.9	9.7	10.0	8.7	2.0	7.8	8.2	9.4
Net profit	6.9	7.0	6.0	4.1	7.0	7.6	7.9	6.8	1.4	6.9	6.0	7.3

Source: Company data, Samsung Securities estimates

Investment points

Two core advantages: Inorganic chemicals + global leadership in potassium hydroxide

Two fundamental strengths that Korean peers can only pursue over long term

Unid has already secured two key advantages that its Korean industry peers can only pursue over the longer term: 1) production of inorganic chemical products; and 2) global leadership in potassium hydroxide production. These advantages should continue to attract investor attention.

We expect global naphtha and ethylene capacity to rise as EV adoption accelerates, triggering a structural change in petrochemical demand. Already, specialty chemical production (led by Chinese companies) has visibly increased, leading to oversupply of commodity petrochemical derivatives such as ethylene (C_2), propylene (C_3), and butadiene (C_4). In other words, as EV demand grows, organic chemical products—*ie*, carbon atoms bonded to other elements, particularly hydrogen—are likely to face structural oversupply across the petrochemical, commodity, and specialty chemical value chains.

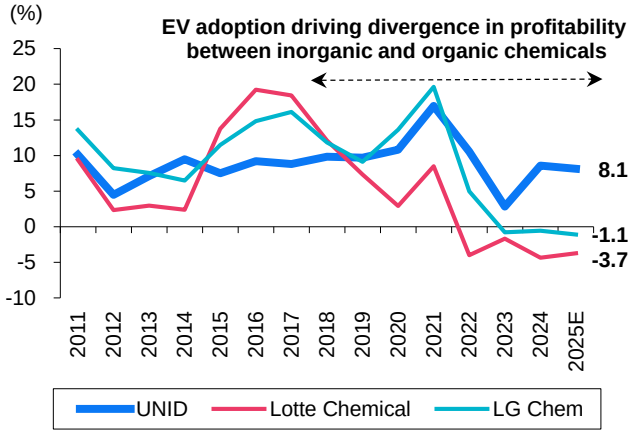
Against this backdrop, Unid's inorganic chemical business stands out as a key differentiator. Inorganic chemicals are produced without carbon-hydrogen bonds and do not rely on naphtha, a hydrocarbon feedstock derived from crude oil or natural gas. This makes Unid structurally insulated from EV-driven demand shifts that pressure traditional petrochemical producers. In short, the company has an edge over traditional Korean petrochemical players who have been hit hard by structural changes in energy demand.

Comparison: Organic vs. Inorganic chemistry

	Organic chemistry	Inorganic chemistry
Principal elements	Carbon (C), Hydrogen (H), Nitrogen (N), Oxygen (O), Sulfur (S)	Metals, nonmetals, metalloids
Bonding characteristics	Predominantly covalent bonding; complex molecular structures	Mixture of ionic, metallic, and covalent bonding
Example substances	Petrochemicals, plastics, proteins, pharmaceuticals	Sodium chloride, sulfuric acid, metal oxides, catalysts, ceramics
Applications	Pharmaceuticals, biotechnology, petrochemicals, polymers	Catalysts, batteries, semiconductors, metallic materials, inorganic materials
Research focus	Structure/reactivity of carbon frameworks	Properties/bonding of metals and inorganic compounds

Source: Samsung Securities

Profitability trends: Inorganic chemicals (Unid) vs. Organic chemicals (NCC players)

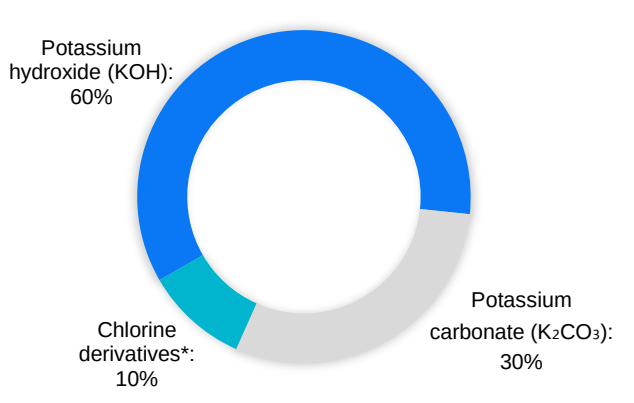


Source: Company data, Samsung Securities

The company's second core strength lies in its global leadership in potassium hydroxide production. A global leader is typically defined as a top-three player by capacity. Unid ranks first globally, commanding 33% of total potassium hydroxide capacity, compared with 15% for Occidental (the second-largest). This dominant position makes Unid the undisputed No. 1 player in the industry and limits competitive threats from new entrants.

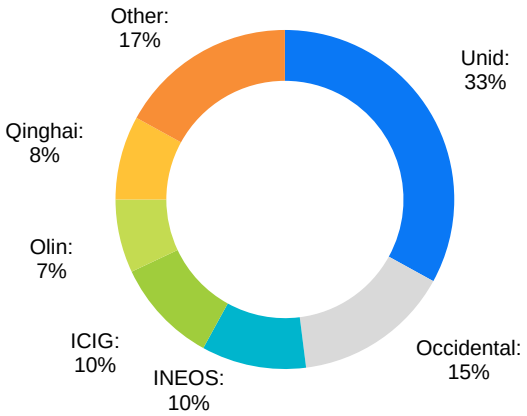
Meanwhile, Korean commodity chemical producers are under mounting pressure from new entrants in the crude oil-to-chemicals (COTC) sector (currently dominated by Chinese players and S-Oil), while specialty chemical makers (still profitable) face intensifying competition from China. In contrast, Unid's two core advantages—inorganic chemical production and leadership in potassium hydroxide—should allow it to sustain solid margins over the long term.

Unid: Sales breakdown, by product



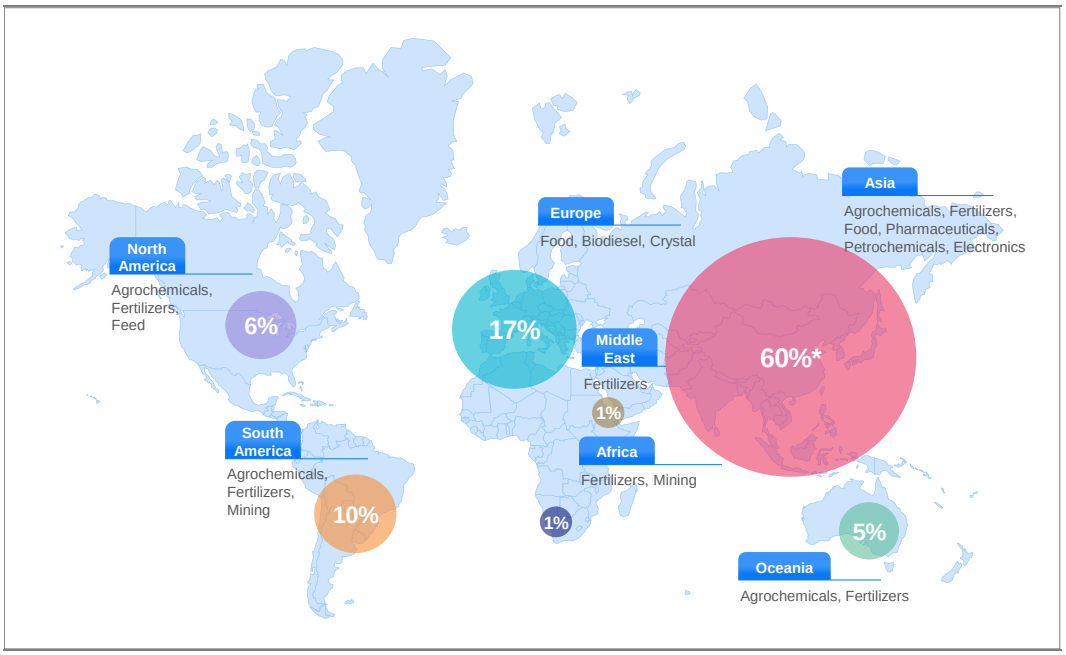
Note: *Chlorine and HCl
Source: Company data, Samsung Securities

KOH: Global market shares, by capacity



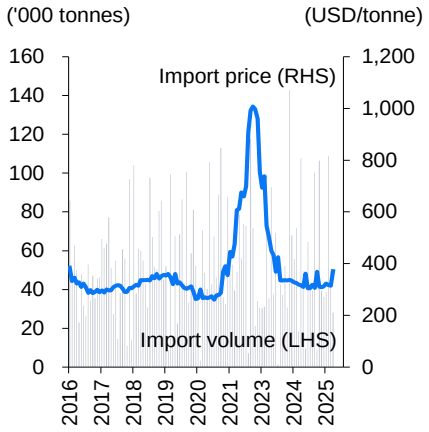
Source: Unid, Samsung Securities

Unid: Sales breakdown, by region



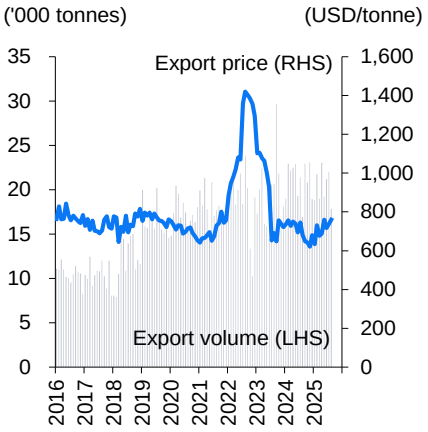
Source: Company data, Samsung Securities

Potassium chloride (KCl): Korean imports



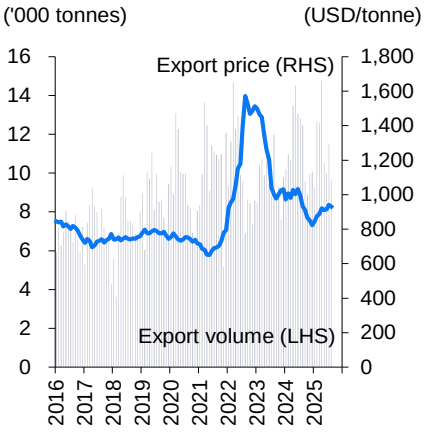
Source: KITA, Samsung Securities

Potassium hydroxide (KOH): Korean exports



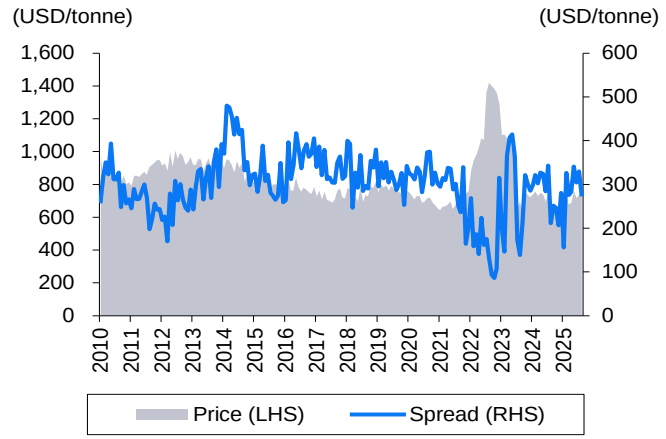
Source: KITA, Samsung Securities

Potassium carbonate (K_2CO_3): Korea exports



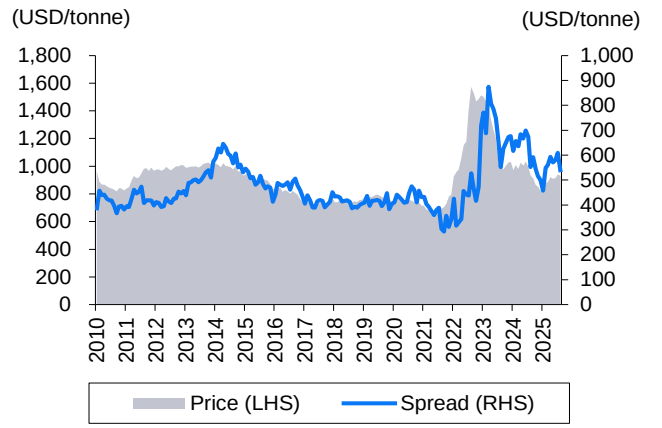
Source: KITA, Samsung Securities

Potassium hydroxide (KOH): Price and spread



Note: KOH-K_2CO_3 spread
Source: KITA, Samsung Securities

Potassium carbonate (K_2CO_3): Price and spread



Note: K_2CO_3 - KCl spread
Source: KITA, Samsung Securities

Capacity expansion momentum in China

Unid boasts another fundamental strength: capacity expansion momentum in China. Not only does it command the highest potassium hydroxide market share globally, but it is also the biggest player in China's potassium hydroxide market. As of 2024, its 720,000 tonnes of capacity was split between China (320,000 tonnes) and Korea (400,000 tonnes). Recently it has built and brought online a new production subsidiary in China: Unid Hubei New Materials (UHC).

Before this, Unid's production in China was centered on Unid Jiangsu Chemical (UJC; 200,000 tonnes of capacity) and Jiangsu OCI Chemical (OJC; 120,000 tonnes). As both are located in Jiangsu (eastern China), Unid had difficulty penetrating the Chinese inland market—which helps explain why it set up UHC in Yichang, Hubei Province.

Unid plans to invest KRW230b in UHC to secure a 180,000 tonnes of potassium hydroxide capacity. Phase I (90,000 tonnes), began operations in January, and efforts are also underway to bring the plant's 50,000-tonne potassium carbonate capacity online. Phase II is scheduled to add another 90,000 tonnes of potassium hydroxide capacity by end-2027. When UHC ramps up fully: 1) its potassium hydroxide capacity should be similar to UJC's (200,000 tonnes); and 2) Unid's potassium hydroxide capacity in China should reach 500,000 tonnes—exceeding even its capacity in Korea (400,000 tonnes), and lifting its global capacity to 900,000 tonnes.

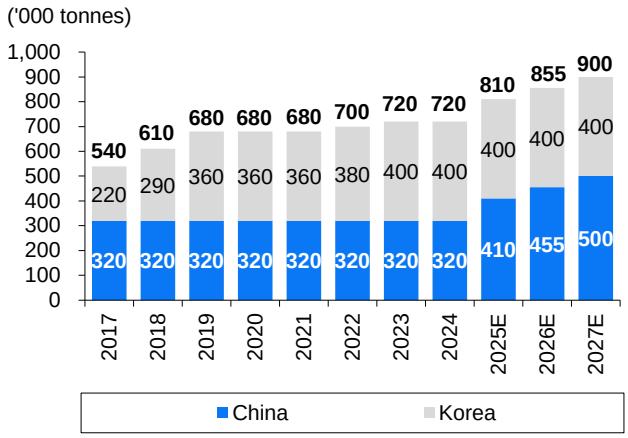
With the UHC project, Unid should be able to raise its market share in China by meeting demand in the central and western regions (*eg*, Guangdong, Chongqing, Sichuan, and Jiangxi), cutting logistics costs, and expanding productivity. As its production capacity in China should rise by 56% from 320,000 tonnes in 2024 to 500,000 tonnes in 2027, Unid should enjoy increased sales and earnings.

China UHC*(Yichang entity): Capacity addition plans

Phase	Product	Capacity ('000 tonnes)	Online
Phase 1	Potassium hydroxide (KOH)	88	2025
	Liquid chlorine (L-Cl_2)	56	2025
	Low-sodium potassium hydroxide (Low-Na KOH)	10	2025
	Light potassium carbonate (Light K_2CO_3)	52	2025E
Phase 2	Potassium hydroxide (KOH)	88	2026~2027E
	Liquid chlorine (L-Cl_2)	56	2026~2027E

Note: *Unid Hubei New Materials
Source: Company data, Samsung Securities

Unid: KOH capacity trends and forecasts



Source: Company data, Samsung Securities

Appendix

Company overview

Company overview

Unid was established in May 1980 under the name Korea Kali Chemical, a joint venture between Diamond Shamrock and Oriental Chemical Industries, with the goal of localizing potassium-based chemical products that relied on imports at that time. The firm acquired Diamond Shamrock's stake in Jun 1987 and Cheonggu's MDF business in 1992. In Jun 1995, it was renamed Unid.

The company's main products are potassium hydroxide (KOH) and potassium carbonate (K_2CO_3), produced through three key processes: brine purification, electrolysis, and evaporation/heating. The raw material, potassium chloride (KCl), is dissolved in water to create an aqueous brine solution

In the first step, brine purification, impurities are removed.

The second step is electrolysis, in which the aqueous KCl solution is electrolyzed to yield potassium (K+), chlorine (Cl_2), and hydrogen (H_2). The potassium then passes through a membrane and reacts with hydroxide ions to produce potassium hydroxide (KOH). The chlorine and hydrogen generated during this process are then used as mediators to produce additional hydrochloric acid (HCl), liquid chlorine (L-CI_2), and sodium hypochlorite (NaOCl).

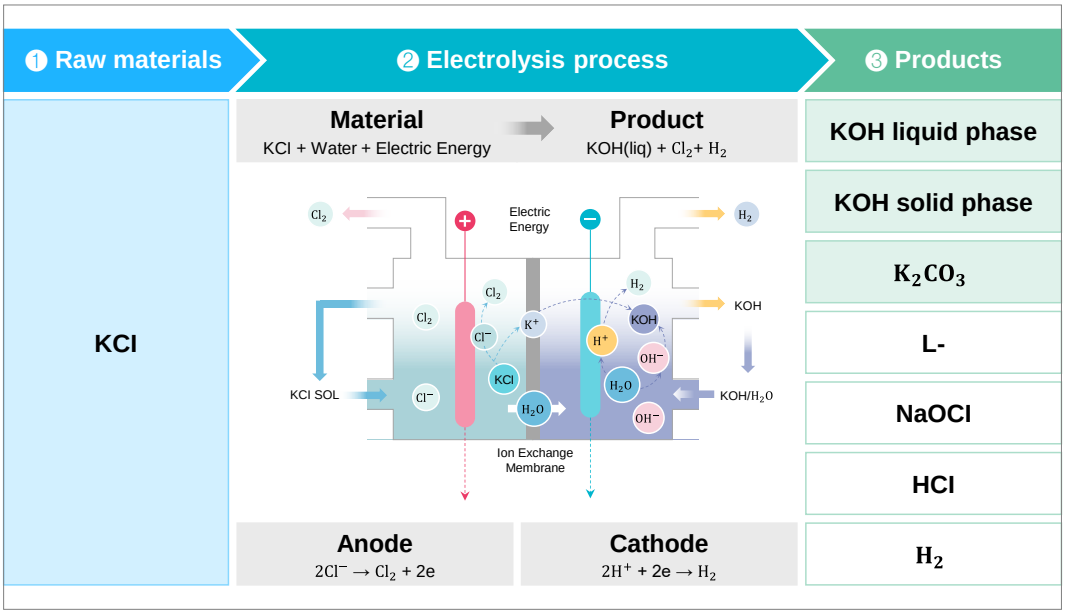
In the third step—evaporation/heating—the KOH (typically at 30% concentration) is evaporated to produce liquid KOH (45% and 48%). This can be further evaporated to produce solid KOH (85%, 90%, and 95%). The resulting potassium hydroxide is then reacted with carbon dioxide (CO_2) to produce potassium carbonate (K_2CO_3).

Unid: Major milestones

Year	Detail	Year	Detail
May 1980	Established Korea Kali Chemical	Nov 2016	Acquired assets of Hanwha Solutions' Ulsan CA plant
Jun 1987	Acquired equity stake in Diamond Shamrock (US)	Jan 2018	Relocated to Ulsan and completed 1st expansion of CA plant (capacity: 290,000 tonnes/year)
Jan 1992	Acquired Cheonggu Trading's MDF business	May 2019	Completed 2nd expansion of Ulsan CA plant (capacity: 360,000 tonnes/year)
Sep 1994	Merged with Cheonggu Trading	Nov 2022	Completed corporate spin-off of board business division (Unid btplus)
Aug 1995	Changed name to Unid	Jun 2023	Completed additional CA plant expansion (capacity: 400,000 tonnes/year)
Jun 2002	Established Chinese subsidiary UJC	Apr 2024	Commenced operations at Chinese subsidiary's CPs* plant
Jan 2008	Established Chinese subsidiary OJC	Jan 2025	Commencement operations at UHC plant (capacity: 90,000 tonnes/year)

Note: *Chlorinated paraffin wax
Source: Company data, Samsung Securities

Unid: Product process flow

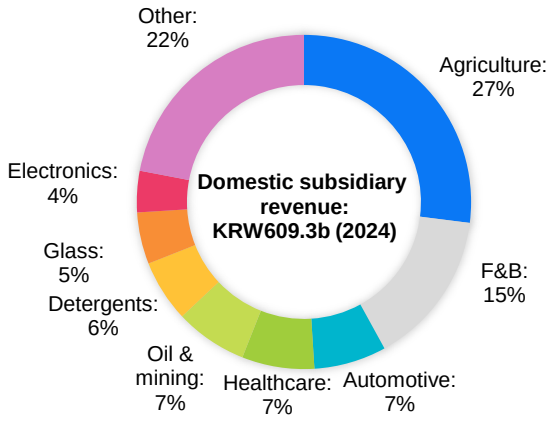


Source: Company data, Samsung Securities

As Unid operates potassium plants in both Korea and China, earnings are derived from domestic operations and Chinese subsidiaries. Both businesses produce potassium hydroxide, potassium carbonate, chlorine, hydrochloric acid, and hydrogen. Potassium hydroxide production capacity stands at 400,000 tonnes at the domestic plant, 200,000 tonnes at Unid Jiangsu Chemical (UJC), 120,000 tonnes at Jiangsu OCI Chemical (OJC), and 90,000 tonnes at Unid Hubei New Materials (UHC)—for a total of 810,000 tonnes. Capacity is expected to increase to 900,000 tonnes upon completion of the second expansion phase at UHC.

Meanwhile, Unid's Chinese subsidiaries also manufacture chlorinated paraffin wax (CPs) and operate steam/power generation facilities. CPs are produced by combining paraffin wax with chlorine (Cl_2). To address rising processing costs for potassium chloride, driven by environmental regulations, UJC launched the CP business in 2024. OJC currently operates a power plant for in-house consumption but plans to shut it down by end-2026, in compliance with China's new energy policy. Unid plans to partner with Jinying (Singapore) and Taiheung City Port Group to build a new power plant, with ownership stakes of 24%, 51%, and 25%, respectively.

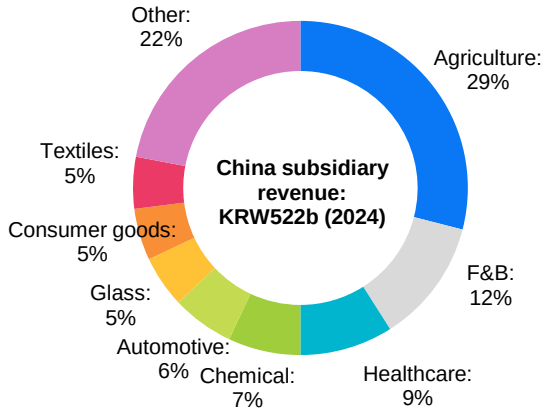
Unid: Sales breakdown, by end-use industry (domestic subsidiary)



Export-oriented	• Primarily export-oriented, supplying products to diverse global end-markets • High sales contribution from agriculture (fertilizers, agrochemicals) and food (cocoa, food additives) Larger proportion of petroleum/mining, automotive, pharmaceuticals, and detergents compared with China • Recent growth observed in demand from the petroleum, mining, and pharmaceutical sectors

Source: Company data, Samsung Securities

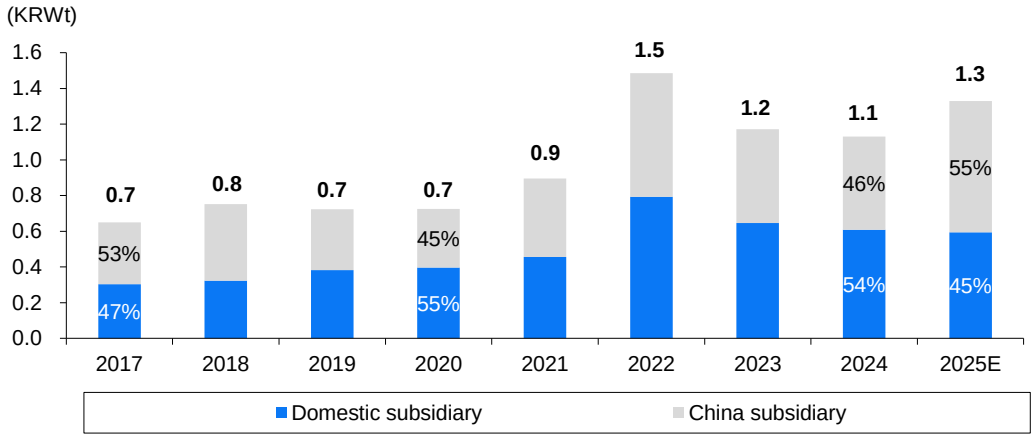
Unid: Sales breakdown, by end-use industry (Chinese subsidiary)



Domestic-oriented	• Primarily domestic-market oriented, supplying for various applications • High sales contribution from agriculture (fertilizers, agrochemicals) and food (food additives) • Higher proportion of pharmaceuticals, machinery, textiles, and other consumer goods compared with the global market • Recent growth trend in demand excluding automotive, including EV-related sectors

Source: Company data, Samsung Securities

Unid: Sales, by subsidiary



Note: Excludes revenue from other (non-core) business segments
Source: Company data, Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**1,134**	**1,112**	**1,311**	**1,396**	**1,535**
Cost of goods sold	977	876	1,056	1,099	1,193
Gross profit	**157**	**235**	**255**	**297**	**342**
Gross margin (%)	13.8	21.2	19.5	21.3	22.3
SG&A expenses	125	140	148	169	199
Operating profit	**32**	**95**	**107**	**128**	**143**
Operating margin (%)	2.8	8.6	8.1	9.1	9.3
Non-operating gains (losses)	**-9**	**-9**	**0**	**3**	**2**
Financial profit	17	21	22	19	21
Financial costs	34	23	30	24	27
Equity-method gains (losses)	-4	-17	-3	-3	-3
Other	12	10	12	12	12
Pre-tax profit	**23**	**87**	**107**	**131**	**145**
Taxes	7	11	28	28	31
Effective tax rate (%)	28.6	12.2	26.1	21.5	21.5
Profit from continuing operations	16	76	79	103	114
Profit from discontinued operations	0	0	0	0	0
Net profit	**16**	**76**	**79**	**103**	**114**
Net margin (%)	1.4	6.9	6.0	7.3	7.4
Net profit (controlling interests)	16	76	79	103	114
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	81	149	170	208	246
EBITDA margin (%)	7.1	13.4	13.0	14.9	16.0
EPS (parent-based) (KRW)	2,403	11,265	11,697	15,155	16,795
EPS (consolidated) (KRW)	2,403	11,265	11,697	15,155	16,795
Adjusted EPS (KRW)*	2,403	11,265	11,697	15,155	16,795

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**570**	**562**	**607**	**737**	**892**
Cash & equivalents	146	71	34	130	227
Accounts receivable	251	258	304	324	356
Inventories	137	138	163	174	191
Other current assets	35	95	105	110	117
Fixed assets	**689**	**802**	**812**	**780**	**738**
Investment assets	113	120	128	132	137
Tangible assets	501	613	617	583	537
Intangible assets	12	12	10	8	6
Other long-term assets	63	58	58	58	58
Total assets	**1,259**	**1,365**	**1,419**	**1,518**	**1,630**
Current liabilities	**308**	**218**	**226**	**235**	**250**
Accounts payable	88	54	63	67	74
Short-term debt	166	87	87	87	87
Other current liabilities	54	77	76	81	89
Long-term liabilities	**48**	**135**	**136**	**137**	**138**
Bonds & long-term debt	26	120	120	120	120
Other long-term liabilities	22	15	17	17	19
Total liabilities	**356**	**353**	**362**	**372**	**388**
Owners of parent equity	**903**	**1,012**	**1,057**	**1,146**	**1,242**
Capital stock	34	34	34	34	34
Capital surplus	3	4	4	4	4
Retained earnings	1,036	1,102	1,169	1,258	1,354
Other	-170	-127	-150	-150	-150
Non-controlling interests' equity	**0**	**0**	**0**	**0**	**0**
Total equity	**903**	**1,012**	**1,057**	**1,146**	**1,242**
Net debt	63	138	159	62	-38

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**335**	**117**	**91**	**161**	**181**
Net profit	16	76	79	103	114
Non-cash profit and expenses	73	87	99	113	138
Depreciation	47	52	62	79	101
Amortization	2	2	2	2	2
Other	25	34	35	32	35
Changes in A/L from operating activities	259	-36	-56	-24	-39
Cash flow from investments	**-90**	**-185**	**-70**	**-45**	**-57**
Change in tangible assets	-90	-120	-65	-45	-55
Change in financial assets	4	-12	-4	-2	-3
Other	-4	-53	-1	2	0
Cash flow from financing	**-233**	**-12**	**-25**	**-14**	**-17**
Change in debt	-218	12	-13	0	0
Change in equity	0	1	0	0	0
Dividends	-13	-11	-12	-14	-17
Other	-2	-15	0	0	0
Change in cash	11	-75	-37	96	98
Cash at beginning of year	135	146	71	34	130
Cash at end of year	146	71	34	130	227
Gross cash flow	**90**	**164**	**178**	**216**	**252**
Free cash flow	**238**	**-5**	**26**	**116**	**126**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	-19.3	-1.9	18.0	6.5	9.9
Operating profit	-78.3	197.6	11.9	19.4	11.8
Net profit	-87.2	368.7	3.8	29.6	10.8
Adjusted EPS**	-83.5	368.7	3.8	29.6	10.8
Per-share data (KRW)					
EPS (parent-based)	2,403	11,265	11,697	15,155	16,795
EPS (consolidated)	2,403	11,265	11,697	15,155	16,795
Adjusted EPS**	2,403	11,265	11,697	15,155	16,795
BVPS	136,033	152,473	159,207	172,556	187,076
DPS (common)	1,600	1,800	2,100	2,600	2,700
Valuations (x)					
P/E***	28.2	6.4	6.4	4.9	4.5
P/B***	0.5	0.5	0.5	0.4	0.4
EV/EBITDA	6.5	4.2	3.9	2.7	1.9
Ratios (%)					
ROE	1.8	8.0	7.7	9.3	9.5
ROA	1.2	5.8	5.7	7.0	7.2
ROIC	2.4	9.2	7.8	9.7	11.0
Payout ratio	65.3	15.7	17.6	16.8	15.8
Dividend yield (common)	2.4	2.5	2.8	3.5	3.6
Net debt to equity	6.9	13.6	15.0	5.4	-3.1
Interest coverage (x)	2.1	11.6	13.0	16.0	17.8

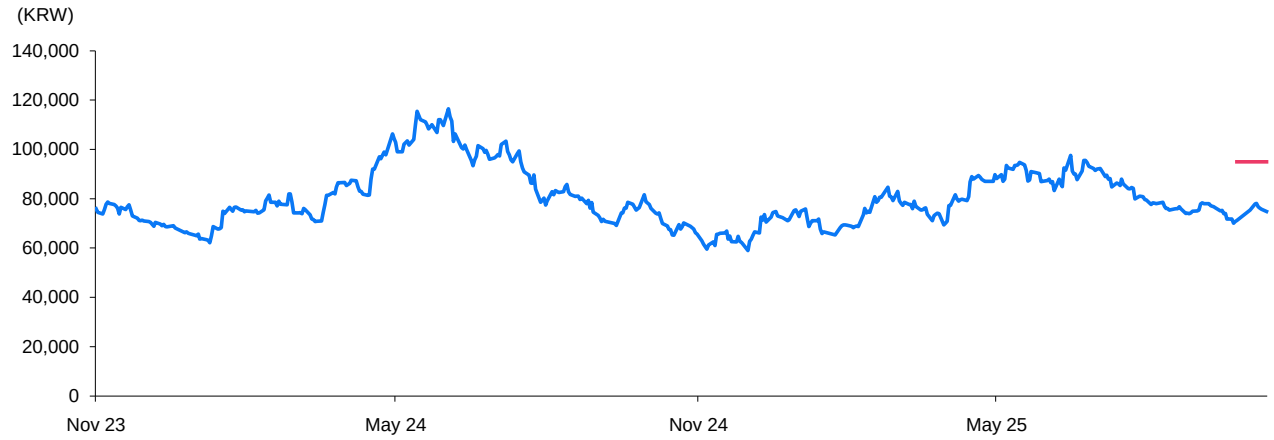
Note: *Excluding one-off items;
**Fully diluted, excluding one-off items;
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

Compliance notice

- As of 10/20 2025, the covering analyst(s) did not own any shares, or debt instruments convertible into shares, of any company covered in this report.
- As of 10/20 2025, Samsung Securities' holdings of shares and debt instruments convertible into shares of each company covered in this report would not, if such debt instruments were converted, exceed 1% of each company's outstanding shares.
- This report has been prepared without any undue external influence or interference, and accurately reflects the views of the analyst(s) covering the company or companies herein.
- All material presented in this report, unless specifically indicated otherwise, is under copyright to Samsung Securities.
- Neither the material nor its content (including copies) may be altered in any form, or by any means transmitted, copied, or distributed to another party, without prior express written permission from Samsung Securities.
- This memorandum is based upon information available to the public. While we have taken all reasonable care to ensure its reliability, we do not guarantee its accuracy or completeness. This memorandum is not intended to be an offer, or a solicitation of any offer, to buy or sell the securities mentioned herein. Samsung Securities shall not be liable whatsoever for any loss, direct or consequential, arising from the use of this memorandum or its contents. Statements made regarding affiliates of Samsung Securities are also based upon publicly available information and do not necessarily represent the views of management at such affiliates.
- This material has not been distributed to institutional investors or other third parties prior to its publication.

Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2025/10/2
Recommendation	BUY
Target price (KRW)	95000
Gap* (average)	
(max or min)**	

Note: * [(average, maximum, or minimum share price over duration of target price minus target price) / target price] x 100%
** Maximum/minimum share price if new target is higher/lower than market close on the business day prior to target price change

Samsung Securities uses the following investment ratings*

Company

BUY	Expected to increase in value by 15% or more within 12 months and is highly attractive within sector
HOLD	Expected to increase/decrease in value by less than 15% within 12 months
SELL	Expected to decrease in value by 15% or more within 12 months

Industry

OVERWEIGHT	Expected to outperform market by 5% or more within 12 months
NEUTRAL	Expected to outperform/underperform market by less than 5% within 12 months
UNDERWEIGHT	Expected to underperform market by 5% or more within 12 months

* Note: Effective Jul 27, 2023, BUY, HOLD, and SELL criteria are based on expectations of share-price moves of 15% or more within 12 months

Percentage of ratings in 12 months prior to 2025.09.30

BUY(83.5%)·HOLD(16.5%)·SELL(0%)

Global Disclosures & Disclaimers

General

This research report is for information purposes only. It is not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This report does not provide individually tailored investment advice. This report does not take into account individual client circumstances, objectives, or needs and is not intended as recommendations of particular securities, financial instruments or strategies to any particular client. The securities and other financial instruments discussed in this report may not be suitable for all investors. The recipient of this report must make its own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser.

This report may not be altered, reproduced, distributed, transmitted or published in whole or in part for any purpose. References to "Samsung Securities" are references to any company in the Samsung Securities, Co., Ltd. group of companies.

Samsung Securities and/or other affiliated companies, its and their directors, officers, representatives, or employees may have long or short positions in any of the securities or other financial instruments mentioned in this report or of issuers described herein and may purchase and/or sell, or offer to purchase and/or sell, at any time, such securities or other financial instruments in the open market or otherwise, as either a principal or agent. Any pricing of securities or other financial instrument contained herein is as of the close of market for such day, unless otherwise stated. Opinions and estimates contained herein constitute our judgment as of the date of this report and are subject to change without notice.

The information provided in this report is provided "AS IS". Although the information contained herein has been obtained from sources believed to be reliable, no representation or warranty, either expressed or implied, is provided by Samsung Securities in relation to the accuracy, completeness or reliability of such information or that such information was provided for any particular purpose and Samsung Securities expressly disclaims any warranties of merchantability or fitness for a particular purpose. Furthermore, this report is not intended to be a complete statement or summary of the securities, markets or developments referred to herein.

Samsung Securities does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. Samsung Securities, its affiliates, or any of its and their affiliates, directors, officers, employees or agents disclaim any and all responsibility or liability whatsoever for any loss (direct or consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice. Past performance is not indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security or financial instrument mentioned in this report. For investment advice, trade execution or other enquiries, clients should contact their local sales representative. Any opinions expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of Samsung Securities. Any analysis contained herein is based on numerous assumptions. Different assumptions may result in materially different results. Samsung Securities is under no obligation to update or keep current the information contained herein. Samsung Securities relies on information barriers to control the flow of information contained in one or more areas or groups within Samsung Securities into other areas or groups of Samsung Securities. Any prices stated in this report are for information purposes only and do not represent valuations for individual securities or other financial instruments. Samsung Securities makes no representation that any transaction can or could have been effected at those prices and any prices contained herein may not reflect Samsung Securities' internal books and records or theoretical model-based valuations and may be based on certain assumptions. Different assumptions by Samsung Securities or any other source may yield substantially different results. Additional information is available upon request.

For reports to be distributed to US:

Securities research is prepared, issued and exclusively distributed by Samsung Securities Co., Ltd., an organization licensed with the Financial Supervisory Service of South Korea. This research may be distributed in the United States only to major institutional investors as defined in Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended, and may not be circulated to any other person otherwise. All transactions by U.S. investors involving securities discussed in this report must be effected through Samsung Securities (America) Inc., a broker-dealer registered with the U.S. Securities & Exchange Commission and a member of the Financial Industry Regulatory Authority/SIPC, and not through any non-U.S. affiliate thereof. The analysts listed [on the front of this report] are employees of Samsung Securities Co., Ltd., or a non-U.S. affiliate thereof, and are not registered/qualified as research analysts under applicable U.S. rules and regulations and may not be subject to U.S. restrictions on communications with covered companies, public appearances, and trading securities held by a research analyst account.

For reports to be distributed to UK:

This report is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). To the extent that this report does constitute such an invitation or inducement, it is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (as amended) of the United Kingdom (the "Financial Promotion Order"); (ii) persons who fall within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iii) any other persons to whom this report can, for the purposes of section 21 of FSMA, otherwise lawfully be made (all such persons together being referred to as "relevant persons").

Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons must not act or rely on this report.

For reports to be distributed to Korea:

This report is for private circulation only, not for sale, and is issued and distributed only to persons permitted under the laws and regulations of Korea.

For reports to be distributed to Singapore:

This report is provided pursuant to the financial advisory licensing exemption under Regulation 27(1)(e) of the Financial Advisers Regulation of Singapore and accordingly may only be provided to persons in Singapore who are "institutional investors" as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This report is intended only for the person to whom Samsung Securities has provided this report and such person may not send, forward or transmit in any way this report or any copy of this report to any other person.

Analyst certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of such analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research report. The analyst(s) principally responsible for the preparation of this research report receives compensation based on determination by research management and senior management (not including investment banking), based on the overall revenues, including investment banking revenues of Samsung Securities Co., Ltd. and its related entities and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

Copyright © 2010 Samsung Securities Co., Ltd.. All rights reserved. This report or any portion hereof may not be reprinted, sold or redistributed without the prior written consent of Samsung Securities America Inc

Samsung Securities

SAMSUNG SECURITIES

Samsung Electronics Bldg., 11, 74-gil,
Seochodae-ro, Seocho-gu, Seoul, Korea 06620
Tel: 02 2020 8000 / www.samsungpop.com

Family Center: 1588 2323

Voice Of Customer: 080 911 0900

**For more information,
please call our sales representatives:**

LONDON

Samsung Securities Europe Limited
1st Floor, 30 Gresham Street, London EC2V 7PG UK
Tel. 44-207-776-4311
Fax. 44-203-837-9219

NEW YORK

Samsung Securities America Limited
1330 Avenue of the Americas. 10th Floor. New York,
NY 10019
Tel: 1-212-972-2454
Fax: 1-212-972-2704

HONG KONG

Samsung Securities (Asia) Limited
Suite 4511, Two International Finance Center,
8 Finance Street, Central, Hong Kong
Tel: 852-3411-3608
Fax: 852-2114-0290

BEIJING

Samsung Securities Beijing Representative Office
Rm. 910, The Exchange Building No 118 JianGuo Lu, Chao
Yang District, Beijing, China
Tel: 86-10-6522-1855 (extension 7891)
Fax: 86-10-6522-1855 (extension 7889)

TOKYO

Samsung Securities Tokyo Representative Office
#106-8532 19F, Roppongi T-Cube 3-1-1,
Roppongi Minato-ku Tokyo, Japan
Tel: 81-3-6333-2952
Fax: 81-3-6333-2953

Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CSA