COMPANY UPDATE

2025. 11. 5

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Ecopro BM (247540)

Maintain a wait-and-see stance

- Ecopro BM reported a 3Q consensus-beating operating profit, but the figure would have hit just a BEP excluding one-offs.
- Its shipments should fall q-q in 4Q. We cut our 2025 shipment and earnings forecasts for the company.
- Although we raise our target price for the company to KRW160,000, we maintain HOLD on the stock considering unfavorable business conditions.

EV/Mobility Team

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▶ AT A GLANCE

HOLD

Target price	KRW160,000	-1.1%
Current price	**KRW161,800**	
Market cap	KRW15.8t/USD11.0b	
Shares (float)	97,801,344 (54.2%)	
52-week high/low	KRW182,000/KRW81,200	
Avg daily trading value (60-day)	KRW114.0b/ USD79.3m	

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
Ecopro BM (%)	39.1	54.8	-11.1
Vs Kosdaq (%pts)	28.3	20.6	-27.6

▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	HOLD	HOLD	
Target price	160,000	120,000	33.3%
2025E EPS	-127	-83	53.0%
2026E EPS	97	102	-4.9%

▶ SAMSUNG vs THE STREET

No of estimates	19
Target price	137,000
Recommendation	3.6

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

WHAT'S THE STORY?

3Q review—Operating profit beats consensus, but would have hit just a BEP excluding one-offs: Ecopro BM reported 3Q consolidated sales of KRW625.3b and an operating profit of KRW50.7b, the latter beating consensus of KRW44b and in line with our forecast of KRW50b. Shipments dipped 20% q-q, as expected, hit by poor sales at clients (battery cell makers). Meanwhile, operating profit included multiple sizable one-offs: 1) revaluation gains on its subsidiary's 10% stake in PT ESG New Energy Material (an Indonesian nickel refining company); 2) gains on the ESG investment (the sum of 1) and 2) stood at KRW41.8b); and 3) reversal (KRW9b) of inventory revaluation allowance. Excluding the one-offs, operating profit would have hit just a BEP.

Cutting 2025 shipment and earnings forecasts: We forecast the company's cathode material shipments to fall 15% q-q in 4Q, as although its high-nickel NCA shipments bound for North America should rise thanks to the start of ESS production at Ecopro EM's clients, its clients' (cell makers) shipments to US automakers should fall due to the termination of the IRA EV tax credits (Sep 30). As such, we cut: 1) our 2025 shipment forecast for the company from 78,000 tonnes to 72,000 tonnes; and 2) our 2025 sales and operating profit forecasts by 6% and 2%, respectively, to KRW2.5t and KRW111.9b. A possibility exists that the company incurs a one-off loss (eg, a depreciation cost; related to adjustment of useful life for tangible assets, such as equipment) in 4Q.

(Continued on the next page)

SUMMARY 3Q RESULTS

(KRWb)	3Q25	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	625.3	19.8	-19.8	0.1	-16.8
Operating profit	50.7	nm	3.5	1.4	15.3
Pre-tax profit	37.6	nm	31.3	27.1	25.9
Net profit	49.3	nm	43.9	72.4	89.0
Margins (%)					
Operating profit	8.1				
Pre-tax profit	6.0				
Net profit	7.9				

Source: Company data, FnGuide, Samsung Securities estimates

VALUATION SUMMARY

	2024	2025E	2026E
Valuations (x)			
P/E	n/a	n/a	1,665.7
P/B	6.3	9.3	9.3
EV/EBITDA	164.7	72.8	75.0
Div yield (%)	0.0	0.0	0.0
EPS growth (% y-y)	nm	nm	nm
ROE (%)	-6.3	-0.7	0.6
Per-share data (KRW)			
EPS	-987	-127	97
BVPS	17,517	17,379	17,476
DPS	0	0	0

Raising target price to KRW160,000, but maintaining HOLD: We raise our target price for the stock by 33% to KRW160,000, as: 1) we reflect the 42% hike in its peers' P/B multiple from 2.1x to 3x; and 2) we now apply a valuation premium of 207% to its peers (vs 213%, previously). We maintain our HOLD rating, as: 1) its shipments should fall in the near term; and 2) clients' ESS LFP capacity expansion should barely benefit the company (centered on high-nickel ternary cathode materials).

3Q review

(KRWb)	3Q25P	3Q24	2Q25	Chg	
				(% y-y)	(% q-q)
Sales	625.3	521.9	779.7	19.8	-19.8
Operating profit	50.7	-41.2	49.0	Turned pos	2.0
Pre-tax profit	37.6	-72.3	28.6	Turned pos	3.3
Net profit	49.3	-49.5	34.3	Turned pos	-16.6
Margins (%)					
Operating profit	8.1	-7.9	6.3		
Pre-tax profit	6.0	-13.9	3.7		
Net profit	7.9	-9.5	4.4		

Source: Company data, Samsung Securities estimates

Revisions to full-year forecasts

(KRWb)	2025E			2026E		
	Old	New	Diff (%)	Old	New	Diff (%)
Sales	2,694.2	2,531.9	-6.0	3,123.3	2,901.0	-7.1
Operating profit	114.4	111.9	-2.2	108.4	104.9	-3.2
Pre-tax profit	42.6	41.2	-3.3	22.1	21.1	-4.4
Net profit	40.5	61.9	52.7	19.9	19.0	-4.4

Source: Samsung Securities estimates

Target-price calculation

(KRW)		
BVPS	17,452	2025E-2026E weighted average
Target P/B (x)	9.1	207% premium to 2025E average of peer group (cell & materials companies) (207% is the stock's average premium over Oct 31, 2024-Oct 31, 2025)
Fair value per share	159,535	
Target price	**160,000**	
Current price	164,900	As of Nov 3 close
Upside (%)	-3.0%	

Source: Bloomberg, Samsung Securities estimates

Results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25P	4Q25E	1Q26E	2Q26E	3Q26E	4Q26E	2024	2025E	2026E
Sales	970.5	809.5	521.9	464.9	629.8	779.7	625.3	497.2	519.6	620.5	802.7	958.2	2,766.9	2,531.9	2,901.0
Battery materials	970.5	809.5	521.9	464.9	629.8	779.7	625.3	497.2	519.6	620.5	802.7	958.2	2,766.9	2,531.9	2,901.0
Operating income	6.7	3.9	-41.2	-3.5	2.3	49.0	50.7	9.9	7.8	18.6	40.1	38.3	-34.1	111.9	104.9
Operating margin (%)	0.7	0.5	-7.9	-0.7	0.4	6.3	8.1	2.0	1.5	3.0	5.0	4.0	-1.2	4.4	3.6

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**6,901**	**2,767**	**2,532**	**2,901**	**3,800**
Cost of goods sold	6,607	2,672	2,301	2,661	3,410
Gross profit	**293**	**95**	**231**	**240**	**389**
Gross margin (%)	4.3	3.4	9.1	8.3	10.2
SG&A expenses	137	129	119	136	176
Operating profit	**156**	**-34**	**112**	**105**	**213**
Operating margin (%)	2.3	-1.2	4.4	3.6	5.6
Non-operating gains (losses)	**-78**	**-59**	**-71**	**-84**	**-94**
Financial profit	190	113	21	28	32
Financial costs	241	175	102	121	137
Equity-method gains (losses)	7	0	0	0	0
Other	-35	4	10	10	10
Pre-tax profit	**78**	**-93**	**41**	**21**	**119**
Taxes	23	-34	-21	2	12
Effective tax rate (%)	29.6	37.1	-50.0	10.0	10.0
Profit from continuing operations	55	-59	62	19	107
Profit from discontinued operations	0	0	0	0	0
Net profit	**55**	**-59**	**62**	**19**	**107**
Net margin (%)	0.8	-2.1	2.4	0.7	2.8
Net profit (controlling interests)	-9	-97	-12	10	86
Net profit (non-controlling interests)	63	38	74	10	21
EBITDA	249	76	247	241	366
EBITDA margin (%)	3.6	2.7	9.7	8.3	9.6
EPS (parent-based) (KRW)	-89	-987	-127	97	877
EPS (consolidated) (KRW)	559	-598	633	194	1,096
Adjusted EPS (KRW)*	-89	-987	-127	97	877

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**2,443**	**1,378**	**1,990**	**2,384**	**2,925**
Cash & equivalents	513	499	675	877	951
Accounts receivable	767	142	416	477	624
Inventories	1,109	616	789	904	1,185
Other current assets	55	120	110	126	165
Fixed assets	**1,918**	**2,946**	**3,161**	**3,175**	**3,323**
Investment assets	18	22	22	22	24
Tangible assets	1,824	2,793	3,012	3,028	3,177
Intangible assets	14	19	15	13	10
Other long-term assets	62	111	111	111	111
Total assets	**4,362**	**4,324**	**5,151**	**5,559**	**6,248**
Current liabilities	**2,131**	**1,297**	**1,464**	**1,651**	**1,961**
Accounts payable	734	204	429	492	644
Short-term debt	1,073	769	869	969	1,069
Other current liabilities	324	324	166	190	247
Long-term liabilities	**631**	**1,049**	**1,648**	**1,850**	**2,122**
Bonds & long-term debt	592	1,025	1,625	1,825	2,090
Other long-term liabilities	39	24	23	25	32
Total liabilities	**2,762**	**2,347**	**3,112**	**3,501**	**4,083**
Owners of parent equity	**1,371**	**1,712**	**1,700**	**1,709**	**1,795**
Capital stock	49	49	49	49	49
Capital surplus	914	915	915	915	915
Retained earnings	375	275	263	273	358
Other	34	473	473	473	473
Non-controlling interests' equity	**228**	**265**	**339**	**349**	**370**
Total equity	**1,599**	**1,977**	**2,039**	**2,058**	**2,165**
Net debt	1,314	1,426	1,809	1,905	2,191

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**21**	**670**	**47**	**149**	**119**
Net profit	55	-59	62	19	107
Non-cash profit and expenses	408	119	195	232	269
Depreciation	89	106	131	133	151
Amortization	4	4	3	3	2
Other	316	9	60	96	116
Changes in A/L from operating activities	-384	650	-230	-100	-245
Cash flow from investments	**-673**	**-1,022**	**-327**	**-126**	**-276**
Change in tangible assets	-756	-1,024	-350	-150	-300
Change in financial assets	30	-24	2	-4	-9
Other	54	26	21	27	32
Cash flow from financing	**847**	**323**	**455**	**180**	**231**
Change in debt	879	121	556	301	368
Change in equity	36	1	0	0	0
Dividends	-44	0	0	0	0
Other	-24	201	-102	-121	-137
Change in cash	192	-13	175	202	74
Cash at beginning of year	320	513	499	675	877
Cash at end of year	513	499	675	877	951
Gross cash flow	**463**	**61**	**257**	**251**	**376**
Free cash flow	**-736**	**-354**	**-303**	**-1**	**-181**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	28.8	-59.9	-8.5	14.6	31.0
Operating profit	-59.0	nm	nm	-6.3	103.3
Net profit	-79.9	nm	nm	-69.3	464.0
Adjusted EPS**	nm	nm	nm	nm	802.4
Per-share data (KRW)					
EPS (parent-based)	-89	-987	-127	97	877
EPS (consolidated)	559	-598	633	194	1,096
Adjusted EPS**	-89	-987	-127	97	877
BVPS	14,043	17,517	17,379	17,476	18,353
DPS (common)	0	0	0	0	0
Valuations (x)					
P/E***	n/a	n/a	n/a	1,665.7	184.6
P/B***	20.5	6.3	9.3	9.3	8.8
EV/EBITDA	119.4	164.7	72.8	75.0	50.2
Ratios (%)					
ROE	-0.6	-6.3	-0.7	0.6	4.9
ROA	1.4	-1.3	1.3	0.4	1.8
ROIC	4.5	-0.7	4.8	2.5	4.7
Payout ratio	0.0	0.0	0.0	0.0	0.0
Dividend yield (common)	0.0	0.0	0.0	0.0	0.0
Net debt to equity	82.2	72.1	88.7	92.6	101.2
Interest coverage (x)	2.2	-0.4	1.1	0.9	1.6

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

Source: Company data, Samsung Securities estimates

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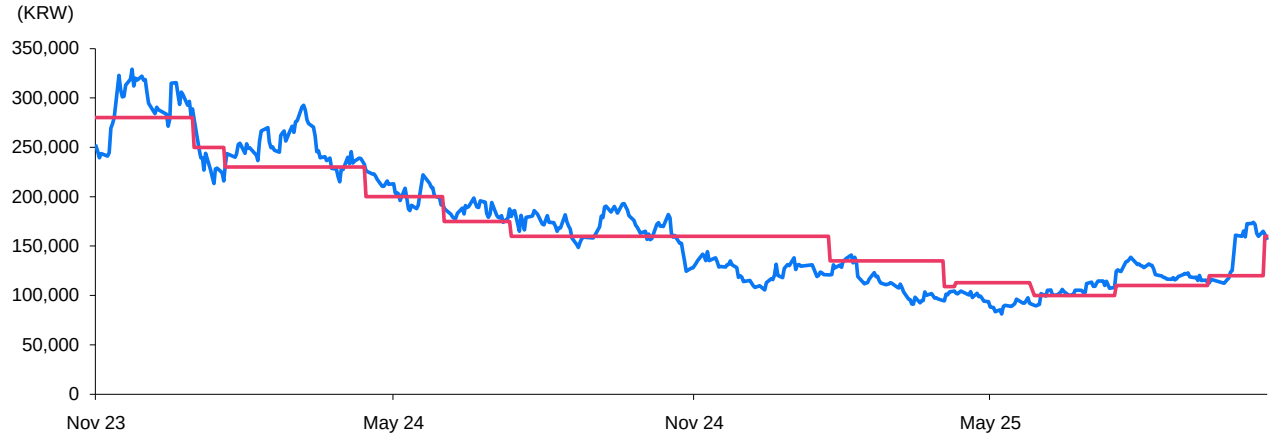
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2023/9/26	2024/1/19	2/7	5/3	6/20	7/31	2025/2/11	4/22	4/29	6/16	8/5	10/1
Recommendation	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD
Target price (KRW)	280000	250000	230000	200000	175000	160000	135000	109000	113000	100000	110000	120000
Gap* (average)	-4.83	-8.15	9.11	2.69	5.86	-5.72	-16.65	-5.96	-17.12	4.70	12.17	26.06
(max or min)**	17.50	-14.60	-6.52	-7.10	-0.57	-34.06	4.30	-4.13	-7.52	14.70	2.73	45.08

Date	11/4
Recommendation	HOLD
Target price (KRW)	160000
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

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Industry

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* 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

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