SECTOR
UPDATE

2026. 3. 31

Mid-Small Cap Spotlight #2

OCI Group

AI-driven fundamentals improving

EV/Mobility Team

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WHY SHOULD
YOU READ THIS REPORT

In Oct 2025, we launched the Mid-Small Cap Spotlight series to highlight under-the-radar mid- and small-cap stocks worthy of investor attention. The first installment covered specialty chemical firms—including KCC, SK Chemicals, and UNID. This edition turns to the OCI Group, comprising OCI Holdings and its subsidiary OCI.

After transitioning to a holding company structure in 2023, the OCI Group experienced earnings deterioration in 2025. OCI Holdings saw a temporary drop in solar-grade polysilicon demand due to revisions to the US Inflation Reduction Act (IRA) and reciprocal tariffs, leading to a four-month production halt. Meanwhile, OCI was hit by: 1) soft demand for semiconductor materials amid prolonged softness in the semiconductor market through 1H25; and 2) lower margins in carbon chemicals amid declining oil prices. We, however, forecast the group to enjoy a significant fundamental recovery y-y in 2026, driven mainly by the AI boom. For OCI Holdings, demand for non-Chinese solar polysilicon is expected to rebound, as the surge in US AI infrastructure investment continues to drive robust demand for solar power generation (the most immediately deployable energy solutions). Notably, increasing pressure to exclude Chinese components from power grid infrastructure linked to AI (including renewable energy and ESS systems) further benefits the company. Additionally, Tesla's plan to build 100 GW of solar module production capacity within the next three years underscores the expanding market opportunity for OCI Holdings.

Similarly, OCI has begun to benefit from expanded AI-related investments, which have further tightened the supply-demand balance for commodity semiconductors. This has triggered growing demand for semiconductor materials including semiconductor-grade polysilicon, hydrogen peroxide, and phosphoric acid. Moreover, OCI is on the verge of entering high-value-added semiconductor materials like phosphoric acid-based etchants, gradually justifying a semiconductor materials valuation premium for its basic chemicals division. In its carbon chemicals division, as oil prices rise, products derived from coal-based feedstocks — such as carbon black and BTX — are set to compete more favorably against petroleum-based alternatives. Given the outlook for a significant y-y rise in oil prices in 2026, this dynamic is poised to act as a meaningful positive catalyst for the division.

Accordingly, we initiate coverage on both OCI Holdings and OCI with a BUY rating, setting target prices of KRW245,000 and KRW130,000, respectively.

We hope this report enhances investors' understanding of the industry and supports informed investment decisions.

Thank you.

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COMPANY UPDATE

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OCI Holdings (010060)

Addressable markets expanding

- We initiate coverage of OCI Holdings with a BUY rating and a 12-month target price of KRW245,000.
- As its polysilicon production normalizes and its US solar module manufacturing capacity expands, its addressable markets should grow substantially. OCI Holdings' valuation should continue to rerate.

WHAT'S THE STORY?

View—valuation to continue rerating: We initiate coverage of OCI Holdings with a BUY rating and a target price of KRW245,000. This target price is: 1) derived from a sum-of-the-parts valuation, which we find appropriate due to the firm's complex, diversified business structure; and 2) based on its global and domestic industry peers' multiples. The holding company reported sluggish results in 2025, but the stock is up 55% ytd, buoyed by growing confidence in its earnings recovering this year. We believe further valuation upside exists, considering the increasing premium for non-Chinese polysilicon and the firm's planned expansion into solar wafers and semiconductor-grade polysilicon businesses.

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW245,000	28.7%
Current price	**KRW190,300**	
Market cap	KRW3.6t/USD2.4b	
Shares (float)	18,670,232 (69.2%)	
52-week high/low	KRW203,000/KRW59,000	
Avg daily trading value (60-day)	KRW36.2b/ USD23.9m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
OCI Holdings Company Ltd. (%)	25.2	115.3	171.1
Vs Kospi (%pts)	48.1	39.7	31.4

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	245,000	245,000	0.0%
2026E EPS	17,145	17,145	0.0%
2027E EPS	20,032	20,032	0.0%

SAMSUNG vs THE STREET

No of estimates	7
Target price	198,571
Recommendation	4.0

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

SUMMARY FINANCIAL DATA

	2025	2026E	2027E	2028E
Revenue (KRWb)	3,380	4,021	4,166	4,287
Operating profit (KRWb)	-58	361	471	505
Net profit (adj) (KRWb)	-146	335	388	398
EPS (adj) (KRW)	-4,772	17,145	20,032	20,544
EPS (adj) growth (% y-y)	nm	nm	16.8	2.6
EBITDA margin (%)	5.5	15.3	17.6	18.1
ROE (%)	-2.3	7.8	8.5	8.1
P/E (adj) (x)	n/a	11.1	9.5	9.3
P/B (x)	0.5	0.8	0.8	0.7
EV/EBITDA (x)	20.2	8.1	6.6	6.0
Dividend yield (%)	0.9	1.3	2.1	2.6

Source: Company data, Samsung Securities estimates

Point (1) OCI TerraSus to turn around: OCI TerraSus, the subsidiary producing solar-grade polysilicon, temporarily suspended its plant in Malaysia in 2025 due to softening demand amid revisions to the US Inflation Reduction Act (IRA) and reciprocal tariffs. Since then, stricter enforcement of the Uyghur Forced Labor Prevention Act (UFLPA) has boosted demand for non-Chinese polysilicon, driving up utilization and normalizing the subsidiary's profitability. Should the US administration introduce new measures under Section 232 investigations targeting solar polysilicon and its downstream products, the premium for non-Chinese polysilicon should expand further, benefiting OCI Holdings.

Point (2) Tesla's solar expansion: Tesla has publicly committed to securing 100 GW of solar panel production capacity by end-2028. Recent job postings in the US reveal that Tesla is prioritizing R&D and manufacturing solar cells and modules, while concurrently managing external supply chains for polysilicon and wafers. While Tesla plans to significantly expand silicon-based solar module production, full vertical integration of polysilicon—*ie*, 100% in-house production—is unlikely for the time being. As the US solar module market expands, a meaningful opportunity has emerged for non-Chinese polysilicon suppliers like OCI Holdings.

Valuation and target price

Rerating to continue

Reinstating coverage with BUY rating and KRW245,000 target price

We initiate coverage of OCI Holdings with a BUY rating and a 12-month target price of KRW245,000. This target price is derived using a sum-of-the-parts valuation, which we believe is appropriate given the holding company's complex, diversified business structure—including polysilicon, renewable energy development, power generation, urban development, and stakes (*eg*, in subsidiary OCI).

To calculate the target price, we apply EV/EBITDA multiples to 12-month forward EBITDA estimates for each business segment. For the polysilicon business, we benchmarked global polysilicon producers. For the renewable development business—due to the scarcity of pure-play rivals—we selected US-based renewable energy developers as a reference, but applied a 20% discount to account for their elevated valuation multiples. For the power generation segment, we used global utilities as well as Kepco. For the urban development segment (subsidiary DCRE), we used HDC Hyundai Development, which has a high portion of in-house projects. Regarding OCI, we valued the holding company's stake in the subsidiary (which is listed on the same exchange) based on market cap and applied a 70% discount to its net asset value (NAV), while also deducting OCI's net debt.

OCI Holdings: SOTP valuation

(KRWb)	Forward EBITDA	Multiples (x)	Value	Details
Operating value (A)				
OCI TerraSus	293	10.8	3,155	Peers (Wacker, TCL Zhonghuan, Tongwei, GCL Tech, Tokuyama)
OCI Enterprises	65	9.3	603	Peers (NextEra, Fluence); Discounted 30%
OCI SE	35	6.6	229	Peers (KEPCO, Veolia, ENGIE)
DCRE	34	4.4	152	Peers (HDC Hyundai Development)
OCI			107	70% discount rate* applied to the 45% stake held
Total	**427**	**9.9**	**4,246**	
Asset value (B)			399	Discounted 30%
Net debt (C)			38	End-2026E; based on 100% deduction of subsidiary OCI's net debt
Fair market cap (E = A + B - C)			**4,607**	
Outstanding shares ('000)			18,670	
Fair price (KRW)			246,772	
Fair value per share (KRW)			**245,000**	
Current price (KRW)			190,300	As of Mar 30 close
Upside (%)			28.7	
2026 implied P/E (x)			14.1	
2027 implied P/E (x)			12.0	
2026 implied P/B (x)			1.08	
2027 implied P/B (x)			1.00	

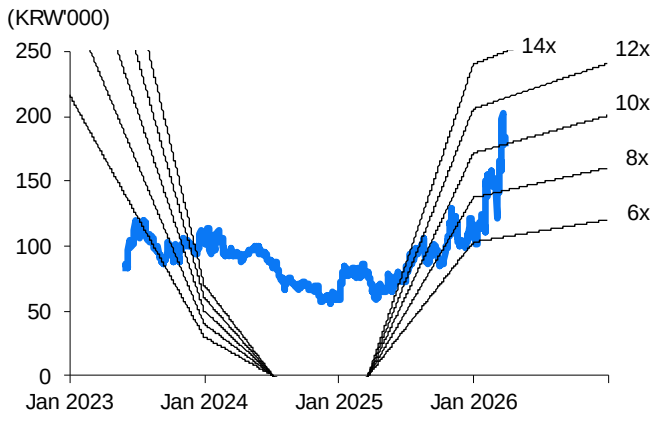
Note: * 70% NAV discount applied to listed company stocks
Source: Bloomberg, Samsung Securities estimates

OCI Holdings: Peer valuation, by division

(x)	Currency	Share	Price performance (%)				Market cap	P/E			P/B			EV/EBITDA		
		Price	1W	1M	3M	YTD	(USDb)	2025	2026E	2027E	2024	2025E	2026E	2025	2026E	2027E
OCI Holdings	**KRW**	**178,800**	**(5.7)**	**15.9**	**53.4**	**53.4**	**2.2**	**n/a**	**16.3**	**10.8**	**0.87**	**0.85**	**0.80**	**26.5**	**8.5**	**6.8**
OCI TerraSus																
Wacker Chemie*	EUR	80	15.0	(0.4)	16.0	16.0	4.8	n/a	240.9	42.3	0.93	0.96	0.96	9.6	8.2	6.9
Tongwei*	CNY	17.0	(8.0)	(6.5)	(19.2)	(17.3)	11.1	n/a	88.4	17.3	1.84	1.79	1.65	22.4	9.9	7.2
Xinjiang Daqo*	CNY	21.9	(2.1)	(8.6)	(19.7)	(18.5)	6.8	n/a	74.8	39.9	1.21	1.18	1.14	67.2	23.1	18.9
TCL Zhonghuan*	CNY	9.4	(5.1)	(9.3)	8.1	9.2	5.5	n/a	n/a	35.1	1.58	1.73	1.60	n/a	14.7	9.6
GCL Tech*	HKD	0.9	(9.1)	(25.0)	(16.7)	(15.1)	3.8	n/a	20.9	8.5	0.62	0.61	0.57	18.0	8.3	6.0
Tokuyama	JPY	3,827.0	2.8	(14.5)	(7.2)	(7.2)	1.7	9.8	8.6	7.7	0.98	0.91	0.84	6.3	5.6	5.1
OCI Enterprises																
NextEra Energy*	USD	91.4	2.1	(2.5)	13.9	13.9	190.4	24.8	22.8	20.9	3.22	2.85	2.61	17.6	16.1	15.4
Fluence Energy*	USD	14	(6.5)	(8.9)	(29.1)	(28.5)	2.6	n/a	56.6	25.5	4.78	4.26	3.36	51.3	19.8	10.8
OCI SE																
KEPCO*	KRW	43,500	(4.4)	(26.1)	(7.8)	(7.8)	18.5	3.1	2.7	2.4	0.58	0.49	0.41	5.3	4.7	4.3
ENGIE*	EUR	27	1.2	(7.3)	19.7	19.7	78.4	13.5	14.1	13.2	1.85	1.80	1.72	8.9	9.1	8.6
Veolia*	EUR	32	2.5	(11.3)	7.2	7.3	27.2	14.4	13.4	12.3	1.78	1.93	1.85	6.5	6.5	6.1
DCRE																
Hyundai E&C	KRW	146,900	(1.8)	(10.4)	109.6	109.6	10.8	46.9	31.8	21.1	1.99	1.89	1.75	18.8	15.5	11.0
GS E&C	KRW	25,700	(14.5)	14.2	30.4	30.4	1.5	18.5	7.3	6.0	0.48	0.46	0.43	8.7	8.1	6.9
DL E&C	KRW	63,600	1.8	22.8	54.2	54.2	1.6	11.4	7.5	6.4	0.53	0.49	0.47	3.0	2.5	1.9
HDC Hyundai Development Company*	KRW	22,300	0.2	(4.1)	1.4	1.4	1.0	6.6	4.3	3.3	0.45	0.42	0.38	7.5	4.8	4.0

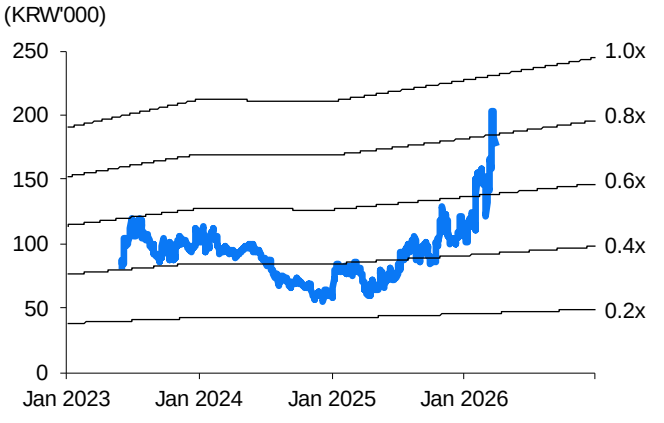
Note: Based on Bloomberg consensus as of March 27
* Peers applied to OCI Holdings' valuation
Source: Bloomberg, Samsung Securities

OCI Holdings: 12M forward P/E



Source: Company data, Samsung Securities

OCI Holdings: 12M forward P/B



Source: Company data, Samsung Securities

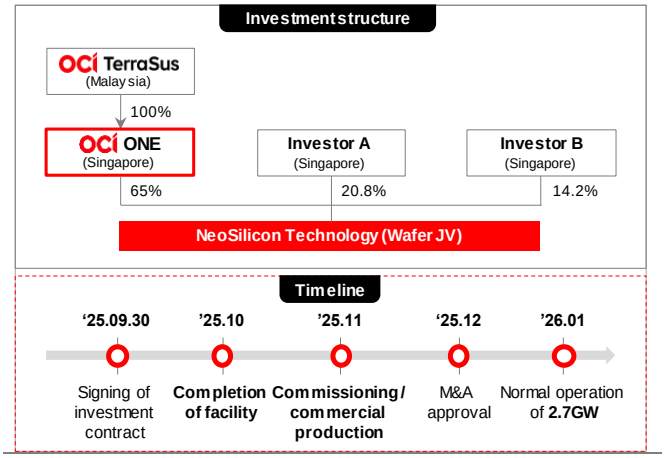
OCI Holdings' shares have gained 55% ytd, supported by the bullish Kospi and growing confidence in the firm's 2026 earnings recovery. Yet we believe further re-rating are still ahead for two reasons. First, the price premium for non-Chinese polysilicon is set to expand further. With Tesla's entry into the US solar market and US policy tightening around Chinese solar products, OCI is well-positioned to strengthen its negotiating power among the world's leading non-Chinese polysilicon producers.

Second, operation of the solar wafer and semiconductor polysilicon joint venture could drive additional upside in term of future profits. OCI TerraSus (OCI Holdings' Malaysian solar polysilicon subsidiary) has invested in NeoSilicon Technology, a Vietnamese JV for solar wafer production (65% owned by OCI One, which is a subsidiary that is 100% owned by OCI TerraSus). This structure enables OCI Holdings to export Vietnamese-made wafers to the US while circumventing IRA's Prohibited Foreign Entities (PFE) regulations. With 2.7 GW of capacity already, an additional 2.7 GW is scheduled to come online this year. OCI Holdings expects to ship over 1.8 GW worth of wafers in 2026, with EBITDA margins projected at a mid-teen percentage.

Separately, OCI TerraSus' joint venture with Tokuyama to produce semiconductor-grade polysilicon in Malaysia is on track to begin operations in 2029, with an initial capacity of 8,000 tonnes—a significant catalyst for its longer-term earnings in our view.

OCI Holdings:

NeoSilicon Technology investment structure and timeline



Source: Company data, Samsung Securities

NeoSilicon Technology investment overview

Investment entity	OCI One (newly established SPV of OCI TerraSus)
Investment target	Solar wafer production facility located in Vietnam
Production capacity	2.7 GW (N-type TopCON) and plan for an additional 2.7 GW expansion in 2026
Total investment cost	USD120m (OCI One: USD78m)
Expected effects	- Entirety produced using OCI TerraSus's polysilicon, strengthening upstream vertical integration and the establishment of a non-PFE value chain - Non-PFE wafer price premium expected, leading to revenue growth and profitability improvement - Structured to build an additional 2.7 GW on top of its 2.7 GW production capacity within 6 months, enabling immediate response to future demand

Source: Company data, Samsung Securities

OCI Holdings: Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2024	2025	2026E	2027E
KRW/USD (average)	1,453	1,401	1,387	1,449	1,459	1,420	1,380	1,335	1,365	1,422	1,398	1,335
Sales	**948**	**776**	**845**	**811**	**1,017**	**997**	**1,034**	**973**	**3,577**	**3,380**	**4,021**	**4,166**
Growth (% q-q)	11.0	-18.1	8.9	-4.1	-69.9	-1.9	3.7	-5.9				
Growth (% y-y)	9.6	-18.3	-7.0	-5.1	7.2	28.5	22.3	20.0	35.0	-5.5	19.0	3.6
OCI TerraSus (Polysilicon)	112	39	132	145	139	158	172	184	497	428	653	724
OCI Enterprises (Power generation business)	68	44	61	36	55	77	75	42	176	209	248	295
OCI SE (CHP plant)	88	81	72	51	68	62	64	49	350	292	243	203
DCRE (Urban development)	148	88	105	110	216	141	165	187	532	452	709	723
OCI (Fine chemicals)	539	527	476	467	541	561	560	514	2,215	2,009	2,176	2,230
Consolidation adjustment	-6	-3	-2	1	-2	-2	-2	-2	-193	-9	-9	-8
EBITDA	**105**	**-18**	**8**	**90**	**79**	**173**	**187**	**177**	**295**	**185**	**616**	**733**
Growth (% q-q)	Turned pos	Turned neg	Turned pos	997.6	-11.7	117.5	8.4	-5.4				
Growth (% y-y)	-20.3	Turned neg	-88.6	Turned pos	-24.5	To turn pos	2,183.3	96.7	1.8	-37.3	232.7	18.9
OCI TerraSus	28	-56	-47	52	16	55	79	93	117	-23	244	342
OCI Enterprises	13	-8	16	-12	14	41	16	-2	-6	9	68	61
OCI SE	15	10	10	-4	8	10	10	6	89	31	34	36
DCRE	18	-5	13	12	-7	8	15	18	-141	38	34	35
OCI	31	22	13	25	39	49	57	53	173	91	198	220
Operating profit	**49**	**-80**	**-53**	**27**	**16**	**109**	**123**	**112**	**102**	**-58**	**361**	**471**
Growth (% q-q)	Turned pos	Turned neg	Remained neg	Turned pos	-39.8	563.1	12.7	-8.8				
Growth (% y-y)	-50.9	Turned neg	Turned neg	Turned pos	-66.2	To turn pos	To turn pos	310.6	-80.9	Turned neg	To turn pos	30.4
OCI TerraSus	12	-74	-65	33	-3	36	60	73	72	-93	166	263
OCI Enterprises	9	-12	13	-16	10	37	12	-6	-19	-7	52	44
OCI SE	7	3	2	-12	0	2	2	-2	60	0	2	3
DCRE	18	-5	13	12	-7	8	15	18	-142	38	33	34
OCI	10	-2	-10	3	16	25	34	29	110	0	104	123
Pre-tax profit	29	-85	-115	32	-8	132	144	136	176	-140	406	463
Growth (% q-q)	-83.6	Turned neg	Remained neg	Turned pos	To remain neg	To turn pos	9.0	-5.6				
Growth (% y-y)	-86.3	Turned neg	Remained neg	Turned pos	To turn neg	To turn pos	To turn pos	332.4	-67.0	Turned neg	To turn pos	14.2
Net profit	**-15**	**-82**	**-73**	**25**	**-6**	**108**	**119**	**114**	**114**	**-146**	**335**	**388**
Growth (% q-q)	Turned neg	Remained neg	Remained neg	Turned pos	To remain neg	To turn pos	10.4	-4.5				
Growth (% y-y)	Turned neg	Turned neg	Remained neg	Turned pos	To remain neg	To turn pos	To turn pos	363.5	-84.0	Turned neg	To turn pos	16.1
Attributable to parent	**-2**	**-77**	**-36**	**25**	**-10**	**104**	**115**	**110**	**98**	**-90**	**320**	**374**
Margins (%)												
EBITDA	11.1	-2.3	1.0	11.1	7.8	17.3	18.1	18.2	8.3	5.5	15.3	17.6
OCI TerraSus	24.6	-146.2	-35.5	36.1	11.6	35.0	46.1	50.5	23.5	-5.4	37.3	47.2
OCI Enterprises	19.1	-18.8	26.5	-31.9	25.0	52.9	21.1	-4.6	-3.1	4.4	27.5	20.7
OCI SE	16.9	12.9	13.8	-8.0	11.8	16.1	15.8	12.0	25.5	10.7	14.0	17.7
DCRE	12.2	-5.2	12.2	10.9	-3.3	5.7	9.1	9.5	-26.6	8.5	4.7	4.9
OCI	5.7	4.1	2.7	5.4	7.2	8.7	10.2	10.3	7.8	4.5	9.1	9.9
Operating profit	5.1	-10.4	-6.3	3.4	1.6	10.9	11.9	11.5	2.8	-1.7	9.0	11.3
OCI TerraSus	10.9	-190.9	-49.2	22.8	-2.2	22.8	34.8	39.8	14.5	-21.7	25.4	36.3
OCI Enterprises	13.7	-28.1	20.7	-44.4	17.7	47.7	15.7	-14.4	-11.1	-3.1	21.0	15.0
OCI SE	8.3	3.4	3.0	-23.5	0.3	3.4	3.4	-4.5	17.0	0.1	0.9	1.7
DCRE	12.0	-5.4	11.9	10.9	-3.4	5.6	8.9	9.4	-26.7	8.3	4.6	4.8
OCI	1.9	-0.4	-2.2	0.6	3.0	4.5	6.0	5.6	5.0	0.0	4.8	5.5
Pre-tax profit	3.0	-10.9	-13.6	3.9	-0.7	13.3	14.0	14.0	4.9	-4.1	10.1	11.1
Net profit	-1.6	-10.6	-8.7	3.0	-0.6	10.8	11.5	11.7	3.2	-4.3	8.3	9.3

Source: Company data, Samsung Securities

Investment points

Addressable markets expanding

Investment point (1): OCI TerraSus to turn around

Demand for solar polysilicon recovering after dipping in 2025

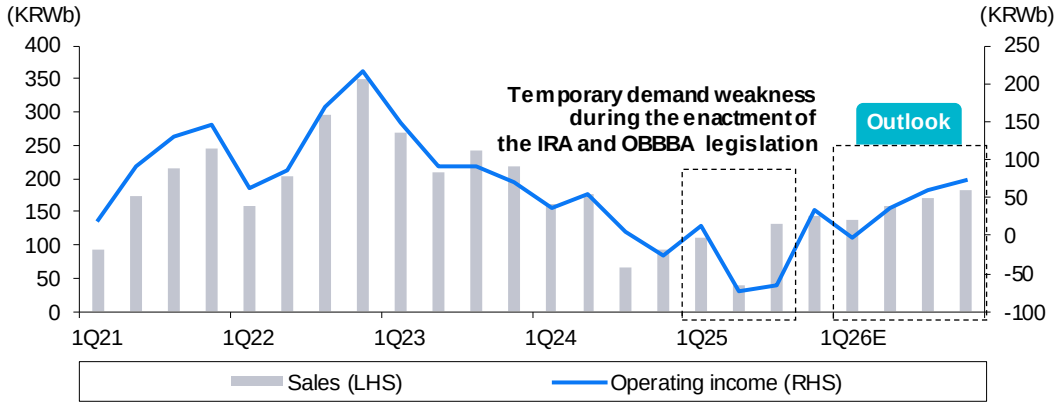
After recording an operating profit of KRW102b in 2024, OCI Holdings posted an operating loss of KRW58b in 2025 (deteriorating KRW160b y-y). The main culprit was OCI TerraSus (its Malaysian polysilicon subsidiary), which booked an operating loss of KRW93b in 2025 (vs an operating profit of KRW72b in 2024).

However, we expect to see a strong rebound in OCI TerraSus' operating results in 2026, which should power the holding company's earnings recovery. The poor 2025 results were largely ascribable to a temporary shutdown of OCI TerraSus' polysilicon plant. Following Donald Trump's 2024 election win, uncertainty over potential revisions to the Inflation Reduction Act (IRA) caused customers to delay their purchases. This uncertainty deepened in early 2025, when the US Congress passed the One Big Beautiful Bill Act (OBBBA), which amended key IRA provisions between May and Jul 2025. Adding to the pressure, new US reciprocal tariffs imposed in Apr 2025 targeted major polysilicon sourcing countries—including Vietnam, Malaysia, Indonesia, and Thailand—creating significant supply-chain disruptions. In response, solar module manufacturers rapidly reduced their polysilicon inventories, prompting OCI TerraSus to suspend operations at its Malaysian plant over May-Aug 2025.

But the landscape changed rapidly after the OBBBA revisions. US enforcement of the Uyghur Forced Labor Prevention Act (UFLPA, enacted Jun 2022) became much tighter, triggering a surge in demand for non-Chinese polysilicon. Thanks to the restart of its Malaysian facility in Sep 2025, OCI TerraSus' 4Q25 operating margin jumped 72%pts q-q to 23% (vs -49% in 3Q25).

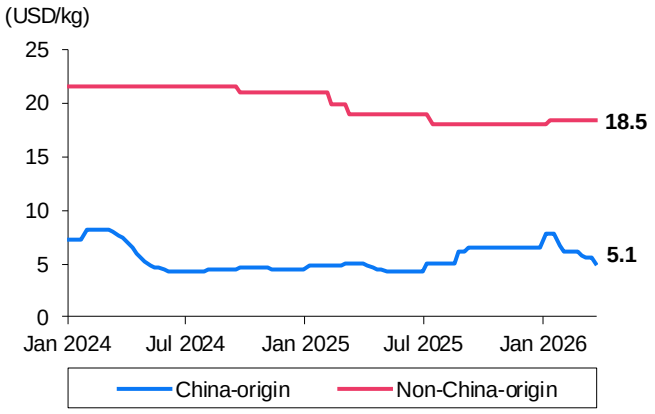
The full earnings impact of this restart should materialize in 2026. While 1Q26 should see a temporary dip in OCI TerraSus' earnings due to scheduled maintenance (which is performed every 15 months), we expect to see strong margin growth from 2Q26. Thanks to rising utilization rates and the absence of one-off costs, OCI TerraSus should enjoy an operating margin of over 20% from 2Q26.

OCI TerraSus: Revenue vs operating income



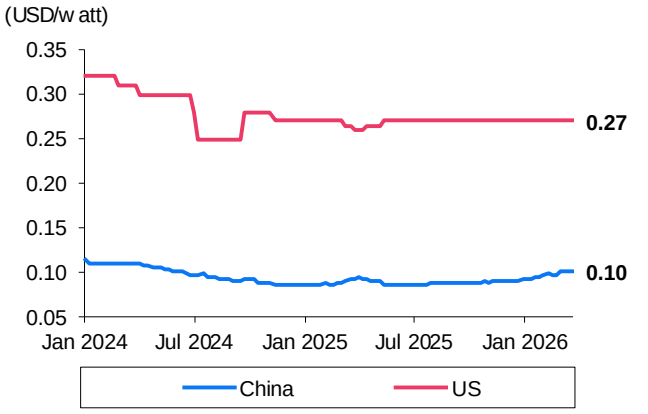
Source: Company data, Samsung Securities

Solar polysilicon price: Chinese vs non-Chinese products



Source: PV Insights, Bloomberg NEF, Samsung Securities

Solar module price (Mono PERC): Chinese vs US markets



Source: PV Insights, Bloomberg NEF, Samsung Securities

Restrictions on Chinese products to intensify

Beyond the subsidiary's margin recovery (driven by the restart of its polysilicon plant), a major upside catalyst for OCI Holdings lies in the growing price premium for non-Chinese polysilicon, which premium is being buoyed by tightening US trade restrictions on Chinese solar products.

The US has imposed tariffs on Chinese solar goods since 2012, and both Democratic and Republican administrations have steadily expanded these measures, creating a persistent price gap between US-bound solar modules and those sold elsewhere. While this disparity has long been visible at the module level, OCI Holdings' core product—polysilicon—is even more dominated by Chinese producers. Yet since 2022, US buyers have increasingly shifted towards polysilicon not sourced from Xinjiang, in compliance with UFLPA.

Under UFLPA, using polysilicon not sourced from Xinjiang is technically acceptable, but the regulation has triggered a broader premium for non-Chinese polysilicon. Why? Two key factors explain the preference for non-Chinese polysilicon. First, UFLPA compliance risk. The law places the burden of proof squarely on importers to demonstrate that their goods are not made with forced labor—and that the polysilicon in their supply chain is not sourced from Xinjiang. This becomes especially complex for wafers, which are often produced using blended polysilicon inputs from multiple suppliers. US Customs and Border Protection (CBP) is known to demand granular documentation tracing polysilicon all the way back through ingot, wafer, and cell manufacturing facilities. Given this stringent compliance burden, using non-Chinese polysilicon has become the safest, most reliable way for importers to avoid import-related issues. Second, financing-driven demand. US solar developers seeking project financing are increasingly required—sometimes explicitly by lenders—to use non-Xinjiang, and often non-Chinese, polysilicon. Banks and institutional investors, keen to avoid regulatory risk, are proactively de-risking their portfolios by favoring supply chains with verifiable non-Chinese origins. This is a market-driven standard emerging from the private sector's risk management.

Adding further momentum, the ongoing US administration investigation under Section 232 could significantly widen this premium. Section 232, part of the 1962 Trade Expansion Act, grants the US administration authority to investigate imports that threaten national security and impose remedies.

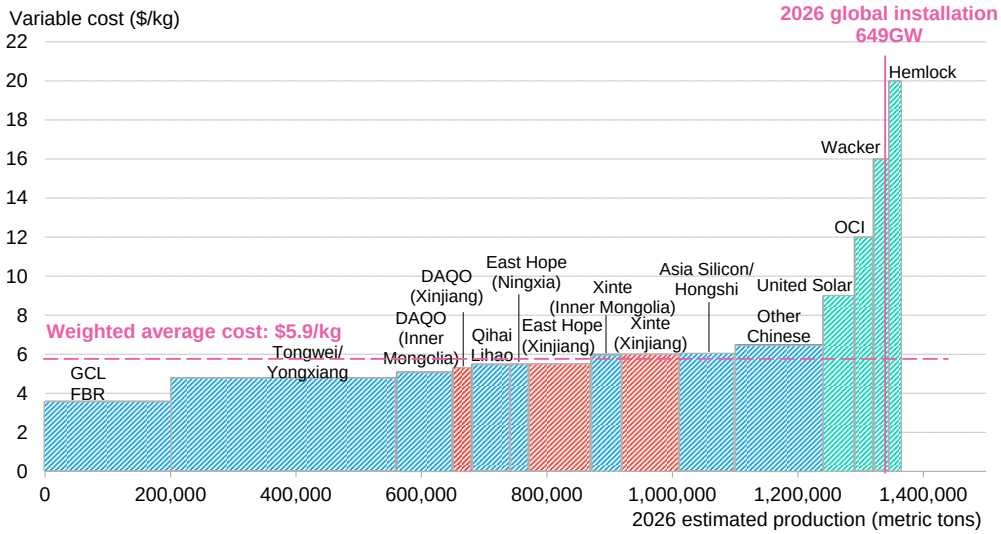
In Jul 2025, the US administration announced the initiation of a Section 232 investigation into solar polysilicon and its downstream products, citing concerns over the nation's excessive dependence on Chinese supply and its potential implications for national security. Should the investigation conclude with actionable measures, possible outcomes could mirror those imposed on steel and aluminum in the past—including tariffs, tariff-rate quotas, or import restrictions. While the final decision remains uncertain, it is highly likely that any expansion of restrictions—from Xinjiang-specific polysilicon to a blanket ban on all Chinese-made polysilicon—would dramatically benefit OCI Holdings.

US: Current status of trade sanctions related to solar power

Relevant legislation	Target	Target country	Effective date	Details
UFLPA	Polysilicon to modules	China	June 2022	- Import ban
Section 232	**Polysilicon and derived products**	**China and others**	**TBD**	**- Under investigation**
Section 301	Polysilicon to modules	China	July 2018	- Jul 2018 to Sep 2024: 25% - After Sep 2024: 50%
Anti-dumping/ Countervailing duties (AD/CVD)	Cells, modules	China	December 2012	- Anti-dumping duties: 18-250% - Countervailing duties: Up to 117.41%
	Cells, modules	Vietnam, Malaysia, Thailand, Cambodia	June 2025	- Varies by country/company - Average 723%, some 30-80%
	Cells, modules	India, Indonesia, Laos	TBD	- Under investigation - Based on preliminary ruling: India 125.87%, Indonesia 104.38%, Laos 80.67%
Anti-circumvention measures	Cells, modules	Vietnam, Malaysia, Thailand, Cambodia	June 2024	- If circumvention is recognized, same tariff rate as Chinese products applied

Note: Shaded areas represent sanctions applicable to OCI Holdings' polysilicon business
Source: US Department of Commerce, ITC, Samsung Securities

Global solar polysilicon: Cost curve as of 2026



Note: Blue indicates Chinese facilities excluding Xinjiang Uyghur origin, red indicates Chinese facilities of Xinjiang Uyghur origin, green indicates non-Chinese facilities
Variable cost includes processing costs and SG&A expenses, excluding depreciation
2026 demand is based on polysilicon consumption of 2.1 grams per watt, assuming a CNY/USD exchange rate of 7.0
Source: Bloomberg NEF, Samsung Securities

Investment point (2): Tesla's push into solar expands OCI's addressable market

Tesla signals ambitious expansion into solar energy

The most significant development in today's global solar market is Elon Musk's clear commitment to scaling Tesla's solar business. While both Tesla and SpaceX—both under Musk's leadership—have publicly discussed solar initiatives, SpaceX's efforts remain largely conceptual and years away from execution. Tesla, by contrast, is already moving at full speed. The firm has explicitly signaled its intent to expand its solar offerings, with a new product launch expected in 2H25—a decisive pivot from being a niche player to a mainstream energy provider.

Tesla has sold Solar Roof—a building integrated photovoltaic (BIPV) system—since 2017. Unlike conventional rooftop solar panels, Solar Roof integrates photovoltaic cells directly into roofing tiles, making the roof itself the energy-generating component. However, the solar cells and modules used in Solar Roof were sourced from third-party suppliers rather than manufactured in-house.

In contrast, Tesla's new Solar Panel (introduced late last year and now being sold in earnest) is a conventional rooftop solar panel system, installed on racks atop existing roofs. This means Solar Panel and Solar Roof are fundamentally distinct: The former is modular and detachable, while the latter is an integrated architectural component. With the Solar Panel launch, Tesla is no longer targeting only the niche BIPV segment—it is now directly competing in the mainstream US residential solar market.

Tesla: Solar Roof currently sold in the US

Source: Tesla, Samsung Securities

Tesla: Newly launched Solar Panel in the US

Source: Tesla, Samsung Securities

Tesla's job postings reveal strategic direction

Also notable is Tesla's shift towards the in-house manufacture of solar panels. Tesla has introduced two new panels: The TSP-415 (415 W max output) and TSP-420 (420 W max output). These are Tesla's first self-designed and self-manufactured silicon-based solar panels in over a decade. Production has begun at Tesla's Buffalo, New York facility, which aims to expand capacity to 300 MW by end-2026. Of note, during its 4Q25 earnings call, Elon Musk announced Tesla's long-term goal is to achieve 100 GW of solar panel production capacity in the US.

While the panels made in Buffalo are known to be silicon-based, the exact extent of vertical integration (*eg*, whether Tesla manufactures polysilicon, ingots, wafers, cells, or modules) has not been officially disclosed. US media reports suggest that Buffalo currently focuses on module assembly, sourcing cells externally. However, Musk's explicit mention of "vertically integrated 100 GW capacity" during the 4Q25 earnings call implies future expansion into upstream segments. The extent to which Tesla expands into upstream segments will likely determine the impact on the global solar value chain.

Meanwhile, Tesla's US job postings offer further insight. Of 3,761 total job openings by Tesla, 248 (6.6%) are directly related to solar. Nearly all of the postings emphasize the goal of achieving 100 GW of production capacity by end-2028. Job requirements consistently prioritize expertise in cell and module manufacturing processes, silicon-based cell development, and experience in managing external suppliers for polysilicon and wafers—including process optimization and quality control.

Tesla: Details of job postings related to the US solar business

Job posting	Tesla's comment	Implication
Staff Manufacturing Development Engineer, Solar Manufacturing (Austin, TX)	"You will help deploy 100GW of solar manufacturing from raw materials on American soil before the end of 2028."	- Target to secure 100GW production capacity within 3 years by the end of 2028 - Plan for upstream integration rather than simple module assembly
Supplier Industrialization Engineer, Solar (Palo Alto, CA)	"Plan, organize, direct, and conduct industrialization related activities within the Tesla Solar supply chain team focused on Solar cell processes - Polysilicon Refining, Ingot, Wafer, Cell"	- Presumption that the focus is on supply chain management rather than direct production for some upstream parts, as the posting is for Supplier industrialization
Supplier Industrialization Engineer, Solar (Palo Alto, CA)	"Provide leadership for New Product Introduction (NPI) at Suppliers; Lead supplier improvements in scalability, cost, and quality"	- Interpretation that the management of suppliers' new product development/mass production capabilities implies no plan to integrate the entire silicon value chain
Staff Manufacturing Development Engineer, Solar Manufacturing (Austin, TX)	"You will drive technical decisions for the next…" "CVD & PVD & ALD, Furnace, Screen Printing."	- Interpretation that the technological core from Tesla's perspective is the high-efficiency silicon cell manufacturing process - Greater focus on cell process technology rather than simple module assembly, as CVD/PVD/ALD are linked to thin-film deposition, Furnace to heat treatment/diffusion, and Screen Printing to electrode formation in particular
Staff Process Engineer, Solar Manufacturing (Brookshire, TX)	Job title itself is "Process Engineer, Solar Manufacturing" and hiring in Brookshire, Texas	- Implication of organizational expansion into solar manufacturing operations rather than simple R&D or installation/sales
Sr. Quality Manager, Solar Manufacturing (Brookshire, TX)	Job title itself is "Quality Manager, Solar Manufacturing"	- Implication of entering the stage of establishing a mass production quality system
Staff Technical Program Manager Solar Manufacturing (Brookshire, TX)	Job title itself is "Technical Program Manager, Solar Manufacturing"	- Meaning of building a large-scale expansion system through TPM hiring

Source: Tesla, Samsung Securities

Tesla's solar growth—A major market expansion opportunity for OCI Holdings

As outlined above, Tesla's US solar expansion can be summarized as follows: 1) massive scaling of module production capacity within three years; and 2) partial upstream integration. Its job postings, however, suggest that its upstream integration will be confined to cells and modules, with full integration of polysilicon or wafer production looking unlikely.

Our view is supported by the state of the US solar supply chain in 2025—*eg*, US module production capacity of 50 GW (2.9% of global capacity), polysilicon capacity of 55,000 tonnes (1.5%), wafer capacity of 1,400 tonnes (0.4%), and cell capacity of 1,400 tonnes (0.4%). Given that cells sit at the core of solar efficiency, Tesla's entry into cell manufacturing is virtually a done deal. To operate the current 50 GW of US module capacity, about 102,000 tonnes of polysilicon are required *pa*, yet US production amounts to just 55,000 tonnes (potentially meeting just 53% of demand).

If Tesla achieves its 100 GW target, it alone should require roughly 210,000 tonnes of polysilicon *pa*. While Tesla may invest in some domestic polysilicon capacity for strategic control, it is highly improbable that it will build enough new polysilicon plants to meet 100% of its needs—especially given the current US capacity of only 55,000 tonnes. Given the prospects of the US solar module market expanding from 50 GW to over 100 GW (driven largely by Tesla), non-Chinese polysilicon suppliers like OCI Holdings are positioned to meet a growing share of this polysilicon demand. This represents a powerful, long-term tailwind for OCI Holdings, supporting sustained premium pricing for non-Chinese polysilicon in the US market.

Global solar facilities: Production capacity and market share by region as of end-2025

(GW)	Silicon-based				Non-silicon-based
	Polysilicon ('000 tonnes)	Wafer	Cell	Module	Thin-film
Production capacity					
China	**3,423**	**1,446**	**1,482**	**1,307**	**4**
US	**55**	**5**	**6**	**50**	**14**
Others	218	55	174	349	11
Global	3,696	1,506	1,662	1,706	29
Market share (%)					
China	**92.6**	**96.0**	**89.2**	**76.6**	**12.9**
US	**1.5**	**0.4**	**0.4**	**2.9**	**50.3**
Others	5.9	3.6	10.4	20.4	36.7
Global	100.0	100.0	100.0	100.0	100.0

Source: Bloomberg NEF, Samsung Securities

Appendix

Company overview

Company overview

OCI Holdings traces its origins to Dongyang Chemical Industries (founded in 1959), which initially produced soda ash (sodium carbonate). In 2001, Dongyang merged with Jechul Chemical (a maker of coal-based chemical products derived from steelmaking byproducts), forming Dongyang Steel & Chemical. The company was rebranded as OCI in 2009. In 2023, it transitioned to a holding company structure, with OCI Holdings serving as the parent and OCI as the primary operating subsidiary.

OCI Holdings entered the solar polysilicon market in the mid-2000s, leveraging its foundational chemical expertise during the rapid growth of the solar industry. It began construction of its first polysilicon plant in Gunsan in 2006 and began commercial production in 2008. By 2013, it had five production lines in Gunsan, becoming a top-five global producer. However, following a price collapse after 2012 (driven by aggressive Chinese entrants and low-cost competition), OCI's high-power-cost Korean facilities lost competitiveness. In 2020, OCI suspended operations in Gunsan and shifted its solar polysilicon production to Malaysia, where lower electricity costs offered strategic advantages. The Gunsan facility was downsized and now focuses exclusively on semiconductor-grade polysilicon.

OCI Holdings: Key milestones

Year	Milestone	Year	Milestone
1959	Launch of Dongyang Chemical Industry	2014	Completion of Mission Solar Energy, a module production plant in the US
1968	Completion of Incheon soda ash plant	2016	Completion of Ma Steel OCI Chemical Company
1974	Establishment of Jecheol Chemical	2016	Completion of OCI Jianyang Carbon Black
19 75	Establishment of Hanbul Chemical	2016	Completion of a 400MW solar power supply contract in the US
1976	Completion of Pohang plant	2016	Completion of OCI SE cogeneration plant
1978	Completion of Ulsan calcium phosphate plant	2017	Commercial production of polysilicon for semiconductors
1979	Completion of Iksan hydrogen peroxide plant	2017	Acquisition of Tokuyama's Malaysian polysilicon plant
1980	Establishment of Korea Potassium Chemical (currently UNID)	2019	Business acquisition of inverter manufacturer KACO New Energy
1988	Establishment of Dongyang Silicon	2019	Conclusion of a contracting agreement for Incheon Yonghyeon Hakik Block 1 urban development project
1995	Acquisition of OCI Wyoming (US soda ash subsidiary)	2020	Establishment of joint venture 'P&O Chemical' with POSCO FUTURE M
2001	Change of company name to Dongyang Jecheol Chemical (Merger of Dongyang Chemical/Jecheol Chemical)	2022	Commercial production of hydrogen peroxide by P&O Chemical
2006	Acquisition of Columbian Chemicals (Carbon black)	2022	Establishment of joint venture 'OCIKumho' with Kumho P&B Chemicals
2008	Successful commercial production of polysilicon for solar power	2023	Launch of OCI Holdings
2009	Change of company name to OCI	2023	Decision to establish a semiconductor polysilicon JV with Tokuyama
2010	Acquisition of Cornerstone Power (currently OCI Energy); Entry into the solar power generation business	2025	Change of company name of Malaysian subsidiary OCIM to OCI TerraSus
2012	Award of the US solar power generation business Alamo Project		

Source: Company data, Samsung Securities

OCI Holdings' operations are structured into five key business units:

1. OCI TerraSus (100% owned): OCI TerraSus is a subsidiary owned by OCI Holdings and located in Sarawak (Malaysia), producing solar-grade polysilicon with an annual capacity of 35,000 tonnes. OCI acquired Tokuyama's solar polysilicon plant (20,000 tonnes/year) in Apr 2017 to enter the Malaysian market to leverage Sarawak's abundant hydropower (to secure low-cost electricity) and position itself outside the US-China trade conflict.

Although polysilicon manufacturing for solar applications remains its core business, the company also maintains subsidiaries engaged in other diverse business areas. Its first subsidiary is OCI Tokuyama Semiconductor Materials (OTSM; 50% owned by OCI TerraSus and 50% by Tokuyama). The JV is set to invest USD440m (KRW6t) to produce semiconductor-grade polysilicon. Commercial production is scheduled to begin 2029, targeting 8,000 tonnes/year. For reference, semiconductor-grade polysilicon (vs solar-grade one) requires high purity and technical expertise. Only a handful of global players—including OCI, Wacker (Germany), Hemlock (the US), and Tokuyama (Japan)—operate in this space.

OCI TerraSus's second subsidiary is NeoSilicon Technology, a wafer JV where OCI TerraSus holds a 65% stake through OCI One (which is 100% owned by OCI TerraSus). In response to the US Inflation Reduction Act's Prohibited Foreign Entity (PFE) rules (effectively excluding Chinese suppliers), OCI Holdings began invested in non-Chinese wafer manufacturing. A new solar wafer plant in Vietnam, using N-type TOPCon technology, is scheduled to begin operations in 2026, with an initial capacity of 2.7 GW. Plans are afoot to add another 2.7 GW.

Its third subsidiary is OCI Kumho (50% owned by OCI TerraSus and 50% by Kumho P&B). It is a chemical joint venture with Kumho P&B, a phenol subsidiary of Kumho Petrochemical. Located in Malaysia, it produces epichlorohydrin (ECH) and has a capacity of 100,000 tonnes. OCI TerraSus should supply chlorine produced at its chlor-alkali (CAT) plant to OCI Kumho, which, in turn, should produce ECH with externally-sourced glycerin.

2. OCI Enterprises (100% owned): It is a North American intermediate holding company overseeing solar power generation (OCI Energy has a 100% stake in it), solar module manufacturing (Mission Solar Energy; 100% stake), and sodium percarbonate production (OCI Alabama; US).

3. OCI SE (100% owned): It is a KRW1t environmental co-generation plant located in Saemangeum (Korea) and has been operational since 2016. It generates 303 MW of electricity and 860 tonnes/hour of steam by burning coal and wood pellets. The steam is supplied to the Saemangeum Industrial Complex after being processed through the turbine generator. The plant earns renewable energy certificates (RECs) through biomass co-firing. The government has approved up to 50% wood pellet blending, with a long-term goal of switching to 100% wood pellet firing.

4. DCRE (100% owned): It is an urban development subsidiary developing the former OCI Incheon plant site in the Yonghyeon-Hakik District. It is advancing a project named City Ociel, a mixed-use residential and commercial complex that plans to deliver 13,000 housing units across 10 residential communities. Pre-sales and development activities should be implemented in a phased manner.

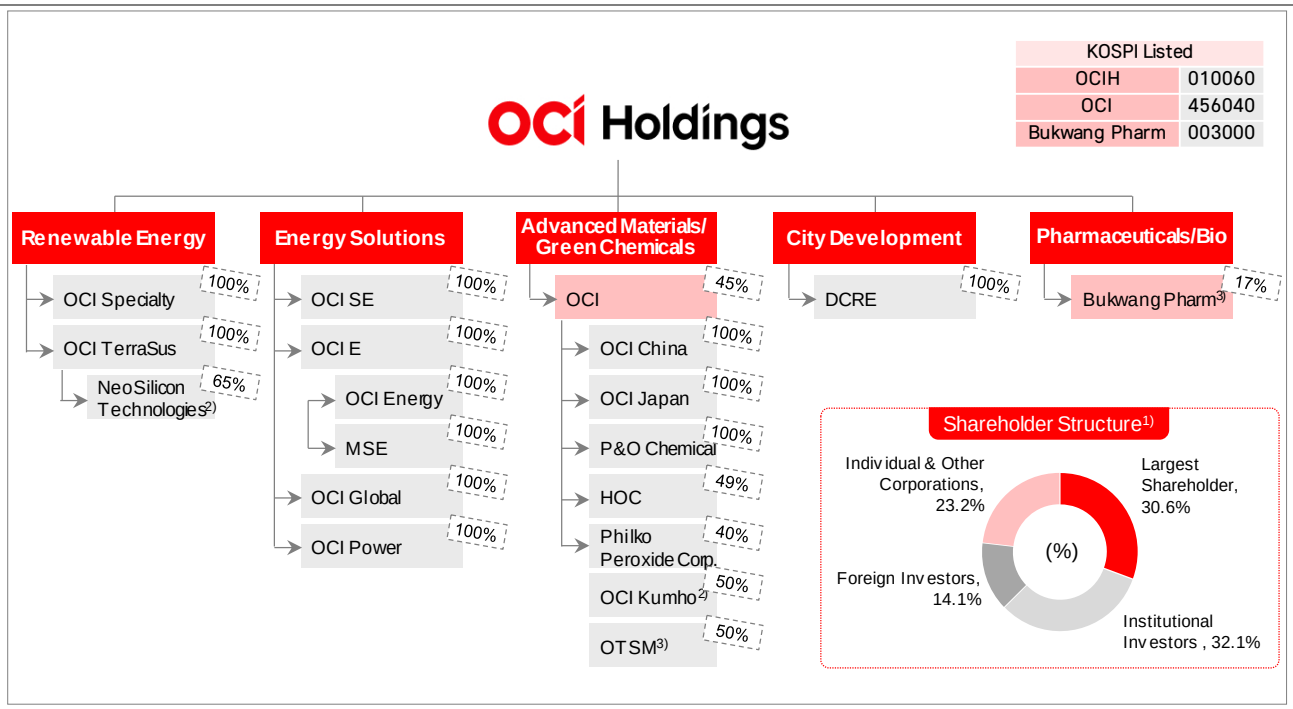
5. OCI (45% owned): It is a newly established specialty chemical company spun off in May 2023 via a corporate split. While OCI Holdings retained solar polysilicon and other subsidiaries (*eg*, urban development and biotech), OCI (the operating company) inherited the basic chemicals and carbon chemicals businesses. Key basic chemical products include semiconductor-grade polysilicon, TDI, phosphoric acid, hydrogen peroxide, caustic soda, and fumed silica (FS), and key carbon chemical products include carbon black, pitch, BTX (benzene/toluene/xylene), and PA/plasticizers. Over 2024-2025, the two divisions generated 36% and 64% of OCI's total sales, respectively, and 32% and 68% of its operating profit.

OCI Holdings: Revenue and outlook, by division

Business	Product	Revenue					Revenue portion (%)				
		2023	2024	2025	2026E	2027E	2023	2024	2025	2026E	2027E
OCI TerraSus	Solar polysilicon and ingot/wafer (NeoSilicon)	939	497	428	653	724	23.4	13.2	12.6	16.2	17.3
OCI Enterprises	Solar power generation business (OCI Energy), Solar module (Mission Solar Energy)	248	176	209	248	295	6.2	4.7	6.2	6.2	7.1
OCI SE	CHP (Comboned Heat and Power) plant	393	350	292	243	203	9.8	9.3	8.6	6.0	4.9
DCRE	Urban development business	576	532	452	709	723	14.4	14.1	13.3	17.6	17.3
OCI	Basic chemicals, carbon chemicals	1,855	2,215	2,009	2,176	2,230	46.2	58.8	59.3	54.0	53.4

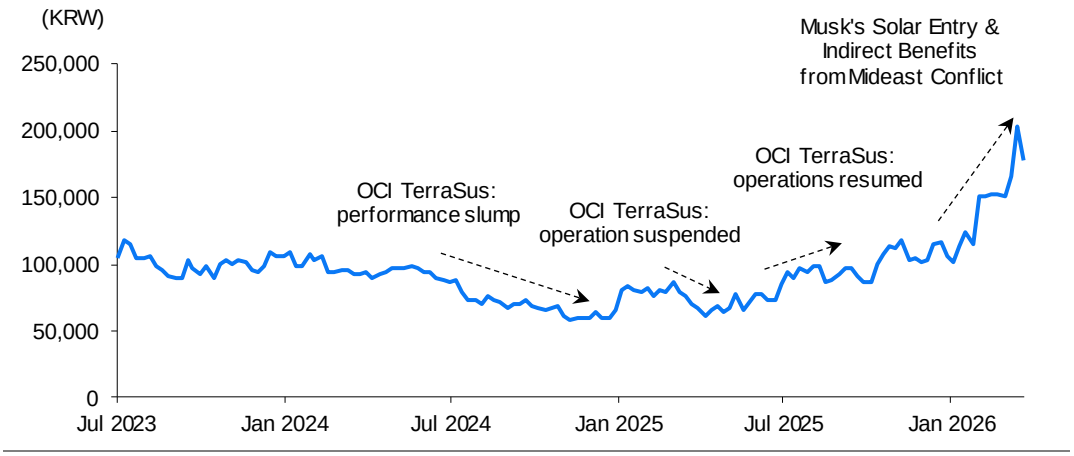
Source: Company data, Samsung Securities

OCI Holdings: Corporate governance



Note: 1) Based on shareholder composition at the end of Q4 2025, based on the total number of issued shares of 18,670,232
2) OCI TerraSus acquired a 65% stake through the special purpose vehicle (SPV) OCI One
3) 50% stake held by OCI TerraSus
4) Expansion of stake through participation in Bukwang Pharmaceutical's paid-in capital increase on July 16, 2025
Source: OCI Holdings, Samsung Securities

OCI Holdings: share price trend and background of fluctuations



Source: Quantiwise, Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**3,577**	**3,380**	**4,021**	**4,166**	**4,287**
Cost of goods sold	3,116	3,041	3,187	3,206	3,278
Gross profit	**461**	**340**	**833**	**960**	**1,009**
Gross margin (%)	12.9	10.0	20.7	23.1	23.5
SG&A expenses	360	397	472	489	504
Operating profit	**102**	**-58**	**361**	**471**	**505**
Operating margin (%)	2.8	-1.7	9.0	11.3	11.8
Non-operating gains (losses)	**74**	**-82**	**45**	**-8**	**-24**
Financial profit	182	95	55	55	50
Financial costs	161	131	3	55	67
Equity-method gains (losses)	20	-2	-2	-2	-2
Other	33	-44	-6	-6	-6
Pre-tax profit	**176**	**-140**	**406**	**463**	**481**
Taxes	62	7	71	75	83
Effective tax rate (%)	35.3	-4.8	17.5	16.1	17.2
Profit from continuing operations	114	-146	335	388	398
Profit from discontinued operations	0	0	0	0	0
Net profit	**114**	**-146**	**335**	**388**	**398**
Net margin (%)	3.2	-4.3	8.3	9.3	9.3
Net profit (controlling interests)	98	-90	320	374	384
Net profit (non-controlling interests)	16	-56	14	14	14
EBITDA	296	186	616	733	774
EBITDA margin (%)	8.3	5.5	15.3	17.6	18.1
EPS (parent-based) (KRW)	5,005	-4,772	17,145	20,032	20,544
EPS (consolidated) (KRW)	5,827	-7,766	17,921	20,808	21,320
Adjusted EPS (KRW)*	5,005	-4,772	17,145	20,032	20,544

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**4,763**	**4,041**	**4,196**	**4,540**	**4,833**
Cash & equivalents	1,143	1,035	1,029	1,262	1,462
Accounts receivable	413	419	499	517	532
Inventories	2,345	2,295	2,339	2,423	2,494
Other current assets	862	291	329	338	345
Fixed assets	**3,330**	**3,830**	**4,054**	**4,153**	**4,226**
Investment assets	448	616	723	747	767
Tangible assets	2,374	2,653	2,796	2,891	2,960
Intangible assets	155	164	138	118	103
Other long-term assets	353	397	397	397	397
Total assets	**8,094**	**7,871**	**8,249**	**8,693**	**9,060**
Current liabilities	**1,901**	**1,376**	**1,330**	**1,406**	**1,427**
Accounts payable	411	233	277	287	296
Short-term debt	507	567	617	667	667
Other current liabilities	983	575	435	451	464
Long-term liabilities	**1,357**	**1,763**	**1,878**	**1,904**	**1,926**
Bonds & long-term debt	892	1,140	1,140	1,140	1,140
Other long-term liabilities	465	624	738	764	786
Total liabilities	**3,258**	**3,139**	**3,208**	**3,310**	**3,353**
Owners of parent equity	**3,979**	**3,932**	**4,227**	**4,555**	**4,864**
Capital stock	107	107	107	107	107
Capital surplus	906	906	906	906	906
Retained earnings	3,542	3,378	3,680	4,007	4,316
Other	-576	-459	-465	-465	-465
Non-controlling interests' equity	**856**	**800**	**814**	**829**	**843**
Total equity	**4,836**	**4,732**	**5,041**	**5,383**	**5,707**
Net debt	603	802	630	442	238

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**116**	**554**	**615**	**584**	**628**
Net profit	114	-146	335	388	398
Non-cash profit and expenses	241	404	238	297	331
Depreciation	164	211	230	242	253
Amortization	31	33	26	20	15
Other	46	160	-17	35	62
Changes in A/L from operating activities	-250	310	86	-55	-46
Cash flow from investments	**-108**	**-401**	**-333**	**-328**	**-332**
Change in tangible assets	-355	-371	-373	-337	-322
Change in financial assets	-77	151	-22	-5	-4
Other	324	-182	62	13	-6
Cash flow from financing	**-178**	**-261**	**-177**	**4**	**-74**
Change in debt	529	-52	-158	50	0
Change in equity	4	0	0	0	0
Dividends	-78	-55	-19	-47	-75
Other	-633	-153	0	0	0
Change in cash	-71	-109	-6	234	200
Cash at beginning of year	1,214	1,143	1,035	1,029	1,262
Cash at end of year	1,143	1,035	1,029	1,262	1,462
Gross cash flow	**354**	**258**	**573**	**686**	**729**
Free cash flow	**-240**	**183**	**243**	**247**	**305**

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	35.0	-5.5	19.0	3.6	2.9
Operating profit	-80.9	nm	nm	30.4	7.3
Net profit	-84.0	nm	nm	16.1	2.5
Adjusted EPS**	-86.1	nm	nm	16.8	2.6
Per-share data (KRW)					
EPS (parent-based)	5,005	-4,772	17,145	20,032	20,544
EPS (consolidated)	5,827	-7,766	17,921	20,808	21,320
Adjusted EPS**	5,005	-4,772	17,145	20,032	20,544
BVPS	211,999	210,598	226,868	244,440	261,025
DPS (common)	2,200	1,000	2,500	4,000	5,000
Valuations (x)					
P/E***	11.7	n/a	11.1	9.5	9.3
P/B***	0.3	0.5	0.8	0.8	0.7
EV/EBITDA	8.7	20.2	8.1	6.6	6.0
Ratios (%)					
ROE	2.5	-2.3	7.8	8.5	8.1
ROA	1.6	-1.8	4.2	4.6	4.5
ROIC	1.6	-1.2	5.7	7.4	7.6
Payout ratio	42.3	-20.8	14.6	19.9	24.3
Dividend yield (common)	3.7	0.9	1.3	2.1	2.6
Net debt to equity	12.5	16.9	12.5	8.2	4.2
Interest coverage (x)	2.6	-1.0	n/a	n/a	n/a

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

Source: Company data, Samsung Securities estimates

COMPANY UPDATE

2026. 3. 31

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OCI (456040)

All-round earnings recovery ahead

- We initiate coverage of OCI at BUY with a 12-month target price of KRW130,000.
- Driven by a probable earnings recovery across all of its businesses, OCI's ROE is likely to improve from -5.4% in 2025 to 7-9% over 2026-2028. Its valuation multiple should expand alongside this earnings improvement.

WHAT'S THE STORY?

View—all-round earnings recovery ahead: We initiate coverage of OCI with a BUY rating and a 12-month target price of KRW130,000. Our target price is based on a sum-of-the-parts valuation, as OCI has a diversified business portfolio. For each business unit, we selected various domestic and international peers. The company's 12-month forward P/B multiple peaked at 1.2x in 2023 before declining to 0.45x in 2025 as its ROE fell sharply (to -5.4% in 2025). Expecting its ROE to rebound rapidly to 7.2% in 2026 and to 8-9% over 2027-2028—driven by an earnings recovery across its basic chemicals and carbon chemicals businesses—we believe there is a high change its valuation (currently 0.68x P/E) expands.

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW130,000	32.7%
Current price	**KRW98,000**	
Market cap	KRW877.34b/USD578.83m	
Shares (float)	8,952,495 (53.1%)	
52-week high/low	KRW98,000/KRW49,250	
Avg daily trading value (60-day)	KRW6.9b/ USD4.6m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
OCI (%)	11.5	82.5	75.3
Vs Kospi (%pts)	31.9	18.4	-15.0

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	130,000	130,000	0.0%
2026E EPS	9,521	n/a	n/a
2027E EPS	11,534	n/a	n/a

SAMSUNG vs THE STREET

No of estimates	n/a
Target price	n/a
Recommendation	n/a

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

SUMMARY FINANCIAL DATA

	2025	2026E	2027E	2028E
Revenue (KRWb)	2,009	2,176	2,230	2,301
Operating profit (KRWb)	0	104	123	136
Net profit (adj) (KRWb)	-68	79	97	115
EPS (adj) (KRW)	-6,994	9,521	11,534	13,480
EPS (adj) growth (% y-y)	nm	nm	21.1	16.9
EBITDA margin (%)	4.5	9.1	9.9	10.3
ROE (%)	-5.4	7.3	8.2	8.8
P/E (adj) (x)	n/a	10.3	8.5	7.3
P/B (x)	0.5	0.7	0.7	0.6
EV/EBITDA (x)	12.0	6.6	5.4	4.5
Dividend yield (%)	0.0	0.0	0.0	0.0

Source: Company data, Samsung Securities estimates

Point (1) Basic chemicals: We expect a pronounced recovery in profitability at the semiconductor-related materials business, driven by a recovery in the semiconductor memory market. The benefits of this uptrend should start with phosphoric acid, before moving to hydrogen peroxide, and then to polysilicon. With semiconductor customers accounting for more than 62% of its sales, the basic chemicals division is likely to show a clear improvement in profitability in 2026. Additionally, its high-value-added phosphoric acid-based etchants are in the final stages of customer qualification. Upon the successful commercialization of the product, companies that command a high valuation multiple could be added to the basic chemicals division's peer group, unlocking meaningful valuation upside.

Point (2): Carbon chemicals: Out of OCI's coal-based carbon chemicals sales, 45% (carbon black at 29% and BTX at 16%) competes directly with petroleum-based alternatives. The recent surge in oil prices has driven up the prices of these petroleum-based alternatives, which should benefit OCI's carbon chemicals business (it uses coal-based feedstocks). With average oil prices in 2026 set to rise sharply y-y, the carbon chemicals division's profitability should rapidly recover.

Valuation and target price calculation

Earnings and valuation to normalize

Initiating coverage at BUY with target price of KRW130,000

We initiate coverage of OCI at BUY with a 12-month target price of KRW130,000. Our target price is based on a sum-of-the-parts (SOTP) valuation, as OCI has a diversified business portfolio comprising basic chemicals and carbon chemicals.

We arrived at our target price by applying EV/EBITDA multiples to our 12-month forward EBITDA estimates for each business unit. We selected the following peers for each business based on their primary products: Semiconductor-grade polysilicon (Wacker, Tokuyama), hydrogen peroxide (Hansol Chemical), and TDI (Wanhua Chemical) were chosen as peers for the basic chemicals business, while firms with exposure to pitch (Koppers Holdings) and carbon black (Cabot) were identified as suitable peers for units attached to the carbon chemicals business.

OCI: SOTP valuation

(KRWb)	Forward EBITDA	Multiples (x)	Value	Details
Operating value (A)				
Basic chemicals	93	8.0	743	Peers *(Wacker, Hansol Chemical, Wanhua Chemical, Tokuyama)
Carbon chemicals	119	5.8	690	Peers **(Cabot, Koppers Holdings)
Total	**212**	**6.8**	**1,433**	
Asset value (B)			104	Discounted 30%
Net debt (C)			392	End-2026E
Fair market cap (E = A + B - C)			**1,145**	
Outstanding shares ('000)			8,952	
Fair price (KRW)			127,886	
Fair value per share (KRW)			**130,000**	
Current price (KRW)			98,000	As of Mar 30 close
Upside (%)			32.7	
2026 implied P/E (x)			13.7	
2027 implied P/E (x)			11.3	
2026 implied P/B (x)			0.96	
2027 implied P/B (x)			0.88	

Note: * The manufacturers of semiconductor-grade polysilicon (Wacker, Tokuyama), hydrogen peroxide (Hansol Chemical), and TDI (Wanhua Chemical) were chosen as peers for the basic chemicals business.
** The manufacturers of pitch (Koppers Holdings) and carbon black (Cabot) were identified as peers for the carbon chemicals business.
Source: Bloomberg, Samsung Securities estimates

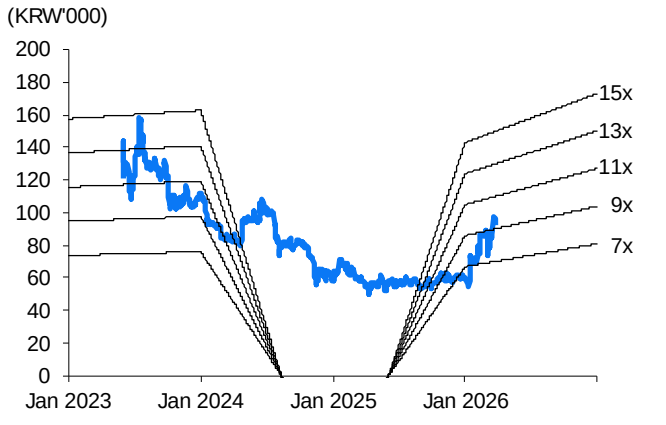
We believe OCI's valuation and earnings are in the process of normalizing to levels seen in the past. Following its spin-off (and listing) in 2023, the company's 12-month forward P/B peaked at 1.2x before declining to 0.65x in 2024 and to 0.45x in 2025 as its ROE plunged (8.8% in 2024 to -5.4% in 2025). However, with its earnings set to turn around in 2026, its ROE should rebound rapidly to 7.2%. This rosy outlook has already supported a recovery in its 12-month forward P/B multiple, which now sits at 0.62x. Believing that its ROE will improve to 8-9% over 2027-2028—and recalling that the 12-month forward P/B reached 1.2x in 2023 on high expectations towards its ROE in 2024—there appears to be a good chance of its valuation (currently 0.62x) rising.

OCI: Peer valuation, by division

(x)	Currency	Share	Price performance (%)				Market cap	P/E			P/B			EV/EBITDA		
		Price	1W	1M	3M	YTD	(USDb)	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E
OCI	KRW	**93,800**	**(3.7)**	**7.0**	**57.2**	**57.7**	**0.6**	**n/a**	**9.9**	**8.1**	**0.47**	**0.69**	**0.64**	**12.0**	**6.4**	**5.3**
Basic chemicals																
Wacker Chemie*	EUR	80.5	15.0	(0.4)	17.6	16.0	4.8	n/a	240.9	42.3	0.93	0.96	0.96	9.6	8.2	6.9
Soulbrain	KRW	389,000	(9.5)	(12.9)	51.7	48.5	2.0	32.5	19.1	16.6	2.80	2.48	2.20	14.5	10.5	8.7
Hansol Chemical *	KRW	269,000	(7.2)	(21.3)	21.7	18.5	2.0	20.0	15.9	13.5	2.74	2.37	2.07	15.2	11.6	9.5
Wanhua Chemical*	CNY	80.0	3.9	(14.0)	5.0	4.3	36.2	20.1	15.7	12.8	2.48	2.28	2.06	10.7	8.6	7.0
Tokuyama*	JPY	3,827.0	2.8	(14.5)	(7.1)	(7.2)	1.7	9.8	8.6	7.7	0.98	0.91	0.84	6.3	5.6	5.1
Carbon chemicals																
Cabot	USD	74.11	9.3	(2.7)	12.1	11.8	3.9	10.2	11.9	10.8	2.57	2.37	2.16	6.2	6.8	6.4
Koppers Holdings	USD	6.06	23.2	6.5	16.8	14.8	0.3	121.2	13.8	8.7	0.87	0.83	0.79	6.4	5.5	4.8

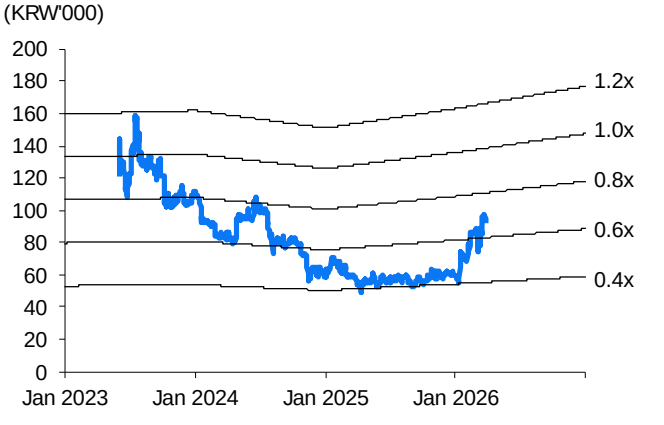
Note: Based on Bloomberg consensus as of Mar 27; OCI figures are Samsung Securities estimates due to lack of consensus data.
* Peers used for OCI valuation
Source: Bloomberg, Samsung Securities

OCI: 12M forward P/E



Source: Company data, Samsung Securities

OCI: 12M forward P/B



Source: Company data, Samsung Securities

OCI: Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2024	2025	2026E	2027E
KRW/USD (average)	1,453	1,401	1,387	1,449	1,459	1,420	1,380	1,335	1,365	1,422	1,398	1,335
Sales	**539**	**527**	**476**	**467**	**541**	**561**	**560**	**514**	**2,215**	**2,009**	**2,176**	**2,230**
Growth (% q-q)	3.7	-2.2	-9.6	-1.9	15.9	3.6	-0.2	-8.2				
Growth (% y-y)	-0.3	-7.0	-19.1	-10.1	0.5	6.4	17.5	9.9	9.5	-9.3	8.3	2.5
Basic chemicals	188	200	189	200	240	239	242	210	825	777	931	1,001
Growth (% q-q)	-14.0	6.3	-5.3	5.9	19.7	-0.1	1.2	-13.5				
Growth (% y-y)	0.0	-2.5	-11.4	-8.3	27.6	19.9	28.0	4.6	-2.6	-5.8	19.8	7.6
Carbon chemicals	366	350	312	284	322	341	337	324	1,488	1,312	1,324	1,308
Growth (% q-q)	14.5	-4.3	-10.7	-9.0	13.2	6.1	-1.1	-4.0				
Growth (% y-y)	-2.1	-9.1	-23.8	-11.0	-12.0	-2.4	8.0	14.0	26.6	-11.8	1.0	-1.3
EBITDA	**31**	**22**	**17**	**22**	**39**	**49**	**57**	**53**	**185**	**91**	**198**	**220**
Growth (% q-q)	-27.7	-29.5	-23.5	29.5	82.3	24.2	17.5	-7.8				
Growth (% y-y)	-44.6	-57.8	-53.1	-49.5	27.2	124.2	244.4	145.1	4.4	-51.0	118.2	11.3
Basic chemicals	2	8	1	17	11	19	29	27	88	28	86	100
Growth (% q-q)	-96.3	416.9	-85.3	1,296.2	-33.8	64.5	57.7	-8.1				
Growth (% y-y)	-85.8	-62.9	-88.9	-60.5	601.0	123.0	2,298.3	57.9	33.6	-67.9	205.1	16.0
Carbon chemicals	27	15	14	10	29	31	29	27	110	66	115	123
Growth (% q-q)	448.6	-45.6	-2.0	-32.7	197.0	7.7	-7.0	-7.4				
Growth (% y-y)	-43.3	-53.2	-45.3	96.8	6.5	110.7	99.9	175.3	-11.0	-40.3	75.1	7.4
Operating profit	**10**	**-2**	**-10**	**3**	**16**	**25**	**34**	**29**	**110**	**0**	**104**	**123**
Growth (% q-q)	-49.7	Turned neg	Remained neg	Turned pos	475.6	56.8	32.5	-14.2				
Growth (% y-y)	-73.6	Turned neg	Turned neg	-86.2	58.0	To turn pos	To turn pos	926.1	-7.2	-99.6	23,531.6	17.8
Basic chemicals	-7	-2	-9	6	1	8	19	16	60	-11	44	58
Growth (% q-q)	Turned neg	Remained neg	Remained neg	Turned pos	-88.0	964.8	133.3	-12.6				
Growth (% y-y)	Turned neg	Turned neg	Turned neg	-82.5	To turn pos	To turn pos	To turn pos	159.7	55.1	Turned neg	To turn pos	31.5
Carbon chemicals	18	4	5	2	20	22	19	17	77	29	77	82
Growth (% q-q)	Turned pos	-75.6	11.4	-69.4	1,214.8	9.8	-11.4	-12.5				
Growth (% y-y)	-56.0	-81.6	-74.2	Turned pos	9.2	392.1	291.7	1,019.3	-25.8	-62.6	168.0	6.1
Pre-tax profit	-16	-1	-46	-4	12	24	32	28	115	-66	97	119
Growth (% q-q)	Turned neg	Remained neg	Remained neg	Remained neg	To turn pos	101.1	34.6	-12.5				
Growth (% y-y)	Turned neg	Turned neg	Turned neg	Turned neg	To turn pos	To turn pos	To turn pos	To turn pos	-53.7	Turned neg	To turn pos	22.8
Net profit	**-17**	**-2**	**-52**	**3**	**10**	**20**	**26**	**23**	**90**	**-68**	**79**	**97**
Growth (% q-q)	Turned neg	Remained neg	Remained neg	Turned pos	To turn pos	101.1	34.6	-12.5				
Growth (% y-y)	Turned neg	Turned neg	Turned neg	-72.1	To turn pos	To turn pos	To turn pos	566.7	71.8	Turned neg	To turn pos	22.8
Attributable to parent	**-16**	**-1**	**-51**	**5**	**11**	**21**	**28**	**25**	**96**	**-63**	**85**	**103**
Margins (%)												
EBITDA	5.7	4.1	3.5	4.6	7.2	8.7	10.2	10.3	8.4	4.5	9.1	9.9
Basic chemicals	0.9	4.2	0.6	8.5	4.7	7.7	12.1	12.8	10.7	3.6	9.2	10.0
Carbon chemicals	7.4	4.2	4.6	3.4	8.9	9.1	8.5	8.2	7.4	5.0	8.7	9.4
Operating profit	1.9	-0.4	-2.2	0.6	3.0	4.5	6.0	5.6	5.0	0.0	4.8	5.5
Basic chemicals	-3.5	-1.0	-4.8	3.1	0.3	3.4	7.7	7.8	7.3	-1.5	4.7	5.8
Carbon chemicals	4.9	1.3	1.6	0.5	6.1	6.3	5.7	5.2	5.2	2.2	5.8	6.3
Pre-tax profit	-3.0	-0.1	-9.6	(0.9)	2.2	4.3	5.8	5.5	5.2	-3.3	4.5	5.3
Net profit	-3.2	-0.5	-11.0	0.7	1.8	3.5	4.7	4.5	4.0	-3.4	3.6	4.4
Attributable to parent	-2.9	-0.1	-10.7	1.1	2.1	3.8	5.0	4.8	4.3	-3.1	3.9	4.6

Source: Company data, Samsung Securities

Investment points

All-round earnings recovery ahead

Investment points (1) Basic chemicals division – growing impact of downstream recovery

One of the factors behind OCI's weak earnings performance in 2025 was the declining profitability of its basic chemicals business. Sluggish conditions for the semiconductor industry since 2024 led to inventory destocking by some of its customers, pressuring OCI's margins. The operating margin of OCI's basic chemicals division slid from 7.3% in 2024 to -1.5% in 2025. On a quarterly basis, its operating margin remained deeply negative throughout 1Q-3Q25, ranging between -5% and -1%.

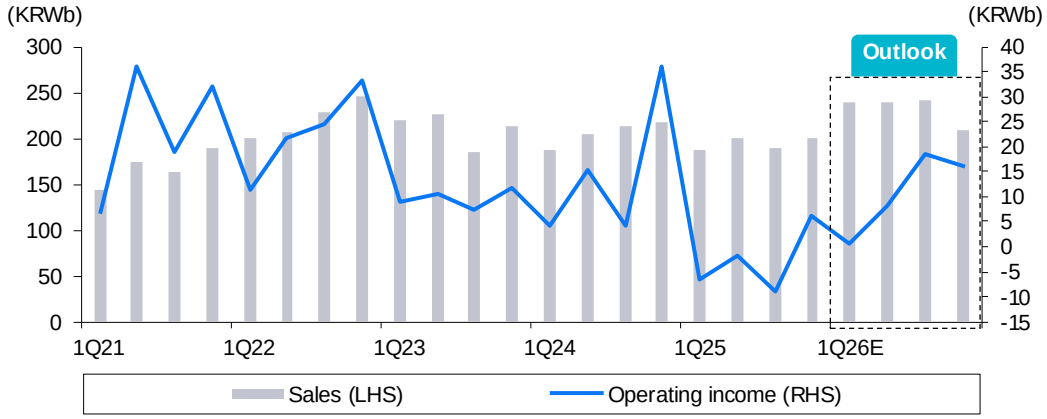
However, the semiconductor memory market staged a strong rebound in 2H25, and positive signs started appearing for OCI's basic chemicals division. The impact showed up in 4Q25—the division's operating margin jumped to 3.1%, moving into the black for the first time in four quarters.

During its 4Q25 earnings call, OCI noted that the benefits stemming from the semiconductor industry's upswing would be felt first with phosphoric acid, then with hydrogen peroxide, and then with polysilicon. Already seeing a clear rise in demand for phosphoric acid, it plans to expand phosphoric acid capacity by 20% from 25,000 tonnes to 30,000 tonnes in 1H26 through debottlenecking. Phosphoric acid (used in etching processes) and hydrogen peroxide (used in cleaning processes), which are supplied directly to semiconductor makers like SEC and SK Hynix, appears to be experiencing a more immediate demand uptick vs polysilicon (the latter is supplied to wafer manufacturers).

Over 62% of OCI's basic chemicals sales were connected to the semiconductor industry in 2025—led by polysilicon at 19%, hydrogen peroxide at 16%, phosphoric acid at 11%, caustic soda at 11%, and fumed silica at 5%. Sales of hydrogen peroxide and polysilicon, in particular, are likely to exhibit a more pronounced recovery from 2H26, likely increasing the basic chemicals division's operating margin from -1.5% in 2025 to 4.7% in 2026 and to 5.8% in 2027.

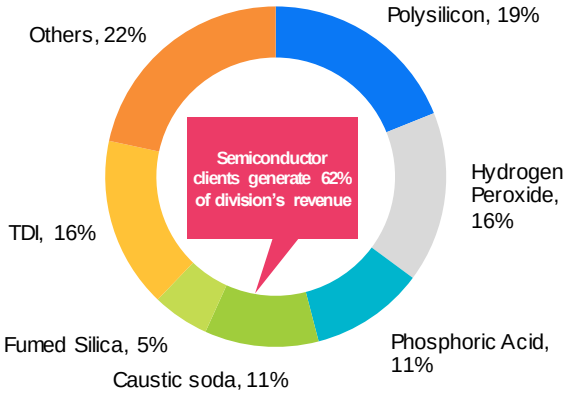
OCI's ongoing preparation to expand into higher-value-added semiconductor applications is another positive development. The company is readying to produce phosphoric acid-based etchants, and we believe it has entered the final stages of quality certification with global semiconductor firms. While phosphoric acid is a core material for wafer etching, phosphoric acid-based etchants are high-selectivity solutions designed to remove only specific layers in semiconductor fabrication. This represents a higher-value-added downstream extension of phosphoric acid, with better profitability potential. Furthermore, if OCI successfully achieves mass-production of these etchants, Soulbrain (which commands a high valuation multiple due to its dominant position in the etchant market) could be added to the basic chemicals division's peer group, unlocking meaningful valuation upside.

OCI basic chemicals: Revenue and operating income



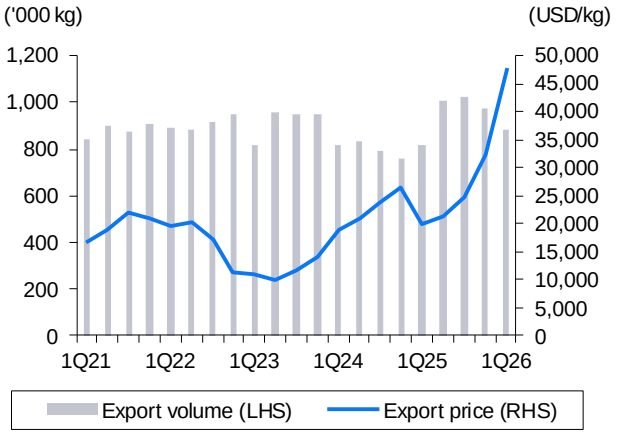
Source: Company data, Samsung Securities

OCI: Basic chemicals division's revenue, by product (2025)



Source: Company data, Samsung Securities

Korea: Memory chip* export trends



Note: * Based on HS code 854232
Source: KITA, Samsung Securities

Investment points (2) Carbon chemicals division – indirect beneficiary of rising oil prices

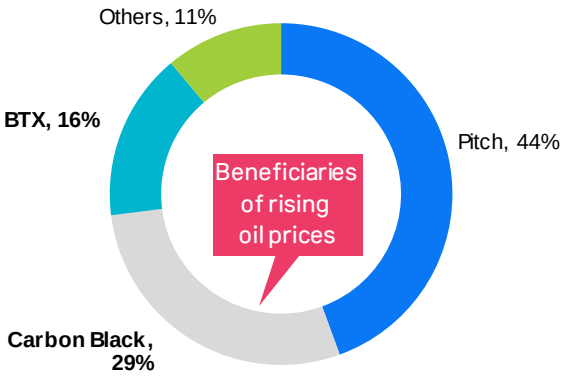
We expect profitability to rise at not only the basic chemicals division but also at the carbon chemicals business, which bodes well for OCI's fundamentals. The carbon chemicals division procures by-products (including coke oven gas (COG), coke oven light oil (COL), and coal tar) as raw materials and sells BTX (benzene, toluene, xylene), carbon black, and pitch.

The carbon chemicals division's operating margin declined from 8.9% in 2023 to 5.2% in 2024 and to 2.5% in 2025. This decline was primarily driven by falling oil prices, which pressured selling prices (amid weak demand due to China's sluggish economy). Given the structural characteristics of OCI's carbon chemicals business, we believe that a sustained fall in oil prices causes its margins to compress.

In 2025, the sales mix of OCI's carbon chemicals division was composed of pitch (44%), carbon black (29%), BTX (16%), and other products (11%). OCI produces carbon black and BTX using coal-based feedstocks, but most other producers rely primarily on petroleum-based feedstocks (FCC slurry oil and reformate). As a result, when oil prices rise significantly (vs coal-based feedstock costs), OCI's profitability on these products tends to improve. This relationship is evidenced by the strong correlation between the average Dubai crude oil price and the operating margin of OCI's carbon chemicals division over 2021-2025.

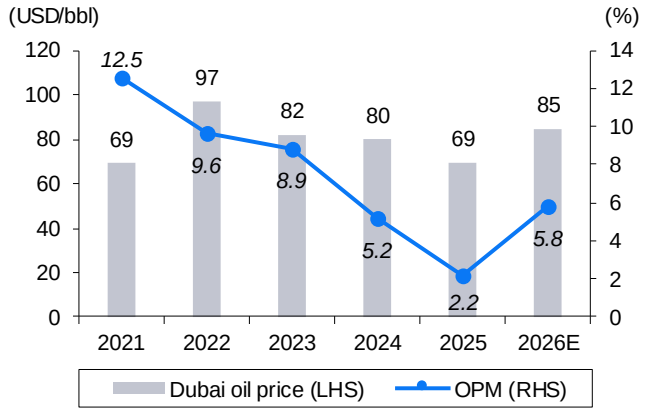
Since January, the average Dubai crude oil price has risen to USD75 per barrel, up from USD69/bbl last year—marking the first recovery since 2022. Moreover, since March, geopolitical tensions in the Middle East have driven sharp price increases in Asian naphtha, which rose by USD419/tonne from February levels (from USD611/tonne to USD1,030/tonne). Similarly, benzene prices increased by USD269/tonne (from USD782/tonne to USD1,052/tonne), toluene rose by USD310/tonne (from USD740/tonne to USD1,050/tonne), and xylene climbed by USD342/tonne (from USD729/tonne to USD1,070/tonne). Given these developments and the rebound in global oil prices compared to the previous year, we expect the carbon chemicals division's operating margin to clearly recover to 5.8% in 2026 (+3.6%p YoY).

OCI: Carbon chemicals division's sales, by product (2025)



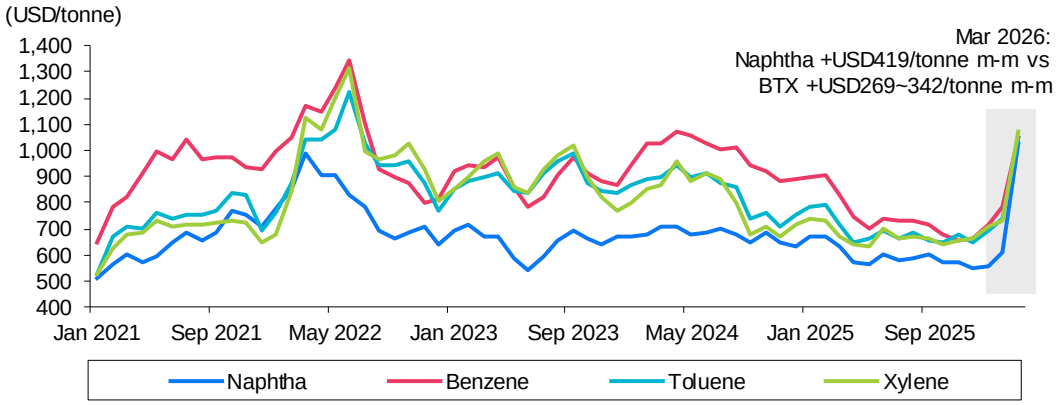
Source: Company data, Samsung Securities

OCI: Oil prices and carbon chemicals OPM trends



Source: Petronet, Company data, Samsung Securities

Asia Naphtha and BTX price trends



Source: S&P Global Platts, Samsung Securities

Appendix

Company overview

Company overview

OCI Holdings traces its origins to Oriental Chemical Industries, which was established in 1959. Korea Steel Chemical (a venture distilling coal tar to produce pitch and naphthalene), founded in 1974, is the foundation of its coal chemical business. KoFran Chemical manufactured inorganic chemicals, including hydrogen peroxide, and was established in 1975. Korea Steel Petrochemicals was established a decade later in 1984, which firm produced downstream coal chemicals such as carbon black and BTX using Korea Steel Chemical's output (essentially extending the chemical materials business). In 2001, Oriental Chemical Industries acquired Korea Steel Chemical and Korea Steel Petrochemicals from Keopyung Group and rebranded itself as DC Chemical. In 2009, the company changed its name to OCI. In 2023, OCI transitioned to a holding company structure, splitting into OCI Holdings (the holding entity) and OCI (the operating entity).

OCI's operations are divided into two business areas: Basic chemicals and carbon chemicals. As of 2025, 37% of OCI's sales came from the basic chemicals division and 63% from the carbon chemicals division. Sales at the basic chemicals division (37%) are driven by semiconductor-grade polysilicon (7% of the division's sales), hydrogen peroxide (6%), TDI (6%), phosphoric acid (4%), caustic soda (4%), and fumed silica (2%). Among these six products, all except TDI are sold into the semiconductor value chain—semiconductor industry conditions determine the business environment for the basic chemicals division. Sales contributions from the basic chemicals division (63%) are driven by pitch (28%), carbon black (18%), and BTX (10%). Pitch is sold to aluminum smelters in the Middle East and Australia, carbon black is supplied predominantly to tire manufacturers, and BTX is sold to domestic petrochemical companies.

OCI: Key milestones

Year	Milestone	Year	Milestone
1959	Founded as Oriental Chemical Industry	2008	Success in commercial production of solar-grade polysilicon
1968	Completed Incheon Soda Ash plant	2009	Renamed to OCI
1974	Established Jecheol Chemical	2016	Completed Ma Steel OCI Chemical Company
19 75	Established Korea-French Chemical	2016	Completed OCI Jianyang Carbon Black
1976	Completed Pohang plant	2017	Commercial production of semiconductor-grade polysilicon
1979	Completed Iksan Hydrogen Peroxide plant	2020	Established P&O Chemical (JV with POSCO Future M)
1984	Established Jecheol Petrochemical	2022	Established OCI Kumho (JV with Kumho P&B Chemicals)
1987	Completed Gwangyang plant	2022	Commercial production of hydrogen peroxide at P&O Chemical
1991	Completed Gunsan TDI plant	2022	Established OCI Kumho (JV with Kumho P&B Chemicals)
1992	Completed Gunsan PVA plant	2023	Launched OCI Holdings; Spun off OCI as new entity
2001	Renamed to DC Chemical (Merger of Oriental Chemical & Jecheol Chemical)	2023	Entered EV battery silicon anode specialty material (monosilane) business
2006	Acquired Columbian Chemicals (Carbon Black)	2025	Completed EV battery silicon anode specialty material plant

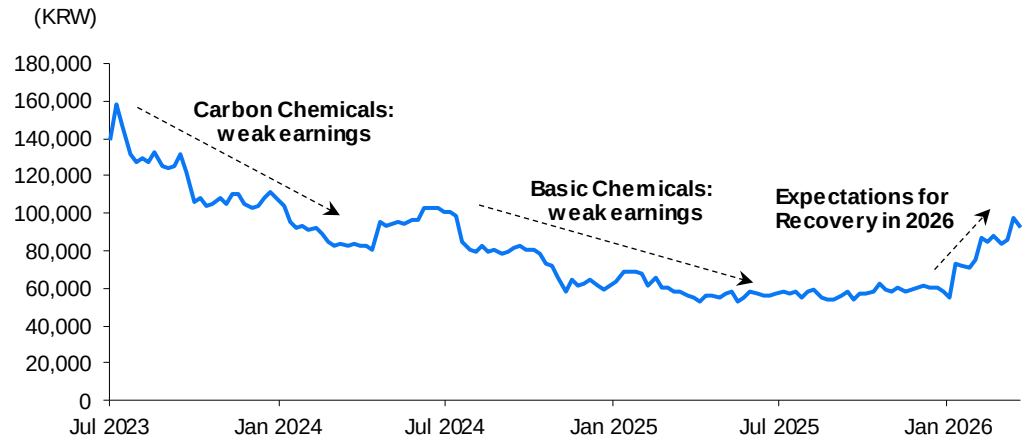
Source: Company data, Samsung Securities

OCI: Key products by division

Division		Product	End-use	Capacity	Raw materials	Key Customers
Basic Chemicals	Semi & Advanced Materials	Polysilicon (Semi-grade)	Semiconductor wafers	4,700 tonnes	Metal Silicon	SK Siltron, etc.
		Phosphoric Acid (PA)	Semi etching process	25,000 tonnes	Yellow Phosphorus	Samsung Electronics, SK Hynix, etc.
		Hydrogen Peroxide	Semi cleaning process	125,000 tonnes	Naphtha, LNG	Dongwoo Fine-Chem, Kioxia, etc.
		HCDS	Semi precursor	18 tonnes	STC	Hansol Chemical
		SiH_4	Si-anode for secondary batteries	1,000 tonnes	TCS	Nexeon
	Basic Materials	CA	Neutralizers, cleaners, wastewater treatment, precursor mfg.	NaOH 117,000 tonnes NaOCl 110,000 tonnes HCl 160,000 tonnes	Raw Salt	Samsung Electro-Mechanics, Samsung Electronics, etc.
		FS	Window frame adhesives, Semi CMP slurry, etc.	9,000 tonnes	STC	Shin-Etsu, Dongjin Semichem, etc.
		TDI	Polyurethane feedstock (Furniture cushioning, auto interiors)	50,000 tonnes	DNT	Alfome, Foamworks, INOAC, etc.
Carbon Chemicals		Carbon Black	Tires, semi-conductive compounds for high-voltage cables	270,000 tonnes	FCC Slurry, CBO / Creosote	Hankook Tire, Bridgestone, DYM Solution, etc.
		Pitch	Anodes for aluminum smelting	220,000 tonnes (Korea) 300,000 tonnes (China JV*)	Coal Tar	Aluminum smelters in Middle East & Australia
		BTX	Base chemicals for plastics	260,000 tonnes	Coke Oven Light Oil	Kumho P&B, TKG Huchems, etc.

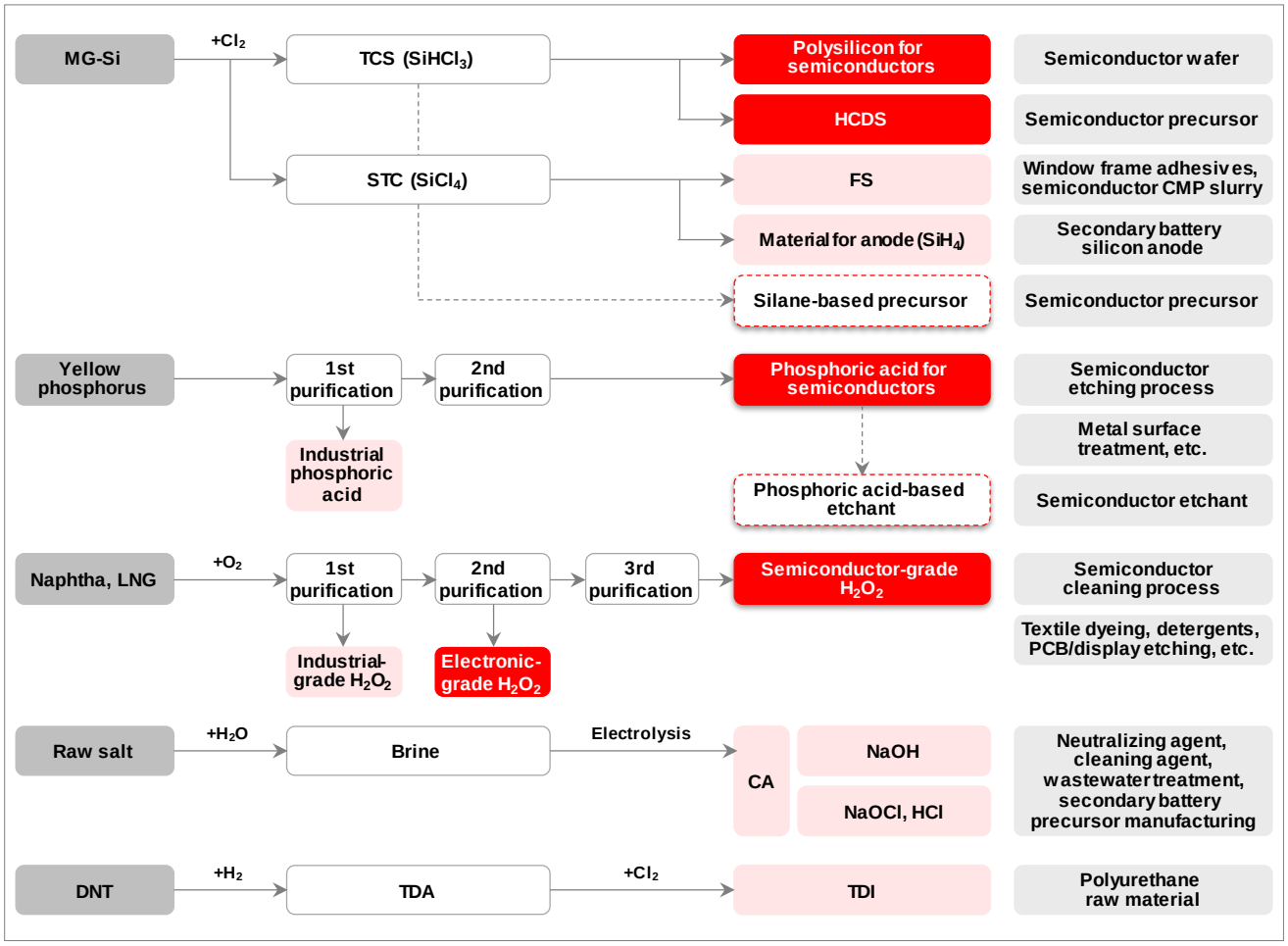
Source: Company data, Samsung Securities

OCI: share price trend and background of fluctuations



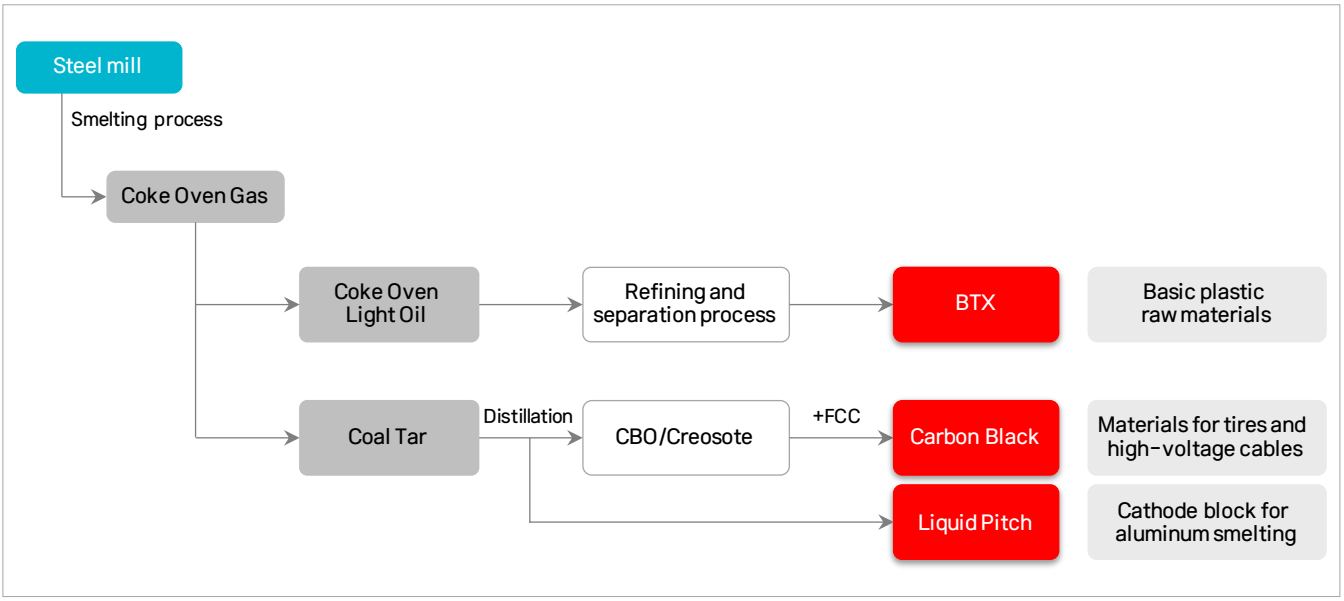
Source: Quantiwise, Samsung Securities

OCI: Basic chemicals value chain



Source: Company data, Samsung Securities

OCI: Carbon chemicals value chain



Source: Company data, Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**2,215**	**2,009**	**2,176**	**2,230**	**2,301**
Cost of goods sold	1,915	1,801	1,853	1,880	1,933
Gross profit	**300**	**208**	**322**	**350**	**368**
Gross margin (%)	13.6	10.4	14.8	15.7	16.0
SG&A expenses	190	208	218	227	233
Operating profit	**110**	**0**	**104**	**123**	**136**
Operating margin (%)	5.0	0.0	4.8	5.5	5.9
Non-operating gains (losses)	**5**	**-67**	**-7**	**-4**	**4**
Financial profit	72	46	47	48	53
Financial costs	89	72	68	68	67
Equity-method gains (losses)	20	20	20	20	20
Other	2	-61	-6	-3	-2
Pre-tax profit	**115**	**-66**	**97**	**119**	**140**
Taxes	26	2	18	22	26
Effective tax rate (%)	22.3	-3.4	18.3	18.3	18.3
Profit from continuing operations	90	-68	79	97	115
Profit from discontinued operations	0	0	0	0	0
Net profit	**90**	**-68**	**79**	**97**	**115**
Net margin (%)	4.0	-3.4	3.6	4.4	5.0
Net profit (controlling interests)	96	-63	85	103	121
Net profit (non-controlling interests)	-6	-6	-6	-6	-6
EBITDA	185	91	198	220	237
EBITDA margin (%)	8.4	4.5	9.1	9.9	10.3
EPS (parent-based) (KRW)	10,840	-6,994	9,521	11,534	13,480
EPS (consolidated) (KRW)	10,122	-7,650	8,838	10,850	12,797
Adjusted EPS (KRW)*	10,840	-6,994	9,521	11,534	13,480

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**1,211**	**1,099**	**941**	**1,061**	**1,202**
Cash & equivalents	286	234	113	213	327
Accounts receivable	307	268	263	270	278
Inventories	493	540	504	516	533
Other current assets	125	57	61	62	64
Fixed assets	**1,072**	**1,177**	**1,196**	**1,183**	**1,168**
Investment assets	175	148	161	165	170
Tangible assets	698	786	795	779	760
Intangible assets	18	54	52	50	49
Other long-term assets	181	188	188	188	188
Total assets	**2,283**	**2,276**	**2,137**	**2,244**	**2,370**
Current liabilities	**612**	**730**	**508**	**516**	**526**
Accounts payable	166	128	138	142	146
Short-term debt	165	197	197	197	197
Other current liabilities	281	405	173	177	183
Long-term liabilities	**429**	**381**	**385**	**387**	**388**
Bonds & long-term debt	352	305	305	305	305
Other long-term liabilities	77	76	80	81	83
Total liabilities	**1,041**	**1,111**	**893**	**902**	**915**
Owners of parent equity	**1,208**	**1,127**	**1,212**	**1,315**	**1,436**
Capital stock	45	45	45	45	45
Capital surplus	1,041	941	941	941	941
Retained earnings	118	136	221	324	445
Other	4	5	5	5	5
Non-controlling interests' equity	**34**	**38**	**32**	**26**	**20**
Total equity	**1,242**	**1,165**	**1,244**	**1,341**	**1,456**
Net debt	364	519	392	292	176

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**164**	**56**	**221**	**169**	**187**
Net profit	90	-68	79	97	115
Non-cash profit and expenses	130	209	97	103	108
Depreciation	72	87	91	96	100
Amortization	3	3	2	2	1
Other	55	119	4	6	7
Changes in A/L from operating activities	-68	-65	67	-11	-14
Cash flow from investments	**-46**	**-60**	**-104**	**-87**	**-88**
Change in tangible assets	-68	-82	-100	-80	-81
Change in financial assets	-17	-6	-2	-1	-1
Other	39	27	-1	-6	-6
Cash flow from financing	**-119**	**-48**	**-245**	**0**	**0**
Change in debt	-12	114	-245	0	0
Change in equity	144	-100	0	0	0
Dividends	-19	-23	0	0	0
Other	-232	-39	0	0	0
Change in cash	5	-52	-120	99	115
Cash at beginning of year	280	286	234	113	213
Cash at end of year	286	234	113	213	327
Gross cash flow	**219**	**141**	**176**	**200**	**223**
Free cash flow	**93**	**-25**	**121**	**89**	**106**

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	71.9	-9.3	8.3	2.5	3.2
Operating profit	92.3	-99.6	23,531.6	17.8	10.9
Net profit	71.8	nm	nm	22.8	17.9
Adjusted EPS**	3.2	nm	nm	21.1	16.9
Per-share data (KRW)					
EPS (parent-based)	10,840	-6,994	9,521	11,534	13,480
EPS (consolidated)	10,122	-7,650	8,838	10,850	12,797
Adjusted EPS**	10,840	-6,994	9,521	11,534	13,480
BVPS	134,902	125,846	135,833	147,406	160,933
DPS (common)	2,200	0	0	0	0
Valuations (x)					
P/E***	5.4	n/a	10.3	8.5	7.3
P/B***	0.4	0.5	0.7	0.7	0.6
EV/EBITDA	5.0	12.0	6.6	5.4	4.5
Ratios (%)					
ROE	8.8	-5.4	7.3	8.2	8.8
ROA	4.2	-3.0	3.6	4.4	5.0
ROIC	7.6	0.0	6.1	7.4	8.2
Payout ratio	20.5	0.0	0.0	0.0	0.0
Dividend yield (common)	3.8	0.0	0.0	0.0	0.0
Net debt to equity	29.3	44.5	31.5	21.8	12.1
Interest coverage (x)	3.3	0.0	3.2	4.7	5.1

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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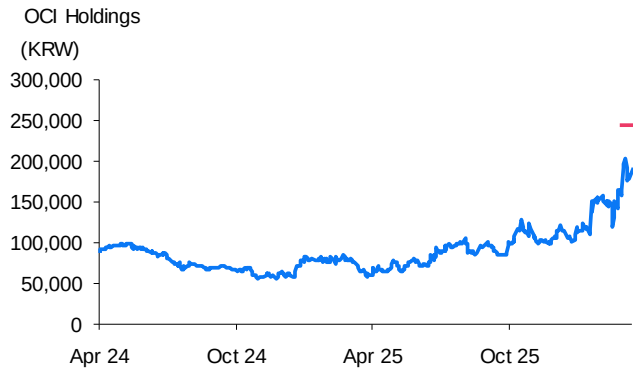

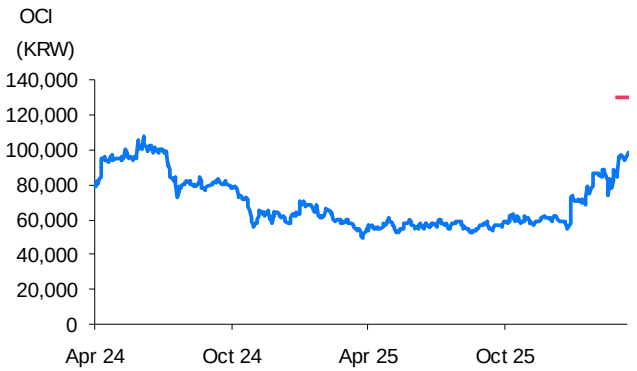

Rating changes over past two years (adjusted share prices)

OCI Holdings	
Date	2026/3/31
Recommendation	BUY
Target price (KRW)	245000
Gap* (average)	
(max or min)**	

OCI	
Date	2026/3/31
Recommendation	BUY
Target price (KRW)	130000
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

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BUY(85.8%)·HOLD(14.2%)·SELL(0%)

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