COMPANY UPDATE

2026. 4. 13

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Ecopro BM (247540)

Waiting for utilization rates to recover

- We forecast Ecopro BM's 1Q consolidated results will beat consensus.
- ASP hikes are positive, but recovery of plant utilization rates remains uncertain.
- We maintain HOLD rating and KRW180,000 target price.

EV/Mobility Team

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WHAT'S THE STORY?

1Q preview—To top consensus: We forecast Ecopro BM's 1Q consolidated sales and operating profit to come in at KRW511.2b and KRW10.2b, respectively, the latter beating FnGuide consensus of KRW8.7b. Shipment likely remained flat q-q at around 14,549 tonnes, but sales likely rose 2.4% q-q on higher ASP and forex rates. Despite sluggish plant utilization rates, operating margin likely stood at 2% on: 1) the reversal of inventory valuation losses (estimated at roughly KRW4b); and 2) lower depreciation expenses following some accounting policy changes in 2025.

ASP hikes positive but recovery in utilization uncertain: Due to customers' North American battery JV equity restructuring and Ford's EV strategy shift (leading to model discontinuations), the utilization rate of the BM division that primarily supplies NCM9 materials to SK On should slide to 20% in 2026 (vs 36% in 2025). This should lead to a modest annual shipment decline to 68,000 tonnes (vs72,000 tonnes last year). However, rising metal prices should boost sales by 8% y-y to KRW2.7t. Ecopro BM's full-year shipment could be affected by the timing of operation of cathode materials plant in Hungary (set to begin mass production in 2H26 with an initial capacity of 10,000 tonnes).

(Continued on the next page)

AT A GLANCE

HOLD

Target price	KRW180,000	-10.7%
Current price	KRW201,500	
Market cap	KRW19.7t/USD13.3b	
Shares (float)	97,830,434 (54.3%)	
52-week high/low	KRW246,000/KRW81,200	
Avg daily trading value (60-day)	KRW178.1b/ USD120.1m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Ecopro BM (%)	-0.7	79.4	94.7
Vs Kosdaq (%pts)	3.3	41.0	21.4

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	HOLD	HOLD	
Target price	180,000	180,000	0.0%
2026E EPS	115	38	202.6%
2027E EPS	552	442	24.9%

SAMSUNG vs THE STREET

No of estimates	18
Target price	217,824
Recommendation	3.4

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

SUMMARY FINANCIAL DATA

	2025	2026E	2027E	2028E
Revenue (KRWb)	2,532	2,744	3,221	3,798
Operating profit (KRWb)	143	86	142	183
Net profit (adj) (KRWb)	92	22	68	89
EPS (adj) (KRW)	403	115	552	728
EPS (adj) growth (% y-y)	nm	-71.4	380.2	31.8
EBITDA margin (%)	8.5	5.9	7.2	7.2
ROE (%)	2.3	0.7	3.1	3.9
P/E (adj) (x)	364.2	1,752.5	365.0	276.9
P/B (x)	8.3	11.4	11.1	10.7
EV/EBITDA (x)	77.2	136.1	95.8	81.6
Dividend yield (%)	0.1	0.0	0.0	0.0

Source: Company data, Samsung Securities estimates

Maintaining HOLD and KRW180,000 target price: We keep the stock at HOLD rating. Favorable trends in metal prices and forex rates are positive for ASP hikes and the Hungarian plant offers future shipment growth potential. However, near-term earnings momentum should remain anemic due to sluggish sales of key EV customers using NCM9 chemistry.

1Q preview

(KRWb)	1Q26E	1Q25	4Q25	Chg	
				(% y-y)	(% q-q)
Sales	511.2	629.8	497.0	34.1	-6.9
Operating profit	10.2	2.3	41.6	759.8	52.6
Pre-tax profit	-6.1	-14.1	29.7	Remained neg	Turned neg
Net profit	-5.1	-10.0	18.2	Remained neg	Turned neg
Margins (%)					
Operating profit	2.0	0.4	8.4		
Pre-tax profit	-1.2	-2.2	6.0		
Net profit	-1.0	-1.6	3.7		

Source: Company data, Samsung Securities

Revisions to full-year forecasts

(KRWb)	2026E			2027E		
	Old	New	Diff (%)	Old	New	Diff (%)
Sales	2,241.7	2,743.8	22.4	3,068.4	3,221.5	5.0
Operating profit	83.4	85.9	3.0	148.2	141.8	-4.3
Pre-tax profit	8.3	25.0	200.5	60.0	75.0	25.0
Net profit	7.5	22.5	200.5	54.0	67.5	25.0

Source: Samsung Securities estimates

Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	1Q27E	2Q27E	3Q27E	4Q27E	2025	2026E	2027E
Sales	**629.8**	**779.7**	**625.3**	**499.2**	**511.2**	**618.6**	**739.4**	**874.6**	**783.7**	**759.6**	**799.6**	**878.7**	**2,533.8**	**2,743.8**	**3,221.5**
Battery materials	629.8	779.7	625.3	499.2	511.2	618.6	739.4	874.6	783.7	759.6	799.6	878.7	2,533.8	2,743.8	3,221.5
Operating income	**2.3**	**49.0**	**50.7**	**41.0**	**10.2**	**18.6**	**22.2**	**35.0**	**23.5**	**30.4**	**44.0**	**43.9**	**142.8**	**85.9**	**141.8**
Operating margin (%)	0.4	6.3	8.1	8.2	2.0	3.0	3.0	4.0	3.0	4.0	5.5	5.0	5.6	3.1	4.4

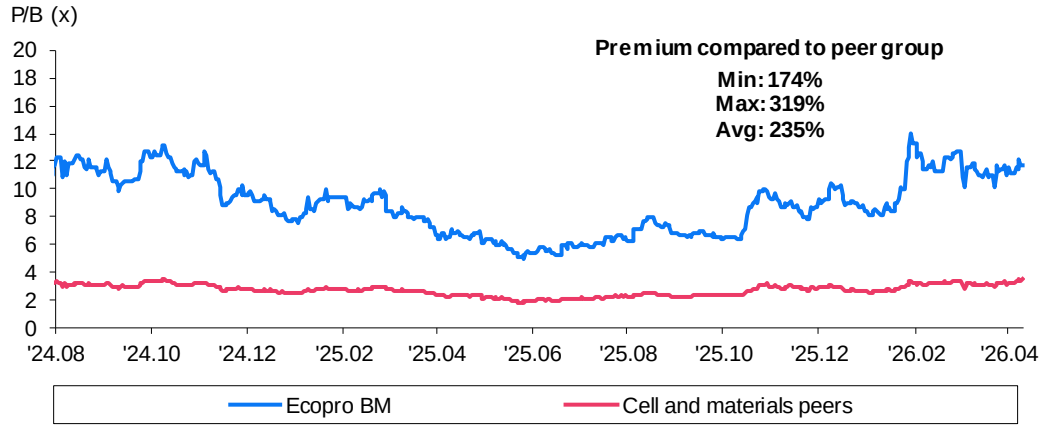
Source: Company data, Samsung Securities estimates

Target-price calculation

(KRW)		
BVPS	18,139	2027E BVPS
Target P/B (x)	10.4	235% premium* to 2026E average of cell & materials peers (3.1x) (235% premium is because the firm is vertically integrated and is the leading stock on the Kosdaq)
Fair value per share	189,369	
Target price	**180,000**	
Current price	201,500	As of Apr 10 close
Upside (%)	-10.7%	

Note: *Average of observed premium from Oct 11, 2025, to Apr 10, 2026
Source: Bloomberg, Samsung Securities estimates

P/B ratio: Ecopro BM vs peer group



Source: Bloomberg, Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**2,767**	**2,532**	**2,744**	**3,221**	**3,798**
Cost of goods sold	2,672	2,262	2,521	2,919	3,427
Gross profit	**95**	**270**	**223**	**302**	**371**
Gross margin (%)	3.4	10.7	8.1	9.4	9.8
SG&A expenses	129	126	137	160	188
Operating profit	**-34**	**143**	**86**	**142**	**183**
Operating margin (%)	-1.2	5.7	3.1	4.4	4.8
Non-operating gains (losses)	**-59**	**-62**	**-61**	**-67**	**-72**
Financial profit	113	95	14	15	15
Financial costs	175	148	75	81	87
Equity-method gains (losses)	0	0	0	0	0
Other	4	-9	0	-0	0
Pre-tax profit	**-93**	**82**	**25**	**75**	**111**
Taxes	-34	-10	2	8	22
Effective tax rate (%)	37.1	-12.2	10.0	10.0	20.0
Profit from continuing operations	-59	92	22	68	89
Profit from discontinued operations	0	0	0	0	0
Net profit	**-59**	**92**	**22**	**68**	**89**
Net margin (%)	-2.1	3.6	0.8	2.1	2.3
Net profit (controlling interests)	-97	39	11	54	71
Net profit (non-controlling interests)	38	52	11	14	18
EBITDA	76	214	162	233	275
EBITDA margin (%)	2.7	8.5	5.9	7.2	7.2
EPS (parent-based) (KRW)	-987	403	115	552	728
EPS (consolidated) (KRW)	-598	936	230	690	910
Adjusted EPS (KRW)*	-987	403	115	552	728

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**1,378**	**1,390**	**1,408**	**1,681**	**1,813**
Cash & equivalents	499	519	461	569	502
Accounts receivable	142	151	159	187	220
Inventories	616	603	661	776	915
Other current assets	120	117	127	149	176
Fixed assets	**2,946**	**3,492**	**3,577**	**3,812**	**3,852**
Investment assets	22	156	168	194	226
Tangible assets	2,793	3,154	3,231	3,443	3,454
Intangible assets	19	38	34	31	28
Other long-term assets	111	144	144	144	144
Total assets	**4,324**	**4,882**	**4,985**	**5,494**	**5,666**
Current liabilities	**1,297**	**1,922**	**1,810**	**1,989**	**2,074**
Accounts payable	204	236	239	280	330
Short-term debt	769	863	963	1,063	1,063
Other current liabilities	324	823	608	646	680
Long-term liabilities	**1,049**	**944**	**1,147**	**1,418**	**1,426**
Bonds & long-term debt	1,025	908	1,108	1,373	1,373
Other long-term liabilities	24	36	38	45	53
Total liabilities	**2,347**	**2,866**	**2,956**	**3,407**	**3,500**
Owners of parent equity	**1,712**	**1,729**	**1,730**	**1,774**	**1,836**
Capital stock	49	49	49	49	49
Capital surplus	915	917	917	917	917
Retained earnings	275	296	298	342	404
Other	473	466	466	466	466
Non-controlling interests' equity	**265**	**287**	**298**	**312**	**330**
Total equity	**1,977**	**2,016**	**2,029**	**2,086**	**2,166**
Net debt	1,426	1,919	2,048	2,302	2,365

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**670**	**215**	**103**	**149**	**149**
Net profit	-59	92	22	68	89
Non-cash profit and expenses	119	14	140	165	186
Depreciation	106	67	73	88	89
Amortization	4	4	4	3	3
Other	9	-57	63	74	94
Changes in A/L from operating activities	650	128	-57	-76	-103
Cash flow from investments	**-1,022**	**-491**	**-138**	**-289**	**-89**
Change in tangible assets	-1,024	-418	-150	-300	-100
Change in financial assets	-24	8	-2	-4	-4
Other	26	-80	14	15	15
Cash flow from financing	**323**	**308**	**-11**	**274**	**-96**
Change in debt	121	507	73	365	1
Change in equity	1	2	0	0	0
Dividends	0	-60	-10	-10	-10
Other	201	-140	-75	-81	-87
Change in cash	-13	19	-58	109	-67
Cash at beginning of year	513	499	519	461	569
Cash at end of year	499	519	461	569	502
Gross cash flow	**61**	**105**	**162**	**233**	**275**
Free cash flow	**-354**	**-203**	**-47**	**-151**	**49**

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	-59.9	-8.5	8.4	17.4	17.9
Operating profit	nm	nm	-40.0	65.0	28.9
Net profit	nm	nm	-75.4	200.1	31.8
Adjusted EPS**	nm	nm	-71.4	380.2	31.8
Per-share data (KRW)					
EPS (parent-based)	-987	403	115	552	728
EPS (consolidated)	-598	936	230	690	910
Adjusted EPS**	-987	403	115	552	728
BVPS	17,517	17,677	17,687	18,139	18,767
DPS (common)	0	100	100	100	100
Valuations (x)					
P/E***	n/a	364.2	1,752.5	365.0	276.9
P/B***	6.3	8.3	11.4	11.1	10.7
EV/EBITDA	164.7	77.2	136.1	95.8	81.6
Ratios (%)					
ROE	-6.3	2.3	0.7	3.1	3.9
ROA	-1.3	2.0	0.5	1.3	1.6
ROIC	-0.7	4.6	2.1	3.2	3.5
Payout ratio	0.0	24.8	87.0	18.1	13.7
Dividend yield (common)	0.0	0.1	0.0	0.0	0.0
Net debt to equity	72.1	95.2	101.0	110.3	109.2
Interest coverage (x)	-0.4	2.2	1.1	1.7	2.1

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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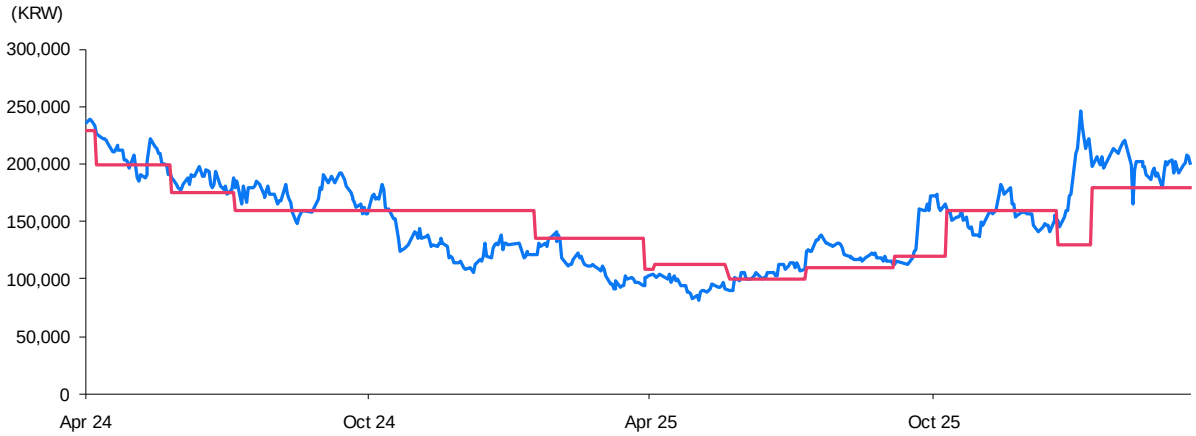
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2024/2/7	5/3	6/20	7/31	2025/2/11	4/22	4/29	6/16	8/5	10/1	11/4	2026/1/15
Recommendation	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD
Target price (KRW)	230000	200000	175000	160000	135000	109000	113000	100000	110000	120000	160000	130000
Gap* (average)	9.11	2.69	5.86	-5.72	-16.65	-5.96	-17.12	4.70	12.17	26.06	-3.01	51.99
(max or min)**	-6.52	-7.10	-0.57	-34.06	4.30	-4.13	-7.52	14.70	2.73	45.08	-14.13	12.15

Date	2/6
Recommendation	HOLD
Target price (KRW)	180000
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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Percentage of ratings in 12 months prior to 2026.03.31

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