COMPANY UPDATE

2026. 5. 4

Scan to go to
Research Center report database

LG Chem (051910)

1Q review; advanced materials still expected to recover in 2H

- LG Chem reported a 1Q operating loss of KRW49.7b (with its operating income improving KRW363.6b q-q), which beat consensus (operating loss of KRW168.1b) on a positive lag effect from surging naphtha prices since March.
- Reflecting a rising value of its equity in subsidiaries and our revised forward EBITDA estimate, we increase our SOTP-based target price to KRW500,000. Anticipating a steep recovery in cathode sales in 2H, we upgrade the company to BUY rating.

EV/Mobility Team

Hyunryul Cho
Senior Analyst
hyunryul.cho@samsung.com

Wonyoung Kim
Research Associate
wonyoung10.kim@samsung.com

AT A GLANCE

BUY

Target price	KRW480,000	20.9%
Current price	KRW397,000	
Market cap	KRW28.0t/USD18.9b	
Shares (float)	70,592,343 (65.0%)	
52-week high/low	KRW419,500/KRW182,400	
Avg daily trading value (60-day)	KRW130.5b/ USD88.0m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
LG Chem (%)	23.3	-2.0	83.8
Vs Kospi (%pts)	-1.4	-39.3	-28.8

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	HOLD	
Target price	480,000	390,000	23.1%
2026E EPS	-1,725	-1,725	0.0%
2027E EPS	33,826	33,826	0.0%

SAMSUNG vs THE STREET

No of estimates	8
Target price	429,125
Recommendation	3.6

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

WHAT'S THE STORY?

View—earnings at the advanced materials division to perk up in 2H: Reflecting a rising value of its equity in subsidiaries and a 16% increase in our forward EBITDA forecast, we raise our SOTP-based target price by 28% from 390,000 to KRW500,000. While the positive inventory impact in the chemicals division is temporary, the cathode materials business, which has been hampered by weak demand and extremely low utilization, is poised for a meaningful rebound thanks to: 1) the resumption of shipments to top-tier EV customers from 2H26; and 2) execution of the contract it signed with a US client in Nov 2025. We expect the cathode material unit to become profitable in 4Q26, with the plant's utilization rising to 15% in 2Q, 40% in 3Q, and 60% in 4Q. Based on this recovery trajectory, we upgrade the stock from HOLD to BUY rating.

1Q review: LG Chem reported a 1Q operating loss of KRW49.7b (narrowing KRW363.6b q-q), beating FnGuide-based consensus (operating loss of KRW168.1b) and our estimate (operating loss of KRW120.8b). Operating results at: 1) the chemicals division exceeded our estimate; and 2) the advanced materials division fell short.

(Continued on the next page)

SUMMARY 1Q RESULTS

(KRWb)	1Q26	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	12,246.8	0.6	9.4	0.0	8.3
Operating profit	-49.7	nm	nm	nm	nm
Pre-tax profit	-566.5	nm	nm	nm	nm
Net profit	-781.9	nm	nm	nm	nm
Margins (%)					
Operating profit	-0.4				
Pre-tax profit	-4.6				
Net profit	-6.4				

Source: Company data, FnGuide, Samsung Securities estimates

VALUATION SUMMARY

	2025	2026E	2027E
Valuations (x)			
P/E	n/a	n/a	11.7
P/B	0.8	1.0	0.9
EV/EBITDA	13.0	12.8	9.9
Div yield (%)	0.6	0.5	2.3
EPS growth (% y-y)	nm	nm	nm
ROE (%)	-5.5	-0.4	7.8
Per-share data (KRW)			
EPS	-23,242	-1,725	33,826
BVPS	419,617	415,887	447,711
DPS	2,000	2,000	9,000

- **Chemicals:** The chemicals division logged an operating profit of KRW165b (with operating profit improving KRW404b q-q) thanks to: 1) a positive lag effect from surging naphtha prices since March; and 2) one-off gain from the Europe's anti-dumping duty refund.
- **Advanced materials:** Operating loss at the advanced materials division was KRW43b (narrowing KRW7b q-q) for a margin of -5.1% (vs -6.9% in 4Q25), significantly missing our forecast of -KRW6.7b. The cathode materials unit saw sales of KRW150b (up 61% q-q) and an operating loss of KRW109b (narrowing KRW1b q-q for a margin of -75%). Sales volume rose 60% q-q due to increased shipments to non-captive customers, but the operating loss did not decrease much due to low utilization (11%). Other advanced materials (besides cathode materials) contributed sales of KRW700b (up 10% q-q) and an operating profit of KRW65.7b (up 10% q-q) for a margin of 9.4% (vs 9.4% in 4Q25).
- **Batteries:** The battery subsidiary (LGES) announced its 1Q preliminary results on Apr 7, declaring an operating loss of KRW207.8b—its operating income deteriorated KRW85.8b q-q, missing FnGuide consensus (an operating loss of KRW121b) and in line with our estimate (operating loss of KRW225.9b). The firm recorded a one-off gain from the automotive segment, but this was negated by the costs incurred during the wind-down of joint venture as well as growing fixed costs related to its ESS business.
- **Farm Hannong:** Its subsidiary Farm Hannong recorded an operating profit of KRW34.8b (up KRW20.8b q-q for a margin of 13.1%) thanks to: 1) increased domestic sales of crop protection products (agrochemicals); and 2) growing demand of fertilizers amid Middle East tensions.
- **Life Sciences:** Operating profit at the life sciences division amounted to KRW33.7b (up 111% q-q for an operating margin of 10.8%) as profit improved on reduced spending on R&D and marketing.

2Q preview: We expect LG Chem to report a 2Q operating profit of KRW471.9b (with operating income increasing KRW521.6b q-q), far topping FnGuide-based consensus (operating profit of KRW64.2b). The probable surprise should owe much to: 1) solid earnings at the chemicals division; and 2) a recovery in the battery subsidiary, whose operating profit should come in at KRW297.6b (expanding KRW505.4b q-q), surpassing consensus (operating profit of KRW98.5b) by 202%. The chemicals division should also log an operating profit of KRW185.4b, despite reduced sales volume, on the positive lag effect from strong naphtha prices. The advanced materials division should remain in the red with an operating loss of KRW6.4b (narrowing KRW36.9b q-q). The cathode materials unit should generate sales of KRW220b (up 49% q-q) and an operating loss of KRW76.2b (narrowing KRW32.8b q-q for a margin of -35%). While ASP is rising 10% q-q on higher raw material costs, shipment volume should expand 40% q-q to 5,613 tonnes. Yet, utilization rates should stay low at 15%, leading to high fixed costs and continued losses.

LG Chem: Sum-of-the-parts valuation

(KRWb)	Forward EBITDA	Multiple (x)	Enterprise value	Note
Operating value (A)				
Chemicals	920	6.9	6,348	Peers (global NCCs/ECCs); **Revised up from 6.3x**
Advanced Materials	871	10.0	8,681	Peers (display materials manufacturers and cathode materials manufacturers*);
Batteries			23,550	Apply a discount to the ownership stake; **Revised up from KRW20.5t**
Farm Hannong	102	9.0	914	30% premium to chemicals division; **Revised up from 8.2x**
Life Sciences	304	9.0	2,732	30% premium to chemicals division; **Revised up from 8.2x**
Total	**2,197**	**8.5**	**42,225**	12-month forward EBITDA; **Revised up by 16% from KRW1.89t**
Asset value (B)			**2,343**	**30% discount**
Net debt (C)			**7,867**	**Based on end-2026 excludes LG Energy Solution's net debt**
Market capitalization of preferred shares (D)			**1,435**	**As of Apr 29 close**
Fair market capitalization (E = A + B - C - D)			**35,265**	
Outstanding shares ('000)			70,592	
Fair price (KRW)			499,559	
Target price (KRW)			**500,000**	**Revised up by 28% from KRW390,000**
Current price (KRW)			397,000	As of Apr 29 close
Upside (%)			25.9	
2026 implied P/E (x)			nm	
2027 implied P/E (x)			14.8	
2026 implied P/B (x)			1.20	
2027 implied P/B (x)			1.12	

Note: * Weighted average of display materials company (95%) and battery cathode materials company (5%).
** Reflects the discount to net asset value (NAV) applied to the ownership stake, based on the average share price over the most recent one month.
For the 60% stake required to maintain control over the medium to long term, a discount rate of 85% is applied. For the remaining stake, a discount rate of 35% is applied, taking into account the potential for monetization (liquidity).
Accordingly, the final discount rate to net asset value applied to the relevant stake is 73%.

Source: Bloomberg, Samsung Securities estimates

LG Chem: Quarterly results

(KRWb)	1Q26	4Q25	1Q25	Consensus	Samsung	Diff (%)			
						(% q-q)	(% y-y)	Consensus	Samsung
Sales	12,247	11,197	12,121	11,305	11,783	9.4	1.0	8.3	3.9
Operating profit	-50	-413	438	-168	-121	Remained neg	Turned neg	Remained neg	Remained neg
Pre-tax profit	-567	-2,489	437	-418	-397	Remained neg	Turned neg	Remained neg	Remained neg
Net profit	-782	-1,573	260	-385	-401	Remained neg	Turned neg	Remained neg	Remained neg
Attributable to parent	-650	-1,397	-108	-414	-321	Remained neg	Remained neg	Remained neg	Remained neg
Margins (%)									
Operating profit	-0.4	-3.7	3.6	-1.5	-1.0				
Pre-tax profit	-4.6	-22.2	3.6	-3.7	-3.4				
Net profit	-6.4	-14.0	2.1	-3.4	-3.4				
Attributable to parent	-5.3	-12.5	-0.9	-3.7	-2.7				

Note: Net profit attributable to controlling shareholders is our estimate based on the announced operating profit
Source: Company data, FnGuide, Samsung Securities estimates

LG Chem: Quarterly results, by division

(KRWb)	1Q26	4Q25	1Q25	Chg (% q-q)	Chg (% y-y)
Sales	**12,247**	**11,197**	**12,121**	**9.4**	**1.0**
Chemicals	4,472	3,947	4,782	13.3	-6.5
Advanced Materials	843	725	1,440	16.3	-41.5
Batteries	6,555	6,474	6,723	1.2	-2.5
Farm Hannong	266	185	246	43.8	8.1
Life Sciences	313	356	286	-12.1	9.6
Operating profit	**-50**	**-413**	**438**	**Remained neg**	**Turned neg**
Chemicals	165	-239	-57	Turned pos	Turned pos
Advanced Materials	-43	-50	118	Remained neg	Turned neg
Batteries	-208	-122	375	Remained neg	Turned neg
Farm Hannong	35	14	31	150.0	13.3
Life Sciences	34	16	-13	112.5	Turned pos
Cons. Adjustment	-33	-32	-16	Remained neg	Remained neg
Pre-tax profit	-567	-2,489	437	Remained neg	Turned neg
Net profit	**-782**	**-1,573**	**260**	**Remained neg**	**Turned neg**
Margins (%)					
Operating profit	-0.4	-3.7	3.6		
Chemicals	3.7	-6.1	-1.2		
Advanced Materials	-5.1	-6.9	8.2		
Batteries	-3.2	-1.9	5.6		
Farm Hannong	13.2	7.6	12.6		
Life Sciences	10.9	4.5	-4.7		
Pre-tax profit	-4.6	-22.2	3.6		
Net profit	-6.4	-14.0	2.1		

Source: Company data, Samsung Securities

LG Chem: Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	2024	2025	2026E	2027E
KRW/USD (average)	1,453	1,401	1,387	1,452	1,467	1,420	1,380	1,335	1,365	1,423	1,401	1,335
Sales	**12,121**	**11,418**	**11,196**	**11,197**	**12,247**	**13,725**	**13,151**	**13,728**	**48,700**	**45,932**	**52,851**	**60,968**
Growth (% q-q)	-1.3	-5.8	-1.9	0.0	9.4	12.1	-4.2	4.4				
Growth (% y-y)	4.9	-6.7	-11.3	-8.8	1.0	20.2	17.5	22.6	-11.9	-5.7	15.1	15.4
Chemicals	4,782	4,696	4,461	3,947	4,472	5,097	4,240	4,097	19,160	17,886	17,906	16,043
Advanced Materials	1,440	1,061	838	725	843	942	1,259	1,629	6,412	4,064	4,673	6,532
Batteries	6,723	6,056	6,065	6,474	6,555	7,548	8,041	8,577	25,620	25,319	30,720	40,562
Farm Hannong	246	242	102	185	266	257	115	184	762	775	822	887
Life Sciences	286	337	375	356	313	421	387	405	1,334	1,353	1,526	1,721
Operating profit	**438**	**477**	**680**	**-413**	**-50**	**472**	**489**	**767**	**875**	**1,181**	**1,678**	**5,510**
Growth (% q-q)	Turned pos	8.9	42.6	Turned neg	Remained neg	To turn pos	3.6	56.9				
Growth (% y-y)	72.3	21.5	38.9	Remained neg	Turned neg	-1.0	-28.1	To turn pos	-65.4	35.0	42.1	228.4
Chemicals	-57	-90	29	-239.0	165	185	-69	-30	-105	-357	251	-63
Growth (% q-q)	Remained neg	Remained neg	Turned pos	Turned neg	Turned pos	12.5	To turn neg	To remain neg				
Growth (% y-y)	Remained neg	Turned neg	Turned pos	Remained neg	Turned pos	To turn pos	To turn neg	To remain neg	Remained neg	Remained neg	To turn pos	To turn neg
Advanced Materials	118	71	7	-50	-43	-6	34	89	510	146	73	384
Growth (% q-q)	146.0	-39.9	-89.7	Turned neg	Remained neg	To remain neg	To turn pos	162.3				
Growth (% y-y)	-17.0	-58.3	-95.1	Turned neg	Turned neg	To turn neg	364.0	To turn pos	-12.7	-71.3	-50.1	426.3
Batteries	375	492	601	-122	-208	298	559	705	575	1,346	1,354	5,133
Growth (% q-q)	Turned pos	31.4	22.2	Turned neg	Remained neg	To turn pos	87.9	26.2				
Growth (% y-y)	138.1	152.0	34.1	Remained neg	Turned neg	-39.5	-7.0	To turn pos	-73.4	134.0	0.6	279.0
Farm Hannong	31	13	-20	14	35	14	-21	14	44	37	41	43
Growth (% q-q)	243.3	-59.5	Turned neg	Turned pos	148.6	-61.0	To turn neg	To turn pos				
Growth (% y-y)	-11.5	-37.5	Remained neg	55.6	12.6	8.5	To remain neg	-0.7	-2.4	-14.8	9.1	6.4
Life Sciences	-13	25	101	16	34	12	17	17	110	128	79	133
Growth (% q-q)	Remained neg	Turned pos	308.9	-84.1	110.6	-65.3	41.4	4.8				
Growth (% y-y)	Turned neg	-77.4	Turned pos	Turned pos	Turned pos	-52.4	-83.5	8.5	287.2	15.9	-37.9	67.6
Consol. Adj.	-16	-33	-39	-32	-32	-30	-30	-28	-260	-120	-120	-120
Growth (% q-q)	Turned neg	Remained neg	Remained neg	Remained neg	Remained neg	To remain neg	To remain neg	To remain neg				
Growth (% y-y)	Remained neg	Remained neg	Remained neg	Turned neg	Remained neg	To remain neg	To remain neg	To remain neg	Remained neg	Remained neg	To remain neg	To remain neg
Pre-tax profit	437	-185	457	-2,489	-567	250	265	602	-310	-1,780	550	4,523
Growth (% q-q)	Turned pos	Turned neg	Turned pos	Turned neg	Remained neg	To turn pos	6.1	127.3				
Growth (% y-y)	40.3	Turned neg	23.3	Remained neg	Turned neg	To turn pos	-42.0	To turn pos	Turned neg	Remained neg	To turn pos	721.9
Net profit	**260**	**-112**	**447**	**-1,573**	**-782**	**345**	**219**	**498**	**515**	**-977**	**280**	**3,876**
Growth (% q-q)	-49.4	Turned neg	Turned pos	Turned neg	Remained neg	To turn pos	-36.4	127.3				
Growth (% y-y)	-23.8	Turned neg	-55.8	Remained neg	Turned neg	To turn pos	-51.0	To turn pos	-74.9	Turned neg	To turn pos	1,285.7
Attributable to parent	-108	-434	119	-1,397	-650	251	33	230	-691	-1,819	-135	2,648
Margins (%)												
Operating profit	3.6	4.2	6.1	-3.7	-0.4	3.4	3.7	5.6	1.8	2.6	3.2	9.0
Chemicals	-1.2	-1.9	0.7	-6.1	3.7	3.6	-1.6	-0.7	-0.5	-2.0	1.4	-0.4
Advanced Materials	8.2	6.7	0.9	-6.9	-5.1	-0.7	2.7	5.5	8.0	3.6	1.6	5.9
Batteries	5.6	8.1	9.9	-1.9	-3.2	3.9	7.0	8.2	2.2	5.3	4.4	12.7
Farm Hannong	12.6	5.2	-19.7	7.6	13.1	5.3	-18.7	7.6	5.8	4.8	5.0	4.9
Life Sciences	-4.7	7.3	26.9	4.5	10.8	2.8	4.3	4.3	8.3	9.4	5.2	7.7
Pre-tax profit	3.6	-1.6	4.1	-22.2	-4.6	1.8	2.0	4.4	-0.6	-3.9	1.0	7.4
Net profit	2.1	-1.0	4.0	-14.0	-6.4	2.5	1.7	3.6	1.1	-2.1	0.5	6.4

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**48,700**	**45,932**	**52,851**	**60,968**	**68,413**
Cost of goods sold	41,247	38,123	44,053	49,517	55,019
Gross profit	**7,452**	**7,809**	**8,799**	**11,451**	**13,394**
Gross margin (%)	15.3	17.0	16.6	18.8	19.6
SG&A expenses	8,057	8,275	8,568	9,857	11,076
Operating profit	**875**	**1,181**	**1,678**	**5,510**	**8,211**
Operating margin (%)	1.8	2.6	3.2	9.0	12.0
Non-operating gains (losses)	**-307**	**-2,142**	**-1,128**	**-987**	**-903**
Financial profit	2,112	1,945	-831	-828	-742
Financial costs	2,703	2,158	0	0	0
Equity-method gains (losses)	-25	-118	-14	-16	-18
Other	309	-1,810	-283	-143	-143
Pre-tax profit	**568**	**-961**	**550**	**4,523**	**7,309**
Taxes	53	16	271	647	1,046
Effective tax rate (%)	9.3	-1.7	49.2	14.3	14.3
Profit from continuing operations	-362	-1,796	280	3,876	6,263
Profit from discontinued operations	877	819	0	0	0
Net profit	**515**	**-977**	**280**	**3,876**	**6,263**
Net margin (%)	1.1	-2.1	0.5	6.4	9.2
Net profit (controlling interests)	-691	-1,819	-135	2,648	4,594
Net profit (non-controlling interests)	1,206	842	415	1,228	1,669
EBITDA	4,077	4,792	5,593	7,146	7,914
EBITDA margin (%)	8.4	10.4	10.6	11.7	11.6
EPS (parent-based) (KRW)	-8,825	-23,242	-1,725	33,826	58,680
EPS (consolidated) (KRW)	6,579	-12,481	3,573	49,512	80,001
Adjusted EPS (KRW)*	-8,825	-23,242	-1,725	33,826	58,680

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**27,816**	**32,527**	**35,164**	**43,348**	**54,720**
Cash & equivalents	7,855	9,900	8,300	12,358	19,945
Accounts receivable	8,166	6,725	8,567	9,883	11,089
Inventories	8,847	8,177	9,409	10,854	12,180
Other current assets	2,947	7,725	8,889	10,254	11,506
Fixed assets	**66,042**	**68,535**	**71,085**	**71,785**	**71,283**
Investment assets	3,626	3,347	3,560	3,809	4,038
Tangible assets	54,570	56,458	59,266	60,109	59,706
Intangible assets	3,619	3,502	3,032	2,639	2,312
Other long-term assets	4,226	5,228	5,228	5,228	5,228
Total assets	**93,858**	**101,062**	**106,249**	**115,133**	**126,003**
Current liabilities	**21,086**	**26,137**	**30,699**	**35,275**	**40,046**
Accounts payable	3,682	3,537	4,069	4,694	5,267
Short-term debt	1,812	3,273	3,973	3,973	3,973
Other current liabilities	15,592	19,327	22,656	26,607	30,805
Long-term liabilities	**24,777**	**27,819**	**28,322**	**28,911**	**29,452**
Bonds & long-term debt	18,981	21,183	21,183	21,183	21,183
Other long-term liabilities	5,795	6,636	7,139	7,729	8,269
Total liabilities	**45,862**	**53,956**	**59,021**	**64,186**	**69,498**
Owners of parent equity	**33,284**	**32,846**	**32,554**	**35,045**	**38,933**
Capital stock	391	391	391	391	391
Capital surplus	11,569	12,654	12,654	12,654	12,654
Retained earnings	18,592	16,999	16,707	19,198	23,087
Other	2,732	2,801	2,801	2,801	2,801
Non-controlling interests' equity	**14,711**	**14,260**	**14,675**	**15,903**	**17,572**
Total equity	**47,995**	**47,106**	**47,228**	**50,947**	**56,505**
Net debt	19,483	23,345	27,252	25,125	19,882

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**7,012**	**8,234**	**2,988**	**7,512**	**10,067**
Net profit	515	-977	280	3,876	6,263
Non-cash profit and expenses	6,709	9,379	4,446	5,162	5,655
Depreciation	4,200	4,694	4,893	5,160	5,267
Amortization	482	563	470	392	327
Other	2,026	4,121	-917	-390	60
Changes in A/L from operating activities	1,012	1,522	-1,480	-891	-817
Cash flow from investments	**-13,663**	**-12,471**	**-6,860**	**-5,370**	**-4,247**
Change in tangible assets	-14,493	-13,503	-7,700	-6,003	-4,864
Change in financial assets	-770	-855	-348	-408	-374
Other	1,600	1,887	1,188	1,040	991
Cash flow from financing	**4,821**	**6,243**	**2,338**	**1,994**	**1,843**
Change in debt	5,219	6,722	2,495	2,151	2,548
Change in equity	-3	1,085	0	0	0
Dividends	-367	-227	-157	-157	-705
Other	-27	-1,337	0	-0	0
Change in cash	-1,230	2,045	-1,600	4,058	7,588
Cash at beginning of year	9,085	7,855	9,900	8,300	12,358
Cash at end of year	7,855	9,900	8,300	12,358	19,945
Gross cash flow	**7,224**	**8,402**	**4,726**	**9,037**	**11,917**
Free cash flow	**-7,603**	**-5,427**	**-4,712**	**1,509**	**5,203**

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	-11.9	-5.7	15.1	15.4	12.2
Operating profit	-65.4	35.0	42.1	228.4	49.0
Net profit	-74.9	nm	nm	1,285.7	61.6
Adjusted EPS**	nm	nm	nm	nm	73.5
Per-share data (KRW)					
EPS (parent-based)	-8,825	-23,242	-1,725	33,826	58,680
EPS (consolidated)	6,579	-12,481	3,573	49,512	80,001
Adjusted EPS**	-8,825	-23,242	-1,725	33,826	58,680
BVPS	425,221	419,617	415,887	447,711	497,390
DPS (common)	1,000	2,000	2,000	9,000	13,000
Valuations (x)					
P/E***	n/a	n/a	n/a	11.7	6.8
P/B***	0.6	0.8	1.0	0.9	0.8
EV/EBITDA	13.0	13.0	12.8	9.9	8.5
Ratios (%)					
ROE	-2.1	-5.5	-0.4	7.8	12.4
ROA	0.6	-1.0	0.3	3.5	5.2
ROIC	1.7	1.7	1.2	6.2	9.0
Payout ratio	-10.2	-7.8	-104.5	24.0	20.0
Dividend yield (common)	0.4	0.6	0.5	2.3	3.3
Net debt to equity	40.6	49.6	57.7	49.3	35.2
Interest coverage (x)	0.9	1.0	n/a	n/a	n/a

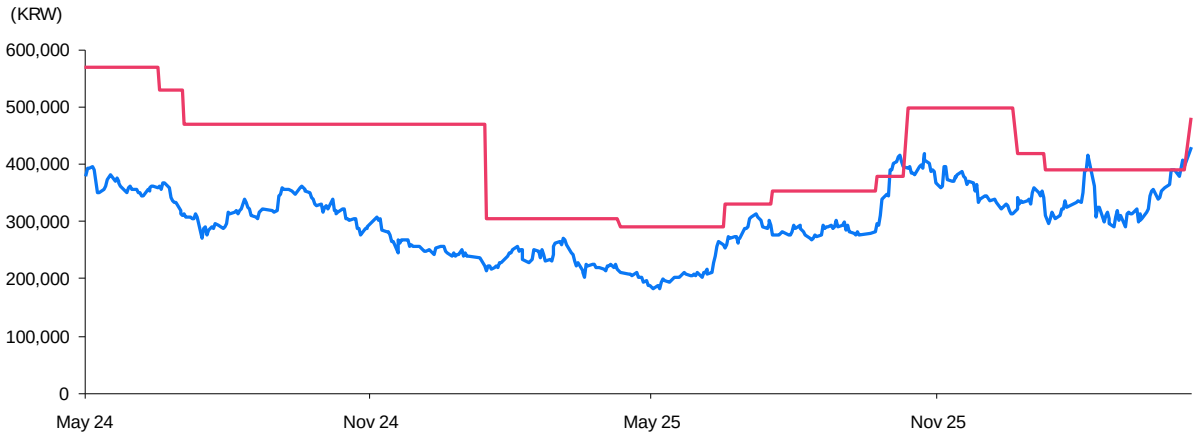
Note: *Excluding one-off items;
**Fully diluted, excluding one-off items;
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

Compliance notice

- As of 4/30 2026, the covering analyst(s) did not own any shares, or debt instruments convertible into shares, of any company covered in this report.
- As of 4/30 2026, Samsung Securities' holdings of shares and debt instruments convertible into shares of each company covered in this report would not, if such debt instruments were converted, exceed 1% of each company's outstanding shares.
- This report has been prepared without any undue external influence or interference, and accurately reflects the views of the analyst(s) covering the company or companies herein.
- All material presented in this report, unless specifically indicated otherwise, is under copyright to Samsung Securities.
- Neither the material nor its content (including copies) may be altered in any form, or by any means transmitted, copied, or distributed to another party, without prior express written permission from Samsung Securities.
- This memorandum is based upon information available to the public. While we have taken all reasonable care to ensure its reliability, we do not guarantee its accuracy or completeness. This memorandum is not intended to be an offer, or a solicitation of any offer, to buy or sell the securities mentioned herein. Samsung Securities shall not be liable whatsoever for any loss, direct or consequential, arising from the use of this memorandum or its contents. Statements made regarding affiliates of Samsung Securities are also based upon publicly available information and do not necessarily represent the views of management at such affiliates.
- This material has not been distributed to institutional investors or other third parties prior to its publication.

Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2024/4/9	7/9	7/25	2025/2/4	5/2	7/8	8/8	10/14	11/3	2026/1/12	1/30	5/4
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	HOLD	BUY
Target price (KRW)	570000	530000	470000	305000	290000	330000	355000	380000	500000	420000	390000	480000
Gap* (average)	-34.08	-35.93	-37.05	-23.11	-28.41	-12.72	-20.02	-1.68	-26.61	-18.52	-13.98	
(max or min)**	-28.95	-30.66	-23.19	-10.82	-8.79	-5.15	-15.21	9.74	-16.10	-14.76	7.05	

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

Samsung Securities uses the following investment ratings*

Company

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

Industry

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

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

Percentage of ratings in 12 months prior to 2026.03.31

BUY(85.2%)·HOLD(14.8%)·SELL(0%)

Global Disclosures & Disclaimers

General

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

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

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

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

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

For reports to be distributed to US:

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

For reports to be distributed to UK:

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

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

For reports to be distributed to Korea:

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

For reports to be distributed to Singapore:

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

Analyst certification

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

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

Samsung Securities

SAMSUNG SECURITIES

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

Family Center: 1588 2323

Voice Of Customer: 080 911 0900

For more information,
please call our sales representatives:

LONDON

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

NEW YORK

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

HONG KONG

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

BEIJING

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

TOKYO

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

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