COMPANY UPDATE

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Samwha Capacitor (001820)

1Q review; MLCC sales poised for solid growth

- Samwha Capacitor's 1Q26 results appeared largely similar to last year's, but MLCC sales grew 24% y-y, accounting for 53% of total sales. This growth offset the decline in sales of film capacitors and home appliance-use capacitors.
- MLCC sales growth should accelerate on prices hikes in 2Q and new capacity coming online in 2H. DC-Link capacitor sales are likely to rise as Hyundai Motor/Kia sell more hybrids and EVs.
- The ongoing AI data center investment boom has significantly surpassed the scale of the earlier cloud data center investment boom. Tier-1 MLCC firms have announced ASP hikes starting in 2Q26 and Samwha Capacitor's MLCC stands to benefit from this broader pricing momentum.

AT A GLANCE

Not rated

Target price	n/a
Current price	**KRW78,600**
Market cap	KRW817b / USD542.21m
Shares (float)	10,395,000 (71.8%)
52-week high/low	KRW78,600/KRW23,750
Avg daily trading value (60-day)	"KRW25.6b/ USD17.0m"

ONE-YEAR PERFORMANCE

	1M	6M	12M
Samwha Capacitor (%)	24.6	164.6	224.8
Vs Kospi (%pts)	7.5	47.0	17.2

SAMSUNG vs THE STREET

No of estimates	1
Average target price (KRW)	51,000
Average rating	4.0

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

WHAT'S THE STORY?

1Q26 review—earnings composition shifts markedly: Samwha Capacitor's 1Q26 results appeared largely similar to last year's, but MLCC sales surged.

- **Consolidated results:** Samwha Capacitor reported quarterly sales of KRW72.8b (up 2.9% q-q and flat y-y) and an operating profit of KRW4.7b (turning around q-q but down 2.4% y-y), for an operating margin of 6.4% (turning around q-q but down 0.2%pts y-y). The q-q turn to profitability was driven by increased sales contribution from MLCCs.
- **MLCC sales hit KRW38.7b (up 24.2% y-y), accounting for 52% of total sales:** Driven by ongoing boom in data center construction investments, Samwha Capacitor achieved strong growth in MLCC sales. Less than 5% of Samhwa Capacitor's revenue comes from supplying MLCCs to data centers. However, the company is actively supplying MLCCs to the power infrastructure and inverters supporting data center operations.

(Continued on the next page)

SUMMARY FINANCIAL DATA

(KRWb)	2022	2023	2024	2025
Revenue	263	281	295	294
Operating profit	31	24	18	13
Net profit (adj)	29	21	22	13
EPS (adj) (KRW)	2,822	2,013	2,120	1,213
EPS (adj) growth (% y-y)	2.5	(28.7)	5.3	(42.8)
EBITDA margin (%)	18.9	16.1	12.3	10.3
ROE (%)	13.8	9.0	8.7	4.6
P/E (adj) (x)	10.6	18.9	13.0	24.1
P/B (x)	1.4	1.6	1.1	1.1
EV/EBITDA (x)	5.1	7.5	5.5	7.2
Dividend yield (%)	1.7	1.3	1.8	1.7

Source: Company data, Samsung Securities estimates

To operate reliably, AI data centers require robust power infrastructure—including high-voltage transformers, uninterruptible power supplies (UPS), power distribution units (PDU), and power supply units (PSU) for server racks. MLCCs play a vital role in these systems by stabilizing power flow and absorbing voltage spikes. Samwha Capacitor supplies MLCCs specifically for these power infrastructure components.

- **Memory of 2018 earnings and stock price peak:** During the cloud data center construction boom in 2018, MLCC sales peaked at KRW163b, accounting for 59% of total sales. With high utilization rates, operating margin hit 29.6% and the stock price peaked at KRW109,500.

MLCCs and DC-Link capacitors to drive earnings growth starting 2Q

- **Tier-1 players to mark up prices:** Murata and Samsung Electro-Mechanics have announced ASP hikes of 5–10% starting in 2Q26, citing supply constraints—for reference, demand currently exceeds available capacity by more than two-fold. Accordingly, Samwha Capacitor's MLCC stands to benefit from this broader pricing momentum.
- **Capacity expansion at Yongin plant could boost output by 40–50%:** Samwha Capacitor's domestic MLCC production lines ran at 85% capacity last year and are now fully up and running. Its peak MLCC sales of KRW163b occurred in 2018, during the earlier cloud data center boom—just 15% larger than its 2025 sales. Its consolidated 2018 sales and operating profit hit KRW274b and KRW81b, respectively, for an operating margin of 29.6%. The stock price hit a record high of KRW109,500 at that time.

  Today's AI-driven capex cycle is five times larger—projected at USD750b-USD1t between 2025 and 2026, compared to USD130b-USD1500b in 2015–2018. To meet demand, Samwha Capacitor invested KRW14.5b in 2025 to expand and modernize its Yongin plant. The ramp-up construction is nearing completion and the newly-added production capacity should begin to generate sales from 2H26.
- **DC-Link capacitors positioned to ride on second wave of EV adoption:** DC-Link capacitors stabilize voltage fluctuations during the inverter's DC-to-AC conversion process, absorbing current ripple and buffering sudden voltage spikes that could damage semiconductor components in the inverter. Hybrids require one DC-Link unit per vehicle; EVs require two. Samwha Capacitor developed DC-Link technology in 2013 and supplies DC-Link capacitors to HMG and European automakers (the latter via global parts makers).

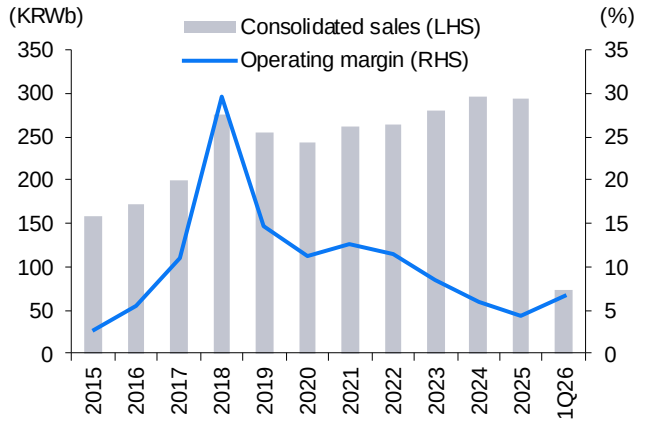
  HMC/Kia are expanding their hybrid lineup and building a full EV lineup in response to growing EV demand in Korea and Europe. In Europe, supported by the reinstatement of EV subsidies, EV sales are growing by over 30% y-y.

Samwha Capacitor: 1Q review

(KRWm)	1Q25	Portion (%)	1Q26	Portion (%)	Chg (% y-y)
MLCC	31,221	43	38,771	53	24.2
FC	9,310	13	7,851	11	-15.7
DC-Link	14,446	20	14,335	20	-0.8
DCC	7,179	10	5,705	8	-20.5
Other	10,270	14	6,191	8	-39.7
Revenue	72,426	100	72,853	100	0.6
Operating profit	4,814		4,696		-2.5
Operating margin (%)	6.6		6.4		-0.2%pts y-y

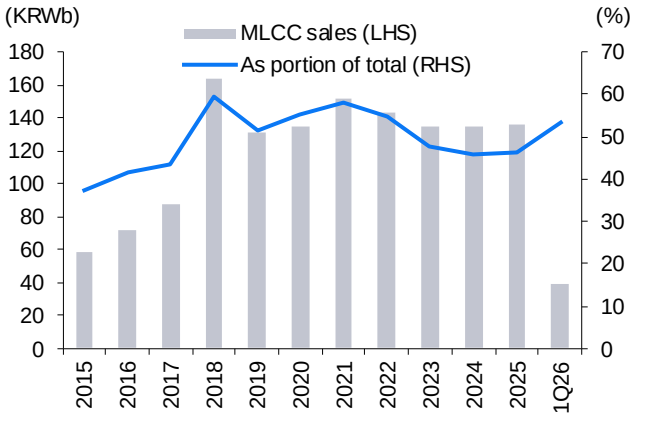
Source: Company data, Samsung Securities

Samwha Capacitor: Revenue and operating margin



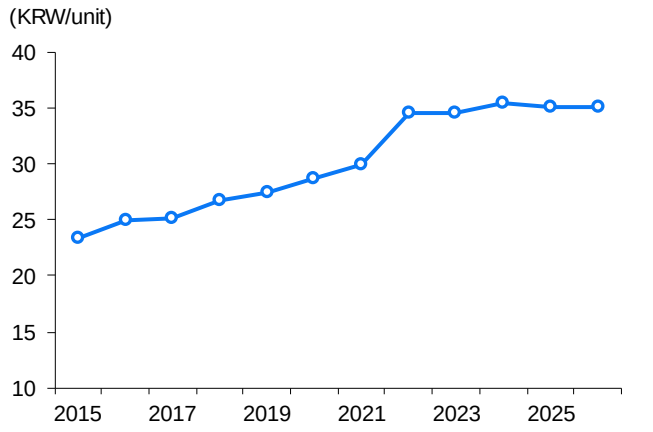
Source: Company data, Samsung Securities

Samwha Capacitor: MLCC sales



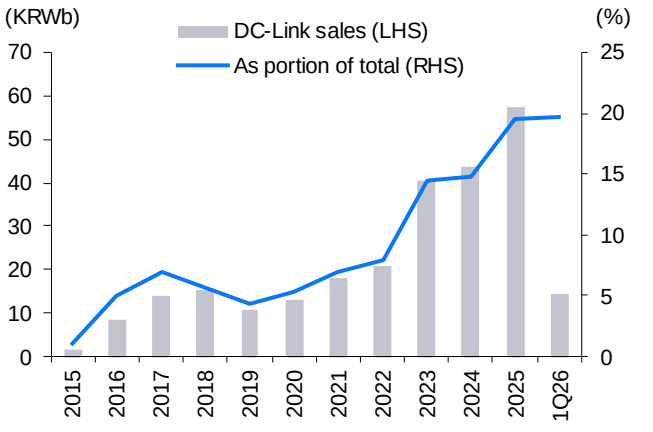
Source: Company data, Samsung Securities

Samwha Capacitor: Ceramic products' ASP



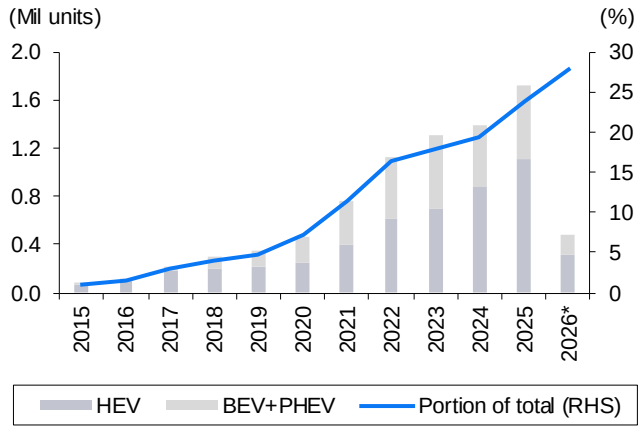
Source: Company data, Samsung Securities

Samwha Capacitor: DC-Link sales



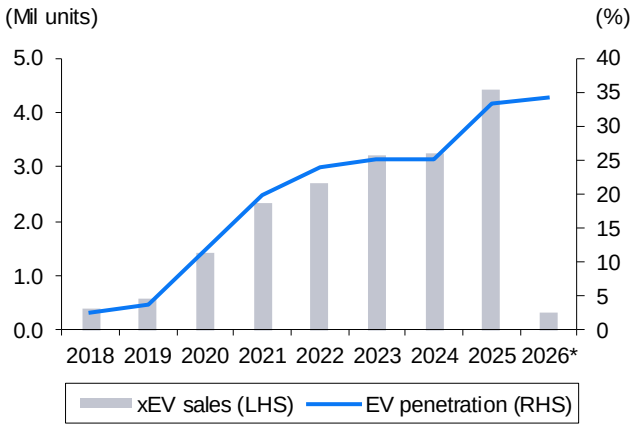
Source: Company data, Samsung Securities

HMC/Kia: HEV and EV (BEV+PHEV) sales volumes



Note: *As of 1Q26
Source: Company data, Samsung Securities

Europe: EV sales volume



Note: *As of 1Q26
Source: ACEA, Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2021	2022	2023	2024	2025
Sales	**262**	**263**	**281**	**295**	**294**
Cost of goods sold	203	206	229	248	250
Gross profit	**59**	**58**	**52**	**47**	**44**
Gross margin (%)	22.4	21.9	18.6	16.0	15.0
SG&A expenses	26	27	28	29	31
Operating profit	**33**	**31**	**24**	**18**	**13**
Operating margin (%)	12.7	11.6	8.4	6.0	4.4
Non-operating gains (losses)	**3**	**3**	**2**	**9**	**2**
Financial profit	4	9	7	12	8
Financial costs	3	7	6	4	7
Equity-method gains (losses)	0	0	0	0	(0)
Other	2	0	1	1	1
Pre-tax profit	**36**	**33**	**26**	**27**	**15**
Taxes	8	4	5	5	2
Effective tax rate (%)	21.5	11.9	19.1	18.2	13.4
Profit from continuing operations	29	29	21	22	13
Profit from discontinued operations	0	0	0	0	0
Net profit	**29**	**29**	**21**	**22**	**13**
Net margin (%)	10.9	11.1	7.5	7.5	4.3
Net profit (controlling interests)	28	29	21	22	13
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	50	50	45	36	30
EBITDA margin (%)	19.2	18.9	16.1	12.3	10.3
EPS (parent-based) (KRW)	2,753	2,822	2,013	2,120	1,213
EPS (consolidated) (KRW)	2,753	2,822	2,013	2,120	1,213
Adjusted EPS (KRW)*	2,753	2,822	2,013	2,120	1,213

Balance sheet

Year-end Dec 31 (KRWb)	2021	2022	2023	2024	2025
Current assets	**148**	**162**	**177**	**206**	**214**
Cash & equivalents	44	57	37	32	42
Accounts receivable	51	54	61	70	67
Inventories	40	34	37	36	43
Other current assets	12	17	42	69	62
Fixed assets	**121**	**125**	**131**	**122**	**126**
Investment assets	19	15	22	21	25
Tangible assets	94	98	100	94	96
Intangible assets	1	1	1	1	1
Other long-term assets	8	12	8	7	4
Total assets	**269**	**287**	**308**	**328**	**340**
Current liabilities	**53**	**54**	**55**	**54**	**53**
Accounts payable	24	26	32	34	34
Short-term debt	11	6	4	0	0
Other current liabilities	17	21	19	20	19
Long-term liabilities	**14**	**8**	**8**	**7**	**7**
Bonds & long-term debt	0	0	0	0	0
Other long-term liabilities	14	8	8	7	7
Total liabilities	**66**	**62**	**63**	**61**	**61**
Owners of parent equity	**202**	**224**	**244**	**265**	**278**
Capital stock	10	10	10	10	10
Capital surplus	5	5	5	5	7
Retained earnings	177	205	219	236	243
Other	10	4	10	14	17
Non-controlling interests' equity	**1**	**1**	**2**	**2**	**2**
Total equity	**203**	**225**	**245**	**267**	**280**
Net debt	(37)	(58)	(62)	(87)	(90)

Cash flow statement

Year-end Dec 31 (KRWb)	2021	2022	2023	2024	2025
Cash flow from operations	**36**	**53**	**34**	**39**	**26**
Net profit	29	29	21	22	13
Non-cash profit and expenses	29	32	28	21	20
Depreciation	17	19	21	18	17
Amortization	0	0	0	0	0
Other	11	13	7	3	3
Changes in A/L from operating activities	(18)	(2)	(8)	(3)	(4)
Cash flow from investments	**(23)**	**(29)**	**(48)**	**(36)**	**(13)**
Change in tangible assets	(19)	(24)	(25)	(11)	(17)
Change in financial assets	(4)	(3)	(23)	(25)	9
Other	(0)	(2)	(0)	0	(5)
Cash flow from financing	**(4)**	**(11)**	**(8)**	**(10)**	**(3)**
Change in debt	(2)	(5)	(2)	(5)	(1)
Change in equity	0	0	0	0	3
Dividends	(3)	(5)	(5)	(5)	(5)
Other	1	(1)	0	0	1
Change in cash	8	13	(20)	(5)	11
Cash at beginning of year	36	44	57	37	32
Cash at end of year	44	57	37	32	42
Gross cash flow	**57**	**61**	**49**	**43**	**33**
Free cash flow	**16**	**29**	**9**	**28**	**9**

Financial ratios

Year-end Dec 31	2021	2022	2023	2024	2025
Growth (%)					
Sales	8.1	0.5	6.6	5.2	(0.3)
Operating profit	22.4	(8.0)	(22.4)	(24.7)	(27.9)
Net profit	22.0	2.5	(28.7)	5.3	(42.8)
Adjusted EPS**	22.0	2.5	(28.7)	5.3	(42.8)
Per-share data (KRW)					
EPS (parent-based)	2,753	2,822	2,013	2,120	1,213
EPS (consolidated)	2,753	2,822	2,013	2,120	1,213
Adjusted EPS**	2,753	2,822	2,013	2,120	1,213
BVPS	19,654	21,828	23,733	25,847	26,701
DPS (common)	500	500	500	500	500
Valuations (x)					
P/E***	21.9	10.6	18.9	13.0	24.1
P/B***	3.1	1.4	1.6	1.1	1.1
EV/EBITDA	11.7	5.1	7.5	5.5	7.2
Ratios (%)					
ROE	15.2	13.8	9.0	8.7	4.6
ROA	11.4	10.5	7.0	6.9	3.8
ROIC	17.4	17.2	11.9	8.9	6.7
Payout ratio	18.0	17.6	24.7	23.5	41.5
Dividend yield (common)	0.8	1.7	1.3	1.8	1.7
Net debt to equity	(18.1)	(25.9)	(25.3)	(32.6)	(32.1)
Interest coverage (x)	69.1	66.2	45.1	67.5	63.0

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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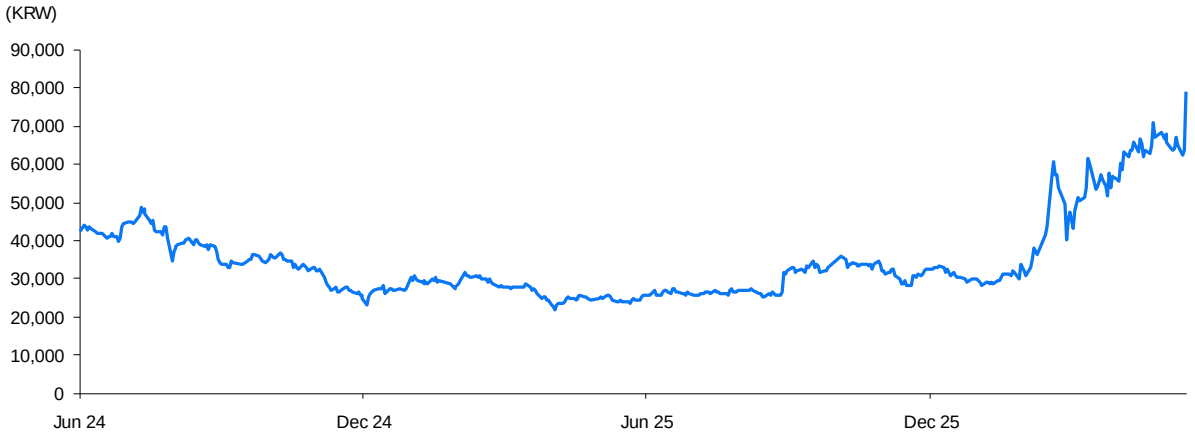
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2026/5/21
Recommendation	Not Rated
Target price (KRW)	n/a
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

OVERWEIGHT	Expected to outperform market by 5% or more within 12 months
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* Note: Effective Jul 27, 2023, BUY, HOLD, and SELL criteria are based on expectations of share-price moves of 15% or more within 12 months

Percentage of ratings in 12 months prior to 2026.03.31

BUY(85.2%)·HOLD(14.8%)·SELL(0%)

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