

COMPANY UPDATE

2026. 6. 16

EV/Mobility Team

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▶ AT A GLANCE

Not rated

Target price n/a

Current price **KRW19,190**

Market Cap KRW255.77b/USD169.26m

Shares (float) 13,328,219 (71.3%)

52-week high/low KRW30,700/KRW7,610

Avg daily trading value (60-day) KRW10.8b/
USD7.2m

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
Sangsin EDP (%)	-16.7	24.8	138.4
Vs Kosdaq (%pts)	-9.0	13.3	77.3

▶ SAMSUNG vs THE STREET

No of estimates	1
Target price	35,000
Recommendation	4.0

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



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Sangsin EDP (091580)

Larger ESS cells, broader customer base

- Sales of cylindrical battery cans at Sangsin Energy Display Precision (Sangsin EDP) should expand in line with growing demand for battery backup units. Meanwhile, prismatic battery cells that are used in energy storage systems (ESS) are trending towards larger formats.
- As North American automakers shift towards prismatic battery cells (the standard format for ESS), Sangsin EDP appears to be well-positioned to diversify its customer base.
- The firm is attractively valued, trading at a 2026 P/E of 12x (consensus basis).

WHAT'S THE STORY?

Robust sales of cylindrical battery cans: Sangsin EDP's cylindrical battery can shipments from its Malaysian plant should increase by more than 20% y-y in 2Q (which would be positive for its top- and bottom-line growth) thanks to solid sales of its client's cylindrical cells (which are used for power tools and battery backup units (BBUs)).

Beneficiary of increase in ESS cell size: Firms are scaling up their ESS cell capacities from 180 Ah to 273 Ah and 300+ Ah. By optimizing its production line speed, Sangsin EDP should be able to maintain comparable output rates per minute despite the larger cell sizes. This trend of using larger cells in ESS should be positive for both the company's ASP and sales volume.

Opportunity to diversify clients: Korean battery cell makers are set to begin mass-production of prismatic ESS products for North American automakers from 2H. This creates urgency for pouch-cell suppliers to secure non-Chinese battery can supply chains and prepare for volume production. With capacity in North America, Sangsin EDP is well positioned to secure new customers.

(Continued on the next page)

SUMMARY FINANCIAL DATA

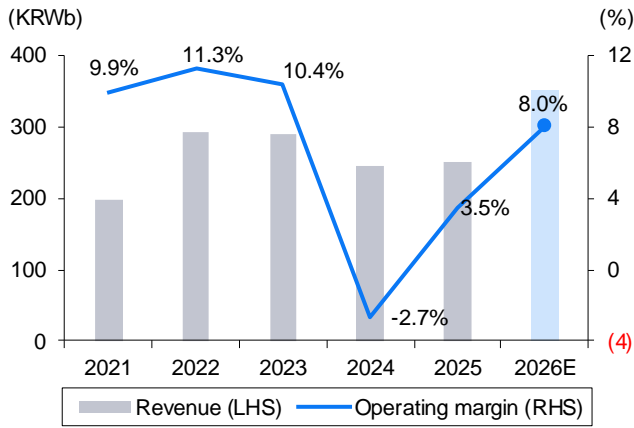
	2025	2026E	2027E	2028E
Revenue (KRWb)	250	0	0	0
Operating profit (KRWb)	9	0	0	0
Net Profit (KRWb)	2	0	0	0
EPS (adj) (KRW)	178	n/a	n/a	0
EPS (adj) growth (%)	214.6	nm	nm	0.0
EBITDA margin (%)	11.8	n/a	n/a	0.0
ROE (%)	1.3	0.0	n/a	0.0
P/E (adj) (x)	n/a	n/a	n/a	0.0
P/B (x)	n/a	n/a	n/a	0.0
EV/EBITDA (x)	3.2	n/a	n/a	0.0
Dividend yield (%)	n/a	n/a	n/a	0.0

Source: Company data, Samsung Securities estimates

GM's strategic focus on prismatic LMR battery cells: On Jun 11 (EST), GM confirmed its commitment to using prismatic lithium-manganese-rich (LMR) battery cells as a core power source, signaling its intent to significantly scale volume. This statement not only reinforces the growth potential of the prismatic battery form factor in the EV market but also signals a substantial near-term increase in demand for prismatic battery cans in North America.

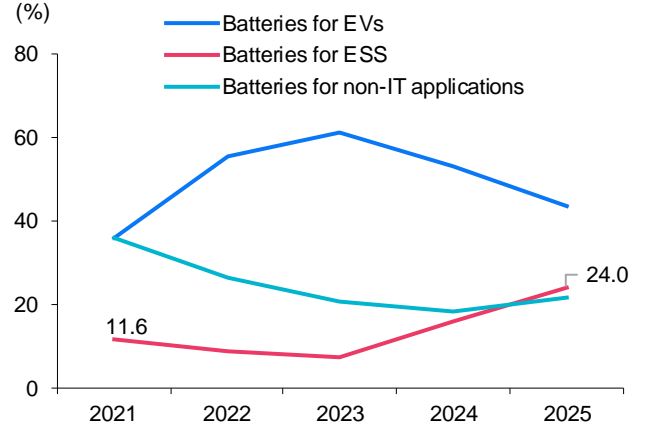
Trading at 2026 P/E of 12x—undervalued given growth prospects: The current stock price (as of Jun 11 close) implies a 2026 P/E of 12x, based on FnGuide consensus (sales of KRW351.7b and operating profit of KRW28.3b). The company's valuation looks attractive—its peers in the rechargeable battery sector (excluding Korean materials/parts firms with P/Es above 200x, which are considered outliers) are trading at an average 2026 P/E of 53x.

Sangsin EDP: Sales and operating margin



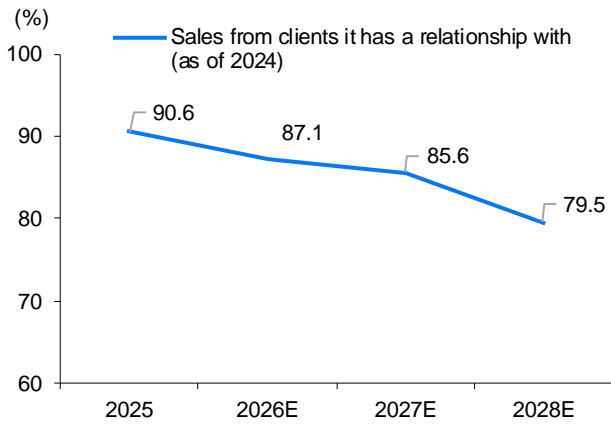
Note: 2026E based on FnGuide consensus
Source: Company data, FnGuide

Sangsin EDP: Change in sales mix



Source: Company data

Sangsin EDP: Customer diversification outlook



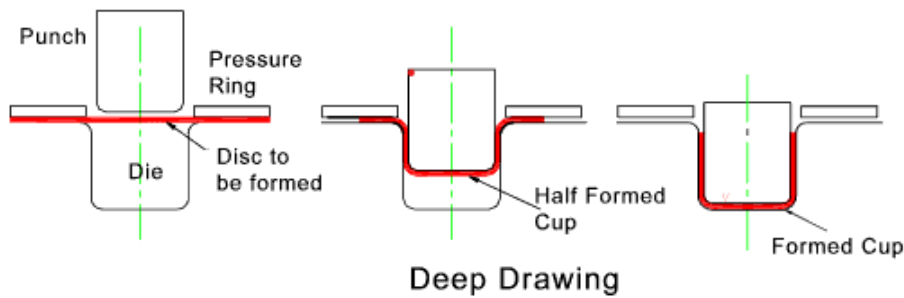
Source: Company data

Key supply chains for cylindrical and prismatic battery can components, by cell manufacturer

Company	Cylindrical can supply chain	Prismatic can supply chain
LG Energy Solution	(KR) LT Precision, Dongwon Systems; (CN) Kedali	None
Samsung SDI	(KR) Sangsin IDP, Dongwon Systems	(KR) Sangsin EDP, Sinheung SEC, (CN) Kedali

Source: Media, Samsung Securities

Deep drawing technology



Source: Roymech

Income statement

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Sales	245	250	0	0	0
Cost of goods sold	220	213	0	0	0
Gross profit	25	37	0	0	0
Gross margin (%)	10.3	14.7	n/a	n/a	0.0
SG&A expenses	32	28	0	0	0
Operating profit	(7)	9	0	0	0
Operating margin (%)	(2.7)	3.5	n/a	n/a	0.0
Non-operating gains (losses)	5	(4)	0	0	0
Financial profit	2	0	0	0	0
Financial costs	5	6	0	0	0
Equity-method gains (losses)	0	0	0	0	0
Other	8	1	0	0	0
Pre-tax profit	(2)	4	0	0	0
Taxes	(4)	(2)	0	0	0
Effective tax rate (%)	193.5	(46.1)	n/a	n/a	0.0
Profit from continuing operations	2	6	0	0	0
Profit from discontinued operations	(1)	(4)	0	0	0
Net profit	1	2	0	0	0
Net margin (%)	0.3	0.8	n/a	n/a	0.0
Net profit (controlling interests)	1	2	0	0	0
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	10	30	0	0	0
EBITDA margin (%)	4.2	11.8	n/a	n/a	0.0
EPS (parent-based) (KRW)	57	178	n/a	n/a	0
EPS (consolidated) (KRW)	57	178	n/a	n/a	0
Adjusted EPS (KRW)*	57	178	n/a	n/a	0

Cash flow statement

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Cash flow from operations	(2)	8	0	0	0
Net profit	1	2	0	0	0
Non-cash profit and expenses	12	28	0	0	0
Depreciation	17	21	0	0	0
Amortization	0	0	0	0	0
Other	(5)	7	0	0	0
Changes in A/L from operating activities	(8)	(15)	0	0	0
Cash flow from investments	(40)	(35)	0	0	0
Change in tangible assets	(43)	(35)	0	0	0
Change in financial assets	(2)	1	3	0	0
Other	5	(1)	(3)	0	0
Cash flow from financing	18	13	0	0	0
Change in debt	27	20	(148)	0	0
Change in equity	n/a	n/a	n/a	n/a	0
Dividends	(2)	(1)	0	0	0
Other	n/a	n/a	n/a	n/a	0
Change in cash	(20)	(12)	0	0	0
Cash at beginning of year	82	62	0	0	0
Cash at end of year	62	50	0	0	0
Gross cash flow	13	30	0	0	0
Free cash flow	(46)	(28)	0	0	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

Balance sheet

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Current assets	123	115	0	0	0
Cash & equivalents	62	50	0	0	0
Accounts receivable	19	27	0	0	0
Inventories	31	26	0	0	0
Other current assets	11	12	0	0	0
Fixed assets	195	220	0	0	0
Investment assets	2	2	0	0	0
Tangible assets	184	204	0	0	0
Intangible assets	1	1	0	0	0
Other long-term assets	8	13	0	0	0
Total assets	318	336	0	0	0
Current liabilities	136	142	0	0	0
Accounts payable	25	18	0	0	0
Short-term debt	97	105	0	0	0
Other current liabilities	14	19	0	0	0
Long-term liabilities	28	34	0	0	0
Bonds & long-term debt	26	26	0	0	0
Other long-term liabilities	2	8	0	0	0
Total liabilities	164	176	0	0	0
Owners of parent equity	154	160	0	0	0
Capital stock	7	7	0	0	0
Capital surplus	38	38	0	0	0
Retained earnings	99	99	0	0	0
Other	9	16	0	0	0
Non-controlling interests' equity	0	0	0	0	0
Total equity	154	160	0	0	0
Net debt	63	96	0	0	0

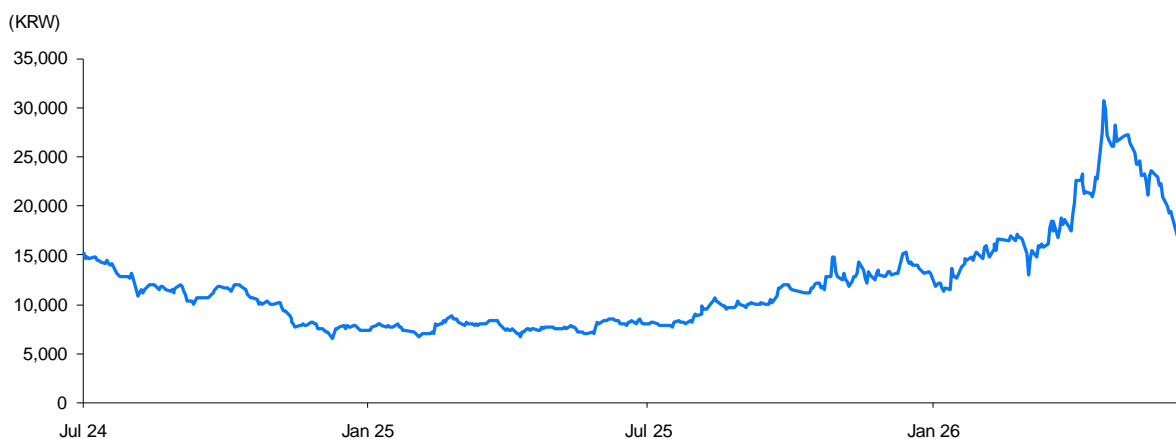
Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	(18.7)	2.0	(100.0)	nm	0.0
Operating profit	nm	nm	(100.0)	nm	0.0
Net profit	(97.6)	214.6	(100.0)	nm	0.0
Adjusted EPS**	(97.6)	214.6	nm	nm	0.0
Per-share data (KRW)					
EPS (parent-based)	57	178	n/a	n/a	n/a
EPS (consolidated)	57	178	n/a	n/a	n/a
Adjusted EPS**	57	178	n/a	n/a	n/a
BVPS	13,261	13,768	n/a	n/a	0
DPS (common)	n/a	n/a	n/a	n/a	0
Valuations (x)					
P/E***	n/a	n/a	n/a	n/a	0.0
P/B***	n/a	n/a	n/a	n/a	0.0
EV/EBITDA	6.2	3.2	n/a	n/a	0.0
Ratios (%)					
ROE	0.4	1.3	0.0	n/a	0.0
ROA	0.2	0.6	0.0	n/a	0.0
ROIC	3.3	5.6	n/a	n/a	0.0
Payout ratio	n/a	n/a	n/a	n/a	0.0
Dividend yield (common)	n/a	n/a	n/a	n/a	0.0
Net debt to equity	41.1	59.8	n/a	n/a	0.0
Interest coverage (x)	(1.3)	1.6	n/a	n/a	0.0

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Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2026/6/16
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
NEUTRAL	Expected to outperform/underperform market by less than 5% 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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