

COMPANY UPDATE

2026. 6. 18

EV/Mobility Team

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▶ AT A GLANCE

BUY

Target price **KRW260,000** 24.1%

Current price **KRW209,500**

Market cap	KRW18.6t/USD12.3b
Shares (float)	88,946,220 (36.8%)
52-week high/low	KRW296,000/KRW120,200
Avg daily trading value (60-day)	KRW88.6b/ USD58.6m

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
Posco Future M (%)	-11.0	-0.5	74.3
Vs Kospi (%pts)	-24.8	-54.5	-42.0

▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	260,000	320,000	-18.8%
2026E EPS	629	629	0.0%
2027E EPS	1,473	1,473	0.0%

▶ SAMSUNG vs THE STREET

No of estimates	17
Target price	288,750
Recommendation	3.7

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



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Posco Future M (003670)

LFP cathodes and ex-China supply chain upside

- We believe Posco Future M will report outstanding 2Q results, backed by improved earnings at its base materials division.
- In 2H, the company should start producing LFP cathode materials and enjoy solid order momentum for anode materials.
- We trim our target price to KRW260,000, but maintain our BUY rating.

WHAT'S THE STORY?

2Q preview—earnings to beat consensus: We now believe Posco Future M's 2Q results will show consolidated sales of KRW827.7b and operating profit of KRW33.7b, the latter far above consensus (FnGuide) of KRW21.8b. Such solid results would be attributable to a KRW29.7b operating profit at the base materials division (up from KRW26.3b in 1Q25) thanks to runaway oil prices in the wake of the Middle East conflict. At the energy materials division, cathode material shipments likely contracted q-q but earnings likely expanded q-q as metal price increases allowed provisioning reversals. Meanwhile, operating losses on anode materials likely narrowed as demand has normalized since major clients adjusted inventory in 4Q25.

LFP cathode materials production and anode-materials order momentum anticipated in 2H: Posco Future M is well positioned to benefit from North American ESS battery cell manufacturers' push to build non-Chinese supply chains to qualify for IRA tax credits. First, the firm's conversion of existing high-nickel cathode material lines has created 15,000 tonnes of annual capacity for LFP cathodes materials, with mass-production expected before the year-end.

(Continued on the next page)

SUMMARY FINANCIAL DATA

(KRWb)	2025	2026E	2027E	2028E
Revenue	2,939	3,760	4,267	4,686
Operating profit	33	125	233	265
Net profit (adj)	37	59	138	168
EPS (adj) (KRW)	386	629	1,473	1,799
EPS (adj) growth (% y-y)	nm	63.2	134.2	22.1
EBITDA margin (%)	7.6	9.7	11.5	11.2
ROE (%)	0.9	1.4	3.2	3.7
P/E (adj) (x)	485.0	333.0	142.2	116.5
P/B (x)	4.1	4.5	4.4	4.3
EV/EBITDA (x)	90.8	62.8	47.1	44.1
Dividend yield (%)	0.1	0.1	0.1	0.1

Source: Company data, Samsung Securities estimates

Second, through its subsidiary Future Graph, the company is set to begin production of spherical graphite—the key intermediate material for natural graphite anode materials—at 37,000 tonnes per year starting in 2027. This should complete a fully China-independent supply chain for natural graphite. Third, beyond domestic capacity, Posco Future M broke ground in Vietnam for a plant with a first-stage annual capacity of 20,000 tonnes of synthetic graphite anode materials. Given the urgency among North American battery cell makers and ESS projects to secure non-Chinese supply, production volume at the new facility in Vietnam could be sold out even before the factory comes online.

Cutting target price but maintaining BUY: We trim our target price by 19% to KRW260,000, reflecting a drop in the peer average P/B multiple, from 5x to 4.1x. However, we maintain our BUY rating on Posco Future M on the prospect of solid order momentum in 2H from US ESS projects that need to secure China-free supply chains for LFP cathode and anode materials by 2028.

2Q preview

(KRWb)	2Q26	2Q25	1Q26	Chg	
				(% y-y)	(% q-q)
Sales	827.7	660.9	757.5	25.2	9.3
Operating profit	33.7	0.8	17.7	4,252.3	90.2
Pre-tax profit	20.0	-43.9	10.0	To turn pos	99.4
Net profit	18.0	-35.5	6.3	To turn pos	185.8
Margins (%)					
Operating profit	4.1	0.1	2.3		
Pre-tax profit	2.4	-6.6	1.3		
Net profit	2.2	-5.4	0.8		

Source: Company data, Samsung Securities estimates

Revisions to full-year forecasts

(KRWb)	2026E			2027E		
	Old	New	Diff (%)	Old	New	Diff (%)
Sales	3,719.5	3,759.8	1.1	4,183.2	4,267.3	2.0
Operating profit	128.3	124.6	-2.8	217.2	232.9	7.3
Pre-tax profit	69.2	65.4	-5.4	151.7	172.4	13.6
Net profit	62.3	58.9	-5.4	121.4	137.9	13.6

Source: Samsung Securities estimates

Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	1Q27E	2Q27E	3Q27E	4Q27E	2025	2026E	2027E
Consolidated sales	845.4	660.9	874.8	557.6	757.5	827.7	949.3	1,162.3	920.6	1,058.6	1,122.7	1,165.4	2,938.7	3,759.8	4,267.3
Base materials	339.8	345.5	341.4	337.9	323.9	330.4	340.3	347.1	337.0	340.1	345.4	351.1	1,364.6	1,341.6	1,373.6
Energy materials	505.6	315.5	533.4	219.6	433.6	497.3	609.0	815.2	583.6	718.5	777.3	814.2	1,574.1	2,418.2	2,893.7
Cathode materials	494.4	352.2	598.9	257.0	564.4	465.9	568.2	756.9	522.4	653.0	705.3	731.4	1,702.5	2,355.4	2,612.1
Anode materials	39.1	42.3	25.4	21.7	14.9	31.4	40.8	58.3	61.2	65.5	72.0	82.8	128.5	145.3	281.5
Consolidated operating profit	17.2	0.8	66.7	-51.8	17.7	33.7	33.3	40.1	35.6	57.9	69.5	69.9	32.8	124.6	232.9
Base materials	14.8	26.3	19.2	9.3	18.8	29.7	18.7	17.4	13.5	18.7	19.0	21.1	69.7	84.6	72.3
Energy materials	2.4	-25.6	47.4	-61.1	-1.1	3.9	14.6	22.7	22.1	39.2	50.5	48.9	-36.9	40.1	160.7
Consolidated operating margin (%)	2.0	0.1	7.6	-9.3	2.3	4.1	3.5	3.4	3.9	5.5	6.2	6.0	1.1	3.3	5.5
Base materials (%)	4.4	7.6	5.6	2.8	5.8	9.0	5.5	5.0	4.0	5.5	5.5	6.0	5.1	6.3	5.3
Energy materials (%)	0.5	-8.1	8.9	-27.8	-0.2	0.8	2.4	2.8	3.8	5.5	6.5	6.0	-2.3	1.7	5.6

Source: Company data, Samsung Securities estimates

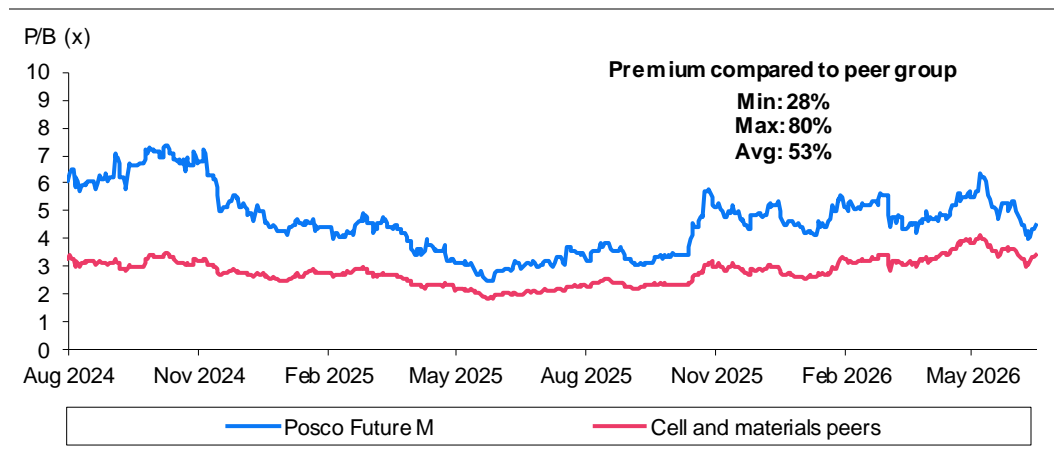
Target-price calculation

(KRW)		Note
BVPS	47,333	2027E
Target P/B (x)	5.3	28%* premium to cell & materials peers' average forward P/B multiple (This premium reflects Posco Future M's status as the sole domestic anode material manufacturer, which should benefit from efforts to decouple from China's supply chain)
Fair value per share	250,144	
Target price	260,000	
Current price	199,400	As of Jun 12 close
Upside (%)	30.4	

Note: *28% was the minimum premium observed during trading between Dec 13, 2025 and Jun 12, 2026

Source: Bloomberg, Samsung Securities estimates

P/B multiple: Posco Future M vs its peer group



Source: Bloomberg, Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	3,700	2,939	3,760	4,267	4,686
Cost of goods sold	3,464	2,682	3,337	3,698	4,054
Gross profit	236	256	423	569	632
Gross margin (%)	6.4	8.7	11.2	13.3	13.5
SG&A expenses	235	236	298	336	367
Operating profit	1	33	125	233	265
Operating margin (%)	0.0	1.1	3.3	5.5	5.7
Non-operating gains (losses)	-433	-43	-59	-61	-54
Financial profit	222	94	17	18	27
Financial costs	235	158	66	73	82
Equity-method gains (losses)	-95	-8	0	0	0
Other	-324	30	-10	-5	0
Pre-tax profit	-432	-10	65	172	211
Taxes	-201	-46	7	34	42
Effective tax rate (%)	46.4	470.0	10.0	20.0	20.0
Profit from continuing operations	-231	37	59	138	168
Profit from discontinued operations	0	0	0	0	0
Net profit	-231	37	59	138	168
Net margin (%)	-6.3	1.2	1.6	3.2	3.6
Net profit (controlling interests)	-212	32	56	131	160
Net profit (non-controlling interests)	-19	4	3	7	8
EBITDA	185	223	364	491	526
EBITDA margin (%)	5.0	7.6	9.7	11.5	11.2
EPS (parent-based) (KRW)	-2,655	386	629	1,473	1,799
EPS (consolidated) (KRW)	-2,893	436	662	1,551	1,894
Adjusted EPS (KRW)*	-2,655	386	629	1,473	1,799

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	671	-34	223	309	364
Net profit	-231	37	59	138	168
Non-cash profit and expenses	465	264	292	345	354
Depreciation	174	193	232	252	256
Amortization	10	10	8	7	5
Other	280	61	52	86	93
Changes in A/L from operating activities	473	-292	-97	-111	-92
Cash flow from investments	-1,810	-1,727	-824	-576	-363
Change in tangible assets	-2,034	-1,495	-700	-500	-300
Change in financial assets	1	-416	-124	-76	-63
Other	223	184	-0	-0	0
Cash flow from financing	1,375	1,430	331	508	454
Change in debt	527	297	374	553	503
Change in equity	2	1,102	0	0	0
Dividends	-22	-1	-22	-22	-22
Other	868	32	-21	-24	-26
Change in cash	255	-324	-319	210	430
Cash at beginning of year	390	644	320	1	211
Cash at end of year	644	320	1	211	641
Gross cash flow	233	301	350	483	522
Free cash flow	-1,371	-1,532	-477	-191	64

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 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	2,113	2,170	2,365	2,891	3,582
Cash & equivalents	644	320	1	211	641
Accounts receivable	469	391	550	625	686
Inventories	768	841	1,030	1,168	1,283
Other current assets	231	618	784	887	972
Fixed assets	5,820	6,974	7,488	7,764	7,830
Investment assets	200	203	258	291	319
Tangible assets	5,160	6,253	6,721	6,969	7,013
Intangible assets	45	43	35	28	23
Other long-term assets	416	475	475	475	475
Total assets	7,932	9,144	9,854	10,655	11,412
Current liabilities	1,570	1,658	1,618	1,795	1,900
Accounts payable	299	160	313	356	391
Short-term debt	185	127	677	727	727
Other current liabilities	1,086	1,371	627	712	782
Long-term liabilities	3,042	2,973	3,687	4,195	4,702
Bonds & long-term debt	2,938	2,858	3,558	4,058	4,558
Other long-term liabilities	104	115	128	137	144
Total liabilities	4,612	4,632	5,305	5,990	6,602
Owners of parent equity	2,970	4,068	4,101	4,210	4,348
Capital stock	39	44	44	44	44
Capital surplus	1,459	2,556	2,556	2,556	2,556
Retained earnings	761	771	805	913	1,051
Other	711	696	696	696	696
Non-controlling interests' equity	350	445	447	454	463
Total equity	3,321	4,512	4,549	4,664	4,811
Net debt	2,989	3,211	3,785	4,056	4,068

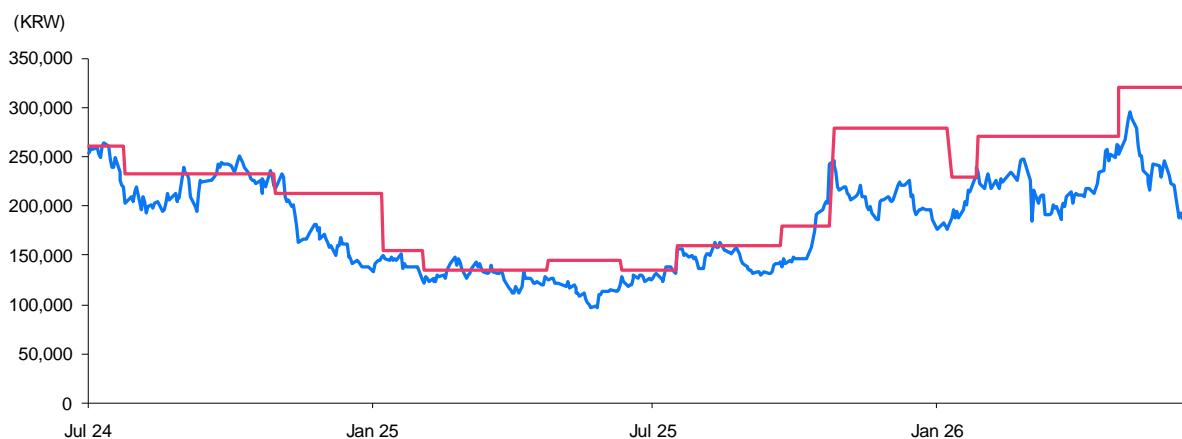
Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	-22.3	-20.6	27.9	13.5	9.8
Operating profit	-98.0	4,451.5	279.6	86.9	13.7
Net profit	nm	nm	61.3	134.2	22.1
Adjusted EPS**	nm	nm	63.2	134.2	22.1
Per-share data (KRW)					
EPS (parent-based)	-2,655	386	629	1,473	1,799
EPS (consolidated)	-2,893	436	662	1,551	1,894
Adjusted EPS**	-2,655	386	629	1,473	1,799
BVPS	37,162	45,731	46,110	47,333	48,882
DPS (common)	0	250	250	250	250
Valuations (x)					
P/E***	n/a	485.0	333.0	142.2	116.5
P/B***	3.7	4.1	4.5	4.4	4.3
EV/EBITDA	77.6	90.8	62.8	47.1	44.1
Ratios (%)					
ROE	-8.0	0.9	1.4	3.2	3.7
ROA	-3.2	0.4	0.6	1.3	1.5
ROIC	0.0	-1.9	1.5	2.3	2.6
Payout ratio	0.0	68.9	39.7	17.0	13.9
Dividend yield (common)	0.0	0.1	0.1	0.1	0.1
Net debt to equity	90.0	71.2	83.2	87.0	84.6
Interest coverage (x)	0.0	0.5	1.9	3.2	3.2

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Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2024/2/1	6/18	7/26	10/31	2025/1/9	2/4	4/25	6/12	6/19	7/18	9/24	10/27
Recommendation	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	BUY	BUY	BUY
Target price (KRW)	281101	261715	232636	213249	155090	135704	145397	135704	135704	160000	180000	280000
Gap* (average)	-0.90	-4.96	-5.42	-21.06	-8.54	-4.86	-22.52	-11.07	-4.71	-9.28	-3.74	-26.75
(max or min)**	15.86	1.11	7.71	-37.32	-2.62	9.29	-13.20	-9.21	2.43	2.00	34.44	-13.93
Date	2026/1/12	1/29	4/30	6/15								
Recommendation	BUY	BUY	BUY	BUY								
Target price (KRW)	230000	271000	320000	260000								
Gap* (average)	-9.45	-18.72	-26.42									
(max or min)**	4.13	-2.95	-42.28									

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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* 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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