

# COMPANY UPDATE

2026. 6. 18

EV/Mobility Team

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## ▶ AT A GLANCE

**BUY**

Target price **KRW74,000** 41.5%

Current price **KRW52,300**

Market cap KRW675.77b/USD446.52m

Shares (float) 12,921,115 (69.1%)

52-week high/low KRW84,500/KRW32,800

Avg daily trading value (60-day) KRW6.2b/  
USD4.1m

## ▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
SungEel HiTech Co., Ltd. (%)	-21.9	25.3	58.7
Vs Kosdaq (%pts)	-14.5	10.6	19.3

## ▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	74,000	92,000	-19.6%
2026E EPS	713	713	0.0%
2027E EPS	1,836	1,836	0.0%

## ▶ SAMSUNG vs THE STREET

No of estimates	4
Target price	81,750
Recommendation	4.0

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



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# SungEel HiTech (365340)

## 2Q turnaround in sight

- We believe SungEel HiTech will become profitable in 2Q, posting its first quarterly operating profit in 12 quarters.
- Factoring in sustained strength in metal prices and a rise in black-mass feedstock volume, we revise up our 2H earnings forecasts.
- We cut our target price to KRW74,000 but maintain BUY on the stock.

## WHAT'S THE STORY?

**2Q preview:** We now believe SungEel HiTech will report 2Q sales of KRW75.8b and a turn to an operating profit of KRW800m, the latter meeting FnGuide consensus of KRW400m. The modest turnaround would mark the company's first quarterly operating profit since 2Q23, and this would be largely attributable to: 1) a rise in black-mass feedstock volume (supplied from Europe) being fed into the firm's recycling system; and 2) q-q rises in lithium and nickel prices, which have helped reduce the burden of fixed costs.

### Lifting 2H forecasts on strong metal prices, rise in black-mass feedstock:

2Q operating results will likely receive a boost from lithium and nickel price increases—a respective 9% and 12% between end-March and end-May. Lithium prices should remain strong for a while longer, as operations at four lithium mines in Yichun, China, were suspended in May due to licensing renewal issues, and production at those mines is unlikely to resume for at least three months. Meanwhile, black-mass feedstock volumes from a leading European pre-treatment provider have increased, improving plant utilization rates. Against this backdrop, we raise our 2027 operating profit forecast from KRW7.3b to KRW10.4b.

*(Continued on the next page)*

## SUMMARY FINANCIAL DATA

(KRWb)	2025	2026E	2027E	2028E
Revenue	195	337	415	453
Operating profit	-55	10	19	22
Net profit (adj)	-81	9	25	20
EPS (adj) (KRW)	-6,364	713	1,836	1,466
EPS (adj) growth (% y-y)	nm	nm	157.5	-20.1
EBITDA margin (%)	-8.8	13.5	12.7	11.6
ROE (%)	-47.0	6.9	16.0	11.2
P/E (adj) (x)	n/a	73.4	28.5	35.7
P/B (x)	3.9	5.0	4.2	3.8
EV/EBITDA (x)	n/a	25.9	21.9	21.1
Dividend yield (%)	0.0	0.0	0.0	0.0

Source: Company data, Samsung Securities estimates

**Cutting target price but maintaining BUY:** We cut our target price by 19.7% to KRW74,000, primarily reflecting a drop in the peer group’s average 2026 P/E multiple from 67x to 58x. Despite near-term share-price volatility, we keep the stock at BUY, believe sustained strength in metal prices and improved access to black mass will add impetus to earnings momentum.

**2Q preview**

(KRWb)	2Q26	2Q25	1Q26	Chg	
				(% y-y)	(% q-q)
Sales	75.8	64.0	60.9	18.5	24.6
Operating profit	0.8	(17.4)	(0.0)	To turn pos	To turn pos
Pre-tax profit	(1.7)	(32.4)	(24.6)	To remain neg	To remain neg
Net profit	2.5	(34.3)	(22.8)	To turn pos	To turn pos
<b>Margins (%)</b>					
Operating profit	1.0	(27.2)	(0.0)		
Pre-tax profit	(2.3)	(50.6)	(40.4)		
Net profit	3.2	(53.5)	(37.5)		

Source: Company data, Samsung Securities estimates

**Revisions to full-year forecasts**

(KRWb)	2026E			2027E		
	Old	New	Diff (%)	Old	New	Diff (%)
Sales	356.5	336.9	-5.5%	435.0	414.8	-4.6%
Operating profit	7.3	10.4	43.1%	18.1	19.4	7.1%
Pre-tax profit	(7.2)	(4.0)	nm	5.6	7.0	25.5%
Net profit	16.5	9.4	-43.0%	19.6	24.6	25.5%

Source: Samsung Securities estimates

**Results and forecasts**

(KRW)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	1Q27E	2Q27E	3Q27E	4Q27E	2025	2026E	2027E
Revenue	33.4	64.0	43.8	53.4	60.9	75.8	88.2	113.6	92.2	103.7	106.3	112.6	194.6	336.9	414.8
Operating income	-15.5	-17.4	-12.3	-9.3	-0.0	0.8	4.0	5.7	2.8	4.7	6.4	5.6	-54.5	10.4	19.4
Operating margin (%)	-46.4	-27.2	-28.1	-17.5	-1.0	1.0	4.5	5.0	3.0	4.5	6.0	5.0	-28.0	3.1	4.7

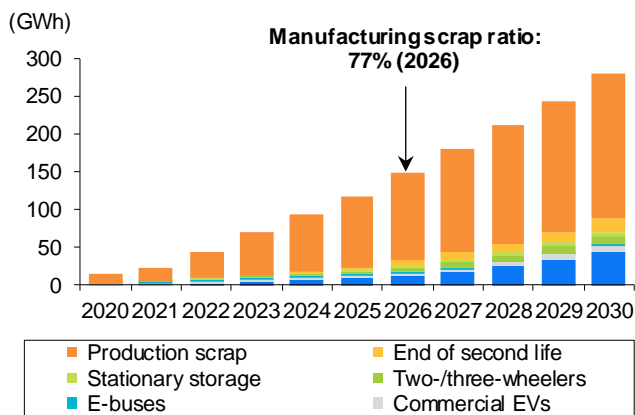
Source: Company data, Samsung Securities estimates

**Target-price calculation**

(KRW)		Note
EPS	1,274	2026E-2027E average
Target P/E (x)	58.4	2026E peer* average
Fair price per share	74,407	
<b>Target price</b>	<b>74,000</b>	
<b>Current price</b>	<b>52,100</b>	As of Jun 12 close
Upside (%)	42.0%	

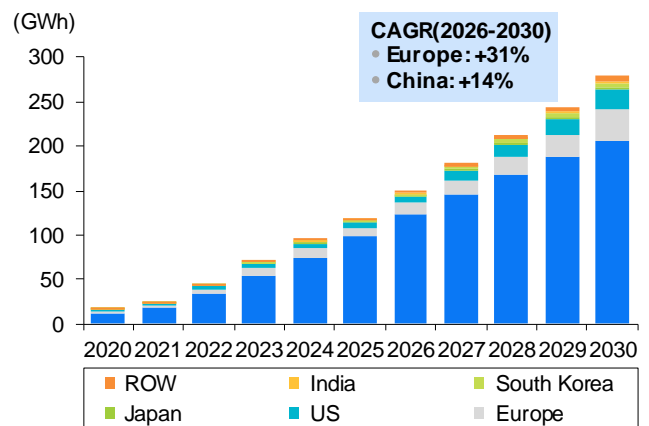
Note: \*Excludes outliers with P/E multiples exceeding 200x; based on secondary battery materials value chain  
Source: Bloomberg, Samsung Securities estimates

**Battery recycling resource scale, by application**



Note: End of second life refers to batteries that have already undergone second-life use and can no longer be utilized as batteries  
Source: BNEF

**Available recycling resource scale, by region**



Source: BNEF

### Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
<b>Sales</b>	<b>136</b>	<b>195</b>	<b>337</b>	<b>415</b>	<b>453</b>
Cost of goods sold	173	226	288	348	379
<b>Gross profit</b>	<b>-37</b>	<b>-31</b>	<b>49</b>	<b>67</b>	<b>73</b>
Gross margin (%)	-27.2	-16.0	14.7	16.1	16.2
SG&A expenses	34	23	39	47	52
<b>Operating profit</b>	<b>-71</b>	<b>-55</b>	<b>10</b>	<b>19</b>	<b>22</b>
Operating margin (%)	-52.4	-28.0	3.1	4.7	4.8
<b>Non-operating gains (losses)</b>	<b>-17</b>	<b>-20</b>	<b>-14</b>	<b>-12</b>	<b>-11</b>
Financial profit	16	16	1	2	3
Financial costs	23	30	26	26	27
Equity-method gains (losses)	-5	-2	0	0	0
Other	-4	-4	10	12	13
<b>Pre-tax profit</b>	<b>-88</b>	<b>-75</b>	<b>-4</b>	<b>7</b>	<b>11</b>
Taxes	24	6	-13	-18	-9
Effective tax rate (%)	-27.3	-8.0	335.0	-250.0	-80.0
Profit from continuing operations	-112	-81	9	25	20
Profit from discontinued operations	0	0	0	0	0
<b>Net profit</b>	<b>-112</b>	<b>-81</b>	<b>9</b>	<b>25</b>	<b>20</b>
Net margin (%)	-82.6	-41.4	2.8	5.9	4.3
Net profit (controlling interests)	-110	-78	9	24	19
Net profit (non-controlling interests)	-2	-3	0	1	1
EBITDA	-50	-17	46	53	53
EBITDA margin (%)	-36.7	-8.8	13.5	12.7	11.6
EPS (parent-based) (KRW)	-9,085	-6,364	713	1,836	1,466
EPS (consolidated) (KRW)	-9,281	-6,606	740	1,906	1,522
Adjusted EPS (KRW)*	-9,085	-6,364	713	1,836	1,466

### Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
<b>Cash flow from operations</b>	<b>-55</b>	<b>-23</b>	<b>10</b>	<b>39</b>	<b>41</b>
Net profit	-112	-81	9	25	20
Non-cash profit and expenses	70	61	46	40	46
Depreciation	21	37	35	33	31
Amortization	0	0	0	0	0
Other	49	23	11	7	15
Changes in A/L from operating activities	-9	12	-34	-19	-9
<b>Cash flow from investments</b>	<b>-164</b>	<b>-33</b>	<b>-16</b>	<b>-11</b>	<b>-3</b>
Change in tangible assets	-173	-33	-5	-5	0
Change in financial assets	5	-5	-11	-6	-3
Other	5	4	0	-0	0
<b>Cash flow from financing</b>	<b>211</b>	<b>58</b>	<b>8</b>	<b>17</b>	<b>8</b>
Change in debt	204	112	8	17	8
Change in equity	1	2	0	0	0
Dividends	0	0	0	0	0
Other	6	-56	0	0	0
Change in cash	-7	2	-5	40	45
Cash at beginning of year	30	23	25	20	60
Cash at end of year	23	25	20	60	105
<b>Gross cash flow</b>	<b>-42</b>	<b>-20</b>	<b>56</b>	<b>65</b>	<b>66</b>
<b>Free cash flow</b>	<b>-229</b>	<b>-59</b>	<b>5</b>	<b>34</b>	<b>41</b>

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
<b>Current assets</b>	<b>127</b>	<b>134</b>	<b>202</b>	<b>283</b>	<b>347</b>
Cash & equivalents	23	25	20	60	105
Accounts receivable	13	21	36	45	49
Inventories	68	52	90	111	121
Other current assets	24	37	56	67	72
<b>Fixed assets</b>	<b>553</b>	<b>586</b>	<b>564</b>	<b>540</b>	<b>511</b>
Investment assets	33	19	27	31	33
Tangible assets	491	543	513	485	454
Intangible assets	0	2	2	2	2
Other long-term assets	28	22	22	22	22
<b>Total assets</b>	<b>679</b>	<b>721</b>	<b>766</b>	<b>823</b>	<b>858</b>
<b>Current liabilities</b>	<b>253</b>	<b>331</b>	<b>362</b>	<b>391</b>	<b>405</b>
Accounts payable	13	13	22	28	30
Short-term debt	158	204	204	204	204
Other current liabilities	82	114	135	159	171
<b>Long-term liabilities</b>	<b>201</b>	<b>235</b>	<b>240</b>	<b>243</b>	<b>245</b>
Bonds & long-term debt	178	209	209	209	209
Other long-term liabilities	24	26	31	34	35
<b>Total liabilities</b>	<b>455</b>	<b>567</b>	<b>603</b>	<b>634</b>	<b>650</b>
<b>Owners of parent equity</b>	<b>203</b>	<b>127</b>	<b>136</b>	<b>160</b>	<b>179</b>
Capital stock	6	6	6	6	6
Capital surplus	257	259	259	259	259
Retained earnings	-55	-132	-123	-99	-80
Other	-5	-6	-6	-6	-6
<b>Non-controlling interests' equity</b>	<b>21</b>	<b>27</b>	<b>27</b>	<b>28</b>	<b>29</b>
<b>Total equity</b>	<b>225</b>	<b>154</b>	<b>164</b>	<b>188</b>	<b>208</b>
Net debt	368	474	476	447	408

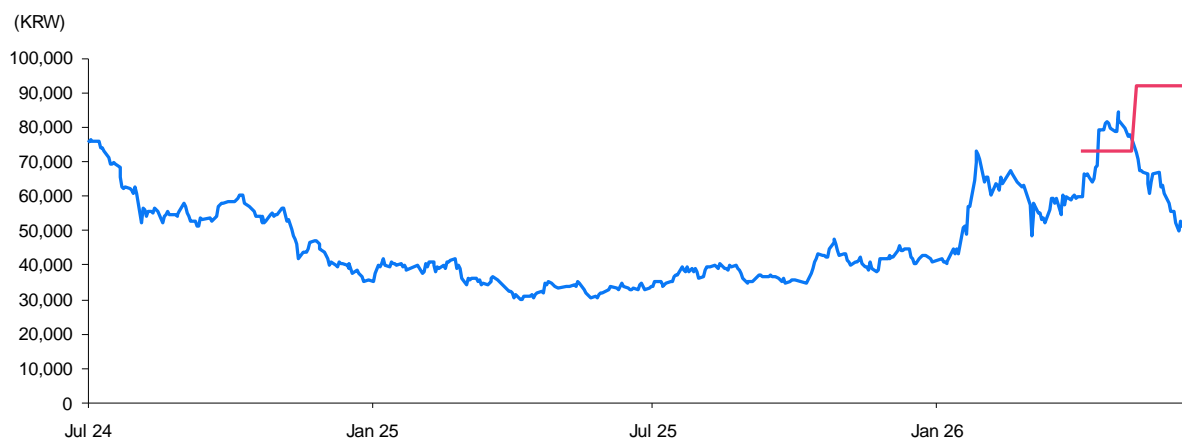
### Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
<b>Growth (%)</b>					
Sales	-44.9	42.9	73.1	23.1	9.1
Operating profit	nm	nm	nm	86.9	12.4
Net profit	nm	nm	nm	162.2	-20.1
Adjusted EPS**	nm	nm	nm	157.5	-20.1
<b>Per-share data (KRW)</b>					
EPS (parent-based)	-9,085	-6,364	713	1,836	1,466
EPS (consolidated)	-9,281	-6,606	740	1,906	1,522
Adjusted EPS**	-9,085	-6,364	713	1,836	1,466
BVPS	16,747	10,382	10,531	12,367	13,834
DPS (common)	0	0	0	0	0
<b>Valuations (x)</b>					
P/E***	n/a	n/a	73.4	28.5	35.7
P/B***	2.1	3.9	5.0	4.2	3.8
EV/EBITDA	n/a	n/a	25.9	21.9	21.1
<b>Ratios (%)</b>					
ROE	-43.0	-47.0	6.9	16.0	11.2
ROA	-17.9	-11.5	1.3	3.1	2.3
ROIC	-18.6	-10.0	-4.0	11.0	6.5
Payout ratio	0.0	0.0	0.0	0.0	0.0
Dividend yield (common)	0.0	0.0	0.0	0.0	0.0
Net debt to equity	163.7	307.3	291.3	237.5	196.1
Interest coverage (x)	-8.1	-2.4	0.4	0.7	0.8

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### Target price changes in past two years



### Rating changes over past two years (adjusted share prices)

Date	2026/4/6	5/11	6/15
Recommendation	BUY	BUY	BUY
Target price (KRW)	73000	92000	74000
Gap* (average)	2.70	-34.42	
(max or min)**	15.75	-23.04	

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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