

COMPANY UPDATE

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EV/Mobility Team

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▶ AT A GLANCE

BUY

Target price **KRW160,000** 48.6%

Current price **KRW107,700**

Market cap KRW964.18b/USD637.1m

Shares (float) 8,952,495 (52.6%)

52-week high/low KRW150,000/KRW52,600

Avg daily trading value (60-day) KRW14.9b/
USD9.8m

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
OCI (%)	-11.3	77.4	92.0
Vs Kospi (%pts)	-25.0	-18.8	-36.1

▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	160,000	155,000	3.2%
2026E EPS	12,272	12,272	0.0%
2027E EPS	15,184	15,184	0.0%

▶ SAMSUNG vs THE STREET

No of estimates	2
Target price	147,500
Recommendation	4.0

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



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OCI (456040)

NDR takeaways: Profitability beating expectations

- At the OCI Group NDR held on Jun 16 for domestic and overseas institutional investors, the participants confirmed that OCI's operating results are exceeding market expectations.
- Despite the easing of geopolitical tensions in the Middle East, carbon chemical margins should remain robust. Continued semiconductor boom should also sustain improvements in basic chemical profitability. We raise our target price by 3% to KRW160,000 and keep the stock as our sector top pick.

WHAT'S THE STORY?

Semiconductor materials recovery gains momentum: Three key semiconductor materials—phosphoric acid, hydrogen peroxide, and polysilicon—are entering an upcycle. Phosphoric acid production capacity expansion should be completed in 3Q26, boosting outputs. Hydrogen peroxide utilization rates, currently at around 70%, are projected to reach 90% in 2H26. Polysilicon recovery lags due to high customer inventory levels and is expected to improve only from 4Q26.

Carbon chemical margins to stay strong a while longer: While the carbon chemicals business' profitability typically tracks crude oil prices, the recent Iran war ceasefire has raised concerns about margin pressure. Although BTX margins may soften slightly, pitch sales—disrupted during the conflict—are set to rebound in 2H26, supporting overall profitability.

(Continued on the next page)

SUMMARY FINANCIAL DATA

(KRWb)	2025	2026E	2027E	2028E
Revenue	2,009	2,311	2,407	2,464
Operating profit	0	154	178	191
Net profit (adj)	-68	105	130	150
EPS (adj) (KRW)	-6,994	12,272	15,184	17,400
EPS (adj) growth (% y-y)	nm	nm	23.7	14.6
EBITDA margin (%)	4.5	10.5	11.2	11.6
ROE (%)	-5.4	9.3	10.5	11.0
P/E (adj) (x)	n/a	8.8	7.1	6.2
P/B (x)	0.5	0.8	0.7	0.6
EV/EBITDA (x)	12.0	6.3	5.3	4.6
Dividend yield (%)	0.0	2.3	3.0	3.4

Source: Company data, Samsung Securities estimates

2Q preview: We revise up our 2Q operating profit forecast to KRW41b (up 48% q-q; 25% higher than our previous estimate of KRW32.9b). Operating profit should reach: 1) KRW16.7b (up 1,094% q-q) at the basic chemicals business on a low base from regular maintenance in 2Q25; and 2) KRW29.6b (down 7% q-q; better than market expectations) at the carbon chemicals business.

View—Semiconductor tailwinds to extend beyond 2026: Reflecting our revised 2026 and 2027 earnings, we increase our SOTP-based target price by 3% to KRW160,000. The semiconductor boom should underpin basic chemicals' profitability not only this year but also next year, reinforcing OCI's positioning as a beneficiary from the promising growth industry. We keep the company as our top pick among small-cap chemical stocks.

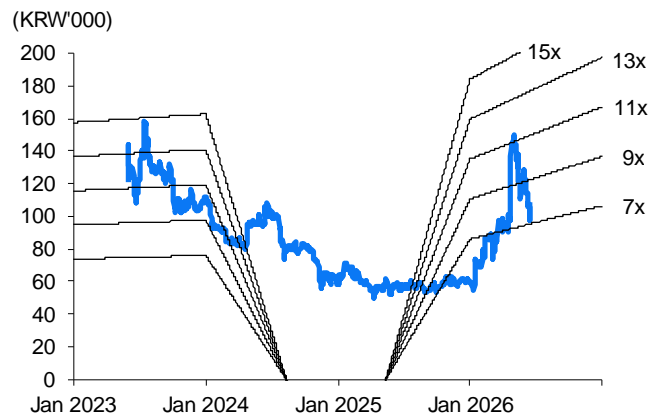
OCI: Sum-of-the-parts valuation

(KRWb)	Forward EBITDA	Multiples (x)	Value	Details
Operating value (A)				
Basic chemicals	108	8.4	905	Peers*
Carbon chemicals	152	6.1	934	Peers**
Total	261	7.1	1,838	12-month forward EBITDA; revised up by 11% (from KRW236b)
Asset value (B)			89	Discounted 30%
Net debt (C)			519	End-2026E
Fair market cap (E = A + B - C)			1,408	
Outstanding shares ('000)			8,952	
Fair price (KRW)			157,307	
Fair value per share (KRW)			160,000	Revised up by 3% (from KRW155,000)
Current price (KRW)			106,600	As of Jun 16 close
Upside (%)			50.1	
2026 implied P/E (x)			13.0	
2027 implied P/E (x)			10.5	
2026 implied P/B (x)			1.15	
2027 implied P/B (x)			1.05	

Note: *Set as domestic/overseas makers of semiconductor polysilicon (Wacker, Tokuyama), hydrogen peroxide (Hansol Chemical), and TDI (Wanhua Chemical),
**Set as overseas makers of carbon black (Cabot) and pitch (Koppers Holdings)

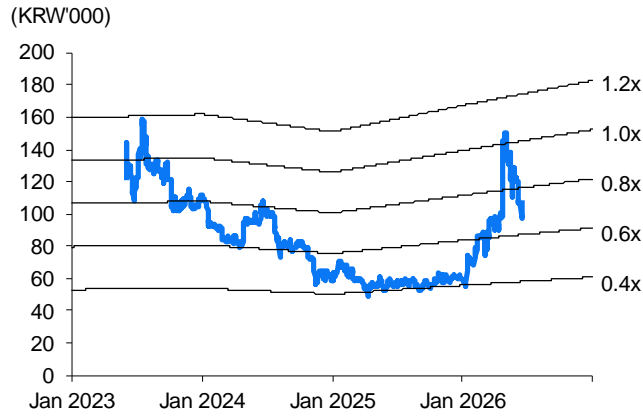
Source: Bloomberg, Samsung Securities estimates

OCI: 12M forward P/E



Source: Company data, Samsung Securities

OCI: 12M forward P/B



Source: Company data, Samsung Securities

OCI: 2Q26 forecasts

(KRWb)	2Q26E	1Q26	2Q25 Consensus	Diff (%)			
				(% q-q)	(% y-y)	Consensus	
Sales	648.1	506.6	527.0	578.2	27.9	23.0	12.1
Operating income	41.0	27.8	-2.3	40.0	47.5	To turn pos	2.7
Pre-tax income	28.7	30.4	-0.7	26.7	-5.6	To turn pos	7.3
Net income	23.4	24.8	-2.4	21.8	-5.6	To turn pos	7.3
Attributable to parent	24.9	24.8	-0.7	23.3	0.5	To turn pos	6.9
Margins (%)							
Operating income	6.3	5.5	-0.4	6.9			
Pre-tax income	4.4	6.0	-0.1	4.6			
Net income	3.6	4.9	-0.5	3.8			
Attributable to parent	3.8	4.9	-0.1	4.0			

Source: Company data, FnGuide, Samsung Securities estimates

OCI: 2Q26 forecasts, by division

(KRWb)	2Q26E	1Q26	2Q25	Chg (% q-q)	Chg (% y-y)
Sales	648.1	506.6	527.0	27.9	23.0
Basic Chemicals	222.9	184.7	199.7	20.7	11.6
Carbon Chemicals	445.0	336.1	349.8	32.4	27.2
Operating income	41.0	27.8	-2.3	47.5	To turn pos
Basic Chemicals	16.7	1.4	-1.9	1,093.5	To turn pos
Carbon Chemicals	29.6	31.7	4.4	-6.6	573.0
Consolidation adjustment	-5.3	-5.3	-4.8	To remain neg	To remain neg
Pre-tax income	28.7	30.4	-0.7	-5.6	To turn pos
Net income	23.4	24.8	-2.4	-5.6	To turn pos
Margins (%)					
Operating income	6.3	5.5	-0.4		
Basic Chemicals	7.5	0.8	-1.0		
Carbon Chemicals	6.7	9.4	1.3		
Pre-tax income	4.4	6.0	-0.1		
Net income	3.6	4.9	-0.5		

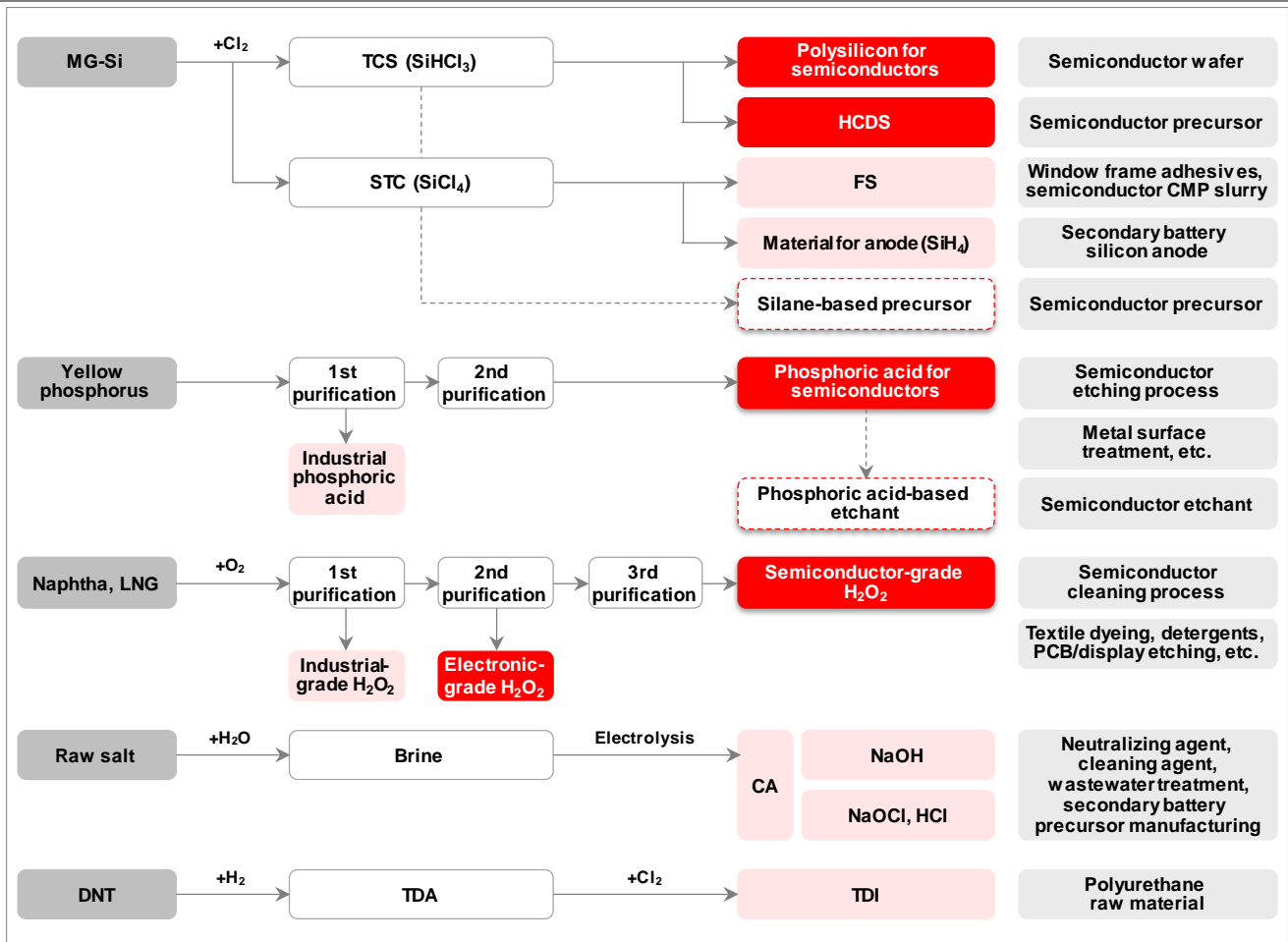
Source: Company data, Samsung Securities

OCI: Key products, by division

Division		Product	End-use	Capacity	Raw materials	Key customers
Basic Chemicals	Semiconductor & Advanced Materials	Polysilicon (Semi-grade)	Semiconductor wafers	4,700 tonnes	Metal silicon	SK Siltron, etc
		Phosphoric acid (PA)	Semiconductor etching process	25,000 tonnes	Yellow phosphorus	Samsung Electronics, SK Hynix, etc
		Hydrogen peroxide	Semiconductor cleaning process	125,000 tonnes	Naphtha, LNG	Dongwoo Fine-Chem, Kioxia, etc
		HCDS	Semiconductor precursor	18 tonnes	STC	Hansol Chemical
		SiH ₄	Si-anode for secondary batteries	1,000 tonnes	TCS	Nexxon
	Basic Materials	CA	Neutralizers, cleaners, wastewater treatment, precursor mfg.	NaOH 117,000 tonnes NaOCl 110,000 tonnes HCl 160,000 tonnes	Raw salt	Samsung Electro-Mechanics, Samsung Electronics, etc
		FS	Window frame adhesives, Semi CMP slurry, etc.	9,000 tonnes	STC	Shin-Etsu, Dongjin Semichem, etc
		TDI	Polyurethane feedstock (Furniture cushioning, auto interiors)	50,000 tonnes	DNT	Alfome, Foamworks, Inoac, etc
Carbon Chemicals	Carbon black	Tires, semi-conductive compounds for high-voltage cables	270,000 tonnes	FCC slurry, CBO / creosote	Hankook Tire, Bridgestone, DYM Solution, etc	
	Pitch	Anodes for aluminum smelting	220,000 tonnes (Korea) 300,000 tonnes (China JV)	Coal tar	Aluminum smelters in Middle East & Australia	
	BTX	Base chemicals for plastics	260,000 tonnes	Coke oven light oil	Kumho P&B, TKG Huchems, etc	

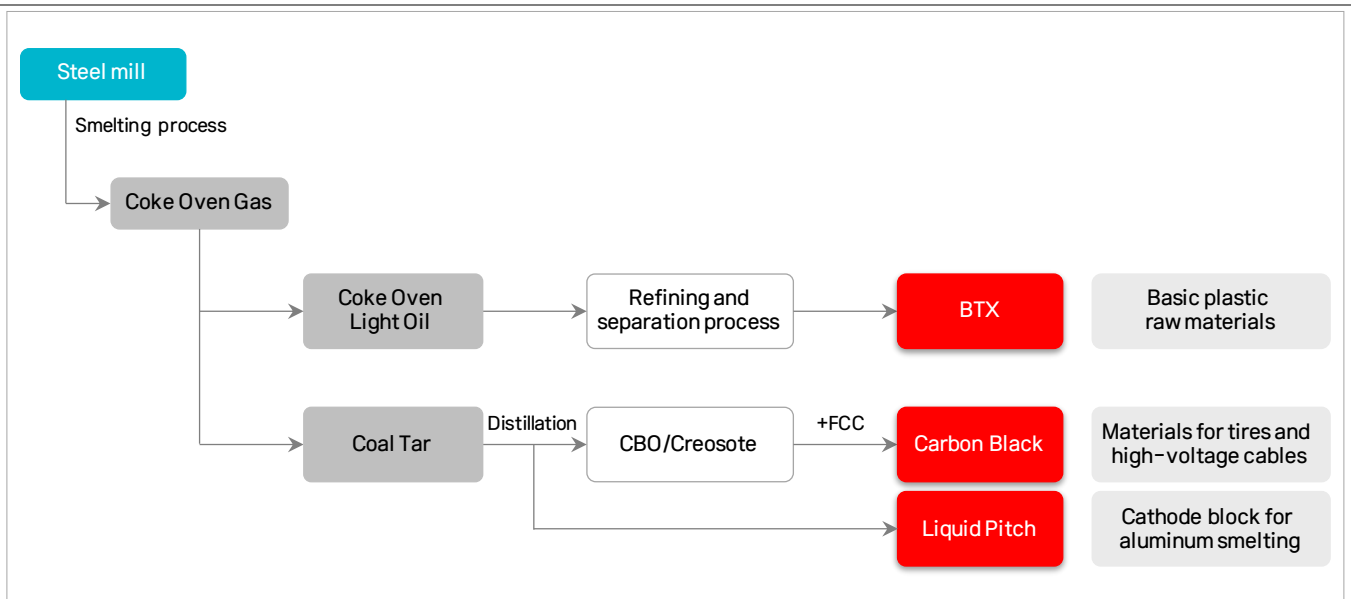
Source: Company data, Samsung Securities

OCI: Basic chemicals value chain



Source: Company data, Samsung Securities

OCI: Carbon chemicals value chain



Source: Company data, Samsung Securities

OCI: Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	2024	2025	2026E	2027E
KRW/USD (average)	1,452.6	1,400.9	1,386.9	1,452.0	1,467.1	1,495.7	1,440.0	1,380.0	1,364.7	1,423.1	1,445.7	1,380.0
Sales	538.8	527.0	476.4	467.3	506.6	648.1	595.2	561.2	2,215.3	2,009.4	2,311.0	2,407.2
Growth (% q-q)	3.7	-2.2	-9.6	-1.9	8.4	27.9	-8.2	-5.7				
Growth (% y-y)	-0.3	-7.0	-19.1	-10.1	-6.0	23.0	24.9	20.1	9.5	-9.3	15.0	4.2
Basic chemicals	187.9	199.7	189.2	200.3	184.7	222.9	197.0	191.8	824.5	777.1	796.3	915.5
Growth (% q-q)	-14.0	6.3	-5.3	5.9	-7.8	20.7	-11.6	-2.7				
Growth (% y-y)	0.0	-2.5	-11.4	-8.3	-1.7	11.6	4.1	-4.3	-2.6	-5.8	2.5	15.0
Carbon chemicals	365.5	349.8	312.2	284.1	336.1	445.0	418.0	389.2	1,487.5	1,311.6	1,588.4	1,571.0
Growth (% q-q)	14.5	-4.3	-10.7	-9.0	18.3	32.4	-6.1	-6.9				
Growth (% y-y)	-2.1	-9.1	-23.8	-11.0	-8.1	27.2	33.9	37.0	26.6	-11.8	21.1	-1.1
EBITDA	30.8	21.7	16.6	21.5	50.1	62.8	65.3	64.3	185.0	90.6	242.5	269.1
Growth (% q-q)	-27.7	-29.5	-23.5	29.5	133.0	25.4	3.9	-1.6				
Growth (% y-y)	-44.6	-57.8	-53.1	-49.5	62.7	189.6	293.3	198.9	4.4	-51.0	167.7	11.0
Basic chemicals	1.6	8.3	1.2	17.0	12.2	27.5	30.7	29.9	87.9	28.2	100.4	116.3
Growth (% q-q)	-96.3	416.9	-85.3	1,296.2	-28.3	125.4	11.8	-2.8				
Growth (% y-y)	-85.8	-62.9	-88.9	-60.5	658.7	230.9	2,421.5	75.6	33.6	-67.9	256.3	15.9
Carbon chemicals	27.0	14.7	14.4	9.7	39.0	37.1	36.3	36.2	110.1	65.7	148.7	156.0
Growth (% q-q)	448.6	-45.6	-2.0	-32.7	303.3	-4.8	-2.1	-0.5				
Growth (% y-y)	-43.3	-53.2	-45.3	96.8	44.7	153.1	152.8	274.1	-11.0	-40.3	126.3	4.9
Operating profit	10.2	-2.3	-10.3	2.8	27.8	41.0	43.3	42.0	110.5	0.4	154.2	178.4
Growth (% q-q)	-49.7	Tunedneg	Remainedneg	Tunedpos	889.1	47.5	5.4	-2.9				
Growth (% y-y)	-73.6	Tunedneg	Tunedneg	-86.2	171.6	Tolunpos	Tolunpos	1,393.5	-7.2	-99.6	34,900.4	15.7
Basic chemicals	-6.6	-1.9	-9.1	6.3	1.4	16.7	19.9	19.1	59.9	-11.3	57.1	73.1
Growth (% q-q)	Tunedneg	Remainedneg	Remainedneg	Tunedpos	-77.8	1,093.5	19.4	-4.3				
Growth (% y-y)	Tunedneg	Tunedneg	Tunedneg	-82.5	Tunedpos	Tolunpos	Tolunpos	203.1	55.1	Tunedneg	Tolunpos	27.9
Carbon chemicals	18.1	4.4	4.9	1.5	31.7	29.6	28.6	28.2	77.2	28.9	118.1	122.5
Growth (% q-q)	Tunedpos	-75.6	11.4	-69.4	2,013.3	-6.6	-3.4	-1.4				
Growth (% y-y)	-56.0	-81.6	-74.2	Tunedpos	75.4	573.0	483.6	1,779.7	-25.8	-62.6	309.1	3.7
Pre-tax profit	-16.0	-0.7	-45.5	-4.0	30.4	28.7	33.9	36.1	115.5	-66.3	129.0	159.1
Growth (% q-q)	Tunedneg	Remainedneg	Remainedneg	Remainedneg	Tunedpos	-5.6	18.2	6.5				
Growth (% y-y)	Tunedneg	Tunedneg	Tunedneg	Tunedneg	Tunedpos	Tolunpos	Tolunpos	Tolunpos	-53.7	Tunedneg	Tolunpos	23.4
Net profit	-17.3	-2.4	-52.2	3.5	24.8	23.4	27.6	29.4	89.7	-68.5	105.2	129.8
Growth (% q-q)	Tunedneg	Remainedneg	Remainedneg	Tunedpos	Tunedpos	-5.6	18.2	6.5				
Growth (% y-y)	Tunedneg	Tunedneg	Tunedneg	-72.1	Tunedpos	Tolunpos	Tolunpos	746.7	71.8	Tunedneg	Tolunpos	23.4
Attributable to parent	-15.8	-0.7	-51.2	5.0	24.8	24.9	29.2	31.0	96.0	-62.6	109.9	135.9
Margins (%)												
EBITDA	5.7	4.1	3.5	4.6	9.9	9.7	11.0	11.5	8.4	4.5	10.5	11.2
Basic chemicals	-3.0	-0.1	-9.6	-0.9	6.0	4.4	5.7	6.4	5.2	-3.3	5.6	6.6
Carbon chemicals	-3.2	-0.5	-11.0	0.7	4.9	3.6	4.6	5.2	4.0	-3.4	4.6	5.4
Operating profit	-2.9	-0.1	-10.7	1.1	4.9	3.8	4.9	5.5	4.3	-3.1	4.8	5.6
Basic chemicals	-3.5	-1.0	-4.8	3.1	0.3	3.4	7.7	7.8	7.3	-1.5	4.7	5.8
Carbon chemicals	4.9	1.3	1.6	0.5	6.1	6.3	5.7	5.2	5.2	2.2	5.8	6.3
Pre-tax profit	-3.0	-0.1	-9.6	(0.9)	2.2	4.3	5.8	5.5	5.2	-3.3	4.5	5.3
Net profit	-3.2	-0.5	-11.0	0.7	1.8	3.5	4.7	4.5	4.0	-3.4	3.6	4.4
Attributable to parent	-2.9	-0.1	-10.7	1.1	2.1	3.8	5.0	4.8	4.3	-3.1	3.9	4.6

Source: Company data, Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	2,215	2,009	2,311	2,407	2,464
Cost of goods sold	1,915	1,801	1,925	1,984	2,024
Gross profit	300	208	386	424	440
Gross margin (%)	13.6	10.4	16.7	17.6	17.9
SG&A expenses	190	208	232	245	249
Operating profit	110	0	154	178	191
Operating margin (%)	5.0	0.0	6.7	7.4	7.7
Non-operating gains (losses)	5	-67	-25	-19	-8
Financial profit	72	46	45	46	51
Financial costs	89	72	72	77	74
Equity-method gains (losses)	20	20	20	20	20
Other	2	-61	-18	-9	-5
Pre-tax profit	115	-66	129	159	183
Taxes	26	2	24	29	34
Effective tax rate (%)	22.3	-3.4	18.4	18.4	18.4
Profit from continuing operations	90	-68	105	130	150
Profit from discontinued operations	0	0	0	0	0
Net profit	90	-68	105	130	150
Net margin (%)	4.0	-3.4	4.6	5.4	6.1
Net profit (controlling interests)	96	-63	110	136	156
Net profit (non-controlling interests)	-6	-6	-5	-6	-6
EBITDA	185	91	243	269	285
EBITDA margin (%)	8.4	4.5	10.5	11.2	11.6
EPS (parent-based) (KRW)	10,840	-6,994	12,272	15,184	17,400
EPS (consolidated) (KRW)	10,122	-7,650	11,756	14,501	16,716
Adjusted EPS (KRW)*	10,840	-6,994	12,272	15,184	17,400

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	164	56	99	182	215
Net profit	90	-68	105	130	150
Non-cash profit and expenses	130	209	101	111	115
Depreciation	72	87	86	89	93
Amortization	3	3	2	2	1
Other	55	119	12	20	21
Changes in A/L from operating activities	-68	-65	-74	-24	-14
Cash flow from investments	-46	-60	-102	-87	-88
Change in tangible assets	-68	-82	-97	-80	-82
Change in financial assets	-17	-6	-4	-1	-1
Other	39	27	-0	-6	-6
Cash flow from financing	-119	-48	-48	-61	-60
Change in debt	-12	114	-48	-39	-31
Change in equity	144	-100	0	0	0
Dividends	-19	-23	0	-22	-28
Other	-232	-39	0	-0	0
Change in cash	5	-52	-52	47	83
Cash at beginning of year	280	286	234	181	228
Cash at end of year	286	234	181	228	311
Gross cash flow	219	141	206	241	265
Free cash flow	93	-25	2	102	133

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	1,211	1,099	1,174	1,262	1,369
Cash & equivalents	286	234	181	228	311
Accounts receivable	307	268	308	321	328
Inventories	493	540	621	647	663
Other current assets	125	57	64	66	68
Fixed assets	1,072	1,177	1,208	1,205	1,197
Investment assets	175	148	171	178	182
Tangible assets	698	786	797	789	778
Intangible assets	18	54	52	50	49
Other long-term assets	181	188	188	188	188
Total assets	2,283	2,276	2,383	2,467	2,567
Current liabilities	612	730	724	698	675
Accounts payable	166	128	147	153	156
Short-term debt	165	197	197	197	197
Other current liabilities	281	405	380	349	322
Long-term liabilities	429	381	389	391	393
Bonds & long-term debt	352	305	305	305	305
Other long-term liabilities	77	76	84	86	87
Total liabilities	1,041	1,111	1,113	1,090	1,068
Owners of parent equity	1,208	1,127	1,236	1,350	1,478
Capital stock	45	45	45	45	45
Capital surplus	1,041	941	941	941	941
Retained earnings	118	136	246	359	487
Other	4	5	5	5	5
Non-controlling interests' equity	34	38	34	27	21
Total equity	1,242	1,165	1,270	1,378	1,499
Net debt	364	519	519	432	317

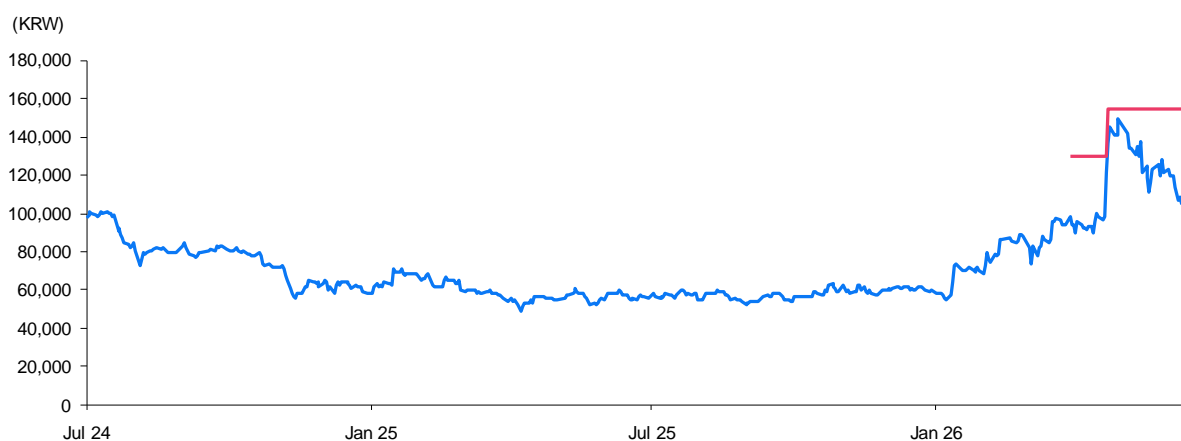
Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	71.9	-9.3	15.0	4.2	2.4
Operating profit	92.3	-99.6	34,900.4	15.7	7.0
Net profit	71.8	nm	nm	23.4	15.3
Adjusted EPS**	3.2	nm	nm	23.7	14.6
Per-share data (KRW)					
EPS (parent-based)	10,840	-6,994	12,272	15,184	17,400
EPS (consolidated)	10,122	-7,650	11,756	14,501	16,716
Adjusted EPS**	10,840	-6,994	12,272	15,184	17,400
BVPS	134,902	125,846	139,387	152,210	166,570
DPS (common)	2,200	0	2,500	3,200	3,700
Valuations (x)					
P/E***	5.4	n/a	8.8	7.1	6.2
P/B***	0.4	0.5	0.8	0.7	0.6
EV/EBITDA	5.0	12.0	6.3	5.3	4.6
Ratios (%)					
ROE	8.8	-5.4	9.3	10.5	11.0
ROA	4.2	-3.0	4.5	5.4	5.9
ROIC	7.6	0.0	8.6	9.6	10.2
Payout ratio	20.5	0.0	20.2	20.9	21.1
Dividend yield (common)	3.8	0.0	2.3	3.0	3.4
Net debt to equity	29.3	44.5	40.9	31.4	21.1
Interest coverage (x)	3.3	0.0	4.1	5.1	5.7

Compliance notice

- As of 6/17 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 6/17 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.
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Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2026/3/31	4/23	6/17
Recommendation	BUY	BUY	BUY
Target price (KRW)	130000	155000	160000
Gap* (average)	-26.05	-19.73	
(max or min)**	-6.62	-3.23	

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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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

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