

SECTOR UPDATE

2026. 7. 1

EV/Mobility Team

JungHoon Chang

Senior Analyst

jhooni.chang@samsung.com

Hyunryul Cho

Senior Analyst

hyunryul.cho@samsung.com

▶ AT A GLANCE

LG Energy Solution (373220 KS, 362,000)

Target price **KRW600,000** 65.7%

BUY

Samsung SDI (006400 KS, 487,000)

Target price **KRW680,000** 39.6%

BUY

Posco Future M (003670 KS, 175,600)

Target price **KRW260,000** 48.1%

BUY

L&F (066970 KS, 111,500)

Target price **KRW210,000** 88.3%

BUY

Vitzrocell (082920 KQ, 40,500)

Target price **KRW53,000** 30.9%

BUY

Foosung (093370 KS, 20,050)

Target price *n/a*

Not Rated

SungEel HiTech (365340 KQ, 41,600)

Target price **KRW74,000** 77.9%

BUY

Vina Tech (126340 KQ, 82,900)

Target price *n/a*

Not Rated



Scan to go to
Research Center report database

Rechargeable Batteries (OVERWEIGHT)

2H outlook: ESS opportunities

- Korea's rechargeable battery stocks rallied in 1H, driven by rebounding metal prices and rising expectations towards ESS.
- In 2H, investors need to pay more attention to: 1) expansion of ESS production and progress in building non-Chinese supply chains in the US; 2) strength in metal prices; and 3) demand growth for AIDC server batteries.
- We remain OVERWEIGHT on the rechargeable battery sector.

WHAT'S THE STORY?

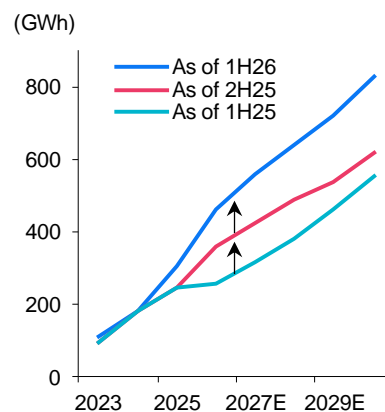
1H review—rally driven by metal price rebound and ESS expectations:

Korea's rechargeable battery stocks rose 102% from their May 2025 lows through May 2026, despite soft global EV demand. Investor sentiment has improved thanks to a rally in prices of lithium and other metals. Momentum has further come from growing expectations towards: 1) the humanoid robot market; 2) increased investments in AI data centers (AIDC); and 3) a hike in ESS demand.

EV makers' 2H strategies and implications for battery sector:

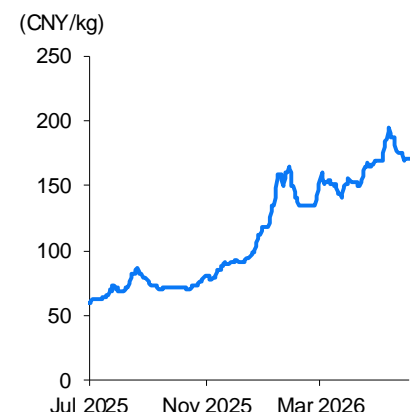
Following the elimination of US EV subsidies, automakers have scaled back their EV launch plans and battery makers have accelerated their pivot from EVs to ESS. In Europe, the push to offer affordable EVs (under EUR30,000) is fueling the adoption of LFP batteries. Among Korean suppliers, LG Energy Solution (LGES) remains the sole firm supplying LFP batteries for use in EVs. Others Korean battery makers are betting on ternary-based chemistries to compete in the low- to mid-price segment.

ESS demand outlook upgraded



Note: Based on global ESS new capacity pipeline
Source: EV Volumes, Samsung Securities

Lithium prices remain strong



Note: Based on lithium carbonate
Source: Bloomberg

(Continued on the next page)



Scan to go to
Research Center report database

Rechargeable battery market outlook and industry issues in 2H: We expect global xEV battery demand to grow 13% to 1.5 TWh in 2026 and the ESS market to expand 50%. Key issues should be: 1) rising ESS demand and progress in building non-Prohibited Foreign Entity (non-PFE) supply chains in the US; 2) policy-driven expansion of ESS installations in China; and 3) continued strong EV sales growth in Europe on the return of EV subsidies. AIDC server battery themes and strong lithium prices are also expected to persist.

Maintain OVERWEIGHT: While a meaningful recovery in US EV demand in 2H lacks visibility, rising ESS demand there should raise the floor for battery volume sales floor. Moreover, favorable pricing dynamics should continue on strong metal prices. We remain OVERWEIGHT on the rechargeable battery industry and recommend investors adopt a theme-based approach in 2H, such as: 1) ESS production expansion in North America; 2) non-Chinese supply chains; 3) rising metal prices; and 4) AIDC servers.

REPORT

CONTENTS

01 I. 1H review of rechargeable battery industry **p06**

- 1) Stocks rally 102% over past year
- 2) Strong Europe, sluggish US, shocking China
- 3) CATL's dominance and record market share for Chinese battery makers in Europe

02 II. Global EV makers' strategies and implications for battery industry **p10**

- 1) Top-three Korean cell makers and their clients' EV sales volumes
- 2) Sales strategy, by automaker: VW Group
- 3) Sales strategy, by automaker: Tesla
- 4) Sales strategy, by automaker: HMG
- 5) Sales strategy, by automaker: GM
- 6) Sales strategy, by automaker: Ford
- 7) Sales strategy, by automaker: Stellantis
- 8) Sales strategy, by automaker: Honda

03 III. Rechargeable battery market outlook and industry issues in 2H26 **p39**

- 1) Global EV/ESS battery market trends in 2026
- 2) US market shifts towards non-PFE supply chains—positive for Korean battery makers
- 3) China: ESS emerges as a core element of national energy strategy amid EV subsidy cuts
- 4) European market: Subsidy revival boosts EV sales and IAA to counter China
- 5) Downstream issue—Revised US ESS demand outlook and battery supply constraints
- 6) Midstream issue—Server rack batteries for AI data center power stability
- 7) Upstream issue: Production hike following lithium price rally vs supply-chain disruptions

04 IV. Sector investment strategy for 2H **p57**

- 1) Remain OVERWEIGHT on the rechargeable battery sector in 2H26
- 2) Investment themes for 2H26

EXECUTIVE SUMMARY

Company Analysis

LG Energy Solution (373220/BUY) | 2H outlook: Major ESS orders in full swing

Samsung SDI (006400/BUY) | Likely to turn around in 3Q, faster than expected

Posco Future M (003670/BUY) | LFP cathodes and ex-China supply chain upside

L&F (066970/BUY) | 2H outlook: Technical leadership and attractive valuation

Vitzrocell (082920/BUY) | Kosdaq 150 inclusion and battery catalysts

Foosung (093370/Not rated) | Chips and HF fuel rally, but valuation looks stretched

Vina Tech (126340/Not rated) | Top-line growth to accelerate in 2H

SungEel HiTech (365340/BUY) | 2Q turnaround in sight

Hanjung NCS (107640/Not rated) | Positioned to benefit fully from US ESS growth

Sangsin EDP (091580/Not rated) | Larger ESS cells, broader customer base

I. 1H review of rechargeable battery industry

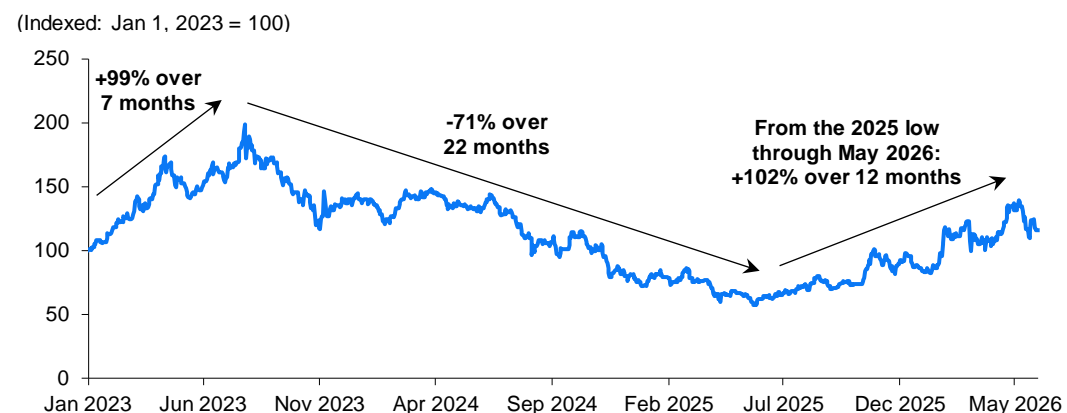
Stocks rally 102% over past year

Rally, which began in 2H25, continues: Korea's rechargeable battery stocks surged 99% over Jan-Jul 2023 before entering a 22-month correction, with prices falling 71% through May 2025. Since then, a powerful rebound has taken hold: Over the past year (through May 2026), shares have climbed 102% and now stand 16% higher than they were in Jan 2023.

The rally over the past year has been less about a revival in global EV demand and more a psychological rebound driven by rising prices of key metals like lithium. Momentum has also come from a string of ESS battery contracts signed since 2H25 tied to North America's ESS tax credit incentives. This year, growing expectations surrounding the humanoid robot market have amplified buying interest in the battery sector, while increased investments in AI data centers (AIDC) and anticipation of greater ESS demand (to support grid stability) have further catalyzed stocks.

However, since February, stock prices have exhibited pronounced volatility, alternating between monthly gains and corrections. This reflects a disconnect between the stock's price and underlying improvements in its fundamentals. Additionally, corrections have intensified each time market liquidity has shifted towards the semiconductor sector, driven by profit-taking and rebalancing of exposure to the rechargeable battery sector.

Korean battery sector performance over the last three years



Source: Bloomberg, Samsung Securities

Strong Europe, sluggish US, shocking China

China’s EV sales fall y-y for fourth month running on end of purchase tax exemption:

Over January-April, global EV sales declined 3% y-y to 5.74m units. The drop is mostly attributable to a plunge in EV sales in China (-23% y-y), which figure is undershooting our forecast (+8% in 2026), due to anti-involution policies and the elimination of EV purchase tax exemptions. The US is also failing to keep up with our EV sales volume forecast (-20% in 2026), with sales there sliding 34% y-y (over Jan-Apr 2026) on soft demand following the Sep 2025 expiration of the federal EV tax credit. In contrast, Europe is outpacing our forecast (+20% in 2026), with sales volume there growing 31% y-y (over Jan-Apr 2026), fueled by: 1) revived government subsidies in key markets like Germany; and 2) a less favorable purchasing environment for ICE autos amid rising oil prices. Sales in the compact- to mid-size segment, where prices remain more palatable to consumers, remain robust.

Global EV shipments vs forecasts

('000 units)	2026 annual forecasts	Actual vs forecast growth trend	Jan-Apr 2026 shipments
Global	23,517		5,744
Growth (% y-y)	+9.4%	▾	-3%
US	1,170		326
Growth (% y-y)	-20%	▾	-34%
China	15,169		2,792
Growth (% y-y)	+8%	▾	-23%
Europe	4,436		1,662
Growth (% y-y)	+20%	▴	+31%

Note: BEV, PHEV

Source: EV Volumes, Samsung Securities

CATL’s dominance and record market share for Chinese battery makers in Europe

China’s anti-involution policy strengthens CATL’s dominance: Over Jan-Apr 2026, among the top-six global battery manufacturers, CATL posted the strongest installation growth (+29% y-y). This robust performance stemmed from greater sales by CATL’s clients (Chinese automakers—tier-2 automakers Zeekr and Li Auto benefited from the government’s anti-involution policies). CATL’s global market share reached 38% (vs 31% over Jan-Apr 2025). In contrast, BYD saw a 21% y-y decline in installations, for a market share of 15% (vs 20% over Jan-Apr 2025), as its captive client BYD’s EV sales in China were negatively impacted by anti-involution policies.

Among the three main Korean battery makers, LG Energy Solution (LGES) posted a 10% y-y decline in installations over Jan-Apr 2026. While its shipments to its largest customer Tesla—the automaker is enjoying strong sales in Europe and Asia—rose 60% y-y, its shipments to GM in North America fell 23% y-y due to GM’s weak US EV sales. Also, shipments to VW Group in Europe plunged (-49% y-y), as VW Group restructured its supply chain to prioritize lower-tier models. In contrast, SK On achieved 20% y-y installation growth over Jan-Apr 2026. While its sales to Ford in North America tumbled 35% y-y due to the automaker’s altering its EV new-release roadmap, its sales to VW Group in Europe jumped 98% y-y, benefiting from supply-chain realignments (relating to EVs built on VW Group’s MEB platform). Samsung SDI logged the weakest performance—its installations fell 24% y-y due to weaker shipments to its largest customer BMW. Its shipments to BMW fell 29% y-y, apparently driven by BMW gravitating towards CATL for batteries for some models (such as the BMW 2 PHEV).

Top-10 battery cell makers: Battery cell installations and market-share changes

(GWh, %)	Sales volume			M/S		
	Jan-Apr 2025	Jan-Apr 2026	Chg (% y-y)	Jan-Apr 2025	Jan-Apr 2026	Chg (% y-y)
CATL	92.0	118.7	29%	31%	38%	7%
BYD	59.5	46.9	-21%	20%	15%	-5%
LG Energy Solution	37.3	33.4	-10%	13%	11%	-2%
CALB	13.8	16.1	17%	5%	5%	0%
Panasonic	16.7	17.6	5%	6%	6%	0%
SK On	12.5	14.9	20%	4%	5%	1%
Gotion	7.0	8.6	23%	2%	3%	0%
SVOLT	7.6	9.6	26%	3%	3%	0%
Samsung SDI	9.0	6.8	-24%	3%	2%	-1%
Jiangsu Zenergy Battery Technology	2.0	4.7	139%	1%	2%	1%

Source: EV Volumes, Samsung Securities

Top-6 battery cell makers: Battery cell installations, by client

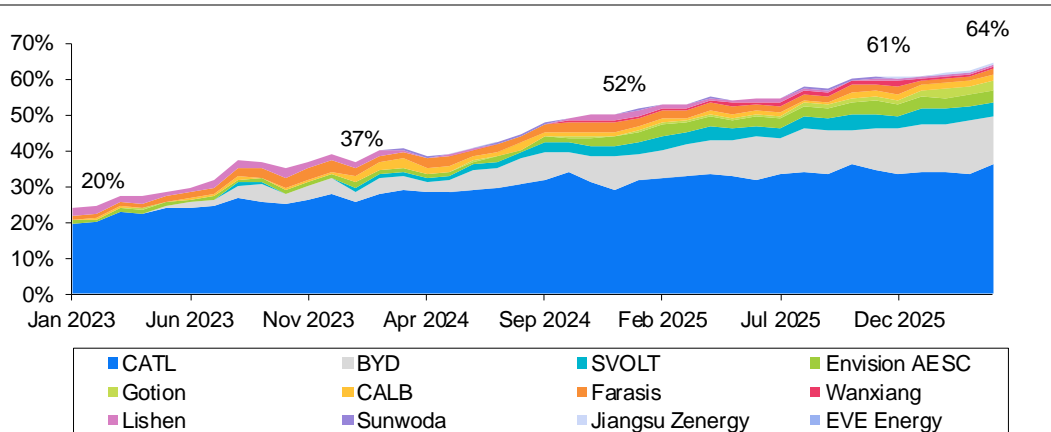
		Biggest client	2nd-biggest client	3rd-biggest client	Other	Total
LGES	Client	Tesla	VW Group	GM		
	Sales portion (%)	33	18	16	33	100
	Installations (MWh)	11,036	5,948	5,407	11,037	33,428
	Chg (% y-y)	60	-49	-23		-10
Samsung SDI	Client	BMW Group	VW Group	Rivian Automotive		
	Sales portion (%)	44	24	8	24	100
	Installations (MWh)	2,996	1,654	573	1,613	6,835
	Chg (% y-y)	-29	21	27		-24
SK On	Client	VW Group	Hyundai Motor	Ford		
	Sales portion (%)	43	40	10	8	100
	Installations (MWh)	6,352	5,983	1,445	1,147	14,928
	Chg (% y-y)	98	4	-35		20
CATL	Client	Geely Auto Group	VW Group	Li Auto		
	Sales portion (%)	10	10	7	73	100
	Installations (MWh)	11,980	11,703	8,775	86,196	118,655
	Chg (% y-y)	10	15	110		29
BYD	Client	BYD	Xiaomi	Xpeng		
	Sales portion (%)	74	5	4	17	100
	Installations (MWh)	34,803	2,254	2,033	7,780	46,870
	Chg (% y-y)	-23	-61	-47		-21
Panasonic	Client	Tesla	Toyota	Subaru		
	Sales portion (%)	67	26	4	3	100
	Installations (MWh)	11,884	4,555	624	572	17,635
	Chg (% y-y)	-10	68	49		5

Note: Based on Jan-Apr 2026; customers measured by installed volume

Source: EV Volumes

Chinese batteries secure 64% market share in Europe: Over Jan-Apr 2026, Chinese-made batteries powered 64% of new EVs sold in Europe (vs 52% over Jan-Apr 2025). The surge reflects a deliberate push by Chinese companies to expand their overseas sales ahead of Chinese policy shifts (including the termination of purchase tax exemptions and the reduction of export rebates for batteries). CATL's market share in Europe expanded 3%pts y-y to 36% (vs 33% in Apr 2025). BYD also gained ground, increasing its share by 4%pts from 9% to 13%. Even tier-2 Chinese suppliers such as SVOLT saw their collective market share climb 3%pts from 12% to 15%.

Portion of EVs sold in Europe that are powered by Chinese batteries



Source: EV Volumes

II. Global EV makers' strategies and implications for battery industry

Top-three Korean cell makers and their clients' EV sales volumes

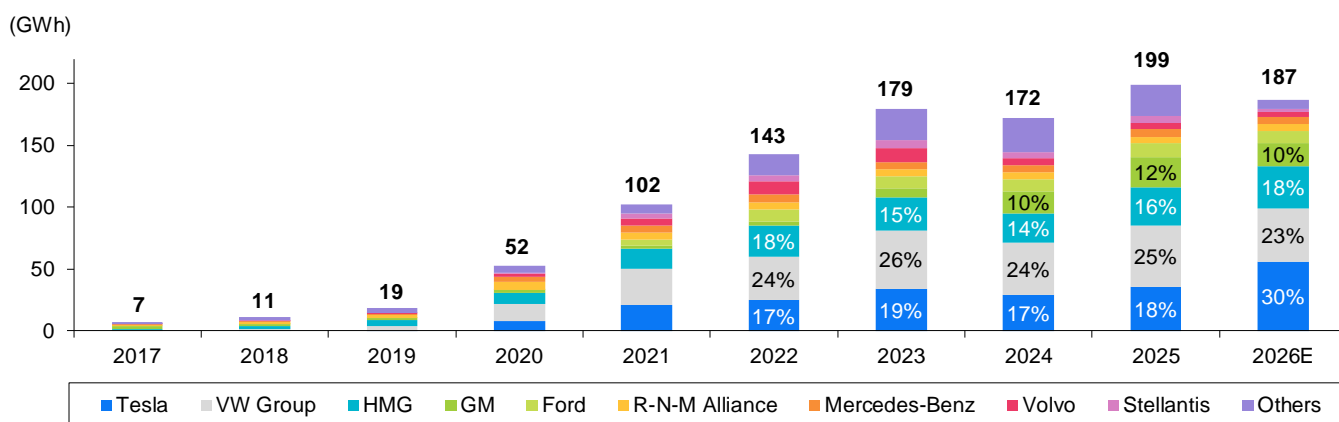
Top-three Korean cell makers—SK On growing, LGES and Samsung SDI struggling: EV battery installations (GWh) at the top-three Korean cell makers diverged over Jan-Apr 2026. While the figure at SK On grew again y-y, that at LGES and Samsung SDI fell y-y. These disparate performances are partially attributable to base effects—LGES and Samsung SDI achieved a respective 30% and 32% of their 2025 installations over Jan-Apr 2025, compared with SK On's 26%. In other words, the firms that underperformed over Jan-Apr 2025 are now posting stronger growth thanks to the low base.

LGES's battery installations declined y-y, despite Tesla's strong growth, due to reduced shipments to VW Group and GM. After shrinking 1% in 2024, its battery installations rebounded 18% in 2025 before sliding 10% y-y over Jan-Apr 2026. Among its customers, Tesla was the top contributor to LGES's installation growth (LGES's battery shipments to Tesla +60% y-y over Jan-Apr 2026), as Tesla's launch of ternary battery-powered models coincided with LFP battery-supply disruptions. However, the plunge in shipments to VW Group (since 2H25; -49% y-y over Jan-Apr 2026) and GM (-23% y-y over Jan-Apr 2026)—the falls at both firms stemmed from the ending of US EV tax credits—have outweighed the positives stemming from shipment growth to Tesla.

SK On's installation growth y-y over Jan-Apr 2026 owed to a surge in shipments to VW Group. After contracting 6% in 2024, its total battery installations grew 31% in 2025 and 20% y-y over Jan-Apr 2026. Shipments to VW Group soared 98% y-y over Jan-Apr 2026, driven by the VW ID.4 and Skoda Elroq in Europe switching battery suppliers. In contrast, SK On's shipments to Ford dipped 35% y-y due to the discontinuation of the F-150 Lightning.

Samsung SDI's installations have been declining y-y since 2024 due to sluggish shipments to BMW—ie, after falling 11% y-y in 2024 and 12% y-y in 2025, its installations slid 24% y-y over Jan-Apr 2026. The largest contributor to this decline was shipments to BMW, which dropped 29% y-y over Jan-Apr 2026—BMW continues to mainly source batteries for its Neue Klasse platform from CATL. Additionally, shipments to Stellantis tumbled 72% y-y, further exacerbating the decline in Samsung SDI's installations.

Top-three Korean cell makers: Total installations (by year) and clients as portion of installations



Source: EV Volumes, Samsung Securities

Top-three Korean cell makers: Sales, by client

(GWh, %)	2024		2025			Jan-Apr 2025		Jan-Apr 2026		
	Sales volume	Portion of sales	Sales volume	Portion of sales	Growth rate (% y-y)	Sales volume	Portion of sales	Sales volume	Portion of sales	Growth rate (% y-y)
LG Energy Solution	105.0	100	123.9	100	18.0	37.3	100	33.4	100	-10.3
Tesla	28.8	27	35.3	28	22.4	6.9	19	11.0	33	59.5
VW Group	31.0	30	27.9	23	-10.0	11.6	31	5.9	18	-48.6
GM	17.3	16	24.5	20	41.2	7.0	19	5.4	16	-22.8
Hyundai Motor	3.5	3	12.4	10	259.0	4.0	11	4.7	14	15.6
R-N-M Alliance	5.3	5	5.3	4	-1.0	1.8	5	2.0	6	11.9
Geely-Volvo Car Group	6.2	6	5.0	4	-19.1	1.7	5	1.4	4	-20.6
Ford	3.1	3	3.8	3	21.9	0.7	2	1.2	4	60.6
Mercedes-Benz Group	1.9	2	1.9	2	-2.2	0.6	2	0.5	2	-6.8
Stellantis	1.6	2	1.1	1	-29.5	0.4	1	0.4	1	0.8
Others	6.3	6	6.8	5	7.9	2.6	7	1.0	3	-62.8
SK On	36.0	100	47.2	100	31.0	12.5	100	14.9	100	19.9
VW Group	4.6	13	16.8	36	269.6	3.2	26	6.4	43	97.8
Hyundai Motor	20.7	58	19.0	40	-8.5	5.8	46	6.0	40	4.0
Ford	7.1	20	7.0	15	-2.6	2.2	18	1.4	10	-34.8
Mercedes-Benz Group	3.5	10	4.2	9	18.9	1.2	10	1.1	8	-7.6
Others	0.1	0	0.3	1	211.4	0.0	0	0.0	0	-82.2
Samsung SDI	31.3	100	27.7	100	-11.6	9.0	100	6.8	100	-23.9
BMW Group	12.7	40	12.6	45	-0.6	4.2	47	3.0	44	-29.4
VW Group	6.6	21	4.9	18	-25.8	1.4	15	1.7	24	21.0
Rivian Automotive	4.1	13	1.7	6	-59.9	0.4	5	0.6	8	27.3
Tata-JLR	1.6	5	1.4	5	-14.0	0.5	6	0.5	8	4.6
Stellantis	2.8	9	4.5	16	58.2	1.6	17	0.4	6	-72.4
Others	3.5	11	2.7	10	-22.5	0.9	9	0.6	9	-24.6

Source: EV Volumes, Samsung Securities

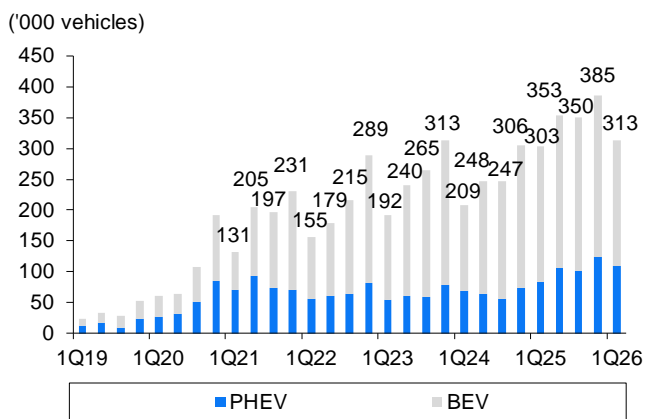
Sales strategy, by automaker: VW Group

VW Group offsets BEV weakness with PHEV growth: VW Group’s EV (PHEV + BEV) sales volume ytd (Jan-April 2026) came to 43,000 units (up 3.5% y-y). After having grown 20.3% in 2023, its EV sales volume contracted for the first time in 2024 (-0.2%) before rebounding in 2025 (+38.2%) primarily on strong PHEV performance, which more than offset persistently weak BEV sales. While the group’s PHEV sales volume grew 28.7% y-y over Jan-Apr 2026, its BEV sales volume fell 6.3% y-y.

After booking a small contraction in 2023 (-3.7%) and then modest growth in 2024 (+4.1%), the group’s PHEV sales volume jumped 57.6% in 2025 and climbed 28.7% y-y to 149,000 units over Jan-Apr 2026 (vs 116,000 units over Jan-Apr 2025) on solid sales of the Audi A5 PHEV (launched in 2025; +17,097% y-y to 8,000 units over Jan-Apr 2026 vs zero over Jan-Apr 2025), the Audi Q3 PHEV (+1,943% y-y to 10,000 units vs 1,000 units over Jan-Apr 2025), and the VW Multivan PHEV (post-powertrain refresh; +135% y-y to 6,000 units vs 2,000 units over Jan-Apr 2025).

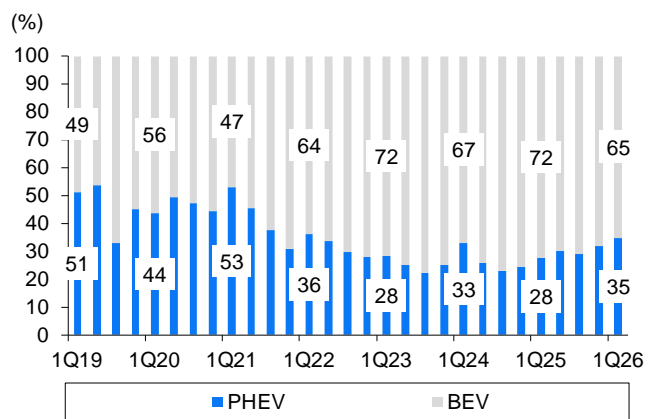
Meanwhile, VW Group’s BEV sales volume bounced 31.3% in 2025—after dropping y-y for the first time in 2024 (-1.6%)—but fell again over Jan-Apr 2026 (-6.3% to 281,000 units vs 300,000 units over Jan-Apr 2025). Strong sales volume growth of Skoda’s EVs—the Skoda Elroq (+168% y-y to 40,000 units vs 15,000 units over Jan-Apr 2025) and the Skoda Enyaq (+21% y-y to 3,100 units vs 2,600 units over Jan-Apr 2025)—was more than offset by steep declines in sales volumes of premium and volume BEVs: The Audi Q4 e-tron (sales volume -23% y-y to 23,000 units vs 30,000 over Jan-Apr 2025), the Porsche Macan EV (-38% y-y to 10,000 units vs 16,000 over Jan-Apr 2025), the VW ID.3 (-28% y-y to 29,000 units vs 40,000 over Jan-Apr 2025), and the VW ID.4 (-36% y-y to 33,000 units vs 52,000 over Jan-Apr 2025).

VW Group: EV sales volume



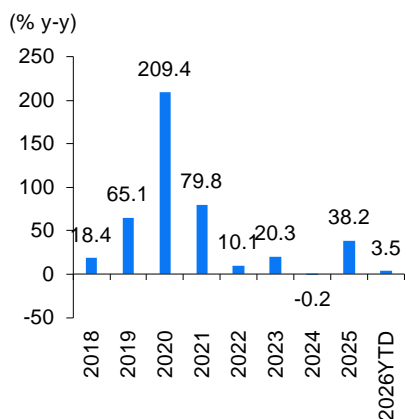
Source: EV Volumes, Samsung Securities

VW Group: PHEV + BEV sales portions



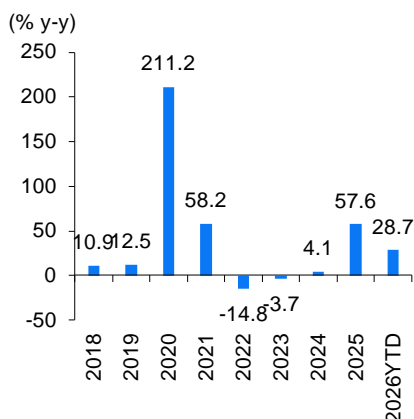
Source: EV Volumes, Samsung Securities

VW Group: EV sales volume



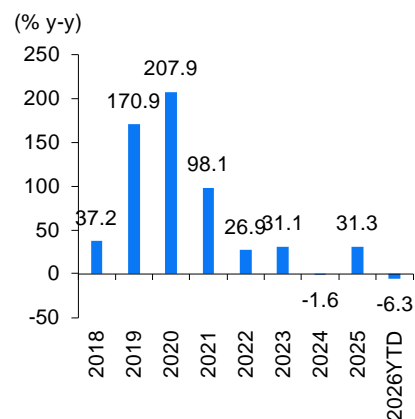
Source: EV Volumes, Samsung Securities

VW Group: PHEV sales volume



Source: EV Volumes, Samsung Securities

VW Group: BEV sales volume



Source: EV Volumes, Samsung Securities

VW Group: EV sales volume, by major model

Model	Battery supplier	2024			2025			Jan-Apr 2026		
		Sales volume	Growth rate (% y-y)	Portion of sales (%)	Sales volume	Growth rate (% y-y)	Portion of sales (%)	Sales volume	Growth rate (% y-y)	Portion of sales (%)
Skoda Elroq BEV	SK On (Europe)	47		0.0	96,434	205078.7	6.9	39,853	168.4	9.3
VW ID.4 BEV	SK On (North America) / CATL (Europe, China)	168,286	-12.8	16.7	147,237	-12.5	10.6	33,150	-35.9	7.7
Skoda Enyaq BEV	LGES (Europe)	80,328	-0.5	8.0	79,496	-1.0	5.7	30,940	20.7	7.2
VW ID.3 BEV	CATL (China, Europe)	149,813	7.6	14.8	118,072	-21.2	8.5	28,534	-28.2	6.6
Audi Q4 e-tron BEV	CATL (China, Europe) / SK On (China, Europe) / LGES (Europe)	107,414	-2.9	10.6	85,877	-20.1	6.2	22,969	-23.3	5.3
VW ID.7 BEV	CATL (Europe, China) / SK On (Europe)	39,691	1558.6	3.9	78,712	98.3	5.6	21,146	-20.9	4.9
VW Tiguan PHEV	CATL (China, Europe)	22,659	-6.4	2.2	61,254	170.3	4.4	18,135	1.6	4.2
Audi Q6 e-tron BEV	CATL (Europe, China) / Samsung SDI (Europe)	15,082		1.5	80,172	431.6	5.8	17,871	-19.9	4.2
Cupra Born BEV	LGES (Europe)	41,978	-5.4	4.2	44,145	5.2	3.2	13,738	-8.6	3.2
Audi A6 e-tron BEV	CATL (Europe)	329		0.0	33,946	10217.9	2.4	10,789	58.8	2.5
Others		383,353	-7.9	38.0	568,674	48.3	40.8	193,303	16.9	44.9
Total		1,008,980	-0.2	100.0	1,394,019	38.2	100.0	430,428	3.5	100.0

Note: * Parentheses denote region of production

Source: EV Volumes, Samsung Securities

VW Group's EV sales volume, by marque: VW Group's EV sales volume over Jan-Apr 2026 rose 3% y-y to 430,000 units (vs 416,000 units over Jan-Apr 2025), driven primarily by a strong performance of its brands that are actively launching new models—*ie*, Audi and Skoda.

Skoda's EV sales volume grew 58% over Jan-Apr 2026 (to 85,000 units vs 53,000 units over Jan-Apr 2025), outpacing EV sales growth at all other VW Group marques, despite its pricing being only slightly below Volkswagen's. This robust growth was driven by the debut of the new Elroq BEV (sales volume +168% y-y to 40,000 units vs 15,000 units over Jan-Apr 2025) and the strong performance of the facelifted Enyaq (+21% y-y to 31,000 units vs 26,000 units over Jan-Apr 2025). It is believed that SK On is the sole battery supplier for the Elroq and LGES is the exclusive supplier for the Enyaq.

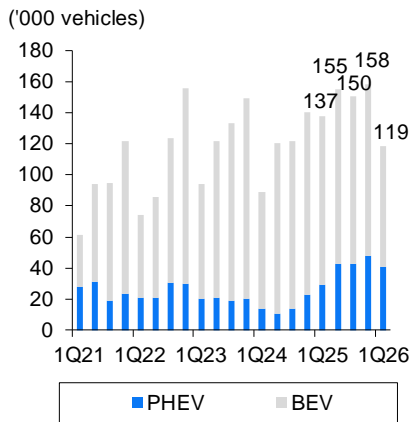
Audi's EV sales volume (PHEVs + BEVs) grew 25% y-y to 104,000 units over Jan-Apr 2026 (vs 83,000 units over Jan-Apr 2025). This growth was entirely driven by PHEVs, as BEV sales declined 6% y-y to 61,000 units (vs 65,000 units over Jan-Apr 2025), reversing the 34% growth seen in 2025. BEV sales weakness was mainly due to the Q4 e-tron (sales volume down 23% y-y to 23,000 units vs 30,000 units over Jan-Apr 2025) and the Q6 e-tron (down 13% y-y to 19,000 units vs 22,000 units over Jan-Apr 2025). These declines offset continued momentum for the A6 e-tron, which sales volume grew to 11,000 units (vs 7,000 units over Jan-Apr 2025). Conversely, Audi's PHEV sales surged 132% y-y to 43,000 units over Jan-Apr 2026 (vs 18,000 units over Jan-Apr 2025), a dramatic reversal from the 1% fall in 2025. Growth was led by the facelifted A3 PHEV (sales volume +87% y-y to 9,000 units vs 5,000 units over Jan-Apr 2025), the A5 PHEV (new model; 10,000 units over Jan-Apr 2026), and the Q3 PHEV (sales volume +1,943% y-y to 10,000 units vs 1,000 units over Jan-Apr 2025).

Volkswagen's (VW; the marque, not the group) EV sales volume (comprising PHEVs + BEVs) shrank 12% y-y over Jan-Apr 2026 to 165,000 units (vs 188,000 units over Jan-Apr 2025), significantly underperforming the group's average of +3% y-y. While its PHEV sales maintained strong growth (+34% y-y to 56,000 units over Jan-Apr 2026 vs 42,000 units over Jan-Apr 2025), its BEV sales contracted 25% y-y to 109,000 units over Jan-Apr 2026 (vs 146,000 units over Jan-Apr 2025) due to aging of the MEB platform's initial models—*eg*, the ID.3 -28% y-y to 29,000 units (from 40,000 units over Jan-Apr 2025) and the ID.4 -36% y-y to 33,000 units (vs 52,000 units over Jan-Apr 2025).

Cupra's EV sales volume (PHEVs + BEVs) declined 14% y-y to 46,000 units over Jan-Apr 2026 (vs 54,000 units over Jan-Apr 2025), as the impact of recent model launches waned. Over Jan-Apr 2026, its EV sales shrank: 1) 31% y-y to 9,000 units for the Formentor PHEV on model aging (vs 13,000 units over Jan-Apr 2025); 2) 24% y-y to 6,000 units for the Leon PHEV (vs 8,000 units over Jan-Apr 2025) due to exhaustion of facelift-related momentum; and 3) 9% y-y to 14,000 units for the Born BEV (vs 15,000 units over Jan-Apr 2025).

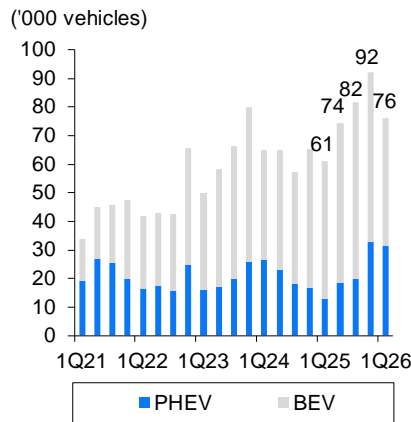
Porsche recorded the weakest performance in the VW Group, with its EV (PHEVs + BEVs) sales volume falling 27% y-y to 25,000 units over Jan-Apr 2026 (vs 35,000 units over Jan-Apr 2025). Its PHEV sales volume fell 19% y-y to 10,000 units over Jan-Apr 2026 (vs 12,000 units over Jan-Apr 2025) due to a 13% y-y drop in the Cayenne PHEV sales volume to 8,000 units (vs 9,000 units over Jan-Apr 2025). Furthermore, its BEV sales volume dwindled 32% y-y to 15,000 units (vs 22,000 units over Jan-Apr 2025), primarily because the Macan EV's sales volume plunged 38% y-y to 10,000 units (vs 16,000 units over Jan-Apr 2025) amid waning interest from potential buyers.

VW Group: VW (brand) EV sales volume



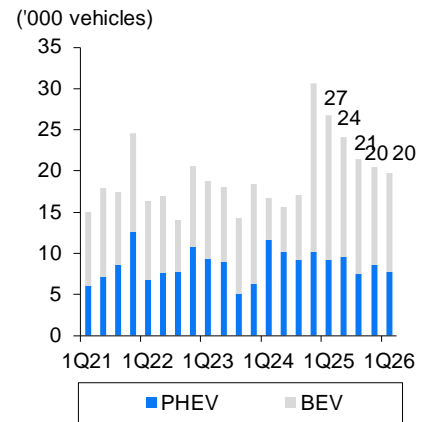
Source: EV Volumes, Samsung Securities

VW Group: Audi EV sales volume



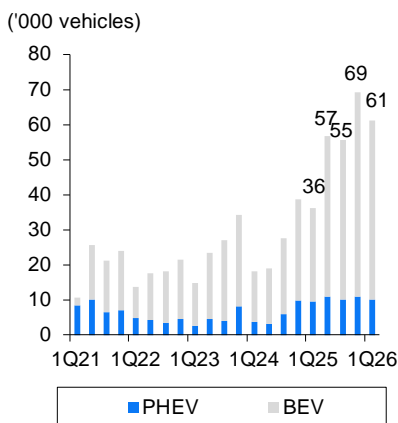
Source: EV Volumes, Samsung Securities

VW Group: Porsche EV sales volume



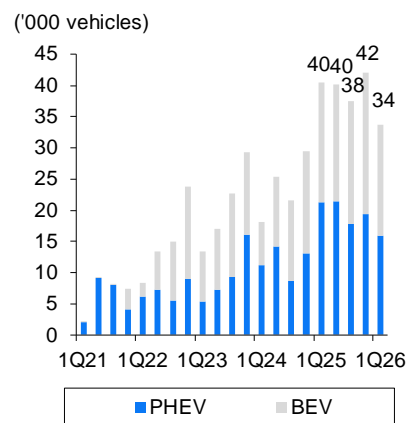
Source: EV Volumes, Samsung Securities

VW Group: Skoda EV sales volume



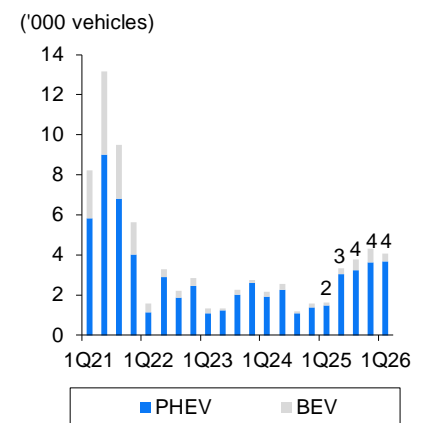
Source: EV Volumes, Samsung Securities

VW Group: Cupra EV sales volume



Source: EV Volumes, Samsung Securities

VW Group: Other EV sales volume



Source: EV Volumes, Samsung Securities

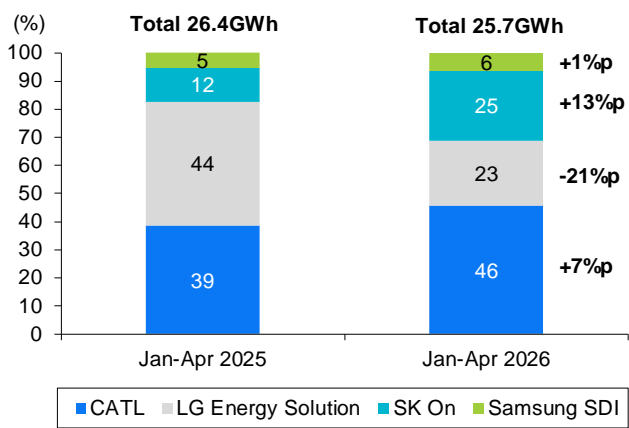
VW Group—CATL’s supply dominance continues to expand: VW Group’s battery supply structure is increasingly dominated by CATL and SK On in Europe, while LGES meets an ever-smaller portion of VW Group’s battery needs. CATL met 46% of VW Group’s global market needs over Jan-Apr 2026 (+7%pts y-y), SK On met 25% (+13%pts y-y), LGES 23% (-21%pts y-y), and Samsung SDI 6% (+1%pt y-y). Focusing specifically on Europe, the shift was even more pronounced: CATL met 43% (+11%pts y-y), SK On 26% (+15%pts y-y), LGES 25% (-27%pts y-y), and Samsung SDI 6% (+2%pts y-y).

CATL’s supply growth has accelerated beyond the PPE platform (supplying batteries for the A6 e-tron, the Q6 e-tron, and the Macan EV—four EVs that are made on the PPE platform)—it has been added as a second supplier of batteries for the ID.3 and the ID.4 in Europe. This expansion has significantly boosted CATL’s standing, and CATL now meets a much larger portion of VW Group’s battery needs. In contrast, LGES has lost its exclusive supply of batteries for the ID.3 and the ID.4—CATL and SK On now supply batteries for the two EVs as well—resulting in a sharp decline in its sales volume. SK On has similarly expanded its footprint by securing supply roles for the ID.3, the ID.4, and the ID.7—it now meets a much larger portion of VW Group’s battery needs. That said, LGES is expected to see a gradual

recovery in its supply volume to VW Group this year as the Korean battery maker transitions its European production lines from high-nickel to mid-nickel chemistries.

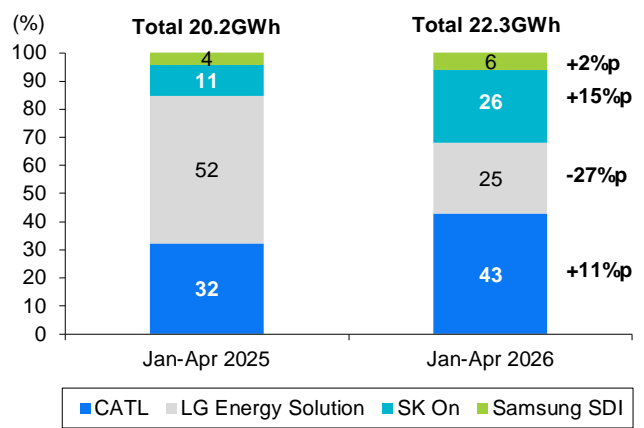
From 2H26, VW Group should introduce new LFP battery variants across its key European models—including the ID. Polo, the Skoda Epiq, and the Cupra Raval—using batteries supplied by PowerCo (its battery subsidiary) and Gotion. This development should disrupt supply dynamics at the four main players (CATL, SK On, LGES, and Samsung SDI), introducing meaningful structural change to the competitive landscape.

VW Group: Portion of global battery needs met, by supplier



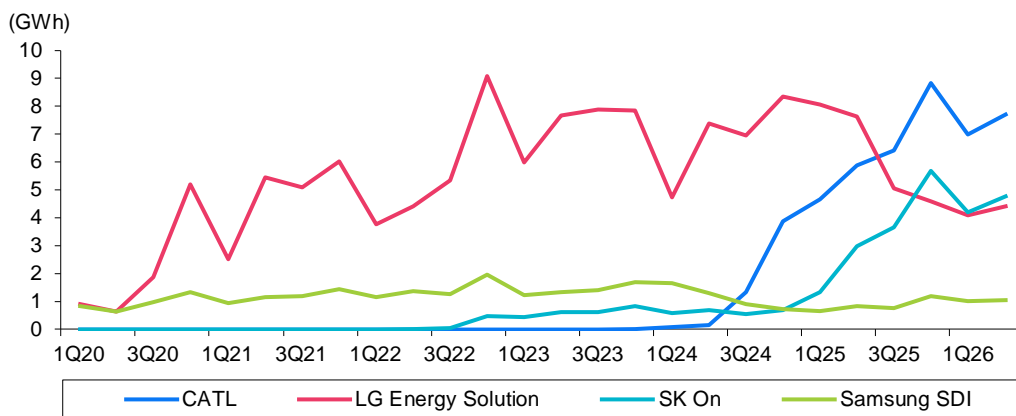
Source: EV Volumes, Samsung Securities

VW Group: Portion of European battery needs met, by supplier



Source: EV Volumes, Samsung Securities

VW Group: Battery sales, by supplier in Europe



Source: EV Volumes, Samsung Securities

New model launch schedule for 2026—focus on Europe and China: According to VW Group’s 2026 EV rollout plan, more new models will be released in Europe and China, but no releases are planned for the US. In Europe, the group intends to broaden its mid- to low-priced EV lineup (*ie*, EVs featuring LFP batteries), supported by the introduction of a new battery concept (unified cell) and the group’s MEB+ platform. In China, its focus will likely be on regaining market share via rolling out a wider range of models across multiple segments.

In the US, however, VW Group has already discontinued the ID.4 due to the end of the EV subsidy program and cancelled various planned launches—*ie*, the Audi Q8 e-tron (2027) and the facelifted ID.4 (2028). Until the launch of Scout-branded vehicles—as part of the Rivian JV and featuring shared software and architecture—in 2028, VW Group’s US strategy should prioritize hybrid models over BEVs.

VW Group: BEV rollout schedule

	North America	Europe	China
2021	Audi e-tron GT / Audi Q4 e-tron VW ID.4	Audi e-tron GT / Audi Q4 e-tron Cupra Born	Audi e-tron VW ID.3 / VW ID.4 / VW ID.6
2022		VW ID.5 / VW ID. Buzz	Audi Q4 e-tron / Audi Q5 e-tron
2023	Audi Q8 e-tron/SQ8 e-tron	Audi Q8 e-tron / SQ8 e-tron ID.7 / ID.7 Tourer	VW ID.7
2024	VW ID. Buzz Audi Q6 e-tron/SQ6 e-tron Porsche Macan EV	Audi Q6 e-tron / SQ6 e-tron Audi A6 e-tron / S6 e-tron Cupra Tavascan Porsche Macan EV	Cupra Tavascan Porsche Macan EV
2025	Audi A6 e-tron / S6 e-tron	VW Transporter Skoda Elroq <i>Skoda Enyaq facelift</i>	VW ID. UNYX 06 Audi A6L e-tron Audi Q6L e-tron Audi E5 Sportback
2026E		Skoda Peaq / Skoda Epiq (LFP added) VW ID. Polo (LFP added) / ID. Cross (LFP added) Audi Q2 e-tron Cupra Raval (LFP added) Porsche Cayenne Electric <i>Cupra Born facelift (LFP added)</i> <i>Audi Q4 e-tron facelift (added)</i> <i>VW ID.3 Neo facelift (added)</i>	Jetta M6 VW ID. CODE VW ID. UNYX 07 / VW ID. UNYX 08 <i>VW ID. UNYX 09 (added)</i> VW ID. AURA / <i>VW ID. Aura T6 (added)</i> Audi Mid-to Large-size EV / Audi E7X <i>Audi Mid-size SUV (early launch; 2027→2026)</i>
2027E	<i>Audi Q8 e-tron / SQ8 e-tron (cancelled)</i>	VW ID. EVERY 1 <i>Audi Q8 e-tron / SQ8 e-tron (cancelled)</i> <i>VW ID.4 facelift (LFP added)</i> <i>VW ID.5 facelift (LFP added)</i> <i>Audi A2 e-tron (added)</i>	<i>VW ID. Compact SUV (added)</i> <i>Jetta J02 (postponed; 2026→2027)</i>
2028E	Scout Terra Scout Traveler Audi Electric Off-road SUV <i>VW ID.4 facelift (cancelled)</i>		<i>Audi Q5 e-tron facelift</i>
2029E	Audi Full-size EV Audi A4 e-tron	ID. Golf <i>VW Electric Compact SUV (postponed; 2026→2029)</i> Audi A4 e-tron, Audi Full-size EV	
2030E	VW ID Compact SUV	Skoda Estate EV Audi Electric Full-size SUV Porsche Electric Full-size SUV VW ID.3 X <i>Cupra Born (added)</i>	

Note: Indicate the launch of facelift versions using italic formatting.

Source: Marklines, Samsung Securities

LFP-based EVs to hit the market in earnest in 2026: The most notable change in VW Group's 2026 EV strategy is the full-scale rollout of LFP battery-powered models (alongside the commercialization of the MEB+ platform—its upgraded platform). Four new models built on MEB+ were launched over April-May: The VW ID. Polo, the ID. Cross, the Skoda Epiq, and the Cupra Raval. Sales of these EVs should expand in earnest from 2H26.

Beyond these new models, VW Group is expanding LFP trims across its existing MEB lineup in 2026. The Explorer (Ford) and Capri (VW; both use MEB architecture) have officially introduced LFP trim options. Similarly, the Skoda Enyaq, the Enyaq iV, the VW ID.4, and the ID.5 now offer LFP variants. Notably, the facelifted ID.3 Neo highlights VW's strategic shift: Two of its three trims are LFP-only models, signaling a deliberate pivot towards cost-efficient volume production.

Unified cell batteries should use LFP chemistry, with the LFP battery supply coming not only from the group's battery subsidiary PowerCo but also from its strategic Chinese partner Gotion. To date, no Korean battery manufacturers have been confirmed as suppliers of LFP batteries to VW Group. The expansion of LFP trims across VW Group's portfolio is likely to further erode the degree to which Korean suppliers' meet VW Group's EV battery needs.

VW Group: Launch plan for LFP trim based on the MEB/MEB+ platform

	Announcement	Sales	LFP adoption type	Existing battery	Existing suppliers	New battery
Ford Explorer	Jan 2026	Mar 2026	LFP trim addition	52 kWh NCM	CATL	58 kWh LFP
Ford Capri	Jan 2026	Mar 2026	LFP trim addition	52 kWh NCM	CATL	58 kWh LFP
Skoda Enyaq	Mar 2026	Mid 2026	LFP trim addition	59 kWh NCM	LG Energy Solution	58 kWh LFP
Skoda Elroq	Mar 2026	Mid 2026	LFP trim addition	59 kWh NCM	SK On	58 kWh LFP
VW ID.4	Mar 2026	Mid 2026	LFP trim addition	52 kWh NCM	CATL/SK On	58 kWh LFP
VW ID.5	Mar 2026	Mid 2026	LFP trim addition	52 kWh NCM	LG Energy Solution	58 kWh LFP
Cupra Born	Mar 2026	Mid 2026	LFP trim addition	58 kWh NCM	LG Energy Solution	58 kWh LFP
VW ID.3 Neo	Apr 2026	Mid 2026	Facelift (2 LFP, 1 NCM)	52 kWh NCM	CATL/SK On	50 kWh/58 kWh LFP, 79 kWh NCM
VW ID. Polo	Apr 2026	2H26	New model launch			37 kWh LFP, 52 kWh NCM
Skoda Epiq	May 2026	Jul 2026	New model launch			37 kWh LFP, 52 kWh NCM
Cupra Raval	Apr 2026	Jul 2026	New model launch			37 kWh LFP, 52 kWh NCM
VW ID. Cross	2H26	2H26	New model launch			37 kWh LFP, 52 kWh NCM

Source: VW Group, Press release, Samsung Securities

Sales strategy, by automaker: Tesla

Tesla's sales volume grows again after contracting for two years: Tesla's EV sales volume reached 457,000 units over Jan-Apr 2026, gaining 9.1% y-y (vs 418,000 units sold over Jan-Apr 2025). After recording 38-40% growth *pa* over 2022-2023, Tesla's EV sales volume fell 1.3% in 2024 and 8.5% in 2025. The figure has returned to y-y growth for the first time in two years.

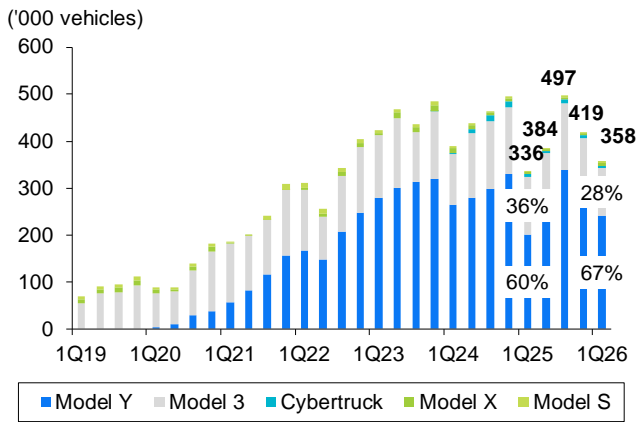
Breaking down Tesla's EV sales volume by model, we find that the Model Y is behind the firm's sales recovery. Sales of the Model Y (which accounted for 66% of the firm's total sales volume in 2025) rose 21.5% y-y to 311,000 units over Jan-Apr 2026 (vs 256,000 units over Jan-Apr 2025)—marking a significant improvement given the declines of 3% in 2024 and 7% in 2025. This rebound is attributable to the launch of variants such as the long-wheelbase Model Y L. In contrast, sales of the Model 3 fell 14.6% y-y over Jan-Apr 2026 to 125,000 units (vs 146,000 units over Jan-Apr 2026), continuing its contraction (-6% in 2025).

Even though their market shares remain small, the Cybertruck (sales volume +7.2% y-y over Jan-Apr 2026; 8,000 units vs 7,000 units over Jan-Apr 2026), the Model X (+40.8% y-y; 7,000 units vs 5,000 units over Jan-Apr 2026), and the Model S (+63.5% y-y; 5,000 units vs 3,000 units over Jan-Apr 2026) are now logging sales volumes growth (vs declines in 2025). The Model X and Model S, in particular, are likely seeing increased sales volumes ahead of their planned discontinuations this year.

LFP battery-powered EV portion falling: By battery type, the portion of Tesla EVs powered by LFP batteries (sales volume basis) rose without pause through end-2024 before declining in 2025 and over Jan-Apr 2026. Ytd (Jan-Apr 2026), Tesla's sales volume of LFP-powered models rose 1.8% y-y to 166,000 units (vs 163,000 units over Jan-Apr 2025), while its NCM battery-powered EV sales volume rose 55.4% y-y from 94,000 units to 146,000 units and its NCA battery EV sales fell 10.3% y-y from 161,000 units to 145,000 units. As a result, its LFP battery-powered EV sales portion expanded from 38% in 2022 to 47% in 2024, before shrinking to 37% in 2025 and to 36% over Jan-Apr 2026.

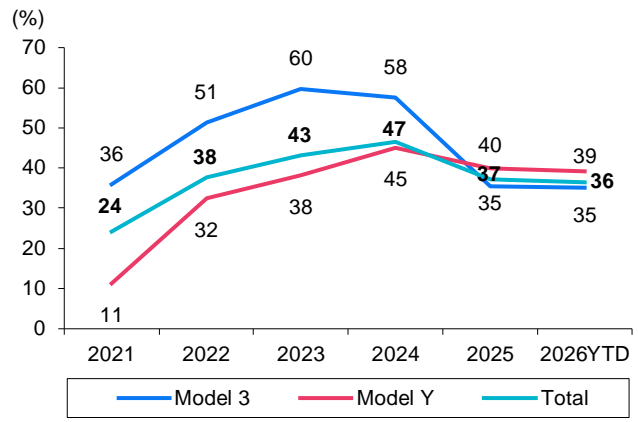
This falling portion of LFP battery-powered EVs is attributable to: 1) the discontinued production of LFP-powered models in the US (after the US imposed tariffs against China); and 2) the prioritization of LFP batteries for energy storage systems (ESS). As a result, Tesla's recently-launched variants (the Model 3+ and Model Y L) are now primarily equipped with tertiary batteries. In some markets, even standard trims—previously offered exclusively with LFP batteries—are now sold with tertiary batteries.

Tesla: Sales volume, by model



Source: EV Volumes, Samsung Securities

Tesla: Portion of EVs powered by LFP batteries



Source: EV Volumes, Samsung Securities

Tesla: EV sales volume, by major model

Model	Battery supplier*	2024			2025			Jan-Apr 2026		
		Sales volume	Growth rate (% y-y)	Portion of sales (%)	Sales volume	Growth rate (% y-y)	Portion of sales (%)	Sales volume	Growth rate (% y-y)	Portion of sales (%)
Model Y	Panasonic (North America) / BYD (Europe) / CATL (China) / LG ES (China/Europe)	1,173,920	-3.2	65.7	1,086,933	-7.4	66.4	311,184	21.5	68.2
Model 3	Panasonic (North America) / CATL (North America/China) / LG ES (China)	528,669	-0.3	29.6	499,172	-5.6	30.5	125,168	-14.6	27.4
Cybertruck	Tesla (North America)	37,775	107828.6	2.1	24,397	-35.4	1.5	7,927	7.2	1.7
Model X	Panasonic (North America)	29,868	-29.5	1.7	16,748	-43.9	1.0	7,476	40.8	1.6
Model S	Panasonic (North America)	17,720	-30.1	1.0	9,392	-47.0	0.6	4,851	63.5	1.1
Total		1,787,952	-1.3	100.0	1,636,644	-8.5	100.0	456,606	9.1	100.0

Note: * Parentheses denote region of production

Source: EV Volumes, Samsung Securities

New-model launch schedule for 2026—limited number of high-volume models: The biggest event in terms of Tesla’s 2026 new-car momentum is the launch of the Cybercab and Semi. The Redwood, Tesla’s long-rumored mid- to low-cost model, is widely expected to be launched in 2026. But with no official confirmation, its 2026 debut remains uncertain. The Cybercab, positioned as the cornerstone of Tesla’s autonomous taxi network, holds the potential to create new battery demand thanks to its autonomous ride-hailing service. The Semi represents a dramatic leap in energy consumption: At 548-822 kWh per unit, each truck requires the equivalent battery capacity of 7-10 Model Ys. Yet, neither the Cybercab nor the Semi is likely to result in large-scale sales volume—they both serve niche markets.

Tesla: EV rollout schedule

	North America	Europe	China
2021	<i>Model S refresh</i> <i>Model X refresh</i>	Model Y	Model Y
2022		<i>Model S refresh</i> <i>Model X refresh</i>	
2023	Cybertruck	<i>Model 3 refresh (Highland)</i>	<i>Model S refresh</i> <i>Model X refresh</i> <i>Model 3 refresh (Highland)</i>
2024	<i>Model 3 refresh (Highland)</i>		
2025	<i>Model Y refresh (Juniper)</i>	<i>Model Y refresh (Juniper)</i>	<i>Model Y refresh (Juniper)</i>
2026E	Compact car (Redwood) Cybercab Tesla Semi	Compact car (Redwood)	Compact car (Redwood)
2027E	<u>Roadster (postponed; 2025→2027)</u>	Tesla Semi	
2028E			
2029E	<u>Model 3 (added)</u>		
2030E		<u>Model 3 (added)</u>	<u>Model 3 (added)</u>

Note: Indicate the launch of facelift versions using italic formatting.

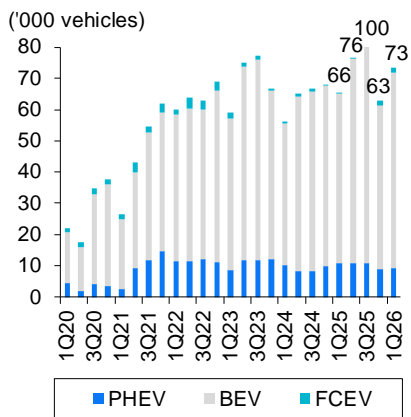
Source: Marklines, Samsung Securities

Sales strategy, by automaker: HMG

HMG—clear growth momentum, led by Kia: HMG's EV sales rose 19.9% y-y to 230,000 units over Jan-Apr 2026 (vs 192,000 units over Jan-Apr 2025). Its EV sales volume fell in 2024 (-2.8%), rebounded in 2025 (+13.5%), and remained strong over Jan-Apr 2026 (+19.9% y-y).

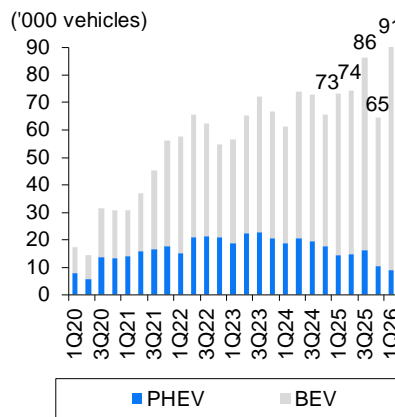
Brand-level performance highlights stark divergence: New-model effects for Kia have proven strong, while those for HMC and Genesis have proven somewhat lackluster. HMC's EV sales rose 9.8% y-y over Jan-Apr 2026 to 99,000 units (vs 90,000 units over Jan-Apr 2025), with its PHEV sales shrinking 16.4% y-y to 12,000 units (vs 14,000 units over Jan-Apr 2025) and its BEV sales rising 13% y-y to 85,000 units (vs 75,000 units over Jan-Apr 2025). Meanwhile, Kia's EV sales expanded 31.1% y-y over Jan-Apr 2026 to 129,000 units (vs 98,000 units over Jan-Apr 2025). A 39.2% y-y decline in PHEV sales to 12,000 units (vs 19,000 units over Jan-Apr 2025) was offset by a 48.2% y-y jump in BEV sales to 117,000 units (vs 79,000 units over Jan-Apr 2025). Genesis posted a 34.2% y-y fall in EV sales (2,300 units over Jan-Apr 2026 vs 3,500 over Jan-Apr 2025) due to an absence of new-car effects.

HMG: HMC's EV sales volume



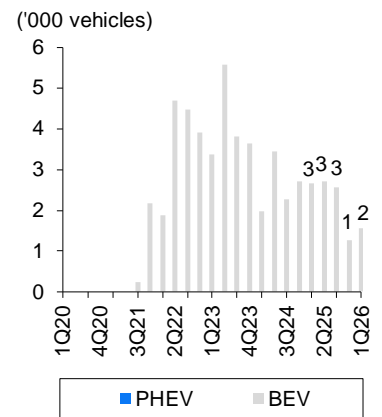
Source: EV Volumes, Samsung Securities

HMG: Kia's EV sales volume



Source: EV Volumes, Samsung Securities

HMG: Genesis's EV sales volume



Source: EV Volumes, Samsung Securities

Visible new-car effects vs aging of key models: HMG's EV sales volume has one key trait—*ie*, strong sales of its four key new models (Kia's EV3, EV5, PV5, and HMC's Ioniq 9) have more than offset the aging effects of HMG's other EV models. The sales volume increase recorded by Kia's EV5 (+17,000 units to 21,000 units over Jan-Apr 2016 vs 4,000 units over Jan-Apr 2025), the EV4 (+14,000 units to 15,000 units vs 1,000 units over Jan-Apr 2025), and the PV5 (+11,000 units to 11,000 units vs zero over Jan-Apr 2025) was together larger than that seen by HMG's other EVs (+38,000 units to 230,000 units vs 192,000 units over Jan-Apr 2025). However, battery sourcing reveals limited upside for Korean suppliers. The EV5 and the PV5 are believed to be equipped with CATL's tertiary batteries and BYD's LFP batteries, respectively. It has been confirmed that only the EV4 uses batteries made by a Korean battery maker (LGES).

Meanwhile, model aging is accelerating sales declines for legacy EVs. The Ioniq 5 sales decreased 3.7% in 2025 (vs +1.4% in 2024) and fell 1.2% y-y over Jan-Apr 2026. The sales decline for Kia's EV6 has intensified, falling 16.3% in 2024, 32.2% in 2025, and 33.9% y-y over Jan-Apr 2026. After surging in 2024 (+218.4%) fueled by its novelty factor, sales of Kia's EV9 fell 20.2% in 2025 and grew just 0.5% y-y over Jan-Apr 2026. Among the top-10 EV models (sales volume basis) sold by the HMG Group, four are booking sales falls, including the Hyundai Kona BEV (-2.8% y-y over Jan-Apr 2026).

HMG: EV sales volume, by major model

Model	Battery suppliers*	2024			2025			Jan-Apr 2026		
		Sales volume	Growth rate (% y-y)	Portion of sales (%)	Sales volume	Growth rate (% y-y)	Portion of sales (%)	Sales volume	Growth rate (% y-y)	Portion of sales (%)
Kia EV3 BEV	LGES (Korea)	18,875		3.5	98,643	422.6	16.1	32,659	-10.1	14.2
Hyundai Ioniq 5 BEV	SK On (Korea/North America)	103,469	1.4	19.2	99,618	-3.7	16.3	30,127	-1.2	13.1
Kia EV5 BEV	BYD (China), CATL (Korea)	7,534	1867.1	1.4	14,339	90.3	2.3	20,715	416.2	9.0
Kia PV5 BEV	CATL (Korea)				3,709		0.6	11,271		4.9
Hyundai Casper BEV	LGES (Korea)	8,010		1.5	43,105	438.1	7.0	15,832	44.3	6.9
Hyundai Kona BEV	CATL (Europe /Korea)	61,594	3.8	11.4	51,315	-16.7	8.4	15,644	-2.8	6.8
Kia EV4 BEV	LGES (Europe /Korea)				12,474		2.0	14,929	1696.5	6.5
Kia EV6 BEV	SK On (Korea/North America)	67,236	-16.3	12.5	45,619	-32.2	7.4	10,721	-33.9	4.7
Hyundai Ioniq 9 BEV	SK On (Korea/North America)				17,277		2.8	9,635	388.1	4.2
Kia EV9 BEV	SK On (Korea/North America)	40,756	218.4	7.5	32,541	-20.2	5.3	9,624	0.5	4.2
Others		232,354	-22.7	43.0	193,969	-16.5	31.7	58,845	-10.0	25.6
Total		539,828	-2.8	100.0	612,609	13.5	100.0	230,002	19.9	100.0

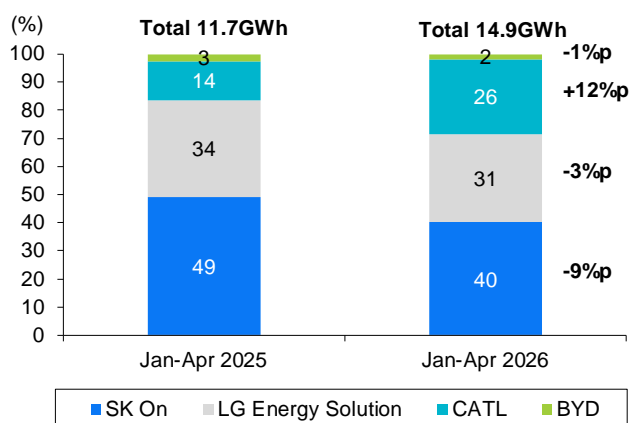
Note: * Parentheses denote region of production

Source: EV Volumes, Samsung Securities

HMG—CATL gaining more share: HMG’s battery supply chain is being structurally realigned, mirroring the trend observed at VW Group: Chinese firms—CATL and BYD—are meeting more of VW Group’s battery needs while Korean suppliers are losing ground. SK On met 40% of HMG’s global battery needs in over Jan-April 2026 (-9%pts y-y), LGES met 31% (-3%pts y-y), CATL 26% (+12%pts y-y), and BYD 2% (-1%pt y-y). Focusing specifically on the European market, the shift has been even more pronounced: LGES met 42% of HMG’s European battery needs over Jan-Apr 2026 (-4%pts y-y), CATL 31% (+13%pts y-y), and SK On 26% (-10%pts y-y).

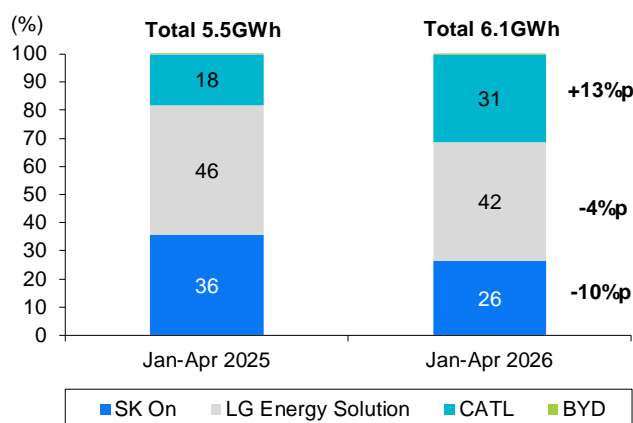
This change reflects a pivot by HMG towards low-cost batteries (and enhanced cost competitiveness) amid weakening EV demand. As automakers are prioritizing lower battery costs (to sustain margins and volume growth), HMG is increasingly sourcing both ternary and LFP batteries from CATL (in place of Korean suppliers) and expanding its LFP-powered trims, particularly in price-sensitive markets (eg, China). The 2026 European launch of the Ioniq 3 and the EV2 (mid- to low-tier BEVs) should feature dual-battery versions (ternary and LFP powered). However, both LFP variants are expected to exclusively use Chinese-made batteries, with no involvement from Korean battery manufacturers. This should further reduce the degree to which Korean battery suppliers meet HMG’s EV battery needs.

HMG: Global battery procurement. by manufacturer



Source: EV Volumes, Samsung Securities

HMG: Europe battery procurement, by manufacturer



Source: EV Volumes, Samsung Securities

HMG: LFP-powered EVs

Brand	Model	Battery manufacturer	Type	Launch timeline	Sales region
Kia	Ray BEV	CATL	LFP	2024	Korea
Hyundai	Elexio EO BEV	BYD	LFP	2025	China
Kia	Carens Clavis BEV	BYD	LFP	2025	India
Kia	EV5	BYD	LFP	2025	China
Kia	EV2	CATL	LFP	2026	Europe/Asia
Hyundai	Ioniq 3	CATL	LFP	2026	Europe/Asia

Source: EV Volumes, Press Release, Samsung Securities

New-model launch schedule for 2026—continued shift from US to Europe: HMG’s 2026 new-car release plan reflects a strategic realignment: Scaling back BEV launches in the US while accelerating electrification in Europe. In the US, the group has further retreated from its earlier EV ambitions. Following the cancellation of several planned models in 2H25—after the end of EV tax credits—HMG has formally cancelled the 2026 launches of the EV4, the Ioniq 6, and a next-generation EV pickup truck. Its focus has decisively shifted towards hybrid powertrains (HEV, PHEV, EREV), underscoring its shift away from BEVs in North America.

In Europe, HMG is scheduled to launch the Ioniq 3 and the EV2—both mid- to low-tier models—this year under a dual-battery strategy: The long-range models should come with 61 kWh ternary batteries, while the standard-range models should come with 42 kWh LFP batteries. This mirrors VW Group’s 2026 European strategy, setting the stage for fierce competition in the mid- to low-tier segments.

HMG: BEV rollout schedule

	North America	Europe	China
2021	Hyundai Ioniq 5	Hyundai Ioniq 5 Kia EV6	
2022	Genesis G80 Genesis GV60 Kia EV6 Kia Niro	Genesis GV70 Genesis GV60 Kia Niro Genesis G80	
2023	Genesis GV70 Hyundai Ioniq 6 Kia EV9 Hyundai Kona	Hyundai Kona Hyundai Ioniq 6 Kia EV9	Kia EV5 (LFP added)
2024		Kia EV3 Hyundai Casper	
2025	Hyundai Ioniq 9 Kia EV6 facelift Genesis GV60 facelift Genesis GV70 facelift	Kia EV4, Kia EV5, Kia PV5 Hyundai Ioniq 9 Hyundai Casper crossover Genesis GV60 facelift, GV70 facelift Hyundai Ioniq 6 facelift Kia EV6 facelift	Hyundai EO (LFP added)
2026E	Kia EV3 Kia EV4 (cancelled) Kia EV8 Kia PV5 Genesis GV90	Kia EV2 (LFP added) Hyundai Ioniq 3 (LFP added) Genesis GV90	Kia EV4 Hyundai Ioniq V (LFP added)
2027E	Kia PV7	Kia EV6 Kia PV7 Genesis GV60 Kia B-Hatchback EV (added)	Hyundai Ioniq Electric SUV (LFP added)
2028E	Kia PV1 (cancelled) Kia EV6 Hyundai Ioniq 5 Genesis GV60	Kia PV1 (cancelled) Hyundai Ioniq 5	
2029E	Kia Electric Pickup truck (EREV conversion) Hyundai Ioniq 6 (cancelled) Kia PV9 (added) Hyundai Mid-size Pickup (added)	Kia EV7 Hyundai Ioniq 6 Kia PV9 (added)	Kia EV7 Kia EV5
2030E	Kia EV9 Genesis G80	Kia EV9 Genesis G80	

Source: Marklines, Samsung Securities

Sales strategy, by automaker: GM

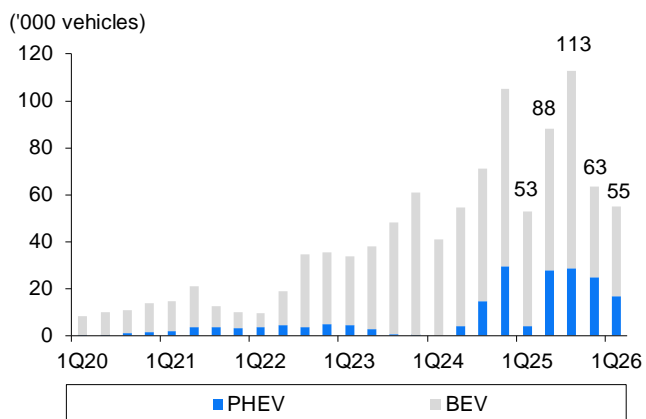
GM faces slower US demand for EVs: GM's EV sales volume (excluding its Chinese JV Baojun and Wuling-branded vehicles) totaled 80,000 units over Jan-Apr 2026 (+3.3% y-y vs 77,000 units over Jan-Apr 2025). After growing rapidly in 2023 (+84.3%) and 2024 (+49.9%), its EV sales growth began decelerating in 2025 (+16.7% y-y) and slowed further over Jan-Apr 2026 (+3.3% y-y).

By region, GM saw robust growth in China and soft demand in the US. The firm's global EV sales volume grew 3.3% y-y over Jan-Apr 2026 to 80,000 units (vs 77,000 units over Jan-Apr 2025), but its Chinese sales jumped 49.8% y-y from 21,000 units to 32,000 units. Although China's EV market growth has slowed (on an easing of price competition under anti-involution policies and reduced subsidies), GM achieved robust sales growth in the country thanks to new-model effects (the Buick Electra Encasa PHEV: 9,000 units vs zero over Jan-Apr 2025) and the Buick Electra E7 PHEV (3,000 units vs zero).

Meanwhile, the firm's US sales fell 14.5% y-y over Jan-Apr 2026 to 48,000 units (vs 56,000 units over Jan-Apr 2025), marking the first y-y contraction since 2020, due to the expiration of EV tax credits. Amid the Chevrolet Blazer BEV's deepening sales slump (-73.7% y-y; 2,000 units over Jan-Apr 2026 vs 9,000 units over Jan-Apr 2025), Chevrolet Equinox BEV's fall (-13.1% y-y; 17,000 units over Jan-Apr 2026 vs 19,000 units over Jan-Apr 2025), and Chevrolet Silverado BEV's decline (-37.3% y-y; 5,000 units over Jan-Apr 2026 vs 3,000 units over Jan-Apr 2025), we point out that sales of the Cadillac Optiq (+54.9% y-y; 6,000 units over Jan-Apr 2026 vs 4,000 over Jan-Apr 2025) and Cadillac Vistiq (+1,051.2% y-y; 3,000 units over Jan-Apr 2026 vs zero units) performed better though sales of the Cadillac Lyriq (-17.6% y-y; 6,000 units over Jan-Apr 2026 vs 7,000 over Jan-Apr 2025) fell y-y. The Cadillac EV models were launched later than the Chevrolet EV models, so they are benefitting from possessing fresher models. But the bigger reason for their better performance is likely the greater sensitivity of lower-priced Chevrolet EVs to US EV tax credits (up to USD7,500), which subsidy cancellation disproportionately impacted their sales.

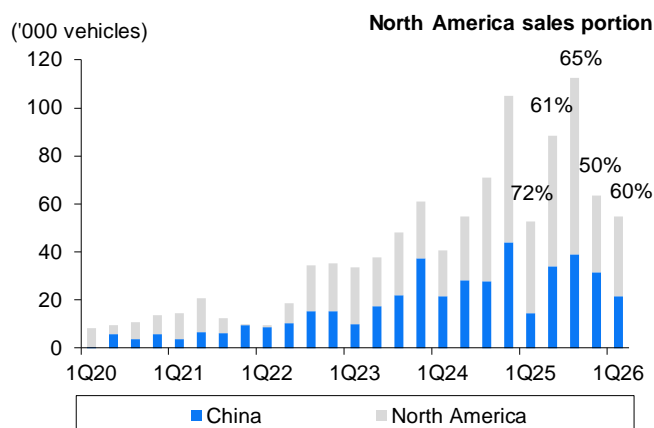
Since Jan 2026, GM has paused operations at its JV battery plants with LGES (in Ohio and Tennessee). The Tennessee facility has been repurposed (it is now an ESS battery plant), leaving only the Ohio plant dedicated to EV battery production. Given GM's current US EV sales performance, it should take some time to fully utilize the entire 45 GWh production capacity of the Ohio plant.

GM: EV sales volume, by type



Note: Excludes brands under SGMW (Baojun, Wuling), in which GM is the second largest shareholder (44% stake)
Source: EV Volumes, Samsung Securities

GM: EV sales volume, by region



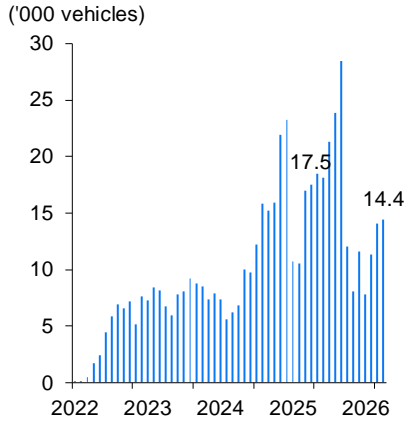
Note: Excludes brands under SGMW (Baojun, Wuling), in which GM is the second largest shareholder (44% stake)
Source: EV Volumes, Samsung Securities

GM: EV sales volume, by major model

Model	Battery suppliers*	2024			2025			Jan-Apr 2026		
		Sales volume	Growth rate (% y-y)	Portion of sales (%)	Sales volume	Growth rate (% y-y)	Portion of sales (%)	Sales volume	Growth rate (% y-y)	Portion of sales (%)
Chevrolet Equinox BEV	LGES (Mexico)	47,780		17.6%	69,091	44.6%	21.8%	16,556	-13.1%	20.8%
Buick Electra Encasa PHEV	CATL (China)				2,891		0.9%	8,872		11.2%
Buick GL8 PHEV	Zenergy (China)	46,499		17.1%	73,196	57.4%	23.1%	8,784	1%	11%
Cadillac Optiq BEV	LGES (Mexico), CATL (China)	2,400		0.9%	16,292	578.8%	5.1%	6,427	54.9%	8.1%
Cadillac Lyriq BEV	LGES (US), CATL (China)	33,614	132%	12.4%	24,968	-25.7%	7.9%	6,044	-17.6%	7.6%
Chevrolet Spark BEV	Gotion (China)				3,580		1.1%	4,384		5.5%
Cadillac Vistiq BEV	LGES (US)				8,564		2.7%	3,235	1051.2%	4.1%
Buick Electra E7 PHEV	Zenergy (China)							3,198		4%
Chevrolet Silverado BEV	LGES (US)	9,366	1931.7%	3.4%	14,033	49.8%	4.4%	2,883	-37.3%	3.6%
Chevrolet Blazer BEV	LGES (Mexico)	28,710	4185.1%	10.6%	25,215	-12.2%	7.9%	2,444	-73.7%	3.1%
Others		103,456	-37.6%	38.1%	79,502	-23.2%	25.1%	16,680	-29.2%	21%
Total		271,825	49.9%	100%	317,332	16.7%	100%	79,507	3.3%	100%

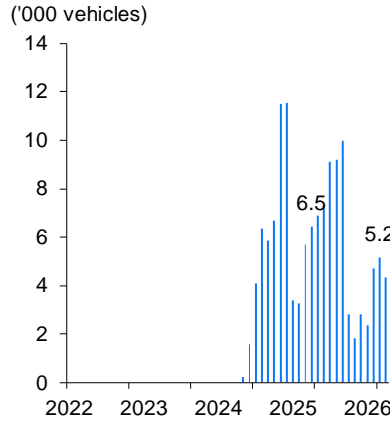
Note: * Parentheses denote region of production
Source: EV Volumes, Samsung Securities

North America: GM's total EV sales volume



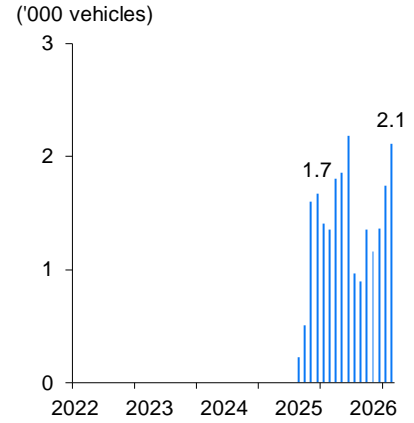
Source: EV volumes, Samsung Securities

North America: Sales volume of Chevrolet Equinox BEV



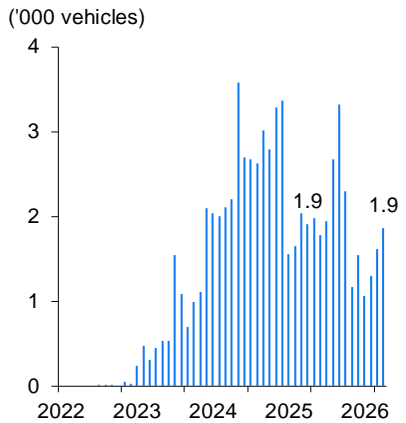
Source: EV volumes, Samsung Securities

North America: Sales volume of Cadillac Optiq BEV



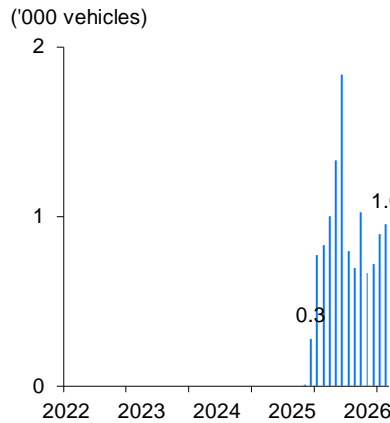
Source: EV volumes, Samsung Securities

North America: Sales volume of Cadillac Lyriq BEV



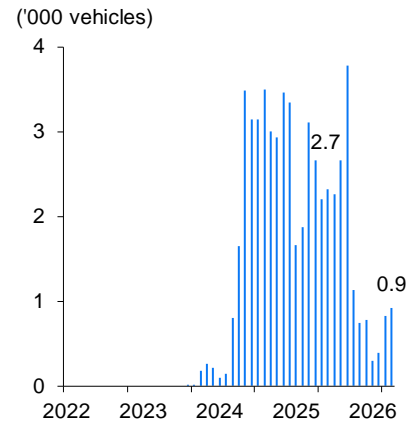
Source: EV volumes, Samsung Securities

North America: Sales volume of Cadillac Vistiq BEV



Source: EV volumes, Samsung Securities

North America: Sales volume of Chevrolet Blazer BEV



Source: EV volumes, Samsung Securities

New-model launch schedule—cuts continue to center on US: In 2H25, following the elimination of EV tax credits, GM canceled six EV models it had planned to launch in the US. This year, it scrapped multiple EVs that were set to be released in 2027. Even the revived Bolt EV—brought back this year—is set for a second discontinuation in 2028. With one of its JV battery plants with LGES having been repurposed for ESS battery production, GM is likely to focus in the near term on maximizing sales of its existing lineup and expanding its hybrid (PHEV/EREV) portfolio, rather than broadening its EV offerings in the US.

GM: BEV rollout schedule

	North America	Europe	China
2021	Chevrolet Bolt EUV GMC Hummer EV Pickup Chevrolet Brightdrop 600		<i>Baojun KiWi EV</i> <i>Wuling Nano EV</i>
2022	Cadillac Lyriq Cruise AV		Cadillac Lyriq <i>Wuling Air EV</i>
2023	Chevrolet Silverado EV Chevrolet Blazer EV GMC Hummer EV SUV Chevrolet Brightdrop 400	Cadillac Lyriq	<i>Baojun Yep</i> Buick Electra E5 <i>Wuling Bingo</i> Buick Electra E4 <i>Baojun Yunduo</i> <i>Wuling Xingguang</i>
2024	GMC Sierra EV Chevrolet Equinox EV Cadillac Escalade IQ		<i>Cadillac Optiq</i> <i>Baojun Yep PLUS</i> <i>Wuling Hongguang EV</i> <i>Wuling Xingguang S</i> <i>Baojun Yunhai</i> <i>Wuling Bingo PLUS</i> <i>Wuling Yangguang</i>
2025	Cadillac Optiq Cadillac Vistiq Cadillac Celestiq		<i>Wuling Hongguang MINI EV 4-Door</i> <i>Wuling Sunshine EV</i> <i>Baojun Xiangjing</i> Buick Electra Encasa <i>Wuling Bingo S</i> <i>Wuling Xingguang 730</i>
2026E	Chevrolet Bolt EV		<i>Cadillac Vistiq</i> <u>Buick Electra E7 (cancelled)</u> <u>Buick Electra L7 (added)</u> <u>Baojun Huajing S (PHEV conversion)</u> <u>Wuling Xingguang 560 (postponed: 2025→2026)</u> <u>Wuling Rongguang NEV (added)</u> <u>Wuling Hongguang MINI EV 4-Door (added)</u>
2027E	<u>Chevrolet Suburban EV (cancelled)</u> <u>Chevrolet Tahoe EV (cancelled)</u> <u>GMC Yukon (cancelled)</u>		
2028E	Light Commercial EV Van		<i>Baojun Yep</i>
2029E	Cadillac Lyriq		<i>Wuling Air EV</i> <i>Wuling Bingo</i>
2030E			

Note: Brands under SGMW (Baojun, Wuling), in which GM is the second largest shareholder (44% retained) are italicized.

Source: Marklines, Samsung Securities

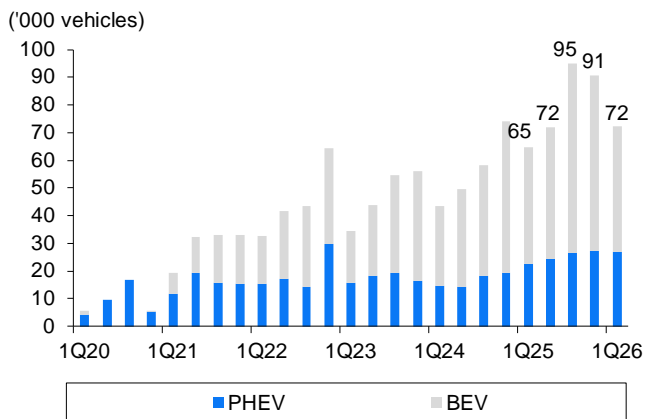
Sales strategy, by automaker: Ford

New-model effects from Europe: Ford’s EV sales rose 14.4% y-y to 98,000 units over Jan-Apr 2026 (vs 86,000 units over Jan-Apr 2025). Its sales growth (+3.8% in 2023, +19.3% in 2024, and +43.1% in 2025) has moderated somewhat this year.

Ford’s EV sales growth over Jan-Apr 2026 (+14.4%) was powered by new-model effects in the European market (where the US automaker’s EV sales volume surged 54.3% y-y to 71,000 units vs 46,000 units over Jan-Apr 2025). The firm’s EV sales in the North American market fell 34.1% y-y over Jan-Apr 2026 to 26,000 units (vs 39,000 units over Jan-Apr 2025). Accordingly, the European portion of Ford’s EV sales volume leapt from 34% in 2024 to 73% over Jan-Apr 2026. The robust growth in Europe is attributable to new-car effects—two models were launched in 2024 (the Ford Explorer BEV and Capri BEV) and one model was released in 2025 (the Puma BEV). The Explorer BEV and Capri BEV are C-segment SUVs that are built on VW Group’s MEB platform, and both EVs are powered by CATL’s batteries. The Puma BEV, a C-segment SUV, comes with LGES’s European-made battery.

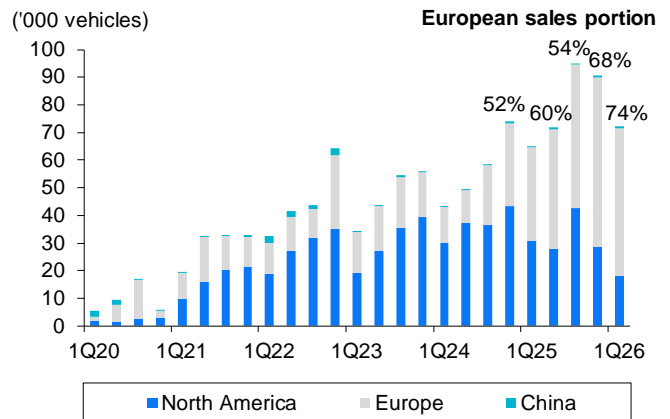
Breaking down Ford’s EV sales volume by model, the weak state of the US EV market has become more evident since the elimination of EV tax credits there. The sales volume of the Mustang Mach-E (its previously top-selling EV in the US) fell 37.6% y-y over Jan-Apr 2026 to 12,000 units (vs 19,000 units over Jan-Apr 2025), and the sales volume of the F-150 Lightning slid 50.6% y-y to 5,000 units (vs 10,000 units over Jan-Apr 2026). Notably, production of the F-150 Lightning (BEV version) was terminated in Dec 2025, though plans are afoot to roll out an EREV or hybrid version of the truck.

Ford: EV sales volume, by type



Source: EV Volumes, Samsung Securities

Ford: EV sales volume, by region



Source: EV Volumes, Samsung Securities

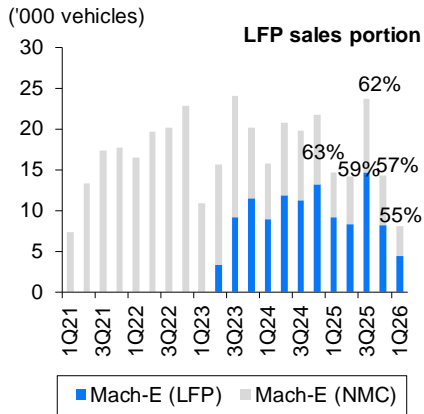
Ford: EV sales volume, by major model

Model	Battery suppliers*	2024			2025			Jan-Apr 2026		
		Sales volume	Growth rate (% y-y)	Portion of sales (%)	Sales volume	Growth rate (% y-y)	Portion of sales (%)	Sales volume	Growth rate (% y-y)	Portion of sales (%)
Ford Kuga / Escape PHEV	Samsung SDI (North America, Europe)	55,135	-13.3%	24.5%	58,443	6%	18.1%	15,415	-22.5%	15.7%
Ford Explorer (Europe) BEV	CATL (Europe)	15,872	528966.7%	7%	45,254	185.1%	14%	15,328	26.6%	15.6%
Ford Puma BEV	LGES (Europe)	3			23,886	796100%	7.4%	12,593	901%	12.9%
Ford Mustang Mach-E BEV	CATL (Mexico), LGES (Mexico, China)	77,998	10.3%	34.6%	66,845	-14.3%	20.7%	11,707	-37.6%	11.9%
Ford Transit Custom PHEV	Samsung SDI (Europe)	3,614		1.6%	14,316	296.1%	4.4%	6,507	72.2%	6.6%
Ford Capri BEV	CATL (Europe)	1,931		0.9%	17,962	830.2%	5.6%	5,850	60.4%	6%
Ford F-150 Lightning BEV	SK On (North America)	37,963	35.7%	16.9%	33,164	-12.6%	10.3%	5,088	-50.6%	5.2%
Ford Ranger PHEV	Samsung SDI (North America)				5,162		1.6%	4,997	124825%	5.1%
Ford e-Transit Custom BEV	SK On (Europe)	1,968		0.9%	12,694	545%	3.9%	4,668	61.2%	4.8%
Ford E-Transit Van BEV	SK On (North America, Europe)	22,455	8%	10%	15,415	-31.4%	4.8%	3,752	-42%	3.8%
Others		8,316	46.5%	3.7%	29,211	251.3%	9.1%	12,062	85.9%	12.3%
Total		225,255	19.3%	100%	322,352	43.1%	100%	97,967	14.4%	100%

Note: * Parentheses denote region of production

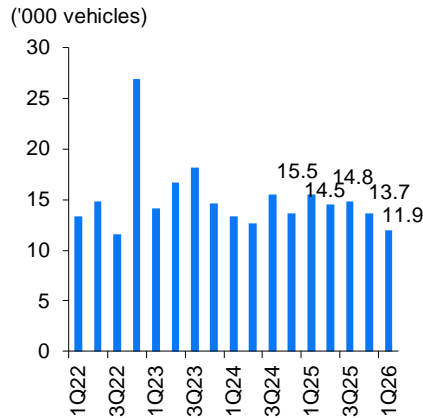
Source: EV Volumes, Samsung Securities

Ford Mach-E BEV: EV sales volume, by battery chemistry



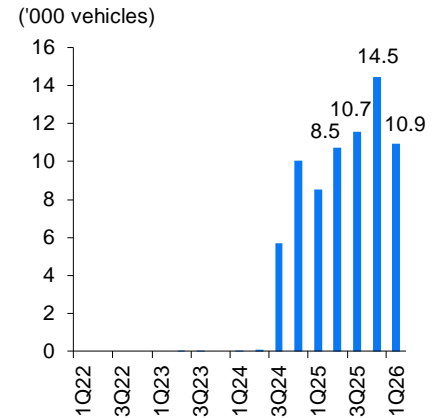
Source: EV Volumes, Samsung Securities

Ford: Sales volume of Escape PHEV



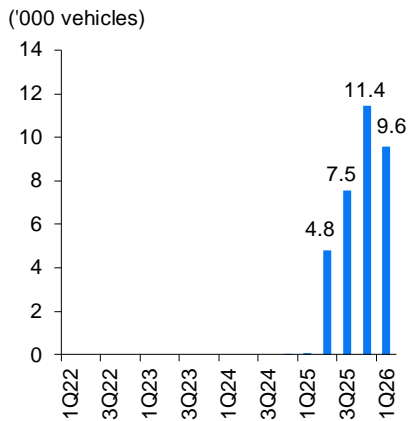
Source: EV Volumes, Samsung Securities

Ford: Sales volume of Explorer BEV



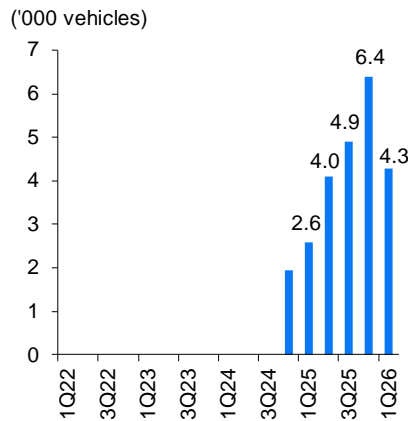
Source: EV Volumes, Samsung Securities

Ford: Sales volume of Puma BEV



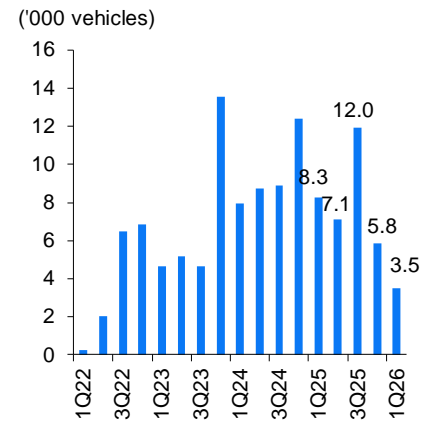
Source: EV Volumes, Samsung Securities

Ford: Sales volume of Capri BEV



Source: EV Volumes, Samsung Securities

Ford: Sales volume of F-150 Lightning



Source: EV Volumes, Samsung Securities

New-model launch schedule—cuts continue to center on US: Ford has no new EV launches planned for 2026, apart from one model in Europe. Having released six new EVs in Europe in 2024 and one in 2025, the company is enjoying new-model effects in the form of sales growth. Only one new model is likely to be debuted this year in Europe (the Transit City).

In contrast, the company has no new model launches scheduled for this year in the US (its home market). This would mark the fourth consecutive year without a new EV introduction (the last was in 2023), and some previously planned 2028 EV launches have also been canceled. Similar to HMG and GM, Ford appears to be slowing its EV transition following the removal of the US tax credits, instead focusing on hybrid-driven sales to protect its profitability.

Battery JV dissolution and repurposing: As EVs became less profitable in North America and new battery factories were set to start production, Ford and SK On decided in Dec 2025 to dissolve their JV. Under the dissolution agreement, Ford retained the Kentucky facility, while SK On took over the Tennessee plant. Ford decided to convert the ternary battery production line at the Kentucky facility to an LFP battery line (for ESS), and established a dedicated subsidiary (Ford Energy) to lead the initiative. GM has adopted a similar strategy. Across the US, multiple battery plants are being repurposed for ESS battery production—a transition that is likely to accelerate.

Ford: BEV rollout schedule

	North America	Europe	China
2021	Ford Mustang Mach-E	Ford Mustang Mach-E	Ford Mustang Mach-E
2022	Ford F-150 Lightning Ford E-Transit	Ford E-Transit	
2023			
2024		Ford E-Transit Custom Ford Explorer EV Ford Capri Ford E-Tourneo Custom Ford E-Tourneo Courier Ford E-Transit Courier	
2025		Ford Puma EV	
2026E		<u>Ford E-Transit EV (cancelled)</u> <u>Ford Transit City (added)</u>	<u>Ford Bronco New Energy (added)</u>
2027E	Ford Mid-size Electric pickup Ford Mustang Mach-E		Ford Mustang Mach-E
2028E	Lincoln Corsair-E Compact electric SUV <u>Next-generation pickup (cancelled)</u> <u>Ford E-Transit EV (cancelled)</u>	Ford Mustang Mach-E	
2029E			
2030E			

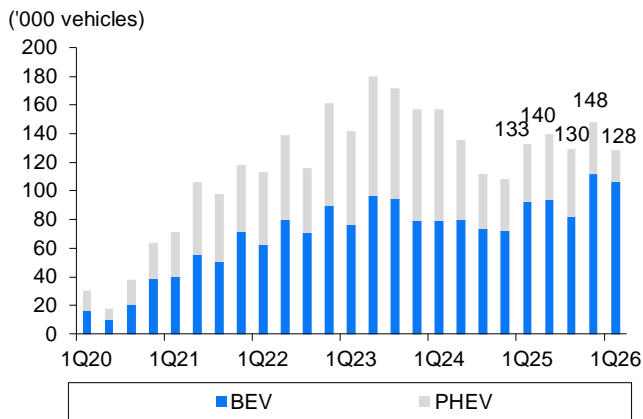
Source: Marklines, Samsung Securities

Sales strategy, by automaker: Stellantis

Stellantis—sales tumble after US tax credit expires: Stellantis’ EV sales volume hit 169,000 units over Jan-Apr 2026, sliding 6.3% y-y (vs 181,000 units over Jan-Apr 2025). After decreasing 21.3% in 2024, its EV sales rebounded in 2025 but contracted again y-y over Jan-Apr 2026. Its sales volume over Jan-Apr 2026 for BEVs rose 13.8% y-y to 142,000 units (vs 125,000 units over Jan-Apr 2025) on new-car effects but dipped 51% y-y for PHEVs (from 56,000 units to 28,000 units).

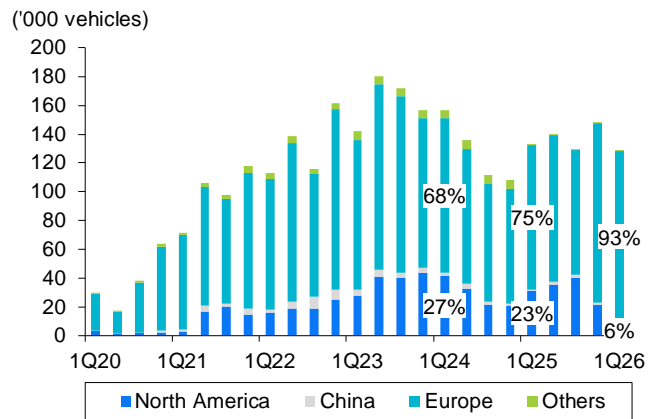
Breaking down Stellantis’ EV sales volume by region, its sales in: 1) Europe grew 18.5% y-y over Jan-Apr 2026 to 159,000 units (vs 13,500 units over Jan-Apr 2025); 2) China rose 9.4% y-y to 2,000 units (vs 1,000 units); and 3) North America plunged 81.6% y-y to 8,000 (vs 44,000 units; due to cancellation of the US federal EV tax credits). Specifically, sales volume tumbled for the Chrysler Pacifica PHEV (1,000 units over Jan-Apr 2026 vs 5,000 units over Jan-Apr 2025), the Jeep Grand Cherokee PHEV (4,000 units over Jan-Apr 2026 vs 16,000 over Jan-Apr 2025), the Jeep Wrangler PHEV (3,000 units over Jan-Apr 2026 vs 16,000 units over Jan-Apr 2025), the Jeep Wagoneer S BEV (zero over Jan-Apr 2026 vs 4,000 units over Jan-Apr 2025), and Dodge Charger BEV (zero over Jan-Apr 2026 vs 3,000 over Jan-Apr 2025).

Stellantis: EV sales volume, by type



Source: EV Volumes, Samsung Securities

Stellantis: EV sales volume, by region



Source: EV Volumes, Samsung Securities

Stellantis: EV sales volume, by major model

Model	Battery suppliers*	2024			2025			Jan-Apr 2026		
		Sales volume	Growth rate (% y-y)	Portion of sales (%)	Sales volume	Growth rate (% y-y)	Portion of sales (%)	Sales volume	Growth rate (% y-y)	Portion of sales (%)
Citroen e-C3 BEV	SVOLT (Europe/India)	13,812	471.7%	2.7%	58,202	321.4%	10.6%	29,124	54.5%	17.2%
Opel / Vxh. Frontera-e BEV	CATL/SVOLT (Europe)	118			18,524	15598.3%	3.4%	12,995	688.1%	7.7%
Peugeot e-2008 BEV	CATL (Europe)	24,442	-4%	4.8%	26,067	6.6%	4.7%	10,120	27.2%	6%
Peugeot e-208 BEV	CATL (Europe)	39,332	-23.2%	7.7%	28,169	-28.4%	5.1%	9,488	-1.1%	5.6%
Peugeot e-3008 BEV	BYD/ACC (Europe)	14,781	1478000%	2.9%	20,997	42.1%	3.8%	7,497	-14.4%	4.4%
Fiat 500 / Abarth 500 BEV	Samsung SDI (Europe)	33,196	-50.2%	6.5%	25,343	-23.7%	4.6%	7,335	-10.9%	4.3%
Peugeot e-5008 BEV	BYD/ACC (Europe)	2,698	269700%	0.5%	13,174	388.3%	2.4%	7,095	67.7%	4.2%
Opel / Vxh. Grandland-e BEV	BYD (Europe)	395		0.1%	10,460	2548.1%	1.9%	5,562	72.6%	3.3%
Fiat Grande Panda BEV	SVOLT (Europe)	151		0%	8,855	5764.2%	1.6%	4,960	303.9%	2.9%
Peugeot 3008 PHEV	LGES (Europe)	6,510	-70.9%	1.3%	9,249	42.1%	1.7%	4,903	179.1%	2.9%
Others		377,385	-21.9%	73.6%	331,066	-12.3%	60.2%	70,314	-39.1%	41.5%
Total		512,820	-21.3%	100%	550,106	7.3%	100%	169,393	-6.3%	100%

Note: * Parentheses denote region of production

Source: EV Volumes, Samsung Securities

New-model launch schedule—strategic retreat from BEV-only ambition: After delaying several model launches in late 2025, Stellantis has formally canceled multiple planned EV releases—particularly three models originally set to be rolled out in the US in 2027. These scrappings reflect a strategic pivot in the wake of the US EV tax incentives being cancelled and EV demand weakening (due to high prices and inadequate charging infrastructure). In line with this shift, Stellantis sold its stake in a joint battery plant in Canada (owned with LGES) and revised its long-term strategic plan (FaSTLane 2030). The company no longer pursues a BEV-only strategy. Instead, its 60+ new-model target by 2030 now comprises 29 BEVs, 15 PHEVs/EREVs, and 24 HEVs. As a result, the pace of electrification across Stellantis’ global portfolio is expected to slow rapidly in the coming years.

Stellantis: BEV rollout schedule

	North America	Europe
2021		Opel/Vxh Combo electric / Opel/Vxh Movano-e Citroen e-Berlingo / Fiat E-Ducato Peugeot E-Partner / Peugeot E-Rifter
2022		Citroen e-C4 X / Citroen e-Jumper / e-Relay Opel Rocks-e / Fiat E-Doblo Fiat E-Scudo / Fiat E-Ulysse Peugeot E-308 / E-308 SW
2023		Opel/Vxh Astra-e / Opel/Vxh Astra Sports Tourer Electric Jeep Avenger Electric / Fiat 600e Maserati Grecale Folgore BEV Peugeot e-5008 / Peugeot e-408 Peugeot e-3008 / Opel Grandland-e Citroen e-C3 / e-C3 Aircross Alfa Romeo Junior Electric / Fiat Topolino Lancia Ypsilon EV
2024	Ram ProMaster EV Fiat 500e	Citroen Ami / Fiat Tipo Electric DS N8 / DS N4 E-Tense / Fiat Grande Panda Peugeot E-Expert (added) / Citroen e-C5 Aircross (added) Opel/Vxh. Frontera-e / Jeep Compass DS N7 E-Tense Jeep Renegade EV Lancia Gamma / DS 5 Crossback Fiat Qubo L (added) / Fiat Grizzly (added) Leapmotor B03/B03X (added) / Leapmotor B05 (added)
2026E	Chrysler Mid-size crossover SUV Dodge Mid-size crossover SUV Jeep Recon (postponed: 2025→2026)	Peugeot E-2008 Peugeot E-208 (postponed: 2026→2027) Alfa Romeo E-Giulia Alfa Romeo E-Stelvio Citroen e-C4 DS 3 E-Tense
2027E	Jeep Renegade EV Alfa Romeo Full-size EV Ram Mid-size pickup (cancelled) Chrysler Pacifica EV (cancelled) Jeep Wagoneer/Wagoneer L EV (cancelled) Jeep Grand Wagoneer/Grand Wagoneer L Dodge Durango	
2028E	Jeep Wrangler EV Alfa Romeo E-Giulia Alfa Romeo E-Stelvio Ram Full-size SUV	Lancia Delta Citroen e-C4 X Opel Corsa Electric (postponed: 2026→2028)
2029E		
2030E		Fiat 500e

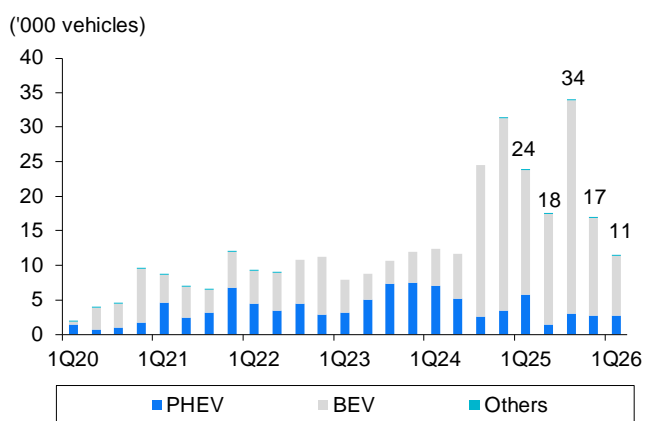
Source: Marklines, Samsung Securities

Sales strategy, by automaker: Honda

Honda hit hard by subsidies ending: Honda’s EV sales declined 59.5% y-y to 15,000 units over Jan-Apr 2026 (vs 37,000 units over Jan-Apr 2025). After posting strong growth in 2024 (+103.4%) and modest growth in 2025 (+15.6%), its EV sales volume fell hard over Jan-Apr 2026.

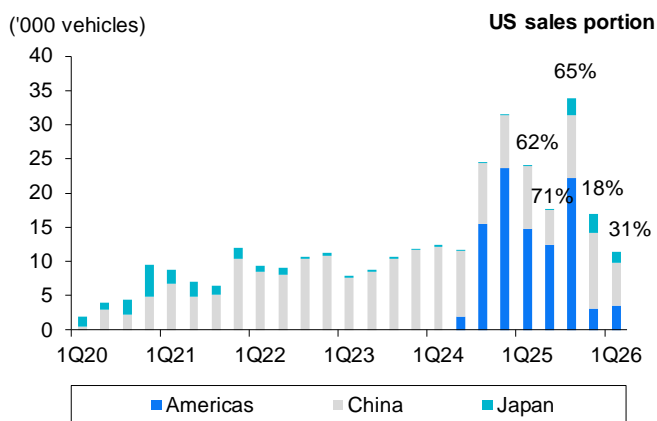
This decline stems from the collapse in sales of the Prologue BEV (-58.1% y-y; from 12,000 over Jan-Apr 2026 to 5,000 units over Jan-Apr 2025) and the Acura ZDX BEV (-98.8% y-y; from 7,000 to 0 units)—both BEVs were built on GM’s Ultium platform and qualified for US EV subsidies. Notably, the Acura ZDX was immediately discontinued (and production halted) following the elimination of the EV subsidy in the US. Production of the Prologue BEV has been halted in tandem with the pause of the Ultium Cells battery plant, and Honda is now prioritizing the clearance of its inventory. Given that both models fully utilized the USD7,500 subsidy, the subsidy’s elimination has severely undermined their economic viability, signaling a strategic recalibration of Honda’s US EV roadmap.

Honda: EV sales volume, by type



Source: EV Volumes, Samsung Securities

Honda: EV sales volume, by region



Source: EV Volumes, Samsung Securities

Honda: EV sales volume, by major model

Model	Battery suppliers*	2024			2025			Jan-Apr 2026		
		Sales volume	Growth rate (% y-y)	Portion of sales (%)	Sales volume	Growth rate (% y-y)	Portion of sales (%)	Sales volume	Growth rate (% y-y)	Portion of sales (%)
Honda Prologue BEV	LGES (Mexico)	33,549		42%	40,257	20%	43.7%	4,947	-58.1%	32.8%
Honda N-One e BEV	Panasonic (Japan)				5,328		5.8%	2,135		14.2%
Honda e:Ny1 BEV	CATL (China)	9,578	667.5%	12%	2,807	-70.7%	3%	1,845	208.5%	12.2%
Honda CR-V PHEV	CATL (China)	8,361	-20.7%	10.5%	5,961	-28.7%	6.5%	1,509	-34.5%	10%
Honda Accord PHEV	CATL (China)	6,400	-8.1%	8%	4,088	-36.1%	4.4%	1,405	-44.4%	9.3%
Honda Ye S7 BEV	CATL (China)				2,867		3.1%	934	-41.2%	6.2%
Acura ZDX BEV	LGES (US)	7,506		9.4%	12,005	59.9%	13%	83	-98.8%	0.6%
Others		14,398	-29.7%	18%	18,904	31.3%	20.5%	2,207	-43%	14.6%
Total		79,792	103.4%	100%	92,217	15.6%	100%	15,065	-59.5%	100%

Note: * Parentheses denote region of production

Source: EV Volumes, Samsung Securities

New-model launch schedule—pivoting away from EV ambitions: Over the past six months, Honda has dramatically scaled back its EV roadmap. Until last year, the automaker had not planned to cancel its EV launch schedule even after the elimination of US EV subsidies, only hinting at possible delays. It was expecting to launch a dedicated EV platform, Honda Zero, this year and ramp up its North American sales. But in March, Honda stunned the market by announcing the full cancellation of its Zero-series EVs and the Acura RSX in North America. Shortly thereafter, it pulled the plug on Afeela, the EV being developed through its JV with Sony (Sony Honda Mobility). As a result, Honda has effectively abandoned nearly all of its BEV launches slated for 2026-2027.

Honda-LGES JV shifts focus to hybrid EVs and ESS batteries: As Honda scales back its EV ambitions, its battery JV with LGES (L-H Battery Company) is shifting focus. The plant, originally built to produce BEV batteries, will now make batteries for hybrid EVs and ESS. This shift mirrors the same strategic realignment seen at battery JVs involving GM, Ford, and Stellantis—leveraging existing idle capacity to address growing grid instability in the US. The move is especially compelling as ESS qualify for dual incentives under the Inflation Reduction Act: Tax credits for end-users (investment tax credits) and for manufacturers (advanced manufacturing production credits).

Honda: BEV rollout schedule

	North America	Europe	China
2021			
2022			Honda e:NS1 Honda e:NP1
2023		Honda e:Ny1	
2024	Honda Prologue Acura ZDX		Honda e:NS2 Honda e:NP2 Honda Lingxi L
2025			Honda Ye S7 Honda Ye P7
2026E	<u>Acura RSX (cancelled)</u> <u>Honda 0 Saloon (cancelled)</u> <u>AFEELA 1 (cancelled)</u> <u>Honda 0 SUV (cancelled)</u>	<u>Honda 0 Saloon (cancelled)</u> <u>Honda 0 SUV (cancelled)</u> Honda Super-N	<u>Honda Ye GT (postponed: 2025→2026)</u> Honda e:N Coupe
2027E	<u>AFEELA Electric SUV (cancelled)</u> Honda Full-size electric SUV	Honda 0 Alpha	
2028E	<u>AFEELA Compact EV (cancelled)</u>		
2029E			<u>Honda e:NS1 (cancelled)</u> <u>Honda e:NP1 (cancelled)</u>
2030E		<u>Honda e:Ny1 (cancelled)</u>	Honda e:NS2 Honda e:NP2 Honda Lingxi L

Source: Marklines, Samsung Securities

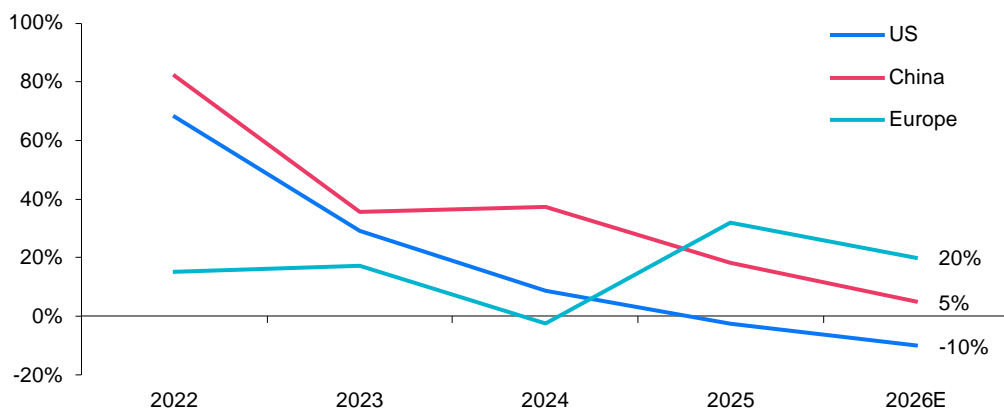
III. Rechargeable battery market outlook and industry issues in 2H26

Global EV/ESS battery market trends in 2026

Global xEV battery demand to grow 13% to 1.5 TWh in 2026: According to our auto analyst’s May 2026 forecast, global EV sales will reach 23.57m units in 2026 (+9.6%; vs her Nov 2025 projection of 23.52m units). However, regional growth assumptions have been revised. China’s EV penetration surpassed 51% of new vehicle sales in 2025, and its growth rate should slow to just 5% in 2026 (for an EV sales volume of 14.3m units) due to the impact of reduced trade-in programs and the elimination of the EV purchase tax exemption. In contrast, the US EV sales outlook has improved significantly, now standing at 1.38m units (-10% vs our previous forecast of -20%)—we now believe EV demand will prove less negative on the accelerating adoption of autonomous driving technologies from September. In Europe, strong sales should continue—automakers are expected to push EV sales to meet tighter CO₂ regulations. Supportive measures, including the return of EV subsidies in Germany, have prompted the auto analyst to lift her 2026 EV sales forecast in Europe to 4.89m units (+20%; vs +32% in 2025).

Global xEV battery demand—including HEVs—is now projected at 1.5 TWh, which is 7% below our prior estimate (1.6 TWh). This adjustment stems not from lower EV sales assumptions, but from a shift in sales mix towards small- and medium-sized vehicle segments, where consumers are less sensitive to price. Assuming an 8.5% drop in EV battery prices in 2026 to USD91/kWh, the total xEV battery market value is expected to grow 3.7% to USD137.5b.

Annual EV sales growth trends, by region



Source: EV Volumes, Samsung Securities estimates

EV sales volume, growth rates, and EV battery market

(Mil vehicles)		2022	2023	2024	2025	2026E
EV	Global	10.6	14.2	17.8	21.5	23.6
	Chg (% y-y)	55.3%	34.5%	25.3%	20.7%	9.6%
	US	1.1	1.5	1.6	1.5	1.4
	Chg (% y-y)	68%	29%	9%	-2%	-10%
	China	6.2	8.4	11.5	13.6	14.3
	Chg (% y-y)	82%	36%	37%	18%	5%
	Europe	2.7	3.2	3.1	4.1	4.9
Chg (% y-y)	15%	17%	-2%	32%	20%	
EV battery	xEV battery demand (GWh)	621.1	860.1	1,054.2	1,328.3	1,504.6
	Chg (% y-y)	57%	38.5%	22.6%	26%	13.3%
	ASP (USD/kWh)*	166	144	115	100	91
	Chg (% y-y)	7.1%	-13.3%	-20.1%	-13.2%	-8.5%
	Market size (USD\$b)	103.1	123.9	121.2	132.6	137.5
	Chg (% y-y)	68.1%	20.1%	-2.1%	9.4%	3.7%

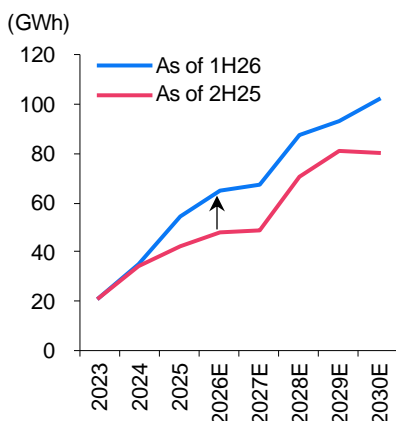
Note: Based on battery pack / Source: EV Volumes, BNEF, Samsung Securities estimates

ESS market to expand 50% in 2026, led by China and US: According to BloombergNEF (BNEF), global ESS demand should reach 459.4 GWh in 2026 (vs 306.6 GWh in 2025). This estimate change represents an increase of nearly 100 GWh in just six months (since the Nov 2025 projection of 360 GWh). Regional revisions show the most significant upward adjustments for the US and China (both estimates have been lifted 35%), while Europe’s revision was more modest (+10%).

The US outlook has become more aggressive, as: 1) the rapid expansion of AIDC (along with their rising power demand) is driving strong demand for ESS (to stabilize grid loads); and 2) developers are accelerating project timelines to qualify for federal tax credits, while complying with new restrictions on the use of batteries linked to China’s supply chain (effective from this year).

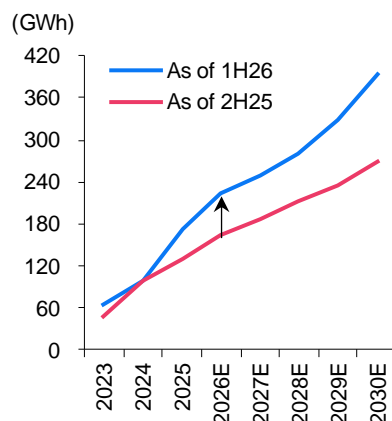
China’s ESS market forecast has also been revised up, following the March release of its 15th Five-Year Plan, which explicitly positions ESS as a core component of a new power system designed to mitigate renewable energy’s variability factor. Strong installation demand should be driven by capacity payment mechanisms targeting standalone ESS and other grid flexibility resources.

Change in US ESS demand outlook



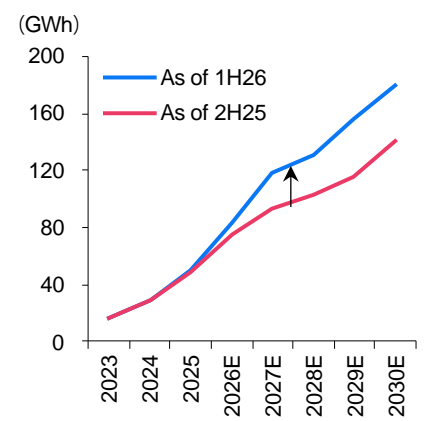
Source: BNEF

Change in China ESS demand outlook



Source: BNEF

Change in Europe ESS demand outlook



Source: BNEF

As a result, the EV and ESS battery markets (combined) are now projected to reach 1.9 TWh in 2026 (+20%). Among the major regions, Europe's ESS growth (+65%) should prove the most rapid. ESS battery demand as a portion of the total EV+ESS battery demand is expected to rise to 23% in 2026 (vs 19% in 2025). The US should account for 38% of global ESS demand (the highest portion) as US EV battery demand is set to contract 10% this year, making ESS's relative contribution appear even larger.

Global EV and ESS battery demand outlook

	Demand (GWh)	2022	2023	2024	2025	2026E
Global	EV	621.1	860.1	1,054.2	1,328.3	1,504.6
	ESS	39.0	113.6	184.0	306.6	459.4
	Growth (% y-y)		191%	62%	67%	50%
	ESS portion	6%	12%	15%	19%	23%
	EV+ESS	660.1	973.8	1,238.2	1,634.9	1,964.0
	Growth (% y-y)		48%	27%	32%	20%
US	EV	76.7	100.0	114.5	116.3	104.4
	ESS	12.1	21.5	34.6	54.6	64.5
	Growth (% y-y)		78%	61%	58%	18%
	ESS portion	14%	18%	23%	32%	38%
	EV+ESS	88.7	121.4	149.1	170.9	168.9
	Growth (% y-y)		37%	23%	15%	-1%
China	EV	275.5	382.6	498.6	614.1	653.4
	ESS	14.2	64.4	99.3	173.1	222.5
	Growth (% y-y)		353%	54%	74%	29%
	ESS portion	5%	14%	17%	22%	25%
	EV+ESS	289.7	447.0	597.9	787.2	875.9
	Growth (% y-y)		54%	34%	32%	11%
Europe	EV	121.3	159.8	164.5	219.5	262.4
	ESS	7.9	16.1	29.3	50.4	83.0
	Growth (% y-y)		102%	82%	72%	65%
	ESS portion	6%	9%	15%	19%	23%
	EV+ESS	129.2	175.9	193.8	269.9	345.4
	Growth (% y-y)		36%	10%	39%	28%

Source: BNEF, EV Volumes, Samsung Securities estimates

US market shifts towards non-PFE supply chains—positive for Korean battery makers

Non-PFE supply-chain build-out expected in 2H26: The US market should become more favorable for Korean battery makers in 2H26, despite weak EV demand, thanks to surging ESS demand (which is being driven by new tax credit rules—starting this year, US ESS developers must meet specific US content thresholds to qualify for federal investment tax credits (ITC); specifically, limits on the use of Chinese-sourced battery components). This new condition (requiring non-Chinese-sourced battery components) has prompted major US energy and auto firms to sign multiple supply deals with Korean battery makers over the past year.

Korean companies: Key US ESS contracts won since 2025

Category	Company	Date	Counterparty	Supplied product	Value** (KRWt)	Supply period
Cell	Samsung SDI	Mar 16, 2026	US energy company	ESS NCA + LFP	1.5	2026-2029
		Jan 30, 2026	US auto company*	ESS LFP	3	n/a
		Dec 2025	US energy company	ESS LFP	2	2027-2029
	LG Energy Solution	May 28, 2026	DTE Energy	ESS LFP	2.4	2 years
		Jul 30, 2025	Confidential	ESS LFP	5.9	2027-2030
Materials	Posco Future M	Mar 16, 2026	US auto company	Synthetic graphite	1	2027-2032
		Oct 14, 2026	US auto company	Natural graphite	0.7	2027-2031

Note: *Based on confirmed disclosure as of Nov 3, 2025.

**Contract values derived from media reports.

Source: Company data, Media, Samsung Securities.

Calculation methodologies for ratios and costs: Section 48E (ITC) vs Section 45X (AMPC)

Category	Section 48E (investment tax credits)	Section 45X (production tax credits)
Scope of eligibility	Entire energy storage system (ESS) project	Individual battery cells and modules
Cost calculation basis	Total direct costs of all products and components included in the ESS project	Direct constituent materials used in manufacturing eligible components (cells/modules)
2026 requirement	≥55% non-PFE content	≥60% non-PFE content
2027 requirement	≥60% non-PFE content	≥65% non-PFE content
2028 requirement	≥65% non-PFE content	≥70% non-PFE content
Post-2030 requirement	≥75% non-PFE content	≥85% non-PFE content

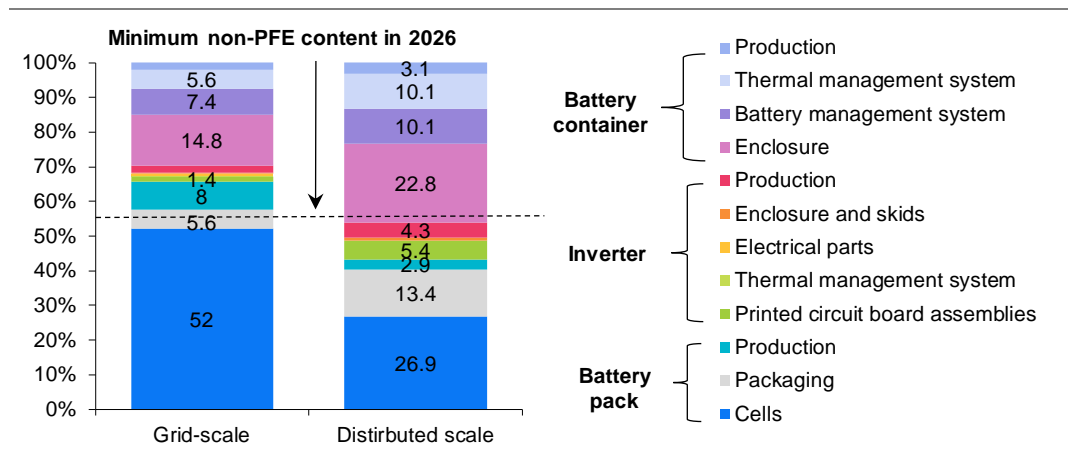
Source: IRS, Samsung Securities

Non-PFE requirements for ESS projects requires gradual cut in Chinese content: To qualify for the maximum 40% ITC under Section 48E, US ESS developers must ensure that at least 55% of total project costs come from non-PFE (non-Prohibited Foreign Entity) supply chains from 2026. This threshold will rise annually, reaching 75% by 2030. In practical terms and to retain eligibility for the credit, Chinese content must be below: 1) 45% of the total project cost in 2026; and 2) 25% of the total project cost by 2030.

According to the BNEF, battery cells and packs account for 58% of the total cost of utility-scale ESS systems. This means that any utility ESS project using Chinese-made cells or packs will lose its ITC eligibility starting this year. However, for distributed ESS applications—such as commercial and residential systems—the cell and pack cost portions are lower (together around 40%). As a result, these systems can still qualify for the full credit even with some Chinese components, provided the overall non-PFE threshold is met. That said, even distributed ESS projects must comply with stricter rules by

2028: Non-PFE content must reach at least 65% of the total project cost (ie, Chinese content must be below 35%) to remain eligible for the tax credit.

MACR for ESS components: Preliminary cost breakdown



Source: BNEF

Key opportunities for Korean LFP cathode and anode materials in North American ESS supply chains in 2H: Beyond Section 48E, eligibility for the Advanced Manufacturing Production Tax Credit (AMPC; Section 45X) requires that at least 60% of material content in ESS cells be sourced from non-Chinese supply chains in 2026 (material assistance cost ratio, or MACR). This threshold will rise to 75% by 2028 and 80% by 2029. In practical terms, Chinese material content must be reduced to below 25% by 2028 and below 20% by 2029 to retain credit eligibility.

Our analysis shows that for ESS-use LFP cell manufacturing costs, cathode materials account for 31% of the total cost and anode materials for 12%. If a US-based manufacturer relies entirely on Chinese-sourced cathode and anode materials, meeting the 2026 MACR threshold would be extremely difficult—even with the cost advantages of using these cheaper items. While Chinese suppliers may temporarily offer discounted prices to Korean cell makers in the US to help firms secure AMPC over 2026-2027, such a discount strategy should not suffice beyond 2028. By 2028, companies will have no choice but to reduce their Chinese content for core materials if they want to receive AMPC.

Supply constraints—Korean cathode and anode capacity vs US ESS demand: US-based ESS cell manufacturers are expected to significantly scale up procurement from Korean suppliers over 2028-2029 to comply with Section 45X requirements. However, current planned production capacity from Korean cathode and anode producers falls short of projected US ESS demand. To close this gap, proactive negotiations with Korean LFP cathode and anode suppliers ought to begin from 2H26 (given lead times required to build and validate new production lines).

According to the BNEF, US ESS demand in 2028 will reach 87.5 GWh for cathode demand of 178,000 tonnes. Yet, even if L&F and Posco Future M fully utilize their total LFP cathode capacities (total capacity of around 125,000 tonnes when including planned capacity expansions) there would still be a 30% shortfall. As a result, roughly 30% of US ESS cell production should be ineligible for the 45X credit.

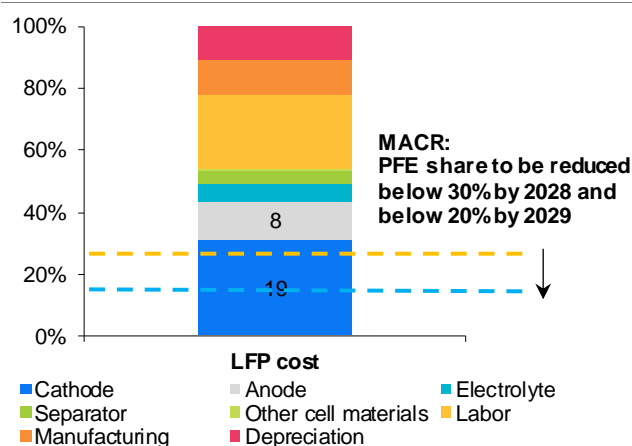
The situation for anode materials is similar. US ESS demand in 2028 is projected to require 38,000 tonnes of natural graphite and 88,000 tonnes of synthetic graphite. Posco Future M, Korea’s only producer of natural graphite, has a capacity of 74,000 metric tonnes—sufficient to fully replace the Chinese supply. However, to meet AMPC requirements for EV applications—EV demand for anode materials should be over 3x the ESS demand for anode materials—would soak up much of Posco Future M’s production capacity. Meanwhile, even when Posco Future M’s production facilities (including its new Vietnamese plant) are fully up and running, its synthetic graphite output would total only 83,000 tonnes—less than US ESS demand. As a result, securing a Korean supply chain capable of supporting US ESS growth and qualifying for tax credits should be a key focus in 2H26.

LFP cell materials: Cost breakdown

Component	Cost (USD/kWh)	Cost weighting (%)
Cathode	19	31%
Anode	8	12%
Electrolyte	3	6%
Separator	3	4%
Other	0	1%
Labor	14	24%
Manufacturing overhead	7	11%
Depreciation	7	11%
Total	61	100%

Note: *Costs for components other than cathodes and anodes are estimated based on BNEF’s North American NMC811 cell manufacturing cost assumptions; **Cathode costs are based on LFP material pricing; anode costs incorporate natural and synthetic graphite market prices, with an assumed tariff rate of 43%
Source: BNEF, Samsung Securities estimates

Chinese materials dependence must fall below 30% by 2028



Source: BNEF, Samsung Securities

US ESS cathode and anode demand vs Korean supply capacity in 2028

(’000 tonnes)	Projected US demand	South Korean capacity	Notes
LFP cathodes*	178.1	125	L&F (60,000 tonnes) + Posco Future M (65,000 tonnes)**
Natural graphite	37.7	74	Posco Future M (Sejong plant)
Synthetic graphite	87.9	83	Posco Future M (Pohang: 13,000 tonnes + Vietnam: 70,000 tonnes)

Note: *Assumes LFP cathode demand represents 90% of US ESS demand (BNEF estimate: ~87.5 GWh in 2028); **Posco Future M assumes 15,000 tonnes from line conversion and 50,000 tonnes from new capacity

Sources: BNEF, Samsung Securities

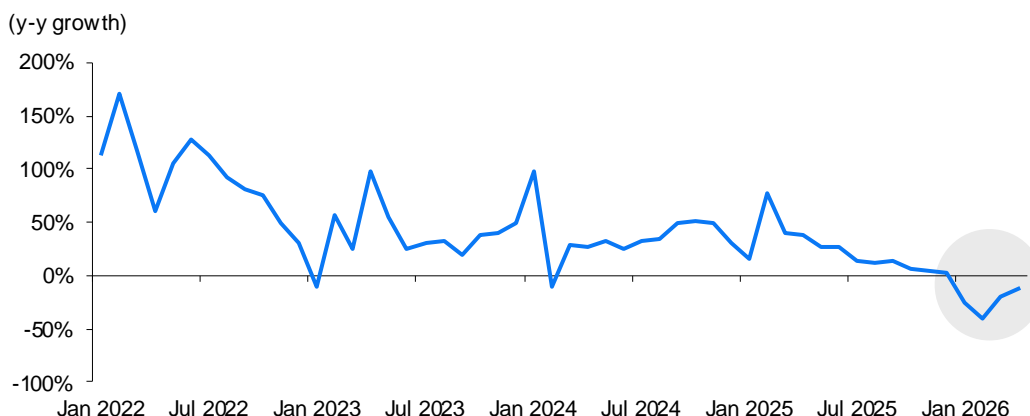
China: ESS emerges as a core element of national energy strategy amid EV subsidy cuts

China’s EV demand sluggish due to reduction in government subsidies: China’s EV market has been struggling with anemic sales as of late. Over Jan-Apr 2026, the country’s EV sales totaled only 2.78m units (-23% y-y). Monthly figures show a consistent downturn: April sales -13% y-y, marking the fourth consecutive month of sales sliding y-y. This is the first such streak since 2020, when sales diminished y-y for six straight months due to the initial pandemic shock.

The recent slowdown follows policy shifts—policies were changed last year after EV sales surpassed 50% of new vehicle sales for the first time. The government replaced its flat, per-vehicle subsidy with a price-linked incentive structure and also eliminated the purchase tax exemption. A 5% purchase tax

(half the standard 10% rate) now applies, but only if vehicles meet stricter efficiency criteria: Minimum driving ranges and energy-consumption thresholds. To qualify, Chinese EV manufacturers must either install larger batteries or adopt higher-efficiency architectures like EREVs.

Chinese xEV sales growth



Source: EV-Volumes

China: New energy vehicle purchase tax policy

Category	Before Dec 31, 2025	Jan 2026-Dec 2027
Applicable tax rate	Exempt	5% (vs standard 10% rate)
Tax reduction cap	Up to CNY30,000 per vehicle	Up to CNY15,000 per vehicle
Eligible vehicle types	BEV, PHEV, Hydrogen Fuel Cell Vehicles	BEV, PHEV, Hydrogen Fuel Cell Vehicles
Minimum driving range	PHEV: ≥43 km	PHEV: ≥100 km

Source: Media, Samsung Securities

Comparison of China's trade-in subsidy policies (2025 vs 2026)

Category	2025 policy (existing)	2026 policy (revised)
Payment method	Flat-rate payment (regardless of vehicle price)	Percentage-based payment + cap applied (linked to vehicle price)
NEV purchase after scrapping	Flat CNY20,000 (approx. USD2,800)	12% of new vehicle price, capped at CNY20,000
NEV purchase after trade-in	Up to CNY15,000	8% of new vehicle price, capped at CNY15,000
Eligible old vehicle conditions	Old EVs	NEVs: Registered before Dec 31, 2019

Source: State Council of China, CnEVPost, Samsung Securities

ESS elevated to national strategic priority: In Mar 2026, the Chinese government designated ESS as a strategic emerging industry in its 15th Five-Year Plan (2026-2030). It had so far focused on power generation but has now elevated the role of ESS to boost grid stability, reliability, and flexibility. As renewable energy deployment accelerates, growing price volatility in power spot markets will likely create significant arbitrage opportunities for standalone ESS projects. The BNEF forecasts China's ESS installations will grow 29% to 223 GWh in 2026 and 12% to 250 GWh in 2027.

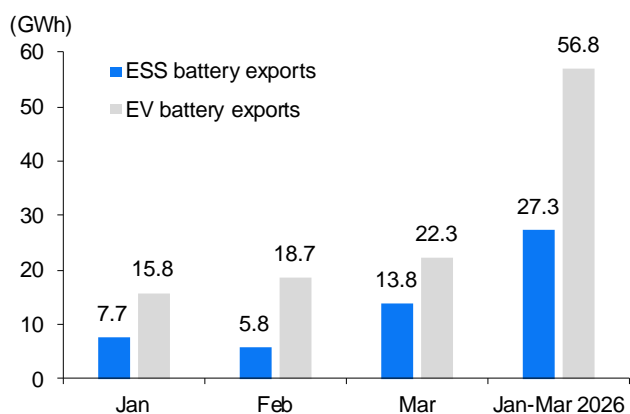
China's 15th five-year plan: ESS and battery-related content

Category	Key policies and objectives
Core paradigm shift	- Shift in national energy strategy from generation-centric to system-centric (grid integration) - ESS designated as a key element in building a new power system to compensate for the volatility of renewable energy
Battery ESS (BES)	- New-type batteries selected as one of the 10 core innovative technologies - Accelerating breakthroughs in core battery materials, including high-capacity electrode materials, high-conductivity electrolyte materials, and composite current collectors - Supporting the development of high-end manufacturing equipment and processes, such as high-precision coating and high-speed stacking
Pumped hydropower	- Target to secure 100 GW of pumped hydropower capacity as a large-scale storage means for grid stabilization
Infrastructure & system integration	- Expanding investment in long-duration storage, smart grids, and flexible load control - Announced a CNY4t investment plan for grid infrastructure (a 40% increase vs the 14th plan) - Creating 'Zero-Carbon Industrial Parks' and 'Zero-Carbon Transport Corridors' combining renewables, ESS, and carbon measurement

Source: GDFC, Sightline Climate, Samsung Securities

China's demand should not be the only driver. Its ESS battery exports are also surging. According to China's General Administration of Customs (GAC), China's total lithium battery exports in 1Q26 came in at 84.1 GWh, out of which 27 GWh (32.4%) was dedicated to ESS. China's ESS battery exports as a portion of its total lithium battery exports grew 15% y-y in 1Q. March alone saw ESS battery exports hit 13.8 GWh (+97% m-m and +52% y-y). This surge likely reflected global demand from AI data center constructions and renewable energy infrastructure investments, as well as a pre-emptive push by exporters ahead of a planned reduction in export rebates (from 9% to 6%; effective from April).

China: Battery exports



Source: Energy Storage News

Changes to China's export rebate system

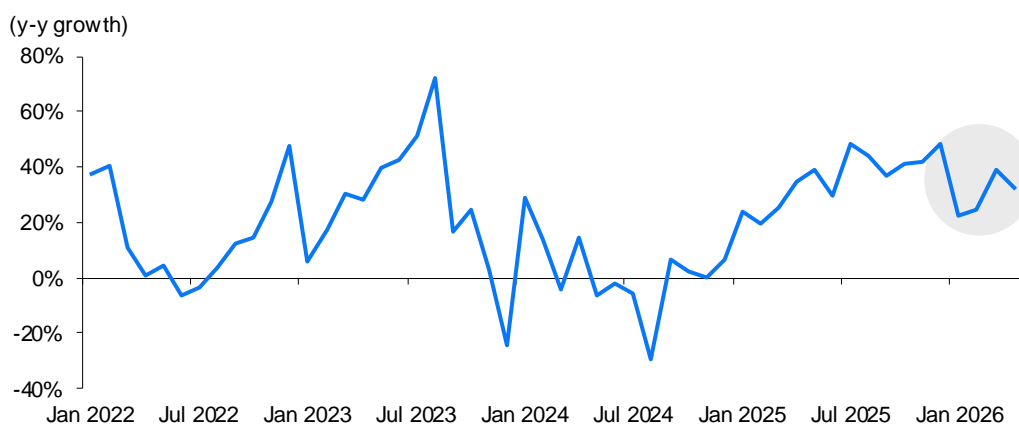
Category	Before Apr 1, 2026	After Apr 1, 2026
Lithium batteries	9%	6%
Cathode material	13%	0%
Electrolyte	13%	0%
Anode material	9-13%	0%

Source: BNEF

European market: Subsidy revival boosts EV sales and IAA to counter China

Strong EV sales in Europe driven by CO₂ regulations and new subsidies: Over Jan-Apr 2026, EV sales in Europe increased 31% y-y to 1.66m units—though fell y-y in the US and China—as automakers pushed hard to meet more stringent EU CO₂ emission targets, despite compliance deadlines having been moved from 2025 to 2027. Failure to reduce fleet-wide emissions risks massive fines, compelling manufacturers to strategically ramp up their EV supply. Additionally, key markets including Germany, France, and Italy have restructured or reinstated purchase subsidies (since early this year), effectively stimulating real consumer demand.

Strong xEV sales in Europe driven by stricter CO₂ emission regulations and new subsidies



Source: EV-Volumes

Revised EV subsidy policies in major European countries

Country	Policy orientation (effective date)	Details and conditions
Germany	Immediate resumption of subsidies (from Jan 2026)	<ul style="list-style-type: none"> - Base grant: EUR3,000 for BEVs / EUR1,500 for PHEVs - Income bonus: Additional EUR2,000 for households with taxable income ≤ EUR45,000 - Child bonus: EUR500 per child under 18 (max EUR1,000 per household); total maximum support per household: EUR6,000
France	Maintenance of Revised environmental scoring system (extended through 2025-2026)	<ul style="list-style-type: none"> - Base environmental bonus: EUR4,000 for general buyers - Low-income support: Up to EUR7,000 for households in the bottom 50% of income distribution - Integration with CEE (Certificats d'-conomies d'-nergie): Additional incentives available for meeting specific energy-efficiency criteria
Italy	Significant increase in subsidy budget (from late 2025-2026)	<ul style="list-style-type: none"> - Base subsidy: Up to EUR5,000 per electric vehicle - Targeted support for vulnerable groups: Up to EUR10,000-11,000 per person when combined with low-income status + scrapping of an old auto - SME support: Up to EUR2,000 for small corporations purchasing vehicles

Source: Media, Samsung Securities

EU IAA enactment to benefit Korea’s battery supply chain in the long term: In March, the European Commission proposed the Industrial Accelerator Act (IAA), which is now being debated and negotiated by the European Parliament and the Council of the EU. Designed to shield the bloc’s manufacturing sector from the flood of low-cost Chinese EVs and strengthen the bloc’s strategic autonomy, the IAA rests on three pillars: 1) linking public support to ‘Made in EU’ criteria; 2) tightening scrutiny of large-scale foreign direct investments (FDI); and 3) streamlining permitting processes.

EVs and batteries must meet EU content requirements to qualify for public procurement, renewable energy auctions, or government subsidies in the region. For EVs, at least 70% of the value of components—excluding the battery—must be manufactured within the EU. For batteries, a minimum of three key components (including the cell) must be sourced from within the EU.

Three years after the law takes effect, the requirements will tighten: At least 5 core elements (including the cell, cathode material, and battery management system (BMS)) must be produced within the EU.

The EU also applies origin rules to ESS for public procurement, renewable energy auctions, and other public support programs. Between 1-3 years after the law takes effect, the ESS system itself must be manufactured within the EU. For projects with a capacity exceeding 1 MWh, the BMS must also be of EU origin. Three years after enactment, additional requirements will apply: In addition to final assembly within the EU, the cell, the BMS, and one other specified critical component must be of EU origin.

EU rules of origin for EVs and batteries under the IAA

Category	Requirement	Details
EVs	Eligible vehicles	BEVs, PHEVs, and hydrogen fuel cell vehicles
	① Regional assembly	Final assembly must take place in the EU
	② Regional value content	At least 70% of the vehicle’s component value (excluding the battery) must originate in the EU
	③ Minimum regional components	The propulsion battery must include at least 3 EU-sourced components (including cells) <i>Three years after enforcement: At least 5 components required (cells, cathode material, BMS, etc.)</i>
Small EVs	Compliance Option	Must satisfy either ① + ② or ③

Source: EU IAA

Under the IAA’s origin rules, components and finished products from countries that have either a free trade agreement (FTA) with the EU or are signatories to the government procurement agreement (GPA) are treated as equivalent to EU-origin goods. This means that battery cells, cathode materials, or other components assembled in Korea (an FTA and GPA partner) can count towards meeting the EU’s content requirements.

In contrast, Chinese manufacturers cannot qualify for EU subsidies unless they establish manufacturing capacity in Europe. However, Chinese battery cell makers aggressively expanded their European production capacity even before the law was proposed—7 GWh in 2023 to an expected 174 GWh by end-2026, surpassing Korea’s projected end-2026 capacity of 153 GWh. According to BNEF’s analysis, if all planned Chinese facilities come online, Chinese-headquartered firms could account for 33% of total battery production capacity in Europe by 2030. Thus, it is unlikely that the introduction of the law will exclude Chinese firms from benefiting from EU policy support in the short term.

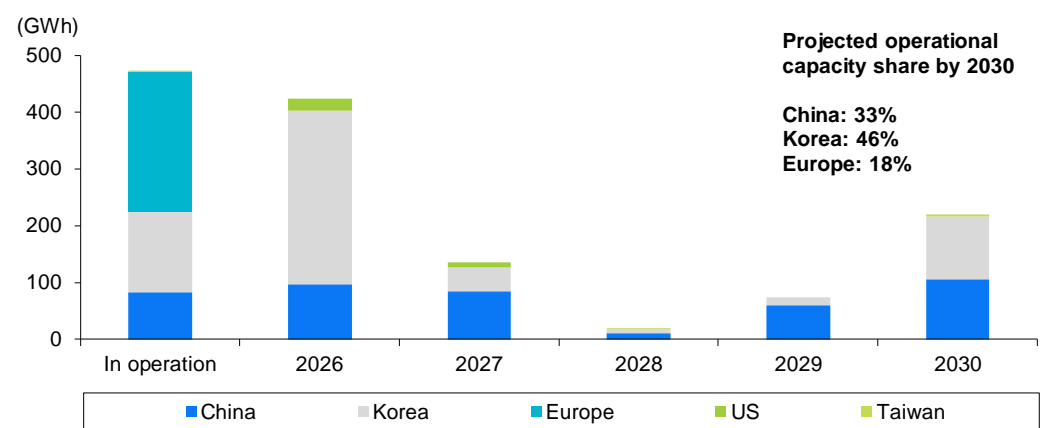
EU: Korean and Chinese battery makers' production capacity* in Europe

(GWh)	Location	2023	2024	2025	2026E
LGES	Poland	80	80	75	60
SDI	Hungary	45	45	45	45
SK On	Hungary	18	48	48	48
Korean battery makers		142	172	168	153
CATL	Germany, Hungary	5	14	34	74
Sunwoda	Hungary	0	0	0	10
CALB	Portugal	0	0	0	15
Gotion	Slovakia	0	0	20	20
Eve Energy	Hungary	0	0	0	28
Envision AESC	UK, France	2	11	27	27
Chinese battery makers		7	25	81	174

Note: *Based on year-end installed capacity

Source: CITIC, Samsung Securities

Current lithium battery production capacity and annual expansion plans in Europe



Note: Based on country of firm's headquarters

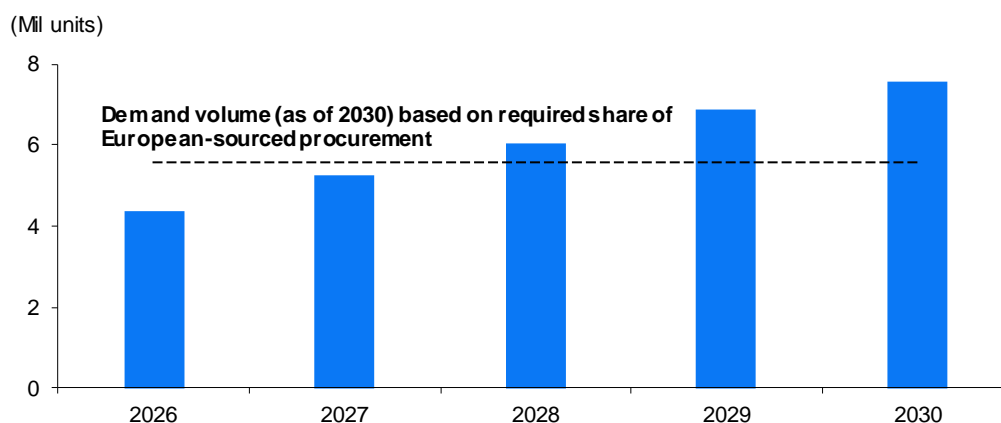
Source: BNEF

However, the IAA's FDI rules make China's aggressive expansion in the EU difficult. The regulation applies to third countries that control more than 40% of global manufacturing capacity in strategic industries (such as batteries, EVs, solar, and critical raw materials) and invest over EUR100m in those sectors. Since most EV battery production lines require more than EUR100m to set up—and China already accounts for over 80% of global battery manufacturing capacity—nearly all major Chinese battery firms now fall under the IIA's FDI criteria. The real hurdle lies in meeting the six FDI conditions¹ required to qualify for subsidies—not just for cell manufacturers, but also for companies investing in materials or other designated components within the EU. In particular, the provisions that cap foreign ownership at 49% and require IP rights to be vested in EU-based assets are likely to hinder Chinese companies' decisions to invest in Europe.

¹ The six conditions are: (1) equity stake of 49% or less, (2) mandatory joint venture formation, (3) technology and IP transfer, (4) R&D investment, (5) employment of at least 50% EU-based workers, and (6) utilization of EU supply chains. At least four of these conditions, including the EU workforce requirement, must be met.

According to BNEF's analysis, the new procurement rules could affect approximately 70% of total EV sales in the EU by 2030. Therefore, to maintain price competitiveness in Europe—the largest export market for Chinese EVs—Chinese EV makers must address the challenge of expanding production facilities within the EU and meeting the EU's FDI requirements. While it remains uncertain whether the IAA will become law in its current form (or when it will take effect), Korean cell and materials companies stand to benefit over the longer term, as they are better positioned than their Chinese counterparts to meet EU origin rules and EU FDI requirements.

EV sales forecasts in Europe and EU-sourced procurement requirements in 2030



Source: BNEF

Status of capacity expansions by Chinese material suppliers in Europe

Company	Material	Country	Investment & expansion scale	Key features & target completion*
Huayou Cobalt	Cathode material	Hungary	Total investment: EUR1.28b; Phase 1: 25,000 tonnes/year	- Targeting commercial operation in 2026
Ningbo Shanshan	Anode material	Finland	Total investment: EUR1.3b; 100,000 tonnes/year (synthetic graphite)	- Preparing for Phase 1 operation in 2026 after completing environmental impact assessment
CNGR	Precursor / LFP	Morocco	120,000 tonnes/year NCM precursor + 60,000 tonnes/year LFP cathode	- Joint venture with Moroccan Investment Agency and Al Mada Fund - Phase 1 (40,000 tonnes/year) operational
Capchem	Electrolyte	Poland	40,000 tonnes/year	- Plant 1 operational in 2023 - Phase 2 investment announced (additional 50,000 tonnes/year) in January 2026

Note: *As of 2026

Source: Wammorocco, Batteries News, Capchem, Battery Atlas, Samsung Securities analysis

Downstream issue—Revised US ESS demand outlook and battery supply constraints

US ESS demand outlook lifted; capacity expansions by Korean cell manufacturers: We lift our US ESS demand outlook in light of expanding AIDC and rising computational power needs, which growth stories require new grid stabilization efforts and additional backup power solutions. While market forecasts vary by firm, projections for annual growth of the ESS market (CAGR basis in terms of installations) through 2030 have ranged from 12% (Samsung SDI's estimate) to 20% (LGES's estimate). In November last year, a domestic market research firm projected the US ESS market would grow at a CAGR of 14% over 2026-2030, but by April it had revised up its forecast to 19%. Meanwhile, BNEF, which predicts ESS capacity based on annual installations, has also raised its projection to a 2026-2030 CAGR of 14%², up from the previous estimate (13%) it announced in Nov 2025.

Simultaneously, Korean battery makers are expanding their US ESS production capacity. LGES plans to increase its US ESS production capacity from 30 GWh now to over 50 GWh by end-2026, with commercial production of prismatic-form ESS units targeted for late 2027. Samsung SDI, though it has not announced more capacity expansions beyond its plan (to have 30 GWh capacity by end-2026), the firm has said it has secured long-term contracts covering 2-3 years' worth of production at its US plants. As of end-2026, the combined US ESS production capacity of the three major Korean battery firms (LGES, Samsung SDI, and SK On) should reach 81 GWh.

This growing US production is translating into stronger order wins and improved revenue mix. LGES's US ESS sales are projected to rise from 36% (of its total sales) in 2026 to 47% in 2027, while Samsung SDI's is expected to increase from 29% to 34%. Advanced Manufacturing Production Credits (AMPC) are also set to surge: LGES is set to receive KRW1.4t in 2026 and KRW3.9t in 2027; Samsung SDI's AMPC receipts are expected to climb from KRW0.6t in 2026 to KRW1.6t in 2027.

Looking at 2027, when US ESS demand is set to reach 128 GWh, Korean manufacturers' US production should be able to meet around 72% of this demand. Also noteworthy is that firms with US facilities are also entering the market: 1) Nissan, through its partner Envision AESC, began production of its Texas facility (7 GWh) in Apr 2025; 2) Tesla reportedly commenced initial production of LFP-based ESS modules (7 GWh/year) in 1Q26; and 3) Ford's 'Ford Energy' facility in Kentucky (20 GWh capacity) is expected to come online in 2027. If all of these projects—including the expansions by the Korean firms—proceed as planned, roughly 98% of US ESS demand could be met by US facilities in 2027.

However, Ford's case raises unresolved questions regarding eligibility for tax credits under the Inflation Reduction Act (IRA). Although Ford owns 100% of the facility, the Internal Revenue Service (IRS) and industry observers remain divided: One side argues that full ownership satisfies the credit criteria; the other contends that Ford's heavy reliance on CATL's equipment and licensing—potentially channeling substantial value out of the US as licensing fees—undermines the IRA's intent to foster US production. This ambiguity continues to cast uncertainty over Ford's qualification for full tax incentives.

² BNEF forecasts the U.S. ESS market at 110 GWh in 2028 and 119 GWh in 2030 based on installations. In contrast, media reports citing SNE Research project shipments at 126 GWh in 2028 and 214 GWh in 2030. While the 16 GWh difference in 2028 is reasonable given the timing gap between shipment and installation, the 95 GWh gap in 2030 is substantial, indicating that SNE Research holds a significantly more optimistic view of market demand than BNEF.

North America: ESS demand forecasts

(GWh)		2025	~2028	~2030	2025-2030 CAGR
Market research firms	BNEF	62	110	119	14%
	SNE Research	88	126	214	19%
Cell makers	Samsung SDI	90	na	160	12%
	LGES	88	na	219	20%

Note: *Samsung SDI's market outlook figures are from its earnings conference calls. LG Energy Solution expects to see North American ESS demand grow at a 20% CAGR through 2030; figures above are reverse-engineered based on this guidance.

Source: BNEF, company data, media, Samsung Securities

Cell makers' US capacity vs ESS demand in US

(GWh)	Country	Company	2025	2026E	2027E
Supply	Korea	LGES	17	58	
		Samsung SDI	7	30	
		SK On	0	4	
	US	Tesla	0	7	
		Nissan*	7	7	
		Ford Energy**	0	20	
Total US capacity (year-end installed basis)			31	126	
Total Korean makers' capacity			24	92	
Demand	US ESS demand***		90	107	128
Comparison	US capacity as portion of US ESS demand (1yr lag)			29%	98%
	Korean makers' US capacity as portion of US ESS demand (1yr lag)			22%	72%

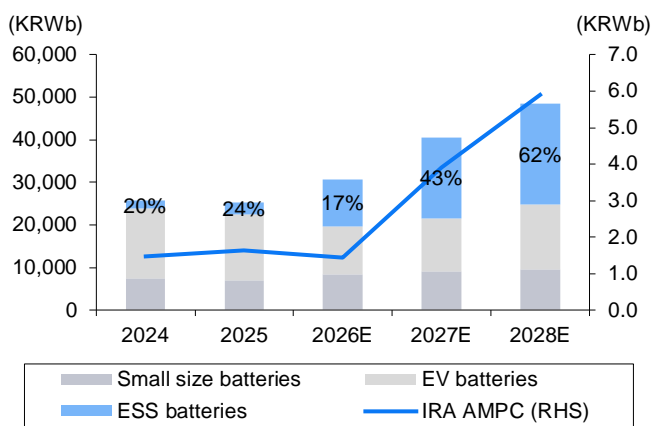
Note: *Utilizing the Tennessee plant line through Envision AESC for ESS production.

** An 18-month period is required for line setup and testing, with mass production expected by end-2027.

*** Estimated based on the 2025 average of BNEF and SNE Research projections (75 GWh), assuming a CAGR of 19% through 2027.

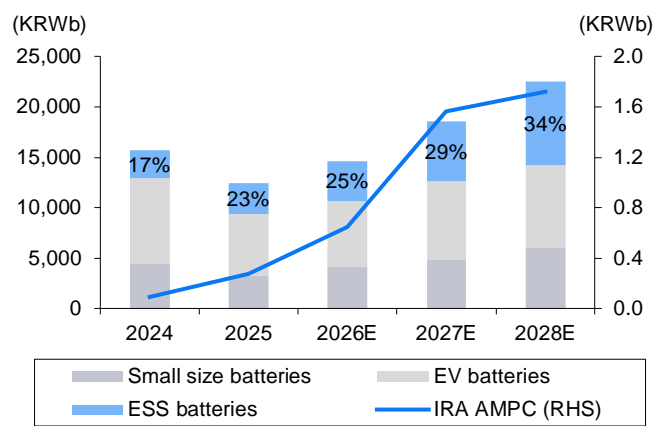
Source: BNEF, Media, Samsung Securities estimates

LGES: ESS revenue share and AMPC trends



Source: Samsung Securities

Samsung SDI: ESS revenue share and AMPC trends



Note: As portion of Samsung SDI's batteries-related revenue

Source: Samsung Securities

Midstream issue—Server rack batteries for AI data center power stability

Power rack enhancement and CBU adoption amid rising power density in AIDC: As AI data center (AIDC) power density surges to hundreds of kilowatts per server rack, the power delivery infrastructure—particularly the ‘power rack’—is undergoing significant evolution. The intense, millisecond-scale ‘pulse loads’ generated during generative AI computation can cause sudden, massive spikes in GPU power demand. These transient surges can reach tens of megawatts; without mitigation, they risk triggering grid disconnections or system instability.

To address this, modern AIDC power racks employ three separate safeguards: Capacitor bank units (CBU), battery backup units (BBU), and power supply units (PSU). As AIDC undergo large-scale LLM training, when massive numbers of GPUs simultaneously initiate computation or grid anomalies occur, these units operate sequentially based on their physical response speeds, like a relay baton pass.

CBU acts as the first line of defense, responding within 1-50 milliseconds to suppress instantaneous voltage dips or surges. BBU bridges the gap during emergency generator startup (typically 1-5 minutes), preventing server shutdowns. CBUs are typically constructed by connecting supercapacitors—either electric double-layer capacitors (EDLCs) or lithium ion capacitors (LICs)—in parallel within the rack. While BBUs use lithium-ion batteries for sustained energy delivery, their chemical reaction kinetics are too slow to respond to millisecond-level transients. CBUs, by contrast, deliver high-current bursts almost instantaneously, preventing board-level brownouts or unexpected reboots.

Power defense scenarios by time interval during server power fluctuations

Response time	3-Stage unit	Power source	Key role & function
Milliseconds	CBU (capacitor bank unit)	Hybrid supercapacitors (LiC / EDLC)	Immediate discharge of EDLC capacitor current / Prevention of voltage drop
Seconds to minutes	BBU (battery backup unit)	Lithium-ion battery	Battery activation / Holding power for entire rack until generator startup
Continuous	PSU (power supply unit)	Powerplant	Real-time supply of server-grade low-voltage DC converted from high-voltage AC

Source: TI, TDK, YMIN, Samsung Securities

Rise of supercapacitors in CBU applications: CBUs, positioned at the forefront of power defense safeguards in AIDC servers, have seen growing interest from power system providers such as Delta and Lite-On in Taiwan following Flex (the world’s largest EMS provider) partnered with Japan’s Musashi between 2024 and 2025 to develop and deploy a 1 MW-class LIC system at the rack level to address AIDC’s utility power challenges. While Musashi pioneered the application of LIC in this emerging category, it is still unclear whether EDLC or LIC will become the dominant solution.

EDLCs use activated carbon for both anodes and cathodes, storing charge via physical adsorption and desorption, enabling fast responses and long lifespans. Meanwhile, LICs combine an activated carbon anode with a lithium-doped carbon cathode, enabling partial electrochemical charge storage. This hybrid mechanism provides 2-5x higher energy density than EDLCs.

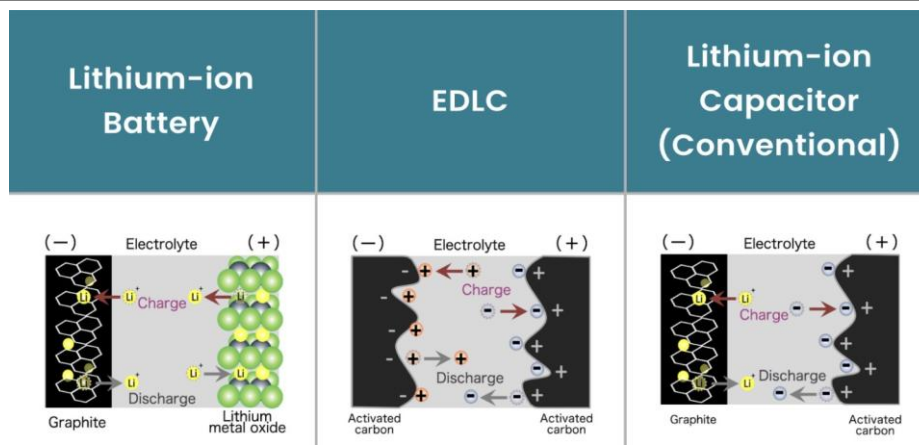
Comparison of EDLC, LIC, and BBU (LIB)

Category	Supercapacitor (EDLC)	Lithium-ion capacitor (LIC)	Lithium-ion battery (LIB)
Energy density	Low (~5-10Wh/kg)	Moderate (~20-50Wh/kg)	High (~150-300Wh/kg)
Power density	Very high	High	Low
Nominal voltage*	~2.7V to 3.0V	3.0V	3.7V
Cycle life	>500,000-1,000,000 cycles	~100,000-500,000 cycles	~500-3,000 cycles
Self-discharge	Relatively high	Very low	Very low
Charge time	Seconds (1-10 sec)	Tens of seconds to minutes	Tens of minutes to hours

Note: *EDLC voltage declines linearly from maximum to 0V during discharge; thus, "rated voltage" is more appropriate than "nominal voltage" for practical use.

Source: Media, Samsung Securities

LIC structure characteristics and differences between EDLC and LIB



Source: JTEKT

Battery capacity required by data centers: To estimate battery demand for AIDC server racks, assumptions about the data center’s power scale and the level of load variability it must accommodate are required. When assuming a 100 MW data center³ with a 50% instantaneous load fluctuation, this requires 13.9 kWh of backup power per second. For a 70% fluctuation, 19 kWh per second is needed. While these instantaneous load fluctuations equate to roughly the battery capacity of a single PHEV, scaling to the broader market—assuming 100 GW⁴ of total AIDC power load—implies a collective need for 14-19 MWh⁵ of rack-level buffer capacity to handle one-second transients.

A one-second power fluctuation is jointly managed by the CBU and BBU. For instance, millisecond-scale disturbances require an immediate response—something the BBU, which relies on slower chemical reactions to release energy, cannot provide efficiently. In such cases, the CBU, using EDLCs or LICs, responds immediately to bridge the gap until backup generators activate or utility power is restored (typically over several minutes). From the perspective of AIDC power system designers, the required server power is allocated proportionally between the CBU and BBU, with corresponding

³ Naver is reportedly planning to secure computing infrastructure with a capacity of 100MW by 2027 and 1GW by 2030 in partnership with Nvidia.
⁴ According to a BNEF report released last December, US data center power demand (based on power load) is projected to rise from 41GW in 2025 to 77GW in 2030 and reach 106GW by 2035
⁵ This represents the power scale based on the computing capacity of AIDCs; however, when applied to actual systems, changes in energy capacity due to voltage fluctuations and the efficiency of power conversion systems (PCS, inverters, etc.) must be considered. Therefore, an additional 30-40% of power beyond the computing power should be factored in.

battery systems installed accordingly. As a result, the capacity of EDLC or LIC batteries in the CBU is appropriately designed to be significantly lower than the total server battery demand.

Estimated required backup capacity (kWh) for BBUs within server racks of a 100 MW data center

Backup duration / volatility	50% load volatility	70% load volatility
500 milliseconds (0.5 seconds)	6.9	9.7
1 second	13.9	19.4
5 seconds	69.4	97.2

Source: Samsung Securities

Emerging CBU cell manufacturers and ecosystem: Investors are increasingly focusing on the growth potential of the CBU ecosystem amid the expansion of high-performance AIDC infrastructure. This trend opens new market opportunities for domestic suppliers capable of producing supercapacitors. Within CBU systems, EDLCs are highly suitable for responding to instantaneous load fluctuations due to their high power density, but suffer from short duration times. As a result, there is growing momentum to adopt hybrid capacitors—specifically lithium-ion capacitors (LICs)—which offer higher energy density and longer hold-up times. While Japan’s Musashi is recognized as the first supplier of LICs for AIDC applications, Korean companies including Vitzrocell, Vina Tech, and LS Materials are actively targeting the AIDC capacitor market. Vitzrocell, in particular, is pursuing market entry with a lithium-based anode structure, aiming to differentiate its technology. Although it is still too early to assess production scale or revenue contributions (as product validation remains ongoing), these developments warrant close attention, especially as hyperscalers expand investments and AI computational demands drive stricter requirements for power stability. Vina Tech has begun generating revenue from AIDCs since last year by expanding sales to Bloom Energy, a fuel-cell provider (supplying power to AIDC facilities). While supercapacitors are optionally integrated into conventional fuel-cell systems, they are now mandatorily incorporated into AIDC-targeted fuel cells—with significantly higher unit quantities required. Furthermore, both EDLCs and LICs intended for installation within AIDC servers are being supplied through Taiwanese rack manufacturers.

CBU ecosystem for AIDC servers

Ecosystem	Product/service	Companies
Battery makers	EDLC, LIC	(Japan) Musashi, JTEKT, Taiyo Yuden, Nippon Chemicon, etc. (Korea) Vinatech, LS Materials, Vitzrocell, etc. (China) Jinghai, SPS, Liyuan, etc.
Power infrastructure solutions	EMS/ODM	(US) Flex (Taiwan) Delta, Lite-on, Foxconn, etc. (China) Magmeet (Germany) Schneider, etc.
Chipmakers	GPU	(US) Nvidia, AMD, etc.
Cloud providers	Cloud services	(US) Microsoft, Google, AWS, Meta, etc. (China) Tencent, Alibaba, Baidu, etc.

Source: Samsung Securities

Upstream issue: Production hike following lithium price rally vs supply-chain disruptions

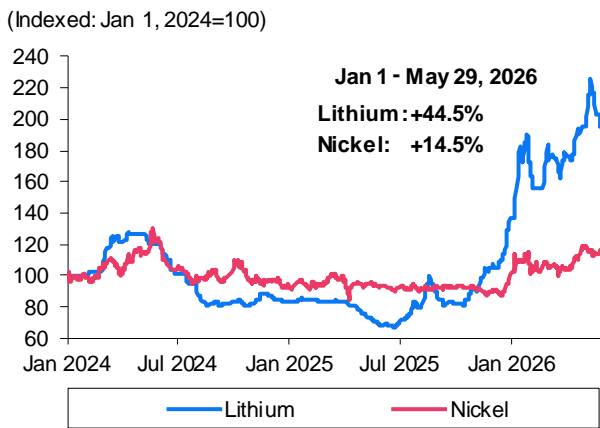
Lithium prices reach Gangfeng Lithium's predicted range and may stay at current levels

in 2H: Lithium prices remained strong in 1H. By the end of May, the price of lithium (lithium carbonate) reached CNY171 per kg—a 45% increase since the start of the year and a 190% rise from the Jun 2025 low. In Nov 2025, the chairman of Gangfeng Lithium noted that if lithium demand grows 30%, a supply-demand imbalance could push prices to CNY150-200 per kg. In mid-May, lithium prices peaked at CNY195 per kg.

The market is now closely watching whether lithium prices rise further or correct in 2H, as recent price gains should shift the supply-demand outlook. Last month, Australia's Mount Holland mine reportedly received government approval to double production (management's response to higher lithium prices). Lithium prices have since pulled back. Previously, lithium miners with low profitability were unable to increase production due to weak prices. The move by the Australian miner has sparked expectations that the global lithium supply could finally begin to rise.

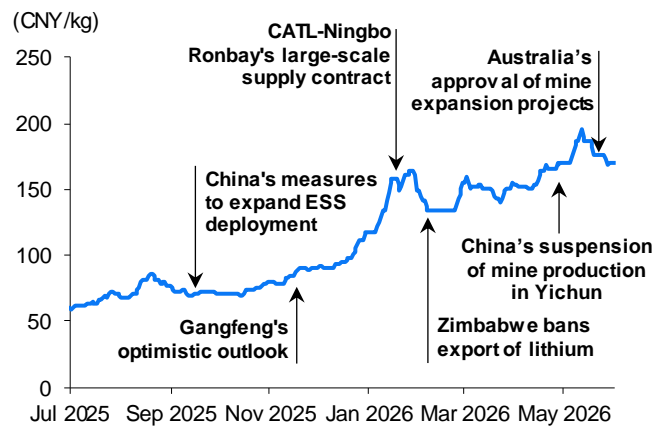
It should take at least two to three years for the Australian miner to fully ramp up its new production. Moreover, since May, four lithium mining companies in Yichun, China, have suspended operations due to unresolved renewals of their operating licenses, tightening the supply. The affected mines have a combined capacity of 280,000 tonnes of lithium carbonate *pa* (24,000 tonnes per month—12-15% of China's monthly lithium carbonate output). Administrative procedures for resuming operations are likely to take around three months to complete, and even if licenses are renewed, production may remain below prior levels.

Lithium and nickel prices



Source: Bloomberg

Lithium price: Export bans vs production expansions



Source: Bloomberg

IV. Sector investment strategy for 2H

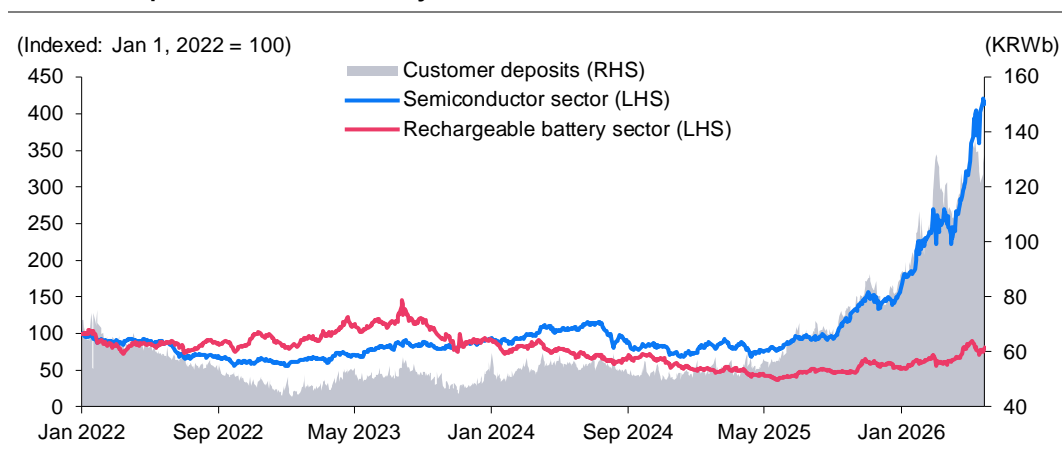
Remain OVERWEIGHT on the rechargeable battery sector in 2H26

Rising ESS demand to raise the floor for sales volume, and favorable pricing dynamics to persist—maintaining OVERWEIGHT: While US EV demand—historically the primary driver for shares in Korean battery makers—remains subdued due to a lack of new policy support and conservative rollout plans by automakers, we do not expect a meaningful recovery to emerge in 2H26. Instead, growth is shifting towards ESS demand, fueled by the rapid expansion of AIDC. To qualify for US tax incentives, battery makers are accelerating efforts to de-risk supply chains away from China. This is creating new order momentum for Korean cell producers and material suppliers.

Strong metal prices, which have driven investor sentiment since late 2H25, should persist for a while longer. China's policy-driven ESS demand is lifting lithium consumption amid lithium supply limitations (by mine shutdowns in China and export restrictions by key producers like Zimbabwe). Compounding this, elevated sulfuric acid prices—stemming from geopolitical disruptions in the Middle East in 1H26—are pushing up refining costs, which will likely result in higher cathode and cell prices. These factors support sustained margin expansion and justify our OVERWEIGHT stance.

Potential shift in capital flows: Over 2022-2023, battery stocks rallied strongly despite outflows from customer deposits, as capital rotated into the sector amid weakness for the semiconductor industry. This dynamic reversed in 1H26: Accommodative government policy drove a surge in customer deposits (into customer deposits), and the semiconductor industry experienced an unprecedented boom, drawing capital away from battery names and pressuring their performance. However, with capital now heavily concentrated in semiconductors, any spark—such as concerns over US AI infra overinvestments—could trigger profit-taking on chip stocks. This may lead to a short-term reallocation of capital towards battery firms, whose fundamentals are improving on the back of rising ESS demand and resilient metal prices. We view this as a plausible, albeit temporary, catalyst for the sector in 2H.

Customer deposits in Korea vs battery/semiconductor sectors



Note: Semiconductors: KRX semiconductor index; Rechargeable batteries: In-house index based on 34 value-chain stocks
 Source: Bloomberg, Samsung Securities

Investment themes for 2H26

For 2H26, we highlight four core investment themes: 1) ESS production expansion in North America; 2) non-Chinese supply chains; 3) rising metal prices; and 4) AIDC servers. First, rising US ESS manufacturing should drive earnings momentum for battery cell makers. We recommend LGES and Samsung SDI given their status (leading cell suppliers). Related beneficiaries include component makers that should benefit from improved utilization rates: Sangsin EDP for general battery components and Hanjung NCS for ESS-specific parts.

Second, to meet US tax credit eligibility requirements by 2028, ESS developers and cell manufacturers must rapidly diversify their supply chains away from China. Key opportunities lie in alternative material suppliers. We recommend L&F, which is poised to begin LFP cathode mass-production in Korea, and Posco Future M, which is: 1) the only Korean producer of anode materials; and 2) converting high-nickel cathode material lines to LFP cathode material lines.

Third, rising prices of lithium and nickel directly improve margins for producers. SungEel HiTech stands out as a direct beneficiary. Foosung is worth monitoring for its earnings upside on the back of rising tungsten and sulfuric acid prices. Fourth, rising power density at data centers is accelerating the adoption of lithium-ion capacitors for server backup solutions. Vitzrocell is a key player in this space. Vina Tech, already supplying AI-focused battery solutions, is also a notable name to track.

2H26 investment themes for Korea's rechargeable batteries industry

2H theme	Sector	Top picks	Investment Idea
Expansion of N. American ESS production	Cell	LGES	Full-scale acceleration of sales as the leading ESS player in North America
	Cell	Samsung SDI	Significant AMPC growth following full-scale LFP cathode production from 4Q
	Cell components	Sangsin EDP	The only Korean supplier of prismatic cans in North America based on deep drawing
	ESS components	Hanjung NCS	Leading company in next-generation ESS cooling systems; potential beneficiary of growth of the North American market
Non-Chinese supply chain	LFP cathode	L&F	Beneficiary of Korea's first LFP cathode mass-production and strong demand for cylindrical batteries
	LFP cathode / Graphite anode	Posco Future M	LFP cathode production in 4Q via line conversions; the only anode supplier in Korea
Metal price hikes	Recycling	SungEel HiTech	Earnings improvement driven by strong lithium/nickel prices and expansion of black mass production/procurement businesses
	Lithium salt (LiPF ₆)	Foosung	Improvement in earnings at semiconductor materials businesses due to rising tungsten and sulfuric acid prices + strong prices of LiPF ₆
AIDC server batteries	Lithium capacitor (LIC)	Vitzrocell	Expectations for entry into the AIDC server market with lithium-metal based LIC
	EDLC/LIC	Vina Tech	High sales growth of fuel cell capacitors for AIDC and potential entry into the server market

Source: Samsung Securities

Global rechargeable battery value chain: Valuations

Segment	Company	Mkt cap (KRWb)	Performance (%)		P/E (x)		P/B (x)		EV/EBITDA (x)		ROE (%)		OPM (%)		EPS growth (%)		
			1m	6m	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E	
Korea	Cells	LG Energy Solution*	96,408	-2.0	-7.4	639.6	55.5	4.7	4.3	22.5	15.6	0.8	7.5	4.7	10.0	nm	1,051
		Samsung SDI*	46,095	-7.2	86.6	134.8	31.4	2.1	1.9	24.8	15.1	1.7	6.4	0.1	7.3	nm	331
		SK Innovation*	18,461	-12.3	-3.9	14.6	18.5	0.7	0.7	9.1	9.2	4.5	3.5	3.7	3.2	nm	-21
	Cathodes	LG Chem*	25,201	-4.7	-3.6	157.0	14.4	0.8	0.8	8.8	6.3	0.7	5.7	2.9	6.9	nm	992
		L&F	5,732	-11.4	10.9	655.6	63.8	9.5	8.0	27.2	25.2	-9.6	11.1	5.9	5.1	nm	927
		Ecopro BM*	17,375	-7.2	-1.3	410.7	173.3	10.1	9.5	78.4	53.8	2.4	5.4	3.8	5.1	7	137
		Cosmo AM&T	1,544	-10.2	-12.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2.7	4.6	nm	n/a
	Cathodes/ anodes	Posco Future M*	18,412	-12.1	-9.4	327.8	171.7	4.5	4.4	63.1	48.8	1.0	2.1	2.8	3.9	1,144	90
	Silicon anodes	Daejoo Electronic	1,950	-16.9	64.0	77.0	46.0	7.1	6.2	47.0	39.0	9.9	13.8	11.1	11.6	18	67
		Hansol Chemical	3,292	-7.8	29.0	18.7	14.8	2.7	2.3	13.7	10.6	15.0	16.7	19.1	21.6	16	26
		Dongjin Semichem	3,124	15.7	66.6	n/a	n/a	n/a	n/a	n/a	n/a	10.3	13.7	n/a	n/a	n/a	n/a
	Electrolytes	Soulbrain	3,469	7.0	73.5	22.3	17.9	2.9	2.5	11.9	9.8	13.6	14.9	18.3	20.1	94	25
		Dongwha Enterprise	428	-12.9	-11.4	n/a	84.6	0.5	0.5	22.5	12.3	-2.3	0.4	-0.5	3.0	nm	nm
		Enchem	780	-4.7	-47.7	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	nm	n/a
	Lithium salt	Foosung	1,986	58.8	133.5	89.9	44.5	5.7	5.0	23.8	20.0	6.5	12.0	8.9	10.8	312	102
		Chunbo*	539	-14.7	-24.9	n/a	74.7	1.3	1.3	10.5	9.8	-3.1	2.6	-5.6	5.4	nm	nm
	Separators	SKIET*	1,551	-12.0	-36.7	n/a	n/a	0.6	0.7	n/a	27.7	-7.3	-3.9	-87.0	-21.9	nm	nm
		WCP	445	-11.7	77.7	n/a	111.4	0.5	0.5	75.7	17.0	-7.6	0.2	-16.2	6.8	nm	nm
	Elecfoil	Lotte Energy Materials*	3,069	-4.2	67.0	n/a	77.6	1.9	1.9	46.0	18.8	-1.7	1.9	-4.1	3.7	nm	nm
		Solus Advanced Materials	890	15.5	57.5	n/a	23.4	1.8	1.8	64.6	15.2	-6.7	7.4	-7.8	6.9	nm	nm
		SKC*	7,073	7.5	33.5	n/a	n/a	5.8	6.2	80.1	38.9	-23.0	-10.0	-3.5	1.8	nm	nm
	Conductive additives	Advanced NanoProducts	752	-13.2	2.0	90.2	39.4	3.0	2.8	28.8	16.8	3.3	7.3	8.5	13.2	401	129
		Jeio	189	-42.0	-24.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	nm	n/a
Recycling	Sungeel Hitech	713	-17.5	22.8	n/a	50.5	5.8	5.2	29.0	18.2	-5.6	10.6	0.8	6.9	nm	nm	
	Sebitchem	109	-22.7	-43.4	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	nm	n/a	
Parts	Sang-A Frontech	305	-15.8	10.2	40.3	22.1	1.5	1.4	14.8	11.8	3.7	6.7	4.8	6.3	9	82	
	Shinheung SEC*	241	-24.7	9.5	18.3	13.5	0.8	0.8	7.2	6.2	3.9	5.2	4.0	5.2	nm	36	
	Sangsin EDP	242	-21.1	18.2	11.8	6.7	1.4	1.2	7.0	5.3	11.2	15.8	8.3	9.3	917	75	
Equipment	SFA*	998	-1.4	15.4	13.2	8.6	0.9	0.8	6.8	5.0	8.8	12.2	7.3	9.3	10	53	
	Hana Technology	151	-24.0	-46.9	15.3	9.3	1.7	1.4	17.1	10.8	10.3	16.6	5.2	8.0	nm	66	
	People & Technology	1,028	-8.2	2.1	6.9	6.7	n/a	n/a	n/a	n/a	21.5	n/a	13.2	13.7	96	3	
	Wonik PNE	107	-29.0	-43.8	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Other	Ecopro	16,578	-5.1	10.9	58.1	67.5	7.4	6.7	44.6	32.4	13.6	10.5	7.6	9.1	nm	-14	
	Posco Holdings*	31,261	-15.7	23.4	16.1	12.9	0.5	0.5	6.9	6.2	3.5	4.2	4.5	5.3	181	25	
China	Cells	CATL	418,730	-6.8	3.5	18.9	15.3	4.4	3.7	11.8	9.4	25.0	25.9	18.5	19.0	48	24
		BYD	173,300	-10.3	-9.8	16.7	13.1	2.4	2.1	6.2	5.0	15.1	16.7	5.0	5.9	42	27
		Gotion High Tech	11,813	-19.6	-23.6	24.3	17.5	1.7	1.6	10.8	11.4	6.8	8.7	4.3	4.8	2	39
		EVE Energy	28,104	-12.3	-16.4	16.9	12.8	2.5	2.1	11.5	9.2	15.0	16.9	8.0	8.2	93	32
	Lithium	Tianqi Lithium	22,872	-9.6	24.0	16.9	15.5	2.1	1.9	6.3	5.4	12.5	11.6	60.3	59.8	1,395	9
		Jiangxi Ganfeng	31,433	-8.8	18.2	21.3	19.3	2.9	2.5	16.3	14.2	12.6	13.1	20.6	21.2	384	10
	Cobalt	Nanjing Hanrui	2,576	-11.7	-11.7	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		Zhejiang Huayou	21,359	-14.4	-15.0	10.7	8.6	1.8	1.5	7.6	6.0	16.9	18.0	12.9	13.8	56	24
		China Molybdenum	89,137	1.2	6.6	12.4	11.5	3.9	3.2	6.4	5.6	32.1	27.7	24.2	25.3	85	7
	Cathodes/ anodes	Shenzhen Dynanonic	4,050	-13.0	50.1	24.9	18.1	3.4	2.8	11.5	9.1	12.3	14.9	5.5	6.1	nm	38
		Beijing Easpring	6,089	-14.4	-11.6	25.2	19.5	1.7	1.6	13.2	9.8	7.0	8.5	7.1	7.6	85	29
		Ningbo Shanshan	6,870	-10.9	1.5	25.7	20.6	n/a	n/a	n/a	n/a	5.3	6.2	8.7	9.2	186	25
	Electrolytes	Guangzhou Tinci	22,691	-13.7	30.5	15.0	13.2	4.4	3.6	10.4	8.9	29.6	27.4	24.6	24.0	429	13
		Shenzhen Capchem	12,560	17.7	55.9	27.9	22.9	4.5	3.9	18.8	15.2	16.5	17.4	16.5	17.5	108	22
	Separators	Cangzhou Mingzhu plastic	1,752	-16.5	1.7	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		Shenzhen Senior	6,092	9.7	25.4	40.1	24.3	2.3	2.2	19.4	14.4	6.0	8.7	14.6	18.2	1,830	63

Segment	Company	Mkt cap (KRWb)	Performance (%)		P/E (x)		P/B (x)		EV/EBITDA (x)		ROE (%)		OPM (%)		EPS growth (%)		
			1m	6m	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E	
Japan	Cells	Panasonic	88,434	15.4	76.4	35.9	19.7	1.8	1.6	14.7	10.3	5.2	8.7	3.8	7.4	-31	90
		GS Yuasa	5,902	-3.9	65.4	18.5	15.3	1.7	1.5	8.9	8.3	9.0	10.4	9.1	9.9	11	24
	Cathode	Sumitomo Metal Mining	23,817	-15.9	51.4	16.2	12.5	1.2	1.1	15.3	13.9	7.2	9.3	10.1	8.1	801	33
	Anode	Tokai Carbon	3,875	18.8	87.1	26.9	16.8	1.2	1.1	n/a	n/a	4.1	6.8	8.3	10.4	-28	60
		Nippon Carbon	524	-5.1	4.4	19.7	14.5	n/a	n/a	n/a	n/a	n/a	n/a	10.9	13.4	-45	36
		Showa Denko	29,715	-1.5	167.5	31.4	22.5	4.0	3.5	14.8	11.7	13.5	16.4	10.0	14.2	244	40
	Electrolytes	Stella Chemifa	886	20.0	71.8	28.6	26.2	1.9	1.9	n/a	n/a	6.6	n/a	12.5	12.5	6	10
	Separators	Sumitomo Chemical	8,707	-11.2	21.0	14.8	11.3	1.0	0.9	6.9	5.8	6.7	8.5	7.2	8.1	65	32
		Ashai Kasei	23,159	3.5	27.3	16.6	14.7	1.2	1.2	8.1	7.3	7.5	8.1	7.5	7.9	12	15
		W-Scope	119	-25.5	25.5	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	nm	n/a
Toray Industries		16,333	-0.4	9.2	21.3	17.0	1.0	0.9	9.6	8.5	4.7	5.5	4.8	5.6	11	29	
Nippon Kodoshi		858	38.7	179.7	37.3	26.5	3.5	3.2	n/a	n/a	n/a	n/a	18.3	21.4	39	41	
Electrofoil	Furukawa	28,201	-22.7	346.1	56.2	33.4	7.6	6.0	32.7	22.1	14.8	19.8	4.4	7.0	60	73	
US	EVs	Tesla	2,314,890	-8.3	-11.4	217.0	167.3	15.6	14.3	102.5	80.3	6.4	7.6	5.4	6.9	69	30
	Lithium	Albemarle	30,480	-10.8	28.4	13.7	13.3	2.0	1.9	8.1	7.2	14.8	16.1	21.6	22.9	nm	3
		SQM	33,859	-3.1	27.8	11.9	11.1	3.3	2.8	7.1	6.7	28.5	24.0	38.8	38.3	n/a	7
		FMC	2,247	-12.6	-14.8	6.9	5.3	0.7	0.7	7.2	6.4	6.5	12.3	14.2	15.6	nm	30
Other	Cathodes	Umicore SA	9,817	-6.0	36.7	13.7	12.8	2.2	2.0	7.2	6.9	15.1	14.3	18.0	12.6	13	7

Note: *Our coverage; as of Jun 12 close

Source: Bloomberg

Capacity: Battery cell and material makers

(GWh, '000 tonnes)	Company	2022	2023	2024	2025	2026E
Cell* (GWh)	Samsung SDI	84	97	108	131	158
	LG Energy Solution	200	275	298	290	308
	SK Innovation	88	88	118	112	117
	CATL*	388	525	685	755	901
	Panasonic	46	54	64	94	94
Cathode	LG Chem	90	120	140	150	170
	Ecopro BM	125	190	226	280	379
	L&F	100	160	210	210	260
	Posco Future M	40	155	185	315	315
	Cosmo AM&T	20	20	30	60	90
Anode	Posco Future M	82	82	92	132	132
Copper foil	Lotte Energy Materials	60	60	70	70	80
	Solus Advanced Materials	15	15	38	58	63
	SKC	52	96	96	121	121

Note: *Includes JV capacity; cell maker capacity refers to mid-to-large format (EV+ESS); units are GWh; material maker capacity is in thousand tons.

Source: IR, Media, Samsung Securities estimates, BNEF, CITIC

COMPANY UPDATE

2026. 6. 18

EV/Mobility Team

Hyunryul Cho

Senior Analyst
hyunryul.cho@samsung.com

Wonyoung Kim

Research Associate
wonyoung10.kim@samsung.com

▶ AT A GLANCE

BUY

Target price **KRW600,000** 44.2%

Current price **KRW416,000**

Market cap	KRW97.3t/USD64.3b
Shares (float)	234,000,000 (20.3%)
52-week high/low	KRW514,000/KRW288,000
Avg daily trading value (60-day)	KRW216.0b/ USD142.7m

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
LG Energy Solution (%)	-0.2	0.1	41.5
Vs Kospi (%pts)	-15.7	-54.2	-52.9

▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	600,000	600,000	0.0%
2026E EPS	-509	-509	0.0%
2027E EPS	11,589	11,589	0.0%

▶ SAMSUNG vs THE STREET

No of estimates	23
Target price	576,565
Recommendation	4.0

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



Scan to go to
Research Center report database

LG Energy Solution (373220)

2H outlook: Major ESS orders in full swing

- The key investment themes for LG Energy Solution (LGES) in 2H26 are: 1) improved profitability from North American ESS business expansion; and 2) significant ESS order wins and reduced losses in the EV battery segment.
- The ESS division should become the company's largest revenue driver starting in 3Q26, solidifying its top market position in the US ESS battery market—a positive development. We maintain our BUY rating and KRW600,000 target price.

WHAT'S THE STORY?

Outlook (1)—To enjoy huge ESS-related order momentum: LGES took 90 GWh of new ESS battery orders in 2025 and is targeting over 90 GWh in 2026. The firm has likely won approximately 10 GWh in new orders ytd, with the remainder of the order target expected to be fulfilled in 2H26. On the back of production capacity expansion, the ESS business' sales and operating profit (including the Advanced Manufacturing Production Credits, or AMPCs; created under the US Inflation Reduction Act) should rise from KRW4.15t and KRW120b (operating margin of 3%) in 1H26 to KRW6.46t and KRW780b (operating margin of 12%) in 2H26.

Outlook (2)—Gradual recovery in EV battery plants' utilization: The EV battery business has struggled from anemic demand and operating losses across most EV battery products (excluding cylindrical batteries). However, such sales have expanded through a specification shift for VW Group—from high-nickel to mid-nickel chemistries. Profitability should head north from 3Q26 onward, as high-margin sales to GM resume.

(Continued on the next page)

SUMMARY FINANCIAL DATA

(KRWb)	2025	2026E	2027E	2028E
Revenue	23,672	31,107	40,960	50,565
Operating profit	1,346	1,440	5,195	7,839
Net profit (adj)	81	114	3,945	6,679
EPS (adj) (KRW)	-4,585	-509	11,589	21,297
EPS (adj) growth (% y-y)	nm	nm	nm	83.8
EBITDA margin (%)	14.3	20.1	27.9	18.4
ROE (%)	-5.2	-0.6	12.6	19.7
P/E (adj) (x)	n/a	n/a	35.9	19.5
P/B (x)	4.3	4.8	4.3	3.5
EV/EBITDA (x)	33.6	20.2	10.9	12.6
Dividend yield (%)	0.0	0.0	0.0	0.0

Source: Company data, Samsung Securities estimates

2Q results to meet consensus: We forecast a 2Q operating profit of KRW226.1b (up by KRW433.9b q-q), which would be in line with FnGuide-based consensus (KRW216b; up 4.9%) but fall short of our previous forecast of KRW297.6b. The probable miss is ascribable to timing differences in compensation recognition: compensation from a North American client—expected in 2Q and without requiring recognition of costs—has been deferred to 2H, while compensation from other carmakers, which involve recognition of some costs, were booked earlier in 2Q. By segment, we estimate an operating profit of KRW150.6b (up 13% q-q) from the small-battery business, an operating loss of KRW140.7b (narrower by KRW169b q-q) from the EV battery business, an operating loss of KRW80.3b (narrower by KRW141.4b q-q) from the ESS business, and KRW296.5b (up 56% q-q; on sales volume expanding an estimated 45% q-q to 6.8 GWh) in IRA AMPC.

LG Energy Solution: 2Q preview

(KRWb)	2Q26E	1Q26	2Q25	Consensus	Diff (%)		
					q-q	y-y	Consensus
Sales	7,887	6,555	5,598	7,110	20.3	40.9	10.9
Operating profit	226	-208	34	216	To turn pos	556.5	4.9
Pre-tax profit	65	-859	-27	107	To turn pos	To turn pos	-39.4
Net profit	58	-944	91	193	To turn pos	-35.5	-69.7
Attributable to parent	0	-676	-297	67	To remain neg	To remain neg	To turn neg
Margins (%)							
Operating profit	2.9	-3.2	0.6	3.0			
Pre-tax profit	0.8	-13.1	-0.5	1.5			
Net profit	0.7	-14.4	1.6	2.7			
Attributable to parent	0.0	-10.3	-5.3	0.9			

Source: Company data, FnGuide, Samsung Securities estimates

LG Energy Solution: Quarterly results, by division

(KRWb)	2Q26E	1Q26	2Q25	Chg (% q-q)	Chg (% y-y)
Sales	7,887	6,555	5,598	20.3	40.9
Small batteries	2,216	1,999	1,095	10.8	102.4
EV batteries	3,127	2,950	4,087	6.0	-23.5
ESS batteries	2,544	1,606	417	58.4	510.7
Operating profit	226	-208	34	To turn pos	556.5
Small batteries	151	134	-366	12.5	To turn pos
EV batteries	-141	-310	-91	To remain neg	To remain neg
ESS batteries	-80	-222	0	To remain neg	To turn neg
IRAAMPC	296	190	491	56.3	-39.6
Pre-tax profit	65	-859	-27	To turn pos	To turn pos
Net profit	58	-944	91	To turn pos	-35.5
Margins (%)					
Operating profit	2.9	-3.2	0.6		
Small batteries	6.8	6.7	-33.4		
EV batteries	-4.5	-10.5	-2.2		
ESS	-3.2	-13.8	0.0		
Pre-tax profit	0.8	-13.1	-0.5		
Net profit	0.7	-14.4	1.6		

Source: Company data, Samsung Securities estimates

LG Energy Solution: Simulation of tax credit benefits under IRA

(GWh)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total
Advanced Manufacturing Production Credits													
Battery cell (USD/kWh)			35.0	35.0	35.0	35.0	35.0	35.0	26.3	17.5	8.8	0.0	
Battery module (USD/kWh)			10.0	10.0	10.0	10.0	10.0	10.0	7.5	5.0	2.5	0.0	
LGES US battery capacity													
Total	5	15	45	70	87	140	176	203	203	203	203	203	
Michigan (100%)	5	5	5	5	5	25	25	25	25	25	25	25	
Michigan ESS (100%)					17	29	45	62	62	62	62	62	
Ultium Cells #1 (50%)		10	40	45	45	45	45	45	45	45	45	45	
Ultium Cells #2 (50%)				20	20	10	10	10	10	10	10	10	
L-H Battery (50%)					0	10	10	10	10	10	10	10	
Nextstar Energy (51%)						11	11	11	11	11	11	11	
Arizona (100%)						10	20	30	30	30	30	30	
HL-GA Battery (50%)							10	10	10	10	10	10	
LGES US battery operating rate													
Total	80%	43%	49%	53%	43%	31%	52%	65%	79%	85%	88%	88%	
Michigan (100%)	80%	80%	80%	29%	60%	10%	18%	38%	68%	73%	78%	80%	
Michigan ESS (100%)					31%	77%	69%	79%	94%	94%	94%	94%	
Ultium Cells #1 (50%)		25%	43%	59%	47%	11%	32%	47%	67%	77%	81%	81%	
Ultium Cells #2 (50%)				21%	22%	28%	95%	95%	95%	95%	95%	95%	
L-H Battery (50%)					0%	7%	75%	90%	95%	95%	95%	95%	
Nextstar Energy (51%)						58%	95%	95%	95%	95%	95%	95%	
Arizona (100%)						1%	21%	49%	74%	89%	94%	94%	
HL-GA Battery (50%)							23%	23%	43%	63%	73%	73%	
LGES US battery production													
Total	4	7	15	31	33	35	83	122	161	173	178	179	
Michigan (100%)	4	4	4	1	3	1	4	9	17	18	19	20	
Michigan ESS (100%)					5	17	31	48	58	58	58	58	
Ultium Cells #1 (50%)		3	11	25	21	5	14	21	30	35	36	36	
Ultium Cells #2 (50%)				4	4	4	10	10	10	10	10	10	
L-H Battery (50%)						1	8	9	10	10	10	10	
Nextstar Energy (51%)						6	10	10	10	10	10	10	
Arizona (100%)						0	3	12	22	27	28	28	
HL-GA Battery (50%)							2	2	4	6	7	7	
LGES IRA tax credit benefits (total; USDm)													
Total			517	1,081	1,158	1,043	2,929	5,158	6,748	5,423	3,725	1,868	29,649
Battery cell			517	1,074	1,110	886	2,528	4,286	5,622	4,538	3,123	1,566	25,250
Battery module			0	7	48	157	401	872	1,125	885	602	302	4,399
LGES IRA tax credit benefits (total; KRWb)													
Total			677	1,480	1,647	1,492	4,042	6,705	8,772	7,050	4,842	2,428	39,135
Battery cell			677	1,470	1,578	1,268	3,489	5,571	7,309	5,900	4,059	2,035	33,357
Battery module			0	10	69	224	553	1,134	1,463	1,150	783	393	5,778
LGES IRA tax credit benefits (controlling interests; USDm)													
Total			329	314	492	794	2,436	4,392	5,698	4,519	3,088	1,549	23,611
Battery cell			329	307	443	641	2,084	3,591	4,665	3,706	2,535	1,272	19,573
Battery module			0	7	48	154	351	801	1,033	813	553	277	4,037
LGES IRA tax credit benefits (controlling interests; KRWb)													
Total			427	408	639	1,033	3,166	5,710	7,408	5,874	4,014	2,014	30,694
Battery cell			427	399	577	833	2,709	4,669	6,065	4,817	3,296	1,654	25,445
Battery module			0	9	63	200	457	1,041	1,343	1,057	719	360	5,249
Present value* of IRA tax credit benefits (controlling interests; KRWb)													
Total			427	408	639	983	2,872	4,933	6,094	4,603	2,996	1,431	25,386
Battery cell			427	399	577	793	2,458	4,033	4,990	3,775	2,459	1,175	21,085
Battery module			0	9	63	190	414	900	1,105	828	536	256	4,301

Note: *Discounted to the beginning of 2025, using a discount rate of 5%

Source: Samsung Securities estimates

LG Energy Solution: Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	2024	2025	2026E	2027E
KRW/USD (average)	1,453	1,401	1,387	1,452	1,467	1,496	1,440	1,380	1,365	1,423	1,446	1,380
Sales	7,180	5,598	6,065	6,474	6,555	7,887	8,134	8,531	25,620	23,672	31,107	40,960
Growth (% q-q)	11.3	-22.0	8.3	6.7	1.2	20.3	3.1	4.9				
Growth (% y-y)	17.2	-9.1	-11.8	0.4	-8.7	40.9	34.1	31.8	-24.1	-1.2	22.9	31.7
Small batteries	2,103	1,095	1,653	1,976	1,999	2,216	2,300	2,246	7,363	6,826	8,761	9,364
Growth (% q-q)	29.9	-47.9	51.0	19.5	1.2	10.8	3.8	-2.3				
Growth (% y-y)	-3.3	-40.8	-3.9	22.0	-4.9	102.4	39.1	13.7	-22.9	-7.3	28.4	6.9
EV batteries	4,568	4,087	3,784	3,068	2,950	3,127	2,844	2,821	16,408	15,508	11,741	12,987
Growth (% q-q)	8.9	-10.5	-7.4	-18.9	-3.9	6.0	-9.0	-0.8				
Growth (% y-y)	22.2	2.0	-15.3	-26.8	-35.4	-23.5	-24.8	-8.1	-24.5	-5.5	-24.3	10.6
ESS batteries	510	417	628	1,431	1,606	2,544	2,990	3,464	1,849	2,985	10,604	18,610
Growth (% q-q)	-20.2	-18.3	50.8	127.8	12.3	58.4	17.5	15.9				
Growth (% y-y)	137.7	35.2	-8.7	124.0	215.0	510.7	376.1	142.2	-24.5	61.4	255.2	75.5
EBITDA	1,689	917	1,519	913	887	1,456	1,890	2,030	3,621	5,037	6,264	11,424
Growth (% q-q)	166.6	-45.7	65.6	-39.9	-2.8	64.2	29.8	7.4				
Growth (% y-y)	106.9	-1.4	22.4	44.1	-47.5	58.8	24.5	122.4	-18.6	39.1	24.3	82.4
Operating profit	832	34	601	-122	-208	226	654	768	575	1,346	1,440	5,195
Growth (% q-q)	Tunedpos	-95.9	1,645.8	Tunedneg	Remainedneg	Tolumpos	189.2	17.4				
Growth (% y-y)	429.0	-82.4	34.1	Remainedneg	Tunedneg	556.5	8.8	Tolumpos	-73.4	134.0	7.0	260.7
Small batteries	581	-366	115	126	134	151	218	123	195	457	626	639
Growth (% q-q)	Tunedpos	Tunedneg	Tunedpos	9.7	6.3	12.5	45.0	-43.5				
Growth (% y-y)	639.3	Tunedneg	48.9	Tunedpos	-77.0	Tolumpos	90.2	-2.0	-74.3	134.7	37.2	2.0
EV batteries	-107	-91	87	-488	-310	-141	-10	-10	-880	-599	-470	-22
Growth (% q-q)	Remainedneg	Remainedneg	Tunedpos	Tunedneg	Remainedneg	Toremainneg	Toremainneg	Toremainneg				
Growth (% y-y)	Remainedneg	Remainedneg	Tunedpos	Remainedneg	Remainedneg	Toremainneg	Tolumneg	Toremainneg	Tunedneg	Remainedneg	Toremainneg	Toremainneg
ESS batteries	-99	0	34	-93	-222	-80	-5	99	-219	-158	-208	536
Growth (% q-q)	Remainedneg	Tunedpos	81,331.0	Tunedneg	Remainedneg	Toremainneg	Toremainneg	Tolumpos				
Growth (% y-y)	Remainedneg	Tunedpos	49,214.9	Remainedneg	Remainedneg	Tolumneg	Tolumneg	Tolumpos	Tunedneg	Remainedneg	Toremainneg	Tolumpos
AMPC	458	491	365	333	190	296	451	555	1,480	1,647	1,492	4,042
Growth (% q-q)	21.3	7.2	-25.5	-8.9	-43.0	56.3	52.0	23.3				
Growth (% y-y)	142.2	9.6	-21.6	-11.8	-58.6	-39.6	23.3	66.9	118.7	11.3	-9.4	170.8
Pre-tax profit	365	-27	553	-476	-859	65	726	382	349	414	315	4,375
Growth (% q-q)	4.5	Tunedneg	Tunedpos	Tunedneg	Tunedneg	Tolumpos	1,020.2	-47.4				
Growth (% y-y)	63.7	Tunedneg	63.0	Remainedneg	Tunedneg	Tolumpos	31.4	Tolumpos	-82.9	18.7	-24.0	1,290.6
Net profit	227	91	536	-772	-944	58	655	344	339	81	114	3,945
Growth (% q-q)	-33.1	-60.0	491.7	Tunedneg	Tunedneg	Tolumpos	1,020.2	-47.4				
Growth (% y-y)	6.8	Tunedpos	-4.5	Remainedneg	Tunedneg	-35.5	22.2	Tolumpos	-79.3	-76.1	40.7	3,368.4
Attributable to parent	-146	-297	247	-877	-676	0	430	127	-1,019	-1,073	-119	2,712
Margins (%)												
EBITDA	23.5	16.4	25.0	14.1	13.5	18.5	23.2	23.8	14.1	19.9	20.1	27.9
Operating profit	11.6	0.6	9.9	-1.9	-3.2	2.9	8.0	9.0	2.2	5.3	4.6	12.7
Small batteries	27.6	-33.4	6.9	6.4	6.7	6.8	9.5	5.5	2.6	6.7	7.1	6.8
EV batteries	-2.4	-2.2	2.3	-15.9	-10.5	-4.5	-0.4	-0.3	-5.4	-3.9	-4.0	-0.2
ESS batteries	-19.5	0.0	5.4	-6.5	-13.8	-3.2	-0.2	2.8	-11.9	-5.3	-2.0	2.9
Pre-tax profit	5.1	-0.5	9.1	-7.4	-13.1	0.8	8.9	4.5	1.4	1.6	1.0	10.7
Net profit	3.2	1.6	8.8	-11.9	-14.4	0.7	8.1	4.0	1.3	0.3	0.4	9.6

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	25,620	23,672	31,107	40,960	50,565
Cost of goods sold	22,214	19,440	25,681	32,533	39,867
Gross profit	3,406	4,232	5,426	8,427	10,699
Gross margin (%)	13.3	17.9	17.4	20.6	21.2
SG&A expenses	4,311	4,533	5,478	7,273	8,942
Operating profit	575	1,346	1,440	5,195	7,839
Operating margin (%)	2.2	5.7	4.6	12.7	15.5
Non-operating gains (losses)	-227	-932	-1,126	-820	-591
Financial profit	1,048	1,018	115	288	572
Financial costs	1,261	1,104	953	944	991
Equity-method gains (losses)	-49	-2	-2	-2	-2
Other	35	-844	-286	-162	-171
Pre-tax profit	349	414	315	4,375	7,247
Taxes	10	333	201	431	568
Effective tax rate (%)	2.9	80.5	63.9	9.8	7.8
Profit from continuing operations	339	81	114	3,945	6,679
Profit from discontinued operations	0	0	0	0	0
Net profit	339	81	114	3,945	6,679
Net margin (%)	1.3	0.3	0.4	9.6	13.2
Net profit (controlling interests)	-1,019	-1,073	-119	2,712	4,983
Net profit (non-controlling interests)	1,357	1,154	233	1,233	1,696
EBITDA	3,621	3,391	6,264	11,424	9,294
EBITDA margin (%)	14.1	14.3	20.1	27.9	18.4
EPS (parent-based) (KRW)	-4,354	-4,585	-509	11,589	21,297
EPS (consolidated) (KRW)	1,447	345	486	16,857	28,542
Adjusted EPS (KRW)*	-4,354	-4,585	-509	11,589	21,297

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	5,112	4,432	4,466	9,452	13,513
Net profit	339	81	114	3,945	6,679
Non-cash profit and expenses	4,984	5,524	5,897	7,386	8,477
Depreciation	2,856	3,414	4,565	5,986	7,308
Amortization	190	278	259	243	229
Other	1,939	1,832	1,074	1,157	940
Changes in A/L from operating activities	691	-365	-528	-700	-683
Cash flow from investments	-12,065	-10,881	-6,409	-5,796	-5,250
Change in tangible assets	-12,324	-10,758	-6,000	-5,400	-4,860
Change in financial assets	-277	-167	-203	-269	-262
Other	536	44	-206	-127	-127
Cash flow from financing	5,382	6,286	-1,657	1,178	1,229
Change in debt	4,383	7,124	-1,657	1,178	1,229
Change in equity	0	0	0	0	0
Dividends	0	0	0	0	0
Other	998	-838	0	0	0
Change in cash	-1,170	-119	-2,773	4,800	9,459
Cash at beginning of year	5,069	3,899	3,779	1,006	5,806
Cash at end of year	3,899	3,779	1,006	5,806	15,264
Gross cash flow	5,323	5,604	6,011	11,330	15,156
Free cash flow	-7,287	-6,402	-1,534	4,052	8,653

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	15,327	18,412	20,235	31,125	46,521
Cash & equivalents	3,899	3,779	1,006	5,806	15,264
Accounts receivable	4,944	4,311	5,665	7,460	9,209
Inventories	4,552	4,350	5,717	7,528	9,293
Other current assets	1,932	5,971	7,847	10,332	12,755
Fixed assets	44,979	48,736	49,423	49,026	46,773
Investment assets	1,272	1,522	1,735	2,017	2,291
Tangible assets	38,350	40,795	42,230	41,644	39,196
Intangible assets	1,285	1,592	1,483	1,390	1,311
Other long-term assets	4,073	4,827	3,975	3,975	3,975
Total assets	60,307	67,148	69,657	80,151	93,295
Current liabilities	12,055	16,785	16,283	20,528	24,636
Accounts payable	2,705	2,153	2,829	3,725	4,599
Short-term debt	1,291	2,681	2,681	2,681	2,681
Other current liabilities	8,058	11,952	10,773	14,123	17,357
Long-term liabilities	17,285	21,041	23,939	26,243	28,599
Bonds & long-term debt	12,641	15,513	17,530	18,665	19,883
Other long-term liabilities	4,644	5,528	6,409	7,578	8,717
Total liabilities	29,340	37,826	40,222	46,771	53,236
Owners of parent equity	21,116	20,216	20,097	22,808	27,792
Capital stock	117	117	117	117	117
Capital surplus	17,165	17,165	17,165	17,165	17,165
Retained earnings	1,397	332	213	2,925	7,908
Other	2,437	2,602	2,602	2,602	2,602
Non-controlling interests' equity	9,850	9,106	9,339	10,572	12,267
Total equity	30,967	29,322	29,435	33,380	40,059
Net debt	11,493	18,690	19,791	16,150	7,901

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	-24.1	-7.6	31.4	31.7	23.5
Operating profit	-73.4	134.0	7.0	260.7	50.9
Net profit	-79.3	-76.1	40.7	3,368.4	69.3
Adjusted EPS**	nm	nm	nm	nm	83.8
Per-share data (KRW)					
EPS (parent-based)	-4,354	-4,585	-509	11,589	21,297
EPS (consolidated)	1,447	345	486	16,857	28,542
Adjusted EPS**	-4,354	-4,585	-509	11,589	21,297
BVPS	90,240	86,391	85,883	97,471	118,768
DPS (common)	0	0	0	0	0
Valuations (x)					
P/E***	n/a	n/a	n/a	35.9	19.5
P/B***	3.9	4.3	4.8	4.3	3.5
EV/EBITDA	28.4	33.6	20.2	10.9	12.6
Ratios (%)					
ROE	-4.9	-5.2	-0.6	12.6	19.7
ROA	0.6	0.1	0.2	5.3	7.7
ROIC	1.5	0.6	1.0	8.9	13.6
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	37.1	63.7	67.2	48.4	19.7
Interest coverage (x)	1.0	1.6	1.5	5.5	7.9

COMPANY UPDATE

2026. 6. 12

EV/Mobility Team

JungHoon Chang

Senior Analyst
jhooni.chang@samsung.com

Wonyoung Kim

Research Associate
wonyoung10.kim@samsung.com

▶ AT A GLANCE

BUY

Target price **KRW680,000** 36.4%

Current price **KRW498,500**

Market cap KRW40.2t/USD26.3b

Shares (float) 80,585,530 (72.6%)

52-week high/low KRW712,000/KRW168,200

Avg daily trading value (60-day) KRW462.9b/USD302.8m

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
Samsung SDI (%)	-27.1	61.9	188.3
Vs Kospi (%pts)	-26.6	-14.3	8.0

▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	680,000	740,000	-8.1%
2026E EPS	898	898	0.0%
2027E EPS	10,145	10,145	0.0%

▶ SAMSUNG vs THE STREET

No of estimates	23
Target price	840,913
Recommendation	4.0

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



Scan to go to
Research Center report database

Samsung SDI (006400)

Likely to turn around in 3Q, faster than expected

- We expect Samsung SDI to substantially narrow losses in 2Q.
- The company should see increasing sales of battery backup unit (BBU) and ESS for data centers and also expand battery shipments for high-volume EV models targeting Europe.
- We trim our target price for the stock to KRW680,000 and maintain BUY.

WHAT'S THE STORY?

Losses to narrow substantially in 2Q: We forecast Samsung SDI to post 2Q sales of KRW3.7t and an operating loss of KRW73.5b—better than FnGuide consensus of an operating loss of KRW76.6b. Losses should narrow significantly, on: 1) improved q-q margins in the ESS business, supported by greater shipments of domestically manufactured uninterruptible power supply (UPS) for data centers—not just for North American power applications; and 2) robust sales of battery backup units (BBUs) for data centers in the small-battery business.

Likely to turn profitable in 3Q: We now believe Samsung SDI will log an operating profit of KRW14.3b, returning to profitability in 3Q (earlier than our previous forecast of 4Q) thanks to three factors. First, starting in 2Q, Samsung SDI began supplying batteries for Korean automakers' mass-market EV models targeting the European market. This should boost utilization rates at its Hungarian plant in 2H. Second, sales of the firm's lucrative LMO-based UPS systems are growing in the US market, increasing their share of total ESS revenue to 15–20%. Combined with the full-scale ramp-up of LFP-based ESS production in North America, significant improvements in the advanced manufacturing production credit (AMPC) are anticipated in 4Q. Third, the company's small battery business should turn to a profit from 3Q, backed by increasing sales of power tools and BBUs for data centers

SUMMARY FINANCIAL DATA

(Continued on the next page)

(KRWb)	2025	2026E	2027E	2028E
Revenue (KRWb)	13,267	15,929	20,237	24,694
Operating profit (KRWb)	-1,722	-92	1,198	1,802
Net profit (adj) (KRWb)	-585	369	1,209	1,630
EPS (adj) (KRW)	-8,325	898	10,145	14,672
EPS (adj) growth (% y-y)	nm	nm	1,029.6	44.6
EBITDA margin (%)	0.8	13.3	17.3	16.7
ROE (%)	-3.2	0.3	3.7	5.2
P/E (adj) (x)	n/a	555.1	49.1	34.0
P/B (x)	1.0	1.8	1.7	1.6
EV/EBITDA (x)	314.4	25.6	16.3	14.5
Dividend yield (%)	0.0	0.0	0.0	0.0

Source: Company data, Samsung Securities estimates

Trimming target price but maintaining BUY: We cut our target price for the stock by 8% to KRW680,000 to reflect a decline in the peer group's EV/EBITDA multiple from 13.4x to 12.7x (which we apply to the battery segment in our sum-of-the-parts valuation). We maintain BUY, anticipating earnings upgrade momentum, as robust demand for batteries serving North American data centers (BBU, UPS, and ESS), combined with the imminent ramp-up of battery shipments for European EVs, accelerate the path to profitability.

2Q preview

(KRWb)	2Q26	2Q25	1Q26	Chg	
				(% y-y)	(% q-q)
Sales	3,700.2	3,179.4	3,576.4	16.4	3.5
Operating profit	-73.5	-397.8	-155.6	Remained neg	Remained neg
Pre-tax profit	-14.2	-326.8	-347.2	Remained neg	Remained neg
Net profit	35.8	-166.7	56.1	Remained neg	-36.2
Margins (%)					
Operating profit	-2.0	-12.5	-4.4		
Pre-tax profit	-0.4	-10.3	-9.7		
Net profit	1.0	-5.2	1.6		

Source: Company data, Samsung Securities

Revisions to full-year forecasts

(KRWb)	2026E			2027E		
	Old	New	Diff (%)	Old	New	Diff (%)
Sales	15,752.5	15,928.8	1.1	19,899.7	20,237.4	1.7
Operating profit	-229.7	-92.4	nm	1,156.5	1,198.3	3.6
Pre-tax profit	251.2	388.6	54.7	1,469.1	1,510.7	2.8
Net profit	213.5	369.1	72.9	1,116.5	1,208.6	8.2

Source: Samsung Securities estimates

Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	1Q27E	2Q27E	3Q27E	4Q27E	2025	2026E	2027E
Sales	3,176.8	3,179.4	3,051.8	3,858.7	3,576.4	3,700.2	3,969.3	4,682.9	4,437.4	4,823.9	5,285.2	5,690.9	13,266.7	15,928.8	20,237.4
Batteries	2,980.9	2,961.2	2,820.0	3,622.0	3,354.4	3,422.5	3,669.2	4,376.9	4,163.3	4,475.5	4,906.5	5,315.7	12,384.1	14,823.0	18,860.9
LiB (IT)	641.6	833.7	875.2	869.6	964.7	1,012.5	1,062.9	1,116.1	1,059.6	1,112.1	1,278.7	1,406.6	3,220.1	4,156.1	4,857.1
LiB (EV+ESS)	2,339.3	2,127.5	1,944.8	2,752.4	2,389.7	2,410.0	2,606.3	3,260.9	3,103.7	3,363.3	3,627.7	3,909.1	9,163.9	10,666.9	14,003.8
Electronic materials	195.9	218.2	231.8	236.7	222.0	277.7	300.1	305.9	274.1	348.5	378.7	375.2	882.6	1,105.8	1,376.5
Operating profit	-434.1	-397.8	-591.3	-299.2	-155.6	-73.5	14.3	122.3	155.7	232.6	391.2	418.9	-1,722.4	-92.4	1,198.3
Batteries	-452.4	-430.8	-630.1	-338.5	-176.6	-107.0	-36.4	80.1	114.9	176.7	322.9	359.9	-1,851.8	-239.8	974.4
LIB (IT)	-224.6	-72.9	-48.1	-95.6	-86.8	-30.4	10.6	22.3	21.2	22.2	51.1	42.2	-441.2	-84.2	136.8
LIB (EV+ESS)	-227.8	-357.9	-582.0	-242.8	-89.8	-76.6	-47.0	57.8	93.7	154.5	271.8	317.7	-1,410.6	-155.6	837.6
IRA (AMPC)	109.4	66.4	19.5	79.8	80.5	102.9	104.8	352.1	353.0	372.4	415.7	411.1	275.1	640.4	1,552.2
Electronic materials	18.3	33.0	38.8	39.3	21.0	33.5	50.7	42.2	40.8	55.8	68.2	59.0	129.4	147.4	223.9
Operating margin (%)	-13.7	-12.5	-19.4	-7.8	-4.4	-2.0	0.4	2.6	3.5	4.8	7.4	7.4	-13.0	-0.6	5.9
Batteries	-15.2	-14.5	-22.3	-9.3	-5.3	-3.1	-1.0	1.8	2.8	3.9	6.6	6.8	-15.0	-1.6	5.2
Electronic materials	9.3	15.1	16.7	16.6	9.5	12.1	16.9	13.8	14.9	16.0	18.0	15.7	14.7	13.3	16.3

Source: Company data, Samsung Securities estimates

Target-price calculation

(KRWb)	Note
Operating value	47,708
Established business*	8,879
LIB (IT)	6,792 2027E weighted average EBITDA x peer group 2026E EV/EBITDA
ECM*	2,087 2027E weighted average EBITDA x peer group 2026E EV/EBITDA
New growth business	38,829
LIB (EV, ESS)**	38,829 2027E weighted average EBITDA x peer group 2026E EV/EBITDA
Non-operating value	10,586
Listed subsidiaries	1,707 As of Jun 10, 2026
Unlisted subsidiaries***	3,301 50% discount to consolidated book value at end-2025
Samsung Display	5,577 50% discount to consolidated book value at end-2025
Net debt	11,218 End-2026 forecast
Net asset value	47,076
Discount (%)	0%
NAVPS	684,593
Target price (KRW)	680,000
Current price (KRW)	496,500 As of Jun 10, 2026
Upside (%)	37.0

Note: *Applied the peer group average multiple by division to the 2027E weighted average EBITDA (Small-sized batteries 12.7x, Electronic materials 7x);

** Applied the peer group average multiple by division to the 2027E weighted average EBITDA (12.7x);

*** Excluding Samsung Display

Source: Bloomberg, Samsung Securities estimates

AMPC estimates and reflected estimates of non-controlling interest net income

		2024	2025	2026E	2027E
Estimated AMPC	Capacity (Cell) Based on Year-End Design Capacity (GWh)				
	Michigan (Pack)	3	3	3	3
	SPE 1	33	33	37	37
	GM JV				-
	Utilization Rate				
	Michigan (Pack)	86%	41%	25%	10%
	SPE 1	1%	12%	26%	68%
	GM JV				0%
	Production Output (GWh)				
	Michigan (Pack)	3	1	1	0
	SPE 1	0	4	10	25
	GM JV	-	-	-	-
	AMPC Credit (USD/kWh)				
	Cell	35	35	35	35
	Module/Pack	10	10	10	10
AMPC Reflected Amount					
AMPC(USDm)	66	192	448	1,134	
AMPC(KRWb)	90	275	640	1,552	
Non-Controlling Interest Net Income Estimates	Net Income (KRWb)	576	-585	369	1,209
	Controlling Interest Net Income	599	-649	74	834
	Non-Controlling Interest Net Income	-24	65	295	375
	AMPC_Non-Controlling Interest Net Income Amount	9	105	151	329

Source: Company data, Samsung Securities Estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	16,592	13,267	15,929	20,237	24,694
Cost of goods sold	13,499	11,805	11,886	13,810	16,534
Gross profit	3,094	1,462	4,043	6,427	8,160
Gross margin (%)	18.6	11.0	25.4	31.8	33.0
SG&A expenses	2,820	3,459	4,135	5,229	6,358
Operating profit	363	-1,722	-92	1,198	1,802
Operating margin (%)	2.2	-13.0	-0.6	5.9	7.3
Non-operating gains (losses)	253	798	481	312	342
Financial profit	1,129	762	29	16	21
Financial costs	1,603	1,054	314	363	439
Equity-method gains (losses)	801	838	866	760	760
Other	-74	252	-100	-100	0
Pre-tax profit	616	-924	389	1,511	2,145
Taxes	7	-489	19	302	515
Effective tax rate (%)	1.1	52.9	5.0	20.0	24.0
Profit from continuing operations	520	-875	369	1,209	1,630
Profit from discontinued operations	55	290	0	0	0
Net profit	576	-585	369	1,209	1,630
Net margin (%)	3.5	-4.4	2.3	6.0	6.6
Net profit (controlling interests)	599	-649	74	834	1,206
Net profit (non-controlling interests)	-24	65	295	375	424
EBITDA	2,148	105	2,120	3,506	4,134
EBITDA margin (%)	12.9	0.8	13.3	17.3	16.7
EPS (parent-based) (KRW)	8,288	-8,325	898	10,145	14,672
EPS (consolidated) (KRW)	7,959	-7,497	4,491	14,702	19,827
Adjusted EPS (KRW)*	8,288	-8,325	898	10,145	14,672

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	-138	792	1,739	3,170	3,492
Net profit	576	-585	369	1,209	1,630
Non-cash profit and expenses	2,397	1,910	1,625	2,172	2,477
Depreciation	1,795	2,012	2,143	2,254	2,291
Amortization	80	91	70	53	41
Other	522	-193	-588	-136	145
Changes in A/L from operating activities	-2,622	-142	24	414	291
Cash flow from investments	-4,920	-1,999	-2,962	-3,001	-2,604
Change in tangible assets	-6,263	-3,048	-2,900	-2,900	-2,500
Change in financial assets	428	-39	-62	-101	-104
Other	915	1,089	0	0	0
Cash flow from financing	5,544	865	735	2,817	2,718
Change in debt	5,941	-668	735	2,817	2,718
Change in equity	0	1,646	0	0	0
Dividends	-70	-70	0	0	0
Other	-327	-43	-0	0	0
Change in cash	361	-334	-1,464	36	527
Cash at beginning of year	1,524	2,138	1,804	340	376
Cash at end of year	1,885	1,804	340	376	903
Gross cash flow	2,972	1,325	1,994	3,380	4,106
Free cash flow	-6,409	-2,274	-1,161	270	992

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	10,334	8,740	8,983	11,189	14,097
Cash & equivalents	1,885	1,804	340	376	903
Accounts receivable	2,729	2,146	2,926	3,680	4,490
Inventories	2,879	2,936	3,491	4,306	5,254
Other current assets	2,841	1,854	2,226	2,828	3,450
Fixed assets	30,263	33,515	36,490	40,827	44,870
Investment assets	11,187	12,808	15,121	18,866	22,740
Tangible assets	17,707	19,241	19,998	20,643	20,853
Intangible assets	668	584	515	461	421
Other long-term assets	701	883	856	856	856
Total assets	40,597	42,255	45,474	52,016	58,967
Current liabilities	10,856	9,795	9,565	11,639	13,764
Accounts payable	906	1,071	1,448	1,840	2,245
Short-term debt	5,394	3,915	4,115	4,715	5,315
Other current liabilities	4,557	4,809	4,002	5,085	6,205
Long-term liabilities	8,174	8,890	11,545	14,805	18,001
Bonds & long-term debt	5,064	5,493	7,493	9,693	11,793
Other long-term liabilities	3,111	3,397	4,052	5,111	6,207
Total liabilities	19,030	18,685	21,110	26,444	31,765
Owners of parent equity	19,766	21,443	21,941	22,775	23,981
Capital stock	357	416	416	416	416
Capital surplus	5,002	6,589	6,589	6,589	6,589
Retained earnings	12,780	12,089	12,163	12,997	14,203
Other	1,628	2,349	2,774	2,774	2,774
Non-controlling interests' equity	1,801	2,127	2,423	2,797	3,221
Total equity	21,567	23,570	24,363	25,572	27,202
Net debt	9,679	9,061	11,218	13,933	16,054

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	-22.6	-20.0	20.1	27.0	22.0
Operating profit	-76.5	nm	nm	nm	50.4
Net profit	-72.1	nm	nm	227.4	34.9
Adjusted EPS**	-70.2	nm	nm	1,029.6	44.6
Per-share data (KRW)					
EPS (parent-based)	8,288	-8,325	898	10,145	14,672
EPS (consolidated)	7,959	-7,497	4,491	14,702	19,827
Adjusted EPS**	8,288	-8,325	898	10,145	14,672
BVPS	287,707	272,485	278,815	289,412	304,738
DPS (common)	973	0	0	0	0
Valuations (x)					
P/E***	29.2	n/a	555.1	49.1	34.0
P/B***	0.8	1.0	1.8	1.7	1.6
EV/EBITDA	13.4	314.4	25.6	16.3	14.5
Ratios (%)					
ROE	3.1	-3.2	0.3	3.7	5.2
ROA	1.5	-1.4	0.8	2.5	2.9
ROIC	1.9	-4.8	-0.4	3.8	5.2
Payout ratio	10.9	0.0	0.0	0.0	0.0
Dividend yield (common)	0.4	0.0	0.0	0.0	0.0
Net debt to equity	44.9	38.4	46.0	54.5	59.0
Interest coverage (x)	1.1	-5.5	-0.3	3.3	4.1

COMPANY UPDATE

2026. 6. 18

EV/Mobility Team

JungHoon Chang

Senior Analyst

jhooni.chang@samsung.com



Scan to go to
Research Center report database

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.

▶ 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

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

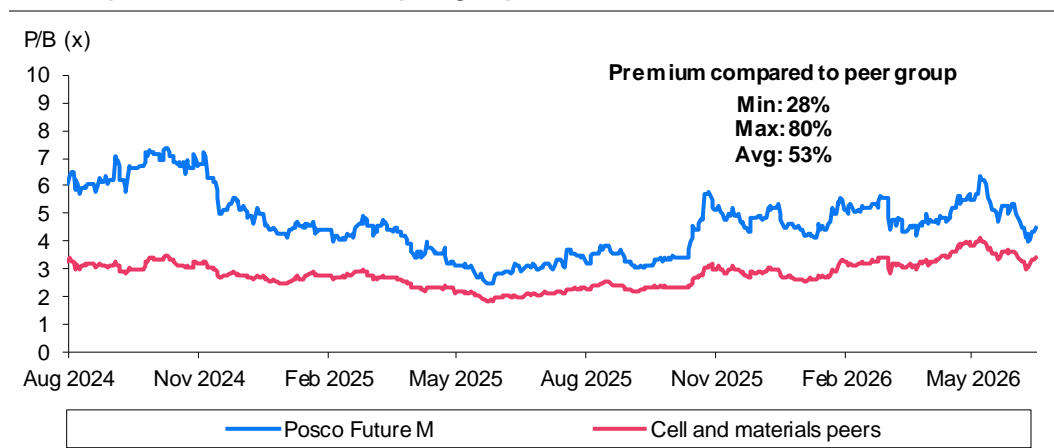
Target-price calculation

(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

COMPANY UPDATE

2026. 6. 18

EV/Mobility Team

Hyunryul Cho

Senior Analyst
hyunryul.cho@samsung.com

Wonyoung Kim

Research Associate
wonyoung10.kim@samsung.com

▶ AT A GLANCE

BUY

Target price **KRW210,000** 49.4%

Current price **KRW140,600**

Market cap	KRW5.7t/USD3.8b
Shares (float)	40,567,943 (71.7%)
52-week high/low	KRW213,000/KRW48,400
Avg daily trading value (60-day)	KRW144.5b/ USD95.5m

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
L&F (%)	-12.2	18.5	190.5
Vs Kospi (%pts)	-25.8	-45.7	-3.3

▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	210,000	250,000	-16.0%
2026E EPS	282	282	0.0%
2027E EPS	2,529	2,529	0.0%

▶ SAMSUNG vs THE STREET

No of estimates	23
Target price	246,739
Recommendation	4.0

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



Scan to go to
Research Center report database

L&F (066970)

2H outlook: Technical leadership and attractive valuation

- L&F's key investment highlights for 2H26 include growing sales of cylindrical cathode material—supported by increasing demand for 2170 and 46-series battery cells—as well as its milestone as the first Korean company to begin commercial LFP cathode material production in 4Q26.
- The company has technological leadership in both cylindrical high-nickel cathode material and LFP cathode material. It is attractively valued, trading at a 2026 EV/EBITDA multiple that is 57-66% below those of peers.
- We lower our target price by 16%, reflecting a compression in peer multiple amid recent sector-wide stock price weakness. But the company's fundamentals are actually strengthening backed by robust demand. We maintain our BUY rating.

WHAT'S THE STORY?

View—Technological leadership and attractive valuation: We lower our target price for L&F by 16% (from KRW250,000 to KRW210,000), reflecting a compression in peer multiple (from 34.6x to 27.3x) amid recent sector-wide stock price weakness. Yet, the company's sales volume outlook has been upgraded on robust demand. It is on track to become the first Korean firm to commence commercial production of LFP cathode material in 2H26, highlighting its technological leadership. It is attractively valued, trading at 27.1x 2026 EV/EBITDA or a 57-66% discount to domestic peers—Posco Future M (63.3x) and Ecopro BM (79.3x). We maintain our BUY rating.

(Continued on the next page)

SUMMARY FINANCIAL DATA

	2025	2026E	2027E	2028E
Revenue (KRWb)	2,155	3,608	4,207	4,779
Operating profit (KRWb)	-157	245	242	290
Net profit (adj) (KRWb)	-535	12	104	159
EPS (adj) (KRW)	-14,393	282	2,529	3,868
EPS (adj) growth (% y-y)	nm	nm	797.0	52.9
EBITDA margin (%)	-3.3	9.1	9.0	9.5
ROE (%)	-77.0	1.7	13.9	18.1
P/E (adj) (x)	n/a	498.7	55.6	36.4
P/B (x)	5.4	8.1	7.0	5.9
EV/EBITDA (x)	n/a	22.1	18.7	15.0
Dividend yield (%)	0.0	0.0	0.0	0.0

Source: Company data, Samsung Securities estimates

Outlook (1) Strong sales of cylindrical cathode material: LG Energy Solution's share of Tesla's battery procurement has increased from 23% in 2024 to 33% this year, while CATL's share declined from 34% to 24%. Prioritization of LFP batteries for ESS applications continues to support sales growth in the EV segment for LG Energy Solution and its key cathode material supplier L&F. Additionally, with a customer's launch of 46-series battery production, L&F is expanding sales of 46-series cathode material under a near-monopoly position in the supply chain.

Outlook (2) Imminent commercialization of LFP cathode material: The company has completed its LFP cathode material production facility and plans to commence operations in 4Q26, starting with an initial capacity of 30,000 tonnes, targeting 60,000 tonnes by next year. As the first Korean company to commercialize LFP cathode material, it will gain a rare position as a non-Chinese supplier in the North American ESS market. This is likely to drive increased supply inquiries from both existing and new customers.

2Q26 preview—surprisingly strong demand: We expect 2Q sales to rise 30% q-q to KRW962.8b, surpassing the FnGuide consensus of KRW828b by 16%. We forecast operating profit at KRW47.3b (for an operating margin of 4.9%), just 3% below the KRW49b consensus—essentially in line. The dollar-denominated ASP is seen rising 13% q-q, consistent with prior estimates. However, sales volume is poised to surprise with a 13% q-q growth, exceeding our prior forecast (6% q-q growth), driven by stronger-than-anticipated demand for cylindrical cathode material.

L&F: EV/EBITDA valuation

(KRWb)	2026E EBITDA	Multiples (x)	EV	Details
Operating value (A)				
Cathode materials	380	27.3	10,366	Peer (global cathode materials firms*); revised down from 34.6x
Total	380	27.3	10,366	12-month forward EBITDA; revised up by 10% (from KRW344b)
Asset value (B)			139	30% discount to book value
Net debt (C)			1,553	End-2026E; Assuming full conversion of BW
Fair market capitalization (D=A+B-C)			8,952	
Shares outstanding ('000)			42,316	Assuming full conversion of BW
Fair price (KRW)			211,542	
Fair market value per share (KRW)			210,000	Revised down by 16% from KRW250,000
Current price			140,600	As of Jun 17 close
Upside (%)			49.4	
2025 implied P/E (x)			744.9	
2026 implied P/E (x)			83.0	
2025 implied P/B (x)			12.1	
2026 implied P/B (x)			10.5	

Note: * Ecopro BM, Posco Future M, Cosmo Advanced Materials, Beijing Easpring, Ronbay

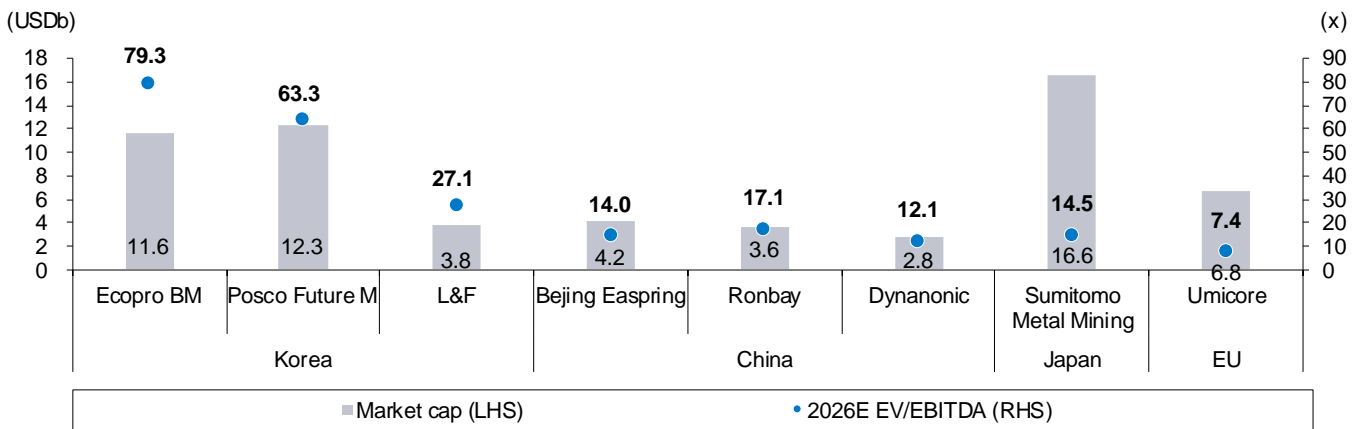
Source: Bloomberg, Samsung Securities estimates

L&F: Quarterly results

(KRWb)	2Q26E	1Q26	2Q25	Consensus	Diff (%)		
					(% q-q)	(% y-y)	Consensus
Sales	963	740	520	828	30.2	85.1	16.3
Operating income	47	117	-121	49	-59.6	To turn pos	-3.3
Pre-tax income	30	-56	-145	36	To turn pos	To turn pos	-17.7
Net income	25	-65	-113	33	To turn pos	To turn pos	-23.5
Attributable to parent	25	-65	-112	34	To turn pos	To turn pos	-25.9
Margins (%)							
Operating income	4.9	15.9	-23.3	5.9			
Pre-tax income	3.1	-7.5	-27.9	4.4			
Net income	2.6	-8.8	-21.6	3.9			
Attributable to parent	2.6	-8.8	-21.5	4.1			

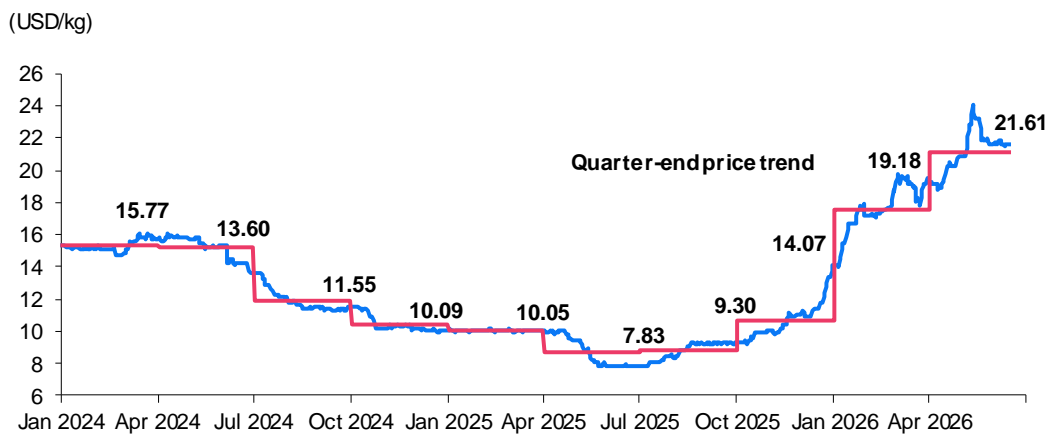
Source: Company data, FnGuide, Samsung Securities estimates

Global cathode material companies: 2026E EV/EBITDA



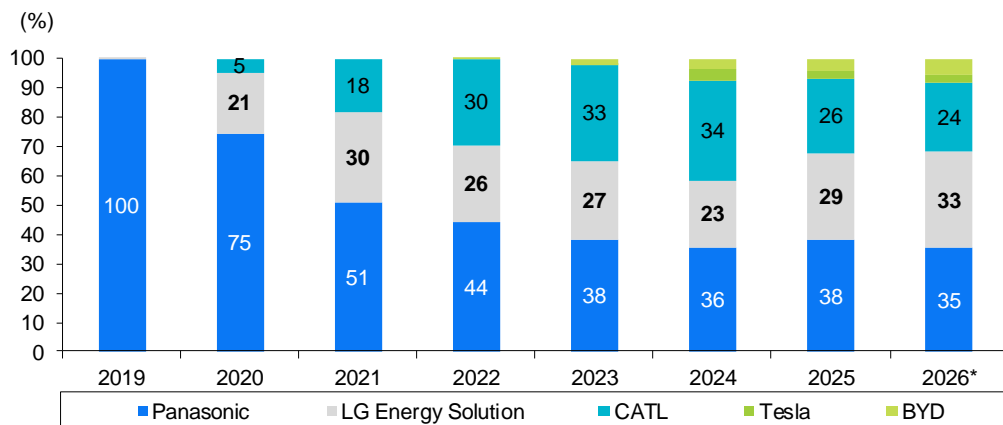
Source: Bloomberg, Samsung Securities

Chinese market: Lithium carbonate (99.5% min CIF China) price trend



Source: Korea Mineral Resource Information Service (KOMIS), Samsung Securities

Companies supplying batteries to Tesla and portion of Tesla's needs they meet



Source: EV Volumes, Samsung Securities

L&F: Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	2024	2025	2026E	2027E
KRW/USD (average)	1,453	1,401	1,387	1,452	1,467	1,496	1,440	1,380	1,365	1,423	1,446	1,380
Sales	365	520	652	618	740	963	982	924	1,907	2,155	3,608	4,207
Growth (% q-q)	-0.2	42.6	25.4	-5.3	19.7	30.2	2.0	-6.0				
Growth (% y-y)	-42.6	-6.3	85.5	69.1	102.8	85.1	50.6	49.5	-58.9	13.0	67.4	16.6
EBITDA	-118	-99	44	101	137	68	64	60	-495	-72	329	380
Growth (% q-q)	Remainedneg	Remainedneg	Tunedpos	128.4	35.2	-50.2	-6.4	-6.2				
Growth (% y-y)	Remainedneg	Remainedneg	Tunedpos	Tunedpos	Tunedpos	Totumpos	44.0	-40.9	Remainedneg	Remainedneg	Totumpos	15.5
Operating profit	-140	-121	22	82	117	47	43	38	-559	-157	245	242
Growth (% q-q)	Remainedneg	Remainedneg	Tunedpos	272.8	42.2	-59.6	-9.5	-11.6				
Growth (% y-y)	Remainedneg	Remainedneg	Tunedpos	Tunedpos	Tunedpos	Totumpos	93.7	-54.1	Remainedneg	Remainedneg	Totumpos	-1.5
Pre-tax income	-145	-145	-102	-176	-56	30	15	46	-520	-568	36	123
Growth (% q-q)	Remainedneg	Remainedneg	Remainedneg	Remainedneg	Remainedneg	Totumpos	-48.8	205.2				
Growth (% y-y)	Remainedneg	Remainedneg	Remainedneg	Remainedneg	Remainedneg	Totumpos	Totumpos	Totumpos	Remainedneg	Remainedneg	Totumpos	244.8
Net profit	-111	-113	-118	-193	-65	25	13	39	-381	-535	12	104
Growth (% q-q)	Remainedneg	Remainedneg	Remainedneg	Remainedneg	Remainedneg	Totumpos	-48.8	205.2				
Growth (% y-y)	Remainedneg	Remainedneg	Remainedneg	Remainedneg	Remainedneg	Totumpos	Totumpos	Totumpos	Remainedneg	Remainedneg	Totumpos	798.7
Controlling net profit	-111	-112	-118	-192	-65	25	13	39	-378	-534	11	103
Margins (%)												
EBITDA	-32.4	-19.1	6.8	16.4	18.5	7.1	6.5	6.5	-26.0	-3.3	9.1	9.0
Operating profit	-38.4	-23.3	3.4	13.3	15.9	4.9	4.4	4.1	-29.3	-7.3	6.8	5.7
Pre-tax income	-39.9	-27.9	-15.6	-28.4	-7.5	3.1	1.5	5.0	-27.2	-26.3	1.0	2.9
Net profit	-30.5	-21.6	-18.1	-31.2	-8.8	2.6	1.3	4.2	-20.0	-24.8	0.3	2.5

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	1,907	2,155	3,608	4,207	4,779
Cost of goods sold	2,371	2,226	3,250	3,852	4,377
Gross profit	-463	-71	358	355	402
Gross margin (%)	-24.3	-3.3	9.9	8.4	8.4
SG&A expenses	95	86	113	114	112
Operating profit	-559	-157	245	242	290
Operating margin (%)	-29.3	-7.3	6.8	5.7	6.1
Non-operating gains (losses)	39	-411	-210	-118	-101
Financial profit	258	47	-51	71	76
Financial costs	244	430	136	150	155
Equity-method gains (losses)	-0	-4	-5	-6	-7
Other	25	-23	-18	-32	-15
Pre-tax profit	-520	-568	36	123	189
Taxes	-139	-33	24	20	30
Effective tax rate (%)	26.7	5.8	67.7	15.8	15.8
Profit from continuing operations	-381	-535	12	104	159
Profit from discontinued operations	0	0	0	0	0
Net profit	-381	-535	12	104	159
Net margin (%)	-20.0	-24.8	0.3	2.5	3.3
Net profit (controlling interests)	-378	-534	11	103	157
Net profit (non-controlling interests)	-3	-1	0	1	2
EBITDA	-495	-72	329	380	456
EBITDA margin (%)	-26.0	-3.3	9.1	9.0	9.5
EPS (parent-based) (KRW)	-10,416	-14,393	282	2,529	3,868
EPS (consolidated) (KRW)	-10,493	-14,424	285	2,560	3,915
Adjusted EPS (KRW)*	-10,416	-14,393	282	2,529	3,868

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	281	-29	342	287	377
Net profit	-381	-535	12	104	159
Non-cash profit and expenses	-77	369	231	293	341
Depreciation	60	82	81	136	164
Amortization	3	3	3	2	2
Other	-140	284	147	155	175
Changes in A/L from operating activities	776	209	256	55	57
Cash flow from investments	-240	-138	-151	-90	-96
Change in tangible assets	-208	-137	-160	-100	-100
Change in financial assets	12	4	-0	-0	-0
Other	-44	-4	9	10	4
Cash flow from financing	-20	273	406	78	74
Change in debt	-179	185	406	78	74
Change in equity	-2	-7	0	0	0
Dividends	0	0	0	0	0
Other	160	95	0	0	0
Change in cash	38	103	509	238	320
Cash at beginning of year	241	280	383	892	1,130
Cash at end of year	280	383	892	1,130	1,450
Gross cash flow	-457	-166	243	397	500
Free cash flow	73	-167	182	187	277

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	1,090	1,347	1,872	2,169	2,542
Cash & equivalents	280	383	892	1,130	1,450
Accounts receivable	180	324	434	470	502
Inventories	575	595	475	486	496
Other current assets	56	45	72	84	95
Fixed assets	1,710	1,787	1,953	1,952	1,921
Investment assets	184	197	286	323	358
Tangible assets	1,260	1,326	1,405	1,369	1,305
Intangible assets	17	15	12	10	8
Other long-term assets	249	250	250	250	250
Total assets	2,800	3,134	3,825	4,121	4,463
Current liabilities	1,552	2,060	2,735	2,924	3,106
Accounts payable	78	325	544	634	720
Short-term debt	813	781	1,181	1,181	1,181
Other current liabilities	661	955	1,010	1,109	1,204
Long-term liabilities	524	397	402	404	406
Bonds & long-term debt	502	379	379	379	379
Other long-term liabilities	22	18	23	25	27
Total liabilities	2,076	2,457	3,137	3,329	3,512
Owners of parent equity	714	673	684	787	944
Capital stock	18	20	20	20	20
Capital surplus	702	693	693	693	693
Retained earnings	-23	-76	-64	38	195
Other	16	36	36	36	36
Non-controlling interests' equity	10	4	4	5	7
Total equity	723	677	688	792	951
Net debt	1,570	1,655	1,553	1,393	1,147

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	-58.9	13.0	67.4	16.6	13.6
Operating profit	nm	nm	nm	-1.5	20.1
Net profit	nm	nm	nm	798.7	52.9
Adjusted EPS**	nm	nm	nm	797.0	52.9
Per-share data (KRW)					
EPS (parent-based)	-10,416	-14,393	282	2,529	3,868
EPS (consolidated)	-10,493	-14,424	285	2,560	3,915
Adjusted EPS**	-10,416	-14,393	282	2,529	3,868
BVPS	21,264	17,482	17,404	20,013	24,002
DPS (common)	0	0	0	0	0
Valuations (x)					
P/E***	n/a	n/a	498.7	55.6	36.4
P/B***	3.8	5.4	8.1	7.0	5.9
EV/EBITDA	n/a	n/a	22.1	18.7	15.0
Ratios (%)					
ROE	-41.7	-77.0	1.7	13.9	18.1
ROA	-12.4	-18.0	0.3	2.6	3.7
ROIC	-18.2	-7.9	4.4	12.1	15.6
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	217.0	244.6	225.6	175.8	120.6
Interest coverage (x)	-5.3	-1.3	1.8	1.6	1.9

COMPANY UPDATE

2026. 6. 16

EV/Mobility Team

JungHoon Chang

Senior Analyst

jhooni.chang@samsung.com

▶ AT A GLANCE

BUY

Target price **KRW53,000** 14.6%

Current price **KRW46,250**

Market cap	KRW2.1t/USD1.4b
Shares (float)	45,339,477 (61.7%)
52-week high/low	KRW64,100/KRW12,844
Avg daily trading value (60-day)	KRW45.1b/ USD29.9m

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
Vitrocell (%)	-12.7	137.7	204.5
Vs Kosdaq (%pts)	-4.7	115.8	126.4

▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	53,000	42,000	26.2%
2026E EPS	1,672	1,672	0.0%
2027E EPS	1,996	1,996	0.0%

▶ SAMSUNG vs THE STREET

No of estimates	3
Target price	56,000
Recommendation	4.0

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



Scan to go to
Research Center report database

Vitrocell (082920)

Kosdaq 150 inclusion and battery catalysts

- We revise up our 2026 and 2027 earnings estimates for Vitrocell given rising demand for high-temperature batteries and defense-related primary batteries.
- Its new businesses (such as AIDC server-use lithium-ion capacitors) have the potential to spur its earnings growth.
- We raise our 12-month target price to KRW53,000 and maintain BUY.

WHAT'S THE STORY?

Revising up annual earnings estimates on growing demand for high-temperature batteries and defense-related primary batteries: We now believe Vitrocell's 2Q results will meet consensus (KRW22.6b operating profit, FnGuide basis) and revise up our 2026 and 2027 earnings forecasts. First, the company's high-temperature battery unit should enjoy growing order momentum (after its 2025 acquisition of a Canadian specialist in drilling battery packs) following a recent fire at a North American competitor. Second, its defense business last month signed a contract with India for ammunition-grade primary cells, a factor that strengthens its growth prospects.

High expectations surrounding growth of AIDC server-use LICs: As AI data center (AIDC) power density increases, server power solution providers are demanding higher performance capacitor bank units (CBUs) in power racks. This is driving demand for lithium-ion capacitors (LICs), which type outperforms traditional electric double-layer capacitors (EDLCs). Vitrocell is well-positioned to enter this emerging market, leveraging its expertise in lithium-metal-based primary battery materials. While it is still too early to quantify volume or profit, the technical alignment and material foundations make this a promising new business.

(Continued on the next page)

SUMMARY FINANCIAL DATA

	2025	2026E	2027E	2028E
Revenue (KRWb)	243	311	372	436
Operating profit (KRWb)	69	92	110	129
Net profit (adj) (KRWb)	57	76	91	106
EPS (adj) (KRW)	1,256	1,672	1,996	2,345
EPS (adj) growth (% y-y)	10.5	33.2	19.4	17.5
EBITDA margin (%)	33.5	33.7	33.3	32.6
ROE (%)	18.6	20.9	21.0	20.7
P/E (adj) (x)	14.0	27.7	23.2	19.7
P/B (x)	2.4	5.3	4.4	3.7
EV/EBITDA (x)	8.0	18.3	15.1	12.7
Dividend yield (%)	1.5	0.7	0.9	1.0

Source: Company data, Samsung Securities estimates

Raising target price to KRW53,000 and maintaining BUY: We initiated coverage on Apr 1, and the stock rose 90% over the following 30 trading days, driven by an expanding defense-related primary battery market (due to the prolonged Middle East war) and the growing prospects for AIDC server-related LIC business. Although recent ceasefire negotiations in the Middle East have led to a share-price correction, the underlying market opportunity for LIC remains intact. Accordingly, we alter its valuation peer group from primary batteries to rechargeable batteries. However, given the company's heavy reliance on its primary battery business (which generates 95% of its sales), a 50% discount has been applied in our valuation model. Our new target price of KRW53,000 is derived by applying a target P/E of 26x to our estimated 2027 EPS of KRW1,996. Meanwhile, the company was newly included in the Kosdaq 150 from May 22, with index weighting taking effect from Jun 12, potentially attracting passive fund inflows and increasing program trading-related volatility.

2Q preview

(KRwb)	2Q26E	2Q25	1Q26	Chg	
				(% y-y)	(% q-q)
Sales	77.8	56.5	68.3	37.7	14.0
Operating profit	22.6	16.1	20.3	39.9	11.3
Pre-tax profit	23.4	13.1	26.3	79.0	(11.0)
Net profit	19.8	10.2	20.2	94.9	(2.1)
Margins (%)					
Operating profit	29.0	28.5	29.7		
Pre-tax profit	30.0	23.1	38.5		
Net profit	25.5	18.0	29.6		

Source: Company data, Samsung Securities

Revisions to full-year forecasts

(KRwb)	2026E			2027E		
	Old	New	Diff (%)	Old	New	Diff (%)
Sales	305.4	311.2	1.9	354.2	372.4	5.1
Operating profit	89.4	91.9	2.9	104.7	110.4	5.4
Pre-tax profit	92.1	94.7	2.8	108.3	114.0	5.3
Net profit	73.7	75.8	2.8	86.0	90.5	5.3

Source: Samsung Securities estimates

Target-price calculation

(KRW)	Note	
EPS	1,996	2027E EPS
Target P/E (x)	26.3	50% discount* to the average 2026 P/E of 52.6x of peers in the rechargeable batteries
Fair value per share	52,463	
Target price	53,000	
Current price	45,800	As of Jun 11, 2026 close
Upside (%)	15.7%	

Note: * Considering the current business structure with a high proportion of primary battery business (est. 95%)

Source: Bloomberg, Samsung Securities estimates

Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	1Q27E	2Q27E	3Q27E	4Q27E	2025	2026E	2027E
Revenue	53.9	56.5	55.3	77.3	68.3	77.8	79.4	85.7	82.2	93.1	95.2	102.0	243.1	311.2	372.4
Smart grid	31.1	30.2	30.7	32.6	33.0	35.8	35.8	38.6	38.5	41.9	41.9	45.2	124.6	143.2	167.6
Oil and gas	8.8	11.6	12.4	17.1	17.2	20.6	22.2	22.3	18.5	25.7	27.8	30.9	49.9	82.3	102.9
Defense	10.9	12.0	9.3	22.4	13.9	17.2	17.2	20.5	20.7	20.7	20.7	20.7	54.7	68.9	82.6
Other	3.1	2.8	2.9	5.2	4.2	4.2	4.2	4.2	4.4	4.8	4.8	5.2	14.0	16.8	19.3
Operating profit	15.1	16.1	16.7	21.4	20.3	22.6	23.8	25.3	24.0	27.5	28.6	30.4	69.3	91.9	110.4
Operating margin (%)	27.9	28.5	30.2	27.6	29.0	29.0	30.0	29.5	29.2	29.5	30.0	29.8	28.5	29.5	29.6

Source: Company data, Samsung Securities estimates

Time-based coordination response scenario during server power fluctuations

Response time	Unit tier	Power source	Core role and function
Millisecond level	CBU (capacitor bank unit)	Hybrid supercapacitor (LIC/EDLC)	Immediate discharge of EDLC capacitor current / Prevention of voltage drop
Second to minute level	BBU (battery backup unit)	Lithium-ion battery	Battery activation / Maintaining power to entire rack until generator comes online
Continuous	PSU (power supply unit)	Grid power	Real-time conversion of high-voltage AC to server-grade low-voltage DC

Source: TI, TDK, YMIN, Samsung Securities compilation

Differences between server rack batteries: EDLC, LIC, and BBU (LIB)

Category	EDLC (supercapacitor)	LIC (lithium-ion capacitor)	LIB (lithium-ion battery)
Energy density	Low (~5-10 Wh/kg)	Medium (~20-50 Wh/kg)	Very high (~150-300 Wh/kg)
Power output	Very high	High	Low
Nominal voltage*	~2.7V to 3.0V	3.0V	3.7V
Cycle life	500,000-1,000,000+ cycles	~100,000-500,000 cycles	~500-3,000 cycles
Self-discharge	Relatively high	Very low	Very low
Charge time	Seconds (1-10 sec)	Tens of seconds to minutes	Tens of minutes to hours

*Note: EDLC voltage declines linearly from maximum to 0V during discharge; thus, "rated voltage" is more appropriate than "nominal voltage" for practical use.

Source: Media, Samsung Securities

Ecosystem for capacitor bank units (CBU) in AI data center servers

Ecosystem	Product/service	Companies
Battery manufacturers	EDLC, LIC	Japan: Musashi, JTEKT, Taiyo Yuden, Nippon Chemicon Korea: VinaTech, LS Materials, Vitzrocell China: Jinghai, SPS, Liyuan
Power infra solution providers	EMS/ODM	US: Flex Taiwan: Delta, Lite-On, Foxconn China: Magmeet Germany: Schneider Electric
Chip manufacturers	GPU	US: Nvidia, AMD
Cloud providers	Cloud services	US: Microsoft, Google, AWS, Meta China: Tencent, Alibaba, Baidu

Source: Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	211	243	311	372	436
Cost of goods sold	140	152	192	229	269
Gross profit	70	91	120	143	167
Gross margin (%)	33.4	37.5	38.4	38.4	38.4
SG&A expenses	19	22	28	33	38
Operating profit	52	69	92	110	129
Operating margin (%)	24.6	28.5	29.5	29.6	29.7
Non-operating gains (losses)	13	3	3	4	5
Financial profit	10	7	3	4	5
Financial costs	3	5	0	0	0
Equity-method gains (losses)	-0	-0	0	0	0
Other	6	1	0	-0	-0
Pre-tax profit	64	72	95	114	134
Taxes	13	15	19	23	28
Effective tax rate (%)	20.5	21.2	19.9	20.6	20.6
Profit from continuing operations	51	57	76	91	106
Profit from discontinued operations	0	0	0	0	0
Net profit	51	57	76	91	106
Net margin (%)	24.3	23.4	24.4	24.3	24.4
Net profit (controlling interests)	51	57	76	91	106
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	66	82	105	124	142
EBITDA margin (%)	31.4	33.5	33.7	33.3	32.6
EPS (parent-based) (KRW)	1,136	1,256	1,672	1,996	2,345
EPS (consolidated) (KRW)	1,136	1,256	1,672	1,996	2,345
Adjusted EPS (KRW)*	1,136	1,256	1,672	1,996	2,345

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	60	64	70	87	102
Net profit	51	57	76	91	106
Non-cash profit and expenses	23	28	29	33	36
Depreciation	13	11	12	12	12
Amortization	1	1	1	1	1
Other	9	16	16	20	23
Changes in A/L from operating activities	-9	-8	-19	-17	-17
Cash flow from investments	-62	-59	-57	-53	-49
Change in tangible assets	-4	-11	-15	-15	-10
Change in financial assets	-63	-15	-42	-38	-39
Other	5	-33	0	0	0
Cash flow from financing	-6	-9	-12	-15	-18
Change in debt	-4	3	-0	0	0
Change in equity	4	-0	0	0	0
Dividends	-6	-10	-12	-15	-18
Other	-1	-1	0	0	0
Change in cash	-8	-4	0	19	35
Cash at beginning of year	36	28	24	25	44
Cash at end of year	28	24	25	44	79
Gross cash flow	74	85	105	124	142
Free cash flow	56	52	55	72	92

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	238	252	316	393	487
Cash & equivalents	28	24	25	44	79
Accounts receivable	35	40	52	62	72
Inventories	46	59	75	90	105
Other current assets	128	129	165	197	231
Fixed assets	80	119	128	136	140
Investment assets	12	26	33	40	47
Tangible assets	64	67	70	73	71
Intangible assets	3	21	20	19	18
Other long-term assets	1	4	4	4	4
Total assets	318	371	444	529	627
Current liabilities	33	35	43	51	60
Accounts payable	10	8	11	13	15
Short-term debt	0	2	2	2	2
Other current liabilities	22	24	30	36	43
Long-term liabilities	2	6	7	8	9
Bonds & long-term debt	0	0	0	0	0
Other long-term liabilities	2	6	7	8	9
Total liabilities	35	40	50	59	69
Owners of parent equity	283	330	394	470	558
Capital stock	11	23	23	23	23
Capital surplus	40	28	28	28	28
Retained earnings	238	285	349	425	513
Other	-6	-5	-6	-6	-6
Non-controlling interests' equity	0	0	0	0	0
Total equity	283	330	394	470	558
Net debt	-151	-145	-181	-231	-298

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	19.6	15.3	28.0	19.7	17.0
Operating profit	37.7	33.4	32.7	20.1	17.1
Net profit	42.2	11.1	33.2	19.4	17.5
Adjusted EPS**	37.5	10.5	33.2	19.4	17.5
Per-share data (KRW)					
EPS (parent-based)	1,136	1,256	1,672	1,996	2,345
EPS (consolidated)	1,136	1,256	1,672	1,996	2,345
Adjusted EPS**	1,136	1,256	1,672	1,996	2,345
BVPS	6,355	7,355	8,773	10,457	12,424
DPS (common)	232	260	330	400	450
Valuations (x)					
P/E***	9.4	14.0	27.7	23.2	19.7
P/B***	1.7	2.4	5.3	4.4	3.7
EV/EBITDA	5.0	8.0	18.3	15.1	12.7
Ratios (%)					
ROE	19.9	18.6	20.9	21.0	20.7
ROA	17.9	16.5	18.6	18.6	18.4
ROIC	33.1	38.4	42.2	44.9	48.1
Payout ratio	20.2	20.5	19.6	19.9	19.0
Dividend yield (common)	2.2	1.5	0.7	0.9	1.0
Net debt to equity	-53.4	-43.9	-45.8	-49.2	-53.4
Interest coverage (x)	265.3	370.1	307.4	394.9	462.3

COMPANY UPDATE

2026. 7. 1

EV/Mobility Team

JungHoon Chang

Senior Analyst

jhooni.chang@samsung.com

▶ AT A GLANCE

Not rated

Target price n/a

Current price KRW20,050

Market Cap	KRW2.2t/USD1.4b
Shares (float)	107,255,330 (54.0%)
52-week high/low	KRW22,400/KRW4,605
Avg daily trading value (60-day)	KRW87.1b/ USD56.2m

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
Foosung (%)	74.8	166.3	323.9
Vs Kospi (%pts)	74.8	32.4	53.6

▶ SAMSUNG vs THE STREET

No of estimates	1
Target price	20,000
Recommendation	4.0

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



Scan to go to
Research Center report database

Foosung (093370)

Chips and HF fuel rally, but valuation looks stretched

- The semiconductor materials segment centered on WF₆ has the potential to drive Foosung's earnings growth
- Hydrofluoric acid (HF) prices have surged following the US-Iran conflict. Foosung's LiPF₆ capacity is running at full utilization, supported by a supply chain shift away from China.
- The recent short-term stock price rally has pushed the 2026 P/E multiple to 93x, raising valuation concerns.

WHAT'S THE STORY?

To gain from WF₆ (tungsten hexafluoride) supply disruptions and tungsten price hikes: WF₆, a critical process material used to deposit tungsten films on semiconductor wafers, is part of Foosung's specialty gas portfolio (estimated to account for 30–40% of parent-based sales). Recent Chinese export controls on raw material tungsten have triggered supply concerns. In addition, Japan-based producers—holding a combined 25% global market share—have announced production cuts. These factors have driven sharp price increases for WF₆, raising expectations for ASP hike and customer demand hike at Foosung.

To benefit from hike in prices of sulfuric acid and hydrofluoric acid: Hydrofluoric acid (HF), an essential material for semiconductor etching and cleaning, relies on anhydrous hydrogen fluoride (AHF), which in turn depends on sulfuric acid as a key feedstock. Sulfuric acid prices have surged due to global sulfur shortages stemming from Middle East geopolitical tensions.

(Continued on the next page)

SUMMARY FINANCIAL DATA

(KRWb)	2022	2023	2024	2025
Revenue	611	523	438	472
Operating profit	105	(46)	(10)	25
Net profit	112	(84)	(83)	7
EPS (adj) (KRW)	1,144	n/a	n/a	63
EPS (adj) growth (%)	330.1	nm	nm	nm
EBITDA margin (%)	25.4	1.1	8.0	14.0
ROE (%)	31.6	(15.9)	(21.7)	1.6
P/E (adj) (x)	n/a	n/a	n/a	n/a
P/B (x)	n/a	n/a	n/a	n/a
EV/EBITDA (x)	1.9	64.6	8.4	4.5
Dividend yield (%)	n/a	n/a	n/a	n/a

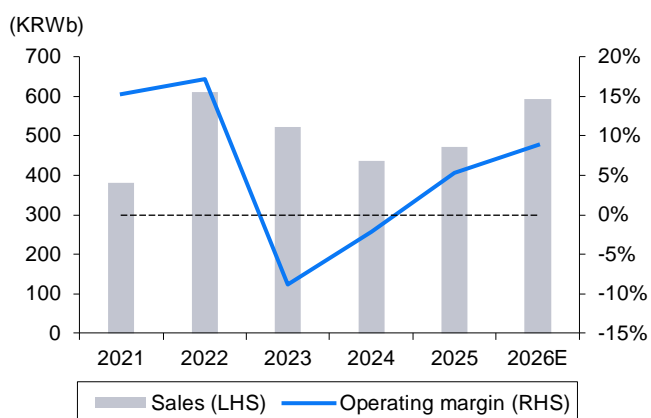
Source: Company data, Samsung Securities estimates

Compounding this, China's restrictions on sulfuric acid exports have further tightened global supply, triggering widespread price hikes in HF. With sulfuric acid-driven cost increases now impacting HF pricing, Foosung is positioned to deliver significant earnings improvement across all four key business segments—including its legacy refrigerant business (representing 35% of sales).

Strong lithium salt (LiPF₆) prices and supply chain shift away from China serve as tailwinds: Lithium salt (LiPF₆) prices stood at CHY110,000/tonne as of Jun 15, down 37% ytd but up 117% from a year ago. In addition, demand has risen among electrolyte makers with a US presence, as they accelerate efforts to shift supply chains away from China. We believe Foosung's current available capacity (2,000 tonnes) are running at full utilization

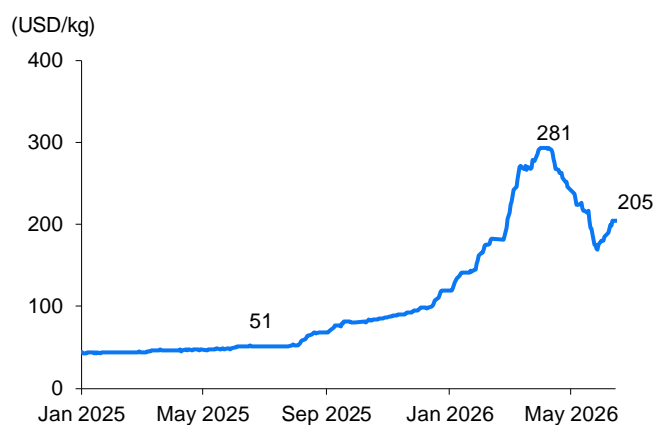
Elevated valuation relative to strong profit improvement expectations: The stock price has risen 158% ytd (as of Jun 16 close), reaching its highest level since 2022. Market consensus (FnGuide) has 2026 sales reaching KRW592.8b and operating profit growing 108% y-y to KRW52.7b. The current share price implies a 2026 P/E multiple of 93x (based on FnGuide consensus). But when adjusting for the estimated value of its equity stake in Hantech (subsidiary specializing in LNG heat exchangers; KRW230b), the P/E multiple declines to 83x.

Foosung: Revenue and operating margin (consolidated)



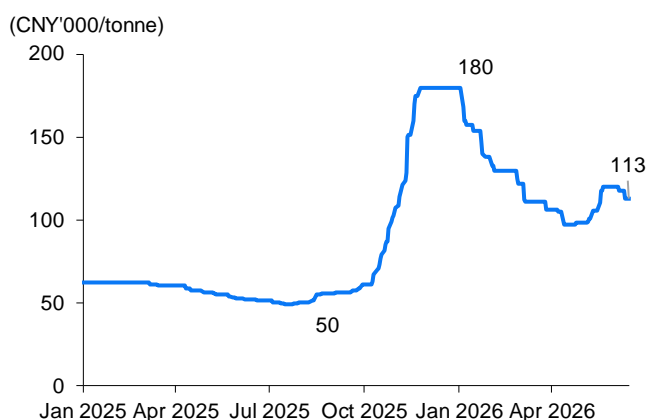
Note: FnGuide consensus
Source: FnGuide

Tungsten prices



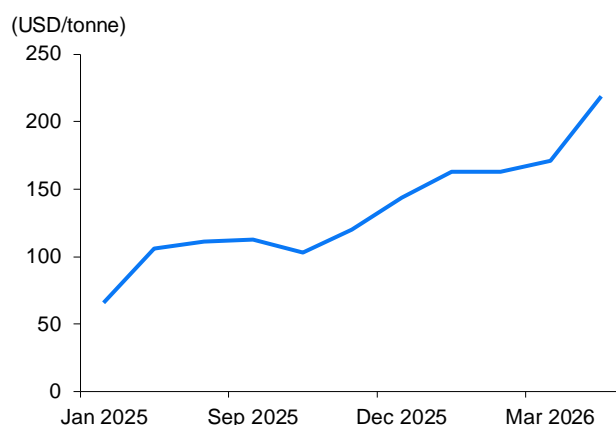
Note: 75% min FOB China
Source: Komis

LiPF₆ prices



Source: Wind

Sulfuric acid prices



Note: Northeast Asia basis
Source: Bloomberg

Income statement

Year-end Dec 31 (KRWb)	2021	2022	2023	2024	2025
Sales	381	611	523	438	472
Cost of goods sold	276	445	508	383	384
Gross profit	106	166	15	55	88
Gross margin (%)	27.7	27.2	2.9	12.5	18.6
SG&A expenses	47	61	61	64	62
Operating profit	58	105	(46)	(10)	25
Operating margin (%)	15.2	17.3	(8.8)	(2.2)	5.4
Non-operating gains (losses)	(19)	28	(43)	(105)	(6)
Financial profit	0	1	2	3	3
Financial costs	9	13	18	19	36
Equity-method gains (losses)	(3)	1	0	0	(0)
Other	(7)	39	(26)	(90)	26
Pre-tax profit	39	133	(89)	(115)	19
Taxes	8	21	(4)	(32)	12
Effective tax rate (%)	20.0	15.7	5.0	27.5	63.5
Profit from continuing operations	31	112	(84)	(83)	7
Profit from discontinued operations	0	0	0	0	0
Net profit	31	112	(84)	(83)	7
Net margin (%)	8.2	18.4	(16.1)	(19.0)	1.5
Net profit (controlling interests)	23	97	(54)	(69)	5
Net profit (non-controlling interests)	9	15	(30)	(14)	2
EBITDA	102	155	6	35	66
EBITDA margin (%)	26.8	25.4	1.1	8.0	14.0
EPS (parent-based) (KRW)	266	1,144	n/a	n/a	63
EPS (consolidated) (KRW)	369	1,326	n/a	n/a	83
Adjusted EPS (KRW)*	266	1,144	n/a	n/a	63

Cash flow statement

Year-end Dec 31 (KRWb)	2021	2022	2023	2024	2025
Cash flow from operations	83	94	(6)	76	40
Net profit	31	112	(84)	(83)	7
Non-cash profit and expenses	79	50	112	125	57
Depreciation	44	50	52	44	41
Amortization	0	0	0	0	0
Other	35	0	60	81	17
Changes in A/L from operating activities	(20)	(53)	(11)	34	19
Cash flow from investments	(66)	(110)	(108)	(110)	(6)
Change in tangible assets	(59)	(117)	(105)	(80)	(39)
Change in financial assets	(23)	(17)	16	(33)	36
Other	15	23	(19)	3	(3)
Cash flow from financing	(27)	56	61	61	(20)
Change in debt	10	109	42	(9)	(67)
Change in equity	n/a	n/a	n/a	n/a	n/a
Dividends	0	(1)	(2)	0	0
Other	n/a	n/a	n/a	n/a	n/a
Change in cash	(10)	40	(51)	27	13
Cash at beginning of year	50	39	79	28	55
Cash at end of year	39	79	28	55	68
Gross cash flow	110	163	27	42	64
Free cash flow	25	(23)	(111)	(5)	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 (KRWb)	2021	2022	2023	2024	2025
Current assets	182	345	256	293	257
Cash & equivalents	39	79	28	55	68
Accounts receivable	44	73	83	71	64
Inventories	62	110	66	64	75
Other current assets	37	83	79	103	51
Fixed assets	434	589	598	534	571
Investment assets	36	23	23	12	26
Tangible assets	377	545	465	389	416
Intangible assets	2	4	4	3	3
Other long-term assets	19	17	106	128	126
Total assets	616	934	853	826	827
Current liabilities	162	381	335	335	284
Accounts payable	20	56	34	33	32
Short-term debt	22	66	74	98	95
Other current liabilities	120	259	228	204	157
Long-term liabilities	171	137	187	158	155
Bonds & long-term debt	158	122	169	146	139
Other long-term liabilities	13	16	18	12	16
Total liabilities	333	518	522	494	438
Owners of parent equity	248	366	313	327	334
Capital stock	46	47	47	54	54
Capital surplus	55	76	76	152	155
Retained earnings	139	239	183	114	119
Other	8	3	6	7	7
Non-controlling interests' equity	35	49	19	6	55
Total equity	283	415	331	333	389
Net debt	194	250	359	288	244

Financial ratios

Year-end Dec 31	2021	2022	2023	2024	2025
Growth (%)					
Sales	45.7	60.1	(14.3)	(16.3)	7.7
Operating profit	1,971.4	81.2	nm	nm	nm
Net profit	1,080.1	259.5	nm	nm	nm
Adjusted EPS**	126.2	330.1	nm	nm	nm
Per-share data (KRW)					
EPS (parent-based)	266	1,144	n/a	n/a	63
EPS (consolidated)	369	1,326	n/a	n/a	83
Adjusted EPS**	266	1,144	n/a	n/a	63
BVPS	2,777	4,099	3,498	3,655	3,742
DPS (common)	n/a	n/a	n/a	n/a	n/a
Valuations (x)					
P/E***	n/a	n/a	n/a	n/a	n/a
P/B***	n/a	n/a	n/a	n/a	n/a
EV/EBITDA	2.2	1.9	64.6	8.4	4.5
Ratios (%)					
ROE	9.6	31.6	(15.9)	(21.7)	1.6
ROA	5.4	14.5	(9.4)	(9.9)	0.8
ROIC	11.0	16.3	(7.1)	(1.3)	1.8
Payout ratio	n/a	n/a	n/a	n/a	n/a
Dividend yield (common)	n/a	n/a	n/a	n/a	n/a
Net debt to equity	68.6	60.1	108.3	86.6	62.7
Interest coverage (x)	6.5	8.0	(2.5)	(0.5)	1.6

COMPANY UPDATE

2026. 6. 12

EV/Mobility Team

Hyunryul Cho

Senior Analyst
hyunryul.cho@samsung.com

Wonyoung Kim

Research Associate
wonyoung10.kim@samsung.com

▶ AT A GLANCE

Not rated

Target price	n/a
Current price	KRW103,900
Market cap	KRW746.05b/USD487.97m
Shares (float)	7,180,414 (68.4%)
52-week high/low	KRW193,600/KRW26,672
Avg daily trading value (60-day)	KRW23.1b/ USD15.1m

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
Vina Tech (%)	-42.9	37.1	255.2
Vs Kosdaq (%pts)	-30.9	28.5	180.2

▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	Not Rated	Not Rated	
Target price	n/a	n/a	n/a
2023E EPS	-20,500	n/a	n/a
2024E EPS	-140,679	n/a	n/a

▶ SAMSUNG vs THE STREET

No of estimates	2
Target price	168,500
Recommendation	4.0

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



Scan to go to
Research Center report database

Vina Tech (126340)

Top-line growth to accelerate in 2H

- Vina Tech's sales growth is expected to accelerate in 2H with the ramp-up of AI data center supercapacitor production and the start of system-level product sales.
- Although Vina Tech has slipped recently amid weakness in its customer's share price and concerns over a cooldown in AI infrastructure investment, demand for AI data center installations in the US remains largely unchanged. Thus, the firm is well positioned to sustain strong growth in coming years.

WHAT'S THE STORY?

Sales up in 1Q, but costs surge: Vina Tech's 1Q results (May 15) showed sales up 11% q-q to KRW25.4b but a q-q turn to an operating loss of KRW1.5b (vs a 4Q25 operating profit of KRW0.7b) for an operating margin of -6.1%. Sales of supercapacitors for AI data centers reached KRW6.1b (up 17% q-q), sustaining strong growth. However, higher costs from workforce expansion to support AI data center supercapacitor scaling and new equipment ramp-up weighed on profitability.

2H outlook—AI data center supercapacitor expansion to drive momentum: Vina Tech's supercapacitor production capacity (measured by sales potential) is projected to rise from KRW120b at end-2025 to KRW300b by end-2026, with the majority of added capacity allocated to AI data center supercapacitors. Currently, supercapacitors supplied to Bloom Energy are sold at the cell level. However, with system-level product certification nearing completion, revenue potential could increase several-fold vs cell-only sales. System-level product shipments are expected to begin in 2H. The company is aiming to double full-year sales y-y in 2026 and reach KRW1t in annual sales by 2029.

(Continued on the next page)

SUMMARY FINANCIAL DATA

(KRWb)	2022	2023	2024	2025
Revenue	71	55	60	82
Operating profit	9	3	(8)	2
Net profit (adj)	12	2	(10)	(7)
EPS (adj) (KRW)	3,603	610	n/a	n/a
EPS (adj) growth (% y-y)	55.7	(83.1)	n/a	n/a
EBITDA margin (%)	19.9	15.4	(2.0)	14.7
ROE (%)	21.0	3.2	(12.2)	(7.1)
P/E (adj) (x)	n/a	n/a	n/a	n/a
P/B (x)	n/a	n/a	n/a	n/a
EV/EBITDA (x)	2.7	4.1	n/a	7.6
Dividend yield (%)	n/a	n/a	n/a	n/a

Source: Company data, Samsung Securities estimates

View—Recent weakness in customer’s share price to have limited fundamental impact:

Bloom Energy shares plunged recently, which in turn caused Vina Tech to correct. This followed Bloom Energy’s announcement of the suspension of a planned 0.9 GW SOFC supply for an AI data center Crusoe is developing in Wyoming. However, according to Black Hills, the utility partner involved in the project, the development schedule remains on track. While investor sentiment has been shaken by broader fears of a slowdown in AI infrastructure investment, the actual impact on Bloom Energy and Vina Tech appears limited. Given that sales growth is expected to accelerate in 2H26 and 2027, the recent correction appears excessive.

Vina Tech: Supercapacitors and hybrid capacitors



Source: Company data, Samsung Securities

Supercapacitors: Applications, by industry

	Main power	Power assist	Backup power
Consumer electronics	Smart remote controls, styluses (e-pens)	Trackers, smart poles	Wireless chargers, wireless earbuds
Industrial	AGVs, portable X-ray machines, landscape lighting, blood glucose monitors, pagers	Smart meters, forklift trucks, PLC modems, DCUs	Drones, UPS, emergency/exit lights, syringe pumps
Automotive electronics			Dashcams, e-calls, e-latches, braking systems, AVN, e-doors

Source: Company data, Samsung Securities

Supercapacitors and hybrid capacitors: Product characteristics

	Supercapacitor (EDLC)	Hybrid capacitor (LIC)	Lithium-ion battery (LIB)
Mechanism	Physical ion adsorption/desorption (electrode surface)	Physical ion adsorption/desorption + chemical bonding	Chemical bonding (internal electrode)
Energy density (Wh/kg)	Medium (3-5)	Medium (7-12)	High (20-150)
Power density (kW/kg)	High (2.0-3.0)	High (1.0-2.0)	Low (0.05-0.3)
Charge/discharge efficiency (%)	90-95	90-95	70-85
Operating temp. (°C)	-40 to +85	-20 to +70	-20 to +45
Cycle life	500,000+	20,000+	500-2,000

Source: Company data, Samsung Securities

Global supercapacitor manufacturers: Overview

	HQ	Key customers / region	Key applications
Company M	Japan	Japan / Europe / North America	Small/medium electronics, automotive
Company P	Japan	Asia / North America / Europe energy storage, automotive	UPS
Company S	Germany	Europe / North America	Automotive, elevators, power, AGV
Company M	US	Europe / North America / China	Automotive, renewable energy
Company E	US	North America / Europe energy storage	UPS, automotive, telecom
Company J	China	Domestic automotive (China)	Automotive, electronics
Company T	Japan	Asia energy storage	ESS, UPS
Company L	Korea	Energy storage, medium/large	Electronics

Source: Company data, Samsung Securities

Vina Tech: Results

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2022	2023	2024	2025
KRW/USD (average)	1,329	1,371	1,358	1,400	1,453	1,401	1,387	1,452	1,467	1,292	1,306	1,365	1,423
Sales	13.5	18.3	14.0	13.7	15.7	20.7	23.0	22.8	25.4	70.7	55.0	59.6	82.2
Chg (% q-q)	-7.6	36.1	-23.4	-2.3	14.7	31.5	11.2	-1.0	11.3				
Chg (% y-y)	10.8	24.6	4.0	-5.9	16.8	12.8	63.8	66.1	61.2	44.3	-22.2	8.4	38.0
Super capacitors	11.8	16.1	11.3	9.9	12.9	17.3	20.1	20.4	23.7	61.5	48.7	49.1	70.7
For AI data centers					0.1	1.5	5.8	5.2	6.1	0.0	0.0	0.0	12.5
Other					12.8	15.8	14.4	15.2	17.7	61.5	48.7	49.1	58.2
Fuel cell parts	1.3	1.5	2.2	2.9	1.9	2.3	2.0	1.6	1.2	6.0	4.3	7.9	7.9
Other	0.4	0.7	0.5	1.0	0.9	1.1	0.9	0.8	0.3	3.1	2.0	2.6	3.6
Operating profit	0.4	0.7	-2.5	-6.7	-2.4	1.0	2.6	0.7	-1.5	9.4	3.0	-8.1	1.8
Chg (% q-q)	-54.8	62.0	Turned neg	Remained neg	Remained neg	Turned pos	168.1	-74.3	Turned neg				
Chg (% y-y)	Turned pos	-37.9	Turned neg	Turned neg	Turned neg	37.8	Turned pos	Turned pos	Remained neg	66.2	-67.5	Turned neg	Turned pos
Pre-tax profit	1.1	1.4	-8.5	-1.4	-3.2	-1.8	2.1	-1.4	-1.6	8.6	1.7	-7.4	-4.3
Chg (% q-q)	Turned pos	19.4	Turned neg	Remained neg	Remained neg	Remained neg	Turned pos	Turned neg	Remained neg				
Chg (% y-y)	249.2	125.5	Turned neg	Remained neg	Turned neg	Turned neg	Turned pos	Remained neg	Remained neg	9.4	-80.3	Turned neg	Remained neg
Net profit	1.3	1.3	-6.7	-5.5	-2.6	-2.9	2.2	-3.7	-1.8	11.7	2.0	-9.7	-7.0
Chg (% q-q)	Turned pos	-0.4	Turned neg	Remained neg	Remained neg	Remained neg	Turned pos	Turned neg	Remained neg				
Chg (% y-y)	155.5	105.7	Turned neg	Remained neg	Turned neg	Turned neg	Turned pos	Remained neg	Remained neg	55.7	-83.1	Turned neg	Remained neg
Net profit (attrib. to parent)	1.3	1.5	-6.5	-5.4	-2.3	-2.7	2.5	-3.3	-1.6	11.7	2.0	-9.1	-5.9
Margins (%)													
Operating profit	3.2	3.8	-17.9	-48.7	-15.3	4.6	11.1	2.9	-6.1	13.2	5.5	-13.5	2.2
Pre-tax profit	8.5	7.5	-60.7	-9.9	-20.4	-8.9	9.1	-6.1	-6.4	12.2	3.1	-12.4	-5.3
Net profit	9.7	7.1	-47.9	-40.4	-16.4	-14.2	9.6	-16.1	-7.3	16.5	3.6	-16.2	-8.5
Net profit (attrib. to parent)	9.7	8.3	-46.6	-39.2	-14.6	-13.3	11.0	-14.7	-6.4	16.5	3.6	-15.3	-7.1

Source: Company data, Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2021	2022	2023	2024	2025
Sales	49	71	55	60	82
Cost of goods sold	34	48	37	41	57
Gross profit	15	22	18	19	25
Gross margin (%)	30.9	31.5	32.8	32.0	30.7
SG&A expenses	10	13	15	27	23
Operating profit	6	9	3	(8)	2
Operating margin (%)	11.5	13.2	5.5	(13.5)	2.2
Non-operating gains (losses)	2	(1)	(1)	1	(6)
Financial profit	4	4	3	6	3
Financial costs	1	5	4	5	7
Equity-method gains (losses)	0	0	0	0	0
Other	(0)	(0)	(1)	0	(3)
Pre-tax profit	8	9	2	(7)	(4)
Taxes	0	(3)	(0)	2	3
Effective tax rate (%)	4.7	(35.6)	(16.9)	(31.1)	(61.3)
Profit from continuing operations	7	12	2	(10)	(7)
Profit from discontinued operations	0	0	0	0	0
Net profit	7	12	2	(10)	(7)
Net margin (%)	15.3	16.5	3.6	(16.2)	(8.5)
Net profit (controlling interests)	7	12	2	(9)	(6)
Net profit (non-controlling interests)	0	0	0	(1)	(1)
EBITDA	9	14	8	(1)	12
EBITDA margin (%)	17.8	19.9	15.4	(2.0)	14.7
EPS (parent-based) (KRW)	2,314	3,603	610	n/a	n/a
EPS (consolidated) (KRW)	2,314	3,603	610	n/a	n/a
Adjusted EPS (KRW)*	2,314	3,603	610	n/a	n/a

Cash flow statement

Year-end Dec 31 (KRWb)	2021	2022	2023	2024	2025
Cash flow from operations	4	11	13	(3)	(6)
Net profit	7	12	2	(10)	(7)
Non-cash profit and expenses	4	5	10	17	23
Depreciation	3	5	5	7	10
Amortization	0	0	0	0	0
Other	1	0	5	10	13
Changes in A/L from operating activities	(7)	(4)	2	(8)	(19)
Cash flow from investments	(8)	(24)	(4)	(40)	(18)
Change in tangible assets	(28)	(24)	(12)	(45)	(19)
Change in financial assets	21	(7)	7	3	(0)
Other	(1)	7	2	2	1
Cash flow from financing	9	21	(7)	36	22
Change in debt	11	24	(8)	26	22
Change in equity	n/a	n/a	n/a	n/a	n/a
Dividends	0	0	0	0	0
Other	n/a	n/a	n/a	n/a	n/a
Change in cash	5	9	2	(7)	(2)
Cash at beginning of year	2	7	16	18	11
Cash at end of year	7	16	18	11	10
Gross cash flow	11	17	12	7	16
Free cash flow	(24)	(13)	1	(48)	(25)

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)	2021	2022	2023E	2024E	2025E
Current assets	17	17	17	17	n/a
Cash & equivalents	0	0	0	0	n/a
Accounts receivable	9	9	9	9	n/a
Inventories	5	5	5	5	n/a
Other current assets	3	3	3	3	n/a
Fixed assets	41	66	199	1,048	n/a
Investment assets	0	0	0	0	n/a
Tangible assets	37	43	50	59	n/a
Intangible assets	3	22	147	987	n/a
Other long-term assets	1	1	1	1	n/a
Total assets	58	83	216	1,065	n/a
Current liabilities	25	25	25	25	n/a
Accounts payable	4	4	4	4	n/a
Short-term debt	18	18	18	18	n/a
Other current liabilities	4	4	3	3	n/a
Long-term liabilities	13	13	13	13	n/a
Bonds & long-term debt	11	11	11	11	0
Other long-term liabilities	2	2	2	2	n/a
Total liabilities	38	38	38	38	n/a
Owners of parent equity	42	27	-79	-802	n/a
Capital stock	3	3	3	3	n/a
Capital surplus	33	33	33	33	n/a
Retained earnings	7	-8	-113	-837	n/a
Other	-1	-1	-1	-1	n/a
Non-controlling interests' equity	0	0	0	0	n/a
Total equity	42	27	-79	-802	n/a
Net debt	29	29	29	29	n/a

Financial ratios

Year-end Dec 31	2021	2022	2023	2024	2025
Growth (%)					
Sales	4.9	44.3	(22.2)	8.4	38.0
Operating profit	(11.6)	66.2	(67.5)	적전	흑전
Net profit	62.4	55.7	(83.1)	적전	적지
Adjusted EPS**	62.4	55.7	(83.1)	n/a	n/a
Per-share data (KRW)					
EPS (parent-based)	2,314	3,603	610	n/a	n/a
EPS (consolidated)	2,314	3,603	610	n/a	n/a
Adjusted EPS**	2,314	3,603	610	n/a	n/a
BVPS	13,111	15,913	16,771	21,984	19,371
DPS (common)	n/a	n/a	n/a	n/a	n/a
Valuations (x)					
P/E***	n/a	n/a	n/a	n/a	n/a
P/B***	n/a	n/a	n/a	n/a	n/a
EV/EBITDA	3.4	2.7	4.1	n/a	7.6
Ratios (%)					
ROE	16.0	21.0	3.2	(12.2)	(7.1)
ROA	8.4	10.1	1.5	(6.3)	(3.7)
ROIC	8.5	14.8	3.9	(8.8)	1.8
Payout ratio	n/a	n/a	n/a	n/a	n/a
Dividend yield (common)	n/a	n/a	n/a	n/a	n/a
Net debt to equity	59.7	63.0	53.5	82.7	119.9
Interest coverage (x)	7.5	6.5	1.5	(2.9)	0.5

COMPANY UPDATE

2026. 6. 18

EV/Mobility Team

JungHoon Chang

Senior Analyst

jhooni.chang@samsung.com



Scan to go to
Research Center report database

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.

▶ 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

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
Margins (%)					
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

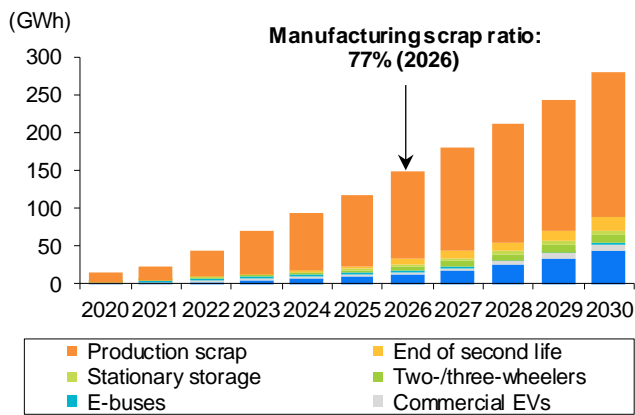
Source: Company data, Samsung Securities estimates

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	
Target price	74,000	
Current price	52,100	As of Jun 12 close
Upside (%)	42.0%	

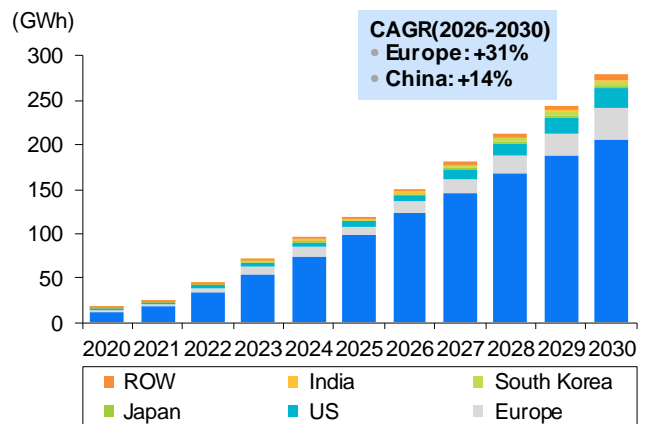
Note: *Excludes outliers with P/E multiples exceeding 200x; based on secondary battery materials value chain
Source: Bloomberg, Samsung Securities estimates

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
Sales	136	195	337	415	453
Cost of goods sold	173	226	288	348	379
Gross profit	-37	-31	49	67	73
Gross margin (%)	-27.2	-16.0	14.7	16.1	16.2
SG&A expenses	34	23	39	47	52
Operating profit	-71	-55	10	19	22
Operating margin (%)	-52.4	-28.0	3.1	4.7	4.8
Non-operating gains (losses)	-17	-20	-14	-12	-11
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
Pre-tax profit	-88	-75	-4	7	11
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
Net profit	-112	-81	9	25	20
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
Cash flow from operations	-55	-23	10	39	41
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
Cash flow from investments	-164	-33	-16	-11	-3
Change in tangible assets	-173	-33	-5	-5	0
Change in financial assets	5	-5	-11	-6	-3
Other	5	4	0	-0	0
Cash flow from financing	211	58	8	17	8
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
Gross cash flow	-42	-20	56	65	66
Free cash flow	-229	-59	5	34	41

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	127	134	202	283	347
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
Fixed assets	553	586	564	540	511
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
Total assets	679	721	766	823	858
Current liabilities	253	331	362	391	405
Accounts payable	13	13	22	28	30
Short-term debt	158	204	204	204	204
Other current liabilities	82	114	135	159	171
Long-term liabilities	201	235	240	243	245
Bonds & long-term debt	178	209	209	209	209
Other long-term liabilities	24	26	31	34	35
Total liabilities	455	567	603	634	650
Owners of parent equity	203	127	136	160	179
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
Non-controlling interests' equity	21	27	27	28	29
Total equity	225	154	164	188	208
Net debt	368	474	476	447	408

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
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
Per-share data (KRW)					
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
Valuations (x)					
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
Ratios (%)					
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

COMPANY UPDATE

2026. 6. 18

EV/Mobility Team

Hyunryul Cho

Senior Analyst
hyunryul.cho@samsung.com

Wonyoung Kim

Research Associate
wonyoung10.kim@samsung.com

▶ AT A GLANCE

Not rated

Target price	n/a
Current price	KRW44,100
Market Cap	KRW399.76b/USD264.15m
Shares (float)	9,064,946 (64.5%)
52-week high/low	KRW72,500/KRW24,000
Avg daily trading value (60-day)	KRW13.8b/ USD9.1m

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
Hanjung NCS (%)	-18.8	-6.2	80.7
Vs Kosdaq (%pts)	-11.1	-17.2	35.8

▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	Not Rated		
Target price	n/a		
2026E EPS	n/a		
2027E EPS	n/a		

▶ SAMSUNG vs THE STREET

No of estimates	1
Target price	97,000
Recommendation	4.0

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



Scan to go to
Research Center report database

Hanjung NCS (107640)

Positioned to benefit fully from US ESS growth

- Hanjung NCS, a key supplier of water-cooled ESS cooling systems to Samsung SDI, is positioned to benefit from the global ESS expansion trend. In mid-2027, the firm's new facility (a Samsung SDI-dedicated plant in the US) should come online.
- The company pioneered the commercialization of water-cooled systems in Korea and maintains a strong technological edge in this segment. Its close partnership with Samsung SDI should position it to directly benefit from the latter's global ESS expansion.

WHAT'S THE STORY?

1Q26 review: On May 14, Hanjung NCS posted 1Q consolidated sales of KRW54.7b (up 12% q-q) and operating profit of KRW1.4b (down KRW1.3b q-q; operating margin up 2.6%). Sales at the ESS business came in at KRW53.1b (down 1% q-q) and the EV parts business saw sales tumble 69% q-q to KRW1.7b. Despite the robust top-line growth, rising R&D and personnel expenses weighed on profitability.

2H26 outlook: Loss-making internal combustion engine (ICE) parts business was fully phased out in 1H26, so that the company should enjoy profitability improvement by focusing on the ESS business. Revenue growth is expected to accelerate as sales from Korea's first- and second-round ESS central procurement contracts begin to be recognized from 2Q26. Furthermore, ramp-up of domestic production capacity should boost annual sales to KRW25b (previously from KRW20b).

(Continued on the next page)

SUMMARY FINANCIAL DATA

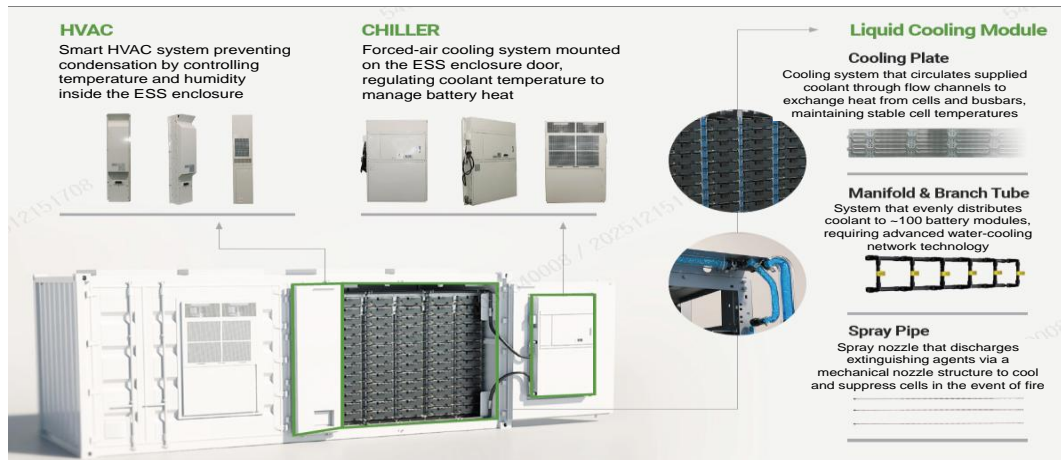
(KRWb)	2022	2023	2024	2025
Revenue	89	122	177	175
Operating profit	(14)	(13)	10	4
Net Profit	(20)	(19)	15	5
EPS (adj) (KRW)	n/a	n/a	2,627	619
EPS (adj) growth (%)	nm	nm	nm	(76.4)
EBITDA margin (%)	(10.3)	(6.5)	8.3	5.7
ROE (%)	(91.5)	(83.2)	36.1	4.5
P/E (adj) (x)	n/a	n/a	n/a	n/a
P/B (x)	n/a	n/a	n/a	n/a
EV/EBITDA (x)	n/a	n/a	1.0	6.0
Dividend yield (%)	n/a	n/a	n/a	n/a

Source: Company data, Samsung Securities estimates

New facilities in the US to come online in 2027: The company's new ESS component plant under construction in Indiana (US) is set to begin operations in 1Q27. With an annual production capacity of KRW250b in sales—equivalent to the company's current domestic capacity—the US plant should double the firm's total production scale and serve as the primary driver of its future revenue growth.

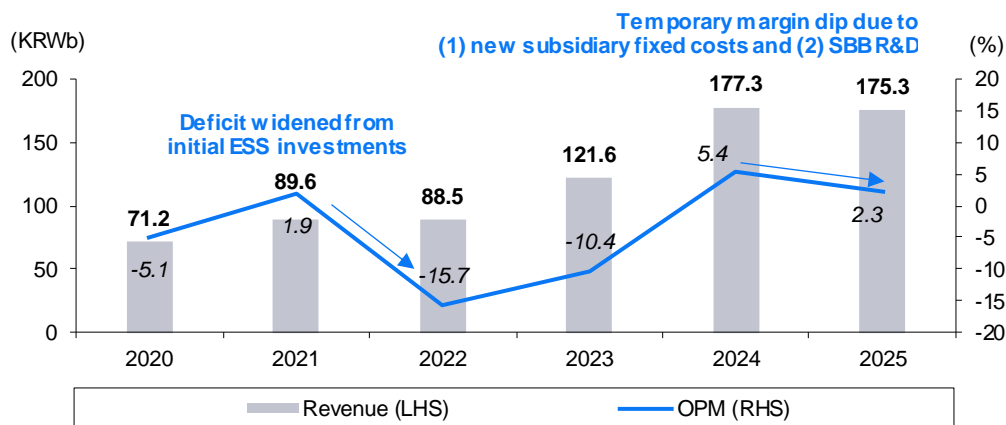
View—Key supplier of next-generation ESS cooling system: The ESS cooling market is shifting from air-cooled to more efficient water-cooled systems. Hanjung NCS was the first Korean company to commercialize water-cooled modules and retains a durable technological advantage. As Samsung SDI scales its ESS production—particularly with its US expansion expected to complete in 2H26—Hanjung NCS stands to directly benefit as a strategic partner.

Hanjung NCS: Key products for liquid-cooled ESS cooling systems



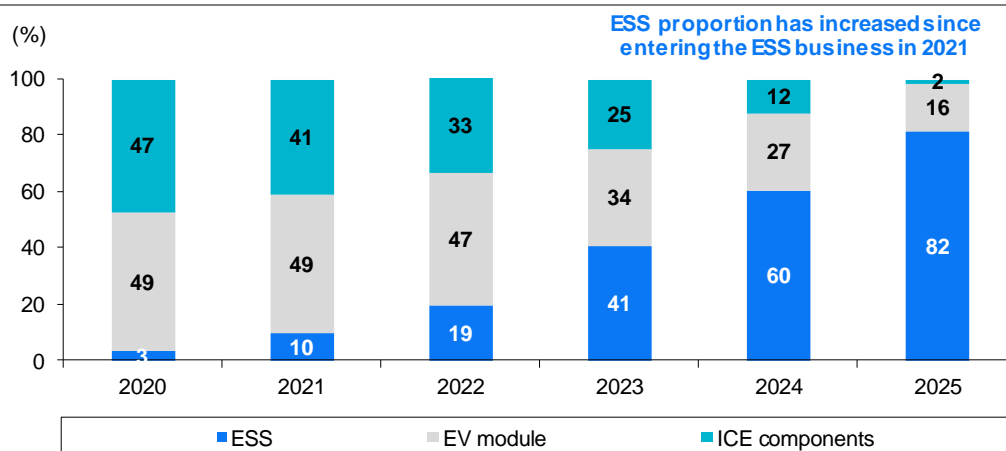
Source: Company data, Samsung Securities

Hanjung NCS: Revenue vs operating margin



Source: Company data, Samsung Securities

Hanjung NCS: Revenue contribution, by business



Source: Company data, Samsung Securities

Samsung SDI: SBB product lineup

Product name	Launch date	Cell capacity	Energy	Chemistry	Production site	Hanjung NCS supply timeline*
SBB 1.0	May 2024	145Ah	3.84 MWh	NCA	Korea	2024
SBB 1.5	Sep 2024	145Ah	5.26 MWh	NCA	Korea	2025~
SBB 1.7	Jul 2026	152Ah	6.14 MWh	NCA	US	Mar 2026
SBB 2.0	Dec 2026	273Ah	5.0 MWh	LFP	US	2H26

Note: *Start date for the supply of Hanjung NCS's liquid cooling systems equipped in Samsung SDI's SBB products.

Source: Company data, Samsung Securities

Samsung SDI: SBB order status

Date	Client	Product*	Contract size	Supply period	Details
Mar 2026	Major Energy Firm (US)	SBB1.5/SBB1.7/SBB2.0	KRW1.5t	2026-2029	Produced at US plant
Feb 2026	2nd ESS Centralized Contract Market Bid (Korea)	SBB1.5/SBB1.7	KRW360b	2026-2027	Won 36% of the total 565 MW order
Jan 2026	Tesla (US)	SBB2.0	KRW3t-5t	2027-2029	Details undisclosed due to NDA; based on media estimates. Estimated supply of 10 GWh batteries annually for 3 years.
Dec 2025	Major Energy Firm (US)	SBB2.0	Over KRW2t	2027-2029	Produced at US plant
Jul 2025	1st ESS Centralized Contract Market Bid (Korea)	SBB1.5	KRW760b	2025-2026	Won 76% of the total 536 MW order
Jun 2025	Tesvolt (Germany)	SBB1.0 / SBB1.5	Undisclosed	2025~	Track record of supplying ESS batteries since 2017
Mar 2025	NextEra Energy (US)	SBB1.0/SBB1.5	KRW437.4b	2024-2025	Part of a long-term supply project; follow-up disclosures possible
2Q 2024	Fluence Energy (US)	ESS Battery	Undisclosed	2024~?	Supply size is less than 10% of annual revenue

Note: *Estimated SBB product lineup for each order based on delivery timeline and chemistry (NCA or LFP).

Source: Company data, Samsung Securities

Hanjung NCS: Results

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2020	2021	2022	2023	2024
KRW/USD (average)	1,329	1,371	1,358	1,400	1,453	1,401	1,387	1,452	1,467	1,180	1,145	1,292	1,306	1,365
Sales	30.6	43.6	47.6	55.4	33.1	36.4	45.9	59.9	54.7	71.2	89.6	88.5	121.6	177.3
Growth (% q-q)	-8.2	42.5	9.1	16.4	-40.2	10.0	25.9	30.5	-8.6					
Growth (% y-y)	2.2	48.6	65.1	66.0	8.1	-16.5	-3.6	8.1	65.3	-13.8	25.9	-1.2	37.3	45.8
ESS	14.8	21.1	32.2	39.0	21.8	28.3	39.1	53.8	53.1	2.5	8.9	17.2	49.6	107.1
EV module	9.5	13.5	11.5	13.7	9.4	7.4	6.6	5.3	1.7	34.9	43.7	41.7	41.4	48.1
ICE components	6.4	9.1	3.9	2.7	1.8	0.7	0.2	0.8	-0.0	33.8	36.9	29.6	30.6	22.0
EBITDA	1.0	3.6	2.9	7.3	0.8	1.9	2.9	4.4	3.3	0.8	6.3	-9.3	-7.9	14.7
Growth (% q-q)	Tunedpos	278.8	-21.4	154.2	-88.7	129.7	54.8	49.9	-25.8					
Growth (% y-y)	Tunedpos	Tunedpos	Tunedpos	Tunedpos	-14.3	-48.0	2.4	-39.6	295.4	-88.0	702.8	Tunedneg	Remainedneg	Tunedpos
Operating profit	-0.3	2.4	1.6	5.9	-0.6	0.4	1.5	2.7	1.4	-3.7	1.7	-13.9	-12.7	9.6
Growth (% q-q)	Remainedneg	Tunedpos	-33.2	271.1	Tunedneg	Tunedpos	284.1	78.3	-47.1					
Growth (% y-y)	Remainedneg	Tunedpos	Tunedpos	Tunedpos	Remainedneg	-83.3	-3.7	-53.8	Tunedpos	Tunedneg	Tunedpos	Tunedneg	Remainedneg	Tunedpos
Pre-tax profit	-1.4	1.1	0.9	5.1	-1.1	-0.3	2.2	-1.1	1.4	-5.7	-1.8	-20.4	-16.2	5.8
Growth (% q-q)	Remainedneg	Tunedpos	-11.6	444.3	Tunedneg	Remainedneg	Tunedpos	Tunedneg	Tunedpos					
Growth (% y-y)	Remainedneg	Tunedpos	Tunedpos	Tunedpos	Remainedneg	Tunedneg	128.6	Tunedneg	Tunedpos	Tunedneg	Remainedneg	Remainedneg	Remainedneg	Remainedneg
Net profit	-1.4	1.1	0.9	14.7	-1.0	0.2	1.4	4.2	1.4	-4.3	-1.9	-20.3	-18.6	15.4
Growth (% q-q)	Remainedneg	Tunedpos	-11.6	1,459.1	Tunedneg	Tunedpos	592.2	200.9	-70.5					
Growth (% y-y)	Remainedneg	Tunedpos	Tunedpos	Tunedpos	Remainedneg	-81.0	49.1	-71.2	Tunedpos	Tunedneg	Remainedneg	Remainedneg	Remainedneg	Tunedpos
Attrib. to parent	-0.8	1.8	1.4	14.8	-0.6	0.1	0.6	4.0	1.1	-4.3	-1.9	-20.2	-16.4	17.3
Margins (%)														
EBITDA	3.1	8.3	6.0	13.1	2.5	5.2	6.4	7.3	5.9	1.1	7.1	-10.5	-6.5	8.3
Operating profit	-0.9	5.4	3.3	10.6	-1.9	1.1	3.3	4.6	2.6	-5.1	1.9	-15.7	-10.4	5.4
Pre-tax profit	-4.5	2.5	2.0	9.3	-3.2	-1.0	4.7	-1.9	2.5	-8.0	-2.0	-23.0	-13.3	3.3
Net profit	-4.5	2.4	2.0	26.6	-2.9	0.6	3.1	7.1	2.6	-6.0	-2.1	-22.9	-15.3	8.7

Source: Company data, Samsung Securities

Income statement

Year-end Dec 31	2021	2022	2023	2024	2025
Sales	90	89	122	177	175
Cost of goods sold	79	90	119	150	144
Gross profit	11	(1)	3	27	31
Gross margin (%)	11.9	(1.5)	2.2	15.2	17.7
SG&A expenses	9	13	15	17	27
Operating profit	2	(14)	(13)	10	4
Operating margin (%)	1.9	(15.7)	(10.4)	5.4	2.3
Non-operating Gains(Losses)	(3)	(6)	(3)	(4)	(4)
Financial Profit	0	0	0	1	1
Financial Costs	2	2	4	5	4
Gains(Losses) in Equity Method	0	0	0	0	0
Other	(2)	(4)	1	(0)	(2)
Pre-tax profit	(2)	(20)	(16)	6	(0)
Taxes	0	(0)	2	(10)	(5)
Effective tax rate (%)	(2.8)	0.5	(15.4)	(165.0)	1,501.3
Profit from continuing operations	(2)	(20)	(19)	15	5
Profit from discontinued operations	0	0	0	0	0
Net profit	(2)	(20)	(19)	15	5
Net margin (%)	(2.1)	(22.9)	(15.3)	8.7	2.8
Net profit (Controlling Interests)	(2)	(20)	(16)	17	4
Net profit (Non-controlling Interests)	0	(0)	(2)	(2)	1
EBITDA	6	(9)	(8)	15	10
EBITDA margin (%)	7.0	(10.3)	(6.5)	8.3	5.7
EPS(parent) (KRW)	n/a	n/a	n/a	2,627	619
EPS(consolidated) (KRW)	n/a	n/a	n/a	2,331	742
Adjusted EPS (KRW)*	n/a	n/a	n/a	2,627	619

Cash flow statement

Year-end Dec 31	2021	2022	2023	2024	2025
Cash flow from operations	2	(1)	5	6	1
Net profit	(2)	(20)	(19)	15	5
Non-Cash Profit and Expense	9	15	11	(3)	6
Depreciation	4	4	5	5	6
Amortization	0	0	0	0	0
Others	4	10	7	(8)	(0)
Changes in A/L from Operating Activities	(4)	6	15	(4)	(9)
Cash flow from investments	(4)	(12)	(14)	(20)	(41)
Change in Tangible Assets	(4)	(13)	(16)	(10)	(46)
Change in Financial Assets	0	0	0	(10)	5
Other	(0)	0	2	0	0
Cash flow from financing	0	24	7	35	58
Change in debt	1	10	8	(15)	53
Change in equity	n/a	n/a	n/a	n/a	n/a
Dividends	0	0	0	0	0
Other	n/a	n/a	n/a	n/a	n/a
Change in cash	(2)	10	(2)	21	17
Cash at beginning of year	3	1	11	9	30
Cash at end of year	1	11	9	30	48
Gross cash flow	7	(6)	(7)	13	11
Free cash flow	(2)	(14)	(12)	(4)	(47)

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	2021	2022	2023	2024	2025
Current assets	45	49	42	75	105
Cash & equivalents	1	11	9	30	48
Accounts receivable	15	12	17	14	20
Inventories	21	15	11	14	22
Other current assets	8	11	5	17	16
Fixed assets	49	68	80	92	148
Investment assets	1	2	1	1	1
Tangible assets	46	66	79	84	136
Intangible assets	1	1	1	1	1
Other long-term assets	0	0	0	6	10
Total assets	93	117	123	167	253
Current liabilities	60	58	65	50	116
Accounts payable	14	15	23	18	22
Short-term debt	21	23	23	15	44
Other current liabilities	25	21	19	17	49
Long-term liabilities	15	31	44	37	37
Bond & long-term debt	14	18	28	22	23
Other long-term liabilities	2	13	17	14	15
Total liabilities	75	89	109	86	153
Owners of parent equity	18	26	13	82	98
Capital stock	2	4	4	5	5
Capital surplus	2	28	28	79	50
Retained earnings	5	(15)	(31)	(14)	34
Other	9	9	13	12	9
Non-controlling interests equity	0	2	0	(2)	2
Total equity	18	28	13	80	100
Net debt	54	53	64	17	58

Financial ratios

Year-end Dec 31	2021	2022	2023	2024	2025
Growth (%)					
Sales	25.9	(1.2)	37.3	45.8	(1.1)
Operating profit	nm	nm	nm	nm	(57.9)
Net profit	nm	nm	nm	nm	(68.2)
Adjusted EPS**	nm	nm	nm	nm	(76.4)
Per share data (KRW)					
EPS(parent)	n/a	n/a	n/a	2,627	619
EPS(consolidated)	n/a	n/a	n/a	2,331	742
Adjusted EPS **	n/a	n/a	n/a	2,627	619
BPS	2,734	3,956	2,044	12,500	14,896
DPS (common)	n/a	n/a	n/a	n/a	n/a
Valuations (x)					
P/E***	n/a	n/a	n/a	n/a	n/a
P/B***	n/a	n/a	n/a	n/a	n/a
EV/EBITDA	8.5	n/a	n/a	1.0	6.0
Ratios					
ROE (%)	(10.3)	(91.5)	(83.2)	36.1	4.5
ROA (%)	(2.0)	(19.2)	(15.5)	10.6	2.3
ROIC (%)	2.5	(18.4)	(18.2)	29.7	(47.1)
Payout ratio (%)	n/a	n/a	n/a	n/a	n/a
Dividend yield (Common, %)	n/a	n/a	n/a	n/a	n/a
Net debt to equity (%)	298.5	188.2	471.6	20.7	57.8
Interest coverage (x)	1.0	(6.4)	(3.0)	2.1	1.1

COMPANY UPDATE

2026. 6. 16

EV/Mobility Team

JungHoon Chang

Senior Analyst

jhooni.chang@samsung.com



Scan to go to
Research Center report database

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).

▶ 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

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

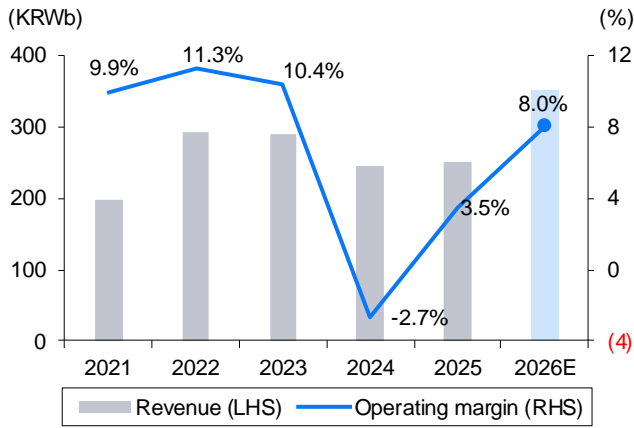
	2025	2026E	2027E	2028E
Revenue (KRWb)	250	0	0	0
Operating profit (KRWb)	9	0	0	0
Net Profit (KRWb)	2	0	0	0
EPS (adj) (KRW)	178	n/a	n/a	0
EPS (adj) growth (%)	214.6	nm	nm	0.0
EBITDA margin (%)	11.8	n/a	n/a	0.0
ROE (%)	1.3	0.0	n/a	0.0
P/E (adj) (x)	n/a	n/a	n/a	0.0
P/B (x)	n/a	n/a	n/a	0.0
EV/EBITDA (x)	3.2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

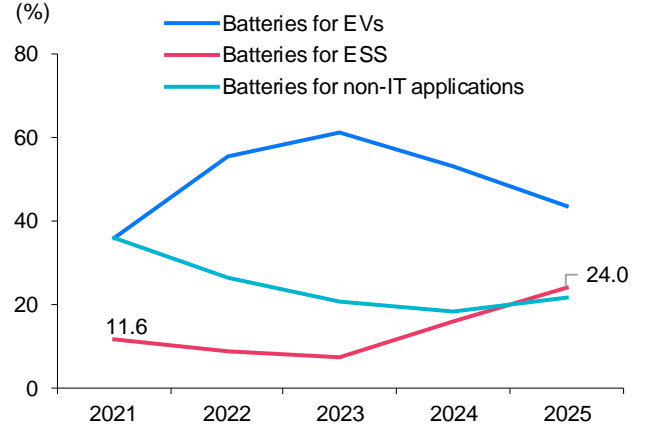
Trading at 2026 P/E of 12x—undervalued given growth prospects: The current stock price (as of Jun 11 close) implies a 2026 P/E of 12x, based on FnGuide consensus (sales of KRW351.7b and operating profit of KRW28.3b). The company's valuation looks attractive—its peers in the rechargeable battery sector (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



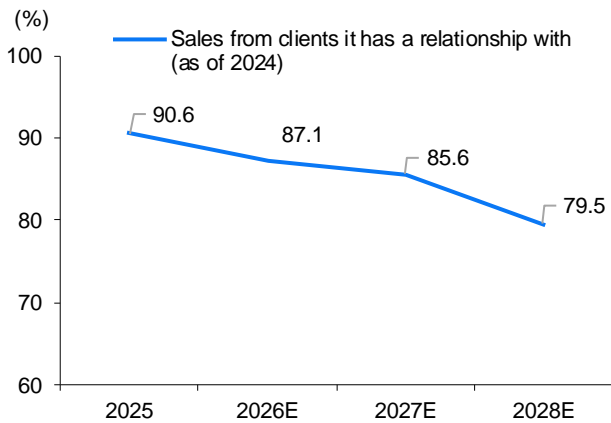
Note: 2026E based on FnGuide consensus
Source: Company data, FnGuide

Sangsin EDP: Change in sales mix



Source: Company data

Sangsin EDP: Customer diversification outlook



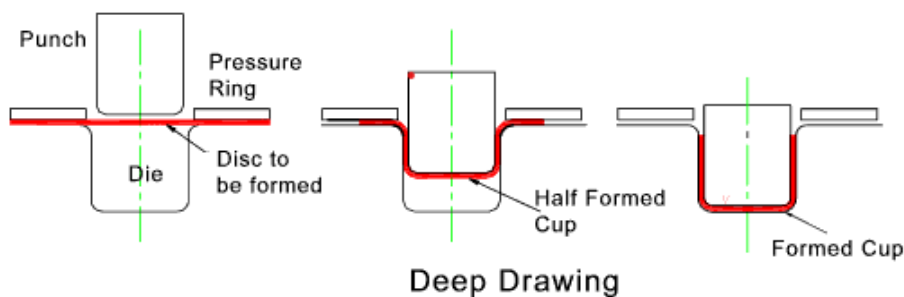
Source: Company data

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

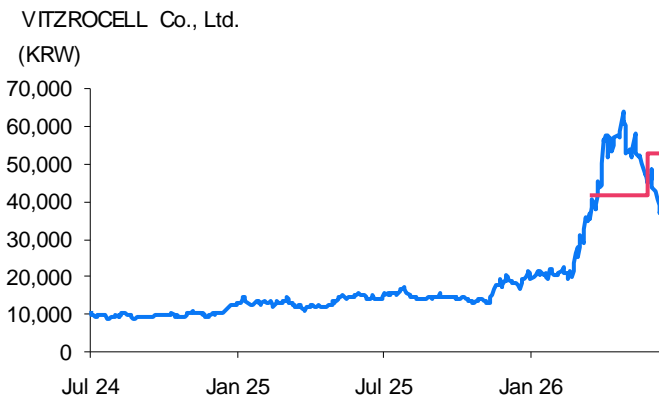
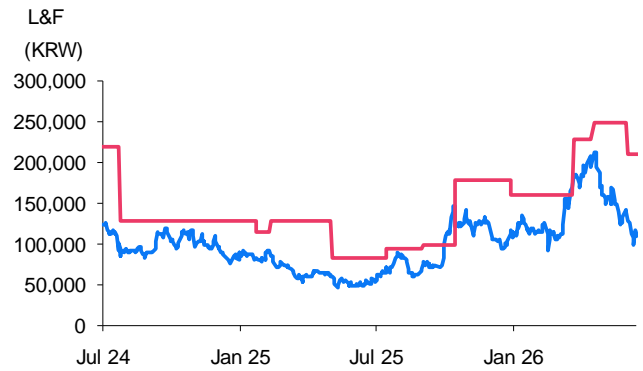
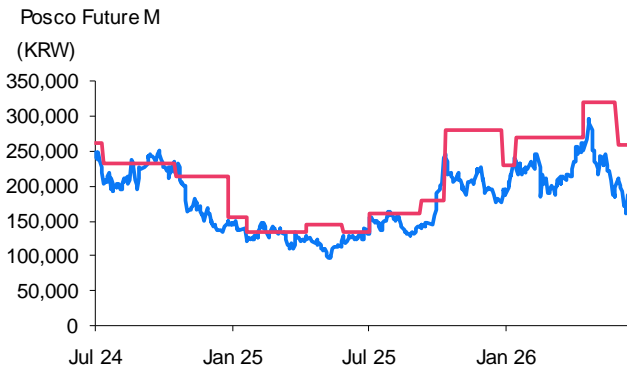
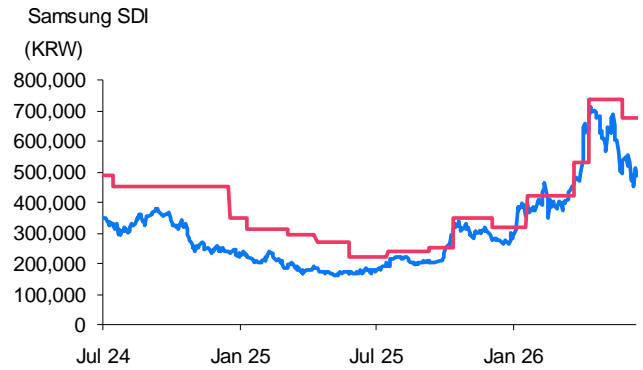
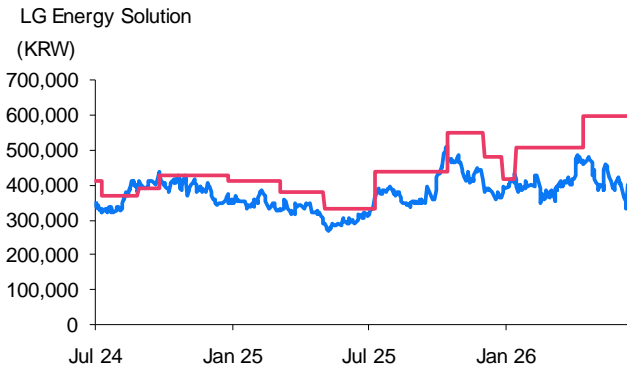
Financial ratios

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

Compliance notice

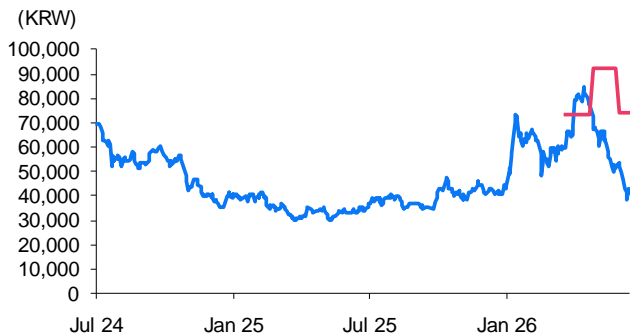
- As of 6/30 2026, Samsung Securities shared group affiliation with Samsung SDI.
- As of 6/30 2026, the covering analyst(s) did not own any shares, or debt instruments convertible into shares, of any company covered in this report.
- As of 6/30 2026, Samsung Securities' holdings of shares and debt instruments 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.
- This report has been prepared without any undue external influence or interference, and accurately reflects the views of the analyst(s) covering the company or companies herein.
- All material presented in this report, unless specifically indicated otherwise, is under copyright to Samsung Securities.
- Neither the material nor its content (including copies) may be altered in any form, or by any means transmitted, copied, or distributed to another party, without prior express written permission from Samsung Securities.
- This memorandum is based upon information available to the public. While we have taken all reasonable care to ensure its reliability, we do not guarantee its accuracy or completeness. This memorandum is not intended to be an offer, or a solicitation of any offer, to buy or sell the securities mentioned herein. Samsung Securities shall not be liable whatsoever for any loss, direct or consequential, arising from the use of this memorandum or its contents. Statements made regarding affiliates of Samsung Securities are also based upon publicly available information and do not necessarily represent the views of management at such affiliates.
- This material has not been distributed to institutional investors or other third parties prior to its publication.

Target price changes in past two years

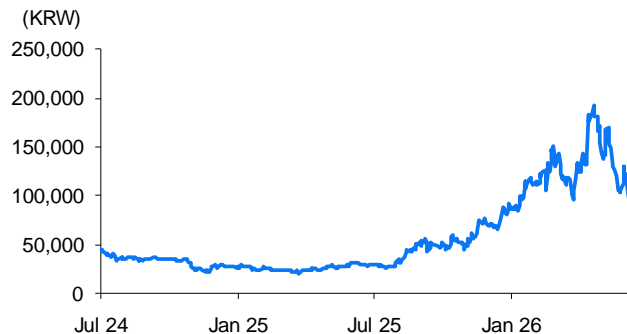


Target price changes in past two years

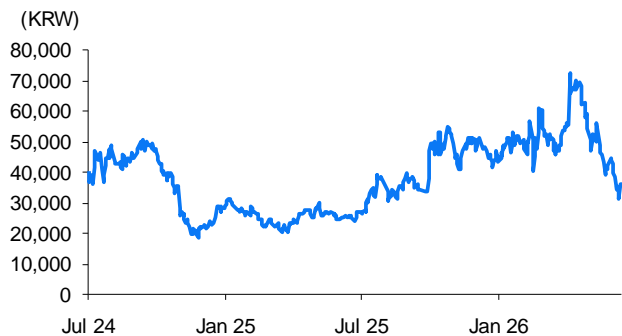
SungEel HiTech Co., Ltd.



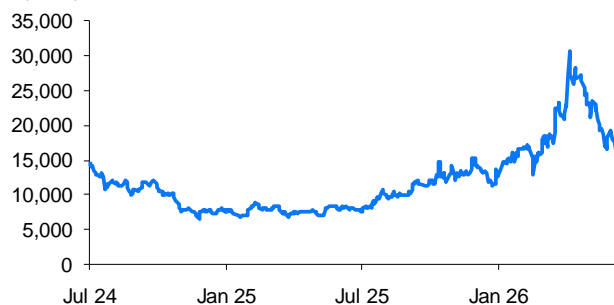
Vina Tech



HanJungNCS.Co.,Ltd



SANGSIN ENERGY DISPLAY
PRECISION CO.,LTD



Rating changes over past two years (adjusted share prices)

LG Energy Solution												
Date	2024/6/20	7/8	7/25	9/11	10/10	2025/1/10	3/21	5/19	7/25	10/31	12/18	2026/1/12
Recommendation	BUY	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	BUY	HOLD	HOLD	HOLD
Target price (KRW)	470000	410000	370000	390000	430000	410000	380000	335000	440000	550000	480000	420000
Gap* (average)	-27.55	-15.22	-3.89	5.00	-9.14	-14.77	-12.67	-10.19	-12.74	-19.50	-21.65	-3.83
(max or min)**	-23.62	-8.54	11.35	0.38	-0.70	-5.98	-5.26	9.85	16.82	-11.91	-18.65	2.62
Date	1/29	4/30										
Recommendation	BUY	BUY										
Target price (KRW)	510000	600000										
Gap* (average)	-20.82											
(max or min)**	-5.00											
Samsung SDI												
Date	2024/6/20	7/8	7/30	2025/1/2	1/24	3/21	4/28	6/11	8/1	9/26	10/28	12/19
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	538468	489517	450355	352452	313291	293710	270000	220000	240000	250000	350000	320000
Gap* (average)	-32.88	-28.53	-31.99	-33.69	-32.91	-37.37	-37.02	-18.49	-12.36	-5.25	-11.76	-2.27
(max or min)**	-29.27	-22.10	-15.76	-30.69	-22.81	-30.50	-32.00	-6.36	-6.25	17.20	-3.57	23.91
Date	2026/2/3	4/8	4/28	6/11								
Recommendation	BUY	BUY	BUY	BUY								
Target price (KRW)	420000	530000	740000	680000								
Gap* (average)	-3.82	3.33	-14.96									
(max or min)**	10.95	24.34	-32.91									
Posco Future M												
Date	2024/6/18	7/26	10/31	2025/1/9	2/4	4/25	6/12	6/19	7/18	9/24	10/27	2026/1/12
Recommendation	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	BUY	BUY	BUY	BUY
Target price (KRW)	261715	232636	213249	155090	135704	145397	135704	135704	160000	180000	280000	230000
Gap* (average)	-4.96	-5.42	-21.06	-8.54	-4.86	-22.52	-11.07	-4.71	-9.28	-3.74	-26.75	-9.45
(max or min)**	1.11	7.71	-37.32	-2.62	9.29	-13.20	-9.21	2.43	2.00	34.44	-13.93	4.13
Date	1/29	4/30	6/15									
Recommendation	BUY	BUY	BUY									
Target price (KRW)	271000	320000	260000									
Gap* (average)	-18.72	-26.42										
(max or min)**	-2.95	-7.50										
L&F												
Date	2024/4/12	8/7	2025/2/6	2/25	5/19	7/31	9/17	10/30	2026/1/13	4/7	5/4	6/18
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	220000	130000	115000	130000	83000	95000	100000	180000	160000	230000	250000	210000
Gap* (average)	-34.28	-25.00	-26.56	-48.64	-34.18	-22.96	-5.18	-33.95	-23.13	-17.90	-37.01	
(max or min)**	-22.00	-8.15	-20.26	-33.77	-13.25	-4.74	47.00	-21.33	6.63	-9.13	-15.00	

Rating changes over past two years (adjusted share prices)

VITZROCELL Co., Ltd.			
Date	2026/4/1	6/12	
Recommendation	BUY	BUY	
Target price (KRW)	42000	53000	
Gap* (average)	23.59		
(max or min)**	52.62		

FOOSUNG CO.,LTD			
Date	2026/7/1		
Recommendation	Not Rated		
Target price (KRW)	n/a		
Gap* (average)			
(max or min)**			

SungEel HiTech Co., Ltd.			
Date	2026/4/6	5/11	6/15
Recommendation	BUY	BUY	BUY
Target price (KRW)	73,000	92,000	74,000
Gap* (average)	2.70	-34.42	
(max or min)**	15.75	-23.04	

Vina Tech			
Date	2026/7/1		
Recommendation	Not Rated		
Target price (KRW)	n/a		
Gap* (average)			
(max or min)**			

HanJungNCS.Co.,Ltd			
Date	2026/7/1		
Recommendation	Not Rated		
Target price (KRW)	n/a		
Gap* (average)			
(max or min)**			

SANGSIN ENERGY DISPLAY PRECISION CO.,LTD			
Date	2026/7/1		
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

Samsung Securities uses the following investment ratings*

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 2026.06.30

BUY(85.5%)-HOLD(14.5%)-SELL(0%)

Global Disclosures & Disclaimers

General

This research report is for information purposes only. It is not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This report does not provide individually tailored investment advice. This report does not take into account individual client circumstances, objectives, or needs and is not intended as recommendations of particular securities, financial instruments or strategies to any particular client. The securities and other financial instruments discussed in this report may not be suitable for all investors. The recipient of this report must make its own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser.

This report may not be altered, reproduced, distributed, transmitted or published in whole or in part for any purpose. References to "Samsung Securities" are references to any company in the Samsung Securities, Co., Ltd. group of companies.

Samsung Securities and/or other affiliated companies, its and their directors, officers, representatives, or employees may have long or short positions in any of the securities or other financial instruments mentioned in this report or of issuers described herein and may purchase and/or sell, or offer to purchase and/or sell, at any time, such securities or other financial instruments in the open market or otherwise, as either a principal or agent. Any pricing of securities or other financial instrument contained herein is as of the close of market for such day, unless otherwise stated. Opinions and estimates contained herein constitute our judgment as of the date of this report and are subject to change without notice.

The information provided in this report is provided "AS IS". Although the information contained herein has been obtained from sources believed to be reliable, no representation or warranty, either expressed or implied, is provided by Samsung Securities in relation to the accuracy, completeness or reliability of such information or that such information was provided for any particular purpose and Samsung Securities expressly disclaims any warranties of merchantability or fitness for a particular purpose. Furthermore, this report is not intended to be a complete statement or summary of the securities, markets or developments referred to herein.

Samsung Securities does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. Samsung Securities, its affiliates, or any of its and their affiliates, directors, officers, employees or agents disclaim any and all responsibility or liability whatsoever for any loss (direct or consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice. Past performance is not indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security or financial instrument mentioned in this report. For investment advice, trade execution or other enquiries, clients should contact their local sales representative. Any opinions expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of Samsung Securities. Any analysis contained herein is based on numerous assumptions. Different assumptions may result in materially different results. Samsung Securities is under no obligation to update or keep current the information contained herein. Samsung Securities relies on information barriers to control the flow of information contained in one or more areas or groups within Samsung Securities into other areas or groups of Samsung Securities. Any prices stated in this report are for information purposes only and do not represent valuations for individual securities or other financial instruments. Samsung Securities makes no representation that any transaction can or could have been effected at those prices and any prices contained herein may not reflect Samsung Securities' internal books and records or theoretical model-based valuations and may be based on certain assumptions. Different assumptions by Samsung Securities or any other source may yield substantially different results. Additional information is available upon request.

For reports to be distributed to US:

Securities research is prepared, issued and exclusively distributed by Samsung Securities Co., Ltd., an organization licensed with the Financial Supervisory Service of South Korea. This research may be distributed in the United States only to major institutional investors as defined in Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended, and may not be circulated to any other person otherwise. All transactions by U.S. investors involving securities discussed in this report must be effected through Samsung Securities (America) Inc., a broker-dealer registered with the U.S. Securities & Exchange Commission and a member of the Financial Industry Regulatory Authority/SIPC, and not through any non-U.S. affiliate thereof. The analysts listed [on the front of this report] are employees of Samsung Securities Co., Ltd., or a non-U.S. affiliate thereof, and are not registered/qualified as research analysts under applicable U.S. rules and regulations and may not be subject to U.S. restrictions on communications with covered companies, public appearances, and trading securities held by a research analyst account.

For reports to be distributed to UK:

This report is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). To the extent that this report does constitute such an invitation or inducement, it is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (as amended) of the United Kingdom (the "Financial Promotion Order"); (ii) persons who fall within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iii) any other persons to whom this report can, for the purposes of section 21 of FSMA, otherwise lawfully be made (all such persons together being referred to as "relevant persons").

Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons must not act or rely on this report.

For reports to be distributed to Korea:

This report is for private circulation only, not for sale, and is issued and distributed only to persons permitted under the laws and regulations of Korea.

For reports to be distributed to Singapore:

This report is provided pursuant to the financial advisory licensing exemption under Regulation 27(1)(e) of the Financial Advisers Regulation of Singapore and accordingly may only be provided to persons in Singapore who are "institutional investors" as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This report is intended only for the person to whom Samsung Securities has provided this report and such person may not send, forward or transmit in any way this report or any copy of this report to any other person.

Analyst certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of such analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research report. The analyst(s) principally responsible for the preparation of this research report receives compensation based on determination by research management and senior management (not including investment banking), based on the overall revenues, including investment banking revenues of Samsung Securities Co., Ltd. and its related entities and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

Copyright © 2010 Samsung Securities Co., Ltd.. All rights reserved. This report or any portion hereof may not be reprinted, sold or redistributed without the prior written consent of Samsung Securities America Inc

Samsung Securities

SAMSUNG SECURITIES

Samsung Electronics Bldg., 11, 74-gil,
Seochodaero-ro, Seocho-gu, Seoul, Korea 06620
Tel: 02 2020 8000 / www.samsungpop.com

Family Center: 1588 2323

Voice Of Customer: 080 911 0900

**For more information,
please call our sales representatives:**

LONDON

Samsung Securities Europe Limited

1st Floor, 30 Gresham Street, London EC2V 7PG UK
Tel. 44-207-776-4311
Fax. 44-203-837-9219

NEW YORK

Samsung Securities America Limited

1330 Avenue of the Americas. 10th Floor. New York,
NY 10019
Tel: 1-212-972-2454
Fax: 1-212-972-2704

HONG KONG

Samsung Securities (Asia) Limited

Suite 4511, Two International Finance Center,
8 Finance Street, Central, Hong Kong
Tel: 852-3411-3608
Fax: 852-2114-0290

BEIJING

Samsung Securities Beijing Representative Office

Rm. 910, The Exchange Building No 118 JianGuo Lu, Chao
Yang District, Beijing, China
Tel: 86-10-6522-1855 (extension 7891)
Fax: 86-10-6522-1855 (extension 7889)

TOKYO

Samsung Securities Tokyo Representative Office

#106-8532 19F, Roppongi T-Cube 3-1-1,
Roppongi Minato-ku Tokyo, Japan
Tel: 81-3-6333-2952
Fax: 81-3-6333-2953



Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA