

# COMPANY UPDATE

2026. 7. 1

EV/Mobility Team

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## ▶ 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



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## 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 LiPF<sub>6</sub> 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 WF<sub>6</sub> (tungsten hexafluoride) supply disruptions and tungsten price hikes:** WF<sub>6</sub>, 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 WF<sub>6</sub>, 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

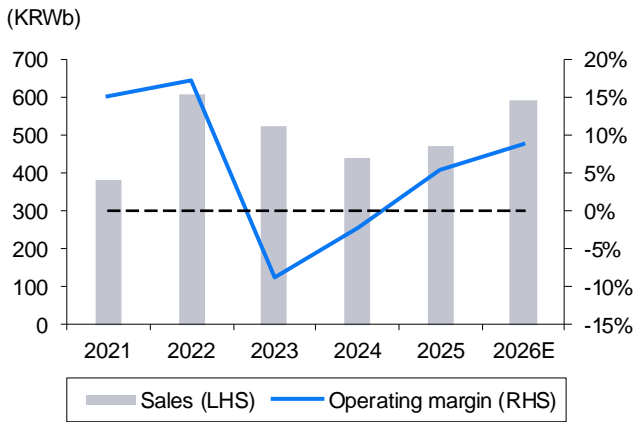
Source: Company data, Samsung Securities estimates

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 (LiPF<sub>6</sub>) prices and supply chain shift away from China serve as tailwinds:** Lithium salt (LiPF<sub>6</sub>) 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

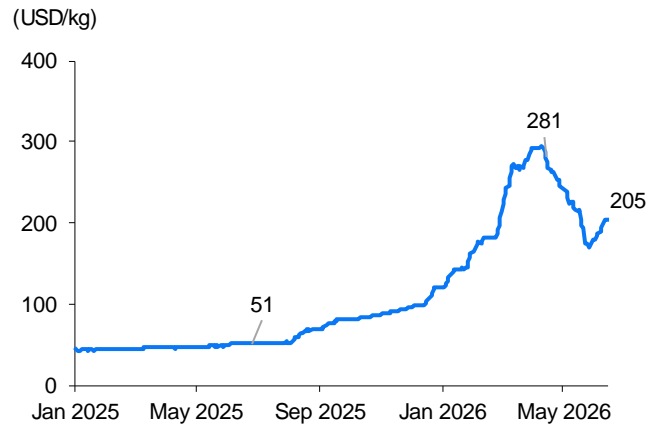
**Elevated valuation relative to strong profit improvement expectations:** The stock price has risen 158% ytd (as of Jun 16 close), reaching its highest level since 2022. Market consensus (FnGuide) has 2026 sales reaching KRW592.8b and operating profit growing 108% y-y to KRW52.7b. The current share 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)**



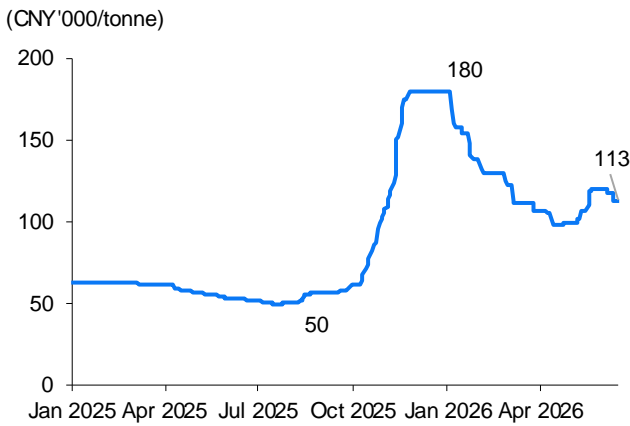
Note: FnGuide consensus  
Source: FnGuide

**Tungsten prices**



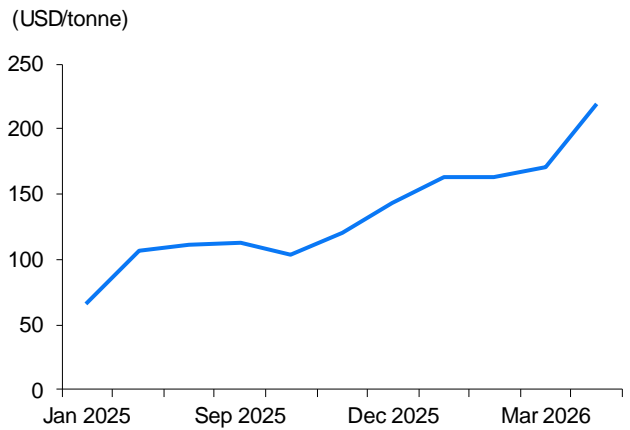
Note: 75% min FOB China  
Source: Komis

**LiPF<sub>6</sub> prices**



Source: Wind

**Sulfuric acid prices**



Note: Northeast Asia basis  
Source: Bloomberg

### Income statement

Year-end Dec 31 (KRWb)	2021	2022	2023	2024	2025
<b>Sales</b>	<b>381</b>	<b>611</b>	<b>523</b>	<b>438</b>	<b>472</b>
Cost of goods sold	276	445	508	383	384
<b>Gross profit</b>	<b>106</b>	<b>166</b>	<b>15</b>	<b>55</b>	<b>88</b>
Gross margin (%)	27.7	27.2	2.9	12.5	18.6
SG&A expenses	47	61	61	64	62
<b>Operating profit</b>	<b>58</b>	<b>105</b>	<b>(46)</b>	<b>(10)</b>	<b>25</b>
Operating margin (%)	15.2	17.3	(8.8)	(2.2)	5.4
<b>Non-operating gains (losses)</b>	<b>(19)</b>	<b>28</b>	<b>(43)</b>	<b>(105)</b>	<b>(6)</b>
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
<b>Pre-tax profit</b>	<b>39</b>	<b>133</b>	<b>(89)</b>	<b>(115)</b>	<b>19</b>
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
<b>Net profit</b>	<b>31</b>	<b>112</b>	<b>(84)</b>	<b>(83)</b>	<b>7</b>
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
<b>Cash flow from operations</b>	<b>83</b>	<b>94</b>	<b>(6)</b>	<b>76</b>	<b>40</b>
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
<b>Cash flow from investments</b>	<b>(66)</b>	<b>(110)</b>	<b>(108)</b>	<b>(110)</b>	<b>(6)</b>
Change in tangible assets	(59)	(117)	(105)	(80)	(39)
Change in financial assets	(23)	(17)	16	(33)	36
Other	15	23	(19)	3	(3)
<b>Cash flow from financing</b>	<b>(27)</b>	<b>56</b>	<b>61</b>	<b>61</b>	<b>(20)</b>
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
<b>Gross cash flow</b>	<b>110</b>	<b>163</b>	<b>27</b>	<b>42</b>	<b>64</b>
<b>Free cash flow</b>	<b>25</b>	<b>(23)</b>	<b>(111)</b>	<b>(5)</b>	<b>0</b>

Note: \*Excluding one-off items;

\*\*Fully diluted, excluding one-off items;

\*\*\*From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

### Balance sheet

Year-end Dec 31 (KRWb)	2021	2022	2023	2024	2025
<b>Current assets</b>	<b>182</b>	<b>345</b>	<b>256</b>	<b>293</b>	<b>257</b>
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
<b>Fixed assets</b>	<b>434</b>	<b>589</b>	<b>598</b>	<b>534</b>	<b>571</b>
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
<b>Total assets</b>	<b>616</b>	<b>934</b>	<b>853</b>	<b>826</b>	<b>827</b>
<b>Current liabilities</b>	<b>162</b>	<b>381</b>	<b>335</b>	<b>335</b>	<b>284</b>
Accounts payable	20	56	34	33	32
Short-term debt	22	66	74	98	95
Other current liabilities	120	259	228	204	157
<b>Long-term liabilities</b>	<b>171</b>	<b>137</b>	<b>187</b>	<b>158</b>	<b>155</b>
Bonds & long-term debt	158	122	169	146	139
Other long-term liabilities	13	16	18	12	16
<b>Total liabilities</b>	<b>333</b>	<b>518</b>	<b>522</b>	<b>494</b>	<b>438</b>
<b>Owners of parent equity</b>	<b>248</b>	<b>366</b>	<b>313</b>	<b>327</b>	<b>334</b>
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
<b>Non-controlling interests' equity</b>	<b>35</b>	<b>49</b>	<b>19</b>	<b>6</b>	<b>55</b>
<b>Total equity</b>	<b>283</b>	<b>415</b>	<b>331</b>	<b>333</b>	<b>389</b>
Net debt	194	250	359	288	244

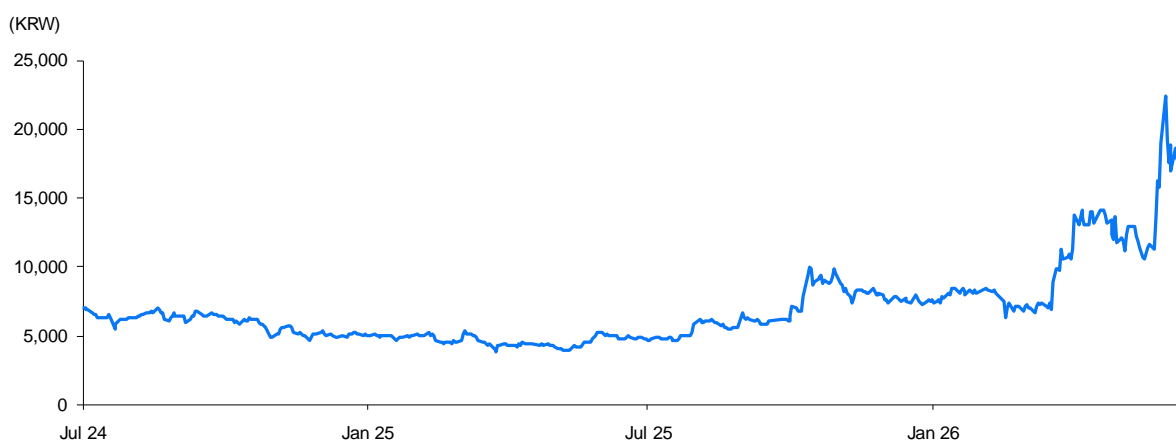
### Financial ratios

Year-end Dec 31	2021	2022	2023	2024	2025
<b>Growth (%)</b>					
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
<b>Per-share data (KRW)</b>					
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
<b>Valuations (x)</b>					
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
<b>Ratios (%)</b>					
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

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### Target price changes in past two years



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

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

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<b>BUY</b>	Expected to increase in value by 15% or more within 12 months and is highly attractive within sector
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<b>SELL</b>	Expected to decrease in value by 15% or more within 12 months

#### Industry

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\* Note: Effective Jul 27, 2023, BUY, HOLD, and SELL criteria are based on expectations of share-price moves of 15% or more within 12 months

### Percentage of ratings in 12 months prior to 2026.06.30

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

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