COMPANY UPDATE

2026. 8. 24

EV/Mobility Team

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▶ AT A GLANCE

Not rated

Target price	n/a
Current price	**KRW90,600**
Market Cap	KRW941.79b/USD679.26m
Shares (float)	10,395,000 (72.8%)
52-week high/low	KRW190,100/KRW25,300
Avg daily trading value (60-day)	KRW140.2b/ USD101.1m

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
Samwha Capacitor (%)	6.1	106.6	258.1
Vs Kospi (%pts)	3.6	73.6	62.7

▶ SAMSUNG vs THE STREET

No of estimates	n/a
Target price	n/a
Recommendation	n/a

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

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Samwha Capacitor (001820)

2Q review: Price hikes beginning to lift earnings

- Samwha Capacitor reported 2Q operating margin of 10.4% (up 3.4%pts y-y), as MLCC and DC-link sales expanded 20.5% and 14% y-y, respectively.
- According to its annual report, the prices of its ceramic capacitors and chip capacitors increased 3% and 2% y-y, each, last quarter. As a second-tier supplier, the company usually follows pricing trends set by Samsung Electro-Mechanics and Murata.
- With the price hikes underway, earnings could improve further in 2H.

WHAT'S THE STORY?

2Q review—Sales driven by MLCC and DC-link growth: Solid demand from AI infrastructure and EV adoption lifted the company's 2Q sales and earnings.

- Consolidated sales and operating profit came in at KRW82.8b (up13.7% q-q and 5.2% y-y) and KRW8.6b (up 83.9% q-q and 55.1% y-y), for an operating margin of 10.4% (up 4%pts q-q and 3.4%pts y-y).
- MLCC sales amount to KRW43.4b (up 20.5% y-y; accounting for 53% of total sales). In 2Q, 34% of its MLCC sales came from automotive electric/electronic (E/E) applications, 35% from industrial applications (*eg*, power, data centers, solar), 20% from consumer appliances, and 11% from others. While direct sales to data centers represent less than 5% of total revenue, the company supplies MLCCs to critical power infrastructure components supporting AI data centers—including uninterruptible power supplies (UPS), power distribution units (PDU), and power supply units (PSU). These systems require MLCCs for voltage stabilization and surge suppression.
- DC-link sales came in at KRW16.9b (up 14% y-y; 20.4% of total sales), driven by rising demand for EVs and hybrids.

(Continued on the next page)

SUMMARY FINANCIAL DATA

(KRWb)	2022	2023	2024	2025
Revenue	263	281	295	294
Operating profit	31	24	18	13
Net profit	29	21	22	13
EPS (adj) (KRW)	2,803	2,002	2,100	1,206
EPS (adj) growth (%)	2.5	(28.6)	4.9	(42.6)
EBITDA margin (%)	18.9	16.1	12.3	10.3
ROE (%)	13.7	8.9	8.6	4.6
P/E (adj) (x)	10.7	19.0	13.1	24.3
P/B (x)	1.4	1.6	1.1	1.1
EV/EBITDA (x)	5.1	7.5	5.5	7.2
Dividend yield (%)	1.7	1.3	1.8	1.7

Source: Company data, Samsung Securities estimates

Samsung Securities

- **Stock price correction:** After having surged to KRW200,000 in mid-June on optimism around MLCC demand, the stock tumbled around 70% amid the stock market correction. However, it should rebound on the back of improving earnings momentum.

MLCC prices rising: MLCCs accounted for 52% of Samwha Capacitor's sales in 1Q, with 50% of these sales coming from large clients and 50% from distributors.

- **Distributor-led price increases:** According to Chinese media reports, spot prices for high-capacity MLCCs (1206 package, 47 μF/10V) distributed through channels carrying Samsung Electro-Mechanics (Semco) and Murata products rose 2-5x in June. Lead times have grown from 10 weeks to 20 weeks.

  Samwha Capacitor confirmed some price hikes for distributors—around 2-3% increase in its annual report. Its MLCC portfolio is concentrated on mid- to low-capacity products (2012 and 3216 packages), which historically command lower premiums than those for high-capacity products. Consequently, we expect its price hikes to prove more modest than those for Semco or Murata products.

  Price increases for large clients are expected to follow in 2H, though this would be contingent on price hikes by leading players like Semco and Murata.

- **Domestic factory utilization exceeds 90%:** Samwha Capacitor's domestic utilization has been rising each quarter since reaching 85% in 2025. After accounting for quality checks and shift-related changes (by workers), the domestic plant is effectively fully up and running.
- **Capacity expansion at Yongin:** Since the Yongin plant was completed (2019), Samwha Capacitor has each year added production equipment to increase output. In 2025, the company invested KRW14.5b to expand its MLCC production capacity and improve efficiency, with the impact of this expected to be seen in its results from 2H26.

Second wave of EV adoption: EVs require two DC-link units per vehicle. EVs incorporate 4-5 times more MLCCs than ICE vehicles.

- **DC-link installed in EVs and hybrids:** DC-link capacitors stabilize voltage fluctuations during the inverter's DC-to-AC conversion process, absorbing current ripple and buffering sudden voltage spikes that could damage semiconductor components in the inverter. Hybrids require one DC-link per vehicle; EVs require two. Samwha Capacitor developed DC-link technology in 2013 and supplies DC-link capacitors to HMG and European automakers (the latter via global parts makers).

  HMC and Kia are expanding their hybrid lineups and building full EV lineups in response to growing demand for EVs in Korea and Europe. In Europe, supported by the reinstatement of EV subsidies, EV sales are growing by over 30% y-y.

- **MLCC deployment in EVs surges:** With all driving and system functions relying on electric power, EVs now incorporate 18,000-20,000 MLCCs. The company supplies these parts to HMC/Kia via Hyundai Mobis, as well as to global parts makers including Aptiv, BorgWarner, and Schaeffler.

Samwha Capacitor: Quarterly results

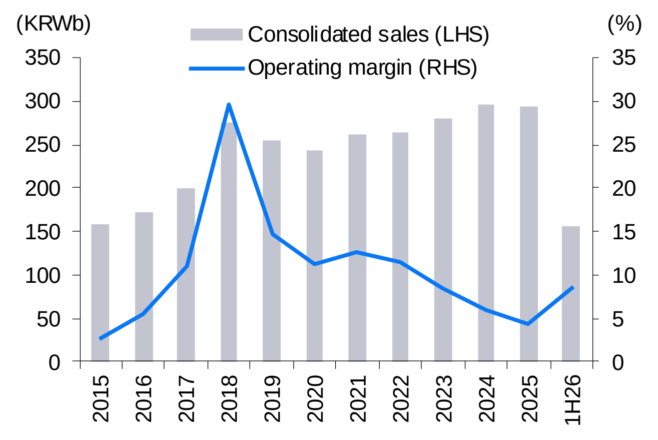
	2Q26	Portion (%)	1Q26	Portion (%)	2Q25	Portion (%)	(%, %pts q-q)	(%, %pts y-y)
Revenue	82,847	100.0	72,853	100.0	78,773	100.0	13.7	5.2
MLCC	43,484	52.5	38,771	53.2	36,079	45.8	12.2	20.5
FC	9,640	11.6	7,851	10.8	12,649	16.1	22.8	-23.8
DC-Link	16,893	20.4	14,335	19.7	14,817	18.8	17.8	14.0
DCC	7,004	8.5	5,705	7.8	6,620	8.4	22.8	5.8
Others	5,826	7.0	6,191	8.5	8,608	10.9	-5.9	-32.3
Operating profit	8,638		4,696		5,568		83.9	55.1
Pre-tax profit	10,338		7,863		3,070		31.5	236.8
Net profit	8,320		5,250		2,841		58.5	192.8
Controlling profit	8,288		5,182		2,837		59.9	192.2
Margins (%)								
Operating profit	10.4		6.4		7.1		4.0	3.4
Pre-tax profit	12.5		10.8		3.9		1.7	8.6
Net profit	10.0		7.2		3.6		2.8	6.4

Source: Company data

Samwha Capacitor: Product lineup

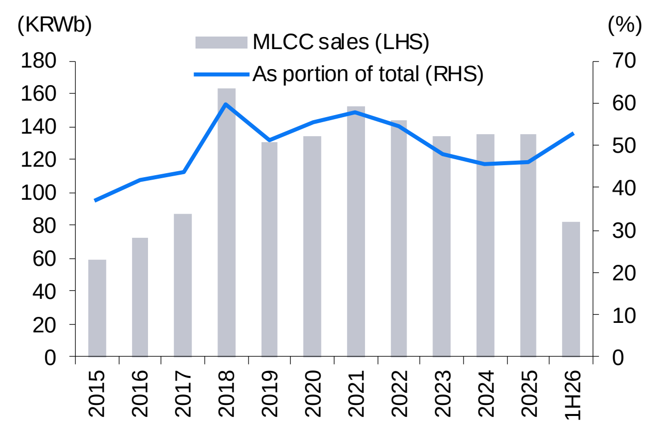
Source: Company data, Samsung Securities

Samwha Capacitor: Revenue and operating margin



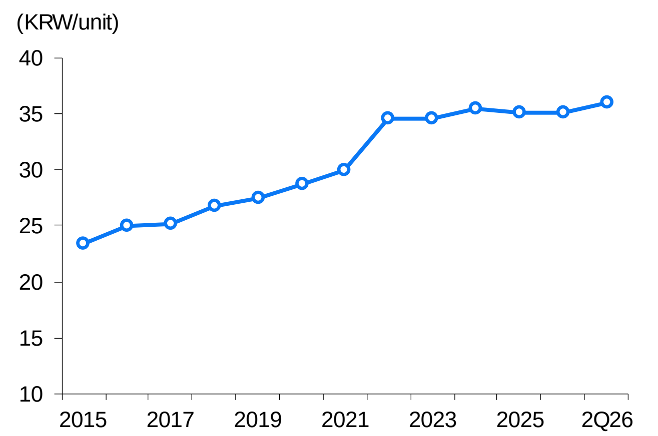
Source: Company data, Samsung Securities

Samwha Capacitor: MLCC sales



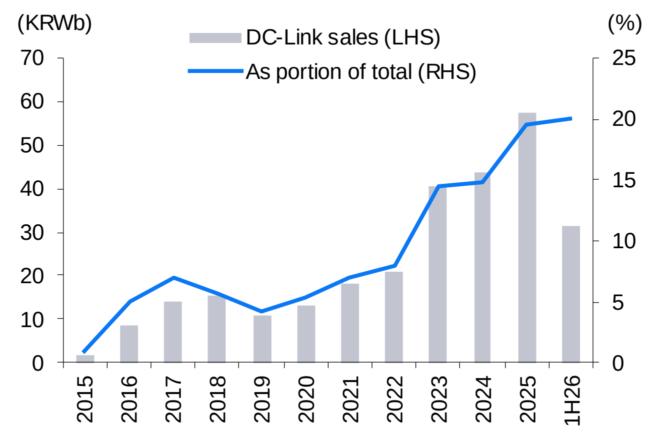
Source: Company data, Samsung Securities

Samwha Capacitor: Ceramic products' ASP



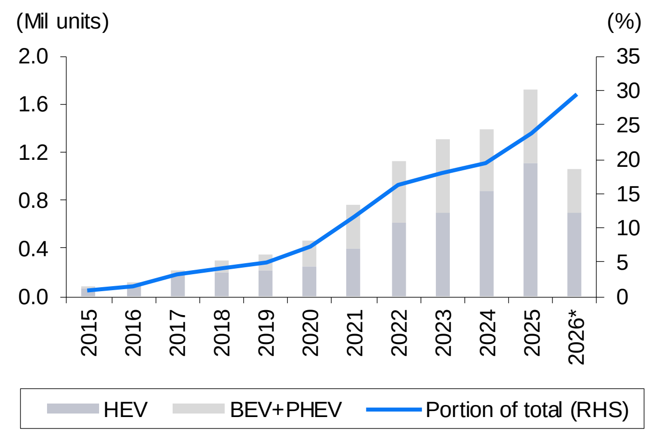
Source: Company data, Samsung Securities

Samwha Capacitor: DC-link sales



Source: Company data, Samsung Securities

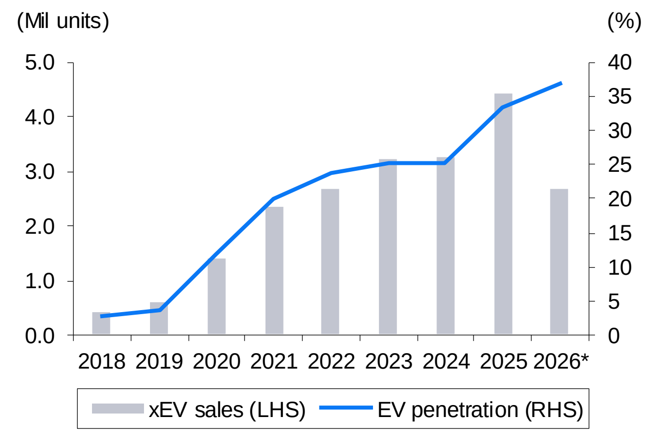
HMC/Kia: HEV and EV (BEV+PHEV) sales volumes



Note: *As of 1H26

Source: Company data, Samsung Securities

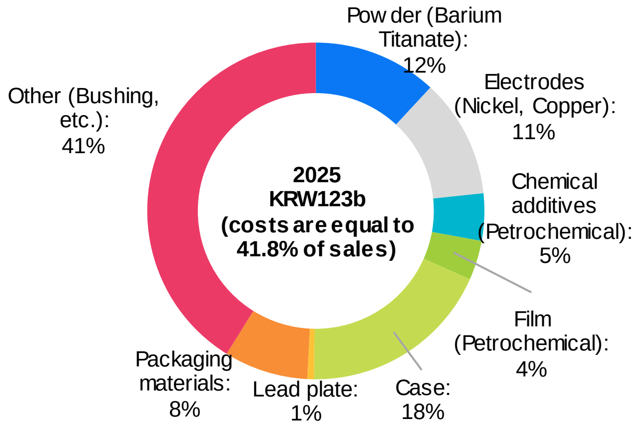
Europe: EV sales volume



Note: *As of 1H26

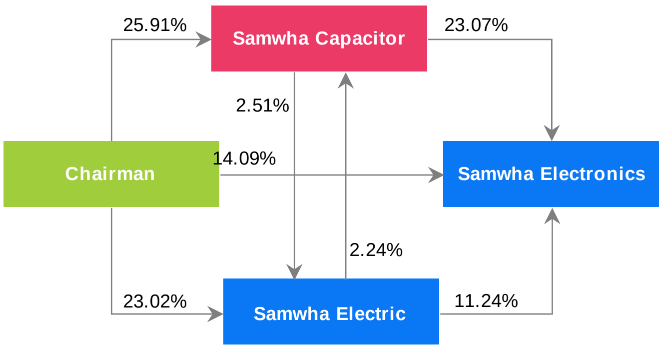
Source: ACEA, Samsung Securities

HMC/Kia: Breakdown of material costs



Source: Company data, Samsung Securities

Samwha Capacitor: Governance structure



Source: Company data, Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2021	2022	2023	2024	2025
Sales	**262**	**263**	**281**	**295**	**294**
Cost of goods sold	203	206	229	248	250
Gross profit	**59**	**58**	**52**	**47**	**44**
Gross margin (%)	22.4	21.9	18.6	16.0	15.0
SG&A expenses	26	27	28	29	31
Operating profit	**33**	**31**	**24**	**18**	**13**
Operating margin (%)	12.7	11.6	8.4	6.0	4.4
Non-operating gains (losses)	**3**	**3**	**2**	**9**	**2**
Financial profit	4	9	7	12	8
Financial costs	3	7	6	4	7
Equity-method gains (losses)	0	0	0	0	(0)
Other	2	0	1	1	1
Pre-tax profit	**36**	**33**	**26**	**27**	**15**
Taxes	8	4	5	5	2
Effective tax rate (%)	21.5	11.9	19.1	18.2	13.4
Profit from continuing operations	29	29	21	22	13
Profit from discontinued operations	0	0	0	0	0
Net profit	**29**	**29**	**21**	**22**	**13**
Net margin (%)	10.9	11.1	7.5	7.5	4.3
Net profit (controlling interests)	28	29	21	22	13
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	50	50	45	36	30
EBITDA margin (%)	19.2	18.9	16.1	12.3	10.3
EPS (parent-based) (KRW)	2,735	2,803	2,002	2,100	1,206
EPS (consolidated) (KRW)	2,753	2,822	2,013	2,120	1,213
Adjusted EPS (KRW)*	2,735	2,803	2,002	2,100	1,206

Balance sheet

Year-end Dec 31 (KRWb)	2021	2022	2023	2024	2025
Current assets	**148**	**162**	**177**	**206**	**214**
Cash & equivalents	44	57	37	32	42
Accounts receivable	51	54	61	70	67
Inventories	40	34	37	36	43
Other current assets	12	17	42	69	62
Fixed assets	**121**	**125**	**131**	**122**	**126**
Investment assets	19	15	22	21	25
Tangible assets	94	98	100	94	96
Intangible assets	1	1	1	1	1
Other long-term assets	8	12	8	7	4
Total assets	**269**	**287**	**308**	**328**	**340**
Current liabilities	**53**	**54**	**55**	**54**	**53**
Accounts payable	24	26	32	34	34
Short-term debt	11	6	4	0	0
Other current liabilities	17	21	19	20	19
Long-term liabilities	**14**	**8**	**8**	**7**	**7**
Bonds & long-term debt	0	0	0	0	0
Other long-term liabilities	14	8	8	7	7
Total liabilities	**66**	**62**	**63**	**61**	**61**
Owners of parent equity	**202**	**224**	**244**	**265**	**278**
Capital stock	10	10	10	10	10
Capital surplus	5	5	5	5	7
Retained earnings	177	205	219	236	243
Other	10	4	10	14	17
Non-controlling interests' equity	**1**	**1**	**2**	**2**	**2**
Total equity	**203**	**225**	**245**	**267**	**280**
Net debt	(37)	(58)	(62)	(87)	(90)

Cash flow statement

Year-end Dec 31 (KRWb)	2021	2022	2023	2024	2025
Cash flow from operations	**36**	**53**	**34**	**39**	**26**
Net profit	29	29	21	22	13
Non-cash profit and expenses	29	32	28	21	20
Depreciation	17	19	21	18	17
Amortization	0	0	0	0	0
Other	11	13	7	3	3
Changes in A/L from operating activities	(18)	(2)	(8)	(3)	(4)
Cash flow from investments	**(23)**	**(29)**	**(48)**	**(36)**	**(13)**
Change in tangible assets	(19)	(24)	(25)	(11)	(17)
Change in financial assets	(4)	(3)	(23)	(25)	9
Other	(0)	(2)	(0)	0	(5)
Cash flow from financing	**(4)**	**(11)**	**(8)**	**(10)**	**(3)**
Change in debt	(2)	(5)	(2)	(5)	(1)
Change in equity	0	0	0	0	3
Dividends	(3)	(5)	(5)	(5)	(5)
Other	1	(1)	0	0	1
Change in cash	8	13	(20)	(5)	11
Cash at beginning of year	36	44	57	37	32
Cash at end of year	44	57	37	32	42
Gross cash flow	**57**	**61**	**49**	**43**	**33**
Free cash flow	**16**	**29**	**9**	**28**	**9**

Note: *Excluding one-off items;
**Fully diluted, excluding one-off items;
***From companies subject to equity-method valuation
Source: Company data, Samsung Securities estimates

Financial ratios

Year-end Dec 31	2021	2022	2023	2024	2025
Growth (%)					
Sales	8.1	0.5	6.6	5.2	(0.3)
Operating profit	22.4	(8.0)	(22.4)	(24.7)	(27.9)
Net profit	22.0	2.5	(28.7)	5.3	(42.8)
Adjusted EPS**	21.9	2.5	(28.6)	4.9	(42.6)
Per-share data (KRW)					
EPS (parent-based)	2,735	2,803	2,002	2,100	1,206
EPS (consolidated)	2,753	2,822	2,013	2,120	1,213
Adjusted EPS**	2,735	2,803	2,002	2,100	1,206
BVPS	19,654	21,828	23,733	25,847	26,701
DPS (common)	500	500	500	500	500
Valuations (x)					
P/E***	22.0	10.7	19.0	13.1	24.3
P/B***	3.1	1.4	1.6	1.1	1.1
EV/EBITDA	11.7	5.1	7.5	5.5	7.2
Ratios (%)					
ROE	15.1	13.7	8.9	8.6	4.6
ROA	11.4	10.5	7.0	6.9	3.8
ROIC	17.4	17.2	11.9	8.9	6.7
Payout ratio	18.0	17.6	24.7	23.5	41.5
Dividend yield (common)	0.8	1.7	1.3	1.8	1.7
Net debt to equity	(18.1)	(25.9)	(25.3)	(32.6)	(32.1)
Interest coverage (x)	69.1	66.2	45.1	67.5	63.0

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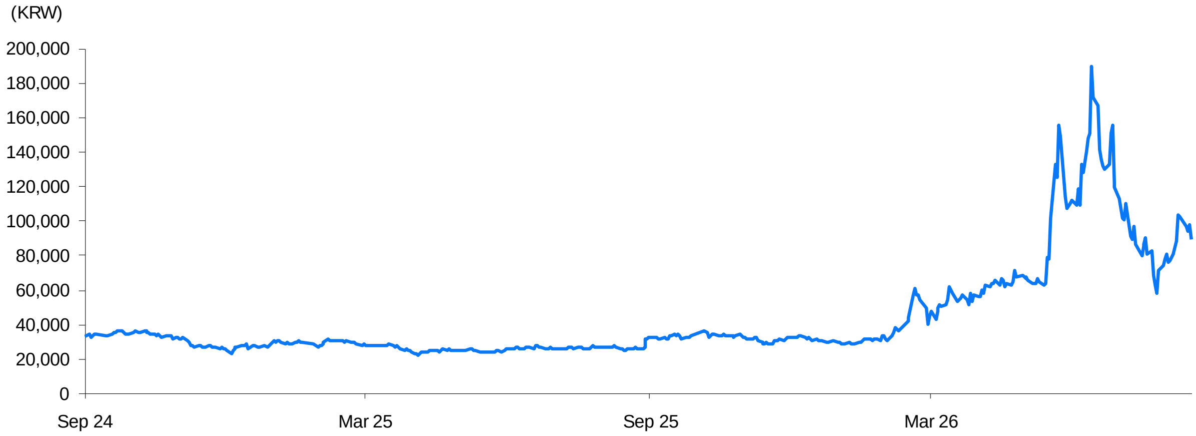

Rating changes over past two years (adjusted share prices)

Date	2026/8/24
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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BUY	Expected to increase in value by 15% or more within 12 months and is highly attractive within sector
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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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