COMPANY UPDATE

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EV/Mobility Team

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Chunbo (278280)

F-lithium salt shipments rise, but earnings impact limited

- Chunbo's 2Q results continued to show a loss, but exceeded market expectations.
- F-lithium salt shipments increased, but their contribution to profitability was limited.
- We cut our target price to KRW39,000 and maintain our HOLD rating.

AT A GLANCE

HOLD

Target price	KRW39,000	7.1%
Current price	**KRW36,400**	
Market cap	KRW446.01b/USD322.63m	
Shares (float)	12,253,025 (53.7%)	
52-week high/low	KRW79,400/KRW28,250	
Avg daily trading value (60-day)	KRW1.8b/ USD1.3m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Chunbo (%)	8.7	-31.2	-16.8
Vs Kosdaq (%pts)	-0.0	-1.4	-20.0

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	HOLD	HOLD	
Target price	39,000	47,000	-17.0%
2026E EPS	-1,298	-1,298	0.0%
2027E EPS	670	670	0.0%

SAMSUNG vs THE STREET

No of estimates	3
Target price	41,667
Recommendation	3.3

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

WHAT'S THE STORY?

2Q results beat market expectations: Chunbo reported 2Q consolidated sales of KRW51b and an operating loss of KRW3.8b. The operating loss was narrower than the consensus of KRW5.9b (FnGuide). Sales rose 25% q-q, driven by strong growth in battery materials (up 33% q-q), which offset modest growth in electronic materials (up 3% q-q). This sales momentum was supported by a seasonal increase in demand for electrolyte additives (up 20%) and a 10% price rise fueled by LiPF6 (excluding F-lithium salt, which is sold in liquid form).

F-lithium salt shipments rise, but pricing contribution falls short: F-lithium salt shipments rise, but pricing contribution falls short: F-lithium salt sales more than doubled q-q to KRW3.6b in 2Q (from KRW1.3b in 1Q). Stronger sales volumes to North American customers are a promising development. However, since the product is supplied in liquid form rather than powder, it likely commands a lower price than conventional electrolyte additives. Consequently, the profitability upside from the Saemangeum plant's operations is likely to be more gradual than initially anticipated. We expect the battery materials segment to turn profitable in 2H27.

(Continued on the next page)

SUMMARY 2Q RESULTS

(KRWb)	2Q26	Chg (% y-y)	Chg (% q-q)	Diff (%) Samsung	Diff (%) Consensus
Sales	51.0	54.1	25.1	-0.0	12.8
Operating profit	-3.8	nm	nm	nm	nm
Pre-tax profit	-0.0	-100.0	-100.0	-100.0	-100.0
Net profit	-2.9	nm	nm	nm	nm
Margins (%)					
Operating profit	-7.5				
Pre-tax profit	0.0				
Net profit	-5.7				

Source: Company data, Fnguide, Samsung Securities estimates

VALUATION SUMMARY

	2025	2026E	2027E
Valuation (x)			
P/E	n/a	n/a	54.3
P/B	1.3	1.1	1.1
EV/EBITDA	35.2	4.1	4.1
Div yield (%)	0.0	0.0	0.0
EPS growth (% y-y)	nm	nm	nm
ROE (%)	-14.6	-3.8	2.0
Per-share data (KRW)			
EPS	-5,710	-1,298	670
BVPS	36,443	33,338	34,013
DPS	0	0	0

Samsung Securities

Cutting target price to KRW39,000 and maintaining HOLD: We reduce our target price by 17%, reflecting a decline in its battery materials peers' P/E average from 53.2x to 41.2x (Bloomberg)—our EPS forecast has been raised from KRW620 to KRW670. The launch of the new F-lithium salt production line and expanded mass sales are encouraging, but we maintain our HOLD rating, as the battery materials segment is likely to take longer to achieve profitability, constrained by weaker-than-anticipated price advantage and ongoing depreciation cost pressures.

Quarterly results

(KRWb)	2Q26	2Q25	1Q26	Chg	
				(% y-y)	(% q-q)
Sales	51.0	33.1	40.8	54.1	25.1
Operating profit	-3.8	2.9	-3.4	Turned neg	Remained neg
Pre-tax profit	0.0	-7.0	-4.2	Remained neg	Remained neg
Net profit	-2.9	-5.8	-9.5	Remained neg	Remained neg
Margins (%)					
Operating profit	-7.5	8.7	-8.4		
Pre-tax profit	0.0	-21.2	-10.3		
Net profit	-5.6	-17.7	-23.4		

Source: Company data, Samsung Securities estimates

Revisions to full-year forecasts

(KRWb)	2026E			2027E		
	Old	New	Diff (%)	Old	New	Diff (%)
Sales	189.1	203.7	8%	229.0	233.3	2%
Operating profit	(20.3)	-12.5	nm	16.1	17.0	5%
Pre-tax profit	(34.2)	-26.5	nm	7.4	8.1	9%
Net profit	(23.9)	-18.6	nm	8.9	9.7	9%

Source: Samsung Securities estimates

Target-price calculation

(KRW)		Note
EPS	670	
Target P/E (x)	57.7	40% premium to 2026E average at which material peers are trading (given capacity expansion (20%pt premium) and tariffs on Chinese imports (20%pt premium))
Fair value per share	38,685	
Target price	**39,000**	
Current price	37,150	As of Aug 13 close
Upside (%)	5.0%	

Source: Bloomberg, Samsung Securities estimates

Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26E	4Q26E	1Q27E	2Q27E	3Q27E	4Q27E	2025	2026E	2027E
Sales	35.6	33.1	30.6	34.6	40.8	51.0	47.0	64.7	48.7	57.4	54.5	72.7	133.8	203.7	233.3
Battery materials	19.5	17.3	14.9	16.2	22.2	29.6	29.6	44.7	29.1	34.6	34.8	51.2	71.8	126.4	149.7
Electronics materials	12.3	12.4	12.5	14.2	14.4	14.8	14.2	15.6	15.3	16.1	16.4	17.1	51.4	59.0	65.0
Pharmaceutical and other	3.8	3.3	3.2	4.2	4.2	6.6	3.2	4.3	4.2	6.7	3.3	4.4	14.5	18.3	18.7
Operating profit	2.8	2.9	0.6	-2.2	-3.4	-3.8	-3.4	-1.8	1.8	3.5	5.3	6.4	4.0	-12.5	17.0
Battery materials	1.6	-0.2	-1.4	-3.2	-7.4	-7.2	-5.9	-4.5	-1.5	-0.3	1.1	2.3	-3.3	-24.9	1.5
Electronics materials	1.4	2.7	2.4	1.2	3.3	2.5	2.1	2.3	2.8	3.1	3.6	3.4	7.7	10.2	12.9
Pharmaceutical and other	-0.2	0.4	-0.4	-0.2	0.7	0.9	0.4	0.3	0.5	0.8	0.6	0.7	-0.4	2.2	2.5
Operating margin (%)	7.9	8.7	1.8	-6.4	-8.4	-7.5	-7.3	-2.8	3.7	6.1	9.7	8.8	2.8	-6.1	7.3
Battery materials	8.0	-0.9	-9.4	-20.1	-33.2	-24.2	-20.0	-10.0	-5.0	-1.0	3.0	4.5	-4.5	-19.7	1.0
Electronics materials	11.6	21.5	19.2	8.4	22.8	16.8	15.0	15.0	18.0	19.0	22.0	20.0	15.0	17.3	19.8
Pharmaceutical and other	-4.3	11.3	-14.1	-3.8	16.0	12.8	11.5	6.9	11.4	11.2	18.5	16.0	-2.7	11.9	13.7

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**145**	**134**	**204**	**233**	**272**
Cost of goods sold	159	120	196	196	223
Gross profit	**-14**	**13**	**8**	**37**	**49**
Gross margin (%)	-9.7	10.0	3.9	16.0	18.0
SG&A expenses	9	10	20	20	21
Operating profit	**-23**	**4**	**-12**	**17**	**28**
Operating margin (%)	-15.7	2.8	-6.1	7.3	10.2
Non-operating gains (losses)	**-5**	**-67**	**-14**	**-9**	**-14**
Financial profit	4	16	2	4	5
Financial costs	24	81	18	19	20
Equity-method gains (losses)	1	1	2	6	0
Other	15	-2	-0	-0	-0
Pre-tax profit	**-28**	**-63**	**-27**	**8**	**13**
Taxes	5	-3	-8	-2	1
Effective tax rate (%)	-16.7	4.5	30.0	-20.0	4.8
Profit from continuing operations	-32	-60	-19	10	13
Profit from discontinued operations	0	0	0	0	0
Net profit	**-32**	**-60**	**-19**	**10**	**13**
Net margin (%)	-22.3	-44.8	-9.1	4.1	4.7
Net profit (controlling interests)	-27	-58	-16	8	11
Net profit (non-controlling interests)	-5	-2	-3	1	2
EBITDA	-3	27	174	152	117
EBITDA margin (%)	-2.2	19.8	85.4	65.0	43.0
EPS (parent-based) (KRW)	-2,740	-5,710	-1,298	670	885
EPS (consolidated) (KRW)	-3,232	-5,931	-1,527	789	1,041
Adjusted EPS (KRW)*	-2,740	-5,710	-1,298	670	885

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**247**	**126**	**261**	**392**	**486**
Cash & equivalents	16	15	94	200	262
Accounts receivable	24	26	38	44	51
Inventories	32	31	48	55	65
Other current assets	175	53	80	92	107
Fixed assets	**760**	**724**	**585**	**488**	**439**
Investment assets	34	47	65	73	83
Tangible assets	705	652	496	392	333
Intangible assets	1	1	1	1	1
Other long-term assets	20	23	23	23	23
Total assets	**1,008**	**850**	**846**	**880**	**925**
Current liabilities	**490**	**320**	**336**	**360**	**392**
Accounts payable	3	5	6	7	9
Short-term debt	128	97	97	97	97
Other current liabilities	359	218	233	256	286
Long-term liabilities	**103**	**62**	**63**	**63**	**63**
Bonds & long-term debt	101	60	60	60	60
Other long-term liabilities	2	1	2	3	3
Total liabilities	**593**	**382**	**399**	**423**	**455**
Owners of parent equity	**366**	**424**	**406**	**414**	**425**
Capital stock	5	6	6	6	6
Capital surplus	121	236	236	236	236
Retained earnings	144	86	71	79	90
Other	96	95	94	94	94
Non-controlling interests' equity	**49**	**44**	**41**	**43**	**44**
Total equity	**415**	**467**	**447**	**457**	**470**
Net debt	402	318	233	141	97

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**22**	**8**	**135**	**130**	**84**
Net profit	-32	-60	-19	10	13
Non-cash profit and expenses	17	80	194	148	104
Depreciation	19	23	186	134	89
Amortization	0	0	0	0	0
Other	-2	57	8	13	15
Changes in A/L from operating activities	41	-8	-33	-14	-18
Cash flow from investments	**-176**	**151**	**-64**	**-44**	**-49**
Change in tangible assets	-129	-21	-30	-30	-30
Change in financial assets	-69	115	-34	-14	-19
Other	21	57	-0	0	0
Cash flow from financing	**106**	**-159**	**11**	**21**	**28**
Change in debt	11	-211	11	21	28
Change in equity	-3	116	0	0	0
Dividends	0	0	0	0	0
Other	98	-65	0	0	0
Change in cash	-45	-0	78	107	62
Cash at beginning of year	61	16	15	94	200
Cash at end of year	16	15	94	200	262
Gross cash flow	**-15**	**20**	**176**	**158**	**117**
Free cash flow	**-107**	**-13**	**105**	**100**	**54**

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	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	-20.7	-7.6	52.2	14.5	16.6
Operating profit	nm	nm	nm	nm	63.5
Net profit	nm	nm	nm	nm	32.0
Adjusted EPS**	nm	nm	nm	nm	32.0
Per-share data (KRW)					
EPS (parent-based)	-2,740	-5,710	-1,298	670	885
EPS (consolidated)	-3,232	-5,931	-1,527	789	1,041
Adjusted EPS**	-2,740	-5,710	-1,298	670	885
BVPS	36,848	36,443	33,338	34,013	34,902
DPS (common)	0	0	0	0	0
Valuations (x)					
P/E***	n/a	n/a	n/a	54.3	41.1
P/B***	1.0	1.3	1.1	1.1	1.0
EV/EBITDA	n/a	35.2	4.1	4.1	5.0
Ratios (%)					
ROE	-8.3	-14.6	-3.8	2.0	2.6
ROA	-3.3	-6.5	-2.2	1.1	1.4
ROIC	-3.6	0.5	-1.3	3.7	5.4
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	96.9	68.1	52.2	30.8	20.6
Interest coverage (x)	-1.2	0.2	-0.7	0.9	1.4

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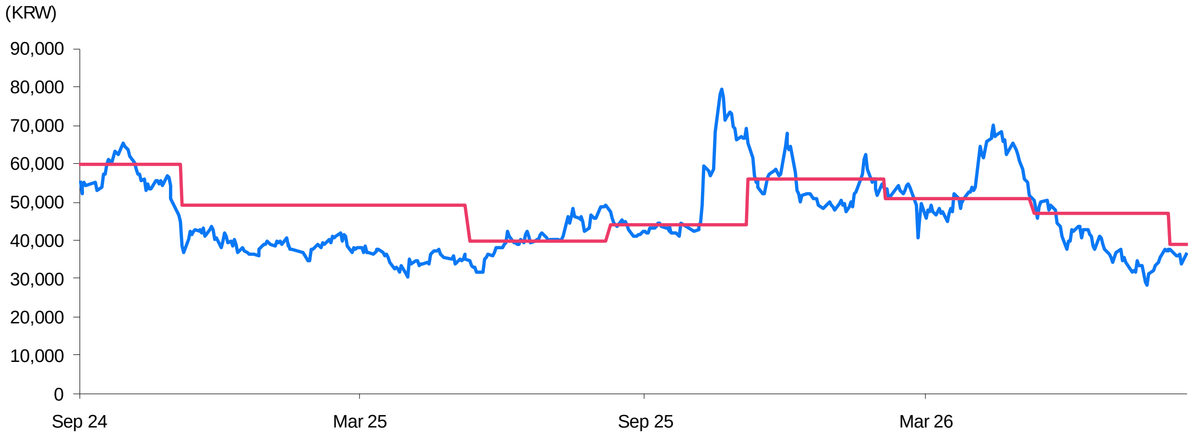

Rating changes over past two years (adjusted share prices)

Date	2024/8/13	11/14	2025/5/19	8/18	11/14	2026/2/11	5/18	8/14
Recommendation	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD
Target price (KRW)	60000	49000	40000	44000	56000	51000	47000	39000
Gap* (average)	-5.16	-22.95	2.41	17.71	-2.78	7.59	-17.16	
(max or min)**	8.83	-11.33	23.00	-7.05	-14.82	-20.59	-39.89	

Note: * [(average, maximum, or minimum share price over duration of target price minus target price) / target price] x 100%
** Maximum/minimum share price if new target is higher/lower than market close on the business day prior to target price change

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

Percentage of ratings in 12 months prior to 2026.06.30

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