COMPANY UPDATE

2026. 8. 25

EV/Mobility Team

JungHoon Chang
Senior Analyst
jhooni.chang@samsung.com

▶ AT A GLANCE

BUY

Target price	KRW54,000	50%
Current price	**KRW36,000**	
Market cap	KRW465.16b/USD336.49m	
Shares (float)	12,921,115 (63.6%)	
52-week high/low	KRW84,500/KRW24,750	
Avg daily trading value (60-day)	KRW2.6b/ USD1.9m	

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
SungEel HiTech (%)	20.8	-43.5	-9.2
Vs Kosdaq (%pts)	11.1	-19.0	-12.6

▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	54,000	74,000	-27.0%
2026E EPS	421	421	0.0%
2027E EPS	1,674	1,674	0.0%

▶ SAMSUNG vs THE STREET

No of estimates	2
Target price	52,500
Recommendation	4.0

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

Scan to go to
Research Center report database

SungEel HiTech (365340)

2Q earnings surprise; 2H business environment to improve

- SungEel HiTech enjoyed an earnings surprise in 2Q.
- We anticipate rising utilization rates and the recovery of metal prices in 2H.
- We reduce our target price to KRW54,000 but maintain BUY rating.

WHAT'S THE STORY?

2Q review: SungEel HiTech reported 2Q sales of KRW76.8b and an operating profit of KRW6.3b, the latter beating FnGuide consensus of KRW1.7b sharply. The earnings surprise was attributable to: 1) higher utilization rates, fueled by increased black mass input; and 2) a reversal of inventory valuation losses (estimated at KRW3.5b) thanks to rising prices of key metals such as lithium, nickel, and cobalt.

Utilization and metal prices to head north in 2H: The company's utilization at its third plant rose to the mid-90% range in 2Q (up from low 80% in 1Q), with potential to reach full capacity by end-3Q—enabling the restart of the second plant. This suggests 2H sales could approach 1.5x 1H levels and the company could remain in the black. Meanwhile, lithium prices, which had declined since May, showed signs of recovery in August as futures prices rebounded—suggesting further recovery of metal prices in 2H and additional upside to earnings. Against this backdrop, we revise up our full-year sales and operating profit forecasts to KRW340b and KRW16.1b.

(Continued on the next page)

SUMMARY 2Q RESULTS

(KRWb)	2Q26	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	76.8	20.0	26.1	0.0	n/a
Operating profit	6.3	nm	nm	-0.5	n/a
Pre-tax profit	10.9	nm	nm	-0.0	n/a
Net profit	9.3	nm	nm	0.0	n/a
Margins (%)					
Operating profit	8.2				
Pre-tax profit	14.2				
Net profit	12.1				

Source: Company data, Fnguide, Samsung Securities estimates

VALUATION SUMMARY

	2025	2026E	2027E
Valuation (x)			
P/E	n/a	85.6	21.5
P/B	3.9	3.5	3.0
EV/EBITDA	n/a	19.0	18.0
Div yield (%)	0.0	0.0	0.0
EPS growth (% y-y)	nm	nm	298.1
ROE (%)	-47.0	4.1	15.1
Per-share data (KRW)			
EPS	-6,364	421	1,674
BVPS	10,382	10,244	11,918
DPS	0	0	0

Samsung Securities

Cutting target price to KRW54,000 and maintaining BUY rating: We reduce our target price by 27% to KRW54,000, reflecting: 1) a decline in the peer group's average 2026 P/E multiple (from 58.4x to 50.7x); and 2) a change in assumptions about deferred tax asset recognition—the company recognized deferred tax assets during its three-year loss period; however, with the anticipated return to profitability in 2026, the reversal of these deferred tax assets—and the associated tax expense—should be lower than previously modeled, reducing net income expectations. Yet, we reiterate BUY rating on prospects of: 1) 2H utilization improvements; and 2) growing recycling order opportunities in North America and Europe.

2Q review

(KRWb)	2Q26	2Q25	1Q26	Chg	
				(% y-y)	(% q-q)
Sales	76.8	64.0	60.9	18.5	24.6
Operating profit	6.3	(17.4)	(0.0)	Turned pos	Turned pos
Pre-tax profit	10.9	(32.4)	(24.6)	Turned pos	Turned pos
Net profit	9.3	(34.3)	(22.8)	Turned pos	Turned pos
Margins (%)					
Operating profit	8.2	(27.2)	(0.0)		
Pre-tax profit	14.2	(50.6)	(40.4)		
Net profit	12.1	(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	336.9	340.0	0.9%	414.8	417.6	0.7%
Operating profit	10.4	16.1	54.7%	19.4	19.6	0.7%
Pre-tax profit	(4.0)	1.6	na	7.0	7.0	-1.1%
Net profit	9.4	3.2	-65.9%	24.6	22.3	-9.5%

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	76.8	88.9	115.3	93.0	104.4	106.9	113.3	194.6	340.0	417.6
Operating income	-15.5	-17.4	-12.3	-9.3	-0.0	6.3	4.0	5.8	2.8	4.7	6.4	5.7	-54.5	16.1	19.6
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	4.7	4.7

Source: Company data, Samsung Securities estimates

Target-price calculation

(KRW)		Note
EPS	1,047	2026E-2027E average
Target P/E (x)	50.7	2026E peer* average
Fair price per share	53,128	
Target price	**54,000**	
Current price	**35,300**	As of Aug 13 close
Upside (%)	53.0	

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

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**136**	**195**	**340**	**418**	**456**
Cost of goods sold	173	226	285	350	382
Gross profit	**-37**	**-31**	**55**	**67**	**74**
Gross margin (%)	-27.2	-16.0	16.3	16.1	16.2
SG&A expenses	34	23	39	48	52
Operating profit	**-71**	**-55**	**16**	**20**	**22**
Operating margin (%)	-52.4	-28.0	4.7	4.7	4.8
Non-operating gains (losses)	**-17**	**-20**	**-14**	**-13**	**-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**	**2**	**7**	**11**
Taxes	24	6	-4	-15	-9
Effective tax rate (%)	-27.3	-8.0	-240.0	-220.0	-80.0
Profit from continuing operations	-112	-81	6	22	20
Profit from discontinued operations	0	0	0	0	0
Net profit	**-112**	**-81**	**6**	**22**	**20**
Net margin (%)	-82.6	-41.4	1.6	5.4	4.3
Net profit (controlling interests)	-110	-78	5	22	19
Net profit (non-controlling interests)	-2	-3	0	1	1
EBITDA	-50	-17	51	53	53
EBITDA margin (%)	-36.7	-8.8	15.1	12.6	11.6
EPS (parent-based) (KRW)	-9,085	-6,364	421	1,674	1,465
EPS (consolidated) (KRW)	-9,281	-6,606	437	1,738	1,520
Adjusted EPS (KRW)*	-9,085	-6,364	421	1,674	1,465

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**127**	**134**	**200**	**278**	**342**
Cash & equivalents	23	25	16	54	98
Accounts receivable	13	21	37	45	49
Inventories	68	52	91	111	122
Other current assets	24	37	57	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**	**764**	**818**	**853**
Current liabilities	**253**	**331**	**363**	**392**	**406**
Accounts payable	13	13	23	28	30
Short-term debt	158	204	204	204	204
Other current liabilities	82	114	136	160	172
Long-term liabilities	**201**	**235**	**241**	**243**	**245**
Bonds & long-term debt	178	209	209	209	209
Other long-term liabilities	24	26	31	34	35
Total liabilities	**455**	**567**	**604**	**636**	**651**
Owners of parent equity	**203**	**127**	**132**	**154**	**173**
Capital stock	6	6	6	6	6
Capital surplus	257	259	259	259	259
Retained earnings	-55	-132	-127	-105	-86
Other	-5	-6	-6	-6	-6
Non-controlling interests' equity	**21**	**27**	**27**	**28**	**29**
Total equity	**225**	**154**	**160**	**182**	**202**
Net debt	368	474	481	454	415

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**-55**	**-23**	**6**	**37**	**41**
Net profit	-112	-81	6	22	20
Non-cash profit and expenses	70	61	56	42	46
Depreciation	21	37	35	33	31
Amortization	0	0	0	0	0
Other	49	23	21	9	15
Changes in A/L from operating activities	-9	12	-35	-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**	**9**	**16**	**8**
Change in debt	204	112	9	16	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	-9	38	45
Cash at beginning of year	30	23	25	16	54
Cash at end of year	23	25	16	54	98
Gross cash flow	**-42**	**-20**	**61**	**65**	**66**
Free cash flow	**-229**	**-59**	**1**	**32**	**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

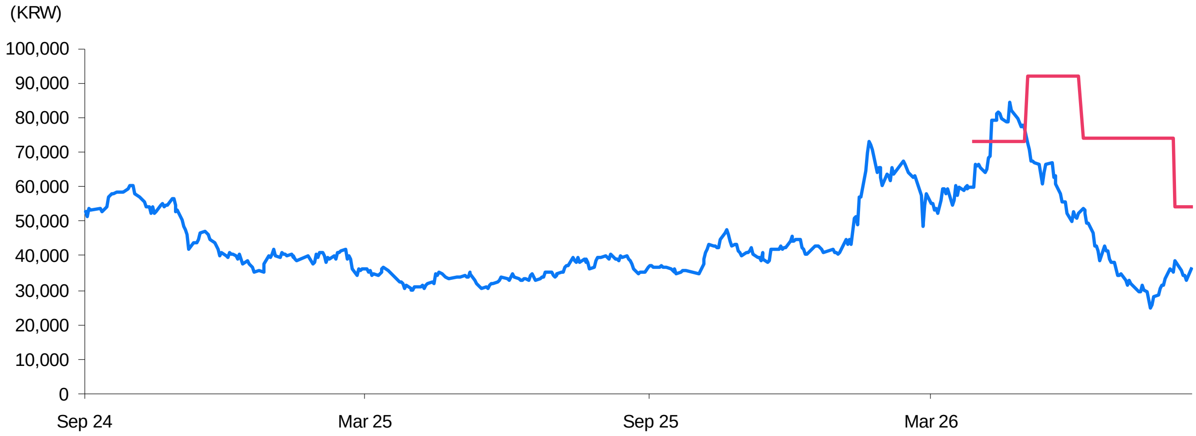
Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	-44.9	42.9	74.7	22.8	9.2
Operating profit	nm	nm	nm	21.6	12.5
Net profit	nm	nm	nm	305.3	-12.5
Adjusted EPS**	nm	nm	nm	298.1	-12.5
Per-share data (KRW)					
EPS (parent-based)	-9,085	-6,364	421	1,674	1,465
EPS (consolidated)	-9,281	-6,606	437	1,738	1,520
Adjusted EPS**	-9,085	-6,364	421	1,674	1,465
BVPS	16,747	10,382	10,244	11,918	13,383
DPS (common)	0	0	0	0	0
Valuations (x)					
P/E***	n/a	n/a	85.6	21.5	24.6
P/B***	2.1	3.9	3.5	3.0	2.7
EV/EBITDA	n/a	n/a	19.0	18.0	17.2
Ratios (%)					
ROE	-43.0	-47.0	4.1	15.1	11.6
ROA	-17.9	-11.5	0.7	2.8	2.4
ROIC	-18.6	-10.0	8.9	10.1	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	301.3	249.1	205.5
Interest coverage (x)	-8.1	-2.4	0.6	0.7	0.8

Compliance notice

- As of 8/24 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 8/24 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



Rating changes over past two years (adjusted share prices)

Date	2026/4/6	5/11	6/15	8/14
Recommendation	BUY	BUY	BUY	BUY
Target price (KRW)	73000	92000	74000	54000
Gap* (average)	2.70	-34.42	-51.39	
(max or min)**	15.75	-23.04	-27.84	

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.

Samsung Securities

SAMSUNG SECURITIES

Samsung Electronics Bldg., 11, 74-gil,
Seochodae-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
