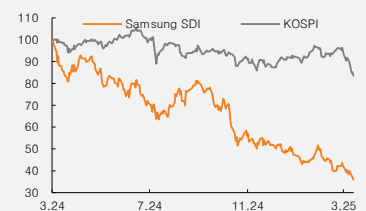


(Maintain)	Buy
Target price	W280,000
Current price (4/9/25)	W171,700
Upside	63.1%

OP (25F, Wbn)	306
Consensus OP (25F, Wbn)	172
EPS growth (25F, %)	15.9
Market EPS growth (25F, %)	25.7
P/E (25F, x)	17.4
Market P/E (25F, x)	8.3
KOSPI	2,293.70

Market cap (Wbn)	11,807
Shares (mn)	81
Free float (%)	73.7
Foreign ownership (%)	31.4
Beta (12M)	1.23
52-week low (W)	171,700
52-week high (W)	443,500

(%)	1M	6M	12M
Absolute	-21.4	-53.7	-58.2
Relative	-12.2	-47.7	-50.7



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Samsung SDI

Valuation has fallen to crisis-era levels

Maintain Buy and TP of W280,000; gradually accumulate shares

We maintain our target price of W280,000 on Samsung SDI. While 1Q25 earnings are likely to disappoint and policy uncertainties remain high, we note that the stock has now fallen to valuation levels that have only been seen during periods of extreme pessimism. With group-level support likely to continue over the medium to long term, we believe the current weakness presents a buying opportunity from a medium/long-term perspective. Accordingly, we recommend a strategy of gradual accumulation paired with participation in the upcoming rights offering.

Gradual recovery to begin in 2Q25; quarterly/annual estimates revised up

For 1Q25, we expect Samsung SDI to report revenue of W2.7tr (-28% QoQ) and an operating loss of W440bn (remaining in the red QoQ). Earnings were likely negatively affected by inventory drawdowns (particularly at European OEMs) and limited improvement in small-sized battery utilization. That said, we revised down our operating loss estimate by W60bn (from -W500bn previously), reflecting: 1) favorable FX; and 2) higher-than-expected advanced manufacturing production credit (AMPC) recognition (W94bn; vs. previous estimate of W67bn) due to the start of operations at the first StarPlus Energy (joint venture with Stellantis) factory.

In 2Q25, we now forecast the company to significantly narrow its operating loss to W30bn (vs. our previous estimate of -W340bn). We believe strong EV sales in Europe in 1Q25 helped drive a normalization in EV and battery inventory levels at key customers, which should lead to gradual restocking activity from 2Q25. Accordingly, we estimate that Samsung SDI's EV battery shipment volume will increase 25% QoQ in 2Q25. For the full year, we lifted our operating profit forecast from W26bn to W305.9bn.

Tariffs could have positive ripple effects

Investors should closely monitor policy developments in 2Q25, given persistent uncertainties surrounding tariffs, the US Inflation Reduction Act (IRA), and the EU's automotive industry action plan. That said, we believe that tariffs should not be viewed solely through a negative lens. Indeed, tariffs are prompting a renewed focus on supporting domestic auto industries, with several countries (including Germany, Portugal, and Korea) discussing the reinstatement or extension of EV subsidies. Moreover, we believe EV adoption rates are unlikely to be significantly affected, as tariffs will lead to higher prices across all vehicle types (not only EVs). And notably, the particularly steep tariffs being imposed on Chinese battery products should improve the relative competitiveness of Korean battery suppliers in global markets.

(Dec.)	2022	2023	2024	2025F	2026F
Revenue (Wbn)	20,124	21,437	16,592	14,448	19,370
OP (Wbn)	1,808	1,545	363	306	1,676
OP margin (%)	9.0	7.2	2.2	2.1	8.7
NP (Wbn)	1,952	2,009	599	821	1,933
EPS (W)	27,736	28,547	8,515	9,868	20,558
ROE (%)	12.5	11.5	3.1	3.9	8.3
P/E (x)	21.3	16.5	29.1	17.4	8.4
P/B (x)	2.5	1.8	0.9	0.7	0.7
Dividend yield (%)	0.2	0.2	0.4	0.6	0.6

Notes: Under consolidated K-IFRS; NP is attributable to owners of the parent
Source: Company data, Mirae Asset Securities Research estimates

Table 1. Samsung SDI: Quarterly and annual earnings

(Wbn, %)

	1Q25F	2Q25F	3Q25F	4Q25F	1Q26F	2Q26F	3Q26F	4Q26F	2025F	2026F
Revenue	2,697	3,049	3,742	4,959	4,229	4,350	4,950	5,841	14,448	19,370
Batteries	2,508	2,838	3,496	4,666	3,990	4,103	4,683	5,554	13,508	18,331
Small-sized (IT)	657	654	675	694	663	686	794	973	2,680	3,116
Mid/large-sized (EV/ESS)	1,850	2,184	2,820	3,973	3,328	3,417	3,889	4,581	10,828	15,215
EM	190	211	247	293	239	247	266	287	940	1,039
OP	-440	-30	334	442	248	340	493	596	306	1,676
Batteries	-540	-186	162	252	56	141	238	295	-311	730
Small-sized (IT)	-169	-84	33	37	29	35	48	61	-183	174
Mid/large-sized (EV/ESS)	-371	-101	130	215	27	106	190	234	-128	556
EM	6	23	36	49	25	28	34	43	114	131
Other	94	133	135	141	167	172	221	257	503	816
OP margin	-16.3	-1.0	8.9	8.9	5.9	7.8	10.0	10.2	2.1	8.7
Batteries	-21.5	-6.5	4.6	5.4	1.4	3.4	5.1	5.3	-2.3	4.0
Small-sized (IT)	-25.7	-12.9	4.8	5.4	4.4	5.1	6.0	6.3	-6.8	5.6
Mid/large-sized (EV/ESS)	-20.0	-4.6	4.6	5.4	0.8	3.1	4.9	5.1	-1.2	3.7
EM	3.4	10.8	14.7	16.8	10.6	11.2	12.8	15.1	12.2	12.6

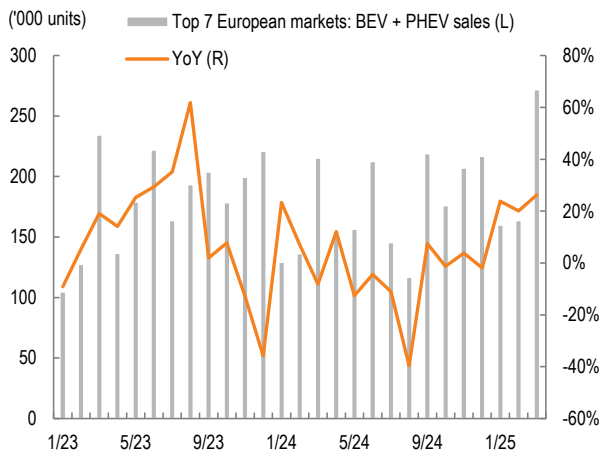
Source: Company data, Mirae Asset Securities Research

Figure 1. Samsung SDI: 12-month forward P/B



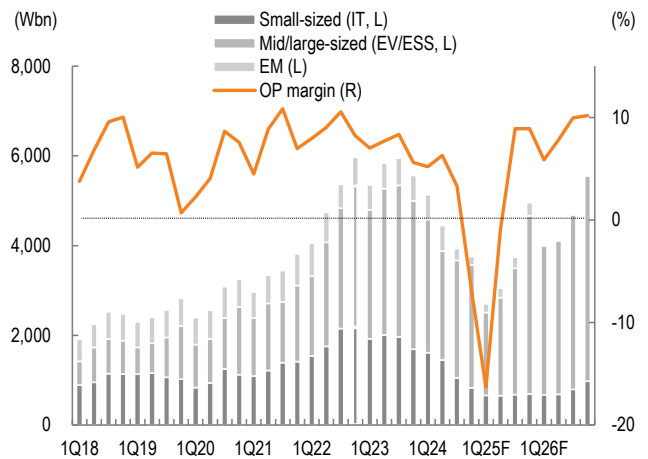
Source: QuantiWise, Mirae Asset Securities Research

Figure 2. Solid EV sales in Europe to support gradual inventory normalization



Source: EV Volumes, Mirae Asset Securities Research

Figure 3. Samsung SDI: Earnings to recover after bottoming in 1Q25



Source: Company data, Mirae Asset Securities Research

Samsung SDI (006400 KS)

Income statement (summarized)

(Wbn)	2023	2024	2025F	2026F
Revenue	21,437	16,592	14,448	19,370
Cost of revenue	17,655	13,499	11,504	14,416
GP	3,782	3,093	2,944	4,954
SG&A expenses	2,237	2,820	2,638	3,278
OP (adj.)	1,545	363	306	1,676
OP	1,545	363	306	1,676
Non-operating profit	837	164	647	718
Net financial income	-194	-281	-290	-266
Net income from associates	1,017	801	881	969
Pretax profit	2,382	527	953	2,394
Income tax	403	7	88	359
Profit from continuing operations	1,979	520	865	2,035
Profit from discontinued operations	87	55	0	0
NP	2,066	576	865	2,035
Attributable to owners	2,009	599	821	1,933
Attributable to minority interests	57	-24	43	102
Total comprehensive income	2,132	1,480	865	2,035
Attributable to owners	2,095	1,322	591	1,391
Attributable to minority interests	37	158	274	644
EBITDA	3,273	2,148	2,566	4,529
FCF	-1,945	-6,409	-1,980	-51
EBITDA margin (%)	15.3	12.9	17.8	23.4
OP margin (%)	7.2	2.2	2.1	8.7
Net margin (%)	9.4	3.6	5.7	10.0

Cash flow statement (summarized)

(Wbn)	2023	2024	2025F	2026F
Operating cash flow	2,104	-138	2,420	3,949
NP	2,066	576	865	2,035
Non-cash income/expenses	1,498	2,397	1,569	2,312
Depreciation	1,660	1,795	2,187	2,799
Amortization	68	80	73	54
Other	-230	522	-691	-541
Chg. in working capital	-938	-2,622	365	227
Chg. in AR & other receivables	-484	-272	-875	-641
Chg. in inventory	-134	252	-924	-677
Chg. in AP & other payables	-120	-1,278	291	213
Income tax	-398	-236	-88	-359
Cash flow from investing activities	-4,105	-4,920	-4,065	-3,710
Chg. in PP&E	-4,037	-6,263	-4,400	-4,000
Chg. in intangible assets	-12	-85	0	0
Chg. in financial assets	-77	428	9	-47
Other	21	1,000	326	337
Cash flow from financing activities	903	5,544	1,673	-82
Chg. in financial liabilities	578	5,941	11	8
Chg. in equity	0	0	1,728	0
Dividends	-72	-70	-67	-91
Other	397	-327	1	1
Chg. in cash	-1,090	361	-85	874
Beginning balance	2,614	1,524	1,885	1,800
Ending balance	1,524	1,885	1,800	2,674

Source: Company data, Mirae Asset Securities Research estimates

Balance sheet (summarized)

(Wbn)	2023	2024	2025F	2026F
Current assets	9,187	10,334	12,185	14,568
Cash & equivalents	1,524	1,885	1,800	2,674
AR & other receivables	3,048	2,883	3,808	4,486
Inventory	3,297	2,879	3,803	4,480
Other current assets	1,318	2,687	2,774	2,928
Non-current assets	24,852	30,263	33,453	34,734
Investments in associates	9,996	10,187	11,205	11,317
PP&E	11,893	17,707	19,920	21,121
Intangible assets	859	668	595	541
Total assets	34,039	40,597	45,637	49,303
Current liabilities	8,519	10,856	12,249	13,269
AP & other payables	3,480	2,192	2,896	3,411
Short-term financial liabilities	2,894	6,550	6,561	6,569
Other current liabilities	2,145	2,114	2,792	3,289
Non-current liabilities	5,613	8,174	9,132	9,833
Long-term financial liabilities	2,905	5,190	5,190	5,190
Other non-current liabilities	2,708	2,984	3,942	4,643
Total liabilities	14,132	19,030	21,380	23,102
Equity attributable to owners	18,511	19,766	22,413	24,255
Capital stock	357	357	416	416
Capital surplus	5,002	5,002	6,671	6,671
Retained earnings	12,336	12,780	13,534	15,377
Minority interests	1,396	1,801	1,844	1,946
Shareholders' equity	19,907	21,567	24,257	26,201

Key valuation metrics/ratios

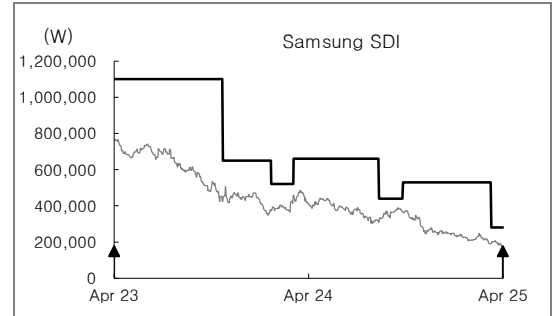
	2023	2024	2025F	2026F
P/E (x)	16.5	29.1	17.4	8.4
P/CF (x)	9.3	5.9	5.9	3.7
P/B (x)	1.8	0.9	0.7	0.7
EV/EBITDA (x)	11.6	13.4	9.2	5.0
EPS (W)	28,547	8,515	9,868	20,558
CFPS (W)	50,637	42,230	29,231	46,231
BPS (W)	267,915	285,746	242,042	261,637
DPS (W)	1,000	1,000	1,000	1,000
Dividend payout ratio (%)	3.2	11.4	10.3	4.4
Dividend yield (%)	0.2	0.4	0.6	0.6
Revenue growth (%)	6.5	-22.6	-12.9	34.1
EBITDA growth (%)	0.1	-34.4	19.4	76.5
OP growth (%)	-14.5	-76.5	-15.8	448.0
EPS growth (%)	2.9	-70.2	15.9	108.3
AR turnover (x)	8.1	5.9	4.6	4.9
Inventory turnover (x)	6.6	5.4	4.3	4.7
AP turnover (x)	8.2	8.9	10.9	11.1
ROA (%)	6.4	1.5	2.0	4.3
ROE (%)	11.5	3.1	3.9	8.3
ROIC (%)	9.6	1.9	3.8	7.2
Debt-to-equity ratio (%)	71.0	88.2	88.1	88.2
Current ratio (%)	107.8	95.2	99.5	109.8
Net debt-to-equity ratio (%)	18.4	44.9	40.5	34.1
Interest coverage ratio (x)	5.6	1.1	0.8	4.5

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Samsung SDI (006400)	03/19/25	Buy	280,000
	10/04/24	Buy	530,000
	08/20/24	Buy	440,000
	03/13/24	Buy	660,000
	01/31/24	Buy	520,000
	11/01/23	Buy	650,000
	04/28/23	One year	1,100,000
	04/28/22	Buy	1,100,000



Stock ratings

Buy	Expected 12-month performance: +20% or greater
Trading Buy	Expected 12-month performance: +10% to +20%
Hold	Expected 12-month performance: -10% to +10%
Sell	Expected 12-month performance: -10% or worse

Sector ratings

Overweight	Expected to outperform the market over 12 months
Neutral	Expected to perform in line with the market over 12 months
Underweight	Expected to underperform the market over 12 months

Rating and TP history: Share price (—), TP (—), Not Rated (■), Buy (▲), Trading Buy (■), Hold (●), Sell (◆)

* Our investment rating is a guide to the expected return of the stock over the next 12 months.

* Outside of the official ratings of Mirae Asset Securities Co., Ltd., analysts may call trading opportunities should technical or short-term material developments arise.

* The TP was determined by the research analyst through valuation methods discussed in this report, in part based on estimates of future earnings.

* TP achievement may be impeded by risks related to the subject securities and companies, as well as general market and economic conditions.

Ratings distribution and investment banking services

	Buy	Trading Buy	Hold	Sell
Ratings distribution	83.98%	6.63%	8.84%	0.55%
Investment banking services	88.24%	0%	11.76%	0%

* Based on recommendations in the last 12-months (as of March 31, 2025)

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