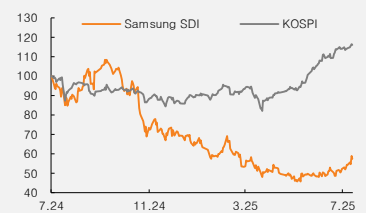


(Maintain)	Buy
Target price	▲ W280,000
Current price (7/31/25)	W201,000
Upside	39.3%

OP (25F, Wbn)	-1,239
Consensus OP (25F, Wbn)	-686
EPS growth (25F, %)	TTR
Market EPS growth (25F, %)	24.6
P/E (25F, x)	-
Market P/E (25F, x)	11.9
KOSPI	3,245.44

Market cap (Wbn)	16,198
Shares (mn)	81
Free float (%)	71.9
Foreign ownership (%)	26.9
Beta (12M)	1.04
52-week low (W)	160,200
52-week high (W)	379,375

(%)	1M	6M	12M
Absolute	16.3	-7.5	-35.7
Relative	10.1	-28.3	-45.1



Mirae Asset Securities Co., Ltd.

Chuljoong Kim
chuljoong.kim@miraeasset.com

Minhui Kang
minhui.kang@miraeasset.com

Samsung SDI

ESS to account for around half of OP in 2026; time to revisit valuation

Raise TP to W280,000

We maintain our Buy rating on Samsung SDI and raise our target price to W280,000 (from W260,000), switching from a P/B valuation to an EV/EBITDA valuation. We expect earnings to begin to recover in 4Q25 with the start of operations at a new ESS line in North America. In 2027, we expect the ESS business (reflecting the AMPC) to deliver an OP margin of 28% and account for 51% of consolidated operating profit. We derived the value of the ESS business by applying a target EV/EBITDA of 15x to our 2027F EBITDA. While our multiple is conservative relative to the levels applied to domestic peers, we note that there is room for an upward adjustment if Samsung SDI secures a major customer with strong visibility on demand (as its peers have done). While we continue to expect weak 3Q25 earnings, we believe it is time to reassess the value of the firm's North American ESS business from a medium- to long-term perspective.

Sluggish earnings to continue through 3Q25

For 3Q25, we look for revenue of W3.2tr (flat QoQ) and an operating loss of W346.5bn (remaining in the red QoQ). Earnings should remain under pressure due to sluggish EV demand and a declining market share among European EV makers. However, a gradual recovery is likely to begin in 4Q25, driven by: 1) the start-up of the 8GWh NCA ESS line in North America (which should boost AMPC recognition); and 2) a gradual rebound in EV demand in Europe (aided by the resumption of subsidies). For 4Q25, we look for revenue of W3.5tr (+9% QoQ) and an operating loss of W61bn (narrower loss QoQ).

ESS business likely to account for 49% of 2026 OP; revaluation warranted

Samsung SDI is tapping into the North American ESS market by converting existing lines from its EV joint venture with Stellantis. It plans to repurpose one line for NCA ESS production (8GWh) in 4Q25 and another for LFP ESS production (12GWh) in 3Q26, likely bringing total North American ESS production capacity to 20GWh by end-2026.

Assuming North American ESS shipments of 15GWh in 2027, we estimate related revenue at W3tr, AMPC recognition at W900bn, and OP margin (including AMPC) at 35%. Even based on conservative estimates regarding exposure to other markets and market share within customers' supply chains, we believe ESS OP margin could still reach 28% in 2027.

Valuation remains attractive, with the stock trading at a P/B of 0.7x, P/E of 15x, and EV/EBITDA of 9x based on our 2026 estimates. Based on our forecasts for 2027 (when earnings are likely to normalize), the stock is trading at a P/E of just 8x.

(Dec.)	2023	2024	2025F	2026F	2027F
Revenue (Wbn)	21,437	16,592	13,057	14,308	17,868
OP (Wbn)	1,545	363	-1,239	1,039	2,189
OP margin (%)	7.2	2.2	-9.5	7.3	12.3
NP (Wbn)	2,009	599	-408	1,113	2,101
EPS (W)	27,788	8,288	-5,220	13,546	25,555
ROE (%)	11.5	3.1	-2.0	5.1	9.0
P/E (x)	16.6	29.2	-	14.8	7.9
P/B (x)	1.8	0.9	0.8	0.7	0.7
Dividend yield (%)	0.2	0.4	0.5	0.5	0.5

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

Table 1. TP calculation

	EBITDA	Applied EV/EBITDA	Value	Notes
Small-sized batteries (Wbn)	671	10.0	6,715	2026F
EV/ESS batteries (incl. AMPC, Wbn)				
EV batteries	1,108	10.0	11,083	2026F
ESS batteries	869	15.0	13,029	2027F
EM (Wbn)	293	10.0	2,931	2026F
Total operating value (Wbn)			33,758	
Net borrowings (Wbn)			11,004	2026F
Fair value (Wbn)			22,754	
No. of shares ('000)			80,586	Rights offering reflected
Fair value/share (W)			282,361	TP: W280,000

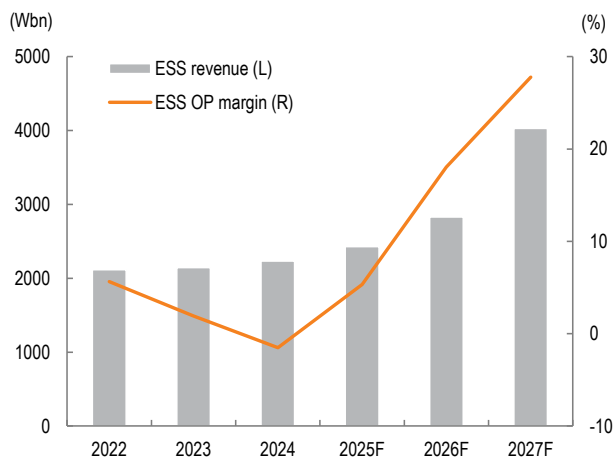
Source: Mirae Asset Securities Research

Table 2. Quarterly and annual earnings

	1Q25	2Q25	3Q25F	4Q25F	1Q26F	2Q26F	3Q26F	4Q26F	2025F	2026F
Revenue	3,177	3,179	3,208	3,494	2,857	3,144	3,725	4,583	13,057	14,308
Batteries	2,981	2,961	2,979	3,212	2,636	2,916	3,474	4,302	12,133	13,327
Small-sized (IT)	750	966	1,014	1,102	917	966	1,067	1,173	3,833	4,123
Mid/large-sized (EV/ESS)	2,231	1,995	1,965	2,110	1,719	1,949	2,407	3,128	8,300	9,204
EM	196	218	228	281	221	228	251	281	924	982
OP	-434	-398	-347	-61	143	219	291	386	-1,239	1,039
Batteries	-562	-497	-390	-203	-9	55	119	179	-1,652	344
Small-sized (IT)	-233	-85	-52	0	4	12	28	56	-369	99
Mid/large-sized (EV/ESS)	-329	-412	-338	-203	-12	44	91	123	-1,283	245
EM	18	33	34	47	23	33	37	43	132	137
Other	109	66	10	95	129	131	135	164	281	558
OP margin	-13.7	-12.5	-10.8	-1.7	5.0	7.0	7.8	8.4	-9.5	7.3
Batteries	-18.8	-16.8	-13.1	-6.3	-0.3	1.9	3.4	4.2	-13.6	2.6
Small-sized (IT)	-31.1	-8.8	-5.1	0.0	0.4	1.2	2.6	4.8	-9.6	2.4
Mid/large-sized (EV/ESS)	-14.7	-20.7	-17.2	-9.6	-0.7	2.2	3.8	3.9	-15.5	2.7
EM	9.3	15.1	14.7	16.6	10.6	14.4	14.9	15.2	14.2	13.9

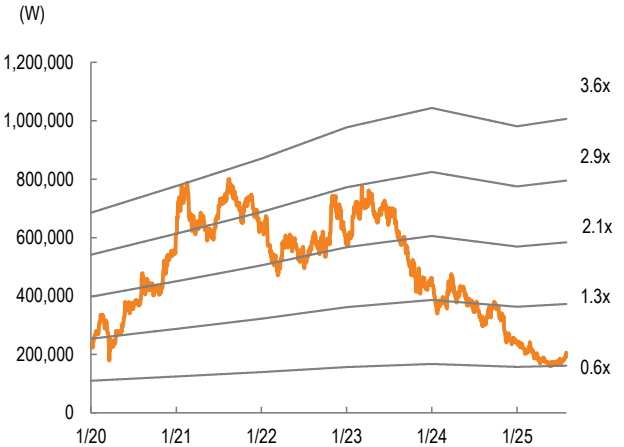
Source: Company data, Mirae Asset Securities Research

Figure 1. Earnings recovery to begin in 4Q25



Source: Company data, Mirae Asset Securities Research

Figure 2. 12-month forward P/B band chart



Source: QuantiWise, Mirae Asset Securities Research

Samsung SDI (006400 KS)

Income statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Revenue	16,592	13,057	14,308	17,868
Cost of revenue	13,499	11,332	9,942	12,077
GP	3,093	1,725	4,366	5,791
SG&A expenses	2,820	3,074	3,327	3,601
OP (adj.)	363	-1,239	1,039	2,189
OP	363	-1,239	1,039	2,189
Non-operating profit	164	391	340	413
Net financial income	-281	-295	-318	-347
Net income from associates	801	590	620	713
Pretax profit	527	-848	1,379	2,602
Income tax	7	-423	207	390
Profit from continuing operations	520	-426	1,172	2,211
Profit from discontinued operations	55	6	0	0
NP	576	-420	1,172	2,211
Attributable to owners	599	-408	1,113	2,101
Attributable to minority interests	-24	-12	59	111
Total comprehensive income	1,480	-283	1,172	2,211
Attributable to owners	1,322	-330	1,370	2,584
Attributable to minority interests	158	48	-198	-373
EBITDA	2,148	709	3,181	4,649
FCF	-6,409	-3,202	-362	495
EBITDA margin (%)	12.9	5.4	22.2	26.0
OP margin (%)	2.2	-9.5	7.3	12.3
Net margin (%)	3.6	-3.1	7.8	11.8

Balance sheet (summarized)

(Wbn)	2024	2025F	2026F	2027F
Current assets	10,334	9,526	11,111	11,534
Cash & equivalents	1,885	459	672	952
AR & other receivables	2,883	3,263	3,901	3,962
Inventory	2,879	3,040	3,619	3,646
Other current assets	2,687	2,764	2,919	2,974
Non-current assets	30,263	33,565	35,570	40,147
Investments in associates	10,187	11,205	11,317	13,327
PP&E	17,707	19,947	21,867	24,453
Intangible assets	668	629	567	522
Total assets	40,597	43,091	46,681	51,680
Current liabilities	10,856	10,534	12,116	13,297
AP & other payables	2,192	2,197	2,882	3,393
Short-term financial liabilities	6,550	5,495	5,505	5,513
Other current liabilities	2,114	2,842	3,729	4,391
Non-current liabilities	8,174	9,254	10,167	11,850
Long-term financial liabilities	5,190	6,322	6,322	7,322
Other non-current liabilities	2,984	2,932	3,845	4,528
Total liabilities	19,030	19,788	22,283	25,148
Equity attributable to owners	19,766	21,390	22,427	24,451
Capital stock	357	416	416	416
Capital surplus	5,002	6,671	6,671	6,671
Retained earnings	12,780	12,304	13,341	15,365
Minority interests	1,801	1,913	1,971	2,082
Shareholders' equity	21,567	23,303	24,398	26,533

Cash flow statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Operating cash flow	-138	872	3,638	5,495
NP	576	-420	1,172	2,211
Non-cash income/expenses	2,397	1,359	1,854	2,280
Depreciation	1,795	1,975	2,080	2,414
Amortization	80	83	61	45
Other	522	-699	-287	-179
Chg. in working capital	-2,622	-65	1,137	1,741
Chg. in AR & other receivables	-272	-407	-593	-28
Chg. in inventory	252	-184	-578	-27
Chg. in AP & other payables	-1,278	218	356	266
Income tax	-236	265	-207	-390
Cash flow from investing activities	-4,920	-3,894	-3,763	-4,753
Chg. in PP&E	-6,263	-4,069	-4,000	-5,000
Chg. in intangible assets	-85	-25	0	0
Chg. in financial assets	428	31	-59	-53
Other	1,000	169	296	300
Cash flow from financing activities	5,544	1,748	-66	931
Chg. in financial liabilities	5,941	78	10	1,008
Chg. in equity	0	1,728	0	0
Dividends	-70	0	-77	-77
Other	-327	-58	1	0
Chg. in cash	361	-1,680	213	280
Beginning balance	1,524	2,138	459	672
Ending balance	1,885	459	672	952

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

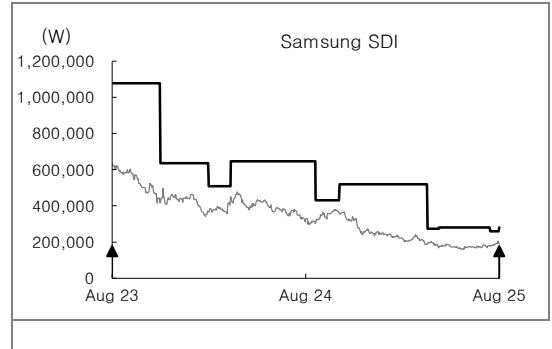
	2024	2025F	2026F	2027F
P/E (x)	29.2	-	14.8	7.9
P/CF (x)	5.9	16.7	5.5	3.7
P/B (x)	0.9	0.8	0.7	0.7
EV/EBITDA (x)	13.4	41.7	9.2	6.5
EPS (W)	8,288	-5,220	13,546	25,555
CFPS (W)	41,106	12,018	36,808	54,635
BPS (W)	278,144	264,410	277,023	301,645
DPS (W)	973	973	973	973
Dividend payout ratio (%)	11.4	-17.9	6.4	3.4
Dividend yield (%)	0.4	0.5	0.5	0.5
Revenue growth (%)	-22.6	-21.3	9.6	24.9
EBITDA growth (%)	-34.4	-67.0	348.4	46.2
OP growth (%)	-76.5	TTR	TTB	110.7
EPS growth (%)	-70.2	TTR	TTB	88.7
AR turnover (x)	5.9	4.5	4.2	4.8
Inventory turnover (x)	5.4	4.4	4.3	4.9
AP turnover (x)	8.9	11.1	7.5	7.4
ROA (%)	1.5	-1.0	2.6	4.5
ROE (%)	3.1	-2.0	5.1	9.0
ROIC (%)	1.9	-2.4	6.0	8.6
Debt-to-equity ratio (%)	88.2	84.9	91.3	94.8
Current ratio (%)	95.2	90.4	91.7	86.7
Net debt-to-equity ratio (%)	44.9	48.2	45.1	44.1
Interest coverage ratio (x)	1.1	-3.6	3.0	6.0

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Samsung SDI (006400)	08/01/25	Buy	280,000
	07/15/25	Buy	260,000
	04/10/25	Buy	280,000
	03/19/25	Buy	274,129
	10/04/24	Buy	518,888
	08/20/24	Buy	430,775
	03/13/24	Buy	646,162
	01/31/24	Buy	509,097
	11/01/23	Buy	636,371
	04/28/23	One year	



Stock ratings

Buy	Expected 12-month return: +20% or greater
Hold	Expected 12-month return: Greater than -10% and less than +10%
Sell	Expected 12-month return: -10% or less

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

As of May 12, 2025, the Trading Buy rating category has been removed from our investment rating system.

Stocks expected to deliver a 12-month return between +10% and less than +20% may be rated either Buy or Hold at the discretion of the research analyst.

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	84.91%	5.59%	8.94%	0.56%
Investment banking services	88.89%	0%	11.11%	0%

* Based on recommendations in the last 12-months (as of June 30, 2025)

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Mirae Asset Securities International Network

Mirae Asset Securities Co., Ltd. (Seoul)

One-Asia Equity Sales Team
Mirae Asset Center 1 Building
26 Eulji-ro 5-gil, Jung-gu, Seoul 04539
Korea

Tel: 82-2-3774-2124

Mirae Asset Securities (USA) Inc.

810 Seventh Avenue, 37th Floor
New York, NY 10019
USA

Tel: 1-212-407-1000

Mirae Asset Securities (Singapore) Pte. Ltd.

6 Battery Road, #11-01
Singapore 049909
Republic of Singapore

Tel: 65-6671-9845

Mirae Asset Investment Advisory (Beijing) Co., Ltd

2401B, 24th Floor, East Tower, Twin Towers
B12 Jianguomenwai Avenue, Chaoyang District
Beijing 100022
China

Tel: 86-10-6567-9699

Ho Chi Minh Representative Office

7F, Saigon Royal Building
91 Pasteur St.
District 1, Ben Nghe Ward, Ho Chi Minh City
Vietnam

Tel: 84-8-3910-7715

Mirae Asset Securities (HK) Ltd.

Units 8501, 8507-8508, 85/F
International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong SAR
Tel: 852-2845-6332

Mirae Asset Wealth Management (Brazil) CCTVM

Rua Funchal, 418, 18th Floor, E-Tower Building
Vila Olimpia
Sao Paulo - SP
04551-060
Brazil
Tel: 55-11-2789-2100

Mirae Asset Securities (Vietnam) LLC

7F, Saigon Royal Building
91 Pasteur St.
District 1, Ben Nghe Ward, Ho Chi Minh City
Vietnam

Tel: 84-8-3911-0633 (ext.110)

Beijing Representative Office

2401A, 24th Floor, East Tower, Twin Towers
B12 Jianguomenwai Avenue, Chaoyang District
Beijing 100022
China

Tel: 86-10-6567-9699 (ext. 3300)

Mirae Asset Capital Markets (India) Pvt Ltd

1st Floor, Tower 4, Equinox Business Park,
LBS Marg, Off BKC, Kurla (West), Mumbai - 400 070
India

Tel: 91-22-62661300 / 48821300

Mirae Asset Securities (UK) Ltd.

41st Floor, Tower 42
25 Old Broad Street,
London EC2N 1HQ
United Kingdom

Tel: 44-20-7982-8000

PT. Mirae Asset Sekuritas Indonesia

District 8, Treasury Tower Building Lt. 50
Sudirman Central Business District
Jl. Jend. Sudirman, Kav. 52-54
Jakarta Selatan 12190
Indonesia
Tel: 62-21-5088-7000

Mirae Asset Securities Mongolia UTsk LLC

#406, Blue Sky Tower, Peace Avenue 17
1 Khoroo, Sukhbaatar District
Ulaanbaatar 14240
Mongolia

Tel: 976-7011-0806

Shanghai Representative Office

38T31, 38F, Shanghai World Financial Center
100 Century Avenue, Pudong New Area
Shanghai 200120
China

Tel: 86-21-5013-6392
