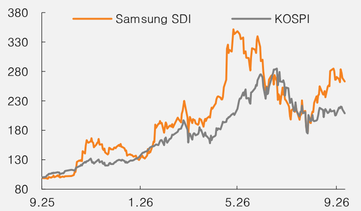
MIRAE ASSET Securities

Equity Research
September 15, 2026

(Maintain)	**Buy**
Target price	**W1,000,000**
Current price (9/14/26)	W532,000
Upside	88.0%

OP (26F, Wbn)	694
Consensus OP (26F, Wbn)	386
EPS growth (26F, %)	TTB
Market EPS growth (26F, %)	283.0
P/E(26F,x)	44.5
MKT P/E(26F,x)	6.4
KOSPI	6,684.37
Market cap (Wbn)	42,872
Shares (mn)	81
Free float (%)	72.0
Foreign ownership (%)	25.7
Beta (12M)	0.85
52-week low (W)	201,500
52-week high (W)	712,000

(%)	1M	6M	12M
Absolute	3.1	37.1	160.8
Relative	7.6	12.6	32.5



Mirae Asset Securities Co., Ltd.

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006400 KS · Batteries/ESS

Samsung SDI

Third consecutive earnings beat expected

Maintain TP of W1,000,000 and retain as our top pick

We maintain our target price of W1,000,000 for Samsung SDI and retain the stock as our sector top pick. We expect 3Q26 operating profit to beat the consensus and anticipate a steady stream of new orders for prismatic LFP batteries from North American ESS customers and European OEMs. In addition, the proceeds from the partial sale of its stake in Samsung Display should enable the company to continue its aggressive market share expansion strategy, both in securing orders and expanding capacity. We also expect European OEMs to begin reducing their reliance on Chinese suppliers for prismatic LFP batteries following the announcement of detailed provisions under the EU's Industrial Accelerator Act (IAA), expected in late September.

3Q26 preview: Third consecutive earnings beat expected

For 3Q26, we look for revenue of W3.95tr (+5% QoQ) and operating profit of W302.3bn (+48% QoQ). Operating profit is likely to exceed both our previous estimate (W192bn) and the consensus (W107bn), marking the third consecutive quarterly earnings beat.

We expect Samsung SDI to recognize another one-off gain related to a major North American customer in 3Q26. Even excluding this gain, however, we believe core earnings will continue to recover QoQ. First, improving market conditions for battery backup units (BBUs) and power tool batteries should accelerate the recovery in cylindrical battery shipments and profitability, allowing the small battery business to post an operating profit. Second, in the ESS business, domestic shipments that were slightly delayed in 2Q26 should begin ramping up in earnest. As a result, we expect ESS products to account for 31% of company-wide revenue, up 6%p QoQ and 12%p YoY.

We expect earnings to continue improving in 4Q26. The start of operations at the firm's North American ESS lines should usher in a period of more meaningful earnings improvement, while we see potential for additional one-off compensation payments in the EV battery business. We forecast full-year operating profit at W690bn, well above the current consensus of W380bn.

Gaining ground on Chinese suppliers in North America (ESS) and Europe (OEMs)

We believe that the North American ESS battery order reported in August is likely to be followed by a steady stream of additional orders in this market. Unlike its peers, the company also appears well-positioned to win orders for prismatic LFP batteries from European OEMs. Related expectations are likely to build in earnest following the release of detailed provisions under the EU's IAA, expected in late September.

(Dec.)	2024	2025	2026F	2027F	2028F
Revenue (Wbn)	16,592	13,267	15,757	18,580	22,764
OP (Wbn)	363	-1,722	694	1,779	2,817
OP margin (%)	2.2	-13.0	4.4	9.6	12.4
NP (Wbn)	599	-649	982	1,926	2,872
EPS (W)	8,288	-8,325	11,947	23,427	34,936
ROE (%)	3.1	-3.2	4.2	7.2	9.9
P/E (x)	29.2	-	44.5	22.7	15.2
P/B (x)	0.9	1.0	1.7	1.6	1.4
Dividend yield (%)	0.4	0.0	0.0	0.0	0.0

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

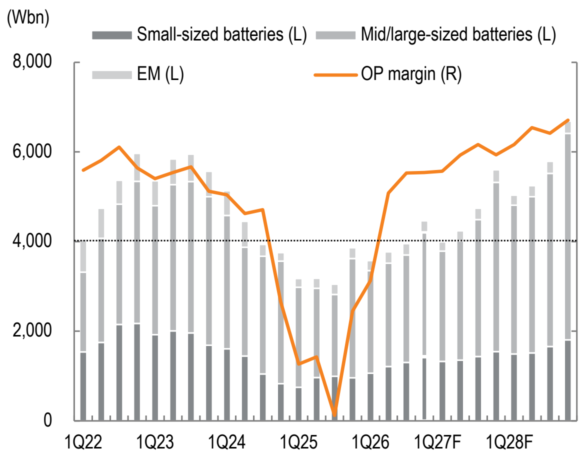
Table 1. Quarterly/annual earnings and forecasts (consolidated)

(Wbn, %)

	1Q26	2Q26	3Q26F	4Q26F	1Q27F	2Q27F	3Q27F	4Q27F	2026F	2027F	2028F
Revenue	**3,576**	**3,769**	**3,951**	**4,461**	**3,996**	**4,242**	**4,741**	**5,601**	**15,757**	**18,580**	**22,764**
Batteries	3,354	3,519	3,699	4,215	3,790	4,014	4,489	5,320	14,786	17,613	21,748
Small-sized (IT)	1,067	1,216	1,303	1,433	1,326	1,358	1,438	1,542	5,018	5,665	6,484
Mid/large-sized (EV/ESS)	2,287	2,303	2,396	2,782	2,464	2,656	3,051	3,777	9,768	11,948	15,264
EM	222	250	252	246	206	228	252	281	970	967	1,016
OP	**-156**	**204**	**302**	**344**	**314**	**410**	**514**	**542**	**694**	**1,779**	**2,817**
Batteries	-257	-132	116	57	14	70	149	169	-216	401	969
Small-sized (IT)	-101	-58	26	50	82	88	101	104	-82	376	465
Mid/large-sized (EV/ESS)	-156	-75	90	7	-69	-18	48	65	-133	26	504
EM	21	44	44	42	30	34	40	43	151	147	137
Other (AMPC)	80	108	142	245	269	306	325	331	575	1,231	1,711
OP margin	-4.4	5.4	7.6	7.7	7.8	9.7	10.8	9.7	4.4	9.6	12.4
Batteries	-7.7	-3.8	3.1	1.4	0.4	1.7	3.3	3.2	-1.5	2.3	4.5
Small-sized (IT)	-9.5	-4.8	2.0	3.5	6.2	6.5	7.1	6.7	-1.6	6.6	7.2
Mid/large-sized (EV/ESS)	-6.8	-3.2	3.8	0.3	-2.8	-0.7	1.6	1.7	-1.4	0.2	3.3
EM	9.5	17.8	17.5	16.9	14.8	14.8	15.8	15.2	15.6	15.2	13.5

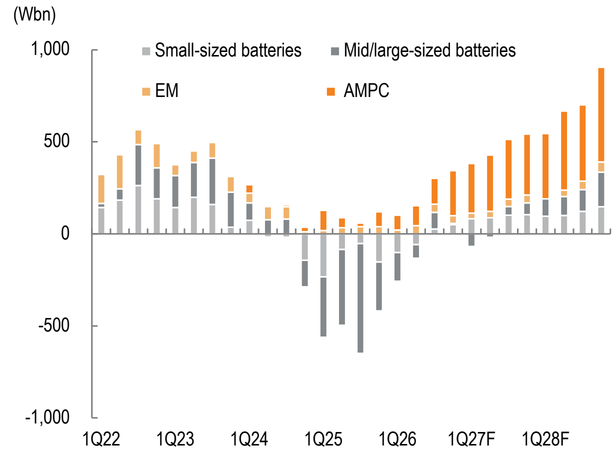
Source: Company data, Mirae Asset Securities Research

Figure 1. Quarterly revenue and OP margin



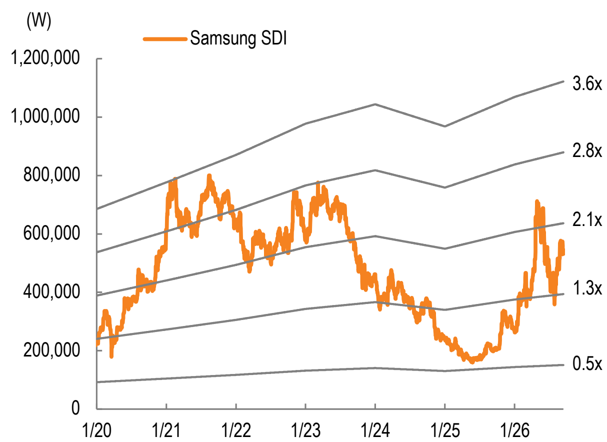
Source: QuantiWise, Mirae Asset Securities Research

Figure 2. OP by segment



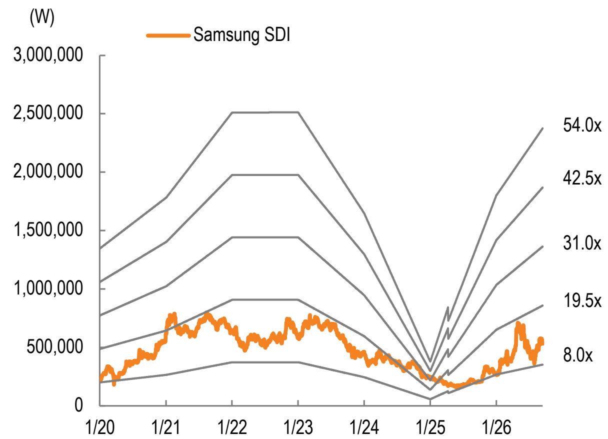
Source: Bloomberg, Mirae Asset Securities Research

Figure 3. 12-month forward P/B band chart



Source: QuantiWise, Mirae Asset Securities Research

Figure 4. 12-month forward EV/EBITDA band chart



Source: QuantiWise, Mirae Asset Securities Research

Samsung SDI (006400 KS)

Income statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Revenue	**13,267**	**15,757**	**18,580**	**22,764**
Cost of revenue	**11,805**	**12,118**	**13,706**	**16,596**
GP	**1,462**	**3,639**	**4,874**	**6,168**
SG&A expenses	**3,459**	**3,133**	**3,096**	**3,351**
OP (adj.)	**-1,722**	**694**	**1,779**	**2,817**
OP	**-1,722**	**694**	**1,779**	**2,817**
Non-operating profit	**358**	**499**	**473**	**739**
Net financial income	-270	-300	-208	-135
Net income from associates	838	942	847	931
Pretax profit	-1,364	1,193	2,252	3,556
Income tax	-489	-38	225	533
Profit from continuing operations	-875	1,231	2,027	3,023
Profit from discontinued operations	290	0	0	0
NP	**-585**	**1,231**	**2,027**	**3,023**
Attributable to owners	-649	982	1,926	2,872
Attributable to minority interests	65	249	101	151
Total comprehensive income	**174**	**3,947**	**2,027**	**3,023**
Attributable to owners	97	3,491	1,832	2,732
Attributable to minority interests	77	455	195	291
EBITDA	105	2,923	4,505	5,901
FCF	-2,274	-566	625	1,513
EBITDA margin (%)	0.8	18.6	24.2	25.9
OP margin (%)	-13.0	4.4	9.6	12.4
Net margin (%)	-4.9	6.2	10.4	12.6

Balance sheet (summarized)

(Wbn)	2025	2026F	2027F	2028F
Current assets	**8,740**	**15,420**	**17,313**	**19,940**
Cash & equivalents	1,804	6,467	6,496	7,019
AR & other receivables	2,251	2,865	3,597	4,297
Inventory	2,936	4,350	5,462	6,525
Other current assets	1,749	1,738	1,758	2,099
Non-current assets	**33,515**	**34,784**	**36,130**	**37,117**
Investments in associates	11,427	9,884	9,923	9,963
PP&E	19,241	21,395	22,735	23,698
Intangible assets	584	513	446	399
Total assets	**42,255**	**50,204**	**53,443**	**57,057**
Current liabilities	**9,795**	**12,562**	**14,068**	**13,508**
AP & other payables	1,970	2,491	3,127	3,736
Short-term financial liabilities	5,444	6,729	6,745	4,760
Other current liabilities	2,381	3,342	4,196	5,012
Non-current liabilities	**8,890**	**9,277**	**8,983**	**10,134**
Long-term financial liabilities	5,628	4,561	3,061	3,061
Other non-current liabilities	3,262	4,716	5,922	7,073
Total liabilities	**18,685**	**21,839**	**23,051**	**23,642**
Equity attributable to owners	**21,443**	**25,792**	**27,718**	**30,590**
Capital stock	416	416	416	416
Capital surplus	6,589	6,589	6,589	6,589
Retained earnings	12,089	13,063	14,989	17,861
Minority interests	**2,127**	**2,573**	**2,674**	**2,825**
Shareholders' equity	**23,570**	**28,365**	**30,392**	**33,415**

Cash flow statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Operating cash flow	**792**	**2,860**	**4,625**	**5,513**
NP	-585	1,231	2,027	3,023
Non-cash income/expenses	1,910	1,767	2,069	2,535
Depreciation	2,012	2,325	2,660	3,037
Amortization	91	92	67	47
Other	-193	-650	-658	-549
Chg. in working capital	-142	134	836	496
Chg. in AR & other receivables	646	-895	-701	-670
Chg. in inventory	-47	-1,160	-1,112	-1,062
Chg. in AP & other payables	187	417	407	388
Income tax	-112	-119	-225	-533
Cash flow from investing activities	**-1,999**	**-3,363**	**-3,874**	**-3,896**
Chg. in PP&E	-3,048	-3,420	-4,000	-4,000
Chg. in intangible assets	-56	-18	0	0
Chg. in financial assets	-39	64	-37	-55
Other	1,144	11	163	159
Cash flow from financing activities	**865**	**-355**	**-1,484**	**-1,985**
Chg. in financial liabilities	-668	219	-1,484	-1,985
Chg. in equity	1,646	0	0	0
Dividends	-70	0	0	0
Other	-43	-574	0	0
Chg. in cash	**-334**	**4,663**	**29**	**523**
Beginning balance	2,138	1,804	6,467	6,496
Ending balance	1,804	6,467	6,496	7,019

Key valuation metrics/ratios

	2025	2026F	2027F	2028F
P/E (x)	-	44.5	22.7	15.2
P/CF (x)	15.9	14.6	10.7	7.9
P/B (x)	1.0	1.7	1.6	1.4
EV/EBITDA (x)	314.4	17.3	10.9	7.9
EPS (W)	-8,325	11,947	23,427	34,936
CFPS (W)	16,985	36,465	49,824	67,614
BPS (W)	265,050	317,961	341,388	376,324
DPS (W)	0	0	0	0
Dividend payout ratio (%)	0.0	0.0	0.0	0.0
Dividend yield (%)	0.0	0.0	0.0	0.0
Revenue growth (%)	-20.0	18.8	17.9	22.5
EBITDA growth (%)	-95.1	2,671.6	54.1	31.0
OP growth (%)	TTR	TTB	156.1	58.4
EPS growth (%)	TTR	TTB	96.1	49.1
AR turnover (x)	5.4	6.4	6.0	6.0
Inventory turnover (x)	4.6	4.3	3.8	3.8
AP turnover (x)	11.9	9.1	7.6	7.6
ROA (%)	-1.4	2.7	3.9	5.5
ROE (%)	-3.2	4.2	7.2	9.9
ROIC (%)	-4.8	7.2	8.9	11.0
Debt-to-equity ratio (%)	79.3	77.0	75.8	70.8
Current ratio (%)	89.2	122.8	123.1	147.6
Net debt-to-equity ratio (%)	38.4	16.6	10.5	2.0
Interest coverage ratio (x)	-5.5	1.6	3.9	7.3

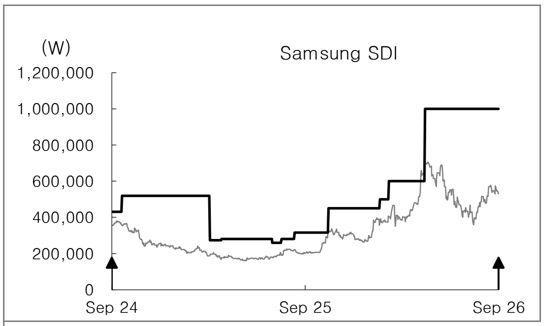
Source: Company data, Mirae Asset Securities Research estimates

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Samsung SDI (006400)	04/29/26	Buy	1,000,000
	02/20/26	Buy	600,000
	02/03/26	Buy	500,000
	10/29/25	Buy	450,000
	08/26/25	Buy	315,000
	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



Stock ratings		Sector ratings	
Buy	Expected 12-month return: +20% or greater	Overweight	Expected to outperform the market over 12 months
Hold	Expected 12-month return: Greater than -10% and less than +10%	Neutral	Expected to perform in line with the market over 12 months
Sell	Expected 12-month return: -10% or less	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	83.02%	0%	16.35%	0.63%
Investment banking services	86.67%	0%	13.33%	0%

* Based on recommendations in the last 12 months (as of June 30, 2026)

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