

Samsung SDI 2025 Annual Results: Energy Solutions Segment Swings to KRW 1.85 Trillion Loss

Revenue down 20%, gross margin halved, dividends suspended — but R&D spending grew 9.5% and US joint ventures with Stellantis and GM advance.

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Samsung SDI — 2025 at a Glance (KRX: 006400)

Total revenue	KRW 13.27 T (~US\$9.3 B)
YoY change	-20.0 %
Operating result	KRW (1.72 T) loss
Net loss (owners)	KRW (649 B) (~US\$457 M)
Gross margin	11.0 % (down from 18.6 %)
R&D spending	KRW 1.42 T (+9.5 %)
Capital expenditure	KRW 3.29 T (-50.5 %)
Dividend	Suspended (2025-2027)

Key Takeaways

- Samsung SDI's **Energy Solutions segment** (EV + ESS + small Li-ion) recorded a KRW 1.85 trillion operating loss in FY2025, swinging from a KRW 218 billion profit in FY2024, on revenue that fell 21 % to KRW 12.38 trillion.
- Consolidated **gross margin halved** from 18.6 % to 11.0 %, while SG&A rose 23 % (including KRW 1.42 trillion in R&D), pushing the group to a KRW 1.72 trillion operating loss.
- The company **raised KRW 1.65 trillion** in equity capital in May 2025 and **suspended dividends** for three years (2025-2027) to preserve liquidity.
- **R&D spending grew 9.5 %** to KRW 1.42 trillion, signaling continued investment in next-generation battery technology despite the loss-making year.
- US manufacturing JVs with **Stellantis (StarPlus Energy)** and **General Motors (SDI-GM Synergy Cells)** advanced, supported by growing AMPC tax credits (KRW 275 billion, up from KRW 90 billion in FY2024).
- Samsung SDI **does not disclose ESS-specific revenue** — the Energy Solutions segment combines automotive, energy storage, and small-format Li-ion batteries.

1. Headline Numbers

Samsung SDI reported total revenue of KRW 13.27 trillion (~US\$9.3 billion) for the year ended December 31, 2025, a 20 % decline from KRW 16.59 trillion in FY2024. The company swung from an operating profit of KRW 363 billion to an operating loss of KRW 1.72 trillion (~US\$1.2 billion).

Net loss attributable to owners was KRW 649 billion (~US\$457 million). This was partially offset by a KRW 290 billion gain from discontinued operations — the sale of the polarizer film business in September 2025 for KRW 1.18 trillion.

METRIC	FY2025	FY2024	CHANGE
Total revenue	KRW 13.27 T	KRW 16.59 T	-20.0 %
Gross profit	KRW 1.46 T	KRW 3.09 T	-52.7 %
Gross margin	11.0 %	18.6 %	-7.6 pp
Operating profit (loss)	KRW (1.72 T)	KRW 363 B	Loss vs profit
Net income (loss), owners	KRW (649 B)	KRW 599 B	Loss vs profit
Basic EPS	KRW (8,796)	KRW 8,961	Loss vs profit

2. Energy Solutions Segment

The Energy Solutions segment — combining automotive (EV) batteries, energy storage systems (ESS), and small-sized Li-ion batteries — is Samsung SDI's core business at 93.3 % of group revenue.

METRIC	FY2025	FY2024	CHANGE
Revenue	KRW 12.38 T	KRW 15.69 T	-21.1 %
Operating profit (loss)	KRW (1.85 T)	KRW 218 B	Loss vs profit
Share of group revenue	93.3 %	94.6 %	—

The segment's swing from KRW 218 billion profit to KRW 1.85 trillion loss represents a KRW 2.07 trillion deterioration in a single year. Samsung SDI does not break out ESS revenue, volumes, or margins separately.

The Electronic Materials segment remained profitable at KRW 130 billion operating profit on KRW 883 billion revenue.

3. Geographic Revenue

Europe remained Samsung SDI's largest market, followed by North America. Both regions saw significant declines.

REGION	FY2025	SHARE	FY2024	SHARE	CHANGE
Europe	KRW 5,338 B	40.2 %	KRW 6,914 B	41.7 %	-22.8 %
North America	KRW 3,610 B	27.2 %	KRW 5,700 B	34.4 %	-36.7 %
SE Asia and others	KRW 2,422 B	18.3 %	KRW 2,120 B	12.8 %	+14.3 %
China	KRW 982 B	7.4 %	KRW 964 B	5.8 %	+1.8 %
Korea	KRW 915 B	6.9 %	KRW 894 B	5.4 %	+2.3 %

North American revenue declined 37 % (KRW 2.09 trillion drop). Four customers each exceeded 10 % of total revenue in FY2025, indicating significant customer concentration.

4. R&D and Capital Expenditure

Despite the operating loss, Samsung SDI increased R&D spending by 9.5 % to KRW 1.42 trillion (~US\$1.0 billion). R&D represented 10.7 % of revenue, up from 7.8 % in FY2024.

Capital expenditure fell 50.5 % from KRW 6.65 trillion to KRW 3.29 trillion (~US\$2.3 billion). Total property, plant, and equipment stood at KRW 19.24 trillion at year-end.

5. US Joint Ventures and AMPC Credits

- **StarPlus Energy LLC** — JV with Stellantis (FCA US LLC) for US battery manufacturing. Samsung SDI's 51 % equity interest pledged as collateral for StarPlus's US DOE borrowings.
- **SDI-GM Synergy Cells Holdings LLC** — JV with General Motors for US battery manufacturing.

The US IRA's Advanced Manufacturing Production Credit (AMPC) provided KRW 275 billion (~US\$193 million) in tax credits during FY2025, tripling from KRW 90 billion in FY2024. This indicates meaningful production ramp at US facilities.

6. Capital Structure and Liquidity

Capital raise: In May 2025, 11.8 million new ordinary shares issued at KRW 140,000, raising KRW 1.65 trillion (~US\$1.2 billion).

Dividend suspension: No cash dividends for 2025-2027.

BALANCE SHEET METRIC	FY2025	FY2024	CHANGE
Total assets	KRW 42.26 T	KRW 40.60 T	+4.1 %
Total equity	KRW 23.57 T	KRW 21.57 T	+9.3 %
Total borrowings	KRW 10.88 T	KRW 11.58 T	-6.0 %
Cash and equivalents	KRW 1.80 T	—	—
Net debt	KRW 8.98 T	—	—
Debt to equity	79.3 %	88.2 %	-8.9 pp

Operating cash flow turned positive at KRW 792 billion, up from negative KRW 138 billion in FY2024.

7. Discontinued Operations: Polarizer Film Sale

Samsung SDI completed the transfer of its polarizer film business on September 1, 2025, for KRW 1.18 trillion. Gain on disposal: KRW 441 billion. Profit from discontinued operations: KRW 290 billion.

8. Impairments and Litigation

- **NOVALED goodwill impairment:** KRW 114 billion written off
- **PP&E impairment:** KRW 105 billion on idle facilities
- **Inventory valuation:** key audit matter — maintaining value amid falling battery prices
- **Pending litigations:** 36 active cases including CRT collusion civil claims in Europe
- **EV battery CGU impairment test:** key audit matter, no impairment recognized (recoverable exceeded carrying)

9. What to Watch

ESS remains invisible in the financials. Samsung SDI does not disclose ESS-specific revenue, volumes, or margins. Until sub-segment detail is provided, it is not possible to assess whether energy storage is contributing to or offsetting the Energy Solutions segment loss.

North American revenue declined 37 %. The sharp drop — KRW 2.09 trillion in a single year — coincided with the ramp-up period for the US joint ventures. Whether this reflects customer destocking, contract timing, or structural demand shifts will become clearer with subsequent filings.

AMPC credits tripled to KRW 275 billion. The growth confirms increasing US production. At scale, these credits can materially improve Energy Solutions profitability.

Three-year dividend suspension is unusual. Combined with the May 2025 equity raise, it indicates management expects the operating environment to remain challenging and that capital preservation is the priority.

Capex halved but R&D grew. Samsung SDI is investing in next-generation technology while pulling back on volume expansion — prioritizing technology differentiation over scale.

10. Sources

All data sourced from Samsung SDI's Consolidated Financial Statements for the year ended December 31, 2025, audited by Samil PricewaterhouseCoopers with an unqualified opinion dated February 19, 2026.

bessmanufacturers.com — Independent BESS equipment manufacturer directory

Samsung SDI manufacturer profile: bessmanufacturers.com/samsung-sdi/

Data sourced from public filings and official documentation