



Samsung SDI: Purchase Near All-Time Highs

Right from the start, it's important to note that selectivity and diversification are crucial criteria for acquisitions in the LTP (Long-Term Portfolio). However, this doesn't pertain to the portfolio's values but rather to the number of purchase tranches. Otherwise, regularly buying the weakest stocks in the portfolio wouldn't make sense. Over the years, it's entirely normal for some stocks to outperform others, exerting a greater influence on performance.

Rebalancing or No Rebalancing? Choosing not to rebalance is a strategic decision. Rebalancing involves resetting a portfolio composition at predetermined intervals to predefined values. While this approach may make sense for certain strategies, we find it too risky for an indefinitely held stock portfolio. We cannot assume that all stocks will eventually achieve the same performance; there is no basis for such an expectation. Therefore, we won't sell winners to overweight currently weaker stocks.

Everyday Goods: We prefer having a variety of "shovel manufacturers" in the portfolio—companies providing infrastructure. Laptops, tablets, smartphones, power banks, cordless electric garden tools, tools, vacuum cleaners, electric bicycles, e-scooters, and, of course, electric cars—the list could go on almost indefinitely. All these items require lithium-ion batteries, and the demand continues to rise annually at a double-digit rate. Samsung SDI is a Korean technology company that, since its founding in 1970, has focused on the development and production of lithium-ion batteries and components for semiconductors and displays. It holds a leading position in many areas, as reflected in its stock price.

Research and Development: Several companies currently produce more affordably than Samsung SDI. However, we appreciate its forward-looking approach. Samsung SDI is known for its technological expertise and innovative developments in battery technology. The company has invested heavily in research and development to produce more powerful and safer batteries.

Diversification: Samsung SDI hasn't solely focused on lithium-ion batteries but has diversified into other areas such as energy storage solutions and battery materials. By expanding its product portfolio, the company diversified its revenue sources and reduced cyclical risk.

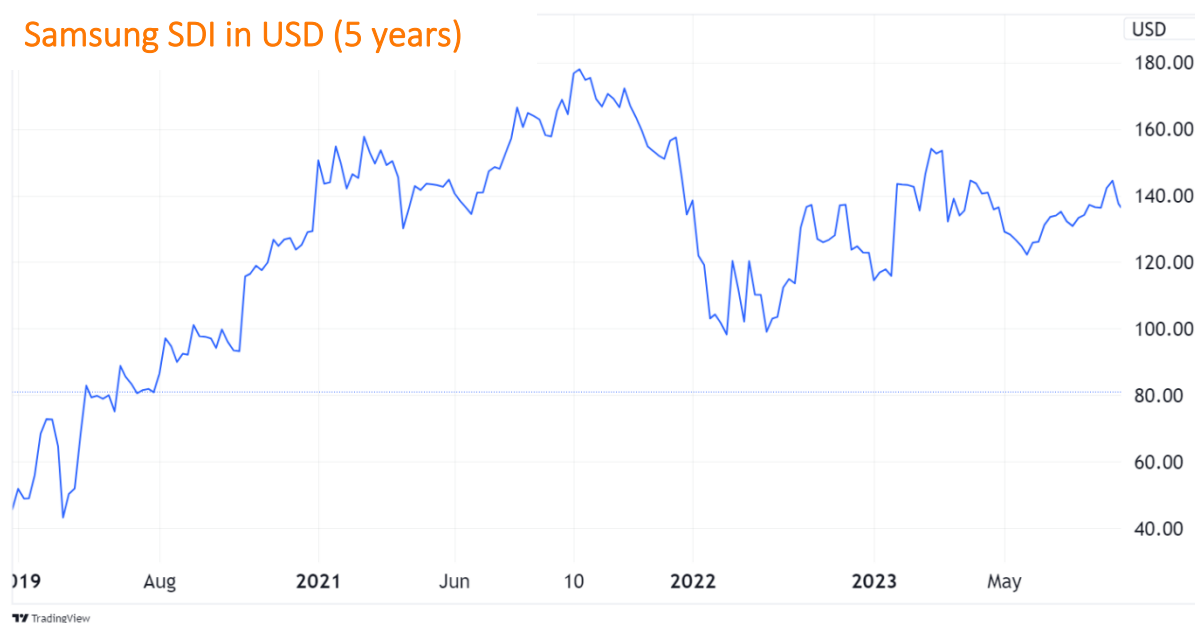
Broad Customer Base: Customers include companies like BMW, Audi, Volkswagen, Volvo, Hyundai-Kia, and many more. In the electronics devices sector, it has partnerships with Samsung Electronics (the parent company of Samsung SDI), Apple, LG Electronics, and numerous private enterprises. Samsung SDI is also active in the energy storage sector, supplying companies in need of solutions for renewable energy and grid stability. This includes companies like E.ON, Vattenfall, and San Diego Gas & Electric. Recently, Samsung SDI and GM announced plans to build a large battery plant for electric vehicles in the USA in New Carlisle/Indiana. Production is set to begin in 2026, with an annual capacity of 30 gigawatt-hours.

Long-Term Portfolio: Samsung SDI

Samsung SDI In Our Stock Check:

Profit Growth:	Not constant, but normal in the industry	+ -
Debt:	Adequate	+
P/E Ratio Evaluation:	P/E of 20 is no longer cheap	+ -
Industry Outlook:	Intense competition, high potential	+ -
Technical Analysis:	Positive	+
Market Leader:	Only in certain segments	+ -
Management Quality:	Setting the right course	+
Dividend Yield:	Irrelevant in this case	+
Business Model:	Very good, convinces us	+
Insider Buys/Sells:	No notable activities	+

Samsung SDI in USD (5 years)



SDI <https://www.samsungsdi.com/ir/index.html>

ISIN	US7960542030
Current Price	\$135.40
Market Capitalization	\$36.87 billion
Profit Growth 2022 to 2025e	+67.8%
Dividend 2023	1.081 KRW
Dividend Yield 2023	0.2%
Earnings Per Share 2024e	37.794 KRW
P/E Ratio 2024e	19.2

Buy-Order

ISIN	US7960542030
Transaction	Buy
Exchange	LSE / OTC
Quantity	7
Current Price	106.42GBP/\$135.40
Buy-Limit	110 GBP / \$140

Our conclusion: Samsung SDI is a highly innovative company, and while we might not get the stock at a bargain, it's unquestionable for us that the stock will be significantly higher in a few years. With today's purchase order, we reaffirm our positive long-term assessment of the stock.