COMPANY UPDATE

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EV/Mobility Team

Hyunryul Cho
Senior Analyst
hyunryul.cho@samsung.com

Wonyoung Kim
Research Associate
wonyoung10.kim@samsung.com

KGA (455180/Not rated)

To win new orders following capacity expansion

- KGA is a secondary battery electrode process equipment manufacturer that went public in June.
- Based on a newly completed plant, a meaningful recovery in revenue could be achieved should the company secure a significant number of new orders.

WHAT'S THE STORY?

Company overview: KGA is a secondary battery equipment manufacturer that was listed in June and mainly produces coaters, presses, and slitters (which are used in the electrode manufacturing process). Its 2024 revenue of KRW51.4bn comprised coaters (55.6%), presses (11.5%), slitters (7.6%), and others (25.2%). Revenue over 1Q-3Q25 amounted to just KRW16.8bn—the plunge in sales led to profitability deterioration. This negative is attributable to delays in equipment purchases by some customers as well as the high base (a surge in revenue last year).

Securing commercial equipment order capabilities: The company has so far only secured orders for R&D- and pilot-purpose equipment, mainly due to the limited scale of its factory. With the completion of a new plant in November, the company's annual revenue generating capacity has likely surged from KRW50bn to KRW200bn. In other words, the company has now secured the capability to take orders for commercial-scale equipment, making it possible to secure meaningful levels of new orders and revenue. The investment required for electrode process equipment on a 1 GWh basis is estimated at roughly KRW15bn, of which the combined investment for coaters, presses, and slitters (excluding mixers) is estimated at around KRW10b-12.5b.

(Continued on the next page)

SUMMARY FINANCIAL DATA

	2021	2022	2023	2024
Revenue (KRWb)	4	16	14	51
Operating profit (KRWb)	(0)	1	1	3
Net Profit (KRWb)	(0)	1	1	3
EPS (adj) (KRW)	(3)	91	71	245
EPS (adj) growth (%)	Turned neg	Turned pos	(21.1)	242.7
EBITDA margin (%)	2.8	7.1	8.2	7.7
ROE (%)	(1.0)	33.6	7.5	14.9
P/E (adj) (x)	n/a	n/a	n/a	n/a
P/B (x)	n/a	n/a	n/a	n/a
EV/EBITDA (x)	0.5	7.5	9.6	8.6
Dividend yield (%)	n/a	n/a	n/a	n/a

Source: Company data, Samsung Securities estimates

AT A GLANCE

Not Rated

Target price	n/a
Current price	KRW4,375
Market Cap	KRW55.85b/USD38.07m
Shares (float)	12,766,659 (60.7%)
52-week high/low	KRW6,550/KRW3,855
Avg daily trading value (60-day)	KRW3.1b/ USD2.1m

ONE-YEAR PERFORMANCE

	1M	6M	12M
KGA (%)	-15.2	0.0	0.0
Vs Kosdaq (%pts)	-19.9	0.0	0.0

SAMSUNG vs THE STREET

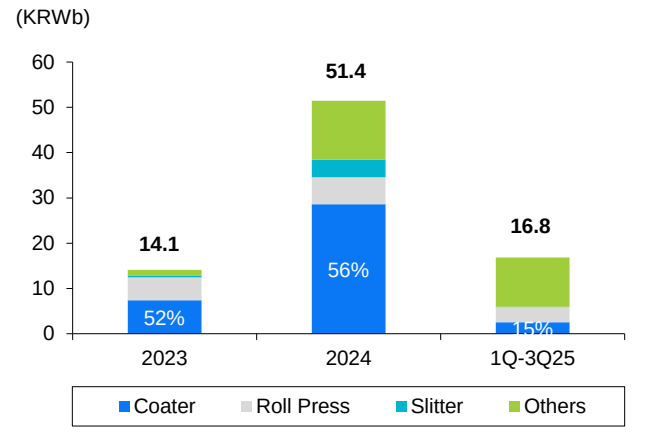
No of estimates	-
Target price	n/a
Recommendation	n/a

※ Rating: 4 < → BUY, 3 = HOLD, 2 > → SELL

Humanoid momentum: The company has established subsidiary KGA Robotics, and is targeting expandable power solutions that are dedicated to robots, including humanoids. Together with Mobil Robotics (a domestic robotics specialist), KGA Robotics is jointly promoting two types of molded battery businesses: Frame Integrated Lithium-ion Battery (FIB) and Frame Integrated Solid-state Battery (FIS). Rather than focusing on short-term revenue, KGA is expected to work hard to drive up earnings growth at the company's new businesses (*ie*, other than the battery equipment business).

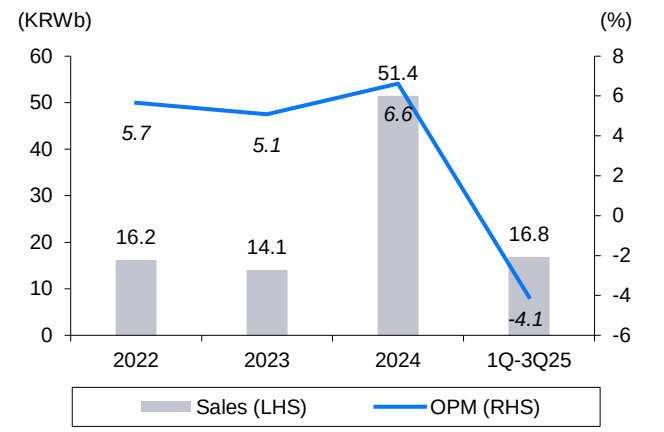
Meaningful orders required: As KGA has recently built a plant capable of taking commercial equipment orders, any revenue recovery (and profit recovery) will first require its securing meaningful new orders. In particular, orders need to be landed in 1H26 for its 2026 revenue to recover and for its longer-term earnings momentum to materialize.

KGA: Revenue by product



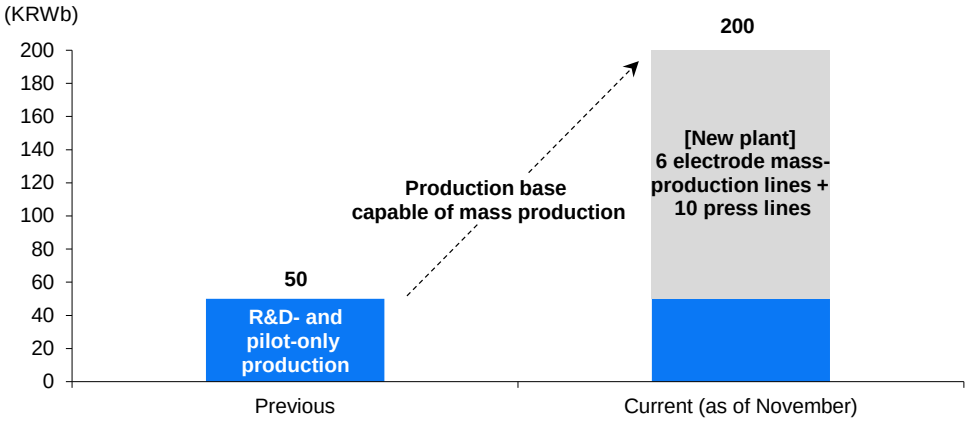
Source: Company data, Samsung Securities

KGA: Revenue and operating margin



Source: Company data, Samsung Securities

KGA: Change in revenue capacity with new plant (completed in Nov 2025)



Source: Company data, Samsung Securities

Income statement

Year-end Dec 31	2021	2022	2023	2024
Sales	**4**	**16**	**14**	**51**
Cost of goods sold	3	14	11	44
Gross profit	**1**	**2**	**3**	**7**
Gross margin (%)	22.6	13.2	23.3	13.5
SG&A expenses	1	1	3	4
Operating profit	**(0)**	**1**	**1**	**3**
Operating margin (%)	(0.1)	5.7	5.1	6.6
Non-operating Gains (Losses)	**(0)**	**(0)**	**(0)**	**(0)**
Financial Profit	0	0	0	0
Financial Costs	0	0	0	0
Gains (Losses) in Equity Method	0	0	0	0
Other	0	0	0	0
Pre-tax profit	**(0)**	**1**	**0**	**3**
Taxes	(0)	0	(0)	1
Effective tax rate (%)	54.6	4.8	(86.6)	15.5
Profit from continuing operations	(0)	1	1	3
Profit from discontinued operations	0	0	0	0
Net profit	**(0)**	**1**	**1**	**3**
Net margin (%)	(0.4)	4.4	4.3	5.4
Net profit (Controlling Interests)	(0)	1	1	3
Net profit (Non-controlling Interests)	0	0	0	0
EBITDA	0	1	1	4
EBITDA margin (%)	2.8	7.1	8.2	7.7
EPS (parent) (KRW)	(3)	91	71	245
EPS (consolidated) (KRW)	(3)	91	71	245
Adjusted EPS (KRW)*	(3)	91	71	245

Balance sheet

Year-end Dec 31	2021	2022	2023	2024
Current assets	**13**	**10**	**41**	**22**
Cash & equivalents	1	1	1	1
Accounts receivable	2	2	1	4
Inventories	9	8	33	12
Other current assets	0	0	7	4
Fixed assets	**1**	**11**	**20**	**51**
Investment assets	0	0	0	0
Tangible assets	0	11	19	50
Intangible assets	0	0	0	0
Other long-term assets	0	0	0	0
Total assets	**13**	**21**	**61**	**73**
Current liabilities	**11**	**14**	**42**	**20**
Accounts payable	2	1	1	2
Short-term debt	0	4	7	6
Other current liabilities	10	9	34	11
Long-term liabilities	**0**	**5**	**5**	**29**
Bond & long-term debt	0	5	5	29
Other long-term liabilities	0	0	0	0
Total liabilities	**12**	**19**	**47**	**49**
Owners of parent equity	**2**	**2**	**14**	**24**
Capital stock	1	1	1	5
Capital surplus	2	2	12	15
Retained earnings	(1)	(1)	(0)	3
Other	0	0	0	2
Non-controlling interests equity	**0**	**0**	**0**	**0**
Total equity	2	2	14	24
Net debt	0	9	11	34

Cash flow statement

Year-end Dec 31	2021	2022	2023	2024
Cash flow from operations	**(2)**	**2**	**(4)**	**(3)**
Net profit	(0)	1	1	3
Non-Cash Profit and Expense	0	1	1	2
Depreciation	0	0	0	0
Amortization	0	0	0	0
Others	0	0	1	2
Changes in A/L from Operating Activities	(2)	1	(5)	(7)
Cash flow from investments	**(0)**	**(11)**	**(9)**	**(29)**
Change in Tangible Assets	(0)	(11)	(9)	(29)
Change in Financial Assets	(0)	0	(0)	(0)
Other	0	(0)	(0)	(0)
Cash flow from financing	**3**	**8**	**13**	**32**
Change in debt	1	8	3	23
Change in equity	3	0	10	7
Dividends	0	0	0	0
Other	(1)	(0)	(0)	2
Change in cash	1	(1)	(0)	0
Cash at beginning of year	0	1	1	1
Cash at end of year	1	1	1	1
Gross cash flow	**0**	**1**	**2**	**5**
Free cash flow	**(2)**	**(9)**	**(13)**	**(31)**

Financial ratios

Year-end Dec 31	2021	2022	2023	2024
Growth (%)				
Sales	n/a	285.7	(13.0)	266.0
Operating profit	BR	RB	(21.8)	376.2
Net profit	BR	RB	(14.9)	364.1
Adjusted EPS**	BR	RB	(21.1)	242.7
Per share data (KRW)				
EPS (parent)	(3)	91	71	245
EPS (consolidated)	(3)	91	71	245
Adjusted EPS **	(3)	91	71	245
BPS	223	317	1,226	1,996
DPS (common)	0	0	0	0
Valuations (x)				
P/E***	n/a	n/a	n/a	n/a
P/B***	n/a	n/a	n/a	n/a
EV/EBITDA	0.5	7.5	9.6	8.6
Ratios				
ROE (%)	(1.0)	33.6	7.5	14.9
ROA (%)	(0.1)	4.1	1.5	4.2
ROIC (%)	(0.1)	13.6	7.6	7.0
Payout ratio (%)	0.0	0.0	0.0	0.0
Dividend yield (Common, %)	n/a	n/a	n/a	n/a
Net debt to equity (%)	3.3	344.2	80.9	140.4
Interest coverage (x)	(0.2)	5.9	1.6	12.6

Note: *Excluding one-off items
**Fully diluted, excluding one-off items
***From companies subject to equity-method valuation
Source: Company data, Samsung Securities estimates

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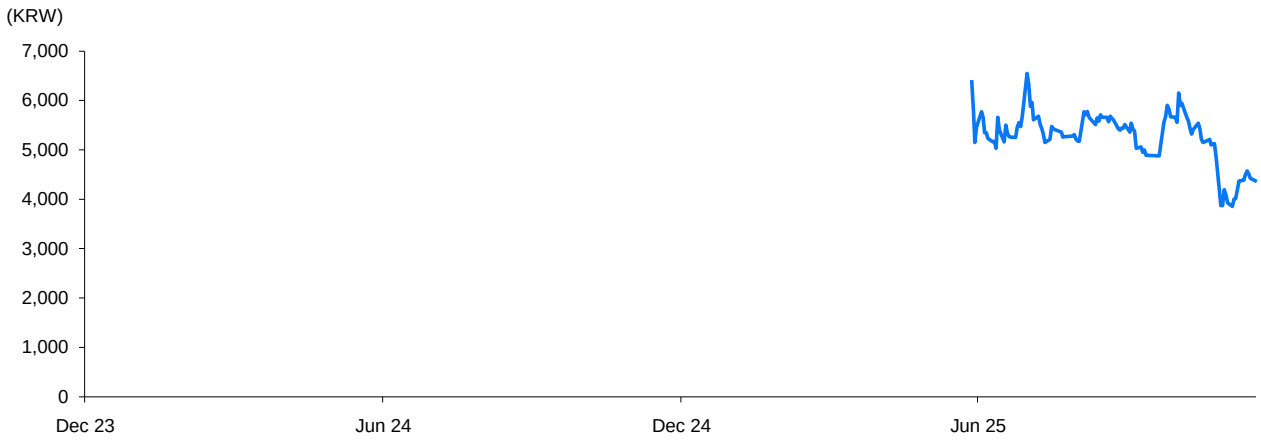
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2025/12/9
Recommendation	Not Rated
Target price (KRW)	n/a
Gap* (average)	
(max or min)**	

Note: * [(average, maximum, or minimum share price over duration of target price minus target price) / target price] x 100%
** Maximum/minimum share price if new target is higher/lower than market close on the business day prior to target price change

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Industry

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Percentage of ratings in 12 months prior to 2025.09.30

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SAMSUNG SECURITIES

Samsung Electronics Bldg., 11, 74-gil,
Seochodae-ro, Seocho-gu, Seoul, Korea 06620
Tel: 02 2020 8000 / www.samsungpop.com

Family Center: 1588 2323

Voice Of Customer: 080 911 0900

For more information,
please call our sales representatives:

LONDON

Samsung Securities Europe Limited
1st Floor, 30 Gresham Street, London EC2V 7PG UK
Tel. 44-207-776-4311
Fax. 44-203-837-9219

NEW YORK

Samsung Securities America Limited
1330 Avenue of the Americas. 10th Floor. New York,
NY 10019
Tel: 1-212-972-2454
Fax: 1-212-972-2704

HONG KONG

Samsung Securities (Asia) Limited
Suite 4511, Two International Finance Center,
8 Finance Street, Central, Hong Kong
Tel: 852-3411-3608
Fax: 852-2114-0290

BEIJING

Samsung Securities Beijing Representative Office
Rm. 910, The Exchange Building No 118 JianGuo Lu, Chao
Yang District, Beijing, China
Tel: 86-10-6522-1855 (extension 7891)
Fax: 86-10-6522-1855 (extension 7889)

TOKYO

Samsung Securities Tokyo Representative Office
#106-8532 19F, Roppongi T-Cube 3-1-1,
Roppongi Minato-ku Tokyo, Japan
Tel: 81-3-6333-2952
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