SECTOR UPDATE

2026. 3. 9

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Autos/Batteries (OVERWEIGHT)

European IRA to benefit Korea

EV/Mobility Team

Esther Yim
Team Leader
esther.yim@samsung.com

JungHoon Chang
Senior Analyst
jhooni.chang@samsung.com

Hyunryul Cho
Senior Analyst
hyunryul.cho@samsung.com

- The European Commission on Mar 4 announced its proposal for the Industrial Accelerator Act (IAA), with the Act expected to come into force in 2027. Unlike US policys, the IAA will allow EVs that have been assembled in FTA partner countries—including Korea—to qualify for subsidies, giving a significant edge to Korean companies over their Chinese rivals.
- For EVs (excluding batteries), at least 70% of the value must be produced in the EU or in FTA partner nations. It is imperative for BYD, which is preparing to start its Hungarian plant, to establish a value chain in Europe.
- The Chinese EV industry is likely to enter a restructuring phase on: 1) cooling EV demand in China; and 2) China's potential exclusion from European subsidies. As a result, investor interest may shift from China to Korea.

WHAT'S THE STORY?

European Commission proposes Industrial Accelerator Act (IAA): The Act aims to: 1) revitalize Europe's manufacturing competitiveness; 2) reduce the region's economic dependence on external supply chains; and 3) accelerate the bloc's decarbonization transition.

- **To raise manufacturing's share of EU GDP from 14.3% in 2025 to 20%:** To lift the EU's manufacturing share of GDP, the IAA includes measures such as simplifying & digitizing permitting procedures, prioritizing low-carbon & EU-made goods in public procurement, and improving the quality of foreign investment.
- **Local content and manufacturing requirements:** The IAA will establish binding local content rules across key sectors: 1) for EVs (excluding batteries), at least 70% of the value must be produced within the EU or within FTA partner countries; 2) for batteries, at least three critical raw materials must originate in the EU or FTA countries—by 2030, this requirement will expand to five materials; 3) at least 25% of steel and aluminum used must be low-carbon certified, and for solar PV makers, all production must use low-carbon manufacturing methods.
- **Origin requirements for ESS:** Within 1-3 years of the law coming into effect, the entire energy storage system (ESS) must be made in the EU, and for projects topping 1 MWh, the battery management system (BMS) must also be made in the region. Three years after the law's implementation, in addition to system assembly, the cells, BMS, and at least one additional key component must also be sourced in the EU.

(Continued on the next page)

AT A GLANCE

Hyundai Motor (005380 KS, 553,000)		
Target price	KRW800,000	44.7%
BUY		
Kia (000270 KS, 167,000)		
Target price	KRW270,000	61.7%
BUY		
LG Energy Solution (373220 KS, 377,500)		
Target price	KRW510,000	35.1%
BUY		
Samsung SDI (006400 KS, 410,500)		
Target price	KRW420,000	2.3%
BUY		

- **Mandatory conditions for FDI:** Any investor from a third country that accounts for more than 40% of global manufacturing capacity in an industry that is deemed strategic by the EU (*eg*, batteries, EVs, solar, and critical raw materials) and seeking a direct investment of more than EUR100m must satisfy at least four of the following six conditions to obtain FDI approval: 1) an equity stake of 49% or less; 2) mandatory formation of a joint venture (JV) with EU partners; 3) transfer of technology and intellectual property (IP) to EU entities; 4) commitment to R&D investment in the EU; 5) employment of at least 50% EU-based workers; and 6) integration into EU supply chains.

  Investments in battery manufacturing lines typically exceed EUR100m—as such, Chinese battery firms should have a hard time getting their new investments in Europe approved.
- **Early impact ahead of 2027 implementation:** Although the IAA is scheduled to come into force in 2027 after negotiations between the European Parliament and the Council of the EU, its influence is already shaping market behavior. Key early responses include those by: 1) battery makers and automakers, firms that are securing long-term supply agreements with mines in Canada and Australia; 2) national governments, which are preparing to release guidelines for public EV procurement and subsidy programs as early as 2026; and 3) France, which has operated a carbon scoring system for EV subsidies since 2024, excluding vehicles whose production or transportation (*eg*, via sea freight from China) generates excessive emissions. As a result, Chinese-made EVs are being excluded from subsidy eligibility in France due to the maritime transport carbon footprint.

Favorable legislation for Korea: Unlike the US Inflation Reduction Act (IRA), the IAA treats countries with which the EU has free trade agreements (FTAs) on par with EU member states. It would be sufficient for companies operating in Europe to maintain the portion of parts sourced from specific countries (*eg*, China) at 40% or below.

- **Korea to gain edge over China:** Hyundai Motor (HMC) and Kia, along with Korean battery companies—all of which have manufacturing facilities in Europe—should be able to expand their European market share. Exports from Korean factories are also likely to increase.
- **Chinese firms face second regulatory constraints on top of weak demand in China:** Chinese EV manufacturers have been seeking to offset declining Chinese sales and intensifying competition by expanding exports. 1) EVs have been excluded from China's 5-year development plan (2026-2030), signaling reduced government support. In 2026, the Chinese EV market is likely to shrink due to a reduction in subsidies (from CNY20,000 to CNY15,000) and the elimination of a 5% purchase tax benefit. These two policy changes should increase EV costs by 7.5% relative to the average price point of CNY200,000. In January, EV sales in China dropped 19.9% y-y to 596,000 units, with EV penetration in the nation falling 20.5%pts y-y to 39.6%.

2) China's auto exports reached 8.3m units in 2025 (up 30%), with EVs accounting for 30% or 2.5m units. Half of China's EV exports go to Europe, a region where Chinese brands hold a 23% share of the EV market. To counter this growing market share, the EU imposed countervailing duties (17-38%) on Chinese EVs in late 2024 and recently published a draft IAA.

3) BYD's plant in Hungary (capacity: 150,000 units) is slated to begin operations in 2Q26. However, initial production will be CKD-based, making it difficult to meet local content requirements under the IAA. BYD will need to quickly build a local value chain.

4) Among China's 160 EV manufacturers, only 5-6 are profitable, making industry consolidation inevitable. With EV stocks underperforming across the board, foreign investors may shift their focus to Korean companies.

Europe to lead global EV market over 2026-2027: China's EV demand began to slow in 2H. Europe's EV growth has been accelerating since 2H as major European nations have reinstated subsidies.

- **Current state of European EV market:** In 2025, European EV demand hit 4.4m units (up 34.8%) for a penetration rate of 33.4%. Total auto demand there was robust at 13.2m units (up 2.4%).
- **Germany (20% of European EV demand) launches incentives for corporate EV fleets in Jul 2025:** Germany's incentives include: 1) accelerated depreciation for corporate EVs purchased between Jul 2025-Dec 2028 (depreciation over six years, including 40% in the first year and 24% in the second year); 2) a tax deduction equal to 40% of the corporate EV's value in the year of purchase (up to EUR95,000); 3) an exemption from vehicle tax for EVs until 2035; and 4) a reduced Benefit-in-Kind tax rate of 0.25% on the private use of a corporate EV (vs 1% for ICE autos)—in Europe, it is common for firms to purchase vehicles that are used by their employees outside of working hours. Germany is also mulling subsidies for privately purchased EVs. Corporate fleets account for 40% of total EV demand in Europe. In 2025, Germany's EV demand totaled 885,000 units (up 51.8%).
- **Germany reintroduces EV purchase subsidies for individuals in 2026:** Germany has reinstated subsidies for privately purchased EVs, which subsidiaries were stopped in Dec 2023. Unlike the previous universal support system, the new scheme provides differentiated assistance based on household income and number of children. 1) Households with an annual taxable income of up to EUR80,000 are eligible. For each child under 18, the income threshold is increased by EUR5,000, up to a maximum of EUR90,000. 2) Subsidies range from EUR3,000 to EUR6,000 (10-15% of lower-priced EV models) for BEVs, and from EUR1,500 to EUR4,500 for PHEVs and EREVs.
- **UK (17% of European EV demand) reintroduces EV purchase subsidies on Jul 16, 2025:** The UK announced a GBP700m budget for EV purchase incentives, along with GBP63m for charging infrastructure and additional subsidies across the production value chain. The program is set to operate until 2029, offering grants of GBP1,500-3,750 for EVs priced up to GBP37,000. In 2025, the UK's EV demand reached 735,000 units (up 28.7%).
- **France (11% of European EV demand) to reintroduce subsidized EV leasing scheme for low-income households:** France re-introduced a subsidized EV leasing scheme for low-income households on Sep 30. The social leasing scheme, first introduced in Jan 2024, was suspended after just one month due to a budget overrun (budget of EUR650m). The scheme led to 50,000 approved leases in one month. In 2025, France's EV demand was 474,000 units (flat y-y).

IAA legislative timeline

Stage	Timeline	Details
Bill adoption	Mar 4, 2026	Adopted by the European Parliament
First vote	Sep 2026	Determination of preferential treatment for FTA partner countries such as South Korea
Bill finalization	End-2026	Final approval by the European Parliament and Council
Official announcement	Early-2027	Law takes effect; fast-track permitting system begins
Phase 1 tightening	Mid-2027	Implementation of the '70% local content' requirement for electric vehicle subsidy eligibility
Battery regulations	End-2027	Mandatory requirement: At least two-thirds of batteries must be European-made
Final target	2030	Mandatory use of at least five key battery materials (eg, cathode materials) sourced from Europe

Source: European Commission, Samsung Securities

EU rules of origin for EVs and batteries under the IAA

Category	Requirement	Details
EVs	**Eligible Vehicles** ① Regional assembly ② Regional value content ③ Minimum regional components	BEVs, PHEVs, and Hydrogen Fuel Cell Vehicles
		Final assembly must take place in the EU
		At least 70% of the vehicle's component value (excluding the battery) must originate in the EU
		The propulsion battery must include at least 3 EU-sourced components (including cells) Three years after enforcement: At least 5 components required (cells, cathode material, BMS, etc.)
Small EVs	Compliance Option	Must satisfy either ① + ② OR ③

Source: EU IAA

EU IAA vs US IRA

Category	EU Industrial Accelerator Act (IAA)	US Inflation Reduction Act (IRA)
Final assembly	Must be produced/assembled within the EU (FTA countries recognized)	Must be produced/assembled in North America (FTA countries not recognized)
Battery sourcing	≥70% of components excluding the battery must be localized	≥50% of battery components (100% by 2029)
Critical minerals	By 2030: ≥10% of strategic mineral consumption recycled, 40% processing capacity, and 25% recycling capacity to be achieved within the region (CRMA legislation)	≥40% sourced from the US or FTA partner countries (80% by 2027)
Incentives	Public procurement and subsidies provided if requirements are met	$7,500 consumer tax credit (be discontinued in Oct 2025)

Note: *CRMA = Critical Raw Materials Act (EU legislation)
Source: EU Commission

EU Commission: Rules of origin requirements for ESS under IAA

Category	Timeline	Requirement
ESS	1–3 years after enactment	Must be manufactured in the EU; for projects exceeding 1 MWh, the Battery Management System (BMS) must be EU-sourced
	After 3 years	Must be manufactured in the EU; all of the following components must be EU-sourced: Cells, BMS, and at least one additional component

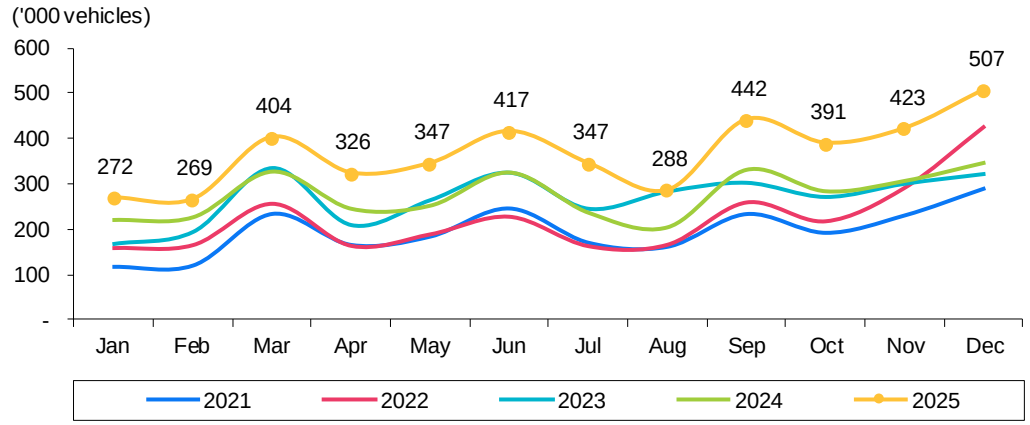
Source: EU IAA

Six key conditions for FDI under the EU IAA

No.	Category	Requirement
1	Equity and control restrictions	Foreign ownership, voting rights, asset ownership, or control must not exceed 49%
2	JV structure	Must establish a joint venture with one or more EU-based companies
3	Technology & IP transfer	Must enter into a licensing agreement for the transfer of intellectual property (IP) and know-how from the foreign investor
4	R&D investment	Must invest at least 1% of annual revenue each year in R&D activities within the EU
5	Employment of EU workers	Must employ at least 50% of staff from within the EU
6	Utilization of EU supply chain	At least 30% of products launched in the EU market must be sourced from within the EU supply chain

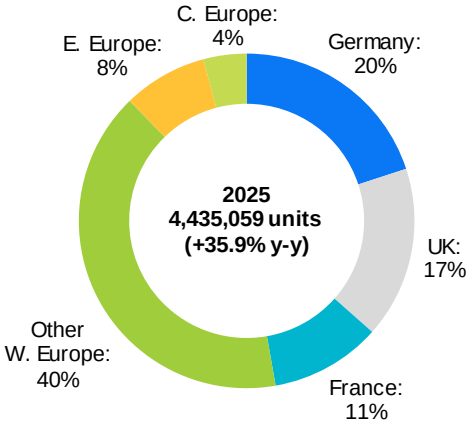
Source: EU IAA

Total Europe: Monthly EV demand



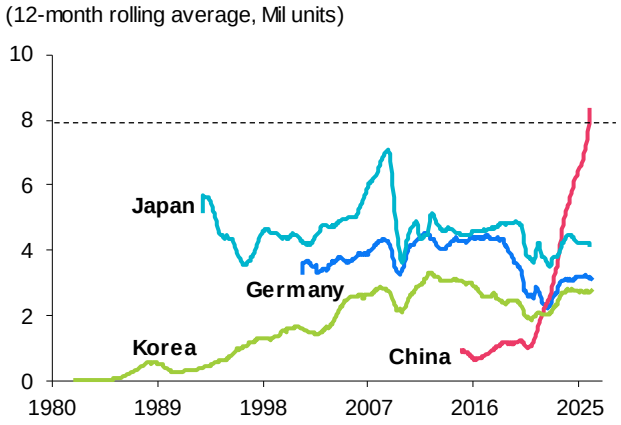
Source: EV-Volumes, Samsung Securities

Europe: xEV demand, by country/region



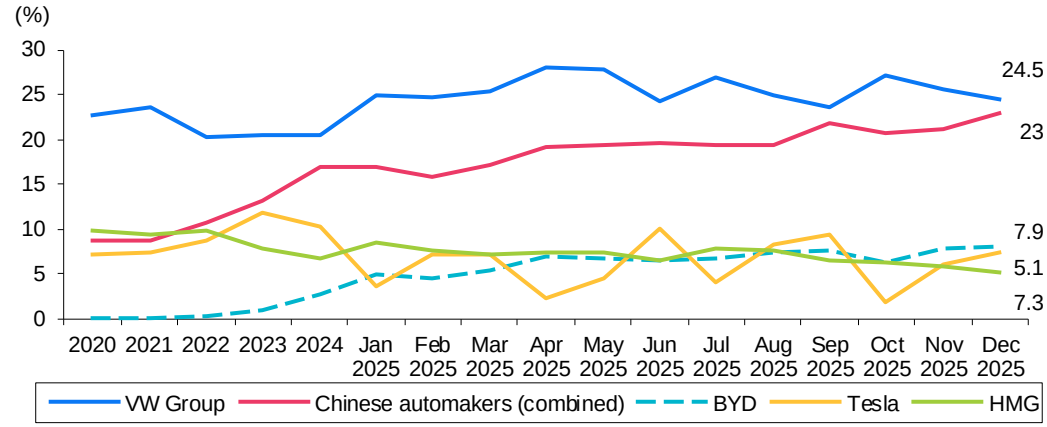
Source: EV-Volumes, Samsung Securities

Auto exports, by country



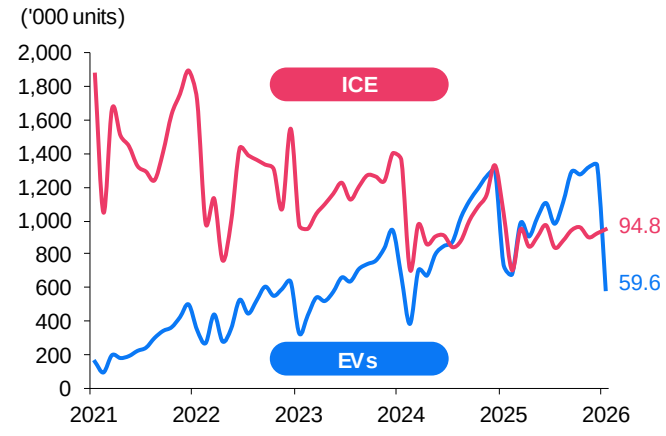
Source: CEIC, KAMA, Samsung Securities

Automakers: European market share, by company



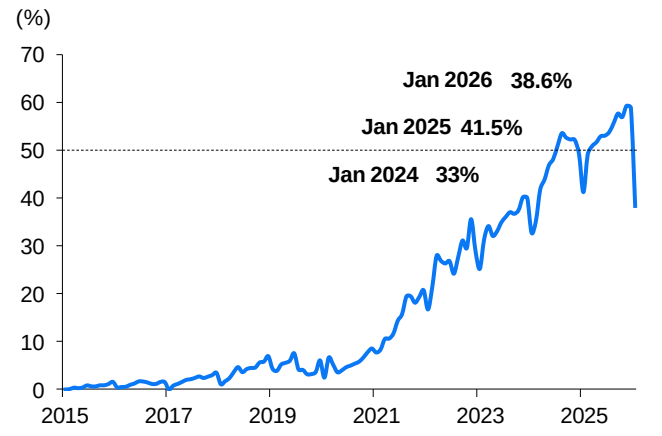
Source: EV-Volumes, Samsung Securities

China auto demand: ICE vs EVs



Source: CPCA, Samsung Securities

China: EV penetration in January (-20.5%pts m-m)



Source: CPCA, Samsung Securities

HMC/Kia: To expand market share in Europe

- **HMC and Kia faced slowing EV market-share gains and rising incentives in 2025:** HMC and Kia last year had trouble maintaining their EV market shares in Europe due to fierce competition from Chinese EV makers. HMC sold 147,000 EVs (+45% y-y) for a 3.3% market share (+0.2%pts y-y), while Kia sold 152,000 units (+26% y-y) for a 3.4% market share (-0.2%pts y-y). Although Kia anticipated robust EV sales growth—based on its 2H25 launches of the EV4 and EV5—its EV sales fell short due to intense competition with Chinese brands.

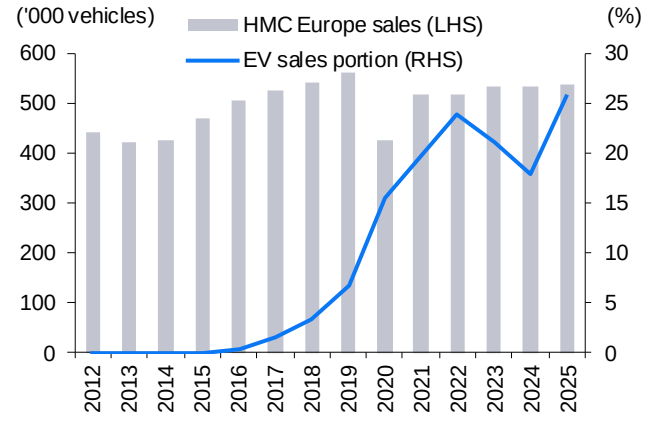
  Both carmakers noted during their 4Q25 earnings calls that incentives in Europe accounted for roughly half of their global incentive increases for the year. HMC's total annual incentives rose KRW2.18t y-y (equivalent to 1.1%pts of its total sales), of which around KRW1t was attributable to Europe. Kia's annual incentives increased KRW1.5t y-y (1.3%pts of its sales), with an estimated KRW0.7t coming from Europe.

- **HMC to release Ioniq 2 in 2H26:** In 2025, HMC sold 535,000 vehicles in Europe (flat y-y), with EVs accounting for 25.6% of its total sales (+7.6%pts) on the early-year launch of the Casper. The

upcoming launch of the Ioniq 2, which will be made at its Czech plant, in 2H26 should further boost its sales, backed by favorable European subsidy policies.

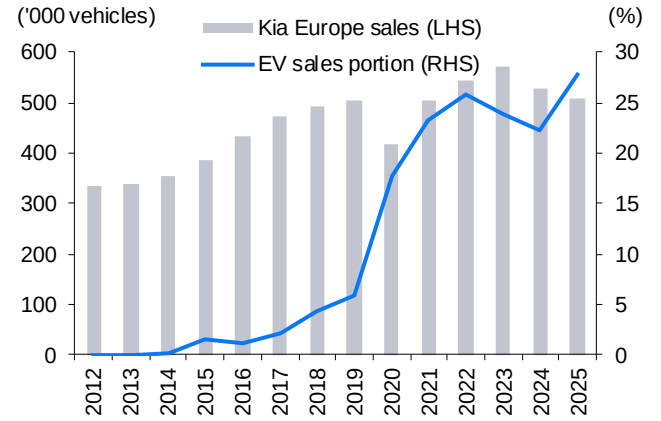
- **Kia to launch EV2 in March:** In 2025, Kia recorded total sales of 507,000 units in Europe (down 2% y-y), with EVs accounting for 30.2% of this figure (up 2.6%pts y-y). Kia began production of the EV4 at its Slovakian plant in Aug 2025 and should begin production of the EV2 there in Mar 2026. The EV3 has been exported from Korea since Feb 2025, followed by the EV5 and PV5 (shipments began in Oct 2025). By end-2026, Kia should have five EV models available in Europe, and all of them are expected to qualify for local subsidies. The base model of the EV3, equipped with a 58.3 kWh battery, is priced at EUR36,000. The EV2 is expected to be priced in the high EUR20,000 range.

HMC: Europe sales and EV sales as portion of total



Source: ACEA, EV Volumes, Samsung Securities

Kia: Europe sales and EV sales as portion of total



Source: ACEA, EV Volumes, Samsung Securities

Supply chain restructuring under the IAA—positive outlook for Korea's rechargeable battery industry

Clear rules on regional content and manufacturing requirements for EV batteries: To qualify for EU subsidies, new vehicles must be either: BEVs, PHEVs, or FCEVs. To qualify for subsidies: 1) final assembly of vehicles must happen in the EU; 2) vehicles must contain at least 70% EU-sourced parts by value (excluding the battery); and 3) vehicles must include a minimum of three key battery components, including cells, manufactured in the EU. Starting three years after implementation, this requirement should tighten further—at least five critical elements (including battery cells, cathode materials, and BMS) must be produced in the EU. For small EVs, the final assembly requirement (1) will be mandatory, but only one of the two component rules (2 or 3) will need to be met.

EU rules of origin for EVs and batteries under the IAA

Category	Requirement	Details
EVs	**Eligible Vehicles** ④ Regional assembly ⑤ Regional value content ⑥ Minimum regional components	BEVs, PHEVs, and Hydrogen Fuel Cell Vehicles
		Final assembly must take place in the EU
		At least 70% of the vehicle's component value (excluding the battery) must originate from within the EU
		The propulsion battery must include at least 3 EU-sourced components (including cells) Three years after enforcement: At least 5 components required (cells, cathode material, BMS, etc.)
Small EVs	Compliance Option	Must satisfy ① + either ② or ③

Source: EU IAA

Local content rules extended to ESS: The IAA will also apply origin rules to ESS systems used in public procurement, renewable energy auctions, and other public support programs. For the first one to three years after the Act's implementation, the entire ESS system must be manufactured in the EU. For projects exceeding 1 MWh, the BMS must be EU-sourced. Meanwhile, three years after its implementation, additional requirements will apply—*ie*, in addition to full system assembly in the EU, the battery cells, BMS, and one other key component must also be produced in the EU.

Strict conditions for FDI: Under the IAA, any non-European investor whose country accounts for more than 40% of global manufacturing capacity in strategic EU industries (including batteries, EVs, solar energy, and critical raw materials) must undergo a strict approval process if making direct investments exceeding EUR100m. To gain approval, investors must meet at least four of the following six criteria: 1) an equity stake of 49% or less; 2) mandatory joint venture formation with EU partners; 3) transfer of technology and IP; 4) commitment to R&D investment in the EU; 5) employment of at least 50% EU-based workers; and 6) integration into the EU supply chain.

Given that EV battery production lines typically require investments in excess of EUR100m—and considering China's dominant position in the global battery market—this framework should significantly raise the barrier for Chinese battery makers seeking to make new investments in Europe.

Six key conditions for FDI under the EU IAA

No.	Category	Requirement
1	Equity and control restrictions	Foreign ownership, voting rights, asset ownership, or control must not exceed 49%
2	JV structure	Must establish a joint venture with one or more EU-based companies
3	Technology & IP transfer	Must enter into a licensing agreement for the transfer of intellectual property (IP) and know-how from the foreign investor
4	R&D investment	Must invest at least 1% of annual revenue each year in R&D activities within the EU
5	Employment of EU workers	Must employ at least 50% of staff from within the EU
6	Utilization of EU supply chain	At least 30% of products sold in the EU market must be made in the EU

Source: EU IAA

Implications of IAA for Korea's rechargeable battery industry: The IAA will apply to all national subsidy programs six months after its enforcement. As a result, Chinese EVs that are currently eligible for Germany's EUR3b EV subsidy program (which program was announced in January) may lose their position—Germany will likely need to revise its policy to comply with the EU's local procurement thresholds. Beyond EVs, the requirement that battery cells and other components be EU-sourced should incentivize Chinese firms to expand cell production capacity in Europe. However, for Korean battery makers, who have already made substantial investments in Europe, this regulation should provide them with strong tailwinds and a competitive edge over their Chinese rivals.

EU: Korean and Chinese battery makers' production capacity* in Europe

(GWh)	Location	2023	2024	2025	2026E
LGES	Poland	80	80	75	60
SDI	Hungary	45	45	45	45
SK On	Hungary	18	48	48	48
Korean battery makers		**142**	**172**	**168**	**153**
CATL	Germany, Hungary	5	14	34	74
Sunwoda	Hungary	0	0	0	10
CALB	Portugal	0	0	0	15
Gotion	Slovakia	0	0	20	20
Eve Energy	Hungary	0	0	0	28
Envision AESC	UK, France	2	11	27	27
Chinese battery makers		**7**	**25**	**81**	**174**

Note: *Based on year-end installed capacity
Source: CITIC, Samsung Securities

IAA vs IRA: Similarities and differences

Similarities between IAA and IRA: Revitalization of local manufacturing

(1) Expanding local production is the goal: The IAA and IRA both intend to address the difficulties in building local manufacturing supply chains in Europe and the US, respectively, due to China's significant cost advantages in advanced industries. The goal is to promote reshoring and strengthen local manufacturing capabilities. For reference, the European Federation for Transport and Environment (T&E) estimates that scaling up production in Europe could cut the cost gap (between EU-made and Chinese-made batteries) from 90% to around 30%.

(2) Strategic industries prioritized: The IAA will target the steel, cement, aluminum, EV, solar energy, battery, ESS, and other clean energy industries. The IRA focuses on the EV, battery, ESS, solar, wind, hydrogen, carbon capture, critical minerals, and other clean energy sectors. In both cases, EVs and battery technologies are central to the policy frameworks.

Differences between IAA and IRA: Magnitude of incentives and approach to China

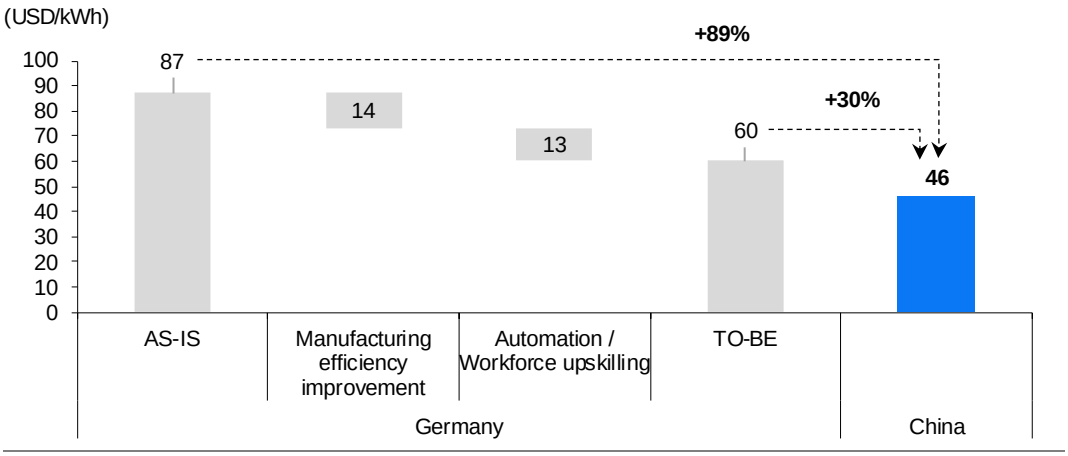
(1) Weaker incentives in Europe than in the US: The US IRA significantly boosted reshoring appeal by offering direct tax credits to both manufacturers and consumers—providing tangible financial benefits that made the US the preferred destination for global automakers and battery producers. In contrast, the EU's IAA will only mandate the use of locally produced parts for products

purchased through public procurement or those receiving specific government subsidies. In particular, consumer incentives for EVs vary widely across Europe. For example, Germany's EV subsidies for individuals (as announced this year) covers only 20-25% of the country's EV demand (200,000 EVs are eligible for subsidies *pa* vs 870,000 EVs sold in Germany last year).

(2) Different approaches to China: The IAA will impose conditions to FDI in sectors where a single non-EU country holds more than 40% of global production capacity. If an investment exceeds EUR100m, the EU will require that: 1) at least 50% of the workforce (associated with the investment) be EU nationals; 2) foreign ownership be capped at 49%; and 3) technology transfers happen. These measures are designed to deter Chinese firms from engaging only in low-value assembly without contributing to local employment or technological development. However, the EU maintains a relatively open stance towards Chinese investments. Unlike the US, which uses the Prohibited Foreign Entity (PFE) rule to completely bar Chinese companies from accessing IRA subsidies, the IAA's restrictions will be more nuanced and less stringent.

(3) Differences in internal policy dynamics: Despite its federal structure and diverse interests at the state level, the US has achieved broad bipartisan consensus on the goal of reshoring supply chains away from China under the IRA. This alignment has been evident in the consistent and sustained imposition of tariffs on Chinese solar panels—regardless of whether Democrats or Republicans hold the presidency—demonstrating a unified strategic vision across party lines. In contrast, the drafting of the IAA has revealed significant internal divisions among EU member states (especially Germany and France). Germany, for instance, has expressed concern that the IAA's protectionist orientation could provoke retaliatory trade measures from key partners and undermine the EU's commitment to open markets. On the other hand, France and other proponents argue that given how major competitors like the US and China are erecting trade barriers to protect their own industries, the EU has no choice but to adopt similar measures to safeguard and enhance its industrial competitiveness. Of note, one of the most contentious issues within the IAA negotiations concerns the definition of 'Made in Europe'. France insists that the scope of EU origin should be strictly limited to the 27 EU member states, along with the European Economic Area (EEA) countries—Norway, Iceland, and Liechtenstein—that are part of the single market. In contrast, Germany and other Northern European nations argue that products from trusted non-EU partners, such as the UK, should be treated on equal footing with EU-made goods, provided they meet certain requirements. The European Commission has leaned towards Germany's position, proposing that products from countries with which the EU has a Free Trade Agreement (FTA) or that are signatories to the WTO Agreement on Government Procurement (GPA) and offer reciprocal market access to EU companies should be considered equivalent to EU-origin goods under the principle of reciprocity. Given these deep-seated differences in national interests, the final details of the IAA remain highly susceptible to change as negotiations continue.

Cell production cost gap between Europe and China in 2030



Source: European Federation for Transport and Environment (T&E), Samsung Securities

Policy comparison: EU IAA vs US IRA

	EU Industrial Acceleration Act (IAA)	US Inflation Reduction Act (IRA)
Policy nature	Industrial Policy + Regulation	Fiscal Policy + Tax Credit
Core objective	EU Competitiveness & Decarbonization	Expanding US Clean Energy Manufacturing
Key mechanism	Made-in-EU Local Content Requirement, Public Procurement Preference	Tax credits
Supply chain strategy	Strengthened EU Sourcing (including FTA partners)	US-based production & Friendly Sourcing
Investment drivers	Regulatory Compliance & Market Access	Direct Financial Support (Tax Benefits)
Foreign regulation	Restrictions on FDI for specific countries (eg, China)	Exclusion of FEOC (China-linked entities)
Target market	Public Procurement, RE Auctions	Private/Consumer Market
Battery sector impact	**Recovery of utilization rates by replacing Chinese imports**	**Focus on AMPC benefits and subsidy-eligible markets (ESS)**

Source: Samsung Securities

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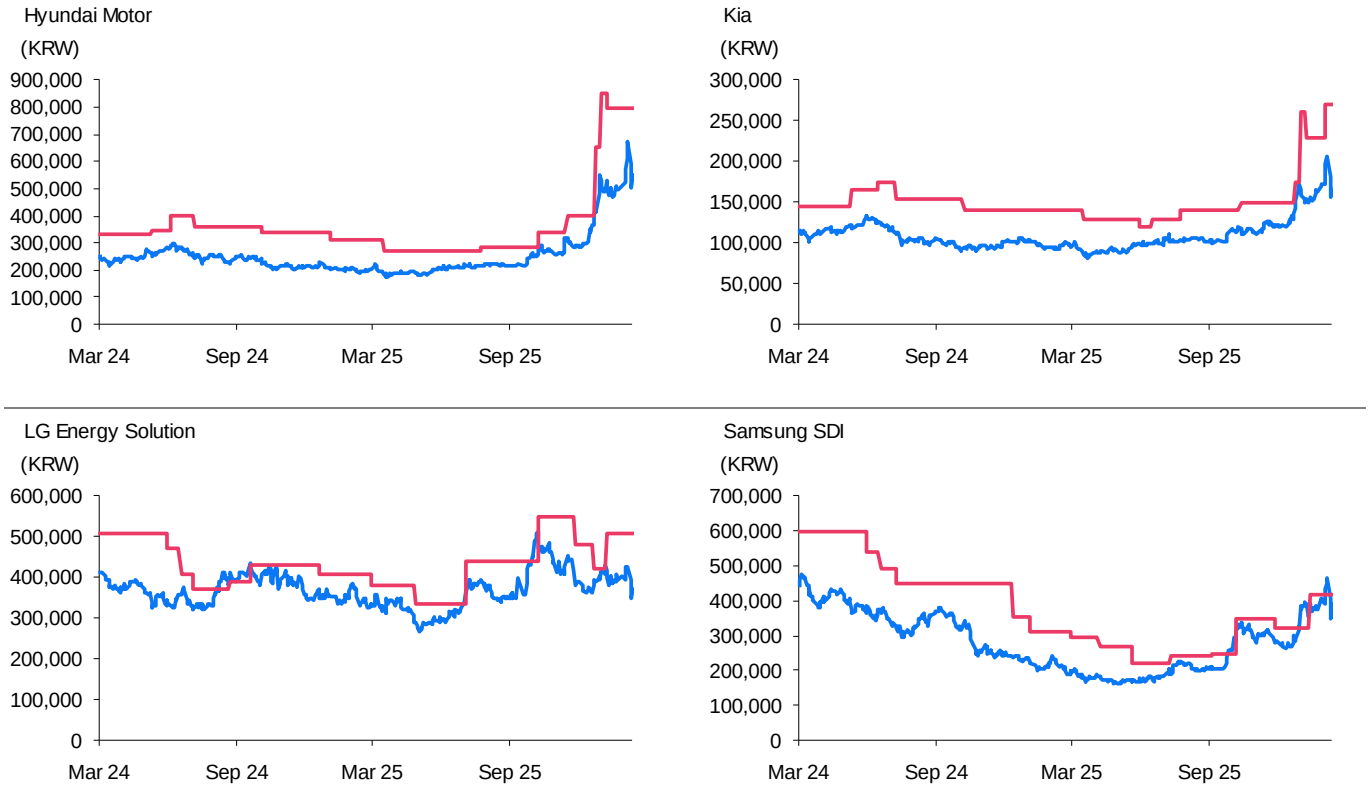
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Hyundai Motor												
Date	2024/2/5	3/20	5/29	6/25	7/26	10/25	2025/1/24	4/7	8/14	10/31	12/8	2026/1/14
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	290000	330000	345000	400000	360000	340000	310000	270000	285000	340000	400000	650000
Gap* (average)	-15.25	-26.19	-21.52	-31.63	-32.30	-37.27	-34.90	-26.06	-20.49	-20.69	-22.55	-27.91
(max or min)**	-11.90	-16.06	-16.96	-25.50	-28.06	-33.38	-28.39	-17.41	-7.02	-7.35	1.50	-15.54
Date	1/22	1/30										
Recommendation	BUY	BUY										
Target price (KRW)	850000	800000										
Gap* (average)	-40.91											
(max or min)**	-37.88											
Kia												
Date	2024/2/5	5/29	7/4	7/29	10/28	2025/4/7	6/20	7/7	8/14	11/3	2026/1/14	1/22
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	145000	165000	175000	155000	140000	130000	120000	130000	140000	150000	175000	260000
Gap* (average)	-19.81	-24.20	-31.41	-34.54	-30.66	-30.49	-17.88	-21.50	-24.00	-20.38	-7.53	-40.63
(max or min)**	-11.38	-19.82	-27.83	-27.68	-23.79	-23.38	-15.75	-15.08	-14.36	-9.33	-1.66	-38.85
Date	1/29	2/25										
Recommendation	BUY	BUY										
Target price (KRW)	230000	270000										
Gap* (average)	-30.12											
(max or min)**	-24.35											
LG Energy Solution												
Date	2024/1/26	6/20	7/8	7/25	9/11	10/10	2025/1/10	3/21	5/19	7/25	10/31	12/18
Recommendation	BUY	BUY	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	BUY	HOLD	HOLD
Target price (KRW)	510000	470000	410000	370000	390000	430000	410000	380000	335000	440000	550000	480000
Gap* (average)	-25.18	-27.55	-15.22	-3.89	5.00	-9.14	-14.77	-12.67	-10.19	-12.74	-19.50	-21.65
(max or min)**	-17.75	-23.62	-8.54	11.35	0.38	-0.70	-5.98	-5.26	9.85	16.82	-11.91	-18.65
Date	2026/1/12	1/29										
Recommendation	HOLD	BUY										
Target price (KRW)	420000	510000										
Gap* (average)	-3.83											
(max or min)**	2.62											
Samsung SDI												
Date	2024/1/30	6/20	7/8	7/30	2025/1/2	1/24	3/21	4/28	6/11	8/1	9/26	10/28
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	597210	538468	489517	450355	352452	313291	293710	270000	220000	240000	250000	350000
Gap* (average)	-32.48	-32.88	-28.53	-31.99	-33.69	-32.91	-37.37	-37.02	-18.49	-12.36	-5.25	-11.76
(max or min)**	-20.33	-29.27	-22.10	-15.76	-30.69	-22.81	-30.50	-32.00	-6.36	-6.25	17.20	-3.57
Date	12/19	2026/2/3										
Recommendation	BUY	BUY										
Target price (KRW)	320000	420000										
Gap* (average)	-2.27											
(max or min)**	23.91											

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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BUY	Expected to increase in value by 15% or more within 12 months and is highly attractive within sector
HOLD	Expected to increase/decrease in value by less than 15% within 12 months
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Industry

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UNDERWEIGHT	Expected to underperform market by 5% or more within 12 months

* Note: Effective Jul 27, 2023, BUY, HOLD, and SELL criteria are based on expectations of share-price moves of 15% or more within 12 months

Percentage of ratings in 12 months prior to 2025.12.31

BUY (85.8%)·HOLD (14.2%)·SELL (0%)

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Samsung Securities

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
Fax: 81-3-6333-2953

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