COMPANY UPDATE

2026. 3. 12

Scan to go to
Research Center report database

Kia (000270)

Profitability set for another leap in the autonomous-driving era

- Kia is expected to unveil its software-defined vehicle roadmap and outline its role in Hyundai Motor Group's robotics ecosystem at the upcoming CEO Investor Day.
- Kia plans to begin operating Pace Cars in 2026 to accumulate real-world data, with Level 2+ autonomous-driving features targeted for deployment in select models starting in 2027—signaling the emergence of software-driven revenue streams.
- In the physical AI era, the true protagonists are likely to be automakers with the financial strength and execution capability to embed intelligence into physical devices. Kia is our top sector pick, alongside Hyundai Motor.

EV/Mobility Team

Esther Yim
Team Leader
esther.yim@samsung.com

Hyunji Kim
Research Associate
hyunzi.kim@samsung.com

AT A GLANCE

BUY

Target price	KRW270,000	66.7%
Current price	KRW162,000	
Market cap	KRW63.2t/USD43.1b	
Shares (float)	390,412,998 (60.4%)	
52-week high/low	KRW206,000/KRW82,000	
Avg daily trading value (60-day)	KRW266.9b/ USD182.0m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Kia (%)	0.1	52.0	64.6
Vs Kospi (%pts)	-4.4	-9.4	-25.5

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	270,000	270,000	0.0%
2025E EPS	19,111	19,111	0.0%
2026E EPS	23,000	23,000	0.0%

SAMSUNG vs THE STREET

No of estimates	26
Target price	213,615
Recommendation	4.0

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

WHAT'S THE STORY?

Market's perception of Kia to shift following CEO Investor Day (Apr 9): We expect two key outcomes from Kia's upcoming CEO Investor Day: 1) clear articulation of Kia's autonomous-driving technology roadmap should catalyze business model transformation and a step-up in profitability; and 2) greater visibility into Kia's role in Hyundai Motor Group's (HMG) robotics initiatives should help the automaker close its valuation gap with peers.

- **Clearer software-defined vehicle (SDV) roadmap:** We expect Kia to: 1) unveil detailed plans to enhance the "Atria AI" autonomous-driving inference model, including potential use of Nvidia's Alpamayo platform; and 2) disclose concrete timelines for deploying its Pace Car fleet and commercializing Level 2+ autonomous driving.

(Continued on the next page)

SUMMARY FINANCIAL DATA

(KRWb)	2024	2025E	2026E	2027E
Revenue	107,449	114,141	123,663	128,983
Operating profit	12,667	9,078	10,639	11,533
Net profit (adj)	9,775	7,554	8,972	9,659
EPS (adj) (KRW)	24,413	19,111	23,000	24,762
EPS (adj) growth (% y-y)	12.1	-21.7	20.3	7.7
EBITDA margin (%)	14.2	10.5	10.8	10.9
ROE (%)	19.1	13.0	14.1	13.7
P/E (adj) (x)	4.1	6.4	7.0	6.5
P/B (x)	0.7	0.8	0.9	0.9
EV/EBITDA (x)	1.6	2.5	3.0	2.3
Dividend yield (%)	6.5	5.6	4.3	4.6

Source: Company data, Samsung Securities estimates

- **Commercialization of Level 2+ autonomous driving—Catalyst for business model transformation and profitability improvement:** Kia is expected to pursue subscription-based revenue streams for advanced driver-assistance features, enabling stable earnings as customer adoption rises. Software revenue typically carries gross margins exceeding 50%. Under a subscription model, once sensors and computing hardware are embedded in the vehicle at the point of sale, software subscription revenue is recognized as operating profit, without COGS expenses.
- **Robotics business—Kia's role aligned with HMC's:** Kia's lower equity stakes in HMG's robotics initiatives relative to HMC's is already reflected in its share price. For example, in Boston Dynamics, HMC holds 27% vs Kia's 18%, while in Robotics Lab, HMC holds 60% vs Kia's 40%. Kia's share price has risen only about half as much as HMC's ytd, with its P/E valuation at roughly 60% of HMC's. However, Kia is expected to be equally as critical to HMG's robotics ecosystem as HMC is—including providing real-world action data for robots, operating robot training centers, and managing robot production facilities.

Commercialization of Level 2+ to reshape business model and lift profitability: HMC and Kia could significantly improve profitability by shifting from free to paid subscriptions for connectivity services and Level 2+ autonomous-driving features.

- **GM building a recurring revenue engine with Super Cruise:** Since 2017, GM has offered its Level 2+ autonomous-driving system, Super Cruise, free of charge for three years to new vehicle buyers. After the trial period, around 40% of customers transition to a paid monthly subscription of USD40. By 2025, Super Cruise had 620,000 subscribers, generating USD230m in annual revenue. The US carmaker has set revenue targets of USD400m for 2026 and USD2b by 2030. Super Cruise enables hands-free driving on more than 750,000 miles of North American highways using high-definition mapping. GM plans to upgrade Super Cruise for eyes-off driving in 2028, pushing closer to fully autonomous vehicle technology.

  GM sells roughly 3.3m vehicles annually in North America. Its software and connectivity services (*eg*, OnStar, over-the-air updates, and in-vehicle data) has already attracted 12m subscribers—roughly 20 times the number of drivers paying for self-driving features. With over 60m vehicles sold in North America over the past 20 years, GM's connectivity subscription penetration stands at around 20%.

  In 2025, total software-related recurring revenue (including Super Cruise) surged 65% y-y to USD5.4b. The company targets 13m OnStar subscribers and USD7.5b in software revenue in 2026, rising to USD25b by 2030 (equivalent to 13.5% of its 2025 total revenue of USD185b). While vehicle sales generate margins of 4-5%, software delivers margins above 40-50%, and subscription services can reach 70-80% as hardware costs are fully absorbed at the time of sale.
- **Tesla building a physical AI platform via FSD:** Tesla has fully transitioned to a subscription model for Full Self-Driving (FSD), offering it exclusively at USD99 per month starting Feb 14, 2026—more than double the price of GM's Super Cruise. The company is advancing toward Level 4 autonomy without driver intervention, with FSD designed not only for cars but as a foundational AI platform for humanoid robots.

  As of 2025, FSD had been activated on 1.1m vehicles, representing 12.3% of Tesla's cumulative 8.9m deliveries. Adoption remains confined to North America, where it reaches 30% of the 3.4m vehicles sold in the region. Based on Elon Musk's stock option targets, Tesla aims to sell 20m vehicles over the next decade, with 10m of them activated with FSD subscriptions (a target adoption rate of 50%).

Tesla's connectivity service is priced at USD9.99 per month (or USD99 annually) and is adopted on nearly all vehicles. Total software-related recurring revenue reached USD3.8b last year.

- **HMC/Kia: High ADAS adoption driving ASP growth:** Advanced driver-assistance systems (ADAS)—including smart cruise control, lane-keeping assist, and automated parking—are bundled into packages with adoption rates of 70% and 80% in the US and Korea, respectively. However, these features are typically available only on higher trims (adding KRW3m-4m to the vehicle price) or as a standalone option (around KRW2m). This helps explain why ASPs continue to climb despite rising incentives. As consumers in advanced markets grow more accustomed to advanced convenience features, demand for Level 2+ systems—enhanced with AI-powered capabilities—should rise sharply.
- **HMC/Kia's software sales to grow from 2027:** HMC and Kia currently provide connectivity services free of charge in North America and for five years in Korea, resulting in virtually no software revenue. At present, ADAS features rely on software hardwired into vehicle chips, limiting revenue to a one-time sale at purchase. With Level 2+ autonomy, however, software will be decoupled from hardware, enabling over-the-air updates. This unlocks flexible monetization options: customers can either pay an upfront fee or opt for a subscription model. This transition allows automakers to generate recurring revenue over a vehicle's lifespan (15-20 years).

  If HMC and Kia achieve a 40% paid subscription rate for Level 2+ autonomous driving and connectivity services (similar to GM's), vehicle-level operating profit could expand by 6-8% in the early stages (assuming sales at 2025 levels). Over a 15-year lifecycle, cumulative operating profit per vehicle should more than double. With widespread adoption of Level 2+ technology and connectivity services, Kia could achieve an operating margin above 12%.

  Kia has also strengthened its market position since 2019 through disciplined inventory and incentive management, leading to a significant increase in used-car values. As new-model launches are scheduled from 2026, these higher residual values should support new-car demand. With projected annual North American sales of around 1m units (on par with HMC), Kia is well-positioned to capitalize on future software revenue growth.

Global automakers: Software revenue (2025)

('000 units)	GM	Tesla	Hyundai	Kia
Global sales volume	6,182	1,636	4,138	3,129
North America sales volume	3,361	550	1,939	1,469
Cumulative North America sales volume since 2019	18,060	3,400	12,093	9,161
Consolidated revenue (USDm)	185,000	94,827	130,980	80,268
Connectivity subscription fee (USD/month)	Basic: 9.99 Max:64.99 (includes Super Cruise, Wi-Fi, app services)	9.99 (or USD99/year)	Free since 2023 (5-year free in Korea)	Free since 2023 (5-year free in Korea)
Level 2+ autonomous-driving subscription fee (USD/month)	40	99		
Connectivity subscribers ('000 people)	12,000	3,400		
Level 2+ autonomous-driving subscribers ('000 people)	620	1,100		
Deferred software revenue (USDm)	5,400	3,822		
Software portion of total revenue (%)	2.9	4		

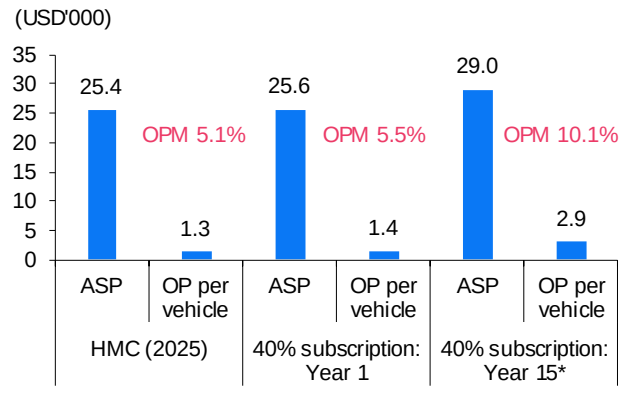
Source: Company data, Samsung Securities

GM: North America subscription programs

Subscription program	Key services	Monthly fee (USD)
OnStar One	Integrated package including safety, remote control, and app connectivity	34.99-39.99
Protect	Collision response, stolen vehicle assistance, 24/7 emergency dispatch	29.99
Remote access	Remote start and vehicle status monitoring via smartphone app	14.99
In-vehicle data	Wi-Fi hotspot and in-vehicle streaming app data usage	15.00
Super Cruise	Hands-free autonomous-driving technology	39.99

Source: Company data, Samsung Securities

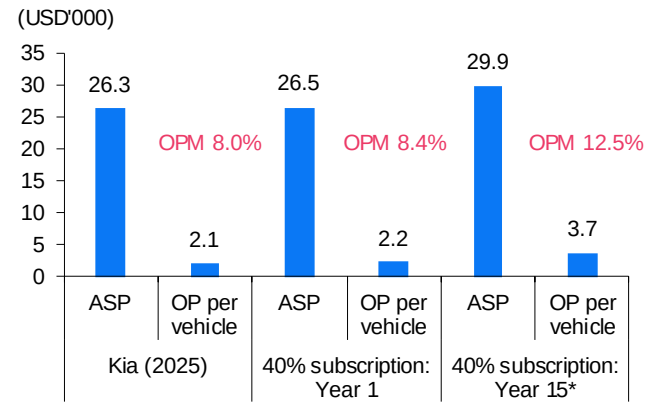
HMC: Estimated profitability changes from software sales



Note: *Assumes 15% subscription rate, 40% profitability for Level 2+ ADAS, and 70% profitability for connectivity

Source: Company data, Samsung Securities estimates

Kia: Estimated profitability changes from software sales



Note: *Assumes 15% subscription rate, 40% profitability for Level 2+ ADAS, and 70% profitability for connectivity

Source: Company data, Samsung Securities estimates

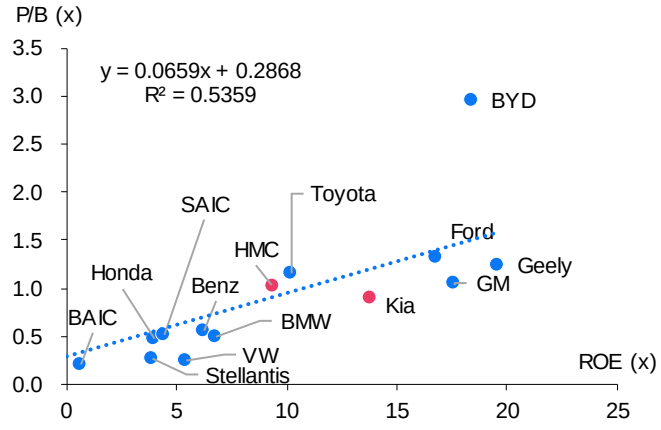
Favorable environment for growth stocks: Global automotive demand is forecast to decline 1% y-y in 2026. Advancing physical AI requires substantial capital investment, yet long-term interest rates remain elevated, with yields on 10-year USTs anchored near 4% amid persistent inflation concerns.

- **Kia to deliver solid growth:** Kia is the only major automaker expected to deliver top-line growth in 2026, targeting wholesale volume of 3.35m vehicles (up 6.8% y-y), revenue of KRW122.3t (up 7.2% y-y), and operating profit of KRW10.2t. Its financial plan assumes an exchange rate of KRW1,370/USD. With a KRW10/USD move translating into a KRW300b-350b increase in profits, we expect the carmaker to deliver an earnings surprise.
- **Solid financials:** Despite 2025 marking the most challenging operating environment since the global pandemic, Kia sustained positive free cash flow (up KRW430b) and increased its net cash position to KRW19.6t (up KRW897b y-y) equivalent to 33% of its market cap. For reference, HMC's net cash (excluding its financial subsidiaries) stood at KRW12.5t. Leveraging these strong operating results and financials, the company remains committed to its shareholder return policy, targeting a total payout ratio of 35%. Kia may also take on a larger role in HMG's growing investments in data centers, robot training facilities, and robotic manufacturing plants.

Hybrid momentum—Kia outperforming Toyota: Hybrid demand in the US is twice that of EVs.

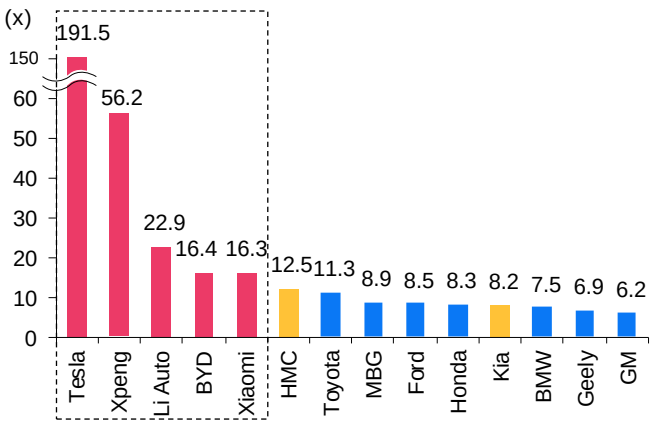
- **Model launches:** Kia plans to launch its second-generation Telluride in the US February, targeting full-year 2026 Telluride sales of 177,000 units (vs 127,000 units in 2025). The automaker also plans to launch the hybrid version of the Seltos (2nd generation) in the global market, targeting annual Seltos sales of 380,000 units (vs 300,000 units in 2025).
- **To begin hybrid production at Metaplant:** Kia plans to produce hybrid models at the Metaplant from 2Q.
- **Hybrid portion of sales rising:** We expect Kia's global hybrid sales to grow from 466,000 units in 2025 (up 21.8% y-y; 14.9% of total sales) to 600,000 units in 2026 (up 28.7% y-y; 18% of total sales). We also project its EV sales volume to rise from 305,000 units in 2025 (up 16.6% y-y, 9.8% of total sales) to 350,000 units in 2026 (up 14.7% y-y; 11% of total sales). In the US, its hybrid sales should jump from 130,000 units in 2025 (up 82% y-y; 15% of total sales) to 250,000 units in 2026 (up 92% y-y; 28% of total sales). Hybrids now offer higher profitability than internal combustion engine vehicles.
- **US hybrid market—HMC/Kia eating away at Toyota:** HMC/Kia are eroding Toyota's market share by building full hybrid lineups in the US. While Toyota's share of the US market for hybrids plunged 10.5%pts between Jan 2024 (59.8%) and Jan 2026 (49.3%), Kia's share leapt from 4.8% to 8% over the same period, while HMC's climbed from 5.6% to 7.5%.

Automakers: P/B vs ROE (2026E)



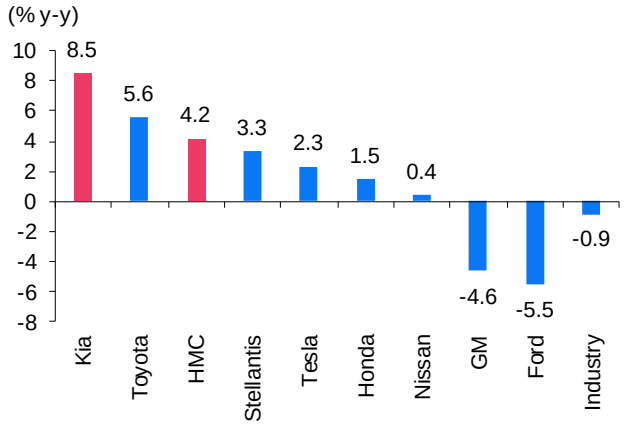
Source: Bloomberg, Samsung Securities

Automakers: 12-month forward P/E valuation



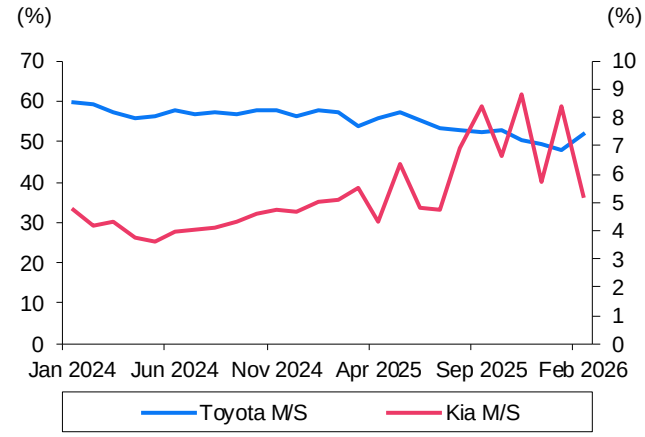
Source: Bloomberg, Samsung Securities

US market: Jan-Feb retail sales growth (y-y)



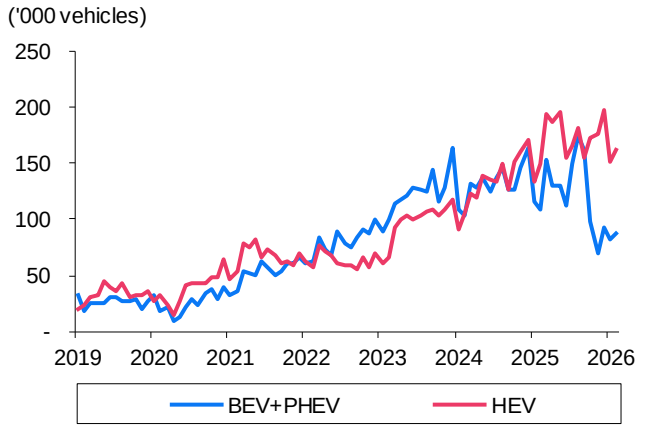
Source: Wards, Samsung Securities

US: Hybrid market shares



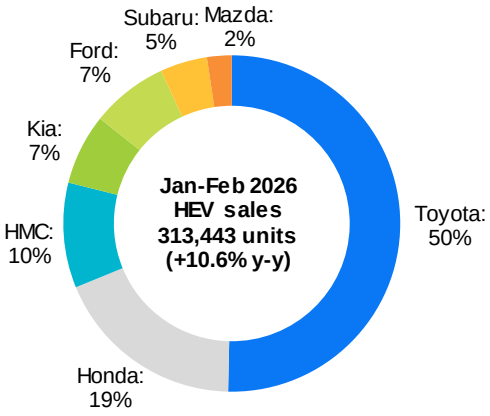
Source: Wards, Samsung Securities

US: Auto demand - HEVs vs BEVs+PHEVs



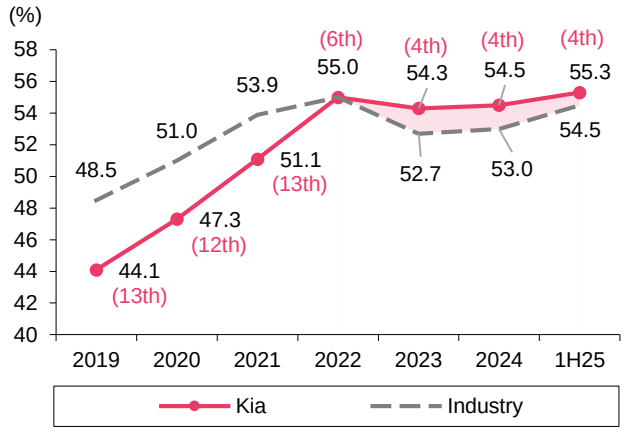
Source: Wards, Samsung Securities

US: HEV portion of sales volume, by automaker



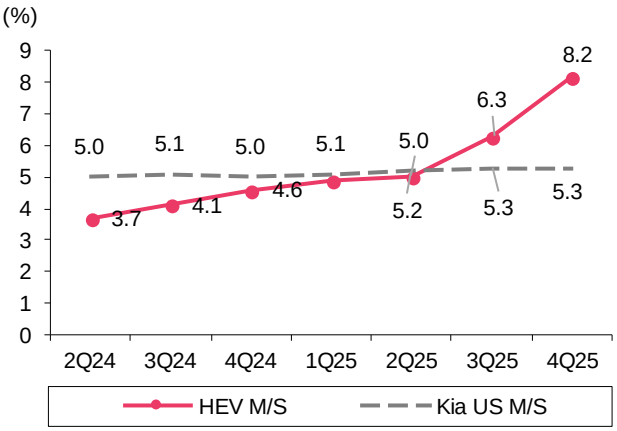
Source: Wards, Samsung Securities

Residual value and ranking



Source: U.S. ALG Residual Value, Company data, Samsung Securities

Kia: Hybrid market share in US



Source: Company data, Samsung Securities

Telluride profitability analysis

	Telluride 1st gen	Telluride 2nd gen
Selling price (USD)	46,453	55,743
Wholesale price (USD)	41,807	50,169
Sales volume (units)	127,000	177,000
Revenue (USDm)	5,309	8,880
Profitability (%)	20%	22%
Operating profit (USDm)	**1,062**	**1,954**
Operating profit (KRWb)	**1,529**	**2,813**

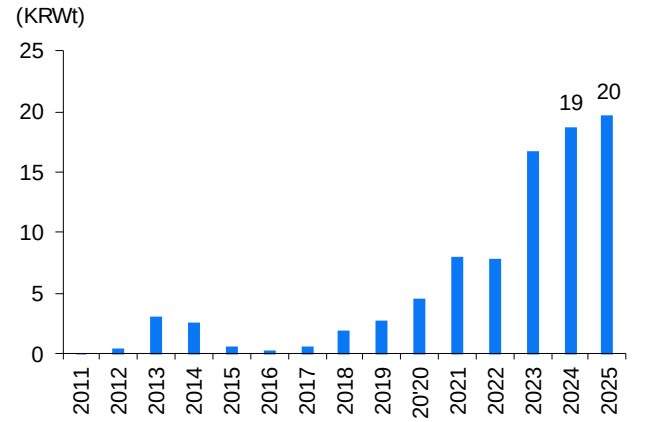
Source: Samsung Securities estimates

HMG: USD sensitivity estimation

	HMC	Kia	Mobis
USD revenue	106,070	62,403	29,869
USD COGS and SG&A	61,739	24,234	23,071
USD Exposure	44,331	38,169	6,798
Hedge (5%)	2,217	1,908	340
Net Exposure	**42,114**	**36,261**	**6,458**
1% movement	421	363	65
2025E operating profit	12,672	10,773	3,457
OP impact	**3.3%**	**3.4%**	**1.9%**

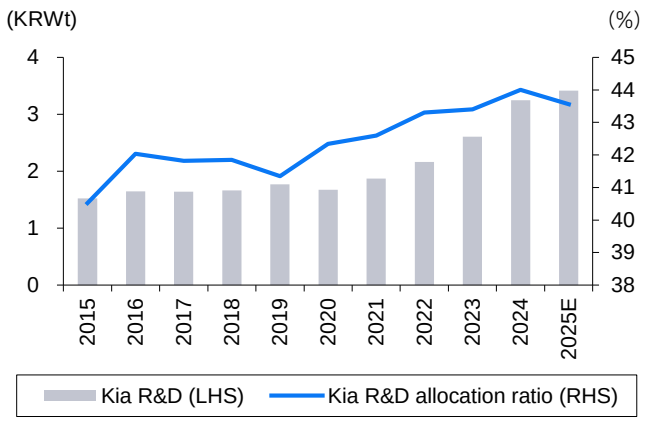
Source: Company data, Samsung Securities estimates

Kia: Net cash



Source: Company data, Samsung Securities

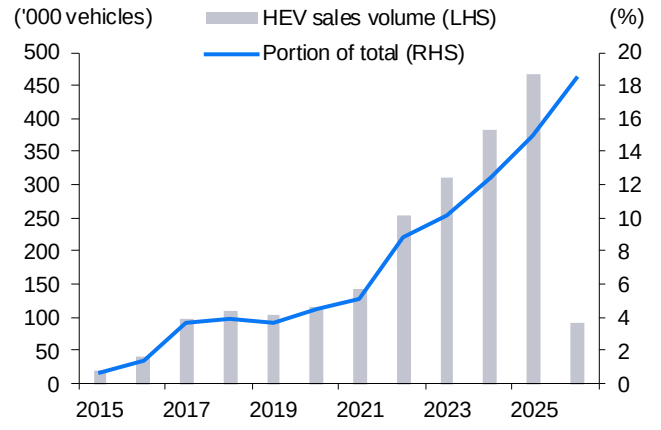
Kia: R&D expense and allocation ratio



Note: Kia's R&D allocation ratio is based on its share of the total R&D costs combined with HMC

Source: Company data, Samsung Securities

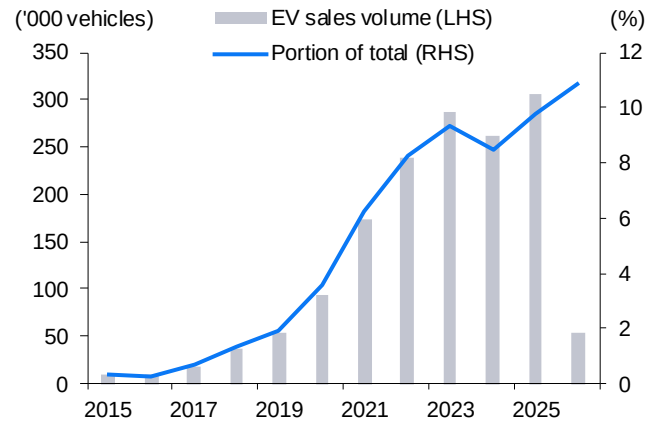
Kia: Hybrid sales volume



Note: Cumulative sales through Feb 2026

Source: Company data, Samsung Securities

Kia: EV sales volume



Note: Cumulative sales through Feb 2026

Source: Company data, Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**99,808**	**107,449**	**114,141**	**123,663**	**128,983**
Cost of goods sold	77,180	82,678	91,633	99,652	103,876
Gross profit	**22,629**	**24,771**	**22,508**	**24,011**	**25,106**
Gross margin (%)	22.7	23.1	19.7	19.4	19.5
SG&A expenses	11,021	12,104	13,430	13,372	13,573
Operating profit	**11,608**	**12,667**	**9,078**	**10,639**	**11,533**
Operating margin (%)	11.6	11.8	8.0	8.6	8.9
Non-operating gains (losses)	**1,069**	**833**	**1,163**	**1,484**	**1,519**
Financial profit	1,263	1,351	1,117	1,320	1,637
Financial costs	392	610	97	99	99
Equity-method gains (losses)	684	395	415	714	749
Other	-485	-304	-272	-451	-768
Pre-tax profit	**12,677**	**13,500**	**10,242**	**12,124**	**13,052**
Taxes	3,900	3,725	2,687	3,152	3,394
Effective tax rate (%)	30.8	27.6	26.2	26.0	26.0
Profit from continuing operations	8,778	9,775	7,554	8,972	9,659
Profit from discontinued operations	0	0	0	0	0
Net profit	**8,778**	**9,775**	**7,554**	**8,972**	**9,659**
Net margin (%)	8.8	9.1	6.6	7.3	7.5
Net profit (controlling interests)	8,777	9,773	7,561	8,980	9,667
Net profit (non-controlling interests)	1	2	-7	-8	-9
EBITDA	13,961	15,216	11,969	13,405	14,106
EBITDA margin (%)	14.0	14.2	10.5	10.8	10.9
EPS (parent-based) (KRW)	21,770	24,413	19,111	23,000	24,762
EPS (consolidated) (KRW)	21,772	24,418	19,094	22,980	24,740
Adjusted EPS (KRW)*	21,770	24,413	19,111	23,000	24,762

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**37,466**	**41,797**	**45,624**	**53,321**	**61,669**
Cash & equivalents	14,353	13,567	15,829	21,301	28,406
Accounts receivable	2,475	3,561	3,783	4,099	4,275
Inventories	11,273	12,419	13,193	14,293	14,908
Other current assets	9,365	12,251	12,819	13,628	14,080
Fixed assets	**43,162**	**50,958**	**54,223**	**55,811**	**56,054**
Investment assets	22,205	27,223	28,878	31,232	32,547
Tangible assets	16,104	18,279	19,924	19,630	18,975
Intangible assets	3,310	4,094	4,059	3,587	3,170
Other long-term assets	1,542	1,362	1,362	1,362	1,362
Total assets	**80,628**	**92,756**	**99,846**	**109,133**	**117,723**
Current liabilities	**25,674**	**26,977**	**28,254**	**30,551**	**31,834**
Accounts payable	10,369	10,455	11,106	12,032	12,550
Short-term debt	129	221	721	721	721
Other current liabilities	15,176	16,302	16,427	17,798	18,563
Long-term liabilities	**8,395**	**9,938**	**10,902**	**11,562**	**11,931**
Bonds & long-term debt	2,702	2,176	2,676	2,676	2,676
Other long-term liabilities	5,693	7,763	8,227	8,887	9,255
Total liabilities	**34,070**	**36,916**	**39,156**	**42,113**	**43,765**
Owners of parent equity	**46,552**	**55,831**	**60,688**	**67,025**	**73,972**
Capital stock	2,139	2,139	2,139	2,139	2,139
Capital surplus	1,758	1,760	1,760	1,760	1,760
Retained earnings	43,271	50,241	55,243	61,580	68,527
Other	-616	1,691	1,546	1,546	1,546
Non-controlling interests' equity	**6**	**9**	**2**	**-6**	**-14**
Total equity	**46,558**	**55,840**	**60,690**	**67,020**	**73,958**
Net debt	-12,718	-15,303	-17,733	-23,674	-31,040

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**11,297**	**12,564**	**10,873**	**12,223**	**12,153**
Net profit	8,778	9,775	7,554	8,972	9,659
Non-cash profit and expenses	8,836	9,666	3,961	3,802	3,498
Depreciation	1,846	2,010	2,355	2,294	2,156
Amortization	507	540	535	472	417
Other	6,483	7,116	1,071	1,036	926
Changes in A/L from operating activities	-4,247	-4,287	844	1,200	671
Cash flow from investments	**-3,107**	**-10,153**	**-5,003**	**-2,716**	**-1,900**
Change in tangible assets	-2,230	-3,424	-4,000	-2,000	-1,500
Change in financial assets	-541	-4,788	-503	-716	-400
Other	-336	-1,941	-500	0	0
Cash flow from financing	**-5,596**	**-3,570**	**-2,391**	**-2,634**	**-2,716**
Change in debt	-3,622	-525	168	8	4
Change in equity	21	2	0	0	0
Dividends	-1,403	-2,194	-2,559	-2,642	-2,720
Other	-592	-853	0	0	0
Change in cash	2,799	-787	2,262	5,472	7,105
Cash at beginning of year	11,554	14,353	13,567	15,829	21,301
Cash at end of year	14,353	13,567	15,829	21,301	28,406
Gross cash flow	**17,614**	**19,441**	**11,516**	**12,773**	**13,157**
Free cash flow	**8,961**	**9,079**	**6,873**	**10,223**	**10,653**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	15.3	7.7	6.2	8.3	4.3
Operating profit	60.5	9.1	-28.3	17.2	8.4
Net profit	62.3	11.4	-22.7	18.8	7.7
Adjusted EPS**	63.1	12.1	-21.7	20.3	7.7
Per-share data (KRW)					
EPS (parent-based)	21,770	24,413	19,111	23,000	24,762
EPS (consolidated)	21,772	24,418	19,094	22,980	24,740
Adjusted EPS**	21,770	24,413	19,111	23,000	24,762
BVPS	117,495	141,812	156,170	172,478	190,355
DPS (common)	5,600	6,500	6,800	7,000	7,500
Valuations (x)					
P/E***	4.6	4.1	6.4	7.0	6.5
P/B***	0.9	0.7	0.8	0.9	0.9
EV/EBITDA	2.0	1.6	2.5	3.0	2.3
Ratios (%)					
ROE	20.4	19.1	13.0	14.1	13.7
ROA	11.4	11.3	7.8	8.6	8.5
ROIC	45.7	45.2	28.7	33.2	37.5
Payout ratio	25.0	26.2	34.9	30.3	30.1
Dividend yield (common)	5.6	6.5	5.6	4.3	4.6
Net debt to equity	-27.3	-27.4	-29.2	-35.3	-42.0
Interest coverage (x)	63.8	124.8	93.7	107.3	116.2

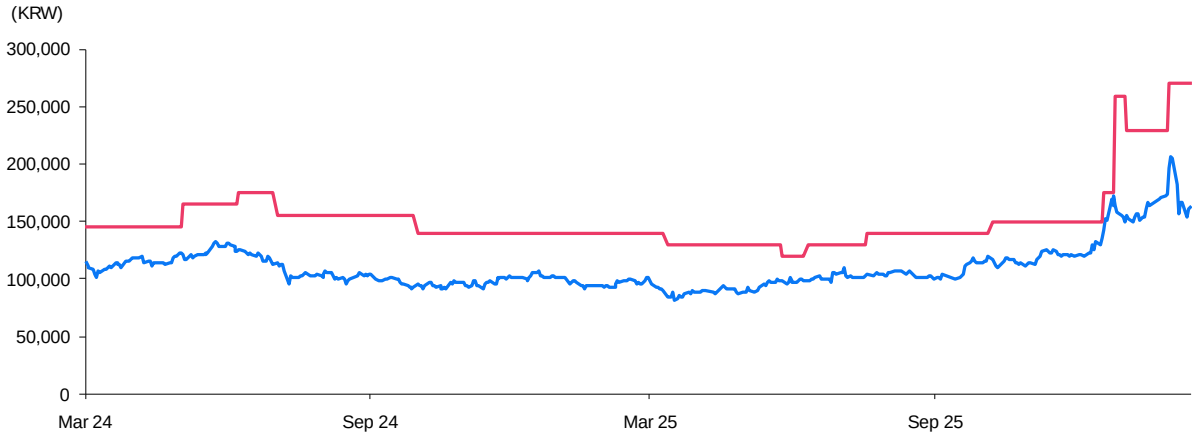
Note: *Excluding one-off items;
**Fully diluted, excluding one-off items;
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

Compliance notice

- As of 3/11 2026, the covering analyst(s) did not own any shares, or debt instruments convertible into shares, of any company covered in this report.
- As of 3/11 2026, Samsung Securities' holdings of shares and debt instruments convertible into shares of each company covered in this report would not, if such debt instruments were converted, exceed 1% of each company's outstanding shares.
- This report has been prepared without any undue external influence or interference, and accurately reflects the views of the analyst(s) covering the company or companies herein.
- All material presented in this report, unless specifically indicated otherwise, is under copyright to Samsung Securities.
- Neither the material nor its content (including copies) may be altered in any form, or by any means transmitted, copied, or distributed to another party, without prior express written permission from Samsung Securities.
- This memorandum is based upon information available to the public. While we have taken all reasonable care to ensure its reliability, we do not guarantee its accuracy or completeness. This memorandum is not intended to be an offer, or a solicitation of any offer, to buy or sell the securities mentioned herein. Samsung Securities shall not be liable whatsoever for any loss, direct or consequential, arising from the use of this memorandum or its contents. Statements made regarding affiliates of Samsung Securities are also based upon publicly available information and do not necessarily represent the views of management at such affiliates.
- This material has not been distributed to institutional investors or other third parties prior to its publication.

Target price changes in past two years



Rating changes over past two years (adjusted share prices)

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	

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

Samsung Securities uses the following investment ratings*

Company

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
SELL	Expected to decrease in value by 15% or more within 12 months

Industry

OVERWEIGHT	Expected to outperform market by 5% or more within 12 months
NEUTRAL	Expected to outperform/underperform market by less than 5% within 12 months
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%)

Global Disclosures & Disclaimers

General

This research report is for information purposes only. It is not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This report does not provide individually tailored investment advice. This report does not take into account individual client circumstances, objectives, or needs and is not intended as recommendations of particular securities, financial instruments or strategies to any particular client. The securities and other financial instruments discussed in this report may not be suitable for all investors. The recipient of this report must make its own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser.

This report may not be altered, reproduced, distributed, transmitted or published in whole or in part for any purpose. References to "Samsung Securities" are references to any company in the Samsung Securities, Co., Ltd. group of companies.

Samsung Securities and/or other affiliated companies, its and their directors, officers, representatives, or employees may have long or short positions in any of the securities or other financial instruments mentioned in this report or of issuers described herein and may purchase and/or sell, or offer to purchase and/or sell, at any time, such securities or other financial instruments in the open market or otherwise, as either a principal or agent. Any pricing of securities or other financial instrument contained herein is as of the close of market for such day, unless otherwise stated. Opinions and estimates contained herein constitute our judgment as of the date of this report and are subject to change without notice.

The information provided in this report is provided "AS IS". Although the information contained herein has been obtained from sources believed to be reliable, no representation or warranty, either expressed or implied, is provided by Samsung Securities in relation to the accuracy, completeness or reliability of such information or that such information was provided for any particular purpose and Samsung Securities expressly disclaims any warranties of merchantability or fitness for a particular purpose. Furthermore, this report is not intended to be a complete statement or summary of the securities, markets or developments referred to herein.

Samsung Securities does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. Samsung Securities, its affiliates, or any of its and their affiliates, directors, officers, employees or agents disclaim any and all responsibility or liability whatsoever for any loss (direct or consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice. Past performance is not indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security or financial instrument mentioned in this report. For investment advice, trade execution or other enquiries, clients should contact their local sales representative. Any opinions expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of Samsung Securities. Any analysis contained herein is based on numerous assumptions. Different assumptions may result in materially different results. Samsung Securities is under no obligation to update or keep current the information contained herein. Samsung Securities relies on information barriers to control the flow of information contained in one or more areas or groups within Samsung Securities into other areas or groups of Samsung Securities. Any prices stated in this report are for information purposes only and do not represent valuations for individual securities or other financial instruments. Samsung Securities makes no representation that any transaction can or could have been effected at those prices and any prices contained herein may not reflect Samsung Securities' internal books and records or theoretical model-based valuations and may be based on certain assumptions. Different assumptions by Samsung Securities or any other source may yield substantially different results. Additional information is available upon request.

For reports to be distributed to US:

Securities research is prepared, issued and exclusively distributed by Samsung Securities Co., Ltd., an organization licensed with the Financial Supervisory Service of South Korea. This research may be distributed in the United States only to major institutional investors as defined in Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended, and may not be circulated to any other person otherwise. All transactions by U.S. investors involving securities discussed in this report must be effected through Samsung Securities (America) Inc., a broker-dealer registered with the U.S. Securities & Exchange Commission and a member of the Financial Industry Regulatory Authority/SIPC, and not through any non-U.S. affiliate thereof. The analysts listed [on the front of this report] are employees of Samsung Securities Co., Ltd., or a non-U.S. affiliate thereof, and are not registered/qualified as research analysts under applicable U.S. rules and regulations and may not be subject to U.S. restrictions on communications with covered companies, public appearances, and trading securities held by a research analyst account.

For reports to be distributed to UK:

This report is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). To the extent that this report does constitute such an invitation or inducement, it is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (as amended) of the United Kingdom (the "Financial Promotion Order"); (ii) persons who fall within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iii) any other persons to whom this report can, for the purposes of section 21 of FSMA, otherwise lawfully be made (all such persons together being referred to as "relevant persons").

Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons must not act or rely on this report.

For reports to be distributed to Korea:

This report is for private circulation only, not for sale, and is issued and distributed only to persons permitted under the laws and regulations of Korea.

For reports to be distributed to Singapore:

This report is provided pursuant to the financial advisory licensing exemption under Regulation 27(1)(e) of the Financial Advisers Regulation of Singapore and accordingly may only be provided to persons in Singapore who are "institutional investors" as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This report is intended only for the person to whom Samsung Securities has provided this report and such person may not send, forward or transmit in any way this report or any copy of this report to any other person.

Analyst certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of such analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research report. The analyst(s) principally responsible for the preparation of this research report receives compensation based on determination by research management and senior management (not including investment banking), based on the overall revenues, including investment banking revenues of Samsung Securities Co., Ltd. and its related entities and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

Copyright © 2010 Samsung Securities Co., Ltd.. All rights reserved. This report or any portion hereof may not be reprinted, sold or redistributed without the prior written consent of Samsung Securities America Inc

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

Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CSA