COMPANY UPDATE

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Macquarie KIF (088980)

Improves across asset classes in 1Q despite fewer one-offs

- Macquarie KIF's revenue declined 4.9% y-y due to a high base—it booked dividends from the Baekyang Tunnel liquidation for five straight quarters.
- Its assets delivered solid operating results. Hanam data center started ramp-up.
- Even with near-term dividend weakness, the current dividend yield of 6.7% signals an attractive valuation.

▶ AT A GLANCE

BUY

Target price	KRW13,600	20.8%
Current price	**KRW11,260**	
Market cap	KRW5.4t/USD3.7b	
Shares (float)	478,921,993 (91.6%)	
52-week high/low	KRW11,980/KRW10,990	
Avg daily trading value (60-day)	KRW20.2b/ USD13.9m	

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
Macquarie KIF (%)	-0.1	-0.3	-2.7
Vs Kospi (%pts)	-26.7	-47.4	-66.6

▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	13,600	13,600	0.0%
2026E EPS	722	722	0.0%
2027E EPS	746	746	0.0%

▶ SAMSUNG vs THE STREET

No of estimates	1
Target price	13,600
Recommendation	4.0

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

WHAT'S THE STORY?

1Q revenue down due to a high base: In 1Q26, Macquarie KIF's revenue and net profit fell 4.9% and 6% y-y, respectively, due to a high base from the dividends (KRW14.6b) from the Baekyang Tunnel liquidation (which was completed in Jan 2026).

Strong performance across core assets: Operating results were broadly positive across key assets, including toll roads, ports, city gas, and data centers.

- **Toll roads:** The weighted average traffic across its 12 toll roads expanded 1.8% y-y in 1Q. Such traffic at the Incheon International Airport Expressway, however, diminished 14.4% y-y due to the opening of a new competing route in 2026.
- **Busan New Container Terminal (BNCT):** Freight volume shrank 4.3% y-y, but sales rose 0.4% y-y and EBITDA fell only 1.4% y-y, supported by rising tariffs and improvement in freight mix. After the 2024 restructuring (which lowered the interest rate on subordinated debt from 12% to around 6-12%), the port asset's accrued interest grew more slowly. The fund's total accrued interest stood at KRW891.5b in end-1Q26, similar to the end-2025 figure of KRW851.6b.

(Continued on the next page)

SUMMARY 1Q RESULTS

(KRWb)	1Q26	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Revenue	189.3	-4.9%	133.8%	2.3%	2.3%
Operating profit	171.8	-6.0%	177.7%	2.2%	2.2%
Pre-tax profit	171.8	-6.0%	177.7%	2.2%	2.2%
Net profit	171.8	-6.0%	177.7%	2.2%	2.2%
Margins (%)					
Operating profit	90.7%				
Pre-tax profit	90.7%				
Net profit	90.7%				

Source: Company data, FnGuide, Samsung Securities estimates

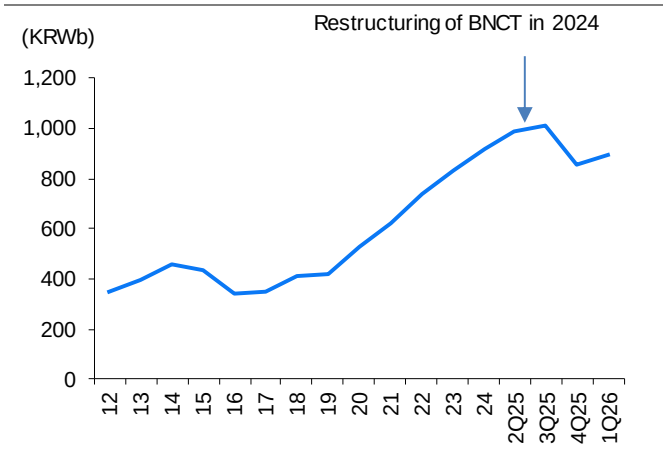
VALUATION SUMMARY

	2024	2025	2026E
Valuations (x)			
P/E	15.4	2.8	15.6
P/B	1.6	1.1	1.1
Div yield (%)	6.4	6.8	6.7
EPS growth (% y-y)	(2.9)	462.0	(82.3)
ROE (%)	11.0	46.5	6.9
Per-share data (KRW)			
EPS	727	4,085	722
BVPS	7,129	10,453	10,416
DPS	720	760	760

- **City gas:** Sales volumes at the three city gas firms contracted y-y, but EBITDA rose 6–13% y-y on improved operational yields and cost-cutting efforts.
- **Hanam data center ramp-up:** Leasing agreements have been finalized for 99% of the target IT load capacity (25.44 MW), with construction completed in 2Q25. The facility is currently in the ramp-up phase, operating at around 60% capacity. As a result, EBITDA increased 150.8% y-y to KRW5.6b. Once full ramp-up is achieved by mid-2027, rental income would fully reflect the entire contracted IT load, significantly boosting cash flow.

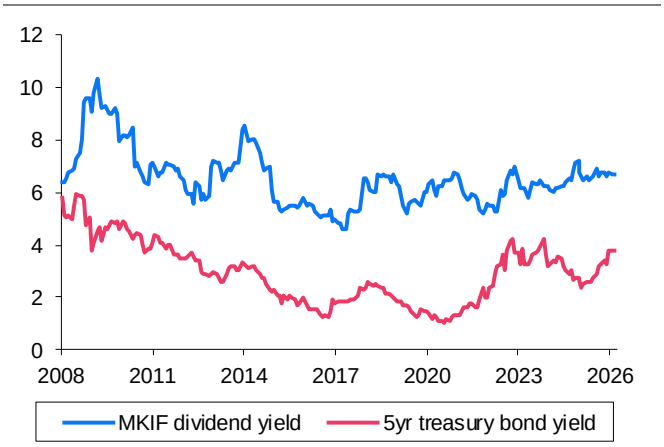
Expanded borrowing limit; time to invest: The passage of the revised Act on Public-Private Partners in Infrastructure in April allows public infrastructure funds to borrow up to 100% of capital, over three times the previous limit (30% of capital). MKIF's borrowing limit is KRW3.3t; with current debt at KRW500b, it has KRW2.8t of headroom. At a weighted average interest rate of 3.9% (credit rating of AA0), new investments—particularly in subordinated debt yielding around 10%—could quickly lift returns. Even with near-term dividend weakness, the current dividend yield of 6.7% signals an attractive valuation.

MKIF: Accrued interest



Source: Company data, Samsung Securities

Dividend yield and treasury bond yield



Source: Company data, Bloomberg, Samsung Securities

Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26F	2Q26F	3Q26F	4Q26F	2023	2024	2025	2026F	2027F	2028F
Revenue	199	78	77	81	189	73	83	70	396	422	2,026	415	427	440
Chg (%y-y)	8.2%	6.0%	4.2%	-10.3%	-4.9%	-6.1%	7.1%	-14.0%	5.2%	6.6%	380.0%	-79.5%	2.9%	2.9%
Interest income	70	71	71	71	70	73	73	74	290	285	282	290	296	302
Dividend income	129	7	6	13	120	-	10	-5	106	137	156	125	131	138
Gains/losses on disposals				-3						-	(3)			
Unrealized gains/losses				1,591						-	1,591			
Expenses	17	17	17	19	18	17	17	17	70	74	70	69	70	70
Management fees	11	12	12	12	12	12	12	12	45	48	48	48	49	49
Interest expenses	4	4	4	5	5	4	4	3	22	22	16	16	16	16
Other	1	1	1	3	1	1	1	2	4	4	6	5	5	5
Operating profit	183	61	60	62	172	56	66	52	326	348	1,956	346	357	370
Chg (% y-y)	10.0%	10.0%	9.9%	-14.1%	-6.0%	-8.0%	10.0%	-15.5%	3.5%	6.7%	462.0%	-82.3%	3.2%	3.5%
Net profit	183	61	60	62	172	56	66	52	326	348	1,956	346	357	370
Chg (% y-y)	10.0%	10.0%	9.9%	-14.1%	-6.0%	-8.0%	10.0%	-15.5%	3.5%	6.7%	462.0%	-82.3%	3.2%	3.5%

Note: Unrealized gains/losses are not reflected in quarterly results
Source: Company data, Samsung Securities

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Assets	2,499	2,905	4,625	4,649	4,674
Loans	1,704	2,044	2,439	2,464	2,488
Cash and equivalent	24	49	25	25	25
Equity securities	772	811	2,161	2,161	2,161
Other	840	925	856	807	747
Interest receivable	834	916	852	797	737
Other receivable	2	-	-	3	3
Prepaid expense	1	3	2	2	2
Accrued dividend	-	4	-	4	4
Total assets	**3,339**	**3,830**	**5,481**	**5,457**	**5,422**
Liabilities	406	398	457	407	357
Debenture	309	398	350	300	250
Long-term debt	96	-	107	107	107
Management fees payable	12	12	12	5	5
Other liabilities	10	5	6	56	78
Total liabilities	**427**	**415**	**474**	**468**	**440**
Paid-in capital	2,807	3,297	3,297	3,297	3,297
Capital surplus	-	-	-	-	-
Adjustments	-	-	-	-	-
Other Accumulated Earnings and Comprehensive Income	-	-	-	-	-
Retained earnings	104	117	1,709	1,691	1,684
Total equities	**2,912**	**3,414**	**5,006**	**4,988**	**4,981**

Margins

Year-end Dec 31 (%)	2023	2024	2025	2026E	2027E
Profitability (%)					
Operating profit (%)	82.3	82.5	96.5	83.4	83.6
Net profit (%)	82.3	82.5	96.5	83.4	83.6
ROE (%)	12.0	11.0	46.5	6.9	7.2
ROA (%)	10.2	9.7	42.0	6.3	6.6
Dividend yield (%)	6.2	6.4	6.8	6.7	6.7
Dividend payout ratio (%)	100.6	99.1	18.6	105.2	101.9
Valuation (x)					
P/E	16.6	15.4	2.8	15.6	15.2
P/B	1.9	1.6	1.1	1.1	1.1

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

Source: Company data, Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Revenue	**396**	**422**	**2,026**	**415**	**427**
Interest income	290	285	282	290	296
Dividend income	106	137	156	125	131
Other	0	0	0	-	-
Expenses	**70**	**74**	**70**	**69**	**70**
Interest expenses	22	22	16	16	16
Management fee	45	48	48	48	49
Other	4	4	6	5	5
Operating profit	**326**	**348**	**1,956**	**346**	**357**
Non-operating profit	-	-	-	-	-
Pre-tax profit	**326**	**348**	**1,956**	**346**	**357**
Income tax	-	-	-	-	-
Rate (%)	-	-	-	-	-
Non-controlling interest	-	-	-	-	-
Consolidated net profit	**326**	**348**	**1,956**	**346**	**357**

Key metrics

Year-end Dec 31 (KRW)	2023	2024	2025	2026E	2027E
Growth (% y-y)					
Sales	5.2	6.6	380.0	(79.5)	2.9
Operating profit	3.5	6.7	462.0	(82.3)	3.2
Net profit	3.5	6.7	462.0	(82.3)	3.2
EPS growth	(3.9)	(2.9)	462.0	(82.3)	3.2
Per-share data (KRW)					
EPS	748	727	4,085	722	746
BVPS	6,682	7,129	10,453	10,416	10,401
DPS	775	720	760	760	760

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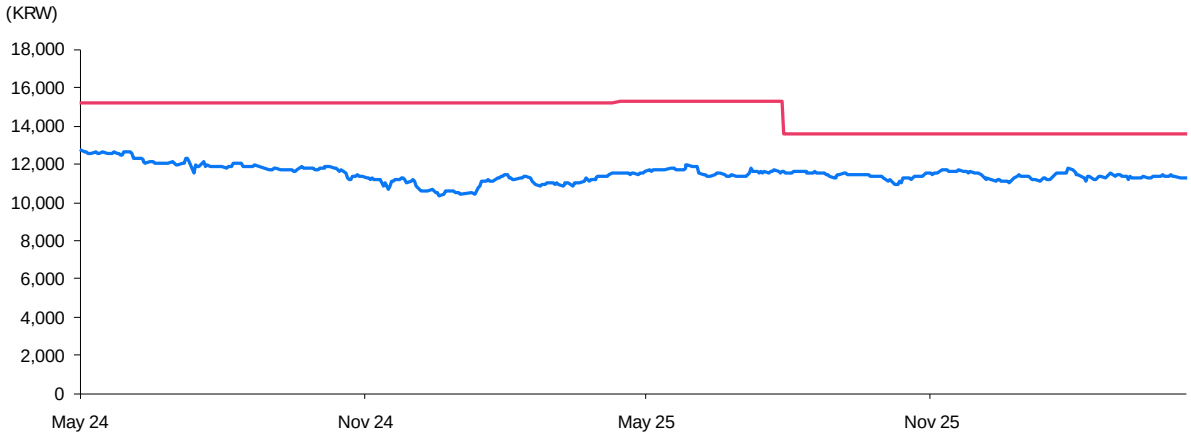

Rating changes over past two years (adjusted share prices)

Date	2023/7/31	2024/7/31	2024/10/7	2025/5/7	8/21
Recommendation	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	15239	15239	15239	15300	13600
Gap* (average)	-18.74	-21.88	-26.69	-24.18	
(max or min)**	-15.23	-19.42	-21.78	-21.70	

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

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 2026.03.31

BUY(85.2%)·HOLD(14.8%)·SELL(0%)

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