SECTOR UPDATE

2026. 7. 21

EV/Mobility Team

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▶ AT A GLANCE

SL Corporation (005850 KS, 52,700)		
Target price	KRW93,000	76.5%
BUY		
SNT Motiv (064960 KS, 25,450)		
Target price	KRW40,000	57.2%
BUY		
Neooto (212560 KQ, 10,560)		
Target price	n/a	
Not Rated		
Samhyun (437730 KQ, 28,100)		
Target price	n/a	
Not Rated		
Hallacast (125490 KQ, 7,410)		
Target price	n/a	
Not Rated		

Auto Parts (OVERWEIGHT)

Mobility Value Chain Corporate Day

- Samsung Securities held a Corporate Day featuring five auto parts makers that are actively expanding into the robotics value chain.
- As suggested by Tesla and VW Group, the physical AI era is likely to be shaped by a few dominant players mass-producing and monetizing a limited number of AI-integrated models through subscription-based services—a trajectory that the robotics industry is poised to follow.
- Attention should be paid to the domestic mobility value chain, as it is set to gain from opportunities in robotics in 2H26.

WHAT'S THE STORY?

Tesla's sales surprise vs VW Group's restructuring: AI technology is reshaping automakers' sales performance.

- **Tesla reports 2Q sales surprise:** The Model 3 and Model Y together accounted for 95% of Tesla's total 2Q sales. The Model S and X have been discontinued, and Cybertruck sales contributed 5% of Tesla's 2Q sales. The Model 3 (launched in 2018) and Model Y (2019) are now in their 8th and 7th years, respectively. Tesla has maintained their exterior designs while continuously upgrading FSD software and hardware to enhance the EVs' autonomous driving capabilities. Following the rollout of FSD v14.1 in North America in Oct 2025, FSD subscriptions surged, and anticipation of FSD expansion outside of North America further boosted demand for Teslas. The firm's 2Q sales reached 480,000 units (up 34.1% q-q and up 25.2% y-y), exceeding Bloomberg consensus by 20%. Tesla has transitioned FSD into a subscription-only model across all markets.
- **VW Group planning major restructuring, including a 50% reduction in model lineup:** VW Group plans to carry out restructuring on a scale larger than GM's during the 2008 Global Financial Crisis. The European company aims to reduce its model portfolio by 50% (from 150 autos to around 75).
- **The rise of physical AI—a shift in business models:**
  1) From an oversaturated supply by a multitude of automakers → supply by a few dominant firms (with deep pockets and AI R&D capacity).
  2) From segment-specific models → fewer, highly adaptable platforms.
  3) From one-time revenue (auto sales) → recurring revenue throughout the auto's lifespan via AI-enabled subscription services.

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Opportunities in the mobility value chain will concentrate on a few key players: We advise focusing on automotive suppliers that are positioning themselves to capture opportunities in robotics.

- **Robotics components can achieve economies of scale rapidly:** Robotics components can achieve economies of scale more rapidly than automotive parts thanks to greater design commonality and the likelihood of mass-production across a limited range of models.
- **Auto parts makers are well-positioned to expand into robotics for two key reasons:** 1) Mass-production of humanoid robots is set to begin after 2030. Auto parts makers can use cash flows from their established businesses to fund R&D and capital investments until scale is reached. 2) Auto parts makers that make EV components already possess core competencies that are critical to humanoid robots—*eg*, electronic-electric systems, high-volume manufacturing, thermal management, and advanced materials. For example, Boston Dynamics' Atlas was designed with compatibility in mind to meet automotive supply-chain standards.

Robotics value chains with clear emerging opportunities in 2H26: Tesla is expected to begin mass-production of Optimus in 3Q, while Boston Dynamics should finalize its Atlas supply chain.

- **Hyundai Mobis–A core player in the Atlas value chain:** Hyundai Mobis is a key player in the Atlas value chain, supplying critical components—including actuators, head modules, and grippers—that together should account for 60-70% of the robot's hardware BOM cost, thereby forming a core part of Hyundai Motor Group's humanoid robot ecosystem, alongside Boston Dynamics.
- **SL Corp–Commences production of Spot's leg modules:** SL Corp started producing leg modules for Spot in July. Mass-production of: 1) Mobile Eccentric Droid (MobED; equipped with battery packs and lidar modules) is set to begin in September; and 2) Plug & Drive (PnD; also featuring battery packs and lidar modules) is scheduled to start in Mar 2027.
- **SNT Motiv–Leveraging semiconductor equipment momentum and targeting robotics and defense orders:** The company is expected to post strong wafer cleaning equipment sales growth this year thanks to the data-center construction boom. Defense contracts that have been delayed (since 2025) are now expected to materialize. The company is also pursuing motor orders for robotic actuators—actuators are a critical component in humanoid platforms.
- **Samhyun–To win orders from overseas humanoid robotics firms:** Samhyun is in negotiations with 24 global robotics companies, and it is expected to finalize 2 or 3 contracts in 2H26. Confident that it will land new orders, the company has already broken ground on a new facility.
- **Hallacast–Launching robotics revenue stream:** The company should expand its supply of autonomous driving components to global AI firms in 2H26, while initiating deliveries of robotics parts. It is expanding production capacity to meet rising demand.
- **Neooto–Potential to secure orders for planetary-gear actuators:** Atlas's actuators combine Quasi-Direct Drive (QDD) with planetary gears. Each robot is equipped with 31 actuators, utilizing two types of QDD actuators.

Mobility value chain: Watch list

Company	Market cap (KRWb)	P/E (2026E)	US plant	Automotive components	Robotics components
Hyundai Mobis	44,867	10.1	✓	Steering, brakes, motors, electrification components, sensors	Actuators, grippers, head modules, battery modules
HL Mando	2,179	10.1	✓	Steering, brakes, motors, sensors	Actuators
SL Corp	2,415	6.5	✓	Lamps, side body modules	Indicator lamps, battery packs, lidar modules, MobED and PnD production
SNT Motiv	687	6.8	✓	Motors (hybrid, EV, steering)	Motors
Samwha Capacitor	1,006	40	✗	DC-Link, MLCC	DC-Link, MLCC
Samhyun	948	168.1	✗	Reduction gear actuators	Actuators, motors, reduction gears
Hallacast	270	35.6	✗	Autonomous driving camera modules, vehicle display modules	Camera modules, inference chip cases
Neooto	141	6	✗	6-speed transmission, hybrid transmission, EV reduction gears	Planetary gears

Note: Samhyun's P/E is based on 2025 result. Hallacast's P/E is based on 2026E consensus. Neooto's P/E is based on 2026E guidance.
Sources: Company data, Bloomberg, Samsung Securities

Mobility value chain: Momentum in 2H

Company	Momentum
Hyundai Mobis	Expansion of Atlas supply items; commencement of actuator plant construction
HL Mando	Supply of actuators for quadruped walking robots; pursuing additional orders for humanoid robot actuators
SL Corporation	Supply of leg modules for quadruped walking robots; MobED production to begin in September; pursuing Atlas-related orders
SNT Motiv	Strong sales growth in semiconductor wafer cleaning equipment; pursuing motor orders for actuators
Samwha Capacitor	Expected strong sales growth in MLCCs for EVs, data centers, and robotics
Samhyun	Anticipated 2?3 orders for humanoid robot actuators
Hallacast	Commencement of sales to global AI companies for autonomous driving and robotics products
Neooto	Pursuing orders for planetary gears to be integrated into robotics actuators

Sources: Company data, Samsung Securities

Component count comparison

Component Type	ICE vehicle	EV	Humanoid robot
Components	30,000	12,000-15,000	5,000-10,000
Component commonality within device	Challenging	Challenging	30-40 actuators installed; commonality possible with 3-4 actuator types

Sources: Hyundai Motor, Hyundai Mobis, Samsung Securities

Economies of scale: Autos vs humanoid robots

Category	Autos	Humanoid robots
Number of parts	12,000 (EV) / 30,000 (ICE vehicle)	5,000-10,000
Parts standardization	Each part has an individual function (Material cost accounts for 55-60% of manufacturing cost)	Actuators can be standardized into 3-4 types (Actuator manufacturing cost accounts for 50-60%)
Modularization	Modularized into 6-8 units	Modularized into 6-8 units
Fixed costs	High fixed cost-to-sales ratio (6-12%), including factory structures, presses, molds, *etc*	Low fixed cost-to-sales ratio (1-2%) due mostly to modular assembly Still in the process of design standardization; mold production expected at 100,000+ units
Regulatory and certification costs	Complex regulations (collision, environment, safety)	Regulations are being developed to discriminate between humans and robots
Unit model BEP	100,000 units	10,000 units
Unit factory BEP	200,000-300,000 units	20,000-30,000 units

Source: Samsung Securities

COMPANY UPDATE

2026. 7. 16

EV/Mobility Team

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AT A GLANCE

BUY

Target price	KRW40,000	51.5%
Current price	**KRW26,400**	
Market cap	KRW700.66b/USD471.92m	
Shares (float)	26,540,272 (43.5%)	
52-week high/low	KRW39,450/KRW25,300	
Avg daily trading value (60-day)	KRW2.5b/ USD1.7m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
SNT Motiv (%)	-15.1	-29.9	-21.4
Vs Kospi (%pts)	-0.4	-53.8	-65.3

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	40,000	40,000	0.0%
2026E EPS	3,630	3,630	0.0%
2027E EPS	4,231	4,231	0.0%

SAMSUNG vs THE STREET

No of estimates	5
Target price	46,400
Recommendation	4.0

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

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SNT Motiv (064960)

Corporate Day takeaways: Hidden gem to drive rerating

- Despite having enhanced its shareholder return policies and likely booking sound 1H results, SNT Motiv's stock has underperformed as of late due to a lack of near-term earnings catalysts.
- For the past 20 years, SNT Motiv has supplied components for semiconductor wafer cleaning equipment to Applied Materials. Led by the data center expansion boom and global semiconductor manufacturers' capacity expansions, semiconductor equipment sales are poised for strong growth.
- In 2H, renewed investor focus on the firm's growth drivers (semiconductor equipment, robotics, and defense) is expected to drive a stock revaluation.

WHAT'S THE STORY?

Cutting our target price by 11.1% to KRW40,000 but maintaining BUY: Our new target price for SNT Motiv is based on 9.5x its 2026-2027 average P/E, a 20% discount to the company's 10-year average P/E.

- **Cutting 2026 earnings forecasts mildly on defense order delays:** Growth at the high-margin defense business has slowed due to delays in its securing large-scale defense contracts from the Middle East (since 2H25). Order flows are expected to recover in 2H26.
- **Potential for upwards revision of target multiple:** SNT Motiv's 10-year P/E has ranged 8x-14.6x and averaged 11.6x. The company initially received a high valuation as a drive motor supplier during the early commercialization phase of EVs. However, its shares fell after Hyundai Mobis made drive motors a core focus, shifting market dynamics. In 2H, its potential supply of motors for use in diverse mobility products (beyond hybrid motors) along with rising expectations for defense contracts, could drive up the shares. If orders for new products are secured, its valuation may rise.

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SUMMARY FINANCIAL DATA

	2025	2026E	2027E	2028E
Revenue (KRWb)	1,006	1,029	1,156	1,268
Operating profit (KRWb)	103	108	128	138
Net profit (adj) (KRWb)	70	96	112	119
EPS (adj) (KRW)	2,623	3,630	4,231	4,492
EPS (adj) growth (% y-y)	-33.3	38.4	16.6	6.2
EBITDA margin (%)	13.2	12.9	12.9	12.2
ROE (%)	7.0	9.3	10.2	10.3
P/E (adj) (x)	13.2	7.3	6.2	5.9
P/B (x)	0.8	0.6	0.6	0.5
EV/EBITDA (x)	3.5	1.5	1.1	0.8
Dividend yield (%)	4.9	8.3	9.1	9.1

Source: Company data, Samsung Securities estimates

Samsung Securities

- **2Q26 operating profit to miss consensus by 10%:** We expect SNT Motiv to post 2Q sales of KRW247b (up 14.5% q-q, down 4.1% y-y) and an operating profit of KRW26b (up 18.7% q-q, down 4.1% y-y), for an operating margin of 10.4%. The impact of Hyundai Motor Group's 2.8% y-y decline in manufacturing output and slower defense sales were likely offset by greater sales of parts used in semiconductor equipment. FnGuide consensus has its 2Q sales reaching KRW276b and operating profit at KRW29b, for an operating margin of 10.7%.

Semiconductor equipment component business to record strong growth: SNT Motiv entered the semiconductor equipment component business in 2005. The business should account for more than 10% of its total 2026 sales.

- **Customer:** Applied Materials—SNT Motiv began supplying components for use in semiconductor wafer cleaning equipment since Applied Materials (US) entered the Korean market. With global semiconductor manufacturers expanding capacity, SNT Motiv's semiconductor equipment component sales are expected to surpass KRW100b in 2026 (up 28%) and exceed KRW120b in 2027 (up 20%), with sales from the business expected to surpass 10% of the firm's total sales this year.
- **Profitability:** Operating margins at the semiconductor equipment component are in the high-teens, comparable to those generated by defense exports.

Defense segment—Two key catalysts for 2H: Low-risk firearm program and overseas orders

- **Low-risk firearm program:** The company supplies non-lethal plastic ammunition to the Korean National Police. Its impact force is roughly 1/10 that of conventional live ammunition.
- **Middle East orders:** Orders that have been delayed since 2H25 are set to materialize in 2H26 as the regional conflict enter a resolution phase. The estimated order value in 2H is around KRW300b.

Major opportunity opening up for Korean suppliers: Korean auto parts suppliers now have an opportunity to enter the Korean and US robotics value chains.

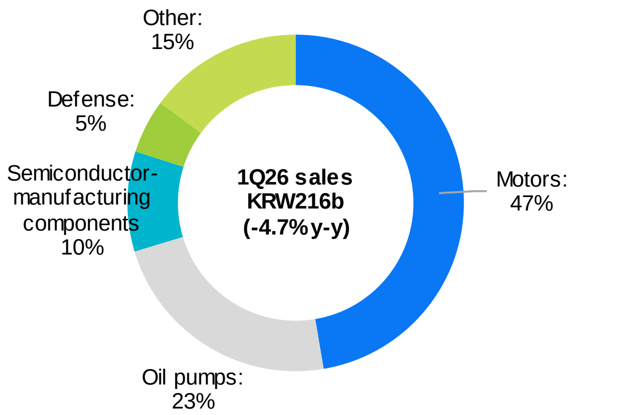
- **HMG looking to center robotics value chain on Korean firms:** HMG's robotics business has two pillars: Boston Dynamics and HMG Robotics Lab. While HMG leads the production of the Atlas, HMG Robotics Lab plans to expand its lineup to 14 models in the coming years. This should create a significant opportunity for Korean auto parts suppliers to enter the robotics value chain.
- **HMG—a first mover in robotics:** Korean automakers were late to enter the auto industry, and despite rapidly catching up with their global rivals (in sales volume), they have always traded at a discount. But in robotics, HMC has emerged as an early mover, and its strong execution has sparked an ongoing rerating. Suppliers who secure early positions in this value chain can expect to rerate as semiconductor materials, parts, or equipment companies.
- **Suppliers following HMG into US have real shot at winning more clients:** The US is pushing hard to rebuild a domestic manufacturing ecosystem, so suppliers with US production facilities should hold a decisive edge in securing contracts with Boston Dynamics. A proven track

record with Boston Dynamics would be a powerful credential to unlocking future opportunities with other robotics firms such as Tesla, Figure AI, and Agility.

Net cash position and auto sector's highest dividend payout ratio

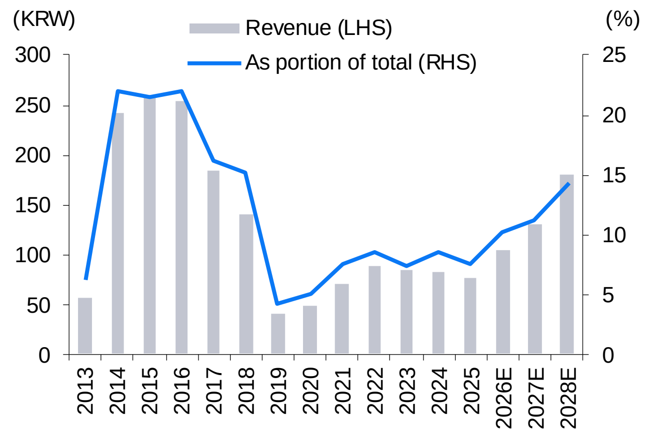
- **Quarterly dividend payments start in 2025:** SNT Motiv paid a 2025 DPS of KRW1,700 (up 81% y-y) for a dividend payout ratio of 58.2%. We expect the firm to pay a 2026 DPS of KRW2,200, with a dividend payout ratio of 50% and a dividend yield of 6.7%.
- **10.2% of outstanding shares held in treasury:** SNT Motiv is 40.9% owned by SNT Holdings and 1% by a scholarship foundation. The Commercial Code requires cancellation of all treasury shares, and we believe SNT Motiv will be fully compliant with this by Sep 2027.
- **Solid financials:** At end-1Q26, SNT Motiv had net cash of KRW402.5b (equating to 50.7% of its market cap) and a debt ratio of 23.7%. Its annual free cash flow is in the KRW80b-100b range. These solid financials bolster the firm's payout ratio.

SNT Motiv: Sales, by product



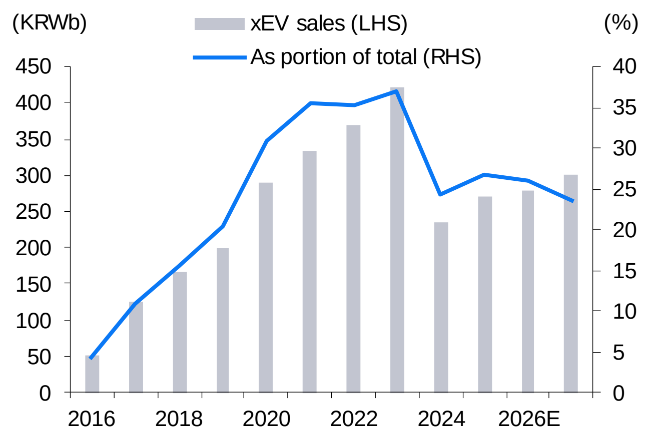
Source: Company data, Samsung Securities

SNT Motiv: Sales of parts for semiconductor equipment



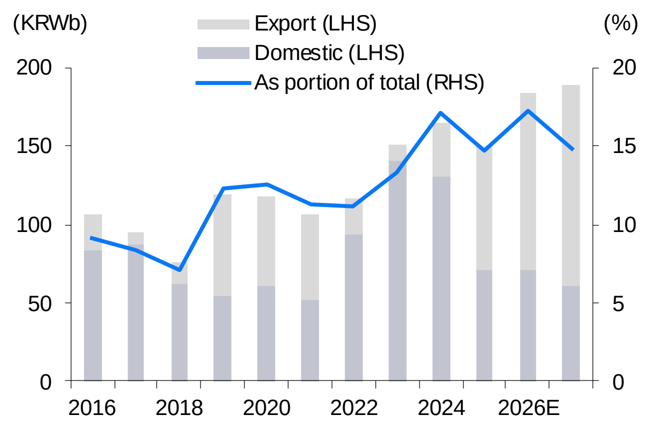
Source: Company data, Samsung Securities

xEV-related sales: Absolute and as portion of total sales



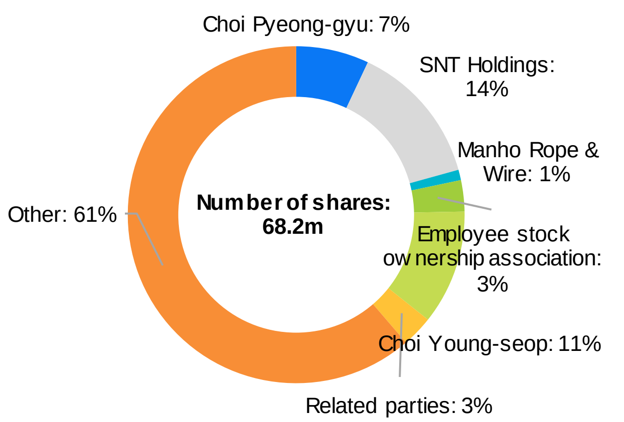
Source: Company data, Samsung Securities

Defense sales: Absolute and as portion of total sales



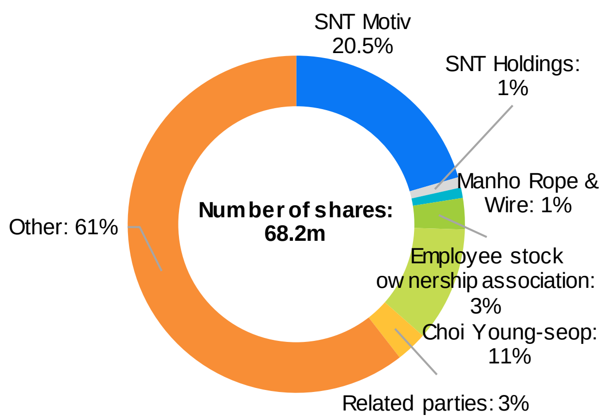
Source: Company data, Samsung Securities

SMEC: Shareholders before SNT Motiv's acquisition



Source: Company data, Samsung Securities

SMEC: Shareholders after SNT Motiv's acquisition



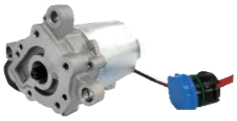
Source: Company data, Samsung Securities

SNT Motiv: Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2024	2025	2026E	2027E
KRW/USD (avg)	1,453	1,401	1,387	1,452	1,467	1,502	1,500	1,450	1,365	1,423	1,480	1,425
Revenue	226.2	257.5	231.1	291.6	215.6	247.0	264.4	302.0	968.9	1,006.4	1,028.9	1,155.5
Chg (% y-y)	1.9	7.2	4.6	2.0	(4.7)	(4.1)	14.4	3.6	(14.7)	3.9	2.2	12.3
Auto parts	199.2	203.6	191.5	199.1	186.2	211.2	196.8	219.7	731.0	793.4	813.9	935.5
Chg (% y-y)	11.2	9.5	13.3	1.1	(6.5)	3.7	2.8	10.4	(19.4)	8.5	2.6	14.9
Motors	117.8	120.4	116.1	107.5	102.3	127.2	118.3	144.1	433.1	461.8	491.8	591.8
Chg (% y-y)	11.2	8.5	14.3	(6.2)	(13.2)	5.7	1.9	34.0	(3.7)	6.6	6.5	20.3
Other*	28.2	58.8	42.1	96.1	26.9	38.8	72.6	91.8	247.8	225.3	230.0	270.0
Internal adjustment	(1.2)	(4.8)	(2.6)	(3.6)	2.5	(3.0)	(5.0)	(9.5)	(9.9)	(12.3)	(15.0)	(50.0)
Gross profit	38.4	47.5	40.9	62.7	39.0	38.3	46.1	47.8	159.4	189.5	171.2	198.7
Operating profit	23.0	26.6	22.0	30.9	21.5	25.6	29.2	31.5	98.1	102.6	107.9	128.4
Chg (% y-y)	4.6	6.2	(0.1)	6.5	(6.4)	(4.1)	32.9	2.1	(15.9)	4.5	5.2	19.0
Auto parts	20.8	20.8	17.2	18.0	16.0	22.2	19.7	23.5	62.9	76.7	81.4	93.6
Other*	2.2	5.9	4.8	12.9	5.5	3.4	9.6	8.0	35.3	25.8	26.5	34.8
Pre-tax profit	27.8	18.8	28.8	18.2	33.2	27.2	33.3	40.4	131.7	93.6	129.7	151.2
Net profit	21.3	14.2	21.3	12.8	24.9	20.4	25.0	30.3	104.3	69.5	96.2	112.1
Controlling profit	21.3	14.2	21.3	12.9	24.9	20.4	25.0	30.3	104.3	69.6	100.5	112.1
Margins (%)												
Gross profit	17.0	18.5	17.7	21.5	16.9	15.6	17.4	16.7	16.5	18.8	16.6	17.2
Operating profit	10.2	10.3	9.5	10.6	10.0	10.9	11.0	10.4	10.1	10.2	10.5	11.1
Net profit	9.4	5.5	9.2	4.4	11.5	8.5	9.4	9.8	10.8	6.9	9.3	9.7
Controlling profit	9.4	5.5	9.2	4.4	11.5	8.5	9.4	9.8	10.8	6.9	9.8	9.7

Note: *Defense and semiconductor-manufacturing components
Source: Company data, Samsung Securities estimates

SNT Motiv: Key products

Product	Image	Description
e-Motor pump		A device that supplies oil to the vehicle's transmission. By replacing the traditional engine-driven oil supply with an electric motor-driven system, it enhances engine efficiency while precisely controlling the oil supply.
Drive unit		A core component of electric vehicles, consisting of a drive motor and a reducer. It generates torque using electric power from the battery and transmits the appropriate torque to the axle via the reducer to match the vehicle's driving conditions.
HSG motor		A power unit capable of functioning both as an electric motor and a generator. This technology is designed to replace conventional separate starter motors and alternators in vehicles.
EPS motor		A system that assists the driver's steering effort by using an electric motor for improved control and driving comfort.
Traction motor		A critical component in hybrid and electric vehicles that either supplements or replaces the internal combustion engine. Given its direct impact on vehicle performance and stability, it must meet stringent regulatory and performance standards.
Transfer case actuator		A key component in all-wheel-drive (AWD) systems, responsible for distributing engine power to all axles and wheels to ensure optimal traction and drivetrain efficiency.

Source: Company data, Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**969**	**1,006**	**1,029**	**1,156**	**1,268**
Cost of goods sold	809	817	858	957	1,053
Gross profit	**159**	**189**	**171**	**199**	**214**
Gross margin (%)	16.5	18.8	16.6	17.2	16.9
SG&A expenses	61	87	63	70	77
Operating profit	**98**	**103**	**108**	**128**	**138**
Operating margin (%)	10.1	10.2	10.5	11.1	10.9
Non-operating gains (losses)	**34**	**-9**	**22**	**23**	**23**
Financial profit	43	25	14	16	17
Financial costs	8	14	-7	-7	-6
Equity-method gains (losses)	0	0	0	0	0
Other	-2	-19	-0	0	0
Pre-tax profit	**132**	**94**	**130**	**151**	**161**
Taxes	27	24	34	39	42
Effective tax rate (%)	20.7	25.8	25.9	25.9	25.9
Profit from continuing operations	104	70	96	112	119
Profit from discontinued operations	0	0	0	0	0
Net profit	**104**	**70**	**96**	**112**	**119**
Net margin (%)	10.8	6.9	9.3	9.7	9.4
Net profit (controlling interests)	104	70	96	112	119
Net profit (non-controlling interests)	0	-0	-0	-0	-0
EBITDA	127	133	133	149	155
EBITDA margin (%)	13.1	13.2	12.9	12.9	12.2
EPS (parent-based) (KRW)	3,932	2,623	3,630	4,231	4,492
EPS (consolidated) (KRW)	3,932	2,619	3,623	4,224	4,484
Adjusted EPS (KRW)*	3,932	2,623	3,630	4,231	4,492

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**846**	**829**	**884**	**968**	**1,046**
Cash & equivalents	223	233	276	284	296
Accounts receivable	170	185	189	213	233
Inventories	158	168	171	192	211
Other current assets	295	242	248	278	305
Fixed assets	**395**	**451**	**456**	**465**	**477**
Investment assets	7	5	5	5	5
Tangible assets	382	437	444	454	467
Intangible assets	6	5	3	2	2
Other long-term assets	1	3	3	3	3
Total assets	**1,242**	**1,279**	**1,340**	**1,432**	**1,523**
Current liabilities	**216**	**218**	**223**	**251**	**275**
Accounts payable	131	143	146	164	180
Short-term debt	0	0	0	0	0
Other current liabilities	86	75	77	87	95
Long-term liabilities	**41**	**42**	**42**	**48**	**52**
Bonds & long-term debt	0	0	0	0	0
Other long-term liabilities	41	42	42	48	52
Total liabilities	**257**	**260**	**266**	**299**	**327**
Owners of parent equity	**985**	**1,014**	**1,069**	**1,129**	**1,191**
Capital stock	73	133	133	133	133
Capital surplus	73	13	13	13	13
Retained earnings	923	951	1,007	1,067	1,129
Other	-85	-83	-84	-84	-84
Non-controlling interests' equity	**0**	**6**	**5**	**5**	**5**
Total equity	**985**	**1,019**	**1,074**	**1,134**	**1,196**
Net debt	-482	-455	-502	-538	-575

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**130**	**74**	**119**	**119**	**124**
Net profit	104	70	96	112	119
Non-cash profit and expenses	42	44	44	44	42
Depreciation	27	28	24	20	17
Amortization	2	2	1	1	1
Other	13	14	19	24	25
Changes in A/L from operating activities	-8	-24	-3	-14	-13
Cash flow from investments	**-41**	**-20**	**-35**	**-58**	**-55**
Change in tangible assets	-48	-84	-30	-30	-30
Change in financial assets	-26	38	-5	-28	-25
Other	33	26	0	-0	0
Cash flow from financing	**-74**	**-45**	**-41**	**-52**	**-57**
Change in debt	-0	-0	0	0	0
Change in equity	0	-0	0	0	0
Dividends	-20	-44	-41	-52	-57
Other	-54	-0	-0	-0	-0
Change in cash	24	10	42	8	12
Cash at beginning of year	200	223	233	276	284
Cash at end of year	223	233	276	284	296
Gross cash flow	**147**	**114**	**140**	**156**	**161**
Free cash flow	**81**	**-10**	**89**	**89**	**94**

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

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	-14.7	3.9	2.2	12.3	9.7
Operating profit	-15.9	4.5	5.2	19.0	7.3
Net profit	20.0	-33.4	38.4	16.6	6.2
Adjusted EPS**	20.0	-33.3	38.4	16.6	6.2
Per-share data (KRW)					
EPS (parent-based)	3,932	2,623	3,630	4,231	4,492
EPS (consolidated)	3,932	2,619	3,623	4,224	4,484
Adjusted EPS**	3,932	2,623	3,630	4,231	4,492
BVPS	45,531	42,534	44,841	47,352	49,954
DPS (common)	937	1,700	2,200	2,400	2,400
Valuations (x)					
P/E***	5.6	13.2	7.3	6.2	5.9
P/B***	0.5	0.8	0.6	0.6	0.5
EV/EBITDA	0.8	3.5	1.5	1.1	0.8
Ratios (%)					
ROE	10.8	7.0	9.3	10.2	10.3
ROA	8.5	5.5	7.3	8.1	8.1
ROIC	14.7	13.3	13.2	15.2	15.6
Payout ratio	19.6	58.2	54.4	50.9	48.0
Dividend yield (common)	4.2	4.9	8.3	9.1	9.1
Net debt to equity	-49.0	-44.6	-46.7	-47.5	-48.1
Interest coverage (x)	12,044.7	26,168.1	36,815.4	42,370.0	43,193.3

COMPANY UPDATE

2026. 7. 21

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Hallacast (125490)

Corporate Day takeaways: Robotics business to begin in 2H

- Hallacast is a die-casting manufacturer specializing in lightweight, high-durability, and thermally conductive components for autonomous driving systems, connected displays, EVs, and robotics.
- Over the past three years, new orders related to autonomous driving and robotics accounted for 26.4% of its total orders. The firm plans to begin delivering robot-specific components from 2H26.
- It expects sales to grow 15% to KRW180b in 2026, with profitability improve steadily on a quarter-by-quarter basis.

AT A GLANCE

Not Rated

Target price	n/a
Current price	**KRW7,410**
Market Cap	KRW270.48b/USD182.94m
Shares (float)	36,502,352 (0.0%)
52-week high/low	KRW24,000/KRW4,370
Avg daily trading value (60-day)	KRW0.0b/ USD0.0m

ONE-YEAR PERFORMANCE

	1M	6M	12M
Hallacast (%)	-29.8	-62.9	0.0
Vs Kosdaq (%pts)	-9.9	-53.2	0.0

SAMSUNG vs THE STREET

No of estimates	2
Target price	18,000
Recommendation	4.0

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

WHAT'S THE STORY?

Company overview: Founded in May 2005 and listed on the Kosdaq in Aug 2025, Hallacast is a die-casting specialist focused on lightweight, high-durability, and thermally conductive components made from aluminum and magnesium.

- **Armed with aluminum and magnesium machining technologies:** As vehicles increasingly adopt electrification parts, electric powertrains, and autonomous systems, demand for materials that manage heat and reduce weight has surged. Hallacast's technical capabilities include: 1) integrated large-area display manufacturing; 2) high-vacuum die-casting and precision mold technology; 3) thermal treatment processes to enhance structural integrity; and 4) over two decades of accumulated expertise in magnesium die-casting.

(Continued on the next page)

SUMMARY FINANCIAL DATA

	2022	2023	2024	2025
Revenue (KRWb)	103	122	144	156
Operating profit (KRWb)	5	15	12	10
Net Profit (KRWb)	4	9	10	4
EPS (adj) (KRW)	148	348	386	117
EPS (adj) growth (%)	32.7	135.8	10.7	(69.7)
EBITDA margin (%)	10.9	18.4	14.2	12.7
ROE (%)	15.0	28.4	46.2	6.5
P/E (adj) (x)	n/a	n/a	n/a	165.4
P/B (x)	n/a	n/a	n/a	6.7
EV/EBITDA (x)	4.3	2.3	4.9	37.5
Dividend yield (%)	n/a	n/a	n/a	n/a

Source: Company data, Samsung Securities estimates

- **Enters mobility market in 2016 with orders for connected-display materials:** Hallacast initially supplied LG Electronics' vehicle component solutions division and later expanded to serve Hyundai Mobis, too. In 2025, it began delivering camera housings and power conversion casings to a global AI company, and it won its first orders for thermal enclosures designed to cool AI inference chips used in robotics.
- **2026 guidance:** The company expects the full-year sales to grow 15% to KRW180b this year. Although operating margin declined to 3.6% in 1Q due to rising aluminum costs and new capital investments, profitability is expected to recover gradually as raw material prices stabilize and utilization rates at new facilities improve. Operating margin could reach a high single digit by year-end.
- **Substantial order backlog:** At end-1Q, Hallacast's order backlog stood at KRW1.1t—or 7.3x its 2025 revenue—driven primarily by a sharp increase in direct orders from global AI firms.

Investment point (1): To supply robotics components from 2H26

- **Expanding product portfolio from autonomous vehicles to robotics:** Since 2025, Hallacast has been supplying automakers with vision housing and in-vehicle display modules. In 2H, it should begin delivering drive unit casings for robots.
- **Autonomous vehicles and robots to be produced at scale in limited models:** In the era of physical AI, companies will no longer launch separate products for each segment. Instead, they will continuously upgrade a single, general-purpose device with evolving AI models. The primary revenue stream for autonomous EV and robotics manufacturers will come from AI subscription services over the product's lifecycle. From a value chain perspective, supplying a small number of dominant customers enables manufacturers to achieve rapid economies of scale by delivering the same core product in high volumes.

Investment point (2): Favorable industry environment and stable sales portfolio

- **Growing demand for lightweight and thermal management materials driven by electrification of mobility:** As demand grows for electrification parts, autonomous vehicles, and robotics, so too does the need for lightweight metals such as aluminum and magnesium, along with advanced thermal solutions.
- **Autonomous-driving and robotics markets set to accelerate in 2026:** In the physical AI era, a limited number of standardized platforms should dominate mass-production. Leveraging its established supply relationships with tier-1 system suppliers, Hallacast is positioned to deliver components directly to global AI players—customers whose business model is "few models, massive volumes".
- **Customer and product diversification underway:** Building on its anchor customer (which accounts for 53.1% of sales), Hallacast is actively adding clients. Currently, autonomous driving products account for 21.3% of sales, and battery components 6.5%—for a total of 27.8% from future-mobility applications. With robotics component shipments scheduled to begin in 2H, this portion is expected to expand.

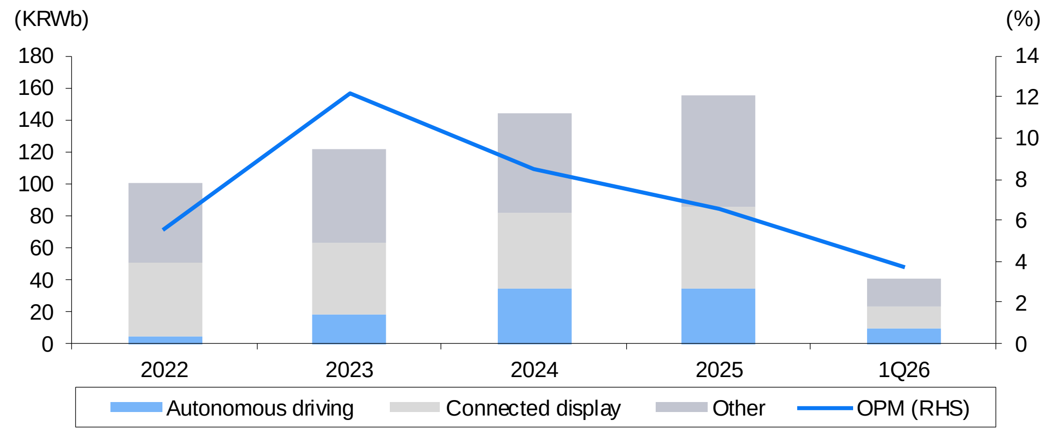
Investment point (3): Strong order growth and strategic capacity expansion

- **Surge in orders for autonomous-driving and robotics components:** Between 2022 and 2025, autonomous-driving components accounted for 25.1% of total new orders, and robotics components 1.3%. In 1Q26, these portions jumped to a respective 67.6% and 6% of a new-order book worth KRW50.3b.
- **Sustainable annual sales growth of over 15%:** Sales at Hallacast grew at a 2022-2025 CAGR of 15.6%. Given the firm's robust order backlog, revenue growth visibility beyond 2026 is clearly established.
- **Expanding capacity to serve global AI customers:** To meet demand from global AI-driven firms, Hallacast is expanding machining capacity at its plant in Incheon Namdong by 100%, and die-casting capacity by 30%.
- **Capacity expansion driven by new-business initiatives:** The company plans to broaden its scope from single-part manufacturing to integrated module systems. It has plans to ramp up key automation lines, including a moving-display line (mass-production from 3Q27), an autonomous-driving module line (3Q26), and a display module line (3Q26).

Financials and valuation

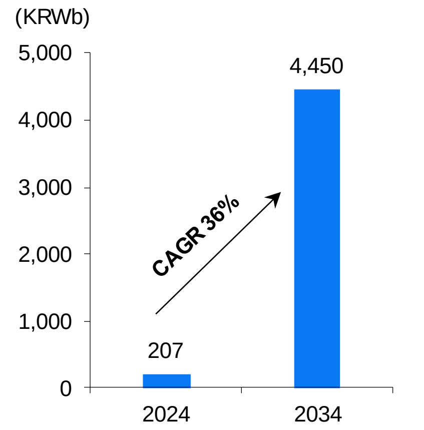
- **2026 earnings guidance:** For 2026, the Hallacast is targeting sales of KRW180b (up 15% y-y), and it expects profitability to recover steadily on a quarter-by-quarter basis. FnGuide consensus has full-year sales reaching KRW187b and operating profit KRW11.9b, for an operating margin of 6.3% and EPS of KRW201. Hallacast is trading at 36x 2026 consensus P/E.
- **Debt-to-equity ratio:** The firm's net debt stood at KRW73.9b at end-1Q, with debt-to-equity ratio of 96%.

Hallacast: Sales and operating margin



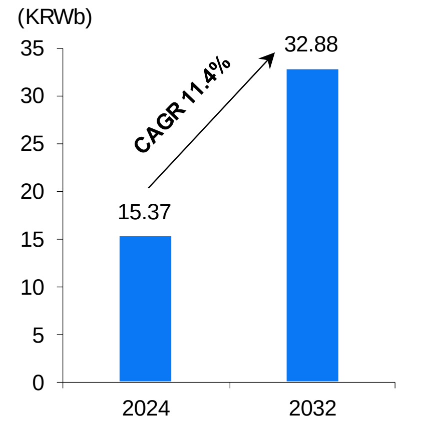
Source: Company data, Samsung Securities

Autonomous driving market outlook



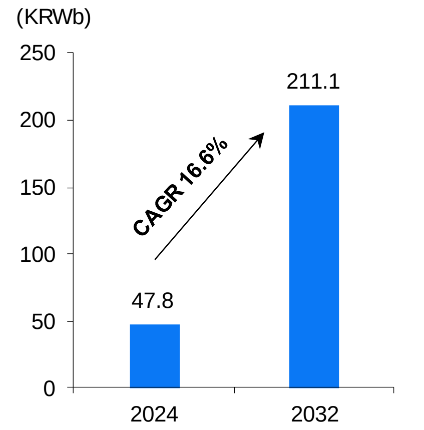
Source: Precedence Research, Samsung Securities

Vehicle display market outlook



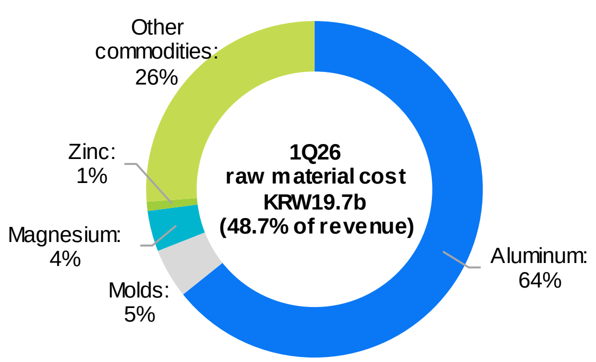
Source: Data Bride Market Research

Robotics market outlook



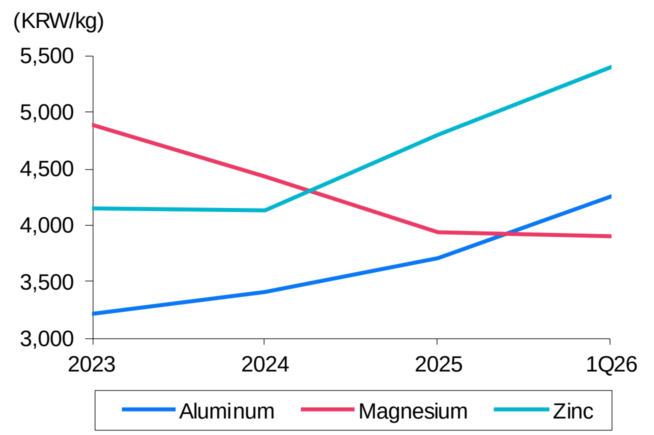
Source: Global Market Insight, Samsung Securities

Hallacast: Raw material costs



Source: Company data, Samsung Securities

Hallacast: Raw material prices

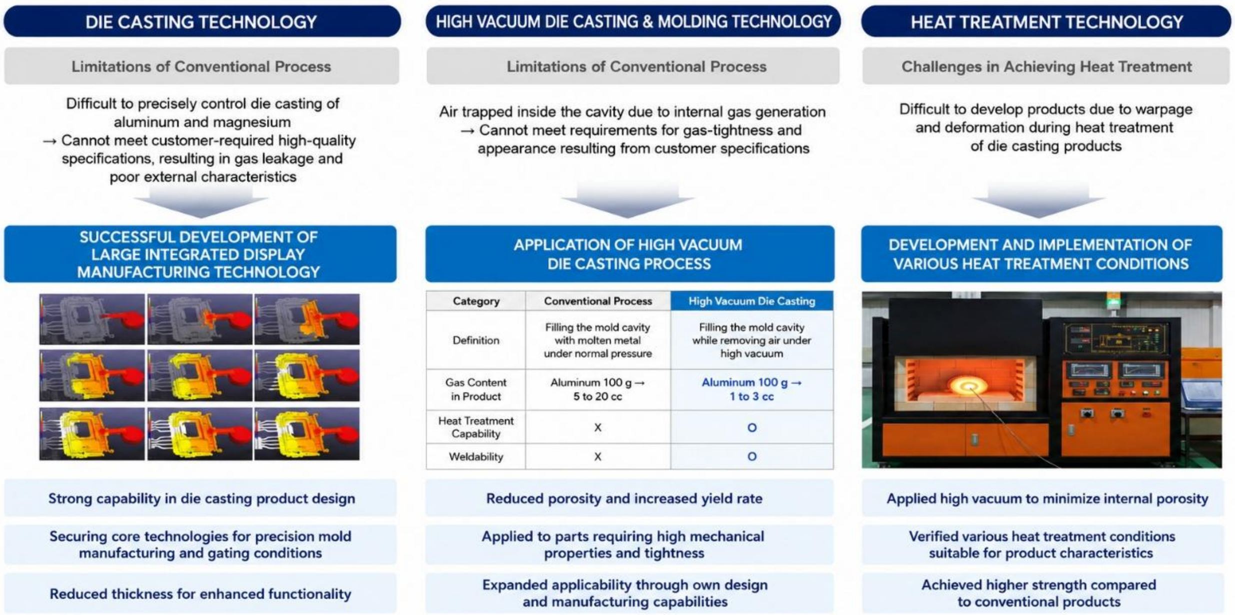


Source: Company data, Samsung Securities

Hallacast: Product lineup

Source: Company data

Hallacast: Technology



Source: Company data

Hallacast: Expansion plans

Facility	Line	Building/Floor	Land area / Total floor area (m²)	Key processes
Plant 1	Existing site	Building A, 4F	3,300 / 4,860	HQ, medium die-casting (650-800 tonnes), molds, quality
		Building B, 4F	1,230 / 3,240	Small die-casting (125-350 tonnes), machining, barrels, modules (autonomous driving)
	1st expansion site	Building C, 3F	2,070 / 4,160	Modules (display), sand casting, inspection, machining, cleaning → Supporting global AI companies
	Remodeling	Building D, 1F	3,300 / 2,127	Machining & warehouse
Plant 2	2nd expansion site	3F	4,844 / 7,940	Medium-large die-casting (900-1,250 tonnes), molds → expansion to support global AI companies; added machining, shipping warehouse, spare area

Source: Company data, Samsung Securities

Income statement

Year-end Dec 31	2021	2022	2023	2024	2025
Sales	**81**	**103**	**122**	**144**	**156**
Cost of goods sold	67	91	100	124	135
Gross profit	**14**	**11**	**22**	**21**	**20**
Gross margin (%)	17.7	11.0	17.9	14.4	13.1
SG&A expenses	8	6	7	9	10
Operating profit	**7**	**5**	**15**	**12**	**10**
Operating margin (%)	8.3	5.3	12.1	8.5	6.6
Non-operating Gains(Losses)	**(3)**	**(3)**	**(5)**	**0**	**(6)**
Financial Profit	0	0	0	8	1
Financial Costs	5	4	5	8	6
Gains(Losses) in Equity Method	0	0	0	0	0
Other	2	1	0	(0)	(1)
Pre-tax profit	**3**	**2**	**10**	**13**	**4**
Taxes	1	(1)	1	2	0
Effective tax rate (%)	24.4	(66.7)	10.2	18.6	11.8
Profit from continuing operations	3	4	9	10	4
Profit from discontinued operations	0	0	0	0	0
Net profit	**3**	**4**	**9**	**10**	**4**
Net margin (%)	3.2	3.5	7.4	7.1	2.3
Net profit (Controlling Interests)	3	4	9	10	4
Net profit (Non-controlling Interests)	0	0	0	0	0
EBITDA	11	11	23	20	20
EBITDA margin (%)	14.0	10.9	18.4	14.2	12.7
EPS(parent) (KRW)	5,979	8,222	24,883	29,396	10,441
EPS(consolidated) (KRW)	5,979	8,222	24,883	29,396	10,441
Adjusted EPS (KRW)*	5,979	8,222	24,883	29,396	10,441

Balance sheet

Year-end Dec 31	2021	2022	2023	2024	2025
Current assets	**32**	**43**	**47**	**65**	**91**
Cash & equivalents	1	10	5	5	9
Accounts receivable	15	18	25	26	28
Inventories	11	13	15	23	23
Other current assets	4	3	3	12	32
Fixed assets	**43**	**68**	**73**	**84**	**102**
Investment assets	0	0	0	0	0
Tangible assets	37	61	68	78	96
Intangible assets	0	0	1	2	2
Other long-term assets	6	6	4	3	3
Total assets	**75**	**111**	**120**	**149**	**193**
Current liabilities	**30**	**54**	**59**	**123**	**60**
Accounts payable	6	18	20	24	19
Short-term debt	15	19	27	33	33
Other current liabilities	9	17	13	65	8
Long-term liabilities	**23**	**31**	**23**	**20**	**27**
Bond & long-term debt	20	28	21	15	20
Other long-term liabilities	3	3	2	5	7
Total liabilities	**53**	**86**	**82**	**142**	**87**
Owners of parent equity	**22**	**26**	**38**	**7**	**106**
Capital stock	3	3	3	2	4
Capital surplus	32	5	11	0	74
Retained earnings	(6)	12	18	18	21
Other	(7)	6	5	(13)	6
Non-controlling interests equity	**0**	**0**	**0**	**0**	**0**
Total equity	**22**	**26**	**38**	**7**	**106**
Net debt	38	48	51	100	36

Cash flow statement

Year-end Dec 31	2021	2022	2023	2024	2025
Cash flow from operations	**0**	**21**	**5**	**9**	**4**
Net profit	3	4	9	10	4
Non-Cash Profit and Expense	10	8	10	11	18
Depreciation	5	6	8	8	9
Amortization	0	0	0	0	0
Others	6	2	2	3	8
Changes in A/L from Operating Activities	(13)	10	(14)	(9)	(13)
Cash flow from investments	**(3)**	**(29)**	**(13)**	**(14)**	**(47)**
Change in Tangible Assets	(3)	(29)	(14)	(13)	(33)
Change in Financial Assets	(0)	(0)	1	(1)	(10)
Other	0	(0)	1	0	(4)
Cash flow from financing	**3**	**17**	**2**	**4**	**46**
Change in debt	(4)	19	(3)	50	(50)
Change in equity	n/a	n/a	n/a	n/a	n/a
Dividends	0	0	0	0	0
Other	n/a	n/a	n/a	n/a	n/a
Change in cash	(0)	9	(5)	0	4
Cash at beginning of year	2	1	10	5	5
Cash at end of year	1	10	5	5	9
Gross cash flow	**13**	**11**	**19**	**21**	**21**
Free cash flow	**(4)**	**(8)**	**(9)**	**(4)**	**(28)**

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

Source: Company data, Samsung Securities estimates

Financial ratios

Year-end Dec 31	2021	2022	2023	2024	2025
Growth (%)					
Sales	22.7	27.2	18.6	18.4	7.9
Operating profit	14.3	(17.8)	168.8	(16.8)	(16.1)
Net profit	154.6	37.5	153.2	14.3	(64.5)
Adjusted EPS**	154.6	37.5	202.6	18.1	(64.5)
Per share data (KRW)					
EPS(parent)	5,979	8,222	24,883	29,396	10,441
EPS(consolidated)	5,979	8,222	24,883	29,396	10,441
Adjusted EPS **	5,979	8,222	24,883	29,396	10,441
BPS	1,007	1,185	2,092	383	6,026
DPS (common)	n/a	n/a	n/a	n/a	n/a
Valuations (x)					
P/E***	n/a	n/a	n/a	n/a	n/a
P/B***	n/a	n/a	n/a	n/a	n/a
EV/EBITDA	3.3	4.3	2.3	4.9	1.8
Ratios					
ROE (%)	16.6	15.0	28.4	46.2	6.5
ROA (%)	3.7	3.8	7.8	7.6	2.1
ROIC (%)	8.8	13.2	15.9	9.9	7.0
Payout ratio (%)	n/a	n/a	n/a	n/a	n/a
Dividend yield (Common, %)	n/a	n/a	n/a	n/a	n/a
Net debt to equity (%)	174.4	187.4	134.1	1,491.0	34.3
Interest coverage (x)	1.7	1.4	3.0	2.0	2.9

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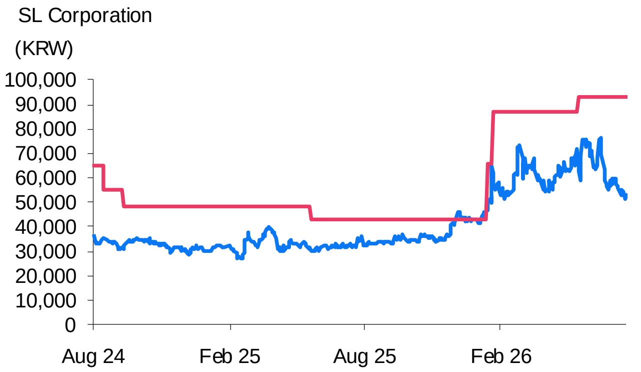
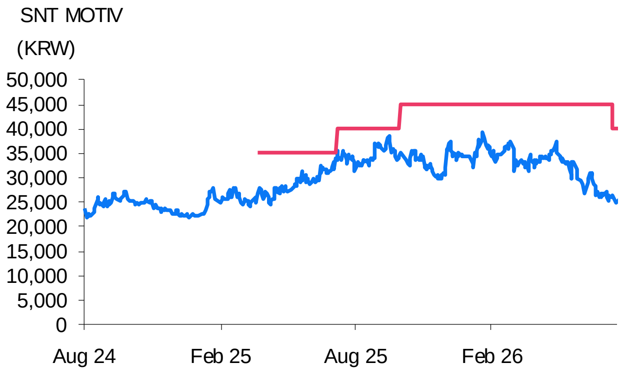
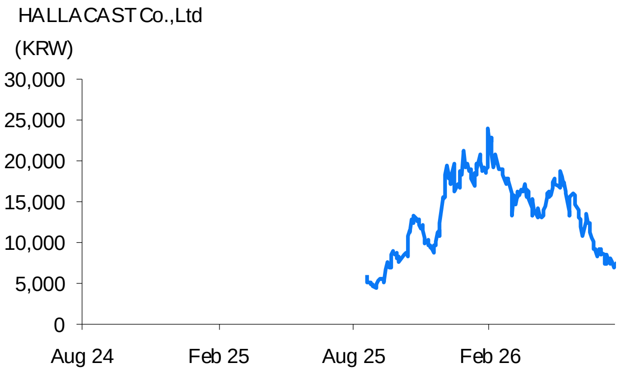
Target price changes in past two years







Rating changes over past two years (adjusted share prices)

SL Corporation

Date	2024/7/1	8/16	9/11	2025/5/22	2026/1/14	1/22	5/18
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	65000	55000	48000	43000	66000	87000	93000
Gap* (average)	-41.11	-40.00	-32.28	-17.11	-19.92	-29.99	
(max or min)**	-32.08	-37.09	-17.29	7.79	-1.82	-15.63	

SNT MOTIV

Date	2025/3/25	7/8	10/1	2026/7/15
Recommendation	BUY	BUY	BUY	BUY
Target price (KRW)	35000	40000	45000	40000
Gap* (average)	-17.28	-13.48	-26.84	
(max or min)**	-2.86	-3.50	-12.33	

NEOOTO Co., Ltd.

Date	2026/7/21
Recommendation	Not Rated
Target price (KRW)	n/a
Gap* (average)	
(max or min)**	

SAMHYUN CO.,LTD

Date	2026/7/21
Recommendation	Not Rated
Target price (KRW)	n/a
Gap* (average)	
(max or min)**	

HALLACAST Co.,Ltd

Date	2026/7/21
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

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 2026.06.30

BUY(85.5%)·HOLD(14.5%)·SELL(0%)

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General

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