COMPANY UPDATE

2026. 7. 21

EV/Mobility Team

Esther Yim
Team Leader
esther.yim@samsung.com

Hyunji Kim
Research Associate
hyunzi.kim@samsung.com

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

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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.

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

Samsung Securities

- **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.

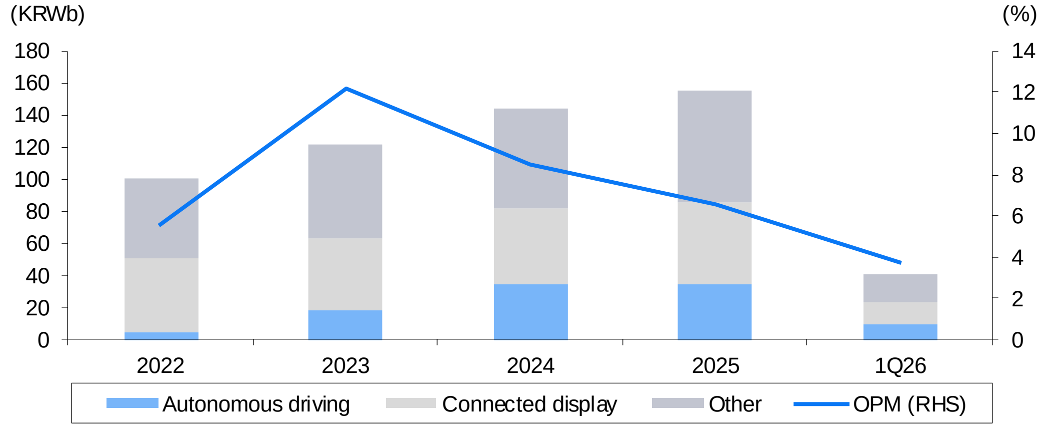
Investment point (3): Strong order growth and strategic capacity expansion

- **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

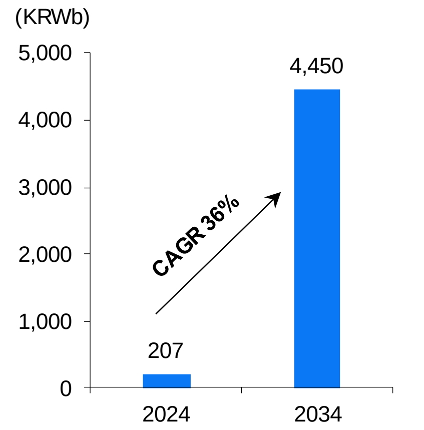
- **2026 earnings guidance:** For 2026, the Hallacast is targeting sales of KRW180b (up 15% y-y), and it expects profitability to recover steadily on a quarter-by-quarter basis. FnGuide consensus has full-year sales reaching KRW187b and operating profit KRW11.9b, for an operating margin of 6.3% and EPS 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



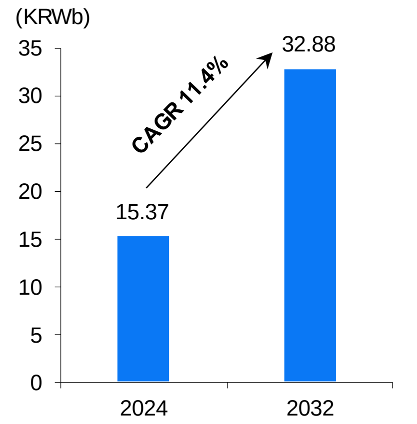
Source: Company data, Samsung Securities

Autonomous driving market outlook



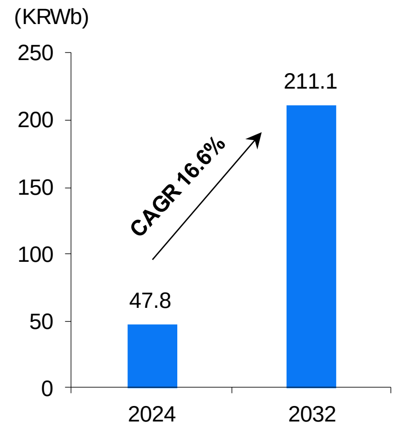
Source: Precedence Research, Samsung Securities

Vehicle display market outlook



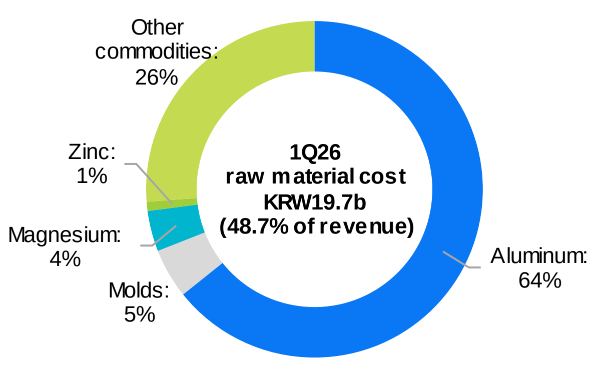
Source: Data Bride Market Research

Robotics market outlook



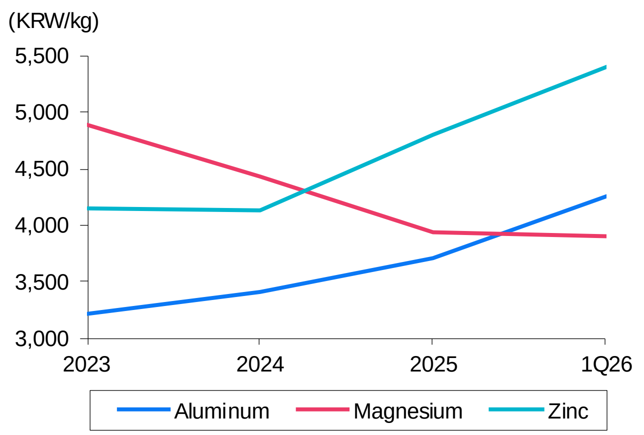
Source: Global Market Insight, Samsung Securities

Hallacast: Raw material costs



Source: Company data, Samsung Securities

Hallacast: Raw material prices

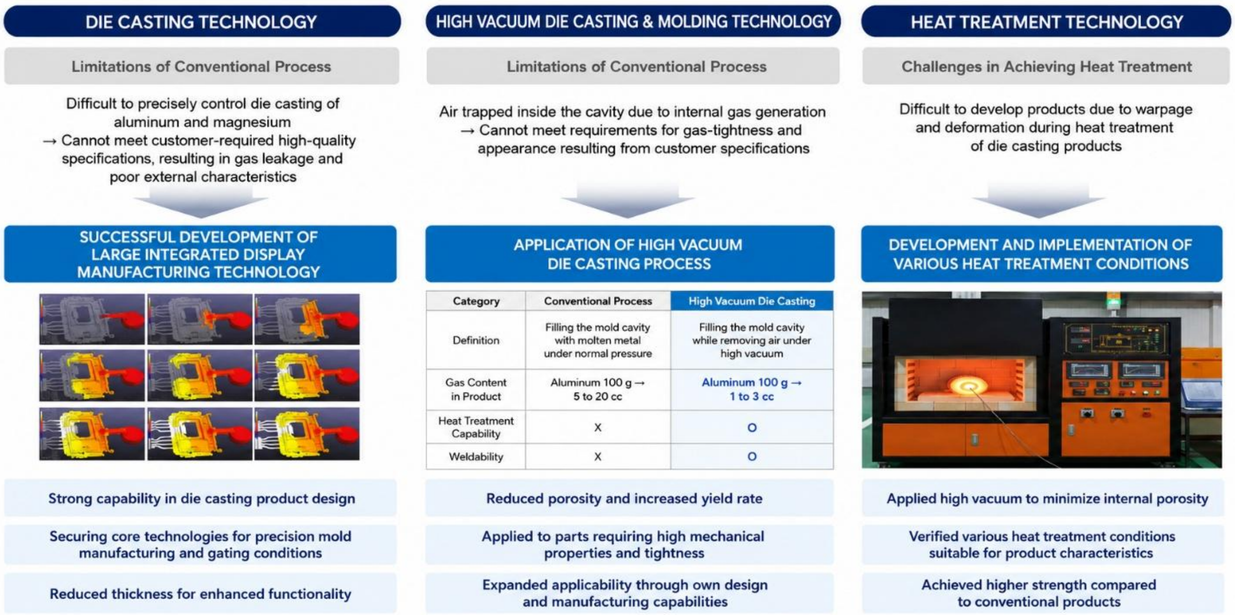


Source: Company data, Samsung Securities

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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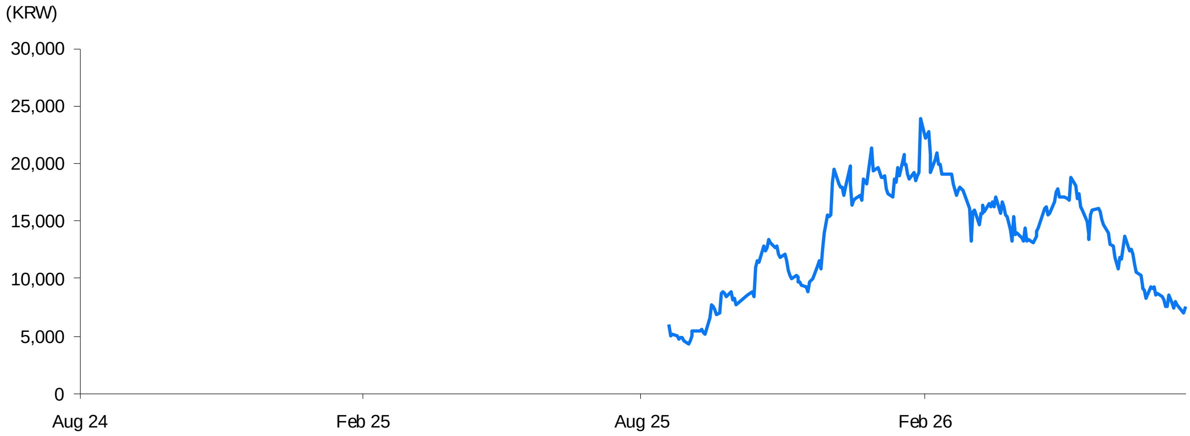

Rating changes over past two years (adjusted share prices)

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

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Industry

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

Family Center: 1588 2323

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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