COMPANY UPDATE

2026. 8. 24

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	**KRW11,180**
Market Cap	KRW408.1b/USD294.34m
Shares (float)	36,502,352 (60.3%)
52-week high/low	KRW24,000/KRW4,370
Avg daily trading value (60-day)	KRW14.7b/ USD10.6m

ONE-YEAR PERFORMANCE

	1M	6M	12M
Hallacast (%)	50.9	-38.9	120.9
Vs Kosdaq (%pts)	41.7	-12.1	114.1

SAMSUNG vs THE STREET

No of estimates	2
Target price	18,000
Recommendation	4.0

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

Scan to go to
Research Center report database

Hallacast (125490)

2Q review: Back on growth trajectory

- Hallacast reported 2Q sales of KRW49b (up 35.2% y-y) and an operating profit of KRW3.3b (up 14.9% y-y), both beating consensus. Operating margin bounced back to 6.6%.
- Top-line growth was driven by expansion in autonomous driving and global AI-related sales, while higher utilization rates at newly added production lines helped mitigate raw material cost pressures. Profitability improvement in 2Q is encouraging.
- We expect earnings growth to continue into 2H, supported by the launch of autonomous driving and display automation lines, as well as upcoming shipments of drive unit casings for robots.

WHAT'S THE STORY?

2Q review: Hallacast reported 2Q sales of KRW49b (up 35.2% y-y and 20.9% q-q), and an operating profit of KRW3.3b (up 14.9% y-y and 117.5% q-q), exceeding FnGuide consensus by 11.3% and 35.7%, respectively. Operating margin improved to 6.6% (up 2.9%pts from 3.7% in 1Q). Profitability, which declined in 1Q due to new investments and rising raw material prices, has recovered rapidly alongside sales growth.

- **Achieves 50% of annual guidance:** For 1H, the company recorded sales of KRW89.6b and an operating profit of KRW4.75b, for a margin of 5.3%. Sales in 1H met 50% of annual guidance—the company has been targeting full-year sales of KRW180b with quarterly profitability improvements. The earnings growth is set to continue in 2H, supported by the launch of automation lines for autonomous driving and display modules, as well as upcoming deliveries of drive unit casings for robots.

(Continued on the next page)

SUMMARY FINANCIAL DATA

(KRWb)	2022	2023	2024	2025
Revenue	103	122	144	156
Operating profit	5	15	12	10
Net profit	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)	0.0	0.0	0.0	165.4
P/B (x)	0.0	0.0	0.0	6.7
EV/EBITDA (x)	4.3	2.3	4.9	37.5
Dividend yield (%)	n/a	n/a	n/a	0.0

Source: Company data, Samsung Securities estimates

Samsung Securities

- **Profitability overcomes raw material pressures:** Profitability fell to 3.7% in 1Q due to new facility investments and rising aluminum prices, but recovered in 2Q despite a continued cost inflation. In 1H, raw material costs as a share of sales rose to 51.4% (from 47.8% in 2025). In 2H, profitability should improve to high single digits, driven by stabilizing raw material prices and higher utilization rates at new facilities.

Expanding growth domains from autonomous driving to robotics: Hallacast entered the mobility market in 2016 with orders for connected-display materials. It initially supplied LG Electronics' vehicle component solutions division and later expanded to serve Hyundai Mobis, too. In 2025, it began supplying vision cases and automotive display modules for autonomous vehicles of a global AI company.

- **To supply robotics components from 2H:** In 2H, it should begin delivering drive unit casings for robots. Mass production is scheduled to commence in 3Q on both the autonomous driving and display automation lines, enabling the capex burden from 1H to transition into sales growth in 2H. To meet demand from global AI-driven firms, Hallacast is expanding machining capacity 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).

Order mix shifting rapidly toward future mobility: While autonomous driving and robotics accounted for a respective 25.1% and 1.3% of cumulative new orders totaling KRW1t over 2022-2025, their shares in the cumulative order backlog as of end-June rose to a respective 31.0% and 3.3%.

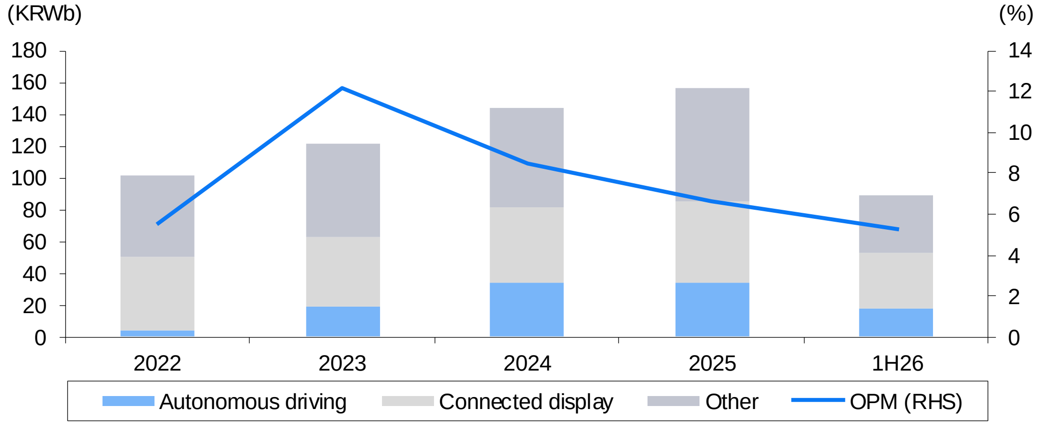
- **Order backlog supports 2H growth:** The order backlog as of end-2Q stood at KRW920b, representing six times the 2025 sales level. This reflects rapid growth in direct orders from global AI companies, indicating strong visibility into future sales growth driven primarily by already secured contracts, rather than short-term market conditions.
- **Sustainable annual sales growth of over 15%:** Sales at Hallacast grew at a 2022-2025 CAGR of 15.6%. Guidance puts 2026 sales at KRW180b (up 15% y-y). In 2H, the launch of mass production for autonomous driving and display modules, coupled with robot component deliveries, will fuel simultaneous growth in top line and profitability.

Hallacast: Quarterly results

(KRWb)	2Q26	1Q26	2Q25	Chg (% q-q)	Chg (% y-y)	Consensus	
						2Q26	Diff (%)
Sales	49.0	40.5	36.3	20.9	35.2	44.1	11.3
Operating income	3.3	1.5	2.8	117.5	14.9	2.4	35.7
Pre-tax income	2.5	2.1	0.3	21.9	683.2	2.9	-13.8
Net income	2.0	1.6	0.1	26.7	2,014.4	n/a	n/a
Margins (%)							
Operating income	6.6	3.7	7.8			5.4	
Pre-tax income	5.1	5.1	0.9			6.6	
Net income	4.0	3.8	0.3			n/a	

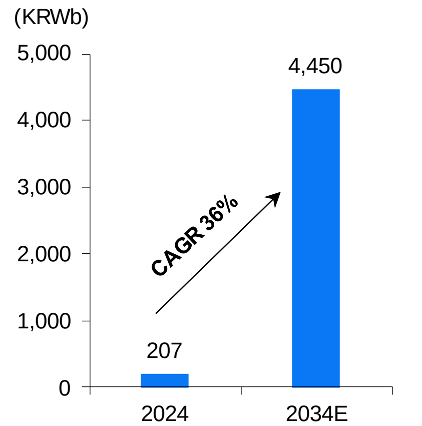
Source: Company data, FnGuide

Hallacast: Sales and operating margin



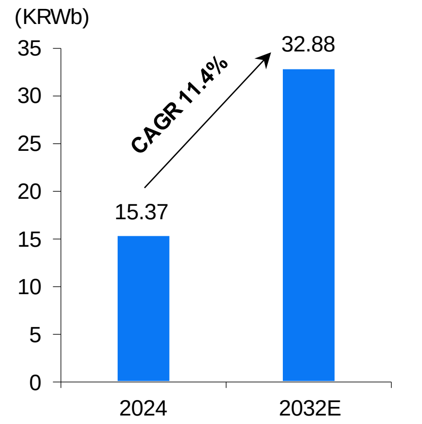
Source: Company data, Samsung Securities

Autonomous driving market outlook



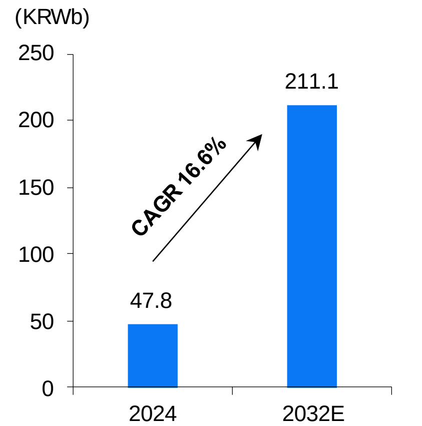
Source: Precedence Research, Samsung Securities

Vehicle display market outlook



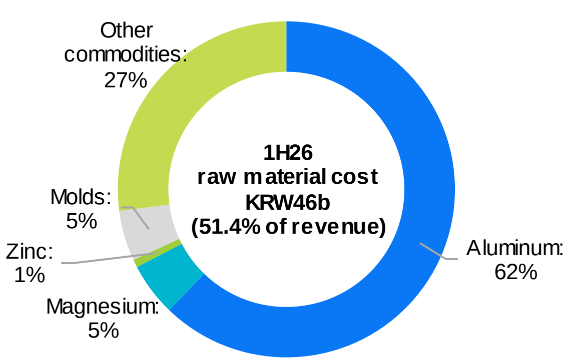
Source: Data Bride Market Research

Robotics market outlook



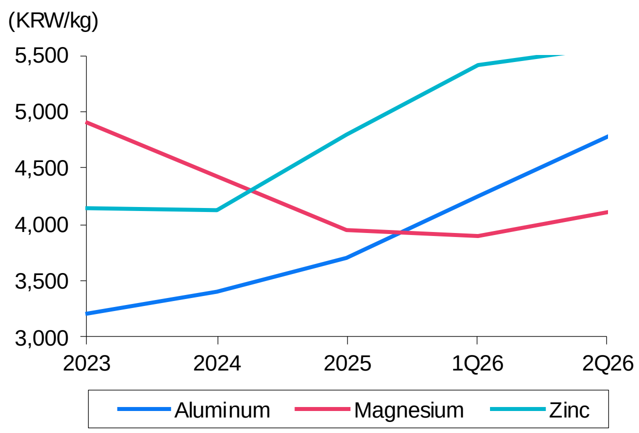
Source: Global Market Insight, Samsung Securities

Hallacast: Raw material costs



Source: Company data, Samsung Securities

Hallacast: Raw material prices

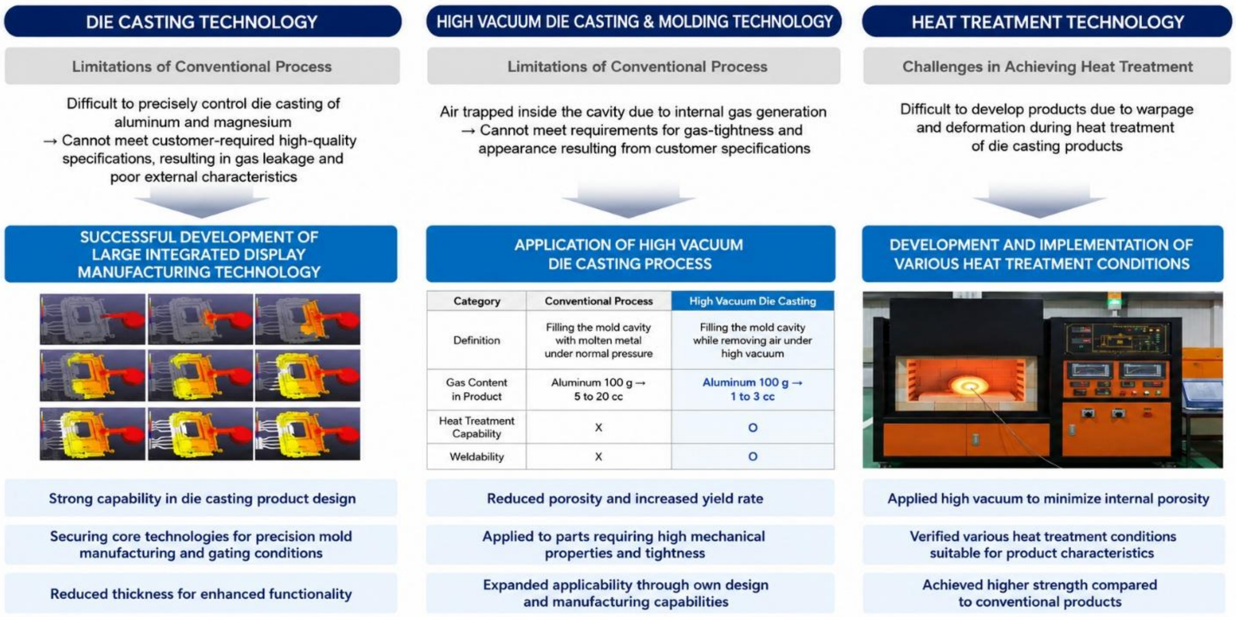


Source: Company data, Samsung Securities

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 (KRWb)	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
Equity-method gains (losses)	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-based) (KRW)	111	148	348	386	117
EPS (consolidated) (KRW)	111	148	348	386	117
Adjusted EPS (KRW)*	111	148	348	386	117

Balance sheet

Year-end Dec 31 (KRWb)	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**
Bonds & 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 (KRWb)	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 expenses	10	8	10	11	18
Depreciation	5	6	8	8	9
Amortization	0	0	0	0	0
Other	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	21	(28)	6	(12)	76
Dividends	0	0	0	0	0
Other	(14)	26	(1)	(34)	20
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

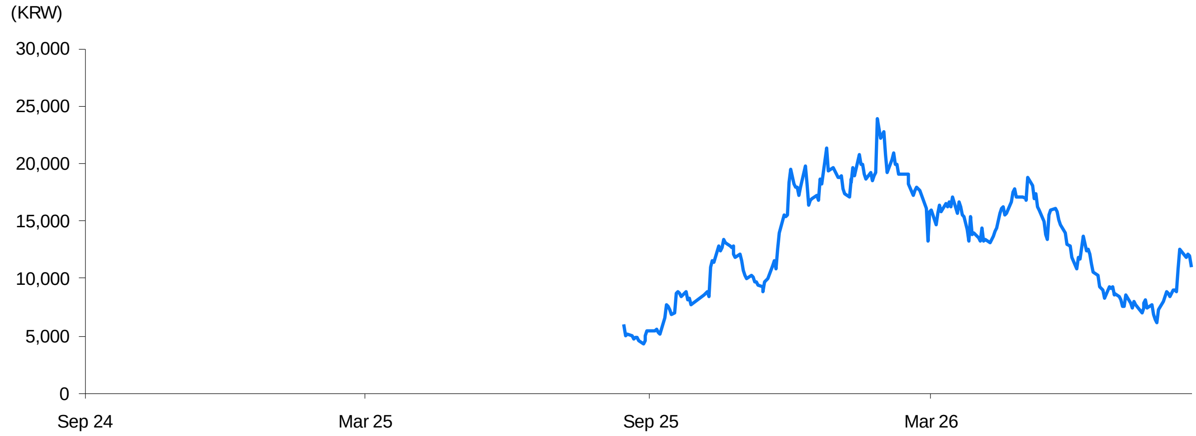
Financial ratios

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**	128.8	32.7	135.8	10.7	(69.7)
Per-share data (KRW)					
EPS (parent-based)	111	148	348	386	117
EPS (consolidated)	111	148	348	386	117
Adjusted EPS**	111	148	348	386	117
BVPS	905	1,065	1,419	252	2,892
DPS (common)	0	0	0	0	0
Valuations (x)					
P/E***	0.0	0.0	0.0	0.0	165.4
P/B***	0.0	0.0	0.0	0.0	6.7
EV/EBITDA	3.3	4.3	2.3	4.9	37.5
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	7.1
Payout ratio	0.0	0.0	0.0	0.0	0.0
Dividend yield (common)	n/a	n/a	n/a	n/a	0.0
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

Compliance notice

- As of 8/21 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 8/21 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	2026/8/24
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%)

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.

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