COMPANY UPDATE

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Hyundai Mobis (012330)

3Q review; new business outlook still positive

- Hyundai Mobis missed estimates in 3Q, as its module division slid into loss, despite robust sales growth, due to tariff costs (KRW157.3b).
- The aftermarket parts division was able to pass along tariff burden (KRW30b per month), thanks to price hikes underway across all regions. The module division plans to recoup some of tariff costs in 4Q through negotiations with automakers.
- The core parts business' turnaround has been delayed by about a year due to tariff impact, but its overall trajectory remains intact. At the CES 2026, Hyundai Motor Group is likely to reveal its roadmap on the robotics business.

WHAT'S THE STORY?

Module division turns to loss on tariff impact: Tariffs cost Hyundai Mobis's aftermarket parts division KRW78b in 3Q (vs KRW27b in 2Q) and the module division KRW79.3b (vs KRW35b in 2Q).

- **Module division turns to loss:** The module division posted 3Q sales of KRW11.7t (down 7.4% q-q but up 6.7% y-y) with an operating loss of KRW37b, resulting in an operating margin of -0.3%.
- **Tariffs cost module division KRW79.3b:** As tariff impact began to show, costs doubled q-q in 3Q. Even if tariffs are cut in November, the benefit of tariff reductions would begin to materialize in 2026, since the module division holds two months' of local inventory. The division plans to recoup some of tariff costs in 4Q through negotiations with automakers.

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW400,000	35.1%
Current price	**KRW296,000**	
Market cap	KRW27.2t/USD19.0b	
Shares (float)	90,732,583 (64.6%)	
52-week high/low	KRW324,500/KRW234,500	
Avg daily trading value (60-day)	KRW58.3b/ USD40.8m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Hyundai Mobis (%)	-0.3	15.4	19.1
Vs Kospi (%pts)	-14.2	-28.3	-25.2

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	400,000	400,000	0.0%
2025E EPS	41,720	42,134	-1.0%
2026E EPS	48,771	47,081	3.6%

SAMSUNG vs THE STREET

No of estimates	20
Target price	378,800
Recommendation	4.0

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

SUMMARY 3Q RESULTS

(KRWb)	3Q25	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	15,032	7.4	-5.7	-0.8	-1.1
Operating profit	780.3	-14.1	-10.3	-11.0	-9.3
Pre-tax profit	1,261	-3.5	-6.3	-10.8	-5.2
Controlling profit	929.4	1.1	-0.3	-7.2	-4.7
Margins (%)					
Operating profit	5.2				
Pre-tax profit	8.4				
Controlling profit	6.2				

Source: Company data, Fnguide, Samsung Securities estimates

VALUATION SUMMARY

	2024	2025E	2026E
Valuation (x)			
P/E	5.4	7.1	6.1
P/B	0.5	0.5	0.5
EV/EBITDA	5.1	5.7	4.7
Div yield (%)	2.5	2.2	2.5
EPS growth (% y-y)	19.6	-4.0	16.9
ROE (%)	9.4	8.1	8.6
Per-share data (KRW)			
EPS	43,480	41,720	48,771
BVPS	509,212	561,215	605,077
DPS	6,000	6,500	7,500

- **Aftermarket parts division offsets tariff impact with price hikes:** The aftermarket parts division delivered sales of KRW3.35t (up 0.8% q-q and 9.7% y-y), maintaining double-digit sales growth. Its operating profit came in at KRW817.3b (down 1.3% q-q but up 0.2% y-y) for an operating margin of 24.3%. Tariff costs of KRW78b (2.3% of sales) were offset by price hikes across all regions (KRW56b in total impact). The aftermarket parts division continues to implement annual price increases in line with inflation, and ASP is rising alongside HMC/Kia's product mix improvements. Additional price adjustments are made selectively, taking into account competitors' pricing trends.
- **Non-captive orders hit USD2.31b over 1Q-3Q:** Non-captive order intake over 1Q-3Q met 31% of Mobis's full-year target of USD7.44b. It received electronic steering system and sound system orders from a Chinese automaker, and electronic braking system orders from a Japanese automaker. Order intakes were slow due to softening EV demand and automakers' project cancellations.

Enhanced shareholder return program: Mobis repurchased KRW110b worth of shares and canceled 700,000 treasury shares in 3Q.

- **Total payout ratio to rise from 17.4% in 2024…** Mobis declared a DPS of KRW6,000 in 2024 and committed to buying back and canceling KRW163b worth of shares (up 11.3% y-y).
- **…to 30% over 2025-2027:** We anticipate a 2025 DPS of KRW6,500 (up 8.3%) for a dividend yield of 2%. We expect buybacks of KRW700b (up 329%), which equates to 2% of Mobis's market cap. Through 3Q, Mobis bought back and cancelled KRW430b worth of shares, as well as cancelling 0.7m of its existing treasury shares.

4Q preview: We forecast 4Q sales of KRW15.3t (down 5% q-q but up 8.1% y-y) and an operating profit of KRW980b (up 25.5% q-q but down 0.6% y-y), for a margin of 6.4%. Tariff impact will probably be offset by the aftermarket parts division's price hikes and the component manufacturing business's profitability improvement initiatives.

Developing actuators for Boston Dynamics: At the CES 2026, Hyundai Motor Group (HMG) is expected to unveil its third-generation E-Atlas, along with a roadmap on robotics business.

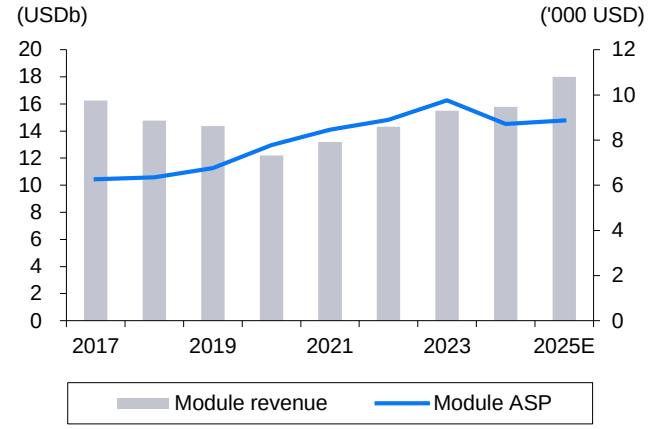
- **Mobis likely responsible for 70% of E-Atlas manufacturing costs:** HMC plans to deploy E-Atlas at the Hyundai Motor Group Metaplant America in 2026 and begin pilot testing. Actuators account for 70% of a robot's costs. Mobis is not only developing actuators for robots, but also sensors and battery modules. Boston Dynamics' mass production of E-Atlas and second-generation Spot is projected to start in 2027, with an estimated annual output of 30,000 units.

Mobis: Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25E	1Q26E	2Q26E	3Q26E	4Q26E	2024	2025E	2026E	2027E
KRW/USD (avg)	1,453	1,400	1,387	1,400	1,380	1,380	1,360	1,360	1,365	1,393	1,300	1,260
Revenue	14,752	15,936	15,032	15,359	16,595	17,047	16,045	16,521	57,237	61,079	66,207	70,297
Chg (% y-y)	6.4	8.7	7.4	4.4	12.5	7.0	6.7	7.6	-3.4	6.7	8.4	6.2
Simple modules	6,799	7,403	6,849	6,660	7,511	7,714	7,347	7,289	25,633	27,711	29,862	30,958
Core parts & electrification	4,675	5,204	4,826	5,454	5,504	5,893	5,250	5,821	19,518	20,159	22,468	24,665
After-sales service	3,278	3,330	3,357	3,245	3,580	3,440	3,448	3,410	12,085	13,209	13,878	14,674
Gross profit	2,062	2,198	2,129	1,941	2,151	2,198	2,129	2,574	8,063	8,049	9,052	9,834
Operating profit	777	870	780	980	989	988	990	1,054	3,073	3,407	4,021	4,491
Chg (% y-y)	43.1	36.8	-14.1	-0.6	27.4	13.5	26.8	7.6	33.9	10.8	18.0	11.7
Modules	-100	42	-37	184	105	149	134	196	-42	89	584	879
After-sales service	877	828	817	796	884	839	855	858	3,116	3,317	3,437	3,612
Net profit	1,032	934	931	952	1,101	1,135	1,033	1,228	4,060	3,905	4,496	4,931
Controlling profit	1,031	932	929	951	1,083	1,117	1,017	1,208	4,056	3,844	4,425	4,854
Chg (% y-y)	19.7	-6.4	1.1	-25.7	5.1	19.8	9.4	27.1	18.5	-5.2	15.1	9.7
Margins (%)												
Gross profit	14.0	13.8	14.2	12.6	13.0	12.9	13.3	15.6	14.1	13.2	13.7	14.0
Operating profit	5.3	5.5	5.2	6.4	6.0	5.8	6.2	6.4	5.4	5.6	6.1	6.4
Modules	-0.9	0.3	-0.3	1.5	0.8	1.1	1.1	1.5	-0.1	0.2	1.1	1.6
After-sales service	26.7	24.9	24.3	24.5	24.7	24.4	24.8	25.2	25.8	25.1	24.8	24.6
Net profit	7.0	5.9	6.2	6.2	6.6	6.7	6.4	7.4	7.1	6.4	6.8	7.0
Controlling net profit	7.0	5.9	6.2	6.2	6.5	6.6	6.3	7.3	7.1	6.3	6.7	6.9

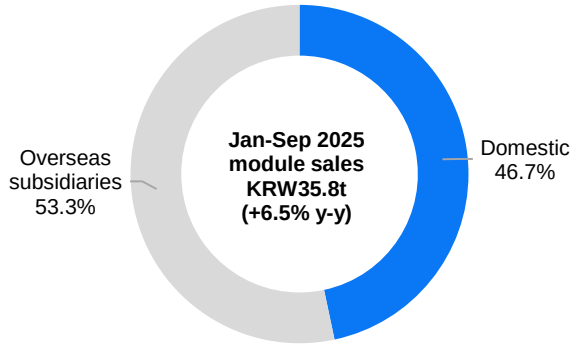
Source: Company data, Samsung Securities

Hyundai Mobis: Sales at module business



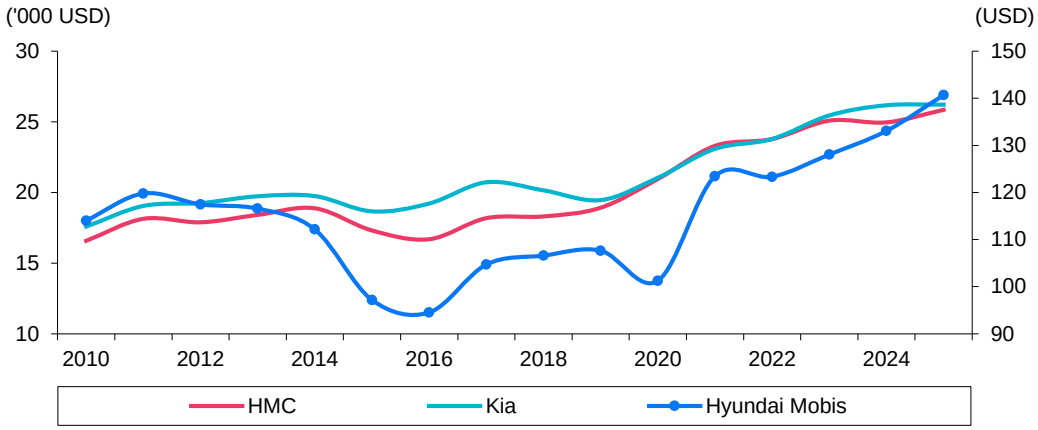
Source: Company data, Samsung Securities estimates

Hyundai Mobis: Module sales at overseas subsidiaries



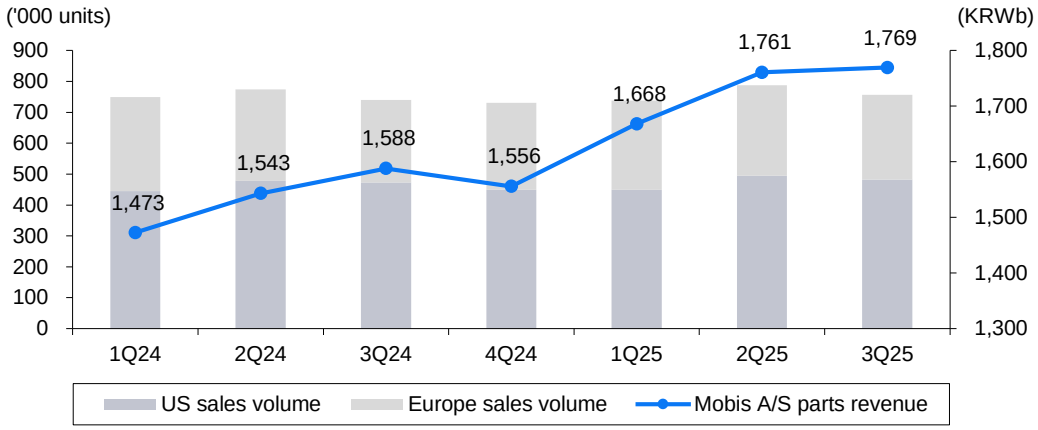
Source: Company data, Samsung Securities estimates

Hyundai Mobis ASP vs HMC/Kia global ASP



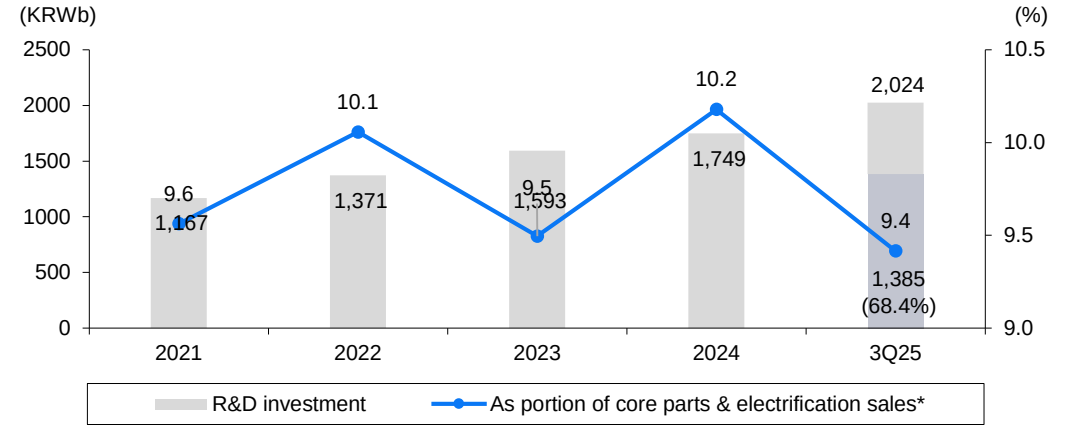
Source: Company data, Samsung Securities

US and Europe market: HMC/Kia global wholesales and Mobis A/S parts revenue



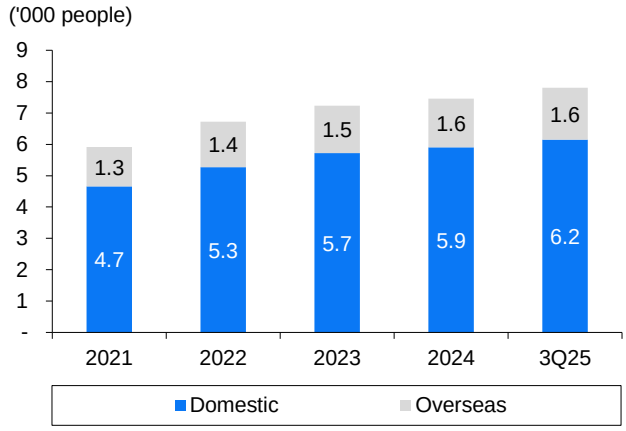
Source: Company data, Samsung Securities

R&D as portion of core parts & electrification sales



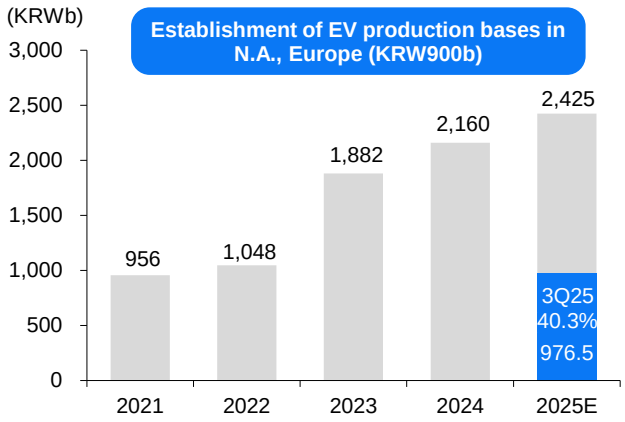
Note: * R&D as a percentage of electrification/core parts sales excludes battery cell value (estimated)
Source: Company data, Samsung Securities

Hyundai Mobis: Number of R&D personnel



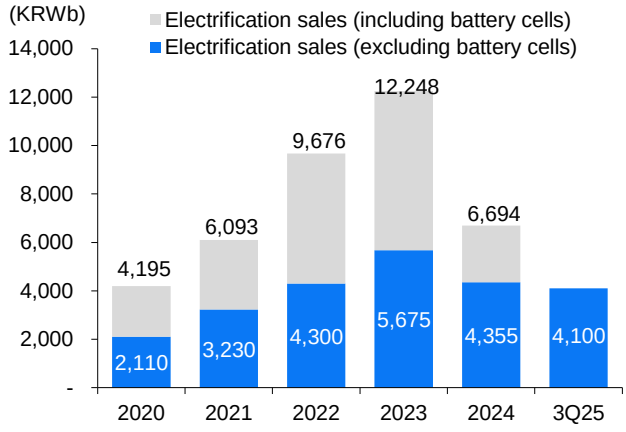
Source: Company data, Samsung Securities

Hyundai Mobis: Capex (production/R&D)



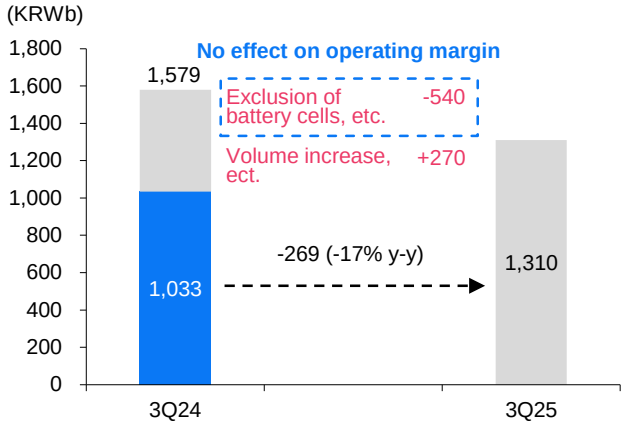
Source: Company data, Samsung Securities

Hyundai Mobis: Electrification revenue



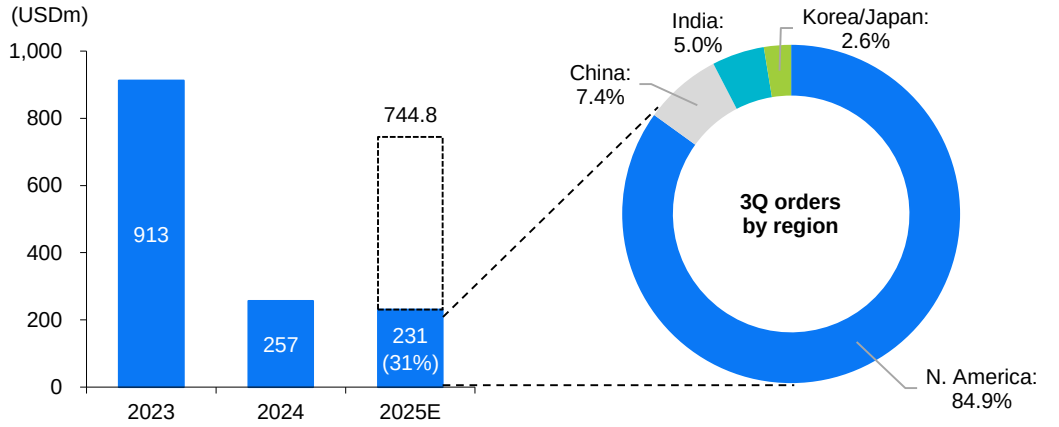
Source: Company data, Samsung Securities

Electrification: Major factors behind sales decline in 1Q



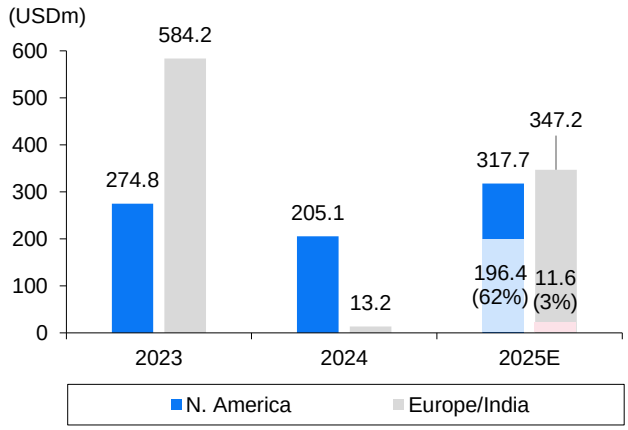
Source: Company data, Samsung Securities

Non-captive orders: Results & plans for core parts orders



Source: Company data, Samsung Securities

Non-captive orders: Orders, by region

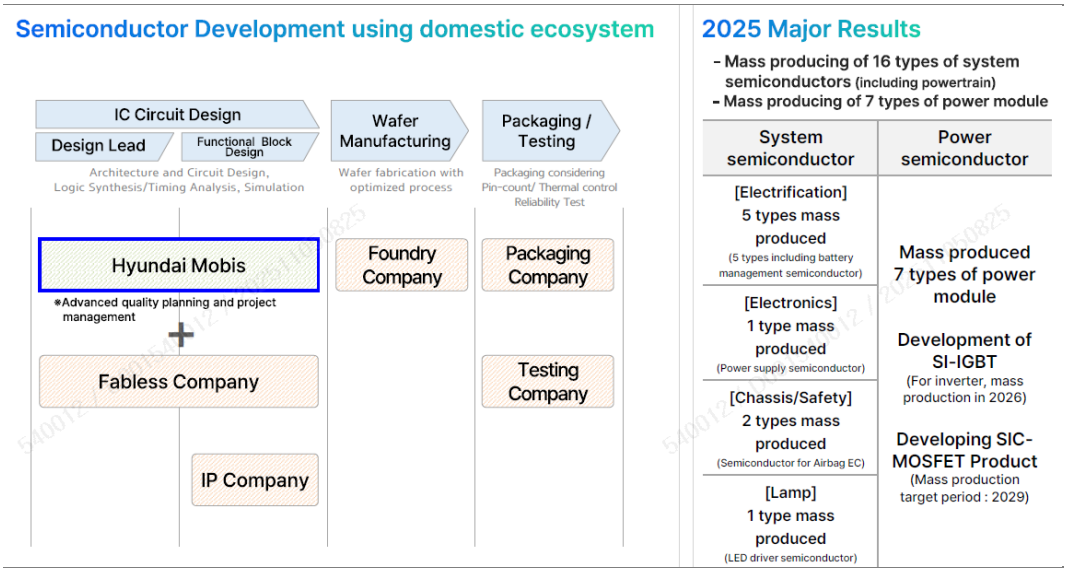


Source: Company data, Samsung Securities

Non-captive orders: 2Q25 highlights

Source: Company data

Hyundai Mobis: Automotive Semicon Forum (ASK)



Source: Company data

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**59,254**	**57,237**	**61,079**	**66,207**	**70,297**
Cost of goods sold	52,492	49,174	53,030	57,155	60,463
Gross profit	**6,762**	**8,063**	**8,049**	**9,052**	**9,834**
Gross margin (%)	11.4	14.1	13.2	13.7	14.0
SG&A expenses	4,467	4,989	4,642	5,032	5,343
Operating profit	**2,295**	**3,073**	**3,407**	**4,021**	**4,491**
Operating margin (%)	3.9	5.4	5.6	6.1	6.4
Non-operating gains (losses)	**2,150**	**2,191**	**2,067**	**2,311**	**2,454**
Financial profit	825	812	483	499	555
Financial costs	605	486	138	127	122
Equity-method gains (losses)	1,845	1,788	1,656	1,885	2,012
Other	85	78	66	54	10
Pre-tax profit	**4,445**	**5,264**	**5,474**	**6,332**	**6,946**
Taxes	1,022	1,204	1,569	1,836	2,014
Effective tax rate (%)	23.0	22.9	28.7	29.0	29.0
Profit from continuing operations	3,423	4,060	3,905	4,496	4,931
Profit from discontinued operations	0	0	0	0	0
Net profit	**3,423**	**4,060**	**3,905**	**4,496**	**4,931**
Net margin (%)	5.8	7.1	6.4	6.8	7.0
Net profit (controlling interests)	3,423	4,056	3,844	4,425	4,854
Net profit (non-controlling interests)	1	5	61	70	77
EBITDA	3,221	4,058	4,531	5,253	5,819
EBITDA margin (%)	5.4	7.1	7.4	7.9	8.3
EPS (parent-based) (KRW)	36,340	43,480	41,720	48,771	53,499
EPS (consolidated) (KRW)	36,347	43,528	42,383	49,546	54,349
Adjusted EPS (KRW)*	36,340	43,480	41,720	48,771	53,499

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**25,565**	**28,424**	**29,605**	**31,970**	**35,078**
Cash & equivalents	5,079	4,788	4,775	5,547	7,384
Accounts receivable	9,737	9,914	10,580	11,468	12,176
Inventories	5,512	6,763	7,217	7,823	8,306
Other current assets	5,237	6,958	7,033	7,132	7,211
Fixed assets	**33,021**	**38,173**	**41,053**	**43,929**	**46,303**
Investment assets	19,900	23,438	24,942	26,951	28,552
Tangible assets	10,481	12,003	13,363	14,303	15,138
Intangible assets	1,034	1,167	1,183	1,110	1,048
Other long-term assets	1,605	1,564	1,564	1,564	1,564
Total assets	**58,586**	**66,597**	**70,658**	**75,899**	**81,380**
Current liabilities	**12,053**	**12,745**	**13,150**	**13,983**	**14,806**
Accounts payable	6,504	6,748	7,200	7,805	8,287
Short-term debt	558	648	648	648	648
Other current liabilities	4,991	5,350	5,301	5,530	5,871
Long-term liabilities	**5,878**	**7,733**	**8,096**	**8,579**	**8,965**
Bonds & long-term debt	692	1,927	1,927	1,927	1,927
Other long-term liabilities	5,186	5,806	6,168	6,652	7,037
Total liabilities	**17,931**	**20,479**	**21,245**	**22,562**	**23,771**
Owners of parent equity	**40,634**	**46,081**	**49,314**	**53,168**	**57,363**
Capital stock	491	491	491	491	491
Capital surplus	1,363	1,367	1,367	1,367	1,367
Retained earnings	39,640	42,911	46,173	50,028	54,223
Other	-859	1,311	1,282	1,282	1,282
Non-controlling interests' equity	**21**	**37**	**98**	**169**	**246**
Total equity	**40,655**	**46,118**	**49,412**	**53,337**	**57,609**
Net debt	-2,394	-1,236	-1,592	-2,564	-4,401

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**5,343**	**4,253**	**3,315**	**3,767**	**4,186**
Net profit	3,423	4,060	3,905	4,496	4,931
Non-cash profit and expenses	205	515	-39	80	167
Depreciation	852	903	1,040	1,160	1,265
Amortization	74	82	84	73	63
Other	-721	-469	-1,163	-1,152	-1,161
Changes in A/L from operating activities	1,748	-712	-58	-77	-61
Cash flow from investments	**-2,541**	**-4,589**	**-2,500**	**-2,100**	**-2,100**
Change in tangible assets	-1,764	-2,088	-2,400	-2,100	-2,100
Change in financial assets	19	65	-0	-0	-0
Other	-797	-2,566	-100	-0	0
Cash flow from financing	**-1,889**	**-255**	**-951**	**-771**	**-659**
Change in debt	-892	804	-369	-200	0
Change in equity	1	4	0	0	0
Dividends	-367	-406	-581	-571	-659
Other	-631	-657	0	0	0
Change in cash	991	-291	-13	772	1,837
Cash at beginning of year	4,088	5,079	4,788	4,775	5,547
Cash at end of year	5,079	4,788	4,775	5,547	7,384
Gross cash flow	**3,628**	**4,575**	**3,866**	**4,576**	**5,098**
Free cash flow	**3,541**	**2,049**	**915**	**1,667**	**2,086**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	14.2	-3.4	6.7	8.4	6.2
Operating profit	13.3	33.9	10.8	18.0	11.7
Net profit	37.6	18.6	-3.8	15.1	9.7
Adjusted EPS**	38.2	19.6	-4.0	16.9	9.7
Per-share data (KRW)					
EPS (parent-based)	36,340	43,480	41,720	48,771	53,499
EPS (consolidated)	36,347	43,528	42,383	49,546	54,349
Adjusted EPS**	36,340	43,480	41,720	48,771	53,499
BVPS	448,144	509,212	561,215	605,077	652,821
DPS (common)	4,500	6,000	6,500	7,500	8,000
Valuations (x)					
P/E***	6.5	5.4	7.1	6.1	5.5
P/B***	0.5	0.5	0.5	0.5	0.5
EV/EBITDA	6.2	5.1	5.7	4.7	4.0
Ratios (%)					
ROE	8.7	9.4	8.1	8.6	8.8
ROA	6.0	6.5	5.7	6.1	6.3
ROIC	9.2	11.3	10.6	11.5	12.2
Payout ratio	11.9	13.3	14.9	14.9	14.5
Dividend yield (common)	1.9	2.5	2.2	2.5	2.7
Net debt to equity	-5.9	-2.7	-3.2	-4.8	-7.6
Interest coverage (x)	15.3	23.8	24.7	31.8	36.7

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

Source: Company data, Samsung Securities estimates

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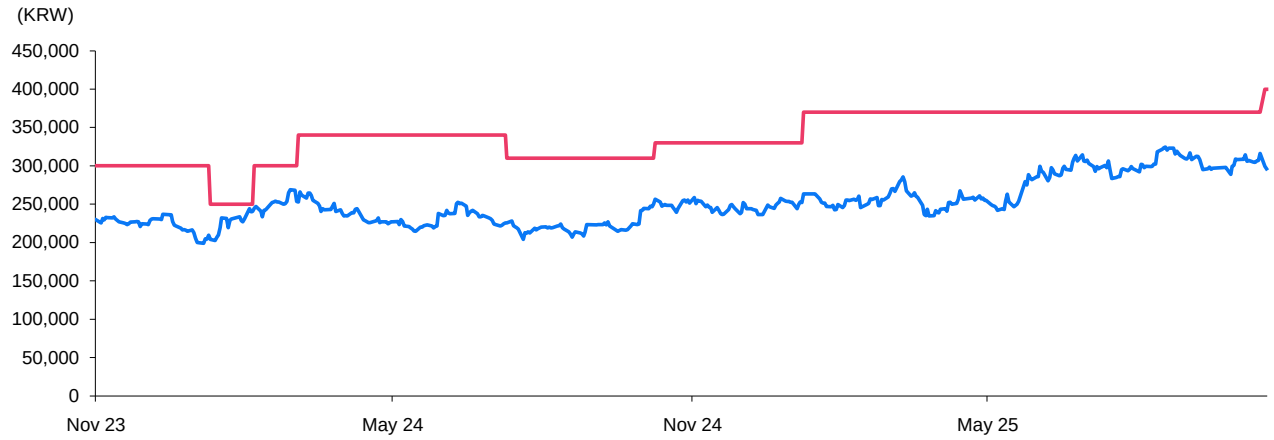
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2023/9/19	11/14	2024/1/26	2/22	3/20	7/26	10/25	2025/1/24	11/3
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	330000	300000	250000	300000	340000	310000	330000	370000	400000
Gap* (average)	-31.32	-25.70	-9.38	-16.07	-30.85	-28.56	-24.95	-24.53	
(max or min)**	-25.30	-21.00	-2.40	-10.33	-21.76	-19.35	-21.67	-12.30	

Note: * [(average, maximum, or minimum share price over duration of target price minus target price) / target price] x 100%
** Maximum/minimum share price if new target is higher/lower than market close on the business day prior to target price change

Samsung Securities uses the following investment ratings*

Company

BUY	Expected to increase in value by 15% or more within 12 months and is highly attractive within sector
HOLD	Expected to increase/decrease in value by less than 15% within 12 months
SELL	Expected to decrease in value by 15% or more within 12 months

Industry

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

* Note: Effective Jul 27, 2023, BUY, HOLD, and SELL criteria are based on expectations of share-price moves of 15% or more within 12 months

Percentage of ratings in 12 months prior to 2025.09.30

BUY(83.5%)·HOLD(16.5%)·SELL(0%)

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