COMPANY UPDATE

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EV/Mobility Team

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Hyundai Mobis (012330)

Boston Dynamics's actuator partner

- Hyundai Mobis is developing 31 types of actuators for use in the body of the third-generation E-Atlas. Domain knowledge related to manufacturing plants is being incorporated into robot learning.
- The company's core parts business has entered the third stage of transformation and expansion: ICE vehicle control systems → EV battery pack / operation / management → humanoid robot actuators.
- Supplying Boston Dynamics with parts for 30,000 robots should bring in sales of around KRW1t *pa*, providing new growth opportunities for the module business.

▶ AT A GLANCE

BUY

Target price	KRW400,000	36.1%
Current price	**KRW294,000**	
Market cap	KRW27.0t/USD18.5b	
Shares (float)	90,732,583 (64.6%)	
52-week high/low	KRW324,500/KRW234,500	
Avg daily trading value (60-day)	KRW60.4b/ USD41.4m	

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
Hyundai Mobis (%)	-4.5	15.3	16.9
Vs Kospi (%pts)	-12.5	-25.9	-30.9

▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	400,000	400,000	0.0%
2025E EPS	41,720	41,720	0.0%
2026E EPS	48,767	48,767	0.0%

▶ SAMSUNG vs THE STREET

No of estimates	23
Target price	387,174
Recommendation	4.0

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

WHAT'S THE STORY?

Raising target price 8.1% to KRW400,000: We raise our target P/E multiple for Hyundai Mobis by 10% to 8.8x (a 10% discount to its 10-year average of 10x) and our target P/B multiple by 10% to 0.65x (a 20% discount to its 10-year average of 0.85x). Our new target price is the simple average of our P/E- and P/B-derived target prices (both are based on our 2026 earnings estimates). Our target multiples have been raised by 10% to reflect growth momentum from its entry into the robot actuator business and its enhanced shareholder return program (total payout ratio to rise from 17% in 2024 to 30% in 2025). A 10% discount has been applied to the past averages, in consideration of Hyundai Motor (HMC)/Kia's valuation.

- **US tariff cut to reduce quarterly tariff bill from KRW160b to KRW90b:** Mobis's quarterly tariff cost is set to fall by KRW70b. During a recent NDR, Mobis said that its sales will grow at a three-year CAGR (2025-2027) of 8%, for an operating margin of 6%, regardless of the tariff impact.

(Continued on the next page)

SUMMARY FINANCIAL DATA

	2024	2025E	2026E	2027E
Revenue (KRWb)	57,237	61,086	66,212	70,303
Operating profit (KRWb)	3,073	3,407	4,020	4,491
Net profit (adj) (KRWb)	4,060	3,905	4,495	4,931
EPS (adj) (KRW)	43,480	41,720	48,767	53,495
EPS (adj) growth (% y-y)	19.6	-4.0	16.9	9.7
EBITDA margin (%)	7.1	7.4	7.9	8.3
ROE (%)	9.4	8.1	8.6	8.8
P/E (adj) (x)	5.4	7.0	6.0	5.5
P/B (x)	0.5	0.5	0.5	0.5
EV/EBITDA (x)	5.1	5.6	4.7	3.9
Dividend yield (%)	2.5	2.2	2.6	2.7

Source: Company data, Samsung Securities estimates

- **Forecasting 2026 sales of KRW66.2t (up 8.4% y-y) and operating profit of KRW4t (up 18% y-y) for margin of 6.1% (up 0.5%pts y-y):** Its operating margin should return to the 6% range for the first time in a decade in 2026, as the aftermarket parts business should maintain high profitability, and further as the core parts business should start to recoup its investments and move into the black in 2026.

Potential as robot actuator firm: Mobis has ample capital and can mass produce smart chassis (backbone technology for robot actuators). It excels in cutting costs and making quality products.

- **Boston Dynamics's actuator partner:** Actuators make up 60-70% of a robot's manufacturing cost. Mobis is developing 31 types of actuators for use in the body of the third-generation E-Atlas.
- **Actuators designed and engineered by Mobis:** Actuators are in the design and engineering stage, with mass-production expected to begin in 2027. The production of motors, decelerators and sensors may be outsourced.
- **Mobis's core parts business enters market that could become 100x larger than automotive control systems market:** In 2000, Mobis entered the ICE vehicle control systems business. Automotive control systems account for 5-6% of a car's cost. In 2015, the company started the business of EV battery pack/operation/management, which areas together account for 10-12% of an EV's cost. In 2025, the company expanded into the humanoid actuator business. Actuators (20-30 per humanoid) represent 60-70% of a humanoid's cost. Given that the robot market has the potential to grow to 10x the size of the auto market, the robot actuator market could become 100x bigger than the automotive control systems market.

Third-generation E-Atlas to be unveiled in 2026: Boston Dynamics's third-generation E-Atlas is expected to be unveiled at CES 2026. An announcement by HMG to build a manufacturing plant in 2026 would inevitably catalyze HMG's shares.

- **HMG to buy 50,000 GPUs:** Hyundai Motor Group (HMG) will spend USD3b to buy 50,000 Nvidia Blackwell GPUs over 2026-2030. This means data gathering for the purpose of advancing autonomous driving and robotics technologies will begin in 2026.
- **Current E-Atlas (Atlas R1) is for research use:** A commercial version of E-Atlas has been in development for the past 18 months, which version is now nearing completion. With the unveiling of the third-generation model, the second-generation version (Atlas R1) will be phased out.
- **Third-generation E-Atlas…** The third-generation E-Atlas will be able to replace its battery in 2-3 minutes, allowing for almost continuous operations across three shifts (24 hours). It will feature third-generation grippers (higher degrees of freedom) to perform tasks that require more dexterous movements.
- **…to be tested at HMGMA in 2026:** The third-generation E-Atlas will undergo proof of concept (POC) testing at Hyundai Motor Group Metaplant America (HMGMA), where new machine learning-based behavioral systems will first be applied.
- **Mobis co-developing actuators:** For robot commercialization, not only high-quality data and advanced AI technologies but also hardware reliability are essential. Early-stage design verification

must be conducted at an automotive industry-level standard. With over 50 years of experience making auto parts, Mobis is the ideal partner for Boston Dynamics to achieve cost competitiveness.

- **Mobis to supply actuators, sensors, and battery packs for Boston Dynamics's robots:** Mobis seems to be in line to generate sales of USD1.4b per 10,000 humanoids.

2026 earnings outlook: At Mobis, the tariff impact (about KRW90b per quarter) should be negated by cost reductions, the AMPC (receiving KRW40b per quarter), and price hikes for key components.

- **Forecasting 2026 sales of KRW66.2t (up 8.4%) and operating profit of KRW4t (up 18%) for margin of 6.1%:** FnGuide consensus has Mobis's 2026 sales at KRW66.1t, operating profit at KRW3.93t, and operating margin at 5.9%.
- **Earnings, by division:** We expect the aftermarket parts division to deliver 2026 sales of KRW13.8t (up 5.1%) and an operating profit of KRW3.4t (up 3.6%), for a margin of 24.8%. The tariff impact (KRW16b-17b per quarter) is expected to be offset by gradual price hikes.

  We expect the module division to contribute 2026 sales of KRW52.3t (up 9.3%) and an operating profit of KRW584b (up 553%), for a margin of 1.1%. Despite the tariff impact, the module division should move deeper into the black thanks to the US AMPC and price hikes for core parts. Mobis is eligible for the AMPC for battery pack production—its battery systems are supplied to Stellantis (from 2H25) and HMGMA's Savannah plant. With a credit value of USD10/kWh and each EV equipped with a 77 kWh battery, benefits stemming from the AMPC program are about USD7.7m (KRW2b) per 10,000 units. Due to AMPC uncertainty during President Trump's second term, the Korean company has opted for cash benefits, which we estimate will be flat in 2026 at KRW160b (corresponding to 140,000 units), despite full-year shipments to Stellantis, given softening EV demand in the US. Meanwhile, Mobis's electrification business should turn profitable, backed by growing EV sales in Korea and Kia's EV production hike in Europe.

Rare-earth magnet usage: EVs vs Humanoid robots

	Rare-earth magnet usage (kg/unit)	Notes
EVs	0.5-2.0	Depends on motor specification, number of motors, trim level BYD uses ~1.5kg.
Humanoid robots	0.9-4.0	Varies by actuator count and design. Optimus (Tesla): Estimated 3.4-3.5kg.

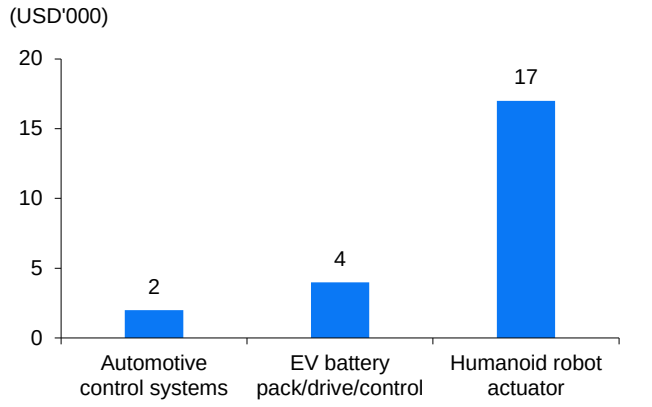
Source: Thunder Said Energy, High Magnets, Samsung Securities

Total number of motors in humanoid robots vs in their hands alone

	Total	Per hand	
Optimus	28	6-10	PMSM-based, underactuated linkage
Figure 02	30	10	Hybrid (direct drive and cable actuation)
Apptronik Apollo	25	6	Series-elastic actuator (SEA)+linkage
Agility	20	6	Simple structure; hands do not support fine manipulation
E-Atlas	20	6	Simple structure; 7-DoF hands

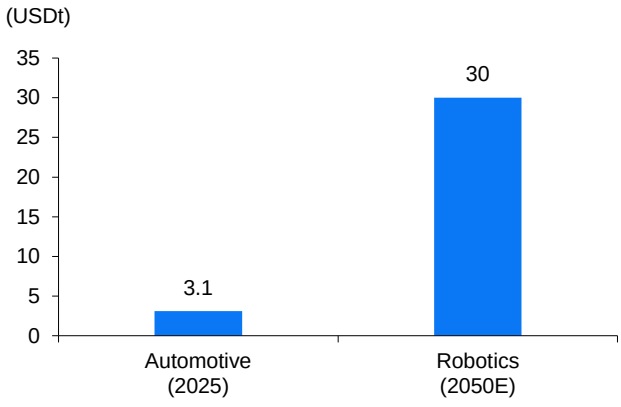
Source: Company data, Samsung Securities

Hyundai Mobis: Core parts business ASP



Source: Company data, Samsung Securities

Market size: Automotive vs robotics



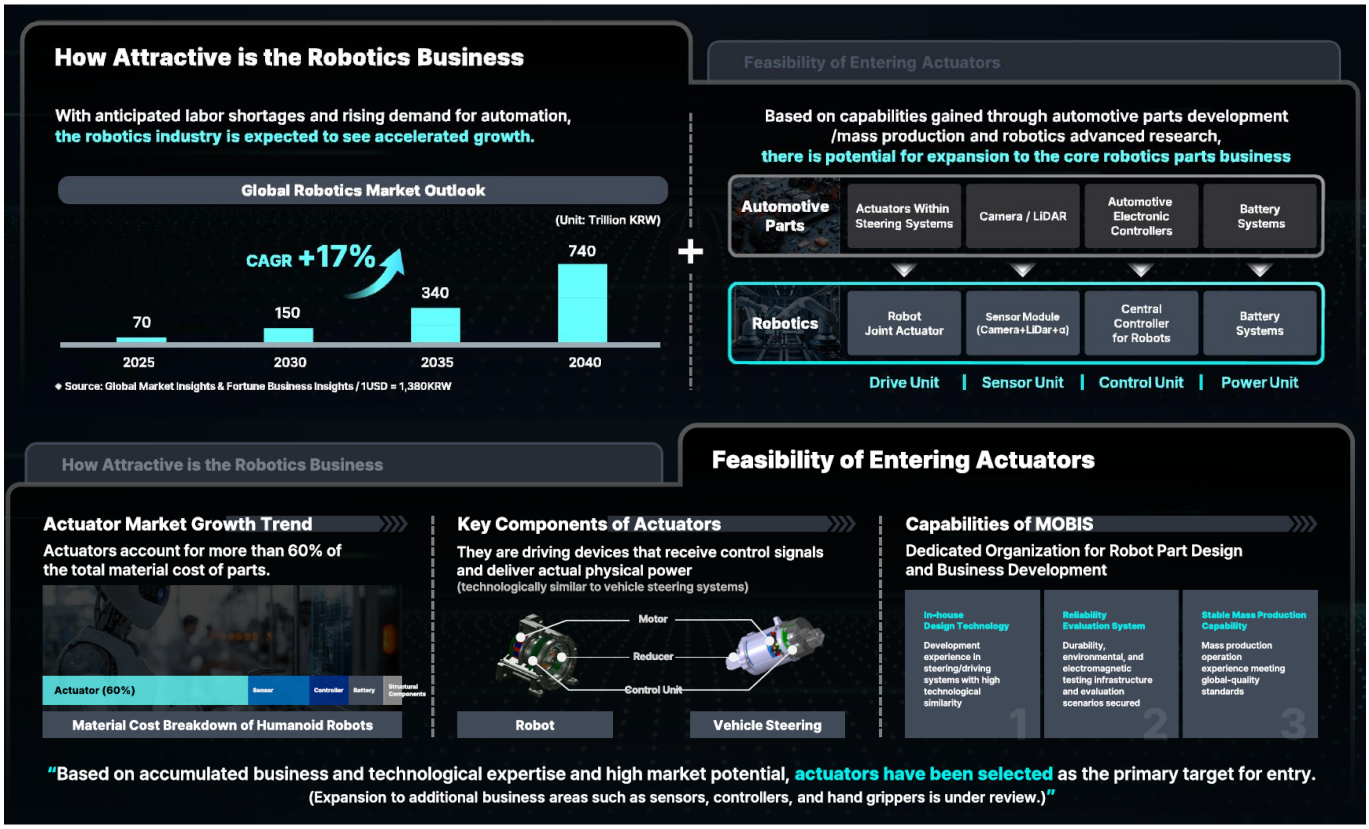
Source: Samsung Securities

Hyundai Mobis: Estimated revenue from Boston Dynamics

(USD)	Production cost	Actuator	Battery pack	Revenue per unit	Amount (units)	Mobis sales
E-Atlas	200,000	130,000	10,000	140,000	20,000	2,800
Spot	100,000	65,000	5,000	70,000	5,000	-
Stretch	100,000	65,000	5,000	70,000	5,000	350
Total (USDm)						3,150
Total (KRWb)*						4,410
Yearly ('26~'30)						1,103

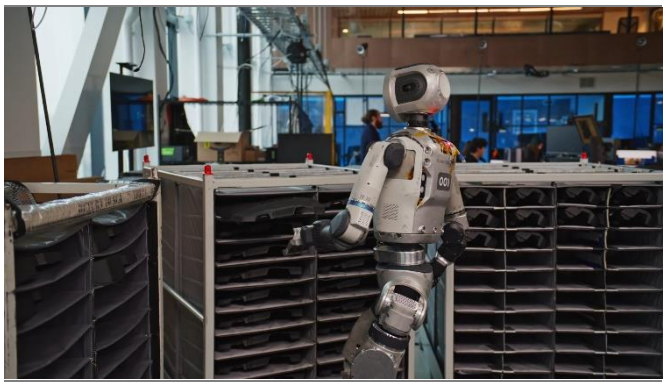
Note: Estimated to account for 70% of robot manufacturing costs. Spot is estimated to use dual sourcing.
Source: Samsung Securities estimates

Hyundai Mobis: Robotics actuator business



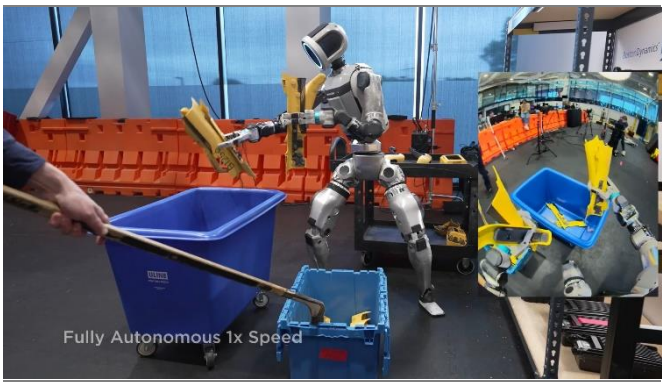
Source: Company data

Boston Dynamics: E-Atlas



Source: Company data

Boston Dynamics: E-Atlas



Source: Company data

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	16,591	17,043	16,053	16,521	57,237	61,079	66,207	70,297
Chg (% y-y)	6.4	8.7	7.4	4.4	12.5	6.9	6.8	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	5,500	5,889	5,258	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	2,130	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	26.9	7.6	33.9	10.8	18.0	11.7
Modules	-100	42	-37	184	105	149	135	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

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**59,254**	**57,237**	**61,086**	**66,212**	**70,303**
Cost of goods sold	52,492	49,174	53,036	57,160	60,469
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	4,643	5,032	5,343
Operating profit	**2,295**	**3,073**	**3,407**	**4,020**	**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	11
Pre-tax profit	**4,445**	**5,264**	**5,474**	**6,331**	**6,945**
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	4,495	4,931
Profit from discontinued operations	0	0	0	0	0
Net profit	**3,423**	**4,060**	**3,905**	**4,495**	**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	5,818
EBITDA margin (%)	5.4	7.1	7.4	7.9	8.3
EPS (parent-based) (KRW)	36,340	43,480	41,720	48,767	53,495
EPS (consolidated) (KRW)	36,347	43,528	42,383	49,543	54,346
Adjusted EPS (KRW)*	36,340	43,480	41,720	48,767	53,495

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**25,565**	**28,424**	**29,604**	**31,969**	**35,077**
Cash & equivalents	5,079	4,788	4,773	5,545	7,381
Accounts receivable	9,737	9,914	10,581	11,469	12,177
Inventories	5,512	6,763	7,218	7,823	8,307
Other current assets	5,237	6,958	7,033	7,132	7,211
Fixed assets	**33,021**	**38,173**	**41,056**	**43,931**	**46,305**
Investment assets	19,900	23,438	24,945	26,952	28,554
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**	**70,660**	**75,900**	**81,381**
Current liabilities	**12,053**	**12,745**	**13,151**	**13,984**	**14,807**
Accounts payable	6,504	6,748	7,201	7,806	8,288
Short-term debt	558	648	648	648	648
Other current liabilities	4,991	5,350	5,302	5,530	5,872
Long-term liabilities	**5,878**	**7,733**	**8,096**	**8,580**	**8,965**
Bonds & long-term debt	692	1,927	1,927	1,927	1,927
Other long-term liabilities	5,186	5,806	6,169	6,652	7,038
Total liabilities	**17,931**	**20,479**	**21,247**	**22,563**	**23,773**
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	50,027	54,222
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**	**53,336**	**57,608**
Net debt	-2,394	-1,236	-1,589	-2,562	-4,398

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**5,343**	**4,253**	**3,315**	**3,766**	**4,186**
Net profit	3,423	4,060	3,905	4,495	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	-16	772	1,837
Cash at beginning of year	4,088	5,079	4,788	4,773	5,545
Cash at end of year	5,079	4,788	4,773	5,545	7,381
Gross cash flow	**3,628**	**4,575**	**3,866**	**4,575**	**5,098**
Free cash flow	**3,541**	**2,049**	**915**	**1,666**	**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	48,767	53,495
EPS (consolidated)	36,347	43,528	42,383	49,543	54,346
Adjusted EPS**	36,340	43,480	41,720	48,767	53,495
BVPS	448,144	509,212	561,215	605,073	652,814
DPS (common)	4,500	6,000	6,500	7,500	8,000
Valuations (x)					
P/E***	6.5	5.4	7.0	6.0	5.5
P/B***	0.5	0.5	0.5	0.5	0.5
EV/EBITDA	6.2	5.1	5.6	4.7	3.9
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	2.6	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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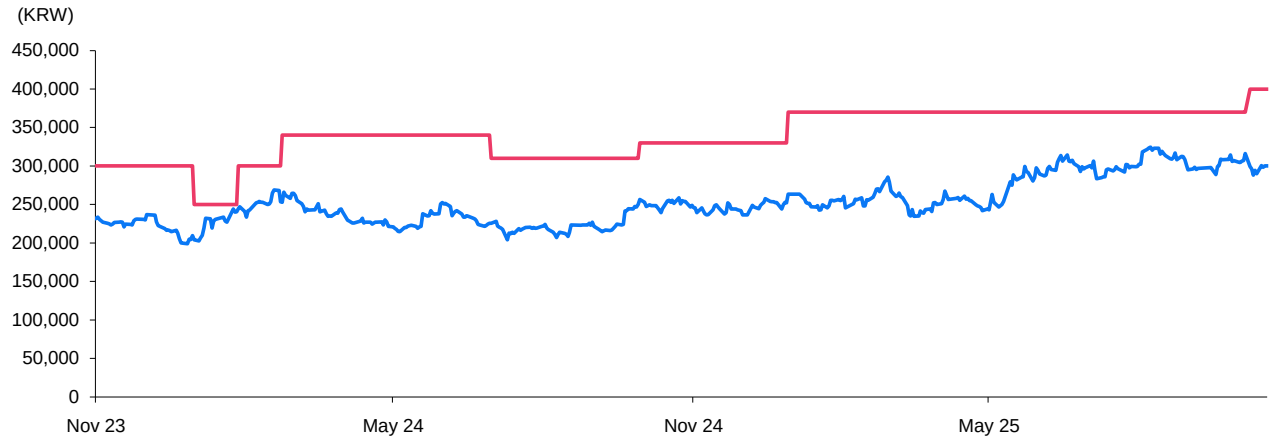
Target price changes in past two years



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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