COMPANY UPDATE

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EV/Mobility Team

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# Hyundai Mobis (012330)

## 2026 outlook: To provide A/S for robots

- In 2026, Tesla's expansion of robotaxi services and production of the Optimus are expected to usher in the era of physical AI. Robots should provide recurring revenue streams for related companies through AI model subscriptions and actuator replacement.
- Robots have a warranty of only 1-2 years due to the short lifespan of reducers (which sit inside actuators). Eventually, robots will likely be sold with a 5-6 year warranty, during which time reducers would be replaced every 1-2 years.
- Once the timeline for Boston Dynamics's robot mass-production becomes visible, Hyundai Mobis should come to be seen as the biggest beneficiary given potential recurring revenue opportunities tied to replacing actuators.

### WHAT'S THE STORY?

**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—aftermarket parts 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.

*(Continued on the next page)*

### AT A GLANCE

**BUY**

| | | |
|---|---|---|
| Target price | KRW400,000 | 36.3% |
| **Current price** | **KRW293,500** | |
| Market cap | KRW26.6t/USD18.1b | |
| Shares (float) | 90,732,583 (65.3%) | |
| 52-week high/low | KRW324,500/KRW234,500 | |
| Avg daily trading value (60-day) | KRW60.4b/ USD41.0m | |

### ONE-YEAR PERFORMANCE

| | 1M | 6M | 12M |
|---|---|---|---|
| Hyundai Mobis (%) | -4.4 | 21.3 | 19.1 |
| Vs Kospi (%pts) | 0.0 | 0.0 | 0.0 |

### 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 | 24 |
| Target price | 386,042 |
| Recommendation | 4.0 |

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

### 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 | 0.4 |
| EV/EBITDA (x) | 5.1 | 5.5 | 4.6 | 3.9 |
| Dividend yield (%) | 2.5 | 2.2 | 2.6 | 2.7 |

Source: Company data, Samsung Securities estimates

- **Earnings, by division—module division:** 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. It also plans to negotiate with clients to recover at least 50% of tariff costs.
- **Electrification business to turn profitable:** 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.

**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.

**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.
- **Robots have short lifespans because of reducers inside actuators:** Robot warranty periods typically range 1-2 years (around one year for humanoids) due to the short lifespan of reducers. As the most critical component (enabling high-precision joint control), reducers face high stress and wear if the robot is operated 24/7, inevitably degrading the robot's performance over time. Quasi-direct drive (QDD) technology—featuring very low reduction ratios and simpler structures—is increasingly being adopted, but because of the low reduction ratio, QDDs need a large powerful motor to generate the same torque as harmonic drives. And larger motors come with size and cost challenges. As a result, QDDs are used alongside harmonic drives and cycloidal drives in robots (depending on the joint location).
- **Reducer replacement service once robots commercialized:** Robots will eventually be sold with a 5-6 year warranty, with reducers replaced every 1-2 years—similar to how autos come with 5-6 warranties while consumable parts (like brake pads or wipers) are replaced every 1-2 years. Reducers account for: 1) 30% of actuator costs; and 2) about 20% of a robot's total production cost.
- **Mobis to enter aftermarket actuator business:** Handling the design and manufacture of actuators used in Boston Dynamics's robots, Mobis is likely to get involved in the aftermarket actuator business as well.

### 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 ~1.5 kg. |
| Humanoid robots | 0.9-4.0 | Varies by actuator count and design. Optimus (Tesla) estimated at 3.4-3.5 kg. |

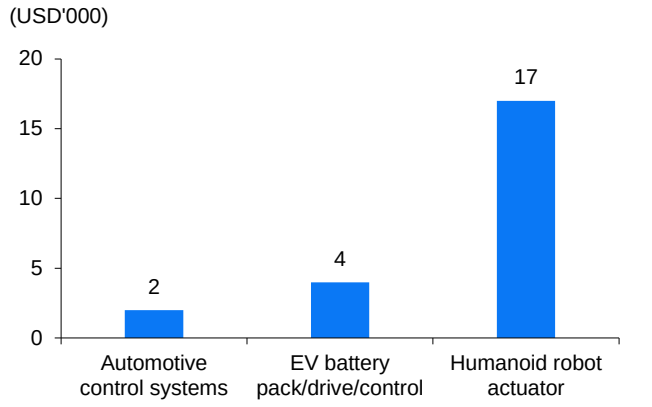
Source: Thunder Said Energy, High Magnets, Samsung Securities

### 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 |

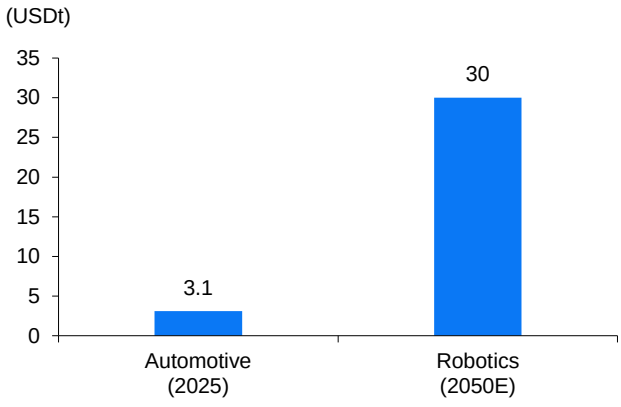
Source: Company data, Samsung Securities

### 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 (2026-2030; KRWb) | | | | | | 1,103 |

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

Source: Samsung Securities estimates

### Warranty period for robots

| Robot | Warranty period | Reducer structure | Notes |
|---|---|---|---|
| Unitree R1 | 8-12 months | Harmonic Drive | Integrated reducer within the joint |
| Boston Dynamics Spot | 12 months | Cycloid, Custom Gear | Industrial-grade durability, high cost |
| Denso Industrial Robot | 24 months | Planetary Type | Periodic grease replacement required |

Source: Company data, Samsung Securities

### Why robot reducers have poor durability

| Factor | Cause | Result |
|---|---|---|
| Fatigue failure | Repeated stress concentrated on thin flexible waves and cycloidal disks | Increased backlash and reduced efficiency over time |
| Lubrication degradation | Long-term use leads to reduced viscosity of grease and increased wear | Increased noise, vibration, and instability in precise control |
| Assembly tolerances & Material variations | Higher precision requirements increase sensitivity to manufacturing errors | Higher defect rates and risk of intermittent failures |
| Shock loads | Humanoid robots interact with external environments frequently | Broken gear teeth, deformed bearings, and other structural damage |

Source: Chat-GPT, Samsung Securities

### Robot reducer

| Reducer | Presence of reducer | Reduction ratio | Key features |
|---|---|---|---|
| Direct Drive (DD) | None | 1:1 | Motor directly rotates the joint. No backlash, high efficiency. Heavy, high-torque motor required. |
| Quasi-Direct Drive (QDD) | Very small/ low-reduction gear | 1:6-1:15 | Maintains reduction benefits while minimizing backlash and friction. High responsiveness. |
| Harmonic/Cycloidal | Present | 1:50-1:160 | High torque but with high backlash, friction, weight, and cost. Durability and fatigue are drawbacks. |

Source: Harmonic Drive, ESMATS, Research Gate, Samsung Securities

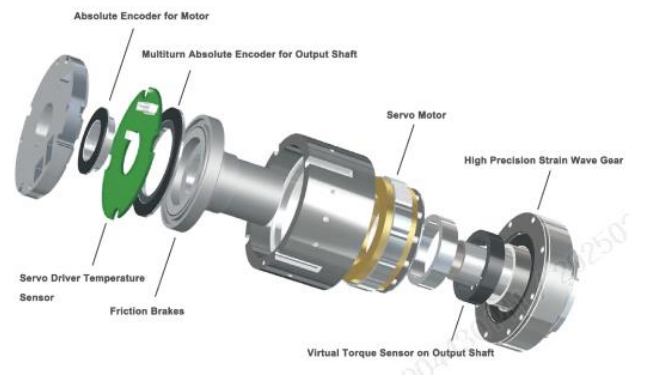
### Manufacturing cost of humanoid robots (based on 1m units)

| Component | Price (USD) | Quantity | Amount (USD) | Percentage (%) |
|---|---|---|---|---|
| 3-lens camera | 41 | 3 | 124 | 0.7 |
| SOC chip | 689 | 1 | 689 | 3.6 |
| Rotary actuator | 561 | 14 | 7,856 | 41.2 |
| Linear actuator | 437 | 14 | 6,119 | 32.1 |
| Dextrous hand* | 1,605 | 2 | 3,210 | 16.8 |
| Battery pack | 100 | 2.3 kWh | 230 | 1.2 |
| Others | - | - | 826 | 4.3 |
| **Total** | **-** | **-** | **19,054** | **100** |

Note: * Dextrous hand is based on 22 DoF

Source: CITIC securities, Samsung Securities

### Rotary actuator



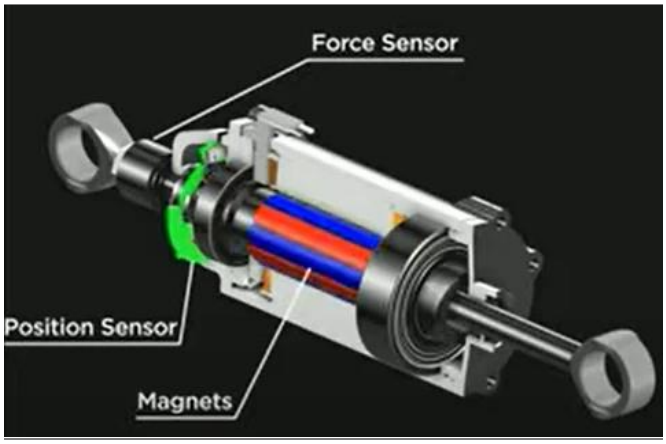

Source: FARADYI

### Rotary actuator: Component cost breakdown

| Component | ASP (USD) | Quantity | Cost (USD) | Portion (%) |
|---|---|---|---|---|
| Harmonic/planetary reducer | 165 | 1 | 165 | 29 |
| Frameless torque motor | 138 | 1 | 138 | 25 |
| Torque sensor | 83 | 1 | 83 | 15 |
| Drive | 69 | 1 | 69 | 12 |
| Encoder | 28 | 2 | 55 | 10 |
| Brake | 21 | 1 | 21 | 4 |
| Bearing | 7 | 3 | 21 | 4 |
| Housing and other | 10 | 1 | 10 | 2 |
| **Total** | | | **561** | **100** |

Source: CITIC Securities

### Linear actuator



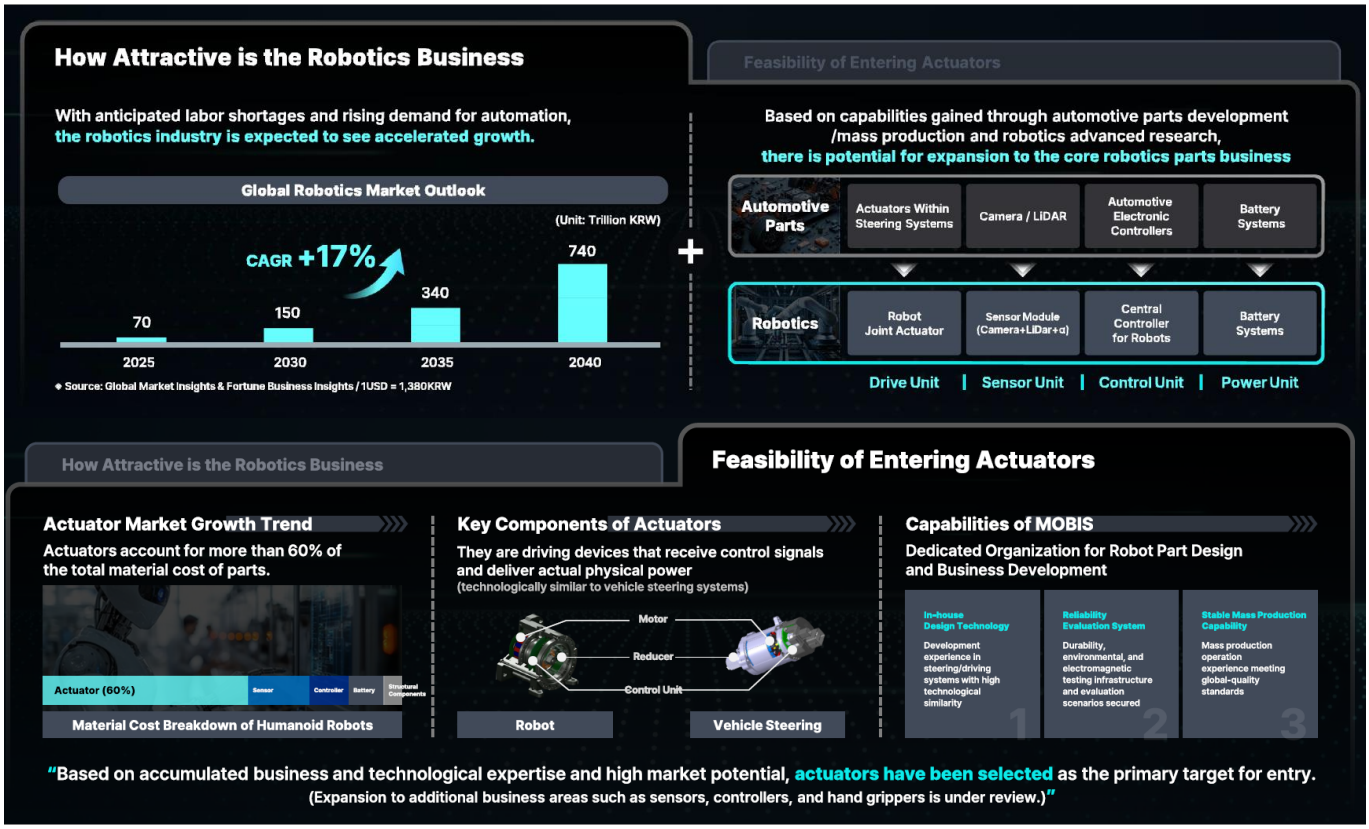

Source: Tesla

### Linear actuator: Component cost breakdown

| Component | ASP (USD) | Quantity | Cost (USD) | Portion (%) |
|---|---|---|---|---|
| Frameless torque motor | 138 | 1 | 138 | 32 |
| Planetary roller screw (reducer) | 124 | 1 | 124 | 28 |
| Drive | 69 | 1 | 69 | 16 |
| Torque sensor | 55 | 1 | 55 | 13 |
| Encoder | 28 | 1 | 28 | 6 |
| Bearing | 7 | 2 | 14 | 3 |
| Housing and other | 10 | 1 | 10 | 2 |
| **Total** | | | **437** | **100** |

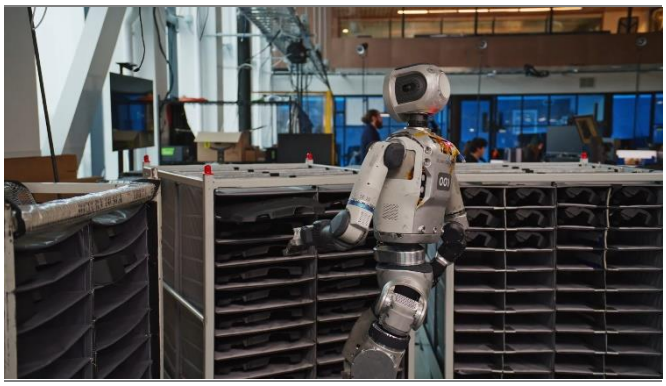
Source: CITIC Securities

## Hyundai Mobis: Robotics actuator business



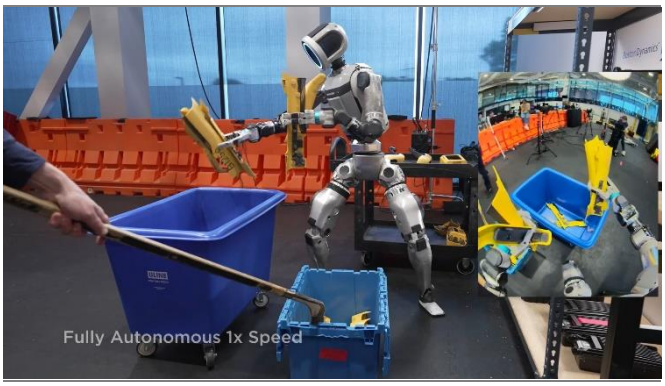

Source: Company data

## 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 | 15,365 | 16,586 | 17,030 | 16,034 | 16,563 | 57,237 | 61,086 | 66,212 | 70,303 |
| Chg (% y-y) | 6.4 | 8.7 | 7.4 | 4.5 | 12.4 | 6.9 | 6.7 | 7.8 | -3.4 | 6.7 | 8.4 | 6.2 |
| Simple modules | 6,799 | 7,403 | 6,849 | 6,666 | 7,487 | 7,700 | 7,332 | 7,349 | 25,633 | 27,717 | 29,868 | 30,965 |
| Core parts & electrification | 4,675 | 5,204 | 4,826 | 5,455 | 5,519 | 5,891 | 5,255 | 5,804 | 19,518 | 20,160 | 22,470 | 24,667 |
| After-sales service | 3,278 | 3,330 | 3,357 | 3,244 | 3,579 | 3,439 | 3,447 | 3,410 | 12,085 | 13,209 | 13,875 | 14,671 |
| Gross profit | 2,062 | 2,198 | 2,129 | 1,941 | 2,150 | 2,197 | 2,128 | 2,577 | 8,063 | 8,049 | 9,052 | 9,834 |
| Operating profit | 777 | 870 | 780 | 980 | 989 | 987 | 990 | 1,054 | 3,073 | 3,407 | 4,020 | 4,491 |
| Chg (% y-y) | 43.1 | 36.8 | -14.1 | -0.6 | 27.4 | 13.5 | 26.8 | 7.5 | 33.9 | 10.8 | 18.0 | 11.7 |
| Modules | -100 | 42 | -37 | 184 | 105 | 149 | 134 | 195 | -42 | 89 | 584 | 879 |
| After-sales service | 877 | 828 | 817 | 795 | 884 | 839 | 855 | 858 | 3,116 | 3,317 | 3,436 | 3,612 |
| Net profit | 1,032 | 934 | 931 | 952 | 1,101 | 1,135 | 1,033 | 1,227 | 4,060 | 3,905 | 4,495 | 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 | 0.4 |
| EV/EBITDA | 6.2 | 5.1 | 5.5 | 4.6 | 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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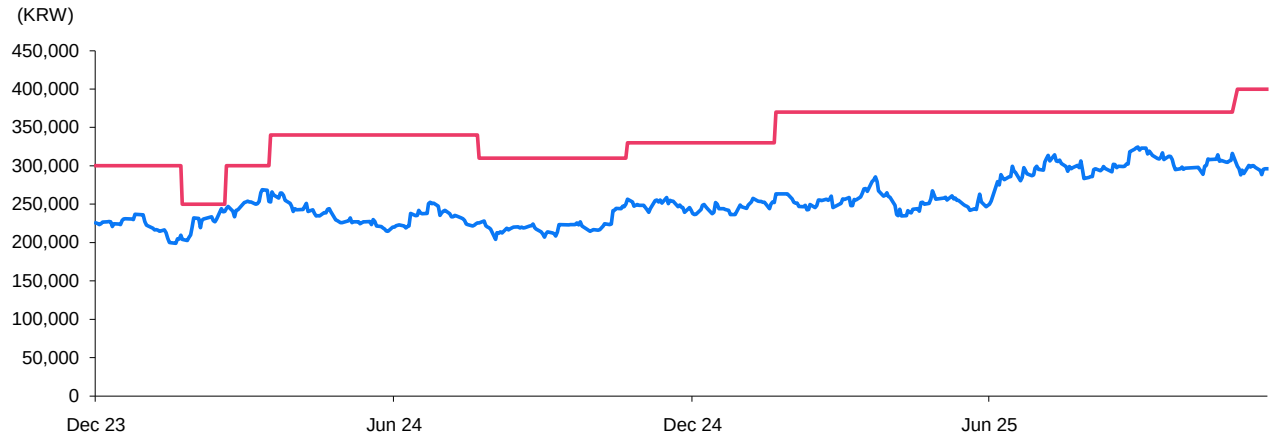


## Rating changes over past two years (adjusted share prices)

| Date | 2023/11/14 | 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 |
| Target price (KRW) | 300000 | 250000 | 300000 | 340000 | 310000 | 330000 | 370000 | 400000 |
| Gap* (average) | -25.70 | -9.38 | -16.07 | -30.85 | -28.56 | -24.95 | -24.53 | |
| (max or min)** | -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

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| | |
|---|---|
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**Industry**

| | |
|---|---|
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**Percentage of ratings in 12 months prior to 2025.09.30**

BUY (83.5%)·HOLD (16.5%)·SELL (0%)

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