COMPANY UPDATE

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EV/Mobility Team

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Hyundai AutoEver (307950)

2026 outlook: Data center investments to continue

- Data centers are depreciated over just five years, while high-performance chips (60-65% of data center capex) must be replaced every 3-5 years.
- Hyundai Motor Group (HMG) needs to double or triple its data center investments to achieve its vision of penetrating diverse mobility industries (including robotics and UAM).
- HMG's large-scale investments in physical AI should expand Hyundai AutoEver's strategic role within the group. The SI business is expected to maintain rapid sales growth.

WHAT'S THE STORY?

HMG's large-scale investments in physical AI begin with Blackwell chip purchases: Given Hyundai Motor Group's (HMG) sales vision, its data center investments will likely expand.

- **Massive investments begin:** HMG has announced that it will purchase 50,000 Nvidia Blackwell GPUs for USD3b (KRW4t). Its data center capex is estimated to total USD4.5b (KRW6.3t). By 2030, its data center should reach a token processing capability comparable to Tesla's current level, positioning it ahead of other automakers (excluding Tesla) in terms of AI infrastructure.

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW250,000	35.8%
Current price	KRW184,100	
Market cap	KRW5.0t/USD3.4b	
Shares (float)	27,423,982 (24.5%)	
52-week high/low	KRW226,000/KRW110,100	
Avg daily trading value (60-day)	KRW23.2b/ USD15.7m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Hyundai AutoEver (%)	17.5	29.8	26.3
Vs Kospi (%pts)	20.4	-12.5	-17.9

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	250,000	250,000	0.0%
2025E EPS	7,184	7,184	0.0%
2026E EPS	9,566	9,566	0.0%

SAMSUNG vs THE STREET

No of estimates	11
Target price	238,636
Recommendation	3.9

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

SUMMARY FINANCIAL DATA

	2024	2025E	2026E	2027E
Revenue (KRWb)	3,714	4,128	4,632	5,337
Operating profit (KRWb)	224	266	345	410
Net profit (adj) (KRWb)	175	201	268	313
EPS (adj) (KRW)	6,228	7,184	9,566	11,188
EPS (adj) growth (% y-y)	24.0	15.4	33.2	17.0
EBITDA margin (%)	9.9	10.2	11.0	11.1
ROE (%)	10.4	11.1	13.4	14.1
P/E (adj) (x)	20.2	25.6	19.2	16.5
P/B (x)	2.0	2.7	2.5	2.2
EV/EBITDA (x)	8.0	10.5	8.4	7.0
Dividend yield (%)	1.4	1.1	1.5	1.7

Source: Company data, Samsung Securities estimates

- **Entry barrier to physical AI lies in funding:** Data centers have a five-year depreciation period, half that of auto plants. High-performance chips (which account for 60-65% of data center capex) must be replaced every 3-5 years. Autonomous driving, robotics, and other physical AI services require the construction of data centers or cloud deployment—the construction of data centers costs over KRW5t initially, with a similar amount needed every 3-5 years. Committing to purchase 50,000 GPUs, HMC has shown that it can afford to build AI infrastructure.
- **Robotics training requires 10-20x the compute capacity of autonomous driving:** If Tesla expands its data center footprint by 4-5x, HMC would need to double its capacity based on Blackwell (3-5x higher token processing performance than H100) to keep up.
- **AutoEver entering the third phase of its business expansion:** Each time it expanded its business spheres in the past, its P/E multiple rose to 35-40x.
- **Third phase of business expansion:** Since its IPO, Hyundai AutoEver has undergone two significant business model changes. The first took place in Apr 2021, with the merger of Hyundai Mnsoft and Hyundai Autron. The second phase began in 2Q23 when Mobilgene (the firm's vehicle software platform) was introduced to Hyundai Motor (HMC) and Kia vehicles. As the company evolved from a traditional SI player to HMG's software provider, its valuation climbed to 40x in 2021 and later to 35x in 2Q23. The stock could trade at a premium from 2026, buoyed by upbeat expectations towards data centers and robot control systems.
- **Has the potential to assume four major roles related to data centers:** 1) procuring GPUs and equipment for data center infra for HMG; 2) managing data centers and overseeing resource allocation; 3) purchasing GPUs and leasing them; and 4) adopting a GPU-as-a-Service business.

AutoEver's SI sales to maintain strong growth: HMG's decision to secure 50,000 Nvidia GPUs over 2026-2030 should spur SI sales at Hyundai AutoEver.

- **ERP system replacement over 2022-2026:** Under HMG's initiatives to create a fully digital environment, all group affiliates have replaced their ERP systems since the pandemic. As a result, AutoEver's SI sales grew at a three-year CAGR of 19% over 2021-2024, from KRW745b to KRW1.28t. In 2025, SI's sales look set to grow 18% to KRW1.5t.
- **Establishing control systems for HMG's smart factories:** HMG's new plants are betting on the smart factory concept. Existing plants are also scheduled to be converted into smart factories gradually. AutoEver generates sales of KRW10b-20b *pa* per ICE auto plant, and the figure ought to climb to KRW50b *pa* per smart plant.

  Hyundai Motor (HMC) and Kia together run 28 factories around the world, rising to more than 100 when including plants owned by Hyundai Mobis and other group affiliates. In 2020, AutoEver generated KRW100b in sales from HMC and Kia's smart factories, and we expect the figure to reach KRW400b-500b in 2027.
- **HMG to deploy robots in factories:** HMG plans to aggressively invest in its robot businesses and first deploy robots at its US factories to boost productivity. By end-2029, it plans to have purchased 30,000 robots (cumulatively) from Boston Dynamics.

  To integrate these robots into its factory operations, a system compatible with a smart factory is required. AutoEver will purchase robots from Boston Dynamics, equip them with such systems

(enabling their seamless integration into smart factories), and deploy them across HMC/Kia's assembly plants. HMG's purchase of 30,000 robots would generate sales of KRW2t for AutoEver (equivalent to 20% of its 2025E sales).

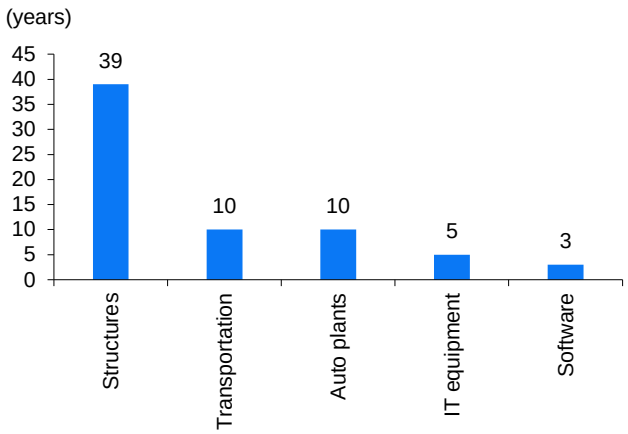
It should start booking robot sales in earnest from 2027. Profit, though, is generated from net sales, and profitability could decline.

- **Autonomous driving and robot training require data center and cloud intermediary services:** To enhance autonomous driving algorithms and to equip robots with 'intelligence', high-quality, large-scale data and training are essential. HMC will begin collecting driving data in 3Q26 via its software defined vehicle (SDV) and Pace Car. It plans to bring full-stack SDV technology to 7m vehicles by end-2028.

  HMG is likely to unveil the third generation of E-Atlas at CES in early 2026. HMG has begun training robots in simulated environments in collaboration with Nvidia.

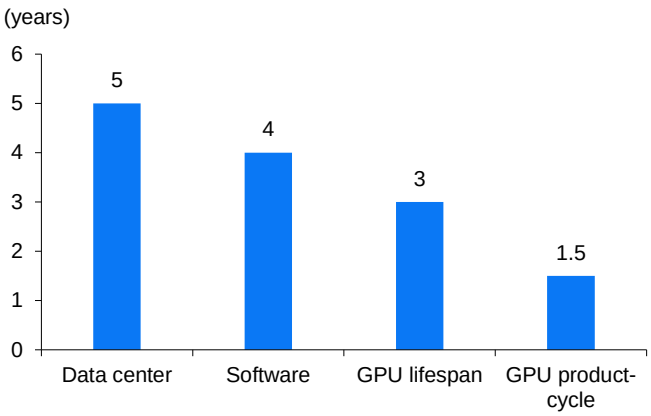
- **Subscription and cloud sales:** AutoEver's subscription and cloud sales look set to balloon from KRW30b-40b in 2021 to KRW500b in 2027. We originally expected its 2027 cloud sales to reach KRW100b-150b, but HMG's plan to build data centers has prompted us to revise up our estimates.

Capex items and tax-prescribed depreciation



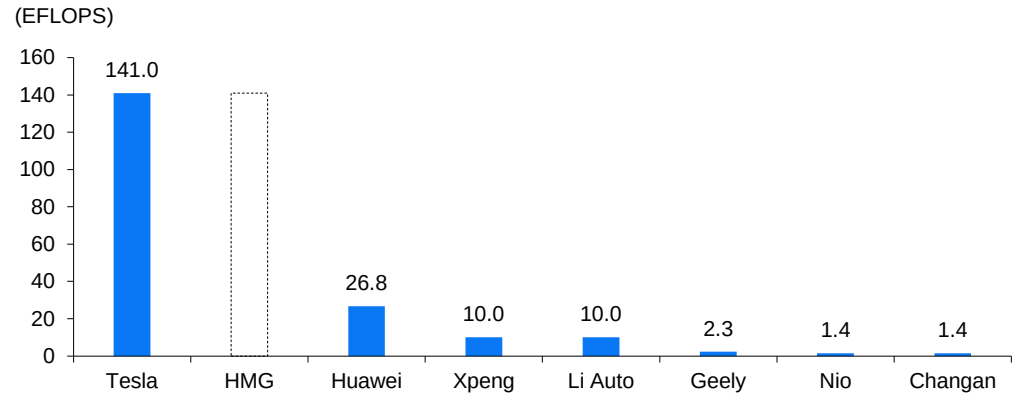
Source: Tax code, Samsung Securities

Data center asset depreciable life



Source: Nvidia, Samsung Securities

Tesla vs Chinese automakers: Computing power



Source: CITIC, Samsung Securities

Nvidia: H100 vs B200 performance

Item	H100 (Hopper)	B200 (Blackwell)	Difference
Architecture	Hopper	Blackwell	Next generation
FP8 Performance	1,979 TFLOPS	~20 PFLOPS (FP4) / ~10 PFLOPS (FP8)	~5x
Memory	80 GB HBM3	192 GB HBM3e	2.4x
Bandwidth	3.35 TB/s	8 TB/s	2.4x
Power (TDP)	700 W	1,000 W	40%
Efficiency (Performance per Watt)	1x	~3x (FP8 basis)	

Source: Introl, Nvidia, Samsung Securities

AI training token generation comparison (LLM = 1)

Task	Input Tokens	Output Tokens	Total Tokens /Computation Ratio (vs Text)	Key Content	Data Structure
Robotics	1,000×	100×	100,000×	Hundreds to thousands of control signals per second + multi-sensor feedback (video, IMU, force sensors) + reinforcement learning loop	Spatiotemporal, sensor, action tokens
Autonomous driving	1,000×	10×	10,000×	Multiple camera frames + feedback learning	Vision, map, prediction tokens
Video generation /understanding models	1×	1,000×	1,000×	Generation of thousands of pixel patch tokens per second	Spatiotemporal tokens
LLM	1×	1×	1×	1 word ≒ 1 token, sequential learning	Language tokens

Source: Samsung Securities

Comparison of computational power, by task

Task	Computational Power	Notes
GPT-4 Training (Total)	≈2 × 10^25 FLOPs	Text-based
Open AI Sora (Video Generation)	≈1 × 10^27 FLOPs	Over 100x increase
Tesla Autopilot Training	≈1 × 10^28 FLOPs	Multi-camera + Simulation + Backprop
Boston Dynamics AI Institute Training	≈1 × 10^28 (~10^29) FLOPs	Includes physics simulations

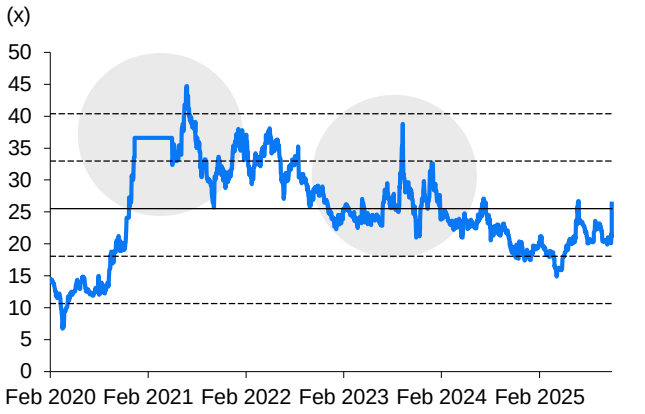
Source: Company data, Samsung Securities

Data center scale for autonomous driving and robot learning

Task	Required computational power	Notes
Tesla Dojo 1st generation	1 ExaFLOP+ for FSD video learning	Equivalent to 50,000 Blackwell units
Waymo	Research on driving scaling laws, large-scale scenario generation possible	Performance improves with >1 ExaFLOP
Robotaxi (1m units)	2 ExaFLOPs	Will be driven 5-10x more than regular vehicles (*ie*, idle time to be minimal)
Robots (1m units)	2-3 ExaFLOPs	Requires 10x token processing power vs autonomous driving

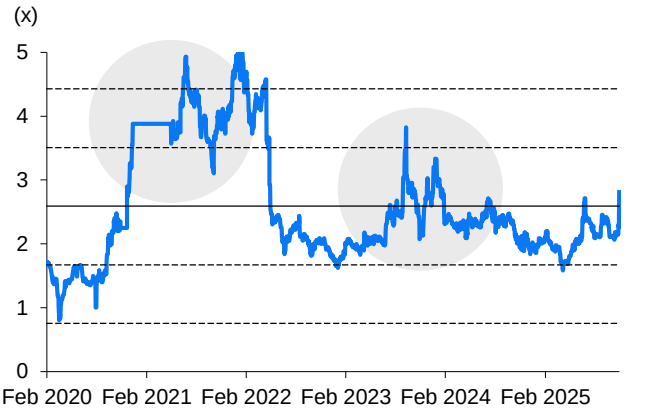
Source: Company data, Samsung Securities

Hyundai AutoEver: 12m forward P/E



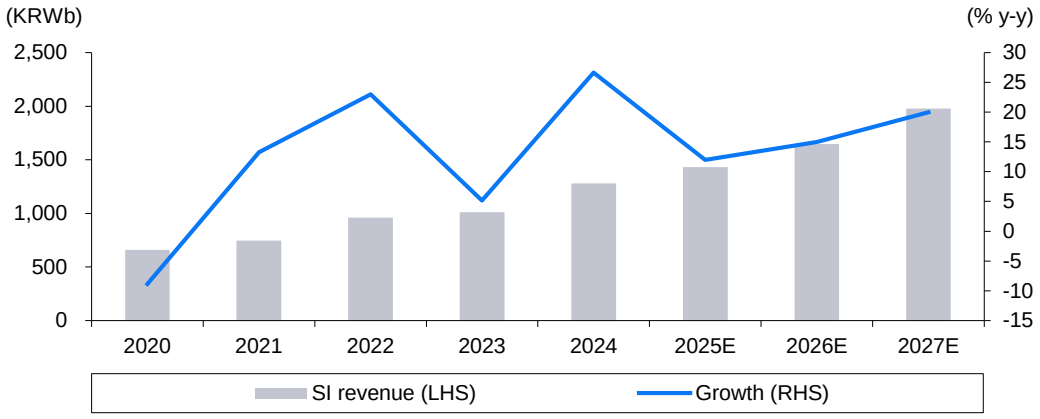
Source: Bloomberg, Samsung Securities

Hyundai AutoEver: 12m forward P/B



Source: Bloomberg, Samsung Securities

Hyundai AutoEver: SI revenue and growth



Source: Company data, Samsung Securities

Hyundai AutoEver: Estimated revenue from robotics

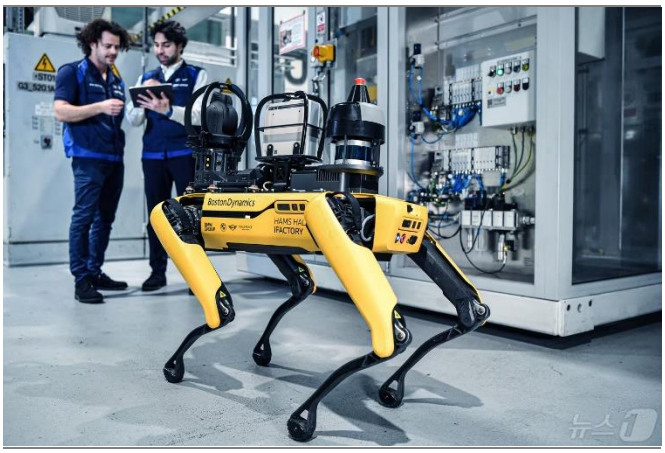
(USD)	Production cost	Sales price (incl. options)	Sales price (incl. integrated systems)	Number of units	AutoEver sales (USDm)
E-Atlas	200,000	240,000	264,000	15,000	3,960
Spot	100,000	120,000	132,000	10,000	1,320
Stretch	100,000	120,000	132,000	5,000	660
Total (USDm)					5,940
Total (KRWb)					8,316
Yearly sales (KRWb)					2,079

Source: Samsung Securities

Boston Dynamics: E-Atlas

Source: Media

Boston Dynamics: Spot



Source: Media

Hyundai AutoEver: 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	1,410	1,370	1,330
Revenue	833	1,042	1,054	1,198	1,026	1,133	1,154	1,319	3,714	4,128	4,632	5,337
Chg (% y-y)	*13.9*	*13.5*	*16.5*	*3.3*	*23.1*	*8.7*	*9.5*	*10.1*	*21.2*	*11.1*	*12.2*	*15.2*
SI	300	388	421	401	400	455	467	489	1,279	1,509	1,811	2,264
ITO	341	424	435	594	419	467	477	609	1,630	1,793	1,973	2,131
Car SW	192	230	198	204	206	210	210	221	804	825	848	942
Gross profit	70	123	116	137	120	114	128	174	395	446	537	625
Operating profit	27	81	71	87	76	72	81	116	224	266	345	410
Chg (% y-y)	*(13.1)*	*18.7*	*34.8*	*19.4*	*185.0*	*(11.8)*	*14.3*	*33.5*	*23.7*	*18.3*	*29.8*	*18.9*
Pre-tax profit	28	82	71	92	83	77	83	119	227	272	362	423
Net profit	20	60	53	69	62	57	62	88	175	201	268	313
Controlling profit	20	58	52	68	60	56	60	86	171	197	262	307
Chg (% y-y)	*(22.9)*	*12.9*	*18.5*	*34.6*	*206.6*	*(4.6)*	*16.6*	*28.0*	*24.0*	*15.4*	*33.1*	*17.0*
Margins (%)												
Gross profit	8.4	11.8	11.0	11.4	11.7	10.1	11.1	13.2	10.6	10.8	11.6	11.7
Operating profit	3.2	7.8	6.7	7.2	7.4	6.3	7.0	8.8	6.0	6.4	7.4	7.7
Net profit	2.4	5.7	5.0	5.8	6.0	5.0	5.3	6.7	4.7	4.9	5.8	5.9
Controlling profit	2.4	5.6	4.9	5.6	5.9	4.9	5.2	6.6	4.6	4.8	5.7	5.7

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**3,065**	**3,714**	**4,128**	**4,632**	**5,337**
Cost of goods sold	2,726	3,319	3,682	4,095	4,712
Gross profit	**339**	**395**	**446**	**537**	**625**
Gross margin (%)	11.1	10.6	10.8	11.6	11.7
SG&A expenses	158	170	180	192	216
Operating profit	**181**	**224**	**266**	**345**	**410**
Operating margin (%)	5.9	6.0	6.4	7.4	7.7
Non-operating gains (losses)	**0**	**2**	**7**	**18**	**14**
Financial profit	28	28	29	33	38
Financial costs	6	11	11	10	10
Equity-method gains (losses)	-5	-4	-2	-0	-0
Other	-17	-10	-9	-5	-14
Pre-tax profit	**182**	**227**	**272**	**362**	**423**
Taxes	41	51	71	94	110
Effective tax rate (%)	22.8	22.7	26.0	26.0	26.0
Profit from continuing operations	140	175	201	268	313
Profit from discontinued operations	0	0	0	0	0
Net profit	**140**	**175**	**201**	**268**	**313**
Net margin (%)	4.6	4.7	4.9	5.8	5.9
Net profit (controlling interests)	138	171	197	262	307
Net profit (non-controlling interests)	3	4	4	6	6
EBITDA	306	366	419	511	592
EBITDA margin (%)	10.0	9.9	10.2	11.0	11.1
EPS (parent-based) (KRW)	5,023	6,228	7,184	9,566	11,188
EPS (consolidated) (KRW)	5,116	6,388	7,340	9,775	11,417
Adjusted EPS (KRW)*	5,023	6,228	7,184	9,566	11,188

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**1,834**	**2,215**	**2,428**	**2,775**	**3,219**
Cash & equivalents	483	382	390	488	585
Accounts receivable	765	1,000	1,112	1,247	1,437
Inventories	5	3	4	4	5
Other current assets	582	829	922	1,034	1,192
Fixed assets	**1,009**	**1,134**	**1,186**	**1,246**	**1,312**
Investment assets	42	53	58	64	73
Tangible assets	113	184	194	202	220
Intangible assets	546	544	580	626	665
Other long-term assets	308	354	354	354	354
Total assets	**2,843**	**3,350**	**3,613**	**4,020**	**4,531**
Current liabilities	**923**	**1,242**	**1,325**	**1,487**	**1,713**
Accounts payable	312	431	479	537	619
Short-term debt	0	0	0	0	0
Other current liabilities	611	812	847	950	1,095
Long-term liabilities	**328**	**377**	**405**	**440**	**488**
Bonds & long-term debt	50	0	0	0	0
Other long-term liabilities	278	377	405	440	488
Total liabilities	**1,251**	**1,619**	**1,730**	**1,927**	**2,201**
Owners of parent equity	**1,580**	**1,705**	**1,854**	**2,058**	**2,288**
Capital stock	14	14	14	14	14
Capital surplus	773	773	773	773	773
Retained earnings	789	901	1,049	1,254	1,484
Other	4	18	18	18	18
Non-controlling interests' equity	**12**	**25**	**29**	**35**	**41**
Total equity	**1,592**	**1,731**	**1,883**	**2,093**	**2,330**
Net debt	-585	-565	-662	-808	-973

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**209**	**256**	**365**	**440**	**500**
Net profit	140	175	201	268	313
Non-cash profit and expenses	184	229	209	238	265
Depreciation	72	85	90	93	102
Amortization	53	57	64	73	81
Other	59	88	55	72	82
Changes in A/L from operating activities	-93	-121	-4	-4	-6
Cash flow from investments	**-180**	**-275**	**-246**	**-276**	**-319**
Change in tangible assets	-25	-85	-100	-100	-120
Change in financial assets	-111	-113	-46	-56	-79
Other	-44	-77	-100	-120	-120
Cash flow from financing	**-110**	**-90**	**-103**	**-60**	**-76**
Change in debt	22	31	-44	8	11
Change in equity	0	-0	0	0	0
Dividends	-33	-39	-49	-58	-77
Other	-98	-81	-11	-10	-10
Change in cash	-77	-100	8	98	97
Cash at beginning of year	560	483	382	390	488
Cash at end of year	483	382	390	488	585
Gross cash flow	**325**	**404**	**410**	**506**	**578**
Free cash flow	**183**	**171**	**265**	**340**	**380**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	11.3	21.2	11.1	12.2	15.2
Operating profit	27.4	23.7	18.3	29.8	18.9
Net profit	20.8	24.9	14.9	33.2	16.8
Adjusted EPS**	20.9	24.0	15.4	33.2	17.0
Per-share data (KRW)					
EPS (parent-based)	5,023	6,228	7,184	9,566	11,188
EPS (consolidated)	5,116	6,388	7,340	9,775	11,417
Adjusted EPS**	5,023	6,228	7,184	9,566	11,188
BVPS	57,613	62,189	67,593	75,060	83,448
DPS (common)	1,430	1,780	2,100	2,800	3,200
Valuations (x)					
P/E***	42.1	20.2	25.6	19.2	16.5
P/B***	3.7	2.0	2.7	2.5	2.2
EV/EBITDA	17.1	8.0	10.5	8.4	7.0
Ratios (%)					
ROE	9.0	10.4	11.1	13.4	14.1
ROA	5.1	5.7	5.8	7.0	7.3
ROIC	13.0	13.8	13.9	17.0	18.9
Payout ratio	28.5	28.6	29.2	29.3	28.6
Dividend yield (common)	0.7	1.4	1.1	1.5	1.7
Net debt to equity	-36.7	-32.6	-35.2	-38.6	-41.7
Interest coverage (x)	29.9	20.1	24.6	34.9	39.5

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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- As of 11/24 2025, 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.
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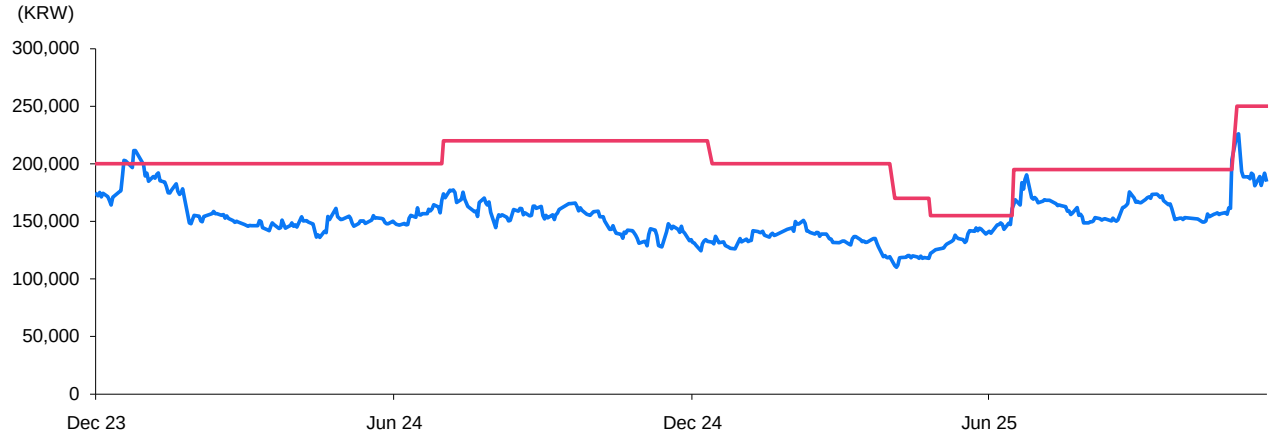
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2023/10/30	2024/1/29	4/1	7/4	12/16	2025/4/7	4/29	6/19	11/3
Recommendation	BUY	HOLD	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	200000	200000	200000	220000	200000	170000	155000	195000	250000
Gap* (average)	-13.82	-25.13	-24.37	-31.39	-32.39	-30.67	-10.17	-16.87	
(max or min)**	5.75	-20.65	-15.85	-19.41	-24.60	-29.18	3.87	4.36	

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%)

Global Disclosures & Disclaimers

General

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