COMPANY UPDATE

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EV/Mobility Team

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Hyundai AutoEver (307950)

Taking a breather after a sharp rally

- Following Hyundai Motor Group's (HMG) late-October announcement of plans to acquire 50,000 GPUs, Hyundai AutoEver shares surged 95%. Investor expectations have since broadened to encompass data center management, robot monitoring, distribution, and after-sales services.
- As HMG's physical AI initiatives starts to take shape in 2026, it is an opportune moment to assess the role AutoEver is likely to play.

§Target price raised in our Jan 14 CES 2026 takeaways report, available only in Korean

WHAT'S THE STORY?

Business areas transforming rapidly—changing valuation method: We switch our valuation approach for Hyundai AutoEver from EV/EBITDA to P/E.

- **Third change in business model:** Since its IPO, 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 occurred in 2Q23 when Mobilgene (the firm's automotive middleware) was introduced to Hyundai Motor (HMC) and Kia vehicles. As AutoEver evolved from a traditional SI player to Hyundai Motor Group's (HMG) software provider, its P/E valuation climbed to 42x in 2021 and later to 35x in 2Q23. In 2026, the stock began pricing in upbeat expectations towards data center management, robot monitoring, distribution, and after-sales services.
- **Expectations at their peak:** The stock has gained significant attention after HMG has announced it would acquire 50,000 Nvidia Blackwell GPUs. Following the release of the group's robotics roadmap, the stock has risen more sharply than Hyundai Motor (HMC). HMC is trading at 8x 2026 P/E, Kia at 6x, and AutoEver at 55x.

(Continued on the next page)

SUMMARY FINANCIAL DATA

(KRWb)	2024	2025E	2026E	2027E
Revenue	3,714	4,157	4,679	5,393
Operating profit	224	263	339	406
Net profit (adj)	175	198	260	309
EPS (adj) (KRW)	6,228	7,066	9,272	11,055
EPS (adj) growth (% y-y)	24.0	13.5	31.2	19.2
EBITDA margin (%)	9.9	10.0	10.8	10.9
ROE (%)	10.4	10.9	13.0	14.0
P/E (adj) (x)	20.2	47.0	50.3	42.2
P/B (x)	2.0	4.9	6.2	5.6
EV/EBITDA (x)	8.0	20.3	23.8	20.2
Dividend yield (%)	1.4	0.6	0.6	0.7

Source: Company data, Samsung Securities estimates

AT A GLANCE

HOLD

Target price	KRW390,000	-16.4%
Current price	KRW466,500	
Market cap	KRW12.8t/USD8.7b	
Shares (float)	27,423,982 (24.5%)	
52-week high/low	KRW501,000/KRW110,100	
Avg daily trading value (60-day)	KRW137.3b/ USD92.9m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Hyundai AutoEver (%)	53.0	184.8	242.0
Vs Kospi (%pts)	25.9	85.8	76.4

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	HOLD	HOLD	
Target price	390,000	390,000	0.0%
2025E EPS	7,066	7,066	0.0%
2026E EPS	9,272	9,272	0.0%

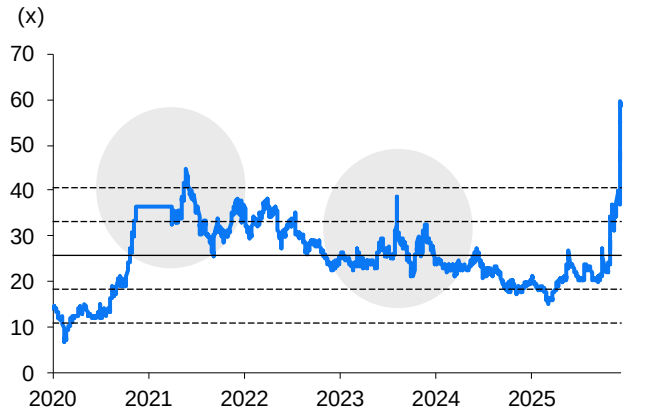
SAMSUNG vs THE STREET

No of estimates	12
Target price	314,583
Recommendation	3.8

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

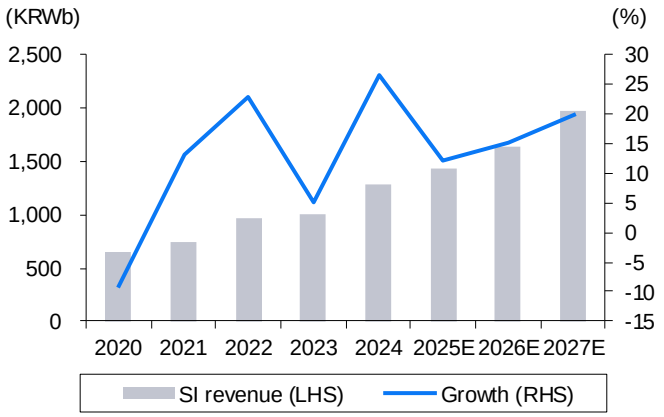
- **Time to take a breather—downgrading to HOLD:** It is time to assess HMG's data center construction roadmap and the timing of its creation of a robot training center. Given the rapid transformation in business areas, we change our valuation method from EV/EBITDA to P/E. Applying a target P/E multiple of 42x—the highest multiple at which shares traded during the firm's first shift in business model—to our 2026 EPS forecast, we raise our target price by 56% to KRW390,000. We downgrade the stock to HOLD.
- **4Q25 results to meet consensus:** The software integration (SI) unit likely drove top-line growth at AutoEver in 4Q. With delayed IT outsourcing (ITO) service rate negotiations finalized in 4Q, the firm likely met consensus in the quarter. We expect it to report 4Q25 revenue of KRW1.23t (up 16.5% q-q and 5.9%y-y) and operating profit of KRW85b (up 19.5% q-q and 16.5% y-y), implying a margin of 6.9%. FnGuide consensus puts 4Q25 sales at KRW1.24t and operating profit at KRW80b.

Hyundai AutoEver: 12m forward P/E



Source: Bloomberg, Samsung Securities

Hyundai AutoEver: SI revenue and growth



Source: Company data, Samsung Securities

Hyundai AutoEver: Estimated revenue from robotics

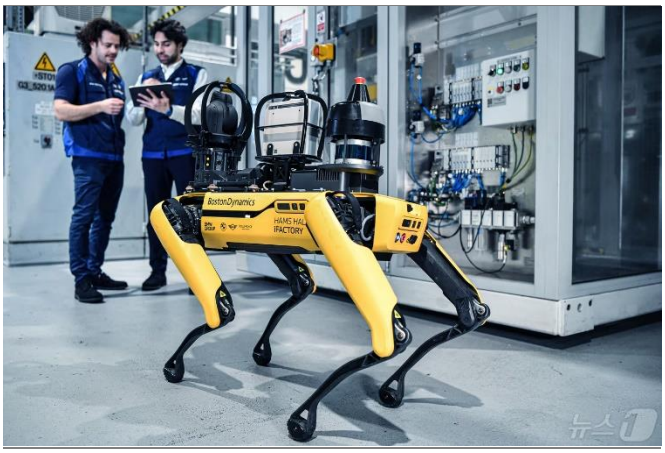
Number of units	Unit cost (USD)	Sales price* (USD)	AutoEver sales (USDm)	AutoEver sales** (KRWb)
5,000	130,000	143,000	143	207
10,000	50,992	56,091	561	813
20,000	37,659	41,425	828	1,201
30,000	33,214	36,536	1,096	1,589
40,000	30,992	34,091	1,364	1,977
50,000	29,659	32,625	1,631	2,365

Note: *Including systems integration;
**Assumes exchange rate of KRW1,450/USD
Source: Samsung Securities estimates

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	1,452	1,430	1,420	1,400	1,400	1,365	1,422	1,413	1,370
Revenue	833	1,042	1,054	1,228	1,034	1,142	1,163	1,340	3,714	4,157	4,679	5,393
Chg (% y-y)	13.9	13.5	16.5	5.9	24.1	9.6	10.4	9.1	21.2	11.9	12.6	15.3
SI	300	388	421	426	404	460	472	505	1,279	1,535	1,842	2,302
ITO	341	424	435	594	419	467	477	609	1,630	1,793	1,973	2,131
Car SW	192	230	198	208	210	215	215	225	804	829	865	961
Gross profit	70	123	116	135	120	113	118	183	395	444	534	624
Operating profit	27	81	71	85	76	71	71	122	224	263	339	406
Chg (% y-y)	(13.1)	18.7	34.8	16.5	183.9	(13.1)	0.1	44.0	23.7	17.4	28.7	19.6
Pre-tax profit	28	82	71	87	81	72	73	125	227	268	351	418
Net profit	20	60	53	66	60	54	54	92	175	198	260	309
Controlling profit	20	58	52	64	58	53	53	91	171	194	254	303
Chg (% y-y)	(22.9)	12.9	18.5	28.0	196.6	(9.8)	2.5	41.1	24.0	13.5	31.2	19.2
Margins (%)												
Gross profit	8.4	11.8	11.0	11.0	11.6	9.9	10.2	13.7	10.6	10.7	11.4	11.6
Operating profit	3.2	7.8	6.7	6.9	7.3	6.2	6.1	9.1	6.0	6.3	7.2	7.5
Net profit	2.4	5.7	5.0	5.3	5.8	4.7	4.7	6.9	4.7	4.8	5.6	5.7
Controlling profit	2.4	5.6	4.9	5.2	5.6	4.6	4.6	6.8	4.6	4.7	5.4	5.6

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**3,065**	**3,714**	**4,157**	**4,679**	**5,393**
Cost of goods sold	2,726	3,319	3,713	4,145	4,769
Gross profit	**339**	**395**	**444**	**534**	**624**
Gross margin (%)	11.1	10.6	10.7	11.4	11.6
SG&A expenses	158	170	180	195	219
Operating profit	**181**	**224**	**263**	**339**	**406**
Operating margin (%)	5.9	6.0	6.3	7.2	7.5
Non-operating gains (losses)	**0**	**2**	**4**	**12**	**12**
Financial profit	28	28	29	32	38
Financial costs	6	11	11	10	10
Equity-method gains (losses)	-5	-4	-5	-0	-0
Other	-17	-10	-9	-10	-15
Pre-tax profit	**182**	**227**	**268**	**351**	**418**
Taxes	41	51	70	91	109
Effective tax rate (%)	22.8	22.7	26.1	26.0	26.0
Profit from continuing operations	140	175	198	260	309
Profit from discontinued operations	0	0	0	0	0
Net profit	**140**	**175**	**198**	**260**	**309**
Net margin (%)	4.6	4.7	4.8	5.6	5.7
Net profit (controlling interests)	138	171	194	254	303
Net profit (non-controlling interests)	3	4	4	6	6
EBITDA	306	366	417	505	588
EBITDA margin (%)	10.0	9.9	10.0	10.8	10.9
EPS (parent-based) (KRW)	5,023	6,228	7,066	9,272	11,055
EPS (consolidated) (KRW)	5,116	6,388	7,219	9,474	11,283
Adjusted EPS (KRW)*	5,023	6,228	7,066	9,272	11,055

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**1,834**	**2,215**	**2,436**	**2,781**	**3,226**
Cash & equivalents	483	382	384	471	563
Accounts receivable	765	1,000	1,120	1,260	1,452
Inventories	5	3	4	4	5
Other current assets	582	829	928	1,045	1,205
Fixed assets	**1,009**	**1,134**	**1,186**	**1,246**	**1,312**
Investment assets	42	53	58	65	74
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**	**3,621**	**4,027**	**4,538**
Current liabilities	**923**	**1,242**	**1,335**	**1,502**	**1,732**
Accounts payable	312	431	482	543	625
Short-term debt	0	0	0	0	0
Other current liabilities	611	812	853	960	1,106
Long-term liabilities	**328**	**377**	**407**	**443**	**492**
Bonds & long-term debt	50	0	0	0	0
Other long-term liabilities	278	377	407	443	492
Total liabilities	**1,251**	**1,619**	**1,742**	**1,945**	**2,223**
Owners of parent equity	**1,580**	**1,705**	**1,850**	**2,047**	**2,273**
Capital stock	14	14	14	14	14
Capital surplus	773	773	773	773	773
Retained earnings	789	901	1,046	1,242	1,469
Other	4	18	18	18	18
Non-controlling interests' equity	**12**	**25**	**29**	**35**	**41**
Total equity	**1,592**	**1,731**	**1,880**	**2,082**	**2,315**
Net debt	-585	-565	-658	-796	-956

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**209**	**256**	**363**	**432**	**497**
Net profit	140	175	198	260	309
Non-cash profit and expenses	184	229	210	235	264
Depreciation	72	85	90	93	102
Amortization	53	57	64	73	81
Other	59	88	56	69	82
Changes in A/L from operating activities	-93	-121	-4	-4	-6
Cash flow from investments	**-180**	**-275**	**-250**	**-278**	**-320**
Change in tangible assets	-25	-85	-100	-100	-120
Change in financial assets	-111	-113	-50	-58	-80
Other	-44	-77	-100	-120	-120
Cash flow from financing	**-110**	**-90**	**-103**	**-60**	**-76**
Change in debt	22	31	-43	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	1	88	92
Cash at beginning of year	560	483	382	384	471
Cash at end of year	483	382	384	471	563
Gross cash flow	**325**	**404**	**408**	**495**	**574**
Free cash flow	**183**	**171**	**263**	**332**	**377**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	11.3	21.2	11.9	12.6	15.3
Operating profit	27.4	23.7	17.4	28.7	19.6
Net profit	20.8	24.9	13.0	31.2	19.1
Adjusted EPS**	20.9	24.0	13.5	31.2	19.2
Per-share data (KRW)					
EPS (parent-based)	5,023	6,228	7,066	9,272	11,055
EPS (consolidated)	5,116	6,388	7,219	9,474	11,283
Adjusted EPS**	5,023	6,228	7,066	9,272	11,055
BVPS	57,613	62,189	67,475	74,647	82,903
DPS (common)	1,430	1,780	2,100	2,800	3,200
Valuations (x)					
P/E***	42.1	20.2	47.0	50.3	42.2
P/B***	3.7	2.0	4.9	6.2	5.6
EV/EBITDA	17.1	8.0	20.3	23.8	20.2
Ratios (%)					
ROE	9.0	10.4	10.9	13.0	14.0
ROA	5.1	5.7	5.7	6.8	7.2
ROIC	13.0	13.8	13.8	16.7	18.7
Payout ratio	28.5	28.6	29.7	30.2	28.9
Dividend yield (common)	0.7	1.4	0.6	0.6	0.7
Net debt to equity	-36.7	-32.6	-35.0	-38.2	-41.3
Interest coverage (x)	29.9	20.1	24.3	34.2	39.0

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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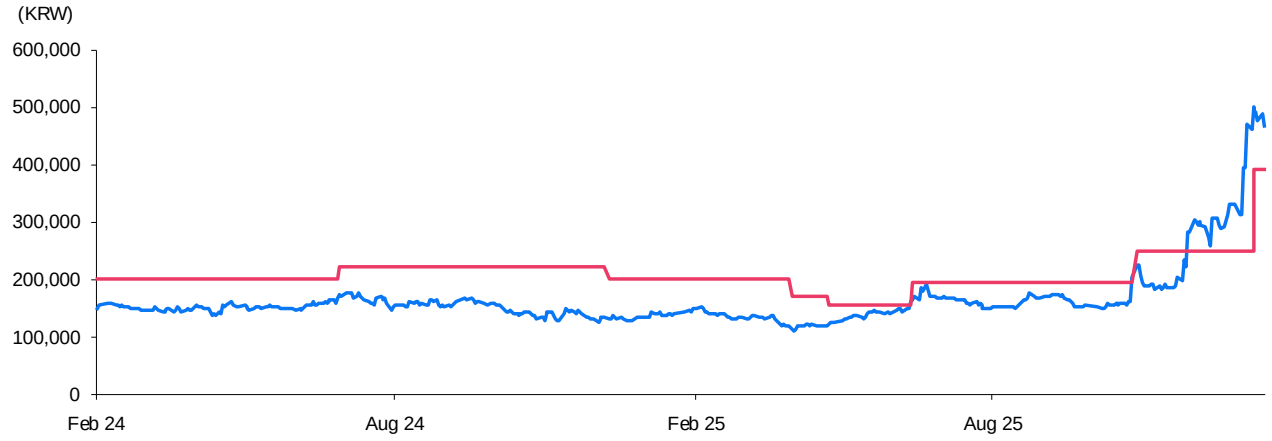
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2023/10/30	2024/1/29	4/1	7/4	12/16	2025/4/7	4/29	6/19	11/3	2026/1/14
Recommendation	BUY	HOLD	BUY	BUY	BUY	BUY	BUY	BUY	BUY	HOLD
Target price (KRW)	200000	200000	200000	220000	200000	170000	155000	195000	250000	390000
Gap* (average)	-13.82	-25.13	-24.37	-31.39	-32.39	-30.67	-10.17	-16.87	6.28	
(max or min)**	5.75	-20.65	-15.85	-19.41	-24.60	-29.18	3.87	4.36	100.40	

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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* 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 2025.12.31

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