COMPANY UPDATE

2026. 3. 13

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Higen RNM (160190)

Expanding through core motor technology

- Higen RNM is a motor-based actuator company that is preparing to enter the humanoid actuator market.
- It is positioned to achieve both quantity growth (via the upcoming IE4 motor efficiency mandate) and quality growth (via strategic R&D initiatives).
- Securing meaningful, real-world references beyond pilot-scale validation is critical for its future success.

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AT A GLANCE

Not rated

Target price	n/a
Current price	**KRW57,600**
Market Cap	KRW1.8t/USD1.2b
Shares (float)	30,888,000 (19.0%)
52-week high/low	KRW85,400/KRW25,350
Avg daily trading value (60-day)	KRW23.0b/ USD15.5m

ONE-YEAR PERFORMANCE

	1M	6M	12M
Higen RNM (%)	-13.0	42.0	62.7
Vs Kosdaq (%pts)	-14.7	4.8	3.4

SAMSUNG vs THE STREET

No of estimates	n/a
Target price	n/a
Recommendation	n/a

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

WHAT'S THE STORY?

Company overview: Founded in 2007, Higen RNM launched its core business after acquiring Otis Elevator Korea's industrial motor division (formerly LG Electronics' motor business unit). It was listed on the Kosdaq in Jun 2024. Over 1Q-3Q25 its sales came from general-purpose motors (79.3%), servo motors/drivers (15.4%), and EV motors/inverters (4%), with general-purpose motors its primary business. General-purpose motors are used in industrial applications such as pumps, fans, and compressors. The company commands the third-largest general-purpose motor market share in Korea (18%), trailing only HD Hyundai Electric (39%) and Hyosung Heavy Industries (33%). Higen RNM posted 2025 sales of KRW73.5b (down 3.1%) and an operating loss of KRW8.9b (remaining negative).

Boasting differentiated R&D, which is anchored in proprietary motor technology: Higen RNM is the only Korean firm capable of producing two high-specification motors: 1) 75 kW-class servo motors (requiring precise and rapid control of large motors); and 2) explosion-proof, pressure-resistant servo motors (designed to contain internal explosions and prevent external propagation). It is currently taking part in 48 national R&D projects. Key technological milestones are as follows. First, it should begin mass-production preparation for its next-generation axial flux permanent magnet (AFPM) motors at end-1Q. The advanced permanent magnet technology can eliminate 100% reliance on rare earth elements (*eg*, dysprosium (Dy) and terbium (Tb)) from China, while enabling lightweight designs and high-power output for actuators. Second, it is developing an autonomous mobile robot (AMR) actuator capable of withstanding loads of approximately 2 tonnes—leveraging high torque and high efficiency—and has already supplied prototypes for testing on overseas production lines at sites run by major Korean companies.

(Continued on the next page)

2026 to mark inflection point for quantity and quality growth: The mandatory implementation of the IE4 (International Efficiency) standard for general-purpose motors is scheduled for 2026. IE4 reduces energy loss by around 15% (vs IE3), and products meeting the standard command an ASP that is over 30% higher—Higen RNM is likely to see its margins improve when then new standard comes into effect. Notably, the company maintains strong cost competitiveness through direct raw material procurement thanks to its Chinese subsidiary Zhongsheng Electric. Building on this solid foundation, Higen RNM has also developed a concrete roadmap for commercializing smart actuators tailored for humanoid robots. The company is developing its next-generation smart actuator series, with the following development timeline: AFPM motor mass-production preparation (1Q26) → Humanoid actuator unveiling (3Q26) → Humanoid-specific PoC (1Q27) → Commencement of robot actuator mass-production (4Q27).

View: While the recovery at the general-purpose motor business provides a stable revenue floor and near-term support for the stock, meaningful commercial references (which could be secured after the humanoid actuator unveiling in 3Q26) should become the key factor determining its stock trajectory.

Income statement

Year-end Dec 31 (KRWb)	2020	2021	2022	2023	2024
Sales	**73**	**85**	**88**	**77**	**76**
Cost of goods sold	65	77	76	66	69
Gross profit	**8**	**8**	**11**	**11**	**7**
Gross margin (%)	10.8	9.4	13.1	14.9	9.3
SG&A expenses	6	6	7	7	7
Operating profit	**2**	**2**	**5**	**4**	**-0**
Operating margin (%)	3.0	2.6	5.6	5.6	-0.5
Non-operating gains (losses)	**-0**	**-1**	**-1**	**-2**	**-1**
Financial profit	0	0	0	0	1
Financial costs	1	1	2	2	2
Equity-method gains (losses)	-0	-0	0	0	0
Other	1	0	0	-0	-0
Pre-tax profit	**2**	**2**	**4**	**3**	**-1**
Taxes	0	1	-0	0	-0
Effective tax rate (%)	8.7	37.8	-3.7	0.4	22.3
Profit from continuing operations	2	1	4	3	-1
Profit from discontinued operations	0	0	0	0	0
Net profit	**2**	**1**	**4**	**3**	**-1**
Net margin (%)	2.3	1.2	4.5	3.4	-1.4
Net profit (controlling interests)	2	1	4	3	-1
Net profit (non-controlling interests)	0	-0	-0	0	-0
EBITDA	4	4	7	6	2
EBITDA margin (%)	5.5	4.9	7.9	8.1	2.1
EPS (parent-based) (KRW)	28	17	68	53	-37
EPS (consolidated) (KRW)	28	17	67	53	-37
Adjusted EPS (KRW)*	28	17	68	53	-37

Balance sheet

Year-end Dec 31 (KRWb)	2020	2021	2022	2023	2024
Current assets	**50**	**56**	**54**	**51**	**63**
Cash & equivalents	28	24	15	18	10
Accounts receivable	10	13	11	9	12
Inventories	10	18	16	15	17
Other current assets	2	2	12	9	24
Fixed assets	**58**	**58**	**57**	**57**	**57**
Investment assets	1	1	0	1	1
Tangible assets	29	28	27	27	27
Intangible assets	29	29	29	29	30
Other long-term assets	0	0	0	0	0
Total assets	**108**	**114**	**111**	**108**	**120**
Current liabilities	**36**	**61**	**53**	**27**	**36**
Accounts payable	6	10	7	6	7
Short-term debt	23	23	32	8	8
Other current liabilities	7	27	13	13	22
Long-term liabilities	**35**	**15**	**15**	**35**	**15**
Bonds & long-term debt	26	5	6	26	5
Other long-term liabilities	9	9	9	9	10
Total liabilities	**71**	**75**	**68**	**61**	**52**
Owners of parent equity	**37**	**38**	**43**	**45**	**68**
Capital stock	30	30	30	14	15
Capital surplus	3	3	3	3	24
Retained earnings	34	35	39	42	40
Other	-30	-29	-29	-14	-13
Non-controlling interests' equity	**1**	**1**	**1**	**1**	**1**
Total equity	**37**	**39**	**43**	**46**	**68**
Net debt	23	26	20	15	0

Cash flow statement

Year-end Dec 31 (KRWb)	2020	2021	2022	2023	2024
Cash flow from operations	**7**	**-2**	**7**	**7**	**-3**
Net profit	2	1	4	3	-1
Non-cash profit and expenses	5	5	5	5	5
Depreciation	2	2	2	2	2
Amortization	0	0	0	0	0
Other	3	3	3	3	3
Changes in A/L from operating activities	2	-7	-0	1	-6
Cash flow from investments	**-1**	**-1**	**-11**	**1**	**-17**
Change in tangible assets	-1	-1	-1	-1	-1
Change in financial assets	0	-0	-10	2	-11
Other	-0	0	-0	0	-5
Cash flow from financing	**-2**	**-2**	**-5**	**-5**	**12**
Change in debt	4	-2	-4	-4	-11
Change in equity	0	0	0	-16	23
Dividends	0	0	0	0	0
Other	-6	-0	-0	15	-0
Change in cash	4	-4	-9	3	-8
Cash at beginning of year	24	28	24	15	18
Cash at end of year	28	24	15	18	10
Gross cash flow	**7**	**6**	**9**	**8**	**4**
Free cash flow	**6**	**-3**	**6**	**6**	**-4**

Financial ratios

Year-end Dec 31	2020	2021	2022	2023	2024
Growth (%)					
Sales	-4.5	16.5	2.7	-11.7	-1.8
Operating profit	-51.2	0.9	123.1	-11.9	nm
Net profit	-33.7	-40.2	296.7	-33.5	nm
Adjusted EPS**	-34.6	-39.5	295.2	-22.3	nm
Per-share data (KRW)					
EPS (parent-based)	28	17	68	53	-37
EPS (consolidated)	28	17	67	53	-37
Adjusted EPS**	28	17	68	53	-37
BVPS	620	650	722	1,655	2,423
DPS (common)	0	0	0	0	0
Valuations (x)					
P/E***	0.0	0.0	0.0	0.0	-361.4
P/B***	0.0	0.0	0.0	0.0	5.5
EV/EBITDA	5.9	6.3	3.0	2.5	258.8
Ratios (%)					
ROE	4.3	2.7	9.9	6.0	-1.9
ROA	1.5	0.9	3.5	2.4	-1.0
ROIC	2.8	1.9	7.0	6.1	-0.4
Payout ratio	0.0	0.0	0.0	0.0	0.0
Dividend yield (common)	n/a	n/a	n/a	n/a	0.0
Net debt to equity	62.7	66.4	46.6	32.2	0.3
Interest coverage (x)	1.9	2.1	3.2	2.0	-0.2

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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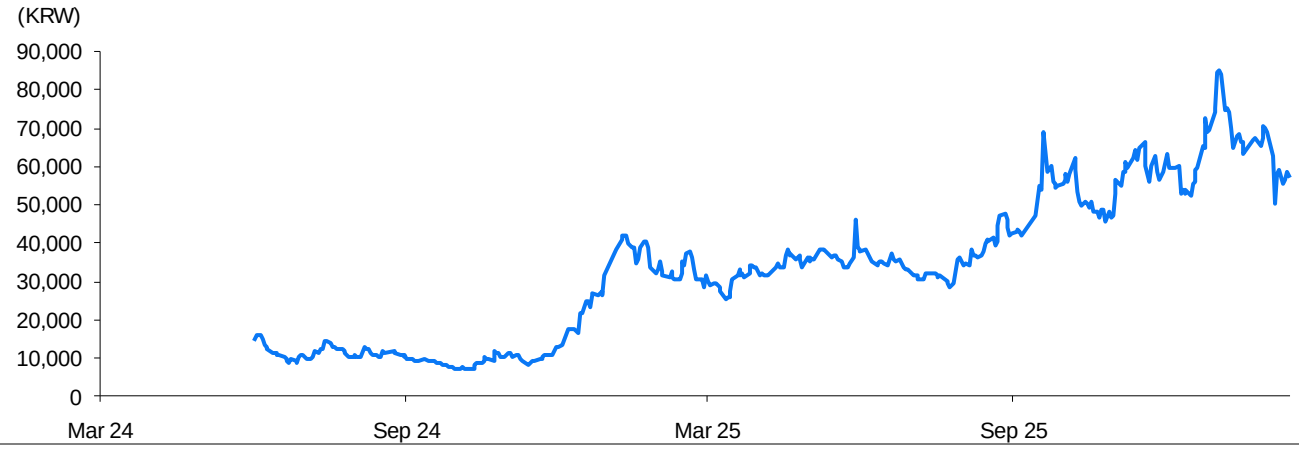
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2026/3/13
Recommendation	Not Rated
Target price (KRW)	n/a
Gap* (average)	
(max or min)**	

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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Industry

OVERWEIGHT	Expected to outperform market by 5% or more within 12 months
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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

BUY (85.8%)·HOLD (14.2%)·SELL (0%)

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