SECTOR UPDATE

2026. 3. 31

EV/Mobility Team

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▶ AT A GLANCE

Hyundai Motor (005380 KS, 495,000)		
Target price	KRW800,000	61.6%
BUY		
Kia (000270 KS, 155,800)		
Target price	KRW270,000	73.3%
BUY		
Hyundai Mobis (012330 KS, 408,500)		
Target price	KRW600,000	46.9%
BUY		
SL Corporation (005850 KS, 59,800)		
Target price	KRW87,000	45.5%
BUY		
HL Mando (204320 KS, 51,200)		
Target price	KRW75,000	46.5%
BUY		
Robotis (108490 KQ, 255,000)		
Target price	KRW320,000	25.5%
BUY		

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Autos/Robotics (OVERWEIGHT)

Robotics market blossoms even in times of war

- On Mar 26, two US Senators jointly introduced the American Security Robotics Act (the ASRA), a bipartisan initiative designed to: 1) safeguard American data protection; and 2) block hostile nations' robotic technologies from infiltrating US national security and public infrastructure.
- With the ASRA's regulatory scope extending beyond complete humanoid robots to include critical components, opportunities for Korean robotics component manufacturers entering the US market are increasing.
- Boston Dynamics is actively participating in the US robotics industry strategy design project and is expected to benefit from US policy. Attention should focus on Hyundai Motor (HMC), Kia, and HMG's robotics value chain.

WHAT'S THE STORY?

The American Security Robotics Act of 2026—A bipartisan initiative: Republican Senator Tom Cotton and Democratic Senator Chuck Schumer on Mar 26 jointly introduced the American Security Robotics Act (the ASRA) of 2026. The law is highly likely to take effect in 2027.

- **Purpose of the Act:** The legislation is to protect American data privacy and prevent hostile nations' (including China, Russia, North Korea, and Iran) robotic technologies from infiltrating US national security and public infrastructure. The goal is to preserve US technological superiority in robotics.
- **Key prohibitions—1) Procurement ban:** Federal agencies will be prohibited from purchasing new unmanned ground vehicle systems (covered UGV systems) manufactured by hostile nation companies; **2) Operation ban:** Starting one year after the Act's announcement, the operation of already-owned robotic systems made by hostile nations will be fully prohibited; and **3) Federal funding restrictions:** Federal grants, contracts, or cooperative funds will not be allowed to be used to purchase or maintain such systems.
- **Scope of regulation:** The ASRA applies to: 1) robot systems (unmanned ground vehicles [UGVs], autonomous patrol technologies, mobile robotics, and humanoid robots); 2) critical components not only complete robot products, but also key components essential for data collection and control (*eg*, cameras, sensors, and controllers); and 3) targeted entities (companies headquartered in hostile nations or under their influence or control, including subsidiaries).

(Continued on the next page)

- **Expected implementation timeline:** The bill is set to be referred to the Senate Committee on Homeland Security and Governmental Affairs in late March, followed by bipartisan approval by the full Senate in late 2026. After being signed by the president, the law (prohibiting federal agencies from purchasing new regulated systems and restricting federal funding for such systems) should come into effect in early 2027. A full operational ban on existing equipment will be enforced by the end of 2027.

Boston Dynamics' participation in the US Robotics National Security Committee: By participating in the design of US robotics policy, Boston Dynamics has confirmed its leading position in the US robotics ecosystem.

- **Participating in a committee established under the Special Competition Research Project, a US-based think tank:** Robot makers, semiconductor firms, auto companies, and academia are collaborating to finalize the US National Robotics Strategy by Mar 2027.

America First policy, now for robotics: Compared to the Inflation Reduction Act (IRA), the ASRA focuses only on excluding China, and carries no direct incentives. However, given that robotics technology was officially designated as one of six core US strategic industries in early 2026 and considering the IRA and the drone regulations under the National Defense Authorization Act (NDAA), the US government is expected to formalize incentive policies through the National Commission on Robotics Act by late 2026.

- **Six core strategic industries announced in early 2026:** The US Department of Defense and the White House announced six core strategic industries in early 2026. The designation was aimed at maintaining overwhelming battlefield superiority and supply chain resilience. The industries include: 1) applied AI; 2) robotics and autonomous systems; 3) quantum and information superiority; 4) bio-manufacturing; 5) advanced energy; and 6) hypersonic technologies.
- **The ASRA—Only a stick, no carrot in sight:** The ASRA in its current form focuses solely on excluding hostile nations and lacks incentives compared to the IRA and drone regulations.

  The IRA provides direct production and purchase subsidies for US-made batteries and EVs. In the case of drones, after the 2024 NDAA banned US government procurement of Chinese drones, the US government began offering large-scale procurement contracts and subsidies to US drone manufacturers in 2025.
- **HMC and Kia—Deep integration into the US robotics ecosystem:** Hyundai Motor Group (HMG) owns 92% of Boston Dynamics, which robot maker is playing a key role in shaping US robotics policy. Hyundai Motor (HMC) and Kia: 1) provide real-world data to Boston Dynamics to train and sophisticate its Atlas robot; and 2) are in charge of the production and training of robots.

  Both the IRA and drone regulations provide financial incentives to purchasers. In this context, HMC and Kia's manufacturing facilities that acquire Atlas robots are likely to be eligible for such subsidies.
- **Opportunity for Korean component suppliers:** As HMC and Kia lead production, Korean component suppliers that have entered the US market alongside HMC and Kia are expected to become integrated into the US robotics ecosystem. If production subsidies for critical components (*eg*, actuators) are introduced, similar to the IRA, Hyundai Mobis and HL Mando are expected to benefit significantly.

Korean robotics component manufacturers involved in Boston Dynamics' production or under discussion for such involvement include Hyundai Mobis (actuators, grippers, head modules), HL Mando (actuators), SL Corporation (leg modules; currently participating in bidding), and Hwashin (body modules; currently participating in bidding).

- **Realization of spillover benefits for Korean robotics component manufacturers:** The Act clearly limits its regulatory scope to four countries. Therefore, the risk of Korea's supply chain being excluded due to America First policies appears to be low. Although the regulation applies only to US government agencies, the influence of federal funding may expand the policy's impact across the entire private supply chain.

Comparison of Security robotics bill / Drone regulations / IRA

Category	Security robotics bill	Drone regulations	IRA (Inflation Reduction Act)
Implementation	Introduced in Mar2026; Expected to take effect in 2027	Implemented in 2024	Implemented in Aug 2024
Primary Targets	Chinese and Russian-made humanoid robots and UGVs	Chinese-made small and commercial drones (eg, DJI)	EVs containing Chinese batteries and critical minerals
Incentive Mechanism	No incentives currently (pure regulatory framework)	Indirect support (using customs revenue to subsidize purchases); Large contracts awarded to US firms (eg, Anduril)	Direct support (tax credits and production subsidies); Consumer tax credits and production tax credits
Production localization requirements	Nationality-based (manufacturer's nationality matters more than production location)	Component-level regulation (gradual mandatory domestic content requirements)	Final assembly in North America; Requirements for key minerals
Impact on Korean companies	Increased export opportunities for finished products and components	To benefit from demand for small drone components and defense drones	Mandatory local factory setup; Eligibility for subsidies and tax incentives

Source: Congress.gov, Samsung Securities

Major countries' policy support: EVs vs robotics

	EVs	Robotics
US	• USD30.7b in total support through the *Inflation Reduction Act* • USD7,500 subsidy for EVs manufactured in the US, set to end on Sep 30, 2025	• Focus on AI infrastructure and robot intelligence development • USD500b allocated (including to projects like StarGate) • Reviewing a robotics executive order
China	• USD230.9b cumulative support over 15 years—subsidies for vehicle replacement and NEV purchases	• Estimated investment in the tens of billions of yuan • Part of the 'Made in China 2025' extension • Creation of a robot fund worth around KRW1.8t in Shanghai alone
Germany	• EUR3b total (policy reintroduced in 2026) • Up to EUR6,000 subsidy for low-income / multi-child households	• n/a
Korea	• KRW1.6t in 2026 • Reduction in per-unit subsidy amounts, but beneficiaries expanded to 300,000 units	• Budget of around KRW1.1t (Industrial AI transformation and robotics) • KRW157.5b newly allocated for commercialization of AI applications (including robots) • Includes KRW150t in financial support over five years under the "advanced strategic industry" policy
Japan	• n/a	• Approximately JPY200b annually (KRW1.8t) • 2026 budget increase under the 'New Robot Strategy' • Support for physical AI and next-generation robot semiconductors

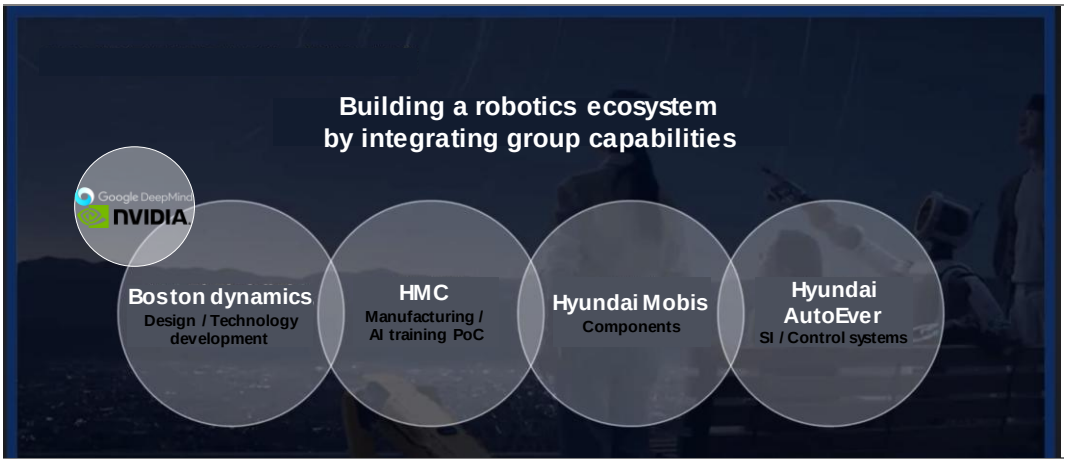
Source: Media, Samsung Securities

HMG: Physical AI momentum in 2026E

Jan	Feb	Mar	2Q	3Q	4Q
• Atlas unveiled at CES • Partnership with Google DeepMind announced	• Boston Dynamics CEO replaced • Building a robotics value chain • Announced KRW9t investment in Saemangeum	• Announcement of RMAC investment structure	• Robot factory, SDV roadmap to be announced (Kia CID) • US robotics policy to be announced	• Solid-state battery technology to be announced (HMC CID) • RMAC operations to begin	• Motional robotaxi service to be launched • Hyundai Ioniq 5 supply to Waymo to begin • Anseong battery campus to become operational

Source: Company data, Samsung Securities

HMG: Robotics ecosystem



Source: Company data, Samsung Securities

Boston Dynamics: Robot value chain

Product	Component	Company	Notes
E-Atlas	Actuator	Hyundai Mobis	Sub-component sourcing status is undecided
	Head module	Hyundai Mobis	Under negotiation
	Gripper	Hyundai Mobis	Under negotiation
	Body module, arm, leg	Hwashin	
	Battery	LG Energy Solution	
	Smart lighting		Bidding in progress
	SI / Control system	Hyundai AutoEver	
Spot	Actuator	HL Mando	2nd generation release planned for 2027
	Leg Module	SL	
Stretch (logistics robot)	Turn Signal	SL	

Source: Company data, Samsung Securities

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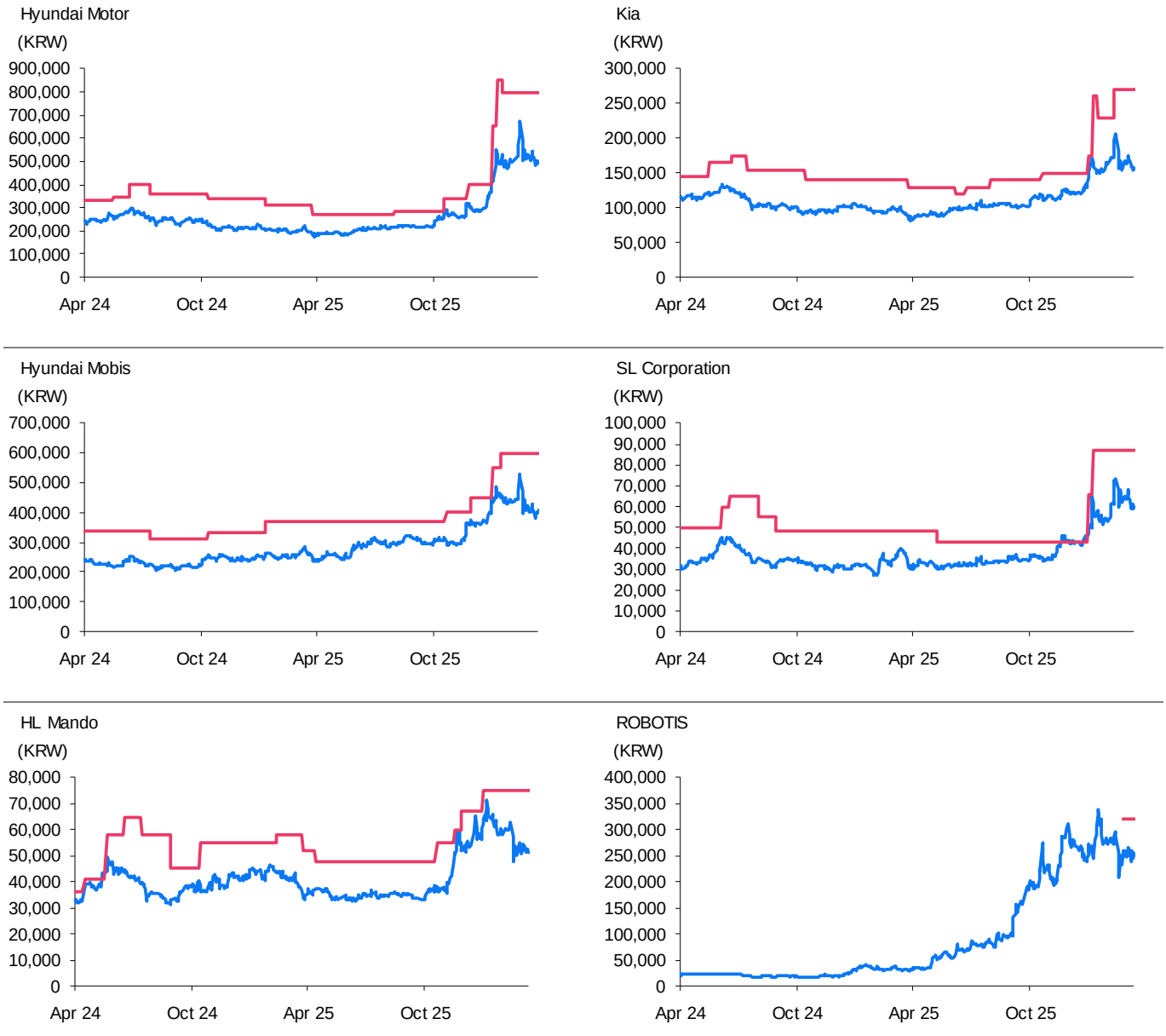
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Hyundai Motor												
Date	2024/3/20	5/29	6/25	7/26	10/25	2025/1/24	4/7	8/14	10/31	12/8	2026/1/14	1/22
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	330000	345000	400000	360000	340000	310000	270000	285000	340000	400000	650000	850000
Gap* (average)	-26.19	-21.52	-31.63	-32.30	-37.27	-34.90	-26.06	-20.49	-20.69	-22.55	-27.91	-40.91
(max or min)**	-16.06	-16.96	-25.50	-28.06	-33.38	-28.39	-17.41	-7.02	-7.35	1.50	-15.54	-37.88
Date	1/30											
Recommendation	BUY											
Target price (KRW)	800000											
Gap* (average)												
(max or min)**												
Kia												
Date	2024/2/5	5/29	7/4	7/29	10/28	2025/4/7	6/20	7/7	8/14	11/3	2026/1/14	1/22
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	145000	165000	175000	155000	140000	130000	120000	130000	140000	150000	175000	260000
Gap* (average)	-19.81	-24.20	-31.41	-34.54	-30.66	-30.49	-17.88	-21.50	-24.00	-20.38	-7.53	-40.63
(max or min)**	-11.38	-19.82	-27.83	-27.68	-23.79	-23.38	-15.75	-15.08	-14.36	-9.33	-1.66	-38.85
Date	1/29	2/25										
Recommendation	BUY	BUY										
Target price (KRW)	230000	270000										
Gap* (average)	-30.12											
(max or min)**	-24.35											
Hyundai Mobis												
Date	2024/3/20	7/26	10/25	2025/1/24	11/3	12/12	2026/1/14	1/28				
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY				
Target price (KRW)	340000	310000	330000	370000	400000	450000	550000	600000				
Gap* (average)	-30.85	-28.56	-24.95	-24.53	-22.07	-16.66	-16.89					
(max or min)**	-21.76	-19.35	-21.67	-12.30	-9.38	0.22	-11.36					
SL Corporation												
Date	2023/7/6	2024/6/18	7/1	8/16	9/11	2025/5/22	2026/1/14	1/22				
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY				
Target price (KRW)	50000	60000	65000	55000	48000	43000	66000	87000				
Gap* (average)	-32.97	-27.26	-41.11	-40.00	-32.28	-17.11	-19.92					
(max or min)**	-11.60	-24.67	-32.08	-37.09	-17.29	7.79	-1.82					
HL Mando												
Date	2024/2/6	4/29	6/3	7/1	7/29	9/11	10/28	2025/2/25	4/7	4/28	11/3	12/1
Recommendation	HOLD	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	36000	41000	58000	65000	58000	45000	55000	58000	52000	48000	55000	60000
Gap* (average)	-7.58	-3.55	-21.93	-35.91	-39.90	-18.57	-24.91	-29.05	-31.59	-27.26	-29.25	-8.90
(max or min)**	-2.92	5.85	-14.48	-32.15	-32.76	-10.67	-15.18	-23.88	-27.88	-19.69	-15.27	-1.33
Date	12/12	2026/1/14										
Recommendation	BUY	BUY										
Target price (KRW)	67000	75000										
Gap* (average)	-16.17											
(max or min)**	-2.39											

ROBOTIS	
Date	2026/3/11
Recommendation	BUY
Target price (KRW)	320000
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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Percentage of ratings in 12 months prior to 2025.12.31

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