COMPANY UPDATE

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Hyundai Mobis (012330)

1H driven by buybacks; 2H by earnings and robotics

- Hyundai Mobis' 1Q operating profit missed consensus by 4.5% due to losses at the module division. Rising memory chip prices are beginning to impact costs, contributing to an estimated KRW200b annual increase in semiconductor cost.
- Around 30% of shareholder returns should be delivered through share repurchases, with KRW500b (or 1.3% of market cap) planned for buyback and cancellation. Existing treasury shares (1.4% of total outstanding shares) should be cancelled before Sep 2027.
- Despite the module division's 1H losses, Hyundai Mobis remains the clearest growth story among the three Hyundai Motor Group companies over the next three years. Efforts to internalize mass-production technologies for robot actuators are underway.

AT A GLANCE

BUY

Target price	KRW600,000	42%
Current price	**KRW422,500**	
Market cap	KRW38.3t/USD25.8b	
Shares (float)	89,602,640 (65.6%)	
52-week high/low	KRW529,000/KRW242,000	
Avg daily trading value (60-day)	KRW148.3b/ USD99.9m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Hyundai Mobis (%)	7.6	37.6	67.3
Vs Kospi (%pts)	-7.7	-16.2	-34.8

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	600,000	600,000	0.0%
2026E EPS	46,819	48,829	-4.1%
2027E EPS	52,206	54,740	-4.6%

SAMSUNG vs THE STREET

No of estimates	25
Target price	583,600
Recommendation	4.0

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

WHAT'S THE STORY?

1Q results highlights: Semiconductor costs, tariffs, logistics cost, and in-house development of robot actuator technology

- **Semiconductor costs:** In 2025, semiconductor expenses totaled USD340m, or 0.8% of sales. A 50% price increase in 2026 should raise annual chip costs by KRW200b—KRW30b of which was recognized in 1Q26. To mitigate volatility, long-term supply agreements were finalized through 2027.
- **US tariff cost recovery:** In 1Q, tariff-related costs amounted to KRW73b for modules and KRW59b for aftermarket parts. While the module division recovered the costs through US AMPCs for parts, the aftermarket parts division negated the tariff impact with ASP hikes, which lifted sales by KRW24b (or 0.7% of sales) in 1Q. The US tariff rate dropped to 15% from October, but the impact should only be reflected from 2Q26 due to existing inventories.

(Continued on the next page)

SUMMARY 1Q RESULTS

(KRWb)	1Q26	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	15,560.5	5.5	1.1	0.9	0.0
Operating profit	802.6	3.3	-13.7	-7.3	-4.5
Pre-tax profit	1,291.8	-12.2	24.5	-9.2	-5.1
Controlling profit	881.5	-14.5	15.6	-13.8	-14.0
Margins (%)					
Operating profit	5.2				
Pre-tax profit	8.3				
Controlling profit	5.7				

Source: Company data, Fnguide, Samsung Securities estimates

VALUATION SUMMARY

	2025	2026E	2027E
Valuation (x)			
P/E	9.4	9.0	8.1
P/B	0.7	0.7	0.7
EV/EBITDA	7.2	6.9	5.9
Div yield (%)	1.7	1.5	1.8
EPS growth (% y-y)	-8.7	18.0	11.5
ROE (%)	7.7	8.3	8.6
Per-share data (KRW)			
EPS	39,682	46,819	52,206
BVPS	551,325	592,694	639,309
DPS	6,500	6,500	7,500

- **Logistics costs under 2% of sales:** Logistics expenses mainly influence the aftermarket parts division. While freight rate indices surged over 50% after the outbreak of conflict in the Middle East, the current level is far below the post-pandemic peak, when global shipping rates pushed logistics costs to 6–7% of sales. Even if the costs rise further in 2H26, the impact should remain minimal on the low base (less than 2% of sales now).
- **In-house development of robot actuator technology:** Boston Dynamics owns the Atlas robot's core design and intellectual property, but lacks experience in mass production, cost control, and quality assurance—making Hyundai Mobis essential for commercialization. Mobis is actively developing proprietary technologies to optimize actuators for Boston Dynamics' design specifications. Component manufacturing can be outsourced. Mobis is also in talks to secure contracts for grippers and head modules.

Module division turns to loss: While the aftermarket parts division put in solid performance in 1Q, the module division swung into a loss due to growing cost burden.

- **Module division hit by heavy cost burden:** The module division posted 1Q sales of KRW12.04t (flat q-q and up 4.9% y-y) and an operating loss of KRW121.3b (turning to a loss q-q but remaining in the red y-y), for an operating margin of -1%.

  The main culprit was a KRW 30b increase in semiconductor costs. The electrification business' production expanded 11.6% y-y for HMC/Kia's EVs and 12% y-y for their hybrids, but Mobis' European manufacturing facility incurred startup costs. These costs should be settled with carmakers in 2H26, which means the module division should report losses in 1H26 and turn to profit in 2H26.

  Component manufacturing sales within the division reached KRW3.6t (down 0.1% q-q but up 3.4% y-y).
- **Aftermarket parts division—strong demand and price adjustments offset tariffs:** The aftermarket parts division delivered sales of KRW3.5t (up 4.9% q-q and 7.4% y-y) and operating profit of KRW923.9b (up 21.6% q-q and 5.4% y-y), for an operating margin of 26.3%.
- **Tariff impact by quarter:** The module division faced tariffs of KRW250b in 2025 (KRW35b in 2Q, KRW79.3b in 3Q, and KRW135.7b in 4Q)—of which KRW200b has been recovered through US AMPCs and negotiations with automakers—and KRW59b in 1Q26. This year, tariffs are being settled on a quarterly basis.

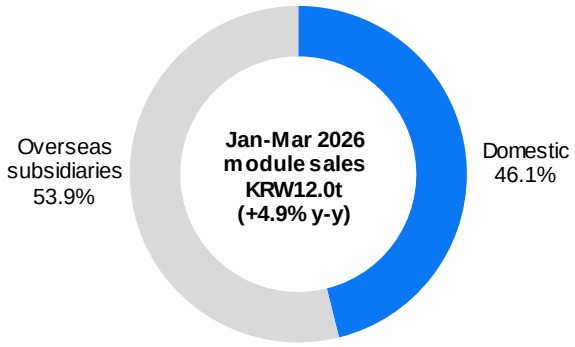
  The aftermarket parts division faced tariffs of KRW27b in 2Q25, KRW78b in 3Q25 (KRW56b offset by price hikes), KRW87b in 4Q25 (70% offset by price hikes), and KRW59b in 1Q26. The division continues to implement annual price increases in line with inflation, and ASP is rising alongside HMC/Kia's product mix improvements. Additional price adjustments are made selectively, taking into account competitors' pricing trends.
- **Non-captive orders total USD316m in 1Q26:** Non-captive order intake in 1Q26 met 4% of Mobis' full-year target of USD89.7b. Orders included European OE-bound R-MDPS and brake systems. The value of products currently under negotiation for new orders is around USD20b.
- **To sell non-core business:** Mobis signed an MOU with French auto parts maker OP Mobility regarding the sale of its lamp business. It is also pursuing the sale of its bumper business overseas.

These decisions appear to be based not only on profitability but also on considerations investment (capex and R&D) and market position.

2Q preview: We now expect Mobis to post 2Q26 sales of KRW16.7t (up 7.8% q-q and 5.3% y-y) and an operating profit of KRW922b (up 14.8% q-q and 6% y-y), implying operating margin of 6% (vs FnGuide consensus of KRW16.7t in sales, KRW940.2b in operating profit, and 5.6% in operating margin). While engine supply constraints at HMC/Kia may cause minor production disruptions, these should be offset by seasonally-strong demand and continued growth in non-captive sales.

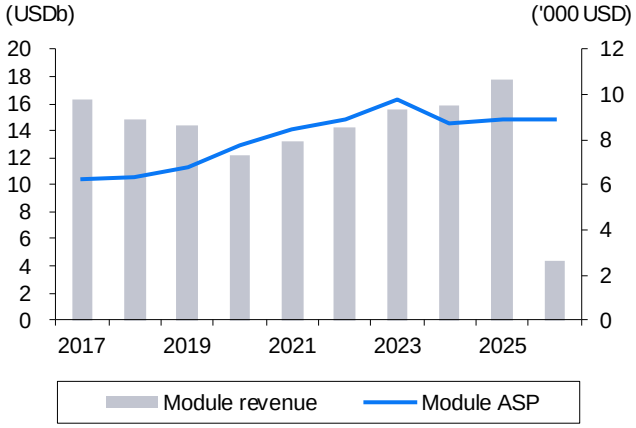
- **Share buyback of KRW 500b (equivalent to 1.3% of market cap):** The company intends to repurchase shares between late April and July, with cancellation planned for early August. Existing treasury shares—1.3m shares, or 1.4% of total outstanding shares—should be cancelled before Sep 2027. The 2026 dividend should remain unchanged y-y at KRW6,500 per share.

Hyundai Mobis: Module sales at overseas subsidiaries



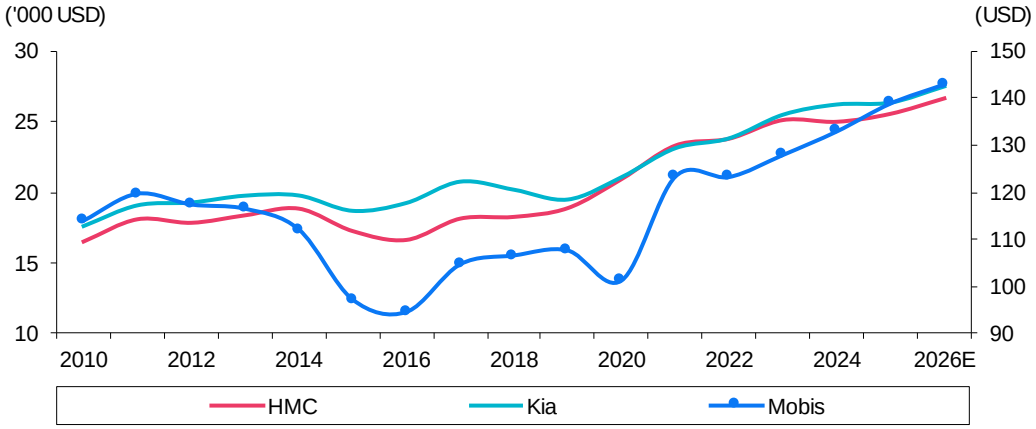
Source: Company data, Samsung Securities estimates

Hyundai Mobis: Sales at module business



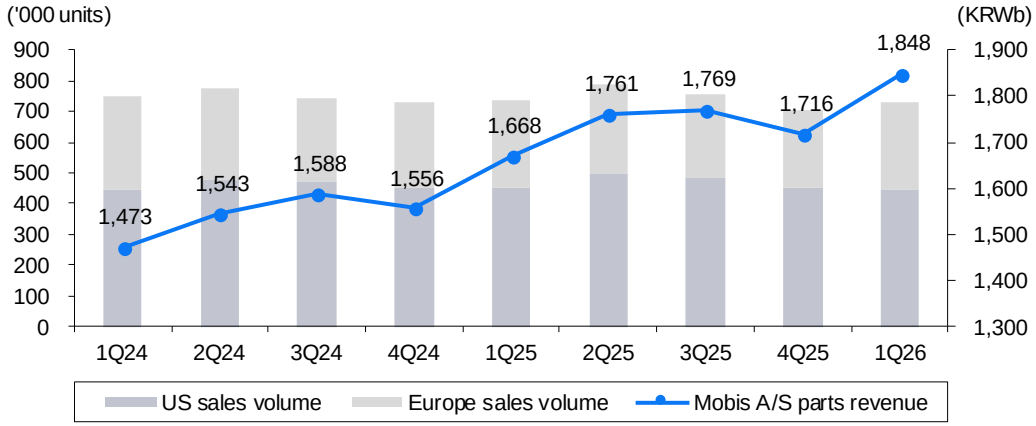
Source: Company data, Samsung Securities estimates

Hyundai Mobis ASP vs HMC/Kia global ASP



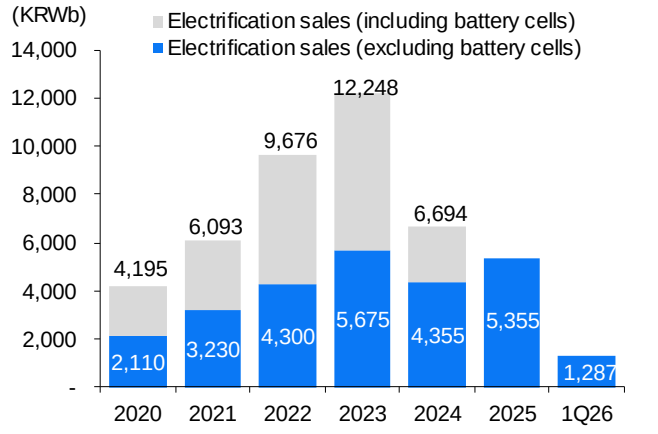
Source: Company data, Samsung Securities

US and Europe market: HMC/Kia global wholesales and Mobis A/S parts revenue



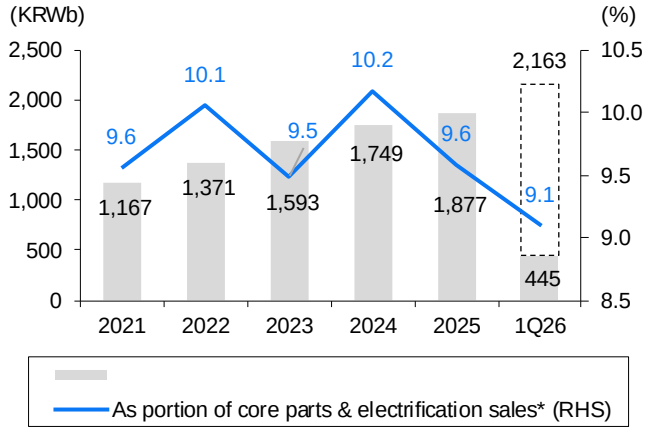
Source: Company data, Samsung Securities

Hyundai Mobis: Electrification revenue



Source: Company data, Samsung Securities

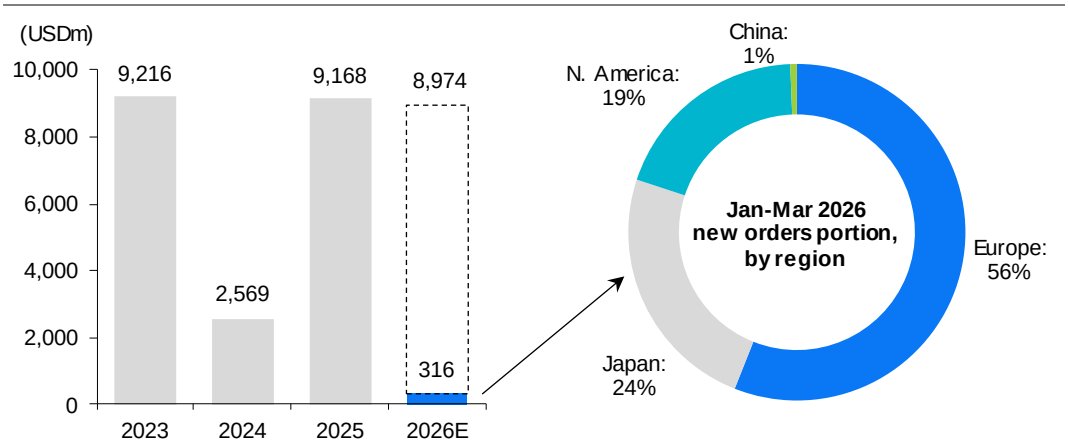
R&D as portion of core parts & electrification sales



Note: * R&D as a percentage of electrification/core parts sales excludes battery cell value (estimated)

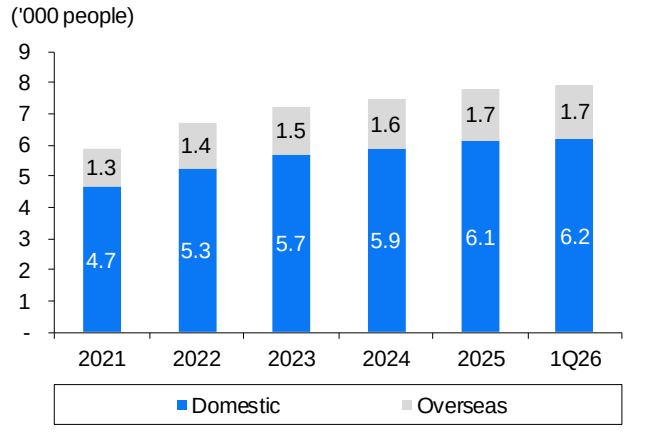
Source: Company data, Samsung Securities

Non-captive orders: Results & plans for core parts orders



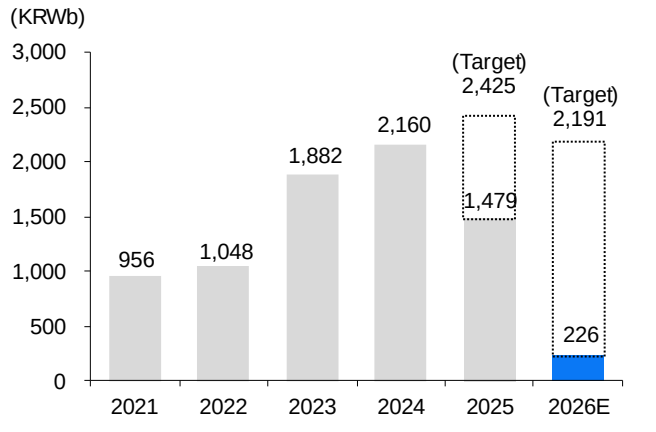
Source: Company data, Samsung Securities

Hyundai Mobis: Number of R&D personnel



Source: Company data, Samsung Securities

Hyundai Mobis: Capex (production/R&D)

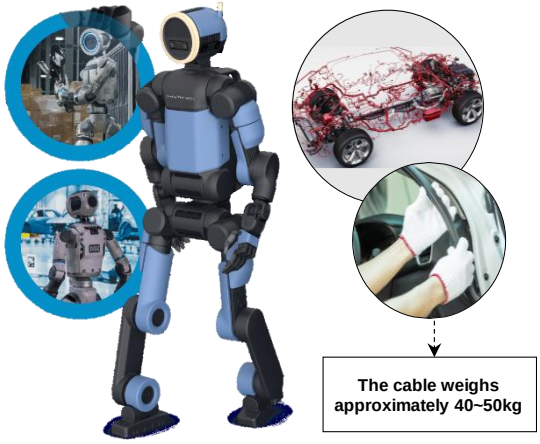


Source: Company data, Samsung Securities

Hyundai Mobis: Cableless actuator structure

Source: Company data

Atlas Gen3: Employs cableless actuator structure



Source: Company data

Atlas: Cost breakdown (estimates)

Item	Unit cost (USD)	Quantity	Total cost (USD)
Rotary actuator	561	31	17,391
Vision sensor	41	3	123
Nvidia Thor chip	800	1	800
Gripper	800	2	1,600
Battery pack	200	4 kWh	200
Body			2,000
Subtotal			**22,114**
Data center depreciation*			26,666
Factory depreciation			442
Other operating costs			1,769
Total			**50,991**

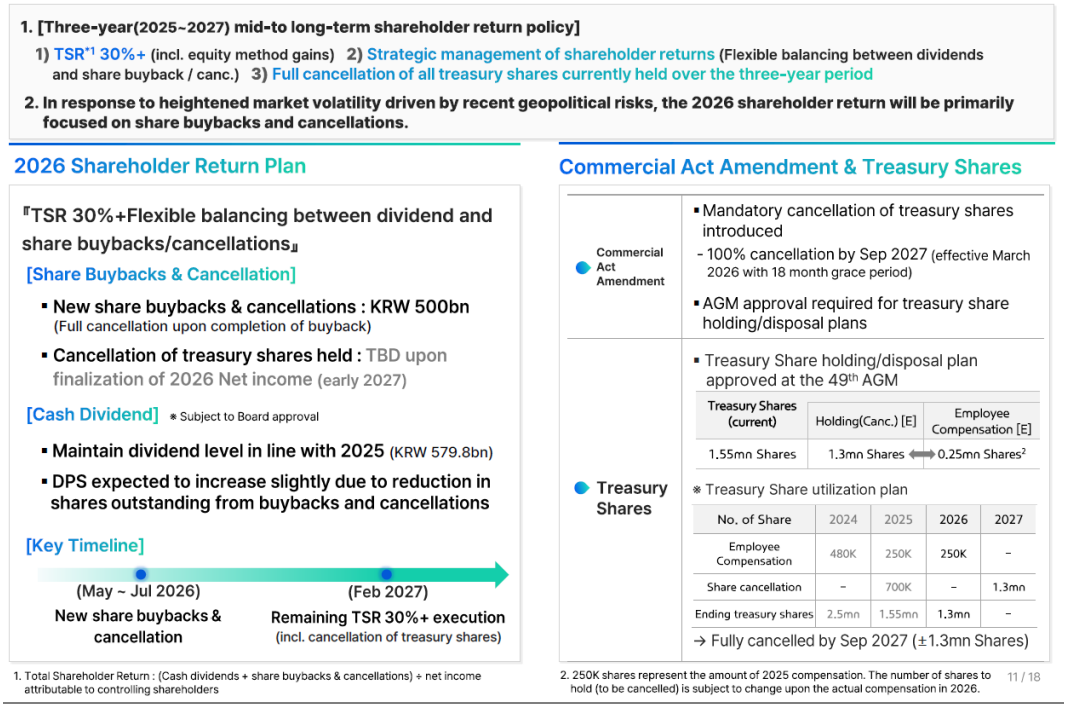
Note: Assumes 10,000 units produced;
*Assumes usage of one-third of 50,000 Blackwell GPUs
Source: Samsung Securities estimates

Hyundai Mobis: Estimated revenue from Boston Dynamics Atlas

Volume (units)	Production cost (USD)	Mobis portion	Unit cost (USD)	Mobis sales* (USDm)	Mobis sales** (KRWb)
5,000	130,000	60%	78,000	425	617
10,000	50,992	60%	30,595	321	466
20,000	37,659	60%	22,595	475	688
30,000	33,214	60%	19,929	628	910
40,000	30,992	60%	18,595	781	1,132
50,000	29,659	60%	17,795	934	1,355

Note: *Sales figures inflated by 5% to account for aftermarket services revenue;
** Assumes exchange rate of KRW1,450/USD
Source: Samsung Securities estimates

Hyundai Mobis: Shareholder return policy



Source: Company data

Hyundai Mobis: Delivery and storage costs

(KRWb)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sales	36,020	38,262	35,145	35,149	38,049	36,627	41,702	51,906	59,254	57,237	61,118
Logistics cost	**608**	**609**	**584**	**574**	**654**	**613**	**1,042**	**1,810**	**1,207**	**1,393**	**1,451**
% to Sales	1.7	1.6	1.7	1.6	1.7	1.7	2.5	3.5	2.0	2.4	2.4
COGS	370	368	338	309	360	333	696	1,308	715	886	928
% to Sales	1.0	1.0	1.0	0.9	0.9	0.9	1.7	2.5	1.2	1.5	1.5
SG&A	238	241	247	265	294	280	347	502	492	508	523
% to Sales	0.7	0.6	0.7	0.8	0.8	0.8	0.8	1.0	0.8	0.9	0.9

Source: Company data, Samsung Securities

Mobis: Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	2024	2025	2026E	2027E
KRW/USD (avg)	1,453	1,401	1,387	1,452	1,467	1,450	1,430	1,420	1,365	1,423	1,442	1,390
Revenue	14,752	15,936	15,032	15,398	15,561	16,776	16,374	16,376	57,237	61,118	65,087	68,880
Chg (% y-y)	6.4	8.7	7.4	4.7	5.5	5.3	8.9	6.4	-3.4	6.8	6.5	5.8
Simple modules	6,799	7,403	6,849	7,181	7,149	7,891	7,632	7,241	25,633	28,232	29,913	31,488
Core parts & electrification	4,675	5,204	4,826	4,863	4,892	5,303	5,151	5,372	19,518	19,568	20,718	22,288
After-sales service	3,278	3,330	3,357	3,354	3,519	3,583	3,591	3,763	12,085	13,318	14,456	15,104
Gross profit	2,062	2,198	2,129	2,440	2,149	2,113	2,190	2,577	8,063	8,830	8,866	9,639
Operating profit	777	870	780	930	803	922	1,027	1,167	3,073	3,357	3,919	4,404
Chg (% y-y)	43.1	36.8	-14.1	-5.6	3.3	6.0	31.7	25.5	33.9	9.2	16.7	12.4
Modules	-100	42	-37	171	-121	-11	100	195	-42	76	163	509
After-sales service	877	828	817	760	924	933	927	972	3,116	3,282	3,756	3,895
Net profit	1,032	934	931	768	883	1,053	1,094	1,225	4,060	3,665	4,255	4,745
Controlling profit	1,031	932	929	763	882	1,051	1,092	1,223	4,056	3,656	4,248	4,737
Chg (% y-y)	19.7	-6.4	1.1	-40.3	-14.5	12.7	17.5	60.3	18.5	-9.9	16.2	11.5
Margins (%)												
Gross profit	14.0	13.8	14.2	15.8	13.8	12.6	13.4	15.7	14.1	14.4	13.6	14.0
Operating profit	5.3	5.5	5.2	6.0	5.2	5.5	6.3	7.1	5.4	5.5	6.0	6.4
Modules	-0.9	0.3	-0.3	1.4	-1.0	-0.1	0.8	1.5	-0.1	0.2	0.3	0.9
After-sales service	26.7	24.9	24.3	22.7	26.3	26.0	25.8	25.8	25.8	24.6	26.0	25.8
Net profit	7.0	5.9	6.2	5.0	5.7	6.3	6.7	7.5	7.1	6.0	6.5	6.9
Controlling net profit	7.0	5.9	6.2	5.0	5.7	6.3	6.7	7.5	7.1	6.0	6.5	6.9

Source: Company data, Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**57,237**	**61,118**	**65,087**	**68,880**	**72,946**
Cost of goods sold	49,174	52,288	56,221	59,241	62,453
Gross profit	**8,063**	**8,830**	**8,866**	**9,639**	**10,494**
Gross margin (%)	14.1	14.4	13.6	14.0	14.4
SG&A expenses	4,989	5,472	4,947	5,235	5,544
Operating profit	**3,073**	**3,357**	**3,919**	**4,404**	**4,950**
Operating margin (%)	5.4	5.5	6.0	6.4	6.8
Non-operating gains (losses)	**2,191**	**1,758**	**2,056**	**2,186**	**2,292**
Financial profit	812	606	455	503	581
Financial costs	486	355	167	154	154
Equity-method gains (losses)	1,788	1,400	1,720	1,838	1,931
Other	78	107	48	-0	-66
Pre-tax profit	**5,264**	**5,115**	**5,976**	**6,590**	**7,242**
Taxes	1,204	1,450	1,720	1,845	2,028
Effective tax rate (%)	22.9	28.4	28.8	28.0	28.0
Profit from continuing operations	4,060	3,665	4,255	4,745	5,214
Profit from discontinued operations	0	0	0	0	0
Net profit	**4,060**	**3,665**	**4,255**	**4,745**	**5,214**
Net margin (%)	7.1	6.0	6.5	6.9	7.1
Net profit (controlling interests)	4,056	3,656	4,248	4,737	5,205
Net profit (non-controlling interests)	5	9	7	8	9
EBITDA	4,058	4,525	5,200	5,781	6,384
EBITDA margin (%)	7.1	7.4	8.0	8.4	8.8
EPS (parent-based) (KRW)	43,480	39,682	46,819	52,206	57,365
EPS (consolidated) (KRW)	43,528	39,779	46,899	52,295	57,463
Adjusted EPS (KRW)*	43,480	39,682	46,819	52,206	57,365

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**28,424**	**30,366**	**32,335**	**35,395**	**39,064**
Cash & equivalents	4,788	4,922	5,686	7,595	10,030
Accounts receivable	9,914	10,221	10,885	11,519	12,199
Inventories	6,763	6,862	7,307	7,733	8,190
Other current assets	6,958	8,361	8,457	8,548	8,646
Fixed assets	**38,173**	**40,034**	**42,392**	**44,584**	**46,626**
Investment assets	23,438	24,789	26,327	27,796	29,372
Tangible assets	12,003	12,347	13,254	14,051	14,580
Intangible assets	1,167	1,266	1,178	1,104	1,041
Other long-term assets	1,564	1,633	1,633	1,633	1,633
Total assets	**66,597**	**70,401**	**74,726**	**79,979**	**85,690**
Current liabilities	**12,745**	**13,058**	**13,310**	**14,040**	**14,822**
Accounts payable	6,748	6,691	7,126	7,541	7,986
Short-term debt	648	796	796	796	796
Other current liabilities	5,350	5,570	5,388	5,702	6,039
Long-term liabilities	**7,733**	**8,130**	**8,504**	**8,862**	**9,246**
Bonds & long-term debt	1,927	1,819	1,819	1,819	1,819
Other long-term liabilities	5,806	6,311	6,686	7,044	7,428
Total liabilities	**20,479**	**21,188**	**21,815**	**22,902**	**24,068**
Owners of parent equity	**46,081**	**49,168**	**52,859**	**57,016**	**61,553**
Capital stock	491	491	491	491	491
Capital surplus	1,367	1,377	1,377	1,377	1,377
Retained earnings	42,911	45,225	48,893	53,050	57,587
Other	1,311	2,075	2,098	2,098	2,098
Non-controlling interests' equity	**37**	**45**	**52**	**61**	**69**
Total equity	**46,118**	**49,213**	**52,912**	**57,077**	**61,622**
Net debt	-1,236	-1,256	-2,530	-4,439	-6,874

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**4,253**	**4,473**	**3,749**	**4,220**	**4,648**
Net profit	4,060	3,665	4,255	4,745	5,214
Non-cash profit and expenses	625	1,841	326	369	438
Depreciation	903	1,065	1,193	1,303	1,371
Amortization	82	102	87	74	63
Other	-360	674	-954	-1,008	-996
Changes in A/L from operating activities	-822	-708	-67	-64	-69
Cash flow from investments	**-4,589**	**-3,234**	**-2,100**	**-2,100**	**-1,900**
Change in tangible assets	-2,088	-1,281	-2,100	-2,100	-1,900
Change in financial assets	65	1	-0	-0	-0
Other	-2,566	-1,953	0	0	0
Cash flow from financing	**-255**	**-1,205**	**-1,090**	**-580**	**-669**
Change in debt	804	114	-511	0	0
Change in equity	4	10	0	0	0
Dividends	-406	-583	-580	-580	-669
Other	-657	-745	0	0	0
Change in cash	-291	134	764	1,909	2,435
Cash at beginning of year	5,079	4,788	4,922	5,686	7,595
Cash at end of year	4,788	4,922	5,686	7,595	10,030
Gross cash flow	**4,685**	**5,506**	**4,581**	**5,115**	**5,652**
Free cash flow	**2,049**	**3,125**	**1,649**	**2,120**	**2,748**

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	-3.4	6.8	6.5	5.8	5.9
Operating profit	33.9	9.2	16.7	12.4	12.4
Net profit	18.6	-9.7	16.1	11.5	9.9
Adjusted EPS**	19.6	-8.7	18.0	11.5	9.9
Per-share data (KRW)					
EPS (parent-based)	43,480	39,682	46,819	52,206	57,365
EPS (consolidated)	43,528	39,779	46,899	52,295	57,463
Adjusted EPS**	43,480	39,682	46,819	52,206	57,365
BVPS	509,212	551,325	592,694	639,309	690,172
DPS (common)	6,000	6,500	6,500	7,500	8,000
Valuations (x)					
P/E***	5.4	9.4	9.0	8.1	7.4
P/B***	0.5	0.7	0.7	0.7	0.6
EV/EBITDA	5.1	7.2	6.9	5.9	4.9
Ratios (%)					
ROE	9.4	7.7	8.3	8.6	8.8
ROA	6.5	5.4	5.9	6.1	6.3
ROIC	11.3	10.7	11.8	12.7	13.6
Payout ratio	13.3	15.9	13.6	14.1	13.7
Dividend yield (common)	2.5	1.7	1.5	1.8	1.9
Net debt to equity	-2.7	-2.6	-4.8	-7.8	-11.2
Interest coverage (x)	23.8	19.0	23.5	28.5	32.1

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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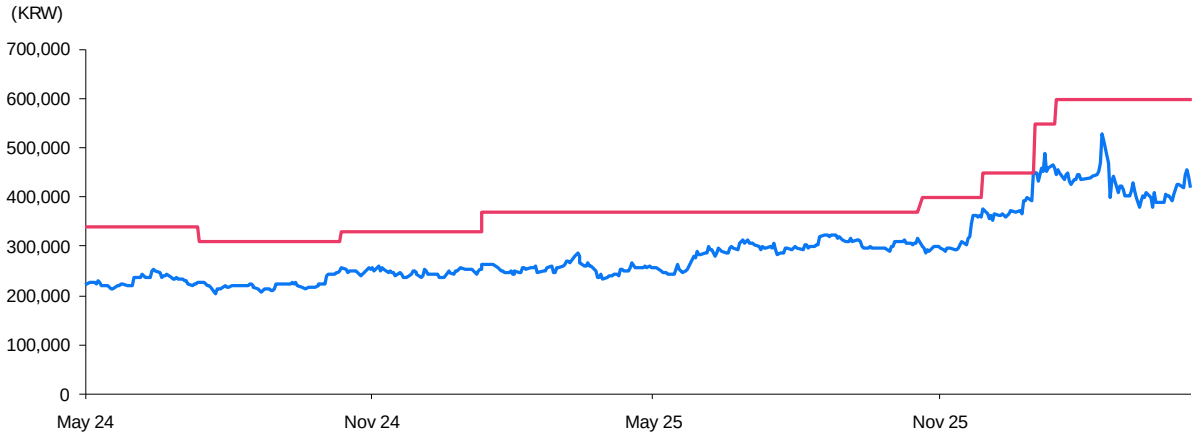
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	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	

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

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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

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BUY(85.2%)·HOLD(14.8%)·SELL(0%)

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