SECTOR UPDATE

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EV/Mobility Team

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Autos (OVERWEIGHT)

HMC/Kia closing in on Toyota's market cap

- Recently, the auto sector rallied on the unveiling of a production-ready Atlas and rising anticipation towards Boston Dynamics' IPO, lifting Hyundai Motor (HMC) and Kia's combined market cap to 4th globally in the mobility sector.
- Just as Tesla's market cap surpassing Toyota's signaled the definitive arrival of the EV era, HMC/Kia's overtaking Toyota's market cap would mark the true beginning of the physical AI era.
- The first catalyst should be the commencement of Robot Metaplant Application Center (RMAC) in 3Q. RMAC should serve as the foundational platform for HMC and Kia's robotics action-data business. HMC remains our top pick.

WHAT'S THE STORY?

HMC/Kia's combined market cap to exceed Toyota's in 2027: This feat should be driven by the launch of Robot Metaplant Application Center (RMAC) and the commencement of HMG's robotics action-data business.

- **Don't focus on valuation—focus on where the money is flowing:** In 2020, Tesla sold just 0.5m autos for a net profit of USD0.7b (1/20 of Toyota's sales and net profit). Yet, the US EV maker's market cap surpassed the Japanese player's in Jul 2020, just months after having launched the Model Y (Mar 2020).
- **RMAC to start in 3Q26:** Robots first train at RMAC, mastering factory layouts, movement paths, and task sequences in simulations. This virtual training data are then fused with live operational data from HMC/Kia's smart digital factory (SDF) systems. The objective is to create a self-improving feedback loop: Virtual training → real-world feedback → model refinement.

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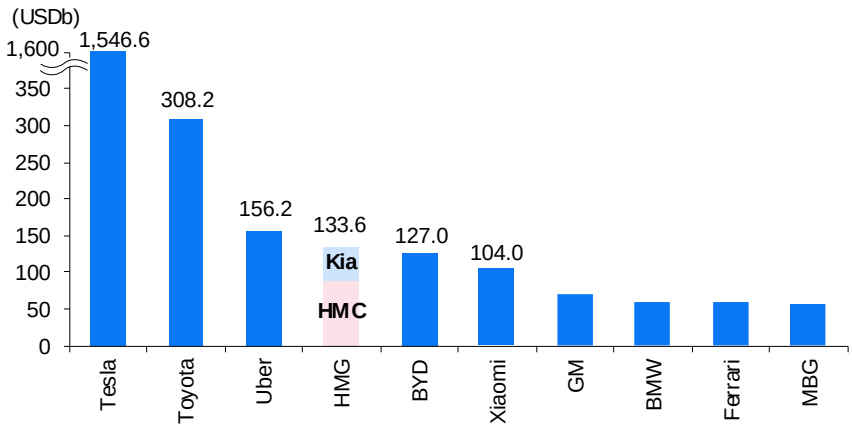
Top-10 global mobility companies, by market cap



Source: Bloomberg, Samsung Securities

AT A GLANCE

Hyundai Motor (005380 KS, 666,000)		
Target price	KRW800,000	20.1%
BUY		
Kia (000270 KS, 167,900)		
Target price	KRW230,000	37%
BUY		
Hyundai Mobis (012330 KS, 670,000)		
Target price	KRW720,000	7.5%
BUY		
HL Mando (204320 KS, 60,400)		
Target price	KRW80,000	32.5%
BUY		
SL Corporation (005850 KS, 68,500)		
Target price	KRW93,000	35.8%
BUY		
Hwashin (010690 KS, 12,200)		
Target price	KRW16,000	31.1%
BUY		

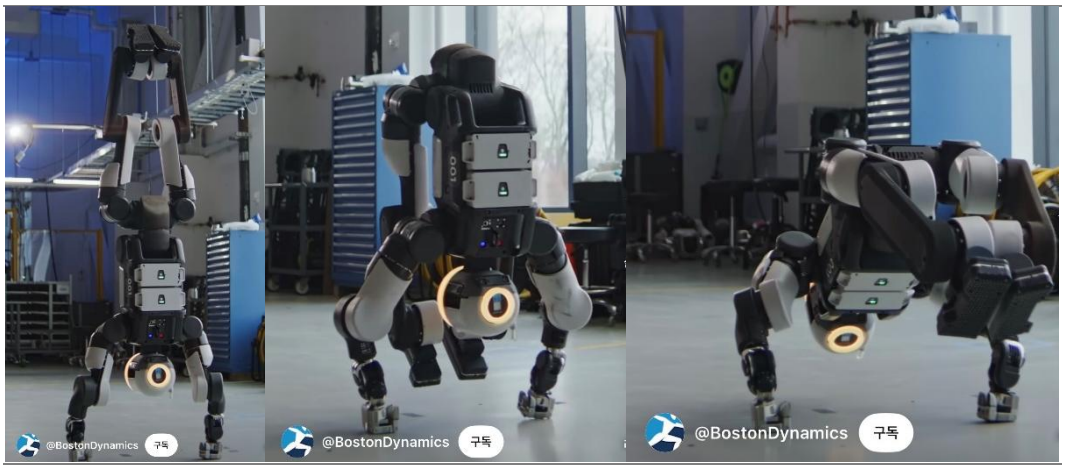
- **RMAC's ownership structure:** Beyond HMG, Google and Nvidia are both likely to take a stake in RMAC. The two US firms need high-quality, real-world robotic behavior data to train next-generation foundation models. Both also operate data centers (which are essential for robot training) and inference chip-based businesses. Through RMAC, HMC and Kia could sell high-value robotic datasets not only to Google and Nvidia, but also to other US tech giants.

Boston Dynamics unveils production-ready Atlas

On May 6, Boston Dynamics unveiled a production-ready Atlas via YouTube—the robot has been designed specifically for real-world factory deployment. The video reaffirmed its global leadership in precision motion control, leveraging reinforcement learning for movement training—an AI's framework is honed through near-infinite, high-speed trial-and-error simulations before being transferred to physical robots. Unlike its previous actions, which were limited to walking and running, Atlas can now perform advanced maneuvers such as handstand push-ups and L-sits (a gymnastic pose where the body is held in an L-shape), demonstrating unprecedented balance control and validating its potential for industrial usage.

In terms of execution speed, Boston Dynamics has outpaced Tesla. While Tesla has delayed the unveiling of Optimus Gen-3 due to the complexity in carrying out dexterous manipulations, Hyundai Motor Group (HMG) is moving to deploy Atlas in manufacturing environments. HMG plans to initially introduce Atlas with simple grippers for logistics tasks, then bring dexterous hands to the robot by 2030 so that it can perform assembly operations.

Boston Dynamics: Atlas performs gymnastics



Source: Boston Dynamics

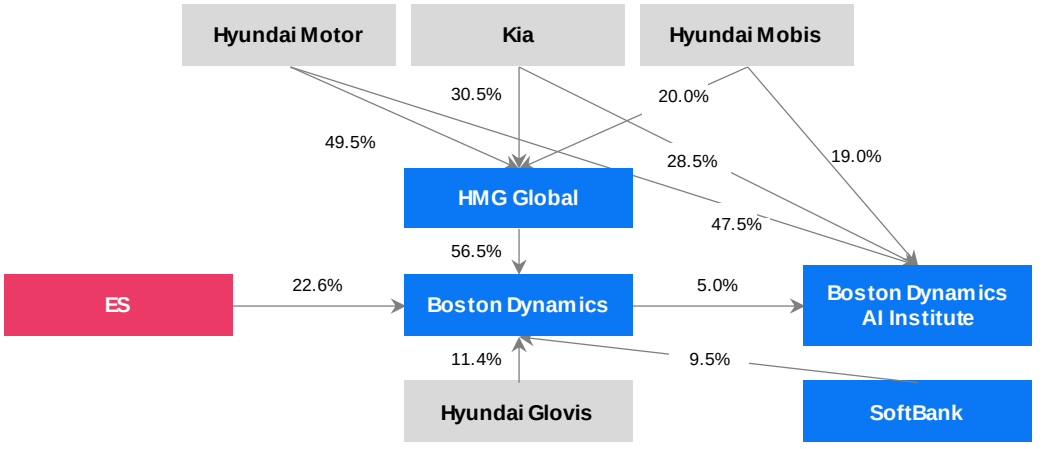
Boston Dynamics' IPO: No need to rush

On May 8, HMC and Hyundai Mobis surged amid media speculation that Boston Dynamics was on the verge of going public. Such optimism stems from a 2020 agreement: When HMG acquired its stake in Boston Dynamics, it granted SoftBank a put option—HMG would have to buy SoftBank's stake in Boston Dynamics if the robot maker did not go public by Jun 2025. That deadline has since been extended by one year, fueling speculation that HMG will decide on whether to list Boston Dynamics within the next month. However, SoftBank's stake in Boston Dynamics has fallen from 20% to 9.5% due to its refusal to participate in the funding rounds that have been conducted each year since 2020.

While the IPO would be a positive catalyst for HMG and the broader auto sector, Hyundai Mobis stands to benefit most thanks to its role in the group's governance restructuring. On May 8, Hyundai Mobis rose 15.29%, outpacing Hyundai Motor's 7.17% gain—the first time since CES 2026 (Jan 6-9) that Mobis led the rally. Consensus assumes that Chairman Chung Eui-sun will use the IPO to raise cash to break HMG's circular ownership structure and secure funds for inheritance tax payments. After failing to reform its governance structure in 2018, HMG has signaled its intent to pursue a 'clean' restructure: Chairman Chung must buy Mobis shares (equivalent to the amounts held by Kia and Hyundai Steel) in the public market, while Kia and Hyundai Steel must sell their holdings in Mobis on the main burse.

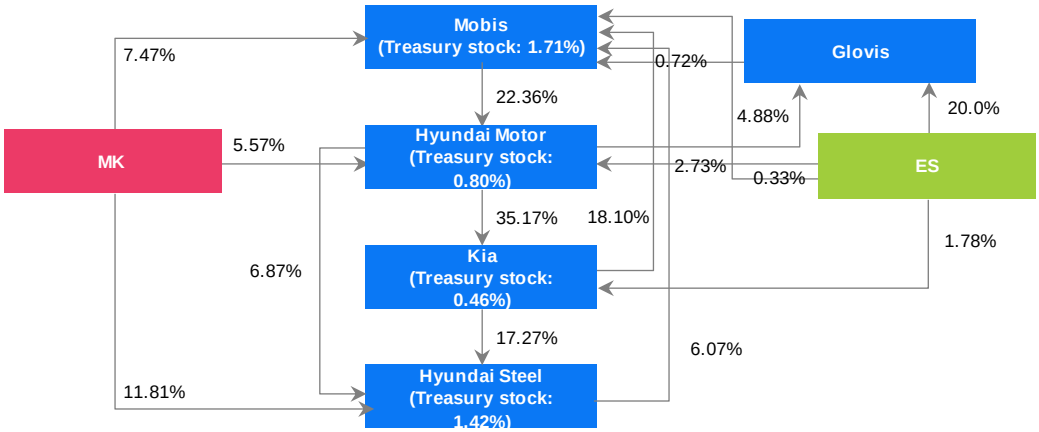
Yet, an IPO decision within the next month is both unlikely and unnecessary. Boston Dynamics currently lacks a CEO. Its flagship product, Atlas, remains in pre-production, with its real-world utility still unproven. Its only confirmed customers are its parent (HMG) and its AI partner (Google DeepMind). For Boston Dynamics's valuation to meaningfully support HMG's governance restructuring, its market cap would need to reach at least KRW50t. That would require proving Atlas's operational value and diversifying its client base beyond HMG and Google. Boston Dynamics plans to begin external marketing in 2027 (to secure non-affiliated clients) and scale up mass-production (for factory and logistics site deployment) by 2028—making it more likely its IPO will happen after 2028.

Boston Dynamics: Governance structure



Source: Company data, Samsung Securities estimates

Hyundai Motor Group: Governance structure



Source: Company data, Samsung Securities

Value of stakes if Boston Dynamics goes public with a market cap of US39b

(USDm)	Stake (%)	Stake value (USDm)	Stake value (KRWb)
HMC	27.97	10,907	15,816
Kia	17.23	6,721	9,745
Mobis	11.30	4,407	6,390
ES	22.60	8,814	12,780
Glovis	11.40	4,446	6,447
SoftBank	9.50	3,705	5,372
Total	100	39,000	56,550

Note: Assumes an exchange rate of USD/KRW1,450;
USD39b valuation based on Figure AI's implied value
Source: Samsung Securities estimates

HMG's stake in Hyundai Mobis

(KRWb)	Stake (%)	Stake value	After tax*
Kia	18.1	8,359	6,269
Hyundai Steel	6.07	2,803	2,102
Total	24.17	11,162	8,372
Share buyback and cancellation over 15 years		2,232	

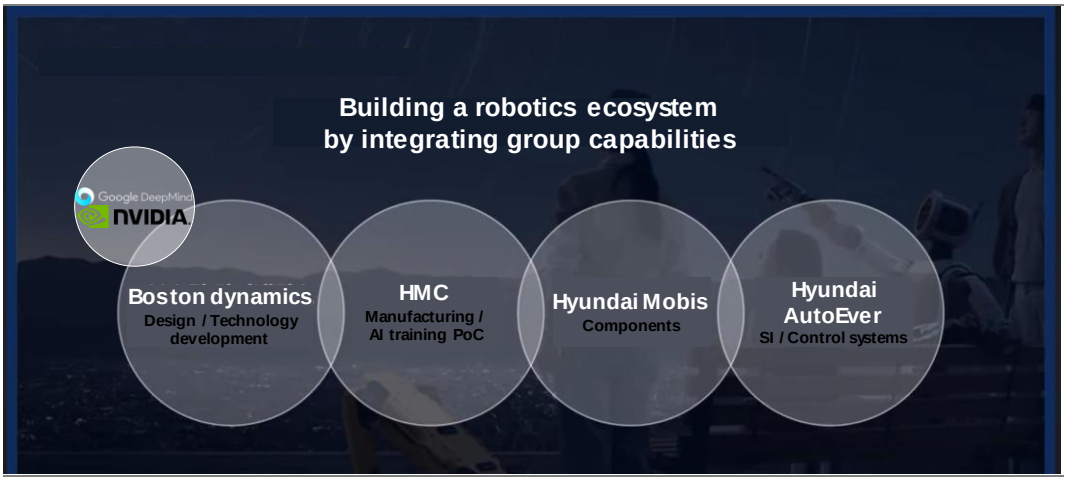
Note: *Assuming a tax rate of 25%
Source: FnGuide, Samsung Securities

HMG positioned at bottleneck of US robotics market

Would SoftBank's potential exit—via its exercising the put option—trigger a decline in HMG's stock price? Not necessarily. Its disposal would, in our opinion, open up various strategic pathways—*eg*, Google DeepMind or Nvidia could acquire SoftBank's stake. Google owned a stake in Boston Dynamics a decade ago, and Nvidia has invested in numerous robotics firms.

HMG's robotics strategy contrasts sharply with Tesla's. While Tesla vertically integrates its AI models, robot design, and inference chips, HMC pursues a wider ecosystem-led approach (via partnerships with external tech leaders). JVs and equity investments with technology partners are expected.

HMG: Robotics ecosystem

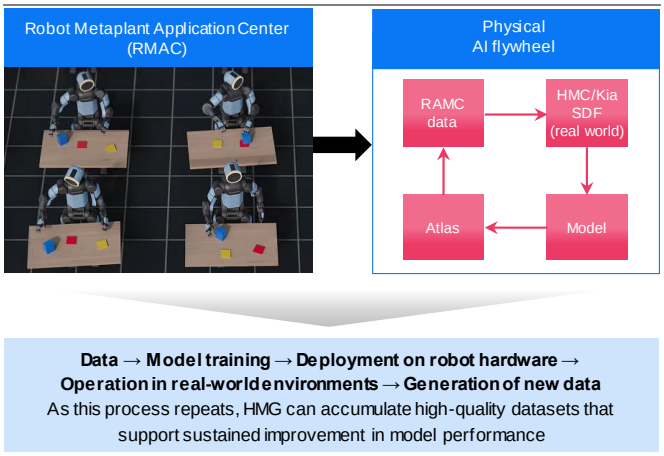


Source: Company data, Samsung Securities

In addition to Boston Dynamics, HMG plans to establish two US-based entities for its robotics business: Robot Metaplant Application Center (RMAC; a training facility) and Robotics America (a manufacturing plant). Both should be structured as joint ventures. Particular attention should be paid to RMAC's equity structure, as Google DeepMind and Nvidia are potential strategic investors.

There are three reasons we Google DeepMind and Nvidia are potential strategic investors. First, both of them require vast, real-world robotics action data to refine their foundation models. Unlike internet text data, robotics action data must be collected from specific sensors, mounting configurations, and physical environments—requiring massive device deployment and controlled settings. Neither Google nor Nvidia owns physical infrastructure or large-scale device networks needed to generate such data at scale. HMG, by contrast, operates over 100 factories globally and can generate action data by deploying Atlas at its own facilities. Indeed, HMG plans to deploy 30,000 Atlas units internally to generate the data. By investing in RMAC, Google DeepMind and Nvidia could gain direct access to this proprietary dataset. If they choose not to take equity in Boston Dynamics, they may choose to enter data licensing agreements instead—similar to how Google pays USD60m *pa* to Reddit for data to refine Gemini.

HMG: Physical AI flywheel



Source: Samsung Securities

HMGMA: Collaborative robots working alongside humans on an assembly line

Source: HMC

Second, both Google and Nvidia are key players in the data center infrastructure segment, which segment is required for robot training. Google leads the global cloud platform market, while Nvidia dominates the supply of AI training chips (*eg*, the H100 and H200) that power these systems. HMG is one of Nvidia's major customers, having committed to purchasing 50,000 of its Blackwell chips. Recognizing robotics as a key growth frontier for inference markets, Nvidia has strategically invested in leading robotics companies—including Figure AI, Agility Robotics, and Skild AI.

Third, both Google and Nvidia are also active in the inference chip market. The AI industry has moved beyond the training phase and is now entering the era of inference, prompting former Nvidia clients like Tesla and Chinese EV manufacturers to develop their own custom chips. To secure long-term partnerships, Nvidia is expected to actively engage with HMG's robotics division.

HMG can monetize the data collected (via RMAC) by licensing them to tech companies and robotics developers. Additionally, through Robotics America, it could establish a robot contract manufacturing business (a robot foundry), producing robots for tech firms that lack in-house manufacturing capabilities. Today, nearly every major tech company has entered the robotics arena, but most focus exclusively on developing foundational AI models, with a goal of becoming the 'OS' of robotics. Yet, aside from Tesla and Amazon, few have the physical infrastructure to deploy robots at scale. As a result, they rely heavily on external sources for high-quality, real-world data to train and validate their systems.

Leveraging its six decades' worth of auto manufacturing expertise, deeply-integrated supply chain, and strategic acquisition of Boston Dynamics five years ago, HMG stands at a critical bottleneck in an industry that is poised to become the next major frontier of tech investment (following the rise of LLMs). For industries that are seeing surges in demand, control over such bottlenecks typically results in the related firms trading at a premium. The start of RMAC in 3Q26 should serve as a decisive milestone, clarifying where true value and control reside in the robotics ecosystem.

US tech giants: Current status of robotics businesses

Company	Timeline	Status
Tesla	2025	Unveiled Optimus Gen 2.5; conducting limited field tests in factories.
	2026	Full-scale mass production of Optimus scheduled for August; targeting 10x annual production growth and external sales by H2.
Nvidia	2024	Launched GR00T, a foundational AI model platform dedicated to robotics development.
	2025	Released Jetson Thor, a compact computer designed for humanoid robots, in the first half of the year.
Google DeepMind	2024	Introduced AI models RT-1, RT-2, and AutoRT–designed to serve as the 'brain' of robots. Combined LLM and VLM capabilities to enable autonomous environmental perception and task execution.
Amazon	2024	Invested in Physical Intelligence, a startup developing large-scale AI models and algorithms to integrate AGI into robots.
	2026	Completed two M&As: Fauna Robotics (humanoid robot startup) and River Technologies (last-mile delivery robot company).
	2027	Plans to replace over 160,000 human roles with robots.
	2033	Aims to automate 600,000 positions overall.
Meta	2025	Partnered with Ghost Robotics to launch Digit 360, a multimodal sensory system with human-level tactile feedback.
		Partnered with YuanYi Robotics to launch the next-generation robotic hand, 'Allegro Hand'.
		Officially entered the humanoid robotics space; hired Marc Whitten, former CEO of GM Cruise.
		Allocated USD65b in 2025 for robotics and AI infrastructure investments.
	2026	Declared software a current bottleneck; shifted focus from building robots in-house to developing a robotics software platform for third-party adoption. Acquired Assured Robot Intelligence, a startup developing foundational robot AI models, in May.
Apple	2024	Redirected focus from electric vehicle development to home robotics; targeting release of mobile robots and tabletop home devices.
	2025	Developing tabletop robot under project 'J595', targeting a 2027 launch with a price goal of USD1,000.

Source: Company data, Samsung Securities

HMC/Kia to launch real-world data business before manufacturing robots

According to Nvidia's GR00T N1 paper (May 2025), training high-performing robot AI models requires three distinct data types. First, internet-sourced data—text, images, and video—are used to teach robots general world knowledge and language. Widely available, these data lack physical action. Second, synthetic data, generated in simulated environments. Such data are cheap and infinitely scalable, but fundamentally limited in terms of ability to replicate real-world physics. Third, real-world action data, which are collected from physical sensors (*eg*, joint torque, force/haptic feedback, RGB cameras, *etc*), are high quality, sparse, and costly.

Real-world data cannot be replicated by online or synthetic sources due to the following characteristics:

- **Contact dynamics:** The subtle forces, deformations, and slippage when a gripper grasps an object are invisible to cameras.
- **6-axis joint actuation data:** Motor current, torque, and joint-angle data from real-world robot operations are difficult to precisely replicate in simulations.
- **Authentic diversity:** Dust, changing lighting, and unexpected object placements—only the real world provides this unstructured complexity at scale.
- **Failure recovery trajectories:** How a robot recovers from a misstep is critical to robustness. These real-world recovery patterns are nearly impossible to simulate accurately.

Nvidia's GR00T N1 paper outlines a data pyramid: As you move from the bottom of the pyramid to the top, the volume of data decreases sharply but their quality and value rise exponentially. For GR00T N1, Nvidia used 50,000 hours of H100 compute, combining internet video, synthetic data, and teleoperated real-world data in a layered architecture. While the portion of synthetic data was high, Nvidia explicitly noted that without high-quality real-world data, model performance degrades significantly. One hour of real-world robot data delivers training efficiency equivalent to hundreds of hours of synthetic data.

In Mar 2025, Nvidia acquired Gretel, a synthetic data provider, for USD320m. Elsewhere, Meta invested USD14.8b to secure a 49% stake in Scale AI—a company that generates and labels training data using human annotators. Scale AI employs workers across low-wage countries like the Philippines, Nigeria, and Kenya, using algorithmic workflows to annotate images, text, and audio. It adds margins of over 50% on labor costs. This race for high-value training data has escalated into a full-scale M&A battle worth billions of dollars.

Data types required for robot AI model training

Data type	Components	Characteristics
Internet data	Text, images, video	Abundant but lacks physical action data
Synthetic data	Simulation trajectories, virtual environments	Low-cost but limited sim-to-real transfer
Real-world action data	Joint torque, force/tactile sensors, RGB video, multi-axis motion	Scarce, high cost, and high quality

Source: Nvidia GR00T N1 paper, Samsung Securities

Real-world data: High value, high cost

Source: Nvidia GR00T N1 paper, Silicon Valley Robotics Center, Samsung Securities

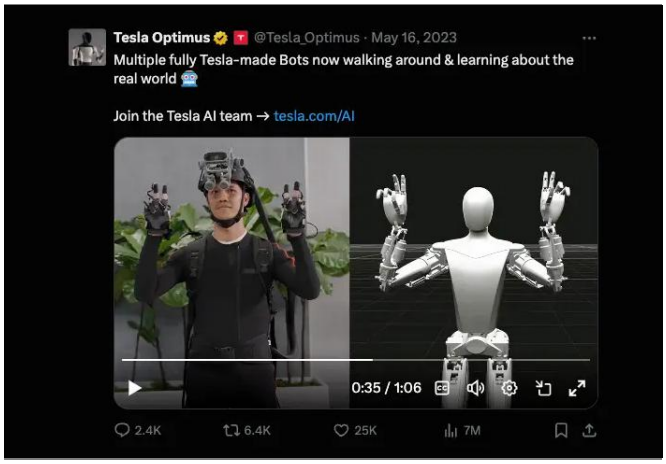
Scale AI began in 2016 by providing labeling services for autonomous vehicles, serving early clients like GM Cruise and Lyft. Its sales came to USD50m in 2020. The surge in demand for LLMs after the launch of ChatGPT in 2022 triggered a strategic pivot towards providing data for LLM training, sparking explosive sales growth: Sales of USD0.76b in 2023 vs USD2b in 2025. In Jun 2025, Meta invested USD14.3b for a 49% stake in the firm, valuing Scale AI at USD29b. But Meta's large stake acquisition sparked a backlash. Key Scale AI clients—*eg*, Google (which spent USD150m *pa* on data provided by Scale AI), OpenAI, xAI, and Microsoft—have scaled back or terminated their contracts with the firm.

According to the Silicon Valley Robotics Center's State of Robotics 2026 report, the cost of collecting high-quality teleoperated robot data is USD136 per hour (60% less than the USD340/hr in early 2024). In contrast, online data, measured by crawling costs, averages just USD0.001 per hour. Even with this decline in the cost of collecting high-quality teleoperated robot data, such data remain tens of thousands of times more expensive than internet-sourced data because of scarcity. Online data can be infinitely replicated by crawlers, but robotic action data need physical robots operating in the real world.

Taking these dynamics into account, we can estimate RMAC's potential value. If RMAC were to operate like Scale AI—selling data to multiple clients—its minimum valuation could reach USD29b, equivalent to roughly 21% of HMC/Kia's combined market cap. To preserve data neutrality, however, any investment from Nvidia or Google DeepMind should be capped at 10% each.

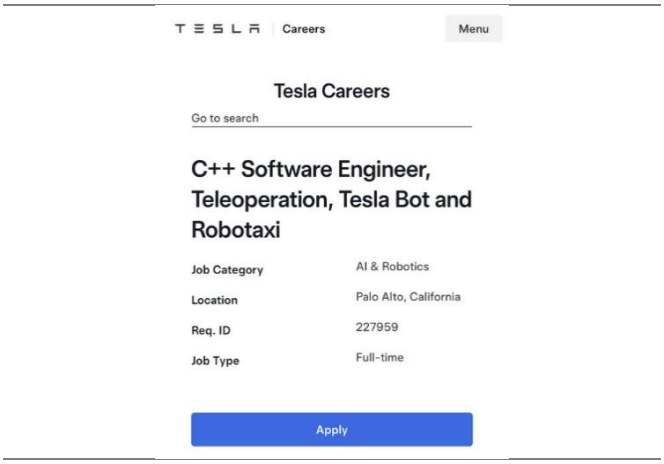
To estimate the annual value of data generated by RMAC, we assume that: 1) robots operate 20 hours/day, 250 days/year; and 2) data are priced at USD72/hour, based on Tesla's 2025 rate of USD48/hour for teleoperated labor, plus a 50% markup modeled after Scale AI's business model. Under these assumptions, RMAC generated USD4m in annualized data value in early 2026, growing to an estimated USD1.8b in 2028 and USD10.8b in 2030.

Tesla Optimus: Learning via teleoperation



Source: X

Tesla: Teleoperation job posting (USD48/hr)



Source: Company data

RMAC data value projection

	Units deployed (units)	Annual data hours ('000 hours)	Annual data value (USDm)	Annual data value (KRWb)
2026 proof of concept stage	10	50	4	5.2
2027 early stage	500	2,500	180	261
2028 mass-production	5,000	25,000	1,800	2,610
2030 expansion	30,000	150,000	10,800	15,660

Note: Exchange rate applied: KRW1,450/USD.
Source: Samsung Securities

The assembly lines at Hyundai Motor Group Metaplant America (HMGMA) employ around 1,100 workers. If production scales to 500,000 autos *pa* by 2030, the plant is expected to employ around 1,500 workers. If HMC and Kia equip these workers with smart glasses and gloves embedded with haptic sensors, they could capture rich, real-world action data during routine assembly tasks. This data could be packaged and sold with robot-generated datasets. This means that the Korean carmakers can generate new revenue (data sales), separate from vehicle sales, without hiring additional staff.

We calculated the value of data generated on an assembly line by assuming workers operate 8 hours a day, 250 days a year, with data valued at USD72 per hour. At HMGMA alone, this would result in

USD150m in data value in 2027, rising to USD210m by 2030. If HMG collected data the same way at all of its overseas factories, the total data value would be much higher.

Data value generated by human workers at HMGMA

	Number of workers	Annual data hours ('000 hours)	Annual data value (USDm)	Annual data value (KRWb)
2027	1,100	2,200	158	230
2028	1,100	2,200	158	230
2030	1,500	3,000	216	313

Note: Exchange rate applied: KRW1,450/USD
Source: Samsung Securities

If HMC and Kia sell this data in the US, the related revenue could start at just USD17m in 2027 before surging to USD2.7b by 2030. At first, only 10% of the data might be sold to non-affiliates, but as the data get better and more useful, that share may rise to 50% by 2030. We assume a 50% operating margin on the data, which figure is typical for software businesses. The big advantage of selling data is that once they are created, they can be sold again and again to different customers—related profit could actually exceed 50% over time.

By 2030, the data sales business could generate USD2.7b (KRW4t) in operating profit—about 19% of HMC and Kia's combined 2025 operating profit. If we apply a P/E of 30x (typical for platform companies) to our 2030 net-profit estimate, the data business could be worth USD65b. This is 2.2x the enterprise value of Scale AI and 49% of HMC and Kia's combined market cap. In short, RMAC is likely to drive a valuation re-rating for HMC and Kia.

HMC/Kia: Robot data business profitability forecasts

	Annual data value (RMAC + Overseas plants)	External sales ratio (%)	Revenue (USDm)	Operating profit* (USDm)	Net profit** (USDm)
2026	4	0	n/a	n/a	n/a
2027	338	10	34	17	13
2028	1,958	30	588	294	232
2030	11,016	50	5,508	2,754	2,176

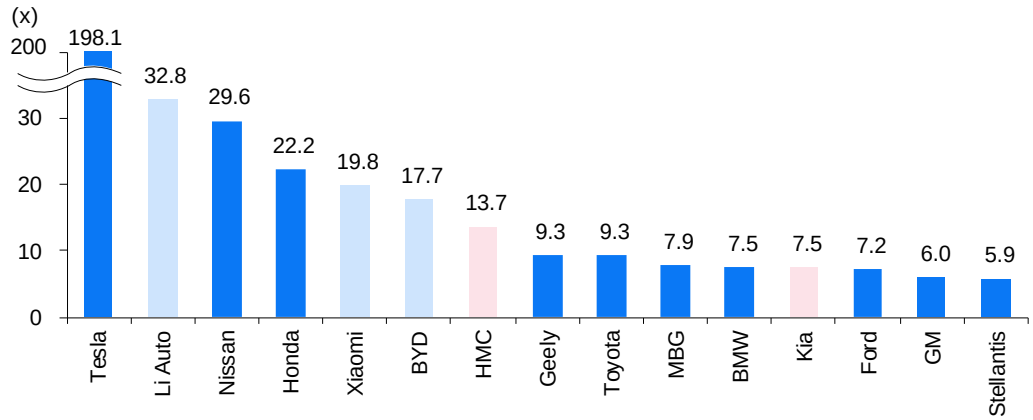
Note: *Assumes an operating margin of 50%;
**Assumes a corporate tax rate of 21%
Source: Samsung Securities

Times of technological innovation: Follow the money, not just valuation

Since 2023, HMC and Kia's global sales volume and profitability have stalled. In 2025, US tariffs weighed heavily, causing its profits to plunge. Even after the US tariff rate was cut from 25% to 15%, HMC's sales volume has fallen across all regions except the US and India, delaying an earnings recovery.

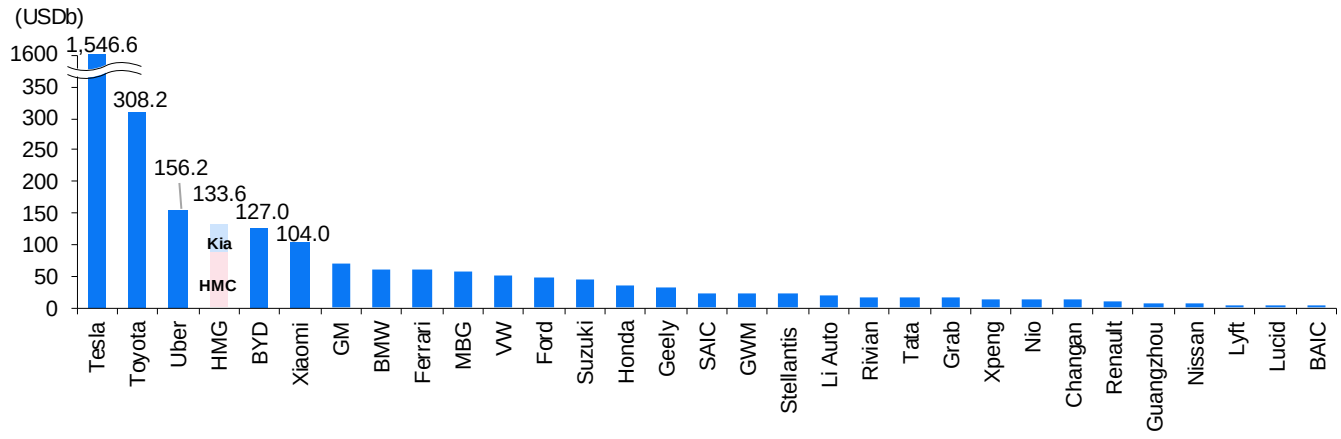
Even so, after CES 2026, HMC's stock price jumped to 15x P/E, holding above 11x despite rising macro risks from the Middle East war. This signals that investors no longer value HMC purely as a carmaker, but also as a promising robotics firm. Last week, renewed optimism surrounding its robotics business pushed HMC and Kia's combined market cap to USD133.6b—it became the 4th largest player in the global mobility sector.

Global automakers: 12-month-forward P/E



Source: Bloomberg, Samsung Securities

Top 10 global mobility companies, by market cap



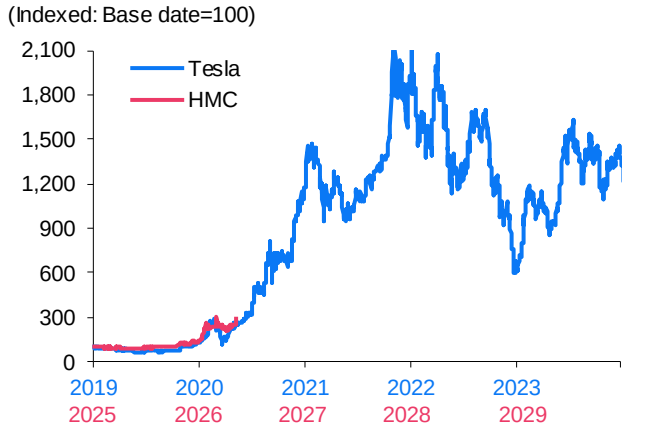
Source: Bloomberg, Samsung Securities

Six years ago, Tesla's shares surged after its market cap surpassed Toyota's, a pattern that we believe HMG will mirror when its market cap surpasses Toyota's. In Mar 2020, Tesla began selling its mass-market EV model, the Model Y. Just four months later (Jul 1, 2020), Tesla's market cap surpassed Toyota's. In 2020, Tesla sold only 500,000 autos and posted a net profit of USD0.7b—just 1/20 of Toyota's sales volume and net profit. Yet the stock market recognized EVs as the future and crowned Tesla the leader of the mobility sector. The debate over Tesla's valuation was fierce, but Toyota has never been able to regain the top spot (in terms of market cap). Today, no one seriously believes that Tesla deserves a lower market cap than Toyota's.

Toyota will likely remain the world's top-selling automaker for years to come, thanks to its strong hybrid sales (45% of its total volume). But back in 2020, the stock market had already decided that EVs would become mainstream. HMC and Kia's sales volume, sales, and operating profit are 60-70% of those of Toyota. Yet they are transitioning to physical AI faster, and their robotics business is already a global top-tier player. By late 2026, HMG plans to launch RMAC, followed by the establishment of

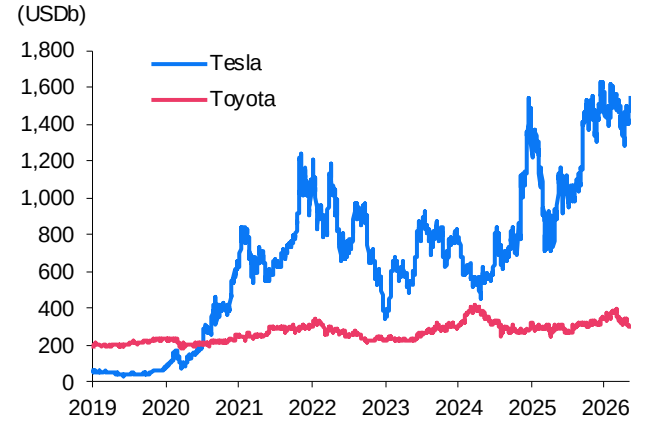
Robotics America. These moves are likely to push HMC and Kia's combined market cap past Toyota's by end-2027. This market cap crossover would symbolize the transition to the physical AI era.

Market cap: HMC vs Tesla



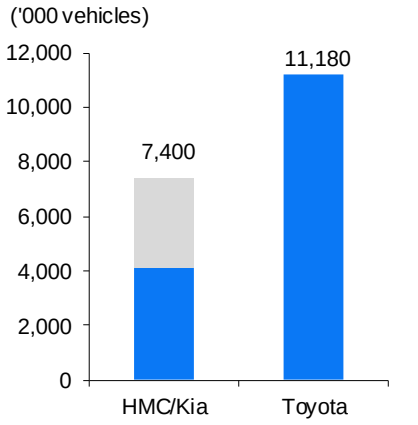
Source: Bloomberg, Samsung Securities

Market cap: Tesla vs Toyota



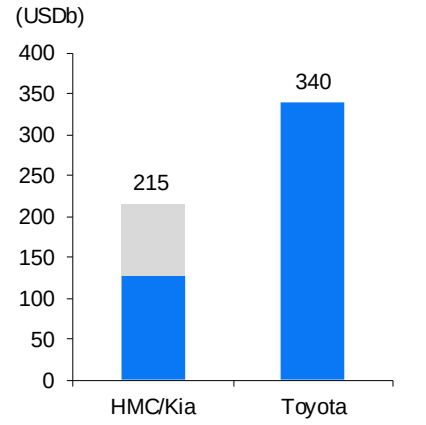
Source: Bloomberg, Samsung Securities

Global sales volume: HMG vs Toyota (2026)



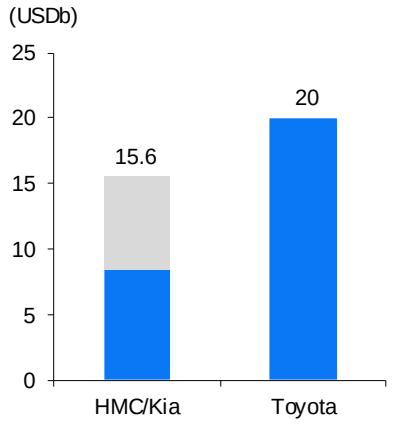
Note: HMC/Kia figures are Samsung Securities estimates; Toyota figures are FY27 guidance
Source: Company data, Samsung Securities.

Consolidated sales: HMG vs Toyota (2026)



Note: HMC/Kia figures are Samsung Securities estimates; Toyota figures are FY27 guidance
Source: Company data, Samsung Securities.

Operating profit: HMG vs Toyota (2026)



Note: HMC/Kia figures are Samsung Securities estimates; Toyota figures are FY27 guidance
Source: Company data, Samsung Securities.

HMG's grand vision creates big opportunities for value chain

HMG's move into robotics has opened big opportunities for the Korean value chain. At first, sales from supplying parts to robots like Atlas or MobED will be modest—less than 5% of HMG's consolidated sales. But HMG aims for robotics to make up 20% of its total sales in the long term. To hit that goal, it needs to sell 4m robots *pa* (at an ASP of USD30,000). Such a volume is 100x more than its current scale (based on its current Atlas production).

HMG wants to build its robotics value chain around its existing Korean suppliers. Much of the hardware technology for robotics—such as E/E, sensors, and batteries—overlaps with the foundational

technologies developed for autonomous EVs. That means companies that are already supplying parts for HMG's autonomous EVs have a big chance to also supply it with robotics parts.

Just as the parts suppliers that followed HMC and Kia overseas in the 2000s far outperformed those that stayed in Korea over the next decade (in terms of earnings performance), companies that move into the robotics supply chain now are likely to outperform their rivals over the next 10 years.

Boston Dynamics: Robot value chain

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

Source: Company data, Samsung Securities

Robotics Lab: MobED value chain

Component	Company	Remarks
Lidar	SOS Lab	2 units per robot / Supplied as a module by SL Corp
Battery	Samsung SDI	Cylindrical
Edge chip	DeepX	DX-M1 NPU / Computing power: 30 FPS / Power consumption: 5 W
Actuator	Gyeyang Electric	12 units per robot
Contract manufacturing	SL Corp	Includes battery pack

Note: The target is to cumulatively sell 10,000 to 15,000 units over the next three years.
Source: HMC, Samsung Securities

Parts suppliers that expanded into the US alongside HMC and Kia should build track records supplying Boston Dynamics. This should give them a credible reference to win new robotics customers, especially since all major US tech companies are now entering the robotics space. The US is also likely to limit Chinese companies from joining its robotics supply chain, just as it has done with EVs.

In fact, in March, Republican Senator Tom Cotton and Democratic Senator Chuck Schumer jointly introduced the American Security Robotics Act of 2026. The bill aims to protect US citizens' data privacy and block adversarial nations' (including China, Russia, North Korea, and Iran) robotic technologies from infiltrating US national security systems and critical infrastructure—thereby preserving US technological leadership in robotics.

The bill prohibits federal procurement or operation of unmanned ground vehicle systems, autonomous patrol technologies, mobile robotics, or humanoid robots that are made by companies headquartered in adversarial nations (*eg*, China and Russia) or under their influence or control, including their subsidiaries. The restrictions extend beyond finished robotics products to critical components—such as cameras, sensors, and controllers—that are essential for data collection or robot control.

The bill was referred to the US Senate Committee on Homeland Security and Governmental Affairs in late March and is expected to pass with bipartisan support in 2H, with implementation likely in early 2027. Separately, the US government is likely to announce targeted incentives (*eg*, subsidies) for the development of US robotics. If production subsidies—similar to those under the Inflation Reduction Act (IRA)—are introduced for critical components such as actuators, Hyundai Mobis and HL Mando would likely prove to be the prime beneficiaries.

Comparison of security robotics bill / drone regulations / IRA

Category	Security robotics bill	Drone regulations	IRA (Inflation Reduction Act)
Implementation	Introduced in Mar 2026; 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 investments 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

COMPANY UPDATE

2026. 5. 11

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Hyundai Motor (005380)

Why it still leads in robotics

- In the auto industry, Hyundai Motor (HMC) trails Kia in profitability, US market growth, and domestic sales—yet its P/E multiple remains roughly double Kia's.
- Hyundai Motor Group (HMG) plans to expand its robotics business in the US through three entities: Boston Dynamics, Robot Metaplant Application Center (RMAC), and Robotics America. HMC holds the largest equity stake in all three, establishing itself as the frontrunner in this emerging field.
- HMC should rally further, backed by RMAC (to come online in 3Q) and Robotics America (to be established in 2H26).

(§ This report was originally published on May 11)

WHAT'S THE STORY?

Top pick—Raising target price by 14.3% to KRW800,000: We believe the operation of RMAC and establishment of Robotics America in 2H26 will serve as key catalysts.

- **Maintaining target P/E of 18x:** Our new target price of KRW800,000 is derived by applying 18x P/E to the 2026–2027 EPS average (previously based on 2026 only). The target multiple is based on the 2025 average P/E of three leading Chinese EV companies—Li Auto, Xiaomi, and BYD—that have publicly pursued autonomous driving and robotics initiatives. While Li Auto currently trades at 32x P/E (Bloomberg) due to slowing earnings growth, Xiaomi and BYD trade at an average of 18x.

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW800,000	30.5%
Current price	**KRW613,000**	
Market cap	KRW125.5t/USD85.3b	
Shares (float)	204,757,766 (65.6%)	
52-week high/low	KRW674,000/KRW179,900	
Avg daily trading value (60-day)	KRW845.8b/ USD574.7m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Hyundai Motor (%)	20.7	132.2	227.6
Vs Kospi (%pts)	-5.5	22.4	12.7

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	800,000	800,000	0.0%
2026E EPS	41,942	41,942	0.0%
2027E EPS	46,021	46,021	0.0%

SAMSUNG vs THE STREET

No of estimates	26
Target price	685,000
Recommendation	4.0

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

SUMMARY FINANCIAL DATA

(KRWb)	2025	2026E	2027E	2028E
Revenue	186,254	197,088	208,891	218,257
Operating profit	11,468	12,232	13,504	14,907
Net profit (adj)	10,365	11,475	12,591	13,788
EPS (adj) (KRW)	35,331	41,942	46,021	50,393
EPS (adj) growth (% y-y)	-23.3	18.7	9.7	9.5
EBITDA margin (%)	8.9	8.8	9.0	9.2
ROE (%)	8.4	9.3	9.5	9.6
P/E (adj) (x)	8.4	14.6	13.3	12.2
P/B (x)	0.7	1.3	1.2	1.1
EV/EBITDA (x)	14.4	17.8	16.6	15.5
Dividend yield (%)	3.4	1.8	2.0	2.0

Source: Company data, Samsung Securities estimates

While these Chinese competitors have commercialized Level 2+ autonomous technologies 1-2 years ahead of HMC, they rely on external partners (eg, Momenta, Nvidia, and Horizon Robotics) for core AI inference models and chips. We view their technical capability as broadly aligned with HMC's, with no decisive advantage. Furthermore, in robotics, these firms remain at the announcement stage whereas HMC holds a clear lead in development and real-world deployment.

- **To expand its robotics business in the US via three core entities:** While HMC already holds the largest stake (28%) in Boston Dynamics, it is also likely to hold the biggest ownership share in both RMAC and Robotics America, which should be established in 2H26. If HMC holds 50% or higher stakes in both, revenue from data services and robot production would begin to be recognized from 2027 onward.

Operation of RMAC from 3Q26— starting point of the physical AI era: We forecast HMC/Kia's combined market cap will exceed Toyota's in 2027.

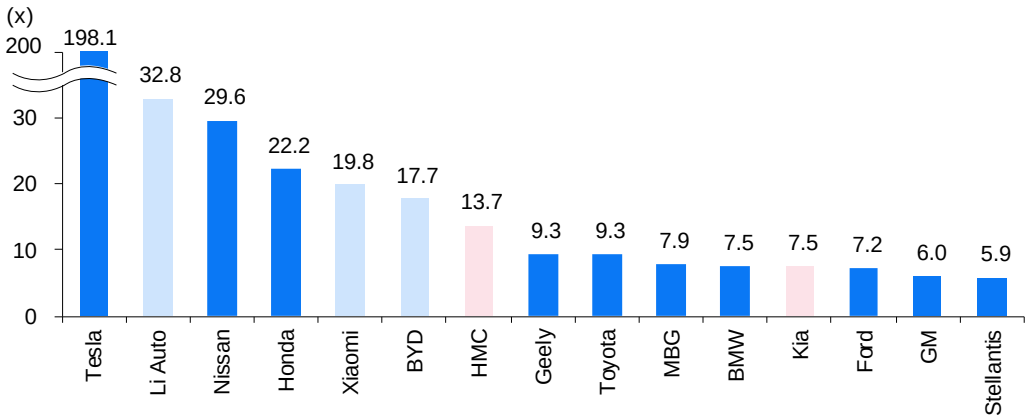
- **HMC/Kia's plants generate the real-world data needed to train robots:** Robots first train in RMAC, mastering factory layouts, movement paths, and task sequences in simulations. This virtual training data is then fused with live operational data from HMC/Kia's smart digital factory (SDF) systems. The objective is to create a self-improving feedback loop: virtual training → real-world feedback → model refinement.
- **RMAC's ownership structure:** Beyond HMG, Google and Nvidia are likely to take some stakes in RMAC. The two US firms need high-quality, real-world robotic behavior data to train next-generation foundation models. Both also operate data centers (essential for robot training) and inference chip-based businesses. Through RMAC, HMC and Kia could sell high-value robotic datasets not just to Google and Nvidia, but to other US tech giants.
- **RMAC's value:** Like Scale AI (which Meta invested 49% in), RMAC could monetize its data. Selling data to multiple enterprise clients could value RMAC at USD29b—or 21% of HMC/Kia's combined market cap. Assuming USD72/hour per robot-training unit, RMAC's value could come in at USD65b, nearly 49% of HMC/Kia's combined market cap.
- **RMAC's sales and earnings:** RMAC's revenue is projected to reach USD34m in 2027 but balloon to USD2.7b in 2030, driven by improvements in data quality and greater customization that enhances operational efficiency. Operating margin should top 50%, translating to USD2.7b in operating profit (or around KRW4t) in 2030—equivalent to 19% of HMC/Kia's combined 2025 operating profit.
- **Don't focus on valuation—focus on where the money is flowing:** In 2020, Tesla sold just 0.5m vehicles and posted a net profit of USD700m—only one-twentieth of Toyota's. Yet, the US carmaker's market cap surpassed the Japanese player's on Jul 2020, just months after having launched the Model Y in March.

  In 2H26, HMG is set to launch RMAC and set up Robotics America in 2H26. If these moves gain traction, HMC/Kia's combined market cap would overtake Toyota's next year. Such a reversal would be the market's acknowledgment that the Physical AI era has officially begun.

Profit recovery expected in 2H: 2Q should continue to face headwinds from engine valve supply disruptions and rising raw material costs. Operating profit should rebound to KRW3t in 2Q.

- **Impact of fire at engine valve supplier:** A March fire disrupted engine production. Alternative components are under evaluation and quality validation. Replacement sourcing should begin in 2Q, with full production ramp-up in 2H, minimizing annual impact.
- **Raw material costs:** An additional KRW200b y-y increase is expected in 2Q.
- **New model launches in 2H:** HMC should roll out new models for Avante and Tucson in both ICE and hybrid variants as well as the Genesis hybrid.

Global automakers: 12-month-forward P/E



Source: Bloomberg, Samsung Securities

Data types required for robot AI model training

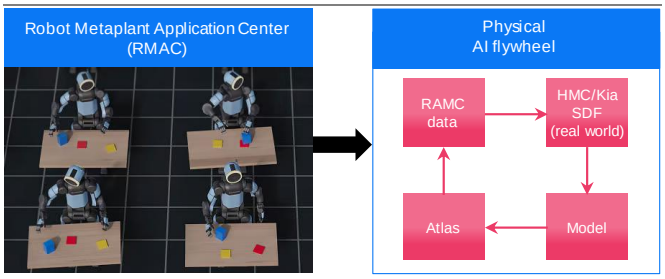
Data type	Components	Characteristics
Internet data	Text, images, video	Abundant but lacks physical action data
Synthetic data	Simulation trajectories, virtual environments	Low-cost but limited sim-to-real transfer
Real-world action data	Joint torque, force/tactile sensors, RGB video, multi-axis motion	Scarce, high-cost, and high-quality

Source: Nvidia GR00T N1 paper, Samsung Securities

Real-world data: High value, high cost

Source: Nvidia GR00T N1 paper, Silicon Valley Robotics Center, Samsung Securities

HMG: Physical AI flywheel



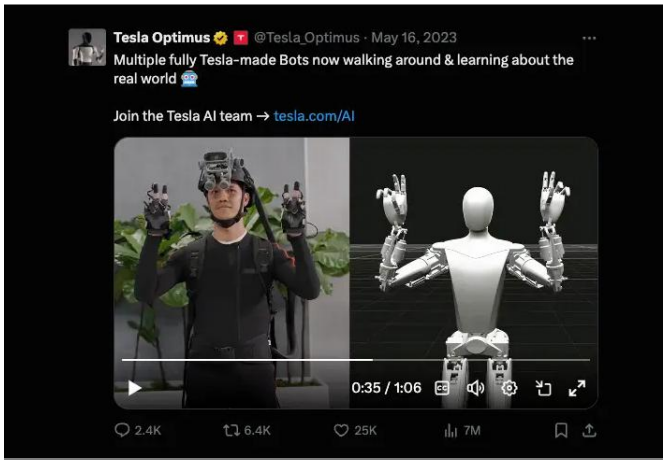
Data → Model training → Deployment on robot hardware → Operation in real-world environments → Generation of new data
As this process repeats, HMG can accumulate high-quality datasets that support sustained improvement in model performance

Source: Samsung Securities

Metaplant: Collaborative robots working alongside humans on an assembly line

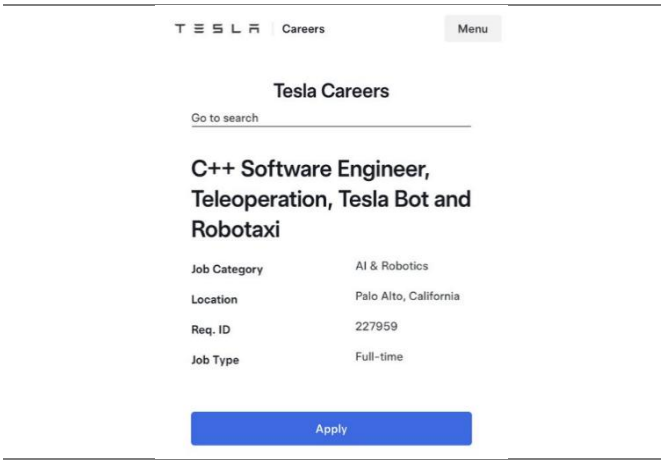
Source: HMC

Tesla Optimus: Learning via teleoperation



Source: X

Tesla: Teleoperation job posting (USD48/hr)



Source: Company data

RMAC data value projection

	Units deployed (units)	Annual data hours ('000 hours)	Annual data value (USDm)	KRW equivalent (USDb)
2026 proof of concept stage	10	50	4	5.2
2027 early stage	500	2,500	180	261
2028 mass-production	5,000	25,000	1,800	2,610
2030 expansion	30,000	150,000	10,800	15,660

Note: Exchange rate applied: KRW1,450/USD.
Source: Samsung Securities

Data value generated by human workers at the Metaplant

	Number of workers	Annual data hours ('000 hours)	Annual data value (USDm)	KRW equivalent (USDb)
2027	1,100	2,200	158	230
2028	1,100	2,200	158	230
2030	1,500	3,000	216	313

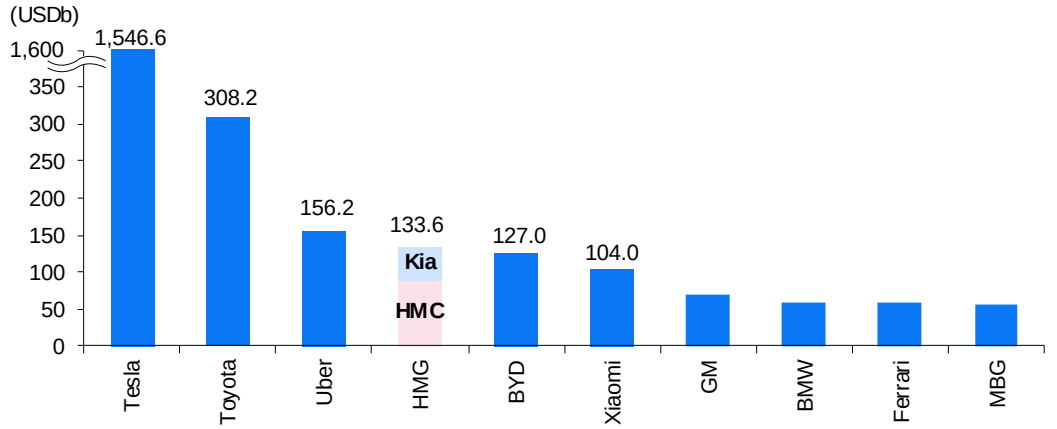
Source: Samsung Securities

HMC/Kia: Robot data business profitability forecasts

	Annual data value (RMAC + Overseas plants)	External sales ratio (%)	Revenue (USDm)	Operating profit* (USDm)	Net Profit** (USDm)
2026	4	0	n/a	n/a	n/a
2027	338	10	34	17	13
2028	1,958	30	588	294	232
2030	11,016	50	5,508	2,754	2,176

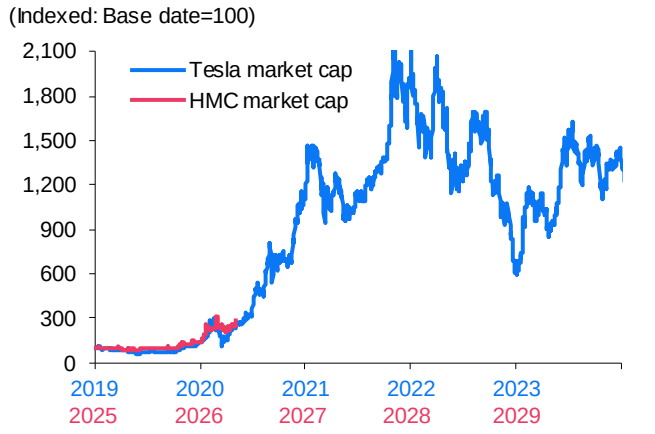
Note: *Assumes operating margin of 50%;
**Assumes corporate tax rate of 21%
Source: Samsung Securities

Top 10 global mobility companies, by market cap



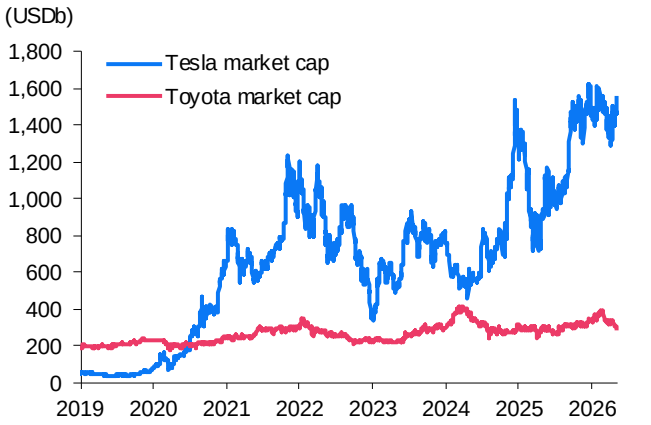
Source: Bloomberg, Samsung Securities

Market cap: HMC vs Tesla



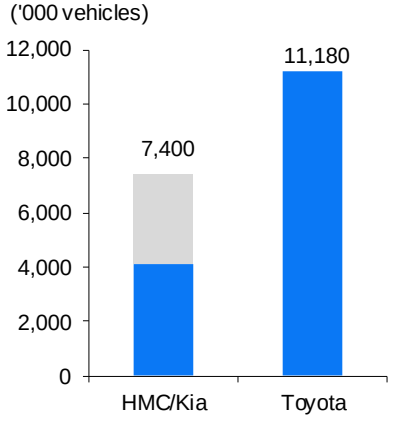
Source: Bloomberg, Samsung Securities

Market cap: Tesla vs Toyota



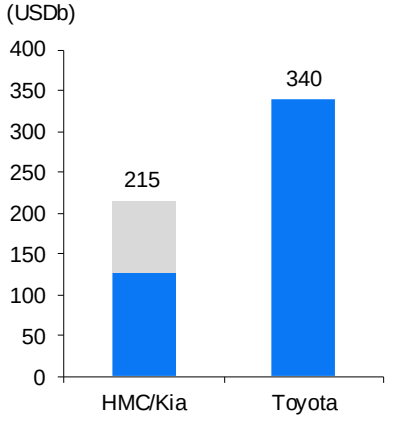
Source: Bloomberg, Samsung Securities

Global sales volume: HMG vs Toyota (2026)



Note: HMC/Kia figures are Samsung Securities estimates; Toyota figures are FY27 guidance
Source: Company data, Samsung Securities.

Consolidated sales: HMG vs Toyota (2026)



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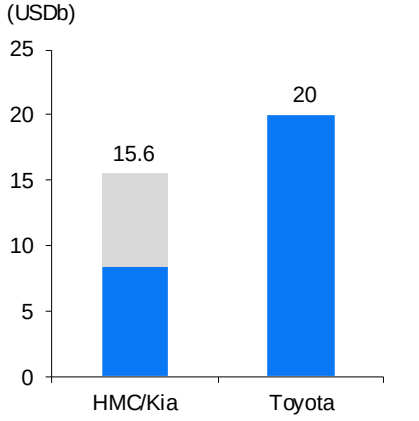
Source: Company data, Samsung Securities.

Operating profit: HMG vs Toyota (2026)



Note: HMC/Kia figures are Samsung Securities estimates; Toyota figures are FY27 guidance
Source: Company data, Samsung Securities.

HMC: Global sales volume and forecasts

('000 vehicles)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	2024	2025	2026E	2027E
Global plant sales	1,006	1,063	1,022	1,021	985	1,058	1,031	1,076	4,174	4,111	4,119	4,294
Domestic	445	483	458	454	441	474	434	451	1,871	1,840	1,800	1,810
Overseas	561	580	563	567	543	583	597	625	2,303	2,271	2,319	2,484
India (HMI)	192	180	191	195	208	209	212	191	764	758	820	850
China (BHMC)	44	50	47	53	42	52	45	62	170	194	200	210
US (HMMA)	98	112	108	105	100	116	122	112	361	422	450	500
Turkey (HAOS)	62	59	39	38	39	54	46	71	246	198	210	210
Czech (HMMC)	73	74	67	63	67	86	75	93	327	277	320	330
Russia (HMMR)	0	0	0	0	0	0	0	0	0	0	40	100
Brazil (HMMB)	41	55	54	63	43	49	55	57	214	213	205	205
Global retail sales	1,001	1,066	1,038	1,033	975	1,058	1,058	1,023	4,142	4,138	4,115	4,255
Global ASP (KRWm)	35.7	36.3	36.5	36.7	36.4	38.5	38.8	39.6	34.1	36.3	38.4	39.3

Source: Company data, Samsung Securities

HMC: 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	44,408	48,287	46,721	46,839	45,939	51,435	50,360	49,354	175,231	186,254	197,088	208,891
Autos	34,718	37,609	36,715	36,590	34,539	39,525	39,965	38,808	136,725	145,632	152,837	162,116
Finance	7,398	8,214	7,189	7,432	8,991	9,446	7,549	7,875	28,447	30,233	33,861	35,554
Other	2,292	2,464	2,818	2,817	2,409	2,464	2,846	2,671	10,060	10,390	10,390	11,221
Gross profit	8,980	9,110	8,284	7,843	8,017	8,817	8,904	9,565	35,749	34,217	35,303	37,712
Operating profit	3,634	3,602	2,537	1,695	2,515	3,136	3,202	3,380	14,240	11,468	12,232	13,504
Pre-tax profit	4,465	4,385	3,326	1,666	3,522	4,222	3,892	3,739	17,781	13,842	15,375	16,788
Net profit	3,382	3,250	2,548	1,184	2,585	3,167	2,919	2,804	13,230	10,365	11,475	12,591
Controlling profit	3,157	2,998	2,261	1,029	2,335	3,072	2,832	2,720	12,527	9,446	10,959	12,213
Margins (%)												
Gross profit	20.2	18.9	17.7	16.7	17.5	17.1	17.7	19.4	20.4	18.4	17.9	18.1
Operating profit	8.2	7.5	5.4	3.6	5.5	6.1	6.4	6.8	8.1	6.2	6.2	6.5
Net profit	7.6	6.7	5.5	2.5	5.6	6.2	5.8	5.7	7.5	5.6	5.8	6.0
Controlling profit	7.1	6.2	4.8	2.2	5.1	6.0	5.6	5.5	7.1	5.1	5.6	5.8

Source: Company data, Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**175,231**	**186,254**	**197,088**	**208,891**	**218,257**
Cost of goods sold	139,482	152,038	161,785	171,179	178,477
Gross profit	**35,749**	**34,217**	**35,303**	**37,712**	**39,780**
Gross margin (%)	20.4	18.4	17.9	18.1	18.2
SG&A expenses	21,510	22,749	23,071	24,208	24,873
Operating profit	**14,240**	**11,468**	**12,232**	**13,504**	**14,907**
Operating margin (%)	8.1	6.2	6.2	6.5	6.8
Non-operating gains (losses)	**3,223**	**2,374**	**3,143**	**3,284**	**3,477**
Financial profit	1,531	1,299	802	737	835
Financial costs	899	1,010	599	599	611
Equity-method gains (losses)	3,114	2,510	2,883	3,088	3,240
Other	-524	-425	57	59	12
Pre-tax profit	**17,462**	**13,842**	**15,375**	**16,788**	**18,383**
Taxes	4,232	3,477	3,900	4,197	4,596
Effective tax rate (%)	24.2	25.1	25.4	25.0	25.0
Profit from continuing operations	13,549	10,365	11,475	12,591	13,788
Profit from discontinued operations	-319	0	0	0	0
Net profit	**13,230**	**10,365**	**11,475**	**12,591**	**13,788**
Net margin (%)	7.5	5.6	5.8	6.0	6.3
Net profit (controlling interests)	12,527	9,446	11,131	12,213	13,374
Net profit (non-controlling interests)	703	919	344	378	414
EBITDA	18,527	16,484	17,370	18,747	20,119
EBITDA margin (%)	10.6	8.9	8.8	9.0	9.2
EPS (parent-based) (KRW)	46,042	35,331	41,942	46,021	50,393
EPS (consolidated) (KRW)	48,626	38,767	43,239	47,444	51,952
Adjusted EPS (KRW)*	46,042	35,331	41,942	46,021	50,393

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**115,764**	**120,777**	**120,249**	**128,078**	**137,045**
Cash & equivalents	19,015	18,361	12,002	13,478	17,562
Accounts receivable	5,908	8,600	9,101	9,646	10,032
Inventories	19,791	20,662	21,864	23,173	24,100
Other current assets	71,050	73,155	77,283	81,782	85,351
Fixed assets	**224,034**	**248,067**	**260,668**	**272,739**	**282,484**
Investment assets	41,392	45,719	50,167	54,564	56,912
Tangible assets	44,534	48,750	50,849	51,811	51,778
Intangible assets	7,683	9,268	9,032	8,826	8,647
Other long-term assets	130,425	144,331	150,620	157,538	165,148
Total assets	**339,798**	**368,845**	**380,917**	**400,817**	**419,529**
Current liabilities	**79,510**	**88,579**	**86,283**	**91,240**	**95,206**
Accounts payable	12,550	12,287	13,002	13,781	14,399
Short-term debt	9,327	10,388	10,388	10,388	10,388
Other current liabilities	57,633	65,904	62,893	67,071	70,420
Long-term liabilities	**140,013**	**152,617**	**157,600**	**162,838**	**166,944**
Bonds & long-term debt	120,420	131,240	134,240	137,240	140,240
Other long-term liabilities	19,593	21,377	23,359	25,597	26,703
Total liabilities	**219,522**	**241,197**	**243,883**	**254,078**	**262,150**
Owners of parent equity	**109,103**	**115,447**	**124,488**	**133,815**	**144,041**
Capital stock	1,489	1,489	1,489	1,489	1,489
Capital surplus	7,656	7,780	7,780	7,780	7,780
Retained earnings	96,596	101,312	109,819	119,146	129,372
Other	3,362	4,865	5,400	5,400	5,400
Non-controlling interests' equity	**11,173**	**12,202**	**12,546**	**12,924**	**13,337**
Total equity	**120,276**	**127,648**	**137,034**	**146,739**	**157,379**
Net debt	130,142	152,127	154,887	156,542	155,664

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**-5,662**	**-5,991**	**14,185**	**15,458**	**15,742**
Net profit	13,230	10,365	11,475	12,591	13,788
Non-cash profit and expenses	23,950	25,920	4,919	5,182	5,311
Depreciation	3,398	3,745	3,901	4,038	4,033
Amortization	889	1,272	1,236	1,206	1,179
Other	19,663	20,904	-218	-62	99
Changes in A/L from operating activities	-35,160	-34,325	455	711	-17
Cash flow from investments	**-14,623**	**-10,347**	**-13,755**	**-13,381**	**-12,977**
Change in tangible assets	-7,890	-8,121	-6,000	-5,000	-4,000
Change in financial assets	-1,842	2,832	-466	-463	-367
Other	-4,891	-5,059	-7,289	-7,918	-8,610
Cash flow from financing	**19,493**	**15,425**	**-5,861**	**639**	**372**
Change in debt	32,090	18,624	-3,238	3,526	3,520
Change in equity	3,278	124	0	0	0
Dividends	-3,913	-3,689	-2,624	-2,886	-3,148
Other	-11,961	366	0	0	0
Change in cash	-152	-654	-6,359	1,476	4,085
Cash at beginning of year	19,167	19,015	18,361	12,002	13,478
Cash at end of year	19,015	18,361	12,002	13,478	17,562
Gross cash flow	**37,180**	**36,285**	**16,394**	**17,773**	**19,098**
Free cash flow	**-13,723**	**-14,358**	**8,185**	**10,458**	**11,742**

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	7.7	6.3	5.8	6.0	4.5
Operating profit	-5.9	-19.5	6.7	10.4	10.4
Net profit	7.8	-21.7	10.7	9.7	9.5
Adjusted EPS**	5.6	-23.3	18.7	9.7	9.5
Per-share data (KRW)					
EPS (parent-based)	46,042	35,331	41,942	46,021	50,393
EPS (consolidated)	48,626	38,767	43,239	47,444	51,952
Adjusted EPS**	46,042	35,331	41,942	46,021	50,393
BVPS	413,568	439,541	475,446	511,069	550,125
DPS (common)	12,000	10,000	11,000	12,000	12,000
Valuations (x)					
P/E***	4.6	8.4	14.6	13.3	12.2
P/B***	0.5	0.7	1.3	1.2	1.1
EV/EBITDA	10.5	14.4	17.8	16.6	15.5
Ratios (%)					
ROE	12.4	8.4	9.3	9.5	9.6
ROA	4.3	2.9	3.1	3.2	3.4
ROIC	7.1	3.6	3.5	3.8	4.0
Payout ratio	19.5	21.4	20.0	19.9	18.2
Dividend yield (common)	5.7	3.4	1.8	2.0	2.0
Net debt to equity	108.2	119.2	113.0	106.7	98.9
Interest coverage (x)	31.5	20.0	20.4	22.5	24.4

Note: *Excluding one-off items
**Fully diluted, excluding one-off items
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

COMPANY UPDATE

2026. 5. 11

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Hyundai Mobis (012330)

Increasingly attractive

- On May 8, media reports suggested that Boston Dynamics was nearing its IPO, causing Hyundai Mobis's stock to rise 15.29%—double the 7.17% gain of Hyundai Motor.
- While Boston Dynamics' potential IPO is linked to Hyundai Motor Group's governance structure, there is currently no urgent need to rush the listing. Nevertheless, investors expect strength in Mobis's stock price.
- Over the next three years, Mobis's earnings growth outlook is clearly visible, and its role within the group's robotics business is expanding. The governance issue will increasingly become a tailwind for Mobis.

(§ This report was originally published on May 11)

WHAT'S THE STORY?

A stock delivering real growth and big promise: We raise our target price on Hyundai Mobis by 8.3% to KRW650,000.

- **Target multiples unchanged:** We leave our target P/E and P/B multiples for Mobis at 12.5x and 1.05x, respectively. Both represent a 20% premium to the 10-year average in recognition of the growth potential of its new robotics business. But we now base our valuation on the average of 2026 and 2027 earnings forecasts rather than 2026 alone. Our target price is derived as the average of the P/E- and P/B-based valuations.

  Between 2010 and 2012, during Hyundai Motor (HMC) and Kia's global expansion phase, Mobis traded at a P/E of 11-13x and a P/B of 2.0-2.9x.

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW650,000	27.7%
Current price	**KRW509,000**	
Market cap	KRW46.2t/USD31.4b	
Shares (float)	89,602,640 (65.4%)	
52-week high/low	KRW529,000/KRW242,000	
Avg daily trading value (60-day)	KRW150.8b/ USD102.5m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Hyundai Mobis (%)	25.1	75.5	96.5
Vs Kospi (%pts)	-2.1	-7.4	-32.4

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	650,000	650,000	0.0%
2026E EPS	47,061	47,061	0.0%
2027E EPS	52,865	52,865	0.0%

SAMSUNG vs THE STREET

No of estimates	25
Target price	582,000
Recommendation	4.0

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

SUMMARY FINANCIAL DATA

(KRWb)	2025	2026E	2027E	2028E
Revenue	61,118	65,087	68,880	72,946
Operating profit	3,357	3,919	4,404	4,950
Net profit (adj)	3,665	4,255	4,745	5,214
EPS (adj) (KRW)	39,682	47,061	52,865	58,088
EPS (adj) growth (% y-y)	-8.7	18.6	12.3	9.9
EBITDA margin (%)	7.4	8.0	8.4	8.8
ROE (%)	7.7	8.3	8.6	8.8
P/E (adj) (x)	9.4	10.8	9.6	8.8
P/B (x)	0.7	0.8	0.8	0.7
EV/EBITDA (x)	7.2	8.4	7.2	6.2
Dividend yield (%)	1.7	1.3	1.5	1.6

Source: Company data, Samsung Securities estimates

- **Mobis expanding role in robotics; robotics business to achieve profitability from inception:** To prevent technology leakage, critical components are fully managed by Mobis. Leveraging its proprietary control technology, Mobis has developed actuators—reducing R&D costs—while requiring only minimal additional line equipment to begin production, thereby lowering capex. Unlike electrification initiatives, this business can achieve profitability from inception.
- **Clear visibility into earnings growth over next three years:** Amid steady performance in the aftermarket parts division, module division should see increased profitability, led by: 1) E/E parts (eg, ADAS) achieving economies of scale; 2) sales to non-captive clients beginning in 2H (KRW500-600b pa; including BSA for Volkswagen); and 3) divestment of non-core businesses such as lamps and bumpers. The electrification business has seen its path to profitability delayed by more than a year due to stagnating EV sales at HMC/Kia. The module division generated sales of KRW57t in 2025, so a 1%pt increase in operating margin would add KRW500-600b in annual profit.

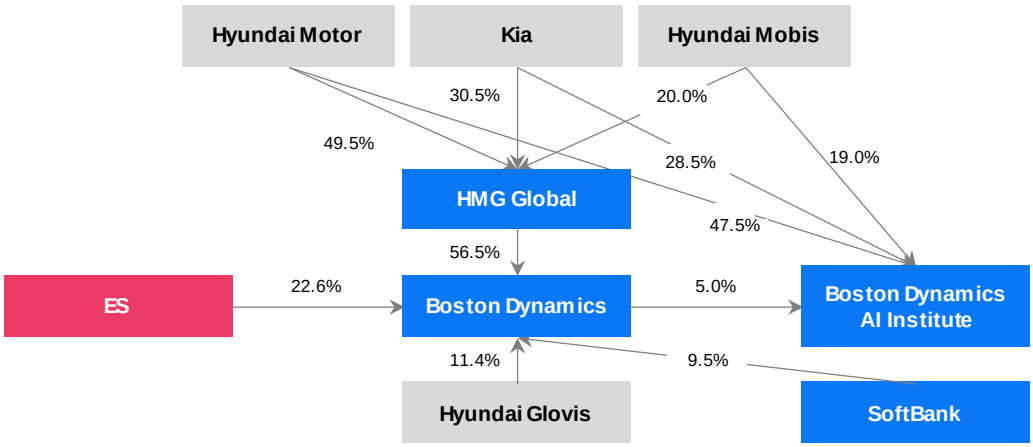
Boston Dynamics' IPO unlikely before 2028: With no CEO in place, an IPO within the next month is unlikely — and Hyundai Motor Group (HMG) has no pressing reason to rush. Still, over time, the governance issue will become a tailwind for Mobis.

- **Boston Dynamics needs to be worth at least KRW50t:** Since the failed 2018 attempt to restructure governance, HMG has signaled its intent to resolve governance issues in a straightforward approach. The only viable path: Chairman Chung Eui-sun would buy the 24.17% stake in Hyundai Mobis currently held by Kia and Hyundai Steel on the open market—using proceeds from selling Boston Dynamics shares. Kia and Hyundai Steel, on their part, would sell their Mobis holdings on the open market. For this transaction to work, Boston Dynamics must be valued at a minimum of KRW50t.
- **Boston Dynamics' IPO expected in 2028 or later:** To reach that value, Boston Dynamics must demonstrate the practical utility of Atlas and diversify customer base.

Catalysts to break governance-driven undervaluation of Mobis: The company is expanding its role in robotics, divesting non-core businesses, and strengthening shareholder returns.

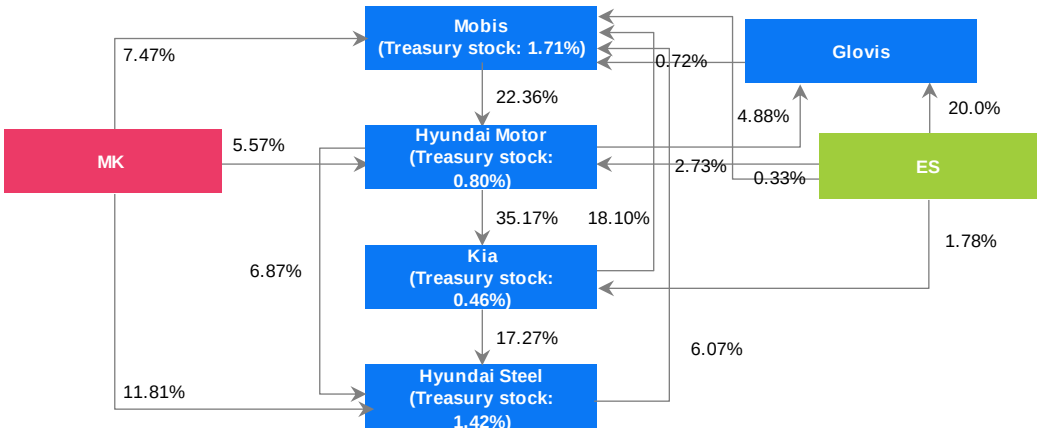
- **Mobis to supply over 60% of Atlas's manufacturing costs:** HMC plans to deploy the E-Atlas at the Hyundai Motor Group Metaplant America in 2026 to begin real-world testing. Actuators account for 50-60% of a robot's cost. Mobis is responsible for not only the robot's actuators but also grippers, sensors, battery modules, and the head module.
- **Mobis's sales to Boston Dynamics:** Mobis's sales to Boston Dynamics is likely to grow to KRW600b in 2027 and to KRW1t in 2029.
- **Divestment of non-core businesses:** Mobis has signed an MOU with OPmobility to sell its lamp business. It is also looking to sell its bumper business abroad. The businesses targeted for divestment are selected not simply based on profitability, but based on efficiency considering investment (capex and R&D) and market position.
- **Share buyback of KRW 500b (equivalent to 1.3% of market cap) in 2026:** 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.

Boston Dynamics: Governance structure



Source: Company data, Samsung Securities estimates

Hyundai Motor Group: Governance structure



Source: Company data, Samsung Securities

Value of stakes if Boston Dynamics goes public with a market cap of US39b

(USDm)	Stake (%)	Stake value (USDm)	Stake value (KRWb)
HMC	27.97	10,907	15,816
Kia	17.23	6,721	9,745
Mobis	11.30	4,407	6,390
ES	22.60	8,814	12,780
Glovis	11.40	4,446	6,447
SoftBank	9.50	3,705	5,372
Total	100	39,000	56,550

Note: Assumes exchange rate of USD/KRW1,450;
USD39b valuation based on Figure AI's implied value
Source: Samsung Securities estimates

HMG's stake in Hyundai Mobis

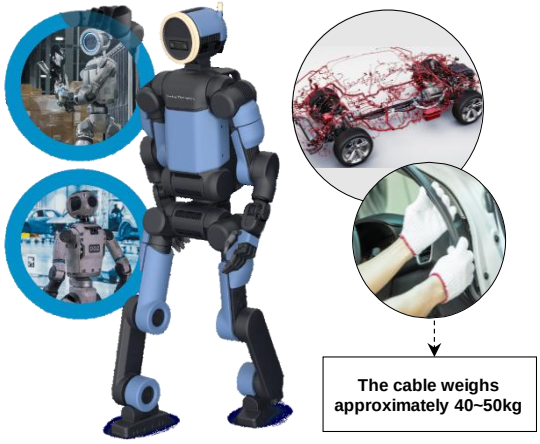
(KRWb)	Stake (%)	Stake value	After tax*
Kia	18.1	8,359	6,269
Hyundai Steel	6.07	2,803	2,102
Total	24.17	11,162	8,372
Share buyback and cancellation over 15 years		2,232	

Note: *Assuming a tax rate of 25%
Source: FnGuide, 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**

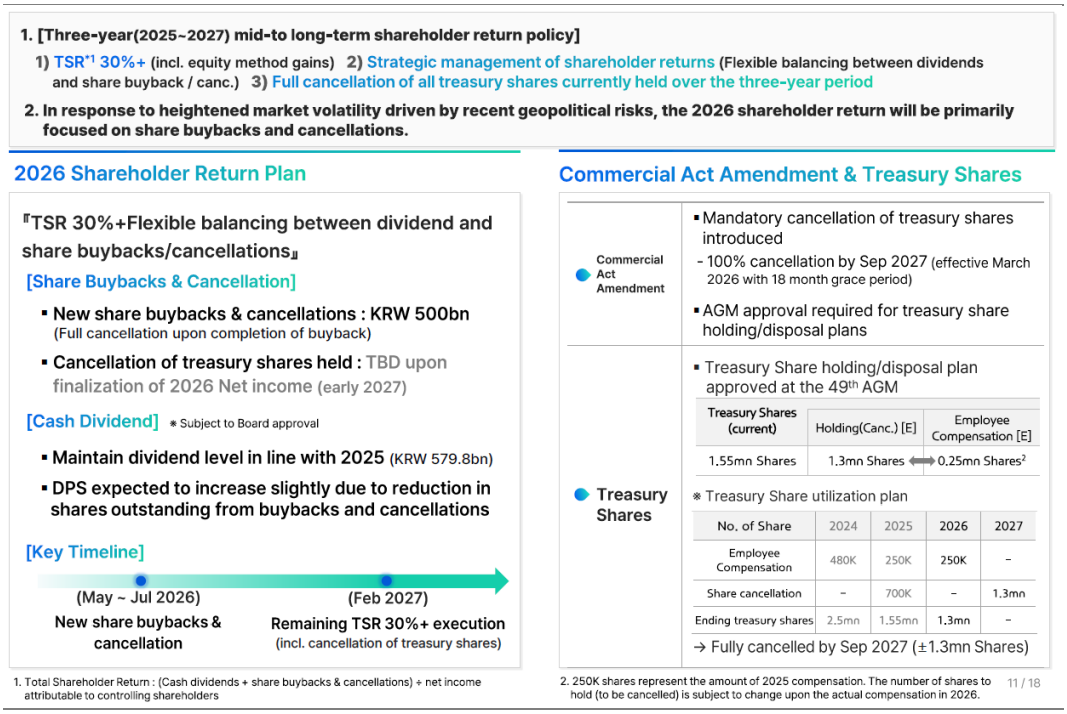
Note: Assumes 10,000 units produced;
*Assumes usage of one-third of 50,000 Blackwell GPUs
Source: Samsung Securities estimates

Hyundai Mobis: Estimated revenue from Boston Dynamics Atlas

Timeline	Volume (units)	Production cost (USD)	Mobis portion	Unit cost (USD)	Mobis sales* (USDm)	Mobis sales** (KRWb)
2027	5,000	130,000	60%	78,000	425	617
2028	10,000	50,992	60%	30,595	321	466
	20,000	37,659	60%	22,595	475	688
2029	30,000	33,214	60%	19,929	628	910
	40,000	30,992	60%	18,595	781	1,132
2030	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 USD/KRW1,450
Source: Samsung Securities estimates

Hyundai Mobis: Shareholder return policy



Source: Company data

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	2,414	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	14.7	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	-1	-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	47,061	52,865	58,088
EPS (consolidated) (KRW)	43,528	39,779	47,142	52,955	58,187
Adjusted EPS (KRW)*	43,480	39,682	47,061	52,865	58,088

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**28,424**	**30,366**	**32,337**	**35,405**	**39,084**
Cash & equivalents	4,788	4,922	5,688	7,605	10,050
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**	**74,728**	**79,990**	**85,710**
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**	**52,861**	**57,027**	**61,573**
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	48,895	53,061	57,607
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**	**52,914**	**57,087**	**61,642**
Net debt	-1,236	-1,256	-2,532	-4,450	-6,894

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	437
Depreciation	903	1,065	1,193	1,303	1,371
Amortization	82	102	87	74	63
Other	-360	674	-954	-1,008	-997
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**	**-1,088**	**-571**	**-659**
Change in debt	804	114	-511	0	0
Change in equity	4	10	0	0	0
Dividends	-406	-583	-578	-571	-659
Other	-657	-745	0	0	0
Change in cash	-291	134	766	1,917	2,445
Cash at beginning of year	5,079	4,788	4,922	5,688	7,605
Cash at end of year	4,788	4,922	5,688	7,605	10,050
Gross cash flow	**4,685**	**5,506**	**4,581**	**5,114**	**5,651**
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	18.6	12.3	9.9
Per-share data (KRW)					
EPS (parent-based)	43,480	39,682	47,061	52,865	58,088
EPS (consolidated)	43,528	39,779	47,142	52,955	58,187
Adjusted EPS**	43,480	39,682	47,061	52,865	58,088
BVPS	509,212	551,325	601,380	648,772	700,488
DPS (common)	6,000	6,500	6,500	7,500	8,000
Valuations (x)					
P/E***	5.4	9.4	10.8	9.6	8.8
P/B***	0.5	0.7	0.8	0.8	0.7
EV/EBITDA	5.1	7.2	8.4	7.2	6.2
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	13.4	13.9	13.5
Dividend yield (common)	2.5	1.7	1.3	1.5	1.6
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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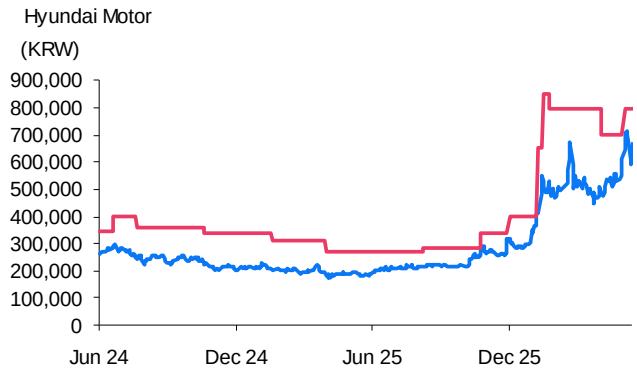
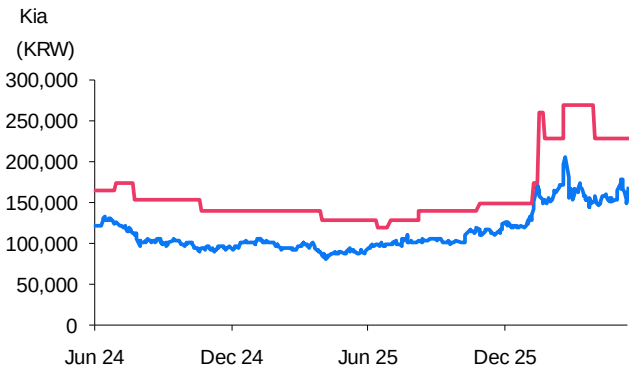
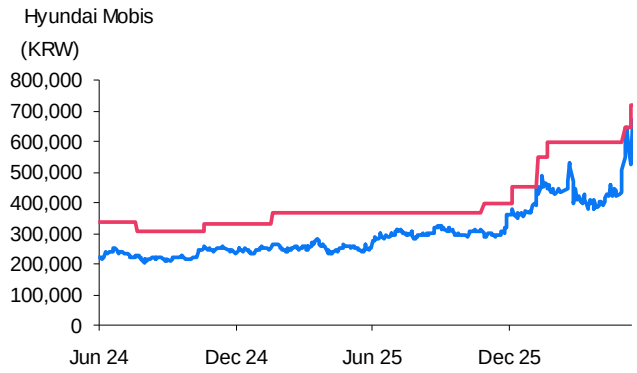
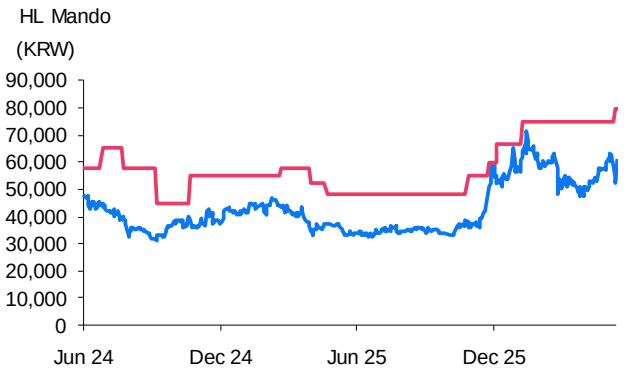
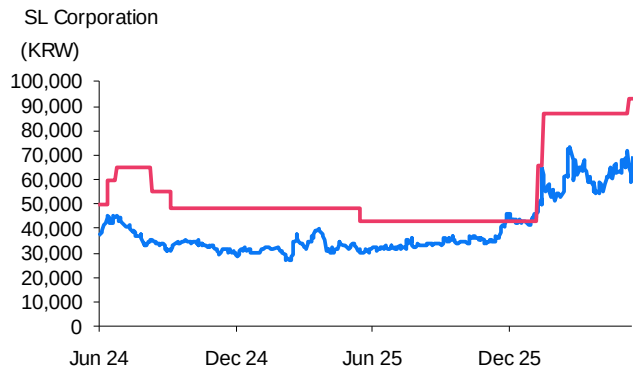
Target price changes in past two years

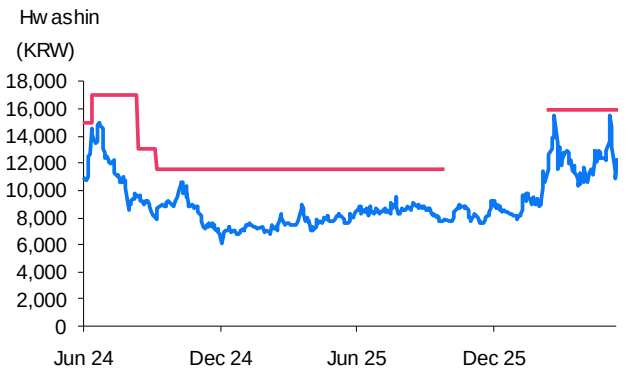












Rating changes over past two years (adjusted share prices)

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	4/7	4/10	5/11								
Recommendation	BUY	BUY	BUY	BUY								
Target price (KRW)	800000	800000	700000	800000								
Gap* (average)	-35.99	-37.66	-23.42									
(max or min)**	-15.75	-36.50	-31.64									
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	4/7									
Recommendation	BUY	BUY	BUY									
Target price (KRW)	230000	270000	230000									
Gap* (average)	-30.12	-39.27										
(max or min)**	-24.35	-23.70										
Hyundai Mobis												
Date	2024/3/20	7/26	10/25	2025/1/24	11/3	12/12	2026/1/14	1/28	5/11	5/20	5/22	
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	
Target price (KRW)	340000	310000	330000	370000	400000	450000	550000	600000	650000	720000	650000	
Gap* (average)	-30.85	-28.56	-24.95	-24.53	-22.07	-16.66	-16.89	-28.76	-8.41	-6.94		
(max or min)**	-21.76	-19.35	-21.67	-12.30	-9.38	0.22	-11.36	-11.83	0.00	-6.94		
HL Mando												
Date	2024/4/29	6/3	7/1	7/29	9/11	10/28	2025/2/25	4/7	4/28	11/3	12/1	12/12
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	41000	58000	65000	58000	45000	55000	58000	52000	48000	55000	60000	67000
Gap* (average)	-3.55	-21.93	-35.91	-39.90	-18.57	-24.91	-29.05	-31.59	-27.26	-29.25	-8.90	-16.17
(max or min)**	5.85	-14.48	-32.15	-32.76	-10.67	-15.18	-23.88	-27.88	-19.69	-15.27	-1.33	-2.39
Date	2026/1/14	5/19	5/22									
Recommendation	BUY	BUY	BUY									
Target price (KRW)	75000	80000	75000									
Gap* (average)	-24.08	-29.38										
(max or min)**	-4.80	-24.50										
SL Corporation												
Date	2023/7/6	2024/6/18	7/1	8/16	9/11	2025/5/22	2026/1/14	1/22	5/18	5/22		
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY		
Target price (KRW)	50000	60000	65000	55000	48000	43000	66000	87000	93000	87000		
Gap* (average)	-32.97	-27.26	-41.11	-40.00	-32.28	-17.11	-19.92	-29.99	-31.94			
(max or min)**	-11.60	-24.67	-32.08	-37.09	-17.29	7.79	-1.82	-15.63	-26.34			
Hwashin												
Date	2024/5/16	6/18	8/19	9/11		2026/2/19						
Recommendation	BUY	BUY	BUY	BUY		BUY						
Target price (KRW)	15000	17000	13000	11500		16000						
Gap* (average)	-25.83	-31.40	-31.78	-29.77								

(max or min)**	-3.33	-11.76	-26.08	-7.74

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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