COMPANY UPDATE

2026. 8. 3

EV/Mobility Team

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AT A GLANCE

BUY

Target price	KRW40,000	50.9%
Current price	**KRW26,500**	
Market cap	KRW703.32b/USD493.9m	
Shares (float)	26,540,272 (43.5%)	
52-week high/low	KRW39,450/KRW24,650	
Avg daily trading value (60-day)	KRW2.3b/ USD1.6m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
SNT Motiv (%)	2.3	-24.4	-19.9
Vs Kospi (%pts)	31.5	-40.1	-60.6

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	40,000	40,000	0.0%
2026E EPS	3,863	3,630	6.4%
2027E EPS	4,284	4,231	1.3%

SAMSUNG vs THE STREET

No of estimates	5
Target price	42,600
Recommendation	4.0

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

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SNT Motiv (064960)

Semiconductor equipment parts offset defense order delays in 2Q

- SNT Motiv reported in-line 2Q results, with semiconductor equipment components offsetting weakness in defense exports.
- Hybrid motor sales reached a quarterly high in 2Q. Noteworthy is that the Tucson and Avante hybrid models are scheduled for launch in 2H. Large-scale rifle orders are anticipated in the defense segment once the Middle East conflict concludes.
- In 2H, the company should see a stock re-rating driven by strengthening momentum in semiconductor equipment components, robotics, and defense.

WHAT'S THE STORY?

2Q earnings—In line with consensus: SNT Motiv reported a y-y flat growth in auto parts sales. Strength in semiconductor equipment component sales offset weak defense exports.

- **xEV components sales of KRW72.1b (up 36.5% q-q, up 3.2% y-y), accounting for 27.9% of total sales:** Hybrid motors for Hyundai Motor (HMC) and Kia contributed KRW66.9b (up 37.9% q-q, up 4.0% y-y), representing 93% of xEV sales. The hybrid vehicle production disruption in 1Q at Kia (caused by line adjustments) was fully recovered in 2Q.
- **Oil pump sales of KRW48.1b (down 19% q-q, down 6.9% y-y), representing 23% of sales:** Electronic oil pumps for HMC's Genesis model should begin shipping in 2H, with annual sales projected at KRW20b.
- **Defense sales of KRW9.8b (down 86% q-q, flat y-y):** Defense sales are expected to grow h-h in 2H, driven by the realization of overseas orders totaling KRW300b, which were delayed due to government budget constraints and regional conflicts in the Middle East. Full-year 2026 defense sales are forecast at KRW160b (up 5% y-y).

(Continued on the next page)

SUMMARY 2Q RESULTS

(KRWb)	2Q26	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	258.0	0.2	19.7	4.5	-2.4
Operating profit	25.8	-3.2	19.8	0.9	-5.2
Pre-tax profit	31.5	67.3	-5.0	15.7	-1.7
Net profit	23.8	68.0	-4.2	16.6	-1.7
Margins (%)					
Operating profit	10.0				
Pre-tax profit	12.2				
Net profit	9.2				

Source: Company data, FnGuide, Samsung Securities estimates

VALUATION SUMMARY

	2025	2026E	2027E
Valuations (x)			
P/E	13.2	6.9	6.2
P/B	0.8	0.6	0.6
EV/EBITDA	3.5	1.5	1.1
Div yield (%)	4.9	8.3	9.1
EPS growth (% y-y)	-33.3	47.2	10.9
ROE (%)	7.0	9.8	10.3
Per-share data (KRW)			
EPS	2,623	3,863	4,284
BVPS	42,534	45,101	47,671
DPS	1,700	2,200	2,400

- **Semiconductor equipment components sales of KRW31.5b (up 51.7% q-q, up 63.4% y-y):** The company is currently supplying to Applied Materials' Korea subsidiary, with annual sales projected to exceed KRW100b in 2026.

3Q earnings to meet consensus: We forecast the company's 3Q sales, operating profit, and operating margin at KRW275b (up 6.5% q-q, up 18.9% y-y), KRW28.8b (up 11.3% q-q, up 30.7% y-y), and 10.5%, respectively, led by sales growth in hybrid motors and semiconductor equipment components—vs FnGuide consensus of KRW254b, KRW26.4b and 10.4%.

Semiconductor equipment component business to record strong growth: SNT Motiv entered the semiconductor equipment component business in 2005. The business should account for more than 10% of its total 2026 sales.

- **Customer:** Applied Materials—SNT Motiv began supplying components for use in semiconductor wafer cleaning equipment since Applied Materials (US) entered the Korean market. With global semiconductor manufacturers expanding capacity, SNT Motiv's semiconductor equipment component sales are expected to surpass KRW100b in 2026 (up 28%) and exceed KRW120b in 2027 (up 20%), with sales from the business expected to surpass 10% of the firm's total sales this year.
- **Profitability:** Operating margins at the semiconductor equipment component are in the high-teens, comparable to those generated by defense exports.

Defense segment—Two key catalysts for 2H: Low-risk firearm program and overseas orders

- **Low-risk firearm program:** The company supplies non-lethal plastic ammunition to the Korean National Police. Its impact force is roughly 1/10 that of conventional live ammunition.
- **Middle East orders:** Orders that have been delayed since 2H25 are set to materialize in 2H26 as the regional conflict enter a resolution phase. The estimated order value in 2H is around KRW300b.

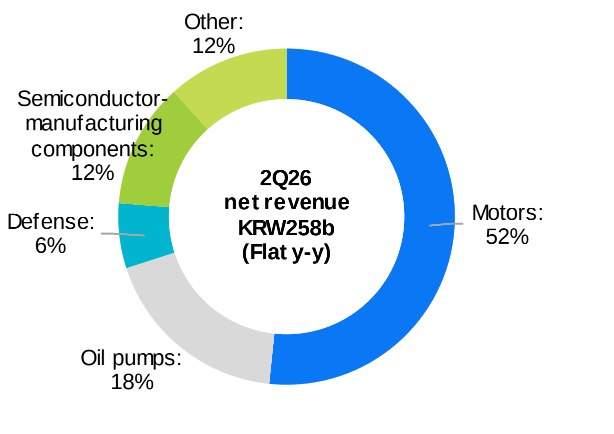
Major opportunity opening up for Korean suppliers: Korean auto parts suppliers now have an opportunity to enter the Korean and US robotics value chains.

- **HMG looking to center robotics value chain on Korean firms:** HMG's robotics business has two pillars: Boston Dynamics and HMG Robotics Lab. While HMG leads the production of the Atlas, HMG Robotics Lab plans to expand its lineup to 14 models in the coming years. This should create a significant opportunity for Korean auto parts suppliers to enter the robotics value chain.
- **HMG—a first mover in robotics:** Korean automakers were late to enter the auto industry, and despite rapidly catching up with their global rivals (in sales volume), they have always traded at a discount. But in robotics, HMC has emerged as an early mover, and its strong execution has sparked an ongoing rerating. Suppliers who secure early positions in this value chain can expect to rerate as semiconductor materials, parts, or equipment companies.
- **Suppliers following HMG into US have real shot at winning more clients:** The US is pushing hard to rebuild a domestic manufacturing ecosystem, so suppliers with US production facilities should hold a decisive edge in securing contracts with Boston Dynamics. A proven track record with Boston Dynamics would be a powerful credential to unlocking future opportunities with other robotics firms such as Tesla, Figure AI, and Agility.

Net cash position and auto sector's highest dividend payout ratio

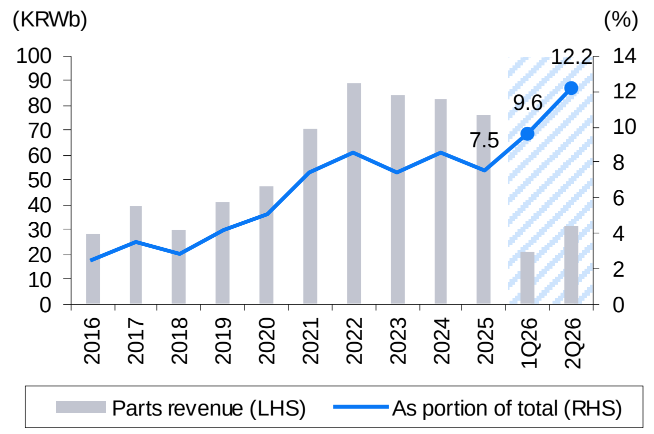
- **Quarterly dividend payments start in 2025:** SNT Motiv paid a 2025 DPS of KRW1,700 (up 81% y-y) for a dividend payout ratio of 58.2%. We expect the firm to pay a 2026 DPS of KRW2,200, with a dividend payout ratio of 51% and a dividend yield of 8.7%.
- **10.2% of outstanding shares held in treasury:** SNT Motiv is 40.9% owned by SNT Holdings and 1% by a scholarship foundation. The Commercial Code requires cancellation of all treasury shares, and we believe SNT Motiv will be fully compliant with this by Sep 2027.
- **Solid financials:** At end-1Q26, SNT Motiv had net cash of KRW402.5b (equating to 50.7% of its market cap) and a debt ratio of 23.7%. Its annual free cash flow is in the KRW80b-100b range. These solid financials bolster the firm's payout ratio.

SNT Motiv: Sales, by product



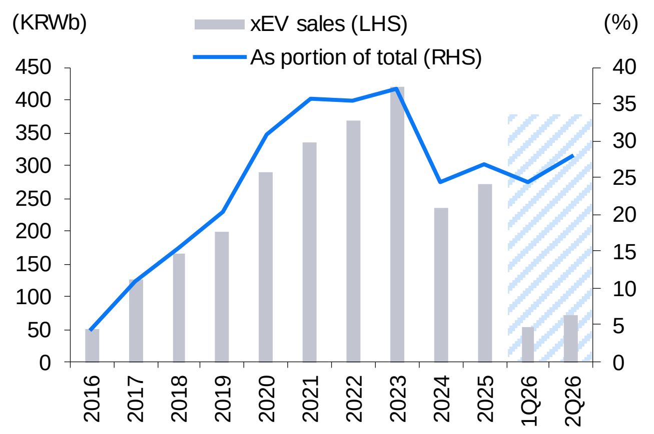
Source: Company data, Samsung Securities

SNT Motiv: Sales of parts for semiconductor equipment



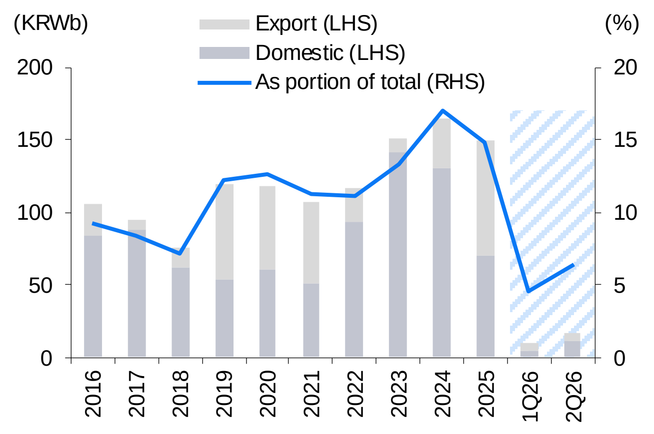
Source: Company data, Samsung Securities

xEV-related sales: Absolute and as portion of total sales



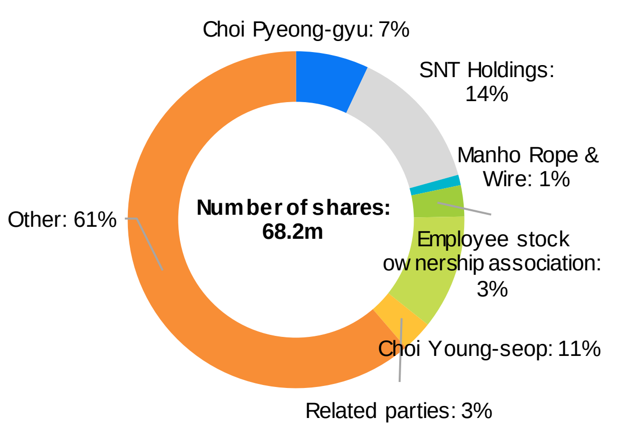
Source: Company data, Samsung Securities

Defense sales: Absolute and as portion of total sales



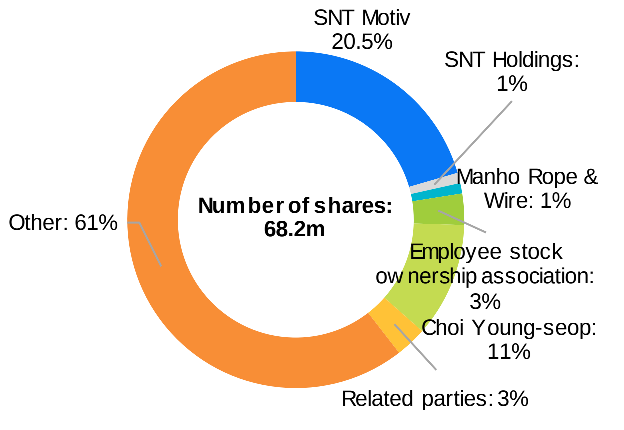
Source: Company data, Samsung Securities

SMEC: Shareholders before SNT Motiv's acquisition



Source: Company data, Samsung Securities

SMEC: Shareholders after SNT Motiv's acquisition



Source: Company data, Samsung Securities

SNT Motiv: Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26E	4Q26E	2024	2025	2026E	2027E
KRW/USD (avg)	1,453	1,401	1,387	1,452	1,467	1,502	1,500	1,450	1,365	1,423	1,480	1,425
Revenue	226.2	257.5	231.1	291.6	215.6	258.0	274.7	314.0	968.9	1,006.4	1,062.4	1,198.6
Chg (% y-y)	1.9	7.2	4.6	2.0	(4.7)	0.2	18.9	7.7	(14.7)	3.9	5.6	12.8
Auto parts	199.2	203.6	191.5	199.1	186.2	213.9	197.1	223.5	731.0	793.4	817.4	928.6
Chg (% y-y)	11.2	9.5	13.3	1.1	(6.5)	5.1	2.9	12.3	(19.4)	8.5	3.0	13.6
Motors	117.8	120.4	116.1	107.5	102.3	135.1	118.3	136.2	433.1	461.8	491.8	591.8
Chg (% y-y)	11.2	8.5	14.3	(6.2)	(13.2)	12.2	1.9	26.7	(3.7)	6.6	6.5	20.3
Other*	28.2	58.8	42.1	96.1	31.9	47.8	82.6	94.3	247.8	225.3	260.0	320.0
Internal adjustment	(1.2)	(4.8)	(2.6)	(3.6)	(2.5)	(3.6)	(5.0)	(3.8)	(9.9)	(12.3)	(15.0)	(50.0)
Gross profit	38.4	47.5	40.9	62.7	39.0	39.0	45.9	49.2	159.4	189.5	173.2	200.2
Operating profit	23.0	26.6	22.0	30.9	21.5	25.8	28.8	32.1	98.1	102.6	108.2	127.7
Chg (% y-y)	4.6	6.2	(0.1)	6.5	(6.4)	(3.0)	30.7	3.9	(15.9)	4.5	5.5	17.9
Auto parts	20.8	20.8	17.2	18.0	16.0	22.5	19.7	23.5	62.9	76.7	81.7	92.9
Other*	2.2	5.9	4.8	12.9	5.5	3.4	9.0	8.6	35.3	25.8	26.5	34.8
Pre-tax profit	27.8	18.8	28.8	18.2	33.2	31.5	32.8	38.2	131.7	93.6	135.7	150.5
Net profit	21.3	14.2	21.3	12.8	24.9	23.8	24.8	28.9	104.3	69.5	102.3	113.5
Controlling profit	21.3	14.2	21.3	12.9	24.9	23.8	24.8	28.9	104.3	69.6	102.5	113.5
Margins (%)												
Gross profit	17.0	18.5	17.7	21.5	18.1	15.1	16.7	15.7	16.5	18.8	16.3	16.7
Operating profit	10.2	10.3	9.5	10.6	10.0	10.0	10.5	10.2	10.1	10.2	10.2	10.7
Net profit	9.4	5.5	9.2	4.4	11.5	9.2	9.0	9.2	10.8	6.9	9.6	9.5
Controlling profit	9.4	5.5	9.2	4.4	11.5	9.2	9.0	9.2	10.8	6.9	9.6	9.5

Note: *Defense and semiconductor-manufacturing components

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**969**	**1,006**	**1,062**	**1,199**	**1,330**
Cost of goods sold	809	817	889	998	1,114
Gross profit	**159**	**189**	**173**	**200**	**217**
Gross margin (%)	16.5	18.8	16.3	16.7	16.3
SG&A expenses	61	87	65	72	80
Operating profit	**98**	**103**	**108**	**128**	**137**
Operating margin (%)	10.1	10.2	10.2	10.7	10.3
Non-operating gains (losses)	**34**	**-9**	**27**	**23**	**23**
Financial profit	43	25	14	16	17
Financial costs	8	14	-13	-7	-6
Equity-method gains (losses)	0	0	0	0	0
Other	-2	-19	0	0	0
Pre-tax profit	**132**	**94**	**136**	**151**	**160**
Taxes	27	24	33	37	39
Effective tax rate (%)	20.7	25.8	24.6	24.6	24.6
Profit from continuing operations	104	70	102	114	121
Profit from discontinued operations	0	0	0	0	0
Net profit	**104**	**70**	**102**	**114**	**121**
Net margin (%)	10.8	6.9	9.6	9.5	9.1
Net profit (controlling interests)	104	70	103	114	121
Net profit (non-controlling interests)	0	-0	-0	-0	-0
EBITDA	127	133	133	149	154
EBITDA margin (%)	13.1	13.2	12.5	12.4	11.6
EPS (parent-based) (KRW)	3,932	2,623	3,863	4,284	4,548
EPS (consolidated) (KRW)	3,932	2,619	3,856	4,277	4,541
Adjusted EPS (KRW)*	3,932	2,623	3,863	4,284	4,548

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**846**	**829**	**899**	**986**	**1,071**
Cash & equivalents	223	233	271	277	284
Accounts receivable	170	185	196	221	245
Inventories	158	168	177	200	222
Other current assets	295	242	256	289	321
Fixed assets	**395**	**451**	**456**	**465**	**477**
Investment assets	7	5	5	5	5
Tangible assets	382	437	444	454	467
Intangible assets	6	5	3	2	2
Other long-term assets	1	3	3	3	3
Total assets	**1,242**	**1,279**	**1,355**	**1,451**	**1,548**
Current liabilities	**216**	**218**	**231**	**260**	**289**
Accounts payable	131	143	151	170	189
Short-term debt	0	0	0	0	0
Other current liabilities	86	75	80	90	100
Long-term liabilities	**41**	**42**	**44**	**49**	**55**
Bonds & long-term debt	0	0	0	0	0
Other long-term liabilities	41	42	44	49	55
Total liabilities	**257**	**260**	**274**	**310**	**344**
Owners of parent equity	**985**	**1,014**	**1,075**	**1,136**	**1,200**
Capital stock	73	133	133	133	133
Capital surplus	73	13	13	13	13
Retained earnings	923	951	1,013	1,074	1,138
Other	-85	-83	-84	-84	-84
Non-controlling interests' equity	**0**	**6**	**5**	**5**	**5**
Total equity	**985**	**1,019**	**1,080**	**1,141**	**1,205**
Net debt	-482	-455	-504	-541	-577

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**130**	**74**	**121**	**119**	**123**
Net profit	104	70	102	114	121
Non-cash profit and expenses	42	44	44	42	40
Depreciation	27	28	24	20	17
Amortization	2	2	1	1	1
Other	13	14	19	21	23
Changes in A/L from operating activities	-8	-24	-6	-15	-15
Cash flow from investments	**-41**	**-20**	**-42**	**-60**	**-59**
Change in tangible assets	-48	-84	-30	-30	-30
Change in financial assets	-26	38	-12	-30	-29
Other	33	26	-0	-0	-0
Cash flow from financing	**-74**	**-45**	**-41**	**-52**	**-57**
Change in debt	-0	-0	0	0	0
Change in equity	0	-0	0	0	0
Dividends	-20	-44	-41	-52	-57
Other	-54	-0	-0	-0	-0
Change in cash	24	10	37	6	7
Cash at beginning of year	200	223	233	271	277
Cash at end of year	223	233	271	277	284
Gross cash flow	**147**	**114**	**146**	**156**	**161**
Free cash flow	**81**	**-10**	**91**	**89**	**93**

Note: *Excluding one-off items;
**Fully diluted, excluding one-off items;
***From companies subject to equity-method valuation
Source: Company data, Samsung Securities estimates

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	-14.7	3.9	5.6	12.8	11.0
Operating profit	-15.9	4.5	5.5	17.9	7.3
Net profit	20.0	-33.4	47.2	10.9	6.2
Adjusted EPS**	20.0	-33.3	47.2	10.9	6.2
Per-share data (KRW)					
EPS (parent-based)	3,932	2,623	3,863	4,284	4,548
EPS (consolidated)	3,932	2,619	3,856	4,277	4,541
Adjusted EPS**	3,932	2,623	3,863	4,284	4,548
BVPS	45,531	42,534	45,101	47,671	50,336
DPS (common)	937	1,700	2,200	2,400	2,400
Valuations (x)					
P/E***	5.6	13.2	6.9	6.2	5.8
P/B***	0.5	0.8	0.6	0.6	0.5
EV/EBITDA	0.8	3.5	1.5	1.1	0.9
Ratios (%)					
ROE	10.8	7.0	9.8	10.3	10.3
ROA	8.5	5.5	7.8	8.1	8.0
ROIC	14.7	13.3	13.4	15.3	15.6
Payout ratio	19.6	58.2	51.1	50.3	47.4
Dividend yield (common)	4.2	4.9	8.3	9.1	9.1
Net debt to equity	-49.0	-44.6	-46.7	-47.4	-47.9
Interest coverage (x)	12,044.7	26,168.1	36,655.8	41,449.5	

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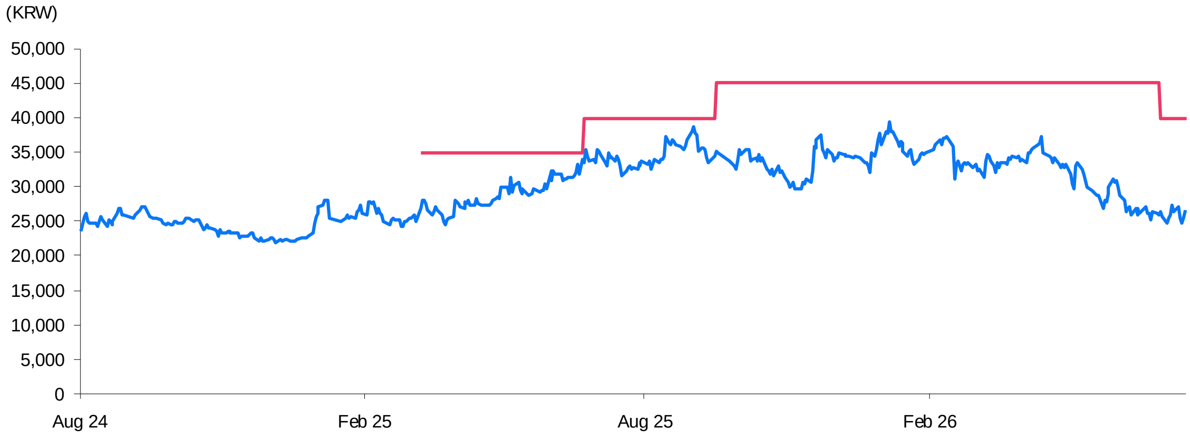

Rating changes over past two years (adjusted share prices)

Date	2025/3/25	7/8	10/1	2026/7/15
Recommendation	BUY	BUY	BUY	BUY
Target price (KRW)	35000	40000	45000	40000
Gap* (average)	-17.28	-13.48	-26.84	
(max or min)**	-2.86	-3.50	-12.33	

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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BUY	Expected to increase in value by 15% or more within 12 months and is highly attractive within sector
HOLD	Expected to increase/decrease in value by less than 15% within 12 months
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Industry

OVERWEIGHT	Expected to outperform market by 5% or more within 12 months
NEUTRAL	Expected to outperform/underperform market by less than 5% within 12 months
UNDERWEIGHT	Expected to underperform market by 5% or more within 12 months

Note: *Effective Jul 27, 2023, BUY, HOLD, and SELL criteria are based on expectations of share-price moves of 15% or more within 12 months

Percentage of ratings in 12 months prior to 2026.06.30

BUY (85.5%)·HOLD (14.5%)·SELL (0%)

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