MIRAE ASSET Securities

Equity Research
January 19, 2026

204320 KS · Auto Parts

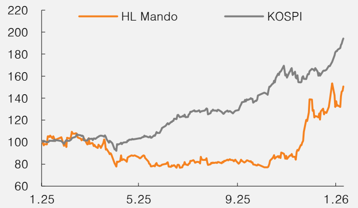
HL Mando

Focus on robotics/robotaxi upside over one-off costs

(Maintain)	Buy
Target price	▲ W72,000
Current price (1/16/26)	W64,200
Upside	12.1%

OP (25F, Wbn)	363
Consensus OP (25F, Wbn)	384
EPS growth (25F, %)	3.8
Market EPS growth (25F, %)	35.0
P/E (25F, x)	20.4
Market P/E (25F, x)	16.6
KOSPI	4,840.74
Market cap (Wbn)	3,015
Shares (mn)	47
Free float (%)	68.3
Foreign ownership (%)	14.1
Beta (12M)	0.77
52-week low (W)	32,650
52-week high (W)	65,400

(%)	1M	6M	12M
Absolute	23.0	85.5	43.9
Relative	1.6	22.1	-24.8



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Beyond near-term earnings: upside from actuator orders and robotaxi exposure

Amid a sharp rally across Hyundai Motor Group's robotics value chain, HL Mando shares surged 79% from Nov. 19, 2025 to Jan. 16, 2026 (vs. +22% for the KOSPI), driven by expectations for humanoid actuator orders from a leading North American EV maker. At its CEO Investor Day event on Dec. 11, the company unveiled its humanoid actuator roadmap, targeting: the completion of a master model in 2H26; order intake in 2027; the start of mass production in 2028; and annual revenue of W2.3tr by 2035. The company also noted that revenue related to quadruped robots, for which it is currently supplying actuators, reached W15bn in 2025.

Meanwhile, we estimate 4Q25 operating profit missed the consensus due to weak customer volumes and one-off costs. While the one-off costs are disappointing, we expect HL Mando to benefit from expanding robotaxi adoption from 2026 onward. Global robotaxi sales are projected to grow at a CAGR of 90% over 2025–30, with both the number of trips and the share of paid passenger rides rising rapidly at Waymo and Baidu. Notably, in 2026, we see several catalysts for leading players, including: 1) expansion into new cities; 2) fleet growth; and 3) the removal of safety operators. Against the backdrop of potential regulatory changes signaled by the US government, HL Mando stands out as a key beneficiary of robotaxi market expansion, supplying products such as rack-type EPS, integrated dynamic brake, steer-by-wire, and suspension systems to the top three US players and the leading player in China.

Reflecting upside from actuator expansion and robotaxi growth, we revise our 2026 target P/E from 9.6x to 13.1x (20% premium to the global peer average of 10.9x) and lift our target price to W72,000 from W52,000. At this juncture, visibility on humanoid actuator orders and the pace of robotaxi rollout are key.

4Q25 preview: Weak volumes and one-off costs

For 4Q25, we forecast HL Mando to report revenue of W2.49tr (+2.7% YoY) and operating profit of W85.8bn (-22.7% YoY; below the consensus of W106.5bn). Volumes from the leading North American EV customer remained weak, while EV sales in China—another key market—also softened. Amid ongoing tariff-related pressures, we believe one-off costs were also incurred during the quarter. While it remains to be seen whether these costs are truly one-off, the impact on earnings is clearly disappointing.

In China, the EV purchase tax was raised from 0% to 5%, while the trade-in subsidy program was extended. Although the subsidy cap remains unchanged, the scheme shifted from a fixed benefit to one linked to vehicle prices. While EV sales growth is likely to slow vs. 2025, the extension of the subsidy program remains a positive factor.

(Dec.)	2023	2024	2025F	2026F	2027F
Revenue (Wbn)	8,393	8,848	9,480	10,254	10,987
OP (Wbn)	279	359	363	451	538
OP margin (%)	3.3	4.1	3.8	4.4	4.9
NP (Wbn)	136	130	135	256	286
EPS (W)	2,887	2,767	2,872	5,446	6,092
ROE (%)	6.2	5.5	5.4	9.8	10.1
P/E (x)	13.6	14.7	20.4	11.8	10.5
P/B (x)	0.8	0.8	1.1	1.1	1.0
Dividend yield (%)	1.5	1.7	1.2	1.4	1.4

Notes: Under consolidated K-IFRS; NP is attributable to owners of the parent
Source: Company data, Mirae Asset Securities Research estimates

Table 1. TP calculation

	Value	Notes
TP (W)	72,000	Previously W52,000
CP (W)	64,200	Jan. 16 closing price
Upside (%)	12.1	Maintain Buy
EPS (W)	5,446	2026F EPS
Target P/E (x)	13.1	20% premium vs. global auto parts peer group's avg. 2026F P/E of 10.9x

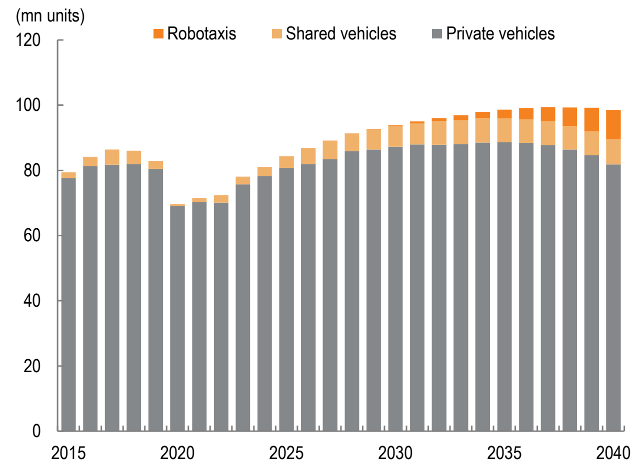
Source: Bloomberg, Mirae Asset Securities Research

Table 2. Quarterly and annual earnings forecasts

(Wbn, %)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25F	2022	2023	2024	2025F	2026F
Revenue	2,107	2,147	2,172	2,422	2,271	2,401	2,321	2,487	7,516	8,393	8,848	9,480	10,254
YoY (%)	5.5	2.9	2.5	10.6	7.8	11.8	6.9	2.7	22.2	11.7	5.4	7.3	7.7
GP	296	300	318	406	320	364	362	386	1,006	1,130	1,323	1,432	1,559
Gross margin (%)	14.0	14.0	14.7	16.8	14.1	15.2	15.6	15.5	13.4	13.5	15.0	15.1	15.2
OP	76	90	82	113	79	104	94	86	248	279	360	363	451
YoY (%)	7.7	16.4	1.2	122.6	4.7	16.2	14.9	-24.1	6.8	12.6	29.0	1.2	24.2
OP margin (%)	3.6	4.2	3.8	4.6	3.5	4.3	4.1	3.5	3.3	3.3	4.1	3.8	4.4
NP (attr. to owners of parent)	140	4	-57	43	28	5	44	59	98	136	130	135	256
YoY (%)	255.5	-90.7	TTR	19.7	-80.0	1.1	TTB	36.8	-41.2	37.9	-4.2	3.8	89.6
Net margin (%)	6.6	0.2	-2.6	1.8	1.2	0.2	1.9	2.4	1.3	1.6	1.5	1.4	2.5

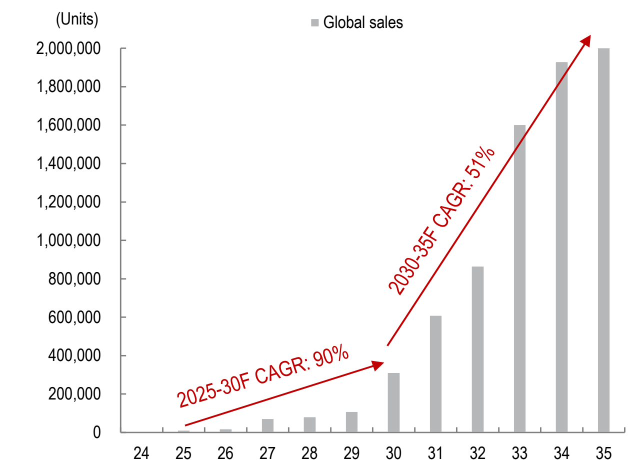
Source: Company data, QuantiWise, Mirae Asset Securities Research

Figure 1. Global passenger vehicle sales breakdown



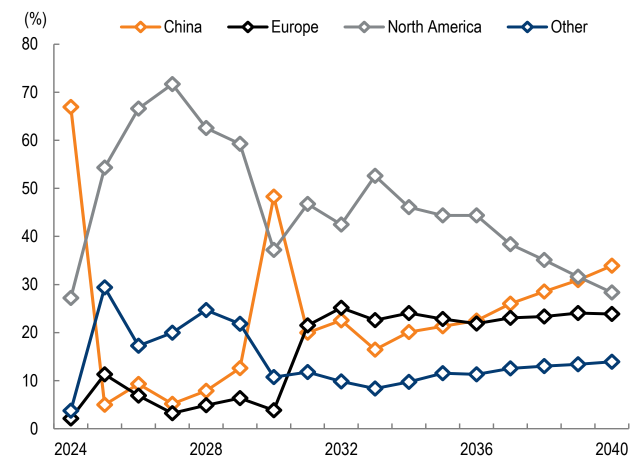
Source: BNEF, Mirae Asset Securities Research

Figure 2. Global robotaxi sales volume and CAGR



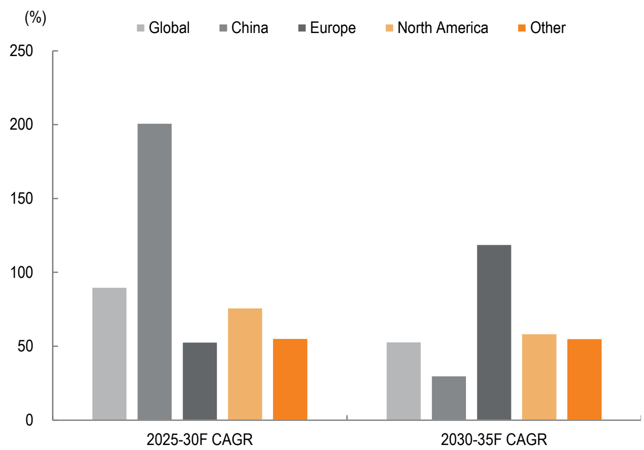
Source: BNEF, Mirae Asset Securities Research

Figure 3. Robotaxi sales mix by region



Source: BNEF, Mirae Asset Securities Research

Figure 4. Robotaxi sales CAGR by region



Source: BNEF, Mirae Asset Securities Research

HL Mando (204320 KS)

Income statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Revenue	**8,848**	**9,480**	**10,254**	**10,987**
Cost of revenue	**7,525**	**8,048**	**8,696**	**9,317**
GP	**1,323**	**1,432**	**1,558**	**1,670**
SG&A expenses	**964**	**1,069**	**1,107**	**1,132**
OP (adj.)	**359**	**363**	**451**	**538**
OP	**359**	**363**	**451**	**538**
Non-operating profit	**-94**	**-112**	**-57**	**-85**
Net financial income	-84	20	13	14
Net income from associates	-5	-2	0	0
Pretax profit	265	251	394	453
Income tax	107	91	91	113
Profit from continuing operations	158	160	303	339
Profit from discontinued operations	0	0	0	0
NP	**158**	**160**	**303**	**339**
Attributable to owners	130	135	256	286
Attributable to minority interests	28	25	48	53
Total comprehensive income	**363**	**127**	**303**	**339**
Attributable to owners	320	113	268	300
Attributable to minority interests	42	15	35	39
EBITDA	694	722	802	849
FCF	125	220	282	580
EBITDA margin (%)	7.8	7.6	7.8	7.7
OP margin (%)	4.1	3.8	4.4	4.9
Net margin (%)	1.5	1.4	2.5	2.6

Balance sheet (summarized)

(Wbn)	2024	2025F	2026F	2027F
Current assets	**3,677**	**3,808**	**3,605**	**4,385**
Cash & equivalents	536	583	119	649
AR & other receivables	2,146	2,203	2,382	2,552
Inventory	838	861	931	998
Other current assets	157	161	173	186
Non-current assets	**3,375**	**3,347**	**3,299**	**2,992**
Investments in associates	10	10	11	11
PP&E	2,410	2,547	2,527	2,244
Intangible assets	220	218	186	159
Total assets	**7,052**	**7,155**	**6,905**	**7,377**
Current liabilities	**2,900**	**3,249**	**2,712**	**2,872**
AP & other payables	1,745	1,792	1,938	2,077
Short-term financial liabilities	885	1,179	472	472
Other current liabilities	270	278	302	323
Non-current liabilities	**1,479**	**1,260**	**1,276**	**1,292**
Long-term financial liabilities	1,282	1,058	1,058	1,058
Other non-current liabilities	197	202	218	234
Total liabilities	**4,379**	**4,509**	**3,988**	**4,163**
Equity attributable to owners	**2,519**	**2,485**	**2,709**	**2,952**
Capital stock	47	47	47	47
Capital surplus	603	603	603	603
Retained earnings	1,237	1,337	1,560	1,804
Minority interests	**154**	**161**	**208**	**262**
Shareholders' equity	**2,673**	**2,646**	**2,917**	**3,214**

Cash flow statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Operating cash flow	**435**	**584**	**582**	**580**
NP	158	160	303	339
Non-cash income/expenses	532	556	424	405
Depreciation	302	322	319	283
Amortization	33	37	32	27
Other	197	197	73	95
Chg. in working capital	-163	-34	-72	-70
Chg. in AR & other receivables	-202	-110	-169	-160
Chg. in inventory	-41	-30	-70	-67
Chg. in AP & other payables	241	4	122	115
Income tax	-116	-108	-91	-113
Cash flow from investing activities	**-397**	**-437**	**-307**	**-6**
Chg. in PP&E	-307	-357	-300	0
Chg. in intangible assets	-50	-36	0	0
Chg. in financial assets	12	-2	-7	-6
Other	-52	-42	0	0
Cash flow from financing activities	**-177**	**-85**	**-739**	**-42**
Chg. in financial liabilities	10	70	-706	0
Chg. in equity	0	0	0	0
Dividends	-51	-51	-33	-42
Other	-136	-104	0	0
Chg. in cash	**-79**	**48**	**-464**	**531**
Beginning balance	615	536	583	119
Ending balance	536	583	119	649

Key valuation metrics/ratios

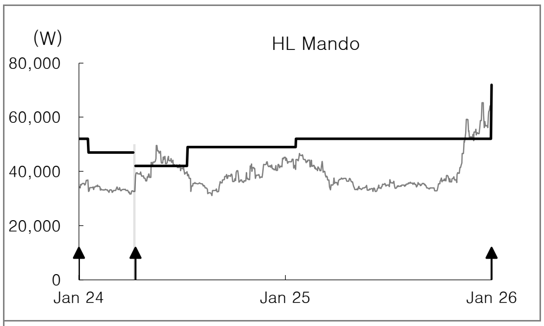
	2024	2025F	2026F	2027F
P/E (x)	14.7	20.4	11.8	10.5
P/CF (x)	2.8	3.9	4.1	4.0
P/B (x)	0.8	1.1	1.1	1.0
EV/EBITDA (x)	5.3	6.3	5.7	4.8
EPS (W)	2,767	2,872	5,446	6,092
CFPS (W)	14,699	15,247	15,494	15,853
BPS (W)	53,635	52,937	57,683	62,875
DPS (W)	700	700	900	900
Dividend payout ratio (%)	20.8	20.5	13.9	12.5
Dividend yield (%)	1.7	1.2	1.4	1.4
Revenue growth (%)	5.4	7.1	8.2	7.1
EBITDA growth (%)	15.5	4.0	11.1	5.8
OP growth (%)	28.5	1.2	24.2	19.3
EPS growth (%)	-4.2	3.8	89.6	11.9
AR turnover (x)	4.9	4.6	4.7	4.7
Inventory turnover (x)	11.3	11.2	11.4	11.4
AP turnover (x)	5.8	5.5	5.6	5.6
ROA (%)	2.4	2.3	4.3	4.8
ROE (%)	5.5	5.4	9.8	10.1
ROIC (%)	5.7	6.3	8.7	10.3
Debt-to-equity ratio (%)	163.8	170.4	136.7	129.5
Current ratio (%)	126.8	117.2	133.0	152.7
Net debt-to-equity ratio (%)	59.3	60.7	46.6	25.7
Interest coverage ratio (x)	3.2	0.0	0.0	0.0

Source: Company data, Mirae Asset Securities Research estimates

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
HL Mando (204320)	01/19/26	Buy	72,000
	02/07/25	Buy	52,000
	07/30/24	Buy	49,000
	04/29/24	Buy	42,000
	04/26/24	No Coverage	
	02/06/24	Buy	47,000
	10/30/23	Buy	52,000



Stock ratings		Sector ratings	
Buy	Expected 12-month return: +20% or greater	Overweight	Expected to outperform the market over 12 months
Hold	Expected 12-month return: Greater than -10% and less than +10%	Neutral	Expected to perform in line with the market over 12 months
Sell	Expected 12-month return: -10% or less	Underweight	Expected to underperform the market over 12 months

As of May 12, 2025, the Trading Buy rating category has been removed from our investment rating system.
Stocks expected to deliver a 12-month return between +10% and less than +20% may be rated either Buy or Hold at the discretion of the research analyst.

Rating and TP history: Share price (─), TP (▬), Not Rated (■), Buy (▲), Trading Buy (■), Hold (●), Sell (♦)
* Our investment rating is a guide to the expected return of the stock over the next 12 months.
* Outside of the official ratings of Mirae Asset Securities Co., Ltd., analysts may call trading opportunities should technical or short-term material developments arise.
* The TP was determined by the research analyst through valuation methods discussed in this report, in part based on estimates of future earnings.
* TP achievement may be impeded by risks related to the subject securities and companies, as well as general market and economic conditions.

Ratings distribution and investment banking services

	Buy	Trading Buy	Hold	Sell
Ratings distribution	79.76%	1.19%	19.05%	0%
Investment banking services	83.33%	0%	16.67%	0%

* Based on recommendations in the last 12-months (as of December 31, 2025)

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