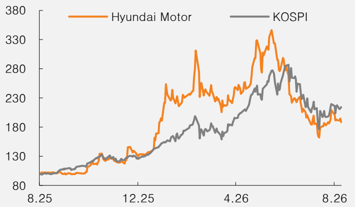
MIRAE ASSET Securities

Equity Research
August 27, 2026

(Maintain)	Buy
Target price	W840,000
Current price (8/26/26)	W408,000
Upside	105.9%

OP (26F, Wbn)	11,491
Consensus OP (26F, Wbn)	11,543
EPS growth (26F, %)	11.3
Market EPS growth (26F, %)	282.0
P/E (26F, x)	10.4
Market P/E (26F, x)	6.5
KOSPI	6,808.21
Market cap (Wbn)	83,541
Shares (mn)	205
Free float (%)	65.6
Foreign ownership (%)	24.4
Beta (12M)	1.26
52-week low (W)	214,000
52-week high (W)	750,000

(%)	1M	6M	12M
Absolute	1.7	-33.0	86.7
Relative	0.0	-37.9	-12.8



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005380 KS · Autos/Mobility

Hyundai Motor

2026 CEO Investor Day: Key takeaways

Ambitious earnings and sales targets; robotics and SDV plans reaffirmed

Hyundai Motor (HMC) held its 2026 CEO Investor Day event on Aug. 26. The firm maintained its 2026 OP margin guidance and modestly raised its 2030 target from 8-9% to above 9%. For new businesses attracting significant market attention, including robotics and software-defined vehicles (SDVs), its plans were largely unchanged from previous announcements. HMC plans to announce the site for its US robot production facility by year-end. For SDVs, it plans to complete preparations for mass production by end-2027 and launch its first model in early 2028. HMC also aims to surpass competitors in cumulative autonomous driving trainable data by 2033. It maintained its shareholder return targets and announced the cancellation of W800bn worth of treasury shares.

Earnings outlook: HMC maintained its 2026 OP margin guidance of 6.3-7.3% but modestly raised its 2030 target from 8-9% to above 9%, reflecting a higher HEV mix and cost reductions. By 2030, the company aims to lower its COGS ratio by 3%p through cost innovation, material cost reductions, and increased localization.

Wholesale volume: HMC did not provide an update on its 2026 wholesale volume target, while maintaining its 2030 target of 5.55mn units. While geographical mix targets were unchanged for North America, Europe, Korea, and India, the company slightly lowered the target shares for the Middle East/Africa and Asia-Pacific and modestly raised those of Latin America and China. For China, HMC maintained the aggressive target announced in March of selling 500,000 units by 2030.

Robotics/Boston Dynamics: HMC maintained its targets of beginning US robot production in 2028, establishing annual capacity of 30,000 units, and securing initial demand for 25,000 units. The company plans to announce the site for its planned US robot production facility by year-end. Regarding a potential spin-off of Robotics LAB, currently under the advanced vehicle platform (AVP) division, management said it would provide an update once a decision has been made.

Autonomous driving: HMC maintained its target of completing preparations for SDV mass production by end-2027 and launching the first model in early 2028. It did not provide an update on when it would unveil its SDV prototype (“Pace Car” project); the existing target is early 2027. A 100MW data center is scheduled to begin operations in 2029, and HMC aims to surpass competitors in cumulative trainable data by 2033. For robotaxis, Motional began pilot operations with Uber in March and maintained its target of launching a driverless commercial robotaxi service in Las Vegas by year-end. Ioniq 5 deliveries to Waymo are also proceeding as planned.

(Dec.)	2023	2024	2025	2026F	2027F
Revenue (Wbn)	162,664	175,231	186,254	195,543	205,391
OP (Wbn)	15,127	14,240	11,468	11,491	12,955
OP margin (%)	9.3	8.1	6.2	5.9	6.3
NP (Wbn)	11,962	12,527	9,446	10,434	11,812
EPS (W)	43,589	46,042	35,331	39,316	44,509
ROE (%)	13.7	12.4	8.4	8.6	9.0
P/E (x)	4.7	4.6	8.4	10.4	9.2
P/B (x)	0.6	0.5	0.7	0.9	0.8
Dividend yield (%)	5.6	5.7	3.4	2.5	2.5

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

Limited new details on robotics/SDVs, but momentum remains intact

While expectations for this event were not particularly high, the lack of major new announcements was nevertheless somewhat disappointing. There are concerns over whether HMC can meet its earnings guidance, and it provided little significant new information on robotics or SDVs. Although strike-related disruptions are unavoidable in 3Q26, labor negotiations have reached the tentative agreement stage, and FX and tariff base effects remain favorable. From 4Q26, the comparison base should become more favorable, volumes are expected to recover, and new model momentum (from Ioniq 3, etc.) should strengthen.

Robotics momentum also remains intact. US robotics policy is moving toward tighter restrictions on Chinese players and support for local production, while Boston Dynamics' financial position suggests that it will require additional funding. Hyundai Motor Group plans to submit its Saemangeum data center project for architectural review in September, with construction expected to begin in Mar. 2027. We maintain our target price for HMC at W840,000.

Table 1. TP calculation

(Wtr, x, W, %)	Value	Notes
Core business value	165.4	[A]
NP (attr. to owners of parent)	11.8	2027F
Target P/E	14.0	2021 peak, when Apple Car expectations were priced in (Nvidia partnership, SDV deployment, Motional commercialization, and US M/S expansion)
Robotics equity value	32.5	[B]
Boston Dynamics valuation est.	117.0	2030F revenue of W7.3tr; target P/S of 16.1x
Value of HMC's stake	32.5	Based on 27.8% stake following first payment; SoftBank put option not reflected
Value of preferred shares	24.9	[C] Based on 2026F avg. preferred share weight of 12.6% and target market cap ([A]+[B])
Target market cap for common shares	173.0	[A] + [B] − [C]
No. of shares (common, mn)	204.5	Share retirement not reflected
TP (W)	840,000	Maintain
CP (W)	408,000	Aug. 26 closing price
Upside (%)	105.9	Maintain Buy rating

Source: Bloomberg, Mirae Asset Securities Research

Hyundai Motor (005380 KS)

Income statement (summarized)

(Wbn)	2024	2025	2026F	2027F
Revenue	**175,231**	**186,254**	**195,543**	**205,391**
Cost of revenue	**139,482**	**152,038**	**160,822**	**168,447**
GP	**35,749**	**34,216**	**34,721**	**36,944**
SG&A expenses	**21,510**	**22,749**	**23,230**	**23,990**
OP (adj.)	**14,240**	**11,468**	**11,491**	**12,955**
OP	**14,240**	**11,468**	**11,491**	**12,955**
Non-operating profit	**3,541**	**2,374**	**3,743**	**4,532**
Net financial income	529	328	336	397
Net income from associates	3,114	2,510	2,565	2,822
Pretax profit	17,781	13,842	15,234	17,487
Income tax	4,232	3,477	3,371	4,057
Profit from continuing operations	13,549	10,365	11,863	13,430
Profit from discontinued operations	-319	0	0	0
NP	**13,230**	**10,365**	**11,863**	**13,430**
Attributable to owners	12,527	9,446	10,434	11,812
Attributable to minority interests	703	919	1,429	1,618
Total comprehensive income	**18,255**	**11,082**	**14,918**	**13,430**
Attributable to owners	17,100	10,191	13,455	12,113
Attributable to minority interests	1,154	891	1,463	1,317
EBITDA	18,527	16,484	16,880	18,707
FCF	-13,723	-14,358	9,402	11,755
EBITDA margin (%)	10.6	8.9	8.6	9.1
OP margin (%)	8.1	6.2	5.9	6.3
Net margin (%)	7.1	5.1	5.3	5.8

Balance sheet (summarized)

(Wbn)	2024	2025	2026F	2027F
Current assets	**115,764**	**120,777**	**131,440**	**138,908**
Cash & equivalents	19,015	18,361	23,039	28,239
AR & other receivables	8,773	12,136	13,099	13,611
Inventory	19,791	20,662	22,300	23,423
Other current assets	68,185	69,618	73,002	73,635
Non-current assets	**224,034**	**248,067**	**262,982**	**269,846**
Investments in associates	34,644	37,906	40,911	42,972
PP&E	44,534	48,750	52,047	56,748
Intangible assets	7,683	9,268	10,107	10,153
Total assets	**339,798**	**368,845**	**394,422**	**408,754**
Current liabilities	**79,510**	**88,579**	**98,594**	**101,007**
AP & other payables	22,083	22,062	23,811	25,011
Short-term financial liabilities	36,605	44,553	51,126	51,148
Other current liabilities	20,822	21,964	23,657	24,848
Non-current liabilities	**140,013**	**152,617**	**155,601**	**156,713**
Long-term financial liabilities	121,484	132,160	133,535	133,535
Other non-current liabilities	18,529	20,457	22,066	23,178
Total liabilities	**219,522**	**241,197**	**254,195**	**257,719**
Equity attributable to owners	**109,103**	**115,446**	**126,432**	**135,624**
Capital stock	1,489	1,489	1,489	1,489
Capital surplus	7,656	7,780	7,764	7,764
Retained earnings	96,596	101,312	109,102	118,293
Minority interests	**11,173**	**12,202**	**13,794**	**15,411**
Shareholders' equity	**120,276**	**127,648**	**140,226**	**151,035**

Cash flow statement (summarized)

(Wbn)	2024	2025	2026F	2027F
Operating cash flow	**-5,662**	**-5,991**	**17,942**	**20,755**
NP	13,230	10,365	11,863	13,430
Non-cash income/expenses	23,950	25,920	13,217	9,356
Depreciation	3,398	3,745	3,943	4,299
Amortization	889	1,272	1,447	1,454
Other	19,663	20,903	7,827	3,603
Chg. in working capital	-35,160	-34,325	-2,976	1,572
Chg. in AR & other receivables	-590	-2,548	-53	-468
Chg. in inventory	-1,159	-466	-806	-1,123
Chg. in AP & other payables	834	-370	-188	668
Income tax	-4,259	-3,516	-2,790	-4,057
Cash flow from investing activities	**-14,623**	**-10,347**	**-10,672**	**-10,895**
Chg. in PP&E	-7,890	-8,121	-8,470	-9,000
Chg. in intangible assets	-2,180	-2,674	-2,126	-1,500
Chg. in financial assets	-1,842	2,832	-576	-395
Other	-2,711	-2,384	500	0
Cash flow from financing activities	**19,493**	**15,425**	**-1,348**	**-2,599**
Chg. in financial liabilities	32,090	18,624	7,894	22
Chg. in equity	3,278	124	-17	0
Dividends	-3,913	-3,689	-1,964	-2,621
Other	-11,962	366	-7,261	0
Chg. in cash	**-152**	**-654**	**4,678**	**5,200**
Beginning balance	19,167	19,015	18,361	23,039
Ending balance	19,015	18,361	23,039	28,239

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

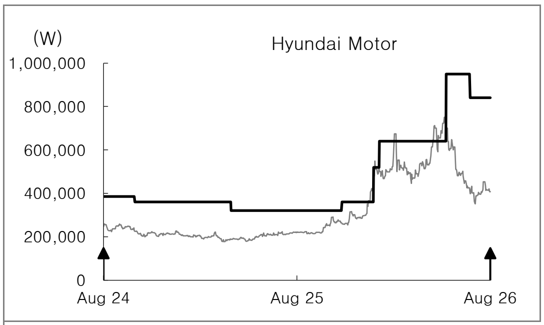
	2024	2025	2026F	2027F
P/E (x)	4.6	8.4	10.4	9.2
P/CF (x)	1.6	2.2	4.3	4.8
P/B (x)	0.5	0.7	0.9	0.8
EV/EBITDA (x)	10.5	14.4	12.1	10.7
EPS (W)	46,042	35,331	39,316	44,509
CFPS (W)	136,654	135,717	94,503	85,857
BPS (W)	405,094	436,418	478,602	513,233
DPS (W)	12,000	10,000	10,000	10,000
Dividend payout ratio (%)	18.4	19.5	17.1	15.1
Dividend yield (%)	5.7	3.4	2.3	2.3
Revenue growth (%)	7.7	6.3	5.0	5.0
EBITDA growth (%)	-7.7	-11.0	2.4	10.8
OP growth (%)	-5.9	-19.5	0.2	12.7
EPS growth (%)	5.6	-23.3	11.3	13.2
AR turnover (x)	33.1	25.7	21.9	21.6
Inventory turnover (x)	9.4	9.2	9.1	9.0
AP turnover (x)	11.9	12.2	12.6	12.4
ROA (%)	4.3	2.9	3.1	3.3
ROE (%)	12.4	8.4	8.6	9.0
ROIC (%)	12.3	7.8	7.3	7.8
Debt-to-equity ratio (%)	182.5	189.0	181.3	170.6
Current ratio (%)	145.6	136.3	133.3	137.5
Net debt-to-equity ratio (%)	108.2	119.2	67.4	58.9
Interest coverage ratio (x)	31.5	20.0	17.9	19.7

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Hyundai Motor (005380)	07/20/26	Buy	840,000
	06/05/26	Buy	950,000
	01/30/26	Buy	640,000
	01/19/26	Buy	520,000
	11/20/25	Buy	360,000
	04/25/25	Buy	320,000
	10/25/24	Buy	360,000
	07/09/24	Buy	385,000



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	83.02%	0%	16.35%	0.63%
Investment banking services	86.67%	0%	13.33%	0%

* Based on recommendations in the last 12 months (as of June 30, 2026)

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