

Hyundai Mobis (012330)

Positive
Neutral
Negative

12M rating **BUY (Maintain)**
 12M TP **W350,000** from W350,000
 Up/downside **+25%**

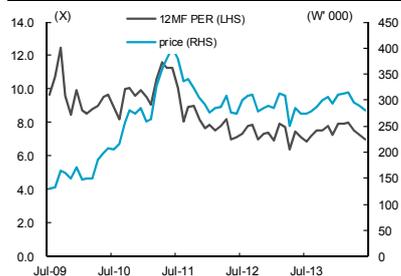
Stock Data

KOSPI (Jun 20, pt)	1,968
Stock price (Jun 20, KRW)	280,500
Market cap (USD mn)	26,754
Shares outstanding (mn)	97
52-Week high/low (KRW)	321,000/246,500
6M avg. daily turnover (USD mn)	49.3
Free float / Foreign ownership (%)	68.0/48.0
Major shareholders (%)	
KIA Motors Corporation and 4 others	30.2
National Pension Service (NPS)	8.0

Performance

	1M	6M	12M
Absolute (%)	(4.6)	(0.4)	7.3
Relative to KOSPI (%p)	(2.4)	0.4	0.9

12MF PE trend



Source: WISEfn consensus

Mobis US module plants and distribution center visit, June 16-18: Hyundai and Kia's US plants and sales covered by module plants and A/S centers

Mobis Alabama: USD270mn facility

- Distance to HMMA and KMMG: 12 miles and 97 miles, respectively.
- Started supplying modules to in April 2005. Area: 660,000 square meters.
- Produces two modules (chassis and cockpit), in-panels and bumpers.
- Also assembles audio systems since March 2011.
- Annual capacity: 0.8mn units for in-panels, 3.16mn for bumpers.
- Employees: 934. CKD portion: 28%.
- Re-distribution center (RDC): Built in June 2005 for US local parts warehousing for after-sales services - sourcing from 130 local vendors, supplying to 1,986 dealers (Hyundai 1,036, Kia 950) in the US, Canada and Puerto Rico.

Mobis Georgia

- Location: Adjacent to Kia Georgia plant.
- Started supplying modules in November 2009. Area: 80,850 square meters.
- Produces four modules (rolling chassis, cockpit, front end and bumper).
- Annual capacity: 370,000 units. Employees: 773.

Mobis Parts America (MPA)

- Owns nine warehouses (including one RDC in Georgia) vs. Toyota's 14, GM's 22, Ford's 27, Nissan's 11 and Mazda's 7.
- Operations began in 2001.
- Coverage: 1,594 dealers (HMC 825, Kia 769), more than 98% of parts supplied.
- Inventory rights acquired from HMA and KMA in 2013.
- No. of warehouses: One in 2001, two in 2002, four in 2008, six in 2012, eight in 2013.

Implication & Valuation

- Mobis Alabama and Georgia supplies modules for Hyundai and Kia's US plants efficiently. As Hyundai and Kia's plants expanded annual production capacity to 370,000 and 360,000 units from 300,000, respectively, Mobis steadily expanded US module plants. Currently, Mobis has 15 overseas module plants across the globe to cover all of Hyundai and Kia's overseas plants.
- Mobis' expanding coverage for after-sales services should also reinforce Hyundai and Kia's sustainable high growth and bolster Mobis' profitability.
- We maintain BUY and our TP of W350,000 at 9x 12MF PE, a 30% discount to the historical high.

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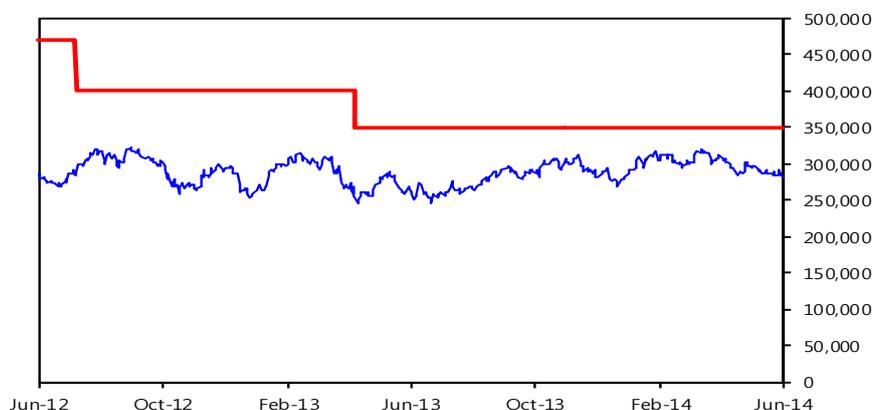
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Yr to	Sales	OP	NP	EPS	% chg	EBITDA	PE	EV/EBITDA	PB	ROE	DY
Dec	(W bn)	(W bn)	(W bn)	(KRW)	(YoY)	(W bn)	(x)	(x)	(x)	(%)	(%)
2012A	30,789	2,906	3,559	36,547	17.7	3,362	7.7	7.1	1.6	23.0	0.7
2013A	34,199	2,924	3,422	35,140	(3.9)	3,483	8.0	6.8	1.4	18.2	0.7
2014F	36,472	3,164	3,828	39,309	11.9	3,638	7.1	6.1	1.1	17.3	0.7
2015F	38,863	3,437	4,132	42,439	8.0	3,892	6.6	5.3	1.0	15.9	0.7
2016F	40,995	3,674	4,452	45,723	7.7	4,135	6.1	4.7	0.9	14.8	0.7

Changes to recommendation and price target

Company (Code)	Date	Recommendation	Price target
Hyundai Mobis (012330)	07-27-12	BUY	W400,000
	04-26-13	BUY	W350,000



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