Equity Research
April 25, 2025

000660 KS · Semiconductors

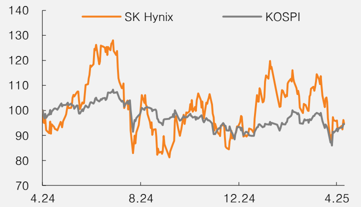
SK Hynix

Clearly undervalued, but a measured approach is warranted

(Maintain)	Buy
Target price	▼ W244,000
Current price (4/24/25)	W178,300
Upside	36.8%

OP (25F, Wbn)	36,398
Consensus OP (25F, Wbn)	34,756
EPS growth (25F, %)	51.2
Market EPS growth (25F, %)	24.6
P/E (25F, x)	4.3
Market P/E (25F, x)	9.2
KOSPI	2,522.33
Market cap (Wbn)	129,803
Shares (mn)	728
Free float (%)	74.2
Foreign ownership (%)	53.2
Beta (12M)	2.18
52-week low (W)	152,800
52-week high (W)	241,000

(%)	1M	6M	12M
Absolute	-15.7	-10.0	-0.8
Relative	-12.0	-7.9	5.2



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Lower TP to W244,000

We maintain our Buy rating on SK Hynix but lower our target price by 11.9% to W244,000. While we lifted our 2025 operating profit forecast by 4.6% (from W34.8tr to W36.4tr), we lowered our target P/B by 15% (from 2x to 1.7x). While a higher valuation appears justified based on fundamentals (e.g., strong profit growth and margins), we took a cautious approach due to emerging risks (e.g., potential entry of a new HBM competitor in 2H25 and external uncertainties such as tariffs).

Despite solid earnings, SK Hynix looks undervalued (currently trading at the lowest valuation among global peers). Nevertheless, investors should prepare for short-term volatility, as big tech companies are set to begin announcing their capex plans this week. There is a risk that they will slow down their investments, and even if investment levels remain steady, tariffs could limit their purchasing power.

Earnings review and outlook

For 1Q25, SK Hynix posted revenue of W17.6tr (-10.8% QoQ) and operating profit of W7.4tr (-7.9% QoQ). Operating profit significantly beat the consensus (W6.7tr) and our estimate (W6.4tr). DRAM shipments saw only a high-single-digit decline (vs. guidance of low-teen-percentage decline), and a favorable product mix (higher share of 12-layer HBM3E chips, solid demand for high-value-added products like DDR5, etc.) led to better-than-expected profitability.

HBM revenue represented around 50% of total DRAM revenue, with the mix of 12-layer HBM3E products growing to around 20%. We expect 12-layer products to overtake eight-layer products (in terms of revenue share) in 1H25. Additionally, HBM4 (offering over 40% more bandwidth than its predecessor) should enter mass production in 2H25. We expect the ongoing technology transition and product mix improvements to drive quarterly increases in ASP throughout the year.

For 2Q25, we look for record quarterly results, with revenue of W20.7tr (+17.6% QoQ) and operating profit of W8.6tr (+16.2% QoQ). We forecast DRAM ASP to rise 5.4% QoQ, driven by an increased mix of 12-layer HBM3E chips and inventory restocking demand amid tariff-related uncertainties. That said, the ASP rebound is unlikely to be sustained, as it is unlikely to be supported by a meaningful recovery in end-user demand. Starting in 4Q25, we expect DRAM ASP to stabilize at lower levels.

(Dec.)	2023	2024	2025F	2026F	2027F
Revenue (Wbn)	32,766	66,193	85,320	106,541	122,711
OP (Wbn)	-7,730	23,467	36,398	44,425	54,311
OP margin (%)	-23.6	35.5	42.7	41.7	44.3
NP (Wbn)	-9,112	19,789	29,923	37,231	46,249
EPS (W)	-12,517	27,182	41,103	51,141	63,528
ROE (%)	-15.6	31.1	34.0	31.0	28.8
P/E (x)	-	6.4	4.3	3.5	2.8
P/B (x)	1.8	1.7	1.2	0.9	0.7
Dividend yield (%)	0.8	1.3	1.2	1.2	1.2

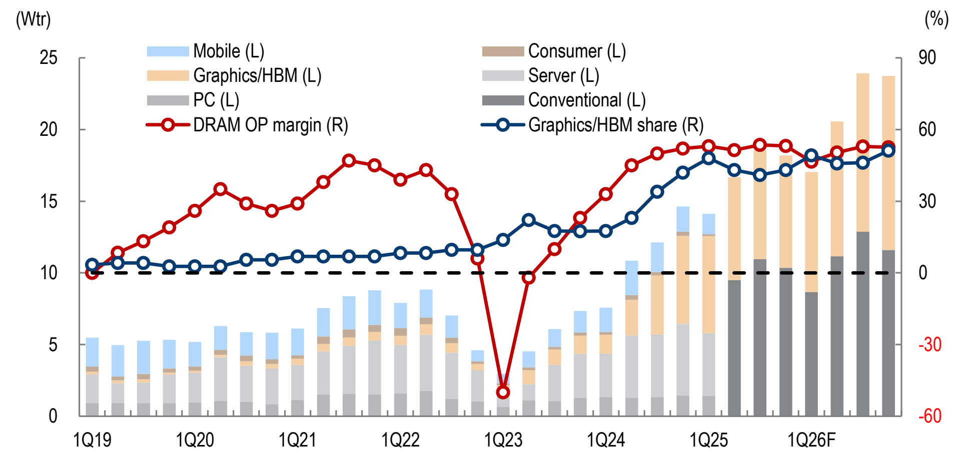
Notes: Under consolidated K-IFRS; NP is attributable to owners of the parent
Source: Company data, Mirae Asset Securities Research estimates

Table 1. Quarterly and annual earnings (Wtr, %)

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25F	3Q25F	4Q25F	2023	2024	2025F	2026F
USD/KRW	**1,329**	**1,371**	**1,357**	**1,396**	**1,453**	**1,457**	**1,455**	**1,455**	**1,306**	**1,363**	**1,455**	**1,455**
QoQ/YoY	0.5	3.2	-1.0	2.9	4.0	0.3	-0.1	0.0	1.1	4.4	6.7	0.0
Revenue	**12.4**	**16.4**	**17.6**	**19.8**	**17.6**	**20.7**	**23.4**	**23.6**	**32.8**	**66.2**	**85.3**	**106.5**
DRAM	7.6	10.8	12.1	14.6	14.1	16.7	18.6	18.2	20.9	45.2	67.5	85.3
NAND	4.4	5.1	4.9	4.6	3.2	3.7	4.5	5.0	9.6	19.0	16.3	19.7
Other	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	2.3	2.0	1.5	1.6
YoY	144.3	124.8	93.8	74.8	41.9	26.2	33.1	19.1	-26.6	102.0	28.9	24.9
DRAM	156.9	139.3	99.6	99.1	86.1	53.8	53.1	24.3	-26.3	116.1	49.5	26.3
NAND	159.1	124.8	108.7	41.7	-27.0	-27.5	-9.5	7.0	-32.7	98.4	-14.3	20.8
Other	8.6	-3.7	-16.9	-27.1	-29.0	-24.8	-27.6	-20.5	13.1	-11.9	-25.5	5.8
QoQ	9.9	32.1	7.0	12.5	-10.8	17.5	12.8	0.7				
DRAM	3.2	43.0	11.9	20.6	-3.5	18.2	11.3	-2.0				
NAND	32.7	17.0	-3.4	-5.6	-31.7	16.2	20.7	11.6				
Other	-26.7	-0.9	7.0	-6.3	-28.6	5.0	3.0	3.0				
OP	**2.9**	**5.5**	**7.0**	**8.1**	**7.4**	**8.6**	**10.2**	**10.2**	**-7.7**	**23.5**	**36.4**	**44.4**
DRAM	2.5	4.9	6.1	7.6	7.5	8.6	9.9	9.7	0.7	21.0	35.6	43.5
NAND	0.2	0.8	1.1	0.6	0.1	0.2	0.4	0.7	-7.3	2.6	1.4	1.6
YoY	0.9	30.4	324.6	TTB	157.8	57.7	44.7	25.7	TTR	TTB	55.1	22.1
DRAM	-18.8	28.3	161.4	2,654.0	198.9	75.7	63.9	27.0	-92.3	2,777.6	69.3	21.9
NAND	-61.1	6.6	TTB	TTB	-52.4	-73.1	-64.1	20.0	RR	TTB	-47.9	18.9
QoQ	TTB	89.5	28.6	15.0	-7.9	15.9	17.9	-0.1				
DRAM	805.9	94.9	24.3	25.5	-1.7	14.6	16.0	-2.8				
NAND	TTB	251.1	41.7	-48.5	-81.4	98.2	89.0	72.4				
OP margin	**23.2**	**33.3**	**40.0**	**40.9**	**42.2**	**41.6**	**43.5**	**43.2**	**-23.6**	**35.5**	**42.7**	**41.7**
DRAM	33.0	45.0	50.0	52.0	53.0	51.4	53.5	53.1	3.5	46.6	52.8	51.0
NAND	5.0	15.0	22.0	12.0	3.3	5.6	8.7	13.5	-76.3	13.8	8.4	8.2
EBITDA	**6.1**	**8.6**	**10.1**	**11.2**	**10.8**	**12.2**	**13.8**	**13.8**	**5.9**	**36.0**	**50.6**	**59.4**
DRAM	4.3	6.6	7.8	9.3	9.8	11.1	12.5	12.2	8.2	27.9	45.6	55.4
NAND	1.7	2.2	2.5	2.0	1.1	1.3	1.5	1.8	-1.2	8.3	5.6	4.6
Capex	**3.1**	**2.1**	**3.5**	**7.3**	**6.4**	**4.1**	**4.1**	**4.1**	**8.3**	**15.9**	**20.4**	**22.5**
FCF (EBITDA - capex)	**3.0**	**6.5**	**6.6**	**4.0**	**4.4**	**8.2**	**9.7**	**9.7**	**-2.4**	**20.1**	**30.2**	**36.9**

Source: Company data, Mirae Asset Securities Research

Figure 1. DRAM revenue and OP margin by application



Source: Company data, Mirae Asset Securities Research

Table 2. Assumptions by product (%)

	1Q24	2Q24	3Q24	4Q24	1Q25F	2Q25F	3Q25F	4Q25F	2023	2024	2025F	2026F
USD/KRW	1,329	1,371	1,357	1,396	1,453	1,457	1,455	1,455	1,306	1,363	1,455	1,455
QoQ/YoY	0.5	3.2	-1.0	2.9	4.0	0.3	-0.1	0.0	1.1	4.4	6.7	0.0
DRAM												
Revenue (US$bn)	5.7	7.9	8.9	10.5	9.7	11.4	12.8	12.5	16.0	33.0	46.4	58.6
QoQ/YoY	2.6	38.5	13.0	17.3	-7.3	17.8	11.5	-2.0	-28.2	107.0	40.6	26.3
Bit shipments (bn Gb)	17.0	20.6	20.0	21.2	19.5	21.9	23.8	24.9	68.7	79.0	90.1	101.1
QoQ/YoY	**-16.0**	**21.0**	**-2.8**	**6.0**	**-8.0**	**11.8**	**9.0**	**4.3**	**15.7**	**14.9**	**14.1**	**12.2**
ASP (US$/Gb)	0.33	0.38	0.45	0.49	0.50	0.52	0.54	0.50	0.23	0.42	0.52	0.58
QoQ/YoY	**22.2**	**15.2**	**18.4**	**8.9**	**0.8**	**4.0**	**3.8**	**-7.4**	**-37.9**	**80.1**	**23.2**	**12.5**
Conventional DRAM												
Revenue (US$bn)	4.9	6.3	6.3	6.3	5.2	6.5	7.5	7.1	13.8	23.8	26.4	30.4
QoQ/YoY	4.2	29.2	-1.4	0.5	-16.6	24.3	15.5	-5.5	-35.2	72.8	11.0	15.2
Bit shipments (bn Gb)	16.5	19.6	18.4	18.5	16.6	18.8	20.7	21.7	67.3	73.0	77.7	85.3
QoQ/YoY	-16.4	18.9	-6.0	0.2	-10.1	13.0	10.0	5.0	14.6	8.6	6.4	9.8
ASP (US$/Gb)	0.30	0.32	0.34	0.34	0.32	0.35	0.36	0.33	0.20	0.33	0.34	0.36
QoQ/YoY	24.7	8.7	4.8	0.3	-7.2	10.0	5.0	-10.0	-43.4	59.1	4.3	4.9
HBM												
Revenue (US$bn)	0.8	1.6	2.7	4.2	4.5	4.9	5.2	5.4	2.2	9.2	20.0	28.2
QoQ/YoY	-6.1	96.0	71.4	56.4	6.6	10.3	6.1	3.0	126.2	323.1	116.7	40.9
% of DRAM	**14.0**	**19.8**	**30.0**	**40.0**	**46.0**	**43.0**	**41.0**	**43.1**	**13.7**	**28.0**	**43.1**	**48.1**
Bit shipments (bn Gb)	0.5	1.0	1.6	2.8	2.9	3.1	3.2	3.2	1.4	5.9	12.4	15.8
QoQ/YoY	**-0.9**	**85.3**	**58.7**	**72.3**	**6.2**	**5.0**	**3.0**	**0.0**	**112.1**	**313.4**	**108.6**	**27.5**
% of DRAM	3.2	4.9	8.0	13.0	15.0	14.1	13.3	12.8	2.1	7.5	13.7	15.6
ASP (US$/Gb)	1.46	1.55	1.67	1.52	1.52	1.60	1.65	1.70	1.5	1.6	1.6	1.8
QoQ/YoY	**-5.3**	**5.8**	**8.0**	**-9.2**	**0.4**	**5.0**	**3.0**	**3.0**	**6.7**	**2.3**	**3.9**	**10.5**
NAND												
Revenue (US$bn)	3.3	3.7	3.6	3.3	2.2	2.5	3.1	3.4	7.3	13.9	11.2	13.5
QoQ/YoY	32.0	13.4	-2.4	-8.2	-34.3	15.9	20.9	11.6	-34.3	90.5	-19.7	20.8
Bit shipments (bn Gb)	42.0	40.8	34.7	33.2	27.5	34.0	42.6	48.4	152.7	150.6	152.5	181.2
QoQ/YoY	**0.0**	**-3.0**	**-15.0**	**-4.3**	**-17.0**	**23.4**	**25.4**	**13.6**	**20.5**	**-1.4**	**1.2**	**18.8**
ASP (US$/Gb)	0.08	0.09	0.10	0.10	0.08	0.07	0.07	0.07	0.05	0.09	0.07	0.07
QoQ/YoY	**32.0**	**16.9**	**14.8**	**-4.1**	**-20.9**	**-6.1**	**-3.6**	**-1.8**	**-45.5**	**93.1**	**-20.6**	**1.7**
SK Hynix NAND												
Revenue (US$bn)	2.0	2.3	1.9	1.5	1.2	1.4	1.8	2.0	5.2	7.7	6.4	7.4
QoQ/YoY	6.7	17.4	-15.8	-20.8	-21.8	17.5	27.4	12.7	-29.9	49.7	-16.9	15.8
Bit shipments (bn Gb)	30.3	30.3	23.2	20.4	18.8	23.5	30.5	35.1	120.5	104.1	107.8	124.7
QoQ/YoY	-18.1	-0.0	-23.4	-12.0	-8.0	25.0	30.0	15.0	28.6	-13.6	3.5	15.7
ASP (US$/Gb)	0.06	0.08	0.08	0.08	0.06	0.06	0.06	0.06	0.04	0.07	0.06	0.06
QoQ/YoY	30.2	17.4	9.9	-10.0	-15.0	-6.0	-2.0	-2.0	-45.5	73.3	-19.7	0.1
Solidigm												
Revenue (US$bn)	1.3	1.4	1.7	1.8	1.0	1.1	1.3	1.4	2.2	6.2	4.8	6.1
QoQ/YoY	103.7	7.5	19.4	6.2	-45.0	14.0	12.7	10.0	-42.8	187.8	-23.2	27.6
% of NAND	40.2	38.1	46.6	54.0	45.2	44.4	41.4	40.9	29.5	44.6	42.7	45.1
Bit shipments (bn Gb)	11.8	10.5	11.5	12.8	8.8	10.5	12.1	13.3	32.2	46.5	44.7	56.5
QoQ/YoY	130.6	-10.6	9.1	11.2	-31.4	20.0	15.0	10.0	-2.4	44.5	-4.0	26.4
% of NAND	28.0	25.8	33.1	38.5	31.8	31.0	28.4	27.5	21.1	30.9	29.3	31.2
ASP (US$/GB)	0.11	0.13	0.15	0.14	0.11	0.11	0.10	0.10	0.1	0.1	0.1	0.1
QoQ/YoY	-11.7	20.3	9.4	-4.6	-19.8	-5.0	-2.0	0.0	-41.3	99.2	-20.0	1.0

Source: Company data, Mirae Asset Securities Research

Table 3. Earnings forecast revisions (Wtr, %, %p)

	1Q25			2Q25F			2025F			2026F		
	Revised	Previous	Chg.	Revised	Previous	Chg.	Revised	Previous	Chg.	Revised	Previous	Chg.
USD/KRW	1,453	1,455	-0.1	1,457	1,443	0.9	1,455	1,446	0.6	1,455	1,443	0.8
Revenue (Wtr)	**17.6**	**17.6**	**0.0**	**20.7**	**19.5**	**6.3**	**85.3**	**83.3**	**2.5**	**106.5**	**108.3**	**-1.6**
DRAM	14.1	13.5	4.4	16.7	14.7	13.7	67.5	62.7	7.8	85.3	84.4	1.1
NAND	3.2	3.6	-12.2	3.7	4.3	-15.1	16.3	18.6	-12.4	19.7	21.9	-9.9
OP (Wbn)	**7.4**	**6.4**	**15.8**	**8.6**	**7.9**	**9.8**	**36.4**	**34.8**	**4.7**	**44.4**	**50.8**	**-12.6**
DRAM	7.5	6.7	12.1	8.6	7.7	11.3	35.6	33.6	6.2	43.5	46.6	-6.8
NAND	0.1	-0.0	TTB	0.2	0.4	-44.0	1.4	2.1	-34.3	1.6	5.2	-68.6
OP margin (%)	**42.2**	**36.5**	**5.7**	**41.6**	**40.3**	**1.3**	**42.7**	**41.8**	**0.9**	**41.7**	**46.9**	**-5.2**
DRAM	53.0	49.4	3.6	51.4	52.5	-1.1	52.8	53.6	-0.8	51.0	55.2	-4.3
NAND	3.3	-1.3	4.5	5.6	8.4	-2.9	8.4	11.2	-2.8	8.2	23.6	-15.4
EBITDA (Wtr)	**10.8**	**10.0**	**8.2**	**12.2**	**11.4**	**7.9**	**50.6**	**48.9**	**3.4**	**59.4**	**65.7**	**-9.6**
DRAM	9.8	9.1	7.3	11.1	10.1	9.4	45.6	43.5	4.9	55.4	58.5	-5.2
NAND	1.1	1.0	8.9	1.3	1.4	-8.7	5.6	6.3	-11.0	4.6	8.1	-43.3
Capex (Wtr)	**6.4**	**3.5**	**81.3**	**4.1**	**4.4**	**-6.8**	**20.4**	**17.5**	**16.5**	**22.5**	**18.4**	**22.1**
FCF	**4.4**	**6.4**	**-31.5**	**8.2**	**7.0**	**17.1**	**30.2**	**31.4**	**-3.9**	**36.9**	**47.3**	**-21.9**
[Memory est.]												
DRAM												
Bit growth	-8.0	-12.7	4.7	11.8	17.9	-6.1	14.1	17.4	-3.3	12.2	17.6	-5.4
ASP chg.	0.8	1.6	-0.8	5.4	-7.3	12.7	23.2	11.8	11.4	12.5	14.7	-2.2
Conventional												
Bit growth	-10.1	-15.0	4.9	13.0	20.0	-7.0	6.4	11.0	-4.6	9.8	15.6	-5.8
ASP chg.	-7.2	-12.0	4.8	10.0	-5.0	15.0	4.3	-16.4	20.7	4.9	8.4	-3.5
HBM												
Bit growth	6.2	5.0	1.2	5.0	5.0	0.0	108.6	100.1	8.5	27.5	32.3	-4.8
% of DRAM	15.0	13.9	1.1	14.1	12.4	1.7	13.7	12.1	1.6	15.6	13.6	1.9
ASP chg.	0.4	2.0	-1.6	5.0	0.0	5.0	3.9	12.8	-9.0	10.5	9.2	1.3
NAND												
Bit growth	-17.0	-17.0	-0.0	23.4	31.6	-8.1	1.2	4.7	-3.5	18.8	17.3	1.5
ASP chg.	-20.9	-10.0	-10.9	-6.1	-7.9	1.8	-20.6	-11.9	-8.7	1.7	0.4	1.3
SK Hynix												
Bit growth	-8.0	-22.0	14.0	25.0	40.0	-15.0	3.5	-3.5	7.1	15.7	17.9	-2.2
ASP chg.	-15.0	-15.0	0.0	-6.0	-6.0	0.0	-19.7	-19.8	0.1	0.1	0.2	-0.1
Solidigm												
Bit growth	-31.4	-9.0	-22.4	20.0	20.0	0.0	-4.0	23.2	-27.2	26.4	16.4	10.0
% of NAND	31.8	42.2	-10.4	31.0	38.5	-7.5	29.3	36.3	-7.0	31.2	36.0	-4.9
ASP chg.	-19.8	-10.0	-9.8	-5.0	-5.0	0.0	-20.0	-10.1	-9.9	1.0	0.9	0.1

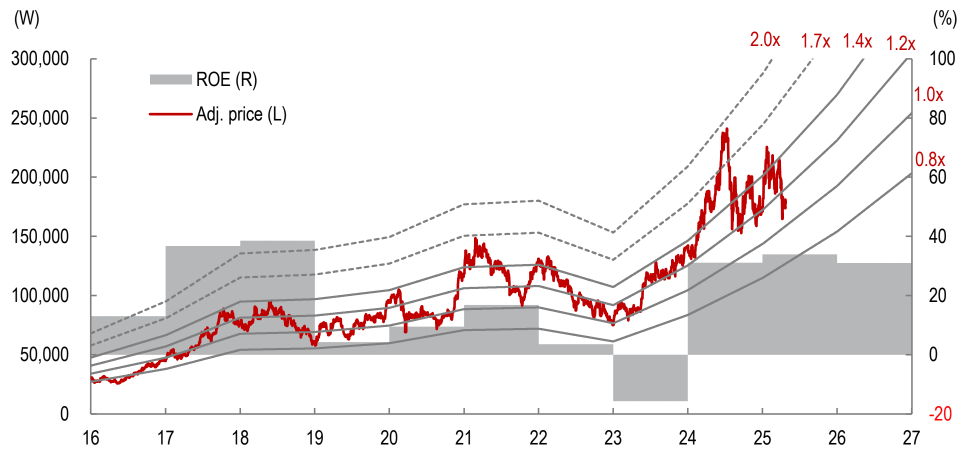
Source: Company data, Mirae Asset Securities Research

Table 4. Valuation table

	Value	Notes
2025F BPS	W143,580	
Target P/B	1.7x	Revised down 15% (from 2x), reflecting growing competition in the HBM market
Fair price	W244,086	
Target price	W244,000	Lowered from W277,000
Current price	W178,300	Apr. 24 closing price
Upside	36.8 %	

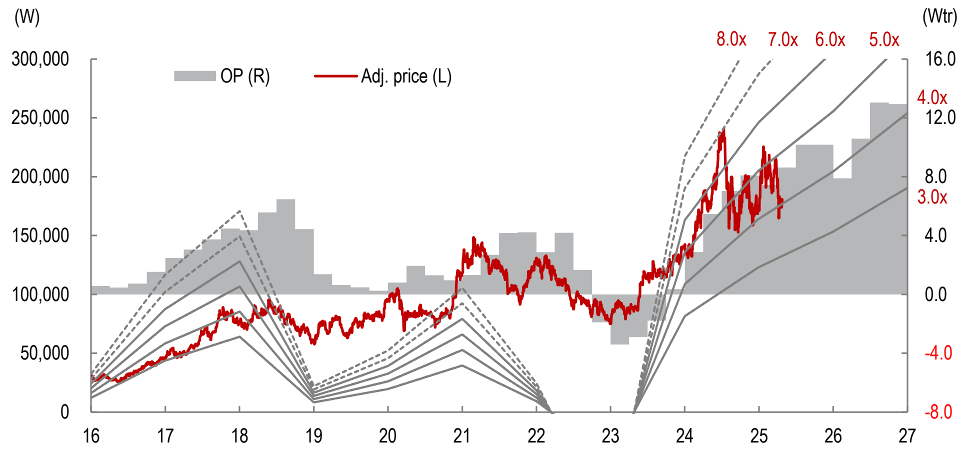
Source: Mirae Asset Securities Research

Figure 2. 12-month forward P/B band chart



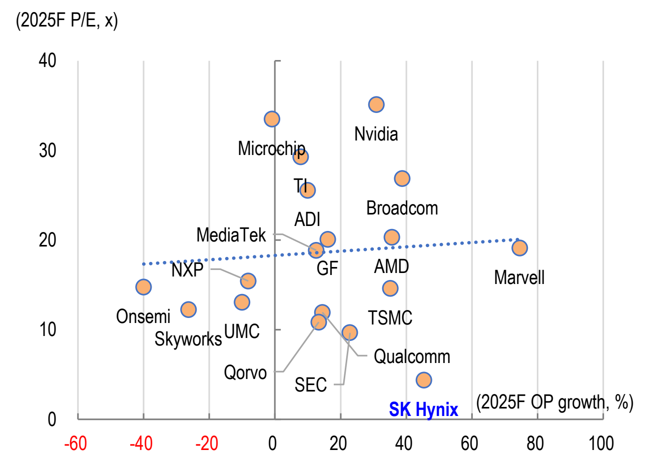
Source: Mirae Asset Securities Research

Figure 3. 12-month forward P/E band chart



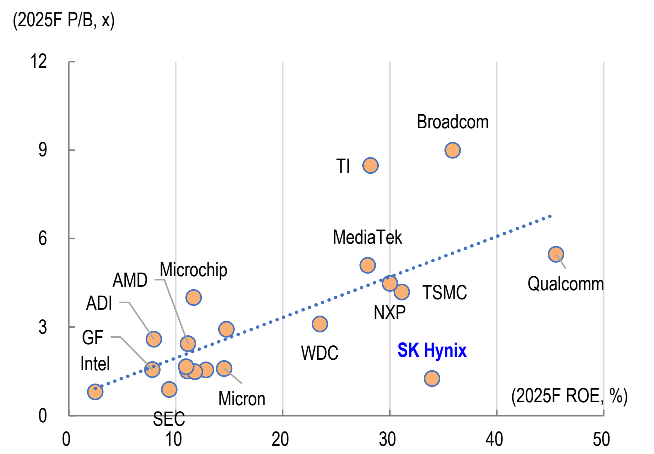
Source: Mirae Asset Securities Research

Figure 4. Global chipmakers: 2025F OP growth vs. P/E



Source: LSEG, Mirae Asset Securities Research

Figure 5. Global chipmakers: 2025F ROE vs. P/B



Source: LSEG, Mirae Asset Securities Research

Table 5. Global chipmakers: Earnings comparison (US$bn, %)

Company	Market cap	Fiscal year-end	Revenue		OP		OP margin	
			2025F	2026F	2025F	2026F	2025F	2026F
SK Hynix	**92**	**December**	**58.6**	**73.2**	**25.0**	**30.5**	**42.7**	**41.7**
Samsung Electronics	231	December	232.0	265.3	29.5	47.0	12.7	17.7
Micron	82	August	35.4	44.6	9.1	14.8	25.8	33.2
Western Digital	13	June	10.4	9.6	2.3	2.4	22.0	24.6
Nvidia	2,506	January	177.2	208.8	106.7	128.7	60.2	61.6
AMD	146	December	31.2	37.5	8.3	11.3	26.6	30.0
Intel	90	December	53.2	56.6	2.5	6.2	4.7	11.0
Broadcom	832	October	62.4	72.3	39.9	46.6	63.9	64.4
Qualcomm	155	September	43.4	45.2	15.0	15.5	34.5	34.2
Marvell	47	January	8.2	9.9	2.9	3.7	35.0	37.9
MediaTek	67	December	18.8	22.0	3.6	4.4	19.1	19.9
Skyworks	9	September	3.8	3.7	0.8	0.7	21.9	19.5
Qorvo	6	March	3.7	3.9	0.7	0.8	18.5	20.6
TSMC	695	December	112.8	132.1	54.1	62.9	48.0	47.6
Global Foundries	18	December	7.0	7.8	1.0	1.5	14.5	19.6
UMC	17	December	7.6	8.2	1.4	1.7	18.8	20.6
Texas Instruments	138	December	16.9	19.0	5.8	7.3	34.4	38.5
Analog Devices	91	October	10.3	11.6	4.2	5.1	40.6	43.9
Microchip	23	March	4.5	5.6	1.1	1.8	23.7	32.8
Onsemi	15	December	5.9	6.8	1.2	1.8	20.2	26.9
NXP	46	December	12.0	13.2	3.9	4.7	32.8	35.1
Avg.							**29.6**	**32.4**

Source: LSEG, Mirae Asset Securities Research

Table 6. Global chipmakers: Valuation comparison (%, x)

Company	OP Growth		ROE		P/E		P/B		EV/EBITDA	
	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F
SK Hynix	**45.3**	**22.0**	**34.0**	**31.0**	**4.4**	**3.5**	**1.3**	**0.9**	**2.4**	**1.6**
Samsung Electronics	22.9	59.1	9.4	13.5	9.7	6.1	0.9	0.8	3.5	2.8
Micron	433.9	62.0	14.5	18.8	10.5	6.6	1.6	1.3	4.8	3.3
Western Digital	487.2	3.1	23.5	54.2	8.2	7.9	3.1	2.4	5.9	5.4
Nvidia	30.9	20.6	70.1	47.6	35.1	29.2	18.2	11.2	29.1	23.4
AMD	35.6	35.7	11.2	13.8	20.3	15.3	2.4	2.3	18.2	13.3
Intel	TTB	148.6	2.5	4.1	43.0	18.5	0.8	0.8	8.8	6.4
Broadcom	38.8	16.9	35.9	38.0	26.9	22.8	9.0	7.2	20.9	17.6
Qualcomm	14.4	3.1	45.5	39.3	11.9	11.6	5.5	4.7	8.9	8.4
Marvell	74.5	29.9	14.8	18.6	19.1	14.9	2.9	3.1	15.6	12.1
MediaTek	12.6	22.6	28.0	31.1	18.9	15.8	5.1	4.5	15.1	12.6
Skyworks	-26.3	-15.5	11.1	8.8	12.3	14.3	1.5	1.6	7.5	8.1
Qorvo	13.3	17.6	12.9	14.3	10.9	9.0	1.6	1.4	8.1	7.2
TSMC	36.7	18.3	32.0	30.0	18.7	15.6	5.4	4.3	10.8	9.0
Global Foundries	23.0	39.3	8.1	9.8	25.0	18.3	1.9	1.7	7.9	6.4
UMC	4.4	16.4	13.5	14.7	10.4	9.1	1.4	1.4	4.2	3.5
Texas Instruments	35.2	16.3	31.2	29.7	14.6	12.5	4.2	3.4	8.3	7.0
Analog Devices	16.1	50.5	7.8	10.9	20.1	14.1	1.6	1.4	6.5	5.1
Microchip	-10.1	18.2	11.8	12.9	13.1	11.3	1.5	1.4	4.7	4.1
Onsemi	7.8	26.2	28.2	33.7	29.3	22.7	8.5	9.1	19.1	15.5
NXP	10.0	22.0	8.0	10.5	25.6	20.8	2.6	2.6	16.9	14.7
Avg.	**59.7**	**33.4**	**21.6**	**24.0**	**18.9**	**14.1**	**3.9**	**3.3**	**11.4**	**9.3**

Source: LSEG, Mirae Asset Securities Research

SK Hynix (000660 KS)

Income statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Revenue	**66,193**	**85,320**	**106,541**	**122,711**
Cost of revenue	**34,365**	**34,492**	**44,217**	**48,311**
GP	**31,828**	**50,828**	**62,324**	**74,400**
SG&A expenses	**8,361**	**14,430**	**17,899**	**20,088**
OP (adj.)	**23,467**	**36,398**	**44,425**	**54,311**
OP	**23,467**	**36,398**	**44,425**	**54,311**
Non-operating profit	**418**	**-248**	**520**	**1,517**
Net financial income	-1,000	-320	449	1,446
Net income from associates	-38	0	0	0
Pretax profit	23,885	36,150	44,945	55,828
Income tax	4,088	6,204	7,687	9,545
Profit from continuing operations	19,797	29,946	37,258	46,284
Profit from discontinued operations	0	0	0	0
NP	**19,797**	**29,946**	**37,258**	**46,284**
Attributable to owners	19,789	29,923	37,231	46,249
Attributable to minority interests	8	22	28	35
Total comprehensive income	**21,044**	**29,946**	**37,258**	**46,284**
Attributable to owners	21,033	29,924	37,231	46,250
Attributable to minority interests	11	22	27	34
EBITDA	36,049	50,048	58,818	69,970
FCF	13,850	25,925	29,107	40,245
EBITDA margin (%)	54.5	58.7	55.2	57.0
OP margin (%)	35.5	42.7	41.7	44.3
Net margin (%)	29.9	35.1	34.9	37.7

Balance sheet (summarized)

(Wbn)	2024	2025F	2026F	2027F
Current assets	**42,279**	**68,113**	**102,743**	**145,476**
Cash & equivalents	11,205	34,513	60,710	98,358
AR & other receivables	13,234	14,237	17,871	20,063
Inventory	13,314	15,886	19,942	22,388
Other current assets	4,526	3,477	4,220	4,667
Non-current assets	**77,576**	**83,634**	**91,005**	**96,812**
Investments in associates	1,941	2,312	2,902	3,258
PP&E	60,157	65,226	71,341	76,203
Intangible assets	4,019	4,533	5,035	5,524
Total assets	**119,855**	**151,746**	**193,748**	**242,288**
Current liabilities	**24,965**	**28,173**	**34,025**	**37,554**
AP & other payables	9,244	10,448	13,116	14,724
Short-term financial liabilities	7,582	8,028	8,737	9,164
Other current liabilities	8,139	9,697	12,172	13,666
Non-current liabilities	**20,974**	**21,234**	**21,646**	**21,895**
Long-term financial liabilities	19,617	19,617	19,617	19,617
Other non-current liabilities	1,357	1,617	2,029	2,278
Total liabilities	**45,940**	**49,407**	**55,671**	**59,449**
Equity attributable to owners	**73,904**	**102,305**	**138,014**	**182,741**
Capital stock	3,658	3,658	3,658	3,658
Capital surplus	4,487	4,487	4,487	4,487
Retained earnings	65,418	93,820	129,529	174,256
Minority interests	**12**	**35**	**63**	**98**
Shareholders' equity	**73,916**	**102,340**	**138,077**	**182,839**

Cash flow statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Operating cash flow	**29,796**	**44,558**	**49,517**	**60,655**
NP	19,797	29,946	37,258	46,284
Non-cash income/expenses	17,054	20,097	21,555	23,682
Depreciation	11,985	13,564	14,295	15,549
Amortization	596	86	98	110
Other	4,473	6,447	7,162	8,023
Chg. in working capital	-5,600	962	-2,135	-1,287
Chg. in AR & other receivables	-5,098	-974	-3,573	-2,154
Chg. in inventory	167	-2,572	-4,056	-2,446
Chg. in AP & other payables	-1,103	205	634	382
Income tax	-552	-6,204	-7,687	-9,545
Cash flow from investing activities	**-18,005**	**-19,803**	**-21,917**	**-21,557**
Chg. in PP&E	-15,898	-18,632	-20,410	-20,410
Chg. in intangible assets	-697	-600	-600	-600
Chg. in financial assets	-2,073	-571	-907	-547
Other	663	0	0	0
Cash flow from financing activities	**-8,704**	**-1,076**	**-813**	**-1,094**
Chg. in financial liabilities	-6,781	446	709	427
Chg. in equity	115	0	0	0
Dividends	-826	-1,522	-1,522	-1,522
Other	-1,212	0	0	1
Chg. in cash	**3,618**	**23,308**	**26,197**	**37,648**
Beginning balance	7,587	11,205	34,513	60,710
Ending balance	11,205	34,513	60,710	98,358

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

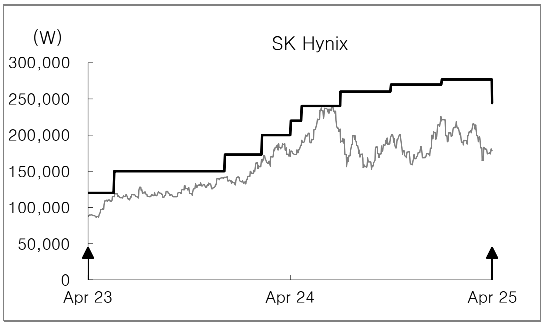
	2024	2025F	2026F	2027F
P/E (x)	6.4	4.3	3.5	2.8
P/CF (x)	3.4	2.6	2.2	1.9
P/B (x)	1.7	1.2	0.9	0.7
EV/EBITDA (x)	3.9	2.4	1.6	0.8
EPS (W)	27,182	41,103	51,141	63,528
CFPS (W)	50,619	68,740	80,788	96,106
BPS (W)	104,567	143,580	192,630	254,069
DPS (W)	2,204	2,204	2,204	2,204
Dividend payout ratio (%)	7.7	5.1	4.1	3.3
Dividend yield (%)	1.3	1.2	1.2	1.2
Revenue growth (%)	102.0	28.9	24.9	15.2
EBITDA growth (%)	506.5	38.8	17.5	19.0
OP growth (%)	-	55.1	22.1	22.3
EPS growth (%)	-	51.2	24.4	24.2
AR turnover (x)	6.7	6.3	6.8	6.6
Inventory turnover (x)	4.9	5.8	5.9	5.8
AP turnover (x)	16.7	14.5	15.8	14.6
ROA (%)	18.0	22.1	21.6	21.2
ROE (%)	31.1	34.0	31.0	28.8
ROIC (%)	25.4	37.0	41.6	46.5
Debt-to-equity ratio (%)	62.2	48.3	40.3	32.5
Current ratio (%)	169.3	241.8	302.0	387.4
Net debt-to-equity ratio (%)	18.3	-10.1	-26.5	-40.6
Interest coverage ratio (x)	17.4	33.0	39.4	47.3

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
SK Hynix (000660)	04/25/25	Buy	244,000
	01/24/25	Buy	277,000
	10/24/24	Buy	270,000
	07/25/24	Buy	260,000
	05/16/24	Buy	240,000
	04/26/24	Buy	220,000
	03/05/24	Buy	200,000
	12/29/23	Buy	173,000
	06/12/23	Buy	150,000
	01/26/23	Buy	120,000



Stock ratings	
Buy	Expected 12-month performance: +20% or greater
Trading Buy	Expected 12-month performance: +10% to +20%
Hold	Expected 12-month performance: -10% to +10%
Sell	Expected 12-month performance: -10% or worse

Sector ratings	
Overweight	Expected to outperform the market over 12 months
Neutral	Expected to perform in line with the market over 12 months
Underweight	Expected to underperform the market over 12 months

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	83.98%	6.63%	8.84%	0.55%
Investment banking services	88.24%	0%	11.76%	0%

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

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