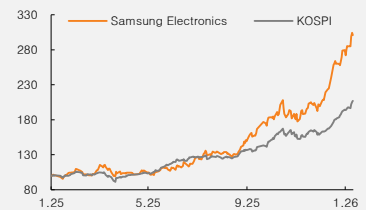


(Maintain)	Buy
Target price	▲ W247,000
Current price (1/29/26)	W160,700
Upside	53.7%

OP (25P, Wbn)	43,627
Consensus OP (25F, Wbn)	42,035
EPS growth (25P, %)	32.7
Market EPS growth (25F, %)	36.0
P/E (25P, x)	18.3
Market P/E (25F, x)	17.9
KOSPI	5,221.25

Market cap (Wbn)	951,286
Shares (mn)	5,920
Free float (%)	75.2
Foreign ownership (%)	51.8
Beta (12M)	1.12
52-week low (W)	51,000
52-week high (W)	162,400

(%)	1M	6M	12M
Absolute	34.5	127.6	199.3
Relative	8.7	40.8	45.4



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Samsung Electronics

Increasingly favorable environment

Memory business entering a full-fledged normalization phase

We lift our target price for Samsung Electronics (SEC) by 30% to W247,000 (from W187,000). Using a sum-of-the-parts (SOTP) valuation, we estimate the company's fair value at W1,684tr, including W1,385tr for the memory business. Based on 2026F EPS and BPS, our target price implies a P/E of 11.1x and P/B of 3.1x, both of which remain below the industry averages of 14.4x and 4.2x, respectively.

For 1Q26, we look for revenue of W114tr (+22.5% QoQ) and operating profit of W32tr (+63.8% QoQ). Backed by the full pass-through of rising memory prices, the DS division should see strong growth in both revenue (+35.6% QoQ) and operating profit (+76.7% QoQ), supporting overall earnings. In the MX division, we forecast revenue to rise QoQ following new product launches, while margins are likely to narrow due to higher memory prices.

For 2026, we look for revenue of W499tr (+49.9% YoY) and operating profit of W166tr (+282.4% YoY). We forecast memory operating profit to rise to W149.3tr (+500.9% YoY), driving overall earnings growth. We project that bit growth will reach +24.2% for DRAM and +18.8% for NAND, with ASPs rising 94.8% and 84.3%, respectively, reflecting the full-scale ramp-up of HBM and the robust conventional memory market.

An increasingly favorable business environment

Competitive edge in HBM4: SEC is likely to begin recognizing HBM4 revenue from 1Q26, with the company reporting that its samples progressed through a customer's qualification test without requiring redesign. Management also indicated that while the market for 16-layer chips utilizing hybrid bonding technology has not yet fully opened, the firm has already secured mass production capabilities. Accordingly, we expect HBM revenue to surge from US\$7.3bn in 2025 to US\$17bn in 2026 (+130% YoY).

Industry-leading capacity: At present, the strongest demand is in server DRAM. In addition, each new CPU generation from Nvidia is seeing roughly a doubling of LPDDR5X content, while demand for SSDs used for KV-cache offloading is driving a widening price premium for TLC over QLC. SEC has historically held strengths in all of these segments, and its industry-leading capacity should help it to maximize earnings.

Foundry-memory synergies: SEC has begun shipping HBM4 base dies fabricated on its 4nm FinFET process. While this is not the most advanced node available, it is encouraging that the firm has secured stable high-volume yields and built a collaborative business model between its foundry and memory divisions. The 2nm process is expected to be applied starting with custom base dies for HBM4E (scheduled for 2027), at which point foundry-memory synergies should materialize in earnest.

(Dec.)	2023	2024	2025P	2026F	2027F
Revenue (Wbn)	258,935	300,871	333,569	499,948	560,292
OP (Wbn)	6,567	32,726	43,627	166,822	195,847
OP margin (%)	2.5	10.9	13.1	33.4	35.0
NP (Wbn)	14,473	33,621	44,278	155,107	186,359
EPS (W)	2,131	4,950	6,566	23,028	27,668
ROE (%)	4.1	9.0	10.9	31.2	28.3
P/E (x)	36.8	10.7	18.3	7.0	5.8
P/B (x)	1.5	0.9	1.9	1.9	1.4
Dividend yield (%)	1.8	2.7	1.2	0.9	0.9

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

Table 1. SEC: SOTP valuation

	2026F EBITDA (Wtr)	Target EV/EBITDA (x)	Implied EV	Notes
Operating value (Wtr)	216.0	7.1	1,536.8	
DX	14.4	6.9	98.8	
MX/NW	12.6	6.9	87.3	50% discount to avg. of Xiaomi and Apple
VD/DA	1.7	6.6	11.5	Avg. of LG Electronics and Whirlpool
DS	190.5	7.3	1,384.8	
Memory	184.7	7.3	1,343.6	Avg. of SK Hynix, Micron, and Kioxia
Foundry/LSI	5.7	7.2	41.2	30% discount to avg. of TSMC, GlobalFoundries, and Intel
Samsung Display	8.7	4.3	36.9	Avg. of Innolux, BOE, and AUO
Harman	2.4	6.6	16.2	Avg. of Hyundai Mobis and HL Mando
	Market cap (Wtr)	Stake (%)	Value	
Equity stake value (Wtr)			110.0	
Listed			56.7	
Samsung Biologics	82.9	31.2	25.9	
Samsung Epis Holdings	15.6	38.6	6.0	
SEMCO	20.9	23.7	5.0	
Samsung SDI	32.0	19.4	6.2	
Samsung SDS	13.7	22.6	3.1	
Other			10.6	
Unlisted			53.3	
Net debt (Wtr)			-91.8	
Fair market cap (Wtr)			1,684	50% discount to equity stake value reflected
No. of shares (mn)			6,793	Common + preferred
Fair value/share (W)			247,854	
Target price (W)			247,000	
Current price (W)			160,700	
Upside (%)			53.7	

Source: LSEG, Mirae Asset Securities Research

Table 2. SEC: Earnings outlook

(Wtr, %)

	1Q25	2Q25	3Q25	4Q25P	1Q26F	2Q26F	3Q26F	4Q26F	2024	2025F	2026F	2027F
USD/KRW	1,453	1,402	1,386	1,450	1,460	1,460	1,460	1,460	1,363	1,422	1,460	1,445
QoQ/YoY	4.0	-3.5	-1.2	4.6	0.7	0.0	0.0	0.0	4.4	4.3	2.6	-1.0
Revenue	79.1	74.6	86.1	93.8	114.9	119.2	134.8	131.1	300.9	333.6	499.9	560.3
DX	51.7	43.6	48.4	44.3	54.2	45.7	54.4	46.4	174.9	188.0	200.6	209.3
DS	25.1	27.9	33.1	44.0	59.6	70.0	74.6	77.7	111.1	130.1	281.9	331.7
Samsung Display	5.9	6.4	8.1	9.5	5.9	7.2	9.4	10.0	29.2	29.8	32.5	34.3
Harman	3.4	3.8	4.0	4.6	3.2	4.6	4.5	4.0	14.3	15.8	16.4	17.8
QoQ/YoY	4.4	-5.8	15.4	9.0	22.5	3.8	13.1	-2.7	16.2	10.9	49.9	12.1
DX	27.6	-15.8	11.0	-8.4	22.3	-15.7	19.0	-14.6	2.9	7.5	6.7	4.3
DS	-16.5	10.9	18.8	32.9	35.6	17.3	6.7	4.1	66.8	17.2	116.6	17.7
Samsung Display	-27.8	8.7	27.0	17.3	-37.9	21.6	31.0	6.6	-5.9	2.4	8.9	5.5
Harman	-12.9	12.0	3.2	16.3	-29.4	41.5	-1.1	-11.9	-0.8	10.7	3.7	8.8
OP	6.7	4.7	12.2	20.1	32.9	40.1	46.4	47.4	32.7	43.6	166.8	195.8
DX	4.7	3.3	3.5	1.3	3.0	1.7	3.1	1.9	12.4	12.8	9.6	10.6
DS	1.1	0.4	7.0	16.4	29.0	36.7	40.8	42.9	15.1	24.8	149.3	176.3
Samsung Display	0.5	0.5	1.2	2.0	0.6	1.1	1.9	2.2	3.7	4.2	5.8	6.5
Harman	0.3	0.5	0.4	0.3	0.3	0.6	0.6	0.4	1.3	1.5	1.9	2.2
QoQ/YoY	3.0	-30.1	160.2	65.2	63.8	21.8	15.7	2.1	398.3	33.3	282.4	17.4
DX	108.0	-29.6	4.3	-62.5	129.6	-43.6	83.0	-39.9	-13.5	3.0	-25.1	10.7
DS	-61.4	-68.3	1,896.4	134.6	76.7	26.5	11.2	5.1	TTB	64.6	500.9	18.1
Samsung Display	-46.8	2.4	158.8	63.3	-67.6	71.8	72.8	11.8	-32.9	11.4	40.4	11.1
Harman	-21.6	57.6	-13.1	-28.7	-15.1	131.4	-2.1	-23.3	11.4	15.6	23.4	19.2
OP margin	8.4	6.3	14.1	21.4	28.7	33.7	34.4	36.1	10.9	13.1	33.4	35.0
DX	9.1	7.6	7.2	2.9	5.5	3.7	5.7	4.0	7.1	6.8	4.8	5.1
DS	4.4	1.3	21.1	37.3	48.6	52.4	54.7	55.2	13.6	19.1	53.0	53.2
Samsung Display	7.9	7.4	15.1	21.1	11.0	15.5	20.5	21.5	12.8	13.9	18.0	18.9
Harman	9.0	12.6	10.6	6.5	7.8	12.8	12.7	11.1	9.2	9.6	11.4	12.5
EBITDA	18.2	16.0	24.0	32.2	45.3	52.7	59.1	60.2	75.4	90.4	217.3	249.0
DX	5.8	4.4	4.6	2.5	4.1	2.8	4.2	3.0	16.7	17.3	14.2	15.3
DS	10.6	9.7	16.8	26.4	39.3	47.1	51.3	53.6	49.9	63.5	191.3	221.0
Samsung Display	1.1	1.1	1.9	2.7	1.4	1.8	2.6	2.9	6.4	6.9	8.7	9.3
Harman	0.4	0.6	0.6	0.4	0.4	0.7	0.7	0.6	1.9	2.1	2.4	2.8
QoQ/YoY	1.2	-11.9	49.6	34.2	40.8	16.2	12.2	1.9	66.6	20.0	140.3	14.6
DX	73.7	-24.0	4.6	-46.6	68.5	-31.4	49.2	-29.0	-10.6	3.7	-17.6	7.2
DS	-14.1	-8.6	72.6	57.2	48.9	20.0	9.0	4.4	227.1	27.3	201.3	15.5
Samsung Display	-26.8	0.7	65.0	44.1	-49.9	34.2	44.5	8.6	-28.1	7.2	26.5	7.5
Harman	-15.9	38.9	-10.0	-20.2	-10.1	83.7	-1.7	-18.6	9.1	11.4	18.2	14.6
Capex	12.0	11.1	9.2	20.4	16.1	16.3	16.3	16.6	53.6	52.7	65.3	76.1
DS	10.9	9.8	7.8	19.0	15.0	15.0	15.0	15.0	46.3	47.5	60.1	70.9
Samsung Display	0.5	0.8	0.8	0.7	0.5	0.7	0.7	0.8	4.8	2.8	2.7	2.7
Other	0.6	0.5	0.5	0.8	0.5	0.6	0.6	0.7	2.5	2.4	2.5	2.5
QoQ/YoY	-32.6	-7.5	-17.5	123.4	-21.4	1.5	0.0	1.5	1.0	-1.8	23.8	16.6
DS	-31.4	-10.7	-20.3	143.4	-20.9	0.0	0.0	0.0	-4.3	2.6	26.5	18.1
Samsung Display	-48.8	61.2	4.2	-19.8	-20.5	25.0	0.0	20.0	102.7	-42.1	-5.0	0.0
Others	-36.2	-6.2	0.5	54.1	-34.3	19.7	0.0	16.5	7.5	-5.2	5.5	0.0
FCF	6.2	4.9	14.8	11.7	29.2	36.4	42.8	43.7	21.7	37.7	152.0	172.9
DS	-0.3	-0.1	9.0	7.4	24.2	32.1	36.3	38.6	3.6	16.0	131.3	150.1
Samsung Display	0.6	0.3	1.0	2.0	0.8	1.2	2.0	2.1	1.6	4.1	6.0	6.7
Other	5.9	4.7	4.8	2.3	4.2	3.1	4.5	3.0	16.6	17.7	14.8	16.1

Source: Company data, Mirae Asset Securities Research

Table 3. SEC: Earnings forecast revisions

(Wtr, %, %p)

	1Q26F			2Q26F			2026F		
	Revised	Previous	Chg.	Revised	Previous	Chg.	Revised	Previous	Chg.
USD/KRW	1,460	1,460	0.0	1,460	1,460	0.0	1,460	1,460	0.0
Revenue	114.9	105.6	8.8	119.2	106.0	12.4	499.9	449.9	11.1
DX	54.2	54.2	0.0	45.7	45.7	0.0	200.6	200.6	0.0
DS	59.6	50.4	18.4	70.0	56.8	23.2	281.9	231.8	21.6
Samsung Display	5.9	5.9	0.0	7.2	7.2	0.0	32.5	32.5	0.0
Harman	3.2	3.2	0.0	4.6	4.6	0.0	16.4	16.4	0.0
OP	32.9	25.3	29.9	40.1	29.3	36.8	166.8	125.5	33.0
DX	3.0	3.0	0.0	1.7	1.7	0.1	9.6	9.6	0.1
DS	29.0	21.4	35.4	36.7	25.9	41.6	149.3	108.0	38.3
Samsung Display	0.6	0.6	0.6	1.1	1.1	0.4	5.8	5.8	0.4
Harman	0.3	0.3	0.0	0.6	0.6	0.0	1.9	1.9	0.0
OP margin	28.7	24.0	4.7	33.7	27.7	6.0	33.4	27.9	5.5
DX	5.5	5.5	0.0	3.7	3.7	0.0	4.8	4.8	0.0
DS	48.6	42.5	6.1	52.4	45.6	6.8	53.0	46.6	6.4
Samsung Display	11.0	10.9	0.1	15.5	15.5	0.1	18.0	17.9	0.1
Harman	7.8	7.8	0.0	12.8	12.8	0.0	11.4	11.4	0.0
EBITDA	45.3	37.5	20.7	52.7	41.6	26.5	217.3	174.8	24.3
DX	4.1	4.1	-0.0	2.8	2.8	0.0	14.2	14.2	-0.0
DS	39.3	31.5	24.7	47.1	36.1	30.6	191.3	148.8	28.6
Samsung Display	1.4	1.4	0.0	1.8	1.8	0.0	8.7	8.7	0.0
Harman	0.4	0.4	0.0	0.7	0.7	0.0	2.4	2.4	0.0
Capex	16.1	14.1	14.4	16.3	14.3	13.7	65.3	57.4	13.7
DS	15.0	12.8	17.4	15.0	12.8	17.4	60.1	51.2	17.4
Samsung Display	0.5	0.6	-15.2	0.7	0.8	-15.2	2.7	3.1	-15.2
Other	0.5	0.6	-17.2	0.6	0.8	-17.8	2.5	3.1	-17.8
FCF	29.2	23.5	24.5	36.4	27.3	33.3	152.0	117.4	29.5
DS	24.2	18.7	29.7	32.1	23.3	37.9	131.3	97.7	34.4
Samsung Display	0.8	0.7	13.0	1.2	1.0	11.4	6.0	5.5	8.6
Other	4.2	4.1	2.7	3.1	3.0	4.6	14.8	14.2	3.9

Source: Mirae Asset Securities Research

Table 4. SEC: DS earnings outlook

(Wtr, %)

	1Q25	2Q25	3Q25	4Q25P	1Q26F	2Q26F	3Q26F	4Q26F	2024	2025F	2026F	2027F
Revenue	25.1	27.9	33.1	44.0	59.6	70.0	74.6	77.7	111.1	130.1	281.9	331.7
DRAM	13.2	14.5	18.7	28.1	38.7	44.9	49.0	52.2	54.4	74.5	184.8	231.6
NAND	5.8	6.7	8.0	9.4	14.3	17.0	18.2	17.7	30.1	29.9	67.2	65.9
Foundry/LSI	6.1	6.7	6.4	6.5	6.7	8.0	7.4	7.8	26.6	25.7	29.9	34.2
QoQ/YoY	-16.5	10.9	18.8	32.9	35.6	17.3	6.7	4.1	66.8	17.2	116.6	17.7
DRAM	-15.8	9.8	28.9	50.3	37.5	16.2	9.1	6.5	89.8	37.1	147.9	25.3
NAND	-19.3	14.0	19.7	17.7	52.3	18.8	7.1	-3.0	94.5	-0.6	124.7	-1.9
Foundry/LSI	-15.1	10.5	-4.0	1.0	2.8	20.5	-8.0	5.4	18.4	-3.5	16.4	14.4
OP	1.1	0.4	7.0	16.4	29.0	36.7	40.8	42.9	15.1	24.8	149.3	176.3
DRAM	3.7	3.6	7.1	15.8	24.2	29.0	32.1	34.3	16.8	30.2	119.5	143.8
NAND	-0.8	-0.5	0.7	2.4	6.5	8.9	10.1	9.7	3.5	1.8	35.2	35.3
Foundry/LSI	-1.8	-2.7	-0.8	-1.7	-1.7	-1.2	-1.4	-1.1	-5.3	-7.2	-5.5	-2.8
QoQ/YoY	-61.4	-68.3	1,896.4	134.6	76.7	26.5	11.2	5.1	TTB	64.6	500.9	18.1
DRAM	-21.4	-2.0	95.9	122.0	53.4	19.8	10.5	6.9	TTB	79.4	295.6	20.3
NAND	TTR	RR	TTB	225.7	174.3	37.2	13.6	-3.8	TTB	-49.1	1,858.6	0.1
Foundry/LSI	RR	RR	RR	RR	RR	RR	RR	RR	RR	RR	RR	RR
OP margin	4.4	1.3	21.1	37.3	48.6	52.4	54.7	55.2	13.6	19.1	53.0	53.2
DRAM	28.0	25.0	38.0	56.1	62.6	64.6	65.4	65.6	31.0	40.5	64.7	62.1
NAND	-13.0	-8.0	9.1	25.2	45.3	52.4	55.5	55.1	11.8	6.0	52.4	53.5
Foundry/LSI	-30.3	-41.0	-13.1	-26.9	-25.7	-15.4	-18.8	-14.4	-19.9	-27.9	-18.3	-8.1
EBITDA	10.4	9.5	16.6	26.2	39.1	46.9	51.1	53.4	49.2	62.7	190.5	220.2
DRAM	6.8	6.9	10.8	19.8	28.5	33.6	36.9	39.6	27.2	44.3	138.5	164.7
NAND	1.8	2.1	3.6	5.4	9.4	11.7	12.8	12.3	13.5	12.8	46.2	44.4
Foundry/LSI	1.8	0.5	2.2	1.0	1.2	1.6	1.4	1.5	8.4	5.5	5.7	11.2
Capex	10.9	9.8	7.8	19.0	15.0	15.0	15.0	15.0	46.3	47.5	60.1	70.9
DRAM	5.5	4.9	3.5	6.6	9.0	9.0	9.0	3.6	18.4	20.5	30.7	33.2
NAND	3.3	3.4	2.3	3.8	3.0	3.0	3.0	1.2	13.0	12.8	10.2	14.5
Foundry/LSI	2.2	1.5	1.9	8.6	3.0	3.0	3.0	10.2	14.9	14.2	19.2	23.2

Source: Company data, Mirae Asset Securities Research

Table 5. SEC: Memory revenue outlook

	1Q25	2Q25	3Q25F	4Q25F	1Q26F	2Q26F	3Q26F	4Q26F	2024	2025F	2026F	2027F
USD/KRW	1,453	1,402	1,386	1,450	1,460	1,460	1,460	1,460	1,363	1,422	1,460	1,445
QoQ/YoY (%)	4.0	-3.5	-1.2	4.6	0.7	0.0	0.0	0.0	4.4	4.3	2.6	-1.0
DRAM												
Revenue (US\$bn)	9.1	10.4	13.5	19.4	26.5	30.8	33.6	35.8	39.8	52.3	126.6	160.2
QoQ/YoY (%)	-19.1	13.7	30.4	43.7	36.6	16.2	9.1	6.5	81.8	31.5	141.8	26.6
Bit shipments (bn Gb)	20.5	22.8	26.2	26.7	27.6	29.3	30.7	31.8	88.8	96.2	119.4	143.2
QoQ/YoY (%)	1.0	11.0	15.0	2.1	3.3	6.0	4.8	3.8	13.0	8.3	24.2	19.9
ASP (US\$)	0.44	0.45	0.52	0.73	0.96	1.05	1.09	1.12	0.45	0.54	1.06	1.12
QoQ/YoY (%)	-19.9	2.5	13.4	40.7	32.2	9.6	4.1	2.6	60.8	21.3	94.8	5.5
Conventional												
Revenue (US\$bn)	8.1	9.0	11.4	16.5	23.8	27.5	28.8	29.4	33.0	45.0	109.5	132.2
QoQ/YoY (%)	2.9	11.0	25.9	45.0	44.2	15.5	5.1	2.0	62.3	36.3	143.2	20.8
Bit shipments (bn Gb)	19.9	21.9	24.7	24.7	25.5	26.7	27.5	28.1	83.7	91.2	107.8	126.3
QoQ/YoY (%)	11.1	9.9	13.1	0.0	3.0	5.0	3.0	2.0	8.2	9.0	18.3	17.1
ASP (US\$)	0.41	0.41	0.46	0.67	0.93	1.03	1.05	1.05	0.39	0.49	1.02	1.05
QoQ/YoY (%)	-7.4	0.9	11.3	45.0	40.0	10.0	2.0	0.0	50.1	25.0	105.7	3.2
HBM												
Revenue (US\$bn)	1.0	1.3	2.1	2.9	2.7	3.3	4.7	6.3	6.8	7.3	17.1	28.0
QoQ/YoY (%)	-71.1	37.1	61.1	36.6	-6.7	21.9	42.9	34.0	336.8	7.9	133.2	63.5
% of DRAM	10.6	12.8	15.8	15.0	10.3	10.8	14.1	17.7	17.1	14.0	13.5	17.5
Shipments (bn Gb)	0.6	0.9	1.5	2.0	2.1	2.5	3.1	3.8	5.1	5.0	11.6	16.9
QoQ/YoY (%)	-74.1	45.2	61.1	37.9	7.2	17.8	24.2	19.6	334.2	-2.8	132.7	46.1
% of DRAM	3.0	4.0	5.5	7.5	7.8	8.6	10.2	11.8	5.8	5.2	9.7	11.8
ASP (US\$)	1.56	1.47	1.47	1.46	1.27	1.31	1.51	1.69	1.3	1.5	1.5	1.7
QoQ/YoY (%)	11.6	-5.5	0.0	-1.0	-13.0	3.5	15.0	12.0	0.6	11.0	0.2	11.9
NAND												
Revenue (US\$bn)	4.0	4.8	5.8	6.5	9.8	11.6	12.5	12.1	22.1	21.0	46.0	45.6
QoQ/YoY (%)	-22.5	18.2	21.2	12.5	51.2	18.8	7.1	-3.0	86.4	-4.6	118.8	-0.9
Shipments (bn GB)	61.6	77.6	85.4	76.9	83.0	89.7	94.1	91.3	298.1	301.6	358.2	398.8
QoQ/YoY (%)	-10.0	26.0	10.0	-10.0	8.0	8.0	5.0	-3.0	11.0	1.2	18.8	11.3
ASP (US\$)	0.07	0.06	0.07	0.08	0.12	0.13	0.13	0.13	0.07	0.07	0.13	0.11
QoQ/YoY (%)	-13.8	-6.2	10.1	25.0	40.0	10.0	2.0	0.0	67.9	-5.7	84.3	-11.0

Source: Company data, Mirae Asset Securities

Table 6. SEC: Shareholder return estimates

(Wtr)

	50% of 3Y FCF (W9.6tr/year)			50% of 3Y FCF (W9.8tr/year)			50% of 3Y FCF (W9.8tr/year)		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
NP (owners of the parent)	43.9	21.5	26.1	39.2	54.7	14.5	33.6	44.3	150.3
Operating cash flow	67.0	45.4	65.3	65.1	62.2	44.1	73.0	94.6	216.2
Capex	29.6	25.4	37.6	47.1	49.4	57.6	51.4	58.2	66.8
FCF	37.5	20.0	27.7	18.0	12.8	-13.5	21.6	36.5	149.4
% of FCF to be returned to shareholders	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Regular dividend pool	18.7	10.0	13.8	9.0	6.4	-6.7	10.8	18.2	74.7
Regular dividend payout	9.6	9.6	9.6	9.8	9.8	9.8	9.8	9.8	9.8
Special dividend pool (cumulative)	9.1	9.5	13.8	-0.8	-4.2	-20.8	1.0	7.6	64.4
Share repurchases	0.9	0.0	0.0	0.0	0.0	0.0	1.8	8.1	0.0
Special dividend payout	0.2	0.0	10.7	0.0	0.0	0.0	0.0	0.0	33.7
Total dividend payout	9.8	9.6	20.3	9.8	9.8	9.8	9.8	9.8	43.5
Dividend payout ratio (%)	22.3	44.7	78.0	25.0	17.9	67.8	29.2	22.2	28.9
Common stock	8.6	8.5	17.9	8.6	8.6	8.6	8.6	8.6	38.2
Preferred stock	1.2	1.2	2.5	1.2	1.2	1.2	1.2	1.2	5.3
Total shareholder returns	10.7	9.6	20.3	9.8	9.8	9.8	11.6	18.0	43.5
No. of shares (ending, mn)									
Common stock	5,970	5,970	5,970	5,970	5,970	5,970	5,970	5,920	5,920
(Treasury stock)	0	0	0	0	0	0	33	92	92
Preferred stock	823	823	823	823	823	823	823	816	816
(Treasury stock)	0	0	0	0	0	0	5	14	14
Adj. DPS (W)									
Common stock	1,416	1,416	2,994	1,444	1,444	1,444	1,446	1,472	6,560
Preferred stock	1,417	1,417	2,995	1,445	1,445	1,445	1,447	1,472	6,561
Avg. share price (W)									(Current)
Common stock	46,830	46,583	57,153	79,156	63,935	67,457	71,610	71,448	160,700
Preferred stock	38,148	37,996	49,780	72,033	58,195	56,442	58,790	57,355	115,600
Dividend yield (%)									
Common stock	3.0	3.0	5.2	1.8	2.3	2.1	2.0	2.1	4.1
Preferred stock	3.7	3.7	6.0	2.0	2.5	2.6	2.5	2.6	5.7
Net cash (ending)	83.6	88.7	103.7	105.3	108.0	82.8	97.3	102.3	181.0

Source: Company data, Mirae Asset Securities

Samsung Electronics (005930 KS)

Income statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Revenue	300,871	333,569	499,948	560,292
Cost of revenue	186,562	202,149	210,919	230,366
GP	114,309	131,420	289,029	329,926
SG&A expenses	81,583	87,792	122,206	134,079
OP (adj.)	32,726	43,627	166,822	195,847
OP	32,726	43,627	166,822	195,847
Non-operating profit	4,804	6,253	7,737	13,765
Net financial income	3,915	4,170	6,948	12,970
Net income from associates	751	737	789	796
Pretax profit	37,530	49,880	174,559	209,612
Income tax	3,078	4,653	16,619	19,850
Profit from continuing operations	34,451	45,227	157,940	189,762
Profit from discontinued operations	0	0	0	0
NP	34,451	45,227	157,940	189,762
Attributable to owners	33,621	44,278	155,107	186,359
Attributable to minority interests	830	949	2,833	3,404
Total comprehensive income	51,296	45,815	157,940	189,762
Attributable to owners	50,048	44,309	152,926	183,738
Attributable to minority interests	1,248	1,505	5,014	6,024
EBITDA	75,357	90,539	217,299	249,000
FCF	21,576	31,060	130,281	161,846
EBITDA margin (%)	25.0	27.1	43.5	44.4
OP margin (%)	10.9	13.1	33.4	35.0
Net margin (%)	11.2	13.3	31.0	33.3

Cash flow statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Operating cash flow	72,983	89,221	197,087	239,047
NP	34,451	45,227	157,940	189,762
Non-cash income/expenses	42,947	50,548	59,243	59,121
Depreciation	39,650	43,609	47,047	49,723
Amortization	2,981	3,303	3,430	3,430
Other	316	3,636	8,766	5,968
Chg. in working capital	-1,568	-4,462	-10,541	-3,073
Chg. in AR & other receivables	-3,139	-8,458	-21,487	-6,263
Chg. in inventory	2,541	-15,228	-25,492	-7,431
Chg. in AP & other payables	-1,539	1,275	6,093	1,776
Income tax	-6,450	-6,729	-16,619	-19,850
Cash flow from investing activities	-85,382	-78,375	-99,023	-88,859
Chg. in PP&E	-51,250	-57,992	-66,806	-77,201
Chg. in intangible assets	-2,319	-4,207	-3,200	-3,200
Chg. in financial assets	-36,218	-14,000	-29,016	-8,458
Other	4,405	-2,176	-1	0
Cash flow from financing activities	-7,797	-21,389	-9,714	-9,714
Chg. in financial liabilities	6,644	-2,658	0	0
Chg. in equity	0	0	0	0
Dividends	-10,889	-9,897	-9,714	-9,714
Other	-3,552	-8,834	0	0
Chg. in cash	-15,375	-7,722	82,937	139,462
Beginning balance	69,081	53,706	45,984	128,921
Ending balance	53,706	45,984	128,921	268,383

Source: Company data, Mirae Asset Securities Research estimates

Balance sheet (summarized)

(Wbn)	2024	2025F	2026F	2027F
Current assets	227,062	260,515	428,822	593,169
Cash & equivalents	53,706	45,984	128,921	268,383
AR & other receivables	53,246	65,900	92,127	99,772
Inventory	51,755	64,055	89,547	96,978
Other current assets	68,355	84,576	118,227	128,036
Non-current assets	287,470	307,278	333,010	362,066
Investments in associates	12,592	15,585	21,787	23,595
PP&E	205,945	215,690	235,449	262,927
Intangible assets	23,739	26,412	26,182	25,952
Total assets	514,532	567,793	761,832	955,234
Current liabilities	93,326	107,488	145,881	157,073
AP & other payables	30,918	38,265	53,494	57,933
Short-term financial liabilities	15,380	11,017	11,017	11,017
Other current liabilities	47,028	58,206	81,370	88,123
Non-current liabilities	19,014	24,298	31,718	33,881
Long-term financial liabilities	3,950	5,655	5,655	5,655
Other non-current liabilities	15,064	18,643	26,063	28,226
Total liabilities	112,340	131,787	177,599	190,953
Equity attributable to owners	391,688	424,153	569,547	746,191
Capital stock	898	898	898	898
Capital surplus	4,404	4,404	4,404	4,404
Retained earnings	370,513	402,135	547,529	724,173
Minority interests	10,504	11,853	14,686	18,090
Shareholders' equity	402,192	436,006	584,233	764,281

Key valuation metrics/ratios

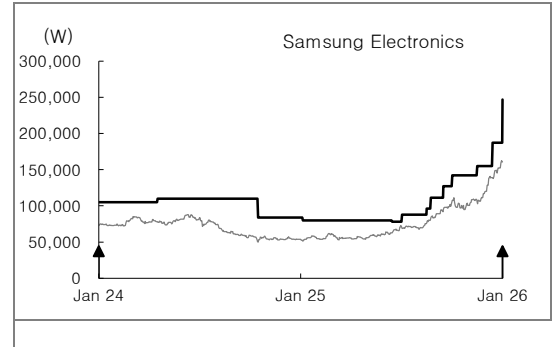
	2024	2025F	2026F	2027F
P/E (x)	10.7	18.3	7.0	5.8
P/CF (x)	4.7	8.4	5.0	4.3
P/B (x)	0.9	1.9	1.9	1.4
EV/EBITDA (x)	3.6	7.6	3.9	2.8
EPS (W)	4,950	6,566	23,028	27,668
CFPS (W)	11,394	14,203	32,244	36,950
BPS (W)	57,930	63,947	85,533	111,758
DPS (W)	1,446	1,465	1,465	1,465
Dividend payout ratio (%)	25.0	19.0	5.4	4.5
Dividend yield (%)	2.7	1.5	1.5	1.5
Revenue growth (%)	16.2	10.9	49.9	12.1
EBITDA growth (%)	66.6	20.1	140.0	14.6
OP growth (%)	398.3	33.3	282.4	17.4
EPS growth (%)	132.3	32.7	250.7	20.1
AR turnover (x)	7.5	6.8	7.7	7.1
Inventory turnover (x)	5.8	5.8	6.5	6.0
AP turnover (x)	15.8	14.6	11.5	10.3
ROA (%)	7.1	8.4	23.8	22.1
ROE (%)	9.0	10.9	31.2	28.3
ROIC (%)	10.6	12.7	44.9	47.4
Debt-to-equity ratio (%)	27.9	30.2	30.4	25.0
Current ratio (%)	243.3	242.4	294.0	377.6
Net debt-to-equity ratio (%)	-23.2	-23.4	-36.7	-47.4
Interest coverage ratio (x)	36.2	77.0	331.3	388.9

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Samsung Electronics (005930)	01/30/26	Buy	247,000
	01/12/26	Buy	187,000
	12/15/25	Buy	155,000
	10/31/25	Buy	142,000
	10/15/25	Buy	127,000
	09/22/25	Buy	111,000
	09/15/25	Buy	96,000
	08/01/25	Buy	88,000
	07/14/25	Buy	78,000
	02/03/25	Buy	80,000
	11/14/24	Buy	84,000
	05/16/24	Buy	110,000
	01/03/24	Buy	105,000



Stock ratings

Buy	Expected 12-month return: +20% or greater
Hold	Expected 12-month return: Greater than -10% and less than +10%
Sell	Expected 12-month return: -10% or less

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

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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