MIRAE ASSET Securities

Equity Research
May 4, 2026

005930 KS · Semiconductors

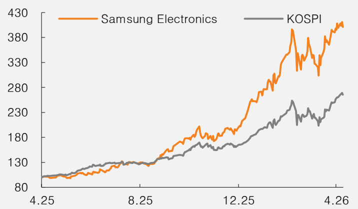
Samsung Electronics

Profitability concerns likely to be temporary

(Maintain)	Buy
Target price	▲ W320,000
Current price (4/30/26)	W220,500
Upside	45.1%

OP (26F, Wbn)	328,578
Consensus OP (26F, Wbn)	317,230
EPS growth (26F, %)	513.6
Market EPS growth (26F, %)	212.0
P/E (26F, x)	5.5
Market P/E (26F, x)	7.7
KOSPI	6,598.87
Market cap (Wbn)	1,289,104
Shares (mn)	5,846
Free float (%)	76.0
Foreign ownership (%)	49.2
Beta (12M)	1.17
52-week low (W)	53,900
52-week high (W)	226,000

(%)	1M	6M	12M
Absolute	25.1	111.8	297.3
Relative	0.0	31.2	53.9



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Increased demand visibility and limited valuation burden

We raise our target price for Samsung Electronics (SEC) to W320,000 (from W300,000). Our target price, derived using a sum-of-the-parts (SOTP) methodology, corresponds to a 12-month forward P/B of 3.1x and P/E of 7.9x, which remain low relative to both SEC's historical valuation range and global peers. Accordingly, valuation pressure still appears limited.

We currently value the foundry business at only W73tr; in light of projected operating losses and a thin EBITDA base, the unit's contribution to SEC's value is likely to remain limited in the short term. However, given recent developments (e.g., 4nm LPU orders from Nvidia, 2nm AI chip orders from Tesla, and progress in HBM4 base dies), we believe that the division's longer-term value remains largely unreflected in the current share price.

For 2Q26, we look for revenue of W155tr (+16% QoQ) and operating profit of W75tr (+30% QoQ). We forecast DRAM and NAND ASP growth at +23% and +30%, respectively, and bit growth at +7% and +3%, respectively. We expect the DS division to deliver operating profit of W72.5tr, accounting for the vast majority of company-wide profit. Meanwhile, for the DX division, we forecast OP margin to narrow 5.3%p YoY to 2.3% due to higher component costs.

Following earnings releases from North American big tech companies last week, the aggregate 2026 capex estimate from global hyperscalers has been revised up to US$806bn (+73% YoY), with further expansion likely in 2027. Major tech firms are now disclosing concrete metrics demonstrating rapid growth in AI-related businesses. Given their sizable order backlogs, a sharp downward reversal in capex appears unlikely.

On its recent earnings call, SEC disclosed that it had entered into long-term supply agreements with certain customers. While additional details were not provided, we believe this reflects a broader industry trend. For reference, SanDisk has disclosed long-term supply agreements extending up to five years, a minimum order backlog of US$42bn, and financial guarantees (e.g., advance payments) totaling US$11bn.

Regarding the bonus-related provisioning issue, management stated that negotiations are still ongoing and that no related costs have yet been reflected. While labor negotiations are inherently uncertain, we partially reflected potential profitability declines by lowering our DS OP margin forecasts for 2026–27 by roughly 3.5%p. That said, we do not view this as a structural risk significant enough to alter our investment thesis.

On the contrary, we believe that continued strength in demand is likely to drive additional memory price increases in 2027 (+14% each for DRAM and NAND); as such, we raise our 2027 operating profit forecast by 5.2% to W445tr.

(Dec.)	2024	2025	2026F	2027F	2028F
Revenue (Wbn)	300,871	333,606	664,255	844,315	912,651
OP (Wbn)	32,726	43,601	328,578	444,842	456,320
OP margin (%)	10.9	13.1	49.5	52.7	50.0
NP (Wbn)	33,621	44,261	271,277	375,731	409,621
EPS (W)	4,950	6,564	40,275	55,783	60,814
ROE (%)	9.0	10.8	48.4	44.2	34.6
P/E (x)	10.7	18.3	5.5	4.0	3.6
P/B (x)	0.9	1.9	2.1	1.5	1.1
Dividend yield (%)	2.7	1.4	4.7	3.9	3.9

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

	12MF EBITDA (Wtr)	Target EV/EBITDA (x)	Implied EV	Notes
Operating value (Wtr)	**432.7**	**4.5**	**1,962.1**	
DX	12.2	6.8	82.8	
MX/NW	10.4	6.9	71.7	50% discount to avg. of Xiaomi and Apple
VD/DA	1.8	6.0	11.1	Avg. of LG Electronics and Whirlpool
DS	**411.5**	**4.5**	**1,836.6**	
Memory	403.2	4.4	1,763.5	10% premium to avg. of SK Hynix, Micron, and Kioxia
Foundry/LSI	8.3	8.8	73.1	30% discount to TSMC
Samsung Display	**6.8**	**4.3**	**29.0**	Avg. of Innolux, BOE, and AUO
Harman	**2.2**	**6.4**	**13.7**	Avg. of Hyundai Mobis and HL Mando
	Market cap	**Stake (%)**	**Value**	
Equity stake value (Wtr)			**118.3**	
Listed			64.7	
Samsung Biologics	68.0	31.2	21.2	
Samsung Epis Holdings	13.5	31.2	4.2	
SEMCO	62.1	23.7	14.7	
Samsung SDI	56.0	19.4	10.9	
Samsung SDS	12.9	22.6	2.9	
Other			10.7	
Unlisted			53.6	
Net debt (Wtr)			-104.2	
Fair market cap (Wtr)			2,125	50% discount to equity stake value reflected
No. of shares (mn)			6,649	Common + preferred
Fair value/share (W)			319,689	
Target price (W)			**320,000**	
Current price (W)			**220,500**	
Upside (%)			**45.1**	

Source: LSEG, Mirae Asset Securities Research

Table 2. SEC: Earnings outlook (Wtr, %)

	1Q26P	2Q26F	3Q26F	4Q26F	1Q27F	2Q27F	3Q27F	4Q27F	2024	2025	2026F	2027F
USD/KRW	**1,464**	**1,483**	**1,483**	**1,483**	**1,454**	**1,454**	**1,454**	**1,454**	**1,363**	**1,422**	**1,479**	**1,454**
QoQ/YoY	1.0	1.3	0.0	0.0	-2.0	0.0	0.0	0.0	4.4	4.3	3.9	-1.7
Revenue	**133.9**	**155.4**	**180.9**	**194.1**	**204.3**	**206.5**	**219.4**	**214.0**	**300.9**	**333.6**	**664.3**	**844.3**
DX	52.7	45.2	47.8	44.9	54.8	49.5	56.4	51.8	174.9	188.0	190.6	212.5
DS	81.7	107.6	128.0	142.1	147.1	153.4	157.0	155.4	111.1	130.1	459.4	613.0
Samsung Display	6.7	6.1	7.7	9.3	7.0	7.0	9.2	10.0	29.2	29.8	29.8	33.3
Harman	3.8	4.6	4.5	4.6	3.6	5.5	5.2	4.6	14.3	15.8	17.5	18.9
QoQ/YoY	**42.7**	**16.0**	**16.4**	**7.3**	**5.3**	**1.1**	**6.3**	**-2.4**	**16.2**	**10.9**	**99.1**	**27.1**
DX	18.9	-14.2	5.8	-6.1	22.1	-9.7	14.0	-8.3	2.9	7.5	1.4	11.5
DS	85.7	31.7	18.9	11.0	3.5	4.3	2.3	-1.0	66.8	17.2	253.1	33.4
Samsung Display	-29.4	-9.5	27.0	20.9	-24.4	-0.9	32.5	8.8	-5.9	2.3	-0.3	11.9
Harman	-17.0	20.9	-1.1	0.7	-21.2	52.8	-5.2	-12.4	-0.8	10.6	11.0	8.1
OP	**57.2**	**74.5**	**93.3**	**103.6**	**108.8**	**111.2**	**113.7**	**111.1**	**32.7**	**43.6**	**328.6**	**444.8**
DX	3.0	1.1	1.8	1.1	3.4	2.6	3.5	2.7	12.4	12.9	6.9	12.2
DS	53.7	72.5	90.1	100.4	104.2	107.4	108.0	106.0	15.1	24.9	316.7	425.6
Samsung Display	0.4	0.4	1.1	1.7	0.8	0.8	1.6	2.0	3.7	4.1	3.5	5.2
Harman	0.2	0.4	0.4	0.4	0.3	0.5	0.5	0.4	1.3	1.5	1.4	1.7
QoQ/YoY	**185.0**	**30.2**	**25.3**	**10.9**	**5.0**	**2.3**	**2.2**	**-2.2**	**398.3**	**33.2**	**653.6**	**35.4**
DX	124.6	-64.8	66.4	-39.9	221.4	-24.6	37.9	-24.1	-13.5	3.3	-46.5	77.1
DS	227.2	35.1	24.2	11.4	3.8	3.0	0.6	-1.8	TTB	64.7	1,174.0	34.4
Samsung Display	-79.6	5.2	149.8	58.8	-52.3	-3.1	113.1	19.0	-32.9	10.3	-14.0	45.9
Harman	-37.5	103.0	-0.9	0.7	-18.3	44.1	-4.6	-10.9	11.4	17.1	-7.7	18.0
OP margin	**42.7**	**47.9**	**51.6**	**53.4**	**53.2**	**53.9**	**51.8**	**51.9**	**10.9**	**13.1**	**49.5**	**52.7**
DX	5.7	2.3	3.7	2.4	6.2	5.2	6.3	5.2	7.1	6.8	3.6	5.7
DS	65.7	67.4	70.4	70.7	70.8	70.0	68.8	68.2	13.6	19.1	68.9	69.4
Samsung Display	6.0	6.9	13.7	17.9	11.3	11.1	17.8	19.5	12.8	13.8	11.9	15.5
Harman	5.3	8.8	8.9	8.8	9.2	8.6	8.7	8.9	9.2	9.7	8.1	8.8
EBITDA	**70.4**	**87.7**	**106.6**	**117.1**	**122.6**	**125.4**	**127.9**	**125.7**	**75.4**	**90.5**	**381.9**	**501.6**
DX	4.2	2.3	3.0	2.3	4.6	3.8	4.8	3.9	16.7	17.3	11.8	17.1
DS	64.7	83.6	101.2	111.7	115.9	119.3	120.1	118.4	49.9	63.6	361.1	473.6
Samsung Display	1.1	1.1	1.8	2.4	1.5	1.5	2.4	2.7	6.4	6.8	6.4	8.1
Harman	0.4	0.6	0.6	0.6	0.5	0.6	0.6	0.6	1.9	2.1	2.0	2.3
QoQ/YoY	**118.0**	**24.5**	**21.6**	**9.8**	**4.8**	**2.2**	**2.0**	**-1.8**	**66.6**	**20.1**	**321.8**	**31.4**
DX	68.1	-45.8	30.5	-23.4	101.8	-18.0	25.5	-17.8	-10.6	4.1	-31.7	44.7
DS	144.1	29.1	21.1	10.4	3.7	3.0	0.6	-1.4	227.1	27.6	467.4	31.1
Samsung Display	-57.5	1.8	55.0	34.9	-36.5	-1.6	58.4	13.2	-28.1	6.1	-5.3	25.3
Harman	-25.2	58.4	-0.7	0.5	-13.3	30.2	-3.5	-8.2	9.1	12.7	-3.4	12.5
Capex	**11.2**	**18.6**	**18.6**	**26.1**	**21.8**	**22.0**	**22.0**	**22.3**	**53.6**	**52.7**	**74.6**	**88.2**
DS	10.2	17.4	17.4	24.5	20.7	20.7	20.7	20.7	46.3	47.5	69.5	82.7
Samsung Display	0.6	0.7	0.7	0.8	0.6	0.7	0.7	0.9	4.8	2.8	2.7	2.9
Other	0.4	0.6	0.6	0.8	0.5	0.7	0.7	0.8	2.5	2.4	2.4	2.6
QoQ/YoY	**-45.1**	**66.5**	**0.0**	**40.1**	**-16.6**	**1.2**	**0.0**	**1.2**	**1.0**	**-1.9**	**41.7**	**18.2**
DS	-46.2	70.3	0.0	41.3	-15.8	0.0	0.0	0.0	-4.3	2.6	46.4	19.0
Samsung Display	-9.9	10.7	0.0	14.2	-22.9	25.0	0.0	20.0	102.7	-42.2	-3.9	8.8
Other	-48.9	52.8	0.0	33.8	-34.0	20.4	0.0	17.0	7.5	-6.1	2.6	6.6
FCF	**59.2**	**69.1**	**88.0**	**91.0**	**100.9**	**103.3**	**105.9**	**103.4**	**21.7**	**37.9**	**307.2**	**413.5**
DS	54.5	66.2	83.8	87.1	95.2	98.6	99.4	97.7	3.6	16.2	291.6	390.9
Samsung Display	0.5	0.5	1.1	1.6	0.9	0.8	1.6	1.8	1.6	4.0	3.7	5.1
Other	4.2	2.4	3.1	2.2	4.7	3.9	4.9	3.9	16.6	17.7	11.9	17.4

Source: Company data, Mirae Asset Securities Research

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

	2Q26F			2026F			2027F		
	Revised	Previous	Chg.	Revised	Previous	Chg.	Revised	Previous	Chg.
USD/KRW	**1,483**	**1,483**	**0.0**	**1,479**	**1,479**	**0.0**	**1,454**	**1,454**	**0.0**
Revenue	**155.4**	**151.7**	**2.4**	**664.3**	**649.3**	**2.3**	**844.3**	**784.2**	**7.7**
DX	45.2	46.4	-2.6	190.6	197.7	-3.6	212.5	216.8	-2.0
DS	107.6	103.0	4.5	459.4	438.5	4.8	613.0	550.2	11.4
Samsung Display	6.1	6.1	0.0	29.8	29.3	1.4	33.3	32.8	1.4
Harman	4.6	4.6	0.0	17.5	17.0	3.3	18.9	18.4	2.8
OP	**74.5**	**76.8**	**-3.1**	**328.6**	**332.7**	**-1.2**	**444.8**	**422.9**	**5.2**
DX	1.1	1.9	-45.2	6.9	9.8	-29.5	12.2	15.2	-19.9
DS	72.5	74.0	-2.0	316.7	317.5	-0.3	425.6	400.9	6.2
Samsung Display	0.4	0.4	-0.1	3.5	3.6	-2.9	5.2	5.0	3.4
Harman	0.4	0.4	0.0	1.4	1.5	-6.7	1.7	1.6	2.5
OP margin	**47.9**	**50.7**	**-2.7**	**49.5**	**51.2**	**-1.8**	**52.7**	**53.9**	**-1.2**
DX	2.3	4.2	-1.8	3.6	4.9	-1.3	5.7	7.0	-1.3
DS	67.4	71.9	-4.5	68.9	72.4	-3.5	69.4	72.9	-3.4
Samsung Display	6.9	7.0	-0.0	11.9	12.4	-0.5	15.5	15.2	0.3
Harman	8.8	8.8	0.0	8.1	8.9	-0.9	8.8	8.8	-0.0

Source: Mirae Asset Securities Research

Table 4. SEC: DS earnings outlook (Wtr, %)

	1Q26P	2Q26F	3Q26F	4Q26F	1Q27F	2Q27F	3Q27F	4Q27F	2024	2025	2026F	2027F
Revenue	**81.7**	**107.6**	**128.0**	**142.1**	**147.1**	**153.4**	**157.0**	**155.4**	**111.1**	**130.1**	**459.4**	**613.0**
DRAM	55.6	73.9	89.5	99.0	103.1	106.3	107.7	108.6	54.4	74.4	317.9	425.7
NAND	19.2	25.7	31.1	34.9	35.9	38.7	39.7	37.3	30.1	29.7	110.9	151.6
Foundry/LSI	6.9	8.0	7.4	8.2	8.1	8.4	9.6	9.5	26.6	26.0	30.6	35.7
QoQ/YoY	**85.7**	**31.7**	**18.9**	**11.0**	**3.5**	**4.3**	**2.3**	**-1.0**	**66.8**	**17.2**	**253.1**	**33.4**
DRAM	98.6	32.9	21.2	10.5	4.2	3.1	1.3	0.8	89.8	36.8	327.2	33.9
NAND	109.9	33.8	20.8	12.2	2.9	7.8	2.6	-5.9	94.5	-1.3	273.9	36.7
Foundry/LSI	0.6	16.5	-8.0	11.4	-1.1	3.6	13.9	-1.4	18.4	-2.1	17.3	16.7
OP	**53.7**	**72.5**	**90.1**	**100.4**	**104.2**	**107.4**	**108.0**	**106.0**	**15.1**	**24.9**	**316.7**	**425.6**
DRAM	42.9	56.9	70.4	77.4	80.7	82.2	82.3	83.0	16.8	30.4	247.7	328.3
NAND	11.9	16.7	21.0	24.0	24.4	26.1	26.5	24.0	3.5	2.0	73.5	101.0
Foundry/LSI	-1.1	-1.0	-1.3	-1.0	-0.9	-1.0	-0.8	-1.0	-5.3	-7.6	-4.5	-3.7
QoQ/YoY	**227.2**	**35.1**	**24.2**	**11.4**	**3.8**	**3.0**	**0.6**	**-1.8**	**TTB**	**64.7**	**1,174.0**	**34.4**
DRAM	169.0	32.7	23.8	9.9	4.3	1.8	0.1	0.9	TTB	80.4	715.1	32.6
NAND	354.8	40.1	26.0	14.5	1.5	7.2	1.4	-9.5	TTB	-42.1	3,494.5	37.3
Foundry/LSI	RR	RR	RR	RR	RR	RR	RR	RR	RR	RR	RR	RR
OP margin	**65.7**	**67.4**	**70.4**	**70.7**	**70.8**	**70.0**	**68.8**	**68.2**	**13.6**	**19.1**	**68.9**	**69.4**
DRAM	77.2	77.1	78.7	78.2	78.3	77.3	76.4	76.5	31.0	40.8	77.9	77.1
NAND	61.7	64.7	67.5	68.9	67.9	67.6	66.8	64.2	11.8	6.9	66.3	66.6
Foundry/LSI	-15.7	-12.8	-18.0	-12.7	-11.1	-11.8	-8.5	-10.4	-19.9	-29.1	-14.7	-10.4
EBITDA	**64.5**	**83.3**	**101.0**	**111.5**	**115.7**	**119.1**	**119.9**	**118.2**	**49.2**	**62.8**	**360.3**	**472.8**
DRAM	47.5	61.7	75.4	82.8	86.2	87.8	87.9	88.8	27.2	44.6	267.4	350.8
NAND	15.0	19.6	23.6	26.5	27.3	29.1	29.3	26.8	13.5	13.1	84.7	112.4
Foundry/LSI	2.0	2.1	1.9	2.2	2.1	2.2	2.6	2.6	8.4	5.1	8.2	9.6
Capex	**10.2**	**17.4**	**17.4**	**24.5**	**20.7**	**20.7**	**20.7**	**20.7**	**46.3**	**47.5**	**69.5**	**82.7**
DRAM	5.6	9.6	9.6	9.3	9.8	9.8	9.8	9.8	18.4	20.5	34.0	39.2
NAND	1.5	2.6	2.6	11.0	5.1	5.1	5.1	5.1	13.0	12.8	17.7	20.4
Foundry/LSI	3.1	5.2	5.2	4.3	5.8	5.8	5.8	5.8	14.9	14.2	17.7	23.1

Source: Company data, Mirae Asset Securities Research

Table 5. SEC: Memory revenue outlook

	1Q26P	2Q26F	3Q26F	4Q26F	1Q27F	2Q27F	3Q27F	4Q27F	2024	2025	2026F	2027F
USD/KRW	**1,464**	**1,483**	**1,483**	**1,483**	**1,454**	**1,454**	**1,454**	**1,454**	**1,363**	**1,422**	**1,479**	**1,454**
QoQ/YoY	1.0	1.3	0.0	0.0	-2.0	0.0	0.0	0.0	4.4	4.3	3.9	-1.7
DRAM												
Revenue (US$bn)	37.9	49.8	60.4	66.7	70.9	73.1	74.1	74.7	39.8	52.3	214.8	292.8
QoQ/YoY (%)	96.6	31.2	21.2	10.5	6.3	3.1	1.3	0.8	81.8	31.2	311.1	36.3
Bit shipments (bn Gb)	27.4	29.3	30.9	32.2	34.3	35.9	36.5	36.6	88.8	96.1	119.8	143.3
QoQ/YoY (%)	**2.7**	**6.8**	**5.4**	**4.4**	**6.4**	**4.6**	**1.9**	**0.1**	**13.0**	**8.3**	**24.6**	**19.6**
ASP (US$)	1.38	1.70	1.96	2.07	2.07	2.04	2.03	2.04	0.45	0.54	1.79	2.04
QoQ/YoY (%)	**91.4**	**22.9**	**15.0**	**5.9**	**-0.1**	**-1.4**	**-0.6**	**0.8**	**60.8**	**21.1**	**230.0**	**14.0**
NAND												
Revenue (US$bn)	13.0	17.4	21.0	23.5	24.7	26.6	27.3	25.7	22.1	20.9	74.8	104.3
QoQ/YoY (%)	104.9	33.9	20.8	12.2	5.0	7.8	2.6	-5.9	86.4	-5.4	258.3	39.5
Shipments (bn GB)	83.8	86.3	90.6	92.4	97.1	106.8	115.3	111.8	298.1	301.6	353.1	431.0
QoQ/YoY (%)	**9.0**	**3.0**	**5.0**	**2.0**	**5.0**	**10.0**	**8.0**	**-3.0**	**11.0**	**1.2**	**17.1**	**22.0**
ASP (US$)	0.15	0.20	0.23	0.25	0.25	0.25	0.24	0.23	0.07	0.07	0.21	0.24
QoQ/YoY (%)	**88.0**	**30.0**	**15.0**	**10.0**	**0.0**	**-2.0**	**-5.0**	**-3.0**	**67.9**	**-6.4**	**206.0**	**14.3**

Source: Company data, Mirae Asset Securities Research

Table 6. SEC: DS earnings forecast revisions (Wtr, %, %p)

	2Q26F			2026F			2027F		
	Revised	Previous	Chg.	Revised	Previous	Chg.	Revised	Previous	Chg.
Revenue	**107.6**	**103.0**	**4.5**	**459.4**	**438.5**	**4.8**	**613.0**	**550.2**	**11.4**
DRAM	73.9	70.9	4.1	317.9	305.0	4.2	425.7	385.0	10.6
NAND	25.7	24.0	7.3	110.9	103.1	7.6	151.6	129.7	16.9
Foundry/LSI	8.0	8.0	0.0	30.6	30.5	0.4	35.7	35.5	0.4
OP	**72.5**	**74.0**	**-2.0**	**316.7**	**317.5**	**-0.3**	**425.6**	**400.9**	**6.2**
DRAM	56.9	57.9	-1.7	247.7	246.9	0.3	328.3	307.4	6.8
NAND	16.7	16.7	-0.5	73.5	73.8	-0.4	101.0	94.8	6.5
Foundry/LSI	-1.0	-0.6	RR	-4.5	-3.2	RR	-3.7	-1.3	RR
OP margin	**67.4**	**71.9**	**-4.5**	**68.9**	**72.4**	**-3.5**	**69.4**	**72.9**	**-3.4**
DRAM	77.1	81.6	-4.5	77.9	81.0	-3.1	77.1	79.8	-2.7
NAND	64.7	69.8	-5.1	66.3	71.6	-5.3	66.6	73.1	-6.5
Foundry/LSI	-12.8	-7.5	-5.3	-14.7	-10.4	-4.3	-10.4	-3.6	-6.7
[Memory est.]									
DRAM									
Bit growth	6.8	6.0	0.8	24.6	21.9	2.7	19.6	18.5	1.1
ASP chg.	22.9	21.4	1.5	230.0	223.5	6.4	14.0	8.4	5.5
NAND									
Bit growth	3.0	8.0	-5.0	17.1	20.8	-3.7	22.0	13.9	8.1
ASP chg.	30.0	20.0	10.0	206.0	176.3	29.7	14.3	12.4	1.9

Source: Mirae Asset Securities Research

Table 7. 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	2021	2022	2023	2024	2025	2026F
NP (owners of the parent)	43.9	21.5	26.1	39.2	54.7	14.5	33.6	44.3	272.2
Operating cash flow	67.0	45.4	65.3	65.1	62.2	44.1	73.0	85.3	327.3
Capex	29.6	25.4	37.6	47.1	49.4	57.6	51.4	47.5	70.2
FCF	37.5	20.0	27.7	18.0	12.8	-13.5	21.6	37.8	257.2
% 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**	**18.9**	**128.6**
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**	**8.3**	**117.5**
Share repurchases	0.9	0.0	0.0	0.0	0.0	0.0	1.8	8.2	0.0
Special dividend payout	0.2	0.0	10.7	0.0	0.0	0.0	0.0	1.3	58.6
Total dividend payout	9.8	9.6	20.3	9.8	9.8	9.8	9.8	11.1	68.4
Dividend payout ratio (%)	22.3	44.7	78.0	25.0	17.9	67.8	29.2	25.1	25.1
Common stock	8.6	8.5	17.9	8.6	8.6	8.6	8.6	9.8	60.1
Preferred stock	1.2	1.2	2.5	1.2	1.2	1.2	1.2	1.3	8.3
Total shareholder returns	**10.7**	**9.6**	**20.3**	**9.8**	**9.8**	**9.8**	**11.6**	**19.3**	**68.4**
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	1,668	10,316
Preferred stock	1,417	1,417	2,995	1,445	1,445	1,445	1,447	1,669	10,317
Avg. share price (W)									**(Current)**
Common stock	46,830	46,583	57,153	79,156	63,935	67,457	71,610	71,448	220,500
Preferred stock	38,148	37,996	49,780	72,033	58,195	56,442	58,790	57,355	158,300
Dividend yield (%)									
Common stock	3.0	3.0	5.2	1.8	2.3	2.1	2.0	2.3	4.7
Preferred stock	3.7	3.7	6.0	2.0	2.5	2.6	2.5	2.9	6.5
Net cash (ending)	83.6	88.7	103.7	105.3	108.0	82.8	97.3	104.3	346.1

Source: Company data, Mirae Asset Securities Research

Samsung Electronics (005930 KS)

Income statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Revenue	**333,606**	**664,255**	**844,315**	**912,651**
Cost of revenue	**202,236**	**203,157**	**243,047**	**298,169**
GP	**131,370**	**461,098**	**601,268**	**614,482**
SG&A expenses	**87,769**	**132,521**	**156,425**	**158,161**
OP (adj.)	**43,601**	**328,578**	**444,842**	**456,320**
OP	**43,601**	**328,578**	**444,842**	**456,320**
Non-operating profit	**5,880**	**10,087**	**24,223**	**55,054**
Net financial income	3,987	9,169	19,077	29,829
Net income from associates	683	711	712	711
Pretax profit	49,481	338,665	469,065	511,374
Income tax	4,275	66,811	92,537	100,883
Profit from continuing operations	45,207	271,853	376,529	410,491
Profit from discontinued operations	0	0	0	0
NP	**45,207**	**271,853**	**376,529**	**410,491**
Attributable to owners	44,261	271,277	375,731	409,621
Attributable to minority interests	946	576	798	870
Total comprehensive income	**51,291**	**277,053**	**381,729**	**415,691**
Attributable to owners	49,904	271,482	374,053	407,332
Attributable to minority interests	1,387	5,571	7,676	8,359
EBITDA	90,528	380,978	501,646	516,712
FCF	37,793	438,729	166,910	283,130
EBITDA margin (%)	27.1	57.4	59.4	56.6
OP margin (%)	13.1	49.5	52.7	50.0
Net margin (%)	13.3	40.8	44.5	44.9

Balance sheet (summarized)

(Wbn)	2025	2026F	2027F	2028F
Current assets	**247,685**	**583,175**	**893,146**	**1,247,269**
Cash & equivalents	57,856	458,349	502,514	655,134
AR & other receivables	58,609	121,334	144,121	162,453
Inventory	52,637	56,662	66,528	74,998
Other current assets	78,583	-53,170	179,983	354,684
Non-current assets	**319,257**	**341,823**	**372,633**	**407,358**
Investments in associates	13,772	14,907	18,120	22,025
PP&E	215,305	236,574	263,862	294,217
Intangible assets	29,481	29,980	30,479	30,978
Total assets	**566,942**	**924,998**	**1,265,779**	**1,654,627**
Current liabilities	**106,411**	**192,316**	**222,299**	**251,159**
AP & other payables	34,405	50,372	59,265	70,217
Short-term financial liabilities	18,752	16,752	12,752	8,752
Other current liabilities	53,254	125,192	150,282	172,190
Non-current liabilities	**24,210**	**24,279**	**23,983**	**24,390**
Long-term financial liabilities	6,487	5,687	4,887	4,087
Other non-current liabilities	17,723	18,592	19,096	20,303
Total liabilities	**130,622**	**216,595**	**246,281**	**275,549**
Equity attributable to owners	**424,313**	**695,819**	**1,006,117**	**1,364,828**
Capital stock	898	898	898	898
Capital surplus	4,404	4,404	4,404	4,404
Retained earnings	402,136	662,292	967,390	1,320,900
Minority interests	**12,007**	**12,583**	**13,381**	**14,250**
Shareholders' equity	**436,320**	**708,402**	**1,019,498**	**1,379,078**

Cash flow statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Operating cash flow	**85,315**	**508,899**	**247,500**	**370,376**
NP	45,207	271,853	376,529	410,491
Non-cash income/expenses	52,396	109,215	129,435	130,619
Depreciation	43,606	48,900	53,303	56,891
Amortization	3,321	3,501	3,501	3,501
Other	5,469	56,814	72,631	70,227
Chg. in working capital	-9,614	185,356	-185,120	-99,796
Chg. in AR & other receivables	-2,535	-54,730	-21,198	-16,310
Chg. in inventory	-3,591	-4,025	-9,867	-8,469
Chg. in AP & other payables	-3,257	1,535	5,217	6,277
Income tax	-7,137	-66,811	-92,537	-100,883
Cash flow from investing activities	**-68,512**	**-104,611**	**-129,800**	**-158,051**
Chg. in PP&E	-47,372	-70,169	-80,591	-87,246
Chg. in intangible assets	-4,617	-4,000	-4,000	-4,000
Chg. in financial assets	-9,056	-31,580	-46,199	-67,640
Other	-7,467	1,138	990	835
Cash flow from financing activities	**-13,478**	**-13,920**	**-75,434**	**-60,911**
Chg. in financial liabilities	5,909	-2,800	-4,800	-4,800
Chg. in equity	0	0	0	0
Dividends	-9,897	-11,120	-70,634	-56,111
Other	-9,490	0	0	0
Chg. in cash	**4,151**	**400,492**	**44,166**	**152,620**
Beginning balance	53,706	57,856	458,349	502,514
Ending balance	57,856	458,349	502,514	655,134

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

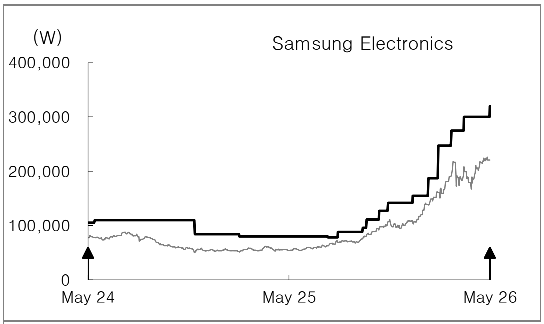
	2025	2026F	2027F	2028F
P/E (x)	18.3	5.5	4.0	3.6
P/CF (x)	8.3	3.9	2.9	2.7
P/B (x)	1.9	2.1	1.5	1.1
EV/EBITDA (x)	7.7	2.3	1.6	1.1
EPS (W)	6,564	40,275	55,783	60,814
CFPS (W)	14,474	56,575	75,118	80,336
BPS (W)	63,976	104,285	150,354	203,609
DPS (W)	1,668	10,316	8,500	8,500
Dividend payout ratio (%)	21.6	22.0	13.1	12.0
Dividend yield (%)	1.4	5.3	4.4	4.4
Revenue growth (%)	10.9	99.1	27.1	8.1
EBITDA growth (%)	20.1	320.8	31.7	3.0
OP growth (%)	33.2	653.6	35.4	2.6
EPS growth (%)	32.6	513.6	38.5	9.0
AR turnover (x)	7.0	8.5	7.3	6.7
Inventory turnover (x)	6.4	12.2	13.7	12.9
AP turnover (x)	15.9	14.7	14.1	13.0
ROA (%)	8.4	36.4	34.4	28.1
ROE (%)	10.8	48.4	44.2	34.6
ROIC (%)	13.2	113.3	135.6	83.7
Debt-to-equity ratio (%)	29.9	30.6	24.2	20.0
Current ratio (%)	232.8	303.2	401.8	496.6
Net debt-to-equity ratio (%)	-23.1	-75.6	-61.9	-62.0
Interest coverage ratio (x)	72.0	437.0	703.8	949.4

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Samsung Electronics (005930)	05/04/26	Buy	320,000
	03/18/26	Buy	300,000
	02/23/26	Buy	275,000
	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		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	80.84%	0%	18.56%	0.6%
Investment banking services	86.67%	0%	13.33%	0%

* Based on recommendations in the last 12-months (as of March 31, 2026)

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