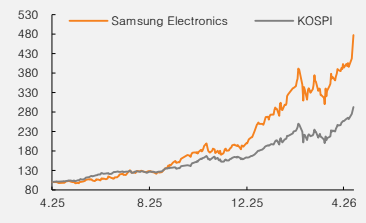


(Maintain)	<b>Buy</b>
Target price	<b>▲ W400,000</b>
Current price (5/6/26)	W266,000
Upside	50.4%

OP (26F, Wbn)	328,578
Consensus OP (26F, Wbn)	332,108
EPS growth (26F, %)	513.6
Market EPS growth (26F, %)	219.0
P/E (26F, x)	6.6
Market P/E (26F, x)	7.9
KOSPI	7,384.56

Market cap (Wbn)	1,555,110
Shares (mn)	5,846
Free float (%)	76.0
Foreign ownership (%)	49.4
Beta (12M)	1.24
52-week low (W)	53,900
52-week high (W)	266,000

(%)	1M	6M	12M
Absolute	37.8	168.1	389.9
Relative	1.7	46.2	69.8



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# Samsung Electronics

## Removing the valuation discount

### Valuation discount factors fading

We raise our target price for Samsung Electronics (SEC) to W400,000 (from W320,000). While our earnings outlook remains unchanged, we are seeing signs of a shift in the investor base, warranting the removal of the valuation discount we previously applied to the stock. We now value the foundry business at W138tr, as we changed our valuation basis from 12-month forward EBITDA to 2027F EBITDA due to improved medium/long-term demand visibility.

SEC's foundry business is expected to mass produce 4nm Groq LPUs in 2H26, while mass production of 2nm AI chips for Tesla (worth approximately W23tr) is expected to start in 2H27. Through these two major order wins, we believe SEC has validated its mass production capabilities for data center-grade accelerators based on advanced nodes (4nm and below). The company has also successfully launched its 4nm base die for HBM4.

During its recent earnings call, SEC stated that it is currently in discussions with multiple large customers regarding 2nm orders and expects tangible progress soon. In addition, overseas media reports continue to raise the possibility of Apple and Qualcomm adopting SEC's foundry services. With Qualcomm planning to launch data center chips within the year, SEC's full-stack model—integrating advanced-node foundry operations and memory—represents an attractive option.

HBM market conditions are also becoming increasingly favorable. Google's 8t TPU features 216GB of HBM3E—a 13% increase over the previous generation—and delivers roughly 3x higher compute performance, while its 8i TPU increases HBM3E capacity by 50% to 288GB and achieves approximately 80% greater cost efficiency. Meanwhile, Amazon's Trainium 3 (launched earlier this year) features 144GB of HBM3E, up 50% from the previous generation, with total purchase commitments exceeding US\$225bn.

This expansion of the HBM3E buyer pool (beyond Nvidia) is encouraging, as it should help strengthen the pricing power of suppliers. With HBM4 shipments set to begin in 2H26, we forecast SEC's HBM revenue to reach W33.8tr (+246% YoY) in 2026 and W63.5tr (+W30tr YoY) in 2027 (2027 HBM ASP growth projected at +25.7%).

For 2Q26, we forecast operating profit at W74.5tr (+30.2% QoQ), supported by DRAM and NAND ASP growth of +23% and +30%, respectively, and bit growth of +7% and +3%, respectively. We project full-year operating profit at W329tr for 2026 and W445tr for 2027. We also expect the company to meet its minimum dividend payout target of 25% in 2026, implying a dividend yield of 3.9% (5.5% for preferred shares).

(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	6.6	4.8	4.4
P/B (x)	0.9	1.9	2.6	1.8	1.3
Dividend yield (%)	2.7	1.4	3.9	3.2	3.2

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

	EBITDA (Wtr)	Target EV/EBITDA (x)	Implied EV	Notes
<b>Operating value (Wtr)</b>	<b>434.0</b>	<b>5.6</b>	<b>2,434</b>	
<b>DX</b>	12.2	6.8	83	
MX/NW	10.4	6.9	72	50% discount to avg. of Xiaomi and Apple
VD/DA	1.8	6.0	11	Avg. of LG Electronics and Whirlpool
<b>DS</b>	<b>412.8</b>	<b>5.6</b>	<b>2,308</b>	
Memory	403.2	5.4	2,170	Avg. of SK Hynix, Micron, and Kioxia
Foundry/LSI	9.6	14.4	138	Avg. of foundry peers
<b>Samsung Display</b>	<b>6.8</b>	<b>4.3</b>	<b>29</b>	Avg. of Innolux, BOE, and AUO
<b>Harman</b>	<b>2.2</b>	<b>6.5</b>	<b>14</b>	Avg. of Hyundai Mobis and HL Mando
	<b>Market cap</b>	<b>Stake (%)</b>	<b>Value</b>	
<b>Equity stake value (Wtr)</b>			<b>120.2</b>	
Listed			66.6	
Samsung Biologics	68.7	31.2	21.4	
Samsung Epis Holdings	13.2	31.2	4.1	
SEMCO	68.6	23.7	16.3	
Samsung SDI	56.8	19.4	11.0	
Samsung SDS	12.9	22.6	2.9	
Other			10.9	
Unlisted			53.6	
Net debt (Wtr)			-119.2	
Fair market cap (Wtr)			2,614	50% discount to equity stake value reflected
No. of shares (mn)			6,649	Common + preferred
Fair value/share (W)			393,100	
<b>Target price (W)</b>			<b>400,000</b>	
<b>Current price (W)</b>			<b>266,000</b>	
<b>Upside (%)</b>			<b>50.4</b>	

Source: LSEG, Mirae Asset Securities Research

Table 2. SEC: Earnings outlook

(Wtr, %)

	1Q26P	2Q26F	3Q26F	4Q26F	1Q27F	2Q27F	3Q27F	4Q27F	2024	2025	2026F	2027F
<b>USD/KRW</b>	<b>1,464</b>	<b>1,483</b>	<b>1,483</b>	<b>1,483</b>	<b>1,454</b>	<b>1,454</b>	<b>1,454</b>	<b>1,454</b>	<b>1,363</b>	<b>1,422</b>	<b>1,479</b>	<b>1,454</b>
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
<b>Revenue</b>	<b>133.9</b>	<b>155.4</b>	<b>180.9</b>	<b>194.1</b>	<b>204.3</b>	<b>206.5</b>	<b>219.4</b>	<b>214.0</b>	<b>300.9</b>	<b>333.6</b>	<b>664.3</b>	<b>844.3</b>
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
<b>QoQ/YoY</b>	<b>42.7</b>	<b>16.0</b>	<b>16.4</b>	<b>7.3</b>	<b>5.3</b>	<b>1.1</b>	<b>6.3</b>	<b>-2.4</b>	<b>16.2</b>	<b>10.9</b>	<b>99.1</b>	<b>27.1</b>
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
<b>OP</b>	<b>57.2</b>	<b>74.5</b>	<b>93.3</b>	<b>103.6</b>	<b>108.8</b>	<b>111.2</b>	<b>113.7</b>	<b>111.1</b>	<b>32.7</b>	<b>43.6</b>	<b>328.6</b>	<b>444.8</b>
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
<b>QoQ/YoY</b>	<b>185.0</b>	<b>30.2</b>	<b>25.3</b>	<b>10.9</b>	<b>5.0</b>	<b>2.3</b>	<b>2.2</b>	<b>-2.2</b>	<b>398.3</b>	<b>33.2</b>	<b>653.6</b>	<b>35.4</b>
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
<b>OP margin</b>	<b>42.7</b>	<b>47.9</b>	<b>51.6</b>	<b>53.4</b>	<b>53.2</b>	<b>53.9</b>	<b>51.8</b>	<b>51.9</b>	<b>10.9</b>	<b>13.1</b>	<b>49.5</b>	<b>52.7</b>
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
<b>EBITDA</b>	<b>70.4</b>	<b>87.7</b>	<b>106.6</b>	<b>117.1</b>	<b>122.6</b>	<b>125.4</b>	<b>127.9</b>	<b>125.7</b>	<b>75.4</b>	<b>90.5</b>	<b>381.9</b>	<b>501.6</b>
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
<b>QoQ/YoY</b>	<b>118.0</b>	<b>24.5</b>	<b>21.6</b>	<b>9.8</b>	<b>4.8</b>	<b>2.2</b>	<b>2.0</b>	<b>-1.8</b>	<b>66.6</b>	<b>20.1</b>	<b>321.8</b>	<b>31.4</b>
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
<b>Capex</b>	<b>11.2</b>	<b>18.6</b>	<b>18.6</b>	<b>26.1</b>	<b>21.8</b>	<b>22.0</b>	<b>22.0</b>	<b>22.3</b>	<b>53.6</b>	<b>52.7</b>	<b>74.6</b>	<b>88.2</b>
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
<b>QoQ/YoY</b>	<b>-45.1</b>	<b>66.5</b>	<b>0.0</b>	<b>40.1</b>	<b>-16.6</b>	<b>1.2</b>	<b>0.0</b>	<b>1.2</b>	<b>1.0</b>	<b>-1.9</b>	<b>41.7</b>	<b>18.2</b>
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
<b>FCF</b>	<b>59.2</b>	<b>69.1</b>	<b>88.0</b>	<b>91.0</b>	<b>100.9</b>	<b>103.3</b>	<b>105.9</b>	<b>103.4</b>	<b>21.7</b>	<b>37.9</b>	<b>307.2</b>	<b>413.5</b>
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: DS earnings outlook

(Wtr, %)

	1Q26P	2Q26F	3Q26F	4Q26F	1Q27F	2Q27F	3Q27F	4Q27F	2024	2025	2026F	2027F
<b>Revenue</b>	<b>81.7</b>	<b>107.6</b>	<b>128.0</b>	<b>142.1</b>	<b>147.1</b>	<b>153.4</b>	<b>157.0</b>	<b>155.4</b>	<b>111.1</b>	<b>130.1</b>	<b>459.4</b>	<b>613.0</b>
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
<b>QoQ/YoY</b>	<b>85.7</b>	<b>31.7</b>	<b>18.9</b>	<b>11.0</b>	<b>3.5</b>	<b>4.3</b>	<b>2.3</b>	<b>-1.0</b>	<b>66.8</b>	<b>17.2</b>	<b>253.1</b>	<b>33.4</b>
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
<b>OP</b>	<b>53.7</b>	<b>72.5</b>	<b>90.1</b>	<b>100.4</b>	<b>104.2</b>	<b>107.4</b>	<b>108.0</b>	<b>106.0</b>	<b>15.1</b>	<b>24.9</b>	<b>316.7</b>	<b>425.6</b>
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
<b>QoQ/YoY</b>	<b>227.2</b>	<b>35.1</b>	<b>24.2</b>	<b>11.4</b>	<b>3.8</b>	<b>3.0</b>	<b>0.6</b>	<b>-1.8</b>	<b>TTB</b>	<b>64.7</b>	<b>1,174.0</b>	<b>34.4</b>
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
<b>OP margin</b>	<b>65.7</b>	<b>67.4</b>	<b>70.4</b>	<b>70.7</b>	<b>70.8</b>	<b>70.0</b>	<b>68.8</b>	<b>68.2</b>	<b>13.6</b>	<b>19.1</b>	<b>68.9</b>	<b>69.4</b>
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
<b>EBITDA</b>	<b>64.5</b>	<b>83.3</b>	<b>101.0</b>	<b>111.5</b>	<b>115.7</b>	<b>119.1</b>	<b>119.9</b>	<b>118.2</b>	<b>49.2</b>	<b>62.8</b>	<b>360.3</b>	<b>472.8</b>
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
<b>Capex</b>	<b>10.2</b>	<b>17.4</b>	<b>17.4</b>	<b>24.5</b>	<b>20.7</b>	<b>20.7</b>	<b>20.7</b>	<b>20.7</b>	<b>46.3</b>	<b>47.5</b>	<b>69.5</b>	<b>82.7</b>
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 4. SEC: Memory revenue outlook

	1Q26P	2Q26F	3Q26F	4Q26F	1Q27F	2Q27F	3Q27F	4Q27F	2024	2025	2026F	2027F
<b>USD/KRW</b>	<b>1,464</b>	<b>1,483</b>	<b>1,483</b>	<b>1,483</b>	<b>1,454</b>	<b>1,454</b>	<b>1,454</b>	<b>1,454</b>	<b>1,363</b>	<b>1,422</b>	<b>1,479</b>	<b>1,454</b>
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
<b>DRAM</b>												
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
<b>QoQ/YoY (%)</b>	<b>2.7</b>	<b>6.8</b>	<b>5.4</b>	<b>4.4</b>	<b>6.4</b>	<b>4.6</b>	<b>1.9</b>	<b>0.1</b>	<b>13.0</b>	<b>8.3</b>	<b>24.6</b>	<b>19.6</b>
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
<b>QoQ/YoY (%)</b>	<b>91.4</b>	<b>22.9</b>	<b>15.0</b>	<b>5.9</b>	<b>-0.1</b>	<b>-1.4</b>	<b>-0.6</b>	<b>0.8</b>	<b>60.8</b>	<b>21.1</b>	<b>230.0</b>	<b>14.0</b>
<b>NAND</b>												
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
<b>QoQ/YoY (%)</b>	<b>9.0</b>	<b>3.0</b>	<b>5.0</b>	<b>2.0</b>	<b>5.0</b>	<b>10.0</b>	<b>8.0</b>	<b>-3.0</b>	<b>11.0</b>	<b>1.2</b>	<b>17.1</b>	<b>22.0</b>
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
<b>QoQ/YoY (%)</b>	<b>88.0</b>	<b>30.0</b>	<b>15.0</b>	<b>10.0</b>	<b>0.0</b>	<b>-2.0</b>	<b>-5.0</b>	<b>-3.0</b>	<b>67.9</b>	<b>-6.4</b>	<b>206.0</b>	<b>14.3</b>

Source: Company data, Mirae Asset Securities Research

Table 5. 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
<b>NP (owners of the parent)</b>	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
<b>Regular dividend pool</b>	<b>18.7</b>	<b>10.0</b>	<b>13.8</b>	<b>9.0</b>	<b>6.4</b>	<b>-6.7</b>	<b>10.8</b>	<b>18.9</b>	<b>128.6</b>
Regular dividend payout	9.6	9.6	9.6	9.8	9.8	9.8	9.8	9.8	9.8
<b>Special dividend pool (cumulative)</b>	<b>9.1</b>	<b>9.5</b>	<b>13.8</b>	<b>-0.8</b>	<b>-4.2</b>	<b>-20.8</b>	<b>1.0</b>	<b>8.3</b>	<b>117.5</b>
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
<b>Total shareholder returns</b>	<b>10.7</b>	<b>9.6</b>	<b>20.3</b>	<b>9.8</b>	<b>9.8</b>	<b>9.8</b>	<b>11.6</b>	<b>19.3</b>	<b>68.4</b>
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)									<b>(Current)</b>
Common stock	46,830	46,583	57,153	79,156	63,935	67,457	71,610	71,448	266,000
Preferred stock	38,148	37,996	49,780	72,033	58,195	56,442	58,790	57,355	189,300
Dividend yield (%)									
Common stock	3.0	3.0	5.2	1.8	2.3	2.1	2.0	2.3	3.9
Preferred stock	3.7	3.7	6.0	2.0	2.5	2.6	2.5	2.9	5.5
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
<b>Revenue</b>	<b>333,606</b>	<b>664,255</b>	<b>844,315</b>	<b>912,651</b>
<b>Cost of revenue</b>	<b>202,236</b>	<b>203,157</b>	<b>243,047</b>	<b>298,169</b>
<b>GP</b>	<b>131,370</b>	<b>461,098</b>	<b>601,268</b>	<b>614,482</b>
<b>SG&amp;A expenses</b>	<b>87,769</b>	<b>132,521</b>	<b>156,425</b>	<b>158,161</b>
<b>OP (adj.)</b>	<b>43,601</b>	<b>328,578</b>	<b>444,842</b>	<b>456,320</b>
<b>OP</b>	<b>43,601</b>	<b>328,578</b>	<b>444,842</b>	<b>456,320</b>
<b>Non-operating profit</b>	<b>5,880</b>	<b>10,087</b>	<b>24,223</b>	<b>55,054</b>
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
<b>NP</b>	<b>45,207</b>	<b>271,853</b>	<b>376,529</b>	<b>410,491</b>
Attributable to owners	44,261	271,277	375,731	409,621
Attributable to minority interests	946	576	798	870
<b>Total comprehensive income</b>	<b>51,291</b>	<b>277,053</b>	<b>381,729</b>	<b>415,691</b>
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

## Cash flow statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
<b>Operating cash flow</b>	<b>85,315</b>	<b>508,899</b>	<b>247,500</b>	<b>370,376</b>
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
<b>Cash flow from investing activities</b>	<b>-68,512</b>	<b>-104,611</b>	<b>-129,800</b>	<b>-158,051</b>
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
<b>Cash flow from financing activities</b>	<b>-13,478</b>	<b>-13,920</b>	<b>-75,434</b>	<b>-60,911</b>
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
<b>Chg. in cash</b>	<b>4,151</b>	<b>400,492</b>	<b>44,166</b>	<b>152,620</b>
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

## Balance sheet (summarized)

(Wbn)	2025	2026F	2027F	2028F
<b>Current assets</b>	<b>247,685</b>	<b>583,175</b>	<b>893,146</b>	<b>1,247,269</b>
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
<b>Non-current assets</b>	<b>319,257</b>	<b>341,823</b>	<b>372,633</b>	<b>407,358</b>
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
<b>Total assets</b>	<b>566,942</b>	<b>924,998</b>	<b>1,265,779</b>	<b>1,654,627</b>
<b>Current liabilities</b>	<b>106,411</b>	<b>192,316</b>	<b>222,299</b>	<b>251,159</b>
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
<b>Non-current liabilities</b>	<b>24,210</b>	<b>24,279</b>	<b>23,983</b>	<b>24,390</b>
Long-term financial liabilities	6,487	5,687	4,887	4,087
Other non-current liabilities	17,723	18,592	19,096	20,303
<b>Total liabilities</b>	<b>130,622</b>	<b>216,595</b>	<b>246,282</b>	<b>275,549</b>
<b>Equity attributable to owners</b>	<b>424,313</b>	<b>695,819</b>	<b>1,006,117</b>	<b>1,364,828</b>
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
<b>Minority interests</b>	<b>12,007</b>	<b>12,583</b>	<b>13,381</b>	<b>14,250</b>
<b>Shareholders' equity</b>	<b>436,320</b>	<b>708,402</b>	<b>1,019,498</b>	<b>1,379,078</b>

## Key valuation metrics/ratios

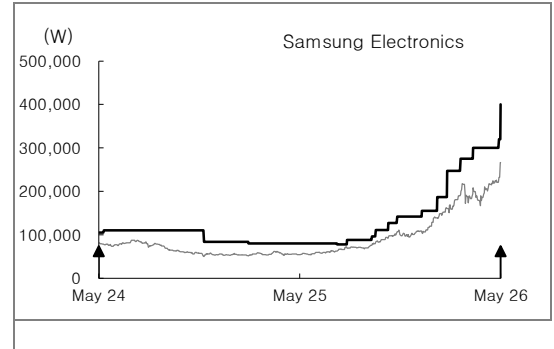
	2025	2026F	2027F	2028F
P/E (x)	18.3	6.6	4.8	4.4
P/CF (x)	8.3	4.7	3.5	3.3
P/B (x)	1.9	2.6	1.8	1.3
EV/EBITDA (x)	7.7	3.1	2.2	1.7
EPS (W)	6,564	40,275	55,783	60,814
CFPS (W)	14,474	56,575	75,118	80,336
BPS (W)	63,976	104,285	150,354	203,609
DPS (W)	1,668	10,316	8,500	8,500
Dividend payout ratio (%)	21.6	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 (₩)
Samsung Electronics (005930)	05/07/26	Buy	400,000
	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

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	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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## Mirae Asset Securities International Network

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