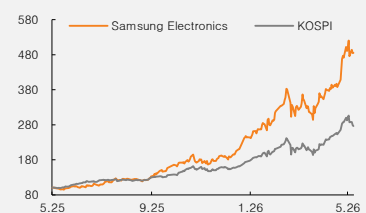


(Maintain)	Buy
Target price	▲ W480,000
Current price (5/20/26)	W276,000
Upside	73.9%

OP (26F, Wbn)	371,899
Consensus OP (26F, Wbn)	348,069
EPS growth (26F, %)	592.9
Market EPS growth (26F, %)	235.0
P/E (26F, x)	6.1
Market P/E (26F, x)	8.0
KOSPI	7,208.95

Market cap (Wbn)	1,613,573
Shares (mn)	5,846
Free float (%)	76.0
Foreign ownership (%)	48.3
Beta (12M)	1.18
52-week low (W)	53,900
52-week high (W)	296,000

(%)	1M	6M	12M
Absolute	28.7	174.4	393.7
Relative	11.0	52.4	78.2



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Samsung Electronics

Exceptional memory demand

Memory customers face mounting pressure

We lift our target price for Samsung Electronics (SEC) to W480,000 (from W400,000). Our valuation is based on a sum-of-the-parts (SOTP) methodology and implies a 2026F P/B of 4.4x, below the memory sector average of 6.4x. While the company's average ROE over the past decade was only 13%, we forecast average ROE over the next three years at 46%, which we believe justifies a higher P/B multiple.

As of May, server and enterprise SSD shipment growth forecasts for 2026 have been revised up further to +22.3% and +41.5%, respectively (from +22.1% and +39.1%, respectively), despite already elevated bases. In the mobile segment, production cutbacks centered on low-end smartphones are supporting a structural rise in average DRAM content per device. Meanwhile, the rollout of Nvidia's Vera is set to further tighten the LPDDR (SOCAMM) market.

Driven by a structural increase in LPDDR DRAM demand and SEC's aggressive pricing policy, QoQ increases in contract prices are accelerating further compared with 1Q26. For 2Q26, we project LPDDR5X (16GB) and LPDDR4X (8GB) prices to jump 81% and 72% QoQ, respectively (vs. +58% and +57% QoQ in 1Q26).

For NAND, production capacity remains concentrated on SSDs due to strong demand, preventing any meaningful moderation in price increases for IT device storage compared with 1Q26. We forecast 2Q26 UFS (512GB) prices to rise 80% QoQ (vs. +97% QoQ in 1Q26). As SanDisk noted on its earnings call, IT device manufacturers that had delayed purchases are likely to resume buying as they adapt to the current pricing environment.

Against this backdrop, we raise our ASP assumptions for SEC. For 2Q26, 3Q26, and 4Q26, we now project DRAM ASP growth at +41%, +10%, and +6%, respectively (vs. previous forecasts of +30%, +15%, and +5%) and NAND ASP growth at +45%, +15%, and +10%, respectively (vs. previous forecasts of +30%, +15%, and +10%). While the pace of price increases should moderate in 2H26, overall price levels are likely to remain higher.

We raise our operating profit forecasts for 2Q26, 2026, and 2027 to W89tr, W372tr, and W500tr, respectively (from W75tr, W332tr, and W450tr, respectively). In an earlier report (May 4), we partially reflected the possibility of higher labor expenses by lowering our OP margin forecasts for the DS division by 3.5%p for 2026 and 3.4%p for 2027. However, we now revise these forecasts upward again by 2.5%p and 1.5%p, respectively, reflecting stronger-than-expected price increases.

Current pricing trends underscore the exceptional strength of global memory demand. For SEC, securing labor stability will remain an important factor to watch going forward.

(Dec.)	2024	2025	2026F	2027F	2028F
Revenue (Wbn)	300,871	333,606	708,877	909,707	981,701
OP (Wbn)	32,726	43,601	371,899	500,429	513,451
OP margin (%)	10.9	13.1	52.5	55.0	52.3
NP (Wbn)	33,621	44,261	306,347	421,640	458,116
EPS (W)	4,950	6,564	45,482	62,599	68,014
ROE (%)	9.0	10.8	53.0	46.6	35.7
P/E (x)	10.7	18.3	6.1	4.4	4.1
P/B (x)	0.9	1.9	2.5	1.7	1.2
Dividend yield (%)	2.7	1.4	4.2	3.1	3.1

Notes: Under consolidated K-IFRS; NP is attributable to owners of the parent

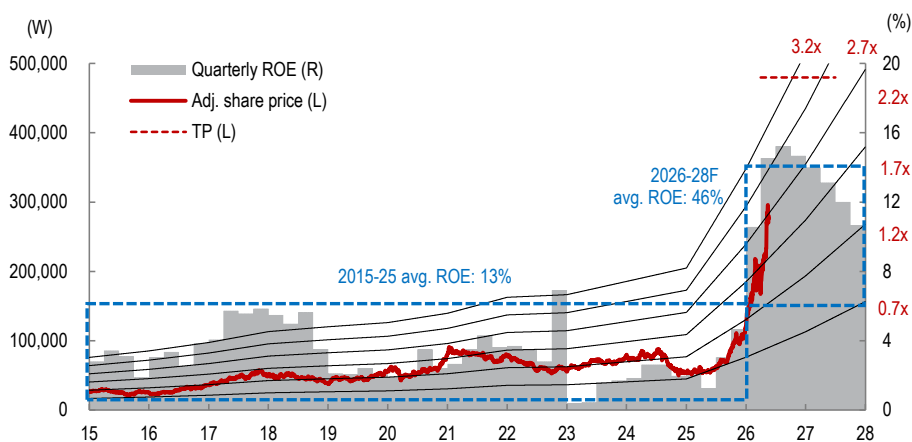
Source: Company data, Mirae Asset Securities Research estimates

Table 1. SEC: SOTP valuation

	12MF EBITDA (Wtr)	Target EV/EBITDA (x)	Implied EV	Notes
Operating value (Wtr)	490.9	6.2	3,048.6	
DX	12.3	7.4	91.4	
MX/NW	10.5	7.6	80.3	50% discount to avg. of Xiaomi and Apple
VD/DA	1.8	6.0	11.1	Avg. of LG Electronics and Whirlpool
DS	469.6	6.2	2,914.3	
Memory	460.0	6.0	2,775.9	Avg. of SK Hynix, Micron, and Kioxia
Foundry/LSI	9.6 (2027F)	14.4	138.3	Avg. of foundry peers
Samsung Display	6.8	4.3	29.0	Avg. of Innolux, BOE, and AUO
Harman	2.2	6.5	13.9	Avg. of Hyundai Mobis and HL Mando
	Market cap	Stake (%)	Value	
Equity stake value (Wtr)			120.2	
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)			3,228	50% discount to equity stake value reflected
No. of shares (mn)			6,649	Common + preferred
Fair value/share (W)			485,514	
Target price (W)			480,000	
Current price (W)			276,000	
Upside (%)			73.9	
Implied 2026F P/E (x)			10.5	
Implied 2026F P/B (x)			4.4	

Source: LSEG, Mirae Asset Securities Research

Figure 1. SEC: 12-month forward P/B vs. ROE



Source: Company data, Mirae Asset Securities Research

Table 2. SEC: Earnings outlook

(Wtr, %)

	1Q26	2Q26F	3Q26F	4Q26F	1Q27F	2Q27F	3Q27F	4Q27F	2024	2025	2026F	2027F
USD/KRW	1,464	1,500	1,500	1,500	1,470	1,470	1,470	1,470	1,363	1,422	1,491	1,470
QoQ/YoY	1.0	2.4	0.0	0.0	-2.0	0.0	0.0	0.0	4.4	4.3	4.8	-1.4
Revenue	133.9	170.6	195.0	209.4	220.2	222.9	236.2	230.5	300.9	333.6	708.9	909.7
DX	52.7	45.5	48.1	45.1	55.2	49.8	56.8	52.1	174.9	188.0	191.4	213.8
DS	81.7	122.7	141.9	157.1	162.6	169.6	173.4	171.6	111.1	130.1	503.4	677.3
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	27.4	14.3	7.4	5.1	1.3	5.9	-2.4	16.2	10.9	112.5	28.3
DX	18.9	-13.7	5.8	-6.1	22.2	-9.8	14.0	-8.3	2.9	7.5	1.8	11.7
DS	85.7	50.2	15.6	10.8	3.5	4.3	2.2	-1.1	66.8	17.2	286.8	34.5
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	89.3	107.0	118.4	122.4	125.3	127.8	125.0	32.7	43.6	371.9	500.4
DX	3.0	1.1	1.8	1.1	3.4	2.6	3.6	2.7	12.4	12.9	6.9	12.3
DS	53.7	87.4	103.7	115.2	117.7	121.4	122.1	119.8	15.1	24.9	359.9	481.1
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	56.2	19.7	10.7	3.4	2.4	2.0	-2.2	398.3	33.2	753.0	34.6
DX	124.6	-64.0	65.4	-39.6	218.2	-24.5	37.7	-24.0	-13.5	3.3	-46.0	77.3
DS	227.2	62.7	18.7	11.1	2.2	3.1	0.6	-1.9	TTB	64.7	1,348.0	33.7
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	52.4	54.9	56.5	55.6	56.2	54.1	54.2	10.9	13.1	52.5	55.0
DX	5.7	2.4	3.7	2.4	6.2	5.2	6.3	5.2	7.1	6.8	3.6	5.8
DS	65.7	71.2	73.1	73.3	72.4	71.6	70.4	69.8	13.6	19.1	71.5	71.0
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	102.6	120.3	131.9	136.2	139.4	142.1	139.5	75.4	90.5	425.2	557.3
DX	4.2	2.3	3.0	2.3	4.7	3.8	4.8	4.0	16.7	17.3	11.9	17.3
DS	64.7	98.4	114.8	126.5	129.4	133.3	134.2	132.2	49.9	63.6	404.4	529.1
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	45.6	17.3	9.7	3.3	2.4	1.9	-1.8	66.6	20.1	369.7	31.1
DX	68.1	-45.3	30.4	-23.4	101.5	-18.0	25.5	-17.8	-10.6	4.1	-31.3	45.0
DS	144.1	52.0	16.6	10.2	2.3	3.0	0.6	-1.5	227.1	27.6	535.4	30.8
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	18.8	18.8	26.3	22.0	22.2	22.2	22.5	53.6	52.7	75.1	88.9
DS	10.2	17.5	17.5	24.8	20.8	20.8	20.8	20.8	46.3	47.5	69.9	83.3
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	67.5	0.0	40.4	-16.6	1.2	0.0	1.2	1.0	-1.9	42.5	18.4
DS	-46.2	71.4	0.0	41.7	-15.9	0.0	0.0	0.0	-4.3	2.6	47.3	19.2
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	83.8	101.5	105.6	114.3	117.2	119.9	117.1	21.7	37.9	350.1	468.4
DS	54.5	80.9	97.3	101.7	108.6	112.5	113.3	111.4	3.6	16.2	334.5	445.8
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	4.8	4.0	4.9	3.9	16.6	17.7	11.9	17.5

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	1,500	1,500	0.0	1,491	1,491	0.0	1,470	1,470	0.0
Revenue	170.6	156.7	8.9	708.9	668.9	6.0	909.7	851.9	6.8
DX	45.5	45.5	0.0	191.4	191.4	0.0	213.8	213.8	0.0
DS	122.7	108.8	12.8	503.4	463.4	8.6	677.3	619.5	9.3
Samsung Display	6.1	6.1	0.0	29.8	29.8	0.0	33.3	33.3	0.0
Harman	4.6	4.6	0.0	17.5	17.5	0.0	18.9	18.9	0.0
OP	89.3	75.4	18.5	371.9	331.9	12.1	500.4	450.1	11.2
DX	1.1	1.1	0.0	6.9	6.9	0.0	12.3	12.3	0.0
DS	87.4	73.4	19.0	359.9	320.0	12.5	481.1	430.8	11.7
Samsung Display	0.4	0.4	0.0	3.5	3.5	0.0	5.2	5.2	0.0
Harman	0.4	0.4	0.0	1.4	1.4	0.0	1.7	1.7	0.0
OP margin	52.4	48.1	4.2	52.5	49.6	2.8	55.0	52.8	2.2
DX	2.4	2.4	0.0	3.6	3.6	0.0	5.8	5.8	0.0
DS	71.2	67.5	3.7	71.5	69.0	2.5	71.0	69.5	1.5
Samsung Display	6.9	6.9	0.0	11.9	11.9	0.0	15.5	15.5	0.0
Harman	8.8	8.8	0.0	8.1	8.1	0.0	8.8	8.8	0.0
EBITDA	102.6	88.6	15.7	425.2	385.2	10.4	557.3	507.0	9.9
DX	2.3	2.3	0.0	11.9	11.9	0.0	17.3	17.3	0.0
DS	98.4	84.5	16.5	404.4	364.4	11.0	529.1	478.8	10.5
Samsung Display	1.1	1.1	0.0	6.4	6.4	0.0	8.1	8.1	0.0
Harman	0.6	0.6	0.0	2.0	2.0	0.0	2.3	2.3	0.0
Capex	18.8	18.8	0.0	75.1	75.1	0.0	88.9	88.9	0.0
DS	17.5	17.5	0.0	69.9	69.9	0.0	83.3	83.3	0.0
Samsung Display	0.7	0.7	0.0	2.7	2.7	0.0	2.9	2.9	0.0
Other	0.6	0.6	0.0	2.4	2.4	0.0	2.6	2.6	0.0
FCF	83.8	69.9	19.9	350.1	310.1	12.9	468.4	418.2	12.0
DS	80.9	67.0	20.8	334.5	294.5	13.6	445.8	395.5	12.7
Samsung Display	0.5	0.5	0.0	3.7	3.7	0.0	5.1	5.1	0.0
Other	2.4	2.4	-0.0	11.9	11.9	0.0	17.5	17.5	0.0

Source: Mirae Asset Securities Research

Table 4. SEC: DS earnings outlook

(Wtr, %)

	1Q26	2Q26F	3Q26F	4Q26F	1Q27F	2Q27F	3Q27F	4Q27F	2024	2025	2026F	2027F
Revenue	81.7	122.7	141.9	157.1	162.6	169.6	173.4	171.6	111.1	130.1	503.4	677.3
DRAM	55.6	85.6	99.4	109.6	114.0	117.6	119.1	120.0	54.4	74.4	350.2	470.6
NAND	19.2	29.0	35.1	39.3	40.5	43.6	44.8	42.1	30.1	29.7	122.7	171.0
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	50.2	15.6	10.8	3.5	4.3	2.2	-1.1	66.8	17.2	286.8	34.5
DRAM	98.6	54.1	16.1	10.2	4.1	3.1	1.3	0.8	89.8	36.8	370.6	34.4
NAND	109.9	50.9	20.8	12.2	2.9	7.8	2.6	-5.9	94.5	-1.3	313.5	39.4
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	87.4	103.7	115.2	117.7	121.4	122.1	119.8	15.1	24.9	359.9	481.1
DRAM	42.9	68.5	80.2	87.8	89.8	91.4	91.5	92.2	16.8	30.4	279.4	364.8
NAND	11.9	19.9	24.9	28.4	28.9	31.0	31.5	28.6	3.5	2.0	85.0	119.9
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	62.7	18.7	11.1	2.2	3.1	0.6	-1.9	TTB	64.7	1,348.0	33.7
DRAM	169.0	59.8	16.9	9.6	2.2	1.8	0.1	0.8	TTB	80.4	819.7	30.6
NAND	354.8	67.3	25.1	14.1	1.7	7.3	1.6	-9.0	TTB	-42.1	4,055.8	41.1
Foundry/LSI	RR	RR	RR	RR	RR	RR	RR	RR	RR	RR	RR	RR
OP margin	65.7	71.2	73.1	73.3	72.4	71.6	70.4	69.8	13.6	19.1	71.5	71.0
DRAM	77.2	80.0	80.6	80.2	78.8	77.7	76.8	76.8	31.0	40.8	79.8	77.5
NAND	61.7	68.5	70.9	72.2	71.3	71.0	70.3	68.0	11.8	6.9	69.3	70.1
Foundry/LSI	-15.7	-12.8	-18.0	-12.7	-11.0	-11.7	-8.4	-10.3	-19.9	-29.1	-14.7	-10.3
EBITDA	64.5	98.2	114.6	126.3	129.2	133.1	134.0	132.0	49.2	62.8	403.6	528.3
DRAM	47.5	73.3	85.2	93.2	95.3	97.0	97.1	98.0	27.2	44.6	299.1	387.3
NAND	15.0	22.8	27.5	30.9	31.8	33.9	34.3	31.4	13.5	13.1	96.2	131.4
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	17.5	17.5	24.8	20.8	20.8	20.8	20.8	46.3	47.5	69.9	83.3
DRAM	5.6	9.6	9.6	9.5	9.9	9.9	9.9	9.9	18.4	20.5	34.3	39.7
NAND	1.5	2.6	2.6	11.1	5.1	5.1	5.1	5.1	13.0	12.8	17.9	20.6
Foundry/LSI	3.1	5.2	5.2	4.2	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

	1Q26	2Q26F	3Q26F	4Q26F	1Q27F	2Q27F	3Q27F	4Q27F	2024	2025	2026F	2027F
USD/KRW	1,464	1,500	1,500	1,500	1,470	1,470	1,470	1,470	1,363	1,422	1,491	1,470
QoQ/YoY (%)	1.0	2.4	0.0	0.0	-2.0	0.0	0.0	0.0	4.4	4.3	4.8	-1.4
DRAM												
Revenue (US\$bn)	37.9	57.1	66.3	73.0	77.6	80.0	81.0	81.6	39.8	52.3	234.3	320.1
QoQ/YoY (%)	96.6	50.4	16.1	10.2	6.2	3.1	1.3	0.8	81.8	31.2	348.5	36.6
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	1.95	2.15	2.27	2.26	2.23	2.22	2.23	0.45	0.54	1.96	2.23
QoQ/YoY (%)	91.4	40.9	10.1	5.6	-0.2	-1.4	-0.6	0.7	60.8	21.1	260.0	14.2
NAND												
Revenue (US\$bn)	13.0	19.4	23.4	26.2	27.5	29.7	30.5	28.7	22.1	20.9	81.9	116.3
QoQ/YoY (%)	104.9	49.4	20.8	12.2	5.0	7.8	2.6	-5.9	86.4	-5.4	292.5	42.0
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	0.22	0.26	0.28	0.28	0.28	0.26	0.26	0.07	0.07	0.23	0.27
QoQ/YoY (%)	88.0	45.0	15.0	10.0	0.0	-2.0	-5.0	-3.0	67.9	-6.4	235.2	16.4

Source: Company data, Mirae Asset Securities Research

Table 6. SEC: DS earnings forecast revisions

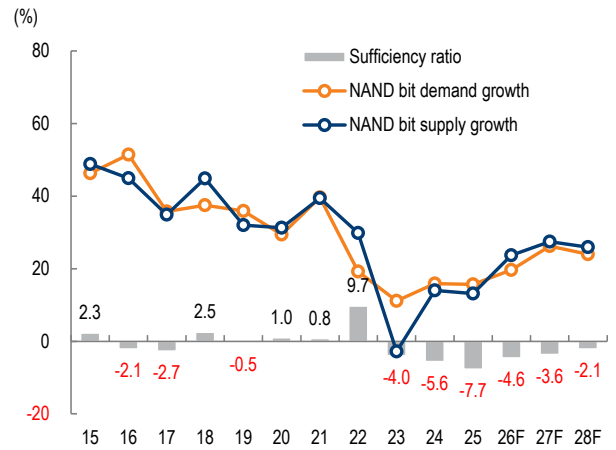
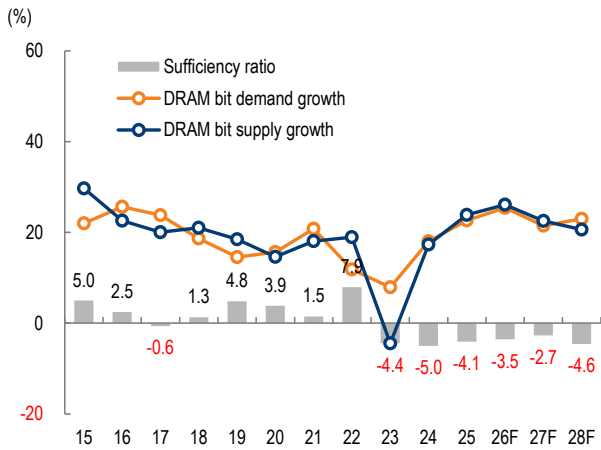
(Wtr, %, %p)

	2Q26F			2026F			2027F		
	Revised	Previous	Chg.	Revised	Previous	Chg.	Revised	Previous	Chg.
Revenue	122.7	108.8	12.8	503.4	463.4	8.6	677.3	619.5	9.3
DRAM	85.6	74.7	14.6	350.2	320.9	9.1	470.6	430.5	9.3
NAND	29.0	26.0	11.5	122.7	112.0	9.6	171.0	153.3	11.5
Foundry/LSI	8.0	8.0	0.0	30.6	30.6	0.0	35.7	35.7	0.0
OP	87.4	73.4	19.0	359.9	320.0	12.5	481.1	430.8	11.7
DRAM	68.5	57.6	19.0	279.4	250.1	11.7	364.8	332.2	9.8
NAND	19.9	16.9	17.8	85.0	74.3	14.4	119.9	102.2	17.3
Foundry/LSI	-1.0	-1.0	RR	-4.5	-4.5	RR	-3.7	-3.7	RR
OP margin	71.2	67.5	3.7	71.5	69.0	2.5	71.0	69.5	1.5
DRAM	80.0	77.1	2.9	79.8	78.0	1.8	77.5	77.2	0.3
NAND	68.5	64.8	3.6	69.3	66.4	2.9	70.1	66.7	3.4
Foundry/LSI	-12.8	-12.8	0.0	-14.7	-14.7	0.0	-10.3	-10.3	0.0
[Memory est.]									
DRAM									
Bit growth	6.8	6.8	0.0	24.6	24.6	0.0	19.6	19.6	0.0
ASP chg.	40.9	22.9	18.0	260.0	230.0	30.0	14.2	14.0	0.2
NAND									
Bit growth	3.0	3.0	0.0	17.1	17.1	0.0	22.0	22.0	0.0
ASP chg.	45.0	30.0	15.0	235.2	206.0	29.2	16.4	14.3	2.1

Source: Mirae Asset Securities Research

Figure 2. DRAM supply/demand outlook

Figure 3. NAND supply/demand outlook

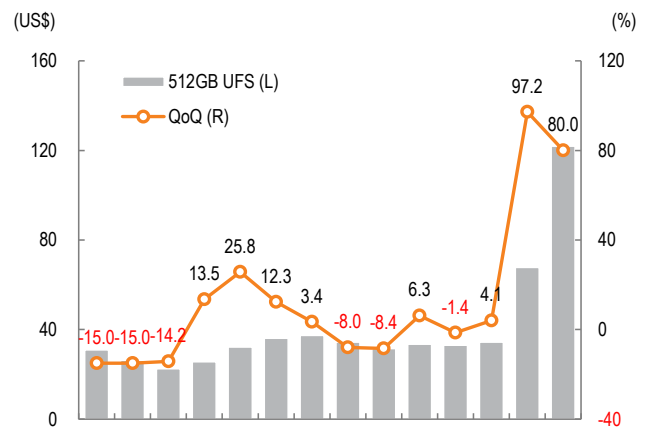
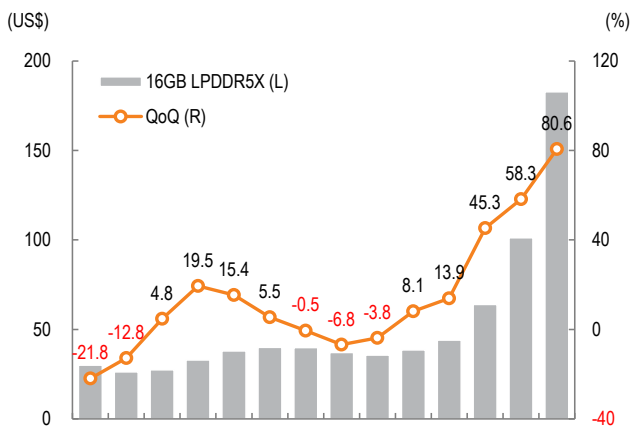


Source: Mirae Asset Securities Research

Source: Mirae Asset Securities Research

Figure 4. Mobile DRAM contract price outlook

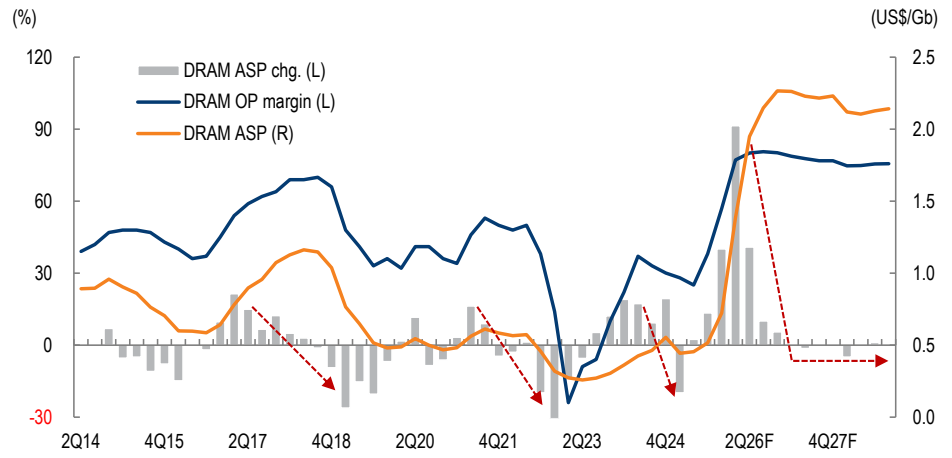
Figure 5. Mobile NAND contract price outlook



Source: TrendForce, Mirae Asset Securities Research

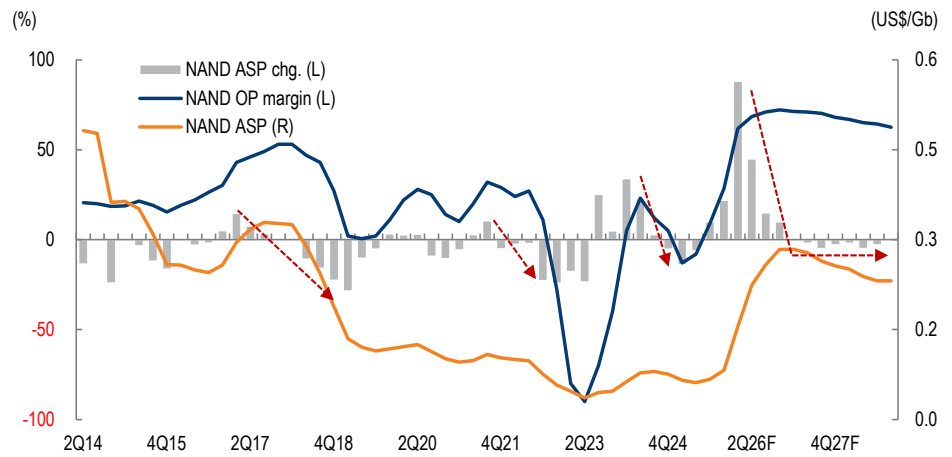
Source: TrendForce, Mirae Asset Securities Research

Figure 6. SEC: DRAM ASP chg. and OP margin



Source: Company data, Mirae Asset Securities Research

Figure 7. SEC: NAND ASP chg. and OP margin



Source: Company data, Mirae Asset Securities Research

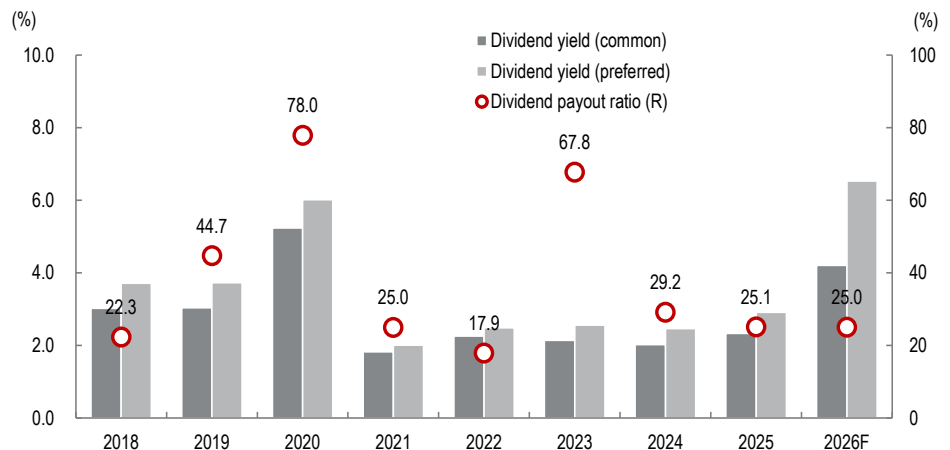
Table 7. SEC: Shareholder return estimates

(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	306.3
Operating cash flow	67.0	45.4	65.3	65.1	62.2	44.1	73.0	85.3	365.2
Capex	29.6	25.4	37.6	47.1	49.4	57.6	51.4	47.5	70.6
FCF	37.5	20.0	27.7	18.0	12.8	-13.5	21.6	37.8	294.6
% 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	147.3
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	136.3
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	67.2
Total dividend payout	9.8	9.6	20.3	9.8	9.8	9.8	9.8	11.1	77.0
Dividend payout ratio (%)	22.3	44.7	78.0	25.0	17.9	67.8	29.2	25.1	25.0
Common stock	8.6	8.5	17.9	8.6	8.6	8.6	8.6	9.8	67.7
Preferred stock	1.2	1.2	2.5	1.2	1.2	1.2	1.2	1.3	9.3
Total shareholder returns	10.7	9.6	20.3	9.8	9.8	9.8	11.6	19.3	77.0
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	11,616
Preferred stock	1,417	1,417	2,995	1,445	1,445	1,445	1,447	1,669	11,617
Avg. share price (W)									(Current)
Common stock	46,830	46,583	57,153	79,156	63,935	67,457	71,610	71,448	276,000
Preferred stock	38,148	37,996	49,780	72,033	58,195	56,442	58,790	57,355	177,800
Dividend yield (%)									
Common stock	3.0	3.0	5.2	1.8	2.3	2.1	2.0	2.3	4.2
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	383.6

Source: Company data, Mirae Asset Securities Research

Figure 8. SEC: Dividend payout ratio and dividend yield trend



Source: Company data, Mirae Asset Securities Research

Samsung Electronics (005930 KS)

Income statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Revenue	333,606	708,877	909,707	981,701
Cost of revenue	202,236	197,065	242,924	300,417
GP	131,370	511,812	666,783	681,284
SG&A expenses	87,769	139,913	166,354	167,833
OP (adj.)	43,601	371,899	500,429	513,451
OP	43,601	371,899	500,429	513,451
Non-operating profit	5,880	10,547	25,950	58,465
Net financial income	3,987	9,629	20,804	33,239
Net income from associates	683	711	712	711
Pretax profit	49,481	382,446	526,379	571,916
Income tax	4,275	75,448	103,843	112,827
Profit from continuing operations	45,207	306,997	422,535	459,089
Profit from discontinued operations	0	0	0	0
NP	45,207	306,997	422,535	459,089
Attributable to owners	44,261	306,347	421,640	458,116
Attributable to minority interests	946	650	895	973
Total comprehensive income	51,291	312,197	427,735	464,289
Attributable to owners	49,904	305,920	419,134	454,953
Attributable to minority interests	1,387	6,278	8,601	9,336
EBITDA	90,528	424,308	557,303	573,976
FCF	37,793	470,298	209,545	330,185
EBITDA margin (%)	27.1	59.9	61.3	58.5
OP margin (%)	13.1	52.5	55.0	52.3
Net margin (%)	13.3	43.2	46.3	46.7

Cash flow statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Operating cash flow	85,315	540,872	290,748	418,064
NP	45,207	306,997	422,535	459,089
Non-cash income/expenses	52,396	117,401	139,085	139,286
Depreciation	43,606	48,908	53,374	57,024
Amortization	3,321	3,501	3,501	3,501
Other	5,469	64,992	82,210	78,761
Chg. in working capital	-9,614	182,177	-187,951	-100,839
Chg. in AR & other receivables	-2,535	-63,018	-22,624	-17,474
Chg. in inventory	-3,591	-1,898	-12,114	-8,979
Chg. in AP & other payables	-3,257	988	5,800	6,460
Income tax	-7,137	-75,448	-103,843	-112,827
Cash flow from investing activities	-68,512	-105,015	-130,412	-158,685
Chg. in PP&E	-47,372	-70,573	-81,203	-87,880
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	-84,015	-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	-79,215	-56,111
Other	-9,490	0	0	0
Chg. in cash	4,151	432,061	78,219	199,674
Beginning balance	53,706	57,856	489,918	568,137
Ending balance	57,856	489,918	568,137	767,811

Source: Company data, Mirae Asset Securities Research estimates

Balance sheet (summarized)

(Wbn)	2025	2026F	2027F	2028F
Current assets	247,685	622,122	969,912	1,372,918
Cash & equivalents	57,856	489,918	568,137	767,811
AR & other receivables	58,609	130,839	155,143	174,793
Inventory	52,637	54,535	66,649	75,628
Other current assets	78,583	-53,170	179,983	354,686
Non-current assets	319,257	342,219	373,570	408,795
Investments in associates	13,772	14,907	18,120	22,025
PP&E	215,305	236,970	264,799	295,655
Intangible assets	29,481	29,980	30,479	30,978
Total assets	566,942	964,341	1,343,482	1,781,713
Current liabilities	106,411	195,837	226,704	256,263
AP & other payables	34,405	52,641	62,326	73,819
Short-term financial liabilities	18,752	16,752	12,752	8,752
Other current liabilities	53,254	126,444	151,626	173,692
Non-current liabilities	24,210	24,958	24,711	25,205
Long-term financial liabilities	6,487	5,687	4,887	4,087
Other non-current liabilities	17,723	19,271	19,824	21,118
Total liabilities	130,622	220,795	251,415	281,468
Equity attributable to owners	424,313	730,888	1,078,514	1,485,720
Capital stock	898	898	898	898
Capital surplus	4,404	4,404	4,404	4,404
Retained earnings	402,136	697,362	1,039,787	1,441,793
Minority interests	12,007	12,658	13,553	14,525
Shareholders' equity	436,320	743,546	1,092,067	1,500,245

Key valuation metrics/ratios

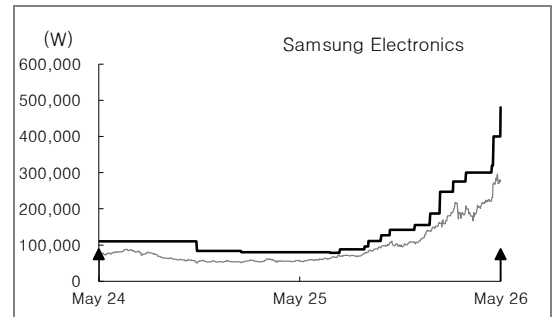
	2025	2026F	2027F	2028F
P/E (x)	18.3	6.1	4.4	4.1
P/CF (x)	8.3	4.4	3.3	3.1
P/B (x)	1.9	2.5	1.7	1.2
EV/EBITDA (x)	7.7	2.8	1.9	1.4
EPS (W)	6,564	45,482	62,599	68,014
CFPS (W)	14,474	63,008	83,381	88,837
BPS (W)	63,976	109,492	161,102	221,558
DPS (W)	1,668	11,616	8,500	8,500
Dividend payout ratio (%)	21.6	21.9	11.7	10.7
Dividend yield (%)	1.4	6.0	4.4	4.4
Revenue growth (%)	10.9	112.5	28.3	7.9
EBITDA growth (%)	20.1	368.7	31.3	3.0
OP growth (%)	33.2	753.0	34.6	2.6
EPS growth (%)	32.6	592.9	37.6	8.7
AR turnover (x)	7.0	8.6	7.3	6.7
Inventory turnover (x)	6.4	13.2	15.0	13.8
AP turnover (x)	15.9	14.6	14.4	13.0
ROA (%)	8.4	40.1	36.6	29.4
ROE (%)	10.8	53.0	46.6	35.7
ROIC (%)	13.2	126.7	148.4	92.1
Debt-to-equity ratio (%)	29.9	29.7	23.0	18.8
Current ratio (%)	232.8	317.7	427.8	535.7
Net debt-to-equity ratio (%)	-23.1	-76.3	-63.8	-64.5
Interest coverage ratio (x)	72.0	494.6	791.7	1,068.2

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (₩)
Samsung Electronics (005930)	05/20/26	Buy	480,000
	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



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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