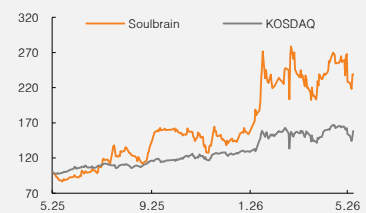


(Maintain)	Buy
Target price	▲ W600,000
Current price (5/22/26)	W429,500
Upside	39.7%

OP (26F, Wbn)	193
Consensus OP (26F, Wbn)	198
EPS growth (26F, %)	66.8
Market EPS growth (26F, %)	238.0
P/E (26F, x)	25.3
Market P/E (26F, x)	8.6
KOSDAQ	1,161.13

Market cap (Wbn)	3,341
Shares (mn)	8
Free float (%)	53.7
Foreign ownership (%)	23.6
Beta (12M)	1.98
52-week low (W)	156,000
52-week high (W)	501,000

(%)	1M	6M	12M
Absolute	-7.4	86.7	165.8
Relative	-5.8	38.9	64.3



Mirae Asset Securities Co., Ltd.

Young-gun Kim

Soulbrain

New growth drivers emerging

Reflecting memory exposure and new businesses in valuation

We raise our target price on Soulbrain to W600,000 (from W216,000), applying a target P/E of 30x—a premium to the average 2026F P/E of global semiconductor materials companies (20.7x)—to our 2026 EPS estimate of W19,858. We believe the premium is justified by the company's above-industry 2026 operating profit growth outlook (+44%) and new business initiatives, including glass substrate materials.

While top-tier materials companies such as Entegris and TOK are trading in the high-30x P/E range, domestic names with high exposure to memory are trading at around 10x. However, given the current memory-led industry up-cycle, we believe memory-focused materials companies delivering strong earnings growth could also see meaningful valuation re-ratings.

Earnings growth to continue on semiconductor up-cycle

For 1Q26, Soulbrain posted revenue of W263.8bn (+25.9% YoY, +8.1% QoQ) and operating profit of W44.7bn (+24% YoY, +3.9% QoQ). Semiconductor materials revenue (W221.9bn) increased QoQ for a fourth consecutive quarter, backed by higher utilization rates at semiconductor customers. By category, we estimate revenue at W160bn for etchants, W16bn for CMP slurry, and W16.5bn for precursors.

Favorable end-market conditions are continuing. Initial shipments to Samsung Electronics' (SEC) Taylor fab are expected in June, which should support continued QoQ revenue growth throughout the year. For 2Q26, we look for revenue of W272.6bn (+3.3% QoQ) and operating profit of W47.3bn (+5.8% QoQ). For 2026, we forecast revenue at W1.1tr (+20.4% YoY) and operating profit at W193bn (+44.4% YoY).

Opportunities in acetic acid-based etchants and glass substrate materials

In the near term, acetic acid-based etchants are likely to serve as a meaningful growth driver. In sub-3nm GAA transistors, SEC's foundry uses a wet etching process to remove the SiGe sacrificial layer after formation of the Si/SiGe stacked structure. Acetic acid-based etchants are used in this process, and Soulbrain is already the exclusive supplier to SEC's foundry (quarterly revenue of around W2bn). Supply is likely to ramp up in earnest once mass production begins for Tesla's 2nm chips.

Over the longer term, glass substrate materials could emerge as an additional growth engine. Glass substrates are gaining attention as a next-generation semiconductor packaging technology, and Soulbrain is developing related materials such as hydrofluoric acid for through-glass via (TGV) formation, copper plating solutions/additives, and CMP slurry. Soulbrain has accumulated process data on glass surfaces based on its past experience in the thin glass (TG) business. Following pilot line setup in 3Q26, the company is likely to enter the sample delivery stage from 4Q26.

(Dec.)	2024	2025	2026F	2027F	2028F
Revenue (Wbn)	863	923	1,112	1,354	1,639
OP (Wbn)	168	134	193	246	308
OP margin (%)	19.5	14.5	17.4	18.2	18.8
NP (Wbn)	118	79	132	160	200
EPS (W)	15,226	10,164	16,951	20,615	25,744
ROE (%)	12.5	7.7	11.9	13.0	14.3
P/E (x)	10.9	25.8	25.3	20.8	16.7
P/B (x)	1.3	1.9	2.8	2.5	2.2
Dividend yield (%)	1.4	0.9	0.5	0.5	0.5

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

Source: Company data, Mirae Asset Securities Research estimates

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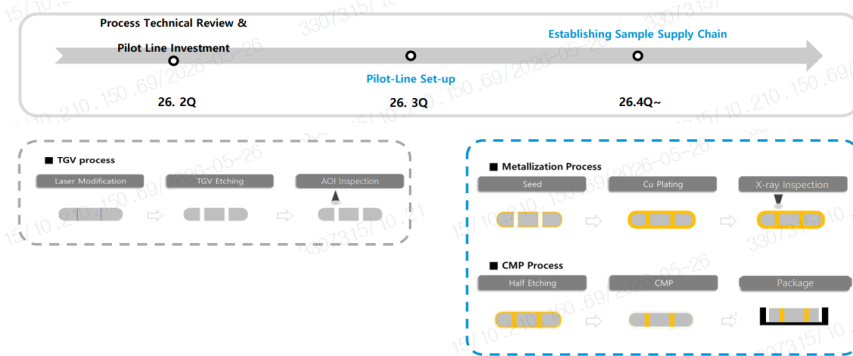
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Table 1. Soulbrain: Earnings outlook

	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26F	3Q26F	4Q26F	2024	2025	2026F	2027F
Revenue	209	229	241	244	264	273	283	292	863	923	1,112	1,354
Semiconductor materials	167.0	190.0	202.4	207.6	221.9	230.9	240.2	249.9	656.7	767.0	942.8	1,181.4
Display materials	21.3	16.9	13.6	12.8	13.5	12.5	12.2	12.0	96.9	64.7	50.2	47.0
Battery materials	15.5	15.0	15.8	14.1	18.1	19.0	19.9	20.3	88.0	60.5	77.3	84.2
Other	5.7	6.8	9.3	9.5	10.3	10.3	10.3	10.3	21.9	31.3	41.1	41.1
YoY	-0.6	5.8	9.6	12.7	25.9	19.1	17.2	19.9	2.3	7.0	20.4	21.8
Semiconductor materials	4.2	19.2	20.7	22.6	32.9	21.5	18.7	20.4	4.2	16.8	22.9	25.3
Display materials	8.5	-36.8	-51.9	-42.0	-36.5	-26.3	-10.4	-6.5	27.9	-33.2	-22.4	-6.5
Battery materials	-40.4	-40.7	-9.9	-25.9	16.5	26.1	26.1	44.2	-27.9	-31.3	27.9	8.9
Other	18.2	46.0	46.3	56.6	80.7	51.1	11.1	8.2	36.5	42.9	31.6	0.0
QoQ	-3.2	9.2	5.4	1.2	8.1	3.3	3.7	3.5				
Semiconductor materials	-1.4	13.8	6.5	2.6	6.9	4.0	4.0	4.0				
Display materials	-3.5	-20.5	-19.4	-6.1	5.7	-7.9	-2.0	-2.0				
Battery materials	-18.5	-3.0	5.0	-10.8	28.1	5.0	5.1	2.0				
Other	-6.3	19.6	36.0	2.7	8.2	0.0	0.0	0.0				
OP	36	20	34	43	45	47	49	52	168	134	193	246
YoY	-21.7	-55.9	-13.4	18.2	24.0	134.5	43.8	19.7	25.8	-20.4	44.4	27.5
QoQ	-1.0	-44.0	70.5	25.2	3.9	5.8	4.5	4.2				
OP margin	17.2	8.8	14.3	17.6	16.9	17.3	17.5	17.6	19.5	14.5	17.4	18.2

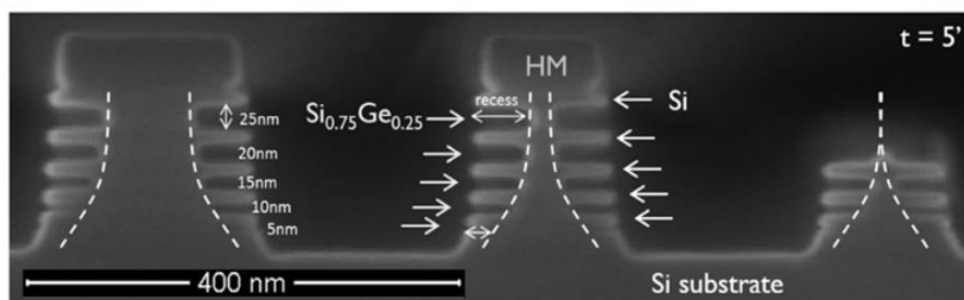
Source: Company data, Mirae Asset Securities Research

Figure 1. Soulbrain's glass substrate materials road map



Source: Company materials, Mirae Asset Securities Research

Figure 2. Mechanism of GAA-based etchant



Source: Company materials, Mirae Asset Securities Research

Table 2. Soulbrain: Valuation table

	Value	Notes
2026F EPS (₩)	19,858	
Target P/E (x)	30.0	
TP (₩)	600,000	
CP (₩)	429,500	
Upside (%)	39.7	

Source: Mirae Asset Securities Research

Table 3. Global semiconductor materials companies: Earnings comparison

(US\$bn, %)

Company	Market cap	Fiscal year-end	Revenue			OP			OP margin		
			2025	2026F	2027F	2025	2026F	2027F	2025	2026F	2027F
Entegris	20.6	Dec.	3,197	3,441	3,827	453	817	984	14.2	23.7	25.7
Resonac	20.9	Dec.	9,004	8,696	8,397	313	808	1,051	3.5	9.3	12.5
TOK	8.9	Dec.	1,584	1,732	1,952	319	362	427	20.2	20.9	21.9
Adeka	2.7	Mar.	2,765	2,768	2,872	245	284	308	8.9	10.3	10.7
Hansol Chemical	2.2	Dec.	622	668	776	110	126	160	17.7	18.9	20.6
Soulbrain	2.2	Dec.	649	723	841	94	132	169	14.5	18.3	20.1
ENF Technology	0.5	Dec.	472	489	553	55	55	79	11.6	11.3	14.3
Wonik Materials	0.4	Dec.	227	252	321	40	47	67	17.5	18.8	21.0
Avg.									13.6	14.6	16.3

Source: LSEG, Mirae Asset Securities Research

Table 4. Global semiconductor materials companies: Valuation comparison

(% , x)

Company	OP growth		ROE		P/E		P/B		EV/EBITDA	
	2026F	2027F	2026F	2027F	2026F	2027F	2026F	2027F	2026F	2027F
Entegris	80.5	20.4	12.0	14.2	37.2	29.3	4.6	4.0	24.2	20.4
Resonac	158.2	30.1	11.5	14.7	37.5	27.6	4.4	3.9	18.1	15.2
TOK	13.4	18.0	15.3	17.0	33.9	28.6	5.3	4.7	20.3	17.1
Adeka	16.0	8.3	9.1	9.5	14.6	12.9	1.3	1.2	6.6	6.2
Hansol Chemical	14.8	26.6	15.0	16.6	19.2	15.3	2.6	2.3	14.1	11.6
Soulbrain	40.9	27.8	13.7	15.3	21.6	16.9	2.7	2.4	11.8	9.6
ENF Technology	0.4	43.4	12.4	15.7	12.1	8.4	1.4	1.2	6.0	4.7
Wonik Materials	19.4	41.8	10.6	13.3	10.2	7.4	1.0	0.9	6.0	4.5
Avg.	38.2	24.1	11.1	12.9	20.7	16.3	2.6	2.3	11.9	9.9

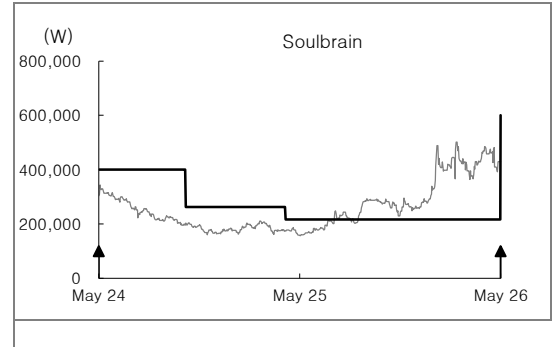
Source: LSEG, Mirae Asset Securities Research

Appendix 1

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Two-year rating and TP history

Company	Date	Rating	TP (W)
Soulbrain (357780)	05/26/26	Buy	600,000
	04/30/26	One year	216,000
	04/30/25	Buy	216,000
	10/31/24	Buy	263,000
	04/03/24	Buy	400,000



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.

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	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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