005930 KS · Semiconductors

Samsung Electronics

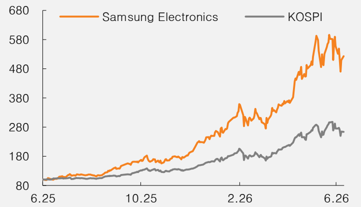
Stay the course despite the recent pullback

Equity Research
July 7, 2026

(Maintain)	**Buy**
Target price	**W550,000**
Current price (7/6/26)	W318,000
Upside	73.0%

OP (26F, Wbn)	397,370
Consensus OP (26F, Wbn)	372,757
EPS growth (26F, %)	647.4
Market EPS growth (26F, %)	255.0
P/E (26F, x)	6.5
Market P/E (26F, x)	8.4
KOSPI	8,051.33
Market cap (Wbn)	1,859,117
Shares (mn)	5,846
Free float (%)	75.7
Foreign ownership (%)	46.7
Beta (12M)	1.17
52-week low (W)	60,400
52-week high (W)	362,500

(%)	1M	6M	12M
Absolute	-3.3	128.9	402.4
Relative	-2.0	28.7	90.6



Mirae Asset Securities Co., Ltd.

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2Q26 preliminary results exceed expectations

We maintain our Buy rating and target price of W550,000 on Samsung Electronics (SEC). While the stock has fallen more than 20% from its recent peak, we see no reason to adjust our target price, given the favorable industry backdrop, the firm's strong competitive positioning and profitability, and its undemanding valuation. The stock is currently trading at a 2026F P/E of 6.5x and 2026F P/B of 2.7x.

The company reported 2Q26 preliminary revenue of W171tr (+28% QoQ) and operating profit of W89.4tr (+56% QoQ), beating both the market consensus and our estimates. By division, we estimate operating profit at W86tr for DS (W105tr for memory, -W1tr for foundry, and W18tr in provisions for performance-based compensation), W2.1tr for DX, W0.7tr for Samsung Display, and W0.6tr for Harman.

Within the memory business, we estimate DRAM operating profit at W66tr (OP margin: 82%), with bit growth of +4% QoQ and ASP growth of +36% QoQ. For NAND, we estimate operating profit at W21tr (OP margin: 69.5%), with bit growth of +3% QoQ and ASP growth of +54% QoQ. While DRAM shipments and ASP came in below expectations, we believe this was due to a higher share of HBM shipments, as HBM3E continues to be sold under pricing agreements negotiated last year.

Despite the earnings beat, we believe the recent share price weakness reflects concerns that memory price increases are starting to moderate. However, ASPs are expected to continue rising in 2027. In particular, HBM4 prices could rise by as much as two to three times YoY. Meanwhile, the expansion of HBM production should continue to constrain conventional memory supply, supporting a continued up-cycle in DRAM prices.

In 3Q26, we expect approximately 15% QoQ ASP growth for both DRAM and NAND, alongside roughly 5% bit growth for each. Accordingly, we forecast consolidated revenue and operating profit in 3Q26 to reach W201tr (+18% QoQ) and W120tr (+34% QoQ), respectively. We also slightly revised up our 2026 and 2027 operating profit forecasts to W397tr (+811% YoY) and W576tr (+45% YoY), respectively.

If SEC follows through on its plan to return 50% of cumulative 2024–26 free cash flow to shareholders, 2026 dividend yield could reach up to 6.0% for common shares and more than 10% for preferred shares. The company also holds around W25tr worth of treasury shares for employee compensation purposes. Given the expected scale of bonus payments, further repurchases appear likely. Of note, shares have fallen back toward the level at which the company repurchased shares in 1Q26.

(Dec.)	2024	2025	2026F	2027F	2028F
Revenue (Wbn)	300,871	333,606	720,178	951,918	1,032,094
OP (Wbn)	32,726	43,601	397,370	575,897	602,523
OP margin (%)	10.9	13.1	55.2	60.5	58.4
NP (Wbn)	33,621	44,261	327,247	489,315	541,237
EPS (W)	4,950	6,564	49,058	73,596	81,405
ROE (%)	9.0	10.8	55.4	50.9	39.1
P/E (x)	10.7	18.3	6.5	4.3	3.9
P/B (x)	0.9	1.9	2.7	1.8	1.3
Dividend yield (%)	2.7	1.4	3.7	5.2	5.5

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

Table 1. SEC: Earnings forecast revisions (Wtr, %, %p)

	2Q26F			2026F			2027F		
	Revised	Previous	Chg.	Revised	Previous	Chg.	Revised	Previous	Chg.
USD/KRW	**1,502**	**1,500**	**0.1**	**1,518**	**1,491**	**1.8**	**1,524**	**1,470**	**3.7**
Revenue	**171.0**	**179.1**	**-4.5**	**720.2**	**732.4**	**-1.7**	**951.9**	**953.5**	**-0.2**
DX	48.7	45.5	7.0	196.6	191.4	2.7	224.1	213.8	4.8
DS	119.8	131.2	-8.6	509.8	526.9	-3.3	710.2	721.1	-1.5
Samsung Display	6.7	6.1	10.5	30.4	29.8	2.1	34.0	33.3	2.2
Harman	4.6	4.6	0.0	17.5	17.5	0.0	18.9	18.9	0.0
OP	**89.4**	**84.1**	**6.2**	**397.4**	**382.5**	**3.9**	**575.9**	**543.5**	**6.0**
DX	2.1	1.1	92.0	8.1	6.9	17.1	13.3	12.3	8.1
DS	86.0	82.2	4.6	383.8	370.5	3.6	555.3	524.2	5.9
Samsung Display	0.7	0.4	58.6	3.8	3.5	6.9	5.4	5.2	5.5
Harman	0.6	0.4	49.7	1.6	1.4	14.3	1.7	1.7	0.0
OP margin	**52.3**	**47.0**	**5.3**	**55.2**	**52.2**	**3.0**	**60.5**	**57.0**	**3.5**
DX	4.3	2.4	1.9	4.1	3.6	0.5	5.9	5.8	0.2
DS	71.8	62.6	9.1	75.3	70.3	5.0	78.2	72.7	5.5
Samsung Display	9.9	6.9	3.0	12.4	11.9	0.6	16.0	15.5	0.5
Harman	13.2	8.8	4.4	9.2	8.1	1.2	8.8	8.8	0.0

Source: Mirae Asset Securities Research

Table 2. SEC: DS earnings forecast revisions (Wtr, %, %p)

	2Q26F			2026F			2027F		
	Revised	Previous	Chg.	Revised	Previous	Chg.	Revised	Previous	Chg.
Revenue	**119.8**	**131.2**	**-8.6**	**509.8**	**526.9**	**-3.3**	**710.2**	**721.1**	**-1.5**
DRAM	80.8	91.1	-11.3	349.1	368.4	-5.3	494.7	513.1	-3.6
NAND	30.9	32.0	-3.6	130.0	127.9	1.6	179.7	172.3	4.3
Foundry/LSI	8.2	8.0	1.7	30.7	30.6	0.4	35.8	35.7	0.4
OP	**86.0**	**82.2**	**4.6**	**383.8**	**370.5**	**3.6**	**555.3**	**524.2**	**5.9**
DRAM	66.1	64.4	2.6	294.5	288.0	2.2	425.1	404.9	5.0
NAND	21.4	18.9	13.7	94.4	87.1	8.3	134.0	123.1	8.8
Foundry/LSI	-1.5	-1.1	RR	-5.1	-4.6	RR	-3.8	-3.9	RR
OP margin	**71.8**	**62.6**	**9.1**	**75.3**	**70.3**	**5.0**	**78.2**	**72.7**	**5.5**
DRAM	81.8	70.7	11.1	84.4	78.2	6.2	85.9	78.9	7.0
NAND	69.5	58.9	10.6	72.6	68.1	4.5	74.6	71.5	3.1
Foundry/LSI	-18.7	-13.3	-5.4	-16.6	-15.1	-1.4	-10.6	-11.0	0.4
[Memory est.]									
DRAM									
Bit growth	4.0	6.8	-2.7	22.2	24.6	-2.4	19.6	20.2	-0.6
ASP chg.	36.3	49.9	-13.6	258.1	278.7	-20.6	18.7	17.8	0.9
NAND									
Bit growth	3.0	3.0	0.0	17.1	17.1	0.0	22.0	22.0	0.0
ASP chg.	54.0	60.0	-6.0	247.5	249.5	-2.0	13.8	12.4	1.3

Source: Mirae Asset Securities Research

Table 3. SEC: Earnings outlook (Wtr, %)

	1Q26	2Q26F	3Q26F	4Q26F	1Q27F	2Q27F	3Q27F	4Q27F	2024	2025	2026F	2027F
USD/KRW	**1,464**	**1,502**	**1,553**	**1,555**	**1,524**	**1,524**	**1,524**	**1,524**	**1,363**	**1,422**	**1,518**	**1,524**
QoQ/YoY	1.0	2.6	3.4	0.2	-2.0	0.0	0.0	0.0	4.4	4.3	6.7	0.4
Revenue	**133.9**	**171.0**	**201.0**	**214.3**	**227.7**	**237.8**	**246.1**	**240.4**	**300.9**	**333.6**	**720.2**	**951.9**
DX	52.7	48.7	49.1	46.1	56.3	56.4	58.1	53.2	174.9	188.0	196.6	224.1
DS	81.7	119.8	147.0	161.2	169.2	178.3	182.2	180.5	111.1	130.1	509.8	710.2
Samsung Display	6.7	6.7	7.7	9.3	7.0	7.7	9.2	10.0	29.2	29.8	30.4	34.0
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**	**27.7**	**17.5**	**6.6**	**6.3**	**4.4**	**3.5**	**-2.3**	**16.2**	**10.9**	**115.9**	**32.2**
DX	18.9	-7.7	1.0	-6.2	22.2	0.2	3.1	-8.5	2.9	7.5	4.6	14.0
DS	85.7	46.7	22.7	9.7	5.0	5.4	2.2	-0.9	66.8	17.2	291.7	39.3
Samsung Display	-29.4	-0.0	14.9	20.9	-24.4	9.5	19.9	8.8	-5.9	2.3	1.9	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**	**89.4**	**120.0**	**130.8**	**138.4**	**144.9**	**147.7**	**144.9**	**32.7**	**43.6**	**397.4**	**575.9**
DX	3.0	2.1	1.9	1.2	3.6	3.2	3.7	2.8	12.4	12.9	8.1	13.3
DS	53.7	86.0	116.6	127.5	133.7	140.2	141.8	139.6	15.1	24.9	383.8	555.3
Samsung Display	0.4	0.7	1.0	1.7	0.8	1.1	1.6	2.0	3.7	4.1	3.8	5.4
Harman	0.2	0.6	0.4	0.4	0.3	0.5	0.5	0.4	1.3	1.5	1.6	1.7
QoQ/YoY	**185.1**	**56.2**	**34.2**	**9.0**	**5.8**	**4.7**	**1.9**	**-1.9**	**398.3**	**33.2**	**811.4**	**44.9**
DX	124.6	-30.9	-9.0	-38.0	204.5	-11.1	17.7	-23.6	-13.5	3.3	-36.7	63.7
DS	227.2	60.1	35.6	9.4	4.8	4.9	1.1	-1.5	TTB	64.7	1,443.8	44.7
Samsung Display	-79.6	66.1	58.0	58.8	-52.4	32.5	56.2	19.0	-32.9	10.3	-8.2	43.9
Harman	-37.5	203.9	-33.8	0.7	-18.3	44.2	-4.6	-10.9	11.4	17.1	5.5	3.2
OP margin	**42.8**	**52.3**	**59.7**	**61.0**	**60.8**	**61.0**	**60.0**	**60.3**	**10.9**	**13.1**	**55.2**	**60.5**
DX	5.7	4.3	3.8	2.5	6.3	5.6	6.4	5.4	7.1	6.8	4.1	5.9
DS	65.7	71.8	79.3	79.1	79.0	78.6	77.8	77.4	13.6	19.1	75.3	78.2
Samsung Display	6.0	9.9	13.6	17.9	11.3	13.6	17.8	19.4	12.8	13.8	12.4	16.0
Harman	5.3	13.2	8.8	8.8	9.2	8.6	8.7	8.8	9.2	9.7	9.2	8.8
EBITDA	**70.5**	**102.8**	**133.4**	**144.5**	**152.5**	**159.4**	**162.2**	**159.8**	**75.4**	**90.5**	**451.2**	**633.9**
DX	4.2	3.3	3.1	2.4	4.8	4.4	5.0	4.1	16.7	17.3	13.1	18.3
DS	64.7	97.1	127.8	139.0	145.6	152.4	154.1	152.3	49.9	63.6	428.7	604.4
Samsung Display	1.1	1.4	1.8	2.4	1.5	1.8	2.4	2.7	6.4	6.8	6.7	8.3
Harman	0.4	0.8	0.6	0.6	0.5	0.6	0.6	0.6	1.9	2.1	2.2	2.3
QoQ/YoY	**118.1**	**45.8**	**29.8**	**8.4**	**5.5**	**4.5**	**1.8**	**-1.5**	**66.6**	**20.1**	**398.4**	**40.5**
DX	68.1	-21.9	-5.6	-22.9	99.3	-8.3	12.7	-17.7	-10.6	4.1	-24.5	39.5
DS	144.1	50.1	31.6	8.8	4.7	4.7	1.1	-1.1	227.1	27.6	573.6	41.0
Samsung Display	-57.5	23.7	27.6	34.9	-36.5	17.0	33.2	13.2	-28.1	6.1	-1.7	24.9
Harman	-25.2	115.6	-27.1	0.5	-13.3	30.2	-3.5	-8.2	9.1	12.7	6.2	2.3
Capex	**11.2**	**19.0**	**19.0**	**26.8**	**22.5**	**22.8**	**22.8**	**23.0**	**53.6**	**52.7**	**76.0**	**91.1**
DS	10.2	17.7	17.7	25.2	21.4	21.4	21.4	21.4	46.3	47.5	70.9	85.5
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**	**69.6**	**0.0**	**41.2**	**-16.1**	**1.1**	**0.0**	**1.1**	**1.0**	**-1.9**	**44.4**	**19.8**
DS	-46.2	73.7	0.0	42.4	-15.3	0.0	0.0	0.0	-4.3	2.6	49.3	20.7
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	**59.3**	**83.8**	**114.4**	**117.7**	**130.0**	**136.6**	**139.4**	**136.8**	**21.7**	**37.9**	**375.2**	**542.8**
DS	54.5	79.4	110.1	113.8	124.2	131.0	132.7	131.0	3.6	16.2	357.8	518.9
Samsung Display	0.5	0.7	1.1	1.6	0.9	1.0	1.6	1.8	1.6	4.0	4.0	5.4
Other	4.2	3.6	3.2	2.3	4.9	4.5	5.1	4.0	16.6	17.7	13.4	18.5

Note: FCF = EBITDA - capex
Source: Company data, 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**	**119.8**	**147.0**	**161.2**	**169.2**	**178.3**	**182.2**	**180.5**	**111.1**	**130.1**	**509.8**	**710.2**
DRAM	55.6	80.8	101.1	111.7	118.5	123.9	125.5	126.8	54.4	74.4	349.1	494.7
NAND	19.2	30.9	38.5	41.3	42.5	45.9	47.1	44.3	30.1	29.7	130.0	179.7
Foundry/LSI	6.9	8.2	7.4	8.2	8.1	8.6	9.6	9.5	26.6	26.0	30.7	35.8
QoQ/YoY	**85.7**	**46.7**	**22.7**	**9.7**	**5.0**	**5.4**	**2.2**	**-0.9**	**66.8**	**17.2**	**291.7**	**39.3**
DRAM	98.6	45.4	25.1	10.5	6.2	4.5	1.3	1.0	89.8	36.8	369.1	41.7
NAND	109.9	60.4	24.8	7.3	2.9	7.8	2.6	-5.9	94.5	-1.3	338.1	38.3
Foundry/LSI	0.6	18.4	-9.5	11.4	-1.1	5.4	12.0	-1.4	18.4	-2.1	17.8	16.6
OP	**53.7**	**86.0**	**116.6**	**127.5**	**133.7**	**140.2**	**141.8**	**139.6**	**15.1**	**24.9**	**383.8**	**555.3**
DRAM	42.9	66.1	88.4	97.1	102.5	106.6	107.5	108.4	16.8	30.4	294.5	425.1
NAND	11.9	21.4	29.5	31.6	32.1	34.5	35.2	32.2	3.5	2.0	94.4	134.0
Foundry/LSI	-1.1	-1.5	-1.4	-1.1	-0.9	-1.0	-0.8	-1.0	-5.3	-7.6	-5.1	-3.8
QoQ/YoY	**227.2**	**60.1**	**35.6**	**9.4**	**4.8**	**4.9**	**1.1**	**-1.5**	**TTB**	**64.7**	**1,443.8**	**44.7**
DRAM	169.0	54.0	33.9	9.8	5.6	4.0	0.8	0.9	TTB	80.4	869.2	44.4
NAND	354.8	80.4	37.7	6.9	1.8	7.5	1.9	-8.4	TTB	-42.1	4,514.2	42.0
Foundry/LSI	RR	RR	RR	RR	RR	RR	RR	RR	RR	RR	RR	RR
OP margin	**65.7**	**71.8**	**79.3**	**79.1**	**79.0**	**78.6**	**77.8**	**77.4**	**13.6**	**19.1**	**75.3**	**78.2**
DRAM	77.2	81.8	87.5	86.9	86.5	86.1	85.6	85.6	31.0	40.8	84.4	85.9
NAND	61.7	69.5	76.6	76.3	75.5	75.3	74.8	72.8	11.8	6.9	72.6	74.6
Foundry/LSI	-15.7	-18.7	-18.6	-13.4	-11.6	-11.5	-8.8	-10.9	-19.9	-29.1	-16.6	-10.6
EBITDA	**64.5**	**96.9**	**127.6**	**138.8**	**145.4**	**152.2**	**153.9**	**152.1**	**49.2**	**62.8**	**427.9**	**603.6**
DRAM	47.5	70.9	93.5	102.5	108.1	112.4	113.2	114.4	27.2	44.6	314.4	448.1
NAND	15.0	24.4	32.2	34.1	35.1	37.5	38.0	35.1	13.5	13.1	105.7	145.8
Foundry/LSI	2.0	1.6	1.9	2.2	2.1	2.3	2.6	2.6	8.4	5.1	7.7	9.7
Capex	**10.2**	**17.7**	**17.7**	**25.2**	**21.4**	**21.4**	**21.4**	**21.4**	**46.3**	**47.5**	**70.9**	**85.5**
DRAM	5.6	9.7	9.7	9.8	10.3	10.3	10.3	10.3	18.4	20.5	34.9	41.1
NAND	1.5	2.7	2.7	11.4	5.3	5.3	5.3	5.3	13.0	12.8	18.2	21.3
Foundry/LSI	3.1	5.3	5.3	4.0	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**	**1,502**	**1,553**	**1,555**	**1,524**	**1,524**	**1,524**	**1,524**	**1,363**	**1,422**	**1,518**	**1,524**
QoQ/YoY (%)	1.0	2.6	3.4	0.2	-2.0	0.0	0.0	0.0	4.4	4.3	6.7	0.4
DRAM												
Revenue (US$bn)	37.9	53.8	65.1	71.8	77.8	81.3	82.4	83.2	39.8	52.3	228.7	324.6
QoQ/YoY (%)	96.6	41.8	21.0	10.3	8.3	4.5	1.3	1.0	81.8	31.2	337.6	42.0
Bit shipments (bn Gb)	27.4	28.5	30.1	31.4	33.5	35.1	35.9	36.0	88.8	96.1	117.5	140.5
QoQ/YoY (%)	**2.7**	**4.0**	**5.5**	**4.5**	**6.4**	**5.0**	**2.3**	**0.1**	**13.0**	**8.3**	**22.2**	**19.6**
ASP (US$)	1.38	1.89	2.16	2.28	2.32	2.31	2.29	2.31	0.45	0.54	1.95	2.31
QoQ/YoY (%)	**91.4**	**36.3**	**14.7**	**5.6**	**1.8**	**-0.5**	**-0.9**	**0.9**	**60.8**	**21.1**	**258.1**	**18.7**
NAND												
Revenue (US$bn)	13.0	20.6	24.8	26.6	27.9	30.1	30.9	29.1	22.1	20.9	84.9	117.9
QoQ/YoY (%)	104.9	58.6	20.8	7.1	5.0	7.8	2.6	-5.9	86.4	-5.4	306.9	38.9
Shipments (bn GB)	83.8	86.3	90.6	92.4	97.1	106.8	115.3	111.8	298.1	301.6	353.1	431.0
QoQ/YoY (%)	**9.0**	**3.0**	**5.0**	**2.0**	**5.0**	**10.0**	**8.0**	**-3.0**	**11.0**	**1.2**	**17.1**	**22.0**
ASP (US$)	0.15	0.24	0.27	0.29	0.29	0.28	0.27	0.26	0.07	0.07	0.24	0.27
QoQ/YoY (%)	**88.0**	**54.0**	**15.0**	**5.0**	**0.0**	**-2.0**	**-5.0**	**-3.0**	**67.9**	**-6.4**	**247.5**	**13.8**

Source: Company data, Mirae Asset Securities Research

Table 6. SEC: SOTP valuation (based on our May 27 report)

	12MF EBITDA	EV/EBITDA	Implied EV	Notes
Operating value (Wtr)	**511.5**	**6.6**	**3,352.8**	
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	**490.1**	**6.6**	**3,215.0**	
Memory	480.5	**6.4**	3,073.1	**Avg. of Micron and Kioxia**
Foundry/LSI	9.6 (2027F)	**14.7**	141.9	**Avg. of foundry peers**
Samsung Display	**6.8**	**4.3**	**29.0**	Avg. of Innolux, BOE, and AUO
Harman	**2.2**	**8.1**	**17.3**	Avg. of Hyundai Mobis and HL Mando
	Market cap	**Stake (%)**	**Value**	
Equity stake value (Wtr)			**136.1**	
Listed			82.5	
Samsung Biologics	59.9	31.2	18.7	
Samsung Epis Holdings	10.3	31.2	3.2	
SEMCO	166.4	23.7	39.4	
Samsung SDI	43.0	19.4	8.3	
Samsung SDS	16.1	22.6	3.6	
Other			9.2	
Unlisted			53.6	
Net debt (Wtr)			-119.2	
Fair market cap (Wtr)			3,398	50% discount to equity stake value reflected
No. of shares (mn)			6,649	Common + preferred
Fair value/share (W)			511,085	
Target price (W)			**550,000**	
Current price (W)			**318,000**	
Upside (%)			**73.0**	
Implied 2026F P/E (x)			**11.7**	
Implied 2026F P/B (x)			**4.9**	

Source: LSEG, Mirae Asset Securities Research

Table 7. SEC: Shareholder return estimates (Wtr)

	2018	2019	2020	2021	2022	2023	2024	2025	2026F				
									Base	Scen.1	Scen. 2	Scen. 3	Scen. 4
NP (owners of the parent)	**43.9**	**21.5**	**26.1**	**39.2**	**54.7**	**14.5**	**33.6**	**44.3**	**314.5**	**314.5**	**314.5**	**314.5**	**314.5**
Operating cash flow	**67.0**	**45.4**	**65.3**	**65.1**	**62.2**	**44.1**	**73.0**	**85.3**	**356.0**	**356.0**	**356.0**	**356.0**	**356.0**
(Capex)	29.6	25.4	37.6	47.1	49.4	57.6	51.4	47.5	78.4	78.4	78.4	78.4	78.4
(M&A)									0.0	0.0	0.0	**100.0**	**100.0**
FCF	37.5	20.0	27.7	18.0	12.8	-13.5	21.6	37.8	277.6	277.6	277.6	277.6	**177.6**
% of FCF returned to shareholders	50.0	50.0	50.0	50.0	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	138.8	138.8	138.8	138.8	**88.8**
Regular dividend payout	**9.6**	**9.6**	**9.6**	**9.8**	**9.8**	**9.8**	**9.8**	**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	129.4	129.4	129.4	129.4	79.4
Share repurchases	0.9	0.0	0.0	0.0	0.0	0.0	1.8	6.6	0.0	0.0	**40.4**	0.0	0.0
Special dividend payout	0.2	0.0	**10.7**	0.0	0.0	0.0	0.0	1.3	**67.1**	**124.8**	**84.8**	**124.8**	**74.7**
Total dividend payout	9.8	9.6	20.3	9.8	9.8	9.8	9.8	11.1	76.9	134.6	94.6	134.6	84.5
Dividend payout ratio (%)	22.3	44.7	78.0	25.0	17.9	67.8	29.2	25.1	**24.5**	**42.8**	**30.1**	**42.8**	**26.9**
Common stock	8.6	8.5	17.9	8.6	8.6	8.6	8.6	9.8	67.5	118.2	83.3	118.2	74.2
Preferred stock	1.2	1.2	2.5	1.2	1.2	1.2	1.2	1.3	9.4	16.4	11.2	16.4	10.3
Total shareholder returns	10.7	9.6	20.3	9.8	9.8	9.8	11.6	17.7	76.9	134.6	135.0	134.6	84.5
Total shareholder return ratio (%)	24.3	44.7	78.0	25.0	17.9	67.8	34.6	40.0	24.5	42.8	42.9	42.8	26.9
Cumulative FCF return ratio (%)	28.5	35.3	47.7	54.5	63.8	170.5	53.9	49.4	**31.5**	**48.6**	**48.7**	**48.6**	**48.0**
No. of shares (ending, mn)													
Common stock	5,970	5,970	5,970	5,970	5,970	5,970	5,970	5,920	5,846	5,846	**5,751**	5,846	5,846
(Treasury stock)	0	0	0	0	0	0	33	92	82	82	82	82	82
Preferred stock	823	823	823	823	823	823	823	816	802	802	**764**	802	802
(Treasury stock)	0	0	0	0	0	0	5	14	0	0	0	0	0
EPS (W)	6,024	3,166	3,841	5,777	8,057	2,131	4,950	6,563	47,110	47,110	**48,264**	47,110	47,110
Adj. DPS (W)													
Common stock	1,416	1,416	2,994	1,444	1,444	1,444	1,446	1,668	11,716	20,500	14,700	20,500	12,870
Preferred stock	1,417	1,417	2,995	1,445	1,445	1,445	1,447	1,669	11,717	20,501	14,701	20,501	12,871
Avg. share price (W)													
Common stock	46,830	46,583	57,153	79,156	63,935	67,457	71,610	71,448	340,500	340,500	340,500	340,500	340,500
Preferred stock	38,148	37,996	49,780	72,033	58,195	56,442	58,790	57,355	213,500	213,500	213,500	213,500	213,500
Dividend yield (%)													
Common stock	3.0	3.0	5.2	1.8	2.3	2.1	2.0	2.3	**3.4**	**6.0**	**4.3**	**6.0**	**3.8**
Preferred stock	3.7	3.7	6.0	2.0	2.5	2.6	2.5	2.9	**5.5**	**9.6**	**6.9**	**9.6**	**6.0**
Net cash (ending)	83.6	88.7	103.7	105.3	108.0	82.8	97.3	104.3	363.4	363.4	363.4	363.4	363.4

Source: Company data, Mirae Asset Securities Research

Samsung Electronics (005930 KS)

Income statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Revenue	**333,606**	**720,178**	**951,918**	**1,032,094**
Cost of revenue	**202,236**	**180,536**	**202,075**	**252,655**
GP	**131,370**	**539,642**	**749,843**	**779,439**
SG&A expenses	**87,769**	**142,273**	**173,946**	**176,916**
OP (adj.)	**43,601**	**397,370**	**575,897**	**602,523**
OP	**43,601**	**397,370**	**575,897**	**602,523**
Non-operating profit	**5,880**	**11,354**	**35,248**	**73,470**
Net financial income	3,987	9,967	34,954	73,181
Net income from associates	683	856	833	830
Pretax profit	49,481	408,724	611,145	675,993
Income tax	4,275	80,616	120,541	133,331
Profit from continuing operations	45,207	328,109	490,604	542,662
Profit from discontinued operations	0	0	0	0
NP	**45,207**	**328,109**	**490,604**	**542,662**
Attributable to owners	44,261	327,247	489,315	541,237
Attributable to minority interests	946	862	1,289	1,426
Total comprehensive income	**51,291**	**341,020**	**490,604**	**542,662**
Attributable to owners	49,904	337,209	485,122	536,599
Attributable to minority interests	1,387	3,810	5,482	6,064
EBITDA	90,528	450,298	633,867	664,812
FCF	37,793	284,515	456,095	502,539
EBITDA margin (%)	27.1	62.5	66.6	64.4
OP margin (%)	13.1	55.2	60.5	58.4
Net margin (%)	13.3	45.4	51.4	52.4

Balance sheet (summarized)

(Wbn)	2025	2026F	2027F	2028F
Current assets	**247,685**	**669,838**	**1,073,360**	**1,497,707**
Cash & equivalents	57,856	236,408	587,151	952,963
AR & other receivables	58,609	133,831	150,129	168,204
Inventory	52,637	120,194	134,831	151,064
Other current assets	78,583	179,405	201,249	225,476
Non-current assets	**319,257**	**369,073**	**406,003**	**448,469**
Investments in associates	13,772	31,448	35,278	39,525
PP&E	215,305	242,048	274,649	312,368
Intangible assets	29,481	30,018	30,517	31,017
Total assets	**566,942**	**1,038,911**	**1,479,362**	**1,946,176**
Current liabilities	**106,411**	**220,903**	**245,279**	**272,313**
AP & other payables	34,405	78,563	88,130	98,740
Short-term financial liabilities	18,752	20,737	20,737	20,737
Other current liabilities	53,254	121,603	136,412	152,836
Non-current liabilities	**24,210**	**47,873**	**52,801**	**58,267**
Long-term financial liabilities	6,487	7,401	7,401	7,401
Other non-current liabilities	17,723	40,472	45,400	50,866
Total liabilities	**130,622**	**268,776**	**298,080**	**330,580**
Equity attributable to owners	**424,313**	**756,726**	**1,166,585**	**1,599,472**
Capital stock	898	898	898	898
Capital surplus	4,404	4,404	4,404	4,404
Retained earnings	402,136	718,462	1,128,321	1,561,208
Minority interests	**12,007**	**13,409**	**14,698**	**16,124**
Shareholders' equity	**436,320**	**770,135**	**1,181,283**	**1,615,596**

Cash flow statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Operating cash flow	**85,315**	**363,811**	**543,165**	**599,047**
NP	45,207	328,109	490,604	542,662
Non-cash income/expenses	52,396	125,585	142,611	121,497
Depreciation	43,606	49,416	54,470	58,789
Amortization	3,321	3,512	3,501	3,501
Other	5,469	72,657	84,640	59,207
Chg. in working capital	-9,614	-29,306	-4,576	-5,075
Chg. in AR & other receivables	-2,535	-63,105	-14,217	-15,768
Chg. in inventory	-3,591	-66,031	-14,637	-16,233
Chg. in AP & other payables	-3,257	15,187	3,626	4,021
Income tax	-7,137	-70,489	-120,541	-133,331
Cash flow from investing activities	**-68,512**	**-167,772**	**-109,970**	**-121,469**
Chg. in PP&E	-47,372	-79,239	-87,070	-96,508
Chg. in intangible assets	-4,617	-4,049	-4,000	-4,000
Chg. in financial assets	-9,056	-87,230	-18,899	-20,961
Other	-7,467	2,746	-1	0
Cash flow from financing activities	**-13,478**	**-12,748**	**-79,456**	**-108,349**
Chg. in financial liabilities	5,909	2,900	0	0
Chg. in equity	0	0	0	0
Dividends	-9,897	-7,307	-79,456	-108,349
Other	-9,490	-8,341	0	0
Chg. in cash	**4,151**	**178,552**	**350,743**	**365,812**
Beginning balance	53,706	57,856	236,408	587,151
Ending balance	57,856	236,408	587,151	952,963

Key valuation metrics/ratios

	2025	2026F	2027F	2028F
P/E (x)	18.3	6.5	4.3	3.9
P/CF (x)	8.3	4.7	3.3	3.2
P/B (x)	1.9	2.7	1.8	1.3
EV/EBITDA (x)	7.7	3.7	2.1	1.4
EPS (W)	6,564	49,058	73,596	81,405
CFPS (W)	14,474	68,014	95,240	99,894
BPS (W)	63,976	115,789	177,434	242,543
DPS (W)	1,668	11,709	16,500	17,500
Dividend payout ratio (%)	21.6	20.6	19.4	18.6
Dividend yield (%)	1.4	3.9	5.5	5.9
Revenue growth (%)	10.9	115.9	32.2	8.4
EBITDA growth (%)	20.1	397.4	40.8	4.9
OP growth (%)	33.2	811.4	44.9	4.6
EPS growth (%)	32.6	647.4	50.0	10.6
AR turnover (x)	7.0	8.6	7.7	7.4
Inventory turnover (x)	6.4	8.3	7.5	7.2
AP turnover (x)	15.9	8.4	6.4	7.1
ROA (%)	8.4	40.9	39.0	31.7
ROE (%)	10.8	55.4	50.9	39.1
ROIC (%)	13.2	91.5	111.4	104.5
Debt-to-equity ratio (%)	29.9	34.9	25.2	20.5
Current ratio (%)	232.8	303.2	437.6	550.0
Net debt-to-equity ratio (%)	-23.1	-47.2	-62.1	-69.3
Interest coverage ratio (x)	72.0	473.4	720.1	757.9

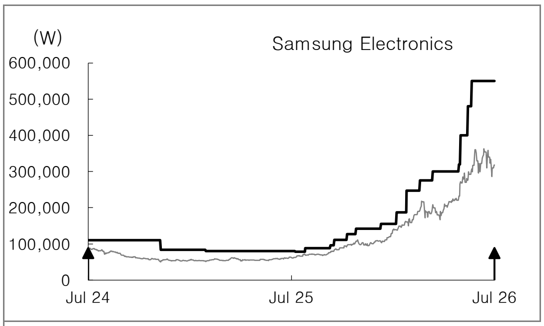
Source: Company data, Mirae Asset Securities Research estimates

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Samsung Electronics (005930)	05/27/26	Buy	550,000
	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		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	83.02%	0%	16.35%	0.63%
Investment banking services	86.67%	0%	13.33%	0%

* Based on recommendations in the last 12-months (as of June 30, 2026)

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