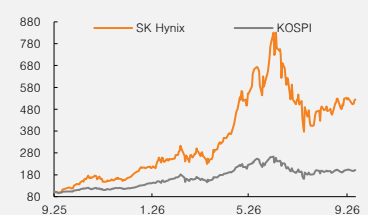


|                         |                   |
|-------------------------|-------------------|
| (Maintain)              | <b>Buy</b>        |
| Target price            | <b>W3,100,000</b> |
| Current price (10/2/26) | W1,841,000        |
| Upside                  | 68.4%             |

|                            |          |
|----------------------------|----------|
| OP (26F, Wbn)              | 261,358  |
| Consensus OP (26F, Wbn)    | 263,886  |
| EPS growth (26F, %)        | 579.1    |
| Market EPS growth (26F, %) | 281.0    |
| P/E (26F, x)               | 4.6      |
| Market P/E (26F, x)        | 6.8      |
| KOSPI                      | 7,003.74 |

|                       |           |
|-----------------------|-----------|
| Market cap (Wbn)      | 1,344,836 |
| Shares (mn)           | 730       |
| Free float (%)        | 73.1      |
| Foreign ownership (%) | 49.8      |
| Beta (12M)            | 1.70      |
| 52-week low (W)       | 395,500   |
| 52-week high (W)      | 2,919,000 |

| (%)      | 1M   | 6M    | 12M   |
|----------|------|-------|-------|
| Absolute | 14.1 | 121.8 | 365.5 |
| Relative | 6.9  | 65.8  | 135.9 |



Mirae Asset Securities Co., Ltd.

Young-gun Kim

younggun.kim.a@miraeeasset.com

# SK Hynix

## Looking past lingering concerns

### Focus returns to industry fundamentals

We maintain our target price of W3,100,000 for SK Hynix and recommend increasing exposure. We raise our 3Q26 operating profit estimate to W77tr (from W73tr). With production ramping up at M15X and the transition to advanced DRAM process nodes accelerating, we expect DRAM bit shipments to expand further QoQ in 4Q26. Reflecting this, we also raise our 4Q26 and 2027 operating profit forecasts to W86tr and W396tr, respectively (from W84tr and W386tr).

Recently, investors have sought clarification on potential reductions in HBM specifications, possible one-off costs, and a potential separate listing of Solidigm. Regarding the first issue, we view moves toward replacing 12-high HBM4 with 8-high products in some applications as a way to stretch constrained supply: reducing capacity per stack would allow more stacks to be supplied. With both 8-high and 12-high products already at mature yields, we expect the earnings impact to be limited. We also expect any HBM-related one-off costs to have a limited impact on upcoming results. As for Solidigm, management stated on Oct. 1 that nothing had been finalized regarding a separate listing and that corporate and shareholder value would take priority in any decision. Rather than focusing on concerns about a separate subsidiary listing, we believe the listing speculation itself points to the pressing need for NAND capacity.

Concerns over HBM pricing also appear excessive. Surging conventional DRAM prices have created a substantial margin gap between conventional DRAM and HBM. Unless this gap narrows, suppliers will have an incentive to shift capacity from HBM to conventional DRAM, leaving customers little choice but to accept HBM price increases. HBM3E supplied for big tech companies' ASICs also has room for price increases in 2027. Accordingly, we expect HBM margins to rise further in 2027 and remain elevated for an extended period.

HBM demand is stronger than expected. With suppliers unable to meet the volumes requested by major GPU and ASIC customers, the industry is bringing forward capacity expansion schedules. We estimate that the share of HBM in SK Hynix's revenue will expand from around 15% this year to 20% next year. Customers are seeking to maximize the number of compute chips deployed even if this means reducing memory content per chip. This suggests that as memory production expands, the additional supply should ultimately be absorbed through higher memory content per chip.

Shareholder returns are progressing smoothly. Of the W40tr share buyback announced on Aug. 19, over 70% is believed to have been executed, putting it ahead of the original schedule. All repurchased shares are to be canceled. With the shareholder return policy now set at over 50% of cumulative free cash flow for 2025–27, we expect further returns to follow. The company is likely to announce the size and form of its next shareholder return program alongside its 3Q26 results.

| (Dec.)             | 2024   | 2025   | 2026F   | 2027F   | 2028F   |
|--------------------|--------|--------|---------|---------|---------|
| Revenue (Wbn)      | 66,193 | 97,147 | 337,689 | 499,218 | 499,111 |
| OP (Wbn)           | 23,467 | 47,206 | 261,358 | 396,165 | 383,392 |
| OP margin (%)      | 35.5   | 48.6   | 77.4    | 79.4    | 76.8    |
| NP (Wbn)           | 19,789 | 42,919 | 289,310 | 394,584 | 396,094 |
| EPS (W)            | 27,182 | 58,955 | 400,359 | 540,162 | 542,229 |
| ROE (%)            | 31.1   | 44.2   | 107.7   | 64.4    | 39.4    |
| P/E (x)            | 6.4    | 11.0   | 4.6     | 3.4     | 3.4     |
| P/B (x)            | 1.7    | 3.9    | 3.2     | 1.7     | 1.1     |
| Dividend yield (%) | 1.3    | 0.5    | 0.2     | 0.2     | 0.2     |

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

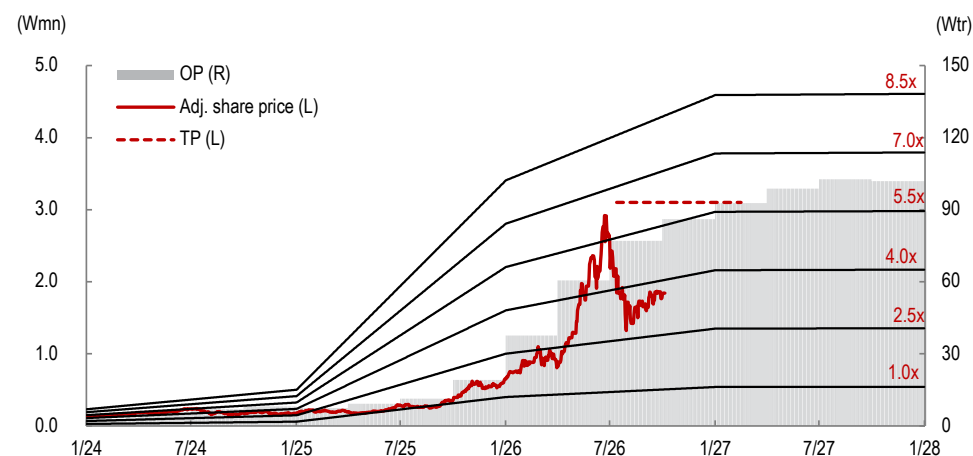
Source: Company data, Mirae Asset Securities Research estimates

Table 1. SK Hynix: TP calculation

|                         | Value            | Notes                                     |
|-------------------------|------------------|-------------------------------------------|
| 12MF BPS (W)            | 779,866          |                                           |
| Target P/B (x)          | 4.1              | 10% discount to avg. of Micron and Kioxia |
| Fair value/share (W)    | 3,197,451        |                                           |
| <b>Target price (W)</b> | <b>3,100,000</b> |                                           |
| Current price (W)       | 1,841,000        | Oct. 2                                    |
| <b>Upside</b>           | <b>68.4</b>      | Buy rating                                |

Source: Mirae Asset Securities Research

Figure 1. SK Hynix: 12-month forward P/E band chart



Source: Mirae Asset Securities Research

Table 2. SK Hynix: Earnings forecast revisions

(Wtr, %)

|                      | 3Q26F       |             |            | 2026F        |              |            | 2027F        |              |            |
|----------------------|-------------|-------------|------------|--------------|--------------|------------|--------------|--------------|------------|
|                      | Revised     | Previous    | Chg.       | Revised      | Previous     | Chg.       | Revised      | Previous     | Chg.       |
| USD/KRW              | 1,421       | 1,400       | 1.5        | 1,447        | 1,443        | 0.3        | 1,400        | 1,405        | -0.4       |
| <b>Revenue</b>       | <b>97.5</b> | <b>92.6</b> | <b>5.2</b> | <b>337.7</b> | <b>330.1</b> | <b>2.3</b> | <b>499.2</b> | <b>486.6</b> | <b>2.6</b> |
| DRAM                 | 72.8        | 69.5        | 4.9        | 252.7        | 247.6        | 2.1        | 375.6        | 368.1        | 2.0        |
| NAND                 | 24.3        | 22.9        | 6.2        | 83.7         | 81.2         | 3.1        | 122.3        | 117.2        | 4.3        |
| <b>OP</b>            | <b>77.1</b> | <b>73.2</b> | <b>5.3</b> | <b>261.4</b> | <b>255.2</b> | <b>2.4</b> | <b>396.2</b> | <b>386.2</b> | <b>2.6</b> |
| DRAM                 | 60.3        | 57.5        | 4.8        | 206.3        | 202.1        | 2.0        | 309.6        | 303.8        | 1.9        |
| NAND                 | 16.8        | 15.7        | 7.1        | 55.3         | 53.3         | 3.7        | 86.5         | 82.4         | 5.0        |
| <b>OP margin</b>     | <b>79.1</b> | <b>79.0</b> | <b>0.1</b> | <b>77.4</b>  | <b>77.3</b>  | <b>0.1</b> | <b>79.4</b>  | <b>79.4</b>  | <b>0.0</b> |
| DRAM                 | 82.8        | 82.8        | 0.0        | 81.6         | 81.6         | -0.0       | 82.4         | 82.5         | -0.1       |
| NAND                 | 69.0        | 68.5        | 0.5        | 66.1         | 65.7         | 0.4        | 70.7         | 70.3         | 0.4        |
| <b>EBITDA</b>        | <b>81.5</b> | <b>77.6</b> | <b>5.0</b> | <b>278.3</b> | <b>272.1</b> | <b>2.3</b> | <b>419.7</b> | <b>409.7</b> | <b>2.4</b> |
| DRAM                 | 61.5        | 58.7        | 4.7        | 211.0        | 206.8        | 2.0        | 315.8        | 309.9        | 1.9        |
| NAND                 | 16.8        | 15.7        | 7.1        | 55.5         | 53.5         | 3.7        | 86.7         | 82.6         | 5.0        |
| <b>Capex</b>         | <b>15.4</b> | <b>15.4</b> | <b>0.0</b> | <b>51.2</b>  | <b>51.2</b>  | <b>0.0</b> | <b>71.7</b>  | <b>71.7</b>  | <b>0.0</b> |
| <b>FCF</b>           | <b>66.1</b> | <b>62.2</b> | <b>6.3</b> | <b>227.0</b> | <b>220.9</b> | <b>2.8</b> | <b>347.9</b> | <b>338.0</b> | <b>2.9</b> |
| <b>[Memory est.]</b> |             |             |            |              |              |            |              |              |            |
| <b>DRAM</b>          |             |             |            |              |              |            |              |              |            |
| Bit growth           | 10.4        | 7.1         | 3.3        | 25.7         | 23.9         | 1.8        | 22.5         | 21.5         | 1.0        |
| ASP chg.             | 16.1        | 15.8        | 0.3        | 166.5        | 165.6        | 0.9        | 23.6         | 23.9         | -0.3       |
| <b>NAND</b>          |             |             |            |              |              |            |              |              |            |
| Bit growth           | 5.0         | 3.0         | 2.0        | 20.0         | 18.8         | 1.2        | 18.5         | 17.5         | 1.1        |
| ASP chg.             | 15.0        | 12.0        | 3.0        | 242.7        | 236.5        | 6.1        | 26.7         | 25.6         | 1.1        |

Source: Mirae Asset Securities Research

Table 3. SK Hynix: Quarterly and annual earnings

(Wtr, %)

|                             | 1Q26         | 2Q26         | 3Q26F        | 4Q26F        | 1Q27F        | 2Q27F        | 3Q27F        | 4Q27F        | 2024         | 2025         | 2026F        | 2027F        |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>USD/KRW</b>              | <b>1,464</b> | <b>1,502</b> | <b>1,421</b> | <b>1,400</b> | <b>1,400</b> | <b>1,400</b> | <b>1,400</b> | <b>1,400</b> | <b>1,363</b> | <b>1,422</b> | <b>1,447</b> | <b>1,400</b> |
| QoQ/YoY                     | 1.0          | 2.6          | -5.4         | -1.5         | 0.0          | 0.0          | 0.0          | 0.0          | 4.4          | 4.3          | 1.7          | -3.2         |
| <b>Revenue</b>              | <b>52.6</b>  | <b>79.3</b>  | <b>97.5</b>  | <b>108.3</b> | <b>116.4</b> | <b>124.1</b> | <b>129.6</b> | <b>129.2</b> | <b>66.2</b>  | <b>97.1</b>  | <b>337.7</b> | <b>499.2</b> |
| DRAM                        | 41.0         | 57.7         | 72.8         | 81.1         | 87.8         | 93.8         | 97.7         | 96.3         | 45.2         | 75.2         | 252.7        | 375.6        |
| NAND                        | 11.3         | 21.3         | 24.3         | 26.9         | 28.2         | 30.0         | 31.6         | 32.5         | 19.0         | 20.1         | 83.7         | 122.3        |
| Other                       | 0.3          | 0.3          | 0.3          | 0.3          | 0.3          | 0.3          | 0.3          | 0.4          | 2.0          | 1.8          | 1.3          | 1.4          |
| <b>QoQ/YoY</b>              | <b>60.2</b>  | <b>50.9</b>  | <b>22.9</b>  | <b>11.2</b>  | <b>7.4</b>   | <b>6.6</b>   | <b>4.4</b>   | <b>-0.3</b>  | <b>102.0</b> | <b>46.8</b>  | <b>247.6</b> | <b>47.8</b>  |
| DRAM                        | 64.4         | 40.8         | 26.2         | 11.3         | 8.3          | 6.8          | 4.1          | -1.3         | 116.1        | 66.6         | 235.8        | 48.6         |
| NAND                        | 53.0         | 88.6         | 14.3         | 10.7         | 5.0          | 6.1          | 5.3          | 3.0          | 98.4         | 5.9          | 316.0        | 46.1         |
| Other                       | -42.1        | 7.8          | 3.0          | 3.0          | -5.0         | 5.0          | 3.0          | 3.0          | -11.9        | -11.6        | -28.3        | 6.5          |
| <b>OP</b>                   | <b>37.6</b>  | <b>60.5</b>  | <b>77.1</b>  | <b>86.1</b>  | <b>92.8</b>  | <b>98.8</b>  | <b>102.7</b> | <b>101.8</b> | <b>23.5</b>  | <b>47.2</b>  | <b>261.4</b> | <b>396.2</b> |
| DRAM                        | 32.0         | 46.8         | 60.3         | 67.2         | 72.7         | 77.5         | 80.4         | 79.0         | 21.0         | 45.3         | 206.3        | 309.6        |
| NAND                        | 5.6          | 14.0         | 16.8         | 18.9         | 20.0         | 21.3         | 22.3         | 22.8         | 2.6          | 2.4          | 55.3         | 86.5         |
| <b>QoQ/YoY</b>              | <b>96.2</b>  | <b>61.0</b>  | <b>27.3</b>  | <b>11.7</b>  | <b>7.8</b>   | <b>6.5</b>   | <b>4.0</b>   | <b>-0.8</b>  | <b>TTB</b>   | <b>101.2</b> | <b>453.7</b> | <b>51.6</b>  |
| DRAM                        | 85.8         | 46.2         | 29.0         | 11.4         | 8.2          | 6.5          | 3.8          | -1.7         | 2,777.6      | 115.3        | 355.2        | 50.1         |
| NAND                        | 146.7        | 148.9        | 19.5         | 12.8         | 6.1          | 6.3          | 4.6          | 2.4          | TTB          | -8.9         | 2,218.3      | 56.3         |
| <b>OP margin</b>            | <b>71.5</b>  | <b>76.3</b>  | <b>79.1</b>  | <b>79.5</b>  | <b>79.8</b>  | <b>79.6</b>  | <b>79.3</b>  | <b>78.8</b>  | <b>35.5</b>  | <b>48.6</b>  | <b>77.4</b>  | <b>79.4</b>  |
| DRAM                        | 78.0         | 81.0         | 82.8         | 82.8         | 82.8         | 82.6         | 82.3         | 82.0         | 46.6         | 60.2         | 81.6         | 82.4         |
| NAND                        | 50.0         | 66.0         | 69.0         | 70.3         | 71.0         | 71.1         | 70.7         | 70.3         | 13.8         | 11.9         | 66.1         | 70.7         |
| <b>EBITDA</b>               | <b>41.3</b>  | <b>64.6</b>  | <b>81.5</b>  | <b>90.9</b>  | <b>97.9</b>  | <b>104.4</b> | <b>108.8</b> | <b>108.5</b> | <b>36.0</b>  | <b>61.1</b>  | <b>278.3</b> | <b>419.7</b> |
| DRAM                        | 33.1         | 47.9         | 61.5         | 68.4         | 74.0         | 78.9         | 82.0         | 80.8         | 25.3         | 49.9         | 211.0        | 315.8        |
| NAND                        | 5.7          | 14.1         | 16.8         | 19.0         | 20.1         | 21.4         | 22.3         | 22.9         | 2.8          | 2.6          | 55.5         | 86.7         |
| <b>Capex</b>                | <b>7.3</b>   | <b>15.4</b>  | <b>15.4</b>  | <b>13.1</b>  | <b>17.9</b>  | <b>17.9</b>  | <b>17.9</b>  | <b>17.9</b>  | <b>23.9</b>  | <b>33.5</b>  | <b>51.2</b>  | <b>71.7</b>  |
| <b>FCF (EBITDA - capex)</b> | <b>34.0</b>  | <b>49.2</b>  | <b>66.1</b>  | <b>77.7</b>  | <b>80.0</b>  | <b>86.5</b>  | <b>90.9</b>  | <b>90.5</b>  | <b>12.1</b>  | <b>27.6</b>  | <b>227.0</b> | <b>347.9</b> |

Source: Company data, Mirae Asset Securities Research

Table 4. SK Hynix: Assumptions by product

(%)

|                       | 1Q26         | 2Q26         | 3Q26F        | 4Q26F        | 1Q27F        | 2Q27F        | 3Q27F        | 4Q27F        | 2024         | 2025         | 2026F        | 2027F        |
|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>USD/KRW</b>        | <b>1,464</b> | <b>1,502</b> | <b>1,421</b> | <b>1,400</b> | <b>1,400</b> | <b>1,400</b> | <b>1,400</b> | <b>1,400</b> | <b>1,363</b> | <b>1,422</b> | <b>1,447</b> | <b>1,400</b> |
| QoQ/YoY               | 1.0          | 2.6          | -5.4         | -1.5         | 0.0          | 0.0          | 0.0          | 0.0          | 4.4          | 4.3          | 1.7          | -3.2         |
| <b>DRAM</b>           |              |              |              |              |              |              |              |              |              |              |              |              |
| Revenue (US\$bn)      | 28.0         | 40.0         | 51.3         | 57.9         | 62.7         | 67.0         | 69.8         | 68.8         | 33.0         | 52.9         | 177.2        | 268.3        |
| QoQ/YoY               | 62.7         | 42.8         | 28.2         | 13.0         | 8.3          | 6.8          | 4.1          | -1.3         | 107.0        | 60.2         | 235.0        | 51.4         |
| Bit shipments (bn Gb) | 26.6         | 28.9         | 31.9         | 33.6         | 35.1         | 36.8         | 38.1         | 38.1         | 79.0         | 96.2         | 120.9        | 148.1        |
| <b>QoQ/YoY</b>        | <b>0.9</b>   | <b>8.7</b>   | <b>10.4</b>  | <b>5.3</b>   | <b>4.4</b>   | <b>4.9</b>   | <b>3.6</b>   | <b>0.1</b>   | <b>14.9</b>  | <b>21.8</b>  | <b>25.7</b>  | <b>22.5</b>  |
| ASP (US\$/Gb)         | 1.05         | 1.39         | 1.61         | 1.73         | 1.79         | 1.82         | 1.83         | 1.80         | 0.42         | 0.55         | 1.47         | 1.81         |
| <b>QoQ/YoY</b>        | <b>61.3</b>  | <b>31.4</b>  | <b>16.1</b>  | <b>7.3</b>   | <b>3.7</b>   | <b>1.8</b>   | <b>0.5</b>   | <b>-1.5</b>  | <b>80.1</b>  | <b>31.5</b>  | <b>166.5</b> | <b>23.6</b>  |
| <b>NAND</b>           |              |              |              |              |              |              |              |              |              |              |              |              |
| Revenue (US\$bn)      | 7.7          | 14.2         | 17.1         | 19.2         | 20.2         | 21.4         | 22.5         | 23.2         | 13.9         | 14.1         | 58.2         | 87.3         |
| QoQ/YoY               | 51.4         | 83.9         | 20.8         | 12.4         | 5.0          | 6.1          | 5.3          | 3.0          | 90.5         | 1.5          | 311.2        | 50.2         |
| Bit shipments (bn GB) | 50.6         | 58.7         | 61.6         | 64.7         | 66.0         | 68.0         | 71.6         | 73.7         | 179.6        | 196.3        | 235.6        | 279.3        |
| <b>QoQ/YoY</b>        | <b>-12.0</b> | <b>16.0</b>  | <b>5.0</b>   | <b>5.0</b>   | <b>2.0</b>   | <b>3.0</b>   | <b>5.3</b>   | <b>3.0</b>   | <b>2.1</b>   | <b>9.3</b>   | <b>20.0</b>  | <b>18.5</b>  |
| ASP (US\$/GB)         | 0.15         | 0.24         | 0.28         | 0.30         | 0.31         | 0.31         | 0.31         | 0.31         | 0.08         | 0.07         | 0.25         | 0.31         |
| <b>QoQ/YoY</b>        | <b>72.1</b>  | <b>58.5</b>  | <b>15.0</b>  | <b>7.0</b>   | <b>3.0</b>   | <b>3.0</b>   | <b>0.0</b>   | <b>0.0</b>   | <b>86.5</b>  | <b>-7.2</b>  | <b>242.7</b> | <b>26.7</b>  |

Source: Company data, Mirae Asset Securities Research

Table 5. DRAM demand outlook

|                                     | 1Q26        | 2Q26        | 3Q26F       | 4Q26F        | 1Q27F        | 2Q27F        | 3Q27F        | 4Q27F        | 2026F       | 2027F       | 2028F       |
|-------------------------------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|
| <b>Total DRAM demand (bn Gb)</b>    | <b>89.1</b> | <b>94.4</b> | <b>98.6</b> | <b>109.0</b> | <b>109.5</b> | <b>120.1</b> | <b>126.0</b> | <b>133.8</b> | <b>391</b>  | <b>489</b>  | <b>614</b>  |
| Mobile DRAM                         | 29.8        | 30.1        | 33.9        | 39.3         | 36.7         | 40.2         | 40.2         | 43.4         | 133         | 160         | 190         |
| PC DRAM                             | 7.0         | 7.2         | 7.2         | 7.5          | 7.2          | 6.5          | 6.5          | 7.3          | 29          | 28          | 34          |
| Server DRAM                         | 37.6        | 41.3        | 40.7        | 44.1         | 47.1         | 53.5         | 57.1         | 58.7         | 164         | 216         | 269         |
| Graphics DRAM                       | 10.1        | 10.9        | 12.2        | 13.2         | 14.1         | 15.4         | 17.6         | 19.7         | 46          | 67          | 101         |
| <b>Bit demand growth (%)</b>        | <b>7.0</b>  | <b>5.9</b>  | <b>4.4</b>  | <b>10.6</b>  | <b>0.4</b>   | <b>9.7</b>   | <b>4.9</b>   | <b>6.2</b>   | <b>28.9</b> | <b>25.1</b> | <b>25.4</b> |
| Mobile DRAM                         | -1.2        | 1.1         | 12.5        | 16.0         | -6.7         | 9.7          | -0.1         | 7.9          | 23.2        | 20.6        | 18.7        |
| PC DRAM                             | -13.2       | 2.9         | 0.3         | 3.6          | -3.4         | -10.8        | 1.1          | 11.6         | -1.8        | -4.9        | 23.5        |
| Server DRAM                         | 17.2        | 9.8         | -1.6        | 8.6          | 6.6          | 13.6         | 6.8          | 2.8          | 41.9        | 32.1        | 24.2        |
| Graphics DRAM                       | 30.3        | 7.9         | 11.5        | 8.6          | 6.4          | 9.6          | 14.4         | 11.5         | 51.6        | 43.9        | 50.8        |
| <b>Bit share by application (%)</b> | <b>100</b>  | <b>100</b>  | <b>100</b>  | <b>100</b>   | <b>100</b>   | <b>100</b>   | <b>100</b>   | <b>100</b>   | <b>100</b>  | <b>100</b>  | <b>100</b>  |
| Mobile DRAM                         | 33.4        | 31.9        | 34.4        | 36.1         | 33.5         | 33.5         | 31.9         | 32.4         | 34.0        | 32.8        | 31.0        |
| PC DRAM                             | 7.9         | 7.6         | 7.3         | 6.9          | 6.6          | 5.4          | 5.2          | 5.5          | 7.4         | 5.6         | 5.5         |
| Server DRAM                         | 42.2        | 43.8        | 41.3        | 40.5         | 43.0         | 44.5         | 45.3         | 43.9         | 41.9        | 44.2        | 43.8        |
| Graphics DRAM                       | 11.3        | 11.6        | 12.3        | 12.1         | 12.8         | 12.8         | 14.0         | 14.7         | 11.9        | 13.6        | 16.4        |
| <b>Device volume (mn units)</b>     |             |             |             |              |              |              |              |              |             |             |             |
| Smartphone production               | 284         | 275         | 249         | 264          | 249          | 245          | 244          | 262          | 1,072       | 1,000       | 1,041       |
| PC shipments                        | 56          | 60          | 56          | 50           | 48           | 52           | 57           | 58           | 222         | 216         | 222         |
| Servers                             | 6           | 6           | 6           | 6            | 6            | 7            | 7            | 7            | 23          | 27          | 29          |
| Graphics                            | 71          | 68          | 76          | 80           | 72           | 69           | 76           | 79           | 295         | 296         | 307         |
| <b>Volume growth (%)</b>            |             |             |             |              |              |              |              |              |             |             |             |
| Smartphone production               | -15.8       | -3.1        | -9.4        | 5.8          | -5.5         | -1.8         | -0.2         | 7.4          | -14.5       | -6.7        | 4.1         |
| PC shipments                        | -10.1       | 7.1         | -6.9        | -10.4        | -3.5         | 8.4          | 9.5          | 0.5          | -9.8        | -2.8        | 2.7         |
| Servers                             | 6.2         | 0.8         | 3.1         | -5.6         | 4.6          | 12.7         | 11.2         | -3.2         | 13.0        | 17.1        | 8.0         |
| Graphics                            | -13.4       | -5.1        | 12.2        | 5.7          | -10.0        | -5.0         | 11.0         | 3.9          | 0.8         | 0.3         | 4.0         |
| <b>Content per unit (GB)</b>        |             |             |             |              |              |              |              |              |             |             |             |
| Mobile                              | 11.4        | 12.0        | 14.8        | 16.3         | 16.2         | 17.9         | 18.2         | 18.2         | 13.6        | 17.6        | 19.9        |
| PC                                  | 14.1        | 14.5        | 14.9        | 16.8         | 15.6         | 16.0         | 16.5         | 18.6         | 15.1        | 16.7        | 18.1        |
| Server                              | 833         | 908         | 867         | 996          | 1,015        | 1,023        | 983          | 1,043        | 900         | 1,016       | 1,168       |
| Graphics                            | 17.8        | 20.2        | 20.1        | 20.6         | 24.4         | 28.1         | 29.0         | 31.1         | 19.7        | 28.2        | 40.9        |
| <b>Content growth (%)</b>           |             |             |             |              |              |              |              |              |             |             |             |
| Mobile DRAM                         | 13.8        | 5.1         | 23.1        | 10.5         | -1.0         | 10.6         | 1.6          | 0.0          | 45.1        | 29.8        | 13.0        |
| PC DRAM                             | -7.2        | 2.9         | 2.7         | 12.5         | -7.2         | 2.7          | 2.8          | 12.6         | 9.8         | 11.1        | 8.0         |
| Server DRAM                         | 10.4        | 9.0         | -4.5        | 15.0         | 1.9          | 0.8          | -4.0         | 6.2          | 25.5        | 12.9        | 15.0        |
| Graphics DRAM                       | 50.6        | 13.7        | -0.6        | 2.8          | 18.2         | 15.5         | 3.1          | 7.4          | 50.4        | 43.5        | 45.0        |

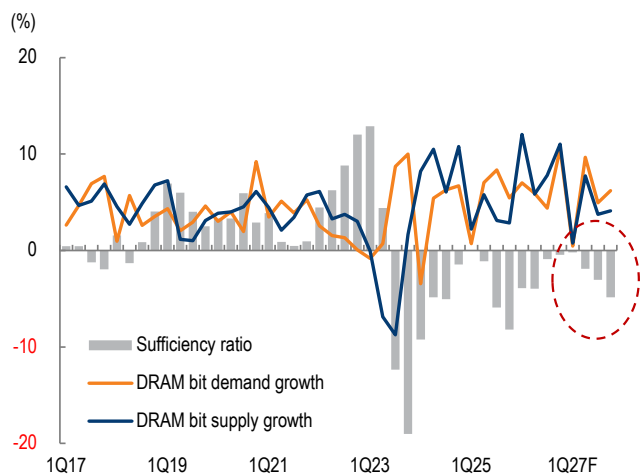
Source: TrendForce, Mirae Asset Securities Research estimates

Table 6. DRAM supply outlook

|                                          | 1Q26         | 2Q26         | 3Q26F        | 4Q26F        | 1Q27F        | 2Q27F        | 3Q27F        | 4Q27F        | 2026F        | 2027F        | 2028F        |
|------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Supply/demand balance (%)</b>         | <b>-3.9</b>  | <b>-4.0</b>  | <b>-0.9</b>  | <b>-0.4</b>  | <b>-0.1</b>  | <b>-1.9</b>  | <b>-3.0</b>  | <b>-4.9</b>  | <b>-2.2</b>  | <b>-2.6</b>  | <b>-2.6</b>  |
| <b>Total DRAM production (bn Gb)</b>     | <b>85.7</b>  | <b>90.7</b>  | <b>97.7</b>  | <b>108.5</b> | <b>109.3</b> | <b>117.8</b> | <b>122.2</b> | <b>127.3</b> | <b>382.6</b> | <b>476.7</b> | <b>597.9</b> |
| SEC                                      | 28.7         | 32.6         | 35.9         | 39.9         | 42.7         | 44.6         | 45.9         | 48.5         | 137.1        | 181.7        | 230.1        |
| SK Hynix                                 | 26.2         | 25.8         | 29.0         | 32.1         | 30.6         | 35.2         | 35.6         | 35.6         | 113.2        | 136.9        | 168.6        |
| Micron                                   | 19.8         | 20.7         | 21.3         | 24.2         | 23.5         | 24.5         | 26.3         | 27.9         | 86.0         | 102.1        | 125.8        |
| CXMT                                     | 8.4          | 8.9          | 8.6          | 9.0          | 9.4          | 10.3         | 10.9         | 11.6         | 35.0         | 42.1         | 55.4         |
| Nanya                                    | 1.2          | 1.2          | 1.3          | 1.6          | 1.3          | 1.3          | 1.5          | 1.6          | 5.3          | 5.7          | 6.9          |
| <b>Bit production growth (%)</b>         | <b>12.0</b>  | <b>5.8</b>   | <b>7.8</b>   | <b>11.0</b>  | <b>0.8</b>   | <b>7.7</b>   | <b>3.8</b>   | <b>4.1</b>   | <b>31.5</b>  | <b>24.6</b>  | <b>25.4</b>  |
| SEC                                      | 3.5          | 13.9         | 10.1         | 11.1         | 6.9          | 4.5          | 3.0          | 5.6          | 22.2         | 32.6         | 26.7         |
| SK Hynix                                 | 18.7         | -1.7         | 12.4         | 10.6         | -4.8         | 15.1         | 1.1          | 0.0          | 34.8         | 20.9         | 23.2         |
| Micron                                   | 16.6         | 4.4          | 3.1          | 13.6         | -3.0         | 4.1          | 7.4          | 6.2          | 40.8         | 18.7         | 23.2         |
| CXMT                                     | 18.7         | 6.0          | -3.6         | 4.6          | 4.5          | 9.0          | 5.6          | 6.4          | 42.1         | 20.2         | 31.6         |
| Nanya                                    | -4.6         | 2.8          | 5.3          | 19.5         | -16.0        | -2.7         | 19.3         | 4.5          | 22.1         | 7.3          | 20.3         |
| <b>Wafer capacity ('000 wpm)</b>         | <b>1,995</b> | <b>2,074</b> | <b>2,164</b> | <b>2,222</b> | <b>2,334</b> | <b>2,397</b> | <b>2,466</b> | <b>2,546</b> | <b>2,114</b> | <b>2,436</b> | <b>2,806</b> |
| SEC                                      | 640          | 670          | 720          | 750          | 805          | 815          | 835          | 855          | 695          | 828          | 958          |
| SK Hynix                                 | 565          | 585          | 605          | 615          | 635          | 655          | 665          | 695          | 593          | 663          | 768          |
| Micron                                   | 345          | 360          | 375          | 385          | 395          | 403          | 425          | 440          | 366          | 416          | 476          |
| CXMT                                     | 290          | 300          | 300          | 300          | 320          | 340          | 350          | 360          | 298          | 343          | 393          |
| Nanya                                    | 63           | 65           | 65           | 65           | 65           | 65           | 70           | 75           | 65           | 69           | 79           |
| <b>Wafer capacity growth (%)</b>         | <b>1.5</b>   | <b>4.0</b>   | <b>4.3</b>   | <b>2.7</b>   | <b>5.0</b>   | <b>2.7</b>   | <b>2.9</b>   | <b>3.2</b>   | <b>11.0</b>  | <b>15.2</b>  | <b>15.2</b>  |
| SEC                                      | -1.5         | 4.7          | 7.5          | 4.2          | 7.3          | 1.2          | 2.5          | 2.4          | 7.1          | 19.1         | 15.7         |
| SK Hynix                                 | 3.7          | 3.5          | 3.4          | 1.7          | 3.3          | 3.1          | 1.5          | 4.5          | 13.4         | 11.8         | 15.8         |
| Micron                                   | 1.5          | 4.3          | 4.2          | 2.7          | 2.6          | 2.0          | 5.5          | 3.5          | 10.2         | 13.5         | 14.4         |
| CXMT                                     | 3.6          | 3.4          | 0.0          | 0.0          | 6.7          | 6.3          | 2.9          | 2.9          | 14.4         | 15.1         | 14.6         |
| Nanya                                    | 1.6          | 3.2          | 0.0          | 0.0          | 0.0          | 0.0          | 7.7          | 7.1          | 11.7         | 6.6          | 14.5         |
| <b>Net capacity additions ('000 wpm)</b> | <b>44</b>    | <b>74</b>    | <b>95</b>    | <b>58</b>    | <b>112</b>   | <b>78</b>    | <b>69</b>    | <b>80</b>    | <b>271</b>   | <b>339</b>   | <b>370</b>   |
| SEC                                      | 0            | 25           | 50           | 30           | 55           | 25           | 20           | 20           | 105          | 120          | 130          |
| P4                                       | 0            | 15           | 20           | 20           | 20           | 25           | 20           | 20           | 55           | 85           | 40           |
| P5                                       | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 90           |
| SK Hynix                                 | 25           | 20           | 25           | 10           | 20           | 20           | 10           | 30           | 80           | 80           | 105          |
| M15X                                     | 5            | 15           | 10           | 10           | 20           | 20           | 0            | 0            | 40           | 40           | 15           |
| Y1                                       | 0            | 0            | 0            | 0            | 0            | 0            | 10           | 30           | 0            | 40           | 90           |
| Micron                                   | 5            | 15           | 15           | 10           | 10           | 8            | 22           | 15           | 45           | 55           | 60           |
| CXMT                                     | 10           | 10           | 0            | 0            | 20           | 20           | 10           | 10           | 20           | 60           | 50           |
| Nanya                                    | 1            | 2            | 0            | 0            | 0            | 0            | 5            | 5            | 3            | 10           | 10           |

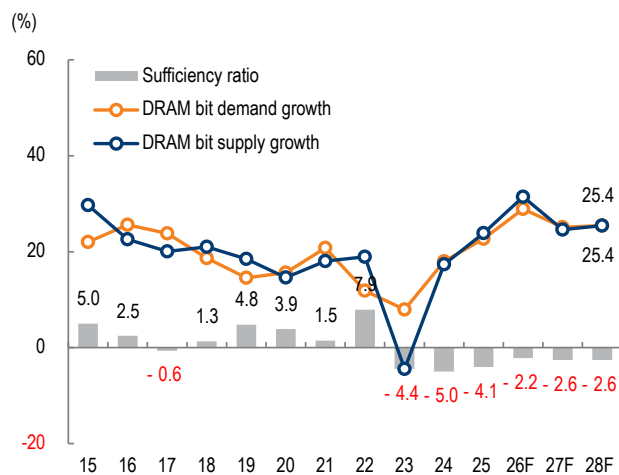
Source: TrendForce, Mirae Asset Securities Research estimates

Figure 2. DRAM sufficiency ratio trend and outlook (quarterly)



Source: Mirae Asset Securities Research

Figure 3. DRAM sufficiency ratio trend and outlook (annual)



Source: Mirae Asset Securities Research

## SK Hynix (000660 KS)

## Income statement (summarized)

| (Wbn)                               | 2025          | 2026F          | 2027F          | 2028F          |
|-------------------------------------|---------------|----------------|----------------|----------------|
| <b>Revenue</b>                      | <b>97,147</b> | <b>337,689</b> | <b>499,218</b> | <b>499,111</b> |
| <b>Cost of revenue</b>              | <b>38,456</b> | <b>50,451</b>  | <b>65,293</b>  | <b>77,870</b>  |
| <b>GP</b>                           | <b>58,691</b> | <b>287,238</b> | <b>433,925</b> | <b>421,241</b> |
| <b>SG&amp;A expenses</b>            | <b>11,484</b> | <b>25,881</b>  | <b>37,760</b>  | <b>37,849</b>  |
| <b>OP (adj.)</b>                    | <b>47,206</b> | <b>261,358</b> | <b>396,165</b> | <b>383,392</b> |
| <b>OP</b>                           | <b>47,206</b> | <b>261,358</b> | <b>396,165</b> | <b>383,392</b> |
| <b>Non-operating profit</b>         | <b>3,260</b>  | <b>119,866</b> | <b>129,995</b> | <b>144,782</b> |
| Net financial income                | -429          | 936            | 5,420          | 11,073         |
| Net income from associates          | -565          | -372           | -462           | -483           |
| Pretax profit                       | 50,466        | 381,224        | 526,160        | 528,174        |
| Income tax                          | 7,518         | 91,781         | 131,540        | 132,044        |
| Profit from continuing operations   | 42,948        | 289,442        | 394,620        | 396,131        |
| Profit from discontinued operations | 0             | 0              | 0              | 0              |
| <b>NP</b>                           | <b>42,948</b> | <b>289,442</b> | <b>394,620</b> | <b>396,131</b> |
| Attributable to owners              | 42,919        | 289,310        | 394,584        | 396,094        |
| Attributable to minority interests  | 29            | 133            | 36             | 36             |
| <b>Total comprehensive income</b>   | <b>43,017</b> | <b>291,526</b> | <b>394,620</b> | <b>396,131</b> |
| Attributable to owners              | 42,984        | 291,201        | 394,133        | 395,642        |
| Attributable to minority interests  | 33            | 325            | 487            | 489            |
| EBITDA                              | 61,136        | 278,499        | 420,000        | 415,214        |
| FCF                                 | 25,854        | 187,243        | 347,873        | 352,000        |
| EBITDA margin (%)                   | 62.9          | 82.5           | 84.1           | 83.2           |
| OP margin (%)                       | 48.6          | 77.4           | 79.4           | 76.8           |
| Net margin (%)                      | 44.2          | 85.7           | 79.0           | 79.4           |

## Balance sheet (summarized)

| (Wbn)                                | 2025           | 2026F          | 2027F          | 2028F            |
|--------------------------------------|----------------|----------------|----------------|------------------|
| <b>Current assets</b>                | <b>69,458</b>  | <b>326,110</b> | <b>681,451</b> | <b>1,014,322</b> |
| Cash & equivalents                   | 14,924         | 125,036        | 449,096        | 776,419          |
| AR & other receivables               | 18,289         | 60,354         | 71,983         | 74,045           |
| Inventory                            | 14,289         | 47,156         | 56,242         | 57,854           |
| Other current assets                 | 21,956         | 93,564         | 104,130        | 106,004          |
| <b>Non-current assets</b>            | <b>106,650</b> | <b>214,791</b> | <b>271,538</b> | <b>335,681</b>   |
| Investments in associates            | 1,321          | 4,359          | 5,199          | 5,348            |
| PP&E                                 | 77,503         | 105,853        | 148,067        | 192,078          |
| Intangible assets                    | 4,049          | 7,467          | 13,836         | 20,205           |
| <b>Total assets</b>                  | <b>176,108</b> | <b>540,901</b> | <b>952,988</b> | <b>1,350,003</b> |
| <b>Current liabilities</b>           | <b>37,379</b>  | <b>102,279</b> | <b>120,856</b> | <b>124,151</b>   |
| AP & other payables                  | 9,283          | 30,633         | 36,536         | 37,583           |
| Short-term financial liabilities     | 13,623         | 23,881         | 27,354         | 27,970           |
| Other current liabilities            | 14,473         | 47,765         | 56,966         | 58,598           |
| <b>Non-current liabilities</b>       | <b>18,062</b>  | <b>21,364</b>  | <b>22,642</b>  | <b>22,869</b>    |
| Long-term financial liabilities      | 16,051         | 14,729         | 14,729         | 14,729           |
| Other non-current liabilities        | 2,011          | 6,635          | 7,913          | 8,140            |
| <b>Total liabilities</b>             | <b>55,441</b>  | <b>123,643</b> | <b>143,498</b> | <b>147,020</b>   |
| <b>Equity attributable to owners</b> | <b>120,516</b> | <b>416,931</b> | <b>809,127</b> | <b>1,202,584</b> |
| Capital stock                        | 3,658          | 3,658          | 3,658          | 3,658            |
| Capital surplus                      | 8,954          | 11,876         | 11,876         | 11,876           |
| Retained earnings                    | 106,577        | 396,886        | 789,314        | 1,183,251        |
| <b>Minority interests</b>            | <b>151</b>     | <b>327</b>     | <b>363</b>     | <b>399</b>       |
| <b>Shareholders' equity</b>          | <b>120,667</b> | <b>417,258</b> | <b>809,490</b> | <b>1,202,983</b> |

## Cash flow statement (summarized)

| (Wbn)                                      | 2025           | 2026F           | 2027F          | 2028F          |
|--------------------------------------------|----------------|-----------------|----------------|----------------|
| <b>Operating cash flow</b>                 | <b>53,373</b>  | <b>231,502</b>  | <b>413,091</b> | <b>427,001</b> |
| NP                                         | 42,948         | 289,442         | 394,620        | 396,131        |
| Non-cash income/expenses                   | 18,838         | 13,967          | 109,832        | 112,669        |
| Depreciation                               | 13,099         | 16,307          | 23,004         | 30,991         |
| Amortization                               | 831            | 834             | 831            | 831            |
| Other                                      | 4,908          | -3,174          | 85,997         | 80,847         |
| Chg. in working capital                    | -2,881         | -47,152         | -5,364         | -951           |
| Chg. in AR & other receivables             | -5,584         | -35,580         | -11,572        | -2,052         |
| Chg. in inventory                          | -1,059         | -32,499         | -9,086         | -1,611         |
| Chg. in AP & other payables                | 980            | 4,258           | 1,811          | 321            |
| Income tax                                 | -5,891         | -59,429         | -131,540       | -132,044       |
| <b>Cash flow from investing activities</b> | <b>-48,054</b> | <b>-128,445</b> | <b>-89,275</b> | <b>-97,507</b> |
| Chg. in PP&E                               | -27,374        | -44,238         | -65,218        | -75,001        |
| Chg. in intangible assets                  | -1,058         | -4,265          | -7,200         | -7,200         |
| Chg. in financial assets                   | -13,315        | -37,483         | -10,362        | -1,838         |
| Other                                      | -6,307         | -42,459         | -6,495         | -13,468        |
| <b>Cash flow from financing activities</b> | <b>-1,445</b>  | <b>9,268</b>    | <b>1,084</b>   | <b>-2,021</b>  |
| Chg. in financial liabilities              | 2,475          | 8,936           | 3,472          | 616            |
| Chg. in equity                             | 4,467          | 2,922           | 0              | 0              |
| Dividends                                  | -1,681         | -2,137          | -2,157         | -2,157         |
| Other                                      | -6,706         | -453            | -231           | -480           |
| <b>Chg. in cash</b>                        | <b>3,719</b>   | <b>110,112</b>  | <b>324,060</b> | <b>327,324</b> |
| Beginning balance                          | 11,205         | 14,924          | 125,036        | 449,096        |
| Ending balance                             | 14,924         | 125,036         | 449,096        | 776,419        |

Source: Company data, Mirae Asset Securities Research estimates

## Key valuation metrics/ratios

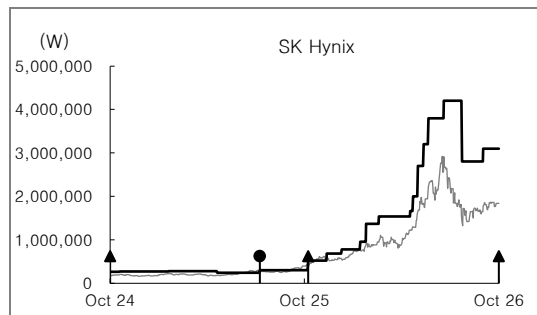
|                              | 2025    | 2026F   | 2027F     | 2028F     |
|------------------------------|---------|---------|-----------|-----------|
| P/E (x)                      | 11.0    | 4.6     | 3.4       | 3.4       |
| P/CF (x)                     | 7.7     | 4.4     | 2.7       | 2.6       |
| P/B (x)                      | 3.9     | 3.2     | 1.7       | 1.1       |
| EV/EBITDA (x)                | 7.8     | 4.2     | 2.0       | 1.2       |
| EPS (W)                      | 58,955  | 400,359 | 540,162   | 542,229   |
| CFPS (W)                     | 84,870  | 419,870 | 690,565   | 696,516   |
| BPS (W)                      | 167,604 | 570,881 | 1,107,773 | 1,646,392 |
| DPS (W)                      | 3,000   | 3,000   | 3,000     | 3,000     |
| Dividend payout ratio (%)    | 4.9     | 0.7     | 0.5       | 0.5       |
| Dividend yield (%)           | 0.5     | 0.2     | 0.2       | 0.2       |
| Revenue growth (%)           | 46.8    | 247.6   | 47.8      | 0.0       |
| EBITDA growth (%)            | 69.6    | 355.5   | 50.8      | -1.1      |
| OP growth (%)                | 101.2   | 453.7   | 51.6      | -3.2      |
| EPS growth (%)               | 116.9   | 579.1   | 34.9      | 0.4       |
| AR turnover (x)              | 6.2     | 8.6     | 7.6       | 6.9       |
| Inventory turnover (x)       | 7.0     | 11.0    | 9.7       | 8.7       |
| AP turnover (x)              | 15.0    | 8.2     | 6.3       | 6.8       |
| ROA (%)                      | 29.0    | 80.7    | 52.8      | 34.4      |
| ROE (%)                      | 44.2    | 107.7   | 64.4      | 39.4      |
| ROIC (%)                     | 45.7    | 160.3   | 160.0     | 115.4     |
| Debt-to-equity ratio (%)     | 45.9    | 29.6    | 17.7      | 12.2      |
| Current ratio (x)            | 185.8   | 318.8   | 563.9     | 817.0     |
| Net debt-to-equity ratio (%) | -0.2    | -41.9   | -62.4     | -69.3     |
| Interest coverage ratio (x)  | 51.1    | 357.3   | 479.4     | 456.4     |

# Appendix 1

## Important disclosures and disclaimers

### Two-year rating and TP history

| Company           | Date     | Rating | TP (₩)    |
|-------------------|----------|--------|-----------|
| SK Hynix (000660) | 09/07/26 | Buy    | 3,100,000 |
|                   | 07/29/26 | Buy    | 2,800,000 |
|                   | 06/25/26 | Buy    | 4,200,000 |
|                   | 05/27/26 | Buy    | 3,800,000 |
|                   | 05/18/26 | Buy    | 3,200,000 |
|                   | 05/07/26 | Buy    | 2,700,000 |
|                   | 04/28/26 | Buy    | 2,000,000 |
|                   | 04/23/26 | Buy    | 1,660,000 |
|                   | 02/23/26 | Buy    | 1,540,000 |
|                   | 01/30/26 | Buy    | 1,370,000 |
|                   | 01/19/26 | Buy    | 956,000   |
|                   | 12/15/25 | Buy    | 782,000   |
|                   | 11/17/25 | Buy    | 680,000   |
|                   | 10/29/25 | Buy    | 520,000   |
|                   | 10/29/25 | Buy    | 520,000   |
|                   | 10/13/25 | Buy    | 520,000   |
|                   | 07/14/25 | Hold   | 300,000   |
|                   | 04/25/25 | Buy    | 244,000   |
|                   | 01/24/25 | Buy    | 277,000   |
|                   | 10/24/24 | Buy    | 270,000   |
|                   | 07/25/24 | Buy    | 260,000   |



### 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        | 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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## Mirae Asset Securities International Network

### Mirae Asset Securities Co., Ltd. (Seoul)

One-Asia Equity Sales Team  
Mirae Asset Center 1 Building  
26 Eulji-ro 5-gil, Jung-gu, Seoul 04539  
Korea

Tel: 82-2-3774-2124

### Mirae Asset Securities (USA) Inc.

810 Seventh Avenue, 37th Floor  
New York, NY 10019  
USA

Tel: 1-212-407-1000

### Mirae Asset Securities (Singapore) Pte. Ltd.

6 Battery Road, #11-01  
Singapore 049909  
Republic of Singapore

Tel: 65-6671-9845

### Mirae Asset Investment Advisory (Beijing) Co., Ltd

2401B, 24th Floor, East Tower, Twin Towers  
B12 Jianguomenwai Avenue, Chaoyang District  
Beijing 100022  
China

Tel: 86-10-6567-9699

### Ho Chi Minh Representative Office

7F, Saigon Royal Building  
91 Pasteur St.  
District 1, Ben Nghe Ward, Ho Chi Minh City  
Vietnam

Tel: 84-8-3910-7715

### Mirae Asset Securities (HK) Ltd.

Units 8501, 8507-8508, 85/F  
International Commerce Centre  
1 Austin Road West  
Kowloon  
Hong Kong SAR  
Tel: 852-2845-6332

### Mirae Asset Wealth Management (Brazil) CCTVM

Rua Funchal, 418, 18th Floor, E-Tower Building  
Vila Olimpia  
Sao Paulo - SP  
04551-060  
Brazil  
Tel: 55-11-2789-2100

### Mirae Asset Securities (Vietnam) LLC

7F, Saigon Royal Building  
91 Pasteur St.  
District 1, Ben Nghe Ward, Ho Chi Minh City  
Vietnam

Tel: 84-8-3911-0633 (ext.110)

### Beijing Representative Office

2401A, 24th Floor, East Tower, Twin Towers  
B12 Jianguomenwai Avenue, Chaoyang District  
Beijing 100022  
China

Tel: 86-10-6567-9699 (ext. 3300)

### Mirae Asset Capital Markets (India) Pvt Ltd

1st Floor, Tower 4, Equinox Business Park,  
LBS Marg, Off BKC, Kurla (West), Mumbai - 400 070  
India

Tel: 91-22-62661300 / 48821300

### Mirae Asset Securities (UK) Ltd.

41st Floor, Tower 42  
25 Old Broad Street,  
London EC2N 1HQ  
United Kingdom

Tel: 44-20-7982-8000

### PT. Mirae Asset Sekuritas Indonesia

District 8, Treasury Tower Building Lt. 50  
Sudirman Central Business District  
Jl. Jend. Sudirman, Kav. 52-54  
Jakarta Selatan 12190  
Indonesia  
Tel: 62-21-5088-7000

### Mirae Asset Securities Mongolia UTsK LLC

#406, Blue Sky Tower, Peace Avenue 17  
1 Khoroo, Sukhbaatar District  
Ulaanbaatar 14240  
Mongolia

Tel: 976-7011-0806

### Shanghai Representative Office

38T31, 38F, Shanghai World Financial Center  
100 Century Avenue, Pudong New Area  
Shanghai 200120  
China

Tel: 86-21-5013-6392