SECTOR UPDATE

2026. 4. 21

Tech Team

Richard Moon
Senior Analyst
joonho.moon@samsung.com

Seungho Jeong
Research Associate
seungho1.jeong@samsung.com

▶ **AT A GLANCE**

Wonik IPS (240810 KQ, 122,400)		
Target price	KRW150,000	22.5%
BUY		
Eugene Technology (084370 KQ, 129,300)		
Target price	KRW160,000	23.7%
BUY		
TES (095610 KQ, 90,300)		
Target price	KRW110,000	21.8%
BUY		
Park Systems (140860 KQ, 267,000)		
Target price	KRW370,000	38.6%
BUY		
HPSP (403870 KQ, 45,700)		
Target price	KRW55,000	20.4%
BUY		
Nextin (348210 KQ, 76,500)		
Target price	KRW100,000	30.7%
BUY		
Soulbrain (357780 KQ, 434,000)		
Target price	KRW540,000	24.4%
BUY		
Leeno Industrial (058470 KQ, 116,600)		
Target price	KRW150,000	28.6%
BUY		
ISC (095340KQ, 115,300)		
Target price	KRW280,000	22.3%
BUY		

Samsung Securities

Scan to go to
Research Center report database

Tech (OVERWEIGHT)

Semiconductor MPE firms: Stepwise growth

- Earnings estimates across semiconductor materials, components, and equipment are rising. As new AI-driven applications continue to drive semiconductor demand, incentives for capex expansion remain robust.
- Some players may deliver sluggish near-term results due to limited new capacity coming online in 1Q, but this should prove temporary. We expect growth to resume in a stepwise, sustained manner.

WHAT'S THE STORY?

Investment incentives expanding amid the semiconductor boom: As the AI cycle extends, the upturn shows no sign of abating. Over the past two weeks, Samsung Electronics reported a record 1Q operating profit of KRW57t, ASML raised its full-year sales guidance, and TSMC revised up its capex plan. While two years of supply discipline set the stage for this surge, the industry is now undergoing a structural transformation propelled by AI.

In the race for AI leadership, new architectures and solutions are emerging, driving a surge in demand for high-performance memory. Semiconductor demand—across both memory and non-memory—is no longer tied to end-product volumes such as servers; instead, is it scaling by multiples, far outpacing traditional demand patterns. This imbalance has made it nearly impossible for suppliers to catch up in the near term. As a result, the DRAM industry is seeing increasing adoption of long-term supply agreements, with some customers even committing to build 1 TW-scale fabs to secure stable supply. These developments underscore strengthening incentives for capacity expansion.

1Q preview for semiconductor MPE firms: Semiconductor materials, parts, and equipment (MPE) players are likely to report q-q weaker results for 1Q26. With minimal memory capacity expansion in 2025, equipment suppliers most exposed to customer capex, in particular, should see sharp profit declines and potential earnings misses. This weakness reflects timing rather than fundamentals, as customer investments only began to accelerate decisively in late 2025 and cleanroom infrastructure thus remains under construction. There is an inherent lag between investment decisions and revenue recognition for suppliers.

(Continued on the next page)

Sustained multi-year momentum: The multi-year earnings growth outlook, driven by semiconductor capacity expansion, remains intact. Capacity expansion projects originally slated for 2026-2028 are now being front-loaded. In effect, 1Q26 represents a temporary pause, with 2Q26 and beyond expected to deliver step-wise growth. Robust y-y expansion remains achievable in 2027 despite a higher base. This narrative should be reinforced during the current earnings season as global peers update guidance for upcoming quarters and full-year industry trends. While domestic MPE companies are trading at elevated premiums relative to historical levels, expectations for accelerated earnings growth remain well supported. TES is our top pick, and we present Soulbrain as a strong second pick.

1Q earnings season confirms semiconductor supercycle

Samsung Electronics reports 1Q operating profit of KRW57t; chipmakers signing LTAs

In early April, Samsung Electronics (SEC) announced an extraordinary 1Q preliminary operating profit of KRW57t—a record figure far beyond even the most optimistic forecasts. The driver was memory semiconductors. We estimate that the firm's DRAM and NAND blended ASPs rose a respective 102% and 84% q-q.

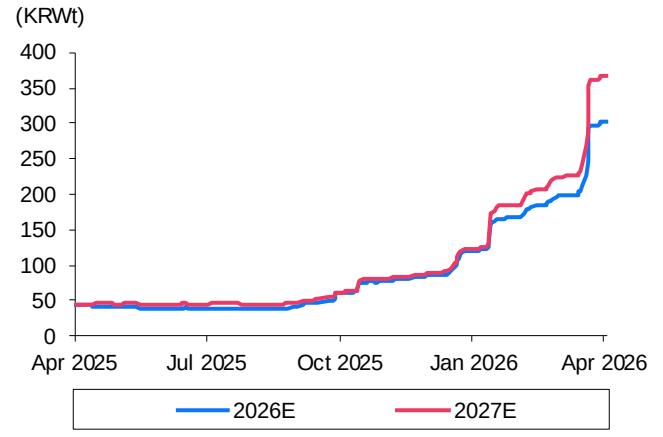
The market responded immediately. Just four months ago, consensus had SEC's 2026 operating profit at KRW87t and SK Hynix's at around KRW77t. Today, those projections have been revised up to KRW302t and KRW200t, respectively. Memory prices have rallied more strongly and in a more sustained way than anyone anticipated.

At the core of this surge is a structural supply shortage—two years of constrained capex have left the industry unable to keep pace with demand. High-margin server customers have no choice but to accept higher prices. Even PC and mobile manufacturers, despite weakening end-market demand, have been forced to follow suit: inventory depletion has left them with no alternative. TrendForce estimates that commodity DRAM prices jumped 93-98% q-q in 1Q, and it expects them to climb another 58-63% q-q in 2Q.

As price volatility and supply uncertainty grow, long-term agreements (LTAs) are returning. In March, Micron revealed it had signed a strategic customer agreement (SCA) with a major client—a tighter, more enforceable version of an LTA. The US company said the SCA spans five years and includes substantial penalties for a breach.

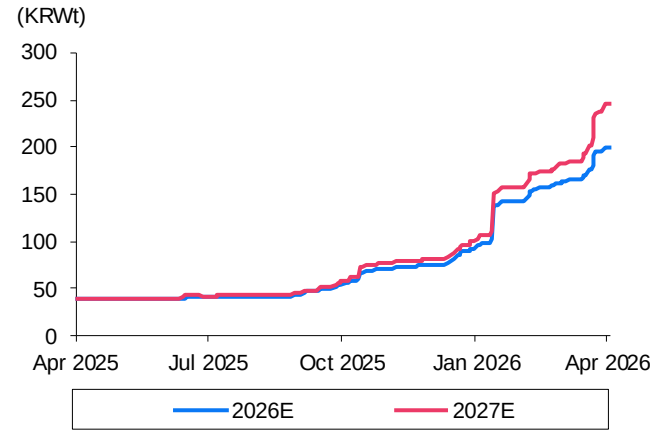
These moves underscore just how severe the supply shortages are. While the pace of chip price increases may slow, the uptrend should remain intact for the full year. More importantly, securing multi-year sales commitments creates a powerful incentive for memory manufacturers to expand capacity permanently. Once capacity is added, it cannot easily be scaled back.

SEC: Consensus operating profit forecasts



Source: FnGuide, Samsung Securities

SK Hynix: Consensus operating profit forecasts



Source: FnGuide, Samsung Securities

ASML raises annual sales guidance and announces capex for EUV equipment production

The scale of global chipmakers' capex is clear when you follow ASML's operating results. DRAM manufacturers and leading foundries—both at the heart of today's investment surge—depend almost entirely on ASML's EUV lithography systems. And the Dutch firm's 1Q earnings call left no doubt about the strength of that demand.

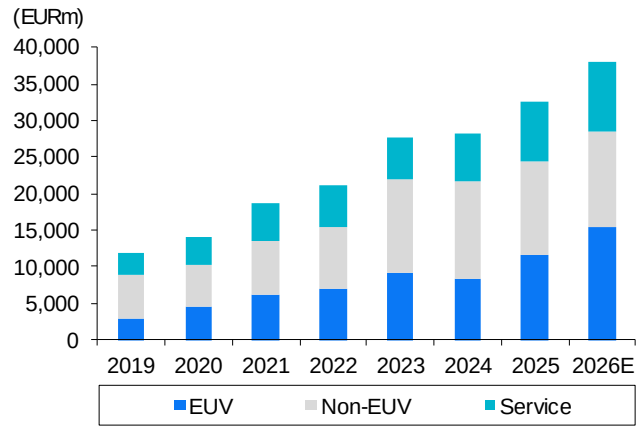
Its EUV equipment sales climbed 14% q-q and its total memory equipment revenue surged 41% q-q, far exceeding consensus. Even more telling: despite a 56% q-q drop in China-bound revenue (due to export restrictions), which had previously made up 25% of the firm's annual sales, the underlying demand for advanced-node investments remained robust.

Against this backdrop, ASML hiked its full-year sales guidance from EUR34b-39b to EUR36b-40b. The primary driver behind this upgrade is a stronger-than-expected outlook for DUV equipment—despite an earlier assumption of flat demand—which in turn reflects broader increases in customer capex. The firm noted, however, that its assumptions for China-bound exports remain conservative.

According to the semiconductor equipment giant, clients are moving decisively. DRAM makers have already sold out their entire 2026 production and are accelerating expansion plans. Non-memory customers, led by AI-driven demand, are aggressively scaling 2 nm and 3 nm process lines.

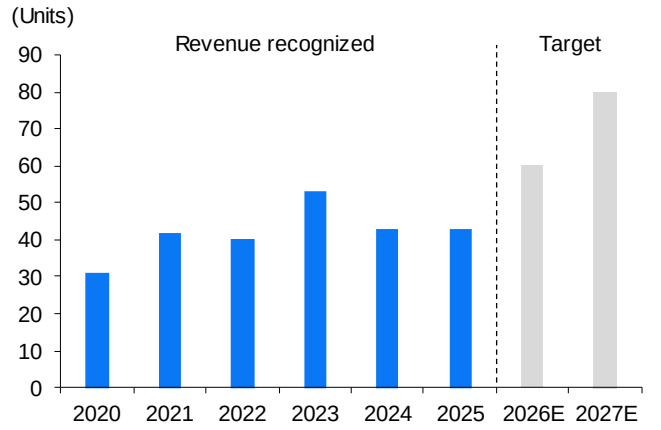
To meet this demand, the Dutch lithography leader plans to significantly expand manufacturing of its core Low-NA EUV systems: targeting production of at least 60 units this year and 80 next year. Given that the firm recognized sales from only 43 units of Low-NA EUV equipment in 2025, this implies a 40% y-y increase in demand in 2026 alone. These data reveal just how intensely demand has been pulled forward—even though capex contracted over 2024-2025.

ASML: Annual sales and guidance



Source: Company data, Samsung Securities

ASML: Low-NA EUV shipments and production targets



Source: Company data, Samsung Securities

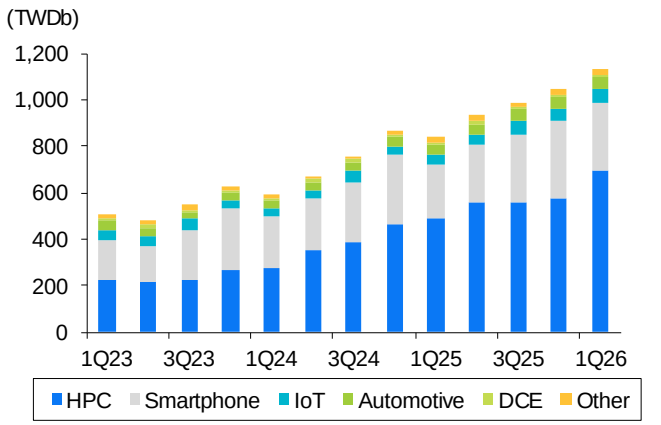
TSMC: Demand has reached levels that demand a fundamental overhaul of expansion strategy

If ASML reveals the state of supply, TSMC reveals the true scale of demand. As the sole supplier of leading-edge AI accelerators—including Nvidia's GPUs, AMD's MI300 series, and Google's TPUs—TSMC remains the definitive barometer of global AI capacity needs. Its 1Q results and 2Q guidance both exceeded consensus, and the company raised its full-year 2026 sales and capex guidance.

While concerns over weak PC and mobile demand persist, TSMC has demonstrated that growth in AI-driven demand more than offsets these headwinds. In 1Q, sales rose 8% q-q. Although smartphone sales fell 11% q-q due to weak seasonality, high-performance computing (HPC) sales surged 20% q-q—driven by AI-related orders.

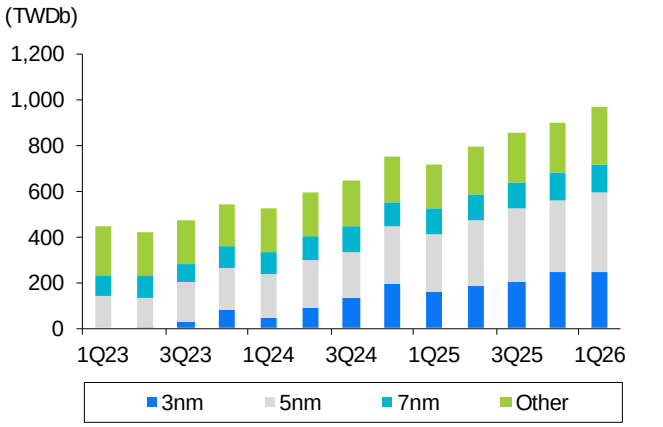
Despite ongoing geopolitical uncertainties, TSMC upgraded its full-year sales guidance from "roughly 30%" to "exceeding 30%," and signaled that capex will approach the upper end of its previously stated range of USD52-56b. Of note, TSMC has abandoned its long-standing principle of limiting each process node to a single capacity expansion. To meet sustained AI demand, the company now plans to build three new 3 nm fabs—across Taiwan, the US, and Japan—by 2028. This signals a clear conviction that foundry capacity constraints will persist at least through 2027.

TSMC: Sales, by platform



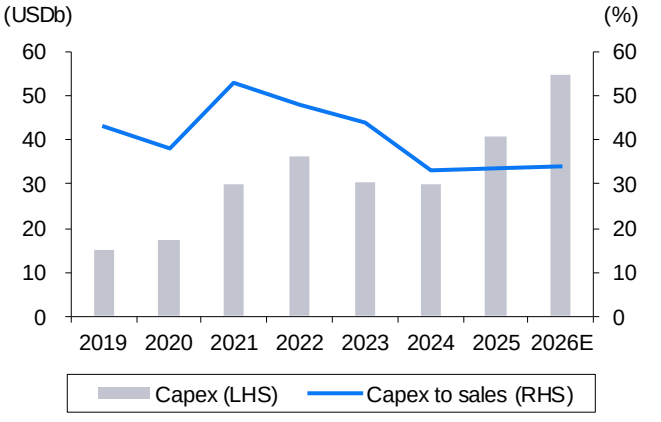
Source: Company data, Samsung Securities

TSMC: Sales, by technology



Source: Company data, Samsung Securities

TSMC: Capex and guidance



Source: Company data, Samsung Securities

TSMC: 3 nm capacity expansion plans

Region	Note	Start of operation
Taiwan	New fab	1H27
	Switch some 5 nm lines	n/a
US	New fab	2H27
Japan	New fab	2028

Source: Company data, Samsung Securities

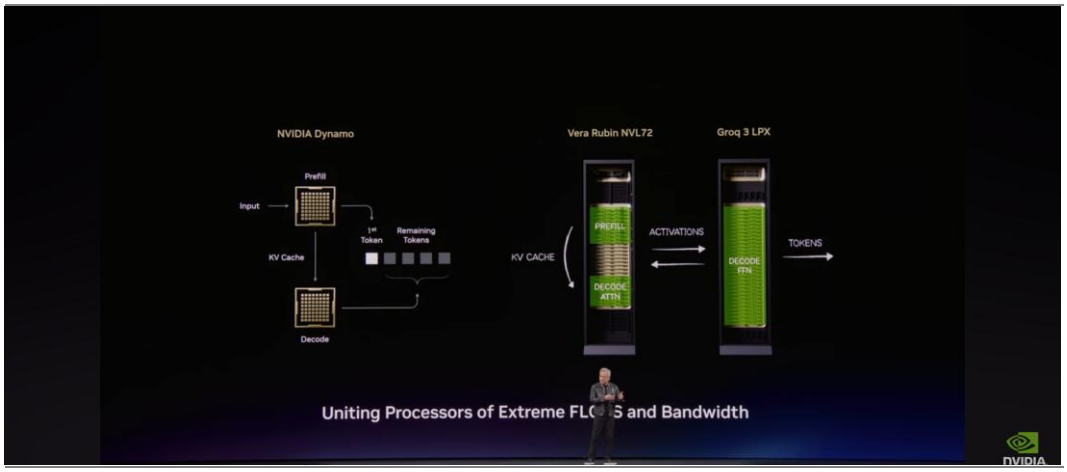
Structurally growing investment incentives

Nvidia steps forward to promote semiconductors beyond its own

The star of Nvidia's GTC event in March was Groq's language processing unit (LPU). Using SRAM (500 MB) as memory, rather than HBM, enables faster computation. This makes it more efficient than GPUs for tasks requiring low latency.

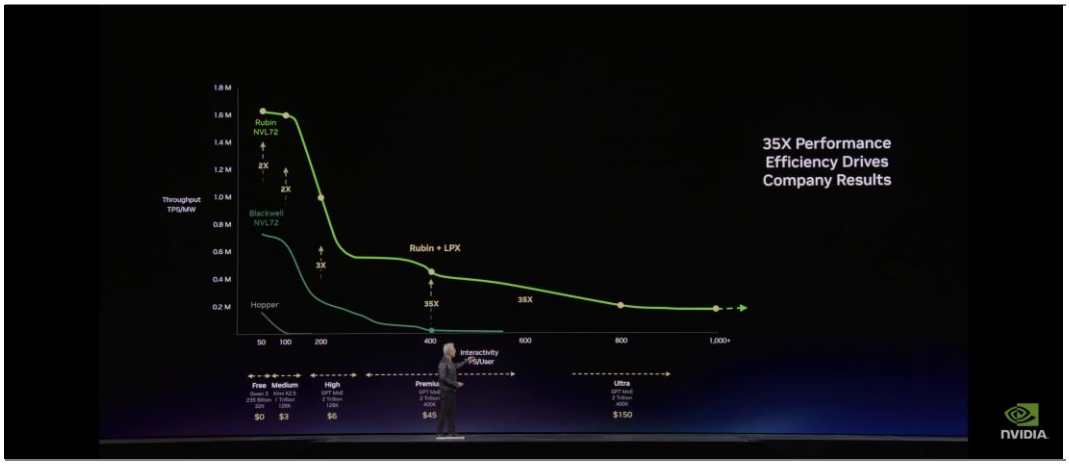
The core purpose of adopting Groq's technology is to enable disaggregated inference. The "prefill" stage—which involves heavy, parallel computation—is handled by Nvidia's GPU (HBM). Meanwhile, the "decode" stage—which requires sequential, low-latency processing—is offloaded to Groq's LPU (SRAM). According to Jensen Huang, Nvidia's Rubin boasts a performance improvement of 10x the throughput of its predecessor Blackwell. When paired with Groq's LPX, Rubin delivers up to 35x the throughput.

Division of roles between Vera Rubin and Groq LPX



Source: Company data, Samsung Securities

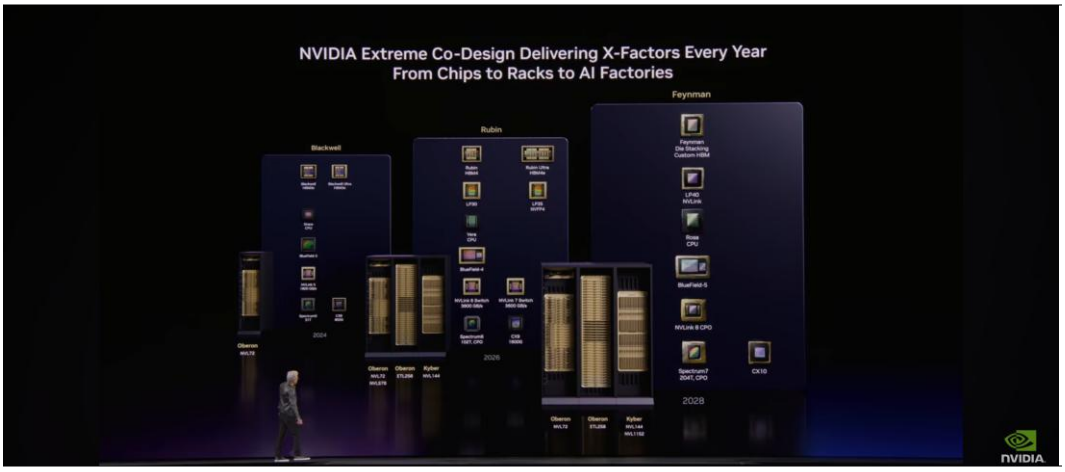
Rubin inference throughput increases 10x vs Blackwell and up to 35x with LPX



Source: Company data, Samsung Securities

Nvidia has shifted its focus from individual GPUs to overall system efficiency—at the rack level—since the Blackwell architecture. Even if a GPU is extremely fast, the system's final performance can be limited by bottlenecks elsewhere: a slow CPU handling task distribution, or memory that cannot keep up with the CPU's demands. To address this, Nvidia has begun designing its own CPUs and developing proprietary networking solutions. The LPU can be viewed as an extension of this strategy, signaling that the range of solutions required to compete in the AI supremacy race is rapidly expanding beyond traditional semiconductor offerings.

Nvidia: Hardware roadmap update



Source: Company data, Samsung Securities

Era of high- high- high-mix, high-volume production

Is Nvidia the only company pursuing this strategy? Intel, once the symbol of CPUs, began redesigning its GPUs six years ago. Design houses are simultaneously engaging in clients' design projects alongside the rise of ASICs and TPUs. Big Tech firms like Google, Amazon, and Microsoft have long been designing their own CPUs and custom accelerators, even before the AI boom.

For foundries, this means AI chips are increasingly characterized by high-mix, low-volume production. As a single production line cannot efficiently handle multiple products simultaneously, foundries now weigh not just volume but the number of unique products they are asked to make, when making investment decisions. To secure capacity allocation, customers must commit to larger volumes upfront—further straining already saturated advanced-node capacity. Price increases are an inevitable byproduct.

But if a customer fails to lock in capacity, they will not wait: they will turn to any foundry that can produce now. Smaller foundries will gain opportunities, and if a contract is signed, they have every incentive to expand capacity. Take Taylor Fab as an example: construction was halted in Sep 2024, but following a Tesla order in Jul 2025, the facility is now preparing for equipment installation.

Terafab project and its implications

Elon Musk last month unveiled the Terafab project—a joint effort by Tesla, SpaceX, and xAI to build a semiconductor fab in a move toward vertical integration. Musk believes current supply chains cannot meet the company's surging chip demand. Ever the bold visionary, he set an annual capacity target of 1 TW, which is beyond what many could imagine. Estimating capacity by converting it to power consumption is inherently prone to error.

Today, there are fewer than a handful of data centers consuming more than 1 GW of power. This is why the Stargate project's goal of 10 GW of data center infrastructure, announced last year, shocked markets. Terafab aims to achieve a capacity 100 times larger than the entire Stargate project. Intel, America's leading IDM, partnered with the Terafab project shortly after the project was unveiled. With a major player entering the foundry arena, some fear this could intensify competition in the industry down the road.

Of course, skepticism about feasibility remains strong. The global advanced-node foundry market is dominated by just three players—not only due to massive capital requirements, but because of the escalating barriers to entry: decades of accumulated technical expertise in nanometer-scale processes, yield optimization know-how, and relentless R&D. Even if a new entrant could instantly secure all the necessary cash, it is no certainty that ASML could immediately supply the required EUV tools.

Yet, the true implications of Terafab lie in the scale of projected future demand—and how severe the current supply shortfall already is. Given that building a semiconductor fab takes two to three years, the Tesla alliance will have no choice but to rely entirely on existing supply chains during that period. This will further strain already constrained foundry capacity, potentially driving up profitability for existing foundry players.

For investors worried about the evolving competitive landscape in the semiconductor industry, the simplest solution is to invest in materials, parts, and equipment (MPE) suppliers. Terafab may proceed on its own path, but in the meantime, existing foundries still need to expand. This means MPE suppliers are likely to emerge as the most certain beneficiaries, regardless of which side wins the race.

1Q preview: Results weak but momentum sustained

Semiconductor equipment stocks to miss consensus

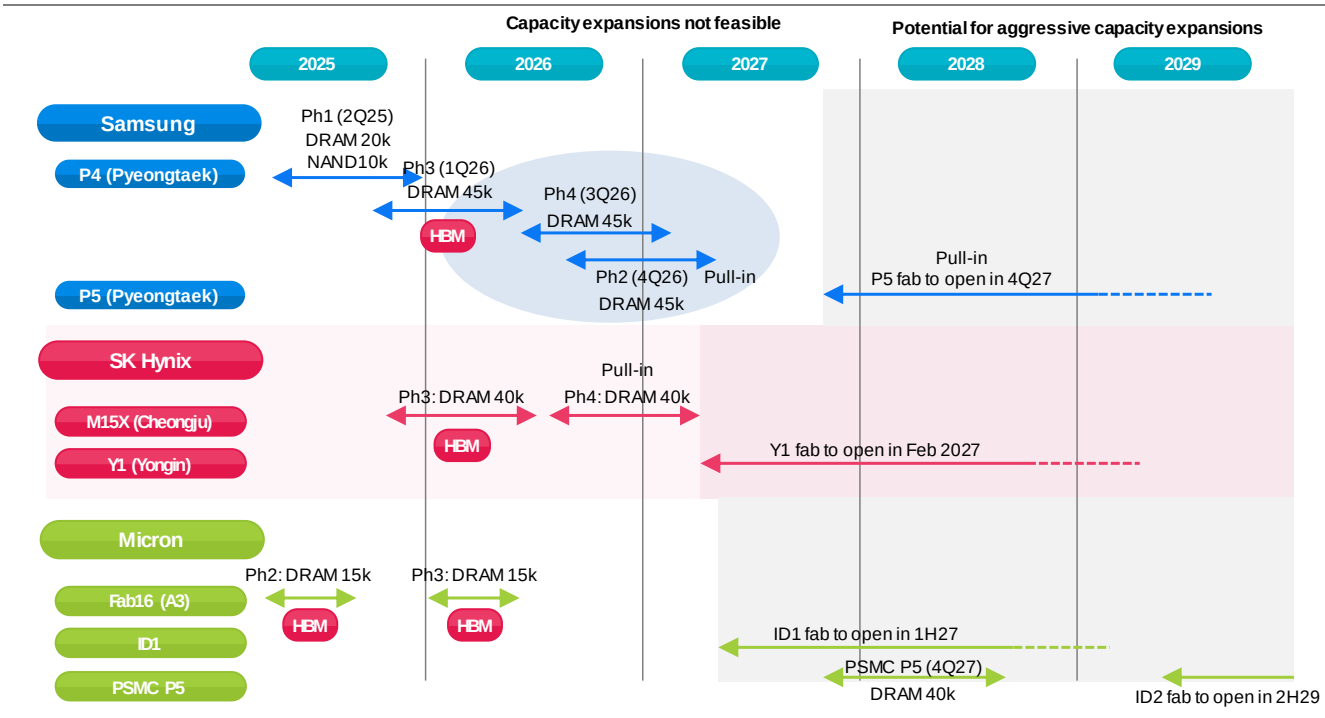
Meanwhile, we expect Korean semiconductor MPE suppliers to report disappointing 1Q results. Due to minimal memory capacity expansion in 2025, equipment suppliers most exposed to customer capex should suffer sharp profit declines and earnings misses. Yet this slump stems from a timing lag. Customers only began to accelerate and expand investment plans from late 2025. As production facilities had been idle for an extended period, cleanrooms were not yet ready. Meaningful new capacity requires new-factory construction.

Once cleanrooms are operational, equipment deployment can occur rapidly. Thus, we expect h-h earnings growth in 2H, with a stepwise quarterly growth trend beginning in 2Q26. Capacity expansion projects originally slated for 2026-2028 are now being front-loaded, which means that even with a higher base, robust growth is still anticipated through 2027. Despite near-term earnings misses, full-year profit forecasts for 2026-2027 should be revised up.

Materials suppliers' results to be in line with expectations

Semiconductor materials suppliers should deliver in-line 1Q results. Historically, materials companies lag equipment makers in benefiting from capex cycles, as demand for materials only rises once new production lines become operational. Probably, the market never anticipated explosive growth from materials companies in 1Q. Nevertheless, these firms likely enjoyed stable, solid results, supported by rising NAND and foundry utilization rates. Still, their full-year earnings trajectory should mirror that of equipment makers—with earnings growth gaining momentum as equipment installation progresses.

DRAM capacity expansion plans



Source: Samsung Securities estimates

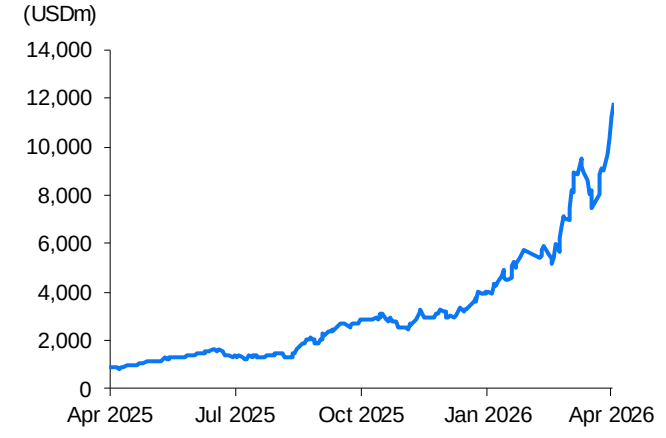
Structural shifts in the socket industry—as exemplified by WinWay Technology

Among companies that likely beat consensus in 1Q are test socket manufacturers, as their performance is less tied to memory capex cycles, and they stand to benefit directly from structural changes driven by AI (*eg*, diversified, high-mix production). WinWay Technology, a Taiwanese company with strong exposure to AI and servers, has surged sharply over the past year, rising nearly 2x in just one month around Nvidia's GTC event.

While WinWay Technology's scale and AI exposure may amplify its upside, this trend is also positive for Korean socket suppliers. Korean players have traditionally maintained high R&D-to-sales ratios and are already engaged in GPU R&D projects for overseas fabless customers. There is no reason they would be excluded from expanding project pipelines.

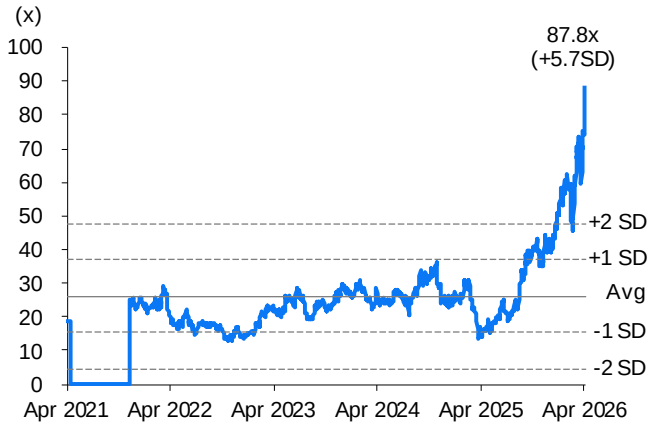
Although Korean socket stocks have already experienced significant rerating in line with WinWay Technology, a substantial valuation gap remains. Given this, we believe momentum can persist—and earnings forecasts are likely to be revised up alongside it.

WinWay: Market cap



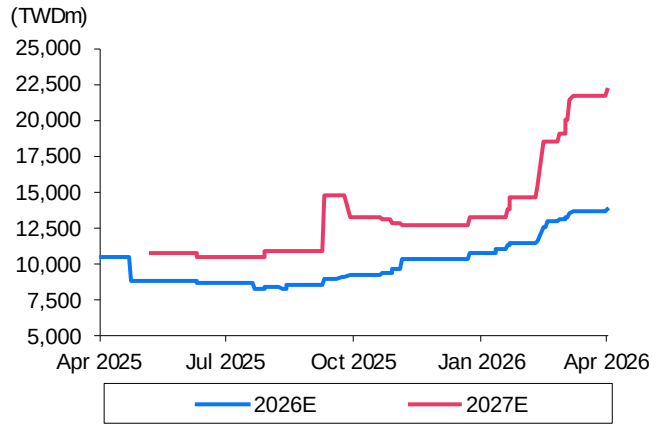
Source: FactSet, Samsung Securities

WinWay: 12-month forward P/E



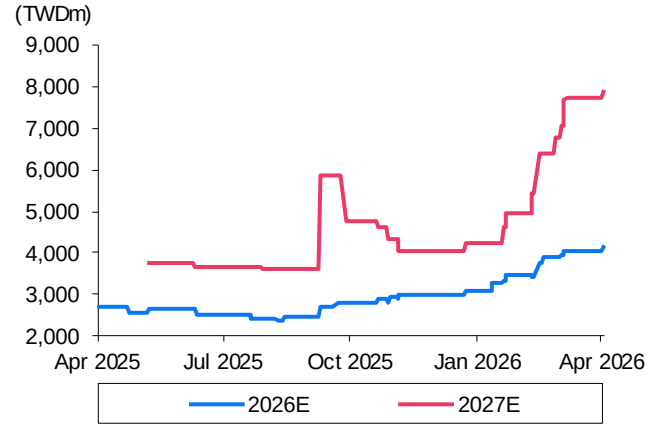
Source: FactSet, Samsung Securities

WinWay: Sales (consensus)



Source: FactSet, Samsung Securities

WinWay: Operating profit (consensus)



Source: FactSet, Samsung Securities

COMPANY UPDATE

2026. 4. 21

Tech Team

Richard Moon
Senior Analyst
joonho.moon@samsung.com

Seungho Jeong
Research Associate
seungho1.jeong@samsung.com

Scan to go to
Research Center report database

Wonik IPS (240810)

Notable quarterly growth

- We believe Wonik IPS's 1Q sales and operating profit came in at KRW171.7b and KRW4.1b, respectively, for an operating margin of 2.4%.
- Its results should be sluggish in 1H and strong in 2H, aligning with DRAM and foundry capex cycles at key customers.
- We maintain our BUY rating and reiterate our target price of KRW150,000.

WHAT'S THE STORY?

1Q preview: We believe Wonik IPS's sales fell 38% q-q to KRW171.7b in 1Q, with operating profit amounting to KRW4.1b (far below consensus), for an operating margin of 2.4%. Semiconductor equipment sales likely stalled as gains from its DRAM capacity expansion were offset by the absence of NAND upgrade revenue. Display equipment sales likely tumbled q-q, reflecting a lack of capex at the firm's major client in 1Q. The q-q plunge in revenue likely weighed on profitability temporarily.

2026 earnings outlook: We expect full-year sales to climb 49% y-y to KRW1.36t, with operating profit come in at KRW203.1b (for an operating margin of 15%). We merely finetune our annual earnings forecasts but adjust our quarterly assumptions. Specifically, semiconductor equipment sales should accelerate from 2Q, and sales from its key client's DRAM capacity addition should be recognized primarily in 2Q and 4Q. Korean customers' NAND upgrade activities should resume from 2Q. Foundry equipment sales should begin contributing meaningfully in 3Q, supported by the Taylor Fab expansion. Meanwhile, display equipment revenue should be weak in 1H and strong in 2H, just as in 2025. Evaluation results from new customers for NAND equipment (scheduled in 2H) could serve as a further catalyst.

(Continued on the next page)

SUMMARY FINANCIAL DATA

(KRWb)	2024	2025	2026E	2027E
Revenue	748	910	1,358	1,514
Operating profit	11	74	203	234
Net profit (adj)	21	84	171	197
EPS (adj) (KRW)	426	1,727	3,521	4,057
EPS (adj) growth (% y-y)	nm	305.4	103.9	15.2
EBITDA margin (%)	7.0	12.5	17.9	18.1
ROE (%)	2.4	9.0	16.3	16.1
P/E (adj) (x)	52.5	39.3	34.4	29.9
P/B (x)	1.2	3.4	5.2	4.5
EV/EBITDA (x)	18.3	27.5	22.9	19.9
Dividend yield (%)	0.2	0.3	0.2	0.3

Source: Company data, Samsung Securities estimates

AT A GLANCE

BUY

Target price	KRW150,000	22.5%
Current price	**KRW122,400**	
Market cap	KRW6.0t/USD4.1b	
Shares (float)	49,083,901 (66.2%)	
52-week high/low	KRW137,800/KRW20,950	
Avg daily trading value (60-day)	KRW85.8b/ USD58.1m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Wonik IPS (%)	-2.1	120.9	444.0
Vs Kosdaq (%pts)	-3.2	64.7	232.4

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	150,000	150,000	0.0%
2026E EPS	3,521	3,541	-0.6%
2027E EPS	4,057	4,403	-7.9%

SAMSUNG vs THE STREET

No of estimates	7
Target price	142,286
Recommendation	4.0

※ Rating: 4 < → BUY, 3 = HOLD, 2 > → SELL

Maintaining BUY: We maintain our BUY rating and target price of KRW150,000, as: 1) we merely finetune our 2026 EPS forecasts; and 2) valuation multiples for the top-five global peers have change little.

1Q preview

(KRWb)	1Q26E	1Q25	Diff (% y-y)	4Q25	Diff (% q-q)	Consensus	Diff (%)
Sales	171.7	124.2	38.2	275.0	-37.6	181.2	-5.2
Operating profit	4.1	-7.4	nm	17.2	-76.0	6.5	-36.4
Pre-tax profit	8.6	-3.3	nm	38.6	-77.7	10.0	-13.4
Net profit	6.7	-4.7	nm	32.8	-79.5	4.3	55.3
Margins (%)							
Operating margin	2.4	-5.9		6.3		3.6	
Pre-tax margin	5.0	-2.7		14.1		5.5	
Net margin	3.9	-3.8		11.9		2.4	

Source: FnGuide, Samsung Securities estimates

Revisions to full-year forecasts

(KRWb)	New		Old		Diff (%)	
	2026E	2027E	2026E	2027E	2026E	2027E
Sales	1,358.1	1,513.9	1,361.9	1,511.1	-0.3	0.2
Operating profit	203.1	234.3	197.2	245.6	3.0	-4.6
Net profit	171.3	197.4	172.3	214.2	-0.6	-7.9

Source: Samsung Securities estimates

Summary income statement

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2025	2026E	2027E
Sales	**124.2**	**242.2**	**268.4**	**275.0**	**171.7**	**292.8**	**405.2**	**488.4**	**909.8**	**1,358.1**	**1,513.9**
Growth (% y-y)	9.1	56.3	45.4	-6.7	38.2	20.9	50.9	77.6	21.6	49.3	11.5
Growth (% q-q)	-57.9	95.0	10.8	2.4	-37.6	70.6	38.4	20.5			
Cost of goods sold	64.2	133.6	162.3	166.8	89.6	163.9	242.1	290.3	527.0	785.9	868.7
Gross profit	**60.0**	**108.6**	**106.1**	**108.2**	**82.0**	**128.9**	**163.1**	**198.1**	**382.8**	**572.2**	**645.2**
Gross margin (%)	48.3	44.8	39.5	39.3	47.8	44.0	40.2	40.6	42.1	42.1	42.6
SG&A expenses	67.4	72.1	78.6	91.0	77.9	86.5	92.9	111.8	309.0	369.0	410.9
Operating profit	**-7.4**	**36.5**	**27.5**	**17.2**	**4.1**	**42.5**	**70.2**	**86.4**	**73.8**	**203.1**	**234.3**
Operating margin (%)	-5.9	15.1	10.3	6.3	2.4	14.5	17.3	17.7	8.1	15.0	15.5
Non-operating profit	4.1	-3.6	10.4	21.4	4.5	4.2	4.1	3.7	32.3	16.5	18.7
Pre-tax profit	**-3.3**	**32.8**	**38.0**	**38.6**	**8.6**	**46.7**	**74.3**	**90.0**	**106.2**	**219.6**	**253.0**
Pre-tax margin (%)	-2.7	13.6	14.1	14.1	5.0	15.9	18.3	18.4	11.7	16.2	16.7
Net profit	**-4.7**	**27.7**	**28.3**	**32.8**	**6.7**	**36.4**	**58.0**	**70.2**	**84.0**	**171.3**	**197.4**
Net margin (%)	-3.8	11.4	10.5	11.9	3.9	12.4	14.3	14.4	9.2	12.6	13.0
EPS (KRW)	**-97**	**568**	**581**	**674**	**138**	**748**	**1,191**	**1,443**	**1,727**	**3,521**	**4,057**
Growth (% y-y)	nm	293.6	234.7	18.3	nm	31.7	105.0	114.0	305.4	103.9	15.2
Growth (% q-q)	nm	nm	2.3	16.0	-79.5	441.2	59.2	21.1			

Source: Company data, Samsung Securities estimates

Sales, by division

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2025	2026E	2027E
Semiconductor	94.1	217.6	197.4	198.2	133.3	265.9	338.0	414.5	707.3	1,151.7	1,295.8
Display	30.1	24.6	71.0	76.8	38.4	26.9	67.2	73.9	202.5	206.4	218.1
Total	124.2	242.2	268.4	275.0	171.7	292.8	405.2	488.4	909.8	1,358.1	1,513.9
Growth (% y-y)											
Semiconductor	75.8	89.8	73.5	72.1	77.6	90.8	83.4	84.9	77.7	84.8	85.6
Display	24.2	10.2	26.5	27.9	22.4	9.2	16.6	15.1	22.3	15.2	14.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Growth (% q-q)											
Semiconductor	-15.3	47.1	83.6	-5.9	41.6	22.2	71.2	109.1	22.6	62.8	12.5
Display	1,026.9	250.1	-7.8	-8.9	27.6	9.2	-5.4	-3.7	18.4	1.9	5.7
Total	9.1	56.3	45.4	-6.7	38.2	20.9	51.0	77.6	21.6	49.3	11.5

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Sales	**690**	**748**	**910**	**1,358**	**1,514**
Cost of goods sold	414	456	527	786	869
Gross profit	**276**	**292**	**383**	**572**	**645**
Gross margin (%)	40.0	39.1	42.1	42.1	42.6
SG&A expenses	294	282	309	369	411
Operating profit	**-18**	**11**	**74**	**203**	**234**
Operating margin (%)	-2.6	1.4	8.1	15.0	15.5
Non-operating gains (losses)	**-3**	**7**	**32**	**17**	**19**
Financial profit	8	6	35	17	17
Financial costs	4	11	1	1	1
Equity-method gains (losses)	-1	-2	1	0	0
Other	-5	14	-3	0	3
Pre-tax profit	**-21**	**17**	**106**	**220**	**253**
Taxes	-7	-3	22	48	56
Effective tax rate (%)	35.2	-19.1	20.8	22.0	22.0
Profit from continuing operations	-14	21	84	171	197
Profit from discontinued operations	0	0	0	0	0
Net profit	**-14**	**21**	**84**	**171**	**197**
Net margin (%)	-2.0	2.8	9.2	12.6	13.0
Net profit (controlling interests)	-14	21	84	171	197
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	27	52	113	243	274
EBITDA margin (%)	3.9	7.0	12.5	17.9	18.1
EPS (parent-based) (KRW)	-282	426	1,727	3,521	4,057
EPS (consolidated) (KRW)	-282	426	1,727	3,521	4,057
Adjusted EPS (KRW)*	-282	426	1,727	3,521	4,057

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Current assets	**588**	**645**	**699**	**884**	**1,062**
Cash & equivalents	54	135	107	240	355
Accounts receivable	22	23	38	67	67
Inventories	341	338	273	258	322
Other current assets	170	149	282	319	319
Fixed assets	**497**	**479**	**465**	**461**	**466**
Investment assets	32	35	39	39	39
Tangible assets	354	334	323	321	330
Intangible assets	22	27	28	24	21
Other long-term assets	89	82	76	76	76
Total assets	**1,085**	**1,124**	**1,165**	**1,345**	**1,528**
Current liabilities	**210**	**229**	**188**	**207**	**207**
Accounts payable	33	34	25	44	44
Short-term debt	0	0	0	0	0
Other current liabilities	177	195	163	163	163
Long-term liabilities	**9**	**8**	**7**	**7**	**7**
Bonds & long-term debt	0	0	0	0	0
Other long-term liabilities	9	8	7	7	7
Total liabilities	**218**	**237**	**195**	**213**	**213**
Owners of parent equity	**867**	**887**	**970**	**1,132**	**1,314**
Capital stock	25	25	25	25	25
Capital surplus	357	357	357	357	357
Retained earnings	494	515	597	759	941
Other	-9	-9	-9	-9	-9
Non-controlling interests' equity	**0**	**0**	**0**	**0**	**0**
Total equity	**867**	**887**	**970**	**1,132**	**1,314**
Net debt	-82	-131	-211	-381	-495

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Cash flow from operations	**-12**	**78**	**157**	**178**	**174**
Net profit	-14	21	84	171	197
Non-cash profit and expenses	71	66	61	40	40
Depreciation	38	39	36	36	37
Amortization	7	3	3	3	3
Other	26	24	21	0	0
Changes in A/L from operating activities	-58	-10	18	-33	-63
Cash flow from investments	**-46**	**5**	**-179**	**-35**	**-45**
Change in tangible assets	-60	-20	-26	-35	-45
Change in financial assets	22	29	-105	0	0
Other	-8	-3	-48	0	0
Cash flow from financing	**14**	**-3**	**-6**	**-10**	**-15**
Change in debt	6	-1	-2	0	0
Change in equity	6	0	0	0	0
Dividends	-10	0	-2	-10	-15
Other	11	-3	-1	0	0
Change in cash	-44	81	-28	133	114
Cash at beginning of year	98	54	135	107	240
Cash at end of year	54	135	107	240	355
Gross cash flow	**58**	**87**	**145**	**211**	**237**
Free cash flow	**-72**	**57**	**131**	**143**	**129**

Financial ratios

Year-end Dec 31	2023	2024	2025	2026E	2027E
Growth (%)					
Sales	-31.8	8.4	21.6	49.3	11.5
Operating profit	nm	nm	593.6	175.2	15.3
Net profit	nm	nm	305.0	103.9	15.2
Adjusted EPS**	nm	nm	305.0	103.9	15.2
Per-share data (KRW)					
EPS (parent-based)	-282	426	1,727	3,521	4,057
EPS (consolidated)	-282	426	1,727	3,521	4,057
Adjusted EPS**	-282	426	1,727	3,521	4,057
BVPS	18,035	18,240	19,936	23,257	27,014
DPS (common)	0	50	200	300	400
Valuations (x)					
P/E***	n/a	52.5	39.3	34.4	29.9
P/B***	1.9	1.2	3.4	5.2	4.5
EV/EBITDA	58.3	18.3	27.5	22.9	19.9
Ratios (%)					
ROE	-1.6	2.4	9.0	16.3	16.1
ROA	-1.2	1.9	7.3	13.7	13.7
ROIC	-1.8	1.9	9.4	26.9	29.3
Payout ratio	0.0	11.7	11.6	8.5	9.9
Dividend yield (common)	0.0	0.2	0.3	0.2	0.3
Net debt to equity	-9.4	-14.8	-21.7	-33.7	-37.7
Interest coverage (x)	-37.4	27.6	6,745.3	n/a	n/a

Note: *Excluding one-off items;
**Fully diluted, excluding one-off items;
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

COMPANY UPDATE

2026. 4. 21

Tech Team

Richard Moon
Senior Analyst
joonho.moon@samsung.com

Seungho Jeong
Research Associate
seungho1.jeong@samsung.com

Scan to go to
Research Center report database

Eugene Technology (084370)

Clients bringing capacity expansions forward

- We believe Eugene Technology's 1Q sales and operating profit came in at KRW97.2b and KRW15.7b, respectively, for an operating margin of 16.1%.
- Market earnings estimates could be revised up as DRAM capacity expansion timelines are being brought forward repeatedly.
- We increase our target price to KRW160,000 and reiterate our BUY rating.

WHAT'S THE STORY?

1Q preview: We believe Eugene Technology's sales slipped 3% q-q to KRW97.2b in 1Q, with operating profit coming in at KRW15.7b (below Bloomberg consensus), for an operating margin of 16.1%. Growth likely remained limited as all three major DRAM chipmakers have limited capacity expansions planned in the near term. Despite an absence of one-off costs (observed in 4Q25), operating margin likely crept down q-q due to steady increases in R&D investment since last year.

2026 earnings outlook: We forecast 2026 sales and operating profit at KRW516.9b and KRW118.9b, respectively, for an operating margin of 23%. Earnings should be weak in 1H and strong in 2H, aligned with DRAM capacity ramp-ups at major clients. Meaningful contribution from domestic DRAM fab expansions should resume from 2Q, driving up quarterly sales through year-end. A key US client, previously constrained by cleanroom capacity, is working to make up for delays at its Idaho fab following its acquisition of PSMC's fab. Depending on equipment delivery timelines, this could provide additional upside to earnings estimates for Eugene Technology.

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW160,000	23.7%
Current price	KRW129,300	
Market cap	KRW3.0t/USD2.0b	
Shares (float)	22,916,042 (62.2%)	
52-week high/low	KRW148,000/KRW31,150	
Avg daily trading value (60-day)	KRW33.8b/ USD22.9m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Eugene Technology (%)	-0.1	46.9	286.0
Vs Kosdaq (%pts)	-1.2	9.5	135.8

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	160,000	130,000	23.1%
2026E EPS	4,769	4,370	9.1%
2027E EPS	5,995	4,847	23.7%

SAMSUNG vs THE STREET

No of estimates	1
Target price	130,000
Recommendation	4.0

※ Rating: 4 < → BUY, 3 = HOLD, 2 > → SELL

SUMMARY FINANCIAL DATA

(KRWb)	2024	2025	2026E	2027E
Revenue	338	350	517	620
Operating profit	61	52	119	154
Net profit (adj)	63	42	108	135
EPS (adj) (KRW)	2,845	1,906	4,769	5,995
EPS (adj) growth (% y-y)	158.9	-33.0	150.2	25.7
EBITDA margin (%)	23.4	19.7	26.3	27.5
ROE (%)	16.8	9.8	21.1	21.6
P/E (adj) (x)	11.0	39.3	25.2	20.0
P/B (x)	1.7	3.6	4.8	3.9
EV/EBITDA (x)	6.1	20.7	17.5	13.1
Dividend yield (%)	0.7	0.3	0.2	0.3

Source: Company data, Samsung Securities estimates

Raising target price: We increase our target price to KRW160,000 and maintain our BUY rating on the stock, factoring in: 1) our new earnings forecasts; and 2) the rerating of global semiconductor equipment peers. Our target price is based on 32x 2026 P/E, the average multiple at which Applied Materials and Tokyo Electron are trading.

1Q preview

(KRWb)	1Q26E	1Q25	Diff (% y-y)	4Q25	Diff (% q-q)	Consensus	Diff (%)
Sales	97.2	83.2	16.9	99.9	-2.7	109.4	-11.1
Operating profit	15.7	9.2	70.3	17.5	-10.7	22.4	-30.1
Pre-tax profit	20.3	11.0	84.9	21.5	-5.7	24.5	-17.4
Net profit	15.9	7.5	110.8	16.4	-3.0	18.6	-14.8
Margins (%)							
Operating margin	16.1	11.1		17.6		20.5	
Pre-tax margin	20.8	13.2		21.5		22.4	
Net margin	16.3	9.1		16.4		17.1	

Source: FnGuide, Samsung Securities estimates

Revisions to full-year forecasts

(KRWb)	New		Old		Diff (%)	
	2026E	2027E	2026E	2027E	2026E	2027E
Sales	516.9	620.4	527.2	558.2	-2.0	11.1
Operating profit	118.9	154.3	119.9	133.8	-0.8	15.3
Net profit	107.6	135.3	97.3	107.9	10.6	25.4

Source: Samsung Securities estimates

Summary income statement

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2025	2026E	2027E
Sales	**83.2**	**104.9**	**62.3**	**99.9**	**97.2**	**125.3**	**137.0**	**157.3**	**350.3**	**516.9**	**620.4**
Growth (% y-y)	21.6	35.0	-19.5	-12.8	16.9	19.5	119.7	57.5	3.6	47.5	20.0
Growth (% q-q)	-27.4	26.2	-40.6	60.2	-2.7	28.9	9.3	14.9			
Cost of goods sold	42.2	55.1	29.8	52.3	51.4	62.6	69.4	77.6	179.4	261.0	310.3
Gross profit	**41.0**	**49.8**	**32.6**	**47.6**	**45.9**	**62.7**	**67.6**	**79.7**	**170.9**	**255.9**	**310.0**
Gross margin (%)	49.3	47.4	52.2	47.7	47.2	50.1	49.3	50.7	48.8	49.5	50.0
SG&A expenses	31.8	30.0	27.4	30.1	30.2	34.8	34.4	37.5	119.3	136.9	155.7
Operating profit	**9.2**	**19.7**	**5.2**	**17.5**	**15.7**	**27.9**	**33.1**	**42.2**	**51.7**	**118.9**	**154.3**
Operating margin (%)	11.1	18.8	8.3	17.6	16.1	22.3	24.2	26.8	14.7	23.0	24.9
Non-operating profit	1.8	-8.4	5.3	3.9	4.6	4.6	4.6	4.6	2.5	18.3	18.2
Pre-tax profit	**11.0**	**11.3**	**10.4**	**21.5**	**20.3**	**32.5**	**37.7**	**46.8**	**54.2**	**137.3**	**172.6**
Pre-tax margin (%)	13.2	10.8	16.7	21.5	20.8	25.9	27.5	29.7	15.5	26.6	27.8
Net profit	**7.5**	**10.7**	**7.9**	**16.4**	**15.9**	**25.5**	**29.6**	**36.7**	**42.5**	**107.6**	**135.3**
Net margin (%)	9.1	10.2	12.6	16.4	16.3	20.3	21.6	23.3	12.1	20.8	21.8
EPS (KRW)	**339**	**480**	**354**	**725**	**704**	**1,129**	**1,310**	**1,626**	**1,906**	**4,769**	**5,995**
Growth (% y-y)	26.9	-11.5	-21.5	-54.2	107.9	135.3	270.3	124.1	-33.0	150.2	25.7
Growth (% q-q)	-78.6	41.7	-26.3	105.0	-3.0	60.4	16.0	24.1			

Source: Company data, Samsung Securities estimates

Sales and operating profit, by division

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2025	2026E	2027E
Sales											
Equipment and other	79.6	101.0	58.9	95.9	92.7	120.5	132.5	152.4	335.5	498.0	597.5
Gas	3.6	3.9	3.5	4.0	4.6	4.9	4.5	5.0	14.9	18.9	22.9
Total	83.2	104.9	62.3	99.9	97.2	125.3	137.0	157.3	350.3	516.9	620.4
Operating profit											
Equipment and other	7.8	18.5	4.0	16.3	14.2	26.3	31.7	40.6	46.6	112.7	146.8
Gas	1.4	1.3	1.1	1.3	1.5	1.6	1.5	1.6	5.1	6.2	7.5
Total	9.2	19.7	5.2	17.5	15.7	27.9	33.1	42.2	51.7	118.9	154.3
Operating margin (%)											
Equipment and other	9.8	18.3	6.9	17.0	15.3	21.8	23.9	26.6	13.9	22.6	24.6
Gas	39.7	32.5	33.2	31.9	33.0	33.0	33.0	33.0	34.2	33.0	33.0
Total	11.1	18.8	8.3	17.6	16.1	22.3	24.2	26.8	14.7	23.0	24.9

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Sales	**277**	**338**	**350**	**517**	**620**
Cost of goods sold	151	172	179	261	310
Gross profit	**126**	**166**	**171**	**256**	**310**
Gross margin (%)	45.4	49.0	48.8	49.5	50.0
SG&A expenses	101	105	119	137	156
Operating profit	**24**	**61**	**52**	**119**	**154**
Operating margin (%)	8.8	18.1	14.7	23.0	24.9
Non-operating gains (losses)	**7**	**16**	**3**	**18**	**18**
Financial profit	7	8	8	8	8
Financial costs	0	2	1	0	0
Equity-method gains (losses)	0	0	0	0	0
Other	1	9	-4	11	11
Pre-tax profit	**32**	**77**	**54**	**137**	**173**
Taxes	6	11	10	27	35
Effective tax rate (%)	20.1	14.9	18.0	20.0	20.0
Profit from continuing operations	25	65	44	110	138
Profit from discontinued operations	0	0	0	0	0
Net profit	**25**	**65**	**44**	**110**	**138**
Net margin (%)	9.2	19.4	12.7	21.2	22.3
Net profit (controlling interests)	24	63	42	108	135
Net profit (non-controlling interests)	1	2	2	2	3
EBITDA	43	79	69	136	171
EBITDA margin (%)	15.6	23.4	19.7	26.3	27.5
EPS (parent-based) (KRW)	1,099	2,845	1,906	4,769	5,995
EPS (consolidated) (KRW)	1,099	2,845	1,906	4,769	5,995
Adjusted EPS (KRW)*	1,099	2,845	1,906	4,769	5,995

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Current assets	**300**	**391**	**428**	**549**	**687**
Cash & equivalents	44	30	55	124	264
Accounts receivable	8	45	40	61	60
Inventories	102	107	91	103	103
Other current assets	146	209	241	261	260
Fixed assets	**137**	**148**	**153**	**146**	**140**
Investment assets	2	2	1	1	1
Tangible assets	92	91	93	90	88
Intangible assets	36	39	42	38	34
Other long-term assets	7	16	16	16	16
Total assets	**437**	**539**	**581**	**695**	**826**
Current liabilities	**57**	**83**	**67**	**77**	**77**
Accounts payable	17	23	24	34	34
Short-term debt	0	0	0	0	0
Other current liabilities	40	60	42	42	42
Long-term liabilities	**12**	**20**	**22**	**22**	**22**
Bonds & long-term debt	0	0	0	0	0
Other long-term liabilities	12	20	22	22	22
Total liabilities	**69**	**104**	**89**	**99**	**99**
Owners of parent equity	**345**	**406**	**460**	**562**	**690**
Capital stock	11	11	11	11	11
Capital surplus	6	6	20	20	20
Retained earnings	332	390	426	528	657
Other	-4	-1	2	2	2
Non-controlling interests' equity	**24**	**30**	**32**	**34**	**37**
Total equity	**368**	**436**	**491**	**596**	**727**
Net debt	-179	-214	-272	-361	-501

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Cash flow from operations	**48**	**62**	**66**	**84**	**157**
Net profit	25	65	44	110	138
Non-cash profit and expenses	46	43	45	17	17
Depreciation	13	13	13	13	13
Amortization	6	5	5	4	4
Other	27	25	27	-0	0
Changes in A/L from operating activities	-18	-50	-21	-43	3
Cash flow from investments	**-43**	**-76**	**-55**	**-10**	**-10**
Change in tangible assets	-12	-9	-13	-10	-10
Change in financial assets	-29	-61	-32	0	0
Other	-2	-6	-9	0	0
Cash flow from financing	**-7**	**3**	**14**	**-5**	**-7**
Change in debt	-1	12	-1	0	0
Change in equity	0	0	14	0	0
Dividends	-6	-4	-5	-5	-7
Other	-0	-5	6	0	0
Change in cash	-2	-14	25	69	140
Cash at beginning of year	46	44	30	55	124
Cash at end of year	44	30	55	124	264
Gross cash flow	**72**	**109**	**89**	**127**	**155**
Free cash flow	**36**	**52**	**53**	**74**	**147**

Financial ratios

Year-end Dec 31	2023	2024	2025	2026E	2027E
Growth (%)					
Sales	-11.0	22.3	3.6	47.5	20.0
Operating profit	-54.7	151.5	-15.5	130.2	29.7
Net profit	-40.4	157.7	-32.0	146.9	25.7
Adjusted EPS**	-35.2	158.9	-33.0	150.2	25.7
Per-share data (KRW)					
EPS (parent-based)	1,099	2,845	1,906	4,769	5,995
EPS (consolidated)	1,099	2,845	1,906	4,769	5,995
Adjusted EPS**	1,099	2,845	1,906	4,769	5,995
BVPS	15,518	18,267	20,578	24,905	30,601
DPS (common)	200	230	230	300	400
Valuations (x)					
P/E***	37.1	11.0	39.3	25.2	20.0
P/B***	2.6	1.7	3.6	4.8	3.9
EV/EBITDA	17.4	6.1	20.7	17.5	13.1
Ratios (%)					
ROE	7.3	16.8	9.8	21.1	21.6
ROA	5.8	13.4	7.9	17.2	18.1
ROIC	9.7	24.2	18.2	39.5	50.4
Payout ratio	18.2	8.1	12.3	6.3	6.7
Dividend yield (common)	0.5	0.7	0.3	0.2	0.3
Net debt to equity	-48.5	-49.1	-55.4	-60.6	-68.9
Interest coverage (x)	59.7	52.0	44.5	n/a	n/a

Note: *Excluding one-off items;
**Fully diluted, excluding one-off items;
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

COMPANY UPDATE

2026. 4. 21

Tech Team

Richard Moon
Senior Analyst
joonho.moon@samsung.com

Seungho Jeong
Research Associate
seungho1.jeong@samsung.com

Scan to go to
Research Center report database

TES (095610)

Eyeing a six-figure share price

- We now expect TES to post 1Q results showing sales of KRW96b and operating profit of KRW19.6b, for an operating margin of 20.4%.
- Chipmakers' memory capex is accelerating, and the firm's new equipment should start making sales from 2H, supported by positive feedback from multiple customers.
- We increase our target price to KRW110,000 and maintain our BUY rating.

AT A GLANCE

BUY

Target price	KRW110,000	21.8%
Current price	**KRW90,300**	
Market cap	KRW1.7t/USD1.2b	
Shares (float)	19,360,000 (62.1%)	
52-week high/low	KRW90,300/KRW20,150	
Avg daily trading value (60-day)	KRW32.0b/ USD21.7m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
TES (%)	37.2	82.6	344.8
Vs Kosdaq (%pts)	35.7	36.1	171.8

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	110,000	90,000	22.2%
2026E EPS	4,492	4,744	-1.1%
2027E EPS	5,641	5,069	11.3%

SAMSUNG vs THE STREET

No of estimates	7
Target price	86,286
Recommendation	4.0

※ Rating: 4 < → BUY, 3 = HOLD, 2 > → SELL

WHAT'S THE STORY?

1Q preview: We believe TES will report in-line 1Q results, with sales of KRW96b (down 18% q-q) and operating profit of KRW19.6b, for an operating margin of 20.4%. The probable decline in sales reflects: 1) small deliveries of DRAM equipment to domestic customers; 2) a lack of exports; and 3) a temporary pause in NAND upgrade activity.

2026 earnings outlook: We expect full-year sales to increase 26% y-y to KRW440.7b, with operating profit reaching KRW96b. Operating margin should hit 21.8% for the full year, as growing capex of clients at home and abroad improved operating leverage. Sales from NAND upgrade activity should hold steady y-y, making modest but steady contributions to overall revenue. More importantly, back side deposition (BSD) equipment should begin to generate sales in earnest in 2H, following early positive feedback from multiple customers across diverse applications.

(Continued on the next page)

SUMMARY FINANCIAL DATA

(KRWb)	2024	2025	2026E	2027E
Revenue	240	351	441	506
Operating profit	38	58	96	117
Net profit (adj)	43	57	83	100
EPS (adj) (KRW)	2,432	3,244	4,692	5,641
EPS (adj) growth (% y-y)	2,632.6	33.4	44.6	20.2
EBITDA margin (%)	18.4	18.7	24.6	25.7
ROE (%)	13.6	15.8	19.5	20.0
P/E (adj) (x)	6.4	13.7	18.8	15.6
P/B (x)	0.8	2.0	3.4	2.9
EV/EBITDA (x)	5.8	12.4	14.4	11.4
Dividend yield (%)	3.9	1.9	1.1	1.3

Source: Company data, Samsung Securities estimates

Raising target price: We increase our target price to KRW110,000 and reiterate our BUY rating on the stock. Considering the firm's ability to sustain margins above 20% and its equipment portfolio expansion, we revise up our target multiple from 18x P/E (two standard deviations above the 5-year average) to 23x (three standard deviations above). This year, many semiconductor equipment suppliers have been trading at valuations far exceeding their historical averages, and we do not think TES will be sidelined from the reratings. Our target multiple of 23x P/E is undemanding—a 30% discount to the average (32x) at which Applied Materials and Tokyo Electron are trading.

1Q preview

(KRWb)	1Q26E	1Q25	Diff (% y-y)	4Q25	Diff (% q-q)	Consensus	Diff (%)
Sales	96.0	84.5	13.6	117.0	-18.0	96.7	-0.8
Operating profit	19.6	16.3	20.5	12.8	53.4	20.1	-2.4
Pre-tax profit	21.7	15.3	41.5	14.9	45.6	21.9	-1.0
Net profit	17.4	15.9	9.5	10.1	72.6	19.6	-11.4
Margins (%)							
Operating margin	20.4	19.3		10.9		20.8	
Pre-tax margin	22.6	18.2		12.7		22.7	
Net margin	18.1	18.8		8.6		20.3	

Source: FnGuide, Samsung Securities estimates

Revisions to full-year forecasts

(KRWb)	New		Old		Diff (%)	
	2026E	2027E	2026E	2027E	2026E	2027E
Sales	440.7	505.8	421.0	448.8	4.7	12.7
Operating profit	96.0	117.1	93.5	100.1	2.7	17.0
Net profit	83.2	100.0	82.2	87.8	1.2	13.9

Source: Samsung Securities estimates

Summary income statement

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2025	2026E	2027E
Sales	**84.5**	**82.1**	**67.6**	**117.0**	**96.0**	**110.0**	**109.9**	**124.8**	**351.1**	**440.7**	**505.8**
Growth (% y-y)	100.4	35.6	33.0	35.1	13.6	34.0	62.6	6.7	46.3	25.5	14.8
Growth (% q-q)	-2.4	-2.9	-17.7	73.1	-18.0	14.6	-0.1	13.6			
Cost of goods sold	61.7	54.9	52.0	90.4	69.2	76.5	76.9	91.4	259.0	314.0	357.7
Gross profit	**22.8**	**27.2**	**15.5**	**26.5**	**26.8**	**33.5**	**33.0**	**33.4**	**92.1**	**126.7**	**148.1**
Gross margin (%)	27.0	33.1	23.0	22.7	27.9	30.4	30.0	26.8	26.2	28.7	29.3
SG&A expenses	6.6	6.8	7.1	13.8	7.2	7.4	7.5	8.5	34.3	30.7	31.0
Operating profit	**16.3**	**20.4**	**8.4**	**12.8**	**19.6**	**26.1**	**25.4**	**24.9**	**57.8**	**96.0**	**117.1**
Operating margin (%)	19.3	24.8	12.5	10.9	20.4	23.7	23.2	19.9	16.5	21.8	23.2
Non-operating profit	-0.9	1.3	5.5	2.1	2.1	2.0	1.9	2.0	7.9	8.0	7.9
Pre-tax profit	**15.3**	**21.6**	**13.9**	**14.9**	**21.7**	**28.1**	**27.3**	**26.9**	**65.8**	**104.0**	**125.0**
Pre-tax margin (%)	18.2	26.4	20.6	12.7	22.6	25.5	24.9	21.5	18.7	23.6	24.7
Net profit	**15.9**	**18.9**	**12.1**	**10.1**	**17.4**	**22.5**	**21.9**	**21.5**	**56.9**	**83.2**	**100.0**
Net margin (%)	18.8	23.0	17.9	8.6	18.1	20.4	19.9	17.2	16.2	18.9	19.8
EPS (KRW)	**904**	**1,077**	**690**	**572**	**979**	**1,267**	**1,233**	**1,213**	**3,244**	**4,692**	**5,641**
Growth (% y-y)	129.9	46.3	385.9	-50.6	8.3	17.6	78.7	111.9	33.4	44.6	20.2
Growth (% q-q)	-22.0	19.1	-36.0	-17.0	71.1	29.4	-2.7	-1.6			

Source: Company data, Samsung Securities estimates

Sales, by segment

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2025	2026E	2027E
Semiconductor	84.2	81.8	67.3	110.5	95.6	109.6	109.5	121.8	343.7	436.5	500.4
Display	0.3	0.3	0.3	6.5	0.4	0.4	0.4	3.0	7.4	4.2	5.4
Total	84.5	82.1	67.6	117.0	96.0	110.0	109.9	124.8	351.1	440.7	505.8
Share (%)											
Semiconductor	99.6	99.6	99.6	94.4	99.6	99.6	99.6	97.6	97.9	99.0	98.9
Display	0.4	0.4	0.4	5.6	0.4	0.4	0.4	2.4	2.1	1.0	1.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Growth (% y-y)											
Semiconductor	101.0	35.5	32.9	32.1	13.5	34.1	62.7	10.3	45.3	27.0	14.7
Display	9.5	58.7	68.1	120.5	28.2	28.6	46.0	-53.9	106.0	-43.2	27.4
Total	100.4	35.6	33.0	35.1	13.6	34.0	62.6	6.7	46.3	25.5	14.8
Growth (% q-q)											
Semiconductor	0.6	-2.9	-17.7	64.2	-13.5	14.7	-0.1	11.3			
Display	-89.4	-0.3	-11.9	2,273.4	-93.8	0.0	0.0	650.0			
Total	-2.4	-2.9	-17.7	73.1	-18.0	14.6	-0.1	13.6			

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Sales	**147**	**240**	**351**	**441**	**506**
Cost of goods sold	134	176	259	314	358
Gross profit	**13**	**65**	**92**	**127**	**148**
Gross margin (%)	8.7	26.9	26.2	28.7	29.3
SG&A expenses	19	26	34	31	31
Operating profit	**-6**	**38**	**58**	**96**	**117**
Operating margin (%)	-4.0	16.0	16.5	21.8	23.2
Non-operating gains (losses)	**8**	**11**	**8**	**8**	**8**
Financial profit	11	17	19	17	18
Financial costs	3	4	9	7	8
Equity-method gains (losses)	0	0	0	0	0
Other	0	-1	-2	-1	-2
Pre-tax profit	**2**	**50**	**66**	**104**	**125**
Taxes	1	7	9	21	25
Effective tax rate (%)	31.0	14.4	13.5	20.0	20.0
Profit from continuing operations	2	43	57	83	100
Profit from discontinued operations	0	0	0	0	0
Net profit	**2**	**43**	**57**	**83**	**100**
Net margin (%)	1.1	17.8	16.2	18.9	19.8
Net profit (controlling interests)	2	43	57	83	100
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	-0	44	66	108	130
EBITDA margin (%)	-0.3	18.4	18.7	24.6	25.7
EPS (parent-based) (KRW)	89	2,432	3,244	4,692	5,641
EPS (consolidated) (KRW)	89	2,432	3,244	4,692	5,641
Adjusted EPS (KRW)*	89	2,432	3,244	4,692	5,641

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Current assets	**194**	**183**	**215**	**296**	**377**
Cash & equivalents	21	12	12	66	137
Accounts receivable	6	35	26	21	23
Inventories	53	41	43	46	51
Other current assets	114	95	134	163	167
Fixed assets	**128**	**198**	**272**	**275**	**277**
Investment assets	50	71	117	117	117
Tangible assets	59	110	136	139	141
Intangible assets	5	5	5	5	4
Other long-term assets	13	13	14	14	14
Total assets	**322**	**381**	**487**	**570**	**654**
Current liabilities	**21**	**37**	**48**	**62**	**64**
Accounts payable	10	13	1	15	17
Short-term debt	0	6	6	6	6
Other current liabilities	11	18	41	41	41
Long-term liabilities	**2**	**13**	**48**	**48**	**48**
Bonds & long-term debt	0	10	46	46	46
Other long-term liabilities	2	3	2	2	2
Total liabilities	**23**	**51**	**96**	**110**	**112**
Owners of parent equity	**299**	**331**	**392**	**460**	**542**
Capital stock	10	10	10	10	10
Capital surplus	57	57	64	64	64
Retained earnings	281	320	356	425	507
Other	-50	-57	-39	-39	-39
Non-controlling interests' equity	**0**	**0**	**0**	**0**	**0**
Total equity	**299**	**331**	**392**	**460**	**542**
Net debt	-87	-48	-61	-144	-218

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Cash flow from operations	**29**	**31**	**82**	**84**	**103**
Net profit	2	43	57	83	100
Non-cash profit and expenses	-2	6	23	12	13
Depreciation	5	5	7	12	12
Amortization	1	1	0	0	0
Other	-8	-0	15	0	0
Changes in A/L from operating activities	30	-25	-4	-12	-10
Cash flow from investments	**-35**	**-50**	**-118**	**-15**	**-15**
Change in tangible assets	-17	-55	-33	-15	-15
Change in financial assets	-69	16	-52	0	0
Other	51	-12	-33	0	0
Cash flow from financing	**-7**	**10**	**36**	**-15**	**-18**
Change in debt	-0	16	41	0	0
Change in equity	0	0	7	0	0
Dividends	-9	-9	-11	-15	-18
Other	2	3	-1	0	0
Change in cash	-13	-9	0	54	70
Cash at beginning of year	34	21	12	12	66
Cash at end of year	21	12	12	66	137
Gross cash flow	**-1**	**48**	**80**	**96**	**113**
Free cash flow	**11**	**-24**	**50**	**69**	**88**

Financial ratios

Year-end Dec 31	2023	2024	2025	2026E	2027E
Growth (%)					
Sales	-59.0	63.4	46.3	25.5	14.8
Operating profit	nm	nm	50.3	65.9	22.0
Net profit	-96.7	2,623.8	33.4	46.2	20.2
Adjusted EPS**	-96.6	2,632.6	33.4	44.6	20.2
Per-share data (KRW)					
EPS (parent-based)	89	2,432	3,244	4,692	5,641
EPS (consolidated)	89	2,432	3,244	4,692	5,641
Adjusted EPS**	89	2,432	3,244	4,692	5,641
BVPS	17,040	18,843	22,323	25,940	30,581
DPS (common)	500	600	850	1,000	1,100
Valuations (x)					
P/E***	225.8	6.4	13.7	18.8	15.6
P/B***	1.2	0.8	2.0	3.4	2.9
EV/EBITDA	n/a	5.8	12.4	14.4	11.4
Ratios (%)					
ROE	0.5	13.6	15.8	19.5	20.0
ROA	0.5	12.1	13.1	15.7	16.3
ROIC	-3.0	21.5	25.8	39.4	48.9
Payout ratio	560.1	24.7	26.5	21.3	19.5
Dividend yield (common)	2.5	3.9	1.9	1.1	1.2
Net debt to equity	-29.0	-14.4	-15.6	-31.3	-40.2
Interest coverage (x)	-399.1	490.4	91.2	46.5	56.7

Note: *Excluding one-off items;
**Fully diluted, excluding one-off items;
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

COMPANY UPDATE

2026. 4. 21

Tech Team

Richard Moon
Senior Analyst
joonho.moon@samsung.com

Seungho Jeong
Research Associate
seungho1.jeong@samsung.com

Scan to go to
Research Center report database

Park Systems (140860)

Even in memory, advanced nodes matter

- We believe Park Systems recorded 1Q sales of KRW38.4b and an operating profit of KRW2.7b (for a margin of 7%).
- Narratives around new equipment remain intact amid advances in semiconductor processes and architectures.
- We maintain our BUY rating and reiterate our target price of KRW370,000.

WHAT'S THE STORY?

1Q preview: We believe Park Systems saw 1Q sales of KRW38.4b (down 32% q-q) and an operating profit of KRW2.7b (for a margin of 7%), falling far short of FnGuide consensus. While this appears to represent a return to historical seasonality (weak in 1Q and 3Q; strong in 2Q and 4Q), it actually mirrors the broader equipment sector's capex timeline. The underlying narratives remain intact, with Hybrid-WLI equipment sales believed to have materialized. That said, substantial fixed-cost pressures are likely to result in a disproportionate decline in profitability relative to the top line.

2026 outlook: We expect the company's full-year sales to grow 22% y-y to KRW250.1b and operating profit to reach KRW61.7b (for a margin of 24.7%). With Park Systems having emerged as a leading beneficiary of process node scaling, investors widely perceive the company to have dominant exposure to foundries. Yet, DRAM continues to advance through node shrinks, and the company has stated that, over the long term, memory and non-memory sales will be roughly balanced. As a result, its performance is also influenced by memory capacity expansion timelines, meaning it too is poised for steep growth in 2H.

(Continued on the next page)

SUMMARY FINANCIAL DATA

(KRWb)	2024	2025	2026E	2027E
Revenue	175	206	250	299
Operating profit	39	42	62	80
Net profit (adj)	43	34	57	72
EPS (adj) (KRW)	6,175	4,963	8,154	10,317
EPS (adj) growth (% y-y)	73.8	-19.6	64.3	26.5
EBITDA margin (%)	25.7	24.3	29.2	31.1
ROE (%)	25.8	16.7	22.5	23.0
P/E (adj) (x)	34.3	42.1	32.2	25.4
P/B (x)	7.8	6.4	6.6	5.3
EV/EBITDA (x)	31.5	29.2	24.6	18.7
Dividend yield (%)	0.2	0.2	0.2	0.3

Source: Company data, Samsung Securities estimates

AT A GLANCE

BUY

Target price	KRW370,000	38.6%
Current price	KRW267,000	
Market cap	KRW1.9t/USD1.3b	
Shares (float)	6,997,557 (66.4%)	
52-week high/low	KRW307,000/KRW195,700	
Avg daily trading value (60-day)	KRW13.7b/ USD9.3m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Park Systems (%)	-2.2	12.4	36.4
Vs Kosdaq (%pts)	-3.3	-16.2	-16.6

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	370,000	370,000	0.0%
2026E EPS	8,154	8,927	-8.7%
2027E EPS	10,317	11,110	-7.1%

SAMSUNG vs THE STREET

No of estimates	8
Target price	338,125
Recommendation	4.0

※ Rating: 4 < → BUY, 3 = HOLD, 2 > → SELL

Meanwhile, narratives around new equipment—particularly the increasing adoption of Hybrid-WLI equipment and the introduction of mask equipment into foundry production lines—are gaining momentum, with sustained expectations for rising sales contribution. TSH equipment, once a focal point for investor optimism, also remains poised to deliver additional sales this year, driven by advances in non-memory packaging technologies.

Maintaining BUY: We maintain our BUY rating and target price of KRW370,000.

1Q preview

(KRWb)	1Q26E	1Q25	Diff (% y-y)	4Q25	Diff (% q-q)	Consensus	Diff (%)
Sales	38.4	50.9	-24.6	56.8	-32.4	46.2	-16.9
Operating profit	2.7	13.2	-79.5	8.4	-68.1	6.9	-61.1
Pre-tax profit	4.5	15.2	-70.2	9.8	-54.0	7.5	-39.6
Net profit	3.8	15.0	-74.3	5.8	-33.6	7.4	-47.9
Margins (%)							
Operating margin	7.0	25.8		14.9		15.0	
Pre-tax margin	11.8	29.8		17.3		16.2	
Net margin	10.0	29.4		10.2		16.0	

Source: FnGuide, Samsung Securities estimates

Revisions to full-year forecasts

(KRWb)	New		Old		Diff (%)	
	2026E	2027E	2026E	2027E	2026E	2027E
Sales	250.1	298.9	250.4	302.4	-0.1	-1.1
Operating profit	61.7	80.0	63.7	81.5	-3.0	-1.9
Net profit	56.7	71.7	62.0	77.2	-8.6	-7.1

Source: Samsung Securities estimates

Summary income statement

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2025	2026E	2027E
Sales	**50.9**	**52.3**	**45.6**	**56.8**	**38.4**	**60.2**	**69.8**	**81.8**	**205.6**	**250.1**	**298.9**
Growth (% y-y)	98.4	17.0	10.3	-10.3	-24.6	15.0	52.9	44.1	17.5	21.7	19.5
Growth (% q-q)	-19.6	2.7	-12.8	24.4	-32.4	56.8	15.9	17.3			
Cost of goods sold	15.8	18.0	14.5	20.8	12.6	19.3	22.3	27.2	69.1	81.4	97.0
Gross profit	**35.1**	**34.3**	**31.1**	**36.0**	**25.7**	**40.9**	**47.5**	**54.6**	**136.5**	**168.8**	**202.0**
Gross margin (%)	69.0	65.5	68.1	63.4	67.1	67.9	68.1	66.8	66.4	67.5	67.6
SG&A expenses	22.0	22.3	22.5	27.6	23.1	25.7	27.0	31.2	94.3	107.0	122.0
Operating profit	**13.2**	**12.0**	**8.6**	**8.4**	**2.7**	**15.1**	**20.5**	**23.4**	**42.2**	**61.7**	**80.0**
Operating margin (%)	25.8	22.9	18.9	14.9	7.0	25.2	29.4	28.6	20.5	24.7	26.8
Non-operating profit	2.0	-5.9	1.5	1.4	1.8	1.0	1.1	1.0	-1.0	5.0	4.4
Pre-tax profit	**15.2**	**6.1**	**10.1**	**9.8**	**4.5**	**16.2**	**21.5**	**24.5**	**41.2**	**66.7**	**84.4**
Pre-tax margin (%)	29.8	11.6	22.2	17.3	11.8	26.9	30.9	29.9	20.0	26.7	28.2
Net profit	**15.0**	**4.0**	**9.7**	**5.8**	**3.8**	**13.7**	**18.3**	**20.8**	**34.5**	**56.7**	**71.7**
Net margin (%)	29.4	7.7	21.2	10.2	10.0	22.8	26.2	25.4	16.8	22.7	24.0
EPS (KRW)	**2,154**	**583**	**1,393**	**834**	**553**	**1,976**	**2,633**	**2,992**	**4,963**	**8,154**	**10,317**
Growth (% y-y)	446.8	-69.8	52.3	-71.6	-74.3	239.0	89.0	258.8	-19.6	64.3	26.5
Growth (% q-q)	-26.5	-72.9	138.9	-40.1	-33.7	257.1	33.2	13.7			

Source: Company data, Samsung Securities estimates

Sales, by segment

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2025	2026E	2027E
AFM	48.8	48.5	41.9	53.2	35.8	55.9	65.5	77.2	192.4	234.4	279.2
Industrial	36.4	39.1	35.0	35.7	24.0	43.6	55.8	59.7	146.2	183.2	223.7
Research	12.4	9.4	6.9	17.5	11.8	12.3	9.7	17.5	46.2	51.2	55.5
Other	2.1	3.8	3.7	3.6	2.6	4.3	4.2	4.6	13.2	15.7	19.7
Total	50.9	52.3	45.6	56.8	38.4	60.2	69.8	81.8	205.6	250.1	298.9
Growth (% y-y)											
AFM	103.0	17.6	10.2	-12.1	-26.7	15.2	56.4	45.2	17.4	21.8	19.1
Industrial	98.2	26.8	25.3	-21.1	-34.1	11.6	59.7	67.4	19.5	25.3	22.1
Research	118.6	-9.5	-31.8	14.1	-5.0	30.0	40.0	0.0	11.3	10.8	8.4
Other	29.7	9.9	11.4	28.5	23.9	13.3	13.3	27.9	17.9	19.0	25.5
Total	98.4	17.0	10.3	-10.3	-24.6	15.0	52.9	44.1	17.5	21.6	19.5
Growth (% q-q)											
AFM	-19.4	-0.6	-13.7	27.0	-32.7	56.2	17.2	17.9			
Industrial	-19.4	7.3	-10.6	2.0	-32.6	81.6	28.0	6.9			
Research	-19.3	-23.7	-27.0	154.0	-32.9	4.4	-21.4	81.4			
Other	-25.1	79.8	-0.4	-4.2	-27.8	64.4	-0.4	8.1			
Total	-19.6	2.7	-12.8	24.5	-32.4	56.8	15.9	17.3			

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Sales	**145**	**175**	**206**	**250**	**299**
Cost of goods sold	52	61	69	81	97
Gross profit	**92**	**114**	**136**	**169**	**202**
Gross margin (%)	63.8	65.2	66.4	67.5	67.6
SG&A expenses	65	76	94	107	122
Operating profit	**28**	**39**	**42**	**62**	**80**
Operating margin (%)	19.0	22.0	20.5	24.7	26.8
Non-operating gains (losses)	**-0**	**9**	**-1**	**5**	**4**
Financial profit	4	14	10	11	11
Financial costs	3	6	11	7	9
Equity-method gains (losses)	-0	0	-0	-0	-0
Other	-2	-0	1	1	1
Pre-tax profit	**27**	**47**	**41**	**67**	**84**
Taxes	3	4	7	10	13
Effective tax rate (%)	9.5	9.4	16.4	15.0	15.0
Profit from continuing operations	25	43	34	57	72
Profit from discontinued operations	0	0	0	0	0
Net profit	**25**	**43**	**34**	**57**	**72**
Net margin (%)	17.0	24.5	16.8	22.7	24.0
Net profit (controlling interests)	25	43	34	57	72
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	32	45	50	73	93
EBITDA margin (%)	22.3	25.7	24.3	29.2	31.1
EPS (parent-based) (KRW)	3,553	6,175	4,963	8,154	10,317
EPS (consolidated) (KRW)	3,553	6,175	4,963	8,154	10,317
Adjusted EPS (KRW)*	3,553	6,175	4,963	8,154	10,317

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Current assets	**148**	**191**	**197**	**263**	**334**
Cash & equivalents	71	93	75	86	144
Accounts receivable	34	37	0	73	80
Inventories	38	45	55	69	75
Other current assets	6	16	67	34	36
Fixed assets	**54**	**83**	**153**	**154**	**151**
Investment assets	2	2	4	4	4
Tangible assets	37	64	116	118	116
Intangible assets	11	11	28	27	26
Other long-term assets	4	7	5	5	5
Total assets	**202**	**274**	**350**	**417**	**485**
Current liabilities	**50**	**63**	**73**	**87**	**88**
Accounts payable	6	12	8	21	22
Short-term debt	21	20	33	33	33
Other current liabilities	22	30	33	33	33
Long-term liabilities	**9**	**23**	**51**	**51**	**51**
Bonds & long-term debt	0	16	42	42	42
Other long-term liabilities	8	8	9	9	9
Total liabilities	**58**	**86**	**125**	**138**	**139**
Owners of parent equity	**143**	**188**	**225**	**278**	**346**
Capital stock	3	3	3	3	3
Capital surplus	49	51	52	52	52
Retained earnings	91	131	162	216	283
Other	-1	2	7	7	7
Non-controlling interests' equity	**0**	**0**	**0**	**0**	**0**
Total equity	**143**	**188**	**225**	**278**	**346**
Net debt	-44	-51	6	-32	-91

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Cash flow from operations	**31**	**35**	**24**	**27**	**72**
Net profit	25	43	34	57	72
Non-cash profit and expenses	8	6	19	11	13
Depreciation	4	6	7	10	12
Amortization	0	0	1	1	1
Other	3	-1	11	0	0
Changes in A/L from operating activities	4	-13	-21	-41	-13
Cash flow from investments	**-13**	**-29**	**-71**	**-12**	**-10**
Change in tangible assets	-12	-28	-53	-12	-10
Change in financial assets	-0	0	-1	0	0
Other	-0	-1	-17	0	0
Cash flow from financing	**6**	**10**	**29**	**-3**	**-4**
Change in debt	12	15	40	0	0
Change in equity	1	2	1	0	0
Dividends	-3	-3	-3	-3	-4
Other	-4	-4	-9	0	0
Change in cash	26	22	-18	11	58
Cash at beginning of year	45	71	93	75	86
Cash at end of year	71	93	75	86	144
Gross cash flow	**33**	**49**	**53**	**68**	**85**
Free cash flow	**19**	**7**	**-29**	**15**	**62**

Financial ratios

Year-end Dec 31	2023	2024	2025	2026E	2027E
Growth (%)					
Sales	16.3	20.9	17.5	21.7	19.5
Operating profit	-15.6	39.8	9.5	46.4	29.5
Net profit	-12.2	74.3	-19.5	64.5	26.5
Adjusted EPS**	-12.5	73.8	-19.6	64.3	26.5
Per-share data (KRW)					
EPS (parent-based)	3,553	6,175	4,963	8,154	10,317
EPS (consolidated)	3,553	6,175	4,963	8,154	10,317
Adjusted EPS**	3,553	6,175	4,963	8,154	10,317
BVPS	20,757	27,107	32,407	40,030	49,746
DPS (common)	400	500	500	600	700
Valuations (x)					
P/E***	48.8	34.3	42.1	32.2	25.4
P/B***	8.4	7.8	6.4	6.6	5.3
EV/EBITDA	35.9	31.5	29.2	24.6	18.7
Ratios (%)					
ROE	18.7	25.8	16.7	22.5	23.0
ROA	13.3	18.0	11.0	14.8	15.9
ROIC	26.0	29.3	19.2	22.0	27.2
Payout ratio	11.3	8.1	10.1	7.4	6.8
Dividend yield (common)	0.2	0.2	0.2	0.2	0.3
Net debt to equity	-30.9	-27.3	2.9	-11.5	-26.3
Interest coverage (x)	98.9	47.1	67.7	82.1	106.3

Note: *Excluding one-off items;
**Fully diluted, excluding one-off items;
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

COMPANY UPDATE

2026. 4. 21

Tech Team

Richard Moon
Senior Analyst
joonho.moon@samsung.com

Seungho Jeong
Research Associate
seungho1.jeong@samsung.com

Scan to go to
Research Center report database

HPSP (403870)

Earnings to surge in 2H

- We expect HPSP to report 1Q sales of KRW32.9b and an operating profit of KRW16.6b (for a margin of 50.6%).
- A potential ramp-up in sales to a new North American foundry in 2H, alongside a diversifying NAND customer base, warrants attention.
- We maintain our BUY rating and target price of KRW55,000.

WHAT'S THE STORY?

1Q preview: We believe HPSP's sales fell 38% q-q to KRW32.9b in 1Q, with operating profit hitting KRW16.6b (for a margin of 50.6%)—each figure missing FnGuide consensus by 8%. Given the high unit price of the firm's equipment, this variance could well stem from the timing of a single equipment shipment. Sales likely softened temporarily across non-memory and memory segments alike, considering industry-wide capacity expansion timelines.

2026 outlook: For the full year, we forecast that sales will grow 41% y-y to KRW243.4b and operating profit reach KRW132.2b (for a margin of 54.3%). Across both memory and non-memory segments, sales are likely to be heavily concentrated in 2H. Taiwanese foundries have raised their capex guidance during recent earnings calls, while Samsung Electronics is speeding up its Taylor fab expansion—indicating a potential uptick in sales contributions from traditional customers this year. NAND equipment sales are likely to surge, with sales recognition from pilot equipment orders received last year and shipments of volume-production equipment to new clients all scheduled for 2H. DRAM equipment sales are also likely to pick up in 2H, aligned with North American customers' investment timelines.

(Continued on the next page)

SUMMARY FINANCIAL DATA

(KRWb)	2024	2025	2026E	2027E
Revenue	181	173	243	301
Operating profit	94	90	132	165
Net profit (adj)	86	73	110	136
EPS (adj) (KRW)	1,056	901	1,367	1,682
EPS (adj) growth (% y-y)	6.7	-14.7	51.7	23.1
EBITDA margin (%)	53.8	54.5	56.2	56.4
ROE (%)	31.1	24.8	32.2	32.2
P/E (adj) (x)	24.7	37.2	32.6	26.5
P/B (x)	7.6	8.8	9.5	7.7
EV/EBITDA (x)	20.2	27.1	25.1	19.7
Dividend yield (%)	2.3	1.5	1.3	1.6

Source: Company data, Samsung Securities estimates

AT A GLANCE

BUY

Target price	KRW55,000	20.4%
Current price	KRW45,700	
Market cap	KRW3.8t/USD2.6b	
Shares (float)	82,300,000 (78.2%)	
52-week high/low	KRW51,700/KRW21,300	
Avg daily trading value (60-day)	KRW143.8b/ USD97.3m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
HPSP (%)	-10.7	26.1	88.1
Vs Kosdaq (%pts)	-11.8	-6.0	14.9

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	55,000	55,000	0.0%
2026E EPS	1,367	1,331	2.7%
2027E EPS	1,682	1,649	2.0%

SAMSUNG vs THE STREET

No of estimates	4
Target price	56,625
Recommendation	4.0

※ Rating: 4 < → BUY, 3 = HOLD, 2 > → SELL

Maintaining BUY: We maintain our BUY rating and target price of KRW55,000. While we have slightly raised our 2026 EPS estimate, we have lowered our target P/E multiple to 40x to reflect ASML's (the iconic leader in advanced process node equipment) recent 2026E P/E compression to 40x (FactSet) and concerns around overhang risk from the largest shareholder.

1Q preview

(KRWb)	1Q26E	1Q25	Diff (% y-y)	4Q25	Diff (% q-q)	Consensus	Diff (%)
Sales	32.9	36.9	-10.9	52.7	-37.6	35.9	-8.3
Operating profit	16.6	18.7	-11.1	27.4	-39.4	18.1	-8.1
Pre-tax profit	19.1	20.0	-4.5	29.8	-35.7	20.4	-6.1
Net profit	14.9	15.2	-1.8	23.3	-35.9	14.0	6.6
Margins (%)							
Operating margin	50.6	50.7		52.1		50.5	
Pre-tax margin	58.2	54.3		56.5		56.8	
Net margin	45.4	41.2		44.2		39.1	

Source: FnGuide, Samsung Securities estimates

Revisions to full-year forecasts

(KRWb)	New		Old		Diff (%)	
	2026E	2027E	2026E	2027E	2026E	2027E
Sales	243.4	301.1	242.2	297.3	0.5	1.3
Operating profit	132.2	164.8	134.1	168.2	-1.4	-2.0
Net profit	110.4	135.9	107.5	133.2	2.7	2.1

Source: Samsung Securities estimates

Summary income statement

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2025	2026E	2027E
Sales	**36.9**	**51.3**	**32.0**	**52.7**	**32.9**	**46.5**	**73.8**	**90.3**	**173.0**	**243.4**	**301.1**
Growth (% y-y)	-2.3	88.0	-35.5	-20.9	-10.9	-9.5	130.3	71.4	-4.7	40.7	23.7
Growth (% q-q)	-44.6	39.2	-37.6	64.4	-37.6	41.3	58.9	22.3			
Cost of goods sold	9.9	13.5	9.4	13.9	8.8	11.9	20.9	25.4	46.7	67.0	81.9
Gross profit	**27.0**	**37.9**	**22.6**	**38.8**	**24.0**	**34.6**	**52.9**	**64.9**	**126.3**	**176.4**	**219.2**
Gross margin (%)	73.2	73.7	70.5	73.7	73.1	74.4	71.7	71.9	73.0	72.5	72.8
SG&A expenses	8.3	9.2	7.5	11.4	7.4	10.5	11.8	14.5	36.4	44.2	54.4
Operating profit	**18.7**	**28.6**	**15.1**	**27.4**	**16.6**	**24.0**	**41.1**	**50.4**	**89.9**	**132.2**	**164.8**
Operating margin (%)	50.7	55.8	47.1	52.1	50.6	51.7	55.7	55.9	52.0	54.3	54.7
Non-operating profit	1.3	-1.7	2.6	2.3	2.5	2.4	2.4	2.2	4.4	9.4	9.5
Pre-tax profit	**20.0**	**26.9**	**17.7**	**29.8**	**19.1**	**26.4**	**43.5**	**52.6**	**94.4**	**141.6**	**174.3**
Pre-tax margin (%)	54.3	52.4	55.1	56.5	58.2	56.8	58.9	58.3	54.5	58.2	57.9
Net profit	**15.2**	**20.7**	**13.5**	**23.3**	**14.9**	**20.6**	**33.9**	**41.0**	**72.7**	**110.4**	**135.9**
Net margin (%)	41.2	40.3	42.1	44.2	45.4	44.3	46.0	45.4	42.0	45.4	45.2
EPS (KRW)	**188**	**257**	**167**	**288**	**185**	**255**	**420**	**508**	**901**	**1,367**	**1,682**
Growth (% y-y)	-26.9	46.6	-21.6	-31.0	-2.0	-0.8	151.3	76.3	-14.7	51.7	23.1
Growth (% q-q)	-54.8	36.2	-34.9	72.5	-35.9	37.9	64.8	20.9			

Source: Company data, Samsung Securities estimates

Sales, by division

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2025	2026E	2027E
Equipment	31.0	47.8	27.6	47.7	26.5	42.4	68.9	84.8	154.1	222.5	276.2
Other	5.9	3.6	4.4	5.0	6.4	4.1	4.9	5.5	18.9	20.9	24.9
Total	36.9	51.3	32.0	52.7	32.9	46.5	73.8	90.3	173.0	243.4	301.1
Growth (% y-y)											
Equipment	-9.5	97.0	-39.8	-23.5	-14.6	-11.3	149.4	77.8	-7.6	44.4	24.1
Other	68.5	16.9	16.0	16.1	8.5	14.0	11.3	10.0	28.7	10.6	19.2
Total	-2.3	88.0	-35.5	-20.9	-10.9	-9.5	130.3	71.4	-4.7	40.7	23.7
Growth (% q-q)											
Equipment	-50.2	54.1	-42.2	72.6	-44.4	60.0	62.5	23.1			
Other	36.8	-39.3	23.9	12.8	27.8	-36.2	21.0	11.5			
Total	-44.6	39.2	-37.6	64.4	-37.6	41.3	58.9	22.3			

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Sales	**179**	**181**	**173**	**243**	**301**
Cost of goods sold	60	52	47	67	82
Gross profit	**119**	**130**	**126**	**176**	**219**
Gross margin (%)	66.2	71.5	73.0	72.5	72.8
SG&A expenses	23	36	36	44	54
Operating profit	**95**	**94**	**90**	**132**	**165**
Operating margin (%)	53.2	51.8	52.0	54.3	54.7
Non-operating gains (losses)	**9**	**20**	**4**	**9**	**9**
Financial profit	8	7	5	6	6
Financial costs	0	0	0	0	0
Equity-method gains (losses)	0	0	0	0	0
Other	1	13	-1	4	4
Pre-tax profit	**104**	**114**	**94**	**142**	**174**
Taxes	24	28	22	31	38
Effective tax rate (%)	22.8	24.2	23.0	22.0	22.0
Profit from continuing operations	80	86	73	110	136
Profit from discontinued operations	0	0	0	0	0
Net profit	**80**	**86**	**73**	**110**	**136**
Net margin (%)	44.9	47.6	42.0	45.4	45.2
Net profit (controlling interests)	80	86	73	110	136
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	97	98	94	137	170
EBITDA margin (%)	53.9	53.8	54.5	56.2	56.4
EPS (parent-based) (KRW)	990	1,056	901	1,367	1,682
EPS (consolidated) (KRW)	990	1,056	901	1,367	1,682
Adjusted EPS (KRW)*	990	1,056	901	1,367	1,682

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Current assets	**276**	**238**	**289**	**361**	**442**
Cash & equivalents	43	61	94	127	214
Accounts receivable	2	10	23	30	29
Inventories	24	23	16	39	36
Other current assets	206	144	156	164	163
Fixed assets	**45**	**82**	**81**	**84**	**89**
Investment assets	0	0	0	0	0
Tangible assets	40	49	48	52	57
Intangible assets	2	2	1	1	1
Other long-term assets	3	31	31	31	31
Total assets	**321**	**320**	**370**	**445**	**532**
Current liabilities	**42**	**41**	**61**	**66**	**65**
Accounts payable	6	2	2	7	7
Short-term debt	0	0	0	0	0
Other current liabilities	35	39	59	59	59
Long-term liabilities	**2**	**1**	**1**	**1**	**1**
Bonds & long-term debt	0	0	0	0	0
Other long-term liabilities	2	1	1	1	1
Total liabilities	**44**	**42**	**61**	**66**	**66**
Owners of parent equity	**277**	**278**	**308**	**378**	**466**
Capital stock	41	42	42	42	42
Capital surplus	59	61	63	63	63
Retained earnings	175	253	278	348	435
Other	2	-78	-74	-74	-74
Non-controlling interests' equity	**0**	**0**	**0**	**0**	**0**
Total equity	**277**	**278**	**308**	**378**	**466**
Net debt	-228	-188	-238	-281	-367

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Cash flow from operations	**66**	**84**	**100**	**81**	**146**
Net profit	80	86	73	110	136
Non-cash profit and expenses	23	21	28	4	5
Depreciation	1	4	4	4	5
Amortization	0	0	0	0	0
Other	21	17	24	0	0
Changes in A/L from operating activities	-13	-9	22	-34	5
Cash flow from investments	**-148**	**20**	**-19**	**-8**	**-10**
Change in tangible assets	-25	-43	-2	-8	-10
Change in financial assets	-122	59	-17	0	0
Other	-1	4	0	0	0
Cash flow from financing	**-4**	**-94**	**-48**	**-40**	**-48**
Change in debt	-1	-1	-1	0	0
Change in equity	6	2	2	0	0
Dividends	-2	-7	-48	-40	-48
Other	-8	-88	-1	0	0
Change in cash	-87	18	33	33	87
Cash at beginning of year	130	43	61	94	127
Cash at end of year	43	61	94	127	214
Gross cash flow	**103**	**107**	**101**	**115**	**141**
Free cash flow	**42**	**41**	**98**	**73**	**136**

Financial ratios

Year-end Dec 31	2023	2024	2025	2026E	2027E
Growth (%)					
Sales	12.4	1.3	-4.7	40.7	23.7
Operating profit	11.8	-1.3	-4.3	47.0	24.7
Net profit	21.9	7.3	-15.8	52.0	23.1
Adjusted EPS**	9.5	6.7	-14.7	51.7	23.1
Per-share data (KRW)					
EPS (parent-based)	990	1,056	901	1,367	1,682
EPS (consolidated)	990	1,056	901	1,367	1,682
Adjusted EPS**	990	1,056	901	1,367	1,682
BVPS	3,410	3,417	3,819	4,681	5,764
DPS (common)	150	600	500	600	700
Valuations (x)					
P/E***	44.3	24.7	37.2	32.6	26.5
P/B***	12.9	7.6	8.8	9.5	7.7
EV/EBITDA	34.5	20.2	27.1	25.1	19.7
Ratios (%)					
ROE	34.0	31.1	24.8	32.2	32.2
ROA	27.7	26.9	21.1	27.1	27.8
ROIC	267.2	126.4	133.2	186.0	184.4
Payout ratio	9.3	55.9	55.7	43.9	41.6
Dividend yield (common)	0.3	2.3	1.5	1.3	1.5
Net debt to equity	-82.3	-67.7	-77.3	-74.3	-78.8
Interest coverage (x)	558.2	919.9	1,516.9	n/a	n/a

Note: *Excluding one-off items;
**Fully diluted, excluding one-off items;
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

COMPANY UPDATE

2026. 4. 21

Tech Team

Richard Moon
Senior Analyst
joonho.moon@samsung.com

Seungho Jeong
Research Associate
seungho1.jeong@samsung.com

Scan to go to
Research Center report database

Nextin (348210)

Key catalysts still lie ahead

- We expect Nextin to report 1Q sales of KRW7.2b and an operating loss of KRW5.7b.
- A hoped-for recovery in China sales has been pushed back to 2H at the earliest. Testing with new customers is also on track to conclude in 2H.
- We cut our target price to KRW100,000 but maintain our BUY rating.

WHAT'S THE STORY?

1Q preview: Nextin's sales likely dropped 55% q-q to KRW7.2b in 1Q due to the absence of KROKY contributions. We estimate that the company suffered an operating loss of KRW5.7b, with declining sales intensifying fixed-cost pressures, compounded by a one-off stock-based compensation expense.

2026 outlook: For the full year, we expect Nextin to grow sales by 54% y-y to KRW102.7b and return to profitability with an operating profit of KRW23.8b (for a margin of 23.2%). Orders from domestic customers remain steady, with a KRW10.6b order secured in March set to be recognized over 2Q-3Q. However, orders the company's Chinese subsidiary expects to win have been delayed. We now anticipate these orders will materialize in 3Q, aligned with Chinese clients' capacity expansion timelines. Meanwhile, evaluations by new customers for the KROKY and ASPER equipment are on track to conclude in 2H.

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW100,000	30.7%
Current price	**KRW76,500**	
Market cap	KRW801.49b/USD542.57m	
Shares (float)	10,477,005 (70.8%)	
52-week high/low	KRW98,500/KRW41,000	
Avg daily trading value (60-day)	KRW8.8b/ USD5.9m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Nextin (%)	-3.7	36.9	33.5
Vs Kosdaq (%pts)	-4.7	2.0	-18.4

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	100,000	110,000	-9.1%
2026E EPS	2,017	3,373	-40.2%
2027E EPS	3,677	5,542	-33.7%

SAMSUNG vs THE STREET

No of estimates	4
Target price	91,500
Recommendation	4.0

※ Rating: 4 < → BUY, 3 = HOLD, 2 > → SELL

SUMMARY FINANCIAL DATA

(KRWb)	2024	2025	2026E	2027E
Revenue	114	67	103	143
Operating profit	47	-1	24	46
Net profit (adj)	38	-3	21	38
EPS (adj) (KRW)	3,748	-240	2,017	3,677
EPS (adj) growth (% y-y)	21.4	nm	nm	82.3
EBITDA margin (%)	45.2	5.0	28.6	36.8
ROE (%)	27.0	-1.6	13.0	20.6
P/E (adj) (x)	13.6	n/a	38.0	20.9
P/B (x)	3.3	4.9	4.7	3.9
EV/EBITDA (x)	9.8	232.0	28.1	15.0
Dividend yield (%)	1.0	0.7	0.7	0.7

Source: Company data, Samsung Securities estimates

Cutting target price: We lower our target price to KRW100,000 but maintain our BUY rating. Nextin's earnings outlook and valuation hinge on whether China sales rebound and whether the firm secures new customers. While we use 2026—the year the capex cycle kicks off—as the baseline for pricing other equipment peers, we believe 2027 is a more appropriate anchor for Nextin. That is when visibility into China sales and the status of new customer wins should become clearer. Given the current uncertainty, we have increased our valuation discount relative to market leader KLA from 20% to 30%. Applying a P/E multiple of 24x to our 2027 EPS forecast, we arrive at our target price of KRW100,000.

1Q preview

(KRWb)	1Q26E	1Q25	Diff (% y-y)	4Q25	Diff (% q-q)	Consensus	Diff (%)
Sales	7.2	17.1	-58.0	15.9	-54.9	11.5	-37.7
Operating profit	-5.7	3.4	nm	-3.5	nm	-0.9	nm
Pre-tax profit	-5.3	3.8	nm	-4.2	nm	0.2	nm
Net profit	-5.3	2.9	nm	-2.1	nm	-1.9	nm
Margins (%)							
Operating margin	-78.8	20.0		-21.8		-7.6	
Pre-tax margin	-73.5	22.0		-26.1		1.7	
Net margin	-73.5	16.8		-13.1		-16.1	

Source: FnGuide, Samsung Securities estimates

Revisions to full-year forecasts

(KRWb)	New		Old		Diff (%)	
	2026E	2027E	2026E	2027E	2026E	2027E
Sales	102.7	143.2	137.6	177.0	-25.4	-19.1
Operating profit	23.8	46.4	36.2	62.1	-34.2	-25.3
Net profit	20.6	37.6	34.4	56.5	-40.1	-33.5

Source: Samsung Securities estimates

Summary income statement

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2025	2026E	2027E
Sales	**17.1**	**23.2**	**10.7**	**15.9**	**7.2**	**13.9**	**21.3**	**60.4**	**66.9**	**102.7**	**143.2**
Growth (% y-y)	-50.0	64.0	-69.1	-48.1	-58.0	-40.1	98.2	278.9	-41.2	53.5	39.4
Growth (% q-q)	-44.4	35.6	-53.6	48.3	-54.9	93.1	53.6	183.5			
Cost of goods sold	6.4	13.7	5.9	8.5	3.4	7.2	8.5	21.5	34.4	40.6	55.2
Gross profit	**10.7**	**9.5**	**4.9**	**7.5**	**3.8**	**6.7**	**12.8**	**38.8**	**32.6**	**62.1**	**88.0**
Gross margin (%)	62.8	40.9	45.5	46.9	52.5	48.4	60.0	64.3	48.7	60.4	61.4
SG&A expenses	7.3	6.9	8.6	11.0	9.4	7.7	9.0	12.2	33.7	38.2	41.6
Operating profit	**3.4**	**2.6**	**-3.7**	**-3.5**	**-5.7**	**-1.0**	**3.8**	**26.7**	**-1.2**	**23.8**	**46.4**
Operating margin (%)	20.0	11.1	-34.2	-21.8	-78.8	-7.0	17.9	44.2	-1.7	23.2	32.4
Non-operating profit	0.3	-2.8	1.3	-0.7	0.4	0.3	0.3	0.4	-1.8	1.4	1.8
Pre-tax profit	**3.8**	**-0.2**	**-2.4**	**-4.2**	**-5.3**	**-0.6**	**4.2**	**27.0**	**-2.9**	**25.3**	**48.2**
Pre-tax margin (%)	22.0	-0.8	-22.0	-26.1	-73.5	-4.6	19.5	44.8	-4.4	24.6	33.6
Net profit	**2.9**	**-1.0**	**-2.2**	**-2.1**	**-5.3**	**-0.6**	**3.5**	**23.0**	**-2.5**	**20.6**	**37.6**
Net margin (%)	16.8	-4.4	-20.8	-13.1	-73.5	-4.6	16.6	38.1	-3.7	20.1	26.2
EPS (KRW)	**279**	**-99**	**-219**	**-205**	**-517**	**-62**	**346**	**2,250**	**-240**	**2,017**	**3,677**
Growth (% y-y)	-80.7	nm	nm	nm	nm	nm	nm	nm	nm	nm	82.3
Growth (% q-q)	-78.1	nm	nm	nm	nm	nm	nm	550.6			

Source: Company data, Samsung Securities estimates

Sales, by segment

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2025	2026E	2027E
Product	12.1	19.8	6.1	8.7	3.2	9.5	15.6	52.1	46.6	80.4	118.9
AEGIS	12.1	-0.2	0.0	6.3	2.9	2.9	8.4	38.3	18.2	52.4	72.4
IRIS II	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
KROKY	0.0	20.0	5.9	2.1	0.0	6.3	6.9	9.0	28.0	22.2	36.1
ASPER	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.5	0.0	4.5	9.0
Other	0.0	0.0	0.1	0.3	0.3	0.3	0.3	0.3	0.4	1.2	1.4
Service and other	5.0	3.4	4.7	7.2	4.0	4.4	5.7	8.2	20.3	22.3	24.3
Total	17.1	23.2	10.7	15.9	7.2	13.9	21.3	60.4	66.9	102.7	143.2
Growth (% y-y)											
Product	-61.2	80.5	-81.4	-66.3	-73.7	-52.0	157.2	499.9	-53.6	72.4	47.9
Service and other	66.1	6.7	130.7	47.3	-20.0	29.6	21.4	13.8	54.7	9.9	9.0
Total	-50.0	64.0	-69.1	-48.1	-58.0	-40.1	98.2	278.9	-41.2	53.5	39.4
Growth (% q-q)											
Product	-53.1	63.7	-69.3	43.0	-63.4	198.0	64.7	233.6			
Service and other	1.7	-32.4	38.2	55.3	-44.8	9.5	29.5	45.5			
Total	-44.4	35.6	-53.6	48.3	-54.9	93.1	53.6	183.5			

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Sales	**88**	**114**	**67**	**103**	**143**
Cost of goods sold	26	34	34	41	55
Gross profit	**62**	**80**	**33**	**62**	**88**
Gross margin (%)	70.9	69.9	48.7	60.4	61.4
SG&A expenses	26	33	34	38	42
Operating profit	**36**	**47**	**-1**	**24**	**46**
Operating margin (%)	41.1	41.3	-1.7	23.2	32.4
Non-operating gains (losses)	**1**	**2**	**-2**	**1**	**2**
Financial profit	3	4	3	3	3
Financial costs	2	1	1	2	2
Equity-method gains (losses)	-0	-0	-0	0	0
Other	1	-0	-3	-0	0
Pre-tax profit	**38**	**49**	**-3**	**25**	**48**
Taxes	7	11	-0	5	11
Effective tax rate (%)	17.7	21.5	10.2	18.5	22.0
Profit from continuing operations	31	38	-3	21	38
Profit from discontinued operations	0	0	0	0	0
Net profit	**31**	**38**	**-3**	**21**	**38**
Net margin (%)	35.2	33.8	-4.0	20.1	26.2
Net profit (controlling interests)	31	38	-2	21	38
Net profit (non-controlling interests)	0	0	-0	0	0
EBITDA	39	51	3	29	53
EBITDA margin (%)	44.8	45.2	5.0	28.6	36.8
EPS (parent-based) (KRW)	3,088	3,748	-240	2,017	3,677
EPS (consolidated) (KRW)	3,088	3,748	-240	2,017	3,677
Adjusted EPS (KRW)*	3,088	3,748	-240	2,017	3,677

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Current assets	**79**	**111**	**96**	**111**	**140**
Cash & equivalents	8	32	15	18	52
Accounts receivable	9	14	6	23	17
Inventories	52	55	60	48	48
Other current assets	10	10	15	22	22
Fixed assets	**64**	**79**	**127**	**127**	**131**
Investment assets	9	10	10	10	10
Tangible assets	25	36	71	80	84
Intangible assets	1	2	4	4	3
Other long-term assets	29	32	42	34	34
Total assets	**143**	**190**	**223**	**238**	**270**
Current liabilities	**14**	**19**	**50**	**49**	**49**
Accounts payable	4	2	6	5	5
Short-term debt	0	0	21	21	21
Other current liabilities	11	17	23	23	23
Long-term liabilities	**1**	**13**	**23**	**23**	**23**
Bonds & long-term debt	0	10	20	20	20
Other long-term liabilities	1	3	3	3	3
Total liabilities	**16**	**32**	**73**	**72**	**72**
Owners of parent equity	**127**	**158**	**150**	**167**	**199**
Capital stock	5	5	5	5	5
Capital surplus	34	34	34	34	34
Retained earnings	93	125	117	132	165
Other	-5	-7	-6	-5	-5
Non-controlling interests' equity	**0**	**0**	**0**	**0**	**0**
Total equity	**127**	**158**	**150**	**167**	**199**
Net debt	-11	-26	33	22	-12

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Cash flow from operations	**0**	**43**	**-11**	**22**	**50**
Net profit	31	38	-3	21	38
Non-cash profit and expenses	11	20	16	6	6
Depreciation	3	4	4	5	6
Amortization	0	0	0	0	0
Other	8	16	11	0	0
Changes in A/L from operating activities	-26	-12	-13	-4	6
Cash flow from investments	**-38**	**-19**	**-33**	**-14**	**-10**
Change in tangible assets	-16	-15	-30	-14	-10
Change in financial assets	-1	-0	-1	0	0
Other	-21	-4	-2	0	0
Cash flow from financing	**-4**	**-0**	**27**	**-4**	**-6**
Change in debt	0	9	43	0	0
Change in equity	1	1	0	-0	-0
Dividends	-5	-5	-5	-5	-5
Other	-1	-4	-10	1	0
Change in cash	-42	24	-17	4	34
Cash at beginning of year	50	8	32	15	18
Cash at end of year	8	32	15	18	52
Gross cash flow	**42**	**59**	**13**	**26**	**44**
Free cash flow	**-16**	**28**	**-41**	**8**	**40**

Financial ratios

Year-end Dec 31	2023	2024	2025	2026E	2027E
Growth (%)					
Sales	-23.5	29.3	-41.2	53.5	39.4
Operating profit	-36.0	29.9	nm	nm	94.7
Net profit	-28.7	24.2	nm	nm	82.3
Adjusted EPS**	-30.3	21.4	nm	nm	82.3
Per-share data (KRW)					
EPS (parent-based)	3,088	3,748	-240	2,017	3,677
EPS (consolidated)	3,088	3,748	-240	2,017	3,677
Adjusted EPS**	3,088	3,748	-240	2,017	3,677
BVPS	12,676	15,388	14,666	16,304	19,434
DPS (common)	500	500	510	510	510
Valuations (x)					
P/E***	22.5	13.6	n/a	38.0	20.9
P/B***	5.5	3.3	4.9	4.7	3.9
EV/EBITDA	17.5	9.8	232.0	28.1	15.0
Ratios (%)					
ROE	27.3	27.0	-1.6	13.0	20.6
ROA	23.4	23.1	-1.3	8.9	14.8
ROIC	50.9	41.8	-0.9	13.3	24.5
Payout ratio	16.5	13.4	-211.3	25.3	13.9
Dividend yield (common)	0.7	1.0	0.7	0.7	0.7
Net debt to equity	-8.6	-16.8	21.8	13.3	-6.0
Interest coverage (x)	3,139.6	1,123.7	-15.3	113.3	220.6

Note: *Excluding one-off items;
**Fully diluted, excluding one-off items;
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

COMPANY UPDATE

2026. 4. 21

Tech Team

Richard Moon
Senior Analyst
joonho.moon@samsung.com

Seungho Jeong
Research Associate
seungho1.jeong@samsung.com

Scan to go to
Research Center report database

Soulbrain (357780)

More lines lead to higher material consumption

We believe Soulbrain will report 1Q sales of KRW252.9b (up 4% q-q) and an operating profit of KRW45.4b (for an operating margin of 17.9%).

- DRAM expansion is starting to influence earnings, while demand from foundry customers is also set to materialize.
- We raise our target price to KRW540,000 and maintain BUY.

WHAT'S THE STORY?

1Q preview: We expect Soulbrain to report 1Q sales of KRW252.9b (up 4% q-q) and an operating profit of KRW45.4b (for an operating margin of 17.9%), the latter in line with FnGuide consensus. We believe: 1) etching demand increased, led by rising utilization rates and the startup of new production lines in 2025; 2) sales at subsidiary Sun Fluoro System, which fell in 4Q25, rebounded thanks to higher non-memory production; and 3) display and rechargeable battery materials sales grew modestly after hitting a low in 4Q25.

2026 full-year outlook: We forecast full-year 2026 sales and operating profit at KRW1.07t (up 16% y-y) and KRW199.2b, respectively, for an operating margin of 18.5%. Soulbrain's earnings trajectory should also follow the typical lagging pattern of material demand (as new fabs come online, material consumption rises gradually). In short, earnings should gradually reflect the effect of memory capex. Notably, for the Taylor fab—which sources materials from Soulbrain's domestic plant—revenue recognition may begin even before full production starts. While concerns over declining NAND wafer inputs existed, delays in certain line upgrades should limit the downside in NAND etchant sales.

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW540,000	24.4%
Current price	**KRW434,000**	
Market cap	KRW3.4t/USD2.3b	
Shares (float)	7,778,566 (53.7%)	
52-week high/low	KRW501,000/KRW156,000	
Avg daily trading value (60-day)	KRW27.1b/ USD18.3m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Soulbrain (%)	1.4	55.8	148.0
Vs Kosdaq (%pts)	0.3	16.2	51.5

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	540,000	510,000	5.9%
2026E EPS	21,844	22,831	-4.3%
2027E EPS	24,886	25,598	-2.8%

SAMSUNG vs THE STREET

No of estimates	7
Target price	500,571
Recommendation	4.0

※ Rating: 4 < → BUY, 3 = HOLD, 2 > → SELL

SUMMARY FINANCIAL DATA

(KRWb)	2024	2025	2026E	2027E
Revenue	863	923	1,074	1,195
Operating profit	168	134	199	231
Net profit (adj)	118	79	167	191
EPS (adj) (KRW)	15,296	10,285	21,844	24,886
EPS (adj) growth (% y-y)	-9.1	-32.8	112.4	13.9
EBITDA margin (%)	26.3	21.5	25.5	26.2
ROE (%)	12.5	7.7	14.8	14.8
P/E (adj) (x)	10.8	25.5	19.6	17.2
P/B (x)	1.3	1.9	2.7	2.4
EV/EBITDA (x)	4.1	9.2	11.0	9.3
Dividend yield (%)	1.4	0.9	0.6	0.6

Source: Company data, Samsung Securities estimates

Raising target price: We raise our target price to KRW540,000 and maintain our BUY rating on Soulbrain. As new production lines ramp up, material suppliers such as Soulbrain should see upward revisions in earnings forecasts. Given that Korea-based semiconductor manufacturers are leading the current capex cycle, Soulbrain's domestic exposure provides stronger and more direct upside than its global peers have. There is no justification for Soulbrain to trade at a discount compared to global material suppliers. Our target price is derived by applying the global materials sector's average P/E (24x) to our 2026 EPS forecast.

1Q preview

(KRWb)	1Q26E	1Q25	Diff (% y-y)	4Q25	Diff (% q-q)	Consensus	Diff (%)
Sales	252.9	209.5	20.7	244.0	3.7	252.8	0.1
Operating profit	45.4	36.0	25.9	43.0	5.5	45.4	0.0
Pre-tax profit	50.9	38.9	30.9	19.1	166.8	50.3	1.2
Net profit	38.9	31.0	25.5	10.7	264.0	37.6	3.6
Margins (%)							
Operating margin	17.9	17.2		17.6		17.9	
Pre-tax margin	20.1	18.6		7.8		19.9	
Net margin	15.4	14.8		4.4		14.9	

Source: FnGuide, Samsung Securities estimates

Revisions to full-year forecasts

(KRWb)	New		Old		Diff (%)	
	2026E	2027E	2026E	2027E	2026E	2027E
Sales	1,074.4	1,195.3	1,052.4	1,165.9	2.1	2.5
Operating profit	199.2	231.4	189.8	218.4	4.9	5.9
Net profit	167.3	190.6	174.9	196.0	-4.3	-2.8

Source: Samsung Securities estimates

Summary income statement

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2025	2026E	2027E
Sales	**209.5**	**228.8**	**241.1**	**244.0**	**252.9**	**266.3**	**271.7**	**283.5**	**923.4**	**1,074.4**	**1,195.3**
Growth (% y-y)	-0.6	5.8	9.6	12.7	20.7	16.4	12.7	16.2	7.0	16.4	11.3
Growth (% q-q)	-3.2	9.2	5.4	1.2	3.7	5.3	2.0	4.3			
Cost of goods sold	151.5	181.9	182.3	175.0	183.5	191.3	195.1	201.9	690.7	771.8	851.7
Gross profit	**57.9**	**46.9**	**58.8**	**69.0**	**69.4**	**75.0**	**76.6**	**81.6**	**232.7**	**302.6**	**343.7**
Gross margin (%)	27.7	20.5	24.4	28.3	27.5	28.2	28.2	28.8	25.2	28.2	28.8
SG&A expenses	21.9	26.7	24.4	26.0	24.1	26.0	25.3	28.1	99.0	103.5	112.3
Operating profit	**36.0**	**20.2**	**34.4**	**43.0**	**45.4**	**49.0**	**51.3**	**53.5**	**133.6**	**199.2**	**231.4**
Operating margin (%)	17.2	8.8	14.3	17.6	17.9	18.4	18.9	18.9	14.5	18.5	19.4
Non-operating profit	2.8	-3.0	3.9	-24.0	5.5	5.1	4.7	4.4	-20.2	19.7	17.9
Pre-tax profit	**38.9**	**17.1**	**38.3**	**19.1**	**50.9**	**54.1**	**55.9**	**57.9**	**113.4**	**218.9**	**249.3**
Pre-tax margin (%)	18.6	7.5	15.9	7.8	20.1	20.3	20.6	20.4	12.3	20.4	20.9
Net profit	**31.0**	**11.4**	**26.0**	**10.7**	**38.9**	**41.4**	**42.7**	**44.3**	**79.1**	**167.3**	**190.6**
Net margin (%)	14.8	5.0	10.8	4.4	15.4	15.5	15.7	15.6	8.6	15.6	15.9
EPS (KRW)	**4,004**	**1,484**	**3,395**	**1,396**	**5,082**	**5,400**	**5,581**	**5,781**	**10,285**	**21,844**	**24,886**
Growth (% y-y)	-32.4	-73.9	-11.2	nm	26.9	264.0	64.4	314.1	-32.8	112.4	13.9
Growth (% q-q)	nm	-63.0	128.8	-58.9	264.0	6.2	3.4	3.6			

Source: Company data, Samsung Securities estimates

Sales, by segment

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2025	2026E	2027E
Semiconductor	167.0	190.0	202.4	207.6	216.4	227.2	231.0	244.0	767.0	918.6	1,034.3
Display	21.3	16.9	13.6	12.8	14.7	16.2	14.6	12.4	64.7	57.9	56.0
Secondary battery	15.5	15.0	15.8	14.1	15.1	15.1	15.8	16.6	60.5	62.7	65.8
Other	5.7	6.8	9.3	9.5	6.7	7.8	10.3	10.5	31.3	35.3	39.3
Total	209.5	228.8	241.1	244.0	252.9	266.3	271.7	283.5	923.4	1,074.4	1,195.3
Growth (% y-y)											
Semiconductor	4.2	19.2	20.7	22.6	29.6	19.5	14.1	17.5	16.8	19.8	12.6
Display	8.5	-36.8	-51.9	-42.0	-30.9	-4.3	6.9	-3.2	-33.2	-10.5	-3.2
Secondary battery	-40.4	-40.7	-9.9	-25.9	-2.7	0.3	0.3	18.0	-31.3	3.6	4.9
Other	18.2	46.0	46.3	56.6	17.6	14.7	10.8	10.5	42.9	12.8	11.3
Total	-0.6	5.8	9.6	12.7	20.7	16.4	12.7	16.2	7.0	16.4	11.3
Growth (% q-q)											
Semiconductor	-1.4	13.8	6.5	2.6	4.3	5.0	1.7	5.6			
Display	-3.5	-20.5	-19.4	-6.1	15.0	10.0	-10.0	-15.0			
Secondary battery	-18.5	-3.0	5.0	-10.8	7.0	0.0	5.0	5.0			
Other	-6.3	19.6	36.0	2.7	-29.6	16.7	31.4	2.4			
Total	-3.2	9.2	5.4	1.2	3.7	5.3	2.0	4.3			

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Sales	**844**	**863**	**923**	**1,074**	**1,195**
Cost of goods sold	651	617	691	772	852
Gross profit	**193**	**246**	**233**	**303**	**344**
Gross margin (%)	22.9	28.5	25.2	28.2	28.8
SG&A expenses	60	78	99	103	112
Operating profit	**133**	**168**	**134**	**199**	**231**
Operating margin (%)	15.8	19.5	14.5	18.5	19.4
Non-operating gains (losses)	**28**	**-1**	**-20**	**20**	**18**
Financial profit	14	26	13	15	16
Financial costs	4	1	15	10	11
Equity-method gains (losses)	0	-46	-27	0	0
Other	17	20	8	15	12
Pre-tax profit	**161**	**167**	**113**	**219**	**249**
Taxes	30	48	29	48	55
Effective tax rate (%)	18.8	28.4	26.0	22.0	22.0
Profit from continuing operations	131	120	84	171	194
Profit from discontinued operations	0	0	0	0	0
Net profit	**131**	**120**	**84**	**171**	**194**
Net margin (%)	15.5	13.9	9.1	15.9	16.3
Net profit (controlling interests)	130	118	79	167	191
Net profit (non-controlling interests)	1	1	5	3	4
EBITDA	194	227	199	274	313
EBITDA margin (%)	23.0	26.3	21.5	25.5	26.2
EPS (parent-based) (KRW)	16,832	15,296	10,285	21,844	24,886
EPS (consolidated) (KRW)	16,832	15,296	10,285	21,844	24,886
Adjusted EPS (KRW)*	16,832	15,296	10,285	21,844	24,886

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Current assets	**345**	**521**	**580**	**684**	**806**
Cash & equivalents	161	242	248	360	470
Accounts receivable	58	59	92	94	105
Inventories	73	91	125	121	114
Other current assets	54	130	115	108	117
Fixed assets	**650**	**647**	**867**	**912**	**970**
Investment assets	140	97	85	85	85
Tangible assets	462	508	575	632	702
Intangible assets	6	6	124	112	100
Other long-term assets	42	36	83	83	83
Total assets	**995**	**1,168**	**1,447**	**1,596**	**1,777**
Current liabilities	**71**	**124**	**146**	**143**	**148**
Accounts payable	25	35	48	45	50
Short-term debt	0	0	0	0	0
Other current liabilities	46	89	98	98	98
Long-term liabilities	**6**	**7**	**189**	**189**	**189**
Bonds & long-term debt	0	0	100	103	103
Other long-term liabilities	6	7	89	85	85
Total liabilities	**77**	**131**	**335**	**332**	**336**
Owners of parent equity	**891**	**1,008**	**1,056**	**1,205**	**1,377**
Capital stock	4	4	4	4	4
Capital surplus	412	412	412	412	412
Retained earnings	459	562	623	773	945
Other	16	30	16	16	16
Non-controlling interests' equity	**27**	**29**	**56**	**59**	**63**
Total equity	**919**	**1,037**	**1,112**	**1,264**	**1,440**
Net debt	-177	-348	-143	-244	-363

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Cash flow from operations	**221**	**262**	**147**	**250**	**268**
Net profit	131	120	84	171	194
Non-cash profit and expenses	80	117	111	75	82
Depreciation	60	58	61	63	70
Amortization	1	1	4	12	12
Other	20	58	46	0	0
Changes in A/L from operating activities	50	41	-11	5	-8
Cash flow from investments	**-215**	**-176**	**-251**	**-120**	**-140**
Change in tangible assets	-129	-91	-119	-120	-140
Change in financial assets	45	-91	34	0	0
Other	-131	6	-165	0	0
Cash flow from financing	**-13**	**-17**	**109**	**-18**	**-18**
Change in debt	-0	1	166	0	0
Change in equity	0	0	0	0	0
Dividends	-19	-15	-18	-18	-18
Other	6	-2	-39	0	0
Change in cash	-7	81	6	112	110
Cash at beginning of year	168	161	242	248	360
Cash at end of year	161	242	248	360	470
Gross cash flow	**211**	**237**	**195**	**245**	**276**
Free cash flow	**92**	**167**	**27**	**130**	**128**

Financial ratios

Year-end Dec 31	2023	2024	2025	2026E	2027E
Growth (%)					
Sales	-22.6	2.3	7.0	16.4	11.3
Operating profit	-35.5	25.8	-20.4	49.0	16.2
Net profit	-21.9	-8.7	-29.8	103.3	13.9
Adjusted EPS**	-19.7	-9.1	-32.8	112.4	13.9
Per-share data (KRW)					
EPS (parent-based)	16,832	15,296	10,285	21,844	24,886
EPS (consolidated)	16,832	15,296	10,285	21,844	24,886
Adjusted EPS**	16,832	15,296	10,285	21,844	24,886
BVPS	115,118	130,226	137,474	157,347	179,833
DPS (common)	2,000	2,300	2,350	2,400	2,500
Valuations (x)					
P/E***	18.1	10.8	25.5	19.6	17.2
P/B***	2.6	1.3	1.9	2.7	2.4
EV/EBITDA	11.3	4.1	9.2	11.0	9.3
Ratios (%)					
ROE	15.6	12.5	7.7	14.8	14.8
ROA	13.6	11.1	6.4	11.2	11.5
ROIC	19.2	20.9	14.2	18.3	20.1
Payout ratio	11.9	15.0	22.8	11.0	10.0
Dividend yield (common)	0.7	1.4	0.9	0.6	0.6
Net debt to equity	-19.3	-33.5	-12.8	-19.3	-25.2
Interest coverage (x)	1,613.5	2,077.5	25.0	37.2	43.3

Note: *Excluding one-off items;
**Fully diluted, excluding one-off items;
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

COMPANY UPDATE

2026. 4. 21

Scan to go to
Research Center report database

Leeno Industrial (058470)

Pricing power to expand further

- We expect Leeno Industrial's 1Q results to show sales up 16% q-q to KRW98.4b and an operating profit of KRW48.1b, for an operating margin of 48.9%.
- The in-line results should be driven by higher ASPs for sockets following the transition of flagship APs to the 2 nm process.
- We raise our target price to KRW150,000 and maintain BUY on the stock.

Tech Team

Richard Moon
Senior Analyst
joonho.moon@samsung.com

Seungho Jeong
Research Associate
seungho1.jeong@samsung.com

AT A GLANCE

BUY

Target price	KRW150,000	28.6%
Current price	KRW116,600	
Market cap	KRW8.9t/USD6.0b	
Shares (float)	76,211,850 (64.9%)	
52-week high/low	KRW127,000/KRW34,460	
Avg daily trading value (60-day)	KRW112.3b/ USD76.0m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Leeno Industrial (%)	4.4	101.4	238.4
Vs Kosdaq (%pts)	3.2	50.1	106.7

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	150,000	110,000	36.4%
2026E EPS	2,505	2,288	9.5%
2027E EPS	3,002	2,532	18.6%

SAMSUNG vs THE STREET

No of estimates	8
Target price	126,500
Recommendation	4.0

※ Rating: 4 < → BUY, 3 = HOLD, 2 > → SELL

WHAT'S THE STORY?

1Q preview: We believe Leeno Industrial will post 1Q results showing sales of KRW98.4b (up 16% q-q) and an operating profit of KRW48.1b (for an operating margin of 48.9%), both in line with FnGuide consensus. We would attribute such strength to: 1) an ASP hike for R&D sockets ahead of the 2 nm process ramp-up; and 2) steady growth in sales of pins and medical device components, in line with seasonal demand.

2026 full-year outlook: We project full-year 2026 revenue at KRW452.6b (up 22% y-y) and operating profit at KRW222.3b, for an operating margin of 49.1%. While mobile demand is expected to weaken further due to memory price hikes, it should be noted that R&D socket revenue has significantly outpaced mass-production socket revenue. We expect the steep ASP expansion in R&D sockets to offset declining mobile demand and drive outsized growth. Moreover, key customers are actively pursuing multiple R&D projects beyond AI semiconductors. These projects generate meaningful revenue regardless of whether they eventually transition to mass-production.

(Continued on the next page)

SUMMARY FINANCIAL DATA

(KRWb)	2024	2025	2026E	2027E
Revenue	278	373	453	547
Operating profit	124	177	222	271
Net profit (adj)	113	152	190	228
EPS (adj) (KRW)	1,493	2,002	2,505	3,002
EPS (adj) growth (% y-y)	2.1	34.1	25.1	19.9
EBITDA margin (%)	49.5	51.1	52.4	52.8
ROE (%)	19.2	22.4	23.9	24.3
P/E (adj) (x)	25.7	30.1	46.0	38.4
P/B (x)	4.7	6.3	10.2	8.6
EV/EBITDA (x)	18.5	21.8	34.8	28.0
Dividend yield (%)	1.6	1.3	0.9	1.0

Source: Company data, Samsung Securities estimates

Raising target price: We raise our target price to KRW150,000 and maintain BUY. While valuation concerns have been raised, the global test socket industry—including Leeno Industrial—is undergoing a sharp rerating driven by semiconductor node advancement and expectations for increased tests. For reference, Taiwan's WinWay Technology—a pure-play beneficiary of AI semiconductor growth—is trading at 114x 2026 P/E (FactSet). While it is unreasonable to assign Leeno Industrial the same level of AI upside given its historically higher exposure to mobile, we apply a 50% discount to WinWay's valuation as a reasonable premium adjustment. Our target price of KRW150,000 is derived by applying a 2026 P/E of 57x to our EPS forecast.

1Q preview

(KRWb)	1Q26E	1Q25	Diff (% y-y)	4Q25	Diff (% q-q)	Consensus	Diff (%)
Sales	98.4	78.4	25.5	84.8	16.1	97.8	0.7
Operating profit	48.1	34.9	37.7	40.4	19.2	46.6	3.3
Pre-tax profit	53.7	38.0	41.3	50.2	7.1	49.9	7.6
Net profit	41.9	29.3	42.8	39.6	5.8	39.9	4.9
Margins (%)							
Operating margin	48.9	44.6		47.6		47.6	
Pre-tax margin	54.6	48.5		59.2		51.0	
Net margin	42.6	37.4		46.7		40.9	

Source: FnGuide, Samsung Securities estimates

Revisions to full-year forecasts

(KRWb)	New		Old		Diff (%)	
	2026E	2027E	2026E	2027E	2026E	2027E
Sales	452.6	547.4	427.8	480.0	5.8	14.0
Operating profit	222.3	270.6	202.3	226.9	9.9	19.3
Net profit	190.1	227.9	173.6	192.2	9.5	18.6

Source: Samsung Securities estimates

Summary income statement

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2025	2026E	2027E
Sales	**78.4**	**112.5**	**96.8**	**84.8**	**98.4**	**131.8**	**120.3**	**102.1**	**372.5**	**452.6**	**547.4**
Growth (% y-y)	42.9	58.5	40.5	1.6	25.5	17.1	24.2	20.5	33.9	21.5	20.9
Growth (% q-q)	-6.0	43.5	-13.9	-12.5	16.1	33.9	-8.7	-15.1			
Cost of goods sold	39.7	53.6	44.1	40.7	45.7	60.7	54.6	48.3	178.1	209.3	251.6
Gross profit	**38.8**	**58.9**	**52.7**	**44.0**	**52.7**	**71.1**	**65.7**	**53.8**	**194.4**	**243.4**	**295.7**
Gross margin (%)	49.4	52.3	54.5	52.0	53.6	54.0	54.6	52.7	52.2	53.8	54.0
SG&A expenses	3.8	5.4	4.5	3.7	4.6	6.4	5.7	4.3	17.4	21.1	25.1
Operating profit	**34.9**	**53.4**	**48.3**	**40.4**	**48.1**	**64.7**	**59.9**	**49.5**	**177.0**	**222.3**	**270.6**
Operating margin (%)	44.6	47.5	49.8	47.6	48.9	49.1	49.8	48.5	47.5	49.1	49.4
Non-operating profit	3.1	-0.1	6.1	9.8	5.6	5.8	5.0	5.0	18.9	21.4	21.5
Pre-tax profit	**38.0**	**53.3**	**54.4**	**50.2**	**53.7**	**70.6**	**64.9**	**54.5**	**195.9**	**243.7**	**292.1**
Pre-tax margin (%)	48.5	47.4	56.1	59.2	54.6	53.6	53.9	53.4	52.6	53.8	53.4
Net profit	**29.3**	**41.1**	**41.9**	**39.6**	**41.9**	**55.1**	**50.6**	**42.5**	**152.0**	**190.1**	**227.9**
Net margin (%)	37.4	36.5	43.3	46.7	42.6	41.8	42.1	41.6	40.8	42.0	41.6
EPS (KRW)	**387**	**542**	**552**	**522**	**552**	**726**	**667**	**560**	**2,002**	**2,505**	**3,002**
Growth (% y-y)	42.4	37.7	70.9	3.4	42.8	33.9	20.8	7.4	34.1	25.1	19.9
Growth (% q-q)	-23.4	40.1	2.0	-5.5	5.8	31.4	-8.1	-16.0			

Source: Company data, Samsung Securities estimates

Sales, by product

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2025	2026E	2027E
Leeno pin	20.2	21.7	24.0	21.1	26.2	26.3	28.5	24.4	87.1	105.4	117.9
IC test socket	48.1	80.0	63.4	52.5	58.2	92.7	79.9	63.4	243.9	294.1	369.9
Medical equipment	10.0	10.8	9.4	11.1	14.0	12.8	11.8	14.3	41.4	52.9	59.4
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.2
Total	78.4	112.5	96.8	84.8	98.4	131.8	120.3	102.1	372.5	452.6	547.4
Growth (% y-y)											
Leeno pin	7.6	21.0	29.5	6.4	29.6	21.0	18.8	15.5	15.9	21.1	11.8
IC test socket	70.0	75.1	46.6	-3.9	21.0	15.9	26.0	20.8	42.0	20.6	25.8
Medical equipment	30.0	47.3	32.2	25.2	39.1	18.5	26.1	28.7	33.2	28.0	12.2
Other	27.0	-8.3	-19.1	5.6	-9.5	11.7	15.4	-3.6	0.0	2.6	-1.1
Total	42.9	58.5	40.5	1.6	25.5	17.1	24.2	20.5	33.9	21.5	20.9
Growth (% q-q)											
Leeno pin	1.9	7.3	10.6	-12.1	24.2	0.2	8.6	-14.5			
IC test socket	-12.0	66.3	-20.7	-17.2	10.9	59.3	-13.8	-20.7			
Medical equipment	12.8	7.3	-13.0	18.8	25.3	-8.5	-7.4	21.1			
Other	13.2	-17.4	-4.2	17.9	-2.9	1.9	-1.1	-1.4			
Total	-6.0	43.5	-13.9	-12.5	16.1	33.9	-8.7	-15.1			

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Sales	**256**	**278**	**373**	**453**	**547**
Cost of goods sold	127	140	178	209	252
Gross profit	**128**	**138**	**194**	**243**	**296**
Gross margin (%)	50.2	49.7	52.2	53.8	54.0
SG&A expenses	14	14	17	21	25
Operating profit	**114**	**124**	**177**	**222**	**271**
Operating margin (%)	44.8	44.6	47.5	49.1	49.4
Non-operating gains (losses)	**28**	**22**	**19**	**21**	**22**
Financial profit	11	11	10	10	10
Financial costs	0	0	0	0	0
Equity-method gains (losses)	0	0	0	0	0
Other	17	11	9	11	11
Pre-tax profit	**142**	**147**	**196**	**244**	**292**
Taxes	31	33	44	54	64
Effective tax rate (%)	22.0	22.7	22.4	22.0	22.0
Profit from continuing operations	111	113	152	190	228
Profit from discontinued operations	0	0	0	0	0
Net profit	**111**	**113**	**152**	**190**	**228**
Net margin (%)	43.4	40.7	40.8	42.0	41.6
Net profit (controlling interests)	111	113	152	190	228
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	128	138	190	237	289
EBITDA margin (%)	50.2	49.5	51.1	52.4	52.8
EPS (parent-based) (KRW)	1,462	1,493	2,002	2,505	3,002
EPS (consolidated) (KRW)	1,462	1,493	2,002	2,505	3,002
Adjusted EPS (KRW)*	1,462	1,493	2,002	2,505	3,002

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Current assets	**372**	**449**	**533**	**628**	**779**
Cash & equivalents	34	55	85	172	309
Accounts receivable	30	51	53	57	67
Inventories	14	13	16	18	21
Other current assets	294	331	379	380	382
Fixed assets	**210**	**208**	**259**	**295**	**296**
Investment assets	23	23	23	23	23
Tangible assets	183	181	228	263	265
Intangible assets	2	2	2	2	2
Other long-term assets	2	2	6	6	6
Total assets	**583**	**657**	**792**	**922**	**1,075**
Current liabilities	**23**	**31**	**55**	**56**	**57**
Accounts payable	3	5	6	6	7
Short-term debt	0	0	0	0	0
Other current liabilities	21	26	49	49	49
Long-term liabilities	**3**	**4**	**6**	**6**	**6**
Bonds & long-term debt	0	0	0	0	0
Other long-term liabilities	3	4	6	6	6
Total liabilities	**26**	**35**	**61**	**61**	**62**
Owners of parent equity	**557**	**623**	**731**	**861**	**1,013**
Capital stock	8	8	8	8	8
Capital surplus	6	6	6	6	6
Retained earnings	546	612	720	850	1,002
Other	-2	-2	-2	-2	-2
Non-controlling interests' equity	**0**	**0**	**0**	**0**	**0**
Total equity	**557**	**623**	**731**	**861**	**1,013**
Net debt	-323	-375	-450	-538	-677

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Cash flow from operations	**110**	**110**	**179**	**197**	**233**
Net profit	111	113	152	190	228
Non-cash profit and expenses	25	35	52	15	19
Depreciation	14	13	13	15	18
Amortization	0	0	0	0	0
Other	11	22	38	0	0
Changes in A/L from operating activities	6	-22	0	-7	-14
Cash flow from investments	**-61**	**-47**	**-104**	**-50**	**-20**
Change in tangible assets	-69	-12	-60	-50	-20
Change in financial assets	-0	-31	-45	0	0
Other	8	-4	1	0	0
Cash flow from financing	**-46**	**-46**	**-46**	**-61**	**-76**
Change in debt	-0	-0	-0	0	0
Change in equity	0	0	0	0	0
Dividends	-46	-46	-46	-61	-76
Other	-0	-0	-0	0	0
Change in cash	4	21	30	87	137
Cash at beginning of year	30	34	55	85	172
Cash at end of year	34	55	85	172	309
Gross cash flow	**136**	**149**	**204**	**205**	**246**
Free cash flow	**42**	**98**	**120**	**147**	**213**

Financial ratios

Year-end Dec 31	2023	2024	2025	2026E	2027E
Growth (%)					
Sales	-20.7	8.8	33.9	21.5	20.9
Operating profit	-16.3	8.6	42.5	25.6	21.7
Net profit	-3.0	2.1	34.1	25.1	19.9
Adjusted EPS**	-3.0	2.1	34.1	25.1	19.9
Per-share data (KRW)					
EPS (parent-based)	1,462	1,493	2,002	2,505	3,002
EPS (consolidated)	1,462	1,493	2,002	2,505	3,002
Adjusted EPS**	1,462	1,493	2,002	2,505	3,002
BVPS	7,340	8,204	9,635	11,339	13,342
DPS (common)	600	600	800	1,000	1,200
Valuations (x)					
P/E***	27.7	25.7	30.1	46.0	38.4
P/B***	5.5	4.7	6.3	10.2	8.6
EV/EBITDA	21.5	18.5	21.8	34.8	28.0
Ratios (%)					
ROE	21.1	19.2	22.4	23.9	24.3
ROA	19.9	18.3	21.0	22.2	22.8
ROIC	48.5	44.2	57.3	62.6	69.4
Payout ratio	41.1	40.2	40.0	39.9	40.0
Dividend yield (common)	1.5	1.6	1.3	0.9	1.0
Net debt to equity	-58.0	-60.2	-61.6	-62.6	-66.9
Interest coverage (x)	12,550.0	16,333.0	27,254.2	n/a	n/a

Note: *Excluding one-off items;
**Fully diluted, excluding one-off items;
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

COMPANY UPDATE

2026. 4. 21

Tech Team

Richard Moon
Senior Analyst
joonho.moon@samsung.com

Seungho Jeong
Research Associate
seungho1.jeong@samsung.com

Scan to go to
Research Center report database

ISC (095340)

Growth across multiple fronts

- ISC's 1Q results should show sales of KRW64.6b and an operating profit of KRW18.3b (for an operating margin of 28.3%).
- Looking ahead, memory socket sales should surge, while core non-memory socket sales (including GPU) should continue to enjoy strong growth.
- We raise our target price for the stock to KRW280,000 and maintain BUY.

WHAT'S THE STORY?

1Q preview: We forecast that ISC will report 1Q results, with sales of KRW64.6b (down 10% q-q) and an operating profit of KRW18.3b (for an operating margin of 28.3%). These figures reflect a cautious view. Although we believe memory socket sales rebounded sharply, we factor in seasonal softness in non-memory socket revenue—particularly for GPU sockets. Weighed on by reduced sales, operating margin likely temporarily dipped below 30%.

2026 full-year outlook: We forecast full-year 2026 sales at KRW310.5b (up 41% y-y) and operating profit at KRW95.3b (for an operating margin of 30.7%). This reflects strong momentum from two key drivers: 1) a surge in memory socket sales (led by rising fab utilization and capacity additions; and 2) high growth in GPU and AI socket sales (led by sustained AI demand). ISC has also secured multiple ASIC R&D socket projects over the past two years, suggesting a rapid rise in related sales. Our earnings forecasts are subject to upward revision if the company secures additional R&D contracts from its top customer beyond GPUs, expands its footprint in the growing networking semiconductor market, or wins additional ASIC projects. Investors need to assess the implications of the company's proactive capex expansion.

(Continued on the next page)

SUMMARY FINANCIAL DATA

(KRWb)	2024	2025	2026E	2027E
Revenue	174	220	310	402
Operating profit	45	60	95	130
Net profit (adj)	55	56	84	110
EPS (adj) (KRW)	2,671	2,743	4,109	5,395
EPS (adj) growth (% y-y)	256.1	2.7	49.8	31.3
EBITDA margin (%)	31.3	31.8	35.4	37.8
ROE (%)	11.0	10.6	14.8	17.0
P/E (adj) (x)	27.0	40.5	55.7	42.4
P/B (x)	2.8	4.2	7.8	6.7
EV/EBITDA (x)	22.0	29.0	41.6	29.7
Dividend yield (%)	1.1	0.8	0.4	0.4

Source: Company data, Samsung Securities estimates

AT A GLANCE

BUY

Target price	KRW280,000	21.7%
Current price	KRW230,000	
Market cap	KRW4.9t/USD3.3b	
Shares (float)	21,197,058 (51.1%)	
52-week high/low	KRW271,000/KRW48,750	
Avg daily trading value (60-day)	KRW67.8b/ USD45.9m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
ISC (%)	-6.9	188.9	371.3
Vs Kosdaq (%pts)	-7.9	115.4	187.9

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	280,000	160,000	75.0%
2026E EPS	4,109	3,215	27.8%
2027E EPS	5,395	3,597	50.0%

SAMSUNG vs THE STREET

No of estimates	9
Target price	221,111
Recommendation	4.0

※ Rating: 4 < → BUY, 3 = HOLD, 2 > → SELL

Raising target price: We raise our target price to KRW280,000 and maintain BUY. Although ISC's share price has more than doubled since the start of the year, we believe the broader test socket sector is undergoing a structural rerating, driven by semiconductor node advancement and expectations for a rise in testing solutions. For reference, Taiwan's WinWay Technology—a pure-play AI socket leader and ISC's key valuation peer—is trading at 114x 2026 P/E (FactSet). That said, as consensus EPS growth for WinWay is a massive 94% in 2026 and 101% in 2027, we apply a more conservative 2026 P/E multiple of 68x, a 40% discount to WinWay (vs 20% previously), to our 2026 EPS forecast for ISC to arrive at our target price of KRW280,000.

1Q preview

(KRWb)	1Q26E	1Q25	Diff (% y-y)	4Q25	Diff (% q-q)	Consensus	Diff (%)
Sales	64.6	31.7	103.8	72.3	-10.7	67.3	-4.0
Operating profit	18.3	7.0	161.7	21.9	-16.6	20.7	-11.6
Pre-tax profit	21.5	9.3	131.6	24.0	-10.3	22.9	-5.9
Net profit	16.8	6.8	145.9	21.7	-22.6	18.8	-10.6
Margins (%)							
Operating margin	28.3	22.1		30.3		30.8	
Pre-tax margin	33.4	29.4		33.2		34.0	
Net margin	26.0	21.6		30.0		27.9	

Source: FnGuide, Samsung Securities estimates

Revisions to full-year forecasts

(KRWb)	New		Old		Diff (%)	
	2026E	2027E	2026E	2027E	2026E	2027E
Sales	310.5	402.5	268.0	303.7	15.9	32.5
Operating profit	95.3	130.1	73.8	85.4	29.1	52.4
Net profit	84.1	110.4	65.8	73.6	27.8	50.0

Source: Samsung Securities estimates

Summary income statement

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2025	2026E	2027E
Sales	**31.7**	**51.7**	**64.5**	**72.3**	**64.6**	**72.8**	**84.4**	**88.7**	**220.2**	**310.5**	**402.5**
Growth (% y-y)	-9.7	3.8	28.0	84.3	103.8	40.9	30.9	22.6	26.2	41.0	29.6
Growth (% q-q)	-19.3	63.0	24.9	12.1	-10.7	12.8	16.0	5.1			
Cost of goods sold	17.4	29.1	36.9	39.0	37.0	40.1	45.4	47.7	122.5	170.1	219.0
Gross profit	**14.2**	**22.5**	**27.6**	**33.3**	**27.6**	**32.7**	**39.0**	**41.0**	**97.7**	**140.3**	**183.5**
Gross margin (%)	44.9	43.6	42.8	46.1	42.7	45.0	46.2	46.2	44.4	45.2	45.6
SG&A expenses	7.2	8.8	10.2	11.4	9.3	10.5	11.8	13.6	37.7	45.1	53.4
Operating profit	**7.0**	**13.7**	**17.4**	**21.9**	**18.3**	**22.2**	**27.3**	**27.5**	**60.1**	**95.3**	**130.1**
Operating margin (%)	22.1	26.5	27.0	30.3	28.3	30.6	32.3	31.0	27.3	30.7	32.3
Non-operating profit	2.3	-0.2	2.4	2.1	3.2	3.1	3.1	3.0	6.5	12.5	11.4
Pre-tax profit	**9.3**	**13.5**	**19.8**	**24.0**	**21.5**	**25.4**	**30.4**	**30.5**	**66.6**	**107.8**	**141.5**
Pre-tax margin (%)	29.4	26.2	30.6	33.2	33.4	34.8	36.0	34.4	30.2	34.7	35.2
Net profit	**6.8**	**11.5**	**16.1**	**21.7**	**16.8**	**19.8**	**23.7**	**23.8**	**56.1**	**84.1**	**110.4**
Net margin (%)	21.6	22.3	24.9	30.0	26.0	27.2	28.1	26.8	25.5	27.1	27.4
EPS (KRW)	**334**	**562**	**785**	**1,062**	**821**	**966**	**1,159**	**1,163**	**2,743**	**4,109**	**5,395**
Growth (% y-y)	-56.7	-28.0	44.4	84.4	145.9	71.9	47.5	9.6	2.7	49.8	31.3
Growth (% q-q)	-42.0	68.3	39.8	35.2	-22.6	17.7	19.9	0.4			

Source: Company data, Samsung Securities estimates

Sales, by application

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2025	2026E	2027E
Data center	16.9	33.1	44.0	54.4	47.8	56.2	66.5	73.6	148.4	244.1	327.4
Smartphone	9.5	14.0	13.5	12.0	11.4	12.0	11.4	9.1	49.0	43.8	49.0
PC/Laptop	3.2	3.0	4.5	3.0	2.7	2.6	3.6	2.7	13.7	11.5	13.2
Automotive	1.0	0.7	1.5	1.9	1.7	1.1	1.8	1.9	5.1	6.5	6.9
Wearable	0.7	0.7	0.8	1.0	1.0	1.1	1.2	1.4	3.2	4.6	5.9
LSI	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-socket	0.4	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.0
Total	31.7	51.7	64.5	72.3	64.6	72.8	84.4	88.7	220.2	310.5	402.5
Growth (% y-y)											
Data center	-3.7	67.2	95.9	94.3	182.6	69.7	51.2	35.3	69.0	64.5	34.2
Smartphone	-9.5	16.7	-9.8	90.5	20.0	-14.5	-15.8	-24.2	11.9	-10.5	11.8
PC/Laptop	10.3	-62.5	-54.9	-14.3	-15.6	-14.5	-20.2	-10.2	-43.8	-15.7	14.4
Automotive	-44.4	-65.0	0.0	90.0	70.0	50.0	20.0	0.0	-19.0	26.5	7.5
Wearable	-61.1	-75.0	-20.0	nm	42.9	50.0	44.4	38.6	-42.9	43.5	27.9
LSI	nm	-100.0	nm	nm	nm	nm	nm	nm	-100.0	nm	nm
Non-socket	-20.0	-60.0	-60.0	-100.0	-100.0	-100.0	-100.0	nm	-60.0	-100.0	nm
Total	-9.6	3.8	28.0	84.0	103.7	40.8	30.9	22.7	26.1	41.0	29.6
Growth (% q-q)											
Data center	-39.6	95.9	32.9	23.6	-12.2	17.6	18.4	10.7			
Smartphone	50.8	47.4	-3.6	-11.1	-5.0	5.0	-5.0	-20.0			
PC/Laptop	-8.6	-6.3	50.0	-33.3	-10.0	-5.0	40.0	-25.0			
Automotive	0.0	-30.0	114.3	26.7	-10.5	-38.2	71.4	5.6			
Wearable	nm	0.0	14.3	25.0	0.0	5.0	10.0	20.0			
LSI	nm	nm	nm	nm	nm	nm	nm	nm			
Non-socket	-20.0	-50.0	0.0	-100.0	nm	nm	nm	nm			
Total	-19.3	63.1	24.8	12.1	-10.7	12.8	16.0	5.1			

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Sales	**140**	**174**	**220**	**310**	**402**
Cost of goods sold	85	100	122	170	219
Gross profit	**55**	**74**	**98**	**140**	**184**
Gross margin (%)	39.3	42.6	44.4	45.2	45.6
SG&A expenses	44	30	38	45	53
Operating profit	**11**	**45**	**60**	**95**	**130**
Operating margin (%)	7.7	25.7	27.3	30.7	32.3
Non-operating gains (losses)	**7**	**25**	**7**	**13**	**11**
Financial profit	12	26	17	18	18
Financial costs	7	7	9	8	8
Equity-method gains (losses)	0	0	0	0	0
Other	2	6	-1	2	1
Pre-tax profit	**18**	**70**	**67**	**108**	**142**
Taxes	4	15	10	24	31
Effective tax rate (%)	22.7	21.1	15.4	22.0	22.0
Profit from continuing operations	14	55	56	84	110
Profit from discontinued operations	0	0	0	0	0
Net profit	**14**	**55**	**56**	**84**	**110**
Net margin (%)	9.7	31.5	25.6	27.1	27.4
Net profit (controlling interests)	13	55	56	84	110
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	19	55	70	110	152
EBITDA margin (%)	13.9	31.3	31.8	35.4	37.8
EPS (parent-based) (KRW)	750	2,671	2,743	4,109	5,395
EPS (consolidated) (KRW)	750	2,671	2,743	4,109	5,395
Adjusted EPS (KRW)*	750	2,671	2,743	4,109	5,395

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Current assets	**362**	**405**	**447**	**429**	**517**
Cash & equivalents	268	40	80	36	60
Accounts receivable	21	33	70	94	121
Inventories	15	15	25	26	34
Other current assets	57	317	272	273	302
Fixed assets	**180**	**178**	**176**	**261**	**279**
Investment assets	10	9	6	6	6
Tangible assets	93	92	91	178	197
Intangible assets	21	18	20	18	17
Other long-term assets	56	59	59	59	59
Total assets	**542**	**583**	**622**	**690**	**796**
Current liabilities	**58**	**52**	**83**	**83**	**98**
Accounts payable	5	8	33	53	68
Short-term debt	18	0	0	0	0
Other current liabilities	36	45	50	30	30
Long-term liabilities	**10**	**7**	**2**	**2**	**2**
Bonds & long-term debt	3	0	0	0	0
Other long-term liabilities	7	7	2	2	2
Total liabilities	**68**	**60**	**85**	**86**	**100**
Owners of parent equity	**473**	**523**	**537**	**603**	**695**
Capital stock	11	11	11	11	11
Capital surplus	316	316	290	290	290
Retained earnings	173	222	261	327	419
Other	-26	-26	-24	-24	-24
Non-controlling interests' equity	**0**	**0**	**1**	**1**	**1**
Total equity	**473**	**523**	**537**	**604**	**696**
Net debt	-254	-324	-321	-278	-332

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025	2026E	2027E
Cash flow from operations	**22**	**51**	**42**	**73**	**83**
Net profit	14	55	56	84	110
Non-cash profit and expenses	25	7	14	15	22
Depreciation	7	9	9	13	21
Amortization	2	1	1	1	1
Other	17	-3	5	0	0
Changes in A/L from operating activities	0	-11	-27	-25	-49
Cash flow from investments	**-2**	**-252**	**14**	**-100**	**-40**
Change in tangible assets	-13	-5	-5	-100	-40
Change in financial assets	2	-275	43	0	0
Other	10	28	-23	0	0
Cash flow from financing	**194**	**-27**	**-17**	**-17**	**-18**
Change in debt	4	-23	0	0	0
Change in equity	200	0	-26	0	0
Dividends	-10	-4	-17	-17	-18
Other	-1	-0	25	0	0
Change in cash	214	-228	40	-44	24
Cash at beginning of year	54	268	40	80	36
Cash at end of year	268	40	80	36	60
Gross cash flow	**39**	**62**	**71**	**99**	**132**
Free cash flow	**8**	**39**	**36**	**-27**	**43**

Financial ratios

Year-end Dec 31	2023	2024	2025	2026E	2027E
Growth (%)					
Sales	-21.6	24.4	26.2	41.0	29.6
Operating profit	-80.8	317.1	34.1	58.6	36.6
Net profit	-69.1	304.2	2.6	49.2	31.3
Adjusted EPS**	-70.3	256.1	2.7	49.8	31.3
Per-share data (KRW)					
EPS (parent-based)	750	2,671	2,743	4,109	5,395
EPS (consolidated)	750	2,671	2,743	4,109	5,395
Adjusted EPS**	750	2,671	2,743	4,109	5,395
BVPS	26,917	25,547	26,223	29,482	33,977
DPS (common)	200	810	850	900	1,000
Valuations (x)					
P/E***	107.1	27.0	40.5	55.7	42.4
P/B***	3.0	2.8	4.2	7.8	6.7
EV/EBITDA	62.6	22.0	29.0	41.6	29.7
Ratios (%)					
ROE	3.6	11.0	10.6	14.8	17.0
ROA	3.0	9.8	9.3	12.8	14.9
ROIC	5.1	24.8	33.9	34.9	35.4
Payout ratio	31.0	30.3	31.0	21.9	18.5
Dividend yield (common)	0.2	1.1	0.8	0.4	0.4
Net debt to equity	-53.7	-62.0	-59.8	-46.1	-47.7
Interest coverage (x)	5.0	28.2	57.6	90.0	122.9

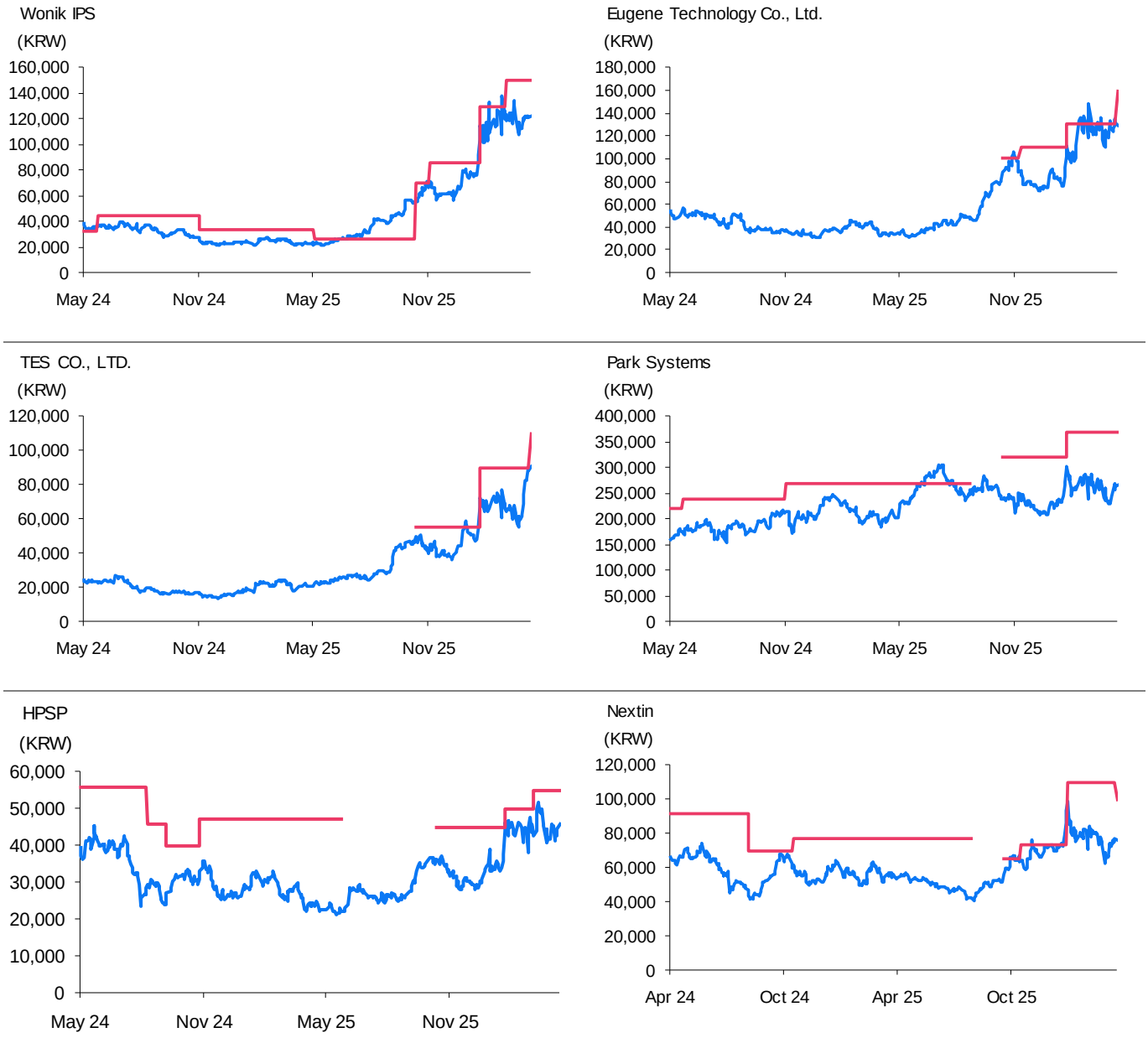
Note: *Excluding one-off items;
**Fully diluted, excluding one-off items;
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

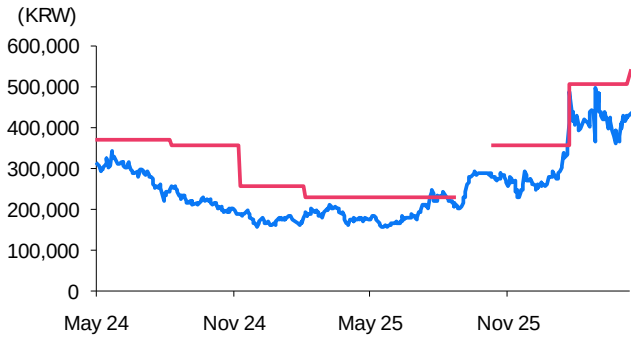
Compliance notice

- As of 4/20 2026, Samsung Securities' holdings of shares and debt instruments convertible into shares of TES CO., LTD. would, if such debt instruments were converted, exceed 1% of the outstanding shares.
- As of 4/20 2026, the covering analyst(s) did not own any shares, or debt instruments convertible into shares, of any company covered in this report.
- This report has been prepared without any undue external influence or interference, and accurately reflects the views of the analyst(s) covering the company or companies herein.
- All material presented in this report, unless specifically indicated otherwise, is under copyright to Samsung Securities.
- Neither the material nor its content (including copies) may be altered in any form, or by any means transmitted, copied, or distributed to another party, without prior express written permission from Samsung Securities.
- This memorandum is based upon information available to the public. While we have taken all reasonable care to ensure its reliability, we do not guarantee its accuracy or completeness. This memorandum is not intended to be an offer, or a solicitation of any offer, to buy or sell the securities mentioned herein. Samsung Securities shall not be liable whatsoever for any loss, direct or consequential, arising from the use of this memorandum or its contents. Statements made regarding affiliates of Samsung Securities are also based upon publicly available information and do not necessarily represent the views of management at such affiliates.
- This material has not been distributed to institutional investors or other third parties prior to its publication.

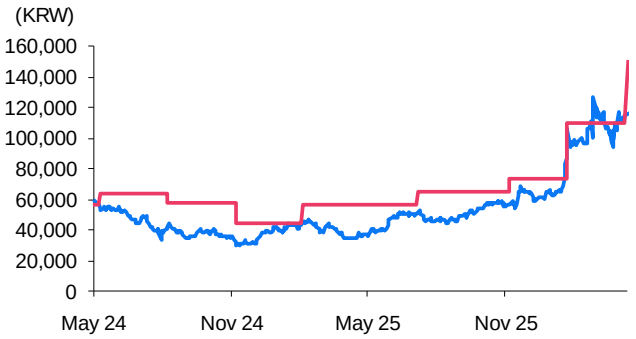
Target price changes in past two years



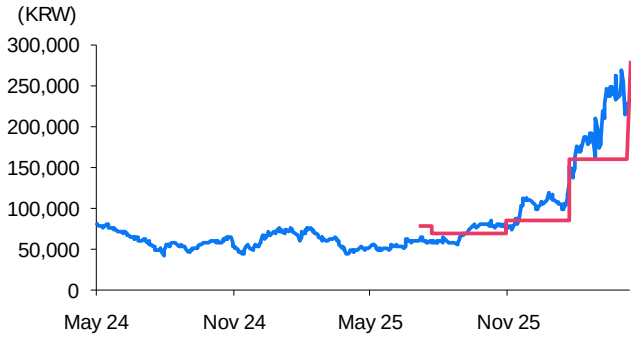
Soulbrain Co., Ltd.



LEENO Industrial Inc



ISC Co., LTD.



Rating changes over past two years (adjusted share prices)

Wonik IPS							
Date	2024/5/30	11/8	2025/5/12	10/20	11/10	2026/1/30	3/12
Recommendation	BUY	HOLD	HOLD	BUY	BUY	BUY	BUY
Target price (KRW)	44000	34000	26000	70000	86000	130000	150000
Gap* (average)	-23.94	-30.32	30.97	-9.08	-19.30	-9.95	
(max or min)**	-8.86	-18.24	119.62	2.43	29.07	6.00	

Eugene Technology				
Date	2025/10/20	11/17	2026/1/30	4/20
Recommendation	BUY	BUY	BUY	BUY
Target price (KRW)	100000	110000	130000	160000
Gap* (average)	-4.02	-26.62	-5.83	
(max or min)**	5.70	-2.27	13.85	

TES			
Date	2025/10/20	2026/1/30	4/20
Recommendation	BUY	BUY	BUY
Target price (KRW)	55000	90000	110000
Gap* (average)	-17.44	-23.44	
(max or min)**	30.91	0.11	

Park Systems					
Date	2023/10/10	2024/5/28	11/7	2025/10/20	2026/1/30
Recommendation	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	220000	240000	270000	320000	370000
Gap* (average)	-24.87	-22.49	-13.99	-28.39	
(max or min)**	-14.41	-9.58	13.70	-21.25	

HPSP							
Date	2023/12/4	2024/8/16	9/12	11/1	2025/10/20	2026/1/30	3/12
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	56000	46000	40000	47000	45000	50000	55000
Gap* (average)	-22.11	-39.37	-22.77	-41.64	-27.34	-11.73	
(max or min)**	12.68	-32.93	-16.38	-23.83	-1.44	-4.30	

Nextin							
Date	2024/3/13	9/3	11/14	2025/10/20	11/17	2026/1/30	4/20
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	92000	70000	77000	65000	73000	110000	100000
Gap* (average)	-31.90	-19.80	-30.64	-2.83	-6.90	-29.94	
(max or min)**	-18.91	-3.29	-17.01	3.08	4.11	-20.36	

Soulbrain							
Date	2024/4/11	8/16	11/15	2025/2/10	10/20	2026/1/30	4/20
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	370000	360000	260000	230000	360000	510000	540000
Gap* (average)	-21.17	-40.16	-32.44	-16.72	-22.18	-18.10	
(max or min)**	-7.16	-28.89	-24.15	8.04	25.00	-1.76	

Leeno Industrial									
Date	2024/3/13	5/16	8/14	11/14	2025/2/10	7/14	11/14	2026/1/30	4/20
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	56000	64000	58000	44000	56000	65000	73000	110000	150000
Gap* (average)	-6.16	-25.95	-35.29	-15.94	-24.55	-21.56	-11.51	-3.05	
(max or min)**	6.43	-12.97	-23.45	-0.23	-7.32	-9.38	26.16	15.45	

ISC					
Date	2025/7/14	7/30	11/6	2026/1/30	4/20
Recommendation	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	78000	70000	85000	160000	280000
Gap* (average)	-22.14	0.02	21.28	29.25	
(max or min)**	-15.77	20.86	63.18	69.38	

Note: * [(average, maximum, or minimum share price over duration of target price minus target price) / target price] x 100%
** Maximum/minimum share price if new target is higher/lower than market close on the business day prior to target price change

Samsung Securities uses the following investment ratings*

Company

BUY	Expected to increase in value by 15% or more within 12 months and is highly attractive within sector
HOLD	Expected to increase/decrease in value by less than 15% within 12 months
SELL	Expected to decrease in value by 15% or more within 12 months

Industry

OVERWEIGHT	Expected to outperform market by 5% or more within 12 months
NEUTRAL	Expected to outperform/underperform market by less than 5% within 12 months
UNDERWEIGHT	Expected to underperform market by 5% or more within 12 months

* Note: Effective Jul 27, 2023, BUY, HOLD, and SELL criteria are based on expectations of share-price moves of 15% or more within 12 months

Percentage of ratings in 12 months prior to 2026.03.31

BUY (85.2%)·HOLD (14.8%)·SELL (0%)

Global Disclosures & Disclaimers

General

This research report is for information purposes only. It is not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This report does not provide individually tailored investment advice. This report does not take into account individual client circumstances, objectives, or needs and is not intended as recommendations of particular securities, financial instruments or strategies to any particular client. The securities and other financial instruments discussed in this report may not be suitable for all investors. The recipient of this report must make its own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser.

This report may not be altered, reproduced, distributed, transmitted or published in whole or in part for any purpose. References to "Samsung Securities" are references to any company in the Samsung Securities, Co., Ltd. group of companies.

Samsung Securities and/or other affiliated companies, its and their directors, officers, representatives, or employees may have long or short positions in any of the securities or other financial instruments mentioned in this report or of issuers described herein and may purchase and/or sell, or offer to purchase and/or sell, at any time, such securities or other financial instruments in the open market or otherwise, as either a principal or agent. Any pricing of securities or other financial instrument contained herein is as of the close of market for such day, unless otherwise stated. Opinions and estimates contained herein constitute our judgment as of the date of this report and are subject to change without notice.

The information provided in this report is provided "AS IS". Although the information contained herein has been obtained from sources believed to be reliable, no representation or warranty, either expressed or implied, is provided by Samsung Securities in relation to the accuracy, completeness or reliability of such information or that such information was provided for any particular purpose and Samsung Securities expressly disclaims any warranties of merchantability or fitness for a particular purpose. Furthermore, this report is not intended to be a complete statement or summary of the securities, markets or developments referred to herein.

Samsung Securities does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. Samsung Securities, its affiliates, or any of its and their affiliates, directors, officers, employees or agents disclaim any and all responsibility or liability whatsoever for any loss (direct or consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice. Past performance is not indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security or financial instrument mentioned in this report. For investment advice, trade execution or other enquiries, clients should contact their local sales representative. Any opinions expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of Samsung Securities. Any analysis contained herein is based on numerous assumptions. Different assumptions may result in materially different results. Samsung Securities is under no obligation to update or keep current the information contained herein. Samsung Securities relies on information barriers to control the flow of information contained in one or more areas or groups within Samsung Securities into other areas or groups of Samsung Securities. Any prices stated in this report are for information purposes only and do not represent valuations for individual securities or other financial instruments. Samsung Securities makes no representation that any transaction can or could have been effected at those prices and any prices contained herein may not reflect Samsung Securities' internal books and records or theoretical model-based valuations and may be based on certain assumptions. Different assumptions by Samsung Securities or any other source may yield substantially different results. Additional information is available upon request.

For reports to be distributed to US:

Securities research is prepared, issued and exclusively distributed by Samsung Securities Co., Ltd., an organization licensed with the Financial Supervisory Service of South Korea. This research may be distributed in the United States only to major institutional investors as defined in Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended, and may not be circulated to any other person otherwise. All transactions by U.S. investors involving securities discussed in this report must be effected through Samsung Securities (America) Inc., a broker-dealer registered with the U.S. Securities & Exchange Commission and a member of the Financial Industry Regulatory Authority/SIPC, and not through any non-U.S. affiliate thereof. The analysts listed [on the front of this report] are employees of Samsung Securities Co., Ltd., or a non-U.S. affiliate thereof, and are not registered/qualified as research analysts under applicable U.S. rules and regulations and may not be subject to U.S. restrictions on communications with covered companies, public appearances, and trading securities held by a research analyst account.

For reports to be distributed to UK:

This report is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). To the extent that this report does constitute such an invitation or inducement, it is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (as amended) of the United Kingdom (the "Financial Promotion Order"); (ii) persons who fall within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iii) any other persons to whom this report can, for the purposes of section 21 of FSMA, otherwise lawfully be made (all such persons together being referred to as "relevant persons").

Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons must not act or rely on this report.

For reports to be distributed to Korea:

This report is for private circulation only, not for sale, and is issued and distributed only to persons permitted under the laws and regulations of Korea.

For reports to be distributed to Singapore:

This report is provided pursuant to the financial advisory licensing exemption under Regulation 27(1)(e) of the Financial Advisers Regulation of Singapore and accordingly may only be provided to persons in Singapore who are "institutional investors" as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This report is intended only for the person to whom Samsung Securities has provided this report and such person may not send, forward or transmit in any way this report or any copy of this report to any other person.

Analyst certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of such analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research report. The analyst(s) principally responsible for the preparation of this research report receives compensation based on determination by research management and senior management (not including investment banking), based on the overall revenues, including investment banking revenues of Samsung Securities Co., Ltd. and its related entities and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

Copyright © 2010 Samsung Securities Co., Ltd.. All rights reserved. This report or any portion hereof may not be reprinted, sold or redistributed without the prior written consent of Samsung Securities America Inc

Samsung Securities

SAMSUNG SECURITIES

Samsung Electronics Bldg., 11, 74-gil,
Seochodae-ro, Seocho-gu, Seoul, Korea 06620
Tel: 02 2020 8000 / www.samsungpop.com

Family Center: 1588 2323

Voice Of Customer: 080 911 0900

For more information,
please call our sales representatives:

LONDON

Samsung Securities Europe Limited
1st Floor, 30 Gresham Street, London EC2V 7PG UK
Tel. 44-207-776-4311
Fax. 44-203-837-9219

NEW YORK

Samsung Securities America Limited
1330 Avenue of the Americas. 10th Floor. New York,
NY 10019
Tel: 1-212-972-2454
Fax: 1-212-972-2704

HONG KONG

Samsung Securities (Asia) Limited
Suite 4511, Two International Finance Center,
8 Finance Street, Central, Hong Kong
Tel: 852-3411-3608
Fax: 852-2114-0290

BEIJING

Samsung Securities Beijing Representative Office
Rm. 910, The Exchange Building No 118 JianGuo Lu, Chao Yang District, Beijing, China
Tel: 86-10-6522-1855 (extension 7891)
Fax: 86-10-6522-1855 (extension 7889)

TOKYO

Samsung Securities Tokyo Representative Office
#106-8532 19F, Roppongi T-Cube 3-1-1,
Roppongi Minato-ku Tokyo, Japan
Tel: 81-3-6333-2952
Fax: 81-3-6333-2953

Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CSA