COMPANY UPDATE

2026. 5. 15

Innovation Team

Donghee Jeong
Analyst
donghee1009.jeong@samsung.com

Scan to go to
Research Center report database

Classys (214150)

Fundamentals to normalize in 2Q

- **1Q review:** Classys missed consensus in 1Q, as the consolidation of a Brazil entity dragged gross margin lower.
- **Maintaining BUY but cutting target price to KRW76,000:** Unrealized inventory sales in Brazil are likely to gradually normalize, while expansion of the global product portfolio remains a momentum driver.

WHAT'S THE STORY?

1Q review: Classys reported 1Q consolidated sales of KRW87.2b (up 13% q-q but down 6.7% y-y) and an operating profit of KRW37.2b (down 4.1% q-q and 27.3% y-y). The consolidation of a Brazil entity in March added KRW1.8b net to sales. Exports of: 1) equipment amounted to KRW35.5b (up 37% q-q but down 6.4% y-y), reflecting steady demand for Shurink overseas, growth in Volnewmer, and the launch of the Quadessy in the US; and 2) consumables reached KRW26b (down 0.3% y-y and 6.2% q-q), with growth in key regions such as Thailand, CIS, and Australia offsetting a one-off impact from Brazil. Domestic sales of: 1) equipment declined to KRW6.6b (down 28% y-y and 47.3% q-q), hurt by a high base from Reepot and delayed launches of Quadessy and Fortra—but in April, demos and sales of the enhanced Quadessy version have commenced; and 2) consumables came to KRW14.9b (flat y-y but up 11.4% q-q), supported by a low base of the prior quarter. Gross margin sagged 4.9%pts y-y to 74.6%, due to the recognition of unsold stock inventory shipments in Brazil. Operating margin hit 42.7%, as SG&A costs were affected by the consolidation of a new entity.

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW76,000	38.2%
Current price	**KRW55,000**	
Market cap	KRW3.6t/USD2.4b	
Shares (float)	65,235,659 (40.3%)	
52-week high/low	KRW75,600/KRW46,500	
Avg daily trading value (60-day)	KRW25.1b/ USD16.8m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Classys (%)	1.1	-2.0	-15.5
Vs Kosdaq (%pts)	-4.8	-26.1	-47.6

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	76,000	81,000	-6.2%
2026E EPS	2,622	2,931	-10.5%
2027E EPS	3,205	3,562	-10.0%

SAMSUNG vs THE STREET

No of estimates	15
Target price	84,133
Recommendation	4.0

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

SUMMARY 1Q RESULTS

(KRWb)	1Q26	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	87.2	13.1	-6.7	-3.6	-5.4
Operating profit	37.2	-4.1	-27.3	-11.9	-17.1
Pre-tax profit	44.8	13.3	-17.5	1.7	-7.7
Net profit	33.2	11.7	-22.2	-3.3	-11.2
Margins (%)					
Operating profit	42.7				
Pre-tax profit	51.4				
Net profit	38.1				

Source: Company data, Fnguide, Samsung Securities estimates

VALUATION SUMMARY

	2025	2026E	2027E
Valuation (x)			
P/E	27.1	21.0	17.2
P/B	6.4	5.4	4.5
EV/EBITDA	18.6	15.3	12.0
Div yield (%)	1.8	1.8	1.8
EPS growth (% y-y)	32.8	30.2	22.3
ROE (%)	26.2	28.2	28.6
Per-share data (KRW)			
EPS	2,014	2,622	3,205
BVPS	8,487	10,114	12,323
DPS	1,000	1,000	1,000

Maintaining BUY but cutting target price to KRW76,000: We lower our forward EBITDA-based target price to reflect softening growth in domestic equipment sales and that the Brazilian acquisition contributed less to sales while adding more to the COGS ratio than expected. Notably, 1Q was a transitional quarter because the company began post-merger integration of the Brazilian entity: adjusting pricing, improving collections of accounts receivable, and removing some unrealized gains from the merger's first month. As a result, sales and margins will likely begin to rebound in 2Q. In 1Q, Classys sold 1,300 units of equipment, bringing total cumulative sales to 46,000 units. Regional distribution was balanced across Korea (200 units in 1Q), Asia (300), Europe (300), the US (100), South America (200), and the Middle East (60)—pointing to a sustainable growth foundation. Among key catalysts for 2026, China's Volnewmer approval has been delayed from September to year-end, which is rather disappointing. However, the absence of any competing monopolar RF approvals outside Thermage limits near-term competitive pressure. Equipment portfolio expansion in the US (Volnewmer and Quadessy) and the normalization of sales at the Brazil subsidiary remain momentum drivers for 2Q and beyond.

Classys: Valuation

(KRWb)	Calculation	Estimated value	Note
2025 EBITDA	(A)	237	
EV/EBTIDA multiple (x)	(B)	20	20% discount* to peak seen over 2022-2024
Operating value	(C=AxB)	4,688	
Net debt	(D)	-247	
Fair value	(E=C-D)	4,935	
Outstanding shares ('000)	(F)	65,154	
Fair value per share (KRW)	(E/F)	75,745	
Target price (KRW)		76,000	

Note: *Due to trading volatility and governance issues
Source: Bloomberg, Samsung Securities estimates

Classys: Results and forecasts

(KRWb)	2025	2026E	2027E	1Q25	2Q25	3Q25	4Q25	1Q26P	2Q26E	3Q26E	4Q26E	1Q27E	2Q27E	3Q27E	4Q27E
Sales	**336.8**	**451.6**	**558.9**	**77.1**	**83.3**	**83.0**	**93.4**	**87.2**	**112.6**	**118.2**	**133.6**	**118.6**	**137.9**	**135.4**	**167.0**
Platforms	**174.0**	**211.8**	**255.8**	**35.1**	**45.5**	**42.9**	**50.5**	**42.1**	**53.8**	**56.0**	**59.9**	**49.3**	**65.2**	**66.2**	**75.2**
Exports	128.0	165.8	190.8	25.9	32.9	31.3	37.9	35.5	41.1	44.1	45.2	36.9	48.3	50.2	55.3
Domestics	45.9	46.0	65.0	9.2	12.6	11.6	12.5	6.6	12.8	11.9	14.7	12.3	16.9	16.0	19.9
Consumables	**154.6**	**188.2**	**217.9**	**41.0**	**35.2**	**37.3**	**41.1**	**40.9**	**45.6**	**47.4**	**54.2**	**52.6**	**50.7**	**51.7**	**63.0**
Exports	95.5	123.9	149.8	26.1	20.1	21.5	27.7	26.0	29.9	30.7	37.3	37.0	34.1	33.8	44.8
Domestics	59.2	64.3	68.1	14.9	15.1	15.8	13.4	14.9	15.7	16.7	17.0	15.5	16.6	17.9	18.1
ShurinkRX/Skederm	**7.3**	**10.7**	**14.4**	**0.8**	**2.4**	**2.5**	**1.6**	**2.0**	**2.9**	**2.6**	**3.2**	**2.6**	**4.4**	**3.3**	**4.1**
Exports	1.2	1.4	1.7	0.6	0.4	0.1	0.1	0.0	0.3	0.2	0.9	0.5	0.5	0.2	0.5
Domestics	6.1	9.3	12.7	0.3	2.0	2.4	1.5	2.0	2.6	2.4	2.3	2.1	3.8	3.1	3.7
Others	**0.9**	**0.9**	**0.8**	**0.2**	**0.2**	**0.2**	**0.2**	**0.3**	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**
MedSystems		**40.0**	**70.0**					**1.8**	**10.0**	**12.0**	**16.2**	**14.0**	**17.5**	**14.0**	**24.5**
Gross profit	**261.1**	**335.8**	**421.0**	**61.3**	**64.0**	**63.7**	**72.0**	**65.0**	**83.9**	**87.9**	**99.0**	**91.5**	**102.5**	**101.8**	**125.2**
Operating profit	**170.6**	**204.4**	**255.9**	**38.8**	**43.0**	**37.6**	**51.2**	**37.2**	**52.9**	**53.5**	**60.9**	**56.5**	**63.3**	**60.4**	**75.7**
Pre-tax profit	**168.6**	**223.9**	**268.1**	**39.6**	**31.9**	**42.8**	**54.3**	**44.8**	**54.9**	**55.7**	**63.4**	**59.2**	**66.2**	**63.6**	**79.2**
Net profit (controlling)	**131.9**	**171.1**	**209.1**	**29.8**	**26.5**	**33.0**	**42.6**	**33.6**	**43.4**	**44.0**	**50.1**	**46.2**	**51.6**	**49.6**	**61.7**
Growth (%y-y)															
Sales	***38.7***	***34.1***	***23.8***	***53.1***	***41.9***	***39.7***	***25.6***	***13.0***	***35.2***	***42.5***	***43.0***	***36.1***	***22.5***	***14.5***	***25.0***
Platforms	***40.0***	***21.7***	***20.8***	***57.9***	***47.4***	***29.7***	***32.6***	***20.1***	***18.4***	***30.4***	***18.6***	***17.0***	***21.1***	***18.2***	***25.6***
Exports	*34.9*	*29.5*	*15.1*	*66.0*	*35.5*	*18.3*	*32.9*	*37.0*	*25.0*	*40.7*	*19.0*	*4.1*	*17.7*	*13.9*	*22.5*
Domestics	*56.6*	*0.2*	*41.3*	*38.7*	*91.2*	*75.4*	*31.8*	*-28.0*	*1.2*	*2.7*	*17.4*	*86.5*	*31.9*	*34.1*	*35.1*
Consumables	*36.9*	*21.7*	*15.8*	*54.8*	*35.1*	*45.5*	*18.4*	*-0.2*	*29.6*	*27.0*	*31.9*	*28.4*	*11.1*	*9.0*	*16.2*
Exports	*42.6*	*29.8*	*20.9*	*50.3*	*30.0*	*58.6*	*34.9*	*-0.3*	*48.7*	*42.6*	*34.4*	*42.4*	*14.0*	*9.9*	*20.3*
Domestics	*28.7*	*8.6*	*6.0*	*63.3*	*42.4*	*30.8*	*-5.5*	*-0.0*	*4.2*	*5.7*	*26.6*	*4.0*	*5.5*	*7.4*	*7.0*
ShurinkRX/Skederm	*54.8*	*47.1*	*34.2*	*-40.9*	*57.9*	*477.6*	*15.8*	*145.0*	*23.1*	*5.3*	*97.7*	*27.9*	*48.9*	*26.5*	*30.8*
Exports	*-31.7*	*21.5*	*19.3*	*-19.6*	*-30.2*	*-25.0*	*-70.3*	*-100.0*	*-17.5*	*82.9*	*984.1*	*n/a*	*55.6*	*-9.8*	*-45.5*
Domestics	*104.0*	*52.0*	*36.4*	*-62.4*	*114.0*	*760.6*	*36.5*	*670.6*	*31.6*	*1.5*	*51.1*	*3.1*	*48.1*	*29.7*	*59.6*
Others	*-8.4*	*-5.0*	*-5.0*	*-19.2*	*-20.5*	*3.4*	*7.8*	*9.7*	*2.6*	*-10.1*	*-21.2*	*-9.8*	*-5.3*	*-5.2*	*2.3*
MedSystems			*75.0*									*677.8*	*75.0*	*16.7*	*51.2*
Gross profit	***36.6***	***28.6***	***25.4***	***52.5***	***34.7***	***36.7***	***26.8***	***6.1***	***31.0***	***37.9***	***37.5***	***40.7***	***22.3***	***15.8***	***26.5***
Operating profit	***39.3***	***19.8***	***25.2***	***46.3***	***37.9***	***29.9***	***43.0***	***-4.1***	***23.0***	***42.1***	***18.9***	***51.9***	***19.8***	***12.9***	***24.3***
Pre-tax profit	***31.8***	***32.8***	***19.7***	***23.2***	***-7.6***	***91.3***	***39.7***	***13.4***	***72.1***	***30.1***	***16.7***	***32.0***	***20.5***	***14.0***	***24.8***
Net profit (controlling)	***34.8***	***29.7***	***22.2***	***14.3***	***-0.4***	***100.2***	***48.5***	***12.7***	***63.9***	***33.4***	***17.5***	***37.4***	***19.0***	***12.6***	***23.2***
Margins (%)															
Gross profit	**77.5**	**74.4**	**75.3**	**79.5**	**76.9**	**76.8**	**77.1**	**74.6**	**74.5**	**74.3**	**74.1**	**77.2**	**74.3**	**75.1**	**75.0**
Operating profit	**50.7**	**45.3**	**45.8**	**50.3**	**51.6**	**45.3**	**54.8**	**42.7**	**47.0**	**45.2**	**45.5**	**47.6**	**45.9**	**44.6**	**45.3**
Pre-tax profit	**50.1**	**49.6**	**48.0**	**51.3**	**38.3**	**51.6**	**58.2**	**51.4**	**48.8**	**47.1**	**47.5**	**49.9**	**48.0**	**46.9**	**47.4**
Net profit (controlling)	**39.2**	**37.9**	**37.4**	**38.7**	**31.8**	**39.8**	**45.6**	**38.6**	**38.5**	**37.2**	**37.5**	**38.9**	**37.4**	**36.6**	**37.0**

Note: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**243**	**337**	**452**	**559**	**640**
Cost of goods sold	52	76	116	138	153
Gross profit	**191**	**261**	**336**	**421**	**487**
Gross margin (%)	78.7	77.5	74.4	75.3	76.1
SG&A expenses	69	90	131	165	189
Operating profit	**122**	**171**	**204**	**256**	**298**
Operating margin (%)	50.4	50.7	45.3	45.8	46.6
Non-operating gains (losses)	**5**	**-2**	**20**	**12**	**17**
Financial profit	24	10	17	12	17
Financial costs	6	11	-2	0	0
Equity-method gains (losses)	-1	0	0	0	0
Other	-12	-1	0	0	0
Pre-tax profit	**128**	**169**	**224**	**268**	**315**
Taxes	30	37	48	59	69
Effective tax rate (%)	23.8	21.7	21.5	22.0	22.0
Profit from continuing operations	98	132	171	209	246
Profit from discontinued operations	0	0	0	0	0
Net profit	**98**	**132**	**171**	**209**	**246**
Net margin (%)	40.2	39.2	37.8	37.4	38.4
Net profit (controlling interests)	98	132	171	209	246
Net profit (non-controlling interests)	-0	0	-0	0	0
EBITDA	130	185	218	269	310
EBITDA margin (%)	53.4	55.0	48.4	48.0	48.4
EPS (parent-based) (KRW)	1,517	2,014	2,622	3,205	3,765
EPS (consolidated) (KRW)	1,512	2,015	2,615	3,205	3,765
Adjusted EPS (KRW)*	1,517	2,014	2,622	3,205	3,765

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**234**	**296**	**460**	**606**	**794**
Cash & equivalents	23	38	91	145	274
Accounts receivable	37	48	69	86	97
Inventories	30	30	43	54	61
Other current assets	145	180	257	321	362
Fixed assets	**374**	**409**	**407**	**405**	**400**
Investment assets	9	39	51	62	68
Tangible assets	193	200	193	188	182
Intangible assets	141	140	132	125	119
Other long-term assets	31	30	30	30	30
Total assets	**608**	**705**	**867**	**1,011**	**1,194**
Current liabilities	**129**	**80**	**98**	**94**	**90**
Accounts payable	4	5	7	8	9
Short-term debt	4	1	1	1	1
Other current liabilities	121	75	91	85	80
Long-term liabilities	**27**	**73**	**112**	**115**	**122**
Bonds & long-term debt	12	63	63	63	63
Other long-term liabilities	15	10	49	53	59
Total liabilities	**156**	**153**	**210**	**210**	**212**
Owners of parent equity	**454**	**553**	**659**	**803**	**983**
Capital stock	7	7	7	7	7
Capital surplus	106	10	10	10	10
Retained earnings	336	548	654	797	978
Other	5	-11	-11	-11	-11
Non-controlling interests' equity	**-1**	**-1**	**-2**	**-2**	**-2**
Total equity	**453**	**552**	**657**	**801**	**982**
Net debt	-66	-120	-247	-361	-528

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**103**	**164**	**198**	**190**	**239**
Net profit	98	132	171	209	246
Non-cash profit and expenses	38	54	48	59	64
Depreciation	5	7	6	6	5
Amortization	2	8	8	7	6
Other	31	39	34	47	52
Changes in A/L from operating activities	-15	5	19	-32	-18
Cash flow from investments	**-82**	**-109**	**-103**	**-71**	**-45**
Change in tangible assets	-4	-10	0	0	0
Change in financial assets	-43	-63	-85	-71	-45
Other	-35	-36	-18	0	0
Cash flow from financing	**-17**	**-40**	**-65**	**-65**	**-65**
Change in debt	27	-5	0	0	0
Change in equity	82	-96	-0	0	0
Dividends	-13	-17	-65	-65	-65
Other	-113	79	0	0	0
Change in cash	4	15	54	54	129
Cash at beginning of year	18	23	38	91	145
Cash at end of year	23	38	91	145	274
Gross cash flow	**135**	**186**	**218**	**269**	**310**
Free cash flow	**99**	**151**	**198**	**190**	**239**

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	34.9	38.6	34.1	23.7	14.4
Operating profit	36.6	39.3	19.8	25.2	16.5
Net profit	31.4	35.3	29.3	22.5	17.5
Adjusted EPS**	32.4	32.8	30.2	22.3	17.5
Per-share data (KRW)					
EPS (parent-based)	1,517	2,014	2,622	3,205	3,765
EPS (consolidated)	1,512	2,015	2,615	3,205	3,765
Adjusted EPS**	1,517	2,014	2,622	3,205	3,765
BVPS	6,931	8,487	10,114	12,323	15,093
DPS (common)	257	1,000	1,000	1,000	1,000
Valuations (x)					
P/E***	31.4	27.1	21.0	17.2	14.6
P/B***	6.9	6.4	5.4	4.5	3.6
EV/EBITDA	23.6	18.6	15.3	12.0	9.9
Ratios (%)					
ROE	26.5	26.2	28.2	28.6	27.5
ROA	19.8	20.1	21.7	22.3	22.3
ROIC	35.2	36.1	42.4	50.8	56.5
Payout ratio	17.2	49.4	38.1	31.2	26.5
Dividend yield (common)	0.5	1.8	1.8	1.8	1.8
Net debt to equity	-14.6	-21.8	-37.5	-45.0	-53.8
Interest coverage (x)	60.0	70.5	-131.6	n/a	n/a

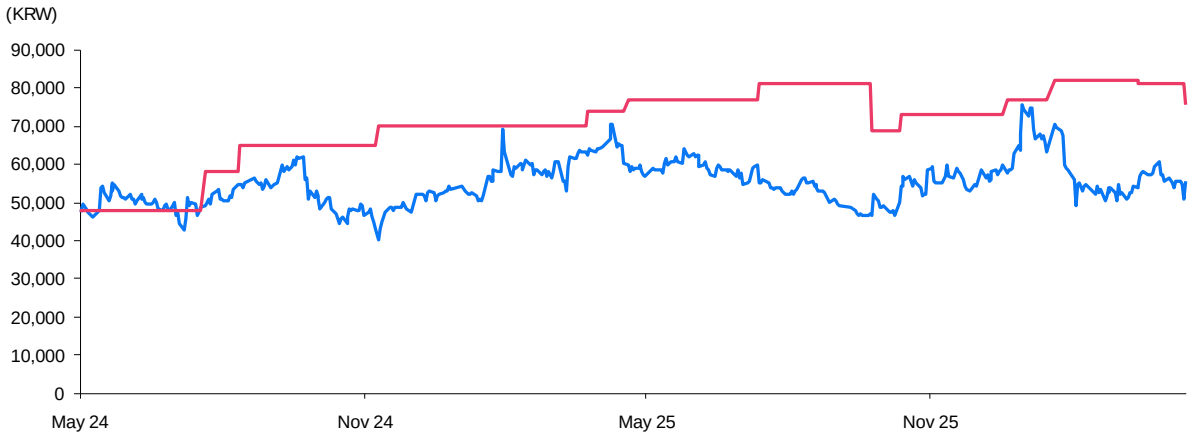
Note: *Excluding one-off items
**Fully diluted, excluding one-off items
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

Compliance notice

- As of 5/14 2026, the covering analyst(s) did not own any shares, or debt instruments convertible into shares, of any company covered in this report.
- As of 5/14 2026, Samsung Securities' holdings of shares and debt instruments convertible into shares of each company covered in this report would not, if such debt instruments were converted, exceed 1% of each company's outstanding shares.
- 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



Rating changes over past two years (adjusted share prices)

Date	2024/5/9	8/19	9/10	12/9	2025/4/23	5/13	5/19	8/12	10/23	11/11	2026/1/19	2/19
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	48000	58000	65000	70000	74000	74000	77000	81000	69000	73000	77000	82000
Gap* (average)	3.21	-10.98	-19.69	-21.14	-11.30	-14.14	-23.03	-35.70	-29.01	-22.91	-12.87	-33.08
(max or min)**	-11.15	-5.86	-4.77	-1.29	-4.46	-12.03	-16.49	-30.12	-24.06	-18.08	-1.82	-15.24

Date	4/14	5/14
Recommendation	BUY	BUY
Target price (KRW)	81000	76000
Gap* (average)	-30.16	
(max or min)**	-25.19	

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