COMPANY UPDATE

2026. 7. 23

Tech Team

Minha Choi
Senior Analyst
minha22.choi@samsung.com

Hyerim Yu
Research Associate
hyerim0705.yu@samsung.com

Scan to go to
Research Center report database

SK Telecom (017670)

Becoming an architect of AI infrastructure

- We now expect SK Telecom (SKT) to report a 2Q operating profit that meets the upper end of market estimates, supported by continued earnings growth at subsidiary SK Broadband.
- SKT has unveiled an AI data center development roadmap, positioning itself as an architect of AI infrastructure. A valuation rerating also appears plausible, supported by further potential appreciation in the value of its stake in Anthropic.

AT A GLANCE

BUY

Target price	KRW115,000	22.2%
Current price	**KRW94,100**	
Market cap	KRW20.2t/USD13.6b	
Shares (float)	214,790,053 (68.6%)	
52-week high/low	KRW125,200/KRW52,100	
Avg daily trading value (60-day)	KRW145.7b/ USD98.4m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
SK Telecom (%)	-0.1	52.5	66.5
Vs Kospi (%pts)	33.9	11.1	-22.3

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	115,000	115,000	0.0%
2026E EPS	6,116	6,116	0.0%
2027E EPS	6,577	6,577	0.0%

SAMSUNG vs THE STREET

No of estimates	18
Target price	117,444
Recommendation	3.8

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

WHAT'S THE STORY?

2Q preview—Operating profit to reach upper end of market forecasts: We now expect SK Telecom's (SKT) 2Q results to show consolidated sales of KRW4.413t (up 1.7% y-y) and operating profit of KRW553.2b (up 63.5% y-y), the latter in line with the upper end of market forecasts. The sharp y-y increase in operating profit should largely reflect the low base created by the 2Q25 cyber incident, which resulted in subscriber losses, free SIM card replacements, and agent compensation costs of roughly KRW200b. Subsidiary SK Broadband likely saw profitability improve, supported by continued growth in IPTV and ultra-high-speed internet subscribers, ongoing contributions from the Pangyo data center (fully reflected since 3Q25), and higher utilization at existing facilities. The subsidiary's quarterly operating profit is likely to remain at around KRW100b going forward.

(Continued on the next page)

SUMMARY FINANCIAL DATA

(KRWb)	2025	2026E	2027E	2028E
Revenue	17,099	17,810	18,221	18,703
Operating profit	1,073	1,917	2,042	2,223
Net profit (adj)	375	1,274	1,369	1,501
EPS (adj) (KRW)	1,901	6,116	6,577	7,206
EPS (adj) growth (% y-y)	-67.3	221.6	7.5	9.6
EBITDA margin (%)	27.3	31.3	31.9	32.7
ROE (%)	3.3	9.4	9.1	9.5
P/E (adj) (x)	28.1	15.4	14.3	13.1
P/B (x)	0.9	1.3	1.3	1.2
EV/EBITDA (x)	4.4	5.0	4.8	4.5
Dividend yield (%)	3.1	3.8	3.8	4.1

Source: Company data, Samsung Securities estimates

Samsung Securities

AI data center expansion roadmap: In its long-term business and management plan, SKT outlined a longer-term strategy to expand its AI data center capacity in response to growing demand (see Table 6). Under a group-wide initiative, SKT and SK Broadband should accelerate data center development to speed up AI infrastructure expansion. Beginning with the Ulsan AI Data Center, whose first phase is scheduled to launch by end-2027, the company plans to progressively open AI data centers with a combined capacity of 5 GW from 2029, increasing to as much as 15 GW by 2035. This should strengthen its competitive position in AI infrastructure.

Maintaining BUY: Leveraging its full-stack AI infrastructure capabilities, SKT is expanding its role as a key architect and lead operator in the AI era. The company should translate its decades of network operations expertise and infrastructure know-how into core competitive advantages that support long-term growth. With the impact of the cyber incident now largely behind it, SKT should enjoy a clear earnings turnaround in 2Q and onward. Meanwhile, further upside in the value of its Anthropic stake could also drive a rerating of the company's overall valuation.

Table 1. Quarterly results and consensus

(KRWb)	2Q25	1Q26	2Q26E	Chg (% q-q)	Chg (% y-y)	Consensus	Diff. (%)
Sales	4,338.8	4,392.3	4,413.1	0.5	1.7	4,406.6	0.1
Operating profit	338.3	537.6	553.2	2.9	63.5	537.6	2.9
Operating margin (%)	7.8	12.2	12.5	0.3	4.7	12.2	0.3
Pre-tax profit	240.4	465.6	503.7	8.2	109.5	472.4	6.6
Net profit (controlling)	89.6	322.4	388.0	20.4	332.9	368.9	5.2

Source: Company data, FnGuide, Samsung Securities

Table 2. Consolidated results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	2025	2026E	2027E
Sales	**4,474.6**	**4,422.4**	**4,532.1**	**4,511.5**	**4,453.7**	**4,338.8**	**3,978.1**	**4,328.7**	**4,392.3**	**4,413.1**	**4,485.2**	**4,519.6**	**17,099.2**	**17,810.3**	**18,221.3**
Parent	3,188.7	3,191.5	3,203.2	3,190.6	3,167.5	3,135.1	2,664.7	3,083.7	3,105.8	3,145.3	3,170.6	3,224.8	12,051.1	12,646.6	12,836.6
Operating costs	3,976.1	3,884.9	3,998.9	4,257.4	3,886.3	4,000.5	3,929.6	4,209.5	3,854.7	3,859.9	3,962.7	4,216.2	16,026.0	15,893.6	16,179.3
Labor	660.6	624.0	639.4	801.8	671.6	594.2	605.3	840.1	634.3	613.4	621.0	793.1	2,711.3	2,661.7	2,747.9
Marketing (parent)	719.5	715.5	726.2	747.4	691.7	725.1	719.4	763.5	740.8	742.1	730.5	777.2	2,899.7	2,990.6	3,067.5
Depreciation	930.1	916.9	920.6	927.0	897.5	894.4	897.7	900.6	878.6	877.6	891.4	893.3	3,590.2	3,541.1	3,503.8
Operating profit	**498.5**	**537.5**	**533.3**	**254.1**	**567.4**	**338.3**	**48.4**	**119.1**	**537.6**	**553.2**	**522.5**	**303.4**	**1,073.2**	**1,916.7**	**2,042.0**
Operating margin (%)	11.1	12.2	11.8	5.6	12.7	7.8	1.2	2.8	12.2	12.5	11.7	6.7	6.3	10.8	11.2
Pre-tax profit	440.7	478.2	364.7	478.1	507.9	240.4	-163.9	137.8	465.6	503.7	451.9	287.6	722.3	1,708.7	1,834.3
Net profit (controlling)	**353.0**	**337.4**	**268.9**	**290.9**	**364.4**	**89.6**	**-158.2**	**112.5**	**322.4**	**388.0**	**391.7**	**211.4**	**408.4**	**1,313.6**	**1,412.7**
Chg (% y-y)															
Sales	**2.3**	**2.7**	**2.9**	**-0.3**	**-0.5**	**-1.9**	**-12.2**	**-4.1**	**-1.4**	**1.7**	**12.7**	**4.4**	**-4.7**	**4.2**	**2.3**
Parent	2.3	2.3	1.7	-0.4	-0.7	-1.8	-16.8	-3.3	-1.9	0.3	19.0	4.6	-5.7	4.9	1.5
Operating costs	2.5	1.1	2.4	0.6	-2.3	3.0	-1.7	-1.1	-0.8	-3.5	0.8	0.2	-0.6	-0.8	1.8
Labor	7.0	5.6	4.1	20.5	1.7	-4.8	-5.3	4.8	-5.6	3.2	2.6	-5.6	-0.5	-1.8	3.2
Marketing (parent)	-4.9	-5.1	-3.0	-4.9	-3.9	1.3	-0.9	2.1	7.1	2.3	1.5	1.8	-0.3	3.1	2.6
Depreciation	-0.3	-3.4	-0.8	-1.4	-3.5	-2.5	-2.5	-2.9	-2.1	-1.9	-0.7	-0.8	-2.8	-1.4	-1.1
Operating profit	**0.8**	**16.0**	**7.1**	**-14.4**	**13.8**	**-37.1**	**-90.9**	**-53.1**	**-5.3**	**63.5**	**978.8**	**154.7**	**-41.1**	**78.6**	**6.5**
Operating margin (%pts y-y)	-0.2	1.4	0.5	-0.9	1.6	-4.4	-10.5	-2.9	-0.5	4.7	10.4	4.0	-3.9	4.5	0.4
Pre-tax profit	4.7	6.3	-8.8	119.9	15.2	-49.7	nm	-71.2	-8.3	109.5	nm	108.6	-59.0	136.6	7.3
Net profit (controlling)	**21.5**	**2.5**	**-9.7**	**65.3**	**3.2**	**-73.4**	**nm**	**-61.3**	**-11.5**	**332.9**	**nm**	**87.9**	**-67.3**	**221.6**	**7.5**

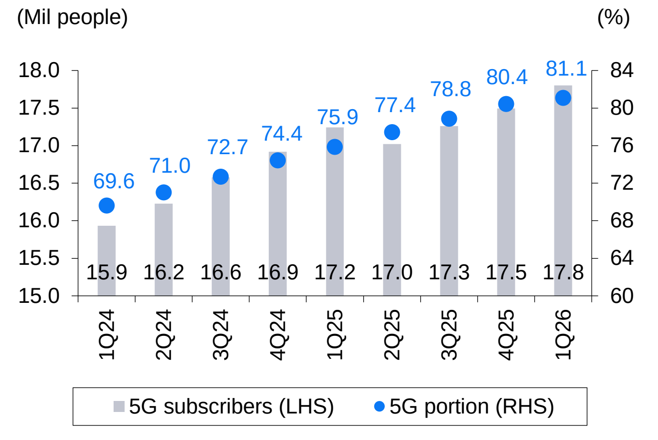
Source: Company data, Samsung Securities

Table 3. Key operating metrics and forecasts

('000 people)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	2025	2026E	2027E
Mobile subscribers*	**33,884**	**34,147**	**34,228**	**34,276**	**34,376**	**33,939**	**33,426**	**33,452**	**33,473**	**33,601**	**33,649**	**33,687**	**33,452**	**33,687**	**33,930**
Net additions (q-q)	225	263	81	48	101	-437	-513	26	21	129	48	38	-824	235	243
LTE	6,918	6,598	6,264	5,892	5,601	5,079	4,932	4,637	4,568	4,357	4,203	4,049	4,637	4,049	3,545
5G	15,932	16,226	16,577	16,917	17,242	17,022	17,260	17,492	17,800	17,945	18,111	18,207	17,492	18,207	18,840
Fixed-line service subscribers	**16,578**	**16,651**	**16,729**	**16,765**	**16,815**	**16,666**	**16,655**	**16,688**	**16,763**	**16,782**	**16,799**	**16,819**	**16,688**	**16,819**	**16,939**
Broadband	6,990	7,048	7,113	7,156	7,215	7,173	7,196	7,238	7,311	7,317	7,323	7,332	7,238	7,332	7,409
IPTV	9,588	9,603	9,616	9,608	9,600	9,494	9,459	9,450	9,452	9,464	9,476	9,487	9,450	9,487	9,530
Mobile ARPU (KRW)	**29,239**	**29,298**	**29,389**	**29,495**	**29,202**	**29,204**	**24,125**	**28,848**	**29,261**	**29,480**	**29,363**	**28,745**	**27,845**	**29,212**	**29,220**
Chg (% q-q)	-1.1	0.2	0.3	0.4	-1.0	0.0	-17.4	19.6	1.4	0.7	-0.4	-2.1	-5.1	4.9	0.0

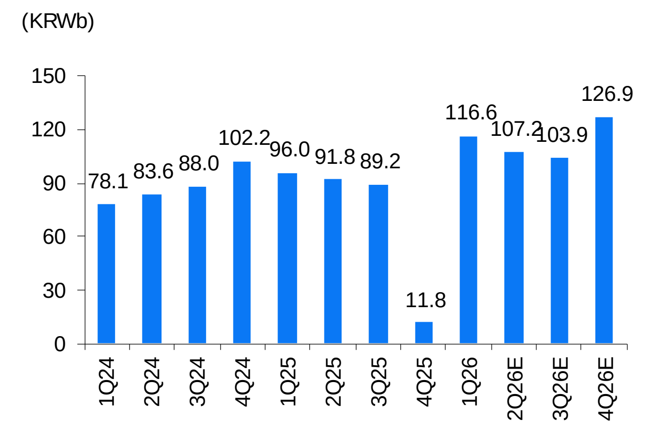
Note: *Mobile subscriber data from 3Q23 reflects changed standards
Source: Company data, Samsung Securities

Chart 1. 5G subscribers: Absolute and as portion of total



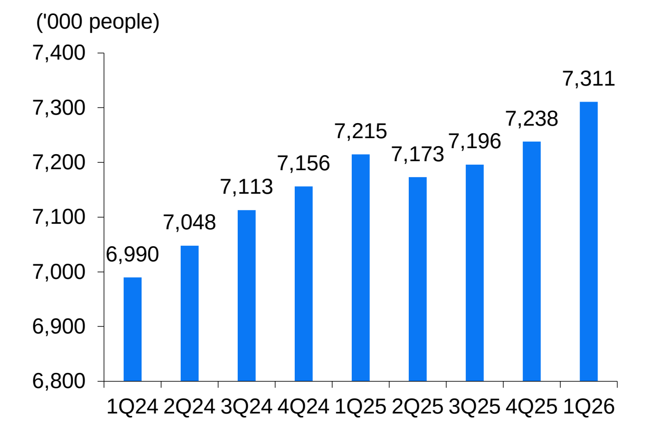
Source: Company data, Samsung Securities

Chart 2. SK Broadband: Operating profit



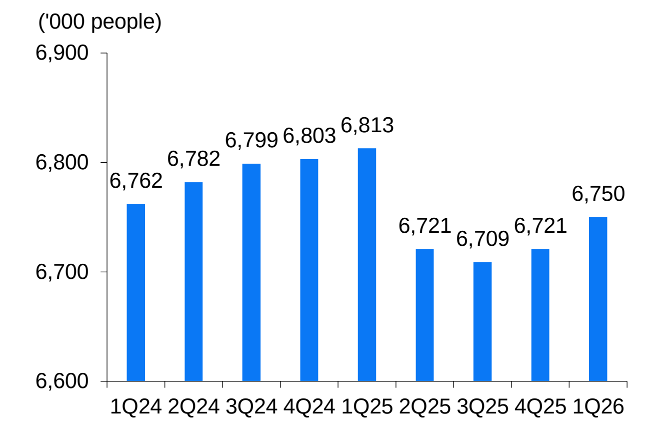
Source: Company data, Samsung Securities

Chart 3. Number of broadband subscribers



Source: Company data, Samsung Securities

Chart 4. Number of IPTV subscribers



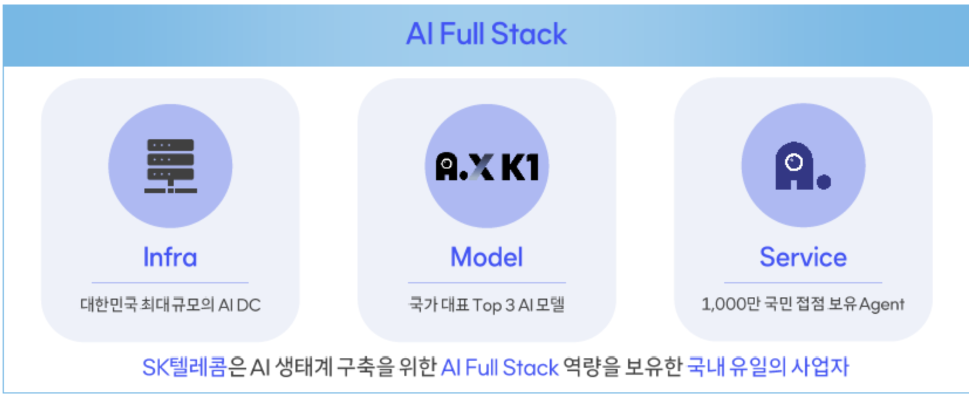
Source: Company data, Samsung Securities

Table 4. SK Telecom: Investments in AI companies

Company	Business	Investment amount	Investment date	AI intra				AIX	AI Service
				AI DC	AI Chip	Edge AI	Telco LLM		
Konan Technologies	AI software (LLM)	KRW22.4b	Oct 2022						✓
Scatter lab	AI agent	KRW15.0b	Apr 2023						✓
Anthropic	Generative AI (LLM)	USD100m	Aug 2023				✓		
Persona AI	AI customer service	KRW5b	Aug 2023					✓	
Allganize	LLM all-in-one solution	USD4m	Nov 2023					✓	
ImpriMed	Anticancer drug diagnosis	USD3m	Nov 2023						
Lambda	GPU cloud	USD20m	Dec 2024	✓				✓	
Sapeon-Rebellions	AX semi-conductor X330		Jun 2024		✓				
Perplexity	Generative AI search engine	USD10m	Jun 2024						✓
GTAA JV	Global Telco AI Alliance		Jul 2024						
Penguin Solution	AI data center solution	USD200m	Jul 2024	✓		✓			
Twelve Labs	AI video analyze	USD3m	Dec 2024					✓	
Together AI	AI cloud and opensource		Feb 2025					✓	
TimeTree	Scheduling platform	JYP2.2b	Sep 2025						✓

Source: Company data, press reports, Samsung Securities

Chart 5. SK Telecom "AI Full Stack"



Source: Company data, Samsung Securities

Table 5. SK-AWS Ulsan AI data center project

Category	Detail
Location	Ulsan Mipo National Industrial Complex
Total investment	About KRW7t
Participating companies	SK Group's affiliates, Amazon Web Service (AWS) - SK Broadband (SK Telecom): Cloud network infrastructure - SK Hynix: Supply of HBM-based AI semiconductors - SK Innovation and ·SK Gas: Power supply via LNG cogeneration plant - SK Ecoplant: Design, construction, and eco-friendly infrastructure - SK AX: IT infrastructure integration and data center operation
Purpose	Construction and operation of a hyperscale AI data center - Secure high-performance AI computing infrastructure to strengthen Korea's AI competitiveness
Key features	1) Largest in Korea: The nation's first and largest hyperscale AI-dedicated data center 2) Location: 10,000-pyeong site adjacent to the SKMU power plant 3) Eco-friendly AI DC: Highest efficiency in Korea, powered by LNG-based district electricity 4) Global partner AWS: Partnership with AWS, the world's No.1 cloud provider, to boost domestic AI capabilities and growth
Ground breaking	Sep 1, 2025
Operation starts	Phase 1: Nov 2027 (41 MW) / Phase 2: Feb 2029 (103 MW)

Note: SK Broadband acquired land and buildings in Nam-gu, Ulsan from SK Chemicals for KRW28.3b on Apr 17, 2025;
SK-AWS held a contract signing ceremony, officially announcing the construction of the Ulsan AI data center;
SK Broadband will serve as the owner and operator of the Ulsan AI data center

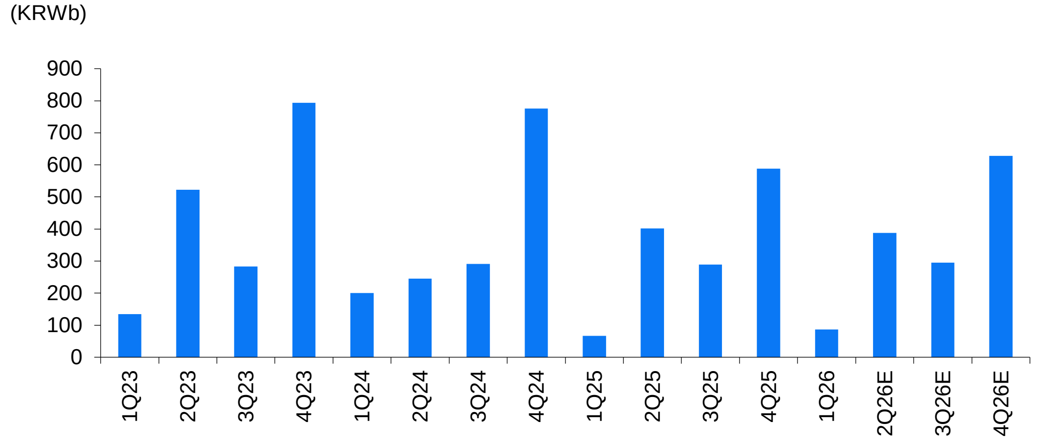
Source: Company data, Samsung Securities

Table 6. Disclosure on long-term data center development plan

Category	Details
Future Plan	Initiative for long-term development of AI data centers
Objective	To respond to growing demand for AI data centers
Key Details	1) Evaluate phased implementation of a total 15 GW AI data center (AIDC) development program over the medium to long term 2) Phase 1: Target to gradually launch a 5 GW AIDC starting in 2029 3) Subject to progress of Phase 1 and market demand, plan to sequentially expand by an additional 10 GW by 2035
Funding Source	Exploring funding options through strategic partnerships with global big tech firms and overseas capital, utilizing diverse investment structures
Investment Scale	To be determined based on timing of implementation, investment structure, and terms
Expected Impact	Capture new business opportunities by meeting rising demand for AI infrastructure

Note: Disclosure of Future Business Strategy (Jun 29, 2026)
Source: Dart, Samsung Securities

Chart 6. SKT: Capex



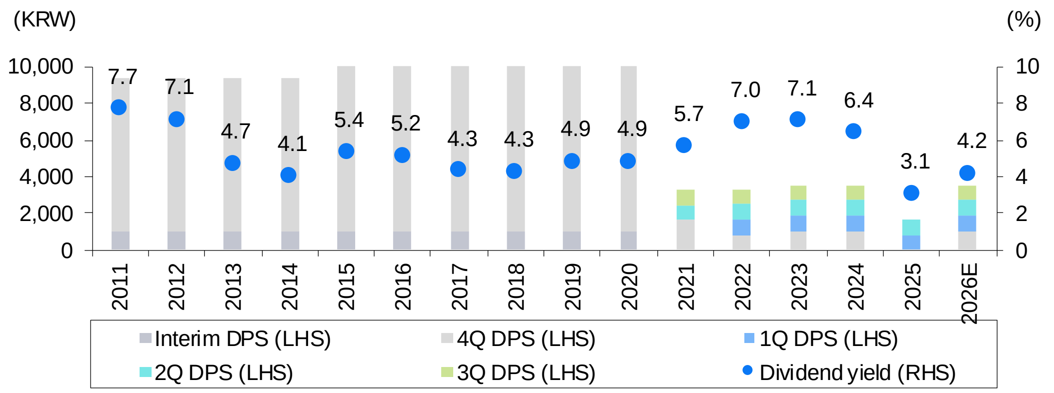
Note: Based on parent financial statements;
Source: Company data, Samsung Securities

Table 7. Changes to shareholder return policy

Category	Before	After
Year	2021-2023	2024-2026
Resources	30-40% of EBITDA-capex	At least 50% of adjusted profit for the year on a consolidated basis
Method	Cash dividend	Cash dividend and share buyback/cancellation

Note: Excluding non-recurring items
Source: Company data, Samsung Securities

Chart 7. SK Telecom's value-up plan



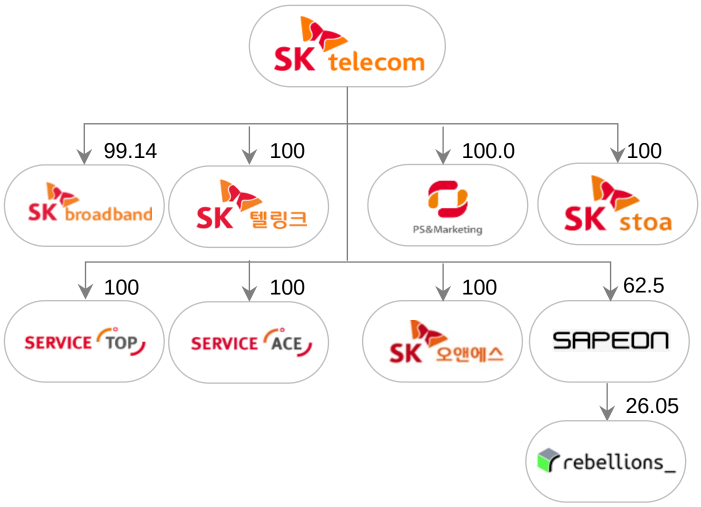
Note: 2021 DPS reflects spinoff (Nov 1, 2021);
Adopted quarterly dividend payout policy in 2Q21;
No dividend paid for 3Q25 and 4Q25;
As of Jul 14 close
Source: QuantiWise, Company data, Samsung Securities

Chart 1. SK Telecom's value-up plan

Capital efficiency	Shareholder returns	AI Vision 2030
ROE 10%+ (2026)	Adjusted consolidated profit 50%+ (2024~2026)	Total revenue KRW30t with AI business 35% of this figure (2030)
Maintain industry-leading profitability	Shareholder returns based on total consolidated profit	Operate competitive AI business
AI & OI strategies to increase profitability	Remove upper limit on shareholder returns	Secure AI leadership based on cooperation
Improve financial soundness via asset efficiency	Shareholder return ratio exceeds industry's average	Develop 'profit-generating AI' (AI DC + AI B2B + AI B2C)

Note: Announced on Oct 24, 2024
Source: Company data, Samsung Securities

Chart 9. Ownership structure



Note: As of end-2025;

SK Broadband to become wholly owned subsidiary via share swap (decision announced Mar 26, 2026);

In Dec 2024, Sapeon Korea merged with Rebellions, with Sapeon Korea as the surviving legal entity and the merged company relaunched under the Rebellions name; Sapeon Inc holds a 26.05% stake in the merged entity

SK Telecom holds a 0.3% stake (3,703,141 shares) in Anthropic

Source: Company data, Samsung Securities

Table 8. SK Telecom: Sum-of-the-parts valuation

(KRWb)	Value	Stake (%)	Net profit	Multiple (x)	Note
Parent	**20,161**		**1,344**	15	**Based on 12MF**
SK Broadband	4,594	100		4	
Anthropic	3,593	0.25*			
Other*	3,996				SK Stoa; other investments
Net debt	7,431				Based on 2026 estimates
Fair value	**24,914**				
Outstanding shares ('000)	214,790				
Fair value per share	115,994				
Target price (KRW)	**115,000**				

Note: Holds a 0.25% stake (3.7m shares) in Anthropic as of 1H26;

Anthropic stake valued based on latest funding round valuation (USD965b; Series E in May 2026);

SK Broadband to become a wholly owned subsidiary following acquisition of minority shares on May 29, 2026;

*Unlisted firms valued at book value, listed firms valued based on market cap, and Rebellions valued based on latest funding round

Source: Samsung Securities estimates

Table 9. Revisions to full-year forecasts

(KRWb)	2026E			2027E		
	Old	New	Chg (%)	Old	New	Chg (%)
Sales	17,818.2	17,810.3	-0.0	18,229.0	18,221.3	-0.0
Operating profit	1,897.1	1,916.7	1.0	2,021.6	2,042.0	1.0
Operating margin (%, %pts)	10.6	10.8	0.1	11.1	11.2	0.1
Pre-tax profit	1,689.2	1,708.7	1.2	1,813.9	1,834.3	1.1
Net profit	1,298.8	1,313.6	1.1	1,397.3	1,412.7	1.1

Source: Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**17,941**	**17,099**	**17,810**	**18,221**	**18,703**
Cost of goods sold	0	0	0	0	0
Gross profit	**17,941**	**17,099**	**17,810**	**18,221**	**18,703**
Gross margin (%)	100.0	100.0	100.0	100.0	100.0
SG&A expenses	16,117	16,026	15,894	16,179	16,481
Operating profit	**1,823**	**1,073**	**1,917**	**2,042**	**2,223**
Operating margin (%)	10.2	6.3	10.8	11.2	11.9
Non-operating gains (losses)	**-62**	**-351**	**-208**	**-208**	**-211**
Financial profit	355	219	214	202	189
Financial costs	606	482	432	414	398
Equity-method gains (losses)	322	-64	-8	8	8
Other	-133	-25	18	-3	-9
Pre-tax profit	**1,762**	**722**	**1,709**	**1,834**	**2,012**
Taxes	375	347	435	465	511
Effective tax rate (%)	21.3	48.1	25.4	25.4	25.4
Profit from continuing operations	1,387	375	1,274	1,369	1,501
Profit from discontinued operations	0	0	0	0	0
Net profit	**1,387**	**375**	**1,274**	**1,369**	**1,501**
Net margin (%)	7.7	2.2	7.2	7.5	8.0
Net profit (controlling interests)	1,250	408	1,314	1,413	1,548
Net profit (non-controlling interests)	137	-33	-39	-44	-46
EBITDA	5,523	4,663	5,569	5,811	6,108
EBITDA margin (%)	30.8	27.3	31.3	31.9	32.7
EPS (parent-based) (KRW)	5,810	1,901	6,116	6,577	7,206
EPS (consolidated) (KRW)	6,446	1,746	5,932	6,373	6,990
Adjusted EPS (KRW)*	5,810	1,901	6,116	6,577	7,206

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**7,477**	**6,727**	**7,873**	**7,851**	**8,114**
Cash & equivalents	2,024	1,490	2,105	2,063	2,046
Accounts receivable	1,989	1,919	2,106	2,162	2,282
Inventories	210	168	186	190	201
Other current assets	3,254	3,151	3,477	3,436	3,585
Fixed assets	**23,039**	**23,381**	**24,233**	**24,764**	**25,266**
Investment assets	4,476	5,763	6,544	6,747	6,906
Tangible assets	12,617	11,902	12,108	12,459	12,809
Intangible assets	4,267	3,783	3,686	3,648	3,617
Other long-term assets	1,678	1,933	1,895	1,910	1,935
Total assets	**30,515**	**30,108**	**32,105**	**32,615**	**33,380**
Current liabilities	**9,224**	**6,530**	**6,611**	**6,384**	**6,472**
Accounts payable	127	111	119	120	123
Short-term debt	100	130	130	130	130
Other current liabilities	8,998	6,289	6,362	6,134	6,219
Long-term liabilities	**9,463**	**10,623**	**10,225**	**10,347**	**10,320**
Bonds & long-term debt	6,567	7,594	7,354	7,329	7,329
Other long-term liabilities	2,897	3,028	2,870	3,017	2,990
Total liabilities	**18,688**	**17,152**	**16,836**	**16,730**	**16,791**
Owners of parent equity	**11,699**	**12,863**	**15,216**	**15,875**	**16,626**
Capital stock	30	30	30	30	30
Capital surplus	1,771	1,771	1,771	1,771	1,771
Retained earnings	22,976	22,938	23,721	24,380	25,131
Other	-13,079	-11,877	-10,306	-10,306	-10,306
Non-controlling interests' equity	**129**	**92**	**53**	**9**	**-37**
Total equity	**11,828**	**12,955**	**15,269**	**15,884**	**16,589**
Net debt	8,604	9,030	7,431	7,431	7,334

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**5,087**	**3,924**	**5,027**	**5,043**	**5,274**
Net profit	1,387	375	1,274	1,369	1,501
Non-cash profit and expenses	4,313	4,437	4,238	4,390	4,533
Depreciation	3,700	3,590	3,652	3,769	3,886
Amortization	0	0	0	0	0
Other	613	846	586	620	647
Changes in A/L from operating activities	-109	-144	137	-84	-104
Cash flow from investments	**-2,712**	**-1,737**	**-3,931**	**-4,063**	**-4,263**
Change in tangible assets	-2,440	-1,966	-3,858	-4,121	-4,235
Change in financial assets	-213	201	-160	17	-49
Other	-59	28	87	41	21
Cash flow from financing	**-1,810**	**-2,712**	**-1,394**	**-871**	**-893**
Change in debt	-192	-388	-845	-99	-80
Change in equity	0	0	0	0	0
Dividends	-804	-628	-530	-754	-797
Other	-814	-1,695	-18	-17	-16
Change in cash	569	-534	615	-42	-17
Cash at beginning of year	1,455	2,024	1,490	2,105	2,063
Cash at end of year	2,024	1,490	2,105	2,063	2,046
Gross cash flow	**5,700**	**4,812**	**5,512**	**5,759**	**6,034**
Free cash flow	**2,600**	**1,717**	**1,169**	**922**	**1,039**

Note: *Excluding one-off items;
**Fully diluted, excluding one-off items;
***From companies subject to equity-method valuation
Source: Company data, Samsung Securities estimates

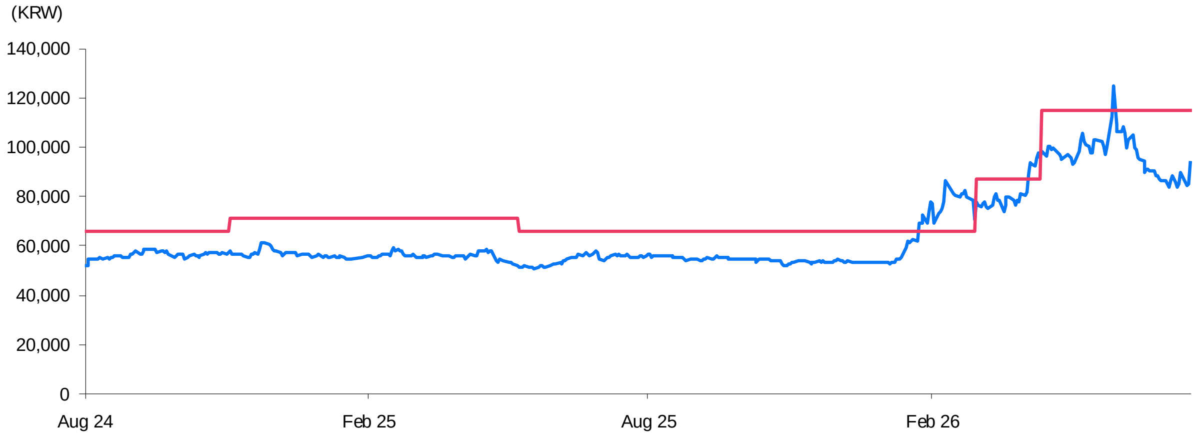
Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	1.9	-4.7	4.2	2.3	2.6
Operating profit	4.0	-41.1	78.6	6.5	8.8
Net profit	21.0	-73.0	239.7	7.4	9.7
Adjusted EPS**	16.3	-67.3	221.6	7.5	9.6
Per-share data (KRW)					
EPS (parent-based)	5,810	1,901	6,116	6,577	7,206
EPS (consolidated)	6,446	1,746	5,932	6,373	6,990
Adjusted EPS**	5,810	1,901	6,116	6,577	7,206
BVPS	54,952	60,395	71,422	74,513	78,038
DPS (common)	3,540	1,660	3,540	3,590	3,840
Valuations (x)					
P/E***	9.5	28.1	15.4	14.3	13.1
P/B***	1.0	0.9	1.3	1.3	1.2
EV/EBITDA	3.7	4.4	5.0	4.8	4.5
Ratios (%)					
ROE	10.8	3.3	9.4	9.1	9.5
ROA	4.6	1.2	4.1	4.2	4.6
ROIC	7.7	3.1	7.9	8.3	8.8
Payout ratio	60.3	86.5	57.4	54.1	52.9
Dividend yield (common)	6.4	3.1	3.8	3.8	4.1
Net debt to equity	72.7	69.7	48.7	46.8	44.2
Interest coverage (x)	4.5	2.8	5.4	6.0	6.9

Compliance notice

- As of 7/21 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 7/21 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	2024/7/17	11/7	2025/5/13	2026/3/5	4/17
Recommendation	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	66000	71000	66000	87000	115000
Gap* (average)	-15.43	-20.65	-13.50	-5.94	
(max or min)**	-11.52	-13.38	31.06	12.76	

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 2026.06.30

BUY (85.5%)·HOLD (14.5%)·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.

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