COMPANY UPDATE

2026. 8. 6

EV/Mobility Team

Hyunryul Cho
Senior Analyst
hyunryul.cho@samsung.com

Scan to go to
Research Center report database

KCC Corporation (002380)

Silicone and building materials drive 2Q beat

- KCC's 2Q operating profit of KRW128.9b (up 46% q-q) topped consensus (KRW111.2b) by 16%, driven by stronger-than-expected profitability in the silicon and building materials segments.
- We cut our SOTP-based target price to KRW650,000, reflecting a drop in peers' average and a reduction in the value of its investment assets. However, on prospect of solid earnings and more shareholder returns, we keep the stock as our sector top pick.

AT A GLANCE

BUY

Target price	KRW650,000	50.5%
Current price	**KRW432,000**	
Market cap	KRW3.7t/USD2.6b	
Shares (float)	8,592,896 (50.0%)	
52-week high/low	KRW680,000/KRW352,500	
Avg daily trading value (60-day)	KRW17.9b/ USD12.6m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
KCC Corporation (%)	-11.7	-8.9	8.5
Vs Kospi (%pts)	8.3	-28.7	-47.4

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	650,000	800,000	-18.8%
2026E EPS	220,703	152,461	44.8%
2027E EPS	22,366	20,626	8.4%

SAMSUNG vs THE STREET

No of estimates	5
Target price	722,200
Recommendation	4.0

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

WHAT'S THE STORY?

View—earnings and shareholder returns likely to expand: We cut our target price for KCC to KRW650,000 (based on SOTP valuation), reflecting a drop in peers' multiples, a reduction in the value of investment assets amid recent share price weakness, and an expanded NAV discount on that investment assets (from 55% to 70%). Although no investment assets have yet been sold, we believe the company will deliver solid results in 2H, driven by improving profitability at the silicon and building materials segments. It is also likely to return more to shareholders (eg, share cancellation), backed by a significant increase in dividend income from Samsung C&T—up from KRW47.6b based on 2025 DPS to KRW172b based on 2027 FnGuide-based consensus. We keep the stock as our sector top pick.

(Continued on the next page)

SUMMARY 2Q RESULTS

(KRWb)	2Q26	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	1,806.0	5.9	11.0	7.6	4.7
Operating profit	128.9	-8.2	46.3	32.8	15.9
Pre-tax profit	3,759.4	196.8	1,103.1	156.1	113.2
Net profit	2,839.2	217.8	1,208.6	178.5	198.1
Margins (%)					
Operating profit	7.1				
Pre-tax profit	208.2				
Net profit	157.2				

Source: Company data, FnGuide, Samsung Securities estimates

VALUATION SUMMARY

	2025	2026E	2027E
Valuations (x)			
P/E	2.4	2.0	19.3
P/B	0.4	0.3	0.3
EV/EBITDA	9.3	8.4	7.6
Div yield (%)	3.6	3.5	3.5
EPS growth (% y-y)	347.5	27.5	-89.9
ROE (%)	23.5	22.0	2.0
Per-share data (KRW)			
EPS	173,128	220,703	22,366
BVPS	1,063,952	1,305,427	1,316,561
DPS	15,000	15,000	15,000

Samsung Securities

2Q results beat consensus: KCC reported a 2Q operating profit of KRW128.9b, up 46% q-q and beating FnGuide consensus of KRW111.2b by 16%. The solid results owed much to better-than-forecast earnings at the silicon and building materials segments. We estimate operating profit came to: 1) KRW37.9b at the silicon segment (up 1,382% q-q) as sales volume rose 4% q-q and ASP also increased% q-q in the US dollar terms; 2) KRW35.5b at the building materials segment (up 31% q-q) on strong demand for industrial insulation materials used in semiconductor chipmakers' new plant expansions (ie, reduced fixed cost burden and improving profitability); 3) KRW49.1b at the coatings segment (up 7% q-q)—modest growth in comparison with robust sales growth driven by strong demand from automobiles and vessels; and 4) KRW2b at others (up KRW3.2b q-q). Revaluation gains on investment assets, reflected in net profit, are estimated at KRW3.47t (up KRW3.4t q-q), driven primarily by further rally in Samsung C&T's share price.

3Q results to meet consensus: We expect KCC's 3Q operating profit to fall 7% q-q to KRW119.3b and meet FnGuide consensus of KRW119.5b (down 0.2% q-q). In the silicon segment (operating profit: KRW31.9b), profitability should edge down q-q due to regular maintenance at its Japanese plant (ie, slight drop in sales volume and a rise in fixed cost). For the building materials segment (operating profit: KRW30.5b), profitability should decline, despite robust sales of insulation materials, because the recent rise in PVC raw material prices—stemming from the Middle East conflict—has yet to be fully reflected in pricing. Despite raw-material cost burden, operating profit at the coatings segment should remain similar q-q at KRW49.6b on ASP hikes and recovery in construction coatings. Meanwhile, the fair value of investment assets should decline further qtd. Even at Aug 5 closing price, the company will likely recognize an additional non-operating loss of KRW1.82t.

KCC: SOTP valuation

(KRWb)	12MF EBITDA	Multiples (x)	EV	Details
Operating value (A)				
Silicone	376	8.1	3,044	Peers (Dow, Wacker, Shin-Etsu); **Revised down from 9.6x**
Building materials	168	5.7	962	Peers (LX Hausys, Nippon Sheet Glass, Saint Gobain, Owens Corning); **Revised down from 6.1x**
Coatings	235	9.4	2,217	Peers (Akzo Nobel, PPG Industries, Nippon Paint Holdings); **Revised down from 9.8x**
Others	110	7.7	849	Applying the average multiples to the silicone/building materials/coatings segment; **Revised down from 8.5x**
Total	**889**	**8.0**	**7,072**	**12-month forward EBITDA; revised up by 6% from KRW839b**
Net Asset Value (B)			2,167	70%* discount on investment assets; **Revised down from KRW3.25t**
Net debt (C)			4,222	End 2026E
Fair market cap (E = A + B - C)			**5,017**	
Total shares outstanding ('000)			7,712	**Assumes the retirement of the announced 13.2% out of the 17.2% total treasury shares**
Fair price (KRW)			650,530	
Target price (KRW)			**650,000**	**Revised down by 19% (from KRW800,000)**
Current price (KRW)			432,000	As of Aug 5 close
Upside (%)			50.5	
2026 implied P/E (x)			2.9	
2027 implied P/E (x)			29.1	
2026 implied P/B (x)			0.50	
2027 implied P/B (x)			0.49	

Note: * Applying a 70% NAV discount to the listed company's shares (discount depth reduced from the previous 55%).
Source: Bloomberg, Samsung Securities estimates

KCC: Status of financial assets measured at fair value through profit or loss (FVTPL)

(KRWb)	Ownership (%)	Acquisition cost	Fair value								
			End-2023	End-2024	End-1Q25	End-2Q25	End-3Q25	End-4Q25	End-1Q26	End-2Q26	Now*
Samsung C&T	10.01	1,081.1	2,405.8	2,043.0	1,989.0	2,746.2	3,140.9	4,075.0	4,115.1	7,605.1	5,641.0
HD Korea Shipbuilding &Offshore Engineering	3.91	173.0	334.6	630.9	556.2	1,012.8	1,137.3	1,126.3	951.9	968.5	1,095.8
Hyundai Mobis	0.001	0.0	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.5	0.5
HDC	1.79	5.6	7.4	12.7	15.9	25.1	18.6	20.0	29.7	22.2	23.7
HDC Hyundai Development Company	2.37	18.3	22.8	28.2	31.2	35.1	31.8	34.2	31.9	28.1	33.9
Hyundai Corporation	12.00	31.1	30.0	30.3	34.8	46.0	33.6	34.2	38.6	36.0	42.5
Hyundai Corporation Holdings	12.00	25.4	11.7	11.2	11.3	14.2	13.3	13.3	13.1	12.8	13.6
HL D&I	9.78	50.0	7.6	8.2	8.1	9.9	8.8	10.0	12.0	9.3	9.1
HL Holdings	4.59	27.2	15.5	15.5	14.9	17.5	16.7	19.0	17.4	16.0	16.3
Total		**1,411.7**	**2,835.6**	**2,780.4**	**2,661.8**	**3,907.1**	**4,401.4**	**5,332.3**	**5,210.0**	**8,698.5**	**6,876.5**

Note: * As of Aug 5 close
Source: Company data, Samsung Securities

KCC: 2Q26 results

(KRWb)	2Q26P	1Q26	2Q25	Consensus	Diff (%)		
					(% q-q)	(% y-y)	Consensus
Sales	1,806	1,626	1,705	1,726	11.0	5.9	4.7
Operating income	129	88	140	111	46.2	-8.2	15.9
Pre-tax income	3,759	312	1,267	1,763	1,103.1	196.8	113.2
Net income	2,839	217	893	952	1,208.6	217.8	198.1
Attributable to parent	2,839	217	893	1,682	1,208.6	217.8	68.8
Margins (%)							
Operating income	7.1	5.4	8.2	6.4			
Pre-tax income	208.2	19.2	74.3	102.2			
Net income	157.2	13.3	52.4	55.2			
Attributable to parent	157.2	13.3	52.4	97.5			

Source: Company data, FnGuide, Samsung Securities estimates

KCC: 2Q26 results, by division

(KRWb)	2Q26P	1Q26	2Q25	Chg (% q-q)	Chg (% y-y)
Sales	**1,806**	**1,626**	**1,705**	**11.0**	**5.9**
Silicone	893	806	797	10.8	12.1
Building materials	264	231	252	14.4	4.8
Coatings	545	471	518	15.7	5.2
Others	103	118	138	-12.7	-25.3
Operating income	**129**	**88**	**140**	**46.2**	**-8.2**
Silicone	38	3	41	1,381.5	-7.3
Building materials	36	27	32	31.2	11.2
Coatings	49	46	65	7.1	-24.1
Others	2	-1	-1	Turned pos	Turned pos
Consolidation adj.	4	14	4	-68.3	16.3
Pre-tax income	3,759	312	1,267	1,103.1	196.8
Net income	**2,839**	**217**	**893**	**1,208.6**	**217.8**
Margins (%)					
Operating income	7.1	5.4	8.2		
Silicone	4.2	0.3	5.1		
Building materials	13.4	11.7	12.7		
Coatings	9.0	9.7	12.5		
Others	1.9	-1.0	-0.7		
Pre-tax income	208.2	19.2	74.3		
Net income	157.2	13.3	52.4		

Note: Segment-level results have not yet been disclosed; figures are our estimates
Source: Company data, Samsung Securities estimates

KCC: Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26P	3Q26E	4Q26E	2024	2025	2026E	2027E
KRW/USD (average)	1,453	1,401	1,387	1,452	1,467	1,502	1,440	1,380	1,365	1,423	1,447	1,380
Sales	**1,599**	**1,705**	**1,623**	**1,556**	**1,626**	**1,806**	**1,749**	**1,778**	**6,659**	**6,484**	**6,959**	**7,288**
Growth (% q-q)	-3.5	6.6	-4.8	-4.1	4.5	11.0	-3.2	1.7				
Growth (% y-y)	0.7	-4.1	-0.7	-6.1	1.7	5.9	7.8	14.2	5.9	-2.6	7.3	4.7
Silicone	774	797	749	747	806	893	827	818	2,995	3,067	3,344	3,440
Building materials	232	252	247	235	231	264	264	281	1,097	967	1,040	1,119
Coatings	458	518	483	451	471	545	551	570	1,944	1,910	2,137	2,305
Others	135	138	144	122	118	103	107	109	623	540	437	424
Operating profit	**103**	**140**	**117**	**67**	**88**	**129**	**119**	**119**	**471**	**428**	**456**	**487**
Growth (% q-q)	5.2	35.7	-16.5	-43.3	32.5	46.2	-7.4	-0.1				
Growth (% y-y)	-3.2	-0.1	-6.4	-32.3	-14.8	-8.2	1.7	79.2	50.7	-9.2	6.5	7.0
Silicone	21	41	21	-2	3	38	32	26	73	81	99	114
Growth (% q-q)	-20.5	98.5	-47.6	Turned neg	Turned pos	1,381.5	-15.7	-17.1				
Growth (% y-y)	651.3	122.2	-17.3	Turned neg	-87.6	-7.3	49.2	To turn pos	Turned pos	11.1	22.0	14.9
Building materials	24	32	33	26	27	36	31	35	174	115	128	135
Growth (% q-q)	-32.0	34.4	4.8	-22.4	4.2	31.2	-14.0	13.6				
Growth (% y-y)	-46.6	-40.3	-18.0	-25.6	14.0	11.2	-8.7	33.5	-10.1	-33.7	11.0	5.9
Coatings	56	65	57	42	46	49	50	51	217	219	195	207
Growth (% q-q)	43.3	15.6	-11.9	-26.5	9.3	7.1	1.0	2.2				
Growth (% y-y)	2.4	-2.1	-0.1	7.3	-18.1	-24.1	-13.0	20.8	23.3	1.2	-11.1	6.3
Others	-4	-1	0	-5	-1	2	2	2	-12	-11	5	8
Growth (% q-q)	Remained neg	Remained neg	Remained neg	Remained neg	Remained neg	Turned pos	3.0	2.3				
Growth (% y-y)	Remained neg	Remained neg	Remained neg	Remained neg	Remained neg	Turned pos	To turn pos	To turn pos	Turned neg	Remained neg	To turn pos	66.5
Consolidation adj.	8	4	6	6	14	4	5	5	20	23	29	23
Growth (% q-q)	49.2	-49.8	50.0	1.1	141.7	-68.3	17.9	1.9				
Growth (% y-y)	24.6	-6.5	17.7	13.6	84.0	16.3	-8.6	-7.9	-11.5	13.8	26.4	-20.9
Pre-tax profit	75	1,267	479	567	312	3,759	-1,715	75	508	2,389	2,432	277
Growth (% q-q)	-85.1	1,580.2	-62.2	18.3	-86.9	1,103.1	To turn neg	To turn pos				
Growth (% y-y)	-88.1	11,449.0	Turned pos	Turned pos	314.5	196.8	To turn neg	-86.7	107.7	370.6	1.8	-88.6
Net profit	**44**	**893**	**326**	**275**	**217**	**2,839**	**-1,191**	**52**	**327**	**1,538**	**1,917**	**192**
Growth (% q-q)	Turned pos	1,927.9	-63.5	-15.8	-21.1	1,208.6	To turn neg	To turn pos				
Growth (% y-y)	-90.4	Turned pos	Turned pos	Turned pos	392.5	217.8	To turn neg	-81.0	253.0	371.1	24.6	-90.0
Attributable to parent	44	893	326	275	217	2,839	-1,191	52	344	1,538	1,917	192
Margins (%)												
Operating profit	6.5	8.2	7.2	4.3	5.4	7.1	6.8	6.7	7.1	6.6	6.5	6.7
Silicone	2.7	5.1	2.9	-0.2	0.3	4.2	3.9	3.2	2.4	2.6	3.0	3.3
Building materials	10.2	12.7	13.5	11.0	11.7	13.4	11.5	12.3	15.8	11.9	12.3	12.1
Coatings	12.2	12.5	11.8	9.3	9.7	9.0	9.0	8.9	11.2	11.5	9.1	9.0
Others	-3.3	-0.7	-0.2	-4.3	-1.0	1.9	1.9	1.9	-2.0	-2.0	1.1	1.9
Pre-tax profit	4.7	74.3	29.5	36.4	19.2	208.2	-98.1	4.2	7.6	36.8	34.9	3.8
Net profit	2.8	52.4	20.1	17.7	13.3	157.2	-68.1	2.9	4.9	23.7	27.6	2.6

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**6,659**	**6,484**	**6,959**	**7,288**	**7,541**
Cost of goods sold	5,028	4,846	5,209	5,443	5,620
Gross profit	**1,631**	**1,637**	**1,750**	**1,845**	**1,921**
Gross margin (%)	24.5	25.3	25.1	25.3	25.5
SG&A expenses	1,160	1,210	1,294	1,358	1,404
Operating profit	**471**	**428**	**456**	**487**	**517**
Operating margin (%)	7.1	6.6	6.5	6.7	6.9
Non-operating gains (losses)	**36**	**1,961**	**1,976**	**-210**	**-139**
Financial profit	709	2,961	2,275	133	163
Financial costs	770	657	330	306	293
Equity-method gains (losses)	76	4	4	4	4
Other	21	-347	27	-41	-13
Pre-tax profit	**508**	**2,389**	**2,432**	**277**	**379**
Taxes	181	850	514	85	116
Effective tax rate (%)	35.7	35.6	21.2	30.6	30.6
Profit from continuing operations	327	1,538	1,917	192	263
Profit from discontinued operations	0	0	0	0	0
Net profit	**327**	**1,538**	**1,917**	**192**	**263**
Net margin (%)	4.9	23.7	27.6	2.6	3.5
Net profit (controlling interests)	344	1,538	1,917	192	263
Net profit (non-controlling interests)	-17	0	0	0	0
EBITDA	902	887	950	997	1,039
EBITDA margin (%)	13.6	13.7	13.6	13.7	13.8
EPS (parent-based) (KRW)	38,691	173,128	220,703	22,366	30,596
EPS (consolidated) (KRW)	36,747	173,128	220,703	22,366	30,596
Adjusted EPS (KRW)*	38,691	173,128	220,703	22,366	30,596

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**3,994**	**3,983**	**3,958**	**4,145**	**4,540**
Cash & equivalents	501	1,194	964	1,010	1,296
Accounts receivable	1,213	1,067	1,145	1,199	1,241
Inventories	1,583	1,530	1,642	1,720	1,779
Other current assets	696	192	206	216	224
Fixed assets	**9,412**	**12,821**	**14,375**	**14,147**	**13,863**
Investment assets	3,124	5,936	7,674	7,690	7,702
Tangible assets	3,525	4,324	4,183	3,976	3,714
Intangible assets	1,407	1,168	1,125	1,087	1,054
Other long-term assets	1,355	1,394	1,394	1,394	1,394
Total assets	**13,406**	**16,804**	**18,333**	**18,292**	**18,404**
Current liabilities	**3,231**	**3,982**	**3,597**	**3,379**	**3,264**
Accounts payable	770	679	729	764	790
Short-term debt	910	759	759	759	759
Other current liabilities	1,550	2,544	2,109	1,856	1,715
Long-term liabilities	**4,909**	**4,997**	**5,135**	**5,231**	**5,305**
Bonds & long-term debt	3,807	2,939	2,939	2,939	2,939
Other long-term liabilities	1,103	2,058	2,196	2,292	2,366
Total liabilities	**8,140**	**8,979**	**8,732**	**8,610**	**8,569**
Owners of parent equity	**5,266**	**7,824**	**9,600**	**9,682**	**9,835**
Capital stock	48	48	48	48	48
Capital surplus	350	350	350	350	350
Retained earnings	5,393	6,926	8,733	8,815	8,968
Other	-525	500	469	469	469
Non-controlling interests' equity	**0**	**0**	**0**	**0**	**0**
Total equity	**5,266**	**7,824**	**9,600**	**9,682**	**9,835**
Net debt	4,537	4,481	4,222	3,886	3,430

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**597**	**789**	**949**	**943**	**1,001**
Net profit	327	1,538	1,917	192	263
Non-cash profit and expenses	750	-474	-492	809	834
Depreciation	383	410	451	472	489
Amortization	48	49	43	38	33
Other	318	-933	-986	299	312
Changes in A/L from operating activities	-346	2	38	26	20
Cash flow from investments	**282**	**269**	**-219**	**-174**	**-132**
Change in tangible assets	-251	-287	-310	-265	-227
Change in financial assets	21	476	-6	-4	-3
Other	511	81	97	95	98
Cash flow from financing	**-1,454**	**-362**	**-925**	**-704**	**-571**
Change in debt	-98	141	-485	-287	-168
Change in equity	-203	0	0	0	0
Dividends	-59	-74	-110	-110	-110
Other	-1,094	-430	-330	-306	-293
Change in cash	-544	692	-229	46	286
Cash at beginning of year	1,045	501	1,194	964	1,010
Cash at end of year	501	1,194	964	1,010	1,296
Gross cash flow	**1,076**	**1,065**	**1,426**	**1,001**	**1,097**
Free cash flow	**339**	**470**	**599**	**638**	**733**

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

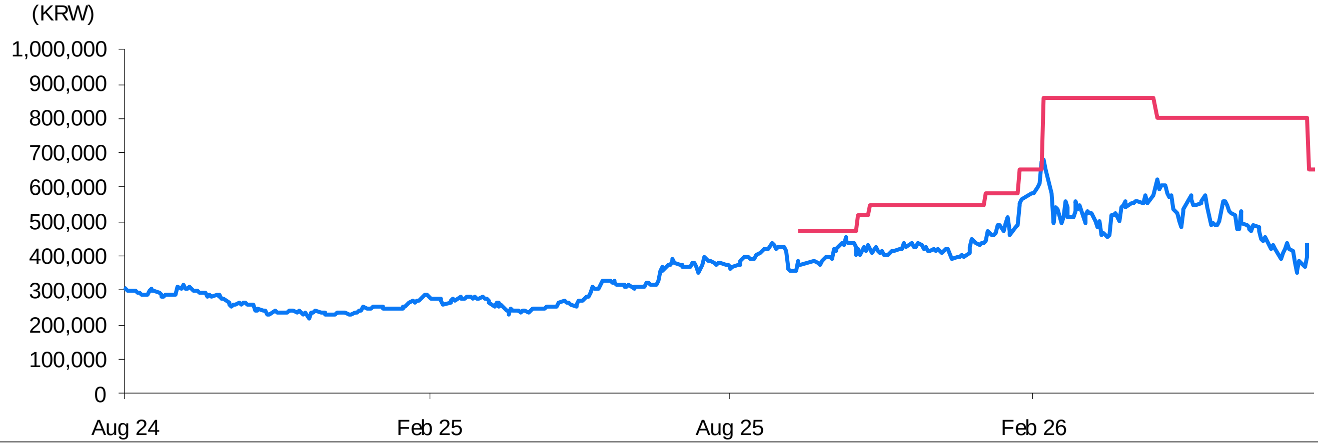
Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	5.9	-2.6	7.3	4.7	3.5
Operating profit	50.7	-9.2	6.5	7.0	6.2
Net profit	253.0	371.1	24.6	-90.0	36.8
Adjusted EPS**	61.7	347.5	27.5	-89.9	36.8
Per-share data (KRW)					
EPS (parent-based)	38,691	173,128	220,703	22,366	30,596
EPS (consolidated)	36,747	173,128	220,703	22,366	30,596
Adjusted EPS**	38,691	173,128	220,703	22,366	30,596
BVPS	716,051	1,063,952	1,305,427	1,316,561	1,337,310
DPS (common)	10,000	15,000	15,000	15,000	15,000
Valuations (x)					
P/E***	6.1	2.4	2.0	19.3	14.1
P/B***	0.3	0.4	0.3	0.3	0.3
EV/EBITDA	7.3	9.3	8.4	7.6	6.9
Ratios (%)					
ROE	6.6	23.5	22.0	2.0	2.7
ROA	2.4	10.2	10.9	1.0	1.4
ROIC	4.7	4.0	5.0	4.8	5.2
Payout ratio	21.4	7.2	5.8	57.4	42.0
Dividend yield (common)	4.2	3.6	3.5	3.5	3.5
Net debt to equity	86.2	57.3	44.0	40.1	34.9
Interest coverage (x)	1.4	1.3	1.4	1.6	1.8

Compliance notice

- As of 8/5 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 8/5 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	2025/10/2	11/6	11/13	2026/1/22	2/11	2/26	5/6	8/6
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	470000	520000	550000	580000	650000	860000	800000	650000
Gap* (average)	-12.30	-19.40	-23.71	-17.28	-8.33	-38.31	-38.58	
(max or min)**	-3.62	-17.31	-18.82	-11.38	3.85	-24.30	-24.25	

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