



Samsung Electronics Co., Ltd.

Research Summary

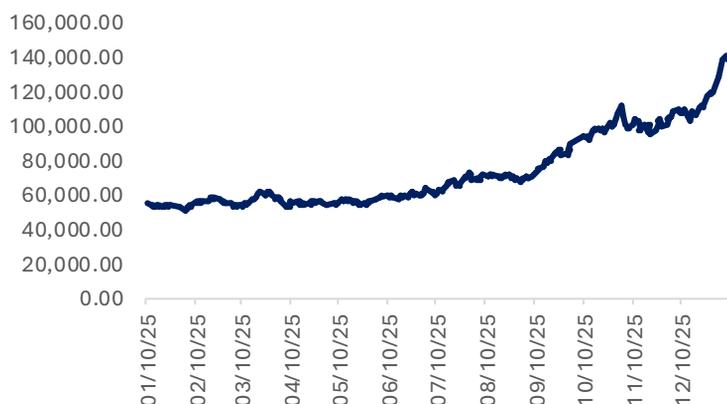
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www.faccting.com

Company Overview

Samsung Electronics Co., Ltd. engages in the manufacturing and selling of electronics and computer peripherals. The company operates through following business divisions: Device Experience (DX), Device Solutions (DS), Samsung Display (SDC), and Harman. The DX division offers televisions, monitors, refrigerators, washing machines, air conditioners, smartphones, network systems, and computers. The DS division deals with semiconductor components including DRAM, NAND Flash, and mobile APs. The SDC division provides OLED panels for smartphones. The Harman division consists of digital cockpits, car audio, and portable speakers. The company was founded on January 13, 1969 and is headquartered in Suwon-si, South Korea.

LTM Stock Price (FactSet)



Business Models / Affiliated Companies

Samsung Group is a diversified conglomerate composed of multiple core business sectors. It is broadly divided into electronics, electronics-related affiliates, biotechnology, financial services, construction and heavy industries, and service businesses, each consisting of independently operated subsidiaries with distinct revenue structures. Samsung Electronics plays a central role through its semiconductor and IT device businesses, while Samsung Display strengthens vertical integration in the electronics segment. In biotechnology, Samsung Biologics focuses on CDMO services, and the financial segment includes Samsung Life Insurance, Samsung Fire & Marine Insurance, Samsung Card, Samsung Securities, and Samsung Asset Management. Samsung E&A and Samsung C&T operate in construction and engineering, and Hotel Shilla represents the service sector. This diversified structure reduces reliance on a single industry cycle and supports long-term stability.

SAMSUNG

52 Week Range: ₩50,800.00 ~ ₩144,500.00

Current Stock Price: ₩138,800.00

P/E Ratio (LTM): 28.65

Beta Estimate: 1.10

Dividend Yield: 1.06%

2024 DPS: ₩1,446.00

2024 P/S: 2.94

EV/Sales: 2.53

WACC: 8.81%

P/BV: 2.31

Equity Value: ₩897,569.69 (B)

Enterprise Value: ₩799,208.50 (B)

Industry: Technology and Consumer Electronics

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Company Analysis

Company Analysis

Business Overview

DX (Device Experience)

The DX (Device eXperience) division of Samsung Electronics is responsible for finished consumer products that directly interact with end users, including smartphones, televisions, and home appliances. This division comprises the Mobile eXperience (MX), Visual Display (VD), and Digital Appliances (DA) businesses.

53.09% of Samsung Electronics Revenue is generated by the DX Division and produced ₩174,887,683M last year. It grew 2.88% compared to last year.

DS (Device Solution)

The DS (Device Solutions) division oversees Samsung Electronics' semiconductor operations, including memory chips such as DRAM and NAND, as well as system semiconductors and foundry services. Recently, the division has been restructuring its business toward high-value products such as HBM, driven by rising demand from AI servers and data centers.

33.72% of Samsung Electronics Revenue is generated by the DS Division and produced ₩111,065,950M last year. It grew 66.78% compared to last year.

SDC & Harman

In addition to its DX and DS divisions, Samsung Electronics also includes Samsung Display (SDC) and Harman as important supporting business units. Samsung Display specializes in advanced display technologies, including OLED panels, supplying both internal Samsung products and external customers. Harman focuses on automotive and audio solutions, providing connected car systems, infotainment, and premium audio products. Together, these two businesses contribute a meaningful portion of Samsung Electronics' overall revenue. Samsung Display accounts for approximately 8.85% of total revenue, generating ₩29,157,820M in revenue last year, while Harman contributes around 4.43%, with annual revenue of ₩14,274,930M.

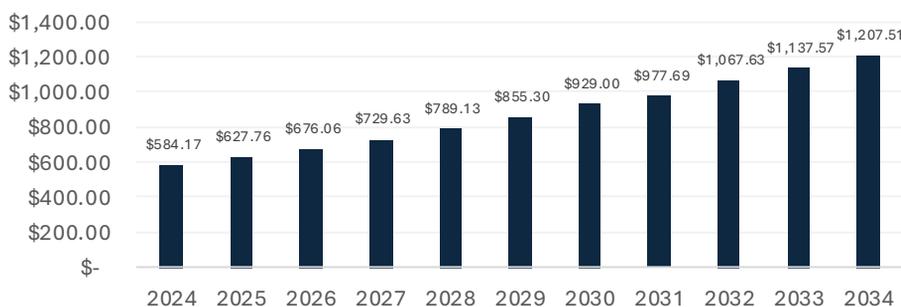
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Industry Overview

Semiconductor Industry

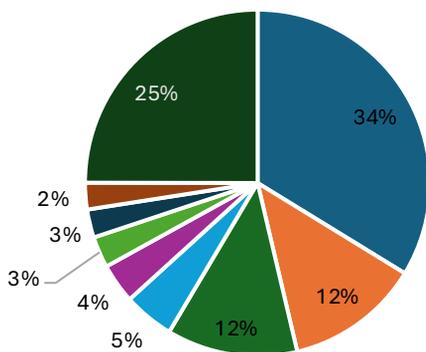
The primary product of Samsung Electronics' DS division is semiconductors. The global semiconductor market has demonstrated consistent growth, increasing by approximately USD 43.59 billion from 2024 to 2025, and is expected to continue expanding in the coming years. This sustained market growth provides a favorable demand environment for Samsung's semiconductor business and supports the long-term growth potential of the DS division.

Semiconductor Market Size 2024 to 2034 (USD Billion)



Source: <https://www.precedenceresearch.com/semiconductor-market>

Global Semiconductor Market Share Distribution



Legend: ■ NVIDIA ■ TSMC ■ Broadcom ■ Samsung ■ ASML ■ Micron Technology ■ SK Hynix ■ AMD ■ Others

Source: companiesmarketcap.com

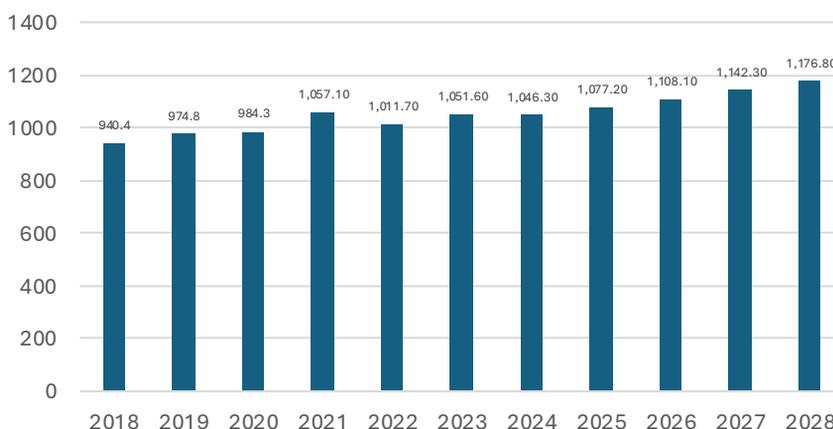
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Industry Overview

Consumer Electronics Industry

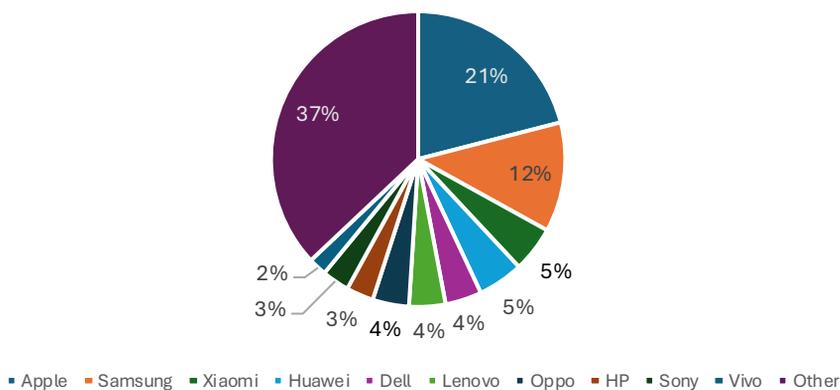
The primary product of Samsung Electronics' DX division is consumer electronics. Like the semiconductor market, the global consumer electronics market has demonstrated consistent growth, increasing by approximately USD 30.9 billion from 2024 to 2025, and is expected to continue expanding in the coming years and Samsung is showing its significant position in the market cap.

Global Consumer Electronics Market Revenue (USD Billion)



Source: news.market.us

Competitive Landscape of the Global Consumer Electronics Market
(Market Share in %)



Source: news.market.us

Company Analysis

Industry Overview

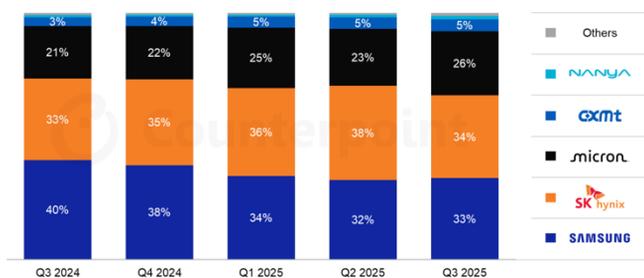
Competitiveness

Samsung Electronics is structurally competitive across both its Device Solutions (DS) and Device Experience (DX) divisions. At scale, Samsung is one of the very few companies (and effectively the only one) that can operate an end-to-end, vertically integrated model covering memory, foundry, advanced packaging, and consumer electronics.

For the DS division, Samsung has been holding a leading position in DRAM and NAND globally, with growing exposure to high-performance memory, such as HBM, which is used in AI servers and data centers which is a growing industry currently and is expected to grow more rapidly in the future. As AI workloads expand, memory demand is becoming structurally more important rather than purely cyclical, shifting memory from a commoditized input to a strategic constraint in the value chain.

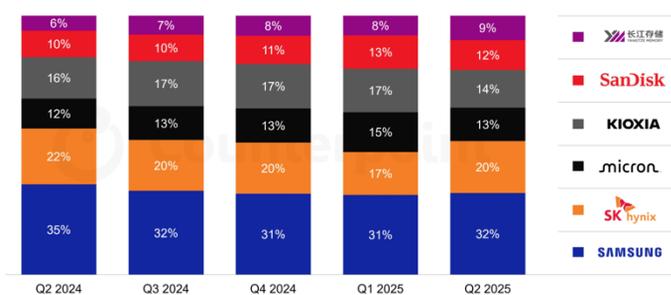
The DX division adds another layer to Samsung’s competitiveness. Samsung maintains strong global positions in smartphones and consumer electronics, leading after Apple. This, in practice, creates a stable internal demand base for its semiconductor products. This linkage supports utilization, yield learning, and supply chain control over time. As performance improvements increasingly come from system-level integration rather than standalone components, Samsung’s combined DS–DX structure remains a meaningful long-term advantage, even if short-term market leadership continues to fluctuate.

Global DRAM Market Share by Revenue (Q3 2024 – Q3 2025)



Source: Counterpoint Research Memory Tracker and Forecast, Q3 2025

Global NAND Market Share by Revenue (Q2 2024 - Q2 2025)



Source: Counterpoint Research Memory Tracker and Forecast, Q2 2025

Source: Counterpoint Research Memory Market Tracker and Forecast Report, Q3 2025

Company Analysis

Income Statement

₩ in Billions	SEP '25 LTM	DEC '24	DEC '23
Sales	315,557	300,871	258,935
Cost of Goods Sold (COGS) incl. D&A	202,412	188,968	182,727
Gross Income	113,144	111,903	76,209
SG&A Expense	83,136	79,177	69,642
EBIT (Operating Income)	30,008	32,726	6,567
Nonoperating Income - Net	5,668	4,791	4,353
Interest Expense	662	904	930
Unusual Expense - Net	-633	-165	-129
Pretax Income	35,648	36,779	10,119
Income Taxes	3,041	3,078	-4,481
Consolidated Net Income	33,319	34,451	15,487
Minority Interest	774	830	1,014
Net Income	32,545	33,621	14,473

Source: FactSet

EBIT (Operating Income)

According to Korean news, Samsung Electronics recorded ₩20 trillion (20,000 B) in operating profit in the fourth quarter, driven by an artificial intelligence-led semiconductor supercycle.

This marks the first time a Korean company has exceeded ₩20 trillion in quarterly operating profit. Fourth-quarter revenue reached ₩93 trillion, representing year-on-year increases of 22.7% in revenue and 208.2% in operating profit.

For the full year, Samsung Electronics posted operating profit of ₩43.53 trillion, the fourth highest annual result in its history, while annual revenue rose to ₩332.77 trillion, the highest level in three years. The quarterly results slightly exceeded market expectations, as consensus forecasts had projected operating profit of ₩19.65 trillion.

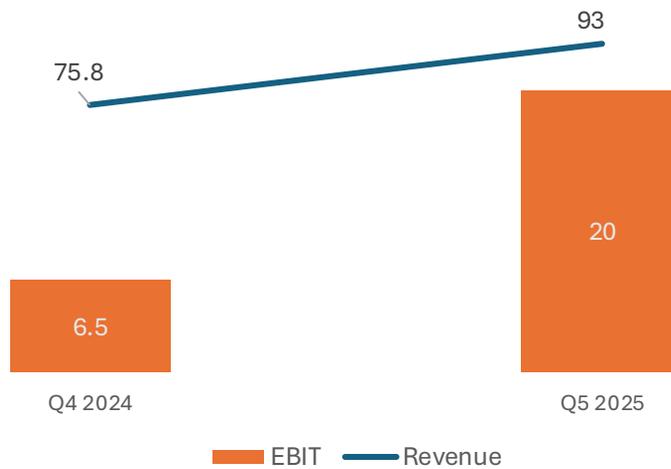
Although detailed segment data has not yet been released, analysts estimate that the Device Solutions (DS) division generated ₩16–17 trillion in operating profit in the fourth quarter, up sharply from ₩7 trillion in the third quarter.

The improvement was driven by strong demand for AI-related memory products, particularly HBM3E, which began generating significant revenue through supply to major customers such as NVIDIA and Google. Rising prices for general purpose memory products amid continued AI infrastructure investment also supported earnings growth.

Company Analysis

Income Statement

Samsung Electronics Q4 Performance
(Trillion Won)

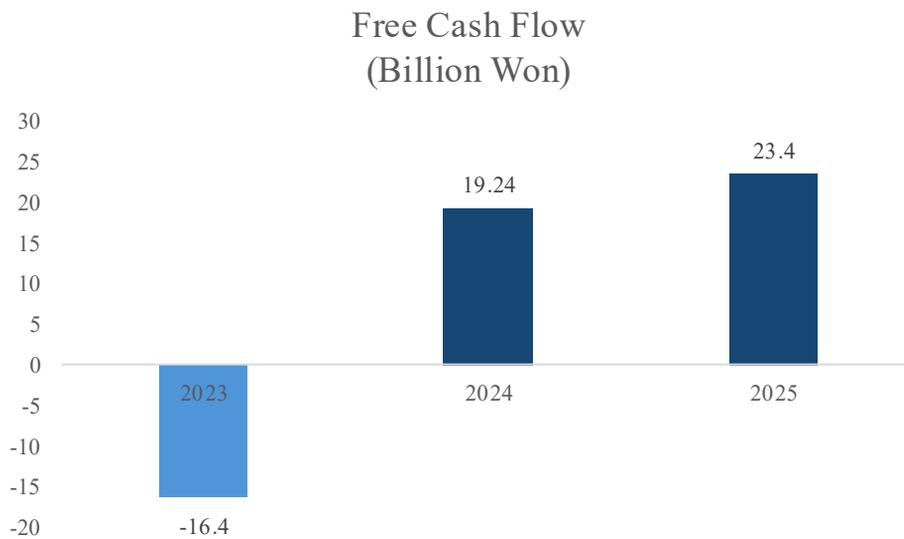


Source: mk.co.kr

Increased of 22.7% in revenue and 208.2% in operating profit.

Company Analysis

Cash Flow



Cash Flow Analysis

Free cash flow is not the primary strength of Samsung Electronics, but it has shown a clear improving trend over time. In 2023, free cash flow was negative at -16.4 trillion won, reflecting pressure from heavy capital expenditures and industry downturn conditions. However, free cash flow turned positive in 2024, reaching 19.24 trillion won, and continued to increase in 2025 to 23.4 trillion won. This steady recovery suggests improving cash generation capacity and a gradual normalization of operating and investment conditions.

Company Analysis

Risk Factors

Competitive Semiconductor Market

Samsung Electronics still holds a strong position in the semiconductor market, but just in couple years, companies like NVIDIA have grown rapidly in a short period of time and is leading the market. As demand for AI-related technologies has increased, NVIDIA, has expanded its influence by focusing on AI chips and related platforms, which has changed the competitive landscape of the semiconductor industry. As these companies continue to grow, Samsung's position in the market is likely to face increasing pressure.

Currency and Macroeconomic Risks

As a global exporter, Samsung Electronics is exposed to currency fluctuations, particularly movements in the Korean won against major currencies. In addition, persistent inflation, high interest rates, or global financial instability could affect consumer demand, investment decisions, and overall profitability.

Weak Performance in the DX Division

The DX division has shown weak performance compared to the DS division, which set a record for operating income among Korean companies and is leading the market. According to Korean news, Samsung produced 59 million units of consumer electronics in Q4 2025, which is about 4% less compared to Q3 2025. However, since Samsung supplies displays for Apple which is the leading company in the market, the risk is expected to be limited.

Conclusion

Conclusion

In conclusion, Samsung Electronics remains a global leader in both the DS and DX divisions, maintaining a strong market position supported by its proprietary technologies and integrated business structure. The DS division has demonstrated strong performance driven by AI-related semiconductor demand, while the DX division continues to play a key role through its global consumer and component businesses. Both divisions have shown growth and are expected to continue growing in the future, reinforcing Samsung Electronics' long-term competitiveness and stable market position.