Samsung Electronics

Samsung Electronics Co., Ltd. · 005930 · KOSPI

World's largest memory maker: record Q3 operating income of ₩107.4T, yet the stock fell 13.4% in two days on Nov 5-6 and sits 46.9% below its 52-week high

Overall Verdict
HOLD
Bull 4 · Bear 3 · Deferred 0

Price at Issue	External Target Price	52-Week Low · High	Next Earnings
₩198,900	0 items	₩94,500 ~ ₩374,500	Around Jan 27 (Ya
Nov 10, 2026 close · +4.7%	No firm has issued a target price	vs. high −46.9%	Q4 2026 earnings

01 4 Key Data Points

Foreign net selling of ₩1,160B of Samsung (Nov 5)
Foreigners net sold ₩3,390B on KOSPI on Nov 5, ₩1,160B of it Samsung; the stock fell 7.57% on Nov 5 and 6.35% on Nov 6 (-13.4% in two days) and the ₩198,900 close is 46.9% below the 52-week high

AI data-center regulation worries
The Nov 5 Bizwatch report (S5) cited tighter regulation worries after the US midterms (Nov 3) as the backdrop to KOSPI -5.28% and a sell sidecar that day, with about ₩2.7T of foreign net selling in Samsung and SK hynix

Q3 operating income ₩107.4T, a fourth straight record
Revenue ₩195.3T at a 55.0% margin; the chip division (DS) earned ₩106.5T, about 99% of the total

2026 shareholder returns of ₩90-110T
The Q3 dividend of ₩4,601 per share (₩30T across common and preferred shares) is set; buyback details are due at the January 2027 board meeting

02 Research Team Debate — 6 Issues

Nov 5-6 plunge ×2	Bull	The question was whether the cause lies with the company. The cause is confirmed only within the Nov 5 Bizwatch report, and the link to regulation worries is not asserted since the stock fell just 0.68% on Nov 4, but the drop was a foreign-flow shock alongside KOSPI -5.28% and earnings power (₩107.4T operating income) is intact, so the ruling goes to Bull.
Peak-earnings debate	Bear	The question is how far profit can keep growing. Operating income growth slowed from +56.4% in Q2 to +20.0% in Q3, and the stock sits 46.9% below its high, so Bear's point that the market priced the slowdown first carries more weight. The ruling goes to Bear.
Valuation	Bull	The question is whether the stock is expensive relative to growth. A PEG of about 0.04 (on one-year expected EPS growth) is low even against the 12.9x peer median and 62.3% growth, so the ruling goes to Bull. If EPS forecasts are cut the multiple would rise, so forecast changes are checked at Q4 results around Jan 27.
₩90-110T shareholder returns	Bull	The question is whether returns build a floor. The confirmed Q3 dividend alone is about 2.6% of market cap and the ₩90-110T annual target fits within net cash of about ₩167.6T, so the ruling goes to Bull. Buyback details come at the January 2027 board meeting.
₩84.4T capex and DX losses	Bear	The question is investment burden and profit concentration. Cash is ample, but 99% of profit comes from chips and capex is up 61.7%, so Bear's point that nothing absorbs a fall in memory prices carries more weight. The ruling goes to Bear.
Foreign selling and a weak chart	Bear	The question is whether the rebound is a trend change. A one-day 4.74% gain on lower volume with the close below every moving average earns a Bear ruling. Recovering the 20-day line at ₩216,000 is the next test.

The overall call is HOLD: earnings, shareholder returns and a low multiple argue Bull, while peak-earnings debate, profit concentration and weak flows argue Bear. The call reopens with the Q3 quarterly filing around Nov 14 and whether foreign net selling subsides.

03 Conditions That Change the Verdict

▲ Upgrade Conditions

Quarterly filing around Nov 14

▼ Downgrade Conditions

KOSPI 5,200 level

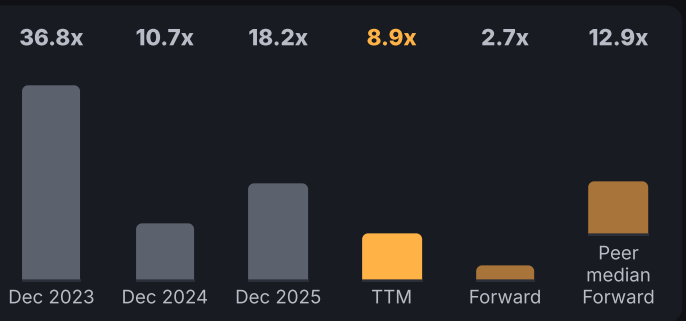
04 Quarterly Results Unit: ₩T

	Q2 2025	Q3	Q4	Q1 2026	Q2
Revenue	74.6	86.1	93.8	133.9	**171.5**
Operating Income	4.7	12.2	20.1	57.2	**89.5**
Net Income	4.9	12	19.3	47.1	**71.3**
Operating Margin	6.3%	14.1%	21.4%	42.8%	**52.2%**

Operating margin
52.2%
Year ago 6.3%

Gross margin (Yahoo basis)
69.6%
Year ago 34.2%

05 P/E trend



06 동종 비교(외부 목표가 0건)

Company	P/S	Market Cap
SK hynix 000660	**4.6x**	**about ₩861.8T**
Samsung Electronics 005930	2.3x	about ₩1,135.6T
Hyundai Motor 005380	0.3x	about ₩55.8T
Samsung Electro-Mechanics 009150	5.1x	about ₩64.1T
Hanmi Semiconductor 042700	29.8x	about ₩16.4T

07 Financial Strength

Cash and short-term investments (Jun 30)
₩190T
₩100.7T → +88.6%

Total debt (Jun 30, Yahoo basis)
₩22.4T
₩14T → +59.7%

Shareholders' equity (Jun 30)
₩565.1T
₩388.7T → +45.4%

08 Recent News

11/6 Second straight drop, close at ₩188,700
Nov 6 -6.35% · -13.4% in two days · volume 1.85x the 20-day average · 49.6% below the 52-week high

11/5 KOSPI -5.28%, sell sidecar triggered
KOSPI closed at 5,383.80 · foreigners net sold ₩3,390B on KOSPI, ₩1,160B of it Samsung · SK hynix -9.46%

11/4 AI data-center regulation worries after US midterms
Bizwatch Nov 5 report (S5): Democrats won both chambers on Nov 3, raising worries of tighter AI data-center regulation · no specific legislation yet · the stock fell only 0.68% on Nov 4

09 Upcoming Events

Around Nov 14 · Q3 2026 quarterly filing expected
Check official operating cash flow, capex and EPS · based on the statutory deadline

Around Jan 27 · Q4 2026 earnings date (Yahoo estimate)
Expected revenue ₩224.6T · not a confirmed company date

January 2027 · Board to detail buybacks and cancellations
Timing given in the Q3 release · 2026 return target of ₩90-110T

10 Key Risks

Persistent foreign net selling (₩1,160B of Samsung on Nov 5)
Impact High · Likelihood High · Watch Whether foreigners turn net buyers of Samsung

Tighter AI data-center regulation worries
Impact High · Likelihood Medium · Watch Legislative talk after the US midterms

Memory peak-profit worries (operating income growth +56.4% to +20.0%)
Impact High · Likelihood Medium · Watch Q4 results around Jan 27

11 Checkpoints

★★★ **Foreign flows**
Check whether foreign net selling of Samsung (₩1,160B on Nov 5) eases and turns to net buying.

★★★ **KOSPI 5,200**
Watch the distance between the 5,200 level a Daishin Securities analyst flagged (Bizwatch Nov 5, S5) and the Nov 10 close of 5,239.13.

★★☆ **Q3 quarterly filing**
Check the official operating cash flow, capex and EPS in the filing due around Nov 14.

Sources: Bizwatch · Financial Supervisory Service DART · Samsung Electronics Q3 results coverage · The Check · Yahoo Finance · Yahoo Finance quarterly and annual tables · DART business and quarterly reports