



NATIONAL RESEARCH
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SAMSUNG

Samsung Electronics Co.,



Presented by
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Finance, 161



The history of Samsung Electronics Co., Ltd

Samsung Electronics Co., Ltd. (Korean: 삼성전자; Hanja: 三星電子 (Literally "tristar electronics")) is a South Korean multinational electronics company headquartered in Suwon, South Korea. Through extremely complicated ownership structure with some circular ownership, it is the flagship division of the Samsung Group, accounting for 70% of the group's revenue in 2012. It is the world's 2nd largest information technology company by revenue, after Apple. Samsung Electronics has assembly plants and sales networks in 80 countries and employs around 370,000 people. Since 2012, Kwon Oh-hyun has served as the company's CEO.

The history of Samsung Electronics Co., Ltd

Samsung Electronics Co., Ltd. Samsung has long been a major manufacturer of electronic components such as lithium-ion batteries, semiconductors, chips, flash and hard drive devices for clients such as Apple, Sony, HTC and Nokia.

It is the world's largest manufacturer of mobile phones and smartphones fueled by the popularity of its Samsung Galaxy line of devices. The company is also a major vendor of tablet computers, particularly its Android-powered Samsung Galaxy Tab collection, and is generally regarded as pioneering the phablet market through the Samsung Galaxy Note family of devices.

Samsung has been the world's largest TV manufacturer since 2006, and the world's largest manufacturer of mobile phones since 2011. Samsung Electronics is a major part of the South Korean economy; in 2012 it was responsible for 20% of GDP.

The world market share of Samsung

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Product	Samsung World Market Share	Leading competitor	Market share	Year
DRAM	49.60%	SK hynix	24.80%	Q2 2013
NAND flash	41.60%	Toshiba	28.70%	Q2 2011
Large-size LCD panels (revenue)	20.20%	LG Display	26.70%	Q4 2013
Active-matrix OLEDs	98%	LG Display, AUO	0.5~1.5 %	Q2 2010

The world market share of Samsung

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LCD monitors	18%	LG Electronic	12.70%	2010
Hard-disk drives	9%	Western Digital	31.30%	Q1 2010
Televisions	24%	LG Electronic	14.70%	Q2 2010
(LCD, PDP, CRT, LED)				
Mobile phones	34%	Apple Inc.	13.40%	Q3 2013
Digital cameras	11.80%	Sony	17.40%	2010

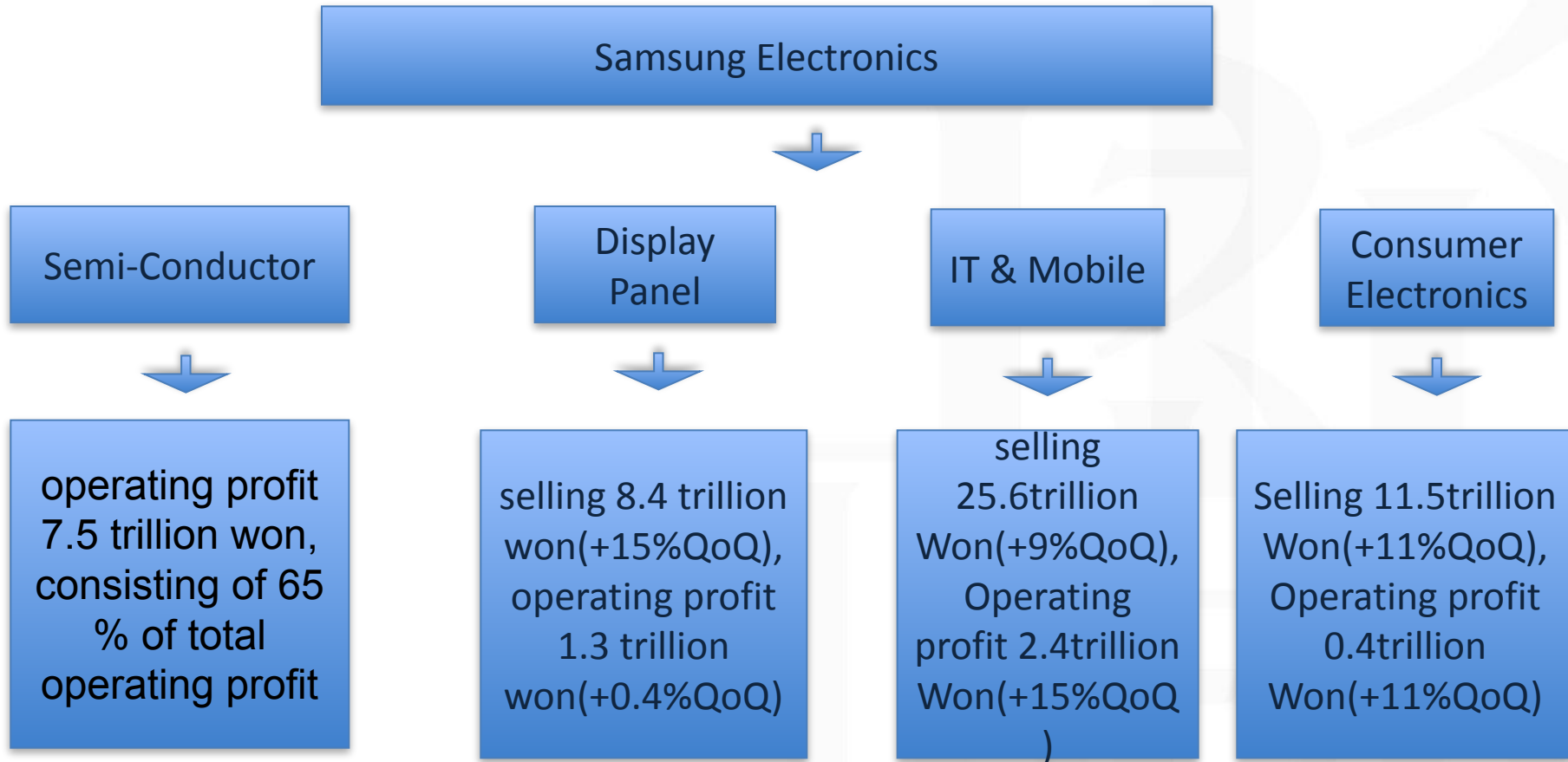
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(unit: billions Won, IFRS)	2015	2016	2017E	2018E
Sales	200,653	201,867	229,701	236,822
Operating profit	26,413	29,241	46,886	48,576
EBITDA	47,344	49,954	68,210	69,964
Profit before tax	25,961	30,714	48,085	49,584
Net Profit	19,060	22,726	35,583	36,692
EPS(Won)	125,750	158,044	255,012	268,268
Increase ratio(%YoY)	-19.0	24.5	60.0	4.9

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(unit: billions Won, IFRS)	2015	2016	2017E	2018E
PER	10.0	11.4	7.1	6.7
PBR	1.2	1.6	1.3	1.1
EV/EBITDA	3.3	4.3	3.1	2.6
Profit ratio(%)	13.2	14.5	20.4	20.5
ROE(%)	11.0	12.2	17.1	15.3
Net debt ratio(%)	-32.7	-37.8	-36.7	-42.2

Analysis of business divisions



Semi Conductor



2Q17 selling 56 trillion won(+11%QoQ), operating profit 11.6 trillion won(+17%QoQ), the highest in its record.

All products increase & price-up cause it to make operating profit 7.5 trillion won, consisting of 65 % of total operating profit, 11.6 trillion won.





Selling 8.4 trillion won(+15%QoQ), operating profit 1.3 trillion won(+0.4%QoQ)

Flexible OLED is main product. Operating profit is expected to decrease -2%p because of the increase of OLED fixed cost & the price of LCD panel





Selling(Revenue) 25.6trillion
Won(+9%QoQ), Operating profit
2.4trillion Won(+15%QoQ)

Galaxy S8 is expected to sell 18
million unit, operating profit is
estimated to increase 0.5%p



Selling 11.5trillion
Won(+11%QoQ), Operating
profit 0.4trillion Won(+11%QoQ)

This business part is beginning
to peak season effect



The trend and estimating connecting Sales

(Unit: billion won)

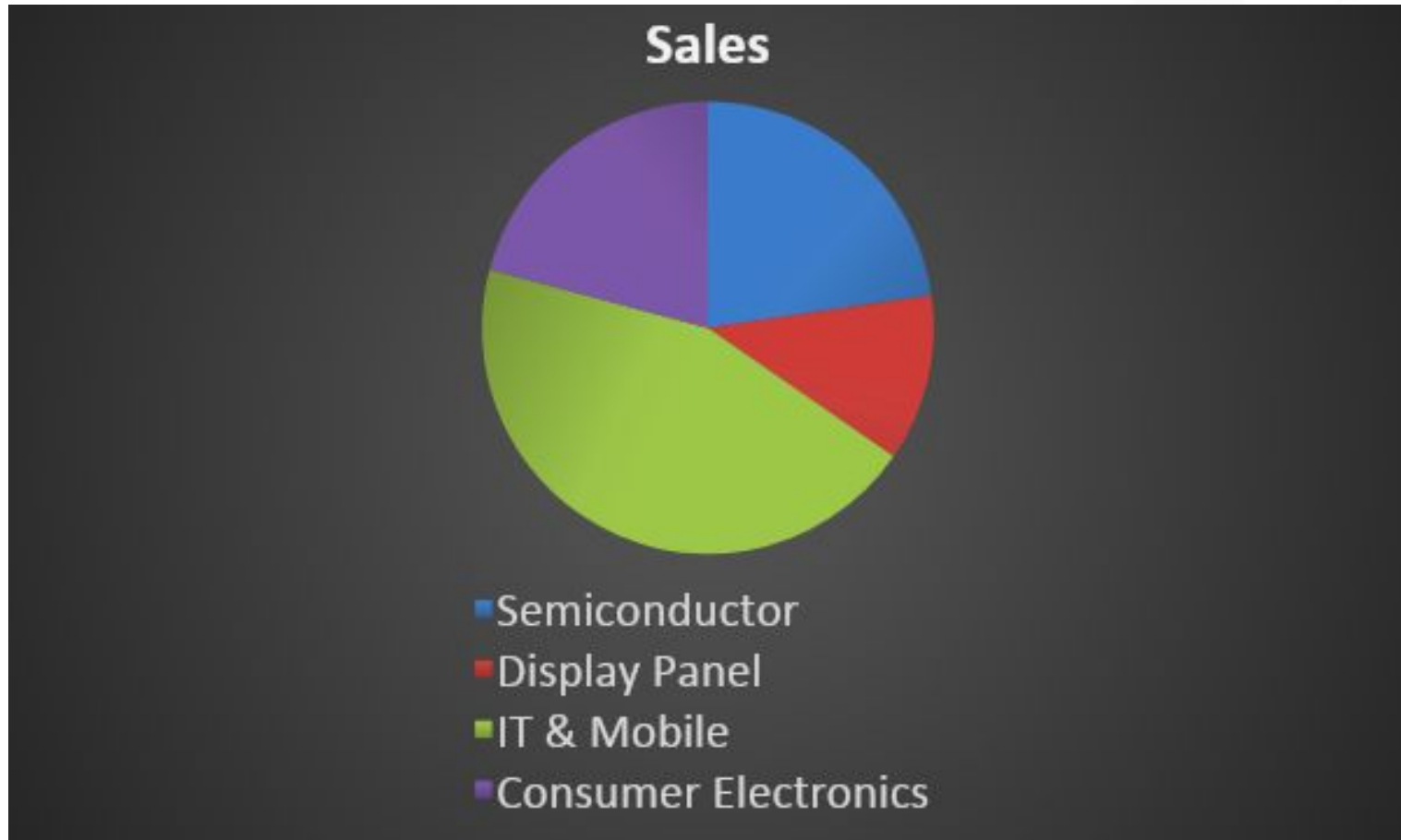
	1Q16	2Q16	3Q16	4Q16	1Q17P	2Q17E	3Q17E	4Q17E	2015	2016	2017E
Sales	49,782	50,937	47,816	53,332	50,548	55,974	59,335	62,383	200,653	201,867	228,240
%QoQ/%YoY	-7%	2%	-6%	12%	-5%	11%	6%	5%	-3%	1%	13%
Semiconductor	11,152	11,997	13,150	14,859	15,664	17,388	19,432	19,200	47,587	51,158	71,684
Memory	7,936	8,427	9,863	11,623	12,120	13,701	15,672	15,496	34,297	37,849	56,989
System LSI	2,873	3,201	2,991	2,873	3,128	3,312	3,447	3,325	12,228	11,938	13,212
Display Panel	6,036	6,416	7,056	7,417	7,294	8,418	11,974	12,194	27,487	26,924	39,880
Large Panel	2,436	2,484	2,954	3,355	2,838	2,836	3,245	3,171	15,634	11,230	12,089
Mobile	3,432	3,799	3,901	3,840	4,363	5,445	8,517	8,792	11,926	14,972	27,117

The trend and estimating connecting Sales

(Unit: billion won)

IT & Mobile	27,600	26,559	22,543	23,611	23,482	25,565	23,367	23,882	103,554	100,313	96,296
Wireless	26,943	26,073	22,089	22,647	22,471	24,641	22,526	22,877	100,515	97,752	92,516
Network/etc	657	494	454	964	1,011	924	841	1,004	3,039	2,569	3,780
Consumer Electronics	10,623	11,547	11,243	13,637	10,338	11,503	11,875	14,797	46,895	47,051	48,512
VD	6,420	6,608	6,566	9,085	6,465	6,587	7,016	10,148	29,219	28,678	30,217
Cost of good sold(COGS)	30,374	29,609	29,411	30,883	28,161	30,166	32,138	34,555	123,482	120,278	125,021
ratio of COGS	61%	58%	62%	58%	56%	54%	54%	55%	62%	62%	62%

The composition of Sales(revenue) in 2016

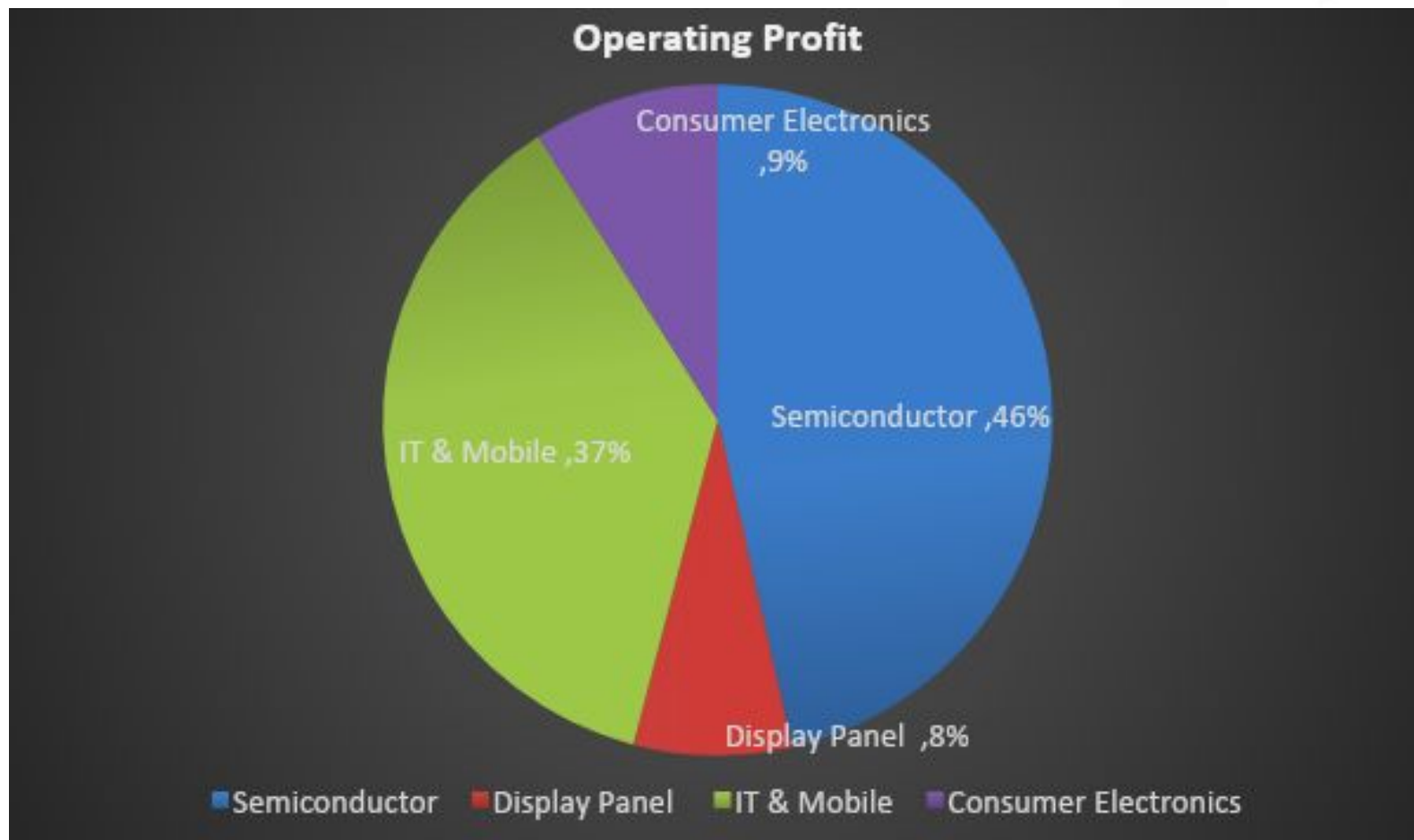


The trend and estimating connecting Sales

(Unit: billion won)

Operating profit	6,676	8,144	5,200	9,221	9,898	11,610	12,592	12,679	26,413	29,241	46,779
%QoQ/%YoY	9%	22%	-36%	77%	7%	17%	8%	1%	6%	11%	60%
Semiconductor	2,632	2,645	3,369	4,947	6,311	7,506	8,384	8,276	12,787	13,592	30,476
%QoQ/%YoY	-6%	1%	27%	47%	28%	19%	12%	-1%	46%	6%	124%
Display Panel	-265	137	1,021	1,343	1,297	1,303	1,636	1,750	2,295	2,236	5,941
%QoQ/%YoY	-189%	-152%	644%	32%	-3%	0%	26%	7%	248%	-3%	166%
IT & Mobile	3,894	4,318	104	2,503	2,066	2,369	2,077	2,012	10,142	10,820	8,524
%QoQ/%YoY	74%	11%	-98%	2310%	-17%	15%	-12%	-3%	-30%	7%	-21%
Consumer Electronics	513	1,030	771	318	376	416	480	626	1,254	2,631	1,899
%QoQ/%YoY	-37%	101%	-25%	-59%	18%	11%	15%	30%	6%	110%	-28%

The composition of Operating Profit in 2016



The trend and estimating connecting Sales

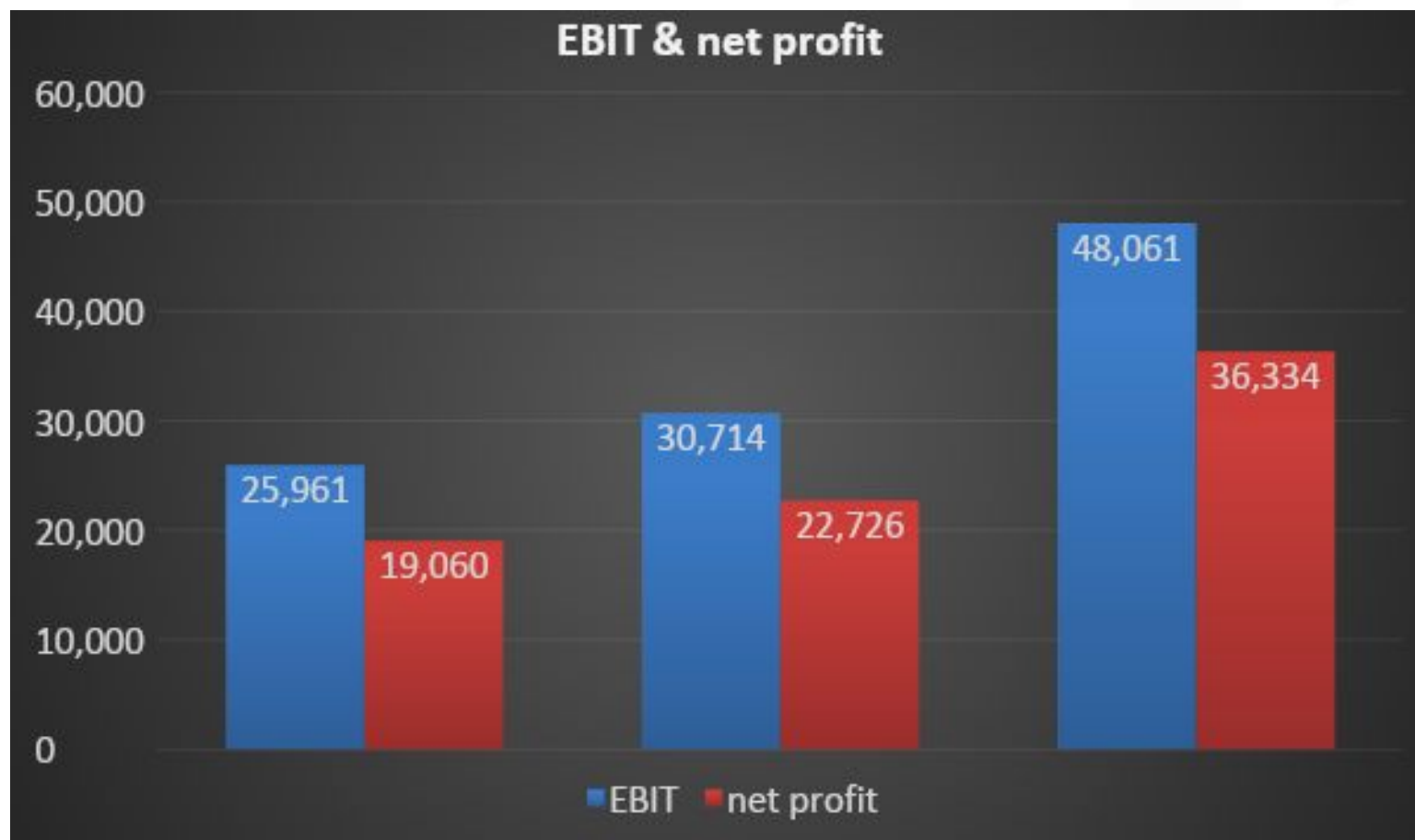
(Unit: billion won)

ratio of operating profit	13%	16%	11%	17%	20%	21%	21%	20%	13%	14%	20%
IT & Mobile	14%	16%	0%	11%	9%	9%	9%	8%	10%	11%	9%
Semiconductor	24%	22%	26%	33%	40%	43%	43%	43%	27%	27%	43%
Display Panel	-4%	2%	14%	18%	18%	15%	14%	14%	8%	8%	15%
Consumer Electronics	5%	9%	7%	2%	4%	4%	4%	4%	3%	6%	4%
EBIT	7,122	8,072	5,971	9,549	10,165	11,891	12,976	13,030	25,961	30,714	48,061
tax	1,870	2,225	1,433	2,460	2,480	2,901	3,166	3,179	6,901	7,988	11,727
net profit	5,253	5,847	4,538	7,088	7,684	8,990	9,810	9,850	19,060	22,726	36,334
ratio of net profit	11%	11%	9%	13%	15%	16%	17%	16%	9%	11%	16%
Total comprehensive profit	5,092	5,966	197	13,463	7,840	9,171	10,008	10,049	19,136	24,718	37,068

The quarterly results of Sales & Net profit during 2016-2017E (unit: billion won)



The yearly trend of EBIT & Net Profit during 2015-2017E (unit: billion won)

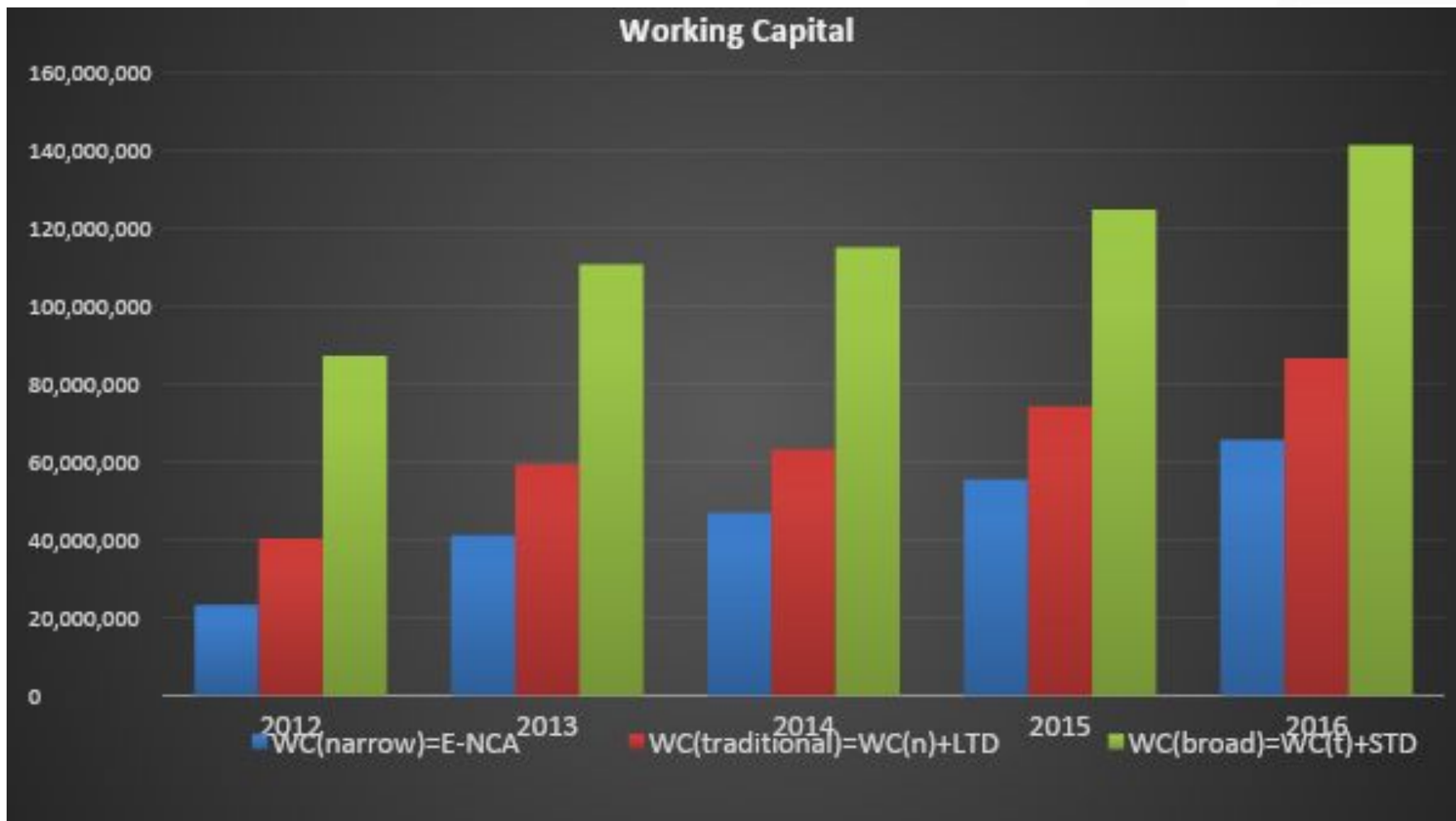


Working Capital

(unit: million won)

	2012	2013	2014	2015	2016
Equity	117,094,052	144,442,616	162,181,725	172,876,767	186,424,328
Non-Current Assets	93,802,553	103,314,747	115,276,932	117,364,796	120,744,620
LTD	17,044,466	18,316,993	16,227,320	18,799,845	21,045,901
STD	46,933,052	51,315,409	52,013,913	50,502,909	54,704,095
WC(narrow) = E-NCA	23,291,499	41,127,869	46,904,793	55,511,971	65,679,708
WC(traditional) =WC(n)+LTD	40,335,965	59,444,862	63,132,113	74,311,816	86,725,609
WC(broad) =WC(t)+STD	87,269,017	110,760,271	115,146,026	124,814,725	141,429,704

Working Capital





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Thank you
for your attention!