HSBC Global Investment Research

2 June 2026

Korea Technology

Korea tech tour – booming agentic AI supply chain while physical AI waits in the wings

Equities
Semiconductors & Equipment

Korea

- Tech companies are enjoying the AI boom; benefits from GPU/CPU processors, optical communication and 800V DC conversion
- Memory earnings are the most solid, while equipment and materials earnings are about to take off
- We prefer Samsung and EO Technics amid AI demand boom

Key takeaways: We hosted our 2026 Korea tech tour on 27-29 May, with 14 companies across memory, semi equipment, materials, and the tech hardware supply chain. Most companies expressed an upbeat outlook: 1) memory/substrate/ MLCC are benefiting from CSP capex increases for agentic AI and tech upgrades to CPUs, optical interconnect and 800v power shift; 2) IT hardware is starting to encompass the robotic momentum; and 3) semi equipment and materials companies will benefit from aggressive capex and capacity expansion at memory makers. With robust demand and tight capacity, we are more constructive on the supply chain. Our key takeaways are below.

Memory: CSP capex is soaring and demand catalysts are moving to CPU customers, as it is more feasible to manage AI agents vs GPU, and HBM3e prices will increase to narrow the gap with commodity. Robust x86 and ARM based CPU demand are boosting server and mobile DRAM prices; memory makers will enjoy output increases in 2H26 and margin expansion as more LTA agreements will stabilize the earnings trend.

Tech hardware – focus on FC-BGA: The package substrate sector is a clear AI beneficiary as well. High-end FC-BGA demand is running ahead of supply, signalling high utilisation and extending lead times; customers are seeking LTAs and co-investment to secure capacity. Structural drivers such as larger and higher layer bodies, silicon capacitor embedding, and glass core substrates are lifting content per unit, supporting a multi-year growth story.

Semi equipment & materials – plenty of runway left: The tour brought fresh datapoints across our coverage. EO Technics is seeing laser full-cut beginning to displace mechanical dicing in HBM, alongside a sharp PCB drilling ramp and a debonder co-development with a leading foundry; HPSP is broadening its reach with a new DRAM customer expected in 3Q26, and NAND customer engagements. Park Systems is winning AFM traction in hybrid bonding and advanced packaging metrology; and Hansol Chemical is advancing precursor with optionality into the late-2026 patent expiry of hafnium based high-K precursors. Given the strong capex ramp, these point to content and customer expansion independent of bit-growth; we favour these moat and pricing power names where earnings momentum looks well supported.

Our preference: We prefer Samsung Electronics in memory as we expect it to narrow the tech gap not only in HBM4 but also commodity DRAM vs peers. In semi equipment, we prefer EO Technics as it continues to see stronger demand of its laser equipment, through application expansion and new customer engagement at the front and back end.

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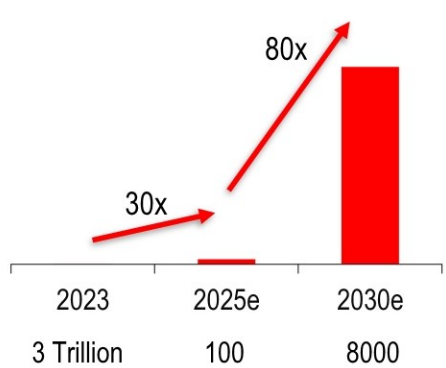
Exhibit 1. Key ratings, target prices and data points

Company	Ticker	CCY	CMP	TP	Rating	Upside	Mkt cap (USDm)	3M ADTV (USDm)	2026e PE(x)	2027e PE(x)	2026e PB(x)	2027e PB(x)	2026e ROE	2027e ROE
Samsung Elec	005930.KS	KRW	349,000	450,000	Buy	29%	1,353.5	4,561	8.4	6.2	3.3	2.3	53%	49%
SK Hynix	000660.KS	KRW	2,363,000	2,900,000	Buy	23%	1,117.2	4,385	8.2	5.6	5.3	2.8	91%	64%
EO Technics	039030.KQ	KRW	450,000	550,000	Buy	22%	3.7	37	47.5	34.2	7.1	6.0	16%	19%
HPSP	403870.KQ	KRW	46,600	65,000	Buy	39%	2.5	105	28.3	18.1	9.4	6.9	38%	44%
Park Systems	140860.KQ	KRW	278,000	360,000	Buy	29%	1.3	9	35.4	23.6	7.0	5.6	22%	26%
Hansol Chemical	014680.KS	KRW	260,500	400,000	Buy	54%	2.0	16	14.6	11.4	2.3	1.9	17%	18%

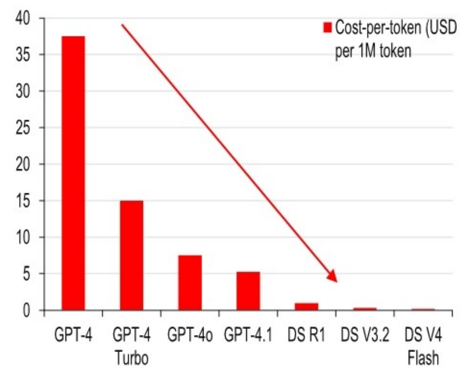
Source: Bloomberg, HSBC estimates. Priced at close of 1 June 2026

Exhibit 2. Daily token consumption from AI services is growing rapidly



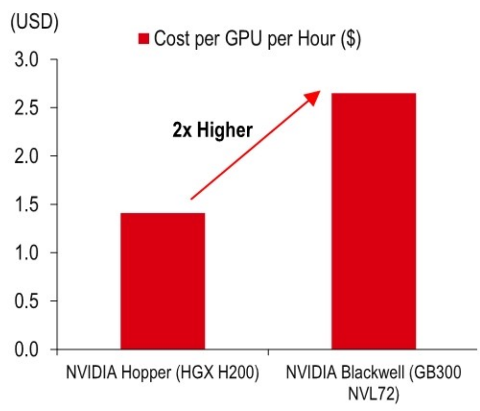
Source: CIC estimates, (See: *China Technology – AI optical interconnect series; how many optical transceivers do we need?*, 14 May 2026)

Exhibit 3. While frontier LLM API blended pricing continues to fall



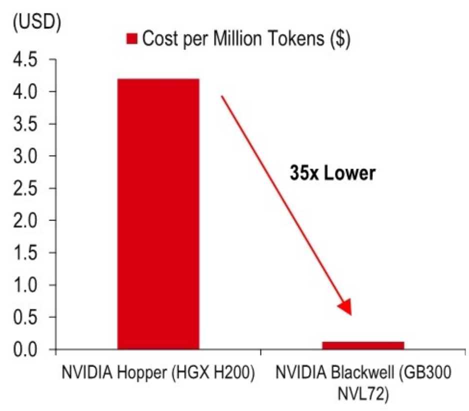
Source: OpenAI, DeepSeek, HSBC Qianhai Securities. Note: *Blended cost = 75% input +25% output. (See: *China Technology – AI optical interconnect series; how many optical transceivers do we need?*, 14 May 2026)

Exhibit 4. The cost per GPU has risen 2x in the latest NVIDIA GB300…



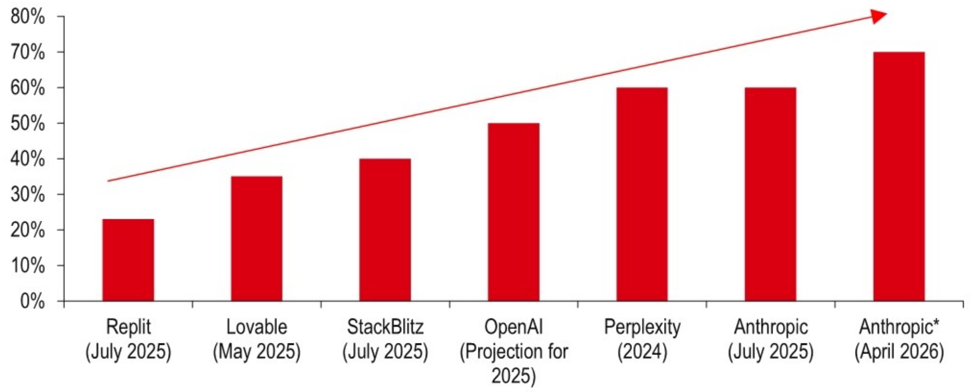
Source: NVIDIA – Rethinking AI TCO (15 Apr 2026). Note: (NVDA US, USD211.14, Buy)

Exhibit 5. Cost per million tokens has fallen by 35x, boosting profitability at AI service providers



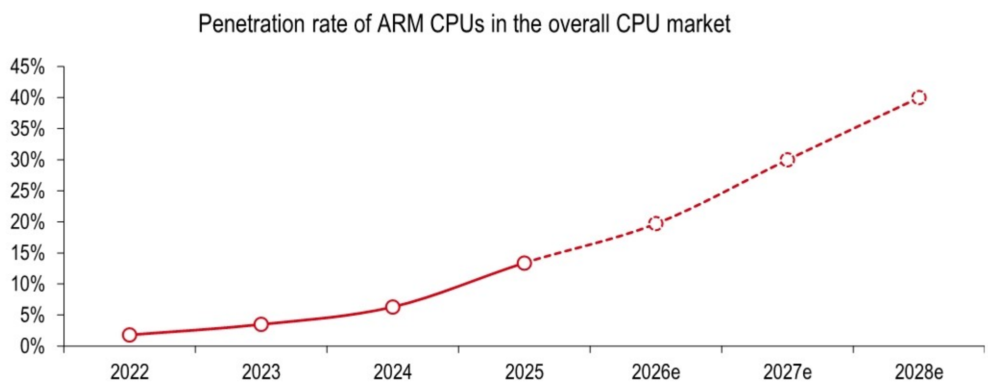
Source: NVIDIA – Rethinking AI TCO (15 Apr 2026)

Exhibit 6. Gross profit margin estimates of AI service providers



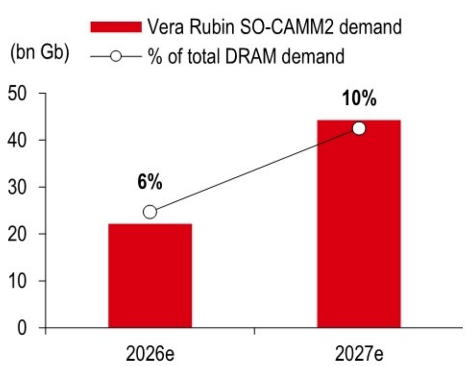
Source: The Information, Semianalysis for Anthropic data for April 2026, Note: Perplexity, Replit, Lovable and StackBlitz do not incorporate the costs of running AI models for non-paying users in calculations, while Open AI does. Anthropic's accounting method is not disclosed.

Exhibit 7. Forecast penetration rate of ARM based CPUs in the total CPU market



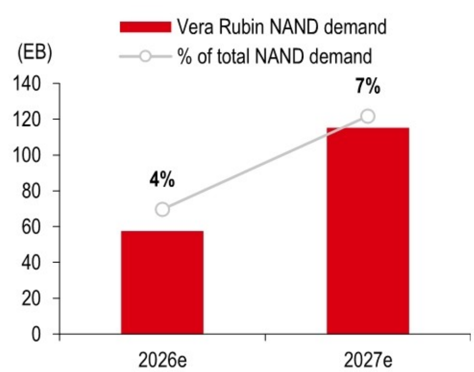
Source: TrendForce, HSBC estimates.

Exhibit 8. SO-CAMM2 demand estimates from the Vera Rubin platform; 6-10% of total DRAM demand



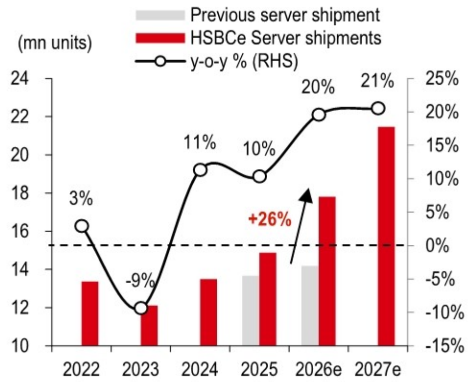
Source: HSBC estimates

Exhibit 9. NAND demand estimates from the Vera Rubin platform; 4-7% of total NAND, opportunities from ICMS



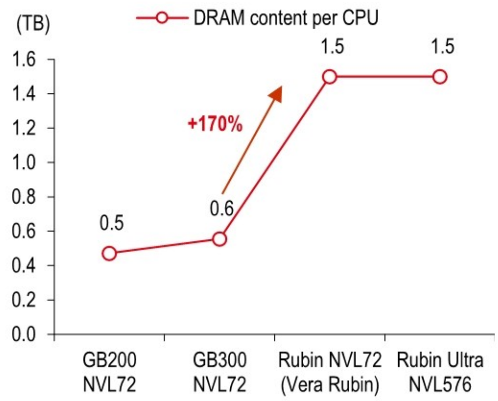
Source: HSBC estimates

Exhibit 10. HSBC global tech team recently revised up server shipments, expecting 20%/21% y-o-y growth in 2026/27e



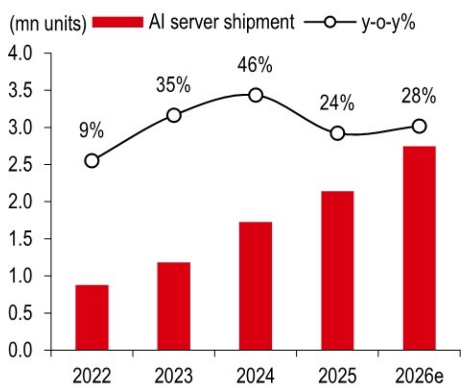
Source: TrendForce, HSBC estimates (see: *Global tech hardware – Agentic AI is reshaping the server market*, 5 March, Carol Juan)

Exhibit 11. Accelerating DRAM content growth in the latest Vera Rubin servers



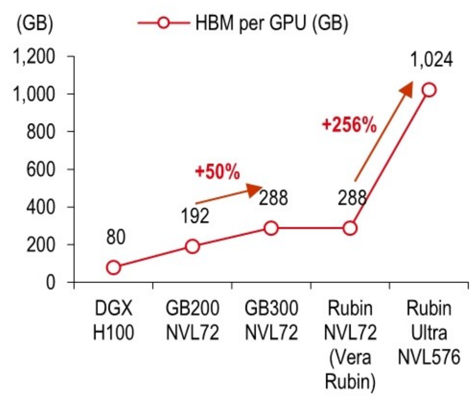
Source: Company data, HSBC estimates

Exhibit 12. AI server shipments to grow 28% y-o-y in 2026e



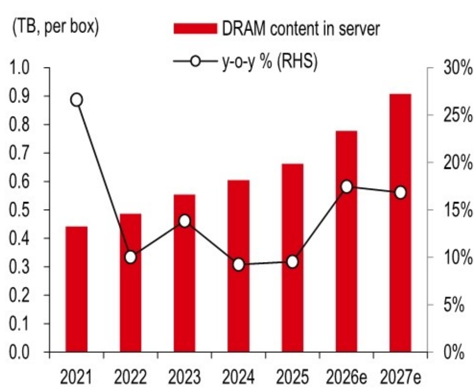
Source: TrendForce

Exhibit 13. HBM content to increase significantly in the Rubin Ultra



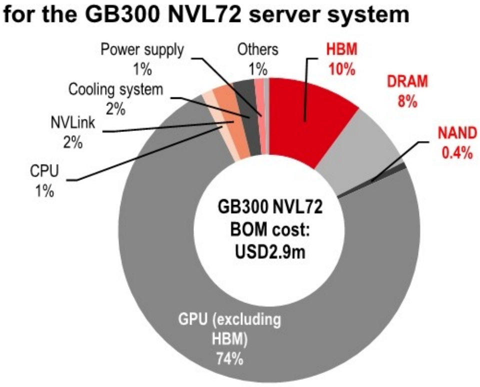
Source: Company data, HSBC estimates

Exhibit 14. Average server DRAM content per unit; strong growth of 17% in 2026-27e



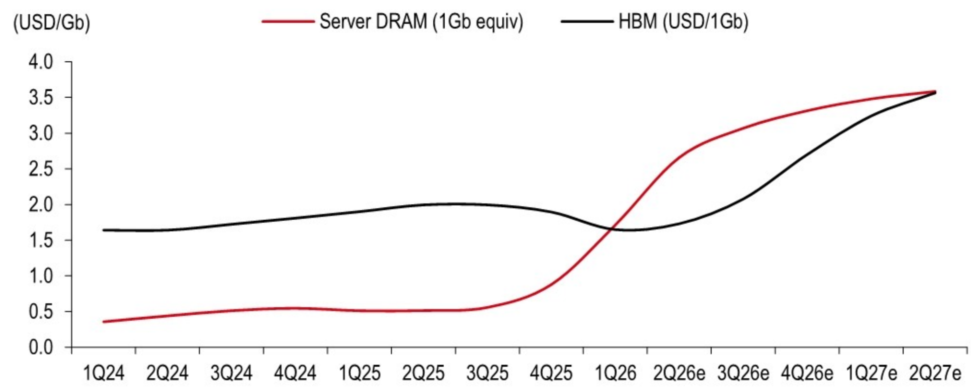
Source: DRAMeXchange, HSBC estimates

Exhibit 15. Bill of materials cost estimates for the GB300 NVL72 server system



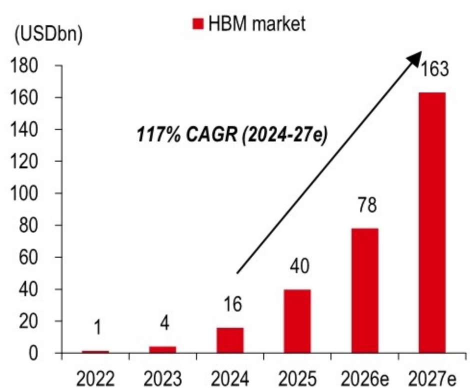
Source: HSBC estimates

Exhibit 16. Server DRAM vs HBM blended ASP trend (calendar year base)



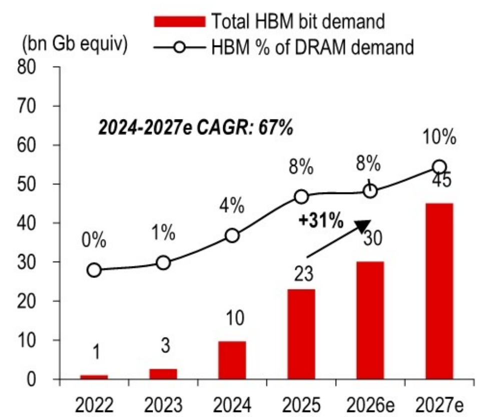
Source: Company data, HSBC estimates

Exhibit 17. HBM market growth set to reach USD163bn by 2027e



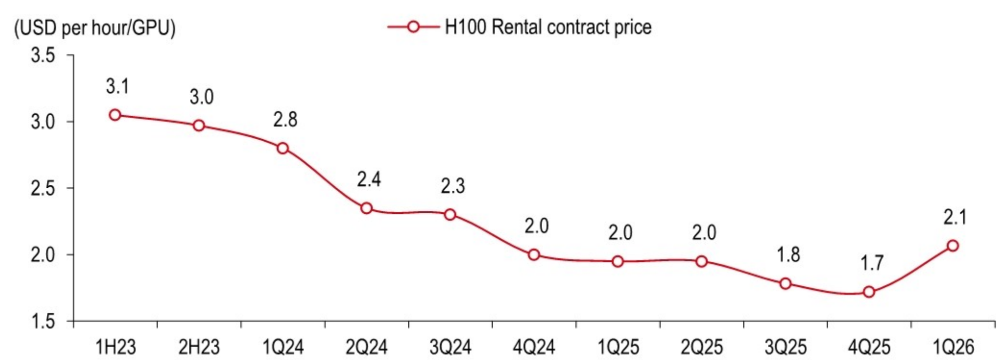
Source: Company data, HSBC estimates

Exhibit 18. HBM bit demand growth: CAGR of 67% in 2024-27e



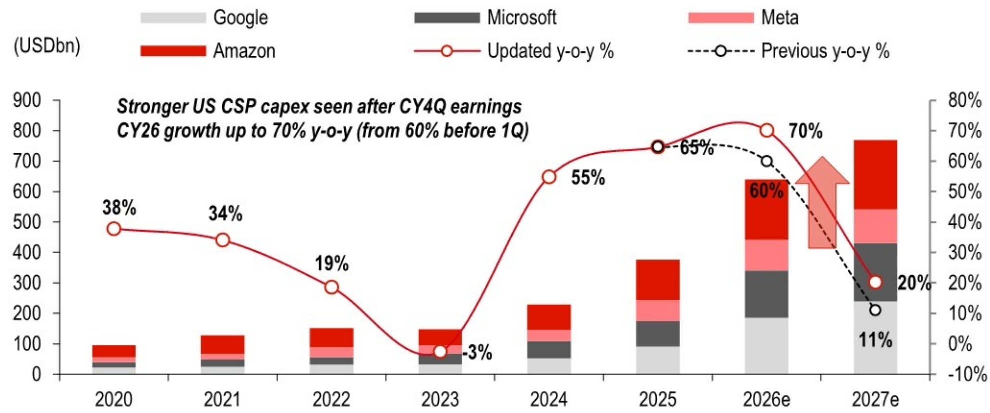
Source: Company data, HSBC estimates

Exhibit 19. One-year contract price trend of AI GPUs (H100) for AI service providers



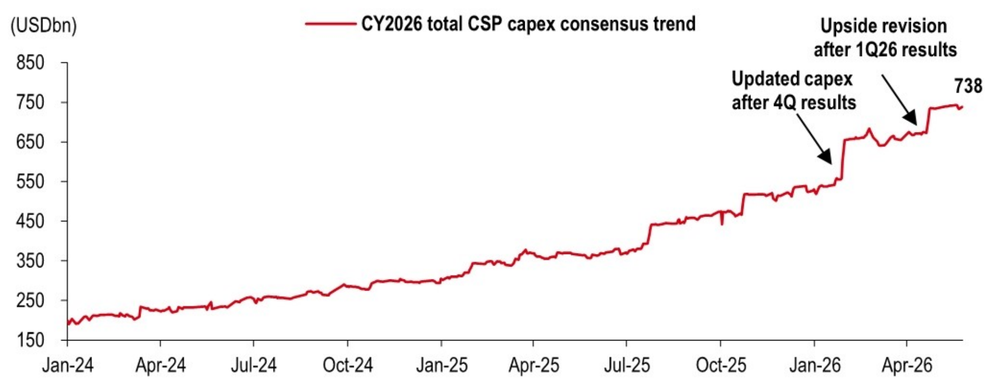
Source: Semianalysis, HSBC

Exhibit 20. US cloud service provider (CSP) capex; robust growth to continue at key US CSPs, up 70% in 2026e



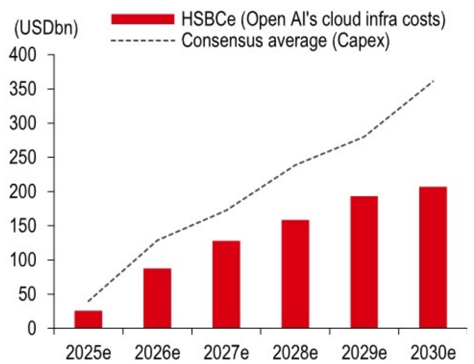
Source: Company data, Bloomberg consensus estimates. Note: Alphabet (GOOGL US, USD380.34, Buy), MSFT (MSFT US, USD450.24, Buy), Meta (Meta US, USD632.51, Buy), Amazon (AMZN US, USD270.64, Buy)

Exhibit 21. Capex consensus of key global CSPs (US & Chinese) for 2026; continued upside revisions; expected at USD738bn (+80% y-o-y)



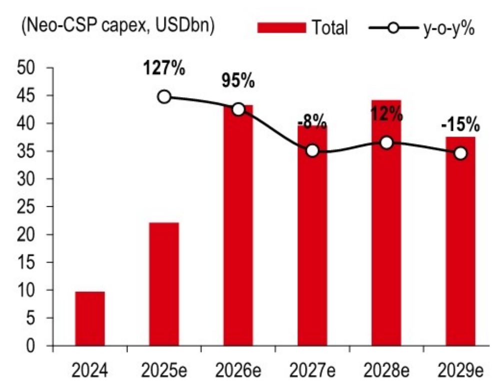
Source: Company data, Bloomberg, HSBC.

Exhibit 22. Open AI's cloud infra costs continue to grow



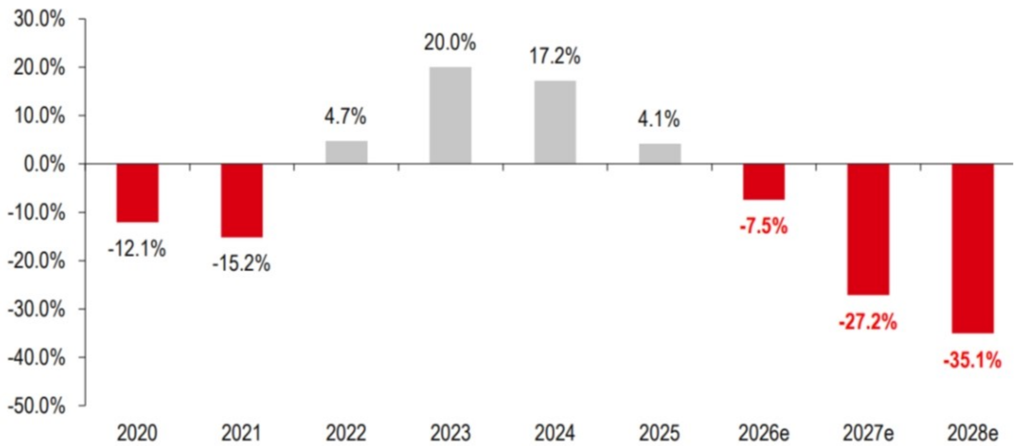
Source: HSBC estimates (see: *Global tech – Open AI: Commitments vs cash flows revisited*, 24 Nov 2025, by Nicolas Cote-Colisson) , Bloomberg consensus estimates

Exhibit 23. Capex estimates of key neo-CSPs; strong growth in 2026e



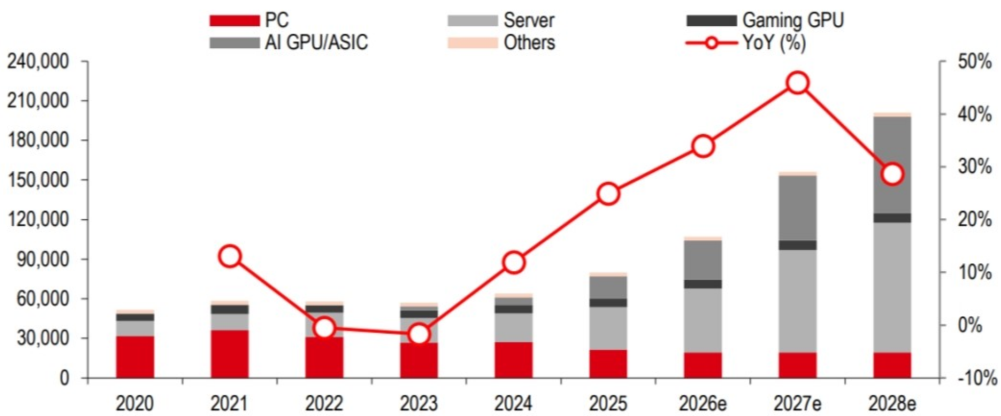
Source: Company data, Bloomberg consensus estimates

Exhibit 24. Global ABF substrate supply vs demand gap



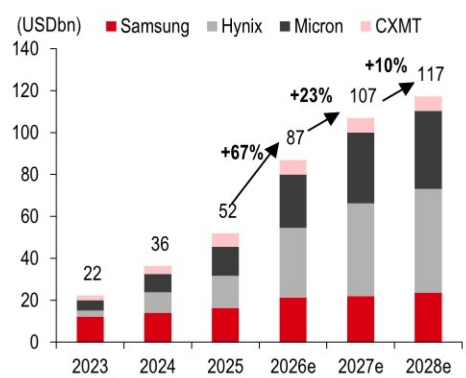
Source: TrendForce, company data, HSBC estimates (see *Asia Technology – ABF substrate: AI upcycle is just beginning*, 27 April 2026)

Exhibit 25. Global ABF substrate demand growth trend (k sqft/year)



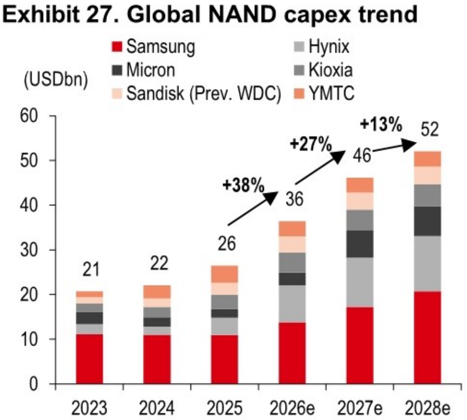
Source: TrendForce, HSBC estimates (see *Asia Technology – ABF substrate: AI upcycle is just beginning*, 27 April 2026)

Exhibit 26. Global DRAM capex trend



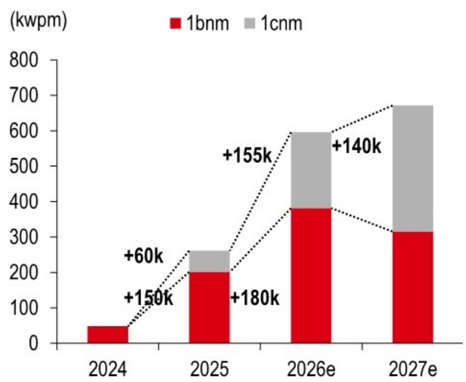
Source: Company data, HSBC estimates, TrendForce. Note: Micron technology (MU US, USD971, Buy.

Exhibit 27. Global NAND capex trend



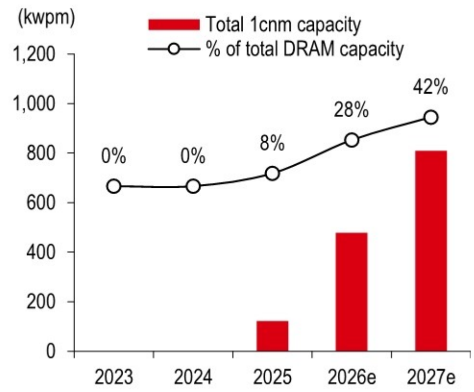
Source: Company data, HSBC estimates, TrendForce. Note: Kioxia (285A JP, JPY72,500, Not rated), Sandisk (SNDK US, USD1694.98, Not rated), WDC (WDC US, USD531.21, Not rated)

Exhibit 28. Samsung: Advanced DRAM capacity trend (1b and above)



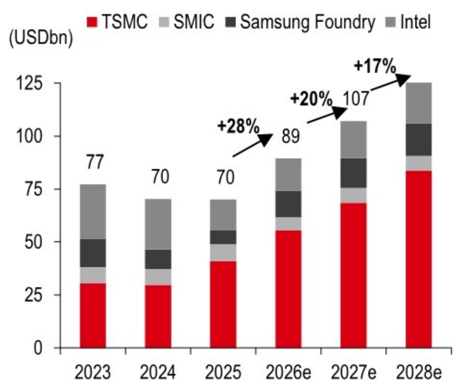
Source: TrendForce, HSBC estimates. Note: Based on wafer input.

Exhibit 29. Industry total 1cnm capacity growth estimates, reaching 42% of total DRAM by 2027e



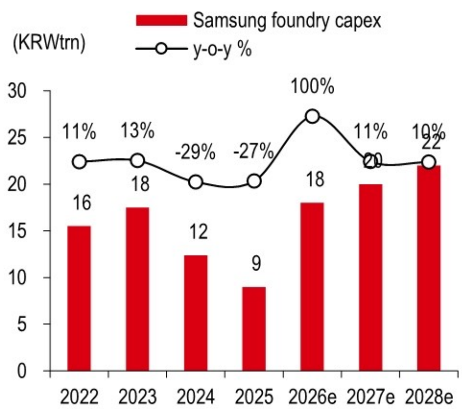
Source: TrendForce, HSBC estimates.

Exhibit 30. Global foundry capex of top 4 suppliers set to grow 28%/20% in 2026/27e



Source: Company data, HSBC estimates. TSMC (2330 TT, TWD2,355, Buy), SMIC (0981 HK, HKD79.45, Buy), Intel (INTC US, USD114.68, Buy)

Exhibit 31. Samsung foundry capex should rise 100% y-o-y in 2026e from investments in leading edge node capacity



Source: Company data, HSBC estimates

Exhibit 32. Valuation comparison vs global peers

Category	Ticker	CCY	Rating	TP	Price	Mkt cap (USDbn)	26e PE	27e PE	26e EPSG	27e EPSG	26e PB	27e PB	26e ROE	27e ROE
Memory														
Samsung Elec	**005930 KP**	**KRW**	**Buy**	**450,000**	**349,000**	**1,354**	**8.4**	**6.2**	**525%**	**36%**	**3.3**	**2.3**	**53%**	**49%**
SK Hynix	**000660 KP**	**KRW**	**Buy**	**2,900,000**	**2,363,000**	**1,117**	**8.2**	**5.6**	**361%**	**47%**	**5.3**	**2.8**	**91%**	**64%**
Micron	**MU US**	**USD**	**Buy**	**1,100.00**	**971.00**	**1,095**	**15.7**	**7.7**	**715%**	**105%**	**9.1**	**4.3**	**80%**	**76%**
Sandisk	SNDK US	USD	NR		1,694.98	251	9.2	8.4	184%	9%	5.6	3.5	69%	40%
Kioixa Holdings	285A JP	JPY	NR		72,500	226	9.7	7.3	627%	33%	8.6	4.5	105%	74%
Nanya Tech	2408 TT	TWD	NR		382	42	8.3	7.0	2053%	19%	3.8	2.4	54%	39%
Average							**9.9**	**7.0**	**744%**	**41%**	**5.9**	**3.3**	**75%**	**57%**
Foundry														
TSMC	2330 TT	TWD	Buy	2,800	2,355	1,943	24.3	20	46%	24%	8.2	6.1	39%	36%
Intel	INTC US	USD	Buy	100.00	114.68	576	97.7	53.2	176%	84%	4.8	4.4	5%	9%
SMIC	981 HK	HKD	Buy	11.36	10.14	94	69.7	49.9	67%	40%	3.6	3.3	5%	7%
UMC	2303 TT	TWD	Hold	80.00	146.00	58	32.7	31.3	34%	4%	5.4	4.2	16%	15%
Global foundries	GFS US	USD	Hold	65.03	79.97	44	40.7	33.3	13%	22%	3.8	3.7	10%	11%
Average							**53.0**	**37.5**	**67%**	**35%**	**5.1**	**4.3**	**15%**	**15%**
Other semi														
ST Micro	STMPA FP	EUR	Buy	62.07	68.74	63	54.5	26.7	139%	104%	3.4	3.1	6%	12%
Infineon	IFX GY	EUR	Buy	68.00	81.11	124	45.9	31.8	27%	44%	5.8	5.2	13%	17%
Texas instruments	TXN US	USD	NR		305.68	278	39.5	33.2	31%	19%	15.2	14.2	40%	44%
Average							**46.6**	**30.6**	**66%**	**56%**	**8.2**	**7.5**	**20%**	**24%**
Semi equipment														
ASML Holdings	ASML NA	EUR	Buy	1,568.00	1,384.80	627	43.5	32.8	29%	33%	22.4	18.1	56%	61%
LAM research	LRCX US	USD	Hold	247.00	318.18	398	39.7	33.0	40%	20%	22.6	15.8	68%	57%
Applied materials	AMAT US	USD	Buy	522.00	450.06	357	35.7	25.0	34%	43%	13.0	10.2	42%	45%
ASM International	ASM NA	EUR	Buy	1,015.00	898.40	52	39.8	31.6	55%	26%	9.0	7.7	25%	26%
BE Semiconductor	BESI NA	EUR	Hold	240.00	284.40	27	58.8	41.1	192%	43%	32.8	26.5	69%	71%
Average							**43.5**	**32.7**	**70%**	**33%**	**19.9**	**15.7**	**52%**	**52%**
Fabless														
NVIDIA	NVDA US	USD	Buy	325.00	211.14	5,110	24.2	16.2	82%	50%	15.1	8.3	86%	67%
Broadcom	AVGO US	USD	Buy	600.00	446.77	2,115	36.3	20.8	81%	74%	16.3	9.2	58%	59%
AMD	AMD US	USD	Hold	380.00	516.10	842	76.3	44.9	62%	70%	12.1	10.1	17%	25%
Qualcomm	QCOM US	USD	Hold	155.00	251.02	265	23.7	22.8	-12%	4%	13.0	18.6	54%	68%
Mediatek	2454 TT	TWD	Hold	2,605.00	4,555.00	232	68.4	44.8	1%	53%	14.1	10.7	23%	27%
Marvell	MRVL US	USD	Hold	300.00	205.00	179	72.3	50.2	80%	44%	12.5	10.9	18%	24%
Average							**50.2**	**33.3**	**49%**	**49%**	**13.8**	**11.3**	**43%**	**45%**
Tech platforms														
Meta	META US	USD	Buy	905.00	632.51	1,606	20.2	18.9	33%	7%	5.5	4.3	31%	26%
Alphabet	GOOGL US	USD	Buy	435.00	380.34	4,485	26.0	26.3	35%	-1%	7.7	5.8	35%	25%
Microsoft	MSFT US	USD	Buy	571.00	450.24	3,345	26.6	21.7	21%	22%	7.7	6.1	32%	31%
Apple	AAPL US	USD	Hold	260.00	312.06	4,583	35.4	32.9	18%	8%	38.2	30.2	134%	102%
Average							**27.1**	**24.9**	**27%**	**9%**	**14.8**	**11.6**	**58%**	**46%**

Source: Bloomberg consensus, HSBC estimates for covered names, Priced as of 1 June 2026 for Asian equities, otherwise priced as of 29 May 2026

Exhibit 33. Korean semi equipment & materials vs global peers

Company	Ticker	Rating	Currency	TP	CP	Mkt cap (USDm)	26e PE	27e PE	26e EPSG	27e EPSG	26e PB	27e PB	26e ROE	27e ROE
ISC	**095340 KQ**	**Buy**	**KRW**	**350,000**	**209,500**	**2,946**	**50.9**	**35.1**	**50%**	**45%**	**7.2**	**6.3**	**15%**	**19%**
Leeno Industrial	**058470 KQ**	**Buy**	**KRW**	**160,000**	**97,300**	**4,919**	**38.6**	**30.0**	**26%**	**29%**	**8.7**	**7.5**	**24%**	**27%**
Winway	6515 TT		TWD		8,705.00	9,999	91.0	46.7	104%	95%	37.2	21.9	44%	53%
Cohu	COHU US		USD		52.75	2,488	90.2	36.2	TTB	149%	3.2	3.0	4%	NA
Average							**67.7**	**37.0**	**60%**	**79%**	**14.1**	**9.7**	**22%**	**33%**
EO Technics	**039030 KQ**	**Buy**	**KRW**	**550,000**	**450,000**	**3,678**	**47.5**	**34.2**	**104%**	**39%**	**7.1**	**6.0**	**16%**	**19%**
DISCO	6146 JP		JPY		63,760.00	43,372	39.1	33.0	31%	18%	10.1	8.6	27%	26%
Average							**43.3**	**33.6**	**67%**	**29%**	**8.6**	**7.3**	**22%**	**23%**
Wonik IPS	**240810 KQ**	**Buy**	**KRW**	**165,000**	**102,700**	**3,344**	**27.5**	**20.0**	**116%**	**38%**	**4.4**	**3.7**	**17%**	**20%**
Tokyo Electron	8035 JP		JPY		53,060.00	155,727	34.1	27.3	24%	25%	10.2	8.6	32%	35%
Kokusai Electric	6525 JP		JPY		7,595.00	11,341	37.6	28.8	57%	31%	7.1	6.1	21%	24%
Applied Materials	AMAT US		USD		450.06	357,329	36.4	27.4	31%	33%	13.9	11.4	41%	46%
LAM Research	LRCX US	Hold	USD	247.00	318.18	397,907	55.5	39.7	39%	40%	33.4	22.6	66%	68%
ASM International	ASM NA	Buy	EUR	1,015.00	898.40	51,673	39.8	31.6	55%	26%	9.0	7.7	25%	26%
Average							**38.5**	**29.1**	**54%**	**32%**	**13.0**	**10.0**	**34%**	**36%**
HPSP	**403870 KQ**	**Buy**	**KRW**	**65,000**	**46,600**	**2,544**	**28.3**	**18.1**	**83%**	**56%**	**9.4**	**6.9**	**38%**	**44%**
ASML	ASML NA	Buy	EUR	1,568.00	1,238.00	626,733	43.5	32.8	29%	33%	22.4	18.1	56%	61%
LAM Research	LRCX US	Hold	USD	247.00	318.18	397,907	55.5	39.7	39%	40%	33.4	22.6	66%	68%
KLA	KLAC US		USD		1,921.71	251,028	51.8	38.1	11%	36%	41.9	29.4	91%	93%
Applied Materials	AMAT US	Buy	USD	522.00	450.06	357,329	35.7	25.0	34%	43%	13.0	10.2	42%	45%
Average							**43.0**	**30.8**	**39%**	**41%**	**24.0**	**17.4**	**59%**	**62%**
Park Systems	**140860 KQ**	**Buy**	**KRW**	**360,000**	**278,000**	**1,291**	**35.4**	**23.6**	**59%**	**50%**	**7.0**	**5.6**	**22%**	**26%**
Lasertec	6920 JP		USD		1,921.71	251,028	51.8	38.1	11%	36%	41.9	29.4	91%	93%
Bruker	BRKR US		JPY		38,380.00	22,692	36.6	29.9	24%	22%	11.3	9.2	33%	33%
Camtek	CAMT US		USD		171.66	7,991	49.1	37.7	7%	30%	9.9	6.9	24%	23%
Average							**43.2**	**32.3**	**26%**	**35%**	**17.6**	**12.8**	**43%**	**44%**
Hansol Chem	**014680 KP**	**Buy**	**KRW**	**400,000**	**260,500**	**1,965**	**14.6**	**11.4**	**32%**	**28%**	**2.3**	**1.9**	**17%**	**18%**
Mitsubishi gas	4182 JP		JPY		5,468.00	7,259	21.2	18.1	TTB	17%	1.5	1.4	8%	9%
Air Liquide	AI FP		EUR		178.08	119,592	25.3	22.9	115%	10%	3.6	3.4	15%	15%
Average							**20.4**	**17.5**	**74%**	**18%**	**2.4**	**2.2**	**13%**	**14%**

Source: Bloomberg consensus estimates, HSBC estimates for covered stocks. Priced as of 1 June 2026 for Asian equities, priced as of 29 May 2026 otherwise.

Valuation and risks

		Valuation	Risks
Samsung Electronics 005930 KP **Buy**	Current price: **KRW349,000** Target price: **KRW450,000** Up/downside: **+28.9%**	**We have a Buy rating with a TP of KRW450k**. To derive our target price, we apply a target PB multiple of 2.9x, which is a 15% premium to the 2005-06 peak of 2.5x, reflecting the strong ROE expansion. We apply this to our 2027e BVPS of KRW154,478 to derive our TP of KRW450k. All our assumptions are unchanged. Our target price implies c29% upside and we reiterate our Buy rating. We calculate a fair value target price of USD7,500 for the GDR listed on the London Stock Exchange (SMSN LI, CMP USD5,335), based on our local share target price using a USD/KRW exchange rate of 1,500 and a GDR to Korea listed share conversion ratio of 1-to-25. **Ricky Seo*** | rickyjuilseo@kr.hsbc.com | +82 2 3706 8777	**Downside risks:** 1) Further KRW appreciation, which would lead to weaker earnings and margin pressure; 2) increasing instability from global trade restrictions causing tech supply chains to suffer production issues; and 3) potential contraction in major economies leading to a slowdown in global consumer and enterprise IT demand.
SK Hynix 000660 KP **Buy**	Current price: **KRW2,363,000** Target price: **KRW2,900,000** Up/downside: **+22.7%**	**We have a Buy rating with a TP of KRW2.9m**. We value the stock using a target PB multiple of 2.8x, which is the historical peak. We apply this to our 2027-28 average BVPS of KRW1,034,363, to derive our TP of KRW2.9m. All our assumptions are unchanged. Our target price implies c23% upside and we therefore retain our Buy rating. We calculate a fair value target price of EUR1,731 for the GDR listed on the Frankfurt stock exchange (HY9H GR, EUR1,325) based on our local share target price using a EUR/KRW exchange rate of 1,676 and a GDR to Korea listed share conversion ratio of 1-to-1. We calculate a fair value target price of USD2,042 for the GDR listed on the Luxembourg stock exchange (HYXS LX, USD1,585) based on our local share target price using a USD/KRW exchange rate of 1,420 and a GDR to Korea listed share conversion ratio of 1-to-1. **Ricky Seo*** | rickyjuilseo@kr.hsbc.com | +82 2 3706 8777	**Downside risks:** 1) Higher US interest rates as neo-CSPs and Open AI implement investment through financing; 2) more aggressive capacity expansion at memory makers, 3) KRW appreciation, leading to weaker earnings and margin pressure.
EO Technics 039030 KQ **Buy**	Current price: **KRW450,000** Target price: **KRW550,000** Up/downside: **+22.2%**	**We have a Buy rating and a TP of KRW550k:** We derive our TP by applying a target PE multiple of 42x (0.5 standard deviation above the two-year 12-month forward average during 2023-24) to our 2027e EPS of KRW13,149. Our TP implies upside of c22%; hence, we reiterate our Buy rating. **Hankil Chang*** | han.kil.chang@kr.hsbc.com | +822 3706 8750	**Downside risks:** (1) Downside revisions to semiconductor manufacturing capex, (2) continued geopolitical and macroeconomic factors that can impact end-demand of IT consumer applications, leading to earnings cuts and capex cuts for memory and foundry players, (3) delays in customer equipment installation due to changes in customer investment schedules, and (4) increased competition leading to margin declines due to competitive pricing.
HPSP 403870 KQ **Buy**	Current price: **KRW46,600** Target price: **KRW65,000** Up/downside: **+39.5%**	**We have a Buy rating with a TP of KRW65k.** We apply a target PE multiple of 31x, which is the five-year average historical PE of global peers during 2021-25, to our 2026/27e average EPS of KRW2,107 to derive our TP of KRW65k. Our target price implies 39.5% upside. We therefore maintain our Buy rating. To determine our target PE, we use the past five years' historical average for global semiconductor equipment peers with high exposure to advanced semiconductor node technology within the wafer fabrication process. This includes ASML (ASML NA, EUR1,385, Buy), KLA (KLAC US, USD1,921.71, Not Rated), Applied Materials (AMAT US, USD450.06, Buy), Tokyo Electron (8035 JP, JPY53,060.00, Not Rated) and Lam Research (LRCX US, USD318.18, Hold). We identify the above companies as appropriate peers to HPSP for having a leading market share within their respective equipment segments, and high exposure to advanced node technology, while having exposure to both logic and memory semiconductors. **Hankil Chang*** | han.kil.chang@kr.hsbc.com | +822 3706 8750	**Downside risks:** (1) Sudden reduction in global semiconductor wafer equipment capex due to a change in market dynamics; (2) decline in market share due to potential entrance of a new competitor for its key product; (3) slower front-end node expansion at key customers, resulting in product shipment delays; and (4) ongoing court case with domestic equipment maker on patent infringement claims.

		Valuation	Risks
Park Systems 140860 KQ **Buy**	Current price: **KRW278,000** Target price: **KRW360,000** Up/downside: **+29.5%**	**We have a Buy rating with a TP of KRW360k**: We apply our unchanged target PE multiple of 36.3x (5y average 12m fwd PE during 2020-24) to our 2026/27e average EPS of KRW9,810 to derive our TP of KRW360k. Our TP implies 29.5% upside; we therefore reiterate our Buy rating. **Hankil Chang*** | han.kil.chang@kr.hsbc.com | +822 3706 8750	**Downside risks:** (1) Sudden reduction in global semiconductor wafer equipment capex due to a change in market dynamics; (2) a decline in market share due to the potential entry of new competitors for key products; and (3) slower front-end node expansion at key customers, resulting in product shipment delays.
Hansol Chemical 014680 KP **Buy**	Current price: **KRW260,500** Target price: **KRW400,000** Up/downside: **+53.6%**	**We have a Buy rating with a TP of KRW400k.** We use our unchanged target PE multiple of 19.8x, which is the upper-end PE multiple of the upcycle valuation in 2021, with an EPSG of 20%, reflecting faster growth. We apply this to our 2026-27 EPS estimate of KRW20,369 to derive our TP. Our target price implies upside of 54% to the current share price and we therefore have a Buy rating on the stock. **Hankil Chang*** | han.kil.chang@kr.hsbc.com | +822 3706 8750	**Downside risks:** (1) Weaker demand for quantum dot TVs; (2) slower-than-expected 3D NAND capacity ramp-up; (3) delayed market share gains for new products, such as lithium-ion battery (LIB) materials and precursors; and (4) potential raw material cost increases due to an increase in oil prices.

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Source: HSBC estimates

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HSBC & Analyst disclosures

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Company	Ticker	Recent price	Price date	Disclosure
EO TECHNICS	039030.KQ	450000.00	01 Jun 2026	–
HANSOL CHEMICAL	014680.KS	260500.00	01 Jun 2026	–
HPSP	403870.KQ	46600.00	01 Jun 2026	–
PARK SYSTEMS	140860.KQ	278000.00	01 Jun 2026	–
SAMSUNG ELECTRONICS	005930.KS	349000.00	01 Jun 2026	7
SK HYNIX	000660.KS	2363000.00	01 Jun 2026	1, 5, 7

Source: HSBC

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