Prices as of 2026-11-16 close · Financials through Q3 2026 (2026-09-30; Q3 quarterly report filed on Form 6-K on 2026-11-16, with interim financial statements reviewed by KPMG)

SK hynix 000660.KS

SK hynix: Quarterly report confirms 79.7% operating margin; Kioxia valuation and AI demand expectations are the principal risks

The Q3 quarterly report (6-K, 2026-11-16) confirms every figure in the October 28 preliminary results: revenue of ₩104.6tn (+327.9% YoY), operating profit of ₩83.3tn, an operating margin of 79.7% and net income attributable to owners of ₩39.5tn. The report adds a gross margin of 85.7%, Q3 operating cash flow of ₩53.9tn and free cash flow of ₩40.9tn, and states for the first time that the company has entered into long-term supply agreements with major customers. Earnings volatility continues to stem mainly from the indirect stake in Kioxia: Q3 included a ₩22.9tn valuation loss on financial instruments, and Kioxia shares fell a further 53.6% between end-September and November 16, so a large Q4 valuation loss is likely (our inference). Since October 28, the AI-sector sell-off after the US midterm elections and the resignation of NVIDIA's CEO have taken the shares down 24.7% to ₩1,120,000. The momentum score falls from 3 to 2, the weighted score is 3.40, and the suggested rating remains Neutral.

Rating · 12 months · vs S&P 500	Price	Market cap	1-year change
Neutral Confirmed 2026-11-17 · Rating definitions	KRW 1,120,000 2026-11-16 close	KRW 789.79T Technology	+100.6% YTD +72.4%
Current-year P/E	**Next earnings**		
3.1x EPS 360,169.80 (consensus mean)	2027-01-27 yfinance calendar		

01

Market context

The KOSPI closed at 5,100.50, −10.0% over one month and −26.9% over three months, and +21.0% year to date; over the same month the S&P 500 fell 2.0% and the Philadelphia Semiconductor Index (as of November 13) fell 13.2%. Since the previous report (October 28), the KOSPI has fallen 15.2% from 6,012.44, the stock 24.7% from ₩1,487,000, Micron 20.8% (as of November 13) and Kioxia 41.5%.

The decline was concentrated in two periods: (1) on November 5–6, after the US midterm election results, AI and semiconductor shares fell sharply; the stock declined 9.5% and

10.4% on the two days, and the KOSPI closed −6.0% on November 6; (2) after NVIDIA announced on November 12 that CEO Jensen Huang had resigned, the stock fell 3.0% on November 13 and a further 7.9% on November 16 ahead of NVIDIA's results.

Rates and FX: the US 10-year Treasury yield is 5.15% (November 13), down about 4bp over one month; the VIX is 20.0. The Federal Reserve held rates at 3.75%–4.00% on October 28, with two votes in favour of a hike. USD/KRW is 1,334.74, −5.7% over three months (won appreciation), so the stock's three-month return in USD (−27.7%) is better than in KRW (−31.9%). No reliable free data source for the Korean 10-year government bond yield was available, so it is not shown.

Relative performance: beta to the S&P 500 in USD is 2.41 (weekly returns) with a one-year correlation of 0.34; the one-year correlation with the KOSPI is 0.93 and beta 1.53 (in KRW). With a market capitalisation of about ₩790tn, the stock is one of the largest KOSPI constituents, and net foreign selling of Korean equities weighs on both the index and the stock.

Indices and sector

	Last	1W	1M	3M	YTD	1Y
KOSPI	5,100.50	+1.6%	-10.0%	-26.9%	+21.0%	+27.1%
KOSDAQ	665.65	+4.2%	-16.2%	-23.0%	-28.1%	-25.9%
S&P 500	7,561.67	+2.5%	-2.0%	-2.9%	+10.5%	+12.2%
费城半导体指数	10,146.32	+8.1%	-13.2%	-18.3%	+43.2%	+48.8%
美元兑韩元	1,334.74	-2.1%	-0.5%	-5.7%	-7.2%	-9.1%
KODEX 半导体 ETF（091160.KS）	89,695.00	+3.1%	-22.8%	-29.0%	+46.5%	+60.0%
000660.KS	**1,120,000.00**	**-1.4%**	**-11.9%**	**-31.9%**	**+72.4%**	**+100.6%**

Rates, volatility and relative performance

VIX	10-year Treasury yield	Beta vs S&P	3M excess return	1Y excess return
19.99	5.15%	2.41	-24.8%	+108.5%
1M +0.00	1M -4bp	1-year correlation 0.34	vs S&P 500	vs S&P 500

Macro and market events

Date	Event	Implications for the company	Source
2026-11-12	NVIDIA 8-K: the board accepts the resignation of CEO Jensen Huang; CFO Colette Kress becomes interim CEO	According to NVIDIA's 8-K (item 5.02, filed 2026-11-12), the board accepted the resignation on November 11, effective immediately, and a press release followed the next day (Exhibit 99.1). The announcement gives no reason for the resignation and states that operations, customer commitments and the product roadmap are expected to continue without interruption; Q3 results remain scheduled for November 17 (US Eastern time). Transmission: leadership change at the leading AI accelerator vendor → greater uncertainty over the durability of AI capital expenditure → higher risk premium on expected demand for AI memory such as HBM. The stock fell 3.0% on November 13. The company does not disclose customer names, so the specific exposure of revenue to NVIDIA orders could not be verified.	NVIDIA 8-K (item 5.02)
2026-11-06	Asian chip stocks follow the US chip sell-off; the KOSPI closes −6.0% at 5,059.69 and the stock falls 10.4%	In the preceding US session the Philadelphia Semiconductor Index fell 12.2% and the Nasdaq 5.5%. Reports attributed the decline in Asian chip stocks to doubts about returns on AI investment, expectations of post-midterm restrictions on data-center construction, and position unwinding and stop-loss selling. The KOSPI close is from yfinance. The stock closed at ₩1,132,000; Samsung Electronics fell 6.4%.	CNBC
2026-11-05	AI and semiconductor shares sell off sharply after the US midterm elections; Micron −17.5%, NVIDIA −9.3%	Democrats won control of both chambers of Congress, and local ballot measures restricting data-center construction passed in several states. Transmission: possible limits on data-center construction → lower expected capital expenditure by cloud and AI infrastructure providers → lower expected demand for HBM and server DRAM. Analysts also noted pre-existing concerns over high interest rates and returns on capital expenditure. The stock fell 9.5% that day (Seoul).	CNBC

Date	Event	Implications for the company	Source
2026-11-02	Kioxia guides flat for the December quarter; shares fall 15.8% in one day	Kioxia reported record July–September results on October 30, but its October–December operating profit plan of about ¥1.995tn was roughly flat on the previous quarter and below market expectations; the stock closed at ¥11,345 on November 2. SK hynix holds its Kioxia interest indirectly through BCPE Pangea and measures it at fair value, so changes in Kioxia's share price flow directly into its finance income. Kioxia shares fell from ¥18,095 at end-September to ¥8,392 on November 16 (−53.6%).	Bloomberg
2026-10-28	Federal Reserve holds the federal funds rate at 3.75%–4.00%; two members favour a 25bp hike	The outcome was not yet known when the previous report was issued. The vote was 10–2, with Governor Cook and Cleveland Fed President Hammack preferring a hike. Transmission: policy rates held high with a tightening bias → pressure on financing costs for highly valued growth stocks and AI infrastructure. The next meeting is on December 9.	Federal Reserve
2026-10-22	Bank of Korea holds its base rate at 3.0%; the market expects a hike at the November 26 meeting	The October decision to hold was unanimous, and the minutes show most members agreed to maintain a tightening bias. Transmission: higher Korean rates → pressure on domestic equity valuations and foreign flows; when the won strengthens, the company's USD assets generate accounting FX losses (net FX loss of about ₩11.6tn in Q3).	The Korea Times

02

Company events

2026-11-16

Positive Earnings

Q3 quarterly report: all preliminary figures confirmed; gross margin 85.7%, operating cash flow ₩53.9tn

Revenue, operating profit, profit before tax and net income attributable to owners match the preliminary results. New data: gross profit of ₩89.7tn (gross margin 85.7%); DRAM revenue of ₩78.2tn (74.8% of the total, +309.9% YoY) and NAND revenue of ₩26.0tn (+421.1% YoY); DRAM shipments rose about 10% QoQ with ASP up in the high-twenties percent, while NAND shipments declined slightly with ASP up in the mid-twenties percent. Q3 operating cash flow was ₩53.9tn, capital expenditure ₩13.0tn and free cash flow ₩40.9tn (difference between the quarterly and half-year reports).

Source: 6-K（2026-11-16）

2026-11-13

Neutral Company announcement

SK square files Schedule 13G: 146.1 million shares, 20.0%

The 20.0% is calculated on the 728,865,500 shares outstanding after the ADR offering; after the November 5 cancellation, issued shares total 706,799,093, implying a stake of about 20.7% (est.). The largest shareholder must hold more than 20% under the Fair Trade Act, which limits the scale of future new share issuance (424B4).

Source: SEC Schedule 13G（2026-11-13）

2026-11-12

Undetermined Macro

NVIDIA CEO resigns; the stock falls 3.0% the next day

See Macro and market events. The effect on HBM demand depends on NVIDIA's subsequent product roadmap and procurement cadence and cannot be assessed at this point; the first checkpoint is NVIDIA's results on November 17.

Source: NVIDIA 8-K（item 5.02）

2026-11-05

Negative Macro

AI sector sell-off after the US midterm elections; the stock falls 18.9% cumulatively on November 5–6

The stock fell from ₩1,396,000 on November 4 to ₩1,132,000 on November 6. See Macro and market events. The decline reflects a change in demand expectations; the Q3 volume and price data in the quarterly report do not show weakening demand.

Source: CNBC

2026-11-05

Positive Company announcement

Cancellation of 23,693,272 treasury shares completed; issued shares reduced to 706,799,093

These shares were bought under the ₩40tn repurchase resolved on August 19 at an average cost of about ₩1,688,000 per share (est.), about 50.7% above the November 16 share price. The cancellation reduces issued shares by 3.2%.

Source: 6-K（2026-11-16）

2026-11-03

Neutral Company announcement

Potential 9.1% stake in Penguin Solutions held through subsidiary SHIFTIX1 (Schedule 13D)

On October 29 the subsidiary bought all 200,000 convertible preferred shares of Penguin Solutions from affiliate Astra AI Infra for US$377 million in cash; they are convertible into 6,096,103 common shares. The amount, about ₩0.5tn, has little effect on the consolidated accounts. The 13D shows that SK hynix NAND Product Solutions Corp. has been renamed HYAICO Corporation.

Source: SEC Schedule 13D（2026-11-03）

2026-11-02

Negative News

Kioxia guidance below expectations; shares fall 15.8% in one day

Changes in Kioxia's share price pass directly into SK hynix's profit through fair-value measurement. Level 2 long-term investment assets in the separate accounts were ₩44.8tn at end-Q3 (quarterly report); if these consist mainly of Kioxia-related interests and move in proportion to Kioxia's share price and the yen, the unrealised Q4 valuation loss through November 16 is about ₩24.6tn (our inference).

Source: Bloomberg

2026-10-29

Undetermined Company announcement

Clarification on reports that Solidigm plans a ~₩60tn NAND fab in the US

The company stated that Solidigm is reviewing various measures to strengthen competitiveness and expand capacity, that nothing has been decided, and that it will make a further disclosure when details are confirmed or within one month. If realised, the investment would equal about 60% of end-Q3 net cash of ₩98.7tn and would raise the fixed-cost base of the NAND business.

Source: 6-K（2026-10-29）

2026-10-28

Positive Earnings

Management guidance: Q4 DRAM shipments up mid-20s percent QoQ; more than half of 2027–2028 capacity under long-term agreements

Per the earnings call: Q4 NAND shipments are expected to rise by a mid-single-digit percentage QoQ, and HBM4 shipments and revenue are expected to exceed HBM3E in Q4; long-term agreements with major customers cover more than 50% of total 2027–2028 capacity; 2027 capital expenditure will rise significantly from 2026. The quarterly report states for the first time that long-term supply agreements have been signed with major customers, but the specific terms are withheld as trade secrets.

Source: Investing.com 电话会纪要（2026-10-28）

2026-10-28

Positive Company announcement

2026 shareholder returns of about ₩100tn; new ₩20tn share repurchase

Cash dividends of ₩30tn or more and repurchase-and-cancellation of ₩60tn or more (including the ₩40tn approved in August). The Q3 dividend is ₩20,000 per share (of which ₩10,000 is a special dividend from Kioxia investment gains), totalling ₩14.1tn, with a record date of November 30. The new repurchase covers 14,920,000 shares, about ₩20.0tn, through January 28, 2027, with roughly half for cancellation and half for equity compensation of executives and employees. At the November 16 market capitalisation of about ₩790tn, ₩100tn is about 12.6%.

Source: 6-K（2026-10-28）

2026-10-26

Positive Company announcement

₩40tn repurchase completed (23,693,272 shares)

Shares were bought in the market from August 20 to October 21 at an acquisition cost of ₩40,004,339,063,500. The shares were cancelled on November 5.

Source: 6-K/A（2026-10-26）

2026-10-13

Negative News

CXMT announces shipments of 4F²-structure server DDR5 by year-end; the stock falls 10.1% in one day

Yield, customer qualification and shipment volumes were not disclosed. Transmission: Chinese producers closing the gap in advanced DRAM → medium-term pressure on commodity DRAM pricing and share. On the earnings call the company said it will extend the 6F² platform as long as possible.

Source: The Korea Times

2026-08-07

Undetermined Company announcement

Board approves the Cheongju M17 (₩19.1tn) and Yongin Y2 phases 1–6 (₩35.2tn) fab investments

Red denotes positive, green negative (Chinese market convention), grey neutral and blue undetermined.

The two projects total ₩54.3tn with an investment period through 2031. The quarterly report shows unrecognised capital expenditure commitments falling from ₩61.5tn at end-June to ₩42.7tn at end-September as projects move into execution. The capacity expansion supports supply beyond 2028 but also raises the depreciation burden in a cyclical downturn.

Source: 6-K（2026-08-07）

2026-07-10

Neutral Company announcement

Nasdaq ADR listing: 177.9 million ADSs issued at US$149 each

Each ADS represents 0.1 common share, corresponding to 17,790,000 new shares; the statement of changes in equity records ₩39.1tn in share capital and share premium combined (Note 19 of the quarterly report). The company has since furnished Form 6-K reports to the SEC under foreign private issuer rules, which are the primary sources for this report.

Source: 424B4（2026-07-10）

03

Rating and scorecard

AlphaScope rating

Neutral Total return expected to be within ±10 percentage points of the S&P 500 over the next 12 months · Weighted scorecard 3.40

The weighted score is 3.40 (Fundamentals 5, Valuation 4, Momentum 2, Earnings quality 3, Risk 2), within the Neutral range (2.4–3.6). It is down from 3.55 in the previous report because Momentum falls from 3 to 2; the other dimensions are unchanged.

Upside factors: a Q3 operating margin of 79.7% and free cash flow of ₩40.9tn, with the quarterly report confirming long-term supply agreements with major customers; 2026 shareholder returns of about ₩100tn, about 12.6% of the current market capitalisation; a 0y P/E of 3.1x, below the peer median.

Downside factors: the Kioxia stake is measured at fair value, and Kioxia shares have fallen 53.6% so far in Q4; if the holding is unchanged, Q4 may include a valuation loss of about ₩24.6tn (our inference), affecting full-year net income and the source of the special dividend; expectations of post-midterm restrictions on data-center construction and uncertainty over AI capital expenditure following NVIDIA's leadership change;

technological catch-up by competitors such as CXMT; the unresolved 2027 China fab equipment licence; a USD beta to the S&P 500 of 2.41.

What would change the rating: if the shares recover above the 200-day moving average with a narrowing drawdown (Momentum to 3–4) and the 2027 China fab equipment licence is granted (Risk to 3), the weighted score would exceed 3.6 and enter the Buy range; conversely, a QoQ decline in HBM or commodity DRAM contract prices, adjustments to the execution of long-term agreements, or Q4 guidance indicating slower shipment growth would lead to lower Fundamentals and Valuation scores. The rating compares the 12-month total return in USD against the S&P 500; movements in the won are included directly.

Ratings are research opinions based on public information. They are intended for all readers and do not take into account any individual's financial circumstances. For rules and distribution, see Rating definitions

Fundamentals	Valuation	Momentum	Earnings quality	Risk
5 / 5	4 / 5	2 / 5	3 / 5	2 / 5

A higher risk score indicates lower risk. The five dimensions are weighted to derive a suggested rating, which is finalised once confirmed by the publisher.

Basis for the scores

Fundamentals
5 / 5

Revenue growth is far above the 20% threshold for a score of 5 and is still accelerating: YoY growth rose from +198.1% in Q1 and +256.8% in Q2 to +327.9% in Q3. The operating margin has risen for four consecutive quarters (58.4% in Q4 2025 → 79.7% in Q3 2026), and the Q3 gross margin was 85.7% (quarterly report, 2026-11-16). Revenue over the past four quarters was ₩269.3tn and operating profit ₩200.7tn. The quarterly report shows Q3 DRAM ASP up in the high-twenties percent QoQ, with no sign of weakening in either volume or price.

`Q3 revenue +327.9%; operating margin 58.4% → 71.5% → 76.3% → 79.7%; gross margin 85.7%`

Valuation
4 / 5

The current-year (0y) P/E of 3.1x is about 22% below the peer median of 4.0x (Samsung Electronics 4.1x, Micron 4.4x, Sandisk 3.9x, Kioxia 2.5x), which corresponds to a score of 4. The PEG of about 0.06 (expected EPS growth of 49.3% from 0y to +1y) would allow an upgrade of one notch under the rules, but we do not apply it: (1) memory producers typically trade at low P/E multiples at peak earnings, so a low P/E cannot be read directly as undervaluation; (2) the 2026 EPS estimate (₩360,170) includes valuation gains on the Kioxia stake, with ₩43.5tn of net non-operating income in the first nine months, while Kioxia shares have fallen 53.6% so far in Q4, so the estimate may not yet fully reflect a Q4 valuation loss (our inference). On enterprise value (market capitalisation of about ₩791.6tn less net cash of ₩98.7tn), EV to trailing four-quarter operating profit is about 3.5x (est.).

`0y P/E 3.1x vs peer median 4.0x; EV/TTM operating profit 3.5x (est.)`

Momentum
2 / 5

Excess return versus the S&P 500 in USD: about −9.5pp over one month, −24.8pp over three months and −33.8pp over six months, against +108.5pp over one year and +74.9pp year to date, so the stock has underperformed over most periods. The shares are 27.9% below the 50-day moving average and 26.9% below the 200-day moving average; the one-year maximum drawdown of −61.6% was reached on November 16 and is still widening. Three-month underperformance exceeds 10pp but one-year performance is far ahead, so the condition for a score of 1 (underperformance over both 3M and 1Y) is not met; the score is 2 (3 in the previous report).

`Excess return 3M −24.8pp, 6M −33.8pp, 1Y +108.5pp; −26.9% vs 200-day MA; max drawdown −61.6%`

Earnings quality
3 / 5

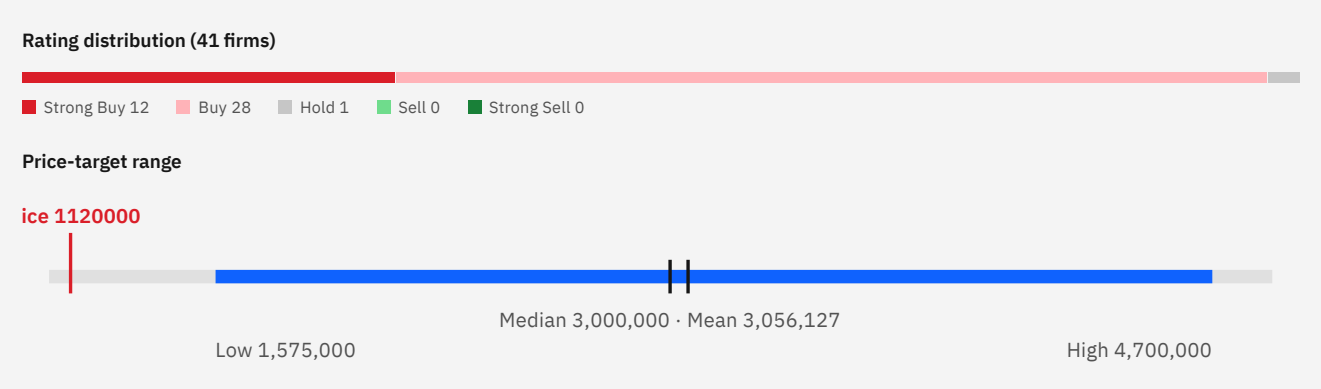
Two points deducted from 5: (1) net non-operating income over the past four quarters was ₩42.0tn, 17.3% of profit before tax of ₩242.7tn (>10%, −1); (2) the absolute size of single-quarter non-operating items exceeded 25% of profit before tax in two consecutive quarters: net income of ₩62.2tn in Q2 (50.7%) and a net loss of ₩32.6tn in Q3 (−64.3%), mainly valuation gains and losses on financial instruments (+₩53.2tn in Q2, −₩22.9tn in Q3) and FX (Note 24 of the quarterly report, a further −1). No deduction for the following: trailing four-quarter free cash flow of ₩122.3tn / net income attributable to owners of ₩188.9tn = 0.65, above 0.6; receivable days fell from about 55 in Q2 to about 52 in Q3 (est.), and inventory rose 7.6% QoQ, below revenue growth of 31.9%; H1 operating cash flow included ₩14.0tn of dividends received, but Q3 included only ₩0.03tn.

`TTM non-operating net income 17.3% of PBT; Q2 +50.7%, Q3 −64.3%; FCF/net income 0.65`

Risk
2 / 5

Three points deducted from 5: (1) one-year volatility of 93.7% and maximum drawdown of −61.6% (−1); (2) in the first nine months of 2026, Customer A accounted for 14.79% of revenue and Customer B for 10.08% (Note 4 of the quarterly report, −1); (3) the China fabs now require an annual US equipment licence and the 2027 licence has not been disclosed, so the impact cannot be quantified (424B4, −1). Not deducted: net cash of about ₩98.7tn, so no debt risk; unrecognised capital expenditure commitments of ₩42.7tn are about 5.4% of market capitalisation, slightly above the 5% reference line, but they relate entirely to the company's own capacity and are only 0.26x trailing four-quarter operating cash flow of ₩166.5tn, so, consistent with the previous report, no deduction is

Street consensus



Aggregated by yfinance from 39 analysts; update time unknown. The distribution is shown for reference only and does not imply endorsement of any price target.

04

Financial analysis

Quarterly results

Quarter end	Revenue	QoQ	YoY	Gross margin	Op. margin	Net income	Diluted EPS	Op. cash flow	Free cash flow
2025-09-30	KRW 24.45T	+10.0%	–	57.4%	46.6%	KRW 12.60T	17850.00	KRW 14.32T	KRW 9.06T
2025-12-31	KRW 32.83T	+34.3%	–	68.8%	58.4%	KRW 15.22T	–	KRW 20.86T	KRW 8.62T
2026-03-31	KRW 52.58T	+60.2%	+198.1%	79.3%	71.5%	KRW 40.33T	56670.00	KRW 26.33T	KRW 18.46T
2026-06-30	KRW 79.32T	+50.9%	+256.8%	83.2%	76.3%	KRW 93.82T	131478.00	KRW 65.41T	KRW 54.28T
2026-09-30	KRW 104.62T	+31.9%	+327.9%	85.7%	79.7%	KRW 39.53T	54454.00	KRW 53.89T	KRW 40.93T

Source: SEC 6-K / 424B4 (K-IFRS) (K-IFRS 合并口径，单位韩元。2026Q3 及 9M 累计取自三季度季报 6-K（2026-11-16，KPMG 审阅）；2026Q2 与 H1 累计取自半年报 6-K（2026-08-18）；2026Q1、2025Q1 与 2025 全年取自 424B4 招股书（2026-07-10）；2025Q2、2025Q3 取自半年报与三季度季报的上年同期对比数；2025Q4 = 2025 全年 − 2025 年前三季累计。现金流量为年初累计值差分；资本开支 = 购建固定资产 + 购建无形资产。2025Q1、2026Q1 的经营利润 = 毛利 − 销售及管理费用 − 研发费用（424B4 分列两行）。2025Q4 的稀释 EPS 未单独披露。非经营收支 = 税前利润 − 营业利润。). Free cash flow = operating cash flow − capital expenditure. Q4 EPS is frequently missing from XBRL; company-reported figures prevail.

Valuation

Basis	EPS	P/E
Current fiscal year estimate (0y)	360,169.80	3.1x
Next fiscal year estimate (+1y)	537,910.70	2.1x

The 2026 EPS estimate (0y, mean ₩360,170) implies net income attributable to owners of about ₩254tn (est., on about 705 million shares); with ₩173.7tn for the first nine months, the implied Q4 figure is about ₩80tn. The estimate includes non-operating items: net non-operating income of ₩43.5tn in the first nine months. Kioxia shares have fallen 53.6% so far in Q4; if the holding is unchanged, Q4 may include a valuation loss of about ₩24.6tn (our inference), equivalent to about ₩27,000 per share after tax at the Q3 effective tax rate of 21.6% (our inference). On operating profit, enterprise value (market capitalisation of about ₩791.6tn less net cash of ₩98.7tn) is about 3.5x trailing four-quarter operating profit of ₩200.7tn (est.).

Based on the current price. Forward EPS is the yfinance consensus mean, on an adjusted basis.

Key points from the filings

Preliminary results match the quarterly report. Q3 revenue of 104,615,483, operating profit of 83,333,818, profit before tax of 50,708,500 and net income attributable to owners of 39,534,392 (₩ million) are identical line by line to the October 28 preliminary results 6-K (quarterly report, 2026-11-16). KPMG issued a review report (a review, not an audit) concluding that nothing came to its attention indicating material misstatement. yfinance quarterly data run only through Q2 2026 and do not yet include Q3; for the overlapping quarters 2025Q2–2026Q2, revenue, gross profit, operating profit, net income attributable to owners, operating cash flow and capital expenditure all agree with the 424B4 and the half-year report.

Composition of the Q3 net non-operating loss of ₩32.6tn verified. Valuation loss on financial instruments of ₩22.9tn, net FX loss of ₩11.6tn (FX gains of ₩0.43tn, FX expenses of ₩12.06tn), derivative gains of ₩1.22tn and dividend income of only ₩0.006tn (Note 24 of the quarterly report). At the preliminary stage these two items came from the earnings call; they are now confirmed by the notes. FX differences for the first nine months include a ₩5.67tn FX loss on long-term investment assets.

Kioxia-related assets and Q4 valuation risk. Long-term investment assets fell from ₩85.3tn at end-June to ₩84.0tn at end-September on a consolidated basis, and from ₩69.7tn to ₩44.9tn in the separate accounts (Level 2: ₩44.8tn). The decline in the separate accounts is consistent in direction with Kioxia's Q3 share price fall (–38.4%). The auditor identified the fair-value assessment of Kioxia-related financial assets as a key audit matter. Kioxia shares fell from ¥18,095 at end-September to ¥8,392 on November 16, and combined with a decline of about 2.8% in JPY/KRW the change in KRW is about –54.9%; if the separate Level 2 assets consist mainly of Kioxia-related interests, the unrealised loss so far in Q4 is about ₩24.6tn (our inference), about 30% of Q3 operating profit.

About ₩23.7tn of new long-term investments at subsidiary level; investees not disclosed. Acquisitions of long-term investment assets were ₩38.4tn for the first nine months versus ₩14.7tn in H1, implying about ₩23.7tn in Q3 (est., by difference); the gap between consolidated and separate balances rose from ₩15.6tn at end-June to ₩39.1tn at end-September, all Level 2 (observable inputs). The notes do not disclose the investees or nature of these investments, which could not be verified. New subsidiaries in the period include two holding groups, SHIFTIX and AIVATION.

Strong cash flow, but tax payments rose sharply in Q3. Q3 operating cash flow was ₩53.9tn, capital expenditure (PP&E plus intangibles) ₩13.0tn and free cash flow ₩40.9tn. Income tax paid in Q3 was ₩17.2tn (₩24.9tn for nine months), and current tax liabilities were still ₩27.6tn at end-September, so tax payments in Q4 and Q1 2027 will continue to absorb cash. Dividends received in Q3 were only ₩0.03tn, so operating cash flow came essentially from the core business.

Working capital in line with revenue. Trade receivables were ₩59.1tn, with receivable days falling from about 55 in Q2 to about 52 (est.); inventory was ₩19.4tn, +7.6% QoQ, including work-in-process of ₩12.2tn and finished goods of ₩3.2tn, with an inventory valuation allowance of ₩0.5tn.

Personnel costs rise with profits. Q3 employee benefit expenses were ₩10.6tn (₩8.3tn in Q2), about 10.1% of revenue, consistent with profit-sharing compensation rising with earnings (Note 23 of the quarterly report). R&D expenditure for the first nine months was ₩10.1tn, of which ₩6.3tn was labour.

Balance sheet. At end-September, cash and cash equivalents were ₩38.3tn, short-term financial instruments ₩37.9tn and short-term investment assets ₩38.2tn, totalling ₩114.5tn; borrowings were ₩15.8tn; net cash was ₩98.7tn, consistent with the earnings-call figure. Equity attributable to owners was ₩308.5tn, up ₩188.0tn from the start of the year, including the ₩39.1tn ADR capital increase and –₩31.0tn for treasury share acquisitions.

Items disclosed only in the filings

Change in disclosure on long-term supply agreements. The 'Order Status' section of the half-year report (2026-08-18) stated that volumes and prices are negotiated monthly or quarterly and that there is 'no order backlog based on long term supply contracts'; the Q3 quarterly report now states that 'the Company and its overseas subsidiaries has entered into long-term supply agreements for memory semiconductors with major customers', with specific terms withheld as trade secrets. This is consistent with the earnings-call statement that long-term agreements cover more than half of 2027–2028 capacity, but contract amounts, pricing mechanisms and default terms are not disclosed.

Customer concentration. In the first nine months, Customer A generated revenue of ₩35.0tn (14.79%) and Customer B ₩23.9tn (10.08%); in H1 the shares were 13.35% and 13.03%. If A and B are the same customers as in H1, A accounted for about 16.6% and B about 6.4% of Q3 revenue (est.). By location of selling entity, the US accounted for 60.4% and China 22.6% of Q3 revenue. Customer names are not disclosed.

Capital expenditure commitments. Unrecognised PP&E commitments were ₩42.7tn at end-September, versus ₩61.5tn at end-June and ₩6.7tn at end-2025 (Note 29 of the quarterly report).

Guarantees. A US$1,028 million guarantee for subsidiary SK hynix Semiconductor West Lafayette covering US Department of Commerce DFA (direct funding agreement) obligations and loan repayment; an RMB554 million guarantee for joint venture Hystars. These are small relative to net cash.

Administrative sanctions in Korea. In 2026 the company was fined a total of ₩60.8 million for environmental and safety violations and received several non-monetary measures, including operation suspension orders, improvement orders, corrective orders and a special inspection order, related to chemical leaks and fire incidents; the October fines are yet to be paid. The half-year report cited seven non-monetary measures; the quarterly report does not give a number. The effect on production has not been disclosed.

China-related matters. After BIS revoked the VEU status of the China fabs, an annual licence regime applies; the company has obtained the 2026 licence, and the 2027 licence has not been disclosed (424B4). The Chinese antitrust conditions attached to the Intel NAND acquisition run for five years from December 2021, after which the company may apply for a waiver (Note 29 of the quarterly report).

Restrictions on the Kioxia stake. Held indirectly through BCPE Pangea Cayman2 Limited; during the restricted period the shareholding is capped and the company has no right to appoint directors, so there is no significant influence and the stake is measured at fair value with changes recognised in profit or loss (Note 29 of the quarterly report).

Subsequent events. 23,693,272 shares were cancelled on November 5, leaving 706,799,093 issued shares; subsidiary SHIFTIX1 bought Penguin Solutions convertible preferred shares for US$377 million on October 29 (Note 32 of the quarterly report). The Solidigm US fab, the sale of the Chongqing packaging plant and a fab in Japan all remain under review (6-K, 2026-09-09, 09-18, 10-29).

Minimum holding of the largest shareholder. SK square must hold more than 20% under the Fair Trade Act (424B4); its stake is currently about 20.7% (est., on post-cancellation share capital), which limits future share issuance.

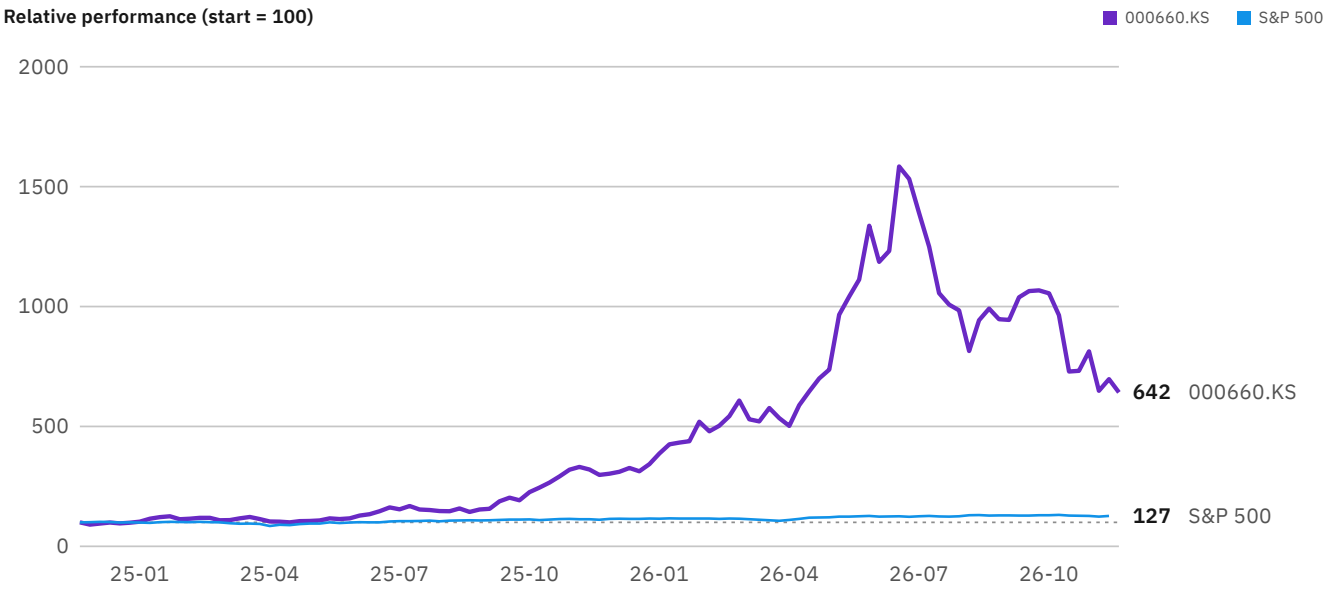
Corrections to third-party data

Item	yfinance	Filing (with calculation)
Quarterly data coverage	Quarterly income statement and cash flow through 2026-06-30	Q3 has been disclosed in the quarterly report 6-K (2026-11-16): revenue ₩104.6tn, operating profit ₩83.3tn, operating cash flow ₩53.9tn (nine-month cumulative ₩145.6tn – H1 ₩91.7tn). The quarterly table in this report is taken from the original filings.
operatingCashflow	₩167.39tn	**₩166.5tn** (2025Q4–2026Q3 = 20.9 + 26.3 + 65.4 + 53.9, by difference from the 424B4, half-year report and quarterly report). The yfinance basis is unclear; the difference is about ₩0.9tn.
freeCashflow / ttm_fcf_from_quarters	freeCashflow missing; quarterly sum ₩90.4tn (2025Q3–2026Q2)	**₩122.3tn** (2025Q4–2026Q3) = operating cash flow ₩166.5tn – capital expenditure ₩44.2tn (PP&E plus intangibles).
profitMargins / returnOnEquity	70.3% / 92.5%	The net margin agrees with the statements (trailing four-quarter profit of ₩189.3tn ÷ revenue of ₩269.3tn), but includes valuation gains and losses on financial instruments (net gain of ₩40.3tn in the first nine months). On operating profit, the trailing four-quarter operating margin is 74.5%.

Item	yfinance	Filing (with calculation)
dividendYield	0.25%	Stale. A Q3 dividend of ₩20,000 per share has been declared (including a ₩10,000 special dividend, 6-K, 2026-10-28); the company plans 2026 cash dividends of ₩30tn or more, about ₩42,500 per share (est., on about 705 million shares), or about 3.8% of the November 16 share price (est.), of which the special portion is not recurring.
trailingEps / trailing P/E	Missing	Diluted EPS for 2025Q4 is not separately disclosed, so the quarters cannot be summed directly. Based on net income attributable to owners, 2025Q4–2026Q3 totals ₩188.9tn, about ₩267,900 per share (est.), implying a P/E of about 4.2x (est.).

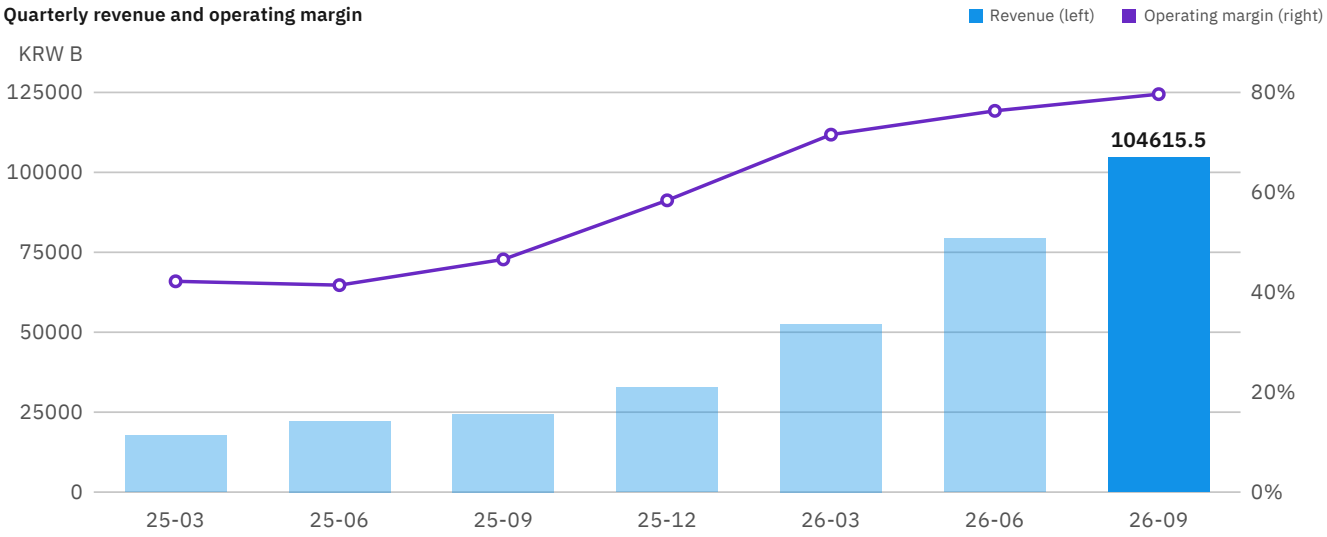
05

Share price performance



Weekly adjusted closing prices, indexed to 100 on 2024-11-24. Figures on the right are end-of-period values.

Quarterly revenue and operating margin



Last 7 quarters. Source: SEC 6-K / 424B4 (K-IFRS).

06

Peer comparison

Ticker	Name	Mkt cap	1M	YTD	1Y	P/E TTM	P/E CY	Rev growth	Gross margin	Op. margin
000660.KS	**SK hynix**	**KRW 789.79T**	**-11.9%**	**+72.4%**	**+100.6%**	**–**	**3.1x**	**+327.9%**	**77.4%**	**74.5%**
005930.KS	SamsungElec	KRW 1,281.55T	-8.7%	+67.5%	+107.6%	–	4.1x	+126.8%	64.1%	46.1%
MU	Micron Technology, Inc.	KRW 1,175.37T	-14.9%	+172.9%	+228.8%	10.5x	4.4x	+379.3%	80.7%	74.6%
SNDK	Sandisk Corporation	KRW 168.08T	-36.9%	+272.8%	+263.3%	7.1x	3.9x	+377.9%	80.0%	72.7%
285A.T	KIOXIA HOLDINGS CORPORATION	KRW 112.19T	-37.3%	+141.7%	+151.6%	11.2x	2.5x	+453.2%	73.4%	69.1%
Peer median		*KRW 671.72T*	*-25.9%*	*+157.3%*	*+190.2%*	*10.5x*	*4.0x*	*+378.6%*	*76.7%*	*70.9%*

Aggregated by yfinance and not reconciled to filings. Current-year P/E = price ÷ current fiscal-year (0y) EPS estimate, which avoids the next-year basis used by forwardPE. Peer source: 内置存储同行表. The median excludes this stock.

The peer group comprises the main global memory producers: Samsung Electronics (diversified across DRAM, NAND, foundry and handsets, so less comparable), Micron, Sandisk (NAND) and Kioxia (NAND, and also an investee of SK hynix). The stock's 0y P/E of 3.1x is below the peer median of 4.0x and above only Kioxia at 2.5x; its operating margin of 74.5% (yfinance, trailing four quarters) is close to Micron's 74.6% and above Samsung Electronics' 46.1%. Over the past month the stock fell 11.9%, better than Micron (−14.9%), Sandisk (−36.9%) and Kioxia (−37.3%) but worse than Samsung Electronics (−8.7%); NAND producers have fallen considerably more than DRAM producers. All peers are in a memory upcycle and low P/E multiples are common to the sector, so the comparison shows only that the stock is not expensive relative to peers, not that sector valuations are low. Market capitalisations are converted to KRW at the latest exchange rates; peer data are yfinance aggregates and have not been checked against each company's filings.

07

Smart money

None of the tracked investors reported 000660.KS in their latest published filings. Smart Money →

08

Key items to monitor

2026-11-17	**NVIDIA fiscal 2027 Q3 results (US Eastern time)** Data-center revenue and guidance, statements on HBM procurement, and comments on the product roadmap after the leadership change; the stock's reaction the following day (November 18, Seoul time).
2026-11-26	**Bank of Korea monetary policy meeting** The market expects a hike; watch the effect of the decision and economic projections on the won and foreign flows.
2026-11-27	**Ex-dividend date for the Q3 dividend (record date November 30)** ₩20,000 per share, of which ₩10,000 is a special dividend from Kioxia gains. ADR holders receive dividends in proportion to 0.1 share.
2026-11-29	**Deadline for further disclosure on the Solidigm US fab report** On October 29 the company undertook to disclose again when details are confirmed or within one month; investment size and funding.
2026-12-09	**FOMC meeting** Whether rates are raised again; the reaction of Treasury yields and the AI sector.
2026 年 12 月中旬	**Micron fiscal 2027 Q1 results** DRAM and HBM contract prices and inventory days, as a leading indicator for SK hynix's Q4 volume and pricing.
2026 年 12 月	**2027 US equipment licence for the China fabs; deadlines for further disclosure on the Chongqing packaging plant and a fab in Japan** Whether BIS grants the 2027 annual licence; further disclosure on the two media-reported matters (three months from September 9 and September 18); the five-year Chinese antitrust conditions expire in December 2026.
2027-01-27	**Q4 and full-year 2026 results (yfinance calendar, not confirmed by the company)** Size of the Q4 valuation gain or loss on the Kioxia stake; whether HBM4 exceeds HBM3E as guided; whether DRAM shipments grow by the mid-20s percent QoQ; the remaining Kioxia special dividend in the year-end dividend; 2027 capital expenditure guidance.

2027-01-28

End of the ₩20tn repurchase period

Actual repurchase amount and average price; allocation between cancellation and equity compensation; the company says subsequent repurchase sizes will be set by quarterly board resolutions.

This report is for research purposes only and does not constitute investment advice.

Sources

Market and analyst data: yfinance + SEC EDGAR（6-K / 424B4）, as of 2026-11-16 close, delayed. Financial data: SEC 6-K / 424B4 (K-IFRS). Macro and news items link to their sources. Red indicates an increase and a decrease.

Primary filings: Q3 quarterly report 6-K (2026-11-16), Half-year report 6-K (2026-08-18), 424B4 prospectus (2026-07-10), Q3 preliminary results 6-K (2026-10-28), 2026 shareholder returns 6-K (2026-10-28). Earnings-call content is taken from the Investing.com transcript; management statements should be checked against company IR materials. Kioxia share prices and USD/KRW and JPY/KRW rates are from yfinance. This edition carries forward facts verified in the 2026-10-28 report (Kioxia holding structure, shareholder return plan, repurchases, China fab licence, capital expenditure projects) and updates figures from the Q3 quarterly report.

AlphaScope · alphascope.cc/en/reports/2026-11-16-000660-ks · Generated 2026-11-17

Financial data are taken from original SEC EDGAR filings. Market data are delayed, and the sources are stated in each report.

Ratings represent our research opinions, are intended for all readers and do not constitute personal recommendations to buy or sell. Investing involves risk, and investment decisions remain the responsibility of the reader.