

Hyper Chip (88210) Stock Report

Analyst		Summary	Investment Summary			
			Category	Details	Note	
Sector	Electronics/IT Components		Investment Opinion	Buy		
Analyst	Dohyun Lee / ALPHA INVESTMENT			Target Price (12M)	KRW 28,000	(Raised from KRW 25,000)
RA	Hana Jung			Current Price (7.15)	KRW 22,500	
				Upside Potential	24.4%	

KEY INVESTMENT THESIS

- **2Q25E OP** estimated at **KRW 35.0 bn**, significantly beating consensus.
- Strong demand for advanced packaging drives **non-memory module ASP increase (+15%)**.
- Forecasted **2025 OP** raised by +15.5% to **KRW 125.0 bn (+45.0% YoY)**.
- **Long-Term Growth** secured through a new, 5-year supply deal with a major North American cloud provider (Dummy Data).

AI

Sector Driven Momentum

The strong market adoption of next-generation AI accelerators and the expansion of data center infrastructure are fueling unprecedented demand for high-performance memory and non-memory modules. Hyper Chip is strategically positioned as a key supplier in this ecosystem, driving **structural growth** well into 2026. This trend is expected to provide significant and **sustained positive momentum** for the stock.

The recent completion of its Phase 3 production line expansion positions the company to capture increased market share in advanced packaging solutions, a critical bottleneck in the AI supply chain.

2Q25

Preview: Significant Beat Expected

Consolidated 2Q25 revenue and operating profit are estimated at KRW 450.0 billion (+40.0% YoY) and **KRW 35.0 billion** (+60.0% YOY), respectively. This substantial beat is driven by the successful mass production yield of the company's 3D stacking technology.

The average utilization rate across major lines hit a record high of 95%, and pricing power for specialized components has increased due to limited competitive supply. The company's focus on **premium, high-margin products** is successfully translating into top-line growth and margin expansion, evidenced by our upward revision of the gross margin assumption for 2025 from 22% to 25%.

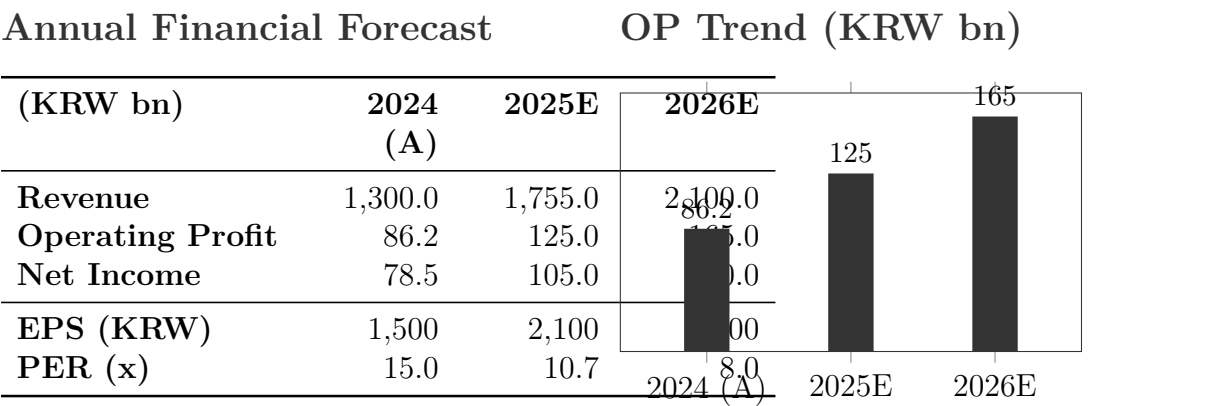
Main- tain Buy, Raise Target Price to KRW 28,000

We reiterate our **Buy** investment opinion and raise the target price from KRW 25,000 to **KRW 28,000**. The revision is justified by the upward revision of long-term earnings forecasts and the application of a higher Target PER (18x), reflecting the company's enhanced growth trajectory in the global AI hardware market.

In the short term, strong earnings visibility and potential new order announcements will act as catalysts, while structural tailwinds from AI and advanced computing will support valuation in the mid-to-long term. Our valuation model suggests that current price is discounting only the 2025 earnings, leaving the significant 2026 growth potential undervalued.

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Financials and Forecast



Disclaimer: This material is not intended as an investment recommendation, and the final responsibility for investment decisions rests with the investor.