SECTOR UPDATE

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Industrial Team

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Samsung Securities

Transportation sector nearing end of its cycle

2026 Outlook

Approaching the point of full normalization

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PART 1

Airlines (NEUTRAL)

Market consolidation completed

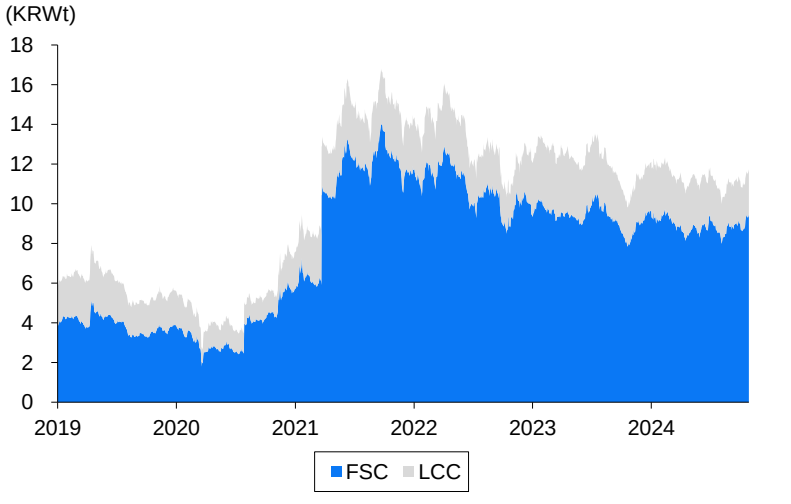
Industry normalization underway

Post-pandemic tailwinds fading

▶ Earnings and share prices declining

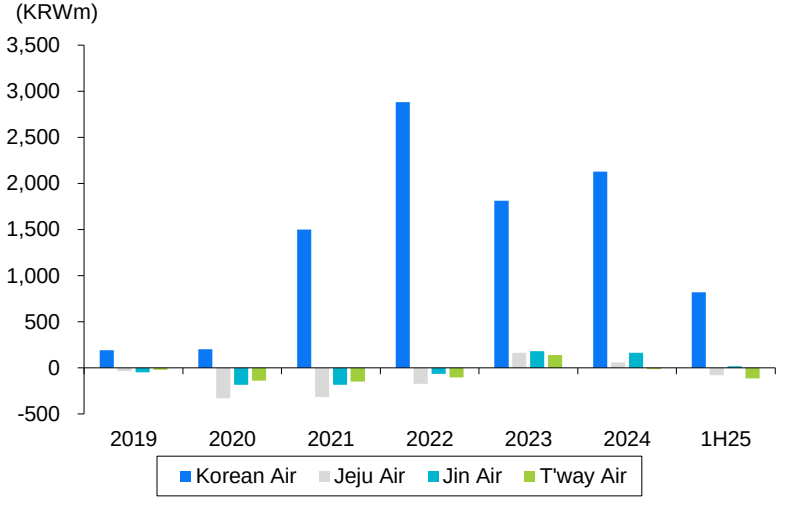
- The airline sector's market cap has lost 30% from its peak.
- Most LCCs have been recording operating losses since 4Q24.

Airlines: Market capitalization



Note: FSCs: Korean Air, Asiana Airlines; LCCs: Jeju Air, Jin Air, T'way Airlines
Source: Quantiwise, Samsung Securities

Airlines: Operating income



Note: FSCs: Korean Air, Asiana Airlines; LCCs: Jeju Air, Jin Air, T'way Airlines
Source: DART, Samsung Securities

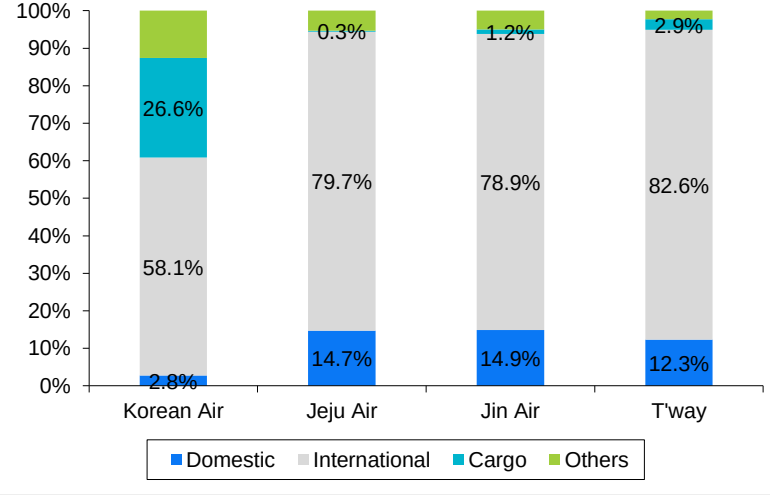
Industry normalization underway

Post-pandemic tailwinds fading

▶ International passenger numbers normalize

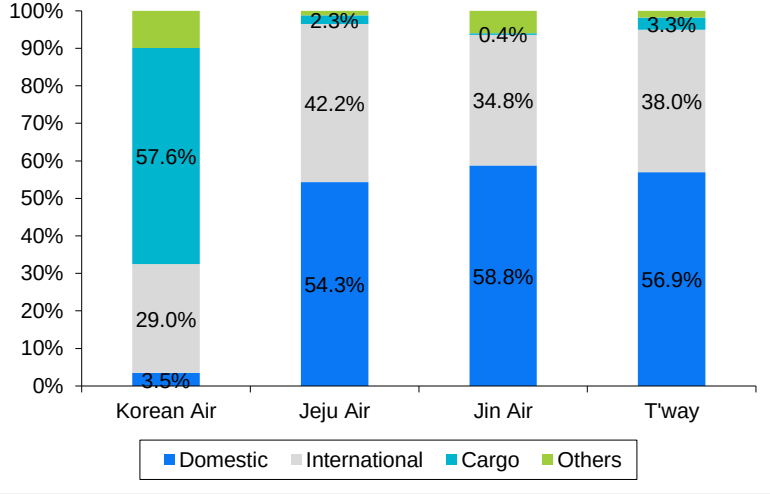
- FSCs enjoyed an unexpectedly high cargo yield during the pandemic era.
- LCCs benefited from robust international passenger yields over 2023-2024 when passenger numbers started to recover.

Airlines: Sales in 1H25, by category



Source: Company data, Samsung Securities

Airlines: Sales breakdown in 2022, by company



Source: Company data, Samsung Securities

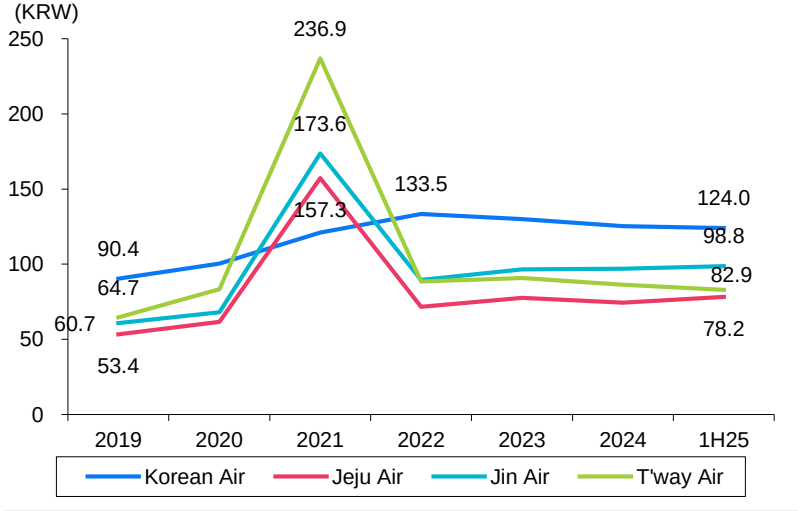
Industry normalization underway

Post-pandemic tailwinds fading

▶Passenger and cargo yields remain elevated

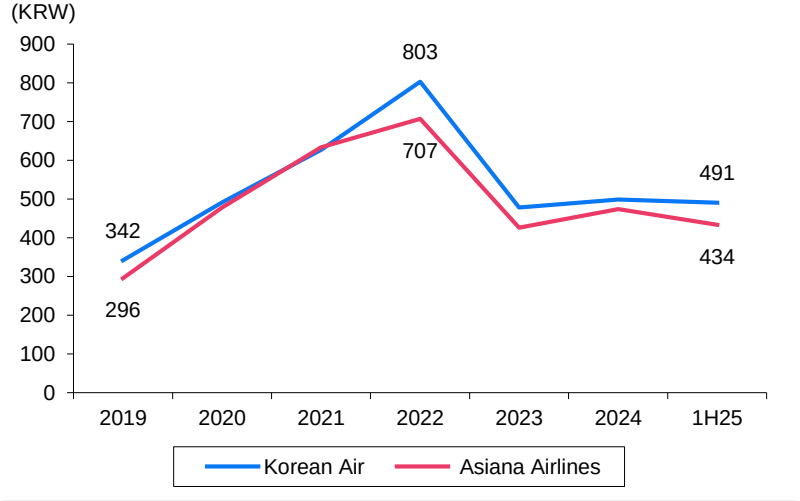
- Current international passenger yields are 30% higher than they were in 2019.
- Cargo yields are more than 40% higher.

International passenger yield, by airline



Source: Company data, Samsung Securities

Cargo yield, by airline



Source: Company data, Samsung Securities

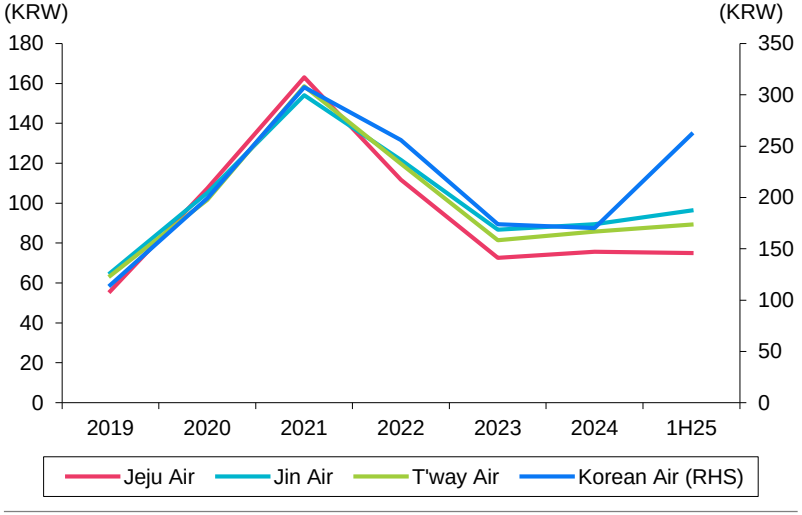
Industry normalization underway

Post-pandemic tailwinds fading

▶ Increased cost burden dilutes yield hike effects

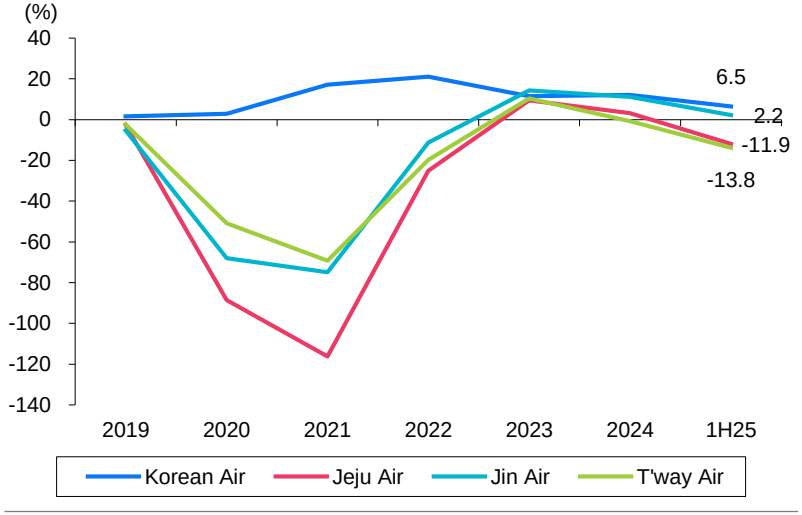
- Operating costs per ASK have also increased by at least 30%.
- The profitability of LCCs has deteriorated, and some of them have already started to record operating losses.
- Korean Air (KAL) retains the highest operating margin in the sector thanks to its cargo business.

Operating cost per ASK, by airline



Source: Company data, Samsung Securities

Operating margin, by airline



Source: Company data, Samsung Securities

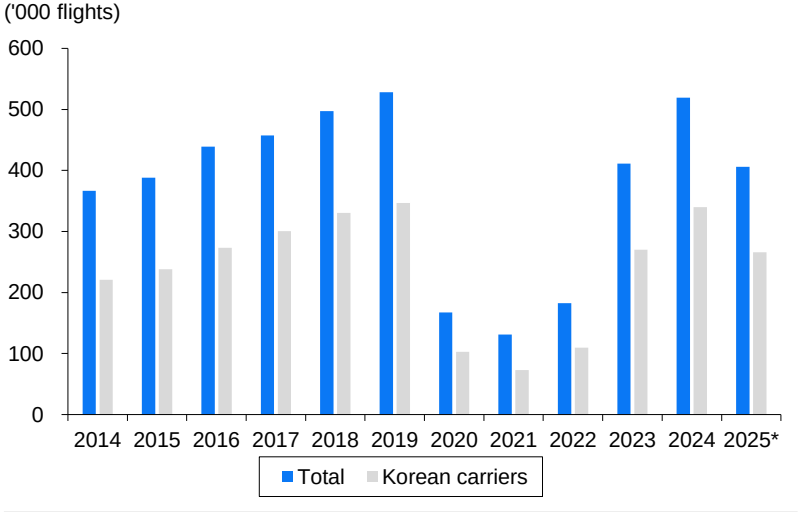
Industry normalization underway

Post-pandemic tailwinds fading

▶Belly cargo capacity recovers as passenger flights resume

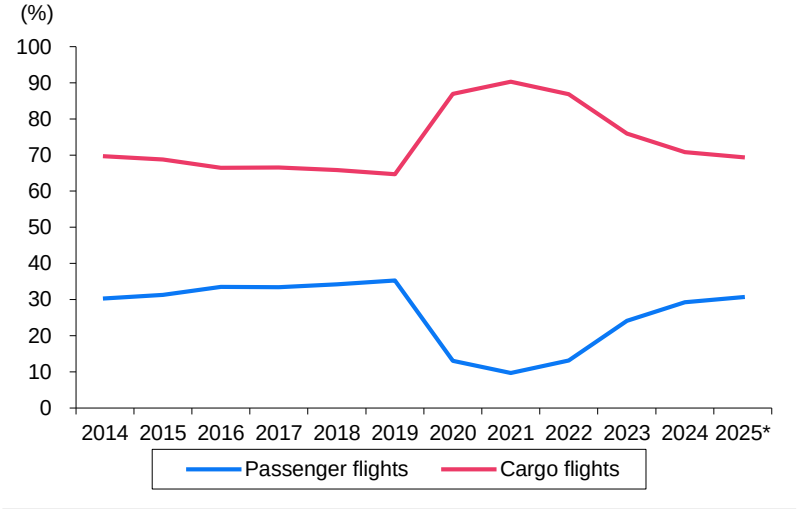
- KAL's operating margin has also dropped as its cargo sales (which generate higher margins) have decreased.
- As belly cargo capacity normalizes, cargo yields may correct further.

Number of international flights



Note: *2025 data are as of September
Source: Air portal, Samsung Securities

Cargo carried (as portion of total), by flight type



Note: *2025 data are as of September
Source: Air portal, Samsung Securities

Industry normalization underway

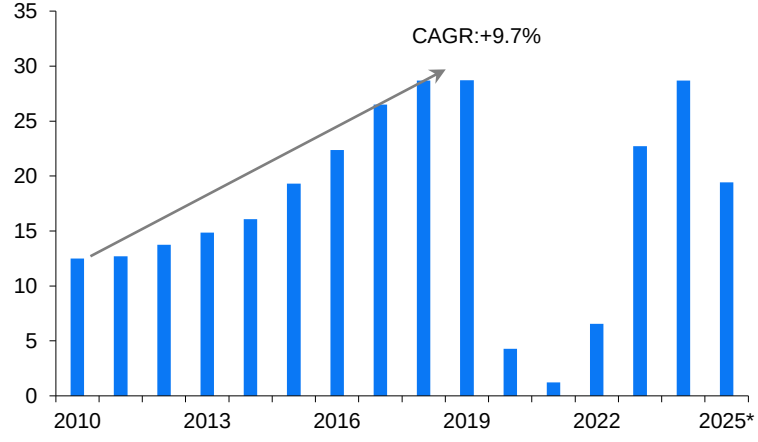
Post-pandemic tailwinds fading

▶ Passenger market also fully recovers from the pandemic

- The number of outbound passengers reached 27m in 2024 and the number of international passenger came to 89m.
- Both outbound demand growth (as of August) and international passenger growth (as of September) in 2025 have slowed to 2.8% and 6.4%, respectively.

Outbound demand

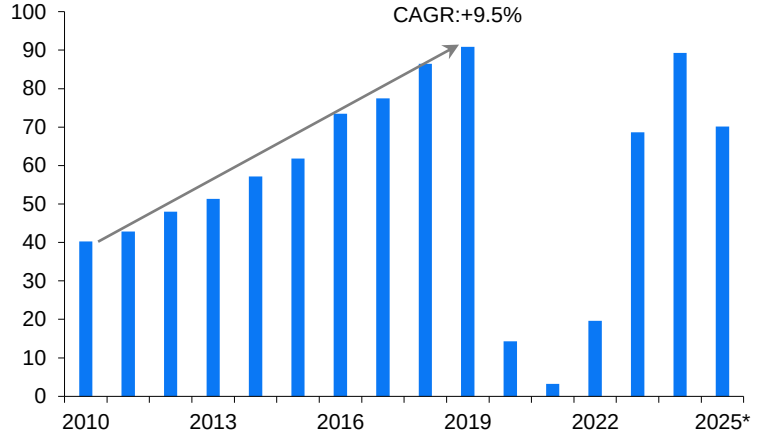
(mil. people)



Note: *2025 data are as of August
Source: Korea Tourism Organization, Samsung Securities

International passenger figures

(mil. people)



Note: *2025 data are as of September
Source: Korea Airport Corporation, Samsung Securities

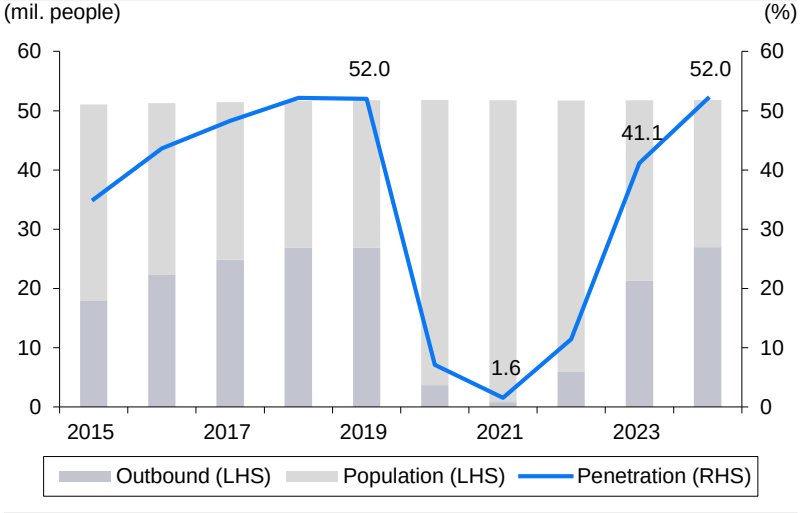
Industry normalization underway

Post-pandemic tailwinds fading

▶Growth potential constrained

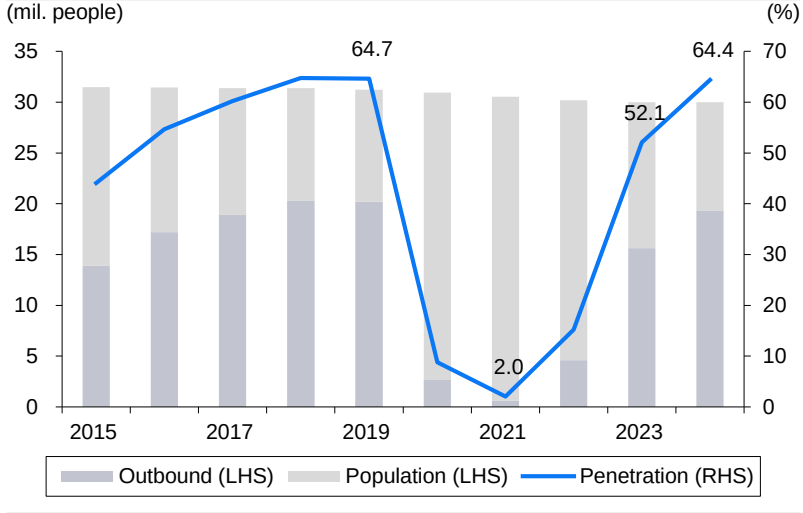
- The total outbound penetration rate has recovered to where it was in 2019.
- About 65% of the economically active population goes overseas annually.

Outbound penetration



Source: Korea Tourism Organization, Statistics Korea, Samsung Securities

Outbound penetration rate: 20-59 age cohort



Source: Korea Tourism Organization, Statistics Korea, Samsung Securities

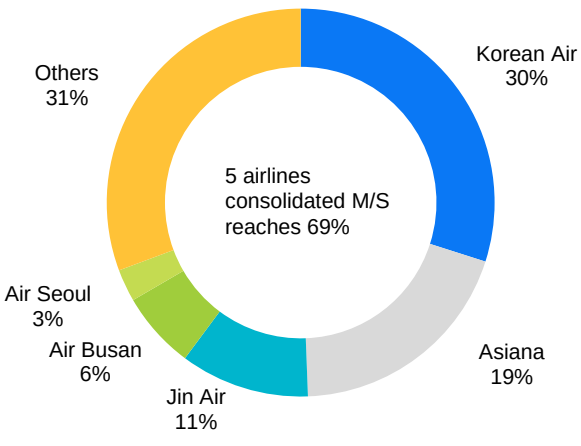
Industry normalization underway

Post-pandemic tailwinds fading

▶ Market consolidation completed

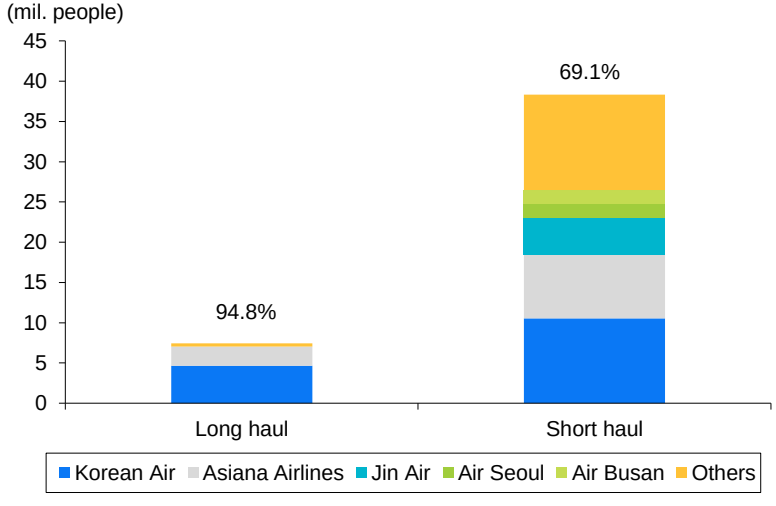
- The KAL and Asiana merger will result in the new entity holding a 47% share of the international passenger market and a 69% share among Korean airlines.
- The acquisition will give the new entity a virtual monopoly on long-haul routes and an oligopolistic position for short-haul routes.

International passenger market share, by airline



Source: Air Portal, Samsung Securities

International passenger market share, by type



Note: Korean national carriers
Source: Air portal, Samsung Securities

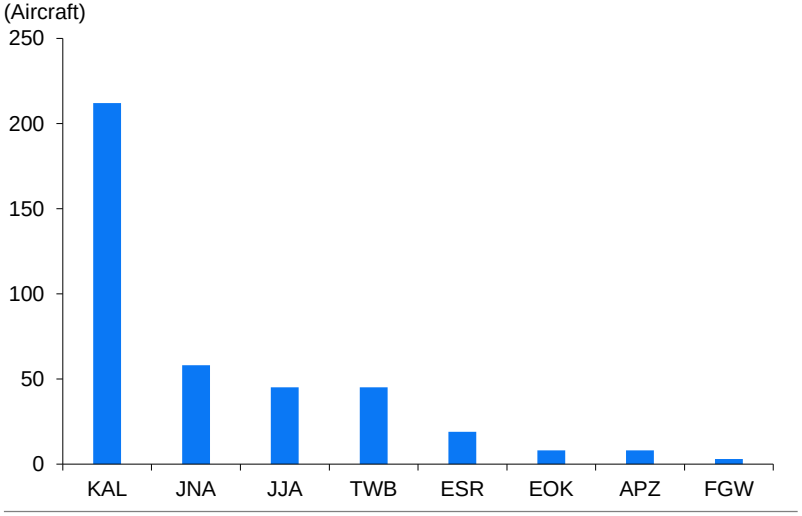
Industry normalization underway

Post-pandemic tailwinds fading

▶ But the supply has not changed much

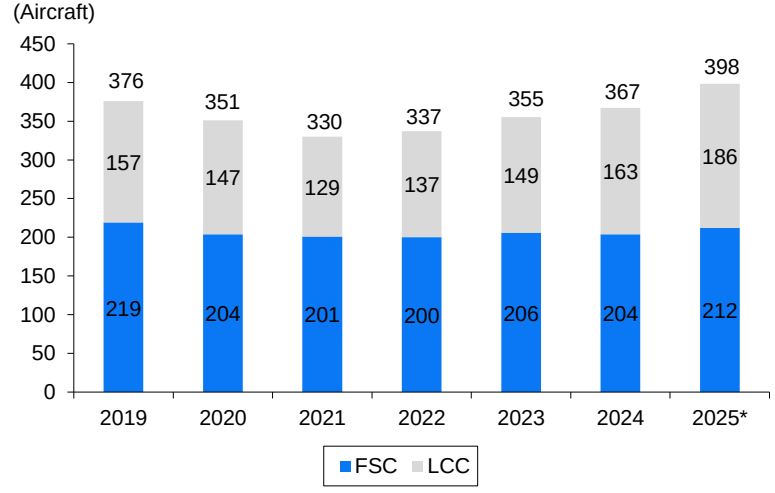
- Even after the merger, 8 airlines will still be in operation (just one less than in 2019).
- The total number of passenger aircraft being operated now exceeds the figure seen in 2019.

Number of passenger aircraft owned, by airline



Note: KAL and JNA numbers are consolidated basis
Source: ATIS, Samsung Securities

Number of passenger aircraft owned, by company type



Note: *2025 data are as of November
Source: ATIS, Samsung Securities

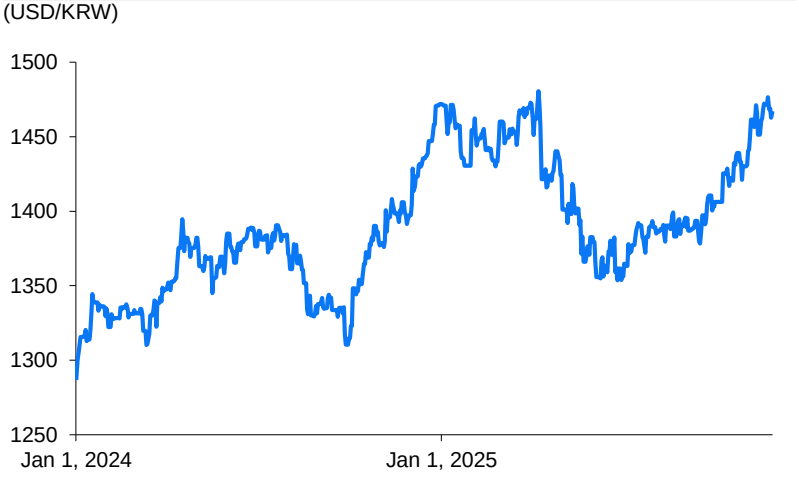
Industry normalization underway

Post-pandemic tailwinds fading

▶ Rising forex adds further pressure

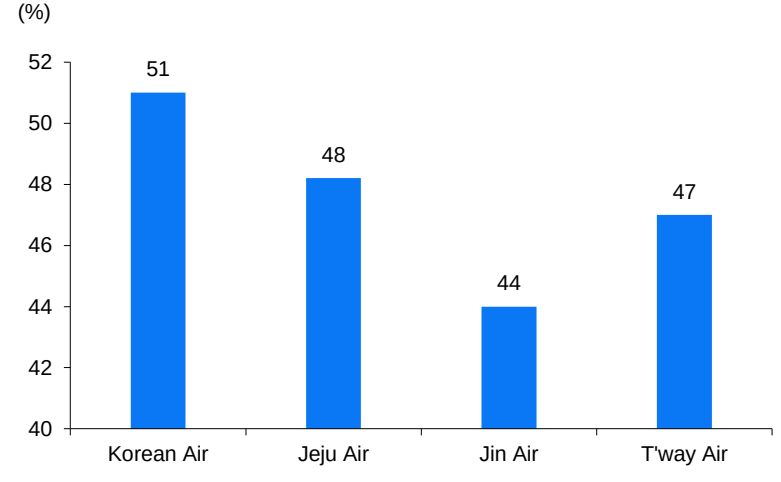
- Foreign currency accounts for around 50% of airline companies' operating costs
- A KRW10 increase in the USD/KRW rate (based on a forex of KRW1,400 USD/KRW) raises airlines' operating expenses by: KRW75.2b at Korean Air, KRW5.1b at Jeju Air, KRW3.9b at Jin Air, KRW5.9b at T'way Air.

USD/KRW trend



Source: Bloomberg, Samsung Securities

Foreign currency as share of operating expenses



Note: Based on 2026 estimates
Source: ATIS, Samsung Securities

Korean Air (003490 | BUY | TP: KRW30,000)

Key information

Target price	**KRW30,000 (+42.2%)**
Current price	**KRW21,100**
Market Cap	KRW7.8t
Shares (float)	368,220,661 (67.3%)
52-week high/low	KRW20,150/KRW26,250
Avg daily trading value(60-day)	KRW282.3b

Share performance (%)	**1M**	**6M**	**12M**
Korean Air(%)	-5.8	-6.6	-12.8
Vs Kospi (%pts)	-3.8	-37.3	-42.7

Key data

(KRWb)	2024	2025E	2026E	2027E
Revenue	17,871	24,839	24,129	24,549
Operating profit	2,110	1,053	1,515	1,670
Net profit (adj)	1,382	665	1,157	1,168
EPS (adj) (KRW)	4,031	1,645	2,491	2,849
EPS (adj) growth (%)	35.1	-59.2	51.4	14.4
EBITDA margin (%)	22.6	16.6	18.6	18.5
ROE (%)	13.8	6.3	10.4	9.7
P/E (adj) (x)	5.2	12.8	8.5	7.4
P/B (x)	1.4	1.3	1.0	0.9
EV/EBITDA (x)	5.0	5.1	4.5	4.3
Dividend yield (%)	3.6	1.2	2.1	2.1

Note: Based on the closing price on Nov 25
Source: Company data, Samsung securities estimates

Investment points

Rise of a mega-carrier

- KAL's merger with Asiana (to be completed in 2026) should secure its monopoly on long-haul routes and oligopolistic position on short-haul routes. With strengthened pricing power and the introduction of a new cabin class, its yields should be supported by sales-mix improvements.

- Its cargo yield remains 40% above the 2019 figure, and belly-cargo expansion (post-merger) is expected to lift KAL's cargo market share (currently 40%), supporting earnings at the cargo division.

- Forex volatility is a headwind, but oil prices continue to stabilize. Its valuation also remains attractive, trading more than 20% below its global peers' 2026E P/B average of 1.43x. With exposure to both passenger and cargo businesses, its earnings visibility is clearer than that for LCCs. We maintain BUY with a target price of KRW30,000.

Korean Air (003490 | BUY | TP: KRW30,000)

		1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	2024	2025E	2026E	2027E
Average exchange rate	(KRW/USD)	1,329	1,371	1,358	1,400	1,453	1,401	1,387	1,445	1,365	1,421	1,340	1,268
Period-end exchange rate	(KRW/USD)	1,347	1,377	1,315	1,472	1,473	1,354	1,404	1,450	1,472	1,450	1,300	1,250
Jet fuel	(USD/bbl)	103	99	92	88	90	81	87	74	95	81	73	80
Domestic passengers													
RPK	(mil km)	531	629	612	584	1,497	1,695	1,822	1,636	2,355	6,650	6,660	6,671
	Chg (% y-y)	-7.3	1.0	2.0	3.9	181.9	169.5	197.7	180.1	-0.1	182.4	0.2	0.2
L/F	(%)	84.4	88.3	85.2	89.3	85.1	88.3	89.1	88.7	86.8	87.9	87.9	87.9
	Chg (% y-y)	-2.1	0.5	-0.8	3.6	0.6	-0.0	3.9	-0.6	0.3	1.0	-0.0	-0.0
Yield	(KRW)	196.8	207.4	202.3	193.2	159.0	176.5	161.5	162.2	200.7	164.9	163.9	156.3
	Chg (% y-y)	1.9	1.1	-1.1	-7.6	-37.8	-30.9	-40.8	-31.0	-1.1	-17.8	-0.7	-4.6
Yield	(US cents)	14.8	15.1	14.9	13.8	10.9	12.6	11.6	11.2	14.7	11.6	12.2	12.3
	Chg (% y-y)	-2.1	-3.0	-4.5	-12.8	-26.1	-16.7	-21.8	-18.7	-5.4	-21.1	5.4	0.8
International passengers													
RPK	(mil km)	18,022	18,398	18,917	18,973	34,914	32,626	34,413	33,289	74,310	135,242	139,847	145,140
	Chg (% y-y)	36.6	13.4	5.4	3.5	93.7	77.3	81.9	75.5	13.1	82.0	3.4	3.8
L/F	(%)	83.3	84.5	83.6	85.1	89.7	80.2	84.1	83.0	84.1	84.2	84.3	84.8
	Chg (% y-y)	1.0	0.7	-1.6	0.2	6.4	-4.3	0.5	-2.1	-0.1	0.1	0.1	0.5
Yield	(KRW)	124.2	125.8	131.8	119.2	117.7	114.9	108.9	115.2	125.2	114.2	112.7	111.4
	Chg (% y-y)	-1.8	-2.5	-2.9	-6.6	-5.2	-8.6	-17.4	-3.3	-3.6	-8.8	-1.3	-1.1
Yield	(US cents)	9.3	9.2	9.7	8.5	8.1	8.2	7.8	8.0	9.2	8.0	8.4	8.8
	Chg (% y-y)	-5.6	-6.5	-6.2	-11.9	-13.2	-10.6	-19.1	-6.3	-7.8	-12.5	4.7	4.5
Cargo													
RPK	(mil km)	2,165	2,241	2,209	2,230	2,895	2,986	2,510	2,203	8,846	10,594	8,792	8,880
	Chg (% y-y)	7.4	8.8	3.3	0.6	33.7	33.2	13.6	-1.2	4.9	19.8	-17.0	1.0
L/F	(%)	72	74	72	73	70	72	68	72	73	71	72	72
	Chg (% y-y)	-1.3	4.0	1.4	0.6	-1.9	-2.3	-4.3	-0.7	1.2	1.0	1.0	1.0
Yield	(KRW)	460.3	489.6	506.9	537.2	492.2	477.8	482.4	530.7	498.7	509.1	465.5	453.7
	Chg (% y-y)	-11.5	4.6	18.5	8.0	6.9	-2.4	-4.8	-1.2	4.3	2.1	-8.6	-2.5
Yield	(US cents)	34.6	35.7	37.3	38.4	33.9	34.1	34.8	36.7	36.5	35.8	34.7	35.8
	Chg (% y-y)	-15.0	0.4	14.4	1.9	-2.1	-4.5	-6.8	-4.3	-0.1	-2.0	-3.0	3.0
Results and forecasts	**(KRWb)**												
Sales		4,291	4,402	4,675	4,502	6,492	6,211	6,027	6,109	17,871	24,839	24,129	24,549
Domestic		104	130	125	113	99	121	122	114	738	1,097	1,091	1,042
International		2,238	2,314	2,492	2,262	2,337	2,275	2,299	2,455	10,408	15,440	15,765	16,175
Cargo		997	1,097	1,120	1,198	1,054	1,055	1,067	1,169	4,412	5,232	4,093	4,029
Others		2,962	2,876	3,116	3,044	3,188	2,908	2,742	2,371	2,314	3,070	3,180	3,302
Operating profit		538	443	666	464	431	370	158	95	2,110	1,053	1,515	1,670
Operating margin (%)		12.5	10.1	14.2	10.3	6.6	6.0	2.6	1.5	11.8	4.2	6.3	6.8
Pre-tax profit		547	484	438	367	452	779	-334	24	1,836	921	1,602	1,616
Net profit		407	359	317	299	350	557	-278	36	1,382	665	1,157	1,168
Results and forecasts	**(KRWb)**												
Sales		19.5	13.5	10.0	2.5	51.3	41.1	28.9	35.7	10.9	39.0	-2.9	1.7
Domestic		10.7	-7.2	22.6	63.2	-19.8	-16.4	-76.3	-79.6	17.9	-50.1	43.8	10.3
International		50.0	-0.9	-24.1	152.7	-17.4	60.9	-176.2	-93.5	16.5	-49.8	73.9	0.9
Cargo		61.9	-0.2	-24.5	204.6	-13.9	55.2	-187.8	-87.8	22.4	-51.8	73.9	0.9

Source: Company data, Samsung securities

Korean Air (003490 | BUY | TP: KRW30,000)

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	16,112	17,871	24,839	24,129	24,549
Cost of goods sold	12,850	14,113	21,833	20,699	20,934
Gross profit	3,261	3,758	3,005	3,430	3,615
Gross margin (%)	20.2	21.0	12.1	14.2	14.7
SG&A expenses	1,471	1,648	1,952	1,915	1,945
Operating profit	1,790	2,110	1,053	1,515	1,670
Operating margin (%)	11.1	11.8	4.2	6.3	6.8
Non-operating gains (losses)	-214	-274	-132	87	-54
Financial profit	438	648	678	689	701
Financial costs	591	597	759	767	751
Equity-method gains (losses)	0	0	0	0	0
Other	-62	-326	-52	165	-4
Pre-tax profit	1,576	1,836	921	1,602	1,616
Taxes	447	454	256	444	448
Effective tax rate (%)	28.3	24.7	27.7	27.7	27.7
Profit from continuing operations	1,129	1,382	665	1,157	1,168
Profit from discontinued operations	0	0	0	0	0
Net profit	1,129	1,382	665	1,157	1,168
Net margin (%)	7.0	7.7	2.7	4.8	4.8
Net profit (controlling interests)	1,061	1,317	634	1,103	1,113
Net profit (non-controlling interests)	68	65	31	54	55
EBITDA	3,658	4,039	4,115	4,480	4,550
EBITDA margin (%)	22.7	22.6	16.6	18.6	18.5
EPS (parent-based) (KRW)	3,057	3,742	1,802	3,134	3,162
EPS (consolidated) (KRW)	3,057	3,742	1,802	3,134	3,162
Adjusted EPS (KRW)*	2,985	4,031	1,645	2,491	2,849

Notes: *Excluding one-off items
Source: Company data, Samsung Securities estimates

Balance Sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	8,595	11,617	13,004	14,740	16,628
Cash & equivalents	6,238	6,902	7,183	7,419	7,728
Accounts receivable	927	1,257	1,746	1,697	1,726
Inventories	854	1,171	1,627	1,581	1,608
Other current assets	577	2,287	2,448	4,044	5,566
Fixed assets	21,797	35,395	36,214	34,748	33,438
Investment assets	1,018	1,444	1,444	1,444	1,444
Tangible assets	18,175	28,374	27,988	27,200	26,501
Intangible assets	824	3,077	2,770	2,493	2,243
Other long-term assets	1,779	2,499	4,013	3,612	3,250
Total assets	30,392	47,012	49,218	49,488	50,066
Current liabilities	9,410	16,973	17,512	16,261	15,257
Accounts payable	240	352	489	475	483
Short-term debt	1,021	2,517	7,541	6,305	5,293
Other current liabilities	8,148	14,105	9,481	9,481	9,481
Long-term liabilities	11,167	19,075	20,299	20,994	21,691
Bonds & long-term debt	3,837	3,282	3,432	3,582	3,732
Other long-term liabilities	7,330	15,793	16,866	17,412	17,959
Total liabilities	20,577	36,049	37,998	37,444	37,136
Owners of parent equity	9,526	10,473	10,729	11,554	12,440
Capital stock	1,847	1,847	1,847	1,847	1,847
Capital surplus	4,145	4,145	4,071	4,071	4,071
Retained earnings	2,592	3,486	3,816	4,641	5,527
Other	942	995	995	995	995
Non-controlling interests' equity	289	490	490	490	490
Total equity	9,815	10,963	11,220	12,044	12,930
Net debt	4,594	12,365	13,136	12,313	11,641

Source: Company data, Samsung Securities estimates

Korean Air (003490 | BUY | TP: KRW30,000)

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	4,092	4,559	4,411	5,981	5,844
Net profit	1,129	1,382	665	1,157	1,168
Non-cash profit and expenses	2,500	2,830	3,074	2,652	2,790
Depreciation	1,666	1,737	2,887	2,788	2,699
Amortization	57	59	59	59	59
Other	777	1,034	129	-194	31
Changes in A/L from operating activities	-940	48	1,019	969	412
Cash flow from investments	-2,410	-871	-1,524	-1,119	-675
Change in tangible assets	40	39	37	7	16
Change in financial assets	341	-2,474	-1,980	-582	438
Other	-2,790	1,565	419	-545	-1,130
Cash flow from financing	-2,085	-2,163	-2,607	-4,626	-4,860
Change in debt	220	8,436	1,051	-586	-362
Change in equity	0	0	0	0	0
Dividends	-277	-277	-277	-95	-166
Other	-2,028	-10,321	-3,381	-3,944	-4,331
Change in cash	-434	1,593	280	236	309
Cash at beginning of year	1,057	623	2,216	2,496	2,732
Cash at end of year	623	2,216	2,496	2,732	3,042
Gross cash flow	2,988	2,239	5,666	3,941	3,965
Free cash flow	1,004	-4,589	2,861	2,476	2,324

Source: Company data, Samsung Securities estimates

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	14.3	10.9	39.0	-2.9	1.7
Operating profit	-36.8	17.9	-50.1	43.8	10.3
Net profit	-34.7	22.4	-51.8	73.9	0.9
Adjusted EPS*	-37.8	35.1	-59.2	51.4	14.4
Per-share data (KRW)					
EPS (parent-based)	3,057	3,742	1,802	3,134	3,162
EPS (consolidated)	3,057	3,742	1,802	3,134	3,162
Adjusted EPS**	2,985	4,031	1,645	2,491	2,849
BVPS	21,357	14,719	16,777	20,237	23,741
DPS (common)	750	750	260	450	450
Valuations (x)					
P/E**	7.1	5.2	12.8	8.5	7.4
P/B**	1.0	1.4	1.3	1.0	0.9
EV/EBITDA	3.4	5.0	5.1	4.5	4.3
Ratios (%)					
ROE	12.2	13.8	6.3	10.4	9.7
ROA	3.7	3.8	1.3	1.9	2.1
ROIC	10.0	9.3	4.5	6.6	6.6
Payout ratio	24.5	20.0	14.4	14.3	14.3
Dividend yield (common)	3.6	3.6	1.2	2.1	2.1
Net debt to equity	46.8	112.8	117.1	102.2	90.0
Interest coverage (x)	15.3	16.8	11.0	12.1	13.3

Notes: *Fully diluted, excluding one-off items **From companies subject to equity method valuation
Source: Company data, Samsung Securities estimates

Jeju Air (089590 | HOLD | TP: KRW6,000)

Key information

Target price	**KRW6,000 (+13.0%)**
Current price	**KRW5,310**
Market Cap	KRW428.2b
Shares (float)	80,640,985 (45.2%)
52-week high/low	KRW5,250/KRW9,780
Avg daily trading value(60-day)	KRW0.5b

Share performance (%)	**1M**	**6M**	**12M**
Jeju Air (%)	-10.0	-20.9	-42.9
Vs Kospi (%pts)	-8.0	-46.8	-62.5

Key data

(KRWb)	2024	2025E	2026E	2027E
Revenue	1,936	1,546	1,713	1,801
Operating profit	80	-164	60	122
Net profit (adj)	22	-172	33	53
EPS (adj) (KRW)	1,795	-1,508	1,024	1,282
EPS (adj) growth (%)	6.2	nm	nm	25.2
EBITDA margin (%)	15	2	15	17
ROE (%)	6.8	-65.2	13.3	15.8
P/E (adj) (x)	3.0	nm	5.2	4.1
P/B (x)	7.0	2.3	1.6	1.1
EV/EBITDA (x)	3.1	24.3	3.5	2.9
Dividend yield (%)	0.0	0.0	0.0	0.0

Note: Based on the closing price on Nov 25
Source: Company data, Samsung securities estimates

Investment points

Growing strategic pressure

- The merger between Jin Air, Air Busan, and Air Seoul in 2026 will create the largest domestic LCC and a new major player. With international passenger growth losing stream and 7 LCCs operating overseas routes (post-merger), competition is set to rise sharply.

- Forex-driven outbound demand risk is building, while reliance on a handful of high-yield routes combined with sluggish demand on Southeast Asia routes are eroding Jeju Air's earnings visibility.

- Applying the 2026E global peer P/B average of 1.98x (Bloomberg), we cut our target price by 25% to KRW6,000. Limited upside supports our HOLD recommendation. With a dominant FSC and mega-LCC expected to emerge in 2026, it is uncertain whether Jeju Air's traditional scale-driven strategy will remain effective.

Jeju Air (089590 | HOLD | TP: KRW6,000)

		1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	2024	2025E	2026E	2027E
Assumptions													
Average forex rate	(KRW/USD)	1,329	1,371	1,358	1,400	1,453	1,401	1,387	1,445	1,365	1,421	1,340	1,268
End-of-period forex rate	(KRW/USD)	1,347	1,377	1,315	1,472	1,473	1,354	1,404	1,450	1,472	1,450	1,300	1,250
Jet fuel price	(USD/bbl)	103	99	92	88	90	81	87	75	95	82	75	82
Domestic passengers													
RPK	(mil km)	562	598	582	573	420	584	585	541	2,315	2,130	2,151	2,173
	(%)	-8.6	-1.8	0.3	-1.6	-25.3	-2.4	0.6	-5.6	-3.0	-8.0	1.0	1.0
L/F	(%)	91.2	93.7	92.7	93.4	83.7	92.2	93.9	90.6	92.8	90.4	90.5	90.6
	(%pts)	-5.6	-2.7	-1.4	1.2	-7.5	-1.6	1.2	-2.8	-2.1	-2.4	0.1	0.1
Yield	(KRW)	112.3	125.2	117.7	116.9	86.6	102.3	99.4	100.1	118.1	97.8	98.9	98.0
	(%)	1.9	-0.4	-1.2	-3.2	-22.9	-18.3	-15.6	-14.4	-0.7	-17.2	1.1	-0.9
Yield	(US cents)	8.4	9.1	8.7	8.3	6.0	7.3	7.2	6.9	8.7	6.9	7.4	7.7
	(%)	-2.2	-4.4	-4.5	-8.7	-29.5	-20.0	-17.3	-17.0	-4.9	-20.5	7.2	4.7
International passengers													
RPK	(mil km)	4,928	4,580	4,703	4,579	3,764	3,540	4,370	4,485	18,789	16,159	17,529	18,437
	(%)	31.4	28.2	9.1	0.8	-23.6	-22.7	-7.1	-2.0	16.2	-14.0	8.5	5.2
L/F	(%)	90.5	88.8	88.2	87.0	77.3	85.3	83.5	85.4	88.6	82.9	85.5	85.8
	(%pts)	0.1	5.0	2.9	-0.1	-13.1	-3.5	-4.7	-1.7	2.0	-5.8	2.7	0.3
Yield	(KRW)	87.3	67.1	73.7	69.0	78.9	63.5	63.6	74.0	74.5	70.0	72.1	72.9
	(%)	3.3	-5.8	-3.0	-11.9	-9.5	-5.4	-13.7	7.2	-4.0	-6.0	2.9	1.2
Yield	(US cents)	6.6	4.9	5.4	4.9	5.4	4.5	4.6	5.1	5.5	4.9	5.4	5.8
	(%)	-0.8	-9.6	-6.3	-16.9	-17.2	-7.4	-15.5	3.9	-8.1	-9.7	9.2	7.0
Forecasts (KRWb)													
Sales		556	449	480	450	385	332	388	441	1,936	1,546	1,713	1,801
Domestic passenger		63	75	68	67	36	60	58	54	273	208	213	213
International passenger		430	307	346	316	297	225	278	332	1,400	1,132	1,263	1,345
Ancillary		36	36	37	38	29	30	33	34	149	127	133	140
Operating profit		79	-5	47	-40	-33	-42	-55	-35	80	-164	60	122
Operating margin (%)		14.2	-1.2	9.7	-8.9	-8.5	-12.6	-14.2	-7.9	4.1	-10.6	3.5	6.8
Pre-tax profit		59.0	-23.2	62.5	-89.4	-30.6	-11.5	-79.2	-99.3	8.8	-220.5	41.8	68.5
Net profit		47.2	-17.9	50.6	-58.1	-32.7	-9.9	-60.2	-68.9	21.7	-171.7	32.5	53.3
Growth (% y-y)													
Sales		30.8	20.1	8.4	-6.5	-30.8	-26.0	-19.2	-2.1	12.3	-20.1	10.8	5.2
Operating profit		11.8	nm	-3.5	-253.1	-141.3	nm	-218.2	-14.0	-52.9	-305.4	-136.8	102.2
Pre-tax profit		-7.1	nm	61.6	nm	-151.8	nm	-226.8	11.1	-94.9	-2,592.8	-118.9	63.9
Net profit		-2.1	nm	63.0	nm	-169.4	nm	-219.1	18.5	-83.8	-889.7	-118.9	63.9

Source: Company data, Samsung securities

Jeju Air (089590 | HOLD | TP: KRW6,000)

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	1,724	1,936	1,546	1,713	1,801
Cost of goods sold	1,386	1,662	1,546	1,488	1,508
Gross profit	338	273	1	225	293
Gross margin (%)	19.6	14.1	0.0	13.1	16.3
SG&A expenses	168	194	165	164	171
Operating profit	170	80	-164	60	122
Operating margin (%)	9.8	4.1	-10.6	3.5	6.8
Non-operating gains (losses)	3	-71	-56	-19	-54
Financial profit	20	16	8	9	10
Financial costs	39	31	71	75	80
Equity-method gains (losses)	0	0	0	0	0
Other	22	-56	7	47	16
Pre-tax profit	173	9	-221	42	68
Taxes	38	-13	-49	9	15
Effective tax rate (%)	22.1	-145.8	22.1	22.1	22.1
Profit from continuing operations	134	22	-172	33	53
Profit from discontinued operations	0	0	0	0	0
Net profit	134	22	-172	33	53
Net margin (%)	7.8	1.1	-11.1	1.9	3.0
Net profit (controlling interests)	134	22	-172	33	53
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	355	283	36	250	305
EBITDA margin (%)	21	15	2	15	17
EPS (parent-based) (KRW)	1,666	270	-2,129	403	661
EPS (consolidated) (KRW)	1,666	270	-2,129	403	661
Adjusted EPS (KRW)*	1,691	1,795	-1,508	1,024	1,282

Notes: *Excluding one-off items
Source: Company data, Samsung Securities estimates

Balance Sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	508	473	373	533	661
Cash & equivalents	316	201	250	299	349
Accounts receivable	80	43	34	38	40
Inventories	24	35	25	25	24
Other current assets	88	194	64	171	249
Fixed assets	1,473	1,525	1,508	1,503	1,506
Investment assets	16	30	31	33	34
Tangible assets	579	664	655	655	661
Intangible assets	37	32	22	16	11
Other long-term assets	842	800	800	800	800
Total assets	1,981	1,999	1,881	2,036	2,168
Current liabilities	1,122	1,122	1,126	1,197	1,224
Accounts payable	4	4	3	4	4
Short-term debt	196	265	392	464	490
Other current liabilities	921	853	730	730	730
Long-term liabilities	548	552	553	554	556
Bonds & long-term debt	0	0	0	0	0
Other long-term liabilities	548	552	553	554	556
Total liabilities	1,670	1,674	1,679	1,751	1,779
Owners of parent equity	311	324	202	285	388
Capital stock	81	81	81	81	81
Capital surplus	598	121	121	121	121
Retained earnings	-400	89	-32	50	154
Other	32	33	33	33	33
Non-controlling interests' equity	0	0	0	0	0
Total equity	311	324	202	285	388
Net debt	469	506	461	483	460

Source: Company data, Samsung Securities estimates

Jeju Air (089590 | HOLD | TP: KRW6,000)

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	388	163	-49	112	174
Net profit	134	22	-172	33	53
Non-cash profit and expenses	247	245	300	-37	190
Depreciation	118	129	129	120	113
Amortization	9	9	9	9	9
Other	120	107	162	-165	68
Changes in A/L from operating activities	82	32	-130	159	-110
Cash flow from investments	-77	-22	185	-83	-101
Change in tangible assets	-247	-120	-120	-120	-120
Change in financial assets	5	-19	-1	-1	-1
Other	165	117	305	38	20
Cash flow from financing	-298	-165	-86	21	-24
Change in debt	122	-78	4	71	26
Change in equity	4	0	0	0	0
Dividends	-8	-2	0	0	0
Other	-416	-85	-90	-50	-50
Change in cash	12	-22	50	50	50
Cash at beginning of year	200	212	190	240	290
Cash at end of year	212	190	240	290	340
Gross cash flow	426	138	-67	115	175
Free cash flow	153	29	74	-1	59

Source: Company data, Samsung Securities estimates

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	531.3	12.3	-20.1	10.8	5.2
Operating profit	nm	-52.9	nm	nm	102.2
Net profit	nm	-83.8	nm	nm	63.9
Adjusted EPS*	nm	6.2	nm	nm	25.2
Per-share data (KRW)					
EPS (parent-based)	1,666	270	-2,129	403	661
EPS (consolidated)	1,666	270	-2,129	403	661
Adjusted EPS**	1,691	1,795	-1,508	1,024	1,282
BVPS	823	823	823	823	823
DPS (common)	0	0	0	0	0
Valuations (x)					
P/E**	3.2	3.0	nm	5.2	4.2
P/B**	6.5	7.0	2.4	1.6	1.1
EV/EBITDA	2.5	3.1	24.4	3.5	2.9
Ratios (%)					
ROE	44.9	6.8	-65.2	13.3	15.8
ROA	7.2	7.3	-6.3	4.2	4.9
ROIC	32.6	15.3	-33.3	24.3	23.6
Payout ratio	0.0	0.0	0.0	0.0	0.0
Dividend yield (common)	0.0	0.0	0.0	0.0	0.0
Net debt to equity	150.8	156.1	227.7	169.4	118.4
Interest coverage (x)	13.3	11.9	-0.4	2.8	3.4

Notes: *Fully diluted, excluding one-off items **From companies subject to equity method valuation
Source: Company data, Samsung Securities estimates

Jin Air (272450 | BUY | TP: KRW10,000)

Key information

Target price	**KRW10,000 (+51.3%)**
Current price	**KRW6,610**
Market Cap	KRW345.0b
Shares (float)	52,200,000 (42.1%)
52-week high/low	KRW6,570 /KRW11,940
Avg daily trading value (60-day)	KRW0.6b

Share performance (%)	**1M**	**6M**	**12M**
Jin Air (%)	-9.8	-27.8	-38.6
Vs Kospi (%pts)	-7.9	-51.5	-59.7

Key data

(KRWb)	**2024**	**2025E**	**2026E**	**2027E**
Revenue	1,461	1,368	1,424	1,475
Operating profit	163	-10	65	87
Net profit (adj)	96	-13	66	60
EPS (adj) (KRW)	2,370	282	1,789	1,686
EPS (adj) growth (%)	-9.8	-88.1	533.5	-5.8
EBITDA margin (%)	17.9	7.4	12.6	13.9
ROE (%)	51.2	-5.8	26.2	19.2
P/E (adj) (x)	2.8	23.4	3.7	3.9
P/B (x)	2.3	1.5	1.2	1.0
EV/EBITDA (x)	1.6	4.1	2.3	2.0
Dividend yield (%)	0.0	0.0	0.0	0.0

Note: Based on the closing price as of Nov 25
Source: Company data, Samsung securities estimates

Investment points

Merger synergies expected

- The integration with Air Busan and Air Seoul will create the largest LCC in Korea, lifting the new entity's international passenger share above 13% (vs Jeju Air and T'way Air's 7-8% each).

- Fleet expansion combined with strengthened codeshare ties with Korean Air should support Jin Air's earnings even if passenger growth moderates.

- Applying the 2026E global peer P/B average of 1.98x (Bloomberg), we trim our target price by 23% to KRW10,000 but maintain BUY. The carrier continues to deliver the highest international yield among listed LCCs, underpinning its superior profitability. Despite forex volatility and softer passenger growth, the stock trades at an excessive discount relative to its fundamentals.

Jin Air (272450 | BUY | TP: KRW10,000)

		1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	2024	2025E	2026E	2027E
Assumptions													
Average forex rate	(KRW/USD)	1,329	1,371	1,358	1,400	1,453	1,401	1,387	1,445	1,365	1,421	1,340	1,268
End-of-period forex rate	(KRW/USD)	1,347	1,377	1,315	1,472	1,473	1,354	1,404	1,450	1,472	1,450	1,300	1,250
Jet fuel price	(USD/bbl)	103	99	92	88	90	81	87	76	106	93	85	93
Domestic passengers													
RPK	(mil km)	355	412	405	372	304	389	439	358	1,544	1,490	1,505	1,520
	(%)	-11.3	-8.6	-2.6	-4.4	-14.4	-5.6	8.4	-3.8	-6.8	-3.5	1.0	1.0
L/F	(%)	85.1	88.2	85.8	84.9	80.4	84.7	84.4	85.6	86.1	83.9	83.9	84.0
	(%pts)	-2.8	-1.8	-1.2	-0.9	-4.7	-3.5	-1.4	0.7	-1.7	-2.1	0.0	0.0
Yield	(KRW)	162.8	178.2	170.6	174.0	150.7	159.8	149.7	147.7	171.6	152.1	151.8	151.9
	(%)	-4.8	1.4	1.5	-0.3	-7.4	-10.4	-12.2	-15.1	-0.5	-11.4	-0.2	0.1
Yield	(US cents)	12.2	13.0	12.6	12.4	10.4	11.4	10.8	10.2	12.6	10.7	11.3	12.0
	(%)	-8.6	-2.8	-1.9	-6.0	-15.3	-12.3	-14.1	-17.8	-4.8	-14.9	5.9	5.7
International passengers													
RPK	(mil km)	3,144	2,438	2,807	2,973	3,231	2,549	2,673	2,963	11,362	11,416	11,986	12,466
	(%)	27.9	22.2	13.0	19.6	2.8	4.6	-4.8	-0.4	20.6	0.5	5.0	4.0
L/F	(%)	91.0	88.7	87.7	90.0	89.7	87.8	85.6	87.6	89.4	87.8	87.8	87.9
	(%pts)	2.0	2.4	0.1	2.3	-1.3	-0.8	-2.0	-2.4	1.7	-1.6	0.1	0.1
Yield	(KRW)	110.8	87.7	96.6	90.4	107.8	87.4	81.8	89.2	97.0	92.3	92.2	92.3
	(%)	2.6	8.1	3.7	-10.7	-2.7	-0.3	-15.3	-1.3	0.4	-4.8	-0.2	0.2
Yield	(US cents)	8.3	6.4	7.1	6.5	7.4	6.2	5.9	6.2	7.1	6.5	6.9	7.3
	(%)	-1.4	3.7	0.2	-15.8	-11.0	-2.5	-17.1	-4.4	-3.9	-8.6	5.9	5.9
Forecasts (KRWb)													
Sales		430	308	365	358	418	306	304	340	1,461	1,368	1,424	1,475
Domestic passenger		58	73	69	65	46	62	66	53	265	227	228	231
International passenger		348	214	271	269	348	223	219	264	1,102	1,054	1,105	1,151
Ancillary		24	21	24	25	24	21	20	23	94	88	91	94
Operating profit		98	1	40	24	58	-42	-23	-4	163	-10	65	87
Operating margin (%)		22.9	0.3	11.0	6.6	13.9	-13.8	-7.4	-1.1	11.2	-0.7	4.5	5.9
Pre-tax profit		86.9	-7.5	54.3	-11.1	57.8	-20.2	-34.5	-19.7	122.7	-16.6	84.2	77.3
Net profit		68.3	-5.9	42.0	-8.7	45.7	-15.7	-27.5	-15.4	95.7	-13.0	65.7	60.3
Growth (% y-y)													
Sales		22.1	19.0	13.1	4.4	-2.9	-0.7	-16.5	-5.1	14.4	-6.4	4.1	3.6
Operating profit		16.0	-94.9	23.1	-49.7	-40.8	-4,775.3	-156.1	-115.7	-10.5	-106.3	-730.9	34.0
Pre-tax profit		13.5	-153.8	103.7	-119.5	-33.5	170.7	-163.5	78.3	-29.4	-113.5	-607.1	-8.2
Net profit		13.8	-154.5	100.0	-120.7	-33.1	168.0	-165.6	76.9	-28.5	-113.5	-607.1	-8.2

Source: Company data, Samsung securities

Jin Air (272450 | BUY | TP: KRW10,000)

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	1,277	1,461	1,368	1,424	1,475
Cost of goods sold	998	1,179	1,259	1,236	1,262
Gross profit	280	282	109	188	214
Gross margin (%)	21.9	19.3	7.9	13.2	14.5
SG&A expenses	97	119	119	123	127
Operating profit	182	163	-10	65	87
Operating margin (%)	14.3	11.2	-0.7	4.5	5.9
Non-operating gains (losses)	-8	-40	-6	20	-9
Financial profit	12	22	23	25	26
Financial costs	17	23	33	36	34
Equity-method gains (losses)	0	0	0	0	0
Other	-3	-39	3	31	-1
Pre-tax profit	174	123	-17	84	77
Taxes	40	27	-4	19	17
Effective tax rate (%)	23.0	22.0	22.0	22.0	22.0
Profit from continuing operations	134	96	-13	66	60
Profit from discontinued operations	0	0	0	0	0
Net profit	134	96	-13	66	60
Net margin (%)	10.5	6.5	-0.9	4.6	4.1
Net profit (controlling interests)	134	96	-13	66	60
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	273	261	102	180	205
EBITDA margin (%)	21.4	17.9	7.4	12.6	13.9
EPS (parent-based) (KRW)	2,564	1,834	-248	1,259	1,155
EPS (consolidated) (KRW)	2,564	1,834	-248	1,259	1,155
Adjusted EPS (KRW)*	2,626	2,370	282	1,789	1,686

Notes: *Excluding one-off items
Source: Company data, Samsung Securities estimates

Balance Sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	492	681	687	814	860
Cash & equivalents	418	592	642	672	702
Accounts receivable	40	42	39	41	43
Inventories	2	1	1	1	1
Other current assets	32	46	4	100	114
Fixed assets	460	546	621	621	622
Investment assets	31	61	58	59	59
Tangible assets	1	1	1	1	1
Intangible assets	3	3	2	2	1
Other long-term assets	426	481	560	560	560
Total assets	952	1,227	1,308	1,435	1,481
Current liabilities	487	583	629	666	640
Accounts payable	0	0	0	0	0
Short-term debt	0	0	46	83	57
Other current liabilities	487	583	583	583	583
Long-term liabilities	323	413	461	485	497
Bonds & long-term debt	0	0	0	0	0
Other long-term liabilities	323	413	461	485	497
Total liabilities	809	996	1,090	1,151	1,137
Owners of parent equity	143	231	218	284	344
Capital stock	52	52	52	52	52
Capital surplus	296	296	296	296	296
Retained earnings	-195	-107	-120	-54	6
Other	-11	-10	-10	-10	-10
Non-controlling interests' equity	0	0	0	0	0
Total equity	143	231	218	284	344
Net debt	-172	-271	-230	-200	-245

Source: Company data, Samsung Securities estimates

Jin Air (272450 | BUY | TP: KRW10,000)

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	417	329	191	242	274
Net profit	134	96	-13	66	60
Non-cash profit and expenses	221	255	124	270	223
Depreciation	90	97	111	114	117
Amortization	1	1	1	1	1
Other	131	158	12	155	105
Changes in A/L from operating activities	59	-28	54	-99	-19
Cash flow from investments	-219	-113	15	-62	-50
Change in tangible assets	0	0	-111	-114	-117
Change in financial assets	-214	-96	-19	0	0
Other	-4	-17	145	52	67
Cash flow from financing	-224	-131	-156	-150	-193
Change in debt	-48	75	91	60	-15
Change in equity	0	0	0	0	0
Dividends	-5	0	0	0	0
Other	-170	-206	-247	-210	-179
Change in cash	-26	85	50	30	30
Cash at beginning of year	75	50	135	185	215
Cash at end of year	50	135	185	215	245
Gross cash flow	425	330	188	244	275
Free cash flow	438	341	279	242	273

Source: Company data, Samsung Securities estimates

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	115.2	14.4	-6.4	4.1	3.6
Operating profit	nm	-10.5	nm	nm	34.0
Net profit	nm	-28.5	nm	nm	-8.2
Adjusted EPS*	nm	-9.8	-88.1	533.5	-5.8
Per-share data (KRW)					
EPS (parent-based)	2,564	1,834	-248	1,259	1,155
EPS (consolidated)	2,564	1,834	-248	1,259	1,155
Adjusted EPS**	2,626	2,370	282	1,789	1,686
BVPS	935	2,869	4,323	5,594	6,758
DPS (common)	0	0	0	0	0
Valuations (x)					
P/E**	2.5	2.8	23.4	3.7	3.9
P/B**	7.1	2.3	1.5	1.2	1.0
EV/EBITDA	1.5	1.6	4.1	2.3	2.0
Ratios (%)					
ROE	112.5	51.2	-5.8	26.2	19.2
ROA	16.0	11.4	1.2	6.8	6.0
ROIC	208.1	-282.8	21.0	205.4	72.7
Payout ratio	0.0	0.0	0.0	0.0	0.0
Dividend yield (common)	0.0	0.0	0.0	0.0	0.0
Net debt to equity	Net cash	Net cash	Net cash	Net cash	Net cash
Interest coverage (x)	59.5	227.4	10.4	16.2	25.7

Notes: *Fully diluted, excluding one-off items **From companies subject to equity method valuation
Source: Company data, Samsung Securities estimates

T'way Air (091810 | HOLD | TP: KRW1,500)

Key information

Target price	**KRW1,500 (-5.6%)**
Current price	**KRW1,589**
Market cap	KRW432.5b
Shares (float)	272,167,825 (33.8%)
52-week high/low	KRW1,589/KRW4,110
Avg daily trading value (60-day)	KRW0.6b

Share performance (%)	**1M**	**6M**	**12M**
T'way Air (%)	-12.7	-23.6	-46.0
Vs Kospi (%pts)	-10.8	-48.7	-64.6

Key data

(KRWb)	**2024**	**2025E**	**2026E**	**2027E**
Revenue	1,537	1,759	1,952	2,116
Operating profit	-12	-253	45	143
Net profit (adj)	-66	-292	40	117
EPS (adj) (KRW)	-234	-1,162	228	528
EPS (adj) growth (%)	nm	nm	nm	131.9
EBITDA margin (%)	19.8	11.1	26.2	29.5
ROE (%)	-55.0	-602.6	88.8	79.1
P/E (adj) (x)	nm	nm	7.0	3.0
P/B (x)	nm	23.8	5.6	2.0
EV/EBITDA (x)	1.5	2.4	0.9	0.7
Dividend yield (%)	0.0	0.0	0.0	0.0

Note: Based on the closing price on Nov 25
Source: Company data, Samsung securities estimates

Investment points

Transitioning towards an FSC model

- T'way Air is expanding into long-haul markets—including Europe, North America, and Oceania—by inheriting routes previously operated by KAL and Asiana. Its fleet is also growing with the addition of mid- to large-widebody aircraft. The key issue remains the timing of profitability improvement: losses have persisted since 1Q24 due to the burden associated with its launching new long-haul services.

- With short-haul competition intensifying amid slowing passenger growth, profit on its new long-haul routes requires more time to stabilize. KAL and Asiana together hold a 95% share of passengers on long-haul routes, making competition challenging.

- We cut out target price by 25% to KRW1,500 as we newly apply a 2027E global peer P/B of 1.8x (Bloomberg), but maintain HOLD. Long-haul expansion efforts continue to weigh on its earnings, and international passenger demand growth is slowing, reducing its earnings visibility.

T'way Air (091810 | HOLD | TP: KRW1,500)

		1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	2024	2025E	2026E	2027E
Assumptions													
Average forex rate	(KRW/USD)	1,329	1,371	1,358	1,400	1,453	1,401	1,387	1,445	1,365	1,421	1,340	1,268
End-of-period forex rate	(KRW/USD)	1,347	1,377	1,315	1,472	1,473	1,354	1,404	1,450	1,472	1,450	1,300	1,250
Jet fuel price	(USD/bbl)	103	99	92	88	90	81	87	75	95	82	74	81
Domestic passengers													
RPK	(mil km)	359	365	360	374	349	385	389	379	1,458	1,502	1,547	1,593
	(%)	-13.1	-16.7	-7.5	-1.6	-2.8	5.5	8.1	1.3	-10.0	3.0	3.0	3.0
L/F	(%)	92.8	93.8	91.4	93.5	88.4	92.1	89.6	89.8	92.9	90.0	89.9	89.8
	(%pts)	3.9	-0.4	-1.9	0.1	-4.4	-1.7	-1.7	-3.7	0.5	-2.9	-0.1	-0.1
Yield	(KRW)	149.1	163.9	156.5	156.1	130.9	144.9	125.8	122.4	156.4	131.0	131.4	131.8
	(%)	-11.6	-2.3	-2.0	-1.9	-12.2	-11.6	-19.6	-21.6	-4.7	-16.2	0.3	0.3
Yield	(US cents)	11.2	12.0	11.5	11.2	9.0	10.3	9.1	8.5	11.5	9.2	9.8	10.4
	(%)	-15.1	-6.3	-5.4	-7.5	-19.6	-13.5	-21.3	-24.1	-8.7	-19.6	6.4	6.0
International passengers													
RPK	(mil km)	3,513	3,205	3,755	4,034	4,278	3,935	5,686	5,685	14,507	19,584	21,706	23,239
	(%)	33.4	27.4	17.9	31.2	21.8	22.8	51.4	40.9	27.2	35.0	10.8	7.1
L/F	(%)	90.8	88.3	87.5	85.9	85.6	83.8	83.3	83.9	88.0	84.1	84.2	84.3
	(%pts)	2.9	4.1	-0.3	-2.0	-5.2	-4.6	-4.2	-2.0	1.0	-3.9	0.2	0.1
Yield	(KRW)	102.3	79.5	86.7	77.2	90.4	74.8	57.6	65.0	86.2	70.4	71.8	73.4
	(%)	-2.0	-1.8	0.5	-16.3	-11.7	-5.9	-33.6	-15.7	-5.1	-18.4	2.1	2.3
Yield	(US cents)	7.7	5.8	6.4	5.5	6.2	5.3	4.2	4.5	6.3	5.0	5.4	5.8
	(%)	-5.9	-5.8	-2.9	-21.0	-19.2	-7.9	-35.0	-18.3	-9.2	-21.7	8.3	8.1
Forecasts (KRWb)													
Sales		423	326	395	393	447	378	450	485	1,537	1,759	1,952	2,116
Domestic passenger		54	60	56	58	46	56	49	46	228	197	203	210
International passenger		359	255	326	311	387	294	327	370	1,251	1,378	1,559	1,707
Ancillary		10	11	13	24	14	28	73	69	58	184	190	199
Operating profit		76	-22	-6	-61	-35	-78	-96	-44	-12	-253	45	143
Operating margin (%)		18.0	-6.6	-1.5	-15.5	-7.9	-20.7	-21.2	-9.0	-0.8	-14.4	2.3	6.7
Pre-tax profit		63.1	-33.1	-2.9	-98.2	-43.2	-65.4	-125.0	-55.2	-71.1	-288.8	46.6	135.3
Net profit		48.0	-24.8	-2.2	-86.9	-44.8	-78.1	-124.7	-45.3	-65.9	-291.7	40.4	117.4
Growth (% y-y)													
Sales		17.9	13.9	14.4	9.5	5.6	16.0	13.9	23.3	13.9	14.5	11.0	8.4
Operating profit		-7.7	nm	nm	nm	-146.6	nm	nm	nm	-108.8	1,961.8	-117.7	219.7
Pre-tax profit		2.7	nm	nm	nm	-168.4	nm	nm	nm	nm	nm	-116.1	190.6
Net profit		3.6	nm	nm	nm	-193.3	nm	nm	nm	nm	nm	-113.8	190.6

Source: Company data, Samsung securities

T'way Air (091810 | HOLD | TP: KRW1,500)

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	1,349	1,537	1,759	1,952	2,116
Cost of goods sold	1,096	1,403	1,839	1,732	1,799
Gross profit	252	134	-80	219	317
Gross margin (%)	18.7	8.7	-4.5	11.2	15.0
SG&A expenses	113	146	173	175	174
Operating profit	139	-12	-253	45	143
Operating margin (%)	10.3	-0.8	-14.4	2.3	6.7
Non-operating gains (losses)	-28	-59	-36	2	-8
Financial profit	51	66	2	-33	-3
Financial costs	79	124	37	-36	3
Equity-method gains (losses)	0	0	0	0	0
Other	0	-2	-1	-1	-1
Pre-tax profit	112	-71	-289	47	135
Taxes	13	-5	3	6	18
Effective tax rate (%)	11.4	7.3	-1.0	13.2	13.2
Profit from continuing operations	99	-66	-292	40	117
Profit from discontinued operations	0	0	0	0	0
Net profit	99	-66	-292	40	117
Net margin (%)	7.3	-4.3	-16.6	2.1	5.5
Net profit (controlling interests)	99	-66	-292	40	117
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	378	305	195	511	625
EBITDA margin (%)	28.0	19.8	11.1	26.2	29.5
EPS (parent-based) (KRW)	494	-306	-1,072	148	431
EPS (consolidated) (KRW)	494	-306	-1,072	148	431
Adjusted EPS (KRW)*	455	-234	-1,162	228	528

Notes: *Excluding one-off items
Source: Company data, Samsung Securities estimates

Balance Sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	454	441	569	716	942
Cash & equivalents	277	215	245	275	305
Accounts receivable	29	35	40	45	48
Inventories	22	41	47	52	56
Other current assets	126	150	237	345	533
Fixed assets	830	1,122	1,025	970	946
Investment assets	0	0	0	0	0
Tangible assets	72	156	255	354	454
Intangible assets	3	3	0	0	0
Other long-term assets	755	962	769	616	492
Total assets	1,284	1,562	1,594	1,687	1,888
Current liabilities	465	585	735	723	732
Accounts payable	0	0	0	0	0
Short-term debt	0	0	124	151	104
Other current liabilities	465	585	611	572	628
Long-term liabilities	661	895	845	887	936
Bonds & long-term debt	0	0	0	0	0
Other long-term liabilities	661	895	845	887	936
Total liabilities	1,127	1,480	1,579	1,610	1,668
Owners of parent equity	157	82	15	76	220
Capital stock	105	108	136	136	136
Capital surplus	345	41	218	218	218
Retained earnings	-296	-69	-342	-280	-137
Other	3	3	3	3	3
Non-controlling interests' equity	0	0	0	0	0
Total equity	157	82	15	76	220
Net debt	97	305	278	175	89

Source: Company data, Samsung Securities estimates

T'way Air (091810 | HOLD | TP: KRW1,500)

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	415	272	1	397	449
Net profit	99	-66	-292	40	117
Non-cash profit and expenses	274	340	348	368	421
Depreciation	99	116	173	177	179
Amortization	1	1	1	1	1
Other	174	224	174	190	240
Changes in A/L from operating activities	40	-5	-60	-14	-81
Cash flow from investments	-142	-224	-60	-204	-204
Change in tangible assets	0	0	-299	-249	-306
Change in financial assets	19	-27	0	0	0
Other	-162	-198	239	45	101
Cash flow from financing	-162	-143	89	-164	-214
Change in debt	-35	146	3	-73	-57
Change in equity	9	3	28	0	0
Dividends	0	0	0	0	0
Other	-137	-291	57	-90	-158
Change in cash	111	-89	30	30	30
Cash at beginning of year	84	195	106	136	166
Cash at end of year	195	106	136	166	196
Gross cash flow	431	298	12	407	457
Free cash flow	378	162	47	298	350

Source: Company data, Samsung Securities estimates

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	156.5	13.9	14.5	11.0	8.4
Operating profit	nm	nm	nm	nm	219.7
Net profit	nm	nm	nm	nm	190.6
Adjusted EPS*	nm	nm	nm	nm	131.9
Per-share data (KRW)					
EPS (parent-based)	494	-306	-1,072	148	431
EPS (consolidated)	494	-306	-1,072	148	431
Adjusted EPS**	455	-234	-1,162	228	528
BVPS	116	-289	67	285	813
DPS (common)	0	0	0	0	0
Valuations (x)					
P/E**	3.5	nm	nm	7.0	3.0
P/B**	13.7	nm	23.8	5.6	2.0
EV/EBITDA	1.2	1.5	2.4	0.9	0.7
Ratios (%)					
ROE	91.6	-55.0	-602.6	88.8	79.1
ROA	8.1	-3.5	-17.3	3.8	8.0
ROIC	45.1	-13.3	-77.9	23.1	49.0
Payout ratio	0.0	0.0	0.0	0.0	0.0
Dividend yield (common)	0.0	0.0	0.0	0.0	0.0
Net debt to equity	61.6	370.3	1,915.2	229.2	40.4
Interest coverage (x)	10.0	3.8	-2.1	10.2	22.0

Notes: *Fully diluted, excluding one-off items **From companies subject to equity method valuation
Source: Company data, Samsung Securities estimates

FSCs: Peer valuation table

(USDm)		Korean Air	Delta Airlines	American Airlines	United Continental	Cathay Pacific	Japan Airlines	ANA	Air France
Ticker		003490 KS	DAL US	AAL US	UAL US	293 HK	9201 JP	9202 JP	AF FP
Market cap		5,299.8	39,615.3	8,647.1	31,335.0	10,013.3	8,289.3	9,079.9	3,174.1
Sales	2023	10,937	58,048	52,788	53,717	12,142	10,529	13,104	34,584
	2024	12,131	61,643	54,211	57,063	13,413	11,754	14,417	36,243
	2025E	16,861	58,534	54,854	59,182	14,242	12,683	15,668	37,992
	2026E	16,380	62,219	58,474	63,729	14,838	13,148	16,231	39,622
	2027E	16,665	65,542	61,446	67,597	15,796	13,593	16,654	41,758
Operating margin	2023	11.1	9.5	5.7	7.8	16.2	8.5	10.1	5.6
(%)	2024	11.8	9.7	4.8	8.9	13.3	9.1	8.7	4.7
	2025E	4.2	10.3	3.5	8.6	11.7	10.0	8.2	5.6
	2026E	6.3	10.8	5.0	9.2	10.9	10.3	8.4	6.2
	2027E	6.8	10.9	5.6	9.6	11.0	10.6	8.5	6.7
EBITDA margin	2023	22.7	15.2	13.8	14.5	29.2	nm	17.1	14.3
(%)	2024	22.6	15.4	12.4	15.5	24.8	15.8	15.4	13.6
	2025E	16.6	14.6	7.2	13.7	22.6	18.5	14.5	14.6
	2026E	18.6	15.4	8.7	14.3	21.5	18.8	14.8	15.1
	2027E	18.5	15.8	9.2	14.8	21.1	19.5	15.0	15.5
ROE	2023	12.2	52.1	nm	32.3	19.2	4.3	16.5	nm
(%)	2024	13.8	26.2	nm	28.6	18.7	11.4	14.1	nm
	2025E	6.3	22.7	-13.7	25.1	15.5	12.0	11.4	-49.1
	2026E	10.4	22.4	-10.9	23.9	15.3	11.6	10.8	-120.8
	2027E	9.7	20.3	-121.1	21.3	15.2	11.4	10.4	129.8
P/E	2023	7.1	8.4	10.4	12.0	8.2	13.6	8.8	2.0
(x)	2024	5.3	11.3	10.2	10.0	7.8	12.1	9.0	8.7
	2025E	12.9	10.1	17.8	8.9	9.0	10.3	10.0	2.7
	2026E	8.5	8.4	7.0	7.4	8.7	9.6	9.7	2.6
	2027E	7.5	7.6	5.2	6.7	7.6	9.0	9.3	2.2
P/B	2023	1.0	3.5	-1.6	3.4	1.5	1.4	1.3	-1.3
(x)	2024	1.4	2.6	-2.2	2.5	1.4	1.3	1.2	-1.6
	2025E	1.3	2.0	-2.5	2.0	1.3	1.1	1.1	-6.4
	2026E	1.1	1.6	-5.0	1.5	1.2	1.1	1.0	2.5
	2027E	0.9	1.4	-86.2	1.2	1.1	1.0	1.0	1.0
EV/EBITDA	2023	3.4	7.1	5.7	6.6	4.7	5.1	4.7	2.1
(x)	2024	5.0	6.3	5.8	5.7	5.2	4.5	4.5	2.6
	2025E	5.1	6.5	7.8	6.1	5.0	3.8	4.3	2.2
	2026E	4.5	5.5	6.4	5.5	4.8	3.5	4.2	2.0
	2027E	4.3	4.9	5.6	5.1	4.4	3.3	4.1	1.8
Net debt	2023	3,118	23,413	33,085	20,029	6,781	nm	1,442	7,035
	2024	8,394	19,702	30,566	19,158	7,446	1,105	845	9,870
	2025E	8,917	16,190	22,409	18,162	6,212	703	822	8,960
	2026E	8,359	13,129	23,645	19,137	5,418	445	1,120	9,074
	2027E	7,903	10,972	23,227	19,905	4,553	446	1,182	8,495

Source: Bloomberg, Samsung Securities

LCCs: Peer valuation table

(USDm)		Jeju Air	Jin Air	T'way Air	Southwest Airlines	Spring Airlines	Juneyao Airlines	Norwegian Air	Easyjet
Ticker		089590 KS	272450 KS	091810 KS	LUV US	601021 CH	603885 CH	NAS NO	EZJ LN
Market cap		297.1	241.5	293.8	17,210.9	7,582.2	3,926.4	355.7	4,772.0
Sales	2023	1,170	867	916	26,091	2,525	2,829	2,495	10,708
	2024	1,314	992	1,043	27,483	2,816	3,111	3,450	12,199
	2025E	1,050	929	1,194	28,181	3,002	3,168	3,666	13,248
	2026E	1,163	967	1,325	30,356	3,336	3,403	3,917	14,122
	2027E	1,223	1,002	1,436	31,967	3,693	3,645	4,128	15,143
Operating margin	2023	9.8	14.3	10.3	0.9	16.0	12.5	8.7	5.5
(%)	2024	4.1	11.2	-0.8	1.2	14.6	11.6	5.3	6.3
	2025E	-10.6	-0.7	-14.4	2.1	13.4	6.2	10.1	6.7
	2026E	3.5	4.5	2.3	5.5	16.0	9.4	8.8	7.0
	2027E	6.8	5.9	6.7	6.9	17.1	11.3	9.1	7.3
EBITDA margin	2023	20.6	21.4	28.0	7.7	29.3	27.3	22.6	13.8
(%)	2024	14.6	17.9	19.8	8.2	28.3	26.7	18.9	14.6
	2025E	2.3	7.4	11.1	7.8	27.3	21.7	21.2	14.6
	2026E	14.6	12.6	26.2	11.0	29.3	25.1	21.9	14.9
	2027E	16.9	13.9	29.5	12.5	29.6	27.0	22.3	15.3
ROE	2023	44.9	112.5	91.6	4.4	15.3	8.6	34.8	12.2
(%)	2024	6.8	51.2	-55.0	4.5	13.7	10.4	20.8	15.7
	2025E	-65.2	-5.8	-602.6	6.7	12.5	11.5	38.5	15.3
	2026E	13.3	26.2	88.8	14.4	14.5	16.1	29.6	15.1
	2027E	15.8	19.2	79.1	18.1	15.1	17.9	27.6	15.0
P/E	2023	3.2	2.6	3.5	42.7	23.8	36.5	9.0	11.1
(x)	2024	3.0	2.9	-6.8	42.7	23.6	30.4	11.7	8.0
	2025E	-3.6	24.2	-1.4	30.7	23.0	24.8	8.3	7.4
	2026E	5.3	3.8	7.0	12.5	17.7	15.7	7.9	6.6
	2027E	4.2	4.1	3.0	9.4	15.2	12.2	7.0	5.9
P/B	2023	6.6	7.3	13.8	1.9	3.4	3.3	2.7	1.3
(x)	2024	7.1	2.4	-5.5	1.9	3.1	3.2	2.2	1.2
	2025E	2.4	1.6	23.8	2.1	2.8	2.8	2.4	1.1
	2026E	1.6	1.2	5.6	1.9	2.5	2.5	2.1	0.9
	2027E	1.2	1.0	2.0	1.6	2.2	2.2	1.7	0.8
EV/EBITDA	2023	2.6	0.7	1.4	7.4	12.3	10.3	1.1	3.2
(x)	2024	3.3	0.3	2.4	7.4	11.2	10.2	1.3	2.5
	2025E	25.1	1.2	3.7	9.0	11.1	7.7	1.7	2.2
	2026E	3.7	0.9	1.2	6.1	9.4	5.6	1.5	2.0
	2027E	3.0	0.5	0.8	5.1	8.6	4.3	1.4	2.0
Net debt	2023	319	-117	66	-2,245	1,484	4,016	290	-94
	2024	343	-184	207	-645	1,369	4,512	508	-304
	2025E	313	-156	189	2,750	1,505	1,333	989	-572
	2026E	328	-136	119	3,179	1,643	896	970	-623
	2027E	312	-166	60	3,269	1,785	272	938	-82

Source: Bloomberg, Samsung Securities

PART 2

Shipping (NEUTRAL)
Lack of momentum

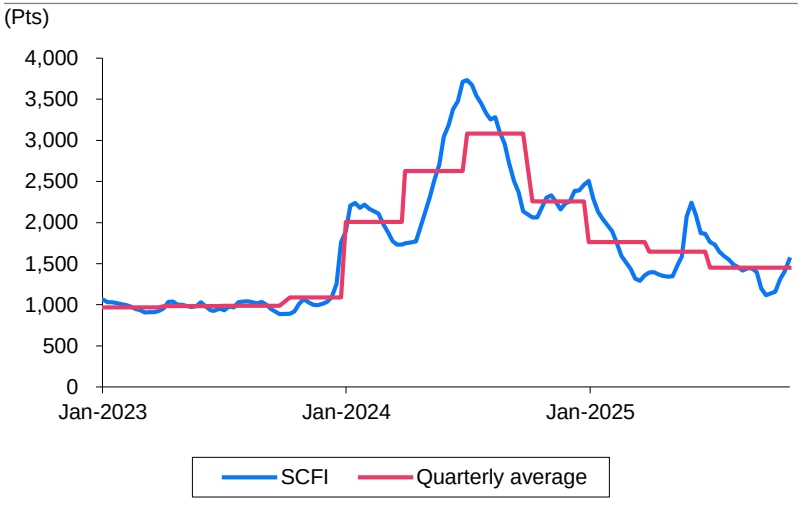
Rising supply burden

Freight trend becomes sluggish

▶ Major freight rates have become weak

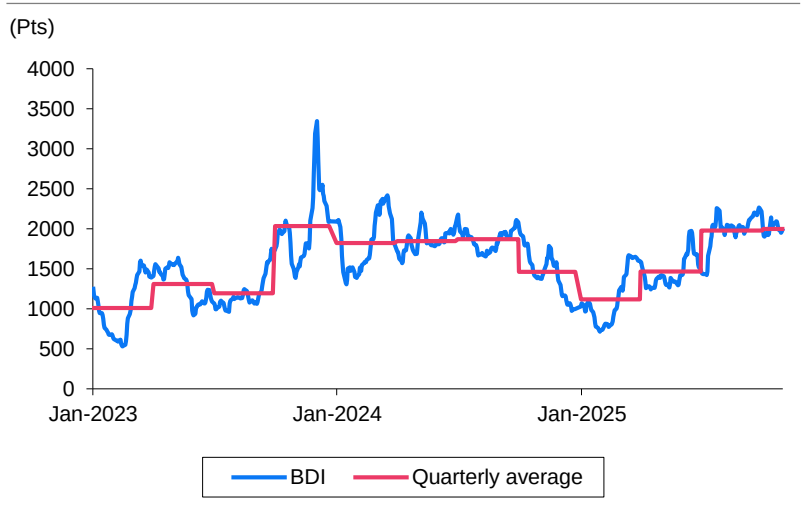
- The SCFI and BDI have corrected 37% and 14%, respectively, ytd.
  - The SCFI (average ytd as of October) currently stands at 1,600pts and the BDI at 1,575pts.

SCFI



Source: Bloomberg, Samsung Securities

BDI



Source: Bloomberg, Samsung Securities

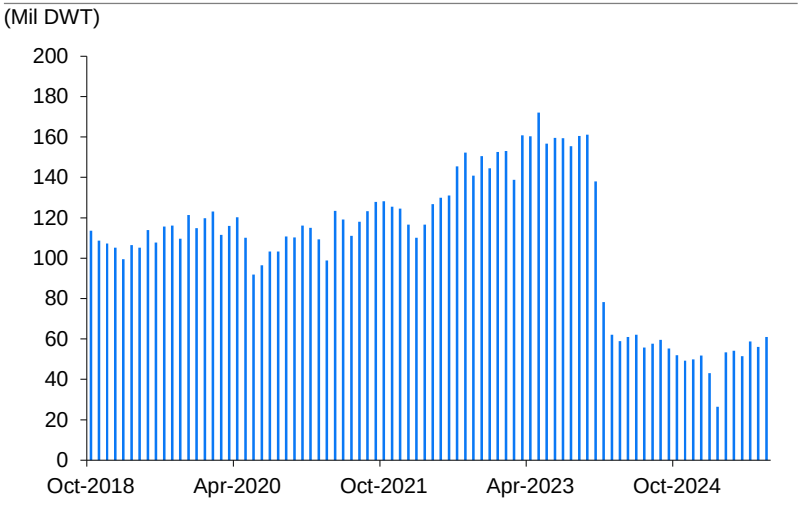
Rising supply burden

Positive catalyst to become drag

▶Geopolitical risk and detours continue

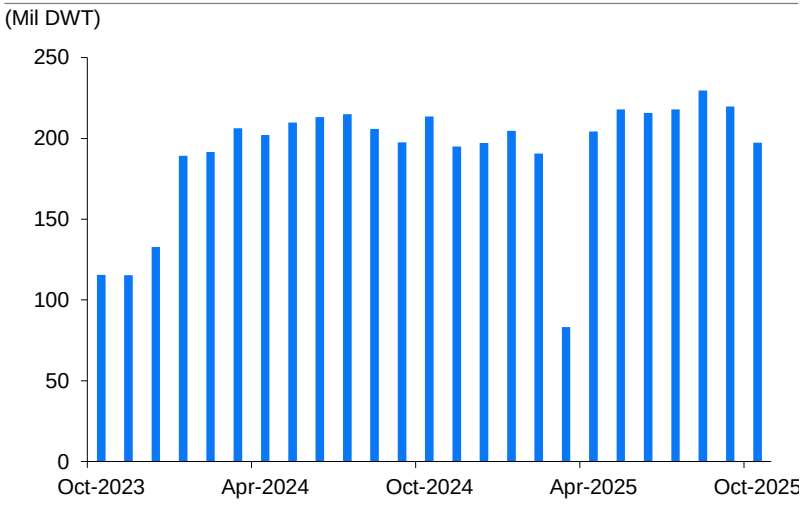
- As of October, cargo passing through the Suez Canal stands at 51m DWT ytd, 67% less than that in the same period of 2023.
- Even though rerouting continues, freight rates have already started to decline.

DWT transiting Suez Canal



Source: Clarksons, Samsung Securities

Cape of Good Hope: Vessel circumnavigations



Source: Clarksons, Samsung Securities

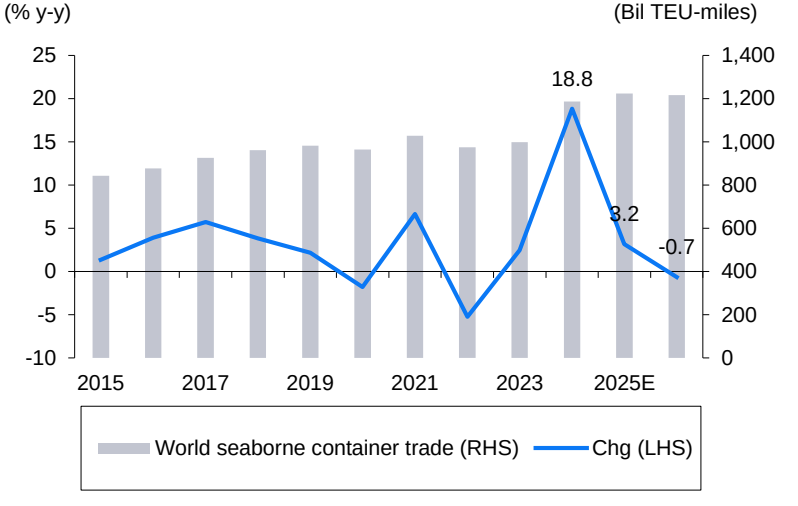
Rising supply burden

Positive catalyst to become drag

▶Increased sailing distances support ocean freight rates

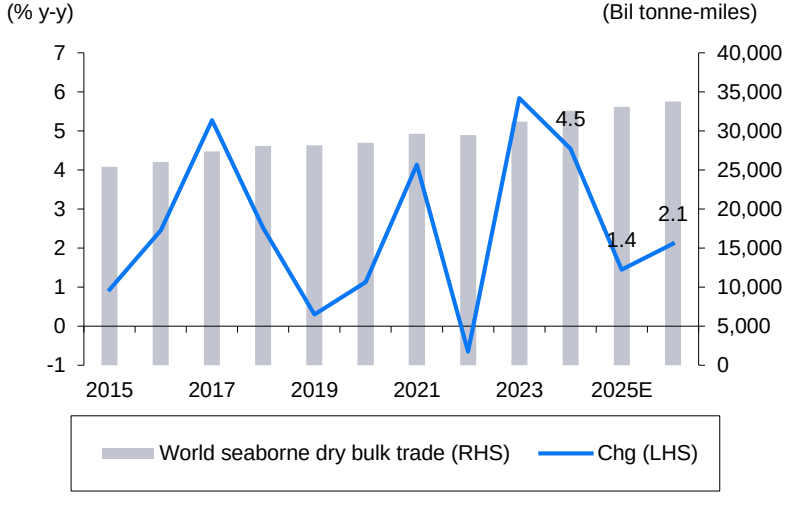
- TEU-miles and tonne-miles are a respective 20% and 6% higher than they were in 2023.

World seaborne container trade (TEU-miles)



Source: Clarksons, Samsung Securities

World seaborne dry bulk trade (tonne-miles)



Source: Clarksons, Samsung Securities

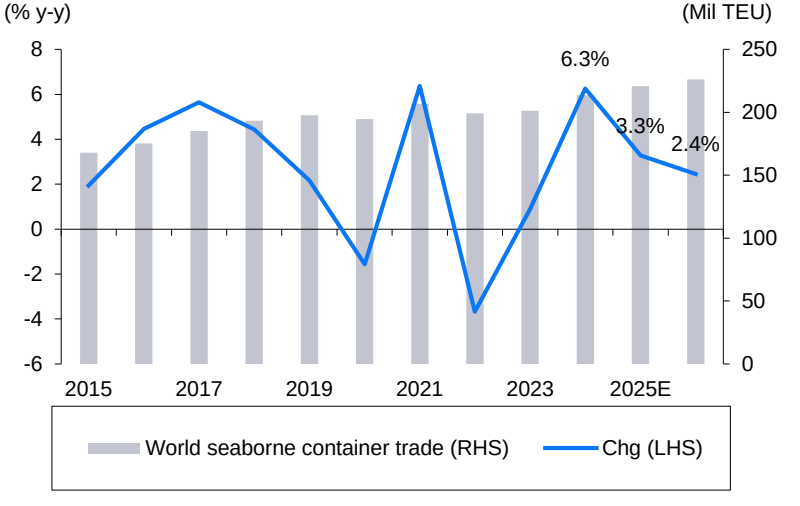
Rising supply burden

Not much volume growth expected

▶Demand for seaborne trade slowing

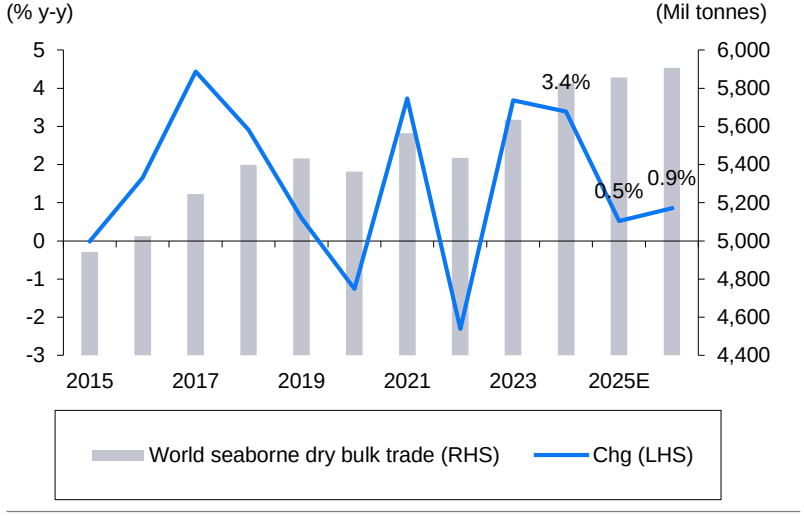
- Container volume is growing at a low single-digit figure and bulk volume growth in 2025 may come in below 1%.

World seaborne container trade (volume)



Source: Clarksons, Samsung Securities

World seaborn dry bulk trade (volume)



Source: Clarksons, Samsung Securities

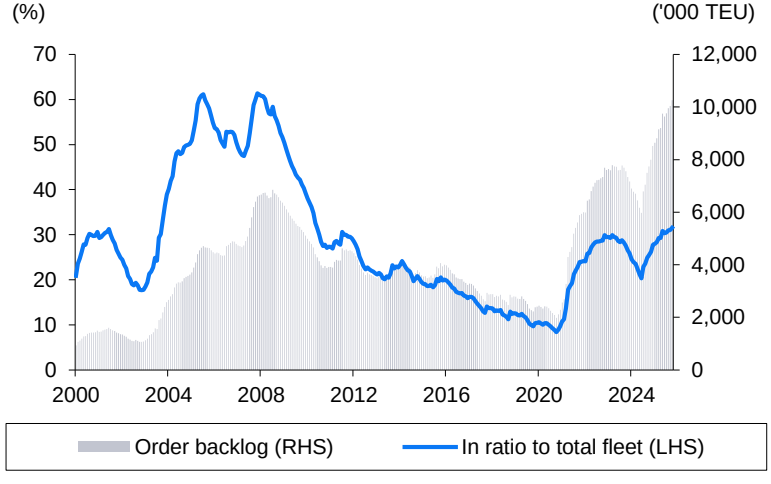
Rising supply burden

Supply piling up

▶Huge fleet expansions on the horizon

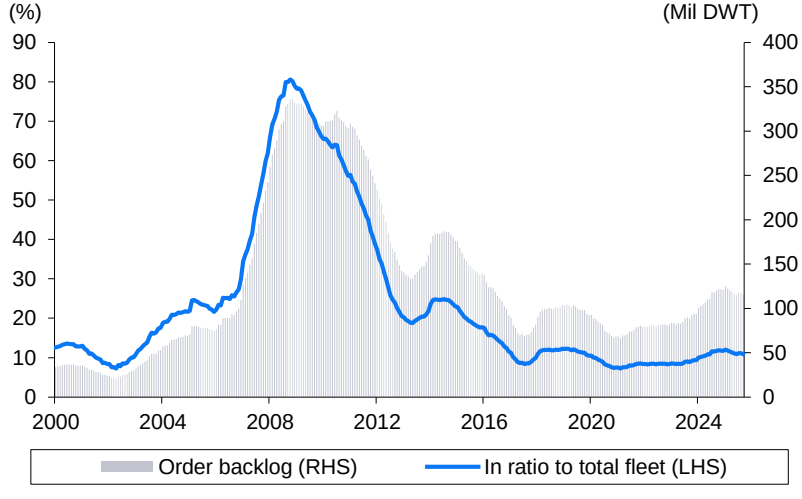
- The container vessel order backlog has reached 32% of the total container fleet, and the bulk carrier order backlog now stands at 11% of the total bulk carrier fleet.

Containerships: Order backlog



Source: Clarksons, Samsung Securities

Bulk carriers: Order backlog



Source: Clarksons, Samsung Securities

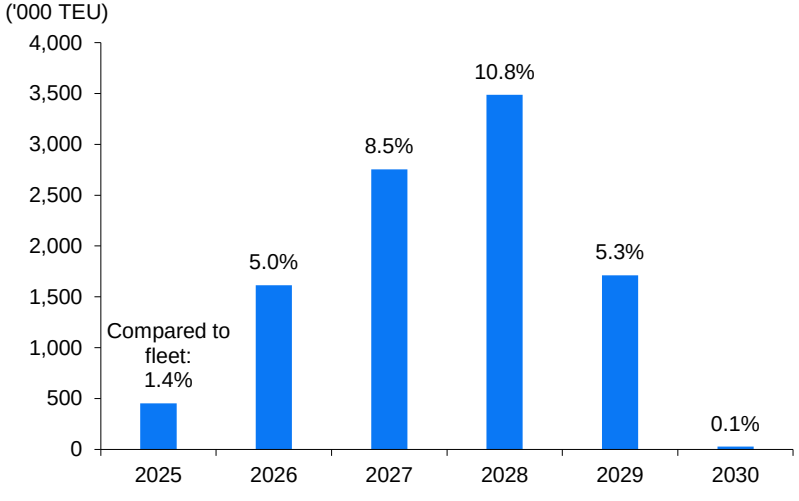
Rising supply burden

Supply piled up

▶Supply set to outstrip demand for quite a while

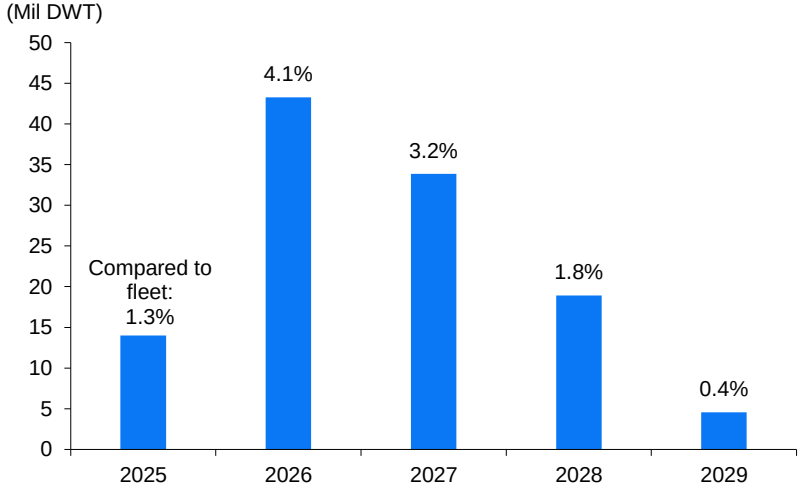
- Most of the new vessels that have been ordered will be delivered over the next three years.

Containership orderbook, by delivery schedule



Source: Clarksons, Samsung Securities

Bulk carrier orderbook, by delivery schedule



Source: Clarksons, Samsung Securities

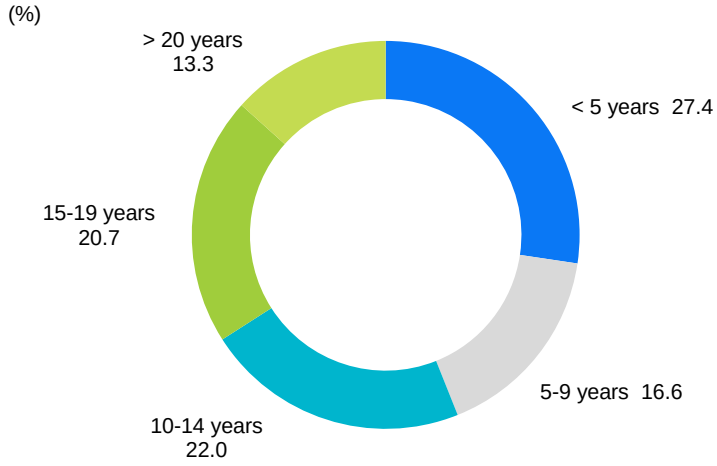
Rising supply burden

Lack of reasons to scrap old vessels

▶ A large number of vessels are poised to be scrapped

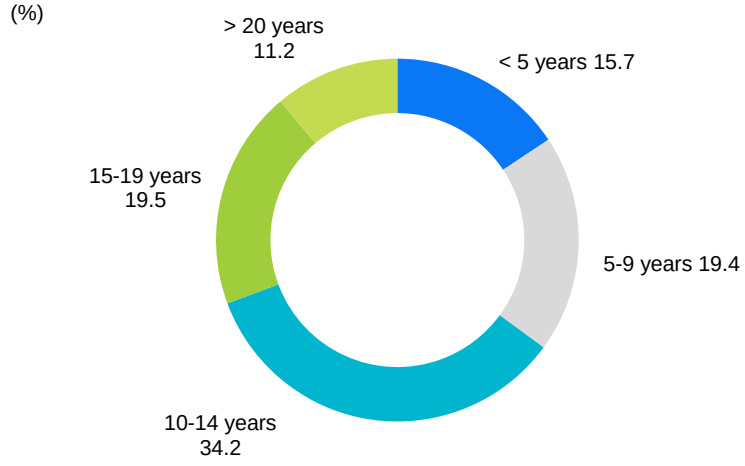
- More than 13% of containerships and 11% of bulk carriers have been running for more than 20 years.

Containerships, by vessel age



Source: Clarksons, Samsung Securities

Bulk carriers, by vessel age



Source: Clarksons, Samsung Securities

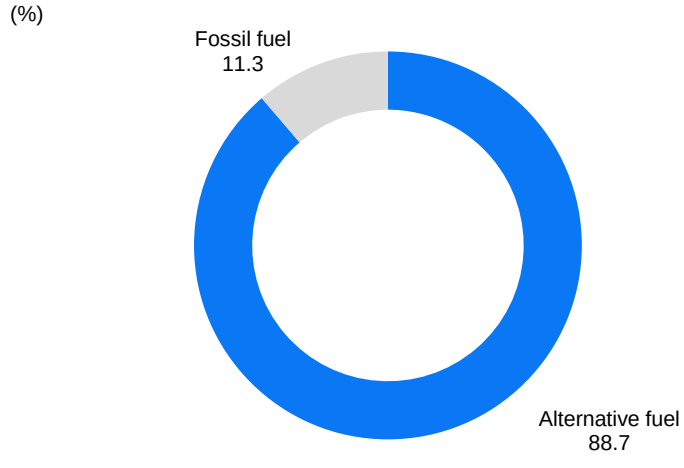
Rising supply burden

Lack of reasons to scrap old vessels

▶Containerships and bulk vessels seeing disparate trends

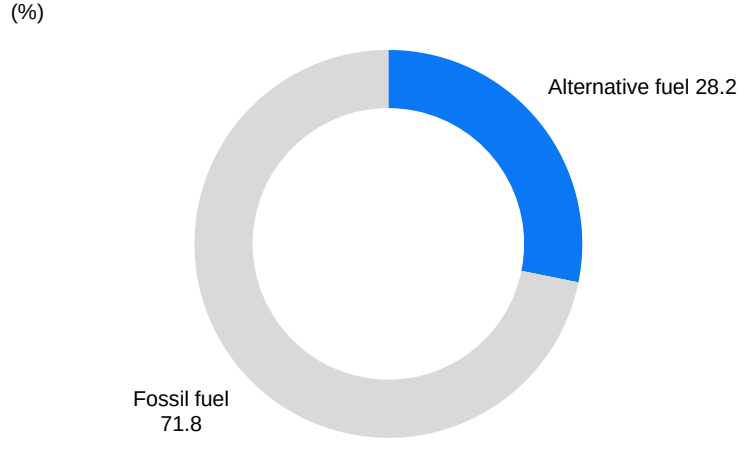
- Owners of containerships have invested heavily in alternative fuel vessels, while owners of bulk carriers have been more passive towards buying alternative fuel vessels.

Containership orderbook, by fuel type



Source: Clarksons, Samsung Securities

Bulk carrier orderbook, by fuel type



Source: Clarksons, Samsung Securities

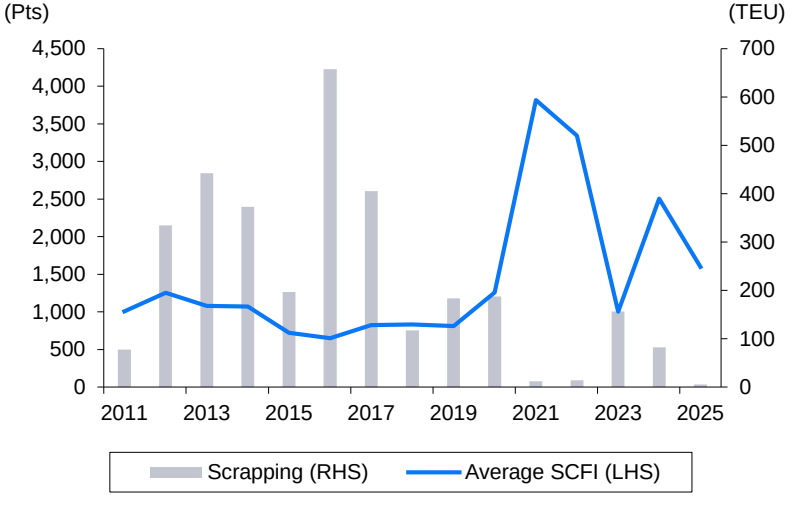
Rising supply burden

Lack of reasons to scrap old vessels

▶Strong freight trend has extended the life of older vessels

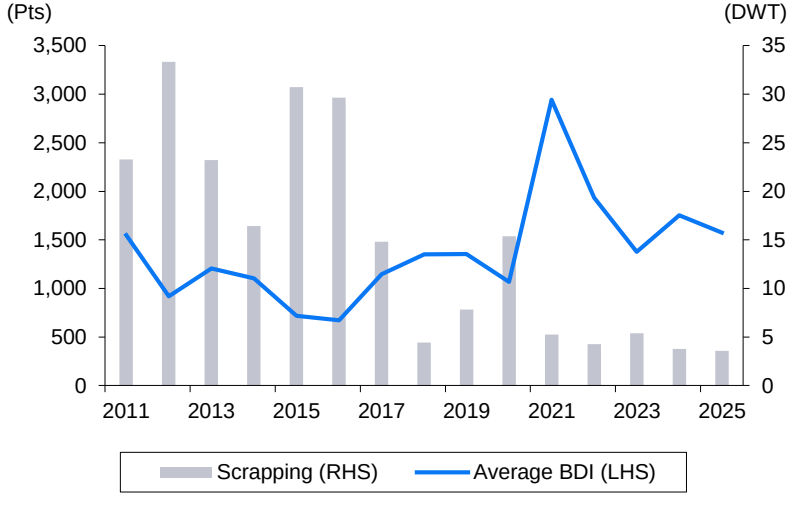
- Freight rates and vessels scrappings are inversely correlated.

Containership freight rates vs vessel scrappings



Source: Clarksons, Samsung Securities

Bulk carrier freight rates vs vessel scrappings



Source: Clarksons, Samsung Securities

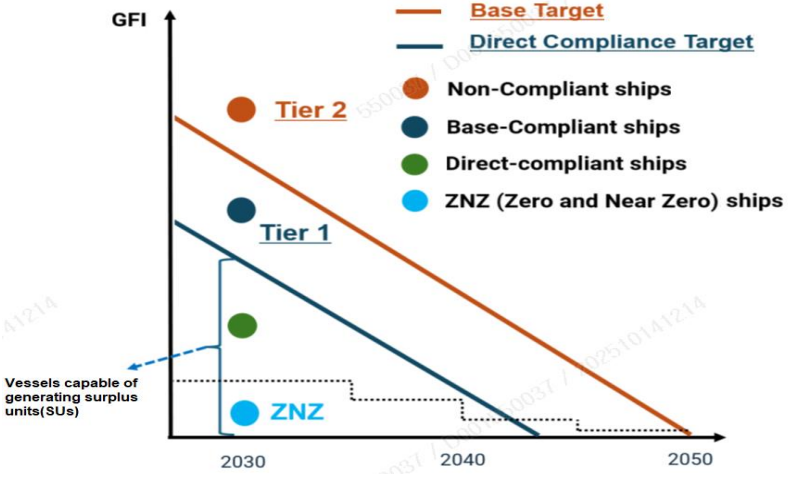
Rising supply burden

Lack of reasons to scrap old vessels

▶New environmental regulations have been delayed

- The global adoption of a greenhouse gas (GHG) fuel index has been postponed.

Marpol Annex VI amendments for GHG reductions



Source: Korean Register, Samsung Securities

Timeline for complying with medium-term measures

Deadline	Responsible entity	Key actions
Oct 1, 2027	Ship	All applicable ships must open an account in the GFI Registry
Jan 1, 2028	Ship	Start of GFI data calculation and reporting obligations
Jun 30, 2028	Ship	Annual administration fee payment to the IMO's GFI Registry
Mar 31, 2029	Ship	Reporting of 2028 attained GFI, target GFI, and compliance balance
Jun 30, 2029	Administration or RO	Submission of verified reports to the IMO's GFI Registry
Jul 31, 2029	Ship	Registration of compliance approach
Aug 31, 2029	GFI Registry	Issuance of ship account compliance
Sep 30, 2029	Administration or RO	Issuance of statement of compliance
Oct 31, 2029	Administration or RO	Registration of statement of compliance in GFI Registry

Source: Korean Register, Samsung Securities

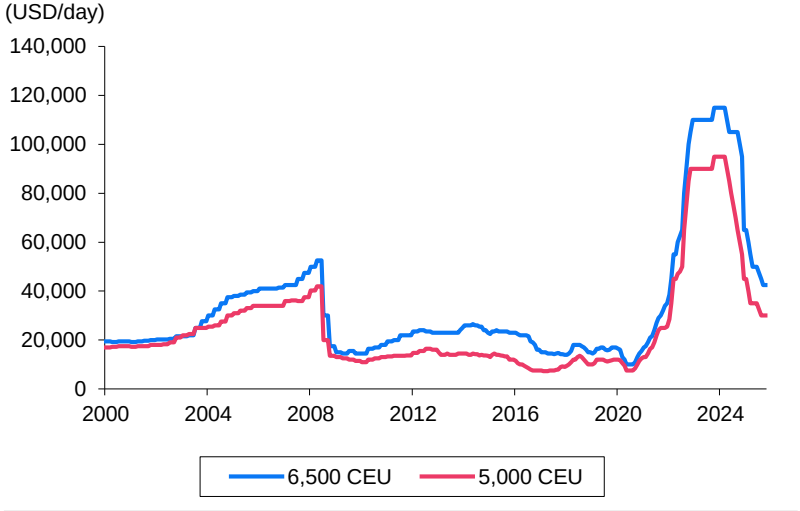
Rising supply burden

PCC sector still strong

▶Charter rates stay robust

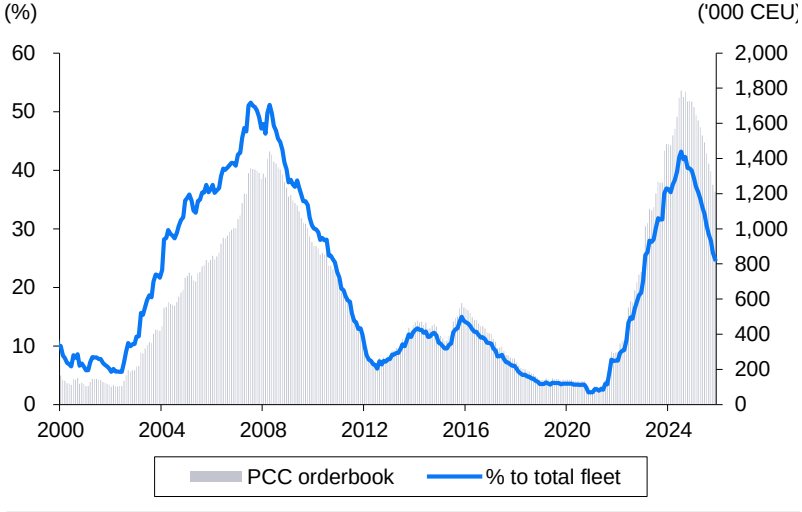
- Pure car carrier (PCC) charter rates have corrected from their peaks, but they are still 260% higher than where they were in 2019.

PCC freight rates



Source: Clarksons, Samsung Securities

PCC order backlog



Source: Clarksons, Samsung Securities

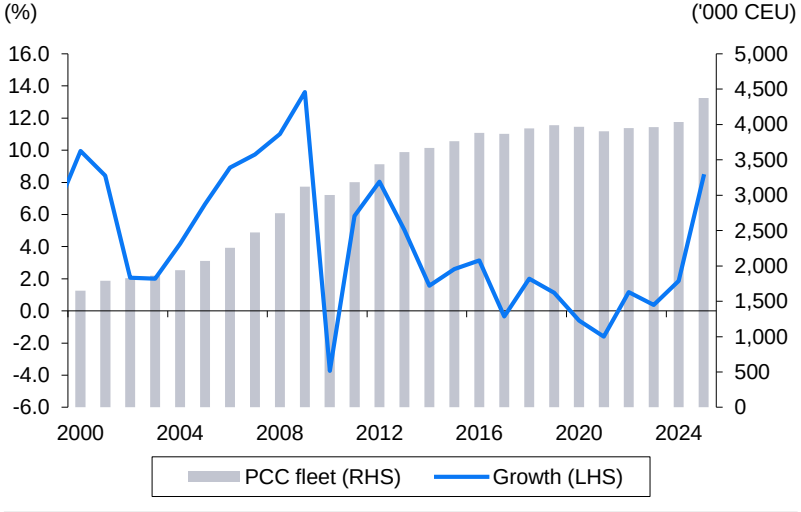
Rising supply burden

PCC sector still strong

▶Demand growth outstrips fleet growth

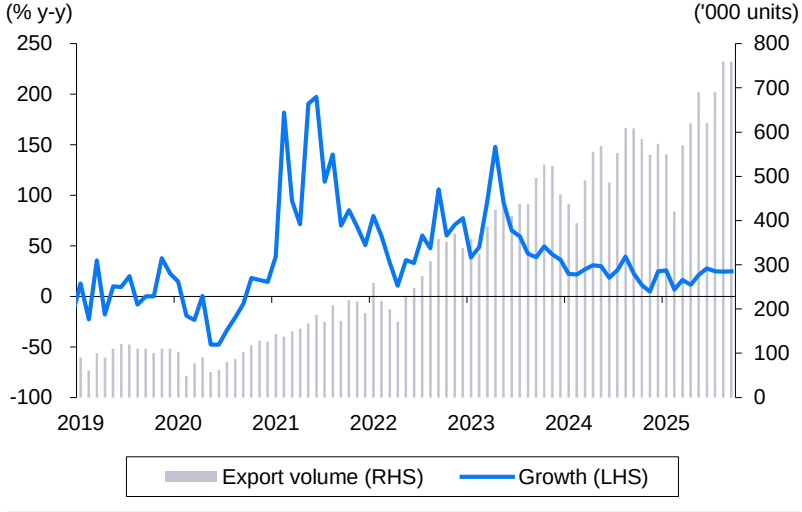
- As of September, Chinese auto exports have increased 20.8% y-y to 5.7m vehicles.

PCC fleet trend



Source: Clarksons, Samsung Securities

China monthly motor vehicle exports



Source: CEIC, Samsung Securities

Hyundai Glovis (086280 | BUY | TP: KRW220,000)

Key information

Target price	**KRW220,000 (+33.6%)**
Current price	**KRW164,700**
Market Cap	KRW12.4t
Shares (float)	75,000,000 (49.6%)
52-week high/low	KRW105,400/KRW190,100
Avg daily trading value(60-day)	KRW37.1b

Share performance (%)	**1M**	**6M**	**12M**
Hyundai Glovis (%)	-2.8	47.7	30.4
Vs Kospi (%pts)	-1.5	-2.3	-18.1

Key data

(KRWb)	2024	2025E	2026E	2027E
Revenue	28,407	29,973	31,949	32,902
Operating profit	1,753	2,098	2,198	2,252
Net profit (adj)	1,099	1,609	1,701	1,767
EPS (adj) (KRW)	16,363	21,340	22,569	23,439
EPS (adj) growth (%)	-6.4	30.4	5.8	3.9
EBITDA margin (%)	8.5	9.8	9.8	9.8
ROE (%)	13.3	17.0	15.8	14.6
P/E (adj) (x)	10.1	7.7	7.3	7.0
P/B (x)	1.4	1.2	1.1	1.0
EV/EBITDA (x)	4.6	3.8	3.3	3.0
Dividend yield (%)	2.2	3.3	3.5	3.6

Note: Based on the closing price as of Nov 27
Source: Company data, Samsung securities estimates

Investment points

Solid earnings and stronger shareholder returns

- Integrated CKD operations are set to drive up its top-line growth, while firm PCC rates and rising exports by Chinese automakers should support margin expansion (led by the shipping division).

- A larger profit contribution from the shipping division should lower the company's effective tax rate, which is favorable from a shareholder-return perspective. Rapid capital accumulation also increases the likelihood of capital-management actions to maintain ROE guidance of at least 15%.

- We maintain our target price of KRW220,000 (2026E P/E of 9.7x, SOTP basis) and BUY rating. Strong demand for finished-vehicle seaborne trade should persist, with enhanced shareholder returns likely (thanks to a higher payout ratio).

Hyundai Glovis (086280 | BUY | TP: KRW220,000)

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	2024	2025E	2026E	2027E
Forex rates												
KRW/USD (end of period)	1,347	1,377	1,315	1,472	1,473	1,354	1,404	1,450	1,472	1,370	1,300	1,250
Chg (% y-y)	3.5	4.5	-2.6	14.3	9.3	-1.7	6.8	-1.5	14.3	-6.9	-5.1	-3.8
KRW/USD (average)	1,329	1,371	1,358	1,400	1,453	1,401	1,387	1,445	1,365	1,407	1,340	1,268
Chg (% y-y)	4.1	4.3	3.5	6.0	9.3	2.2	2.1	3.2	4.5	3.1	-4.8	-5.4
HMG sales assumption('000)												
Domestic	298	323	295	330	297	331	319	318	1,246	1,265	1,280	1,280
Chg (% y-y)	-10.5	-9.1	-2.0	-2.0	-0.1	2.4	8.1	-3.5	-6.0	1.6	1.2	0.0
Export	562	615	523	558	542	573	544	541	2,258	2,200	2,210	2,160
Chg (% y-y)	-4.9	2.4	3.0	-0.4	-3.6	-6.8	3.9	-3.0	1.9	-2.6	0.5	-2.3
Overseas	926	959	952	962	946	976	936	1,069	3,800	3,819	4,189	4,479
Chg (% y-y)	-1.9	2.8	-0.5	0.0	2.1	1.7	-1.7	11.1	0.1	0.5	9.7	6.9
Earnings forecasts (KRWb)												
Sales	6,586	7,064	7,469	7,288	7,223	7,516	7,355	7,879	28,407	29,973	31,949	32,902
Logistics	2,275	2,434	2,583	2,622	2,458	2,589	2,502	2,627	9,914	10,175	10,481	10,556
Domestic	480	492	495	491	462	494	488	490	1,958	1,933	1,966	1,982
Overseas	1,795	1,943	2,088	2,131	1,996	2,095	2,014	2,137	7,956	8,242	8,515	8,574
Shipping	1,151	1,288	1,329	1,353	1,257	1,360	1,323	1,390	5,121	5,330	5,721	5,864
PCC	922	995	1,014	1,069	1,007	1,066	986	1,105	4,000	4,164	4,533	4,651
Bulk	229	293	315	284	250	294	337	284	1,121	1,166	1,188	1,213
Distribution	3,161	3,342	3,557	3,313	3,508	3,567	3,531	3,863	13,373	14,468	15,747	16,481
CKD	2,652	2,814	3,106	2,857	3,012	3,052	3,051	3,403	11,428	12,519	13,715	14,364
Used car auctions	153	166	171	182	192	195	203	189	672	780	803	827
Other (trading, etc.)	356	362	281	274	304	320	276	270	1,272	1,170	1,229	1,290
Operating profit	385	439	469	460	502	539	524	533	1,753	2,098	2,198	2,252
Pre-tax profit	430	425	480	209	515	590	504	370	1,545	1,980	2,094	2,174
Net profit	306	313	384	97	398	503	393	314	1,099	1,609	1,701	1,767
Chg (% y-y)												
Sales	4.5	8.1	18.0	11.8	9.7	6.4	-1.5	8.1	10.6	5.5	6.6	3.0
Logistics	6.1	7.8	15.1	10.4	8.1	6.3	-3.1	0.2	9.9	2.6	3.0	0.7
Domestic	0.8	-1.7	3.9	-5.2	-3.7	0.3	-1.3	-0.4	-0.6	-1.2	1.7	0.8
Overseas	7.6	10.5	18.1	14.8	11.2	7.9	-3.5	0.3	12.8	3.6	3.3	0.7
Shipping	14.1	22.3	28.2	21.5	9.2	5.6	-0.5	2.7	21.6	4.1	7.3	2.5
PCC	20.7	27.8	32.0	29.4	9.2	7.1	-2.8	3.4	27.5	4.1	8.9	2.6
Bulk	-6.5	6.8	17.4	-1.2	9.3	0.6	6.9	0.1	4.3	4.0	1.9	2.1
Distribution	0.4	3.7	16.6	9.3	11.0	6.7	-0.8	16.6	7.4	8.2	8.8	4.7
CKD	0.1	4.6	20.8	12.2	13.6	8.4	-1.7	19.1	9.3	9.5	9.6	4.7
Used car auctions	-10.4	-7.5	-6.2	4.7	25.6	17.4	19.0	3.9	-4.8	16.0	3.0	3.0
Other (trading, etc.)	8.8	2.2	-5.1	-11.6	-14.5	-11.5	-1.7	-1.4	-1.2	-8.0	5.0	5.0
Operating profit	-5.4	6.5	22.1	31.1	30.4	22.7	11.7	15.9	12.8	19.7	4.8	2.5
Pre-tax profit	20.2	8.9	37.6	-41.2	19.8	38.8	4.9	76.9	6.3	28.2	5.8	3.9
Net profit	7.9	7.7	56.0	-61.3	30.1	60.8	2.3	225.6	2.7	46.3	5.8	3.9

Source: Company data, Samsung Securities

Hyundai Glovis (086280 | BUY | TP: KRW220,000)

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	25,683	28,407	29,973	31,949	32,902
Cost of goods sold	23,592	25,957	27,140	28,967	29,842
Gross profit	2,091	2,450	2,834	2,982	3,060
Gross margin (%)	8.1	8.6	9.5	9.3	9.3
SG&A expenses	537	697	736	784	808
Operating profit	1,554	1,753	2,098	2,198	2,252
Operating margin (%)	6.1	6.2	7.0	6.9	6.8
Non-operating gains (losses)	-101	-208	-118	-104	-78
Financial profit	172	186	214	252	290
Financial costs	194	189	215	235	246
Equity-method gains (losses)	-7	-122	-8	-8	-8
Other	-71	-83	-108	-112	-113
Pre-tax profit	1,453	1,545	1,980	2,094	2,174
Taxes	383	445	371	392	407
Effective tax rate (%)	26.4	28.8	18.7	18.7	18.7
Profit from continuing operations	1,070	1,099	1,609	1,701	1,767
Profit from discontinued operations	0	0	0	0	0
Net profit	1,070	1,099	1,609	1,701	1,767
Net margin (%)	4.2	3.9	5.4	5.3	5.4
Net profit (controlling interests)	1,061	1,094	1,600	1,693	1,758
Net profit (non-controlling interests)	9	6	8	9	9
EBITDA	2,107	2,427	2,943	3,147	3,240
EBITDA margin (%)	8.2	8.5	9.8	9.8	9.8
EPS (parent-based) (KRW)	14,148	14,585	21,340	22,569	23,439
EPS (consolidated) (KRW)	14,268	14,660	21,450	22,685	23,560
Adjusted EPS (KRW)*	17,483	16,363	21,340	22,569	23,439

Notes: *Excluding one-off items
Source: Company data, Samsung Securities estimates

Balance Sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	8,772	9,861	11,420	12,930	14,267
Cash & equivalents	2,291	3,277	4,065	4,854	5,642
Accounts receivable	2,868	3,070	3,239	3,453	3,556
Inventories	1,348	1,724	1,819	1,939	1,997
Other current assets	2,266	1,791	2,296	2,685	3,072
Fixed assets	5,954	6,988	7,316	7,541	7,727
Investment assets	893	912	912	912	912
Tangible assets	4,726	5,717	6,045	6,270	6,456
Intangible assets	136	172	172	172	172
Other long-term assets	198	188	188	188	188
Total assets	14,725	16,849	18,736	20,471	21,994
Current liabilities	4,468	5,311	5,413	5,257	4,656
Accounts payable	1,791	2,181	2,302	2,453	2,526
Short-term debt	1,047	1,059	1,472	1,164	490
Other current liabilities	1,629	2,071	1,640	1,640	1,640
Long-term liabilities	2,474	2,729	3,182	3,778	4,561
Bonds & long-term debt	859	694	694	694	694
Other long-term liabilities	1,614	2,036	2,488	3,084	3,867
Total liabilities	6,941	8,040	8,595	9,034	9,217
Owners of parent equity	7,755	8,773	10,096	11,384	12,714
Capital stock	19	38	38	38	38
Capital surplus	154	135	135	135	135
Retained earnings	7,513	8,359	9,690	10,987	12,326
Other	70	242	234	225	216
Non-controlling interests' equity	29	36	44	53	62
Total equity	7,784	8,809	10,141	11,437	12,776
Net debt	1,019	-914	-806	-1,262	-1,866

Source: Company data, Samsung Securities estimates

Hyundai Glovis (086280 | BUY | TP: KRW220,000)

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	2,242	2,122	2,743	3,022	3,457
Net profit	1,070	1,099	1,609	1,701	1,767
Non-cash profit and expenses	1,306	1,576	2,035	2,154	2,397
Depreciation	538	655	829	933	971
Amortization	15	19	19	19	19
Other	753	902	1,187	1,202	1,406
Changes in A/L from operating activities	211	-329	-575	-505	-389
Cash flow from investments	-1,007	-489	-1,157	-1,157	-1,157
Change in tangible assets	-313	-893	-1,157	-1,157	-1,157
Change in financial assets	-1,664	596	-100	-100	-100
Other	970	-192	100	100	100
Cash flow from financing	-701	-703	-805	-1,091	-1,305
Change in debt	34	630	461	322	125
Change in equity	0	0	0	0	0
Dividends	-214	-236	-236	-278	-405
Other	-521	-1,097	-1,029	-1,135	-1,024
Change in cash	231	986	789	789	789
Cash at beginning of year	2,060	2,291	3,277	4,065	4,854
Cash at end of year	2,291	3,277	4,065	4,854	5,642
Gross cash flow	2,376	2,675	3,644	3,856	4,164
Free cash flow	1,926	1,183	1,586	1,865	2,300

Source: Company data, Samsung Securities estimates

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	-4.8	10.6	5.5	6.6	3.0
Operating profit	-13.6	12.8	19.7	4.8	2.5
Net profit	-10.3	2.7	46.3	5.8	3.9
Adjusted EPS*	-7.7	-6.4	30.4	5.8	3.9
Per-share data (KRW)					
EPS (parent-based)	14,148	14,585	21,340	22,569	23,439
EPS (consolidated)	14,268	14,660	21,450	22,685	23,560
Adjusted EPS**	17,483	16,363	21,340	22,569	23,439
BVPS	101,590	114,686	132,436	149,721	167,581
DPS (common)	6,300	3,700	5,400	5,700	5,900
Valuations (x)					
P/E**	9.4	10.1	7.7	7.3	7.0
P/B**	1.6	1.4	1.2	1.1	1.0
EV/EBITDA	5.3	4.6	3.8	3.3	3.0
Ratios (%)					
ROE	14.6	13.3	17.0	15.8	14.6
ROA	7.5	7.0	9.0	8.7	8.3
ROIC	16.3	16.4	19.5	18.6	17.9
Payout ratio	22.1	25.2	25.2	25.1	25.0
Dividend yield (common)	3.8	2.2	3.3	3.5	3.6
Net debt to equity	-6.7	-3.1	-6.9	-11.1	-15.9
Interest coverage (x)	9.2	9.3	9.7	9.3	9.1

Notes: *Fully diluted, excluding one-off items **From companies subject to equity method valuation
Source: Company data, Samsung Securities estimates

HMM (011200 | HOLD | TP: KRW20,000)

Key information

Target price	**KRW20,000 (+5.3%)**
Current price	**KRW19,000**
Market Cap	KRW17.9t
Shares (float)	943,237,970 (64.6%)
52-week high/low	KRW17,530/KRW25,950
Avg daily trading value(60-day)	KRW34.0b

Share performance (%)	**1M**	**6M**	**12M**
HMM (%)	-10.4	-12.6	2.6
Vs Kospi (%pts)	-9.1	42.2	-35.6

Key data

(KRWb)	**2024**	**2025E**	**2026E**	**2027E**
Revenue	11,700	10,602	8,900	9,149
Operating profit	3,513	1,463	1,074	1,178
Net profit (adj)	3,782	1,861	1,453	1,488
EPS (adj) (KRW)	5,055	1,936	1,539	1,576
EPS (adj) growth (%)	176.4	-61.7	-20.5	2.4
EBITDA margin (%)	37.7	24.0	24.6	25.7
ROE (%)	15.3	7.1	5.9	5.8
P/E (adj) (x)	3.8	9.8	12.3	12.1
P/B (x)	0.6	0.8	0.7	0.7
EV/EBITDA (x)	3.7	6.8	7.9	7.6
Dividend yield (%)	3.4	3.1	2.4	2.4

Note: Based on the closing price as of Nov 27
Source: Company data, Samsung securities estimates

Investment points

Supply pressure to grow

- Vessels continue to avoid the Suez Canal, but the container freight index has already begun to correct. A sizeable orderbook (nearly 30% of the global fleet) continues to weigh on market sentiment.

- With the IMO's mid-term GHG reduction measures having been delayed, the scrapping of older vessels is expected to be pushed back. As a result, fleet growth should outpace demand growth for the time being, creating a supply glut.

- Applying the 2026E global peer P/B multiple of 0.73x (Bloomberg), we trim our target price by 10% to KRW20,000 but maintain HOLD. As newbuild deliveries keep adding capacity, the eventual return of vessels to the Suez Canal would further reduce tonne-mile demand, adding another layer of supply pressure. A supply-heavy market is expected to persist, reinforcing downwards pressure on freight rates.

HMM (011200 | HOLD | TP: KRW20,000)

(KRWb)	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	2024	2025E	2026E	2027E
Main assumptions																
SCFI	969	984	986	1,089	2,010	2,628	3,082	2,257	1,762	1,645	1,481	1,378	2,506	1,567	1,303	1,394
Chg (% y-y)	-80.0	-76.7	-69.9	-20.8	107.5	167.3	212.7	107.3	-12.3	-37.4	-51.9	-38.9	149.2	-37.5	-16.8	7.0
Average BDI	1,011	1,313	1,194	2,033	1,824	1,848	1,871	1,465	1,118	1,467	1,978	2,053	1,755	1,654	1,788	1,667
WS	64	57	46	60	67	60	50	49	59	59	65	59	57	60	58	64
Bunker C (USD/tonne)	426	464	540	475	467	525	491	477	498	442	433	378	490	438	369	407
Average KRW/USD	1,302	1,318	1,349	1,288	1,347	1,377	1,315	1,472	1,473	1,354	1,404	1,450	1,472	1,450	1,300	1,270
Assumptions																
Containership ('000TEU)	859	959	1,021	945	893	949	992	986	931	975	1,024	1,015	3,820	3,945	4,220	4,384
Chg (% y-y)	-6.8	7.5	11.2	-0.2	4.0	-1.0	-2.8	4.3	4.2	2.7	3.3	3.0	0.9	3.3	7.0	3.9
Dry bulk ('000MT)	9,187	9,605	10,497	9,646	10,523	7,692	9,949	9,598	10,463	12,270	8,271	10,695	37,762	41,699	45,665	45,665
Tanker ('000CBM)	438	147	293	147	586	440	441	1,988	146	146	775	775	3,454	1,841	3,099	3,099
Actual container supply ('000TEU)	1,183	1,421	1,488	1,420	1,274	1,296	1,388	1,395	1,338	1,426	1,571	1,455	5,353	5,791	6,076	6,264
Load factor (%)	72.6	67.5	68.6	66.6	70.1	73.2	71.5	70.6	69.5	68.4	65.2	69.7	71.4	68.1	69.5	70.0
Forecasts																
Sales	2,082	2,130	2,127	2,063	2,330	2,663	3,552	3,155	2,855	2,623	2,706	2,418	11,700	10,602	8,900	9,149
Containership	1,752	1,783	1,743	1,687	1,936	2,254	3,188	2,770	2,466	2,170	2,341	2,038	10,148	9,015	7,482	7,745
Bulk carrier	285	300	334	323	339	348	319	331	335	397	316	319	1,337	1,368	1,099	997
Other	45	47	49	52	55	61	45	54	53	56	49	60	215	219	318	406
Operating profit	306	160	76	42	407	644	1,461	1,000	614	233	297	319	3,513	1,463	1,074	1,178
Operating margin (%)	14.7	7.5	3.6	2.1	17.5	24.2	41.1	31.7	21.5	8.9	11.0	13.2	30.0	13.8	12.1	12.9
Pre-tax profit	312.0	339.3	122.6	280.4	503.5	697.8	1,759.5	935.8	753.1	506.2	381.0	368.3	3,896.6	2,008.6	1,561.9	1,599.3
Net profit	297.5	312.8	95.4	263.0	485.1	660.8	1,738.5	897.8	739.7	471.3	303.8	346.3	3,782.2	1,860.3	1,451.8	1,486.5
Chg (%)																
Sales	-57.7	-57.7	-58.4	-41.5	11.9	25.0	67.0	52.9	22.5	-1.5	-23.8	-23.4	39.3	-9.4	-16.1	2.8
Operating profit	-90.3	-94.5	-97.1	-96.6	32.8	302.2	1,827.5	2,260.8	50.8	-63.8	-79.7	-68.1	500.7	-58.4	-26.6	9.7
Pre-tax profit	-90.1	-88.5	-95.3	-81.3	61.4	105.7	1,334.8	233.7	49.6	-27.4	-78.3	-60.6	269.6	-48.5	-22.2	2.4
Net profit	-90.5	-89.4	-96.4	-81.6	63.0	111.2	1,722.0	241.4	52.5	-28.7	-82.5	-61.4	290.5	-50.8	-22.0	2.4

Source: Company data, Samsung Securities

HMM (011200 | HOLD | TP: KRW20,000)

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	8,401	11,700	10,602	8,900	9,149
Cost of goods sold	7,426	7,737	8,573	7,342	7,477
Gross profit	975	3,963	2,029	1,558	1,672
Gross margin (%)	11.6	33.9	19.1	17.5	18.3
SG&A expenses	390	451	566	484	494
Operating profit	585	3,513	1,463	1,074	1,178
Operating margin (%)	7.0	30.0	13.8	12.1	12.9
Non-operating gains (losses)	469	384	546	488	421
Financial profit	1,549	1,397	797	642	616
Financial costs	863	1,138	284	165	199
Equity-method gains (losses)	-154	162	27	0	0
Other	-64	-38	5	12	4
Pre-tax profit	1,054	3,897	2,009	1,562	1,599
Taxes	86	114	147	109	111
Effective tax rate (%)	8.1	2.9	7.3	6.9	6.9
Profit from continuing operations	969	3,782	1,861	1,453	1,488
Profit from discontinued operations	0	0	0	0	0
Net profit	969	3,782	1,861	1,453	1,488
Net margin (%)	11.5	32.3	17.6	16.3	16.3
Net profit (controlling interests)	969	3,782	1,860	1,452	1,487
Net profit (non-controlling interests)	0	0	1	2	2
EBITDA	1,458	4,416	2,547	2,191	2,348
EBITDA margin (%)	17.4	37.7	24.0	24.6	25.7
EPS (parent-based) (KRW)	1,829	5,055	1,936	1,539	1,576
EPS (consolidated) (KRW)	1,829	5,055	1,937	1,541	1,578
Adjusted EPS (KRW)*	1,829	5,055	1,936	1,539	1,576

Notes: *Excluding one-off items
Source: Company data, Samsung Securities estimates

Balance Sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	13,180	17,997	13,418	14,310	14,892
Cash & equivalents	3,250	1,472	1,254	2,224	2,789
Accounts receivable	757	1,130	902	860	869
Inventories	362	402	308	294	297
Other current assets	8,811	14,993	10,954	10,933	10,937
Fixed assets	12,534	15,852	16,898	16,848	17,332
Investment assets	1,508	872	952	952	952
Tangible assets	7,716	9,846	10,630	10,579	11,064
Intangible assets	41	43	49	49	49
Other long-term assets	3,269	5,090	5,268	5,268	5,268
Total assets	25,713	33,849	30,316	31,158	32,224
Current liabilities	2,001	2,357	2,158	2,106	2,118
Accounts payable	474	577	443	422	427
Short-term debt	0	0	0	0	0
Other current liabilities	1,528	1,780	1,715	1,684	1,691
Long-term liabilities	2,271	3,636	3,936	3,933	3,933
Bonds & long-term debt	279	145	28	28	28
Other long-term liabilities	1,992	3,491	3,908	3,905	3,905
Total liabilities	4,273	5,993	6,094	6,039	6,051
Owners of parent equity	21,439	27,854	24,220	25,115	26,167
Capital stock	3,445	4,405	5,125	5,125	5,125
Capital surplus	4,436	4,453	4,482	4,482	4,482
Retained earnings	10,889	14,115	13,258	14,153	15,206
Other	2,669	4,881	1,354	1,354	1,354
Non-controlling interests' equity	2	2	3	4	6
Total equity	21,441	27,856	24,222	25,119	26,173
Net debt	-8,690	-11,360	-6,842	-7,812	-8,377

Source: Company data, Samsung Securities estimates

HMM (011200 | HOLD | TP: KRW20,000)

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	1,980	4,875	2,884	2,542	2,636
Net profit	969	3,782	1,861	1,453	1,488
Non-cash profit and expenses	424	668	744	826	889
Depreciation	873	903	1,085	1,117	1,170
Amortization	0	0	0	0	0
Other	-449	-235	-341	-292	-281
Changes in A/L from operating activities	186	(8)	-169	22	(5)
Cash flow from investments	-1,487	-6,232	2,468	-793	-793
Change in tangible assets	-2,027	-2,520	-935	-844	-810
Change in financial assets	464	-5,011	3,907	0	0
Other	76	1,299	-503	51	17
Cash flow from financing	-2,238	-539	-5,528	-557	-434
Change in debt	-981	1,397	399	0	0
Change in equity	1,011	977	749	0	0
Dividends	-667	-528	-539	-557	-434
Other	-1,601	-2,385	-6,137	0	0
Change in cash	-1,730	-1,778	-218	970	565
Cash at beginning of year	4,980	3,250	1,472	1,254	2,224
Cash at end of year	3,250	1,472	1,254	2,224	2,789
Gross cash flow	1,393	4,450	2,605	2,279	2,377
Free cash flow	-57	2,338	1,886	1,698	1,826

Source: Company data, Samsung Securities estimates

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	-54.8	39.3	-9.4	-16.1	2.8
Operating profit	-94.1	500.7	-58.4	-26.6	9.7
Net profit	-90.4	290.4	-50.8	-21.9	2.4
Adjusted EPS*	-91.2	176.4	-61.7	-20.5	2.4
Per-share data (KRW)					
EPS (parent-based)	1,829	5,055	1,936	1,539	1,576
EPS (consolidated)	1,829	5,055	1,937	1,541	1,578
Adjusted EPS**	1,829	5,055	1,936	1,539	1,576
BVPS	40,483	31,615	25,202	26,626	27,742
DPS (common)	700	600	590	460	460
Valuations (x)					
P/E**	10.4	3.8	9.8	12.3	12.1
P/B**	0.5	0.6	0.8	0.7	0.7
EV/EBITDA	8.7	3.7	6.8	7.9	7.6
Ratios (%)					
ROE	4.6	15.3	7.1	5.9	5.8
ROA	3.7	12.7	5.8	4.7	4.7
ROIC	5.2	25.2	8.4	6.1	6.6
Payout ratio	49.8	14.0	29.9	29.9	29.2
Dividend yield (common)	3.6	3.4	3.1	2.4	2.4
Net debt to equity	-40.5	-40.8	-28.2	-31.1	-32.0
Interest coverage (x)	3.7	26.3	7.3	5.0	5.5

Notes: *Fully diluted, excluding one-off items **From companies subject to equity method valuation
Source: Company data, Samsung Securities estimates

Pan Ocean (028670 | BUY | TP: KRW4,900)

Key information

Target price	**KRW4,900 (+30.5%)**
Current price	**KRW3,755**
Market Cap	KRW2.0t
Shares (float)	534,569,512 (45.1%)
52-week high/low	KRW3,065/KRW4,295
Avg daily trading value(60-day)	KRW5.8b

Share performance (%)	**1M**	**6M**	**12M**
Pan Ocean (%)	-2.6	3.7	5.8
Vs Kospi (%pts)	-1.2	-31.4	-33.6

Key data

(KRWb)	**2024**	**2025E**	**2026E**	**2027E**
Revenue	5,161	5,513	5,005	4,729
Operating profit	471	509	476	441
Net profit (adj)	268	308	318	313
EPS (adj) (KRW)	502	576	596	586
EPS (adj) growth (%)	9.4	14.9	3.4	-1.6
EBITDA margin (%)	18.2	18.1	18.7	18.4
ROE (%)	5.2	5.5	5.6	5.2
P/E (adj) (x)	6.6	6.5	6.3	6.4
P/B (x)	0.3	0.4	0.3	0.3
EV/EBITDA (x)	5.0	5.0	4.6	4.1
Dividend yield (%)	3.6	3.2	3.2	3.2

Note: Based on the closing price as of Nov 27
Source: Company data, Samsung securities estimates

Investment points

Deep discount territory

- Oversupply concerns are less severe than those for the containership segment, but with demand growth expected to plateau, there exist limited catalysts to lift rates.

- Rapid earnings improvement at its LNG transport business, driven by fleet growth, is encouraging. A high share of long-term dry-bulk contracts provides earnings stability even when rates are weak.

- Applying the 2026E global peer P/B multiple of 0.65x (Bloomberg) and a 30% discount (given its relatively soft shareholder returns), we maintain our target price of KRW4,900 and our BUY rating. While weak shareholder-return policies have weighed on the stock, the nearly 50% discount to its global peers appears excessive.

Pan Ocean (028670 | BUY | TP: KRW4,900)

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	2024	2025E	2026E	2027E
Assumptions												
Average BDI	1,824	1,848	1,871	1,465	1,118	1,467	1,978	2,053	1,755	1,654	1,788	1,841
Chg (% y-y)	80.4	40.8	56.7	-28.0	-38.7	-20.6	5.7	40.1	26.5	-5.7	8.1	3.0
Chg (% q-q)	-10.3	1.3	1.2	-21.7	-23.7	31.2	34.8	3.8				
Average KRW/USD rate	1,329	1,371	1,358	1,400	1,453	1,401	1,387	1,445	1,365	1,421	1,340	1,261
Chg (% y-y)	4.1	4.3	3.5	6.0	9.3	2.2	2.1	3.2	4.5	4.2	-5.7	-5.9
Bunker C (USD/tonne)	467	525	491	477	498	442	433	378	490	438	369	407
Chg (% y-y)	9.5	13.2	-9.0	0.4	6.8	-15.9	-11.9	-20.8	2.9	-10.7	-15.8	10.5
Fleet	279	258	276	290	275	266	258	263	290	263	276	271
Bulk	240	222	236	247	230	220	213	218	247	218	222	212
Non-bulk	39	36	40	43	45	46	45	45	43	45	54	59
(KRWb)												
Sales	976	1,233	1,277	1,675	1,393	1,294	1,269	1,557	5,161	5,513	5,005	4,729
Chg (% y-y)	-2.1	0.7	14.9	63.0	42.8	4.9	-0.6	-7.1	18.3	6.8	-9.2	-5.5
Bulk carrier	686	870	827	947	795	803	778	890	3,330	3,266	2,793	2,593
Chg (% y-y)	-9.8	1.6	8.0	29.6	15.8	-7.8	-5.8	-5.9	6.9	-1.9	-14.5	-7.2
Containership	80	94	108	118	113	110	106	101	401	431	373	389
Chg (% y-y)	-18.1	-2.3	28.6	35.5	40.6	16.9	-2.1	-14.0	9.6	7.4	-13.5	4.3
Tanker	98	92	82	76	78	70	76	75	348	299	294	287
Chg (% y-y)	19.1	5.3	-4.8	-12.8	-20.4	-23.7	-7.1	-1.2	1.5	-13.9	-1.7	-2.5
Other	111	177	260	535	408	311	266	401	1,082	1,386	1,192	1,126
Chg (% y-y)	102.0	-3.9	47.6	335.0	268.1	75.7	2.4	-25.0	101.1	28.0	-14.0	-5.5
Operating profit	98	135	128	110	113	123	125	147	471	509	476	441
Chg (% y-y)	-12.8	8.1	61.2	59.8	15.4	-9.0	-2.2	34.3	22.1	8.0	-6.4	-7.3
Operating margin (%)	10.1	11.0	10.0	6.6	8.1	9.5	9.9	9.5	9.1	9.2	9.5	9.3

Source: Company data, Samsung Securities

Pan Ocean (028670 | BUY | TP: KRW4,900)

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	4,361	5,161	5,513	5,005	4,729
Cost of goods sold	3,861	4,578	4,883	4,417	4,182
Gross profit	500	583	630	588	546
Gross margin (%)	11.5	11.3	11.4	11.7	11.5
SG&A expenses	114	112	122	112	105
Operating profit	386	471	509	476	441
Operating margin (%)	8.8	9.1	9.2	9.5	9.3
Non-operating gains (losses)	-137	-189	-191	-147	-118
Financial profit	83	90	71	84	111
Financial costs	157	252	229	189	195
Equity-method gains (losses)	-3	24	34	18	26
Other	-60	-51	-68	-61	-60
Pre-tax profit	248	282	318	329	323
Taxes	3	14	10	11	10
Effective tax rate (%)	1.4	4.9	3.2	3.2	3.2
Profit from continuing operations	245	268	308	318	313
Profit from discontinued operations	0	0	0	0	0
Net profit	245	268	308	318	313
Net margin (%)	5.6	5.2	5.6	6.4	6.6
Net profit (controlling interests)	245	268	308	318	313
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	876	940	997	934	871
EBITDA margin (%)	20.1	18.2	18.1	18.7	18.4
EPS (parent-based) (KRW)	458	502	576	596	586
EPS (consolidated) (KRW)	458	502	576	596	586
Adjusted EPS (KRW)*	458	502	576	596	586

Notes: *Excluding one-off items
Source: Company data, Samsung Securities estimates

Balance Sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	1,757	2,022	2,466	3,075	3,726
Cash & equivalents	953	866	1,287	2,044	2,734
Accounts receivable	225	288	268	220	208
Inventories	119	122	113	93	88
Other current assets	461	746	798	717	696
Fixed assets	6,097	8,250	8,159	7,659	7,219
Investment assets	204	283	263	221	210
Tangible assets	5,841	7,862	7,835	7,378	6,948
Intangible assets	11	11	10	10	10
Other long-term assets	42	93	50	50	50
Total assets	7,854	10,272	10,624	10,733	10,945
Current liabilities	1,294	1,277	1,298	1,156	1,120
Accounts payable	216	243	226	185	175
Short-term debt	64	0	118	118	118
Other current liabilities	1,013	1,034	954	852	826
Long-term liabilities	1,847	3,341	3,725	3,721	3,721
Bonds & long-term debt	118	286	251	251	251
Other long-term liabilities	1,728	3,056	3,473	3,470	3,469
Total liabilities	3,141	4,618	5,023	4,878	4,840
Owners of parent equity	4,713	5,653	5,602	5,856	6,105
Capital stock	535	535	535	535	535
Capital surplus	1,942	1,942	1,942	1,942	1,942
Retained earnings	1,638	1,860	2,103	2,357	2,606
Other	598	1,317	1,022	1,022	1,022
Non-controlling interests' equity	0	0	0	0	0
Total equity	4,713	5,653	5,602	5,856	6,105
Net debt	1,480	2,982	3,021	2,245	1,551

Source: Company data, Samsung Securities estimates

Pan Ocean (028670 | BUY | TP: KRW4,900)

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	751	676	1,082	888	813
Net profit	245	268	308	318	313
Non-cash profit and expenses	633	627	1,160	559	505
Depreciation	490	468	488	458	429
Amortization	1	1	0	0	0
Other	143	158	672	101	76
Changes in A/L from operating activities	23	-15	7	21	6
Cash flow from investments	-84	-660	-330	91	106
Change in tangible assets	-311	-385	-133	0	0
Change in financial assets	16	-50	6	15	4
Other	211	-226	-204	77	102
Cash flow from financing	-470	-207	-322	-252	-237
Change in debt	100	1,423	458	(20)	-5
Change in equity	0	0	0	0	0
Dividends	-80	-45	-64	-64	-64
Other	-490	-1,584	-716	-168	-167
Change in cash	208	-87	421	758	690
Cash at beginning of year	745	953	866	1,287	2,044
Cash at end of year	953	866	1,287	2,044	2,734
Gross cash flow	878	895	1,468	878	818
Free cash flow	437	291	943	888	813

Source: Company data, Samsung Securities estimates

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	-32.1	18.3	6.8	-9.2	-5.5
Operating profit	-51.1	22.1	8.0	-6.4	-7.3
Net profit	-63.8	9.4	14.9	3.4	-1.6
Adjusted EPS*	-63.8	9.4	14.9	3.4	-1.6
Per-share data (KRW)					
EPS (parent-based)	458	502	576	596	586
EPS (consolidated)	458	502	576	596	586
Adjusted EPS**	458	502	576	596	586
BVPS	8,817	10,576	10,479	10,954	11,420
DPS (common)	85	120	120	120	120
Valuations (x)					
P/E**	8.1	6.6	6.5	6.3	6.4
P/B**	0.4	0.3	0.4	0.3	0.3
EV/EBITDA	4.0	5.0	5.0	4.6	4.1
Ratios (%)					
ROE	5.3	5.2	5.5	5.6	5.2
ROA	3.2	3.0	2.9	3.0	2.9
ROIC	6.6	6.4	6.1	5.9	5.8
Payout ratio	18.5	23.9	20.8	20.1	20.5
Dividend yield (common)	2.3	3.6	3.2	3.2	3.2
Net debt to equity	31.4	52.8	53.9	38.3	25.4
Interest coverage (x)	3.1	3.5	3.0	2.8	2.6

Notes: *Fully diluted, excluding one-off items **From companies subject to equity method valuation
Source: Company data, Samsung Securities estimates

Korea Line (005880 | BUY | TP: KRW2,200)

Key information

Target price	**KRW2,200 (+27.8%)**
Current price	**KRW1,721**
Market Cap	KRW555.4b
Shares (float)	322,747,340 (51.2%)
52-week high/low	KRW1,378/KRW1,952
Avg daily trading value(60-day)	KRW4.8b

Share performance (%)	**1M**	**6M**	**12M**
Korea Line (%)	-6.3	12.9	-5.4
Vs Kospi (%pts)	-5.0	-25.4	-40.6

Key data

(KRWb)	**2024**	**2025E**	**2026E**	**2027E**
Revenue	1,747	1,314	1,194	1,237
Operating profit	329	211	222	229
Net profit (adj)	165	183	112	129
EPS (adj) (KRW)	507	589	350	405
EPS (adj) growth (%)	137.1	16.2	(40.5)	15.5
EBITDA margin (%)	27.8	26.7	29.6	28.6
ROE (%)	8.9	9.2	5.2	5.7
P/E (adj) (x)	3.3	2.9	4.9	4.3
P/B (x)	0.3	0.3	0.2	0.2
EV/EBITDA (x)	5.1	5.5	4.7	4.0
Dividend yield (%)	0.0	0.0	0.0	0.0

Note: Based on the closing price as of Nov 27
Source: Company data, Samsung securities estimates

Investment points

Stable, contract-based business model

- With dedicated contracts accounting for roughly 70% of its total maritime transport revenue, Korea Line's earnings typically remain resilient regardless of spot-rate volatility. This gives the company a defensive profile during times when rates are weak.

- Recent earnings softness stems from the sale of four VLCCs and fleet reductions at its subsidiaries. It remains uncertain when the company will rebuild its fleet.

- Applying the three-year average P/B of 0.32x, we maintain our target price of KRW2,200 and reiterate BUY. The shares are trading near historical lows, and given the environment (strong downwards pressure is being applied to freight rates due to delayed IMO environmental measures and the potential return of vessels using key global canals), the company offers a safer investment option.

Korea Line (005880 | BUY | TP: KRW2,200)

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	2024	2025E	2026E	2027E
Assumptions												
Average BDI	1,823.7	1,848.2	1,870.5	1,464.8	1,118.3	1,467.5	1,978.1	2,052.9	1,751.8	1,654.2	1,787.8	1,841.4
Chg (% y-y)	80.4	40.8	56.7	-28.0	-38.7	-20.6	5.7	40.1	26.3	-5.6	8.1	3.0
Chg (% q-q)	-10.3	1.3	1.2	-21.7	-23.7	31.2	34.8	3.8				
Average KRW/USD rate	1,329.4	1,371.3	1,357.7	1,400.2	1,452.6	1,400.9	1,386.9	1,445.0	1,364.7	1,421.4	1,340.0	1,261.3
Chg (% y-y)	4.1	4.3	3.5	6.0	9.3	2.2	2.1	3.2	4.5	4.2	-5.7	-5.9
Bunker C (USD/tonne)	466.7	525.3	490.9	476.9	498.4	441.8	432.6	377.8	489.9	437.6	368.7	407.2
Chg (% y-y)	9.5	13.2	-9.0	0.4	6.8	-15.9	-11.9	-20.8	2.9	-10.7	-15.8	10.5
Fleet	71.0	68.0	66.0	56.0	58.0	57.0	57.0	54.0	63.0	48.0	48.0	48.0
Bulk	26.0	26.0	25.0	25.0	25.0	25.0	24.0	24.0	24.0	22.0	22.0	22.0
Non-bulk	45.0	42.0	41.0	31.0	33.0	32.0	33.0	30.0	39.0	26.0	26.0	26.0
(KRWb)												
Sales	515.2	408.5	418.9	404.6	330.5	332.2	318.0	333.4	1,747.2	1,314.1	1,194.5	1,236.6
Chg (% y-y)	45.2	18.9	24.6	11.5	-35.8	-18.7	-24.1	-17.6	25.0	-24.8	-9.1	3.5
Bulk carrier	163.9	192.5	187.1	174.3	150.0	167.7	157.7	155.5	717.7	630.9	546.6	572.6
Chg (% y-y)	8.1	27.4	26.0	9.9	-8.5	-12.9	-15.7	-10.8	17.7	-12.1	-13.4	4.8
Containership	90.4	84.7	95.7	95.9	84.2	71.2	79.4	71.2	366.7	305.9	257.7	267.2
Chg (% y-y)	-1.2	1.5	14.3	-1.4	-6.8	-16.0	-17.1	-25.8	3.0	-16.6	-15.8	3.7
Tanker	35.9	38.2	30.0	23.7	18.7	12.2	9.9	15.4	127.8	56.1	59.8	56.7
Chg (% y-y)	14.5	12.5	-13.3	-35.5	-47.8	-68.1	-67.2	-35.1	-6.5	-56.1	6.4	-5.1
Other	225.1	93.1	106.0	110.7	77.6	81.2	71.0	91.4	535.0	321.1	330.5	340.1
Chg (% y-y)	180.2	23.9	52.7	57.6	-65.5	-12.8	-33.0	-17.5	81.2	-40.0	2.9	2.9
Operating profit	126.7	72.2	67.8	61.9	63.9	33.0	59.3	55.1	328.6	211.3	222.2	229.4
Chg (% y-y)	111.7	10.6	-9.1	23.2	-49.6	-54.2	-12.5	-11.1	31.5	-35.7	5.1	3.3
Operating margin (%)	24.6	17.7	16.2	15.3	19.3	9.9	18.7	16.5	18.8	16.1	18.6	18.6

Source: Company data, Samsung Securities

Korea Line (005880 | BUY | TP: KRW2,200)

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	1,397	1,747	1,314	1,194	1,237
Cost of goods sold	1,075	1,334	1,019	897	930
Gross profit	323	413	296	298	307
Gross margin (%)	23.1	23.6	22.5	24.9	24.8
SG&A expenses	73	84	84	76	77
Operating profit	250	329	211	222	229
Operating margin (%)	17.9	18.8	16.1	18.6	18.6
Non-operating gains (losses)	(190)	(155)	(12)	(94)	(78)
Financial profit	14	15	37	28	38
Financial costs	167	175	103	113	117
Equity-method gains (losses)	3	5	17	0	0
Other	(41)	1	37	(9)	0
Pre-tax profit	60	174	199	128	151
Taxes	14	9	16	16	22
Effective tax rate (%)	22.7	5.1	8.0	12.8	14.5
Profit from continuing operations	46	165	183	112	129
Profit from discontinued operations	0	0	0	0	0
Net profit	46	165	183	112	129
Net margin (%)	3.3	9.4	13.9	9.4	10.5
Net profit (controlling interests)	68	162	190	113	131
Net profit (non-controlling interests)	(22)	3	(7)	(1)	(1)
EBITDA	411	486	351	354	354
EBITDA margin (%)	29.4	27.8	26.7	29.6	28.6
EPS (parent-based) (KRW)	214	507	589	350	405
EPS (consolidated) (KRW)	145	516	568	347	401
Adjusted EPS (KRW)*	214	507	589	350	405

Notes: *Excluding one-off items
Source: Company data, Samsung Securities estimates

Balance Sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	656	1,041	967	1,207	1,463
Cash & equivalents	110	260	368	636	873
Accounts receivable	146	153	126	120	124
Inventories	206	177	146	139	143
Other current assets	194	451	327	312	322
Fixed assets	4,072	3,539	3,167	3,029	2,909
Investment assets	163	167	141	135	139
Tangible assets	3,118	2,738	2,421	2,289	2,164
Intangible assets	9	9	9	9	9
Other long-term assets	782	626	597	597	597
Total assets	4,728	4,580	4,134	4,236	4,372
Current liabilities	1,193	823	437	429	435
Accounts payable	89	98	81	77	80
Short-term debt	198	100	0	0	0
Other current liabilities	905	624	356	352	355
Long-term liabilities	1,688	1,468	1,327	1,326	1,326
Bonds & long-term debt	43	64	58	58	58
Other long-term liabilities	1,645	1,404	1,268	1,267	1,268
Total liabilities	2,881	2,291	1,764	1,755	1,761
Owners of parent equity	1,609	2,020	2,118	2,231	2,361
Capital stock	160	161	161	161	161
Capital surplus	188	196	198	198	198
Retained earnings	878	1,041	1,230	1,344	1,474
Other	383	622	528	528	528
Non-controlling interests' equity	238	270	252	251	249
Total equity	1,847	2,290	2,369	2,481	2,611
Net debt	2,298	1,697	1,122	857	617

Source: Company data, Samsung Securities estimates

Korea Line (005880 | BUY | TP: KRW2,200)

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	419	567	325	324	298
Net profit	46	165	183	112	129
Non-cash profit and expenses	359	358	313	213	201
Depreciation	161	157	139	132	125
Amortization	0	0	0	0	0
Other	199	200	173	81	77
Changes in A/L from operating activities	12	51	(164)	15	(10)
Cash flow from investments	(404)	409	254	34	34
Change in tangible assets	(433)	157	(133)	0	0
Change in financial assets	22	(15)	26	6	(4)
Other	7	268	361	28	38
Cash flow from financing	0	(824)	(501)	(93)	(93)
Change in debt	182	(426)	(484)	0	0
Change in equity	0	10	2	0	0
Dividends	0	0	0	0	0
Other	(182)	(407)	(19)	(93)	(93)
Change in cash	14	150	108	269	237
Cash at beginning of year	95	110	260	368	636
Cash at end of year	110	260	368	636	873
Gross cash flow	406	523	496	325	330
Free cash flow	(14)	519	189	324	298

Source: Company data, Samsung Securities estimates

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	(13.3)	25.0	(24.8)	(9.1)	3.5
Operating profit	(6.6)	31.5	(35.7)	5.1	3.3
Net profit	(73.1)	255.6	11.0	(38.8)	15.5
Adjusted EPS*	(56.7)	137.1	16.2	(40.5)	15.5
Per-share data (KRW)					
EPS (parent-based)	214	507	589	350	405
EPS (consolidated)	145	516	568	347	401
Adjusted EPS**	214	507	589	350	405
BVPS	5,178	6,289	6,561	6,912	7,316
DPS (common)	0	0	0	0	0
Valuations (x)					
P/E**	10.1	3.3	2.9	4.9	4.3
P/B**	0.4	0.3	0.3	0.2	0.2
EV/EBITDA	7.8	5.1	5.5	4.7	4.0
Ratios (%)					
ROE	4.4	8.9	9.2	5.2	5.7
ROA	1.0	3.5	4.2	2.7	3.0
ROIC	5.2	8.2	5.5	5.9	6.2
Payout ratio	0.0	0.0	0.0	0.0	0.0
Dividend yield (common)	0.0	0.0	0.0	0.0	0.0
Net debt to equity	124.4	74.1	47.3	34.5	23.6
Interest coverage (x)	1.5	2.1	2.2	2.4	2.5

Notes: *Fully diluted, excluding one-off items **From companies subject to equity method valuation
Source: Company data, Samsung Securities estimates

Peer valuation table

(USDm)		Hyundai Glovis	HMM	Pan Ocean	Korea Line	Maersk	Cosco	Hapag-Lloyd	Pasific Basin	Mitsui OSK	NYK
Ticker		003490 KS	011200 KS	028670 KS	005880 KS	MAERSKb DC	1919 HK	HLAG GR	2343 HK	9104 JP	9101 JP
Market Cap		8,445	12,253	1,376	380	31,287	31,056	23,091	1,674	10,189	13,658
Sales	2023	17,559	5744	2,982	955	51,065	24,783	20,790	2,297	10,415	15,272
	2024	19,422	7999	3,529	1,195	55,482	33,033	22,161	2,582	11,359	16,561
	2025E	20,493	7248	3,769	898	53,157	31,263	20,694	2,288	11,032	15,174
	2026E	21,843	6085	3,422	817	50,107	29,935	18,803	2,318	10,796	15,357
	2027E	22,495	6255	3,233	845	51,749	31,308	19,651	2,363	10,912	15,517
Operating margin	2023	6.1	7.0	8.8	17.9	7.0	12.9	14.0	5.1	6.3	7.3
(%)	2024	6.2	30.0	9.1	18.8	11.2	25.0	13.5	5.6	8.5	8.1
	2025E	7.0	13.8	9.2	16.1	6.1	15.8	3.8	3.8	6.3	6.9
	2026E	6.9	12.1	9.5	18.6	0.2	8.9	0.2	5.5	6.9	6.9
	2027E	6.8	12.9	9.3	18.6	1.7	7.4	2.6	6.7	7.1	6.9
EBITDA margin	2023	8.2	17.4	20.1	29.4	19.2	24.0	24.8	14.5	12.6	13.2
(%)	2024	8.5	37.7	18.2	27.8	22.3	32.9	24.3	13.4	15.7	14.1
	2025E	9.8	24.0	18.1	26.7	17.6	23.9	16.9	12.3	13.8	14.1
	2026E	9.8	24.6	18.7	29.6	12.0	18.6	12.6	12.8	15.1	14.3
	2027E	9.8	25.7	18.4	28.6	13.1	17.8	14.3	(3.6)	(0.6)	(0.5)
ROE	2023	14.6	4.6	5.3	4.4	6.5	12.0	12.6	5.9	12.2	8.9
(%)	2024	13.3	15.3	5.2	8.9	11.0	22.8	12.1	7.3	16.9	17.2
	2025E	17.0	7.1	5.5	9.2	5.1	12.6	3.5	5.2	7.3	7.8
	2026E	15.8	5.9	5.6	5.2	-0.5	7.7	-3.4	7.1	6.4	6.5
	2027E	14.6	5.8	5.2	5.7	0.3	7.2	-1.9	8.2	6.2	6.3
P/E	2023	9.4	10.4	8.1	10.1	8.7	8.2	6.8	15.3	6.1	10.5
(x)	2024	10.1	3.8	6.6	3.3	5.1	3.9	8.3	12.7	3.7	4.6
	2025E	7.7	9.8	6.5	2.9	10.4	6.3	30.4	20.1	7.7	8.5
	2026E	7.3	12.3	6.3	4.9	-82.1	9.8	-185.4	14.6	8.7	10.0
	2027E	7.0	12.1	6.4	4.3	164.3	10.4	-291.3	11.1	8.5	9.7
P/B	2023	1.6	0.5	0.4	0.4	0.6	1.0	1.1	0.9	0.7	0.9
(x)	2024	1.4	0.6	0.3	0.3	0.5	0.8	1.0	0.9	0.6	0.7
	2025E	1.2	0.8	0.4	0.3	0.5	0.8	1.0	0.9	0.5	0.7
	2026E	1.1	0.7	0.3	0.2	0.5	0.7	1.2	0.9	0.5	0.7
	2027E	1.0	0.7	0.3	0.2	0.5	0.7	1.2	0.8	0.5	0.6
EV/EBITDA	2023	5.3	8.7	4.0	7.8	4.0	2.9	3.8	5.3	13.5	9.1
(x)	2024	4.6	3.7	5.0	5.1	3.2	1.5	4.0	5.0	11.8	7.4
	2025E	3.8	6.8	5.0	5.5	2.7	1.6	6.0	6.1	14.7	8.5
	2026E	3.3	7.9	4.6	4.7	5.0	1.9	9.8	5.6	13.9	8.4
	2027E	3.0	7.6	4.1	4.0	4.8	1.6	8.7	5.9	12.5	8.2
Net debt	2023	-625	-5942	958	1,209	7,715.0	-13,516.5	-3,258.9	105	7,575	4,847
	2024	-551	-7767	1,870	1,451	7,963.0	-15,142.5	-1,341.4	62	10,770	3,726
	2025E	-863	-4678	2,081	1,571	-6,480.6	-18,763.8	-2,277.0	53	12,130	4,428
	2026E	-1,275	-5341	2,026	1,161	-1,171.1	-20,485.4	89.7	(0)	12,430	4,851
	2027E	-1,810	-5727	1,929	767	1,371.9	-21,856.3	1,266.7	97	12,887	5,016

Source: Bloomberg, Samsung Securities

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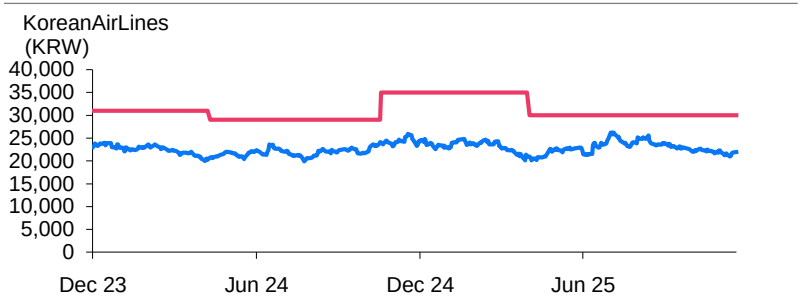
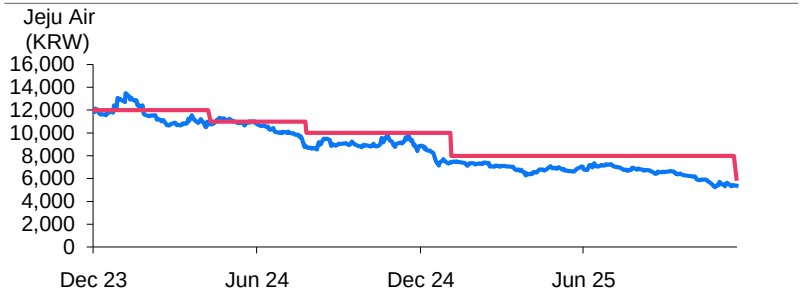
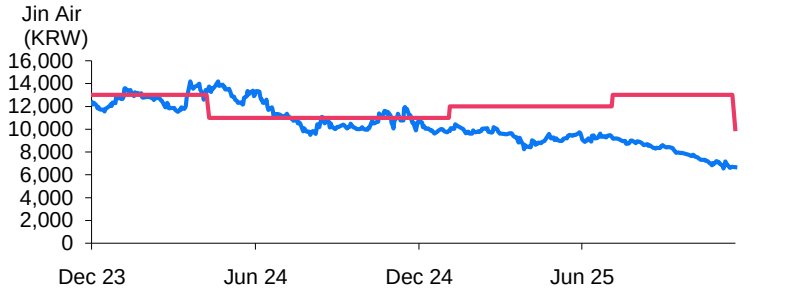
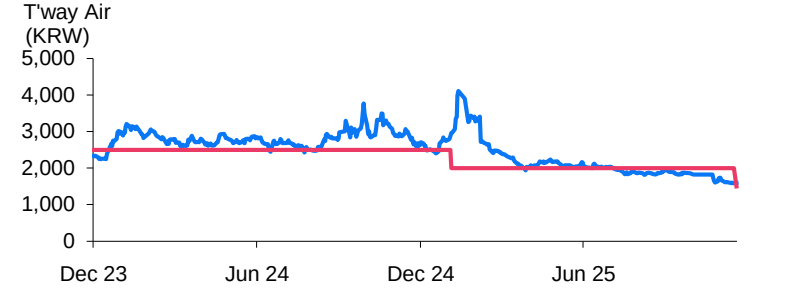
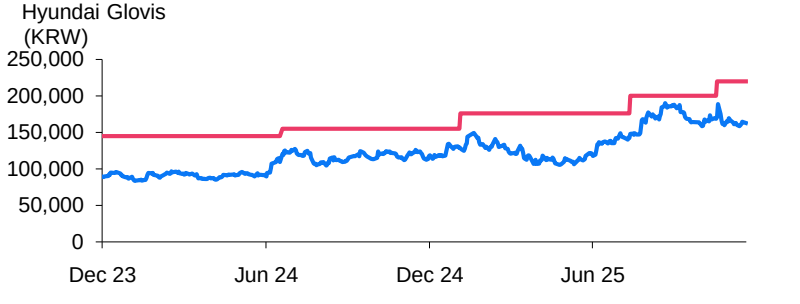
Target price changes in past two years

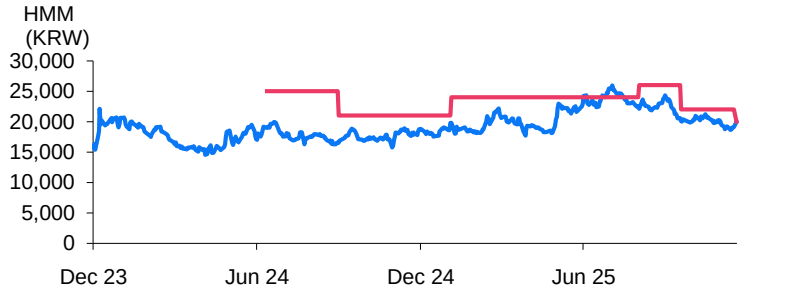




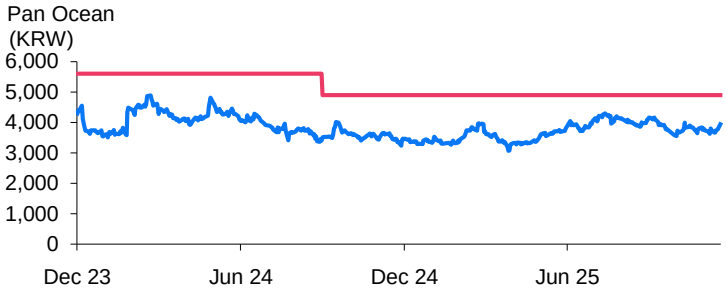


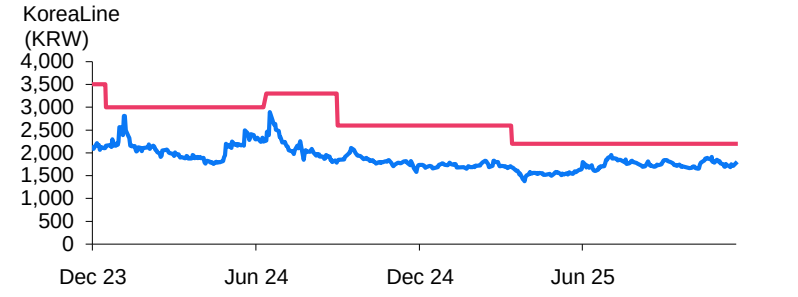






Target price changes in past two years(adjusted share prices)





Target price changes in past two years(adjusted share prices)

Korean Air					
Date	2023/10/4	2024/4/22	10/30	2025/4/14	
Recommendation	BUY	BUY	BUY	BUY	
Target price (KRW)	31000	29000	35000	30000	
Gap* (average)	-28.95	-24.57	-32.69		
(max or min)**	-22.58	-16.72	-25.86		
Jeju Air					
Date	2023/11/8	2024/4/22	8/7	2025/1/16	12/02
Recommendation	HOLD	HOLD	HOLD	HOLD	HOLD
Target price (KRW)	12000	11000	10000	8000	6000
Gap* (average)	-4.04	-4.56	-11.50	-16.33	
(max or min)**	12.42	2.91	-2.10	-6.13	
Jin Air					
Date	2023/10/4	2024/4/22	2025/1/16	7/17	12/02
Recommendation	HOLD	HOLD	BUY	BUY	BUY
Target price (KRW)	13000	11000	12000	13000	10000
Gap* (average)	-6.06	1.51	-21.67	-38.15	
(max or min)**	9.15	-13.64	-13.08	-29.31	
T'way Air					
Date	2023/11/15	2024/11/15	2025/1/16	12/02	
Recommendation	HOLD	HOLD	HOLD	HOLD	
Target price (KRW)	2500	2500	2000	1500	
Gap* (average)	10.46	9.14	6.76		
(max or min)**	50.80	22.60	-20.55		

Target price changes in past two years(adjusted share prices)

Hyundai Glovis							
Date	2023/4/28	2024/4/28	2024/7/1	7/25	2025/1/16	7/25	10/30
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	145057	145057	155061	155061	176000	200000	220000
Gap* (average)	-38.47	-33.71	-21.12	-24.07	-28.89	-14.68	
(max or min)**	-31.17	-20.86	-17.71	-13.26	-15.11	-4.95	

HMM						
Date	2024/6/24	9/12	2025/1/16	8/14	9/30	12/02
Recommendation	BUY	BUY	BUY	BUY	HOLD	HOLD
Target price (KRW)	25000	21000	24000	26000	22000	20000
Gap* (average)	-29.07	-14.89	-11.83	-13.36	-9.04	
(max or min)**	-20.12	-5.71	8.13	-6.54	-3.64	

Pan Ocean			
Date	2023/10/23	2024/9/12	2025/9/12
Recommendation	BUY	BUY	BUY
Target price (KRW)	5600	4900	4900
Gap* (average)	-26.86	-25.49	
(max or min)**	-12.68	-12.35	

Korea Line					
Date	2023/6/22	12/28	2024/6/24	9/12	2025/3/26
Recommendation	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	3500	3000	3300	2600	2200
Gap* (average)	-46.83	-30.31	-35.67	-31.76	
(max or min)**	-36.71	-6.33	-12.27	-19.04	

Target price changes in past two years(adjusted share prices)

Samsung Securities uses the following investment ratings*

Company		Industry	
BUY	Expected to increase in value by 15% or more within 12 months and is highly attractive within sector	**OVERWEIGHT**	Expected to outperform market by 5% or more within 12 months
HOLD	Expected to increase/decrease in value by less than 15% within 12 months	**NEUTRAL**	Expected to outperform/underperform market by less than 5% within 12 months
SELL	Expected to decrease in value by 15% or more within 12 months	**UNDERWEIGHT**	Expected to underperform market by 5% or more within 12 months

* Note: Effective Jul 27, 2023, BUY, HOLD, and SELL criteria are based on expectations of share-price moves of 15% or more within 12 months

Percentage of ratings in 12 months prior to 2025.09.30

BUY(83.5%)·HOLD(16.5%)·SELL(0%)

Samsung Securities

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