COMPANY UPDATE

2026. 4. 3

Alternative Investment Team

Kyungja Lee
Team Leader
kyungja.lee@samsung.com

Jumi Hong
Research Associate
jumi14.hong@samsung.com

Scan to go to
Research Center report database

Shinhan Seobu T&D REIT (404990)

Corporate day takeaways: Dividend hike driven by the strong performance of hotel sector

- Shinhan Seobu T&D REIT has focused on acquiring 3- and 4-star hotels to capitalize on increasing foreign travelers visiting Korea.
- The proceeds (KRW27b) from sale of Nine Tree by Parnas Seoul Dongdaemun should translate to a year-end DPS of KRW330.
- The REIT now projects a clear path of dividend expansion as Homeplus risk is eased and refinancing of Gwanghwamun G Tower was completed

WHAT'S THE STORY?

External growth: Shinhan Seobu T&D REIT's hotel room portfolio, held directly or indirectly, has expanded to around 1,000 rooms.

- Focus on 3- and 4-star hotels: Shinhan Seobu T&D REIT has concentrated on securing 3- and 4-star hotels, which are clearly benefiting from the surge in the number of foreign travelers visiting Korea. Sponsor Seobu T&D is evaluating the possibility of taking direct operational control of assets once their master lease agreements expire.
- Sale of Nine Tree by Parnas Seoul Dongdaemun: The sale of this hotel generated a KRW27b gain—translating to a year-end DPS of KRW330—within two years of acquisition. The recovered capital was reinvested to buy KRW25b preferred shares in Shilla Stay Mapo (acquired in 2025), demonstrating disciplined capital recycling.
- Sponsor acts as growth engine: Seobu T&D is set to commence construction on its Yongsan and Sinjeong-dong sites in October. Excluding residential properties, select commercial assets may be included to the REIT over time, laying the foundation for long-term topline growth.

(Continued on the next page)

SUMMARY FINANCIAL DATA

	2021	2022	2023	2024
Revenue (KRWb)	11	30	31	36
Operating profit (KRWb)	6	17	19	22
Net profit (adj) (KRWb)	2	9	10	9
EPS (adj) (KRW)	53	157	175	164
EPS (adj) growth (% y-y)	n/a	196.8	12.0	-6.8
EBITDA margin (%)	87.8	86.9	86.8	87.2
ROE (%)	0.6	3.3	3.7	3.5
P/E (adj) (x)	94.8	23.3	20.9	21.0
P/B (x)	1.0	0.8	0.8	0.7
P/FFO (x)	29.7	11.7	11.3	10.8
Dividend yield (%)	1.8	8.7	7.9	7.2

Note: 2021 dividend yield is non-annualized yield (yield at period-end) / Source: Company data

AT A GLANCE

Not Rated

Target price	n/a
Current price	KRW4,235
Market cap	KRW252.21b/USD165.96m
Shares (float)	60,163,193 (53.0%)
52-week high/low	KRW4,540/KRW3,100
Avg daily trading value (60-day)	KRW0.5b/ USD0.3m

ONE-YEAR PERFORMANCE

	1M	6M	12M
Shinhan Seobu T&D REIT (%)	-3.2	24.2	26.4
Vs Kospi (%pts)	15.5	-15.8	-39.5

SAMSUNG vs THE STREET

No of estimates	n/a
Target price	n/a
Recommendation	n/a

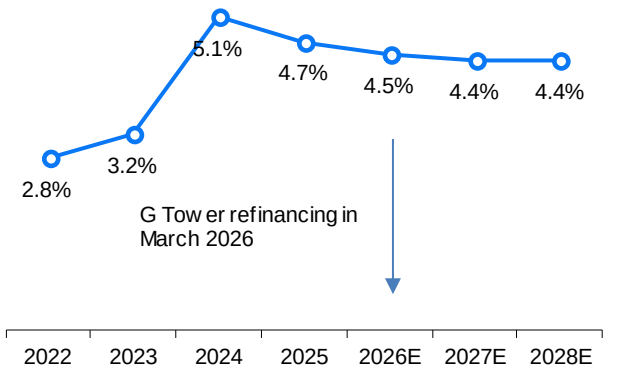
※ Rating: 4 < → BUY, 3 = HOLD, 2 > → SELL

Internal growth: Rental income tied to hotel performance is growing and Gwanghwamun G Tower is on track to achieve full occupancy by year-end.

- **Exceeding minimum revenue guarantee:** Seoul Dragon City's operating profit climbed 50% y-y in 3Q. Rental income from both Gwanghwamun G Tower and Shilla Stay Mapo is highly correlated with their tenants' sales—a factor for the REIT to benefit from the strong market conditions.
- **Homeplus risk mitigated:** Upon contract expiration with Homeplus, which occupies 28% of Square One's total floor area, sponsor Seobu T&D plans to fully take over the space under a master lease. This should enhance tenant quality, and the lease terms should be adjusted to better serve the REIT.
- **Convertible bonds (CBs):** The first batch of CBs unconverted stands at KRW5.5b and the second batch at KRW32.7b. Given the conversion price, the second CBs are unlikely to be exercised in the near term. Should the put option be triggered, the REIT intends to repay the bonds using lower-cost short-term bonds, thereby reducing interest expenses.
- **Refinancing effect:** The refinancing of Gwanghwamun G Tower was completed in March. Improved asset value allowed for higher LTV utilization, replacing subordinate debt with senior debt and reducing the interest rate from 5.1% to 4.2% (down 90bps).

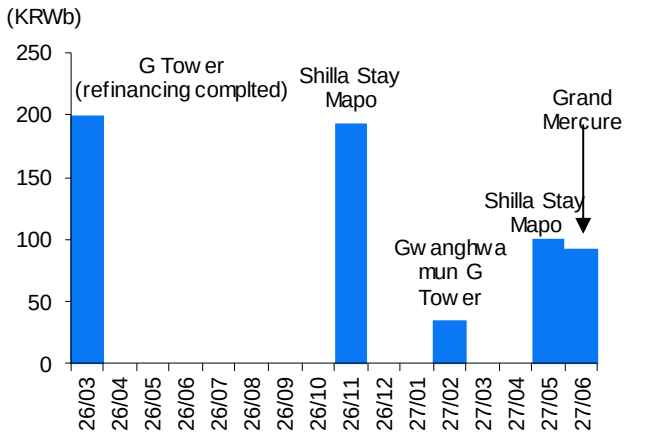
Dividend momentum: As Korea's only hotel-focused REIT, Shinhan Seobu T&D REIT is uniquely positioned to deliver consistent dividend growth through improving industry conditions, lower financing costs, and portfolio overhaul. After posting a low of KRW248 per share in 2024, the REIT now projects a clear path of dividend expansion. Even after a special dividend payment in 2026, 2027 DPS guidance remains at KRW276—implying a dividend yield of 6.3% based on Mar 31 closing price.

Weighted average funding rate



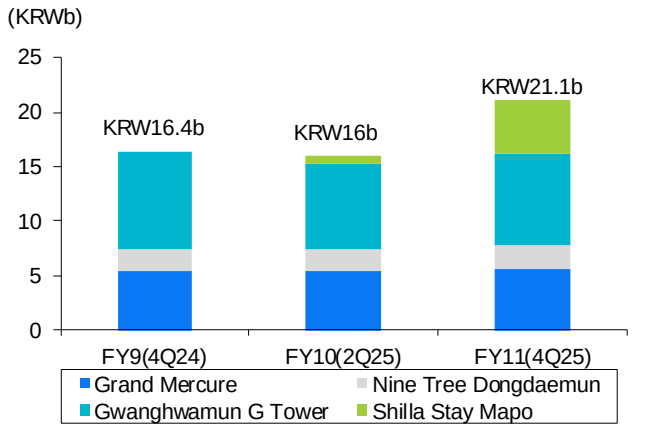
Note: Refinancing spread for Incheon Square One in November is assumed to remain at 150bps, in line with the current level
Source: Company data, Samsung securities

Debt maturity profile



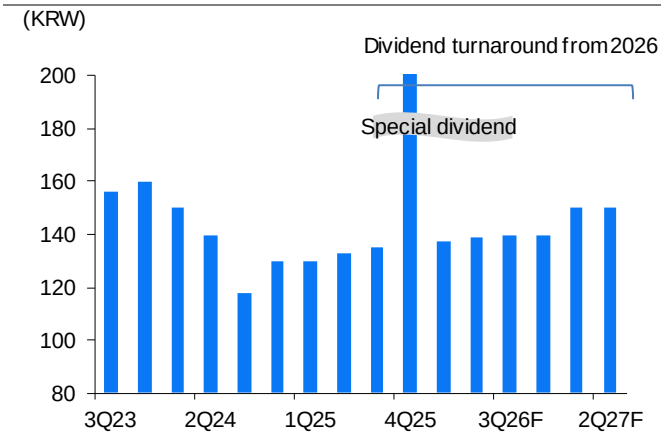
Source: Company data, Samsung securities

Operating income trend of hotel assets



Source: Company data, Samsung securities

DPS trend



Source: Company data, Samsung securities

CB issuance

	1CB	2CB
Issue amount	KRW20b	KRW35b
CB outstanding amount (as of end-2025)	KRW7b	KRW25b
CB outstanding amount (as of end-Mar.2026)	KRW5.5b	KRW32.7b
Issue date	2023.3.5	2024.2.26
Maturity date	2026.9.5	2027.2.26
Conversion period	One year later since the issue date	
Early redemption period	2025.9.5~	2026.2.26~
Conversion price	KRW 3,335	KRW 3,776
Coupon rate	4%	3%
YTM	5%	6%

Note: as of end-2025
Source: Company data

Income statement

Year-end Dec 31 (KRWb)	2021	2022	2023	2024
Sales	**20**	**30**	**31**	**36**
Cost of goods sold	0	0	0	0
Gross profit	**20**	**30**	**31**	**36**
Gross margin (%)	100.0	100.0	100.0	100.0
SG&A expenses	11	13	13	13
Operating profit	**9**	**17**	**19**	**22**
Operating margin (%)	45.7	57.3	60.2	62.9
Non-operating gains (losses)	**-8**	**-8**	**-9**	**-13**
Financial profit	0	1	1	7
Financial costs	8	9	10	20
Equity-method gains (losses)	0	0	0	3
Other	0	0	-0	-3
Pre-tax profit	**1**	**9**	**10**	**9**
Taxes	0	0	0	0
Effective tax rate (%)	0.0	0.0	0.0	0.0
Profit from continuing operations	1	9	10	12
Profit from discontinued operations	0	0	0	-3
Net profit	**1**	**9**	**10**	**9**
Net margin (%)	6.5	29.7	31.3	25.7
Net profit (controlling interests)	1	9	10	9
Net profit (non-controlling interests)	0	0	0	0
EBITDA	16	26	27	31
EBITDA margin (%)	81.0	86.9	86.8	87.2
EPS (parent-based) (KRW)	42	157	175	164
EPS (consolidated) (KRW)	42	157	175	164
Adjusted EPS (KRW)*	42	157	175	164

Balance sheet

Year-end Dec 31 (KRWb)	2021	2022	2023	2024
Current assets	**50**	**45**	**37**	**63**
Cash & equivalents	24	19	17	40
Accounts receivable	1	1	2	3
Inventories	0	0	0	0
Other current assets	25	25	18	20
Fixed assets	**542**	**536**	**585**	**906**
Investment assets	0	0	0	0
Tangible assets	0	0	0	0
Intangible assets	0	0	0	0
Other long-term assets	542	536	585	905
Total assets	**593**	**581**	**622**	**968**
Current liabilities	**15**	**202**	**80**	**86**
Accounts payable	0	0	0	0
Short-term debt	9	0	0	0
Other current liabilities	6	202	80	86
Long-term liabilities	**306**	**112**	**282**	**554**
Bonds & long-term debt	264	72	241	513
Other long-term liabilities	42	41	41	41
Total liabilities	**321**	**314**	**362**	**641**
Owners of parent equity	**272**	**267**	**260**	**259**
Capital stock	56	56	56	56
Capital surplus	218	218	218	222
Retained earnings	-2	-7	-14	-20
Other	-0	-0	0	-0
Non-controlling interests' equity	**0**	**0**	**0**	**69**
Total equity	**272**	**267**	**260**	**328**
Net debt	232	221	278	508

Cash flow statement

Year-end Dec 31 (KRWb)	2021	2022	2023	2024
Cash flow from operations	**18**	**26**	**18**	**16**
Net profit	1	9	10	9
Non-cash profit and expenses	15	18	20	44
Depreciation	7	9	8	9
Amortization	0	0	0	0
Other	8	10	11	36
Changes in A/L from operating activities	8	7	-3	-2
Cash flow from investments	**-168**	**-8**	**-52**	**-315**
Change in tangible assets	0	0	0	0
Change in financial assets	0	-8	7	-1
Other	-168	0	-59	-314
Cash flow from financing	**168**	**-22**	**33**	**322**
Change in debt	0	-8	49	253
Change in equity	0	0	0	4
Dividends	-3	-14	-17	-14
Other	171	-1	1	79
Change in cash	17	-5	-2	23
Cash at beginning of year	0	24	19	17
Cash at end of year	24	19	17	40
Gross cash flow	**17**	**27**	**30**	**54**
Free cash flow	**18**	**26**	**18**	**16**

Financial ratios

Year-end Dec 31	2021	2022	2023	2024
Growth (%)				
Sales	n/a	46.4	6.4	13.3
Operating profit	n/a	83.6	11.7	18.4
Net profit	n/a	571.1	12.0	-6.8
Adjusted EPS**	n/a	275.9	12.0	-6.8
Per-share data (KRW)				
EPS (parent-based)	42	157	175	164
EPS (consolidated)	42	157	175	164
Adjusted EPS**	42	157	175	164
BVPS	4,857	4,769	4,640	4,621
DPS (common)	89	316	290	248
Valuations (x)				
P/E***	120.0	23.3	20.9	21.0
P/B***	1.0	0.8	0.8	0.7
P/FFO (x)	18.6	11.7	11.3	10.8
Ratios (%)				
ROE	0.5	3.3	3.7	3.5
ROA	0.2	1.5	1.6	1.2
ROIC	236.7	-921.9	-283.8	-129.9
Payout ratio	381.5	201.8	165.3	151.6
Dividend yield (common)	1.8	8.7	7.9	7.2
Net debt to equity	85.4	82.7	107.2	154.9
Interest coverage (x)	1.1	1.9	1.8	1.1

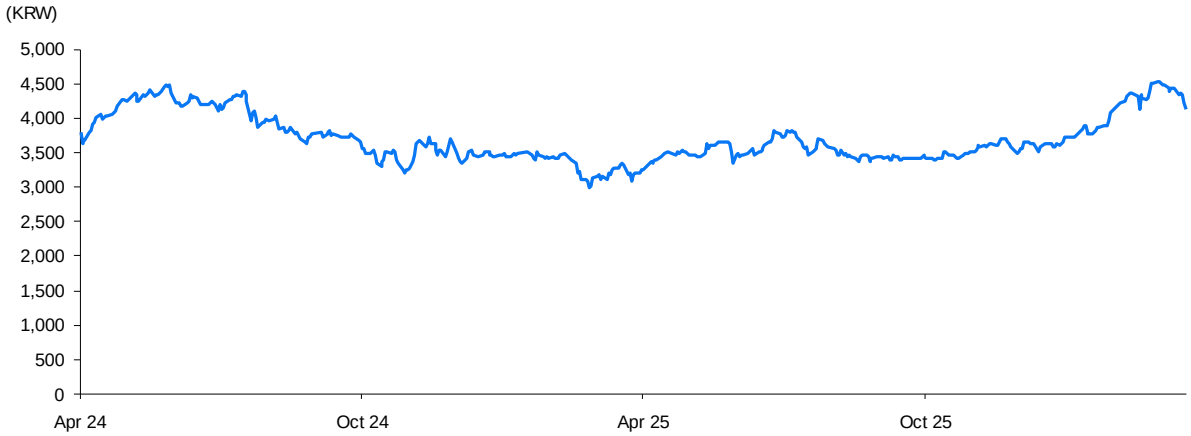
Note: *Excluding one-off items
**Fully diluted, excluding one-off items
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

Compliance notice

- As of 4/2 2026, the covering analyst(s) did not own any shares, or debt instruments convertible into shares, of any company covered in this report.
- As of 4/2 2026, Samsung Securities' holdings of shares and debt instruments convertible into shares of each company covered in this report would not, if such debt instruments were converted, exceed 1% of each company's outstanding shares.
- This report has been prepared without any undue external influence or interference, and accurately reflects the views of the analyst(s) covering the company or companies herein.
- All material presented in this report, unless specifically indicated otherwise, is under copyright to Samsung Securities.
- Neither the material nor its content (including copies) may be altered in any form, or by any means transmitted, copied, or distributed to another party, without prior express written permission from Samsung Securities.
- This memorandum is based upon information available to the public. While we have taken all reasonable care to ensure its reliability, we do not guarantee its accuracy or completeness. This memorandum is not intended to be an offer, or a solicitation of any offer, to buy or sell the securities mentioned herein. Samsung Securities shall not be liable whatsoever for any loss, direct or consequential, arising from the use of this memorandum or its contents. Statements made regarding affiliates of Samsung Securities are also based upon publicly available information and do not necessarily represent the views of management at such affiliates.
- This material has not been distributed to institutional investors or other third parties prior to its publication.

Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2026/4/3
Recommendation	Not Rated
Target price (KRW)	n/a
Gap* (average)	
(max or min)**	

Note: * [(average, maximum, or minimum share price over duration of target price minus target price) / target price] x 100%
** Maximum/minimum share price if new target is higher/lower than market close on the business day prior to target price change

Samsung Securities uses the following investment ratings*

Company

BUY	Expected to increase in value by 15% or more within 12 months and is highly attractive within sector
HOLD	Expected to increase/decrease in value by less than 15% within 12 months
SELL	Expected to decrease in value by 15% or more within 12 months

Industry

OVERWEIGHT	Expected to outperform market by 5% or more within 12 months
NEUTRAL	Expected to outperform/underperform market by less than 5% 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 2026.03.31

BUY(85.2%)·HOLD(14.8%)·SELL(0%)

Global Disclosures & Disclaimers

General

This research report is for information purposes only. It is not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This report does not provide individually tailored investment advice. This report does not take into account individual client circumstances, objectives, or needs and is not intended as recommendations of particular securities, financial instruments or strategies to any particular client. The securities and other financial instruments discussed in this report may not be suitable for all investors. The recipient of this report must make its own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser.

This report may not be altered, reproduced, distributed, transmitted or published in whole or in part for any purpose. References to "Samsung Securities" are references to any company in the Samsung Securities, Co., Ltd. group of companies.

Samsung Securities and/or other affiliated companies, its and their directors, officers, representatives, or employees may have long or short positions in any of the securities or other financial instruments mentioned in this report or of issuers described herein and may purchase and/or sell, or offer to purchase and/or sell, at any time, such securities or other financial instruments in the open market or otherwise, as either a principal or agent. Any pricing of securities or other financial instrument contained herein is as of the close of market for such day, unless otherwise stated. Opinions and estimates contained herein constitute our judgment as of the date of this report and are subject to change without notice.

The information provided in this report is provided "AS IS". Although the information contained herein has been obtained from sources believed to be reliable, no representation or warranty, either expressed or implied, is provided by Samsung Securities in relation to the accuracy, completeness or reliability of such information or that such information was provided for any particular purpose and Samsung Securities expressly disclaims any warranties of merchantability or fitness for a particular purpose. Furthermore, this report is not intended to be a complete statement or summary of the securities, markets or developments referred to herein.

Samsung Securities does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. Samsung Securities, its affiliates, or any of its and their affiliates, directors, officers, employees or agents disclaim any and all responsibility or liability whatsoever for any loss (direct or consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice. Past performance is not indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security or financial instrument mentioned in this report. For investment advice, trade execution or other enquiries, clients should contact their local sales representative. Any opinions expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of Samsung Securities. Any analysis contained herein is based on numerous assumptions. Different assumptions may result in materially different results. Samsung Securities is under no obligation to update or keep current the information contained herein. Samsung Securities relies on information barriers to control the flow of information contained in one or more areas or groups within Samsung Securities into other areas or groups of Samsung Securities. Any prices stated in this report are for information purposes only and do not represent valuations for individual securities or other financial instruments. Samsung Securities makes no representation that any transaction can or could have been effected at those prices and any prices contained herein may not reflect Samsung Securities' internal books and records or theoretical model-based valuations and may be based on certain assumptions. Different assumptions by Samsung Securities or any other source may yield substantially different results. Additional information is available upon request.

For reports to be distributed to US:

Securities research is prepared, issued and exclusively distributed by Samsung Securities Co., Ltd., an organization licensed with the Financial Supervisory Service of South Korea. This research may be distributed in the United States only to major institutional investors as defined in Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended, and may not be circulated to any other person otherwise. All transactions by U.S. investors involving securities discussed in this report must be effected through Samsung Securities (America) Inc., a broker-dealer registered with the U.S. Securities & Exchange Commission and a member of the Financial Industry Regulatory Authority/SIPC, and not through any non-U.S. affiliate thereof. The analysts listed [on the front of this report] are employees of Samsung Securities Co., Ltd., or a non-U.S. affiliate thereof, and are not registered/qualified as research analysts under applicable U.S. rules and regulations and may not be subject to U.S. restrictions on communications with covered companies, public appearances, and trading securities held by a research analyst account.

For reports to be distributed to UK:

This report is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). To the extent that this report does constitute such an invitation or inducement, it is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (as amended) of the United Kingdom (the "Financial Promotion Order"); (ii) persons who fall within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iii) any other persons to whom this report can, for the purposes of section 21 of FSMA, otherwise lawfully be made (all such persons together being referred to as "relevant persons").

Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons must not act or rely on this report.

For reports to be distributed to Korea:

This report is for private circulation only, not for sale, and is issued and distributed only to persons permitted under the laws and regulations of Korea.

For reports to be distributed to Singapore:

This report is provided pursuant to the financial advisory licensing exemption under Regulation 27(1)(e) of the Financial Advisers Regulation of Singapore and accordingly may only be provided to persons in Singapore who are "institutional investors" as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This report is intended only for the person to whom Samsung Securities has provided this report and such person may not send, forward or transmit in any way this report or any copy of this report to any other person.

Analyst certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of such analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research report. The analyst(s) principally responsible for the preparation of this research report receives compensation based on determination by research management and senior management (not including investment banking), based on the overall revenues, including investment banking revenues of Samsung Securities Co., Ltd. and its related entities and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

Copyright © 2010 Samsung Securities Co., Ltd.. All rights reserved. This report or any portion hereof may not be reprinted, sold or redistributed without the prior written consent of Samsung Securities America Inc

Samsung Securities

SAMSUNG SECURITIES

Samsung Electronics Bldg., 11, 74-gil,
Seochodae-ro, Seocho-gu, Seoul, Korea 06620
Tel: 02 2020 8000 / www.samsungpop.com

Family Center: 1588 2323

Voice Of Customer: 080 911 0900

For more information,
please call our sales representatives:

LONDON

Samsung Securities Europe Limited
1st Floor, 30 Gresham Street, London EC2V 7PG UK
Tel. 44-207-776-4311
Fax. 44-203-837-9219

NEW YORK

Samsung Securities America Limited
1330 Avenue of the Americas. 10th Floor. New York,
NY 10019
Tel: 1-212-972-2454
Fax: 1-212-972-2704

HONG KONG

Samsung Securities (Asia) Limited
Suite 4511, Two International Finance Center,
8 Finance Street, Central, Hong Kong
Tel: 852-3411-3608
Fax: 852-2114-0290

BEIJING

Samsung Securities Beijing Representative Office
Rm. 910, The Exchange Building No 118 JianGuo Lu, Chao Yang District, Beijing, China
Tel: 86-10-6522-1855 (extension 7891)
Fax: 86-10-6522-1855 (extension 7889)

TOKYO

Samsung Securities Tokyo Representative Office
#106-8532 19F, Roppongi T-Cube 3-1-1,
Roppongi Minato-ku Tokyo, Japan
Tel: 81-3-6333-2952
Fax: 81-3-6333-2953

Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CSA