# COMPANY UPDATE

2026. 5. 11


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# Pan Ocean (028670)

## Fundamentals improving

- Pan Ocean reported solid 1Q results showing sales of KRW1.5t (up 8.3% y-y) and operating profit of KRW140.9b (up 24.4% y-y), beating our forecasts sharply.
- The grain segment led sales growth on higher volumes, while the LNG segment, operating under long-term charters, drove the improvement in operating profit.
- We raise our target price for the stock to KRW6,800, reflecting strong 1Q performance and a hike in global peers' average 2026 P/B. We maintain our BUY rating.

### WHAT'S THE STORY?

**Structural transformation underway:** Despite a 75% y-y surge in the average BDI to 1,955, Pan Ocean's bulk segment saw sales fall 4.4% y-y to KRW760b and operating profit rise only 14% y-y to KRW54.7b. The underperformance—despite the exceptional freight rate strength in 1Q—owed to: 1) proactive fleet management in preparation for the upcoming off-season; and 2) a spike in oil prices following the US-Iran conflict in March. The company's non-bulk segments (non-bulk marine + grain) continued to increase their contribution—1) marine sales (containership, tanker, and LNG) rose 11.7% y-y to KRW289.1b, despite a 6.4% and 0.9% fall in containership and tanker sales, respectively, thanks to LNG sales up 56.4% y-y on full-quarter recognition of revenue from the chartering out of 12 vessels; and 2) grain sales rose 25% y-y on a 38% volume increase. Consequently, the non-bulk portion of total sales grew to 49%. Meanwhile, non-bulk operating profit rose 26% y-y to KRW84.3b, accounting for 60% of the total.

*(Continued on the next page)*

### AT A GLANCE

**BUY**

| | | |
|---|---|---|
| Target price | KRW6,800 | 13.7% |
| **Current price** | **KRW5,980** | |
| Market cap | KRW3.2t/USD2.2b | |
| Shares (float) | 534,569,512 (45.1%) | |
| 52-week high/low | KRW6,200/KRW3,365 | |
| Avg daily trading value (60-day) | KRW33.8b/ USD23.0m | |

### ONE-YEAR PERFORMANCE

| | 1M | 6M | 12M |
|---|---|---|---|
| Pan Ocean (%) | 15.9 | 57.4 | 77.7 |
| Vs Kospi (%pts) | -9.2 | -17.0 | -38.9 |

### KEY CHANGES

| (KRW) | New | Old | Diff |
|---|---|---|---|
| Recommend. | BUY | BUY | |
| Target price | 6,800 | 5,800 | 17.2% |
| 2026E EPS | 611 | 592 | 3.2% |
| 2027E EPS | 650 | 588 | 10.5% |

### SAMSUNG vs THE STREET

| | |
|---|---|
| No of estimates | 13 |
| Target price | 7,092 |
| Recommendation | 3.9 |

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

### SUMMARY 1Q RESULTS

| (KRWb) | 1Q26 | Chg | | Diff (%) | |
|---|---|---|---|---|---|
| | | (% y-y) | (% q-q) | Samsung | Consensus |
| Sales | 1,508.9 | 8.3 | 2.2 | 29.1 | 3.7 |
| Operating profit | 140.9 | 24.4 | 8.0 | 25.2 | 6.6 |
| Pre-tax profit | 97.9 | 29.9 | 73.3 | 11.6 | 17.1 |
| Net profit | 94.5 | 31.2 | 94.2 | 11.5 | 17.4 |
| **Margins (%)** | | | | | |
| Operating profit | 9.3 | | | | |
| Pre-tax profit | 6.5 | | | | |
| Net profit | 6.3 | | | | |

Source: Company data, Fnguide, Samsung Securities estimates

### VALUATION SUMMARY

| | 2025 | 2026E | 2027E |
|---|---|---|---|
| **Valuation (x)** | | | |
| P/E | 6.8 | 9.2 | 8.7 |
| P/B | 0.4 | 0.5 | 0.5 |
| EV/EBITDA | 5.4 | 5.5 | 5.0 |
| Div yield (%) | 3.9 | 2.1 | 2.3 |
| EPS growth (% y-y) | 12.4 | 8.3 | 6.5 |
| ROE (%) | 5.3 | 5.6 | 5.7 |
| **Per-share data (KRW)** | | | |
| EPS | 564 | 611 | 650 |
| BVPS | 10,707 | 11,167 | 11,698 |
| DPS | 150 | 120 | 130 |

**Raising target price to KRW6,800 and maintaining BUY:** We raise our target price for the stock to KRW6,800, reflecting a 10.7% upward revision to our 2026 operating profit estimate (to factor into the 1Q strength) and a hike in the global peers' average P/B to 0.87x (+13.8%). The company's fleet is set to expand led by sequential deliveries of eight newbuild bulk carriers, eight tankers, and ten VLCCs acquired from SK Shipping starting in 2Q. Rising non-bulk revenue, including the grain segment, is lowering dependence on dry bulk market conditions, while the LNG segment, operating under long-term charters, should sustain margins above 40%. Citing sufficient upside, we maintain our BUY rating for the stock, despite a slightly disappointing shareholder return policy.

### Forecast revisions

| (KRWb) | 2025 | New | | Old | | Chg (%) | |
|---|---|---|---|---|---|---|---|
| | | 2026E | 2027E | 2026E | 2027E | 2026E | 2027E |
| Sales | 5,433 | 5,586 | 5,392 | 5,020 | 4,787 | 11.3 | 12.6 |
| Operating profit | 492 | 526 | 518 | 475 | 444 | 10.7 | 16.6 |
| Pre-tax profit | 318 | 340 | 366 | 327 | 325 | 3.9 | 12.7 |
| Net profit | 301 | 326 | 348 | 317 | 314 | 3.1 | 10.6 |
| EBITDA | 1,013 | 1,016 | 978 | 933 | 873 | 8.9 | 12.0 |
| EPS (KRW)* | 564 | 611 | 650 | 592 | 588 | 3.1 | 10.6 |

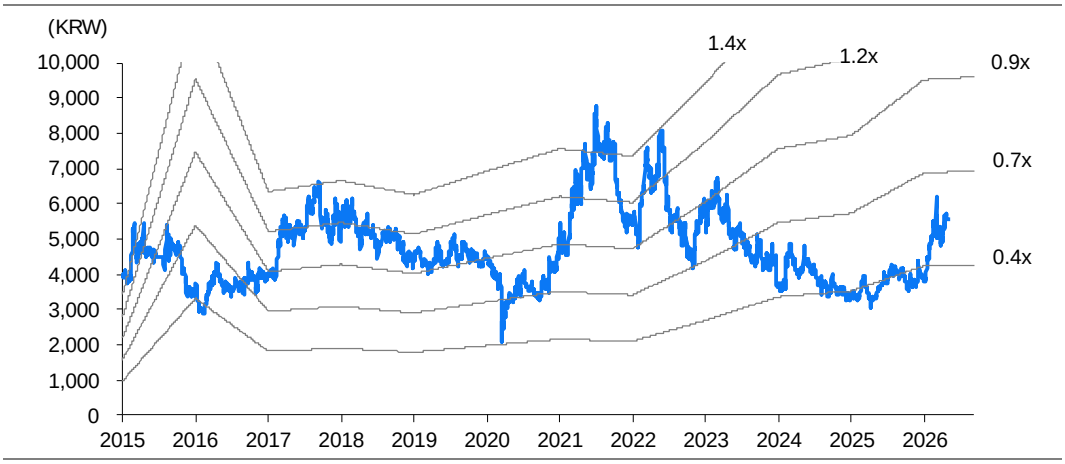
Note: *Fully diluted, excluding one-off items
Source: Company data, Samsung Securities estimates

### Valuation summary

| Year-end (KRWb) | Sales | Operating profit | Pre-tax profit | Net profit | EPS* (KRW) | EPS growth (%) | P/E (x) | P/B (x) | EV/EBITDA (x) | ROE (%) | Net debt |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 2024 | 5,161 | 471 | 282 | 268 | 502 | 9.4 | 6.6 | 912 | 4.8 | 0.3 | 5.2 |
| 2025 | 5,433 | 492 | 318 | 301 | 564 | 12.4 | 6.8 | 999 | 5.4 | 0.4 | 5.3 |
| 2026E | 5,586 | 526 | 340 | 326 | 611 | 8.3 | 9.2 | 1,237 | 5.5 | 0.51 | 5.6 |
| 2027E | 5,392 | 518 | 366 | 348 | 650 | 6.5 | 8.7 | 1,718 | 5.0 | 0.5 | 5.7 |
| 2028E | 5,418 | 524 | 398 | 375 | 702 | 8.0 | 8.0 | 1,585 | 4.3 | 0.5 | 5.9 |

Note: *Fully diluted, excluding one-off items
Source: Company data, Samsung Securities estimates

### Forward P/B band




Source: QuantiWise, Samsung Securities estimates

### Pan Ocean: Results and forecasts

| | 1Q25 | 2Q25 | 3Q25 | 4Q25 | 1Q26P | 2Q26E | 3Q26E | 4Q26E | 2025 | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Assumptions** | | | | | | | | | | | | |
| Average BDI | 1,118 | 1,467 | 1,978 | 2,159 | 1,955 | 2,131 | 1,842 | 1,772 | 1,681 | 1,925 | 1,667 | 1,667 |
| Chg (% y-y) | -38.7 | -20.6 | 5.7 | 47.4 | 74.8 | 45.2 | -6.9 | -17.9 | -4.2 | 14.5 | -13.4 | 0.0 |
| Chg (% q-q) | -23.7 | 31.2 | 34.8 | 9.1 | -9.5 | 9.0 | -13.6 | -3.8 | | | | |
| Average KRW/USD rate | 1,453 | 1,401 | 1,387 | 1,452 | 1,467 | 1,500 | 1,455 | 1,405 | 1,423 | 1,457 | 1,350 | 1,297 |
| Chg (% y-y) | 9.3 | 2.2 | 2.1 | 3.7 | 1.0 | 7.1 | 4.9 | -3.2 | 4.3 | 2.4 | -7.4 | -3.9 |
| Bunker C (USD/tonne) | 498 | 442 | 433 | 412 | 488 | 544 | 435 | 420 | 446 | 472 | 414 | 417 |
| Chg (% y-y) | 6.8 | -15.9 | -11.9 | -13.6 | -2.0 | 23.0 | 0.6 | 1.9 | -8.9 | 5.7 | -12.2 | 0.6 |
| Fleet | 275 | 266 | 258 | 246 | 263 | 268 | 270 | 270 | 246 | 270 | 280 | 296 |
| Bulk | 230 | 220 | 213 | 202 | 218 | 221 | 222 | 222 | 202 | 222 | 232 | 244 |
| Non-bulk | 45 | 46 | 45 | 44 | 45 | 47 | 48 | 48 | 44 | 48 | 48 | 52 |
| **(KRWb)** | | | | | | | | | | | | |
| Sales | 1,393 | 1,294 | 1,269 | 1,476 | 1,509 | 1,521 | 1,418 | 1,138 | 5,433 | 5,586 | 5,392 | 5,418 |
| Chg (% y-y) | 42.8 | 4.9 | -0.6 | -11.9 | 8.3 | 17.6 | 11.7 | -22.9 | 5.3 | 2.8 | -3.5 | 0.5 |
| Bulk carrier | 795 | 803 | 778 | 824 | 760 | 790 | 703 | 540 | 3,200 | 2,793 | 2,725 | 2,777 |
| Chg (% y-y) | 15.8 | -7.8 | -5.8 | -13.0 | -4.4 | -1.6 | -9.7 | -34.4 | -3.9 | -12.7 | -2.5 | 1.9 |
| Containership | 113 | 110 | 106 | 113 | 106 | 145 | 141 | 109 | 442 | 501 | 473 | 453 |
| Chg (% y-y) | 40.6 | 16.9 | -2.1 | -4.5 | -6.4 | 31.1 | 33.2 | -2.9 | 10.2 | 13.4 | -5.5 | -4.4 |
| Tanker | 78 | 70 | 76 | 74 | 78 | 75 | 79 | 63 | 298 | 295 | 292 | 293 |
| Chg (% y-y) | -20.4 | -23.7 | -7.1 | -3.1 | -0.9 | 7.5 | 4.7 | -14.5 | -14.4 | -0.9 | -1.2 | 0.5 |
| Other | 408 | 311 | 309 | 466 | 460 | 405 | 390 | 326 | 1,494 | 1,581 | 1,515 | 1,522 |
| Chg (% y-y) | 268.1 | 75.7 | 18.8 | -12.8 | 12.8 | 30.2 | 26.3 | -30.0 | 38.0 | 5.9 | -4.2 | 0.5 |
| Operating profit | 113 | 123 | 125 | 130 | 141 | 137 | 137 | 111 | 492 | 526 | 518 | 524 |
| Chg (% y-y) | 15.4 | -9.0 | -2.2 | 18.8 | 24.4 | 11.7 | 9.6 | -15.0 | 4.4 | 7.0 | -1.7 | 1.2 |
| Operating margin (%) | 8.1 | 9.5 | 9.9 | 8.8 | 9.3 | 9.0 | 9.7 | 9.7 | 9.1 | 9.4 | 9.6 | 9.7 |

Note: 1Q26 results reflect consolidation adjustments fully allocated to the bulk segment, subject to revision

Source: Company data, Samsung Securities estimates

## Income statement

| Year-end Dec 31 (KRWb) | 2024 | 2025 | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|
| **Sales** | **5,161** | **5,433** | **5,586** | **5,392** | **5,418** |
| Cost of goods sold | 4,578 | 4,820 | 4,944 | 4,759 | 4,778 |
| **Gross profit** | **583** | **613** | **642** | **633** | **640** |
| Gross margin (%) | 11.3 | 11.3 | 11.5 | 11.7 | 11.8 |
| SG&A expenses | 112 | 121 | 116 | 116 | 116 |
| **Operating profit** | **471** | **492** | **526** | **518** | **524** |
| Operating margin (%) | 9.1 | 9.1 | 9.4 | 9.6 | 9.7 |
| **Non-operating gains (losses)** | **-189** | **-174** | **-187** | **-151** | **-126** |
| Financial profit | 90 | 106 | 112 | 138 | 164 |
| Financial costs | 252 | 259 | 262 | 263 | 263 |
| Equity-method gains (losses) | 24 | 29 | 17 | 23 | 23 |
| Other | -51 | -50 | -53 | -50 | -50 |
| **Pre-tax profit** | **282** | **318** | **340** | **366** | **398** |
| Taxes | 14 | 17 | 13 | 18 | 23 |
| Effective tax rate (%) | 4.9 | 5.3 | 4.0 | 5.0 | 5.7 |
| Profit from continuing operations | 268 | 301 | 326 | 348 | 375 |
| Profit from discontinued operations | 0 | 0 | 0 | 0 | 0 |
| **Net profit** | **268** | **301** | **326** | **348** | **375** |
| Net margin (%) | 5.2 | 5.5 | 5.8 | 6.4 | 6.9 |
| Net profit (controlling interests) | 268 | 301 | 326 | 348 | 375 |
| Net profit (non-controlling interests) | 0 | 0 | 0 | 0 | 0 |
| EBITDA | 940 | 1,013 | 1,016 | 978 | 957 |
| EBITDA margin (%) | 18.2 | 18.6 | 18.2 | 18.1 | 17.7 |
| EPS (parent-based) (KRW) | 502 | 564 | 611 | 650 | 702 |
| EPS (consolidated) (KRW) | 502 | 564 | 611 | 650 | 702 |
| Adjusted EPS (KRW)* | 502 | 564 | 611 | 650 | 702 |

## Balance sheet

| Year-end Dec 31 (KRWb) | 2024 | 2025 | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|
| **Current assets** | **2,022** | **1,854** | **2,482** | **3,262** | **3,988** |
| Cash & equivalents | 866 | 840 | 1,700 | 2,402 | 3,157 |
| Accounts receivable | 288 | 260 | 200 | 220 | 213 |
| Inventories | 122 | 115 | 89 | 98 | 94 |
| Other current assets | 746 | 640 | 493 | 542 | 524 |
| **Fixed assets** | **8,250** | **9,000** | **8,443** | **8,005** | **7,564** |
| Investment assets | 283 | 291 | 224 | 246 | 238 |
| Tangible assets | 7,862 | 8,653 | 8,164 | 7,704 | 7,272 |
| Intangible assets | 11 | 10 | 10 | 9 | 8 |
| Other long-term assets | 93 | 46 | 46 | 46 | 46 |
| **Total assets** | **10,272** | **10,854** | **10,926** | **11,267** | **11,551** |
| **Current liabilities** | **1,277** | **1,366** | **1,197** | **1,254** | **1,232** |
| Accounts payable | 243 | 200 | 154 | 170 | 164 |
| Short-term debt | 0 | 82 | 82 | 82 | 82 |
| Other current liabilities | 1,034 | 1,084 | 961 | 1,002 | 987 |
| **Long-term liabilities** | **3,341** | **3,764** | **3,759** | **3,760** | **3,760** |
| Bonds & long-term debt | 286 | 205 | 205 | 205 | 205 |
| Other long-term liabilities | 3,056 | 3,559 | 3,554 | 3,555 | 3,555 |
| **Total liabilities** | **4,618** | **5,130** | **4,956** | **5,014** | **4,992** |
| **Owners of parent equity** | **5,653** | **5,723** | **5,970** | **6,253** | **6,559** |
| Capital stock | 535 | 535 | 535 | 535 | 535 |
| Capital surplus | 1,942 | 1,942 | 1,942 | 1,942 | 1,942 |
| Retained earnings | 1,860 | 2,097 | 2,343 | 2,627 | 2,933 |
| Other | 1,317 | 1,150 | 1,150 | 1,150 | 1,150 |
| **Non-controlling interests' equity** | **0** | **0** | **0** | **0** | **0** |
| **Total equity** | **5,653** | **5,723** | **5,970** | **6,253** | **6,559** |
| Net debt | 2,724 | 3,441 | 2,601 | 1,892 | 1,140 |

## Cash flow statement

| Year-end Dec 31 (KRWb) | 2024 | 2025 | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|
| **Cash flow from operations** | **676** | **703** | **1,013** | **930** | **921** |
| Net profit | 268 | 301 | 326 | 348 | 375 |
| Non-cash profit and expenses | 627 | 713 | 662 | 613 | 563 |
| Depreciation | 468 | 520 | 489 | 460 | 432 |
| Amortization | 1 | 1 | 1 | 1 | 1 |
| Other | 158 | 192 | 173 | 153 | 130 |
| Changes in A/L from operating activities | -15 | -17 | 38 | -13 | 5 |
| **Cash flow from investments** | **-660** | **-263** | **127** | **62** | **119** |
| Change in tangible assets | -385 | -212 | 0 | 0 | 0 |
| Change in financial assets | -337 | 81 | 68 | -23 | 8 |
| Other | 61 | -132 | 59 | 84 | 111 |
| **Cash flow from financing** | **-207** | **-450** | **-326** | **-274** | **-291** |
| Change in debt | 1,423 | 625 | -27 | 9 | -3 |
| Change in equity | 0 | 0 | 0 | 0 | 0 |
| Dividends | -45 | -64 | -80 | -64 | -69 |
| Other | -1,584 | -1,011 | -218 | -219 | -219 |
| Change in cash | -87 | -26 | 860 | 702 | 755 |
| Cash at beginning of year | 953 | 866 | 840 | 1,700 | 2,402 |
| Cash at end of year | 866 | 840 | 1,700 | 2,402 | 3,157 |
| **Gross cash flow** | **895** | **1,015** | **989** | **961** | **939** |
| **Free cash flow** | **291** | **481** | **1,013** | **930** | **921** |

## Financial ratios

| Year-end Dec 31 | 2024 | 2025 | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|
| **Growth (%)** | | | | | |
| Sales | 18.3 | 5.3 | 2.8 | -3.5 | 0.5 |
| Operating profit | 22.1 | 4.4 | 7.0 | -1.7 | 1.2 |
| Net profit | 9.4 | 12.4 | 8.3 | 6.5 | 8.0 |
| Adjusted EPS** | 9.4 | 12.4 | 8.3 | 6.5 | 8.0 |
| **Per-share data (KRW)** | | | | | |
| EPS (parent-based) | 502 | 564 | 611 | 650 | 702 |
| EPS (consolidated) | 502 | 564 | 611 | 650 | 702 |
| Adjusted EPS** | 502 | 564 | 611 | 650 | 702 |
| BVPS | 10,576 | 10,707 | 11,167 | 11,698 | 12,270 |
| DPS (common) | 120 | 150 | 120 | 130 | 130 |
| **Valuations (x)** | | | | | |
| P/E*** | 6.6 | 6.8 | 9.2 | 8.7 | 8.0 |
| P/B*** | 0.3 | 0.4 | 0.5 | 0.5 | 0.5 |
| EV/EBITDA | 4.8 | 5.4 | 5.5 | 5.0 | 4.3 |
| **Ratios (%)** | | | | | |
| ROE | 5.2 | 5.3 | 5.6 | 5.7 | 5.9 |
| ROA | 3.0 | 2.9 | 3.0 | 3.1 | 3.3 |
| ROIC | 6.4 | 5.5 | 5.8 | 6.0 | 6.4 |
| Payout ratio | 23.9 | 26.6 | 19.7 | 20.0 | 18.5 |
| Dividend yield (common) | 3.6 | 3.9 | 2.1 | 2.3 | 2.3 |
| Net debt to equity | 48.2 | 60.1 | 43.6 | 30.3 | 17.4 |
| Interest coverage (x) | 3.5 | 2.3 | 2.4 | 2.4 | 2.4 |

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

Source: Company data, Samsung Securities estimates

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- As of 5/8 2026, the covering analyst(s) did not own any shares, or debt instruments convertible into shares, of any company covered in this report.
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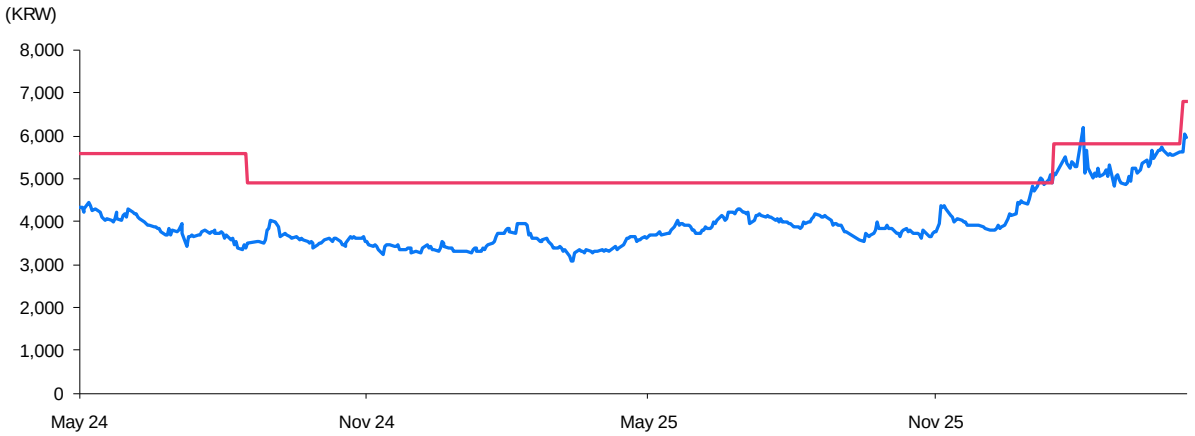
## Target price changes in past two years




## Rating changes over past two years (adjusted share prices)

| Date | 2023/10/23 | 2024/9/12 | 2025/9/12 | 2026/2/12 | 5/6 |
|---|---|---|---|---|---|
| Recommendation | BUY | BUY | BUY | BUY | BUY |
| Target price (KRW) | 5600 | 4900 | 4900 | 5800 | 6800 |
| Gap* (average) | -26.86 | -25.49 | -17.59 | -8.65 | |
| (max or min)** | -12.68 | -12.35 | 3.67 | 6.90 | |

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%)

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