COMPANY UPDATE

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Industrial Team

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Posco International (047050)

Supportive environment and proven capabilities

- Posco International reported a 1Q consolidated operating profit of KRW357.5b, exceeding consensus by 15%.
- The strength was driven by higher sales volumes from the Myanmar gas field and seasonal strength in power generation operations.
- Recent oil price increases should begin positively impacting Myanmar gas field earnings starting in 3Q. The ongoing global push to secure energy sources creates a favorable operating environment for the company.

(§ The Korean version of this report was published on May 4, 2026)

WHAT'S THE STORY?

Reports consensus-beating 1Q results: Posco International's consolidated 1Q sales and operating profit rose 7.4% and 34.6% q-q to KRW8.4t and KRW357.5b, respectively, with the latter surpassing consensus by 15%. Energy business performance benefited from higher sales volumes q-q at the Myanmar gas field and seasonal peak demand in power generation. In global business, robust steel trading results were the key driver of 1Q earnings surprise, driven by increased shipments ahead of anticipated changes in European steel import safeguard policies. PT. PAR, an Indonesian palm oil plantation which the company acquired at end-2025, began contributing to earnings in 1Q; however, seasonal factors suggest stronger impact on consolidated earnings in 2H26. Positive is that the company keeps delivering consistent and stable corporate-wide performance, with gains and losses across business units offset one another.

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW104,000	33.3%
Current price	**KRW78,000**	
Market cap	KRW13.7t/USD9.3b	
Shares (float)	175,922,788 (26.1%)	
52-week high/low	KRW87,300/KRW45,900	
Avg daily trading value (60-day)	KRW81.5b/ USD55.4m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Posco International (%)	6.3	51.2	58.4
Vs Kospi (%pts)	-16.8	-20.3	-45.5

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	104,000	88,000	18.2%
2026E EPS	4,887	4,698	4.0%
2027E EPS	5,044	5,118	-1.4%

SAMSUNG vs THE STREET

No of estimates	15
Target price	103,733
Recommendation	4.0

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

SUMMARY 1Q RESULTS

(KRWb)	1Q26	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	8,410.4	3.1	7.4	4.3	1.7
Operating profit	357.5	32.3	34.6	20.8	13.9
Pre-tax profit	336.9	26.4	204.2	28.6	32.3
Net profit	277.3	36.1	108.8	51.3	59.0
Margins (%)					
Operating profit	4.3				
Pre-tax profit	4.0				
Net profit	3.3				

Source: Company data, Fnguide, Samsung Securities estimates

VALUATION SUMMARY

	2025	2026E	2027E
Valuation (x)			
P/E	13.4	17.0	17.3
P/B	1.3	1.9	1.8
EV/EBITDA	8.6	9.8	9.2
Div yield (%)	3.7	2.7	2.7
EPS growth (% y-y)	14.4	31.7	3.2
ROE (%)	8.6	11.2	10.4
Per-share data (KRW)			
EPS	3,712	4,887	5,044
BVPS	43,093	45,885	48,519
DPS	1,850	2,350	2,350

Strategic expansion in energy business to gain momentum: The sharp oil price surge since March—triggered by the Iran conflict—should begin positively influencing results starting in 3Q26 (vs immediately translate into earnings), given the structure of the company's gas field model. More importantly, global efforts to secure energy supplies are likely to intensify further following the conflict. This trend aligns favorably with Posco International's multi-year strategy of vertically integrating and expanding its LNG value chain through targeted investments. While further details on specific project structures are needed, potential future expansions—such as participation in the Alaska gas project or incremental investments in US gas fields—warrant close attention. Additionally, investments and partnerships to build a rare earth permanent magnet value chain are expected to advance this year. As these initiatives, alongside stable core business performance, should create multiple growth catalysts, we maintain BUY on the stock. We also raise our target price by 18% to KRW104,000, as we cut the valuation discount we apply to the global business to reflect expected earnings growth from expanded investments.

Posco International: Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26P	2Q26E	3Q26E	4Q26E	2025	2026E	2027E
Sales	**8,153.7**	**8,144.1**	**8,248.3**	**7,827.5**	**8,410.4**	**8,426.5**	**8,621.6**	**8,444.2**	**32,373.6**	**33,902.7**	**35,091.4**
Energy	**858.2**	**921.2**	**1,226.3**	**988.0**	**1,118.0**	**1,019.2**	**1,246.0**	**1,165.0**	**3,993.7**	**4,548.3**	**4,953.7**
E&P	151.3	203.2	151.2	145.0	155.7	344.6	324.0	330.0	650.7	1,154.3	1,485.3
LNG	138.5	133.2	470.4	320.4	367.6	235.4	434.6	407.1	1,062.5	1,444.7	1,609.4
Power generation	465.4	480.4	488.1	395.9	454.9	424.3	475.8	417.1	1,829.8	1,772.1	1,804.1
Other (Investment/Fuel cell)	21.8	14.6	11.3	10.7	16.5	14.9	11.5	10.9	58.4	53.8	54.9
Global	**9,745.9**	**9,755.6**	**9,583.0**	**9,475.9**	**10,054.6**	**10,003.5**	**9,971.7**	**9,875.3**	**38,560.4**	**39,905.0**	**40,522.3**
Steel	4,995.7	5,116.5	5,159.6	4,798.2	5,186.0	5,115.3	5,048.4	4,940.9	20,070.0	20,290.6	20,569.2
Food	964.4	678.6	755.1	909.0	857.5	869.4	894.6	919.0	3,307.1	3,540.6	3,680.5
Posco Mobility Solution	286.2	309.7	305.9	385.5	313.2	320.8	330.8	317.4	1,287.3	1,282.2	1,481.0
Trading	3,186.4	3,351.0	3,252.0	3,308.2	3,438.6	3,438.6	3,438.6	3,438.6	13,097.6	13,754.4	13,754.4
Other	-290.9	-304.3	-493.7	-529.1	-344.8	-344.8	-344.8	-344.8	(1,618.0)	(1,379.1)	(1,379.1)
Operating profit	**270.2**	**313.7**	**315.9**	**265.5**	**357.5**	**360.6**	**383.1**	**288.8**	**1,165.3**	**1,390.0**	**1,464.3**
Energy	**135.0**	**164.6**	**197.4**	**144.9**	**173.2**	**188.5**	**218.3**	**129.6**	**641.9**	**709.5**	**767.2**
E&P	79.8	131.9	82.0	62.4	76.7	129.0	105.1	84.2	356.1	394.9	442.4
LNG	8.9	11.7	23.2	14.1	19.0	21.9	23.6	19.9	57.9	84.4	93.9
Power generation	31.7	14.3	65.7	2.5	43.4	16.9	68.8	4.7	114.2	133.8	134.6
Other (Investment/Fuel cell)	14.6	6.7	26.5	65.9	34.1	20.8	20.8	20.8	113.7	96.4	96.4
Global	**130.6**	**155.5**	**114.2**	**130.6**	**181.6**	**172.2**	**164.8**	**159.2**	**530.9**	**677.8**	**697.1**
Steel	69.1	94.8	94.4	64.0	79.3	68.1	62.2	60.9	322.3	270.6	253.4
Food	4.8	4.5	-7.6	-17.1	0.1	24.5	33.5	29.3	(15.4)	87.3	105.7
Posco Mobility Solution	-0.3	3.9	2.3	-4.1	0.7	1.4	2.4	2.3	1.8	6.9	16.1
Trading	27.4	24.2	21.5	34.0	27.6	20.7	20.7	20.7	107.1	89.8	82.9
Other	29.6	28.1	3.6	53.8	73.9	57.4	46.0	46.0	115.1	223.2	239.0
Operating margin (%)	**3.3**	**3.9**	**3.8**	**3.4**	**4.3**	**4.3**	**4.4**	**3.4**	**3.6**	**4.1**	**4.2**
Energy	**15.7**	**17.9**	**16.1**	**14.7**	**15.5**	**18.5**	**17.5**	**11.1**	**16.1**	**15.6**	**15.5**
E&P	52.7	64.9	54.2	43.0	49.3	37.4	32.4	25.5	54.7	34.2	29.8
LNG	6.4	8.8	4.9	4.4	5.2	9.3	5.4	4.9	5.4	5.8	5.8
Power generation	6.8	3.0	13.5	0.6	9.5	4.0	14.5	1.1	6.2	7.6	7.5
Other (Investment/Fuel cell)	67.0	45.9	234.5	615.9	206.7	139.4	180.1	190.2	194.7	179.0	175.5
Global	**1.3**	**1.6**	**1.2**	**1.4**	**1.8**	**1.7**	**1.7**	**1.6**	**1.4**	**1.7**	**1.7**
Steel	1.4	1.9	1.8	1.3	1.5	1.3	1.2	1.2	1.6	1.3	1.2
Food	0.5	0.7	-1.0	-1.9	0.0	2.8	3.7	3.2	(0.5)	2.5	2.9
Posco Mobility Solution	-0.1	1.3	0.8	-1.1	0.2	0.4	0.7	0.7	0.1	0.5	1.1
Trading	0.9	0.7	0.7	1.0	0.8	0.6	0.6	0.6	0.8	0.7	0.6
Other	4.9	4.7	0.6	8.9	12.2	9.5	7.6	7.6	4.8	9.2	9.9

Source: Company data, Samsung Securities estimates

Posco International: Sum-of-the-parts valuation

(KRWb)	
Global business	13,814.8
202E EBITDA	1,048.3
EV/EBITDA (x) *	13.2
Energy business	8,943.9
202E EBITDA	1,118.5
EV/EBITDA (x) **	8.0
Net debt	-4,664.0
Treasury shares (value)	332.5
Enterprise value	18,427.1
Outstanding shares	175,922,788
Target price (KRW)	**104,000**

Note: *Discounted 20% to global peer average to reflect revenue scale
**Global peer average
Source: Bloomberg, Samsung Securities estimates

Global peer valuations

(KRWb)	Sales	Operating	Net	EPS growth	P/E	ROE	P/B	EBITDA growth	EV/EBITDA	OPM
(2026E)		profit	profit	(CAGR*, %)	(x)	(%)	(x)	(CAGR*, %)	(x)	(%)
Posco International	**35,091**	**1,464**	**821**	**1.8**	**17.3**	**10.4**	**1.8**	**3.8**	**9.2**	**4.2**
Mitsubishi	199,509	6,776	9,398	10.5	16.8	11.0	1.8	(8.6)	21.3	3.4
Mitsui	143,039	5,365	9,237	0.4	15.7	11.6	1.7	(10.7)	21.1	3.8
Marubeni	83,019	3,662	5,895	6.2	15.1	13.4	2.0	(0.5)	20.0	4.4
Sumitomo	74,456	4,681	6,086	0.3	10.5	12.8	1.3	20.5	13.2	6.3
Itochu	151,821	7,510	9,157	6.8	13.4	14.2	1.8	(0.7)	15.0	4.9
Toyota Tsusho	114,268	4,861	4,078	9.3	13.5	15.2	2.0	6.1	10.0	4.3
Sojitz	27,413	980	1,212	3.7	9.4	11.2	1.0	1.6	14.7	3.6
Japanese trading companies average				**5.3**	**13.5**	**12.8**	**1.6**	**1.1**	**16.5**	**4.4**
BP	306,810	33,432	14,965	1328.3	10.7	14.9	1.7	(7.0)	4.0	10.9
EQT	14,033	6,011	4,236	19.5	12.0	11.0	1.2	3.6	6.2	42.8
Southwestern Energy	7,464	2,513	1,639	n/a	n/a	21.1	n/a	23.1	n/a	33.7
Antero Resources	10,160	2,777	2,015	50.0	8.1	15.3	1.2	4.3	4.5	27.3
Exxon Mobil	549,634	76,617	58,358	20.9	15.1	14.3	2.2	(0.0)	7.6	13.9
Range Resources	5,438	1,931	1,434	25.3	9.6	17.9	1.7	2.7	5.6	35.5
Chevron	299,999	46,289	32,508	31.5	16.2	11.5	2.0	(2.5)	6.9	15.4
Cheniere Energy	32,765	9,310	4,826	(17.6)	15.7	34.1	4.7	1.1	10.3	28.4
Shell	437,139	51,822	34,363	19.9	10.2	12.0	1.3	(3.7)	4.7	11.9
Total Energies	305,142	42,496	27,900	21.5	10.0	14.2	1.5	(2.7)	5.2	13.9
Excelerate Energy	2,559	652	337	38.8	13.5	6.6	0.8	11.5	10.6	25.5
The Willams	19,674	8,079	4,771	10.5	26.9	22.8	6.1	12.5	13.4	41.1
Kinder Morgan	27,005	7,923	4,801	2.9	21.7	10.4	2.1	4.6	11.6	29.3
Energy Transfer	160,607	17,232	9,393	15.0	11.7	15.5	1.9	3.3	8.2	10.7
TC Energy Corp	18,066	10,059	4,377	10.4	21.1	14.6	3.3	4.5	13.2	55.7
LNG companies average				**112.7**	**14.5**	**15.8**	**2.3**	**3.7**	**8.0**	**26.4**

Note: *2025-2027 CAGR
Source: Bloomberg, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**32,261**	**32,374**	**33,903**	**35,091**	**36,003**
Cost of goods sold	30,338	30,438	31,693	32,765	33,616
Gross profit	**1,923**	**1,936**	**2,210**	**2,326**	**2,388**
Gross margin (%)	6.0	6.0	6.5	6.6	6.6
SG&A expenses	765	770	820	862	907
Operating profit	**1,158**	**1,165**	**1,390**	**1,464**	**1,481**
Operating margin (%)	3.6	3.6	4.1	4.2	4.1
Non-operating gains (losses)	**-452**	**-330**	**-162**	**-197**	**-207**
Financial profit	1,433	1,238	495	485	474
Financial costs	1,709	1,573	732	725	717
Equity-method gains (losses)	128	68	87	86	85
Other	-304	-62	-12	-43	-49
Pre-tax profit	**705**	**835**	**1,228**	**1,268**	**1,274**
Taxes	202	132	327	380	382
Effective tax rate (%)	28.6	15.8	26.6	30.0	30.0
Profit from continuing operations	560	703	901	887	892
Profit from discontinued operations	-56	0	0	0	0
Net profit	**503**	**703**	**901**	**887**	**892**
Net margin (%)	1.6	2.2	2.7	2.5	2.5
Net profit (controlling interests)	515	614	877	870	874
Net profit (non-controlling interests)	-11	89	24	18	18
EBITDA	1,669	1,721	1,999	2,078	2,101
EBITDA margin (%)	5.2	5.3	5.9	5.9	5.8
EPS (parent-based) (KRW)	2,925	3,491	5,123	5,044	5,069
EPS (consolidated) (KRW)	2,862	3,999	4,744	4,665	4,690
Adjusted EPS (KRW)*	3,245	3,712	4,887	5,044	5,069

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**8,268**	**7,556**	**7,808**	**8,137**	**8,585**
Cash & equivalents	1,057	1,171	1,103	1,159	1,269
Accounts receivable	4,183	4,204	4,347	4,468	4,626
Inventories	2,081	1,736	1,861	1,982	2,119
Other current assets	947	444	497	528	572
Fixed assets	**9,068**	**11,197**	**11,354**	**11,470**	**11,569**
Investment assets	814	2,797	2,831	2,831	2,831
Tangible assets	4,241	5,070	5,220	5,335	5,425
Intangible assets	2,553	3,235	3,235	3,235	3,235
Other long-term assets	1,461	95	67	68	77
Total assets	**17,336**	**18,753**	**19,162**	**19,607**	**20,153**
Current liabilities	**6,660**	**6,612**	**6,502**	**6,540**	**6,675**
Accounts payable	2,098	2,200	2,281	2,361	2,447
Short-term debt	1,600	1,793	1,793	1,793	1,793
Other current liabilities	2,962	2,620	2,429	2,386	2,435
Long-term liabilities	**3,327**	**4,326**	**4,326**	**4,326**	**4,326**
Bonds & long-term debt	2,708	3,157	3,157	3,157	3,157
Other long-term liabilities	619	1,169	1,169	1,169	1,169
Total liabilities	**9,987**	**10,940**	**10,830**	**10,868**	**11,003**
Owners of parent equity	**6,545**	**6,708**	**7,228**	**7,635**	**8,047**
Capital stock	880	880	880	880	880
Capital surplus	1,837	1,851	1,851	1,851	1,851
Retained earnings	3,635	3,836	4,355	4,762	5,174
Other	193	142	142	142	142
Non-controlling interests' equity	**805**	**1,104**	**1,104**	**1,104**	**1,104**
Total equity	**7,349**	**7,813**	**8,332**	**8,739**	**9,151**
Net debt	5,155	4,945	4,822	4,666	4,456

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**877**	**1,942**	**1,966**	**1,926**	**1,909**
Net profit	503	703	901	887	892
Non-cash profit and expenses	1,260	1,154	1,274	1,208	1,223
Depreciation	279	298	351	356	362
Amortization	232	257	257	257	257
Other	749	598	665	594	604
Changes in A/L from operating activities	-558	506	-142	-103	-140
Cash flow from investments	**-846**	**-1,330**	**-1,501**	**-1,330**	**-1,258**
Change in tangible assets	-722	-1,560	-1,805	-1,610	-1,539
Change in financial assets	-38	611	638	638	638
Other	-86	-380	-334	-357	-357
Cash flow from financing	**-176**	**-465**	**-501**	**-508**	**-508**
Change in debt	146	-48	-192	-100	-100
Change in equity	11	0	0	0	0
Dividends	-177	-423	-315	-413	-413
Other	-156	5	5	5	5
Change in cash	-80	114	-68	56	110
Cash at beginning of year	1,137	1,057	1,171	1,103	1,159
Cash at end of year	1,057	1,171	1,103	1,159	1,269
Gross cash flow	**1,764**	**1,857**	**2,175**	**2,095**	**2,115**
Free cash flow	**122**	**211**	**90**	**224**	**259**

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	-2.6	0.3	4.7	3.5	2.6
Operating profit	-0.5	0.6	19.3	5.3	1.1
Net profit	-26.0	39.7	28.1	-1.6	0.5
Adjusted EPS**	-18.6	14.4	31.7	3.2	0.5
Per-share data (KRW)					
EPS (parent-based)	2,925	3,491	5,123	5,044	5,069
EPS (consolidated)	2,862	3,999	4,744	4,665	4,690
Adjusted EPS**	3,245	3,712	4,887	5,044	5,069
BVPS	39,717	43,093	45,885	48,519	50,846
DPS (common)	1,550	1,850	2,350	2,350	2,450
Valuations (x)					
P/E***	13.6	13.4	17.9	17.3	17.2
P/B***	1.0	1.3	1.9	1.8	1.7
EV/EBITDA	7.7	8.6	9.8	9.2	8.9
Ratios (%)					
ROE	8.2	8.6	10.7	10.4	10.0
ROA	3.0	3.9	4.8	4.6	4.5
ROIC	7.9	10.2	12.7	12.7	12.9
Payout ratio	52.5	49.5	49.5	50.4	52.2
Dividend yield (common)	3.9	3.7	2.7	2.7	2.8
Net debt to equity	70.1	63.3	57.9	53.4	48.7
Interest coverage (x)	4.0	4.4	5.4	5.8	6.1

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

Source: Company data, Samsung Securities estimates

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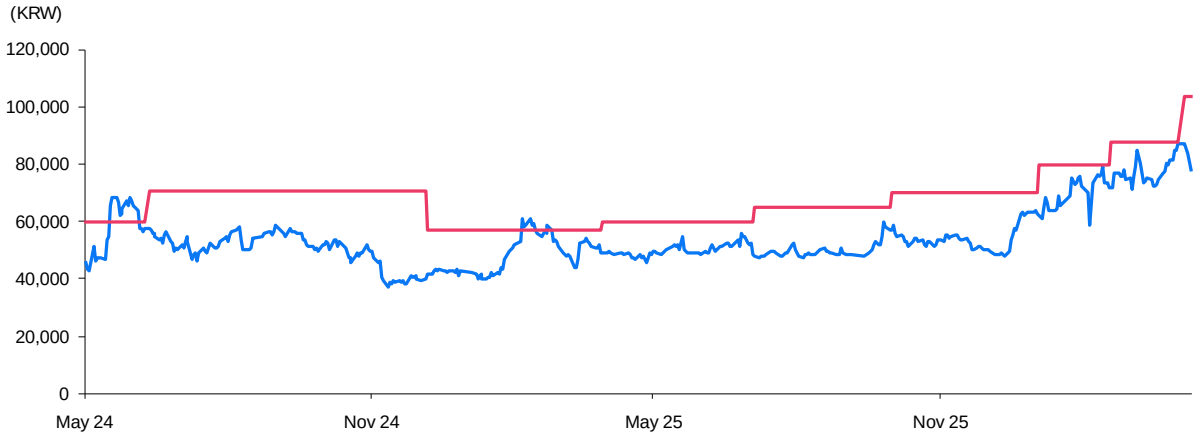
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2024/4/26	7/8	2025/1/3	4/25	8/1	10/28	2026/1/30	3/18	5/4
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	60000	71000	57000	60000	65000	70000	80000	88000	104000
Gap* (average)	-11.46	-29.17	-14.95	-16.46	-23.25	-22.45	-12.33	-12.06	
(max or min)**	14.00	-17.61	7.02	-7.17	-8.00	-8.71	-0.63	-0.80	

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

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