SECTOR
UPDATE

2026. 5. 12

Industrial Team

Youngsoo Han
Team Leader
han.youngsoo@samsung.com

Scan to go to
Research Center report database

Shipbuilding/Machinery Weekly

Global shipbuilding data: Ideal trends

- The Clarksons Newbuilding Price Index remained flat w-w at 184 last week, although it edged up at the decimal level for a sixth consecutive week. The Secondhand Price Index rose 3%pts w-w.
- The ClarkSea Index, which represents vessel earnings, slipped 2% w-w to USD40,620/day. Freight rates rebounded across all vessel types excluding gas carriers.
- Weekly comment: Global shipbuilding data for January-April showed unexpected strength.

WHAT'S THE STORY?

Shipbuilding data for January-April: Ideal trends

According to Clarksons, global cumulative orders reached 54m GT over January-April, up 62% y-y. Last year, order activity was heavily concentrated in 2H, meaning the y-y increase was partially thanks to a low base. Even so, January-April order volume already equates to 44% of last year's full-year total and 67% of the 10-year average, pointing to robust order momentum early in the year.

Demand has been broad-based across vessel types. Energy transportation vessels—particularly in focus amid Middle East tensions—continued to show strong demand. Tanker order volume has already reached 94% of last year's full-year total, while large LNG carrier orders have hit 97%. Containerships have also continued to defy expectations: with cumulative orders over January-April reaching 1.4m TEU, or 61% of the 10-year average of 2.3m TEU. Over the past two years, containership orders have repeated set new records, pushing the order backlog to nearly 1.9x the peak it set in 2008. Notably, containerships are among the vessel types most sensitive to environmental regulations and macroeconomic shifts. Despite concerns over future supply-demand imbalances, regulatory delays, and geopolitical risks, shipowners continue to place orders.

Driven by strong order intake, the global order backlog is now up 19.9% y-y and has risen 7.6% from its end-2025 level. The current backlog equals 4.4x this year's projected delivery volume and 3.5x next year's. With backlogs this high, shipyards have limited incentive to accept low-margin orders.

(Continued on the next page)

Performance

(%)	1W	3M	YTD
KSOE	-2.8	13.1	10.9
HD Hyundai Heavy	-3.7	20.7	28.0
Samsung Heavy	0.8	16.1	32.9
Hanwha Ocean	-4.5	-4.3	11.1
HD Hyundai Marine Solution	-8.0	46.7	25.6
HD Hyundai Electric	11.8	64.2	80.0
HD CE	0.2	50.6	89.6
HD Hyundai	-8.7	20.2	53.4
Doosan Bobcat	3.9	25.4	29.8
KAI	-0.9	4.7	46.7
LIG Nex1	-10.8	93.5	97.6
Hanwha Aerospace	-7.9	8.6	37.3
Hyosung Heavy	12.5	99.4	148.4
LS Electric	13.2	162.4	240.0

Valuation summary

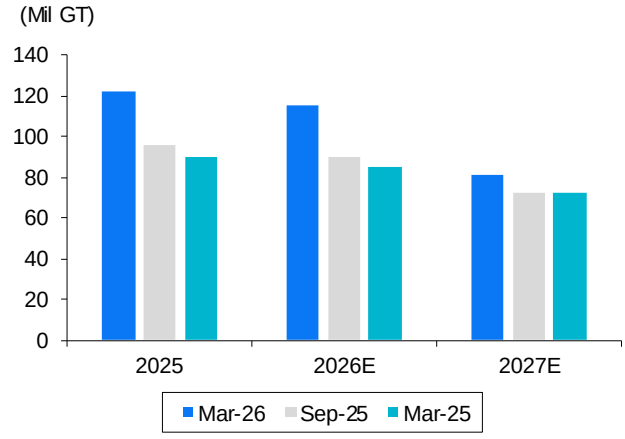
(x, %)	P/B	P/E	ROE
KSOE	2.1	10.1	22.4
HD Hyundai Heavy	5.9	23.6	27.9
Samsung Heavy	5.8	27.3	22.8
Hanwha Ocean	5.1	26.6	21.1
HD Hyundai Marine Solution	11.7	30.8	40.2
HD Hyundai Electric	18.5	50.0	42.5
HD CE	2.0	17.8	16.0
HD Hyundai	2.1	16.5	13.5
Doosan Bobcat	1.0	13.0	7.5
KAI	7.8	45.3	18.4
LIG Nex1	10.5	45.3	25.6
Hanwha Aerospace	5.9	32.1	nm
Hyosung Heavy	13.5	53.1	28.7
LS Electric	19.2	91.9	22.7

Note: 2026 estimates
Source: Samsung Securities estimates

Vessel prices remain firm. Rising freight rates, fueled by Middle East tensions, have lifted secondhand vessel values. This recovery in residual asset values, combined with shipowners' strong financial capacity thanks to high freight rates, is now feeding through to newbuilding prices. Price indices for bulkers, gas carriers, tankers, and containerships have all risen. Even the overall newbuilding price index—which reflects broker sentiment—has begun to recover with a lag. The Clarksons Newbuilding Price Index rose w-w last week for a 6th consecutive week at the decimal level.

Most shipbuilding indicators remain robust enough to dispel concerns that the industry peaked at end-2025. Clarksons has raised its global order forecasts for 2026 and 2027 by 28% and 11%, respectively, versus its 2H25 estimates, broadly aligning with our own positive outlook. Meanwhile, Korean shipbuilding stocks continue to trade at a significant discount to other Korean industrial equities. Share prices have yet to fully reflect the strength of underlying fundamentals. We maintain a positive outlook for the sector.

Changes in global order forecasts, by estimation date



Source: Clarksons

Global shipbuilding data (Jan-Apr)

	Tanker (Mil DWT)	Bulker (Mil DWT)	Container ('000 TEU)	Large LNGC (units)	All types (Mil GT)
Jan-Apr 2026	44	13	1,401	37	54
Jan-Apr 2025	8	7	1,927	4	33
Chg (% y-y)	430.3	78.9	-27.3	825.0	62.1
Vs 2025 total orders (%)	94.2	25.9	27.5	97.4	44.3

Source: Clarksons

Price index, by major vessel type

(Index)	Bulker	Gas carrier	Tanker	Container	All types
Current*	172.8	200.7	219.7	116.2	184.4
End-2025	168.3	198.1	213.2	114.9	184.7
Chg (%)	2.6	1.3	3.0	1.1	-0.2

Note: *Current-weekly basis, except for container (monthly basis)
Source: Clarksons

Industry news

Hanwa Ocean takes VLAC and LNG carrier orders: Hanwa Ocean has secured an USD340m contract for three VLACs. According to media reports, the client is Zodiac Maritime and the contract includes options for two additional vessels. Meanwhile, the company has also won a USD250m order from a European shipowner for one LNG carrier, with delivery scheduled for 2029.

HD Hyundai Heavy Industries wins containership series order: HD Hyundai Heavy Industries has received an order for six 15,900-TEU dual-fuel containerships worth USD1.2b, with delivery scheduled for Sep 2029. The company has also taken orders for two VLGCs from an Oceanic shipowner. These orders bring HD HHI's cumulative commercial vessel orders for 2026 to an estimated USD8.3b, equivalent to 73% of last year's full-year commercial vessel orders and 48% of this year's order target.

SHI wins FSRU contract: Samsung Heavy Industries has won a contract for one FSRU vessel worth USD330m. According to media reports, the client is likely Malaysia's MISC, and delivery is scheduled for Feb 2029.

Court rejects HD HHI's injunction request on KDDX design disclosure: A court has dismissed HD HHI's request for an injunction against the Defense Acquisition Program Administration (DAPA). HD HHI sought to restrict the public release of Korea Destroyer Next Generation (KDDX) basic design documents, arguing that they contained the company's proprietary technology and trade secrets.

KF-21 earns combat readiness certification: The DAPA has confirmed that the KF-21 has passed a provisional combat readiness assessment. This follows its interim certification in 2023 and marks the successful completion of all required flight and operational evaluations, clearing a major hurdle for mass-production and operational deployment.

HD HHI joins Danish frigate competition: Local media report that HD HHI is set to bid on Denmark's USD1b frigate procurement program. According to the report, the competition includes France's Naval Group, Britain's Babcock International Group, Germany's NVL, Spain's Navantia, and a Danish consortium.

Shipbuilding weekly indices

	This week	A week ago		Vs end-2025	
	May 8, 2026	May 1, 2026	Chg (%)	End-2025	Chg (%)
New building prices (USDm)					
Overall (indexed)	184.4	183.5	0.5	184.7	-0.2
Bulkers (Capesize)	75.5	75.5	0.0	75.0	0.7
Tankers (VLCC)	130.5	130.5	0.0	128.0	2.0
Tankers (51,000 DWT PCs)	50.5	50.0	1.0	49.0	3.1
Containerships (22,000 TEU)	236.0	235.5	0.2	235.0	0.4
Containerships (13,000 TEU)	147.5	147.0	0.3	145.5	1.4
LNG carriers (174,000m³)	248.5	248.5	0.0	248.0	0.2
Secondhand prices (USDm)*					
Overall	209.0	206.0	1.5	191.1	9.4
Bulkers (Capesize)	71.0	70.5	0.7	66.0	7.6
Tankers (VLCC)	140.0	140.0	0.0	120.0	16.7
Tankers (51,000 DWT PCs)	51.0	49.0	4.1	43.0	18.6
Daily charter rates (USD)**					
Bulkers (Capesize, eco)	33,000	31,900	3.4	24,850	32.8
Bulkers (Capesize, non-eco)	29,600	28,400	4.2	23,850	24.1
Tankers (VLCC, eco)	120,000	113,250	6.0	65,500	83.2
Tankers (VLCC, non-eco)	109,000	105,250	3.6	58,000	87.9
Freight rate index					
ClarkSea Index (USD/day)	40,620	41,435	-2.0	29,856	36.1
BDI	2,978	2,730	9.1	1,877	58.7
WS (based on Saudi route)	413	403	2.5	58	617.4
CCFI	1,279	1,270	0.7	1,147	11.5
SCFI	1,954	1,911	2.2	1,656	18.0
Energy prices***					
Natural gas (USD/mil BTU)	2.7	2.6	2.7	4.0	-32.3
Oil (USD/bbl)	95.4	101.9	-6.4	57.4	66.2
MGO-HSFO (USD/tonne)	463.0	627.8	-26.2	262.8	76.2
VLSFO-HSFO (USD/tonne)	103.0	94.3	9.3	71.8	43.6

Note: *Based on 5-year-old vessels;
**1-year charters;
***Based on WTI spot (oil) and Henry Hub (natural gas) prices
Source: Clarksons, Bloomberg, Samsung Securities

Share performances and valuations

Shipbuilding: Share performance and valuations

(%)	Share performance				2026 valuation		
	1 week	1 month	3 months	Ytd	P/B (x)	P/E (x)	ROE
HD KSOE*	-2.8	14.7	13.1	10.9	2.1	10.1	22.4
HD Hyundai Heavy Industries*	-3.7	34.1	20.7	28.0	5.9	23.6	27.9
Samsung Heavy Industries*	0.8	11.6	16.1	32.9	5.8	27.3	22.8
Hanwha Ocean*	-4.5	-2.1	-4.3	11.1	5.1	26.6	21.1
HD Hyundai Marine Solution*	-8.0	36.5	46.7	25.6	11.7	30.8	40.2
Yangzijiang	-7.2	0.3	26.6	14.9	2.3	8.9	27.5
CSSC Holdings	-1.5	26.9	21.4	23.7	1.9	16.4	15.5
CSSC Offshore	-1.4	11.2	-0.4	11.4	n/a	29.1	7.6
ST Engineering	-0.6	-7.1	9.8	26.6	11.4	32.0	36.9
Seatrium	-2.1	-6.1	11.7	6.5	1.1	16.5	6.5
Mitsubishi	-1.7	-7.0	-6.4	17.4	5.7	51.7	11.6
Kawasaki	3.6	-0.5	11.5	57.3	3.5	29.1	12.7

Note: *Samsung Securities estimates
Source: Bloomberg, Samsung Securities estimates

Machinery: Share performance and valuations

(%)	Share performance				2026 valuation		
	1 week	1 month	3 months	Ytd	P/B (x)	P/E (x)	ROE
HD Hyundai Electric*	11.8	42.0	64.2	80.0	18.5	50.0	42.5
HD Construction Equipment*	0.2	15.1	50.6	89.6	2.0	17.8	16.0
HD Hyundai*	-8.7	14.5	20.2	53.4	2.1	16.5	13.5
Doosan Bobcat*	3.9	12.1	25.4	29.8	1.0	13.0	7.5
KAI*	-0.9	-12.0	4.7	46.7	7.8	45.3	18.4
LIG Nex1*	-10.8	0.6	93.5	97.6	10.5	45.3	25.6
Hanwha Aerospace*	-7.9	-11.7	8.6	37.3	5.9	32.1	nm
Hyosung Heavy*	12.5	50.8	99.4	148.4	13.5	53.1	28.7
LS Electric*	13.2	100.8	162.4	240.0	19.2	91.9	22.7
Lockheed Martin	-1.2	-19.4	-18.8	4.7	18.6	93.0	21.1
Raytheon	1.2	-13.5	-11.4	-4.0	12.3	16.9	82.9
Siemens	4.9	14.4	5.8	10.8	3.4	25.5	13.7
Caterpillar	0.9	16.3	23.6	56.7	3.1	24.0	13.3
Komatsu	0.8	-3.1	-7.1	31.3	18.8	37.3	57.9
Kubota	8.7	5.8	5.8	27.0	1.9	16.8	11.2

Note: *Samsung Securities estimates
Source: Bloomberg, Samsung Securities estimates

Compliance notice

-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.

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