

SECTOR UPDATE

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Industrial Team

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▶ AT A GLANCE

Korean Air (003490 KS, 28,750)

Target price **KRW30,000** 4.3%

HOLD

Jeju Air (089590 KS, 4,585)

Target price **KRW5,000** 9.1%

HOLD

Jin Air (272450 KS, 5,680)

Target price **KRW7,000** 23.2%

HOLD

Trinity Airways (091810 KS, 700)

Target price **KRW900** 28.6%

HOLD



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Airlines (NEUTRAL)

Still a tough macro backdrop

- Earnings deterioration in 2Q is likely unavoidable due to higher fuel costs and a weaker won.
- As market growth stabilizes at lower levels, it is critical to assess whether Korean Air's merger with Asiana Airlines can drive meaningful, industry-wide ASP improvement.
- We maintain our NEUTRAL rating on airline sector.

(The Korean version of this report was published on Jun 26, 2026)

WHAT'S THE STORY?

Passenger growth eases: Over January-April, outbound Korean traveler numbers reached 11.62m, up 6.7% y-y and outpacing full-year 2025 growth of 3%. Meanwhile, total international passenger demand rose 11.4% y-y over January-May, exceeding the growth in outbound Korean travelers, supported by robust inbound tourism and transit traffic. Inbound foreign visitor numbers reached 6.77m over January-April (up 21.4% y-y), while international transit passengers reached 32.4m over January-May (up 7.2% y-y). Outbound travel penetration has surpassed 57% of Korea's total population and 68% among those aged 20-50, making a return to the 10% annual growth seen in the 2010s increasingly unlikely. Inbound arrivals, meanwhile, reached a record 18.94m in 2025, equivalent to 64% of outbound demand. We expect the center of volume growth to gradually shift from outbound to inbound traffic. However, as inbound demand attracts greater competition from foreign carriers, airline profitability should become more dependent on pricing power and cost efficiency than on volume growth.

Post-merger competitive dynamics put ASP trends in focus: With the merger of Korean Air and Asiana Airlines nearing completion, a mega-sized full-service carrier (FSC) and three affiliated low-cost carriers (LCCs) should emerge by year-end. In 2025, the two carriers and their LCC subsidiaries together held around 46% of the international passenger market—or nearly 70% excluding foreign carriers. By route type, their market share reached 69% on short-haul routes and 84% on long-haul routes, giving the group *de facto* control across nearly all routes. Although eight international carriers should continue to operate post-merger, Korean Air's pricing power should strengthen. In a slower-growth market, aggressive price competition cannot be assumed to drive earnings improvement. Despite a 7.7% annual decline over the past two years, international airfare ASP stood at approximately KRW658,000 in 2025—still more than 30% above pre-pandemic 2019 levels.

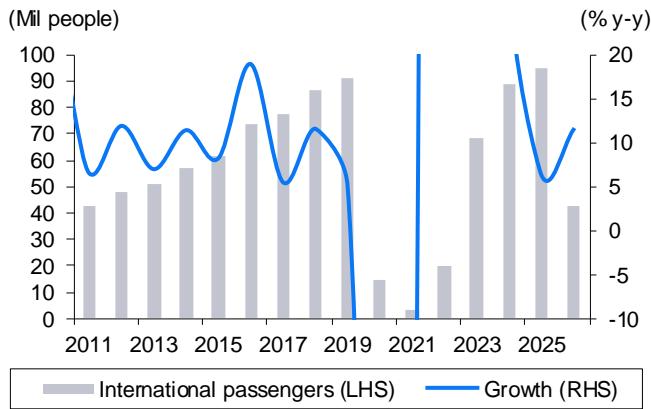
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Do not overestimate cargo segment growth: Semiconductor exports (including equipment) as remain strong, as measured by air cargo. Over January-May, they reached USD149.9b, up 150% y-y and accounting for 73% of total air export value. However, their weight-based volume totaled just 19,000 tonnes, up just 13.6% and representing only 8% of total air export tonnage. Incheon International Airport's air cargo volume rose 4.6% y-y to around 520,000 tonnes over April-May, while Korean Air's volume increased just 1.7% to around 210,000 tonnes. Meanwhile, Korean Air's cargo yield remains elevated at around KRW520 per RFTK, more than 50% above pre-pandemic levels. However, seaborne freight rates could become a key variable. Recent signs of de-escalation in Middle East geopolitical risks—including the US-Iran ceasefire MOU—could put downward pressure on seaborne shipping costs, potentially affecting air cargo demand and pricing.

Poor 2Q earnings outlook due to high oil prices and weak won: Korean airlines' 2Q earnings are likely to come under pressure from elevated fuel costs and a weak won. Amid restrictions on transit through the Strait of Hormuz, the average WTI price rose 51% y-y to USD95.8/bbl in 2Q, while jet fuel prices surged 107% to USD166.1/bbl, outpacing the increase in crude oil prices. With fuel expenses accounting for around 30% of total operating costs, margin compression was likely inevitable. Meanwhile, the KRW/USD exchange rate has hovered around KRW1,550, with the 2Q average expected to approach KRW1,500, sustaining the trend of won weakness. This is likely to exacerbate both operating and non-operating costs given the sector's significant foreign-currency-denominated portion of costs and liabilities. However, following the recent ceasefire MOU between the US and Iran, WTI prices have fallen sharply to the low USD70s per barrel. As a result, the cost burden from high oil prices should be largely confined to 2Q26.

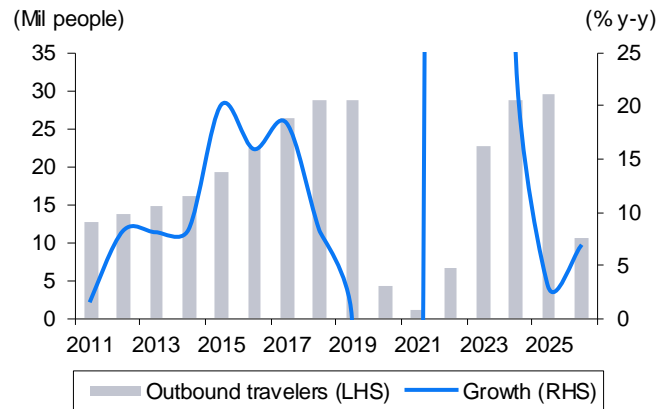
Maintaining NEUTRAL on the sector: In light of earnings pressures from the weak won and high fuel prices, we lower our forecasts for our covered airlines. We cut our 2026 operating profit forecast for Korean Air by 55% to KRW407b and expect Jin Air, Jeju Air, and Trinity Airways to swing to losses in 2026. Although we raise our target price for Korean Air by 15% to KRW30,000 (as we roll forward our valuation base to 2027 and apply the global FSC average P/B multiple of 1.36x), we maintain our HOLD rating on the stock given the limited upside. For Jin Air, Jeju Air, and Trinity Airways, we revise down our target prices by 30%, 17%, and 37%, respectively, to KRW7,000, KRW5,000, and KRW900 (based on the global LCC peer average 2027 P/B multiple of 1.97x). We maintain HOLD on Jeju Air and Trinity Airways, and we downgrade Jin Air to HOLD. With volume-driven quarterly growth momentum showing signs of stabilizing at a lower level, the post-merger competitive landscape should become critical. It remains essential to assess whether Korean Air's enhanced pricing power can support industry-wide ASP expansion. We maintain NEUTRAL on the airline sector.

Korea: International passengers



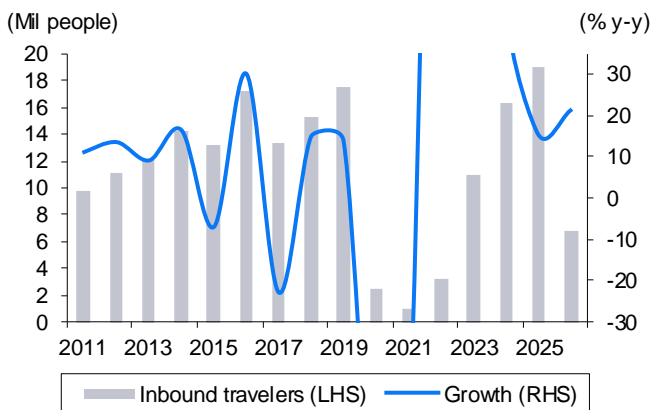
Note: As of May 2026
Source: Korea Airport Corporation, Incheon International Airport, Samsung Securities

Korea: Outbound travelers



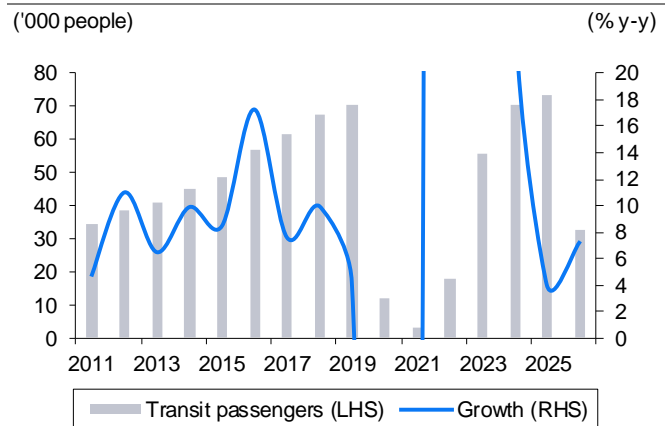
Note: As of April 2026
Source: Korea Tourism Organization, Samsung Securities

Korea: Inbound travelers



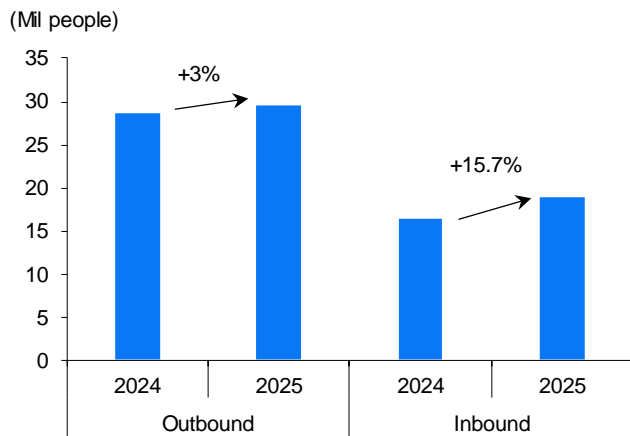
Note: As of April 2026
Source: Korea Tourism Organization, Samsung Securities

Incheon International Airport: Transit passengers



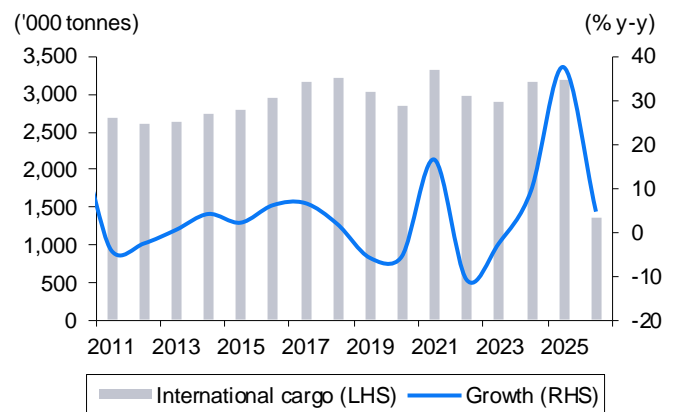
Note: As of May 2026
Source: Incheon International Airport, Samsung Securities

Korea: Outbound travelers vs inbound travelers



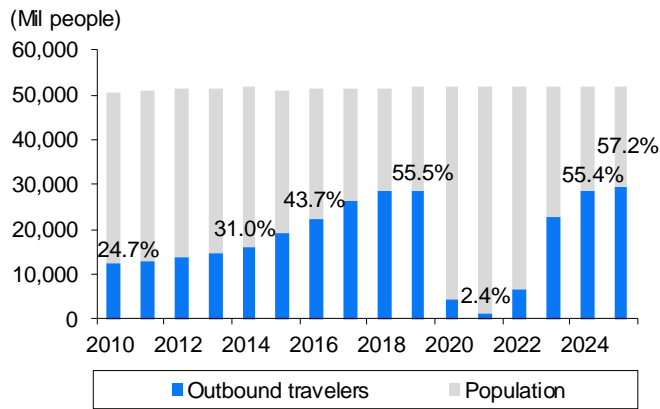
Source: Korea Tourism Organization, Samsung Securities

Incheon International Airport: Cargo volume



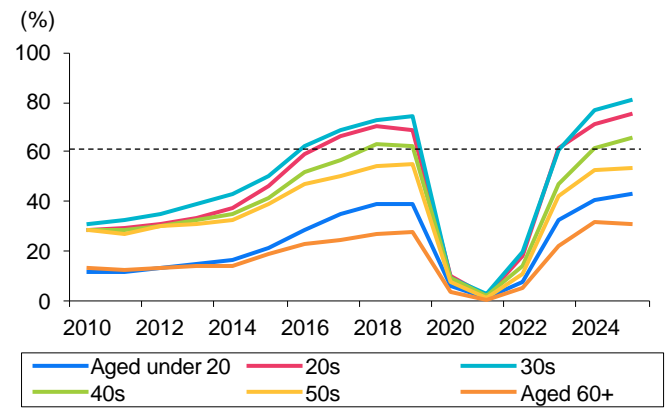
Note: As of May 2026
Source: Incheon International Airport, Samsung Securities

Outbound travel penetration



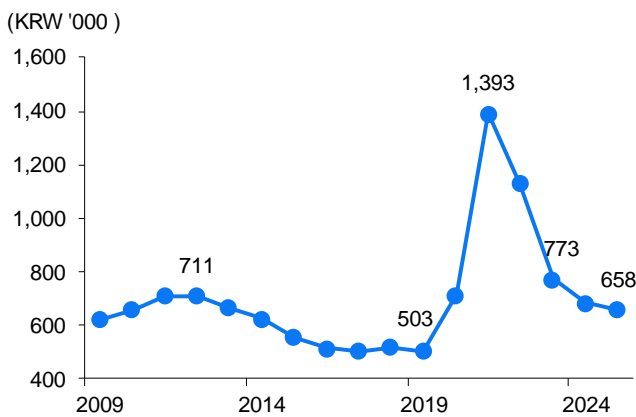
Source: Korea Tourism Organization, Statistics Korea, Samsung Securities

Outbound travel penetration, by age cohort



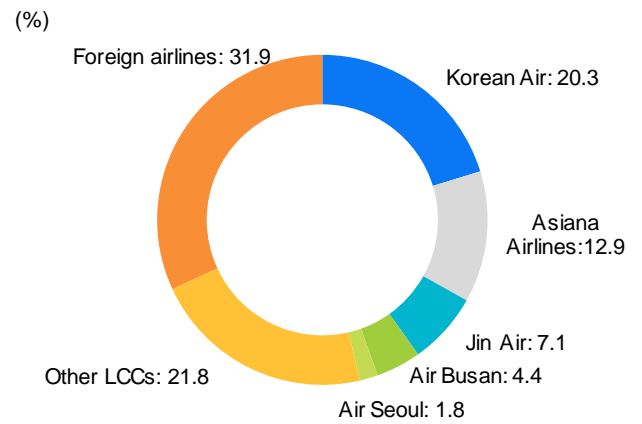
Source: Korea Tourism Organization, Statistics Korea, Samsung Securities

International flight ASP



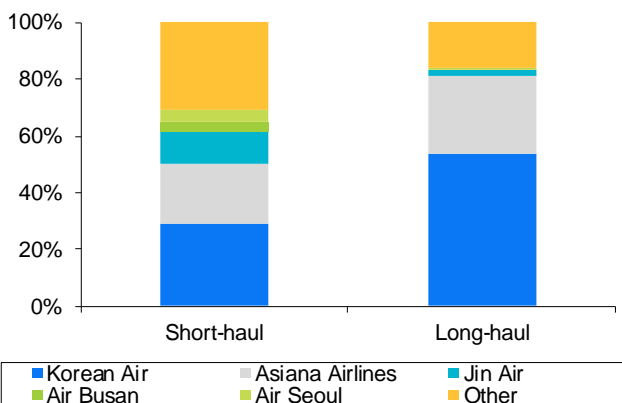
Source: Company data, Korea Airport Corporation, Incheon International Airport, Samsung Securities

2025 international passenger market share



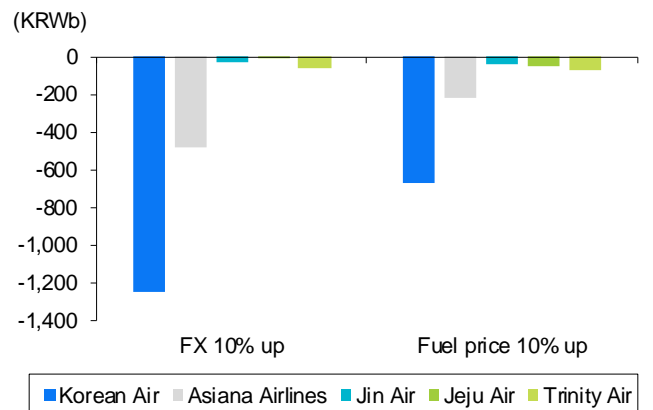
Source: Korea Tourism organization, Samsung Securities

International passenger market share, by route length



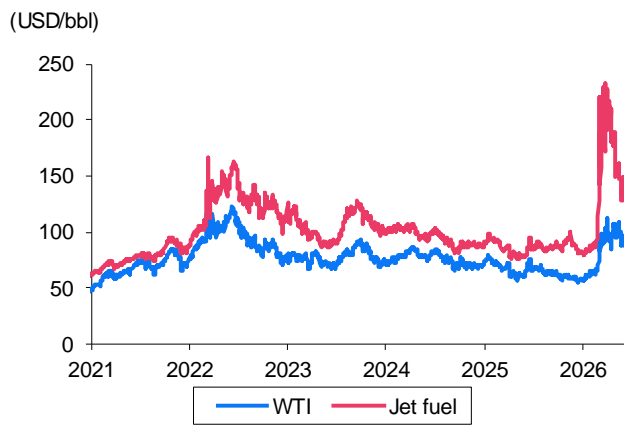
Note: Based on Incheon International Airport in 2025, Korean airlines only
Source: Incheon International Airport, Samsung Securities

Airlines: Operating profit sensitivity to forex and fuel prices



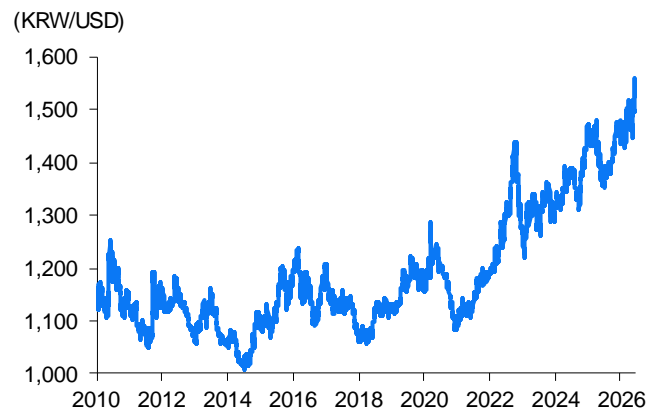
Note: Korean Air on a standalone basis
Source: Company data, Samsung Securities

Oil prices



Source: Bloomberg, Samsung Securities

KRW/USD exchange rate



Source: Bloomberg, Samsung Securities

Global peer valuation: Full-service carriers

(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
Local currency		KRW	USD	USD	USD	HKD	JPY	JPY	EUR
Share price (local)		29,100	90.7	17.4	130.5	12.2	2,774.5	2,952	13.5
Market cap		6,567.5	59,556.5	11,534.6	42,379.7	9,454.7	7,496.9	8,836.9	4,042.7
Sales	2024	11,590	61,643	54,211	57,063	13,312	11,399	13,981	35,733
	2025	16,361	63,364	54,633	59,070	14,893	12,440	15,696	37,491
	2026E	16,921	65,164	62,255	66,912	16,295	13,352	17,222	40,091
	2027E	16,807	67,667	64,894	69,793	16,523	13,765	17,705	41,830
	2028E	17,212	71,041	68,322	73,362	17,610	14,042	18,523	43,497
Operating margin (%)	2024	11.8	9.7	4.8	8.9	13.3	9.1	8.7	4.7
	2025	4.4	9.2	2.7	8.0	12.3	10.3	8.6	6.1
	2026E	1.6	8.3	2.0	6.7	9.5	6.0	5.4	4.4
	2027E	7.3	11.0	5.0	9.3	10.2	8.0	7.4	5.7
	2028E	10.7	11.9	5.8	9.9	9.5	8.6	7.4	6.6
EBITDA margin (%)	2024	22.6	15.4	12.4	15.5	24.8	N/A	15.4	13.6
	2025	16.1	14.6	9.9	14.4	22.2	16.1	15.3	15.9
	2026E	14.7	12.3	5.4	11.5	19.8	14.3	11.8	13.5
	2027E	19.9	15.1	8.5	14.3	20.3	16.3	14.0	14.7
	2028E	22.6	16.0	9.5	15.0	19.4	17.8	14.3	15.7
ROE (%)	2024	13.8	26.2	N/A	28.6	18.7	11.1	14.1	N/A
	2025	6.0	27.7	N/A	24.0	19.2	12.8	12.7	N/A
	2026E	-3.2	15.5	-20.4	18.3	14.1	6.5	6.7	97.4
	2027E	7.7	20.4	-96.5	21.2	16.0	8.4	9.6	59.1
	2028E	13.5	20.0	380.3	19.9	15.1	8.9	9.4	44.5
P/E (x)	2024	7.2	16.8	13.5	13.6	8.2	11.3	9.1	11.2
	2025	14.6	11.7	102.6	12.6	7.4	9.0	8.2	2.2
	2026E	N/A	16.3	235.7	13.8	9.3	13.7	12.9	5.0
	2027E	10.2	11.3	7.5	9.1	7.8	10.0	9.0	3.3
	2028E	5.3	9.7	5.5	7.8	7.0	9.4	8.5	2.5
P/B (x)	2024	2.0	3.8	-2.9	3.4	1.5	1.2	1.2	-2.0
	2025	1.9	2.8	-3.1	2.8	1.4	1.1	0.9	11.9
	2026E	1.8	2.54	-3.3	2.24	1.25	0.94	0.93	2.2
	2027E	1.3	2.108	-5.9	1.780	1.150	0.907	0.865	1.3
	2028E	1.0	1.7	19.0	1.3	1.0	0.9	0.8	0.8
EV/EBITDA (x)	2024	5.6	8.4	6.3	7.0	5.1	4.2	4.5	2.8
	2025	6.6	8.2	7.7	7.2	4.7	2.9	3.5	2.5
	2026E	7.1	9.2	9.9	8.0	4.5	3.5	4.7	2.5
	2027E	5.0	7.0	6.0	6.0	4.4	3.2	4.3	2.2
	2028E	4.1	6.1	4.8	5.2	4.3	2.6	4.1	1.9
Net debt	2024	8,020	19,702	30,566	19,158	7,390	N/A	820	9,731
	2025	10,918	15,964	30,134	18,796	5,971	909	-527	10,604
	2026E	11,113	14,055	21,796	19,424	4,987	-789	787	9,496
	2027E	10,330	11,801	21,336	17,536	5,338	-257	1,756	9,454
	2028E	9,581	9,557	19,264	15,258	5,124	-1,109	1,889	8,896

Source: Bloomberg, Samsung securities estimates

Global peer valuation: Low-cost carriers

(USDm)		Jeju Air	Jin Air	Trinity Air	Southwest Airlines	Spring Airlines	Juneyao Airlines	Norwegian Air	Easy Jet
Ticker		089590 KS	272450 KS	091810 KS	LUV US	601021 CH	603885 CH	NAS NO	EZJ GB
Local currency		KRW	KRW	KRW	USD	CNY	CNY	NOK	GBP
Share price (local)		4,580	5,720.0	770.0	50.9	45.8	10.5	16	539.6
Market cap		239.5	193.7	206.2	24,898.1	6,576.3	3,351.1	415.3	5,386.1
Sales	2024	1,255	828	997	27,483	2,937	3,244	3,586	12,258
	2025	1,025	948	1,166	28,063	3,151	3,304	3,822	13,308
	2026E	1,200	896	1,357	32,720	3,673	3,694	4,098	14,148
	2027E	1,244	985	1,411	33,869	3,993	3,944	4,683	15,433
	2028E	1,308	1,014	1,434	35,128	4,402	4,326	4,909	16,645
Operating margin (%)	2024	4.1	12.8	-0.8	1.2	14.6	11.6	5.3	6.3
	2025	-7.1	-1.3	-14.8	1.5	15.6	10.2	9.9	6.9
	2026E	-1.1	-1.9	-5.6	5.2	11.7	5.2	7.8	1.9
	2027E	5.7	5.7	4.0	8.3	14.0	8.9	8.3	4.0
	2028E	8.8	9.7	7.7	8.9	16.3	11.5	8.8	5.3
EBITDA margin (%)	2024	14.6	20.4	19.8	8.2	28.3	26.7	18.9	14.6
	2025	6.3	6.2	10.3	8.4	29.5	26.6	21.2	14.2
	2026E	11.3	6.3	18.2	10.2	23.9	19.4	20.1	9.4
	2027E	18.0	13.3	27.5	13.6	26.5	23.6	20.8	11.4
	2028E	20.6	17.3	29.5	14.3	28.3	28.0	21.5	12.5
ROE (%)	2024	6.8	51.2	-55.0	4.5	13.7	10.4	20.8	15.7
	2025	-38.9	-4.3	-503.7	4.8	13.0	9.9	36.3	15.3
	2026E	-6.8	-8.7	-233.5	18.3	11.7	8.7	22.1	3.5
	2027E	25.8	28.0	32.6	25.5	14.1	14.2	23.9	8.7
	2028E	28.5	36.0	44.8	19.6	15.6	16.4	24.0	10.9
P/E (x)	2024	2.6	2.5	-3.6	65.3	19.6	24.9	11.4	8.9
	2025	-3.0	-27.1	-0.6	62.1	19.2	21.8	6.0	8.2
	2026E	-139.1	-14.7	-2.4	19.2	19.1	22.5	10.2	30.5
	2027E	3.8	4.8	8.6	11.1	14.8	12.2	7.6	12.8
	2028E	2.6	2.7	2.9	10.0	12.2	8.6	6.7	9.2
P/B (x)	2024	6.1	2.1	-2.9	2.9	2.6	2.6	2.1	1.4
	2025	12.5	2.3	-2.8	3.3	2.5	1.9	2.2	1.2
	2026E	5.1	2.93	5.7	3.28	2.23	1.90	1.73	1.1
	2027E	1.8	1.685	1.7	2.771	2.008	1.675	1.407	1.1
	2028E	1.0	1.0	1.1	2.1	1.8	1.4	1.3	1.0
EV/EBITDA (x)	2024	3.1	0.1	2.0	10.8	9.6	9.3	1.4	2.8
	2025	13.0	1.2	3.5	11.8	9.1	9.1	1.7	2.4
	2026E	6.5	2.4	1.8	8.7	8.4	6.1	1.6	4.0
	2027E	3.5	0.9	1.0	6.1	6.8	4.1	1.4	3.5
	2028E	2.6	0.3	0.8	5.4	5.8	N/A	1.5	3.6
Net debt	2024	328	-176	198	-645	1,428	4,706	528	-306
	2025	602	-122	218	2,775	1,927	4,683	964	-877
	2026E	647	-61	233	4,252	835	1,017	903	-37
	2027E	550	-80	181	3,136	641	501	960	777
	2028E	471	-149	125	2,156	669	N/A	1,142	2,137

Source: Bloomberg, Samsung securities estimates

Forecast revisions and financial statements

Korean Air (003490 KS, HOLD, TP: KRW30,000)

Forecast revisions

(KRWb)	2025	New		Old		Chg (%)	
		2026E	2027E	2026E	2027E	2026E	2027E
Sales	25,226	26,089	25,914	26,112	25,824	-0.1	0.4
Operating profit	1,114	407	1,885	906	1,975	-55.1	-4.6
Pre-tax profit	823	-435	1,061	72	1,167	nm	-9.1
Net profit	647	-342	834	56	917	nm	-9.1
EBITDA	4,067	3,822	5,162	4,322	5,252	-11.5	-1.7
EPS (KRW)*	1,996	-978	2,856	321	3,128	nm	-8.7

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 (KRWb)
2023	16,112	1,790	1,576	1,129	2,985	-35.8	9.7	1.4	4.2	12.2	4,594
2024	17,871	2,110	1,836	1,382	4,031	35.1	7.2	2.0	5.7	13.8	12,365
2025	25,226	1,114	823	647	1,996	-50.5	14.6	1.9	6.8	6.0	16,834
2026E	26,089	407	-435	-342	-978	nm	nm	1.8	7.3	-3.2	17,135
2027E	25,914	1,885	1,061	834	2,856	nm	10.2	1.3	5.2	7.7	15,927
2028E	26,539	2,850	2,093	1,645	5,458	91.1	5.3	1.0	4.2	13.5	14,773

Note: *Fully diluted, excluding one-off items

Source: Company data, Samsung Securities estimates

Quarterly results and forecasts (consolidated)

		1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2025	2026E	2027E	2028E
Sales assumptions													
Average exchange rate	(KRW/USD)	1,453	1,401	1,387	1,449	1,467	1,500	1,455	1,405	1,422	1,456	1,350	1,298
Period-end exchange rate	(KRW/USD)	1,473	1,354	1,404	1,445	1,520	1,480	1,430	1,380	1,440	1,380	1,320	1,280
Jet fuel	(USD/bbl)	90	81	87	88	124	116	103	97	86	102	82	81
Domestic passengers													
RPK	(mil km)	1,497	1,695	1,822	2,007	1,710	1,628	1,860	1,833	7,021	7,032	7,043	7,056
	Chg (% y-y)	181.9	169.5	197.7	243.7	14.2	-3.9	2.1	-8.7	198.1	0.2	0.2	0.2
L/F	(%)	85.1	88.3	89.1	78.9	84.5	87.8	89.6	78.8	84.9	84.9	84.9	84.9
	Chg (% y-y)	0.6	-0.0	3.9	-10.4	-0.5	-0.5	0.4	-0.0	-1.9	0.0	0.0	0.0
Yield	(KRW)	159.0	176.5	161.5	157.3	160.9	160.5	159.4	162.8	163.4	160.9	160.5	160.4
	Chg (% y-y)	-37.8	-30.9	-40.8	-35.9	1.9	-16.0	-2.1	5.5	-18.6	-1.5	-0.2	-0.1
Yield	(US cents)	10.9	12.6	11.6	10.9	11.0	10.7	11.0	11.6	11.5	11.1	11.9	12.4
	Chg (% y-y)	-26.1	-16.7	-21.8	-21.3	0.2	-15.1	-5.9	6.7	-21.9	-3.8	7.6	3.9
International passengers													
RPK	(mil km)	34,914	32,626	34,413	33,918	34,317	33,403	36,415	35,559	135,847	139,694	145,028	150,079
	Chg (% y-y)	93.7	77.3	81.9	78.8	-1.7	2.4	5.8	4.8	82.8	2.8	3.8	3.5
L/F	(%)	89.7	80.2	84.1	76.9	88.6	83.5	85.5	77.6	82.5	83.6	84.1	84.5
	Chg (% y-y)	6.4	-4.3	0.5	-8.1	-1.0	3.3	1.4	0.7	-1.6	1.0	0.5	0.4
Yield	(KRW)	117.7	114.9	108.9	117.5	122.1	117.2	119.3	121.6	114.7	120.1	117.3	118.1
	Chg (% y-y)	-5.2	-8.6	-17.4	-1.5	3.8	2.0	9.6	3.5	-8.4	4.7	-2.3	0.7
Yield	(US cents)	8.1	8.2	7.8	8.1	8.3	7.8	8.2	8.7	8.1	8.2	8.7	9.1
	Chg (% y-y)	-13.2	-10.6	-19.1	-4.8	2.7	-4.7	4.5	6.7	-12.1	2.2	5.3	4.8
Cargo													
RPK	(mil km)	2,895	2,986	2,510	2,362	2,232	2,546	2,351	2,529	10,753	9,658	9,195	9,035
	Chg (% y-y)	33.7	33.2	13.6	5.9	-22.9	-14.7	-6.3	7.1	21.6	-10.2	-4.8	-1.7
L/F	(%)	70.3	71.9	67.8	67.8	68.0	72.1	69.6	71.5	69.6	71.1	71.1	71.1
	Chg (% y-y)	-1.9	-2.3	-4.3	-5.3	-2.3	0.2	1.8	3.7	1.0	1.0	1.0	1.0
Yield	(KRW)	492.2	477.8	482.4	552.7	516.4	498.8	493.6	542.8	516.9	524.0	485.8	467.1
	Chg (% y-y)	6.9	-2.4	-4.8	2.9	4.9	4.4	2.3	-1.8	3.7	1.4	-7.3	-3.9
Yield	(US cents)	33.9	34.1	34.8	38.1	35.2	33.3	33.9	38.6	36.4	36.0	36.0	36.0
	Chg (% y-y)	-2.1	-4.5	-6.8	-0.6	3.9	-2.5	-2.5	1.3	-0.5	-1.0	0.0	0.0
Results and forecasts													
Sales		6,492	6,211	6,027	6,496	6,658	6,175	6,532	6,725	25,226	26,089	25,914	26,539
Domestic passengers		99	121	122	128	103	109	123	131	1,147	1,131	1,131	1,132
International passengers		2,337	2,275	2,299	2,464	2,510	2,529	2,580	2,497	15,588	16,776	17,010	17,731
Cargo		1,054	1,055	1,067	1,233	1,091	1,108	1,098	1,241	5,368	4,956	4,422	4,200
Other		3,188	2,908	2,742	2,845	3,120	2,429	2,731	2,856	3,122	3,226	3,352	3,476
Operating profit		431	370	158	155	517	-366	89	166	1,114	407	1,885	2,850
Operating margin (%)		6.6	6.0	2.6	2.4	7.8	-5.9	1.4	2.5	4.4	1.6	7.3	10.7
Pre-tax profit		452	779	-334	-74	47	-489	-35	42	823	-435	1,061	2,093
Net profit		350	557	-278	18	34	-384	-26	34	647	-342	834	1,645
Chg (% y-y)													
Sales		51.3	41.1	28.9	44.3	2.6	-0.6	8.4	3.5	41.2	3.4	-0.7	2.4
Operating profit		-19.8	-16.4	-76.3	-66.6	20.0	nm	-43.3	7.2	-47.2	-63.5	363.1	51.2
Pre-tax profit		-17.4	60.9	nm	nm	-89.6	nm	nm	nm	-55.2	nm	nm	97.4
Net profit		-13.9	55.2	nm	-93.9	-90.4	nm	nm	88.0	-53.2	nm	nm	97.4

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	17,871	25,226	26,089	25,914	26,539
Cost of goods sold	14,113	21,550	23,094	21,506	21,155
Gross profit	3,758	3,675	2,995	4,409	5,384
Gross margin (%)	21.0	14.6	11.5	17.0	20.3
SG&A expenses	1,648	2,562	2,589	2,524	2,534
Operating profit	2,110	1,114	407	1,885	2,850
Operating margin (%)	11.8	4.4	1.6	7.3	10.7
Non-operating gains (losses)	-274	-290	-842	-824	-756
Financial profit	648	432	421	426	434
Financial costs	597	973	1,041	1,029	991
Equity-method gains (losses)	0	22	22	22	22
Other	-326	228	-244	-244	-222
Pre-tax profit	1,836	823	-435	1,061	2,093
Taxes	454	176	-93	227	448
Effective tax rate (%)	24.7	21.4	21.4	21.4	21.4
Profit from continuing operations	1,382	647	-342	834	1,645
Profit from discontinued operations	0	0	0	0	0
Net profit	1,382	647	-342	834	1,645
Net margin (%)	7.7	2.6	-1.3	3.2	6.2
Net profit (controlling interests)	1,317	780	-412	1,004	1,982
Net profit (non-controlling interests)	65	-132	70	-171	-337
EBITDA	4,039	4,067	3,822	5,162	6,007
EBITDA margin (%)	22.6	16.1	14.7	19.9	22.6
EPS (parent-based) (KRW)	3,742	1,753	-926	2,257	4,455
EPS (consolidated) (KRW)	3,742	1,753	-926	2,257	4,455
Adjusted EPS (KRW)*	4,031	1,996	-978	2,856	5,458

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	4,559	4,075	4,485	5,671	6,169
Net profit	1,382	647	-342	834	1,645
Non-cash profit and expenses	2,790	4,238	4,509	4,744	4,713
Depreciation	1,737	2,738	3,195	3,061	2,942
Amortization	59	117	117	117	117
Other	994	1,382	1,197	1,565	1,653
Changes in A/L from operating activities	412	-646	-75	15	-54
Cash flow from investments	-871	-2,340	-154	273	408
Change in tangible assets	16	133	0	0	0
Change in financial assets	438	1,202	-284	-24	-22
Other	-1,325	-3,675	130	297	430
Cash flow from financing	-2,163	-2,137	-4,220	-5,785	-6,361
Change in debt	8,436	3,135	412	-1,048	-938
Change in equity	0	0	0	0	0
Dividends	-277	-277	-277	-0	-151
Other	-10,321	-4,995	-4,355	-4,736	-5,272
Change in cash	1,593	-346	111	159	217
Cash at beginning of year	623	2,216	1,871	1,982	2,141
Cash at end of year	2,216	1,871	1,982	2,141	2,357
Gross cash flow	2,239	3,421	5,901	4,660	5,300
Free cash flow	-4,589	-1,213	4,877	3,589	3,697

Note: *Excluding one-off items;

**Fully diluted, excluding one-off items;

***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	11,617	9,709	9,387	11,683	14,297
Cash & equivalents	6,902	5,569	5,680	5,839	6,056
Accounts receivable	1,257	1,087	1,124	1,117	1,143
Inventories	1,171	1,449	1,499	1,488	1,524
Other current assets	2,287	1,605	1,084	3,238	5,573
Fixed assets	35,395	40,697	40,741	38,482	36,837
Investment assets	1,444	1,689	1,710	1,733	1,759
Tangible assets	28,374	32,944	31,749	30,688	29,745
Intangible assets	3,077	2,986	2,389	1,911	1,529
Other long-term assets	2,499	3,078	4,893	4,150	3,804
Total assets	47,012	50,406	50,128	50,165	51,133
Current liabilities	16,973	15,081	14,666	14,040	13,174
Accounts payable	352	335	346	344	352
Short-term debt	2,517	2,027	2,568	2,180	1,517
Other current liabilities	14,105	12,720	11,752	11,516	11,304
Long-term liabilities	19,075	23,866	24,544	24,152	24,123
Bonds & long-term debt	3,282	5,901	6,101	5,801	5,651
Other long-term liabilities	15,793	17,965	18,443	18,351	18,472
Total liabilities	36,049	38,947	39,380	38,362	37,466
Owners of parent equity	10,473	10,954	10,242	11,297	13,162
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	3,486	3,949	3,311	4,366	6,231
Other	995	1,013	1,013	1,013	1,013
Non-controlling interests' equity	490	505	505	505	505
Total equity	10,963	11,459	10,747	11,802	13,667
Net debt	12,365	16,834	17,135	15,927	14,773

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	10.9	41.2	3.4	-0.7	2.4
Operating profit	17.9	-47.2	-63.5	363.1	51.2
Net profit	22.4	-53.2	nm	nm	97.4
Adjusted EPS**	40.3	-50.5	nm	nm	91.1
Per-share data (KRW)					
EPS (parent-based)	3,742	1,753	-926	2,257	4,455
EPS (consolidated)	3,742	1,753	-926	2,257	4,455
Adjusted EPS**	4,031	1,996	-978	2,856	5,458
BVPS	14,719	15,430	16,349	21,678	27,949
DPS (common)	750	750	0	410	810
Valuations (x)					
P/E***	7.2	14.6	nm	10.2	5.3
P/B***	2.0	1.9	1.8	1.3	1.0
EV/EBITDA	5.7	6.8	7.3	5.2	4.2
Ratios (%)					
ROE	13.8	6.0	-3.2	7.7	13.5
ROA	3.8	1.5	-0.7	2.1	4.0
ROIC	9.3	4.9	0.7	5.6	8.8
Payout ratio	20.0	42.8	-0.0	18.1	18.1
Dividend yield (common)	2.6	2.6	0.0	1.4	2.8
Net debt to equity	112.8	146.9	159.4	135.0	108.1
Interest coverage (x)	16.8	7.1	5.8	8.2	10.3

Jeju Air (089590 KS, HOLD, TP: KRW5,000)

Forecast revisions

(KRWb)	2025	New		Old		Chg (%)	
		2026E	2027E	2026E	2027E	2026E	2027E
Sales	1,580	1,851	1,917	1,713.0	1,801.0	8.0	6.5
Operating profit	-112	-20	110	60.0	122.0	-133.2	-9.8
Pre-tax profit	-103	-24	107	42.0	68.0	-157.1	57.2
Net profit	-116	-19	83	33.0	53.0	-156.6	57.0
EBITDA	100	209	345	250.0	305.0	-16.4	13.1
EPS (KRW)*	-1,553	-33	1,230	1,024	1,282	-103.3	-4.0

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 (KRWb)
2023	1,724	170	173	134	1,691	nm	2.8	5.7	2.4	44.9	469
2024	1,936	80	9	22	1,795	6.2	2.6	6.1	3.1	6.8	506
2025	1,580	-112	-103	-116	-1,553	nm	nm	12.5	13.1	-38.9	928
2026E	1,851	-20	-24	-19	-33	nm	nm	5.1	6.6	-6.8	997
2027E	1,917	110	107	83	1,230	nm	3.8	1.8	3.5	25.8	848
2028E	2,017	177	162	126	1,765	43.5	2.6	1.0	2.7	28.5	727

Note: *Fully diluted, excluding one-off items

Source: Company data, Samsung Securities estimates

Jeju Air: Results and forecasts

		1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	2025	2026E	2027E	2028E
Assumptions													
Average forex rate	(KRW/USD)	1,453	1,401	1,387	1,452	1,467	1,500	1,455	1,405	1,422	1,456	1,350	1,298
End-of-period forex rate	(KRW/USD)	1,473	1,354	1,404	1,440	1,519	1,480	1,430	1,380	1,440	1,380	1,320	1,280
Jet fuel price	(USD/bbl)	90	81	87	88	124	119	105	99	86	102	91	82
Domestic passengers													
RPK	(mil km)	420	584	585	569	535	583	596	552	2,158	2,266	2,289	2,311
	(%)	-25.3	-2.4	0.6	-0.7	27.4	-0.3	1.8	-2.9	-6.8	5.0	1.0	1.0
L/F	(%)	83.7	92.2	93.9	92.7	94.0	92.6	90.6	88.6	91.0	91.4	91.5	91.6
	(%pts)	-7.5	-1.6	1.2	-0.7	10.3	0.4	-3.3	-4.0	-1.8	0.4	0.1	0.1
Yield	(KRW)	86.6	102.3	99.4	101.2	97.4	103.7	101.9	103.2	98.2	101.6	100.7	99.8
	(%)	-22.9	-18.3	-15.6	-13.4	12.5	1.4	2.5	1.9	-16.9	3.5	-0.9	-0.9
Yield	(US cents)	6.0	7.3	7.2	7.0	6.6	6.9	7.0	7.3	6.9	7.0	7.5	7.7
	(%)	-29.5	-20.0	-17.3	-16.5	11.4	-5.3	-2.3	5.3	-20.3	1.1	6.9	3.1
International passengers													
RPK	(mil km)	3,764	3,540	4,370	4,139	4,342	3,994	4,598	4,219	15,813	17,154	18,042	18,977
	(%)	-23.6	-22.7	-7.1	-9.6	15.4	12.8	5.2	1.9	-15.8	8.5	5.2	5.2
L/F	(%)	77.3	85.3	83.5	86.8	89.7	87.0	86.7	82.3	83.1	86.4	86.8	87.4
	(%pts)	-13.1	-3.5	-4.7	-0.3	12.4	1.6	3.2	-4.5	-5.5	3.2	0.4	0.6
Yield	(KRW)	78.9	63.5	63.6	84.8	94.2	78.4	77.1	77.0	72.8	81.7	81.0	81.8
	(%)	-9.5	-5.4	-13.7	22.9	19.4	23.5	21.3	-9.2	-2.3	12.3	-0.9	1.0
Yield	(US cents)	5.4	4.5	4.6	5.8	6.4	5.2	5.3	5.5	5.1	5.6	6.0	6.3
	(%)	-17.2	-7.4	-15.5	18.5	18.2	15.4	15.6	-6.2	-6.3	9.7	6.8	5.1
Forecasts (KRWb)													
Sales		384.7	332.4	388.3	474.6	516.2	425.9	471.1	437.4	1,579.9	1,850.6	1,917.4	2,017.1
Domestic passenger		36.3	59.7	58.1	57.6	52.1	60.5	60.7	57.0	211.8	230.2	230.5	230.7
International passenger		297.1	224.8	278.0	350.9	409.1	313.2	354.7	324.7	1,150.7	1,401.8	1,460.6	1,551.9
Ancillary		29.0	30.0	33.3	39.7	36.1	31.9	35.4	35.3	132.0	138.6	145.5	152.8
Operating profit		-32.6	-41.9	-55.0	17.8	69.0	-56.9	-12.1	-20.0	-111.7	-19.9	110.1	176.8
Operating margin (%)		-8.5	-12.6	-14.2	3.8	13.4	-13.4	-2.6	-4.6	-7.1	-1.1	5.7	8.8
Pre-tax profit		-30.6	-11.5	-79.2	18.5	19.2	-25.9	19.0	-36.3	-102.8	-24.0	106.9	162.3
Net profit		-32.7	-9.9	-60.2	-13.6	16.7	-20.6	14.3	-29.0	-116.4	-18.7	83.2	126.4
Growth (% y-y)													
Sales		-30.8	-26.0	-19.2	5.4	34.2	28.1	21.3	-7.8	-18.4	17.1	3.6	5.2
Operating profit		nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	60.7
Pre-tax profit		nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	51.9
Net profit		nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	51.9

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	1,936	1,580	1,851	1,917	2,017
Cost of goods sold	1,662	1,509	1,669	1,599	1,624
Gross profit	273	71	182	318	393
Gross margin (%)	14.1	4.5	9.8	16.6	19.5
SG&A expenses	194	183	202	208	216
Operating profit	80	-112	-20	110	177
Operating margin (%)	4.1	-7.1	-1.1	5.7	8.8
Non-operating gains (losses)	-71	9	-4	-3	-15
Financial profit	16	6	7	8	9
Financial costs	31	47	61	62	57
Equity-method gains (losses)	0	0	0	0	0
Other	-56	50	50	51	34
Pre-tax profit	9	-103	-24	107	162
Taxes	-13	14	-5	24	36
Effective tax rate (%)	-145.8	-13.2	22.1	22.1	22.1
Profit from continuing operations	22	-116	-19	83	126
Profit from discontinued operations	0	0	0	0	0
Net profit	22	-116	-19	83	126
Net margin (%)	1.1	-7.4	-1.0	4.3	6.3
Net profit (controlling interests)	22	-116	-19	83	126
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	283	100	209	345	415
EBITDA margin (%)	15	6	11	18	21
EPS (parent-based) (KRW)	270	-1,443	-232	1,032	1,567
EPS (consolidated) (KRW)	270	-1,443	-232	1,032	1,567
Adjusted EPS (KRW)*	1,795	-1,553	-33	1,230	1,765

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	163	6	108	232	294
Net profit	22	-116	-19	83	126
Non-cash profit and expenses	300	314	194	236	195
Depreciation	129	139	153	161	164
Amortization	9	8	8	8	8
Other	162	167	33	68	24
Changes in A/L from operating activities	-130	-153	266	-40	-176
Cash flow from investments	-22	-75	36	-18	-57
Change in tangible assets	-120	-271	-100	-100	-100
Change in financial assets	-19	-6	1	1	1
Other	117	202	134	81	42
Cash flow from financing	-165	89	-94	-164	-187
Change in debt	-78	445	118	-100	-73
Change in equity	0	0	0	0	0
Dividends	-2	-3	0	0	0
Other	-85	-353	-212	-64	-114
Change in cash	-22	19	50	50	50
Cash at beginning of year	212	190	208	258	308
Cash at end of year	190	208	258	308	358
Gross cash flow	138	32	121	232	297
Free cash flow	29	-248	55	169	215

Note: *Excluding one-off items;

**Fully diluted, excluding one-off items;

***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	473	418	414	513	669
Cash & equivalents	201	224	273	322	370
Accounts receivable	43	75	88	91	96
Inventories	35	32	34	32	30
Other current assets	194	86	20	69	173
Fixed assets	1,525	1,933	2,054	1,955	1,871
Investment assets	30	29	29	29	29
Tangible assets	664	693	640	579	515
Intangible assets	32	27	25	22	16
Other long-term assets	800	1,183	1,359	1,324	1,310
Total assets	1,999	2,351	2,468	2,468	2,540
Current liabilities	1,122	1,252	1,419	1,387	1,215
Accounts payable	4	8	9	9	10
Short-term debt	265	425	581	539	356
Other current liabilities	853	819	828	838	849
Long-term liabilities	552	824	777	710	811
Bonds & long-term debt	0	0	0	0	0
Other long-term liabilities	552	824	777	710	811
Total liabilities	1,674	2,076	2,195	2,097	2,026
Owners of parent equity	324	275	272	372	514
Capital stock	81	81	81	81	81
Capital surplus	121	121	121	121	121
Retained earnings	89	-23	-25	74	216
Other	33	96	96	96	96
Non-controlling interests' equity	0	0	0	0	0
Total equity	324	275	272	372	514
Net debt	506	928	997	848	727

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	608.9	-18.4	17.1	3.6	5.2
Operating profit	nm	nm	nm	nm	60.7
Net profit	nm	nm	nm	nm	51.9
Adjusted EPS**	nm	nm	nm	nm	43.5
Per-share data (KRW)					
EPS (parent-based)	270	-1,443	-232	1,032	1,567
EPS (consolidated)	270	-1,443	-232	1,032	1,567
Adjusted EPS**	1,795	-1,553	-33	1,230	1,765
BVPS	762	372	919	2,616	4,639
DPS (common)	0	0	0	0	0
Valuations (x)					
P/E***	2.6	nm	nm	3.8	2.6
P/B***	6.1	12.5	5.1	1.8	1.0
EV/EBITDA	3.1	13.1	6.6	3.5	2.7
Ratios (%)					
ROE	6.8	-38.9	-6.8	25.8	28.5
ROA	7.3	-5.8	-0.1	4.0	5.7
ROIC	15.3	-11.1	2.9	14.4	18.7
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	156.1	337.1	365.9	228.2	141.4
Interest coverage (x)	11.9	0.8	2.5	5.1	7.1

Jin Air (272450 KS, HOLD, TP: KRW7,000)

Forecast revisions

(KRWb)	2025	New		Old		Chg (%)	
		2026E	2027E	2026E	2027E	2026E	2027E
Sales	1,381.1	1,518.2	1,563.9	1,423.9	1,475.3	6.6	6.0
Operating profit	-19.2	-25.9	86.8	64.6	86.6	nm	0.3
Pre-tax profit	-19.8	-26.9	86.4	84.2	77.3	nm	11.8
Net profit	-9.8	-18.8	67.0	65.7	60.3	nm	11.1
EBITDA	90.2	86.6	202.6	179.8	205.1	-51.8	-1.2
EPS (KRW)*	-219	-405	1,233	1,789	1,686	nm	-26.9

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 (KRWb)
2023	1,277	182	174	134	2,626	nm	2.3	6.4	0.5	112.5	-172
2024	1,461	163	123	96	2,370	-9.8	2.5	2.1	0.2	51.2	-271
2025	1,381	-19	-20	-10	-219	nm	nm	2.3	1.4	-4.3	-188
2026E	1,518	-26	-27	-19	-405	nm	nm	2.9	2.5	-8.7	-93
2027E	1,564	87	86	67	1,233	nm	4.8	1.7	0.9	28.0	-124
2028E	1,599	151	154	120	2,240	81.7	2.7	1.0	0.0	36.0	-229

Note: *Fully diluted, excluding one-off items

Source: Company data, Samsung Securities estimates

Jin Air: Results and forecasts

		1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	2025	2026E	2027E	2028E
Assumptions													
Average forex rate	(KRW/USD)	1,453	1,401	1,387	1,452	1,467	1,500	1,455	1,405	1,422	1,456	1,350	1,298
End-of-period forex rate	(KRW/USD)	1,473	1,354	1,404	1,440	1,519	1,480	1,430	1,380	1,440	1,380	1,320	1,280
Jet fuel price	(USD/bbl)	90	81	87	88	124	120	106	99	98	114	102	93
Domestic passengers													
RPK	(mil km)	304	389	439	464	328	373	466	445	1,596	1,612	1,628	1,644
	(%)	-14.4	-5.6	8.4	24.7	7.9	-4.1	6.1	-4.1	3.4	1.0	1.0	1.0
L/F	(%)	80.4	84.7	84.4	85.5	83.0	86.6	85.2	81.4	84.0	84.0	84.0	84.0
	(%pts)	-4.7	-3.5	-1.4	0.5	2.6	1.8	0.8	-4.0	-2.1	0.0	0.0	0.0
Yield	(KRW)	150.7	159.8	149.7	144.5	155.8	153.6	154.5	147.5	150.8	152.6	152.7	150.8
	(%)	-7.4	-10.4	-12.2	-17.0	3.3	-3.9	3.2	2.1	-12.1	1.2	0.1	-1.3
Yield	(US cents)	10.4	11.4	10.8	10.0	10.6	10.2	10.6	10.5	10.6	10.5	11.3	11.6
	(%)	-15.3	-12.3	-14.1	-19.9	2.3	-10.2	-1.6	5.5	-15.6	-1.2	7.9	2.7
International passengers													
RPK	(mil km)	3,231	2,549	2,673	2,542	3,014	2,730	2,946	2,634	10,995	11,325	11,834	12,261
	(%)	2.8	4.6	-4.8	-14.5	-6.7	7.1	10.2	3.6	-3.2	3.0	4.5	3.6
L/F	(%)	89.7	87.8	85.6	84.6	88.1	88.3	88.6	85.1	87.1	87.6	87.6	87.7
	(%pts)	-1.3	-0.8	-2.0	-5.4	-1.6	0.5	3.0	0.4	-2.4	0.5	0.1	0.1
Yield	(KRW)	107.8	87.4	81.8	103.4	115.7	101.0	97.2	102.8	95.7	104.3	103.3	102.4
	(%)	-2.7	-0.3	-15.3	14.4	7.4	15.5	18.8	-0.6	-1.3	9.0	-1.0	-0.9
Yield	(US cents)	7.4	6.2	5.9	7.1	7.9	6.7	6.7	7.3	6.7	7.2	7.6	7.9
	(%)	-11.0	-2.5	-17.1	10.3	6.3	7.9	13.3	2.8	-5.3	6.5	6.7	3.1
Forecasts (KRWb)													
Sales		417.8	306.1	304.3	352.8	423.0	353.7	381.2	360.3	1,381.1	1,518.2	1,563.9	1,599.1
Domestic passenger		45.8	62.1	65.7	67.0	51.1	57.3	71.9	65.7	240.7	246.0	248.6	247.9
International passenger		348.3	222.8	218.6	262.8	348.9	275.7	286.3	270.8	1,052.5	1,181.7	1,222.0	1,255.2
Ancillary		23.8	21.2	20.0	23.0	23.0	20.7	23.0	23.8	87.9	90.5	93.2	96.0
Operating profit		58.3	-42.3	-22.5	-12.6	57.6	-62.7	-9.8	-11.0	-19.2	-25.9	86.8	151.4
Operating margin (%)		13.9	-13.8	-7.4	-3.6	13.6	-17.7	-2.6	-3.1	-1.4	-1.7	5.6	9.5
Pre-tax profit		57.8	-20.2	-34.5	-23.0	34.9	-55.2	-2.2	-4.4	-19.8	-26.9	86.4	154.3
Net profit		45.7	-15.7	-27.5	-12.2	21.7	-43.1	-1.6	-3.1	-9.8	-18.8	67.0	119.5
Growth (% y-y)													
Sales		-2.9	-0.7	-16.5	-1.5	1.2	15.6	25.3	2.1	-5.5	9.9	3.0	2.3
Operating profit		-40.8	nm	nm	nm	-1.1	nm	nm	nm	nm	nm	nm	74.3
Pre-tax profit		-33.5	nm	nm	nm	-39.6	nm	nm	nm	nm	nm	nm	78.5
Net profit		-33.1	nm	nm	nm	-52.6	nm	nm	nm	nm	nm	nm	78.5

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	1,461	1,381	1,518	1,564	1,599
Cost of goods sold	1,179	1,278	1,411	1,341	1,309
Gross profit	282	103	107	223	290
Gross margin (%)	19.3	7.5	7.0	14.3	18.2
SG&A expenses	119	122	133	136	139
Operating profit	163	-19	-26	87	151
Operating margin (%)	11.2	-1.4	-1.7	5.6	9.5
Non-operating gains (losses)	-40	-1	-1	0	3
Financial profit	22	23	21	21	22
Financial costs	23	31	31	31	25
Equity-method gains (losses)	0	0	0	0	0
Other	-39	7	9	9	6
Pre-tax profit	123	-20	-27	86	154
Taxes	27	-10	-8	19	35
Effective tax rate (%)	22.0	50.9	30.0	22.5	22.5
Profit from continuing operations	96	-10	-19	67	120
Profit from discontinued operations	0	0	0	0	0
Net profit	96	-10	-19	67	120
Net margin (%)	6.5	-0.7	-1.2	4.3	7.5
Net profit (controlling interests)	96	-10	-19	67	120
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	261	90	87	203	271
EBITDA margin (%)	17.9	6.5	5.7	13.0	16.9
EPS (parent-based) (KRW)	1,834	-187	-360	1,283	2,290
EPS (consolidated) (KRW)	1,834	-187	-360	1,283	2,290
Adjusted EPS (KRW)*	2,370	-219	-405	1,233	2,240

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	329	80	75	167	228
Net profit	96	-10	-19	67	120
Non-cash profit and expenses	280	224	257	209	225
Depreciation	97	108	111	114	118
Amortization	1	1	1	1	1
Other	182	115	145	94	107
Changes in A/L from operating activities	-53	-145	3	-27	0
Cash flow from investments	-113	-28	-30	-10	-9
Change in tangible assets	0	0	-111	-114	-118
Change in financial assets	-96	-7	-2	0	0
Other	-17	-22	84	104	109
Cash flow from financing	-131	-144	-68	-127	-189
Change in debt	75	-2	72	-1	-75
Change in equity	0	0	0	0	0
Dividends	0	0	0	0	0
Other	-206	-142	-140	-126	-113
Change in cash	85	-92	-23	30	30
Cash at beginning of year	50	135	42	19	49
Cash at end of year	135	42	19	49	79
Gross cash flow	330	72	78	168	229
Free cash flow	341	51	56	168	228

Note: *Excluding one-off items;

**Fully diluted, excluding one-off items;

***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	681	626	577	632	661
Cash & equivalents	592	508	485	515	545
Accounts receivable	42	34	38	39	40
Inventories	1	1	1	1	1
Other current assets	46	83	54	77	76
Fixed assets	546	549	651	663	678
Investment assets	61	43	39	39	39
Tangible assets	1	24	24	24	24
Intangible assets	3	4	3	2	1
Other long-term assets	481	478	585	598	614
Total assets	1,227	1,174	1,228	1,294	1,339
Current liabilities	583	556	556	556	556
Accounts payable	0	0	0	0	0
Short-term debt	0	0	0	0	0
Other current liabilities	583	556	556	556	556
Long-term liabilities	413	394	466	466	391
Bonds & long-term debt	0	0	0	0	0
Other long-term liabilities	413	394	466	466	391
Total liabilities	996	950	1,022	1,022	947
Owners of parent equity	231	224	206	273	392
Capital stock	52	52	52	52	52
Capital surplus	296	96	96	96	96
Retained earnings	-107	86	67	134	254
Other	-10	-10	-10	-10	-10
Non-controlling interests' equity	0	0	0	0	0
Total equity	231	224	206	273	392
Net debt	-271	-188	-93	-124	-229

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	491.1	-5.5	9.9	3.0	2.3
Operating profit	nm	nm	nm	nm	74.3
Net profit	nm	nm	nm	nm	78.5
Adjusted EPS**	nm	nm	nm	nm	81.7
Per-share data (KRW)					
EPS (parent-based)	1,834	-187	-360	1,283	2,290
EPS (consolidated)	1,834	-187	-360	1,283	2,290
Adjusted EPS**	2,370	-219	-405	1,233	2,240
BVPS	2,869	2,554	2,028	3,530	6,014
DPS (common)	0	0	0	0	0
Valuations (x)					
P/E***	2.5	nm	nm	4.8	2.7
P/B***	2.1	2.3	2.9	1.7	1.0
EV/EBITDA	0.2	1.4	2.5	0.9	0.0
Ratios (%)					
ROE	51.2	-4.3	-8.7	28.0	36.0
ROA	11.4	-1.0	-1.8	5.1	8.9
ROIC	-282.8	44.5	-22.6	69.2	91.5
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)	227.4	11.2	8.4	20.7	97.8

Trinity Air (091810 KS, HOLD, TP: KRW900)

Forecast revisions

(KRWb)	2025	New		Old		Chg (%)	
		2026E	2027E	2026E	2027E	2026E	2027E
Sales	1,798.2	2,092.3	2,175.6	1,952.0	2,116.0	7.2	2.8
Operating profit	-265.5	-116.8	87.1	45.0	143.0	nm	-39.1
Pre-tax profit	-321.9	-156.8	51.3	47.0	135.0	nm	-62.0
Net profit	-338.3	-123.9	40.5	40.0	117.0	nm	-65.4
EBITDA	185.5	380.5	597.4	511.0	625.0	-25.5	-4.4
EPS (KRW)*	-1,388	-328	92	228	528	nm	-82.7

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 (KRWb)
2023	1,349	139	112	99	425	nm	1.9	7.3	0.7	91.6	97
2024	1,537	-12	-71	-66	-218	nm	nm	nm	1.6	-55.0	305
2025	1,798	-265	-322	-338	-1,388	536.3	nm	nm	3.2	-503.7	336
2026E	2,092	-117	-157	-124	-328	-76.3	nm	5.7	1.8	-233.5	359
2027E	2,176	87	51	41	92	nm	8.6	1.7	1.0	32.6	279
2028E	2,211	170	142	112	274	199.6	2.9	1.1	0.8	44.8	193

Note: *Fully diluted, excluding one-off items

Source: Company data, Samsung Securities estimates

Trinity Air: Results and forecasts

		1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	2025	2026E	2027E	2028E
Assumptions													
Average forex rate	(KRW/USD)	1,453	1,401	1,387	1,452	1,467	1,500	1,455	1,405	1,422	1,456	1,350	1,298
End-of-period forex rate	(KRW/USD)	1,473	1,354	1,404	1,440	1,519	1,480	1,430	1,380	1,440	1,380	1,320	1,280
Jet fuel price	(USD/bbl)	90	81	87	88	124	119	105	99	95	102	91	82
Domestic passengers													
RPK	(mil km)	349	385	389	382	346	387	395	400	1,505	1,528	1,543	1,558
	(%)	-2.8	5.5	8.1	2.1	-0.9	0.5	1.5	4.7	3.2	1.5	1.0	1.0
L/F	(%)	88.4	92.1	89.6	91.4	92.8	90.2	89.6	89.2	90.4	90.3	90.3	90.3
	(%pts)	-4.4	-1.7	-1.7	-2.1	4.4	-1.9	-0.1	-2.2	-2.5	-0.1	-0.0	-0.0
Yield	(KRW)	130.9	144.9	125.8	133.6	140.9	142.0	137.6	132.4	133.9	138.1	138.2	138.4
	(%)	-12.2	-11.6	-19.6	-14.5	7.6	-2.0	9.3	-0.9	-14.4	3.2	0.1	0.1
Yield	(US cents)	9.0	10.3	9.1	9.2	9.6	9.5	9.5	9.4	9.4	9.5	10.2	10.7
	(%)	-19.6	-13.5	-21.3	-17.5	6.5	-8.5	4.2	2.4	-17.9	0.7	8.0	4.1
International passengers													
RPK	(mil km)	4,278	3,935	5,686	3,545	4,985	4,274	6,491	3,584	17,444	19,334	20,517	21,000
	(%)	21.8	22.8	51.4	-12.1	16.5	8.6	14.2	1.1	20.2	10.8	6.1	2.4
L/F	(%)	85.6	83.8	83.3	82.1	86.8	83.2	83.6	82.0	83.7	84.0	84.1	84.2
	(%pts)	-5.2	-4.6	-4.2	-3.8	1.2	-0.5	0.3	-0.1	-4.3	0.3	0.1	0.0
Yield	(KRW)	90.4	74.8	57.6	112.0	104.0	83.3	69.1	100.7	80.6	87.1	85.6	84.7
	(%)	-11.7	-5.9	-33.6	45.1	15.1	11.4	20.0	-10.1	-6.6	8.1	-1.8	-1.0
Yield	(US cents)	6.2	5.3	4.2	7.7	7.1	5.6	4.8	7.2	5.7	6.0	6.3	6.5
	(%)	-19.2	-7.9	-35.0	39.9	14.0	4.0	14.4	-7.1	-10.4	5.6	5.9	2.9
Forecasts (KRWb)													
Sales		447	378	450	524	612	448	571	461	1,798	2,092	2,176	2,211
Domestic passenger		46	56	49	51	49	55	54	53	201	211	213	216
International passenger		387	294	327	397	519	356	449	361	1,405	1,684	1,755	1,778
Ancillary		14	28	73	76	45	37	68	47	191	197	207	217
Operating profit		-35	-78	-96	-56	19	-120	-0	-16	-265	-117	87	170
Operating margin (%)		-7.9	-20.7	-21.2	-10.7	3.1	-26.8	-0.1	-3.4	-14.8	-5.6	4.0	7.7
Pre-tax profit		-43.2	-65.4	-125.0	-88.3	-16.9	-121.4	-1.7	-32.2	-321.9	-156.8	51.3	142.0
Net profit		-44.8	-78.1	-124.7	-90.7	-16.7	-107.6	-1.5	-28.6	-338.3	-123.9	40.5	112.2
Growth (% y-y)													
Sales		5.6	16.0	13.9	33.3	37.1	18.6	27.0	-12.0	17.0	16.4	4.0	1.6
Operating profit		nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	95.5
Pre-tax profit		nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	177.1
Net profit		nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	177.1

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	1,537	1,798	2,092	2,176	2,211
Cost of goods sold	1,403	1,871	1,991	1,878	1,827
Gross profit	134	-73	102	297	384
Gross margin (%)	8.7	-4.1	4.9	13.7	17.4
SG&A expenses	146	192	218	210	214
Operating profit	-12	-265	-117	87	170
Operating margin (%)	-0.8	-14.8	-5.6	4.0	7.7
Non-operating gains (losses)	-59	-56	-40	-36	-28
Financial profit	66	67	118	119	84
Financial costs	124	119	155	152	109
Equity-method gains (losses)	0	0	0	0	0
Other	-2	-4	-3	-3	-3
Pre-tax profit	-71	-322	-157	51	142
Taxes	-5	16	-33	11	30
Effective tax rate (%)	7.3	-5.1	21.0	21.0	21.0
Profit from continuing operations	-66	-338	-124	41	112
Profit from discontinued operations	0	0	0	0	0
Net profit	-66	-338	-124	41	112
Net margin (%)	-4.3	-18.8	-5.9	1.9	5.1
Net profit (controlling interests)	-66	-338	-124	41	112
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	305	185	381	597	653
EBITDA margin (%)	19.8	10.3	18.2	27.5	29.5
EPS (parent-based) (KRW)	-306	-1,007	-300	98	272
EPS (consolidated) (KRW)	-306	-1,007	-300	98	272
Adjusted EPS (KRW)*	-218	-1,388	-328	92	274

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	272	171	369	567	590
Net profit	-66	-338	-124	41	112
Non-cash profit and expenses	340	459	403	473	254
Depreciation	116	175	209	210	170
Amortization	1	1	1	1	1
Other	224	283	194	262	82
Changes in A/L from operating activities	-5	43	273	31	194
Cash flow from investments	-224	-190	-57	-197	-190
Change in tangible assets	0	0	-240	-291	0
Change in financial assets	-27	-10	2	2	-20
Other	-198	-180	181	92	-170
Cash flow from financing	-143	94	-282	-341	-370
Change in debt	146	118	50	-51	-58
Change in equity	3	-74	8	0	0
Dividends	0	-1	0	0	0
Other	-291	51	-340	-289	-312
Change in cash	-89	77	30	30	30
Cash at beginning of year	195	106	183	213	243
Cash at end of year	106	183	213	243	273
Gross cash flow	298	181	383	571	592
Free cash flow	162	134	439	511	534

Note: *Excluding one-off items;

**Fully diluted, excluding one-off items;

***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	441	648	455	537	575
Cash & equivalents	215	302	330	358	386
Accounts receivable	35	46	54	56	57
Inventories	41	39	46	48	48
Other current assets	150	260	25	75	84
Fixed assets	1,122	1,224	1,587	1,643	1,699
Investment assets	0	0	0	0	0
Tangible assets	156	186	242	298	354
Intangible assets	3	3	0	0	0
Other long-term assets	962	1,034	1,345	1,345	1,345
Total assets	1,562	1,872	2,042	2,180	2,274
Current liabilities	585	868	879	903	927
Accounts payable	0	0	0	0	0
Short-term debt	0	0	0	0	0
Other current liabilities	585	868	879	903	927
Long-term liabilities	895	952	1,109	1,083	1,041
Bonds & long-term debt	0	0	0	0	0
Other long-term liabilities	895	952	1,109	1,083	1,041
Total liabilities	1,480	1,820	1,988	1,985	1,968
Owners of parent equity	82	52	54	194	307
Capital stock	108	34	41	41	41
Capital surplus	41	330	395	395	395
Retained earnings	-69	-403	-527	-486	-374
Other	3	91	145	245	245
Non-controlling interests' equity	0	0	0	0	0
Total equity	82	52	54	194	307
Net debt	305	336	359	279	193

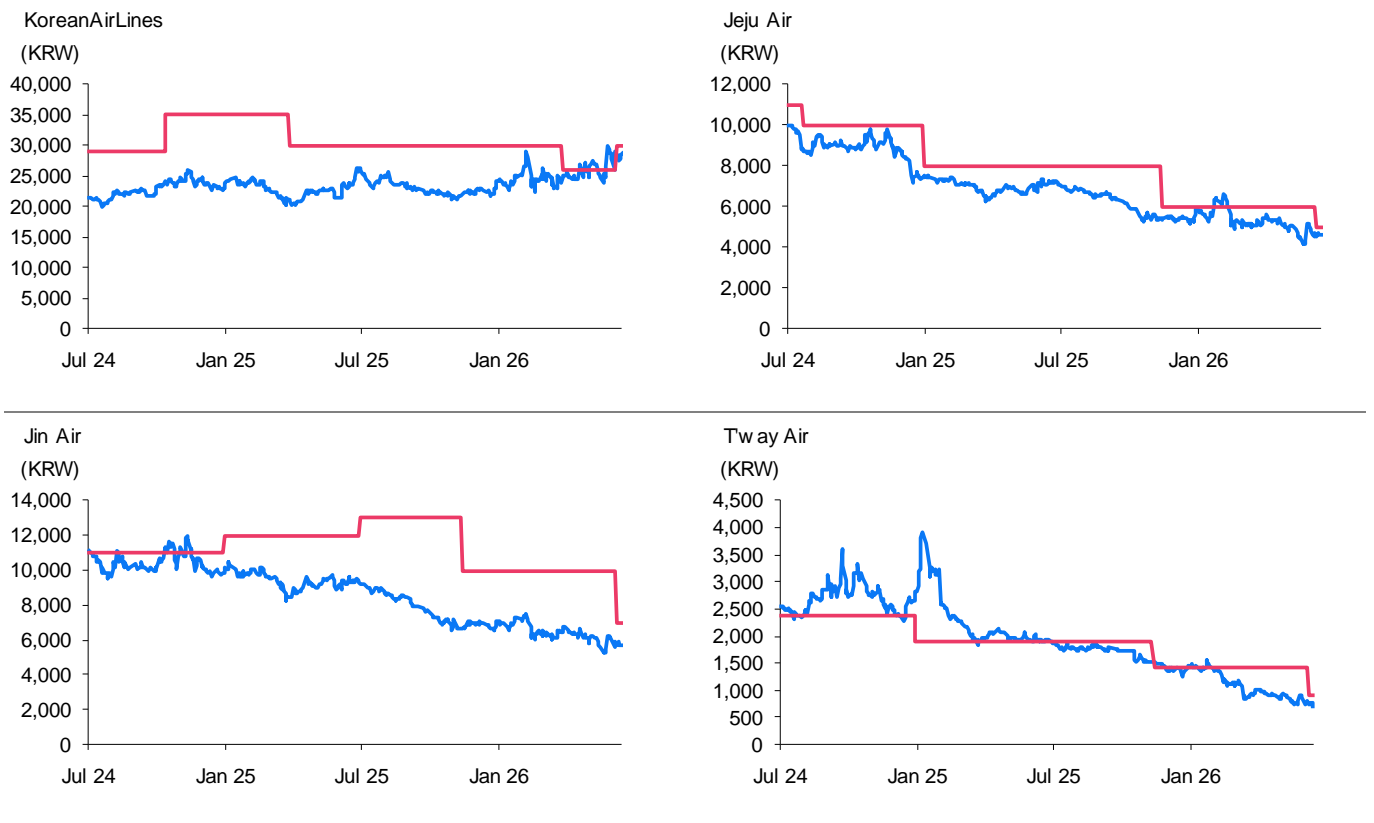
Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	616.8	17.0	16.4	4.0	1.6
Operating profit	nm	nm	nm	nm	95.5
Net profit	nm	nm	nm	nm	177.1
Adjusted EPS**	nm	nm	nm	nm	199.6
Per-share data (KRW)					
EPS (parent-based)	-306	-1,007	-300	98	272
EPS (consolidated)	-306	-1,007	-300	98	272
Adjusted EPS**	-218	-1,388	-328	92	274
BVPS	-269	-286	138	474	745
DPS (common)	0	0	0	0	0
Valuations (x)					
P/E***	nm	nm	nm	8.6	2.9
P/B***	nm	nm	5.7	1.7	1.1
EV/EBITDA	1.6	3.2	1.8	1.0	0.8
Ratios (%)					
ROE	-55.0	-503.7	-233.5	32.6	44.8
ROA	-3.5	-20.6	-6.7	1.8	5.1
ROIC	-13.3	-77.7	-24.7	15.5	28.1
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	370.3	645.6	662.9	143.8	63.0
Interest coverage (x)	3.8	-1.9	2.5	9.1	13.5

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Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Korean Air					
Date	2024/4/22	10/30	2025/4/14	2026/4/14	6/26
Recommendation	BUY	BUY	BUY	HOLD	HOLD
Target price (KRW)	29000	35000	30000	26000	30000
Gap* (average)	-24.57	-32.69	-22.56	0.13	
(max or min)**	-16.72	-25.86	-3.50	15.38	
Jeju Air					
Date	2024/4/22	8/7	2025/1/16	12/1	2026/6/26
Recommendation	HOLD	HOLD	HOLD	HOLD	HOLD
Target price (KRW)	11000	10000	8000	6000	5000
Gap* (average)	-4.56	-11.50	-16.40	-11.66	
(max or min)**	2.91	-2.10	-6.13	9.67	
Jin Air					
Date	2024/4/22	2025/1/16	7/17	12/1	2026/6/26
Recommendation	HOLD	BUY	BUY	BUY	HOLD
Target price (KRW)	11000	12000	13000	10000	7000
Gap* (average)	1.51	-21.67	-38.26	-34.87	
(max or min)**	-13.64	-13.08	-29.31	-25.30	
T'way Air					
Date	2023/11/15	2024/11/15	2025/1/16	12/1	2026/6/26
Recommendation	HOLD	HOLD	HOLD	HOLD	HOLD
Target price (KRW)	2382	2382	1905	1429	900
Gap* (average)	10.44	9.12	6.65	-19.93	
(max or min)**	50.78	22.58	-20.64	-48.43	

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

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Industry

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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

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BUY (85.5%)-HOLD (14.5%)-SELL (0%)

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