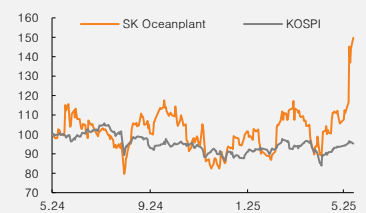


(Maintain)	Buy
Target price	▲ W23,000
Current price (5/19/25)	W20,450
Upside	12.5%

OP (25F, Wbn)	67
Consensus OP (25F, Wbn)	55
EPS growth (25F, %)	170.3
Market EPS growth (25F, %)	25.3
P/E (25F, x)	27.3
Market P/E (25F, x)	9.4
KOSPI	2,603.42

Market cap (Wbn)	1,211
Shares (mn)	59
Free float (%)	62.4
Foreign ownership (%)	5.0
Beta (12M)	0.96
52-week low (W)	10,880
52-week high (W)	20,450

(%)	1M	6M	12M
Absolute	48.4	71.7	49.8
Relative	41.6	63.0	56.8



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SK Oceanplant

Offshore wind order momentum to grow in 2H25

Raise TP to W23,000; maintain Buy

We raise our target price on SK Oceanplant to W23,000 (from W16,000) and maintain our Buy rating. Our valuation is based on a 12-month forward P/E of 23x, in line with the average multiple in 2022, when the company's offshore wind order backlog first reached the W600–700bn range. If the currently anticipated projects are secured, the offshore wind order backlog could return to the 2022 level, raising expectations for profitability improvement. Over the medium to long term, diversification into the US Navy maintenance/repair/overhaul (MRO) business should enhance revenue stability.

1Q25 review: Above-consensus results

For 1Q25, SK Oceanplant reported revenue of W257.1bn (+57.7% QoQ; 17.4% above the consensus) and operating profit of W11bn (+307.4% QoQ; 61.8% above the consensus). The earnings beat was mainly driven by the recognition of offshore wind revenue from the Taiwan Fengmiao project (which had not been reflected in 4Q24). Offshore wind revenue totaled W69.5bn (+120% QoQ), with W51.9bn coming from the Fengmiao project and W18bn from the expansion of the Hai Long project's scope. Revenue from naval vessels surged 58.5% QoQ to W177.4bn, driven by full-scale revenue recognition for the third frigate under the Korean Navy's FFX Batch III program.

Outlook: Expansion into MRO and growing offshore wind orders

SK Oceanplant has formed a naval vessel MRO consortium with 15 shipyards and maintenance/equipment specialists in the Busan/Gyeongnam region, including Hanwha Ocean and HSG Sungdong Shipbuilding. The company already has a proven track record in the naval vessel business, having delivered seven 200-tonne patrol boats and three 3,000-tonne patrol vessels. Looking ahead, SK Oceanplant is seeking to secure MRO projects for the US Navy; this segment is likely to serve as one of the company's key growth drivers (alongside offshore wind).

As of end-1Q25, offshore wind orders totaled W347.9bn, representing about 37% of the company's total order backlog (W928.1bn). While some previously expected orders have been delayed, the Wei Lan Hai project (Taiwan) and the Anma wind project (Korea) should be recognized within 2025. We also think the company could secure the Wando Geumul offshore wind project and the Korea Floating Wind offshore substructure project.

(Dec.)	2023	2024	2025F	2026F	2027F
Revenue (Wbn)	926	663	1,074	1,380	1,408
OP (Wbn)	76	42	67	113	116
OP margin (%)	8.2	6.3	6.2	8.2	8.2
NP (Wbn)	57	16	44	87	90
EPS (W)	1,041	277	748	1,466	1,526
ROE (%)	9.5	2.3	6.1	10.9	10.2
P/E (x)	19.0	46.5	27.3	13.9	13.4
P/B (x)	1.7	1.1	1.6	1.4	1.3
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0

Notes: Under consolidated K-IFRS; NP is attributable to owners of the parent
Source: Company data, Mirae Asset Securities Research estimates

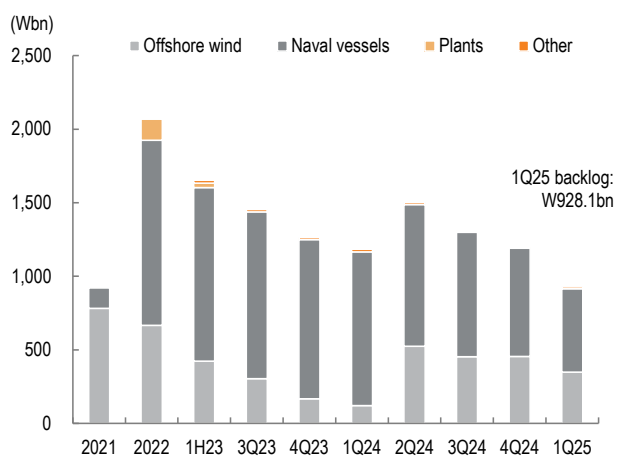
Table 1. SK Oceanplant: Quarterly and annual earnings

(Wbn)

	1Q24	2Q24	3Q24	4Q24	1Q25P	2Q25F	3Q25F	4Q25F	2023	2024F	2025F
Revenue Total	127.1	173.4	199.2	163.0	257.1	289.6	267.2	260.1	925.8	662.6	1,073.9
Offshore wind	83.2	63.4	62.0	31.6	69.5	74.6	102.2	115.1	516.4	240.2	361.3
Other	43.9	109.9	137.2	131.2	187.6	215.0	165.0	145.0	409.5	422.2	712.6
OP Total	9.0	15.0	15.2	2.4	11.0	17.5	18.9	19.3	76.0	41.6	66.7
Offshore wind	7.7	7.6	7.4	0.4	3.5	8.9	12.3	13.5	58.2	23.2	38.2
Other	1.3	7.4	7.8	2.0	7.5	8.6	6.6	5.8	17.7	18.4	28.5
NP attr. to owners of the parent	4.1	2.8	9.1	0.4	4.3	12.6	13.5	13.9	16.4	44.3	86.8

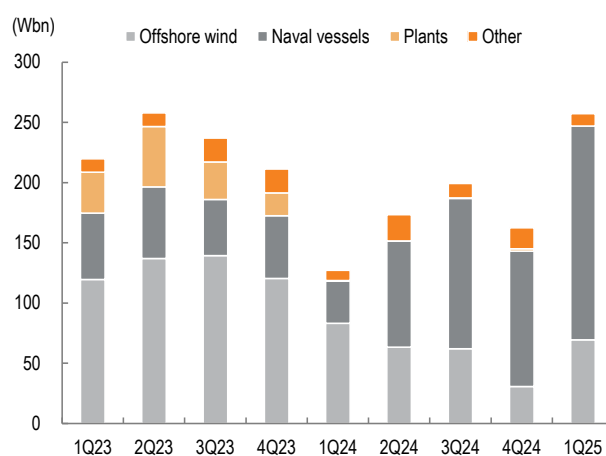
Source: FnGuide, Mirae Asset Securities Research

Figure 1. SK Oceanplant: Order backlog by business



Source: Company data, Mirae Asset Securities Research

Figure 2. SK Oceanplant: Revenue outlook by business



Source: Company data, Mirae Asset Securities Research

SK Oceanplant (100090 KS)

Income statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Revenue	663	1,074	1,380	1,408
Cost of revenue	590	976	1,236	1,261
GP	73	98	144	147
SG&A expenses	31	31	31	31
OP (adj.)	42	67	113	116
OP	42	67	113	116
Non-operating profit	-24	-14	-11	-10
Net financial income	-17	-12	-11	-9
Net income from associates	0	0	0	0
Pretax profit	18	53	102	106
Income tax	1	9	15	16
Profit from continuing operations	17	44	87	90
Profit from discontinued operations	0	0	0	0
NP	17	44	87	90
Attributable to owners	16	44	87	90
Attributable to minority interests	0	0	0	0
Total comprehensive income	15	44	87	90
Attributable to owners	14	40	78	81
Attributable to minority interests	0	5	9	10
EBITDA	71	100	147	146
FCF	-16	193	160	120
EBITDA margin (%)	10.7	9.3	10.7	10.4
OP margin (%)	6.3	6.2	8.2	8.2
Net margin (%)	2.4	4.1	6.3	6.4

Balance sheet (summarized)

(Wbn)	2024	2025F	2026F	2027F
Current assets	588	880	1,293	1,414
Cash & equivalents	71	260	401	521
AR & other receivables	23	28	40	40
Inventory	9	11	16	16
Other current assets	485	581	836	837
Non-current assets	834	871	879	849
Investments in associates	0	0	0	0
PP&E	799	827	823	794
Intangible assets	3	3	2	2
Total assets	1,422	1,751	2,172	2,262
Current liabilities	619	900	1,231	1,231
AP & other payables	68	109	157	157
Short-term financial liabilities	173	188	207	207
Other current liabilities	378	603	867	867
Non-current liabilities	90	93	96	96
Long-term financial liabilities	84	84	84	84
Other non-current liabilities	6	9	12	12
Total liabilities	708	993	1,327	1,327
Equity attributable to owners	709	753	840	930
Capital stock	30	30	30	30
Capital surplus	547	547	547	547
Retained earnings	91	136	223	313
Minority interests	5	5	5	5
Shareholders' equity	714	758	845	935

Cash flow statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Operating cash flow	135	253	190	120
NP	17	44	87	90
Non-cash income/expenses	54	54	60	55
Depreciation	28	33	33	29
Amortization	1	1	1	0
Other	25	20	26	26
Chg. in working capital	84	175	70	0
Chg. in AR & other receivables	-3	-2	-5	0
Chg. in inventory	-5	-2	-5	0
Chg. in AP & other payables	-2	21	24	0
Income tax	-14	-9	-15	-16
Cash flow from investing activities	-108	-80	-68	0
Chg. in PP&E	-151	-60	-30	0
Chg. in intangible assets	1	0	0	0
Chg. in financial assets	21	-20	-38	0
Other	21	0	0	0
Cash flow from financing activities	-2	16	19	0
Chg. in financial liabilities	29	16	19	0
Chg. in equity	0	0	0	0
Dividends	0	0	0	0
Other	-31	0	0	0
Chg. in cash	26	189	141	120
Beginning balance	45	71	260	401
Ending balance	71	260	401	521

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

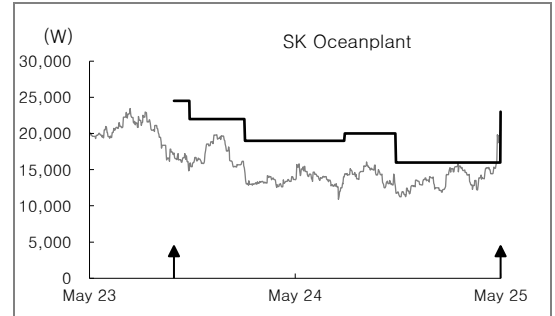
	2024	2025F	2026F	2027F
P/E (x)	46.5	27.3	13.9	13.4
P/CF (x)	10.7	12.3	8.2	8.3
P/B (x)	1.1	1.6	1.4	1.3
EV/EBITDA (x)	12.7	11.7	7.0	6.2
EPS (W)	277	748	1,466	1,526
CFPS (W)	1,199	1,662	2,479	2,459
BPS (W)	11,974	12,722	14,189	15,715
DPS (W)	0	0	0	0
Dividend payout ratio (%)	0.0	0.0	0.0	0.0
Dividend yield (%)	0.0	0.0	0.0	0.0
Revenue growth (%)	-28.4	62.1	28.5	2.1
EBITDA growth (%)	-24.6	41.0	46.5	-0.8
OP growth (%)	-44.7	59.6	69.2	2.5
EPS growth (%)	-73.4	170.3	96.0	4.1
AR turnover (x)	80.1	97.2	93.9	81.2
Inventory turnover (x)	113.2	106.8	103.1	89.2
AP turnover (x)	15.9	21.6	18.2	15.8
ROA (%)	1.2	2.8	4.4	4.1
ROE (%)	2.3	6.1	10.9	10.2
ROIC (%)	4.9	7.3	14.7	16.2
Debt-to-equity ratio (%)	99.3	131.1	157.2	142.0
Current ratio (%)	95.0	97.8	105.1	114.8
Net debt-to-equity ratio (%)	19.1	-6.1	-23.1	-33.7
Interest coverage ratio (x)	2.1	4.4	7.2	7.3

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (₩)
SK Oceanplant (100090)	05/20/25	Buy	23,000
	11/15/24	Buy	16,000
	08/16/24	Buy	20,000
	02/21/24	Buy	19,000
	11/15/23	Buy	22,000
	10/18/23	Buy	24,500



Stock ratings

Buy	Expected 12-month return: +20% or greater
Hold	Expected 12-month return: Greater than -10% and less than +10%
Sell	Expected 12-month return: -10% or less

Sector ratings

Overweight	Expected to outperform the market over 12 months
Neutral	Expected to perform in line with the market over 12 months
Underweight	Expected to underperform the market over 12 months

As of May 12, 2025, the Trading Buy rating category has been removed from our investment rating system.

Stocks expected to deliver a 12-month return between +10% and less than +20% may be rated either Buy or Hold at the discretion of the research analyst.

Rating and TP history: Share price (—), TP (—), Not Rated (■), Buy (▲), Trading Buy (■), Hold (●), Sell (◆)

* Our investment rating is a guide to the expected return of the stock over the next 12 months.

* Outside of the official ratings of Mirae Asset Securities Co., Ltd., analysts may call trading opportunities should technical or short-term material developments arise.

* The TP was determined by the research analyst through valuation methods discussed in this report, in part based on estimates of future earnings.

* TP achievement may be impeded by risks related to the subject securities and companies, as well as general market and economic conditions.

Ratings distribution and investment banking services

	Buy	Trading Buy	Hold	Sell
Ratings distribution	83.98%	6.63%	8.84%	0.55%
Investment banking services	88.24%	0%	11.76%	0%

* Based on recommendations in the last 12-months (as of March 31, 2025)

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