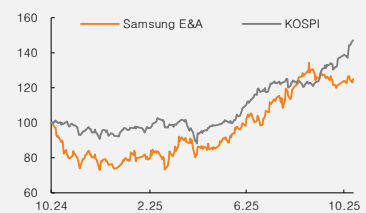


(Maintain)	Buy
Target price	₩38,000
Current price (10/21/25)	₩27,950
Upside	36.0%

OP (25F, Wbn)	733
Consensus OP (25F, Wbn)	712
EPS growth (25F, %)	-30.1
Market EPS growth (25F, %)	26.3
P/E (25F, x)	10.3
Market P/E (25F, x)	14.0
KOSPI	3,823.84

Market cap (Wbn)	5,478
Shares (mn)	196
Free float (%)	79.3
Foreign ownership (%)	48.0
Beta (12M)	0.82
52-week low (W)	16,310
52-week high (W)	30,000

(%)	1M	6M	12M
Absolute	-1.1	46.3	39.1
Relative	-10.9	-4.8	-5.3



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Samsung E&A

In-line results likely

3Q25 preview: In-line OP likely

For 3Q25, we expect Samsung E&A to post consolidated revenue of ₩2.28tr (-1.4% YoY) and operating profit of ₩168.8bn (-17.2% YoY), with the latter being broadly in line with the consensus (₩165.3bn). In the hydrocarbon segment, we estimate revenue improved markedly YoY due to steady progress on large overseas projects, particularly the Saudi Fadhili plant. Meanwhile, the non-hydrocarbon segment likely remained weak due to a lull in orders from group affiliates. Of note, Samsung Electronics' Pyeongtaek P4 project (approximately ₩1.3tr; awarded in July) should gradually contribute to revenue beginning in 4Q25. We estimate that cost ratios rose QoQ in both the hydrocarbon and non-hydrocarbon segments due to the absence of one-off gains seen in 2Q25 (₩25bn for hydrocarbon and ₩26bn for non-hydrocarbon).

Order recovery potential remains intact

We estimate cumulative new orders from 1Q25 to 3Q25 were less than ₩5tr (even including some group affiliate projects), well below the full-year guidance of ₩11.5tr. We believe the likelihood of winning the Qatar NGL-5 (US\$3.5bn) and UAE Ta'ziz salt (US\$3bn) projects has diminished. However, the company still has a number of meaningful opportunities ahead, including the US blue ammonia project (US\$500mn), the Saudi SAN-6 blue ammonia project (US\$3.5bn), the Pacifico Mexinol green/blue methanol project (US\$2bn), and the UAE Shah gas project (US\$1.5bn). In the LNG segment, Samsung E&A is carrying out FEED work on the Indonesian INPEX LNG project, with the goal of eventually securing an EPC contract to expand its market presence.

Maintain Buy and TP of ₩38,000

We maintain our Buy rating and target price of ₩38,000 on Samsung E&A. Amid concerns over domestic real estate regulations and tighter safety rules, the stock's high overseas exposure increases its relative investment appeal within the sector. We expect key catalysts—including a recovery in order intake in 2H25, shareholder returns (such as cash dividends), and expectations for an earnings rebound in 2026—to gain further traction. Meanwhile, actual capex execution is likely to remain below the 2025 plan (₩350bn) due to delays in technology investments for new business areas. That said, we believe the company's strong net cash position (around ₩3tr) provides ample capacity to strengthen shareholder returns.

(Dec.)	2023	2024	2025F	2026F	2027F
Revenue (Wbn)	10,625	9,967	9,253	10,883	12,235
OP (Wbn)	993	972	733	869	952
OP margin (%)	9.3	9.8	7.9	8.0	7.8
NP (Wbn)	754	757	529	637	709
EPS (W)	3,846	3,862	2,701	3,249	3,617
ROE (%)	24.4	19.6	11.9	13.0	13.0
P/E (x)	7.5	4.3	10.3	8.6	7.7
P/B (x)	1.6	0.8	1.2	1.1	1.0
Dividend yield (%)	0.0	4.0	2.4	2.4	2.4

Notes: Under consolidated K-IFRS; NP is attributable to owners of the parent

Source: Company data, Mirae Asset Securities Research estimates

Table 1. Samsung E&A: Quarterly earnings

	3Q24	4Q24	1Q25	2Q25	3Q25F	YoY	QoQ	Consensus	Diff.
Revenue	2,317	2,579	2,098	2,178	2,284	-1.4%	4.9%	2,228	2.5%
OP	204	296	157	181	169	-17.2%	-6.6%	165	2.1%
Pretax profit	220	171	205	203	160	-27.4%	-21.5%	187	-14.4%
NP attributable to owners of the parent	164	116	151	141	115	-29.6%	-18.1%	127	-9.3%
OP margin	8.8%	11.5%	7.5%	8.3%	7.4%			7.4%	
Pretax margin	9.5%	6.6%	9.8%	9.3%	7.0%			8.4%	
Net margin	7.1%	4.5%	7.2%	6.5%	5.0%			5.7%	

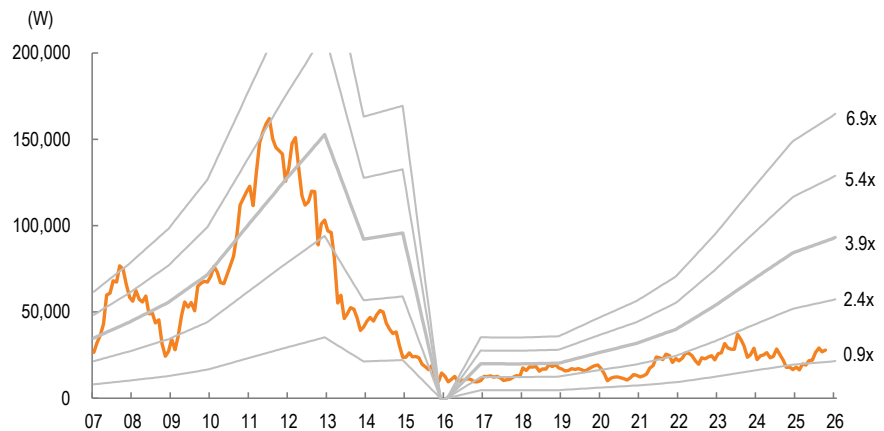
Source: Company data, FnGuide, Mirae Asset Securities Research

Table 2. Samsung E&A: Quarterly and annual earnings

	1Q24	2Q24	3Q24	4Q24	2024	1Q25	2Q25	3Q25F	4Q25F	2025F	2026F
Revenue	2,385	2,686	2,317	2,579	9,967	2,098	2,178	2,284	2,693	9,253	10,883
- Hydrocarbon	942	1,230	1,109	1,317	4,598	1,123	1,362	1,416	1,596	5,497	6,722
- Non-hydrocarbon	1,443	1,456	1,208	1,261	5,369	975	816	869	1,096	3,756	4,162
COGS ratio	85.9%	85.2%	85.6%	82.8%	84.9%	86.0%	85.6%	86.7%	85.9%	86.0%	86.5%
- Hydrocarbon	84.2%	80.5%	80.7%	81.3%	81.5%	87.7%	86.8%	87.2%	86.2%	86.9%	87.3%
- Non-hydrocarbon	87.0%	89.2%	90.1%	84.4%	87.7%	84.0%	83.6%	85.8%	85.5%	84.8%	85.1%
GP	337	396	334	442	1,509	294	314	305	378	1,291	1,472
- Hydrocarbon	149	240	214	246	849	138	180	181	220	719	854
- Non-hydrocarbon	188	157	120	196	661	156	134	123	159	572	619
SG&A	128	134	130	147	538	137	133	136	152	558	603
SG&A ratio	5.3%	5.0%	5.6%	5.7%	5.4%	6.5%	6.1%	5.9%	5.7%	6.0%	5.5%
OP	209	263	204	296	972	157	181	169	226	733	869
OP margin	8.8%	9.8%	8.8%	11.5%	9.7%	7.5%	8.3%	7.4%	8.4%	7.9%	8.0%
Pretax profit	219	293	220	173	904	205	203	160	170	738	886
Pretax margin	9.2%	10.9%	9.5%	6.7%	9.1%	9.8%	9.3%	7.0%	6.3%	8.0%	8.1%
NP attributable to owners of the parent	162	315	164	116	757	151	141	115	123	529	636
Net margin attributable to owners of the parent	6.8%	11.7%	7.1%	4.5%	7.6%	7.2%	6.5%	5.0%	4.6%	5.7%	5.8%

Source: Company data, Mirae Asset Securities Research estimates

Figure 1. Samsung E&A: P/B band chart



Source: Mirae Asset Securities Research

Samsung E&A (028050 KS)

Income statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Revenue	9,967	9,253	10,883	12,235
Cost of revenue	8,457	7,962	9,411	10,614
GP	1,510	1,291	1,472	1,621
SG&A expenses	538	558	603	668
OP (adj.)	972	733	869	952
OP	972	733	869	952
Non-operating profit	-68	5	18	36
Net financial income	44	97	101	107
Net income from associates	7	20	13	17
Pretax profit	904	738	887	988
Income tax	265	200	244	272
Profit from continuing operations	639	538	643	716
Profit from discontinued operations	0	0	0	0
NP	639	538	643	716
Attributable to owners	757	529	637	709
Attributable to minority interests	-118	8	6	7
Total comprehensive income	598	545	643	716
Attributable to owners	759	494	558	622
Attributable to minority interests	-161	51	85	94
EBITDA	1,041	810	948	1,034
FCF	1,593	520	460	558
EBITDA margin (%)	10.4	8.8	8.7	8.5
OP margin (%)	9.8	7.9	8.0	7.8
Net margin (%)	7.6	5.7	5.9	5.8

Balance sheet (summarized)

(Wbn)	2024	2025F	2026F	2027F
Current assets	7,942	7,859	8,228	8,685
Cash & equivalents	2,596	2,530	2,756	3,073
AR & other receivables	3,696	3,619	3,685	3,751
Inventory	0	0	0	0
Other current assets	1,650	1,710	1,787	1,861
Non-current assets	2,071	2,147	2,216	2,293
Investments in associates	223	268	291	319
PP&E	443	473	495	515
Intangible assets	99	105	108	111
Total assets	10,013	10,006	10,444	10,979
Current liabilities	5,871	5,388	5,318	5,274
AP & other payables	1,259	1,240	1,266	1,318
Short-term financial liabilities	161	56	52	48
Other current liabilities	4,451	4,092	4,000	3,908
Non-current liabilities	246	296	290	282
Long-term financial liabilities	18	18	17	17
Other non-current liabilities	228	278	273	265
Total liabilities	6,118	5,685	5,608	5,556
Equity attributable to owners	4,232	4,636	5,144	5,724
Capital stock	980	980	980	980
Capital surplus	-22	-22	-22	-22
Retained earnings	3,187	3,587	4,095	4,674
Minority interests	-336	-315	-309	-302
Shareholders' equity	3,896	4,321	4,835	5,422

Cash flow statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Operating cash flow	1,636	595	530	627
NP	639	538	643	716
Non-cash income/expenses	449	272	202	222
Depreciation	43	46	48	50
Amortization	26	32	31	32
Other	380	194	123	140
Chg. in working capital	730	73	-179	-154
Chg. in AR & other receivables	-350	202	-62	-58
Chg. in inventory	0	0	0	0
Chg. in AP & other payables	807	-225	17	36
Income tax	-225	-387	-244	-272
Cash flow from investing activities	-50	-199	-154	-160
Chg. in PP&E	-42	-74	-70	-69
Chg. in intangible assets	-43	-41	-33	-35
Chg. in financial assets	79	-22	-35	-37
Other	-44	-62	-16	-19
Cash flow from financing activities	-30	-400	-134	-133
Chg. in financial liabilities	31	-104	-5	-4
Chg. in equity	0	0	0	0
Dividends	0	-129	-129	-129
Other	-61	-167	0	0
Chg. in cash	1,681	-66	227	316
Beginning balance	915	2,596	2,530	2,756
Ending balance	2,596	2,530	2,756	3,073

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

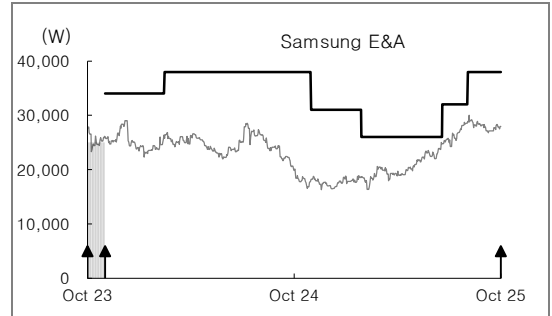
	2024	2025F	2026F	2027F
P/E (x)	4.3	10.3	8.6	7.7
P/CF (x)	3.0	6.8	6.5	5.8
P/B (x)	0.8	1.2	1.1	1.0
EV/EBITDA (x)	-	2.7	2.0	1.5
EPS (W)	3,862	2,701	3,249	3,617
CFPS (W)	5,547	4,131	4,313	4,788
BPS (W)	21,591	23,656	26,246	29,203
DPS (W)	660	660	660	660
Dividend payout ratio (%)	20.3	24.1	20.1	18.1
Dividend yield (%)	4.0	2.2	2.2	2.2
Revenue growth (%)	-6.2	-7.2	17.6	12.4
EBITDA growth (%)	-1.7	-22.2	17.1	9.0
OP growth (%)	-2.2	-24.6	18.6	9.5
EPS growth (%)	0.4	-30.1	20.3	11.3
AR turnover (x)	3.6	2.7	3.1	3.5
Inventory turnover (x)	0.0	0.0	0.0	0.0
AP turnover (x)	10.1	9.7	11.1	12.1
ROA (%)	7.2	5.4	6.3	6.7
ROE (%)	19.6	11.9	13.0	13.0
ROIC (%)	69.8	79.0	65.0	60.6
Debt-to-equity ratio (%)	157.0	131.5	116.0	102.5
Current ratio (%)	135.3	145.9	154.7	164.7
Net debt-to-equity ratio (%)	-75.7	-69.7	-67.7	-67.0
Interest coverage ratio (x)	68.9	579.0	3,341.5	3,932.6

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Samsung E&A (028050)	08/25/25	Buy	38,000
	07/11/25	Buy	32,000
	02/18/25	Buy	26,000
	11/21/24	Buy	31,000
	03/07/24	Buy	38,000
	11/23/23	Buy	34,000
	04/28/23	No Coverage	



Stock ratings		Sector ratings	
Buy	Expected 12-month return: +20% or greater	Overweight	Expected to outperform the market over 12 months
Hold	Expected 12-month return: Greater than -10% and less than +10%	Neutral	Expected to perform in line with the market over 12 months
Sell	Expected 12-month return: -10% or less	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	78.61%	1.73%	19.08%	0.58%
Investment banking services	84.62%	0%	15.38%	0%

* Based on recommendations in the last 12-months (as of September 30, 2025)

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