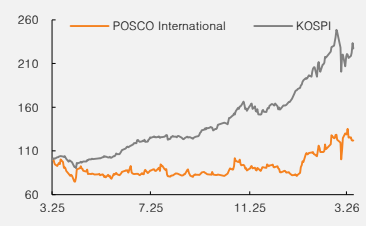


(Maintain)	Buy
Target price	▲ W88,000
Current price (3/19/26)	W71,800
Upside	22.6%

OP (26F, Wbn)	1,316
Consensus OP (26F, Wbn)	1,340
EPS growth (26F, %)	37.2
Market EPS growth (26F, %)	118.0
P/E (26F, x)	15.0
Market P/E (26F, x)	9.2
KOSPI	5,763.22

Market cap (Wbn)	12,631
Shares (mn)	176
Free float (%)	26.1
Foreign ownership (%)	6.7
Beta (12M)	0.54
52-week low (W)	44,000
52-week high (W)	79,500

(%)	1M	6M	12M
Absolute	3.8	46.4	26.9
Relative	2.2	-12.5	-42.1



Mirae Asset Securities Co., Ltd.

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047050 KS · Energy

POSCO International

Solid fundamentals; valuation discount to narrow

Looking beyond oil prices: Energy, mobility, and rare earths

While POSCO International's stock has recently benefited from rising oil prices, we also highlight the firm's improving long-term fundamentals. In particular, the energy division is likely to support ROE improvement as the company expands its presence across upstream (Myanmar, Senex), midstream (terminals), and downstream (power generation) operations.

In the mobility business, the long-term road map is becoming clearer, centered on motor cores (2030 revenue target: W1.49tr). Despite risks related to a potential slowdown in EV adoption and competition from China, the company should be able to respond effectively by leveraging synergies with POSCO Group's electrical steel business (2030 revenue target: W1.25tr) and diversifying its rare earth supply chain away from China. In the permanent magnet business, the company is building production capacity in Southeast Asia (3,000 tonnes by 2026) and the US (5,000 tonnes by 2030). It has already secured or is in discussions to secure supply agreements totaling 2,530 tonnes by 2030 with US and European OEMs.

Poised to deliver ROE improvement and increased shareholder returns

For 1Q26, we forecast operating profit at W310.2bn. Profit growth should be driven primarily by the energy business (W179.7bn), led by upstream operations (W122.7bn). The Indonesian palm oil business acquired last year should also begin to make a meaningful contribution.

The company is targeting W5tr in operating cash flow over 2025-27 and W200bn in proceeds from non-core asset sales. It plans to use these funds to support W3.2tr in growth investments and W900bn-W1.1tr in shareholder returns, while also reducing debt. On this basis, it aims to improve ROE from 8% in 2025 to 15% in 2027.

Raise TP to W88,000; maintain Buy

We raise our target price for POSCO International from W73,000 to W88,000. In deriving our target price, we applied a target EV/EBITDA of 15x to the trading business and added the value of resource development assets. Japanese trading companies have seen their valuations rise sharply since last year and are now trading at 20x EV/EBITDA. In comparison, POSCO International is currently trading at 10x EV/EBITDA, representing a 52% discount to Japanese peers (vs. five-year average discount of 44%). As the company's long-term growth trajectory becomes clearer, we expect its valuation discount to narrow. While higher oil prices and a weaker won are clearly supportive for near-term earnings, we also see upside catalysts from a longer-term perspective.

(Dec.)	2024	2025	2026F	2027F	2028F
Revenue (Wbn)	32,261	32,374	33,694	34,632	35,645
OP (Wbn)	1,158	1,165	1,316	1,411	1,613
OP margin (%)	3.6	3.6	3.9	4.1	4.5
NP (Wbn)	515	614	843	842	987
EPS (W)	2,925	3,491	4,789	4,786	5,609
ROE (%)	8.1	9.3	12.1	11.3	12.5
P/E (x)	13.6	14.2	15.0	15.0	12.8
P/B (x)	1.1	1.3	1.7	1.7	1.5
Dividend yield (%)	3.9	3.7	3.6	3.6	3.6

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

Mirae Asset Securities Research AI translation

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Table 1. 1Q26 preview

(Wbn, %, %p)

	1Q25	4Q25	1Q26F		Growth	
			Mirae Asset Securities	Consensus	YoY	QoQ
Revenue	8,154	7,828	8,441	8,280	3.5	7.8
OP	270	266	310	313	14.8	16.8
OP margin (%)	3.3	3.4	3.7	3.8	0.4	0.3
Pretax profit	267	177	270	249	1.1	51.9
NP	200	121	189	190	-5.6	56.3

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

Source: Company data, WISEfn, Mirae Asset Securities Research estimates

Table 2. Earnings forecast revisions

(Wbn, %)

	Previous		Revised		% chg.		Notes
	26F	27F	26F	27F	26F	27F	
Revenue	33,661	34,545	33,694	34,632	0.1	0.3	
OP	1,284	1,314	1,316	1,411	2.5	7.3	Reflected higher oil prices
Pretax profit	1,195	1,124	1,204	1,219	0.8	8.4	
NP	821	773	843	842	2.6	8.9	
EPS (W)	4,668	4,396	4,789	4,786	2.6	8.9	

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

Source: Mirae Asset Securities Research estimates

Table 3. Quarterly and annual earnings

(Wbn, %)

	1Q25	2Q25	3Q25	4Q25	1Q26F	2Q26F	3Q26F	4Q26F	2025	2026F	2027F
Revenue	8,154	8,144	8,248	7,828	8,441	8,606	8,435	8,213	32,374	33,694	34,632
Energy	858	921	1,226	988	1,062	1,196	1,202	1,120	3,994	4,579	4,902
E&P	231	292	257	258	271	280	298	323	1,038	1,172	1,476
Materials (trading)	9,746	9,756	9,583	9,476	7,380	7,410	7,233	7,092	38,560	29,115	29,730
Steel	3,721	3,678	3,774	3,374	3,766	3,722	3,820	3,414	14,547	14,722	14,898
OP	270	314	316	266	310	345	347	314	1,165	1,316	1,411
Energy	135	149	197	145	180	220	223	199	627	822	798
E&P	80	132	82	62	123	120	124	133	356	499	610
Materials (trading)	131	156	114	131	131	125	124	115	531	493	612
Steel	50	85	67	35	38	47	42	38	237	164	187
Pretax profit	267	126	265	177	270	303	331	301	835	1,204	1,219
NP	200	90	204	121	189	212	232	211	614	843	842
OP margin (%)	3.3	3.9	3.8	3.4	3.7	4.0	4.1	3.8	3.6	3.9	4.1
Pretax margin (%)	3.3	1.6	3.2	2.3	3.2	3.5	3.9	3.7	2.6	3.6	3.5
Myanmar gas sales volume (Bcf)	41	42	43	48	46	43	43	42	175	175	175

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

Source: Company data, Mirae Asset Securities Research estimates

POSCO International (047050 KS)

Income statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Revenue	32,374	33,694	34,632	35,645
Cost of revenue	30,438	31,604	32,390	33,212
GP	1,936	2,090	2,242	2,433
SG&A expenses	770	775	831	820
OP (adj.)	1,165	1,316	1,411	1,613
OP	1,165	1,316	1,411	1,613
Non-operating profit	-330	-112	-192	-221
Net financial income	-220	-282	-272	-262
Net income from associates	68	130	80	80
Pretax profit	835	1,204	1,219	1,392
Income tax	132	277	293	306
Profit from continuing operations	703	927	926	1,086
Profit from discontinued operations	-67	0	0	0
NP	637	927	926	1,086
Attributable to owners	614	843	842	987
Attributable to minority interests	23	85	84	99
Total comprehensive income	612	927	926	1,086
Attributable to owners	559	694	694	813
Attributable to minority interests	53	233	233	273
EBITDA	1,721	1,978	2,098	2,331
FCF	1,267	674	651	762
EBITDA margin (%)	5.3	5.9	6.1	6.5
OP margin (%)	3.6	3.9	4.1	4.5
Net margin (%)	1.9	2.5	2.4	2.8

Cash flow statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Operating cash flow	1,942	1,474	1,543	1,722
NP	637	927	926	1,086
Non-cash income/expenses	1,154	1,177	1,208	1,241
Depreciation	298	411	459	510
Amortization	257	252	229	208
Other	599	514	520	523
Chg. in working capital	506	-116	-71	-81
Chg. in AR & other receivables	246	-195	-120	-137
Chg. in inventory	314	-85	-52	-60
Chg. in AP & other payables	192	108	66	76
Income tax	-221	-277	-293	-306
Cash flow from investing activities	-1,330	-806	-895	-964
Chg. in PP&E	-504	-800	-892	-960
Chg. in intangible assets	-380	0	0	0
Chg. in financial assets	127	-6	-3	-4
Other	-573	0	0	0
Cash flow from financing activities	-465	-585	-598	-701
Chg. in financial liabilities	588	-269	-164	-267
Chg. in equity	14	0	0	0
Dividends	-423	-315	-435	-435
Other	-644	-1	1	1
Chg. in cash	114	30	26	31
Beginning balance	1,057	1,171	1,201	1,228
Ending balance	1,171	1,201	1,228	1,258

Source: Company data, Mirae Asset Securities Research estimates

Balance sheet (summarized)

(Wbn)	2025	2026F	2027F	2028F
Current assets	7,556	7,900	8,119	8,370
Cash & equivalents	1,171	1,201	1,228	1,258
AR & other receivables	4,204	4,411	4,538	4,683
Inventory	1,736	1,822	1,874	1,934
Other current assets	445	466	479	495
Non-current assets	11,197	11,373	11,601	11,871
Investments in associates	764	801	824	851
PP&E	5,070	5,459	5,892	6,343
Intangible assets	3,235	2,984	2,755	2,547
Total assets	18,753	19,273	19,720	20,241
Current liabilities	6,612	6,518	6,462	6,318
AP & other payables	2,904	3,047	3,134	3,235
Short-term financial liabilities	3,054	2,785	2,621	2,355
Other current liabilities	654	686	707	728
Non-current liabilities	4,328	4,347	4,359	4,372
Long-term financial liabilities	3,941	3,941	3,941	3,941
Other non-current liabilities	387	406	418	431
Total liabilities	10,940	10,865	10,821	10,690
Equity attributable to owners	6,709	7,219	7,627	8,179
Capital stock	880	880	880	880
Capital surplus	1,851	1,851	1,851	1,851
Retained earnings	3,836	4,363	4,770	5,322
Minority interests	1,104	1,189	1,273	1,372
Shareholders' equity	7,813	8,408	8,900	9,551

Key valuation metrics/ratios

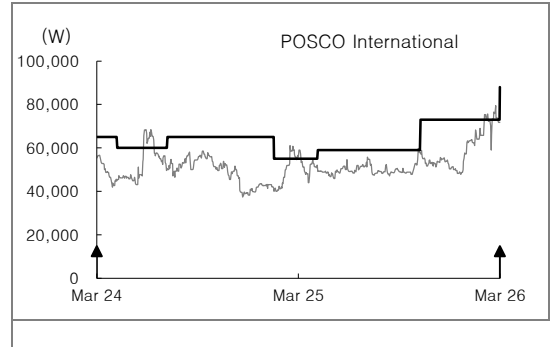
	2025	2026F	2027F	2028F
P/E (x)	14.2	15.0	15.0	12.8
P/CF (x)	4.9	6.0	5.9	5.4
P/B (x)	1.3	1.7	1.7	1.5
EV/EBITDA (x)	9.0	9.7	9.1	8.1
EPS (W)	3,491	4,789	4,786	5,609
CFPS (W)	10,179	11,961	12,131	13,228
BPS (W)	38,290	41,194	43,509	46,647
DPS (W)	1,850	2,550	2,550	2,550
Dividend payout ratio (%)	49.5	46.9	46.9	40.0
Dividend yield (%)	3.7	3.5	3.5	3.5
Revenue growth (%)	0.3	4.1	2.8	2.9
EBITDA growth (%)	3.1	15.0	6.1	11.1
OP growth (%)	0.6	12.9	7.2	14.4
EPS growth (%)	19.3	37.2	-0.1	17.2
AR turnover (x)	7.9	8.3	8.2	8.2
Inventory turnover (x)	17.0	18.9	18.7	18.7
AP turnover (x)	14.2	14.0	13.8	13.8
ROA (%)	3.5	4.9	4.8	5.4
ROE (%)	9.3	12.1	11.3	12.5
ROIC (%)	8.2	8.0	8.3	9.5
Debt-to-equity ratio (%)	140.0	129.2	121.6	111.9
Current ratio (%)	114.3	121.2	125.6	132.5
Net debt-to-equity ratio (%)	73.4	64.6	58.9	51.7
Interest coverage ratio (x)	4.4	4.1	4.5	5.3

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (₩)
POSCO International (047050)	03/20/26	Buy	88,000
	10/27/25	Buy	73,000
	04/24/25	Buy	59,000
	02/04/25	Buy	55,000
	07/26/24	Buy	65,000
	04/26/24	Buy	60,000
	10/31/23	Buy	65,000



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	79.76%	1.19%	19.05%	0%
Investment banking services	83.33%	0%	16.67%	0%

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

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