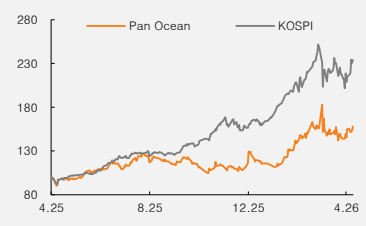


(Maintain)	Buy
Target price	▲ W7,400
Current price (4/10/26)	W5,360
Upside	38.1%

OP (26F, Wbn)	551
Consensus OP (26F, Wbn)	534
EPS growth (26F, %)	25.2
Market EPS growth (26F, %)	180.0
P/E (26F, x)	7.6
Market P/E (26F, x)	7.7
KOSPI	5,858.87

Market cap (Wbn)	2,865
Shares (mn)	535
Free float (%)	45.1
Foreign ownership (%)	15.4
Beta (12M)	0.48
52-week low (W)	3,270
52-week high (W)	6,200

(%)	1M	6M	12M
Absolute	4.3	49.3	63.9
Relative	-1.5	-8.0	-31.6



Mirae Asset Securities Co., Ltd.

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Pan Ocean

Earnings resilience strengthening despite headwinds

1Q26 preview: Above-consensus results likely

For 1Q26, we expect Pan Ocean to report operating profit of W134.4bn, meaningfully exceeding the consensus of W128.5bn. Long-term shipping contracts structurally allow for the pass-through of fuel costs, while the impact of oil price volatility on chartering operations likely remained limited. We believe the tanker and LNG segments outperformed initial expectations, and the container business appears to have partially offset the impact of higher oil prices through the imposition of bunker surcharges.

Improvement in MR tanker/LNG earnings and additional profit upside from VLCCs

We expect positive earnings momentum to continue in 2Q26 as the effects of higher oil prices become more fully reflected. In the MR tanker segment, Pan Ocean appears likely to improve operating efficiency by deploying vessels on more profitable routes, including the US West Coast. In addition, LNG carriers—operating under charter contracts—continue to generate revenue as usual, unaffected by the closure of the Strait of Hormuz. Despite external headwinds such as QatarEnergy's force majeure declaration, Pan Ocean's contract structures should limit any material impact on earnings.

In the dry bulk division, we expect profitability to improve as the market enters the peak season in 2Q26. While some spot cargo contracts fixed around mid-February could incur losses due to rising oil prices, the impact on overall earnings should be limited, as shipment volumes were not significantly increased during the off-season.

Meanwhile, the delivery of 10 very large crude carriers (VLCCs) being acquired from SK Shipping is now expected to be delayed by around one month, from May to June, due to the use of alternative routes stemming from the Strait of Hormuz issue. While this could create a short-term drag on earnings, the acquisition is likely to enhance Pan Ocean's profit-generating capacity over the longer term.

Raise TP to W7,400; maintain Buy

We raise our target price for Pan Ocean from W6,000 to W7,400, reflecting upward revisions to our earnings estimates. Our target price is based on an EV/EBITDA of 7x (in line with the global peer average) and corresponds to a P/B of 0.6x and P/E of 10x, which we view as undemanding. While the company recently announced a shareholder return plan, the details remain limited; we expect a more comprehensive update on its future strategy and shareholder return policies in the near term.

(Dec.)	2024	2025	2026F	2027F	2028F
Revenue (Wbn)	5,161	5,433	6,012	6,212	6,436
OP (Wbn)	471	492	551	562	582
OP margin (%)	9.1	9.1	9.2	9.0	9.0
NP (Wbn)	268	301	377	461	476
EPS (W)	502	564	706	862	891
ROE (%)	5.2	5.3	6.4	7.4	7.2
P/E (x)	6.6	6.8	7.6	6.2	6.0
P/B (x)	0.3	0.4	0.5	0.4	0.4
Dividend yield (%)	3.6	3.9	2.8	2.8	2.8

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

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Table 1. 1Q26 preview

(Wbn, %, %p)

	1Q25	4Q25	1Q26F		Growth	
			Mirae Asset Securities	Consensus	YoY	QoQ
Revenue	1,393	1,476	1,562	1,436	12.1	5.8
OP	113	130	134	129	18.6	3.0
OP margin (%)	8.1	8.8	8.6	9.0	0.5	-0.2
Pretax profit	75	57	101	84	34.2	79.1
NP	72	49	95	80	31.7	94.8

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

Source: Company data, Mirae Asset Securities Research estimates

Table 2. Earnings forecast revisions

(Wbn, %)

	Previous		Revised		% chg.		Notes
	2026F	2027F	2026F	2027F	2026F	2027F	
Revenue	5,873	6,070	6,012	6,212	2.4	2.3	Updated oil price and freight rate assumptions
OP	487	504	551	562	13.3	11.4	Reflected improvements in tanker, bulk grain, and LNG margins
Pretax profit	343	480	408	499	18.9	4.2	
NP	317	443	377	461	18.9	4.1	
EPS (W)	594	828	706	862	18.9	4.1	

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

Source: Company data, Mirae Asset Securities Research estimates

Table 3. Quarterly and annual earnings

(Wbn, %)

	1Q25	2Q25	3Q25	4Q25	1Q26F	2Q26F	3Q26F	4Q26F	2025	2026F	2027F
Revenue	1,393	1,294	1,269	1,476	1,562	1,361	1,466	1,623	5,433	6,012	6,212
Dry bulk	752	774	760	800	821	727	828	834	3,086	3,210	3,291
Tanker	78	70	76	74	82	76	82	61	298	301	298
Container	113	110	106	113	112	113	111	112	442	448	455
LNG/other	450	339	328	489	547	444	444	617	1,607	2,053	2,168
OP	113	123	125	130	134	132	144	141	492	551	562
Dry bulk	48	53	55	61	55	51	60	63	217	228	231
Tanker	20	16	20	21	23	21	22	15	78	81	72
Container	16	15	8	10	10	11	9	11	48	42	38
LNG/other	30	38	42	39	46	49	53	52	149	201	221
Pretax profit	75	126	61	57	101	96	106	104	318	408	499
NP (owners of the parent)	72	123	58	49	95	90	98	95	301	377	461
OP margin	8.1	9.5	9.9	8.8	8.6	9.7	9.8	8.7	9.1	9.2	9.0
Net margin (owners of the parent)	5.2	9.5	4.6	3.3	6.1	6.6	6.7	5.8	5.5	6.3	7.4

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

Source: Company data, Mirae Asset Securities Research estimates

Pan Ocean (028670 KS)

Income statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Revenue	5,433	6,012	6,212	6,436
Cost of revenue	4,820	5,323	5,508	5,706
GP	613	689	704	730
SG&A expenses	121	138	143	148
OP (adj.)	492	551	562	582
OP	492	551	562	582
Non-operating profit	-174	-143	-63	-65
Net financial income	-177	-192	-191	-174
Net income from associates	29	40	60	60
Pretax profit	318	408	499	517
Income tax	17	30	39	40
Profit from continuing operations	301	377	461	476
Profit from discontinued operations	0	0	0	0
NP	301	377	461	476
Attributable to owners	301	377	461	476
Attributable to minority interests	0	0	0	0
Total comprehensive income	134	377	461	476
Attributable to owners	134	377	461	476
Attributable to minority interests	0	0	0	0
EBITDA	1,013	1,089	1,109	1,130
FCF	481	-256	331	345
EBITDA margin (%)	18.6	18.1	17.9	17.6
OP margin (%)	9.1	9.2	9.0	9.0
Net margin (%)	5.5	6.3	7.4	7.4

Balance sheet (summarized)

(Wbn)	2025	2026F	2027F	2028F
Current assets	1,854	2,185	2,238	2,240
Cash & equivalents	840	1,070	1,088	1,051
AR & other receivables	262	288	297	307
Inventory	115	127	131	135
Other current assets	637	700	722	747
Non-current assets	9,000	9,471	9,534	9,597
Investments in associates	202	242	249	258
PP&E	8,653	9,078	9,132	9,185
Intangible assets	10	8	6	4
Total assets	10,854	11,657	11,772	11,837
Current liabilities	1,366	1,869	1,664	1,346
AP & other payables	226	248	256	265
Short-term financial liabilities	748	1,339	1,117	781
Other current liabilities	392	282	291	300
Non-current liabilities	3,764	3,766	3,707	3,693
Long-term financial liabilities	3,740	3,740	3,680	3,665
Other non-current liabilities	24	26	27	28
Total liabilities	5,130	5,636	5,371	5,039
Equity attributable to owners	5,723	6,021	6,401	6,798
Capital stock	535	535	535	535
Capital surplus	1,942	1,942	1,942	1,942
Retained earnings	2,097	2,394	2,775	3,171
Minority interests	0	0	0	0
Shareholders' equity	5,723	6,021	6,401	6,798

Cash flow statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Operating cash flow	703	704	931	945
NP	301	377	461	476
Non-cash income/expenses	713	754	751	736
Depreciation	520	535	546	547
Amortization	1	3	2	1
Other	192	216	203	188
Chg. in working capital	-17	-166	-10	-12
Chg. in AR & other receivables	22	-26	-9	-10
Chg. in inventory	4	-11	-4	-4
Chg. in AP & other payables	-40	20	7	8
Income tax	-42	-30	-39	-40
Cash flow from investing activities	-263	-945	-563	-563
Chg. in PP&E	-212	-960	-600	-600
Chg. in intangible assets	-1	0	0	0
Chg. in financial assets	81	-29	-10	-11
Other	-131	44	47	48
Cash flow from financing activities	-450	511	-362	-431
Chg. in financial liabilities	625	591	-282	-351
Chg. in equity	0	0	0	0
Dividends	-64	-80	-80	-80
Other	-1,011	0	0	0
Chg. in cash	-26	230	18	-38
Beginning balance	866	840	1,070	1,088
Ending balance	840	1,070	1,088	1,051

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

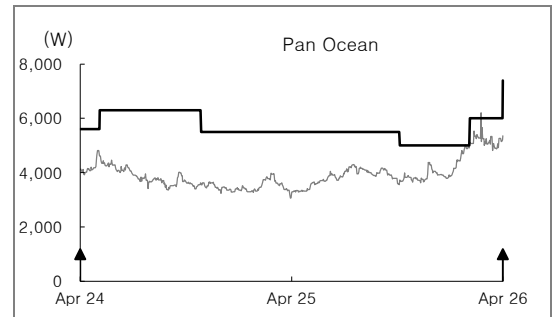
	2025	2026F	2027F	2028F
P/E (x)	6.8	7.6	6.2	6.0
P/CF (x)	2.0	2.5	2.4	2.4
P/B (x)	0.4	0.5	0.4	0.4
EV/EBITDA (x)	5.4	6.1	5.7	5.3
EPS (W)	564	706	862	891
CFPS (W)	1,898	2,116	2,266	2,268
BPS (W)	10,707	11,263	11,975	12,716
DPS (W)	150	150	150	150
Dividend payout ratio (%)	26.6	21.2	17.4	16.8
Dividend yield (%)	3.9	2.9	2.9	2.9
Revenue growth (%)	5.3	10.7	3.3	3.6
EBITDA growth (%)	7.7	7.5	1.9	1.9
OP growth (%)	4.4	12.1	1.9	3.6
EPS growth (%)	12.4	25.2	22.1	3.4
AR turnover (x)	19.8	22.1	21.4	21.5
Inventory turnover (x)	45.8	49.7	48.3	48.5
AP turnover (x)	21.8	25.3	24.7	24.7
ROA (%)	2.9	3.4	3.9	4.0
ROE (%)	5.3	6.4	7.4	7.2
ROIC (%)	5.5	5.5	5.4	5.6
Debt-to-equity ratio (%)	89.6	93.6	83.9	74.1
Current ratio (%)	135.7	116.9	134.5	166.4
Net debt-to-equity ratio (%)	60.1	62.8	54.3	46.4
Interest coverage ratio (x)	2.3	2.4	2.4	2.7

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Pan Ocean (028670)	04/10/26	Buy	7,400
	02/12/26	Buy	6,000
	10/14/25	Buy	5,000
	11/05/24	Buy	5,500
	05/14/24	Buy	6,300
	11/13/23	Buy	5,600



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	80.84%	0%	18.56%	0.6%
Investment banking services	86.67%	0%	13.33%	0%

* Based on recommendations in the last 12-months (as of March 31, 2026)

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