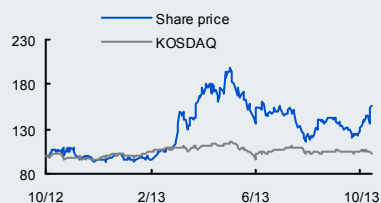


(Maintain)

**Not Rated**

Target Price (12M, W)	-
Share Price (11/05/13, W)	4,455
Expected Return	-

OP (13F, Wbn)	49		
Consensus OP (13F, Wbn)			
EPS Growth (13F, %)	30.3		
Market EPS Growth (13F, %)	16.5		
P/E (13F, x)	10.3		
Market P/E (13F, x)	10.9		
KOSDAQ	528.73		
Market Cap (Wbn)	209		
Shares Outstanding (mn)	47		
Free Float (%)	64.8		
Foreign Ownership (%)	4.3		
Beta (12M)	1.15		
52-Week Low (W)	3,005		
52-Week High (W)	6,720		
(%)	1M	6M	12M
Absolute	2.9	-23.7	28.6
Relative	2.0	-26.2	23.0



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# Easy Bio

(035810 KQ)

## Growth momentum unfolding

### Easy Bio: From achieving vertical integration to securing growth drivers

Easy Bio is the only fully-integrated biotech company in Korea with significant business interests in grain farming, animal feed, feed additives, hog and poultry farming, and animal diagnostics and vaccines. Since its listing on the KOSDAQ in 1999, it has achieved vertical integration through robust M&A activities. The company generates revenue of around W1.5tr annually. Consolidated revenue can be broken down into revenue from feed additives (47% of 2013F consolidated revenue), livestock (18%), poultry (33%), and other (2%). The animal feed unit contributes the most to earnings, followed by the livestock and poultry units.

### Earnings turnaround during 3Q13-2014

**1) Animal feed earnings to recover:** The animal feed unit generates roughly half of the company's overall revenue. As such, we expect that the company's earnings will grow rapidly once the division's profitability recovers. And, in light of a recent fall in grain prices, won appreciation, and industry restructuring, we anticipate animal feed earnings to grow. Furthermore, product mix is likely to improve on the back of the expansion of feed additive exports.

**2) Hog and poultry markets to flourish in 2014:** Lately, hog and poultry prices have been rising, aided by the government's supply adjustments and increasing consumer preference for pork and chicken (as well as beef) over fish due to worries related to Japanese nuclear leaks. Furthermore, poultry demand is expected to increase, given that several major sporting events are scheduled for next year, including the Winter Olympics in February, the World Cup in June, and the Asian Games in September. (Chicken has traditionally been the food of choice for Korean sports fans.) We believe that Easy Bio's loss-making subsidiary Maniker started its turnaround in 3Q.

**3) Value of Optifarm Solution to emerge:** Using its status as Korea's leading livestock diagnostic lab as a springboard, Optifarm Solution (a subsidiary) is expanding its business reach into human diagnostics. Notably, the company has recently developed tissues that are histocompatible with the human body (facilitating transplants). Looking ahead, we expect Optifarm Solution to become Easy Bio's major growth driver, with its enterprise value expected to surge along with its planned listing in 2014.

### Attractive valuation: 2014F P/E of 6.9x; P/S of 0.1x

Easy Bio's earnings momentum, which is believed to have begun to pick up in 3Q, should accelerate through next year in light of various positives. For 2014, we forecast the company's earnings to hit a historic high, with revenue of W1.54tr (+4%), an operating profit of W84.4bn (+74%), and a net profit of W30.4bn (+49%; attributable to controlling interests). These strong earnings should be attributable to falling grain prices, a strong won, stabilizing hog and poultry prices, the turnaround of Maniker, and increasing consumer preference for chicken and pork over fish. Easy Bio shares are currently trading at a 2014F P/E of 6.9x and a P/S of 0.1x. In light of the average multiples of food and beverage peers (P/E of 16.7x; P/S of 0.7x), we believe the company is deeply undervalued.

FY (Dec.)	12/10	12/11	12/12	12/13F	12/14F	12/15F
Revenue (Wbn)	952	1,070	1,389	1,486	1,538	1,597
OP (Wbn)	43	47	41	49	84	101
OP margin (%)	4.6	4.4	3.0	3.3	5.5	6.3
NP (Wbn)	18	10	16	20	30	42
EPS (W)	417	224	333	434	647	894
ROE (%)	12.6	5.9	8.3	10.2	14.0	16.9
P/E (x)	4.8	17.9	9.4	10.3	6.9	5.0
P/B (x)	0.5	1.0	0.7	1.0	0.9	0.8

Notes: All figures are based on consolidated K-IFRS; NP refers to net profit attributable to controlling interests

Source: Company data, KDB Daewoo Securities Research estimates

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## Vertical integration and biotech growth driver

Easy Bio was incorporated in 1988 as a feed additives maker. Since its 1999 listing, the company has executed several M&As to become a fully integrated biotech company with key business interests in animal feed, feed additives, hog and poultry farming, animal diagnostics and vaccines. Easy Bio advanced into animal feed by acquiring FarmStory (formerly FarmStory Hannaeng) and Seoul Feed in 2003. In 2006, its business diversified further to include meat processing after the acquisition of Gangwon LPC and Hankuk Refrigerate. The 2011 additions of Maniker and SungHwa Food allowed the company to extend its reach to the poultry business. In 2007, Easy Bio started to directly produce grain in Russia, and the purchase of Samyang Corporation's animal feed unit (the company's latest M&A deal) facilitated product lineup diversification. Easy Bio's biotech subsidiary, Optifarm Solution, is Korea's leading livestock diagnostic lab and vaccine maker.

Easy Bio's consolidated revenue can be broken down into revenue from feed additives (47% of 2013F consolidated revenue), livestock (18%), poultry (33%), and other (2%). By subsidiary, FarmStory contributes 26% (based on 2012 revenue), Seoul Feed (unlisted) 20%, and Maniker 16% (Easy Bio: 7%). The feed division was the largest contributor to profit (roughly 50%), followed by livestock and poultry.

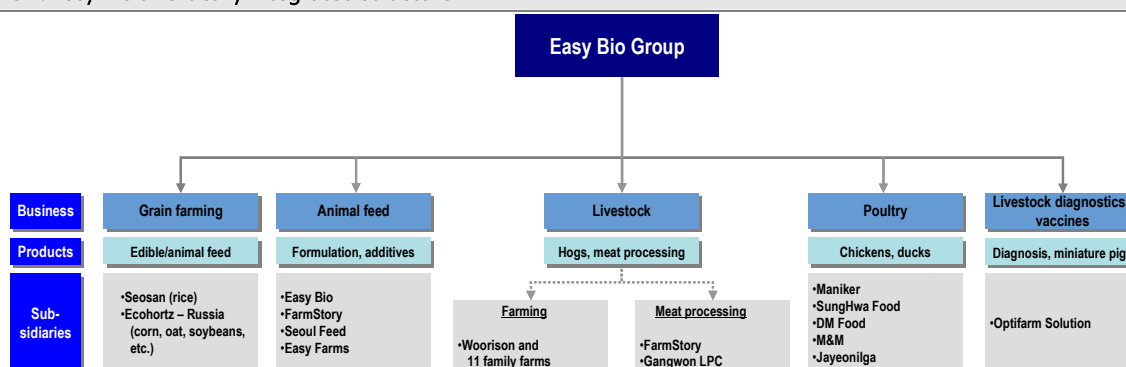
The company's net profit attributable to controlling interests is heavily influenced by the performances of Easy Bio, FarmStory, and Woorison Agricultural Corporation. (Easy Bio holds large equity stakes in FarmStory and Woorison.)

**Table 1. Easy Bio's history**

Year	Details
1988	Established Easy Bio
2003	Entered animal feed business
2005	Entered farming business
2006	Entered meat processing business (Gangwon LPC, FarmStory)
2007	Entered the agricultural business (Saedulman) and agricultural development in Russia
2010	Entered poultry business (SungHwa Food, Jayeonilga)
2011	Acquired Maniker and expanded overseas operations
2012	Established Easy Farms (by acquiring animal feed business of Samyang)

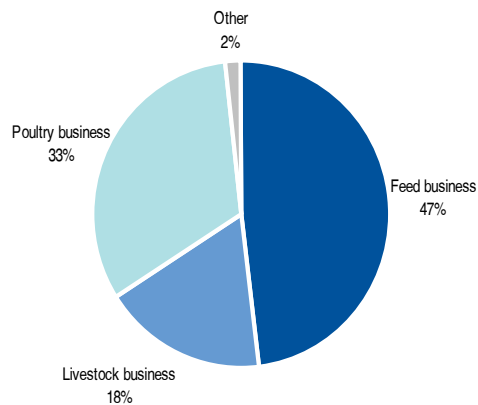
Source: Company data, KDB Daewoo Securities Research

**Figure 1. Easy Bio's vertically integrated structure**



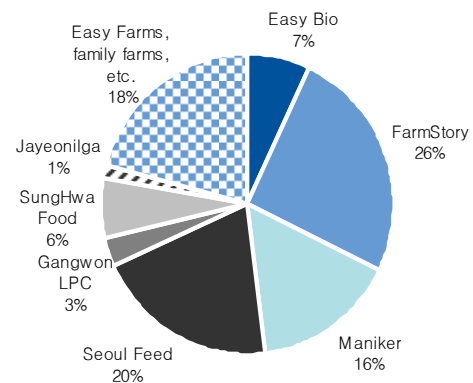
Source: Company data, KDB Daewoo Securities Research

Figure 2. Revenue breakdown (2013F consolidated)



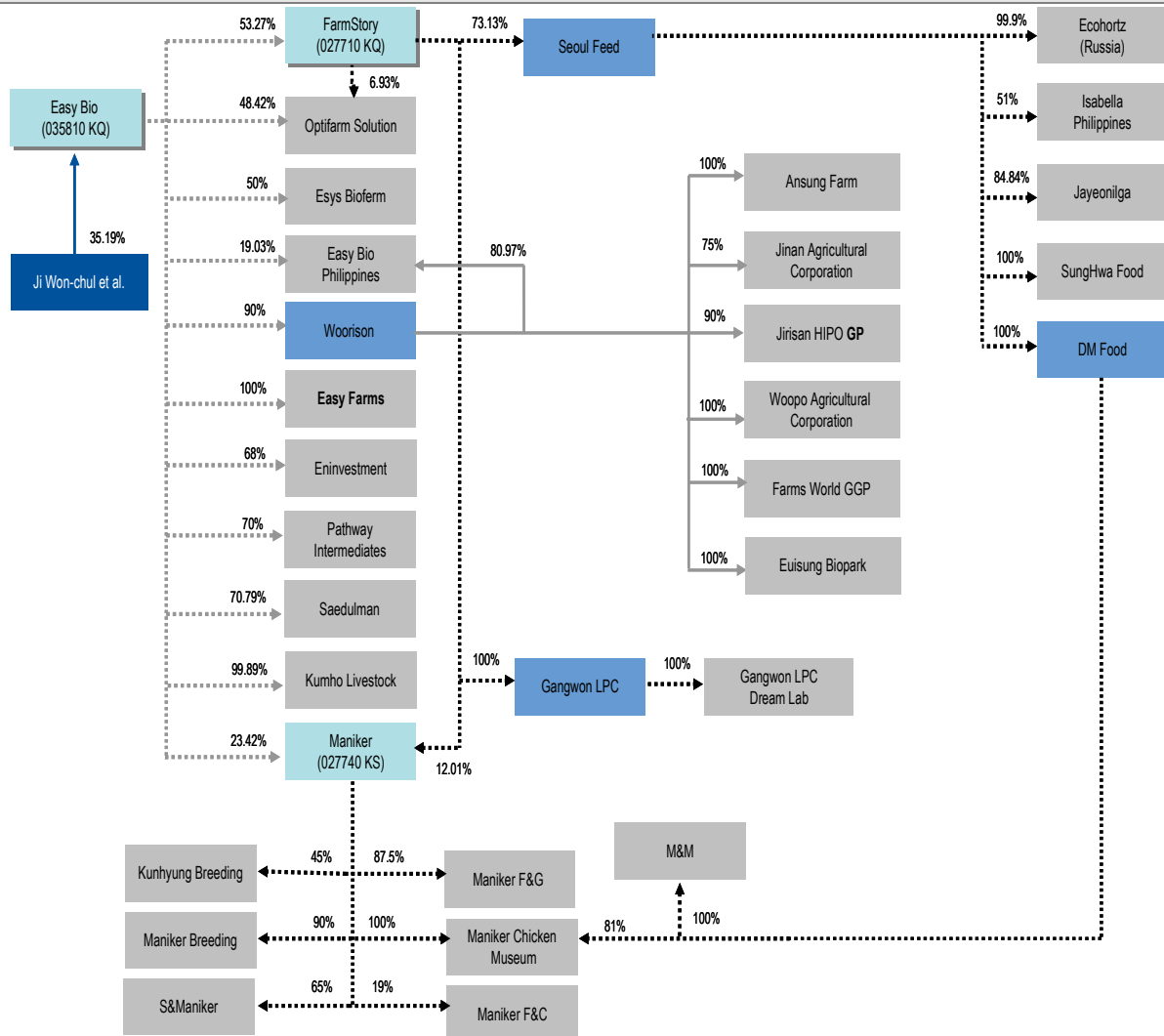
Source: Company data, KDB Daewoo Securities Research

Figure 3. Revenue contributions of major subsidiaries (2012)



Source: Company data KDB Daewoo Securities Research

Figure 4. Ownership structure of Easy Bio Group



Note: As of end-June 2013; Light, medium, and dark blue highlights refer to listed firms that made capital contributions, unlisted firms that made capital contributions, and unlisted firms that received capital contributions, respectively.

Source: Company data, KDB Daewoo Securities Research

### Feed division to benefit from falling grain prices and won appreciation

The feed division generates roughly 50% of Easy Bio's consolidated revenue. This year, feed revenue is forecast to expand 3% YoY, to W947.8bn. Since grains account for almost half of feed production costs, the business' profitability is highly sensitive to the movements of international grain prices (including corn and bean prices). Given that there is typically a six-month lag between the signing of a grain import contract and actual input for production, the decline in grain prices should positively affect the unit's profitability growth (until the end of 1H14). Although feed prices will also decline eventually, we believe that margin spreads are likely to remain healthy for the time being, because, in the past, feed prices did not fully reflect increasing production costs.

Won appreciation also boosts profitability, as it makes raw material imports cheaper, and the company holds US\$300mn worth of foreign currency debts (related to import usage).

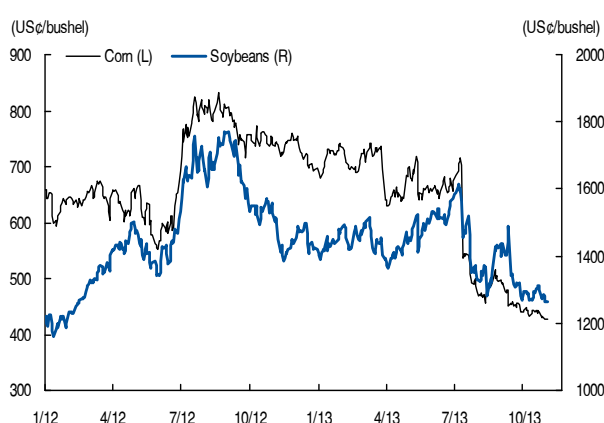
Feed market restructuring is coming to an end. Large conglomerates seem reluctant to enter the market, and small- to mid-sized firms cannot secure cost competitiveness due to their lack of economies of scale and vertical integration. In this sense, Easy Bio seems better-positioned than other feed makers to report earnings growth, thanks to: 1) its diversified product lineup including feed and feed additives for pigs, cows, and chickens (after the acquisition of Samyang Corporation's animal feed unit), 2) its farm holdings in Russia, which should allow the firm to better control costs than its rivals when corn prices climb due to climate issues or poor harvests, 3) domestic market share gains, and 4) growing exports of feed additives.

Figure 5. S&P GSCI Agriculture (spot)



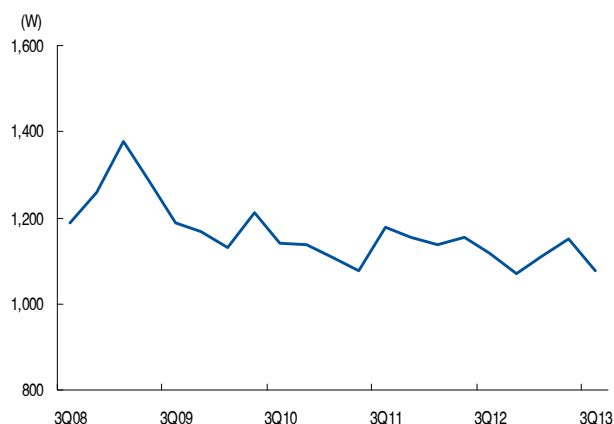
Source: Bloomberg, KDB Daewoo Securities Research

Figure 6. Corn prices: -43% YoY; Soybean prices: -16% YoY



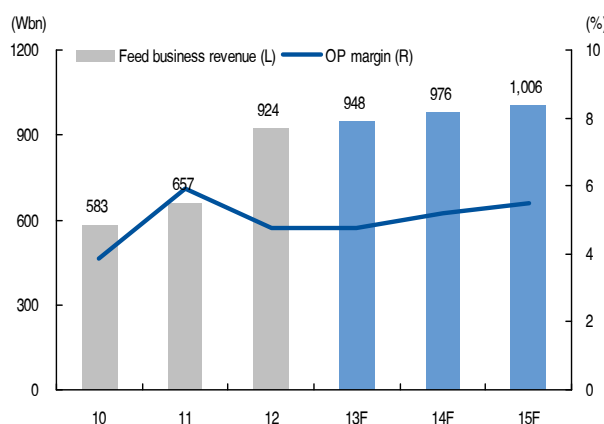
Source: Bloomberg, KDB Daewoo Securities Research

Figure 7. Quarterly US\$/W rate: Won has been strong



Source: KDB Daewoo Securities Research

Figure 8. Revenue and OP margin of animal feed business



Source: Company data, KDB Daewoo Securities Research

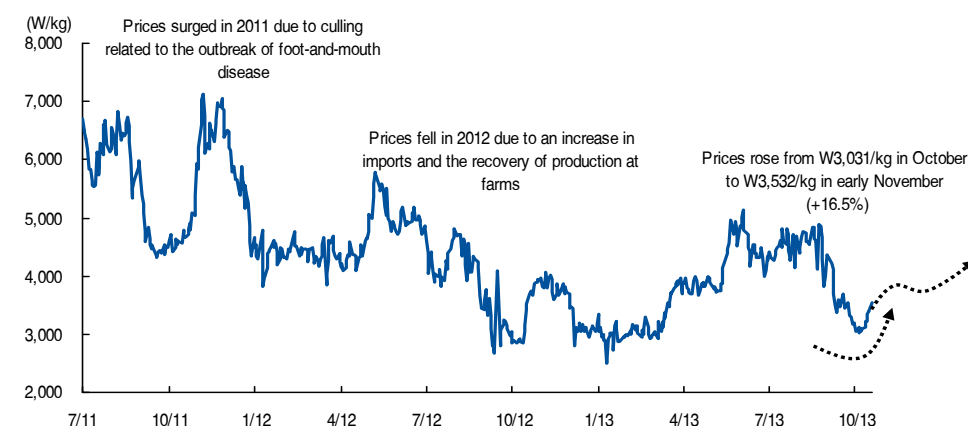
### Pork and chicken market to boom in 2014

We estimate the livestock and poultry businesses to generate 18% and 33% of Easy Bio's consolidated revenue, respectively, in 2013. This year, the livestock business' sales are projected to grow 9% YoY to W348.3bn. Hog price changes have a great impact on the company's margins (by affecting gains/losses on biological assets) as well as its revenue. The company holds W30-40bn in biological assets (from about 130,000 hogs at 11 farm subsidiaries). Rising hog prices also bring down the company's COGS.

The 2014 outlook for hog prices is positive. After seeing a plunge in hog prices in 2012, the government reduced the number of sows by 10% in 1H13. Given that it takes about six months for a pig to reach market weight, the government's efforts to control supply should begin to bear fruit at the end of 2013. Hog prices reached W3,532/kg at early-November, rising 16.5% from the lows reached in October (low-demand season). In addition, concerns over the leakage of radiation-contaminated water from Japan's Fukushima nuclear plant into the ocean are also anticipated to boost demand for non-fish meat.

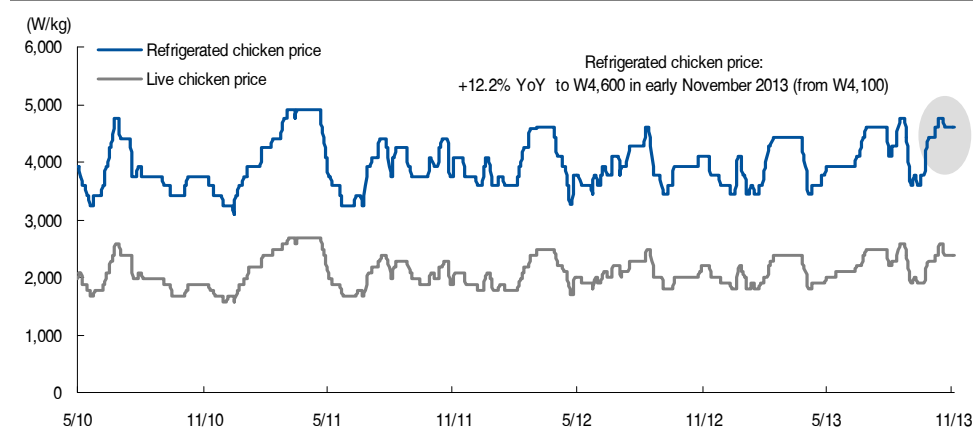
The poultry business' revenue is projected to increase 6% YoY to W645.3bn. The business' earnings are rather sensitive to refrigerated chicken prices. Despite weak seasonality, refrigerated chicken prices remain high, rising 12.2% YoY to W4,600 in early November. The supply of chicken is anticipated to contract 10% YoY in 2014 as the government has been managing supply since 2H12 amid a slump in the poultry farming industry. Furthermore, poultry demand is expected to increase, given that several major sporting events are scheduled for next year, including the Winter Olympics in February, the World Cup in June, and the Asian Games in September. (Chicken has long been the food of choice for Korean sports fans.) Accordingly, Maniker, a leading chicken-processing company acquired by Easy Bio in June 2011, is believed to have started its earnings turnaround in 3Q13.

**Figure 9. Hog prices rebounded 16.5% from the lows seen in October, thanks to the government's control of supply and seafood-related concerns**



Source: Pork Association of Korea, KDB Daewoo Securities Research

**Figure 10. 12.2% YoY increase in refrigerated chicken price**



Source: Korea Association of Broiler, KDB Daewoo Securities Research

### Exports of feed additives expanding

Animal feed provides essential nutrients to livestock. The global animal feed market is estimated at W400tr (vs. domestic market of W4.5tr). To improve the efficiency of animal feed, farms use feed additives. Feed additives are designed to reduce the time needed to raise nutritionally-enhanced livestock. According to the Food and Agriculture Organization (FAO) of the UN, the global animal feed/supplement market—including nutrition enhancement, health enhancement, veterinary medicine, and veterinary diagnostics—is worth W35tr. In particular, the feed additive market—including amino acids, vitamins, enzymes, and minerals—amounts to W12.5tr.

In 2013, Easy Bio's feed additive exports are projected to grow 100% YoY to W12bn. Notably, the company is selling Endopower (a multiple carbohydrase enzyme for non-starch polysaccharides) and Lipidol (absorption accelerator of nutrients) in Latin America and Asia via US-based grain producer ADM. The company's exports are expected to further expand starting next year as it is increasing staffing and carrying out reorganization efforts in order to strengthen overseas operations.

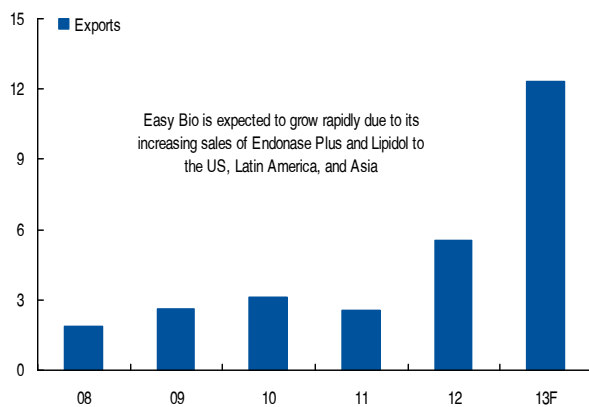
Table 2. Veterinary drug and feed additive revenue

(Wbn)

	2007	2008	2009	2010	2011
Revenue amount	409.9	429.3	470.3	559.4	595.3
Growth	-0.5%	4.7%	11.0%	18.9%	6.5%

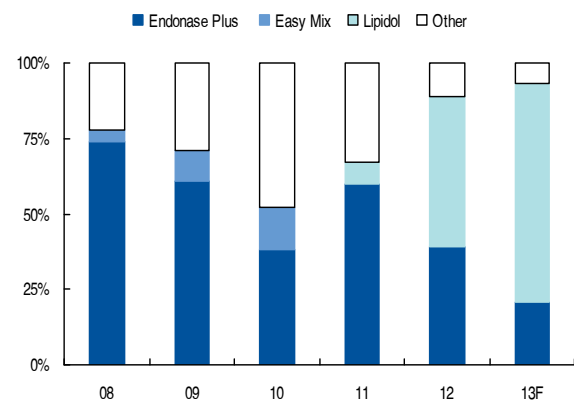
Source: Korea Animal Health Products Association, KDB Daewoo Securities Research

Figure 11. Exports of feed additives expanding



Source: Company data, KDB Daewoo Securities Research

Figure 12. Rapid sales growth of Lipidol



Source: Company data, KDB Daewoo Securities Research

### Value of biotech subsidiary to grow

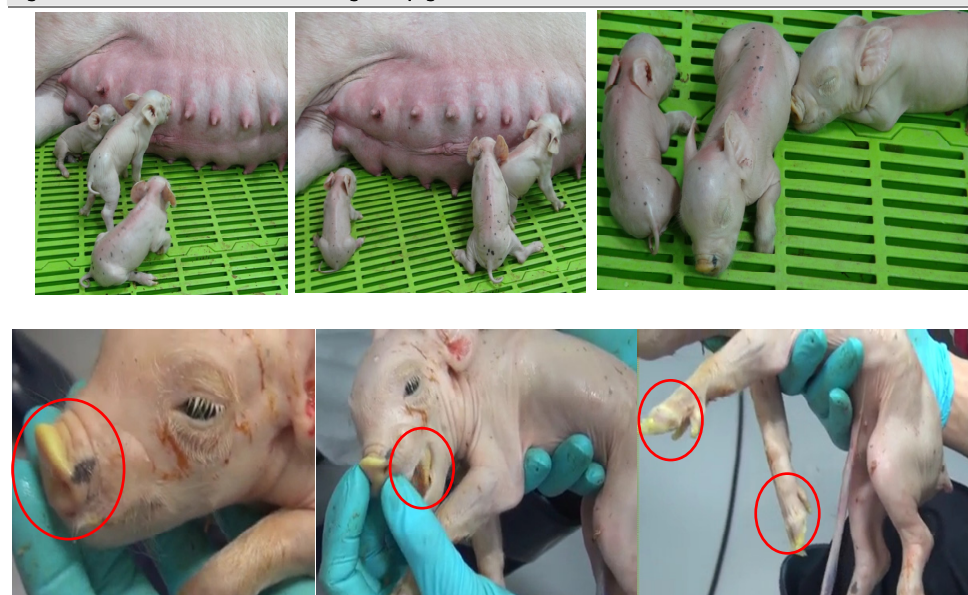
Easy Bio's biotech subsidiary, Optifarm Solution, is considered Korea's leading livestock diagnostic company, which has enabled it to expand its business reach into human diagnostics. Notably, the company has recently developed tissues that are histocompatible with the human body (enabling transplants).

Optifarm Solution engages in the veterinary diagnostics, R&D, specific pathogen-free (SPF) livestock, and veterinary medicine businesses. Founded in July 2006 through the establishment of an animal hospital, it merged with two stem cell research institutes (i.e., Avicore Biotechnology Institute and Medipig) in January 2008 and acquired a veterinary medicine producer in April 2008.

The company's research efforts are extensive. For example, its SPF livestock unit is developing bacteriophage (an antibiotic substitute) in-house. And it is conducting research on artificial organs in partnership with Samsung Medical Center (under the watchful eye of the Ministry of Food and Drug Safety). Additionally, its veterinary medicine unit develops and sells vaccines, antibiotics, and additives. Importantly, Optifarm Solution recently cloned hogs using enhanced green fluorescent protein (EGFP) genes. Based on this success, the company plans to clone animals for artificial organs.

Optifarm Solution posted revenue of only W5.2bn in 2011 and W7.1bn in 2012. We expect the company will generate revenue of more than W10bn in 2014, as well as swing to a net profit.

Figure 13. EGFP 5016 (male) transgenic pig



Source: Company data, KDB Daewoo Securities Research

### Earnings to turn around starting in 3Q

For 3Q, we project Easy Bio to post consolidated revenue of W384.8bn (+9% QoQ), operating profit of W8.2bn (-52% QoQ), and net profit (attributable to controlling interests) of W6.4bn (+102% QoQ) under K-IFRS. QoQ revenue growth should be attributable to: 1) strong seasonality for the poultry business, including Maniker, and 2) rising chicken prices. In particular, Maniker is expected to report a profit for the first time since it was acquired by Easy Bio, and its earnings improvement should continue into 4Q and next year in light of rising chicken prices. Operating profit is expected to decline QoQ due to a biological asset valuation loss of around W9bn stemming from a 13.6% fall in hog prices. Excluding this, operating profit should be solid thanks to higher profitability at the animal feed and poultry business units.

For 4Q, we project the company to post record-high quarterly earnings with revenue of W377.3bn (-2% QoQ), operating profit of W23.4bn (+186% QoQ), and net profit (attributable to controlling interests) of W12.2bn (+91% QoQ; OP margin of 6.2%). Profitability at the animal feed and poultry business units will likely improve QoQ. In addition, a biological asset valuation gain is expected to materialize, given that hog prices have picked up since end-October.

On a full-year basis, we expect record-high annual earnings, with revenue of W1.49tr (+7% YoY), an operating profit of W48.5bn (+17% YoY), and a net profit (attributable to controlling interests) of W20.4bn (+30% YoY).

In light of numerous positives, we expect Easy Bio's earnings momentum to accelerate through next year after starting to pick up in 3Q. For 2014, we forecast the company's earnings to hit a historic high, with revenue of W1.54tr (+4% YoY), an operating profit of W84.4bn (+74% YoY), and a net profit attributable to controlling interests) of W30.4bn (+49% YoY). These strong earnings should be attributable to falling grain prices, a strong won, stabilizing hog and poultry prices, the turnaround of Maniker, and consumer preference for pork and chicken (over fish).

Table 3. Quarterly earnings (under consolidated K-IFRS)

(Wbn, %)

	2012		2013F			
	1Q	2Q	1Q	2Q	3QF	4QF
Revenue	399	387	370	354	385	377
QoQ growth	-	-3.1	-	-4.3	8.7	-1.9
YoY growth	-	-	-7	-8	-	-
Animal feed business	-	-	230	243	235	240
Livestock business	-	-	69	91	93	95
Poultry business	-	-	144	163	178	160
Other	-	-	5	10	7	8
Operating profit	13	17	-0	17	8	23
QoQ growth	-	29.0	-	TTB	-52.0	185.7
YoY growth	-	-	-101	3	-	-
Pretax profit	7	6	-14	2	11	21
Net profit attributable to controlling interests	4	8	-1	3	6	12
QoQ growth	-	74.0	-	TTB	102.0	91.3
YoY growth	-	-	TTR	-59	-	-
OP margin	3.2	4.3	-0.1	4.8	2.1	6.2
Net margin	1.1	2.0	-0.4	0.9	1.7	3.2

Note: Consolidated 2012 quarterly breakdown of revenue by business segment was not disclosed

Source: Company data, KDB Daewoo Securities Research



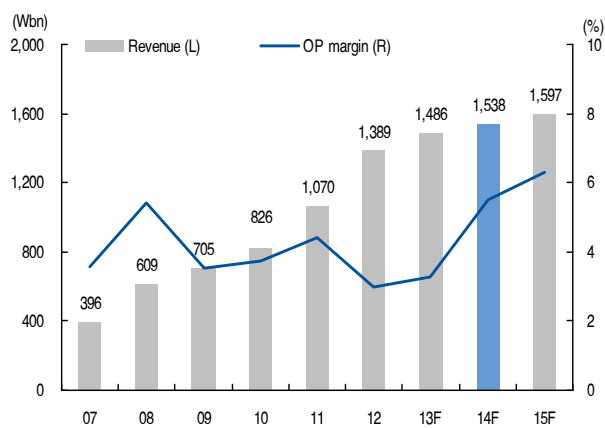
Table 4. Annual earnings metrics (under consolidated K-IFRS)

(Wbn, %)

Division	Business	2010	2011	2012	2013F	2014F	2015F
Revenue		826	1,070	1,389	1,486	1,538	1,597
YoY growth		17.3	29.5	29.8	7.0	3.5	3.8
	Animal feed	583	657	924	948	976	1,006
	Livestock	249	434	319	348	376	403
	Poultry	25	269	254	645	665	685
	Other	-	15	39	30	33	36
Operating profit		31	47	41	49	84	101
YoY growth		23.5	53.1	-12.2	17.1	74.0	19.3
	Animal feed	22	39	44	45	51	55
	Livestock	10	16	-5	8	21	24
	Poultry	4	-5	0	-3	13	21
	Other	0	0	-5	-3	0	1
Pretax profit		29	30	34	21	53	74
Net profit attributable to controlling interests		15	10	16	20	30	42
YoY growth		-1	-30	52	30	49	38
OP margin		3.7	4.4	3.0	3.3	5.5	6.3
	Animal feed	3.9	5.9	4.7	4.8	5.2	5.5
	Livestock	4.0	3.8	-1.4	2.4	5.5	6.0
	Poultry	14.8	-1.8	0.1	-0.4	2.0	3.0
	Other	-	0.0	-12.5	-9.6	-1.0	2.0
Net margin		1.8	1.0	1.1	1.4	2.0	2.6
Revenue contribution	Animal feed	68.0	47.8	60.1	48.1	47.6	47.2
	Livestock	29.0	31.6	20.8	17.7	18.3	18.9
	Poultry	3.0	19.6	16.5	32.7	32.4	32.2
	Other	-	1.1	2.6	1.5	1.6	1.7

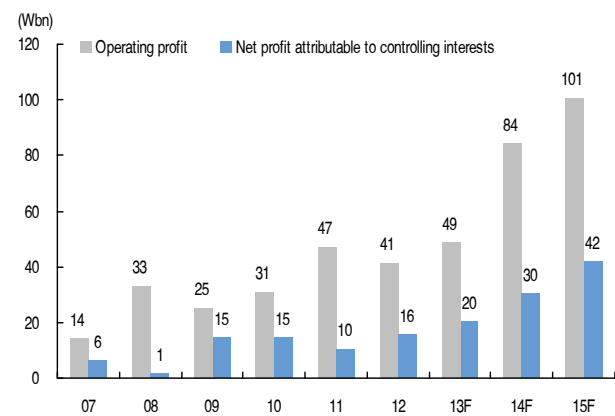
Source: Company data, KDB Daewoo Securities Research

Figure 14. Annual revenue and OP margin



Source: Company data, KDB Daewoo Securities Research

Figure 15. Annual operating profit and net profit attributable to controlling interests



Source: Company data, KDB Daewoo Securities Research

## Easy Bio (035810 KQ/Not Rated)

## Comprehensive Income Statement (Summarized)

(Wbn)	12/12	12/13F	12/14F	12/15F
<b>Revenue</b>	<b>1,389</b>	<b>1,486</b>	<b>1,538</b>	<b>1,597</b>
<b>Cost of Sales</b>	<b>1,213</b>	<b>1,272</b>	<b>1,292</b>	<b>1,336</b>
<b>Gross Profit</b>	<b>176</b>	<b>214</b>	<b>246</b>	<b>260</b>
<b>SG&amp;A Expenses</b>	<b>134</b>	<b>165</b>	<b>162</b>	<b>160</b>
<b>Operating Profit (Adj)</b>	<b>41</b>	<b>49</b>	<b>84</b>	<b>101</b>
<b>Operating Profit</b>	<b>41</b>	<b>49</b>	<b>84</b>	<b>101</b>
<b>Non-Operating Profit</b>	<b>-7</b>	<b>-27</b>	<b>-31</b>	<b>-27</b>
Net Financial Income	26	34	31	27
Net Gain from Inv in Associates	-8	0	0	0
Pretax Profit	34	21	53	74
Income Tax	-12	-4	-13	-18
Profit from Continuing Operations	<b>23</b>	<b>17</b>	<b>41</b>	<b>56</b>
Profit from Discontinued Operations	0	0	0	0
<b>Net Profit</b>	<b>23</b>	<b>17</b>	<b>41</b>	<b>56</b>
Controlling Interests	16	20	30	42
Non-Controlling Interests	7	-4	10	14
<b>Total Comprehensive Profit</b>	<b>20</b>	<b>15</b>	<b>38</b>	<b>54</b>
Controlling Interests	7	12	22	34
Non-Controlling Interests	13	3	16	20
EBITDA	60	69	104	120
FCF (Free Cash Flow)	31	37	64	77
EBITDA Margin (%)	4.3	4.7	6.8	7.5
Operating Profit Margin (%)	3.0	3.3	5.5	6.3
Net Profit Margin (%)	1.1	1.4	2.0	2.6

## Cash Flows (Summarized)

(Wbn)	12/12	12/13F	12/14F	12/15F
<b>Cash Flows from Op Activities</b>	<b>-16</b>	<b>63</b>	<b>85</b>	<b>92</b>
Net Profit	23	17	41	56
Non-Cash Income and Expense	80	37	63	64
Depreciation	18	20	19	19
Amortization	0	1	0	0
Others	24	-43	0	0
Chg in Working Capital	-79	34	-7	-12
Chg in AR & Other Receivables	33	17	-4	-8
Chg in Inventories	-93	-3	-8	-9
Chg in AP & Other Payables	-6	-7	4	4
Income Tax Paid	-22	-8	-12	-17
<b>Cash Flows from Inv Activities</b>	<b>-159</b>	<b>117</b>	<b>-31</b>	<b>-30</b>
Chg in PP&E	-94	94	-25	-23
Chg in Intangible Assets	-4	30	-2	-2
Chg in Financial Assets	-6	11	-2	-3
Others	-56	-18	-1	-1
<b>Cash Flows from Fin Activities</b>	<b>156</b>	<b>-186</b>	<b>-51</b>	<b>-57</b>
Chg in Financial Liabilities	152	-152	-18	-28
Chg in Equity	7	-6	0	0
Dividends Paid	-2	-5	-2	-2
Others		-23	-31	-27
<b>Increase (Decrease) in Cash</b>	<b>-30</b>	<b>4</b>	<b>3</b>	<b>5</b>
Beginning Balance	88	58	61	65
Ending Balance	58	61	65	70

## Statement of Financial Condition (Summarized)

(Wbn)	12/12	12/13F	12/14F	12/15F
<b>Current Assets</b>	<b>586</b>	<b>625</b>	<b>643</b>	<b>669</b>
Cash and Cash Equivalents	58	61	65	70
AR & Other Receivables	188	201	204	212
Inventories	211	230	238	248
Other Current Assets	52	53	54	55
<b>Non-Current Assets</b>	<b>644</b>	<b>681</b>	<b>689</b>	<b>695</b>
Investments in Associates	93	95	96	97
Property, Plant and Equipment	452	460	466	470
Intangible Assets	44	45	47	49
<b>Total Assets</b>	<b>1,231</b>	<b>1,306</b>	<b>1,332</b>	<b>1,363</b>
<b>Current Liabilities</b>	<b>802</b>	<b>802</b>	<b>787</b>	<b>762</b>
AP & Other Payables	105	109	113	117
Short-Term Financial Liabilities	656	650	630	600
Other Current Liabilities	42	43	44	45
<b>Non-Current Liabilities</b>	<b>145</b>	<b>150</b>	<b>155</b>	<b>160</b>
Long-Term Financial Liabilities	<b>83</b>	<b>85</b>	<b>87</b>	<b>89</b>
Other Non-Current Liabilities	54	57	60	63
<b>Total Liabilities</b>	<b>947</b>	<b>952</b>	<b>942</b>	<b>922</b>
<b>Controlling Interests</b>	<b>197</b>	<b>205</b>	<b>230</b>	<b>268</b>
Capital Stock	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>
Capital Surplus	78	78	78	78
Retained Earnings	97	108	136	175
<b>Non-Controlling Interests</b>	<b>87</b>	<b>150</b>	<b>160</b>	<b>174</b>
<b>Stockholders' Equity</b>	<b>284</b>	<b>354</b>	<b>390</b>	<b>442</b>

## Forecasts/Valuations (Summarized)

	12/12	12/13F	12/14F	12/15F
P/E (x)	9.4	10.3	6.9	5.0
P/CF (x)	4.3	5.1	4.2	3.4
P/B (x)	0.7	1.0	0.9	0.8
EV/EBITDA (x)	14.4	14.1	9.3	7.9
EPS (W)	333	434	647	894
CFPS (W)	725	879	1,063	1,309
BPS (W)	4,189	4,352	4,903	5,701
DPS (W)	50	50	50	50
Payout ratio (%)	15.0	11.5	7.7	5.6
Dividend Yield (%)	1.6	1.0	1.0	1.0
Revenue Growth (%)	29.8	7.0	3.5	3.9
EBITDA Growth (%)	-10.7	16.1	49.6	15.7
Operating Profit Growth (%)	-12.2	17.2	73.8	19.4
EPS Growth (%)	48.9	30.3	49.0	38.2
Accounts Receivable Turnover (x)	8.6	8.1	8.0	8.1
Inventory Turnover (x)	7.8	6.7	6.6	6.6
Accounts Payable Turnover (x)	17.9	20.5	20.3	20.4
ROA (%)	2.0	1.3	3.1	4.2
ROE (%)	8.3	10.2	14.0	16.9
ROIC (%)	5.1	5.1	8.5	10.0
Liability to Equity Ratio (%)	334.0	269.0	241.5	208.8
Current Ratio (%)	73.1	77.9	81.7	87.8
Net Debt to Equity Ratio (%)	212.6	167.7	146.3	121.1
Interest Coverage Ratio (x)	1.1	1.4	2.7	3.7

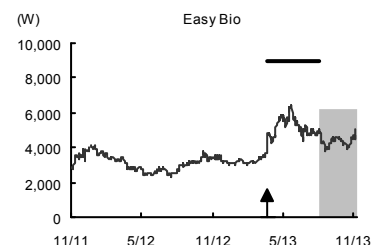
Source: Company data, KDB Daewoo Securities Research estimates

# APPENDIX 1

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Buy	Relative performance of 20% or greater	Overweight	Fundamentals are favorable or improving
Trading Buy	Relative performance of 10% or greater, but with volatility	Neutral	Fundamentals are steady without any material changes
Hold	Relative performance of -10% and 10%	Underweight	Fundamentals are unfavorable or worsening
Sell	Relative performance of -10%		

\* Ratings and Target Price History (Share price (---), Target price (----), Not covered (■), Buy (▲), Trading Buy (■), Hold (●), Sell (◆))

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