

Coway (021240 KS)

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2013 earnings to meet consensus



BUY (Maintain)

 Price (Jul. 3)
 W55,900

 Target Price
 W66,000

 % variance
 18.1%

KOSPI	1,	824.66p
KOSDAQ	!	521.31p
Market Cap.	W4,311.3bn/ US3,7	'81.8mn
Par Value		W500
Outstanding Shares		77.1mn
Free Floating Shares	50.8mn	(65.9%)
52-Week High/Low	W56,500/V	V30,150
60-Day Avg. Trading V	olume 174,	944shrs
60-Day. Avg. Trading	T/0 W9	,328mn
Foreign Ownership		51.98%
Major Shareholders		
	Coway Holdings	30.90%
Lazard Asset Manageme	ent LLC and 32 others	11.71%
Absolute Performance	3M	10.9%
	6M	24.9%
	12M	50.3%
Relative performance	3M	20.6%
to KOSPI	6M	38.2%
	12M	53.8%

- 2Q13 sales estimated at W487.8bn (+9.3% YoY), operating profit W73.2bn (+13.8% YoY)
- Steady growth to continue in 2H13, margin gains expected
- Retain BUY, upgrading target price to W66,000

2Q13 sales estimated at W487.8bn (+9.3% YoY), operating profit W73.2bn (+13.8% YoY)

Coway is expected to have posted 2Q13 sales of W487.8bn (+9.3% YoY) and operating profit of W73.2bn (+13.8% YoY) in line with consensus. Amid steady growth in rental and lump-sum payment, cosmetics sales and exports registered solid growth. Sales and operating profit are expected to have increased on a QoQ basis.

Steady growth to continue in 2H13, margin gains expected

Despite top-line growth in the past two years, profitability had been poor due to investments in new businesses. In 2013, profitability is improving amid sustained top-line growth. The cosmetics business, which had been posting huge losses, should be able to break even in 1H13. Strict cost control and operating leverage effect after the stake sale to MBK Partners are beginning to take effect.

We expect steady growth in new rental contracts and ARPU in 2H13. Cosmetics sales and exports should also continue upward trend. We forecast 2013 sales of W1.96tr (+8.5% YoY) and operating profit of W300.9bn (+41.4% YoY).

Retain BUY, upgrading target price to W66,000

We reiterate our BUY rating on Coway. We raise our target price from W63,000 to W66,000 by applying a target PER of 22x to a 12-month forward EPS of W3,005. Business is back on track with strict margin control in 2013. Quarterly growth in top-and bottom-line looks achievable from now on. Operating profit margin is estimated to improve from 11.8% in 2012 to 15.4% in 2013 and 16.6% in 2014.

The company's stable business stands out as a macro defensive stock when stock market uncertainties escalate. Dividend yield exceeds 2.5%. Shares are currently trading at 2013 PER of 18x.

Year to Dec.	Sales	OP	Pre-tax	NP	EPS	Growth	BPS	PER	EV/EBITDA	PBR	ROE	Net Debt
	(W bn)	(W bn)	(W bn)	(W bn)	(Won)	(%)	(Won)	(X)	(X)	(X)	(%)	Ratio (%)
2011	1,709.9	243.3	225.4	177.1	2,296	(3.4)	9,704	15.9	8.3	3.8	24.0	62.6
2012	1,806.8	212.5	161.5	119.7	1,553	(32.4)	10,408	28.0	10.0	4.2	15.4	58.9
2013F	1,959.9	300.9	328.3	238.8	3,096	99.4	11,083	18.1	9.5	5.0	28.8	33.0
2014F	2,154.7	357.5	344.1	252.6	3,275	5.8	12,809	17.1	8.3	4.4	27.4	19.9
2015F	2,370.5	428.4	419.9	306.9	3,979	21.5	15,045	14.0	7.0	3.7	28.6	6.6

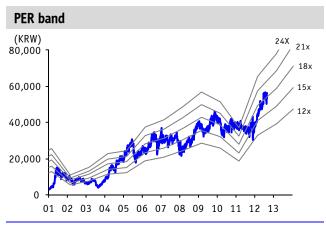
Earnings forecast revision											
		2013F		2014F							
(bn KRW)	Before	After	Change (%)	Before	After	Change (%)					
Sales	1,961.3	1,959.9	(0.1)	2,131.5	2,154.7	1.1					
OP	303.8	300.9	(1.0)	354.5	357.5	8.0					
Consolidated NP	217.3	211.4	(2.7)	257.7	251.5	(2.4)					

Source: Shinhan Investment Corp.

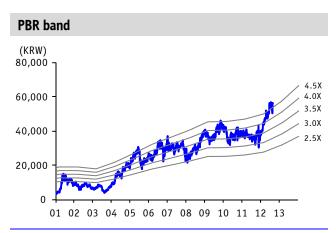
Target price cald	Target price calculation										
(bn KRW)	Value	(bn KRW)	Value	(bn KRW)	Value						
2013 NP	211.4	12-month forward NP	231.7	2014 NP	251.5						
EPS (KRW)	2,741	EPS (KRW)	3,005	EPS (KRW)	3,261						
PER (x)	24	Target PER (x)	22	PER (x)	20						
Target price (KRW)	66,000	Target price (KRW)	66,000	Target price (KRW)	66,000						
Current price (KRW)	56,100	Current price (KRW)	56,100	Current price (KRW)	56,100						
Current PER (x)	20.5	Current PER (x)	18.7	Current PER (x)	17.2						

Source: Shinhan Investment Corp.

Note: Target PER is the average of 5-year upper PER band



Source: Shinhan Investment Corp.



Source: Shinhan Investment Corp.

(bn KRW)	2011	2012	2013F	2014F	2015
Sales	1,709.9	1,806.8	1,959.9	2,154.7	2,370.
Growth (% YoY)	13.9	5.7	8.5	9.9	10.0
Rental subscribers (no. of contracts)	4,450,003	4,607,420	4,839,372	5,067,057	5,370,870
Growth (% YoY)	7.4	3.5	5.0	4.7	6.0
Rental ARPU (KRW)	22,008	22,824	23,167	23,930	24,392
Rental sales	1,175.2	1,261.9	1,345.3	1,455.0	1,572.1
Water purifier	689.0	733.8	783.7	851.6	921.3
Air purifier	182.3	196.7	233.2	248.7	269.8
Bidet	217.2	233.9	214.3	224.2	232.8
Water softener	78.8	79.6	78.6	77.6	77.0
Others (food disposal, etc.)	7.8	8.2	9.7	11.3	12.7
Mattress		6.9	24.2	39.5	56.2
Rental registration sales	31.1	23.8	9.8	1.0	
Membership sales	160.8	161.3	174.9	182.8	186.6
Lump-sum sales	138.2	144.7	156.7	172.3	184.2
Exports	98.0	109.6	147.6	188.2	236.8
Cosmetics sales	68.2	67.2	83.1	105.3	132.3
Others	38.4	38.3	42.4	50.1	58.6
Growth (% YoY)	50.4	30.3	76.7	50.1	50.0
Rental	11.0	7.4	6.6	8.2	8.0
Rental registration sales	(34.5)	(23.4)	(58.9)	(90.1)	(100.0
Membership sales	8.8	0.3	8.4	4.5	2.3
Lump-sum sales	28.7	4.7	8.3	9.9	6.9
Exports	41.6	11.8	34.7	9.9 27.5	25.8
Cosmetics sales	191.9	(1.4)	23.7	26.7	25.6
Others (living, water treatment)	(19.8)	(0.3)	10.9	18.1	16.8
COGS	552.0	` '		757.2	842.3
COGS ratio (%)	32.3	605.3 33.5	674.4 34.4	35.1	842. 3
' '	1,157.9	1,201.5		1,397.5	1,528.3
Gross profit	1,157.9	66.5	1,285.5 65.6	1,397.5 64.9	1,528.5
Gross margin (%)					
SG&A costs	913.1	988.7	984.6	1,040.0	1,099.9
SG&A costs to sales ratio (%)	53.4	54.7	50.2	48.3	46.4
Other operating income	0.6	1.4	1.5	1.5	1.6
Other operating expense	46.8	70.8	57.4	61.7	65.4
OP (%)	244.8	212.8	300.9	357.5	428.4
OPM (%)	14.3	11.8	15.4	16.6	18.1
Growth (% YoY)	(8.0)	(13.1)	41.4	18.8	19.8
Financial income	2.2	3.7	2.1	3.1	4.7
Financial expense	25.8	67.5	22.6	15.1	12.0
Other non-operating income	6.4	4.6	54.3	5.6	6.6
Pre-tax profit	226.4	145.9	328.3	344.1	419.9
Corporate tax	48.2	41.7	89.6	91.5	113.0
Corporate tax rate (%)	21.3	28.6	27.3	26.6	26.9
NP	178.2	104.2	238.8	252.6	306.9
NPM (%)	10.4	5.8	12.2	11.7	12.9
Growth (% YoY)	(5.3)	(41.5)	129.1	5.8	21.
Consolidated NP	167.1	95.8	211.4	251.5	310.0
Growth (% YoY)	(13.8)	(42.6)	120.7	19.0	23.3
Standalone EPS (KRW)	1,553	3,096	3,275	3,979	4,570
Consolidated EPS (KRW)	2,149	1,242	2,741	3,261	4,019

Source: Company data, Shinhan Investment Corp.

Note: K-IFRS standalone basis



Quarterly earnings estimates															
(bn KRW)	1012	2Q12	3Q12	4Q12	1013	2Q13F	3Q13F	4Q13F	1Q14F	2Q14F	3Q14F	4Q14F	2012	2013F	2014F
Sales	442.4	446.4	458.0	460.1	465.2	487.8	494.6	512.3	520.2	535.2	542.6	556.8	1,806.8	1,959.9	2,154.7
Growth (% YoY)	10.6	2.4	6.5	3.6	5.2	9.3	8.0	11.3	11.8	9.7	9.7	8.7	5.7	8.5	9.9
Rental sales	309.7	313.1	317.7	321.4	323.8	333.8	340.0	347.7	353.8	361.0	366.8	373.5	1,261.9	1,345.3	1,455.0
Rental registration sales	6.6	5.8	5.5	5.9	3.6	2.8	2.0	1.3	1.0	0.0	0.0	0.0	23.8	9.8	1.0
Membership sales	38.8	39.2	41.1	42.3	42.8	43.8	44.1	44.3	44.8	46.0	46.0	46.0	161.3	174.9	182.8
Lump-sum sales	32.7	40.5	39.1	32.4	36.6	41.3	36.7	42.0	42.7	44.6	41.2	43.8	144.7	156.7	172.3
Exports	30.0	21.1	28.0	30.5	31.5	34.7	39.0	42.4	42.4	45.6	48.7	51.5	109.6	147.6	188.2
Cosmetics sales	16.8	16.3	17.3	16.8	17.9	20.5	21.7	23.1	23.9	25.6	27.1	28.7	67.2	83.1	105.3
Others	5.2	16.7	5.7	10.8	7.8	10.4	9.3	10.7					38 . 3	42.4	50.1
COGS	145.4	142.1	151 . 5	166.3	154.6	166.8	170.4	182.6	181.4	188.8	189.5	197.5	605.3	674.4	757.2
COGS ratio (%)	32.9	31.8	33.1	36.1	33.2	34.2	34.5	35.6	34.9	35.3	34.9	35.5	33.5	34.4	35.1
SG&A costs	248.1	239.9	243.6	257.1	241.3	247.8	247.2	248.2	256.9	260.5	261.3	261.4	988.7	984.6	1,040.0
SG&A costs/sales ratio (%)	56.1	53.7	53.2	55.9	51.9	50.8	50.0	48.5	49.4	48.7	48.2	46.9	54.7	50.2	48.3
OP	48.8	64.4	62.9	36.7	69.2	73.2	77.0	81.4	82.0	85.9	91.8	97.8	212.8	300.9	357.5
OPM (%)	11.0	14.4	13.7	8.0	14.9	15.0	15.6	15.9	15.8	16.1	16.9	17.6	11.8	15.4	16.6
Growth (% YoY)	(16.5)	4.3	2.3	(41.8)	41.9	13.8	22.4	121.7	18.4	17.4	19.2	20.2	(13.1)	41.4	18.8
Financial income	0.5	2.4	0.3	0.6	0.3	0.6	0.6	0.6	0.7	8.0	8.0	8.0	3.7	2.1	3.1
Financial expense	8.3	9.3	42.6	7.3	6.5	5.7	5.5	4.9	4.2	3.9	3.6	3.5	67.5	22.6	15.1
Other non-operating income	(2.0)	3.0	(3.3)	2.5	51.1	(1.0)	(1.2)	(1.0)	(0.3)	(0.3)	(0.6)	(0.2)	4.6	54.3	5.6
Pre-tax profit	39.0	56.8	17.7	32.4	114.2	67.2	70.8	76.1	78.1	82.5	88.4	95.0	145.9	328.3	344.1
NP	25.9	44.4	12.9	22.3	80.2	50.7	52.1	56.5	57.8	60.9	65.0	68.9	104.2	238.8	252.6
NPM (%)	5.9	10.0	2.8	4.9	17.2	10.4	10.5	11.0	11.1	11.4	12.0	12.4	5 . 8	12.2	11.7
Growth (% YoY)	(33.2)	5.6	(73.8)	(53.6)	209.9	14.2	305.0	153.1	(27.9)	20.1	24.8	21.9	(41.5)	129.1	5.8

Source: Company data, Shinhan Investment Corp.

Note: K-IFRS standalone basis

Rental subscrib	Rental subscribers and ARPU by year												
(no.)	2007	2008	2009	2010	2011	2012	2013F	2014F	2015F				
ARPU (KRW)	21,369	21,970	21,575	21,285	22,008	22,824	23,167	23,930	24,392				
Total subscribers	3,612,491	3,639,197	3,898,647	4,145,102	4,450,003	4,607,420	4,839,372	5,067,057	5,370,876				
Net subscriber increase	134,456	26,706	259,450	246,455	304,901	157,417	231,952	227,684	303,819				
New subscribers	1,173,707	1,045,248	1,188,939	1,167,378	1,272,538	1,218,911	1,256,355	1,317,957	1,401,976				
Cancellation rate (%)	11.5	13.9	13.5	12.9	12.5	12.1	12.0	11.6	11.3				
Growth (%)													
arpu	(0.3)	2.8	(1.8)	(1.3)	3.4	3.7	1.5	3.3	1.9				
Total subscribers	3.9	0.7	7.1	6.3	7.4	3.5	5.0	4.7	6.0				
Net subscriber increase	(48.5)	(80.1)	871.5	(5.0)	23.7	(48.4)	47.3	(1.8)	33.4				
New subscribers	13.9	(10.9)	13.7	(1.8)	9.0	(4.2)	3.1	4.9	6.4				

Source: Company data, Shinhan Investment Corp.

Company		Coway	Kurita Water Industries	S1 Corp.	Fujian Longking	OSIM International	Hyflux
Ticker		021240 KS	6370 JP	012750 KS	600388 CH	OSIM SP	HYF SP
Market cap. (br	r KRW)	4,311.3	3,134.2	2,469.9	1,866.3	1,284.9	935.0
Sales	2011	1,992.8	2,729.3	1,096.5	750.0	542.5	615.3
(bn KRW)	2012F	2,106.0	2,119.1	1,204.0	978.3	600.6	661.5
	2013F	2,398.5	2,295.9	1,303.0	1,117.6	671.7	696.2
OP	2011	226.1	413.8	134.6	61.9	101.5	71.2
(bn KRW)	2012F	296.2	254.8	147.9	74.7	117.6	96.7
	2013F	339.8	278.5	165.6	88.3	131.5	109.2
OPM	2011	11.3	15.2	12.3	8.3	18.7	11.6
(%)	2012F	14.1	12.0	12.3	7.6	19.6	14.6
	2013F	14.2	12.1	12.7	7.9	19.6	15.7
NP	2011	94.0	233.0	100.9	52.0	78.4	55.0
(bn KRW)	2012F	217.7	141.1	114.5	66.8	89.8	53.2
	2013F	262.9	173.0	131.3	76.8	101.7	65.9
NPM	2011	4.7	8.5	9.2	6.9	14.4	8.9
(%)	2012F	10.3	6.7	9.5	6.8	15.0	8.0
	2013F	11.0	7.5	10.1	6.9	15.1	9.5
EPS growth	2011	T/B	2.0	(20.2)	19.0	N/A	5.4
(% YoY)	2012F	91.8	T/B	5.4	31.9	11.0	44.8
	2013F	41.4	26.7	14.2	10.5	14.2	19.3
P/E	2011	34.4	15.5	23.4	16.1	14.5	28.9
(x)	2012F	23.0	20.2	20.6	27.2	14.7	19.7
	2013F	16.3	17.0	18.1	24.7	12.9	16.6
P/B	2011	4.1	1.2	3.1	1.8	6.4	3.3
(x)	2012F	4.6	1.2	2.8	3.5	5.8	1.7
	2013F	3.9	1.1	2.6	3.2	4.6	1.6
EV/EBITDA	2011	9.0	4.3	9.1	11.7	9.5	7.6
(x)	2012F	9.8	5.3	9.0	18.3	9.0	15.0
	2013F	8.9	5.4	8.3	16.5	8.1	13.1
ROE	2011	12.3	8.1	13.4	12.0	48.1	12.2
(%)	2012F	25.5	6.1	14.2	12.9	43.4	7.7
	2013F	24.4	6.7	15.0	13.3	38.6	8.5

Source: Bloomberg consensus, Shinhan Investment Corp.

Share performance of global peers (%) 60 40 S1 Corp. Hyflux 20 0 (20) 07/12 10/12 01/13 04/13 07/13

Source: Bloomberg, Shinhan Investment Corp.

Share performance of global peers (%) 120 120 80 Fujian Longking (40) 07/12 10/12 01/13 04/13 07/13

Source: Bloomberg, Shinhan Investment Corp.

Balance Sheet

Year to Dec. (W bn)	2011	2012	2013F	2014F	2015F
Assets	1,576.5	1,701.5	1,578.7	1,700.9	1,866.9
Total Current Assets	511.5	691.3	506.8	560.7	649.2
Cash and Cash Equivalents	64.9	118.9	47.0	76.4	130.0
Accounts Receivables	240.1	278.4	280.0	285.0	290.0
Inventories	73.0	41.3	44.8	49.3	54.2
Non-Current Assets	1,065.0	1,010.2	1,071.9	1,140.2	1,217.7
Tangible Assets	534.7	594.2	631.8	686.4	749.1
Intangible Assets	156.0	157.5	150.2	144.0	138.7
Investment Assets	285.1	155.3	186.7	206.7	226.7
Other Financial Institutions Assets	0.0	0.0	0.0	0.0	0.0
Liabilities	828.1	898.8	723.9	713.0	706.5
Current Liabilities	534.3	719.6	582.6	578.9	579.3
ST Borrowings	164.8	295.7	180.0	170.0	130.0
Account Payables	28.7	28.9	40.5	52.6	68.4
Current Portion of LT Debt	110.0	109.9	30.0	0.0	0.0
Non-Current Liabilities	293.8	179.2	141.4	134.1	127.2
Bonds	176.7	117.8	107.8	97.8	87.8
LT Borrowings(incl. LT Fin. Liab.)	90.3	35.9	5.9	5.9	5.9
Other Financial Institutions Liab.	0.0	0.0	0.0	0.0	0.0
Shareholders' Equity	748.4	802.7	854.8	987.9	1,160.4
Capital Stock	40.7	40.7	40.7	40.7	40.7
Capital Surplus	130.9	130.6	130.6	130.6	130.6
Other Reserves	(98.8)	(84.6)	(84.6)	(84.6)	(84.6)
Accu. Other Comp. Income	(2.0)	(0.8)	(0.8)	(8.0)	(8.0)
Retained Earnings	677.7	716.8	768.9	902.0	1,074.5
Owners of Parent Equity	748.4	802.7	854.8	987.9	1,160.4
Non-Controlling Interests Equity	0.0	0.0	0.0	0.0	0.0
*Total Debt	542.0	592.2	359.3	312.9	266.8
*Net Debts(Cash)	468.3	472.7	282.4	196.5	76.8

Profit and Loss

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Year to Dec. (W bn)	2011	2012	2013F	2014F	2015F
Sales	1,709.9	1,806.8	1,959.9	2,154.7	2,370.5
Growth (%)	13.9	5.7	8.5	9.9	10.0
COGS	552.0	605.4	674.4	757.2	842.3
Gross Profit	1,157.9	1,201.4	1,285.5	1,397.5	1,528.3
Gross margin (%)	67.7	66.5	65.6	64.9	64.5
SG&A	914.5	989.0	984.6	1,040.0	1,099.9
Operating Income	243.3	212.5	300.9	357.5	428.4
Growth (%)	(20.7)	(12.7)	41.6	18.8	19.8
Operating margin (%)	14.2	11.8	15.4	16.6	18.1
Other Net Non-Operating Profits	(18.0)	(51.0)	27.5	(13.4)	(8.5)
Financial Income(Expenses)	(23.5)	(58.1)	(20.5)	(12.0)	(7.3)
Net Other Non-Operating Profits	5.5	10.3	47.9	(1.4)	(1.1)
Net Gains in Asso., Subs., and JVs	0.0	(3.2)	0.0	0.0	0.0
Pre-tax Profit from Cont. Op.	225.4	161.5	328.3	344.1	419.9
Income Taxes	48.2	41.7	89.6	91.5	113.0
Profit from Continuing Op.	177.1	119.7	238.8	252.6	306.9
Profit from Discontinued Op.	0.0	0.0	0.0	0.0	0.0
Net Profit	177.1	119.7	238.8	252.6	306.9
Growth (%)	(3.4)	(32.4)	99.4	5.8	21.5
Net Profit margin (%)	10.4	6.6	12.2	11.7	12.9
Net Profit of Parent	177.1	119.7	238.8	252.6	306.9
Net Profit to Non-Controlling	0.0	0.0	0.0	0.0	0.0
Total Comprehensive Income	172.7	118.2	238.8	252.6	306.9
Total Comp. Income of Parent	172.7	118.2	238.8	252.6	306.9
Total Comp. Income to Non-Cont.	0.0	0.0	0.0	0.0	0.0
EBITDA	395.8	384.3	481.2	545.4	624.5
Growth (%)	(11.1)	(2.9)	25.2	13.3	14.5
EBITDA Margin (%)	23.1	21.3	24.6	25.3	26.3

Note: Operating profit is based on 2012 K-IFRS (gross profit - SG&A costs)

Cash Flow

Year to Dec. (W bn)	2011	2012	2013F	2014F	2015F
Operating Cash Flow	317.6	429.1	462.4	550.6	529.7
Net Profit	177.1	119.7	238.8	252.6	306.9
Depreciation	144.9	164.8	173.0	181.7	190.8
Amortization	7.5	7.1	7.3	6.2	5.3
Losses(Gains) on F/X Translation	1.4	0.3	0.0	0.0	0.0
Losses(Gains) on Disp. of Assets	44.1	59.8	0.0	0.0	0.0
Losses(Gains) in Asso, Subs., JVs	0.0	3.2	0.0	0.0	0.0
Chg. in A/L from Op. Activities	(111.5)	(37.7)	22.7	97.7	19.1
(Payments of Income Taxes)	(42.0)	(34.7)	(89.6)	(91.5)	(113.0)
Others	96.1	146.6	110.2	103.9	120.6
Investing Cash Flow	(344.2)	(300.9)	(270.3)	(264.3)	(290.1)
Incr. in Tangible Assets(CAPEX)	(299.4)	(295.0)	(290.7)	(326.2)	(353.5)
Decr. in Tangible Assets	8.9	3.4	80.0	90.0	100.0
Decr.(Incr.) in Intangible Assets	(6.7)	(7.7)	0.0	0.0	0.0
Decr.(Incr.) in Investment Assets	(21.4)	4.3	(31.4)	(20.0)	(20.0)
Others	(25.6)	(5.9)	(28.2)	(8.1)	(16.6)
Free Cash Flow	(35.6)	(77.1)	305.8	141.8	176.5
Financing Cash Flow	35.6	(73.6)	(254.6)	(247.4)	(176.6)
Incr.(Decr.) in Borrowing	213.0	20.9	(232.8)	(46.5)	(46.1)
Decr.(Incr.) of Treasury Stock	73.5	0.0	0.0	0.0	0.0
Dividend	(79.9)	(77.8)	0.0	(186.7)	(119.5)
Others	(171.0)	(16.7)	(21.8)	(14.2)	(11.0)
Other Cash Flows	0.0	0.0	(9.4)	(9.4)	(9.4)
Change of Consolidated Scope	0.0	0.0	0.0	0.0	0.0
Difference by Chg. in F/X Rates	(0.5)	(0.6)	0.0	0.0	0.0
Incr.(Decr.) in Cash	8.5	54.0	(71.9)	29.4	53.6
Beginning Cash	56.4	64.9	118.9	47.0	76.4
Ending Cash	64.9	118.9	47.0	76.4	130.0

Source: Company data, Shinhan Investment Corp, K-IFRS Separate based

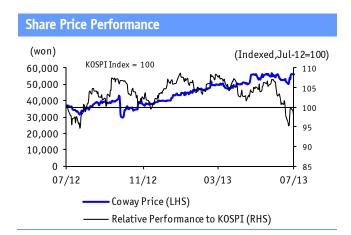
Key Ratios

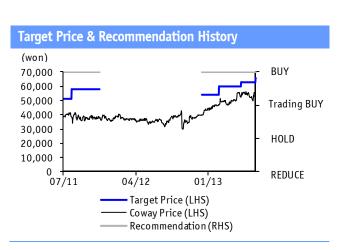
Year to Dec.	2011	2012	2013F	2014F	20155
					2015F
EPS_C (won)	2,296	1,553	3,096	3,275	3,979
EPS_P (won)	2,296	1,553	3,096	3,275	3,979
BPS_C (won)	9,704	10,408	11,083	12,809	15,045
BPS_P (won)	9,704	10,408	11,083	12,809	15,045
DPS (won)	1,050	0	2,500	1,600	1,800
PER_C (x)	15.9	28.0	18.1	17.1	14.0
PER_P (x)	15.9	28.0	18.1	17.1	14.0
PBR_C (x)	3.8	4.2	5.0	4.4	3.7
PBR_P (x)	3.8	4.2	5.0	4.4	3.7
EV/EBITDA (x)	8.3	10.0	9.5	8.3	7.0
EV/EBIT (x)	13.5	18.0	15.3	12.6	10.2
Dividend Yield (%)	2.9	0.0	4.5	2.9	3.2
Profitability					
EBITTDA Margin (%)	23.1	21.3	24.6	25.3	26.3
OP Margin (%)	14.2	11.8	15.4	16.6	18.1
NP Margin (%)	10.4	6.6	12.2	11.7	12.9
ROA (%)	12.1	7.3	14.6	15.4	17.2
ROE (%)	24.0	15.4	28.8	27.4	28.6
ROIC (%)	25.8	16.8	22.7	29.3	33.7
Stability					
D/E Ratio (%)	110.6	112.0	84.7	72.2	60.9
Net Debt to Equity (%)	62.6	58.9	33.0	19.9	6.6
Cash Ratio (%)	12.1	16.5	8.1	13.2	22.4
Interest Coverage (x)	9.7	7.4	13.8	25.2	38.8
Activity (%)					
Working Capital Turnover (t)	11.8	7.5	9.9	23.8	33.3
Inventory Turnover (d)	15.6	11.5	8.0	8.0	8.0
Receivable Turnover (d)	47.4	52.4	52.0	47.9	44.3

Source: Company data, Shinhan Investment Corp, K-IFRS Separate based



Coway Daily News





SHIC Rating Classifications: BUY; Over +15%, Trading BUY; O to 15%, HOLD; -15% to 0, REDUCE; -15% or More (As of 25 Jul. 2011)

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