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# Company Update



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## AT A GLANCE

SELL HOLD **BUY**

**Target price** KRW115,000 (14.4%)

**Current price** KRW100,500

Market cap	KRW7.6t/USD6.7b
Shares (float)	75,608,764 (64.7%)
52-week high/low	KRW113,000/KRW81,300
Avg daily trading value (60-day)	KRW13.5b/ USD11.8m

## ONE-YEAR PERFORMANCE

	1M	6M	12M
Coway (%)	8.6	8.9	4.0
Vs Kospi (%pts)	6.6	-0.3	-5.6

## KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	115,000	110,000	4.5%
2017E EPS	5,010	4,887	2.5%
2018E EPS	5,571	5,414	2.9%

## SAMSUNG vs THE STREET

No of estimates	11
Target price	112,300
Recommendation	3.7

BUY★★★: 5 / BUY: 4 / HOLD: 3 / SELL: 2 / SELL★★★: 1

## Coway (021240)

### Non-core operations behind 1Q beat

- Coway on Apr 28 reported that its sales and operating profit both fell by 2% y-y in 1Q, with the former missing our estimate by 3% as the latter beat it by 8%. The firm also said it will also cancel treasury shares equal to 1% of those outstanding and pay a quarterly dividend of KRW800/share.
- Lingering negatives from a nickel scandal, along with end-2016 promotions, had few anticipating a solid quarterly performance, but improved earnings and cost cutting at non-core businesses paid off and helped the firm's profitability return to pre-scandal levels.
- We revise up our 2017 EPS forecast on Coway by 3% and target price by 4.5% to KRW115,000 to reflect the 1Q surprise and treasury stock cancellation, with our BUY rating unchanged as it has limited share-price downside at current levels.

### WHAT'S THE STORY?

**1Q review:** Coway on Apr 28 reported that its sales and operating profit each fell by 2% y-y in 1Q, with the: 1) former coming in at KRW610.2b to miss forecasts by 3%; and 2) latter hitting KRW120.9b, which beat our estimate and the consensus by a respective 8% and 12%. Most market watchers had expected the firm to be hit by ARPU declines—from free rentals extended to users of nickel-tainted water purifiers along with end-2016 promotions—but a focus on overseas and cosmetics business sales and profitability growth offset troubles at the domestic rental business, with its gross margin up y-y for the first time in five quarters, thanks in part to tighter advertising cost controls

- Coway's rental service sales (65-70% of the total) fell by 4% y-y in 1Q, with 2% of this decline owing to the firm offering 3-6 months of free rental to subscribers who: 1) had used nickel-tainted water purifiers; or 2) signed up over Oct-Nov 2016. The company's cancellation rate hit 1.2%, and despite improving from the 3Q16 figure of 1.52%, it still exceeded the quarterly average of 1%, showing that sentiment has yet to normalize. The firm continues to add rental-sales subscribers, despite base from growth of 6% y-y in 4Q16, with the promotional activities pointing to a solid 2Q performance.

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### SUMMARY OF 1Q RESULTS

(KRWb)	1Q17	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	610.2	(2.2)	(0.6)	(2.5)	(2.8)
Operating profit	120.9	(2.2)	25.4	7.6	11.8
Pre-tax profit	100.6	(19.7)	(2.5)	(6.9)	(4.7)
Net profit	75.4	(20.8)	(2.9)	(7.2)	(7.0)
<b>Margins (%)</b>					
Operating profit	19.8				
Pre-tax profit	16.5				
Net profit	12.4				

Source: Company data, Samsung Securities estimates

### VALUATION SUMMARY

	2016	2017E	2018E
<b>Multiples (x)</b>			
P/E	32.1	20.1	18.0
P/B	6.5	5.6	5.0
EV/EBITDA	11.3	10.1	9.3
Div yield (%)	3.2	3.5	4.0
EPS growth (% y-y)	(30.2)	59.9	11.2
ROE (%)	20.1	30.6	30.1
<b>Per-share data (KRW)</b>			
EPS	3,134	5,010	5,571
BVPS	15,496	17,808	20,101
DPS	3,200	3,500	4,000

- The overseas sales (15-20% of sales) of Coway rose 20% y-y in 1Q for a sixth quarter running of increases, backed by a 49% y-y hike in sales by its Malaysian subsidiary. Meanwhile, the company is unlikely to offer a blueprint for its China operations before end-2Q.

**Still a BUY with KRW115,000 target:** We raise our 2017 EPS forecast on Coway by 3%, as it: 1) should enjoy additional improvements in non-core business profitability; and 2) will cancel treasury shares equal to 1% of those outstanding. We also revise up our 12-month target price by 4.5% to KRW115,000, which is based on a DCF valuation—assumes a WACC of 7.1% and terminal growth rate of 2%—and equates to 23x 2017 P/E. The latter is a 15% premium to the firm's five-year average P/E, given its aggressive shareholder-return policy since 2014, with our new target offering 14% upside. Our BUY rating is unchanged with the firm set to benefit from base effect this quarter related with last year's nickel scandal.

## Results and forecasts

	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17E	3Q17E	4Q17E	2016	2017E	2018E	2019E
<b>Summary (KRWb)</b>												
Sales	623.7	555.0	583.5	614.1	610.2	642.8	655.6	678.4	2,376.3	2,587.1	2,801.7	3,020.6
Gross profit	416.6	355.9	391.0	400.6	417.1	440.4	461.3	458.5	1,564.2	1,777.3	1,924.7	2,075.1
Operating profit	123.6	11.8	107.0	96.4	120.9	126.7	141.4	133.7	463.8	522.8	578.4	629.1
Pre-tax profit	125.3	5.2	90.0	103.2	100.6	130.1	144.8	137.1	323.8	512.7	568.8	619.7
Net profit	95.2	2.8	67.7	77.7	75.4	97.8	108.8	103.1	243.3	384.5	426.6	464.8
<b>Margins (%)</b>												
Gross profit	66.8	64.1	67.0	65.2	68.4	68.5	70.4	67.6	65.8	68.7	68.7	68.7
Operating profit	19.8	2.1	18.3	15.7	19.8	19.7	21.6	19.7	19.5	20.2	20.6	20.8
Pre-tax profit	20.1	0.9	15.4	16.8	16.5	20.2	22.1	20.2	13.6	19.8	20.3	20.5
Net profit	15.3	0.5	11.6	12.6	12.4	15.2	16.6	15.2	10.2	14.9	15.2	15.4
<b>Chg (% y-y)</b>												
Sales	13.8	(0.1)	0.5	(2.7)	(2.2)	15.8	12.4	10.5	2.6	8.9	8.3	7.8
Gross profit	11.7	(7.5)	(2.8)	(6.0)	0.1	23.7	18.0	14.5	(1.4)	13.6	8.3	7.8
Operating profit	23.2	(89.3)	(13.7)	(25.0)	(2.2)	971.1	32.2	38.7	0.1	12.7	10.6	8.8
Pre-tax profit	23.9	(95.2)	(26.0)	(15.9)	(19.7)	2,386.8	60.8	32.9	(28.8)	58.4	10.9	9.0
Net profit	22.7	(96.6)	(26.7)	(14.2)	(20.8)	3,425.8	60.8	32.7	(29.1)	58.0	10.9	9.0
<b>Chg (% q-q)</b>												
Sales	(1.2)	(11.0)	5.1	5.2	(0.6)	5.3	2.0	3.5				
Gross profit	(2.3)	(14.6)	9.9	2.4	4.1	5.6	4.8	(0.6)				
Operating profit	(3.9)	(90.4)	804.2	(9.9)	25.4	4.8	11.6	(5.4)				
Pre-tax profit	2.1	(95.8)	1,620.4	14.6	(2.5)	29.3	11.3	(5.3)				
Net profit	5.2	(97.1)	2,339.7	14.7	(2.9)	29.7	11.3	(5.3)				
<b>Sales breakdown</b>												
Household electronics	495.0	509.3	479.2	477.9	479.1	508.3	511.3	517.2	1,961.3	2,016.0	2,124.2	2,229.2
Outright sales	50.4	54.1	42.6	48.7	45.9	51.4	49.0	46.4	195.7	192.7	216.8	243.0
Rental	380.1	384.1	367.5	360.9	369.5	387.9	393.2	405.1	1,492.6	1,555.7	1,634.3	1,707.1
Membership	43.0	42.5	42.1	40.0	37.8	40.4	40.0	37.6	167.5	155.8	155.8	155.8
Financial lease	21.5	28.6	27.0	28.4	25.9	28.6	29.1	28.2	105.4	111.8	117.4	123.2
Exports	56.7	59.8	48.1	52.3	68.0	71.8	67.4	70.7	217.0	277.7	333.3	399.9
Cosmetics	20.1	17.3	18.1	18.7	20.9	18.2	19.1	19.8	74.2	77.9	81.8	85.9
Other (water treatment)	5.8	(63.4)	5.1	4.5	3.9	4.5	5.1	0.5	(48.0)	14.0	14.0	14.0
Consolidated other	46.1	32.1	33.0	60.7	38.3	40.1	52.8	70.3	171.8	201.4	248.3	291.5
<b>Chg (% y-y)</b>												
Household electronics	12.7	11.2	(0.4)	(5.2)	(3.2)	(0.2)	6.7	8.2	4.2	2.8	5.4	4.9
Outright sales	68.1	30.6	(6.6)	(10.3)	(8.9)	(5.0)	15.0	(4.6)	14.3	(1.6)	12.5	12.1
Rental	4.6	3.5	(2.4)	(5.1)	(2.8)	1.0	7.0	12.2	0.1	4.2	5.0	4.5
Membership	(6.7)	(6.4)	(5.4)	(8.6)	(11.9)	(5.0)	(5.0)	(6.0)	(6.8)	(7.0)	0.0	0.0
Financial lease			81.9	8.8	20.5	0.0	8.0	(0.8)		6.0	5.0	5.0
Exports	71.8	53.3	34.4	26.3	19.8	20.0	40.0	35.0	45.4	28.0	20.0	20.0
Cosmetics	(13.1)	(17.9)	(2.5)	(7.8)	4.0	5.0	5.0	6.1	(10.7)	5.0	5.0	5.0
Other (water treatment)	(45.3)	(771.3)	(48.4)	(72.0)	(33.2)	(107.1)	0.0	(89.4)	(204.0)	(129.2)	0.0	0.0
Consolidated other	9.4	15.1	(4.9)	23.1	(16.9)	25.0	60.0	15.8	(11.8)	17.2	23.3	17.4
<b>Portion of total sales (%)</b>												
Household electronics	79.4	91.8	82.1	77.8	78.5	79.1	78.0	76.2	82.5	77.9	75.8	73.8
Outright sales	8.1	9.7	7.3	7.9	7.5	8.0	7.5	6.8	8.2	7.4	7.7	8.0
Rental	60.9	69.2	63.0	58.8	60.6	60.3	60.0	59.7	62.8	60.1	58.3	56.5
Membership	6.9	7.7	7.2	6.5	6.2	6.3	6.1	5.5	7.0	6.0	5.6	5.2
Financial lease	3.4	5.2	4.6	4.6	4.2	4.5	4.4	4.2	4.4	4.3	4.2	4.1
Exports	9.1	10.8	8.2	8.5	11.1	11.2	10.3	10.4	9.1	10.7	11.9	13.2
Cosmetics	3.2	3.1	3.1	3.0	3.4	2.8	2.9	2.9	3.1	3.0	2.9	2.8
Other (water treatment)	0.9	(11.4)	0.9	0.7	0.6	0.7	0.8	0.1	(2.0)	0.5	0.5	0.5
Consolidated other	7.4	5.8	5.7	9.9	6.3	6.2	8.0	10.4	7.2	7.8	8.9	9.7

Source: Company data, Samsung Securities estimates

## Accounts overview

('000)	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17
<b>Accounts</b>									
Total	5,661	5,714	5,730	5,771	5,794	5,846	5,732	5,704	5,713
Chg (% y-y)	3.5	3.2	2.8	2.8	2.4	2.3	0.0	(1.2)	(1.4)
Rental	4,666	4,747	4,780	4,832	4,861	4,921	4,823	4,849	4,875
Chg (% y-y)	4.7	5.8	5.3	5.0	4.2	3.7	0.9	0.4	0.3
Membership	994	967	950	939	933	924	908	854	838
Chg (% y-y)	(2.0)	(8.1)	(8.1)	(7.6)	(6.2)	(4.4)	(4.5)	(9.0)	(10.2)
Rental cancellations	134	143	151	138	146	148	224	183	174
Monthly churn (%)	3.2	2.7	16.2	6.9	9.1	4.0	47.8	32.1	19.5
Rental account additions	341	371	338	359	351	385	285	381	350
Chg (% y-y)	7.5	(0.1)	8.7	8.4	2.9	3.7	(15.6)	5.8	(0.3)
Outright sales account additions	40	60	63	63	66	68	54	57	55
Chg (% y-y)	0.1	1.3	21.5	95.9	67.2	12.2	(14.8)	(8.9)	(17.6)

Source: Company data, Samsung Securities estimates

## Full-year forecast revisions

(KRWb)	2016	New		Old		Chg (%)	
		2017E	2018E	2017E	2018E	2017E	2018E
Sales	2,376	2,587	2,802	2,590	2,796	(0.1)	0.2
Operating profit	464	523	578	510	562	2.6	2.9
Pre-tax profit	324	513	569	492	546	4.1	4.2
Net profit	243	385	427	369	409	4.1	4.2
EBITDA	697	764	825	774	857	(1.2)	(3.7)
EPS (KRW)	3,134	5,010	5,571	4,887	5,414	2.5	2.9

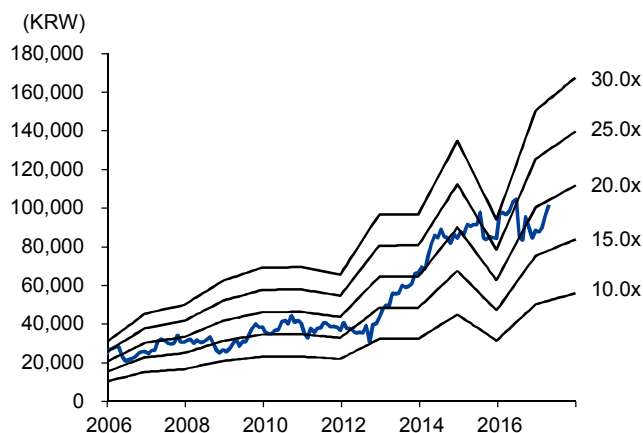
Source: Company data, Samsung Securities estimates

## Valuation summary

Year-end	Sales	Operating profit	Pre-tax profit	Net profit	EPS	Chg	P/E	P/B	ROE	EV/EBITDA	Net debt
Dec 31	(KRWb)	(KRWb)	(KRWb)	(KRWb)	(KRW)	(% y-y)	(x)	(x)	(%)	(x)	(KRWb)
2014	2,160	364	332	250	3,225	0.1	31.2	7.8	25.2	13.6	12
2015	2,315	463	454	343	4,492	39.3	22.4	6.5	30.1	11.4	(38)
2016	2,376	464	324	243	3,134	(30.2)	32.1	6.5	20.1	11.3	210
2017E	2,587	523	513	385	5,010	59.9	20.1	5.6	30.6	10.1	178
2018E	2,802	578	569	427	5,571	11.2	18.0	5.0	30.1	9.3	117
2019E	3,021	629	620	465	6,080	9.1	16.5	4.5	29.2	8.4	31

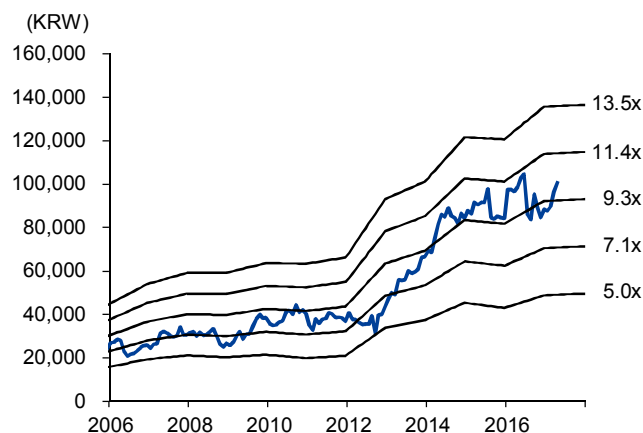
Source: Company data, Samsung Securities estimates

## Forward P/E



Source: Company data, Samsung Securities estimates

## Forward EV/EBITDA



Source: Company data, Samsung Securities estimates

## DCF valuation

(KRWb)	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
<b>EBIT</b>	<b>523</b>	<b>578</b>	<b>629</b>	<b>689</b>	<b>757</b>	<b>794</b>	<b>834</b>	<b>876</b>	<b>920</b>	<b>966</b>	<b>1,014</b>
Tax	154	169	184	201	221	232	243	256	268	282	296
Capex	341	341	341	341	341	348	355	362	369	377	384
Change in working capital	18	38	37	41	44	45	46	47	48	49	50
Depreciation	233	238	261	279	292	298	304	310	316	322	329
Amortization	8	8	8	8	8	8	9	9	9	9	9
<b>Free cash flow</b>	<b>250</b>	<b>277</b>	<b>336</b>	<b>394</b>	<b>450</b>	<b>475</b>	<b>501</b>	<b>529</b>	<b>558</b>	<b>589</b>	<b>621</b>
<b>Terminal value</b>	<b>11,773</b>										
Terminal growth (%)	2.0										
NPV of FCF	2,895										
<b>Present value of terminal value</b>	<b>5,927</b>										
<b>Enterprise value</b>	<b>8,822</b>										
Equity value (adjusted)**	8,487										
Shares outstanding	74,818										
<b>Fair value per share (KRW)</b>	<b>113,435</b>										
Current share price (KRW)*	100,500										
Upside (%)	12.9%										

Note: \* As of Apr 28 close; \*\* reflects a one-month adjustment to end-2016 discount rate

Source: Company data, Samsung Securities estimates

## Income statement

Year-end Dec 31(KRWb)	2015	2016	2017E	2018E	2019E
<b>Sales</b>	<b>2,315</b>	<b>2,376</b>	<b>2,587</b>	<b>2,802</b>	<b>3,021</b>
Cost of goods sold	729	812	810	877	945
<b>Gross profit</b>	<b>1,586</b>	<b>1,564</b>	<b>1,777</b>	<b>1,925</b>	<b>2,075</b>
Gross margin (%)	68.5	65.8	68.7	68.7	68.7
SG&A expenses	1,123	1,225	1,255	1,346	1,446
<b>Operating profit</b>	<b>463</b>	<b>464</b>	<b>523</b>	<b>578</b>	<b>629</b>
Operating margin (%)	20.0	19.5	20.2	20.6	20.8
<b>Non-operating gains (losses)</b>	<b>(9)</b>	<b>(140)</b>	<b>(10)</b>	<b>(10)</b>	<b>(9)</b>
Financial profit	1	1	1	2	3
Financial costs	4	6	10	10	10
Equity-method gains (losses)	0	0	0	0	0
Other	(6)	(135)	(2)	(2)	(2)
<b>Pre-tax profit</b>	<b>454</b>	<b>324</b>	<b>513</b>	<b>569</b>	<b>620</b>
Taxes	111	80	128	142	155
Effective tax rate (%)	24.5	24.8	25.0	25.0	25.0
Profit from continuing operations	343	243	385	427	465
Profit from discontinued operations	0	0	0	0	0
<b>Net profit</b>	<b>343</b>	<b>243</b>	<b>385</b>	<b>427</b>	<b>465</b>
Net margin (%)	14.8	10.2	14.9	15.2	15.4
Net profit (controlling interests)	343	244	385	427	465
Net profit (non-controlling interests)	(0)	(0)	0	0	0
EBITDA	691	697	764	825	898
EBITDA margin (%)	29.8	29.3	29.5	29.4	29.7
EPS (parent-based) (KRW)	4,449	3,167	5,127	5,688	6,198
EPS (consolidated) (KRW)	4,449	3,163	5,127	5,688	6,198
Adjusted EPS (KRW)*	4,492	3,134	5,010	5,571	6,080

## Cash flow statement

Year-end Dec 31(KRWb)	2015	2016	2017E	2018E	2019E
<b>Cash flow from operations</b>	<b>513</b>	<b>358</b>	<b>609</b>	<b>657</b>	<b>718</b>
Net profit	343	243	385	427	465
Non-cash profit and expenses	231	155	255	261	284
Depreciation	220	225	233	238	261
Amortization	8	8	8	8	8
Other	3	(78)	13	14	15
Changes in A/L from operating activities	(61)	(41)	(30)	(30)	(31)
<b>Cash flow from investments</b>	<b>(329)</b>	<b>(367)</b>	<b>(341)</b>	<b>(341)</b>	<b>(341)</b>
Change in tangible assets	(317)	(313)	(341)	(341)	(341)
Change in financial assets	4	(35)	0	0	0
Other	(16)	(19)	0	0	0
<b>Cash flow from financing</b>	<b>(213)</b>	<b>(40)</b>	<b>(248)</b>	<b>(246)</b>	<b>(267)</b>
Change in debt	(77)	264	(12)	9	24
Change in equity	0	0	(1)	0	0
Dividends	(148)	(208)	(235)	(255)	(291)
Other	12	(96)	0	0	0
Change in cash	(31)	(50)	20	70	110
Cash at beginning of year	147	116	66	86	156
Cash at end of year	116	66	86	156	266
<b>Gross cash flow</b>	<b>574</b>	<b>399</b>	<b>639</b>	<b>687</b>	<b>749</b>
<b>Free cash flow</b>	<b>182</b>	<b>111</b>	<b>261</b>	<b>307</b>	<b>367</b>

Note: \* Excluding one off items, \*\* Fully diluted, excluding one-off items

\*\*\* From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

## Balance sheet

Year-end Dec 31(KRWb)	2015	2016	2017E	2018E	2019E
<b>Current assets</b>	<b>653</b>	<b>733</b>	<b>796</b>	<b>909</b>	<b>1,062</b>
Cash & equivalents	116	66	86	156	266
Accounts receivable	283	323	352	381	411
Inventories	70	70	76	83	89
Other current assets	184	274	282	290	296
<b>Fixed assets</b>	<b>1,122</b>	<b>1,235</b>	<b>1,313</b>	<b>1,386</b>	<b>1,437</b>
Investment assets	74	86	86	86	86
Tangible assets	700	669	748	821	871
Intangible assets	169	183	183	183	183
Other long-term assets	179	296	296	296	296
<b>Total assets</b>	<b>1,775</b>	<b>1,968</b>	<b>2,109</b>	<b>2,295</b>	<b>2,499</b>
<b>Current liabilities</b>	<b>473</b>	<b>735</b>	<b>728</b>	<b>743</b>	<b>773</b>
Accounts payable	60	59	64	69	75
Short-term debt	8	34	32	33	36
Other current liabilities	405	643	632	640	662
<b>Long-term liabilities</b>	<b>64</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>49</b>
Bonds & long-term debt	8	12	12	12	12
Other long-term liabilities	56	37	37	37	37
<b>Total liabilities</b>	<b>537</b>	<b>784</b>	<b>777</b>	<b>792</b>	<b>822</b>
<b>Owners of parent equity</b>	<b>1,237</b>	<b>1,183</b>	<b>1,332</b>	<b>1,503</b>	<b>1,677</b>
Capital stock	41	41	40	40	40
Capital surplus	127	127	127	127	127
Retained earnings	1,177	1,180	1,330	1,501	1,675
Other	(108)	(165)	(165)	(165)	(165)
<b>Non-controlling interests' equity</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Total equity</b>	<b>1,238</b>	<b>1,183</b>	<b>1,332</b>	<b>1,504</b>	<b>1,677</b>
Net debt	(38)	210	178	117	31

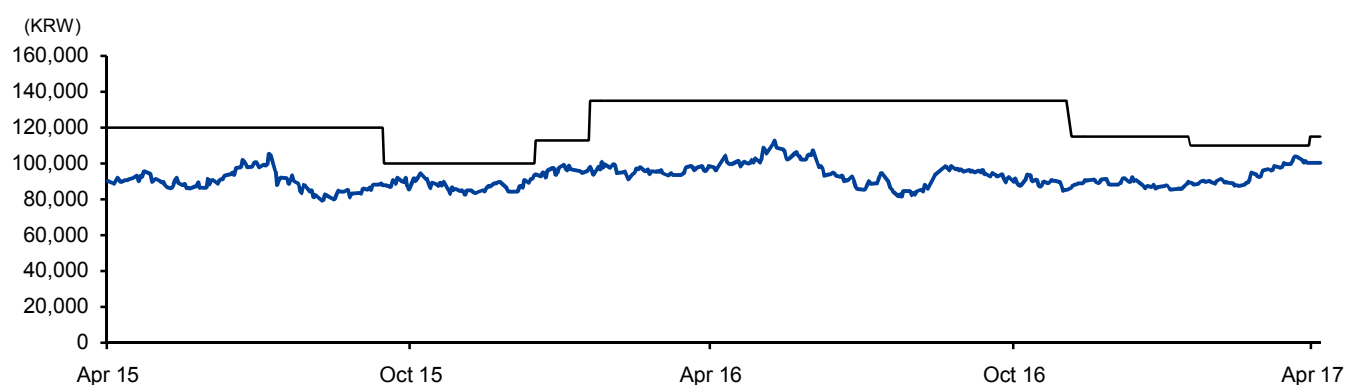
## Financial ratios

Year-end Dec 31	2015	2016	2017E	2018E	2019E
<b>Growth (%)</b>					
Sales	7.2	2.6	8.9	8.3	7.8
Operating profit	27.1	0.1	12.7	10.6	8.8
Net profit	14.8	10.2	14.9	15.2	15.4
Adjusted EPS**	39.3	(30.2)	59.9	11.2	9.1
<b>Per-share data (KRW)</b>					
EPS (parent-based)	4,449	3,167	5,127	5,688	6,198
EPS (consolidated)	4,449	3,163	5,127	5,688	6,198
Adjusted EPS**	4,492	3,134	5,010	5,571	6,080
BVPS	15,465	15,496	17,808	20,101	22,418
DPS (common)	2,800	3,200	3,500	4,000	4,300
<b>Valuations (x)</b>					
P/E***	22.4	32.1	20.1	18.0	16.5
P/B***	6.5	6.5	5.6	5.0	4.5
EV/EBITDA	11.4	11.3	10.1	9.3	8.4
<b>Ratios (%)</b>					
ROE	30.1	20.1	30.6	30.1	29.2
ROA	20.2	13.0	18.9	19.4	19.4
ROIC	31.1	19.1	27.0	27.7	28.3
Payout ratio	60.6	96.4	66.3	68.3	67.4
Dividend yield (common)	2.8	3.2	3.5	4.0	4.3
Net debt to equity	(3.0)	17.8	13.3	7.8	1.9
Interest coverage (x)	106.8	76.0	54.5	60.6	62.8

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## Target price changes in past two years



## Rating changes in past two years

Date	2015/5/2	10/15	2016/1/15	2/17	12/4	2017/2/15	4/29
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	120,000	100,000	113,000	135,000	115,000	110,000	115,000

Samsung Securities uses the following investment ratings.

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<b>BUY</b>	Expected to increase in value by 10% or more within 12 months and is highly attractive within sector
<b>HOLD</b>	Expected to increase/decrease in value by less than 10% within 12 months
<b>SELL</b>	Expected to decrease in value by 10% or more within 12 months

### Industry

<b>OVERWEIGHT</b>	Expected to outperform market by 5% or more within 12 months
<b>NEUTRAL</b>	Expected to outperform/underperform market by less than 5% within 12 months
<b>UNDERWEIGHT</b>	Expected to underperform market by 5% or more within 12 months

### Percentage of ratings in 12 months prior to Mar 31, 2017

BUY (82%) | HOLD (18%) | SELL (0%)

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