

Coway (021240 KS)

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Rating **BUY**
maintain

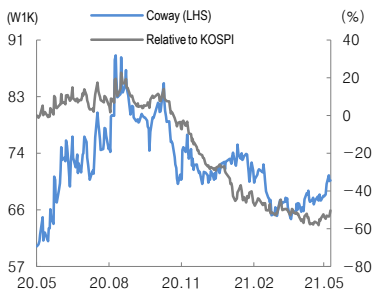
6M TP (₩) **94,000**
maintain

CP (₩)
(21.05.12) **69,900**

Consumer durables

KOSPI	3161.66
Market cap (₩bn)	5,159
Market cap portion (%)	0.23
Paid-in capital (common; ₩bn)	41
52w high/low (₩)	88,700 / 60,800
120d avg. trading volume (₩bn)	19.4
Foreign ownership (%)	58.06
Major shareholders	NetMarble+6: 25.11% NPS: 7.27%

(%)	1M	3M	6M	12M
Abs. return	2.8	-2.4	-5.7	14.8
Rel. return	1.9	-4.3	-26.1	-30.2



Upbeat Malaysia earnings a boon for undervalued stock

BUY; 6M TP maintained at ₩94,000

- We continue to rate the rental company a BUY and keep our target price at ₩94,000.
- Contrary to muted expectations based on the conservative full-year earnings guidance (revenue up 8.1%; OP up 0.6%) Coway presented early this year, its Malaysia operations did well in 1Q21, which should help to correct the stock's undervaluation to an extent. Shares in Coway are currently trading at a forward P/E ratio of 10.2, which doesn't look pricey compared to its average multiple during 2018-2019 of about 18.
- But for the stock to climb out of undervaluation territory completely, the company will need to strengthen its competitiveness in the domestic market, in our view. But that's probably easier said than done since it has been doing poorly in terms of domestic market share (down an estimated 3.6%p in 2020 based on total account base of top seven players). It has been adding net new accounts at a slower pace (63.4 million at end-2020 to 6.36 million at end-1Q21) than peers (2.62 million to 2.70 million for LG Electronics) as well. There is also the reduction in dividends to about ₩90.0bn as per the revised shareholder policy, which will inevitably have a depressing effect on its ROE over the next 2-3 years and make it hard to get back to its previous valuation.
- That said, we expect overseas subsidiaries to make a bigger contribution to the company's revenue (33.3% vs. 21.5% in 2019 and 27.7% in 2020) and profit (29.0% vs. 16.1% and 23.2%, respectively). And with the Malaysia business continuing to meaningfully grow its account base (net new accounts up from 78,000 in 2018 to 92,000 in 2019, 101,000 in 2020, and 171,000 in 2021E), it seems like a good time to bargain-hunt the stock.

Malaysia's earnings beat powers companywide earnings in 1Q21

- For 1Q21, Coway reported revenue of ₩879.0bn (up 14.3% yoy) and OP of ₩170.7bn (up 23.0% yoy), exceeding the market's estimates of ₩846.9bn and ₩150.0bn, respectively, by 3.8% and 13.8%.
- Its revenue from Korea inched up 1.7% yoy to ₩538.5bn, in line with our ₩540.0bn estimate. Rental sales fell to 321,000 units in 1Q21 (vs. 378,000 in 1Q20) due to poor sales of air purifiers, which eclipsed a slight increase in water purifier sales. The domestic business added 33,000 net new rental customers in the quarter as its marketing and sales capabilities have yet to be fully restored to pre-labor-strike levels due to tight social distancing rules still in place.
- Revenue and OP from Malaysia came to ₩240.4bn (up 56.8% yoy) and ₩56.1bn (up 122.5% yoy), far higher than our expectations (₩208.0bn and ₩34.0bn, respectively). The bottom line grew at a much faster pace than the top line thanks to a mix of factors such as the operating leverage from sales growth, an increase in income from new rental contracts (change in revenue recognition standards to financial lease), a drop in churn rates, and the collection of delinquencies in 1Q21. Robust sales of new budget water purifiers and an expanded product portfolio (which now includes air purifiers and mattresses) helped to attract an estimated 171,000 net new customers in the quarter.
- Both revenue and OP from the US surged thanks to brisk sales of products whose revenue is recognized as finance lease in the books and solid store sales. The business generated revenue of ₩42.9bn (up 57.9% yoy), with OP margin of 13.2% (up 3.7%p yoy).

Tab 1. 1Q21 earnings results

(Wbn, %)

	1Q20	4Q20	1Q21					2Q21		
			Previous estimate	Result	YoY	QoQ	Consensus	Daishin estimate	YoY	QoQ
Revenue	769	863	846	879	14.3	1.9	847	878	9.0	-0.1
OP	139	130	147	171	23.0	31.6	150	156	-7.7	-8.6
NP	102	67	106	126	23.8	86.5	107	115	-3.5	-8.8

Source: Daishin Securities Research Center

Tab 2. Operating results and major financial data

(Wbn, W, %)

	2019A	2020A	2021F	2022F	2023F
Revenue	3,019	3,237	3,559	3,879	4,195
OP	458	606	652	712	788
Pretax profit	451	540	639	702	776
NP	332	405	479	527	582
NP (controlling int.)	333	405	479	527	583
EPS	4,511	5,486	6,497	7,142	7,895
PER	20.6	13.3	10.8	9.8	8.9
BPS	14,611	20,207	25,525	31,487	38,104
PBR	6.4	3.6	2.7	2.2	1.8
ROE	30.7	31.5	28.4	25.1	22.7

Note: EPS, BPS, and ROE are based only on the controlling interest.

Source: Coway, Daishin Securities Research Center

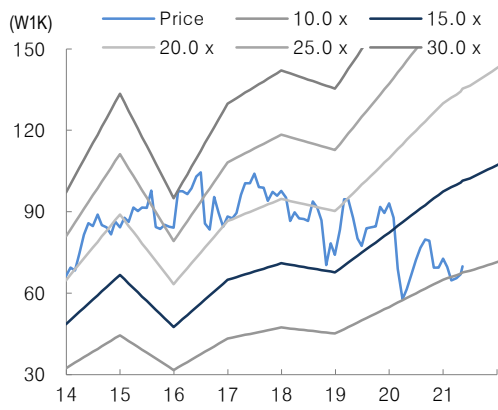
Tab 3. Yearly earnings forecast revision

(Wbn, W, %, %p)

	Previous		Revised		Chg	
	2021F	2022F	2021F	2022F	2021F	2022F
Revenue	3,501	3,836	3,559	3,879	1.7	1.1
OP	610	680	652	712	6.8	4.6
OP margin	17.4	17.7	18.3	18.4		
NP (contr. int.)	440	497	479	527	8.9	6.0
NP margin	12.6	12.9	13.5	13.6		
EPS (contr. int.)	5,967	6,735	6,497	7,142	8.9	6.0

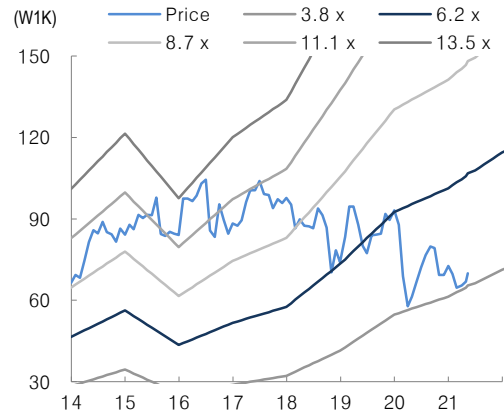
Source: Coway, Daishin Securities Research Center

Fig 1. 12MF P/E ratio band



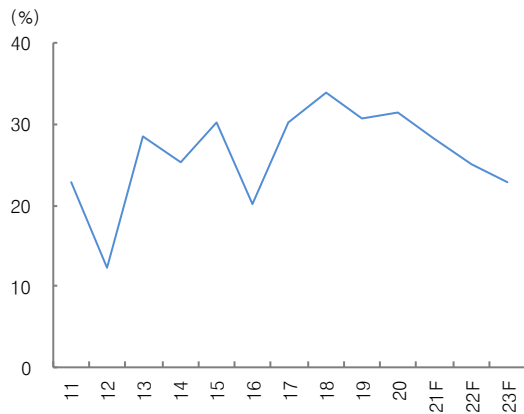
Source: Coway, Daishin Securities Research Center

Fig 2. 12MF EV/EBITDA ratio band



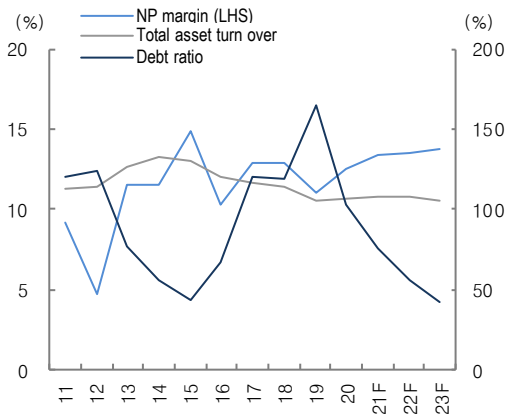
Source: Coway, Daishin Securities Research Center

Fig 3. Coway ROE



Source: Coway, Daishin Securities Research Center

Fig 4. Coway ROE decomposition



Source: Coway, Daishin Securities Research Center

Tab 4. Consolidated earnings forecast

(Wbn, %)

	1Q20	2Q20	3Q20	4Q20	1Q21P	2Q21F	3Q21F	4Q21F	2019	2020	2021F	2022F
Consolidated revenue	769	806	800	862.6	879	878	888	914	3,019	3,237	3,559	3,879
Standalone revenue	629	655	641	667	675	686	682	697	2,531	2,593	2,740	2,887
Malaysia	153	156	179	220	240	229	246	262	526	709	978	1,202
US	27	32	52	41	43	37	39	41	97	152	160	201
Other subsidiaries	23	17	16	24	21	22	22	22	105	79	85	85
YoY												
Consolidated revenue	8.4	6.6	5.4	8.6	14.3	9.0	10.9	6.0	11.5	7.2	9.9	9.0
Standalone revenue	3.6	3.2	-1.5	4.5	7.4	4.6	6.4	4.5	5.7	2.4	5.7	5.4
Malaysia	36.3	22.2	33.8	44.5	56.8	47.0	37.8	19.0	48.9	34.6	38.1	22.9
US	29.9	35.8	130.7	36.5	57.9	14.3	-23.8	-1.1	20.9	56.6	5.0	25.6
Revenue share												
Consolidated revenue	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Standalone revenue	81.7	81.4	80.1	77.3	76.8	78.1	76.9	76.3	83.8	80.1	77.0	74.4
Malaysia	19.9	19.4	22.3	25.6	27.3	26.1	27.7	28.7	17.4	21.9	27.5	31.0
US	3.5	4.0	6.5	4.8	4.9	4.2	4.4	4.5	3.2	4.7	4.5	5.2
Consolidated OP	139	169	169	129.8	171	156	160	165	458	606	651	712
Standalone OP	116	136	125	79	115	116	115	118	395	456	464	491
Malaysia	25	23	30	52	56	42	46	49	76	130	193	224
US	3	5	12	1	6	3	3	3	3	20	15	16
Other subsidiaries	-1	-2	-4	-3	-6	-5	-5	-5	-3	-10	-17	-16
YoY												
Consolidated OP	2.7	22.4	20.2	190.9	23.0	-7.7	-5.2	26.9	-11.8	32.3	7.4	9.3
Standalone OP	-5.5	22.8	-10.2	252.7	-0.8	-14.8	-7.7	49.3	-17.3	15.4	1.8	6.0
Malaysia	32.0	5.5	108.8	156.0	122.5	82.0	56.5	-6.7	21.5	72.2	48.5	16.0
US	238.5	1,126.1	TTB	-82.3	120.6	-40.1	-73.2	555.1	1.4	503.2	-23.9	6.7
OP margin												
Consolidated OP	18.1	21.0	21.1	15.0	19.4	17.8	18.0	18.0	15.2	18.7	18.3	18.4
Standalone OP	18.4	20.7	19.5	11.8	17.0	16.9	16.9	16.9	15.6	17.6	16.9	17.0
Malaysia	16.4	14.9	16.6	23.6	23.3	18.5	18.8	18.5	14.4	18.4	19.8	18.7
US	9.5	15.4	22.7	1.3	13.2	8.0	8.0	8.0	3.4	13.0	9.4	8.0
OP share												
Consolidated OP	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Standalone OP	83.3	80.4	74.1	60.8	67.2	74.2	72.2	71.6	86.1	75.1	71.2	69.0
Malaysia	18.1	13.8	17.6	40.1	32.9	27.1	29.0	29.5	16.5	21.5	29.7	31.5
US	1.9	2.9	7.0	0.4	3.3	1.9	2.0	2.0	0.7	3.3	2.3	2.3
GP	522	555	536	581	580	597	595	605	2,009	2,193	2,377	2,587
Yoy	9.5	9.6	5.4	12.4	11.2	7.6	10.9	4.2	9.8	9.2	8.4	8.8
GP margin	67.8	68.9	67.0	67.3	66.0	68.0	67.0	66.2	66.5	67.8	66.8	66.7
yoy(%p)	0.7	1.8	0.0	2.3	-1.9	-0.9	0.0	-1.1	-1.0	1.2	-1.0	-0.1
SG&A expense	383	386	368	451	409	441	435	440	1,550	1,587	1,725	1,875
Yoy	12.2	4.7	-0.3	-4.5	6.8	14.3	18.3	-2.3	18.4	2.4	8.7	8.7
SG&A expense ratio	49.8	47.9	45.9	52.3	46.5	50.2	49.0	48.2	51.4	49.0	48.5	48.3
yoy(%p)	1.7	-0.9	-2.6	-7.1	-3.3	2.3	3.1	-4.1	3.0	-2.3	-0.6	-0.1
Loss on rental assets	23.6	20.7	17.0	16.3	13.8	15.7	15.3	14.9	51.2	77.6	59.7	60.8
EBITDA	276	303	305	266	312	297	301	306	973	1,150	1,216	1,314
yoy	33.7	43.0	39.8	-21.1	13.1	-2.0	-1.2	15.0	25.5	18.1	5.7	8.1
%EBITDA	35.9	37.7	38.1	30.8	35.5	33.8	33.9	33.4	32.2	35.5	34.2	33.9
NP (contr. int.)	102	119	117	67	126	115	117	121	333	405	479	527
yoy	1.1	16.7	5.5	242.0	23.8	-3.5	0.5	80.0	-4.9	21.6	18.4	9.9
NP margin	13.2	14.8	14.6	7.8	14.3	13.1	13.2	13.3	11.0	12.5	13.5	13.6

Source: Coway, Daishin Securities Research Center

Tab 5. Standalone earnings forecast

(Wbn, %)

	1Q20	2Q20	3Q20	4Q20	1Q21P	2Q21F	3Q21F	4Q21F	2019	2020	2021F	2022F
Standalone revenue	629	655	641	667	675	686	682	697	2,531	2,593	2,740	2,887
Domestic operation	529	553	507	538	539	548	536	547	2,111	2,127	2,170	2,208
Rental (op. lease)	402	405	400	390	394	383	378	378	1,573	1,596	1,533	1,534
Financial lease	69	87	57	91	98	101	106	112	258	304	418	456
Membership	25	26	25	24	24	23	22	21	107	99	91	81
lump sum	31	32	24	28	19	38	28	32	161	114	117	125
Others	3	3	2	5	3	3	3	3	12	14	11	12
Exports	82	85	120	117	125	125	132	138	343	405	520	629
Cosmetics	17	17	14	12	12	12	14	12	76	61	50	50
YoY												
Standalone revenue	3.6	3.2	-1.5	4.5	7.4	4.6	6.4	4.5	5.7	2.4	5.7	5.4
Domestic operation	2.3	3.8	-5.1	2.1	1.7	-0.8	5.7	1.7	4.6	0.8	2.0	1.7
Rental (op. lease)	4.5	3.5	0.9	-2.6	-1.9	-5.5	-5.5	-2.9	2.9	1.5	-4.0	0.1
Financial lease	22.4	28.8	-21.4	47.6	42.2	16.2	85.0	23.9	39.6	17.7	37.3	9.2
Membership	-11.5	-4.0	-8.0	-6.6	-2.3	-11.0	-10.4	-10.7	-11.5	-7.6	-8.6	-11.0
lump sum	-32.3	-26.7	-33.4	-24.7	-39.1	20.0	20.0	15.0	-5.6	-29.3	2.8	6.6
Others	1.7	-9.2	-10.9	77.5	1.9	7.0	5.7	-49.2	-8.6	15.8	-16.8	7.8
Exports	16.7	1.7	22.9	28.0	52.3	47.1	9.9	17.9	13.6	17.8	28.6	20.9
Cosmetics	-8.6	-7.8	-26.3	-38.6	-32.9	-30.0	0.0	0.0	1.1	-20.6	-17.9	0.0
Revenue share												
Standalone revenue	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Domestic operation	84.2	84.4	79.1	80.6	79.8	80.0	78.6	78.4	83.4	82.1	79.2	76.5
Rental (op. lease)	63.9	61.8	62.3	58.4	58.4	55.8	55.3	54.3	74.5	75.0	70.7	69.5
Financial lease	11.0	13.3	8.9	13.6	14.5	14.8	15.5	16.1	12.2	14.3	19.2	20.7
Membership	3.9	4.0	3.8	3.6	3.6	3.4	3.2	3.1	5.1	4.7	4.2	3.7
lump sum	4.9	4.9	3.7	4.1	2.8	5.6	4.2	4.6	7.6	5.4	5.4	5.7
Others	0.5	0.4	0.4	0.8	0.5	0.4	0.4	0.4	0.6	0.6	0.5	0.5
Exports	13.0	13.0	18.8	17.6	18.5	18.3	19.4	19.8	13.6	15.6	19.0	21.8
Cosmetics	2.8	2.6	2.1	1.8	1.7	1.8	2.0	1.8	3.0	2.3	1.8	1.7
Standalone OP	116	136	125	79	115	116	115	118	395	456	464	491
yoy	-5.5	22.8	-10.2	252.7	-0.8	-14.8	-7.7	49.3	-17.3	15.4	1.8	6.0
OP margin	18.4	20.7	19.5	11.8	17.0	16.9	16.9	16.9	15.6	17.6	16.9	17.0

Source: Coway, Daishin Securities Research Center

Tab 6. Domestic customer accounts

(만개, %, Wbn)

	1Q20	2Q20	3Q20	4Q20	1Q21P	2Q21F	3Q21F	4Q21F	2019	2020	2021F	2022F
Total	631	633	631	634	636	638	641	644	628	634	644	655
Rental												
Accounts	574	577	576	581	584	588	593	597	569	581	597	612
Net growth	5.3	3.3	-1.1	4.7	3.3	4.0	5.0	3.3	45.8	12.1	15.7	15.7
Sales	37.8	35.5	28.5	33.6	32.1	35.5	36.6	35.3	157.2	135.3	142.0	145.3
YoY	-7.5	-14.7	-26.6	-6.3	-15.0	-0.1	28.2	5.1	8.4	-13.9	3.0	4.2
Average count	571	576	577	579	583	586	591	595	546	575	589	604
ARPU(month)	27,464	28,511	26,399	27,684	28,174	27,527	27,281	27,502	27,952	27,552	27,613	27,437
Membership												
Accounts	57	56	53	53	52	50	48	47	59	53	47	42
Net growth	-2.2	-1.7	-2.5	-0.4	-1.1	-1.6	-2.4	-0.3	-7.6	-6.8	-5.3	-4.9
Average count	58	56	54	53	52	51	49	47	63	56	50	45
ARPU(month)	14,100	15,316	15,119	15,149	15,423	15,126	15,079	15,069	14,135	14,754	15,121	15,003
Lump-sum payment												
Unit sales (10K)	3.5	3.1	2.4	2.5	1.7	3.1	2.4	2.5	19.4	11.5	9.7	9.7
ARPU (W1K)	885	1,043	972	1,108	1,125	1,251	1,166	1,274	831	994	1,214	1,294

Source: Coway, Daishin Securities Research Center

Tab 7. Malaysia earnings

(Wbn, %, 10 K)

	1Q20	2Q20	3Q20	4Q20	1Q21P	2Q21F	3Q21F	4Q21F	2019	2020	2021F	2022F
Revenue	153	156	179	220	240	229	246	262	526	709	978	1,202
yoy	36.3	22.2	33.8	44.5	56.8	47.0	37.8	19.0	48.9	34.6	38.1	22.9
OP	25	23	30	52	56	42	46	49	76	130	193	224
YoY	32.0	5.5	108.8	156.0	122.5	82.0	56.5	-6.7	21.5	72.2	48.5	16.0
OPM	16.4	14.9	16.6	23.6	23.3	18.5	18.8	18.5	14.4	18.4	19.8	18.7
Accounts	143	152	164	176	193	208	223	236	135	176	236	287
YoY(10K)	37	37	40	40	50	56	59	60	38	40	60	51
YoY(%)	35.1	32.2	31.9	29.7	34.7	36.6	35.7	34.2	38.8	29.7	34.2	21.7
Net growth	7.7	8.9	12.1	11.5	17.1	15.0	15.0	13.0	36.9	40.2	60.1	51.2

Source: Coway, Daishin Securities Research Center

Tab 8. US earnings

(Wbn, %, 10K)

	1Q20	2Q20	3Q20	4Q20	1Q21P	2Q21F	3Q21F	4Q21F	2019	2020	2021F	2022F
Revenue	27	32	52	41	43	37	39	41	97	152	160	201
yoy	29.9	35.8	130.7	36.5	57.9	14.3	-23.8	-1.1	20.9	56.6	5.0	25.6
OP	3	5	12	1	6	3	3	3	3	20	15	16
YoY	238.5	1126.1	TTB	-82.3	120.6	-40.1	-73.2	555.1	1.4	503.2	-23.9	6.7
OPM	9.5	15.4	22.7	1.3	13.2	8.0	8.0	8.0	3.4	13.0	9.4	8.0
Accounts	12.1	12.0	12.2	12.4	12.6	12.8	13.0	13.2	12.0	12.4	13.2	14.0
YoY(10K)	0.6	0.3	0.4	0.4	0.5	0.8	0.8	0.8	0.6	0.4	0.8	0.8
YoY(%)	5.2	2.4	3.2	3.3	4.1	6.7	6.6	6.5	4.7	3.3	6.5	6.1

Source: Coway, Daishin Securities Research Center

Financial statements

Income statement	(Wbn)				
	2019A	2020A	2021F	2022F	2023F
Revenue	3,019	3,237	3,559	3,879	4,195
Cost of goods sold	1,010	1,044	1,183	1,293	1,402
Gross profit	2,009	2,193	2,377	2,587	2,793
SG&A expenses	1,550	1,587	1,725	1,875	2,005
OP	458	606	652	712	788
OP margin	15.2	18.7	18.3	18.4	18.8
EBITDA	973	1,150	1,216	1,314	1,372
Non-OP	-7	-66	-13	-10	-12
Income from affiliates	0	0	0	0	0
Financial revenue	1	1	1	1	1
FX related gains	23	39	12	12	12
Financial expense	-22	-21	-19	-16	-13
FX related losses	0	0	0	0	0
Others	14	-46	5	5	-1
Income before taxes	451	540	639	702	776
Income tax expense	-119	-136	-160	-176	-194
Income from cont. op.	332	405	479	527	582
Income from discount op.	0	0	0	0	0
NP	332	405	479	527	582
NP margin	11.0	12.5	13.5	13.6	13.9
NP for non-contr. interest	-1	0	0	-1	-1
NP for contr. interest	333	405	479	527	583
Valuation of AFS fin. assets	0	0	0	0	0
Other compreh. income	0	-1	0	0	0
Comprehensive income	330	396	479	527	582
Comp. income (non-contr. Int.)	-1	0	0	-1	-1
Comp. income for contr. int.	331	396	479	527	583

Valuation metrics	(W, x, %)				
	2019A	2020A	2021F	2022F	2023F
EPS	4,511	5,486	6,497	7,142	7,895
PER	20.6	13.3	10.8	9.8	8.9
BPS	14,611	20,207	25,525	31,487	38,104
PBR	6.4	3.6	2.7	2.2	1.8
EBITDAPS	13,189	15,579	16,475	17,812	18,597
EV/EBITDA	7.7	5.0	4.3	3.7	3.3
SPS	40,907	43,868	48,231	52,566	56,844
PSR	2.3	1.7	1.4	1.3	1.2
CFPS	17,058	17,896	17,881	19,218	19,936
DPS	2,400	1,200	1,200	1,300	1,500

Financial ratios	(W, x, %)				
	2019A	2020A	2021F	2022F	2023F
Growth potential					
Revenue growth	11.5	7.2	9.9	9.0	8.1
OP growth	-11.8	32.3	7.4	9.3	10.7
NP growth	-5.0	21.8	18.4	9.9	10.6
Profitability					
ROIC	24.8	32.4	34.1	35.5	38.7
ROA	17.5	20.6	20.6	20.6	20.8
ROE	30.7	31.5	28.4	25.1	22.7
Stability					
Debt ratio	165.0	103.3	74.9	55.5	41.7
Net borrowings ratio	59.3	22.1	4.9	-11.3	-24.7
Interest coverage ratio	20.9	28.6	35.1	45.8	62.8

Source: Coway, Daishin Securities Research Center

Balance sheet	(Wbn)				
	2019A	2020A	2021F	2022F	2023F
Current assets	767	897	1,053	1,320	1,689
Cash & cash equiv.	61	116	252	506	836
Trade & other receive.	345	327	333	333	359
Inventories	113	134	147	161	174
Other current assets	248	320	320	320	320
Long-term assets	2,088	2,132	2,239	2,290	2,292
Tangible assets	1,271	1,225	1,294	1,291	1,244
Investments in affiliates	0	0	0	0	0
Other long-term assets	817	907	945	999	1,048
Total assets	2,855	3,029	3,293	3,609	3,981
Current liabilities	1,587	1,417	1,289	1,166	1,050
Payables & other liab.	295	312	308	308	313
Borrowings	861	700	600	500	400
Current portion of LT debts	1	1	0	0	0
Other current liabilities	430	405	381	358	337
Long-term liabilities	191	122	122	122	121
Borrowings	9	9	9	9	9
Convertible securities	0	0	0	0	0
Other long-term liab.	181	112	112	112	112
Total liabilities	1,778	1,539	1,410	1,288	1,172
Controlling interest	1,078	1,491	1,884	2,324	2,812
Capital stock	41	41	41	41	41
Capital surplus	132	148	148	148	148
Retained earnings	954	1,365	1,758	2,198	2,686
Other capital changes	-49	-62	-62	-62	-62
Non-controlling interest	-1	-1	-2	-2	-2
Total shareholder's equity	1,077	1,490	1,882	2,322	2,810
Net borrowings	639	330	92	-262	-694

Cash flow statement	(Wbn)				
	2019A	2020A	2021F	2022F	2023F
Operating cash flows	539	563	690	784	797
NP	332	405	479	527	582
Non-cash items	927	916	841	892	889
Depreciation	515	543	564	603	584
FX gains	-11	22	-1	-1	-1
Equity method gain	0	0	0	0	0
Others	422	351	277	290	305
Chg in assets & liab.	-571	-567	-471	-460	-481
Other cash flows	-148	-191	-158	-174	-193
Investing cash flow	-383	-323	-429	-447	-481
Investment assets	-5	0	3	2	2
Tangible assets	-366	-325	-433	-436	-473
Others	-12	2	1	-14	-9
Financing cash flows	-165	-182	-188	-187	-194
Short-term borrowings	129	-160	-100	-100	-100
Bonds payable	0	0	0	0	0
Long-term borrowings	-1	0	0	0	0
Rights offering	0	0	0	0	0
Cash dividends	-260	0	-87	-87	-94
Others	-34	-21	0	0	0
Net chg in cash	-9	55	136	253	330
Beginning cash balance	69	61	116	252	506
Ending cash balance	61	116	252	506	836
NOPLAT	337	454	489	534	591
FCF	459	671	590	656	662

[Compliance Notice]

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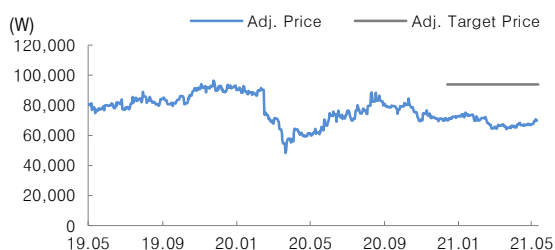
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[Investment rating and target price history]

Coway (021240 KS)



Date	21.05.13	21.02.18	21.01.15	20.12.15
Rating	Buy	Buy	Buy	Buy
6M TP	94,000	94,000	94,000	94,000
Diff.(avg.,%)		(26.57)	(23.24)	(22.91)
Diff.(max./min.,%)		(19.89)	(19.89)	(19.89)

Date
Rating
6M TP
Diff.(avg.,%)
Diff.(max./min.,%)

Date
Rating
6M TP
Diff.(avg.,%)
Diff.(max./min.,%)

Date
Rating
6M TP
Diff.(avg.,%)
Diff.(max./min.,%)

Investment rating breakdown and framework (May 10, 2021)

	Buy	Marketperform	Underperform
Ratio	89.8%	9.3%	1.0%

Sector ratings breakdown

- Overweight: industry indicators are expected to outperform the market over the next six months.
- Neutral: industry indicators are expected to be in line with the market over the next six months.
- Underweight: industry indicators are expected to underperform the market over the next six months.

Company ratings breakdown

- Buy: the stock is expected to outperform the market by at least 10%p over the next six months.
- Marketperform: the stock is expected to either outperform or underperform the market by less than 10%p over the next six months.
- Underperform: the stock is expected to underperform the market by at least 10%p over the next six months.