

CJ Cheil Jedang (097950 KS)

Food & Beverage

Will CJCJ bounce back in 2012?

Maintain Buy call with TP of W380,000

External factors affecting CJ CheilJedang's (CJCJ) earnings and shares include the price of lysine (an essential amino acid for animal feed production), product prices, the US\$/W rate, international grain prices, and regulations. CJCJ's share price has moved in the W280,000~W300,000 range over the last three months, affected by concerns over projected lysine price drops and regulatory risks (price control and the selection of products suitable for SMEs).

However, worries over lysine price drops appear overblown, given that prices are currently strong. Furthermore, CJCJ's earnings are projected to improve starting in 1Q (after bottoming in 4Q11) on the back of cost declines (driven by won appreciation and grain price drops). We maintain our Buy call on CJCJ with a target price of W380,000. Our target price was derived by adding the value of the company's operations (W280,000/sh) to its asset value (e.g., securities, property, and treasury shares; W100,000/sh).

4Q Preview: Foodstuff operations sluggish; lysine business strong

In 4Q11, CJCJ is estimated to have generated revenues of W1.6tr, an operating profit of W102bn, and an OP margin of 6.4% (it is difficult to project accurate YoY growth due to the recent switch from K-GAAP to K-IFRS). These results are likely to fall below market consensus estimates due to gross margin deterioration at the company's domestic foodstuff operations (e.g., sugar, flour, and edible oil). Although CJCJ hiked foodstuff prices, input cost increases (caused by won depreciation since September 2011) outpaced the price hikes.

In contrast, CJCJ's overseas biotech business seems to have stayed robust. In 4Q, lysine prices remained at US\$2,350/tonne, close to the record-high 3Q level. In addition, nucleic acid prices did not fall sharply, reaching US\$12/kg. We project CJCJ's 4Q net profit to come in at W141bn, exceeding its operating profit result thanks to gains on its sale of Samsung Life Insurance shares (approximately W120bn).

Decent 2012 outlook for external factors

In 2012, CJCJ is forecast to post revenue growth of 8.6% YoY and operating profit growth of 18.0% YoY. The US\$/W rate, lysine prices, and grain prices are expected to have considerable impacts on the company this year. The US\$/W rate and grain prices are anticipated to decline, positively affecting shares and boosting the margins at the company's foodstuff operations. Although lysine prices are projected to decline, we do not expect that the drop will be as sharp as the market forecasts (more than 10%).

► Earnings & Valuation Metrics

FY	Revenues (Wbn)	OP (Wbn)	OP Margin (%)	NP (Wbn)	EPS (Won)	EBITDA (Wbn)	FCF (Wbn)	ROE (%)	P/E (x)	P/B (x)	EV/EBITDA (x)
12/09	4,995	384	7.7	274	20,211	560	542	16.1	10.2	1.6	7.6
12/10	5,669	443	7.8	681	49,403	618	-65	29.2	4.4	1.1	7.0
12/11F	6,549	476	7.3	320	22,467	655	-207	11.1	12.9	1.5	9.5
12/12F	7,111	562	7.9	382	26,524	756	92	12.3	11.5	1.4	8.6
12/13F	7,715	633	8.2	418	29,066	832	190	12.0	10.5	1.3	7.8

Note: 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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Buy (Maintain)

Target Price (12M, W)	380,000
Share Price (02/01/12, W)	304,500
Expected Return (%)	24.8
EPS Growth (11F, %)	-54.7
Market EPS Growth (11F, %)	-3.8
P/E (11F, x)	12.9
Market P/E (11F, x)	11.5
KOSPI	1,959.24
Market Cap (Wbn)	3,983
Shares Outstanding (mn)	14
Avg Trading Volume (60D, '000)	60
Avg Trading Value (60D, Wbn)	18
Dividend Yield (11F, %)	1.3
Free Float (%)	59.0
52-Week Low (W)	191,000
52-Week High (W)	368,000
Beta (12M, Daily Rate of Return)	0.4
Price Return Volatility (12M Daily, %, SD)	2.9
Foreign Ownership (%)	20.5

Major Shareholder(s)

CJ Corp. et al. (38.63%)
NPS (9.59%)

Price Performance

(%)	1M	6M	12M
Absolute	5.2	-1.1	57.8
Relative	-2.1	8.7	63.2

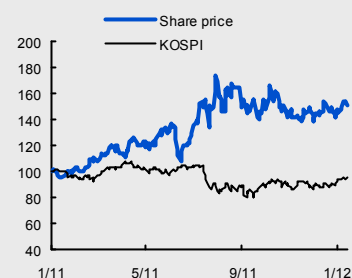


Table 1. 4Q11 Earnings forecasts for CJ CheilJedang

(Wbn, %)

	Value				% Consensus 4Q11F
	4Q10	3Q11	4Q11F		
			KDB Daewoo	Consensus	KDB Daewoo
Revenues	Consolidated	1,751	1,601	1,586	0.9
Operating profit	earnings	166	102	128	-20.0
Pretax profit	are not available	48	215	188	13.9
Net profit		26	141	142	-0.9
OP margin		9.5	6.4	8.1	
Net margin		1.5	8.8	9.0	

Source: Fn Guide, KDB Daewoo Securities Research estimates

Table 2. Quarterly earnings forecasts

(Wbn, %)

	2011					2012F				
	1Q	2Q	3Q	4QF	Annual	1QF	2QF	3QF	4QF	Annual
Revenues	1,626	1,571	1,751	1,601	6,549	1,769	1,720	1,923	1,699	7,111
Operating profit	108	100	166	102	476	143	128	202	89	562
Pretax profit	120	110	48	215	492	141	133	202	80	557
Net profit	81	72	26	141	320	101	96	147	39	382
OP margin	6.7	6.3	9.5	6.4	7.3	8.1	7.4	10.5	5.2	7.9
Net margin	5.0	4.6	1.5	8.8	4.9	5.7	5.6	7.6	2.3	5.4
Revenues growth	20.3	16.4	16.6	-	-	8.8	9.5	9.8	6.1	8.6
OP growth	-10.3	-4.8	6.0	-	-	32.1	28.3	22.1	-13.4	18.0
Pretax profit growth	7.1	-81.1	-73.7	-	-	17.6	21.5	324.6	-62.5	13.2
Net profit growth	8.5	-83.6	-79.9	-	-	23.8	33.6	464.7	-72.7	19.2

Source: Company data, KDB Daewoo Securities Research estimates

Table 3. Revisions to 2012~2013 earnings forecasts

(Wbn, %)

	Previous		Revised		% Change		% YoY	
	12F	13F	12F	13F	12F	13F	12F	13F
Revenues	7,098	7,641	7,111	7,714	0.2	1.0	8.6	8.5
Operating profit	535	584	562	633	5.0	8.4	18.0	12.6
Pretax profit	518	572	557	607	7.5	6.3	13.2	9.1
Net profit	350	389	382	418	8.9	7.6	19.2	9.6
OP margin	7.5	7.6	7.9	8.2	-	-	-	-
Net margin	4.9	5.1	5.4	5.4	-	-	-	-

Source: KDB Daewoo Securities Research estimates

Won appreciation to have a positive impact

KDB Daewoo forecasts 2012 average and end-of-year US\$/W rates at W1,090 and W1,050, respectively. Won appreciation should be positive for CJ CJ's operating profit and net profit, given the company's large ingredient imports and foreign currency debts. The company typically imports US\$1bn worth of grain (ingredients such as raw wheat, raw sugar, soybean and corn), and holds foreign currency debts of roughly US\$650mn. Although the company hedges 30~70% of its F/X risk (the actual hedge is estimated at 40~50%), won appreciation is still a major determinant of the company's earnings and share price.

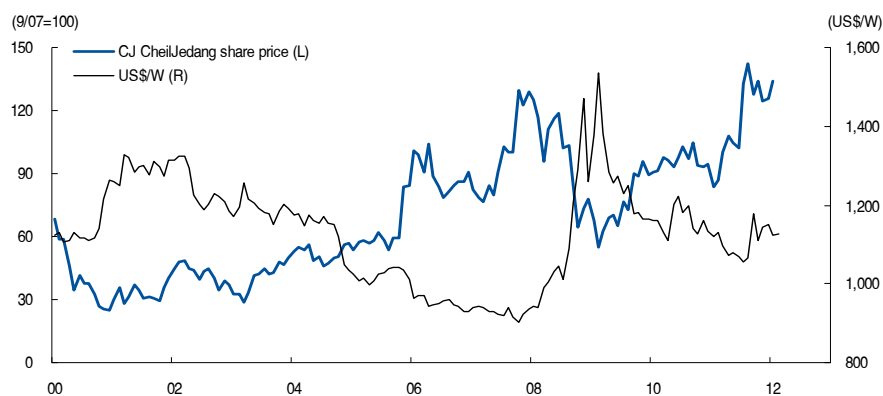
In 2012, net profit should rise 11.3% if the F/X rate declines W50, and jump 22.6% if the rate falls W100 (assuming that 40% of the F/X risk is hedged).

Table 4. F/X sensitivity analysis for CJ CheilJedang

	US\$/W		Revenues (Wbn)	Operating profit (Wbn)	Pretax profit (Wbn)	Net profit (Wbn)	EPS (W)	EPS growth (%)
	Closing	Average						
Up by W100	1,150	1,190	7,131	482	438	295	20,528	-22.6
Up by W50	1,100	1,140	7,121	522	497	338	23,526	-11.3
Base assumption	1,050	1,090	7,111	562	557	382	26,524	0.0
Down by W50	1,000	1,040	7,101	602	616	425	29,522	11.3
Down by W100	950	990	7,091	642	676	468	32,521	22.6

Source: KDB Daewoo Securities Research estimates

Figure 1. CJ CJ's share price and US\$/W trends



Source: KDB Daewoo Securities Research

Aims to become global No. 1 amino acid producer

CJ CJ is aiming for the top spot in the global amino acid market, both for feed amino acids (feed additives including lysine, tryptophan, threonine and methionine) and nucleic acids (food additives). The company plans to invest roughly US\$300mn in its bio business by 2013 (including lysine and threonine), thereby raising its bio segment revenues from W1.3tr in 2011 to W2tr by 2013.

CJ CJ has already confirmed to expand its lysine production capacity by 200,000 tonnes in China and U.S. The company's tryptophan (1,500 tonnes) business, which began in July 2010, is still in its fledgling stages with a market share of only 20%. The market (55mn tonnes globally) is currently dominated by Japan's Ajinomoto, and is growing by 20% per year.

CJ CJ plans to expand its threonine production capacity from 20,000 tonnes currently to 100,000 tonnes by 2013, and start producing methionine in 2014. Methionine is a chicken feed amino acid with global production of 750,000 tonnes. The market is growing 5~6% per year.

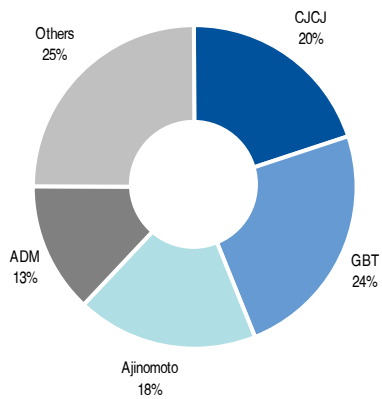
CJ CJ produces nucleic acids (additives for foods of animal origin vs. MSG for foods for plant origin) in Indonesia (PT.CJI; 6,000 tonnes) and China (CJ Liao Cheng Biotech; 7,000 tonnes). The company holds the largest share of 36% in the global nucleic acids market, which is growing at 8~9% per year on the back of income growth in developing countries, and higher demand for processed foods due to changes in lifestyle. In 2013, CJ CJ aims to gain global market share of 42% (24,000 tonnes). The price of nucleic acid is forecast to fall from US\$14/tonne in 2011 to US\$12 this year due to CJ CJ's capacity expansion in China.

Table 5. CJ CJ's market share and capacity forecasts (% , tonnes)

Product	Market share			Capacity		
	10	11F	12F	10	11F	12F
Lysine	21	20	27	320,000	320,000	520,000
Nucleic acid	38	36	42	13,500	14,200	23,800
Threonine	11	10	27	20,000	22,000	100,000
Tryptophane		20			1,500	

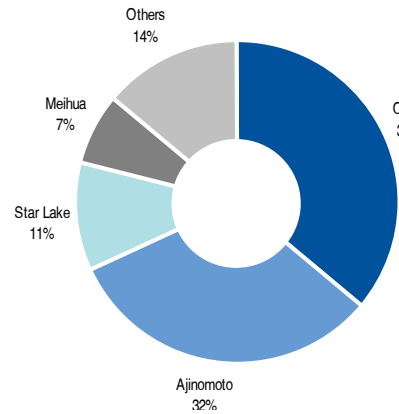
Source: Company data, KDB Daewoo Securities Research

Figure 2. Global lysine market share (As of 2011)



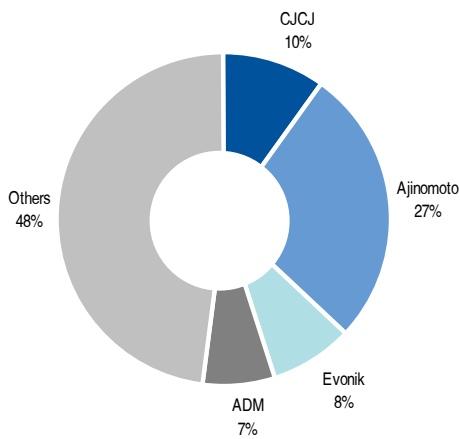
Source: Company data, KDB Daewoo Securities Research

Figure 3. Global nucleic acid market share (As of 2011)



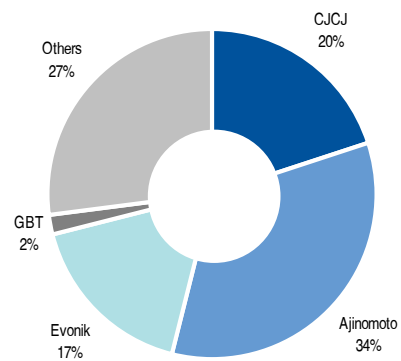
Source: Company data, KDB Daewoo Securities Research

Figure 4. Global threonine market share (As of 2011)



Source: Company data, KDB Daewoo Securities Research

Figure 5. Global tryptophane market share (As of 2011)



Source: Company data, KDB Daewoo Securities Research

Lysine prices unlikely to plunge

Lysine prices are set to decline, considering that CJCJ's Chinese production subsidiary is anticipated to increase its supply in 2H12~1H13. In contrast to market expectations of a decline of more than 10%, we believe that average lysine prices will edge down from US\$2,250/tonne in 2011 to US\$2,050 in 2012. Moreover, despite such a drop, rising demand (particularly from China) should prop up CJCJ's revenues.

Lysine is an essential amino acid required for pig feed production. The lysine market is estimated at US\$3.7bn as of 2011 (W4.3tr; 1.7mn tonnes), and has been growing at 8% per year since 1998.

CJCJ operates lysine production facilities in Indonesia (PT.CJI; production volume of 190,000 tonnes), China (CJ Liaocheng Biotech; 70,000 tonnes) and Brazil (CJ Do Brazil; 60,000 tonnes), with a combined production capacity of 320,000 tonnes as of 2011. These facilities are strategically located to ensure easy access to raw materials and major customers, and thus, they are highly competitive. The global lysine market is being dominated by GBT (the largest producer with a 24% market share), CJCJ (20%), and Ajinomoto (18%).

CJCJ is vying for the no. 1 position in the global lysine market with a market share of 27% (320,000 tonnes in 2011 to 520,000 tonnes in 2013).

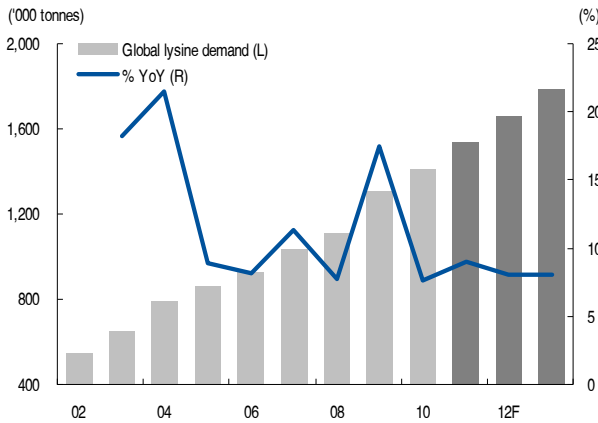
Going forward, capacity expansion and China's feed market growth will likely dictate lysine prices. With lysine prices staying robust in 2010 and 2011, and the market posting steady growth of 8% per year, lysine producers are making moves to expand capacity. CJCJ plans to build new production facilities in Shenyang, China (100,000 tonnes), and Iowa, the U.S. (100,000 tonnes), which will increase its total capacity by 200,000 tonnes by 2014. CJCJ's expansion into the U.S. market seems particularly meaningful. The company has secured an 8% market share in this region in partnership with Cargil, the largest grain supplier in the world (this partnership has enabled CJCJ to source ingredients steadily). The company plans to increase the number to 20% by building new production facilities.

China-based GBT, the world's largest supplier of lysine, plans to expand capacity by 100,000 tonnes through technology innovation, not through capacity expansion. Japan's Ajinomoto targets to add 150,000 tonnes of capacity over the next five years through production yield improvement. There are speculations that Ajinomoto will seek to build production facilities in China, but obtaining a license could be difficult. ADM, the largest lysine producer in the U.S., and the fourth globally (a 13% market share) also disclosed its capacity expansion plan (100,000 tonnes), but ongoing restructuring in the company may present a challenge.

Europe, China, and the U.S. account for 30% of global lysine consumption, respectively. The lysine market is closely related to the Chinese livestock feed business. China's pig population (450mn) represents nearly 50% of the global total (940mn). The pig population will likely continue to grow on an increase in farming corporations. The Chinese livestock feed market is projected to expand at 7~8% per year thanks to: 1) greater meat consumption (thanks to income growth) and 2) an increase in farming corporations, although the global feed market has displayed an anemic growth of 2%.

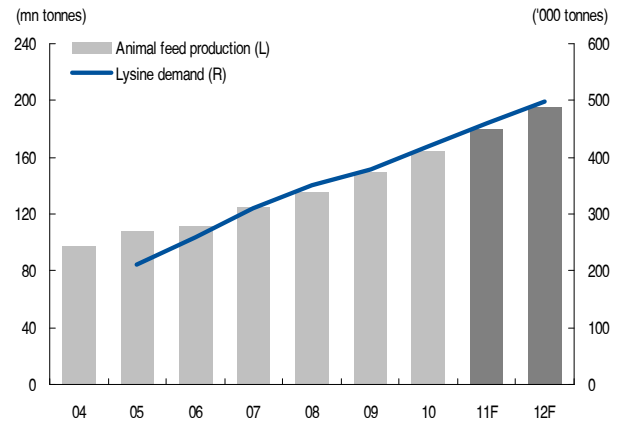
The Chinese lysine market expanded at as high as 16% per year in 2005~2009, while the global lysine market grew at around 8% per year.

Figure 6. Global demand for lysine forecast



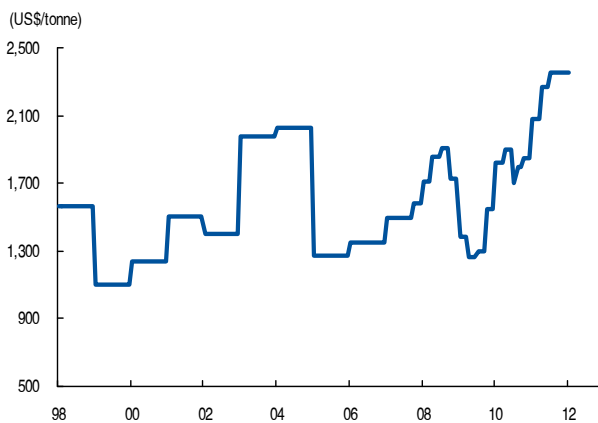
Source: Company data, KDB Daewoo Securities Research

Figure 7. Chinese animal feed production and demand for lysine forecasts



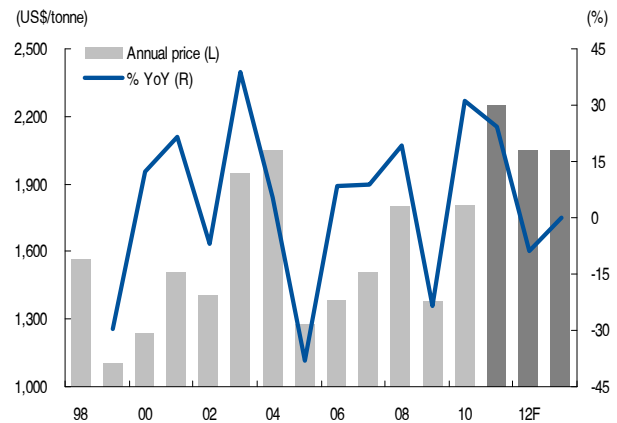
Source: Company data, KDB Daewoo Securities Research

Figure 8. Monthly lysine price trend



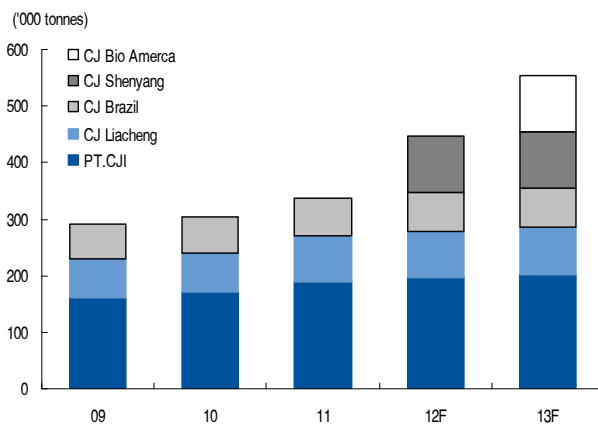
Source: Company data, KDB Daewoo Securities Research

Figure 9. Annual lysine price forecasts



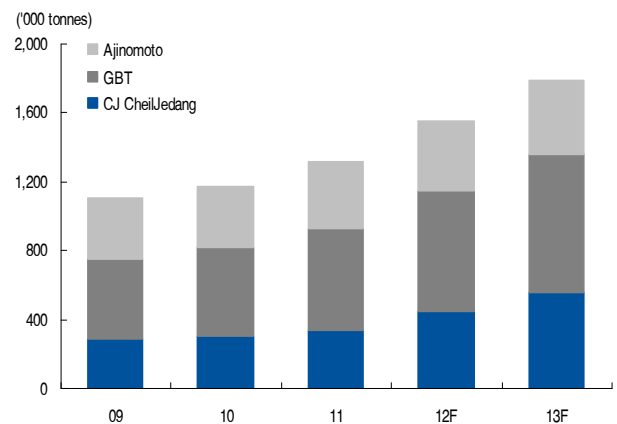
Source: Company data, KDB Daewoo Securities Research

Figure 10. CJ CJ's lysine capacity forecast



Source: Company data, KDB Daewoo Securities Research

Figure 11. Lysine capacity forecasts for major companies



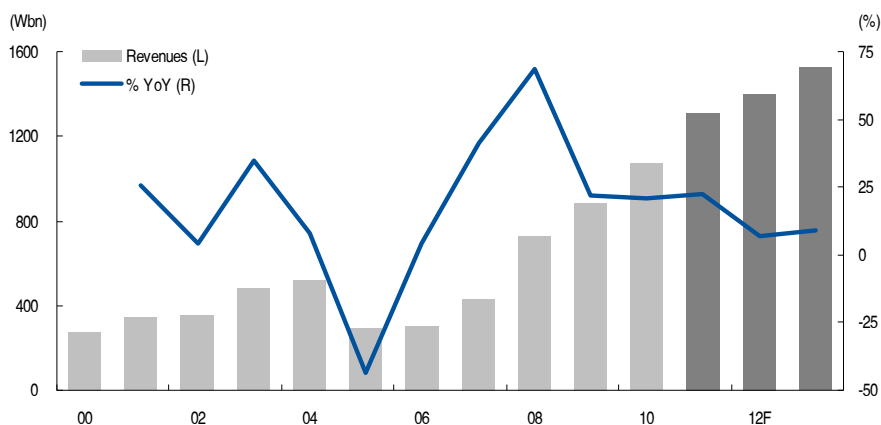
Source: Company data, KDB Daewoo Securities Research

Overseas biotech business growth to continue into 2012

In 2012, lysine prices are expected to drop by 9% to US\$2,050/tonne from US\$2,250/tonne in 2011, while nucleic acid prices are projected drop by 14% to US\$12/kg (vs. US\$14/kg in 2011). Meanwhile, sales volumes of lysine and nucleic acids are forecast to increase by 18% (from 340,000 tonnes to 400,000 tonnes) and 15% (from 1.3mn tonnes to 1.5mn tonnes) YoY, respectively.

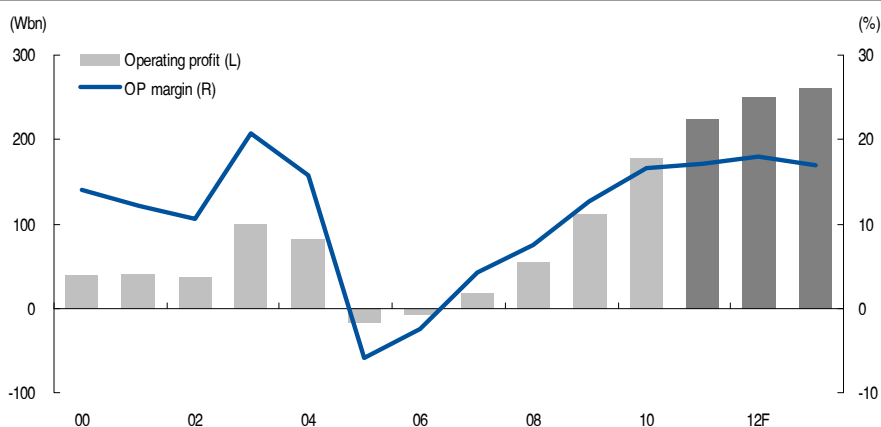
As for the overseas biotech business, revenues are expected to rise by 8% YoY to W1.4tr in 2012 (vs. W1.3tr estimated in 2011), while operating profit is forecast to rise by 13% YoY to W250bn. Operating profit should expand more sharply than revenues, as the COGS-to-revenues ratio will likely drop by 1~2%p due to 1) lower raw materials costs (raw sugar, corn, etc.) and 2) higher production yield.

Figure 12. Forecast of revenues at overseas biotech business



Source: Company data, KDB Daewoo Securities Research

Figure 13. Forecasts of operating profit and OP margin at overseas biotech business



Source: Company data, KDB Daewoo Securities Research

Food materials business to recover on stable grain prices

CJ CJ's annual grain imports amount to US\$1bn. A drop in grain prices have a significant impact on earnings at the company's food materials business (including sugar, flour and edible oils), which account for 25% of its total revenues. Grain prices are expected to be affected greatly by supply/demand (production/consumption/inventories) in 2012.

In light of supply/demand conditions, grain prices are expected to stabilize at lower levels in 2012. According to the grain supply/demand outlook announced by the U.S. Department of Agriculture on January 12, 2012, grain consumption will increase by 2.8% YoY in 2012 (similar to levels since 2000). Grain consumption has climbed by 2~3% per annum over the past five years despite the sluggish European economy, due to: 1) the expansion of the global population and 2) the solid growth of emerging economies. The 2012 consumption growth forecast of 2.8% appears undemanding, as meat consumption should increase on the steady economic growth of China, India, and South America.

The U.S. agricultural department forecasts grain production to rise by 4.5% YoY in 2012, putting an end to two consecutive years on decline (2010~2011). Grain production growth is determined by climate patterns and farmers' sowing plans.

Erratic climate patterns, namely La Niña conditions, have the potential to drive up grain prices. Notably, grain prices turned downward after the U.S. National Weather Service announced the end of La Niña in June 2011.

However, La Niña conditions could rear their ugly head at anytime. In August 2011, the International Research Institute (IRI) initially predicted that there would be a 40% chance for La Niña conditions to occur in 1Q12; they then upped their forecast to over 60% in the November outlook.

On the other hand, farmers' sowing plans are aggressive. High grain prices are encouraging farmers to increase grain production, while major grain importing countries are committed to expanding production by increasing arable land and developing alternative grain breeds

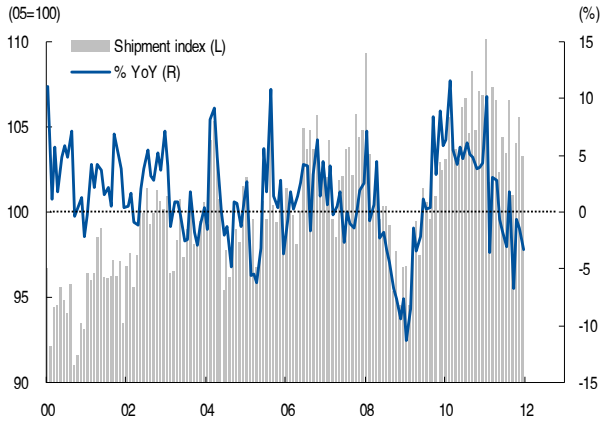
Grain prices are unlikely to turn up anytime soon, given that: 1) crops are in good shape in the U.S.; and supply conditions have eased. Furthermore, grain production has surged in Russia, which had experienced a grain crisis, and the South America is unlikely to see adverse weather conditions that could damage grain crops.

Table 6. USDA World grain supply and demand forecasts

						(mn tonnes, %, %p)	
Year	Forecasting month	Production	Supply	Consumption	Inventory	Inventory ratio 1	Inventory ratio 2
2009		2,241	2,612	2,158	454	20.3	21.0
2010		2,242	2,694	2,203	492	21.9	22.3
2011F	December	2,199	2,691	2,228	463	21.0	20.8
	January	2,199	2,691	2,228	463	21.1	20.8
2012F	October	2,279	2,740	2,281	460	20.2	20.2
	November	2,280	2,742	2,284	458	20.1	20.1
	December	2,295	2,758	2,289	469	20.4	20.5
	January	2,299	2,762	2,290	472	20.5	20.6
		Production growth	Supply growth	Consumption growth	Inventory growth	Changes in inventory ratio 1	Changes in inventory ratio 2
2009		5.5	5.9	2.7	24.2	3.0	3.6
2010		0.0	3.2	2.1	8.4	1.7	1.3
2011F	December	-1.9	-0.1	1.2	-5.9	-0.9	-1.6
	January	-1.9	-0.1	1.2	-5.8	-0.9	-1.5
2012F	October	3.7	1.9	2.4	-0.4	-0.8	-0.6
	November	3.6	1.9	2.5	-0.8	-0.9	-0.7
	December	4.3	2.5	2.7	1.3	-0.6	-0.3
	January	4.5	2.6	2.8	1.9	-0.5	-0.2

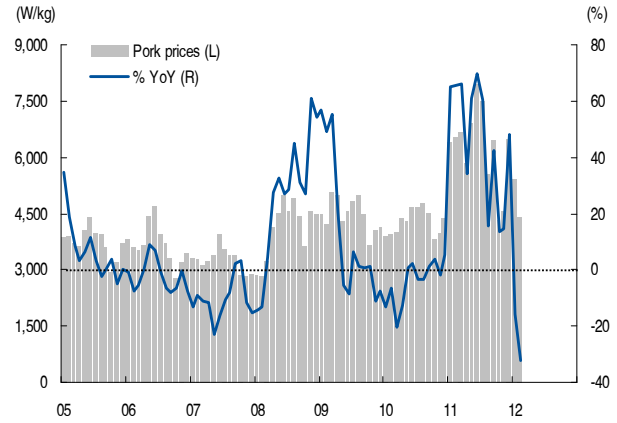
Note: Inventory ratio1=inventory/production, Inventory ratio2=inventory/consumption / Source: USDA, KDB Daewoo Securities Research

Figure 14. Shipment index for processed foods



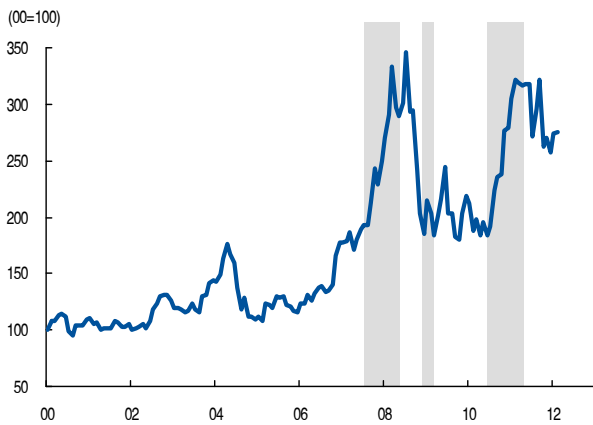
Source: Statistics Korea, KDB Daewoo Securities Research

Figure 15. Pork price trend



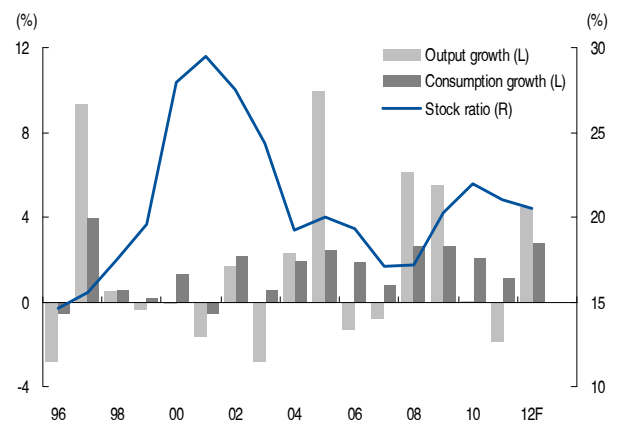
Source: Korea Swine Association, KDB Daewoo Securities Research

Figure 16. CRB grain price index trend and La Nina



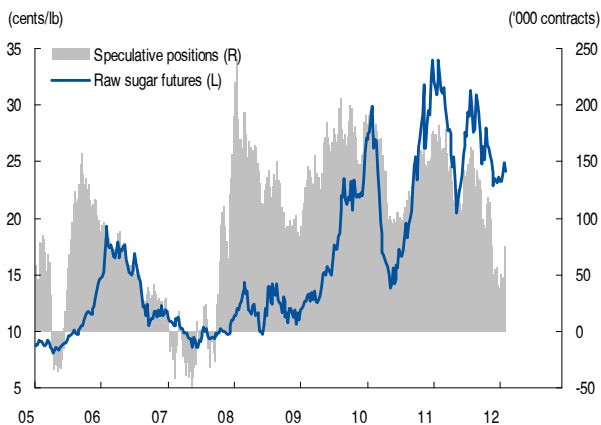
Source: Thomson Reuters, KDB Daewoo Securities Research

Figure 17. USDA World grain supply and demand forecasts



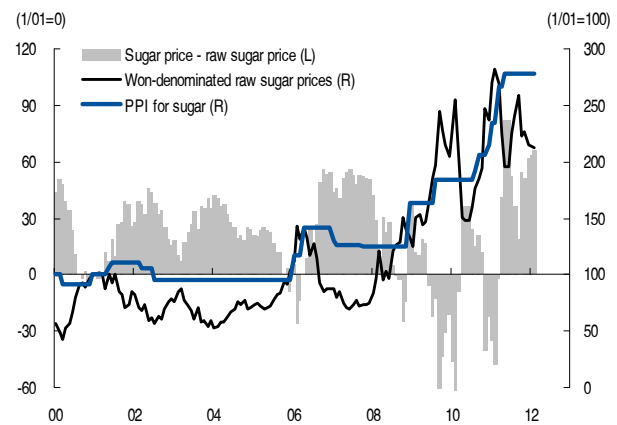
Source: USDA, KDB Daewoo Securities Research

Figure 18. Raw sugar futures and speculative positions



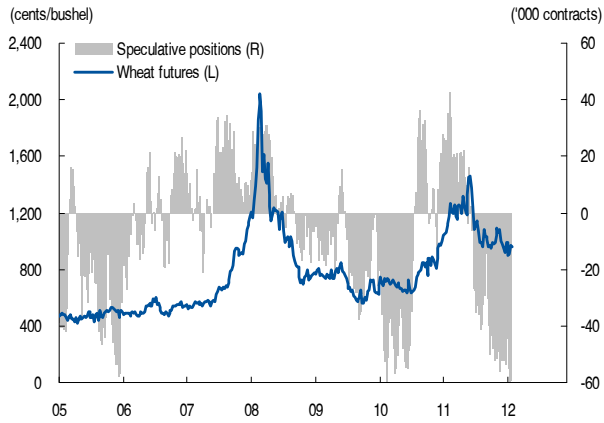
Source: Bloomberg, Daewoo Securities Research

Figure 19. Spread between sugar and raw sugar prices



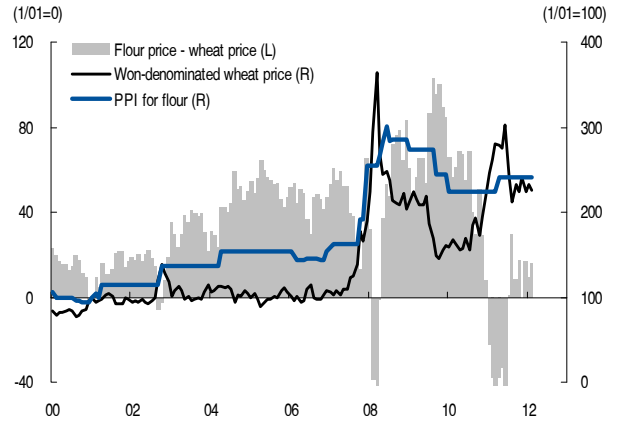
Source: Thomson Reuters, Statistics Korea, Daewoo Securities Research

Figure 20. Wheat futures and speculative positions



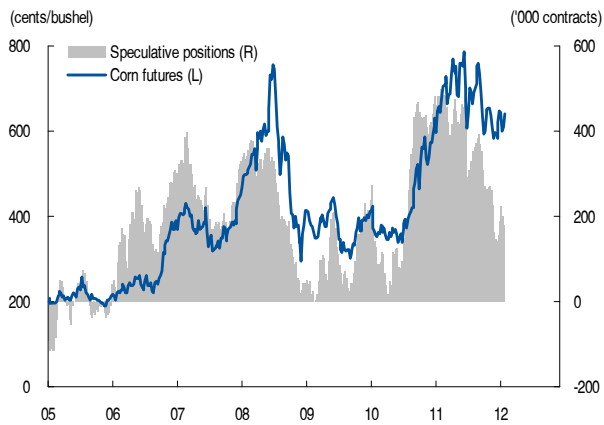
Source: Bloomberg, Daewoo Securities Research

Figure 21. Spread between flour and wheat prices



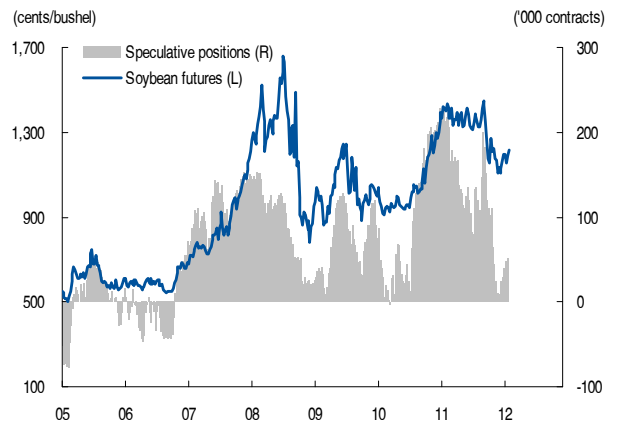
Source: Thomson Reuters, Statistics Korea, Daewoo Securities Research

Figure 22. Corn futures and speculative positions



Source: Bloomberg, Daewoo Securities Research

Figure 23. Soybean futures and speculative positions



Source: Bloomberg, Daewoo Securities Research

CJ Cheil Jedang (097950 KS/Buy/TP: W380,000)

Comprehensive Income Statement (Summarized)				
(Wbn)	12/10	12/11F	12/12F	12/13F
Revenues	5,669	6,549	7,111	7,715
Cost of Sales	4,035	4,781	5,148	5,562
Gross Profit	1,634	1,768	1,963	2,152
SG&A Expenses	1,191	1,292	1,401	1,520
Operating Profit (Adj)	443	476	562	633
Operating Profit	443	476	562	633
Non-Operating Profit	459	16	-5	-25
Net Financial Income	54	50	84	87
Net Gain from Inv in Associates	0	1	1	1
Pretax Profit	903	492	557	607
Income Tax	199	150	153	167
Profit from Continuing Operations	704	342	404	440
Profit from Discontinued Operations	0	0	0	0
Net Profit	684	322	384	421
Controlling Interests	681	320	382	418
Non-Controlling Interests	3	2	2	2
Total Comprehensive Profit	684	349	410	447
Controlling Interests	681	346	408	444
Non-Controlling Interests	3	2	2	2
EBITDA	618	655	756	832
FCF (Free Cash Flow)	-65	-207	92	190
EBITDA Margin (%)	10.9	10.0	10.6	10.8
Operating Profit Margin (%)	7.8	7.3	7.9	8.2
Net Profit Margin (%)	12.0	4.9	5.4	5.4

Statement of Financial Condition (Summarized)				
(Wbn)	12/10	12/11F	12/12F	12/13F
Current Assets	2,172	2,744	2,908	3,114
Cash and Cash Equivalents	314	716	676	686
AR & Other Receivables	656	758	823	893
Inventories	795	918	997	1,081
Other Current Assets	113	130	141	153
Non-Current Assets	3,952	4,824	5,217	5,522
Investments in Associates	53	68	69	70
Property, Plant and Equipment	3,130	3,242	3,477	3,656
Intangible Assets	88	207	208	209
Total Assets	6,124	7,567	8,125	8,636
Current Liabilities	2,368	3,089	3,173	3,272
AP & Other Payables	476	550	597	648
Short-Term Financial Liabilities	1,526	2,116	2,116	2,126
Other Current Liabilities	366	423	459	498
Non-Current Liabilities	876	1,531	1,652	1,673
Long-Term Financial Liabilities	453	1,091	1,191	1,211
Other Non-Current Liabilities	391	402	418	414
Total Liabilities	3,244	4,620	4,824	4,945
Controlling Interests	2,850	2,929	3,280	3,668
Capital Stock	71	72	72	72
Capital Surplus	764	861	861	861
Retained Earnings	933	1,869	2,194	2,556
Non-Controlling Interests	29	19	21	23
Stockholders' Equity	2,880	2,947	3,301	3,691

Cash Flows (Summarized)				
(Wbn)	12/10	12/11F	12/12F	12/13F
Cash Flows from Op Activities	64	330	522	555
Net Profit	686	313	384	421
Non-Cash Income and Expense	-294	334	352	392
Depreciation	158	167	170	176
Amortization	17	12	24	24
Others	466	-1	-5	-5
Chg in Working Capital	-328	18	-74	-83
Chg in AR & Other Receivables	-367	-107	-65	-70
Chg in Inventories	-186	-130	-79	-85
Chg in AP & Other Payables	139	55	47	51
Income Tax Paid	0	-335	-140	-175
Cash Flows from Inv Activities	292	-1,010	-488	-397
Chg in PP&E	-286	-541	-405	-355
Chg in Intangible Assets	-13	-50	-25	-25
Chg in Financial Assets	544	-211	-100	-60
Others	46	-208	43	43
Cash Flows from Fin Activities	-348	1,076	-74	-148
Chg in Financial Liabilities	-284	1,228	100	30
Chg in Equity	-17	-23	0	0
Dividends Paid	-47	-56	-56	-57
Others	1	-73	-118	-122
Increase (Decrease) in Cash	46	403	-40	10
Beginning Balance	268	314	716	676
Ending Balance	314	716	676	686

Forecasts/Valuations (Summarized)				
	12/10	12/11F	12/12F	12/13F
P/E (x)	4.4	12.9	11.5	10.5
P/CF (x)	3.5	8.3	7.6	7.1
P/B (x)	1.1	1.5	1.4	1.3
EV/EBITDA (x)	7.0	9.5	8.6	7.8
EPS (W)	49,403	22,467	26,524	29,066
CFPS (W)	62,089	35,016	39,995	42,914
BPS (W)	198,615	192,048	216,993	244,197
DPS (W)	4,000	4,000	4,000	4,000
Payout ratio (%)	8.2	15.9	14.8	13.5
Dividend Yield (%)	1.8	1.4	1.3	1.3
Revenue Growth (%)	13.5	15.5	8.6	8.5
EBITDA Growth (%)	10.5	5.9	15.4	10.1
Operating Profit Growth (%)	15.5	7.3	18.1	12.6
EPS Growth (%)	144.4	-54.5	18.1	9.6
Accounts Receivable Turnover (x)	11.4	9.8	9.5	9.5
Inventory Turnover (x)	8.4	7.7	7.4	7.4
Accounts Payable Turnover (x)	29.8	24.9	24.2	24.2
ROA (%)	12.4	4.7	4.9	5.0
ROE (%)	29.2	11.1	12.3	12.0
ROIC (%)	9.1	7.8	8.9	9.4
Liability to Equity Ratio (%)	112.7	156.8	146.2	134.0
Current Ratio (%)	91.7	88.8	91.7	95.2
Net Debt to Equity Ratio (%)	47.6	77.0	71.5	63.7
Interest Coverage Ratio (x)	5.8	6.5	4.8	5.2

Source: Company data, KDB Daewoo Securities Research estimates

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