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Woojin (105840 KS) – Preview of Q2'12 Results

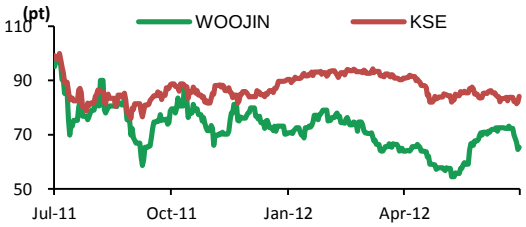
BUY(Maintain)

Target Price	**W20,900**
Current Price	**W12,150**
Upside Potential (%)	**72.0%**

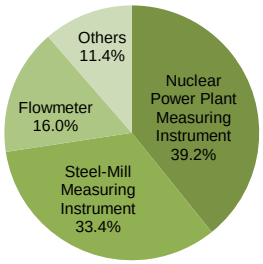
Key Data	**July 27th, 2012**
Market Cap. (Wbn)	105.5
Shares Outstanding (m)	8.7
Foreign Ownership (%)	0.0
52 Week High (KRW)	18,600
Low (KRW)	10,150
60-d avg. turnover (Wbn)	0.1
Major Shareholders	**(%)**
Sung Beom Lee & 21 others	52.9
Intervest corp. & 1 Other	6.5
KOSPI	1,829.16

Performance (%)	**1M**	**6M**	**12M**
Absolute	(7.6)	(6.9)	(31.4)
Relative	(8.2)	0.0	(16.2)

Relative Performance



Sales Breakdown (2012E)



Profit turnaround in 2Q12 with W3.3bn operating income

- 2Q12 consolidated sales expected to increase 77% QoQ to W23.3bn, with recovery of measuring instrument sales to nuclear power plants and steel-mills
- Non-consolidated sales projected to record W16.4bn (twice as much as previous quarter) surpassing initial expectations, and subsidiary firm expected to contribute additional sales of W7bn (46% qoq).
- Consolidated operating income expected at W3.3bn (impressive improvement from previous quarter's W600mn loss)
- Non-consolidated operating income is expected to reach W2.7b, which compares to previous quarter's W900mn loss. Although subsidiary firm's level of contribution to operating income was low – only W600mn – still demonstrated QoQ improvement

Sales growth rate expected to rise to mid 20% range in 2014

- Although results are expected to fall slightly in 3Q12, the 4Q12 results are projected to be the year's best (following previous trend)
- Consolidated sales growth rate is expected to remain in the 7% range in 2012 from weak sales of flowmeters, but projected to exceed 10% in 2013 from increased sales of measuring instruments used in nuclear power plants and steel-mills
- In 2014, consolidated sales growth rate is expected to rise to mid 20% range, re-demonstrating rapid growth trend last seen in the late 2000s
- Although flowmeter sales falls short of expectations, if Woojin is appointed as Kuwait's flow system supplier (decision will be made either late this year or early next year), 2013 consolidated sales are projected to increase 50% yoy.
- Woojin is extremely likely to be appointed as Kuwait's flow system supplier, but such possibility was not taken into account during our projections in order to take a conservative approach.

Additional growth foothold will be secured if firm successfully develops main feed-water ultrasonic flowmeter

- If the main feed-water ultrasonic flowmeter (which Woojin is currently developing with Korea Hydro & Nuclear Power Co. under a purchase-option contract) completes equipment verification this year, the product will enter 18 month testing period, and subsequently will be supplied to nuclear power plants in 2014
- If the ultrasonic flowmeter is successfully developed, sales base (which was initially limited to the domestic market via Korea Hydro & Nuclear Power Co.) is expected to expand to foreign markets
- We estimate Korea and US ultrasonic flowmeter market size at W300bn (combined)

Valuation Forecast

FY	Sales (Wbn)	% chg yoy	OP (Wbn)	OPM (%)	NP (Wbn)	EPS (W)	EPS Growth (%)	P/E (x)	EV/EBITDA (x)	ROE (%)	P/B (x)
2009	50.3	37.7	8.5	16.9	10.6	1,841	270.5	6.6	7.8	30.1	1.5
2010	61.4	22.2	10.3	16.8	11.3	1,518	(17.5)	8.0	5.0	17.4	1.1
2011	81.9	33.3	11.3	13.8	13.4	1,521	0.2	8.0	5.6	14.9	1.1
2012E	86.6	5.8	11.5	13.3	12.8	1,472	(3.3)	8.3	5.3	12.3	1.0
2013F	97.7	12.8	13.5	13.8	14.9	1,721	16.9	7.1	4.2	12.8	0.9
2014F	121.4	24.3	17.6	14.5	18.6	2,142	24.5	5.7	2.7	14.1	0.8

Progress of Results (Non-consolidated)

As Q2 sales increased nearly twice QoQ, operating income expected to record surplus – company will escape from the red

Woojin's quarterly results are extremely volatile given the nature of the order-based business and inconsistent delivery schedules. In 1Q12, sales decreased 64% qoq and recorded an operating loss. However, in 2Q12, we expect sales to have almost doubled (to W16.4bn) from the previous quarter thanks to recovered sales of measuring instruments used in steel-mills and nuclear power plants. Although 2Q12 expected sales was W14.8bn, Woojin was able to beat the expectations because a portion of sales planned to take place in 3Q12 were actually took place in 2Q12 instead. We believe that 2Q12 operating income recorded W2.7bn, pulling the company out of the red and allowing it to record a profit. Considering potential unaccounted non-operating costs, Woojin expects net income level to be at around W1.5bn. However, we believe the company is overly conservative and net income will be around W2bn.

Exhibit 1. Earnings Forecast (Non-consolidated)

(Wbn)	2Q11	1Q12	2Q12E	3Q12E	4Q12E	2011	2012E	2013E	2014E
Revenue	15.9	8.6	16.4	16.7	19.7	59.6	61.3	70.0	87.8
- Nuclear Plant Measuring Instrument	*9.2*	*2.2*	*6.2*	*4.2*	*11.4*	*21.8*	*24.0*	*28.0*	*44.0*
- Steel-Mill Measuring Instrument	*4.0*	*3.1*	*5.6*	*5.8*	*5.9*	*16.3*	*20.5*	*23.0*	*25.3*
Flux System	*1.0*	*1.6*	*1.3*	*5.4*	*1.5*	*13.3*	*9.8*	*8.5*	*10.3*
Other	*1.7*	*1.6*	*3.3*	*1.3*	*0.8*	*8.2*	*7.0*	*10.5*	*8.2*
Operating Income	2.7	(0.9)	2.7	2.8	4.0	8.5	8.7	10.3	13.6
Pre-tax Income	3.2	0.5	2.6	2.7	4.2	9.7	10.0	11.5	14.8
NP	2.5	0.5	2.0	2.1	3.9	7.1	8.5	9.6	12.1
OPM (%)									
Operating Income	16.8	(10.3)	16.5	16.8	20.6	14.3	14.1	14.7	15.4
Pre-tax Income	20.2	5.5	15.9	16.2	21.4	16.2	16.3	16.4	16.8
NP	15.6	5.5	12.2	12.8	19.7	11.9	13.9	13.8	13.8

Data: Company data, Leading Research Center

Q4 expected to have year's best quarterly results

We expect Woojin's 3Q12 sales to increase slightly QoQ, and record W16.7bn. Although expected 3Q12 sales was initially W17.6bn, because a portion of sales planned to take place in Q3 was pulled and instead took place earlier, in 2Q12, 3Q12 sales will realistically be less than expected. Sales is expected to follow previous trends and record year high results in 4Q12, and OPM is projected to reach the 20% range along with sales increase. Such volatility in quarterly results can be accounted for by the firm's non-periodic delivery schedule rather than changes in demand for the firm's products. Therefore, when analyzing results, it is more important to check whether the firm meets expected results and all delivery obligations rather than the scope of quarterly volatility.

Fast growth, which was last seen in late 2000s, expected to take place again during 2013~2014 from increased sales of nuclear power plant measuring instruments

Woojin's 2012 sales is expected to reach W61.3bn and slightly exceed 2011 sales, but growth is projected to slow down. However, even when we take a conservative approach, sales growth rate is expected to increase to the mid 10% range in 2013, and furthermore rise to the 25% range in 2014. As such, fast growth (which was last seen in the late 2000s) is expected to take place again during this period. We expect Woojin to establish fast growth from increased sales of measuring instruments used in nuclear power plants and steel-mills in the domestic market. The replacement of measuring instruments in Shingori No.1 site, and delivery of new measuring instruments to Shin Wool Jin No.1 & No.2 sites were delayed due to last year's nuclear power plant incident in Hukshima and this year's bribery scandal at Korea Hydro & Nuclear Power Corp. These orders will come through by late this year or early next year at the latest. Sales from delivering products to Shin Wool Jin's No.1 & No. 2 sites is expected to be around W15bn~W20bn and to officially take place in 2014, so we expect Woojin's nuclear power plant equipment sales to increase 56% in 2014 (yoy) and reach W44bn.

Sales from measuring instruments used in steel-mills expected to increase from Posco's construction of new foreign steel mills

Woojin will provide measuring/automation equipment worth W11.9bn to Posco's new steel-mill in Brazil (currently being built with annual capacity of 3mn tons), as the company recently announcedand. As such, Woojin's 2013 steel-mill measuring equipment sales is expected to increase 12% yoy to reach W23bn. Steel-mill measuring instrument sales growth rate is projected to decline to the 10% range in 2014, but long term growth will remain uncompromised from Posco's potential prospects to construct new overseas steel-mills. Although Posco's plan to construct steel-mills in India (CAPA 18m tons), Brazil (CAPA 3m tons), and Indonesia (No.2 mill – CAPA 3m tons) is unconfirmed, if Woojin does supply measuring instruments to these facilities, we believe the firm can potentially obtain sales exceeding W90bn. Currently, construction of Indonesia's No. 2 steel-mill has the highest chance of taking place. Whether the construction of the second steel-mill in Indonesia happens or not depends on the success of the No.1 steel-mill (currently being built and expected to be completed in 2013).

Woojin has a reliable business plan

By nature, order based businesses have volatile expected results (inconsistent results on a quarterly basis). However, Woojin's nuclear power plant and steel-mill measuring instruments are virtually monopolizing the domestic market, and sales projections are reliable from confirmed construction of plants and the necessary replacement of instruments. After 2010, when Woojin was listed, although quarterly results sometimes faced slight discrepancies from expected results, Woojin always had rational explanations for the discrepancies, and actual results never deviated significantly from expected results, so we believe the firm's sales forecasts to be reliable.

Flowmeter sales expected to deviate from initial projections

Flowmeter sales are the most difficult to speculate. This is because plant constructions in the middle east - petrochemical/oil-refining facility sector – are being delayed. Delivery for an order worth W13.5bn to provide flowmeter systems to Kuwait, which Woojin obtained through Japanese partner firm Oval Engineering, was initially planned to be completed in 2011, but delivery was delayed to this year. In addition, as new orders expected to be received late last year also did not come through, we expect Woojin's 2012 flowmeter sales to be about W9.8bn, showing a 26% decrease yoy and missing expectations.

Flowmeter sector may lead firm's future growth

Conservatively speaking, we expect flowmeter sales to decrease 13% yoy in 2013 to W8.5bn. However, the flowmeter business has the highest chance to lead the firm's growth in 2013~2014. Currently, Woojin is working to obtain the right to provide flowmeters to the oil/petroleum refining facility planned to be built in Kuwait by Daelim Industries, and is expected to receive this order by the end of this year or early next year. Expected sales from successfully completing this project is W38bn, which is over 3 times larger than the order Woojin recived from Oval Engineering last year. Although Woojin believes the chance of successfully obtaining the Kuwait order exceeds 90%, we did not include this prospect in our sales forecast in order to take a conservative approach. If this delivery is successful, 2013 and 2014 sales is expected to reach W27.5bn and W29.3bn respectively. Also, consolidated sales will reach W116.7bn (+35% yoy) in 2013 and exceed W140bn in 2014.

Progress of Results (Consolidated)

Q2 consolidated sales expected to have increased 77% QoQ

Woojin's affiliated companies Chino Korea and Korea Nagano produce industrial measuring instruments and controlling systems. These affiliated companies mainly supply products to petrochemical/oil refining facilities rather than steel mills and nuclear power plants. Sales of these affiliates have high quarterly volatility (like Woojin), but the firms are demonstrating a stable long term growth trend. Although in Q2 this year, Chino Korea's sales decreased QoQ, we believe Korea Nagano's sales increased nearly 3 times QoQ and combined sales of all affilates recorded W7bn, demonstrating 46% growth. Woojin's consolidated 2Q sales, which was aided by an increase in sales of its affiliates, is projected at W23.3bn, demonstrating a 77% growth QoQ. As for the current outlook, we expect Woojin's consolidated sales to decrease slightly in Q3 and recover significantly in Q4. The OPM of Woojin's affiliate companies is expected to be around 10~11% in 2012~2014, and will account for about 23~24% of Woojin's operating income. We expect Woojin's consolidated net income to decrease in 2012 (yoy) because last year the firm obtained temporary profits of W2bn from valuation gains on investment in equity securities, and this is not expected to happen again this year.

Exhibit 2. Earnings Forecast (Consolidated)

(Wbn)	2Q11	1Q12	2Q12E	3Q12E	4Q12E	2011	2012E	2013E	2014E
Sales		13.2	23.3	22.2	27.9	81.9	86.6	97.7	121.4
Woojin		*8.6*	*16.4*	*16.7*	*19.7*	*59.6*	*61.3*	*70.0*	*87.8*
Chino Korea		*3.3*	*2.9*	*3.8*	*6.5*	*15.2*	*16.5*	*18.3*	*22.1*
Korea Nagano		*1.5*	*4.1*	*2.4*	*3.0*	*8.9*	*11.0*	*11.8*	*14.5*
Consolidated Adj.		*(0.1)*	*(0.0)*	*(0.7)*	*(1.3)*	*(1.8)*	*(2.2)*	*(2.4)*	*(2.9)*
Operating Income		(0.6)	3.3	3.3	5.4	11.3	11.5	13.5	17.6
Pre-tax Income		0.8	4.1	4.3	6.5	17.1	15.6	18.2	22.7
NP		0.8	3.3	3.5	5.2	13.4	12.8	14.9	18.6
OPM (%)									
Operating Income		(4.3)	14.1	14.9	19.5	13.8	13.3	13.8	14.5
Pre-tax Income		5.9	17.4	19.2	23.2	20.9	18.0	18.6	18.7
Net Income		5.9	14.3	15.8	18.5	16.4	14.8	15.3	15.3

Data: Company data. Leading Investments & Securities

Woojin Electro-nite has the highest level of contribution to firm's equity method earnings

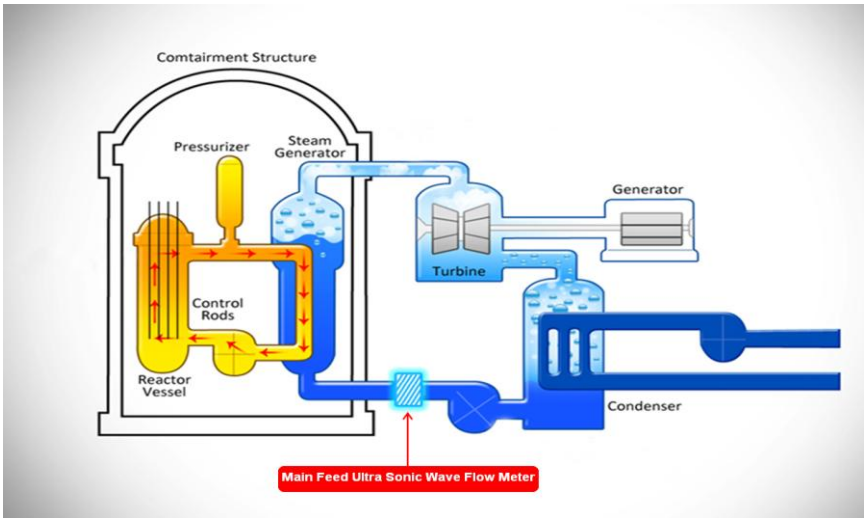
Woojin has consistently been generating a net non-operating income and pretax income constantly exceeds operating income. Equity method earnings contribute the most to the company's non-operating income. Woojin Electro-nite (WEN: Woojin 34%, Heraeus Electro-nite: 66%), a steel sensor manufacturing company, accounts for the most significant portion of Woojin's equity method earnings. WEN is a noteworthy enterprise that is currently monopolizing the domestic steel sensor market, and has consistently been maintaining an OPM in the 12~13% range. The firm has been annually contributing equity method earnings of over W2bn to Woojin's consolidated income. We expect equity method earnings to reach about W2.8bn in 2012, and W3.5bn in 2014, from supplying products to Posco's Brazil factory.

Ultrasonic flowmeter used in nuclear power plants

Ultrasonic flowmeter is the largest variable that will determine Woojin's long term growth

The ultrasonic flowmeter for nuclear power plants, which is currently being developed, is the most significant variable that will determine the path of Woojin's mid-long term growth. The ultrasonic flowmeter measures the flux produced by the main feedwater inside a nuclear reactor. Mechanical flowmeters, which are currently being used by nuclear power plants, have a methological flaw - they distorts the flow of the main feedwater during measurement. If flux is measured using ultrasonic flowmeters, nuclear power generation efficiency increases by 2%. Although it is known that a US measuring instrument manufacturer has already developed an ultrasonic flowmeter, the product is not actually used in nuclear power plants.

Exhibit 3. Nuclear Power Plant Structure



Data: Company data

Ultrasonic flowmeter will allow Woojin to enter foreign nuclear power markets

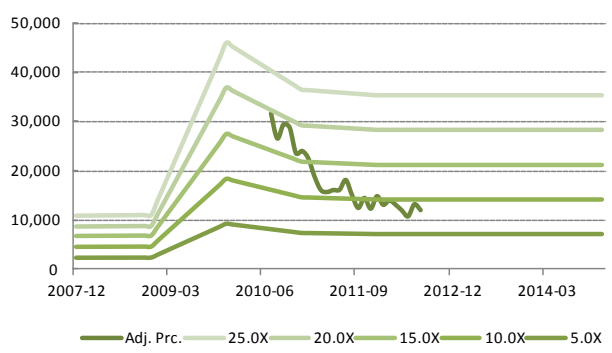
Woojin began developing the ultrasonic flowmeter in 2010 under a purchase-option contract with Korea Hydro & Nuclear Power Co. Currently, the product is in the equipment inspection period, and development is expected to be completed by late this year. Once equipment inspection is completed, an 18 month trial phase will take place. If the product passes the test, it can begin being supplied to nuclear power plants in 2014.

The ultrasonic flowmeter is important when considering Woojin's long term growth because unlike the currently used mechanical flow meter, the ultrasonic flowmeter is compatible with any facility – the structure and model of the nuclear power plant does not matter. Therefore, Woojin can use the ultrasonic flowmeter to expand its sales base to foreign markets (sales base is currently limited to domestic market).

Korea and US ultrasonic flowmeter market size.

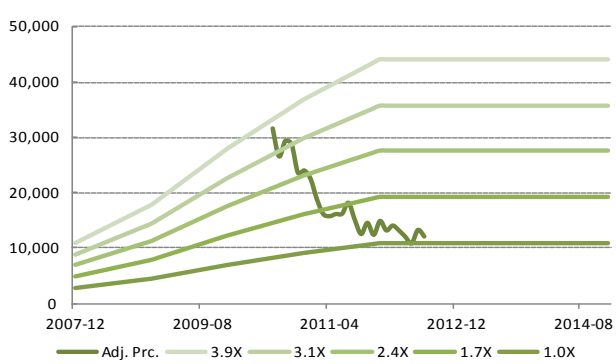
The ultrasonic flowmeter's price per unit is projected at around W1bn. The product's lifespan is about 10 years, and each nuclear facility will need 2 ultrasonic flometers. Domestically, there are 21 operating nuclear power plants, and in the US there are 130 operating nuclear power plants. As such, the Korea and US ultrasonic flowmeter market is estimated to be worth around W300bn, and if we assign each ultrasonic flowmeter's lifespan as 10 years, yearly sales is expected to be around W30bn.

Exhibit 4. PER BAND



Data : Fnguide, Leading Research Center

Exhibit 5. PBR BAND



Data : Fnguide, Leading Research Center

Financial Statement

Income Statement

(Wbn)	03	04	05	06	07	08	09	10	11F	12F	13F	14F
Revenue	**31.8**	**35.4**	**39.3**	**31.0**	**25.1**	**36.5**	**50.3**	**61.4**	**81.9**	**86.6**	**97.7**	**121.4**
% chg yoy	(3.9)	11.2	11.1	(21.2)	(19.0)	45.5	37.7	22.2	33.3	5.8	12.8	24.3
COGS	28.0	29.5	30.4	23.8	17.8	22.1	35.3	35.5	41.5	42.1	47.4	83.5
Gross profit	**3.8**	**5.9**	**8.9**	**7.2**	**7.3**	**14.4**	**14.9**	**19.0**	**24.4**	**25.6**	**29.7**	**37.9**
GP margin (%)	12.0	16.8	22.7	23.2	29.1	39.4	29.7	31.0	29.7	29.5	30.4	31.2
SG&A	1.9	2.9	5.4	5.3	5.9	7.2	6.4	8.9	13.2	14.3	16.3	20.5
Operating income	**1.9**	**3.1**	**3.5**	**1.9**	**1.4**	**7.2**	**8.5**	**10.1**	**11.1**	**11.3**	**13.4**	**17.4**
Adj. OP margin (%)	6.1	8.7	8.9	6.0	5.6	19.6	16.9	16.5	13.6	13.0	13.7	14.3
Net other income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.1	0.2
Reported OP	**1.9**	**3.1**	**3.5**	**1.9**	**1.4**	**7.2**	**8.5**	**10.3**	**11.3**	**11.5**	**13.5**	**17.6**
Net equity method gains	0.4	0.0	0.0	0.1	2.9	1.2	2.5	2.7	4.7	2.8	3.3	3.5
Financial income	0.3	0.6	1.1	2.3	0.9	1.2	3.3	1.4	3.0	2.8	2.9	3.1
Financial expenses	1.5	1.7	0.8	0.4	0.6	4.4	1.3	0.8	1.9	1.5	1.5	1.5
Income before tax	**1.1**	**2.0**	**3.7**	**3.9**	**4.6**	**5.2**	**13.1**	**13.6**	**17.1**	**15.6**	**18.2**	**22.7**
Income tax	0.4	0.4	0.5	0.0	0.3	2.6	2.4	2.2	3.6	2.8	3.3	4.1
Tax rate (%)	34.0	20.1	13.6	0.2	6.3	50.6	18.7	16.4	21.3	18.0	18.0	18.0
Net profit	**0.8**	**1.6**	**3.2**	**3.8**	**4.3**	**2.6**	**10.6**	**11.3**	**13.4**	**12.8**	**14.9**	**18.6**
Controlling interest	0.8	1.6	3.2	3.8	4.3	2.6	10.6	10.9	12.3	11.7	13.6	17.0
Non-controlling	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	1.2	1.1	1.3	1.6
Other comprehensive inc	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Total comprehensive inc	0.8	1.6	3.2	3.8	4.3	2.6	10.6	11.2	13.4	12.7	14.8	18.5

Balance sheet

(Wbn)	03	04	05	06	07	08	09	10	11F	12F	13F	14F
Current assets	**13.6**	**14.9**	**19.4**	**10.6**	**13.3**	**20.1**	**34.4**	**75.3**	**74.5**	**83.9**	**94.9**	**116.4**
Cash & equivalents	1.5	2.5	5.7	2.3	3.7	3.1	5.2	16.2	14.8	15.1	16.5	23.0
ST financial assets	1.9	1.0	0.5	0.1	0.3	3.3	3.1	33.5	19.2	19.8	23.3	26.4
Accounts receivables	2.6	4.5	4.8	3.8	3.6	7.3	18.2	12.5	13.1	15.3	17.9	23.3
Inventory	5.7	5.9	7.5	2.9	4.1	5.2	7.5	11.3	13.4	18.4	20.3	25.3
Others	1.9	1.0	0.9	1.5	1.7	1.2	0.4	1.9	14.0	15.3	16.9	18.4
	18.7	**17.0**	**18.1**	**21.6**	**25.5**	**19.6**	**26.3**	**30.8**	**45.4**	**56.4**	**62.7**	**69.3**
Non-current assets	2.6	2.5	3.6	9.6	13.7	7.1	13.0	18.9	19.8	20.4	20.5	21.0
Tangible Assets	2.6	2.5	3.6	1.4	2.7	2.2	1.2	0.7	3.1	4.3	5.3	5.5
LT financial assets	0.0	0.0	0.0	8.3	11.1	4.9	11.9	11.8	10.4	10.8	11.0	11.3
Inv in related co's	13.5	12.1	10.9	2.4	(2.0)	5.4	0.3	(0.6)	12.0	20.9	25.9	31.5
Inv in joint ventures	**32.3**	**31.9**	**37.5**	**32.2**	**38.8**	**39.7**	**60.7**	**106.1**	**119.8**	**140.3**	**157.6**	**185.7**
Others												
Total assets	**10.3**	**9.8**	**10.9**	**5.3**	**8.5**	**13.5**	**10.5**	**13.4**	**18.4**	**26.1**	**30.9**	**40.1**
	3.2	4.0	5.3	1.4	4.1	4.8	7.7	8.4	7.3	14.4	18.1	25.5
Current liabilities	6.1	4.6	2.9	2.4	2.1	2.5	0.0	0.0	2.9	3.0	3.2	3.5
Accounts payables	1.1	1.2	2.7	1.5	2.3	6.2	2.8	5.0	8.2	8.7	9.6	11.1
ST financial liabilities	**6.6**	**5.2**	**5.0**	**2.7**	**2.3**	**3.0**	**2.8**	**9.9**	**3.9**	**3.9**	**4.4**	**5.0**
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.7	0.1	0.0	0.0	0.0
	0.0	0.0	0.0	0.0	0.0	0.5	1.0	1.7	3.3	3.4	3.7	4.0
Non-current liabilities	6.6	5.2	5.0	2.7	2.3	2.4	1.8	0.5	0.5	0.5	0.7	1.0
LT payables	**16.9**	**15.0**	**15.9**	**8.1**	**10.8**	**16.5**	**13.3**	**23.3**	**22.3**	**30.0**	**35.3**	**45.1**
LT financial liabilities												
Others	0.9	0.9	0.9	0.9	0.9	2.5	3.3	3.9	4.3	4.3	4.3	4.3
Total liabilities	2.9	2.9	2.9	2.9	2.9	0.8	13.9	36.9	44.1	44.1	44.1	44.1
	11.7	13.2	16.3	20.0	24.1	26.7	30.3	42.3	51.1	59.5	70.1	84.4
Paid-in capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.3	7.8	8.9	10.2	11.8
Capital surplus	(0.0)	(0.0)	1.6	0.4	0.1	(6.8)	(0.0)	(2.6)	(9.8)	(6.6)	(6.5)	(4.1)
Others	**15.5**	**16.9**	**21.6**	**24.1**	**28.0**	**23.2**	**47.4**	**82.8**	**97.5**	**110.3**	**122.3**	**140.6**

Free cashflow analysis

(Wbn)	03	04	05	06	07	08	09	10	11F	12F	13F	14F
Net profit	**0.8**	**1.6**	**3.2**	**3.8**	**4.3**	**2.6**	**10.6**	**11.3**	**13.4**	**12.8**	**14.9**	**18.6**
Adj. for non-cash exp.	**2.3**	**2.9**	**2.2**	**(0.0)**	**(1.2)**	**0.3**	**(2.4)**	**0.9**	**0.2**	**(3.2)**	**(3.7)**	**(3.8)**
Depreciation	0.9	1.0	1.0	1.0	0.6	0.6	0.7	0.9	1.0	1.2	1.4	1.8
Provision for reserves	0.8	0.6	1.0	0.4	0.4	0.6	0.7	0.9	1.1	1.2	1.3	1.3
Net FX gains	(0.0)	0.2	(0.0)	(0.0)	(0.0)	0.0	(0.0)	0.1	(0.2)	(0.1)	(0.1)	0.0
Net eq method gains	0.4	0.0	0.0	0.1	2.9	1.2	2.5	2.7	4.7	2.8	3.3	3.5
Others	0.8	1.1	(0.3)	(1.9)	0.5	(0.1)	(1.3)	1.7	2.6	2.9	3.2	3.4
Chg in op assets & liab	**0.5**	**(1.2)**	**0.6**	**(5.2)**	**1.4**	**(0.1)**	**(14.1)**	**1.8**	**(9.6)**	**5.2**	**5.0**	**3.1**
Incr in WC (decr)	(1.5)	1.3	0.6	(1.7)	(1.7)	4.1	10.4	(2.8)	3.9	0.0	0.8	3.0
Others	0.9	(0.1)	(1.2)	6.9	0.3	(4.0)	3.7	0.9	5.7	5.2	5.8	6.1
Cash from operations	**3.6**	**3.3**	**6.0**	**(1.4)**	**4.6**	**2.7**	**(5.8)**	**14.0**	**4.1**	**14.8**	**16.2**	**17.9**
Capital expenditures	1.1	0.6	1.3	0.9	0.9	0.4	1.7	2.3	9.2	11.1	7.0	7.0
Free cash flow	**2.5**	**2.8**	**4.7**	**(2.4)**	**3.7**	**2.3**	**(7.6)**	**11.8**	**(5.1)**	**3.7**	**9.2**	**10.9**
Dividend	0.0	0.0	0.1	0.4	0.4	0.4	0.3	1.0	4.3	2.2	4.3	4.3
Incr in investment assets	0.0	0.0	0.0	0.0	(0.2)	(0.2)	4.1	0.0	0.0	0.9	0.9	0.8
Share issues	0.0	0.0	0.0	0.0	0.0	0.0	0.8	31.9	0.0	0.0	0.0	0.0
Increase in debt	0.9	(1.4)	(1.7)	(0.5)	(0.3)	0.4	(2.5)	7.7	(4.7)	(0.0)	0.2	0.3
Others	1.9	1.3	0.0	0.5	1.5	0.3	(12.9)	14.9	0.1	(0.9)	1.3	(2.2)
Net cash flow	**0.4**	**1.0**	**3.2**	**(3.5)**	**1.4**	**(0.5)**	**2.1**	**11.0**	**(1.4)**	**0.4**	**1.4**	**6.5**
Beginning cash	1.1	1.5	2.5	5.7	2.3	3.7	3.1	5.2	16.2	14.8	15.1	16.5
Ending cash	1.5	2.5	5.7	2.3	3.7	3.1	5.2	16.2	14.8	15.1	16.5	23.0

Stability ratios

	03	04	05	06	07	08	09	10	11F	12F	13F	14F
Current ratio	131.6	151.5	178.2	197.5	157.2	149.2	328.4	561.2	404.6	321.4	307.1	290.2
Quick ratio	39.1	71.4	96.6	113.9	86.1	77.4	223.2	221.6	215.1	165.6	156.9	154.2
Inv. holding period (d)	80.8	71.7	80.2	79.6	71.7	76.6	65.6	80.7	78.3	95.0	103.9	99.6
A/R collection period (d)	35.6	36.4	43.1	50.8	54.3	54.7	92.7	91.2	57.0	59.9	62.0	61.9
A/P period (days)	47.1	44.1	53.1	64.1	53.4	70.2	60.6	63.6	48.1	60.0	84.8	90.0
Interest bear debt (Wbn)	6.1	4.6	2.9	2.4	2.1	3.0	1.0	11.7	8.9	9.3	10.1	10.8
Cash & equivalents (Wbn)	39.3	27.4	13.5	10.1	7.4	13.1	2.1	14.1	9.1	8.4	8.3	7.7
Net int. bear debt (Wbn)	2.7	1.2	(3.3)	0.1	(1.8)	(3.4)	(7.3)	(39.1)	(36.8)	(38.4)	(43.8)	(54.1)
Net debt/equity (%)	17.3	7.0	(15.4)	0.2	(6.6)	(14.6)	(15.3)	(47.2)	(37.8)	(34.8)	(35.8)	(38.5)
Liability/equity (%)	109.3	88.5	73.7	33.4	38.4	70.9	28.0	28.2	22.9	27.2	28.9	32.1
Interest coverage (X)	4.1	8.6	14.7	11.7	10.2	57.8	140.2	21.5	50.2	57.4	67.6	87.9

Valuations and margins

(Wbn)	03	04	05	06	07	08	09	10	11F	12F	13F	14F
EV/EBITDA (X)	38.3	23.5	19.5	38.3	49.2	8.0	7.8	5.0	5.6	5.3	4.2	2.7
EPS (W)	128	273	551	653	734	497	1,841	1,518	1,521	1,472	1,721	2,142
EPS yoy chg (%)	8.9	112.8	101.7	18.6	12.4	(32.3)	270.5	(17.5)	0.2	(3.3)	16.9	24.5
PER (X)	94.7	44.5	22.1	18.6	16.5	24.4	6.6	8.0	8.0	8.3	7.1	5.7
BVPS (W)	2,627	2,877	3,670	4,105	4,759	4,514	8,221	11,085	11,037	12,708	14,092	16,198
P/BVPS (X)	4.6	4.2	3.3	3.0	2.6	2.7	1.5	1.1	1.1	1.0	0.9	0.8
Dividend/sh (W)	0	20	75	75	75	50	150	500	270	500	500	500
Dividend yield (%)	0.0	0.2	0.6	0.6	0.6	0.4	1.2	4.1	2.2	4.1	4.1	4.1
ROE (%)	5.0	9.9	16.8	16.8	16.6	10.0	30.1	17.4	14.9	12.3	12.8	14.1
ROA (%)	2.3	5.0	9.3	11.0	12.2	6.5	21.2	13.6	11.9	9.8	10.0	10.8
GP margin (%)	12.0	16.8	22.7	23.2	29.1	39.4	29.7	31.0	29.7	29.5	30.4	31.2
OP margin (%)	6.1	8.7	8.9	6.0	5.6	19.6	16.9	16.8	13.8	13.3	13.8	14.5
NP margin (%)	2.4	4.5	8.2	12.4	17.2	7.0	21.1	18.5	16.4	14.8	15.3	15.3
EBITDA margin (%)	6.1	8.7	8.9	6.0	5.6	19.6	18.4	18.4	15.0	14.6	15.1	15.6
ROIC (%)	8.4	15.9	19.9	12.8	9.8	28.1	34.7	33.3	27.1	20.4	20.2	23.3
WACC (%)								11.2	10.6	10.9	10.9	11.0
ROIC less WACC								22.1	16.5	9.5	9.4	12.4

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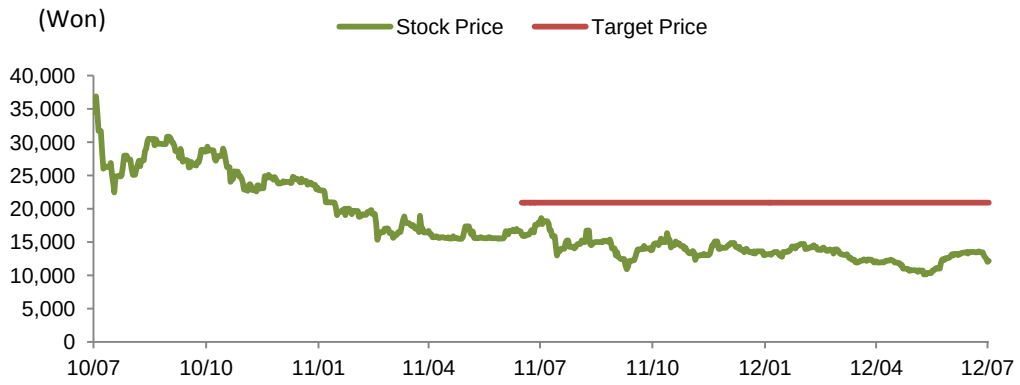
▶ Ratings and target price history in past two years

Woojin (105840 KS)		
Date	2011-07-11	2012-07-30
Rating	BUY(New)	BUY
Target Price	20,900	20,900

▶ Target price changes in past two years



▶ Investment period and ratings

Company	
BUY	The stock is expected to outperform the market by at least 15%p over the next 12 months.
HOLD	The stock is expected to either outperform or underperform the market by less than 15%p over the next 12 months.
SELL	The stock is expected to underperform the market by at least 15%p over the next 12 months

Industry	
OVERWEIGHT	Industry indicators are expected to outperform the by at least 5%p over the next 12 months.
NEUTRAL	Industry indicators are expected to be in line with the market within 5%p over the next 12 months.
UNDERWEIGHT	Industry indicators are expected to underperform the market by at least 5%p over the next 12 months

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