

# Top Pick

(036710.KQ)

## Buy

가 18,000

### Analyst

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가 (11/5)	13,450
KOSPI	1,938.96
KOSDAQ	528.66
가 ( )	365.8
( )	27.2
가	500
120	541,351
120 가	11,232
52 가('10/10/20)	15,100
가('09/11/27)	4,885
(2008)	0.00%
	2.40%
	29.6%
1	17.5%
가 (%) 3 6 12	
	24.5 18.5 172.8
	13.6 16.6 162.6

2011 ,

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Buy, 가 18,000	
- Buy 가 18,000	
- 가 가 .	가
- 가 18,000 2011 PER 8.6 , 가 (11 5 )	33.8%
- DRAM BOC PCB	
5 10%	
- 2010 2 , 3 17%, 16%	
, 1)	
MCP(Multi chip package), FMC(Flash memory card)	
, 2) 가가 20~30% DDR3	
- 가 2011 , 2011	
FC-CSP	
- FC-CSP wire bonding	FC-CSP 가
, baseband , AP,	
- 600 가 5,000 m <sup>2</sup>	
FC-CSP , 가 Capa	

-12	( )	(%)	( )	( )	EPS ( )	(%)	PER ( )	PBR ( )	EV/EBITDA ( )	ROE (%)	(%)	( )
2008	415	18.9	36	-151	-5,552		na	na	3.6	-384.6	-1011.0	149
2009	497	19.7	51	49	1,814		3.7	13.8	4.6	-335.3	2694.8	162
2010E	580	16.8	88	81	2,947	62.4	4.6	3.1	3.9	105.8	238.3	62
2011F	701	20.8	85	67	2,091	-29.1	6.4	2.1	3.7	39.2	149.1	26
2012F	824	17.6	88	71	2,205	5.5	6.1	1.6	3.3	29.5	99.8	-12

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## Valuation

### RIM Valuation

( : , )

	2010E	2011F	2012F	2013F	2014F	2015F	2016F	2017F	2018F	2019F	2020F	2021F
Net Profit	81	67	71	83	96	111	128	147	169	194	223	257
Shareholder's equity	138	205	276	359	455	566	691	832	991	1,169	1,370	1,596
Forecast ROE (FROE)	105.8%	39.2%	29.5%	26.0%	23.5%	21.7%	20.3%	19.3%	18.5%	18.0%	17.6%	17.3%
Spread (FROE-COE)	94.1%	27.5%	17.8%	14.3%	11.8%	10.0%	8.6%	7.6%	6.8%	6.3%	5.9%	5.6%
Residual Income	72	47	43	46	48	51	54	58	62	68	75	83
Cost of Equity(COE)	11.7%											
Beta	1.1											
Market Risk Premium (Rm-Rf)	7.0%											
Risk Free Rate (Rf)	4.0%											
Beginning Shareholder's equity	14.0											
PV of Forecast Period RI	389.1											
PV of Continuing Value	116.7											
Equity Value(C+P)	519.9											
No. of Shares(Common, mn)	32.2											
		12m TP										
Fair Price(C)		18,034										
Current Price(C)		13,450										
Upside(-Downside)		34.1%										
Implied P/B(x)		4.2										
Implied P/E(x)		6.1										

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### Cross Valuation

( : x, %)

Company	PER		PBR		ROE	
	2010/12E	2011/12F	2010/12E	2011/12F	2010/12E	2011/12F
Domestic						
	7.8	7.5	1.1	1.0	16.8	15.3
Overseas						
Kinsus	15.0	11.9	1.9	1.7	13.4	15.6
Unimicron	10.9	9.6	1.9	1.7	16.4	17.0

: , Bloomberg

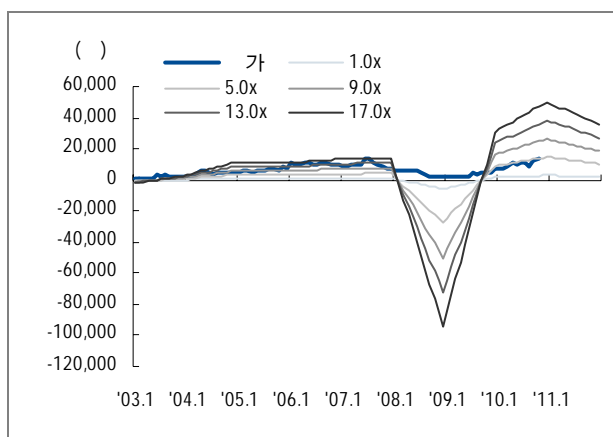
### Historical Valuation

( : x, %)

Valuation	2008/12A	2009/12A	2010/12E	2011/12F	2012/12F
PER	na	3.7	4.6	6.4	6.1
PBR	na	13.8	3.1	2.1	1.6
EV/EBITDA	3.0	4.3	3.6	3.4	3.0
ROE	-384.6	-335.3	105.8	39.2	29.5
ROIC	13.0	22.4	36.1	30.5	27.5

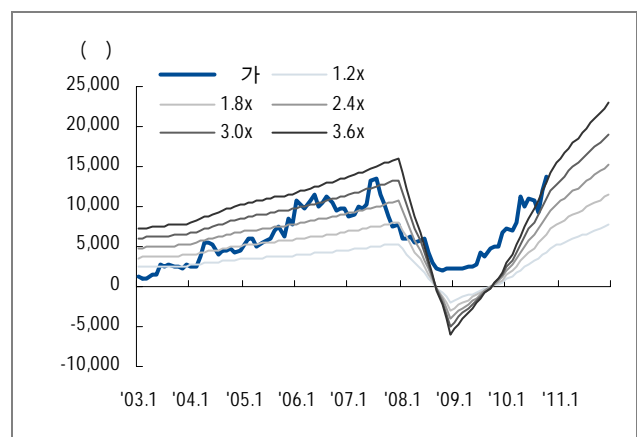
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### PER band



: Dataguide Pro,

### PBR band



: Dataguide Pro,

## Key drivers & Share price trend

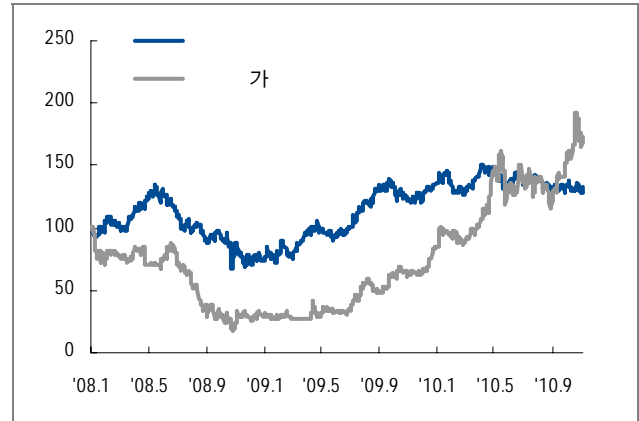
KOSDAQ vs 가



: 2008.01.01 = 100

: Dataguide Pro,

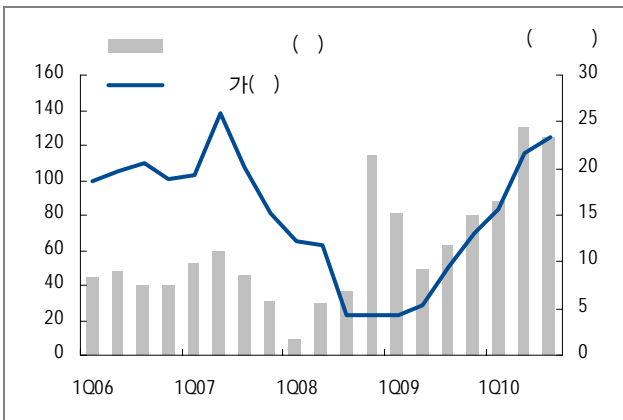
vs 가



: 2008.01.01 = 100

: Dataguide Pro,

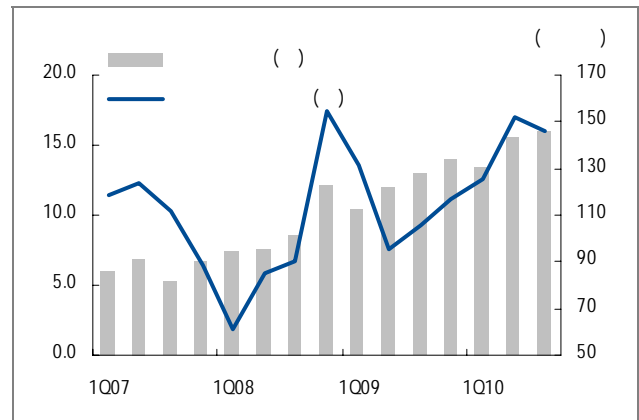
vs 가



: 2006.03.31 = 100

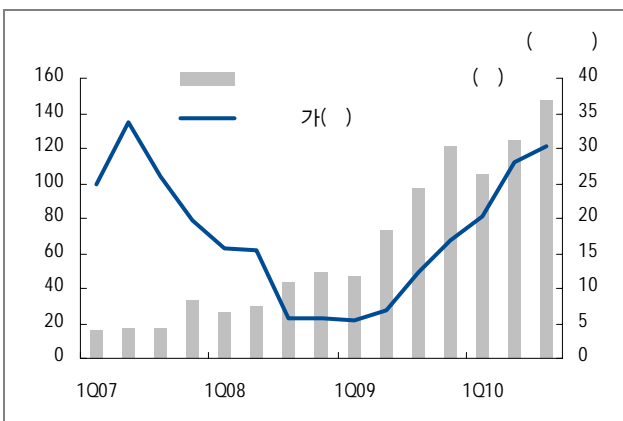
: Dataguide Pro,

vs



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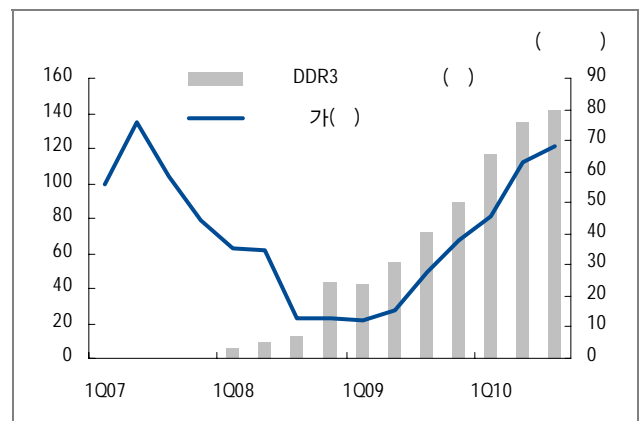
vs 가



: 2007.03.31 = 100

: Dataguide Pro,

DDR3 vs 가



: 2007.03.31 = 100

: Dataguide Pro,

## Valuation &amp; Financial data

INCOME STATEMENT					VALUATION INDEX				
( )	2009/12A	2010/12E	211/12F	2012/12F		2009/12A	2010/12E	2011/12F	2012/12F
가 (%)	496.7	580.4	701.2	824.4	EV/ EBITDA (X)	4.6	3.9	3.7	3.3
가	19.7	16.8	20.8	17.6	EV/ EBIT (X)	6.7	4.8	4.6	4.0
	421.3	464.4	582.8	697.2	PER (X)	3.7	4.6	6.4	6.1
Gross (%)	75.3	116.0	118.4	127.2	PER (X)	3.6	4.6	6.4	6.1
	15.2	20.0	16.9	15.4	PCR (X)	3.2	3.0	6.4	6.0
EBITDA	24.1	27.8	33.3	38.9	PBR (X)	13.8	3.1	2.1	1.6
EBITDA (%)	74.3	110.1	105.4	107.5	PSR (X)	0.4	0.6	0.6	0.5
가 &	15.0	19.0	15.0	13.0	PEG (X)	0.6	na	0.5	0.4
OP (%)	23.0	21.9	20.3	19.3	PER/ EBIT 가 (X)	0.3	-6.2	0.6	0.4
	51.3	88.2	85.1	88.3	PER/ EBITDA 가 (X)	0.5	-1.8	0.7	0.5
	10.3	15.2	12.1	10.7	Enterprise Value	344.2	427.4	392.0	353.8
	49.8	21.7	6.9	7.2	EPS CAGR (3 , FD) (%)	6.7	-4.5	12.5	16.1
	39.2	9.0	7.6	6.5	EBIT CAGR (3 , FD) (%)	13.3	-0.7	11.2	15.1
	-9.5	-7.9	-5.7	-4.2	EBITDA CAGR (3 , FD) (%)	6.9	-2.5	8.7	12.5
Pretax (%)	61.9	100.9	84.4	89.0	EBIT (FD) (W)	1,885	3,227	2,642	2,741
	12.5	17.4	12.0	10.8	EBITDA (FD) (W)	2,730	4,029	3,274	3,339
	12.5	20.4	17.1	18.0	EPS (FD) (W)	1,814	2,947	2,091	2,205
	49.4	80.5	67.3	71.0	EPS (FD) (W)	1,838	2,947	2,091	2,205
Net (%)	49.4	80.5	67.3	71.0	CFPS (W)	2,116	4,526	2,111	2,255
	9.9	13.9	9.6	8.6	BPS (W)	485	4,275	6,371	8,580
	50.0	80.5	67.3	71.0	(W)	18,260	21,240	21,776	25,601
CASH FLOW STATEMENT					RIM & EVA				
( )	2009/12A	2010/12E	2011/12F	2012/12F		2009/12A	2010/12E	2011/12F	2012/12F
	52.2	108.7	46.4	50.6	RIM				
가 &	49.4	80.5	67.3	71.0	Spread (FROE-COE) (%)	-347.7	94.1	27.5	17.8
+ (- )	23.0	21.9	20.3	19.3	Residual Income	51.2	71.6	47.2	42.8
+ (- )	-0.3	0.0	0.0	0.0	12M RIM-based Target Price(W)	18,034			
+ (- )	-0.9	0.0	0.0	0.0	가 (EVA)				
Gross Cash Flow	0.0	0.0	0.0	0.0		182.5	206.8	239.0	272.2
- 가 (+ )	57.6	123.7	68.0	72.6		40.9	70.3	67.9	70.4
	-5.4	-15.0	-21.6	-22.0	(%)	22.4	36.1	30.5	27.5
	-95.6	-9.2	-11.1	-13.0	- WACC (%)	13.9	28.0	22.1	19.2
+ 0.2	0.0	0.0	0.0	0.0	EVA	25.5	58.0	52.9	52.3
- 가(CAPEX)	-17.9	-9.2	-11.1	-13.0	Discounted Cash Flow				
+ 가 (- )	4.6	0.0	0.0	0.0	EBIT	51.3	88.2	85.1	88.3
Free Cash Flow	34.2	99.5	35.3	37.6	+ 가	23.0	21.9	20.3	19.3
Net Cash Flow	-43.4	99.5	35.3	37.6	- CAPEX	17.9	9.2	11.1	13.0
	21.7	-34.2	-14.6	-24.6	Free cash flow for DCF valuation	18.9	48.0	38.4	40.1
	0.0	0.0	0.0	0.0	가 (WACC) (%)				
	21.7	-34.2	-14.6	-24.6	(COD)	4.5	4.5	4.5	4.5
& 가 (- )	-21.6	65.4	20.7	12.9	(COE)	12.3	11.7	12.2	12.2
( )	161.7	61.6	26.2	-12.0	WACC	8.4	8.1	8.3	8.4
BALANCE SHEET					PROFITABILITY & STABILITY				
( )	2009/12A	2010/12E	2011/12F	2012/12F		2009/12A	2010/12E	2011/12F	2012/12F
	14.2	80.2	101.0	114.5	(ROE) (%)	-335.3	105.8	39.2	29.5
	87.9	102.8	124.2	146.0	(ROA) (%)	12.5	18.8	13.8	13.3
	173.8	260.6	311.5	355.7	(ROIC) (%)	22.4	36.1	30.5	27.5
	173.4	160.9	151.9	145.8	EBITDA/ (%)	530.3	79.7	51.3	38.9
	27.4	28.8	30.7	32.7	EBITDA/ (%)	19.0	23.6	20.6	19.5
	217.5	206.7	200.2	196.9	(%)	0.0	0.0	0.0	0.0
	391.4	467.3	511.7	552.5	( )	0.0	0.0	0.0	0.0
	46.2	37.6	34.1	28.1	( + )	0	0	0	0
	34.8	40.7	49.1	57.7	( )/ (%)	1,154.7	44.6	12.7	-4.4
	215.1	192.3	180.2	168.3	/ (%)	2,694.8	238.3	149.1	99.8
	129.8	104.2	93.0	74.4	/ (%)	1.9	1.4	0.8	0.5
	1.4	1.6	2.0	2.3	EBIT/ (X)	5.4	11.2	14.9	20.8
	162.2	136.9	126.0	107.8	(%)	80.8	135.5	172.8	211.4
	377.4	329.2	306.2	276.1	(%)	64.3	113.9	144.9	176.3
	13.6	16.1	16.1	16.1	(mn)	27	32	32	32
	50.4	77.9	77.9	77.9	가 (W)	500	500	500	500
	-39.3	41.2	108.5	179.5	가 (W)	6,710	13,450	13,450	13,450
	14.0	138.1	205.5	276.5	가 ( )	183	366	366	366

•	가	3	1%	
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•				
•	가	가		(www.wooriwm.com) 2011 Top Picks