

Modetour Network (080160 KS)

Need to see growth in booking rates

BUY (MAINTAIN)

Price (Aug. 2)	W23,200
Target Price	W29,000
% variance	25.0%

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KOSPI	2,270.20p
KOSDAQ	781.38p
Market Cap.	W438.5bn/ US384.6mn
Par Value	W500
Outstanding Shares	18.9mn
Free Floating Shares	15.1mn(79.6%)
52-Week High/Low	W40,450/W23,200
60-Day Avg. Trading Volume	190,623shrs
60-Day. Avg. Trading T/O	W5,465mn
Foreign Ownership	41.84%
Major Shareholders	
Jong-Ung Woo and 13 others	15.41%
NPS	5.27%
Absolute Performance	3M -36.4%
	6M -34.6%
	12M -23.9%
Relative performance to KOSDAQ	3M -29.0%
	6M -24.8%
	12M -36.0%

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- ◆ 2Q18 consolidated operating profit of W4bn (-45.6% YoY)
- ◆ In need of growth in package tour booking rates
- ◆ Retain BUY, while downgrading target price by 20.5% to W29,000

2Q18 consolidated operating profit of W4bn (-45.6% YoY)

Modetour Network posted 2Q18 consolidated operating profit of W4bn (-45.6% YoY), falling short of our forecast (W6bn) and the market consensus (W7bn). Standalone operating profit came in at W4.6bn. Jautour and Mode Stay incurred operating loss of W800mn and W400mn, respectively. Modetour International reported operating profit of W200mn, Modetour REITS W500mn, and Modetour Japan W200mn. While sales were stagnant overall, operating profit dropped on cost increases.

In need of growth in package tour booking rates

Modetour Network shares plummeted by more than 10% yesterday. It was attributable to weak package tour booking rates for 2H, rather than lackluster 2Q results. Outbound package tour customers shrank 6.9% YoY in July. Booking rates are down 0.5% YoY for August, down 7.8% YoY for September, and up 10.9% YoY for October. Travel demand for June-August has been weighed by various regional and political issues, such as the local elections, World Cup, earthquakes, floods, and volcanic eruptions.

Booking rates are unlikely to improve for some time, with travel demand hurt by domestic economic uncertainties (package tours are usually booked three to six months in advance). We revise down our consolidated operating profit forecasts to W5.3bn (-34.4% YoY) for 3Q and W4.5bn (-19.6% YoY) for 4Q.

Retain BUY, while downgrading target price by 20.5% to W29,000

We downgrade our target price for Modetour Network from W36,500 to W29,000, as our earnings forecasts are revised down to reflect weak booking rates. Our target price is derived by applying a target PER of 25x (past ten-year average, reflecting outbound traffic growth for 2019 and earnings gains of subsidiaries) to 12-month forward EPS of W1,157. We keep our BUY rating in light of: 1) earnings concerns reflected in the recent share price drop; 2) upbeat outbound traffic forecasts (+9.9% in 2018, +6.9% in 2019); and 3) upturn in booking rates likely to lift the share price.

Year to Dec.	Sales (W bn)	OP (W bn)	Pre-tax (W bn)	NP (W bn)	EPS (Won)	Growth (%)	BPS (Won)	PER (X)	EV/EBITDA (X)	PBR (X)	ROE (%)	Net Debt Ratio (%)
2016	237.1	20.1	22.9	16.8	887	26.6	5,471	21.8	11.8	3.5	16.5	(90.6)
2017	290.9	32.1	32.9	24.2	1,279	44.2	7,134	23.8	14.4	4.3	20.3	(59.6)
2018F	371.9	22.9	25.4	19.7	1,045	(18.4)	7,747	22.2	12.3	3.0	14.0	(71.6)
2019F	396.2	25.2	29.9	22.9	1,213	16.1	8,433	19.1	10.8	2.8	15.0	(75.8)
2020F	420.4	30.8	31.1	23.3	1,235	1.9	9,094	18.8	8.8	2.6	14.1	(81.2)

Source: Company data, Shinhan Investment

Quarterly earnings (K-IFRS consolidated)															
(bn KRW, stake)	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18P	3Q18F	4Q18F	1Q19F	2Q19F	3Q19F	4Q19F	2017	2018F	2019F
Sales (consolidated)	74.0	67.3	72.7	77.0	109.8	83.4	86.2	92.5	109.4	93.2	93.4	96.9	290.9	371.9	396.2
- Parent (standalone)	64.3	57.3	62.5	65.2	94.3	70.4	74.2	79.6	92.9	79.4	80.8	83.2	249.4	318.5	339.3
- Subsidiary total	10.0	10.6	10.7	13.1	17.0	14.5	13.2	14.3	17.9	15.2	13.9	15.0	44.5	59.1	62.0
- Consolidated adjustments	(0.4)	(0.6)	(0.5)	(1.4)	(1.5)	(1.5)	(1.2)	(1.4)	(1.4)	(1.4)	(1.3)	(1.4)	(2.9)	(5.6)	(5.1)
1) Modetour International (95.81%)	0.4	0.3	0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5	0.1	0.1
2) Mode Stay (100%)	2.7	2.6	2.9	3.5	2.8	4.0	3.5	3.9	2.9	4.2	3.6	4.1	11.7	14.2	14.9
3) Cruise International (89.92%)	0.0	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.3	0.3	0.3
4) Seoul Hotel/Tourism College (100%)	0.4	1.2	0.7	1.0	0.4	0.9	0.6	0.9	0.4	0.9	0.6	0.9	3.3	2.8	2.9
5) Mode Tourism Development (100%)	0.6	0.6	0.5	0.5	0.4	0.6	0.7	0.7	0.4	0.6	0.7	0.7	2.3	2.3	2.4
6) Jautour (79.81%)	5.5	5.4	5.8	6.2	11.1	6.6	6.2	6.6	11.7	7.0	6.5	6.9	22.9	30.5	32.0
7) Mode Hotel & Realty (100%)	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	1.6	1.7	1.7
8) Modetour REITS (42.16%)17. 4Q	1.1	1.1	1.1	1.0	1.1	1.1	1.1	1.1	1.1	1.2	1.1	1.1	1.0	4.4	4.5
9) Modetour Japan Inc. from 1Q18					0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8		3.0	3.2
OP (consolidated)	11.0	7.3	8.1	5.5	9.1	4.0	5.3	4.5	7.5	5.4	7.0	5.2	32.0	22.9	25.2
- Parent (standalone)	11.7	7.9	8.8	4.5	10.5	4.6	5.6	4.1	8.5	5.7	6.9	4.7	32.9	24.9	25.8
- Subsidiary total	(0.7)	(0.5)	(0.7)	1.3	(1.4)	(0.5)	(0.2)	0.4	(1.1)	(0.2)	0.2	0.6	(0.6)	(1.7)	(0.5)
- Consolidated adjustments	0.0	(0.1)	(0.0)	(0.2)	(0.0)	(0.1)	(0.0)	(0.1)	0.0	(0.1)	(0.1)	(0.1)	(0.3)	(0.3)	(0.1)
1) Modetour International (95.81%)	(0.1)	(0.1)	(0.1)	(0.0)	(0.2)	(0.2)	(0.1)	(0.0)	(0.2)	(0.2)	(0.1)	(0.0)	(0.2)	(0.5)	(0.5)
2) Mode Stay (100%)	(0.2)	(0.3)	0.1	0.7	(0.6)	(0.4)	0.1	0.4	(0.5)	(0.4)	0.2	0.5	0.3	(0.5)	(0.2)
3) Cruise International (89.92%)	(0.0)	0.0	0.0	0.0	(0.0)	0.1	0.0	(0.1)	(0.0)	0.1	0.0	(0.1)	0.0	(0.0)	(0.0)
4) Seoul Hotel/Tourism College (100%)	(0.6)	0.1	(0.3)	(0.1)	(0.6)	(0.1)	(0.3)	(0.1)	(0.5)	(0.1)	(0.3)	(0.2)	(0.9)	(1.1)	(1.1)
5) Mode Tourism Development (100%)	(0.1)	(0.1)	(0.2)	(0.2)	(0.3)	(0.1)	(0.1)	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)	(0.6)	(0.7)	(0.6)
6) Jautour (79.81%)	0.2	(0.2)	(0.3)	0.3	(0.5)	(0.8)	(0.6)	(0.5)	(0.5)	(0.5)	(0.4)	(0.3)	0.1	(2.4)	(1.6)
7) Mode Hotel & Realty (100%)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.4	0.5
8) Modetour REITS (42.16%)17. 4Q	0.5	0.5	0.4	0.4	0.5	0.5	0.5	0.5	0.4	0.6	0.5	0.5	0.4	2.0	2.0
9) Modetour Japan Inc. from 1Q18					0.3	0.2	0.2	0.3	0.3	0.3	0.2	0.3		1.0	1.1
Pre-tax profit (consolidated)	10.9	8.4	8.5	11.6	9.7	4.4	5.7	5.6	8.8	7.2	7.4	6.6	39.4	25.4	29.9
NP (consolidated)	8.1	6.0	6.3	6.6	7.9	2.9	4.1	4.6	5.9	5.6	5.5	5.7	27.0	19.5	22.7
NP of controlling interests (consolidated)	8.1	6.1	6.3	6.6	8.0	3.0	4.2	4.6	6.0	5.6	5.6	5.7	27.2	19.7	22.9
- Parent (standalone)	8.8	7.5	7.2	2.0	9.6	4.3	4.8	3.9	7.9	5.7	5.7	4.5	25.5	22.6	23.8
- Subsidiary total	(0.9)	(0.7)	(0.6)	1.3	(2.3)	(1.4)	(0.4)	0.3	(1.8)	(0.1)	0.1	0.8	(0.9)	(3.8)	(1.0)
- Consolidated adjustments	0.3	(0.8)	(0.4)	3.3	0.7	(0.0)	(0.3)	0.4	(0.2)	0.0	(0.3)	0.4	2.4	0.8	(0.1)
(% YoY growth)															
Sales	24.3	23.9	13.2	30.3	48.4	24.0	18.6	20.1	(0.4)	11.7	8.3	4.8	22.7	27.8	6.5
OP	154.8	99.9	(2.3)	45.4	(17.1)	(45.6)	(34.4)	(19.6)	(18.2)	35.2	30.8	17.1	59.0	(28.4)	9.9
NP	145.6	83.3	(4.8)	146.0	(2.6)	(51.8)	(34.3)	(30.4)	(25.1)	92.3	34.3	23.2	70.3	(27.7)	16.2
(Margin, %)															
OPM	14.9	10.9	11.2	7.2	8.3	4.8	6.2	4.8	6.8	5.8	7.5	5.4	11.0	6.2	6.4
NPM	11.0	8.9	8.6	8.6	7.2	3.5	4.8	5.0	5.4	6.0	5.9	5.9	9.3	5.3	5.7

Source: Company data, Shinhan Investment Corp.

Note: Standalone sales and operating expense for 1Q17 and 1Q18 both increase with changes to the IFRS15 accounting standard. Changes in sales for 2Q18-4Q18 have not been reflected in this report to allow comparison with 2Q17-4Q17 figures released by the company (yet to reflect accounting changes). There is almost no impact on operating profit.

Earnings forecast revision (K-IFRS consolidated)						
(bn KRW)	2018F			2019F		
	Before	After	Change (%)	Before	After	Change (%)
Sales	423.8	371.9	(12.2)	451.4	396.2	(12.2)
OP	30.5	22.9	(24.9)	40.8	25.2	(38.3)
NP	23.6	19.5	(17.3)	31.8	22.7	(28.6)

Source: Shinhan Investment Corp.

2Q18 consolidated results							
(bn KRW)	2Q18P	1Q18	% QoQ	2017	% YoY	SHIC	Consensus
Sales	83.4	109.8	(24.0)	67.3	24.0	97.3	92.5
OP	4.0	9.1	(56.3)	7.3	(45.6)	6.0	7.0
NP	2.9	7.9	(63.4)	6.0	(51.8)	4.9	5.6
OPM (%)	4.8	8.3		10.9		6.2	7.6
NPM (%)	3.5	7.2		8.9		5.0	6.1

Source: Company data, Shinhan Investment Corp.

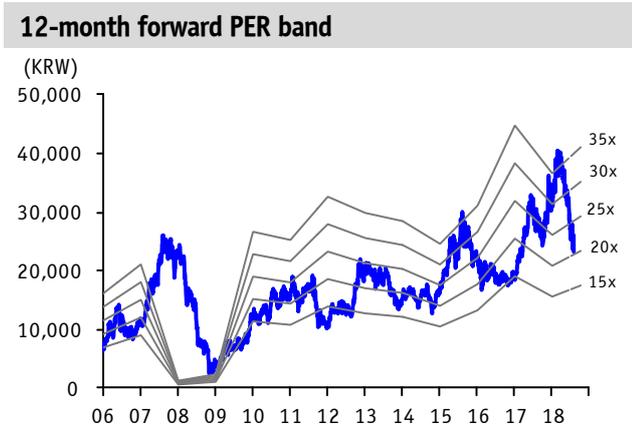
PER valuation based on consolidated net profit: Target price of W29,000							
(bn KRW)	Value	(bn KRW)	Value	(bn KRW)	Value	(bn KRW)	Value
2017 consolidated NP	24.2	2018F consolidated NP	19.7	12MF consolidated NP	21.8	2019F consolidated NP	22.9
EPS (KRW)	1,279	EPS (KRW)	1,045	EPS (KRW)	1,157	EPS (KRW)	1,213
Target price (KRW)	31,975	Target price (KRW)	26,125	Target price (KRW)	28,925	Target price (KRW)	30,325
Target PER (x)	25.0	Target PER (x)	25.0	Target PER (x)	25.0	Target PER (x)	25.0
Current price (KRW)	23,200	Current price (KRW)	23,200	Current price (KRW)	23,200	Current price (KRW)	23,200
Current PER (x)	18.1	Current PER (x)	22.2	Current PER (x)	20.1	Current PER (x)	19.1

Source: Shinhan Investment Corp.

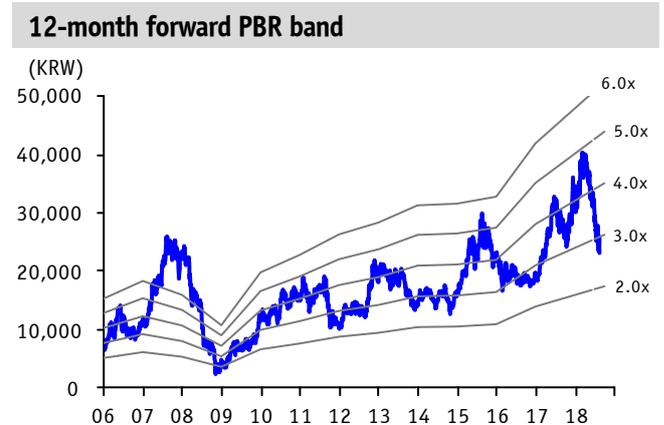
Historical valuation and target PER												
(X, %)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Average (excl. 2008-2009)	
PER (term-end)	39.1	139.9	193.3	20.0	14.7	21.5	18.9	21.7	33.1	23.0	24.2	
PER (high)	43.9	746.9	201.9	22.0	26.9	24.0	26.9	23.9	44.7	26.9	30.2	
PER (low)	17.0	62.5	54.1	12.9	12.9	11.0	16.3	16.9	24.0	19.8	16.1	
PER (average)	33.3	319.5	114.2	20.9	20.5	16.0	22.1	21.1	34.2	22.8	25.0	
Premium (%)											0.0	
PER (target)											Average PER	25.0

Source: Shinhan Investment Corp.

Note: Target PER of 25x is the past 10-year average and equals a 20% discount to Hana Tour Service's target multiple, which is seen fair considering Modetour Network's smaller earnings (sales and profit) and stagnant market share (vs. Hana Tour's steady gains).



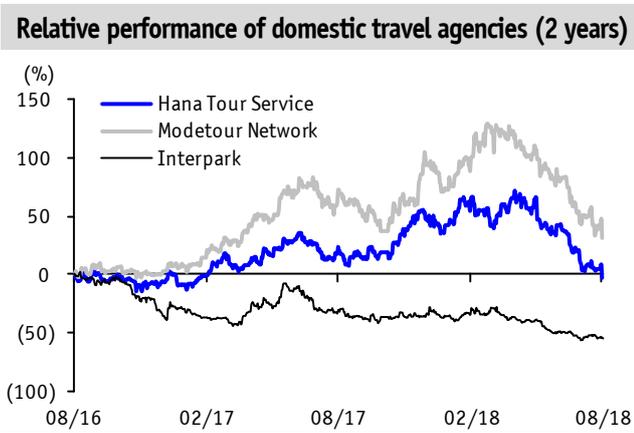
Source: Shinhan Investment Corp.



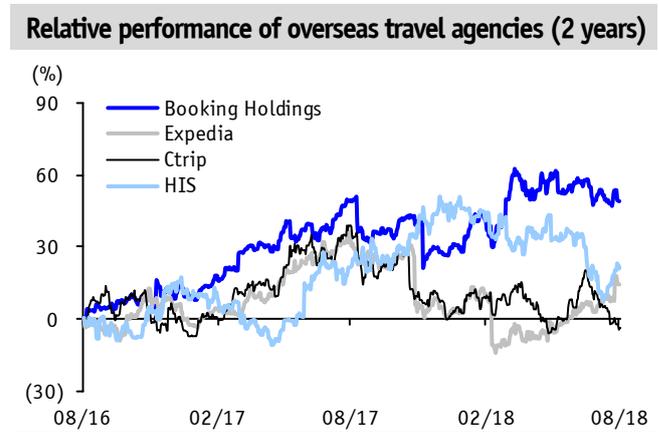
Source: Shinhan Investment Corp.

Valuation of global travel peers														
Company	Ticker	Sales growth (%)		NP growth (%)		PER (x)		PBR (x)		EV/EBITDA (x)		ROE (%)		
		Bloomberg	2018F	2019F	2018F	2019F	2018F	2019F	2018F	2019F	2018F	2019F	2018F	2019F
Hana Tour Service	039130 KS		29.6	9.6	150.5	58.1	27.1	17.4	3.7	3.3	9.6	7.3	13.9	19.8
Modetour Network	080160 KS		39.4	13.5	0.7	30.4	16.7	12.7	2.8	2.4	9.7	7.5	18.1	20.9
Interpark	108790 KS		6.9	5.8	(46.6)	127.7	50.1	21.8	1.3	1.2	8.4	6.8	2.6	5.8
Booking Holdings	PCLN US		15.3	13.0	12.2	13.5	22.9	20.0	7.5	6.3	15.8	13.9	37.8	36.8
Expedia	EXPE US		12.2	11.3	20.5	18.7	25.1	21.3	4.6	3.8	11.0	9.6	13.1	15.3
TripAdvisor	TRIP US		5.1	8.5	32.5	14.1	42.3	37.5	5.5	4.7	20.2	18.3	10.0	11.9
CTRP	CTRP US		17.5	25.8	26.0	38.9	34.7	25.7	1.9	1.8	30.5	19.8	4.5	6.3
CITS	601888 CH		50.5	19.7	46.8	24.8	36.2	28.9	8.0	6.6	21.3	16.8	22.9	23.6
CYTS	600138 CH		7.4	6.4	13.7	14.8	18.7	16.2	2.1	1.9	11.5	10.2	11.0	11.4
HIS	9603 JP		21.4	6.6	(20.6)	20.2	18.5	15.4	2.3	2.0	9.6	8.3	12.2	14.5

Source: Bloomberg Consensus



Source: Bloomberg, Shinhan Investment Corp.



Source: Bloomberg, Shinhan Investment Corp.

Balance Sheet

Year to Dec. (W bn)	2016	2017	2018F	2019F	2020F
Assets	210.4	338.2	383.4	406.8	428.9
Total Current Assets	151.1	208.7	252.5	274.9	299.4
Cash and Cash Equivalents	58.3	53.1	53.6	63.0	74.6
Accounts Receivables	31.0	42.8	54.8	58.3	61.9
Inventories	0.1	0.1	0.2	0.2	0.2
Non-Current Assets	59.2	129.5	130.9	131.9	129.5
Tangible Assets	21.9	22.5	20.9	20.5	17.1
Intangible Assets	5.6	2.6	2.8	3.0	2.8
Investment Assets	21.7	16.5	19.2	20.5	21.7
Other Financial Institutions Assets	0.0	0.0	0.0	0.0	0.0
Liabilities	107.7	175.2	209.0	219.7	229.3
Current Liabilities	103.1	141.8	175.2	185.8	195.3
ST Borrowings	0.5	14.0	14.0	14.0	14.0
Account Payables	0.0	0.0	0.0	0.0	0.0
Current Portion of LT Debt	0.5	0.8	1.0	1.0	0.0
Non-Current Liabilities	4.6	33.4	33.8	33.9	34.0
Bonds	0.0	0.0	0.0	0.0	0.0
LT Borrowings(incl. LT Fin. Liab.)	4.2	32.2	32.2	32.2	32.2
Other Financial Institutions Liab.	0.0	0.0	0.0	0.0	0.0
Shareholders' Equity	102.7	163.0	174.4	187.2	199.7
Capital Stock	6.3	9.5	9.5	9.5	9.5
Capital Surplus	27.9	29.2	29.2	29.2	29.2
Other Reserves	(28.6)	(18.7)	(18.7)	(18.7)	(18.7)
Accu. Other Comp. Income	0.2	(0.0)	(0.0)	(0.0)	(0.0)
Retained Earnings	97.6	114.9	126.5	139.4	151.9
Owners of Parent Equity	103.5	134.8	146.4	159.4	171.9
Non-Controlling Interests Equity	(0.8)	28.2	28.0	27.8	27.8
*Total Debt	7.4	47.4	45.7	45.7	44.7
*Net Debts(Cash)	(93.0)	(97.1)	(124.8)	(141.9)	(162.1)

Cash Flow

Year to Dec. (W bn)	2016	2017	2018F	2019F	2020F
Operating Cash Flow	31.7	38.2	43.6	32.4	32.8
Net Profit	15.9	24.2	19.5	22.7	23.4
Depreciation	2.2	2.5	4.6	4.5	3.4
Amortization	0.6	0.6	0.2	0.3	0.2
Losses(Gains) on F/X Translation	(0.5)	2.3	0.0	0.0	0.0
Losses(Gains) on Disp. of Assets	0.2	(0.2)	(0.2)	(0.2)	(0.2)
Losses(Gains) in Asso., Subs., JVs	(2.1)	(3.0)	0.0	0.0	0.0
Chg. in A/L from Op. Activities	11.6	12.3	19.5	5.2	6.1
(Payments of Income Taxes)	(5.5)	(10.4)	(5.9)	(7.2)	(7.8)
Others	9.3	9.9	5.9	7.1	7.7
Investing Cash Flow	(6.1)	(53.8)	(31.7)	(13.4)	(8.8)
Incr. in Tangible Assets(CAPEX)	(1.2)	(1.4)	(3.0)	(4.0)	0.0
Decr. in Tangible Assets	0.1	0.1	0.0	0.0	0.0
Decr.(Incr.) in Intangible Assets	(0.7)	(0.1)	(0.5)	(0.5)	0.0
Decr.(Incr.) in Investment Assets	7.4	(6.6)	(2.7)	(1.3)	(1.2)
Others	(11.7)	(45.8)	(25.5)	(7.6)	(7.6)
Free Cash Flow	34.2	38.5	36.8	25.0	32.0
Financing Cash Flow	(11.9)	11.3	(10.0)	(8.1)	(11.0)
Incr.(Decr.) in Borrowing	0.7	1.7	(1.8)	0.0	(1.0)
Decr.(Incr.) of Treasury Stock	8.0	16.7	0.0	0.0	0.0
Dividend	(4.6)	(6.9)	(8.2)	(8.1)	(10.0)
Others	(16.0)	(0.2)	0.0	0.0	0.0
Other Cash Flows	0.0	0.0	(1.5)	(1.5)	(1.4)
Change of Consolidated Scope	0.0	0.0	0.0	0.0	0.0
Difference by Chg. in F/X Rates	0.1	(0.9)	0.0	0.0	0.0
Incr.(Decr.) in Cash	13.7	(5.2)	0.5	9.4	11.7
Beginning Cash	44.6	58.3	53.1	53.6	63.0
Ending Cash	58.3	53.1	53.6	63.0	74.7

Source: Company data, Shinhan Investment

Profit and Loss

Year to Dec. (W bn)	2016	2017	2018F	2019F	2020F
Sales	237.1	290.9	371.9	396.2	420.4
Growth (%)	16.0	22.7	27.8	6.5	6.1
COGS	11.2	10.9	50.8	52.3	53.9
Gross Profit	225.9	280.0	321.2	343.9	366.5
Gross margin (%)	95.3	96.2	86.3	86.8	87.2
SG&A	205.8	247.9	298.2	318.7	335.6
Operating Income	20.1	32.1	22.9	25.2	30.8
Growth (%)	22.3	59.6	(28.7)	9.9	22.5
Operating margin (%)	8.5	11.0	6.2	6.4	7.3
Other Net Non-Operating Profits	2.8	0.8	2.5	4.7	0.3
Financial Income(Expenses)	1.2	0.7	0.8	1.0	1.3
Net Other Non-Operating Profits	(0.6)	(2.9)	(1.3)	0.7	(3.9)
Net Gains in Asso., Subs., and JVs	2.2	3.0	3.0	3.0	3.0
Pre-tax Profit from Cont. Op.	22.9	32.9	25.4	29.9	31.1
Income Taxes	7.0	8.7	5.9	7.2	7.8
Profit from Continuing Op.	15.9	24.2	19.5	22.7	23.4
Profit from Discontinued Op.	0.0	0.0	0.0	0.0	0.0
Net Profit	15.9	24.2	19.5	22.7	23.4
Growth (%)	23.8	52.4	(19.3)	16.2	3.0
Net Profit margin (%)	6.7	8.3	5.3	5.7	5.6
Net Profit of Parent	16.8	24.2	19.7	22.9	23.3
Net Profit to Non-Controlling	(0.9)	0.0	(0.2)	(0.2)	0.0
Total Comprehensive Income	15.6	24.0	19.5	22.7	23.4
Total Comp. Income of Parent	16.5	23.9	19.5	22.7	23.4
Total Comp. Income to Non-Cont.	(0.9)	0.0	0.0	0.0	0.0
EBITDA	22.9	35.2	27.8	29.9	34.5
Growth (%)	17.4	53.3	(21.0)	7.8	15.2
EBITDA Margin (%)	9.7	12.1	7.5	7.6	8.2

Note: Operating profit is based on 2012 K-IFRS (gross profit - SG&A costs)

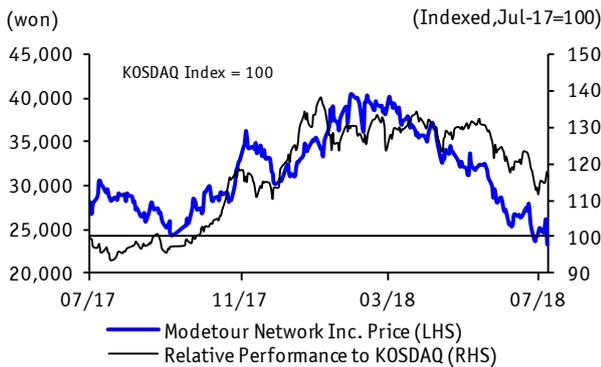
Key Ratios

Year to Dec.	2016	2017	2018F	2019F	2020F
EPS_C (won)	840	1,280	1,033	1,201	1,237
EPS_P (won)	887	1,279	1,045	1,213	1,235
BPS_C (won)	5,431	8,626	9,229	9,903	10,564
BPS_P (won)	5,471	7,134	7,747	8,433	9,094
DPS (won)	400	450	450	550	600
PER_C (x)	23.0	23.8	22.5	19.3	18.8
PER_P (x)	21.8	23.8	22.2	19.1	18.8
PBR_C (x)	3.6	3.5	2.5	2.3	2.2
PBR_P (x)	3.5	4.3	3.0	2.8	2.6
EV/EBITDA (x)	11.8	14.4	12.3	10.8	8.8
Payout Ratio (%)	41.2	33.9	41.3	43.4	46.5
Dividend Yield (%)	2.1	1.5	1.9	2.4	2.6
Profitability					
EBITDA Margin (%)	9.7	12.1	7.5	7.6	8.2
OP Margin (%)	8.5	11.0	6.2	6.4	7.3
NP Margin (%)	6.7	8.3	5.3	5.7	5.6
ROA (%)	8.1	8.8	5.4	5.7	5.6
ROE (%)	16.5	20.3	14.0	15.0	14.1
ROIC (%)	(86.8)	(89.2)	(38.3)	(32.6)	(35.3)
Stability					
D/E Ratio (%)	104.9	107.5	119.8	117.4	114.8
Net Debt to Equity (%)	(90.6)	(59.6)	(71.6)	(75.8)	(81.2)
Cash Ratio (%)	56.6	37.5	30.6	33.9	38.2
Interest Coverage (x)	46.2	66.1	27.8	31.1	38.5
Activity (%)					
Working Capital Turnover (t)	(6.0)	(5.2)	(5.2)	(4.8)	(4.8)
Inventory Turnover (d)	3.3	0.2	0.2	0.2	0.2
Receivable Turnover (d)	42.0	46.3	47.9	52.1	52.2

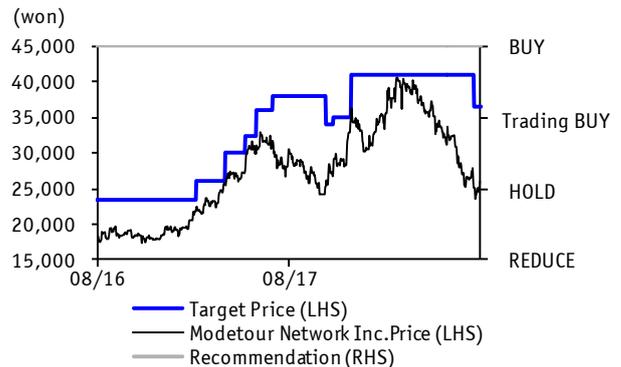
Source: Company data, Shinhan Investment

Modetour Network (080160 KS)

Share Price Performance



Target Price



Compliance Notice

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Date	Recommendation	Target Price (won)	Target Price Gap (%)	
			Average	Max/Min
2017.02.03		6M later	(5.4)	(4.4)
2017.02.07	BUY	26,013	(10.8)	(0.9)
2017.04.03	BUY	30,016	(10.6)	(8.6)
2017.05.11	BUY	32,350	(5.4)	(2.4)
2017.06.01	BUY	36,019	(12.4)	(8.7)
2017.07.02	BUY	38,000	(26.3)	(18.2)
2017.10.11	BUY	34,000	(19.9)	(16.3)
2017.10.25	BUY	35,000	(15.1)	(1.9)
2017.11.28	BUY	41,000	(13.0)	(1.3)
2018.05.29		6M later	(29.6)	(17.9)
2018.07.19	BUY	36,500	(32.7)	(28.6)
2018.08.03	BUY	29,000	-	-

Note: Calculation of target price gap based on the past 6 months

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Stock	Sector
<ul style="list-style-type: none"> ◆ BUY: Expected return of over +10% in the next 6 months ◆ Trading BUY: Expected return of -10% ~ +10% in the next 6 months ◆ HOLD: Expected return of -20% ~ -10% in the next 6 months ◆ REDUCE: Expected return of below -20% in the next 6 months 	<ul style="list-style-type: none"> ◆ OVERWEIGHT: Prevalence of BUY rating for stocks in our sector coverage universe based on market cap ◆ NEUTRAL: Prevalence of HOLD rating for stocks in our sector coverage universe based on market cap ◆ UNDERWEIGHT: Prevalence of REDUCE rating for stocks in our sector coverage universe based on market cap

SHIC Universe Rating Classification Ratio (as of Aug. 1, 2018)

BUY (BUY)	95.73%	Trading BUY (HOLD)	1.9%	HOLD (HOLD)	2.37%	REDUCE (SELL)	0%
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