

Modetour Network (080160 KS)

Recovery to hinge on rise in booking rates

BUY (MAINTAIN)

Price (Nov 5)	₩25,050
Target Price	₩29,000
% variance	15.8%

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KOSPI	2,076.92p
KOSDAQ	691.94p
Market Cap.	₩473.4bn/ US\$415.3mn
Par Value	₩500
Outstanding Shares	18.9mn
Free Floating Shares	14.9mn(78.7%)
52-Week High/Low	₩40,450/₩19,850
60-Day Avg. Trading Volume	278,373shrs
60-Day. Avg. Trading T/O	₩6,436mn
Foreign Ownership	30.49%
Major Shareholders	
Chong-woong Woo and 15 others	15.46%
Columbia Management Investment Advisers and 1 other	5.02%
Absolute Performance	3M 10.6%
	6M -28.6%
	12M -12.1%
Relative performance	3M 26.1%
to KOSDAQ	6M -11.7%
	12M -10.9%

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Year to Dec.	Sales (₩ bn)	OP (₩ bn)	Pre-tax (₩ bn)	NP (₩ bn)	EPS (₩)	Growth (%)	BPS (₩)	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	382.9	17.9	20.1	14.1	746	(41.7)	7,547	33.6	16.6	3.3	10.2	(72.2)
2019F	408.3	25.0	30.4	22.2	1,173	57.3	8,198	21.4	12.2	3.1	14.9	(76.5)
2020F	433.2	31.0	31.8	23.5	1,245	6.1	8,873	20.1	9.9	2.8	14.6	(82.0)

Source: Company data, Shinhan Investment

- ◆ 3Q18 consolidated operating profit down 69.1% YoY at ₩2.5bn
- ◆ Recovery to hinge on rise in booking rates for 2019
- ◆ Retain BUY for a target price of ₩29,000

3Q18 consolidated operating profit down 69.1% YoY at ₩2.5bn

Modetour Network posted consolidated operating profit of ₩2.5bn for 3Q18, missing our forecast of ₩4.9bn and the consensus estimate of ₩3bn. Package tour customers dropped 4.6% YoY, due to natural disasters in Japan and issues at other countries. Operating earnings by business are estimated at: +₩3.6bn (-59% YoY) for the parent (standalone earnings); -₩0.1bn for Jautour; -₩0.9bn for Mode Stay; -₩0.1bn for Modetour International +₩0.5bn for Modetour REITS; and -₩0.3bn for Modetour Japan.

Recovery to hinge on rise in booking rates for 2019

In 4Q18, we expect consolidated operating profit to fall 58% YoY to ₩2.3bn with booking rates remaining at sluggish levels on weak demand for Japan-bound travel. Modetour Network shares are already trading at bottom, but an upturn is unlikely until we see clear improvement in booking rates. Recently released data show that booking rates for package tours in October rose by just 9.7% YoY. Nevertheless, we note that booking rates for the next three months have slightly improved from figures released on October 1, with the YoY decline now standing at a 2.6% for November, 9.2% for December, and 19.0% for January 2019.

Meanwhile, booking rates for February 2019 currently point toward 68% YoY growth, although reliability remains an issue due to the still-small sample size. Actual improvement in booking rates is crucial for a rebound in share price going forward. Expecting outbound traffic to rise by 9% YoY, we forecast consolidated operating profit at ₩25bn (+39.5% YoY) for 2019.

Retain BUY for a target price of ₩29,000

Our target price for Modetour Network remains unchanged at ₩29,000, based on 2019F EPS of ₩1,173 and a target PER of 25x (past 10-year average, reflecting forecasts for outbound traffic growth in 2019 and earnings gains of subsidiaries). We retain our BUY rating with: 1) concerns over 2H18 earnings priced in during recent share price correction; 2) forecasts for outbound traffic growth upbeat at 7.7% YoY for 2018 and 9% YoY for 2019; and 3) booking rates for February 2019 expected to record notable YoY improvement.

Quarterly earnings (K-IFRS consolidated)															
(bn KRW, stake)	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18P	4Q18F	1Q19F	2Q19F	3Q19F	4Q19F	2017	2018F	2019F
Sales (consolidated)	74.0	67.3	72.7	77.0	109.8	83.4	97.3	92.4	109.5	94.0	98.2	93.6	290.9	382.9	408.3
- Parent (standalone)	64.3	57.3	62.5	65.2	94.3	70.4	82.3	80.0	93.4	80.4	81.9	80.1	249.4	327.0	348.4
- Subsidiary total	10.0	10.6	10.7	13.1	17.0	14.5	16.5	13.8	17.5	15.1	17.7	14.9	44.5	61.8	65.2
- Consolidated adjustments	(0.4)	(0.6)	(0.5)	(1.4)	(1.5)	(1.5)	(1.4)	(1.5)	(1.5)	(1.5)	(1.4)	(1.4)	(2.9)	(5.9)	(5.3)
1) Modetour International (95.81%)	0.4	0.3	0.4	0.4	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	1.5	0.1	0.2
2) Mode Stay (100%)	2.7	2.6	2.9	3.5	2.8	4.0	3.9	3.9	2.9	4.2	4.1	4.1	11.7	14.6	15.3
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	0.5	0.9	0.4	0.9	0.5	0.9	3.3	2.6	2.8
5) Mode Tourism Development (100%)	0.6	0.6	0.5	0.5	0.4	0.6	0.4	0.7	0.4	0.6	0.4	0.7	2.3	2.0	2.1
6) Jautour (79.81%)	5.5	5.4	5.8	6.2	11.1	6.6	9.6	6.6	11.7	7.0	10.1	6.9	22.9	33.9	35.6
7) Mode Hotel & Realty (100%)	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.4	0.4	0.4	0.5	0.4	1.6	1.7	1.8
8) Modetour REITS (42.16%; 4Q17)	1.1	1.1	1.1	1.0	1.1	1.1	1.2	1.1	1.1	1.2	1.3	1.1	1.0	4.5	4.6
9) Modetour Japan (1Q18)					0.8	0.8	0.3	0.3	0.5	0.7	0.7	0.7		2.1	2.5
OP (consolidated)	11.0	7.3	8.1	5.5	9.1	4.0	2.5	2.3	7.1	5.4	7.7	4.8	32.0	17.9	25.0
- Parent (standalone)	11.7	7.9	8.8	4.5	10.5	4.6	3.6	3.3	8.6	5.8	7.0	5.0	32.9	22.1	26.4
- Subsidiary total	(0.7)	(0.5)	(0.7)	1.3	(1.4)	(0.5)	(0.8)	(0.9)	(1.6)	(0.3)	0.8	(0.1)	(0.6)	(3.6)	(1.2)
- Consolidated adjustments	0.0	(0.1)	(0.0)	(0.2)	(0.0)	(0.1)	(0.3)	(0.1)	0.1	(0.1)	(0.1)	(0.1)	(0.3)	(0.5)	(0.2)
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)	(0.9)	(0.4)	(0.5)	(0.4)	(0.1)	(0.5)	0.3	(2.2)	(1.5)
3) Cruise International (89.92%)	(0.0)	0.0	0.0	0.0	(0.0)	0.1	0.3	0.0	(0.0)	0.1	0.3	0.0	0.0	0.3	0.4
4) Seoul Hotel/Tourism College (100%)	(0.6)	0.1	(0.3)	(0.1)	(0.6)	(0.1)	(0.2)	(0.2)	(0.5)	(0.1)	(0.2)	(0.2)	(0.9)	(1.1)	(1.0)
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)	(0.1)	(0.5)	(0.5)	(0.5)	(0.1)	(0.3)	0.1	(1.9)	(1.3)
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%; 4Q17)	0.5	0.5	0.4	0.4	0.5	0.5	0.5	0.5	0.4	0.6	0.6	0.5	0.4	2.0	2.1
9) Modetour Japan (1Q18)					0.3	0.2	(0.3)	(0.3)	(0.2)	0.2	0.4	0.3		(0.0)	0.9
Pre-tax profit (consolidated)	10.9	8.4	8.5	11.6	9.7	4.4	2.6	3.5	8.4	7.0	8.5	6.5	39.4	20.1	30.4
NP (consolidated)	8.1	6.0	6.3	6.6	7.9	2.6	1.2	2.0	6.0	5.5	6.1	4.4	27.0	14.0	21.9
NP of controlling interests (consolidated)	8.1	6.1	6.3	6.6	8.0	2.6	1.2	2.0	6.0	5.6	6.2	4.4	27.2	14.1	22.2
- Parent (standalone)	8.8	7.5	7.2	(0.4)	9.6	4.0	2.9	3.0	7.9	5.4	5.6	4.6	23.2	19.5	23.5
- Subsidiary total	(0.9)	(0.7)	(0.6)	1.3	(2.3)	(1.4)	(1.8)	(0.5)	(1.8)	(0.1)	0.1	0.8	(0.9)	(6.1)	(1.0)
- Consolidated adjustments	0.3	(0.8)	(0.4)	5.6	0.7	(0.0)	0.1	(0.5)	(0.2)	0.2	0.5	(1.0)	4.7	0.3	(0.6)
(% YoY growth)															
Sales	24.3	23.9	13.2	30.3	48.4	24.0	33.9	20.0	(0.3)	12.7	0.9	1.3	22.7	31.6	6.6
OP	154.8	99.9	(2.3)	45.4	(17.1)	(45.6)	(69.1)	(58.4)	(22.7)	36.5	208.2	106.9	59.0	(43.9)	39.5
NP	145.6	83.3	(4.8)	146.0	(2.6)	(57.1)	(80.4)	(70.2)	(24.7)	113.9	397.2	121.8	70.3	(48.3)	56.9
(Margin, %)															
OPM	14.9	10.9	11.2	7.2	8.3	4.8	2.6	2.5	6.4	5.8	7.9	5.1	11.0	4.7	6.1
NPM	11.0	8.9	8.6	8.6	7.2	3.1	1.3	2.1	5.4	5.9	6.2	4.7	9.3	3.7	5.4

Source: Company data, Shinhan Investment Corp.

Note: Standalone sales and operating expense for 1Q17 and 1Q18 both upward-adjusted to reflect change to IFRS15 accounting standards; Sales estimated for 2Q18-4Q18 not adjusted to allow comparison with 2Q17-4Q17 results released by the company (yet to reflect change to IFRS15). While sales may differ, change to IFRS15 has limited impact on operating profit.

Earnings forecast revision (K-IFRS consolidated)						
(bn KRW)	2018F			2019F		
	Before	After	Change (%)	Before	After	Change (%)
Sales	371.9	382.9	3.0	396.2	408.3	3.1
OP	22.9	17.9	(21.7)	25.2	25.0	(0.8)
NP	19.5	14.0	(28.3)	22.7	21.9	(3.3)

Source: Shinhan Investment Corp.

3Q18 preliminary results (K-IFRS consolidated)

(bn KRW)	3Q18P	2Q18	%QoQ	3Q17	%YoY	SHIC	Consensus
Sales	97.3	83.4	16.6	72.7	33.9	86.2	84.7
OP	2.5	4.0	(37.0)	8.1	(69.1)	4.9	3.0
NP	1.2	2.6	(52.3)	5.8	(78.7)	3.9	2.8
OPM (%)	2.6	4.8		11.2		5.7	3.5
NPM (%)	1.3	3.1		7.9		4.5	3.3

Source: Company data, Shinhan Investment Corp.

PER valuation based on consolidated net profit: Target price of ₩29,000

(bn KRW)	Value	(bn KRW)	Value	(bn KRW)	Value	(bn KRW)	Value
2017 consolidated NP	24.2	2018F consolidated NP	14.1	12MF consolidated NP	19.5	2019F consolidated NP	22.2
EPS (KRW)	1,279	EPS (KRW)	746	EPS (KRW)	1,031	EPS (KRW)	1,173
Target price (KRW)	31,975	Target price (KRW)	18,650	Target price (KRW)	25,767	Target price (KRW)	29,325
Target PER (x)	25.0	Target PER (x)	25.0	Target PER (x)	25.0	Target PER (x)	25.0
Current price (KRW)	25,050	Current price (KRW)	25,050	Current price (KRW)	25,050	Current price (KRW)	25,050
Current PER (x)	19.6	Current PER (x)	33.6	Current PER (x)	24.3	Current PER (x)	21.4

Source: Shinhan Investment Corp.

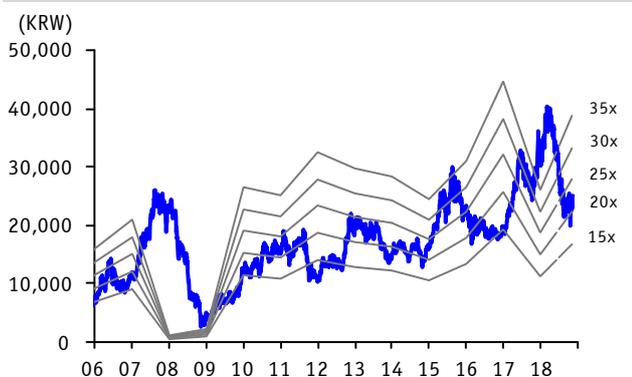
Historical valuation and target PER

(x, %)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Average (excl. 2008 and 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
Target PER										Based on PER (average)	25.0

Source: Shinhan Investment Corp.

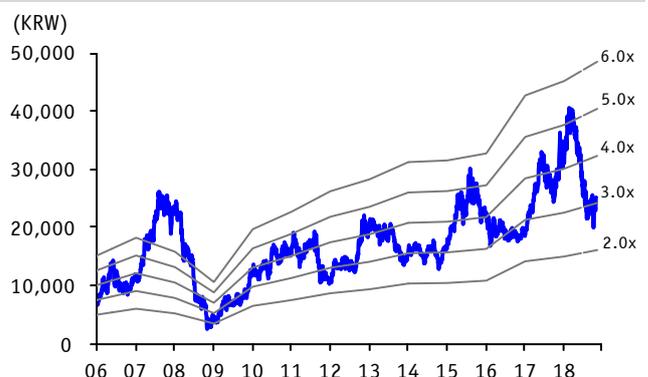
Note: Target PER is based on the past 10-year average (25x); 20% discount to the valuation applied to Hana Tour Service seen fair considering that Modetour Network generates relatively smaller sales/profit and is seeing stagnant growth in market share in contrast with the rival's continued growth in market share

12-month forward PER band



Source: Shinhan Investment Corp.

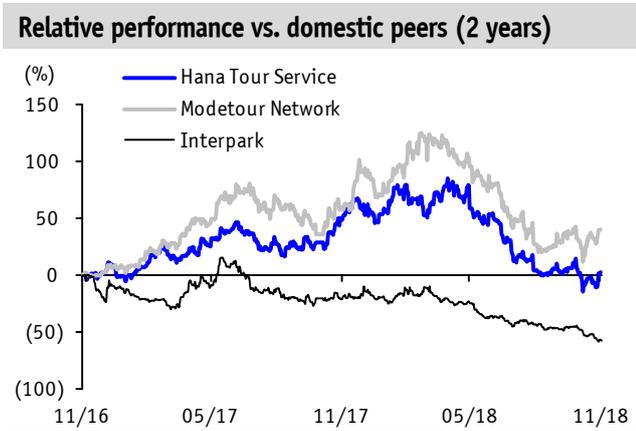
12-month forward PBR band



Source: Shinhan Investment Corp.

Global peer valuation														
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		22.5	8.9	51.4	97.9	46.5	23.3	3.7	3.4	13.6	9.2	8.4	15.9
Modetour Network	080160 KS		28.9	8.5	(29.1)	40.2	25.0	17.8	3.2	2.9	15.3	10.6	13.7	17.5
Interpark	108790 KS		6.9	5.7	(99.7)	41,838.9	N/A	16.9	1.0	1.0	5.8	3.9	0.0	5.8
Booking Holdings	BKNG US		13.5	11.1	13.0	11.0	20.9	18.5	7.5	6.3	14.1	12.7	38.5	38.0
Expedia Group	EXPE US		11.5	10.6	27.5	17.6	22.6	19.2	4.4	3.9	10.9	9.6	16.7	18.1
TripAdvisor	TRIP US		4.6	8.8	36.0	14.9	37.6	33.7	5.2	4.4	17.9	16.4	10.8	12.6
Ctrip.com International	CTRP US		15.6	23.9	36.7	22.2	27.3	21.7	1.5	1.5	24.9	18.1	4.8	6.3
China International Travel Service	601888 CH		57.0	18.2	42.6	25.6	31.0	24.7	6.7	5.6	17.8	14.4	22.4	23.2
H.I.S.	9603 JP		21.3	8.3	(21.3)	19.9	19.2	16.0	2.3	2.1	9.7	8.5	12.1	14.2
China CYTS Tours Holding	600138 CH		9.0	7.6	11.4	12.9	15.6	13.7	1.6	1.5	10.4	9.4	10.6	10.9

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	384.6	407.8	430.5
Total Current Assets	151.1	208.7	253.4	275.6	300.6
Cash and Cash Equivalents	58.3	53.1	48.6	57.2	69.0
Accounts Receivables	31.0	42.8	56.4	60.1	63.8
Inventories	0.1	0.1	0.2	0.2	0.2
Non-Current Assets	59.2	129.5	131.2	132.3	129.9
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	19.5	20.8	22.1
Other Financial Institutions Assets	0.0	0.0	0.0	0.0	0.0
Liabilities	107.7	175.2	213.8	225.0	234.9
Current Liabilities	103.1	141.8	180.0	191.0	200.9
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	170.8	182.9	195.6
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	122.7	135.0	147.8
Owners of Parent Equity	103.5	134.8	142.7	155.0	167.7
Non-Controlling Interests Equity	(0.8)	28.2	28.1	27.9	27.9
*Total Debt	7.4	47.4	45.7	45.7	44.7
*Net Debts(Cash)	(93.0)	(97.1)	(123.3)	(139.9)	(160.4)

Cash Flow

Year to Dec. (W bn)	2016	2017	2018F	2019F	2020F
Operating Cash Flow	31.7	38.2	42.3	30.1	33.2
Net Profit	15.9	24.2	14.0	21.9	23.5
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	23.7	3.7	6.3
(Payments of Income Taxes)	(5.5)	(10.4)	(6.1)	(8.4)	(8.3)
Others	9.3	9.9	6.1	8.3	8.3
Investing Cash Flow	(6.1)	(53.8)	(35.4)	(13.8)	(9.1)
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)	(3.0)	(1.3)	(1.3)
Others	(11.7)	(45.8)	(28.9)	(8.0)	(7.8)
Free Cash Flow	34.2	38.5	34.0	24.2	31.9
Financing Cash Flow	(11.9)	11.3	(10.0)	(6.3)	(10.9)
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)	(6.3)	(9.9)
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)	(4.5)	8.6	11.8
Beginning Cash	44.6	58.3	53.1	48.6	57.2
Ending Cash	58.3	53.1	48.6	57.2	69.0

Source: Company data, Shinhan Investment

Profit and Loss

Year to Dec. (W bn)	2016	2017	2018F	2019F	2020F
Sales	237.1	290.9	382.9	408.3	433.2
Growth (%)	16.0	22.7	31.6	6.6	6.1
COGS	11.2	10.9	77.4	14.0	14.5
Gross Profit	225.9	280.0	305.6	394.3	418.7
Gross margin (%)	95.3	96.2	79.8	96.6	96.7
SG&A	205.8	247.9	287.6	369.3	387.8
Operating Income	20.1	32.1	17.9	25.0	31.0
Growth (%)	22.3	59.6	(44.2)	39.5	23.8
Operating margin (%)	8.5	11.0	4.7	6.1	7.1
Other Net Non-Operating Profits	2.8	0.8	2.2	5.4	0.9
Financial Income(Expenses)	1.2	0.7	0.7	1.0	1.2
Net Other Non-Operating Profits	(0.6)	(2.9)	(1.5)	1.4	(3.3)
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	20.1	30.4	31.8
Income Taxes	7.0	8.7	6.1	8.4	8.3
Profit from Continuing Op.	15.9	24.2	14.0	21.9	23.5
Profit from Discontinued Op.	0.0	0.0	0.0	0.0	0.0
Net Profit	15.9	24.2	14.0	21.9	23.5
Growth (%)	23.8	52.4	(42.1)	56.7	7.3
Net Profit margin (%)	6.7	8.3	3.7	5.4	5.4
Net Profit of Parent	16.8	24.2	14.1	22.2	23.5
Net Profit to Non-Controlling	(0.9)	0.0	(0.1)	(0.2)	0.0
Total Comprehensive Income	15.6	24.0	14.0	21.9	23.5
Total Comp. Income of Parent	16.5	23.9	14.0	21.9	23.5
Total Comp. Income to Non-Cont.	(0.9)	0.0	0.0	0.0	0.0
EBITDA	22.9	35.2	22.8	29.8	34.6
Growth (%)	17.4	53.3	(35.2)	30.6	16.2
EBITDA Margin (%)	9.7	12.1	5.9	7.3	8.0

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

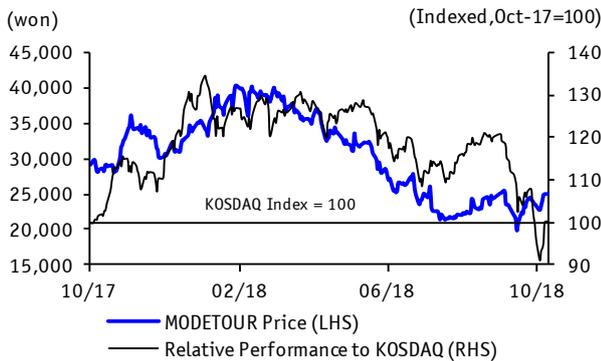
Key Ratios

Year to Dec.	2016	2017	2018F	2019F	2020F
EPS_C (won)	840	1,280	741	1,161	1,246
EPS_P (won)	887	1,279	746	1,173	1,245
BPS_C (won)	5,431	8,626	9,035	9,675	10,351
BPS_P (won)	5,471	7,134	7,547	8,198	8,873
DPS (won)	400	450	350	550	600
PER_C (x)	23.0	23.8	33.8	21.6	20.1
PER_P (x)	21.8	23.8	33.6	21.4	20.1
PBR_C (x)	3.6	3.5	2.8	2.6	2.4
PBR_P (x)	3.5	4.3	3.3	3.1	2.8
EV/EBITDA (x)	11.8	14.4	16.6	12.2	9.9
Payout Ratio (%)	41.2	33.9	44.5	44.5	45.7
Dividend Yield (%)	2.1	1.5	1.4	2.2	2.4
Profitability					
EBITDA Margin (%)	9.7	12.1	5.9	7.3	8.0
OP Margin (%)	8.5	11.0	4.7	6.1	7.1
NP Margin (%)	6.7	8.3	3.7	5.4	5.4
ROA (%)	8.1	8.8	3.9	5.5	5.6
ROE (%)	16.5	20.3	10.2	14.9	14.6
ROIC (%)	(86.8)	(89.2)	(26.6)	(29.6)	(33.5)
Stability					
D/E Ratio (%)	104.9	107.5	125.2	123.0	120.1
Net Debt to Equity (%)	(90.6)	(59.6)	(72.2)	(76.5)	(82.0)
Cash Ratio (%)	56.6	37.5	27.0	30.0	34.3
Interest Coverage (x)	46.2	66.1	21.7	30.9	38.6
Activity (%)					
Working Capital Turnover (t)	(6.0)	(5.2)	(5.3)	(4.8)	(4.8)
Inventory Turnover (d)	3.3	0.2	0.2	0.2	0.2
Receivable Turnover (d)	42.0	46.3	47.3	52.1	52.2

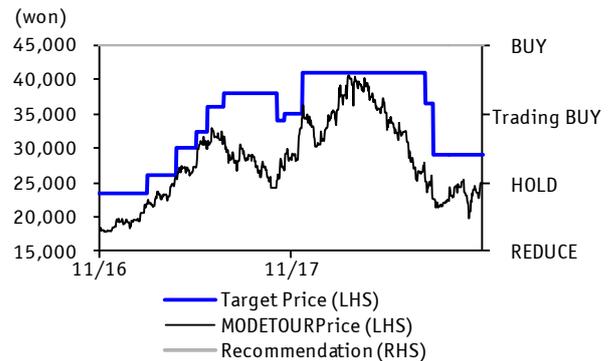
Source: Company data, Shinhan Investment

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
2017.02.07	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 Nov. 2, 2018)

BUY (BUY)	94.52%	Trading BUY (HOLD)	2.28%	HOLD (HOLD)	3.2%	REDUCE (SELL)	0%
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