

[Team 우통령] Regular Session Presentation

Baiksan Co., Ltd.
2013. 10. 03 Thu

2013 Fall Semester

13th Seungje Hank Woo

15th Yeonji Yoon

16th Yunsoo Nam

16th Yeebin Kwak

16th Jaegyun Jack Kim

BUY Baiksan Stocks

Target Price: KRW 6,405

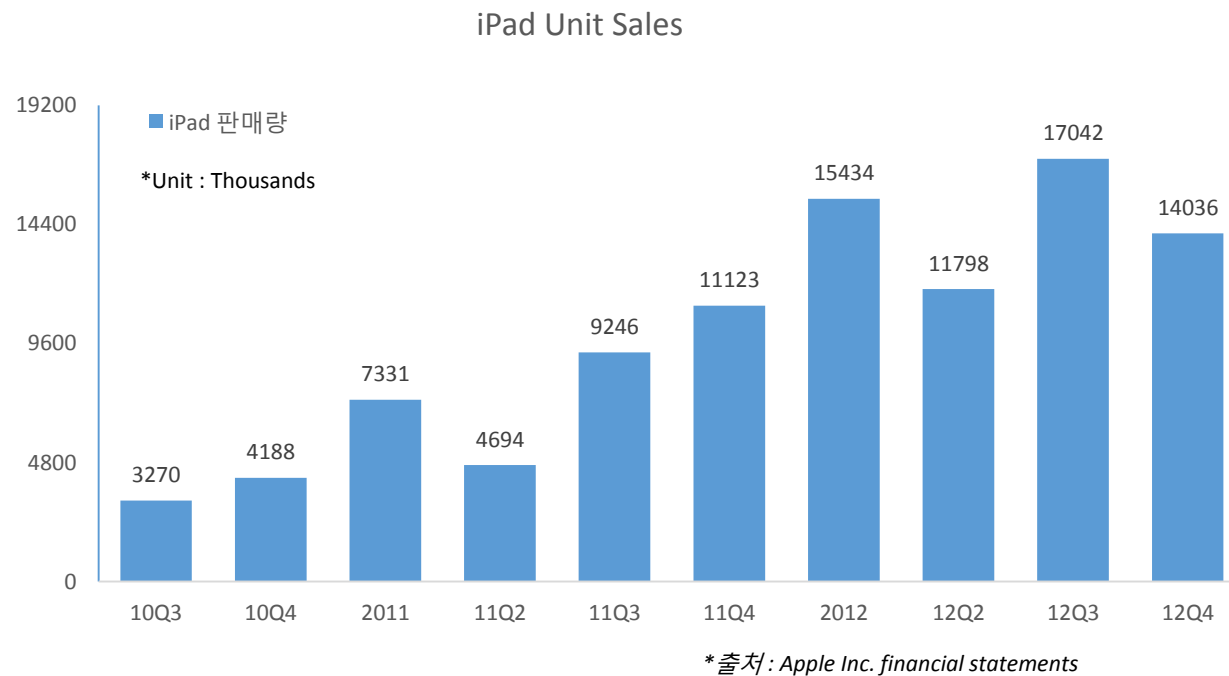
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I. 전자제품 케이스

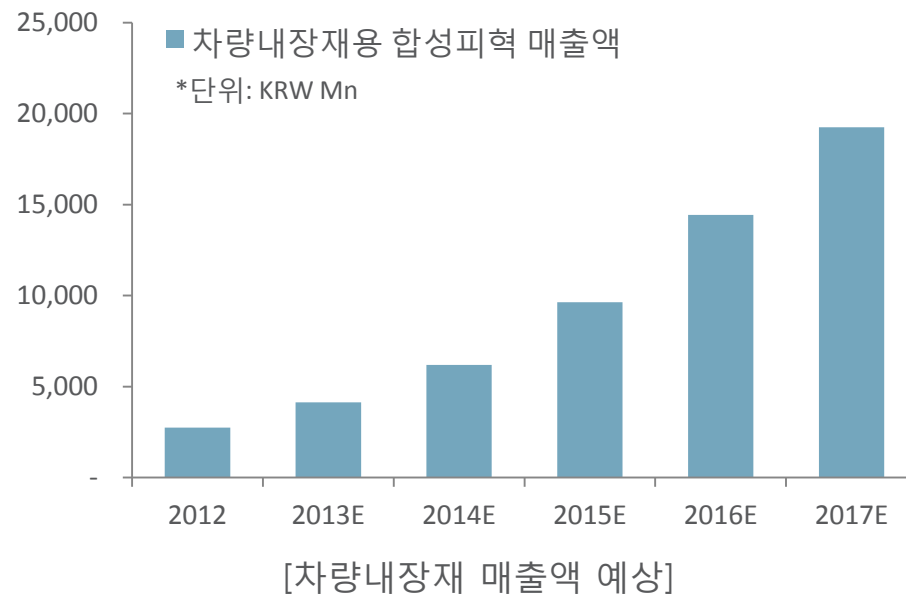
- 집중도 : 스마트폰 케이스 → 태블릿PC 케이스
- 아이패드 정품 케이스에 사용되는 PU 합성피혁 중 90%를 납품
- 13년도 하반기에 MS사의 Surface 제품 커버에 납품
- 시장 점유율

Global Tablet Market Share %	Q2'11	Q2'12
Apple	62.00%	68.30%
Android	29.30%	29.30%
Microsoft	4.00%	1.20%
Others	4.70%	1.20%
Total	100.00%	100.00%
source : Strategy Analytics		

I. 전자제품 케이스

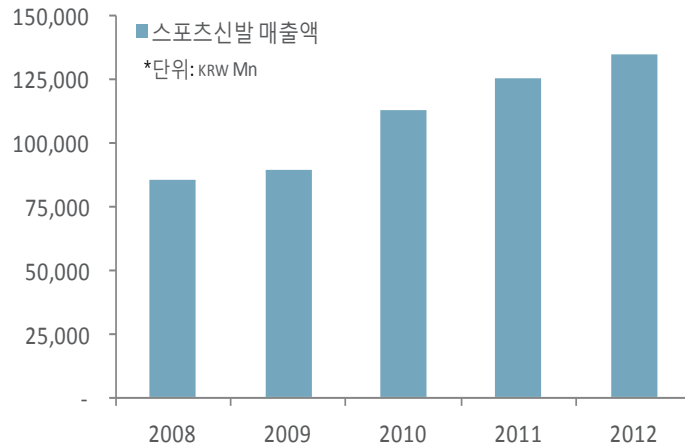


II. 차량내장재

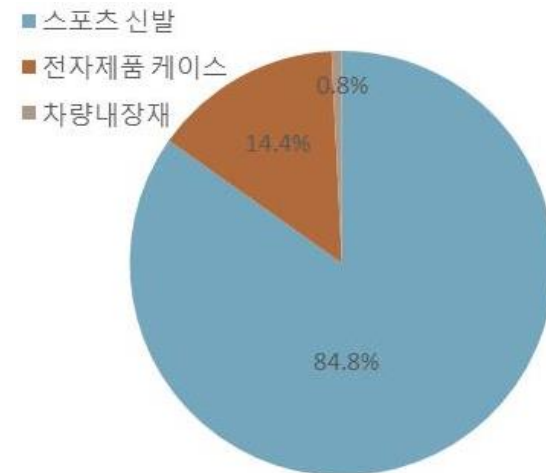


- PVC합성피혁 규제로 인한 차량내장재용 PU시장의 성장 기대
- 2012년 27억 원 → 2017년 190억 원 예상

III. 스포츠 신발



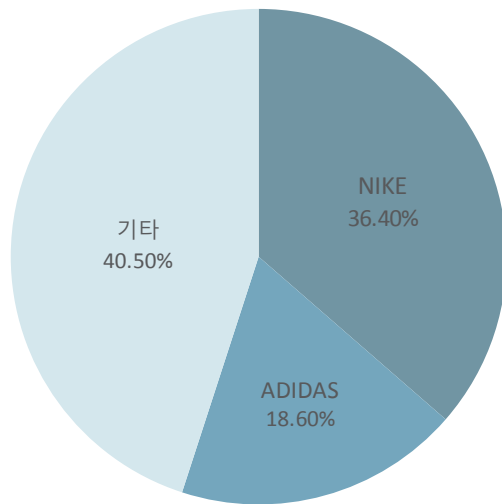
[스포츠신발 매출액]



[2013년 백산 매출 비중]

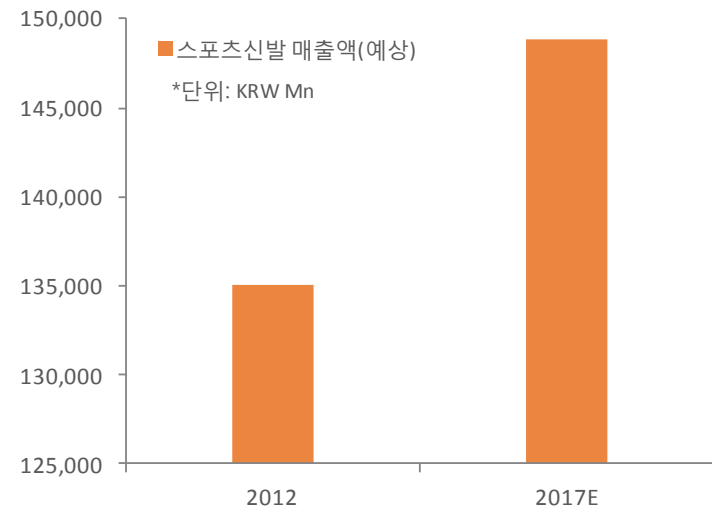
+ 세계 2위의 경쟁력 → 안정적인 캐시카우

III. 스포츠 신발



[스포츠신발 Market Share]

브랜드 시장 성장률
→ 스포츠신발 성장률을 따름

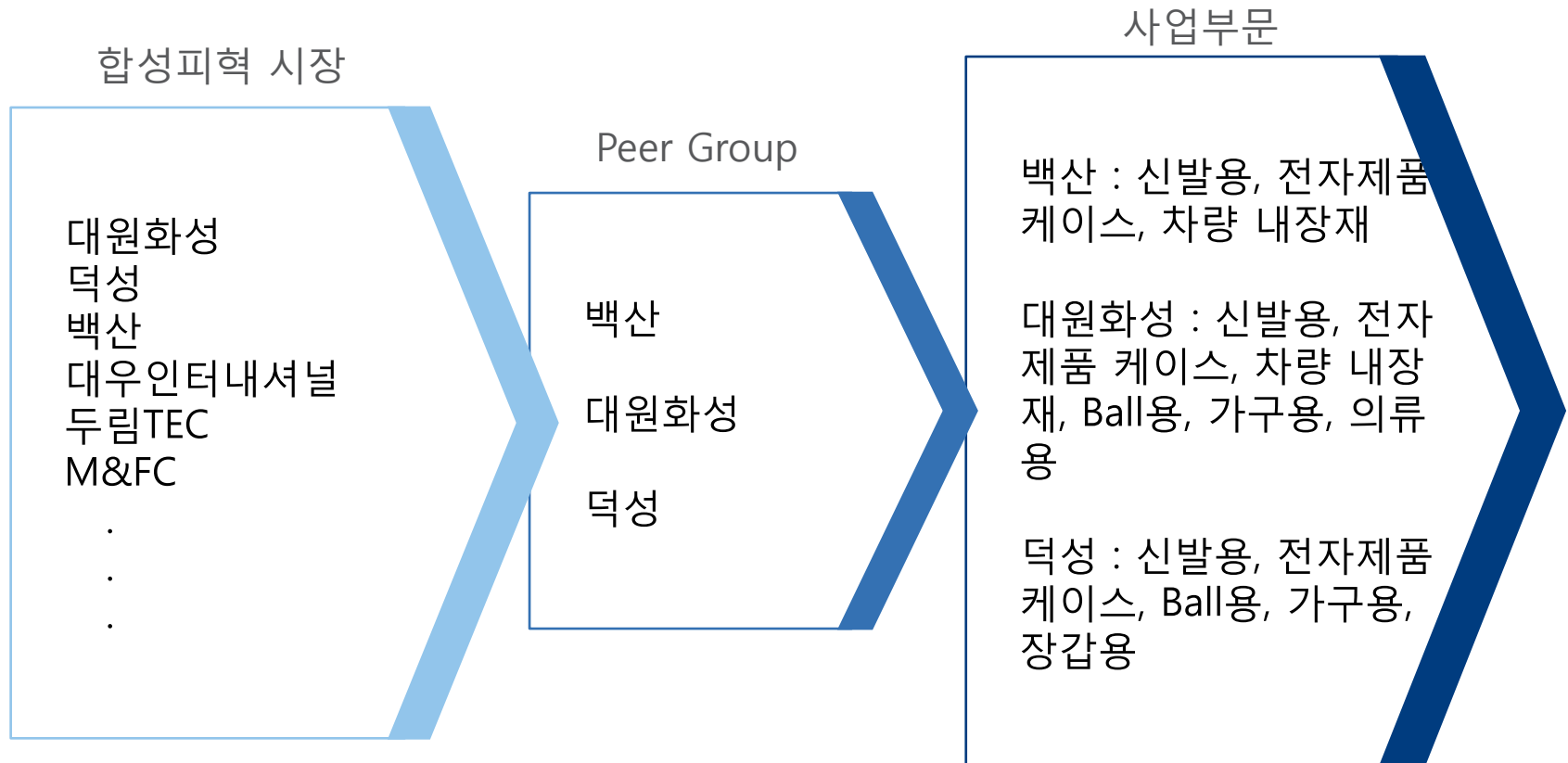


[스포츠신발 예상 매출액]

→ 5년간 138억원 증가

Peer Group Description

I. Peer Group 선정



II. Peer Group Analysis

- 대원화성

- 합성피혁과 벽지 부분 3:7의 생산비율
- 자동차용 합성피혁 제품 : 현대/기아차 및 중국GM에 공급

→ 2012년, 243억원 매출(cf. 백산 31억원)

- 덕성

- 합성피혁과 합성수지 부분 5:5의 생산비율
- 자동차 내장재용 제품은 생산하지 않음
- 합성수지 자체적 생산 → 공급 안정성 및 원가절감효과↑

III. 합성피혁 생산량 및 매출액 비교

(단위 : 천m, 백만원 / 2012년)

	백산	대원화성	덕성
생산실적	18,441	3,876	4,937
매출액	160,962	88,975	64,495

- 백산의 생산량은 대원화성과 덕성의 각각 4.8배, 3.7배
- 백산의 매출액은 대원화성과 덕성의 각각 1.8배, 2.5배

I. Google Glasses / Galaxy Gear

- 금년 겨울 출시



- 13.09.25 출시



II. 스마트폰 케이스 시장의 폭발적 성장 원인

- 삼성의 마케팅 전략

S View Cover

Smart innovation of the
flip cover.



I. Pro Forma Income statement

* Unit : KRW Mn

Item	2012	2013E	2014E	2015E	2016E	2017E
Income Statement						
Revenue	161,779	178,960	192,927	199,374	208,958	220,568
Athletic Footwear	135,086	137,737	140,440	143,196	146,006	148,871
% of Sales	83.5%	77.0%	72.8%	71.8%	69.9%	67.5%
Elec. Device Case	23,943	37,098	46,299	46,552	48,513	52,445
% of Sales	14.8%	20.7%	24.0%	23.3%	23.2%	23.8%
Automobile Leather	2,750	4,125	6,188	9,626	14,439	19,252
% of Sales	1.7%	2.3%	3.2%	4.8%	6.9%	8.7%
COGS	135,218	147,854	158,666	162,618	168,617	176,310
Gross Profit	26,561	31,106	34,261	36,756	40,341	44,258
SG&A	8,109	10,256	11,056	11,425	11,975	12,640
EBITDA	20,299	22,625	24,979	27,105	30,141	33,393
Dep.	1,847	1,775	1,775	1,775	1,775	1,775
Amo.	0	0	0	0	0	0
EBIT	18,452	20,850	23,205	25,331	28,366	31,618

II. Revenue forecast of Athletic Footwear

* Unit : KRW Mn

Item	2012	2013E	2014E	2015E	2016E	2017E
Revenue	135,086	137,737	140,440	143,196	146,006	148,871
Athletic Footwear Market CAGR_1	1.90%					
Athletic Footwear Market CAGR_2	1.75%					
Asia-Pacific Athletic Footwear Market CAGR	2.10%					
Average	1.96%					
Increase (Amount)		2,651	2,703	2,756	2,810	2,865

* Source : Transparency Market Research "Footwear Market, 2012-2018" / Research and Markets "Global Athletic Footwear Market 2012-2016"

* Global Footwear Market Size as of 2012 : 185.2 USD Bn / 2018E : 211.5 USD Bn

Revenue = Last Year * Weighted Average CAGR

III. Revenue forecast of Elec. Device Case

* Unit : KRW Mn

Item	2012	2013E	2014E	2015E	2016E	2017E
Revenue	23,943	37,098	46,299	46,552	48,513	52,445
Tablet PC Market CAGR	18.1%					
Smartphone Sales	7,183	15,574	18,000	13,500	10,125	7,594
Tablet Sales	16,760	23,999	28,299	33,052	38,388	44,851
Apple	16,760	19,794	23,377	27,608	32,605	38,506
Samsung Elec.	7,183	17,304	20,000	15,000	11,250	8,438
Others (Including MS)	-	2,474	2,922	3,944	4,658	5,501
Increase (Amount)		13,155	9,201	253	1,961	3,932

* Source : Transparency Market Research "U.S. Tablet PC Market, 2012-2018"

Tablet Sales= Last Year * Market CAGR

Smart Phone Sales = Random Increase / Decrease 25% from 2015

IV. Revenue Forecast of Automobile Leather

* Unit : KRW Mn

Item		2012	2013E	2014E	2015E	2016E	2017E
Revenue		2,750	4,125	6,188	9,626	14,439	19,252
Hyundai / KIA Revenue CAGR	18.1%	-	-	-	-	-	-
# of cars sold per 1 product in the States	3,438	-	-	-	-	-	-
# of cars sold per 1 product in Europe	1,719	-	-	-	-	-	-
# of cars sold per 1 product in Korea	3,438	-	-	-	-	-	-
# of cars sold per 1 product Other Region	1,719	-	-	-	-	-	-
Sales per 1 automobile	0.4	-	-	-	-	-	-
# of contracts in the States		2	3	4	5	6	7
# of contracts in Europe		-	-	1	2	3	4
# of contracts in Korea		-	-	-	1	3	5
# of contracts in Other region		-	-	-	-	1	3

of Cars Sold * # of contracts in certain region

Hyundai Motors Sales% per Region (2012)

한국	15.2%
북미	19.1%
중국	19.3%
아중동	11.2%
서유럽	10.1%
인도	9.0%
동유럽	6.2%
중남미	6.1%
아태	3.8%

*Source : Hyundai Motors 10-K

V. Revenue Forecast of Automobile Leather

* Unit : KRW Mn

Item	2012	2013E	2014E	2015E	2016E	2017E
COGS	135,218	147,854	158,666	162,618	168,617	176,310
Athletic Footwear	135,086	137,737	140,440	143,196	146,006	148,871
% of Sales	83.5%	77.0%	72.8%	71.8%	69.9%	67.5%
COGS	112,907	115,123	117,382	119,686	122,035	124,430
COGS/1Mn Revenue	0.84	0.84	0.84	0.84	0.84	0.84
Elec. Device Case	23,943	37,098	46,299	46,552	48,513	52,445
% of Sales	14.8%	20.7%	24.0%	23.3%	23.2%	23.8%
COGS	20,012	31,007	38,697	38,909	40,548	43,834
COGS/1Mn Revenue	0.84	0.84	0.84	0.84	0.84	0.84
Automobile Leather	2,750	4,125	6,188	9,626	14,439	19,252
% of Sales	1.7%	2.3%	3.2%	4.8%	6.9%	8.7%
COGS	2,299	1,724	2,586	4,023	6,034	8,045
COGS/1Mn Revenue	0.84	0.42	0.42	0.42	0.42	0.42

COGS (Footwear / Case) : 0.84Mn per 1Mn Sales

COGS (Automobile Leather) : 0.42Mn per 1Mn Sales

VI. Cash Flow Projection

Cash Flow

*Unit : KRW Mn

	2013E	2014E	2015E	2016E	2017E
EBIT	20,850	23,205	25,331	28,366	31,618
Taxes	6,607	4,345	4,863	5,330	5,998
Unlevered Net Income	14,243	18,860	20,468	23,036	25,620
D&A	1,775	1,775	1,775	1,775	1,775
CAPEX	2,033	2,033	2,033	2,033	2,033
Change in Working Capital	5,798	1,446	668	992	1,202
FCF	8,186	17,155	19,541	21,785	24,159
EBITDA	22,625	24,979	27,105	30,141	33,393
EV/EBITDA	7.2x	6.5x	5.9x	5.3x	4.7x
Terminal Value	-	-	-	-	157,346
Total Cash Flow / TCF	8,186	17,155	19,541	21,785	181,505

VII. WACC

WACC

Cost of Equity(CAPM)

Risk-free rate	2.82%
Market Return	14.7%
Beta	0.28
Cost of Equity	6.13%

Cost of Debt(COD)

Tax rate	22.00%
Pre-tax COD	11.64%
After-tax Cost of Debt	9.08%

Cost of Capital Assumptions

Risk-free rate	2.82%
Risk Premium	11.88%
Beta	0.28
Equity as % of Capitalization	39.9%
Debt as % of Capitalization	60.1%
Cost of Equity	6.13%
Cost of Debt(After Tax)	9.08%
WACC	7.90%

**Risk free rate refers to the Kor. treasury bond (3yrs maturity) yield as of 3/Oct./13*

**Market Return refers to the Geometric Average of 5yrs KOSPI*

VIII. Target Price

<i>NPV / EV</i>	178,042
<i>Net Debt</i>	23,039
<i>Market Capitalization</i>	155,003
<i>Outstanding Shares</i>	24,200,000
<i>Price per Share</i>	6,405

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