

# Executive Summary

CheryongIndustrial

033100

제룡전기

# SNVH | Korean Equity Report

회사명	Company Name	CheryongIndustrial	Market Value			Book Value excluding Goodwill		Conclusion			
현재가	Current Price	4.31	발행주식수(보통주)	Shares Outstanding	16,062,409	Book Value	\$54,080,000	Intrinsic Value for 5 year Hold		\$74,590,000.00	
시가총액	Market Cap	69,228,983	부채	Debt	3,720,000	Goodwill	\$1,870,000	Market Value/Intrinsic IRR		1.50%	
현금	Cash	10,160,000	총현금	Net Cash	6,440,000	Tang. Bk Value Incl. Cash, Excl. Goodwill:	\$52,210,000	Intrinsic Value/Share		\$4.64	
총현금	Net Cash	6,440,000	Enterprise Value		62,788,983	NTBVIC/Market Downside Recovery:		75.42%	Breakeven Market Cap:		\$74,590,000
						Coupon		Breakeven Enterprise Value:			\$68,150,000
						Op. Cash Flow:		\$4,476,000	1년 가격 목표	1 Year Target	4.64
						5 Years Ops. Cash Flow:		\$22,380,000	성장률	Appreciation	7.74%
						Disposition Price					
			P/R		1.09	Net Tang. Book Yr. 5 (Inc. Cash):		\$52,210,000.00			
			ROE		6.56%	Avg. Year Op. Cash:		\$4,476,000.00			
			P/B		1.28	Year 5 Disposition FCF Multiple:		3.0			
			P/E		195.01	Year 5 Disposition Price:		\$65,638,000.00			

## Company Profile

<em class="screen\_out">제룡전기</em> 동사는 1986년 설립되었으며, 변압기, 개폐기, GIS 제조 및 판매에 관한 사업을 영위하고 있음<br><br>주요제품은 배전선로에서 수용가에 전압을 조정하기 위해 사용되는 변압기이며, 공시대상 사업부문은 중전기사업부문 단일부문으로 구성<br><br>2015년에는 이란 시장 등에 진출하여 수출실적 107억원을 달성하였으며 전년 57억원 대비 87.7% 성장하였고 이를 통해 일천만불 수출의 탑 을 수상하였음<br><br>동사의 초고압 시장 진입을 위해 170kV GIS를 개발 진행 중에 있음<br><br>매출구성은 변압기 74.62%, 기타 제품 23.01%, 기타 상품 2.36%로 구성됨

## Note

### Valuation

Valued at a slight discount to our intrinsic value. Provides 75% downside protection. Growing business equals growing cash flow.

### Operations

Sell related to electrical wire grid equipment. Got 2 factories. All of this is run with only 3 MM USD in debt. Awesome.

### Management

We like how the company is using funds. For example, issued 10 billion KRW in 2015, and with the proceeds invested 10BB into machinery. Kept expenses down to 5 BB KRW while revenue doubled from 30 to 60 BB KRW.



SNVH   Korean Equity Report		Income Statement					033100		CheryongIndustrial		
(GAAP 연결)		Historical					Forecasted				
년도	Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
매출액	Total Revenue	32.32	40.76	51.98	57.28	63.39	66.56	69.89	73.38	77.05	80.90
매출원가	Total Cost of Goods Sold	28.69	35.89	42.84	46.43	53.33	56.58	59.40	62.37	65.49	68.77
매출총이익	Gross Margin	3.62	4.88	9.15	10.85	10.06	9.98	10.48	11.01	11.56	12.14
판매비와관리비	Selling, general and admin expenses	4.12	4.15	4.49	5.67	6.91	7.85	8.25	8.66	9.09	9.55
급여	Salary and Wage	1.26	1.18	1.55	1.96	2.30	2.33	2.45	2.57	2.70	2.83
퇴직급여	Retirement Benefits	0.05	0.09	0.11	0.12	0.18	0.20	0.21	0.22	0.23	0.24
복리후생비	Fringe Benefits	0.14	0.14	0.19	0.26	0.29	0.33	0.35	0.37	0.39	0.40
주식보상비	Trading cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
수도광열비	Utility Expense	0.02	0.01	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00
세금과공과	Tax and Dues	0.12	0.05	0.05	0.06	0.09	0.13	0.14	0.15	0.15	0.16
임차료	Rental expense	0.04	0.09	0.10	0.11	0.11	0.13	0.14	0.15	0.15	0.16
보험료	Insurance expense	0.05	0.06	0.04	0.06	0.06	0.07	0.07	0.07	0.08	0.08
지급수수료	Service Fee	0.08	0.07	0.19	0.18	0.36	0.40	0.42	0.44	0.46	0.49
감가상각비	Depreciation	0.52	0.43	0.40	0.21	0.04	0.67	0.70	0.73	0.77	0.81
기타관리비	Other admin expenses	0.35	0.35	0.44	0.91	1.26	1.33	1.40	1.47	1.54	1.62
광고선전비	Advertising Expense	0.06	0.20	0.10	0.17	0.09	0.07	0.07	0.07	0.08	0.08
수출비용	Export expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
판매촉진비	Sales promotional expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
판매수수료	Distributor fee	0.01	0.04	0.12	0.22	0.22	0.27	0.28	0.29	0.31	0.32
기타판매비	Misc. Sales expense	0.36	0.54	0.67	0.74	0.88	0.87	0.91	0.95	1.00	1.05
대손상각비	Bad debt expense	0.00	0.07	0.07	0.22	0.20	0.20	0.21	0.22	0.23	0.24
무형자산상각비	Amortization expense	0.29	0.34	0.20	0.03	0.09	0.20	0.21	0.22	0.23	0.24
영업이익	Operating Income (EBIT)	(0.50)	0.72	4.66	5.18	3.15	2.13	2.24	2.35	2.47	2.59
영업외 수익/비용	Non-operating Income/Expense	0.43	0.06	0.34	0.55	0.62	(0.67)	(0.70)	(0.73)	(0.77)	(0.81)
세금 전사업이익	Earnings Before Taxes (EBT)	(0.07)	0.78	5.00	5.73	3.77	1.46	1.54	1.61	1.70	1.78
법인세비용	Taxes	(1.06)	(0.07)	0.90	0.69	0.22	0.32	0.34	0.36	0.37	0.39
당기순이익	Net Income	0.99	0.85	4.10	5.04	3.55	1.14	1.20	1.26	1.32	1.39

SNVH   Korean Equity Report		Income Statement					033100		CheryongIndustrial		
성장률	YoY Revenue Growth	N/A	26.11%	27.53%	10.20%	10.67%	5.00%	5.00%	5.00%	5.00%	5.00%
세비율	Tax Rate	1514.29%	-8.97%	18.00%	12.04%	5.84%	22.00%	22.00%	22.00%	22.00%	22.00%
매출원가	Total Cost of Goods Sold	88.77%	88.05%	82.42%	81.06%	84.13%	85.00%	85.00%	85.00%	85.00%	85.00%
상품매출원가	Cost of Goods Sold	2.32%	1.77%	0.83%	0.24%	0.43%	0.00%	0.00%	0.00%	0.00%	0.00%
제품매출원가	Cost of Finished Goods	86.48%	86.29%	81.57%	80.81%	83.69%	85.00%	85.00%	85.00%	85.00%	85.00%
매출총이익	Gross Margin	11.20%	11.97%	17.60%	18.94%	15.87%	15.00%	15.00%	15.00%	15.00%	15.00%
판매비와관리비	SG&A	12.75%	10.18%	8.64%	9.90%	10.90%	11.80%	11.80%	11.80%	11.80%	11.80%
급여	Salary and Wage	3.90%	2.89%	2.98%	3.42%	3.63%	3.50%	3.50%	3.50%	3.50%	3.50%
퇴직급여	Retirement Benefits	0.15%	0.22%	0.21%	0.21%	0.28%	0.30%	0.30%	0.30%	0.30%	0.30%
복리후생비	Fringe Benefits	0.43%	0.34%	0.37%	0.45%	0.46%	0.50%	0.50%	0.50%	0.50%	0.50%
주식보상비	Stock transaction expense	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
수도광열비	Utility Expense	0.06%	0.02%	0.02%	0.02%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%
세금과공과	Tax and Dues	0.37%	0.12%	0.10%	0.10%	0.14%	0.20%	0.20%	0.20%	0.20%	0.20%
임차료	Rental expense	0.12%	0.22%	0.19%	0.19%	0.17%	0.20%	0.20%	0.20%	0.20%	0.20%
보험료	Insurance expense	0.15%	0.15%	0.08%	0.10%	0.09%	0.10%	0.10%	0.10%	0.10%	0.10%
지급수수료	Service Fee	0.25%	0.17%	0.37%	0.31%	0.57%	0.60%	0.60%	0.60%	0.60%	0.60%
감가상각비	Depreciation	1.61%	1.05%	0.77%	0.37%	0.06%	1.00%	1.00%	1.00%	1.00%	1.00%
기타관리비	Other admin expenses	1.08%	0.86%	0.85%	1.59%	1.99%	2.00%	2.00%	2.00%	2.00%	2.00%
광고선전비	Advertising Expense	0.19%	0.49%	0.19%	0.30%	0.14%	0.10%	0.10%	0.10%	0.10%	0.10%
수출비용	Export expense	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
판매촉진비	Sales promotional expense	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
판매수수료	Distributor fee	0.03%	0.10%	0.23%	0.38%	0.35%	0.40%	0.40%	0.40%	0.40%	0.40%
기타판매비	Misc. Sales expense	1.11%	1.32%	1.29%	1.29%	1.39%	1.30%	1.30%	1.30%	1.30%	1.30%
대손상각비	Bad debt expense	0.00%	0.17%	0.13%	0.38%	0.32%	0.30%	0.30%	0.30%	0.30%	0.30%
무형자산상각비	Amortization expense	0.90%	0.83%	0.38%	0.05%	0.14%	0.30%	0.30%	0.30%	0.30%	0.30%
영업이익	Operating Income (EBIT)	-1.55%	1.77%	8.96%	9.04%	4.97%	3.20%	3.20%	3.20%	3.20%	3.20%
영업외 수익/비용	Non-operating Income/Expense	1.33%	0.15%	0.65%	0.96%	0.98%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%
세금전사업이익	Earnings Before Taxes (EBT)	-0.22%	1.91%	9.62%	10.00%	5.95%	2.20%	2.20%	2.20%	2.20%	2.20%
법인세비용	Taxes	-3.28%	-0.17%	1.73%	1.20%	0.35%	0.48%	0.48%	0.48%	0.48%	0.48%
계속사업이익	Income from Continuous Operations	3.06%	2.09%	7.89%	8.80%	5.60%	1.72%	1.72%	1.72%	1.72%	1.72%
중단사업이익	Income from Discontinued Operations	3.28%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
당기순이익	Net Income	3.06%	2.09%	7.89%	8.80%	5.60%	1.72%	1.72%	1.72%	1.72%	1.72%

(GAAP 개별)		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
당기순이익	Net Income	1.0	0.9	4.1	5.0	3.6	1.1	1.2	1.3	1.3	1.4
현금유출이없는비용	Non-cashflow Expense	2.3	2.2	2.0	2.1	2.2	2.6	2.6	2.6	2.6	2.6
현금유입이없는수익	Non-cashflow Income	0.5	0.4	0.4	0.4	0.5	2.0	2.0	2.0	2.0	2.0
영업활동으로인한자산부채변	Net Working Capital Change	(2.9)	(3.0)	(0.4)	(1.9)	(6.7)	-	-	-	-	-
<b>영업활동으로인한현금흐름</b>	<b>Cashflow from Operation Activities</b>	<b>1.0</b>	<b>(0.3)</b>	<b>6.4</b>	<b>6.1</b>	<b>(0.3)</b>	<b>1.7</b>	<b>1.8</b>	<b>1.8</b>	<b>1.9</b>	<b>2.0</b>
투자활동현금유입액	Net Cash Inflow from Investments	1.5	0.4	0.1	0.0	0.2	-	-	-	-	-
투자활동현금유출액	Net Cash Outflow from Investments	3.6	1.5	1.5	3.6	10.5	-	-	-	-	-
<b>투자활동으로인한현금흐름</b>	<b>Cashflow from Investments Activities</b>	<b>(2.1)</b>	<b>(1.1)</b>	<b>(1.4)</b>	<b>(3.6)</b>	<b>(10.4)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
재무활동현금유입액	Net Cash Inflow from Financing	3.6	5.0	3.0	13.4	5.9	-	-	-	-	-
배당금의지급	Dividends	1.0	0.6	0.6	0.6	0.8	0.8	0.8	0.8	0.8	0.8
<b>재무활동으로인한현금흐름</b>	<b>Cashflow from Financing Activities</b>	<b>(0.1)</b>	<b>(1.0)</b>	<b>(1.3)</b>	<b>9.4</b>	<b>0.3</b>	<b>(0.8)</b>	<b>(0.8)</b>	<b>(0.8)</b>	<b>(0.8)</b>	<b>(0.8)</b>
기초현금	Beginnning Cash Balance	12.8	7.3	4.9	8.6	20.5	10.2	11.1	12.0	13.1	14.2
현금의증가	Net Change in Cash Flow	(5.5)	(2.4)	3.7	12.0	(10.4)	0.9	1.0	1.0	1.1	1.2
기말현금	Ending Cash Balance	7.3	4.9	8.6	20.5	10.2	11.1	12.0	13.1	14.2	15.3
<b>Variance</b>		<b>4.36</b>	<b>0.02</b>	<b>0.00</b>	<b>0.00</b>	<b>0.01</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

(GAAP 개별)		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
유동자산	Current Assets	21.2	21.8	25.9	39.8	34.3	34.8	35.8	36.8	37.9	39.0
당좌자산	Quick Assets	12.6	13.8	18.6	29.5	24.4	24.9	25.9	26.9	28.0	29.1
재고자산	Inventory	8.6	8.0	7.2	10.4	9.9	9.9	9.9	9.9	9.9	9.9
비유동자산	Long Term Assets	22.6	21.8	21.5	23.5	32.1	28.0	28.0	28.0	28.0	28.0
무형자산	Intangible Assets	1.1	0.8	0.6	1.4	1.9	1.8	1.8	1.8	1.8	1.8
<b>자산총계</b>	<b>Total Assets</b>	<b>43.8</b>	<b>43.6</b>	<b>47.4</b>	<b>63.3</b>	<b>66.4</b>	<b>62.8</b>	<b>63.7</b>	<b>64.8</b>	<b>65.9</b>	<b>67.0</b>

유동부채	Current Liabilities	6.9	6.9	7.6	9.4	9.3	14.3	14.3	14.3	14.3	14.3
비유동부채	Long Term Liabilities	3.9	3.5	3.0	2.5	3.0	3.0	3.0	3.0	3.0	3.0
<b>부채총계</b>	<b>Total Liabilities</b>	<b>10.8</b>	<b>10.3</b>	<b>10.6</b>	<b>11.9</b>	<b>12.3</b>	<b>17.3</b>	<b>17.3</b>	<b>17.3</b>	<b>17.3</b>	<b>17.3</b>

자본잉여금	Paid-in surplus Capital	9.1	9.1	9.1	17.2	17.2	17.2	17.2	17.2	17.2	17.2
자본조정	Capital Adjustment	(7.0)	(7.0)	(7.0)	(4.9)	(4.9)	(4.9)	(4.9)	(4.9)	(4.9)	(4.9)
기타포괄손익누계액	Accumulated comprehensive income	-	-	-	-	-	-	-	-	-	-
이익잉여금	Retained Earnings	30.9	31.2	34.7	39.1	41.9	42.2	42.6	43.1	43.6	44.2
<b>자본총계</b>	<b>Total Stockholder's Equity</b>	<b>33.0</b>	<b>33.3</b>	<b>36.8</b>	<b>51.3</b>	<b>54.1</b>	<b>54.4</b>	<b>54.8</b>	<b>55.3</b>	<b>55.8</b>	<b>56.4</b>

<b>Assets</b>	43.8	43.6	47.4	63.3	66.4	62.8	63.7	64.8	65.9	67.0
<b>Liability + Equity</b>	43.8	43.6	47.4	63.3	66.4	71.7	72.1	72.6	73.1	73.7
<b>Difference</b>	0.00	0.00	0.01	0.00	0.00	8.95	8.38	7.81	7.24	6.67
<b>Variance %</b>	0.00%	0.00%	0.02%	0.00%	0.00%	14.26%	13.15%	12.06%	10.99%	9.95%