

Name	Koentec	Number of Shares	49,785,720
Ticker	029960	Market Cap	109,528,584
Market Price	2.20	Cash	19,000,000
Target Market Price	2.20	Debt	0
App./(Dep.)	0.00%	Net Cash	0
Sellside Target	109,528,584	Enterprise Value	109,528,584
		EBITDA	8,000,000
		EV/EBITDA	13.69

*Figures converted using USDKRW 1000 FX rate.

Business Overview

Business started 18 years ago. IPO'd in 2001. Waste management company. Affiliated with the FooSung Group. Foonsung HDS owns 16.85% of the outstanding shares.

Shareholder

Foonsung HDS owns 16.85% of the Co. Hyundai Construction owns 10.8%. 9,406 shareholders own 51.73% of the Co.

Cash flow

Op. Cash flow is 12BB and cap ex is difficult to categorize, but we estimate about 2BB, so 9% FCF/Price yield. 40BB KRW in revenue, 35% GM, 27% EBIT, 25% NI.

Subsidiaries

The Co. owns 1 subsidiary – 용신환경개발 (Yong Shin Environmental Dev.). 13BB KRW in assets, 324MM in earnings.

Dividend

Co. pays out zero dividend.

Valuation

Net tangible book value, excluding cash, is near 69BB KRW. Add on top of this 8 years of op. cash flow and you have 165BB KRW, which is 151% of market value. This stock is attractive with 63% downside protection and consistent cash flow.

Summary

Another example of a publicly traded Co. which is greatly influenced by another large chaebol-esque holdings Co. Still, we find the Korean discount play in this stock.