

Name	Moatech	Number of Shares	14,331,185
Ticker	033200	Market Cap	51,735,578
Market Price	3.61	Cash	22,210,000
Target Market Price	3.61	Debt	0
App./(Dep.)	0.00%	Net Cash	22,210,000
Sellside Target	51,735,578	Enterprise Value	29,525,578
		EBITDA	N/A
		EV/EBITDA	N/A

*Figures converted using USDKRW 1000 FX rate.

Business Overview

The Co. makes permanent magnets which are used inside desktop computer memory hard drives (22B KRW). The Co. also manufactures actuators used in handphones, which is primarily sold to Hysonic (8.5BB KRW).

Shareholder

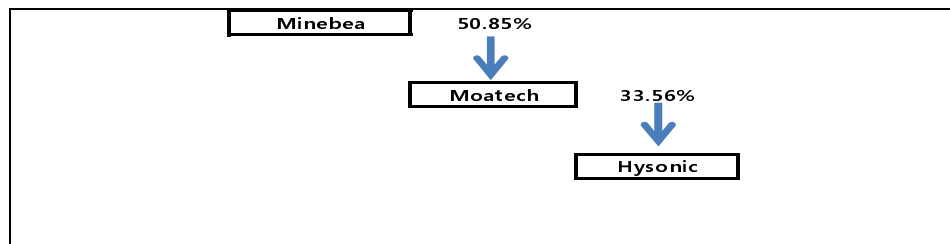
Minebea Co. owns 50.85% of the shares. Executives own 5%. 4,559 shareholders own 42%. Minebea is a Japanese Co. So, the Co. is essentially a subsidiary of a Japanese co.

Subsidiaries

The Co. owns 4 subsidiary – Moatech HK, Phillipines, Manufacturing Phillipines. 17BB KRW in assets, -6BB in earnings.

Owns 33.56% of Hysonic, which has a market value of 27.5BB. Initial purchase on May 2006.

Holdings Diagram



Cash flow

Op. Cash flow is 6BB and cap ex is difficult to categorize, but we estimate about 10BB, so 0% FCF/Price yield. 2012 FY numbers reflect 150BB KRW in revenue, 10% GM, 3% EBIT, 1% NI.

Dividend

Co. pays out 700BB KRW in dividend, or a 1.2% dividend yield.

Valuation

Net tangible book value, excluding cash, is near 118BB KRW. Add on top of this 8 years of op. cash flow and you have 118BB KRW, which is 230% of market value. This also implies a 0.43 P/B multiple. The cash flows are unreliable, but the tangible asset value makes this Co. very cheap.

Summary

The Co. is a subsidiary, not an independent Co. Still, the value alone makes this stock worth investing. The operations is not the valuable piece. The current assets makes this Co. valuable.