

Name	NICE Holdings	Number of Shares	36,708,270
Ticker	034310	Market Cap	385,436,835
Market Price	10.50	Cash	130,000,000
Target Market Price	10.50	Debt	80,000,000
App./(Dep.)	0.00%	Net Cash	50,000,000
SNV Opinion:	NEUTRAL	Enterprise Value	335,436,835
		EBIT	60,000,000
		EV/EBIT	5.59

*Figures converted using USDKRW 1000 FX rate.

Business Overview

Holdings Co. Namely owns credit card/ATM authentication business, individual credit rating business, bond, FX rating/pricing agencies, used commonly in the Korean Asset Management industry. It is a relatively stable inflow of revenue. In their Income statement, Misc. operating expenses is 260BB KRW, or 50% of revenue. Why did they not break down this figure further? What are they hiding?

Shareholder

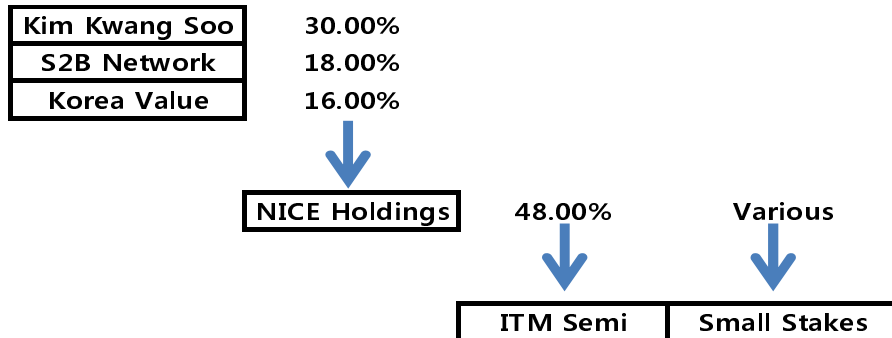
On May 3, 2013, did a 10-for-1 stock split, so although the financials reports 3.6MM shares, the current outstanding shares is 38MM shares. 김광수 Kim Kwang Soo owns 30%, S2B Network owns 18%, Korea Valuation AM owns 16%. 1700 share holders owns 19%.

Subsidiaries

Management has made a broad array of investments – semiconductors, PE funds, real estate, tech related. They lack a focused discipline. The items listed below alone accounts for 30BB KRW. Good thing is they are all profitable. Maybe they are doing a favor on behalf of the Asset management companies that use their service.

법인명	최초취득일자	출자목적	최초취득금액	기초잔액			증가(감소)			기말잔액			최근 사업연도 재무현황	
				수량	지분율	장부가액	취득(처분)	평가손익	수량	지분율	장부가액	총자산	당기순이익	
아이티엠반도체(비상장)	2012.06.29	사업다각화	20,000	3,057,240	48.84	19,213	-	-	-73	3,057,240	48.84	19,140	70,554	2,295
미래에셋네이스사모펀드(비상장)	2010.12.29	투자	2,437	-	3.24	2,437	-	-	-	0	3.24	2,437	75,822	2,147
나이스에프엔아이㈜(비상장)	2007.11.01	사업시너지	2,377	462	33	2,377	-280	-1,441	-	182	13	936	8,816	794
㈜아이원(비상장)	2011.09.08	투자	2,180	436,000	31.37	1,268	-	-	26	436,000	31.37	1,294	16,063	-442
더케이-NICE NPL 사모부동산투자신탁1호(비상장)	2010.12.10	투자	1,498	-	9.03	1,501	-	-	-	0	9.03	1,501	-	-
부품소재투자조합(비상장)	2010.11.01	투자	1,000	71	5	620	-	-	-	71	5	620	15,422	1,214
아이텍스넷(비상장)	2010.11.01	투자	1,000	100,000	4.96	583	-	-	-	100,000	4.96	583	6,299	363

Holdings Diagram



Cash flow

Op. Cash flow is 40BB and cap ex is difficult to categorize, but we estimate about 30BB, so 3% FCF/Price yield. 2012 FY numbers reflect 519BB KRW in revenue, 100% GM, 12% EBIT, 10% NI.

Dividend

Co. pays out 4.7BB KRW in dividend, or a 1.2% dividend yield.

Valuation

Net tangible book value, excluding cash, is near 430BB KRW. Add on top of this 8 years of op. cash flow and you have 750BB KRW, which is 197% of market value. 111% downside protection.

Summary

On a valuation basis, this company is cheap. However, we are not confident with the financials – the abrupt growth rate, the diverse, yet unfocused investments, unusual accounting disclosures. We will stay away from this business.

SN Valuation Korean Portfolio

As of **2013-07-18**

Buy

Name	Ticker	Market Price*	Entry Price	Date	Gain/(Loss)
Idis Holdings	054800	13.50	13.00	07/16/2013	3.85%
Moatech	033200	3.68	3.61	07/12/2013	1.94%

Follow

Name	Ticker	Market Price*	Entry Price	Date	Gain/(Loss)
China King	900120	2.28	2.30	07/17/2013	-1.09%

*Intraday Market Price