

# Studio Dragon (253450 KS)

## Time to consider shift in focus

### BUY (Maintain)

CP (Aug. 30)	KRW62,000
TP (6 months)	KRW85,000
Upside	37.1%

SeJong Hong ☎ (82-2) 3772-1584  
✉ sejonghong@shinhan.com

Hanny Lee ☎ (82-2) 3772-1506  
✉ hanny.lee@shinhan.com

KOSPI	1,967.79p
KOSDAQ	610.55p
Market cap	KRW1,741.1bn/USD1,527.3mn
Par value	KRW500
Outstanding shares	28.1mn
Free float	7.1mn(25.1%)
52-week high/low	KRW116,300/KRW54,000
60-day avg. trading volume	121,679shrs
60-day avg. turnover	KRW8,019mn
Foreign ownership	2.78%
Major shareholders	
	CJ ENM and 5 others 74.45%
Absolute performance	3M -15.5%
	6M -34.1%
	12M -43.6%
Relative performance	3M -4.6%
to KOSDAQ	6M -21.1%
	12M -25.7%

- ◆ 3Q19 consolidated OP forecast at KRW10bn (-53.3% YoY)
- ◆ Sentiment on China exports already past bottom; Focus to shift to other factors
- ◆ Retain BUY for a target price of KRW85,000

### 3Q19 consolidated OP forecast at KRW10bn (-53.3% YoY)

Studio Dragon is forecast to report consolidated sales of KRW135bn (+9.2% YoY) and operating profit of KRW10bn (-53.3% YoY) for 3Q19. A YoY decline in 3Q19 operating profit is inevitable, with the comparison base raised by the success of the Mr. Sunshine series in 3Q18. As for the recent hit drama Hotel del Luna, the production house has pursued separate negotiations in various regions rather than seeking a licensing deal with Netflix in order to increase its global ASP. Some of the drama's distribution revenue will be booked in 4Q19. Meanwhile, sales from the new drama series Love Alarm should be recognized in 3Q19. Although relatively small in amount, sales from the drama series are seen significant as the company's first inflow from Netflix for original content.

### Sentiment on China exports already past bottom; Shift focus to other factors

Expectations for exports to China, a key determinant of Studio Dragon's share price, have fallen to extremely low levels. Though difficult to estimate, we believe investor sentiment has already past bottom. China's recent tightening of regulations on American and local content, however, is seen positive for Studio Dragon. Due to constrained supply of content to China's big three digital platforms (Baidu, Alibaba and Tencent), demand for Korean content is on the rise.

Meanwhile, two other factors that affect Studio Dragon's share performance are remaining positive. First, the company is projected to secure more original drama production deals with non-Netflix platforms within the remainder of 2019. Negotiations are currently underway with various America-based platforms such as Apple, and market expectations should start to rise as early as 4Q19. Second, operating profit is expected to reach KRW70bn-75bn in 2020, even without China earnings. The production house expects profit contribution of over KRW10bn from Arthdal Chronicles Season 2, on lowered production costs, and The King: Eternal Monarch, a new drama series by acclaimed screenwriter Kim Eun-sook. Adding upbeat expectations for Signal Season 2 and original production for America-based platforms, we believe full-year earnings will hit an all-time high in 2020.

### Retain BUY for a target price of KRW85,000

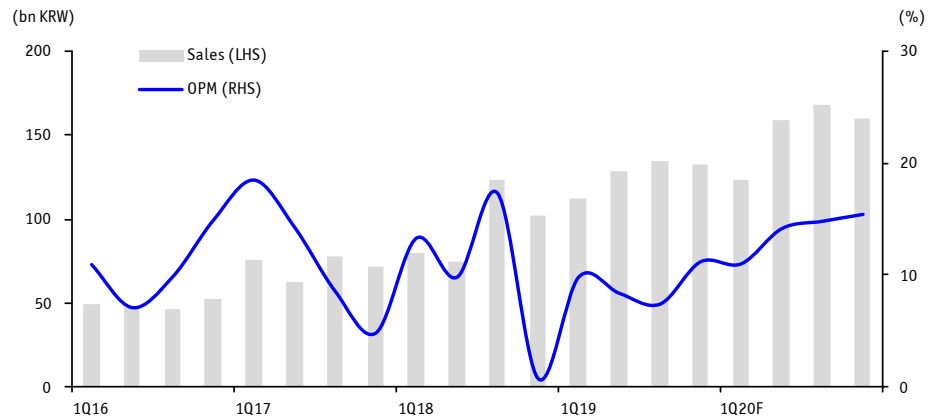
Our target price for Studio Dragon remains unchanged at KRW85,000. We recommend accumulating shares at current bottom levels, given: 1) 30%-level growth in full-year sales; 2) expectations for earnings improvement in 2020; and 3) 2020F PER of 24x based on conservative forecasts for China earnings.

Year to December	Sales (bn KRW)	OP (bn KRW)	Pre-tax (bn KRW)	NP (bn KRW)	EPS (KRW)	Growth (%)	BPS (KRW)	PER (x)	EV/EBITDA (x)	PBR (x)	ROE (%)	Net debt ratio (%)
2017	286.8	33.0	30.3	23.8	1,050	84.5	13,141	61.9	22.1	4.9	9.5	(49.5)
2018	379.6	39.9	45.6	35.8	1,278	21.7	14,305	72.3	21.2	6.5	9.3	(38.2)
2019F	507.8	46.7	55.8	41.7	1,486	16.3	15,791	41.7	6.9	3.9	9.9	(43.4)
2020F	609.7	85.8	96.7	73.5	2,620	76.3	18,411	23.7	5.7	3.4	15.3	(47.9)
2021F	688.4	110.8	122.8	93.4	3,328	27.0	21,739	18.6	4.9	2.9	16.6	(53.6)

Source: Company data, Shinhan Investment Corp. / Note: TB = turn black, TR = turn red, RR = remain red

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## Sales and operating profit margin



Source: Company data, Shinhan Investment Corp.

## Earnings trend and outlook (K-IFRS consolidated)

(bn KRW)	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19F	4Q19F	1Q20F	2Q20F	3Q20F	4Q20F	2017	2018	2019F	2020F
<b>&lt;Earnings forecasts&gt;</b>																
<b>Total revenue</b>	<b>79.9</b>	<b>74.3</b>	<b>123.7</b>	<b>101.7</b>	<b>111.8</b>	<b>128.2</b>	<b>135.0</b>	<b>132.7</b>	<b>123.2</b>	<b>159.1</b>	<b>167.7</b>	<b>159.7</b>	<b>286.8</b>	<b>379.5</b>	<b>507.8</b>	<b>609.7</b>
Production revenue	40.7	34.1	48.9	54.4	44.1	58.1	54.1	58.7	48.1	62.5	58.7	63.2	131.2	178.1	215.0	232.4
- Global platforms	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.5	0.0	2.3	2.3	2.3	0.0	0.0	2.5	6.8
Distribution revenue	32.1	28.8	63.4	37.8	56.2	60.3	59.4	53.5	63.2	70.6	82.0	70.5	111.8	162.1	229.4	286.3
Other (PPL) revenue	7.1	11.4	11.4	9.5	11.5	9.8	11.4	10.5	12.0	11.0	12.1	11.0	43.7	39.4	43.3	46.1
<b>&lt;Overseas operations&gt;</b>																
Overseas distribution revenue	22.7	16.5	46.2	24.8	42.6	42.2	39.1	38.1	48.5	50.0	58.2	52.9	67.2	110.2	162.0	209.7
Share in distribution revenue (%)	70.8	57.2	72.9	65.7	75.9	70.0	65.7	71.3	76.7	70.8	71.1	75.1	60.1	68.0	70.6	73.2
Japan	3.5	4.5	3.4	4.2	10.3	5.9	5.8	6.2	11.6	7.5	7.5	8.0	18.7	15.6	28.2	34.6
Asia including China	8.9	10.5	10.4	13.9	21.3	12.7	16.6	17.3	24.6	16.8	26.0	28.1	39.9	43.8	68.3	95.5
China	0.0	0.0	0.0	1.5	1.8	0.0	0.0	0.0	0.0	0.0	10.0	10.0	0.0	1.5	1.8	20.0
Americas	0.2	0.3	0.3	1.1	0.4	0.5	0.5	0.5	0.6	0.6	0.6	0.7	8.2	1.9	1.9	2.5
Others	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.4	0.4	0.4	0.5
COGS	66.2	63.7	98.9	95.2	96.8	112.8	120.9	111.9	105.1	131.0	137.9	128.3	239.8	324.0	442.5	502.4
SG&A	3.0	3.3	3.3	6.0	4.0	4.6	4.1	5.9	4.5	5.5	4.9	6.6	14.1	15.7	18.6	21.5
<b>OP</b>	<b>10.7</b>	<b>7.3</b>	<b>21.5</b>	<b>0.4</b>	<b>11.0</b>	<b>10.8</b>	<b>10.0</b>	<b>14.9</b>	<b>13.6</b>	<b>22.6</b>	<b>24.9</b>	<b>24.7</b>	<b>33.0</b>	<b>39.9</b>	<b>46.7</b>	<b>85.8</b>
Pre-tax profit	10.8	11.0	22.0	1.7	13.2	11.9	12.9	17.7	15.9	24.9	27.9	28.1	30.3	45.6	55.8	96.7
<b>NP</b>	<b>7.9</b>	<b>8.9</b>	<b>17.3</b>	<b>1.7</b>	<b>9.2</b>	<b>7.3</b>	<b>10.6</b>	<b>14.5</b>	<b>12.1</b>	<b>18.9</b>	<b>21.2</b>	<b>21.3</b>	<b>23.8</b>	<b>35.8</b>	<b>41.7</b>	<b>73.5</b>
<b>&lt;% YoY growth&gt;</b>																
Sales	6.0	19.6	59.6	41.5	40.0	72.6	9.2	30.0	10.2	24.1	24.2	20.3	46.7	32.3	33.7	20.1
OP	(23.7)	(17.8)	223.0	(87.3)	3.5	47.4	(53.3)	1,874.6	23.4	109.8	148.6	65.9	55.4	20.9	16.2	83.7
NP	(41.3)	216.8	206.3	(12.5)	17.2	(17.3)	(38.8)	605.0	30.9	157.6	99.8	46.9	83.3	50.2	15.4	76.3
<b>&lt;Margin, %&gt;</b>																
OPM	13.3	9.8	17.4	0.4	9.9	8.4	7.4	11.2	11.0	14.2	14.9	15.5	11.5	10.5	9.2	14.1
NPM	9.8	11.9	14.0	1.7	8.2	5.7	7.9	10.9	9.8	11.9	12.6	13.4	8.3	9.4	8.2	12.1

Source: Company data, Shinhan Investment Corp.

Note: Distribution rights revenue from Netflix included in overseas distribution revenue; China revenue assumed to be booked from 3Q20

## PER valuation: Target price of KRW85,000

(bn KRW)	Value	(bn KRW)	Value	(bn KRW)	Value
2019F NP	41.7	12MF NP	59.2	2020F NP	73.5
EPS (KRW)	1,486	EPS (KRW)	2,110	EPS (KRW)	2,620
Target price (KRW)	60,000	Target price (KRW)	85,000	Target price (KRW)	105,000
Target PER (x)	40	Target PER (x)	40	Target PER (x)	40
		Current price	62,000		
		Estimated PER	29.4		

Source: Shinhan Investment Corp.

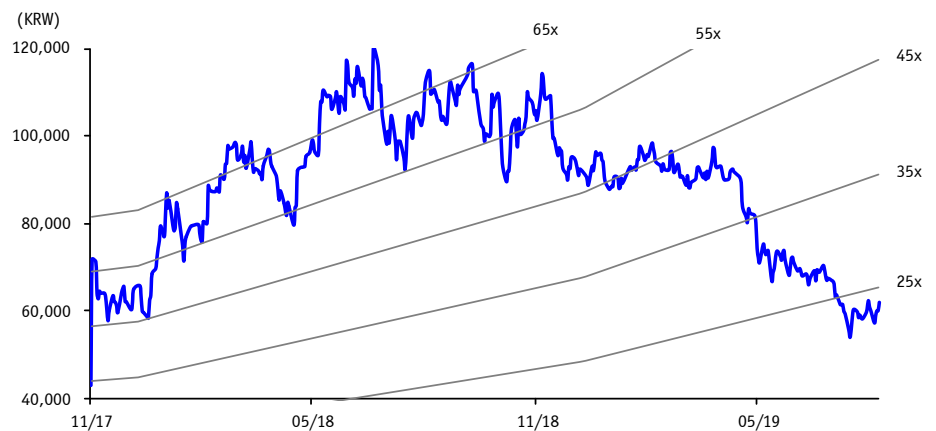
Note: Target PER based on a 20% discount to past 2-year average PER (low) in view of uncertainty in China earnings and decline in profitability from increasing production costs. Studio Dragon continues to see steady distribution revenue growth from Netflix and should be able to deliver sharp profit growth once China eases restrictions on Korean media contents.

## PER trend

(x)	2017	2018	Past 2-year average
PER (high)	77.4	96.6	87.0
PER (low)	52.7	45.4	49.0
PER (average)	60.3	75.9	68.1

Source: Shinhan Investment Corp.

## 12-month forward PER band



Source: Bloomberg, Shinhan Investment Corp.

## 3Q19 forecast

(bn KRW)	3Q19F	2Q19	% QoQ	3Q18	% YoY	Previous	Consensus
Sales	135.0	128.2	5.3	123.7	9.2	137.3	133.0
OP	10.0	10.8	(7.4)	21.5	(53.3)	11.2	14.3
NP	10.6	7.3	45.2	17.3	(38.8)	11.5	12.7
OPM (%)	7.4	8.4		17.4		8.1	10.8
NPM (%)	7.9	5.7		14.0		8.4	9.5

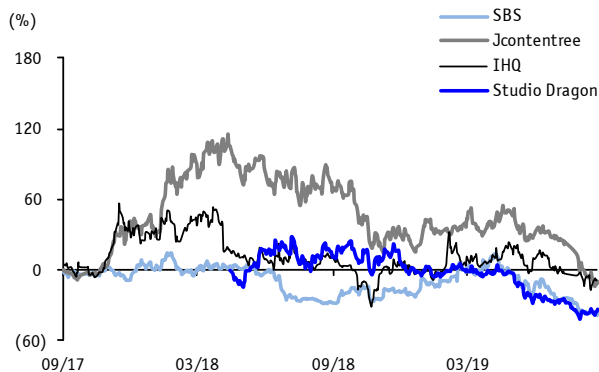
Source: Company data, FnGuide, Shinhan Investment Corp.

## Peer group valuation

Ticker		253450 KS	036420 KS	003560 KS	160550 KS	DIS US	300027 CH	300133 CH
Company		Studio Dragon	Jcontentree	IHQ	NEW	Walt Disney	Huayi Brothers Media	Zhejiang Huace Film & TV
Market cap (bn KRW)		1,741.1	487.0	256.6	105.5	247.3	12.5	11.2
Sales	2018	379.6	511.3	109.4	161.2	65,093.4	644.7	959.5
(bn KRW)	2019F	499.9	567.2	151.5	170.7	84,859.4	746.0	944.9
	2020F	597.4	635.7	163.6	186.9	99,635.7	856.0	1,091.6
OP	2018	40.2	34.7	9.9	(10.6)	16,249.8	63.4	80.8
(bn KRW)	2019F	49.1	60.7	24.7	1.8	16,360.1	115.0	100.9
	2020F	75.2	68.8	29.3	8.7	19,523.3	136.4	124.8
OPM	2018	10.6	6.8	9.1	(6.6)	25.0	9.8	8.4
(%)	2019F	9.8	10.7	16.3	1.1	19.3	15.4	10.7
	2020F	12.6	10.8	17.9	4.7	19.6	15.9	11.4
NP	2018	36.2	23.1	8.4	(9.5)	11,477.9	(6.6)	39.0
(bn KRW)	2019F	40.8	30.2	15.3	4.0	11,467.3	76.7	70.3
	2020F	60.9	35.4	18.3	7.2	11,774.3	101.8	94.2
Sales growth	2018	32.4	21.6	(13.7)	70.5	3.2	(1.9)	9.7
(% YoY)	2019F	31.7	10.9	38.4	5.9	30.4	15.7	(1.5)
	2020F	19.5	12.1	8.0	9.5	17.4	14.7	15.5
EPS growth	2018	19.7	170.9	(16.3)	39.5	16.7	(110.4)	(59.4)
(% YoY)	2019F	12.8	9.0	76.5	(146.9)	(9.4)	(1,671.6)	113.3
	2020F	49.7	15.6	19.8	58.0	3.0	21.1	28.9
PER	2018	72.3	29.3	N/A	N/A	16.8	N/A	70.2
(x)	2019F	42.6	16.3	16.8	23.3	23.9	20.6	21.5
	2020F	28.5	14.1	14.0	14.8	23.2	17.0	16.7
PBR	2018	6.5	1.9	1.3	1.0	3.6	1.5	2.1
(x)	2019F	4.0	1.3	1.2	0.9	2.7	1.4	1.6
	2020F	3.5	1.2	1.1	0.8	2.4	1.4	1.5
EV/EBITDA	2018	21.1	9.7	4.7	N/A	11.1	37.1	30.4
(x)	2019F	11.0	7.5	7.3	20.3	17.8	17.9	21.8
	2020F	9.2	7.1	6.7	10.8	15.8	14.7	16.4
ROE	2018	9.4	9.3	4.0	(7.7)	23.3	(0.4)	3.4
(%)	2019F	9.6	8.8	7.3	4.7	14.2	4.8	5.3
	2020F	13.0	9.6	8.1	5.6	11.8	5.9	6.3

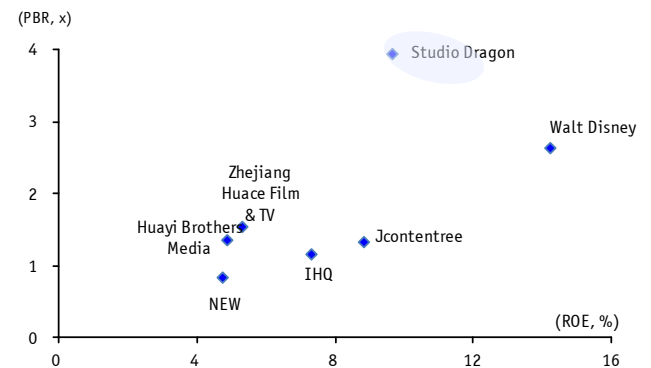
Source: Bloomberg, Shinhan Investment Corp.

## Relative share performance vs. domestic peers



Source: Bloomberg, Shinhan Investment Corp.

## 2019F PBR and ROE vs. global peers



Source: Bloomberg, Shinhan Investment Corp.

## Statement of financial position

Year to December (bn KRW)	2017	2018	2019F	2020F	2021F
<b>Total assets</b>	<b>459.5</b>	<b>512.4</b>	<b>584.5</b>	<b>671.0</b>	<b>775.8</b>
Current assets	289.8	247.2	305.5	390.5	487.5
Cash and equivalents	51.3	153.0	192.0	246.9	326.2
Accounts receivable	54.9	68.8	86.0	111.8	126.2
Inventories	1.3	0.6	0.8	0.9	1.0
Non-current assets	169.6	265.2	279.0	280.5	288.4
Tangible assets	1.1	1.0	0.8	0.8	0.6
Intangible assets	127.5	198.5	211.4	212.0	219.4
Investment assets	3.8	3.7	4.8	5.7	6.4
Other financial assets	0.0	0.0	0.0	0.0	0.0
<b>Total liabilities</b>	<b>91.0</b>	<b>111.1</b>	<b>141.5</b>	<b>154.5</b>	<b>166.0</b>
Current liabilities	90.7	108.2	138.4	151.2	162.6
Short-term borrowings	0.0	0.0	0.0	0.0	0.0
Accounts payable	6.1	19.6	20.5	21.5	22.5
Current portion of long-term debt	10.0	0.0	0.0	0.0	0.0
Non-current liabilities	0.3	2.9	3.1	3.3	3.5
Bonds	0.0	0.0	0.0	0.0	0.0
Long-term borrowings	0.0	2.1	2.1	2.1	2.1
Other financial liabilities	0.0	0.0	0.0	0.0	0.0
<b>Total shareholders' equity</b>	<b>368.4</b>	<b>401.3</b>	<b>443.0</b>	<b>516.5</b>	<b>609.8</b>
Capital stock	14.0	14.0	14.0	14.0	14.0
Capital surplus	319.6	320.1	320.1	320.1	320.1
Other capital	2.7	0.3	0.3	0.3	0.3
Accumulated other comprehensive income	0.0	(0.8)	(0.8)	(0.8)	(0.8)
Retained earnings	32.1	67.6	109.3	182.8	276.2
<b>Controlling interest equity</b>	<b>368.4</b>	<b>401.3</b>	<b>443.0</b>	<b>516.5</b>	<b>609.8</b>
Non-controlling interest equity	0.0	0.0	0.0	0.0	0.0
*Total debt	10.1	2.1	2.1	2.1	2.1
*Net debt (cash)	(182.5)	(153.4)	(192.4)	(247.5)	(326.9)

## Statement of cash flow

Year to December (bn KRW)	2017	2018	2019F	2020F	2021F
<b>Cash flow from operations</b>	<b>(7.2)</b>	<b>(29.1)</b>	<b>224.8</b>	<b>225.4</b>	<b>256.8</b>
Net profit	23.8	35.8	41.7	73.5	93.4
Depreciation expense	0.3	0.3	0.4	0.3	0.3
Amortization expense	41.0	75.0	177.7	175.7	177.8
FX translation loss (gain)	0.8	(0.5)	0.0	0.0	0.0
Asset disposal loss (gain)	(0.0)	0.0	0.0	0.0	0.0
Equity method loss (gain)	0.0	0.0	0.0	0.0	0.0
Change in working capital	(72.9)	(139.4)	8.6	(19.6)	(8.7)
(Payment of income tax)	(10.4)	(9.7)	(14.1)	(23.2)	(29.5)
Others	10.2	9.4	10.5	18.7	23.5
<b>Cash flow from investments</b>	<b>(141.0)</b>	<b>140.6</b>	<b>(188.4)</b>	<b>(173.0)</b>	<b>(180.1)</b>
Increase in tangible assets	(0.1)	(0.2)	(0.3)	(0.4)	(0.1)
Decrease in tangible assets	0.1	0.0	0.1	0.1	0.1
Change in intangible assets	(0.2)	(0.1)	(190.6)	(176.3)	(185.2)
Change in investment assets	0.0	0.0	(1.1)	(0.9)	(0.7)
Others	(140.8)	140.9	3.5	4.5	5.8
<b>Free cash flow</b>	<b>44.0</b>	<b>143.7</b>	<b>223.7</b>	<b>223.7</b>	<b>255.9</b>
<b>Cash flow from financing</b>	<b>188.1</b>	<b>(9.7)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>
Change in borrowings	(18.1)	(10.0)	0.0	0.0	0.0
Change in treasury stock	0.0	0.0	0.0	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	0.0
Others	206.2	0.3	0.0	0.0	0.0
Other cash flow	0.0	0.0	2.6	2.6	2.6
Change in consolidated scope	0.0	0.0	0.0	0.0	0.0
Change in FX rates	(0.1)	(0.1)	0.0	0.0	0.0
<b>Change in total cash</b>	<b>39.8</b>	<b>101.7</b>	<b>39.0</b>	<b>55.0</b>	<b>79.2</b>
Beginning cash	11.5	51.3	153.0	192.0	246.9
Ending cash	51.3	153.0	192.0	246.9	326.2

Source: Company data, Shinhan Investment Corp.

## Statement of comprehensive income

Year to December (bn KRW)	2017	2018	2019F	2020F	2021F
<b>Sales</b>	<b>286.8</b>	<b>379.6</b>	<b>507.8</b>	<b>609.7</b>	<b>688.4</b>
Growth (%)	85.7	32.4	33.8	20.1	12.9
<b>COGS</b>	<b>239.7</b>	<b>324.0</b>	<b>442.5</b>	<b>502.4</b>	<b>554.2</b>
<b>Gross profit</b>	<b>47.1</b>	<b>55.6</b>	<b>65.3</b>	<b>107.4</b>	<b>134.2</b>
GPM (%)	16.4	14.6	12.9	17.6	19.5
<b>SG&amp;A</b>	<b>14.2</b>	<b>15.7</b>	<b>18.6</b>	<b>21.5</b>	<b>23.4</b>
<b>Operating profit</b>	<b>33.0</b>	<b>39.9</b>	<b>46.7</b>	<b>85.8</b>	<b>110.8</b>
Growth (%)	98.3	21.0	17.1	83.7	29.2
OPM (%)	11.5	10.5	9.2	14.1	16.1
<b>Non-operating profit</b>	<b>(2.7)</b>	<b>5.7</b>	<b>9.1</b>	<b>10.9</b>	<b>12.0</b>
Financial profit	(2.5)	6.1	8.7	9.6	11.0
Other non-operating profit	(0.2)	(0.3)	0.4	1.3	1.0
Equity method gain (loss)	0.0	0.0	0.0	0.0	0.0
<b>Pre-tax profit</b>	<b>30.3</b>	<b>45.6</b>	<b>55.8</b>	<b>96.7</b>	<b>122.8</b>
Income tax	6.4	9.8	14.1	23.2	29.5
Continuing operations	23.8	35.8	41.7	73.5	93.4
Discontinued operations	0.0	0.0	0.0	0.0	0.0
<b>Net profit</b>	<b>23.8</b>	<b>35.8</b>	<b>41.7</b>	<b>73.5</b>	<b>93.4</b>
Growth (%)	192.9	50.3	16.3	76.3	27.0
NPM (%)	8.3	9.4	8.2	12.1	13.6
Controlling interest	23.8	35.8	41.7	73.5	93.4
Non-controlling interest	0.0	0.0	0.0	0.0	0.0
<b>Comprehensive income</b>	<b>23.8</b>	<b>34.7</b>	<b>41.7</b>	<b>73.5</b>	<b>93.4</b>
Controlling interest	23.8	34.7	41.7	73.5	93.4
Non-controlling interest	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>74.3</b>	<b>115.2</b>	<b>224.8</b>	<b>261.9</b>	<b>288.8</b>
Growth (%)	91.4	55.1	95.2	16.5	10.3
EBITDA margin (%)	25.9	30.3	44.3	42.9	42.0

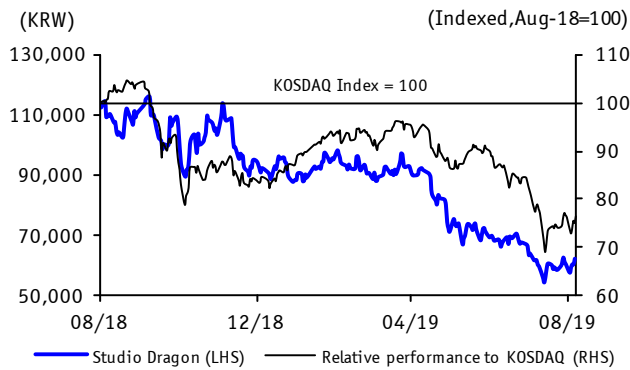
## Key ratios

Year to December	2017	2018	2019F	2020F	2021F
EPS (KRW)	1,050	1,278	1,486	2,620	3,328
EPS of controlling interest (KRW)	1,050	1,278	1,486	2,620	3,328
BPS (KRW)	13,141	14,305	15,791	18,411	21,739
BPS of controlling interest (KRW)	13,141	14,305	15,791	18,411	21,739
DPS (KRW)	0	0	0	0	0
PER (x)	61.9	72.3	41.7	23.7	18.6
PER of controlling interest (x)	61.9	72.3	41.7	23.7	18.6
PBR (x)	4.9	6.5	3.9	3.4	2.9
PBR of controlling interest (x)	4.9	6.5	3.9	3.4	2.9
EV/EBITDA (x)	22.1	21.2	6.9	5.7	4.9
Dividend payout ratio (%)	0.0	0.0	0.0	0.0	0.0
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
<b>Profitability</b>					
EBITDA margin (%)	25.9	30.3	44.3	42.9	42.0
OPM (%)	11.5	10.5	9.2	14.1	16.1
NPM (%)	8.3	9.4	8.2	12.1	13.6
ROA (%)	6.8	7.4	7.6	11.7	12.9
ROE (%)	9.5	9.3	9.9	15.3	16.6
ROIC (%)	18.0	14.8	19.4	34.4	41.1
<b>Stability</b>					
Debt to equity ratio (%)	24.7	27.7	31.9	29.9	27.2
Net debt ratio (%)	(49.5)	(38.2)	(43.4)	(47.9)	(53.6)
Cash ratio (%)	56.6	141.4	138.7	163.4	200.7
Interest coverage ratio (x)	19.0	343.0	1,143.4	2,100.7	2,713.3
<b>Activity (%)</b>					
Working capital turnover (times)	57.1	(183.6)	(19.3)	(26.3)	(60.1)
Inventory turnover (days)	0.8	0.9	0.5	0.5	0.5
Receivable turnover (days)	58.5	59.5	55.6	59.2	63.1

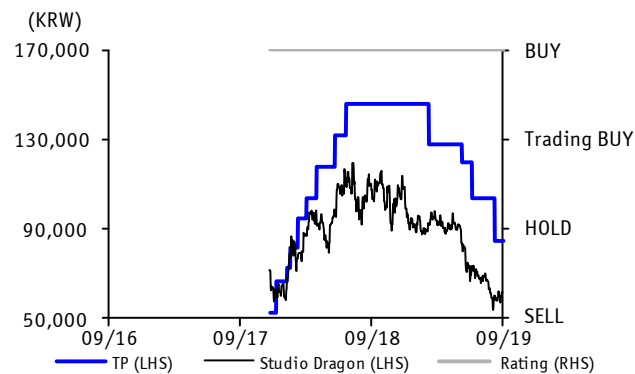
Source: Company data, Shinhan Investment Corp.

## Studio Dragon (253450 KS)

## Share performance



## Target price



Date	Rating	Target price (KRW)	Target price gap (%)	
			Average	Max/Min
2017.11.23	BUY	53,000	20.8	35.5
2017.12.10	BUY	67,000	(6.9)	(1.8)
2018.01.09	BUY	73,000	(6.2)	1.9
2018.01.18	BUY	82,000	(2.2)	6.1
2018.02.08	BUY	95,000	(15.1)	(6.7)
2018.03.04	BUY	104,000	(9.9)	(5.3)
2018.04.01	BUY	118,000	(23.0)	(16.4)
2018.05.22	BUY	132,000	(19.3)	(11.3)
2018.06.22	BUY	146,000	(28.3)	(17.9)
2018.12.23		6M later	(37.5)	(34.0)
2019.02.07	BUY	128,000	(27.6)	(23.2)
2019.05.10	BUY	120,000	(36.9)	(30.6)
2019.06.07	BUY	104,000	(35.8)	(29.0)
2019.08.09	BUY	85,000	-	-

Note: Calculation of target price gap based on past 6 months

## Rating Distribution - SHIC Universe (as of 30 August 2019)

BUY (BUY)	97.67%	Trading BUY (HOLD)	0.47%	HOLD (HOLD)	1.86%	SELL (SELL)	0%
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## Rating Distribution - SHIC Investment Banking Clients (as of 30 August 2019)

BUY (BUY)	100%	Trading BUY (HOLD)	0%	HOLD (HOLD)	0%	SELL (SELL)	0%
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## SHIC Ratings (as of 1 April 2017)

Stock	Sector
<ul style="list-style-type: none"> <li>♦ <b>BUY:</b> Expected 6-month gain of 10% or more</li> <li>♦ <b>Trading BUY:</b> Expected 6-month gain of 10% to loss of 10%</li> <li>♦ <b>HOLD:</b> Expected 6-month loss of 10% to 20%</li> <li>♦ <b>SELL:</b> Expected 6-month loss of 20% or more</li> </ul>	<ul style="list-style-type: none"> <li>♦ <b>OVERWEIGHT:</b> Based on market cap, largest share of sector stocks under coverage is rated BUY</li> <li>♦ <b>NEUTRAL:</b> Based on market cap, largest share of sector stocks under coverage is rated Trading BUY or HOLD</li> <li>♦ <b>UNDERWEIGHT:</b> Based on market cap, largest share of sector stocks under coverage is rated SELL</li> </ul>

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