

Hanatour Q4 FY2023 Earnings Performance

FEB 2024



Disclaimer

This document presents preliminary operating results based on consolidated standards prepared in accordance with Korean International Financial Reporting Standards (K-IFRS).

The financial results and business performance contained herein are provided for investor convenience, as external audit by auditors for Hanatour and its subsidiaries has not yet been completed.

We advise investors not to base their investment decisions solely on the information contained in this document and declare that investment responsibility rests solely with the investor.



Contents

I. Consolidated Results

1. Quarterly Operating Results
2. Quarterly Operating Expenses
3. Annual Operating Results
4. Annual Operating Expenses

II. Business Trends

1. Package Tour Trends
2. Mobile Trends

III. Appendix

1. Summarized Statements of Financial Position
2. Summarized Statements of Profit and Loss

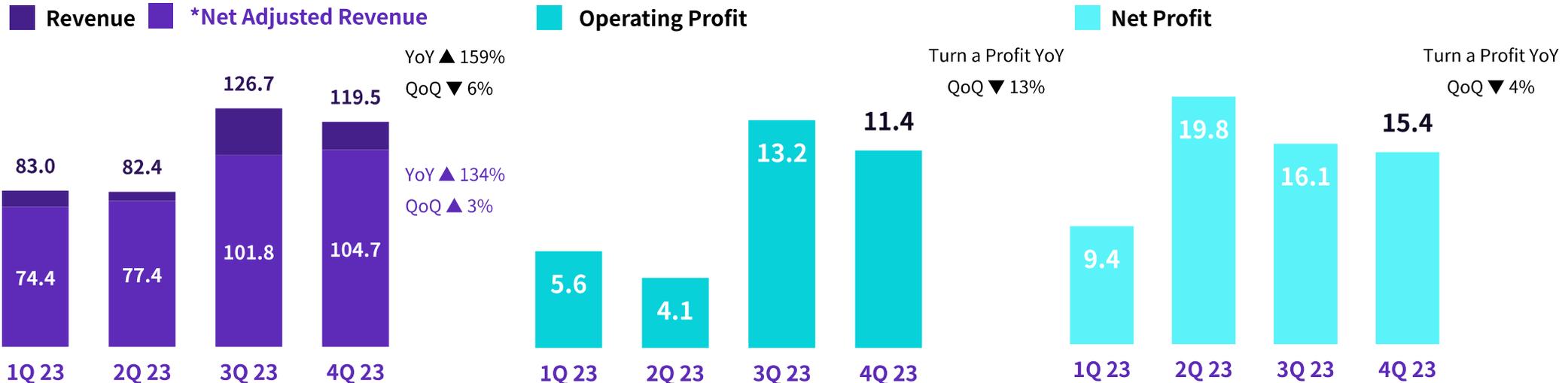


Quarterly Operating Results

- In Q4, operating revenue surged by 159% YoY but decreased by 6% QoQ, totaling KRW 119.5 billion. However, this signifies a 3% QoQ growth on the *net adjusted revenue basis, which reflects our sales performance more precisely.
 *Net Adjusted Revenue: Excludes COGs-related sales for chartered flights, accommodations, attractions, etc.
 Key Drivers: Key Drivers: 1) Ongoing recovery in package tourism, 2) Expansion of mid-to-high-priced package tour sales, 3) Decrease in long-haul package tours due to seasonality
- Operating profit decreased by 13% QoQ, reaching 11.4 bn.
 Key Drivers: 1) Reflection of one-off special bonuses(4.5bn), 2) Expansion of mid-to-high-priced package tour sales, 3) Reduction in sales commission rate due to increased online sales.
- Net profit decreased by 4% QoQ, amounting to 15.4 bn, reflecting +4 bn in non-operating income.
 Key Drivers: 1) Capital impairment recovery (+3bn) - Mark Hotels liquidation, 2) Capital impairment recovery (+1.6bn) - Allegrox TM Hotel Management (JP), 3) Interest income(+1.2bn), 4) Income taxes(-3.7bn), etc.

Quarterly Revenue & Operating Profit

1Q 23 – 4Q 23, B KRW



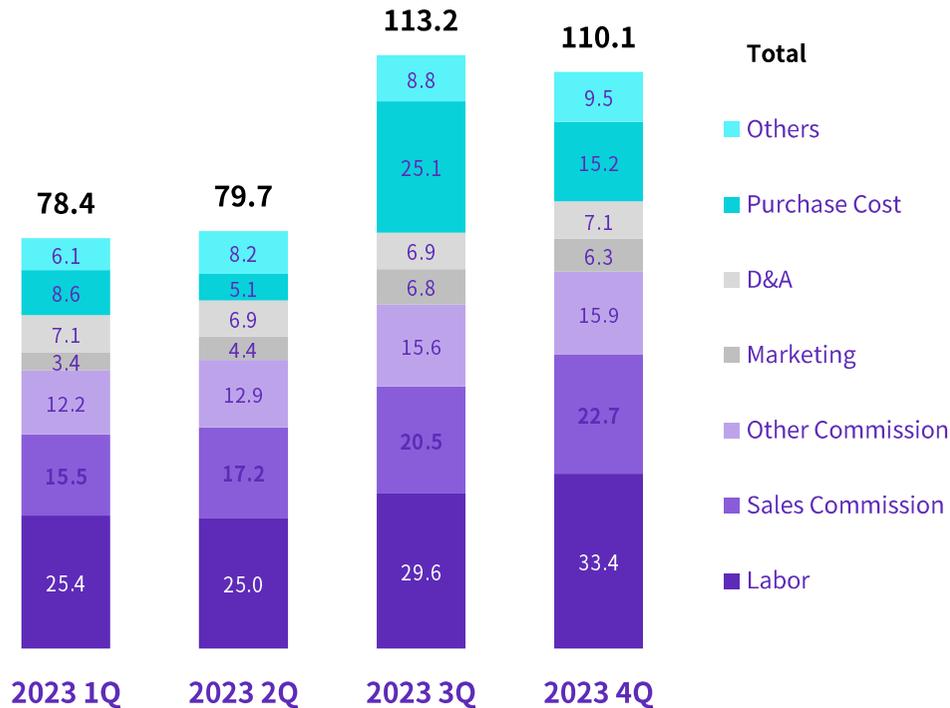
(*Net Adjusted Revenue: Excludes COGs-related sales for chartered flights, accommodations, attractions, etc)



Quarterly Operating Expenses

Breakdown of Quarterly Operating Expenses

1Q 23 ~ 4Q 23, B KRW



✓ **In Q4, total operating expenses(excluding bad debt expenses) decreased by 3% QoQ, reaching KRW 110 bn.**

✓ **Labor expenses increased by 13% QoQ, totaling 33.4bn.**

Key Drivers:

1) One-off special bonuses (4.5bn)

2) Quarterly performance bonuses

3) Refection of mid-term retention bonuses

✓ **Marketing expenses decreased by 7% QoQ, reaching 6.3bn.**

Key Drivers: 1) Optimized marketing costs due to off-peak seasonality

✓ **Purchase cost decreased by 39% QoQ, totaling 15.2bn.**

Key Drivers:

1) Reduced bulk purchases for chartered flights, accommodations, and attractions due to off-peak seasonality

(Excluded bad debt expenses, and reflected IFRS No. 15, 16 & profit and loss from discontinued business)

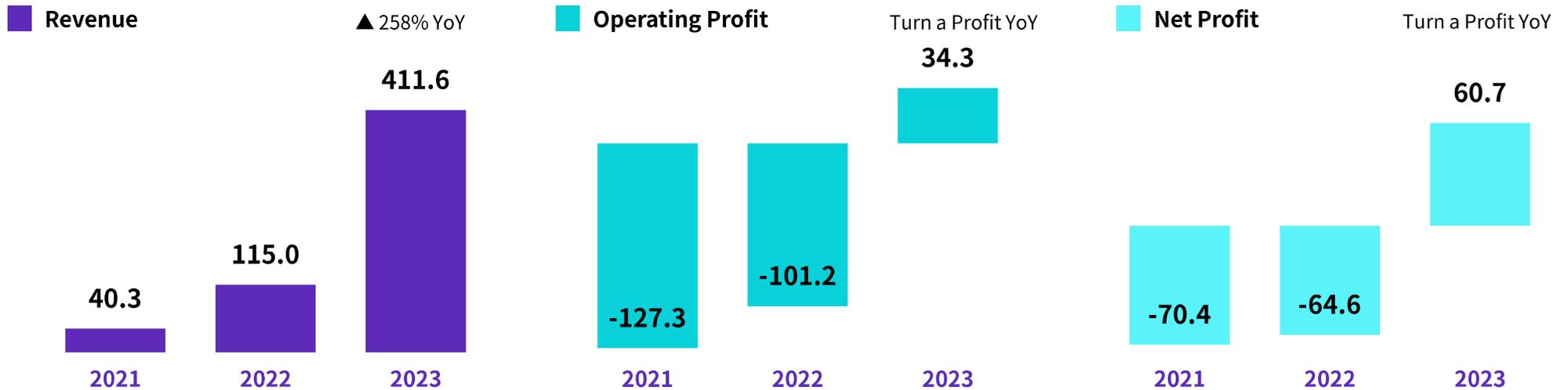


Annual Operating Results

- In 2023, annual operating revenue surged by 258% YoY, totaling KRW 411.6 bn, **signifying the highest annual revenue since the onset of COVID-19.**
Key Drivers: 1) Accelerated tourism recovery since the pandemic, 2) Expansion of mid-to-high-priced package tour sales, particularly Hanapack 2.0
- **Operating profit totaled 34.3 bn, marking the highest since 2017.**
Key Drivers: 1) Expansion of mid-to-high-priced package tour sales, particularly Hanapack 2.0, 2) Decrease in the sales commission rate due to the growing share of online sales.
- **Net profit reached 60.7 bn, signifying a historical high.**
Key Drivers: 1) Capital impairment recovery (Allegrox TM Hotel Management (JP), Mark Hotels liquidation), 2) Interest income, 3) Decreased tax rate, etc.

Annual Revenue & Operating Profit

2021 – 2023, B KRW



(IFRS 1115호 & 중단사업손익 반영)



Annual Operating Expenses

- In 2023, annual operating expenses(excluding bad debt expenses) increased by 75% YoY, reaching KRW 381.3 bn.

Key Drivers: 1) Increase in sales variables (Sales commission, other commission, purchase cost) due to market recovery, 2) Normalization of labor and marketing expenses

- Labor expenses increased by 32% YoY, totaling 113.3 bn.

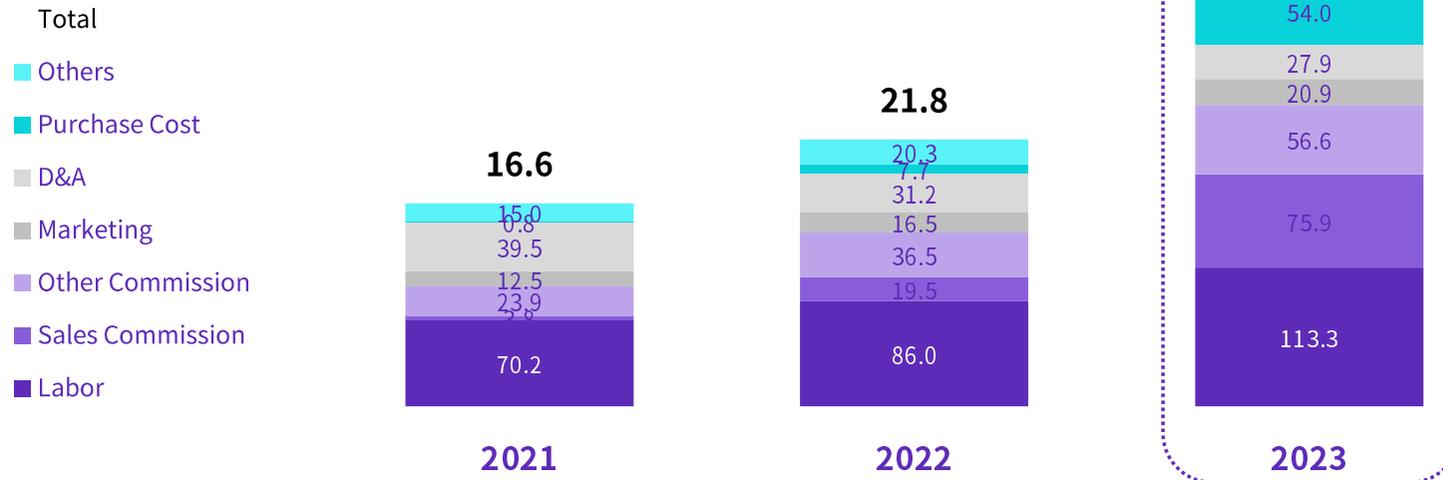
Key Drivers: 1) Headcount increase on a consolidation basis in response to market recovery since the Covid pandemic, 2) Performance bonus payment

- Marketing expenses increased 27% YoY, amounting to 20.9 bn.

Key Drivers: 1) Efficient allocation of the marketing budget necessary for responding to market recovery,
2) Increased online channel promotion marketing activities, particularly targeting the expansion of mobile app usage

Breakdown of Annual Operating Expenses

2021 – 2023, B KRW



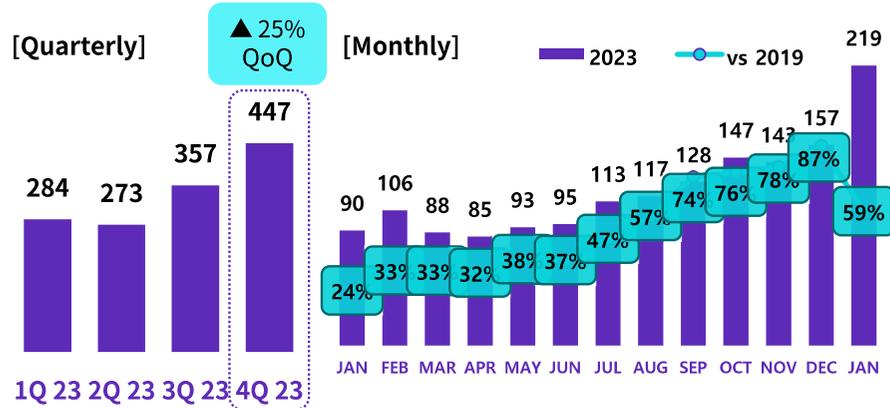
(Excluded bad debt expenses, and reflected IFRS No. 15, 16 & profit and loss from discontinued business)



Customer and GMV Trends for Package Tours

Customer Trend for Package Tours

1Q 23 ~ 4Q 23, JAN 2023, thousand people



- ✓ **In Q4, the number of package travelers increased by 25% QoQ, reaching 80% of the same period in 2019.**

Key Drivers:

- 1) Ongoing recovery in package tourism
- 2) Increased demand for short-haul destinations offsetting off-peak seasonality

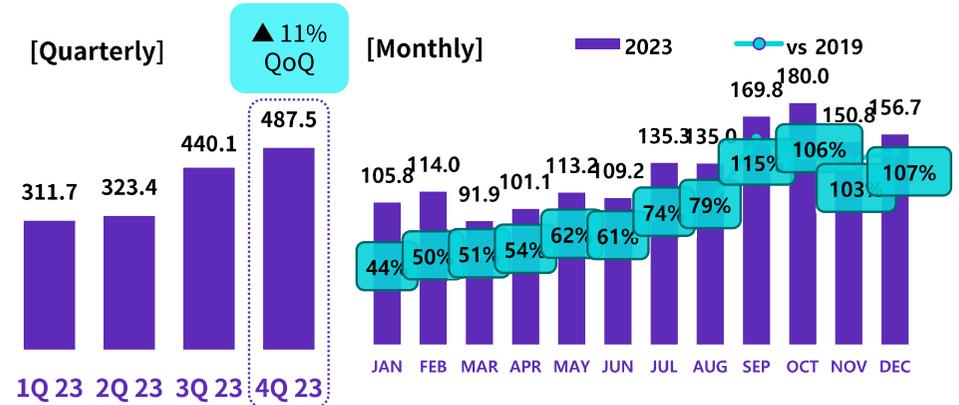
- ✓ **In January, the number of package travelers grew by 40% MoM.**

Key Drivers:

- 1) Winter seasonality
- 2) Strong seasonal demand for short-haul destinations

GMV Trend for Package Tours

1Q 23 ~ 4Q 23, B KRW



- ✓ **In Q4, GMV increased by 11% QoQ, totaling 105% of the same period in 2019.**

Key Drivers:

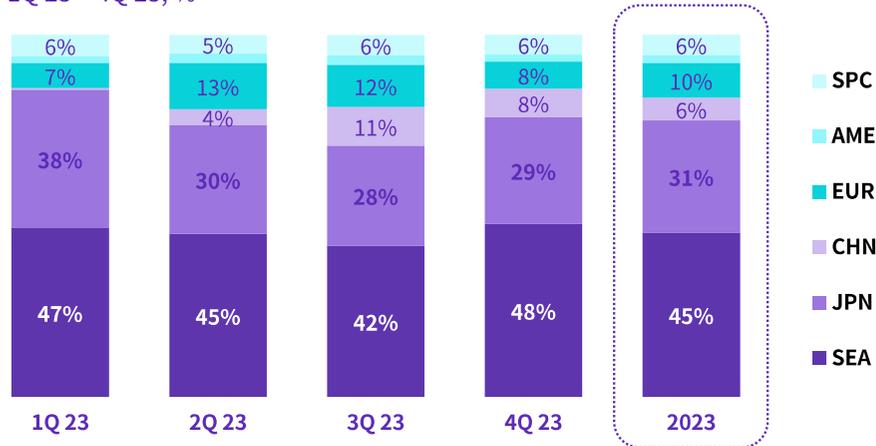
- 1) Increased number of outbound travelers compared to Q3
- 2) Expanded share of mid-to-high-priced packages, particularly Hanapack 2.0



Regional Distribution of Package Tours

Customer Breakdown By Region

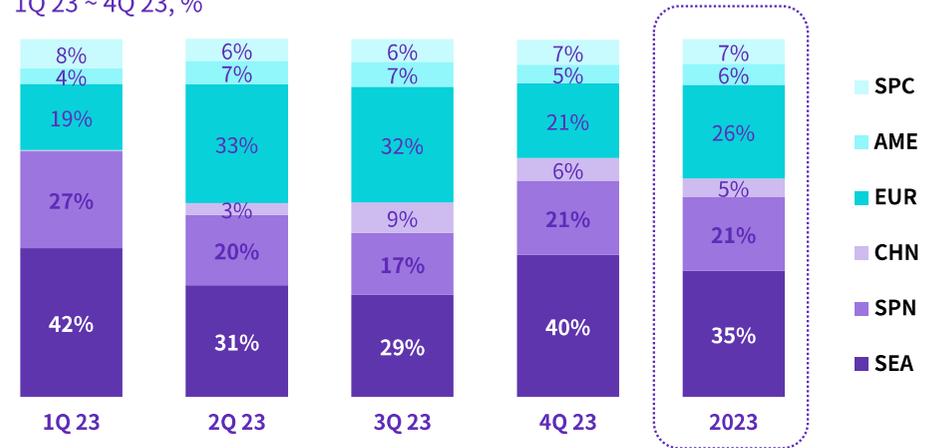
1Q 23 ~ 4Q 23, %



- ✓ **In Q4, based on number of package customers, short-haul destinations centered around Southeast Asia and Japan accounted for the largest share.**
Key Drivers: The share of long-haul destinations decreased QoQ due to the removal of the long-term holiday effect in Q3. Nevertheless, the increasing demand for short-haul destinations led to QoQ growth and a greater share.
- ✓ **In 2023, on an annual basis, Europe's share increased compared to 2018, before the Covid pandemic.**
Key Drivers: Europe's share grew from 7.2% in 2018 to 10% in 2023. Improved product satisfaction, driven by Hanapack 2.0, contributed to the strong performance of package sales for Europe

GMV Breakdown By Region

1Q 23 ~ 4Q 23, %



- ✓ **In Q4, in terms of GMV, SEA led with 40%, followed by Europe at 21%, and Japan at 21%.**
Key Drivers: Thanks to a higher ASP, Europe marked high GMV despite having a lower number of customers
- ✓ **In 2023, on an annual basis, Europe ranked 2nd followed by Japan. The region's share expanded compared to the pre-pandemic period(2018).**
Key Drivers: In 2018, Japan accounted for a higher share of GMV compared to Europe (20% vs. 18.5%). However, Europe's share surpassed Japan's, thanks to the increased sales of Hanapack 2.0 and higher COGs following the pandemic.



Hanapack 2.0 (mid-to-high-priced package) Sales Trends

- In 2023, Hanapack 2.0 accounted for 37% of our package tours customers.

Key Facts: Compared to the pre-pandemic(2019), it was only 7%

- On annual GMV basis, Hanapack 2.0 accounted for 57%.

Key Facts: Compared to the pre-pandemic(2019), it was only 8%

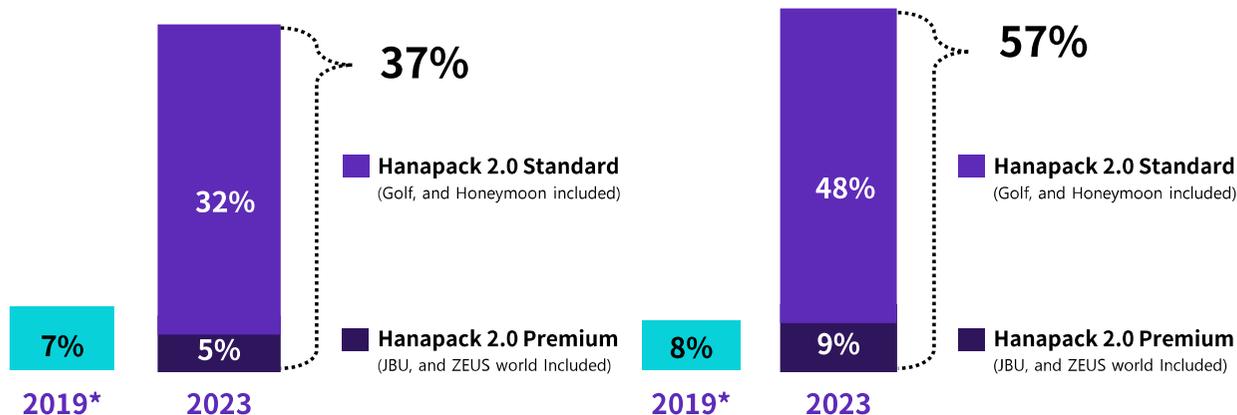
- Customers traveling to long-haul destinations with higher average package prices were more inclined to select Hanapack 2.0.

Key Drivers: The greater the cost and time spent in a travel, the stronger the need to fully enjoy an enriched travel experience.

Sales Proportion of Hanapack 2.0

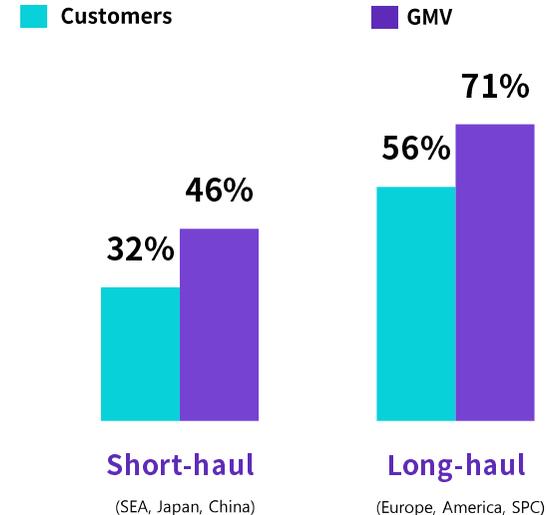
2019 vs 2023, Number of customers, GMV, %

[Customers]



Sales Proportion of Hanapack 2.0 (Short-haul & Long-haul)

2023, Short-haul, Long-haul, %



* Based on mid-to-high-priced package tours before the release of Hanapack2.0

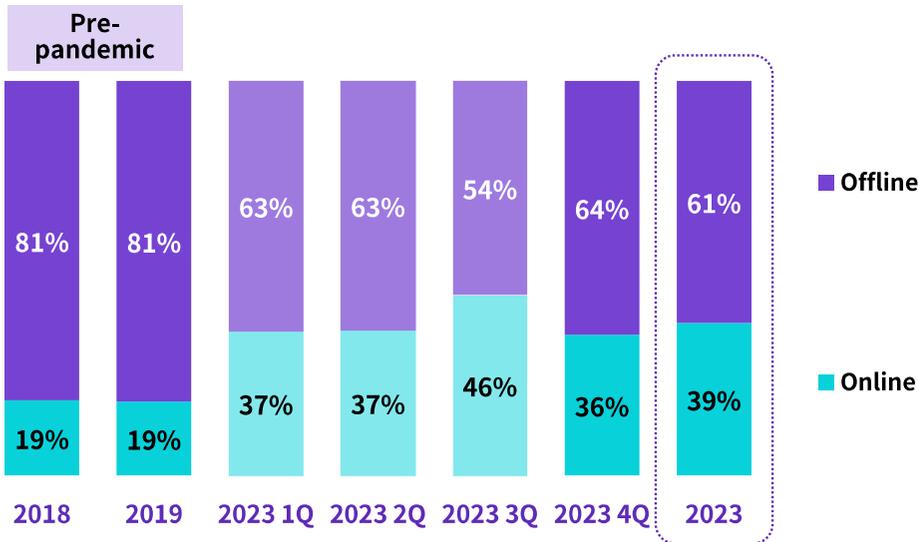


Channel Distribution of Package Tours

- In 2023, online channel sales accounted for 39% based on the number of customers.
- The online sales share rose significantly with improved capabilities and shifting customer behavior compared to pre-pandemic times.
- The growth in our mobile app traffic and overall online members also contributed to the increase in the share of online sales.

Customer Breakdown by Channel

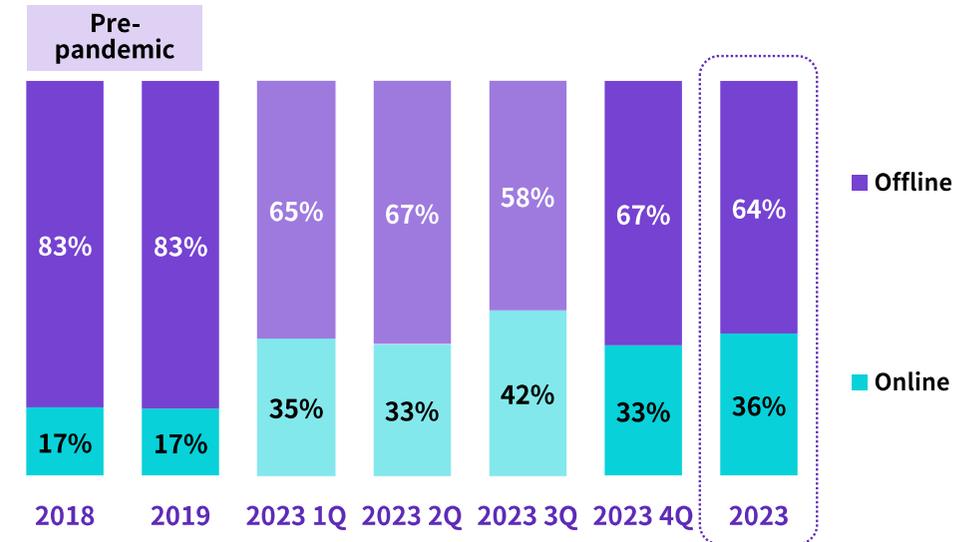
2018 ~ 4Q 23, %



(Source: Hanatour)

GMV Breakdown by channel

2018 ~ 4Q 23, %



(Source: Hanatour)

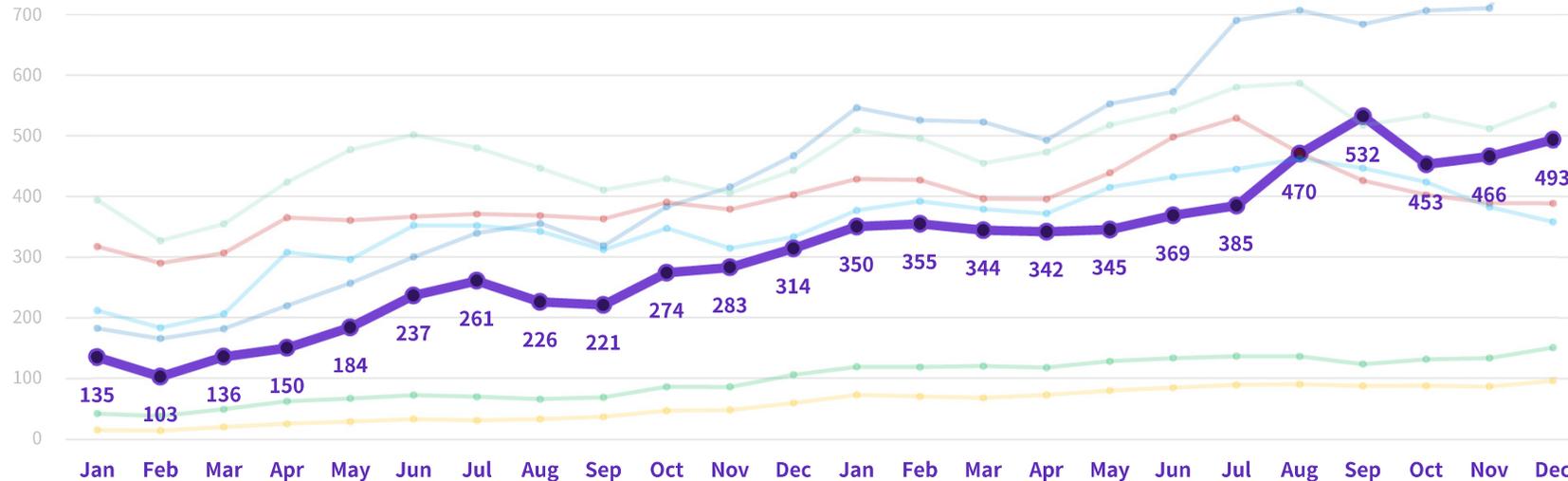


Mobile App User Trends

- In Dec 2023, Monthly Active Users (MAU) reached 490K, a 57% increase YoY.
 Key Drivers: 1) App promotion marketing, 2) Favorable response from users to both existing and new app features.
- In Sep, we secured the second position in the ‘Comprehensive Travel Agency’ category on Mobile Index with 530K MAU. Subsequently, during Q4, we maintained an average MAU of 470K, solidifying our position in third place.
- We anticipate maintaining approximately 500K MAU through continuous enhancements in app features and various marketing promotions.

MAU Trend for Our Mobile App

JAN 2022 ~ DEC 2023, Mobile Index – Comprehensive Travel Agency Category, thousand people



MAU for DEC 2023

- Trip. 895,490
- TRIP 550,703
- 493,423**
- 388,285
- My 357,813
- M 150,339
- 노랑동선 95,489

(Source: Mobile Index)



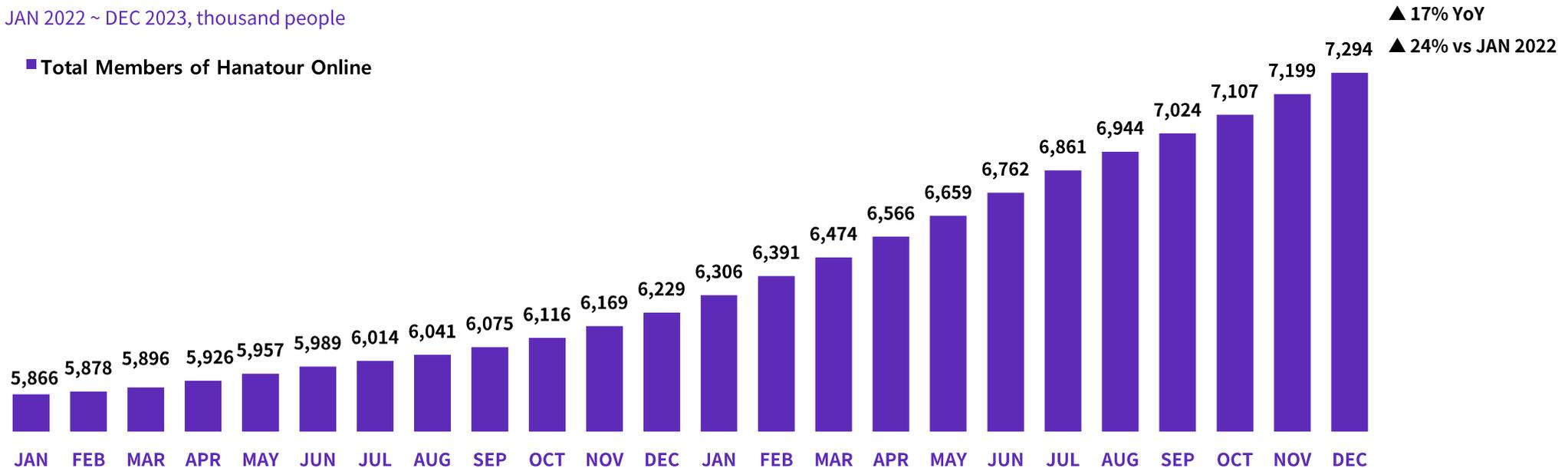
Hanatour Online Membership Trend

- The total number of Hanatour online members has reached 7.29m, consistently setting new monthly records.

Hanatour Online Membership

JAN 2022 ~ DEC 2023, thousand people

■ Total Members of Hanatour Online



(Source : Hanatour)



Consolidated Statement of Financial Position

(Unit: B KRW)

	2022	2023 Q1	2023 Q2	2023 Q3	2023 Q4(P)
Assets					
Current Assets	270.5	301.6	322.8	416.5	450.6
Cash&Cash Equivalents	92.5	79.6	52.5	76.1	118.7
Short-term Deposits	88.6	131.2	143.3	152.8	145.6
Trade Receivable	39.4	34.8	51.7	58.3	61.8
Other Receivables	5.9	6.5	7.5	10.3	11.3
Current Finance Lease Receivables	0.6	0.4	0.8	1.2	0.9
Inventories	8.3	10.9	23.4	39.6	59.1
Advance Payments	25.2	25.9	32.0	63.2	36.8
Other Current Assets	3.0	3.4	3.5	4.3	3.2
Other Financial Assets	6.8	8.3	8.1	10.4	12.5
Current Tax Assets	0.4	0.6	0.2	0.4	0.8
Non-Current Assets	184.9	194.6	203.1	200.3	195.4
Financial Instrument(FVTNI)	3.0	3.0	3.0	3.0	3.6
Financial Instrument(FVTOCI)	1.2	1.2	1.2	1.2	1.2
Investments in Subsidiaries, JV, Associates	0.7	0.0	0.0	0.0	0.0
Long-term Other Receivables	4.1	1.7	4.3	4.1	3.9
Non-current finance lease receivables	0.0	0.0	0.0	1.2	1.0
Investment Property	1.1	1.1	1.0	0.9	0.9
Property, Plant and Equipment	10.2	9.8	9.9	11.6	11.6
Intangible Assets	22.9	21.4	19.7	18.6	16.7
Right-of-Use Assets	76.6	90.6	92.4	88.9	92.5
Other Non-Current Financial Assets	12.7	13.5	12.0	11.3	7.7
Deferred Tax Assets	52.3	52.3	59.5	59.5	56.3
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Total Assets	455.4	496.2	525.9	616.9	646.0

	2022	2023 Q1	2023 Q2	2023 Q3	2023 Q4(P)
Liabilities					
Current Liabilities	232.8	253.0	270.3	348.3	363.3
Account Payable	42.0	52.4	51.6	103.6	80.9
Other Payables	47.2	44.7	49.5	53.9	57.2
Current Tax Liabilities	0.4	0.3	0.4	0.5	0.7
Advances for Travel Product	77.0	86.4	104.9	127.7	163.8
Advance Customers	22.4	20.9	19.9	18.4	17.9
Short-term Borrowings	14.4	13.7	12.6	10.1	8.7
Current Long-term Debt	2.1	2.1	1.8	1.8	1.8
Current Portion of Finance Lease Liabilities	13.9	16.8	16.8	16.3	16.8
Current Provisions	0.9	0.9	1.2	1.9	1.1
Other Current Financial Liabilities	2.1	2.4	2.4	2.4	2.5
Other Current Liabilities	10.5	12.4	9.3	11.7	11.9
Non-Current Liabilities	123.0	135.4	126.4	123.1	121.7
Long-term Other Payables	0.1	0.1	0.0	0.0	0.0
Long-term Borrowings	7.9	7.6	6.6	5.7	5.4
Non-Current Provisions	0.2	0.3	0.4	0.4	0.4
Non-Current Finance Lease Liabilities	105.8	117.0	109.7	106.1	104.5
Long-term Provisions for Employees	4.4	5.7	5.4	6.8	7.2
Other Non-Current Financial Liabilities	0.0	0.1	0.1	0.0	-0.1
Other Non-Current Liabilities	4.6	4.6	4.2	4.1	4.1
Total Liabilities	355.7	388.4	396.7	471.4	485.0
Equity					
Equity Attributable to Owners of Parents	123.3	131.0	144.7	158.9	172.0
Issued Capital	8.0	8.0	8.0	8.0	8.0
Other Paid-up Capital	132.9	132.9	132.9	132.9	-7.1
Elements of Other Stockholder's Equity	2.6	2.3	2.3	2.3	2.6
Retained Earnings	-20.3	-12.2	1.4	15.6	168.5
Non-Controlling Interests	-23.6	-23.1	-15.5	-13.5	-11.1
Total Equity	99.7	107.8	129.2	145.4	161.0
Total Equity and Liabilities	455.4	496.2	525.9	616.9	646.0



Separate Statement of Financial Position

(Unit : B KRW)

	2022	2023 Q1	2023 Q2	2023 Q3	2023 Q4(P)		2022	2023 Q1	2023 Q2	2023 Q3	2023 Q4(P)
Assets						Liabilities					
Current Assets	202.5	231.7	251.4	343.6	367.0	Current Liabilities	162.5	181.5	198.6	278.5	290.0
Cash & Cash Equivalents	61.3	50.1	23.8	48.9	90.0	Account Payable	35.0	45.9	43.3	96.8	70.1
Short-term Deposits	71.9	113.9	123.9	133.9	123.6	Other Current Payables	20.0	17.2	21.9	25.6	28.8
Trade Receivable	29.1	24.0	37.4	44.0	42.6	Advances for Travel Products	69.7	77.6	96.8	118.7	155.2
Other Receivables	7.2	8.4	11.0	13.0	13.6	Advances Customers	21.5	20.3	19.3	17.6	17.5
Finance Lease Receivables	0.7	0.4	0.8	2.2	1.9	Current Provisions	0.9	0.9	1.1	1.9	1.1
Inventories	7.3	10.0	22.4	38.9	58.4	Finance Lease Liabilities	4.1	6.9	7.0	7.0	6.6
Advance Payments	20.2	19.4	26.9	56.5	31.4	Other Current Financial Liabilities	2.3	2.2	2.2	2.3	2.3
Other Current Assets	1.6	2.0	2.0	2.7	1.8	Other Current Liabilities	9.0	10.6	6.9	8.6	8.3
Other Current Financial Assets	2.9	3.0	3.0	3.1	3.2	Non-Current Liabilities	5.9	16.6	15.3	15.3	14.7
Tax Assets	0.4	0.6	0.2	0.4	0.8	Non-Current Provisions for Employee Benefits	4.2	5.5	5.2	6.6	7.1
Non-Current Assets	115.8	123.9	127.1	125.9	119.0	Non-Current Finance Lease Liabilities	1.6	11.0	9.9	8.6	7.5
Financial Instrument(FVTNI)	3.0	3.0	3.0	3.0	3.6	Non-Current Provisions	0.0	0.1	0.1	0.1	0.1
Financial Instrument(FVTOCI)	1.1	1.1	1.1	1.1	1.1	Other Non-Current Financial Liabilities	0.0	0.1	0.1	0.0	0.0
Investments in Subsidiaries	24.7	23.2	24.4	24.4	24.4	Total Liabilities	168.3	198.1	213.9	293.9	304.7
Investments in Associates	0.6	0.0	0.0	0.0	0.0	Equity					
Non-current finance lease receivables	0.0	0.0	0.0	3.2	2.8	Issued Capital	8.0	8.0	8.0	8.0	8.0
Property, Plant and Equipment	2.9	2.5	3.1	2.3	2.0	Other Paid-up Capital	119.5	119.5	119.5	119.5	-20.5
Right-of-Use Assets	5.0	17.8	16.3	15.0	13.6	Elements of other stockholder's equity	0.0	0.0	0.0	0.0	0.0
Intangible Assets	19.1	17.7	16.2	13.9	11.9	Retained Earnings	22.5	30.0	37.1	48.2	193.8
Long-term Other Receivables	5.2	2.7	5.3	5.4	5.8	Total Equity	150.0	157.5	164.6	175.7	181.3
Other Non-Current Financial Assets	3.6	5.5	3.5	3.5	3.4	Total Equity and Liabilities	318.3	355.6	378.5	469.6	486.0
Deferred Tax Assets	50.6	50.6	54.3	54.3	50.5						
Total Assets	318.3	355.6	378.5	469.6	486.0						



Consolidated Profit & Loss

(Unit : B KRW)

	FY 21	1Q 22	2Q 22	3Q 22	4Q 22	FY 22	1Q 23	2Q 23	3Q 23	4Q 23(P)	FY 23(P)
Operating Revenue (Net Sales)	40.3	9.8	21.6	37.4	46.1	115.0	83.0	82.4	126.7	119.5	411.6
Operating Expense	167.6	39.5	55.3	59.2	62.1	216.2	77.4	78.3	113.5	108.1	377.3
Operating Profit	-127.3	-29.7	-33.7	-21.8	-16.0	-101.2	5.6	4.1	13.2	11.4	34.3
Other Income	113.2	2.0	15.4	4.0	25.3	46.6	5.3	10.9	3.8	9.2	29.1
Other Expenses	61.2	1.4	6.3	3.7	2.9	14.3	1.4	2.2	0.7	1.6	5.9
Pretax Income	-75.3	-29.1	-24.6	-21.6	6.4	-68.9	9.5	12.8	16.3	19	57.6
Income Taxes	-4.8	0.2	-0.5	0.6	-4.4	-4.1	0.2	-7.0	0.3	3.7	-2.9
Net Income	-70.4	-29.2	-24.0	-22.2	10.8	-64.6	9.4	19.8	16.1	15.4	60.7
Controlling Interest	-44.0	-26.5	-28.3	-20.9	8.8	-66.8	8.0	13.7	14.2	12.8	48.7
Non-controlling Interest	-26.5	-2.7	4.2	-1.3	2.0	2.2	1.5	6.1	1.9	2.5	12.0

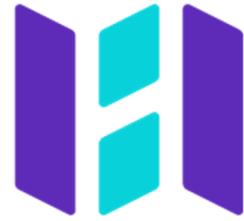


Separate Profit & Loss

(Unit : B KRW)

	FY 21	1Q 22	2Q 22	3Q 22	4Q 22	FY 22	1Q 23	2Q 23	3Q 23	4Q 23(P)	FY 23(P)
Operating Revenue (Net Sales)	10.8	2.6	10.0	23.3	30.4	66.3	65.4	61.1	103.7	94.5	324.7
Airline Ticket Sales Commissions	0.4	0.2	0.5	0.3	0.5	1.5	0.6	0.9	0.8	0.8	3.1
Overseas Tours Sales Commissions	3.8	1.2	5.5	11.7	21.0	39.4	48.0	43.3	64.6	65.5	219.5
Chartered Flight Sales(Gross Sales Basis)*	0.5	0.1	1.3	4.9	0.8	7.1	8.0	4.2	23.6	14.5	51.7
Other Sales Commissions	5.0	1.0	1.9	3.2	3.8	10.0	6.3	7.3	10.4	10.5	34.5
Other Sales	1.1	0.1	0.9	3.1	3.5	7.7	2.5	5.4	4.3	3.2	15.8
Operating Expense	108.3	26.5	40.9	43.8	45.6	156.8	61.9	60.0	95.2	88.9	306.0
Labor	30.9	15.0	15.6	14.7	15.8	61.2	17.1	15.8	19.0	22.3	74.2
Marketing	10.2	1.2	7.0	2.9	3.0	14.2	2.6	3.6	5.9	5.4	17.5
Sales Commissions for Tours	1.7	0.8	2.9	5.3	8.6	17.6	15.9	18.6	22.7	24.4	81.5
Chartered Flight Expenses (Gross Expense Basis)*	0.8	0.0	1.3	4.9	0.9	7.1	8.0	4.4	23.8	14.8	52.4
Other Expenses	64.7	9.5	14.0	15.9	17.2	56.7	18.3	17.7	23.8	22.1	80.3
Operating Income	-97.5	-23.9	-30.9	-20.5	-15.2	-90.5	3.6	1.1	8.5	5.6	18.7
Other Income	84.7	2.6	1.5	3.4	24.9	32.4	5.2	3.2	3.1	3.8	15.3
Other Expenses	30.7	0.4	4.1	0.7	14.4	19.6	1.2	0.7	0.5	0.0	2.5
Pretax Income	-43.5	-21.6	-33.5	-17.8	-4.7	-77.7	7.5	3.6	11.1	9.3	31.5
Income Taxes	-4.8	0.0	-0.2	0.0	-2.9	-3.1	0.0	-3.5	0.0	3.7	0.2
Net Income	-38.7	-21.6	-33.3	-17.8	-1.9	-74.6	7.5	7.1	11.1	5.6	31.3

*From 2018, chartered flight sales and expenses, which used to be recognized as COGS, started to be recognized based on gross numbers by reflecting K-IFRS 1115.



Hanatour