

Hanatour Q2 FY2024 Earnings Performance

AUG 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.



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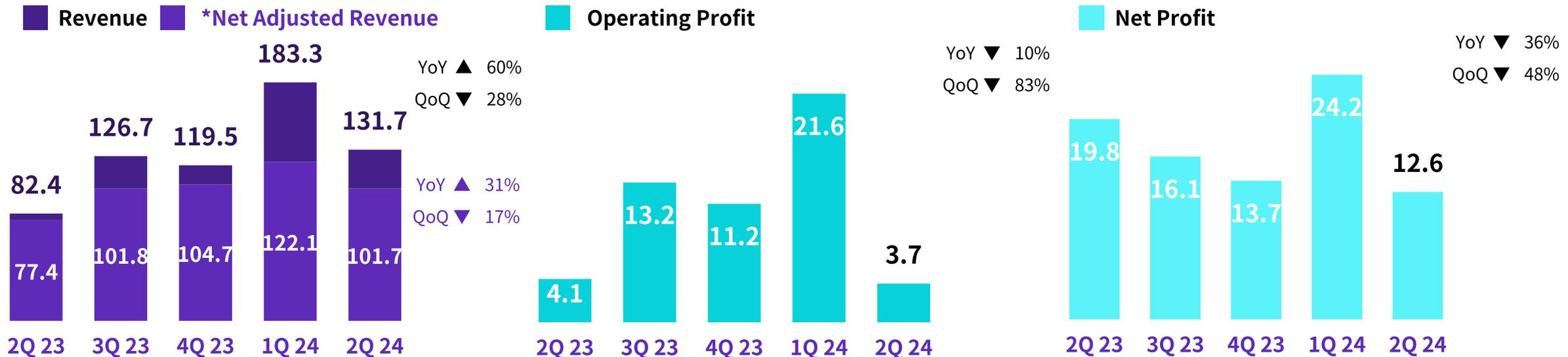


Quarterly Operating Results

- In Q2, operating revenue surged by 60% YoY but decreased by 28% QoQ, reaching KRW 131.7 bn, reflecting a 17% QoQ decline in net adjusted revenue
Key Drivers: 1) Reduced number of package travelers due to low seasonality (QoQ -19%), 2) Decreased purchase volume for flights, hotels, etc., due to seasonality (QoQ -51%)
- Operating profit decreased by 10% YoY and 83% QoQ, totaling 3.7 bn, reflecting one-off online 3rd party channel costs amounting to 6.3 bn. Cumulative profit for 1H reached 25.3 bn, marking the second highest ever. Excluding the one-off cost, our operating profit in Q2 amounted to 9.9 bn, bringing the 1H total to 31.6 bn, the highest on record.
Key Drivers: 1) Full write-off of uncollected receivables from TMON and WEMAKEPRICE (6.3 bn for orders shipped in June and July), 2) Weakened profitability due to low seasonality, 3) Increased marketing costs.
- Net profit decreased by 36% YoY and 48% QoQ, totaling 12.6 bn
Key Drivers: 1) Capital impairment recovery (+6.4 bn) from Allegrox TM Hotel Management (JP), 2) Increased financial income (+2.0 bn), etc.

Quarterly Revenue & Operating Profit

2Q 23 – 2Q 24, B KRW



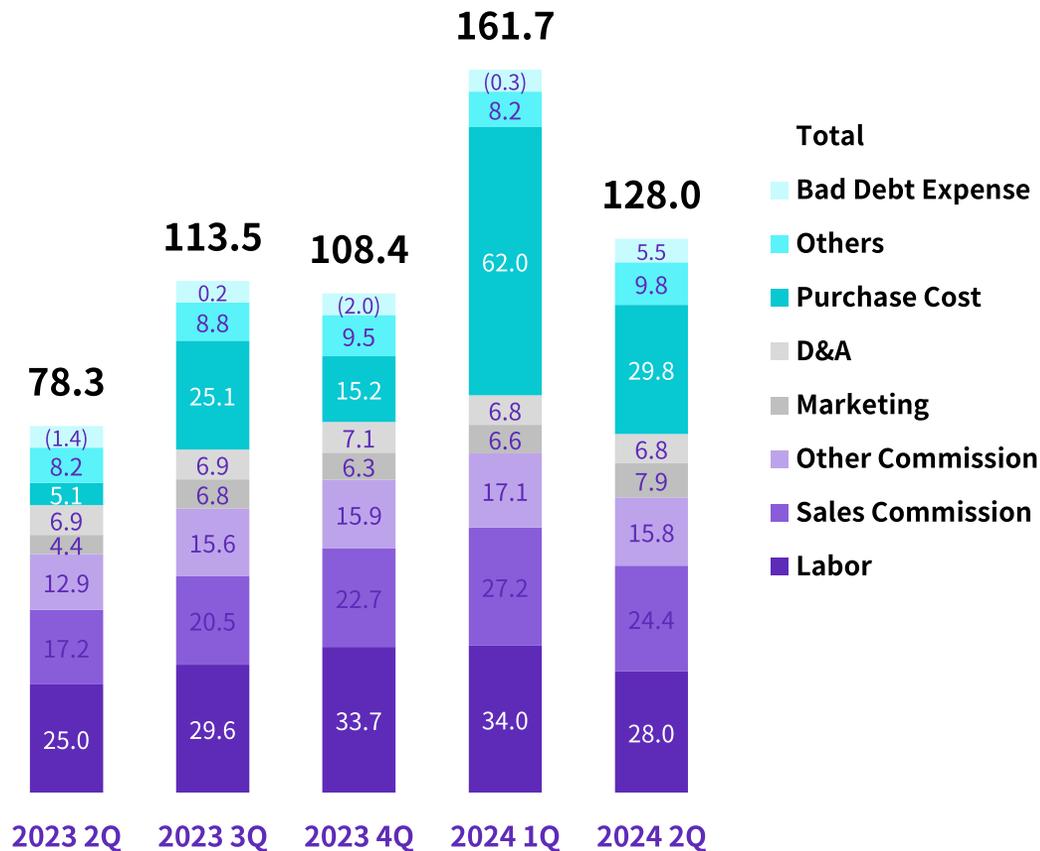
(*Net Adjusted Revenue: Excludes COGs-related sales for chartered flights, accommodations, attractions, etc)



Quarterly Operating Expenses

Breakdown of Quarterly Operating Expenses

2Q 23 ~ 2Q 24, B KRW



(Reflected IFRS No. 15, 16 & profit and loss from discontinued business)

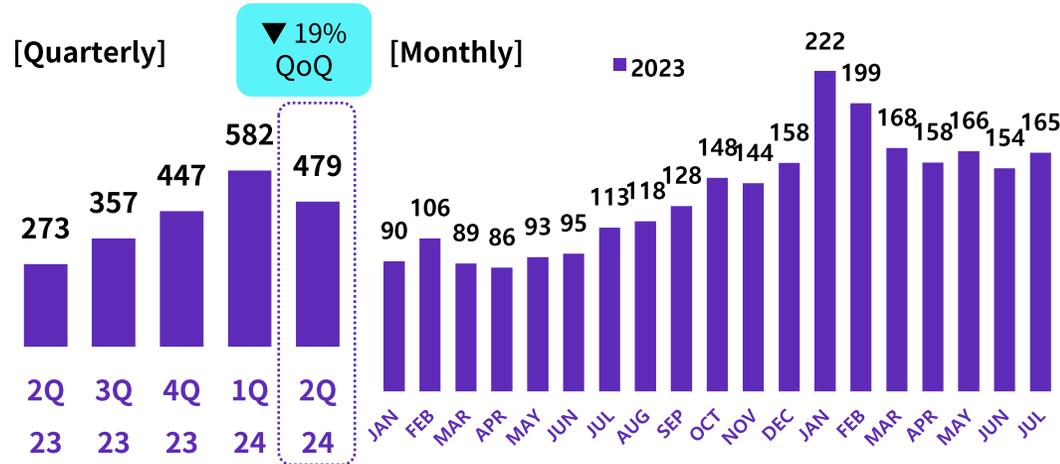
- ✓ **In Q2, total operating expenses decreased by 21% QoQ, reaching KRW 128.0 billion**
- ✓ **One-off bad debt expenses related to online 3rd party channels amounted to 6.3 bn**
Key Drivers:
 - 1) Full write-off of uncollected receivables for our package products sold through TMON and WEMAKEPRICE, specifically for orders shipped in June and July (6.3 bn).
 - 2) Our package GMV exposure to these channels is limited to 1-2% per month.
- ✓ **Labor expenses decreased by 18%, totaling 28 bn**
Key Drivers:
 - 1) Reduction or reversal in bonus provisions compared to the previous quarter (-5.8 bn).
 - 2) Overall headcount on a consolidated basis for Q2 reached 2,350, reflecting a slight increase from 2,340 in Q1.
- ✓ **Marketing expenses increased by 19%, reaching 7.9 bn**
Key Drivers:
 - 1) Increased marketing activities to address low seasonality in Q2 and to boost travel demand for Q3.
- ✓ **Purchase costs decreased by 52%, totaling 29.8 bn**
Key Drivers:
 - 1) Lower purchase volumes of flights and hotels due to decreased demand during the off-peak season.



Customer and GMV Trends for Package Tours

Customer Trend for Package Tours

2023 ~ 2Q 24, JUL 2024, thousand people



✓ In Q2, the number of package tourists decreased by 19% QoQ

Key Drivers:

1) Decreased demand for short-haul destinations due to seasonality

✓ In July, the number of package tourists increased by 7% MoM

Key Drivers:

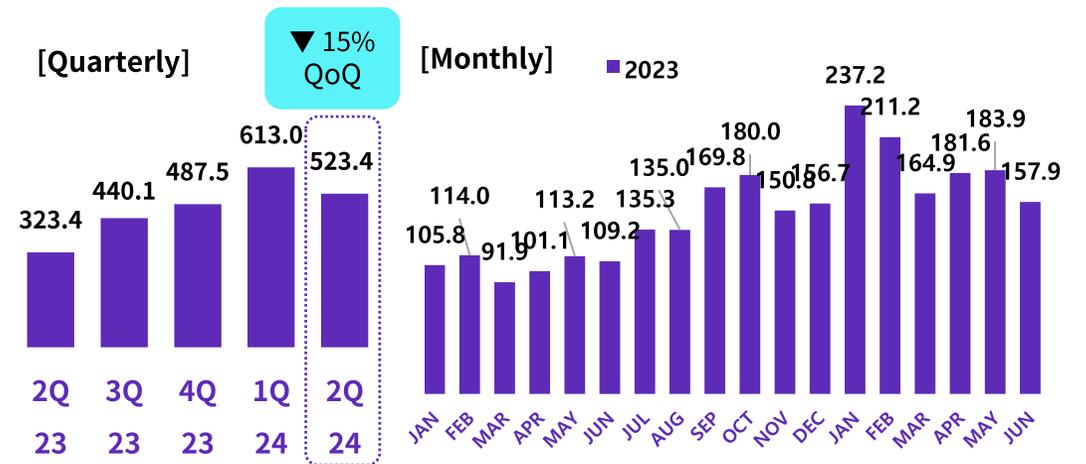
1) The summer holiday seasonality effect (SEA)⁽¹⁾

2) Increased flight availability (SEA⁽¹⁾, AME⁽²⁾, SPC⁽³⁾)

*Note: (1) Southeast Asia. (2) America. (3) The South Pacific.

GMV Trend for Package Tours

2023 ~ 2Q 24, B KRW



✓ In Q2, GMV decreased by 15% QoQ, totaling 95% of the same period in 2019

Key Drivers:

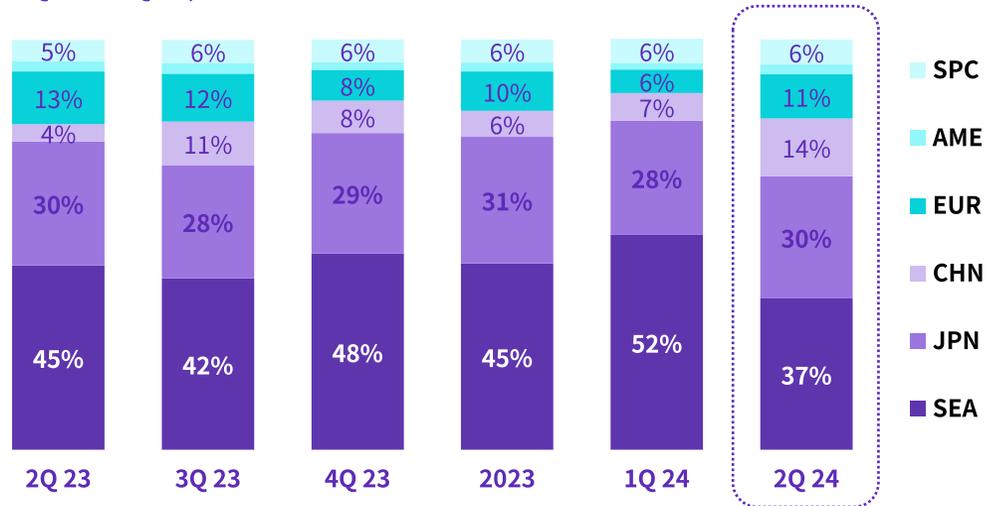
1) Expanded share of mid-to-high-priced packages, particularly Hanapack 2.0



Regional Distribution of Package Tours

Customer Breakdown By Region

2Q 23 ~ 2Q 24, %



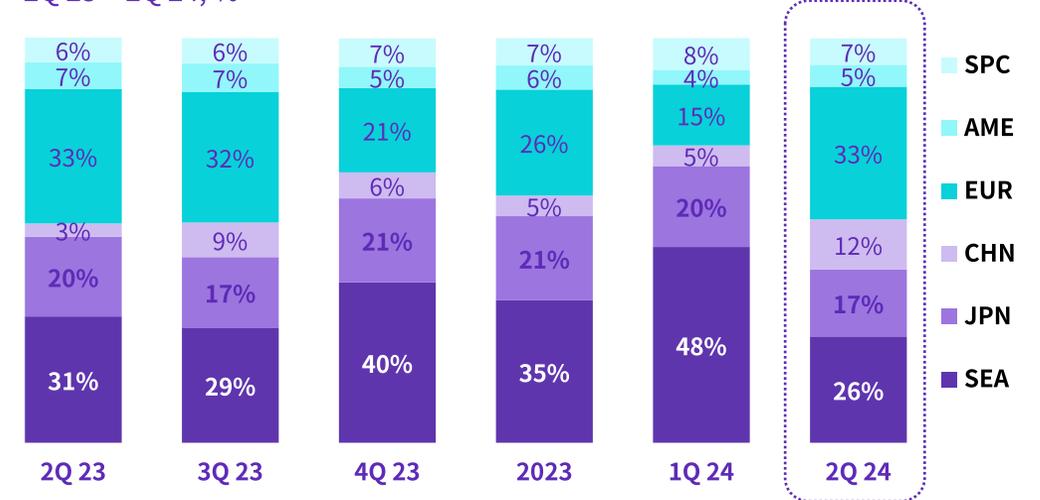
- ✓ In Q2, based on the number of package tourists, the share for China and Europe expanded, while Southeast Asia and Japan maintained their consistently high levels.

Key Drivers:

- 1) The proportion of China and Europe increased QoQ due to the base effect and seasonality
- 2) Strong ongoing recovery for Chinese tours. China is the only region showing a continuous monthly growth trend this year(+16% MoM in JAN, +10% in FEB, +38% in MAR, +13% in APR, +24% in MAY, +7% in JUN)

GMV Breakdown By Region

2Q 23 ~ 2Q 24, %



- ✓ In Q2, in terms of GMV, Europe led with 33%, followed by Southeast Asia at 26%, and Japan at 17%

Key Drivers:

- 1) The number of outbound travelers and GMV in Southeast Asia decreased while the GMV share in Europe rose rapidly, due to seasonality
- 2) Thanks to a higher ASP, Europe marked high GMV despite having a lower number of tourists
- 3) The GMV share in China expanded to 12%, increase 7%p from 5% in the previous quarter, thanks to the continued strong recovery in demand to China



Mid-to-High-Priced Packages(Hanapack 2.0) Sales Trends

- In Q2, mid-to-high-priced packages(Hanapack 2.0), accounted for 28% of our package tourists

Key Drivers: Despite low seasonality in Q2, the expanded share of long-haul customers preferring mid-to-high-priced packages helped maintain the previous quarter's level

- On GMV basis, mid-to-high-priced packages accounted for 49%

Key Drivers: Stronger seasonal demand for long-haul destinations with a higher proportion of mid-to-high-priced packages in Q2 resulted in a higher GMV share compared to the previous quarter

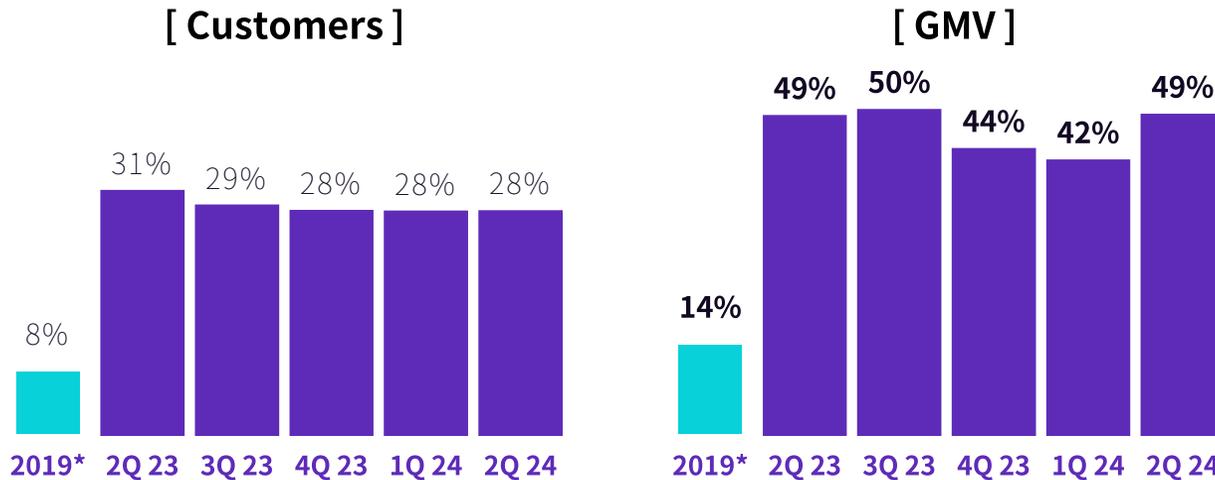
- Customers traveling to long-haul destinations with higher average package prices were more inclined to select mid-to-high-priced packages

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

Sales Share of Mid-to-High-Priced Packages (vs Total)

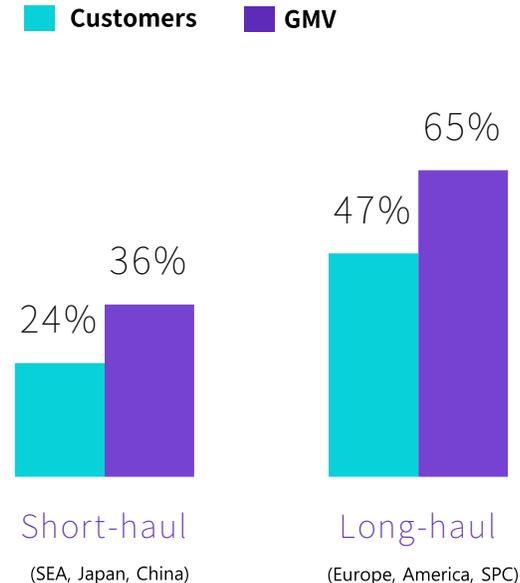
2019 vs 2Q 23 ~ 2Q 24, Number of customers, GMV, %

Mid-to-high-priced Package
(Premium, Standards, JBU, Theme package included)



Sales Share of Mid-to-High-Priced Packages (Short-haul & Long-haul)

2Q 24, Short-haul, Long-haul, %



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

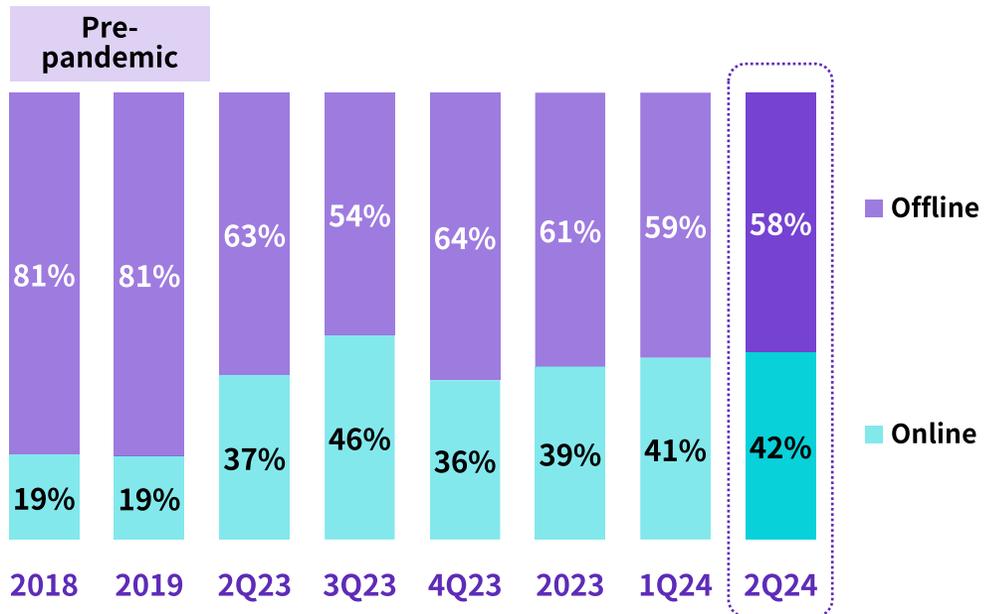


Channel Distribution of Package Tours

- In Q2, online channel sales accounted for 42% based on the number of customers
- The online sales share rose significantly with our improved online capabilities and shifting customer behavior compared to pre-pandemic times
- The growth in our mobile app traffic and overall online members also contributed to an expanded share of online sales

Customer Breakdown by Channel

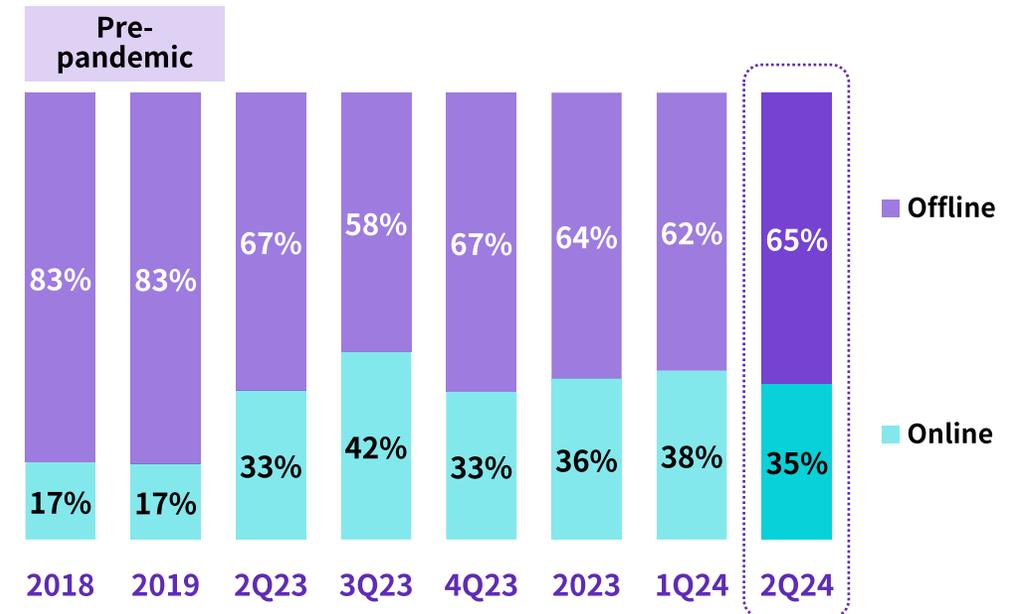
2018 ~ 2Q 24, %



(Source: Hanatour)

GMV Breakdown by channel

2018 ~ 2Q 24, %



(Source: Hanatour)

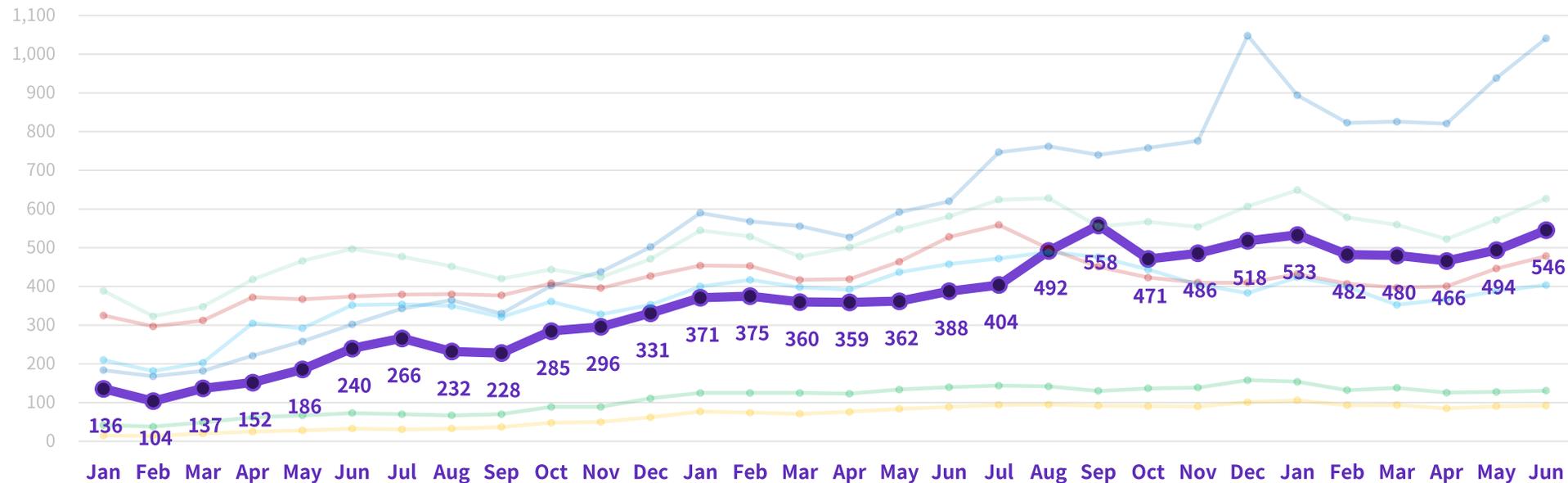


Mobile App User Trends

- In Q2, the average Monthly Active Users (MAU) reached 500K, a 36% increase YoY.
Key Drivers: 1) App promotion marketing, 2) Favorable response from users to both existing and new app features.
- In June 2024, MAU reached 546K, a 41% growth YoY, marking the second-highest ever after 558K in September 2023
- We anticipate maintaining approximately 500K MAU through continuous enhancements in app features and various marketing promotions.

MAU Trend for Our Mobile App

JAN 2022 ~ JUN 2024, Mobile Index – Comprehensive Travel Agency Category, thousand people



MAU for JUN 2024

- Trip. 1,040,827
- TRIP 627,005
- **545,670**
- 478,419
- My 403,794
- M 130,817
- 노랑풍선 91,866

(Source: Mobile Index)

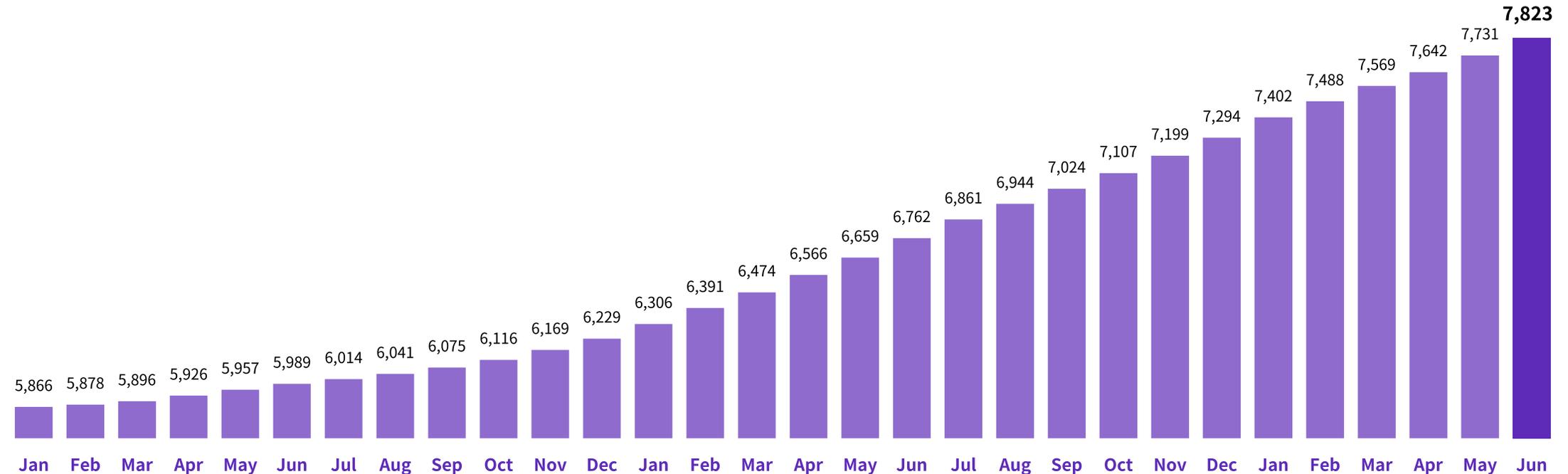


Hanatour Online Membership Trend

- The total number of Hanatour online members has reached 7.82m, setting a new record

Hanatour Online Membership

JAN 2022 ~ JUN 2024, thousand people



(Source : Hanatour)



Consolidated Statement of Financial Position

(Unit: B KRW)

	2022	2023	2024 Q1	2024 Q2(P)		2022	2023	2024 Q1	2024 Q2(P)
Assets					Liabilities				
Current Assets	270.5	447.0	487.2	413.1	Current Liabilities	232.8	370.1	460.9	376.5
Cash&Cash Equivalents	92.5	118.7	161.0	81.4	Account Payable	42.0	80.9	120.1	112.3
Short-term Deposits	88.6	145.6	146.2	137.0	Other Payables	47.2	64.0	63.2	55.5
Trade Receivable	39.4	61.8	52.9	69.2	Current Tax Liabilities	0.4	0.7	0.7	0.3
Other Receivables	5.9	11.0	9.6	9.8	Advances for Travel Product	77.0	163.8	140.9	150.6
Current Finance Lease Receivables	0.6	0.9	1.3	1.5	Advance Customers	22.4	17.9	16.5	15.9
Inventories	8.3	59.1	58.1	61.3	Short-term Borrowings	14.4	8.7	6.4	5.6
Advance Payments	25.2	36.8	43.8	37.9	Current Long-term Debt	2.1	1.8	1.8	1.7
Other Current Assets	3.0	3.2	4.9	6.1	Current Portion of Finance Lease Liabilities	13.9	16.8	16.8	16.4
Other Financial Assets	6.8	8.9	8.6	8.4	Current Provisions	0.9	1.1	1.2	1.1
Current Tax Assets	0.4	1.1	0.8	0.5	Other Current Financial Liabilities	2.1	2.5	80.4	2.5
Non-Current Assets	184.9	197.6	188.1	184.5	Other Current Liabilities	10.5	11.9	12.9	14.7
Financial Instrument(FVTNI)	3.0	3.6	1.6	0.7	Non-Current Liabilities	123.0	115.2	109.4	103.6
Financial Instrument(FVTOCI)	1.2	1.2	1.2	1.2	Long-term Other Payables	0.1	0.0	0.0	0.0
Investments in Subsidiaries, JV, Associates	0.7	0.0	0.0	0.0	Long-term Borrowings	7.9	5.3	4.8	4.2
Long-term Other Receivables	4.1	3.9	3.6	3.3	Non-Current Provisions	0.2	0.4	0.4	0.4
Non-current finance lease receivables	0.0	1.0	0.9	0.8	Non-Current Finance Lease Liabilities	105.8	104.5	99.5	94.3
Investment Property	1.1	0.9	0.8	0.8	Long-term Provisions for Employees	4.4	0.8	0.8	0.9
Property, Plant and Equipment	10.2	11.6	11.2	10.7	Other Non-Current Financial Liabilities	0.0	0.0	0.0	0.1
Intangible Assets	22.9	16.7	14.7	12.9	Other Non-Current Liabilities	4.6	4.1	3.9	3.8
Right-of-Use Assets	76.6	92.5	87.9	87.6	Total Liabilities	355.7	485.3	570.3	480.2
Other Non-Current Financial Assets	12.7	11.3	11.6	11.7	Equity				
Deferred Tax Assets	52.3	54.9	54.6	54.7	Equity Attributable to Owners of Parents	123.3	170.4	114.1	122.4
Other non-current assets	0.0	0.0	0.0	0.0	Issued Capital	8.0	8.0	8.0	8.0
Total Assets	455.4	644.6	675.3	597.7	Other Paid-up Capital	132.9	-7.1	-7.1	-7.1
					Elements of Other Stockholder's Equity	2.6	2.6	2.4	2.1
					Retained Earnings	-20.3	166.8	110.8	119.3
					Non-Controlling Interests	-23.6	-11.1	-9.1	-4.9
					Total Equity	99.7	159.3	104.9	117.5
					Total Equity and Liabilities	455.4	644.6	675.3	597.7



Separate Statement of Financial Position

(Unit : B KRW)

	2022	2023	2024 Q1	2024 Q2(P)		2022	2023	2024 Q1	2024 Q2(P)
Assets					Liabilities				
Current Assets	202.5	367.0	407.7	330.3	Current Liabilities	162.5	296.7	391.8	307.8
Cash & Cash Equivalents	61.3	90.0	125.1	44.1	Account Payable	35.0	70.1	110.7	102.9
Short-term Deposits	71.9	123.6	128.6	121.1	Other Current Payables	20.0	35.6	35.3	26.7
Trade Receivable	29.1	42.6	36.5	50.7	Current Tax Liabilities	0.0	0.0	0.0	0.0
Other Receivables	7.2	13.2	13.0	11.0	Advances for Travel Products	69.7	155.2	131.5	141.3
Finance Lease Receivables	0.7	1.9	2.3	2.5	Advances Customers	21.5	17.5	16.1	15.4
Inventories	7.3	58.4	57.7	60.7	Current Provisions	0.9	1.1	1.2	1.0
Advance Payments	20.2	31.4	37.2	32.2	Finance Lease Liabilities	4.1	6.6	7.2	7.2
Other Current Assets	1.6	1.8	3.5	4.6	Other Current Financial Liabilities	2.3	2.3	79.8	2.3
Other Current Financial Assets	2.9	3.2	3.1	3.0	Other Current Liabilities	9.0	8.3	9.9	10.9
Tax Assets	0.4	1.1	0.8	0.5	Non-Current Liabilities	5.9	8.2	7.1	6.0
Non-Current Assets	115.8	118.8	115.0	110.8	Non-Current Provisions for Employee Benefits	4.2	0.6	0.6	0.7
Financial Instrument(FVTNI)	3.0	3.6	1.6	0.7	Non-Current Finance Lease Liabilities	1.6	7.5	6.4	5.2
Financial Instrument(FVTOCI)	1.1	1.1	1.1	1.1	Non-Current Provisions	0.0	0.1	0.1	0.1
Investments in Subsidiaries	24.7	24.4	25.8	26.3	Other Non-Current Financial Liabilities	0.0	0.0	0.0	0.1
Investments in Associates	0.6	0.0	0.0	0.1	Total Liabilities	168.3	305.0	398.9	313.8
Non-current finance lease receivables	0.0	2.8	2.4	2.0	Equity				
Property, Plant and Equipment	2.9	2.0	1.9	1.7	Issued Capital	8.0	8.0	8.0	8.0
Right-of-Use Assets	5.0	13.6	12.6	11.1	Other Paid-up Capital	119.5	-20.5	-20.5	-20.5
Intangible Assets	19.1	11.9	10.0	5.0	Elements of other stockholder's equity	0.0	0.0	0.0	0.0
Long-term Other Receivables	5.2	5.8	5.7	8.2	Retained Earnings	22.5	193.3	136.3	139.8
Other Non-Current Financial Assets	3.6	3.4	3.5	3.5	Total Equity	150.0	180.8	123.8	127.3
Deferred Tax Assets	50.6	50.4	50.4	51.1	Total Equity and Liabilities	318.3	485.8	522.7	441.0
Total Assets	318.3	485.8	522.7	441.0					



Consolidated Profit & Loss

(Unit : B KRW)

	1Q 22	2Q 22	3Q 22	4Q 22	FY 22	1Q 23	2Q 23	3Q 23	4Q 23	FY 23	1Q 24	2Q 24(P)
Operating Revenue (Net Sales)	9.8	21.6	37.4	46.1	115.0	83.0	82.4	126.7	119.5	411.6	183.3	131.7
Overseas Tours Sales Commission*	3.0	8.9	17.7	30.1	59.7	54.7	54.6	71.9	75.7	256.9	92.9	72.3
Revenue from Goods Sold (Chartered flights, etc.)	0.1	1.3	4.9	1.4	7.6	8.6	5.0	24.9	14.9	53.3	61.2	30.0
Revenue from Hotel Operation	2.8	4.6	5.0	4.5	16.9	3.8	4.5	5.9	4.8	19.0	5.2	5.3
Revenue from Bus Service	0.1	0.1	0.7	2.0	3.0	3.3	4.1	3.9	5.0	16.3	4.6	4.9
Others	3.8	6.6	9.2	8.1	27.7	12.5	14.3	20.0	19.2	66.0	19.5	19.2
Operating Expense	39.5	55.3	59.3	62.1	216.2	77.4	78.3	113.5	108.4	377.6	161.7	128.0
Labor	18.6	21.5	22.5	23.3	86.0	25.4	25.0	29.6	33.7	113.7	34.0	28.0
Sales Commission	1.3	3.6	5.8	8.8	19.5	15.5	17.2	20.5	22.7	75.9	27.2	24.4
Other Commission	5.9	9.1	9.2	12.3	36.5	12.2	12.9	15.6	15.9	56.6	17.1	15.8
Marketing	1.5	7.6	3.6	3.7	16.5	3.4	4.4	6.8	6.3	20.9	6.6	7.9
D&A	7.9	7.8	7.9	7.7	31.2	7.1	6.9	6.9	7.1	27.9	6.8	6.8
Purchase Cost	0.2	1.3	4.8	1.4	7.7	8.6	5.1	25.1	15.2	54.0	62.0	29.8
Bad Debt Expense	0.0	-0.4	-0.2	-0.9	-1.5	-1.0	-1.4	0.2	-2.0	-4.1	-0.3	5.5
Others	4.1	4.7	5.7	5.8	20.3	6.1	8.2	8.8	9.5	32.5	8.2	9.8
Operating Profit	-29.7	-33.7	-21.8	-16.0	-101.2	5.6	4.1	13.2	11.2	34.0	21.6	3.7
Other Income	2.0	15.4	4.0	25.3	46.6	5.3	10.9	3.8	9.2	29.2	5.5	12.3
Other Expenses	1.4	6.3	3.7	2.9	14.3	1.4	2.2	0.7	1.7	5.9	1.9	3.2
Pretax Income	-29.1	-24.6	-21.6	6.4	-68.9	9.5	12.8	16.3	18.7	57.3	25.2	12.8
Income Taxes	0.2	-0.5	0.6	-4.4	-4.1	0.2	-7.0	0.3	5.0	-1.5	1.1	0.2
Net Income	-29.2	-24.0	-22.2	10.8	-64.6	9.4	19.8	16.1	13.7	59.1	24.2	12.6
Controlling Interest	-26.5	-28.3	-20.9	8.8	-66.8	8.0	13.7	14.2	11.2	47.0	21.4	8.6
Non-controlling Interest	-2.7	4.2	-1.3	2.0	2.2	1.5	6.1	1.9	2.5	12.0	2.8	4.0

(*included Airline Ticket Sales Commission)

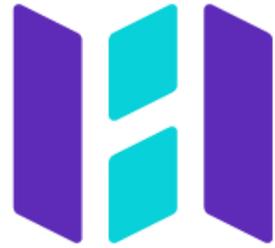


Separate Profit & Loss

(Unit : B KRW)

	1Q 22	2Q 22	3Q 22	4Q 22	FY 22	1Q 23	2Q 23	3Q 23	4Q 23	FY 23	1Q 24	2Q 24(P)
Operating Revenue (Net Sales)	2.6	10.0	23.3	30.4	66.3	65.4	61.1	103.7	94.5	324.7	157.8	106.6
Overseas Tours Sales Commission	1.2	5.5	13.9	23.0	43.6	48.5	46.1	64.5	66.0	225.1	82.7	63.0
Revenue from Goods Sold (Chartered flights, etc.)*	0.1	1.3	4.9	1.1	7.3	8.3	4.7	24.2	14.5	51.7	60.6	29.6
Airline Ticket Sales Commission	0.2	0.5	0.3	0.5	1.5	0.6	0.9	0.8	0.8	3.1	0.9	1.0
Other Sales	1.2	2.8	4.2	5.7	13.9	8.0	9.4	14.3	13.2	44.8	13.6	13.0
Operating Expense	26.5	40.9	43.8	45.6	156.8	61.9	60.0	95.2	89.2	306.3	143.2	107.9
Labor	13.9	15.6	15.8	15.8	61.2	17.1	15.8	19.0	22.6	74.5	22.4	16.5
Sales Commission	0.8	2.9	5.3	8.6	17.6	15.9	18.6	22.7	24.4	81.5	29.7	26.9
Other Commission	3.8	7.1	7.2	10.6	28.6	11.3	11.8	14.2	15.1	52.4	16.5	15.2
Marketing	1.2	7.0	2.9	3.0	14.2	2.6	3.6	5.9	5.4	17.5	5.8	7.1
D&A	4.6	4.6	4.7	4.7	18.5	4.6	4.3	4.2	4.1	17.1	3.9	3.8
Purchase Cost	0.2	1.3	4.8	1.2	7.4	8.4	4.9	24.4	14.8	52.4	61.4	29.5
Bad Debt Expense	-0.1	-0.2	0.5	-1.2	-1.0	-0.8	-2.9	0.5	-1.7	-4.9	-0.1	4.1
Others	2.2	2.5	2.7	2.9	10.3	2.9	4.0	4.3	4.6	15.7	3.7	4.8
Operating Profit	-23.9	-30.9	-20.5	-15.2	-90.5	3.6	1.1	8.5	5.3	18.4	14.6	-1.3
Other Income	2.6	1.5	3.4	24.9	32.4	5.2	3.2	3.1	3.8	15.3	7.6	5.3
Other Expenses	0.4	4.1	0.7	14.4	19.6	1.2	0.7	0.5	0.0	2.5	1.0	1.1
Pretax Income	-21.6	-33.5	-17.8	-4.7	-77.7	7.5	3.6	11.1	9.0	31.2	21.2	2.9
Income Taxes	0.0	-0.2	0.0	-2.9	-3.1	0.0	-3.5	0.0	3.9	0.4	0.8	-0.5
Net Income	-21.6	-33.3	-17.8	-1.9	-74.6	7.5	7.1	11.1	5.1	30.8	20.4	3.5

(*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