

Hanatour Q3 FY2023 Earnings Performance

NOV 2023



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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(Consol. and Sep.)

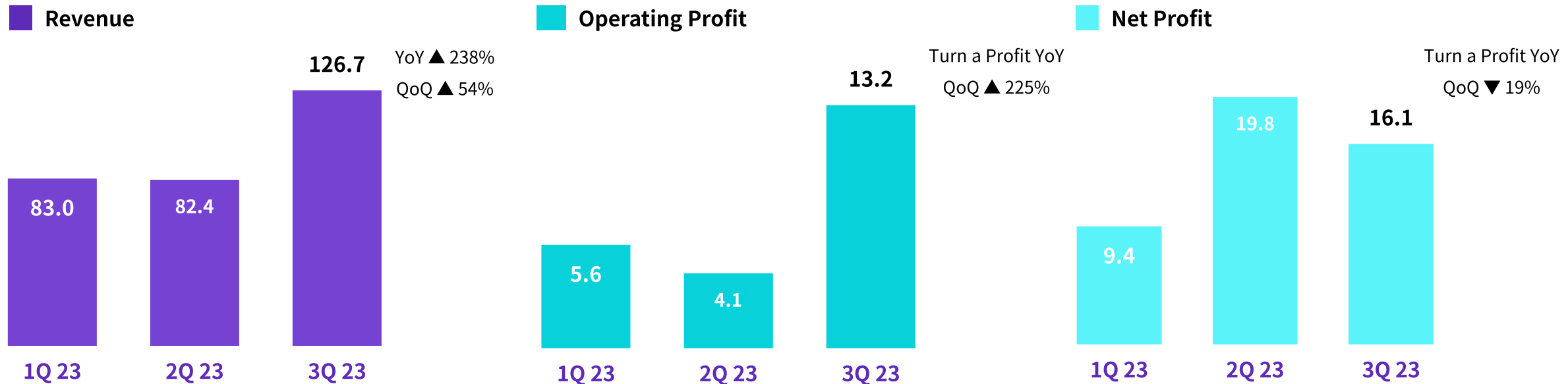


Revenue and Profit

- In Q3, operating revenue surged by 238% YoY and 54% QoQ, reaching KRW 126.7 bn, marking the highest quarterly revenue since the onset of COVID-19.
Key Drivers: 1) The ongoing recovery in package tourism that accelerated in the second half, 2) an increase in the number of package tourists due to seasonal factors, and 3) the expansion of mid-to-high-priced package tour sales, particularly Hanapack 2.0.
- Operating profit spiked by 225% QoQ, totaling 13.2 bn, signifying the highest quarterly profits since Q1 2018. OPM rose to 10.4%, the highest figure since Q1 2015.
Key Drivers: 1) Enhanced profitability resulting from increased sales of mid-to-high-priced package tours, particularly Hanapack 2.0, 2) improved profitability due to seasonal holiday effects, and 3) a decrease in the sales commission rate due to the growing share of online sales.
- Net profit decreased by 19% QoQ, reaching 16.1 bn. Non-operating income includes interest income (1.6), FX gains (0.35), and miscellaneous income (0.7), etc.
Key Drivers: The absence of the semi-annual impact of capital impairment recovery (6.8 billion KRW in Q2) led to the decrease in net profit compared to the previous quarter. This impact will be reflected again in Q4.

Revenue & Operating Profit

1Q 23 – 3Q 23, B KRW



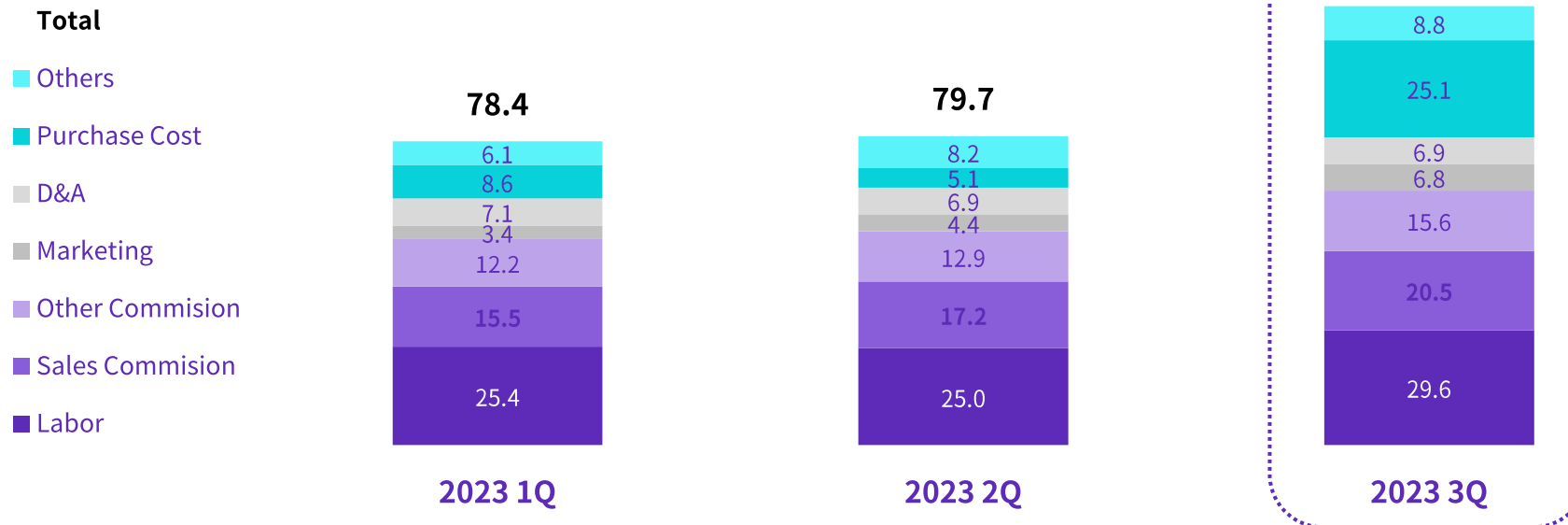


Operating Expenses

- In Q3, total operating expenses, excluding bad debt expenses, increased by 42% QoQ, reaching KRW 113.2bn.
- Labor expenses increased by 18% QoQ, totaling 29.6bn.
Key Drivers: 1) An increase in headcount on a consolidation basis, 2) reflecting the mid-term retention bonuses, and 3) payment of quarterly performance bonuses
- Marketing expenses increased by 55% QoQ, reaching 6.8bn.
Key Drivers: 1) Online platform promotion marketing, 2) promotions related to our 30th anniversary
- Purchase costs surged by 392% QoQ, totaling 25.1 bn.
Key Drivers: Higher purchase volumes of flights and hotels in response to the surge in peak-season demand

Breakdown of Operating Expenses

1Q 23 – 3Q 23, 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

- **In Q3, the number of package tour customers surged by 31% QoQ.**

Key Drivers: 1) The ongoing recovery in package tourism that accelerated in the second half, 2) an increase in the number of package tourists due to seasonal factors, and 3) the distinctive economies of scale compared to market peers

- **In October, the number of package tour customers increased by 15% MoM.**

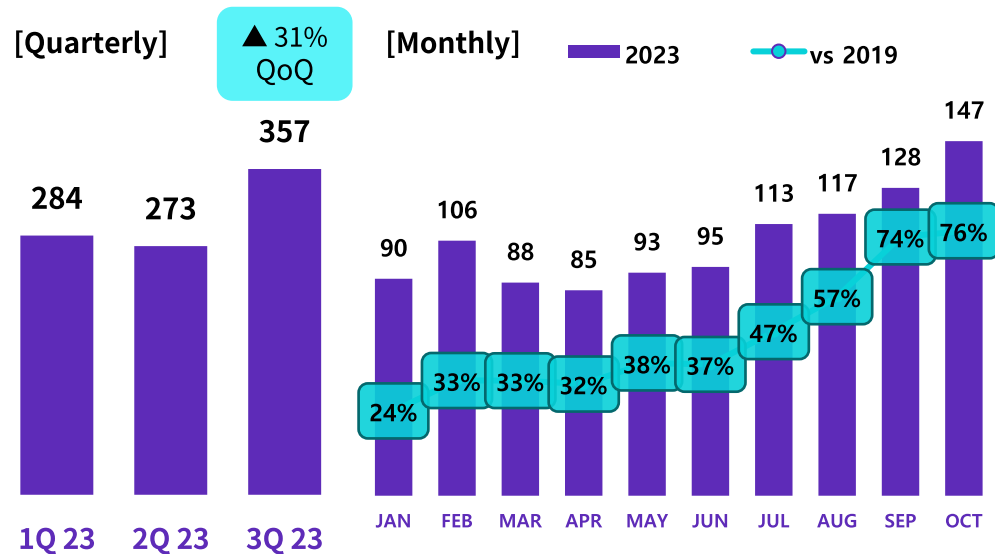
Key Drivers: 1) A continued seasonal holiday effect, and 2) an increased demand for short-haul destinations

- **In Q3, package GMV sharply increased by 36% QoQ.**

Key Drivers: 1) The expansion of mid-to-high-priced package tour sales, particularly Hanapack 2.0, and 2) an increased demand for long-haul destination due to long-term holiday season.

Customer Trend for Package Tours

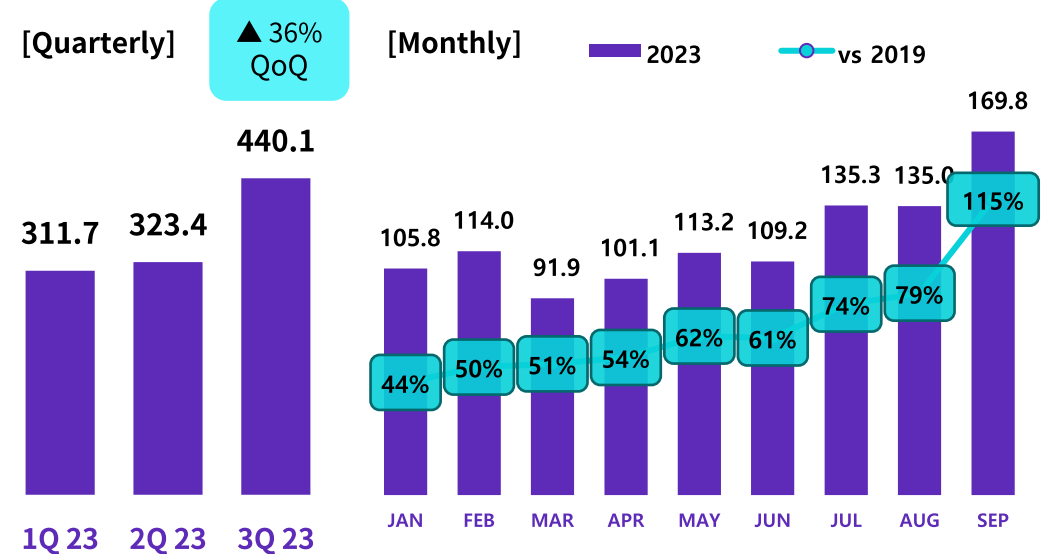
1Q 23~ 3Q 23, thousand people, %



(Source: Hanatour)

GMV Trend for Package Tours

1Q 23~ 3Q 23, B KRW, %



(Source: Hanatour)



Regional Distribution of Package Tours

- In Q3, the proportion of package tours based on the number of customers shows similar distribution from the pre-pandemic, indicating progress toward full recovery.

Key Facts: Southeast Asia claimed the top spot, accounting for 42%, followed by Japan, Europe, and China at 28%, 12%, and 11%, respectively. China, which resumed overseas package tourism in the previous quarter, saw a significant rise to 11% in Q3, compared to 4% in Q2.

- In terms of GMV, Europe led with 32%, followed by Southeast Asia at 29%, and Japan at 17%.

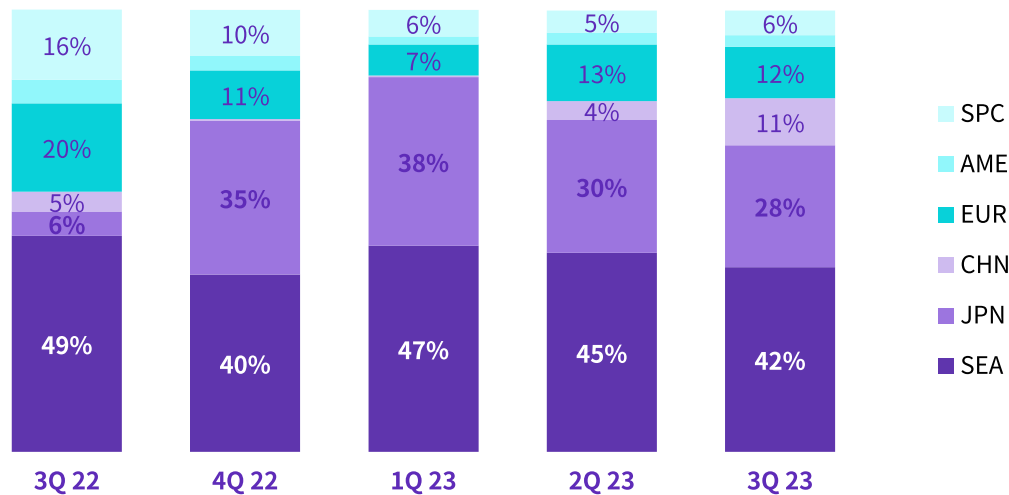
Key Facts: Despite of relatively lower number of customer, Europe recorded the highest GMV thanks to its higher ASP.

- **European package tours GMV achieved its highest quarterly performance in our 30-year history.**

Key Drivers: 1) A significant increase in the adoption of Hanapack 2.0 for European package tours, and 2) an overall cost increase compared to the pre-pandemic period.

Customer Breakdown By Region

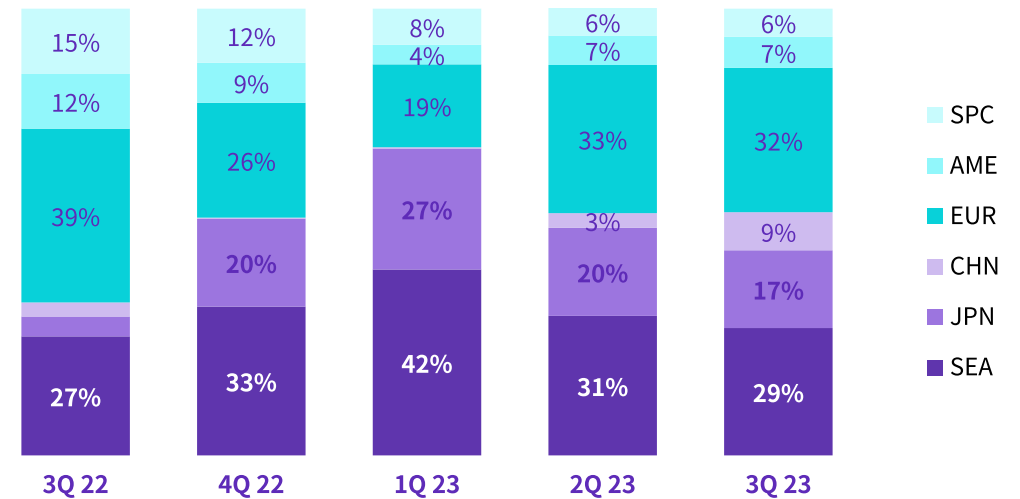
3Q 22 ~ 3Q 23, %



(Source: Hanatour)

GMV Breakdown By Region

3Q 22 ~ 3Q 23, %



(Source: Hanatour)



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

- As of Q3 YTD, Hanapack 2.0 accounted for 37% of our package tours customers.

Key Facts: Compared to the pre-pandemic (Q3 19 YTD), it was at only 7%.

- As of Q3 YTD, Hanapack 2.0 accounted for 58% of our package tours GMV.

Key Facts: Compared to the pre-pandemic (Q3 19 YTD), it was at only 8%.

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

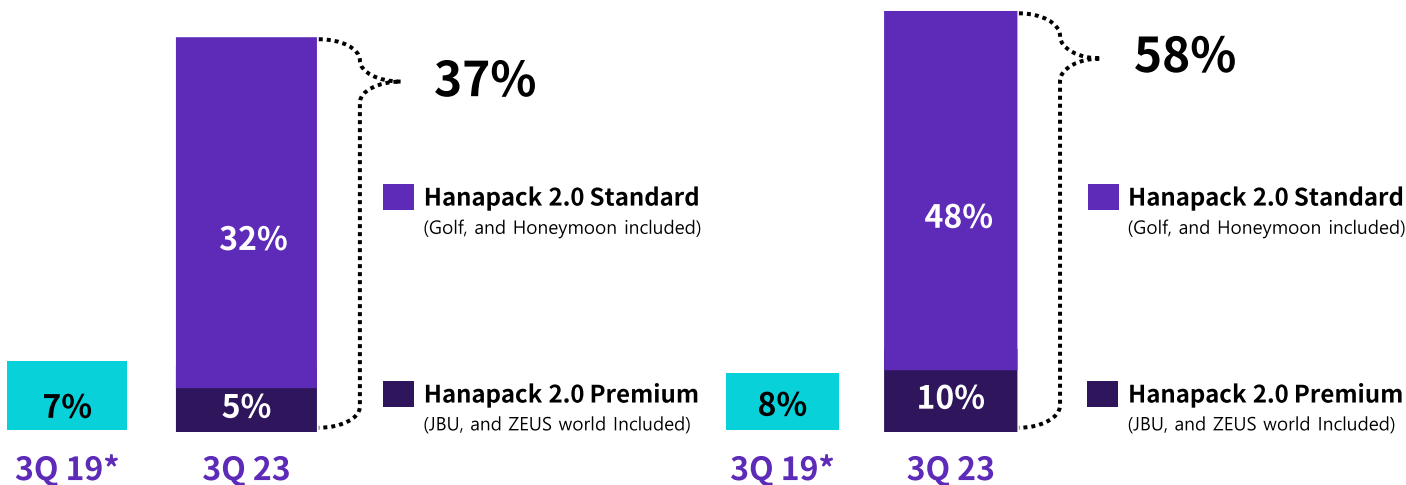
Key Drivers: The greater the cost and time spent in a travel, the stronger the need to fully enjoy an enriched travel experience.

Sales Proportion of Hanapack 2.0

3Q 19 YTD vs 3Q 23 YTD, Number of customers, GMV, %

[Customers]

[GMV]

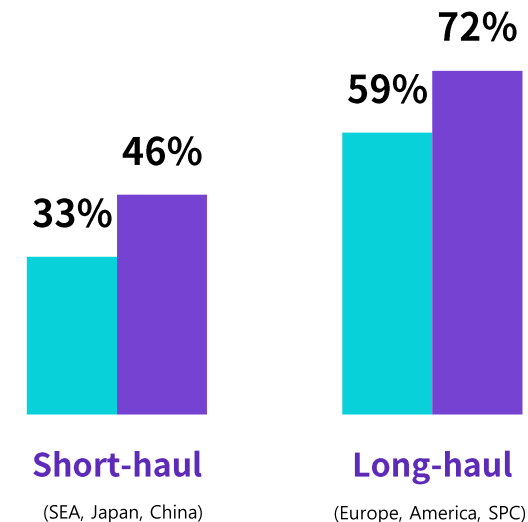


Sales Proportion of Hanapack 2.0 (Short-haul & Long-haul)

3Q 23 YTD, Short-haul, Long-haul, %

Customers

GMV



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

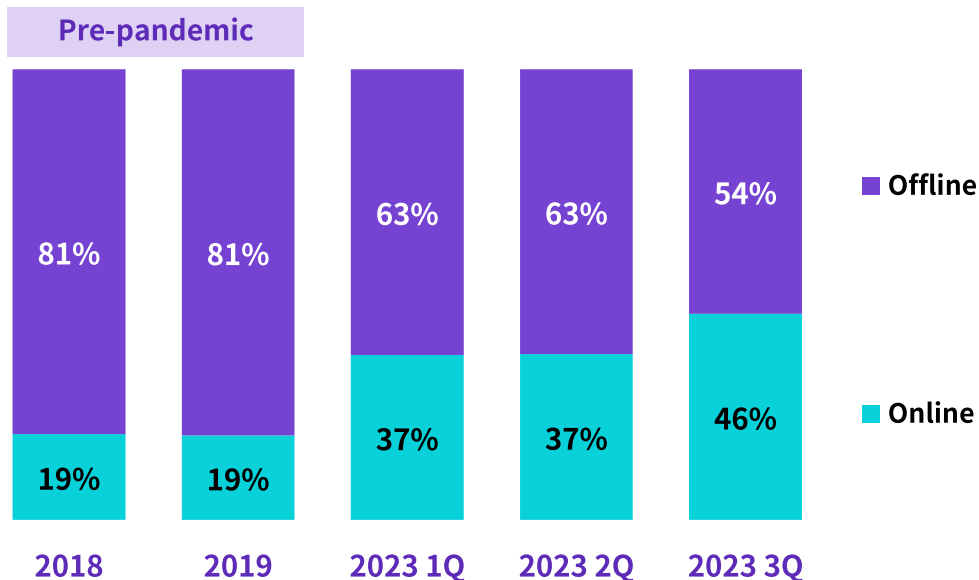


Channel Distribution of Package Tours

- In Q3, 46% of package tours were sold online to customers, **signifying the highest quarterly ratio.**
- The online proportion has significantly increased compared to pre-pandemic years, due to our enhanced online capabilities and evolving purchasing patterns of travelers.
- The substantial growth in our mobile app user base during Q3 contributed positively to the strong performance of our online sales.

Customer Breakdown by Channel

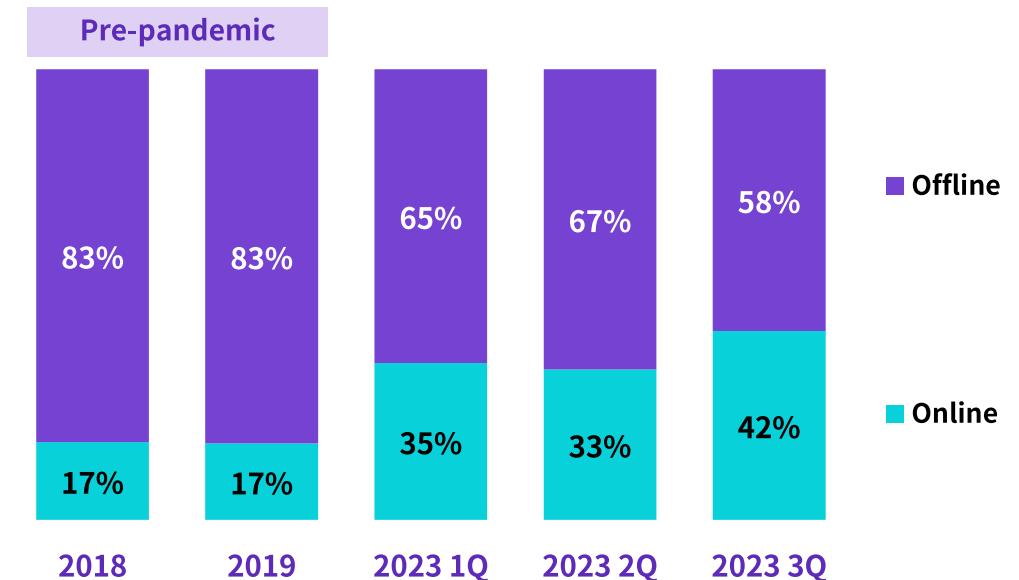
2018 ~ 3Q 23, %



(Source: Hanatour)

GMV Breakdown by channel

2018 ~ 3Q 23, %



(Source: Hanatour)

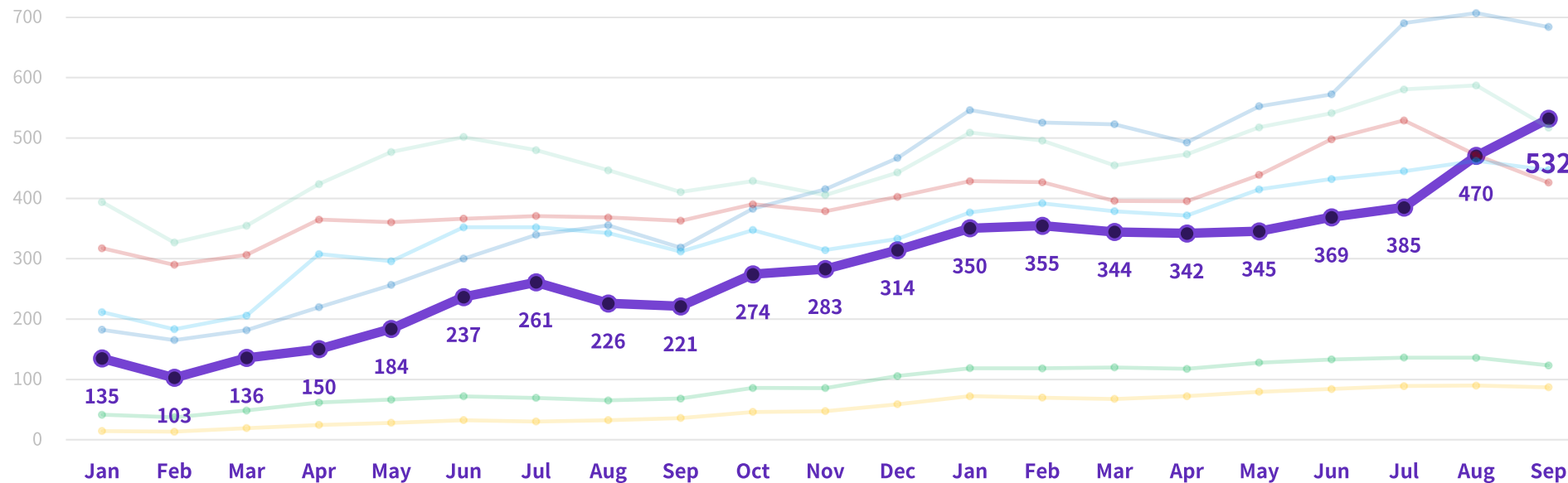


Mobile App User Trends

- In Q3 (Sep), the Monthly Active Users (MAU) reached 530K, our historic record, a 43% increase from the 370K MAU of Q2(Jun).
Key Drivers: 1) The impact of app promotion marketing, and 2) the favorable response from users to both existing and new app features.
- In terms of MAU, our app reached 2nd-place rank in the 'Comprehensive Travel Agency' category of the Mobile Index, our historic milestone.
- In Q4, we expect to maintain approximately 500K MAU through ongoing improvements in app features and various marketing promotions.

MAU Trend for Our Mobile App

Jan 2022 ~ Sep 2023, Mobile Index – Comprehensive Travel Agency Category, thousand people



Mau for SEP 2023

Trip.	683,833
Company App	532,003
TRIP	517,209
My	446,693
인	426,066
M	123,145
노랑동선	86,991

(Source: Mobile Index)



Consolidated Statement of Financial Position

(Unit: B KRW)

	2022	2023 Q1	2023 Q2	2023 Q3(P)		2022	2023 Q1	2023 Q2	2023 Q3(P)
Assets					Liabilities				
Current Assets	270.5	301.6	322.8	416.5	Current Liabilities	232.8	253.0	270.3	348.3
Cash&Cash Equivalents	92.5	79.6	52.5	76.1	Account Payable	42.0	52.4	51.6	103.6
Short-term Deposits	88.6	131.2	143.3	152.8	Other Payables	47.2	44.7	49.5	53.9
Trade Receivable	39.4	34.8	51.7	58.3	Current Tax Liabilities	0.4	0.3	0.4	0.5
Other Receivables	5.9	6.5	7.5	10.3	Advances for Travel Product	77.0	86.4	104.9	127.7
Current Finance Lease Receivables	0.6	0.4	0.8	1.2	Advance Customers	22.4	20.9	19.9	18.4
Inventories	8.3	10.9	23.4	39.6	Short-term Borrowings	14.4	13.7	12.6	10.1
Advance Payments	25.2	25.9	32.0	63.2	Current Long-term Debt	2.1	2.1	1.8	1.8
Other Current Assets	3.0	3.4	3.5	4.3	Current Portion of Finance Lease Liabilities	13.9	16.8	16.8	16.3
Other Financial Assets	6.8	8.3	8.1	10.4	Current Provisions	0.9	0.9	1.2	1.9
Current Tax Assets	0.4	0.6	0.2	0.4	Other Current Financial Liabilities	2.1	2.4	2.4	2.4
Non-Current Assets	184.9	194.6	203.1	200.3	Other Current Liabilities	10.5	12.4	9.3	11.7
Financial Instrument(FVTNI)	3.0	3.0	3.0	3.0	Non-Current Liabilities	123.0	135.4	126.4	123.1
Financial Instrument(FVTOCI)	1.2	1.2	1.2	1.2	Long-term Other Payables	0.1	0.1	0.0	0.0
Investments in Subsidiaries, JV, Associates	0.7	0.0	0.0	0.0	Long-term Borrowings	7.9	7.6	6.6	5.7
Long-term Other Receivables	4.1	1.7	4.3	4.1	Non-Current Provisions	0.2	0.3	0.4	0.4
Non-current finance lease receivables	0.0	0.0	0.0	1.2	Non-Current Finance Lease Liabilities	105.8	117.0	109.7	106.1
Investment Property	1.1	1.1	1.0	0.9	Long-term Provisions for Employees	4.4	5.7	5.4	6.8
Property, Plant and Equipment	10.2	9.8	9.9	11.6	Other Non-Current Financial Liabilities	0.0	0.1	0.1	0.0
Intangible Assets	22.9	21.4	19.7	18.6	Other Non-Current Liabilities	4.6	4.6	4.2	4.1
Right-of-Use Assets	76.6	90.6	92.4	88.9	Total Liabilities	355.7	388.4	396.7	471.4
Other Non-Current Financial Assets	12.7	13.5	12.0	11.3	Equity				
Deferred Tax Assets	52.3	52.3	59.5	59.5	Equity Attributable to Owners of Parents	123.3	131.0	144.7	158.9
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	496.2	525.9	616.9	Other Paid-up Capital	132.9	132.9	132.9	132.9
					Elements of Other Stockholder's Equity	2.6	2.3	2.3	2.3
					Retained Earnings	-20.3	-12.2	1.4	15.6
					Non-Controlling Interests	-23.6	-23.1	-15.5	-13.5
					Total Equity	99.7	107.8	129.2	145.4
					Total Equity and Liabilities	455.4	496.2	525.9	616.9



Separate Statement of Financial Position

(Unit : B KRW)

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



Consolidated Profit & Loss

(Unit : B KRW)

	FY 21	1Q 22	2Q 22	3Q 22	4Q 22	FY 22	1Q 23	2Q 23	3Q 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	292.1
Operating Expense	167.6	39.5	55.3	59.2	62.1	216.2	77.4	78.3	113.5	269.2
Operating Profit	-127.3	-29.7	-33.7	-21.8	-16.0	-101.2	5.6	4.1	13.2	22.9
Other Income	113.2	2.0	15.4	4.0	25.3	46.6	5.3	10.9	3.8	19.9
Other Expenses	61.2	1.4	6.3	3.7	2.9	14.3	1.4	2.2	0.7	4.3
Pretax Income	-75.3	-29.1	-24.6	-21.6	6.4	-68.8	9.5	12.8	16.3	38.6
Income Taxes	-4.8	0.2	-0.5	0.6	-3.0	-2.7	0.2	-7.0	0.3	-6.6
Net Income	-70.4	-29.2	-24.0	-22.2	9.4	-65.9	9.4	19.8	16.1	45.3
Controlling Interest	-44.0	-26.5	-28.3	-20.9	7.5	-68.1	8.0	13.7	14.2	35.9
Non-controlling Interest	-26.5	-2.7	4.2	-1.3	2.0	2.2	1.5	6.1	1.9	9.5



Separate Profit & Loss

(Unit : B KRW)

	FY 21	1Q 22	2Q 22	3Q 22	4Q 22	FY 22	1Q 23	2Q 23	3Q 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	230.3
Airline Ticket Sales Commissions	0.4	0.2	0.5	0.3	0.5	1.5	0.6	0.9	0.8	2.3
Overseas Tours Sales Commissions	3.8	1.2	5.5	11.7	21.0	39.4	48.0	43.3	64.6	155.9
Chartered Flight Sales(Gross Sales Basis)*	0.5	0.1	1.3	4.9	0.8	7.1	8.0	4.2	23.6	35.8
Other Sales Commissions	5.0	1.0	1.9	3.2	3.8	10.0	6.3	7.3	10.4	24.0
Other Sales	1.1	0.1	0.9	3.1	3.5	7.7	2.5	5.4	4.3	12.2
Operating Expense	108.3	26.5	40.9	43.8	45.6	156.8	61.9	60.0	95.2	217.1
Labor	30.9	15.0	15.6	14.7	15.8	61.2	17.1	15.8	19.0	51.9
Marketing	10.2	1.2	7.0	2.9	3.0	14.2	2.6	3.6	5.9	12.1
Sales Commissions for Tours	1.7	0.8	2.9	5.3	8.6	17.6	15.9	18.6	22.7	57.2
Chartered Flight Expenses(Gross Expense Basis)*	0.8	0.0	1.3	4.9	0.9	7.1	8.0	4.4	23.8	36.2
Other Expenses	64.7	9.5	14.0	15.9	17.2	56.7	18.3	17.7	23.8	59.7
Operating Income	-97.5	-23.9	-30.9	-20.5	-15.2	-90.5	3.6	1.1	8.5	13.1
Other Income	84.7	2.6	1.5	3.4	24.9	32.4	5.2	3.2	3.1	11.5
Other Expenses	30.7	0.4	4.1	0.7	14.4	19.6	1.2	0.7	0.5	2.5
Pretax Income	-43.5	-21.6	-33.5	-17.8	-4.7	-77.7	7.5	3.6	11.1	22.2
Income Taxes	-4.8	0.0	-0.2	0.0	-2.9	-3.1	0.0	-3.5	0.0	-3.5
Net Income	-38.7	-21.6	-33.3	-17.8	-1.9	-74.6	7.5	7.1	11.1	25.7

*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