

# 1Q19

# Earnings Release

2019.05.10

Webzen Inc.



# Disclaimer



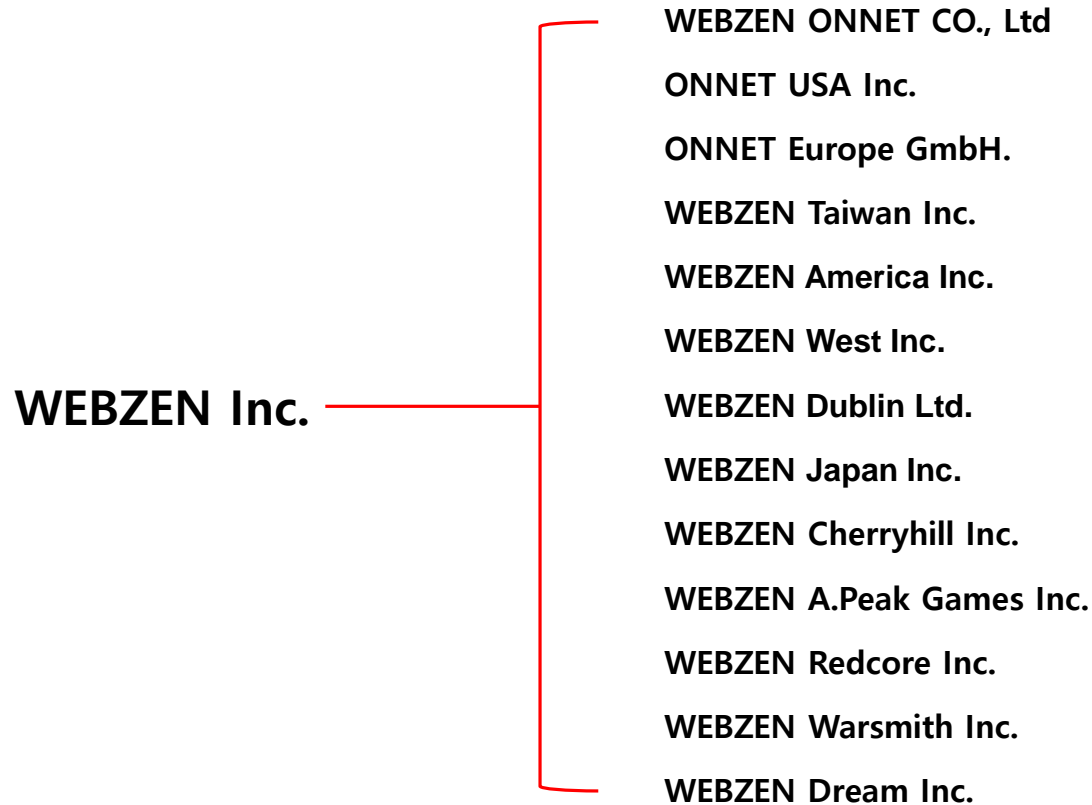
Some contents may reflect forward-looking statements and have been prepared based on the expectations according to the dates on which these statements were made.

There can be no assurance that the forward-looking statements used by WEBZEN are correct as results can differ from expectations.

Therefore WEBZEN will not be responsible for individual investment decisions based solely on this material.

WEBZEN disclaims any duty to update the information in this material to reflect future events or circumstances.

The followings are the subsidiaries of WEBZEN Inc.



# Summary of Financial Results

[Consolidated]

(단위 : 백만원)

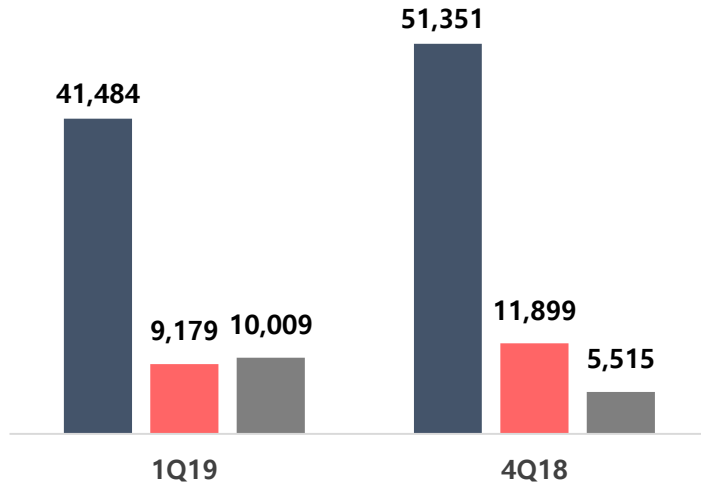
	1Q19	4Q18	QoQ	1Q18	YoY
Revenue	41,484	51,351	-19%	54,684	-24%
Game Sales	41,480	51,346	-19%	54,644	-24%
Others	4	5	-18%	39	-90%
Operating Expenses	32,304	39,452	-18%	30,531	6%
Operating Profit	9,179	11,899	-23%	24,153	-62%
Income before tax	12,568	7,298	72%	25,057	-50%
Income tax expenses	2,558	1,783	44%	8,290	-69%
Net Income	10,009	5,515	81%	16,767	-40%
Other comprehensive income	(42)	(797)	-	302	-
Total comprehensive income	9,968	4,718	111%	17,069	-42%

# Result Analysis(Consolidated)

- Revenue 41.5b (QoQ ↓ 19%, YoY ↓ 24% based on Consolidated)
- Operating Profit 9.2b (QoQ ↓ 23%, YoY ↓ 62% based on Consolidated)
- Net Income 10.0b (QoQ ↑ 81%, YoY ↓ 40% based on Consolidated)

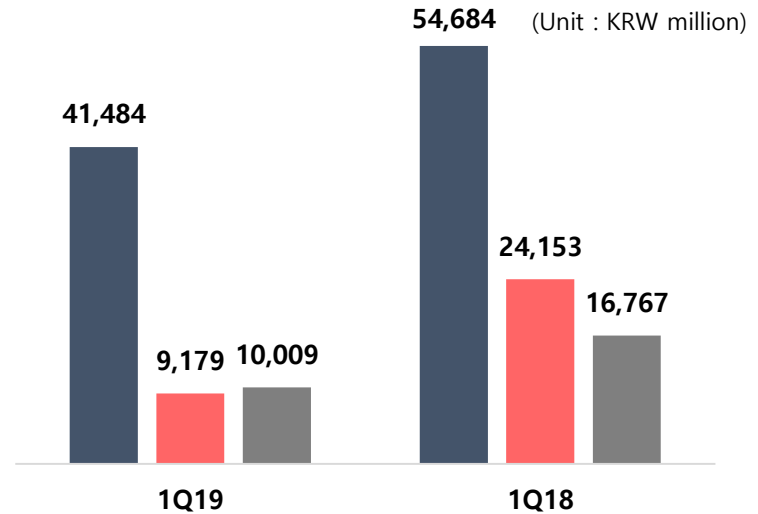
### QoQ (Consolidated)

■ Revenue ■ Operating Profit ■ Net Income



### YoY (Consolidated)

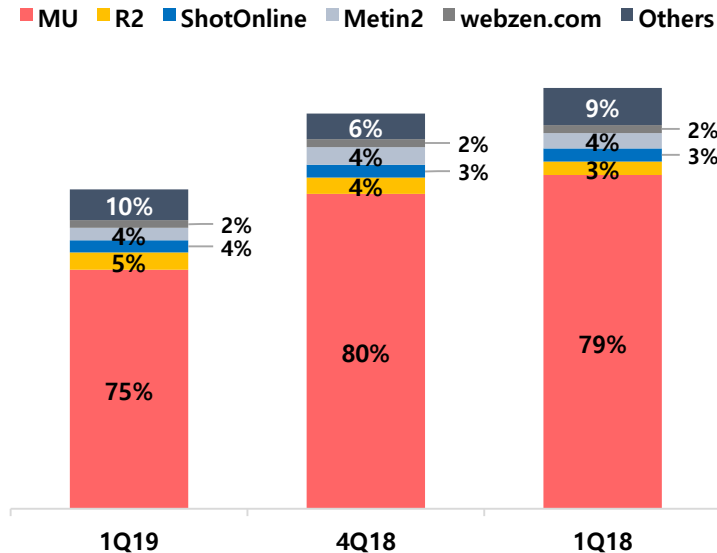
■ Revenue ■ Operating Profit ■ Net Income



# Sales Breakdown(Consolidated)

- MU 31.0b (QoQ ↓ 24%, YoY ↓ 28% based on consolidated)
- R2 2.2b (QoQ ↑ 7%, YoY ↑ 28% based on consolidated)
- ShotOnline 1.6b (QoQ ↓ 7%, YoY ↓ 9% based on consolidated)
- Metin2 1.6b (QoQ ↓ 28%, YoY ↓ 18% based on consolidated)

## Sales breakdown



(Unit : KRW million)

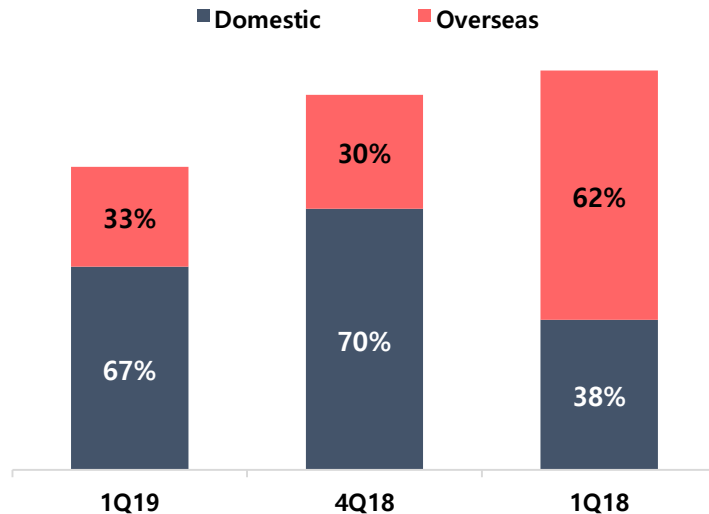
	1Q19	4Q18	1Q18
<b>Total</b>	<b>41,480</b>	<b>51,346</b>	<b>54,644</b>
MU(*)	31,040	40,906	43,335
R2	2,246	2,097	1,750
ShotOnline	1,571	1,696	1,732
Metin2	1,630	2,278	1,992
Webzen.com	1,007	1,040	1,035
Others	3,986	3,330	4,800

(\*) MU includes the sales of MU IP franchising games.  
(such as MU Origin2, 奇迹觉醒, 大天使之剑H5 etc.)

# Sales Breakdown(Consolidated)

- Domestic Sales : 27.8b (QoQ ↓ 22%, YoY ↑ 35% based on consolidated)
- Overseas Sales : 13.7b (QoQ ↓ 12%, YoY ↓ 60% based on consolidated)
- Portion of Overseas : QoQ ↑ 3%p, YoY ↓ 29%p based on consolidated

## Sales breakdown



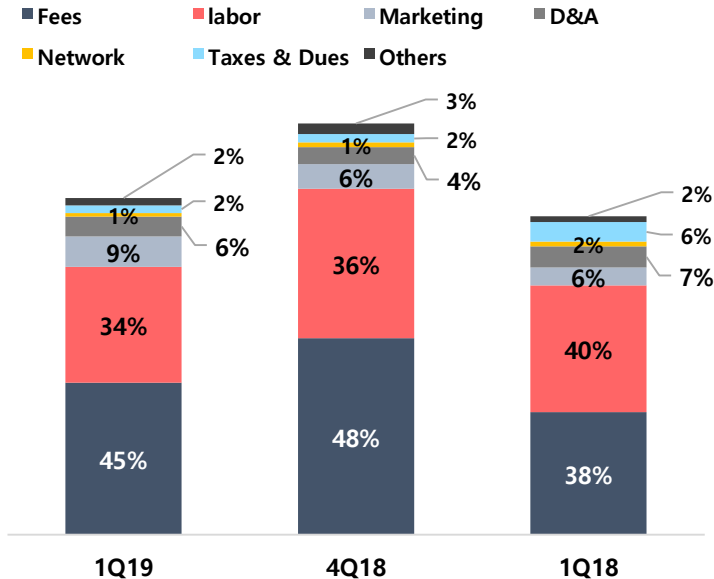
(Unit : KRW million)

	1Q19	4Q18	1Q18
<b>Total</b>	<b>41,480</b>	<b>51,346</b>	<b>54,644</b>
Domestic	27,802	35,758	20,554
Overseas	13,678	15,588	34,091

# Expenses Breakdown(Consolidated)

- Operating Expenses 32.3b (QoQ ↓ 18%, YoY ↑ 6% based on consolidated)
  - Fees 14.6b (QoQ ↓ 23%, YoY ↑ 24% based on consolidated)
  - Labor tendencies 11.1b (QoQ ↓ 22%, YoY ↓ 9% based on consolidated)
  - Marketing 2.9b (QoQ ↑ 23%, YoY ↑ 68% based on consolidated)

## Expenses Breakdown



(Unit : KRW million)

	1Q19	4Q18	1Q18
<b>Total</b>	<b>32,304</b>	<b>39,452</b>	<b>30,531</b>
Fees	14,590	18,846	11,740
Labor	11,105	14,329	12,160
Marketing	2,922	2,380	1,735
D&A	1,879	1,632	2,027
Network	345	446	463
Taxes & Dues	731	790	1,850
Others	732	1,029	555



# Summary of F/S(Consolidated)



(Unit : KRW million)

B/S	2019.03.31	2018.12.31
Current Assets	287,527	283,700
Non-Current Assets	123,857	113,089
<b>Total Assets</b>	<b>411,384</b>	<b>396,789</b>
Current Liabilities	70,312	67,896
Non-Current Liabilities	17,105	14,955
<b>Total Liabilities</b>	<b>87,418</b>	<b>82,851</b>
Contributed Equity	17,655	17,655
Capital Surplus for Equity	149,968	149,968
Accumulated Other Comprehensive Income for Equity	(549)	(532)
Elements of Other Stockholder's Equity	(48,718)	(48,718)
Retained Earnings	205,203	195,130
Non-Controlling Interests	407	435
<b>Total Equities</b>	<b>323,966</b>	<b>313,939</b>
<b>Total Liabilities and Equities</b>	<b>411,384</b>	<b>396,789</b>

# Summary of F/S(Consolidated)



(Unit : KRW million)

I/S	1Q19	4Q18	1Q18
<b>Revenue</b>	<b>41,484</b>	<b>51,351</b>	<b>54,684</b>
Game sales	41,480	51,346	54,644
Others	4	5	39
<b>Operating expenses</b>	<b>32,304</b>	<b>39,452</b>	<b>30,531</b>
<b>Operating Profit</b>	<b>9,179</b>	<b>11,899</b>	<b>24,153</b>
<b>Profit (loss) before tax</b>	<b>12,568</b>	<b>7,298</b>	<b>25,057</b>
Income tax expense	2,558	1,783	8,290
<b>Net Income</b>	<b>10,009</b>	<b>5,515</b>	<b>16,767</b>
Controlling interests	10,100	5,561	16,853
Non-controlling interests	(91)	(46)	(86)
<b>Other comprehensive income</b>	<b>(42)</b>	<b>(797)</b>	<b>302</b>
<b>Total comprehensive income</b>	<b>9,968</b>	<b>4,718</b>	<b>17,069</b>
Controlling interests	10,056	4,767	17,150
Non-controlling interests	(88)	(48)	(81)

**Thank you**