

# 1H20 Earnings Release

2020.08.07  
WEBZEN Inc.



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**WEBZEN Inc.**

**WEBZEN ONNET Co., Ltd**

**ONNET Europe GmbH.**

**WEBZEN Taiwan Inc.**

**WEBZEN America, Inc.**

**WEBZEN West, Inc.**

**WEBZEN Dublin Ltd.**

**WEBZEN Japan Inc.**

**WEBZEN Cherryhill Inc.**

**WEBZEN A.Peak Games Inc.**

**WEBZEN Redcore Inc.**

**WEBZEN Warsmith Inc.**

**WEBZEN Dream Inc.**

**WEBZEN Kamp Inc.**

# 1H20 Result Analysis

# Summary of Financial Results

[Consolidated]

(Unit : KRW million)

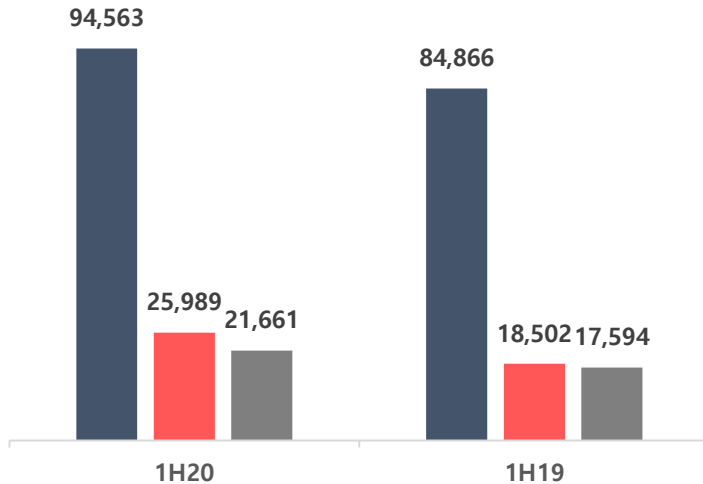
	1H20	1H19	YoY	G/R
Revenue	94,563	84,866	9,697	11%
Game Sales	94,347	84,858	9,488	11%
Others	216	8	209	2,764%
Operating Expenses	68,574	66,363	2,210	3%
Operating Profit	25,989	18,502	7,487	40%
Income Before Tax	30,575	23,252	7,323	31%
Income Tax Expense	8,914	5,658	3,255	58%
Net Income	21,661	17,594	4,067	23%
Other Comprehensive Income	279	280	(1)	-0.2%
Total Comprehensive Income	21,940	17,873	4,067	23%

# Result Analysis(Consolidated)

- Revenue            94.6b (YoY ↑ 11% based on Consolidated)
- Operating Profit    26.0b (YoY ↑ 40% based on Consolidated)
- Net Income         21.7b (YoY ↑ 23% based on Consolidated)

YoY

■ Revenue   ■ Operating Profit   ■ Net Income



(Unit : KRW million)

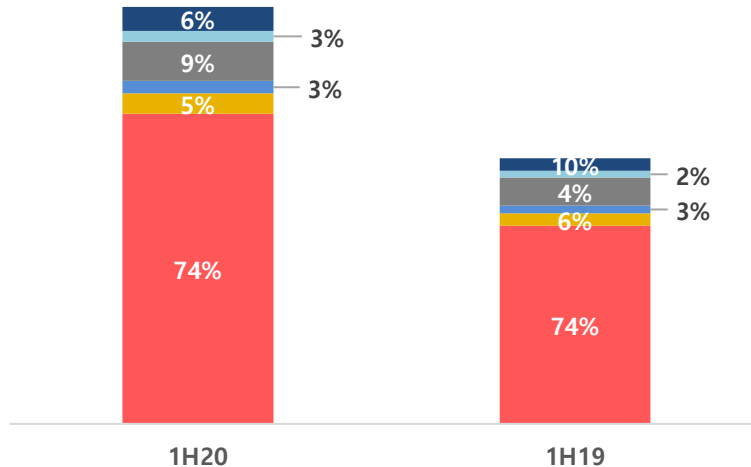
	1H20	1H19	G/R
Revenue	94,563	84,866	11%
Operating Profit	25,989	18,502	40%
Net Income	21,661	17,594	23%

# Sales Breakdown(Consolidated)

- MU            70.2b    (YoY ↑ 11%    based on consolidated)
- R2            4.6b     (YoY ↓ 5%     based on consolidated)
- ShotOnline   2.8b     (YoY ↓ 0.6%   based on consolidated)
- Metin2       8.8b     (YoY ↑ 156%   based on consolidated)

## Sales breakdown

■ MU ■ R2 ■ Shot Online ■ Metin2 ■ Webzen.com ■ Others



(Unit : KRW million)

	1H20	1H19	G/R
<b>Total</b>	<b>94,347</b>	<b>84,858</b>	<b>11%</b>
MU(*)	70,194	63,188	11%
R2	4,612	4,852	-5%
Shot Online	2,815	2,833	-0.6%
Metin2	8,823	3,443	156%
Webzen.com	2,518	2,011	25%
Others	5,385	8,530	-37%

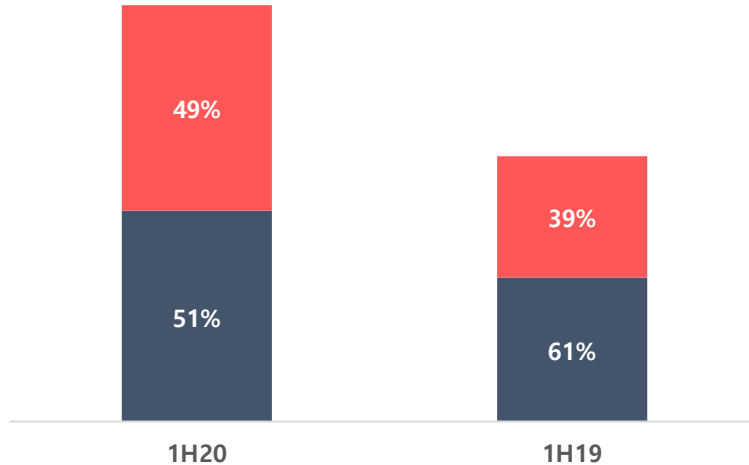
(\*) MU includes the sales of MU IP franchising games.  
(such as MU Archangel, MU Origin2, 奇迹觉醒, 大天使之剑H5 etc.)

# Sales Breakdown(Consolidated)

- Domestic Sales 47.8b (YoY ↓ 8% based on consolidated)
- Overseas Sales 46.6b (YoY ↑ 43% based on consolidated)
- Portion of Overseas YoY ↑ 10%P based on consolidated

## Sales breakdown

■ Domestic ■ Overseas



(Unit : KRW million)

	1H20	1H19	G/R
<b>Total</b>	<b>94,347</b>	<b>84,858</b>	<b>11%</b>
Domestic	47,754	52,168	-8%
Overseas	46,592	32,691	43%



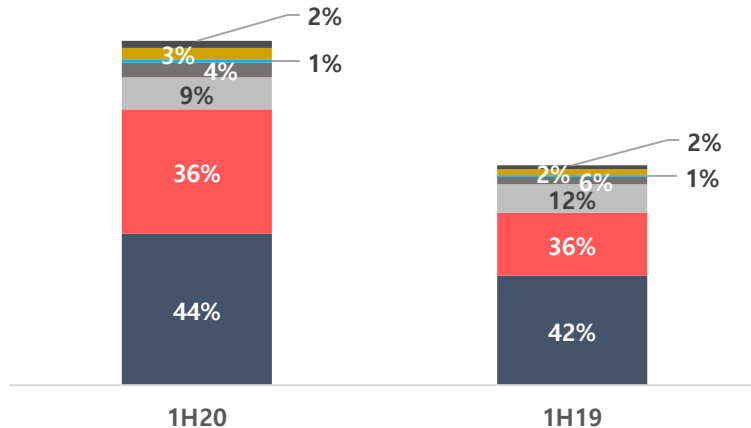
# Expenses Breakdown(Consolidated)

- Operating Expenses 68.6b (YoY ↑ 3% based on consolidated)
  - Fees 30.1b (YoY ↑ 9% based on consolidated)
  - Labor 24.8b (YoY ↑ 5% based on consolidated)
  - Marketing 6.4b (YoY ↓ 16% based on consolidated)

## Expenses Breakdown

(Unit : KRW million)

■ Fees ■ Labor ■ Marketing ■ D&A ■ Network ■ Tax & Dues ■ Others



	1H20	1H19	G/R
<b>Total</b>	<b>68,574</b>	<b>66,363</b>	<b>3%</b>
Fees	30,123	27,551	9%
Labor	24,816	23,737	5%
Marketing	6,385	7,639	-16%
D&A	2,940	3,819	-23%
Network	623	650	-4%
Tax & Dues	2,289	1,543	48%
Others	1,398	1,426	-2%

# 2Q20 Result Analysis

# Summary of Financial Results

[Consolidated]

(Unit : KRW million)

	2Q20	1Q20	QoQ	2Q19	YoY
Revenue	60,204	34,359	75%	43,382	39%
Game Sales	60,100	34,247	75%	43,378	39%
Others	103	113	-8%	4	2,641%
Operating Expenses	43,774	24,800	77%	34,059	29%
Operating Profit	16,429	9,560	72%	9,323	76%
Income before Tax	19,965	10,610	88%	10,684	87%
Income Tax Expenses	5,162	3,752	38%	3,100	67%
Net Income	14,803	6,858	116%	7,584	95%
Other Comprehensive Income	(8)	288	-103%	321	-103%
Total Comprehensive Income	14,795	7,145	107%	7,906	87%

# Result Analysis(Consolidated)

- Revenue 60.2b (QoQ ↑ 75%, YoY ↑ 39% based on Consolidated)
- Operating Profit 16.4b (QoQ ↑ 72%, YoY ↑ 76% based on Consolidated)
- Net Income 14.8b (QoQ ↑ 116%, YoY ↑ 95% based on Consolidated)

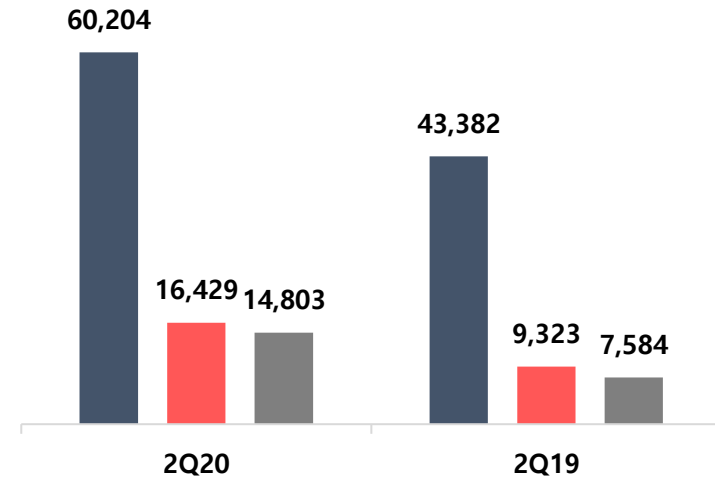
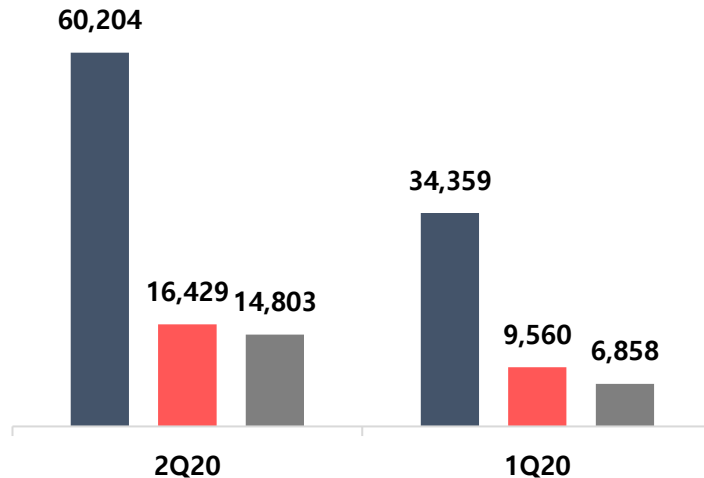
(Unit : KRW million)

QoQ

YoY

■ Revenue ■ Operating Profit ■ Net Income

■ Revenue ■ Operating Profit ■ Net Income



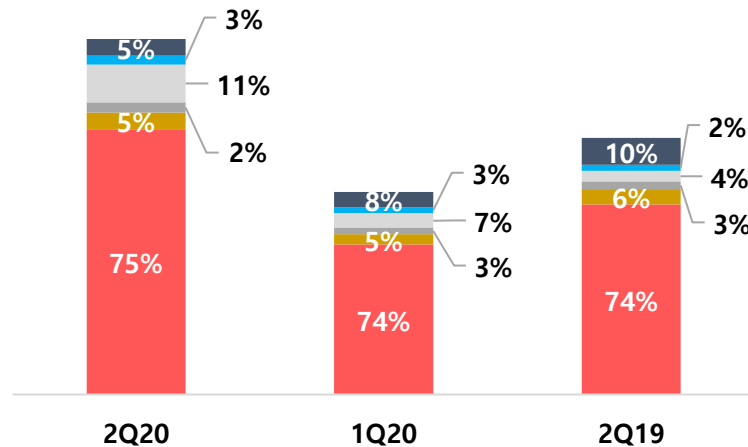
# Sales Breakdown(Consolidated)

- MU            44.8b    (QoQ ↑ 77%, YoY ↑ 39%    based on consolidated)
- R2            2.9b     (QoQ ↑ 62%, YoY ↑ 9%    based on consolidated)
- ShotOnline   1.7b     (QoQ ↑ 58%, YoY ↑ 36%   based on consolidated)
- Metin2        6.3b     (QoQ ↑ 156%, YoY ↑ 250% based on consolidated)

## Sales breakdown

■ MU ■ R2 ■ ShotOnline ■ Metin2 ■ Webzen.com ■ Others

(Unit : KRW million)



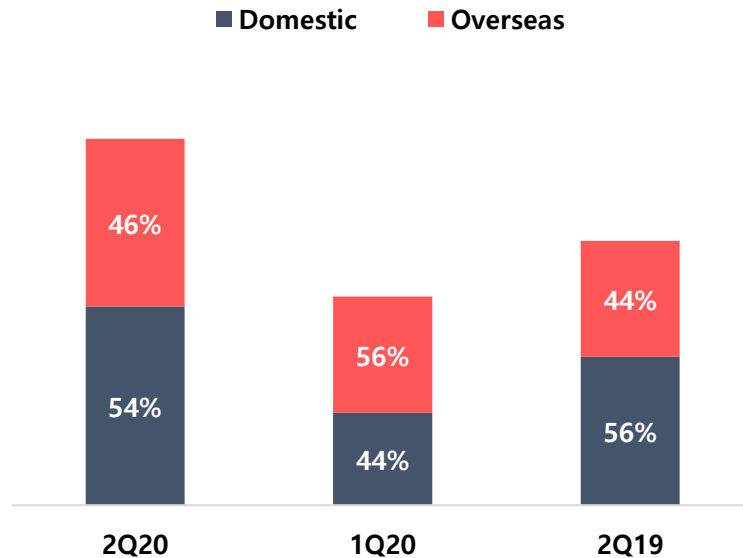
	2Q20	1Q20	2Q19
<b>Total</b>	<b>60,100</b>	<b>34,247</b>	<b>43,378</b>
MU(*)	44,827	25,367	32,148
R2	2,853	1,759	2,606
ShotOnline	1,723	1,093	1,262
Metin2	6,346	2,477	1,814
Webzen.com	1,558	959	1,004
Others	2,794	2,591	4,544

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

# Sales Breakdown(Consolidated)

- Domestic Sales 32.6b (QoQ ↑ 115%, YoY ↑ 34% based on consolidated)
- Overseas Sales 27.5b (QoQ ↑ 44%, YoY ↑ 45% based on consolidated)
- Portion of Domestic QoQ ↑ 10%P, YoY ↓ 2%P based on consolidated

## Sales breakdown



(Unit : KRW million)

	2Q20	1Q20	2Q19
<b>Total</b>	<b>60,100</b>	<b>34,247</b>	<b>43,378</b>
Domestic	32,596	15,159	24,365
Overseas	27,505	19,088	19,013

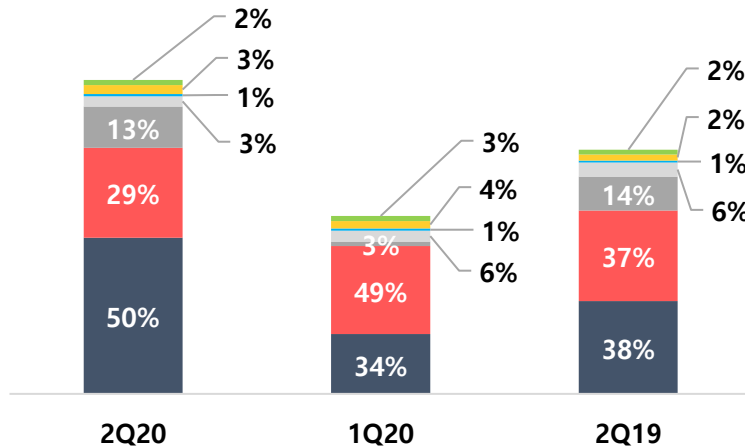
# Expenses Breakdown(Consolidated)

- Operating Expenses 43.8b (QoQ ↑ 77%, YoY ↑ 29% based on consolidated)
  - Fees 21.8b (QoQ ↑ 161%, YoY ↑ 68% based on consolidated)
  - Labor tendencies 12.6b (QoQ ↑ 2%, YoY ↓ 1% based on consolidated)
  - Marketing 5.7b (QoQ ↑ 777%, YoY ↑ 22% based on consolidated)

## Expenses Breakdown

■ Fees    ■ Labor    ■ Marketing    ■ D&A  
■ Network    ■ Taxes&Dues    ■ Others

(Unit : KRW million)



	2Q20	1Q20	2Q19
<b>Total</b>	<b>43,774</b>	<b>24,800</b>	<b>34,059</b>
Fees	21,774	8,349	12,961
Labor	12,555	12,260	12,632
Marketing	5,731	654	4,717
D&A	1,455	1,485	1,940
Network	293	330	305
Tax & Dues	1,248	1,041	812
Others	718	681	694

# Summary of F/S(Consolidated)



(Unit : KRW million)

B/S	2020.06.30	2019.12.31
Current Assets	313,658	238,374
Non-Current Assets	148,116	175,588
<b>Total Assets</b>	<b>461,774</b>	<b>413,962</b>
Current Liabilities	74,055	42,305
Non-Current Liabilities	17,388	16,042
<b>Total Liabilities</b>	<b>91,442</b>	<b>58,348</b>
Contributed Equity	17,655	17,655
Capital Surplus for Equity	149,893	149,834
Accumulated Other Comprehensive Income for Equity	(98)	(432)
Elements of Other Stockholder's Equity	(56,018)	(48,718)
Retained Earnings	258,763	237,019
Non-Controlling Interests	136	255
<b>Total Equities</b>	<b>370,332</b>	<b>355,615</b>
<b>Total Liabilities and Equities</b>	<b>461,774</b>	<b>413,962</b>



# Summary of F/S(Consolidated)

(Unit : KRW million)

I/S	2020		2019	
	2Q	1H	2Q	1H
Revenue	60,204	94,563	43,382	84,866
Game Sales	60,100	94,347	43,378	84,858
Others	103	216	4	8
Operating Expenses	43,774	68,574	34,059	66,363
Operating Profit	16,429	25,989	9,323	18,502
Profit (loss) before tax	19,965	30,575	10,684	23,252
Corporate Tax	5,162	8,914	3,100	5,658
Net Income	14,803	21,661	7,584	17,594
Other Comprehensive Income	(8)	279	321	280
Total Comprehensive Income	14,795	21,940	7,906	17,873
Controlling Interests	14,852	22,078	8,028	18,083
Non-Controlling Interests	(57)	(138)	(122)	(210)

**Thank you**