

# 1H21 Earnings Release

2021.08.06  
WEBZEN Inc.



**Some contents may reflect forward-looking statements and have been prepared based on the expectations according to the data 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.**

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The followings are the subsidiaries of WEBZEN Inc.

**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 Bluerock Inc.**

**WEBZEN Black Engine Inc.**

**WEBZEN Redcore Inc.**

**WEBZEN Cube Inc.** (\*) In April 2021, 'Webzen warsmith' → 'Webzen cube'

**WEBZEN Dream Inc.**

**WEBZEN Kamp Inc.**

**WEBZEN Nova Inc.**

**WEBZEN Beat Inc.**

# 1H21 Result Analysis

# Summary of Financial Results



[Consolidated]

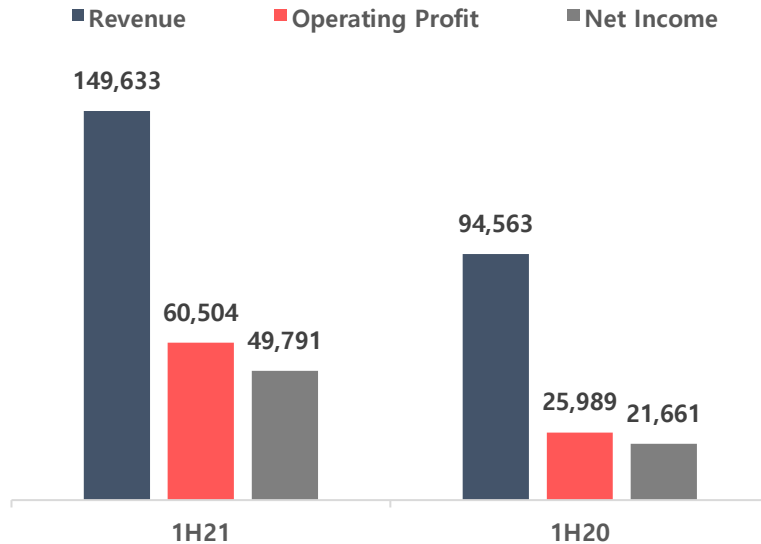
(Unit : KRW million)

	1H21	1H20	YoY	G/R
Revenue	149,633	94,563	55,070	58%
Game Sales	149,463	94,347	55,117	58%
Others	170	216	(46)	-21%
Operating Expenses	89,129	68,574	20,555	30%
Operating Profit	60,504	25,989	34,515	133%
Income Before Tax	69,580	30,575	39,005	128%
Income Tax Expense	19,789	8,914	10,875	122%
Net Income	49,791	21,661	28,130	130%
Other Comprehensive Income	125	279	(154)	-55%
Total Comprehensive Income	49,916	21,940	27,976	128%

# Result Analysis(Consolidated)

- Revenue 149.6b (YoY +58% based on Consolidated)
- Operating Profit 60.5b (YoY +133% based on Consolidated)
- Net Income 49.8b (YoY +130% based on Consolidated)

YoY



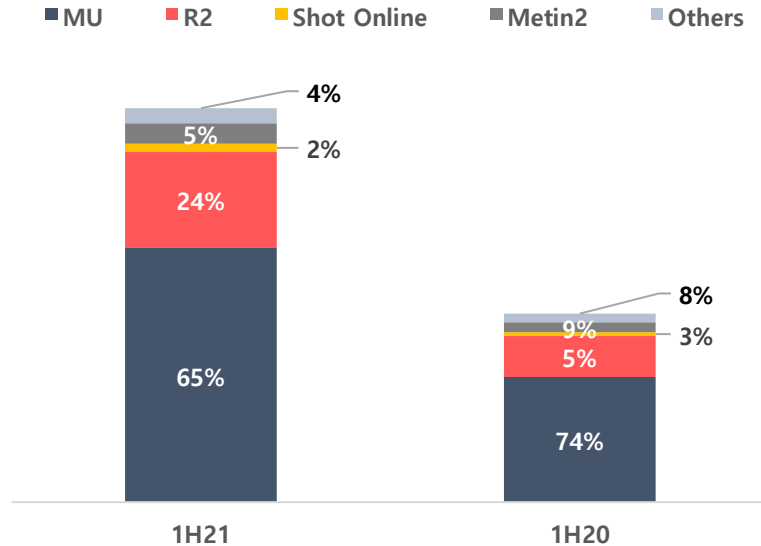
(Unit : KRW million)

	1H21	1H20	G/R
Revenue	149,633	94,563	58%
Operating Profit	60,504	25,989	133%
Net Income	49,791	21,661	130%

# Sales Breakdown(Consolidated)

- MU 96.6b (YoY +38% based on consolidated)
- R2 36.2b (YoY +685% based on consolidated)
- Shot Online 3.2b (YoY +14% based on consolidated)
- Metin2 7.8b (YoY -11% based on consolidated)

## Sales breakdown



(Unit : KRW million)

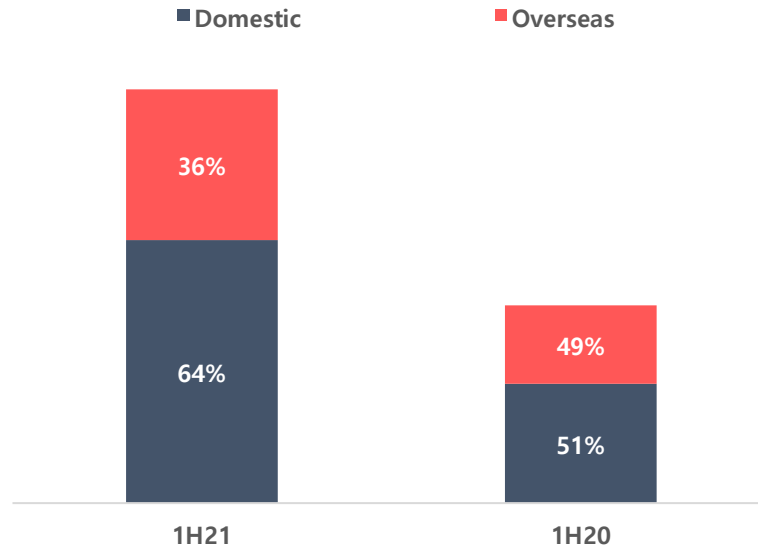
	1H21	1H20	G/R
<b>Total</b>	<b>149,463</b>	<b>94,347</b>	<b>58%</b>
MU(*)	96,639	70,194	38%
R2(*)	36,183	4,612	685%
Shot Online	3,202	2,815	14%
Metin2	7,820	8,823	-11%
Others	5,620	7,903	-29%

(\*) 'MU' and 'R2' include IP Games sales.

# Sales Breakdown(Consolidated)

- Domestic Sales 95.0b (YoY +99% based on consolidated)
- Overseas Sales 54.5b (YoY +17% based on consolidated)
- Portion of Domestic YoY +13%P based on consolidated

## Sales breakdown



(Unit : KRW million)

	1H21	1H20	G/R
<b>Total</b>	<b>149,463</b>	<b>94,347</b>	<b>58%</b>
Domestic	95,007	47,754	99%
Overseas	54,456	46,592	17%



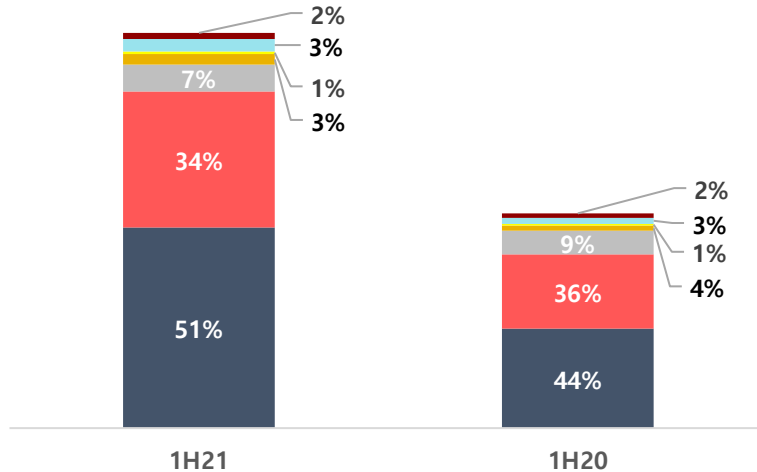
# Expenses Breakdown(Consolidated)

- Operating Expenses 89.1b (YoY +30% based on consolidated)
  - Fees 45.3b (YoY +50% based on consolidated)
  - Labor 30.7b (YoY +24% based on consolidated)
  - Marketing 6.0b (YoY -6% based on consolidated)

## Expenses Breakdown

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

(Unit : KRW million)



	1H21	1H20	G/R
<b>Total</b>	<b>89,129</b>	<b>68,574</b>	<b>30%</b>
Fees	45,272	30,123	50%
Labor	30,715	24,816	24%
Marketing	6,020	6,385	-6%
D&A	2,390	2,940	-19%
Network	596	623	-4%
Tax & Dues	2,776	2,289	21%
Others	1,360	1,398	-3%



## **2Q21 Result Analysis**

# Summary of Financial Results



[Consolidated]

(Unit : KRW million)

	2Q21	1Q21	QoQ	2Q20	YoY
Revenue	71,610	78,023	-8%	60,204	19%
Game Sales	71,524	77,939	-8%	60,100	19%
Others	86	84	3%	103	-17%
Operating Expenses	48,451	40,678	19%	43,774	11%
Operating Profit	23,160	37,344	-38%	16,429	41%
Income before Tax	26,731	42,849	-38%	19,965	34%
Income Tax Expenses	8,329	11,460	-27%	5,162	61%
Net Income	18,402	31,389	-41%	14,803	24%
Other Comprehensive Income	175	(50)	-	(8)	-
Total Comprehensive Income	18,577	31,338	-41%	14,795	26%

# Result Analysis(Consolidated)

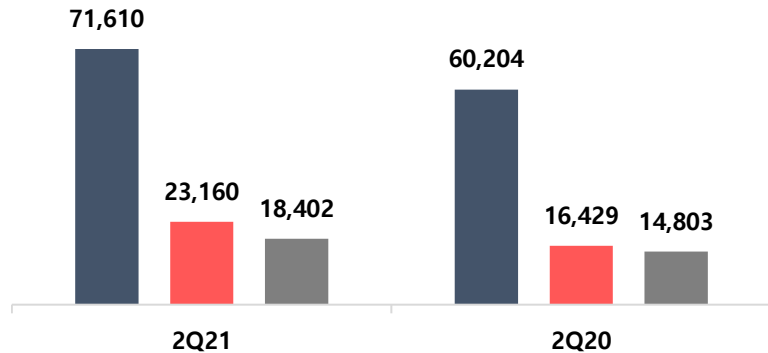
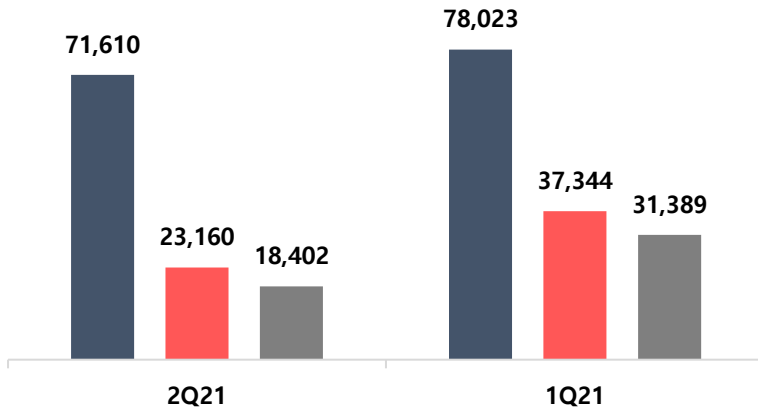
- Revenue 71.6b (QoQ -8%, YoY +19% based on Consolidated)
- Operating Profit 23.2b (QoQ -38%, YoY +41% based on Consolidated)
- Net Income 18.4b (QoQ -41%, YoY +24% based on Consolidated)

(Unit : KRW million)



■ Revenue ■ Operating Profit ■ Net Income

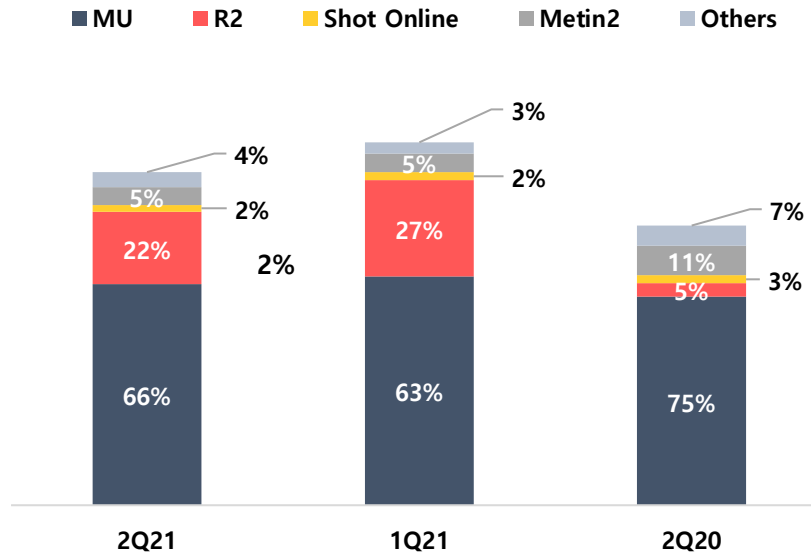
■ Revenue ■ Operating Profit ■ Net Income



# Sales Breakdown(Consolidated)

- MU 47.5b (QoQ -3%, YoY +6% based on consolidated)
- R2 15.5b (QoQ -26%, YoY +444% based on consolidated)
- Shot Online 1.5b (QoQ -13%, YoY -13% based on consolidated)
- Metin2 3.8b (QoQ -4%, YoY -40% based on consolidated)

## Sales breakdown



(Unit : KRW million)

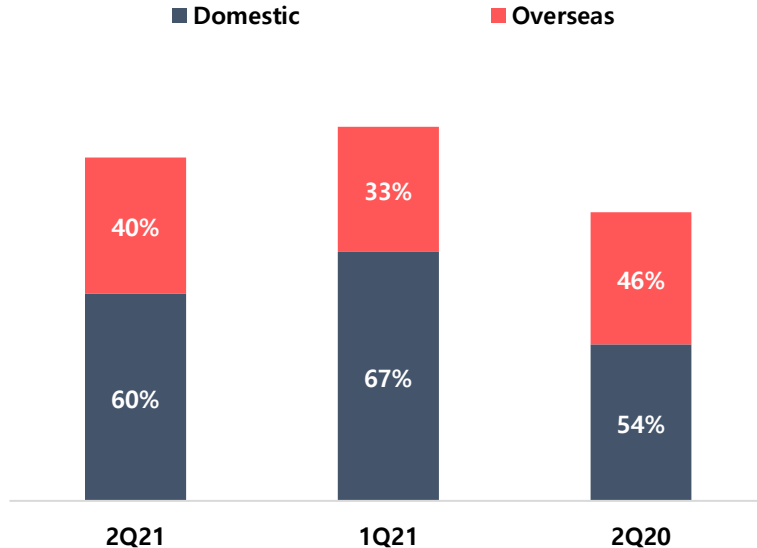
	2Q21	1Q21	2Q20
<b>Total</b>	<b>71,524</b>	<b>77,939</b>	<b>60,100</b>
MU(*)	47,483	49,155	44,827
R2(*)	15,523	20,660	2,853
Shot Online	1,490	1,712	1,723
Metin2	3,830	3,990	6,346
Others	3,197	2,422	4,353

(\*) 'MU' and 'R2' include IP Games sales.

# Sales Breakdown(Consolidated)

- Domestic Sales 43.1b (QoQ -17%, YoY +32% based on consolidated)
- Overseas Sales 28.4b (QoQ +9%, YoY +3% based on consolidated)
- Portion of Overseas QoQ +7%P, YoY -6%P based on consolidated

## Sales breakdown



(Unit : KRW million)

	2Q21	1Q21	2Q20
<b>Total</b>	<b>71,524</b>	<b>77,939</b>	<b>60,100</b>
Domestic	43,130	51,877	32,596
Overseas	28,394	26,062	27,505

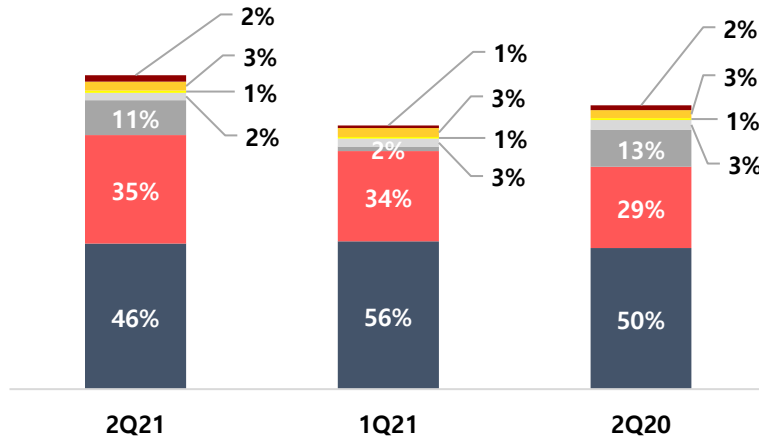
# Expenses Breakdown(Consolidated)

- Operating Expenses 48.5b (QoQ +19%, YoY +11% based on consolidated)
  - Fees 22.5b (QoQ -2%, YoY +3% based on consolidated)
  - Labor tendencies 16.8b (QoQ +20%, YoY +34% based on consolidated)
  - Marketing 5.4b (QoQ +706%, YoY -7% based on consolidated)

## Expenses Breakdown

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

(Unit : KRW million)



	2Q21	1Q21	2Q20
<b>Total</b>	<b>48,451</b>	<b>40,678</b>	<b>43,774</b>
Fees	22,458	22,813	21,774
Labor	16,768	13,947	12,555
Marketing	5,355	665	5,731
D&A	1,165	1,225	1,455
Network	333	263	293
Tax & Dues	1,391	1,385	1,248
Others	980	380	718

# Summary of F/S(Consolidated)



(Unit : KRW million)

B/S	2021.06.30	2020.12.31
Current Assets	319,569	333,404
Non-Current Assets	258,448	209,296
<b>Total Assets</b>	<b>578,017</b>	<b>542,700</b>
Current Liabilities	87,070	92,401
Non-Current Liabilities	15,504	15,611
<b>Total Liabilities</b>	<b>102,574</b>	<b>108,012</b>
Contributed Equity	17,655	17,655
Capital Surplus for Equity	149,925	149,937
Accumulated Other Comprehensive Income for Equity	203	27
Elements of Other Stockholder's Equity	(65,178)	(56,018)
Retained Earnings	372,424	322,737
Non-Controlling Interests	414	350
<b>Total Equities</b>	<b>475,443</b>	<b>434,688</b>
<b>Total Liabilities and Equities</b>	<b>578,017</b>	<b>542,700</b>



# Summary of F/S(Consolidated)



(Unit : KRW million)

I/S	2021		2020	
	2Q	1H	2Q	1H
Revenue	71,610	149,633	60,204	94,563
Game Sales	71,524	149,463	60,100	94,347
Others	86	170	103	216
Operating Expenses	48,451	89,129	43,774	68,574
Operating Profit	23,160	60,504	16,429	25,989
Profit (loss) before tax	26,731	69,580	19,965	30,575
Corporate Tax	8,329	19,789	5,162	8,914
Net Income	18,402	49,791	14,803	21,661
Other Comprehensive Income	175	125	(8)	279
Total Comprehensive Income	18,577	49,916	14,795	21,940
Controlling Interests	18,572	49,863	14,852	22,078
Non-Controlling Interests	5	53	(57)	(138)

**Thank you**