

1H22

Earnings Release

2022.08.09

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.

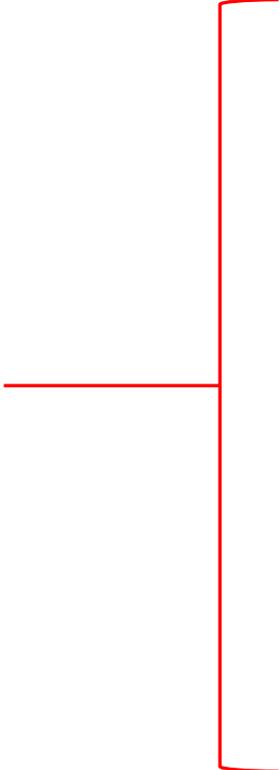
There can be no assurance that the forward-looking statements used by WEBZEN are correct as results can differ from expectations.

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

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.

WEBZEN Inc.

- 
- A red bracket diagram consisting of a vertical line on the right, a horizontal line on the left, and two short horizontal lines at the top and bottom, connecting the parent company name to the list of subsidiaries.
- 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.**
 - WEBZEN Dream Inc.**
 - WEBZEN Kamp Inc.**
 - WEBZEN Nova Inc.**
 - WEBZEN Beat Inc.**
 - WEBZEN Next Inc.**



1H22 Result Analysis

Summary of Financial Results

[Consolidated]

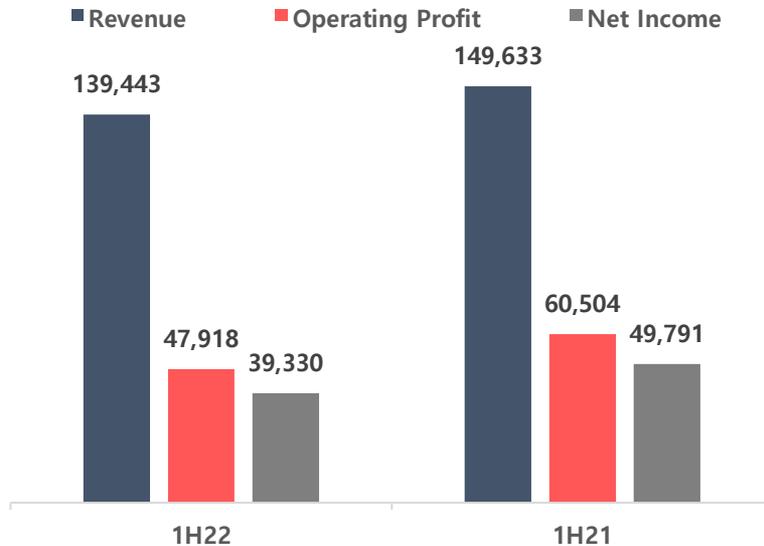
(Unit : KRW million)

	1H22	1H21	YoY	G/R
Revenue	139,443	149,633	(10,190)	-7%
Game Sales	139,338	149,463	(10,125)	-7%
Others	105	170	(65)	-38%
Operating Expenses	91,525	89,129	2,396	3%
Operating Profit	47,918	60,504	(12,586)	-21%
Income Before Tax	56,642	69,580	(12,938)	-19%
Income Tax Expense	17,313	19,789	(2,476)	-13%
Net Income	39,330	49,791	(10,461)	-21%
Other Comprehensive Income	302	125	177	142%
Total Comprehensive Income	39,632	49,916	(10,284)	-21%

Result Analysis(Consolidated)

- Revenue 139.4b (YoY -7%)
- Operating Profit 47.9b (YoY -21%)
- Net Income 39.3b (YoY -21%)

YoY



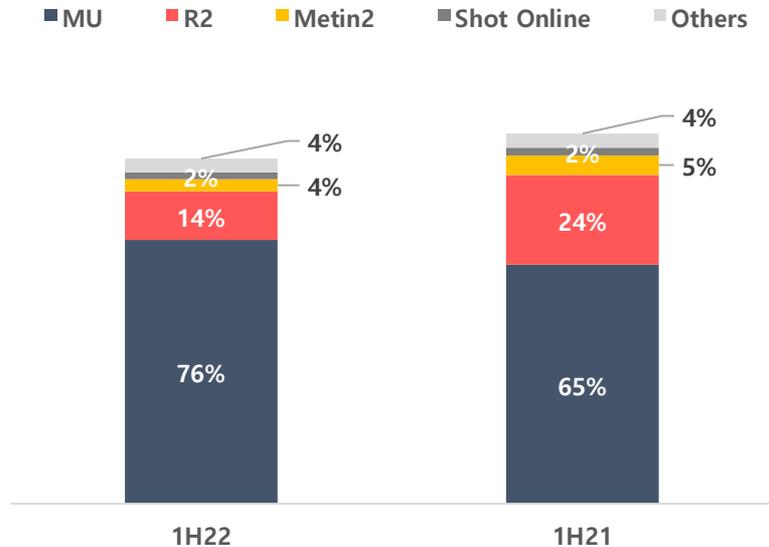
(Unit : KRW million)

	1H22	1H21	G/R
Revenue	139,443	149,633	-7%
Operating Profit	47,918	60,504	-21%
Net Income	39,330	49,791	-21%

Sales Breakdown(Consolidated)

- MU 106.6b (YoY +10%)
- R2 19.5b (YoY -46%)
- Metin2 5.0b (YoY -36%)
- Shot Online 2.7b (YoY -15%)

Sales breakdown



(Unit : KRW million)

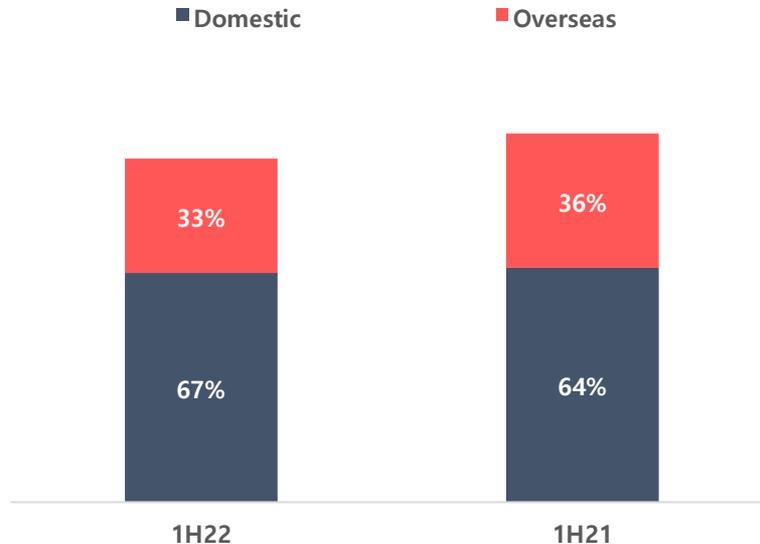
	1H22	1H21	G/R
Total	139,338	149,463	-7%
MU(*)	106,581	96,639	10%
R2(*)	19,522	36,183	-46%
Metin2	4,987	7,820	-36%
Shot Online	2,726	3,202	-15%
Others	5,522	5,620	-2%

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

Sales Breakdown(Consolidated)

- Domestic Sales 92.9b (YoY -2%)
- Overseas Sales 46.5b (YoY -15%)
- Portion of Domestic YoY +3%P

Sales breakdown



(Unit : KRW million)

	1H22	1H21	G/R
Total	139,338	149,463	-7%
Domestic	92,878	95,007	-2%
Overseas	46,461	54,456	-15%

Expenses Breakdown(Consolidated)

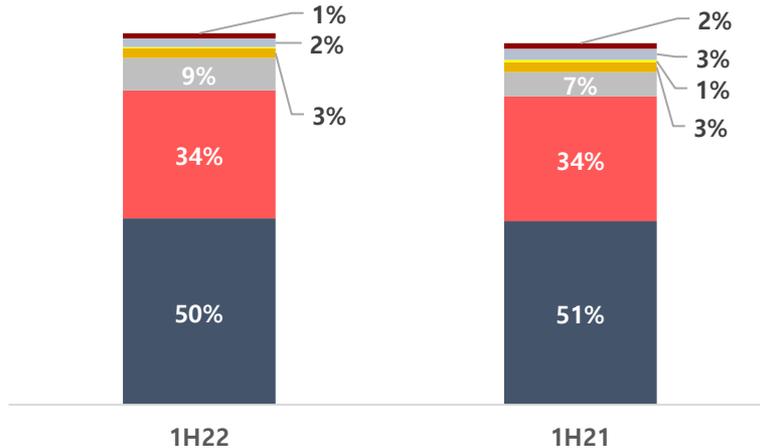


- Operating Expenses 91.5b (YoY +3%)
 - Fees 46.0b (YoY +2%)
 - Labor 31.5b (YoY +2%)
 - Marketing 8.0b (YoY +33%)

Expenses Breakdown

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

(Unit : KRW million)



	1H22	1H21	G/R
Total	91,525	89,129	3%
Fees	46,016	45,272	2%
Labor	31,461	30,715	2%
Marketing	8,013	6,020	33%
D&A	2,317	2,390	-3%
Network	352	596	-41%
Tax & Dues	2,116	2,776	-24%
Others	1,250	1,360	-8%



2Q22 Result Analysis

Summary of Financial Results



[Consolidated]

(Unit : KRW million)

	2Q22	1Q22	QoQ	2Q21	YoY
Revenue	69,594	69,849	-0.4%	71,610	-3%
Game Sales	69,536	69,802	-0.4%	71,524	-3%
Others	58	47	23%	86	-33%
Operating Expenses	43,965	47,560	-8%	48,451	-9%
Operating Profit	25,629	22,289	15%	23,160	11%
Income before Tax	30,195	26,448	14%	26,731	13%
Income Tax Expenses	9,585	7,728	24%	8,329	15%
Net Income	20,610	18,720	10%	18,402	12%
Other Comprehensive Income	307	(5)	-	175	75%
Total Comprehensive Income	20,917	18,715	12%	18,577	13%

Result Analysis(Consolidated)

- Revenue 69.6b (QoQ -0.4%, YoY -3%)
- Operating Profit 25.6b (QoQ +15%, YoY +11%)
- Net Income 20.6b (QoQ +10%, YoY +12%)

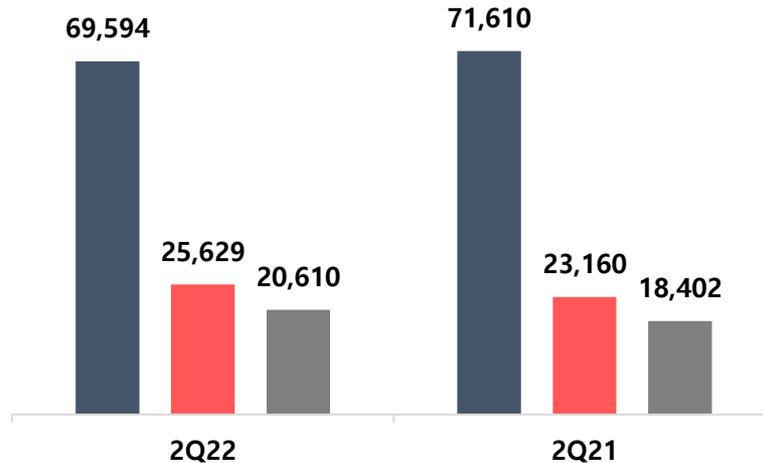
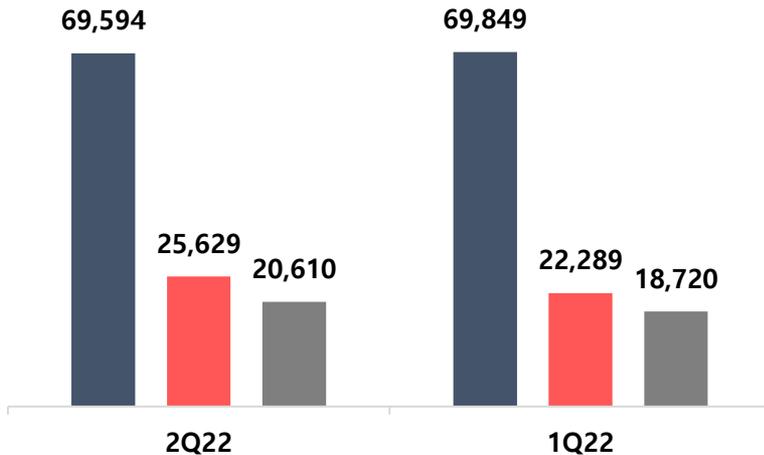
(Unit : KRW million)

QoQ

YoY

■ Revenue ■ Operating Profit ■ Net Income

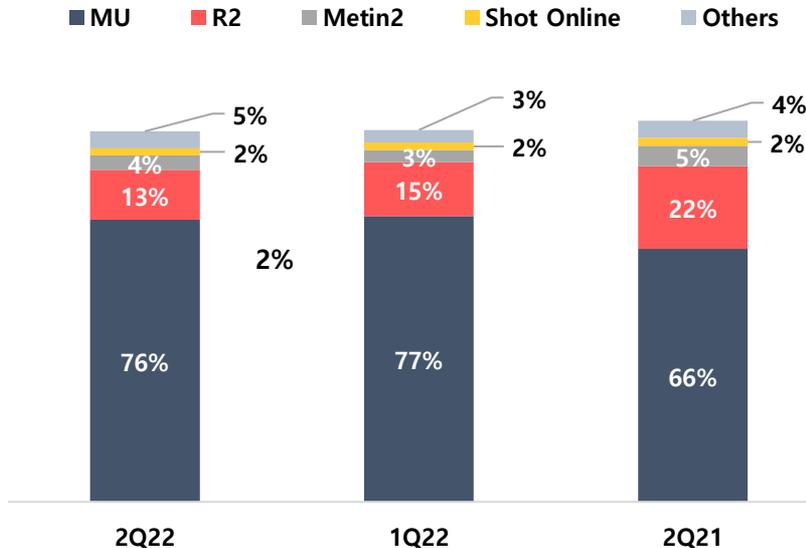
■ Revenue ■ Operating Profit ■ Net Income



Sales Breakdown(Consolidated)

- MU 53.0b (QoQ -1%, YoY +12%)
- R2 9.4b (QoQ -8%, YoY -40%)
- Metin2 2.7b (QoQ +19%, YoY -29%)
- Shot Online 1.3b (QoQ -7%, YoY -12%)

Sales breakdown



(Unit : KRW million)

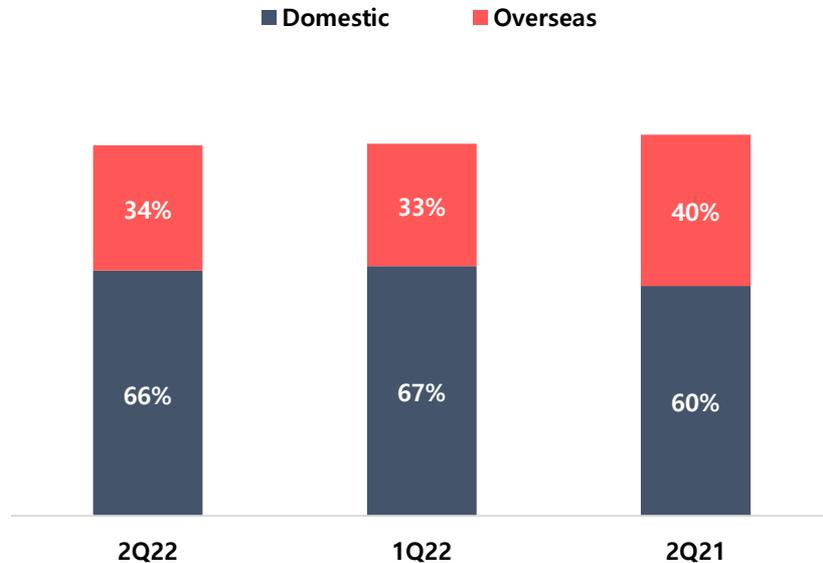
	2Q22	1Q22	2Q21
Total	69,536	69,802	71,524
MU(*)	52,966	53,615	47,483
R2(*)	9,371	10,151	15,523
Metin2	2,714	2,274	3,830
Shot Online	1,317	1,409	1,490
Others	3,169	2,353	3,197

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

Sales Breakdown(Consolidated)

- Domestic Sales 46.0b (QoQ -2%, YoY +7%)
- Overseas Sales 23.5b (QoQ +2%, YoY -17%)
- Portion of Domestic QoQ -1%P, YoY +6%P

Sales breakdown



(Unit : KRW million)

	2Q22	1Q22	2Q21
Total	69,536	69,802	71,524
Domestic	46,028	46,850	43,130
Overseas	23,509	22,952	28,394

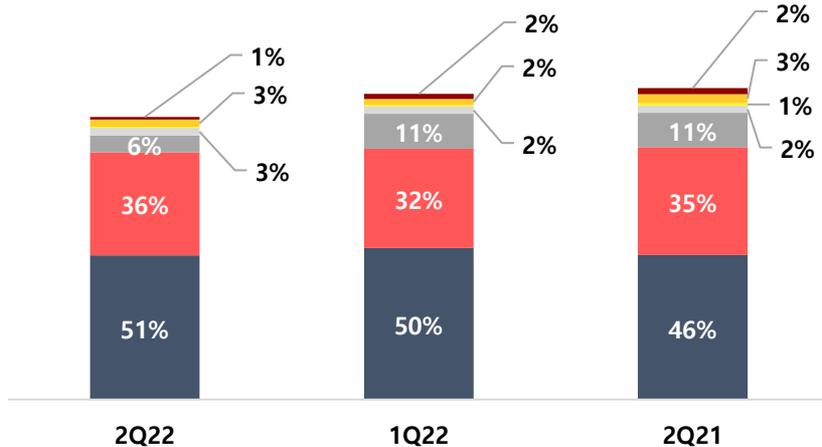
Expenses Breakdown(Consolidated)



- Operating Expenses 44.0b (QoQ -8%, YoY -9%)
 - Fees 22.4b (QoQ -5%, YoY -0.1%)
 - Labor tendencies 16.0b (QoQ +4%, YoY -4%)
 - Marketing 2.6b (QoQ -53%, YoY -52%)

Expenses Breakdown

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



(Unit : KRW million)

	2Q22	1Q22	2Q21
Total	43,965	47,560	48,451
Fees	22,426	23,590	22,458
Labor	16,038	15,423	16,768
Marketing	2,580	5,433	5,355
D&A	1,189	1,128	1,165
Network	143	209	333
Tax & Dues	1,147	969	1,391
Others	443	807	980

Summary of F/S(Consolidated)



(Unit : KRW million)

B/S	2022.06.30	2021.12.31
Current Assets	359,691	355,239
Non-Current Assets	275,878	260,026
Total Assets	635,569	615,265
Current Liabilities	84,969	96,733
Non-Current Liabilities	13,123	12,620
Total Liabilities	98,092	109,353
Contributed Equity	17,655	17,655
Capital Surplus for Equity	149,814	149,925
Accumulated Other Comprehensive Income for Equity	736	336
Elements of Other Stockholder's Equity	(80,927)	(72,640)
Retained Earnings	448,023	408,776
Non-Controlling Interests	2,175	1,859
Total Equities	537,477	505,911
Total Liabilities and Equities	635,569	615,265

Summary of F/S(Consolidated)



(Unit : KRW million)

I/S	2022		2021	
	2Q	1H	2Q	1H
Revenue	69,594	139,443	71,610	149,633
Game Sales	69,536	139,338	71,524	149,463
Others	58	105	86	170
Operating Expenses	43,965	91,525	48,451	89,129
Operating Profit	25,629	47,918	23,160	60,504
Profit (loss) before tax	30,195	56,642	26,731	69,580
Corporate Tax	9,585	17,313	8,329	19,789
Net Income	20,610	39,330	18,402	49,791
Other Comprehensive Income	307	302	175	125
Total Comprehensive Income	20,917	39,632	18,577	49,916
Controlling Interests	20,918	39,646	18,572	49,863
Non-Controlling Interests	(1)	(15)	5	53



Thank you