

1H23 Earnings Release

2023.08.08
WEBZEN Inc.



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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 West, Inc.
- WEBZEN Dublin Ltd.
- WEBZEN Japan Inc.
- WEBZEN Red Star Inc. (former, WEBZEN Bluerock Inc.)
- WEBZEN Mega Stone Inc. (former, WEBZEN Black Engine Inc.)
- WEBZEN Redcore Inc.
- WEBZEN Cube Inc.
- WEBZEN Appletree Inc.
- WEBZEN Kamp Inc.
- WEBZEN Nova Inc.
- WEBZEN Beat Inc.
- WEBZEN Next Inc.
- WEBZEN Star Inc.
- WEBZEN Red N Inc. (new establishment)
- RisingStar Inc. (new establishment)



1H23 Result Analysis

Summary of Financial Results

[Consolidated]

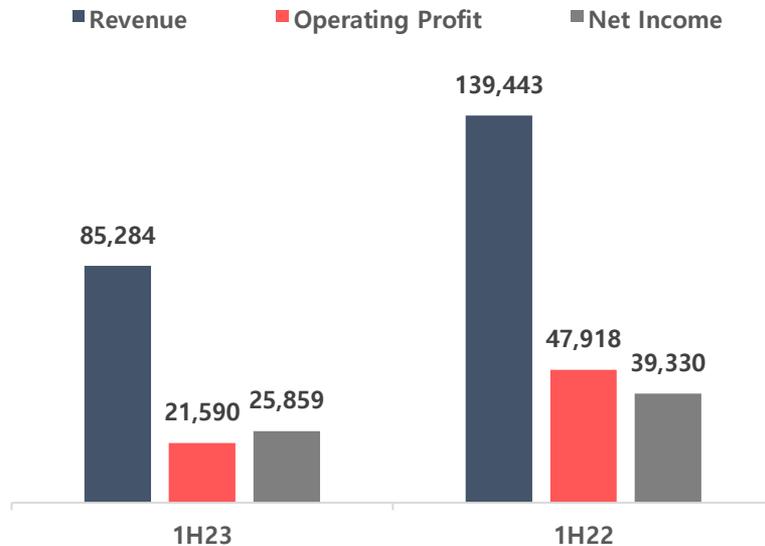
(Unit : KRW million)

	1H23	1H22	YoY	G/R
Revenue	85,284	139,443	(54,159)	-39%
Game Sales	85,233	139,338	(54,105)	-39%
Others	51	105	(54)	-51%
Operating Expenses	63,694	91,525	(27,831)	-30%
Operating Profit	21,590	47,918	(26,328)	-55%
Income Before Tax	34,117	56,642	(22,525)	-40%
Income Tax Expense	8,259	17,313	(9,054)	-52%
Net Income	25,859	39,330	(13,471)	-34%
Other Comprehensive Income	327	302	25	8%
Total Comprehensive Income	26,186	39,632	(13,446)	-34%

Result Analysis (Consolidated)

Revenue	85.3b	(YoY -39%)
Operating Profit	21.6b	(YoY -55%)
Net Income	25.9b	(YoY -34%)

YoY



(Unit : KRW million)

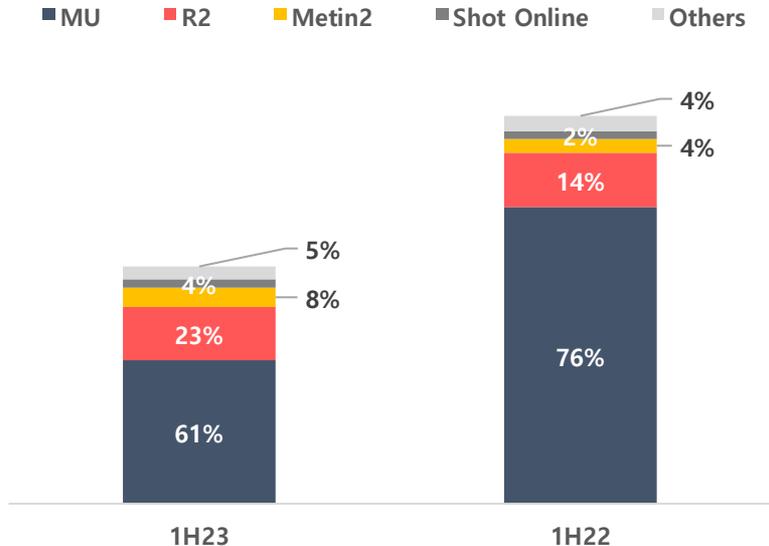
	1H23	1H22	G/R
Revenue	85,284	139,443	-39%
Operating Profit	21,590	47,918	-55%
Net Income	25,859	39,330	-34%

Sales Breakdown (Consolidated)



MU	51.6b	(YoY -52%)
R2	19.2b	(YoY -2%)
Metin2	6.8b	(YoY +37%)
ShotOnline	3.0b	(YoY +12%)

breakdown



(Unit : KRW million)

	1H23	1H22	G/R
Total	85,233	139,338	-39%
MU(*)	51,576	106,581	-52%
R2(*)	19,181	19,522	-2%
Metin2	6,842	4,987	37%
Shot Online	3,040	2,726	12%
Others	4,595	5,522	-17%

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

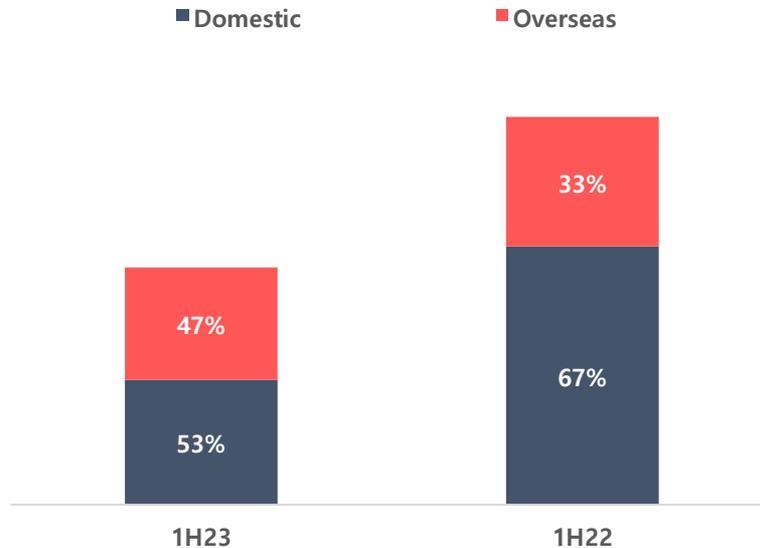
Sales Breakdown (Consolidated)

Domestic Sales 44.8b YoY -52%)

Overseas Sales 40.4b YoY -13%)

Portion of Overseas YoY +14%p

breakdown



(Unit : KRW million)

	1H23	1H22	G/R
Total	85,233	139,338	-39%
Domestic	44,840	92,878	-52%
Overseas	40,394	46,461	-13%

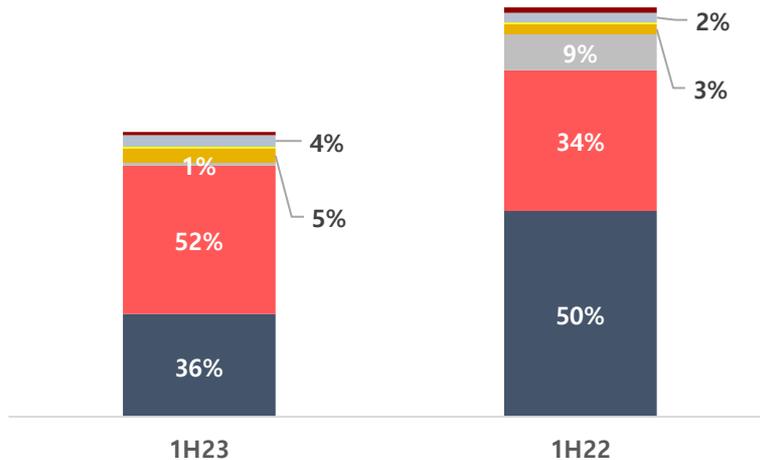
Expenses Breakdown (Consolidated)



Operating Expenses	63.7b	(YoY -30%)
- Fees	23.0b	(YoY -50%)
- Labor	33.1b	(YoY +5%)
- Marketing	0.6b	(YoY -92%)

breakdown

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



(Unit : KRW million)

	1H23	1H22	G/R
Total	63,694	91,525	-30%
Fees	23,010	46,016	-50%
Labor	33,101	31,461	5%
Marketing	650	8,013	-92%
D&A	3,242	2,317	40%
Network	369	352	5%
Tax & Dues	2,560	2,116	21%
Others	763	1,250	-39%



2Q23 Result Analysis

Summary of Financial Results



[Consolidated]

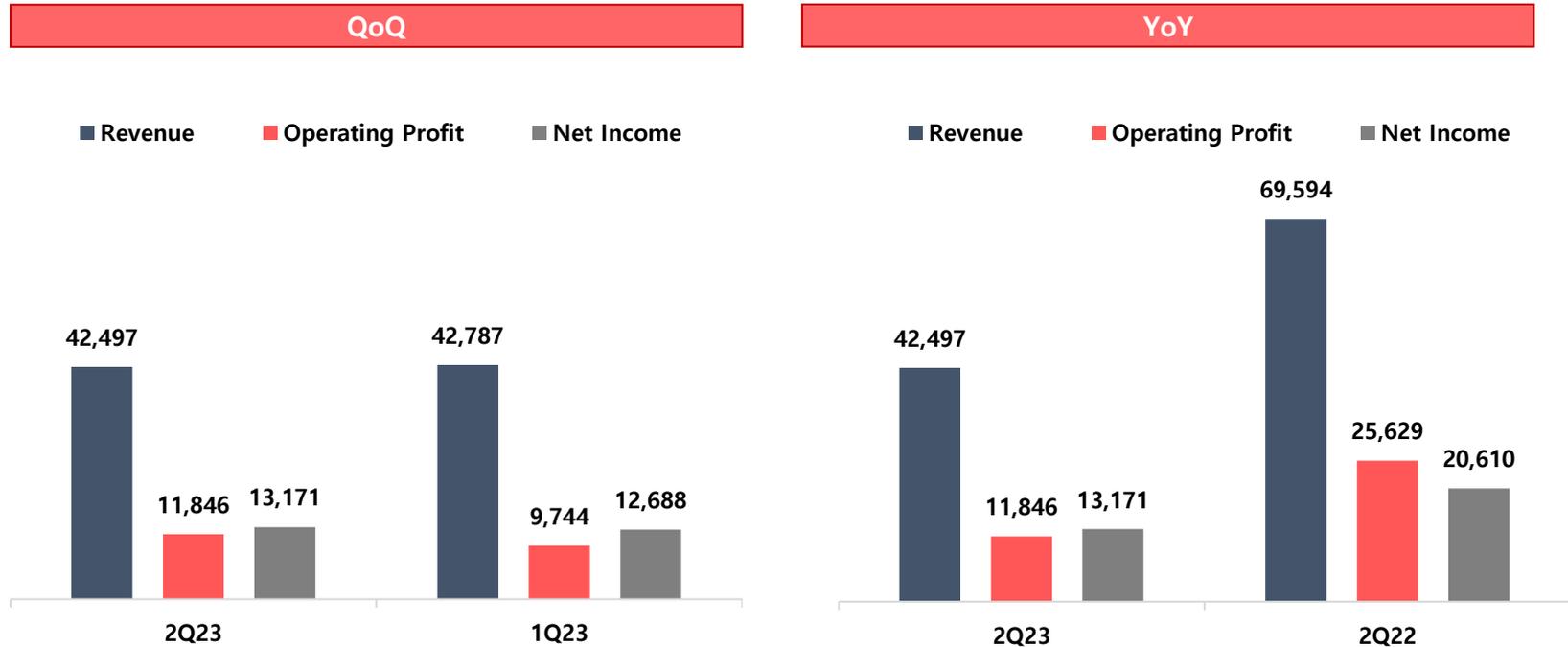
(Unit : KRW million)

	2Q23	1Q23	QoQ	2Q22	YoY
Revenue	42,497	42,787	-1%	69,594	-39%
Game Sales	42,471	42,762	-1%	69,536	-39%
Others	26	25	3%	58	-55%
Operating Expenses	30,651	33,043	-7%	43,965	-30%
Operating Profit	11,846	9,744	22%	25,629	-54%
Income before Tax	17,293	16,824	3%	30,195	-43%
Income Tax Expenses	4,122	4,136	-0.3%	9,585	-57%
Net Income	13,171	12,688	4%	20,610	-36%
Other Comprehensive Income	(403)	730	-155%	307	-231%
Total Comprehensive Income	12,768	13,418	-5%	20,917	-39%

Result Analysis (Consolidated)

Revenue	42.5b	(QoQ -1%,	YoY -39%)
Operating Profit	11.8b	(QoQ +22%,	YoY -54%)
Net Income	13.2b	(QoQ +4%,	YoY -36%)

(Unit : KRW million)

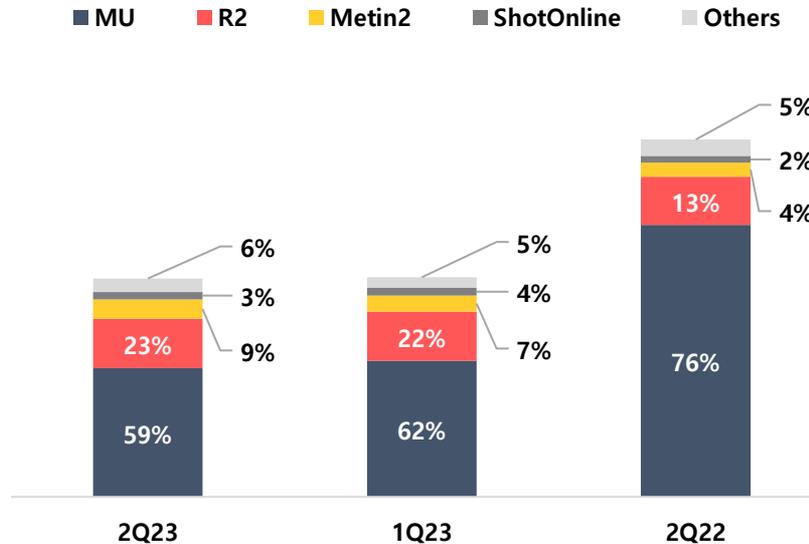


Sales Breakdown (Consolidated)



MU	25.1b	(QoQ -5%, YoY -53%)
R2	9.6b	(QoQ +1%, YoY +3%)
Metin2	3.7b	(QoQ +20%, YoY +38%)
ShotOnline	1.5b	(QoQ -6%, YoY +12%)

breakdown



(Unit : KRW million)

	2Q23	1Q23	2Q22
Total	42,471	42,762	69,536
MU(*)	25,060	26,516	52,966
R2(*)	9,639	9,542	9,371
Metin2	3,733	3,109	2,714
Shot Online	1,476	1,564	1,317
Others	2,563	2,032	3,169

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

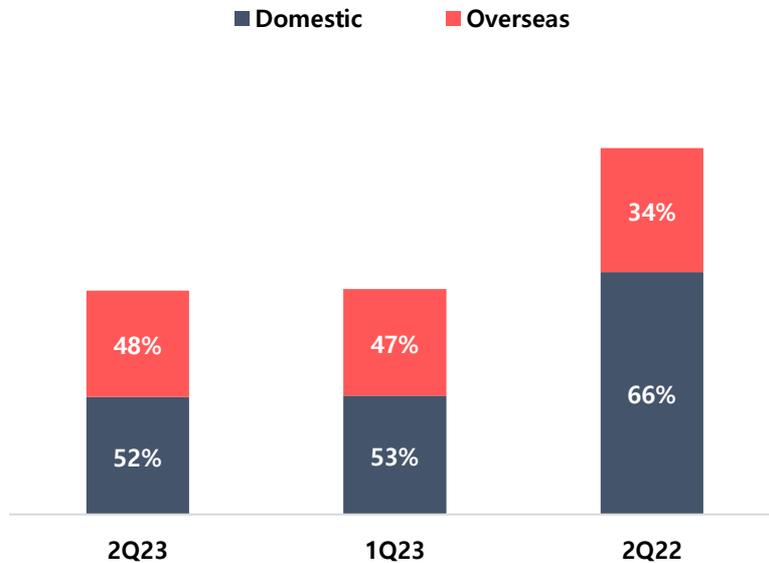
Sales Breakdown (Consolidated)

Domestic Sales 22.3b (QoQ -1%, YoY -52%)

Overseas Sales 20.2b (QoQ +0.1%, YoY -14%)

Portion of Overseas QoQ +1%p, YoY +14%p

breakdown



(Unit : KRW million)

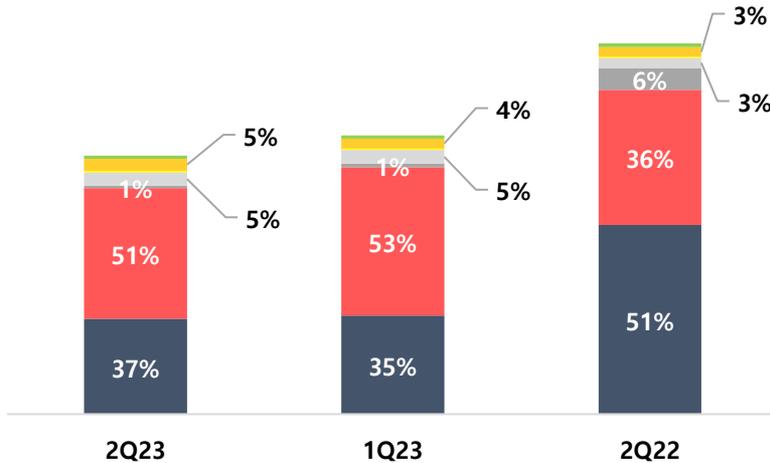
	2Q23	1Q23	2Q22
Total	42,471	42,762	69,536
Domestic	22,273	22,567	46,028
Overseas	20,199	20,195	23,509

Expenses Breakdown (Consolidated)

Operating Expenses	30.7b	(QoQ -7%,	YoY -30%)
- Fees	11.3b	(QoQ -3%,	YoY -50%)
- Labor	15.5b	(QoQ -12%,	YoY -3%)
- Marketing	0.2b	(QoQ -41%,	YoY -91%)

breakdown

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



(Unit : KRW million)

	2Q23	1Q23	2Q22
Total	30,651	33,043	43,965
Fees	11,303	11,707	22,426
Labor	15,521	17,580	16,038
Marketing	242	408	2,580
D&A	1,616	1,626	1,189
Network	190	179	143
Tax & Dues	1,391	1,168	1,147
Others	389	375	443

Summary of F/S (Consolidated)



(Unit : KRW million)

B/S	2023.06.30	2022.12.31
Current Assets	386,864	366,112
Non-Current Assets	271,785	280,755
Total Assets	658,648	646,867
Current Liabilities	59,180	62,738
Non-Current Liabilities	6,773	9,769
Total Liabilities	65,953	72,508
Contributed Equity	17,655	17,655
Capital Surplus for Equity	149,814	149,814
Accumulated Other Comprehensive Income for Equity	1,212	438
Elements of Other Stockholder's Equity	(70,798)	(79,120)
Retained Earnings	492,581	483,328
Non-Controlling Interests	2,231	2,245
Total Equities	592,695	574,360
Total Liabilities and Equities	658,648	646,867

Summary of F/S (Consolidated)



(Unit : KRW million)

I/S	2023		2022	
	2Q	1H	2Q	1H
Revenue	42,497	85,284	69,594	139,443
Game Sales	42,471	85,233	69,536	139,338
Others	26	51	58	105
Operating Expenses	30,651	63,694	43,965	91,525
Operating Profit	11,846	21,590	25,629	47,918
Profit (loss) before tax	17,293	34,117	30,195	56,642
Corporate Tax	4,122	8,259	9,585	17,313
Net Income	13,171	25,859	20,610	39,330
Other Comprehensive Income	(403)	327	307	302
Total Comprehensive Income	12,768	26,186	20,917	39,632
Controlling Interests	12,774	26,203	20,918	39,646
Non-Controlling Interests	(7)	(17)	(1)	(15)

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