

1Q20

Earnings Release

2020.05.07

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.

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.

Summary of Financial Results

[Consolidated]

(Unit : KRW million)

	1Q20	4Q19	QoQ	1Q19	YoY
Revenue	34,359	43,830	-22%	41,484	-17%
Game Sales	34,247	43,747	-22%	41,480	-17%
Others	113	83	36%	4	2,887%
Operating Expenses	24,800	29,096	-15%	32,304	-23%
Operating Profit	9,560	14,734	-35%	9,179	4%
Income before tax	10,610	12,619	-16%	12,568	-16%
Income tax expenses	3,752	3,408	10%	2,558	47%
Net Income	6,858	9,211	-26%	10,009	-31%
Other comprehensive income	288	(712)	-	(42)	-
Total comprehensive income	7,145	8,498	-16%	9,968	-28%

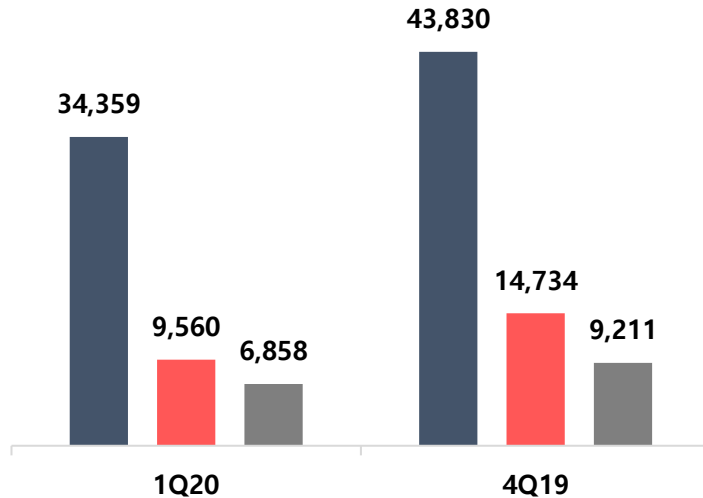
Result Analysis(Consolidated)



- Revenue 34.4b (QoQ ↓ 22%, YoY ↓ 17%)
- Operating Profit 9.6b (QoQ ↓ 35%, YoY ↑ 4%)
- Net Income 6.9b (QoQ ↑ 26%, YoY ↓ 31%)

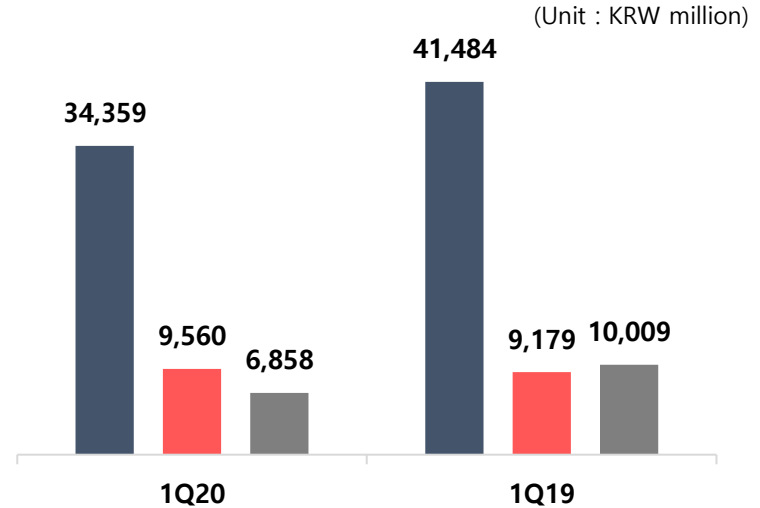
QoQ

■ Revenue ■ Operating Profit ■ Net Income



YoY

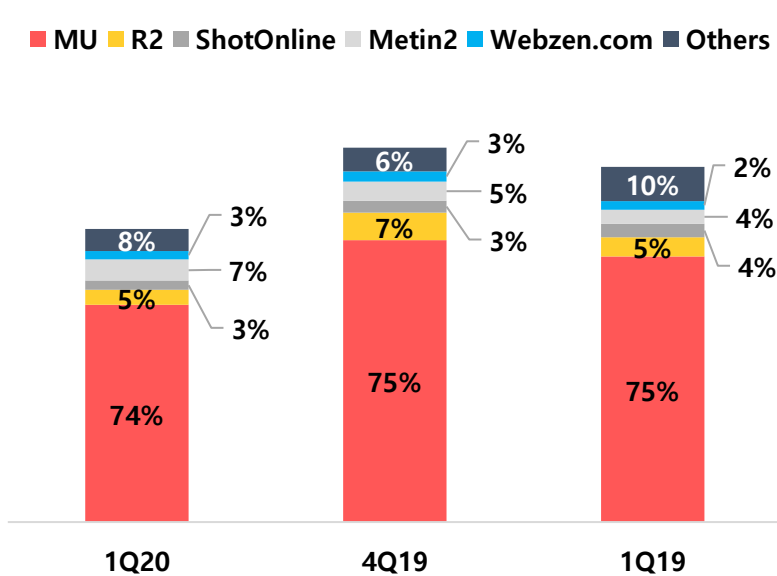
■ Revenue ■ Operating Profit ■ Net Income



Sales Breakdown(Consolidated)

- MU 25.4b (QoQ ↓ 23%, YoY ↓ 18%)
- R2 1.8b (QoQ ↓ 45%, YoY ↓ 22%)
- ShotOnline 1.1b (QoQ ↓ 21%, YoY ↓ 30%)
- Metin2 2.5b (QoQ ↑ 10%, YoY ↑ 52%)

Sales breakdown



(Unit : KRW million)

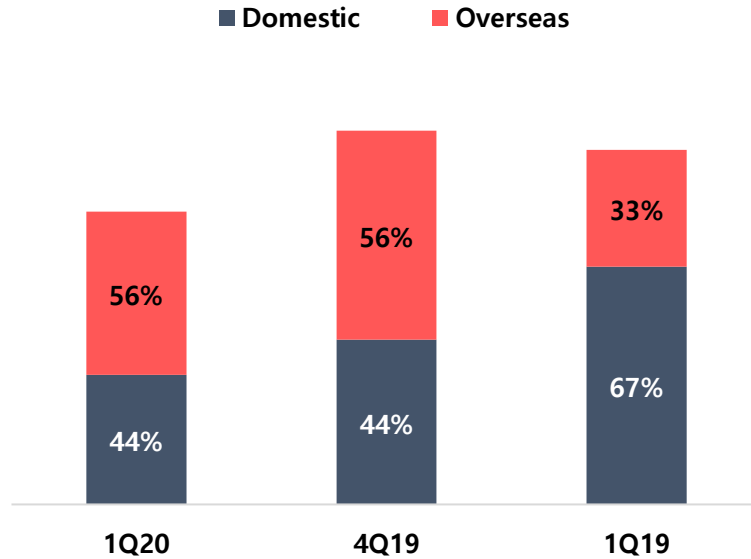
	1Q20	4Q19	1Q19
Total	34,247	43,747	41,480
MU(*)	25,367	32,942	31,040
R2	1,759	3,213	2,246
ShotOnline	1,093	1,377	1,571
Metin2	2,477	2,253	1,630
Webzen.com	959	1,181	1,007
Others	2,591	2,781	3,986

(*) 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 : 15.2b (QoQ ↓ 21%, YoY ↓ 45%)
- Overseas Sales : 19.1b (QoQ ↓ 22%, YoY ↑ 40%)
- Portion of Overseas : QoQ ↓ 0.2%P, YoY ↑ 23%P

Sales breakdown



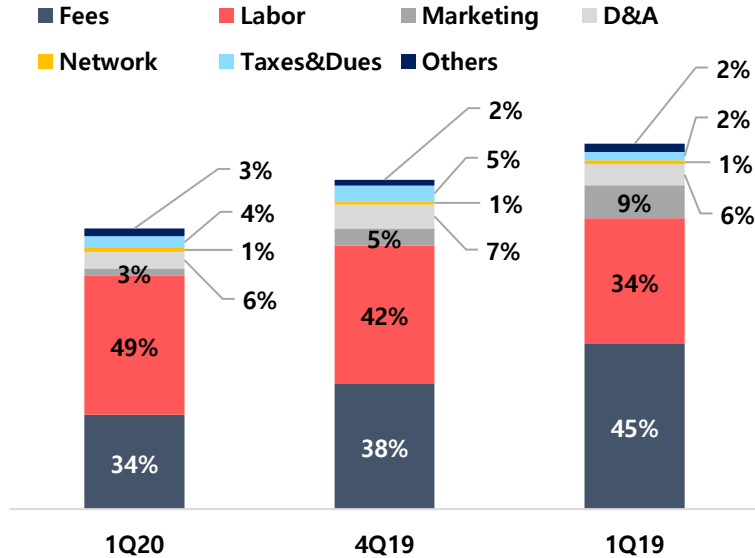
(Unit : KRW million)

	1Q20	4Q19	1Q19
Total	34,247	43,747	41,480
Domestic	15,159	19,269	27,802
Overseas	19,088	24,478	13,678

Expenses Breakdown(Consolidated)

- Operating Expenses 24.8b (QoQ ↓ 15%, YoY ↓ 23%)
 - Fees 8.3b (QoQ ↓ 24%, YoY ↓ 43%)
 - Labor tendencies 12.3b (QoQ ↑ 0.3%, YoY ↑ 10%)
 - Marketing 0.65b (QoQ ↓ 57%, YoY ↓ 78%)

Expenses Breakdown



(Unit : KRW million)

	1Q20	4Q19	1Q19
Total	24,800	29,096	32,304
Fees	8,349	11,050	14,590
Labor	12,260	12,227	11,105
Marketing	654	1,534	2,922
D&A	1,485	2,117	1,879
Network	330	278	345
Taxes & Dues	1,041	1,383	731
Others	681	506	732

Summary of F/S(Consolidated)

(Unit : KRW million)

B/S	2020.03.31	2019.12.31
Current Assets	257,401	238,374
Non-Current Assets	166,200	175,588
Total Assets	423,600	413,962
Current Liabilities	46,015	42,305
Non-Current Liabilities	15,474	16,042
Total Liabilities	61,489	58,348
Contributed Equity	17,655	17,655
Capital Surplus for Equity	149,785	149,834
Accumulated Other Comprehensive Income for Equity	(122)	(432)
Elements of Other Stockholder's Equity	(49,366)	(48,718)
Retained Earnings	243,935	237,019
Non-Controlling Interests	224	255
Total Equities	362,112	355,615
Total Liabilities and Equities	423,600	413,962

Summary of F/S(Consolidated)



(Unit : KRW million)

I/S	1Q20	4Q19	1Q19
Revenue	34,359	43,830	41,484
Game sales	34,247	43,747	41,480
Others	113	83	4
Operating expenses	24,800	29,096	32,304
Operating Profit	9,560	14,734	9,179
Profit (loss) before tax	10,610	12,619	12,568
Income tax expense	3,752	3,408	2,558
Net Income	6,858	9,211	10,009
Controlling interests	6,945	9,295	10,100
Non-controlling interests	(88)	(84)	(91)
Other comprehensive income	288	(712)	(42)
Total comprehensive income	7,145	8,498	9,968
Controlling interests	7,226	8,588	10,056
Non-controlling interests	(81)	(90)	(88)

Thank you