

Hyundai Green Food

2022 Q3 Business Results

The following report is provided for the convenience of investors and the contents herein are based on the internal analysis. Please note that estimates and projections about future events **may differ due to changes in business environment and strategy.**

The business results are based on K-IFRS that had not been reviewed by an independent auditor.

As the following is provided on the knowledge that the investors make their own independent decision about the prospects of the company.

The Company does not take any legal responsibility regarding investor's investment decision.

11.10. 2022

❖ Income Statement

Unit : KRW bn, %

	3Q '21	3Q '22	YoY	YoY(%)	'21 (1-3Q)	'22 (1-3Q)	YoY	YoY(%)
Sales Revenue	445	525	80	18.1	1,245	1,414	169	13.6
Gross Profit	70	91	21	29.8	206	248	42	20.6
%	15.8	17.4			16.5	17.6		
SG&A	60	69	10	16.1	168	189	21	12.5
Operating Profit	11	22	11	105.1	38	59	22	57.1
%	2.4	4.2			3.0	4.2		
Other non-profit Income/Expense	0.4	-3	-4		2	-3	-5	
Finance Income/ Cost	1.5	2.2	0.7	52.6	58	18	-40	-68.6
Pretax Profit	13	21	8	65.8	98	75	-23	-23.7
%	2.8	4.0			7.9	5.3		
Net Profit	10	16	6	60.7	86	57	-29	-33.6
%	2.2	3.0			6.9	4.0		

- Increase in OP due to overall increase in Sales and improvement of profitability * GPM : overall +1.6%p
 - While increase in cost(cost, SG&A) burden is continuous, profitability is improved by offsetting the cost burden with increased sales and increased efficiency
 - SG&A : labor cost +2 KRW bn, rent/commission +3 KRW bn, logistics cost +3 KRW bn
- Pretax Profit : Increase in Pretax Profit by 8 KRW bn due to the effect of increased OP
 - (Cumulative) Finance Income/Costs : Hyundai Dream Tour executed one-time cash dividend of 40 KRW bn (2021)

❖ Results by Business (3Q)

Unit : KRW bn, %

	Sales				Operating Profit			
	3Q '21	3Q '22	YoY	YoY(%)	3Q '21	3Q '22	YoY	YoY(%)
Food Service	175	205	30	17.2	1	4	3	259.4
Food Distribution	121	151	30	24.7	7	11	4	54.4
Retail	109	112	2	2.2	5	6	1.1	24.8
Restaurant Business	35	49	14	40.8	-2	2	3	T/P
Etc.	5	8	4	84.8	-0.7	-0.7	0	

- Food Service : Increase in number of meals (employees work from home ↓) and improvement of profit in overseas business (Saudi Marjan's process rate ↑)
- Food Distribution : Started supplying food to military and expanded new contracts
- Restaurant Business : Sales of existing stores increased due to better business environment, new stores continuously showing good performance (The Hyundai Seoul, etc.)
- Etc. : Sales increase in Food manufacturing (expansion of marketing/promotion)

❖ Results by Business (3Q Cumulative)

Unit : KRW bn, %

	Sales				Operating Profit			
	'21 (1-3Q)	'22 (1-3Q)	YoY	YoY(%)	'21 (1-3Q)	'22 (1-3Q)	YoY	YoY(%)
Food Service	492	561	69	13.9	14	21	7	48.0
Food Distribution	349	410	60	17.3	20	29	9	42.9
Retail	288	291	3	1.2	8	9	1	15.5
Restaurant Business	103	132	29	27.9	-1	3	4	T/P
Etc.	13	21	8	58.8	-3	-3	0.5	

- Food Service : Increase in number of meals (clients work from home ↓), renewal of contracts, improvement of profitability in overseas business
* New project overseas: Saudi Arabia(Marjan), Iraq(Basrah)
- Food Distribution : Despite worsened logistics environment, economy of scale was achieved through strengthening profit management by single products
- Restaurant Business : 1Q) sluggish performance due to Covid19 → 2Q,3Q) rebound in performance
* Sales growth(new stores not included) : 1Q 1.3% → 2Q 13.2% → 3Q 27.4%
- Etc. : Sales growth in Food manufacturing

❖ Income Statement

Unit : KRW bn, %

	3Q '21	3Q '22	YoY	YoY(%)	'21 (1-3Q)	'22 (1-3Q)	YoY	YoY(%)
Sales Revenue	894	1,016	122	13.6	2,581	2,871	290	11.2
Gross Profit	150	176	26	17.6	450	496	46	10.1
%	16.7	17.3			17.5	17.3		
SG&A	136	148	12	8.9	388	420	32	8.1
Operating Profit	14	28	14	101.6	62	76	14	22.5
%	1.6	2.8			2.4	2.7		
Other non-profit Income/Expense	4	2	-2	-54.4	8	5	-3	-32.8
Finance Income/ Costs	2	0.9	-0.6	-42.0	9	8	-1	-14.1
Equity method Gain/Loss	23	11	-11	-49.6	48	33	-15	-31.7
Pretax Profit	42	42	0.3	0.7	126	121	-5	-3.9
%	4.7	4.2			4.9	4.2		
Net Profit	32	31	-0.6	-2.0	94	92	-2	-1.8
%	3.6	3.1			3.6	3.2		

- **Hyundai Green Food, Hyundai Everdigm** showing rebound in performance while **Hyundai Livart** showing sluggish performance (OP -4 KRW bn)
- Equity method G/L : Hyundai Homeshopping -6 KRW bn, Hyundai Futurenet -7 KRW bn

❖ Earnings Analysis by Companies (3Q)

Unit : KRW bn, %

	Sales				Operating Profit			
	3Q '21	3Q '22	YoY	YoY(%)	3Q '21	3Q '22	YoY	YoY(%)
Hyundai Green Food	445	525	80	18.1	11	22	11	105.1
Hyundai Livart	351	364	14	3.9	4	0.3	-4	-92.1
Hyundai Everdigm	76	92	16	21.5	-0.6	5	5	T/P
C&S Food System	8	9	1	13.2	0.3	0.1	-0.2	-74.5
Hyundai DreamTour	1	5	4	290.2	-2	0.6	2.4	T/P
Hyundai IT&E	12	14	3	23.1	0.5	1	0.5	105.8
Etc.	2	6	4	207.0	0.8	-0.5	-1	

※ Etc. : China(Beijing / Shandong / Shanghai), Mexico, USA(4Q'21 New), Vino H(1Q'22 New), consolidated adjustments

- Hyundai Livart : Worsened GPM due to the rise in raw material price / sharp decline in housing sales (3Q GPM QoQ -58.6%)
- Hyundai Everdigm : Rising resources prices and increased exchange rate contributed to improving OP
- Hyundai DreamTour : Demand for the business trip on the rise contributed to rebound in performance

❖ Results by Business (3Q Cumulative)

Unit : KRW bn, %

	Sales				Operating Profit			
	'21 (1-3Q)	'22 (1-3Q)	YoY	YoY(%)	'21 (1-3Q)	'22 (1-3Q)	YoY	YoY(%)
Hyundai Green Food	1,245	1,414	169	13.6	38	59	22	57.1
Hyundai Livart	1,035	1,093	58	5.6	19	3	-16	-83.6
Hyundai Everdigm	236	271	35	14.7	3	12	9	314.7
C&S Food System	24	25	1	5.7	1	0.2	-1	-81.0
Hyundai DreamTour	3	11	8	262.8	-6	-0.6	5	
Hyundai IT&E	36	42	7	18.7	4	5	2	42.3
Etc.	2	15	12	511.5	4	-3	-7	

- Hyundai Livart : Despite Sales increase due to new B2B projects overseas(Iraq / Qatar), low sales volume of B2C/built in furniture business worsened Profit mix
- Hyundai Everdigm : Recovery in domestic construction business and increased demand in export
- Food Service Overseas
 - China : Decrease in profit due to regional lockdown
 - Mexico : Increased number of meals(KIA / TRANSLEAD) & expansion of remote business in Dos Bocas
 - USA (New, KIA Georgia) : Operating a stable surplus since its opening

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