

Hyundai Green Food 2021 Annual Results

The following report is provided for the convenience of our investors and the contents herein are based on the internal analysis.

Please note that estimates and projections about future events may vary based on changes
to the market condition or company's strategic direction.

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 accept any responsibility regarding investor's investment decision.

Income Statement

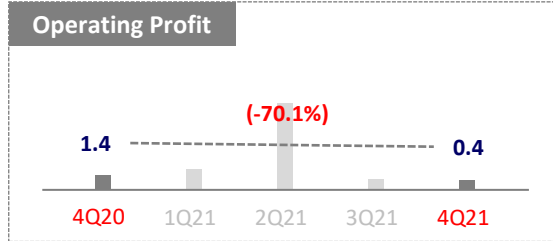
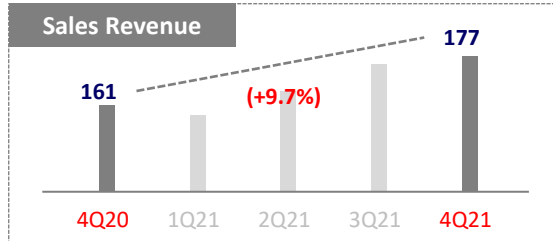
【Unit: Billion KRW, %】

Index	Quarter			Year		
	4Q'20	4Q'21	YoY (%)	'20	'21	Difference (%)
Sales Revenue	378	426	+12.9	1,513	1,671	+10.5
Gross Profit	58	65	+11.8	249	271	+8.6
%	15.3	15.2		16.5	16.2	
Operating Profit	6	6	-4.0	45	43	-4.2
%	1.5	1.3		3.0	2.6	
Pretax Profit	-7	-24		50	74	+48.5
%	-1.7	-5.7		3.3	4.4	
Net Profit	-7	-26		38	61	+60.8
%	-1.7	-6.0		2.5	3.6	

4Q

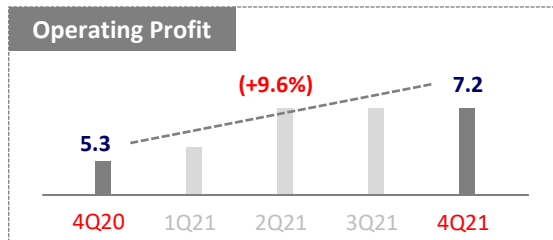
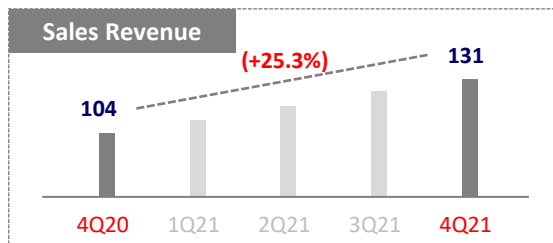
- Food Distribution, Food Service, Restaurant Division's Sales are on the rise and the percentage of Gross Profit remained the same with last year. However, due to the **increase in SG&A expense** there was a slight decrease in operating profit.
- Pretax Profit: **Increase in impairment loss cost** (+19bil KRW, Everdigm/IT&E) and **Increase in Dividend Income** (+42bil KRW, Dream Tour)

Food Service



- Increase in Sales Revenue due to an increase in price of menus with main clients
 - Recent consensus on improving the quality of meals lead to the increase in price of menus
 - Additional sales revenue realized by responding to new needs/trends in Food Service
- * Food Service → Food Service + Cafeteria + Pub + Snack bar + Take out / HMR
- Due to the pandemic, demand of meals decreased while the fixed cost(labor cost, SG&A) remained the same which resulted in the decline in Operating Profit
 - Setback in operating business (laboratory, office, and training institutes)
 - Increase in number of clients working from home
 - Decrease in number of meals served overseas

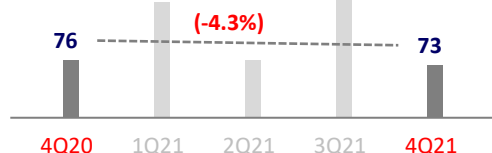
Food Distribution



- Increase in Sales Revenue due to an expansion of new contracts(20bil KRW → 75bil KRW) and recovery of existing clients(distributors/hospitals/welfare center)
 - By newly operating distribution center in Pyeongtaek, it enabled the expansion of sales coverage to southern part of metropolitan area
- Distribution cost increased along with the increase of sales revenue (expansion of dispatch, newly operating distribution center), but the cost burden is expected to be temporary as the trend of increase in sales continues.
 - Improvement of OPM: 4Q'20 5.1% → 4Q'21 5.5%

Retail

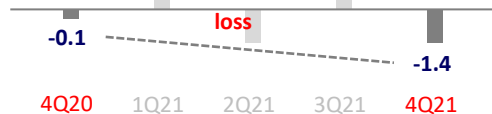
Sales Revenue



▪ Due to the pandemic, customers of Department Stores and major clients decreased which resulted in sluggish Sales Revenue.

- limitations: restrictions on face to face promotion and marketing, shortened business hours, and etc.

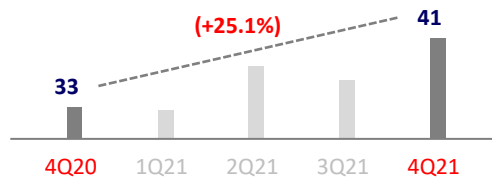
Operating Profit



▪ Decrease in Operating Profit due to declining Sales Revenue while fixed cost putting a strain.

Restaurant Business

Sales Revenue

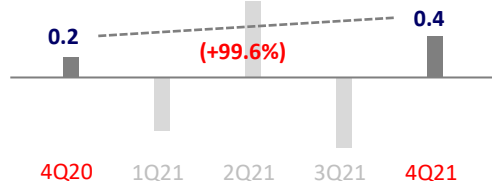


▪ Increase in Sales Revenue due to existing stores recovering from base effect and new stores showing strong performance.

- Sales Revenue recovered to the level of 2019

: 4Q'19 38bil KRW → 4Q'21 41bil KRW / Year 2019 140bil KRW → Year 2021 144bil KRW (+3.1%)

Operating Profit



▪ Although the cost concentrated at the time of new store's opening temporarily increases, It is expected to contribute to profit by rapidly stabilizing operation.

Income Statement

【Unit: Billion KRW, %】

Index	Quarter			Year		
	Q4'20	Q4'21	YoY (%)	'20	'21	Difference (%)
Sales Revenue	810	905	11.8	3,239	3,486	7.6
Gross Profit	127	134	6.0	551	585	6.2
%	15.6	14.8		17.0	16.8	
Operating Profit	2	-4		79	59	-25.4
%	0.3	-0.4		2.4	1.7	
Pretax Profit	-17	-70		104	56	-45.8
%	-2.1	-7.8		3.2	1.6	
Net Profit	-9	-58		82	36	-55.7
%	-1.1	-6.4		2.5	1.0	

4Q

- Main Subsidiaries (Hyundai Livart, Hyundai Everdigm) showing stagnant performance.
- **Increase in impairment loss cost of subsidiaries** (+48bil KRW, Everdigm/IT&E) and foreign currency-related profit (+11bil KRW)

Earnings Analysis by Companies

【Unit: Billion KRW, %】

Index	2020					2021					YoY (%)				
	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q
Sales Revenue	3,239	835	786	808	810	3,486	827	860	894	905	7.6	-0.9	9.4	10.6	11.8
Hyundai Green Food	1,513	381	351	403	378	1,671	403	397	445	426	10.5	5.9	13.0	10.4	12.9
Hyundai Livart	1,385	369	353	322	340	1,407	331	353	351	372	1.6	-10.4	0.0	8.9	9.2
Everdigm	264	64	64	64	73	318	73	87	76	82	20.6	14.8	36.8	19.4	12.7
C&S Food	32	8	8	8	8	32	8	8	8	8	0.3	3.0	-3.7	-1.0	2.9
Dream Tour	6	3	0.9	1	1	5	0.6	1	1	2	-16.5	-80.3	28.2	26.6	104.9
Etc	40	10	9	11	10	53	11	13	14	15	34.2	14.1	50.6	27.4	47.1
Operating Profit	79	31	22	23	2	59	22	26	14	-4	-25.4	-28.4	17.5	-39.9	T/D
Hyundai Green Food	45	13	11	15	6	43	11	16	11	6	-4.2	-21.5	46.2	-26.7	-4.0
Hyundai Livart	37	15	10	9	3	20	10	5	4	1	-46.1	-33.6	-50.0	-55.6	-64.2
Everdigm	3	1	2	-0.2	-0.5	-0.1	0.2	3	-0.6	-3	T/D	-81.0	38.2		
C&S Food	1	0.2	0.5	0.3	0.2	2	0.3	0.7	0.3	0.2	32.9	102.4	42.8	-8.3	17.7
Dream Tour	-6	0.1	-2	-2	-2	-7	-2	-2	-2	-2		T/D			
Etc	-2	2	0	1	-5	1	4	2	1	-6	T/P	140.0		7.1	

※ Etc : Hyundai IT&E, Corporation in China(Beijing, Shandong, Shanghai), Mexico, USA(4Q21 New), consolidated adjustments, and etc.

Hyundai Livart	<ul style="list-style-type: none"> ▪ Showing weak OP due to an increase in SG&A, although B2C (Living room/Kitchen) and office furniture sales have increased. ▪ Corporate Sales : Sales in Saudi Arabia decreased(end of the process, -92bil KRW), but it was counterbalanced as New site in Iraq and Qatar(+39bil KRW) and packing business have increased in sales.
Hyundai Everdigm	<ul style="list-style-type: none"> ▪ Rate of return decreased due to increased costs(raw material, transportation, etc) and intensified domestic price competition.

Main Points

- **Restoration of the existing business sectors to 2019-year level (before the COVID-19): Establishment of "Post-COVID-19" measures.**
 - Food Service : Improvement of food quality, meeting the needs of contact-free service, and improving labor cost efficiency by facilitating CK(Central Kitchen) food.
Depending on the degree of recovery in daily life, number of meals is expected to recover (reduced work from home), and eased cost burden by raising the price of menu to appropriate level.
Normalization of Saudi Arabia's operations (Peak in late 2021), performance of new countries (Iraq/USA), and expanding new contracts in China.
 - Food Distribution : Sales of Food Service/Restaurant are expected to increase
Focusing on the partners that generate stable profit while selectively expanding new contracts
Quantitative growth may stagnate due to an improvement of distribution risk management, thus planning to operate in profit-oriented way.
 - Restaurant : As restrictions due to the pandemic are eased, sales recovery is expected to accelerate.
Upgrade with existing brands based on the success of The Hyundai Seoul's new attempts(Food truck Piazza, Eataly, etc.)
Expansion of Texas Roadhouse(4 branches → 7 branches), Wine specialty store(Wine Works), and Casual Dining(H restaurant)

Guideline

Classification	【 BillionKRW,% 】			
	2019	2020	2021	2022 (E)
Sales Revenue	1,542	1,513	1,671	1,817
Food Service	626	611	668	720
Food Distribution	377	396	480	520
Retail	388	372	361	378
Restaurant	140	118	144	175
Etc	11	14	18	24
Operating Profit	67	45	43	70
<i>Opm</i>	<i>4.3</i>	<i>3.0</i>	<i>2.6</i>	<i>3.9</i>

*Sales Growth rate more than high-single,
Maintain the highest profit margin in the industry
(Expecting Opm recover to 4%)*

IR, ESG, Governance

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