

# Hyundai Green Food

## 2022 Q1 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 vary based on changes to the market condition or company's strategic direction.

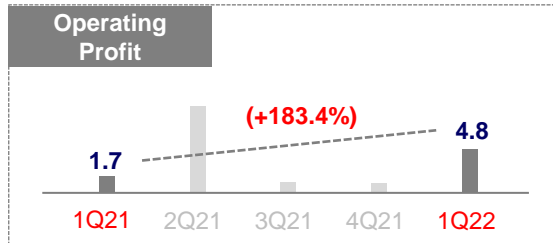
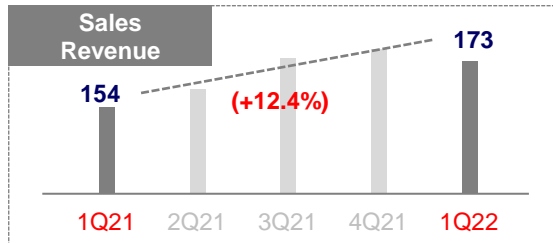
As the following is provided on the knowledge that the investors make their own independent decision about the prospects of the company, Hyundai Green Food does not take any legal responsibility regarding investor's investment decision.

## Income Statement

(Unit: KRW bn)	1Q'21	4Q'21	1Q'22	YoY (%)		QoQ (%)	
<b>Sales Revenue</b>	<b>403</b>	<b>426</b>	<b>445</b>		10.3		4.4
<b>Gross Profit</b>	<b>66</b>	<b>65</b>	<b>76</b>		15.8		18.1
<b>%</b>	16.4	15.2	17.2				
<b>Operating Profit</b>	<b>11</b>	<b>6</b>	<b>15</b>		42.3		167.9
<b>%</b>	2.6	1.3	3.4				
<b>Pretax Profit</b>	<b>67</b>	<b>-24</b>	<b>32</b>		-52.6		231.0
<b>%</b>	16.6	-5.7	7.1				
<b>Net Profit</b>	<b>62</b>	<b>-26</b>	<b>25</b>		-60.0		197.6
<b>%</b>	15.4	-6.0	5.6				

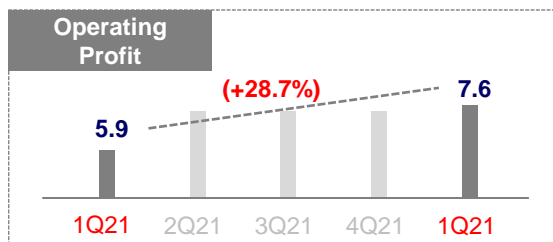
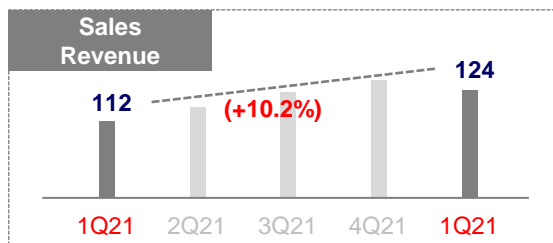
- Increase in Operating Profit due **to increased Sales Revenue and improved profitability**(GPM +0.8%p) of all business units.
  - GPM : Improved overall GPM with various cost-cutting activities and increased sales revenue despite increased prime cost burden (Food Service +1.8%p, Food Distribution +1.1%p)
- Pretax Profit : one-off dividend income of 40 KRW bn previous year (Hyundai Dreamtour)

## Food Service



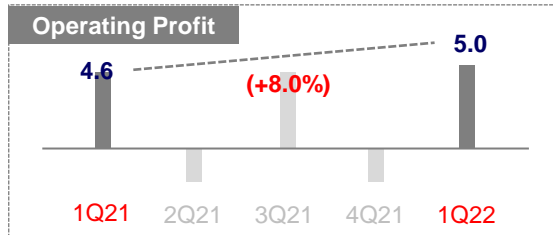
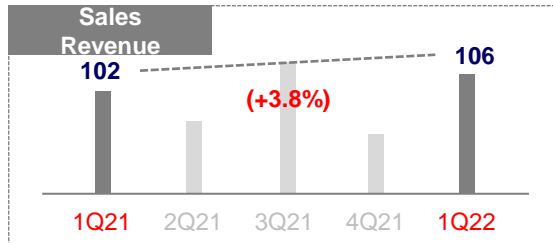
- With number of staffs work from home remained the same due to a resurgence of Covid and decrease of one business day compared to last year, the number of meals hasn't been recovered
- Sales Revenue and Operating Profit improved due to the increase in price of menus with main clients
  - Some clients(manufacturing industries) are expected to see recovery in number of meals
  - Improvement in profit is expected to accelerate depending on the level of daily recovery after 2<sup>nd</sup> quarter
- The number of meals of existing project(UAE / Kuwait) is decreasing but increasing process rate of new projects(Saudi Arabia) and sluggish performance 1Q'21 contributed to improvement in profit and loss
  - Additional new project(Iraq) starts operation in the 2<sup>nd</sup> quarter and expected to rebound in performance

## Food Distribution



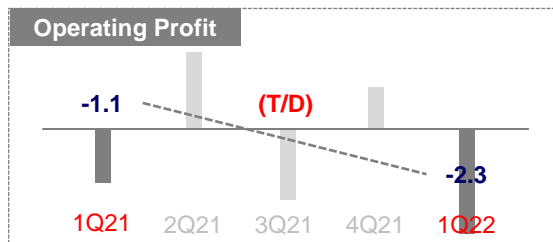
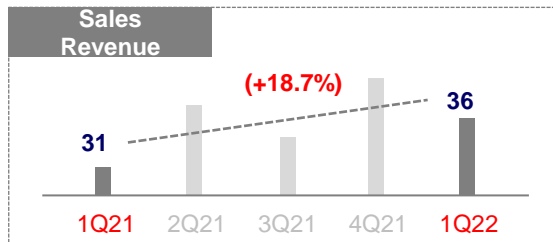
- Increase in Sales Revenue due to an expansion of new contracts and recovery of existing clients (distributors / hospitals / welfare center)
  - By newly operating distribution center in Pyeongtaek, enabled the expansion of sales coverage to southern part of Gyeonggi Province.
- With recently worsen logistics environment, logistics costs has increased
- In addition to increased sales, OPM was improved(5.3% → 6.1%) based on selective new contracts in terms of profits and profit management by single product in response to fluctuations in raw material prices.

## Retail



- Strong performance on Lunar New Year gift set
  - Strong performance of gift sets due to the social climate (refrain from going back home, preference on high price products).
- Due to a resurgence of Covid, the numbers of customers in grocery continues to be sluggish.
  - As the restrictions on face to face promotion get lifted, large-scale themed events and direct promotion activities will resume

## Restaurant Business



- Although Restaurant Business was partially affected by the resurgence of covid(Jan, Feb), recovery of performance of existing stores and new stores showing strong performance led to the level of pre-Covid performance (1Q'19 32KRW bn → 1Q'22 36KRW bn)
  - Sales recovery due to increased number of F&B customers at department store
  - New stores : THE HYUNDAI SEOUL(8 brands), Texas Roadhouse(Gimpo/Songdo), Take Hotel, etc.
- Hotel buffets / Wedding / Party events are still underperforming due to business constraints

## Income Statement

(Unit: KRW bn)	1Q'21	4Q'21	1Q'22	YoY (%)		QoQ (%)	
<b>Sales Revenue</b>	<b>827</b>	<b>905</b>	<b>932</b>		12.7		3.0
<b>Gross Profit</b>	<b>147</b>	<b>134</b>	<b>161</b>		9.3		20.0
<b>%</b>	<b>17.8</b>	<b>14.8</b>	<b>17.3</b>				
<b>Operating Profit</b>	<b>22</b>	<b>-4</b>	<b>23</b>		5.4		768.6
<b>%</b>	<b>2.7</b>	<b>-0.4</b>	<b>2.5</b>				
Equity Method Profit	16	-14	13		-17.1		195.6
<b>Pretax Profit</b>	<b>47</b>	<b>-70</b>	<b>45</b>		-5.9		163.5
<b>%</b>	<b>5.7</b>	<b>-7.8</b>	<b>4.8</b>				
<b>Net Profit</b>	<b>37</b>	<b>-58</b>	<b>33</b>		-10.5		157.0
<b>%</b>	<b>4.4</b>	<b>-6.4</b>	<b>3.5</b>				

- **Hyundai Green Food, Hyundai Everdigm** showing strong performance while **Hyundai Livart** showing sluggish performance (OP -7 KRW bn)
- Equity Method Profit decreased 17.1% YoY due to a decrease in Net Profit of Hyundai Homeshopping and Hyundai Ezwel

(Unit: KRW bn)	2021					2022					YoY(%)				
	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q
<b>Sales Revenue</b>	<b>827</b>	<b>827</b>	<b>860</b>	<b>894</b>	<b>905</b>	<b>932</b>	<b>932</b>				<b>12.7</b>	<b>12.7</b>			
Hyundai Green Food	403	403	397	445	426	445	445				10.3	10.3			
Hyundai Livart	331	331	353	351	372	369	369				11.4	11.4			
Everdigm	73	73	87	76	82	90	90				23.6	23.6			
C&S Food	8	8	8	8	8	8	8				-1.4	-1.4			
Dream Tour	0.6	0.6	1	1	2	2	2				238.9	238.9			
Etc	11	11	13	14	15	18	18				60.5	60.5			
<b>Operating Profit</b>	<b>22</b>	<b>22</b>	<b>26</b>	<b>14</b>	<b>-4</b>	<b>23</b>	<b>23</b>				<b>5.4</b>	<b>5.4</b>			
Hyundai Green Food	11	11	16	11	6	15	15				42.3	42.3			
Hyundai Livart	10	10	5	4	1	3	3				-70.3	-70.3			
Everdigm	0.2	0.2	3	-0.6	-3	5	5				1,959.8	1,959.8			
C&S Food	0.3	0.3	0.7	0.3	0.2	0	0				-113.6	-113.6			
Dream Tour	-2	-2	-2	-2	-2	-1	-1				T/D	T/D			
Etc	4	4	2	1	-6	2	2				-38.9	-38.9			

※ Etc : Hyundai IT&E, Corporation in China(Beijing / Shandong / Shanghai), Mexico, USA, Vino H(1Q'22 New), consolidated adjustments, and etc.

## Earnings Analysis by Companies

Hyundai Livart	<ul style="list-style-type: none"> <li>▪ Despite the decrease in housing sales, B2C (Living room / Kitchen) sales increased but the performance was sluggish due to the decrease in Built-in supply site and fluctuation in supplying schedule (Sales Revenue -6 KRW bn) <ul style="list-style-type: none"> <li>· number of housing sales : 1Q'21 279,809 cases → 1Q'22 138,349 cases (-50.6%)</li> </ul> </li> <li>▪ Sales increase due to <b>new B2B projects</b> overseas +30 KRW bn (Iraq / Qatar), Office furniture +6 KRW bn *temporary construction work</li> <li>▪ Decrease in profit due to change in Sales Mix, rising prices of raw materials(PB/MDF +40%), and increased SG&amp;A costs due to an expansion of dealerships</li> </ul>
Hyundai Everdigm	<ul style="list-style-type: none"> <li>▪ Overall Sales Increase : Recovery in domestic construction business (concrete pump cars, tower cranes), increase in global sales(Hong Kong / Peru / Middle East), carry over of previous year performance (fire truck +3 KRW bn)</li> <li>▪ Improvement of GPM (10% → 14.4%) by disposing business units with poor performance (Construction business -1 KRW bn), carrying over of fire truck performance, and sales increase</li> </ul>
Food Service Overseas	<ul style="list-style-type: none"> <li>▪ China : New sales in Shanghai corporation(April, 2021) and increased sales in Shandong corporation</li> <li>▪ Mexico : Profit deficit due to initial business costs (accommodation and additional facilities construction cost) despite of increase in number of meals(KIA / TRANSLEAD) and increase in sales with expansion of remote business in Dos Bocas</li> <li>▪ USA (New, KIA Georgia) : operating a stable surplus since its opening</li> </ul>
Vino H	<ul style="list-style-type: none"> <li>▪ incorporated in April, 2022 / expected to operate in 2<sup>nd</sup> ~3<sup>rd</sup> quarter</li> </ul>

IR, ESG, Governance

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