

K Car Announces First Quarter 2024 Results

Seoul, Korea – May 9, 2024 – K Car, Inc. (381970.KS), the largest CPO (Certified Pre-Owned vehicle) company in Korea, today announced financial results for the quarter ended March 31, 2024 based on the preliminary financial results under K-IFRS standards.

K Car achieved its highest quarterly performance since its inception, with sales reaching 604.4 billion won, representing a growth of 16.8% compared to the same period last year. Operating profit recorded 17.6 billion won, a growth of 33.4% compared to the same period last year.

This record breaking result was driven by increasing inventory turnover through AI-based market demand forecasting, and enhancing the operational efficiency of sales and procurement channels. Additionally, efforts to improve the quality of customer service, such as upgrading the UI/UX of the website and application (app), as well as improving the offline store environment, also supported qualitative enhancements.

Both retail and wholesale auction unit sales contributed to revenue growth. The used car sales volume in the first quarter reached a record high of 40,093 units, up 7.7% from the same period last year.

Retail sales volume recorded 30,612 units, a 3.2% increase from the same period last year. Among them, the sales volume of e-commerce service 'Home Service', which accounts for the highest proportion of retail sales, increased by 1.3% compared to the same period last year, while offline sales increased by 5.6%.

Wholesale auction unit sales also significantly contributed to revenue growth. The number of direct auction sales at K Car's Osan and Sejong auction centers increased by 25.7% compared to the same period last year, reaching 9,481 units (excluding consignment sales). K Car is preparing to open a third auction center in the Gyeongsang region to further expand its B2B customer base.

Advanced inventory management, which resulted in reduced inventory turnover days, significantly contributed to enhancing profitability. The inventory turnover days for the first quarter decreased to 31 days, a substantial reduction compared to 33 days for the same period last year and 40 days for the previous quarter. As a result, the retail margin per unit improved by 12.8% compared to the same period last year and 10% compared to the previous quarter, reaching 1.57 million won. Additionally, revenue from high-profit sales, such as K Car Warranty (KW) increased by 15.3% compared to the same period last year.

K Car will continue to strengthen its market dominance to sustain growth accompanied by profitability improvement. As the used car market undergoes a transformation led by corporate entities, K Car plans to persistently enhance its services to meet the evolving expectations of consumers. Furthermore, it intends to expand its B2B services targeting companies entering the used car market.

Inguk Jung, CEO of K Car, stated, "Even in a changing market environment, we achieved the highest quarterly sales by focusing on growth based on customer-first service." He further commented, "With Korea's largest integrated network combining online and offline, the largest pool of used car specialists, and highly competitive customer service, K Car will further strengthen its market dominance".