

INVESTOR RELATIONS

MAY VER. 2019
(English)



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- OUTBOUND BUSINESS
- INBOUND BUSINESS
- HOTEL BUSINESS
- DFS BUSINESS
- CULTURE BUSINESS
- GLOBAL BUSINESS
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INTRODUCTION



HanaTour

Global No.1 Culture & Tourism Retail Group

OUTBOUND

HanaPack

HanaFree

ZEUS^{world}
by HanaTour

INBOUND

LAND OPERATOR

 HanaTour ITC



HOTEL

 CENTERMARK
Hotel / Seoul

 Tmark City Hotel
SAPPORO

 Tmark Hotel
MYEONGDONG

 Tmark Grand
HOTEL / SEOUL

DFS

 SM DUTYFREE
Incheon Airport

 SM DUTYFREE
Seoul Downtown

 SM DUTYFREE
On-line

GLOBAL BIZ

Global Network

Global Hotels

VISA CENTER

ENTERTAINMENT

 HanaTicket



No.1 Outbound Travel Agent for 21 Consecutive Years

1993~2000

2001~2010

2011~2015

2016~



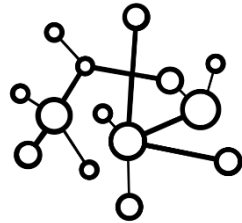


MARKET LEADING SCALE AND DIVERSE ON/OFFLINE CHANNELS



Loyalty

19.9million HNT Customers
6.8million HNT Members



Channels

1,009 Authorized Reservation Centers
5,114 Mom & Pops
1,470 Affiliates



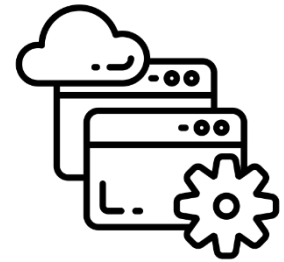
Online/Mobile

WWW.HANATOUR.COM
WWW.HANAFREE.COM



Global Networks

27 Overseas Subsidiaries
55 Global Networks in Total



IT System

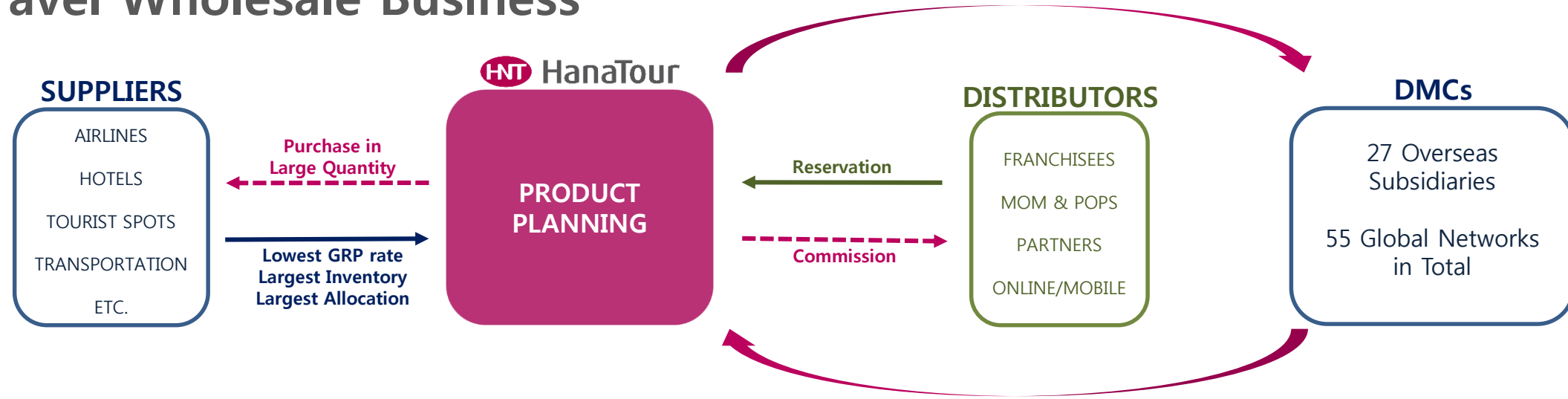
Global BIZ system
Agency Support System

OUTBOUND BUSINESS




BUSINESS MODEL & CORE COMPETITIVENESS

Travel Wholesale Business




COMPETITIVE ADVANTAGE

► PRODUCT PLANNING

-  - 150,201 Hotels / 123 Air Carriers
- 18,713 Ready-made Products

► Ground Handling

-  - Overseas DMCs care customers in destinations
- Possible to collect customers' preferences

[As of 1Q, 2019]

KOREAN OUTBOUND MARKET OUTLOOK

KOREA'S OUTBOUND MARKET & HANATOUR VOLUME



[Source: HanaTour Internal Data, Tourism Bureaus of Korea]

MARKET TRENDS

- 2019(E) : Approximately 28.7 million Koreans expected to travel overseas
- 2030(E) : Approximately 95% of Korean population expected to travel overseas

Evidence of Growing Demands :

1. Growing Income of Korea

- GNI per Capita Trends from 2016 to 2018
 - ① 2016 \$27,171
 - ② 2017 \$27,681
 - ③ 2018 \$29,745

2. Koreans Traveling More Frequently

- Active Korean travelers take approximately 2.6 overseas trips per year

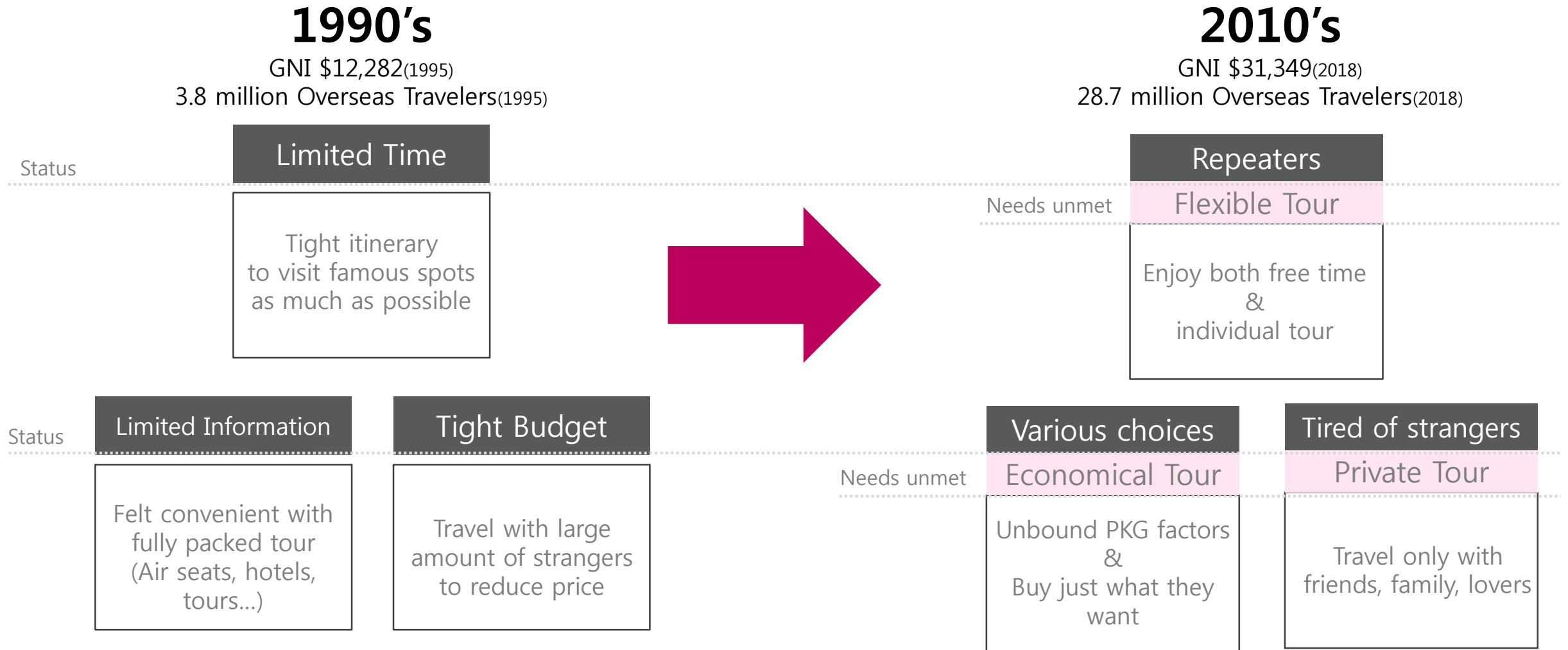
(Source: Bank of Korea, Korea Tourism Organization)

CHANGING MARKET OUTLOOK

TRAVEL CONSUMPTION TREND

HOTEL&AIR SUPPLY INCREASE

DIVERSE DIGITAL CHANNELS



CHANGING MARKET OUTLOOK

TRAVEL CONSUMPTION TREND

HOTEL&AIR SUPPLY TREND

DIVERSE DIGITAL CHANNELS

Hotel & Air supply Trend



- Air supply: over 1 million flight
- Increasing number of LCC(Domestic/Global)
- Diversified air routes
- Intl' aviation agreement with China(mar 18') leading air seat increase



- Diversified Hotel types: apartments, chalets, cottages, igloos, etc.
- Diversified booking channels: Meta Search System, Sharing economy, etc

Digital channel trend

Online Channels

Presence of Online channels in Travel industry increases

Digitalization

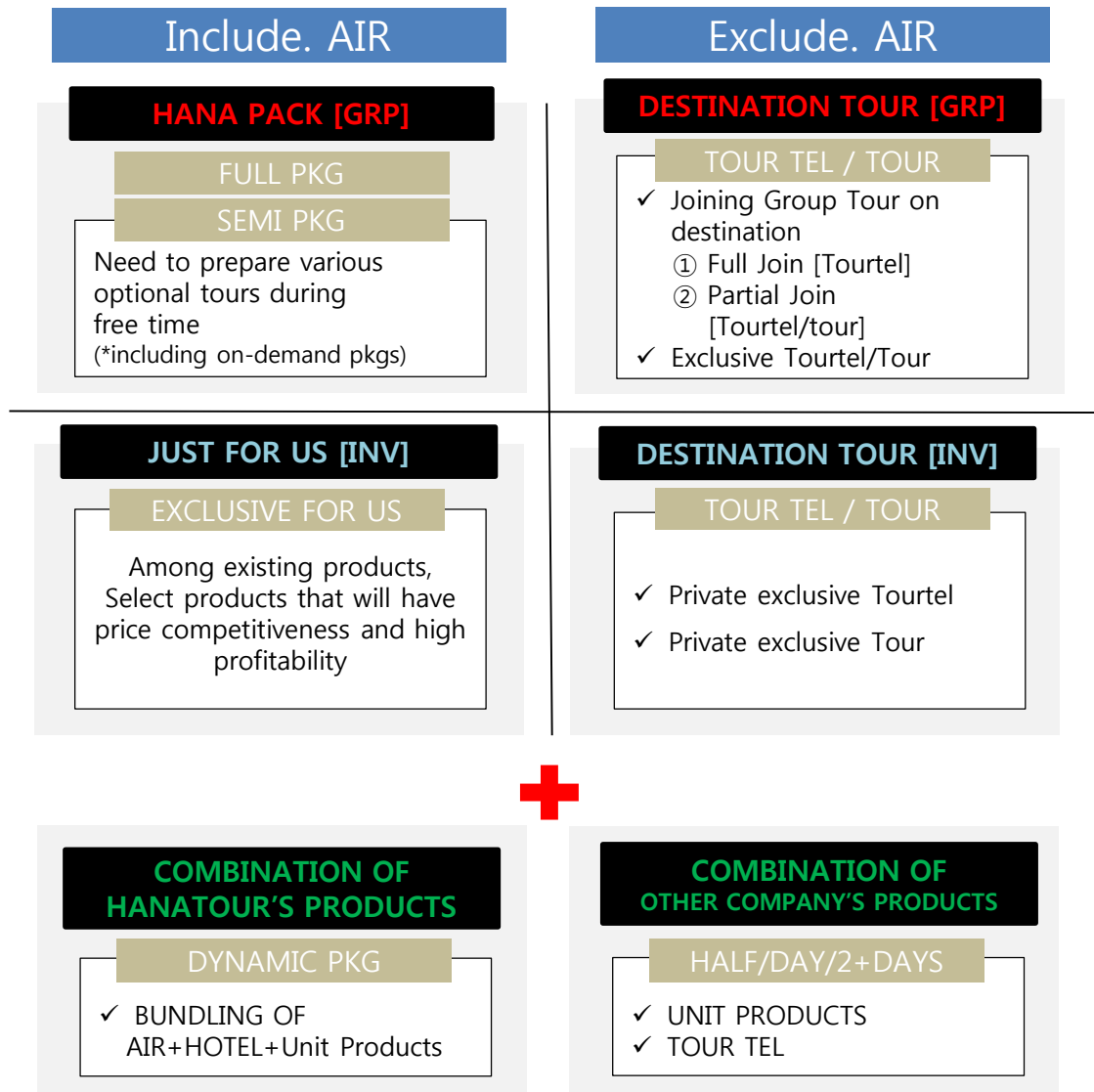
Diverse channels are becoming digitalized



Purposes

Commercial & Information purposes

HANATOUR NEW STRATEGY



► New travel consumption trend

- Flexible: Select individual itinerary
- Private: Possible to travel without any strangers
- Economical: Select only what customers want from hotel, air seat, on-site trip...

► Diversified Suppliers

- Expanded Inventory
- New global partners

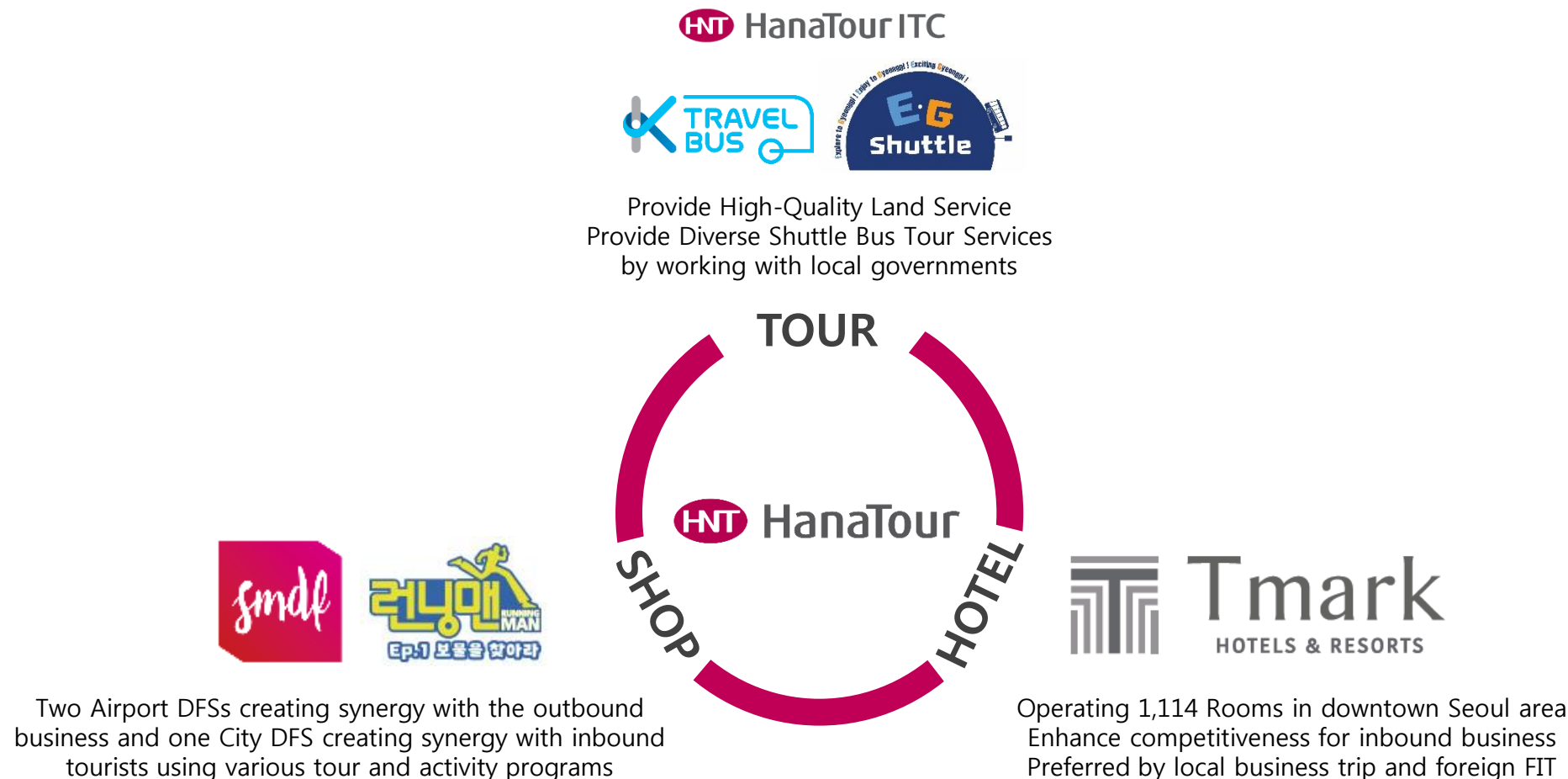
► Digitalized Channel

- Digital transformation: New Generation platform
- UX/UI: convenient for customers to buy innovated products

INBOUND BUSINESS



“Creating Synergy Using Existing Infrastructure”



- Inbound land service is operated HANATOUR ITC Inc.
- HANATOUR ITC Inc. is a 100% owned inbound subsidiary of Hanatour
- 29 overseas offices of HNT are local sales agents of HANATOUR ITC



FIT Business

Provide City tour, Concert, Ticket, Shuttle tour service to FIT customers



Tour Desk

Operating tour desk for foreign tourists (Seoul station, Hongik univ., Dongdaemun)



Medical Tour

Experience Korea's high quality medical services (body check up, petit care , plastic surgeon)



Package Tour

High Quality package tour designed to satisfy various customer's needs



Korean Waves Tour

Experience popular entertainer's performance Visit movie, drama sets



The Third Nation Tour

Provide global-bound services to foreigner and overseas Korean using 29 global branch



Discover Korea

High quality Korea Discovery Products for foreigners



MICE

International conference, exhibition and incentive tour related service



Retirement & School Field Trip

Incentive tours designed for retired or student



Korea Homeland Tour

Tour for overseas Koreans to experience their homeland

HOTEL BUSINESS

Domestic



Midscale Business Hotel

- Opened in 2012 / Insa-dong
- Operating 250 Rooms



Midscale Business Hotel

- Opened in 2013 / Myeongdong
- Operating 288 Rooms



Upscale Business Hotel

- Opened in 2016 / Hoehyeon Stn.
- Operating 576 Rooms, Pool, F&B

Global



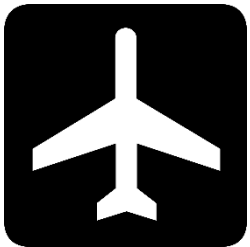
Active marketing and sales
using global networks

Maintain asset light structure
by Master lease

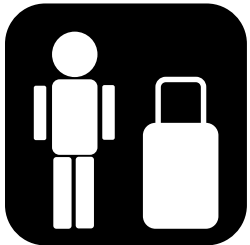
Operating 1,114 Rooms
in downtown Seoul area
Enhance competitiveness
for inbound business

Expand T-Mark's Hotel
Management Business in both
Korea and overseas

DFS BUSINESS & STRATEGY



- Loss Making Business for past 4 years ; Bigger Competition, Less Visitors to Korea
→ Better Relationship between Korea-China Government
- High Marketing Expense + Tour Guide Commission, Asset heavy to maintain inventories
→ Utilization of Own Inbound Subsidiary + Change in product line-up to stay asset light as possible



- T1 : More than 50% of PKG customers use Aisana + LCC, Synergy with Main Business
- T2 : Higher return with lower Rent fee, 30% of HanaTour Customers use Korean Air (higher spenditure)
- Down Town : Good Location, Co-operation with Inbound tour companies to capture Group Tourists
- Arrival Duty Free from 31st May, 2019 → Expecting Operating Profit from 1st Year with sales of Liquor and Cosmetics

GLOBAL BUSINESS



OVERSEAS NETWORKS

14 Overseas Subsidiaries in 12 Countries

- | | |
|--|---|
| 01. HANATOUR USA INC | 08. HANATOUR EUROPE LTD _ London |
| 02. HANATOUR CHINA | 09. HANATOUR PTY LTD _ Australia |
| 03. HANATOUR HONGKONG CO., LTD. | 10. HANATOUR EU GmbH _ Germany |
| 04. HANATOUR TAIWAN SERVICE INC. | 11. BEIJING HANA INFORMATION TECHNOLOGY CO.,LTD |
| 05. HANATOUR JAPAN Co., LTD | 12. CAMLAO HANATOUR CO., LTD. |
| 06. HANATOUR SERVICE (M)SDN.BHD _ Malaysia | 13. HANATOUR VIETNAM COMPANY LIMITED |
| 07. HANATOUR PTE. LTD _ Singapore | 14. HANATOUR PHILIPPINES CORP. |

55 Global Networks in Total

- | | |
|---|--|
| 01. U.S.A
- Los Angeles, Las Vegas, Hawaii, New York | 04. Japan
- Tokyo, Hokkaido, Kyushu, Osaka, Okinawa, Sapporo, Fukuoka |
| 02. China
- Beijing, Shanghai, Qingdao, Xian, Zhangjiajie | 05. South Pacific
- Guam, Saipan, Auckland, Sydney, Palau |
| 03. Asia
- Taiwan, Hong Kong, Bangkok, Phuket, Manila, Cebu, Bali, Hochiminh, Hanoi, Kota Kinabalu, Singapore, Siem Reap | 06. Europe
- London, Germany |



HANATOUR JAPAN



- 1st Shop Fukuoka / May. 2014 Opened
- 2nd Shop Osaka / Apr. 2016 Opened
- 3rd Shop Sapporo / Apr. 2017 Opened

T Mark City Hotel(Sapporo)
UI BUS



Number of Rooms	246 Rooms, Apr. 2015 Opened
Customers	Japanese 50%, Korean 18%, Taiwanese 15%, Others 17%
Investment Method	Direct Investment on Land & Building



Number of Rooms	288 Rooms, Jul. 2018 Opened
Investment Method	Master Lease

HANATOUR JAPAN (Tokyo)
UI BUS
T Mark City Hotel(Tokyo Omori)

STARSHOP & LINE (Osaka)
UI BUS

STARSHOP & LINE (Fukuoka)
KuruKuru BUS (Kyushu)
UI BUS



Number of Buses	142 Vehicles (Osaka 38, Tokyo 26, Sapporo 22, Kyushu 30, Okinawa 14, Haiya Taxi 12)
Customers	Japanese 20%, Korean 80%



Routes	7 tour courses operating in Fukuoka connecting 6 prefectures
Customers	FIT Travelers
Rental Car Service	Rental Car Service for FIT Travelers in Okinawa

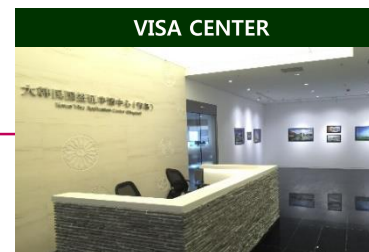
HANATOUR CHINA



Location	Beijing, Shanghai, Qingdao, Xian, Hongkong
Main Business	Provide inbound services
Target	Global-bound business



Hotel	About 500 rooms in operation
YOULAM	F&B Business in Zhangjiajie (Mar. 2017 Opened)



1 st Center	Qingdao / Sep. 2015 Opened
2 nd Center	Guangzhou / Sep. 2015 Opened

** Chengdu / Wuhan / Shanghai center will be opened in May. 2019



Location	Inside of the Star Ferry Terminal Daily population of 55,000
Service	Selling air ticket, hotel, day tour for FIT customers Provide resting area, free Wi-Fi



APPENDIX

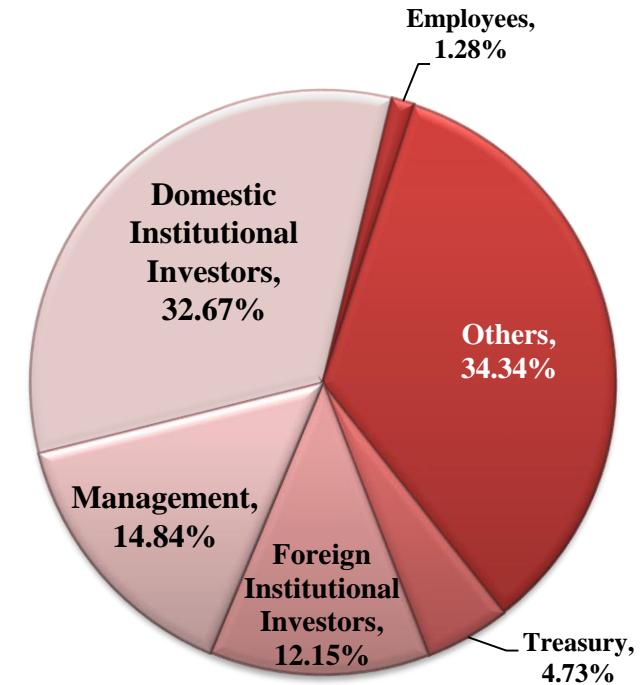


COMPANY PROFILE & SHAREHOLDERS STRUCTURE

COMPANY PROFILE

Date of establishment	November, 1993
CEO, Chairman	Sang Hwan, Park
CEO, President	Jin Kook, Kim
Total number of employees	2,748 (Dec. 2018)
Paid-in capital	KRW 5.8 bn (Dec. 2017)
Outstanding Shares	11,616,185 (Dec. 2017)
Networks	Domestic : 18 Overseas : 18

SHAREHOLDERS BREAKDOWN



*Based on
December 31st, 2018*

35% Payout Ratio



Index	2012	2013	2014	2015	2016	2017	2018
Year-end DPS (Won)	500	600	700	800	800	800	600
Interim DPS (Won)	500	500	600	700	700	700	700
Total Dividend (Bn Won)	111	125	145	166	166	166	143
Payout Ratio (%)	32.0%	36.8%	43.3%	52.2%	206.6%	128.0%	164.4%

※ From 2011 K-IFRS Based

PRO-FORMA INCOME STATEMENT

(KRW bn)

Description		FY11 (Consolidated)	FY12 (Consolidated)	FY13 (Consolidated)	FY14 (Consolidated)	FY15 (Consolidated)	FY16 (Consolidated)	FY17 (Consolidated)	FY18 (Consolidated)	FY19 1Q (Consolidated)	FY17 (Parent)	FY18 (Parent)	FY19 1Q (Parent)
Gross Sales (Parent-Only)	Package	1,453	1,623	1,836	1,857	1,964	2,072	2,406	2,448	650	2,406	2,448	650
	Air-Ticket	463	567	576	743	851	1,006	1,100	1,188	320	1,100	1,188	320
Total Gross Sales		1,915	2,189	2,412	2,600	2,815	3,078	2,406	2,448	650	3,507	3,635	970
Sales Income		267.8	307.9	352.7	385.5	459.4	595.5	682.3	828.3	222.9	444.6	542.1	149.7
Operating Expenses		244.2	268.3	312.3	345.0	414.7	574.6	763.2	803.4	209.7	488.1	515.4	136.8
Operating Income		24.2	39.6	40.4	40.4	44.7	20.9	41.1	24.9	13.2	47.1	26.6	12.9
OPM(%)		9.0%	12.9%	11.4%	10.5%	9.7%	3.5%	5.1%	3.0%	5.9%	8.8%	4.9%	8.6%
Income Before Income Taxes		27.0	49.9	48.8	46.2	46.9	23.9	38.3	22.3	14.8	45.2	21.2	17.8
Net Income		21.4	37.4	36.1	35.4	34.2	7.5	12.9	10.6	9.4	26.3	13.4	14.0

※ K-IFRS Based From 2011
 ※ Applied K-IFRS 1115 from 2018
 ※ Applied K-IFRS 1116 from 2019

PRO-FORMA BALANCE STATEMENT

(KRW bn)

Description	FY11 (Consolidated)	FY12 (Consolidated)	FY13 (Consolidated)	FY14 (Consolidated)	FY15 (Consolidated)	FY16 (Consolidated)	FY17 (Consolidated)	FY18 (Consolidated)	FY19 1Q (Consolidated)	FY17 (Parent)	FY18 (Parent)	FY19 1Q (Parent)
Current Assets	237.9	281.4	278.5	316.4	340.2	345.7	454.8	497.7	498.0	297.9	265.6	235.1
Non-Current Assets	58.5	71.1	98.0	121.0	164.1	174.6	173.4	218.4	496.8	183.4	207.1	228.4
Total Assets	296.3	352.4	376.5	437.4	504.4	520.2	628.2	716.1	994.7	481.3	472.7	463.6
Current Liabilities	161.8	169.6	180.8	243.0	275.4	286.7	362.3	413.6	475.3	292.0	287.1	269.3
Non-Current Liabilities	3.0	3.1	3.1	6.4	11.6	21.5	20.2	62.7	276.6	4.1	3.6	5.0
Total Liabilities	164.8	172.6	183.9	249.4	287.1	308.2	382.4	476.2	751.9	296.2	290.8	274.2
Capital Stock	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8
Retained Earnings	50.6	76.0	98.8	118.6	134.9	126.4	126.9	118.2	120.7	121.4	117.4	124.8
Other Capital	75.2	98.3	88.0	63.5	76.5	79.9	113.0	115.8	116.3	57.9	58.7	58.7
Total Stockholders' Equity	131.5	179.8	192.6	188.0	217.3	212.1	245.7	240.0	242.8	185.1	181.9	189.3
Total Liabilities and Stockholders' Equity	296.3	352.4	376.5	437.4	504.4	520.2	628.2	716.1	994.7	481.3	472.7	463.6

※ K-IFRS Based From 2011
 ※ Applied K-IFRS 1115 from 2018
 ※ Applied K-IFRS 1116 from 2019

PRO-FORMA CASH FLOW

(KRW bn)

Description	FY11 (Consolidated)	FY12 (Consolidated)	FY13 (Consolidated)	FY14 (Consolidated)	FY15 (Consolidated)	FY16 (Consolidated)	FY17 (Consolidated)	FY18 (Consolidated)	FY19 1Q (Consolidated)
1. Cash Flows from Operating Activities	34.7	39.2	45.9	103.7	35.0	27.5	66.2	20.2	7.6
2. Cash Flows from Investing Activities	-30.2	-44.1	-41.3	-39.5	-1.0	6.7	-21.8	-131.0	-27
3. Cash Flows from Financing Activities	6.1	7.6	-15.0	-31.7	-2.4	-25.5	32.9	36.9	14.9
4. Increase (Decrease) in Cash (1+2+3)	10.6	2.6	-10.5	32.4	31.7	8.7	77.3	-73.7	-4.5
5. Cash at the Beginning of the Fiscal Period	80.3	91.2	93.0	81.9	113.9	146.5	156.0	228.4	157.7
6. Cash at the End of the Fiscal Period	91.2	93.0	81.9	113.9	146.5	156.0	228.4	157.7	153.9

FY17 (Parent)	FY18 (Parent)	FY19 1Q (Parent)
51.0	20.9	-2.5
-1.0	-49.5	-0.9
-16.6	-16.6	-2.7
33.8	-45.3	-6.2
100.8	134.3	89.0
134.3	89.0	82.9

※ K-IFRS Based From 2011
 ※ Applied K-IFRS 1115 from 2018
 ※ Applied K-IFRS 1116 from 2019

BUSINESS PERFORMANCE

Description	FY11 (Consolidated)	FY12 (Consolidated)	FY13 (Consolidated)	FY14 (Consolidated)	FY15 (Consolidated)	FY16 (Consolidated)	FY17 (Consolidated)	FY18 (Consolidated)	FY19 1Q (Consolidated)
Gross Sales Growth	16.4%	14.3%	10.2%	7.8%	8.3%	9.3%	13.9%	3.6%	-1.1%
Sales Income Growth	3.8%	15.0%	14.6%	9.3%	19.2%	29.6%	14.6%	21.4%	9.7%
Operating Income Growth	-23.6%	63.6%	2.0%	0.0%	10.6%	-53.2%	96.7%	-39.4%	9.6%
Net Income Growth	-14.1%	74.8%	-3.5%	-1.9%	-3.4%	-78.1%	72.0%	-17.8%	23.2%
ROA	7.2%	10.6%	9.9%	8.1%	6.8%	1.4%	2.1%	1.5%	0.9%
ROE	16.3%	20.8%	18.7%	18.8%	15.7%	3.5%	5.3%	4.4%	3.9%
EPS (KRW)	1,930	3,198	2,989	2,978	2,877	727	1,191	791	822
BPS (KRW)	12,095	15,907	16,985	17,069	19,682	19,163	22,204	21,675	21,943
Payout Ratio	46.0%	32.0%	36.8%	43.3%	52.2%	110.2%	125.9%	164.4%	-
Net Cash (Bn KRW)	91.2	93.0	81.9	113.9	146.5	206.6	228.4	157.7	153.9

FY17 (Parent)	FY18 (Parent)	FY19 1Q (Parent)
13.9%	3.6%	-1.1%
15.3%	12.9%	-5.6%
54.0%	-43.5%	-7.2%
173.9%	-49.0%	-7.7%
5.5%	2.8%	3.0%
14.2%	7.4%	7.4%
2,372	1,210	1,268
16,728	16,439	17,107
63.2%	107.4%	-
134.2	89.0	82.9

※ K-IFRS Based From 2011
 ※ Applied K-IFRS 1115 from 2018
 ※ Applied K-IFRS 1116 from 2019

AWARDS LIST



- ❖ 2018, Ranked 17th in the 2018 Top 100 Korean Brands
- ❖ 2018, Recertified for one of the Best Companies for Work-Life Balance by the Ministry of Culture, Sports, and Tourism of Korea (2015-)
- ❖ 2018, Ranked 1st in the Korean Customer Satisfaction Index (travel industry category) for ten years in a row
- ❖ 2018, Ranked 1st in National Customer Satisfaction Index(NCSI) in Tourism Service Division for five consecutive years
- ❖ 2018, Certified for Customer-centered Management (CCM) for four consecutive years (2012-)
- ❖ 2018, Ranked 1st in the Korean Brand Power Index (K-BPI) for fourteen consecutive years
- ❖ 2018, Took first place in the Brand Star travel company category for fourteen consecutive years
- ❖ 2018, Ranked 1st among the Most Respected Companies (travel company category) for eleven years in a row
- ❖ 2017, Ranked 1st among the Most Respected Companies (travel company category) for ten years in a row
- ❖ 2017, Ranked 1st in the Brand Star travel company category for thirteen consecutive years
- ❖ 2017, Ranked 1st in the Korean Brand Power Index (K-BPI) for thirteen consecutive years
- ❖ 2017, Selected as the "Brand of the Year" in the travel category by the Customers Council for ten years in a row
- ❖ 2017, For four consecutive years, the number-one travel company in the National Customer Satisfaction Index (NCSI) of the Korea Productivity Center Ranked 10th in the 2017 Top 100 Korean Brands
- ❖ 2017, Ranked No.1 in the women consumers' choice of good companies by The Women's News for twelve consecutive years
- ❖ 2016, 1st place for 8 consecutive years in Korean Customer Satisfaction Index(KCSI)
- ❖ 2016, Receive a Presidential Citation for Job Creation
- ❖ 2016, 1st place for 3 consecutive years in National Customer Satisfaction Index(NCSI)
- ❖ 2016, 1st Place for 9 consecutive years in the tourism field in "Brand of the Year 2016" selected by Customers Council
- ❖ 2015, 'Leisure Friendly Company' Authorized by Ministry of Culture, Sport and Tourism
- ❖ 2015, 1st Place for 8 consecutive years in the tourism field in "Brand of the Year 2015" selected by Customers Council
- ❖ 2015, 1st Place for 11 consecutive years in the tour company field in "Korea's Brand Star" selected by Brand Stock
- ❖ 2014, Acquired a recertification for Customer-Centered Management (CCM)
- ❖ 2014, Awarded 'Malaysia Tourism Awards 2012/2013'

THANK YOU

