



1Q 2020 BUSINESS PERFORMANCE

Premium Lifestyle Leading Company

THE SHILLA

DISCLAIMER

This material has been prepared for investors' convenience, based on 1Q20 financial statements that have not yet been officially reviewed, which could alter final data.

Actual results may differ from forecasts herein given the unpredictability of future performances; Hotel Shilla has no responsibility to revise or update this material.

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01

CORPORATE OVERVIEW

VISION / HISTORY / AWARDS

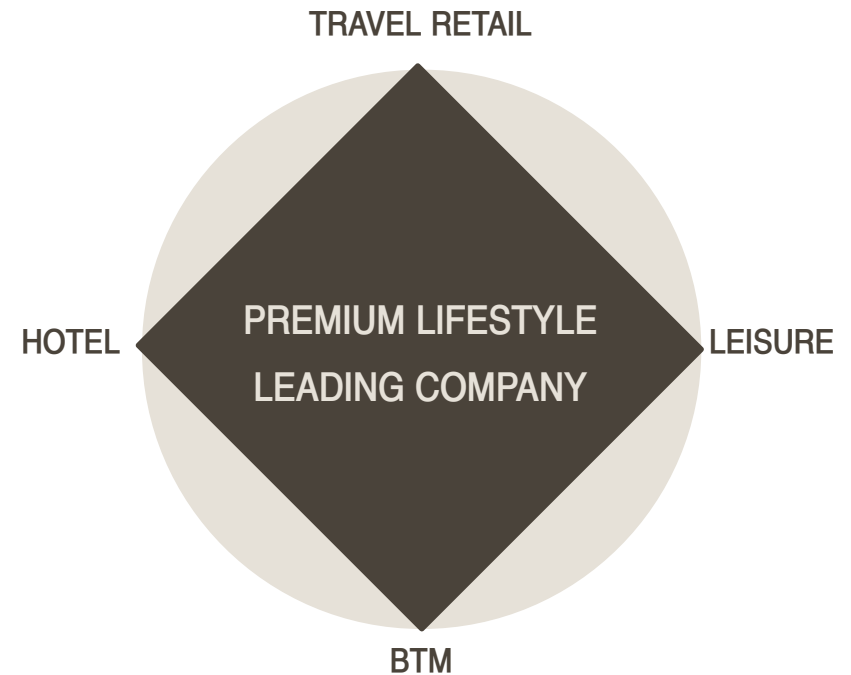
BUSINESS PORTFOLIO

BUSINESS SITE OVERVIEW

VISION

Hotel Shilla aspires to become a **Premium Lifestyle Leading Company** that offers clients the best choice based on dignity and trust.

The company aims to provide optimal services across its business range, including travel retail, hotel, leisure, and business travel management(BTM), to improve the lifestyles of clients.



HISTORY

- 1979 • The Shilla Seoul opens
- 1986 • Seoul Shilla Duty Free opens
- 1989 • Jeju Shilla Duty Free opens
- 1990 • The Shilla Jeju opens
- 1991 • IPO at Korea Exchange
- 2006 • Jinji Lake Hotel in Suzhou, China opens
- 2008 • Incheon Int'l Airport Duty Free opens
- 2010 • Chungju, Daegu Int'l Airport Duty Free opens
- 2011 • Gimpo Int'l Airport Duty Free opens
- LOUIS VUITTON at Incheon Int'l Airport opens
- 2013 • Changi Int'l Airport, Singapore Duty Free (BTQ)
- 2014 • Establishment of SHILLA STAY Co., Ltd
- Changi Int'l Airport, Singapore Duty Free (Cosmetic)
- Macau Int'l Airport Duty Free opens
- 2015 • Establishment of HDC SHILLA Co., Ltd
- 2016 • Shilla I Park Duty Free opens
- Phuket Duty Free opens
- Tokyo Duty Free opens
- 2017 • Chek Lap Kok Duty Free in Hong Kong opens
- 2018 • Incheon Int'l Airport Duty Free Terminal 2 opens
- Jeju Int'l Airport Duty Free opens
- 2019 • Gimpo Int'l Airport Duty Free opens
- Macau Int'l Airport Duty Free opens

AWARDS

- 2008 Gazette, The Best hotel in Seoul
- Institutional Investor, The world's Top 100 Hotels (1st in Asia)
- LHW Leader's Club, Golden award
- 2009 Zagat, The Best Hotel in service sector
- TTG Travel Award, The Best City Hotel in Seoul
- 2010 Institutional Investor, The Best Hotel in Seoul
- 2011 NCSI, No.1 Hotel in service sector
- 2012 Travel+Leisure, The World's Best Awards Asia 16th
- 2013 KCSI, The Best Duty Free Store
- 2014 NCSI, The Best Company
- Interbrand, The Best Korea Brands 2015
- 2015 NSCI, No.1 Hotel in hotel sector
- 2016 NSCI, The Best Company
- Michelin Guide 2017, 3 Star Restaurant (「La Yeon」 of Seoul Hotel)
- 2017 KCSI, The Best Duty Free Store
- Forbes Travel Guide, 4 Star Hotel
- Michelin Guide 2018, 3 Star Restaurant (「La Yeon」 of Seoul Hotel)
- 2018 Interbrand, The Best Korea Brands 50
- Michelin Guide 2017, 3 Star Restaurant (「La Yeon」 of Seoul Hotel)
- KCSI, The Best Duty Free Store
- Smart APP Awards 2018, Best Award (SHILLA DUTYFREE APP)
- 2019 The 21th K-BPI Korean Brand Power Awards, No1 Hotel in hotel sector
- Interbrand, The Best Korea Brands 50
- KCSI, The Best Duty Free Store
- Michelin Guide 2019, 3 Star Restaurant (「La Yeon」 of Seoul Hotel)
- 2020 Forbes Travel Guide, 5 Star Hotel
- The 22th K-BPI Korean Brand Power Awards, No1 Hotel in hotel sector

BUSINESS PORTFOLIO

TR(Travel Retail)



Seoul Downtown DF

Online DF

Jeju Downtown DF

Incheon Int'l Airport DF

Jeju Int'l Airport DF

Gimpo Int'l Airport DF

Changi Int'l Airport DF in Singapore

Chek Lap Kok Airport DF in Hong Kong

Shilla I Park Downtown DF

Macau Int'l Airport DF

Phuket Downtown DF in Thailand

Tokyo Downtown DF in Japan

HOTEL & LEISURE



Seoul

Jeju

Shilla Stay (Lease)

Jinji Lake Shilla Hotel in China (Management)

Geoje Samsung Hotel (Management)

Business Travel Management (BTM)

CFC (Corporate Fitness Center)

Leports

BUSINESS SITE OVERVIEW

TR(Travel Retail)

Seoul DF

7,178 sqm

Jeju DF

6,384 sqm

Incheon airport DF

5,580 sqm

Jeju airport DF

400 sqm

Gimpo Intl Airport DF

553 sqm

Changi airport DF

8,044 sqm

Chek Lap Kok airport DF

3,283 sqm

Shilla I Park DF

11,417 sqm

Macau airport DF

1,120 sqm

Phuket DF

8,155 sqm

Tokyo DF

2,317 sqm

HOTEL & LEISURE

Seoul Hotel

463 Rooms
(43.3 sqm per room)

7 Banquets

7 Restaurants

Jeju Hotel

429 Rooms
(44.6 sqm per room)

6 Banquets

6 Restaurants

Managed Hotels

Shilla Stay
(Dongtan, Yeoksam, Jeju, Seodaemoon, Ulsan, Mapo, Guro, Gwanghwamoon, Cheonan, Seocho, Haeundae)

Jinji Lake Shilla Hotel in Suzhou, China

Geoje Samsung Hotel

BTM Business

CFC

Demarq

Leports Business

VANTT

Seocho Leports Center

As of Mar 31st 2020



02

BUSINESS PERFORMANCE AND OUTLOOK

BUSINESS PERFORMANCE AND
OUTLOOK BY BUSINESS SEGMENT

BUSINESS PERFORMANCE (1Q 2020)

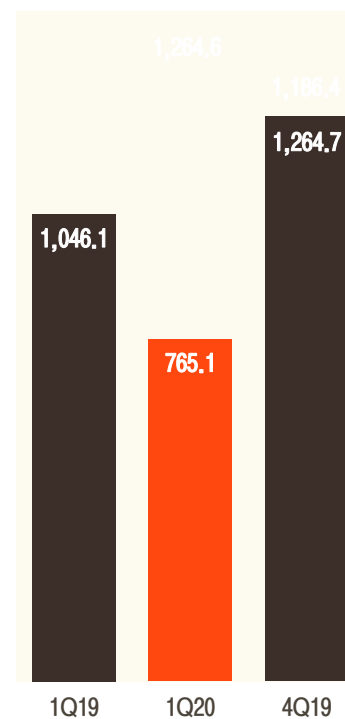
Non-Consolidated

- Revenue decreased by -27% YoY to 765.1 bn KRW OP turned into loss YoY

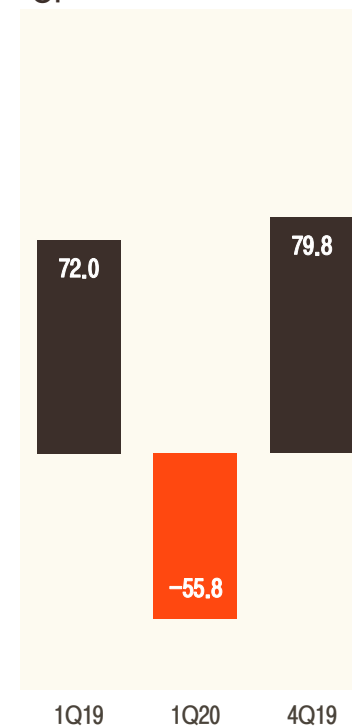
(bn KRW)

	1Q19	1Q20	YoY	4Q19	QoQ
Revenue	1,046.1	765.1	-27%	1,264.7	-40%
TR	950.4	689.4	-27%	1,159.0	-41%
Hotel&Leisure	95.7	75.7	-21%	105.7	-28%
OP	72.0	-55.8	Turn to loss	79.8	Turn to loss
TR	77.6	-37.0	Turn to loss	78.3	Turn to loss
Hotel&Leisure	-5.6	-18.8	Widened loss margin	1.5	Turn to loss
OP Margin	6.9%	-7.3%	-14.2%p	6.3%	-13.6%p

Revenue



OP



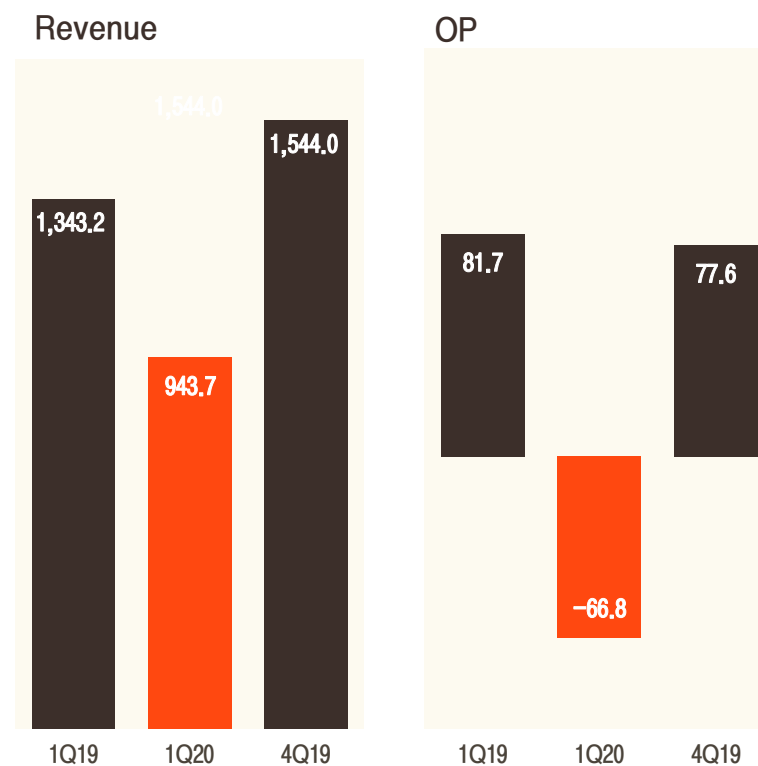
BUSINESS PERFORMANCE (1Q 2020)

Consolidated

- Revenue decreased by -30% YoY to 943.7 bn KRW OP turned into loss YoY

(bn KRW)

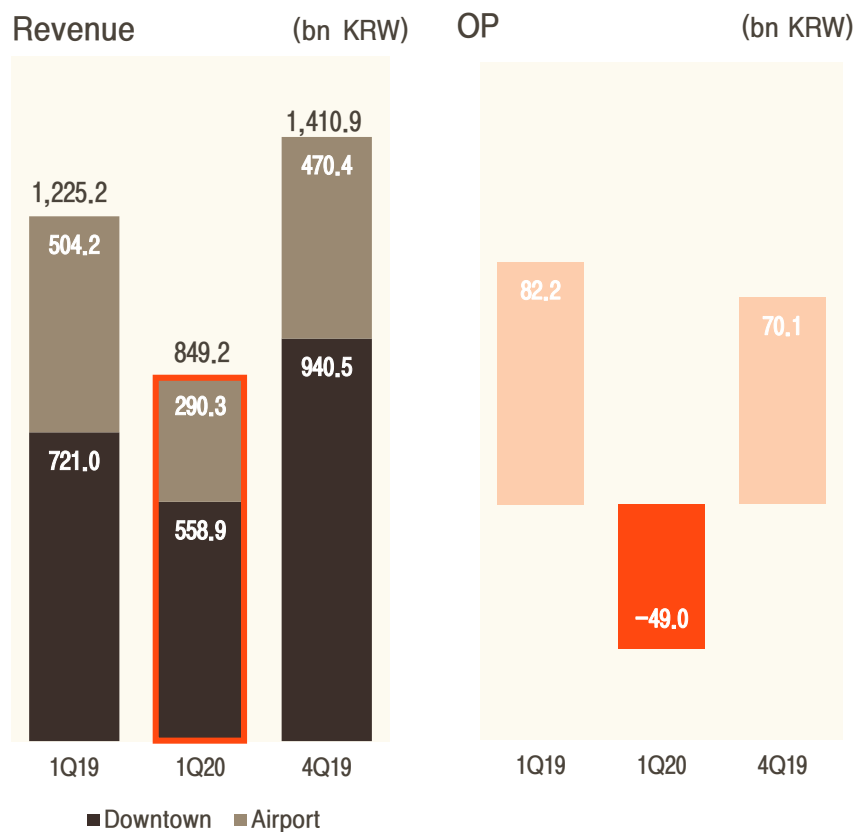
	1Q19	1Q20	YoY	4Q19	QoQ
Revenue	1,343.2	943.7	-30%	1,544.0	-39%
TR	1,225.2	849.2	-31%	1,410.9	-40%
Hotel&Leisure	118.0	94.5	-20%	133.1	-29%
OP	81.7	-66.8	Turn to loss	77.6	Turn to loss
TR	82.2	-49.0	Turn to loss	70.1	Turn to loss
Hotel&Leisure	-0.5	-17.8	Widened loss margin	7.5	Turn to loss
OP Margin	6.1%	-7.1%	-13.2%p	5.0%	-12.1%p



TRAVEL RETAIL BUSINESS

Consolidated

- Revenue decreased by -31% YoY to 849.2 bn KRW
- Operating profit turned into loss YoY



1Q Review

- Revenue in downtown and airport stores decreased by -22%, -42% YoY respectively. The Operating loss of TR business is -49.0bn KRW.
- Downtown DF Revenue vs. Commission rates

(bn KRW)

	2018				2019				2019
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Rev	581.4	613.2	625.5	620.9	721.0	756.1	859.2	940.5	558.9
Comn.	68.9	69.3	74.9	71.5	57.9	63.6	69.0	62.8	24.1
(%)	(11.9)	(11.3)	(12.0)	(11.5)	(8.0)	(8.4)	(8.0)	(6.7)	(4.3)

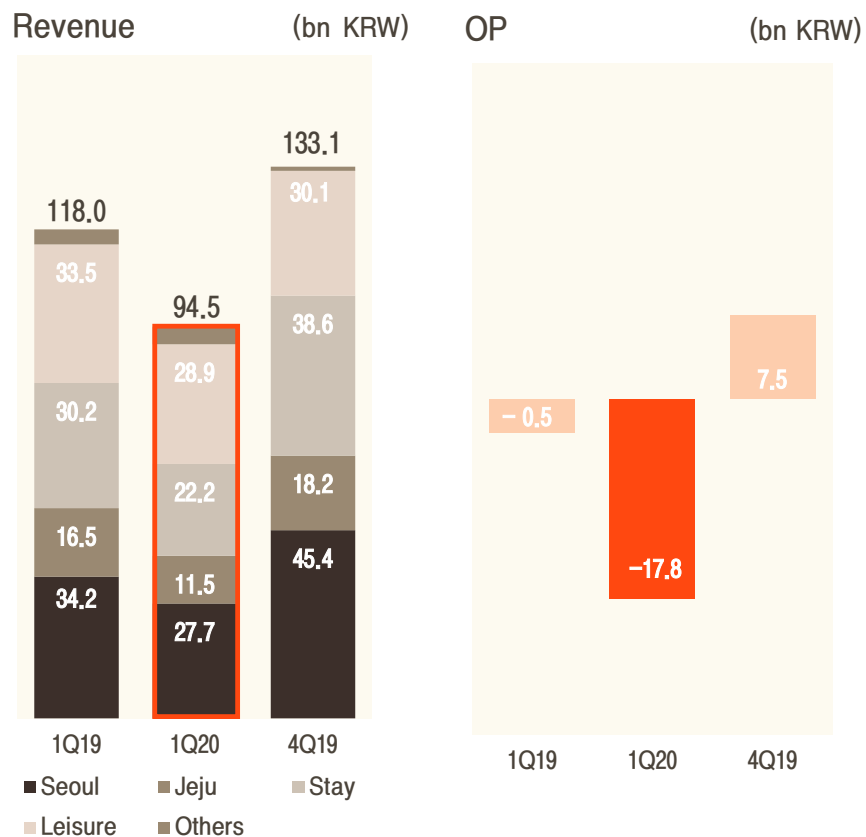
2Q Outlook

- Minimize the impact of COVID-19 through well-prepared responses to both internal and external threats

HOTEL & LEISURE BUSINESS

Consolidated

- Revenue decreased by -20% YoY to 94.5 bn KRW
- Operating profit turned into loss YoY



1Q Review

- Revenue of the Hotel & Leisure business decreased by -20% YOY recording a total revenue of 94.5 bn KRW.
- Quarterly Rate of Occupancy

	2018				2019				2019
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Seoul	71%	76%	81%	79%	70%	83%	86%	82%	44%
Jeju	90%	92%	91%	82%	91%	92%	91%	91%	61%
Stay	77%	80%	82%	83%	80%	85%	86%	85%	62%

2Q Outlook

- Improved earnings are expected following the decrease of domestic COVID-19 patients

03

APPENDIX

ANNUAL CAPEX
MAJOR FINANCIAL RATIOS
SHAREHOLDERS

Annual CAPEX

(bn KRW)

	Y2018	Y2019	1Q20
CAPEX	55.6	60.1	13.1

- Non-Consolidated

Key Financials

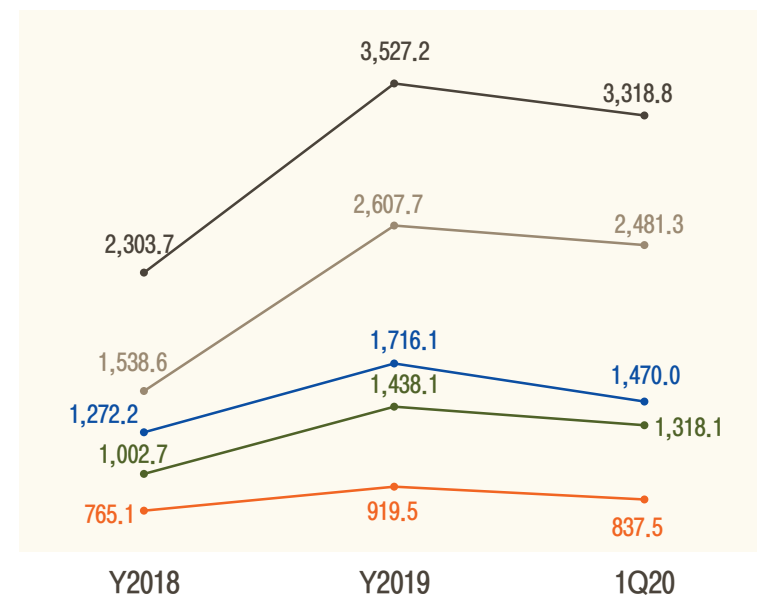
* Consolidated

(bn KRW)

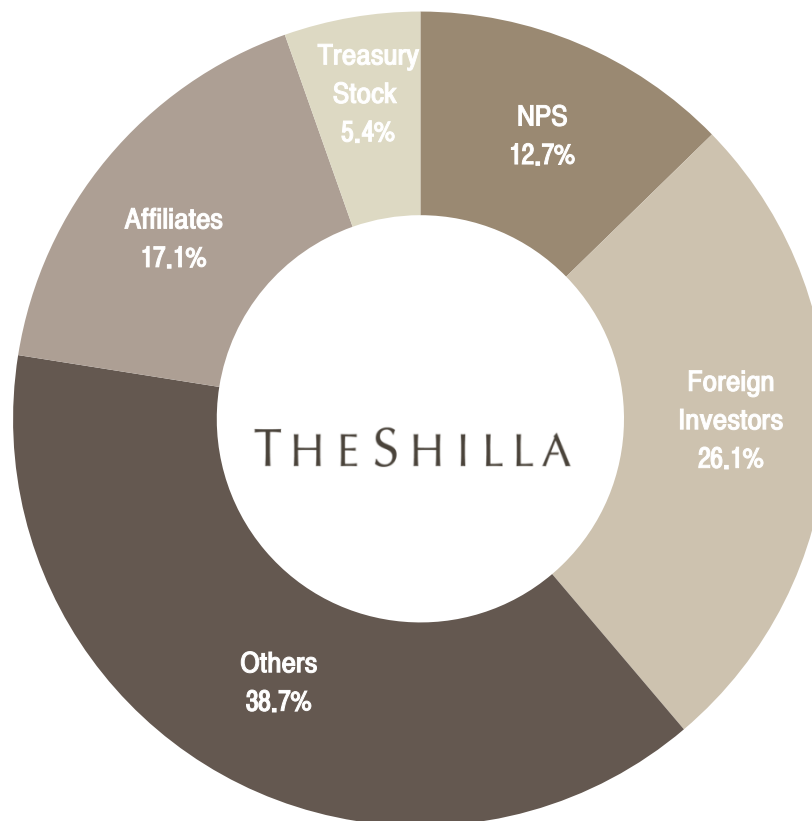
	Y2018	Y2019	1Q20
Debt/Equity Ratio	201%	284%	296%
Asset	2,303.7	3,527.2	3,318.8
Liabilities	1,538.6	2,607.7	2,481.3
Equity	765.1	919.5	837.5
Current Ratio	127%	119%	112%
Current Assets	1,272.2	1,716.1	1,470.0
Current Liabilities	1,002.7	1,438.1	1,318.1
EBITDA/Revenue	6.0%	9.0%	-0.9%
EBITDA	283.8	515.1	-8.2
Revenue	4,713.7	5,717.3	943.7

* Fluctuations in the key financial indicators for 1Q19 are due to the application of K-IFRS 1116

— Asset — Debt — Equity — Current Asset — Current Debt



SHAREHOLDERS
(Common Stock)



As of Mar 31st , 2020

THANK YOU

Premium Lifestyle Leading Company

THE SHILLA

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