

First Quarter FY2020 Earnings Results

 May 8, 2020



Disclaimer



This document contains information and financial data that have not been reviewed by an independent auditor.

The reason for our earnings release announcement prior to an independent auditor's review is to communicate our financial results to the market and investors in a timely manner.

Also, the information and projections contained in this document are based on our internal analysis of the market and industry environment. Please note that these estimates are subject to change according to the changes in the management environment and industry conditions.

1. Earnings Summary

2. Sales

3. Expenses

4. Incomes

Appendix

1. Employees

2. Financial Statements (Parent / Consolidated)

1. Earnings Summary

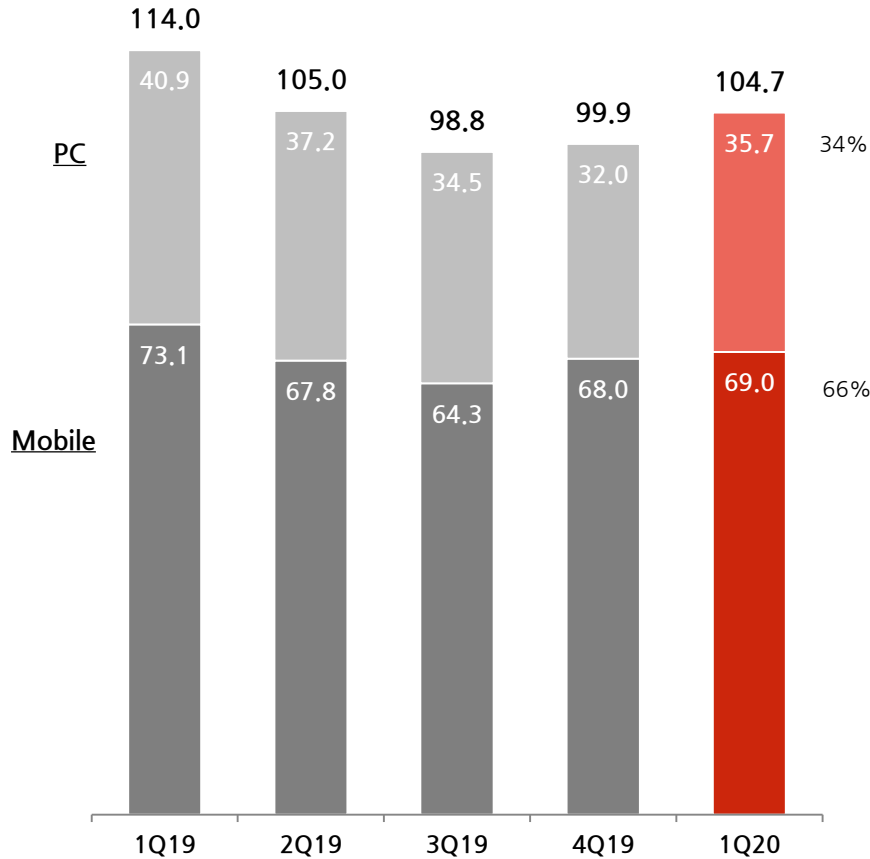


(KRW mil.)	1Q19	2Q19	3Q19	4Q19	1Q20	Change	
						Y/Y	Q/Q
Operating revenue	370,591	366,191	351,715	400,099	394,599	6.5%	-1.4%
Games	114,003	104,963	98,751	99,947	104,680	-8.2%	4.7%
Payment & Ad	124,023	131,482	122,450	140,258	151,335	22.0%	7.9%
Commerce	50,752	49,063	52,210	70,766	63,715	25.5%	-10.0%
Content	49,627	48,898	44,549	44,769	39,446	-20.5%	-11.9%
Technology	25,341	29,954	31,879	43,017	36,568	44.3%	-15.0%
Others	13,780	9,861	8,562	6,380	4,912	-64.4%	-23.0%
Internal transaction	-6,933	-8,030	-6,685	-5,037	-6,058	-	-
Operating Expenses	348,862	340,750	329,701	382,607	366,306	5.0%	-4.3%
Operating Income	21,729	25,441	22,015	17,492	28,293	30.2%	61.7%
<i>OPM</i>	5.9%	6.9%	6.3%	4.4%	7.2%	1.3%p	2.8%p
Pre-tax Income	28,589	27,644	43,250	-33,940	31,053	8.6%	Turned to Profit
Income tax Expenses	17,497	10,341	12,487	2,045	13,432	-23.2%	556.8%
Net Income	11,092	17,303	30,763	-35,985	17,620	58.9%	Turned to Profit
<i>NPM</i>	3.0%	4.7%	8.7%	-9.0%	4.5%	1.5%p	-

2-1. Operating Revenues : Games



(KRW bil.)



Revenue KRW 104.7 b

Y/Y -8.2%, Q/Q +4.7%

- **PC Online Games KRW 35.7 b**

Y/Y -12.6%, Q/Q +11.8%

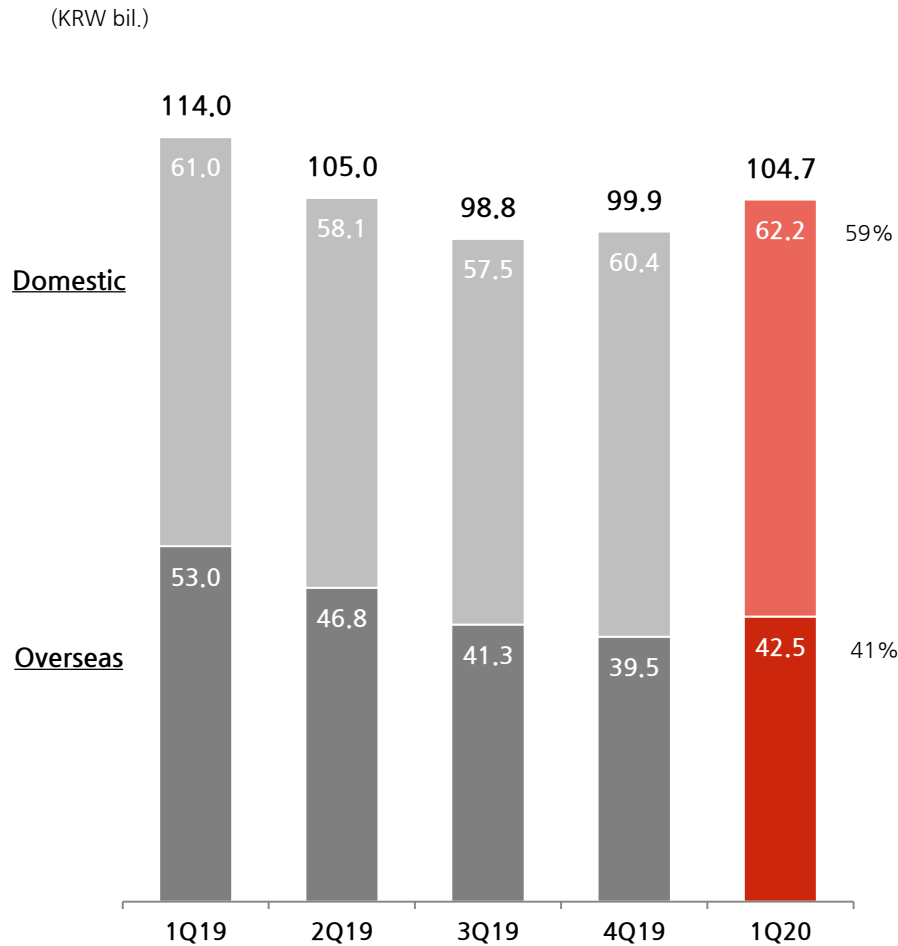
- Up Q/Q thanks to web-board game revenue hike
- Decreased Y/Y due to the base effect of “NHN Hangame” (Japan)

- **Mobile Games KRW 69.0 b**

Y/Y -5.7%, Q/Q +1.4%

- Web-board games’ revenue increased continuously
- Increased Q/Q thanks to new year’s event from LINE Disney Tsum Tsum
- Crusader Quest revenue decreased Q/Q, Y/Y

2-1. Operating Revenues : Games by Region (Development Base)



Revenue KRW 104.7 b

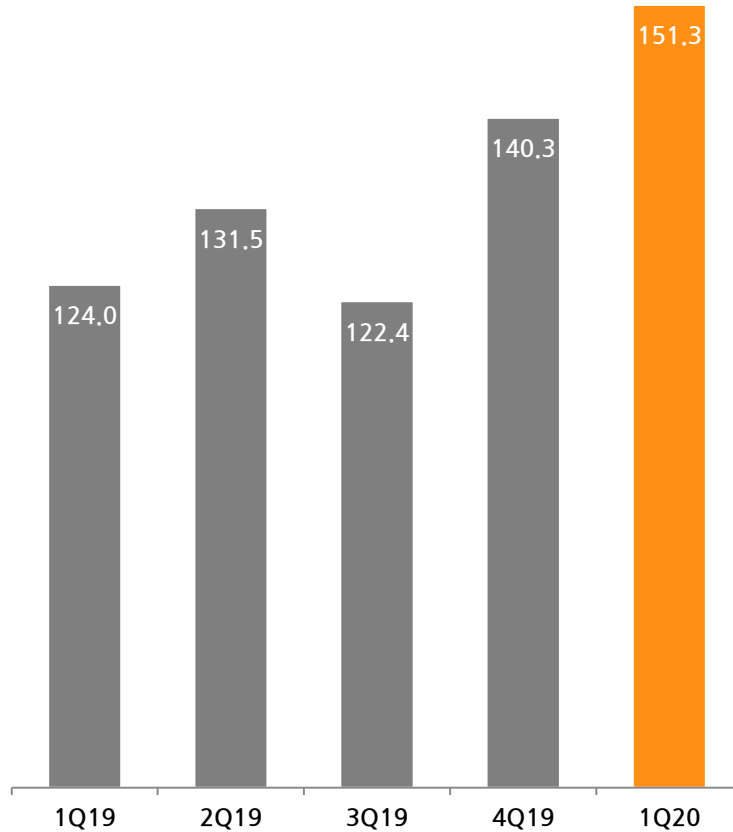
Y/Y -8.2%, Q/Q +4.7%

- Domestic Games KRW 62.2 b
Y/Y +2.0%, Q/Q +2.9%
- Overseas Games KRW 42.5 b
Y/Y -19.9%, Q/Q +7.5%

2-2. Operating Revenues : Payment & Ad



(KRW bil.)



Revenue KRW 151.3 b

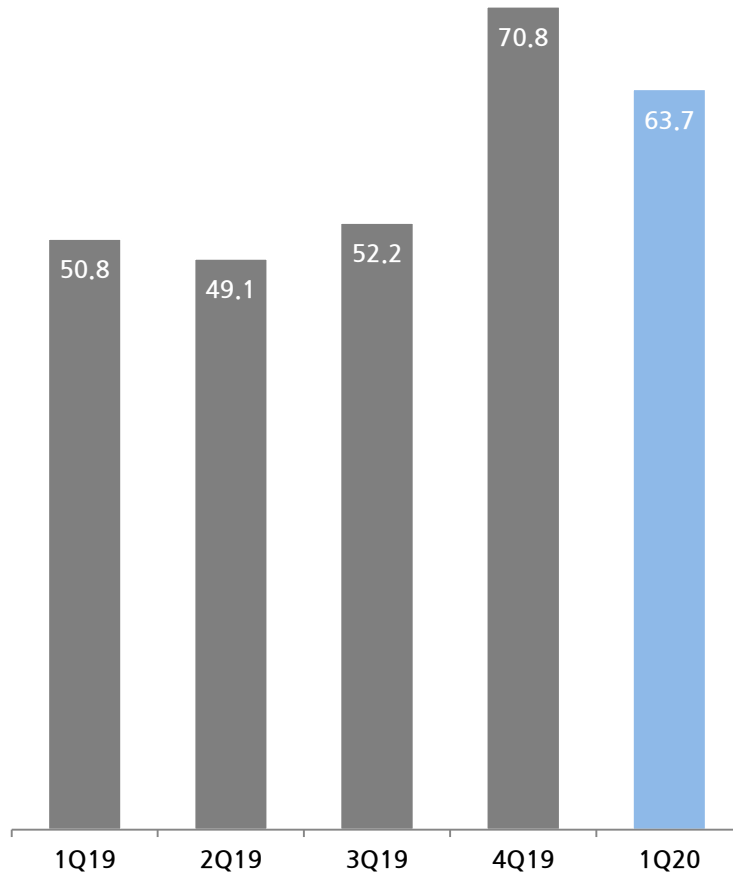
Y/Y +22.0%, Q/Q +7.9%

- **NHN PAYCO**
 - 1Q Transaction Volume rose Y/Y 31%
 - PAYCO Order grew three times Q/Q
 - Continue to expand Customized Coupon service
- **NHN KCP**
 - Revenue up thanks to transaction growth from Online PG & foreign merchants transaction
- **AD Biz (NHN ACE & NHN AD)**
 - Down Q/Q due to low seasonal impact
 - NHN AD revenue rose Q/Q led by the base effect

2-3. Operating Revenues : Commerce



(KRW bil.)



Revenue KRW 63.7 b

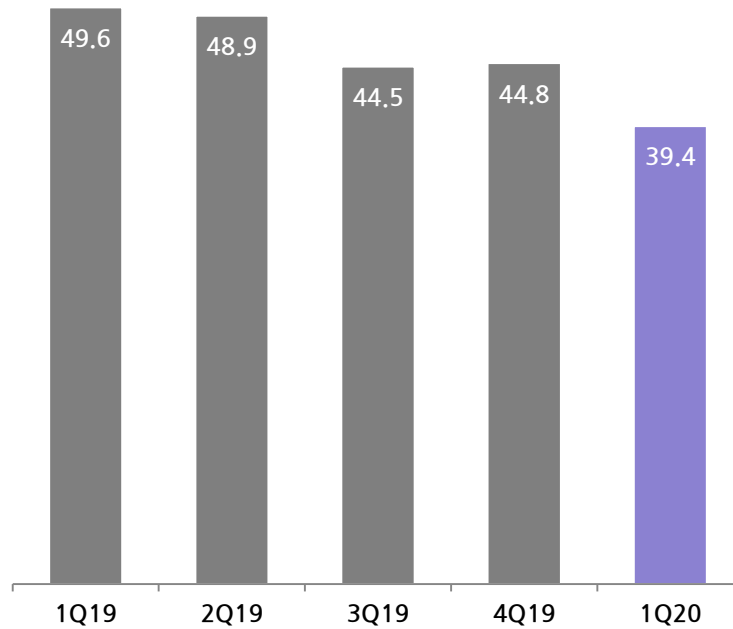
Y/Y +25.5%, Q/Q -10.0%

- **NHN Godo**
 - Revenue increased thanks to online shopping GMV growth
- **Accommate**
 - Down Q/Q due to the base effect of seasonality
 - Up Y/Y thanks to B2B business expansion
- **NHN Global**
 - COVID-19 outbreak negatively impacted on commission & AD revenues

2-4. Operating Revenues : Content



(KRW bil.)



Revenue KRW 39.4 b

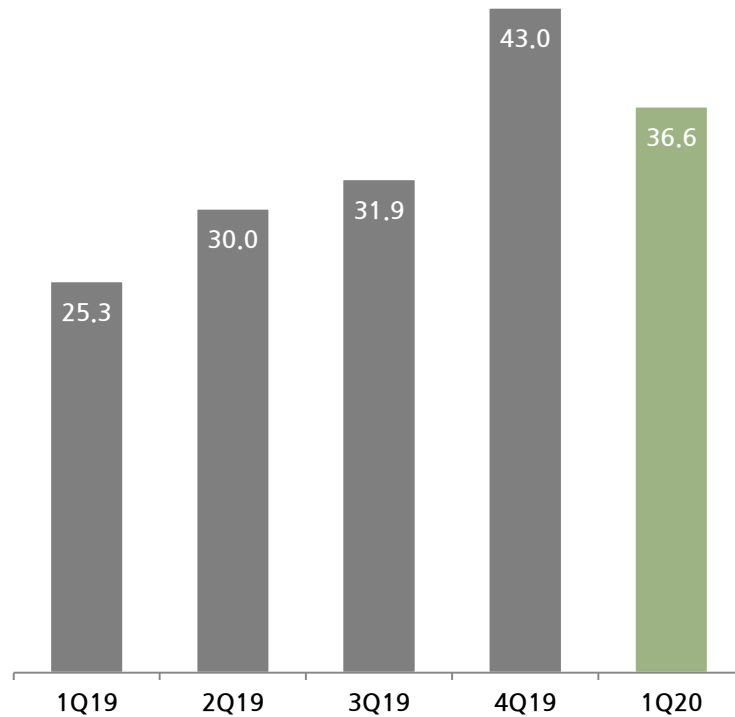
Y/Y -20.5%, Q/Q -11.9%

- **NHN Bugs**
 - B2B sales slowed due to the base effect of the released album on 4Q19
- **NHN Ticketlink**
 - Slumping sales due to cancellations of concerts & sports after COVID-19 outbreak
- **NHN Comico**
 - Maintained stable revenue trend

2-5. Operating Revenues: Technology



(KRW bil.)



Revenue KRW 36.6 b

Y/Y +44.3%, Q/Q -15.0%

- **PNP Secure**
 - Decreased Q/Q led by weak seasonality
 - Up Y/Y thanks to robust growth of new sales
- **TOAST Cloud**
 - Increased Y/Y led by external sales for financial / public institutions
 - Higher traffic thanks to “Untact” demand increase
- **NHN Techorus**
 - Sustain steady growth thanks to global cloud product reselling

3. Operating Expenses



Operating Expenses KRW 366.3 b Y/Y +5.0%, Q/Q -4.3%

- Commission : Q/Q -1.8%, Sales-related commission up led by payment & Ad revenue increase
/ Cost of sales down due to commerce revenue decrease
- Labor : Q/Q -5.5% led by the base effect of one-off year-end bonus in 4Q19
- Marketing : Q/Q -20.5% due to the base effect of game events in 4Q19
/ curtailed ads on travel & content biz due to COVID-19
- Depreciation & Amortization : Q/Q +6.5% due to readjust of right-of-use asset depreciation
Y/Y -8.2%, impacted by change of Tangible Asset durable periods
- Others : Q/Q -27.1%, due to readjust of rental expenses / Travel expenses down led by decrease of business trip

(mil. KRW)	1Q19	2Q19	3Q19	4Q19	1Q20	Change	
						Y/Y	Q/Q
Operating Expenses	348,862	340,750	329,701	382,607	366,306	5.0%	-4.3%
Commission	202,790	198,337	190,654	235,848	231,541	14.2%	-1.8%
Labor	92,711	87,832	83,906	90,117	85,173	-8.1%	-5.5%
Marketing	12,101	14,676	16,720	18,911	15,026	24.2%	-20.5%
Depreciation	18,019	18,347	18,180	15,525	16,532	-8.2%	6.5%
Communication	6,720	6,882	6,848	6,315	6,454	-4.0%	2.2%
Others	16,520	14,677	13,393	15,891	11,579	-29.9%	-27.1%

4. Incomes



Operating Income KRW 28.3 b : Y/Y +30.2%, Q/Q +61.7%

Net Income KRW 17.6 b : Y/Y + 58.9%, Q/Q turn to profit

- Non-op profit : Expenses reduced Q/Q due to the base effect of goodwill impairment & losses on evaluation on FVPL

(mil. KRW)	1Q19	2Q19	3Q19	4Q19	1Q20	Change	
						Y/Y	Q/Q
Operating Income	21,729	25,441	22,015	17,492	28,293	30.2%	61.7%
<i>Operating Profit Margin</i>	5.9%	6.9%	6.3%	4.4%	7.2%	1.3%p	2.8%p
Non-operating Profit	6,859	2,203	21,235	-51,432	2,760	-59.8%	-
Financial Income	10,154	8,087	17,790	16,096	5,904	-41.9%	-63.3%
Non-operating Income	3,596	4,593	7,424	-1,311	4,837	34.5%	-
Equity Method Income	453	566	489	2,762	1,793	296.1%	-35.1%
Financial Expense	2,346	6,748	1,530	31,374	3,882	65.4%	-87.6%
Non-operating Expense	3,177	3,693	1,169	37,464	4,314	35.8%	-88.5%
Equity Method Loss	1,820	602	1,768	141	1,579	-13.2%	1,018.5%
Pre-tax Income	28,589	27,644	43,250	-33,940	31,053	8.6%	-
Income Tax	17,497	10,341	12,487	2,045	13,432	-23.2%	556.8%
Net Income	11,092	17,303	30,763	-35,985	17,620	58.9%	-
<i>Net Profit Margin</i>	3.0%	4.7%	8.7%	-9.0%	4.5%	1.5%p	-

Appendix

1. Employees



NHN parent basis : 912, Q/Q + 12

Consolidated basis : 4,750, Q/Q + 7

		4Q19	1Q20	Q/Q
KOREA	NHN	900	912	12
	NHN PAYCO	221	225	4
	NHN PixelCube	139	91	-48
	NHN Bigfoot	23	58	35
	NHN Starfish	25	25	0
	NHN Wetoo	88	94	6
	NHN Godo (Excluding Accommate)	233	244	11
	NHN Bugs	117	119	2
	NHN KCP	301	306	5
	NHN AD	143	149	6
	NHN ACE	59	60	1
	NHN Doctor Tour	267	255	-12
	Others	771	798	27
JAPAN	NHN JAPAN	169	162	-7
	NHN PlayArt	190	192	2
	NHN Comico	48	45	-3
	Wisdom House Media Group	145	144	-1
	Recon	20	21	1
	NHN Techorus	97	93	-4
	NHN Fukuoka	23	25	2
	NHN SAVAWAY	50	31	-19
US	NHN Global & etc.	131	119	-12
	LA Showroom	34	31	-3
CHINA	NHN ST	158	157	-1
	Accommate & etc.	336	324	-12
Others	NHN Singapore & etc.	55	70	15
Total		4,743	4,750	7

2-1. Financial Statement (Parent)



Income Statement

(mil. KRW)	1Q19	2Q19	3Q19	4Q19	1Q20
Sales	63,686	62,541	65,669	69,188	71,808
Game	49,155	46,355	45,613	48,376	50,716
Others	14,531	16,185	20,056	20,812	21,092
Operating Expenses	54,258	56,076	57,240	63,238	59,505
Commission	23,763	24,439	23,824	24,329	25,408
Labor	21,078	21,201	21,088	22,409	22,158
Marketing	1,825	2,156	3,358	4,440	4,164
Depreciation	3,910	4,250	4,803	5,162	3,945
Others	3,682	4,030	4,167	6,898	3,830
Operating Income	9,428	6,465	8,429	5,951	12,303
<i>OPM</i>	<i>14.8%</i>	<i>10.3%</i>	<i>12.8%</i>	<i>8.6%</i>	<i>17.1%</i>
Financial Income	7,355	5,764	1,098	873	10,521
Other Income	2,993	3,308	2,887	-607	2,192
Financial Expense	439	10,053	-179	37,862	438
Other Expense	1,272	835	916	5,513	867
Pre-tax Income	18,064	4,649	11,678	-37,158	23,711
Income Tax	5,605	-2,501	1,719	-6,318	3,049
Net Income	12,459	7,150	9,959	-30,840	20,662
<i>NPM</i>	<i>19.6%</i>	<i>11.4%</i>	<i>15.2%</i>	<i>-44.6%</i>	<i>28.8%</i>

Balance Sheet

(mil. KRW)	1Q19	2Q19	3Q19	4Q19	1Q20
Current Assets	169,586	160,823	96,529	84,462	88,356
Cash and Cash Equivalent	8,327	26,481	25,955	14,842	7,786
Accounts Receivables	145,505	123,427	63,726	64,632	75,575
Others	15,753	10,916	6,849	4,987	4,995
Non-current Assets	1,527,057	1,457,766	1,497,713	1,482,196	1,500,040
Tangible Assets	83,204	83,777	174,179	177,200	182,189
Intangible Assets	13,335	12,897	21,713	21,748	21,791
Investment Assets	1,315,038	1,245,487	1,271,132	1,240,580	1,251,548
Others	115,480	115,605	30,689	42,668	44,511
Total Assets	1,696,643	1,618,590	1,594,242	1,566,659	1,588,396
Current Liabilities	124,791	41,884	43,876	49,479	52,926
Accounts Payables	22,469	20,865	29,450	28,395	25,136
Short-term Borrowings	67,092	3,095	3,097	3,133	7,127
Accrued Income Taxes	27,503	9,978	2,599	3,765	7,272
Others	7,728	7,947	8,731	14,186	13,390
Non-current Liabilities	24,374	25,056	25,688	27,944	28,673
Long-term Accounts Payables	3,796	3,706	3,792	752	784
Allowance for Severance Pay	19,138	19,961	20,543	25,800	26,551
Others	1,440	1,389	1,353	1,392	1,339
Total Liabilities	149,166	66,940	69,565	77,423	81,599
Shareholders' Equity	1,547,477	1,551,650	1,524,677	1,489,235	1,506,797
Paid-in Capital	9,783	9,783	9,783	9,783	9,783
Capital Surplus	1,273,667	1,273,667	1,273,667	1,273,667	1,273,667
Capital Adjustment	-44,477	-44,229	-79,298	-80,283	-80,297
Other Comprehensive Income	3,727	-11,596	-13,459	-13,014	-16,100
Retained Earnings	304,777	324,024	333,984	299,082	319,744
Total Equity	1,547,477	1,551,650	1,524,677	1,489,235	1,506,797

2-2. Financial Statement (Consolidated)



Income Statement

(mil. KRW)	1Q19	2Q19	3Q19	4Q19	1Q20
Sales	370,591	366,191	351,715	400,099	394,599
Game	114,003	104,963	98,751	99,947	104,680
Payment & Ads	124,023	131,482	122,450	140,258	151,335
Commerce	50,752	49,063	52,210	70,766	63,715
Content	49,627	48,898	44,549	44,769	39,446
Technology	25,341	29,954	31,879	43,017	36,568
Others	13,780	9,861	8,562	6,380	4,912
Internal transaction	-6,933	-8,030	-6,685	-5,037	-6,058
Operating Expenses	348,862	340,750	329,701	382,607	366,306
Commission	202,790	198,337	190,654	235,848	231,541
Labor	92,711	87,832	83,906	90,117	85,173
Marketing	12,101	14,676	16,720	18,911	15,026
Depreciation	18,019	18,347	18,180	15,525	16,532
Communications	6,720	6,882	6,848	6,315	6,454
Others	16,520	14,677	13,393	15,891	11,579
Operating Income	21,729	25,441	22,015	17,492	28,293
<i>OPM</i>	<i>5.9%</i>	<i>6.9%</i>	<i>6.3%</i>	<i>4.4%</i>	<i>7.2%</i>
Financial Income	10,154	8,087	17,790	16,096	5,904
Equity Method Income	453	566	489	2,762	1,793
Other Income	3,596	4,593	7,424	-1,311	4,837
Financial Expense	2,346	6,748	1,530	31,374	3,882
Equity Method Loss	1,820	602	1,768	141	1,579
Other Expense	3,177	3,693	1,169	37,464	4,314
Pre-tax Income	28,589	27,644	43,250	-33,940	31,053
Income Tax	17,497	10,341	12,487	2,045	13,432
Net Income	11,092	17,303	30,763	-35,985	17,620
<i>NPM</i>	<i>3.0%</i>	<i>4.7%</i>	<i>8.7%</i>	<i>-9.0%</i>	<i>4.5%</i>

Balance Sheet

(mil. KRW)	1Q19	2Q19	3Q19	4Q19	1Q20
Current Assets	997,854	910,761	998,818	1,058,721	1,000,157
Cash and Cash Equivalent	454,396	444,739	468,573	457,387	437,890
Accounts Receivables	269,741	210,681	225,340	284,987	272,868
Others	273,716	255,341	304,906	316,347	289,399
Non-current Assets	1,531,719	1,469,972	1,456,256	1,441,601	1,480,898
Tangible Assets	367,855	364,738	367,376	364,513	369,766
Intangible Assets	551,725	497,214	494,952	468,573	465,219
Investment Assets	470,296	469,942	453,901	436,093	465,867
Accounts Receivable	33,361	35,006	37,367	37,611	33,686
Others	108,482	103,073	102,660	134,811	146,359
Total Assets	2,529,572	2,380,733	2,455,073	2,500,321	2,481,055
Current Liabilities	577,214	429,874	400,111	532,788	512,691
Accounts Payables	312,103	243,321	234,042	322,310	269,267
Short-term Borrowings	124,053	50,029	47,503	87,633	105,858
Accrued Income Taxes	47,136	51,063	44,223	29,153	33,734
Others	93,922	85,462	74,342	93,691	103,832
Non-current Liabilities	130,473	151,805	146,893	138,832	140,110
Long-term Accounts Payables	2,360	1,702	1,214	14,563	14,185
Long-term Borrowings	57,844	60,786	57,373	52,563	48,472
Allowance for Severance Pay	37,577	38,291	39,356	48,099	49,643
Deferred Income Tax Credits	21,700	21,349	19,357	13,071	17,222
Others	10,992	29,677	29,592	10,535	10,589
Total Liabilities	707,687	581,679	547,004	671,619	652,801
Shareholders' Equity	1,591,282	1,598,674	1,665,675	1,578,817	1,583,725
Paid-in Capital	9,783	9,783	9,783	9,783	9,783
Capital Surplus	1,237,639	1,237,639	1,237,639	1,237,639	1,237,639
Capital Adjustment	-31,531	-34,717	-4,375	-51,089	-71,855
Other Comprehensive Income	-23,349	-21,486	-14,677	-17,694	-5,946
Retained Earnings	398,741	407,456	437,306	400,178	414,105
Non-controlling Interests	230,604	200,380	242,394	249,885	244,529
Total Equity	1,821,886	1,799,054	1,908,070	1,828,702	1,828,254

THANK YOU



이 종목의 더 많은 IR정보 [확인하기](#)

IR GO 주주와 기업을 연결하고 응원합니다.