INVESTOR RELATIONS

JUN VER. 2019 (English)







INBOUND BUSINESS

HOTEL BUSINESS

DFS BUSINESS

CULTURE BUSINESS

GLOBAL BUSINESS

APPENDIX





INTRODUCTION



MAIN BUSINESS

.....

Global No.1 Culture & Tourism Retail Group









INBOUND

LAND OPERATOR







HOTEL







DFS







GLOBAL BIZ

ENTERTAINMENT

Global Network

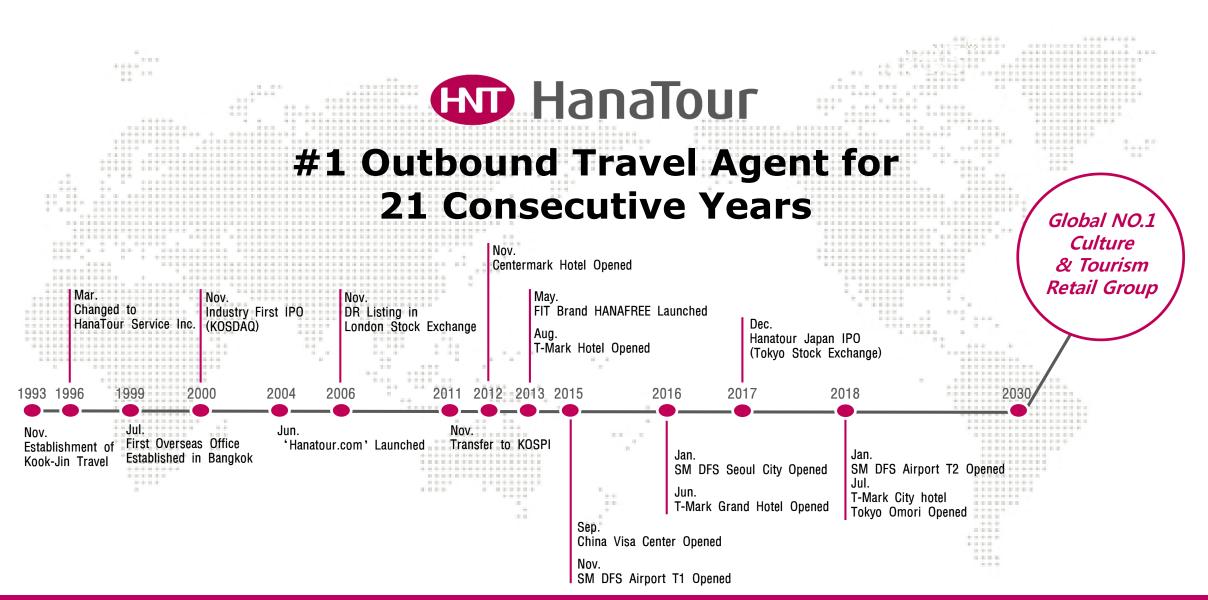




VISA CENTER

....

HISTORY



HANATOUR COMPETITIVENESS

"Diverse Global & Domestic Networks and Channels"



200

11. 11



HanaTour Customers: 19.9million

HanaTour Members: 6.8 million

Global Network



27 Overseas Subsidiaries

55 Global Networks in Total





Mom & Pop 5,114

Affiliates 1,470

IT System





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.......

On-Line/Mobile

WWW.HANATOUR.COM WWW.HANAFREE.COM



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IT Service



Global BIZ SYSTEM

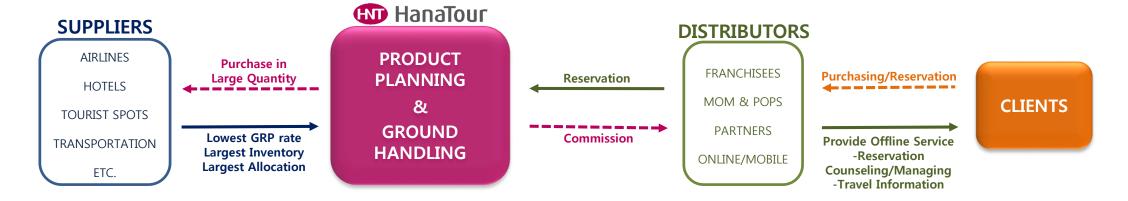
Agency Support SYSTEM

OUTBOUND BUSINESS



BUSINESS MODEL & CORE COMPETITIVENESS

"Travel Wholesale Business"



COMPETITIVE ADVANTAGE

► SCALE

Largest Outbound Volume for 21 Consecutive Years Market Share of 22% (2018 TTL)



"Everyday Departure" Guarantee



Economy of Scale for better margin

▶ DISTRIBUTION

On/Off Sales Channels



'Hanatour.com' and Mobile Apps in Operation



8,000 Offline Agents all over the country

MARKET ENVIRONMENT & GROWTH

Increase of Air Supply

- Increasing number of LCC(Domestic/Global)
- Diversified air routes
- Open skies with China(limited), Japan, Southeast Asia
- Chinese travel liberalization leading air seat increase

Overseas Travel Offering Higher Value

- Rising of domestic travel cost due to Chinese inbound travelers
- Relatively cheaper short-haul destination travel cost
- LCCs covering short-haul destinations would allow FSCs to develop long-haul destinations

Changing in Consumption Trends

- External Factors : Increasing income, Increasing Holidays
- Value based consumption trends
- Retirement of the Baby Boomers
- Incheon International Airport preparing its 3rd Terminal
- China's C919 aircraft launching

[Source: HanaTour Internal Data based on data of Statistical Offices, Tourism Bureaus of Korea, KAC, Traveltiems, Ministry of Justice]

- Possibility of Full Open sky agreement with China



"Korea Outbound Market"

- Population : 52 Million
- Expecting over 55% departure rate in 2019
- Expecting 24% of the total MS gain in 2019



"Hanatour's Vision 2030"

- Expecting 95% departure rate in 2030
- Targeting over 40% of the total Market Share in 2030



"Increasing Air Supply "

- Air Supply : Over 1 Million flight
- 2015-2020 Estimated CAGR: 5.3%





(Unit 1,000 people)

Travel Agency

Airline Company

Global OTAs

Movie, TV Show

Camping, Leisure

Sports, Games

Market Share Competition

- Emphasis on Profitability and Economy of Scale
 - Price Competition within Industry



Price Oriented



Inventory



Economy of Scale

Hanatour's Current Ability













Time Share Competition

- Emphasis on Higher Value
- Profitability through Distinctive Services
- Surpassing Industry Boundaries for Competition







Contents



Differentiation



Hanatour's Target Ability









Human Touch

Community

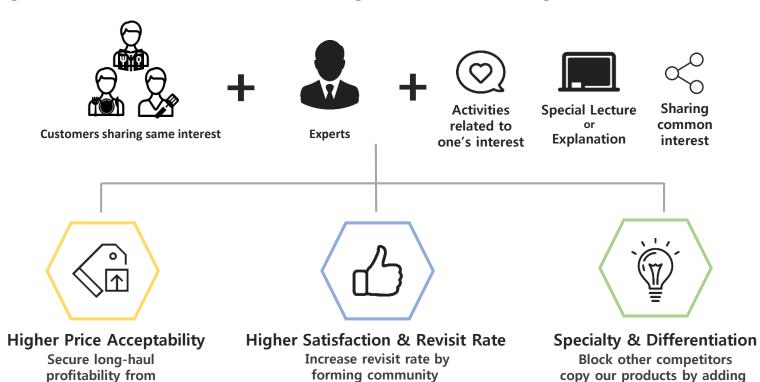
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GRAND TOUR

short-haul destinations

Why Grand Tour?

- The original "Grand Tour" refers to tours to Europe in 17~19th century taken by upper class English young men accompanied by their personal tutors for both leisure and academic purposes
- Hanatour's Grand Tour is a thematic package tour which hires leading/celebrity figures as curators
- Grand Tour is designed resolve modern era's increasing need for knowledge of the interested area



with similar interest

special and distinctive values

GRAND TOUR, 뭉쳐야 뜬다





하나투어 전문가 동반 테마여행

더 깊게 더 특별하게! 관심 분야 전문가의 생생한 지식과 노하우를 전수 받을 수 있는 특별한 여행을 떠나고 싶은 고객님들을 위해 하나투어에서 전문가와 함께 떠나는 테마여행을 제안합니다.





테마별 분야 전문가 지원하기

여행과 접목할 수 있는 모든 전문가를 모십니다. 지금 지원하세요!

전문가 지원 바로가기 90



ı								
	4월 역사여행 은동진 상해	4월 음악여행 설하윤 야마구치	5월 미술여행 하지은 이탈리아	5월 미술여행 박파랑 도쿄	5월 미식만화 조경규 중국 광저우	5월 건축여행 자현호 일본 나오시마	6월 미술여행 하지은 네덜란드/벨기에	6월 역사여행 은동진 상해
	6월 인문학여행 박소영	6월 자전거여행 나상훈	6월 미술여행 박파랑	7월 기월 미술여행 박파랑 러시아	7월 트레킹 오은선 알프스	준비중	준비중	준비중







OPEN PLATFORM HANATOUR PLATFORM HANATOUR.COM Local Guide Community **HNT Experts Itinerary FIT Destination** Itinerary **Tourist Spot** Hote **Local Tour** Theme **Ticket** Specialty **Local Info Local Tour** Differentiation Shopping Etc.

Unification of product Sourcing and sales process through Platform

- Increase customer inflow and sales by developing platform which connects HNT's various product inventories with tour communities
- Opening Hanatour's product inventory platform local residents, local guides and communities to feed new inventories
- Communities with various contents and interests, experts in various fields and Hanatour's employees can participate as suppliers to the platform

Human Touch Service Using BIG DATA

- Collect customer's personal preferences data(appetite, seat preference, personality, etc) through every step of their trip
- Tour guides and conductors, and anyone with point of contact with customers collect data
- Process the collected data to provide better service and personal care for customers, improve products, etc.
- The Big Data assists sales agents to improve face to face services and increase overall Before-During-After-Traveling experience
- The Big Data enables more and better B2C capability of Hanatour

Call-center, Airport **Guide, Tour Conductor Customer Satisfaction Survey After Traveling During Traveling**

- **Favorite Destination, Hotel, Airline**
- Vacation period, Holiday plan

- Interest, Hobby
- Customer's Taste (Food, Sightseeing)
- Service satisfaction rate
- Improvements needed for revisit



Enhance B2C Service



Enhance service for franchises



Enhance Product R&D



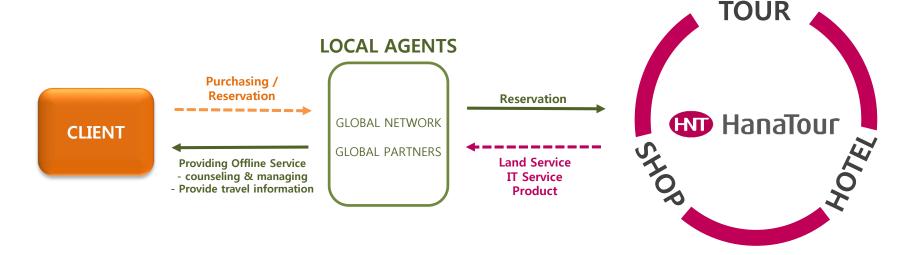
Improve Customer Service

INBOUND BUSINESS



BUSINESS MODEL & CORE COMPETITIVENESS

"Creating Synergy Using Existing Infra Structure"



LAND SERVICE

Provide High-Quality Land Service Provide Diverse Shuttle Bus Tour Services by working with local governments







HOTEL

Operating 1,114 Rooms in downtown Seoul area Enhance competitiveness for inbound business Preferred by local business trip and foreign FIT



SHOPPING

Two Airport DFSs creating synergy with the outbound business and one City DFS creating synergy with inbound tourists using various tour and activity programs





HANATOUR ITC

HanaTour ITC

- HANATOUR ITC Inc. is a 100% owned inbound subsidiary of Hanatour
- 29 overseas offices are sales agents of HANATOUR ITC

Business Category



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

(ND) HanaTour



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





HOTEL / ZHANGJIAJIE

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

Korea's New Paradigm of DFS with Hanatour Culture-Tourism Meets Shopping, Global No1. Culture-Tourism DFS

ICN AIRPORT T1



ICN AIRPORT T2



ICN AIRPORT T1 ARRIVAL DFS



SEOUL CITY



1ST Nov. 2015 Grand Opening

- Global No.1 Revenue Generating Incheon airport DF9 Area
- Located at Asiana Gates

(ND HanaTour

- 5 stores 160 brands, 5,000 products
- 24hr operating pick-up desk
- Commercial Floor Space of 918m²

Jan. 2018 Grand Opening

- Located at DF4 area in T2
- Available to sell all kinds of goods
- Korean Air, Delta, Air France, KLM are located
- Great synergy opportunity with Hanatour customers who use Korean Air
- Commercial Floor space of 825m²

31ST May. 2019 Grand Opening

- Located at baggage claim area in T1
 Eastern store: Carousel 6~7 Area
 Western store: Carousel 16~17 Area
- Perfume, Cosmetics, Liquors and all kinds of goods
- Commercial Floor space of 190m²

29th Apr. 2016 Grand Opening

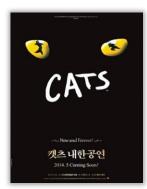
- Located at the tourists' hot spot Insa-dong
- Hanatour Main Building 1F 3F
- Online DFS(www.smdutyfree.com)
- Related to HNT website & Mobile App
- Commercial Floor Space of 4,088m²

CULTURE BUSINESS INVESTMENT















> Expansion of HNT Performance Contents Investment

- Synergy with Existing Tour Business
- Expansion of Business through Exploring new Culture Contents
 Business
- Performance Ticket Retail through Hanafree Ticket Brand

> Stabilization of Investment Structure

- Capital Guarantee & Loss CAP method investment to Minimize Risk
- Investment Ceiling
 (Decide total Investment Scale after looking over Yearly Line-up)
- Diversification of Investment to Secure Distribution (Exclusive Sales and Secure of On-Site Sales)
- Co-Investment(Sourcing) through Strategic Partnership

GLOBAL BUSINESS



OVERSEAS NETWORKS

O 14 Overseas Subsidiaries in 12 Countries

- 01. HANATOUR USA INC
- 02. HANATOUR CHINA
- 03. HANATOUR HONGKONG CO., LTD.
- 04. HANATOUR TAIWAN SERVICE INC.
- 05. HANATOUR JAPAN Co., LTD
- 06. HANATOUR SERVICE (M)SDN.BHD _ Malaysia
- 07. HANATOUR PTE. LTD _ Singapore

- 08. HANATOUR EUROPE LTD _ London
- 09. HANATOUR PTY LTD _ Australia
- 10. HANATOUR EU GmbH _ Germany
- 11. BEIJING HANA INFORMATION TECHNOLOGY CO.,LTD
- 12. CAMLAO HANATOUR CO., LTD.
- 13. HANATOUR VIETNAM COMPANY LIMITED
- 14. HANATOUR PHILIPPINES CORP.

O 55 Global Networks in Total

01. U.S.A

- Los Angeles, Las Vegas, Hawaii, New York

02. China

- Beijing, Shanghai, Qingdao, Xian, Zhangjiajie

03. Asia

- Taiwan, Hong Kong, Bangkok, Phuket, - Manila, Cebu, Bali, Hochiminh Hanoi, Kota Kinabalu, Singapore, Siem Reap

04. Japan

 Tokyo, Hokkaido, Kyushu, Osaka, Okinawa, Sapporo, Fukuoka

05. South Pacific

- Guam, Saipan, Auckland, Sydney, Palau

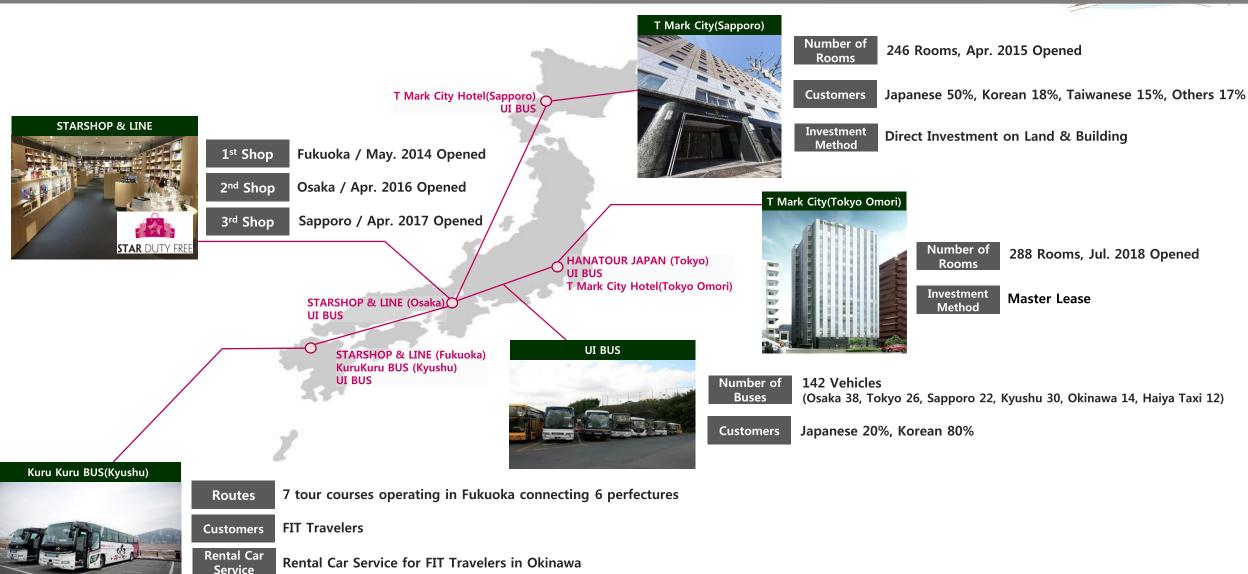
06. Europe

- London, Germany

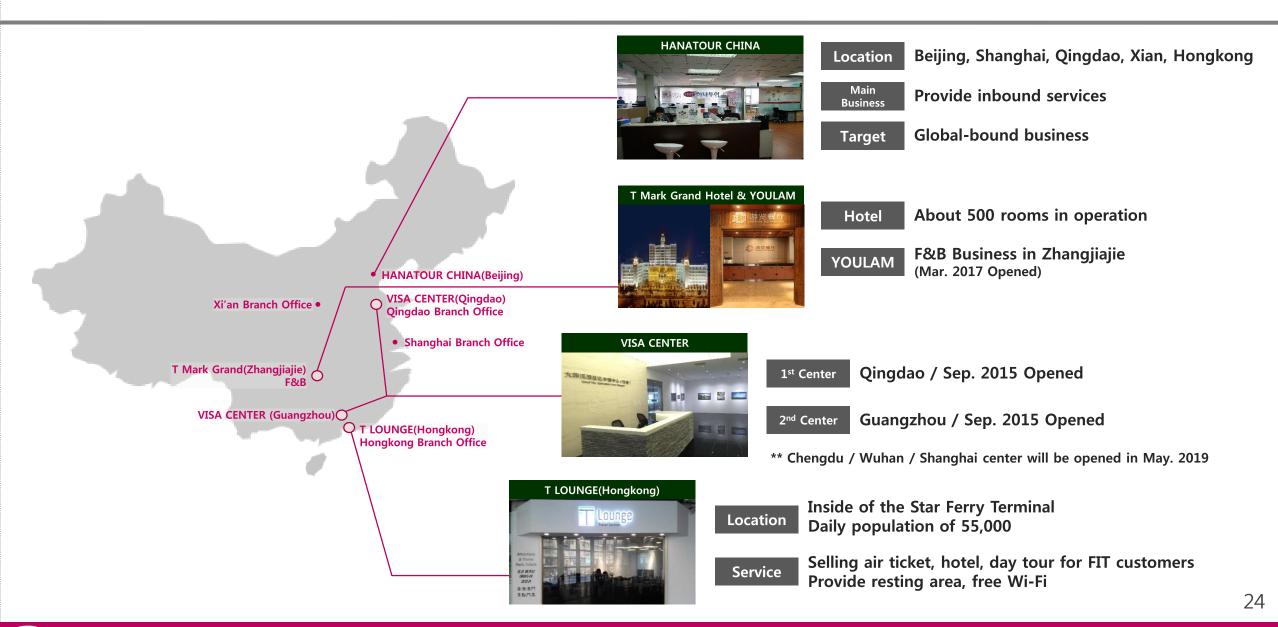


HANATOUR JAPAN





HANATOUR CHINA

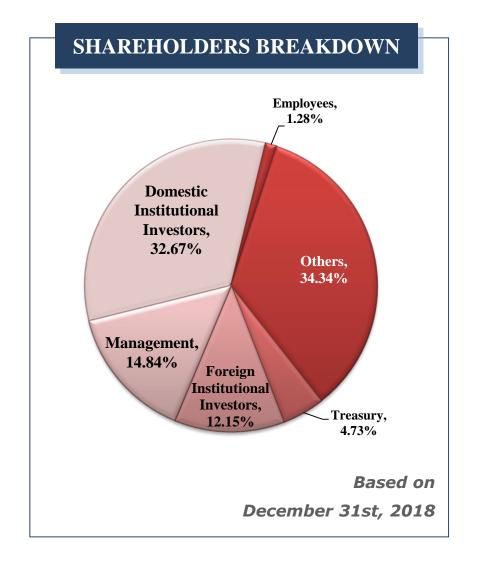


APPENDIX



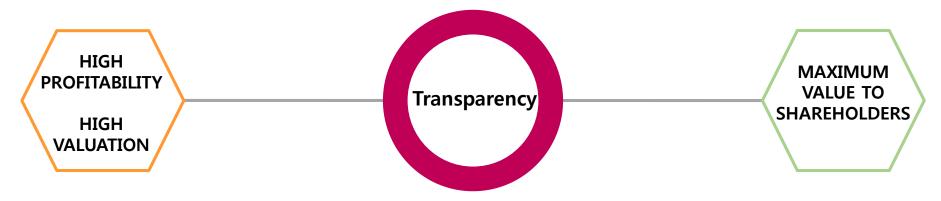
COMPANY PROFILE & SHAREHOLDERS STRUCTURE

COMPAN	NY 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			
1 1Ct W OI W2	Overseas: 18			



VALUE MANAGEMENT

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

FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 1Q **Description** (Consolidated) (Consolidated) (Consolidated) (Consolidated) (Consolidated) (Consolidated) (Consolidated) (Consolidated) (Consolidated) Package 1,453 1,623 1,836 1,857 1,964 2,072 2,406 2,448 650 **Gross Sales** (Parent-Only) Air-Ticket 463 **576** 851 567 743 1,006 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 Sales Income 267.8 307.9 352.7 385.5 459.4 595.5 682.3 828.3 222.9 Operating Expenses 244.2 763.2 268.3 312.3 345.0 414.7 574.6 803.4 209.7 **Operating Income** 24.2 39.6 40.4 40.4 44.7 20.9 41.1 24.9 13.2 OPM(%) 9.0% 12.9% 11.4% 10.5% 9.7% 3.5% 5.1% 3.0% 5.9% Income Before Income Taxes 27.0 49.9 48.8 46.2 46.9 23.9 38.3 22.3 14.8 Net Income 34.2 12.9 21.4 36.1 7.5 9.4 37.4 35.4 10.6

(KRW bn)

	`	
FY17 (Parent)	FY18 (Parent)	FY19 1Q (Parent)
2,406	2,448	650
1,100	1,188	320
3,507	3,635	970
444.6	542.1	149.7
488.1	515.4	136.8
47.1	26.6	12.9
8.8%	4.9%	8.6%
45.2	21.2	17.8
26.3	13.4	14.0

X 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)
Current Assets	237.9	281.4	278.5	316.4	340.2	345.7	454.8	497.7	498.0
Non-Current Assets	58.5	71.1	98.0	121.0	164.1	174.6	173.4	218.4	496.8
Total Assets	296.3	352.4	376.5	437.4	504.4	520.2	628.2	716.1	994.7
Current Liabilities	161.8	169.6	180.8	243.0	275.4	286.7	362.3	413.6	475.3
Non-Current Liabilities	3.0	3.1	3.1	6.4	11.6	21.5	20.2	62.7	276.6
Total Liabilities	164.8	172.6	183.9	249.4	287.1	308.2	382.4	476.2	751.9
Capital Stock	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
Other Capital	75.2	98.3	88.0	63.5	76.5	79.9	113.0	115.8	116.3
Total Stockholders' Equity	131.5	179.8	192.6	188.0	217.3	212.1	245.7	240.0	242.8
Total Liabilities and Stockholders' Equity	296.3	352.4	376.5	437.4	504.4	520.2	628.2	716.1	994.7

235.1 228.4 463.6
463.6
703.0
269.3
5.0
274.2
5.8
124.8
58.7
189.3
463.6

X Applied K-IFRS 1115 from 2018X 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

X K-IFRS Based From 2011Applied K-IFRS 1115 from 2018Applied 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

X K-IFRS Based From 2011 X Applied K-IFRS 1115 from 2018X 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
- ❖ 2017, 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

