

LOTTE HIMART

KOREA NO.1 Home & Lifestyle Retailer

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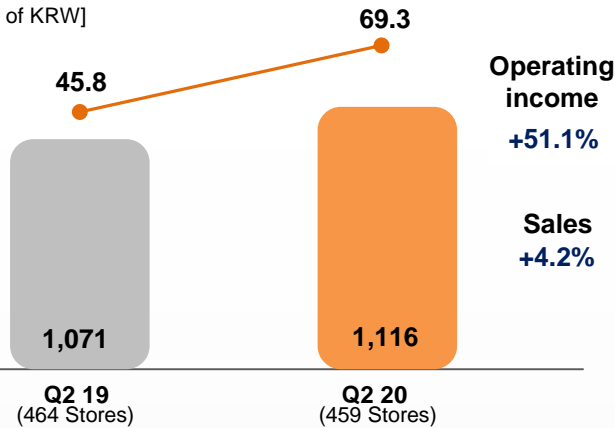
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1. Q2 HIGHLIGHTS

Sales & Profit

[Unit : In billions of KRW]

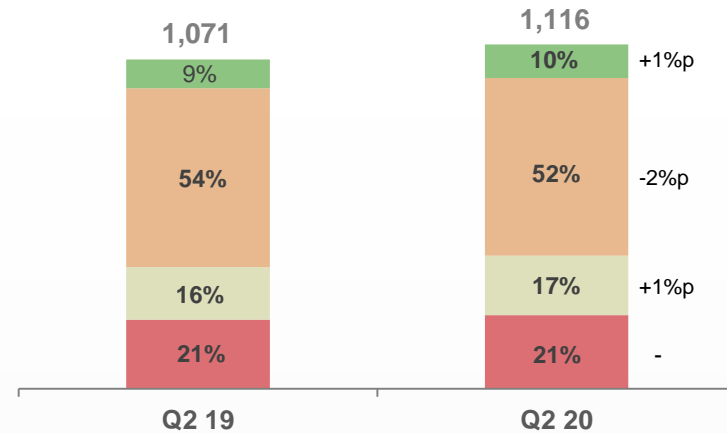


[Unit : in billions of KRW,%]

Category	Q2 19	%	Q2 20	%
Sales	1,071	100	1,116	100
Gross profit	285	26.6	292	26.1
Operating income	46	4.3	69	6.2
Net income	32	3.0	43	3.9

- ✓ **Sales:** Increased by 4.2% due to improved results at our offline channel and continuing high growth of online channel by 30.0%
- ✓ **Operating income:** Grew by 51.1% thanks to sales growth and careful execution of operating expenses

Product Lines



- Audio-Visual: TVs, digital convergence devices, audio equipment, etc.
- White Goods: Refrigerators, air conditioners, washing machines, cloth dryers, etc.
- IT : PCs, mobile devices, etc.
- Home Appliances: Rice cookers, vacuum cleaners, dehumidifiers, kitchen appliances, etc.

✓ Growth rates by category

Q2 20 : Audio-Visual +16%, White Goods -1%,
IT +14%, Home Appliance +6%

✓ Q2 Trend

- Audio-visual increased because of people spending more time at home with content consumption
- IT growth due to online education and working at home

2. Q2 IN REVIEW

Q2 2020 Financial Analysis ①

Q2 Profit & Loss

[Unit : in billions of KRW]

Category	Q2 19		Q2 20		YoY Change		
		%		%		%p	%
Sales	1,071	100%	1,116	100%	45	-	4.2%
Gross profit	285	26.6%	292	26.1%	7	-0.5%p	2.5%
Operating Expense	239	22.3%	222	19.9%	-16	-2.4%p	-6.8%
Operating Income	46	4.3%	69.3	6.2%	24	1.9%p	51.1%
Income before tax	42	3.9%	56.9	5.1%	15	1.2%p	34.8%
Net Income	32	3.0%	43.3	3.9%	11	0.9%p	34.8%

Detail Analysis

✓ Increase in gross sales by 4.2%

- COVID-19 has led to dramatic increase in the amount of time that people spend at home, resulting in high growth in sales of premium-level appliances.
- Other factors include the central government's subsidy program, people's inability to travel overseas, and rebates on purchase of energy-efficient appliances.

✓ Operating income up by 51.1%

- Operating income increased by KRW 23Billion (51.1%). Operating margin rose by 1.9%p due to high sales growth(4.2%) and the careful management of our operating expenses(-6.8%)

2. Q2 IN REVIEW

Q2 2020 Financial Analysis ②

Q2 Operating Expense

[Unit : In billions of KRW]

Category	Q2 19		Q2 20		YoY Change		
		%		%		%p	%
Labor	71	6.6%	65	5.8%	-6	-0.8%p	-8.4%
Rent	8	0.7%	7	0.6%	-1	-0.1%p	-16.1%
Depreciation	32	3.0%	35	3.1%	3	0.1%p	8.3%
Advertising & Promotion	18	1.7%	11	0.9%	-7	-0.8%p	-40.6%
Payment commission	49	4.6%	50	4.5%	1	-0.1%p	1.6%
Shipping & Installation	49	4.6%	45	4.0%	-4	-0.6%p	-8.3%
Others	12	1.2%	11	1.0%	-1	-0.2%p	-10.4%
Total	239	22.3%	222	19.9%	-16	-2.4%p	-6.8%

※ %: proportion of Gross sales

Detail Analysis

✓ Overall Decreases in Operating Expenses

- Advertising and promotional costs were down by 40.6%
- Depreciation costs increased by 8.3%. Rental costs decreased by 16.1%
- Installation costs fell by 20.4%(KRW 4.9billion) due to slow air conditioner sales.

✓ Selling costs increased

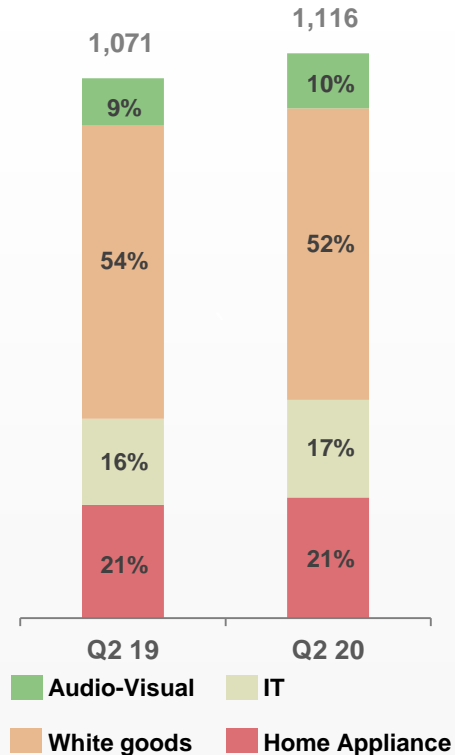
- Payment commissions increased by 1.6% due to ongoing increase in online related sales commissions.

2. Q2 IN REVIEW

Sales Ratio and Trend by Segment

Q2 Sales & Product ratio

[Unit : In billions of KRW]



Product Lines

✓ Best Sellers

- TVs: Customer demand for large-screen, premium-quality TVs grew due to people spending more time at home
- Refrigerators: Unit price has risen due to trend of preference for premium goods
- Kimchi fridges: Kimchi fridges are now looked upon as a non-seasonal product, leading to higher Q2 sales growth and effect of rebate scheme
- Washing machines: Demand for replacement of front-loading washing machines and effect of efficient-energy rebate scheme also sparked sales increases
- PCs: More people working and studying at home resulted in more demand for PCs
- Dishwashers: Dishwashers are also seeing a surge in popularity this year

✓ Slow Sellers

- Air conditioners: High sales of air conditioners in Q2 19 lessened their popularity
- Cloth dryers: Demand for clothes dryers is also down since H2 2019
- Mobile devices: Decrease in demand and higher sales of mid-to-low-priced units
- Air purifiers: Air purifiers are in less demand due to fewer particulates in the air

■ Audio-Visual: TVs, cameras, digital convergence devices, audio equipment, etc.

■ White goods: Refrigerators, air conditioners, kimchi fridges, washing machines, clothes dryers, etc.

■ IT: PCs, mobile devices, etc.

■ Home Appliance: Vacuum cleaners, rice cookers, air purifiers, dehumidifiers, dishwashers, etc.

2. Q2 IN REVIEW

Debt and Borrowings

- ✓ Debt ratio increased on a temporary basis due to the issuing of a KRW 200 billion in June 2020
- * KRW 130 billion is scheduled to be paid back in H2 20

Borrowings and Financial Index

[Unit: In billions of KRW]

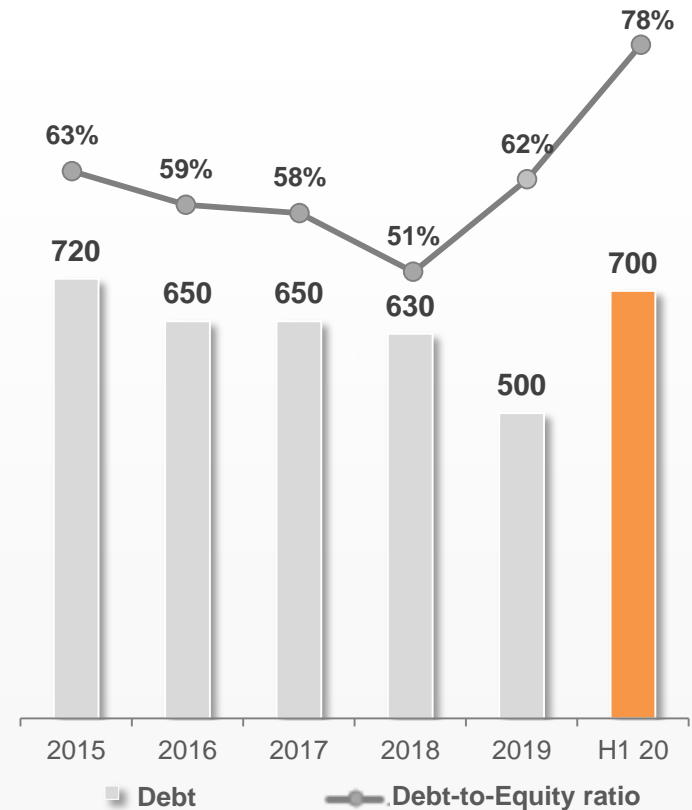
Category	Q4 19	H1 20	YoY Change
Borrowings	500	700	40.0%
Cash & cash equivalents	85	379	346.5%
Net Borrowings	415	322	-22.6%
Total Equity	1,922	1,952	1.6%

Category	Q4 19	H1 20	YoY Change
Debt-to-Equity	61.7%	78.3%	16.6%p
Borrowings-to-Equity	26.0%	35.9%	9.8%p
Net Borrowings-to-Equity	21.6%	16.5%	-5.1%p

Credit Ratings	Q4 19	H1 20	Remarks
Corporate Bonds	AA-	AA-	-
CP	A1	A1	-

Chronological Change

[Unit: In billions of KRW]

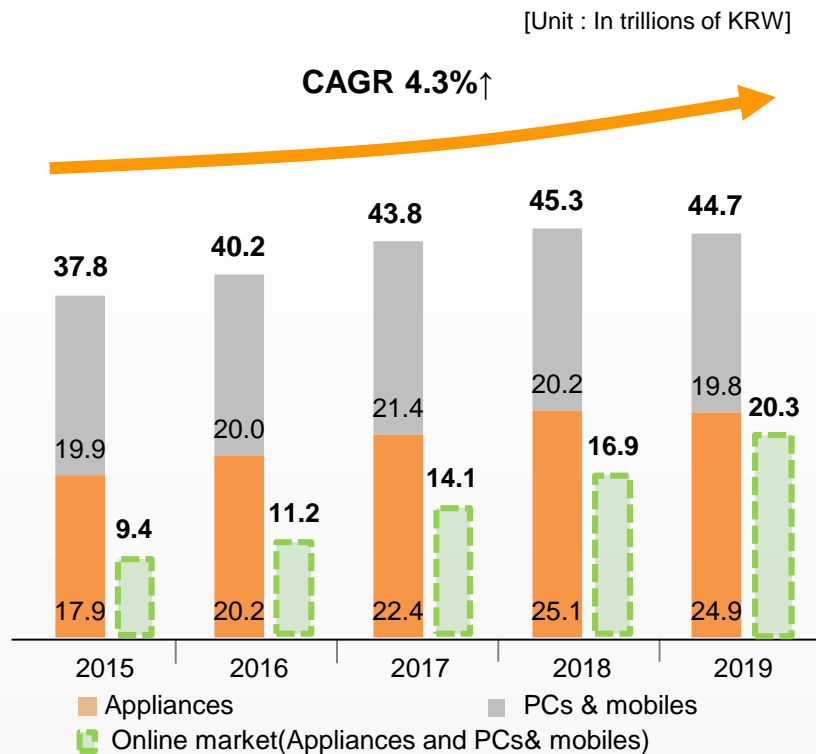


3. OPERATING PERFORMANCE

Domestic Appliance Market

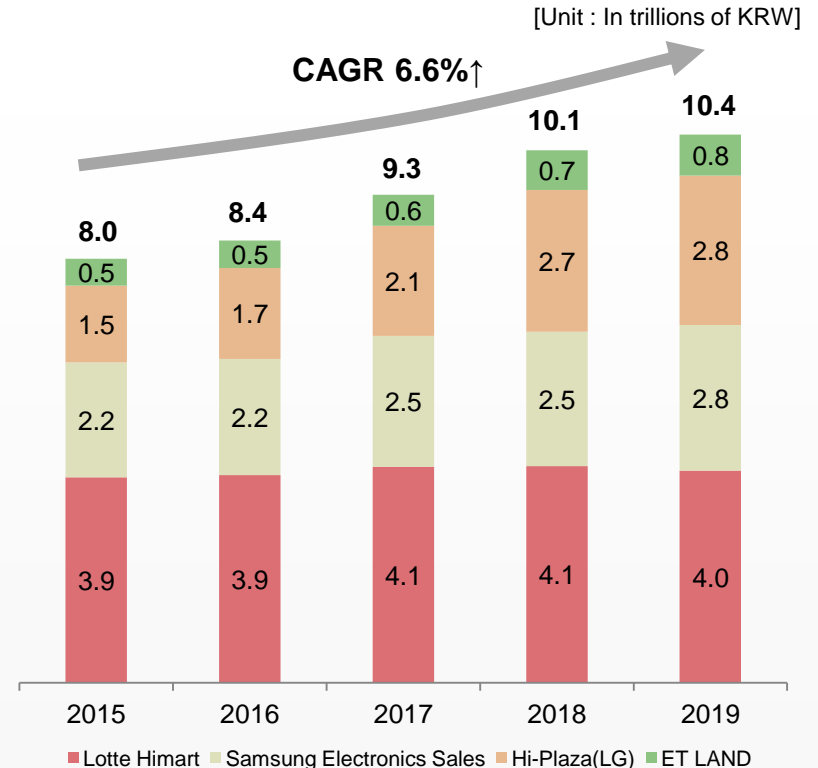
- ✓ Sales of appliances are suffering due to a decrease in consumer sentiment. Although the online market experienced growth in the range of 20%, sales in 2019 were off by 1.3%
- ✓ Although the online market experienced rapid growth, four offline electronics retailers showed a CAGR of 6.6% over the past five years.

Scale of Appliances market



※ Source : National Statistics Office

Electronics Retailer Trend and MS



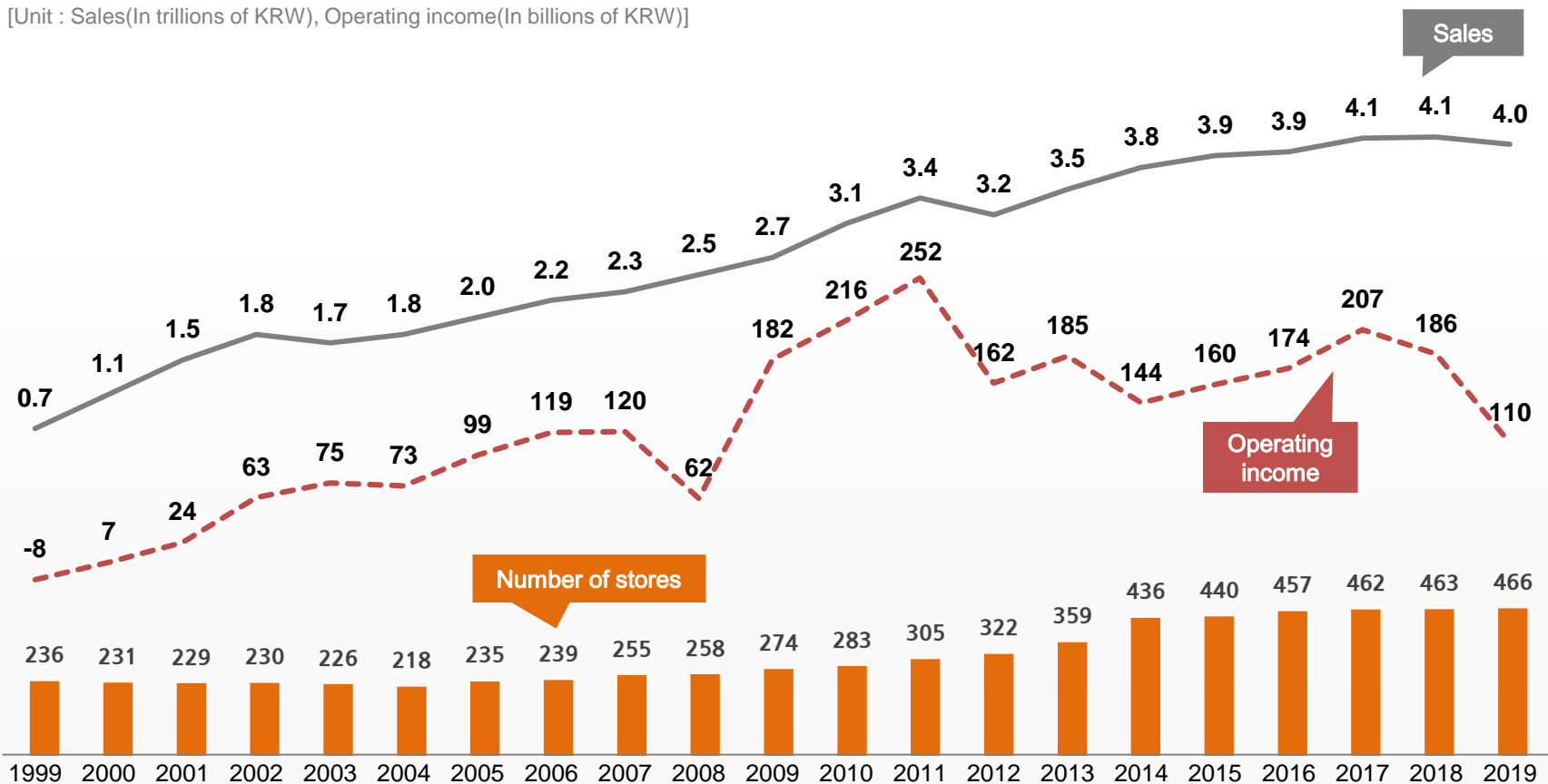
※ Source : Annual reports or audit reports of each company

3. OPERATING PERFORMANCE

Annual Performance and Number of Stores

- ✓ Annual sales have experienced a CAGR of 9.1%, leading changes in the domestic appliances distribution industry ever since our establishment

[Unit : Sales(In trillions of KRW), Operating income(In billions of KRW)]



3. OPERATING PERFORMANCE

Competitiveness of Lotte Himart

Store Network

No.1 MS among domestic major electronics retailers

- Operating 459 stores as of Q2 20
- Diversifying store types to attract more customers

Category	Total Stores	Mega	Department store	Omni	Stand alone	Shop in shop
Q 4 1 9	466	1	1	42	318	104
Q 2 2 0	459	3	1	61	297	97
G A P	-7	+2	-	+19	-21	-7

Online Growth

Online channel growth and investments

- Experiencing continuous sales growth since 2015
- Increasing new SKU sourcing and investments in infra

[Unit: In billions of KRW]

Category	2015	2016	2017	2018	2019	CAGR
Online sales	97	205	312	412	582	-
Proportion	2%	5%	7%	9%	12%	-
Growth rate	96%	113%	52%	32%	41%	57%

※ Online sales : Gross Merchandise Volume(GMV)

Distribution Infra

Delivery / Installation / Service Networks

Category (2019)	Current Status		
Logistics Center	Installation	Online-only	Other
	12	1	1
Installation Infra	Staff	Vehicle	Performance
	3,200/month	1,847/month	198,000/month

Direct Purchase Goods

High profitability based on direct purchase of various brands and high-margin goods

Category	2017	2018	2019
Direct purchase sales ratio	99.2%	99.3%	99.2%
Direct purchase brands	2,169	3,218	4,160

4. BUSINESS STRATEGY

Home & Lifestyle Retailer Strength in both online and offline Channels

1. Expand online business

- Increase number of product categories
- Gain edge in online market through investments

2. Strengthening competitiveness of offline channel

- Restructure stores
- Diversify store types

3. Product strategy

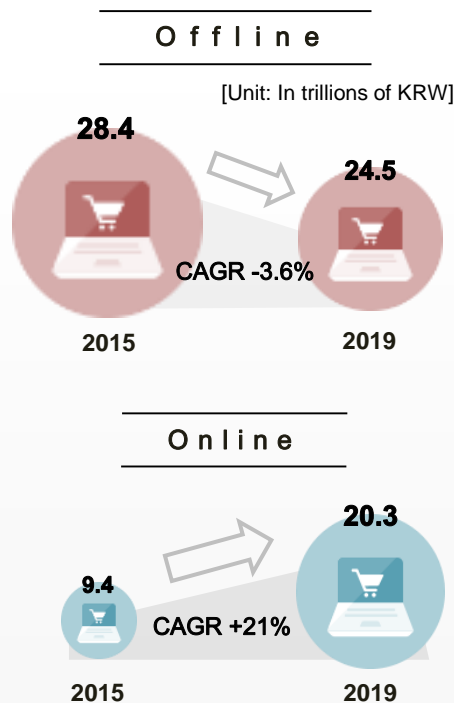
- Increase sales of premium-quality appliances
- Add more high-margin PB products to mix
- Enhance home-care services

4. BUSINESS STRATEGY

Expand Online Business

- ✓ Domestic online appliances market is growing at a yearly rate of 20%, while its offline market is in decline
- ✓ The online portion of domestic appliances market is 45.5% in 2019. This implies there is much potential for growth for our online mall. Our online sales currently represent 12.4% of our total.

Domestic Appliances Market



※ Source : National Statistics Office

Our Online Shopping Mall at Present

Category	2015	2016	2017	2018	2019	H1 20	CAGR (15~19)
Online Domestic Appliance market [Unit: In trillions of KRW] (Proportion)	9.4 (24.9%)	11.2 (27.8%)	14.1 (32.1%)	16.9 (37.4%)	20.3 (45.5%)	12.1 (52.4%)	- -
Growth Rate	12.5%	18.4%	26.1%	19.7%	19.9%	20.9%	+21.0%
Himart Online Sales* [Unit: In billions of KRW] (Proportion) Online sales-to-Total sales	97 (2.2%)	205 (4.7%)	312 (6.7%)	412 (8.7%)	582 (12.4%)	358 (15.1%)	- -
Growth Rate	95.7%	112.8%	51.7%	32.2%	41.4%	25.9%	+56.7%
SKU [Unit: Millions]	0.01	0.04	0.14	0.46	1.32	1.86	+178%
Daily Traffic [Unit: Millions]	0.11	0.26	0.47	0.70	0.94	1.07	+79.8%

※ Source: National Statistics Office, Internal (Online Sales : Gross Merchandise Volume(GMV))

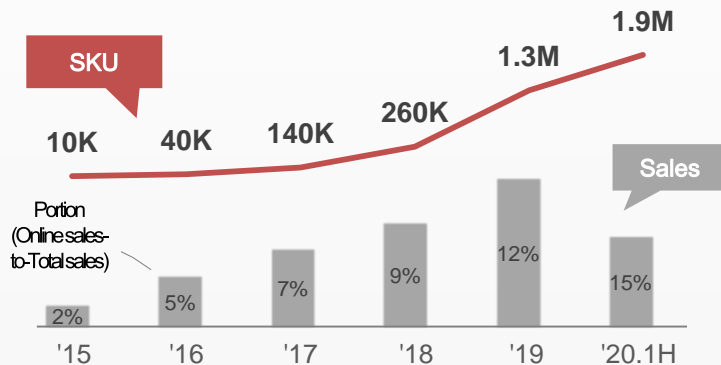
4. BUSINESS STRATEGY

Expand Online Business

✓ Transforming into a Home and Lifestyle Shopping Mall

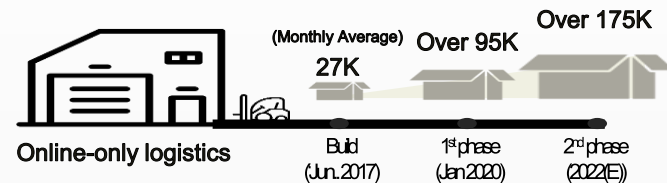
Increasing Number of Product Categories

- Increase sales by launching new products, such as non-electronics and online exclusives
 - Items that can generate synergies with appliances
 - Home living: Interior goods, kitchenware, household goods, etc.
 - Sports/Leisure : Sporting good, sports apparel, etc.
 - Culture : Travel, beauty, DIY, stationery, foods, etc.
 - Consultation regarding expansion of online exclusive products with business partners



Online Investments

- Increase online traffic and pursue lock-in effect through investments in IT
 - Highest app speed in the field in 2019 (1.5seconds)
 - Development of unique content like lifestyle zone, home interior platform, video commerce, A/S app, gift shop service
- Enhance customer satisfaction by offering differentiated installation and delivery service
 - First-phase expansion into online-only logistics completed (in Jan.20)



Same-day Delivery	Smart Pick	Smart Quick	Premium Delivery	Scheduled Delivery
Order by noon, get delivery and installation the same day	Buy online, pick up in store	Deliveries within 2 hours of purchase	Premium deliveries and installations	Deliveries and installations on customer's preferred day

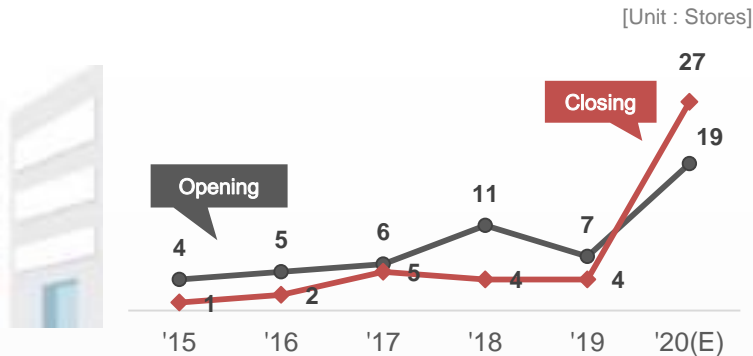
4. BUSINESS STRATEGY

Enhancing Competitiveness of Offline Channel

- ✓ Increase number of large-sized stores and enhance efficiency and profitability of offline store through restructuring

Restructuring

- Current status of store restructurings



- Increasing number of large-sized stores, which are far more competitive than small ones

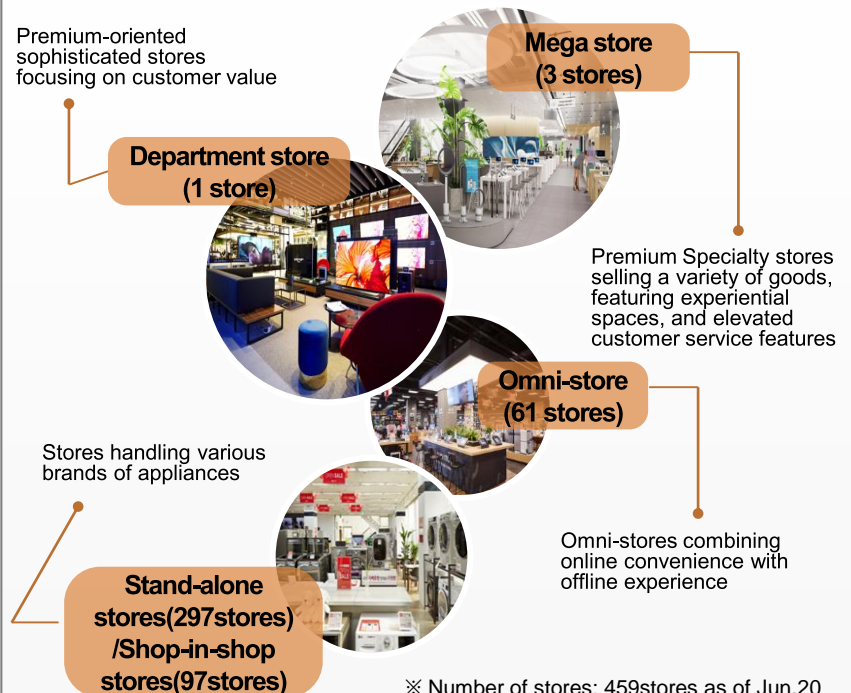
- Large-sized store portion: 34% (+5%p, YoY) as of 2020

Category (2019)		Stores(average)	Large-sized	GAP
Total number of stores		466	135	-
Customers	Daily purchases	47	67	+42.6%
	Unit sales	KRW 0.51M	KRW 0.56M	+9.8%
Monthly sales per store [Unit : KRW]		0.73 billion	1.14 billion	+56.2%

※ Stores square: average 1,025㎡, small-sized: ~660㎡, large-sized: 1,160㎡~

Diversifying Types of Stores

- Enhance customer experiences, such as providing content that takes advantage of offline channels



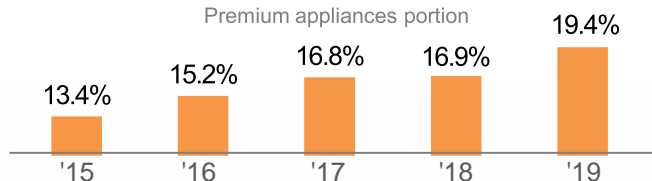
4. BUSINESS STRATEGY

Offering Differentiated Goods

- ✓ Enhancing growth and profitability by offering a range of goods that reflect changes in trends and customer value

Premium-Oriented Product Operation

- Selling more premium-quality, large-sized appliances



- Increasing number of premium stores and enhancing customer service
 - For 2020, proportion of premium stores: 18% (+8%p, YoY)
 - Increasing high-quality installation teams (2020, portion 5%)
 - Offering additional services(no-cost inspections, etc.)
 - Increasing number of premium-brand service centers
 - Two stores in 2019 (Apple/Dyson) → six stores in 2020
- Establishing specialty section of premium-quality appliances within our online mall (scheduled for Aug. 20)
 - Offering a wide range of premium-quality, lifestyle-oriented goods
 - Offering premium-quality, lifestyle-oriented product packages

※ Premium, large-sized appliances : TVs(65inches ↑ UHD, OLED); washing machines(19kg↑ drum); refrigerators(4-door, water purifier refrigerators); Kimchi fridges(400ℓ↑)

※ Premium stores: Mega stores, omni-stores, department store, Lotte World Tower

Enhancing PB Sales

- Strengthening competitiveness and profitability by expanding PB products collaborating with brands

Category	Current	Future
Small- and mid-sized appliances	Small- and mid-sized products with short development times	Developing trendy PBs in collaboration with famous design company, and increasing per-unit prices
Large appliances	Low price, low-volume products	Large-capacity products at reasonable prices

Enhancing Homecare Services

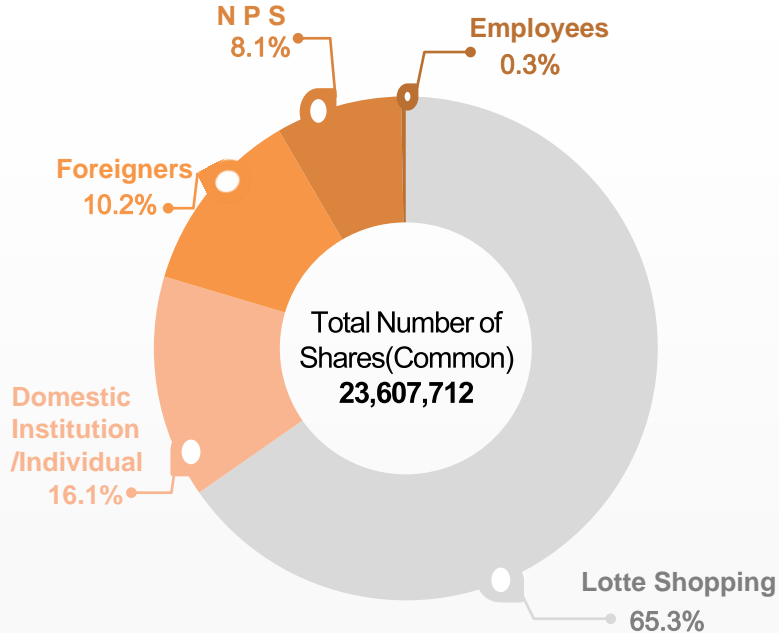
- Secure appliance lifecycle management skills that connect from post-sale maintenance to repurchase
 - Homecare items: 2019, 27items (+7items, YoY)
 - Packaging homecare services to link up with high online sales
 - Online sales proportion: 47.5% (+22.6%p, YoY)
- Hiring expert human resources and offering continuous training
- Increasing SKU and sales channel
 - Items: House disinfection and security, house-sitting, home interior
 - Channel: Increasing B2B proposals, biddings and adding more online affiliated malls

Appendix

* Shareholders and Dividends

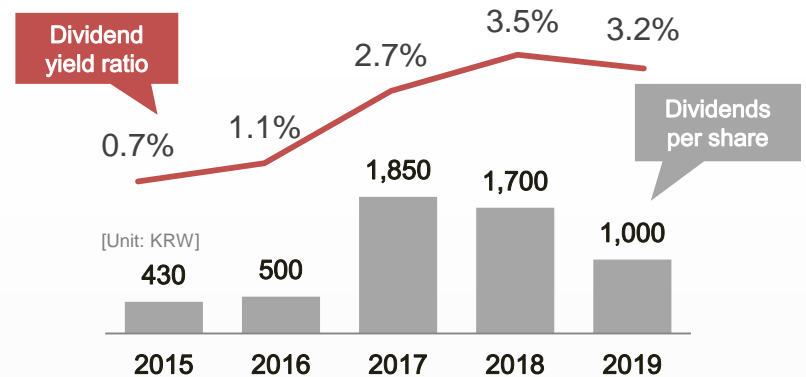
- ✓ Increased shareholder value by maintaining a dividend payout ratio of 30% of net income since 2017, excluding one-offs
- ✓ 2019 dividend ratio was 3.2%, dividend payout per share was KRW 1,000

Shareholders



※ End of Jun. 2020

Status of Dividends



[Unit: In billion of KRW, %]

Category	2015	2016	2017	2018	2019
Net income	107	121	148	86	- 100
Total dividend	10	12	44	40	24
Payout ratio	9.5	9.7	29.4	47.0 [29.1%]	- [30.0%]

※ [Excluding one-offs]: Impairment losses on goodwill and tangible assets (2018, KRW 53 billion; 2019: KRW 179 billion)

* ESG · CSR

- ✓ Maintained “A” grade in KCGS ESG evaluation for two years in a row (2019: Environment B+, Social Responsibility A+, Governance B+)
- ✓ Pursuing social contributions creates social value and strengthens competitiveness

ESG

- Evaluate Environment, Social Responsibility, and Governance activities yearly to enhance commitment to corporate social obligations

Year	Grade	ESG		
		E	S	G
2019	A	B+	A+	B+
2018	A	B	A	A
2017	B+	C	A+	A
2016	B+	B	A	B+
2015	B+	B	B+	B+

CSR

- Pursuing shared growth with partnership
 - Funding: Fundraising (KRW 50 billion), setting payments in cash
 - Supporting expansion of sales channel: Support exhibition costs, holding online exhibitions
 - Enhancing competitiveness: Business consulting, training
- CSR, contributing to society
 - Increasing CSR activities supporting women and children
 - Children’s science classes, concerts, appliance donations
 - CSR, contributing to local communities
 - Helping with cleaning social assistance facilities, donating home appliances to members of armed forces
 - Employee volunteer services
 - Making hygiene kits to aid in prevention of COVID-19, and school supplies for overseas students



* Issues and Outlook

Outlook Post COVID-19

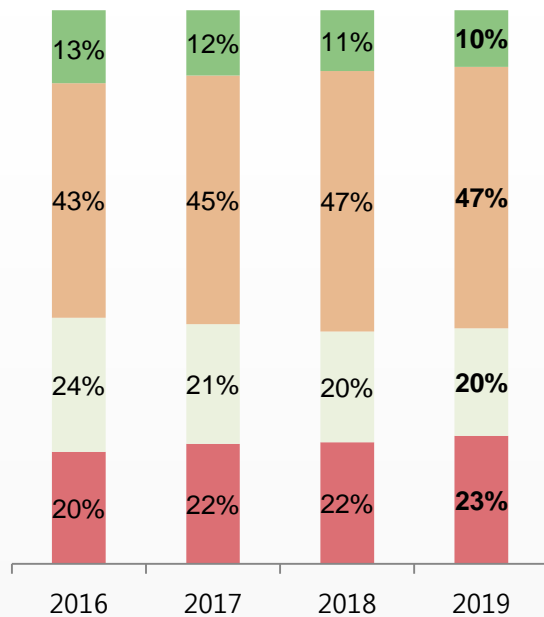
✓ High growth in online market because of people not spending and having extra funds available, leading to increase in sales of trendy and premium-quality appliances

- Sales in our online and offline channels both increased in Q2 20, even despite the economic repercussions caused by the COVID-19 pandemic. There was a favorable environment such as rebate scheme on energy-efficient appliances. As time passed, customers came to prefer what has come to be known as “untact” consumption. This resulted in our daily online traffic increasing by about 13% YoY, with sales jumping by 30%. In the end, total sales grew by 4.2% (offline channel: +1.2%. online channel: +30.0%), YoY.
- In Q2 20, product subsidies instituted by both central and local governments, along with reductions in overseas travel and taking part in fewer outdoor activities meant people ended up with more money in their pockets. Rebate scheme on energy-efficient appliances led to increased demand for high-quality, low-energy appliances. There was also a noticeable increase in sales of home-consumption goods due to the increasing number of people forced to stay and work at home.
- In 2020, we anticipate positive effects that include the spread of “untact” consumption; a rise in demand for such items as TVs, and PCs due to an increase in working at home, and continuous high growth in premium-quality appliances in line with an indoor shopping* trend. This in turn leads us to expect a steady upturn in our yearly earnings—especially in our online channel.

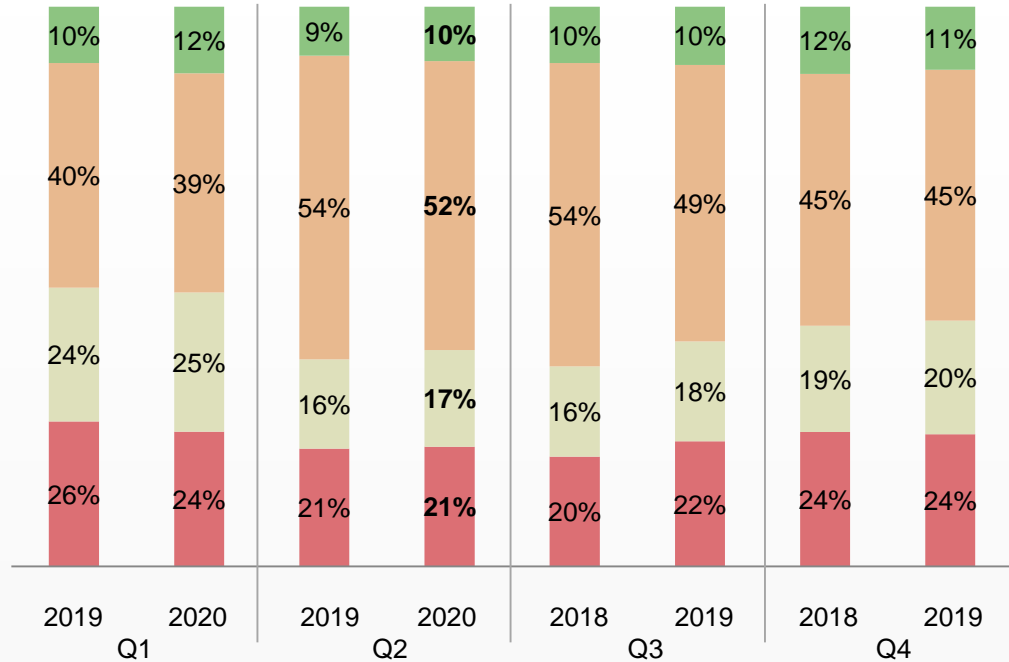
Indoor shopping* : Refers to the phenomenon of the increasing consumption of home-related products, such as furniture and home appliances, as people spend more time at home.

* Sales per Segment

○ Annual



○ Quarterly (Q3.18 ~ Q2.20)



- Audio-Visual : TVs, digital convergence devices, audio equipment, etc.
- White goods : Refrigerators, washing machines, cloth dryers, kimchi fridges, air conditioners, home dry cleaners, etc.
- IT : PCs, mobile devices, etc.
- Home Appliances : Vacuum cleaners, rice cookers, air purifiers, dehumidifiers, dishwashers, kitchen appliances, etc.

* Summary of Income Statement(Quarterly)

[Unit : In billion of KRW]

Category	19.1Q			19.2Q			19.3Q			19.4Q			20.1Q			20.2Q		
		%	yoy		%	yoy		%	yoy		%	yoy		%	yoy		%	yoy
Sales	1,037	100%	8.9%	1,071	100%	-1.5%	984	100%	-11.6%	935	100%	-2.6%	925	100%	-10.8%	1,116	10%	4.2%
Gross profit	239	23.0%	-1.0%	285	26.6%	-4.3%	254	25.9%	-15.8%	223	23.8%	-4.0%	223	24.1%	-6.4%	292	2.6%	2.5%
Operating expense	214	20.7%	7.4%	239	22.3%	3.6%	221	22.5%	-6.9%	217	23.2%	-0.9%	204	22.0%	-4.9%	222	2.0%	-6.8%
Labor	68	6.5%	11.4%	71	6.6%	7.6%	68	6.9%	2.8%	67	7.2%	-0.3%	66	7.1%	-2.8%	65	0.6%	-8.4%
Rent	9	0.9%	-68.5%	8	0.7%	-73.7%	8	0.8%	-75.0%	8	0.8%	-78.2%	6	0.7%	-35.9%	7	0.1%	-16.1%
Depreciation	31	3.0%	157.6%	32	3.0%	167.4%	32	3.3%	169.1%	40	4.3%	241.2%	35	3.8%	11.7%	35	0.3%	8.3%
Adv. & Promotion	17	1.7%	7.5%	18	1.7%	-2.1%	16	1.6%	-5.5%	16	1.7%	-15.9%	15	1.6%	-13.9%	11	0.1%	-40.6%
Payment commission	47	4.5%	12.9%	49	4.6%	6.9%	47	4.8%	-0.3%	47	5.1%	4.9%	45	4.8%	-4.3%	50	0.4%	1.6%
Shipping cost	24	2.3%	5.7%	25	2.3%	-5.3%	26	2.7%	-3.1%	26	2.8%	-2.0%	23	2.5%	-1.3%	26	0.2%	3.4%
Installation	6	0.6%	54.2%	24	2.2%	18.1%	13	1.4%	-48.5%	2	0.2%	-29.5%	4	0.4%	-39.1%	19	0.2%	-20.4%
Others	12	1.1%	-6.4%	12	1.2%	0.1%	11	1.1%	-8.7%	10	1.1%	-4.7%	10	1.1%	-13.7%	11	0.1%	-10.4%
Operating income	24	2.3%	-41.3%	46	4.3%	-31.5%	33	3.4%	-48.4%	6	0.7%	-52.9%	20	2.1%	-19.6%	69	0.6%	51.1%
Income before tax	20	1.9%	-48.7%	42	3.9%	-35.2%	28	2.9%	-55.5%	-174	-	-	15	1.6%	-26.3%	57	0.5%	34.8%
Net income	15	1.5%	-48.4%	32	3.0%	-35.2%	21	2.2%	-55.4%	-169	-	-	11	1.2%	-26.1%	43	0.4%	34.8%
Stores	464		0.4%	463		0.2%	465		0.4%	466		0.6%	469		1.1%	459		-0.9%

* Summary of Income Statement(Annual)

[Unit : In billion of KRW]

Category	2015			2016			2017			2018			2019		
		%	yoy		%	yoy		%	yoy		%	yoy		%	yoy
Sales	3,896	100.0%	3.8%	3,939	100.0%	1.1%	4,099	100.0%	4.1%	4,113	100.0%	0.3%	4,026	100.0%	-2.1%
Gross profit	963	24.7%	4.0%	1,013	25.7%	5.2%	1,061	25.9%	4.7%	1,073	26.1%	1.1%	1,001	24.9%	-6.7%
Operating expenses	803	20.6%	2.7%	839	21.3%	4.4%	854	20.8%	1.8%	886	21.6%	3.8%	891	22.1%	0.5%
Labor	241	6.2%	2.3%	244	6.2%	1.1%	246	6.0%	0.7%	260	6.3%	5.7%	273	6.8%	5.2%
Rent	122	3.1%	6.0%	123	3.1%	1.1%	125	3.1%	1.7%	125	3.0%	-0.0%	33	0.8%	-74.0%
Depreciation	52	1.3%	-1.4%	52	1.3%	0.1%	49	1.2%	-6.1%	48	1.2%	-2.8%	136	3.4%	183.4%
Adv.&Promotion	94	2.4%	-4.2%	98	2.5%	4.1%	69	1.7%	-29.8%	70	1.7%	2.0%	67	1.7%	-4.5%
Payment commission	130	3.3%	9.9%	144	3.7%	10.6%	163	4.0%	13.0%	180	4.4%	10.2%	190	4.7%	5.9%
Shipping cost	86	2.2%	8.0%	89	2.3%	3.5%	99	2.4%	10.9%	102	2.5%	2.9%	101	2.5%	-1.4%
Installation	32	0.8%	-7.9%	44	1.1%	36.0%	56	1.4%	27.8%	54	1.3%	-3.5%	46	1.1%	-14.1%
Others	45	1.1%	-3.7%	44	1.1%	-1.7%	47	1.1%	6.3%	48	1.2%	2.5%	45	1.1%	-4.9%
Operating income	160	4.1%	10.9%	175	4.4%	9.0%	207	5.1%	18.9%	186	4.5%	-10.1%	110	2.7%	-41.1%
Income before taxes	143	3.7%	15.1%	163	4.1%	13.5%	199	4.9%	22.4%	127	3.1%	-36.2%	84	-	-
Net income	107	2.7%	10.5%	121	3.1%	13.9%	148	3.6%	22.2%	85	2.1%	-42.4%	100	-	-
Stores	440		0.9%	457		3.9%	462		1.1%	463		0.2%	466		0.6%

※ Fiscal 2015~2016 : Accounting Standard K-IFRS 1018, Fiscal 2017~2019 : Accounting Standard K-IFRS 1115

* Summary of Balance Sheet

[Unit : In billion of KRW]

Category	End of 2019	H1 2020	GAP	YoY Change
Total Asset	3,108	3,481	373	12.0%
Current asset	716	1,111	395	55.2%
Cash & cash equivalents	85	379	294	346.5%
Inventories	532	606	74	13.8%
Trade & other current receivables	97	123	26	27.6%
Other current assets	37	28	-9	-24.0%
Non-current asset	2,392	2370	-22	-0.9%
Property	437	448	11	2.5%
Goodwill	1,476	1,476	-	-
Other non-current assets	480	447	-33	-6.8%
Total Liabilities	1,186	1,529	343	29.0%
Current liabilities	590	896	306	52.1%
Trade & other current payables	287	399	112	39.2%
Short-term borrowings	130	280	150	115.5%
Other current liabilities	173	217	44	25.7%
Non-current liabilities	596	633	36	6.1%
Long-term borrowings	370	420	50	13.5%
Other non-current liabilities	226	213	-13	-6.0%
Equity	1,922	1,952	30	1.6%
Issued capital	118	118	-	-

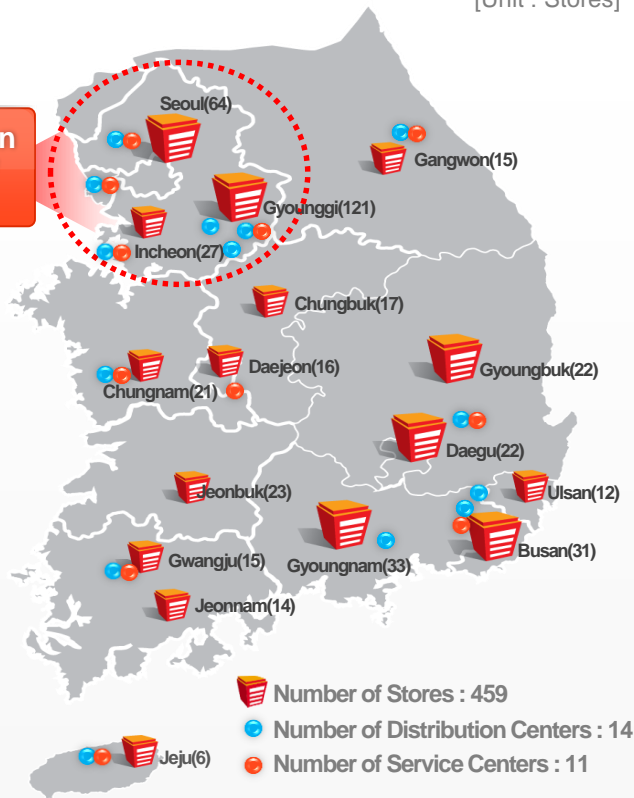
※ Including 297 billion(End of 2019), 281 billion(Jun.2020) in lease liability (Accounting standard K-IFRS)

* Logistics and Service Center

Nationwide Network

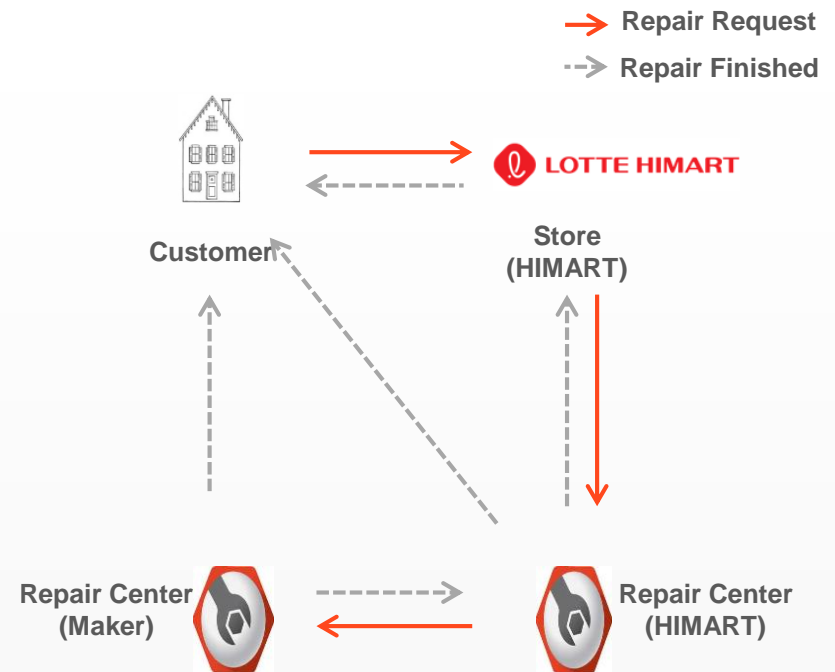
[Unit : Stores]

Metropolitan
(about 46% of total stores)



※ End of Jun. 2020

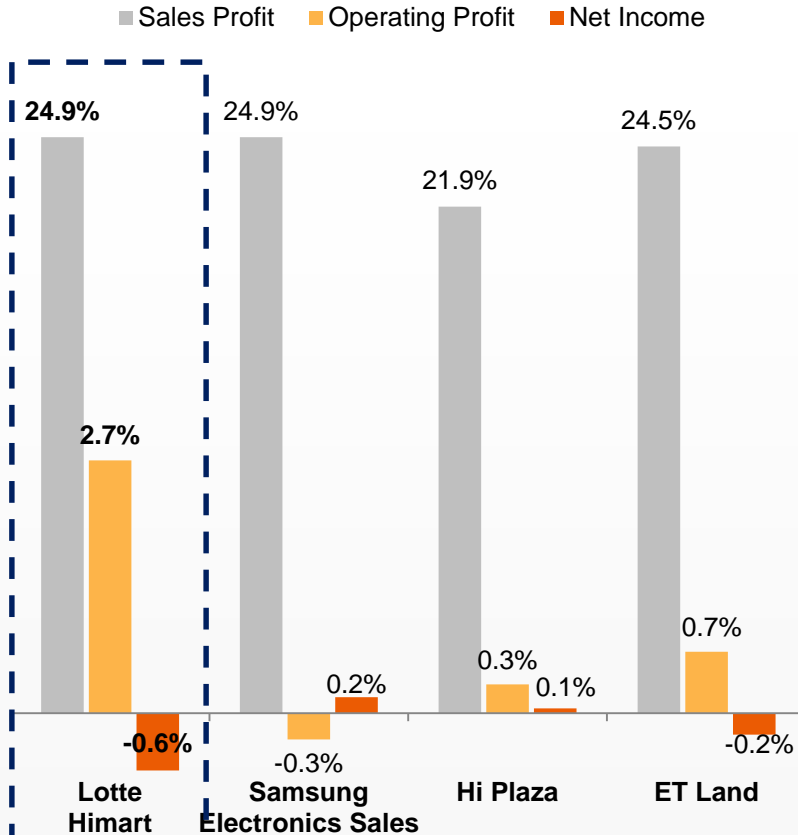
Small Appliances Repair service



※ Large appliances are repaired by makers' service centers or engineers

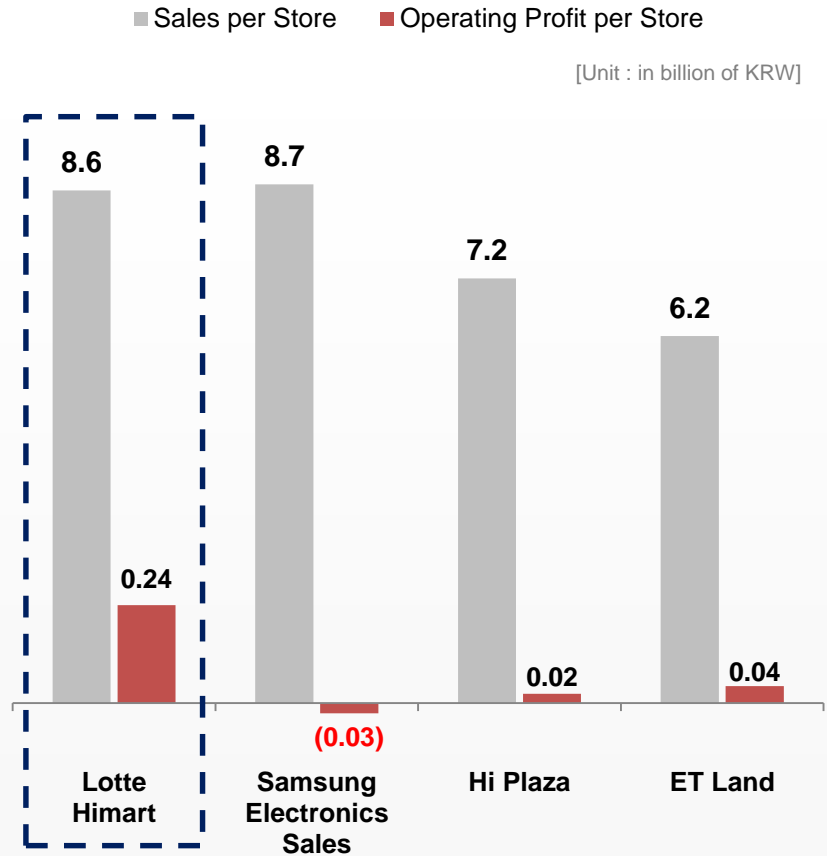
* Comparison of Competitor

Profitability



※Source: 2019 annual reports or audit reports of each company

Efficiency



※Source: 2019 annual reports or audit reports of each company

MISSION

사랑과 신뢰를 받는
제품과 서비스를 제공하여
인류의 풍요로운 삶에 기여한다

We enrich people's lives by providing
superior products and services that
our customers love and trust