

HAIMARROW FOOD SERVICE

(220630.KQ)



Boombata
세상에 없던
이탈리안 화덕 샌드위치

빵으로 만든 샌드위치와는 비교불가!
화덕에서 갓 구운 수제 도우 속에
신선한 채소와 맛있는 토핑이 가득!

00



MOM'S TOUCH

CHICKEN & BURGER



MOM'S TOUCH
CHICKEN & BURGER

수리남,
통가슴살패티, 에그의
환상적인 조합!

언벨리버블버거

세 가지 소스의 특별한 리모-에 어필링, 통가슴살패티,
에그의 환상적인 조합. 속부의 형태량이 차오르는 언벨리버블버거

Boombata

화덕 샌드위치 & 피자

Disclaimer



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This is provided for the convenience of investors only, and the external audit on our financial performance hasn't been completed yet; therefore, some part of this document is subject to change upon the auditor's review without notice.

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Various indices contained herein are based on current market conditions and company management policies. They could differ materially from those presently anticipated due to rapidly changing market environment, investment environment and strategically revised objectives of the company. The company is not liable for any investment decisions by investors and obligated to disclose information aligned with future events or performance.

Since the company discloses part of the information stated in this document that is required by regulation FD, refer to the relevant information on DART. Otherwise, they are only based on expectations of company's management. Caution should be taken with respect to such information as you invest.

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1. About Haimarrow Food Service



HISTORY

2004 ~
2018

Company Profile

Company Name	Haimarrow Food Service Co., LTD
CEO	Myungil Jun
Establishment	2004
Location	24F, 25F East Central Tower, 1077, Cheonho-daero, Gangdong-gu, Seoul, Republic of Korea
Sales	USD 284.5 mil (2018)
Capital	USD 9.5 mil
Homepage	www.haimarrow.co.kr / www.momstouch.co.kr
Business	Fast Casual Franchise Business Department Food Materials Distribution Business Department
Number of Employees	210 (Jun. 2019)

2019	02	Transferring the location of main office
2018	06	Awarded as K-start up 2018 by Ministry of Trade, Industry and Energy
2017	04 03 02	Acquired Sugar Bubble Launched Boombata (Opened the first store) Established USA Office
2016	10 09 04	Listed on KOSDAQ stock market Opened the first Vietnamese Mom's Touch store in Ho Chi Minh City Opened the first Taiwanese Mom's Touch store in Tainan City
2015	12 10 04	Established Taiwan office Made exclusive contract for supply agency with Cavendish Farms, the biggest food distribution company in eastern Canada. Established Viet Nam office
2014	12 09	Constructed the distribution center and manufacturing factory in Jincheon, geographical center of Korea Opened the 500th Mom's Touch store
2012	12	Awarded as outstanding import corporation by the Ministry of Food and Drug Safety of Korea
2004	02	Established Haimarrow Food Service Co. Ltd.

1. About Haimarrow Food Service_Chairman



The unique difference of MOM'S TOUCH is our **ingredients**. Every order will be **made fresh to order**, to ensure maximum customer satisfaction. We serve products, which are not made of processed and frozen chicken but **fresh chicken**.

"What Haimarrow dreams is to make happier tomorrow with our food"

Haimarrow, HAPPY TOMORROW!

- 1986~1992 : Started working at Baskin Robbins
- 1993~2003 : Worked at TS Haimarrow(Popeyes)
- 2004~2017 : CEO of Haimarrow Food Service Co.,Ltd.
- Present : Chairman of Haimarrow Food Service Co.,Ltd.

1. About Haimarrow Food Service_VISION



Mission

Promoting **human happiness** through food business

Vision

No.1 in the mind of our customers

➤ Co-Prosperity

Our business partners' growth and success are the driving force of our success.



➤ Happiness

Our top priority is the employees' happiness and we work to continuously grow and improve ourselves.



➤ Customer Focus

Placing the customer at the core of the company's business and ensuring high quality of service.



Core Value

➤ Social & National Stability

We are here to contribute to the society and nation. Furthermore, we strive for Korean reunification.



➤ Sustainable Success

We always try to deliver fair values to our stockholders by creating sustainable success.

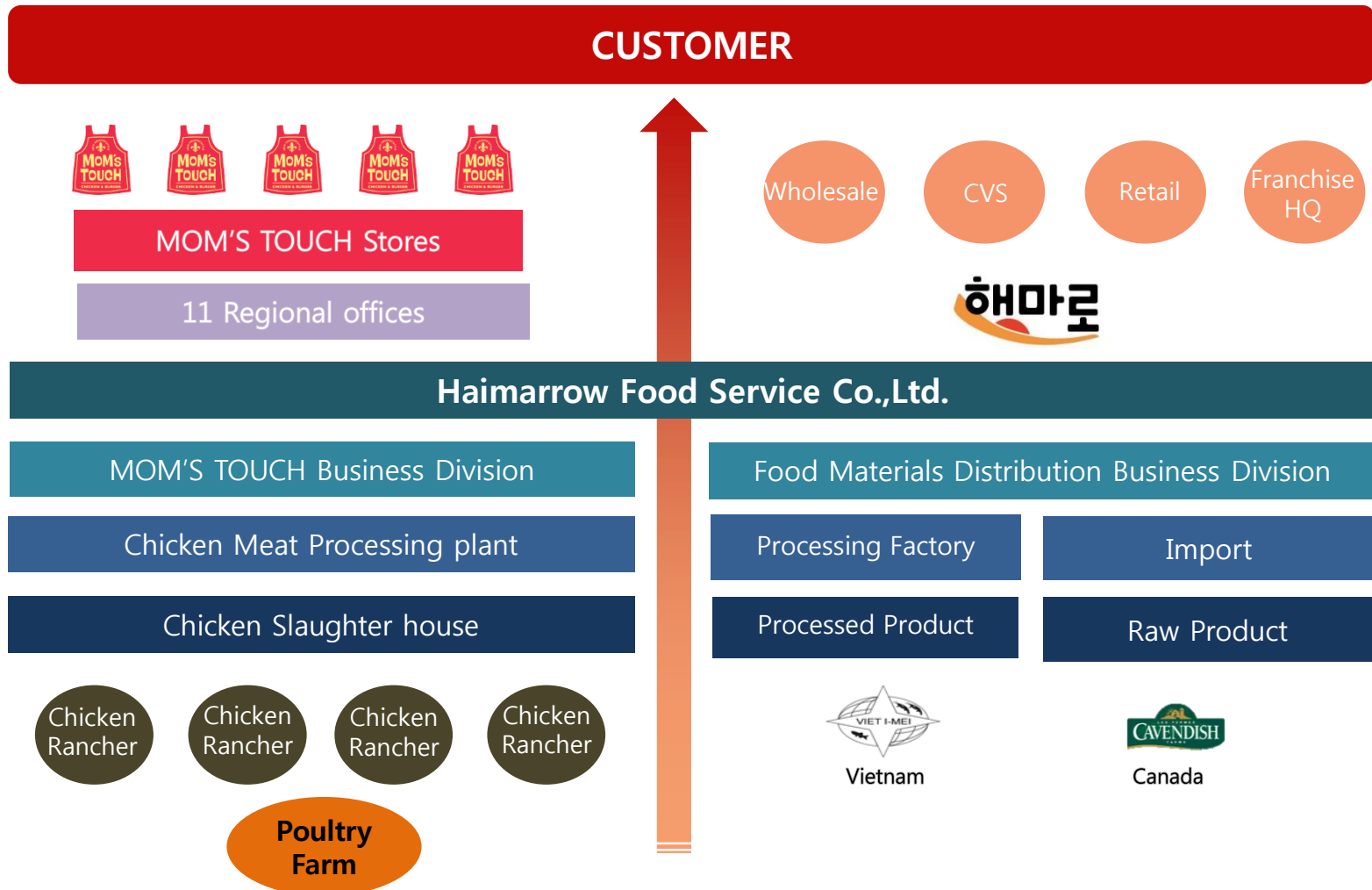


2. Business Department and Business Structure



Business Structure

“ Pursuing the best quality, price competitive, and stable supply system ”





Brand Meaning

MOM'S TOUCH means serving food with a mother's heart.

Our aim is to introduce healthy food that reflects mom's desire to provide the best food to her children. As if a mother prepares a meal for her family from the heart, MOM'S TOUCH cooks the food not fast but in right way.

MOM'S TOUCH is not a typical fast food but a hand-made food that keeps quality through made to order.



Product Strategy

- Made to order
- Not frozen but refrigerated
- Not ground but natural
- Hand made Brand images
- Various burger and chicken sauces
- Release new products to meet the trend

 **Burger**

SIGNATURE

NEW



Thigh Burger



Unbelievable Burger



Incredible Burger



Cheese Bacon Burger



Deep Cheese Burger



White Garlic Burger



Hot Soy Pop Chicken



Masala Chicken



Fried Chicken with Soy Sauce



Chipao Chicken



Flake Hot Chicken



Fried Chicken with Sichuan Sauce



Ricotta Salad



Onion Cheese French Fries



Cheese Jalapeno Nugget



Egg wrap



Popcorn Dumplings









Kimddukman

- Made to order
- Use chicken that is slaughtered on the day (HACCP certified chicken meat from 140 chicken farms)
- Use vacuum tumbler method instead of general method and features deep taste and soft meat quality
- Create side menu items that increases the Average Sales Price(ASP)



Comparing price with competitors in Korea

(Unit : KRW, 1USD= 1,200KRW as of Aug 02 2019)

	MOM'S TOUCH	Burgerking	Lotteria	MCD	KFC	Popeyes
Signature Burger	Thigh Burger	Original Long Chicken Burger	T-REX Burger	McSpicy Shanghai Burger	Black Label Classic Burger	Cajun Chicken Burger
Images						
Price	3,400(\$2.8)	4,400(\$3.7)	3,600(\$3.0)	5,100(\$4.3)	6,700(\$5.6)	5,400(\$4.5)
Set menu	5,600(\$4.7)	6,400(\$5.3)	5,800(\$4.8)	6,600(\$5.5)	8,700(\$7.3)	7,600(\$6.3)
Beverage	1,600(\$1.3)	1,700(\$1.4)	1,700(\$1.4)	1,800(\$1.5)	2,300(\$1.9)	1,900(\$1.6)

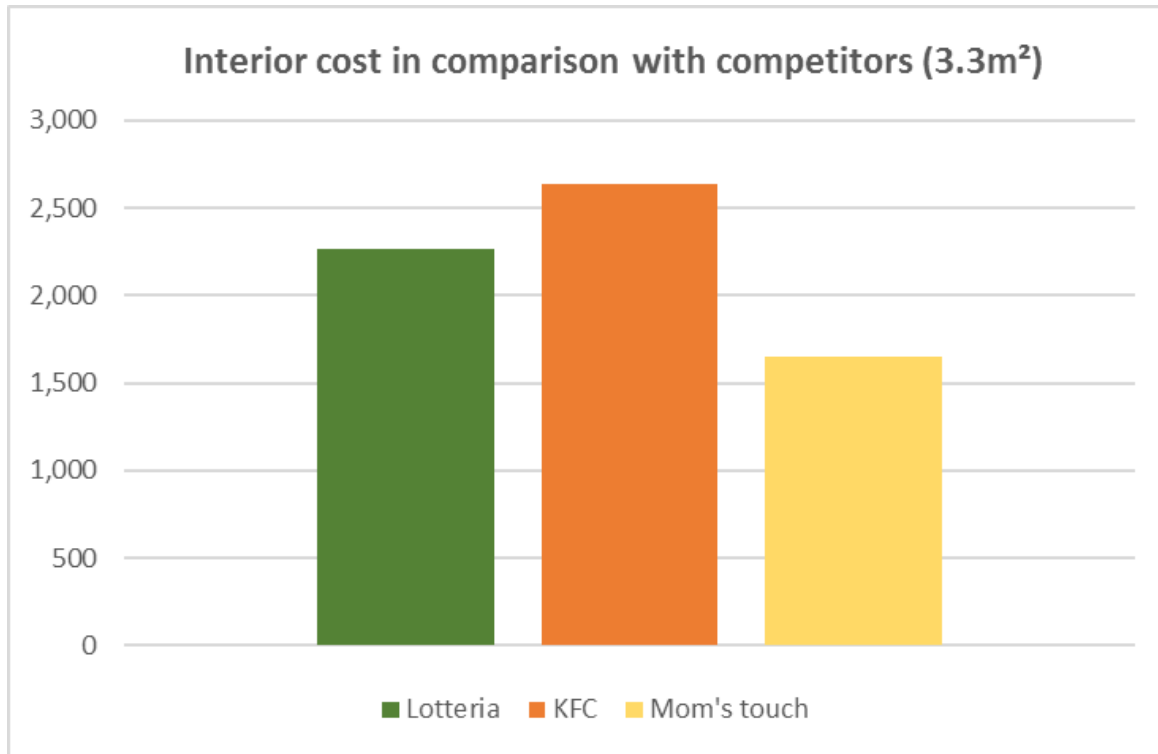
Source: each company's homepage

3. 1st Brand



Comparison of interior cost

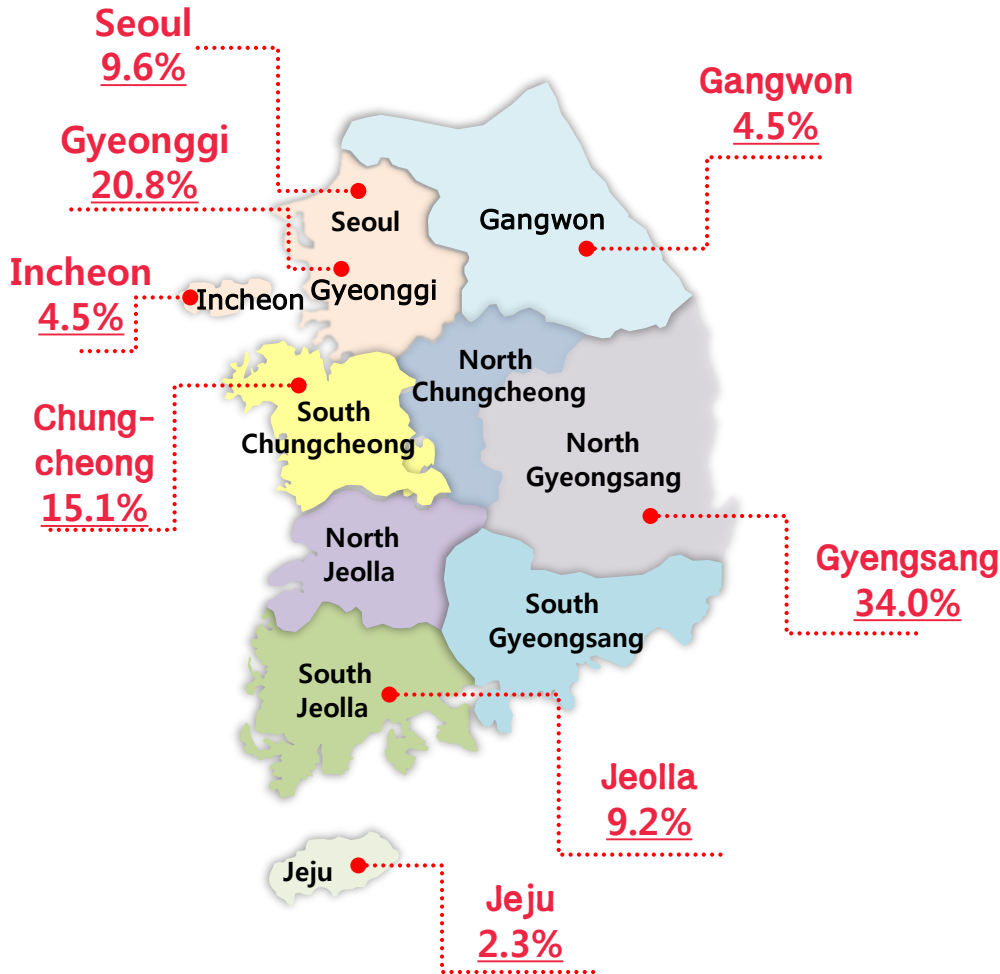
(Unit: KRW 1,000)



Source: FDD (Franchise Disclosure Document) from Fair Trade Commission (2017)



The Number of Stores



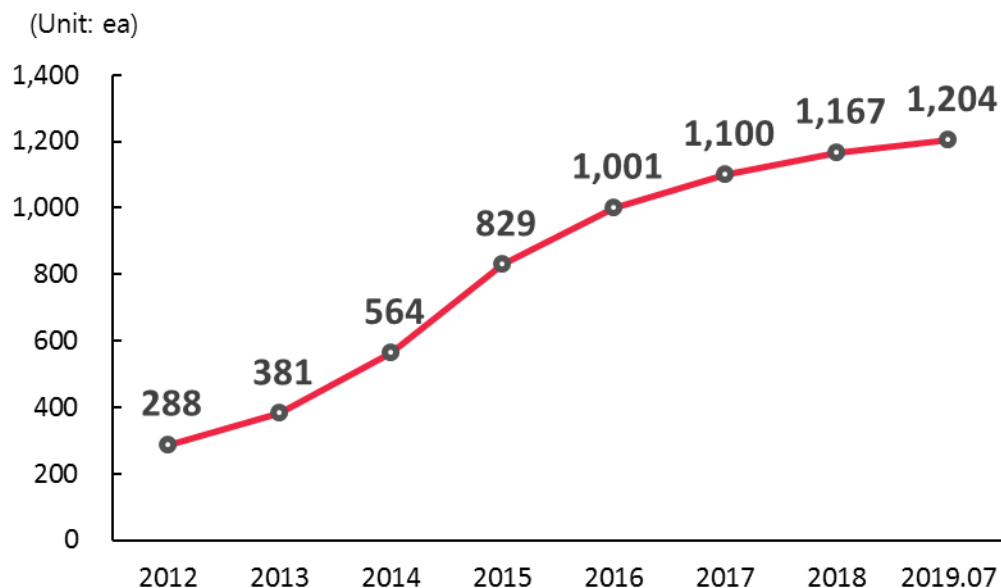
| The Number of Stores as of Jul. 2019 |

	# of Stores			%, (2019 JUL)	Lotteria (2017)
	(2017 DEC)	(2018 DEC)	(2019 JUL)		
Seoul	76	99	115	9.6	204
Gyeonggi	220	240	251	20.8	320
Incheon	55	53	54	4.5	78
Chungcheong	169	178	182	15.1	181
Jeolla	104	109	111	9.2	143
Gyengsang	397	407	409	34.0	360
Gangwon	55	55	54	4.5	52
Jeju	24	26	28	2.3	12
Total	1,100	1,167	1,204	100	1,350



Increasing Number of Stores

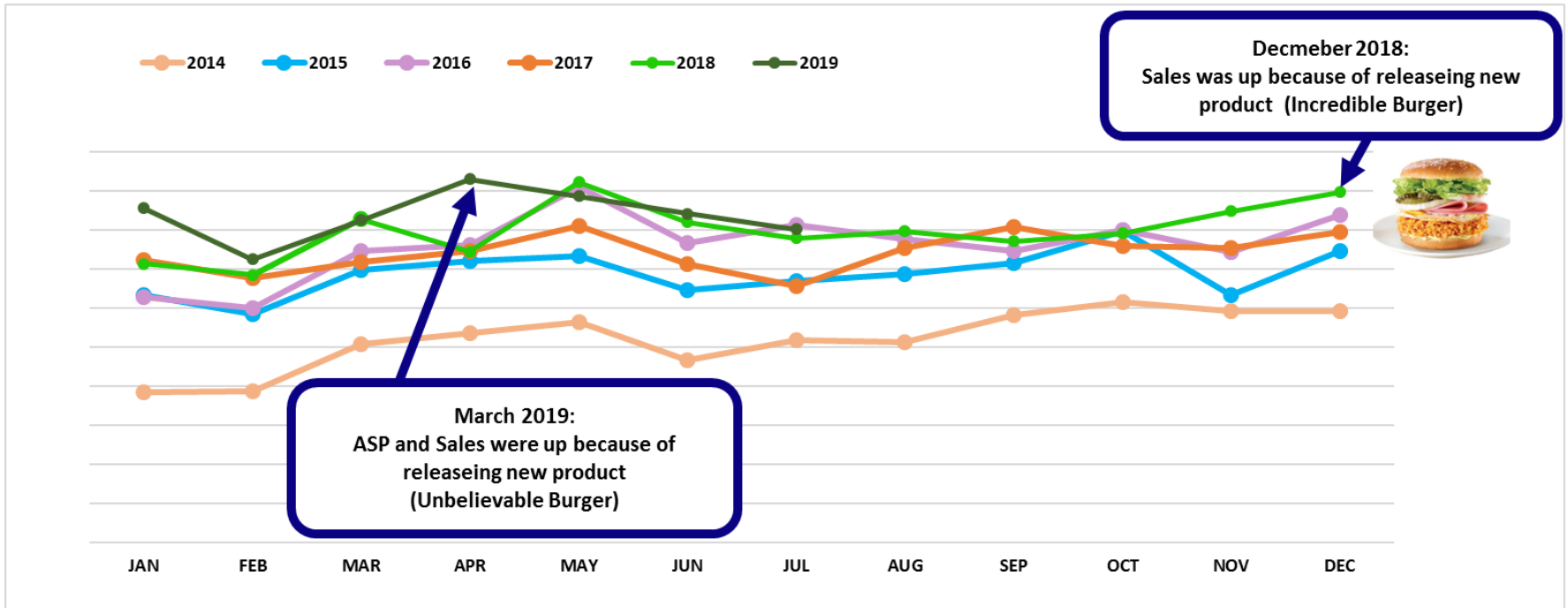
Year	# of stores
2012	288
2013	381
2014	564
2015	829
2016	1,001
2017	1,100
2018	1,167
Jul.2019	1,204



- The number of stores has increased continuously and substantially
- 5 Years CAGR(Compound annual growth rate) 25.1% (2018)
- As of Jul. 2019, the number of stores is 1,204



Monthly Average Sales Per Restaurant



- Increased brand awareness (Viral, SNS) → The sales per store increased
- The sales per store is more than doubled compared to 2014
- Expect this trend to continue (due to increased number of stores in Seoul metropolitan areas)



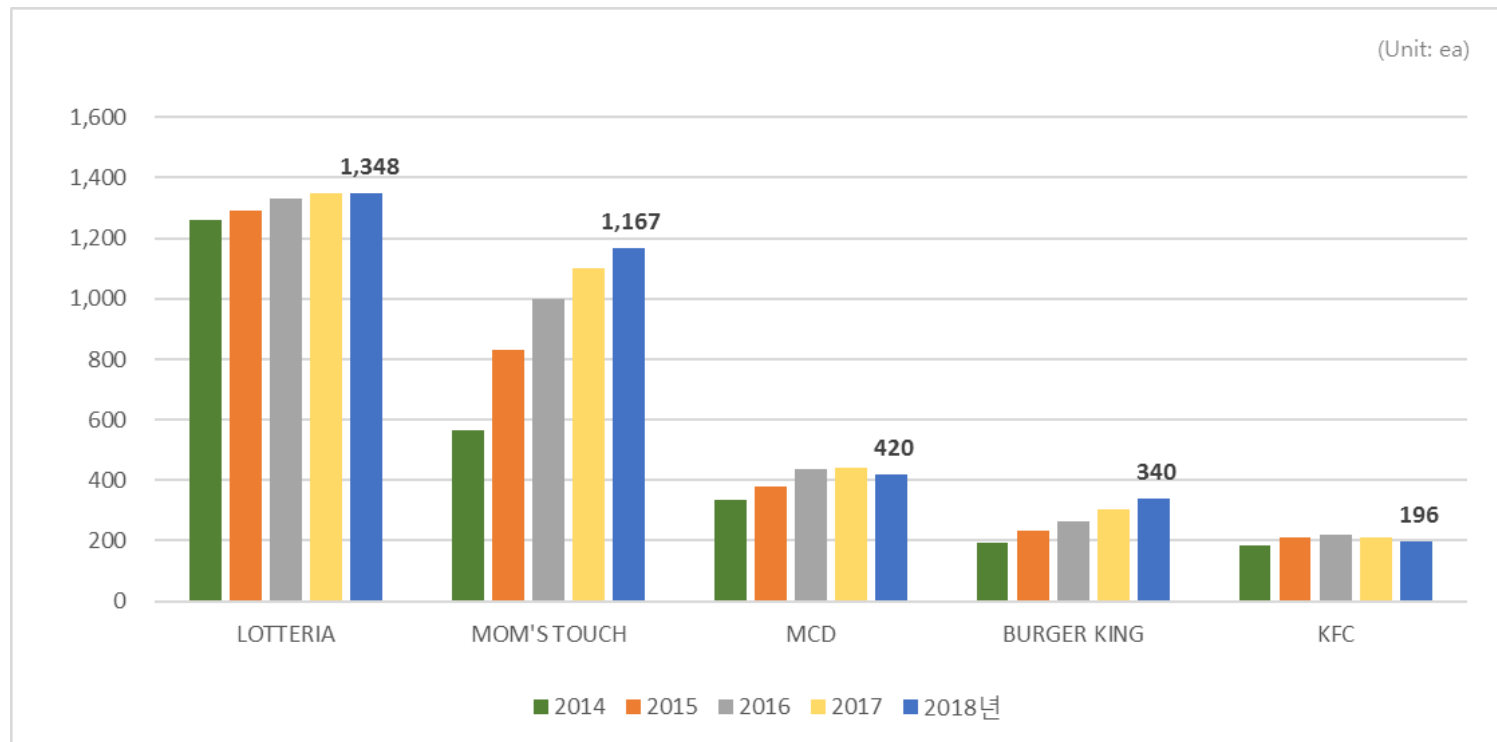
Brand Strategy

LOW Investment, HIGH Efficiency for Franchisees

Marketing Mix	Peer Group (McDonalds, KFC, BKR, Lotteria)	Mom's Touch
Store Size	Big, wide (300m ² ↑)	Small, medium (100m ² ↓)
Store Interior	Fast Food Store	Cafe Style Store
Store Site	Open at Main Road Site	2 nd Road, School, University
Menu	Diversified Menu	Diversified, but Simple Materials
Equipment	Big, Expensive System	Small, Cheap System
Operation Way	Pre-cooking, Fast Food	After order-cooking, Slow Food
Image	Junk Food	Health Friendly Food, Hand made
Investment (ROI)	High Investment (1,000,000\$)	Low Investment (100,000\$)
	Low ROI (over 5years)	High ROI (1year)
Potential Franchisee	Limited Target	Broad Target



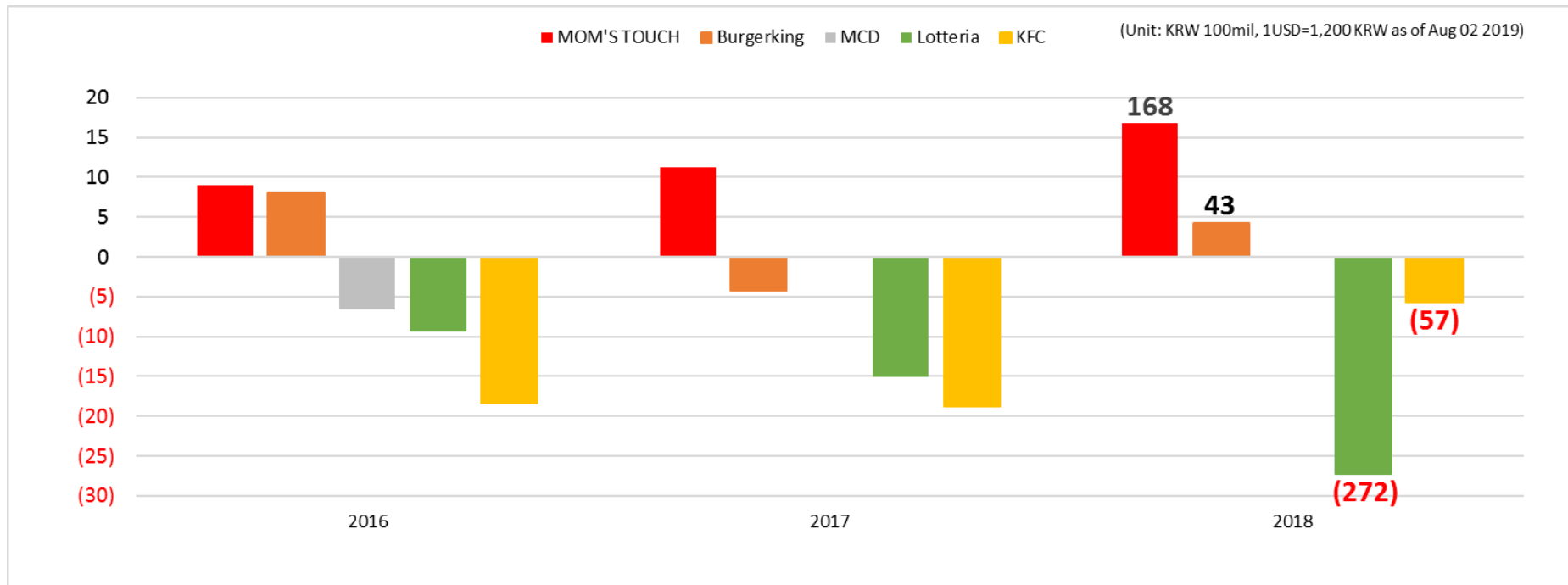
Comparison of the number of stores



Source: Franchise business report from Fair Trade Commission, Industry data of Franchise



Comparison of increased Net Profit



Source: Franchise business report from Fair Trade Commission, Industry data of Franchise

Financial Performance of Local F/C Brands (FY 2018)

(Unit : KRW, 1USD= 1,200KRW as of Aug 02 2019)

(Unit: 1 billion won)	Haimarrow (2Q19)	Haimarrow (2018)	Burger Franchisors			
			MCD	Burgerking	KFC	Lotteria
Revenue	154	285	691	403	184	831
Operating Profit	13	23	4	9	(2)	6
Net Income	10	17	(7)	4	(6)	(27)
Asset	134	127	758	317	72	730
Liability	54	55	364	167	68	483
Equity	80	72	394	150	4	247
Number of Units	1,198	1,167	436	306	210	1,350
Number of Franchised Chains	1,198	1,167	128	95	0	1,216
Percentage of Franchised Chains (%)	100	100	29	31	0	90
Number of employees	210	211	28,389	5,429	2,714	10,422
Sales per person	735	1,348	24	74	68	80

Source: Annual report and franchise report from Fair Trade Commission

MCD financials are based on 2016 annual report,

Number of units and employees of Lotteria, Burger king, KFC are based on 2017 franchise report from Fair Trade Commission

- The revenue of Burger King and Lotteria decreased in 2016. And McDonald turned net loss in 2015 and in M&A market for sales
- KG Group, a PG and VAN transaction company, bought KFC Korean entity for USD 50M

Records of the Top 5 Hamburger Brands for 3yrs. In KOR

(Unit: USD 100thousand, 1USD=1,200KRW as of Aug 02 2019)

Franchise Headquarters	2016			2017			2018		
	Revenue	OP	NI	Revenue	OP	NI	Revenue	OP	NI
Lotteria	11,249	65	(94)	10,896	(77)	(151)	8,309	64	(272)
MCD	6,913	42	(66)	N/A	N/A	N/A	N/A	N/A	N/A
Burger King	2,532	108	80	3,459	15	(42)	4,027	90	43
KFC	1,770	(126)	(184)	1,614	(173)	(188)	1,843	(16)	(57)
Mom's Touch	2,019	169	90	2,396	155	113	2,845	231	168
Total	24,483	258	(174)	18,365	(80)	(268)	17,024	369	(118)

(Unit: %)

Franchise Headquarters	Growth Rate (2017 YoY%)			Growth Rate (2018 YoY%)			For 3Years CAGR		
	Revenue	OP	NI	Revenue	OP	NI	Revenue	OP	NI
Lotteria	(3.1)	Surplus to deficit	Deficit	(23.7)	Deficit to surplus	Deficit	(9.6)	(0.6)	42.6
MCD	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Burger King	36.6	(86.3)	Surplus to deficit	16.4	510.9	Deficit to surplus	16.7	(5.8)	(19.0)
KFC	(8.8)	Deficit	Deficit	14.2	Deficit	Deficit	1.4	(50.2)	(32.3)
Mom's Touch	18.6	(8.5)	25.8	18.8	49.3	49.3	12.1	11.0	23.4

Source: DART

 **Launched HMR Ginseng Chicken Soup (Samgyetang)**

가정 간편식
집에서도 맛있고 간편하게

맘스터치 삼계탕

구매 시, 직원에게
말씀해주세요

대중의 입맛저러! 간편하고 든든하게!

대중삼계탕

800g (800cal) | 1인분 | 상온보관

6,900

소중한 나의 한끼! 간편하고 알뜰하게!

소중삼계탕

600g (600cal) | 1인분 | 상온보관

4,900

※ HMR 삼계탕은 상온보관 제품입니다.
※ HMR 삼계탕은 가정에서 조리하여 드시는 제품입니다.



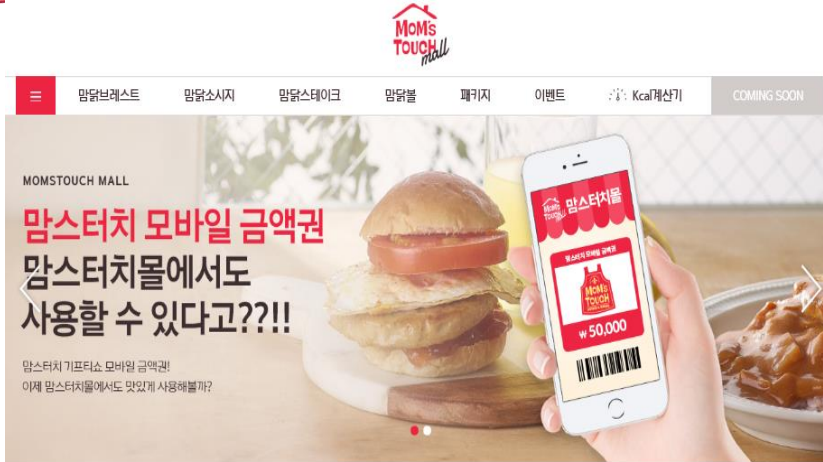
Spicy Chicken Soup(Dakgaejang)

Boiled Chicken Soup(Dakgomtang)

- June of 2018, In to Home Meal Replacement Market
- Popular hit among housewives and single-person households
- Dec of 2018, New HMR products were launched



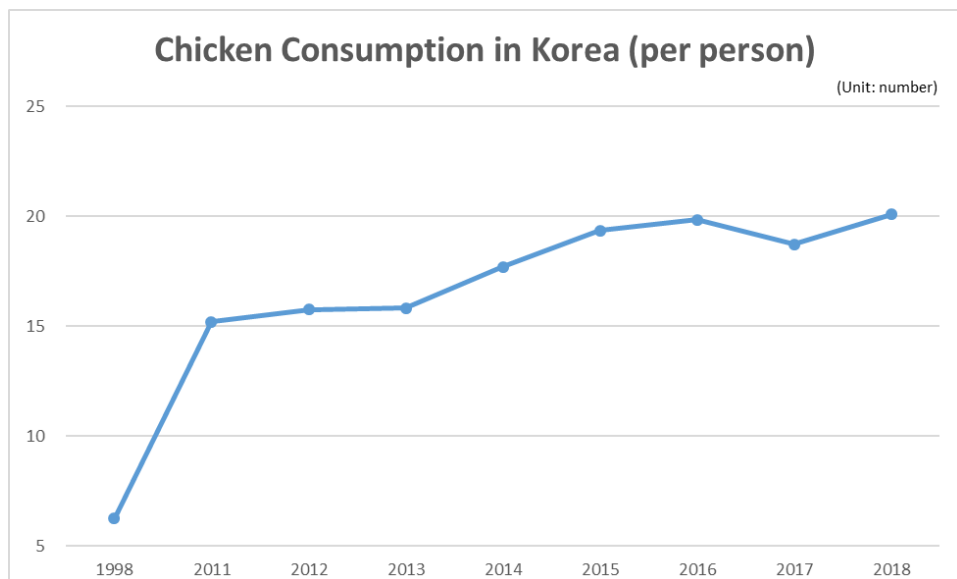
Launched MOM'S TOUCH Mall (Online mall)



- Feb of 2019, In to E-Commerce Market
- Provide various processed chicken meat products on the basis of know-how.
- Developing new products continuously to extension our product line.



Trend of Chicken Consumption in Korea



- The amount of Chicken consumption is around 850million chickens a year in Korea, the consumption of chicken per person is 20 chickens
- Chicken consumption per person has increased from 4~5kg in 1990's to 17kg in 2018
- The rising income level in Korea means people are consuming more meat. And These days people prefer meat with less fat.
- Chicken is especially easy to get via delivery service

1) Launching on March 2017

- Launch Date: March 2017
- The 1st Boombata store located at Songpa-gu, Seoul
- Opened 3 directly managed stores and 7 franchisees stores(19.08.20)



Chicken&Ssam Plate
\$9.9~\$14.9



Italian Oven Sandwich
\$2.8~\$4.6



PIZZA
\$5.8~\$8.3

2) Boombata Strategy

- The best quality of fired oven pizza and Sandwich is made of naturally fermented refrigerated dough offered at a affordable price.
- Growth of middle-low priced pizza brands, while the fall of the big 3 pizza brands in the pizza market
- The sandwich market has a current value of \$1 billion. The market is smaller than pizza market, but it is growing.
- Better cost competitiveness and unit economics than MOM'S TOUCH.
- IF) More than 500 Boombata restaurants...
(30 restaurants opened spontaneously under the franchise operating system)

Boombata
 화덕 샌드위치 & 피자



Italian Oven Sandwich

A Sandwich with hot baked dough from Italian oven, fresh vegetable and toppings

(Unit : KRW, 1USD= 1,200KRW as of Aug 02 2019)

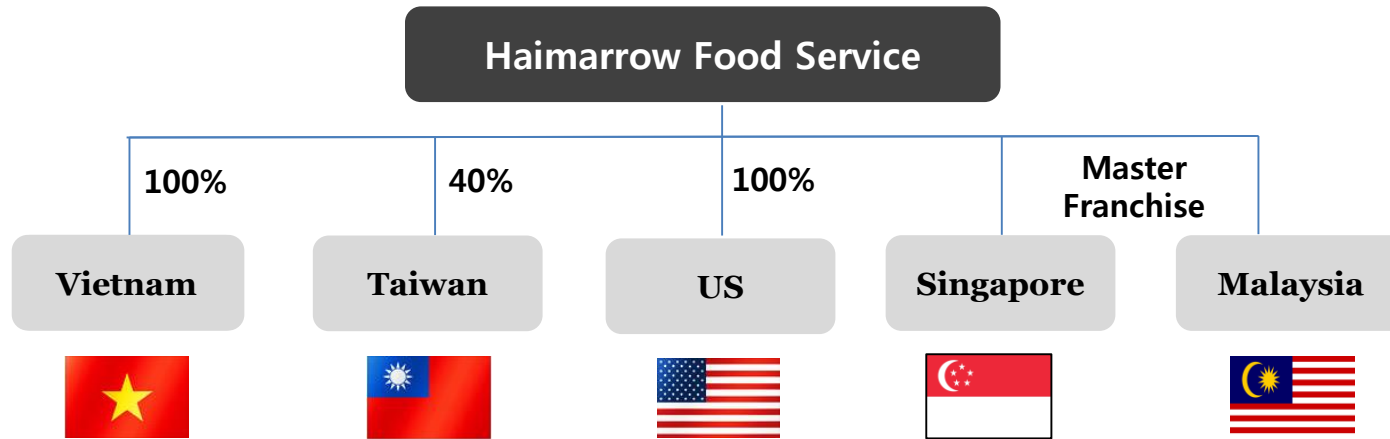
Comparison with Competitors					
Brand	Fast Casual	Sandwich shop		Bakery	
	Boombata	Subway	Quiznos	TOUS les JOURS	PARIS BAGUETTE
Images					
Signature Menu	Grilled Chicken	BLT	Double Bacon BLT	BELT	BELT
Price (KRW)	4,600(\$3.8)	5,100(\$4.3)	5,700(\$4.8)	5,000(\$4.2)	6,000(\$5.0)

Why is the oven pizza expensive?



(Unit : KRW, 1USD= 1, 200KRW as of Aug 02 2019)

Comparison with Competitors						
Brand	Fast Casual	Oven Pizza		Delivery		Take-out
	Boombata	The Place	Mad for Garlic	Domino's Pizza	Pizza Hut	Pizza School
Images						
Signature Menu	Gorgonzola	Gorgonzola	Gorgonzola	Super Supreme -Medium	Super Supreme -Medium	Gorgonzola
Price (KRW)	7,900(\$6.6)	18,900(\$15.8)	21,800(\$18.2)	19,000(\$15.8)	18,900(\$15.8)	10,000(\$8.3)

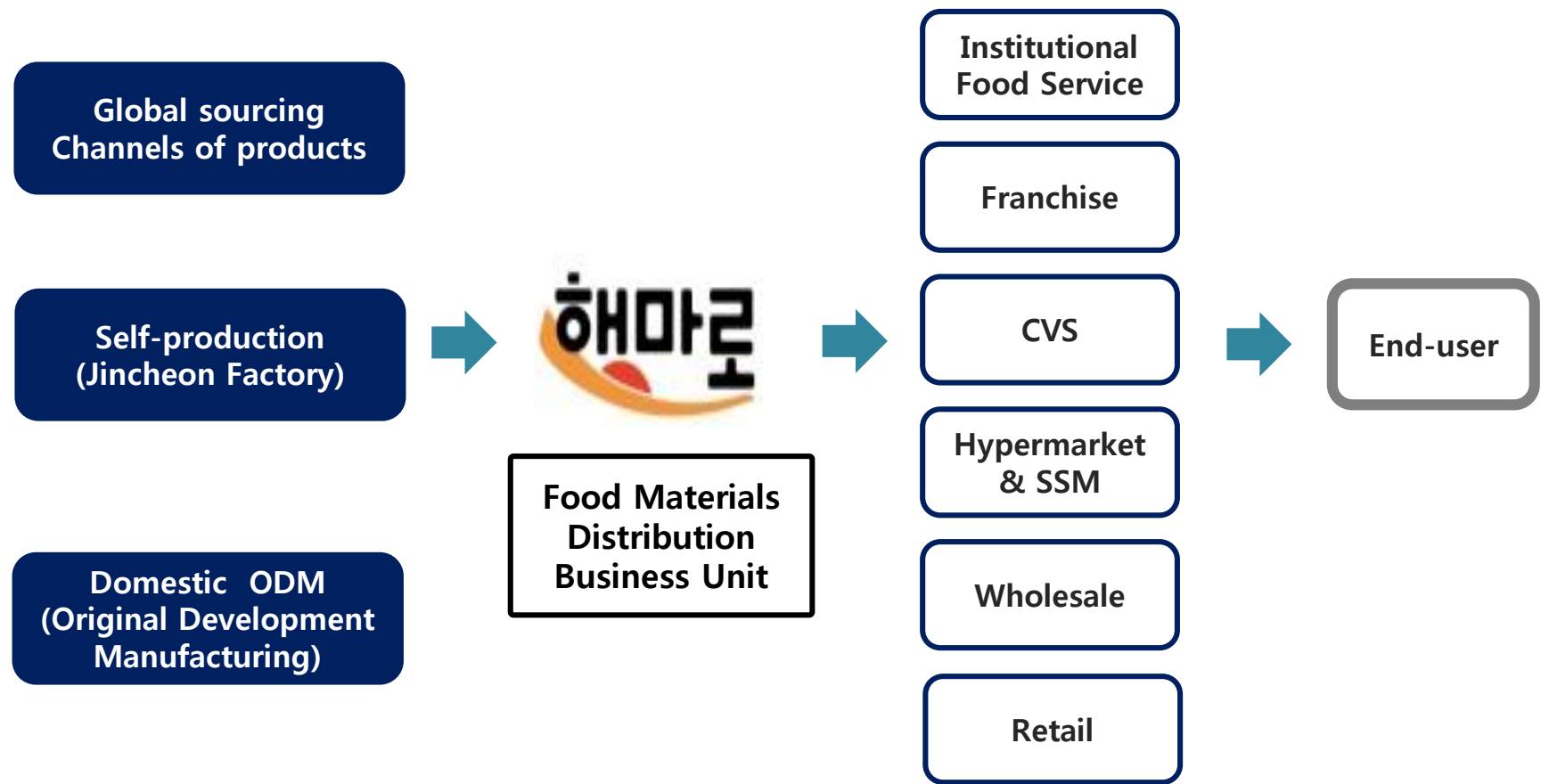


- Expanded into 3 countries and made a master franchise contract with 2 countries (Jul. 2019)
- **Vietnam** : 2 directly managed stores
- **Taiwan** : 4 directly managed stores and 2 franchisees stores
- **Singapore, Malaysia** : Made a master franchise contract in Oct 2018

6. Food Materials Distribution Business Department



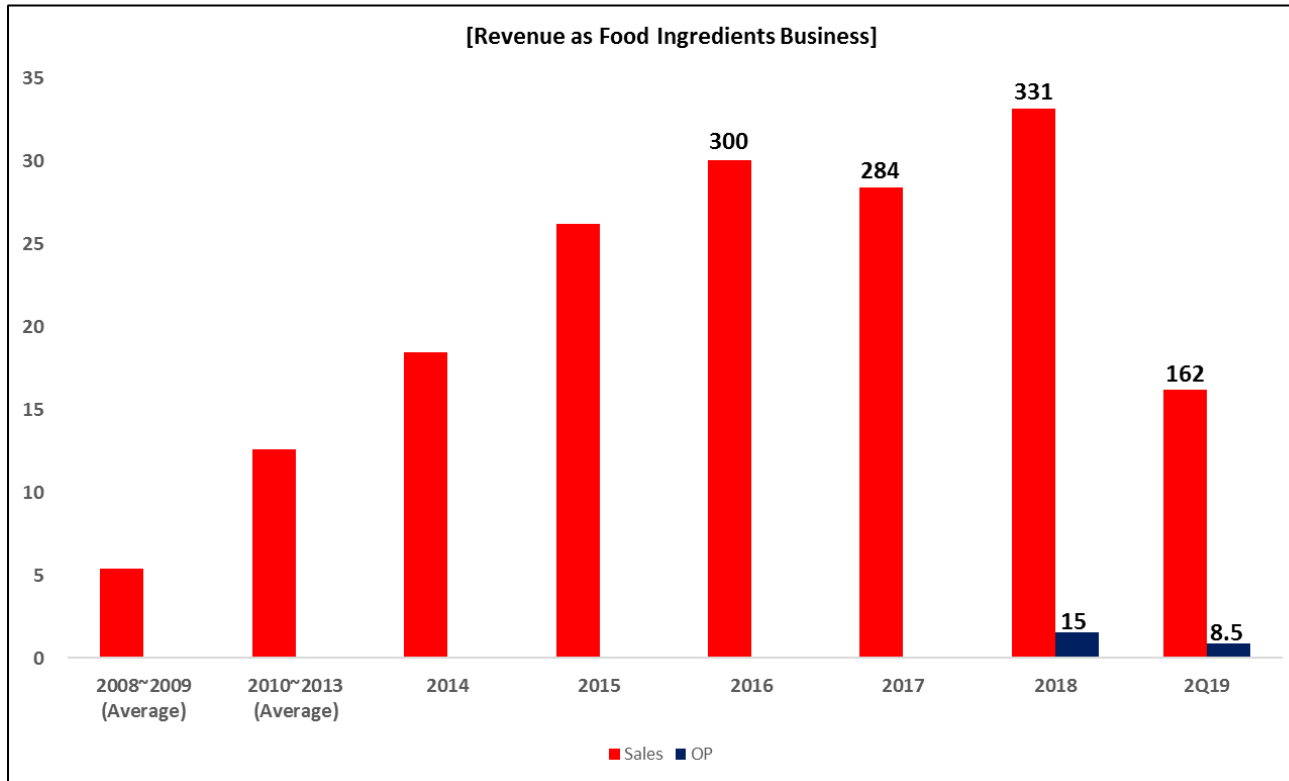
해마루 Value Chain





The increase trend of sales in Haimarrow Distribution Sales Division

(Unit : 1M USD, 1USD= 1,200KRW as of Aug 02 2019)



- As of the end of 2018, sales was 33.1 million USD
- As of 2018, Operating Profit Growth Rate is 19% year on year

6. Food Materials Distribution Business Department



해마로 Main B2B Customers

CVS



Top CVS brand in KOR



2nd CVS brand in KOR



3rd CVS brand in KOR



4th CVS brand in KOR

Hypermarket
OEM/ODM



Top Hypermarket in KOR



2nd Hypermarket in KOR



3rd Hypermarket in KOR



Best Known Brand in HMR

Franchisor and
F&B Co.



No.1 M/S of institutional food Service in KOR



A world best food distributor and food service company



B2B food distributor and food service company

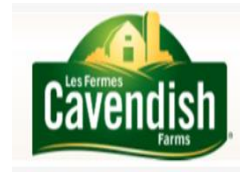


Sushi and Roll franchise restaurant in KOR

Global
Counterparty



Vietnam-
The biggest food company



The biggest potato producer in North America

6. Food Materials Distribution Business Department

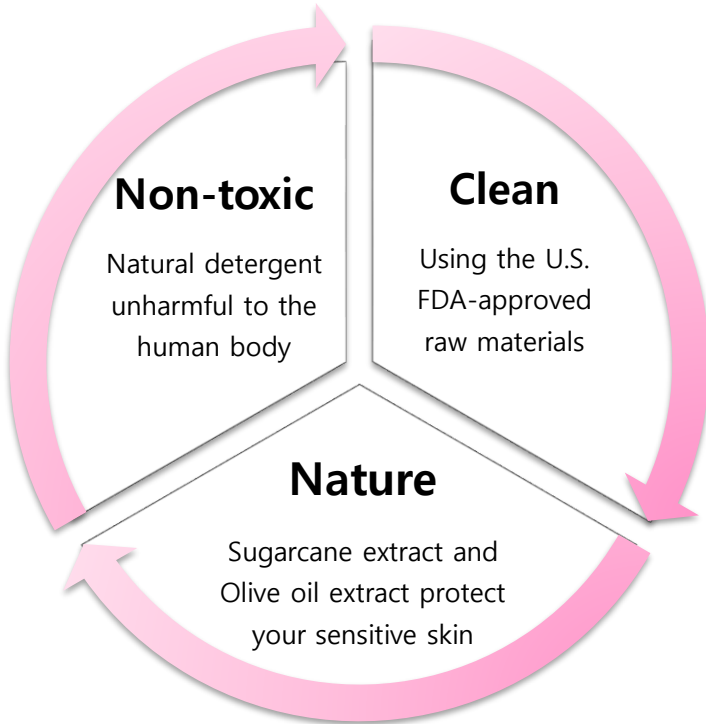


Haimarrow Jincheon Logistics Center foreground



7. Subsidiary

Eco-friendly Household Chemicals



Location

○ **Seoul office**

25 Floor, 1077, Cheonho-daero,
Gangdong-gu, Seoul, Republic of Korea

○ **Head office&Factory**

13-1, Donghae-daero 2315beon-gil,
Cheongha-myeon, Buk-gu, Pohang-si,
Gyeongsangbuk-do, Republic of Korea

○ **Gwangyang factory**

50, Jikdong 1-gil, Gwangyang-
eup, Gwangyang-si, Jeollanam-do,
Republic of Korea

○ **Dangjin factory**

65-89 Donggok-ri, Songsan-
myeon, Dangjin, Chungnam



- Established in March, 1999
- Number of Employees : 65 (Jun. 2019)
- Sales: 25.4 billion KRW (2018)
- A safe detergent made of sugarcane and olive oil (The Kitchen, Laundry Detergent and Baby Detergent)
- Haimarrow paid 8.1 billion KRW to acquire the 100% shares of Sugar Bubble Co., Ltd on April, 2017.
- Homepage: www.sugarbubble.com

About Sugar Bubble

- 1999. 03** Established Green Chemical Co., Ltd.
- 1999. 08** A Certificate of Venture Company was issued by the Ministry of SMEs and Startups
- 2000. 02** Appointed as an INNO-BIZ company by the Ministry of SMEs and Startups
- 2000. 07** Opened a branch office in Gwangyang
- 2002. 10** Won a grand prize of Venture Company Award(received a presidential citation)
- 2006. 09** Received a President Award in the 7th New Tech Korea.
Ranked on the top KS-WCI(Korean Standards-Wellbeing Consumer Index)
in the Cleaning Department at a Kitchen Detergent.
- 2008. 04** Changed the company name from "Green Chemical Co., Ltd" to "Sugar Bubble Co., Ltd"
- 2008. 06** Acquired a Environmentally Sustainable Product Certification by KEITI
(Korea Environmental Industry & Technology Institute)
- 2011. 06** Went under the court receivership
- 2011. 04** Acquired a Australia LOHAS Certification for a dishwashing detergent
- 2014. 06** Lunched a Baby Detergent
- 2016. 01** Started to export Sugar Bubble products to Sams Club in China
- 2017. 04** Ended the court receivership process on April 4th
Acquired by the Haimarrow Food Service., Ltd
- 2018. 06** Launched Hair and Bath Brand
- 2019. 03** Launched "Premium Eco-friendly kitchen detergent APG 100"

7. Subsidiary



Kitchen Detergent



Laundry Detergent



Baby Detergent



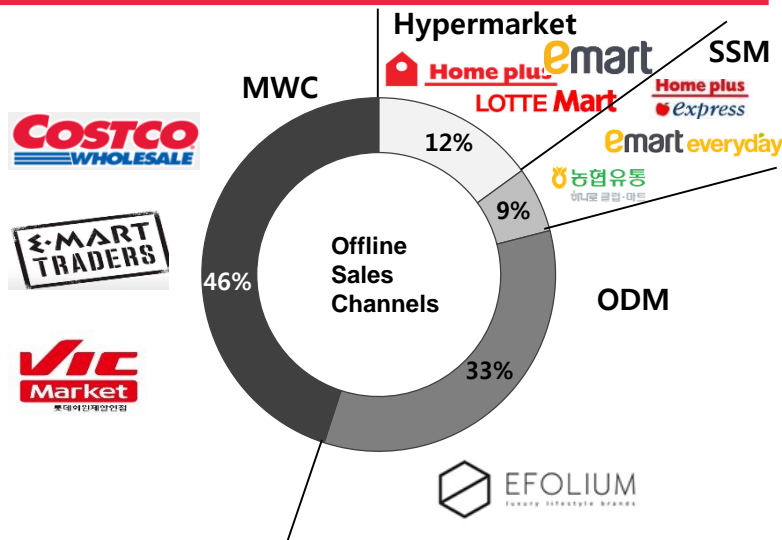
H&B



- Sugar Bubble Co., Ltd produced a natural detergent combining sugarcane with olive oil.
- According to the test for acute oral toxicity conducted by Korea Testing&Research Institute, Sugar Bubble is safer than salt. It's products are less toxic and not harmful to the body.
- Developed premium product line following the trend toward using natural materials.

7. Subsidiary

Offline Sales Channels(2Q19)



Source: Haimarrow Food Servie Co., Ltd

Status after being the subsidiaries in 2017

(Unit: mil. KRW)	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	QoQ (%)
Sales	4,916	6,340	6,953	7,209	6,680	7,207	7.9
Gross Profit	1,804	2,093	2,229	2,412	2,371	2,744	15.7
GPM(%)	36.7	33	32.06	33.5	35.5	38.1	7.3
SG&A	1,137	1,648	1,571	1,934	1,536	1,832	19.3
Operating Profit	667	445	658	478	835	913	9.3
OPM(%)	13.56	7.02	9.47	6.6	12.5	12.7	1.6

Source1: Haimarrow Food Servie Co., Ltd

Source2: Consolidated Statements of 'Sugar Bubble Co., Ltd.

- Sugar Bubble Co., Ltd had already repaid all debt. During the 2th quarter, it reduced COGs by 4.5% QoQ.
- Currently, Sales are composed of offline (68%), special sales and overseas sales (24%), and online (8%) (as of 2Q19)
- Sugar Bubble Co., Ltd targets massive and nature-oriented detergent market.
- 2018 Sales: approximately KRW 25.4 billion, net income of 2.1 billion, net asset value exceeding KRW 6 billion. Property value is over KRW 4 billion.

1) Cost Structure

((Unit: KRW 100 million)	2012	2013	2014	2015	2016	2017	2018	2Q19
Sales	351	489	795	1,486	2,019	2,396	2,845	1,544
Gross Profit	84	116	217	396	525	677	848	441
SG&A	76	94	150	308	356	522	617	311
Operating profit	8	23	68	88	169	155	231	130
Net Income	6	18	54	60	90	113	168	98

- COGS Rate : Gradually declined form 76.1% in 2012 to 70.2% in 2018
(buying power and efficiency improved)
- Cost Structure in the Future : Improved in buying power and logistics efficiency due to increased restaurants, resulting decreased SG&A ratio (Advertising expense was increased because of New released product Incredible Burger in 4Q 2018)

8. Investment point of Haimarrow Food Service Co., Ltd



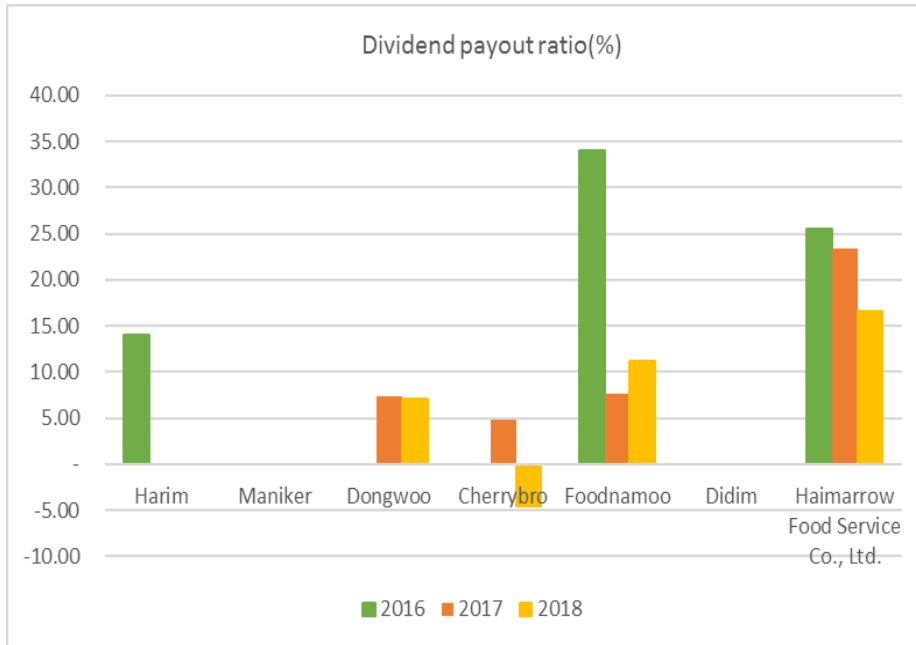
2) Peer Valuation

(Unit: M\$)

Ticker	Year	RRGB US Equity	DRI US Equity	Jack US Equity	MCD US Equity	HABT US Equity	WEN US Equity	YUMC Equity	JFC PM Equity	220630 KS Equity
MKT Cap.	2018	347	10,809	2,180	135,841	221	3,590	12,708	6,144	178
Sales	2016	1,303	6,934	1,162	24,622	284	1,435	7,075	2,332	168
	2017	1,388	7,170	1,097	22,820	332	1,223	7,769	2,677	224
	2018	1,339	8,080	869	21,025	402	1,590	8,415	3,072	255
COGs	2016	845	5,392	588	14,417	131	759	5,612	1,908	124
	2017	909	5,601	543	12,200	158	534	5,822	2,197	161
	2018	884	6,335	330	10,239	192	896	6,434	2,551	179
GPM	2016	21.4%	22.2%	38.9%	41.4%	53.9%	47.1%	20.7%	18.2%	26.0%
	2017	34.5%	21.9%	50.5%	46.5%	52.4%	56.3%	25.1%	17.9%	28.2%
	2018	34.0%	21.6%	62.0%	51.3%	52.2%	43.6%	23.5%	16.9%	29.8%
OP	2016	12	622	191	7,745	13	315	634	130	14
	2017	39	678	242	9,553	7	215	778	134	14
	2018	-10	767	232	8,823	5	250	941	150	21
OPM	2016	0.9%	9.0%	16.4%	31.5%	4.6%	22.0%	9.0%	5.6%	8.4%
	2017	2.8%	9.5%	22.1%	41.9%	2.1%	17.6%	10.0%	5.0%	6.5%
	2018	-0.7%	9.5%	26.7%	42.0%	1.2%	15.7%	11.2%	4.9%	8.1%
PER	2016	65	24	26	22	64	28	19	34	19
	2017	24	23	23	27	60	21	40	38	18
	2018	N/A	18	20	24	81	8	19	38	12
PBR	2016	2.1	4.3	N/A	N/A	3.1	6.1	4.2	0.1	4.2
	2017	1.9	5.2	N/A	N/A	1.7	6.8	5.5	0.1	3.6
	2018	0.9	4.9	N/A	N/A	1.8	5.5	4.4	0.1	2.7
PSR	2016	0.6	1.2	2.2	3.8	1.3	2.2	1.4	1.8	0.9
	2017	0.5	1.5	2.5	5.9	0.6	3.2	2.0	2.1	0.9
	2018	0.3	1.3	2.5	6.5	0.6	2.3	1.5	2.0	0.7

자료: Nasdaq, Brand Official Homepage

3) Dividend Policy



	Shares flag	2018	2017	2016
Par value(KRW)		100	100	100
(Consolidated) Net Income (Mil. KRW)		16,808	11,255	8,946
(Non-Consolidated) Net Income (Mil. KRW)		14,432	10,310	9,295
(Consolidated) Earnings per Share(KRW)		181	121	107
Total Cash Dividends (Mil. KRW)		2,817	2,629	2,281
Total Stock Dividends (Mil. KRW)		-	-	-
(Consolidated) Cash Dividend Rate(%)		16.6	23.4	25.5
Cash Dividend Yield Ratio(%)	-	1.4	1.4	1.4
Stock Dividend Yield Ratio(%)	-	-	-	-
Cash Dividend Per share(KRW)	-	30	28	25
Stock Dividend Per share	-	-	-	-

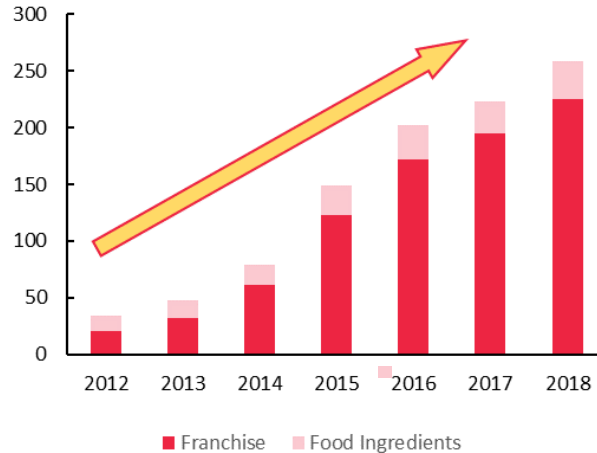
- Price-dividend ratio in 2018 will be 1.4%, and 16.6% of Net income was paid as dividend
- Will continue to focus on returning profits to the shareholders with high dividend yielding policy

8. Investment point of Haimarrow Food Service Co., Ltd



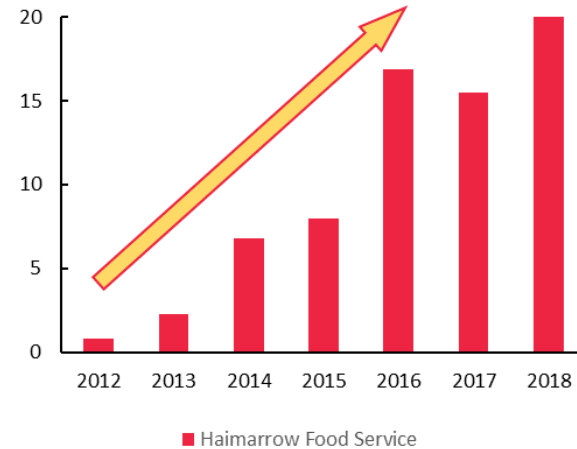
Net Revenue Increase

(Unit : 1mil USD, 1usd= 1,200KRW as of Aug 02 2019)



Operating Profit Increase

(Unit : 1mil USD, 1usd= 1,200KRW as of 02 2019)



- Increasing brand value known for its affordability
- Constant increase in sales per restaurant and the number of restaurants
- The growth will be sustainable in 2018
- Possible improvement in profitability and logistics efficiency due to increase in the number of stores in existing brand and new brand
- Sugar Bubbles revenue and profit was consolidated in 2Q 2017
- Possible decline in cost ratio by enjoying synergy effects at SG&A level among Sugar Bubble, Boombata and MOM'S TOUCH and increased buying power.
- MOM'S TOUCH restaurants located in Seoul account for about 9.6% of the total, but the 20% of total population live in the capital. Seoul is the top of the sales per restaurant (the area with the highest purchasing power)
- MOM'S TOUCH is 100% franchise business, so do not have risk from the direct investment
- Expect to generate additional revenue from the mobile service, HMR products and online mall.

9. Appendix

Financial Statement

(unit : 1 KRW)

	2Q19	2018	2017
Assets			
Current Assets	64,561,173,849	60,910,461,687	55,691,663,077
Quick assets	48,574,523,547	45,500,557,091	42,726,649,325
Inventories	15,986,650,302	15,409,904,596	12,965,013,752
Non-current assets	69,931,476,379	66,462,475,474	49,090,701,239
Investments	6,043,111,552	8,247,460,916	6,600,527,360
Tangible assets	51,655,926,967	45,964,117,278	35,253,452,767
Intangible assets	9,736,901,580	7,697,382,454	5,061,739,171
Other non-current assets	2,495,536,280	4,553,514,826	2,174,981,941
Total assets	134,492,650,228	127,372,937,161	104,782,364,316
Liabilities			
Current Liabilities	48,761,109,446	48,343,313,426	21,096,741,475
Non-current liabilities	5,757,933,200	6,528,407,249	26,750,590,172
Total liabilities	54,519,042,646	54,871,720,675	47,847,331,647
Equity			
Equity attributable to owners of the parent company	79,805,280,664	72,028,619,208	56,935,032,669
Capital stock-common	9,468,976,000	9,389,778,600	9,389,778,600
Additional Paid-in and Other Capital	17,400,844,376	15,844,498,628	15,844,498,628
Retained Earnings	51,983,512,769	44,730,763,125	30,304,721,762
Other Capital Components	951,947,519	2,063,578,855	1,396,033,679
Non-controlling interest equity	168,326,918	472,597,278	-
Total equity	79,973,607,582	72,501,216,486	56,935,032,669
	(2019.01.01~2019.03.31)	(2018.01.01~2018.12.31)	(2017.01.01~2017.12.31)
Sales	154,410,414,440	284,496,704,350	239,567,841,710
Operating income(loss)	12,973,082,087	23,078,627,661	15,461,424,782
Profit (loss)	9,765,412,864	16,807,520,735	11,255,858,293
Shareholders of the parent entity	10,069,683,224	16,958,202,176	11,255,858,293
Non-controlling interest	(304,270,360)	(150,681,441)	-
Total comprehensive income	10,044,602,727	16,874,225,688	10,849,159,119
Earnings per Share (EPS)	104	181	121
The number of consolidated company	7	7	4

Thank you

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