

# 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!

●○○



**MOM'S TOUCH**  
CHICKEN & BURGER



수리남,  
통가슴살패티, 에그의  
환상적인 조합! 통가

**MOM'S TOUCH**  
CHICKEN & BURGER

언빌리버블버거

세 가지 소스의 특별한 리모-에 어필링, 통가슴살패티,  
에그의 환상적인 조합, 속부의 형태량이 최고라는 언빌리버블버거

**Boombata**

화덕 샌드위치 & 삼 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.

The accuracy or completeness of financial and operational performance stated here is not warranted by HAIMARROW FOOD SERVICE CO., LTD. and is only as reliable as the sources from which it was obtained. The company is under no obligation to update these statements.

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# 1. About Haimarrow Food Service

## HISTORY

2004 ~  
2018

### Company Profile

<b>Company Name</b>	Haimarrow Food Service Co., LTD
<b>CEO</b>	Myungil Jun
<b>Establishment</b>	2004
<b>Location</b>	24F, 25F East Central Tower, 1077, Cheonho-daero, Gangdong-gu, Seoul, Republic of Korea
<b>Sales</b>	USD 284.5 mil (2018)
<b>Capital</b>	USD 9.5 mil
<b>Homepage</b>	<a href="http://www.haimarrow.co.kr">www.haimarrow.co.kr</a> / <a href="http://www.momstouch.co.kr">www.momstouch.co.kr</a>
<b>Business</b>	Fast Casual Franchise Business Department Food Materials Distribution Business Department
<b>Number of Employees</b>	203 (Mar. 2019)

**2018**      **06**      Awarded as K-start up 2018 by Ministry of Trade, Industry and Energy

**2017**      **04**      Acquired Sugar Bubble  
**03**      Launched Boombata (Opend the first store)  
**02**      Established USA Office

**2016**      **10**      Listed on KOSDAQ stock market  
**09**      Opened the first Vietnamese Mom's Touch store in Ho Chi Minh City  
**04**      Opened the first Taiwanese Mom's Touch store in Tainan City

**2015**      **12**      Established Taiwan office  
**10**      Made exclusive contract for supply agency with Cavendish Farms, the biggest food distribution company in eastern Canada.  
**04**      Established Viet Nam office

**2014**      **12**      Constructed the distribution center and manufacturing factory in Jincheon, geographical center of Korea  
**09**      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

## 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.

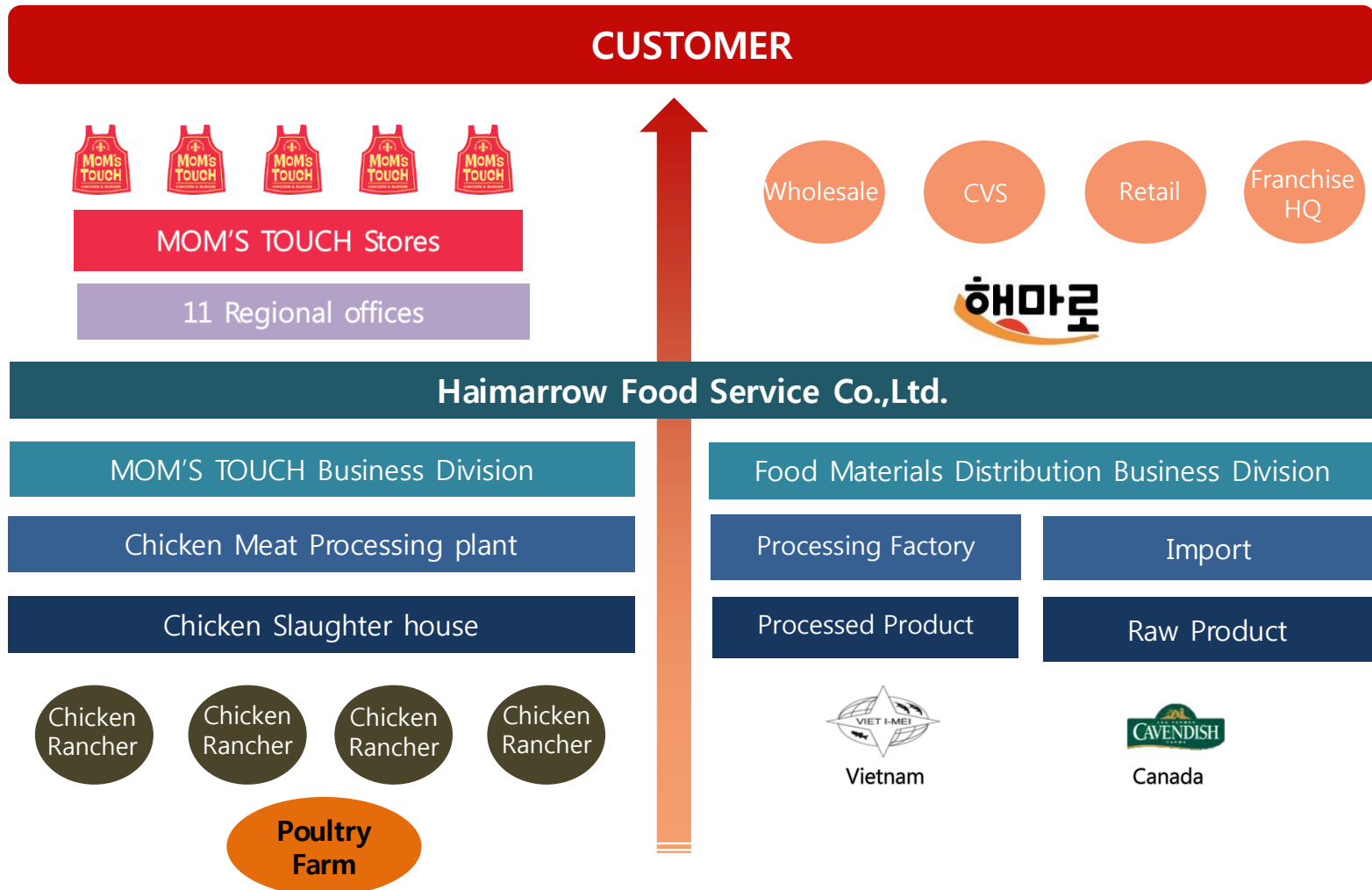


## 2. Business Department and Business Structure



### 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



Masala Chicken



Fried Chicken with Soy Sauce



Chipao Chicken



Flake Hot Chicken



Fried Chicken with Sichuan Sauce



Onion Cheese Sprinkled Chicken



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= 1,000KRW)

	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(\$3.4)	4,900(\$4.9)	3,500(\$3.5)	5,100(\$5.1)	6,600(\$6.6)	5,000(\$5.0)
Set menu	5,600(\$5.6)	7,200(\$7.2)	5,600(\$5.6)	6,400(\$6.4)	8,500(\$8.5)	7,400(\$7.4)
Beverage	1,600(\$1.6)	2,000(\$2.0)	1,700(\$1.7)	1,600(\$1.6)	2,000(\$2.0)	1,700(\$1.7)

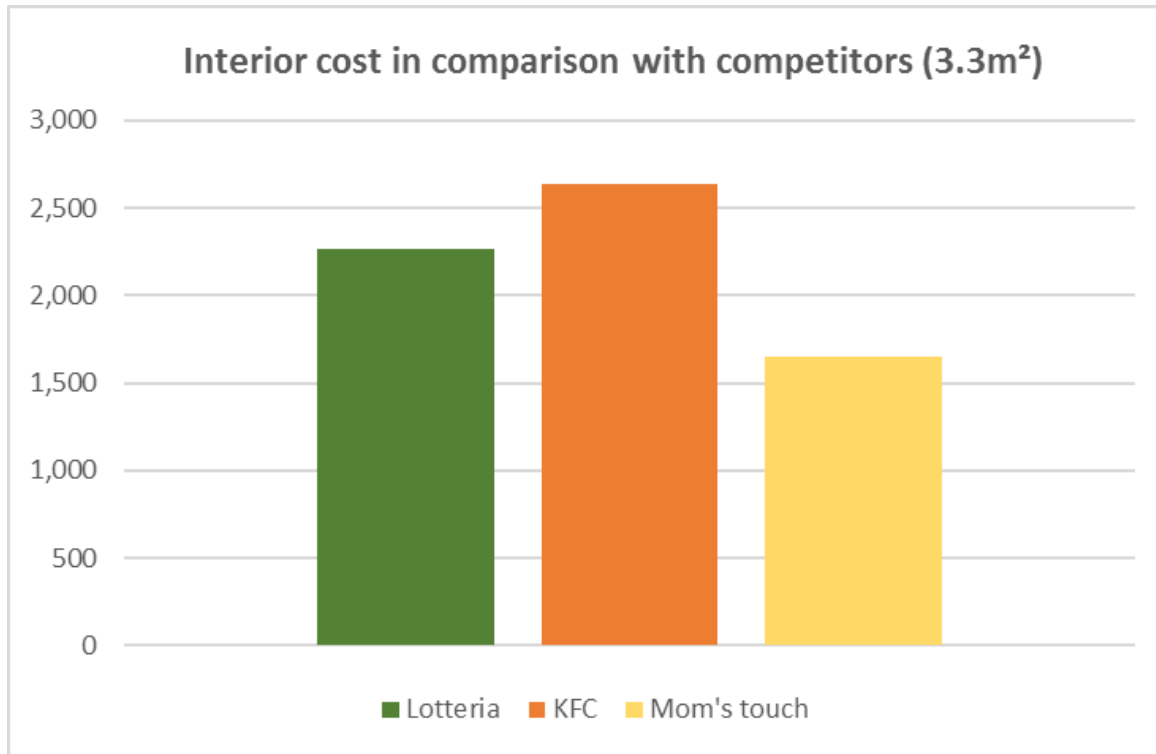
Source: each company's homepage

### 3. 1st Brand



## Comparison of interior cost

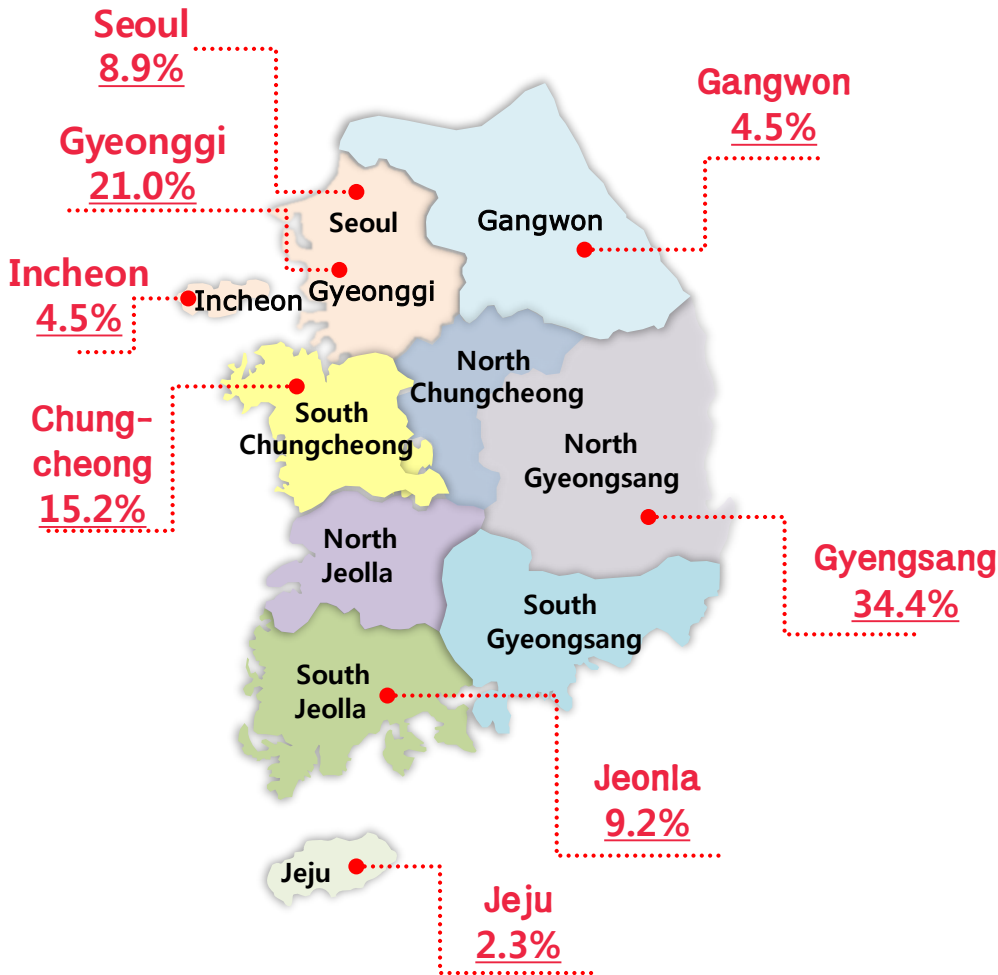
(Unit: KRW 1,000)



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



## The Number of Stores



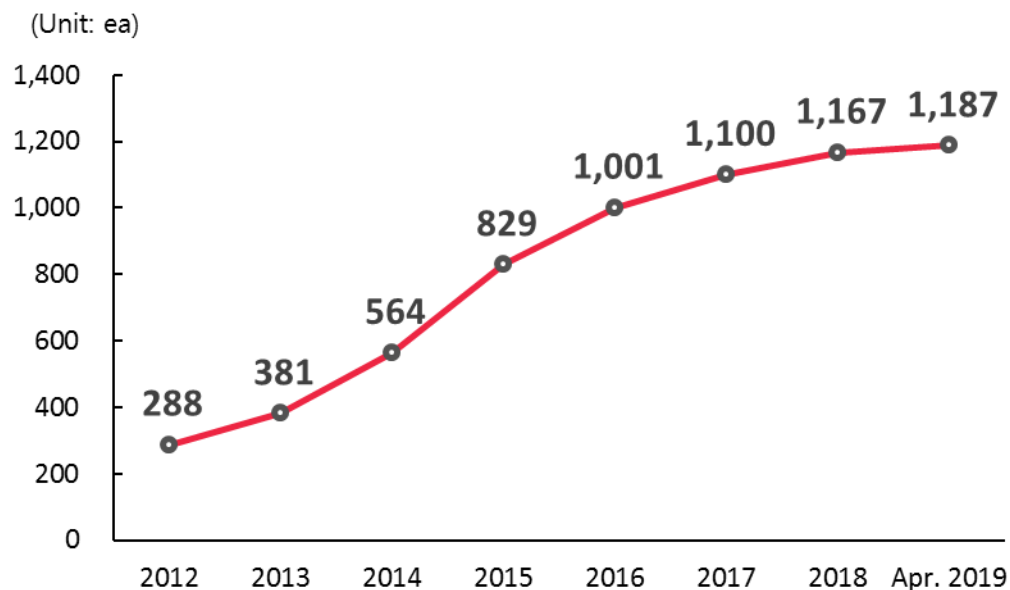
| The Number of Stores as of Apr. 2019 |

	# of Stores			%, (2019 APR)	Lotteria (2017)
	(2017 DEC)	(2018 DEC)	(2019 APR)		
Seoul	76	99	105	8.9	204
Gyeonggi	220	240	250	21.0	320
Incheon	55	53	53	4.5	78
Chungcheong	169	178	181	15.2	181
Jeonla	104	109	109	9.2	143
Gyengsang	397	407	408	34.4	360
Gangwon	55	55	54	4.5	52
Jeju	24	26	27	2.3	12
<b>Total</b>	<b>1,100</b>	<b>1,167</b>	<b>1,187</b>	<b>100</b>	<b>1,350</b>



## Increasing Number of Stores

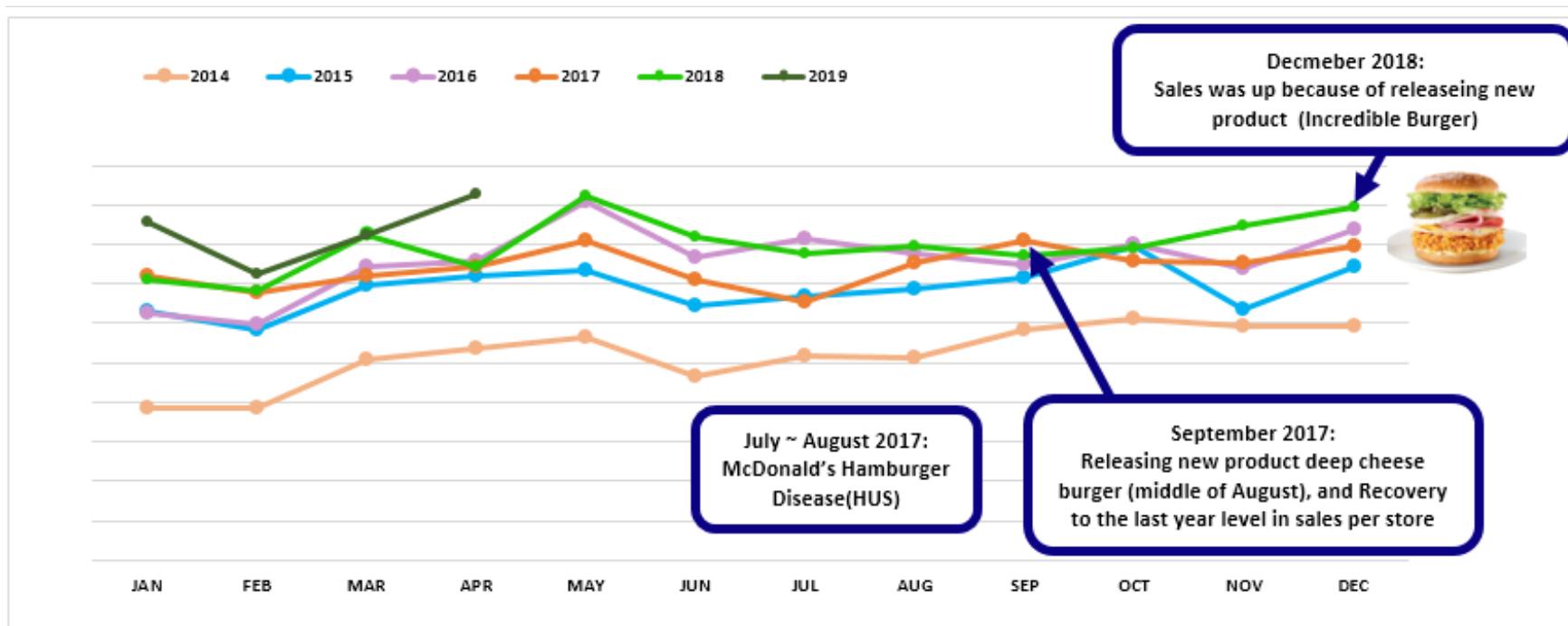
Year	# of stores
2012	288
2013	381
2014	564
2015	829
2016	1,001
2017	1,100
2018	1,167
Apr. 2019	1,187



- The number of stores has increased continuously and substantially
- 5 Years CAGR(Compound annual growth rate) 25.1% (2018)
- As of Apr. 2019, the number of stores is 1,187



## 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)



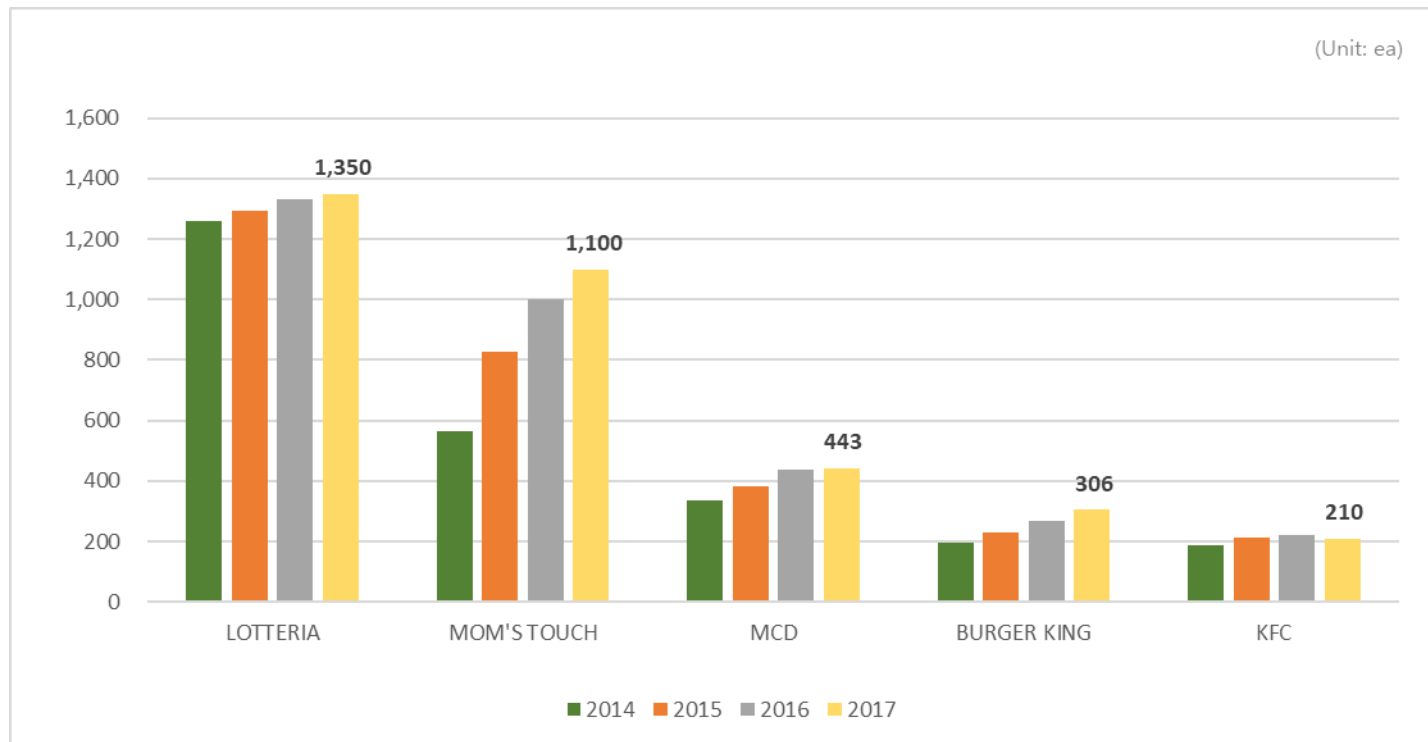
## Brand Strategy

# LOW Investment, HIGH Efficiency for Franchisees

Marketing Mix	Peer Group (McDonalds, KFC, BKR, Lotteria)	Mom's Touch
Store Size	Big, wide (300m <sup>2</sup> ↑)	Small, medium (100m <sup>2</sup> ↓)
Store Interior	Fast Food Store	Cafe Style Store
Store Site	Open at Main Road Site	2 <sup>nd</sup> 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

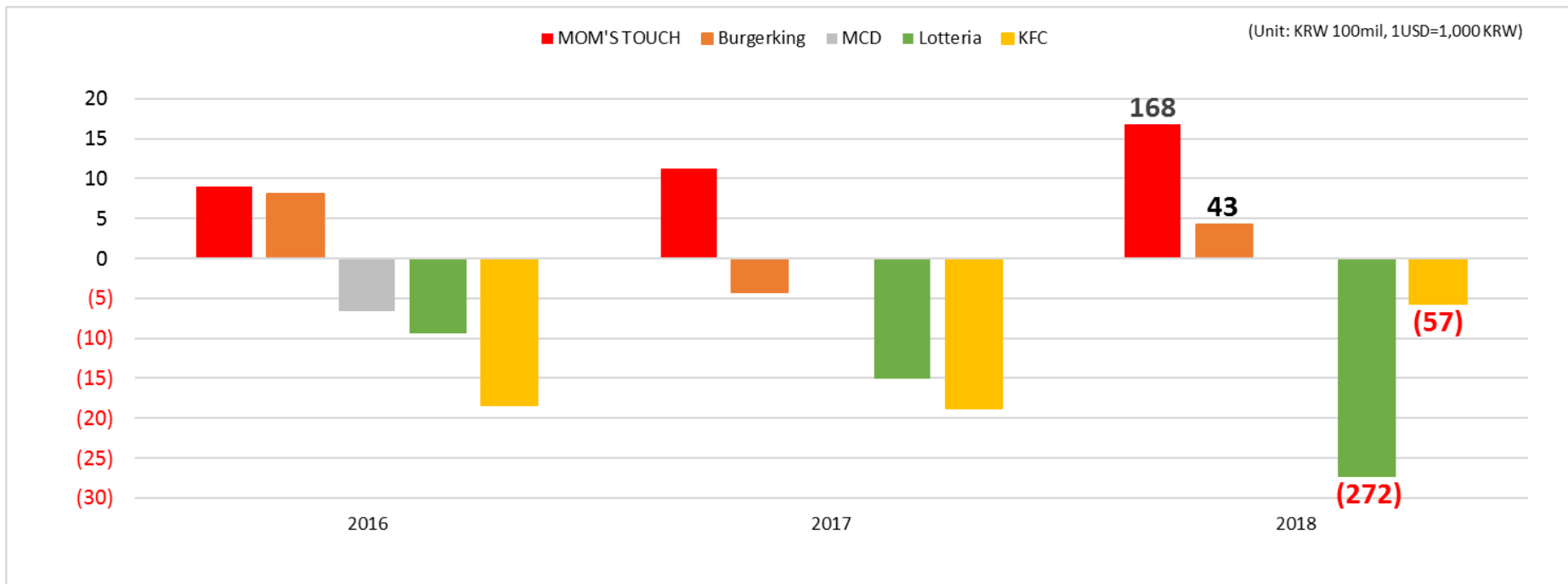


Source: Franchise business report from Fair Trade Commission, Industry data of Franchise





## 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= 1,000KRW)

(Unit: 1 billion won)	Haimarrow (1Q19)	Haimarrow (2018)	Burger Franchisors			
			MCD	Burgerking	KFC	Lotteria
Revenue	72	285	691	403	184	831
Operating Profit	5	23	4	9	(2)	6
Net Income	4	17	(7)	4	(6)	(27)
Asset	132	127	758	317	72	730
Liability	60	55	364	167	68	483
Equity	72	72	394	150	4	247
Number of Units	1,182	1,167	436	306	210	1,350
Number of Franchised Chains	1,182	1,167	128	95	210	1,216
Percentage of Franchised Chains (%)	100	100	29	31	100	90
Number of employees	203	211	28,389	5,429	2,714	10,422
Sales per person	356	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=1,000KRW)

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)
<b>Mom's Touch</b>	2,019	169	90	2,396	155	113	2,845	231	168
<b>Total</b>	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)
<b>Mom's Touch</b>	18.6	(8.5)	25.8	18.8	49.3	49.3	12.1	11.0	23.4

 **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.

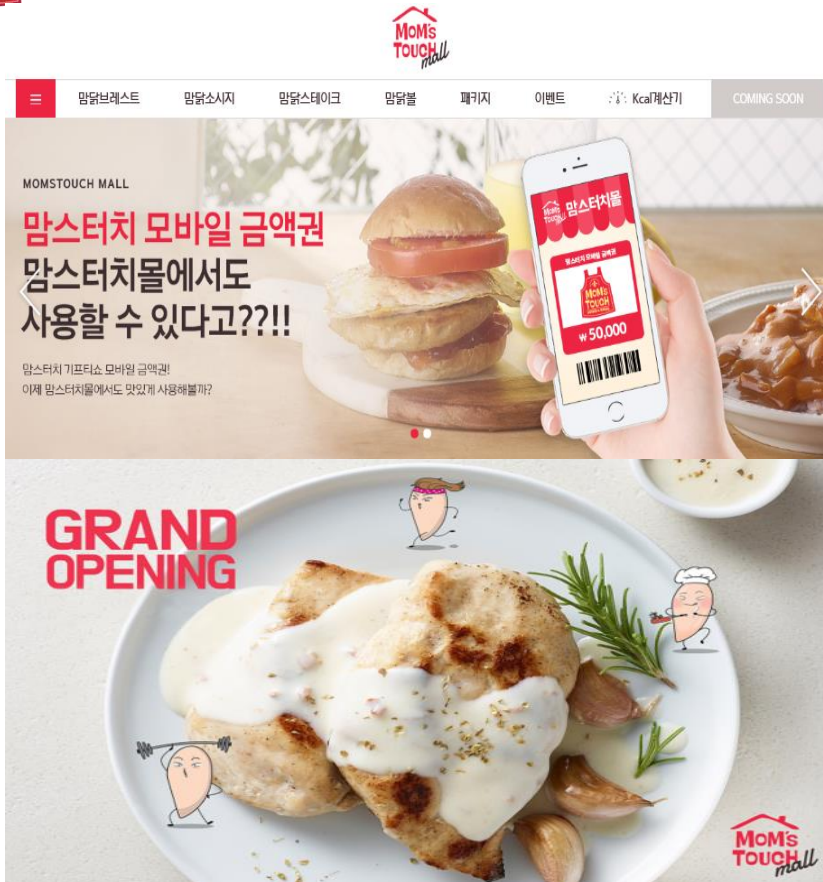


Spicy Chicken Soup(Dakgaejang)  
Boiled Chicken Soup(Dakgomtang)

- 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



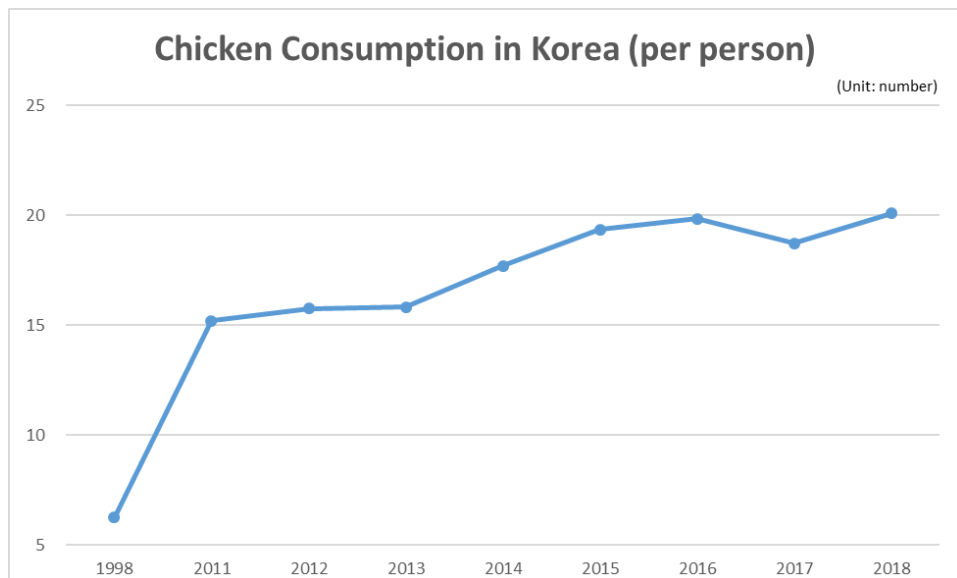
## Launched MOM'S TOUCH Mall (Online mall)



- 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 1<sup>st</sup> Boombata store located at Songpa-gu, Seoul
- Opened 2 directly managed stores and 8 franchisees stores(19.04.01)



**Chicken&Ssam Plate**  
\$11.9~\$17.9



**Italian Oven Sandwich**  
\$3.3~\$5.5



**PIZZA**  
\$6.9~\$9.9

### 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= 1,000KRW)

### Comparison with Competitors

Brand	Fast Casual	Sandwich shop		Bakery	
	Boombata	Subway	Quiznos	TOUS les JOURS	PARIS BAGUETTE
Images					
Signature Menu	Herb Chicken	BLT	Double Bacon BLT	BELT	BELT
Price (KRW)	4,300(\$4.3)	5,100(\$5.1)	5,500(\$5.5)	5,000(\$5.0)	6,000(\$6.0)

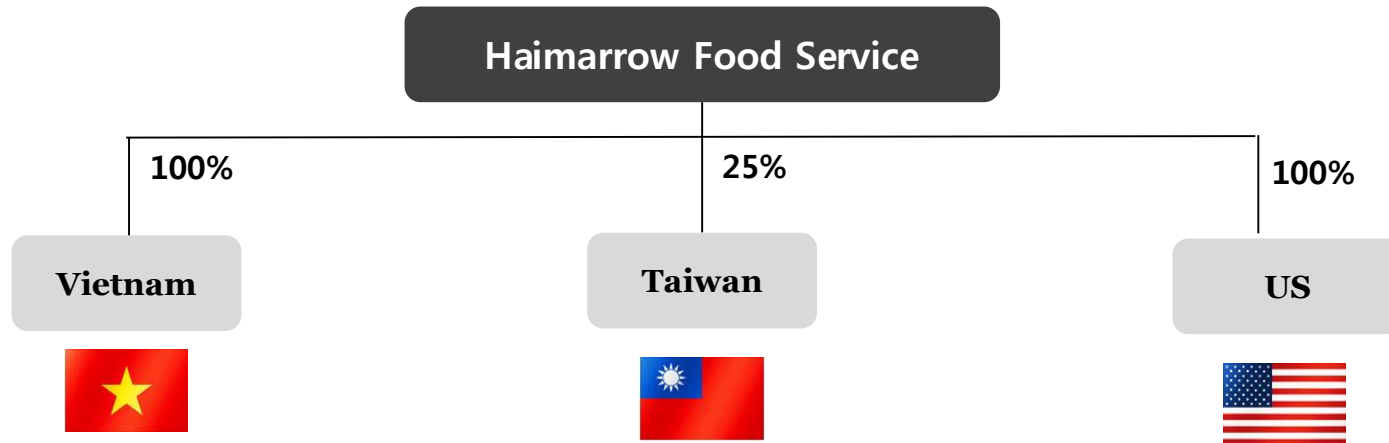


## Why is the oven pizza expensive?



(Unit : KRW, 1USD= 1,000KRW)

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(\$7.9)	18,900(\$18.9)	21,800(\$21.8)	18,500(\$18.5)	18,900(\$18.9)	9,000(\$9.0)

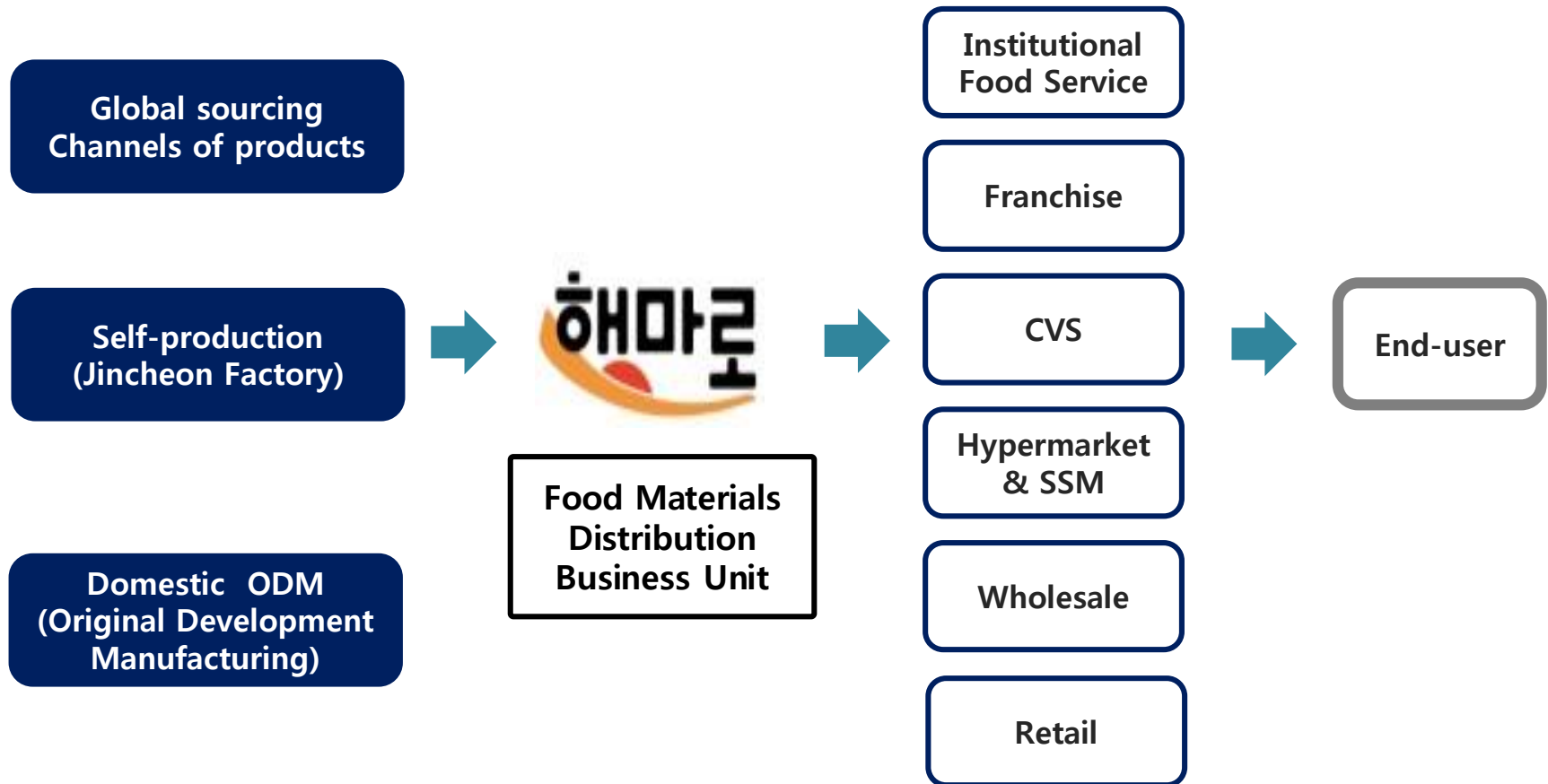


- Expanded into 3 countries (Apr. 2019)
- **Vietnam** : 2 directly managed stores
- **Taiwan** : 4 directly managed stores and 2 franchisees stores

# 6. Food Materials Distribution Business Department

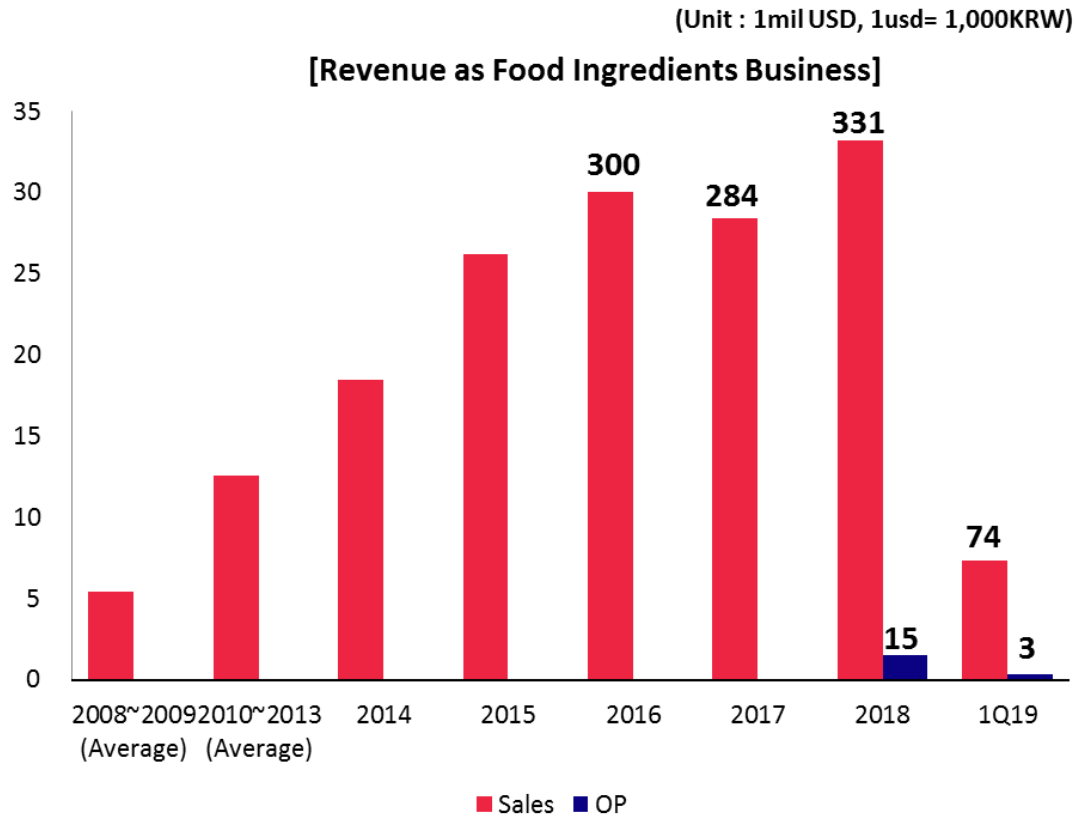


## 해마루 Value Chain





## The increase trend of sales in Haimarrow Distribution Sales Division



- 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



## 해마루 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

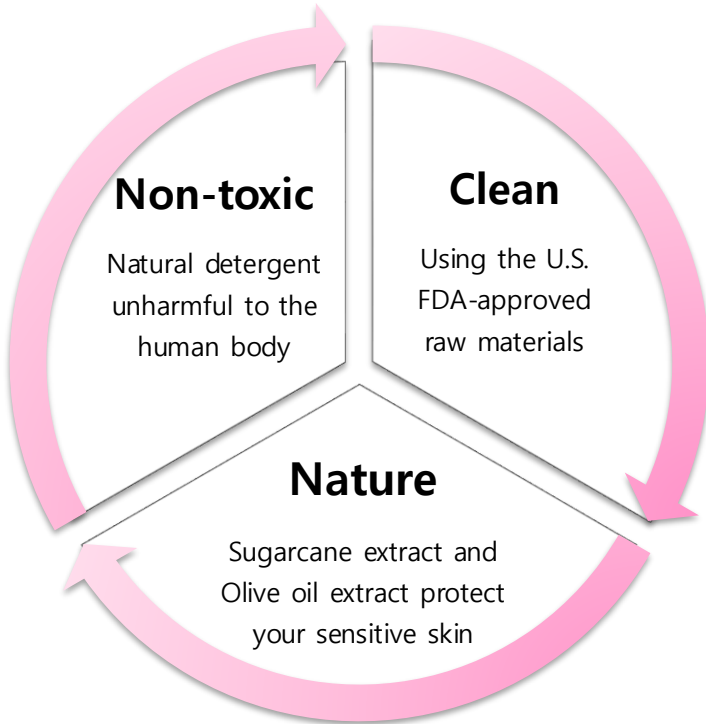
## 6. Food Materials Distribution Business Department



### Haimarrow Jincheon Logistics Center foreground



## 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, Gwangangsi, Jeollanam-do  
Republic of Korea

○ **Dangjin factory**

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



- Established in March, 1999
- Number of Employees : 64 (Mar. 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](http://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 7<sup>th</sup> 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 4<sup>th</sup>  
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



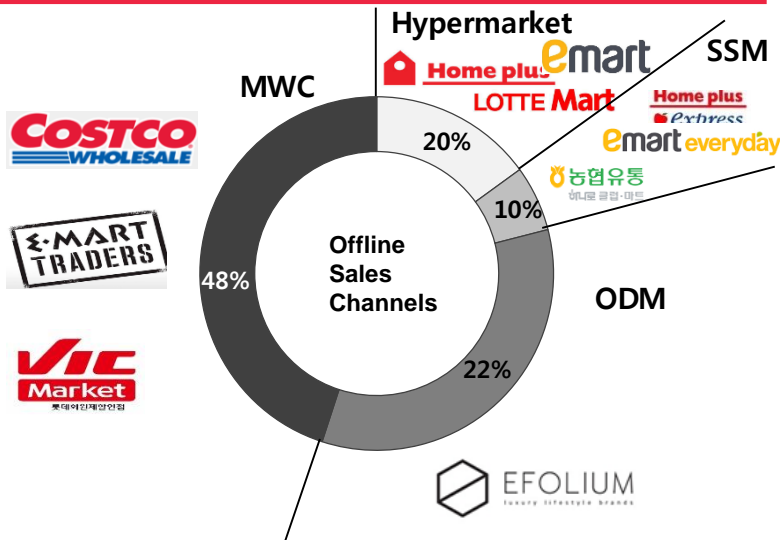
## H&B



- 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(1Q19)



Source: Haimarrow Food Servie Co., Ltd

Status after being the subsidiaries in 2017

(Unit: mil. KRW)	2017	1Q18	2Q18	3Q18	4Q18	1Q19	QoQ (%)
Sales	15,892	4,916	6,340	6,953	7,209	6,680	(7.3)
Gross Profit	5,496	1,804	2,093	2,229	2,412	2,371	(1.7)
GPM(%)	34.6	36.7	33	32.06	33.5	35.5	6.0
SG&A	3,976	1,137	1,648	1,571	1,934	1,536	(20.6)
Operating Profit	1,520	667	445	658	478	835	74.7
OPM(%)	9.6	13.56	7.02	9.47	6.6	12.5	89.4

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 (66%), special sales and overseas sales (25%), and online (9%) (as of 1Q19)
- 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	1Q19
<b>Sales</b>	351	489	795	1,486	2,019	2,396	2,845	723
<b>Gross Profit</b>	84	116	217	396	525	677	848	205
<b>SG&amp;A</b>	76	94	150	308	356	522	617	151
<b>Operating profit</b>	8	23	68	88	169	155	231	54
<b>Net Income</b>	6	18	54	60	90	113	168	38

- COGS Rate : Gradually declined from 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)
- Decrease in COGS-to-sales ratio due to the drop in exchange rates (Based on the standardized sales ratio KRW 1,205.00 (Dec. 30 2016) → KRW 1,167.00 (Apr. 30 2019))

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



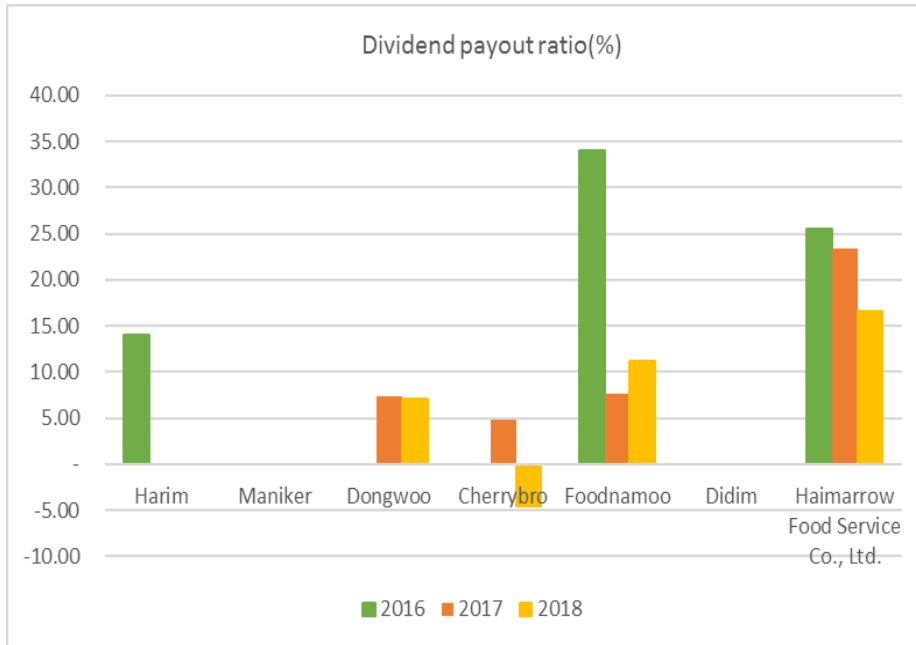
## 2) Peer Valuation

(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
<b>MKT Cap.</b>	2018	347	10,809	2,180	135,841	221	3,590	12,708	6,144	178
<b>Sales</b>	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
<b>COGs</b>	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
<b>GPM</b>	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%
<b>OP</b>	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
<b>OPM</b>	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%
<b>PER</b>	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
<b>PBR</b>	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
<b>PSR</b>	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	-	-	-	-

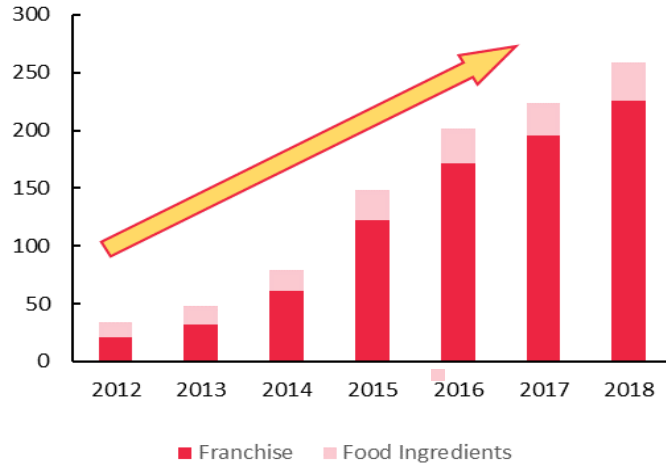
- Price-dividend ratio in 2018 will be 1.4%, and 16.6% of Net income was paid as dividend
- Will continue to focus on returning profits to the shareholders with high dividend yielding policy

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



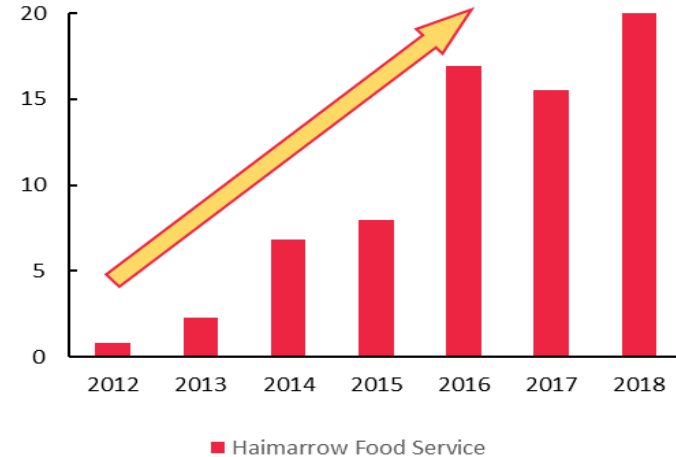
### Net Revenue Increase

(Unit : 1mil USD, 1usd= 1,000KRW)



### Operating Profit Increase

(Unit : 1mil USD, 1usd= 1,000KRW)



- 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 8.9% 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)

	1Q19	2018	2017
<b>Assets</b>			
<b>Current Assets</b>	63,024,322,043	60,910,461,687	55,691,663,077
<b>Quick assets</b>	46,268,155,880	45,500,557,091	42,726,649,325
<b>Inventories</b>	16,756,166,163	15,409,904,596	12,965,013,752
<b>Non-current assets</b>	69,015,844,018	66,462,475,474	49,090,701,239
<b>Investments</b>	5,894,349,004	8,247,460,916	6,600,527,360
<b>Tangible assets</b>	50,828,269,344	45,964,117,278	35,253,452,767
<b>Intangible assets</b>	8,001,494,565	7,697,382,454	5,061,739,171
<b>Other non-current assets</b>	4,291,731,105	4,553,514,826	2,174,981,941
<b>Total assets</b>	132,040,166,061	127,372,937,161	104,782,364,316
<b>Liabilities</b>		-	-
<b>Current Liabilities</b>	54,591,713,542	48,343,313,426	21,096,741,475
<b>Non-current liabilities</b>	5,279,509,350	6,528,407,249	26,750,590,172
<b>Total liabilities</b>	59,871,222,892	54,871,720,675	47,847,331,647
<b>Equity</b>		-	-
<b>Equity attributable to owners of the parent company</b>	71,834,377,975	72,028,619,208	56,935,032,669
<b>Capital stock-common</b>	9,389,778,600	9,389,778,600	9,389,778,600
<b>Additional Paid-in and Other Capital</b>	15,844,498,628	15,844,498,628	15,844,498,628
<b>Retained Earnings</b>	45,808,530,651	44,730,763,125	30,304,721,762
<b>Other Capital Components</b>	791,570,096	2,063,578,855	1,396,033,679
<b>Non-controlling interest equity</b>	334,565,194	472,597,278	-
<b>Total equity</b>	72,168,943,169	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)
<b>Sales</b>	72,284,860,087	284,496,704,350	239,567,841,710
<b>Operating income(loss)</b>	5,345,074,527	23,078,627,661	15,461,424,782
<b>Profit (loss)</b>	3,756,669,022	16,807,520,735	11,255,858,293
<b>Shareholders of the parent entity</b>	3,894,701,106	16,958,202,176	11,255,858,293
<b>Non-controlling interest</b>	(138,032,084)	(150,681,441)	-
<b>Total comprehensive income</b>	3,790,997,510	16,874,225,688	10,849,159,119
<b>Earnings per Share (EPS)</b>	41	181	121
<b>The number of consolidated company</b>	7	7	4

# Thank you

## Contact us

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