

# THE HYUNDAI

May 2018

## **Disclaimer**

This presentation contains past, present, forward-looking statements of Hyundai Department Store & affiliates.





Forward-looking statements can change by business circumstances. So you must not invest based on this material and also we can not take responsibility of your decision.

Thank you.

Hyundai Department Store Co., Ltd.

# 1. HDS Business Portfolio (1)




( Unit: KRW bn, %)

	Major Business	FY'17 Financial Data		Note
		Sales (Net)	Recurring Profit	
	<ul style="list-style-type: none"><li>• 15 Department branches</li><li>• 5 Outlets (2 Premium, 3 City type)</li><li>• Online Business<ul style="list-style-type: none"><li>- thehyundai.com (HDS's own online platform)</li><li>- Hmall, Cjmall, 11st etc (partner site)</li></ul></li></ul>	1,848	446	※ FTC Company ranking for 2017
Department Store				
	<ul style="list-style-type: none"><li>• TV home shopping</li><li>• Online Business (www.hmall.com)</li><li>• Overseas Business<ul style="list-style-type: none"><li>- Vietnam, Thailand</li></ul></li><li>• Subsidiary: Hyundai Rental Care</li></ul>	1,043	162	
Home Shopping				
	<ul style="list-style-type: none"><li>• General food company<ul style="list-style-type: none"><li>- catering, food distribution,, retail (food courts, restaurants, bakery etc)</li></ul></li></ul>	2,534	161	※ HDS group affiliates
Green Food				
	<ul style="list-style-type: none"><li>• TV broadcasting Operator (MSO)</li><li>• Operates 8 SO</li></ul>	290	56	
HCN				

\* Numbers are in consolidated basis

# 1. HDS Business Portfolio (2)

(Unit: KRW bn, %)

	Major Business	FY'17 Financial Data		NOTE	
		Sales (Net)	Recurring Profit		
	<ul style="list-style-type: none"><li>• <b>Design, manufacture, retail fashion brands</b><ul style="list-style-type: none"><li>- Time, Mine, System, SJSJ, OBZEE, O'2nd</li></ul></li><li>• <b>Launch and nurture imported fashion brands</b><ul style="list-style-type: none"><li>- Bally, Lanvin, Tommy Hilfiger, Club monaco, DKNY</li></ul></li><li>• <b>Subsidiary : Hyundai Global, Hyundai G&amp;F</b></li></ul>	1,229	67		
Handsome					
	<ul style="list-style-type: none"><li>• <b>Furniture company manufacturing home / office / apartment built in furnitures</b></li><li>• <b>B2B building materials</b></li></ul>	888	50		
Livart					
	<ul style="list-style-type: none"><li>• <b>produce construction equipments</b><ul style="list-style-type: none"><li>- Concrete pumps, tower cranes, attachments, fire trucks</li></ul></li></ul>	340	21		
Everdigm					

\* Numbers are in consolidated basis

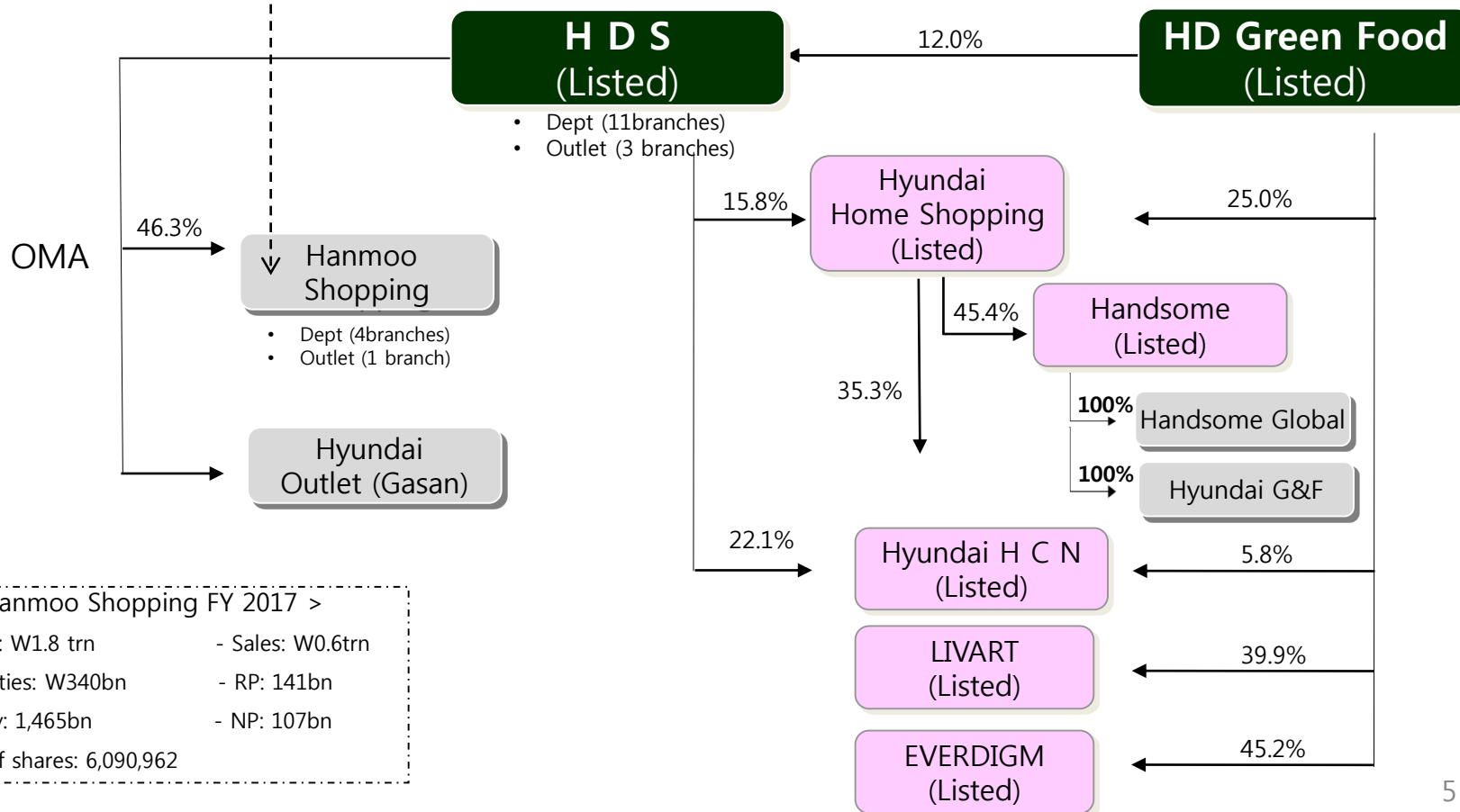
## 2. Corporate Governance

- HDS: 46.3%
  - Hyundai Shopping: 8.5%
  - Major (Chung Mong Keun): 10.4%
  - KITA: 33.4%  
(Korea International Trade Association)
- 65.2%

※ OMA (Operating Management Agreement)

: HDS gets 10% of EBITDA as an OMA-fee

※ HHS' holding stake in Handsome(45.4%) includes Handsome's treasury stock(10.8%)



### 3. HDS Overview

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#### ● Profile

- Establishment : 1971
  - Listing : 1989
  - Paid in capital: 117bn
  - Number of shares : 23,402,441 shares
  - Market capitalization : W 2.3trn ( As of March.2018 )
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#### ● Key Financial

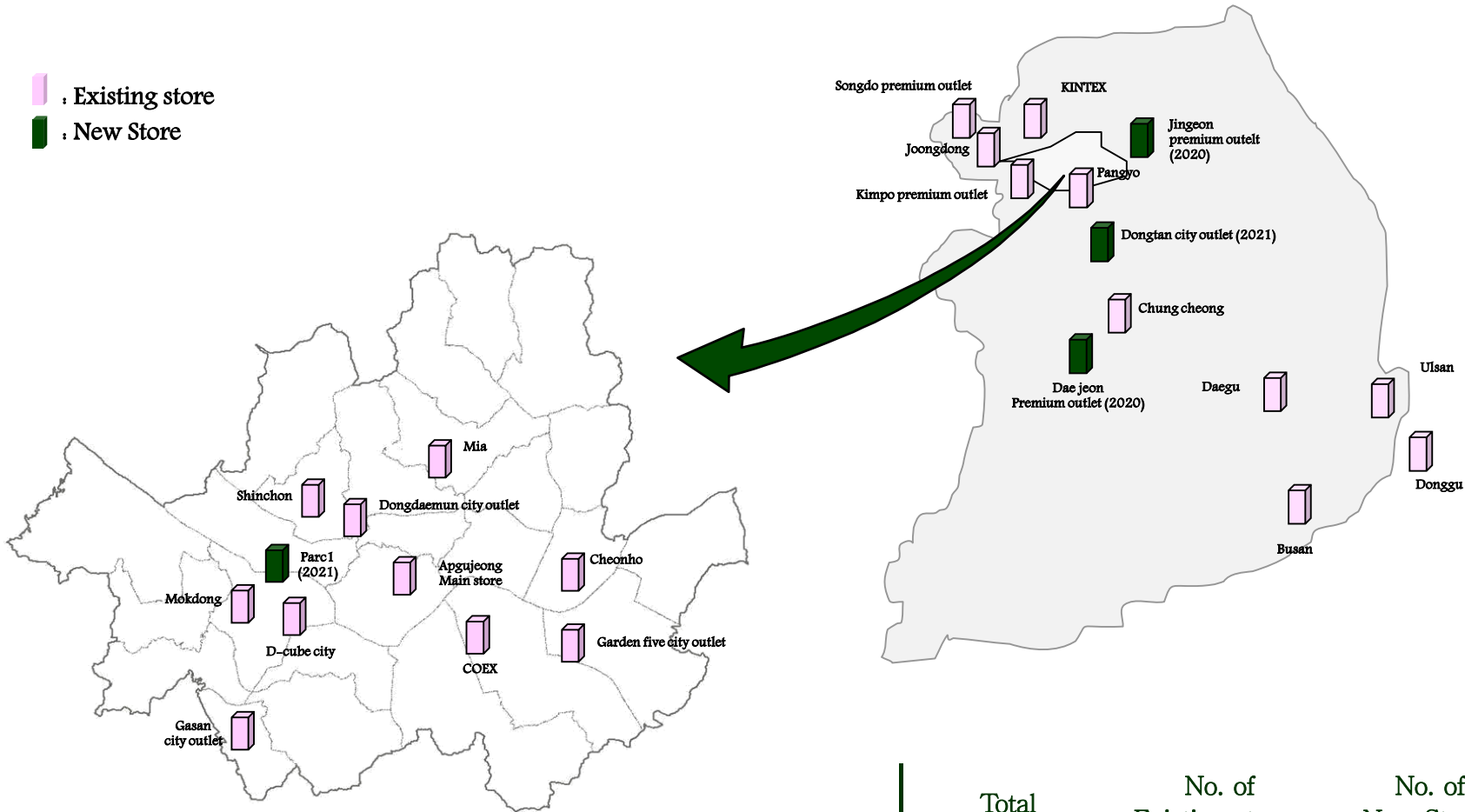
- Total Asset : W6,777bn
  - Net Sales : W1,848bn (managerial accounting : W7,487bn)
  - Operating profit : W394bn
  - Net profit : W302bn
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#### ● Shareholder Composition

- Chung family & HDS affiliates : 39.7%
  - Foreign : 27.3%
  - Others : 33.0%
-

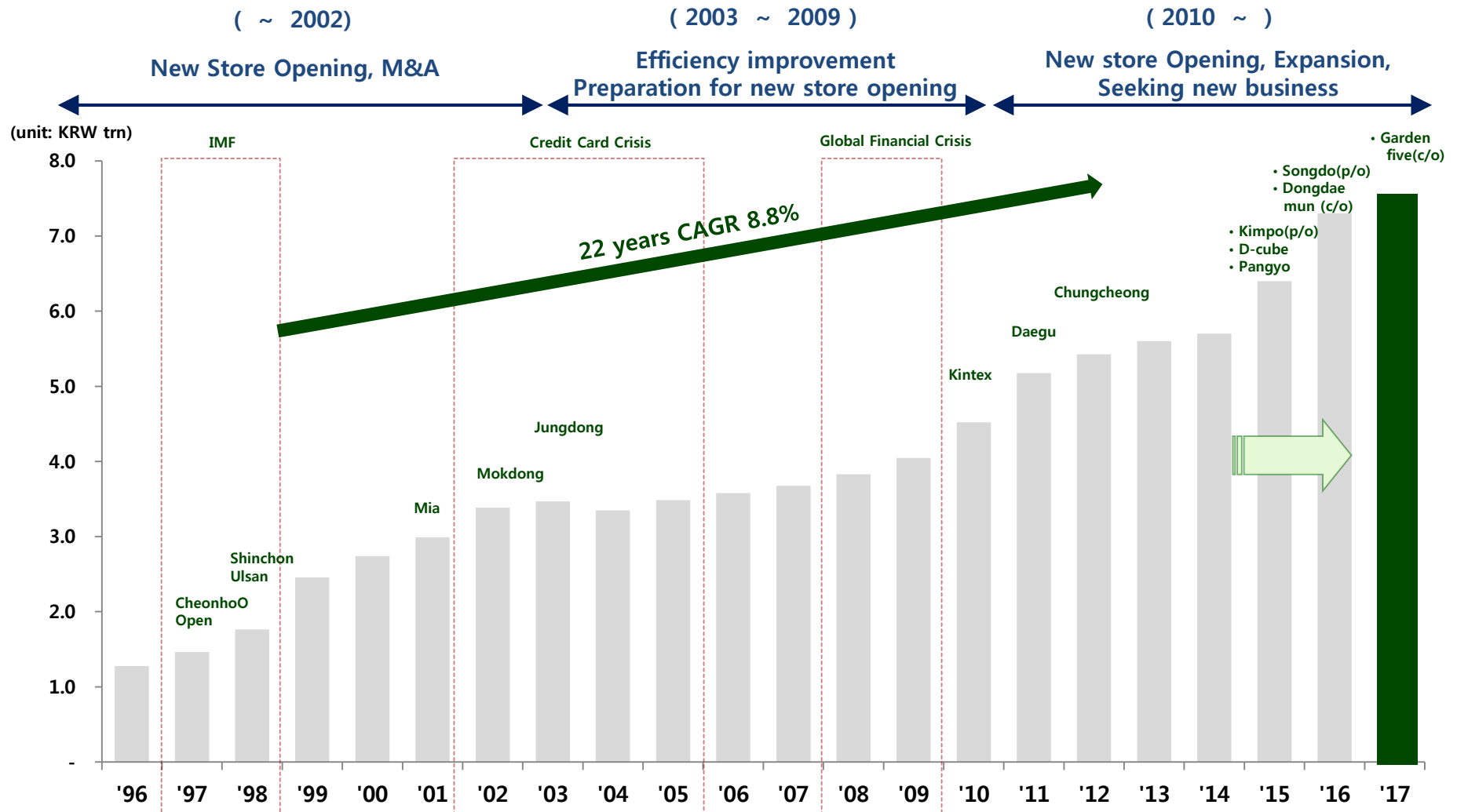
# 4. Store Location

- Existing store
- New Store



	Total	No. of Existing stores	No. of New Stores
Total	24	20	4
Seoul • Gyeonggi	18	15	3
Metropolitan Area	6	5	1

## 5. Growth Strategy





## 6. New store & Expansion Plan

### - Details

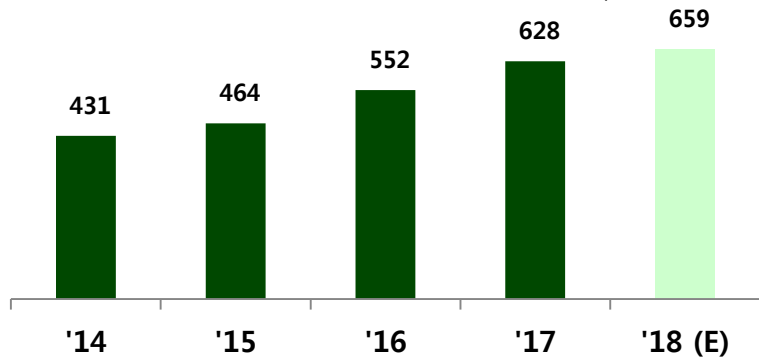
Store	Details
Dae jeon Premium Outlet (HDS)	
	<ul style="list-style-type: none"> <li>• Opening year : 2020</li> <li>• Capex : W280bn</li> <li>• Initial year sales target : W245bn</li> <li>• Selling space : 15,000 pyeong (49,586m<sup>2</sup>)</li> </ul>
Jin geon Premium Outlet (Hanmoo)	
	<ul style="list-style-type: none"> <li>• Opening year : 2020</li> <li>• Capex : W380bn</li> <li>• Initial year sales target : W345bn</li> <li>• Selling space : 18,075 pyeong (59,783m<sup>2</sup>)</li> </ul>
Dongtan City Outlet (HDS)	
	<ul style="list-style-type: none"> <li>• Opening year : 2021</li> <li>• Capex : W26bn (incl. deposit W5bn)</li> <li>• Initial year sales : W140bn</li> <li>• Selling space : 11,000 pyeong (36,383m<sup>2</sup>)</li> <li>* rent based, lease valid for 20yrs</li> </ul>

Store	Details
Parc 1 (HDS)	
	<ul style="list-style-type: none"> <li>• Opening year : 2021</li> <li>• Capex : W110bn (incl. deposit W30bn)</li> <li>• Initial year sales target : W600bn</li> <li>• Selling space: 26,000 pyeong (85,995m<sup>2</sup>)</li> <li>* rent based, lease valid for 20yrs</li> </ul>
Cheon Ho Department Store Expansion (HDS)	
	<ul style="list-style-type: none"> <li>• Completion : Dec. 2018 <ul style="list-style-type: none"> <li>- construction : May 2014 - Dec 2017</li> <li>- MD renewal : Jan 2017 - Dec 2018</li> </ul> </li> <li>• CAPEX : W250bn</li> <li>• Selling space : 10,800 → 16,100 pyeong (35,702 → 53,221m<sup>2</sup>)</li> </ul>



- Annual sales trend of HDS online business

(Unit : KRW bn)



THE HYUNDAI



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화장품

화장품

스킨케어  
메이크업  
바디/헤어케어  
기능성케어  
향수/향들  
미용기기/용품  
남성화장품  
BRAND 매장



자연의 선물

생화수

비오템

코스메테코르테

프리메라

● % of Online sales

%	'15	16	'17	'18 (E)
HDS	7.3	7.5	8.4	8.5

● Continuously increasing No. of partner sites

- Hmall (2004), Cjmall (2010), Gsshop (2014), 11<sup>th</sup> street (2012), Naver (2013) etc.

● Increase online sales through theHyundai.com

- opened in Jan 2016
- Sales target for 2018 86bn (10% ↑, YoY)

## ❖ Product mix

- Living , Food, Luxury growing faster than the other categories

