

HYUNDAI EZWEL Investor Relations

2024.4Q



현대이지웰

Disclaimer

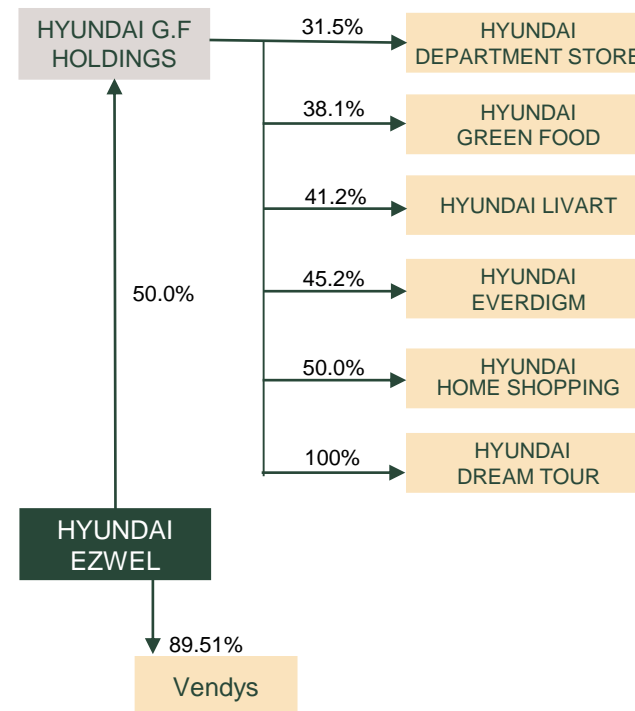
This presentation contains past, present and forward-looking statements of Hyundai EZWEL. Forward-looking statements can be changed according to business circumstances. Therefore, we advise caution when investing based on this material, as we can not take responsibility for your decision.

Company Overview

HYUNDAI EZWEL was incorporated in March 2021 as an affiliate of the HYUNDAI Department Store Group, ranked 24th in terms of assets (22.2 trillion KRW), 39th in net profit (415 billion KRW), and 19th in debt ratio (51.2%) in the Korea's ranking of business enterprises, and is Korea's No. 1 welfare platform company.

* As of the '23, Source: Fair Trade Commission

Founded Date	· January 14, 2003
CEO	· Chang Young-soon
Capital	· 11.9 billion KRW
Workforce	· 381 (as of the Sep 2024)
Address	· 23, Chungjeong-ro, Seodaemun-gu, Seoul
Shareholder Composition	<div><div>· Major Shareholder: HYUNDAI G.F. HOLDINGS (50.0%)</div><div><div><div>50.0%</div><div>9.9%</div><div>40.1%</div></div><div><div>[Largest Shareholders]</div><div>[Foreign Institutions]</div><div>[Others]</div></div></div></div>
* As of Dec 2024	



※ '23.2.21, Vendys conducted a rights offering of 3 billion, resulting in our company's ownership percentage increasing from 88.8% to 89.51%

By providing various services such as public welfare and food welfare programs along with corporate welfare programs,
establishing the company as a market leader with a dominant presence,
holding more than 50% of the domestic corporate welfare market.

▼ Key Business

01 / Corporate Welfare Program

Tailored welfare services are provided based on employees' lifestyles, including selective welfare options such as personalized welfare services, welfare for small and medium-sized enterprises (SMEs), commemorative events, special sales, partner welfare, etc.

02 / Public Welfare Program

A platform is provided for the convenient and efficient operation of various welfare programs supported by the government and public institutions, including employment support, childbirth support, vacation support, employment support, health support, etc.

03 / Corporate Welfare BPO Business

Outsourcing services are provided for the efficient operation of welfare programs, including healthcare, corporate accommodation, Employee Assistance Program(EAP), funeral service, flower delivery, office equipment rental, etc.

04 / Meal Welfare Program

A solution for managing and utilizing meal support provided by domestic companies and public institutions for employee welfare.

05 / Local Small Business Activation Program

Collaboration with the government, public institutions, and local governments to promote local economic activation through projects such as Onnuri Traditional Market Mall, Centennial Store Specialist Center, and Local Currency Mall.

▼ Key Metrics

* As of the end of 2024, Unit KRW

□ Welfare Points 1.6 trillion

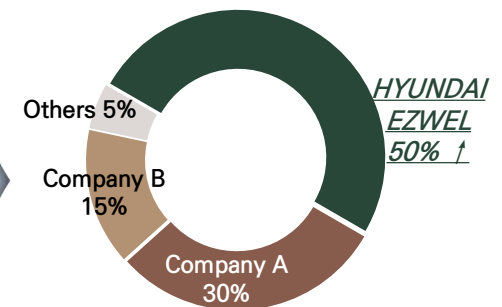
□ Trading volume 910.4 billion

□ 2,700 client companies

□ 340 million customers

□ 2.1 million products

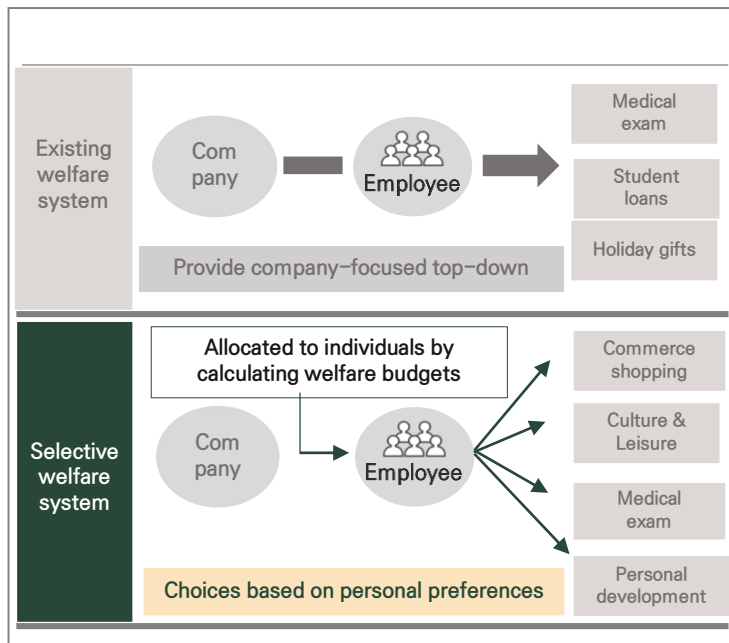
[Based on the Size of Operating Points]



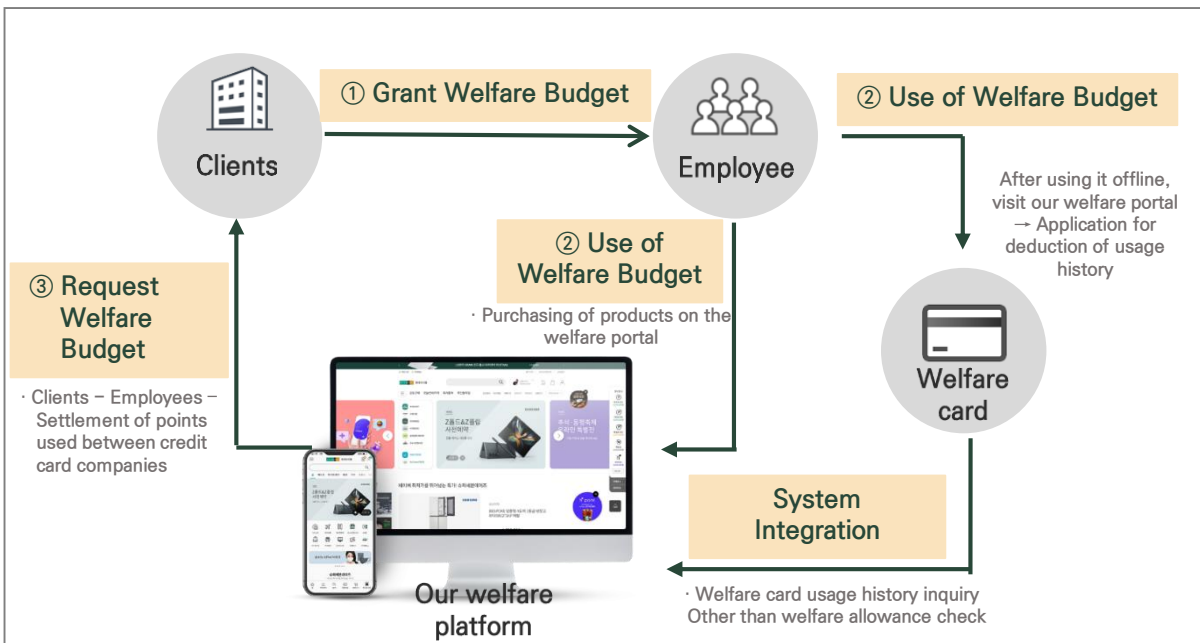
□ 1st place in M/S in corporate welfare market

Our business structure offers online welfare malls by targeting companies with employee welfare systems. We generate revenue primarily through the sales commission from goods and content traded on the platform.

▼ Introduction to Selective Welfare



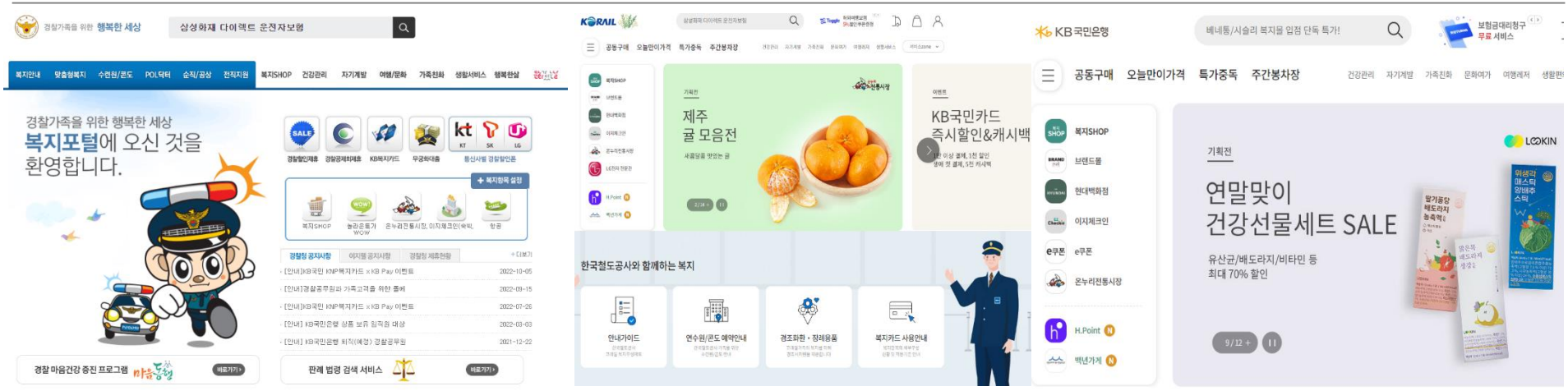
▼ How Selective Welfare Work



We offer tailored services, including UI/UX design, menu configuration, etc., based on the specific requirements of our clients' managers and employees. Additionally, we provide various systems, such as HR information management, welfare point management, health check operations, etc.



[Support Customization of Welfare Mall by Clients]



[National Police Agency]

[Korail]

[KB Kookmin Bank]

We are securing a competitive advantage in the domestic welfare market through differentiated contents and services with the largest welfare mall products compared to competitors.

Providing the Largest Product Pool in the Industry

7 “Rainbow Benefits” + Approx. 2.1 Million Products in Operation

- ① Lowest Price Policy on Naver ② Lowest Price Reward
- ③ Free Exchange ④ Free Return ⑤ Delivery Delay Reward
- ⑥ Out of Stock Reward ⑦ Genuine Product Guarantee

- Home Appliances (Samsung/LG)
- Luxury Specialty Store
- Admission to various products of HYUNDAI Department Store Group (Hmall, Livart Hall, etc.)

Lowest Price Policy on Naver / Lowest Price Reward

복지SHOP은 네이버최저가를 보장합니다.
최저가가 아닐 경우 가격조정 신청하고
상품을 구매하면 적립금을 드려요.

- 최저가로 가격 조정
- 보상 적립금 지급 - 상품 판매가의 10% (최대 1만원 구매자에 한함)
- 네이버쇼핑 최저가 기준 (프로모션, 신상품 추가 할인 제외)

이용방법 >



Differentiated content

- Competitive variety of intangible content pool (health, personal development, travel, etc., total 6 categories, approx. 1000)
- Content alliance with trend-reading brands (Fashion: LF Mall, Sporting Goods: Ssaka Education: Siwon School, etc.)
- EZ Live, a live commerce service that communicates with customers in real time



Easy Payments & Membership Services

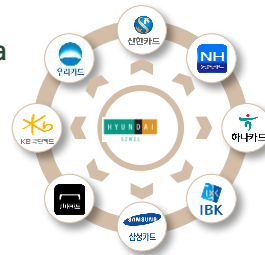
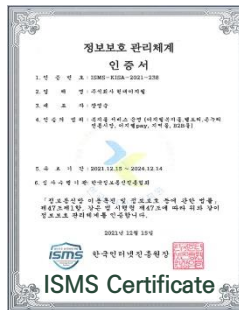
- Mobile Simple Payment System: EZWEL Pay (Even if you do not have a welfare card, you can use it directly with a barcode)
- * Available at approx. 100,000 stores
- Off-line billing discount service: EZ Members (Automatic charge discount when paying affiliate merchant with welfare card)



As the only KOSDAQ-listed company in the industry, we are building a transparent governance structure and ensuring industry-leading system stability, security, and customer service (CS) processes.

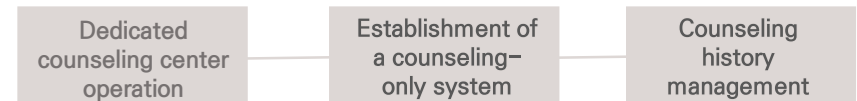
▼ Building transparent governance and service stability

- ESG Overall Rating A+ Rating(As of the closing of '24)
 - Environment A+ / Social A+ / Governance A+
 - ※ '24, Received recognition as an excellent ESG company(Korea ESG Standards Institute)
- Corporate Credit Rating AA–(As of the closing of '24)
- Obtained ISMS security certification for the first time in the industry for the best security compliance
- Provide stable settlement system through interworking with all welfare card companies in Korea
 - All welfare card companies and card usage history can be linked immediately
 - Automatic settlement system and settlement official sending function, etc.



▼ Operation of a specialized direct consultation center

- Establishment of direct consultation center & consultation system (CTI)



- Placement of the industry's most well-being-specialized consulting staff
- Establishment of emergency VOC 3 hours, general VOC response completion process within 24 hours



Telephone counseling



On-line counseling



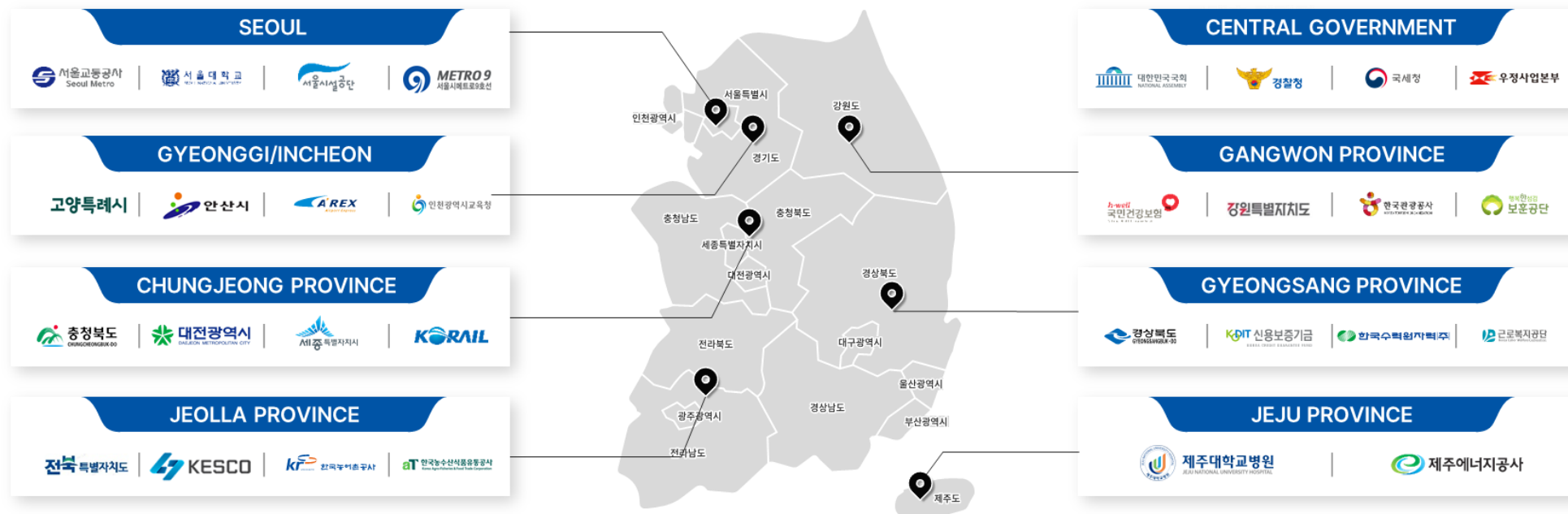
Product Q&A



Usage Q&A

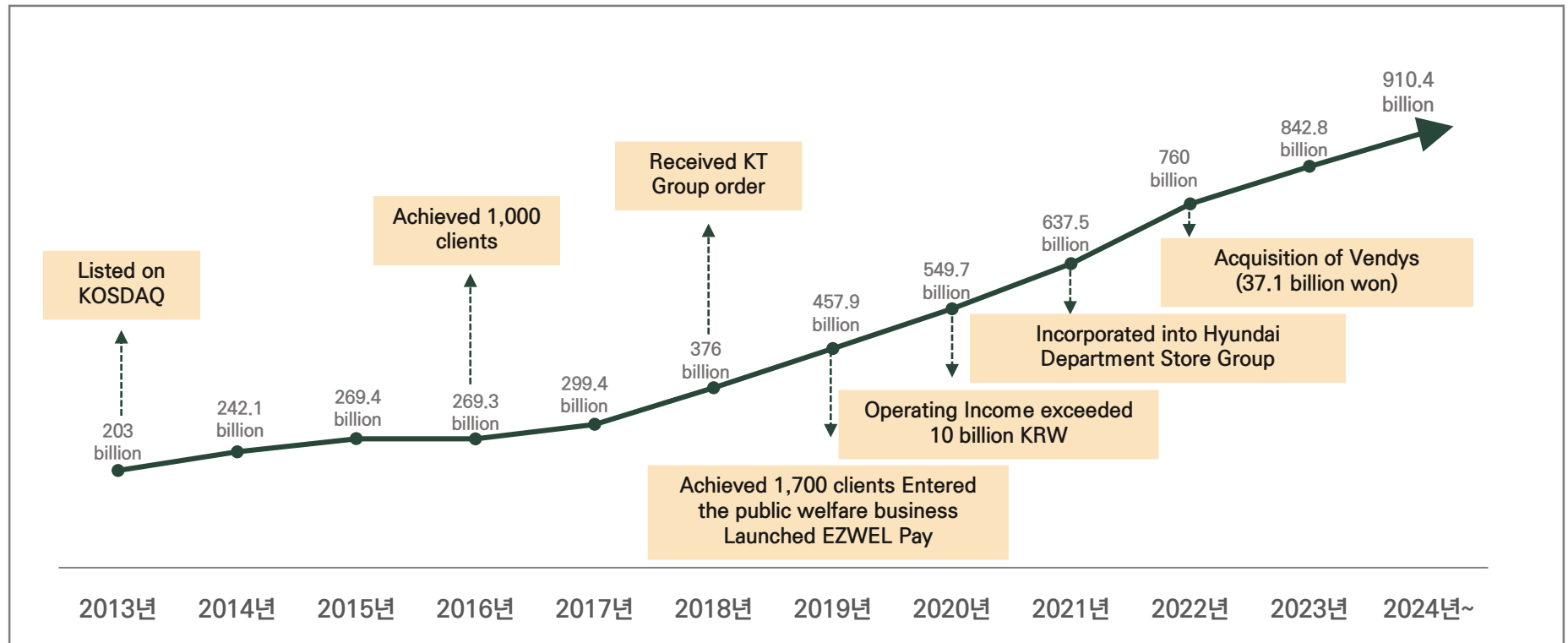
⇒ Improve service satisfaction through operation of the largest direct consultation center in the industry

Over 2,700 clients, comprising major public institutions, large corporations, and central government entities, along with 3.4 million employees, are benefiting from the high-quality welfare services offered by HYUNDAI EZWEL.



주요 민간기업

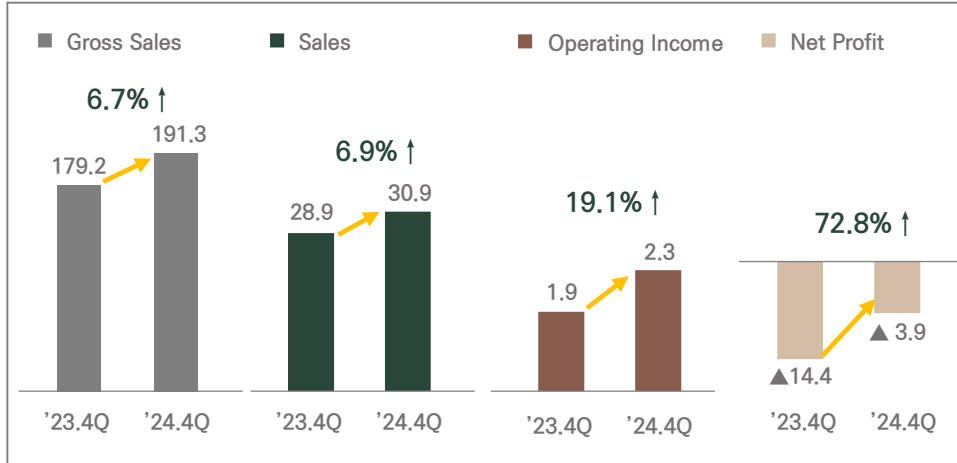
Based on its excellent competitiveness, it has experienced robust growth since its listing, and is actively expanding into new businesses exemplified by the acquisition of Vendys Co., Ltd. (Nov. 2022), the No. 1 meal welfare company, aiming to secure new avenues for growth.



Business Update

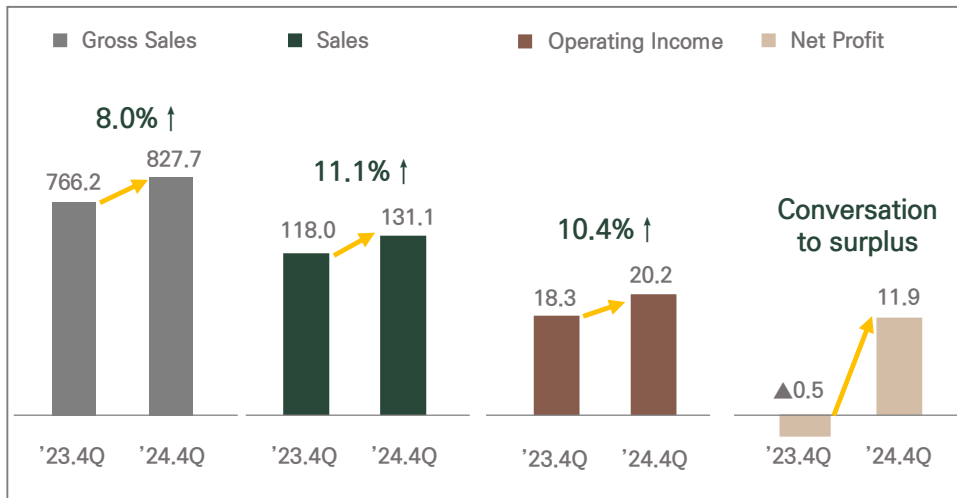
▼ 4Q FY 2024

(unit : KRW bn)



▼ 4Q Acc. 2024

(unit : KRW bn)



'24.4Q Review

(1) Sales : 30.9bn (YOY 6.9% ↑)

- Sales grew 6.9% year-on-year, driven by new order expansion and stronger product offerings in the welfare mall, boosting individual payments

※ '24.4Q Gross Sales : EZWEL 190.1bn(6.7% ↑), Vendys 1.1bn(12.6% ↑)

*Vendys's Gross sales are commission revenue.

- The online usage rate closed at a similar level to the previous year. ('23 36.6% → '24 36.6%)

(2) Operating Income : 2.3bn (YOY 19.1% ↑)

- Operating profit surged 19.1% year-on-year, driven by sales growth and efficient SG&A spending, demonstrating sustained operating leverage

- Vendys recorded ▲62mn in the fourth quarter due to one-time costs (such as Franchise POS Integration System), and achieved the break-even point with an annual performance of 38mn. ('23.4Q: ▲384 million → '24.4Q: ▲62mn, 322mn ↑)

※ Vendys annual performance: '23 ▲1,027mn → '24 38mn, 1,065mn ↑

(3) Net Profit : ▲3.9bn (YOY 72.8% ↑)

- Vendys' net income improved by 72.8% compared to the previous year due to a decrease in goodwill impairment (from 16 bn to 6.3 bn)

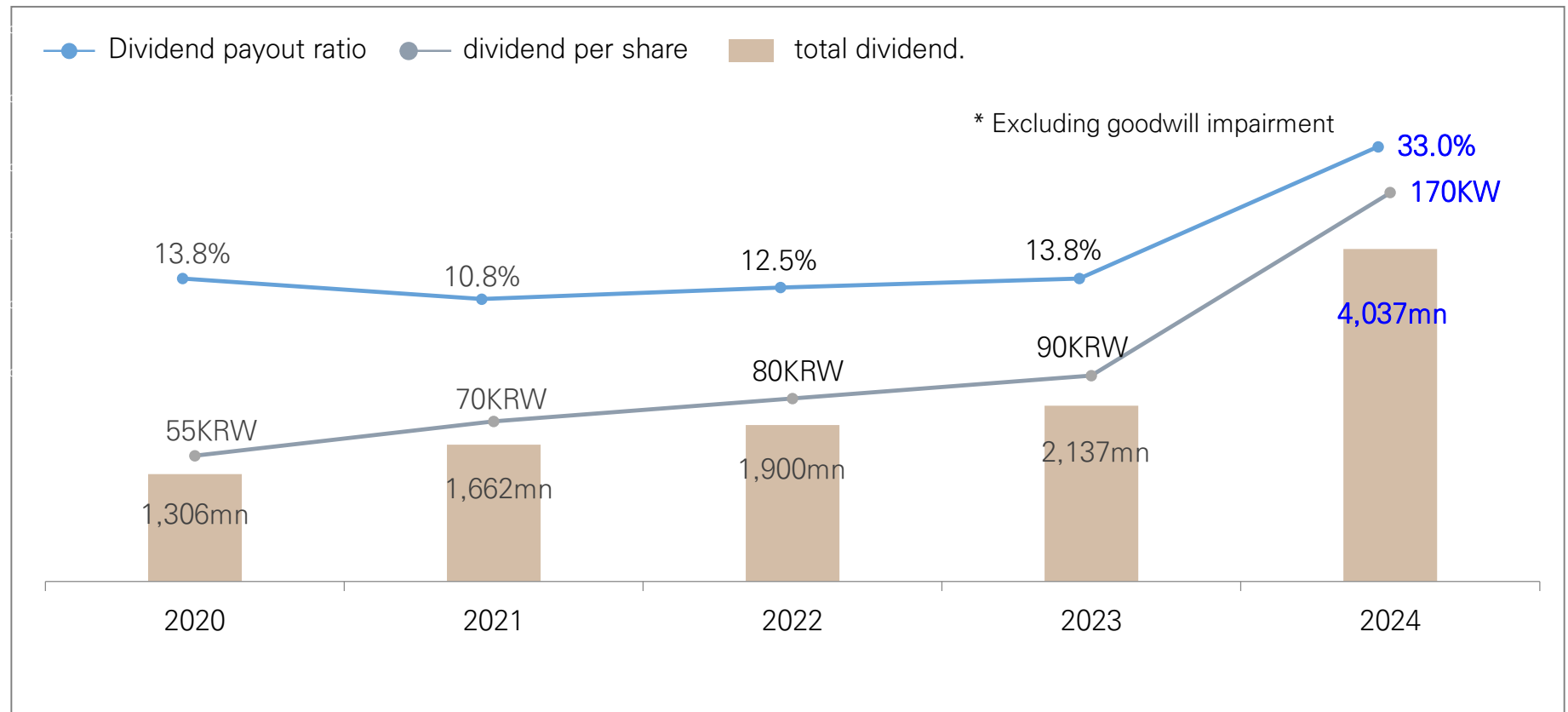
※ Exceptional expenses total total in 2024 6.7b :

- Depreciation of intangible assets (customer relationships): 0.37 bn
- Impairment loss on Vendysbusiness right : 6.33bn

※ Excluding exceptional expenses, annual net income: '23 16.25bn → '24 18.62bn (14.6% ↑)

Over the past five years, our company has consistently increased the dividend per share, and in 2024, we significantly raised the dividend to 170 KRW (+88.9%), improving the dividend payout ratio from the previous 13.8% to 33%.

▼ Dividend Trends '20 ~ '24

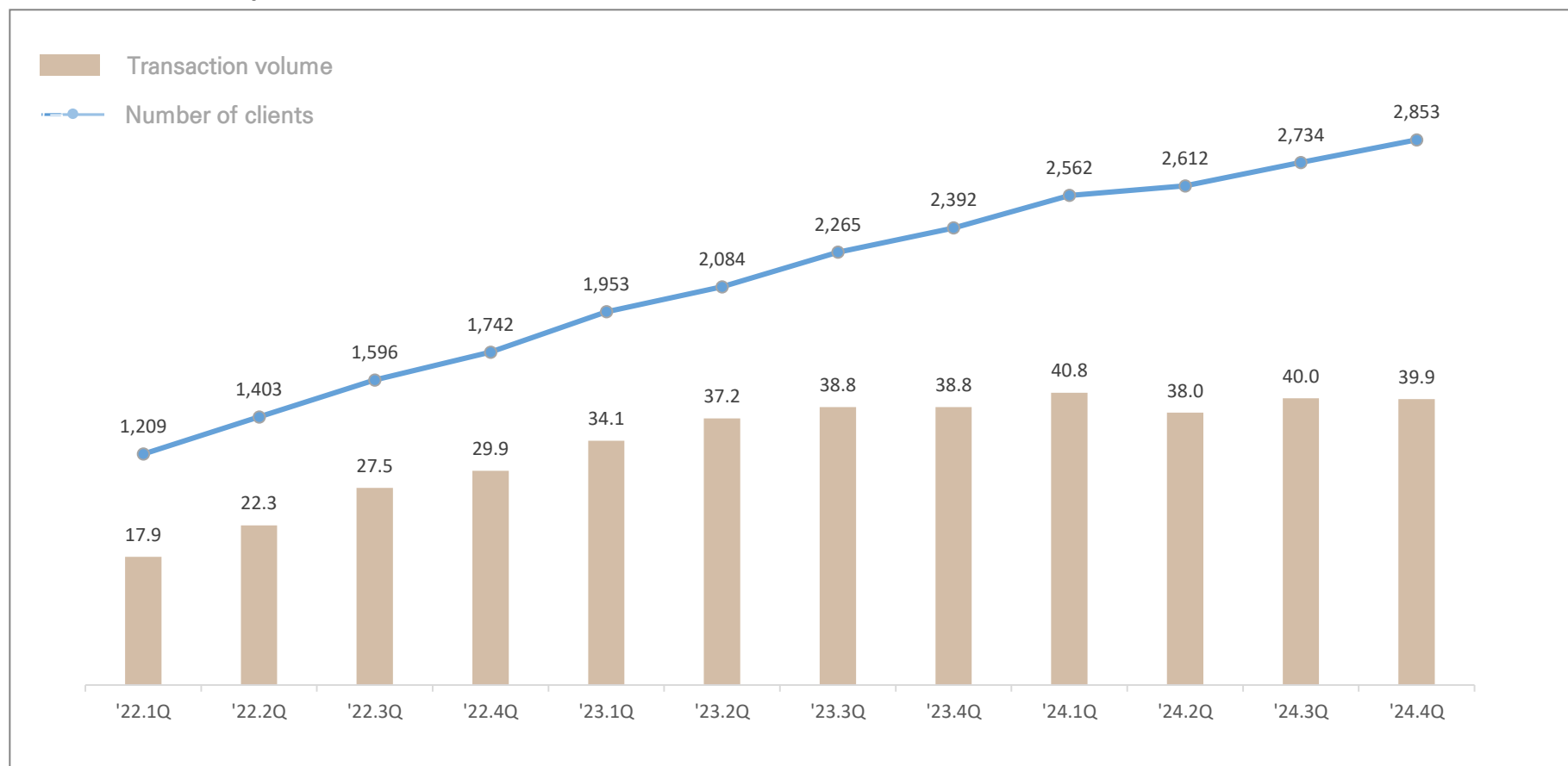


03. Vendys Earnings results (Transaction volume & Number of clients)

Since Vendis' acquisition in November 2022, the customer base paradigm has shifted from small and medium-sized enterprises to large corporations, driven by enhanced competitiveness and increased brand awareness. The transaction volume has continued to grow through the expansion of orders from clients.

▼ '22 ~ '24 Quarterly transaction volume and customer trends

(unit : KRW bn)



New clients, a major franchise partnership(Such as Starbucks, Lotte GRS), and BPO expansion
drove transaction growth, while cost optimizations [led to a 2024 surplus](#)

▼ '22 ~ '24 Earnings results

(unit : KRW mn)

구 분	2022년					2023년					2024년				
	1분기	2분기	3분기	4분기	연간	1분기	2분기	3분기	4분기	연간	1분기	2분기	3분기	4분기	연간
거래액	17,902	22,304	27,539	29,892	97,637	34,140	37,153	38,836	38,768	148,897	40,921	37,910	40,004	39,861	158,806
매출액	455	587	723	874	2,639	837	908	987	1,052	3,785	1,169	1,047	1,153	1,146	4,515
영업이익	▲432	▲1,283	▲168	▲244	▲2,127	▲254	▲207	▲182	▲384	▲1,027	93	▲2	8	▲62	38
당기순이익	▲436	▲1,279	▲170	▲288	▲2,173	▲264	▲193	▲165	▲351	▲972	115	40	73	2	230

We aim to continue growing by expanding new client acquisition, strengthening the management of large clients, leading trends in the corporate welfare market with the expansion of products and services, and successfully promoting related new businesses.

➤ Market Share Expansion

Improvement in Large Customer Acquisition	<input type="checkbox"/> Encouraging orders through proactive contracts with subsidiaries responsible for corporate welfare in large corporate groups
Strategic Target Sales	<input type="checkbox"/> Implementing strategic regional target sales, promoting sales initiatives in response to demographic and social structural changes, and expanding sales to high-profit small and medium-sized enterprises
Strengthening Customer Lock-in for Existing Clients	<input type="checkbox"/> Expanding win-win cooperation plans with public institutions, providing one-stop services using BPO services, and utilizing group membership (EZWEL Friends)

➤ Enhancing Customer Value

Strengthening Product Competitiveness	<input type="checkbox"/> Strengthening product lines related to healthy lifestyles and experience consumption, discovering specialized content products and services, and enhancing vertical specialty areas
EZWEL Brand Image Enhancement	<input type="checkbox"/> Strengthening ESG management, raising brand awareness through participation in domestic HR conferences, etc.
Enhancing Customer Satisfaction	<input type="checkbox"/> Obtaining certifications to enhance trust with clients, conducting customer and client manager satisfaction surveys, and improving services through communication channels

➤ Expanding Growth Foundations

Vendys/BPO Service	<input type="checkbox"/> Expanding client orders and providing differentiated services according to the lifecycle (childbirth, childcare, education, retirement, nursing care, etc.)
Securing digital competitiveness	<input type="checkbox"/> Improving customer convenience through the development of next-generation systems, enhancing partner management and settlement processes, and establishing a foundation for long-term growth by eliminating inefficient tasks

We aim to expand our large clients and partners to enhance competitiveness along with business growth, and to sustain growth as a new driver for EZWEL by driving various synergies with group affiliates.

➤ Strengthening Differentiated Competitiveness

(1) Expanding Large Corporate Clients	<input type="checkbox"/> Providing forward-looking services by integrating autonomous robots with the meal voucher platform <input type="checkbox"/> Pursuing large corporate affiliates, general large enterprises, airport clients, and more
(2) Expanding Partnerships with Competitive Brand	<input type="checkbox"/> Expanding customer options by increasing partnerships with popular brands such as large franchises – Partnerships with approximately 14,000 affiliates, including S Company, E Company, B Company, and others
(3) Diversifying Order Models	<input type="checkbox"/> Driving major contracts with large corporate affiliates, general conglomerates, and airport clients.

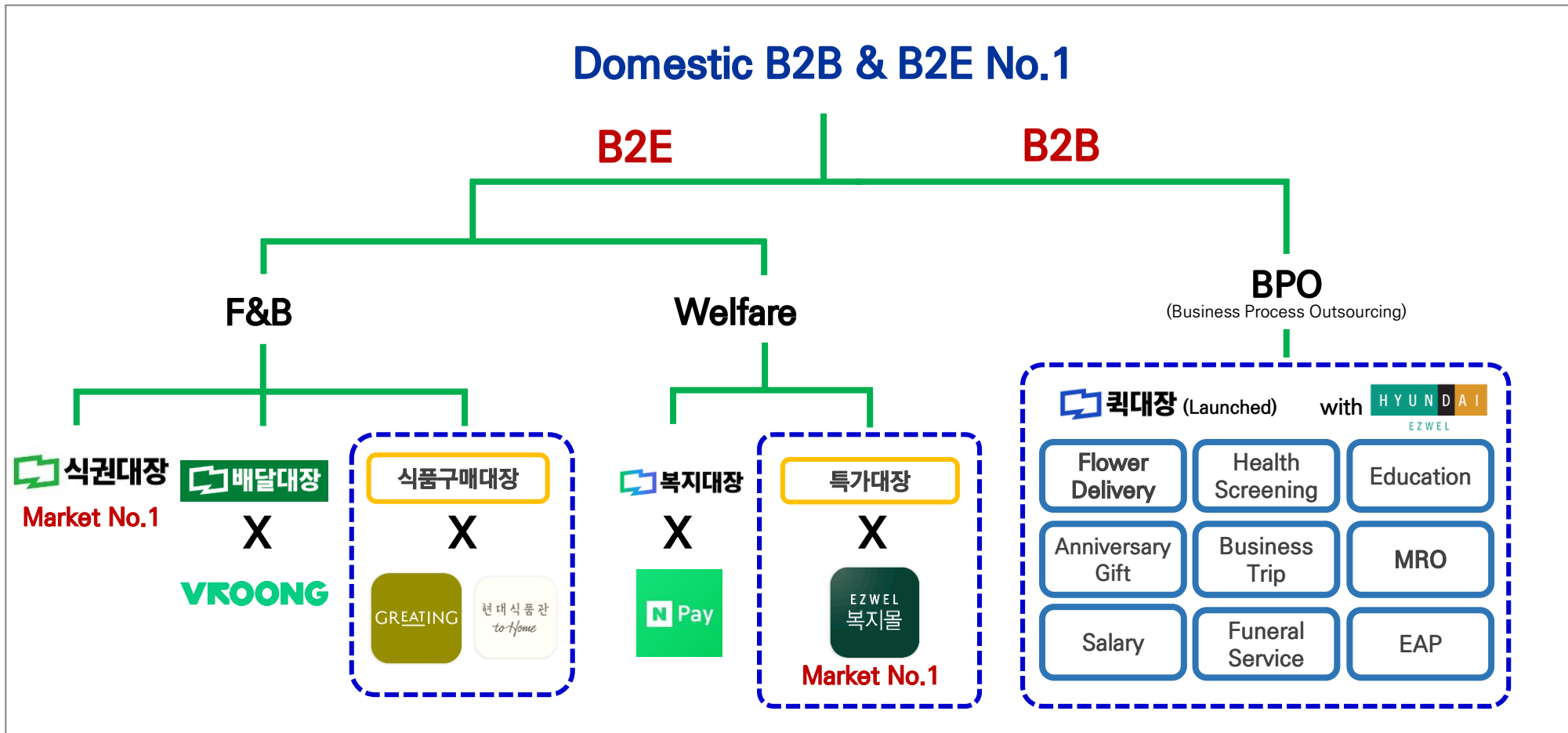
➤ Strengthening Commerce

(1) Enhancing Welfare Mall	<input type="checkbox"/> Vendys customer can use Bokji Daejang point at Bokji Daejang Mall(EZWEL Welfare Mall)
(2) B2B Synergies	<input type="checkbox"/> EZWEL, with its B2B special offer capabilities, will expand B2B special offer sales to Vendys' clients
(3) Affiliates Synergies	<input type="checkbox"/> Strengthening synergies with department store 'ToHome,' Greenfood 'Hyundai Food Market,' and BioLand 'Nestlé Health Supplements,' etc
(4) Strengthening Advertising Revenue	<input type="checkbox"/> Expanding key event advertising/promotional activities by leveraging customer traffic from the Meal Ticket Boss APP

➤ Promoting Synergies in Corporate Welfare BPO Business

(1) Joint Promotion of EZWEL and BPO Business	<input type="checkbox"/> Enhancing sales capabilities by integrating EZWEL's corporate welfare BPO services into Vendys – EAP, funeral services, coffee machines/beans, flower delivery, office equipment, food trucks, corporate messaging, etc
(2) Strengthening Quick Service	<input type="checkbox"/> Upgrading service quality and improving satisfaction through the renewal of the Quick Service sector (with Company K).

We aim to become the leading company in domestic B2B & B2E through proactive collaboration between the top Optional Welfare No.1 EZWEL and Meal Welfare No.1



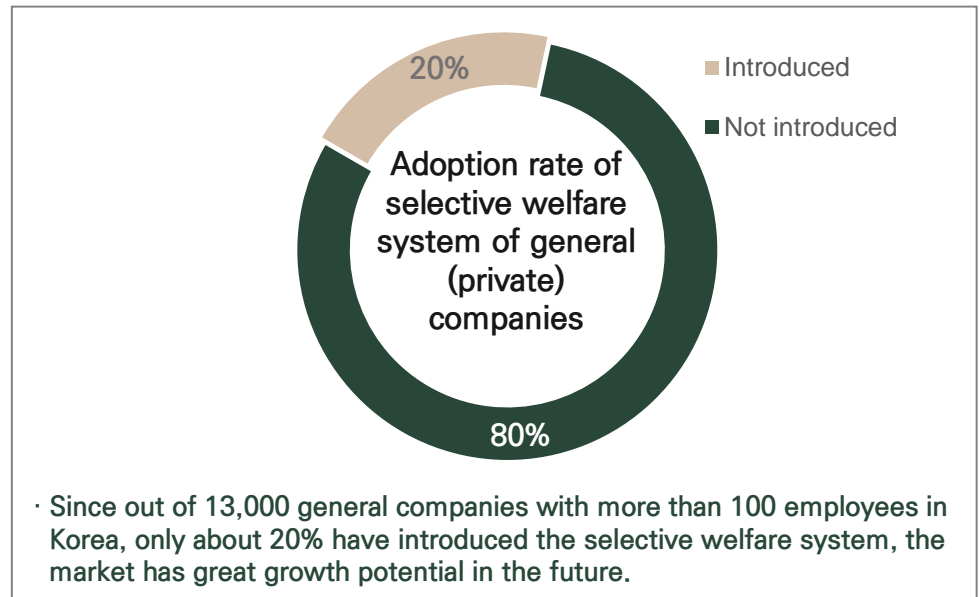
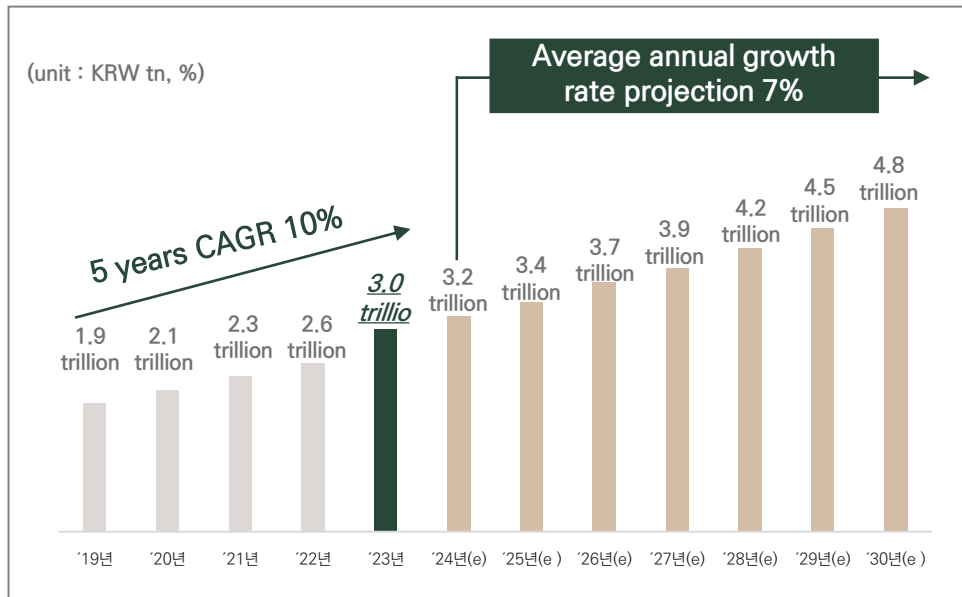
Growth Strategy



In the domestic selective welfare market, there is a growing trend towards the adoption of a 'Selective Welfare System,' allowing individuals to choose welfare items based on their lifestyle preferences. The market size is anticipated to maintain a robust growth trajectory, averaging an annual rate of 10% over the past 5 years, surpassing the expected future economic growth rate of 7% to 8%

▼ The Size and Prospects of the Selective Welfare Market ▼ Adoption Rate of Welfare Point Adoption

(Source: HYUNDAI EZWEL estimates, Based on the top three companies)



In the current selective welfare market, the primary focus has been on operating price-oriented sales channels and securing orders from new clients. Looking ahead, key success factors will involve minimizing churn among contracted clients, increasing individual payment amounts, and diversifying content offerings.



We will enhance EZWEL's specialized content and product capabilities while reinforcing existing business strengths through the promotion of synergy among group affiliates.

Enhancement of specialized content and product power	<ul style="list-style-type: none"> · Welfare Mall's first live commerce activation · Strengthening megatrends (single-person households, pats, etc.) and travel products · Enhancement of the luxury specialty center, establishment of total golf service, etc. 			
Next Generation System Promotion	<ul style="list-style-type: none"> · Establishment of next-generation welfare mall (target to launch in the second half of 2023 ~ August 2025) · UI/UX and System Integration 			
Promote Group Affiliates Synergy	<ul style="list-style-type: none"> · Promotion of synergy by utilizing the product power of HYUNDAI Department Store Group affiliates, including Department stores/Informercial/Green Food/Handsome/Zinus 			

To diversify our business portfolio and secure new growth engines, we are actively promoting the 'Corporate Welfare BPO' project and the 'Meal Welfare (mobile meal ticket)' project. These initiatives involve outsourcing various general affairs tasks to further enhance our service offerings.

▼ Corporate Benefits BPO Business Expansion

- Promote total corporate welfare BPO business that outsources various general affairs as well as 'Welfare Mall' of the nature of e-commerce
- In the mid-to-long term, in addition to expanding the service category of the business, consider broadening the business scope to include 'In-house Welfare Groupware,' overseeing the operation of the company's in-house welfare system

Selective
Welfare Service



Consigned operation of healthcare (health checkup)

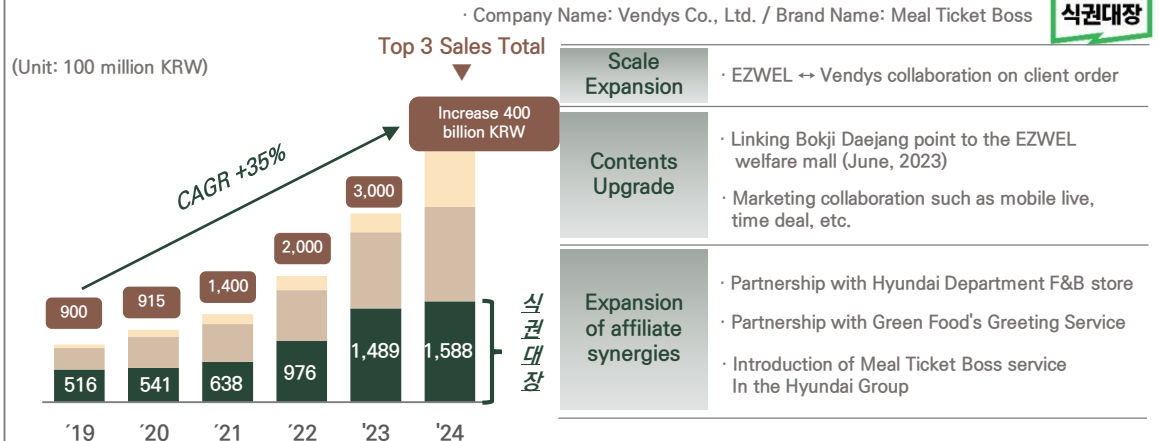
Consigned operation of corporate accommodation (condominium)

EAP · Mutual aid services

Office equipment rental & flower service

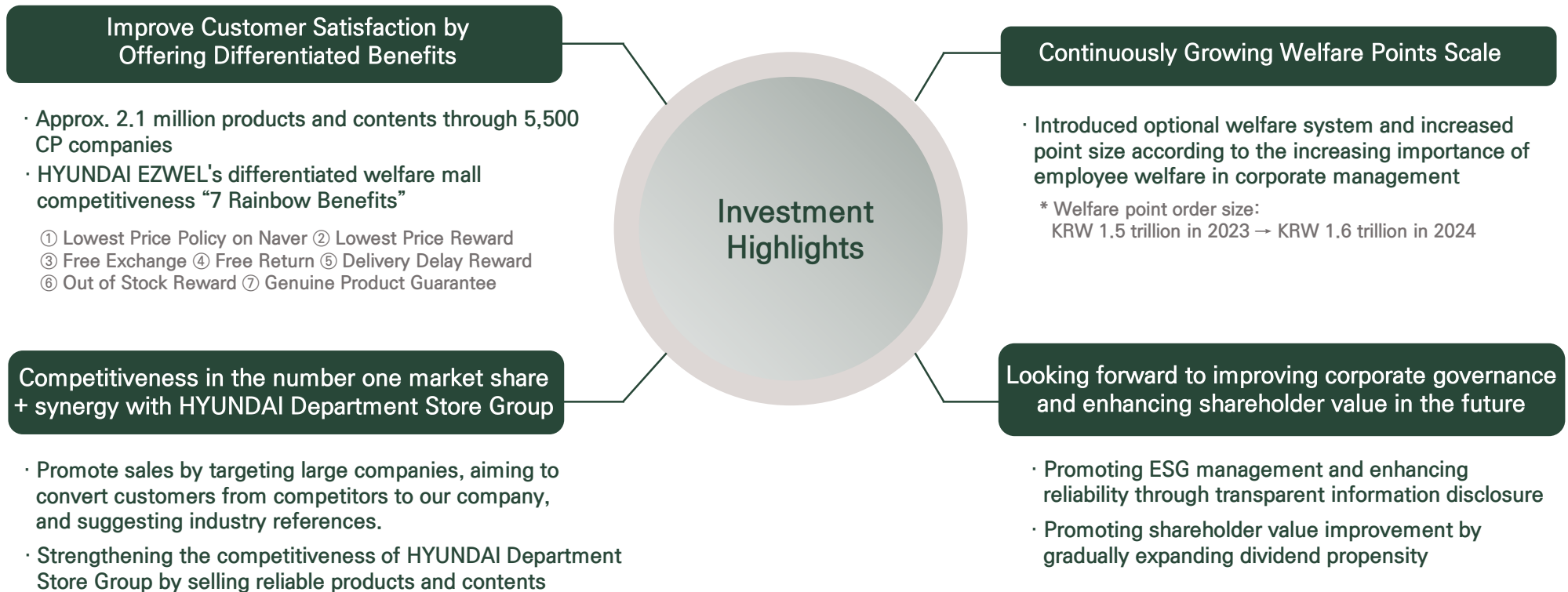
▼ Entered into the meal welfare (mobile meal ticket) business

- Mobile dining rights that emerged in 2014 continued to grow at a high rate of more than 20% even during the coronavirus situation
- After taking over the management rights of 'Vendys', the leading and largest operator in the market, entered the meal service business
- Through this, we plan to create synergies between the two companies, such as scale expansion and content enhancement, and grow them into new growth engines for the future.





Expected to accelerate growth by strengthening product and content competitiveness based on the continuously growing welfare point scale, the competitiveness in receiving orders with the No. 1 market share, and the synergy with the HYUNDAI Department Store Group



▼ Trend in net cash

(unit : KRW mn)

구 분	2022년 말	2023년 말	2024년 말	비 고
Net Cash Holdings	68,220	79,093	104,430	
EZWEL	66,776	74,234	98,246	
Vendys	1,444	4,859	6,164	

▼ Other Comprehensive Income – Fair Value Measurement of Financial Assets (Investments Accounted for by Equity Method)

(unit : KRW mn)

Description	Type of Stock	Number of Shares	Ownership Percentage	Acquisition Cost	Book Value	Note
K bank	Common Stock	1,696,701	0.45%	9,379	13,153	▷ Unlisted (Scheduled for Listing)
STX Heavy Industries	Common Stock	946	–	107	23	▷ Listed
DOOSAN ENERBILITY	Common Stock	5,473	–	514	96	▷ Listed
합 계				10,000	13,272	

▼ Investments in Subsidiaries (Equity Method)

(unit : KRW mn Separate Basis)

Description	Type of Stock	Number of Shares	Ownership Percentage	Acquisition Cost	Book Value	Note
Vendys	Common Stock	538,465	89.51%	40,414	15,406	▷ Unlisted

▼ Income statement

(unit : KRW mn)

Description	2022	2023	2024
Gross Sales	112,460	117,952	131,056
Gross Profit	60,667	69,395	75,199
SG&A	42,152	51,054	54,956
Operating Profit	18,514	18,341	20,244
Recurring Profit	20,316	4,919	17,264
Net income	15,168	▲532	11,923

▼ Balance Sheet

(unit : KRW mn)

Description	2022	2023	2024
Current Assets	123,407	139,336	170,442
Non – Current Assets	79,354	57,524	54,902
Total Assets	202,761	197,185	225,344
Current Liabilities	96,760	96,124	114,093
Non - Current Liabilities	13,742	13,640	13,956
Total Liabilities	110,501	109,709	128,050
Capital Stock	11,873	11,873	11,873
Capital surplus	15,601	15,601	15,601
Retained Earnings	60,997	58,028	67,305
Total Equity	92,260	87,475	97,294

※ Notable items in the consolidated income statement for '24 (6.7 billion): Amortization of intangible assets (customer relationships) 370 million / Impairment loss on goodwill 6.33bn
Excluding these, net income for '23 was 16.25 billion → '24 is projected to be 18.62 billion (14.6% increase)"

▼ Income statement(Q/Q)

(unit : KRW mn, %)

구 분	2023					2024				
	1분기	2분기	3분기	4분기	연간	1분기	2분기	3분기	4분기	연간
Sales ※ Gross Sales	36,569 227,257	24,007 177,467	28,467 182,235	28,909 179,197	117,952 766,156	37,472 229,972	28,423 207,717	34,251 198,709	30,911 191,262	131,056 827,661
Gross Profit (%)	19,785 (54.1%)	16,628 (69.3%)	15,791 (55.5%)	17,213 (59.5%)	69,395 (58.8%)	19,923 (53.2%)	19,237 (67.7%)	17,382 (50.7%)	18,657 (60.4%)	75,199 (57.4%)
SG&A (%)	11,009 (30.1%)	11,898 (49.6%)	12,894 (45.3%)	15,274 (52.8%)	51,054 (43.3%)	12,354 (33.0%)	12,661 (44.5%)	13,593 (39.7%)	16,348 (52.9%)	54,956 (41.9%)
Operating Profit (%)	8,776 (24.0%)	4,729 (19.7%)	2,897 (10.2%)	1,938 (6.7%)	18,341 (15.5%)	7,569 (20.2%)	6,576 (23.1%)	3,789 (11.1%)	2,309 (7.5%)	20,244 (15.4%)
Recurring Profit (%)	10,262 (28.1%)	4,929 (20.5%)	3,400 (11.9%)	▲13,673 (적자전환)	4,919 (4.2%)	8,488 (22.7%)	7,199 (25.3%)	4,816 (14.1%)	▲3,239 (▲10.5%)	17,264 (13.2%)
Net income (%)	8,002 (21.9%)	3,359 (14.0%)	2,556 (9.0%)	▲14,481 (적자전환)	▲523 (적자전환)	6,678 (17.8%)	5,549 (19.5%)	3,621 (10.6%)	▲3,925 (▲12.7%)	11,923 (9.1%)

10. Appendix (separate financial statements)

▼ Income statement

(unit : KRW mn)

Description	2022	2023	2024
Gross Sales	112,460	114,437	126,781
Gross Profit	60,667	65,880	70,924
SG&A	41,510	46,132	50,347
Operating Profit	18,763	19,747	20,576
Recurring Profit	20,562	2,080	16,141
Net income	15,413	▲3,371	11,492

▼ Balance Sheet

(unit : KRW mn)

Description	2022	2023	2024
Current Assets	112,707	123,222	152,489
Non – Current Assets	78,083	58,086	55,250
Total Assets	190,791	181,308	207,739
Current Liabilities	85,695	81,782	97,919
Non – Current Liabilities	8,327	10,309	11,186
Total Liabilities	94,021	92,041	109,106
Capital Stock	11,873	11,873	11,873
Capital surplus	19,864	19,864	19,864
Retained Earnings	61,242	55,457	64,381
Total Equity	96,769	89,267	98,634

11. Appendix (Separate financial statements)

▼ Income statement(Q/Q)

(unit : KRW mn, %)

구 분	2023					2024				
	1Q	2Q	3Q	4Q	cumulative	1Q	2Q	3Q	4Q	cumulative
Sales ※ Gross Sales	35,795 226,420	23,164 176,560	27,549 181,252	27,928 178,179	114,437 762,411	36,352 228,803	27,149 206,670	33,173 197,557	29,837 190,115	126,781 823,146
Gross Profit (%)	19,012 (50.9%)	15,785 (68.1%)	14,852 (53.9%)	16,232 (58.1%)	65,880 (57.6%)	18,804 (51.7%)	18,233 (65.5%)	16,303 (49.1%)	17,583 (58.9%)	70,924 (55.9%)
SG&A (%)	9,980 (27.9%)	10,849 (46.8%)	11,487 (41.7%)	13,817 (49.5%)	46,132 (40.3%)	11,235 (30.9%)	11,563 (42.2%)	12,430 (37.5%)	15,119 (50.7%)	50,347 (39.7%)
Operating Profit (%)	9,031 (25.2%)	4,936 (21.3%)	3,365 (12.2%)	2,415 (8.6%)	19,747 (17.3%)	7,569 (20.8%)	6,670 (24.3%)	3,873 (11.7%)	2,464 (8.3%)	20,576 (16.2%)
Recurring Profit (%)	10,567 (29.5%)	5,244 (22.6%)	3,930 (14.3%)	▲17,661 (적자전환)	2,080 (1.8%)	8,578 (23.6%)	7,394 (27.0%)	4,907 (14.8%)	▲4,738 (▲15.9%)	16,141 (12.7%)
Net income (%)	8,306 (23.2%)	3,674 (15.9%)	3,086 (11.2%)	▲18,470 (적자전환)	▲3,371 (적자전환)	6,661 (18.3%)	5,722 (20.9%)	3,691 (11.1%)	▲4,582 (▲15.4%)	11,492 (9.1%)