

# HAIMARROW FOOD SERVICE

(220630.KQ)



**MOM'S TOUCH**  
CHICKEN & BURGER 

**Boombata**

화덕 샌드위치 & 피자

간장&마늘의  
진한 풍미!



간장마늘치킨

감칠맛 가득 마늘의 풍미와 간장 소스의 풍부한 맛이 어우러진 치킨

**KRX**  
KOREA EXCHANGE

Path to Growth  
**KOSDAQ**

# Disclaimer

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**This document contains information that was made based on estimates of financial performance in accordance with K-IFRS.**

**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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**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.**

# Contents

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- 1 About Haimarrow Food Service
- 2 F&B Franchise Industry in Korea
- 3 Business
- 4 Global Business
- 5 Peer Valuation
- 6 Dividend Policy
- 7 Financial Statement

# 1. About Haimarrow Food Service

## HISTORY

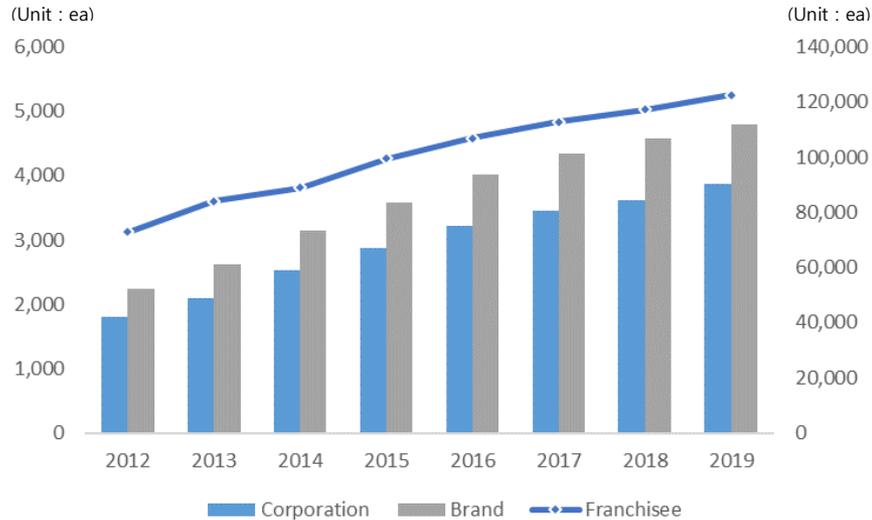
2004 ~  
2019

<b>Company Name</b>	HAIMARROW FOOD SERVICE CO., LTD.
<b>CEO</b>	SungMuk, Park
<b>Establishment</b>	2004.02.04
<b>Location</b>	24F, 25F East Central Tower, 1077, Cheonho-daero, Gangdong-gu, Seoul, Republic of Korea
<b>Sales</b>	KRW 288.9 Mil (2019.12)
<b>Capital</b>	KRW 9.6 mil (2020.03)
<b>Homepage</b>	www.haimarrow.co.kr / <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>	209 (2020.03)

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

## 2. F&B Sector in Korean Franchise Industry

### ❖ Domestic F&B Franchise Industry Trends



Source : FDD (Franchise Disclosure Document) from Fair Trade Commission, Statistics Korea

- The number of franchise headquarters, brands, and franchisees in Korea continues to grow every year
- The market in Korea reached 130 trillion won in 2018, grew by 10% compared to 2016
- Domestic Food service market size is about 24 trillion won with 20% of the total Food service market

#### Increase in single person households

- Changing of Population structural, rising of single person households
- Prefer dining out than home cooking
- Increasing Franchise brands for single person households

#### Expand Delivery Area

- Growth of Food delivery system and app market.
- Advancement of delivery containers, able to deliver various menu.
- Expansion of franchise business through delivery

#### Essential Consumer Goods

- Meals are essential for survival
- Restaurant business is essential consumer goods
- An industry that can never disappear from human culture

- The spread of dining out and eating alone culture and the expansion of the food delivery system are factors in the continued growth of the franchise restaurant, and essential consumer goods industry

## 2. F&B Sector in Korean Franchise Industry

### ❖ Independent Restaurants / Franchise and Chain Market Size

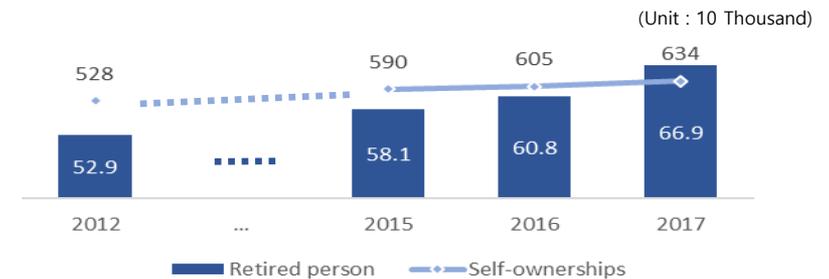


Source : Statistics Korea

- The food service market in Korea can be divided into Independent Restaurants and Franchise and chain restaurants
- As of 2018, Independent Restaurants market accounts for about 78% of the total food service market
- The growth of the food service market. is driven by Franchise and chain restaurants due to the expansion of the franchise restaurants

### ❖ Reasons for Franchise and Chain Restaurants Growth

#### [Continued increase in retirees and self-ownerships]



- Since the 2010s, the retirement of baby boomers has been in full swing, and unskilled self-ownerships flowed into the start-up market
- Unskilled self-ownerships choose franchise because of high stability

#### [Consumers prefer franchise]



- Consumers believe that franchise brands guarantee a certain level of taste and service
- As interest in food safety is on rise, preference for franchise is expected to continue in the future

## 2. F&B Sector in Korean Franchise Industry

(Unit : %)

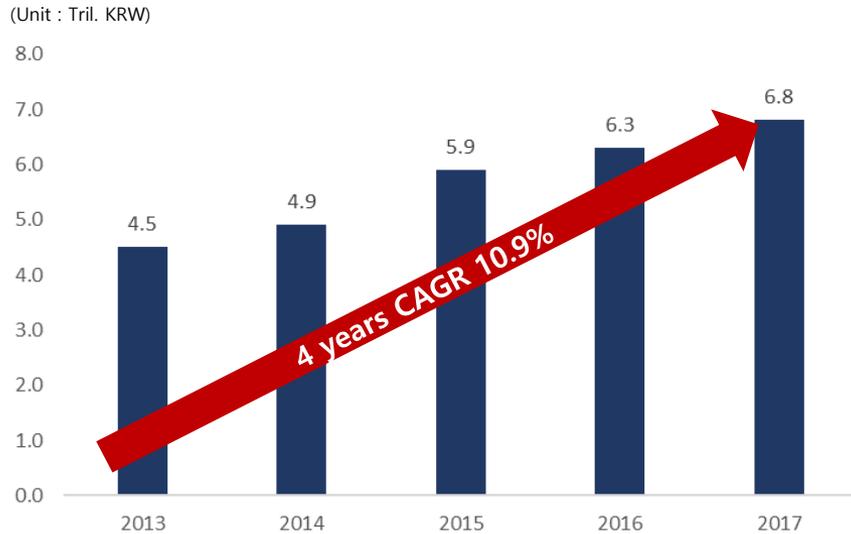
Industry	Enterprise	Non-Enterprise
Korean	7.7	92.3
Chinese	1.3	98.7
Japanese	9.4	90.6
Western	18.7	81.3
Other foreign	26.6	73.4
Other Restaurant	19.6	80.4
Bakery	33.6	66.4
<b>Burger, Pizza, Chicken</b>	<b>64.6</b>	<b>35.4</b>
Snack	15.2	84.8
Pub	8.2	91.8
Non-alchole	24.5	75.5

Source : Statistics Korea

- **Burgers and pizzas have the highest share of Franchise and chain restaurants market among all sectors**
- Market was formed around franchise from the beginning
- Franchise and direct chain restaurants are driving the growth of market
- Non-Franchise and chain restaurants are less likely to enter franchise and chain restaurants market as they have economic scale compared to other businesses

## 2. F&B Sector in Korean Franchise Industry

### ❖ Sales trends in burger, chicken and pizza franchises



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

- Total sales in the burger, chicken and pizza industries had grown 51% over the past four years from 4.5 trillion won in 2013 to 6.8 trillion won in 2017
- CAGR is 10.9% over the same period, continuing to grow rapidly

### ❖ Comparison of franchisee number in burger, chicken and pizza brand

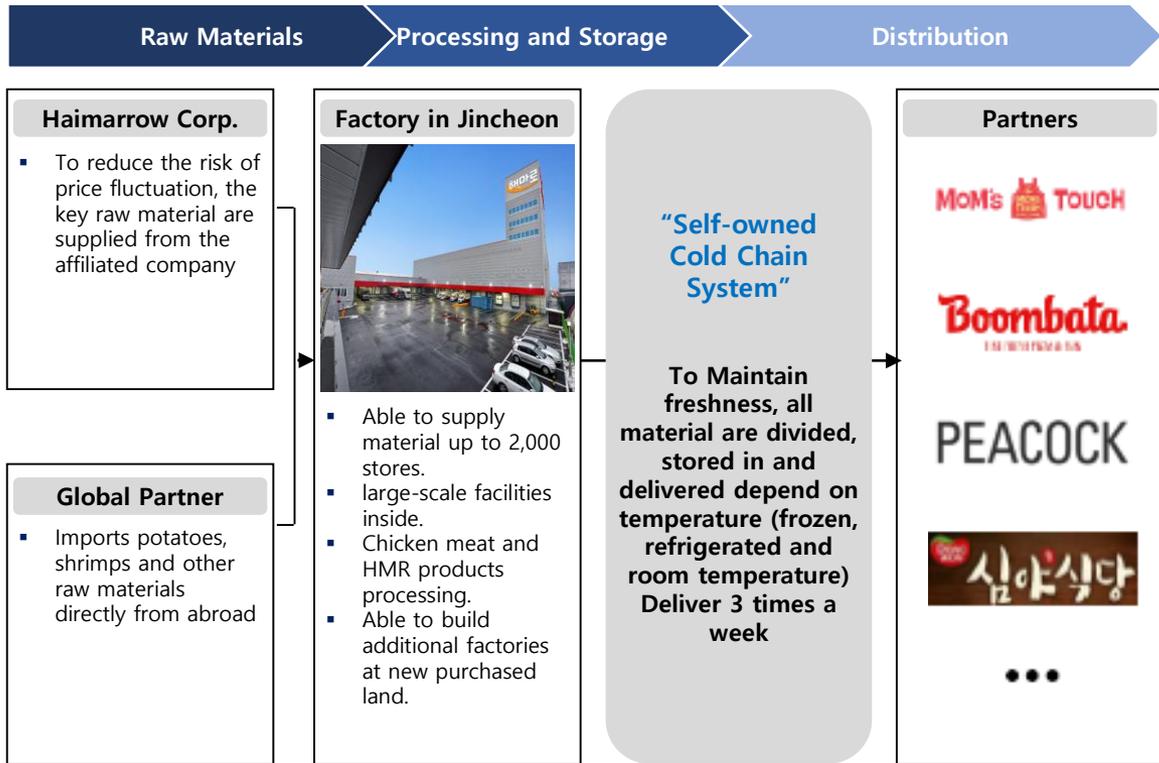
순위	2014년	2018년
1	1,684	1,636
2	1,235	1,469
3	1,131	1,207
4	1,128	1,167
5	965	1,144
6	888	1,140
7	877	1,073
8	873	1,025
9	808	1,015
10	802	826

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

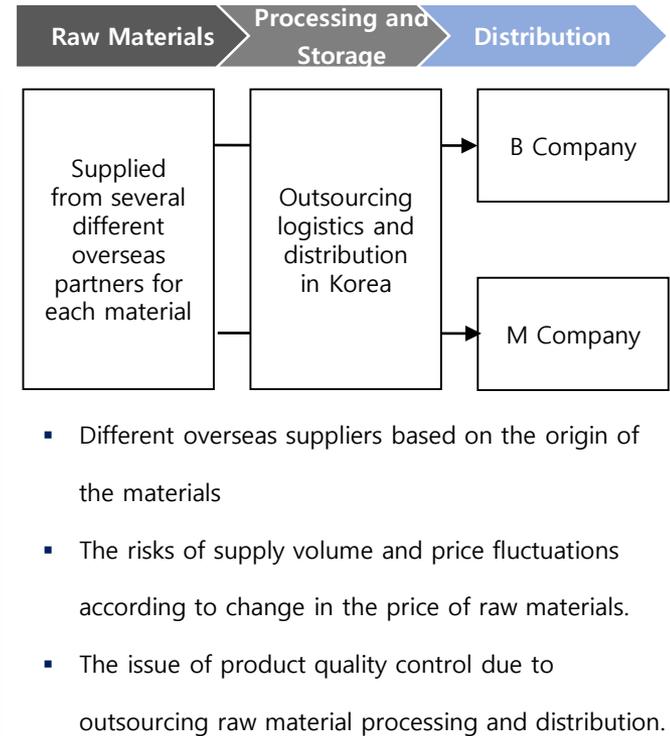
- On Top 10 brands, only one brand was replaced in 2018 compared to 2014
- The number of top 10 brand's stores has increased with steady demand in the market except BBQ and Pelicana

# 3. Business

## ❖ Vertical Systemization of Supply Chain



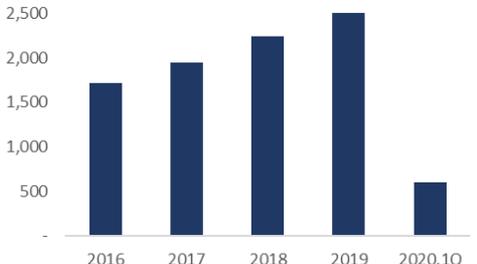
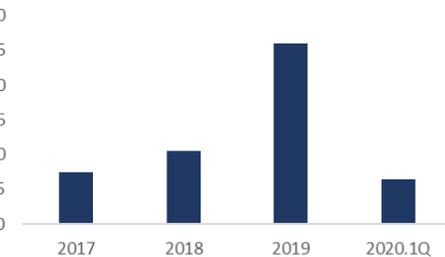
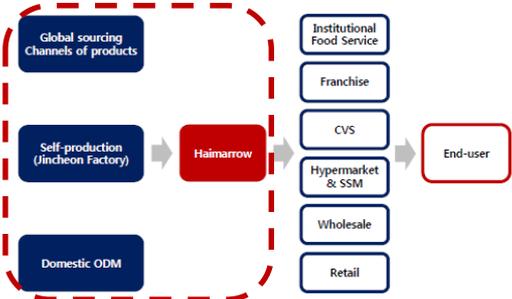
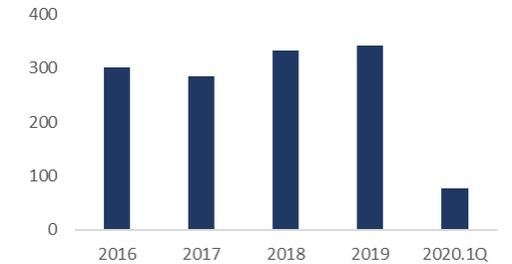
## ❖ Supply Chain of peer group



- The purchase cost of thigh patty, breast patty, and half mild chicken has not changed or dropped slightly in the last 3 years. It accounts for 90% of the company's revenue
- Based on vertical systemization of supply chain, company have a stable supply and demand system for raw materials compared to competitors. Operation efficiency can be improved through proactive procurement management such as volume discount due to increase of purchase quantity

# 3. Business

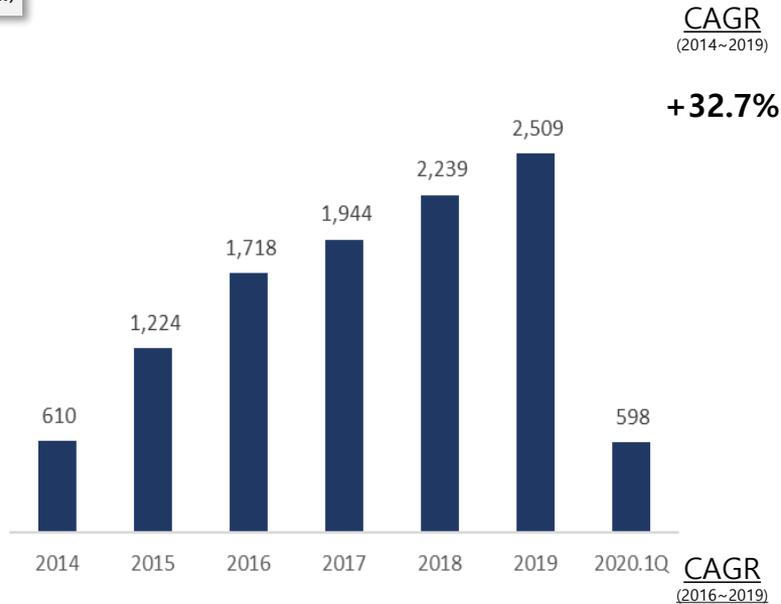
(2020.03.31 Non-Consolidated Financial Statement)

	Franchise Business Division MOM'S TOUCH	Franchise Business Division Boombata	Food Materials Distribution Business Division
<b>Sales</b>	59.8 Bil KRW	0.6 Bil KRW	7.7 Bil KRW
<b>Gross Profit</b>	18.1 Bil KRW	0.3 Bil KRW	1.0 Bil KRW
<b>Status</b>	<p>▪ <b>Products</b></p>  <p>Thigh Burger    Unbelievable Burger    Incredible Burger</p>  <p>Chipao Chicken    Fried Chicken with Soy Sauce    Kimddukman</p> <p>▪ <b>Sales</b> (Unit : 100 Mil. KRW)</p> 	<p>▪ <b>Products</b></p>  <p>Grilled Chicken Sandwich    Cheesefull Sandwich</p>  <p>Bacon Potato Pizza    Chicken&amp;Ssam Plate    Tomato Cheese Pasta</p> <p>▪ <b>Sales</b> (Unit : 100 Mil. KRW)</p> 	<p>▪ <b>Products</b></p>  <p>▪ <b>Sales</b> (Unit : 100 Mil. KRW)</p> 

# 3. Business – MOM’S TOUCH

## ❖ Financial Performance of MOM’S TOUCH

**Sales**  
(Unit : 100 Mil. KRW)



**Store**  
(Unit : ea)

2014	2015	2016	2017	2018	2019	2020.1Q	CAGR (2016~2019)
559	825	1,001	1,100	1,167	1,243	1,253	+7.5%

**ASP**  
(Unit : KRW)

2014	2015	2016	2017	2018	2019	2020.1Q	CAGR (2016~2019)
-	-	10,114	10,234	10,752	11,053	11,254	+2.9%

Source : Haimarrow Net Sales

## ❖ Growth Factor

- In the early stages of business, started to open stores in the Gyeongsang and expanded to Jeolla and metropolitan
- With the improvement of accessibility by expanding the number of stores and the continuous launching of new menus, thus has result in increasing sales per store with ASP rising
- Achieved high profitability with continuous cost savings and cost-effective store and marketing operation
- Managing supply chain partners and conducting an efficient marketing on SNS

# 3. Business – MOM’S TOUCH

## ❖ Price comparison of similar products with competitors in Korea

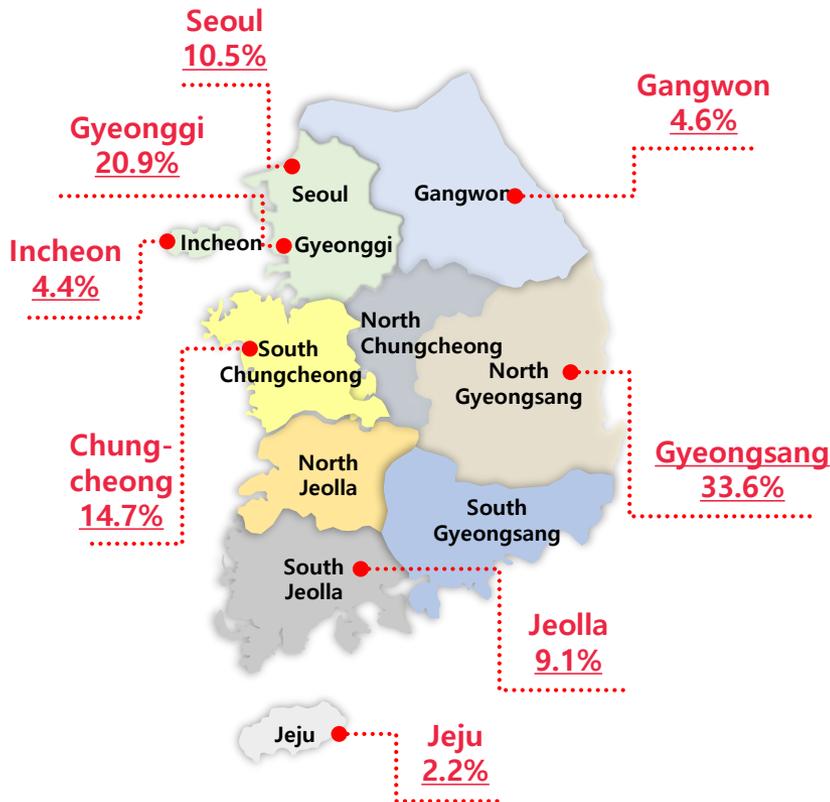
(Unit : KRW)

	MOM’S TOUCH	LOTTERIA	MCD	Burger King	KFC	POPEYES
	Thigh Burger	T-REX Burger	Mc Spicy Shanghai Burger	Original Long Chicken Burger	Zinger Burger	Cajun Chicken Burger
Menu						
Price	3,400	3,700	5,200	4,400	4,700	5,400

Source : Homepage

# 3. Business – MOM'S TOUCH

## ❖ The Number of Stores



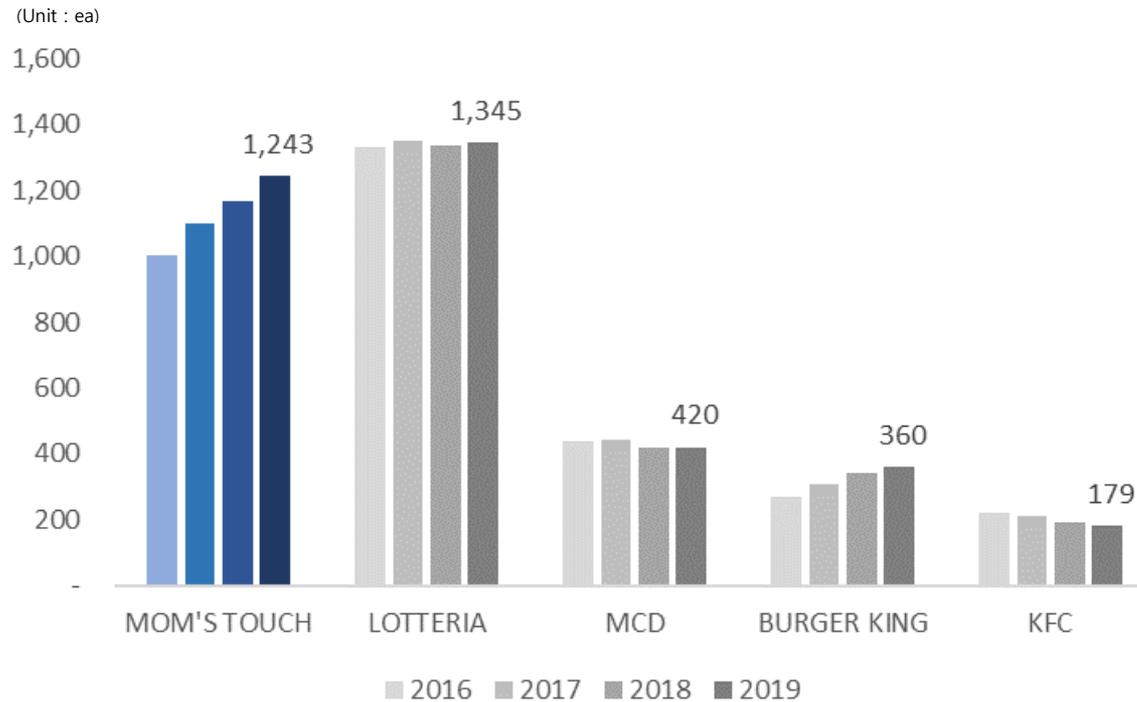
(Unit : ea)

	# of Stores				%, (2020 APR)	L Brand (2018)
	(2017 DEC)	(2018 DEC)	(2019 DEC)	(2020 APR)		
Seoul	76	99	125	133	10.5	195
Gyeonggi	220	240	260	264	20.9	317
Incheon	55	53	53	55	4.4	78
Chun- cheong	169	178	185	185	14.7	183
Jeolla	104	109	115	115	9.1	144
Gyeong- sang	397	407	420	424	33.6	352
Gangwon	55	55	57	58	4.6	54
Jeju	24	26	28	28	2.2	14
<b>Total</b>	<b>1,100</b>	<b>1,167</b>	<b>1,243</b>	<b>1,262</b>	<b>100.0</b>	<b>1,337</b>

- The number of MOM'S TOUCH stores in Seoul is about 0.13 per 10,000 people, lower than 0.2 of L brand
- The 8 areas in Seoul with a large transient population, the average number of MOM'S TOUCH stores is 0.11, lower than L brand(0.23)
- Considering the number of residents is lower compared to floating population in the business districts and central commercial areas, Seoul still has high potential to open more stores

# 3. Business – MOM'S TOUCH

## ❖ Comparison of the Number of Stores

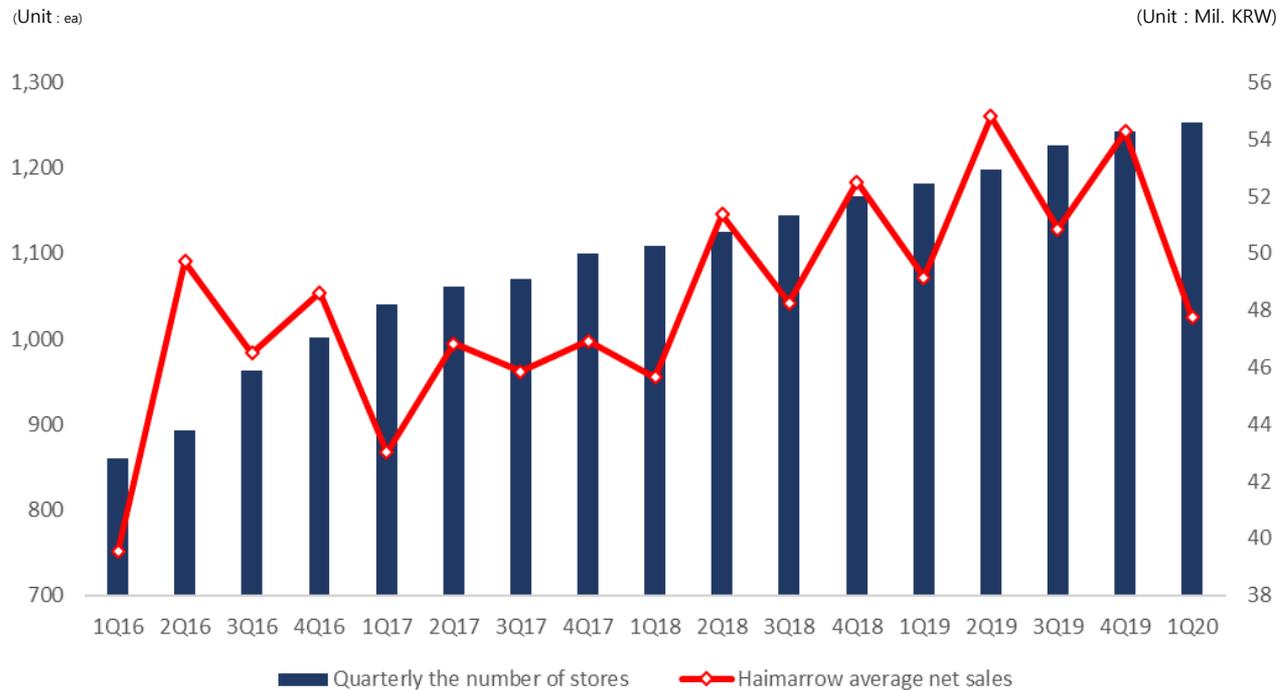


Source : FDD (Franchise Disclosure Document) from Fair Trade Commission

- Differentiated our product from the competitors by its competitive price, taste and service
- Build customer loyalty among 20s, the biggest demand for fast food
- The most preferred burger and chicken brand.

# 3. Business – MOM'S TOUCH

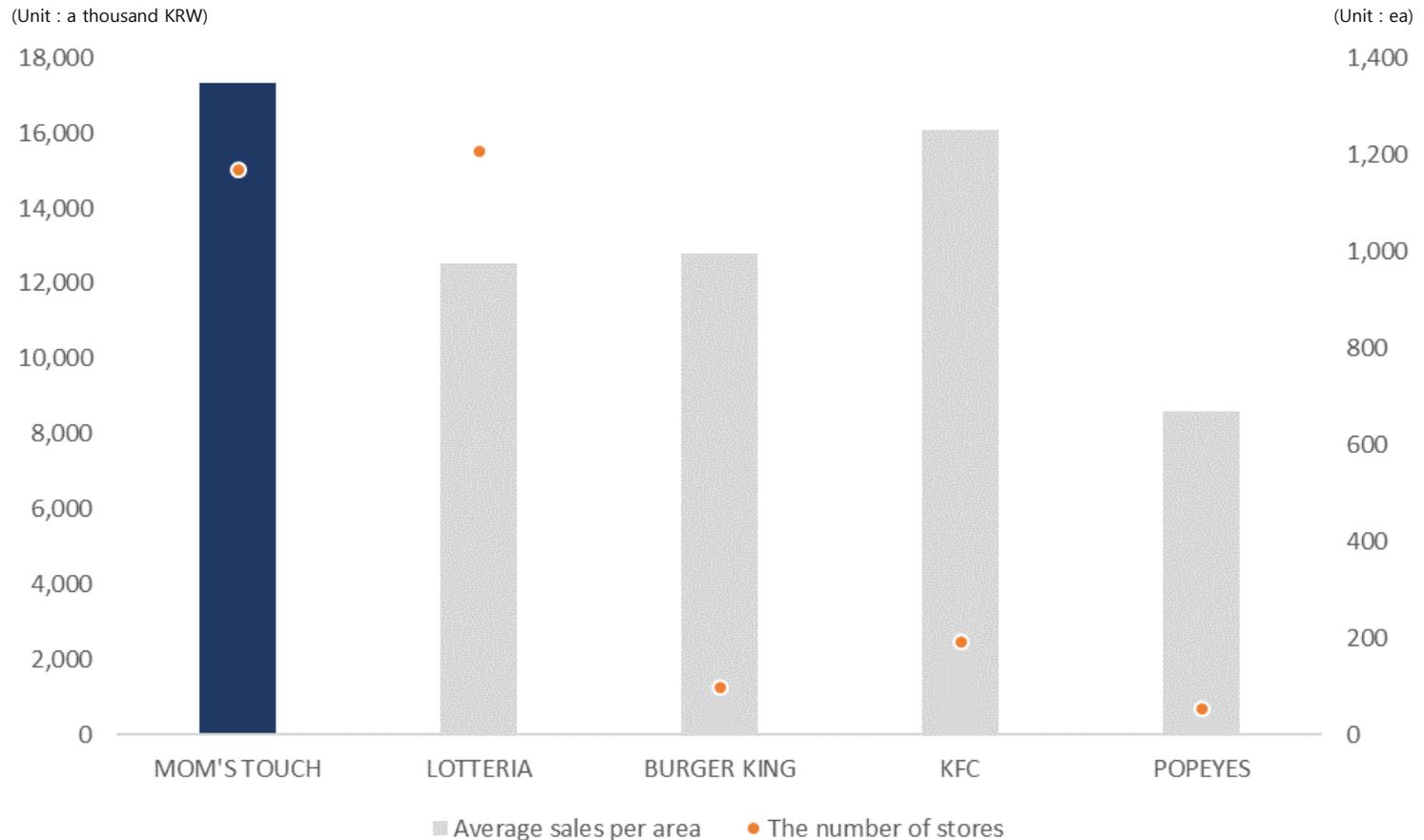
## ❖ Quarterly Haimarrow Average Sales per Restaurant and the Number of Stores



- Despite the continued growth in the number of stores, an average increase in sales per store means that the sales of MOM'S TOUCH are growing faster than the number of stores they have
- The growth rate of same store sales in current store is high and the sales of new stores is increasing rapidly as well
- Average sales per store temporarily increased in 2016, because of converting the stores with low profitability into café style stores

# 3. Business – MOM'S TOUCH

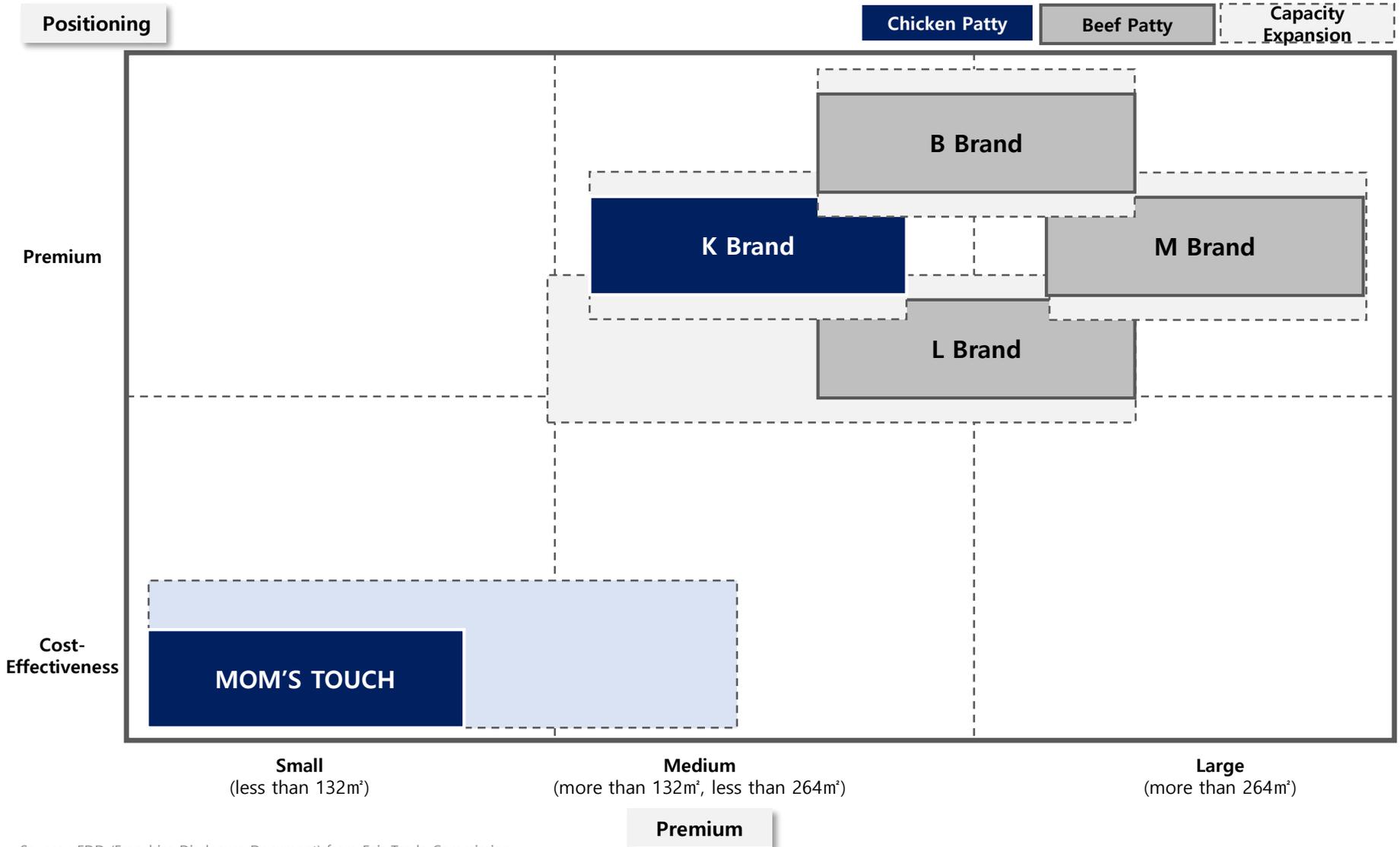
## ❖ Average Sales per Area and The number of Franchised stores



Source : FDD (Franchise Disclosure Document) from Fair Trade Commission  
 KFC is based on directly managed store

# 3. Business – MOM'S TOUCH

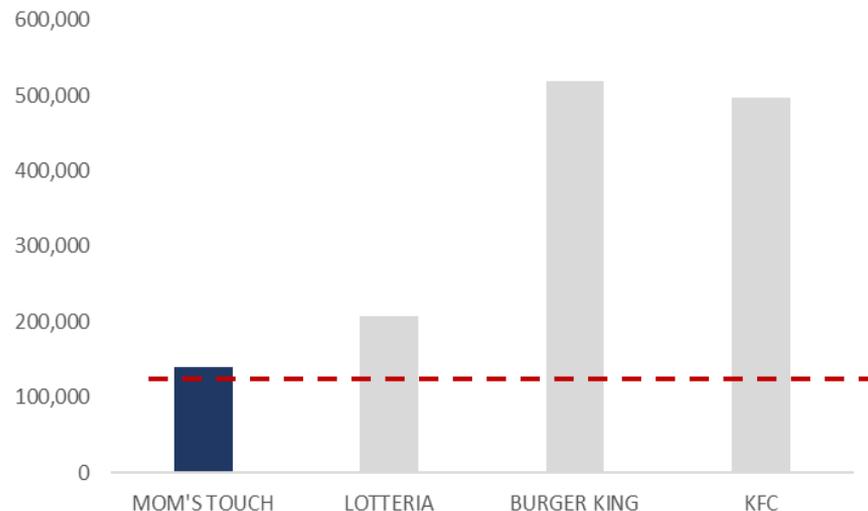
## ❖ Burger Market Competition Matrix



# 3. Business – MOM’S TOUCH

## ❖ Initial Investment

(Unit : a thousand KRW)



Source : 2018 FDD (Franchise Disclosure Document) from Fair Trade Commission

- Low initial investment, such as franchise fee, education fee, deposit, and other costs
- Low interior cost and smaller store size than other competitors
- Because of Low initial cost strategy, enable to open new stores quickly
- Low initial investment and high efficiency for managing franchisees

## ❖ Comparison of Requirements for opening a store

	MOM'S TOUCH	Peer Group
Store Size	Small, Medium (100m <sup>2</sup> ↓)	Big, Wide (300m <sup>2</sup> ↑)
Store Site	Side streets, around universities, etc.	Central commercial area
Menu	Diversified menu with simplified ingredients	Diversified Menu
Operation Way	After Order-Cooking, Slow Food	Pre-cooking, Fast Food
Customers' Awareness	Healthy replacement	Junk Food
Investment	140 Mil. KRW by 82m <sup>2</sup>	300~500 Mil. KRW by 198m <sup>2</sup> ~330m <sup>2</sup>
ROI	4 months	15 months
Brand Royalty	1% per Sales	4~6% per Sales

# 3. Business – MOM'S TOUCH

## ❖ Profitability Comparison for Franchisee (a monthly average, including VAT)

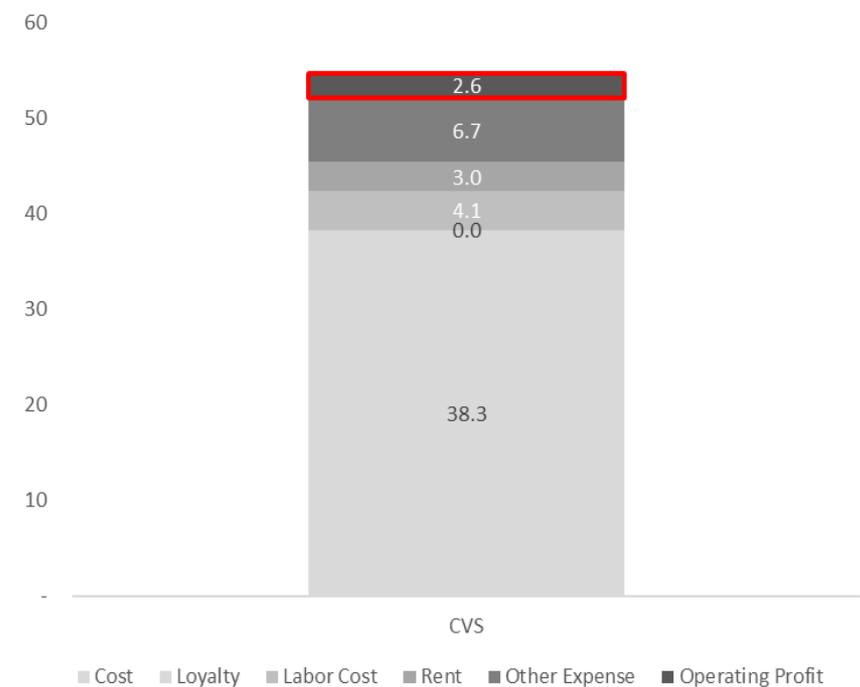
[2019 MOM'S TOUCH Franchisee Profit Structure]

(Unit : Mil. KRW)



[2019 CVS Profit Structure]

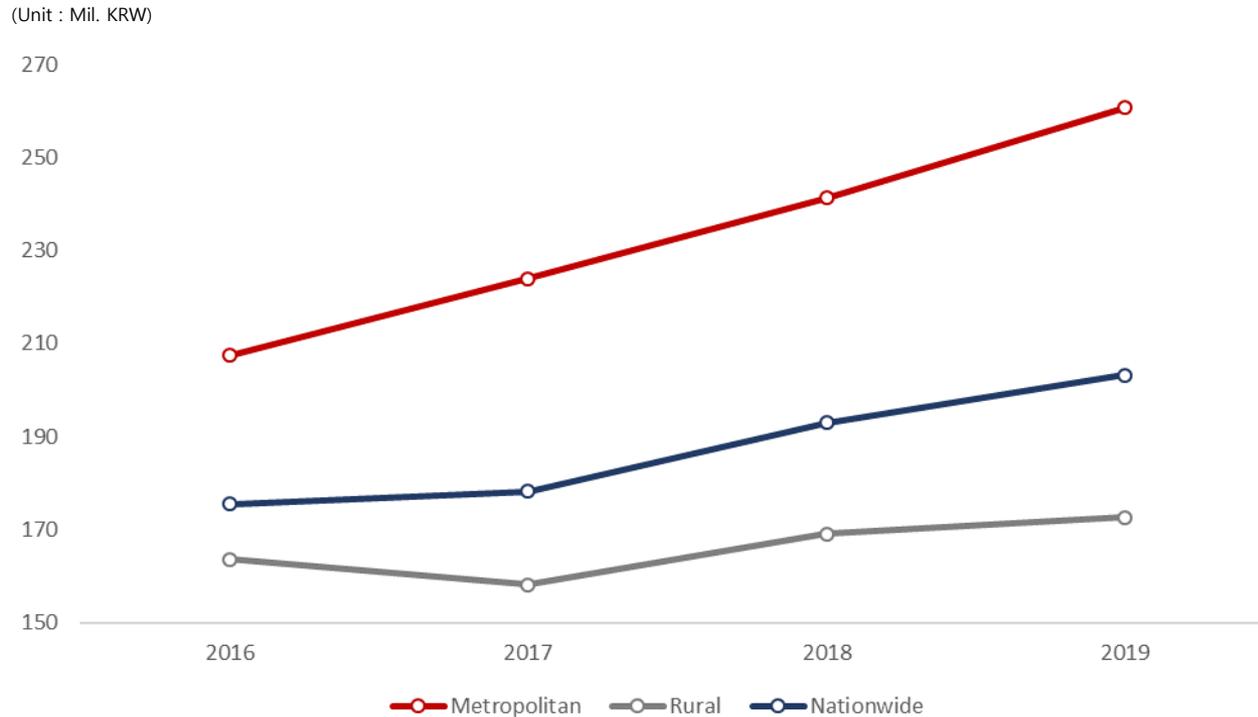
(Unit : Mil. KRW)



Source : Hana Financial Investment, CVS Industry

# 3. Business – MOM'S TOUCH

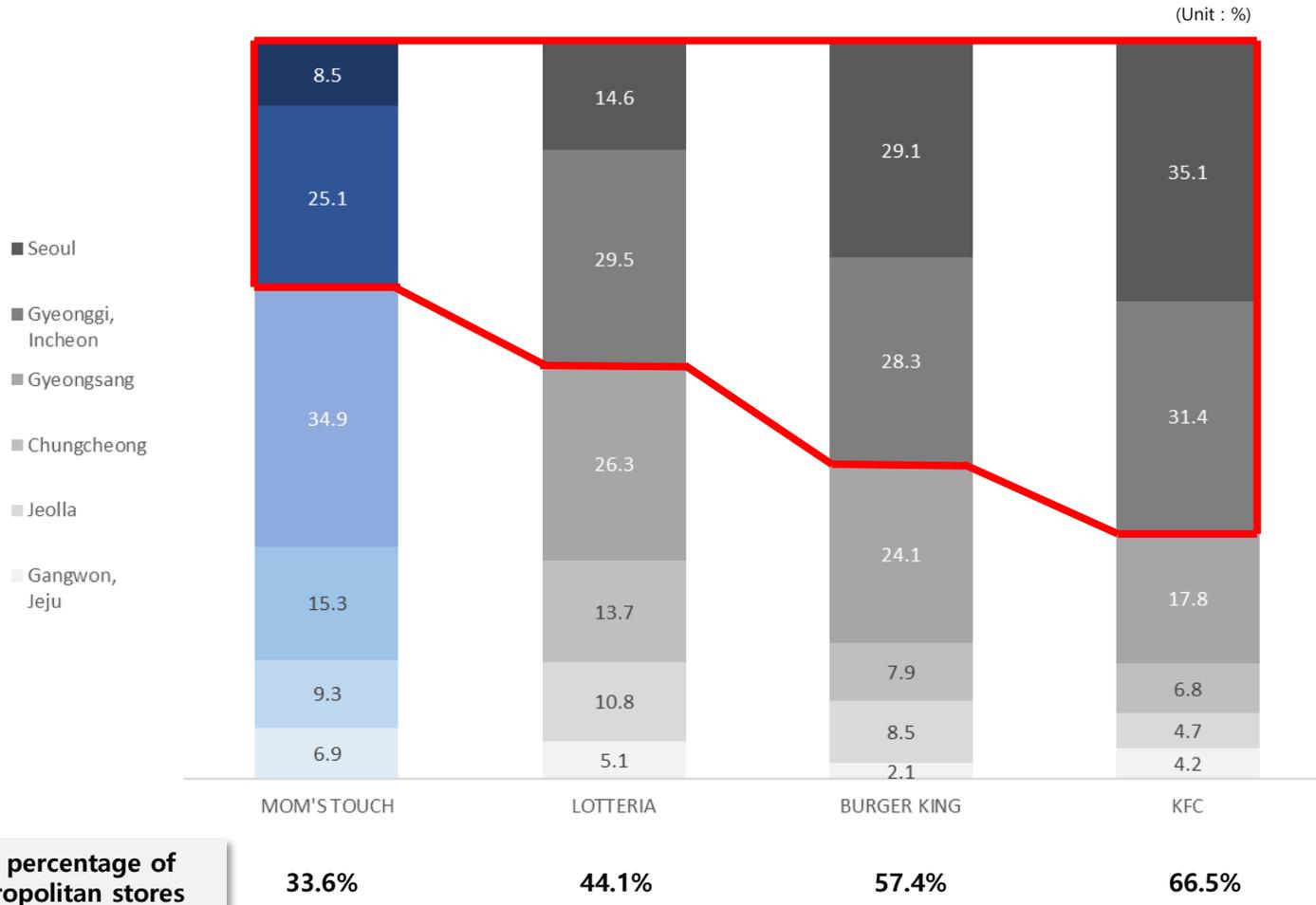
## ❖ Average Sale per Store (Haimarrow Sales)



- In 2017, the average sales per store in rural areas dropped after M brand's hamburger disease issue, but in 2018, sales surpassed that of 2016
- In spite of M brand's burger disease issue, average sales of all MOM'S TOUCH stores was maintained in 2017
- The average sales growth rate per store was 5.5% with increasing of sales per store in metropolitan areas

# 3. Business – MOM'S TOUCH

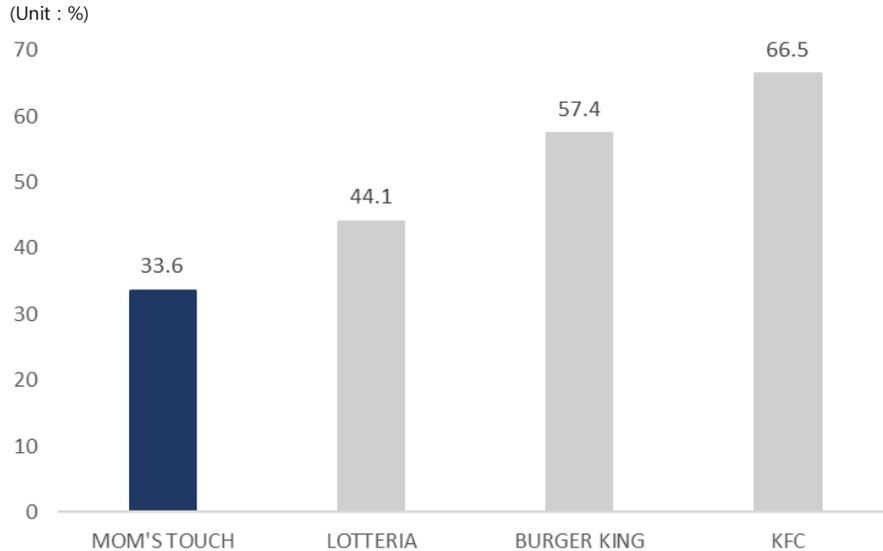
## ❖ The Number of Burger Brand Stores by Region



Source : 2018 FDD (Franchise Disclosure Document) from Fair Trade Commission

# 3. Business – MOM'S TOUCH

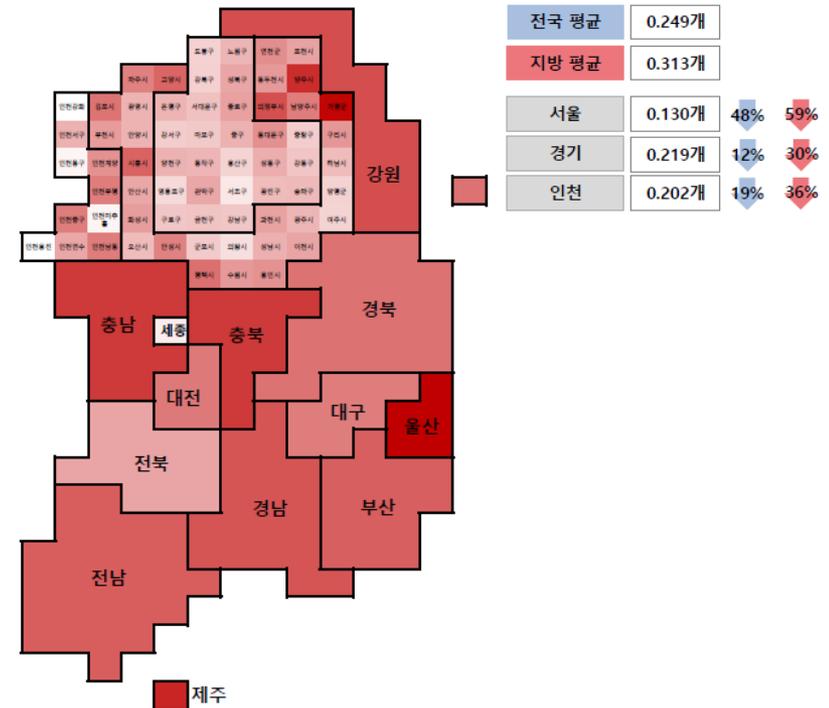
## ❖ Percentage of metropolitan stores



Source : 2018 FDD (Franchise Disclosure Document) from Fair Trade Commission

- In the early stages of business, started to open stores in the Gyeongsang (Southeastern Korea) has expanded into mainly Chungcheong and Gyeonggi (near Seoul)
- Since 2018, started actively to open stores in Seoul, rapidly grown by an average of 26% for two years, but the growth rate is significantly lower than other competitor

## ❖ The Number of Stores per 10,000 People

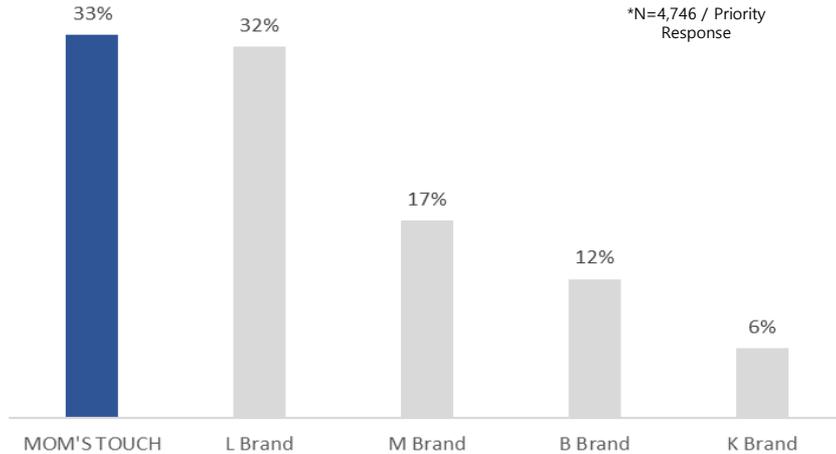


- If the number of stores in proportion to population, Seoul has 48 % of capacity to expand than national average and 59 % of capacity to open than rural average excluding the metropolitan
- Gyeonggi has the capacity to expand additional stores by about 12 % over the national average and 30 % over the local average

# 3. Business – MOM'S TOUCH

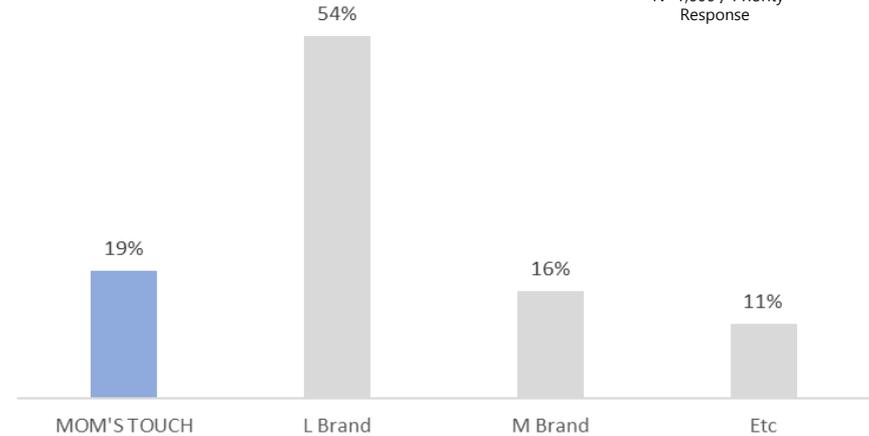
## ❖ The Most Reasonable Price Brand

\*N=4,746 / Priority Response



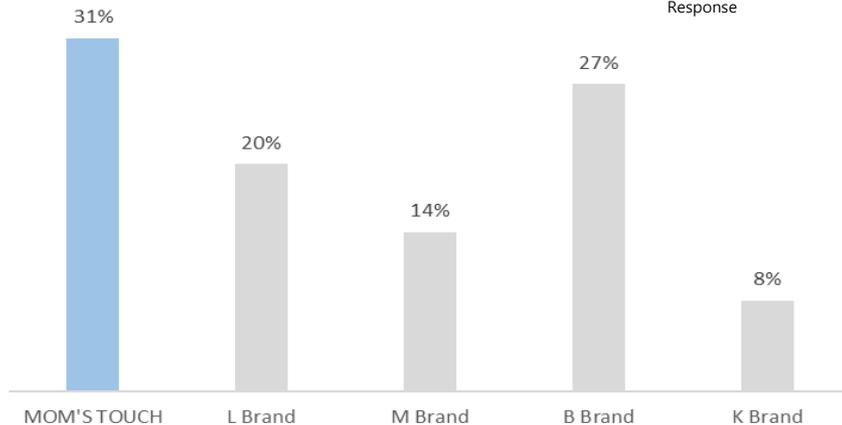
## ❖ The Best Accessible Brand

\*N=1,600 / Priority Response



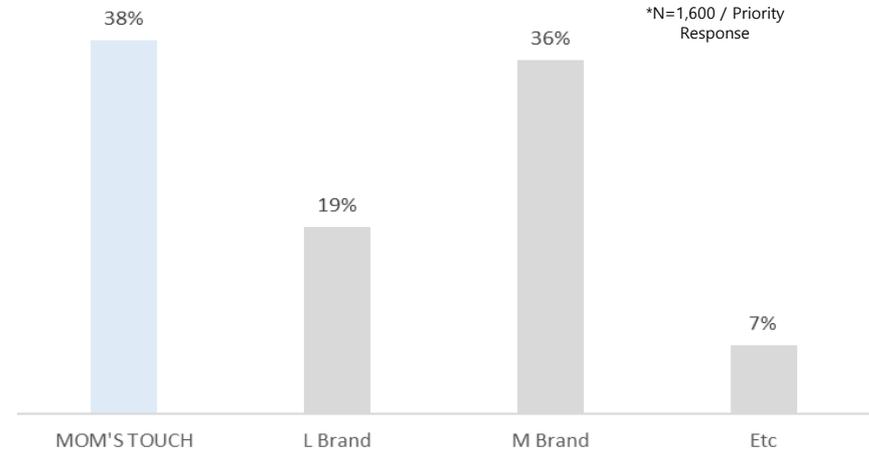
## ❖ The Best Burger Brand

\*N=4,746 / Priority Response



## ❖ The Highest Revisit Intention Brand

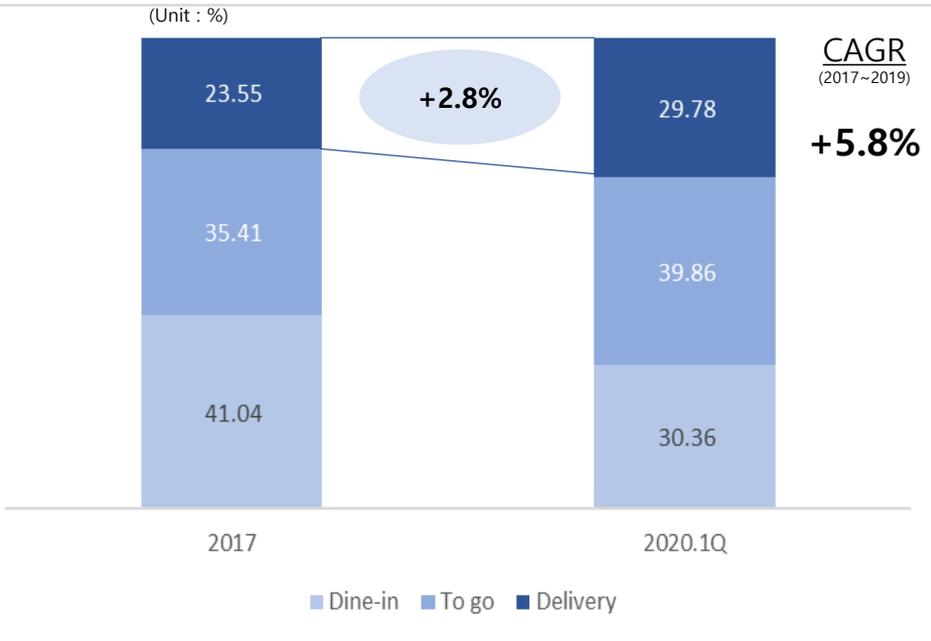
\*N=1,600 / Priority Response



Source : Do It Survey, Hankyung Business/Global Research Survey

# 3. Business – MOM'S TOUCH

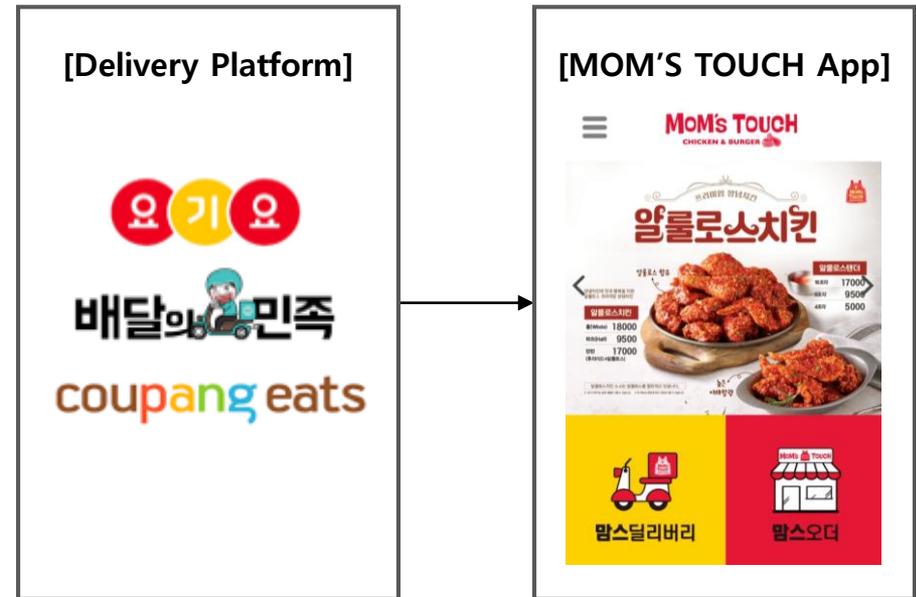
## ❖ Composition of Monthly Average Sales per Store



Source : Sales up to 2020 MAR

- The increasing trend in delivery sales in the capital area and 5 metropolitan cities
- The delivery ASP is twice as high as the dine-in or to go ASP

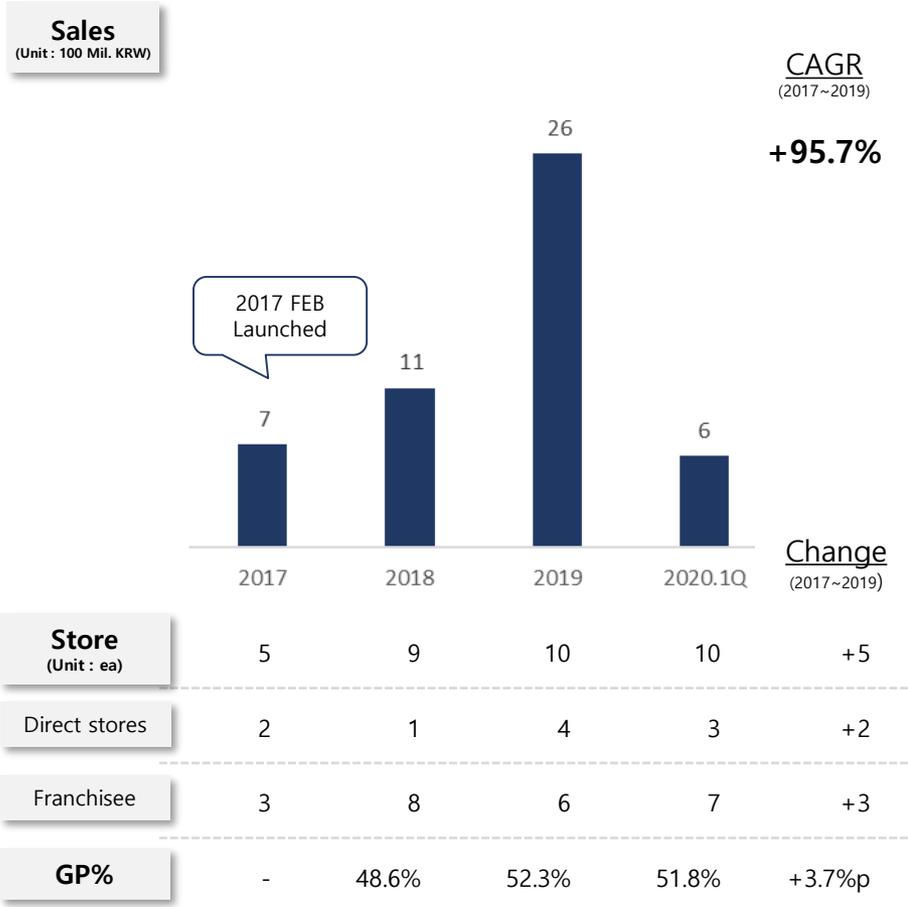
## ❖ MOM'S TOUCH Order App



- Lower the burden of franchisee owners by using MOM'S TOUCH ORDER App instead of the other delivery platform
- Able to provide customized benefits such as real-time promotions based on customer database

# 3. Business - Boombata

## ❖ Financial Performance of Boombata



Source : Haimarrow Net Sales

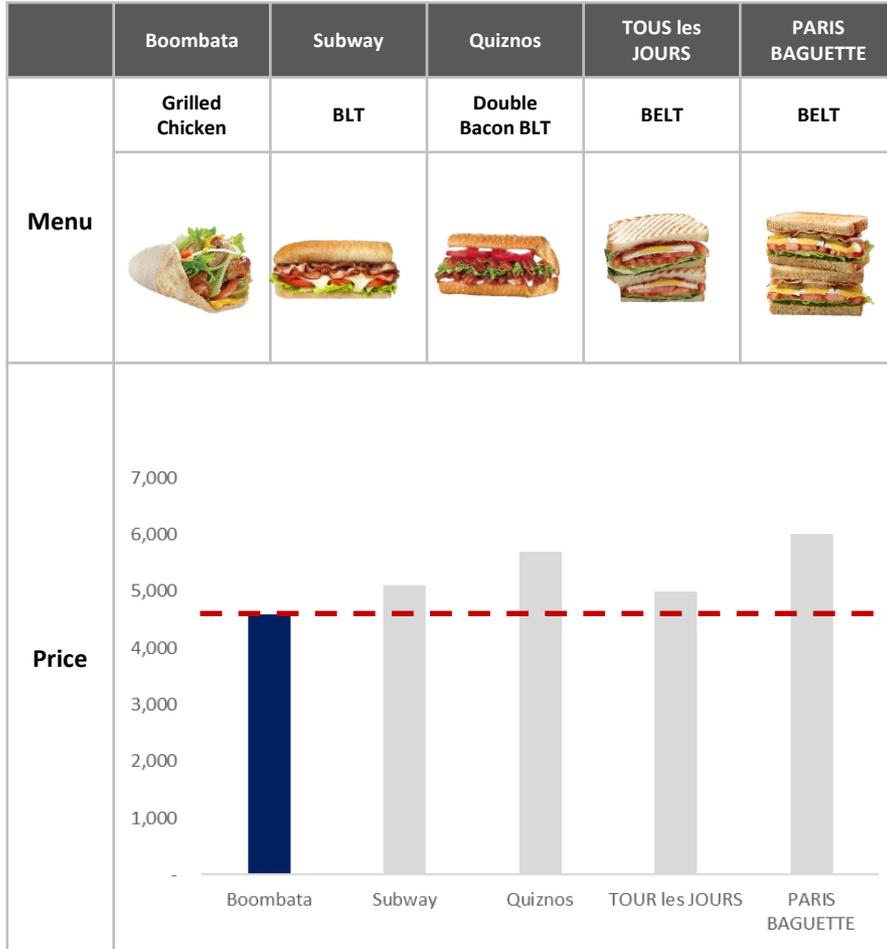
## ❖ Growth Factor

- **[Product]** Major products are sandwiches and Italian pizza with brick oven differentiating itself from other pizza brands
- **[Operation]** A store strategy that in the mix form of corporate owned stores and franchisees
- **[Store]** A strategy is to open bigger stores than current MOM'S TOUCH's stores in university districts and office areas specially having purchasing power in the Seoul and metropolitan areas

# 3. Business - Boombata

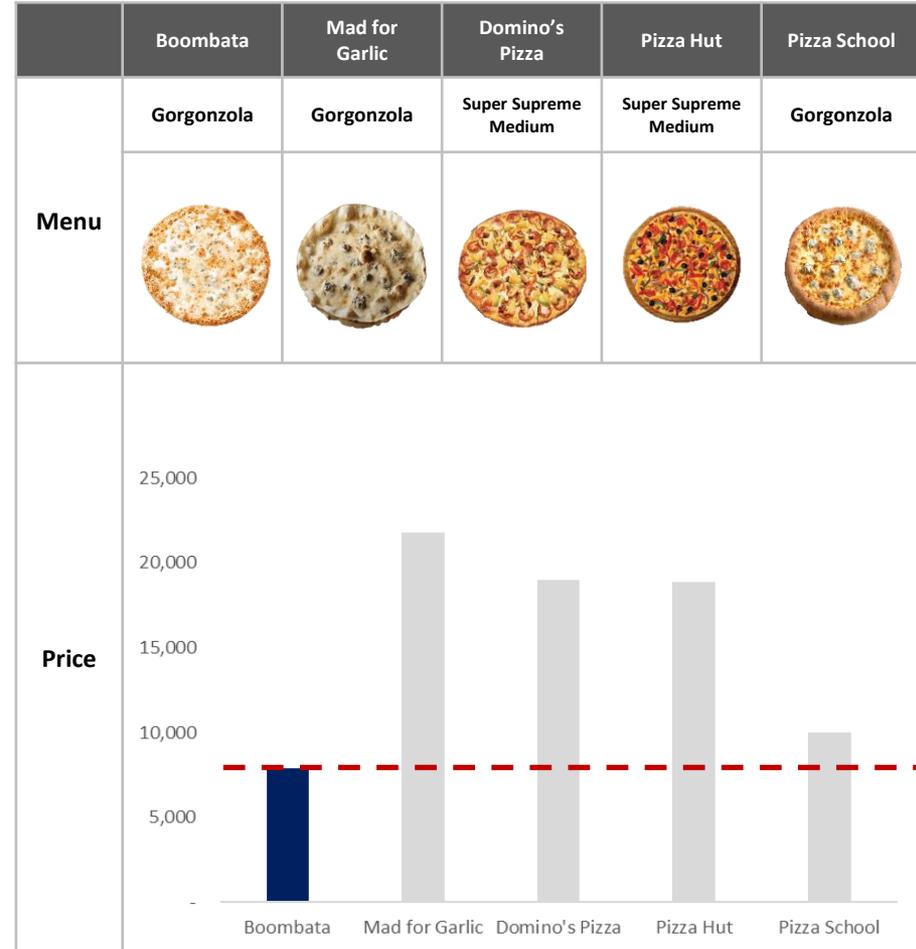
## ❖ Comparison with Competitors

(Unit : KRW)



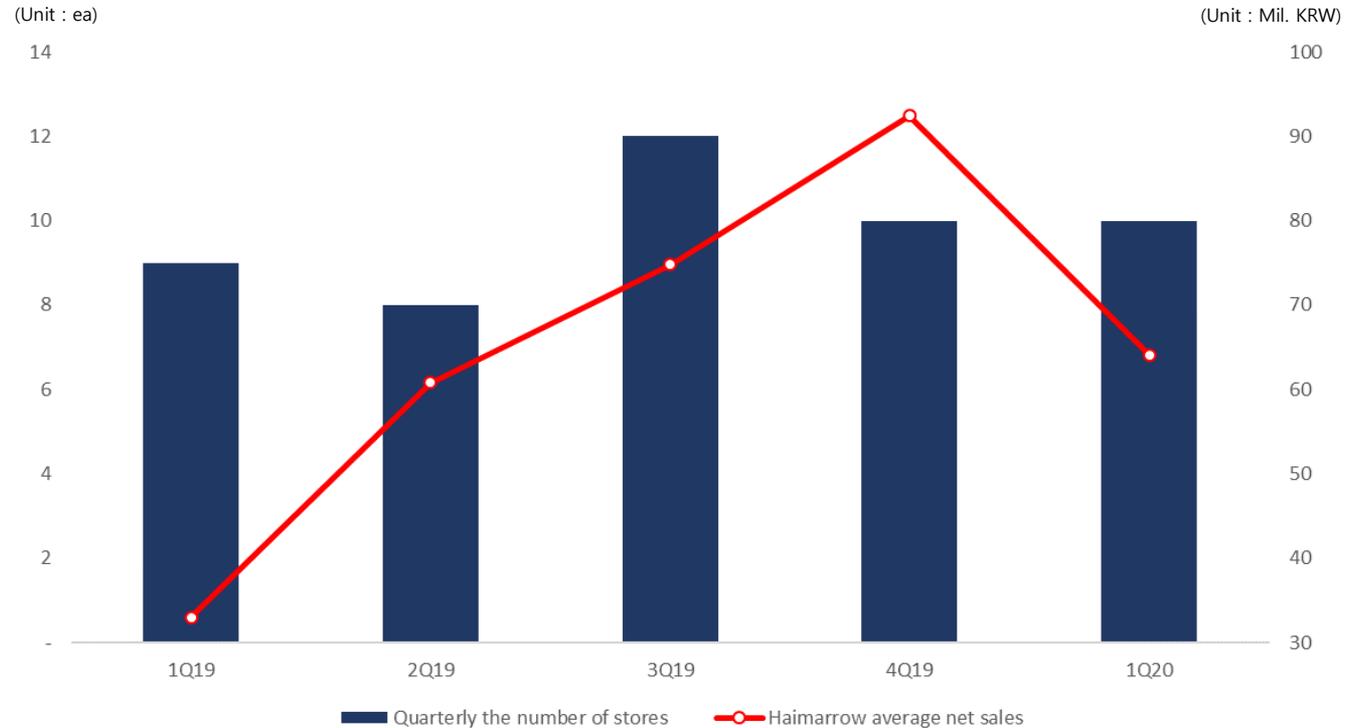
Source : Homepage

(Unit : KRW)



# 3. Business - Boombata

## ❖ Haimarrow Average Sales per Store and The Number of Stores



- The number of stores : 3 direct stores, 7 franchisees (2020.03)
- Compared to 1Q19, Average sales growth rate per store is 116% in 1Q20

# 3. Business

## ❖ Comparison of Financial Performance

(Unit: 1 billion won)	Haimarrow (2020.1Q)	Haimarrow (2019)	Burger Franchise			
			MCD	Burgerking	KFC	Lotteria
Revenue	68	289	691	503	210	840
Operating Profit	5	19	4	18	4	21
Net Income	11	13	(7)	6	(1)	7
Asset	137	140	758	464	145	817
Liability	44	59	364	311	143	563
Equity	93	81	394	154	2	254
Number of Units	1,253	1,243	436	340	193	1,337
Number of Franchised Chains	1,252	1,243	128	99	0	1,207
Percentage of Franchised Chains (%)	99.0	100.0	29.4	29.1	0.0	90.3
Number of employees	209	227	28,389	890	2,659	1,952
Sales per person (Unit: 1mil won)	327	1,273	24	565	79	430

Source : DART, 2018 FDD (Franchise Disclosure Document) from Fair Trade Commission  
MCD is the data for 2016.

- Lotteria has been sales contraction from 2017 to 2018
- KFC Korea is sold to KG Group, which focuses on payment businesses such as PG and VAN, for 50 billion won (50M USD)

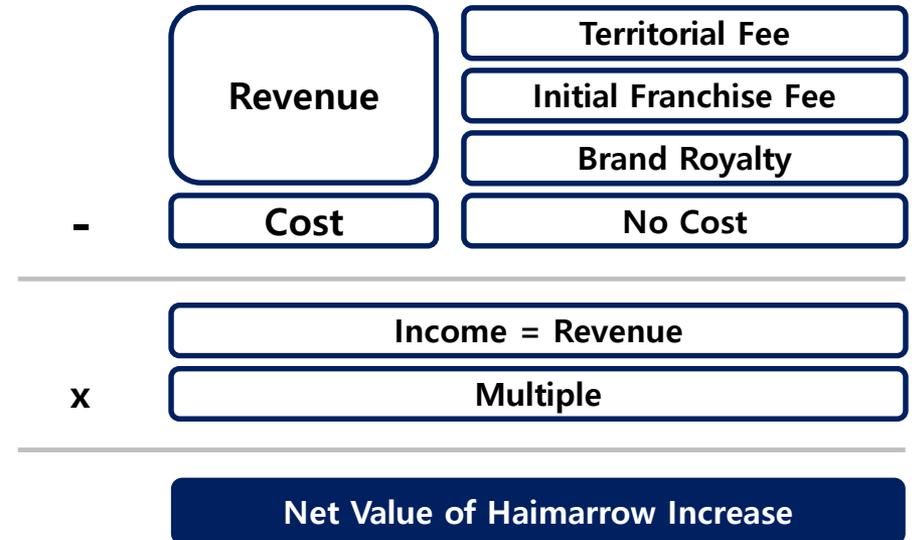
# 4. Global Business

## ❖ Global Business of MOM'S TOUCH



- As of 2020 Mar, venture into 2 countries and signed Master Franchise Agreement with 4 countries
- Taiwan : 4 Direct stores, 2 Franchisees
- Singapore : 2 Franchisees
- Malaysia : Made a master franchise agreement in Oct 2018
- USA : Made a master franchise agreement in Oct 2019

## ❖ Master Franchise



- Since 2018, Expanded into other country with master franchise model in order to reduce initial investment costs and minimize risks by cultural differences and a lack of information
- Since there are no additional costs, any sales generated by MF will be counted as the revenue
- It expect boosting the value of the company

# 5. Peer Valuation

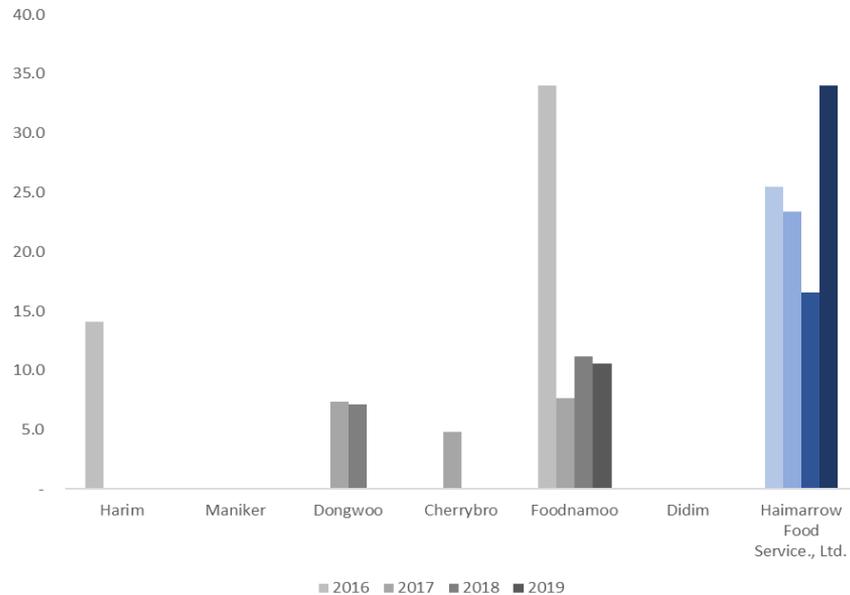
(Unit : M\$)

Ticker	Year	RRGB US Equity	DRI US Equity	Jack US Equity	MCD US Equity	HABT US Equity	WED US Equity	YUMC Equity	JFC PM Equity	220630 KS Equity
<b>MKT Cap.</b>	2019	429	14,075	2,091	32,275	271	4,935	18,071	4,735	229
<b>Sales</b>	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	258
	2019	1,315	8,510	950	21,077	466	1,709	8,776	3,762	288
<b>COGs</b>	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	182
	2019	872	6,661	248	9,961	N/A	979	6,659	N/A	205
<b>GPM</b>	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%	29.5%
	2019	33.7%	21.7%	73.9%	52.7%	N/A	42.7%	24.1%	N/A	28.8%
<b>OP</b>	2017	39	678	242	9,553	7	215	778	134	14
	2018	-10	767	232	8,823	5	250	941	149	23
	2019	-13	833	202	9,070	N/A	263	901	N/A	22
<b>OPM</b>	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%	8.9%
	2019	-1.0%	9.8%	21.3%	43.0%	1.3%	15.4%	10.3%	N/A	7.6%
<b>PER</b>	2017	24	23	23	27	60	21	40	38	18
	2018	N/A	18	20	24	81	8	19	38	12
	2019	N/A	20	34	25	61	38	26	34	19
<b>PBR</b>	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
	2019	1.2	5.9	N/A	N/A	2.1	9.6	5.9	N/A	3.3
<b>PSR</b>	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	0.5	2.3	1.5	2.0	0.7
	2019	0.3	1.7	2.2	1.5	0.6	2.9	2.1	1.3	0.9

Source : Nasdaq, Brand Official Homepage

# 6. Dividend Policy

## ❖ Dividend payout ratio(%)



Source : DART

## ❖ Dividend of Haimarrow Food Service., Ltd.

	Share flag	2019	2018	2017	2016
Par value(KRW)		100	100	100	100
(Consolidated)Net Income (Mil. KRW)		12,926	16,808	11,255	8,946
(Non-Consolidated)Net Income (Mil. KRW)		10,167	14,432	10,310	9,295
(Consolidated)Earnings per Share (KRW)		148	181	121	107
Total Cash Dividends (Mil. KRW)		4,734	2,817	2,629	2,281
Total Stock Dividends (Mil. KRW)		-	-	-	-
(Consolidated) Cash Dividend Rate(%)		34.0	16.6	23.4	25.5
Cash Dividend Yield Ratio(%)	Common Stock	1.7	1.4	1.4	1.4
	Preferred Stock	-	-	-	-
Stock Dividend Yield Ratio(%)	Common Stock	-	-	-	-
	Preferred Stock	-	-	-	-
Cash Dividend per Share(KRW)	Common Stock	50	30	28	25
	Preferred Stock	-	-	-	-
Stock Dividend per Share	Common Stock	-	-	-	-
	Preferred Stock	-	-	-	-

- Price-dividend ratio in 2019 was 1.7%, and 36.6% of Net income was paid as dividend
- In July 2019, paid dividend of 20 KRW a share for the first interim dividend (Dividend Return Rate 0.8%)
- Continue to focus on returning profits to the shareholders, expect increasing of stock dividend yield through final dividend other than interim dividend

# 7. Financial Statement

## ❖ Separate Balance Sheet

(Unit : 100 Mil KRW)	2017	2018	2019	2020.1Q
<b>Current assets</b>	<b>502</b>	<b>518</b>	<b>677</b>	<b>766</b>
Cash and cash equivalents	324	303	313	537
Inventories	119	139	219	174
Other current assets	60	76	65	55
<b>Non-current assets</b>	<b>517</b>	<b>651</b>	<b>582</b>	<b>592</b>
Property, plant and equipment	309	375	423	416
Other non-current assets	207	276	159	176
<b>Total assets</b>	<b>1,019</b>	<b>1,169</b>	<b>1,259</b>	<b>1,359</b>
<b>Current liabilities</b>	<b>191</b>	<b>421</b>	<b>466</b>	<b>388</b>
Trade and other current payables	99	102	151	112
Short-term Borrowings	-	50	45	98
Convertible bonds	-	153	139	-
Other current liabilities	92	116	54	178
<b>Non-current liabilities</b>	<b>264</b>	<b>57</b>	<b>45</b>	<b>41</b>
Short-term Borrowings	95	45	-	-
Convertible bonds	143	-	-	-
Other non-current liabilities	27	12	2	41
<b>Total liabilities</b>	<b>455</b>	<b>478</b>	<b>511</b>	<b>429</b>
<b>Total equity</b>	<b>564</b>	<b>691</b>	<b>748</b>	<b>930</b>

<b>Net Debt(Net Cash)</b>	<b>(229)</b>	<b>(208)</b>	<b>(268)</b>	<b>(341)</b>
<b>Current Ratio</b>	<b>263.7%</b>	<b>123.0%</b>	<b>145.2%</b>	<b>197.6%</b>
<b>Debt Ratio</b>	<b>80.6%</b>	<b>69.2%</b>	<b>68.3%</b>	<b>46.1%</b>

## ❖ Separate Income Statement

(Unit : 100 Mil KRW)	2017	2018	2019	2020.1Q
<b>Sales</b>	<b>2,236</b>	<b>2,581</b>	<b>2,877</b>	<b>681</b>
Cost of goods sold	1,613	1,824	2,051	486
<b>Gross profit</b>	<b>622</b>	<b>758</b>	<b>826</b>	<b>195</b>
Selling and administrative expenses	477	527	609	141
<b>Operating income</b>	<b>145</b>	<b>231</b>	<b>217</b>	<b>54</b>
Depreciation cost	19	30	57	57
<b>EBITDA</b>	<b>164</b>	<b>261</b>	<b>273</b>	<b>111</b>
Other gain(Loss)	(10)	(25)	(70)	172
Profit before tax	135	205	147	226
Income Tax Expenses	32	61	45	53
<b>Profit</b>	<b>103</b>	<b>144</b>	<b>102</b>	<b>173</b>
<b>Gross profit ratio</b>	<b>27.8%</b>	<b>29.3%</b>	<b>28.7%</b>	<b>28.6%</b>
<b>Operating income ratio</b>	<b>6.5%</b>	<b>8.9%</b>	<b>7.5%</b>	<b>8.0%</b>
<b>EBITDA%</b>	<b>7.4%</b>	<b>10.1%</b>	<b>9.5%</b>	<b>16.3%</b>
<b>Profit ratio</b>	<b>4.6%</b>	<b>5.6%</b>	<b>3.5%</b>	<b>25.4%</b>

Thank you



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