4Q20 & FY2020 Earnings Result

Global Success Partner

cafe24

2021.2.25

Disclaimer

Financial information contained in this document, unless otherwise stated is based on consolidated K-IFRS that has not been audited by an independent auditor.

Therefore, the information and financial data contained in this document are subject to change upon an independent auditor's audit.

The company does not make any representation or accept liability as to the accuracy or completeness of the information contained in this material. The format and contents of this document are subject to change for future filings and reports.

Cafe24 is not liable for providing future updates on all figures included in this document.

Changes of Main Business Category

cafe24

Change of main business category by reflecting the company's business expansion and the business direction to provide integrated service

Reclassify the category of 'EC platform' business which is defined as 'Cloud for creativity-oriented business'

- Shift Ad solution into Marketing solution of EC platform
- Classify Value added services into EC solution, Business solution and Supply chain service

Shift Product supply and Fulfillment (which was included in Value added services before) into Supply chain service

Shift Direct sales, etc. into Business solution

Before		After		
EC solution	Payment solution	EC platform	Payment solution	Payment service
	Value added services		EC solution	SMS, Domain, Multimarket management service, Inventory management, Cafe24 Store, etc.
	Product supply		Business solution	CS·Operation·Sales support, Direct sales, Cafe24 startup support, etc.
	Direct sales, etc.		Supply chain service	Fulfillment, Product supply, etc.
Ad solution	Ads/Marketing		Marketing solution	Ads, Consulting
Infra	Hosting	Infra	Hosting	Hosting service
Other	FeelWAY	Other	FeelWAY	Online intermediary marketplace

Summary

cafe24

4Q20 Gross Merchandise Volume(GMV), YoY +17.1%, FY2020 GMV, YoY +17.7% on the back of continued contactless spending boom

4Q20 Revenue, YoY +17.3% due to the growth of EC platform driven by an increase in GMV and service expansion

FY2020 Revenue, YoY +13.9% due to continuous growth in revenue after temporally weak revenue in 1Q20

(in million KRW)	4Q19	1Q20	2Q20	3Q20	4Q20	YoY	QoQ	FY2019	FY2020	YoY
GMV(in trillion KRW)	2.6	2.5	2.7	2.6	3.0	17.1%	14.0%	9.2	10.9	17.7%
Revenue	**60,214**	**52,085**	**62,138**	**62,452**	**70,661**	**17.3%**	**13.1%**	**217,245**	**247,336**	**13.9%**
EC platform	48,722	41,003	50,920	51,068	58,755	20.6%	15.1%	173,359	201,746	16.4%
Infra	7,549	7,687	7,802	7,824	7,666	1.5%	-2.0%	29,914	30,980	3.6%
Other(FeelWAY)	3,943	3,395	3,415	3,561	4,240	7.5%	19.1%	13,972	14,610	4.6%
Operating expenses	**58,032**	**54,053**	**57,793**	**60,001**	**67,116**	**15.7%**	**11.9%**	**207,408**	**238,963**	**15.2%**
Operating profit	**2,182**	**(1,968)**	**4,345**	**2,451**	**3,545**	**62.5%**	**44.6%**	**9,837**	**8,373**	**-14.9%**
OPM	3.6%	(3.8%)	7.0%	3.9%	5.0%	-	-	4.5%	3.4%	-
Operating Profit (adjusted)(note1)	***3,108***	***(1,317)***	***4,996***	***3,102***	***4,196***	***35.0%***	***35.3%***	***13,280***	***10,977***	***-17.3%***
Adjustments(note2)	*926*	*651*	*651*	*651*	*651*	-	-	*3,443*	*2,604*	-
OPM(adjusted)	*5.2%*	*(2.5%)*	*8.0%*	*5.0%*	*5.9%*	-	-	*6.1%*	*4.4%*	-
Net profit	**1,858**	**(2,297)**	**3,958**	**2,239**	**4,661**	**151.0%**	**108.2%**	**7,782**	**8,561**	**10.0%**

(Note1) Adjusted OP(Non-GAAP)= It's a number that reflects Adjustments (Note2) Adjustment= Non-recurring costs + (Non-cash) customer relationships, etc. Amortizations increased by Acquisitions

Solid Growth Trend in GMV

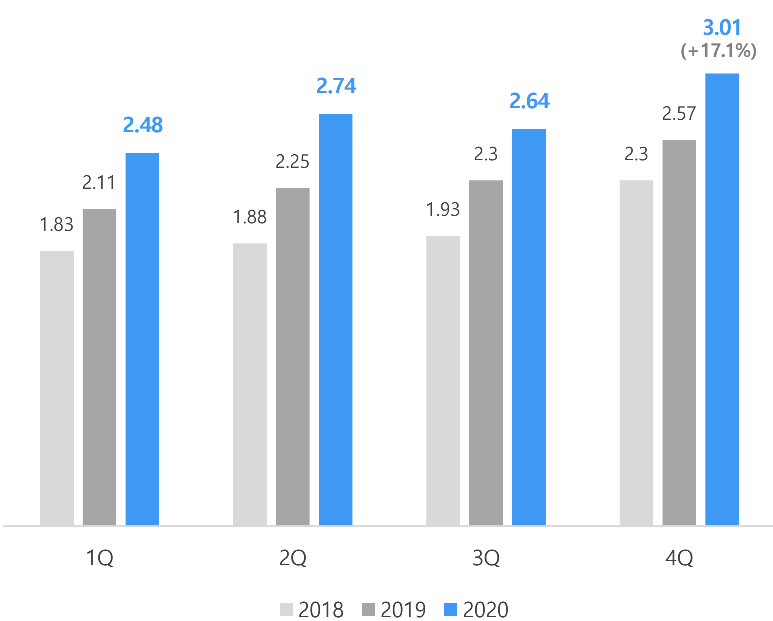
4Q20 GMV KRW 3.01tn, YoY +17.1% on the back of contactless spending boom

- Despite weak growth in fashion category due to the spread of COVID-19, accelerated growth in non-fashion categories(Living, etc.) continue to be diversified.

FY2020 GMV KRW 10.9tn, YoY +17.7%

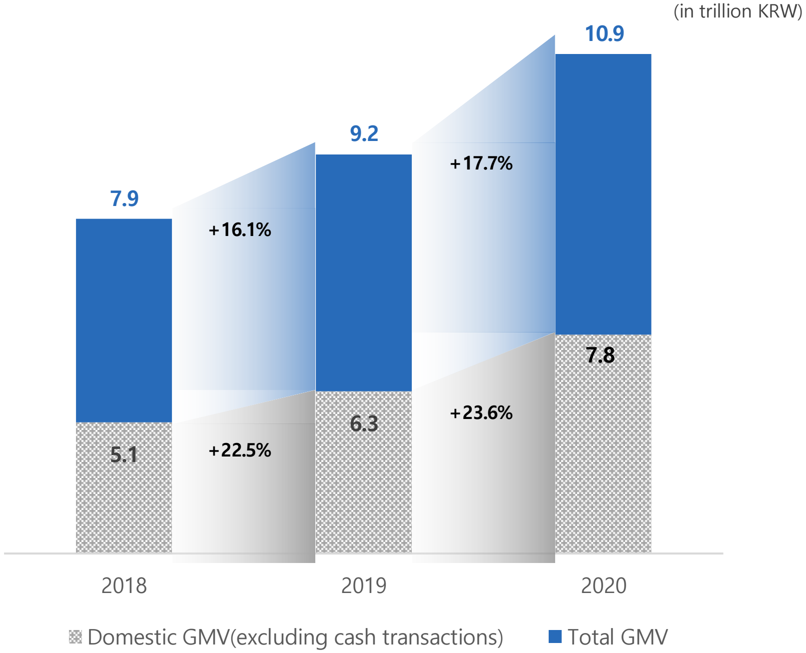
- Domestic GMV excluding cash transactions KRW 7.8tn, YoY +23.6%
- A decrease in cash transaction proportion(2019: 31% → 2020: 27%)

Quarterly GMV Trend (in trillion KRW)



(Note) (+%) indicates YoY growth

Yearly GMV, Domestic GMV(excluding cash transactions) Trend

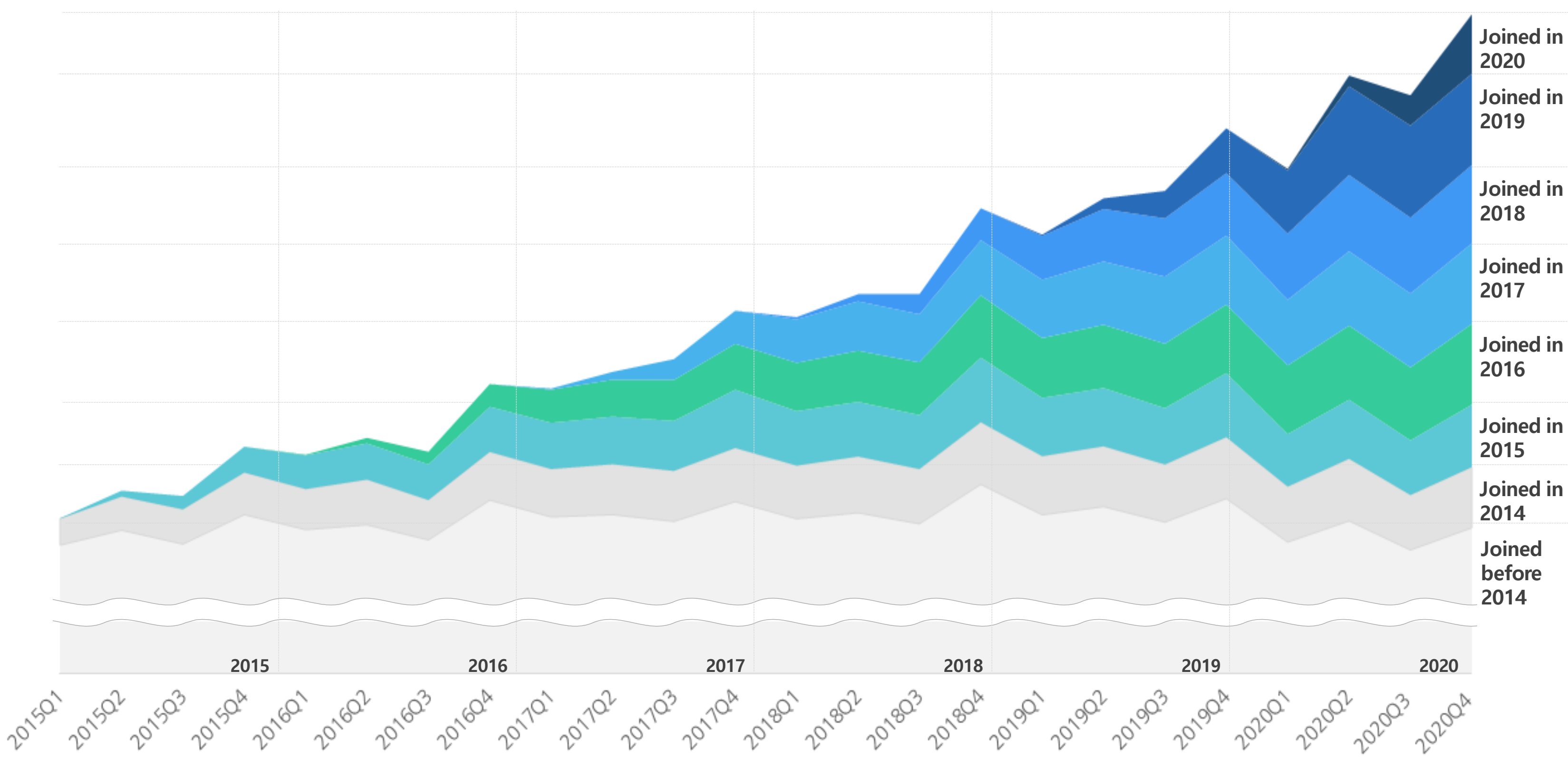


GMV Cohort Analysis_ Customers' Journey of Growth

cafe24

Solid growth structure that allows mutual growth of Cafe24 and customers

Steady inflow of new customers and the continued increase of successful customers through the provision of innovative business all of which leads to continuous GMV growth



Revenue

4Q20 Revenue KRW 70.7bn, YoY +17.3% on the back of growth in EC platform

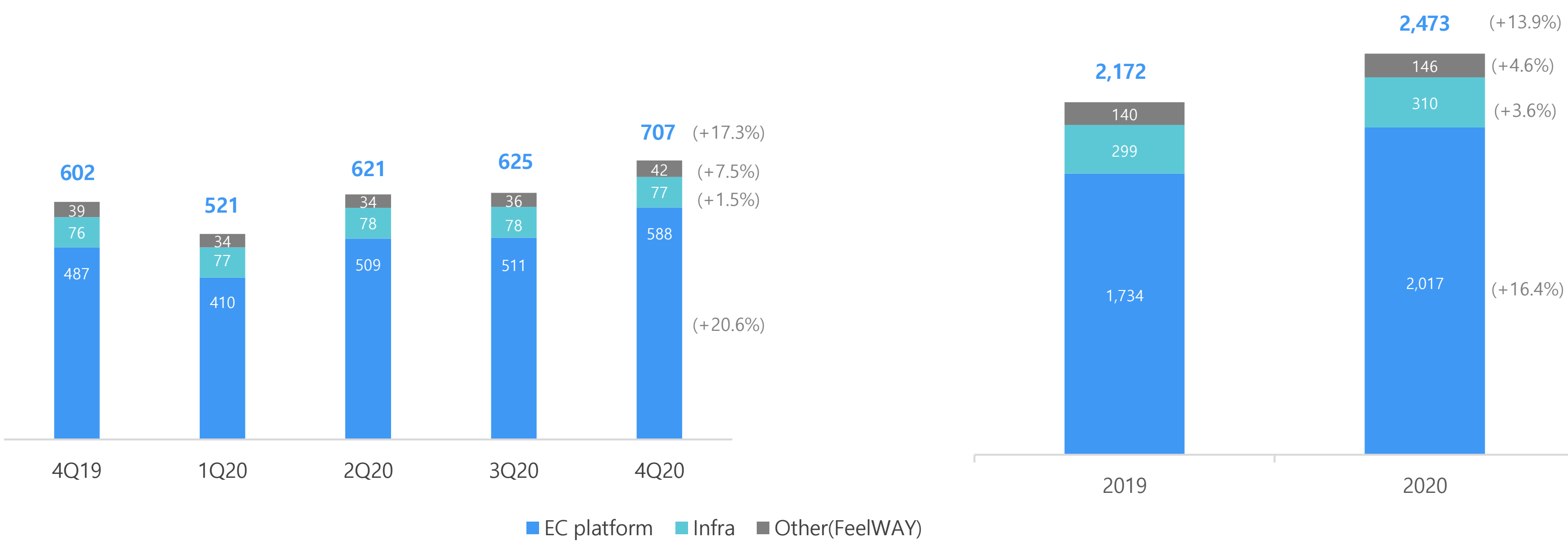
Revenue growth(YoY) per Main Business: EC platform 20.6%, Infra 1.5%, Other(FeelWAY) 7.5%

- EC platform shows solid growth in Payment solution, EC solution and Supply chain service thanks to an increase in GMV and expansion of Value added services.
- Infra maintains stable growth due to increase in IT demands followed by digitalization.
- Other(FeelWAY) continues to grow due to peak season effect.

FY2020 Revenue KRW 247.3bn, YoY +13.9%

Revenue growth(YoY) per Main Business: EC platform 16.4%, Infra 3.6%, Other(FeelWAY) 4.6%

Revenue Trend (in 100mn KRW)



(Note) (+%) indicates YoY growth

EC platform

cafe24

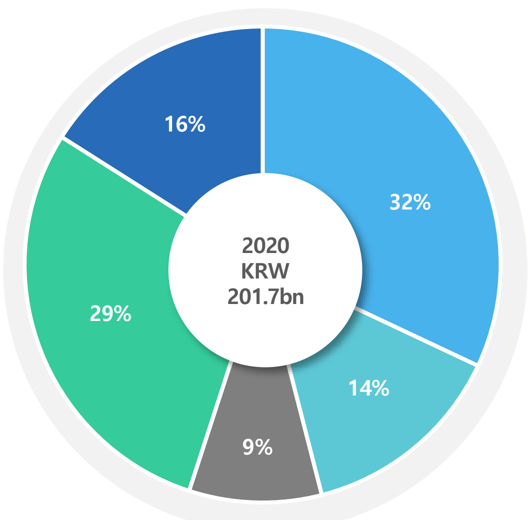
4Q20 EC platform Revenue KRW 58.8bn, YoY +20.6%

- Payment solution was up YoY +20.4% on the back of an increase in GMV and a decrease in cash transaction proportion.
- EC solution rose YoY +44.1% following an increase in use of service, sales channel expansion, and etc.
- Business solution increased YoY +17.3% on the back of growth of overseas sales support service.
- Supply chain service revenue increased YoY +23.2% due to growth in fulfillment, despite of weak revenue in Product supply.
- Marketing increased YoY +2.0%

FY2020 EC platform Revenue KRW 201.7bn, YoY +16.4%

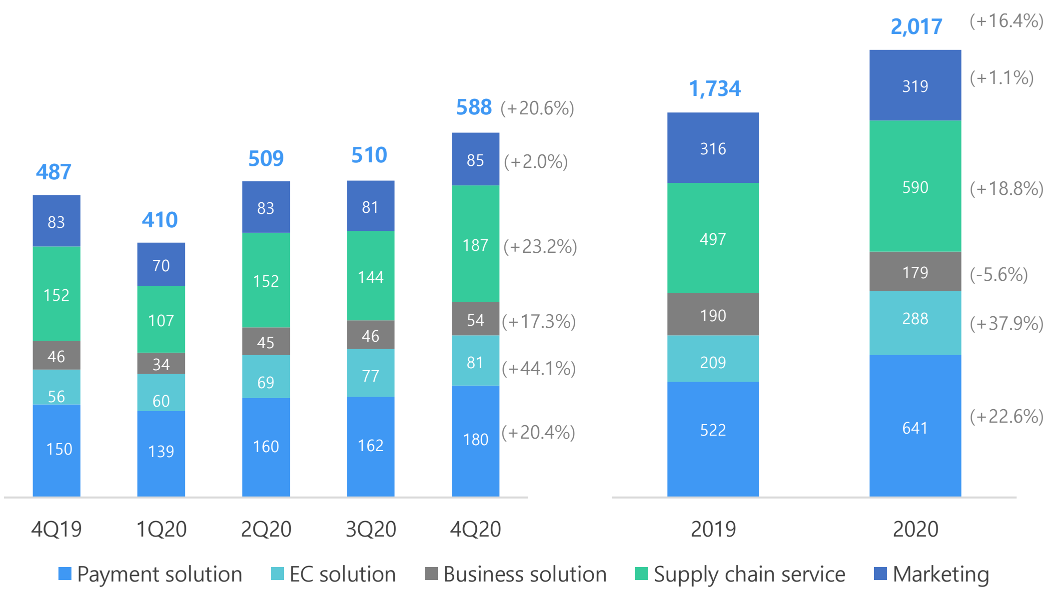
Revenue Composition

(in 100mn KRW)



Revenue Trend

(in 100mn KRW)



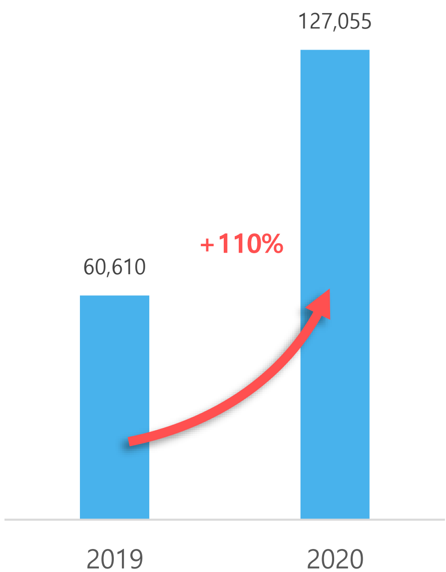
(Note) (+%) indicates YoY growth

EC platform

Continuous growth indicated by key indicator

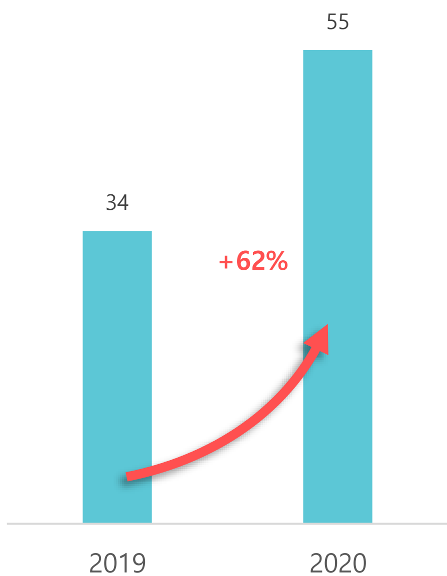
Number of download Apps

(unit: count)



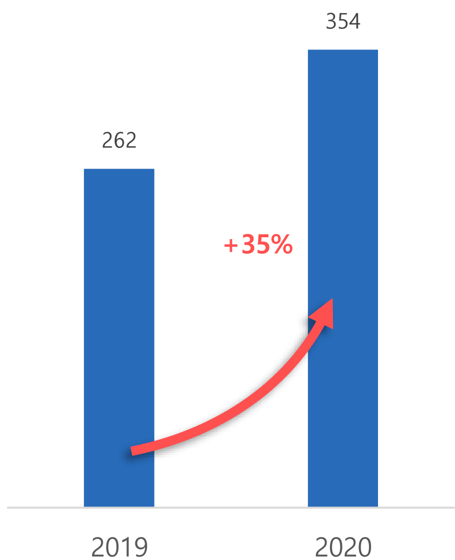
Number of sales channels for multimarket management service

(unit: count)



Fulfillment Revenue

(in 100 mn KRW)



Infra

Other(FeelWAY)

cafe24

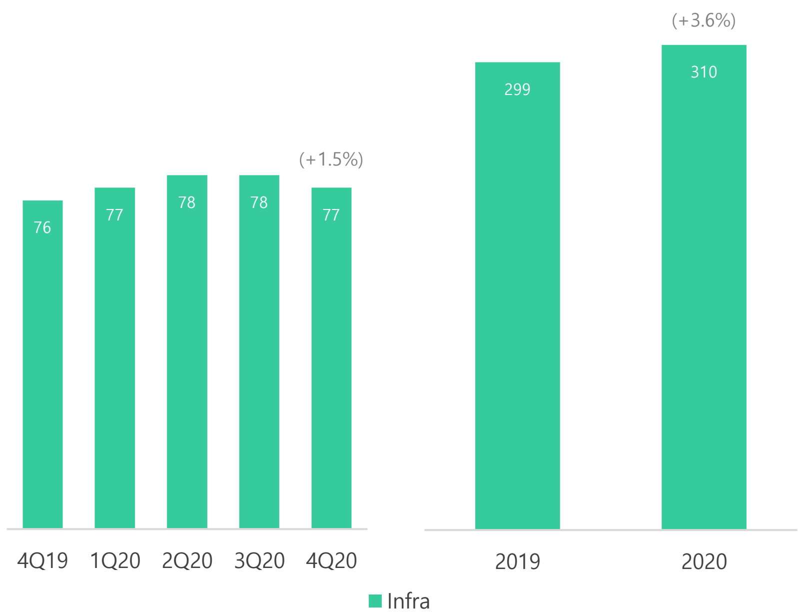
4Q20 Infra Revenue 7.7bn, YoY +1.5%

FY2020 Infra Revenue 31.0bn, YoY +3.6%

- Maintains stable growth due to an increase in IT demands followed by digitalization

Infra Revenue Trend

(in 100mn KRW)



(Note) (+%) indicates YoY growth

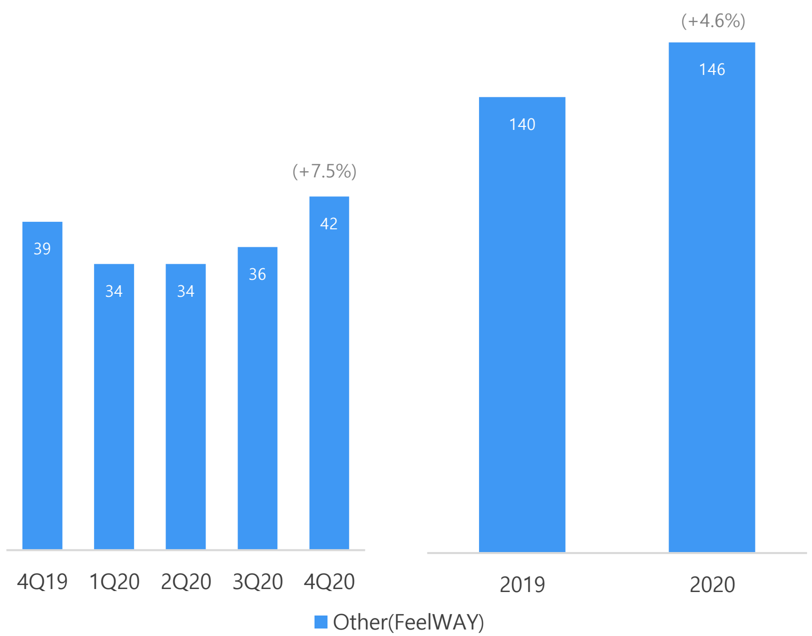
4Q20 Other(FeelWAY) Revenue 4.2bn, YoY +7.5%

FY2020 Other(FeelWAY) Revenue 14.6bn, YoY +4.6%

- Shows steady growth due to increased demands in Luxury goods

Other(FeelWAY) Revenue Trend

(in 100mn KRW)



(Note) (+%) indicates YoY growth

Operating Profit/EBITDA

cafe24

4Q20 Operating Profit KRW 3.5bn, YoY +62.5%

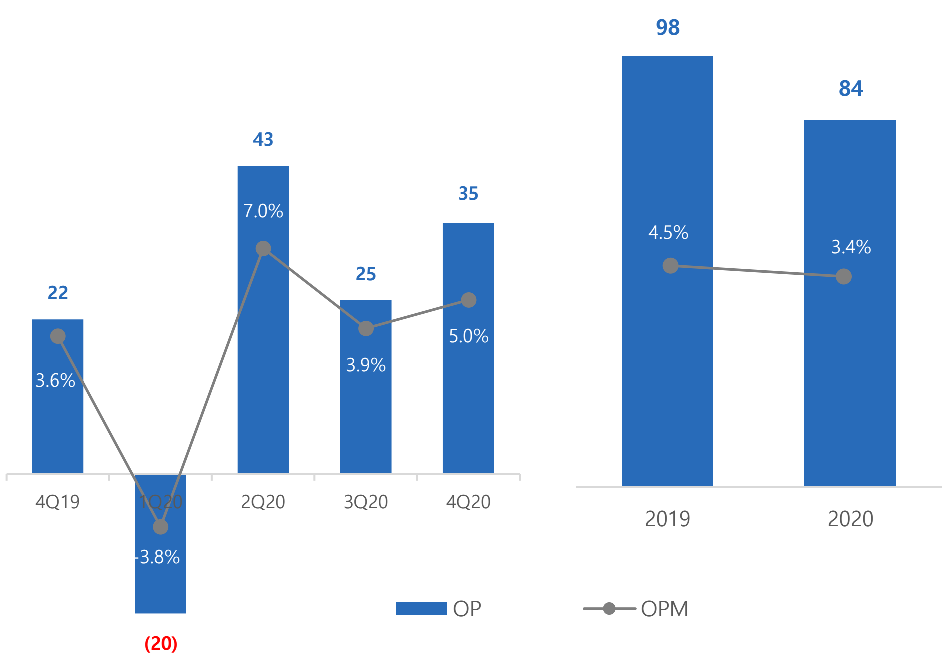
FY2020 Operating Profit KRW 8.4bn, YoY -14.9%

- Primarily due to weak business conditions in 1Q20

FY2020 EBITDA KRW 29.2bn, YoY +26.4%

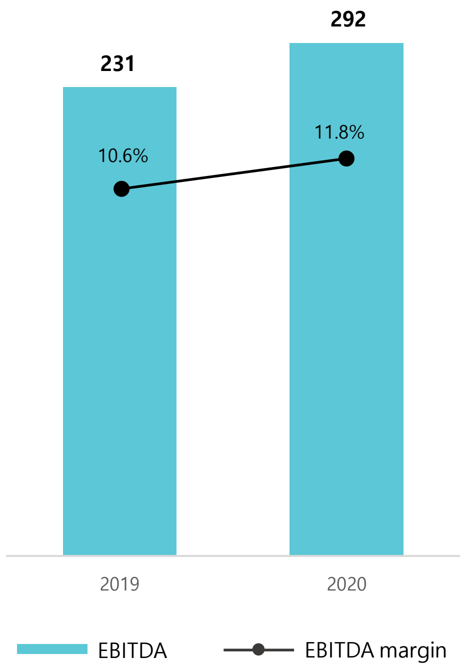
Operating Profit

(in 100mn KRW)



EBITDA

(in 100mn KRW)



Operating Expenses

4Q20 Operating Expenses KRW 67.1bn, YoY +15.7%

- Labor costs QoQ +5.8%, YoY +14.2%
- Service fees YoY +37.0% due to operation of Integrated E-commerce Center, and increase in expenses of providing integrated services and etc. to deliver more value to Cafe24 merchants
- Due to changes in lease accounting, Depreciation increased, whereas, Rent decreased

FY2020 Operating Expenses, YoY +15.2%

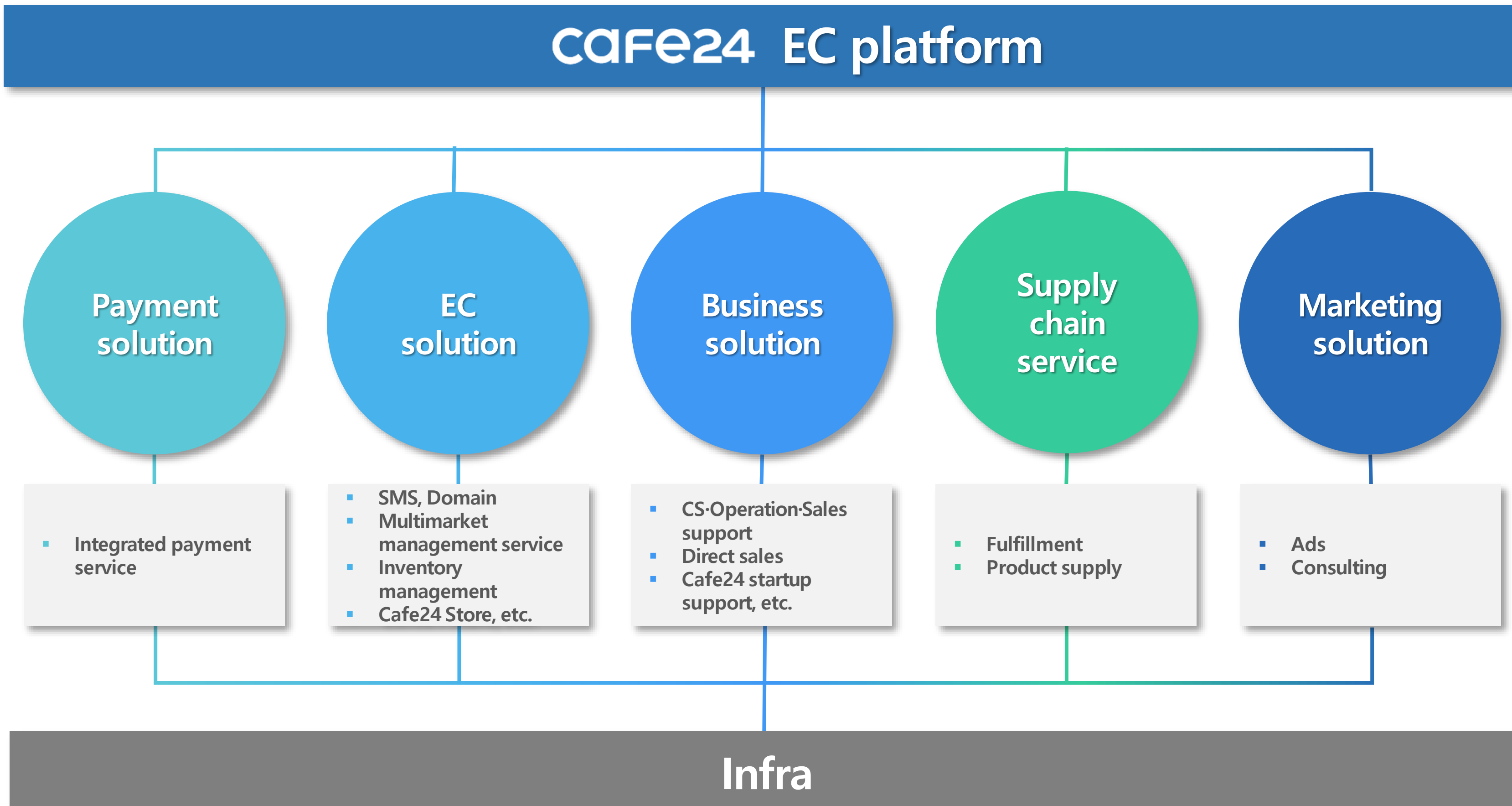
(in million KRW)	4Q19	1Q20	2Q20	3Q20	4Q20	YoY	QoQ	FY2019	FY2020	YoY	Portion
COGS-Merchandise & Finished goods	8,456	5,472	7,327	5,755	8,657	2.4%	50.4%	26,750	27,210	1.7%	*11%*
Salaries & Retirement benefit	23,272	23,523	23,987	25,128	26,578	14.2%	5.8%	85,714	99,216	15.8%	*42%*
Welfare	2,081	2,064	1,795	1,957	1,883	-9.5%	-3.8%	8,074	7,699	-4.6%	*3%*
Service fees	10,548	9,393	11,334	12,365	14,455	37.0%	16.9%	37,762	47,548	25.9%	*20%*
Communication & Telephone	3,445	3,541	3,672	3,780	3,848	11.7%	1.8%	12,907	14,841	15.0%	*6%*
Advertising fees	2,623	1,858	1,514	1,968	2,031	-22.6%	3.2%	8,224	7,370	-10.4%	*3%*
Depreciation	2,720	3,678	3,887	4,222	4,773	75.5%	13.0%	9,281	16,560	78.4%	*7%*
Amortization	1,026	1,037	1,056	1,070	1,101	7.3%	2.9%	3,973	4,264	7.3%	*2%*
Rent	1,197	887	696	778	609	-49.1%	-21.7%	5,232	2,970	-43.2%	*1%*
Taxes & Dues	807	822	906	1,000	1,009	25.0%	0.8%	2,910	3,737	28.4%	*2%*
Other fees	1,857	1,778	1,619	1,978	2,172	17.0%	9.8%	6,581	7,548	14.7%	*3%*
Total	**58,032**	**54,053**	**57,793**	**60,001**	**67,116**	**15.7%**	**11.9%**	**207,408**	**238,963**	**15.2%**	***100%***

(Note) The above includes amortizations(e.g. customer relationships, etc.) increased by acquisitions.

Provide Integrated Services in the Connected Value-chain

cafe24

Delivering an all-in-one service beyond domestic that caters to the needs of building an online business, including payment, IT solution, operation solution, supply chain service and marketing



Virtuous Business Model

Cafe24 creates an ecosystem that fosters mutual growth for Cafe24 merchants - Cafe24 - Partners in e-commerce.

2021 Highlights

cafe24

Focus on accelerating and completing the business in progress

Continuous efforts in digitalizing e-commerce's value-chain

Continued growth in the e-commerce market and the acceleration of its digitalization

- Large opportunities of generating diverse business on the back of the e-commerce industry growth
- Increase in the inflow of large enterprise customers and their contribution to platform growth by securing distribution channels for DTC
- Continuous inflow of new merchants into diverse categories(home and living, food, etc.)
- Increase in the demand for social commerce(utilizing SNS) and live commerce

Expand ecosystem

- Expand platform flexibility by engaging with diverse partners
- Strengthen App store, API, Developers Center and attract global partners
- Advance Multichannel Management Service into the global market

Strengthen the connection of a value-chain

- Provide more integrated services and operation support experience
- Evolve into a contactless platform that better connects data derived from diverse services
- Achieve the sophistication of services for global sourcing/sales, fulfillment, payment solution in response to merchants' demands relating to digitalization

Expand the global network

- Expand business by applying the global standards and accelerating localization
- Strengthen platform flexibility for localized global services(sophistication of language pack, strengthening localized partnerships in PG/delivery, etc.)
- Plan to establish branches in India and Shanghai, China in 2021

Financial Statements Summary (Consolidated, K-IFRS) cafe24

Balance Sheets (in million KRW)

	2019	1Q20	2Q20	3Q20	2020
Current assets	101,058	92,170	107,797	105,137	114,985
Non-current assets	130,375	128,858	129,600	133,159	139,047
Total assets	**231,433**	**221,028**	**237,397**	**238,296**	**254,032**
Current liabilities	58,175	50,057	60,780	59,006	69,477
Non-current liabilities	20,990	20,442	22,305	23,543	25,103
Total liabilities	**79,165**	**70,499**	**83,085**	**82,549**	**94,580**
Capital stock	4,715	4,715	4,715	4,715	4,715
Capital surplus	94,305	94,305	94,305	94,305	94,305
Capital adjustments	-	-	(149)	(965)	(1,434)
Accumulated other comprehensive income	28	587	560	572	26
Retained earnings	17,638	15,353	18,913	20,620	24,315
Controlling interest	116,686	114,960	118,344	119,297	121,927
Non-controlling interest	35,582	35,569	35,968	36,450	37,525
Total equity	**152,268**	**150,529**	**154,312**	**155,747**	**159,452**

Income Statements (in million KRW)

	4Q19	2019	1Q20	2Q20	3Q20	4Q20	2020
Revenue	**60,214**	**217,245**	**52,085**	**62,138**	**62,452**	**70,661**	**247,336**
Operating expenses	58,032	207,408	54,053	57,793	60,001	67,116	238,963
Operating profit	**2,182**	**9,837**	**(1,968)**	**4,345**	**2,451**	**3,545**	**8,373**
Other income	236	1,848	461	507	381	1,361	2,711
Other expenses	392	2,009	865	316	598	722	2,501
Pre-tax Net income	2,026	9,676	(2,372)	4,536	2,234	4,184	8,583
Net income	**1,858**	**7,782**	**(2,297)**	**3,958**	**2,239**	**4,661**	**8,561**

Financial Statements Summary (Separate, K-IFRS)

cafe24

Balance Sheets (in million KRW)

	2019	1Q20	2Q20	3Q20	2020
Current assets	96,162	61,074	54,315	62,196	68,221
Non-current assets	39,836	87,522	90,859	94,400	102,840
Total assets	**135,998**	**148,596**	**145,174**	**156,596**	**171,061**
Current liabilities	28,243	35,320	32,339	38,883	44,777
Non-current liabilities	1,674	1,790	1,878	3,679	7,762
Total liabilities	**29,917**	**37,110**	**34,217**	**42,562**	**52,539**
Capital stock	4,715	4,715	4,715	4,715	4,715
Capital surplus	136,068	94,343	94,343	94,343	94,343
Capital adjustments	-	-	-	(149)	(1,434)
Accumulated other comprehensive income	-	-	-	-	-
Retained earnings	(34,703)	12,428	11,899	15,125	20,898
Total equity	**106,080**	**111,486**	**110,957**	**114,034**	**118,522**

Income Statements (in million KRW)

	4Q19	2019	1Q20	2Q20	3Q20	4Q20	2020
Revenue	**39,930**	**147,947**	**37,209**	**43,002**	**43,723**	**48,484**	**172,419**
Operating expenses	38,447	142,857	37,974	39,577	41,353	44,756	163,661
Operating profit	**1,483**	**5,090**	**(765)**	**3,425**	**2,370**	**3,728**	**8,758**
Other income	(22)	1,148	283	179	104	(27)	539
Other expenses	86	250	104	92	84	401	681
Pre-tax Net income	1,375	5,988	(586)	3,512	2,390	3,300	8,616
Net income	**1,622**	**5,406**	**(529)**	**3,226**	**2,103**	**3,671**	**8,470**

THANK **YOU**

www.cafe24.com | www.cafe24corp.com