



Lotte Tour Development 1Q'22 Earnings Release

May 2022

INVESTOR RELATIONS 2022

This presentation contains historical information of Lotte Tour Development which should not be regarded as an indication of the future performance or results.

This presentation also contains forward-looking statements that are, by the nature, subject to significant risks and uncertainties.

These forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance or results.

Actual results may differ materially from information contained in the forward-looking statements as a results of a number of factors beyond our control.



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1. Financial Summary of 1Q 2022

Operating losses reduced in 1Q`22 due to revenue expansion of hotel and casino business

[Unit: KW bn]	2022.1Q	2021.1Q	YoY	2021.4Q	QoQ
Operating Revenue ¹	43.1	12.2	253%	40.4	6.8%
Hotel	27.5	10.9	153%	26.9	2.2%
Casino	12.3	0.1	12200%	9.8	25.2%
Retail	1.2	0.7	78%	1.1	10.1%
Tourism	0.5	0.2	165%	2.0	-75.3%
Others	1.6	0.4	340%	0.5	200%
Operating Expenses	70.3	50.0	41%	70.4	-0.2%
Operating Income (Loss)	(27.2)	(37.8)	Reduction of deficit	(30.1)	Reduction of deficit
EBITDA	(7.3)	(21.5)	Reduction of deficit	(11.2)	Reduction of deficit
Other Income (Loss)	(0.1)	(0.3)	-	(5.4)	-
Financial Income (Loss)	(21.9)	(19.6)	-	(18.6)	-
Consolidated Net Income	(48.4)	(54.5)	Reduction of deficit	(48.4)	Reduction of deficit
Net Income attributable to Owners of the Company	(48.4)	(54.4)	-	(46.3)	-

1. Operating revenue may differ from individual business revenue due to elimination of internal transaction; 2. Financial costs consists of Interest costs (KW 17.9bn) and lease costs (KW 3.9bn)

1-1. Operating Expenses breakdown in 1Q'22

Operating expenses increased YoY due to business ramp up in hotel and casino

[Unit: KW bn]	1Q'22	1Q'21	YoY	4Q'21	QoQ
Labor Cost & Related	18.9	17.3	9.3%	18.4	2.8%
Depreciation ¹	19.9	16.3	22.2%	18.9	5.1%
Commissions & Fees	10.4	5.6	85.8%	11.5	-10.1%
Utilities	3.1	2.6	16.3%	3.1	-1.8%
Supplies	3.1	1.6	99.7%	2.9	7.9%
Advertising	1.3	1.3	6.5%	1.3	4.5%
Rental	2.0	0.7	2603.1%	2.9	-31.5%
Others	11.6	5.4	116.3%	10.4	12.1%
Operating Expenses	70.3	50.0	40.5%	69.4	1.3%

1. Depreciation cost of KW 19.9bn in 1Q'22 include lease asset depreciation cost which is KW 2.7bn

2. Hotel Business in 1Q 2022

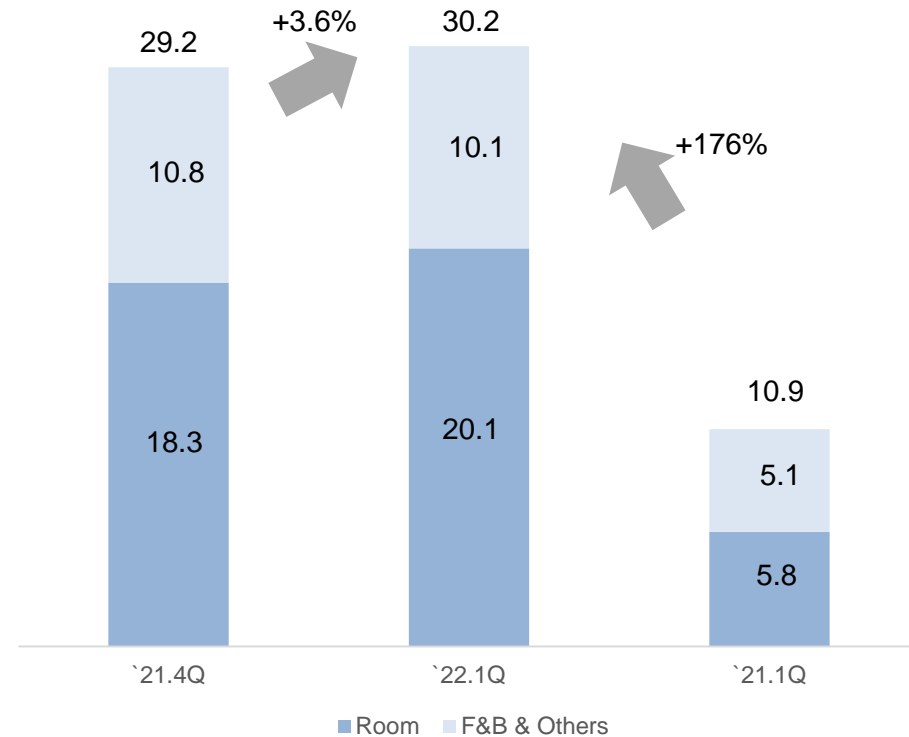
Hotel OCC of 48.5% in 1Q'22 (+32.7%p YoY, +5.8%p QoQ) even in off-season and omicron wave

Key Indicators

	1Q'22	1Q'21	YoY	4Q'21	QoQ
Rooms sold	69,786	22,685	207.6%	62,770	11.2%
OCC (1600 rooms)	48.5%	15.8%	32.7%P	42.7%	5.8%P
ADR(KRW)	287,568	254,524	13.0%	292,067	-1.5%

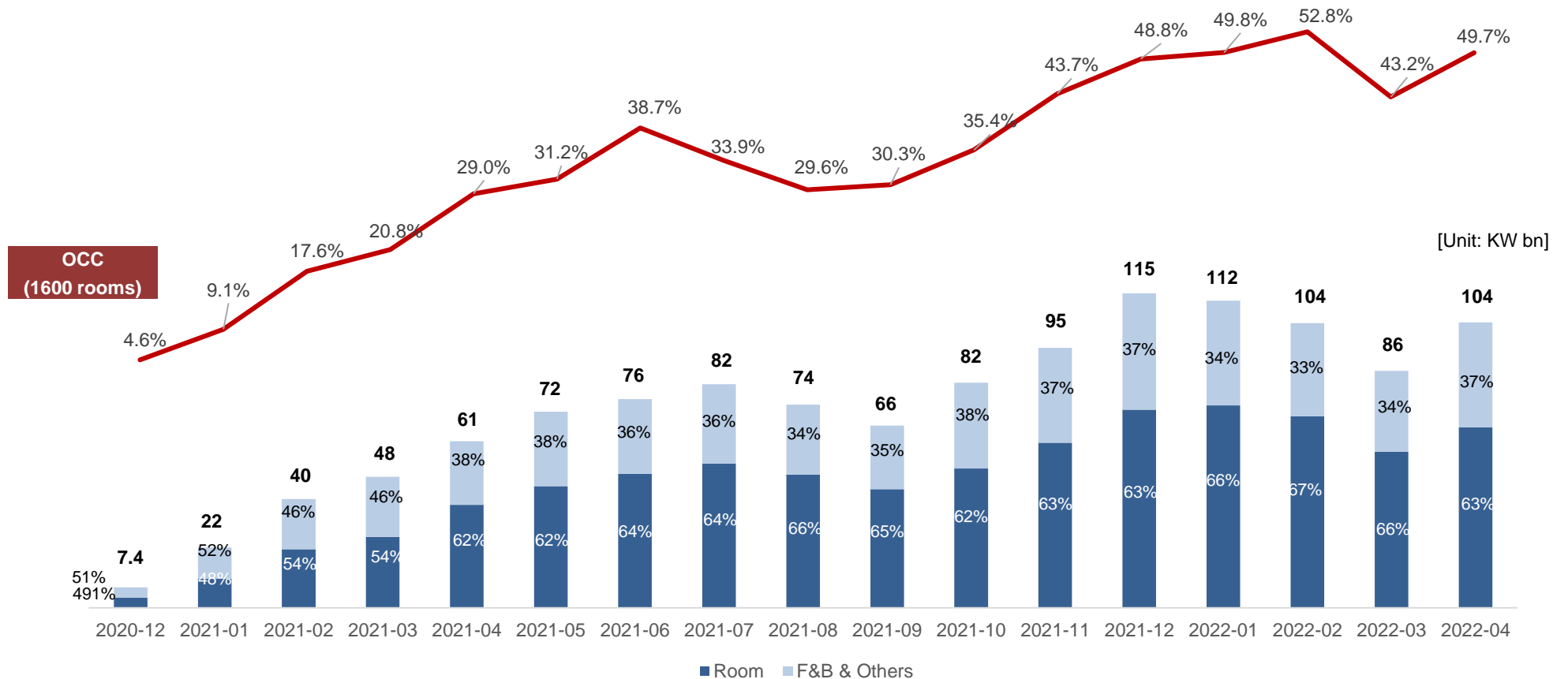
Revenue

[Unit: KW bn]



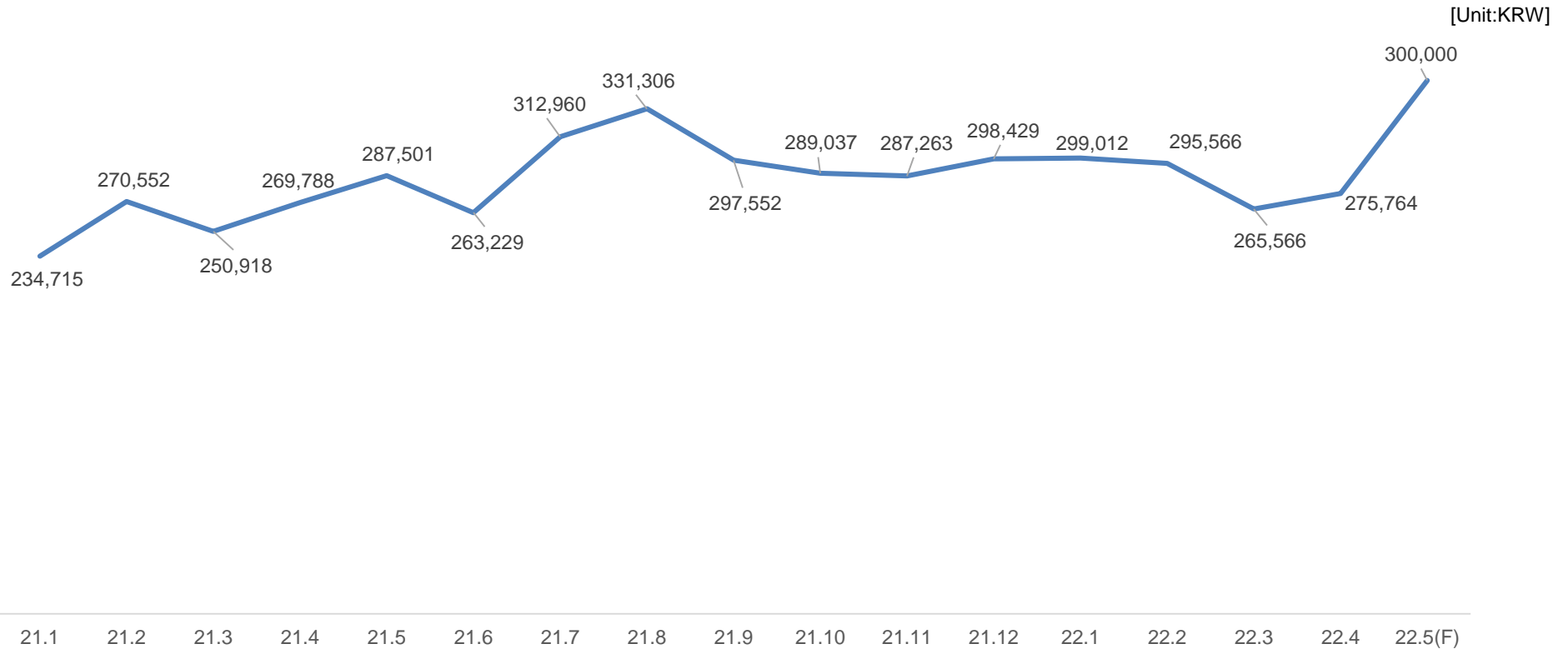
2-1. Key indicators of hotel business (`20.12~`22.4)

Hotel OCC has been increased since the hotel opening in Dec.'20.
Expect to continue rising of OCC due to ease the social distancing policy and strong travel demand



2-1. Key indicators of hotel business (ADR)

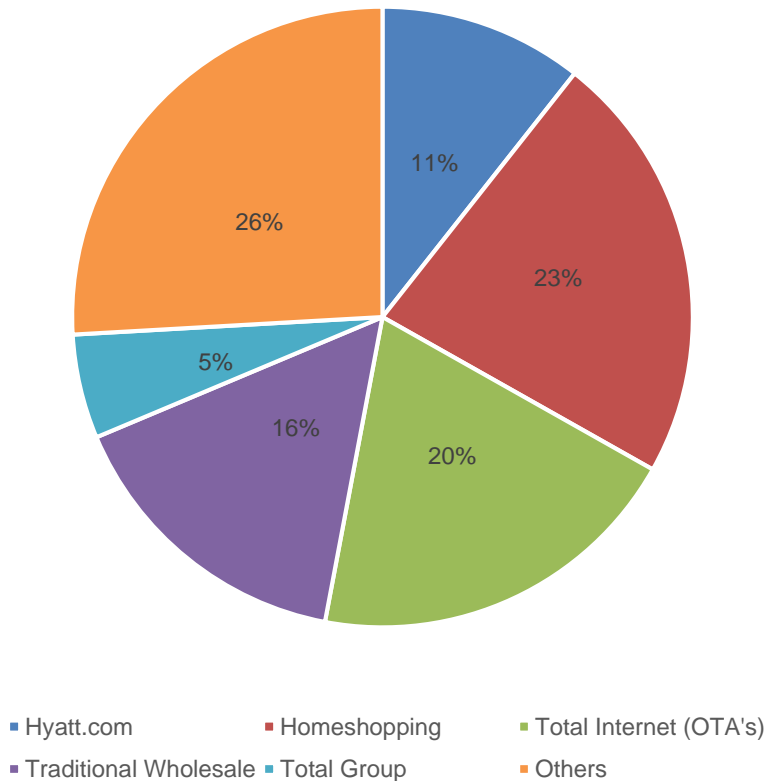
Expect to continue rising of ADR driven by strong travel demand and changes in hotel sales channel mix (Expansion of Hyatt.com & OTA channel portion)



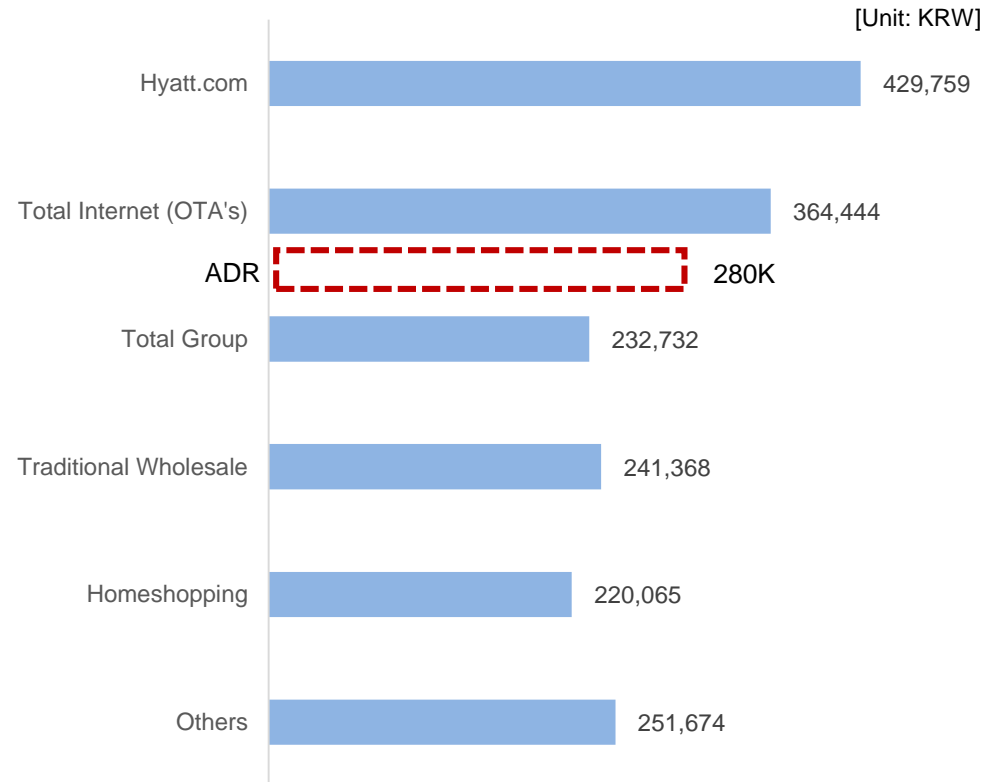
2-2. Hotel sales channel mix & ADR

Home shopping channel portion will be reduced relatively based on expansion of foreign tourists visiting, ADR continue to rise driven by expansion of Hyatt.com & OTA channel portion which has higher price

Sales channel mix (As of April`22)



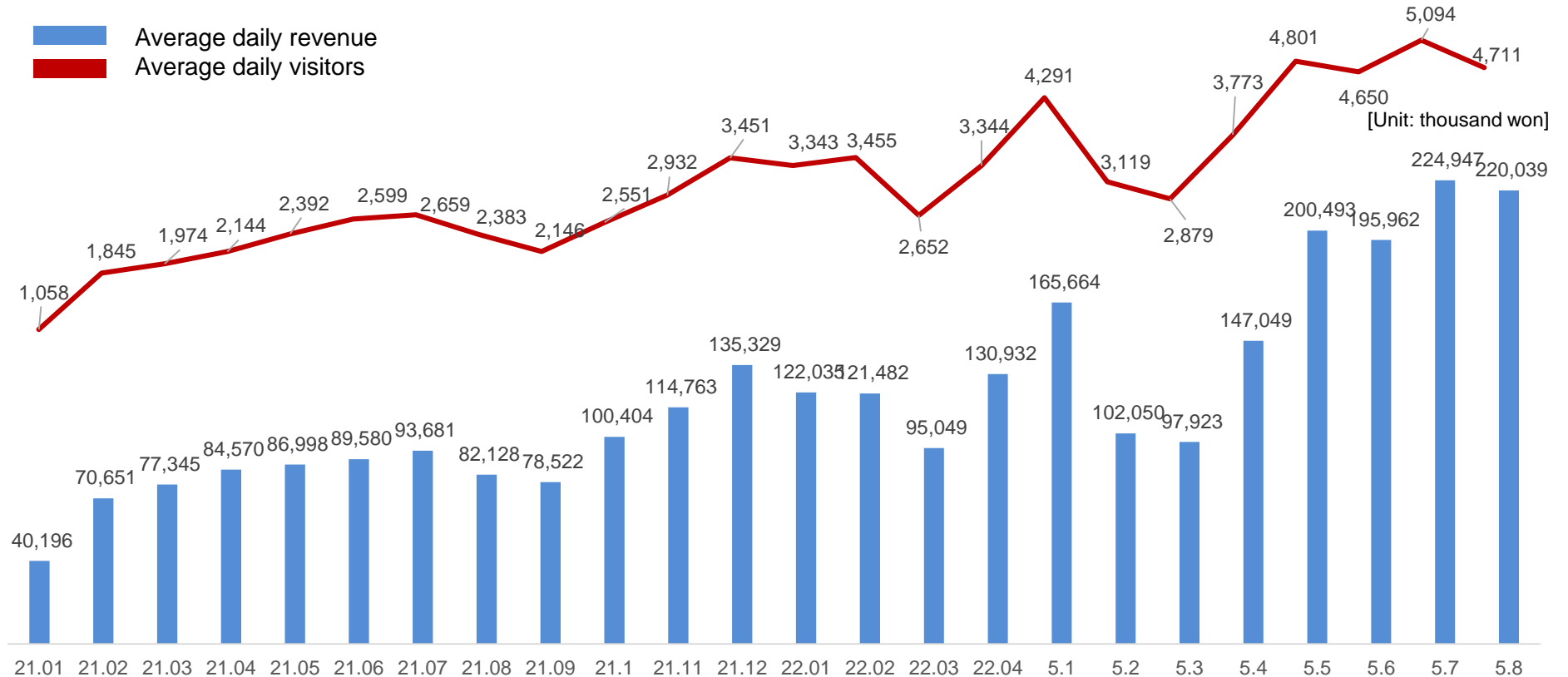
ADR by sales channel (As of April`22)



2-3. Key indicators of hotel F&B

Expansion of average daily revenue driven by price hike¹ and increase of visitors in F&B

Average Daily visitors & Sales



1. Price hike: About 10% increased in April due to increase of raw material costs

3. Casino Business in 1Q 2022

Casino sales of KW 18.5bn in 1Q'22 driven by increase of VIP gambling contribution,
Resumption of Visa free policy and international flights in June will contribute to sales expansion

Casino business performance

[Unit: KW bn]		Total Sales	VIP			Mass		
			Rolling Chip Volume	Hold %	Sales	Mass table Drop	Hold %	Sales
2021	June	4.2	18.2	12.2%	2.2	14.1	14.0%	2.0
	2Q	4.2	18.2	12.2%	2.2	14.1	14.0%	2.0
	July	2.7	59.8	0.5%	0.3	16.4	15.0%	2.5
	Aug.	6.0	53.0	4.6%	2.4	12.2	29.5%	3.6
	Sep.	3.6	21.1	7.7%	1.6	9.4	20.8%	2.0
	3Q	12.3	133.9	3.2%	4.3	38.0	21.1%	8.0
	Oct.	2.8	25.3	3.3%	0.8	9.5	20.9%	2.0
	Nov.	3.4	95.7	1.8%	1.8	9.0	17.9%	1.6
	Dec.	8.2	132.5	5.3%	7.1	8.9	12.1%	1.1
	4Q	14.4	253.5	3.8%	9.7	27.4	17.1%	4.7
2022	Jan.	3.7	106.1	2.7%	2.9	13.4	6.0%	0.8
	Feb.	4.7	123.9	2.5%	3.1	17.3	9.5%	1.6
	Mar.	10.1	88.9	9.4%	8.4	17.7	9.6%	1.7
	1Q	18.5	318.8	4.5%	14.4	48.4	8.6%	4.1

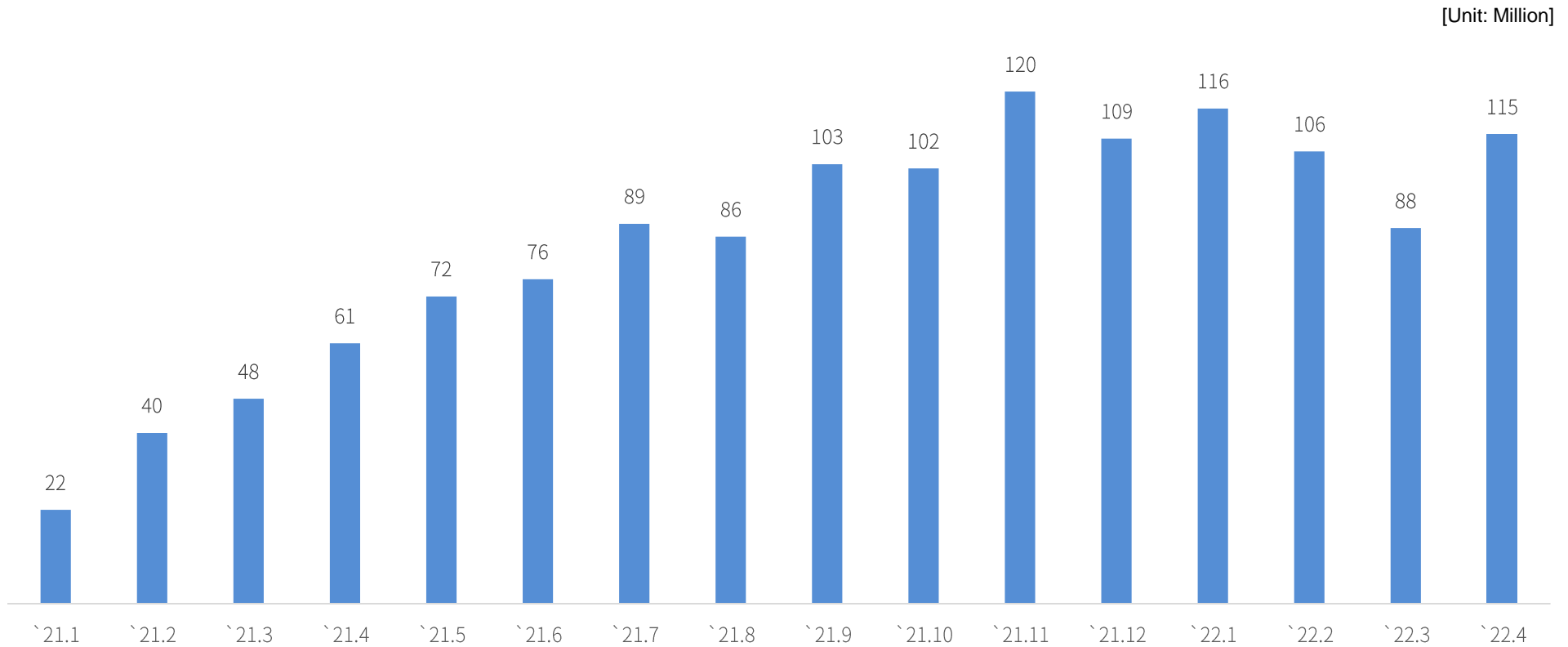
Appendix. Debt statements as of 1Q'22

Interest rate of all debts consist of fixed rate,
Reduction of interest costs based on conversion of convertible bonds into stock

[Unit: KW bn]	Amounts	Interest rate	Issued Date	Expiry Date
Long-term Debts	600.0	4.05%	Nov. 30, 2020	Nov. 30, 2023
	100.0	5.90%	Nov. 30, 2020	Nov. 30, 2023
	700.0	4.31%		
Convertible Bonds	71.1	5.00%	Sep.20, 2019	Sep.20, 2023
	37.0	2.50%	Jan. 15, 2020	Jan. 14, 2024
	57.3	2.50%	Mar. 11, 2021	Jan. 14, 2024
	70.0	4.50%	Nov. 29, 2021	Nov. 29, 2025
	10.0	4.50%	Nov. 29, 2021	Nov. 29, 2025
	245.4			

Appendix. Visitors trend in Jeju (2021~2022)

Foreign visitors will contribute based on resumption of international flights in June



[Source: Jeju Tourism Association]

Appendix. Financial Statements in 1Q'22 (Consolidated)

[Unit: KW bn]	Mar. 2022	Dec. 2021
I. Current Assets	61.3	91.3
Cash and Cash Equivalents	45.7	75.9
Trade Account Receivables	2.0	2.6
Non-Trade Account Receivables	0.5	1.0
Inventories	7.2	6.6
Other Current Assets	5.9	5.2
II. Non-Current Assets	1,245.2	1,206.4
Property, Plant and Equipment	921.5	935.5
Intangible Assets	50.3	50.9
Lease Assets	233.6	180.2
Others	39.8	39.8
Total Assets	1,306.5	1,297.8
I. Current Liabilities	230.1	261.5
Trade Account Payables	4.0	8.3
Short-term Borrowings	35.7	43.7
Short-term Lease Liabilities	19.2	39.2
Short-term Convertible Bonds	68.5	66.4
Non-Trade Account Payables	50.0	23.7
Others	52.7	80.2
II. Non-Current Liabilities	1,033.8	982.4
Long-term Borrowings	678.0	674.9
Convertible Bonds	112.9	147.3
Lon-term Leased Liabilities	215.4	135.5
Others	27.5	24.7
Total Liabilities	1,263.9	1,243.9
Total Equity	42.6	53.9

[Unit: KW bn]	1Q'22	1Q'21
Operating Revenue	43.1	12.2
Operating Expenses	70.3	50.0
Operating Income (Loss)	(27.2)	(37.8)
Other Income	0.004	0.014
Other Expenses	0.097	0.3
Financial Income	0.97	0.13
Financial Expenses	4.93	19.8
Pre-Tax Income (Loss)	(49.3)	(58.3)
Income Tax Expense	(0.84)	(3.8)
Net Income (Loss)	(48.4)	(54.5)
Net Income attributable to Owners of the Company	(48.4)	(54.4)
Net Income attributable to Non-controlling Interests	(0.002)	(0.07)

Appendix. Financial Statements in 1Q'22 (Non Consolidated)

[Unit: KW bn]	Mar. 2022	Dec. 2021
I. Current Assets	68.0	109.6
Cash and Cash Equivalents	30.5	63.8
Trade Account Receivables	18.5	15.7
Non-Trade Account Receivables	3.4	3.6
Inventories	6.1	5.5
Other Current Assets	9.5	21.0
II. Non-Current Assets	1260.8	1209.5
Property, Plant and Equipment	811.1	822.1
Intangible Assets	5.4	5.8
Lease Assets	233.3	179.9
Investment Assets	84.9	86.7
Others	126.1	115.0
Total Assets	1328.8	1319.1
I. Current Liabilities	210.5	245.0
Trade Account Payables	4.0	8.3
Short-term Borrowings	35.1	43.1
Short-term Lease Liabilities	19.0	39.1
Short-term Convertible Bonds	68.5	66.4
Non-Trade Account Payables	45.0	50.8
Others	38.9	37.3
II. Non-Current Liabilities	1027.2	976.7
Long-term Borrowings	678.0	674.9
Convertible Bonds	112.9	147.3
Lon-term Leased Liabilities	215.3	135.3
Others	21.0	19.2
Total Liabilities	1237.7	1221.7
Total Equity	91.1	97.4

[Unit: KW bn]	1Q'22	1Q'21
Operating Revenue	34.6	12.6
Operating Expenses	57.7	48.3
Operating Income (Loss)	(23.1)	(35.6)
Other Income	0.14	0.01
Other Expenses	0.10	0.30
Financial Income	1.4	0.16
Financial Expenses	22.9	19.7
Pre-Tax Income (Loss)	(44.5)	(55.5)
Income Tax Expense	(0.84)	(3.8)
Net Income (Loss)	(43.7)	(51.7)