



Investor Relations

August, 2023

All information regarding management performance and financial results of Harim Holdings (the “Company”) for the 2nd Quarter of fiscal year 2023 as contained herein has been prepared in accordance with Korean International Financial Reporting Standards (“K-IFRS”).

Please note that as the forward-looking statements contained herein are based on the current market situation and the Company’s management direction, they are subject to change according to the changes in future market environment and business strategy.

The information contained herein should not be utilized for any legal purposes in regard to investors’ investment results. The Company hereby expressly disclaims any and all liability for any loss or damage resulting from the investors’ reliance on the information contained herein.

CONTENTS

Chapter 01 Company Overview

Chapter 02 Performance

Chapter 03 Highlights

Appendix

Chapter 01 **Company Overview**

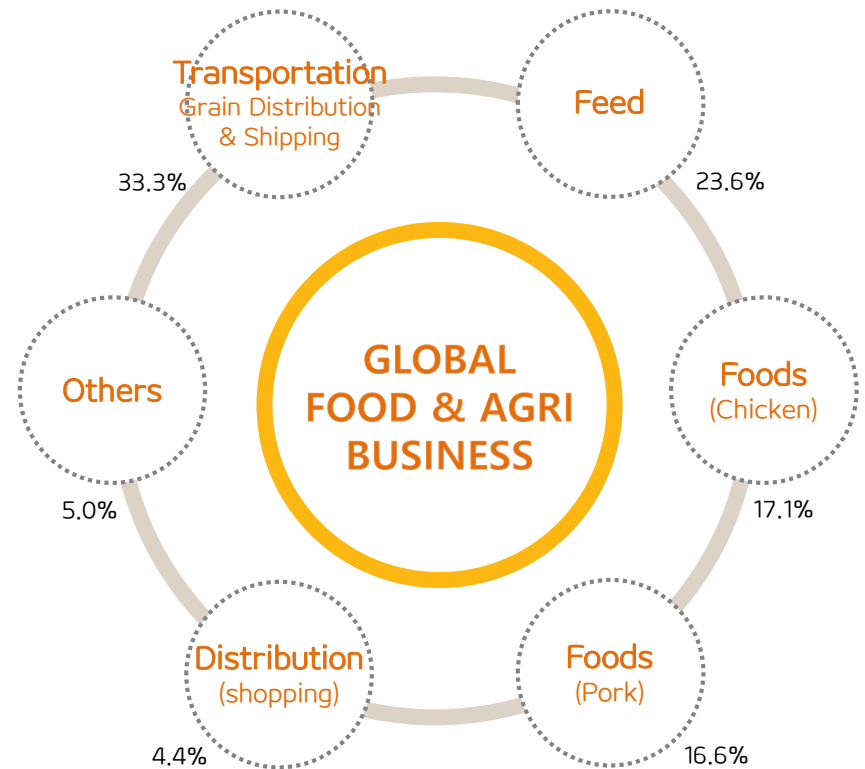
01. Company Overview

○ Company Profile

As of June 30, 2023

Name	Harim Holdings Co., Ltd.
CEO	Hong Kuk, Kim
Established	April 1, 1950 (Investment and Business sectors divided on January, 2011)
Listed	June 30, 2017 (KOSDAQ)
Capital	11.2 Billion KRW
Employees	69
Major Function	Non-financial holding company (Subsidiary Management Consulting)
Address	121, Jungang-ro, Iksan-si, Jeollabuk-do, Korea
Affiliates	76 (Harim, Sunjin, Farmsco, Pan Ocean, Jeil Feed, NS Shopping etc.)
Overseas	31 (China, U.S., Vietnam, Philippines, Indonesia etc.)
Website	www.harimholdings.com

○ Major Businesses



- 1st Half of 2023 K-IFRS Consolidated, Revenue Breakdown (Includes 9,970 billion KRW in inter-company transactions)

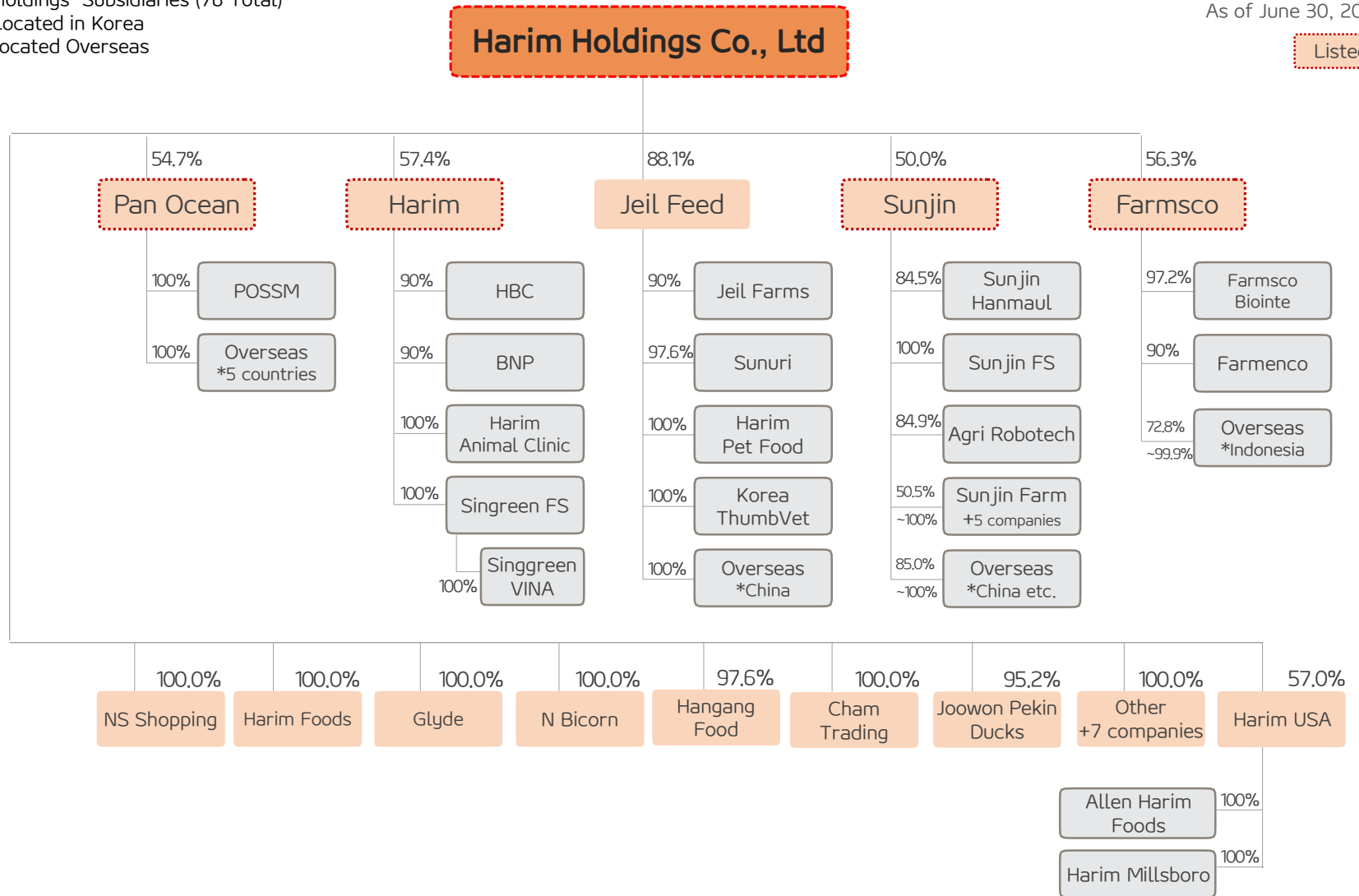
02. Corporate Governance

Harim Holdings' Subsidiaries (76 Total)

- 45 Located in Korea
- 31 Located Overseas

As of June 30, 2023

Listed



03. Core Competence

Feeding the World Through Vertically Integrated Companies



Grain Farm



Country elevator



River / Terminal elevator



Export elevator



(Urban Distribution Center)



Meat



Meat Processing



Livestock



Feed mill



Food



Food Processing



Farm land



Nature



Table

- ✓ Combined with Pan Ocean, an international bulk carrier company, we have entered the global grain distribution business and are now making our place at the top of the food chain.
- ✓ We have strengthened our competitiveness by managing the food chain from farm to table by establishing a direct procurement system for the basic ingredients of all foods.

A Global Food Company that Enriches Human Life

Global 1st. Productivity

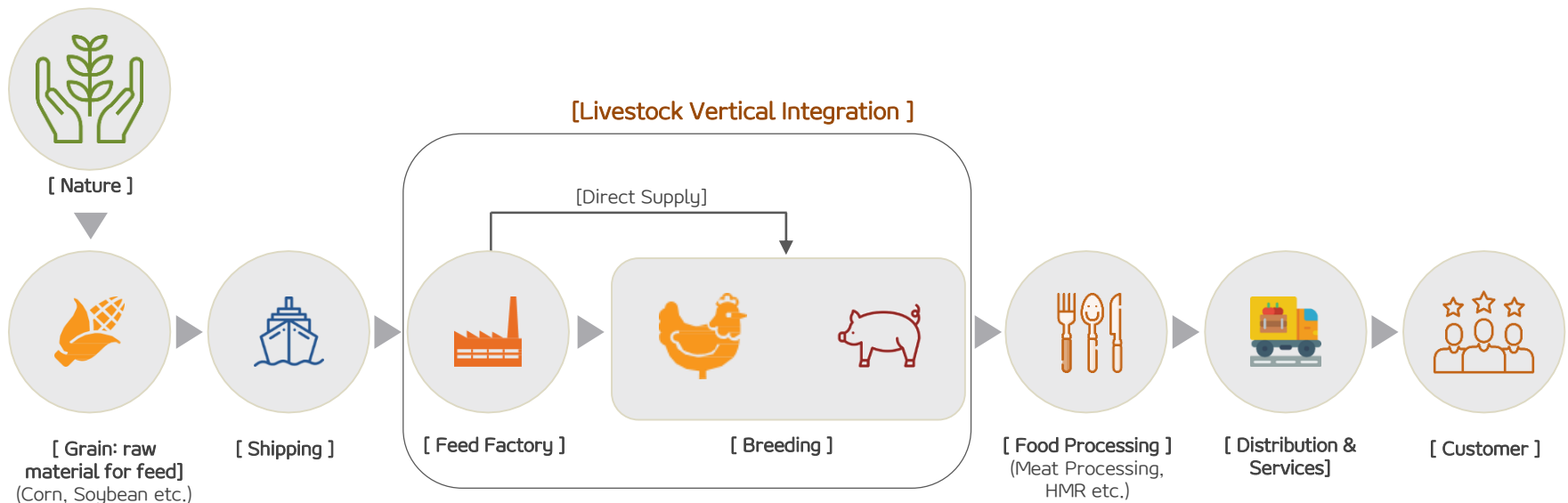


Chapter 02 Performance

01. Business Areas; Success based on the best Vertical Integration System



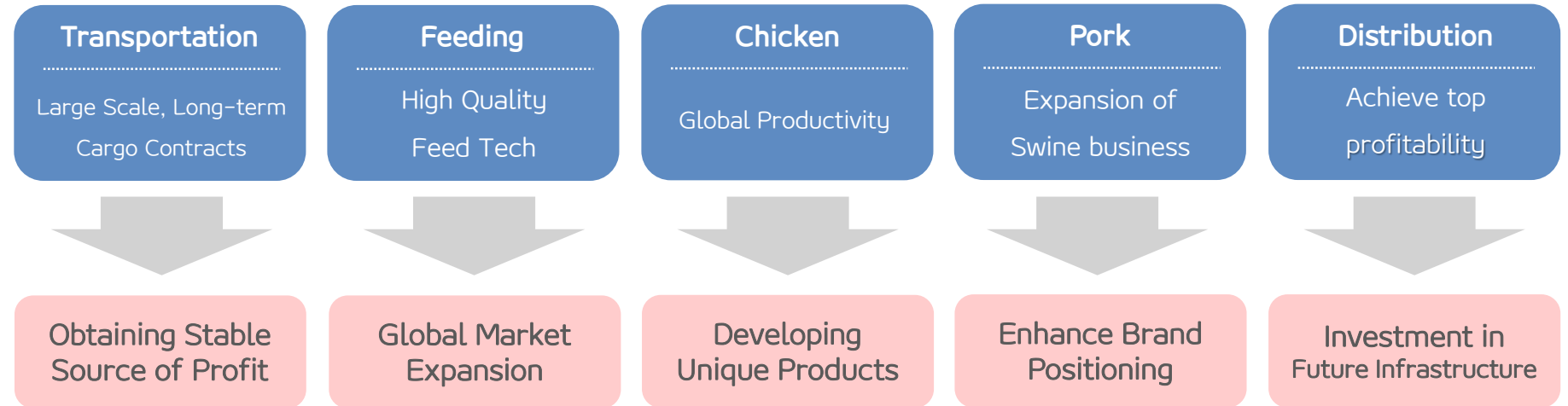
A pioneer of vertically integrated companies in Korea,
"Nature to Table"



02. Key Events

○ Business Summary

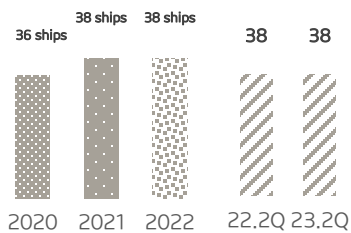
- Strengthened business competitiveness by focusing on core business groups and new business
 - Promote to maximize future growth engine



[Long-term Cargo Contracts]

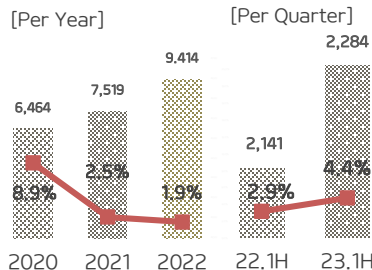
- Remaining: 12.1 years (as of June, 30 2023)
- Vessels under construction : 18 ships (2023 ~ 2026)

[Per Year] [Per Quarter]



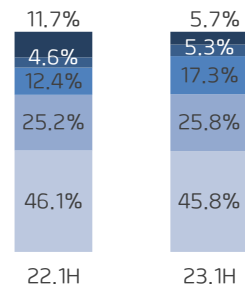
[Overseas Market]

- Revenue(last 3 years) CAGR 20.7%
- Revenue & Profit Ratio (in hundred million KRW)



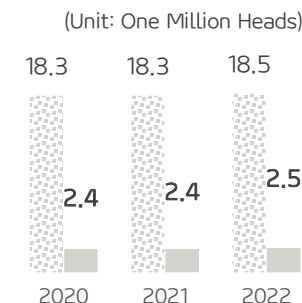
[High Value Products]

■ Packaged ■ Cut Meat
■ Processed ■ Seasoned



[Integration Expansion]

- Expanding Capacity



[Estate Development]

- Yangjae, Seoul
 - Verification Committee's ended advisory process as of July, 2022
 - Submitted approval application for urban high-tech logistics complex development plan as of November, 2022

■ Food

- Launched Home Meal Kit(HMR)

* Glyde (<https://m.glyde.co.kr>)
Products : Cheese pizza etc.

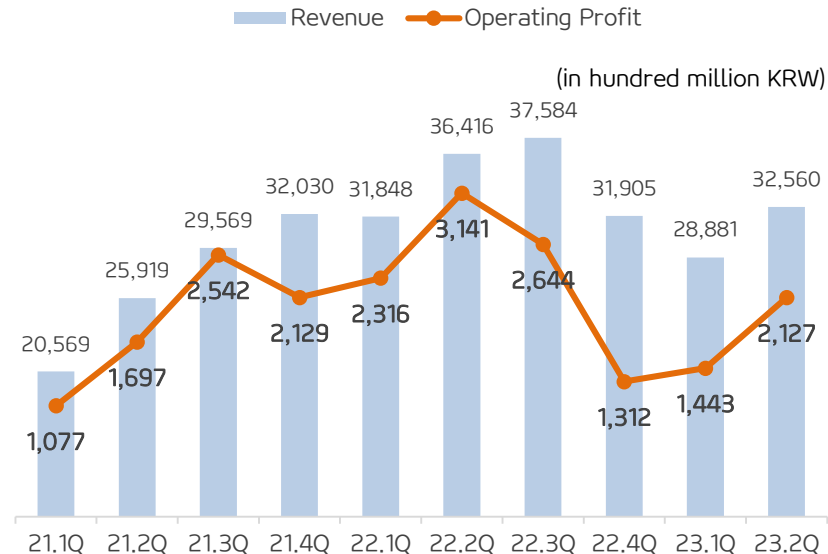
* The-Mishik (<https://the-mishik.com/>)
Products : Jang-in Ramen etc.

03. Earnings Review

Financial Highlights

(in hundred million KRW)

Category	22.1Q	22.2Q	22.3Q	22.4Q	23.1Q	23.2Q
Revenue	31,209	35,673	38,965	31,905	28,881	32,560
Operating Profit	2,307	3,131	2,663	1,312	1,443	2,127
Op Profit to Revenue(%)	7.39%	8.78%	6.83%	4.11%	5.00%	6.53%



- FY2023 2Q Revenue 61,441 billion KRW(YoY -8.1%), Operating Profit 3,570 billion KRW(YoY -34.4%)
 - **Transportation**, Despite an increase in volume due to rising demand in shipping and cargo, financial performance has declined due to market conditions and decreasing oil prices.
 - **Feed**, Operating profit increased by 95.2% compared to the same period last year, driven by higher selling prices of key products in response to the rising cost of feed and grains.
 - **Food, (Pork)** pork division experienced a 13.2% decrease in operating profit due to increased production costs caused by higher feed prices (Overseas) reduced revenue from sluggish consumer spending overseas and feed price hikes.
 - **Food, (Chicken)** Within the food sector, the expansion of high-value products such as packaged and premium chicken cuts led to improved profitability (Overseas) sales declined and performance worsened due to rising production costs for breeding and feeding.
 - **Distribution**, In the distribution sector, high competition in the mobile platform space for home shopping led to reduced sales and decreased profitability due to higher broadcasting fees

Stabilization of Business Portfolio & Strengthening Market Competitiveness

- Establish strong virtuous cycle structure: from profit to growth to market dominating power
- Hedge risks through balanced business portfolio diversification
- Expand foundation for food and livestock business integration and implement higher value-added HMR businesses

03. Earnings Review

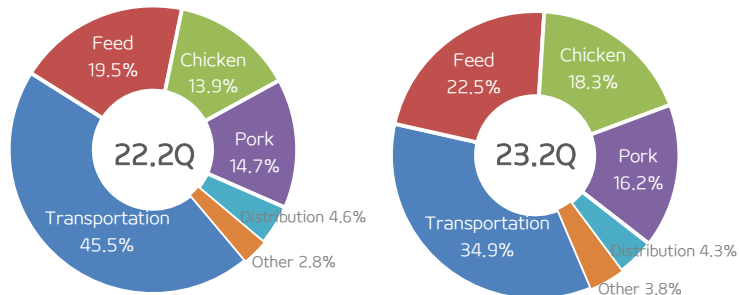
○ Quarterly(23.1Q) Performance per Segment

● Revenue

(in hundred million KRW)

Category	22.2Q	23.1Q	23.2Q	YoY	QoQ
Transportation (Grain & Shipping)	18,176	10,696	13,079	-28.0%	22.3%
Feed	7,964	8,401	8,448	6.1%	0.6%
Food	11,687	11,127	12,945	10.8%	16.3%
Chicken	5,661	5,391	6,856	21.1%	27.2%
Pork	6,026	5,736	6,088	1.0%	6.1%
Distribution	1,800	1,515	1,610	-10.6%	6.3%
Other	1,231	2,184	1,406	14.2%	-35.6%
Total	40,858	33,923	37,488	-8.2%	10.5%
Inter-company Transactions	-5,185	-5,042	-4,928	-	-
Consolidated	35,673	28,881	32,560	-8.7%	12.7%

Sales Ratio

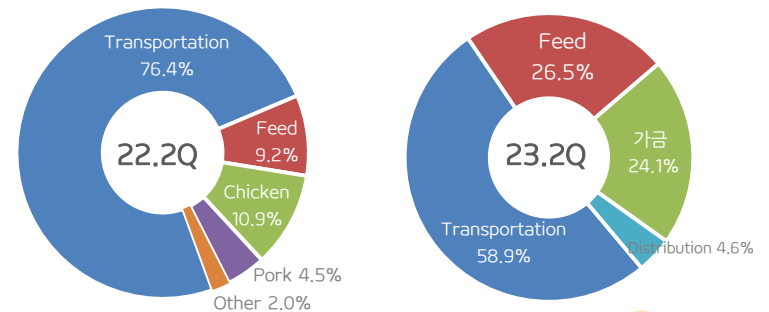


● Operating Profit

(in hundred million KRW)

Category	22.2Q	23.1Q	23.2Q	YoY	QoQ
Transportation (Grain & Shipping)	2,391	1,135	1,252	-47.6%	10.3%
Feed	289	447	564	95.2%	26.2%
Food	483	-196	442	-8.5%	325.5%
Chicken	343	-137	511	49.0%	473.0%
Pork	140	-59	-69	149.3%	-16.9%
Distribution	114	38	99	-40.3%	160.5%
Other	-300	683	-421	-35.0%	-161.6%
Total	2,977	2,106	1,936	-35.0%	-8.1%
Inter-company Transactions	155	-663	189	-	-
Consolidated	3,131	1,443	2,127	-47.3%	32.1%

Operating Profit Ratio



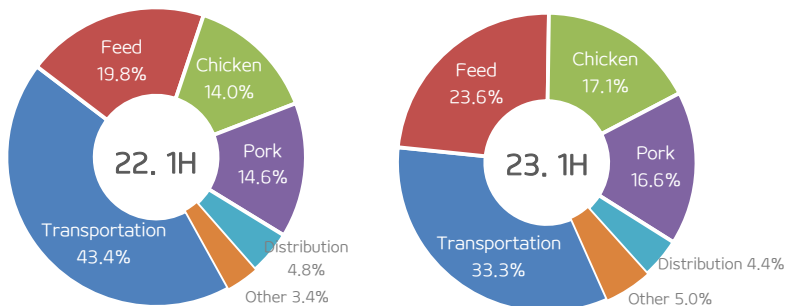
03. Earnings Review

○ Annual Performance per Segment

● Revenue

Category	(in hundred million KRW)					
	2020	2021	2022	22.1H	23.1H	YoY
Transportation (Grain & Shipping)	27,387	48,894	67,807	33,223	23,775	-28.4%
Feed	21,899	27,083	32,984	15,195	16,849	10.9%
Food	30,582	35,973	46,085	21,860	24,071	10.1%
Chicken	13,914	16,610	22,551	10,700	12,247	14.5%
Pork	16,668	19,363	23,534	11,160	11,824	5.9%
Distribution	6,609	6,588	6,067	3,505	3,126	-10.8%
Other	2,790	2,051	5,400	2,785	3,590	28.9%
Total	89,267	120,589	158,343	76,568	71,411	-6.7%
Inter-company Transactions	-12,227	-14,398	-	-9,686	-9,970	-
Consolidated	77,040	106,191	137,753	66,882	61,441	-8.1%

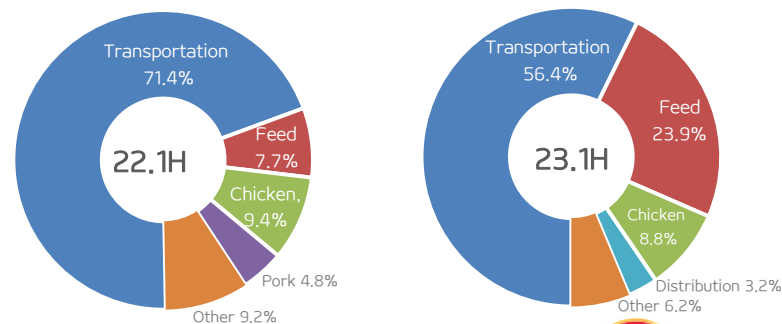
Sales Ratio



● Operating Profit

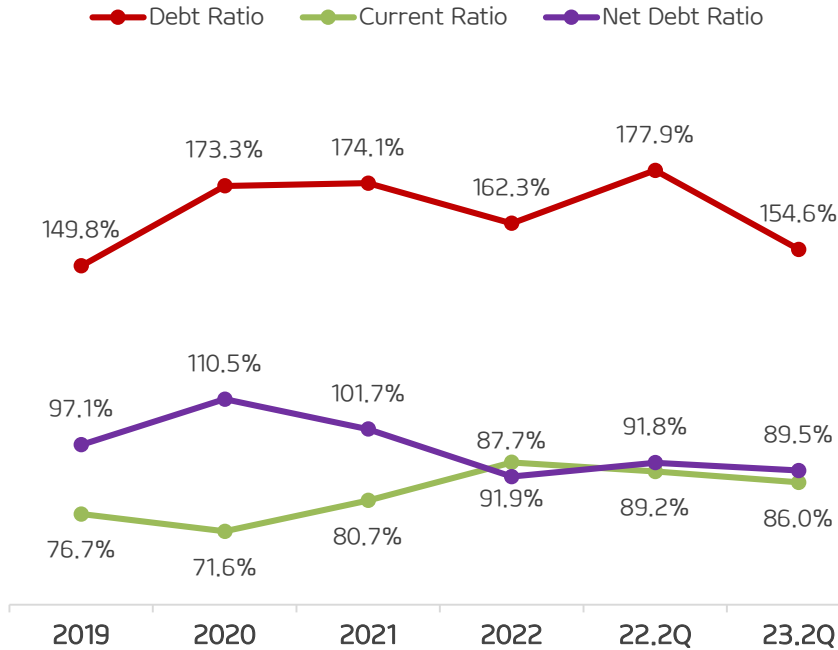
Category	(in hundred million KRW)					
	2020	2021	2022	22.1H	23.1H	YoY
Transportation (Grain & Shipping)	2,279	5,737	7,921	4,094	2,386	-41.72%
Feed	1,230	823	986	440	1,011	129.77%
Food	-1,008	375	237	816	248	-69.61%
Chicken	-1,416	-169	349	541	375	-30.68%
Pork	408	544	-112	275	-127	-146.18%
Distribution	373	-38	287	180	136	-24.44%
Other	40	223	-289	50	262	424.00%
Total	2,914	7,120	9,142	5,580	4,043	-27.54%
Inter-company Transactions	623	298	271	-142	-473	-
Consolidated	3,537	7,418	9,413	5,438	3,570	-34.35%

Operating Profit Ratio



03. Earnings Review

○ Key Stability Indicator



Ratio	2020	2021	2022	22.2Q	23.2Q
Debt to Equity	173.3%	174.1%	162.3%	177.9%	154.6%
Debt Dependency	49.0%	47.6%	46.0%	46.5%	46.0%
Current	71.6%	80.7%	91.9%	89.2%	86.0%

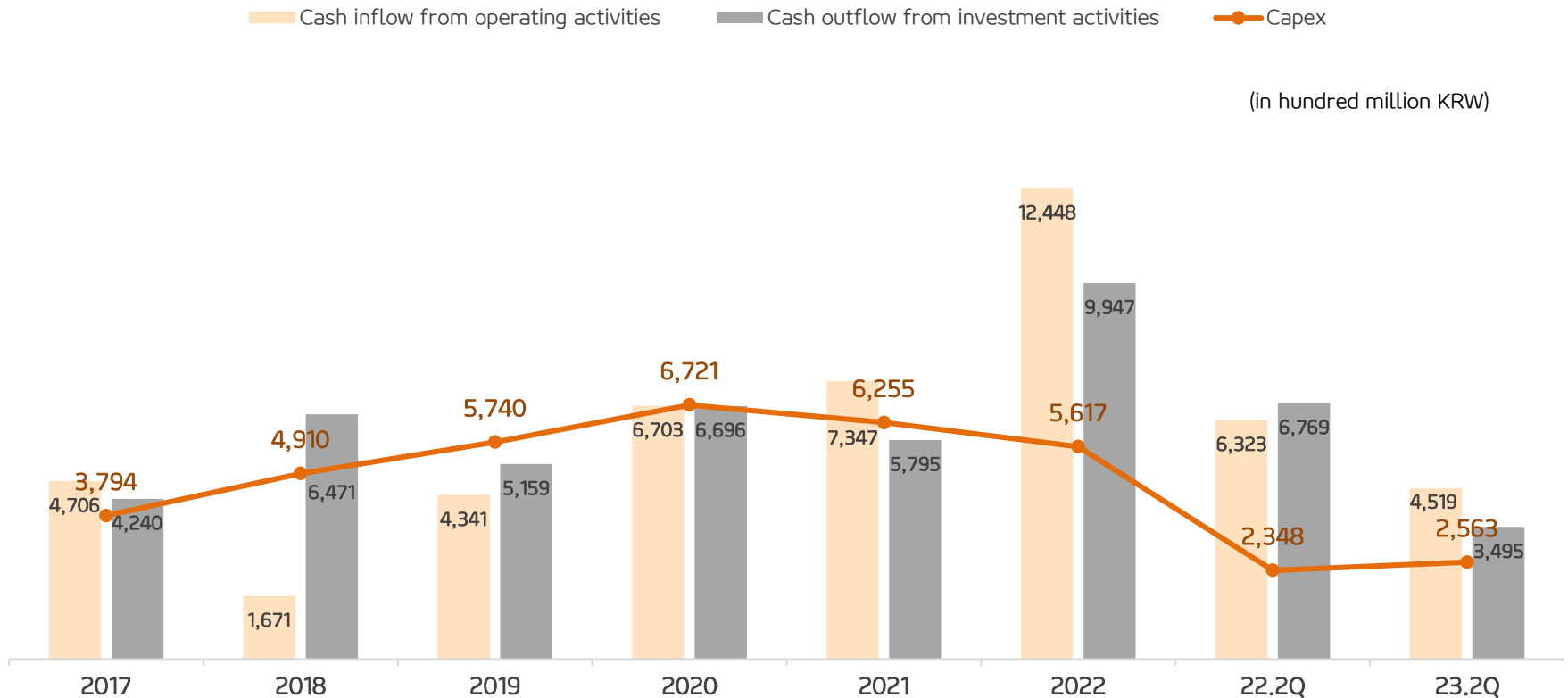
○ Financial Position (Summarized)

(in hundred million KRW)

Account	2020	2021	2022	22.2Q	23.2Q
Assets	94,305	116,182	132,690	135,690	136,132
Current assets	27,445	37,567	47,564	49,804	47,004
Cash and Cash equivalents	7,231	10,685	12,611	18,212	14,742
Inventories	5,241	7,150	9,579	8,915	8,462
Non-current assets	66,860	78,615	85,126	85,886	89,129
Liabilities	59,801	73,796	82,096	86,870	82,673
Current liabilities	38,354	46,574	52,205	55,839	54,663
Non-current liabilities	21,447	27,222	29,891	31,031	28,010
Equity	34,504	42,386	50,594	48,820	53,459
Borrowings and bonds	46,168	55,358	61,032	63,050	62,612
Net debt to equity	38,116	43,094	44,376	44,838	47,870

03. Earnings Review

○ Capital Investment Activities



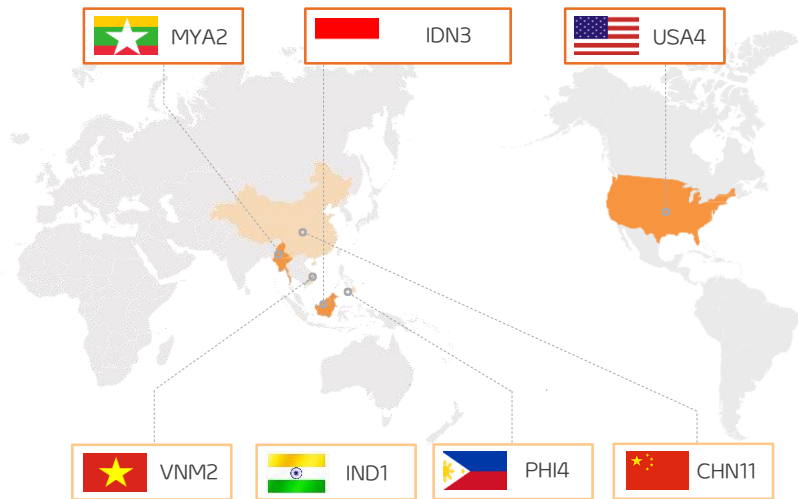
● Diversification of Business Portfolios and Implement Future Growth Engine

- 2016. Purchased land for urban distribution center(Yangjae) and built new vessels
- 2017. Remodeled Harim chicken processing plant and purchased vessels; invested in overseas feed facility (Indonesia)
- 2018. Invested in food processing businesses (feed, chicken, pork, etc.) and built new vessels
- 2019~21. Invested in infrastructure for food businesses and processing facilities and built new vessels
- 2022~. Improved infrastructure for manufacturing based processing facilities and built new vessels

Chapter 03 Highlights

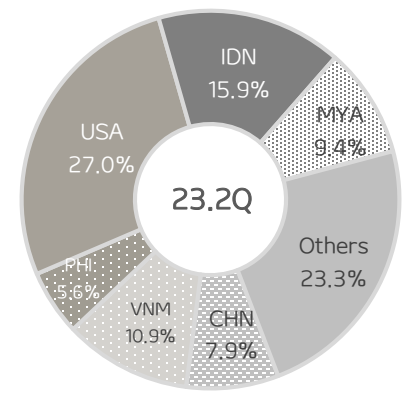
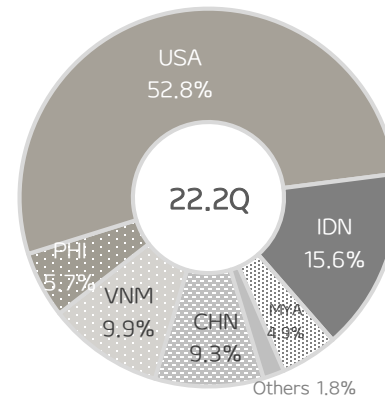
01. Expansion Overseas; Based on Cutting-Edge Technology

Overseas Businesses

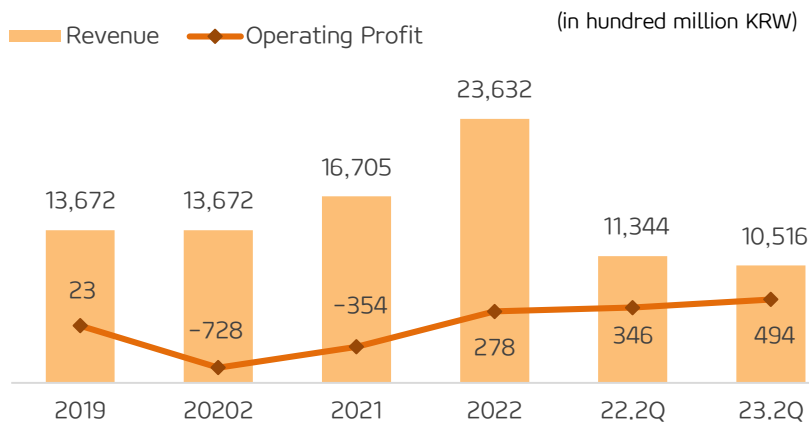


Ratio Components (based on revenue)

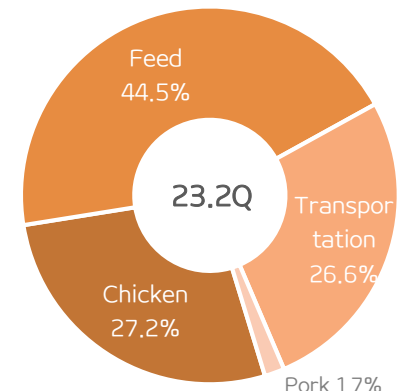
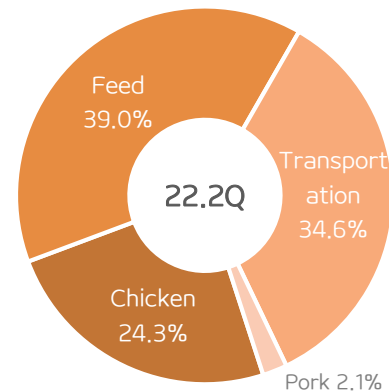
Per Country



Performance Total

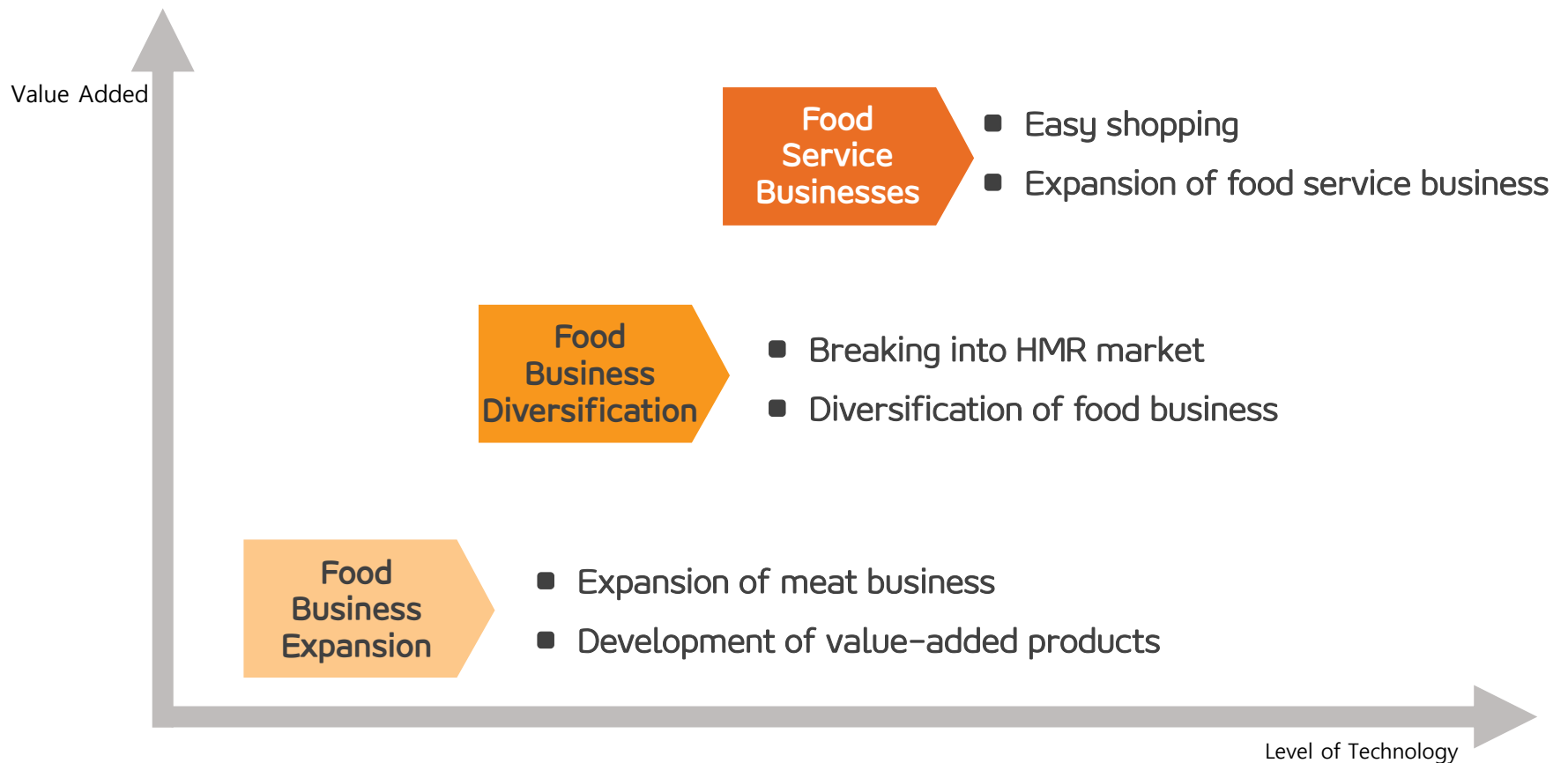


Per Sector



02. Food, Expanding Higher Value-Adding Businesses

- Established Food & Agri Business by implementing a direct lookup system of farm history(Grain to Table)
 - Expanded profit model using accumulated experience and data of meat businesses
- Expansion of Value-Adding Food Businesses



03. Transportation(Shipping), Securing a Stable Revenue Base

○ Global No.1 Bulk Carrier, providing Global Delivering Services

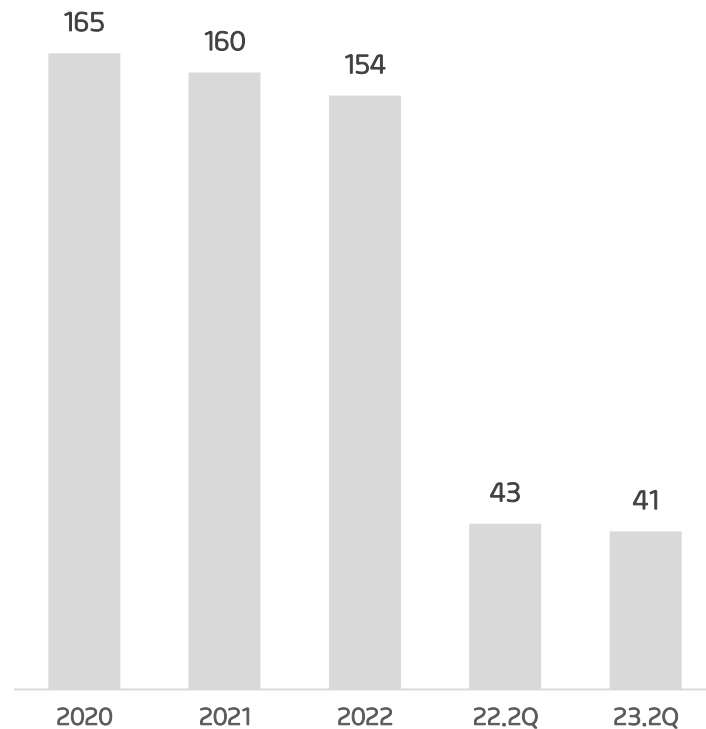
- Obtained stabilized business by focusing on overseas long-term delivery contract (CVC)
- Completed world-wide food delivery network (South & North Americas and Eastern Europe)
- Acquiring 18 new vessels to help strengthen business

● Long-term Cargo Contracts (CVC)

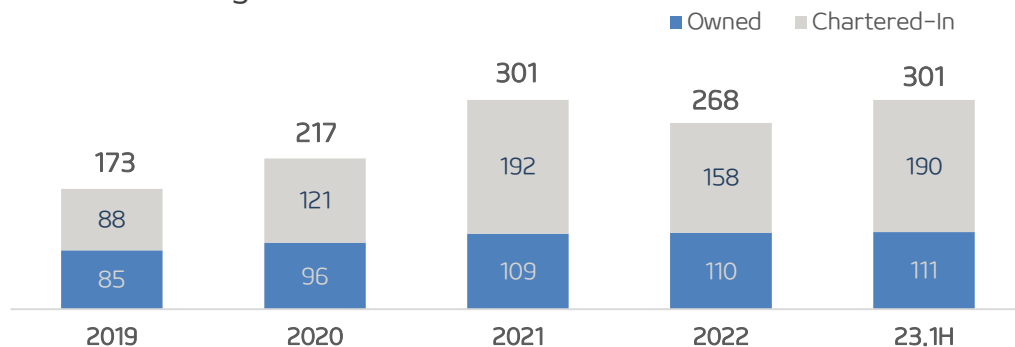
Category	Vale	Fibria	Subsidiary of KEPCO	POSCO	Hyundai Steel	GALP	SHELL
No. of Operating Vessels	16	10	6	4	2	1	1
Remaining (year) / ship	15.3	13	6.7	5.7	8.9	4.5	4.9
Total	40 ships / 12.1 years						

● Grain Distribution Business Trend (2nd Quarter)

(Units: MT)

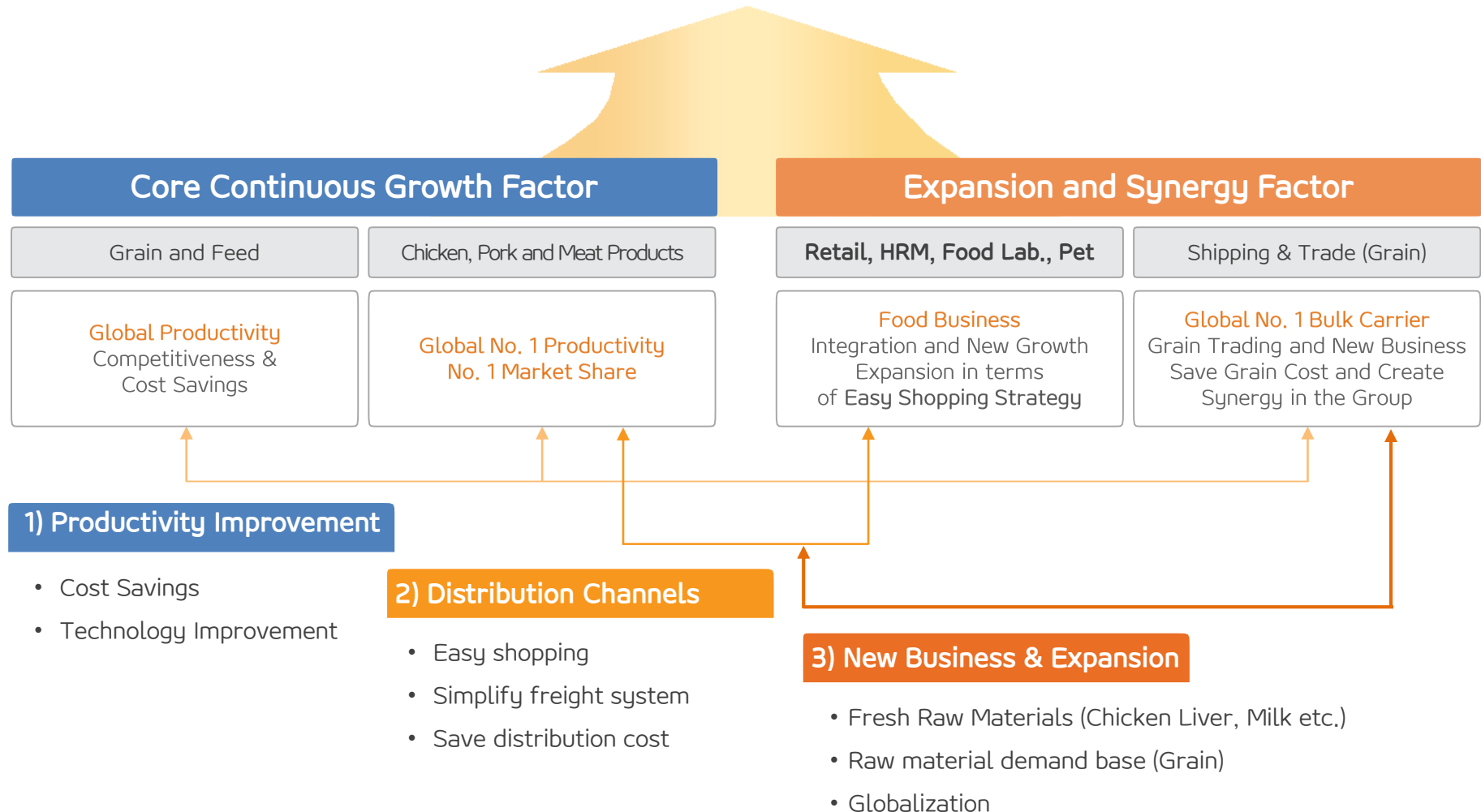


● Fleet Changes



04. Creating Profit and Synergy through Food Value Chain

"Only One Food & Agribusiness Total Value Chain in the World"



Appendix

○ Consolidated Financial Statements

● Financial Position

(in million KRW)

Account	2022	2023.2Q	YoY
Current assets	4,756,366	4,700,354	-56,012
<i>Cash and cash equivalents</i>	1,261,107	1,107,579	-153,528
<i>Short-term financial instruments</i>	404,422	366,622	-37,800
<i>Trade and other receivables</i>	1,157,240	1,199,088	41,848
<i>Inventories</i>	957,902	846,155	-111,747
<i>Biological assets</i>	367,830	431,461	63,631
Non-current assets	8,512,622	8,912,854	400,232
Total assets	13,268,988	13,613,208	344,220
Current liabilities	5,220,519	5,466,304	245,785
Non-current liabilities	2,989,085	2,801,006	-188,079
Total liabilities	8,209,604	8,267,310	57,706
Capital	11,242	11,242	-
Additional paid in capital	1,083,600	1,109,806	26,206
Others	49,259	129,361	80,102
Retained earnings	1,576,701	1,622,705	46,004
Non-controlling interest	2,338,582	2,472,784	134,202
Total equity	5,059,384	5,345,898	286,514

*Numbers based on K-IFRS regulations for consolidated financial reports

● Comprehensive Income

(in million KRW)

Account	2022.2Q	2023.2Q	YoY
Revenue	6,826,398	6,144,143	-682,255
Cost of sales	5,654,196	5,124,124	-530,072
Gross profit	1,172,203	1,020,019	-152,184
Selling and administrative expenses	626,516	663,040	36,524
Operating profit	545,686	356,979	-188,707
Other non-operating income	140,770	166,657	25,887
Other non-operating expense	332,765	336,067	3,302
Profit before income tax	353,691	187,569	-166,122
Income tax expense	32,894	14,837	-18,057
Net profit	320,798	172,732	-148,066

*Numbers based on K-IFRS regulations for consolidated financial reports

○ Non-Consolidated Financial Statements

● Financial Position

(in million KRW)

Account	2022	2023.2Q	YoY
Current assets	137,978	135,634	-2,344
Non-current assets	2,374,523	2,428,766	54,243
Total assets	2,512,501	2,564,399	51,898
Current liabilities	728,938	809,171	80,233
Non-current liabilities	387,330	270,916	-116,414
Total liabilities	1,116,268	1,080,086	-36,182
Capital	11,242	11,242	-
Additional paid In capital	1,319,282	1,345,724	26,442
Others	-151,895	-146,537	5,358
Retained earnings	217,604	273,884	56,280
Total equity	1,396,233	1,484,313	88,080

*Numbers based on K-IFRS for non-consolidated financial reports regulations

● Comprehensive Income

(in million KRW)

Account	2022.2Q	2023.2Q	YoY
Operating revenues	53,323	92,451	39,128
Operating expenses	6,973	8,436	1,463
Operating profit	46,349	84,015	37,666
Other non-operating income	20,501	13,181	-7,320
Other non-operating expenses	27,692	28,872	1,180
Profit before tax	39,158	68,325	29,167
Tax Expenses	1,066	-1,496	-2,562
Net profit	38,091	69,821	31,730

*Numbers based on K-IFRS for non-consolidated financial reports regulations

○ Performance per Sector

● Revenue

(in hundred million KRW)

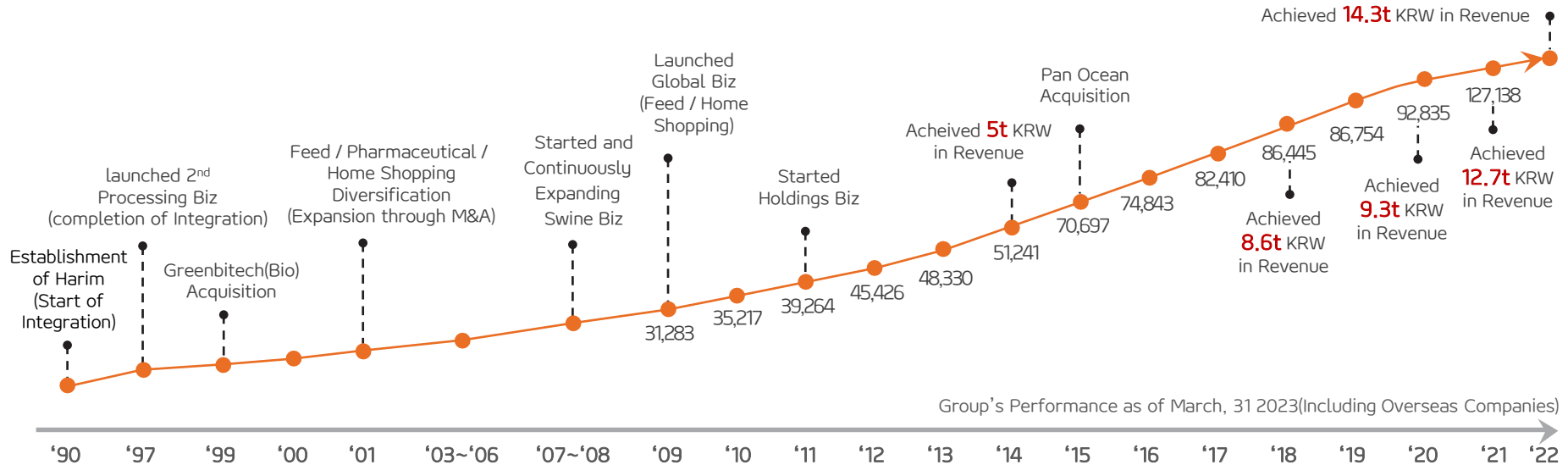
Category	22.1Q	22.2Q	22.3Q	22.4Q	23.1Q	23.2Q
Transportation (Grain & Shipping)	15,047	18,176	19,421	15,163	10,696	13,079
Feed	7,231	7,964	8,697	9,093	8,401	8,448
Food	10,172	11,687	12,217	10,705	11,127	12,945
Chicken	5,039	5,660	5,839	6,012	5,391	6,856
Pork	5,133	6,026	7,681	4,693	5,736	6,088
Distribution	1,705	1,800	2,036	526	1,515	1,610
Others	1,554	1,231	762	1,853	2,184	1,406
Total	35,709	40,858	44,436	37,339	33,923	37,488
Inter-company transactions	-4,501	-5,185	-5,470	-5,434	-5,042	-4,928
Consolidated	31,209	35,673	38,965	31,905	28,881	32,560

● Operating Profit

(in hundred million KRW)

Category	22.1Q	22.2Q	22.3Q	22.4Q	23.1Q	23.2Q
Transportation (Grain & Shipping)	1,702	2,391	2,249	1,579	1,134	1,252
Feed	151	289	260	286	447	564
Food	334	506	-16	-596	-196	443
Chicken	198	342	858	-278	-137	512
Pork	136	140	-70	-318	-59	-69
Distribution	66	114	-598	705	38	99
Others	351	-300	560	-899	683	-421
Total	2,603	2,977	2,487	1,075	2,106	1,936
Inter-company transactions	-296	156	175	237	-663	189
Consolidated	2,307	3,141	2,645	1,312	1,443	2,127

Appendix



I 1978~1999 I

Poultry Biz Entry & Growth

- '78 Established Poultry Farms
- '86 Established Harim Foods Co., Ltd.
- '90.10 Established Harim Co., Ltd. (Start of Intergration)
- '97.09 Built Harim Meat Processing Plant (completion of Integration)
- '99.12 Acquired Greenbitech Co., Ltd.

I 2000~2008 I

Diversification of Integrated Biz (Distribution Expansion)

- '01.01 Acquired Jeil Feed Co., Ltd.
- '01.07 Acquired Korea ThumbVet Co., Ltd.
- '01.08 Established Orpum Co., Ltd.
- '01.05 Established NS Shopping Co., Ltd.
- '01.12 Started Harim Group
- '02.03 Acquired Joowon Pekin Ducks Co., Ltd.
- '06.03 Established SUZHOU Feed Co., Ltd.
- '07.10 Acquired Sunjin Co., Ltd.
- '08.04 Established TIELING Feed Co., Ltd.
- '08.06 Acquired Hangang CM Co., Ltd.
- '08.10 Acquired Farmsco Co., Ltd.

I 2009~2017 I

Expansion of Overseas & New Business

- '09.02 Established Qingdao Feed Co., Ltd.
- '09.09 Established PT Harim Farmsco
- '10.04 Established Ecocapital Co., Ltd.
- '11.01 Started Holdings Company
- '11.08 Established Liaocheng Feed Co., Ltd.
- '11.09 Acquired Allen Family Foods (Started business in the U.S.)
- '13.09 Established Sunjin Myanmar Co., Ltd.
- '15.06 Acquired Pan Ocean Co., Ltd.
- '17.05 Appointed as Conglomerate
- '17.06 Listed Jeil Holdings Co., Ltd.
- '17.08 Started feed & poultry Biz in Indonesia

I 2018~Present I

Portfolio Rebuilding & Expansion

- '17.04 Established Harim Pet Food Co., Ltd.
- '18.07 Single holding company system (Harim Holdings Co., Ltd.)
- '18 Remodeling of Processing Plant(Harim)
- '19.12 Harim Industry Co., Ltd. took over Harim Foods Co., Ltd.
- '20.03 Harim Co., Ltd. took over Greenbytech Co., Ltd.
- '20.06 Built Harim Industry Co., Ltd. HMR Food Plant
- '20.11 Established Harim Food Co., Ltd.
- '22.03 Stock Exchange with NS Shopping Co., Ltd.
- '22.12 Merged NS Shopping Co., Ltd. with Harim Holdings Co., Ltd.
- '23.02 Merged Harim Industry Inc. with HS Foods



We are designing a strong and healthy future
as a food & agribusiness company.