



We Create Connected Experiences that Matter

First Quarter Earnings Release

April 29, 2021

Cheil

The financial information in this document is consolidated earning results based on K-IFRS.

This document is provided for investors' information before Q1 FY 2021 reviewed financial statements are released. The review outcomes may cause some parts of this document to be revised.

This document contains "forward-looking statements" - that is, statements related to future, not past events.

In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", or "will". Forward-looking statements by their nature address matters that are, to different degrees, uncertain.

For us, particular uncertainties which could adversely or positively affect our future results include: the behavior of financial markets, including fluctuations in exchange rates, interest rates and commodity prices; strategic actions including dispositions and acquisitions. These uncertainties may cause our actual results to be materially different from those expressed in this document.

- Q1 2021 Summary
- Financial Summary (K-IFRS consolidated)
- Consolidated Revenue
- Consolidated Operating Income
- Q1 2021 Business Performance
- 2021 Annual Outlook

1

Financial Performance

GP +6%

OP +34%

- ✓ Resumed top line growth showing rapid recovery
- ✓ Achieved largest Q1 OP Improving profitability

2

GEO Markets

NA +28%

China +23%

HQ +11%

- ✓ Strong performance in NA with more revenue from major client
- ✓ Achieved double-digit growth in China, SEA and HQ

3

Clients

Samsung +5%

Non-Samsung +7%

- ✓ Increased Samsung revenue in NA, HQ and China with **new product launch impact**
- ✓ Recovery of Non-Samsung revenue in China and more

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Service

Digital +22%

(GP Portion 48%)

- ✓ Expanded digital business with major client in terms of scope of work and regional coverage

(KRW billion)

	Q1 2020	Q1 2021	Growth
Revenue (Gross Profit)	257.1	271.3	6%
Operating Expenses	226.6	230.3	2%
Operating Income	30.5	41.0	34%
Non-operating Expenses and Income	5.3	4.6	△ 13%
Income Before Income Taxes	35.8	45.6	27%
Net Income	25.1	33.0	31%

Consolidated Revenue : Q1 2020 257.1B → Q1 2021 271.3B (14.2B↑)

- Headquarter : Q1 2020 58.4B → Q1 2021 64.9B (6.5B↑)
 - Achieved high growth with major client's new product launch impact and increase in revenue from non-Samsung clients
- Subsidiaries : Q1 2020 198.7B → Q1 2021 206.4B (7.7B↑)
 - Showed rapid recovery with strong performance in NA, China and SEA and increasing digital revenue

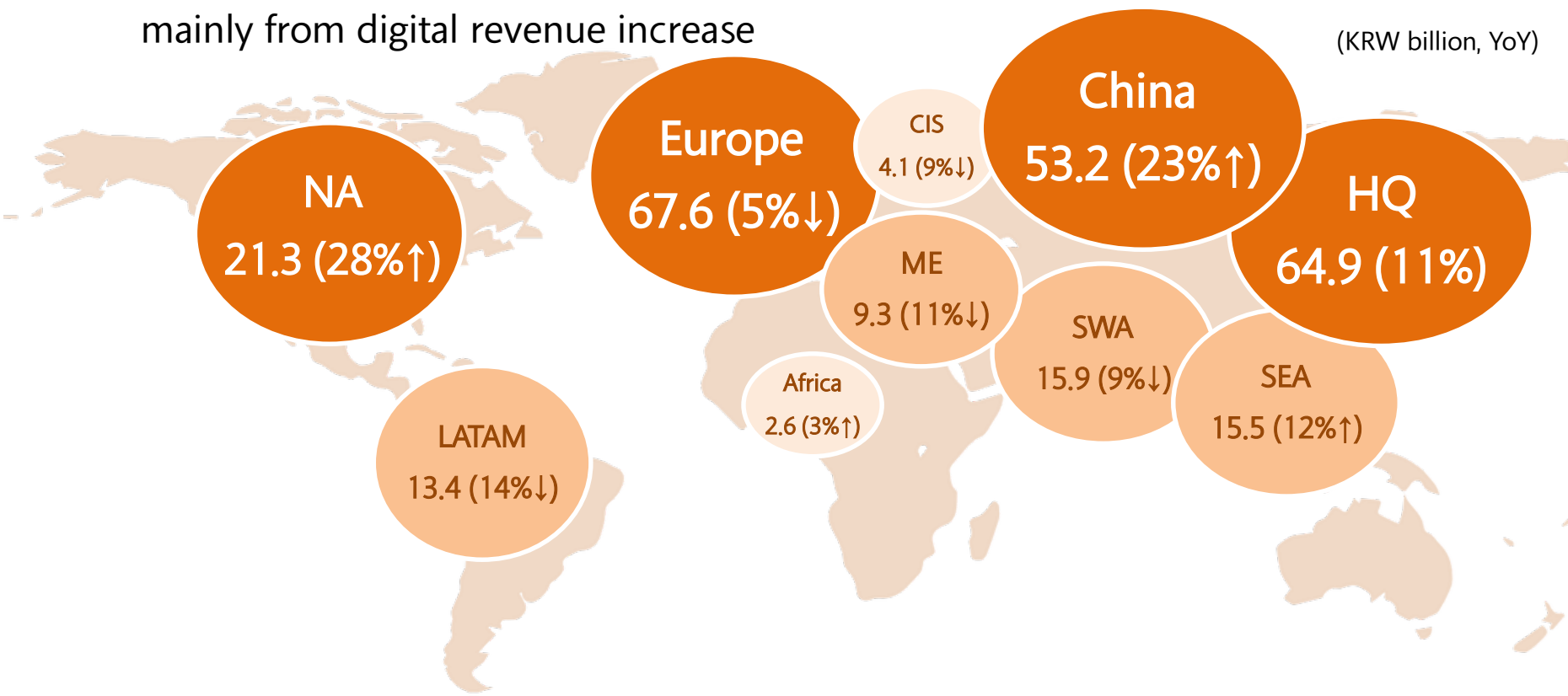
(KRW billion)

	Q1 2020	Q1 2021	Growth
HQ	58.4	64.9	11%
Subsidiaries	198.7	206.4	4%
Total	257.1	271.3	6%

Overseas % of total revenue : Full Year 2020 72% → Q1 2021 76%

- NA(28%↑ YoY), China(23%) and SEA(12%) marked double-digit growth
- Europe(5%↓ YoY), SWA(9%↓ YoY) showed rapid recovery to regain growth, mainly from digital revenue increase

(KRW billion, YoY)



□ Digital % of total revenue : Full Year 2020 43% → Q1 2021 48%

	2010	2015	2020	Q1 2021
Digital	19%	28%	43%	48%
BTL	32%	42%	35%	33%
Retail	13%	22%	22%	22%
ATL	49%	30%	22%	19%

□ Non-Samsung Clients % : Full Year 2020 28% → Q1 2021 27%

- Headquarter : Full Year 2020 22% → Q1 2021 16%

- Subsidiaries : Full Year 2020 31% → Q1 2021 31%

※ Overseas Non-Samsung Revenue 8%↑YoY

Consolidated Operating Income : Q1 2020 30.5B → Q1 2021 41.0B (10.4B↑)

- Achieved the largest Q1 operating profit with increase in revenue from digital business and cost efficiency improvement

(KRW Billion)

	Q1 2020	Q1 2021	Growth
Revenue(GP)	257.1	271.3	6%
SG&A	226.6	230.3	2%
Salaries	162.2	163.0	0%
Others	64.4	67.3	5%
Operating Profit	30.5	41.0	34%
OPM	11.9%	15.1%	+3.2%p
Headcount	7,105	6,380	△725
Overseas	5,744	4,998	△746

□ New Account Wins

- American Express, Bentley(NA), Great Wall Motors(China), Nexon, Hanwha E&C(HQ), etc



2021 Outlook

< Qualitative Growth with Long-term Vision and Shareholders Value >

Top-line

- ✓ Resume top-line growth in all regions
- ✓ Growth NA up to first-tier market

Profitability

- ✓ Improve efficiency through regional CoE and collaboration

Qualitative Growth

Core Business

- ✓ Enhance digital-based performance
Marketing
- ✓ Continue core biz. investment (M&As)

Shareholders Value

- ✓ Maintain dividend policy

Thank you