

Fourth Quarter 2021 Earnings Release

January 27, 2022





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

This document is provided for investors' information before Q4 FY2021 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.

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- 2021 Summary
- Financial Summary (K-IFRS consolidated)
- Consolidated Revenue
- Consolidated Operating Profit
- 2022 Outlook



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Financial Performance

GP 16%↑

OP 21%↑

- ✓ Double-digit growth in GP expanding digital business
- ✓ Achieved largest OP with efficiency improvement

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Service
Digital 50%
(GP Portion)

- ✓ Expanding digital biz.
 with dotcom, E-commerce
- ✓ Diversify digital service accelerating digital transformation

GEO Markets

NA 53%↑, SEA 22%↑

China 18%↑, EU 15%↑

- ✓ Strong performance in NA
 expanding service to sustainable
 business
- ✓ Achieved high growth in all regions including SWA/CIS/Africa

Clients

Samsung 14%↑

Non-Samsung 19%↑

- Expand service coverage inSamsung and Non-Samsung
- Increased revenue from Non-Samsung especially in HQ, NA and China

Financial Summary (K-IFRS consolidated)



(KRW billion)

	Q4 2020	Q4 2021	Growth	2020	2021	Growth
Revenue (Gross Profit)	305.8	366.4	20%	1,104.5	1,279.6	16%
SG&A	244.6	301.4	23%	899.6	1,031.4	15%
Operating Profit	61.2	65.0	6%	204.9	248.2	21%
Non-operating Expenses and Income	∆6.6	2.1	-	∆8.0	11.4	-
Income Before Income Taxes	54.6	67.1	23%	196.9	259.6	32%
Net Income	57.5	28.8	∆50%	158.3	167.6	6%

Dividend for the Fiscal Year 2021: KRW 990/share (Payout ratio 60.6%)

Consolidated Revenue Summary



Consolidated Revenue : Full Year 2020 1,104.5B \rightarrow 2021 1,279.6B (175.1B \uparrow) Q4 2020 305.8B \rightarrow Q4 2021 366.4B (60.6B \uparrow)

- \Box HQ (KRW): Full Year 2020 304.1B → 2021 329.3B (25.2B↑)
 - Increased digital biz. in major client and developed new clients in non-Samsung
- \Box Subsidiaries (KRW): Full Year 2020 800.4B → 2021 950.3B (149.9B↑)
 - Strong growth in North America and all other regions (SEA/EU/China) shown continuous growth with increasing in digital biz.
 - Subsidiaries including TBG, PTGC shown strong performance leading overseas growth

(KRW billion)

	Q4 2020	Q4 2021	Growth	2020	2021	Growth
HQ	91.0	89.6	∆2%	304.1	329.3	8%
Subsidiaries	214.8	276.8	29%	800.4	950.3	19%
Total	305.8	366.4	20%	1,104.5	1,279.6	16%

Consolidated Revenue | by Service



Digital % of total revenue : Full Year 2020 43% → 2021 50% (Growth 35%↑)

☐ Portion of digital biz. increased in HQ and all regions

- Headquarter: Full Year 2020 28% → 2021 31% (Growth 19%↑)

- Subsidiaries : Full Year 2020 49% → 2021 57% (Growth 38%↑)

	2010	2015	2020	2021
Digital	19%	28%	43%	50%
BTL	32%	42%	35%	30%
Retail	13%	22%	21%	20%
ATL	49%	30%	22%	20%

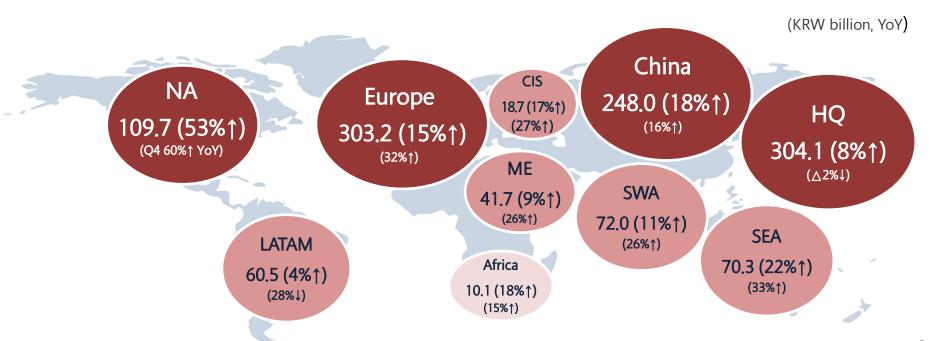
Consolidated Revenue | by Region



Overseas % of total revenue : Full Year 2020 72% \rightarrow 2021 74%

- NA (53%↑ YoY), China (18%↑) and EU (15%↑) drove overall overseas growth

 * TBG 72%↑ * Pengtai 18%↑ * BMB 65%↑, Iris 6%↑
- \Box SEA (22%↑ YoY), Africa(18%↑), CIS (17%↑), SWA(11%↑) continued high growth



Consolidated Revenue | by Client



- □ Samsung % of total revenue : Full Year 2020 72% \rightarrow 2021 71% (Growth 14%↑)
 - Expanded major client's service offering in Digital biz. and NA
- □ Non-Samsung % of total revenue : Full Year 2020 28% → 2021 29% (Growth 19%↑)
 - Increased non-Samsung clients biz. in NA, China and HQ
 - * Growth: HQ 13%↑, Overseas 21%↑

< New Clients : Domestic >



< New Clients : Overseas >



Consolidated OP



Consolidated OP: Full Year 2020 204.9B \rightarrow 2021 248.2B (43.3B \uparrow) Q4 2020 61.2B \rightarrow Q4 2021 65.0B (3.8B \uparrow)

- ☐ Achieved the largest operating profit
 - Consolidated OP increased +21%↑ YoY while GP increased +16%↑ YoY

(KRW Billion)

		Q4 2020	Q4 2020 Q4 2021		2020	2021	
		Q4 2020	Q4 2021	Growth			Growth
Re	evenue (GP)	305.8	366.4	20%	1,104.5	1,279.6	16%
	SG&A	244.6	301.4	23%	899.6	1,031.4	15%
	Salaries	170.4	218.8	28%	641.2	745.5	16%
	Others	74.2	82.6	11%	258.4	285.9	11%
Operating Profit		61.2	65.0	6%	204.9	248.2	21%
	ОРМ	20.0%	17.7%	∆2.3%p	18.6%	19.4%	+0.8%p

2022 Outlook | Regional Highlight



Europe

- · Expand biz. diversification with performance marketing
- · Develop global non-Samsung clients with collaboration
- · Expand service offering in Central and Eastern Europe

NA

- · Expand service coverage with best practice
- · Enhance capabilities and collaboration

Latin America

- · Enhance media performance based on data
- · Increase non-Samsung biz.

Middle East & Africa

- Enhance digital & retail biz.
- · Increase Samsung biz. stabilizing new office

China

- · Concentrate on Olympic and Expand service offering
- \cdot Expand non-Samsung clients in Auto, Health industry

South East

- · Diversify performance marketing (E-commerce)
- · Improve efficiency through CoE expansion

Southwest Asia

- Expand digital biz, enhancing performance marketing
- · Enhance non-Samsung clients portfolio



Data · Tech · Contents based Performance Marketing Expansion

→ Revenue Double-digit Growth, OP margin rate Improvement

Core Business

- 1 Offer digital-based performance marketing
- ② Enhance Tech-based contents production for Metaverse
- ③ Expand service coverage exploring new biz opportunity in Samsung
- 4 Reinforce non-Samsung biz, by selection and concentration

Digital Capabilities

- 1 M&A / Strategic investment 2 Digital transformation in organization

Corporate Social Responsibility

(1) ESG management (2) Risk management

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