



We Create Connected Experiences that Matter

First Half 2022 Earnings Release

July 28, 2022

Cheil

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

This document is provided for investors' information before H1 FY2022 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.

- H1 2022 Summary
- Financial Summary (K-IFRS consolidated)
- Consolidated Revenue
- Consolidated Operating Profit
- H2 Outlook

1

Financial Performance

GP +23%
OP +30%

- ✓ Accelerated growth in all regions expanding digital & stabilizing off-line biz including BTL
- ✓ Achieved largest Q2 & H1 OP improving efficiency despite increasing investments in talent

2

Service

Digital 52%
(YoY +29%)

- ✓ Maintain sustainable digital growth expanding service of digital biz in major clients
- ✓ Diversify digital service offering accelerating digital transformation

3

GEO Markets

NA +58%, LATAM +18%
China +29%, SEA +28%

- ✓ Strong performance in NA expanding service to sustainable business
- ✓ Achieved high growth in all regions including China/LATAM/SEA

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Clients

Samsung +24%
Non-Samsung +21%

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

Financial Summary (K-IFRS consolidated)

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(KRW billion)

	Q2 2021	Q2 2022	Growth	H1 2021	H1 2022	Growth
	Revenue (Gross Profit)	316.0	388.5	23%	587.3	723.4
SG&A	243.9	300.5	23%	474.3	576.9	22%
Operating Profit	72.1	88.0	22%	113.0	146.5	30%
Non-operating Expenses and Income	1.2	4.8	300%	5.8	8.7	50%
Income Before Income Taxes	73.3	92.8	27%	118.8	155.2	31%
Net Income	55.2	61.3	11%	88.1	106.5	21%

Consolidated Revenue Summary

Consolidated Revenue : H1 2021 587.3B → H1 2022 723.4B (136.1B↑)

Q2 2021 316.0B → Q2 2022 388.5B (72.5B↑)

□ HQ (KRW) : H1 2021 152.8B → H1 2022 176.3B (23.5B↑)

- Continued steady growth along with expanding digital platform business in major clients and increasing revenue in non-Samsung clients

□ Subsidiaries (KRW) : H1 2021 434.5B → H1 2022 547.1B (112.6B↑)

- Accelerated strong performance in all regional markets including NA, China and Emerging Markets and stabilizing off-line business

(KRW billion)

	Q2 2021	Q2 2022	Growth	H1 2021	H1 2022	Growth
	HQ	87.9	100.2	14%	152.8	176.3
Subsidiaries	228.1	288.3	26%	434.5	547.1	26%
Total	316.0	388.5	23%	587.3	723.4	23%

Digital % of total revenue : Full Year 2021 50% → H1 2022 52% (Growth 29%↑ YoY)

□ Portion of digital biz. continuously increased in all regions and HQ

- Headquarter : Full Year 2021 31% → H1 2022 34% (Growth 31%↑ YoY)

- Subsidiaries : Full Year 2021 57% → H1 2022 58% (Growth 29%↑ YoY)

	2010	2020	2021	H1 2022
Digital	19%	43%	50%	52%
BTL	32%	35%	30%	30%
Retail	13%	21%	20%	19%
ATL	49%	22%	20%	18%

Overseas % of total revenue : Full Year 2021 74% → H1 2021 76%

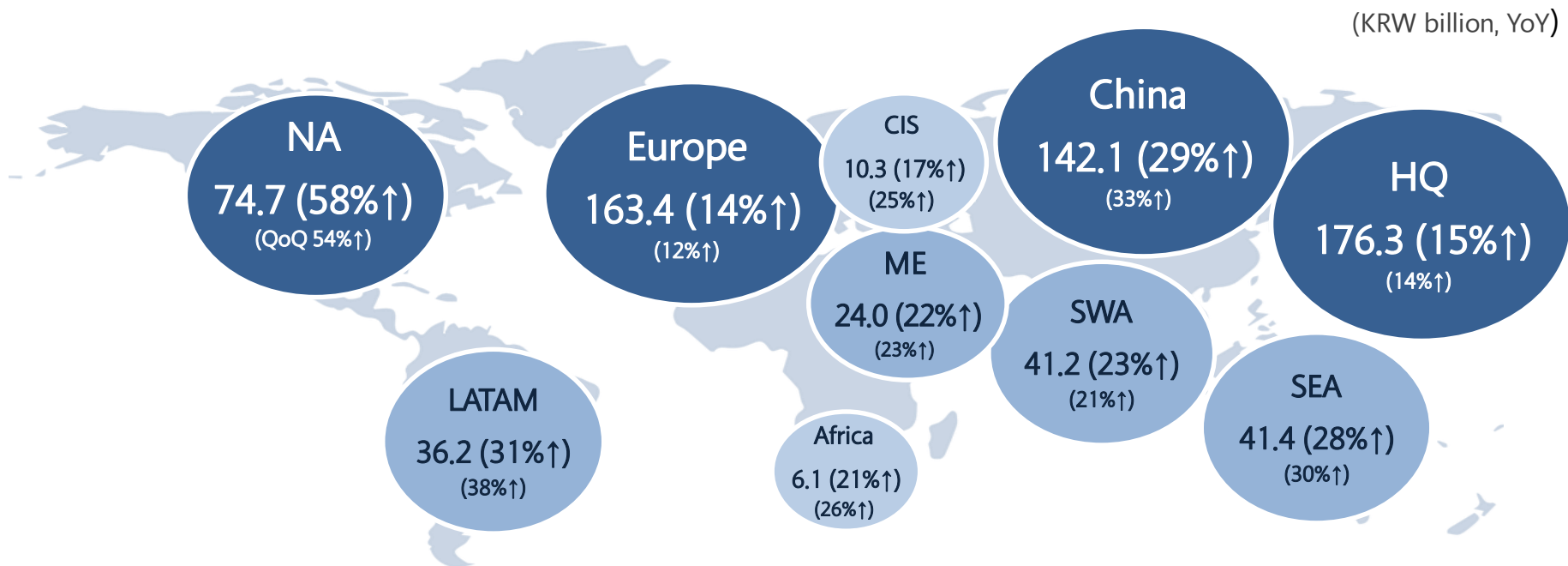
□ NA (58%↑ YoY), China (29%↑) and EU (14%↑) drove overall overseas growth

* TBG 69%↑

* Pengtai 20%↑

* BMB 42%↑, Iris 8%↑

□ LATAM (31%↑ YoY), SEA (28%↑), SWA(23%↑) showed rapid growth



□ Samsung % of total revenue : Full Year 2021 71% → H1 2022 73% (Growth 24%↑ YoY)

- Increased revenue primarily due to digital business and expanded service coverage in NA

□ Non-Samsung % of total revenue : Full Year 2021 29% → H1 2022 27% (Growth 21%↑ YoY)

- Diversified clients' portfolio developing non-Samsung clients in NA, China

* Growth : HQ 19%↑ YoY, Overseas 21%↑

* NA (Blue Diamond), China (Changan, Great Wall Motors)

< New Clients : Domestic >



< New Clients : Overseas >



Consolidated OP : H1 2021 113.0B → H1 2022 146.5B (33.5B↑)
 Q2 2021 72.1B → Q2 2022 88.0B (15.9B↑)

□ Achieved the largest Q2 & H1 operating profit

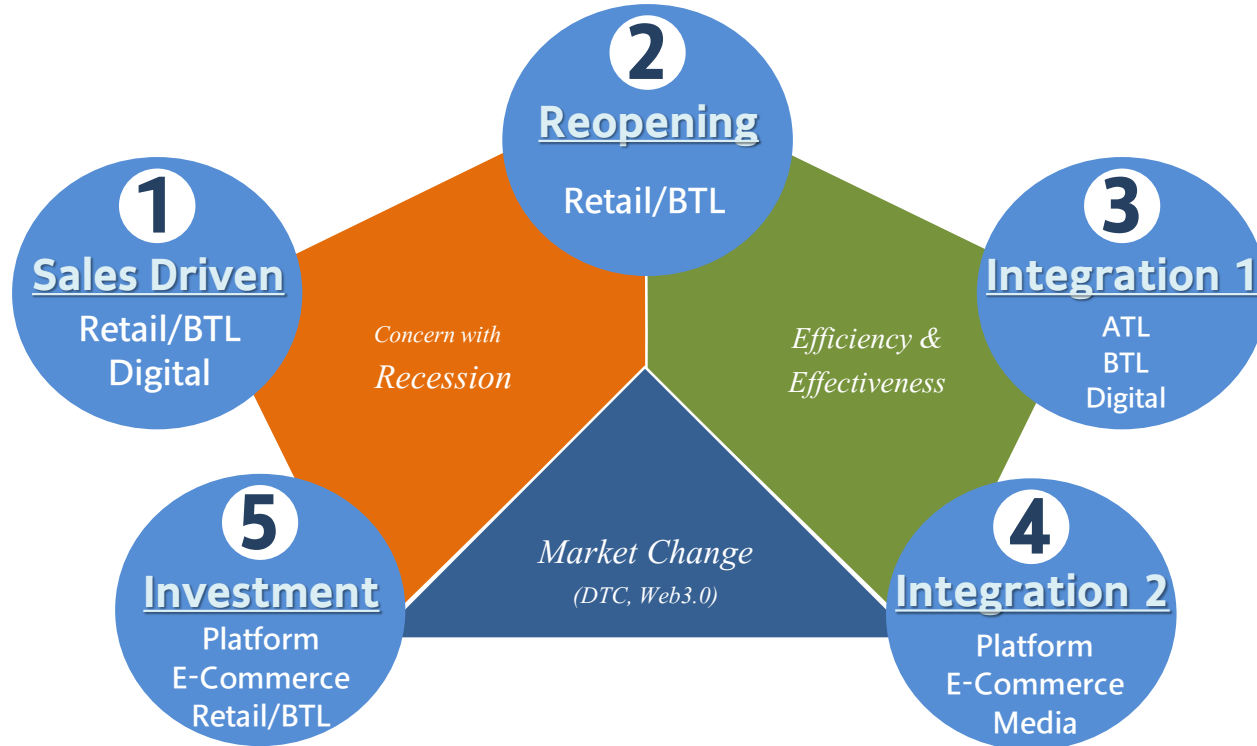
- Revenue growth +23%↑ YoY while SG&A increased +22%↑ YoY

(KRW Billion)

	Q2 2021	Q2 2022	Growth	H1 2021	H2 2022	Growth
Revenue (GP)	316.0	388.5	23%	587.3	723.4	23%
SG&A	243.9	300.5	23%	474.3	576.9	22%
Salaries	177.2	218.2	23%	340.2	417.5	23%
Others	66.7	82.3	23%	134.1	159.4	19%
Operating Profit	72.1	88.0	22%	113.0	146.5	30%
OPM	22.8%	22.7%	Δ0.1%p	19.2%	20.3%	+1.1%p

□ Changes in clients' needs and agency's offering followed by the business environment

※ Sales Driven, Re-opening, Integration, Marketing Investment



□ Business opportunities

NA

- Expand integrated marketing service offering (CoE)
- Expand service coverage in Samsung
※ Digital Media, Metaverse etc.
- Increase digital contents & BTL biz
- New clients development

Europe

- Enhance digital integrated marketing
※ Dotcom+Commerce+Social+CRM+Media
- Expand SOW in digital media
- Increase digital contents & BTL biz
- Develop new clients including platform biz

China

- Enhance E-commerce and dotcom Biz
- Enhance non-Samsung clients portfolio (Auto/Health/Beauty)
- Increase integrated campaign and expand service coverage

Emerging Markets

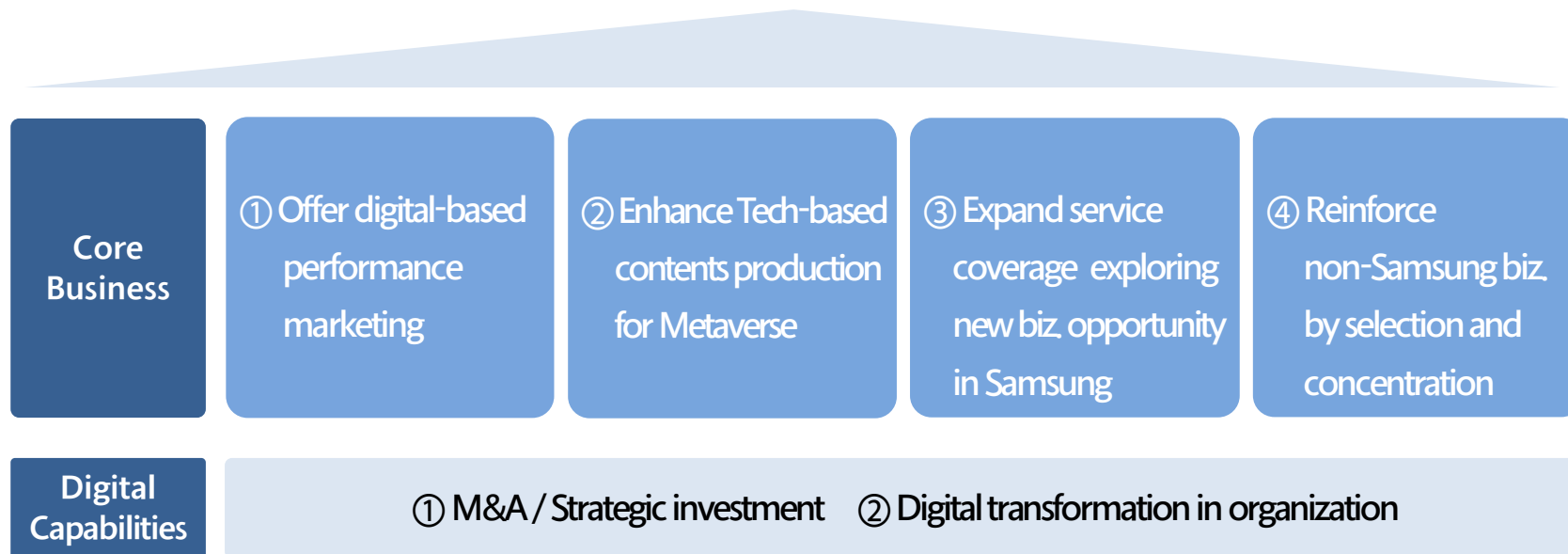
- Enhance digital integrated marketing
※ Dotcom+Commerce+Social+DigitalMedia
- Enhance E-commerce biz
- Increase digital contents & BTL biz

HQ

- Expand new meta metaverse platform businesses in BTL/Retail
- Develop new biz. in digital
- Diversify non-Samsung clients portfolio

Data · Tech · Contents based Performance Marketing Expansion

→ Revenue Double-digit Growth, OP margin rate Improvement



Corporate Social
Responsibility

① ESG management ② Risk management

- EOD -