



We Create Connected Experiences that Matter

# Third Quarter 2022 Earnings Release

October 26, 2022

**Cheil**

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

*This document is provided for investors' information before Q3 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.*

- Q3 2022 Summary
- Financial Summary (K-IFRS consolidated)
- Consolidated Revenue
- Consolidated Operating Profit
- Business Objective

1

## Financial Performance

GP +23%

OP +33%

- ✓ Sustained stable growth responding to changes in the business environment
- ✓ Achieved 400 billion won in GP and 90 billion won in OP for the first time in the quarter

2

## Service

Digital 52%  
(GP Portion)

- ✓ High growth in BTL/Retail due to Re-opening and Increase in sales-driven marketing
- ✓ Expanding digital biz. Coverage providing integrated service and enhancing DTC marketing

3

## GEO Markets

NA +56%, ME +46%  
SEA +36%, China +33%  
EU +15%

- ✓ Continued high growth in NA expanding service coverage to sustainable business
- ✓ Accelerating growth in emerging market (ME/SEA/China etc.)

4

## Clients

Samsung +28%  
Non-Samsung +13%

- ✓ Strong growth in both **Samsung and Non-Samsung**
- ✓ Expand **Non-Samsung clients** especially in HQ, NA and China

# Financial Summary (K-IFRS consolidated)

**Cheil**

(KRW billion)

	Q3 2021	Q3 2022	Growth			
				Q3 YTD 2021	Q3 YTD 2022	
<b>Revenue (Gross Profit)</b>	325.9	402.0	23%	913.2	1,125.4	23%
SG&A	255.7	308.9	21%	730.0	885.8	21%
<b>Operating Profit</b>	70.2	93.1	33%	183.2	239.6	31%
Non-operating Expenses and Income	3.5	4.6	31%	9.4	13.4	43%
<b>Income Before Income Taxes</b>	73.7	97.7	33%	192.6	253.0	31%
<b>Net Income</b>	50.7	64.6	27%	138.8	171.1	23%

# Consolidated Revenue Summary

Consolidated Revenue : Q3 2021 325.9B → Q3 YTD 2022 402.0B (76.1B↑)

□ HQ (KRW) : Q3 2021 87.0B → Q3 YTD 2022 91.9B (4.9B↑)

- Revenue increased along with digital business in major client and service coverage expansion in Samsung financial affiliates

□ Subsidiaries (KRW) : Q3 2021 238.9B → Q3 YTD 2022 310.1B (71.2B↑)

- Continued high growth in NA and accelerated strong performance in all other regions (EU/SEA/China/MENA)

(KRW billion)

	Q3 2021	Q3 2022	Growth	Q3 YTD 2021	Q3 YTD 2022	Growth
HQ	87.0	91.9	+6%	239.8	268.2	+12%
Subsidiaries	238.9	310.1	+30%	673.4	857.2	+27%
Total	325.9	402.0	+23%	913.2	1,125.4	+23%

**Digital % of total revenue : Full Year 2021 50% → Q3 YTD 2022 52%** (Growth 30%↑ YoY)

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

- Headquarter : Full Year 2021 31% → Q3 YTD 2022 34% (Growth 24%↑ YoY)

- Subsidiaries : Full Year 2021 57% → Q3 YTD 2022 59% (Growth 31%↑ YoY)

	2015	2020	2021	Q3 YTD 2022
Digital	28%	43%	50%	52%
BTL	42%	35%	30%	30%
Retail	22%	21%	20%	19%
ATL	30%	22%	20%	18%

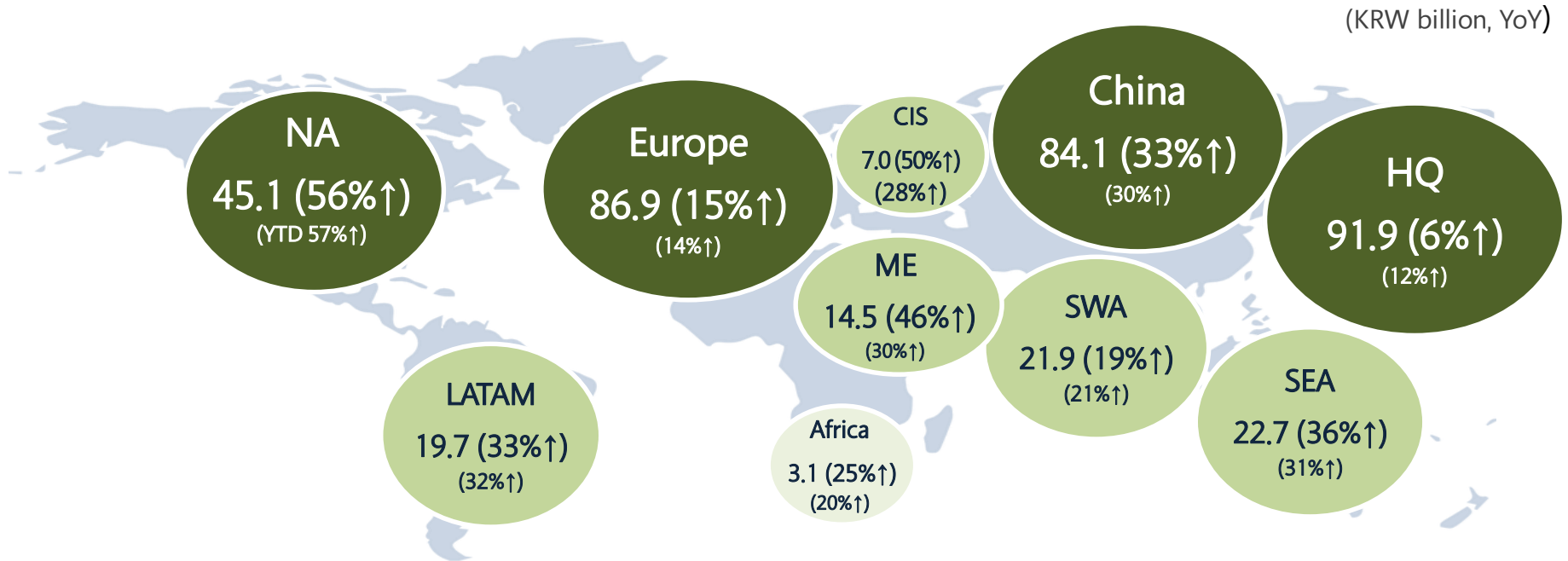
Overseas % of total revenue : Full Year 2021 74% → Q3 YTD 2022 76%

□ NA (56%↑ YoY), China (33%↑) and Europe (15%↑) drove overall overseas growth

\* TBG 59%↑, McKinney 41%↑ \* Pengtai 25%↑

\* BMB 76%↑

□ MENA (46%↑ YoY), SEA(36%↑), LATAM (33%↑), SWA(19%↑) showed high growth





- Samsung % of total revenue : Full Year 2021 71% → Q3 YTD 2022 73% (Growth 25%↑ YoY)
  - Increased primarily due to Digital biz. and expanding BTL/Retail service coverage in Samsung
- Non-Samsung % of total revenue : Full Year 2021 29% → Q3 YTD 2022 27% (Growth 18%↑ YoY)
  - Diversified clients' portfolio developing non-Samsung clients
    - \* Growth : HQ 5%↑, Overseas 21%↑

## < New Clients : Domestic >



## < New Clients : Overseas >



Consolidated OP : Q3 2021 70.2B → Q3 2022 93.1B (22.9B↑)

□ Achieved the largest Q3 operating profit

- Consolidated OP increased +33%↑ YoY while GP increased +23%↑ YoY

(KRW Billion)

	Q3 2021	Q3 2022	Growth	Q3 YTD 2021	Q3 YTD 2022	Growth
Revenue (GP)	325.9	402.0	23%	913.2	1,125.4	23%
SG&A	255.7	308.9	21%	730.0	885.8	21%
Salaries	186.5	217.8	17%	526.7	635.3	21%
Others	69.2	91.1	32%	203.3	250.5	23%
<b>Operating Profit</b>	<b>70.2</b>	<b>93.1</b>	<b>33%</b>	<b>183.2</b>	<b>239.6</b>	<b>31%</b>
OPM	21.5%	23.2%	+1.7%p	20.1%	21.3%	+1.2%p

## Building capacity of Web3.0 & DTC Biz to expand performance market

Core  
Business

① Offer digital-based  
performance  
marketing

② Enhance tech-based  
contents production  
for Meta-verse

③ Expand service  
coverage exploring  
new biz opportunity  
in Samsung Biz

④ Reinforce  
non-Samsung Biz  
by selection and  
concentration

Digital  
Capabilities

① M&A/ Strategic investment    ② Digital transformation in organization  
\* EVR investment ('22.5)

Corporate  
Social  
Responsibility

① ESG management    ② Risk management  
\* ESG Report ('22.6)

- EOD -