



We Create Connected Experiences that Matter

Fourth Quarter 2022 Earnings Release

January 31, 2023

Cheil

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

This document is provided for investors' information before Q4 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.

- 2022 Summary
- Financial Summary (K-IFRS consolidated)
- Consolidated Revenue
- Consolidated Operating Profit
- 2023 Outlook

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Financial Performance

GP +20%↑

OP +26%↑

- ✓ Double-digit growth in GP expanding digital business
- ✓ Strengthen cost efficiency improvement

2

Service

Digital 53%
(GP Portion)

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

3

Clients

Samsung +22%↑
Non-Samsung +15%↑

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

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GEO Markets

High Growth in NA
Overseas +25%↑

- ✓ Strong performance in NA expanding service coverage
- ✓ Achieved high growth in all regions including ME/China/SEA

Financial Summary (K-IFRS consolidated)

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(KRW billion)

	Q4 2021	Q4 2022	Growth	2021	2022	Growth
	Revenue (Gross Profit)	366.4	413.0	13%	1,279.6	1,538.3
SG&A	301.4	341.2	13%	1,031.4	1,226.9	19%
Operating Profit	65.0	71.8	10%	248.2	311.4	26%
Non-operating Expenses and Income	2.1	△24.3	-	11.4	△110	-
Income Before Income Taxes	67.1	47.5	△29%	259.6	300.4	16%
Net Income	28.8	24.7	△14%	167.6	195.8	17%

※ Dividend for the Fiscal Year 2022 : KRW 1,150/share (Payout ratio 60.3%)

Consolidated Revenue Summary

Consolidated Revenue : Full Year 2021 1,279.6B → 2022 1,538.3B (258.7B↑)

□ **HQ (KRW) : Full Year 2021 329.3B → 2022 353.5B (24.2B↑)**

- Increased digital business and expanded service coverages in major client

□ **Subsidiaries (KRW) : Full Year 2021 950.3B → 2022 1,184.8B (234.5B↑)**

- increased in both Samsung and Non-Samsung expanding digital & BTL service

(KRW billion)

	Q4 2021	Q4 2022	Growth	2021	2022	Growth
HQ	89.6	85.2	△5%	329.3	353.5	+7%
Subsidiaries	276.8	327.8	+18%	950.3	1,184.8	+25%
Total	366.4	413.0	+13%	1,279.6	1,538.3	+20%

Digital % of total revenue : Full Year 2021 50% → 2022 53% (Growth 27%↑)

	2015	2020	2021	2022
디지털	28%	43%	50%	53%
BTL	42%	35%	30%	30%
리테일	22%	21%	20%	19%
ATL	30%	22%	20%	18%

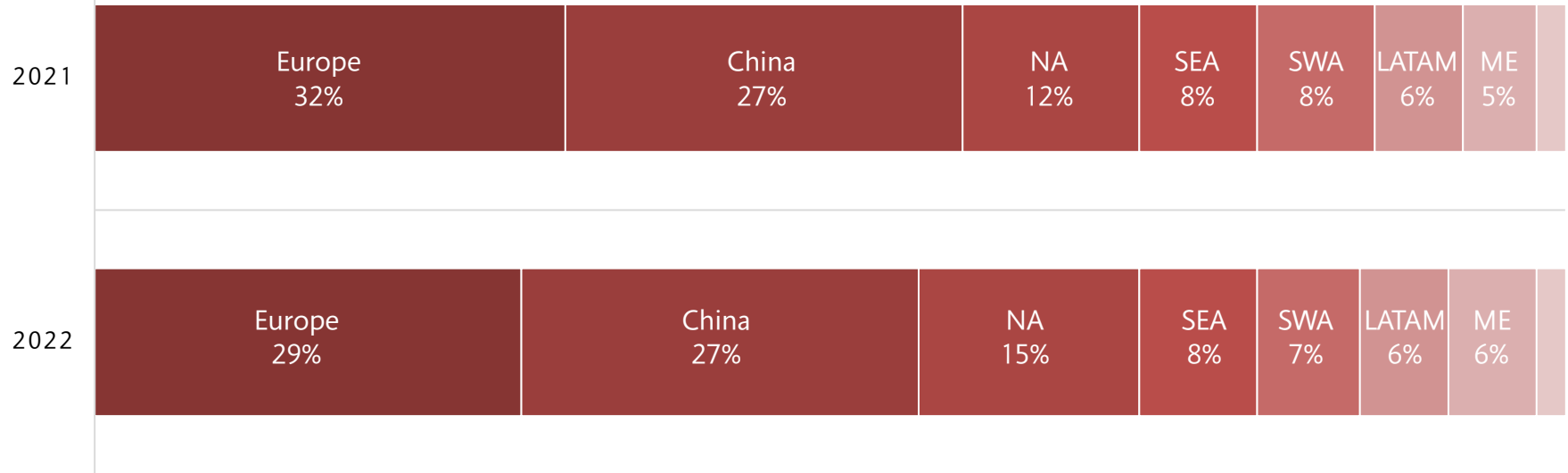
Non-Samsung % of total revenue : Full Year 2021 29% → 2022 53% (Growth 15%↑)

- Headquarter : Full Year 2021 23% → 2022 21%
- Subsidiaries : Full Year 2021 32% → 2022 30%

Overseas % of total revenue : Full Year 2021 74% → 2022 77%

- Strong growth in both Samsung and Non-Samsung expanding digital & BTL service
- Continued high growth in NA and increased non-Samsung biz. in China, ME & Africa

[Portion of Overseas revenue by Region]



Consolidated OP : Full Year 2021 248.2B → 2022 311.4B (63.2B↑)

□ Achieved the largest operating profit

- Consolidated OP increased +25%↑ YoY while GP increased +20%↑ YoY

(KRW Billion)

	Q4 2021	Q4 2022	Growth	2021	2022	Growth
Revenue (GP)	366.4	413.0	13%	1,279.6	1,538.3	20%
SG&A	301.4	341.2	13%	1,031.4	1,226.9	19%
Salaries	218.8	230.9	6%	745.5	866.2	16%
Others	82.6	110.3	34%	285.9	360.7	26%
Operating Profit	65.0	71.8	10%	248.2	311.4	26%
OPM	17.7%	17.4%	△0.4%p	19.4%	20.2%	+0.8%p

- M&A & Investment exploring new biz. opportunity
 - Strategic Investment to EVR (22.05), Acquired division of August United (22.12)

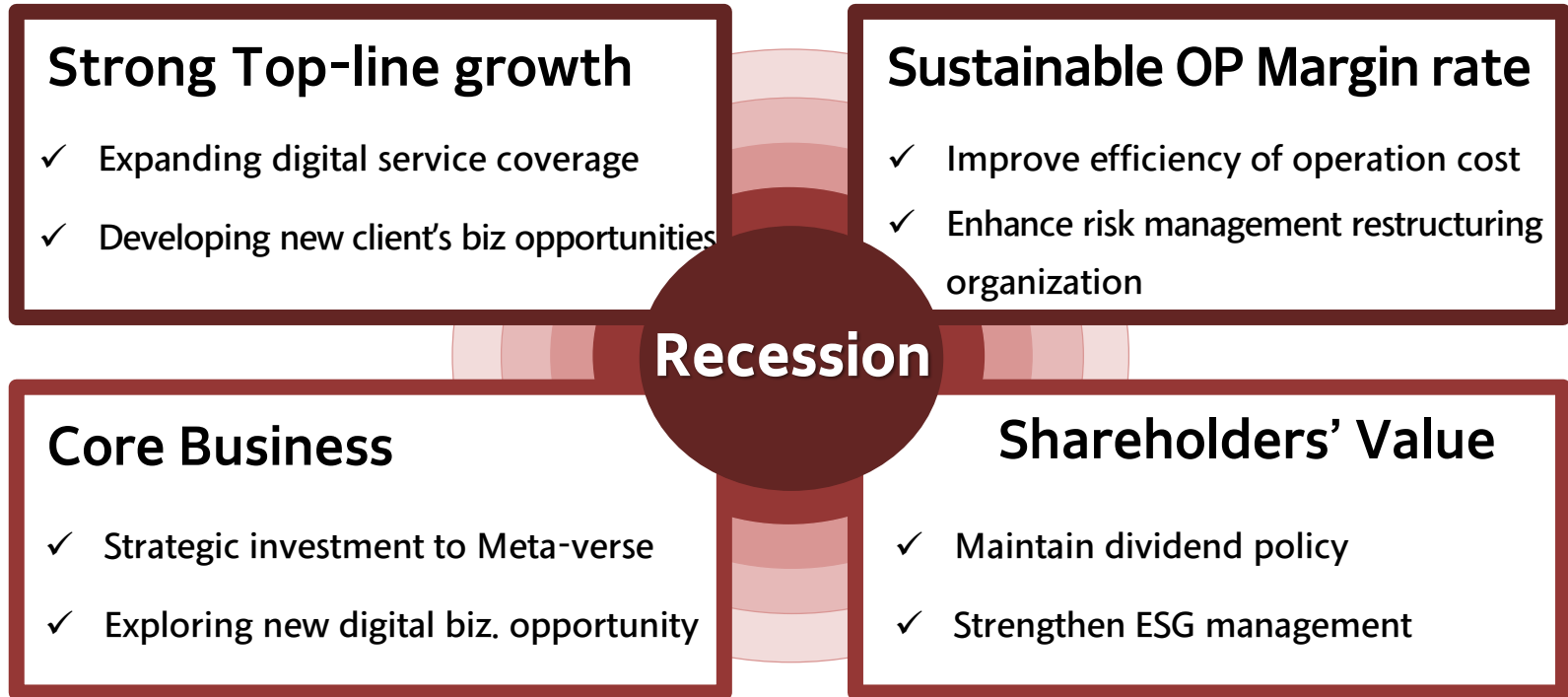
- Enhance digital business such as DTC, Metaverse
 - Expand service coverage in Metaverse
(Operation of virtual exhibition/store & Virtual character development and launch)
 - Securing for DTC business exploring new services (ex. Live Commerce Operations)

- Diversify non-Samsung clients portfolio
 - HQ : Handsome.com, Kolonmall, Kbank, Naverwebtoon
 - Overseas : Bluediamond, Freenow, Changan Automobile

- Expand regional coverage launching new branches
 - Maghreb (23.01), Australia (23.02 TBD)

Minimize external uncertainties offering performance marketing based on digital

Continue solid growth rate 5%↑ and Margin Improvement



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