



We Create Connected Experiences that Matter

First Quarter Earnings Release

April 28, 2023

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 2023 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.

1

Financial Performance

GP +9%↑

OP △9%↓

- ✓ Expansion of digital biz and New Non-Samsung clients from overseas subsidiaries
- ✓ Negative growth of OP due to investment in workforce and etc.

2

Service

Digital 53%
(GP Portion)

YoY 13%↑

- ✓ Expanded overseas digital biz. with dotcom, E-commerce
- ✓ Diversified digital service coverage with digital transformation

3

Clients

New Global
Non-Samsung Clients

- ✓ Developed new Non-Samsung clients in healthcare and leisure sector
- ✓ Improved sales opportunities for performance marketing and promotion

4

GEO Markets

Overseas +13%↑
driven by
Non-Samsung clients

- ✓ Strong growth in McKinney by acquiring a new biz. and winning Non-Samsung clients
- ✓ Negative growth in Europe & India, but continued growth in China, led by Pengtai with new clients

(KRW billion)

	Q1 2022	Q2 2023	Growth
Revenue (Gross Profit)	334.9	364.1	9%
SG&A	276.4	310.7	12%
Operating Profit	585.0	534.0	Δ9%
Non-operating Expenses and Income	40.0	67.0	68%
Income Before Income Taxes	625.0	601.0	Δ4%
Net Income	452.0	414.0	Δ8%

Consolidated Revenue : Q1 2022 334.9B → Q1 2023 364.1B (29.2B↑)

□ Headquarter : Q1 2022 76.0B → Q1 2023 71.3B (△4.7B↓)

- Negative growth due to reduced media budgets of major clients

□ Subsidiaries : Q1 2022 258.9B → Q1 2023 292.8B (33.9B↑)

- Despite negative growth in Europe and India, digital business expansion and non-Samsung development have resulted in strong net growth

(KRW billion)

	Q1 2022	Q1 2023	Growth
HQ	76.0	71.3	△6%
Subsidiaries	258.9	292.8	13%
Total	334.9	364.1	9%

- By Service : Expansion of digital business in overseas and increase in sales promotion events of BTL service

	2015	2020	2021	2022	Q1 2023
Digital	28%	43%	50%	53%	53%
BTL	42%	35%	30%	30%	31%
Retail	22%	21%	20%	19%	18%
ATL	30%	22%	20%	18%	16%

- By Clients : Major growth led by overseas, especially in NA and China, by winning major non-Samsung clients that are in healthcare and leisure sector
* Strong growth of McKinney by acquiring an influencer marketing biz. and winning new clients

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Operating Income: Q1 2022 58.5B → Q1 2023 53.4B (Δ5.1B↓)

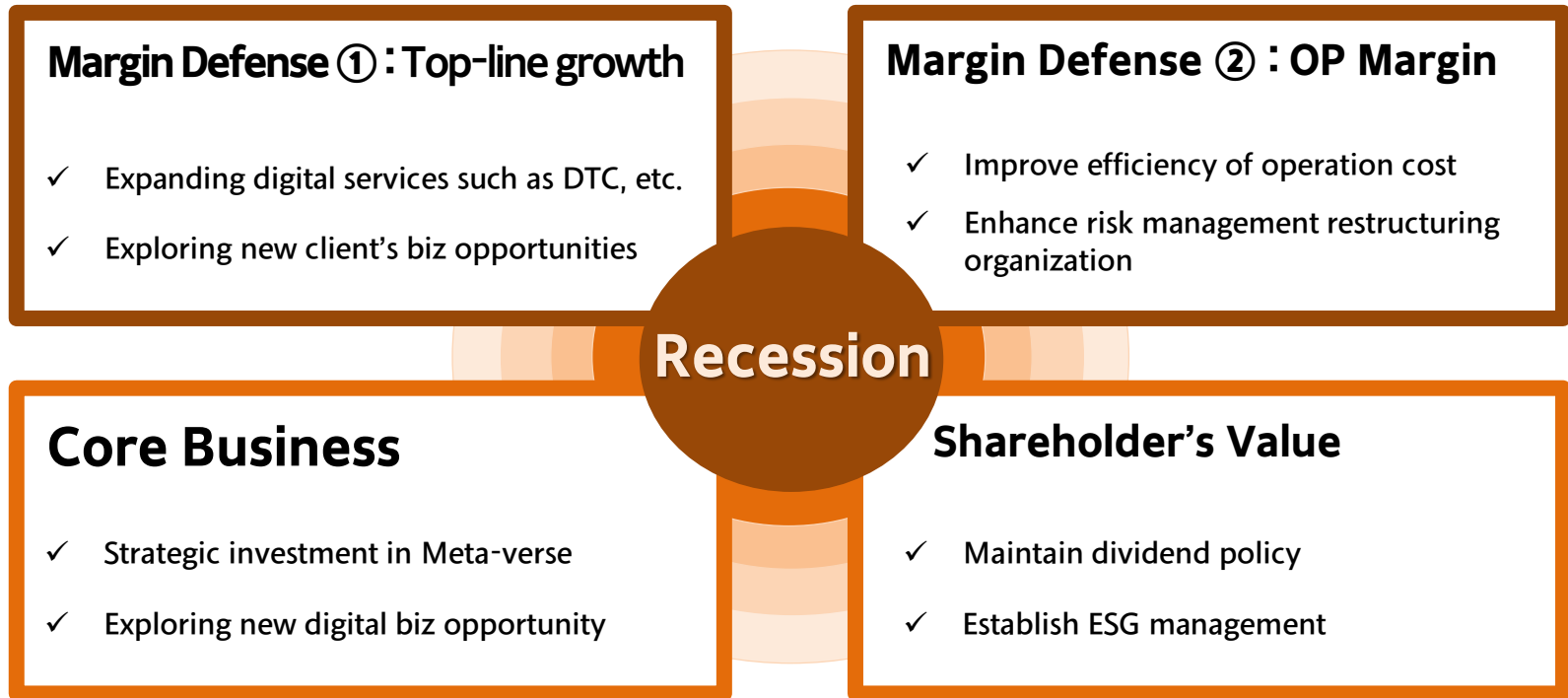
- Growth in revenue by 9%, but negative growth in OP by 9% due to increased SG&A by 12%
 - Major expense was investment in digital manpower for sustainable growth

(KRW Billion)

	Q1 2022	Q1 2023	Growth
Revenue(GP)	334.9	364.1	9%
SG & A	276.4	310.7	12%
Salaries	199.3	224.1	12%
Others	77.1	86.6	12%
Operating Profit	58.5	53.4	Δ9%

Minimize external uncertainties offering DTC and performance marketing on digital

Top-line growth rate 5%↑ and Margin Defense



Thank you