



We Create Connected Experiences that Matter

Fourth Quarter 2023 Earnings Release

January 30, 2024

Cheil

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

This document is provided for investors' information before Q4 FY2023 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.

- 2023 Summary
- Financial Summary (K-IFRS consolidated)
- Consolidated Revenue
- Consolidated Operating Profit
- 2024 Outlook

1

Financial Performance

GP +5%

OP Δ 1%

- ✓ Topline growth from digital expansion and non-Samsung clients development
- ✓ Negative growth of OP from labor cost investment

2

Service

Digital 54%
(GP Portion)

- ✓ Expanded digital biz with dotcom, eCommerce
- ✓ Diversified digital service accelerating digital transformation

3

Clients

Non-Samsung +15% \uparrow
(GP Portion 30%)

- ✓ Increased revenue from Non-Samsung especially in NA and China
- ✓ Expanded service coverage and billings in Non-Samsung

4

GEO Markets

High growth rate in
NA, China, SA

- ✓ Solid growth in NA, China and South America
- ✓ Under-performed in HQ, Europe and India

Financial Summary (K-IFRS consolidated)

(KRW billion)

	'22. 4Q	'23. 4Q	Growth	2022	2023	Growth
Revenue (Gross Profit)	413.0	429.2	4%	1,538.3	1,618.9	5%
SG&A	341.2	353.2	4%	1,226.9	1,311.4	7%
Operating Profit	71.8	76.0	6%	311.4	307.5	△1%
Non-operating Expenses and Income (*)	△24.3	△42.4	-	△11.0	△22.7	-
Income Before Income Taxes	47.5	33.6	△29%	300.4	284.8	△5%
Net Income	24.7	17.3	△30%	195.8	190.1	△3%

(*) 4Q Non-Operating Expenses and Income △42.4 : Goodwill Impairment of Iris △36.1, Foreign exchange loss △12.6, Earn-out payment reimbursement +4.9

※ Dividend for the Fiscal Year 2023 : KRW 1,110 / Share (Payout 60%)

Consolidated Revenue Summary

Consolidated Revenue(KRW) : 2022 1,538.3B → 2023 1,618.9B (80.6B↑)

□ HQ (KRW) : FY2022 353.5B → 2023 349.2 (4.3B↓)

- Showed negative growth due to major clients' marketing budget cut

□ Subsidiaries (KRW) : FY2022 1,184.8B → 2023 1,269.7B (84.9B↑)

- Solid growth by expanding digital business and developing non-Samsung clients

(억원)

	'22.4분기	'23.4분기	성장률	'22. 연간	'23. 연간	성장률
본 사	852	883	+4%	3,535	3,492	△1%
연결자회사	3,278	3,409	+4%	11,848	12,697	+7%
합 계	4,130	4,292	+4%	15,383	16,189	+5%

□ Digital Portion : FY2022 53% → 2023 54% (Growth : 8%↑)

	2020	2021	2022	2023
디지털	43%	50%	53%	54%
BTL	35%	30%	29%	29%
Retail	21%	20%	19%	17%
ATL	22%	20%	18%	17%

□ Non-Samsung Portion : FY2022 28% → 2023 30% (Growth : 14%↑)

< HQ Non-Samsung Top5 >



< Overseas Non-Samsung Top5 >



Consolidated OP(KRW) : 2022 311.4B → 2023 307.5B (Δ3.9B)

□ Negative 1% growth due to 7% increase in labor cost for digital

(KRW Billion)

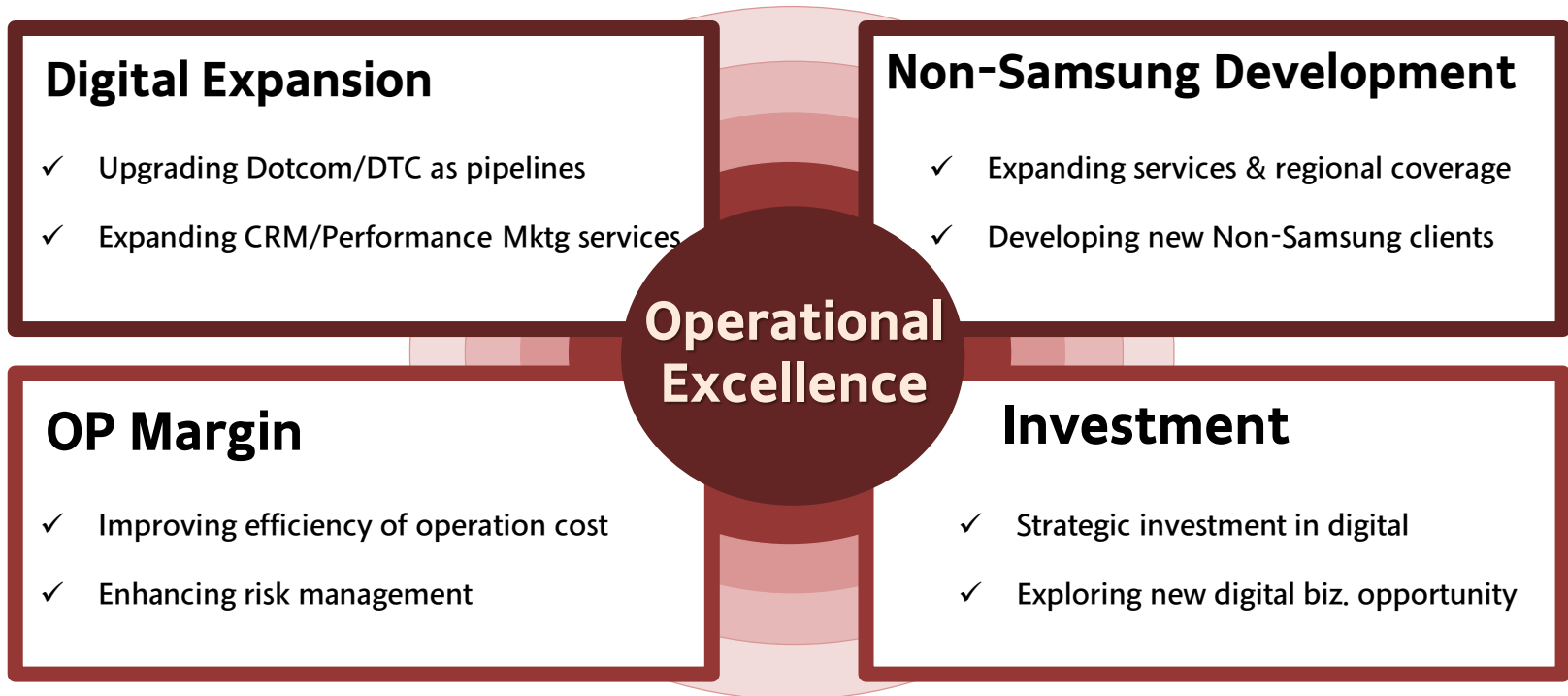
	'22. 4Q	'23. 4Q	Growth	2022	2023	Growth
Revenue (GP)	413.0	429.2	4%	1,538.3	1,618.9	5%
SG&A	341.2	353.2	4%	1,226.9	1,311.4	7%
Salaries	230.9	244.7	6%	866.2	931.9	8%
Others	110.3	108.5	Δ2%	360.7	379.5	5%
Operating Profit	71.8	76.0	6%	311.4	307.5	Δ1%
OPM	17.4%	17.7%	+0.3%p	20.2%	19.0%	Δ1.2%p

※ Head count : As of 2022 6,887 → 2023 7,175 (YoY +288)
 (Overseas) (5,517) (5,776) (+259)

By expanding digital and non-Samsung businesses

Minimizing uncertainty & Strengthening fundamental for sustainable growth

Top-line growth rate 5%↑ and Margin Defense



Thank you