

COSMAX 4Q 2022 Results

2023.03.09



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4Q22 HIGHLIGHTS

CONSOLIDATED

400.5 KRW_{bn}

Sales

▼ 5% YoY

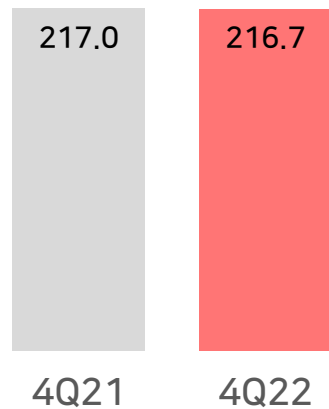
2.3 KRW_{bn}

Operating Profit

▼ 92% YoY

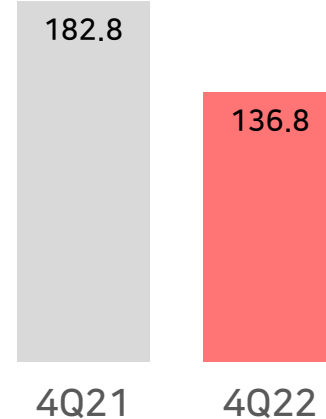
■ KOREA

Sales 216.7 KRW bn



■ EAST

Sales 136.8 KRW bn



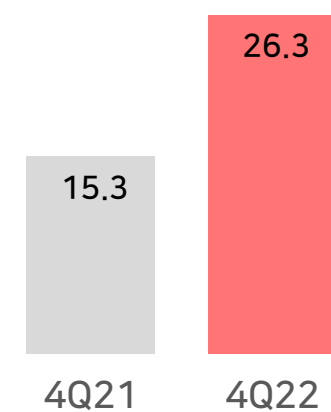
■ WEST

Sales 36.6 KRW bn



■ SOUTHEAST ASIA

Sales 26.3 KRW bn



2022 HIGHLIGHTS

CONSOLIDATED

1,600.1 KRW bn ▲ 1% YoY

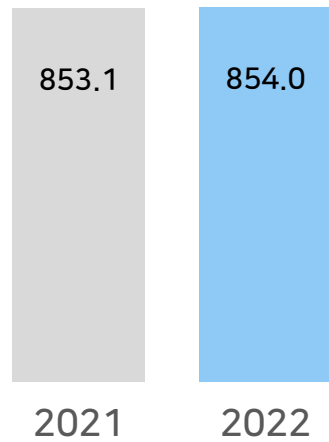
Sales

53.1 KRW bn ▼ 57% YoY

Operating Profit

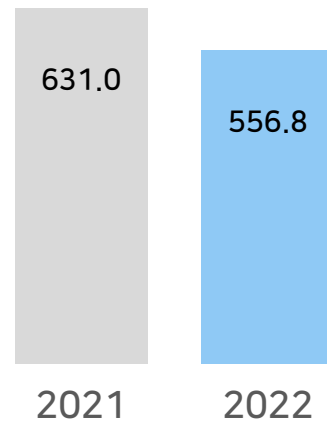
■ KOREA

Sales 854.0 KRW bn



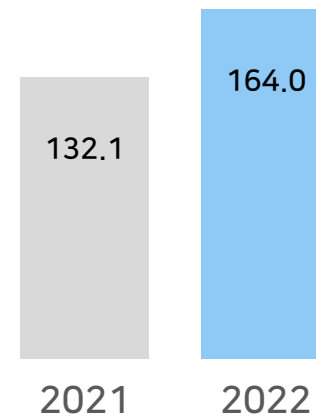
■ EAST

Sales 556.8 KRW bn



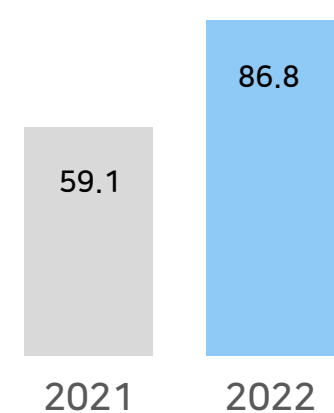
■ WEST

Sales 164.0 KRW bn

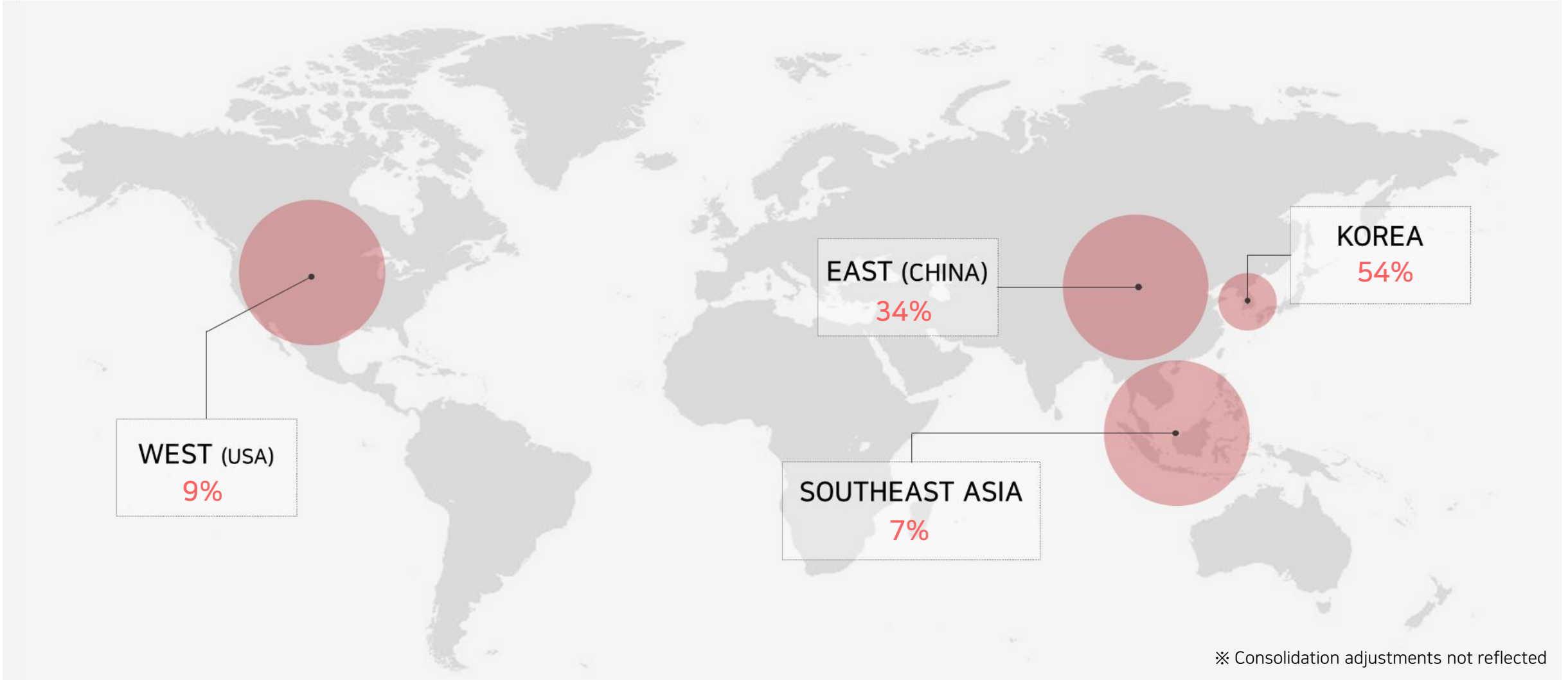


■ SOUTHEAST ASIA

Sales 86.8 KRW bn



4Q22 SALES BY REGION



CONSOLIDATED EARNINGS SUMMARY

(KRW bn)

	4Q21	4Q22	YoY
Sales	421.2	400.5	-5%
Korea	217.0	216.7	-0%
East	182.8	136.8	-25%
West	30.8	36.6	+19%
Indonesia	11.0	19.8	+80%
Thailand	4.3	6.5	+51%
Operating Profit	30.4	2.3	-92%
Korea	20.6	2.9	-86%
Other subsidiaries	9.8	(0.6) ¹⁾	-106%
Net Profit	0.2	(3.5)	Turned Red
Korea	(5.9)	(120.7)	Loss Widened
East	19.9	4.4	-78%
West	(32.5)	(43.1)	Loss Widened
Indonesia	(0.3)	(0.5)	Loss Continued
Thailand	(2.4)	1.1	Turned Black
Controlling Shareholder NP	15.2	18.0	+19%

▪ [Sales]

Despite negative impact from the sluggish consumption in the Chinese market, sales remained relatively flat thanks to strong sales growth in domestic and overseas markets outside of China

▪ [Operating Profit]

Operating profit fell due to the leverage burden resulting from lower sales, costs related to the US business restructuring, and one-off effects from the domestic business

▪ [Net Profit]

Net profit turned negative led by a decrease in operating profit and costs associated with the US business restructuring

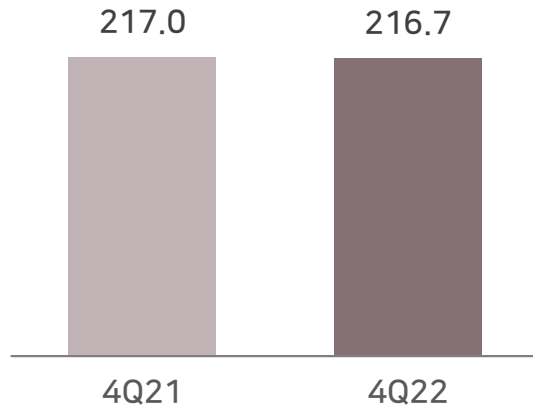
1) Includes intercompany transactions, revenue and profit from overseas and other subsidiaries

DOMESTIC BUSINESS

Korea

Sales 216.7 KRW bn

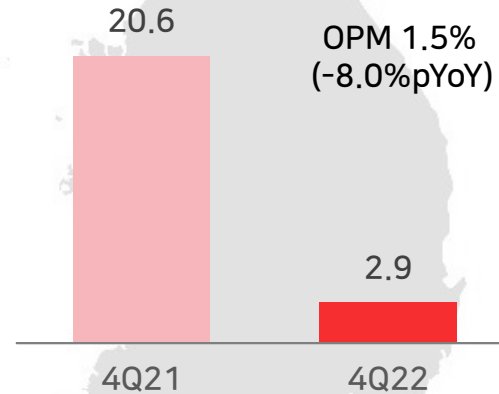
▼ 0% YoY



- Sales drop was minimized despite the sluggish consumer sentiment in the Chinese market due to strong domestic and Japanese orders
- Color cosmetics category sales increased (YoY+5p%)

OP 2.9 KRW bn

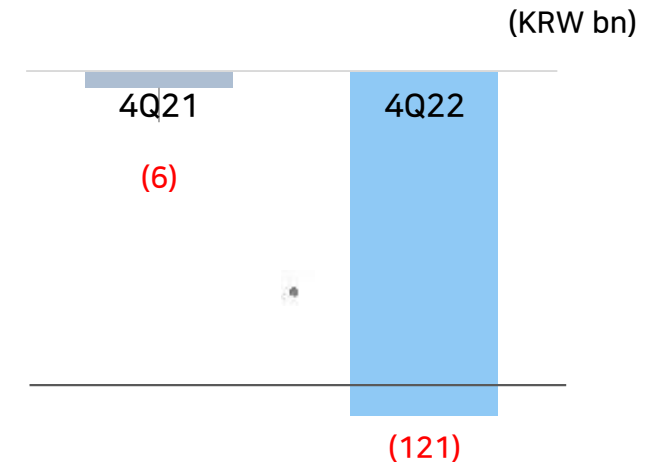
▼ 86% YoY



- OP declined sharply led by
 - Rising costs from inflation & increased fixed costs resulting from lower sales
 - Significant increase in demand for color cosmetics (seasonal promotion)
 - Recognition of a one-off provision for product claims (total amount for FY 2022)

NP 120.7 KRW bn

▼ Loss Widened



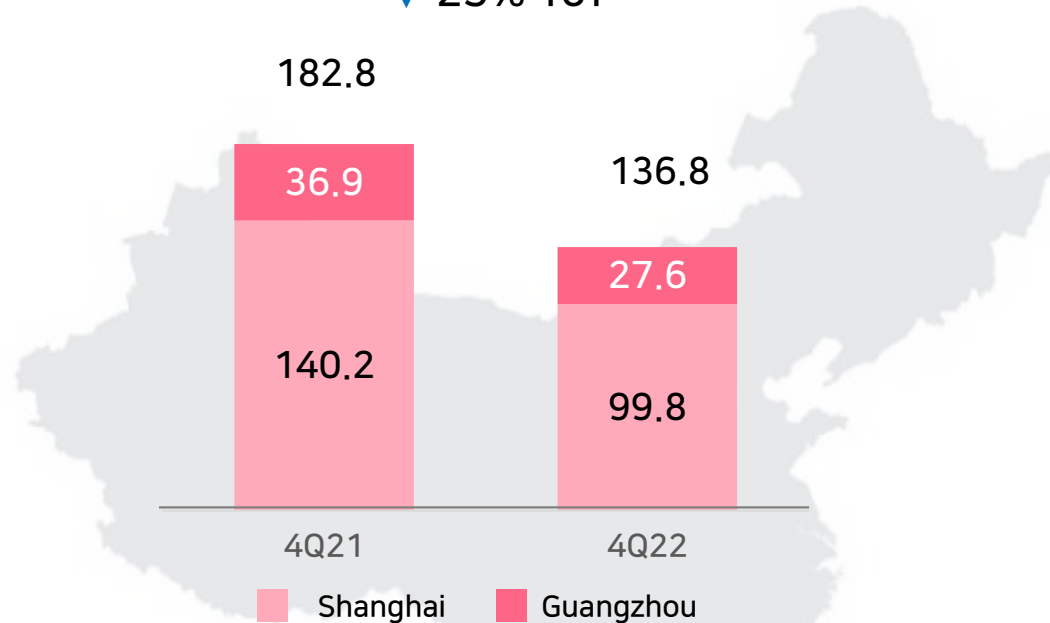
- Recognized impairment loss of investments in subsidiaries (99 KRW bn)
- Increased loss on foreign currency translation (67.9 KRW bn YoY)

OVERSEAS BUSINESS

EAST

Sales 136.8 KRW bn

▼ 25% YoY



- Sales declined due to lackluster sales during the 11.11 festival and sluggish cosmetics consumption in December, amid a surge in Covid19 cases in the region
- Fixed costs increased due to sales drop

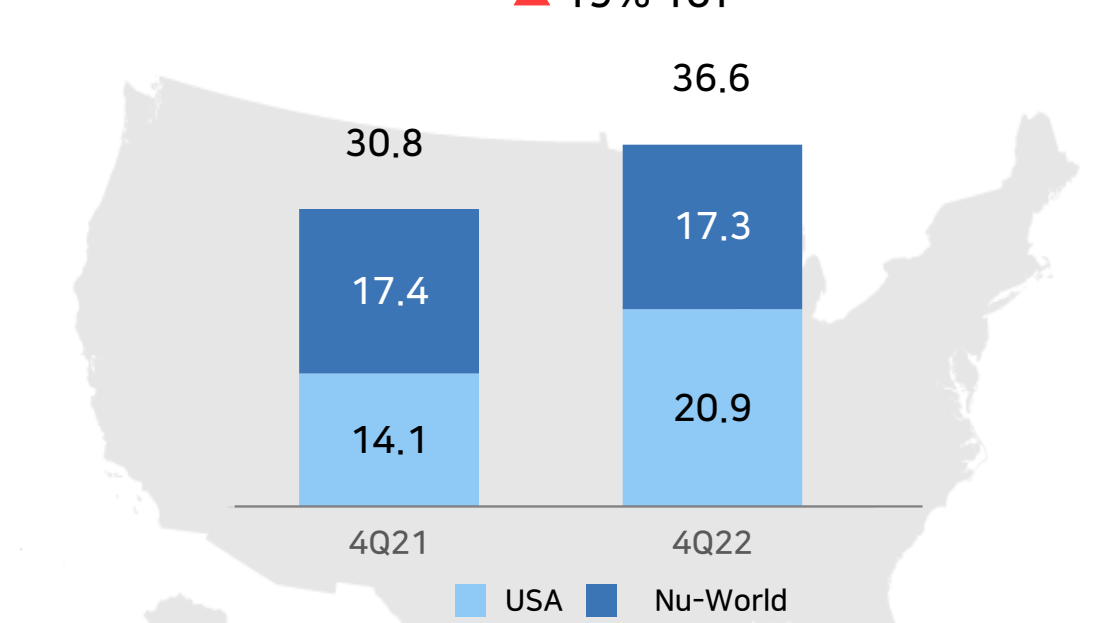
※ Shanghai/Guangzhou Sales: Separate Consolidated

WEST

(KRW bn)

Sales 36.6 KRW bn

▲ 19% YoY



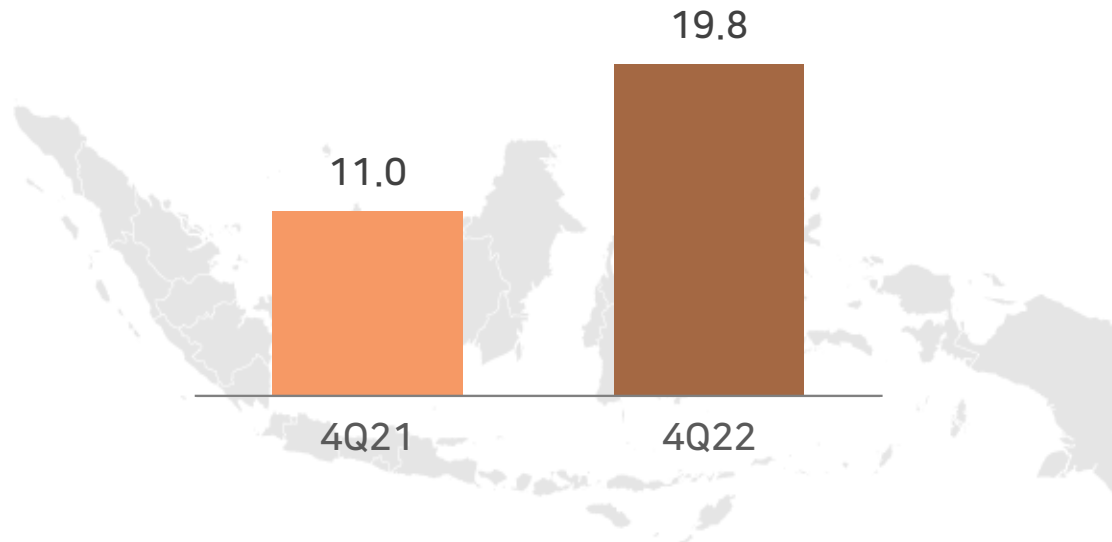
- Sales increased led by major customers' safety stock orders ahead of Ohio factory closure (*Cosmax USA*)
- One-off costs increased for US business restructuring

※ USA/Nu-World Sales: Separate Consolidated

OVERSEAS BUSINESS

INDONESIA

Sales 19.8 KRW bn
▲ 80% YoY

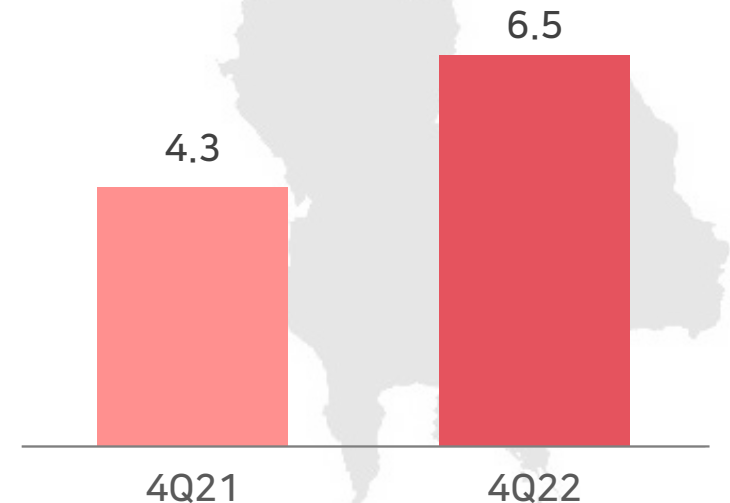


- Sales increased dramatically led by robust order growth from online customers, followed by offline customers, particularly in the color cosmetics category
- Operating profit increased due to the leverage effect of the robust surge in sales

THAILAND

(KRW bn)

Sales 6.5 KRW bn
▲ 51% YoY



- Sales rose from increased repeat orders from local customers
- Loss narrowed due to decreased fixed costs burden after sales increase

CONSOLIDATED EARNINGS SUMMARY

Income Statement

(KRW bn)

	4Q21	4Q22
Sales	421.2	400.5
COGS	353.7	361.0
Gross Profit	67.5	39.5
SG & A Expenses	37.1	37.2
Operating Profit	30.4	2.3
Non-Operating Profit / Expense	(23.6)	(52.7)
Profit Before Tax	6.8	(50.4)
Net Income	0.2	(3.5)
Controlling Shareholder NP	15.2	18.0

Balance Sheet

(KRW bn)

	2021	2022
Asset	1,411.9	1,431.7
Current Asset	792.2	737.2
Non-Current Asset	619.7	694.5
Liability	946.5	952.2
Current Liability	787.6	812.0
Non-Current Liability	158.9	140.2
Equity	465.4	479.5
Capital	5.7	5.7
Retained Earnings	248.1	302.7
Non-Controlling Interest	(95.9)	(136.9)

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