

COSMAX 1Q 2023 Results

May 12th, 2023



| DISCLAIMER

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

Therefore, the information and financial data of COSMAX and its subsidiaries (the 'Company', or 'COSMAX') contained in this document are subject to change upon an independent auditor's audit.

The Company does not make any representation or accept liability for the accuracy or completeness of the information contained in this material.

The format and contents of this document are subject to change for future filings and reports.

COSMAX is not liable for providing future updates on all figures included in this document.

Therefore, this presentation should not be utilized for any legal purposes in regards to investors' investment results.

The Company hereby expressly disclaims any and all liability for any loss or damage resulting from the investors' reliance on the information contained herein.

1Q23 HIGHLIGHTS

CONSOLIDATED

403.3 KRW_{bn}

▲ 1% YoY

Sales

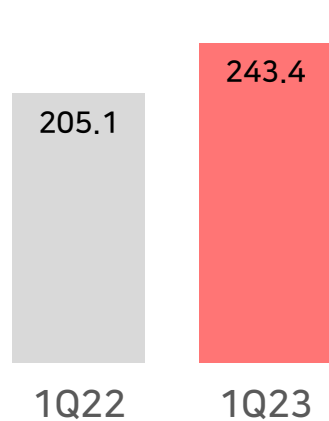
13.8 KRW_{bn}

▲ 1% YoY

Operating Profit

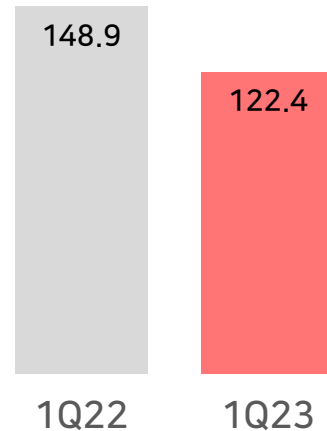
■ KOREA

Sales 243.4 KRW bn



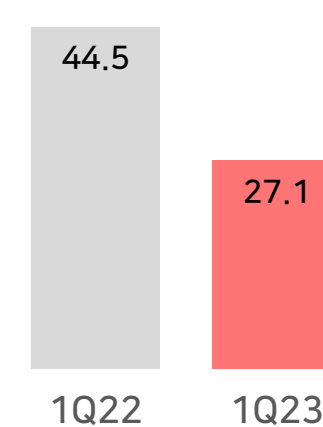
■ EAST

Sales 122.4 KRW bn



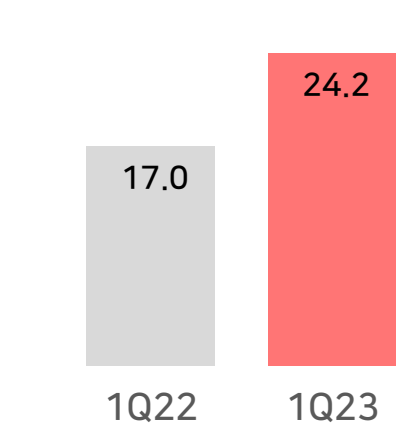
■ WEST

Sales 27.1 KRW bn

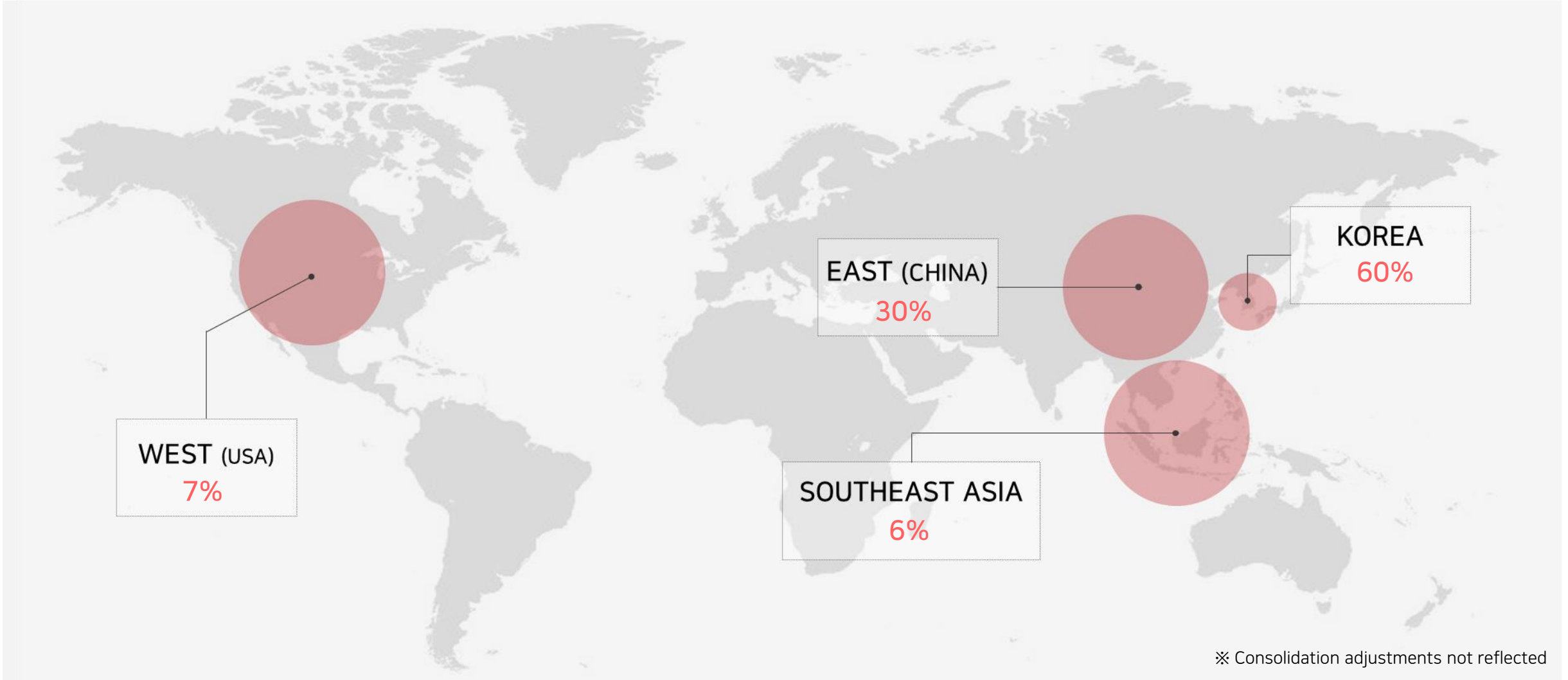


■ SOUTHEAST ASIA

Sales 24.2 KRW bn



1Q23 SALES BY REGION



CONSOLIDATED EARNINGS SUMMARY

(KRW bn)

	1Q22	1Q23	YoY	QoQ
Sales	397.9	403.3	+1%	+1%
Korea	205.1	243.4	+19%	+12%
East	148.9	122.4	-18%	-11%
West	44.5	27.1	-39%	-26%
Indonesia	14.3	19.2	+34%	-3%
Thailand	2.8	5.1	+82%	-22%
Operating Profit	13.7	13.8	+1%	+478%
Korea	9.7	13.0	+35%	+346%
Other subsidiaries ¹⁾	4.0	0.8	-81%	-85%
Net Profit	10.2	0.7	-93%	Turned Black
Korea	10.4	22.7	+119%	Turned Black
East	10.7	3.6	-66%	-18%
West	(13.1)	(13.2)	Loss Continued	Loss Continued
Indonesia	1.4	3.4	+148%	Turned Black
Thailand	(1.3)	(0.7)	Loss Continued	Turned Red
Controlling Shareholder NP	15.3	6.7	-56%	Turned Black

- **[Sales]**

Slight increase in sales despite the weak consumption in the Chinese market and a sales gap due to US business restructuring, primarily led by robust sales in domestic and SEA markets

- **[Operating Profit]**

Operating profit remained relatively flat as several factors contributed to it - including expenses incurred from the US business restructuring; increased cost burdens from the sluggish Chinese market consumption, unabated inflationary pressures on raw materials, and increased demand in color cosmetics

- **[Net Profit]**

Net profit decreased due to an increase in corporate tax expenses, primarily driven by sales growth in domestic market

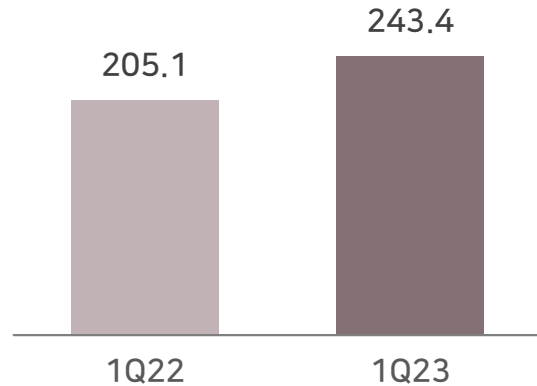
1) Includes intercompany transactions, revenue and profit from overseas and other subsidiaries

DOMESTIC BUSINESS

Korea

Sales 243.4 KRW bn

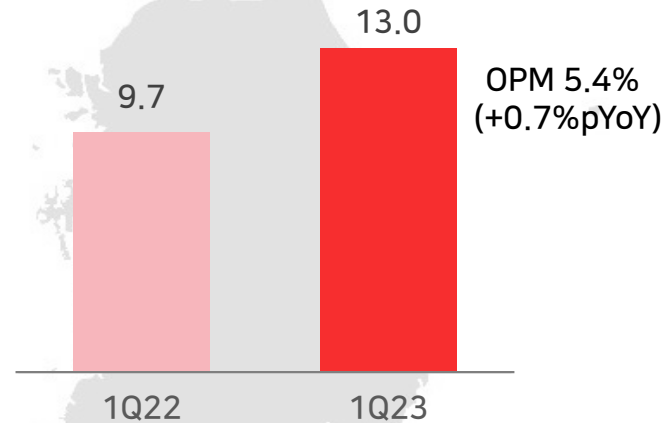
▲ 19% YoY



- Despite weak sales in China, growth was driven by robust sales in other markets, such as Korea, Japan, and SEA
- Sales increased, especially in color cosmetics category

OP 13.0 KRW bn

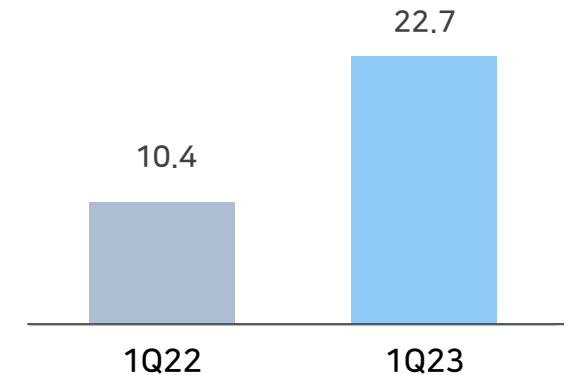
▲ 35% YoY



- Despite partial implementation of price increases, continued inflationary pressure on raw material costs still remains as a burden
- Recognized bad debt expenses of 3.4 KRW bn
- Increased color cosmetics sales (Color cosmetics: 46% of total sales, +4%p YoY)

(KRW bn)
NP 22.7 KRW bn

▲ 119% YoY



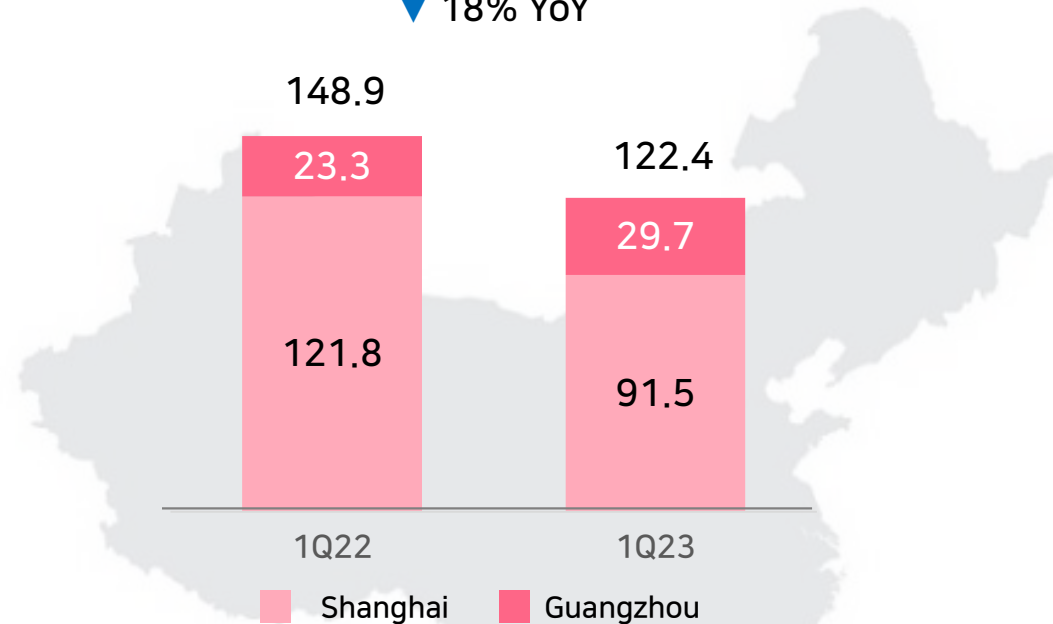
- G/L on foreign currency translation increased YoY (14.2 KRW bn), due to FX currency effect

OVERSEAS BUSINESS

EAST

Sales 122.4 KRW bn

▼ 18% YoY



- Sales recovery began in March, but the weak Jan-Feb orders negatively impacted total sales
- Increased fixed cost as a result of decline in sales

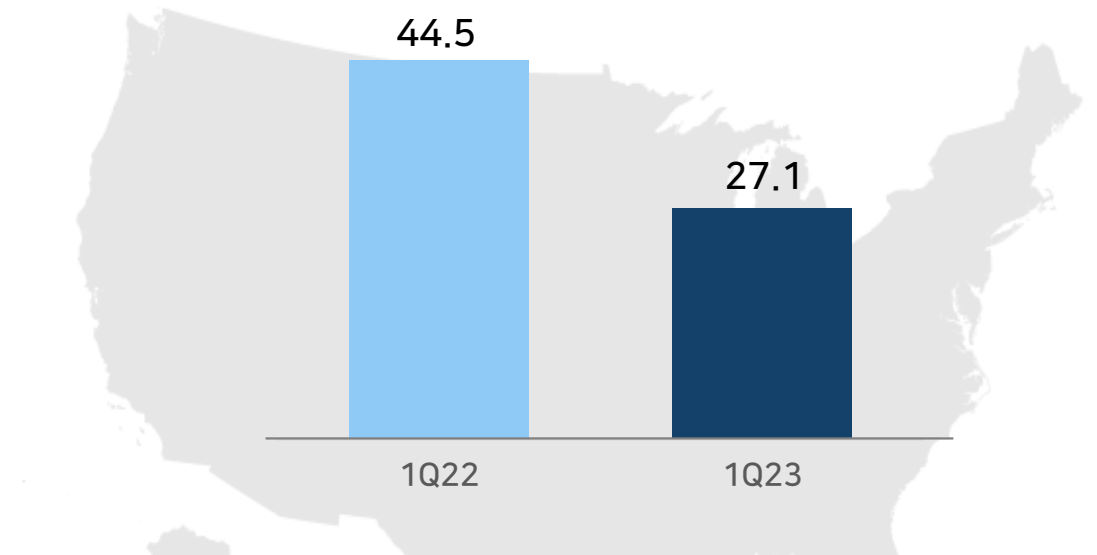
※ Shanghai/Guangzhou Sales: Separate Consolidated

WEST

(KRW bn)

Sales 27.1 KRW bn

▼ 39% YoY



- Sales decreased due to a sales gap while transferring existing clients from the OH factory to the NJ factory
- Losses continued, led by the costs related to business restructuring and the decline in sales due to the sales gap

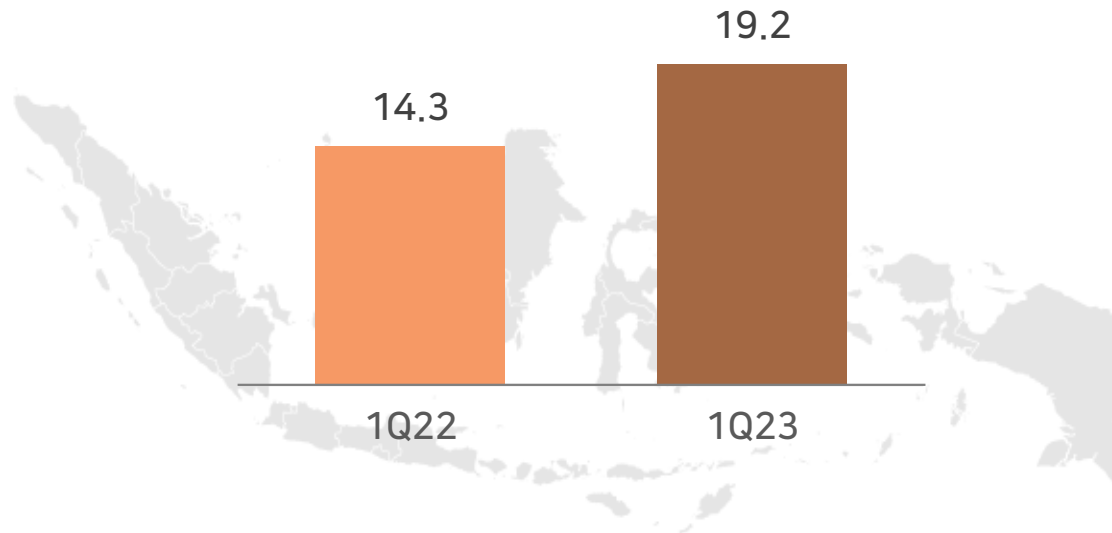
※ USA/Nu-World Sales: Separate Consolidated

OVERSEAS BUSINESS

INDONESIA

Sales 19.2 KRW bn

▲ 34% YoY



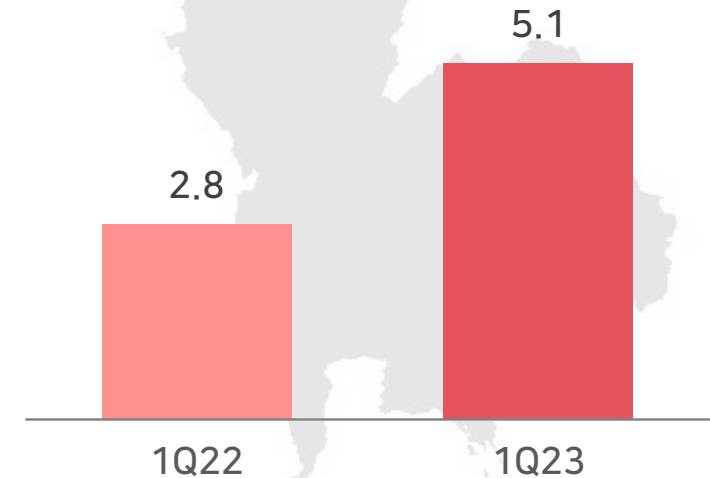
- Sales increased for another consecutive quarter, fueled by solid order flows from key customers
- Net profit increased, driven by leverage effect due to the sales growth

THAILAND

(KRW bn)

Sales 5.1 KRW bn

▲ 82% YoY



- Sales increased led by the gradual recovery of the market, as well as existing customers' solid reorders
- Narrowed losses due to sales increase, which also resulted in lower fixed expense burden

CONSOLIDATED EARNINGS SUMMARY

Income Statement

(KRW bn)

	1Q22	1Q23
Sales	397.9	403.3
COGS	339.7	347.7
Gross Profit	48.2	55.5
SG & A Expenses	44.5	41.7
Operating Profit	13.7	13.8
Non-Operating Profit / Expense	(0.4)	(4.0)
Profit Before Tax	13.3	9.8
Net Income	10.2	0.7
Controlling Shareholder NP	15.3	6.7

Balance Sheet

(KRW bn)

	1Q22	1Q23
Asset	1,433.3	1,516.3
Current Asset	798.1	819.4
Non-Current Asset	635.2	696.9
Liability	957.1	1,057.2
Current Liability	798.8	896.5
Non-Current Liability	158.3	160.7
Equity	476.2	459.1
Capital	5.7	5.7
Retained Earnings	257.1	274.2
Non-Controlling Interest	(103.4)	(163.1)

ircontact@cosmax.com