

# COSMAX 2Q 2022 RESULTS



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# 2Q 2022 HIGHLIGHTS

Sales

405.0 KRW bn

▼ 6% YoY

Operating Profit

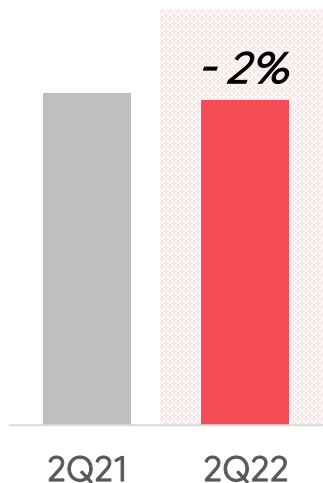
17.2 KRW bn

▼ 61% YoY

KOREA



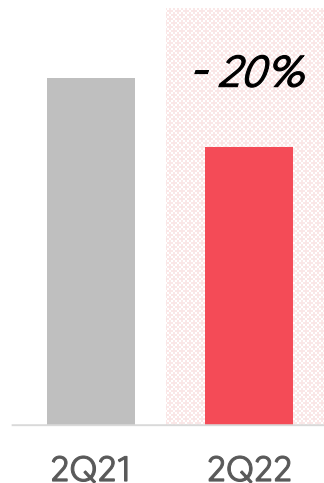
Sales 225.5 KRW bn



EAST



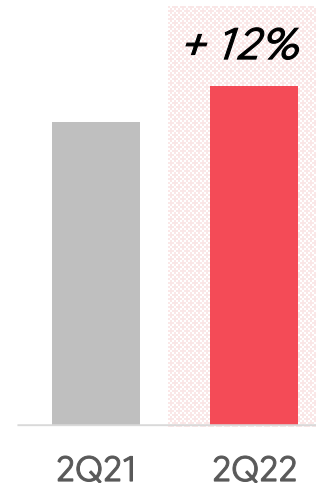
Sales 137.3 KRW bn



WEST



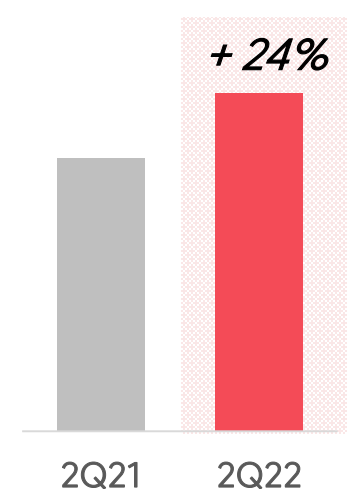
Sales 38.0 KRW bn



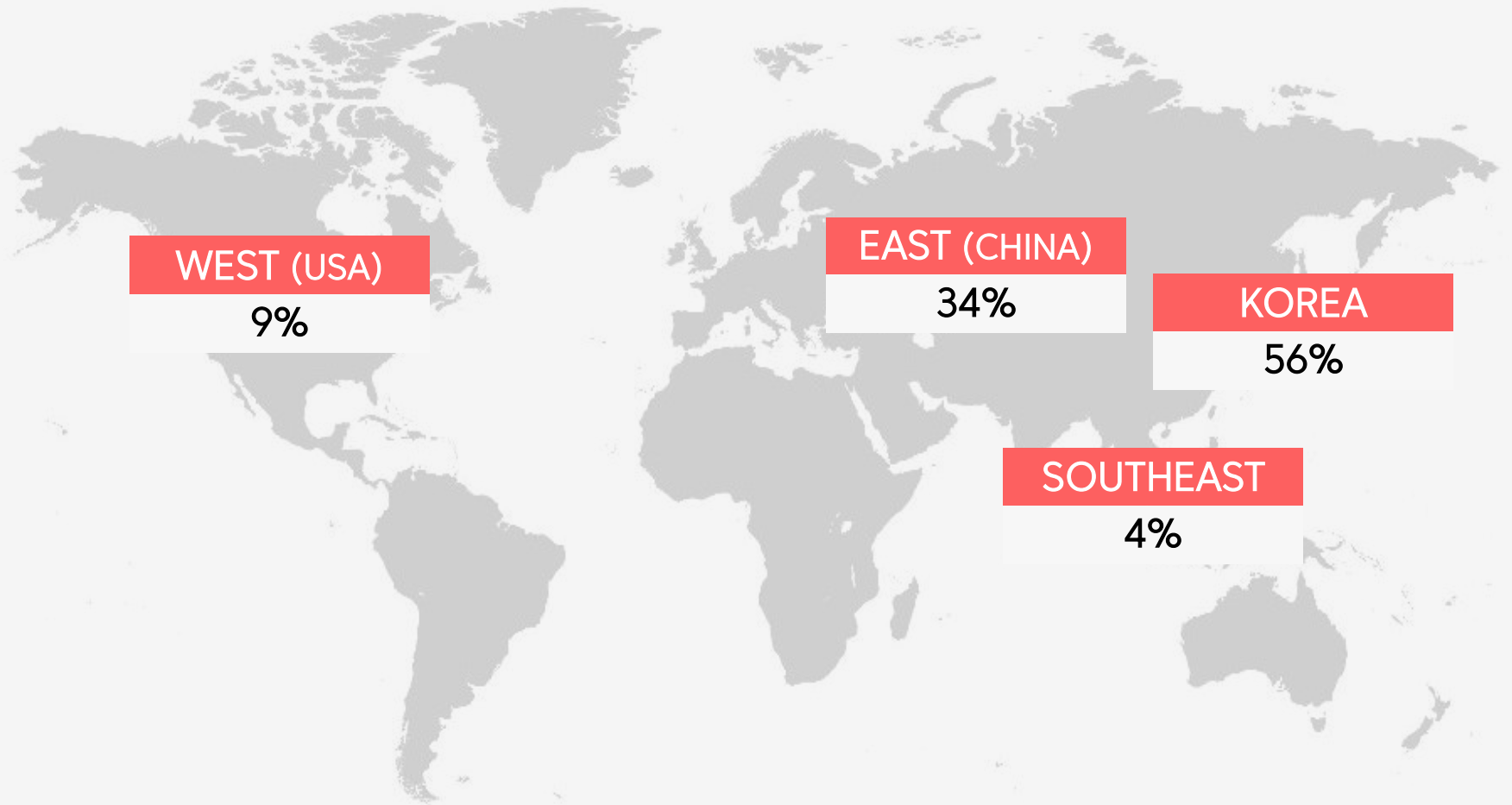
SOUTHEAST ASIA



Sales 18.1 KRW bn



# 2Q 2022 SALES BY REGION



※ Consolidation adjustments not reflected

# CONSOLIDATED EARNINGS SUMMARY

(KRW bn)

|                                   | 2Q21   | 2Q22   | YoY            |
|-----------------------------------|--------|--------|----------------|
| <b>Sales</b>                      | 430.4  | 405.0  | -6%            |
| Korea                             | 230.0  | 225.5  | -2%            |
| East                              | 171.4  | 137.3  | -20%           |
| West                              | 34.0   | 38.0   | +12%           |
| Indonesia                         | 10.0   | 14.7   | +47%           |
| Thailand                          | 4.6    | 3.4    | -27%           |
| <b>Operating Profit</b>           | 43.9   | 17.2   | -61%           |
| Korea                             | 20.4   | 18.6   | -9%            |
| Other subsidiaries <sup>1)</sup>  | 23.5   | (1.4)  | -106%          |
| <b>Net Profit</b>                 | 26.1   | 5.3    | -80%           |
| Korea                             | 17.2   | 23.2   | +35%           |
| East                              | 19.0   | 10.8   | -43%           |
| West                              | (15.3) | (15.3) | Loss continued |
| Indonesia                         | 0.8    | 0.2    | -75%           |
| Thailand                          | (0.5)  | (2.2)  | Loss widened   |
| <b>Controlling Shareholder NP</b> | 32.0   | 11.5   | -64%           |

- **[Sales]**

Sales decreased led by prolonged lockdown in China and supply chain disruptions which had negative impact on Korea and China businesses

- **[Operating Profit]**

Operating income decreased led by inflationary raw material costs and fixed income expenses during the lockdown period in China

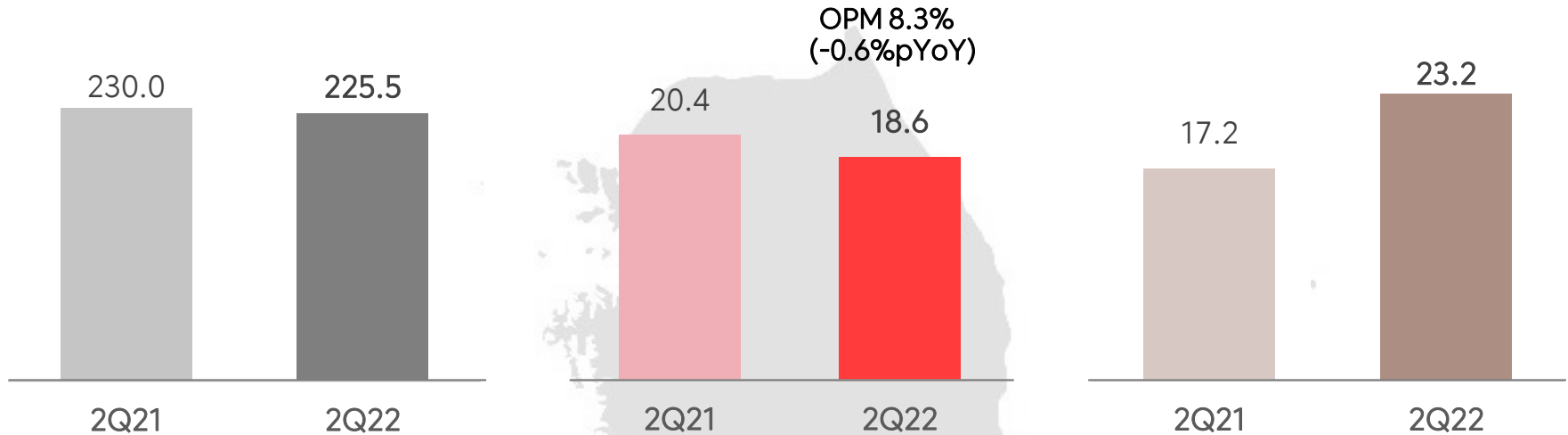
- **[Net Profit]**

G/L on foreign currency translation increased YoY (3.3 KRW bn), due to FX currency effect

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

# DOMESTIC BUSINESS

(KRW bn)



Sales 225.5 KRW bn

▼ 2% YoY

- Japan & SEA order increase offset order decline in China during lockdown (Apr.- May)
- Slight increase (+2% YoY) in demand for color cosmetics led by lip & base categories

OP 18.6 KRW bn

▼ 9% YoY

- Operating margin fell as prices of raw materials continued to surge (COGS for 1H +2.3%p YoY)
- Like-for-like OPM stood at 6%, considering the reduction in incentives compared to 2Q21

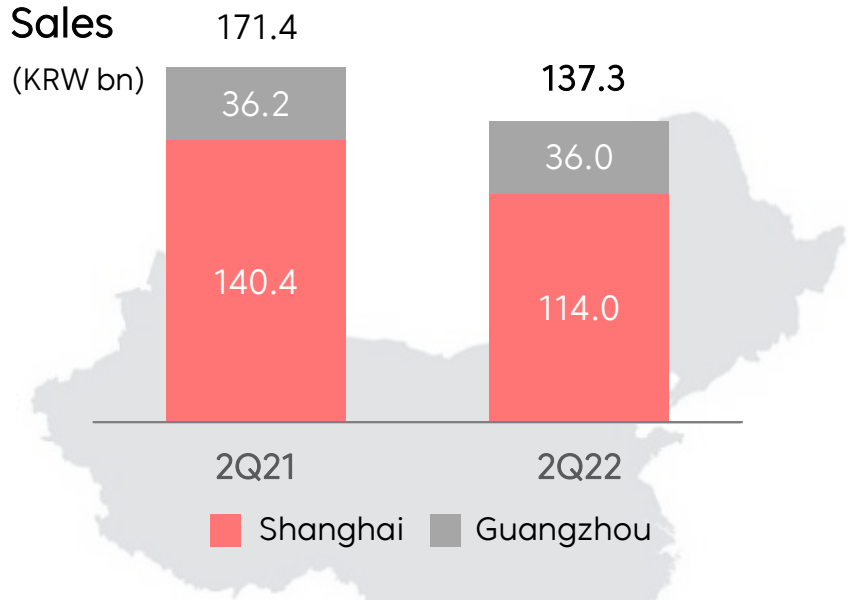
NP 23.2 KRW bn

▲ 35% YoY

- G/L on foreign currency translation increased (32.0 KRW bn) YoY
- Recognized impairment loss of investments in subsidiaries for Thailand (3.7 KRW bn)

# OVERSEAS BUSINESS

## EAST



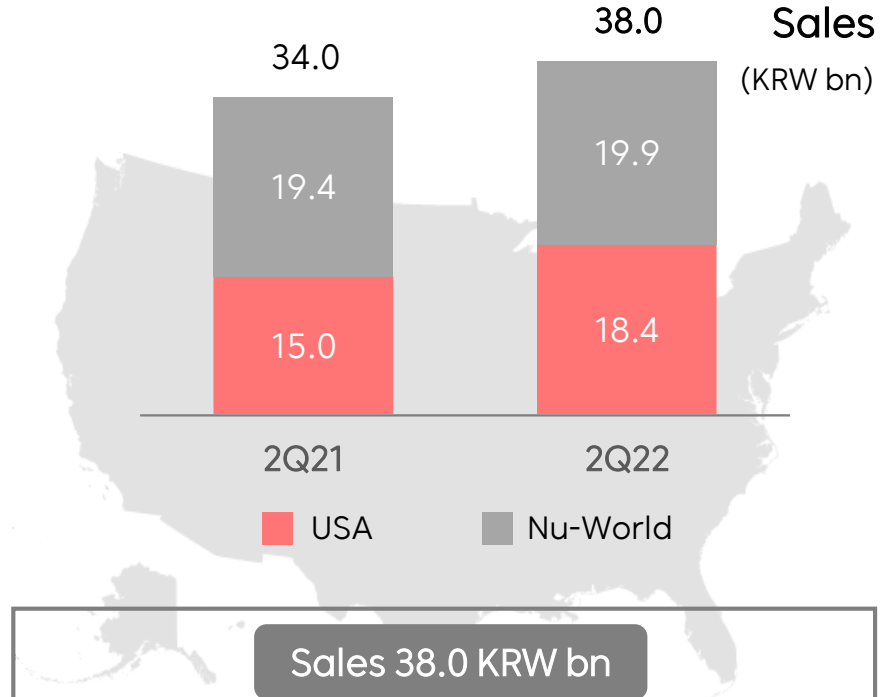
Sales 137.3 KRW bn

▼ 20% YoY

- Sales & OP decreased led by headwinds impacted sales/ production/ logistics during Shanghai lockdown (Apr.-May)
- Orders were partially transferred to Guangzhou to minimize production disruption
- Sales rebounded strongly after the lockdown in Jun.

※ SH/GZ consolidation adjustments not reflected

## WEST



Sales 38.0 KRW bn

▲ 12% YoY

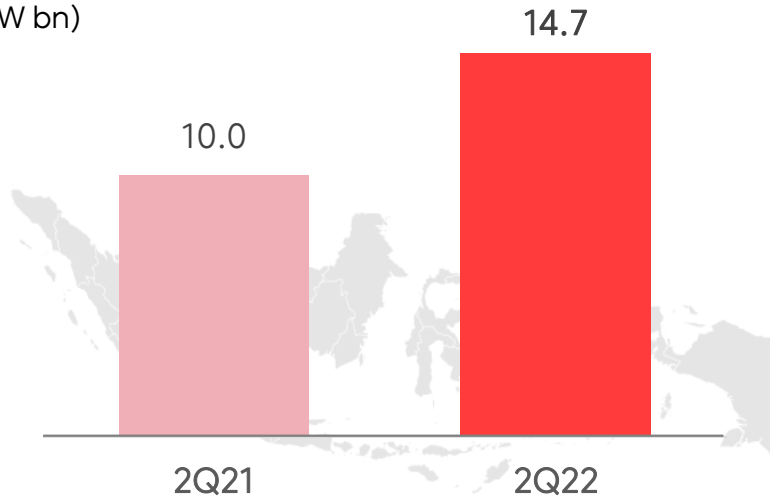
- Despite a high base effect from 2Q21, sales increased due to improved macro climate as Covid restrictions abated
- Despite continued inflationary cost pressures and supply chain challenges, the increase in operating loss was negligible due to significant cut backs in SG&A expenses

※ USA/Nu-World consolidation adjustments not reflected

# OVERSEAS BUSINESS

## INDONESIA

Sales  
(KRW bn)



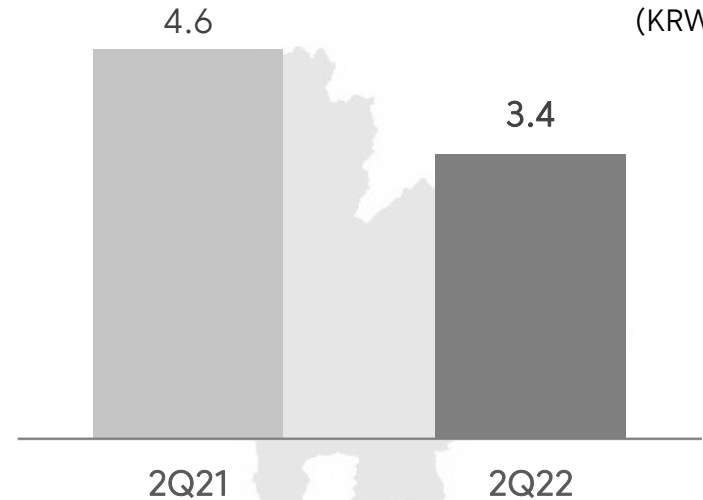
Sales 14.7 KRW bn

▲ 47% YoY

- Sales remained robust led by both major local online clients' strong performance and order increase from Unilever
- Net profit contracted primarily due to unfavorable currency impacts despite top-line growth

## THAILAND

Sales  
(KRW bn)



Sales 3.4 KRW bn

▼ 27% YoY

- Sales decreased led by supply chain challenges due to China's continued lockdown on its' major cities, and thereby resulting order delays
- Net loss continued amid fixed costs increase as a consequence of decreased production and increased costs



# CONSOLIDATED FINANCIAL SUMMARY

## Income Statement

(KRW bn)

|                                | 2Q21  | 2Q22  |
|--------------------------------|-------|-------|
| Sales                          | 430.4 | 405.0 |
| COGS                           | 347.8 | 347.1 |
| Gross Profit                   | 82.5  | 57.9  |
| SG & A Expenses                | 38.6  | 40.7  |
| Operating Profit               | 43.9  | 17.2  |
| Non-Operating Profit / Expense | (4.1) | 0.2   |
| Profit Before Tax              | 39.8  | 17.4  |
| Net Income                     | 26.1  | 5.3   |
| Controlling Shareholder NP     | 32.0  | 11.5  |

## Balance Sheet

(KRW bn)

|                          | 2Q21    | 2Q22    |
|--------------------------|---------|---------|
| Asset                    | 1,411.9 | 1,452.3 |
| Current Asset            | 792.2   | 781.3   |
| Non-Current Asset        | 619.7   | 671.0   |
| Liability                | 946.5   | 961.3   |
| Current Liability        | 787.6   | 830.5   |
| Non-current Liability    | 158.9   | 130.8   |
| Equity                   | 465.4   | 491.0   |
| Capital                  | 5.7     | 5.7     |
| Retained Earnings        | 248.1   | 268.7   |
| Non-controlling Interest | (95.9)  | (117.2) |



THE SCIENCE OF KOREAN BEAUTY

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