

# COSMAX Q3 2023 Results

2023.11.13



# | DISCLAIMER

---

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

Therefore, the information and financial data on 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.

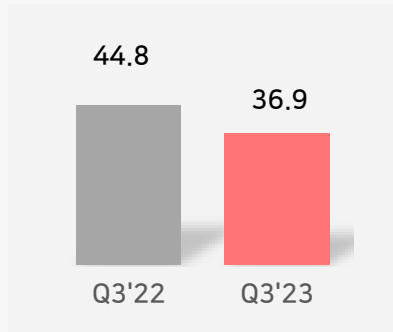
# Q3 2023 HIGHLIGHTS

CONSOLIDATED

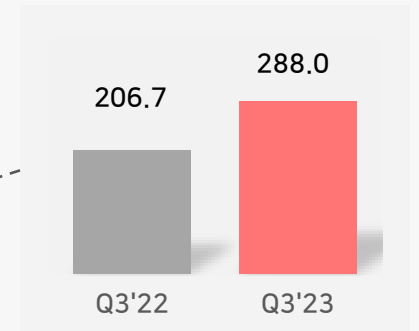
Sales **458.3** KRW bn ▲15%YoY    OP **33.3** KRW bn ▲69%YoY

[Sales by Region, KRW bn]

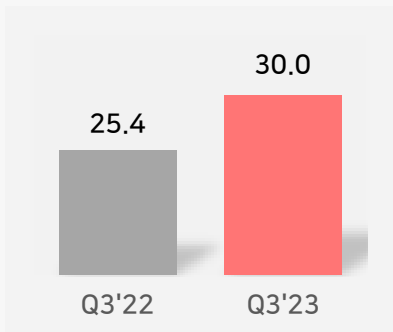
WEST 8%



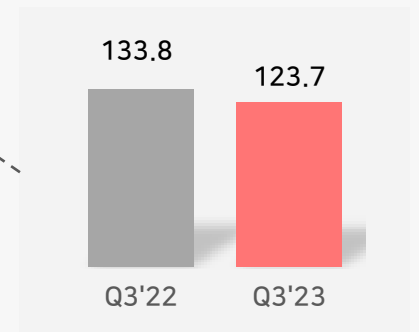
KOREA 63%



SOUTHEAST ASIA 7%



EAST 27%



※ Consolidation adjustments not reflected

# CONSOLIDATED EARNINGS SUMMARY

[KRW bn]

	Q3'22	Q3'23	YoY	QoQ
<b>Sales</b>	<b>396.8</b>	<b>458.3</b>	<b>+15%</b>	<b>-4%</b>
Korea	206.7	288.0	+39%	+3%
East	133.8	123.7	-8%	-20%
West	44.8	36.9	-18%	-3%
Indonesia	18.6	23.4	+26%	+13%
Thailand	6.8	6.6	-3%	-4%
<b>Operating Profit</b>	<b>19.7</b>	<b>33.3</b>	<b>+69%</b>	<b>-28%</b>
Korea	11.7	25.8	+122%	-15%
Other Subsidiaries <sup>1)</sup>	8.0	7.5	-8%	-90%
<b>Net Profit</b>	<b>6.7</b>	<b>10.9</b>	<b>+61%</b>	<b>-60%</b>
Korea	21.7	6.7	-69%	-22%
East	7.4	4.6	-38%	-58%
West	(11.3)	(12.5)	Loss Increased	Loss Increased
Indonesia	0.5	0.9	+84%	-34%
Thailand	(1.4)	(0.4)	Loss Reduced	Loss Reduced
<b>Controlling Shareholder NP</b>	<b>11.3</b>	<b>15.2</b>	<b>+35%</b>	<b>-50%</b>

- **[Sales]**

- Despite being off season, sales from Korea posted robust growth, thanks to growing demand in both domestic and overseas markets
- Strong sales growth continued in Indonesia

- **[Operating Profit]**

- OP increase was led by solid sales growth and operating leverage in Korea
- Reduced losses in the US and increased profits from SEA offset decreased profits in China

- **[Net Profit]**

- Net profit rose due to increased operating profit and low-base effect from the previous year
- Gains from FX translation/transaction of 600 KRW mn
- Recognized corporate tax expense of 16 KRW bn

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

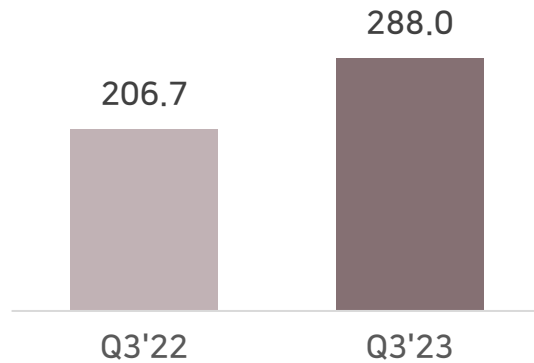
# DOMESTIC BUSINESS

## KOREA

[KRW bn]

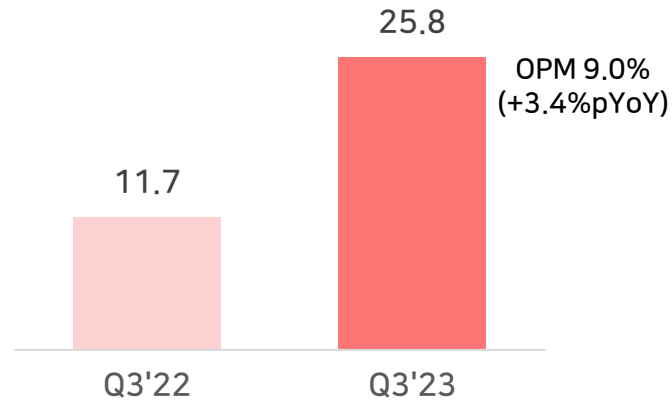
Sales 288.0 KRW bn

▲ 39%YoY



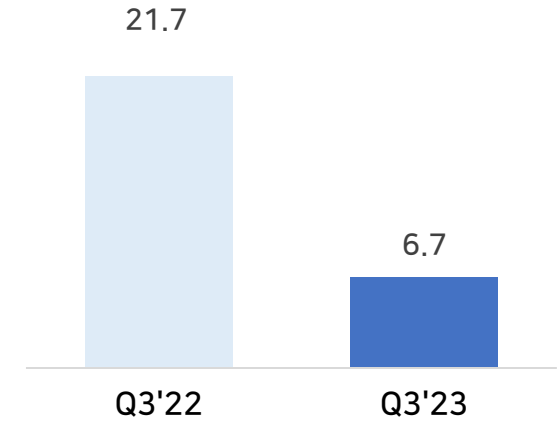
OP 25.8 KRW bn

▲ 122%YoY



NP 6.7 KRW bn

▼ 69%YoY



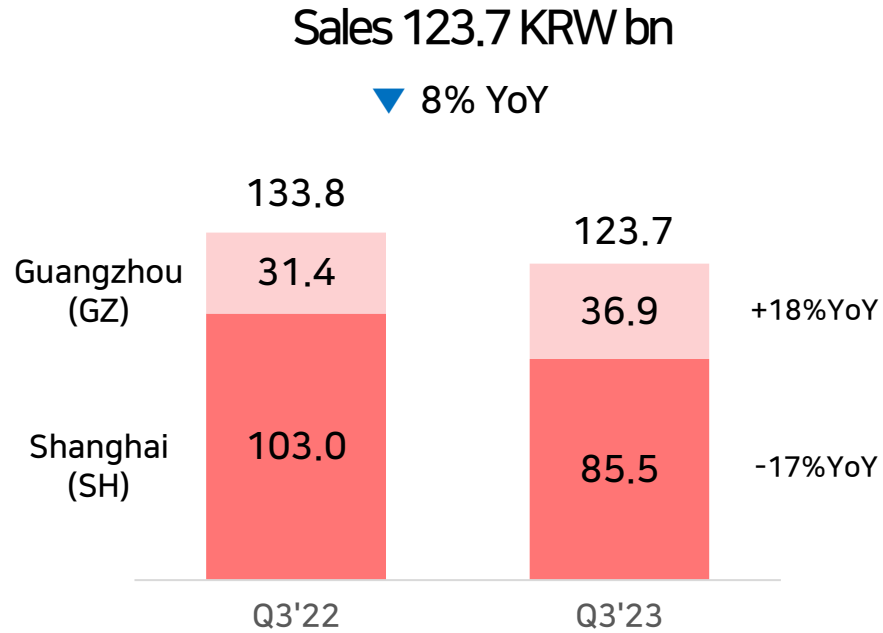
- Posted another quarter of strong sales, driven by the reopening effect in the domestic market and increasing demands from Japan, China, and the US
- Direct export sales surged due to growing orders from new indie brand clients

- Operating profit increased due to the leverage effect from the robust surge in sales
- Profitability improved due to expanded order volume in high-margin products
- Sales by category remained the same QoQ (Skincare 54% : Color 46%)

- Recognized losses related to subsidiaries of 19 KRW bn
- Recognized corporate tax expenses of 14.6 KRW bn

# OVERSEAS BUSINESS

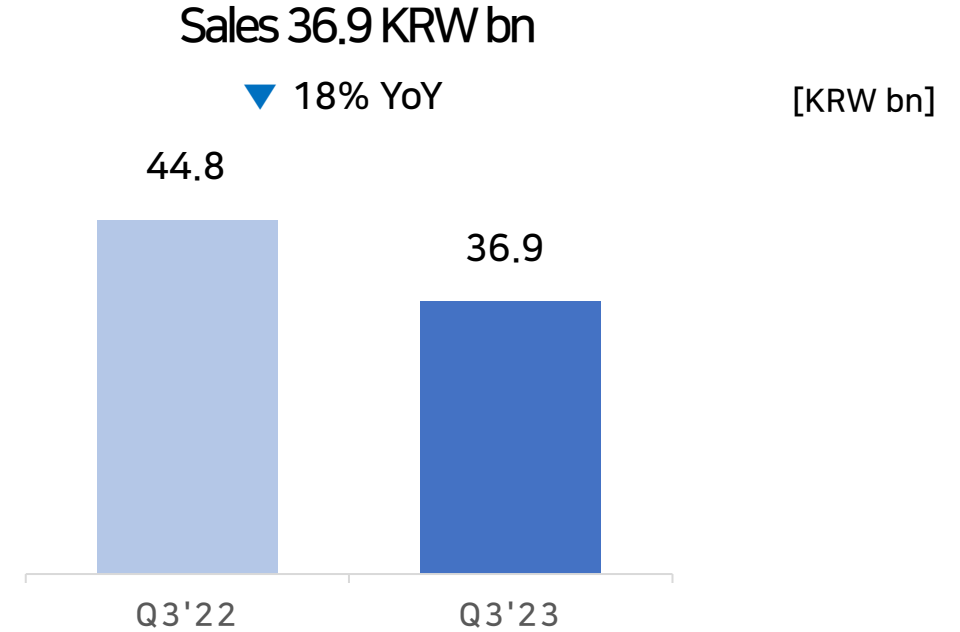
## EAST



※ Shanghai/Guangzhou Sales: Separate Consolidated

- SH : 11.11 festival-related orders were put off to Q4 due to tightened liquidity management by key clients as consumer sentiment contraction persisted
- GZ : Posted robust growth led by new customer expansion and increased orders from existing clients
- Net profit declined due to conservative recognition of allowances for A/R

## WEST



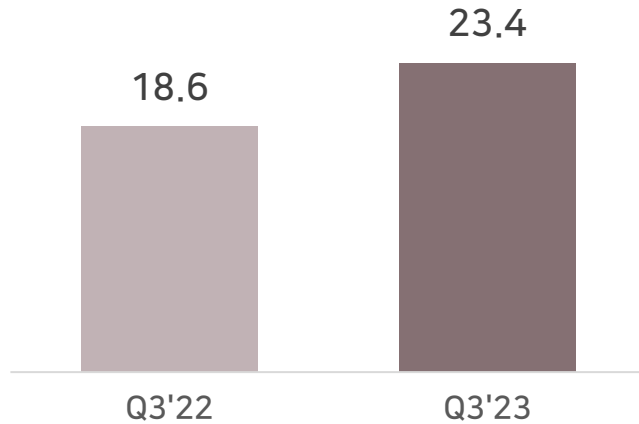
- Sales decreased due to high base effect from the prior year's elevated sales when clients' orders increased for safety stock before the OH plant closure
- Improved sales quality with a higher ODM share led by numerous new indie brand clients (ODM Sales - Q3'22: 40% → Q3'23: 75%)
- Net losses increased slightly due to higher interest costs and impairment losses related to assets in OH plant

# OVERSEAS BUSINESS

## INDONESIA

Sales 23.4 KRW bn

▲ 26% YoY



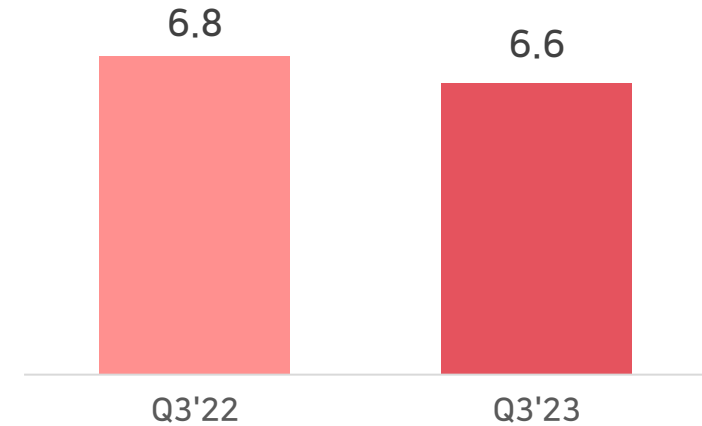
- Achieved robust sales growth driven by increased orders from both existing and new clients
- Further diversified the client portfolio through expansion of new local clients
- Increased skincare category shares due to a surged in sun-care and baby line product orders (Skincare category from total sales: Q3'22: 51% → Q3'23: 56%)
- Achieved significant profit growth driven by leverage effect from increased sales

## THAILAND

Sales 6.6 KRW bn

▼ 3% YoY

[KRW bn]



- Sales declined slightly due to the high base from the previous year as logistics disruption in China normalized, and tourism resumed after the reopening in Q3 '22
- Client orders are increasing as the local market consumption trends are stabilizing
- Net loss narrowed despite the decrease in sales, thanks to efficient cost management

# CONSOLIDATED EARNINGS SUMMARY

## Income Statement

[KRW bn]

	Q3'22	Q3'23	YoY
Sales	396.8	458.3	15%
COGS	346.0	380.1	10%
Gross Profit	50.7	78.2	54%
SG & A Expenses	31.0	44.8	45%
Operating Profit	19.7	33.3	69%
Non-Operating Profit / Expense	6.1	(6.5)	-207%
Profit Before Tax	25.8	26.8	4%
Net Income	6.7	10.9	61%
Controlling Shareholder NP	11.3	15.2	35%

## Balance Sheet

[KRW bn]

	2022	Q3'23
Asset	1,396.4	1,518.7
Current Asset	737.1	797.3
Non-Current Asset	659.3	721.4
Liability	952.2	1,143.1
Current Liability	812.0	842.1
Non-Current Liability	140.2	301.0
Equity	444.2	375.5
Capital	5.7	5.7
Retained Earnings	267.5	319.8
Non-Controlling Interest	(136.9)	(204.6)



[ircontact@cosmax.com](mailto:ircontact@cosmax.com)