

COSMAX Q4 2023 Results

2024.03.07



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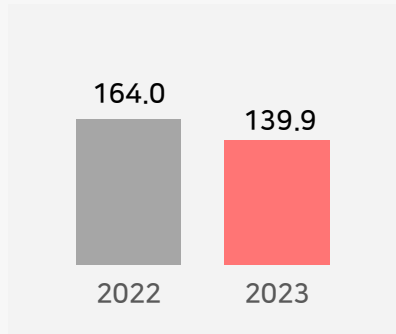
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2023 HIGHLIGHTS

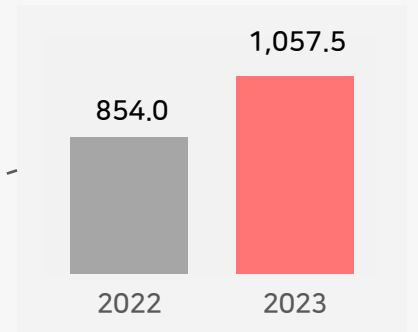
CONSOLIDATED Sales **1,777.5** KRW bn ▲11%YoY OP **115.7** KRW bn ▲118%YoY

[Sales by Region, KRW bn]

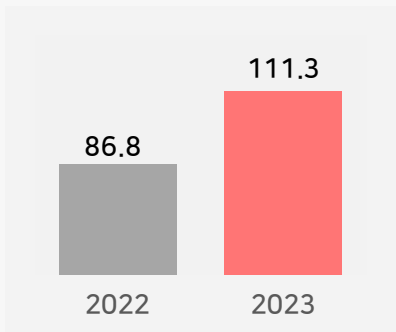
WEST 8%



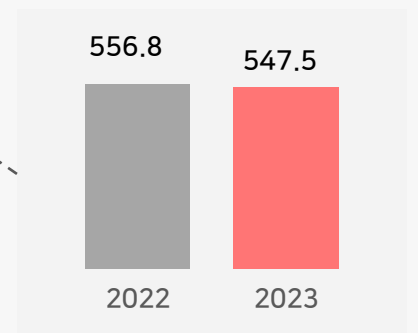
KOREA 59%



SOUTHEAST ASIA 6%



EAST 31%



※ Consolidation adjustments not reflected

Q4 2023 HIGHLIGHTS

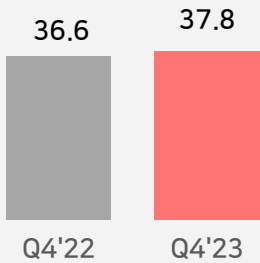
CONSOLIDATED

Sales **436.7** KRW bn ▲9%YoY

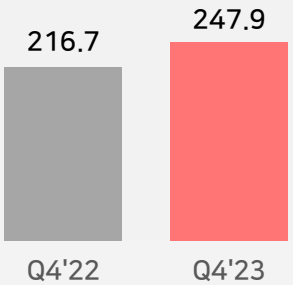
OP **22.5** KRW bn ▲842%YoY

[Sales by Region, KRW bn]

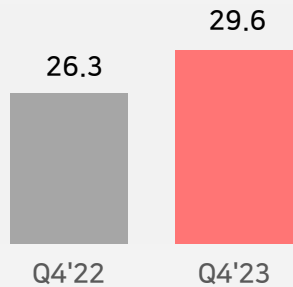
WEST 9%



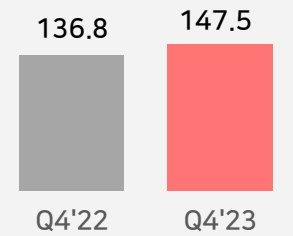
KOREA 57%



SOUTHEAST ASIA 7%



EAST 34%



※ Consolidation adjustments not reflected

CONSOLIDATED EARNINGS SUMMARY

[KRW bn]

| | Q4'22 | Q4'23 | YoY |
|-----------------------------------|---------------|--------------|---------------------|
| Sales | 400.5 | 436.7 | +9% |
| Korea | 216.7 | 247.9 | +14% |
| East | 136.8 | 147.5 | +8% |
| West | 36.6 | 37.8 | +3% |
| Indonesia | 19.8 | 22.5 | +13% |
| Thailand | 6.5 | 7.1 | +9% |
| Operating Profit | 2.4 | 22.5 | +842% |
| Korea | 2.9 | 17.5 | +499% |
| Other Subsidiaries ¹⁾ | (0.5) | 5.0 | Turned Black |
| Net Profit | (38.7) | (1.2) | Loss Reduced |
| Korea | (155.9) | (19.9) | Loss Reduced |
| East | 4.4 | 3.4 | -23% |
| West | (43.1) | (13.9) | Loss Reduced |
| Indonesia | (0.5) | 0 | Turned Black |
| Thailand | 1.1 | (0.7) | Turned Red |
| Controlling Shareholder NP | (17.2) | 4.7 | Turned Black |

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

- **[Sales]**

- Sales growth lead by strong performance in Korea, with resilient growth across all overseas subsidiaries
- China sales turned around thanks to new customer expansion and singles day event orders
- SE Asia sales growth continued on the back of strong holiday shopping season

- **[Operating Profit]**

- Robust growth due to leverage effect from increased sales
- Recognized a higher-than-usual bad debt expenses from China due to conservative outlook on the Chinese economy

- **[Net Profit]**

- Net losses decreased due to increased operating profit low-base effect from Q4'22
- Recognized net losses from FX translation/transaction of KRW3.7bn
- Recognized corporate tax of KRW11.2bn

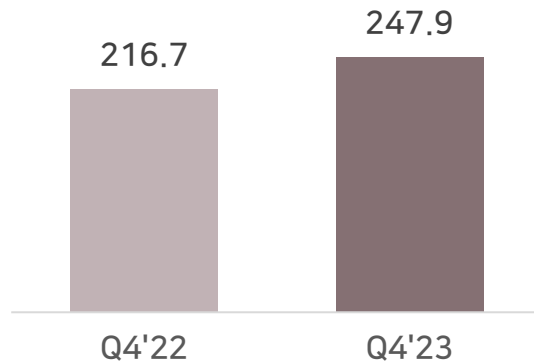
DOMESTIC BUSINESS

KOREA

[KRW bn]

Sales 247.9 KRW bn

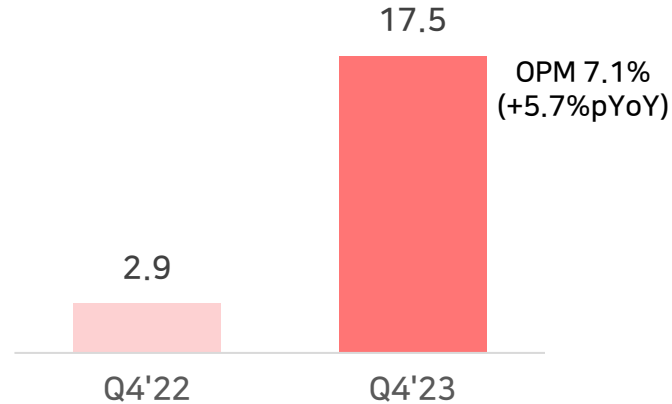
▲ 14%YoY



- Posted strong sales growth on the back of surge in demand for K-beauty products in Japan/US and rebound in Chinese inbound traffic.
- Favorable order inflow from MNCs lead to increased direct export sales.

OP 17.5 KRW bn

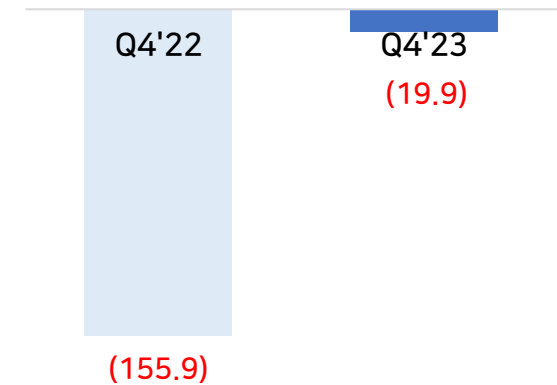
▲ 499%YoY



- Operating profit increased on the back of strong sales growth and due to low base from Q4'22.
- Color category contribution rose 4%pYoY.
(Category breakdown – Skincare 50% : Color 50%)

NL 19.9 KRW bn

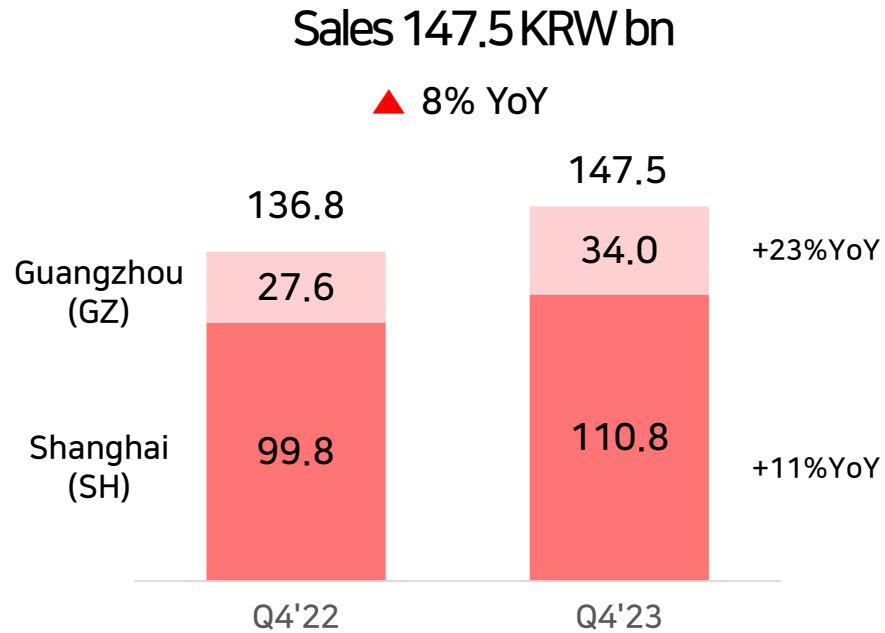
Loss Reduced



- Recognized net losses from FX translation/transaction of KRW23.3bn.
- Losses of KRW9bn incurred from bad debt expenses on loans to subsidiaries.
- Recognized corporate tax of KRW5.6bn.

OVERSEAS BUSINESS

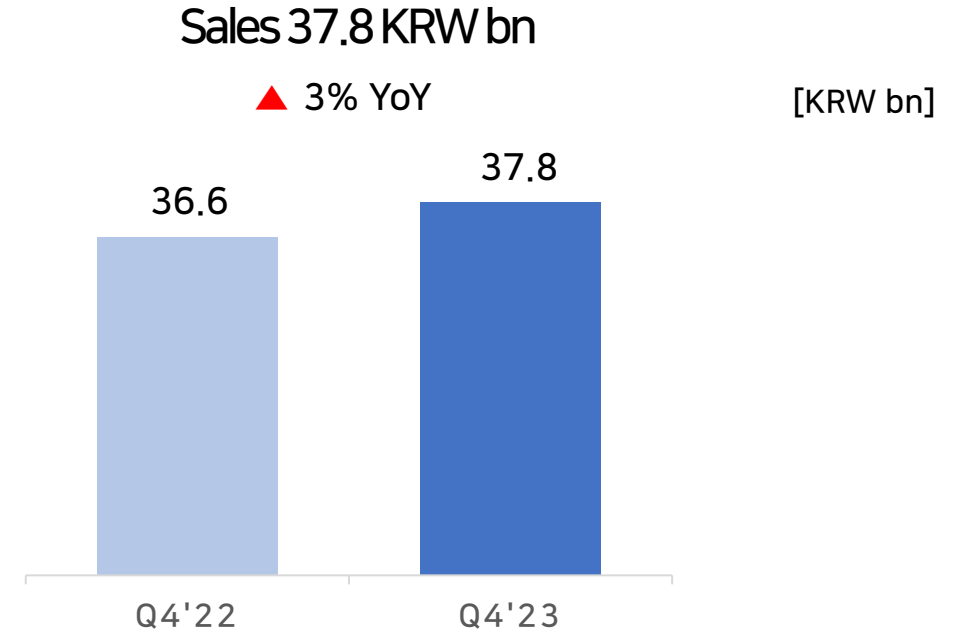
EAST



※ Shanghai/Guangzhou Sales: Separate Consolidated

- SH: Despite the slow market recovery, sales increased from orders for the singles day event.
- GZ: Continued strong growth through new customer expansion and increased orders for new products.
- Net income decreased due to conservative recognition of bad debt allowances.

WEST



[KRW bn]

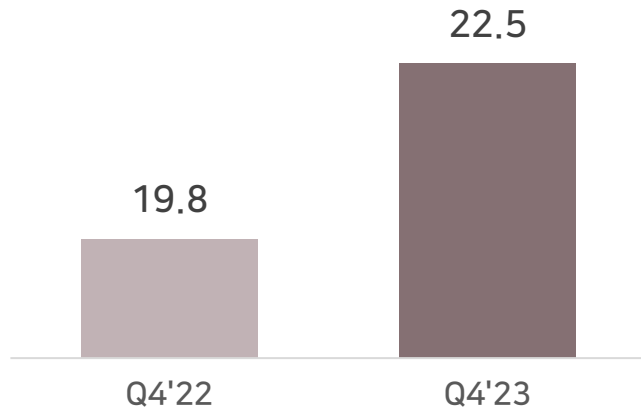
- Sales turned to positive growth due to increased indie brand orders despite the high-base effect from the prior year's elevated sales when clients' orders increased for safety stock before the OH plant closure.
- ODM sales continued to expand, resulting in higher-quality sales. (ODM Sales Q4'22: 53% → Q4'23: 75%)
- Secured KRW15.0bn cash from sale of the OH factory.

OVERSEAS BUSINESS

INDONESIA

Sales 22.5 KRW bn

▲ 13% YoY



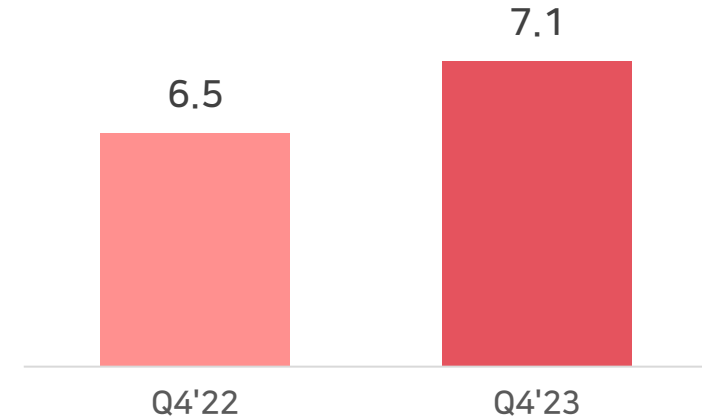
- Solid order flow from TOP10 major clients lead to strong sales growth.
- Skincare category contribution rose due to resilient sales of sun and baby product lines. (Skincare category Q4'22: 50% → Q4'23: 56%)
- Net income turned to black, thanks to increased operating profit, recognized corporate taxes of KRW2.7bn.

THAILAND

Sales 7.1 KRW bn

▲ 9% YoY

[KRW bn]



- Despite the high base from Q4'22, sales continued stable growth on the back of increased orders for major products.
- Cream and primer product orders showed strong growth during the holiday shopping season.
- Net losses resulted from a one-off allowances of KRW0.9bn set for inventory.

CONSOLIDATED EARNINGS SUMMARY

Income Statement

[KRW bn]

| | Q4'22 | Q4'23 | %YoY |
|-----------------------------------|---------------|--------------|---------------------|
| Sales | 400.5 | 436.7 | 9% |
| COGS | 362.1 | 359.7 | -1% |
| Gross Profit | 38.4 | 77.0 | 100% |
| SG & A Expenses | 36.0 | 54.5 | 51% |
| Operating Profit | 2.4 | 22.5 | 842% |
| Non-Operating Profit / Expense | (52.7) | (12.4) | Loss Reduced |
| Profit Before Tax | (50.3) | 10.1 | Turned Black |
| Net Income | (38.7) | (1.2) | Loss Reduced |
| Controlling Shareholder NP | (17.2) | 4.7 | Turned Black |

Balance Sheet

[KRW bn]

| | 2022 | 2023 |
|--------------------------|----------------|----------------|
| Asset | 1,396.4 | 1,557.0 |
| Current Asset | 737.1 | 821.6 |
| Non-Current Asset | 659.3 | 735.4 |
| Liability | 952.2 | 1,198.5 |
| Current Liability | 812.0 | 873.8 |
| Non-Current Liability | 140.2 | 324.7 |
| Equity | 444.2 | 358.6 |
| Capital | 5.7 | 5.7 |
| Retained Earnings | 267.5 | 313.1 |
| Non-Controlling Interest | (136.9) | (4.0) |

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