

COSMAX

Q3 2024 Earnings

November 11, 2024
Investor Relations Team

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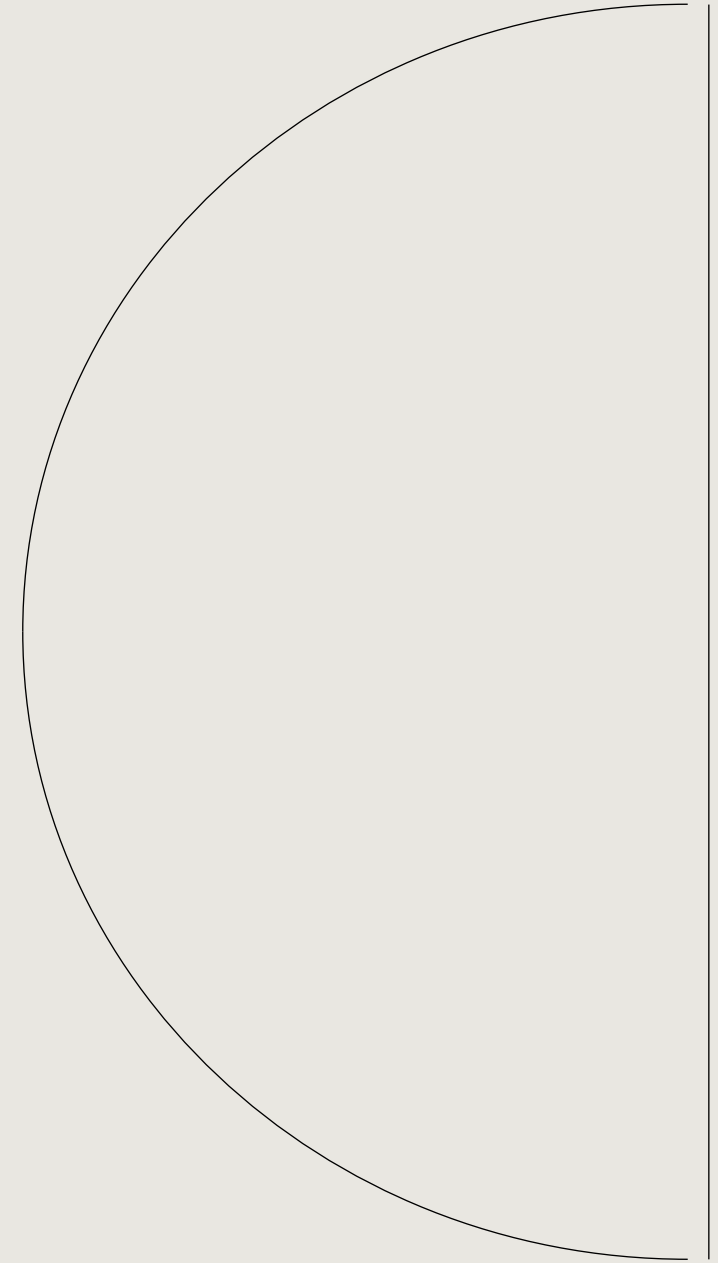
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01.

Consolidated Earnings

Q3 2024



Sales

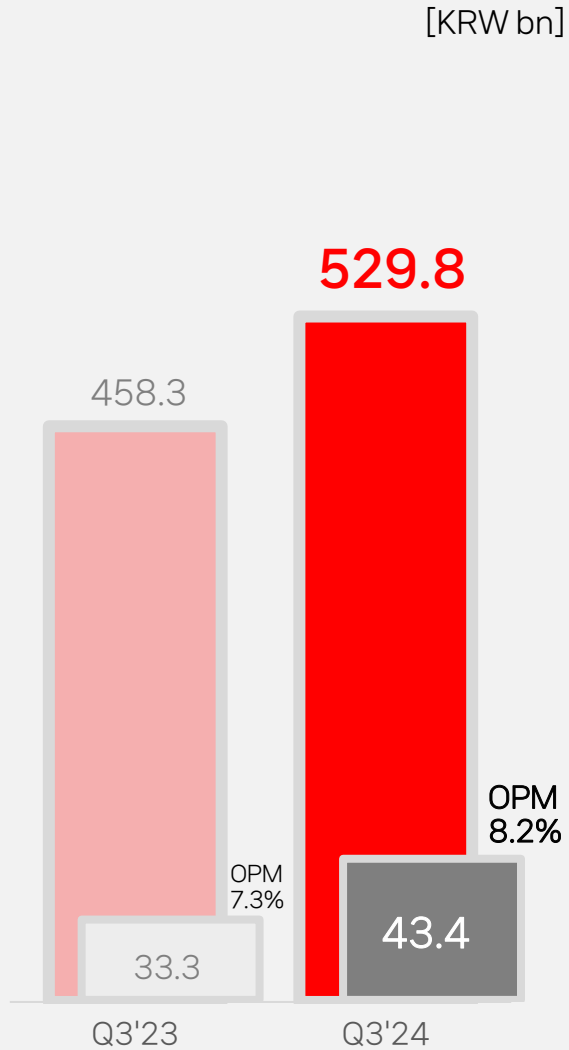
529.8 KRW bn (▲15.6%)

OP 43.4 KRW bn (▲30.4%)

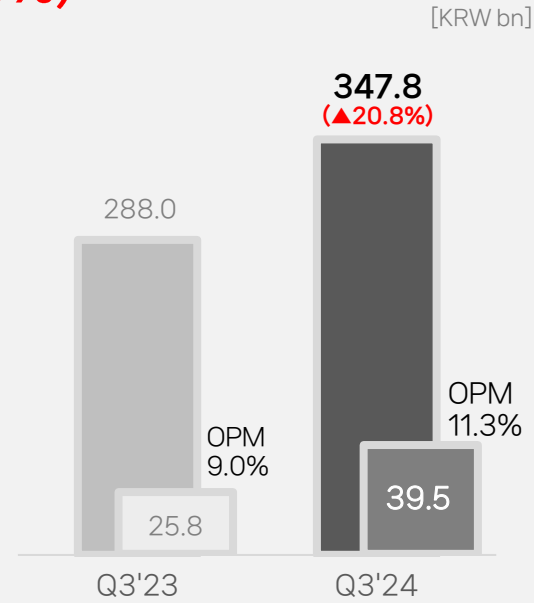
Q3 2024



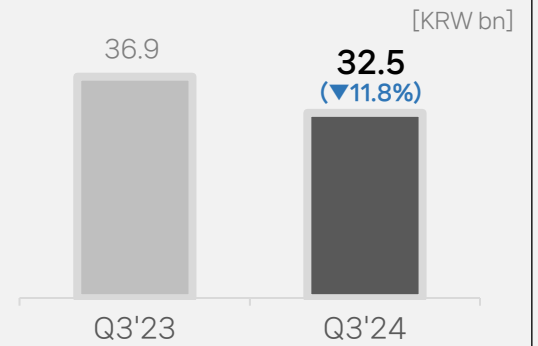
Cosmax
Consolidated
Sales / OP



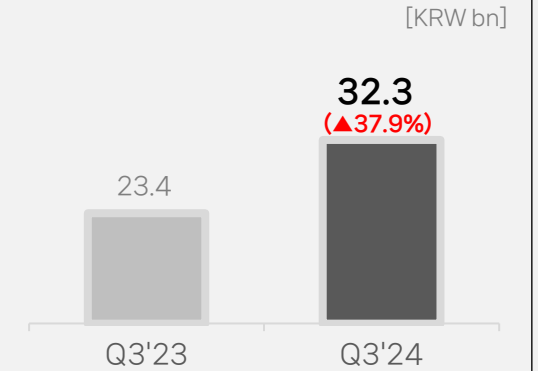
Cosmax
Korea
Sales / OP



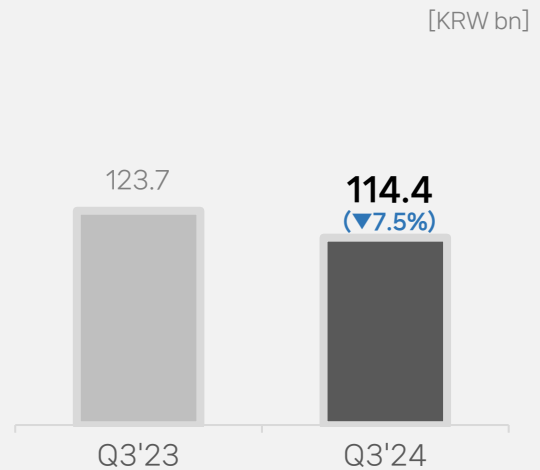
Cosmax
West



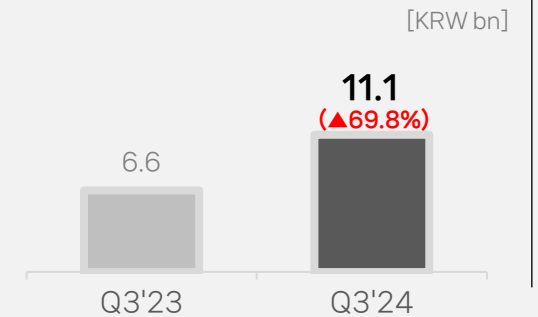
Cosmax
Indonesia



Cosmax
East



Cosmax
Thailand



I . Consolidated Earnings Summary

Q3 2024

Korea and Southeast Asia regions continued solid growth,
China and US subsidiaries remained sluggish

[KRW bn]

	Q3'23	Q3'24	YoY
I . Sales	458.3	529.8	15.6%
Korea	288.0	347.8	20.8%
East (China)	123.7	114.4	-7.5%
West (US)	36.9	32.5	-11.8%
Indonesia	23.4	32.3	37.9%
Thailand	6.6	11.1	69.8%
II . Operating Profit	33.3	43.4	30.4%
Korea	25.8	39.5	52.7%
Other Subsidiaries ¹⁾	7.5	3.9	-48.0%
III . Net Profit	10.9	20.6	90.9%
Korea	6.7	17.1	153.9%
East (China)	4.6	-7.4	Turned Red
West (US)	-12.5	-9.2	Loss Decreased
Indonesia	9.0	9.7	978.6%
Thailand	-4.0	2.7	Turned Black
Others	11.6	7.7	-33.6%
IV . Controlling Shareholder NP	15.2	21.1	38.2%

[Sales]

- ① **Korea** : Solid growth continued on the back of strong domestic/export demand from major indie brands
- ② **East** : Posted negative growth due to major customers' weak performance as recession persists
- ③ **Southeast Asia** (Indonesia, Thailand) : Robust growth continued driven by strong demand across all categories
- skincare/make-up/men's line
- ④ **West** : Sales declined due to delayed inflow of new customers

[Operating Profit]

- Sales to COGS ratio is maintaining a stable level(81.6%) and OPM was up 0.9%p due to the decrease in bad debt expense(4.9 KRW bn)

[Net Profit]

- Non-operating loss of 20.8 KRW bn incurred (Interest expense of 10.1 KRW bn, exchange loss of 9.2 KRW bn, etc)
- Recognized corporate tax expenses of 2 KRW bn

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

I . Consolidated Earnings Summary

Q3 2024

Income Statement

[KRW bn]

	Q3'23	Q3'24	%YoY
Revenue	458.3	529.8	15.6%
COGS	380.1	432.2	13.7%
Gross Profit	78.2	97.6	24.8%
SG&A	44.8	54.2	21.0%
Operating Profit	33.3	43.4	30.4%
Non-operating Profit/Expense	(6.5)	(20.8)	220.0%
Profit Before Tax	26.8	22.6	-15.6%
Net Profit	10.9	20.6	90.0%
Controlling Shareholder NP	15.2	21.1	38.5%

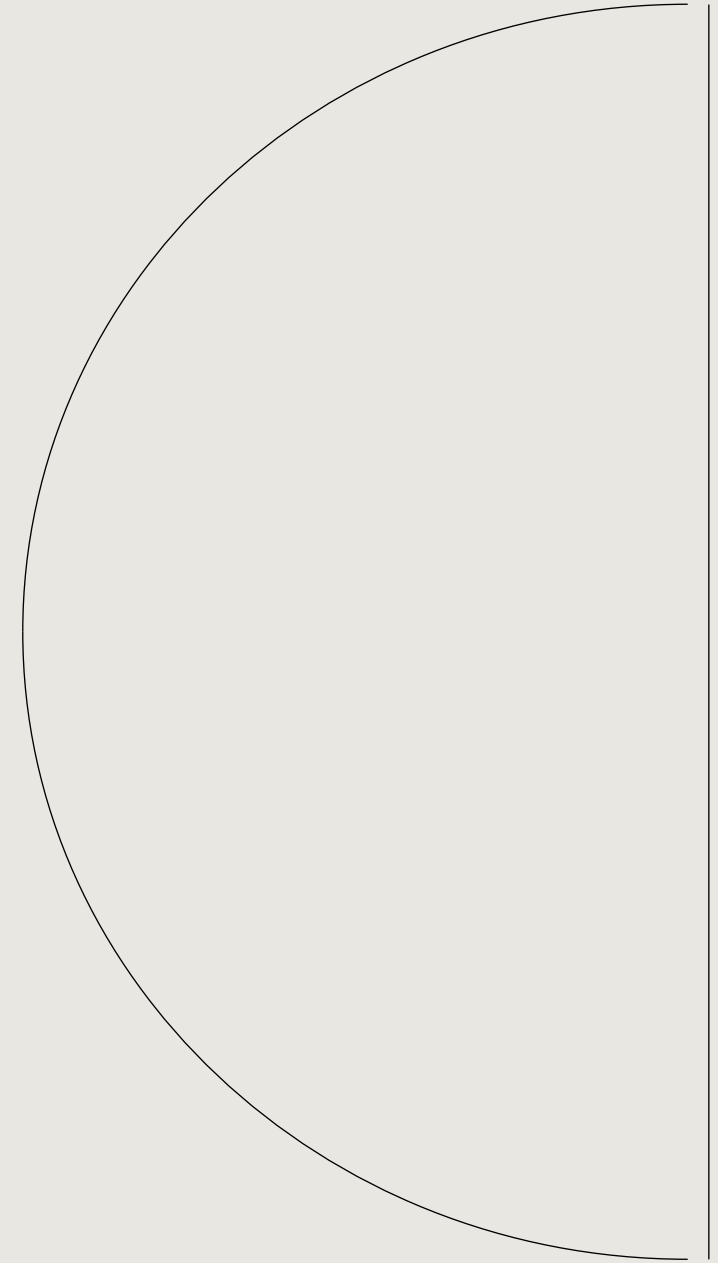
Balance Sheet

[KRW bn]

	2023	Q3'24
Asset	1,557.0	1,793.8
Current Asset	821.6	890.3
Non-Current Asset	735.4	903.5
Liability	1,198.5	1,318.4
Current Liability	873.8	1,034.6
Non-Current Liability	324.7	283.8
Equity	358.6	475.5
Paid-in Capital	5.7	5.7
Retained Earnings	313.1	381.1
Minority Interest	(4.0)	33.1

02.

Business by Region

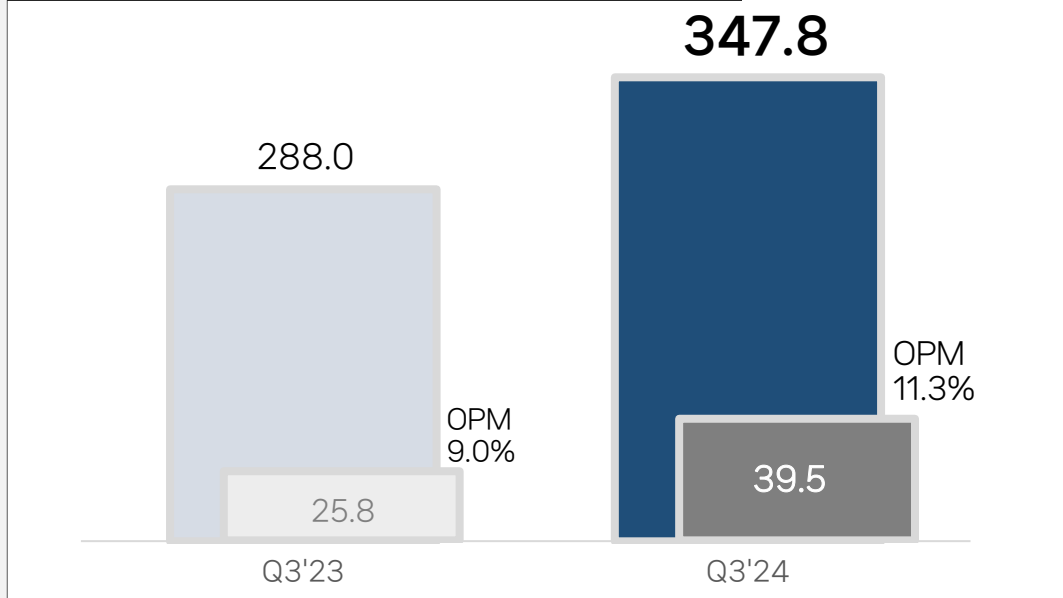


II -1. Korea

Q3 2024

[KRW bn]

COSMAX Sales (▲20.8%), OP (▲52.7%)



1) MOQ : Minimum Order Quantity

Sales (▲20.8%)

■ Leading the market with competitive advantage

- Despite the high-base from the previous year(Q3'23), revenues achieved outstanding YoY growth through strong order flow from indie brands
- Our efforts to provide upgraded services to our indie brand clients continued by: MOQ¹⁾ adjustment, shortening of lead-time and operation of a marketing expert team dedicated to indie brand clients
- Category breakdown : Skincare 50% Make-up 50%

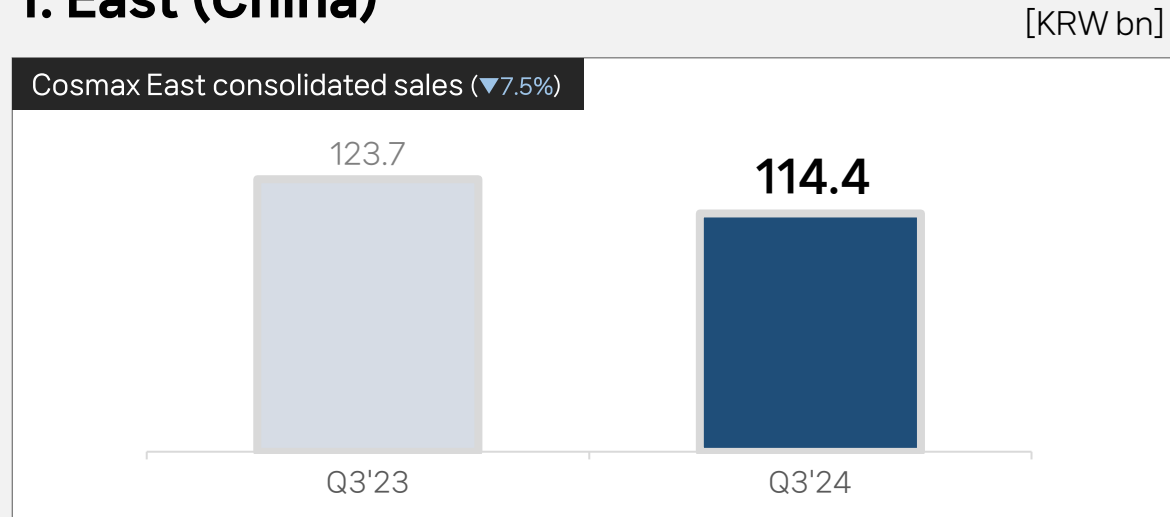
Operating Profit (▲52.7%)

■ OPM up 2.3%p YoY: Operating leverage and enhanced cost control

- Maintained a stable GPM through cost reduction efforts
- In addition to the effect of operating leverage, the SG&A ratio (8.2%) fell (▼0.6%p) due to decrease in bad debt expense of 200 KRW million (▼4.7 KRW bn)

II -2. Overseas Subsidiaries

1. East (China)



■ Shanghai (Sales 72.0 KRW bn, Net Loss 3.1 KRW bn)

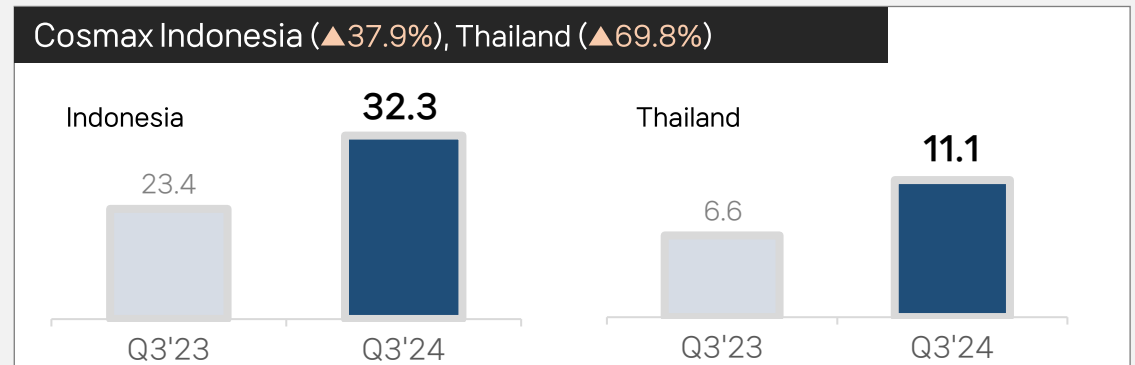
- Revenues fell 16% YoY with net loss of 3.1 KRW bn
- Net profit turned to red because of sales decrease/labor costs increase
- Category breakdown : Skincare 42% Make-up 58%

■ Guangzhou (Sales 39.7 KRW bn, Net profit 3.1 KRW bn)

- Sales grew 7.6% and net profit decreased by 1 KRW bn
- Net profit declined due to negative top-line growth of Guangzhou subsidiary
- Bad debt expense decreased by 1.2 KRW bn to 0.7 KRW bn
- Category breakdown : Skincare 85% Make-up 15%

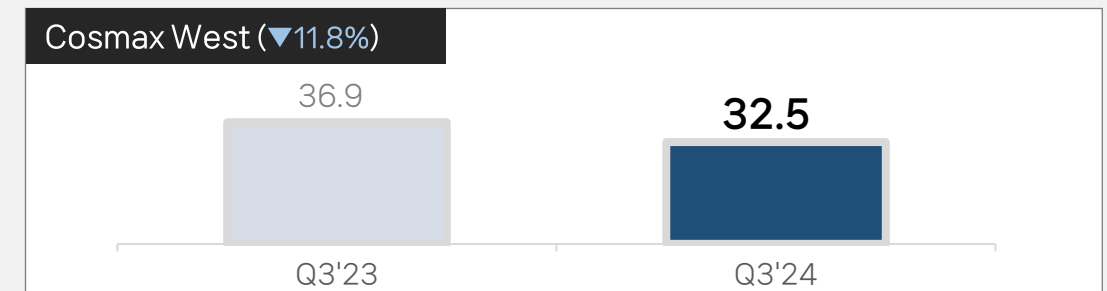
2. Southeast Asia (Indonesia/Thailand)

Q3 2024



- **Indonesia** : Posted solid sales growth across all categories
Category breakdown – Skincare 62% Make-up 38%
- **Thailand** : Top customers' skincare product order increase was the main driver behind robust sales growth
Category breakdown : Skincare 54% Make-up 46%

3. West (US)

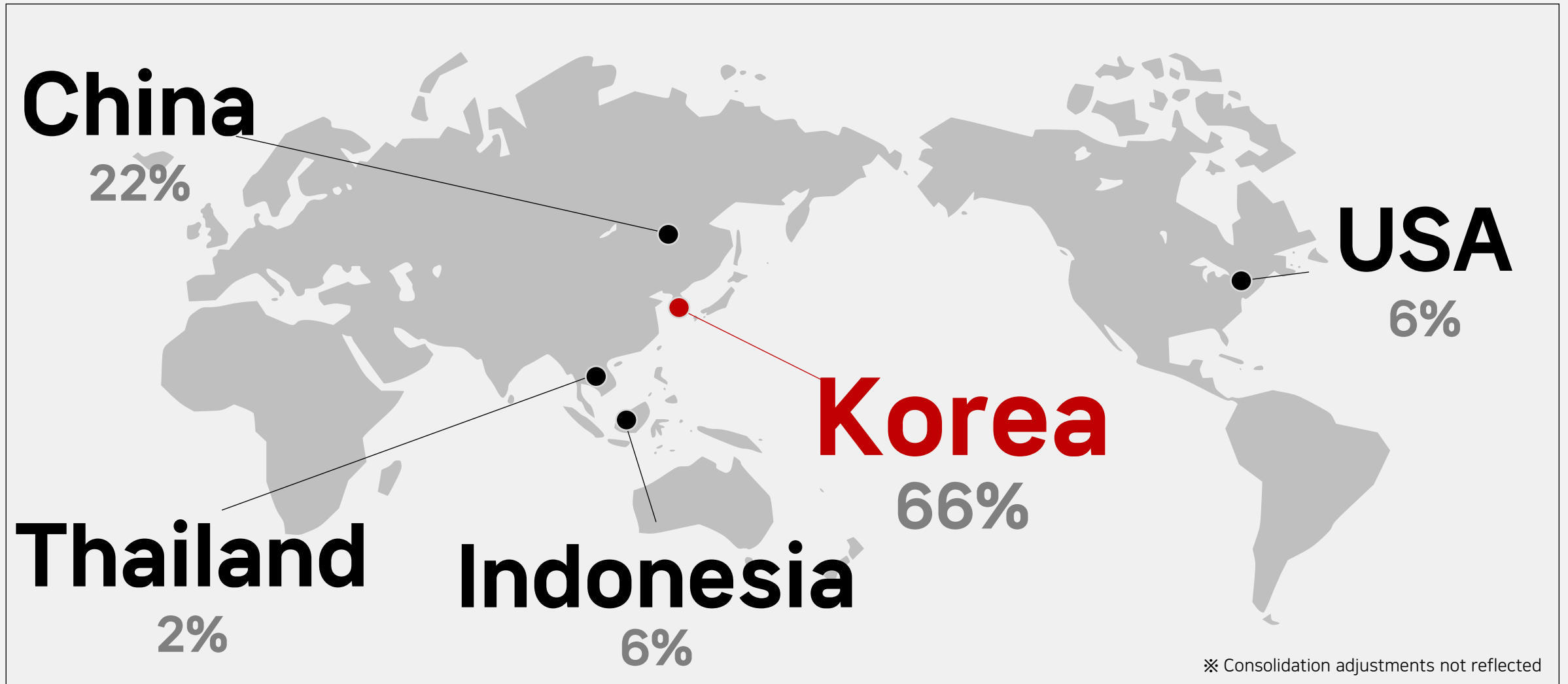


- Sales declined by delayed inflow of new customers, and net loss continued (9.2 KRW bn)
- Category breakdown : Skincare 61% Make-up 39%

II -3. Sales breakdown by region

Q3 2024

[YoY] Korea +3%p, Southeast Asia(Indonesia and Thailand) +1%p, China -5%p, USA -2%p





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