



# First Quarter 2019 Earnings Release

April 24th, 2019

Cheil Worldwide

*The financial information in this document is consolidated earning results based on K-IFRS.*

*This document is provided for investors' information before Q1 FY2019 reviewed financial statements are released. The review outcomes may cause some parts of this document to be revised.*

*This document contains "forward-looking statements" - that is, statements related to future, not past events.*

*In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", or "will". Forward-looking statements by their nature address matters that are, to different degrees, uncertain.*

*For us, particular uncertainties which could adversely or positively affect our future results include: the behavior of financial markets, including fluctuations in exchange rates, interest rates and commodity prices; strategic actions including dispositions and acquisitions. These uncertainties may cause our actual results to be materially different from those expressed in this document.*

- Financial Summary (K-IFRS consolidated)
- Consolidated Revenue
- Consolidated Operating Income
- Q1 2019 Business Performance
- 2019 Annual Outlook

(KRW billion)

	Q1 2018	Q1 2019	Growth
Revenue (Gross Profit)	235.3	252.7	7%
Operating Expenses	209.3	220.5	5%
Operating Income	26.0	32.2	24%
Non-operating Expenses and Income	1.2	3.6	200%
Income Before Income Taxes	27.2	35.8	32%
Net Income	19.3	22.6	17%

Consolidated Revenue (KRW) : Q1 2018 235.3B → Q1 2019 252.7B (17.4B↑)

□ HQ (KRW) : Q1 2018 58.3B → Q1 2019 54.6B (△3.7B)

- Negative growth due to POCOG impact and decrease in revenue from non-Samsung clients

\* PyeongChang Organizing Committee for the 2018 Winter Olympic Games

□ Subsidiaries (KRW) : Q1 2018 177.0B → Q1 2019 198.1B (21.1B↑)

- Steady growth along with increasing revenue from non-Samsung clients

(KRW billion)

	Q1 2018	Q1 2019	Growth
HQ	58.3	54.6	△6%
Subsidiaries	177.0	198.1	12%
Total	235.3	252.7	7%

Overseas % of total revenue : 2018 YTD 72% → Q1 2019 78%

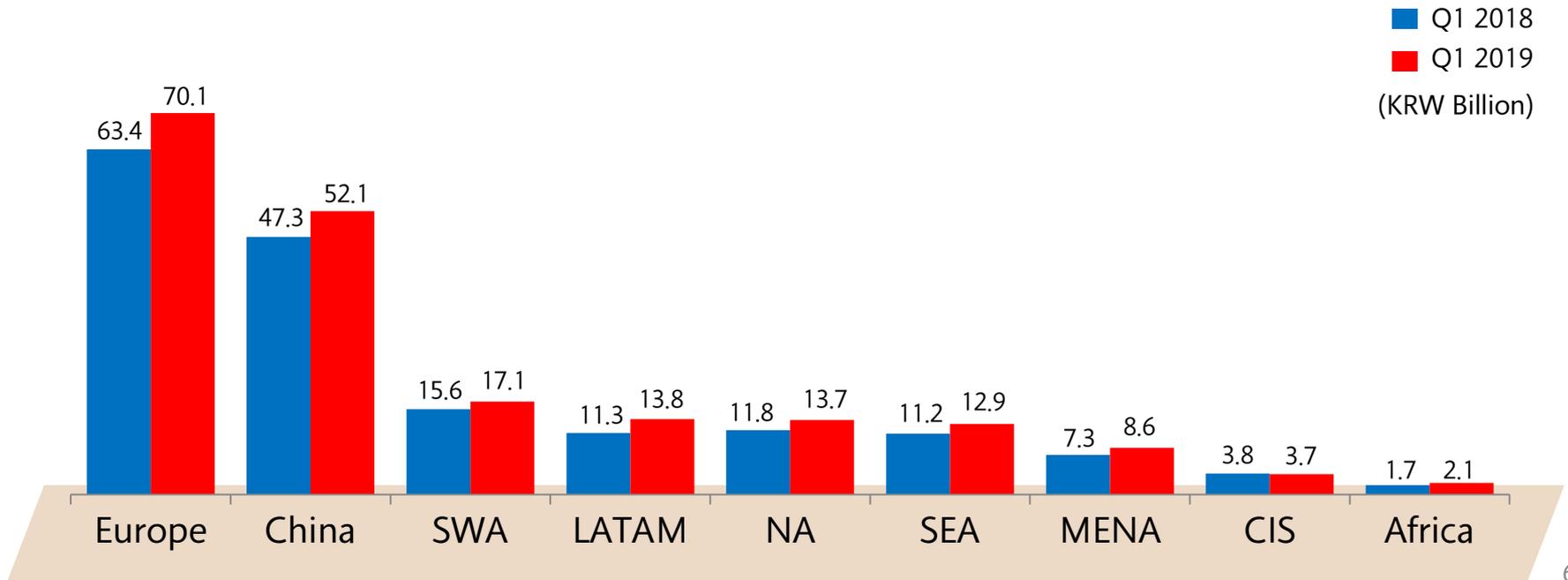
□ Europe (11%↑ YoY), NA (16%), LATAM (22%) drove overall overseas growth

※ Iris 8%↑

※ McKinney 12%↑, TBG 30%↑

□ China (10%↑ YoY), MENA(17%), SEA (16%), SWA (9%) showed recovery

※ Pengtai 7%↑, Cheil China 22%↑



□ Non-Samsung % : 2018 YTD 29% → Q1 2019 31%

- Headquarter : 2018 YTD 24% → Q1 2019 24%

- Subsidiaries : 2018 YTD 32% → Q1 2019 34%

※ Non-Samsung revenue 19%↑YoY

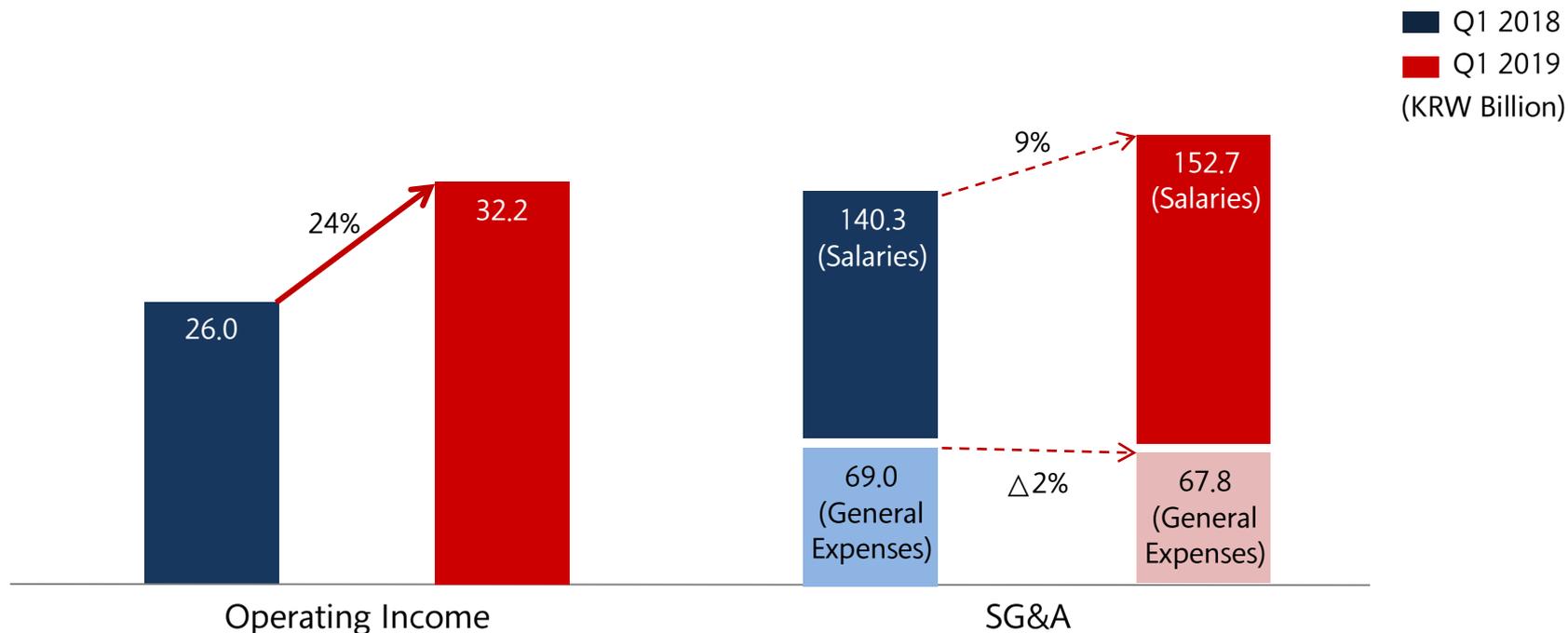
□ Digital % of total revenue : 2018 YTD 34% → Q1 2019 37%

	2010	2013	2018	Q1 2019
Digital	19%	23%	34%	37%
BTL	32%	41%	44%	43%
Retail	13%	23%	22%	26%
ATL	49%	36%	22%	20%

# Consolidated Operating Income

Consolidated Operating Income(KRW) : Q1 2018 26.0B → Q1 2019 32.2B (6.2B↑)

- Operating profit increased along with increased revenue and efficiency improvement despite investment in talents



※ Number of headcount : Q1 2018 6,387 → Q1 2019 7,028 (+641)  
(Overseas) (5,028) (5,649) (+621)

## □ New Clients

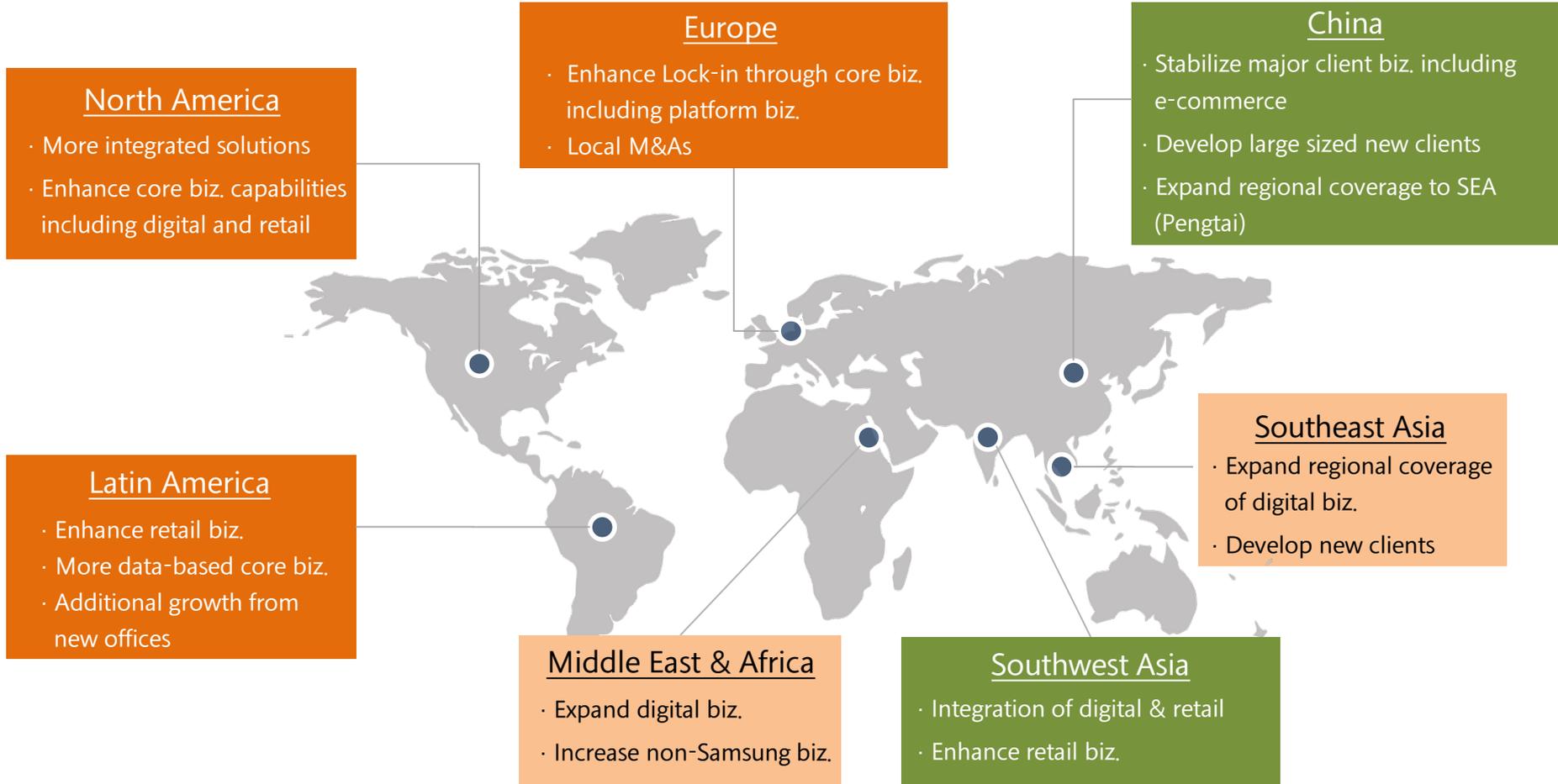
- Volkswagen (China), Panasonic (NA), Pernod Ricard (Europe), Hansot (HQ), etc.



## □ International Award Wins

- AdFest 14, Consumer's Choice Ad Awards 11, Ad of the Year 4, etc.

## □ New office in Argentina (January)



## 2019 Objectives : Revenue 7~10% growth, Core Biz Investment

### Steady Growth

- ① Diversification  
: New clients development
- ② Expansion  
: Enhance regional portfolio

### Core Biz Expansion

- ① Lock-in : Platform biz
- ② Expansion  
: Data/Tech-based solutions

### Shareholder Value

- ① Shareholders Return  
: Dividend
- ② Investments : M&As

**Thank you**