



Third Quarter 2019 Earnings Release

October 23, 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 Q3 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
- Q3 2019 Business Performance
- 2019 Outlook

Financial Summary (K-IFRS consolidated)

Cheil

(KRW billion)

	Q3 2018	Q3 2019	Growth	Q3 YTD 2018	Q3 YTD 2019	Growth
Revenue (Gross Profit)	262.5	284.2	8%	770.7	844.8	10%
Operating Expense	216.4	231.5	7%	640.3	690.6	8%
Operating Income	46.1	52.7	14%	130.4	154.2	18%
Non- operating Expenses and Income	1.0	1.2	20%	8.7	2.2	△75%
Income Before Income Taxes	47.1	53.9	14%	139.1	156.4	12%
Net Income	31.7	35.6	12%	97.1	102.3	5%

Consolidated Revenue : Q3 2018 262.5B → Q3 2019 284.2B (21.7B↑)

- Headquarter : Q3 2018 71.9B → Q3 2019 71.4B (0.5B↓)
 - Despite additional revenue from new clients, revenue decreased due to the loss of major clients including Oriental Brewery, Coway, etc
- Subsidiaries : Q3 2018 190.6B → Q3 2019 212.8B (22.2B↑)
 - Revenue increased along with continuous growth in Europe and emerging markets

(KRW billion)

	Q3 2018	Q3 2019	Growth	Q3 YTD 2018	Q3 YTD 2019	Growth
HQ	71.9	71.4	Δ1%	210.4	209.6	Δ0.4%
Subsidiaries	190.6	212.8	12%	560.3	635.2	13%
Total	262.5	284.2	8%	770.7	844.8	10%

Overseas % of total revenue : 2018 YTD 72% → Q3 YTD 2019 75%

□ Steady growth driven by Europe and emerging markets

- Europe (11%↑ YoY), LATAM (35%↑), MENA (30%↑) continued strong growth

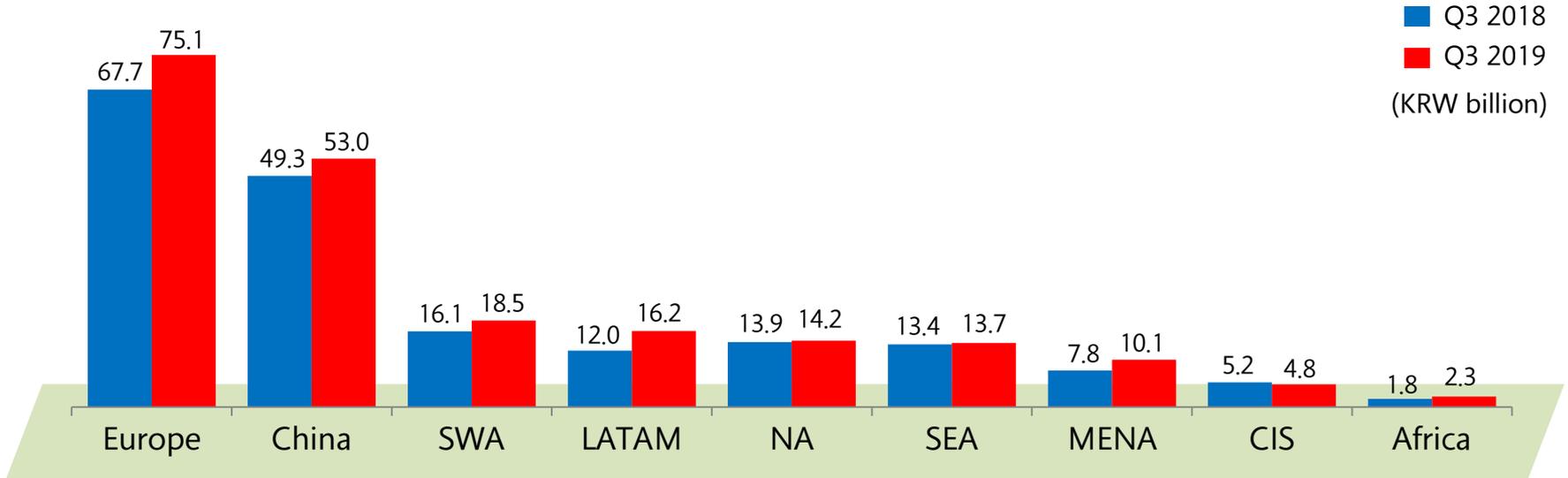
※ Iris 16%↑ ※ Q3 YTD 13%↑

※ 31%↑

※ 26%↑

- NA (2%↑ YoY) and SEA (3%) showed slower growth

※ Q3 McKinney 31%↑, TBG 31%↓ ※ Q3 YTD NA 12%↑, SEA 10%↑



□ Non-Samsung clients % : 2018 YTD 29% → Q3 YTD 2019 30%

- Headquarter : 2018 YTD 24% → Q3 YTD 2019 23%

- Subsidiaries : 2018 YTD 32% → Q3 YTD 2019 33%

※ Q3 YTD Non-Samsung Revenue 17%↑ YoY

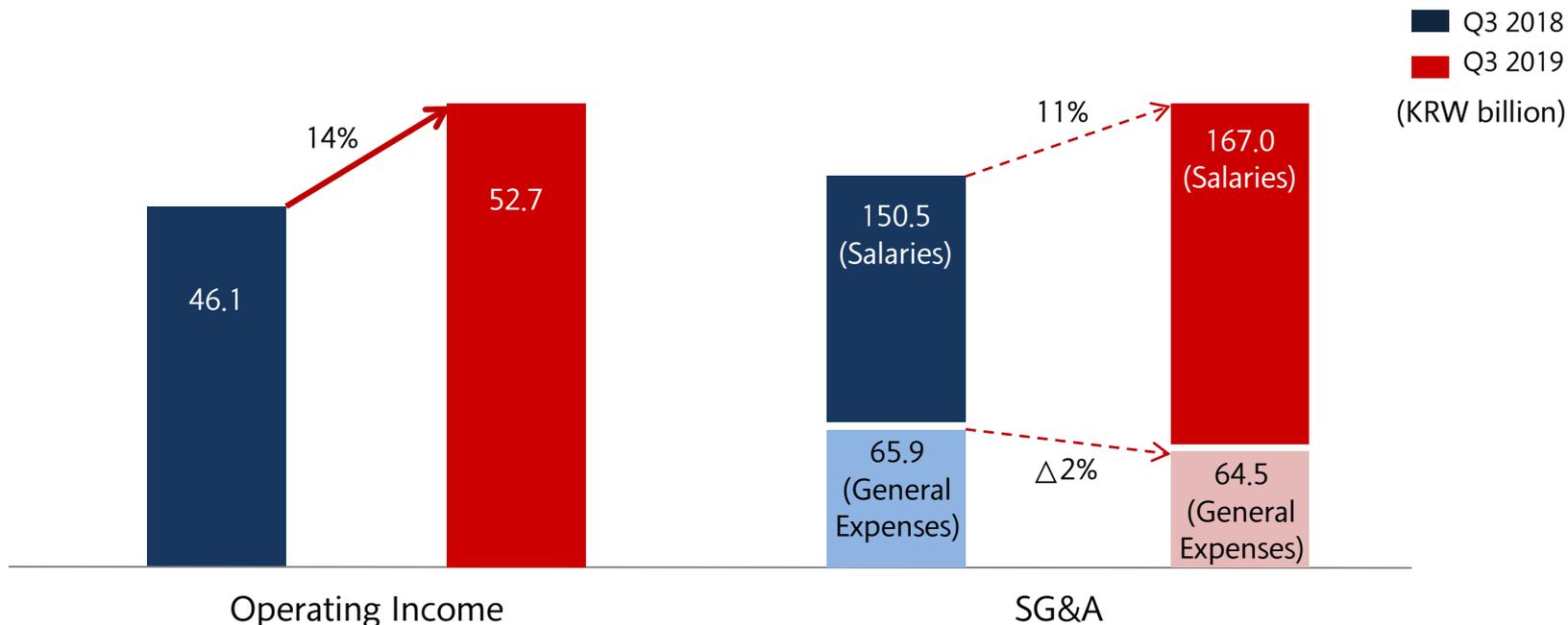
□ Digital % of total revenue : 2018 YTD 34% → Q3 YTD 2019 38%

	2010	2013	2018	Q3 YTD 2019
Digital	19%	23%	30%	38%
BTL	32%	41%	45%	42%
Retail	13%	23%	23%	24%
ATL	49%	36%	25%	20%

Consolidated Operating Income

Consolidated Operating Income : Q3 2018 46.1B → Q3 2019 52.7B (6.6B↑)

- Consolidated operating income increased along with revenue growth and cost efficiency improvement despite increasing investments in talent



※ Headcount : Q3 2018 6,641 → Q3 2019 7,148 (+507)
(Overseas) (5,216) (5,723) (+507)

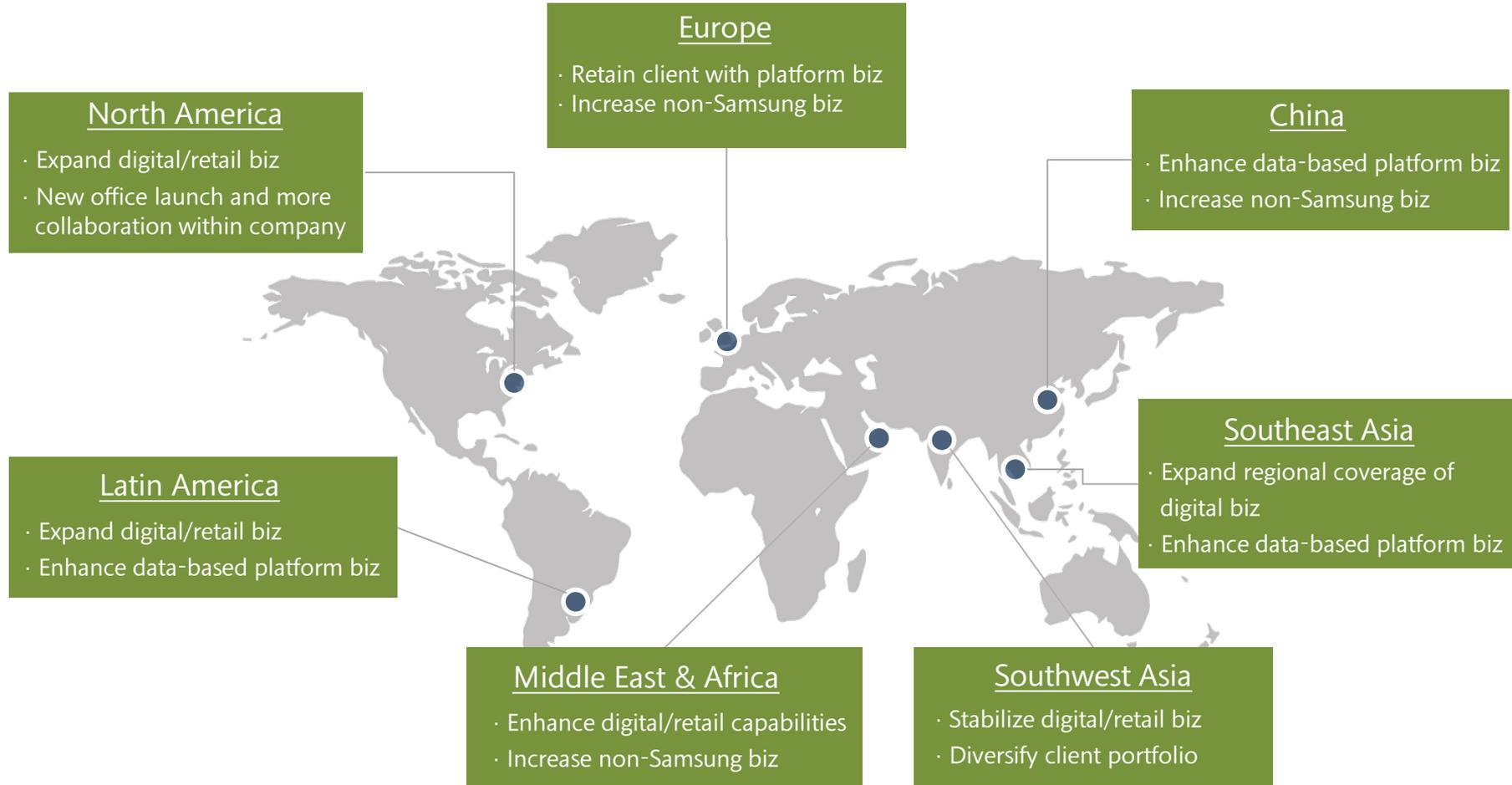
□ New Account Wins

- MSD, Delta Airlines(Europe), Chery, Audi(China), Baker Hughes(NA), etc

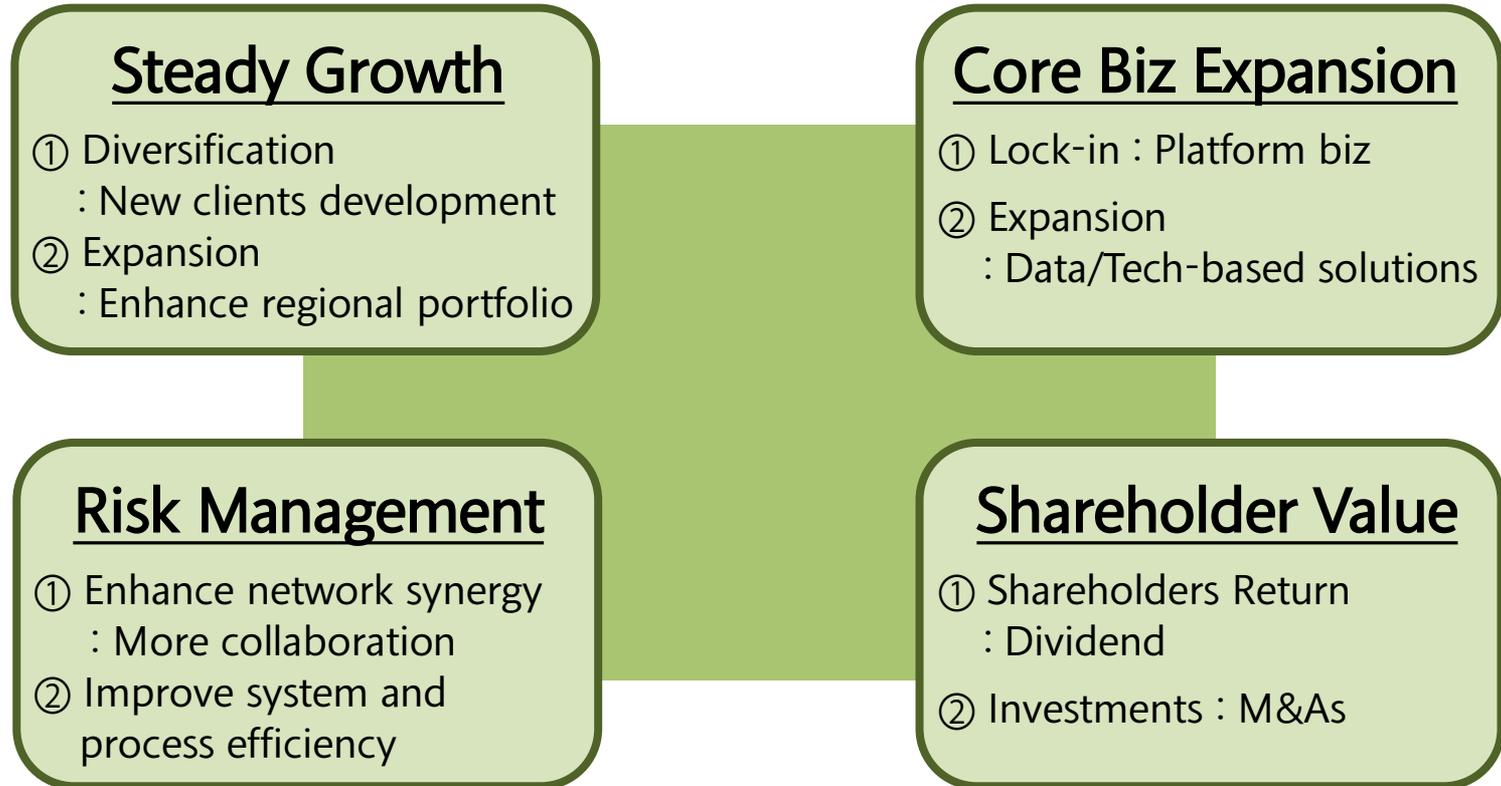


□ International Award Wins

- Spikes Asia 13, Clio 4, Ad Stars 31, etc



Q4 2019 Objective : Stable Growth & Risk Management → Achieve Annual Guidance



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