



# First Quarter 2020 Earnings Release

April 28, 2020  
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 FY2020 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 2020 Business Performance
- 2020 Annual Outlook

(KRW billion)

	Q1 2019	Q1 2020	Growth
Revenue (Gross Profit)	252.7	257.1	2%
Operating Expenses	220.5	226.6	3%
Operating Income	32.2	30.5	△5%
Non-operating Expenses and Income	3.6	5.3	47%
Income Before Income Taxes	35.8	35.8	-
Net Income	22.6	25.1	11%

Consolidated Revenue (KRW) : Q1 2019 252.7B → Q1 2020 257.1B (4.4B↑)

□ HQ (KRW) : Q1 2019 54.6B → Q1 2020 58.4B (3.8B↑)

- Despite the slowdown of ad spend, HQ revenue increased along with increase in major clients' media and digital marketing

□ Subsidiaries (KRW) : Q1 2019 198.1B → Q1 2020 198.7B (0.6B↑)

- While some regions including Europe showed slower growth, emerging markets continued to show strong performance and overall subsidiaries revenue remained flat

(KRW billion)

	Q1 2019	Q1 2020	Growth
HQ	54.6	58.4	7%
Subsidiaries	198.1	198.7	0.3%
Total	252.7	257.1	2%

Overseas % of total revenue : 2019 YTD 78% → Q1 2020 77%

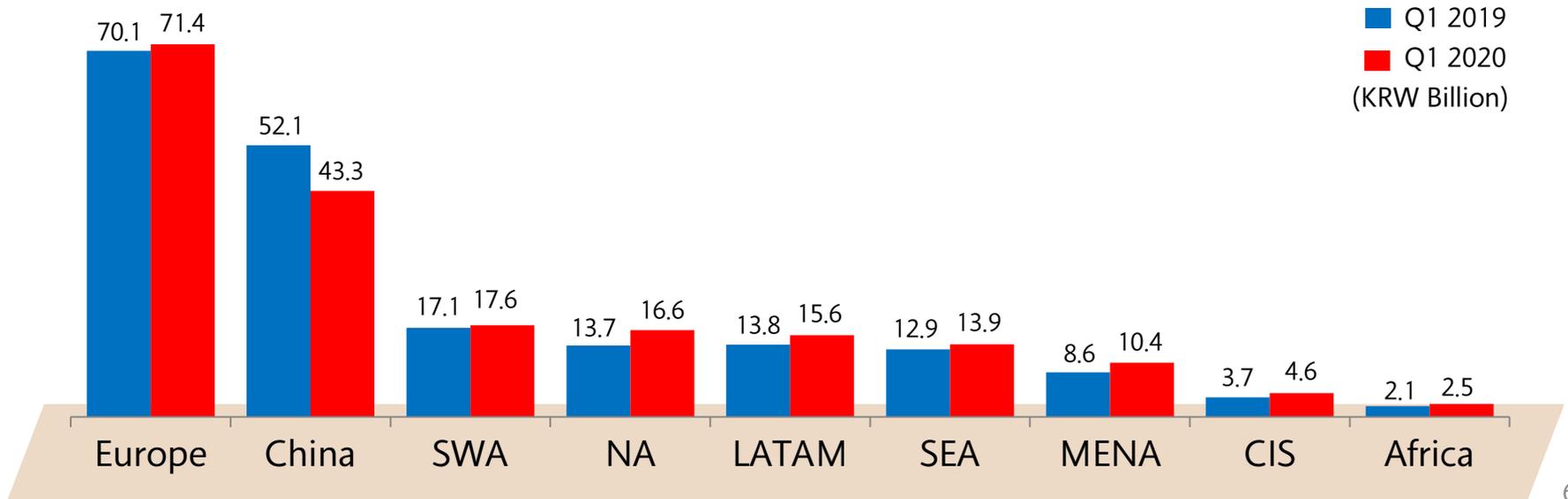
□ MENA (21%↑ YoY), LATAM (13%), SEA (8%) continued to maintain strong growth and North America (21%) showed recovery

※ McKinney 37%↑, TBG 26%↓

□ Due to the impact of COVID-19, Europe (2%↑ YoY) showed slower growth and  
 ※ Iris 5%↑

China(△17%) marked negative growth

※ Pengtai 7%↓



□ Non-Samsung % : 2019 YTD 30% → Q1 2020 27%

- Headquarter : 2019 YTD 23% → Q1 2020 17%

- Subsidiaries : 2019 YTD 33% → Q1 2020 30%

※ Overseas Non-Samsung revenue 12%↓YoY

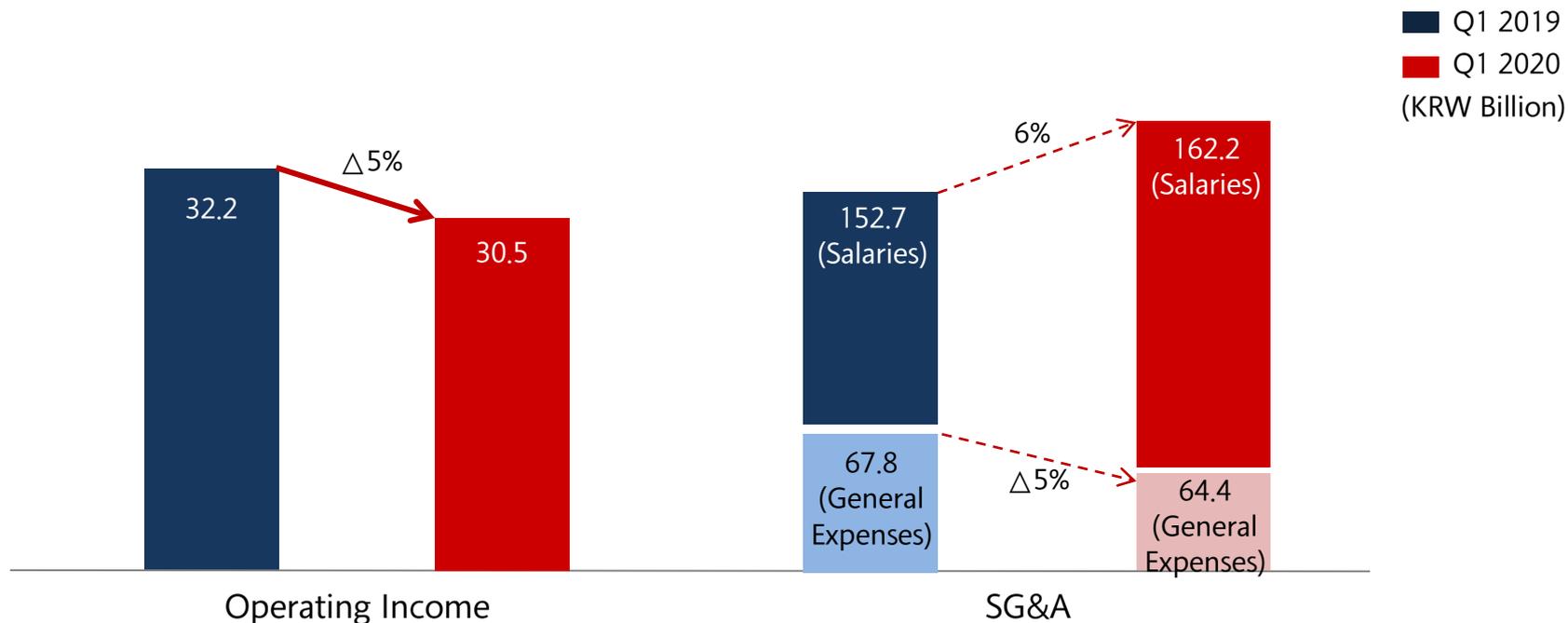
□ Digital % of total revenue : 2019 YTD 39% → Q1 2020 41%

	2010	2015	2019	Q1 2020
Digital	19%	28%	39%	41%
BTL	32%	42%	41%	39%
Retail	13%	22%	23%	23%
ATL	49%	30%	20%	20%

# Consolidated Operating Income

Consolidated Operating Income(KRW) : Q1 2019 32.2B → Q1 2020 30.5B (1.7B↓)

- Operating profit decreased due to increase in salaries despite the increase in revenue and general expense reduction



※ Number of headcount : Q1 2019 7,028 → Q1 2020 7,105 (+77)  
(Overseas) (5,649) (5,744) (+95)

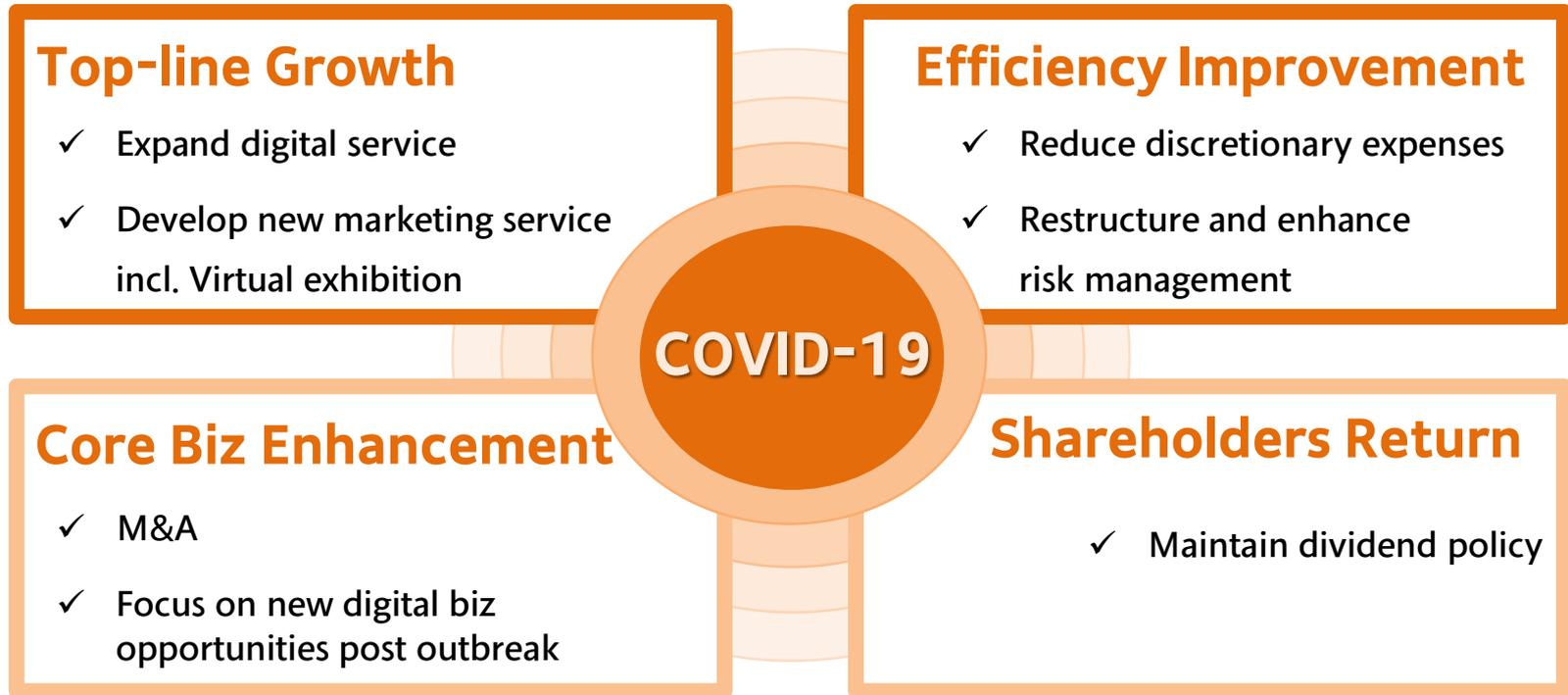
## □ New Clients

- Hanssem, Cell Biotech (HQ), Vinpearl (SEA), Volkswagen (MENA), Yili (China), etc.



## □ New office in Egypt (February)

## < Minimize the impact from COVID-19 & Focus on early recovery >



**Thank you**