Cheil

3Q 2026 Earnings Release

2026. 10. 30 (Fri.) 15:00 KST

Creating Connected Experiences That Matter

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Creating
Connected
Experiences
That Matter

Disclaimer

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

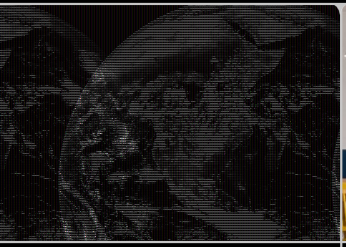
This document is provided for investors' information before 3Q 2026 reviewed financial statements are released.
The review outcomes may cause some parts of this document to be revised.
This document contains "forward-looking statements" -that is, statements related to future events, not past events.

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.

Our Network

Cheil has maintained its position as the top agency in South Korea for over 50 years since its founding in 1973. We have expanded globally and grown into the world's 11th largest marketing agency, with 8,000 employees working across 56 offices in 48 regions and 9 subsidiaries





48 Regions

56 Offices



8K Experts

All Networks

Asia - Pacific

- Greater China
  - Chinese Mainland
    - Beijing
    - Chengdu
    - Guangzhou
    - Shanghai
    - Shenyang
  - Hong Kong SAR
  - Chinese Taipei
- Japan
- India
- Korea
- Singapore
- Australia
- Indonesia
- Malaysia
- New Zealand
- Philippines
- Thailand
- Vietnam

Europe

- UK
- Austria
- Belgium
- Czech
- France
- Germany
- Italy
- Netherlands
- Poland
- Spain
- Sweden
- Ukraine

Middle East & Africa

- UAE
- Egypt
- Jordan
- KSA
- Morocco
- Türkiye
- South Africa
- Ghana
- Kenya
- Nigeria

America

- USA
  - New York
  - Dallas
  - Miami
  - Mountain View
- Canada
- Brazil
- Argentina
- Chile
- Colombia
- Guatemala
- Mexico
- Panama
- Peru

CIS

- Russia
- Kazakhstan



Efficient global collaboration with
9 specialized marketing affiliates

Our Agencies

barbarian.
US Digital Tech & Creative Specialist

Cheil | Centrade
Eastern Europe Regional AD Agency

Cheil | PengTai
CHINA Digital & E-commerce Specialist

ColourData
CHINA Social Big-Data Specialist

experience commerce.
INDIA Digital Content Specialist

IRIS
UK-based Global Agency

McKinney
US Integrated Agency

ONERX
Global Retail & Commercial Space Expert

SOCIAL BEAT
INDIA Performance Marketing Specialist

Our Clients

As a key partner to leading brands,
Cheil Worldwide drives market change



Our Offerings

Cheil Worldwide offers end-to-end marketing, from strategy to tech systems

Strategy & Branding

Brand positioning & long-term equity design based on market, competitor, and consumer analysis

Content & Production

Cross-channel creative content production with enhanced efficiency via our proprietary 'Connect AI' system

Experience & Operations

Integrated marketing execution across all on/offline channels, including brand experience, dotcom, and media

Data & Analytics

Data-driven performance analysis and consumer insights to maximize marketing effectiveness

Tech & System Implement

Customized tech solutions across full-funnel marketing to drive client efficiency and scalability

3Q26 Financial Highlights (Consolidated)

Cheil

(Unit: KRW billion)

Item	2025		2026	
	3Q	YTD	3Q	YTD
Sales	1,188.9	3,347.2	1,039.0	3,131.1
Cost of sales	731.5	1,972.5	611.0	1,771.2
Gross profit (Revenue)	**457.4**	**1,374.7**	**428.1**	**1,359.9**
SG&A	361.5	1,128.2	351.1	1,153.7
Operating profit	**95.9**	**246.5**	**77.0**	**206.2**
(OP Margin)*	(21.0)	(17.9)	(18.0)	(15.2)
Non-operating gains/losses	-0.6	-23.9	0.6	1.9
Finance income/costs	2.8	-8.3	-7.7	-0.9
Equity method gains/losses	0.6	1.0	0.6	-0.8
Profit before tax	**98.7**	**215.3**	**70.6**	**206.4**
Tax expense	33.8	71.1	24.9	69.0
Net income	**64.9**	**144.2**	**45.6**	**137.4**

* Operating profit / Gross profit

Gross profit (Revenue)

3Q -6.4%

YTD -1.1%

Operating profit

3Q -19.7%

YTD -16.4%

Net income

3Q -29.7%

YTD -4.7%

Gross Profit (Consolidated)

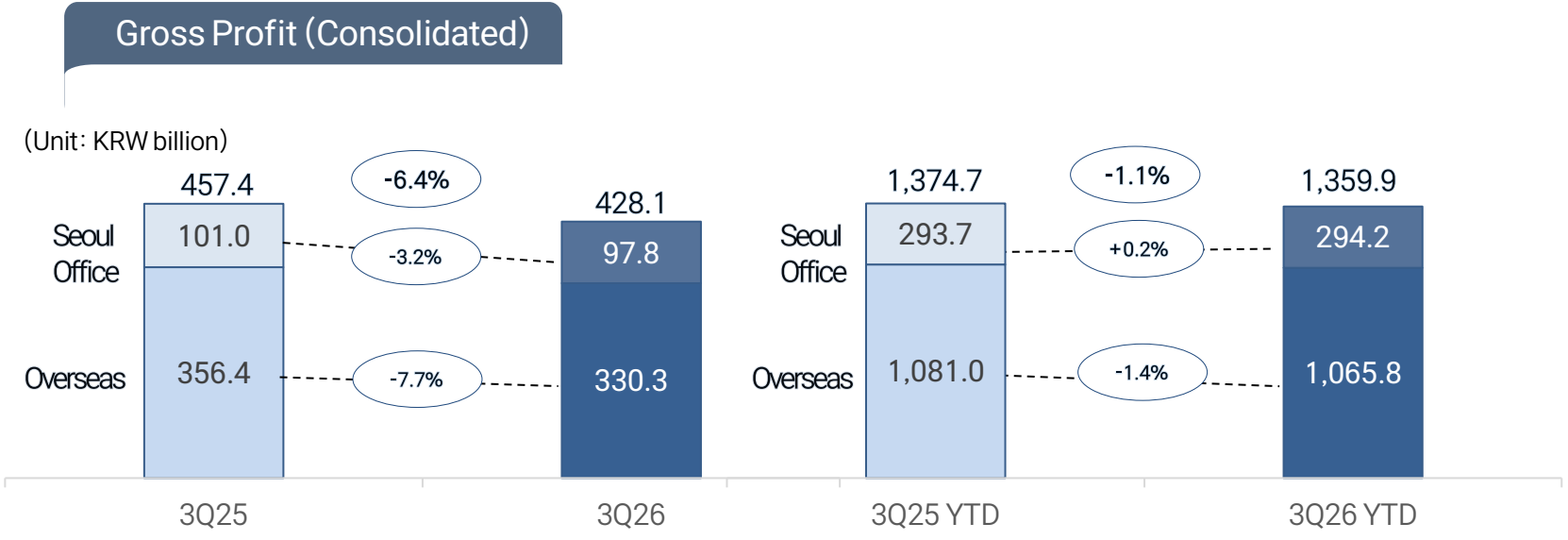
Cheil

☑ 3Q26 KRW 428.1 bn (YoY -6.4%), YTD KRW 1,359.9 bn (YoY -1.1%)

· (3Q) Slight slowdown in GP growth amid key client's marketing budget control

· (YTD) Continued non-captive GP growth and business expansion in NA and LATAM

* YoY +3.4%



Operating Profit & Net Income (Consolidated)

Cheil

☑ **OP : 3Q26 KRW 77.0 bn (YoY -19.7%), YTD KRW 206.2 bn (YoY -16.4%)**

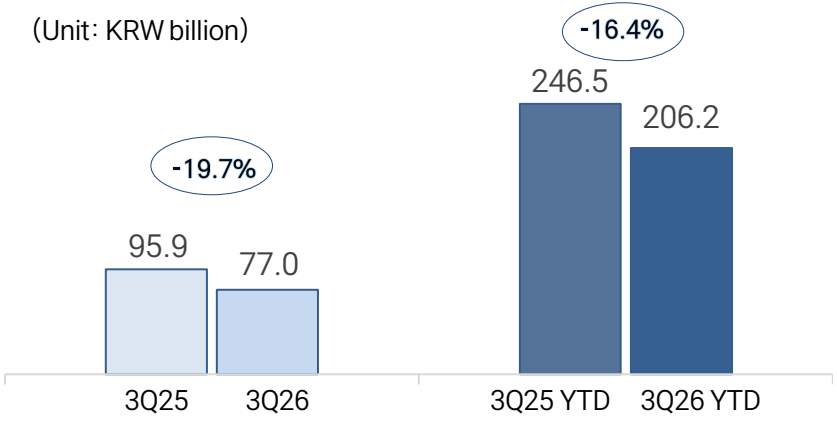
NI : KRW 45.6 bn (YoY -29.7%), KRW 137.4 bn (YoY -4.7%)

Operating profit (Consolidated)

· (3Q) Cost optimization efforts softened the impact of top-line moderation

· (YTD) Impacted by 1H one-off expenses

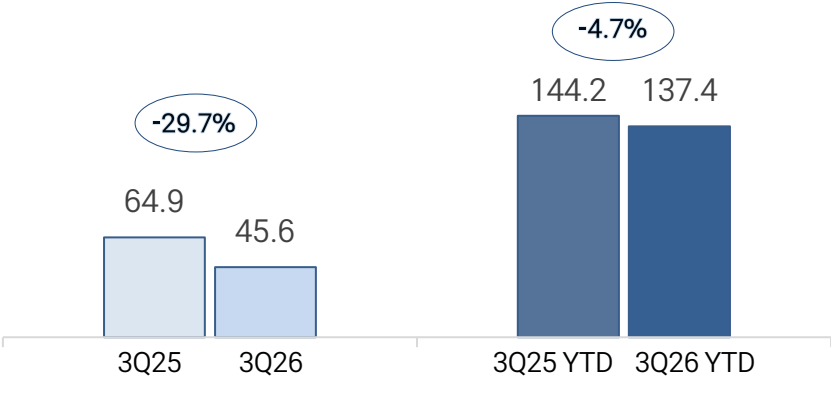
*Temporary recognition of overseas restructuring costs and increase in retirement provisions in Seoul Office



Net income (Consolidated)

· (3Q) Reflected the flow-through of OP decline

· (YTD) Base effect from the improved gain/losses from investment and FX valuation compared to the previous year



Headcount : End of Sep '25 8,058 → Dec '25 7,993 → **Sep '26 7,867**
(Overseas) (6,528) (6,454) **(6,304)**

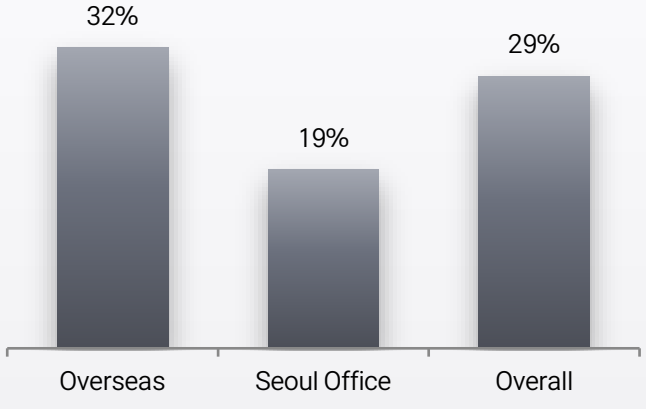
3Q26 Non-Captive Share and New Clients

Cheil

☑ 3Q26 Non-Captive Share of Gross Profit : 29% (Seoul Office 19%, Overseas 32%)

29%

Overall Non-Captive Share · YoY +2.2%p



New Clients

amazon ads
TEMASEK
Carlsberg
kakaocommerce
REEF
APPAREL GROUP
EXCEED EXPECTATIONS EVERYDAY
SG 생활안전
SG SAFETY CORPORATION
La Renon
FISHER INVESTMENTS
HIKROBOT

3Q26 Gross Profit by Service Segments

Cheil

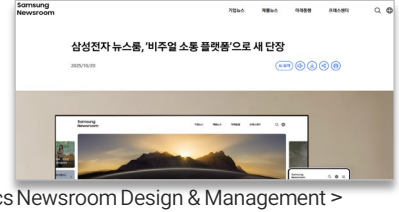
☑ 3Q26 Gross Profit Shares : Digital 55%, Retail/BTL 29%, ATL 16%



Digital

Platform-related marketing activities, such as digital media, owned websites, social media, etc.



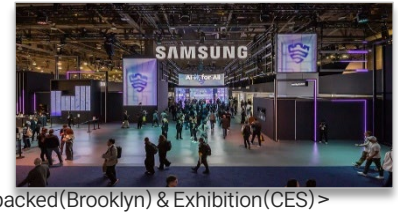


< Samsung.com / Samsung Electronics Newsroom Design & Management >

BTL

Offline marketing activities, including pop-up/experiential events, promotions, exhibitions, and sports marketing





< Samsung Electronics Galaxy Unpacked(Brooklyn) & Exhibition(CES) >

Retail

In-store marketing activities, such as store design, fixture production, promoter operations, etc.

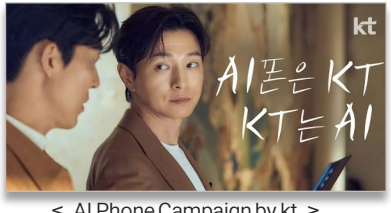




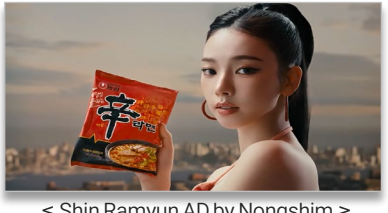
< Samsung Electronics and Dong Suh Foods Retail Shop >

ATL

Advertising campaigns using legacy media such as TV, radio, and newspapers



< AI Phone Campaign by kt >



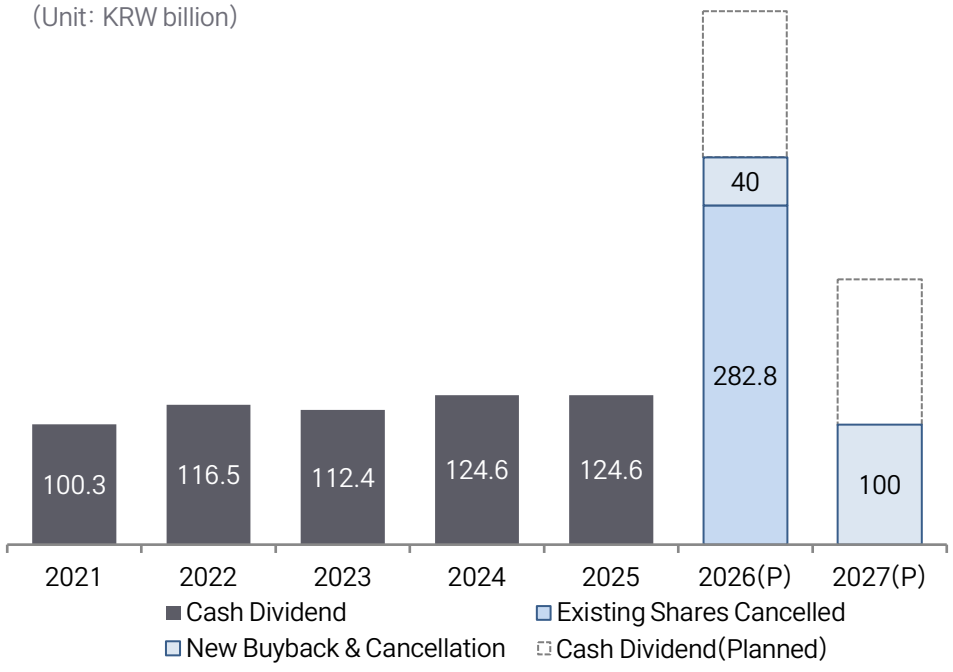
< Shin Ramyun AD by Nongshim >

Cheil

☑ Boosting Shareholder Value through Substantial Share Cancellations and Strong Dividend Policy

· (Share Cancellations) Completed full cancellation of existing treasury shares; planning new share buybacks and cancellations worth KRW 140bn

· (Dividend Policy) FY25-27 Shareholder Return Policy : 60% payout ratio on consolidated net income



Existing Treasury Shares Cancelled

12% of total shares issued (Book value: KRW 282.8bn) fully retired as of Oct 15

New Share Buyback & Cancellation Plan

Total KRW 140bn by end of Sep '27, of which KRW 40bn planned by end of '26

KRW 420bn+ in Share Cancellation through 2027

Over KRW 420bn in cancellations (existing & new combined); Maintaining 60% payout ratio for 7 consecutive years (FY21-27)

(Appendix) Summary of Consolidated Income Statement

Cheil

(Unit: KRW billion)

	2024	2025	3Q26 YTD
Sales	4,344.3	4,546.9	3,131.1
Cost of sales	2,616.8	2,687.0	1,771.2
Gross profit (Revenue)	**1,727.5**	**1,859.9**	**1,359.9**
SG&A	1,406.8	1,523.0	1,153.7
Operating profit	**320.7**	**336.9**	**206.2**
Non-operating gains/losses*	-7.2	-32.2	0.2
Profit before tax	**313.5**	**304.7**	**206.4**
Net income	**208.3**	**208.6**	**137.4**

* Includes Finance income/costs & Equity method gains/losses

(Appendix) Summary of Consolidated Balance Sheets

Cheil

(Unit: KRW billion)

	2024	2025	3Q26 YTD
Total assets	3,306.6	3,587.8	3,171.2
Current assets	2,724.0	2,881.0	2,520.4
Cash*	829.1	839.3	781.9
Account receivable**	1,670.9	1,824.1	1,491.5
Other current assets	224.0	217.6	247.0
Noncurrent assets	582.6	706.8	650.8
Tangible & Intangible assets	307.6	306.9	293.3
Right-of-use asset	139.6	238.1	216.9
Other noncurrent assets	135.4	161.8	140.6
Total liabilities	1,832.5	1,999.8	1,637.6
Current liabilities	1,564.9	1,627.9	1,302.4
Account payable	678.1	676.2	505.5
Unearned revenues	306.2	319.9	304.1
Accrued expenses ***	448.9	465.3	334.5
Other current liabilities	131.7	166.5	158.2
Noncurrent liabilities	267.6	371.9	335.2
Total equity	1,474.1	1,588.0	1,533.6

* Cash & cash equivalents, Short-term investments

** Account receivable, Other receivables

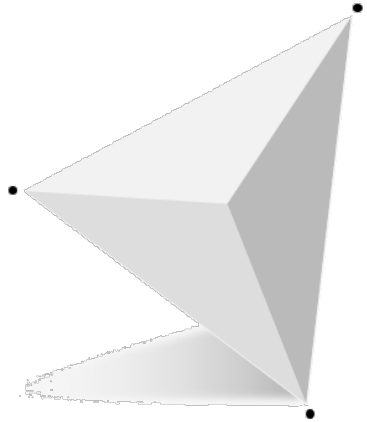
*** Accrued expenses, Other payables, Income tax payable

Our Competencies

We refine, integrate, and analyze DATA—the starting point for understanding consumers. We uncover the true insights hidden within. Consumer insights transform into powerful CREATIVITY in the hands of creatives. Then delivered to consumers through our TECHNOLOGY in the most effective and efficient way.

DATA

We build and operate data platforms based on our data management capabilities and execute data-driven bespoke marketing



CREATIVITY

We deliver optimal consumer brand experiences through omnichannel creative capabilities that combine culture, data, and technology

TECHNOLOGY

Through our expertise in cutting-edge technologies like MarTech and AI, we innovate brand and consumer experiences and achieve operational excellence

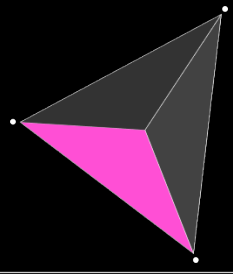
DATA

Data serves as the foundation for designing and optimizing consumer experiences. Led by our Global Data Transformation (DTx) Center, Cheil Worldwide is driving data-driven marketing and sales innovation



Core Services of Global DTx Center

- **Enterprise Data Consulting**
  Full-process integrated CRM AI / Workflow productivity enhancement / Sales & Marketing capability building / Digital PMO
- **Data Transformation Solutions**
  Platform partnerships / Data architecture solution offshore center
- **Social AI**
  Customer emotion prediction / Creative effectiveness enhancement
- **Loyalty & Commerce**
  Loyalty program modernization / Agentic commerce



CREATIVITY

Creativity is a powerful driver that moves markets and consumers. Through seamless, cross-functional collaboration, Cheil Worldwide delivers optimal solutions tailored to every business environment

Creative Solution

Connecting all areas including traditional media, digital, retail, BX, and AI to provide the best solutions for clients and brands

- Possesses over 50 production CD teams capable of total response, including content production, global events, and AI projects
- Forms optimal teams and fosters organic collaboration with experts in each field for every project

AI Leadership

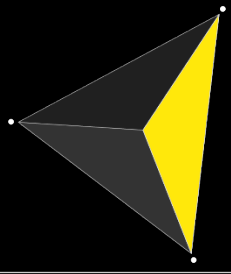
Leading a new creative era by combining accumulated creative capabilities with AI technology

- In-house development of creative AI tools such as Filmjoe and Contijoe
- Operating dedicated AI creative groups like CYLNDR AX

Proven Excellence

Reshaping the history of Korean advertising through prestigious international awards and proactive project execution

- Swept major advertising festivals, including winning the Grand Prix at Cannes Lions
- First in Asia to win the highest award in the AI category at the RED MOVIE AWARDS



TECHNOLOGY

Technology is a key enabler for delivering differentiated consumer experiences.
By combining customer data and insights with AI agentic technology, Cheil Worldwide unlocks new business opportunities and drives tangible results for our clients

VIEW MORE

Productivity AI solutions for streamlining production tasks

- **Connect AI** | Workfow-based agentic system
- **Cheil AI Creative Solutions** | AI solution for innovating the production process
- **Cheil GEO Orchestrator** | All-in-one GEO service
- **Brand VI System** | AI-based Visual Identity inspection system
- **VariAid** | Ai-based banner production automation solution

Conversion Solutions for expanding on/offline sales

- **Generative Retail Design Studio** | Store design automation solution
- **SmartWays** | AI-based merchandiser store visit route optimization solution
- **NovaDocent** | Intelligent personalized guide mobile web service
- **AI Live Commerce Solution** | 24/7 intelligent commerce solution
- **Wonderland XR Solution** | Interactive solution implementing XR environments

Growth Business growth solutions through media optimization

- **Cheil Media Data Bank** | Data platform for media planning
- **Cheil OOH Management & Evaluation** | OOH media integrated operation platform
- **KEYBOX** | Media solution utilizing search data
- **Cheil Optimizer+** | Integrated data management solution


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