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

This document is provided for investors’ information before H1 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

H1 2019 Business Performance

H2 2019 Outlook
## Financial Summary (K-IFRS consolidated)

(KRW billion)

<table>
<thead>
<tr>
<th></th>
<th>Q2 2018</th>
<th>Q2 2019</th>
<th>Growth</th>
<th>H1 2018</th>
<th>H1 2019</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue (Gross Profit)</strong></td>
<td>272.8</td>
<td>307.9</td>
<td>13%</td>
<td>508.1</td>
<td>560.6</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Operating Expense</strong></td>
<td>214.6</td>
<td>238.5</td>
<td>11%</td>
<td>423.8</td>
<td>459.0</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>58.2</td>
<td>69.4</td>
<td>19%</td>
<td>84.3</td>
<td>101.6</td>
<td>21%</td>
</tr>
<tr>
<td><strong>Non-operating Expenses and Income</strong></td>
<td>6.7</td>
<td>△2.7</td>
<td>-</td>
<td>7.8</td>
<td>0.9</td>
<td>△88%</td>
</tr>
<tr>
<td><strong>Income Before Income Taxes</strong></td>
<td>64.9</td>
<td>66.7</td>
<td>3%</td>
<td>92.1</td>
<td>102.5</td>
<td>11%</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>46.2</td>
<td>44.1</td>
<td>△5%</td>
<td>65.4</td>
<td>66.7</td>
<td>2%</td>
</tr>
</tbody>
</table>
Consolidated Revenue

Consolidated Revenue: H1 2018 508.1B → H1 2019 560.6B (52.5B↑)
Q2 2018 272.8B → Q2 2019 307.9B (35.1B↑)

- Headquarter: Revenue remained flat at 138.2B (△0.3↓)
  - Despite some major account loss including Coway, revenue remained flat due to additional revenue from new clients including Market Kurly

- Subsidiaries: Revenue up 14% to 422.4B (52.8B↑)
  - Steady growth continued in overseas market primarily due to strong growth in Europe and emerging markets

<table>
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<tr>
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<th>Q2 2018</th>
<th>Q2 2019</th>
<th>Growth</th>
<th>H1 2018</th>
<th>H1 2019</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>HQ</td>
<td>80.2</td>
<td>83.6</td>
<td>4%</td>
<td>138.5</td>
<td>138.2</td>
<td>△0%</td>
</tr>
<tr>
<td>Subsidiaries</td>
<td>192.6</td>
<td>224.3</td>
<td>16%</td>
<td>369.6</td>
<td>422.4</td>
<td>14%</td>
</tr>
<tr>
<td>Total</td>
<td>272.8</td>
<td>307.9</td>
<td>13%</td>
<td>508.1</td>
<td>560.6</td>
<td>10%</td>
</tr>
</tbody>
</table>
Positive growth across all regional markets due to increase in revenue from both Samsung and non-Samsung clients

- Europe (15%↑YoY), NA (18%↑) and LATAM (29%↑) drove overall growth in overseas market
  ※ Q2 18% YoY (Iris 21%↑)  ※ 20%↑  ※ 36%↑

- China (10%↑YoY), SWA (12%↑), SEA (15%↑) and MENA (24%↑) showed continuous recovery
  ※ Q2 9% YoY (Pengtai 5%↑)  ※ 14%↑  ※ 13%↑  ※ 30%↑
Non-Samsung clients %: 2018 YTD 29% → H1 2019 30%
- Headquarter: 2018 YTD 24% → H1 2019 22%
- Subsidiaries: 2018 YTD 32% → H1 2019 33%

Digital % of total revenue: 2018 YTD 34% → H1 2019 38%

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2013</th>
<th>2018</th>
<th>H1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital</td>
<td>19%</td>
<td>23%</td>
<td>34%</td>
<td>38%</td>
</tr>
<tr>
<td>BTL</td>
<td>32%</td>
<td>41%</td>
<td>44%</td>
<td>42%</td>
</tr>
<tr>
<td>Retail</td>
<td>13%</td>
<td>23%</td>
<td>22%</td>
<td>23%</td>
</tr>
<tr>
<td>ATL</td>
<td>49%</td>
<td>36%</td>
<td>22%</td>
<td>20%</td>
</tr>
</tbody>
</table>

※ Non-Samsung Revenue 16%↑ YoY
Consolidated Operating Income

Consolidated Operating Income: H1 2018 84.3B → H1 2019 101.6B (17.3B↑)
Q2 2018 58.2B → Q2 2019 69.4B (11.2B↑)

Despite investment in talents, consolidated operating income increased along with revenue growth and cost efficiency.

- **Operating Income**
  - H1 2018: 84.3B
  - H1 2019: 101.6B (21% increase)

- **SG&A**
  - 2018: 284.3B
  - 2019: 319.8B (13% increase)
  - General Expenses:
    - H1 2018: 139.5B (General Expenses)
    - H1 2019: 139.2B (General Expenses, 0.3% decrease)

- **Headcount**
  - H1 2018: 6,446
  - H1 2019: 7,175 (+729)
  - (Overseas) 5,086 → 5,810 (+724)

(KRW billion)
H1 2019 Business Performance

- New Account Wins
  - Panasonic Avionics(NA), NIVEA(Thailand), BCA, Discovery Channel(Europe), Korea Ginseng Corp(Taiwan), TikTok(HQ), etc

- International Award Wins
  - One Show 25, New York Festivals 23, Cannes Lions 8, D&AD 7, etc

- New Office in Argentina (January)
H2 2019 Outlook _ Regional Highlights

**NA**
- More integrated solutions
- Enhance digital and retail capabilities

**Europe**
- Develop new biz including platform biz
- Increase non-Samsung biz

**China**
- Expand biz through e-commerce
- Enhance data-based platform biz

**Latin America**
- Expand digital/retail biz
- Enhance data-based platform biz

**Middle East & Africa**
- Develop new biz including platform biz
- Increase non-Samsung biz

**Southeast Asia**
- Expand digital/retail biz
- Enhance data-based platform biz

**Southwest Asia**
- Expand digital/retail biz
- Diversify client portfolio
H2 2019 Objective: Stable Growth & Proactive Risk Management

**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
End of Document