



We Create Connected Experiences that Matter

Third Quarter 2023 Earnings Release

October 27, 2023

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

This document is provided for investors' information before Q3 FY2022 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.

- Q3 2023 Summary
- Financial Summary (K-IFRS consolidated)
- Consolidated Revenue
- Consolidated Operating Profit
- Business Objective

1

Financial Performance

Top-line growth &
Margin defense YoY

- ✓ Defensed GP, centered on digital offerings and overseas non-Samsung clients
- ✓ Turned to net growth in OP through overseas-focused sales and SG&A expenses efficiency

2

Service

Digital 55%

- ✓ Expanded overseas digital biz. with dotcom, E-commerce
- ✓ Diversified digital service coverage with digital transformation

3

GEO Markets

Non-Samsung +8%↑

- ✓ Extended overseas non-Samsung client biz. coverage and the volume
- ✓ Decreased in biz volume of major clients due to delayed economic recovery

4

Clients

(Non-Samsung driven) NA, China, LA growth↑

- ✓ Continued strong growth in North America, China, and Latin America
- ✓ Negative growth in Europe, India, and SEA but solid growth in NA, led by McKinney

Financial Summary (K-IFRS consolidated)

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(KRW billion)

	Q3 2022	Q3 2023	Growth			
			Q3 YTD 2022	Q3 YTD 2023	Growth	
Revenue (Gross Profit)	402.0	400.9	-	1,125.4	1,189.7	6%
SG&A	308.9	307.5	-	885.8	958.2	8%
Operating Profit	93.1	93.4	-	239.6	231.5	Δ3%
Non-operating Expenses and Income	4.6	6.9	57%	13.4	19.7	46%
Income Before Income Taxes	97.7	100.3	3%	253.0	251.2	Δ1%
Net Income	64.6	66.1	2%	171.1	172.8	1%

Consolidated Revenue Summary

Consolidated Revenue : Q3 2022 402.0B → Q3 YTD 2023 400.9B (Δ1.1B↓)

□ HQ (KRW) : Q3 2022 91.9B → Q3 YTD 2023 88.0B (Δ3.9B↓)

- Slow recovery in the domestic AD industry led decrease in both Samsung and non-Samsung biz. volume

□ Subsidiaries (KRW) : Q3 2022 310.1B → Q3 YTD 2023 312.9B (+2.8B↑)

- Defensed GP by expanding non-Samsung digital biz. coverage and volume, despite negative growth in Europe, India, and SEA

(KRW billion)

	Q3 2022	Q3 2023	(KRW billion)			
			Growth	Q3 YTD 2022	Q3 YTD 2023	Growth
HQ	91.9	88.0	Δ4%	268.2	260.8	Δ3%
Subsidiaries	310.1	312.9	+1%	857.2	928.9	+8%
Total	402.0	400.9	-	1,125.4	1,189.7	+6%

□ By Service : Expansion of digital biz. coverage centered on overseas platform management

	2015	2020	2021	2022	Q3 YTD 2023
Digital	28%	43%	50%	53%	55%
BTL	42%	35%	30%	30%	29%
Retail	22%	21%	20%	19%	18%
ATL	30%	22%	20%	17%	17%

□ By Clients : Expansion of biz. service coverage for existing non-Samsung, focusing on overseas market especially in NA and China



Consolidated OP : Q3 2022 93.1B → Q3 2023 93.4B (+0.3B↑)

□ Conversion to net growth in OP by managing SG&A expenses within the growth rate of GP

(KRW Billion)

	Q3 2022	Q3 2023	Growth	Q3 YTD	Q3 YTD	Growth
				2022	2023	
Revenue (GP)	402.0	400.9	-	1,125.4	1,189.7	6%
SG&A	308.9	307.5	-	885.8	958.2	8%
Salaries	217.8	218.2	-	635.3	687.2	8%
Others	91.1	89.3	Δ2%	250.5	271.0	8%
Operating Profit	93.1	93.4	-	239.6	231.5	Δ3%
OPM	23.2%	23.3%	+0.1%p	21.3%	19.5%	Δ1.8%

※ No. of Overall employees : Sep 2022 → 6,872 / Dec 2022 → 6,887 / Sep 2023 → 7,000
 · Overseas : Sep 2022 → 5,461 / Dec 2022 → 5,452 / Sep 2023 → 5,602

□ Business Opportunities

NA

- Develop new digital services in dotcom
- Expand service coverage in CRM/Front-end development
- Gain new non-Samsung clients

Europe

- Expand biz. service coverage for existing non-Samsung clients
- Secure Olympic related biz. for Samsung Electronics
- Develop new non-Samsung clients

China

- Upgrade e-Commerce and dotcom
- Expand service coverage in performance marketing for DTC
- Enhance non-Samsung clients portfolio

Emerging Markets

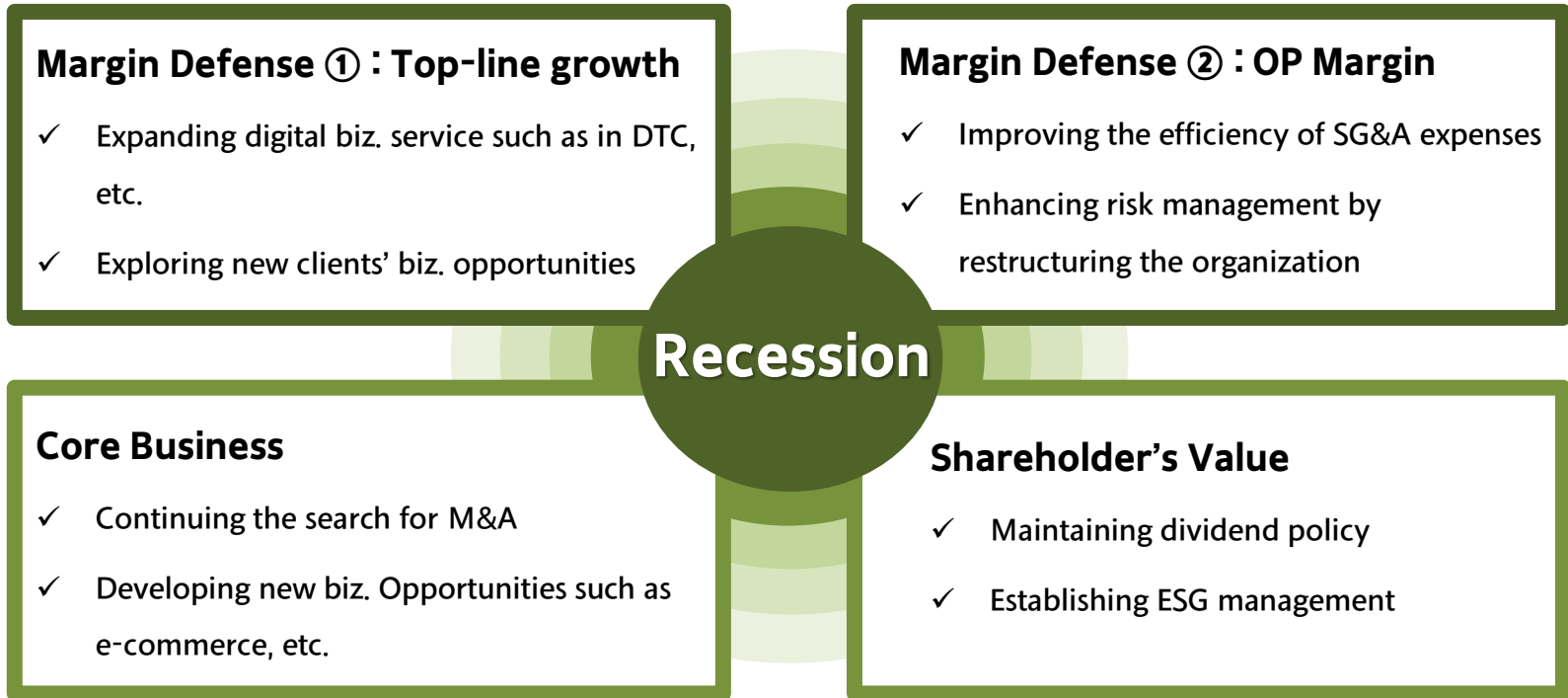
- Upgrade dotcom and e-store
- Expand service coverage in FFM/CRM
- Gain new non-Samsung clients
- Establish new biz. branches

HQ

- Expect recovery in AD industry
- Expand service coverage in performance marketing for DTC
- Gain new non-Samsung clients

Minimize external uncertainties by offering DTC and performance marketing

Top-line Growth Rate +5%↑ and Margin Defense



- EOD -