

# COSMAX 2021 4Q RESULTS



# 2021 4Q HIGHLIGHTS

## Sales

421.2 KRW bn

▲ 19% YoY

## Operating Profit

30.4 KRW bn

▲ 190% YoY

Sales  
217.0 KRW bn

▲ 19% YoY

KOREA



Sales  
182.8 KRW bn

▲ 38% YoY

EAST



Sales  
30.8 KRW bn

▼ 32% YoY

WEST



Sales  
15.3 KRW bn

▲ 47% YoY

SOUTHEAST ASIA



"In 2021, COSMAX reaffirmed its competitiveness by achieving record high sales and operating profit amid difficult market conditions. We have continued organic growth and reinforced strong win-win partnerships with the clients by developing market-leading products and responding actively to online clients. Though the macro environment still worked as headwinds to our US business, we have developed strategic plans to lay the groundwork for success in the upcoming years.

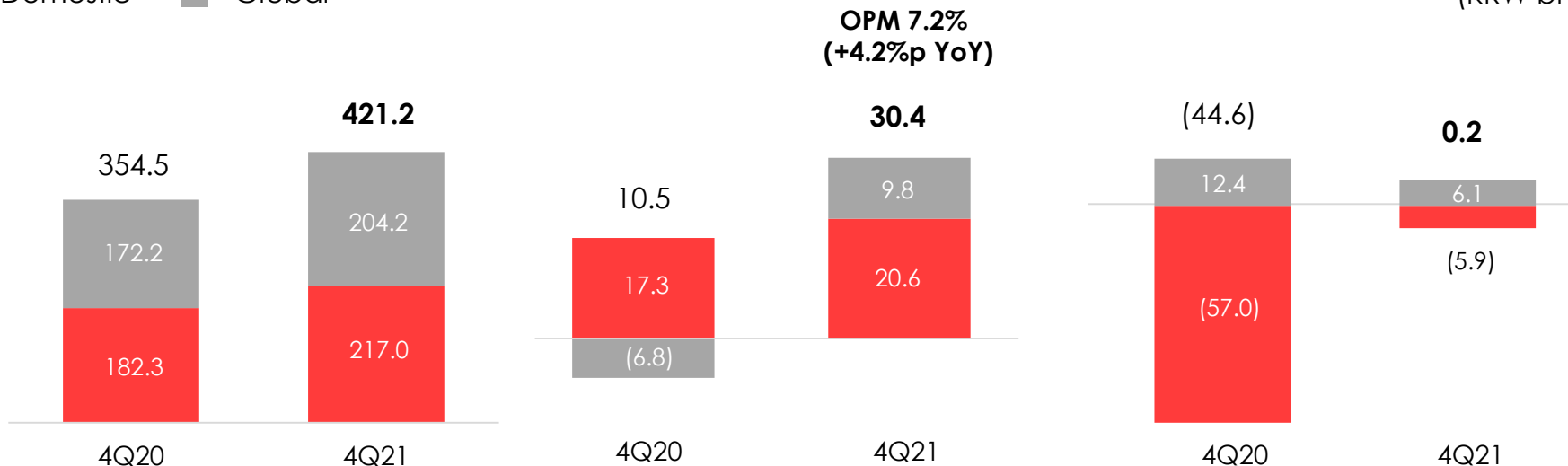
Also, this year we successfully published our first Sustainability Report that embodies the strategies and results of our efforts on ESG Management. Moving forward, we will strengthen our focus on ESG management to enhance our stakeholders' interests."

Kyung-soo Lee, Chairman

# COSMAX CONSOLIDATED

■ Domestic ■ Global

(KRW bn)



\* Consolidation adjustments not reflected

Sales 421.2 KRW bn

▲ 19% YoY

- Continued solid sales growth backed by strong performance in Korea (thanks to increased sale of hit items and recovery in direct exports) and China (lead by robust sales growth in Shanghai).
- [2021 Sales +15% YoY]** Korea and China markets lead the annual sales growth.

OP 30.4 KRW bn

▲ 190% YoY

- Operating profit and margin improved notably as one-off expenses that occurred in 4Q20 were eliminated.
- [2021 OP +84% YoY, OPM 7.7%, +2.9%p]** Focused on profitability by reducing inventory write-offs, improving productivity and increasing ASP.

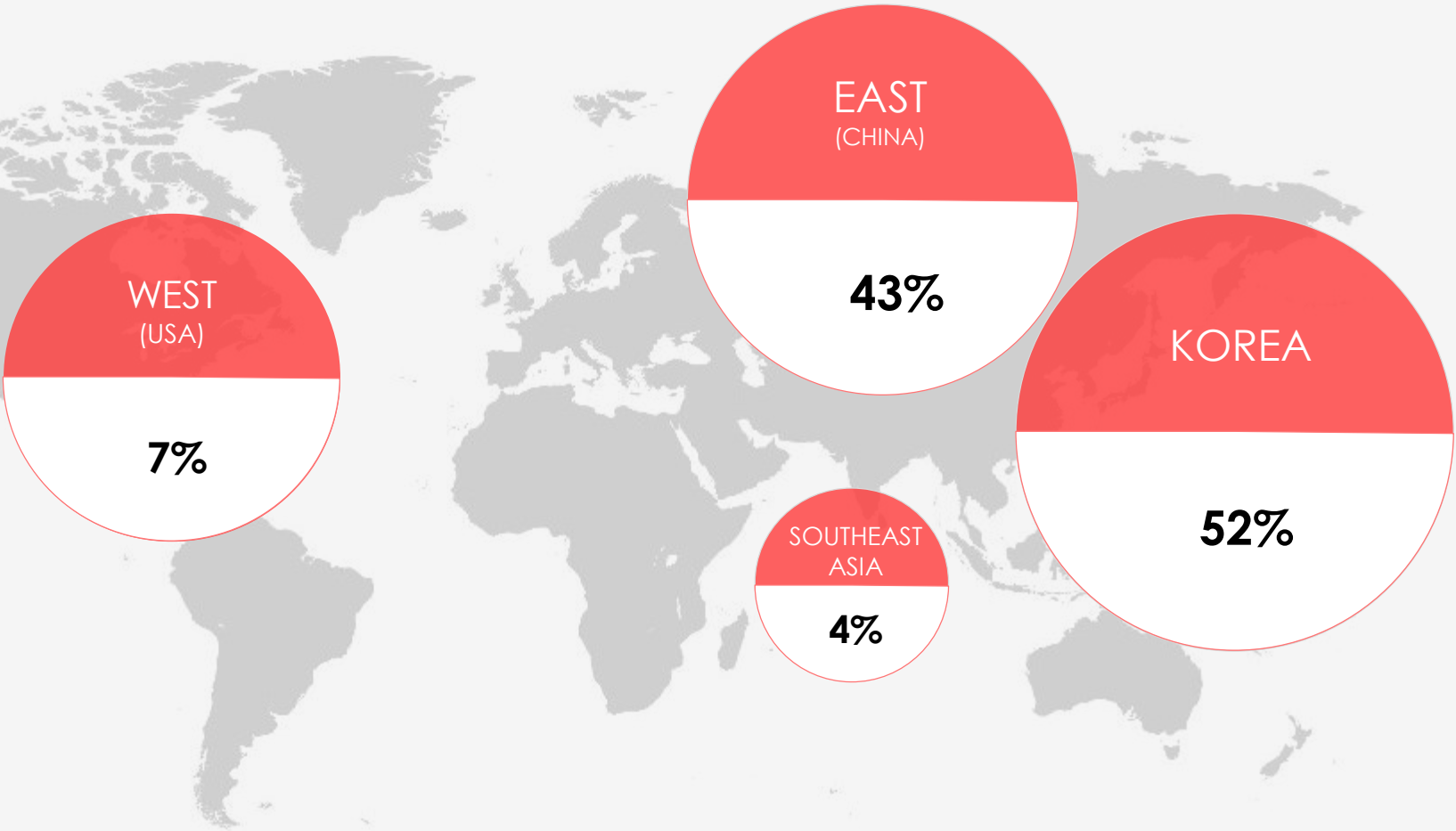
NP 0.2 KRW bn

Turn to Profit

**[Controlling Shareholder NP : 15.2 KRW bn]**

- Recognized one-off expenses in the US business for the lawsuit settlement.
- G/L on foreign currency translation increased YoY (0.5 KRW bn), due to FX currency changes.
- [2021 NP Turned to Profit]**

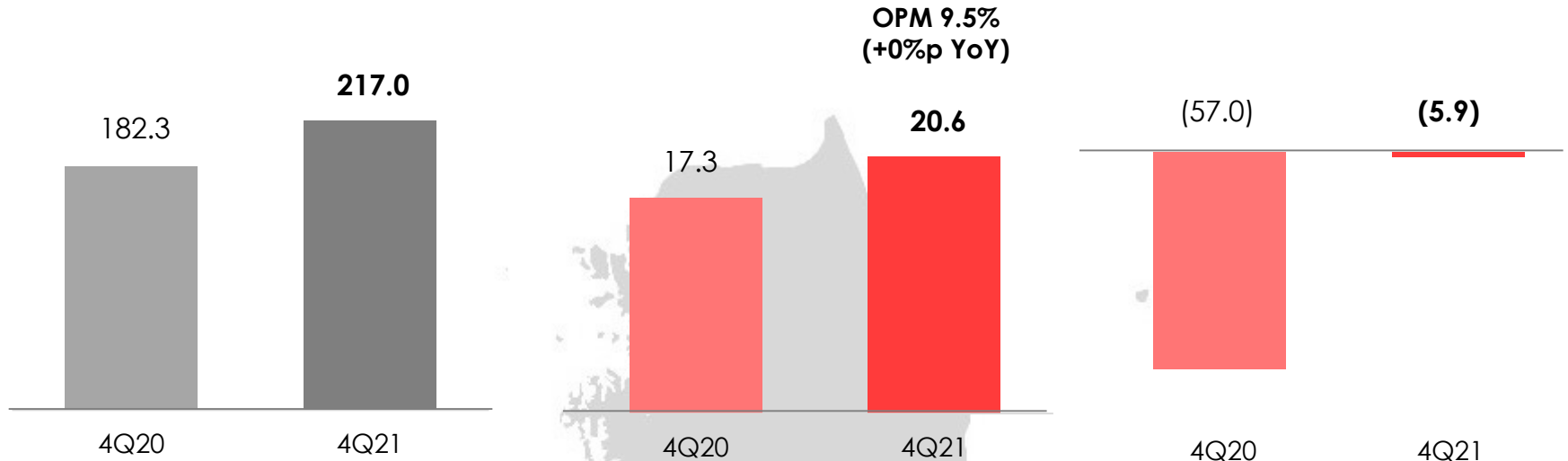
# 2021 4Q SALES BY REGION



\* Consolidation adjustments not reflected

# COSMAX KOREA

(KRW bn)



Sales 217.0 KRW bn

▲ 19% YoY

- Sales grew at a solid pace on the back of good performance from major clients and key categories (Essence, Cream, Eye Shadow and Foundation).
- Followed by global e-commerce channel recovery, direct export sales showed a strong rebound in 4Q.
- **[2021 Sales +11% YoY]**

OP 20.6 KRW bn

▲ 19% YoY

- Despite unfavorable product mix change, operating profit increased with leverage effect.
- **[2021 OP +18% YoY, OPM 9.1%, +0.5%p]** OP continued strong growth as a result of our continuous efforts to improve profitability.

NP -5.9 KRW bn

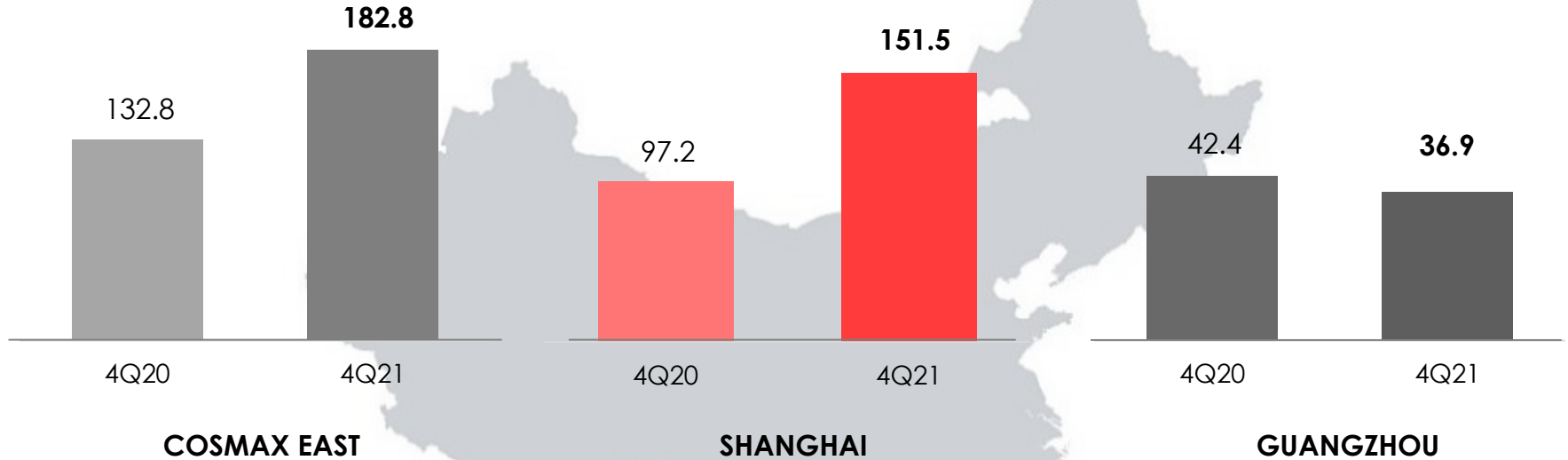
Reduction in Losses

- Recognized allowance for bad debt from subsidiaries (22 KRW bn).
- One-off expense from 4Q20 eliminated – impairment loss of investment securities (12.5 KRW bn).
- G/L on foreign currency translation increased YoY (1.8 KRW bn).
- **[2021 NP Turned to Profit]**

# COSMAX EAST

## Sales

(KRW bn)



Sales 182.8 KRW bn

▲ 38% YoY

- Achieved record-high quarterly sales mainly driven by excellent performance in Shanghai.
- Strengthened position in China through introduction of trend leading strategic products.
- **[2021 Sales +38% YoY]** Sales from strategic products increased 60% YoY.

Sales 151.5 KRW bn

▲ 56% YoY

- Sales surged by continuously securing fast-growing online clients.
- Nominated as a 'High Technology Company' by the Chinese government.
- **[2021 Sales +50% YoY]** Online clients sales contribution reached 70% (vs. 55% in 2020).

Sales 36.9 KRW bn

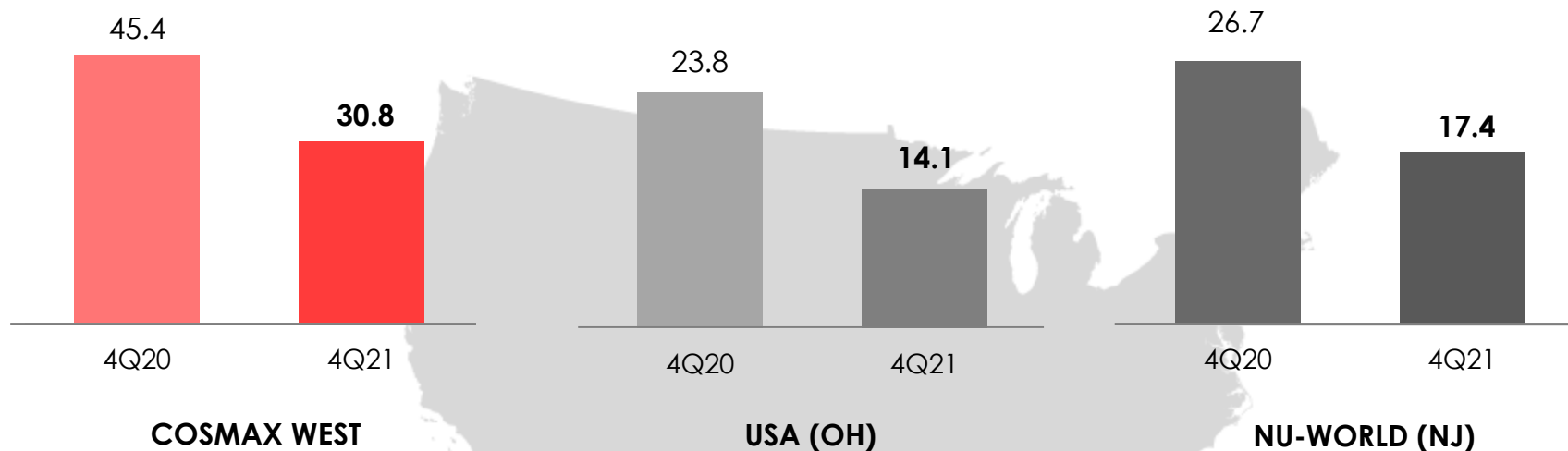
▼ 13% YoY

- In addition to high base effect, sluggish sales of major client negatively impacted the sales.
- Reinforced online client management by shortening lead time.
- **[2021 Sales +9% YoY]** Sales to online clients increased 15% YoY.

# COSMAX WEST

## Sales

(KRW bn)



Sales 30.8 KRW bn

▼ 32% YoY

- Sales declined due to high base from hand sanitizer sales in 4Q20 and global SCM issues.
- Continued efforts to restructure the business – manage expense levels, improve productivity, etc.
- **[2021 Sales -21% YoY]** Like-for Like sales excluding hand sanitizers recorded -9% YoY.

Sales 14.1 KRW bn

▼ 41% YoY

- Sales dropped and product mix changed to lower-priced items due to delay in launch of new products.
- Losses continued as a result of overall operating price hike (logistics, personnel, raw materials, etc.)
- **[2021 Sales -19% YoY]**

Sales 17.4 KRW bn

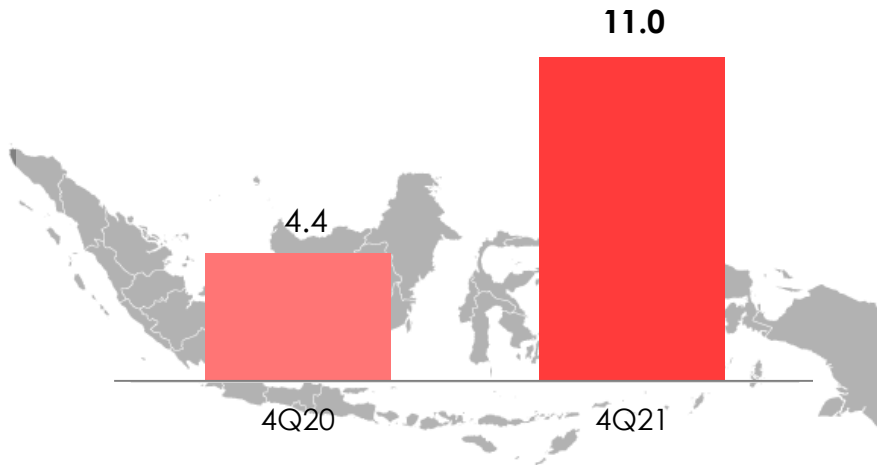
▼ 35% YoY

- Sales fell due to high base effect from hand sanitizer sales. (12.3 KRW bn in 4Q20)
- Recognized one-off expenses on inventory loss and allowance for bad debt (5 KRW bn).
- Nu-world has settled out the lawsuit.
- **[2021 Sales -32% YoY]**

# COSMAX SOUTHEAST ASIA

## INDONESIA

Sales  
(KRW bn)



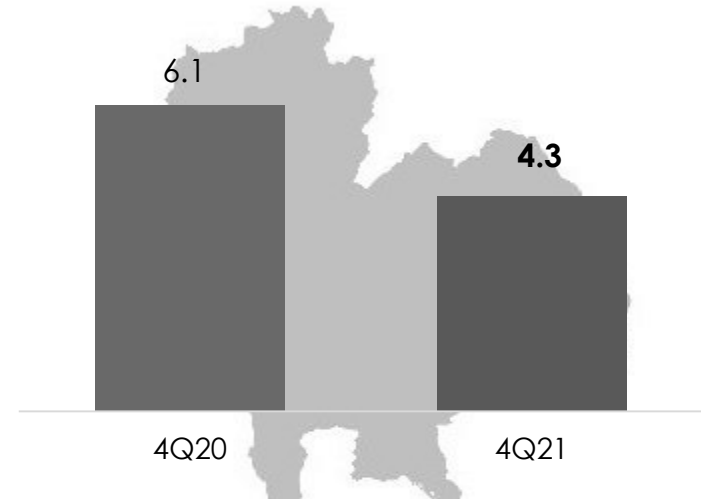
Sales 11.0 KRW bn

▲ 153% YoY

- Recorded spectacular sales growth driven by increased orders from local online clients and Unilever.
- Strengthened the strategic partnership with Unilever to secure long-term growth momentum.
- **[2021 Sales +26% YoY]** Increased online clients' sales worked as tailwinds to the business.

## THAILAND

Sales  
(KRW bn)



Sales 4.3 KRW bn

▼ 29% YoY

- Sales dropped due to production delays resulted from global supply chain issues (logistics, sourcing materials).
- **[2021 Sales -1% YoY]** Sales performance showed resilience amid slow market recovery backed by continuous expansion of new clients and increased export sales by diversification of markets.



# CONSOLIDATED FINANCIAL SUMMARY

## Income Statement

(KRW bn)

	2021	2020
<b>Sales</b>	1,591	1,383
COGS	1,314	1,172
Gross Profit	278	211
SG & A Expenses	155	144
<b>Operating Profit</b>	123	67
Non-Operating Profit / Expense	(44)	(67)
<b>Profit Before Tax</b>	78	0
Tax	44	29
Net Income	34	(29)
Controlling shareholder NP	74	21

## Balance Sheet

(KRW bn)

	2021	2020
Current Asset	792	623
Cash and Cash Equivalents	100	103
Inventory	224	193
Non-Current Asset	620	566
Tangible Asset	471	437
Intangible Asset	50	57
<b>Asset</b>	<b>1,412</b>	<b>1,189</b>
Current Liability	788	718
Non-current Liability	159	199
<b>Liability</b>	<b>947</b>	<b>917</b>
Capital	6	5
Retained Earnings	248	174
Non-controlling Interest	(96)	(71)
<b>Equity</b>	<b>465</b>	<b>272</b>

\* The above financial information is in accordance with K-IFRS standards



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