

COSMAX 3Q 2022 RESULTS



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3Q 2022 HIGHLIGHTS

Sales

396.8 KRW bn

▲ 0% YoY

Operating Profit

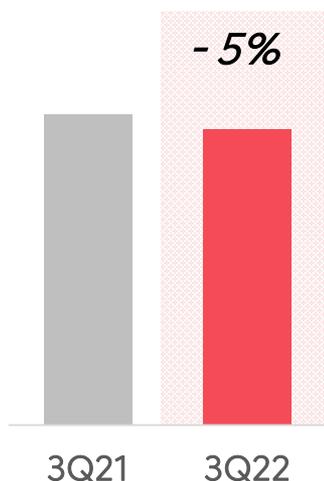
19.7 KRW bn

▼ 21% YoY

KOREA



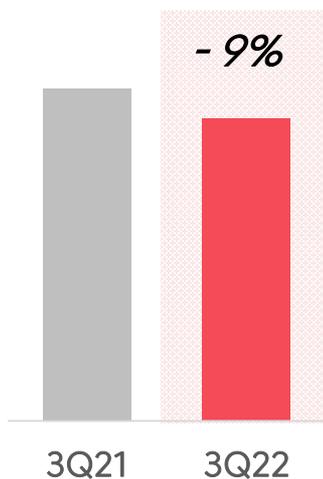
Sales 206.7 KRW bn



EAST



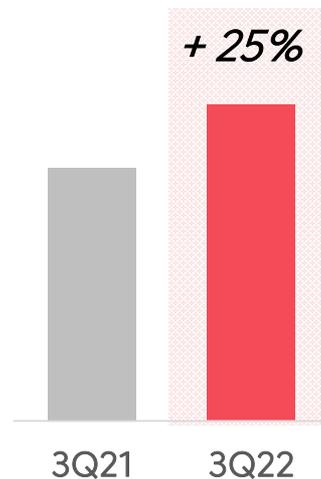
Sales 133.8 KRW bn



WEST



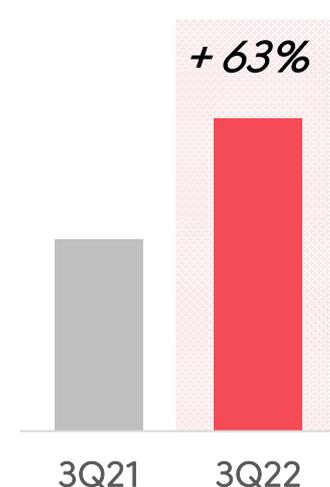
Sales 44.8 KRW bn



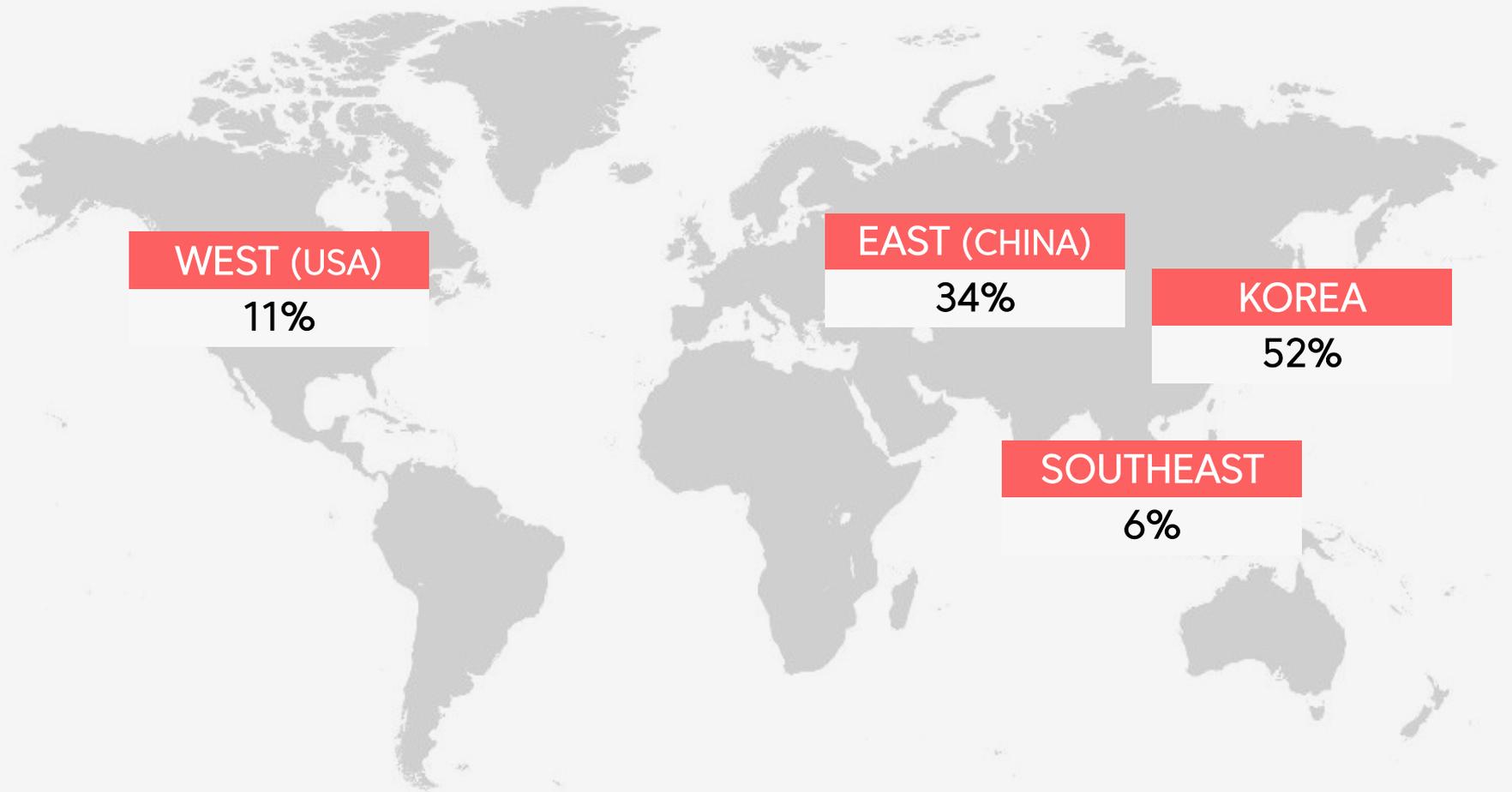
SOUTHEAST ASIA



Sales 25.4 KRW bn



3Q 2022 SALES BY REGION



※ Consolidation adjustments not reflected

CONSOLIDATED EARNINGS SUMMARY

(KRW bn)

	3Q21	3Q22	YoY
Sales	395.0	396.8	+0%
Korea	217.7	206.7	-5%
East	147.3	133.8	-9%
West	35.8	44.8	+25%
Indonesia	11.1	18.6	+68%
Thailand	4.5	6.8	+50%
Operating Profit	25.0	19.7	-21%
Korea	20.6	11.7	-43%
Other subsidiaries ¹⁾	4.4	8.1	+84%
Net Profit	(1.8)	6.7	Turn to Profit
Korea	(11.5)	21.7	Turn to Profit
East	14.9	7.4	-51%
West	(28.1)	(11.3)	Loss continued
Indonesia	1.0	0.5	-51%
Thailand	(1.7)	(1.4)	Loss continued
Controlling Shareholder NP	11.2	11.3	+1%

- **[Sales]**

Sales remained flat versus the prior year period as weak sales in China was partially offset by increased orders from Japan & strong sales growth in US, Indonesia and Thailand

- **[Operating Profit]**

Operating profit decreased due to
 - material cost inflation, and;
 - risen fixed costs burden in China led by continued weak sentiment in region market

(Slight improvement in OP & OPM QoQ)
 ※ QoQ: OP +2.5bn KRW, OPM +0.7p%

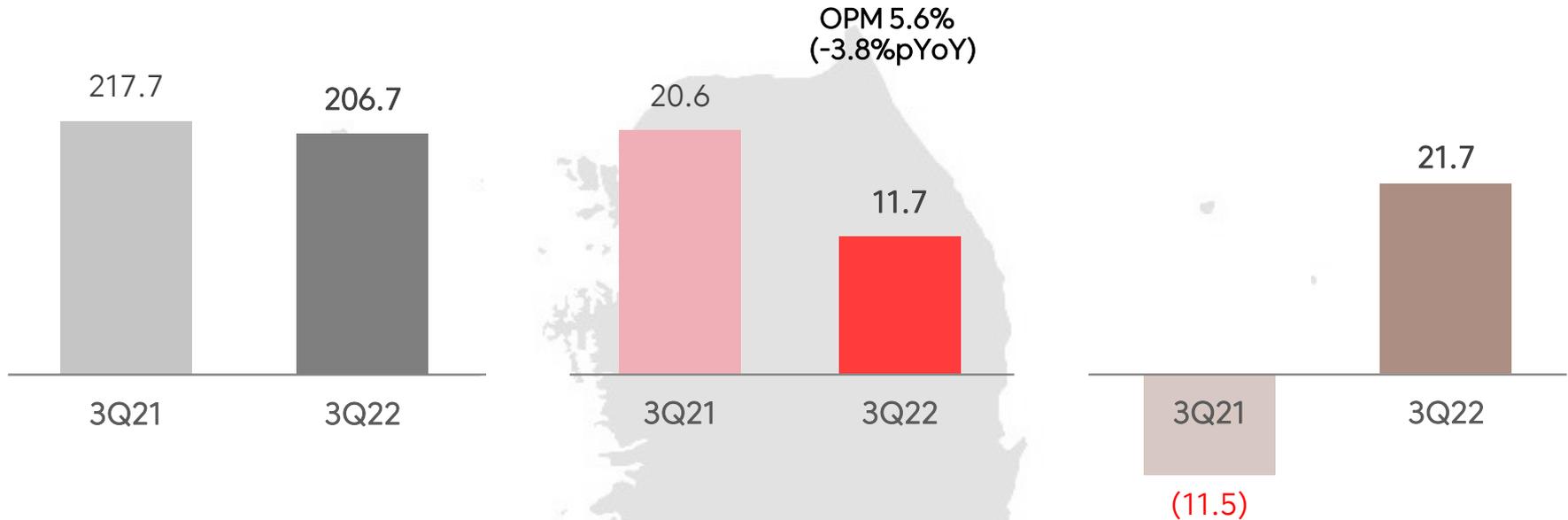
- **[Net Profit]**

G/L on foreign currency translation increased YoY (7.9 KRW bn), due to FX currency effect

1) Includes intercompany transactions, revenue and profit from overseas and other subsidiaries

DOMESTIC BUSINESS

(KRW bn)



Sales 206.7 KRW bn

▼ 5% YoY

- Headwind from weak sales in China was offset by order increase in Japan
- Increased (+28% YoY) demand in color cosmetics led by governments' lifting of outdoor mask mandate

OP 11.7 KRW bn

▼ 43% YoY

- Operating margin dropped as cost burden on raw materials continued
- Increased fixed cost burdens from sales decline

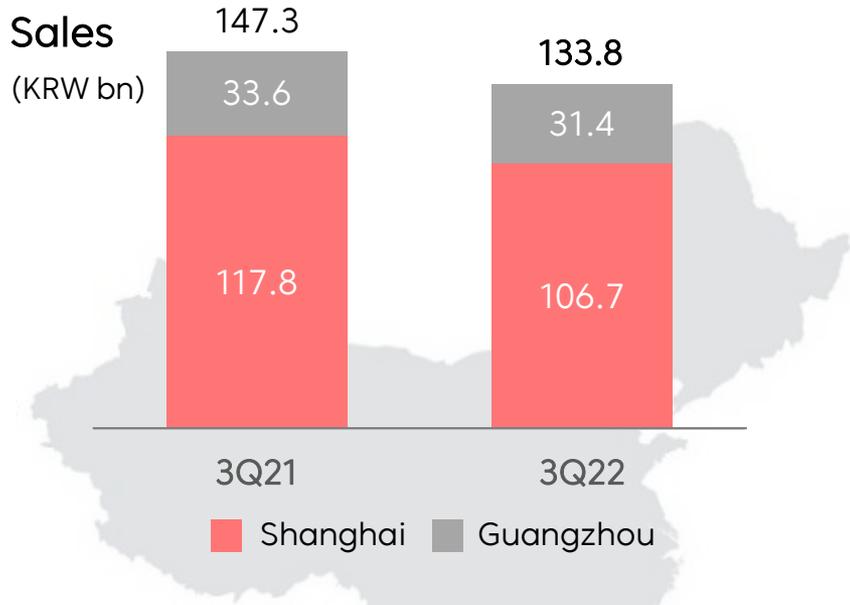
NP 21.7 KRW bn

▲ Turn to Profit

- Recognized impairment loss of investments in subsidiaries (28.5 KRW bn)
- G/L on foreign currency translation increased (53.8 KRW bn YoY)

OVERSEAS BUSINESS

EAST



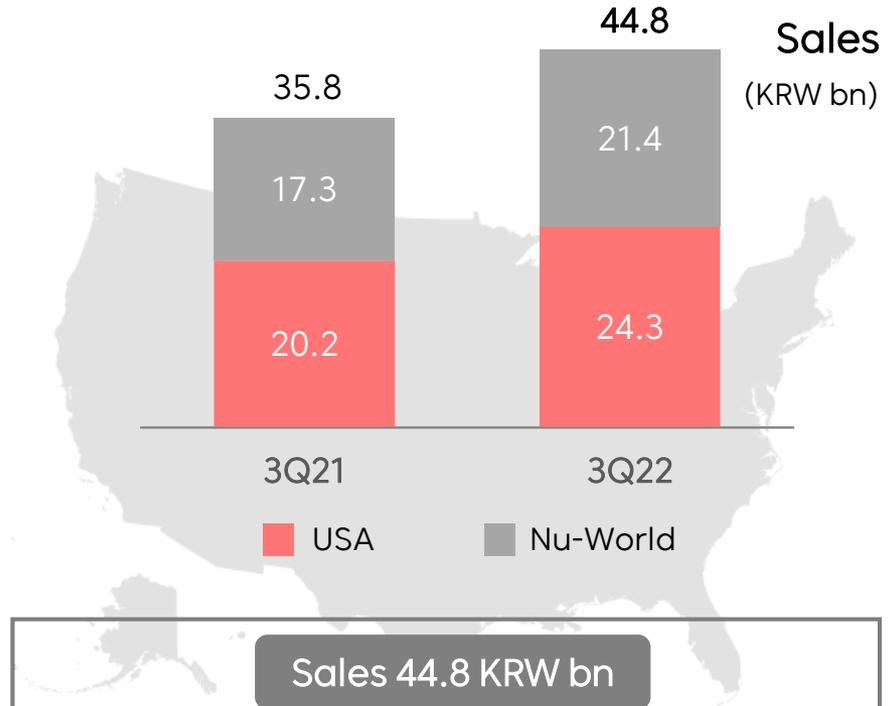
Sales 133.8 KRW bn

▼ 9% YoY

- Sales decreased due to muted consumer sentiment in China in the face of prolonged hardline Covid curbs & extreme climate challenges (esp. Sun-care products, etc.)
- Operating profit decreased due to an increased fixed cost burdens from sales decline

※ SH/GZ consolidation adjustments not reflected

WEST



Sales 44.8 KRW bn

▲ 25% YoY

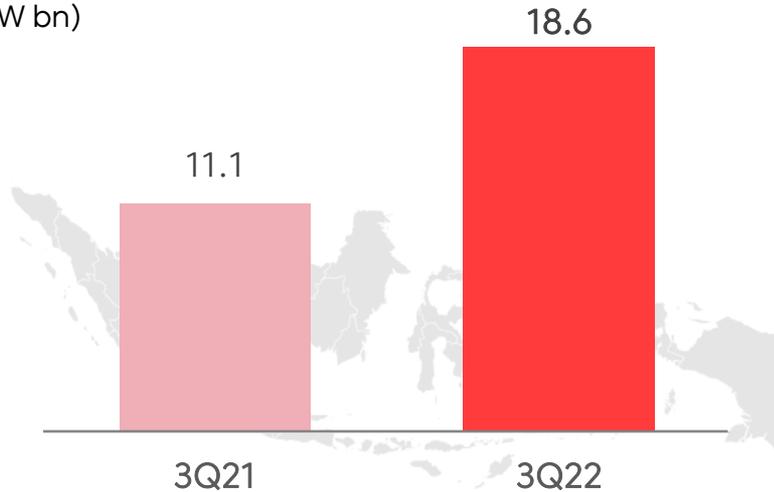
- Despite an inflationary environment, sales rose thanks to strong order intake from key clients
- Even under an inflationary raw material cost pressure, operating loss narrowed led by robust sales growth

※ USA/Nu-World consolidation adjustments not reflected

OVERSEAS BUSINESS

INDONESIA

Sales
(KRW bn)



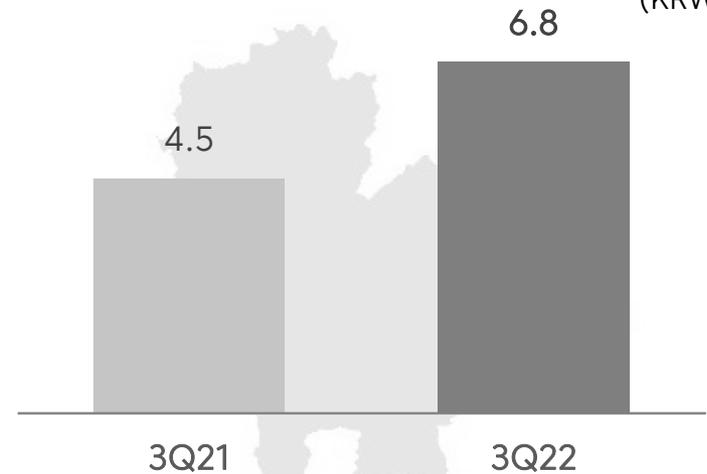
Sales 18.6 KRW bn

▲ 68% YoY

- Sales growth remained robust driven by major local clients' strong performance amid improved consumer sentiment with eased Covid situation
- Recognized bad debt expenses of 0.7 KRW bn

THAILAND

Sales
(KRW bn)



Sales 6.8 KRW bn

▲ 49% YoY

- Posted strong sales growth as supply chain disruptions on materials from China abated
- Net profit turned positive due to leverage effect led by sales increase

CONSOLIDATED FINANCIAL SUMMARY

Income Statement

(KRW bn)

	3Q21	3Q22
Sales	395.0	396.8
COGS	327.3	346.0
Gross Profit	67.7	50.7
SG & A Expenses	42.7	31.0
Operating Profit	25.0	19.7
Non-Operating Profit / Expense	(15.4)	6.0
Profit Before Tax	9.6	25.8
Net Income	(1.8)	6.7
Controlling Shareholder NP	11.2	11.3

Balance Sheet

(KRW bn)

	2021	3Q22
Asset	1,411.9	1,504.5
Current Asset	792.2	761.4
Non-Current Asset	619.7	743.1
Liability	946.5	988.1
Current Liability	787.6	861.9
Non-current Liability	158.9	126.2
Equity	465.4	516.4
Capital	5.7	5.7
Retained Earnings	248.1	280.0
Non-controlling Interest	(95.9)	(134.5)



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