

COSMAX 2Q 2023 Results

Aug 10th, 2023



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2Q23 HIGHLIGHTS

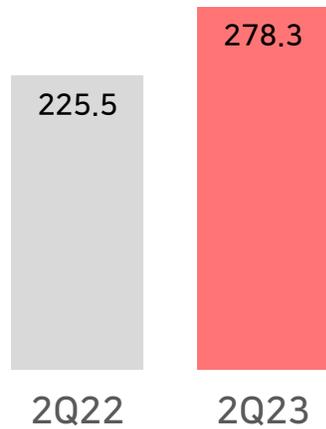
CONSOLIDATED

479.3 KRW bn ▲ 18% YoY
Sales

46.0 KRW bn ▲ 167% YoY
Operating Profit

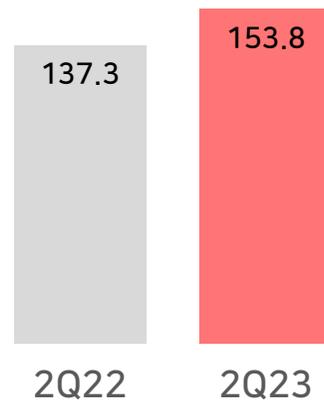
■ KOREA

Sales 278.3 KRW bn



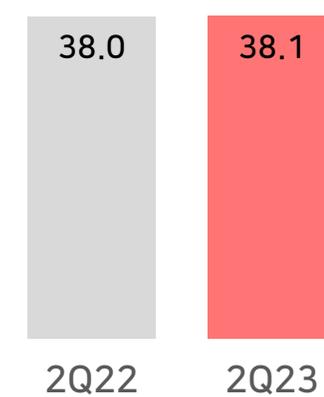
■ EAST

Sales 153.8 KRW bn



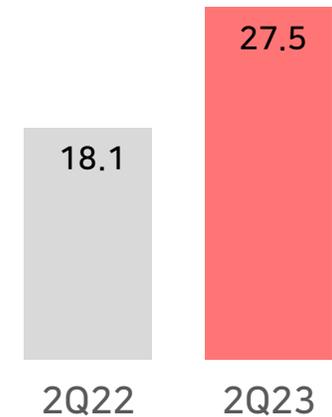
■ WEST

Sales 38.1 KRW bn

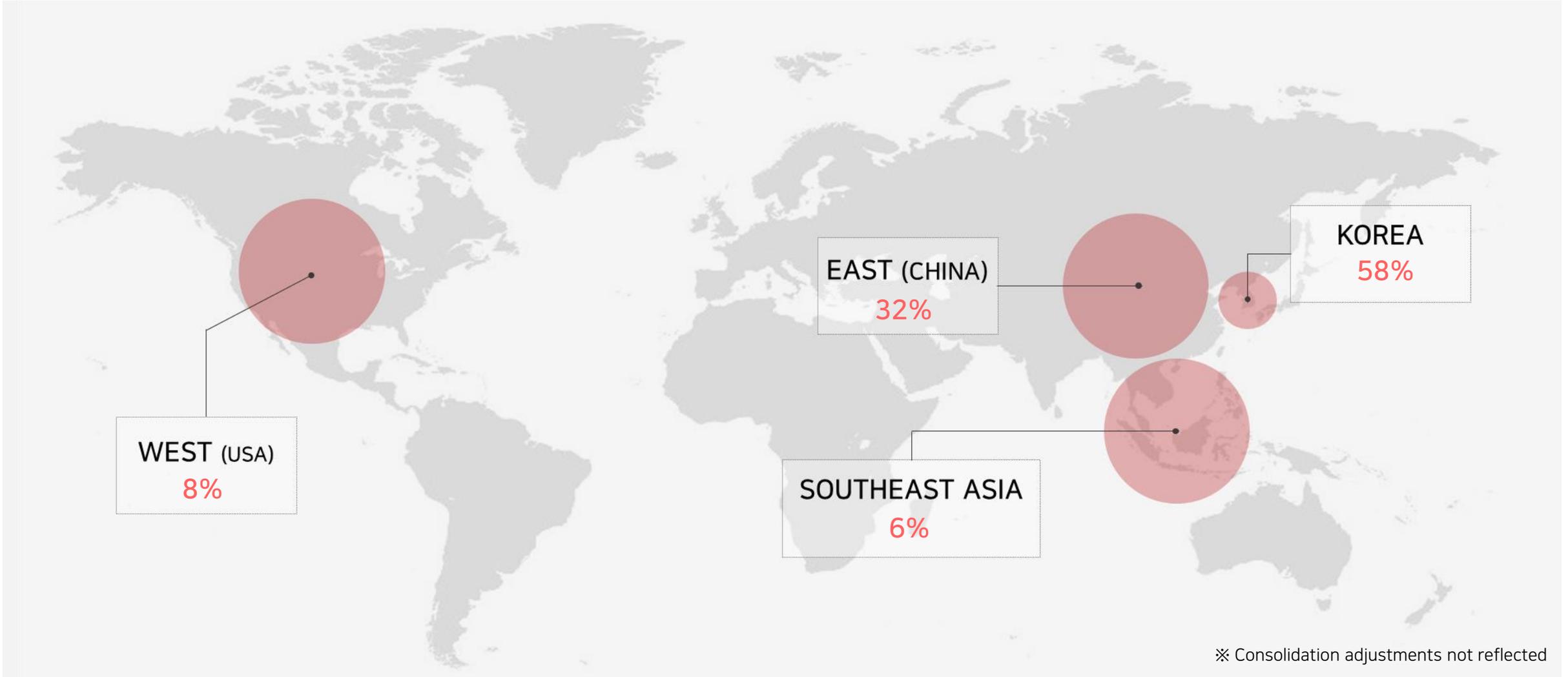


■ SOUTHEAST ASIA

Sales 27.5 KRW bn



2Q23 SALES BY REGION



CONSOLIDATED EARNINGS SUMMARY

[KRW bn, %, %YoY]

	2Q22	2Q23	YoY	QoQ
Sales	405.0	479.3	+18%	+19%
Korea	225.5	278.3	+23%	+14%
East	137.3	153.8	+12%	+26%
West	38.0	38.1	+0%	+41%
Indonesia	14.7	20.7	+41%	+8%
Thailand	3.4	6.8	+101%	+35%
Operating Profit	17.2	46.0	+167%	+233%
Korea	18.6	30.4	+63%	+133%
Other subsidiaries 1)	(1.4)	15.6	Turned Black	+1,915%
Net Profit	5.3	27.4	+414%	+3,745%
Korea	23.2	8.6	-63%	-62%
East	10.8	10.9	+1%	+204%
West	(15.3)	(10.5)	Loss Decreased	Loss Decreased
Indonesia	0.2	1.4	+575%	-59%
Thailand	(2.2)	(0.5)	Loss Decreased	Loss Decreased
Controlling Shareholder NP	11.5	30.4	+165%	+354%

■ [Sales]

- Posted strong double-digit growth in all markets except for the US
- Strong sales particularly led by accelerated sales growth in the domestic business

■ [Operating Profit]

- Operating profit increased as a result of strong sales growth, mainly driven by improved profitability in domestic business and reduced losses in the US business

■ [Net Profit]

- Increased profit boosted by low-base effect from the previous year as well as reduced losses in the US business
- Recognized foreign currency translation loss W1.6bn & FX gain W800mn
- Recognized corporate tax expense (W10bn)

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

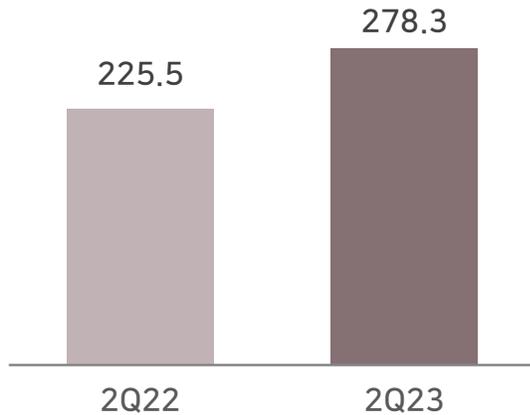
DOMESTIC BUSINESS

KOREA

(KRW bn)

Sales 278.3 KRW bn

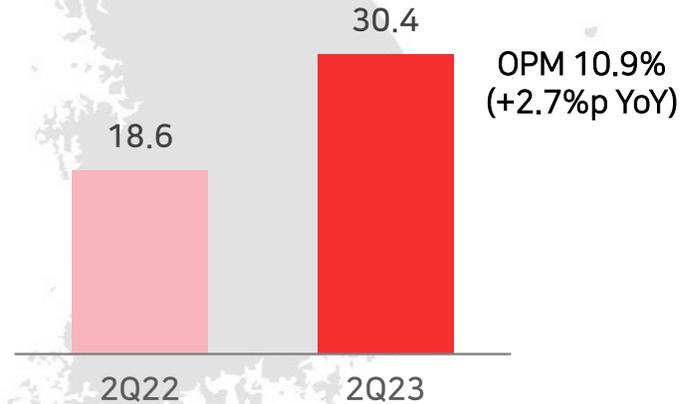
▲ 23% YoY



- Robust sales growth driven by extended reopening effect and strong indirect exports to the Japanese market
- Well-balanced growth observed in both skincare and color cosmetics categories

OP 30.4 KRW bn

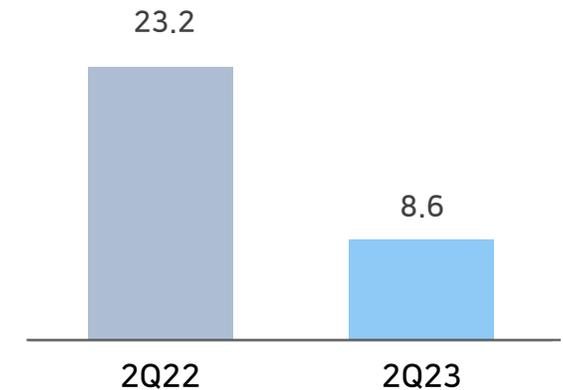
▲ 63% YoY



- Achieved operating leverage through robust sales growth
(Category breakdown - Skincare 54%: Color 46%)

NP 8.6 KRW bn

▼ 63% YoY



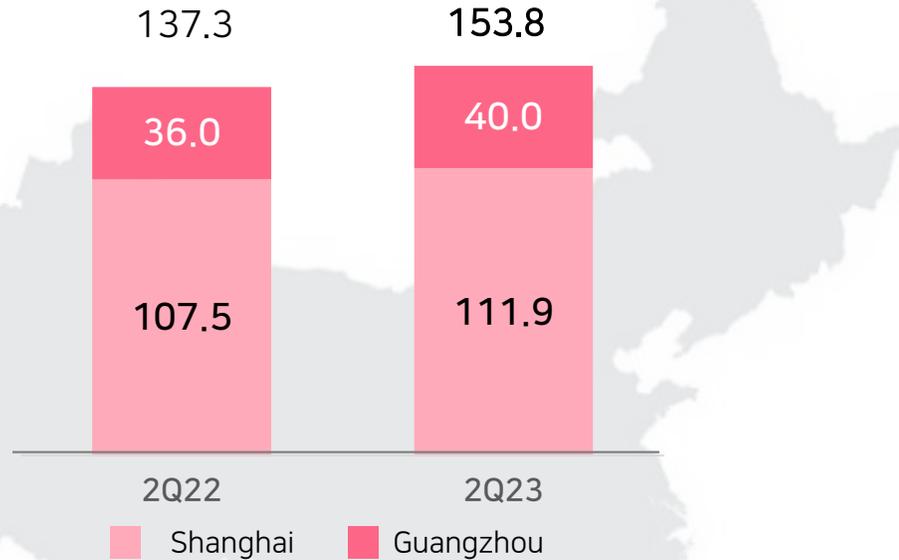
- Recognized expenses related to subsidiaries (W19.5bn)
- Recognized corporate tax expense (W7.7 bn)

OVERSEAS BUSINESS

EAST

Sales 153.8 KRW bn

▲ 12% YoY



- Posted sales growth in-line with market growth (2Q23 China cosmetics retail sales growth: +13.8% YoY)
- Prolonged impact of China's domestic economic slowdown led to continued consumer spending contraction and lackluster 618 sales performance

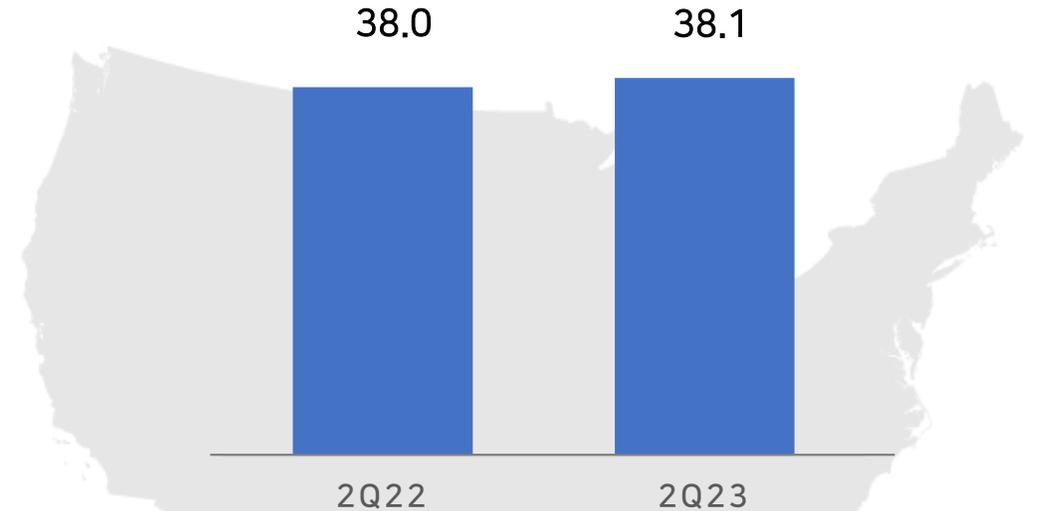
※ Shanghai/Guangzhou Sales: Separate Consolidated

WEST

(KRW bn)

Sales 38.1 KRW bn

▲ 0% YoY



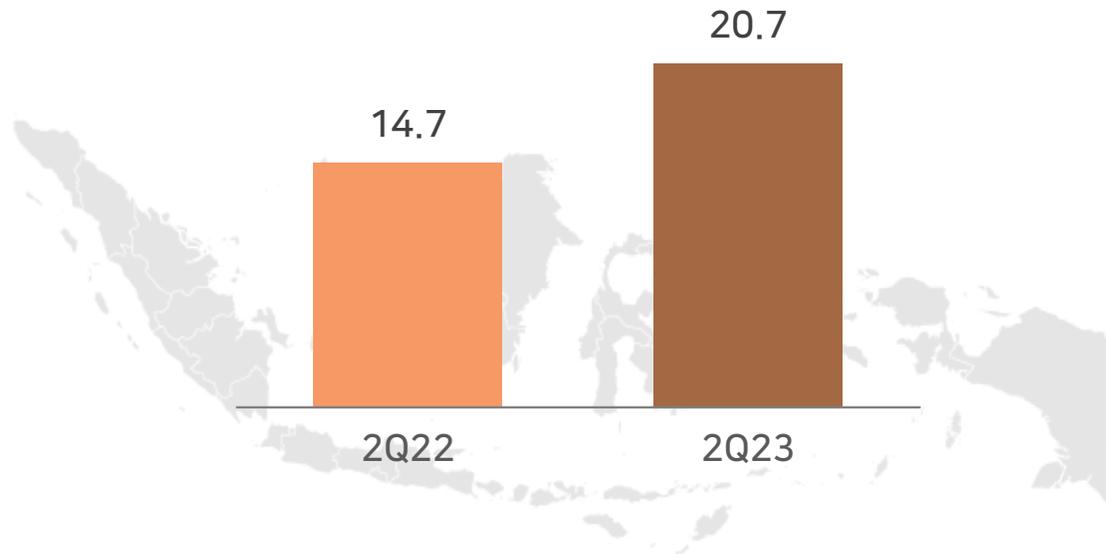
- Achieved strong sales, matching the same level of previous year's integrated US sales (OH+NJ sales combined) level, driven by accelerated new customer expansion and robust growth in sales from existing clients
- Reduced operational losses through enhanced efficiencies: lowered fixed costs burden & increased ODM orders
- One-off expense: Inventory disposal due to restructuring (W500mn)

OVERSEAS BUSINESS

INDONESIA

Sales 20.7 KRW bn

▲ 41% YoY



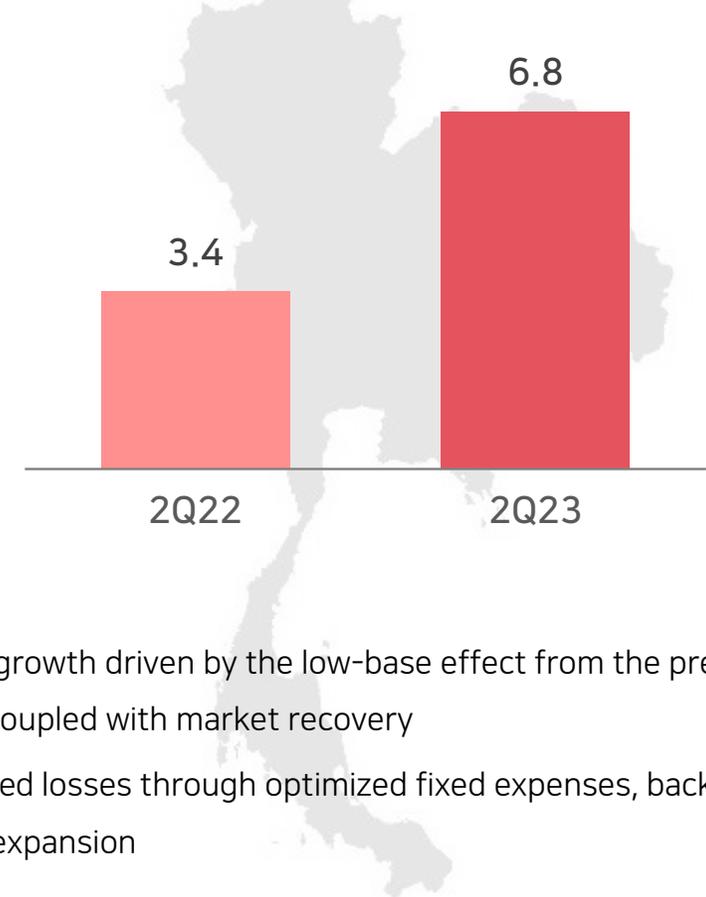
- Strong sales momentum persisted with key clients across both online and offline channels, propelled by reopening effects
- Increased profitability through enhanced operating leverage resulting from sales growth

THAILAND

(KRW bn)

Sales 6.8 KRW bn

▲ 101% YoY



- Sales growth driven by the low-base effect from the previous year, coupled with market recovery
- Reduced losses through optimized fixed expenses, backed by sales expansion

CONSOLIDATED EARNINGS SUMMARY

Income Statement

(KRW bn)

	2Q22	2Q23
Sales	405.0	479.3
COGS	347.1	396.3
Gross Profit	57.9	83.0
SG & A Expenses	40.7	36.9
Operating Profit	17.2	46.0
Non-Operating Profit / Expense	0.2	(8.6)
Profit Before Tax	17.4	37.5
Net Income	5.3	27.4
Controlling Shareholder NP	11.5	30.4

Balance Sheet

(KRW bn)

	2022	2Q23
Asset	1,433.3	1,504.4
Current Asset	798.1	808.5
Non-Current Asset	635.2	695.9
Liability	957.1	1,030.8
Current Liability	798.8	842.5
Non-Current Liability	158.3	188.3
Equity	476.2	473.6
Capital	5.7	5.7
Retained Earnings	257.1	304.6
Non-Controlling Interest	(103.4)	(165.0)

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