



We Create Connected Experiences that Matter

First Quarter Earnings Release

April 26, 2024

Cheil

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

This document is provided for investors' information before Q1 FY 2024 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.

1

Financial Performance

GP +7%↑

OP +2%↑

- ✓ Expansion of BTL/digital biz and New Non-Samsung clients
- ✓ Turned to net growth in OP despite SG&A increase

2

Service

Digital 54%
(GP Portion)

YoY +9%↑

- ✓ Expanded overseas BTL biz via Olympic related projects
- ✓ Diversified digital service coverage with digital transformation

3

Clients

Non-Samsung 28%
(GP Portion)

YoY +10%↑

- ✓ Developed new Non-Samsung clients in new industries
- ✓ Defensed GP through digital biz and Olympic related projects

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GEO Markets

Overseas +8%↑
driven by
Non-Samsung clients

- ✓ Solid growth in NA, Latin America, and Middle East through BTL/digital biz
- ✓ Negative growth in some affiliates but solid growth in NA and China, led by McKinney and Pengtai

(KRW billion)

	Q1 2023	Q1 2024	Growth
Revenue (Gross Profit)	364.1	390.7	7%
SG&A	310.7	336.2	8%
Operating Profit	53.4	54.5	2%
Non-operating Expenses and Income	6.7	8.9	33%
Income Before Income Taxes	60.1	63.4	5%
Net Income	41.4	43.4	5%

Consolidated Revenue Summary

Consolidated Revenue : Q1 2023 364.1B → Q1 2024 390.7B (26.6B↑)

- Headquarter : Q1 2023 71.3B → Q1 2024 75.7B (+4.4B↑)
 - Defensed growth by non-Samsung biz in finance/communications/f&b industries amid media budget cut of major clients
- Subsidiaries : Q1 2023 292.8B → Q1 2024 315.0B (+22.2B↑)
 - Despite negative growth in some affiliates, turned to net growth by BTL/digital biz in all regions

(KRW billion)

	Q1 2023	Q1 2024	Growth
HQ	71.3	75.7	6%
Subsidiaries	292.8	315.0	8%
Total	364.1	390.7	7%

- By Service : Expansion of overseas digital business including performance marketing and increasing clients' demand in promotion and events

	2015	2020	2022	2023	Q1 2024
Digital	28%	43%	53%	54%	54%
BTL	42%	35%	30%	29%	33%
Retail	22%	21%	19%	18%	19%
ATL	30%	22%	18%	17%	13%

- By Clients : Strengthening the foundation for non-Samsung growth, including developing new industries such as healthcare, beauty, etc.

< HQ >

< Overseas >



Operating Income: Q1 2023 53.4B → Q1 2024 54.5B (+1.1B↑)

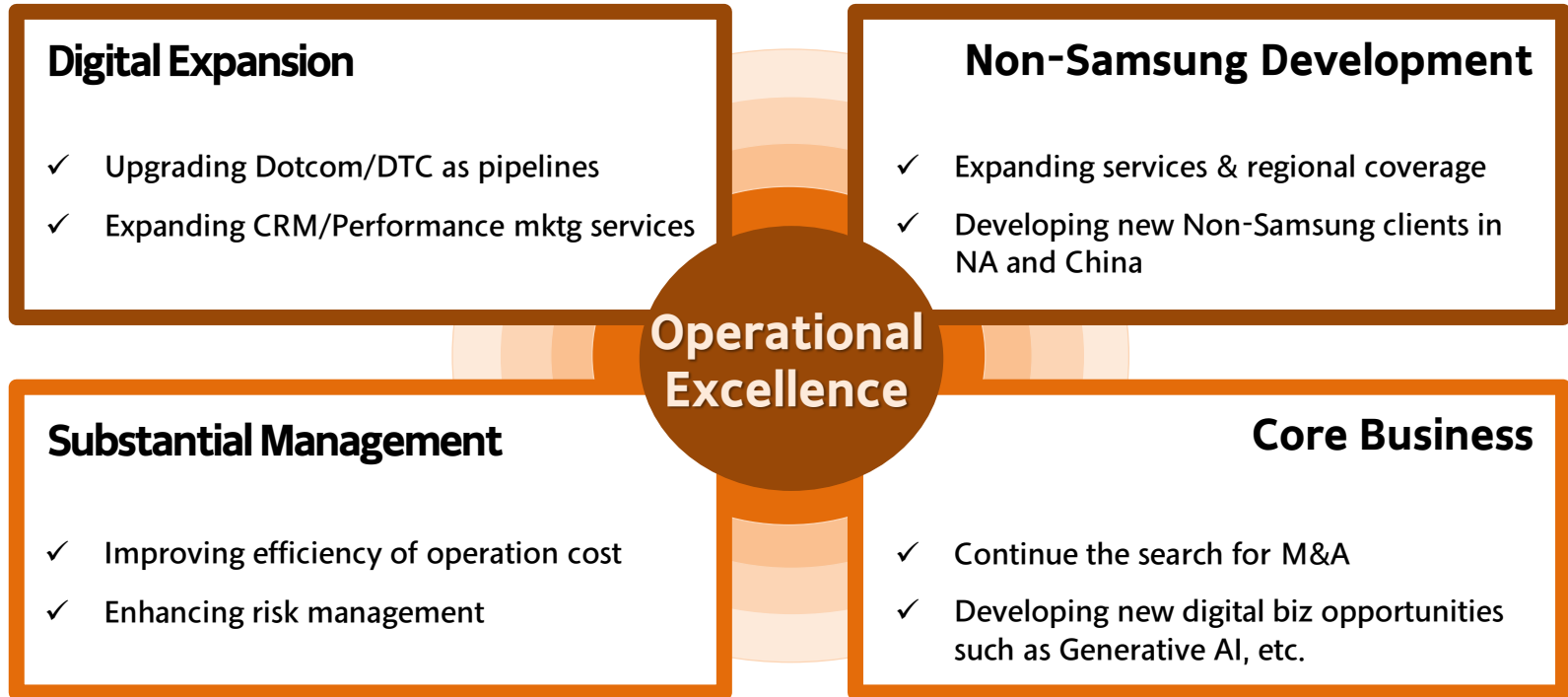
- Due to investment in digital manpower for sustainable growth, SG&A 8% increase led to OP growth of +2%↑

(KRW Billion)

	Q1 2023	Q1 2024	Growth
Revenue(GP)	364.1	390.7	7%
SG & A	310.7	336.2	8%
Salaries	224.1	245.8	10%
Others	86.6	90.4	4%
Operating Profit	53.4	54.5	2%

Minimize the impact of external uncertainties & strengthen business foundation for sustainable growth via digital biz and non-Samsung expansion

Top-line growth rate 5%↑ and Margin Defense



Thank you