CONNEC+

We Create Connected Experiences that Matter

Third Quarter 2024 Earnings Release

October 31, 2024

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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 FY2024 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 2024 Summary
- Financial Summary (K-IFRS consolidated)
- Consolidated Revenue
- Consolidated Operating Profit
- Business Objective

Q3 2024 Summary

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Financial Performance

Gross Profit 7%↑

Operating Profit 2%↑

- ✓ Expanded growth through BTL/Digital biz in domestic/overseas market
- ✓ Showed 2%↑ OP growth due to increased in labor investment

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Service

Digital Portion 54%

(YoY : 7%↑)

- ✓ BTL biz increase due to Olympics related projects
- ✓ Continued solid growth through expansion of digital dotcom/e-commerce services

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Clients

Captive & Non-Samsung turned to net growth

(Non-Samsung portion 26%)

- ✓ Defensed GP growth by digital biz and Olympics related projects
- ✓ Decreased in Non-Samsung biz due to economic downturn in China

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GEO Markets

NA/LA/MENA centered

Overseas 6%↑

- ✓ Strong growth with Non-Samsung clients in NA/LA/MENA with BTL biz
- ✓ Defensed EU growth by Olympics related projects

Financial Summary (K-IFRS consolidated)

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(KRW billion)

	Q3 2023	Q3 2024	Growth	Q3 YTD 2023	Q3 YTD 2024	Growth
Revenue (Gross Profit)	**400.9**	**428.5**	**7%**	**1,189.7**	**1,272.7**	**7%**
SG&A	307.5	332.9	8%	958.2	1,034.4	8%
Operating Profit	**93.4**	**95.6**	**2%**	**231.5**	**238.3**	**3%**
Non-operating Expenses and Income	6.9	△4.7	△167%	19.7	9.1	△54%
Income Before Income Taxes	100.3	90.9	△9%	251.2	247.4	△2%
Net Income	66.1	60.8	△8%	172.8	169.5	△2%

Consolidated Revenue Summary

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Consolidated Revenue : Q3 2023 400.9B → Q3 2024 428.5B (27.6B↑)

□ HQ (KRW) : Q3 2023 88.0B → Q3 2024 96.8B (8.8B↑)

- Expanded service offerings in D2C/Dotcom for major clients and developed new non-Samsung

□ Subsidiaries (KRW) : Q3 2023 312.9B → Q3 2024 331.7B (18.8B↑)

- Defended by Olympic projects in Europe and solid growth in emerging markets (LA/MENA) from continuous negative growth in Iris

(KRW billion)

	Q3 2023	Q3 2024	Growth	Q3 YTD 2023	Q3 YTD 2024	Growth
HQ	88.0	96.8	10%	260.8	278.3	7%
Subsidiaries	312.9	331.7	6%	928.9	994.4	7%
Total	**400.9**	**428.5**	**7%**	**1,189.7**	**1,272.7**	**7%**

Consolidated Revenue | by Service

□ By Service : Expansion of overseas digital and increase in BTL including Olympic

	2020	2021	2022	2023	Q3 YTD 2024
Digital	43%	50%	53%	54%	54%
BTL	35%	30%	30%	29%	31%
Retail	21%	20%	19%	18%	18%
ATL	22%	20%	17%	17%	15%

□ By Clients : New clients from the fast-growing industries i.e. healthcare/beauty/F&B are added to the Non-Samsung portfolio

< Seoul Office >

< Overseas >

Consolidated OP

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Consolidated OP : Q3 2023 93.4B → Q3 2024 95.6B (2.2B↑)

□ By Clients : Revenue grew by 7% and SG&A expense increased by 8% due to investment in digital-focused labor, resulting in 2% growth in OP

(KRW Billion)

	Q3 2023	Q3 2024	Growth	Q3 YTD 2023	Q3 YTD 2024	Growth
Revenue (GP)	**400.9**	**428.5**	**7%**	**1,189.7**	**1,272.7**	**7%**
SG&A	307.5	332.9	8%	958.2	1,034.4	8%
Salaries	218.2	244.6	12%	687.2	754.9	10%
Others	89.3	88.3	△1%	271.0	279.5	3%
Operating Profit	**93.4**	**95.6**	**2%**	**231.5**	**238.3**	**3%**
OPM(%)	23.3	22.3	-	19.5	18.7	-

※ # of Overall employees : Sep 2023 → 7,000 / Dec 2023 → 7,175 / Sep 2024 → 7,504

· Overseas : Sep 2023 → 5,602 / Dec 2023 → 5,712 / Sep 2024 → 6,015

Business Objective

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Minimize the impact of external uncertainties & strengthen business foundation: Sustainable growth by digital biz expansion and Non-Samsung development

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

Digital Biz Expansion

- ✓ Upgrading Dotcom/DTC as pipelines
- ✓ Expanding CRM/Performance mktg services

Non-Samsung Development

- ✓ Expanding services & regional coverage
- ✓ Developing new Non-Samsung clients in NA and China

Recession

Substantial Management

- ✓ Improving efficiency for operation cost
- ✓ Enhancing risk management

Core Business

- ✓ Continuing the search for M&A
- ✓ Developing new digital biz opportunities such as Generative AI, and etc.

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