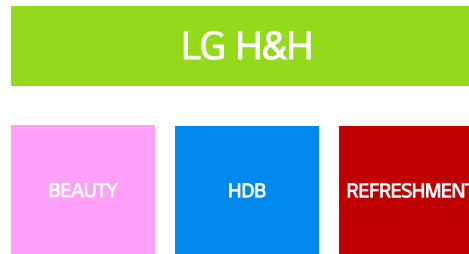


# Results for 2021



January 27, 2022



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Audit of these results is still in progress. Figures in this disclosure are subject to change during the auditing process.

# FY 2021 & 4Q 2021 Company Results

## LG H&H, Reports Record High Annual Results Sales 8.1tr won, Operating Profit 1.3tr won

### 17 Consecutive Years of Growth in Sales and Operating Profit

In FY 2021, LG H&H (The Company), Ltd. (CEO: Suk Cha) delivered the highest annual results. The Company reported 8.1tr won in sales (+3.1% yoy), 1.3tr won in operating profit (+5.6% yoy). Both sales and operating profit grew for 17 consecutive years with sales exceeding 8tn won mark.

Uncertainties surrounding economic recovery remained at highly elevated levels throughout the year due to continued emergence of new COVID variants and an unstable business environment. However, sales, operating profit, and net profit set record highs surpassing pre-COVID levels with our focus on a solid brand portfolio and further strengthening brand positioning of Beauty, HDB and Refreshment.

The 'Total Beauty' business, Beauty combined with Daily Beauty, achieved 5.7tr won in sales, and 1.0tn won in operating profit increasing 3.2% and 8.5% yoy, respectively.

In 4Q 2021, sales decreased 3.4% yoy to 2.0tn won and operating profit decreased 5.9% yoy to 241bn won. Beauty reaffirmed its strong global position in the increasingly competitive China Luxury market by achieving outstanding performance during China Single's day event, the hallmark shopping event of 4Q. As for HDB, Daily Beauty premium brands such as 'Dr. Groot', 'Physiogel', and 'Himalaya Pink Salt' drove sales and profit growth as they continued strong performance. In Refreshment, sales and operating profits continued to grow thanks to the solid performance of major brands amid continued pressure from raw material price hikes.

#### FY 2021 Results Summary (Unit: bn won)

	Amount	YoY Growth
❖ Sales	8,092	+3.1%
❖ Operating Profit	1,290	+5.6%
Beauty	876	+6.5%
HDB	209	+1.7%
Refreshment	205	+6.2%
❖ Net Income	861	+5.9%

# FY 2021 Results by Business

**Beauty business** sales decreased 0.4% yoy to 4.4tr won and operating profit increased 6.5% yoy to 876bn won.

Despite economic slowdown and uncertainties in the business environment caused by the continuing pandemic, luxury brands continued solid performance supported by strong brand power. In China, customer base has been widening due to the active expansion into new channels other than Tmall, JD, or VIP. Meanwhile, 'Whoo' brand reinforced its ultra high-end lineup such as 'Cheonyuldan' and 'Hwanyu' to further strengthen its luxury positioning in the global beauty market.

**HDB business** sales increased 9.9% yoy to 2.1tn won, and operating profit increased 1.7% to 209bn won.

Premium brands of strategically grown Daily Beauty, such as 'Rien Dr. Groot', 'Bamboo Salt Himalaya Pink Salt' and 'Physiogel' led the growth of the business. As ESG became a mega-trend for companies, environmental concerns were factored into the product development stage of products and led to the launch of eco-friendly fabric softeners without the use of micro plastic and paper packaged shampoo bars and powder toothpaste.

**Refreshment** business sales increased 5.2% yoy to 1.6tn won, and operating profit increased 6.2% to 205bn won.

Unfavorable operating environment persisted throughout the year such as hike in raw material prices, instabilities in raw material sourcing caused by fire at the leading beverage can producer, and COVID-19. Even in such environment, major brands such as 'Coca-Cola', 'Sprite', and 'Monster Energy' drove growth by strengthening their low-sugar/low-calorie lineup as a response to diversifying consumer trends.

# Annual Results (2005-2021)

(Unit: tn won)

