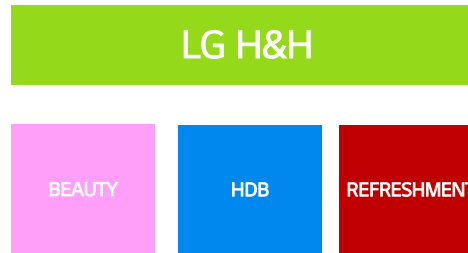


Results for 4Q & FY 2022



Jan 31, 2023



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

4Q & FY 2022 Company Results

4Q 2022

In 4Q, sales decreased 10.6% yoy to 1.8tn won and operating profit decreased 46.5% yoy to 129bn won.

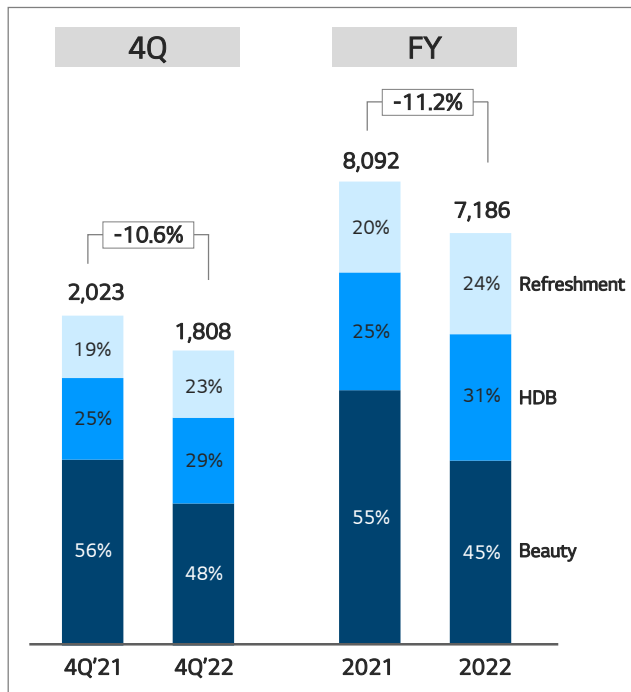
Business environment for 4Q continued to be very challenging as consumption was sluggish in both domestic and global markets due to worldwide economic recession. In particular, Beauty business was significantly affected by macroeconomic pressures in China due to prolonged COVID19 related issues and consequent slowdown in demand. As for China Single's Day event, online sales delivered meaningful results in terms of channel diversification, while offline operations experienced persistent uncertainties such as difficulties related to movement restrictions. For HDB and Refreshment, profitability declined due to cost headwinds from rising exchange rates and inflationary pressures, but sales reported another quarter of growth thanks to new product launches and the strong performance of premium brands.

FY 2022

In FY 2022, sales decreased 11.2% yoy to 7.2tn won and operating profit decreased 44.9% yoy to 711bn won.

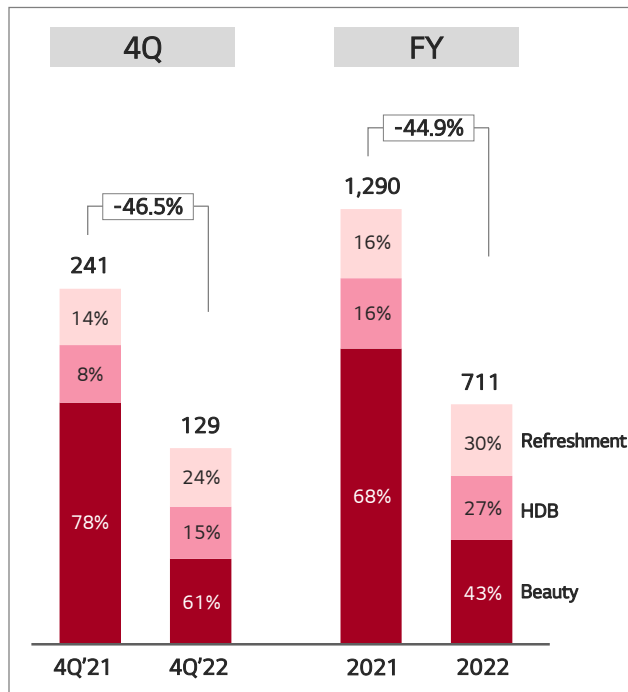
Sales Trend

(Unit: bn won)



Operating Profit Trend

(Unit: bn won)



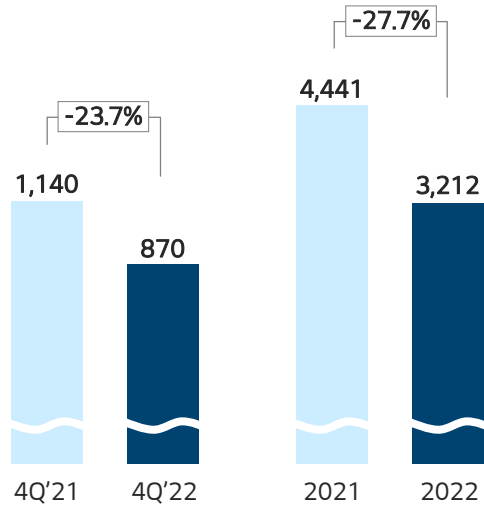
Results Summary

(Unit: bn won)

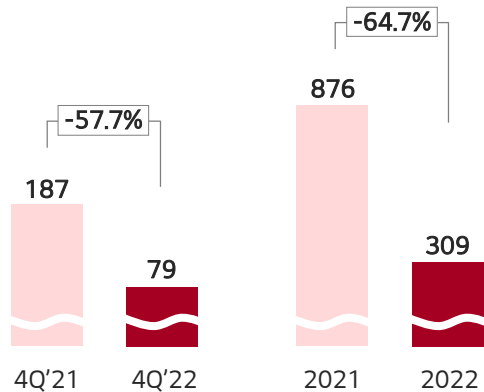
	4Q		FY	
	Amount	YoY	Amount	YoY
Sales	1,808	-10.6%	7,186	-11.2%
Operating Profit	129	-46.5%	711	-44.9%
Beauty	79	-57.7%	309	-64.7%
HDB	19	-6.7%	190	-9.1%
Refreshment	31	-8.1%	212	+3.7%

4Q & FY 2022 Results by Business – Beauty

Sales (bn won)



Operating Profit (bn won)



Key Brands (YoY)

Brand	4Q	FY
The history of 	-30%	-38%
 O HUI	+3%	+17%
 su:m 37	-21%	-16%
 CNP	-20%	-1%
 belif	+10%	+2%

4Q 2022 sales decreased 23.7% to 870bn won and operating profit decreased 57.7% yoy to 79bn won.

During China Single's Day event this year, Beauty achieved meaningful results in terms of strategic online channel diversification. Based on strong brand awareness, 'Whoo' entered and topped the rankings on new fast-growing e-commerce platforms, such as 'TikTok' and 'Kuaishou'. However, as the unstable market conditions continued throughout 4Q, Beauty overall performance, including China onshore business and travel retail, was greatly affected by the rapid spread of COVID-19 cases in China due to the changes in the zero-COVID policy.

Meanwhile, in the domestic market various attempts were made to enrich brand assets for long-term performance even under an uncertain macro environment. 'O HUI' presented 'The First Maison' VR exhibition, which captures the identity of 'The First' line, and 'Belif' ran an offline pop-up event that incorporated 'Belif Universe', the brand's identity and story, to communicate with consumers across channels.

FY 2022 sales decreased 27.7% yoy to 3.2tn won and operating profit decreased 64.7% yoy to 309bn won.

'O HUI VR Exhibition The First Maison'

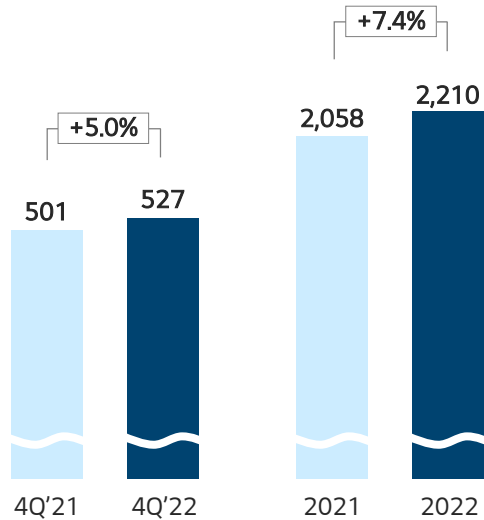


'Belif Universe'



4Q & FY 2022 Results by Business – HDB (Home Care & Daily Beauty)

Sales (bn won)



Key Brands (YoY)

Brand	4Q	FY
페리오 PERIOE	+13%	+4%
ELASTINE	+8%	+15%
VEILMENT	+9%	+22%
사프란 (Saffron)	+6%	+1%
PHYSIOGEL HYPOALLERGENIC	-7%	+17%

4Q 2022 sales increased 5.0% yoy to 527bn won and operating profit decreased 6.7% yoy to 19bn won.

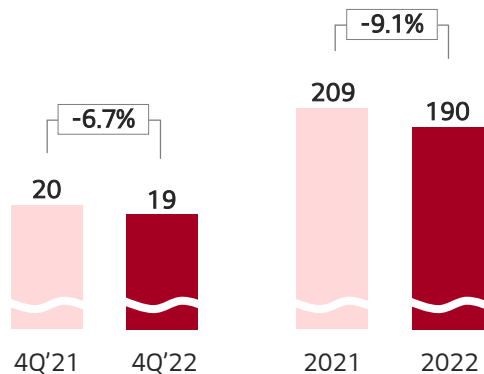
Unfavorable operating environment persisted for HDB as the rise in inflation slowed consumption and consumers became more price sensitive.

Improving profitability was difficult due to high price levels, high exchange rates and high wages, but HDB continued to invest in premium brand marketing. In particular, 'Dr. Groot' and 'Physiogel' continued to strengthen brand loyalty by increasing consumer engagement through digital media channel activation.

HDB production portfolio expansion is also in progress. 'Physiogel', spotted new business opportunities in the beauty category following the successful launch of 'Physiogel Dailimune Defense Cushion' that reported solid performance from home shopping channels at year end. Furthermore, 'Euthymol' introduced teeth-whitening products, including whitening toothpaste that is expected to increase in demand once indoor mask mandate is lifted.

FY 2022 sales increased 7.4% yoy to 2.2tn won and operating profit decreased 9.1% yoy to 190bn won.

Operating Profit (bn won)



'Physiogel Dailimune Defense Cushion'

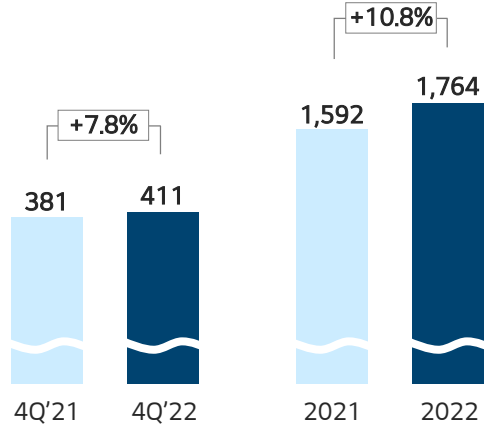


'Euthymol Whitening Program (Teeth-Whitening)'



4Q & FY 2022 Results by Business – Refreshment

Sales (bn won)



Key Brands (YoY)

Brand	4Q	FY
Coca-Cola	+1%	+6%
Coca-Cola zero	+24%	+29%
MONSTER	+29%	+30%
POWERADE	+10%	+16%
토레타! (Toretal!)	+7%	+14%

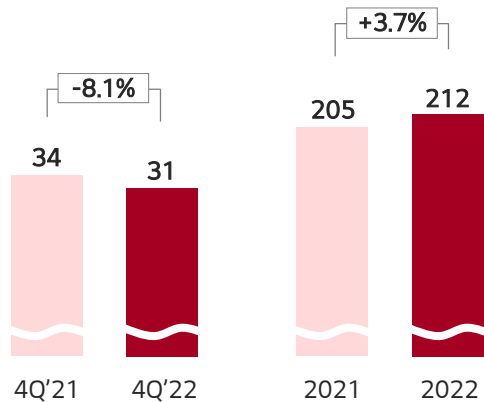
4Q 2022 sales increased 7.8% yoy to 411bn won and operating profit decreased 8.1% yoy to 31bn won.

Refreshment reported sales growth against the high base of last year as sales of carbonated drinks increased at convenience stores and delivery channels. Sales was fueled by 2022 Qatar World Cup, positively offsetting slow season effect of 4Q for beverage business. Profitability, however, decreased as cost headwinds persisted due to high raw material costs.

'Coca-Cola World Cup Special Package', 'Sprite Zero X Black Panther', and 'Powerade World Cup Package' were introduced as limited editions to build brand intimacy and enhance customer touchpoints. 'Monster Energy' sales grew 29.0% due to strong demand for energy drinks that contain stimulants to stay awake for late-night World Cup matches.

FY 2022 sales increased 10.8% yoy to 1.8tn won and operating profit increased 3.7% yoy to 212bn won.

Operating Profit (bn won)



'Coca-Cola World Cup Special Package'



'Sprite Zero X Black Panther'



Summary Consolidated Financial Statements

Income Statement

(Unit: bn won)	4Q		
	2021	2022	YoY
Sales	2,023	1,808	-10.6%
COGS	813	803	-1.2%
(COGS/Sales)	40.2%	44.4%	4.2%p
Gross Profit	1,210	1,005	-17.0%
SG&A	969	876	-9.6%
Operating Profit	241	129	-46.5%
(OP Margin)	11.9%	7.1%	-4.8%p
Profit Before Tax	198	-112	Turned to Deficit
Income Tax	62	-4	N/A
Net Profit	136	-109	Turned to Deficit

(Unit: bn won)	FY		
	2021	2022	YoY
Sales	8,092	7,186	-11.2%
COGS	3,040	3,169	4.2%
(COGS/Sales)	37.6%	44.1%	6.5%p
Gross Profit	5,052	4,017	-20.5%
SG&A	3,762	3,306	-12.1%
Operating Profit	1,290	711	-44.9%
(OP Margin)	15.9%	9.9%	-6.0%p
Profit Before Tax	1,187	418	-64.8%
Income Tax	326	159	-51.1%
Net Profit	861	258	-70.0%

Balance Sheet

(Unit: bn won)	December'21		December'22	
Assets	7,555	100%	7,303	100%
Current Assets	2,473	33%	2,284	31%
Cash & Cash Equivalent	735	10%	655	9%
Accounts Receivable	555	7%	551	8%
Inventories	1,001	13%	955	13%
Other Current Assets	183	2%	123	2%
Non-Current Assets	5,082	67%	5,019	69%
Tangible Assets	2,684	36%	2,591	35%
Intangible Assets	2,169	29%	2,101	29%
Investments	84	1%	120	2%
Other Non-Current Assets	146	2%	207	3%
Liabilities	2,057	27%	1,834	25%
Current Liabilities	1,526	20%	1,163	16%
Short-term Borrowings	292	4%	223	3%
Trade Payables	271	4%	213	3%
Non-trade Payables	297	4%	239	3%
Other Current Liabilities	667	9%	487	7%
Non-Current Liabilities	532	7%	671	9%
Long-term Borrowings	17	0%	15	0%
Other Non-Current Liabilities	514	7%	657	9%
Total Shareholders' Equity	5,498	73%	5,469	75%
Shareholder's Equity	89	1%	89	1%
Retained Earnings	5,484	73%	5,542	76%
Other Capital	-185	-2%	-292	-4%
Non-Controlling Interests	110	1%	130	2%
Debt-to-Equity Ratio	37.4%		33.5%	