Aekyung
2024.2Q Earnings Release

LOVE & RESPECT

2024

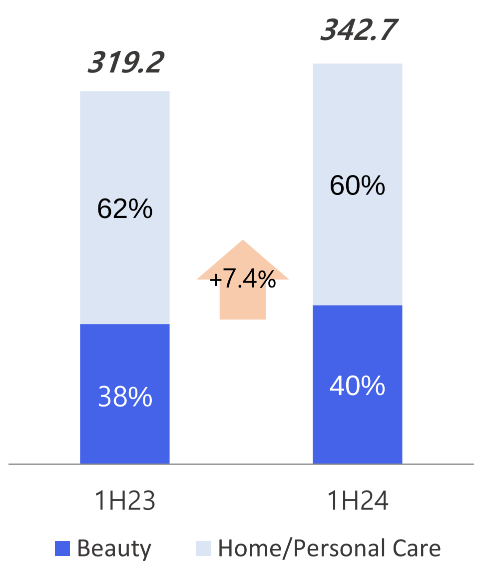
This material is made before finalizing independent auditor review and provided for investors' convenience.
Therefore, some information is subject to change according to audit review result.

01. 1H24 Business Performance Summary

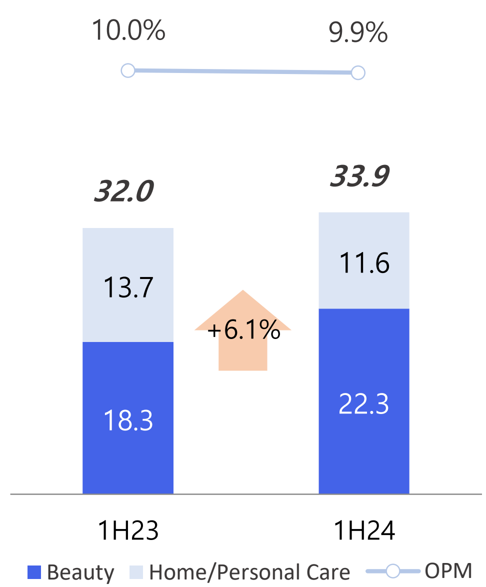
Consolidated revenue KRW 342.7bn YoY +7.4%, OP KRW 33.9bn YoY +6.1%
Beauty business, strengthen competitiveness & increase earning portion with balanced growth in domestic/oversea

- **Beauty :** Revenue KRW 136.1bn (YoY +13.7%), OP KRW 22.3bn (YoY +21.8%)
- **Home/Personal Care :** Revenue KRW 206.6bn (YoY +3.6%), OP KRW 11.6bn (YoY -15.0%)

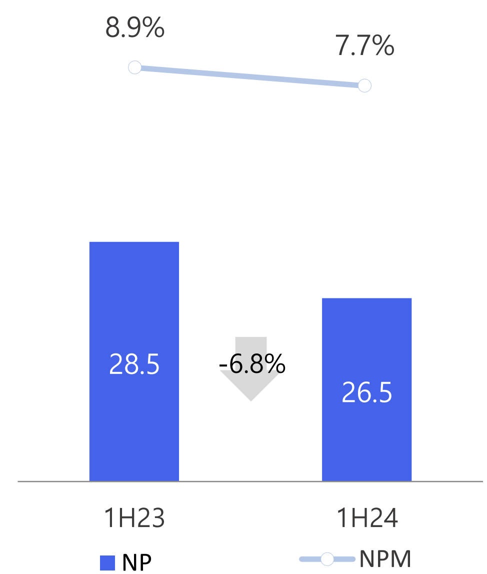
Revenue (Unit : KRW bn)



Operating Profit (Unit : KRW bn)



Net Profit (Unit : KRW bn)



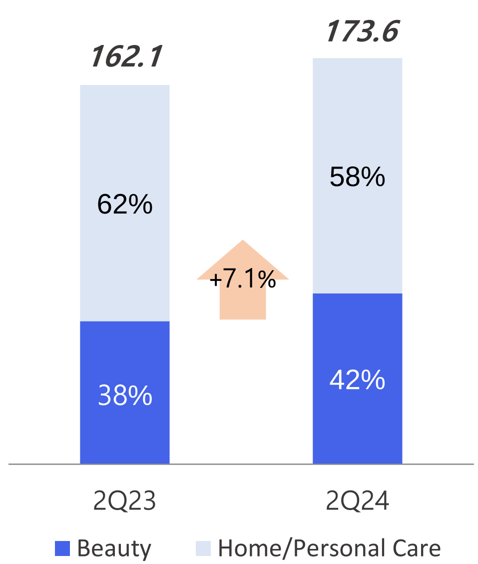
* Consolidated basis

02. 2Q24 Business Performance Summary (Quarter)

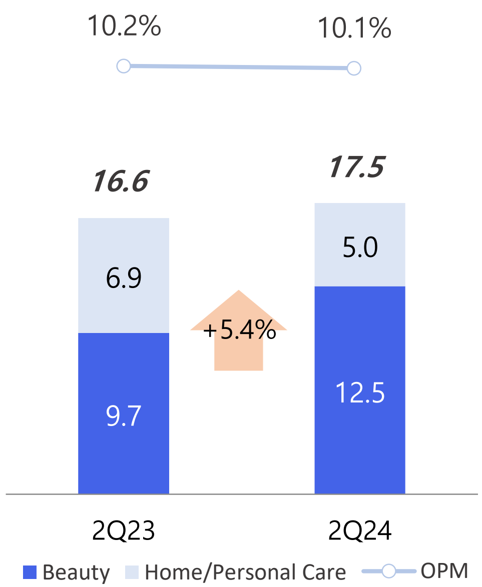
Consolidated revenue KRW 173.6bn YoY +7.1%, OP KRW 17.5bn YoY +5.4%
Beauty business, Achieve the highest quarterly performance in recent 5 years through double-digit sales and profit growth

- **Beauty :** Revenue KRW 73.1bn (YoY +19.5%), OP KRW 12.5bn (YoY +29.1%)
- **Home/Personal Care :** Revenue KRW 100.6bn (YoY -0.4%), OP KRW 5.0bn (YoY -27.7%)

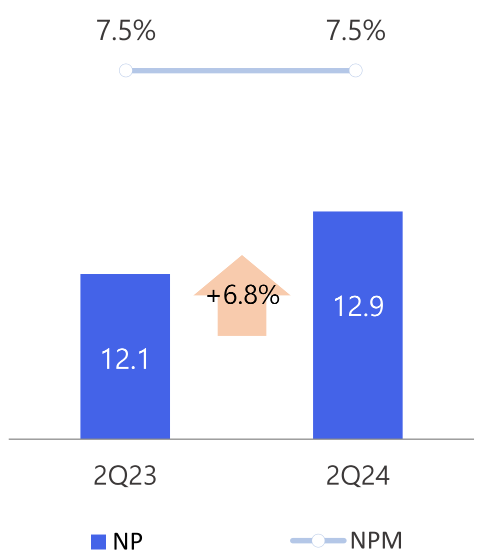
Revenue (Unit : KRW bn)



Operating Profit (Unit : KRW bn)



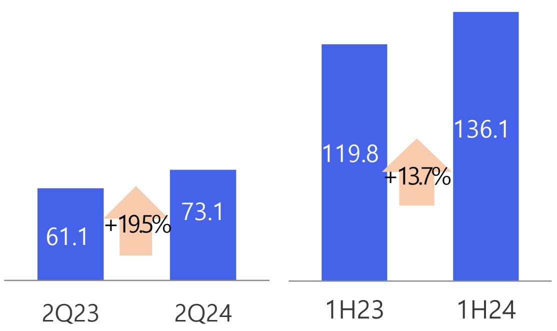
Net Profit (Unit : KRW bn)



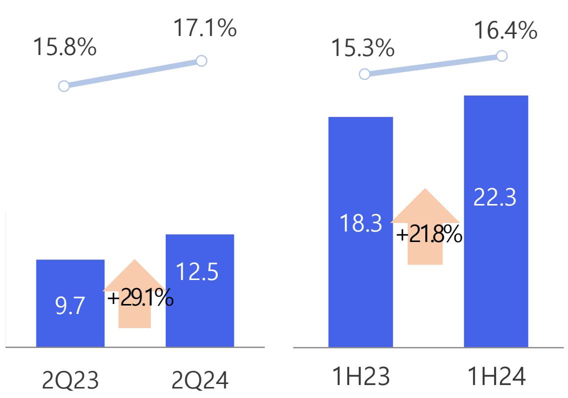
* Consolidated basis

03. Business Performance by Division (Beauty)

Revenue (Unit : KRW bn)



Operating Profit (Unit : KRW bn)



Cumulative Revenue KRW 136.1bn (YoY +13.7%), OP KRW 22.3bn (YoY +21.8%)

2Q24 Highlight

- **Achieved the highest quarterly performance in recent 5 years by strengthening brand competitiveness in domestic and achieving high growth in non-China regions**

- **Secure new growth-drive by global expansion centered on non-China regions**
  - Japan) Launch new products such as LUNA Conceal Blender Palette, Blur Cover Cushion, Corrector
    Accelerate growth by continuous offline channel entry (4 times growth YoY)
  - USA) Active marketing to improve brand awareness through collaboration with competitive distributor
    (Develop various shades, build seeding kits, and etc.)
  - China) Solidify brand position with stable sales secured
    Target Chinese market by launching AGE20'S premium-line (Spotlight set: essence pact /makeup base/pressed powder) and holding an event

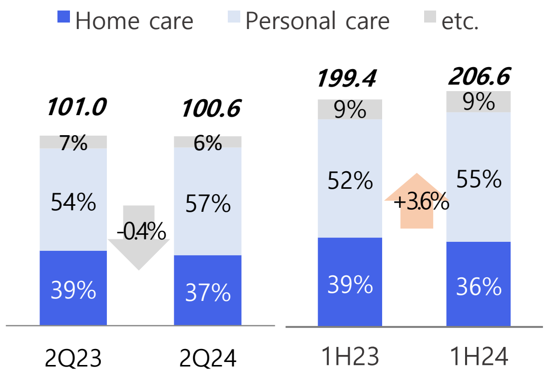
- **Show positive performance with major channels' growth in domestic market**
  - Growth recovered by efficient operation and increased cushion sales in Home-shopping channel
  - Strengthen channel competitiveness by aggressive new product launches aligned with OLIVE YOUNG's events
  - Continuous growth of digital channel by launching collaboration products and strategic operation
  - Expand product category by launching LUNA Hyper Mesh Foundation, Hyper Tip Concealer, and Lip Palette

* Consolidated basis

04. Business Performance by Division (Home/Personal Care)

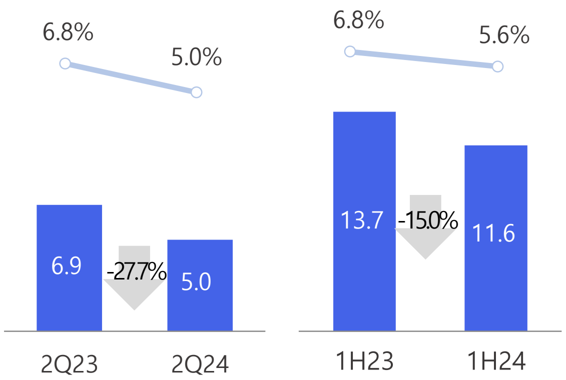
Revenue

(Unit : KRW bn)



Operating Profit

(Unit : KRW bn)



Cumulative Revenue KRW 206.6bn (YoY +3.6%), OP KRW 11.6bn (YoY -15.0%)

2Q24 Highlight

- **Strengthen global sales growth centered on Personal care**
  - Hair care sales strengthened and try diversifying categories to dental/body care
  - Stable growth in strategic countries such as China and USA & Asia sales increased through sales channel expanded

- **Cost-burden increased due to intensifying competition in domestic digital channel**
  - Sales declined centered on Home care (fabric care/kitchen living) as competition has been intensified in domestic digital channel
  - Profitability decreased due to increased new brand marketing and investments for strengthening competitiveness within the channel

- **Efforts to diversify product portfolio centered on premium products and strengthen channel competitiveness**
  - Continuous launch of functional premium products and active marketing investments for increasing brand awareness (Hair-loss care: BLACK FORET / Kids dental care: albis / Fabric care: LABCCIN Antibacterial Laundry Detergent / Pet care: WHISTLE)
  - Continue operating differentiated strategic products and improving efficiency by channel

* Consolidated basis

Appendix. Brief Consolidated Financial Statement

1. Consolidated Balance Sheet

(Unit : KRW mn)

Type	2023.12	2024.06
Total assets	**482,373**	**499,194**
Current assets	268,473	293,030
- Cash and cash equivalents	115,478	107,515
Non-current assets	213,900	206,164
Total liabilities	**94,746**	**107,957**
Current liabilities	90,411	104,779
Non-current liabilities	4,335	3,178
Total equity	**387,627**	**391,238**
Issued capital	26,410	26,410
Capital surplus	143,348	143,275
Elements of other stockholder's equity	(19,902)	(27,880)
Retained earnings	236,991	248,664
Other Comprehensive income/loss accumu-lated amount	296	566

(Note 1) The above 'cash and cash equivalents' are the sum of 'cash and cash equivalents' and 'short-term financial instruments'.

2. Consolidated Income Statement

(Unit : KRW mn)

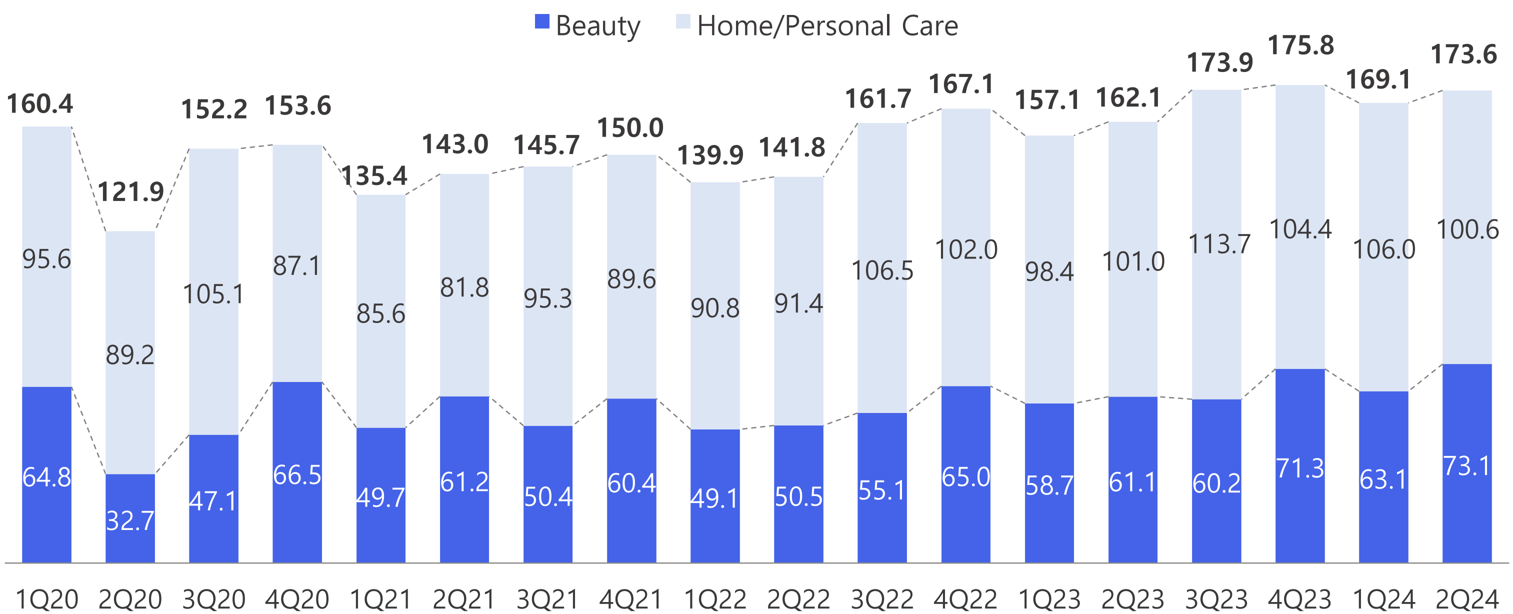
Type	2023. 2Q	2024. 2Q
Revenue	**162,141**	**173,609**
Gross profit	77,660	83,695
SG&A	61,103	66,237
Operation profit	**16,557**	**17,458**
Other gain / loss	(922)	(536)
Profit before tax	15,635	16,922
Tax expense	3,518	3,980
Net profit	**12,117**	**12,942**

Appendix. Quarterly Business Performance Trend

2Q24's Consolidated revenue KRW 173.6bn QoQ +2.7%, OP KRW 17.5bn QoQ +6.0%

Revenue and Operating Profit

(Unit : KRW bn)



	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
OP	12.6	-1.3	8.2	2.8	7.7	5.8	6.2	4.7	7.8	4.2	15.2	11.8	15.4	16.6	18.4	11.6	16.5	17.5
OPM	7.8%	-1.0%	5.4%	1.8%	5.7%	4.1%	4.2%	3.1%	5.6%	3.0%	9.4%	7.1%	9.8%	10.2%	10.6%	6.6%	9.7%	10.1%