Aekyung
2024.3Q Earnings Release

LOVE & RESPECT

2024

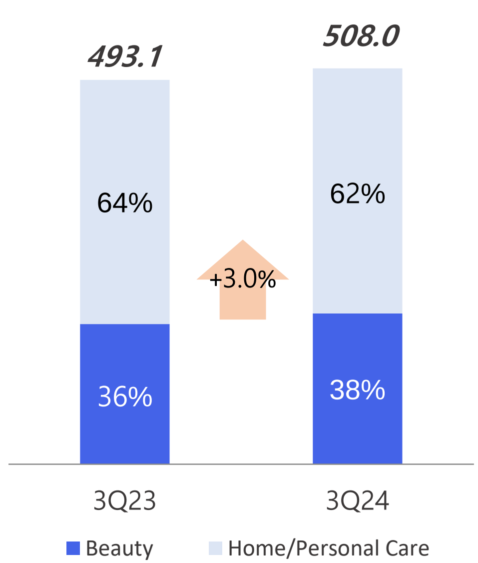
This material is made before finalizing independent auditor review and provided for investors' convenience.
Therefore, some information is subject to change according to audit review result.

01. 3Q24 Business Performance Summary (Cumulative)

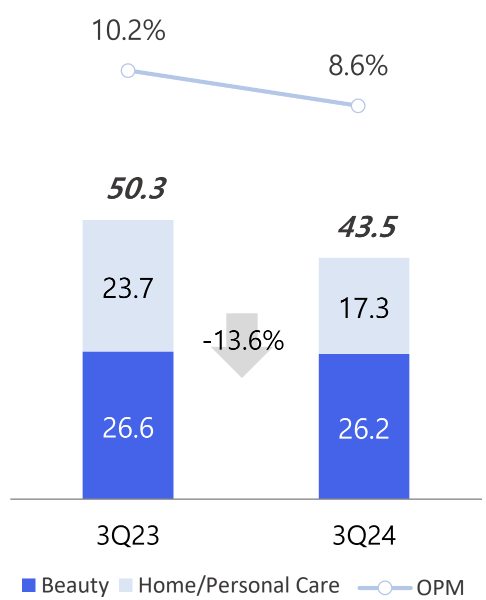
Consolidated revenue KRW 508.0bn YoY +3.0%, OP KRW 43.5bn YoY -13.6%

- **Beauty :** Revenue KRW 193.2bn (YoY +7.4%), OP KRW 26.2bn (YoY -1.5%)
- **Home/Personal Care :** Revenue KRW 314.8bn (YoY +0.5%), OP KRW 17.3bn (YoY -27.2%)

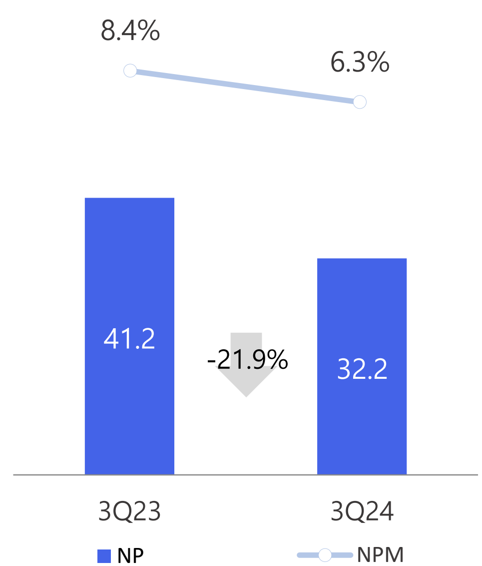
Revenue (Unit : KRW bn)



Operating Profit (Unit : KRW bn)



Net Profit (Unit : KRW bn)



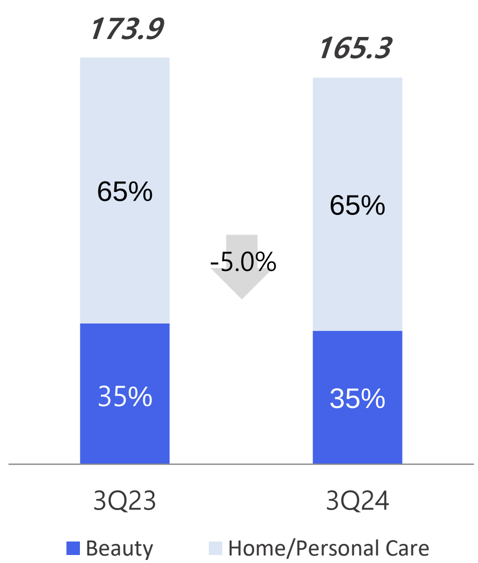
* Consolidated basis

02. 3Q24 Business Performance Summary (Quarter)

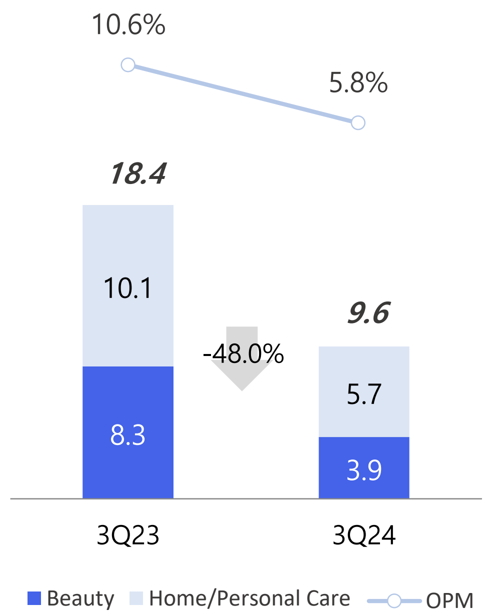
Consolidated revenue KRW 165.3bn YoY -5.0%, OP KRW 9.6bn YoY -48.0%

- **Beauty :** Revenue KRW 57.0bn (YoY -5.2%), OP KRW 3.9bn (YoY -53.2%)
- **Home/Personal Care :** Revenue KRW 108.2bn (YoY -4.8%), OP KRW 5.7bn (YoY -43.6%)

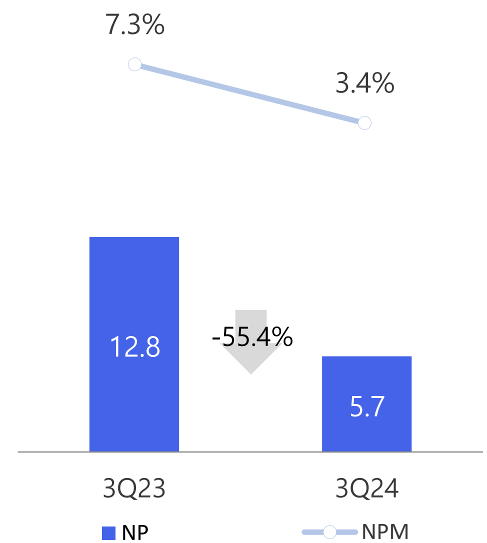
Revenue (Unit : KRW bn)



Operating Profit (Unit : KRW bn)



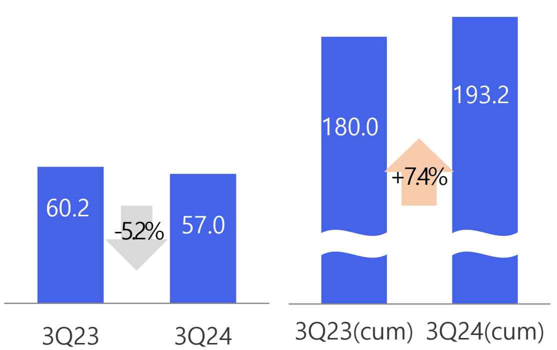
Net Profit (Unit : KRW bn)



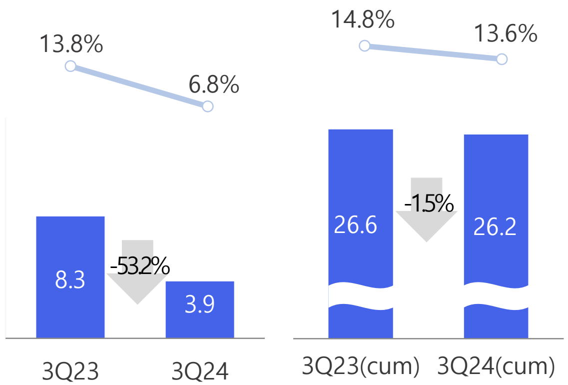
* Consolidated basis

03. Business Performance by Division (Beauty)

Revenue (Unit : KRW bn)



Operating Profit (Unit : KRW bn)



Cumulative Revenue KRW 193.2bn (YoY +7.4%), OP KRW 26.2bn (YoY -1.5%)

3Q24 Highlight

- **Profitability decreased due to sluggish demand in China and increased marketing costs, but efforts to diversify exports continued**
  - China) Growth slowed due to decreased consumption, but trying to increase sales volume and brand awareness of key brands through co-work with influencers and active marketing activities
  - Japan) Based on active marketing investments, high growth continued YoY by expanding offline channels such as variety shops and drug stores
  - USA) Launch AGE20'S sunscreen, perform active marketing along with essence pact (color shades addition planned)

- **Stable growth through effective sales strategies for each domestic channel**
  - Improve efficiency of home-shopping channel operation through AGE20'S essence pact renewal (Royal Gold)
  - Digital growth continued by differentiated sales strategies for each channel and channel diversification
  - Actively targeting Daiso channel by brand renewal and new product launching (a.solution, point)

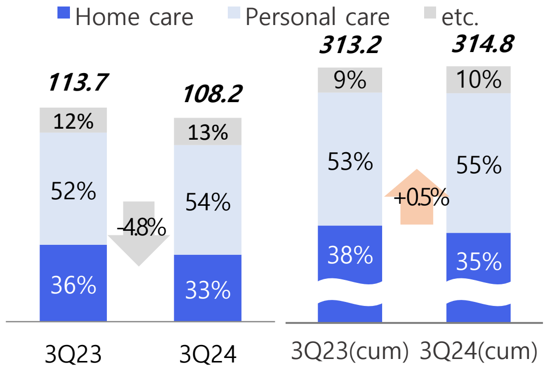
- **Seeking growth through various brand operation strategies following consumption trend change**
  - Increase new customers' inflow by launching key brands' new products and special sets (LUNA 8 types of Glassy Layer Tint, BASE CHAMPIONSHIP edition, and AGE20'S X ffroi edition)
  - Continuous efforts to increase brand awareness and consumer contact by running pop-up stores (Seongsu AGE20'S & LUNA pop-up store in Korea, Tokyo LUNA pop-up store & launching show in Japan)

* Consolidated basis

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

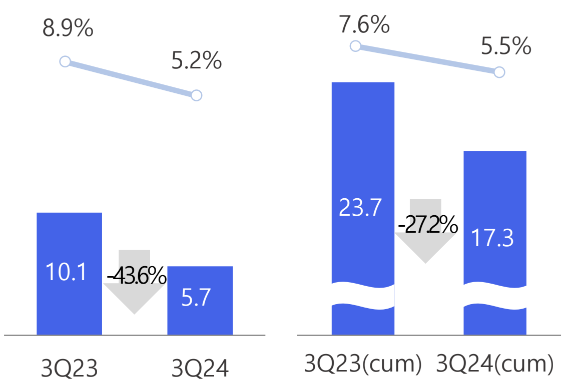
Revenue

(Unit : KRW bn)



Operating Profit

(Unit : KRW bn)



Cumulative Revenue KRW 314.8bn (YoY +0.5%), OP KRW 17.3bn (YoY -27.2%)

3Q24 Highlight

- **Slowing performance due to domestic consumption recession and intensified competition**
  - Cost burden continued due to sluggish domestic consumption and intensified digital channel competition
  - Revenue decreased centered on Home care products such as laundry and kitchen detergent

- **Strengthening portfolio continued centered on Personal care and Premium products**
  - Positive growth of key products such as KERASYS, 2080, and Shower mate & Premium products' portion expanded
  - In order to strengthen product portfolio, expand line-up of key premium Personal care brands and launch new products (LUVSCENT, BLACK FORET, LABCCiN, etc.)

- **Efforts to establish foundation for mid to long-term growth of global performance**
  - Although there was an impact of inventory adjustment in some countries, channels and product categories' expansion continued in strategic countries such as North America, Europe, and Japan.
    USA) Shower mate's SKU expanded and Hair care category added
    Japan) Beside KERASYS, new Body care brand launched (LUVSCENT's new entry to online channel)

* Consolidated basis

Appendix. Brief Consolidated Financial Statement

1. Consolidated Balance Sheet

(Unit : KRW mn)

Type	2023.12	2024.09
Total assets	**482,373**	**484,591**
Current assets	268,473	281,526
- Cash and cash equivalents	115,478	85,991
Non-current assets	213,900	203,065
Total liabilities	**94,746**	**89,789**
Current liabilities	90,411	86,608
Non-current liabilities	4,335	3,181
Total equity	**387,627**	**394,802**
Issued capital	26,410	26,410
Capital surplus	143,348	143,275
Elements of other stockholder's equity	(19,902)	(29,967)
Retained earnings	236,991	254,371
Other Comprehensive income/loss accumu-lated amount	296	524

(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)

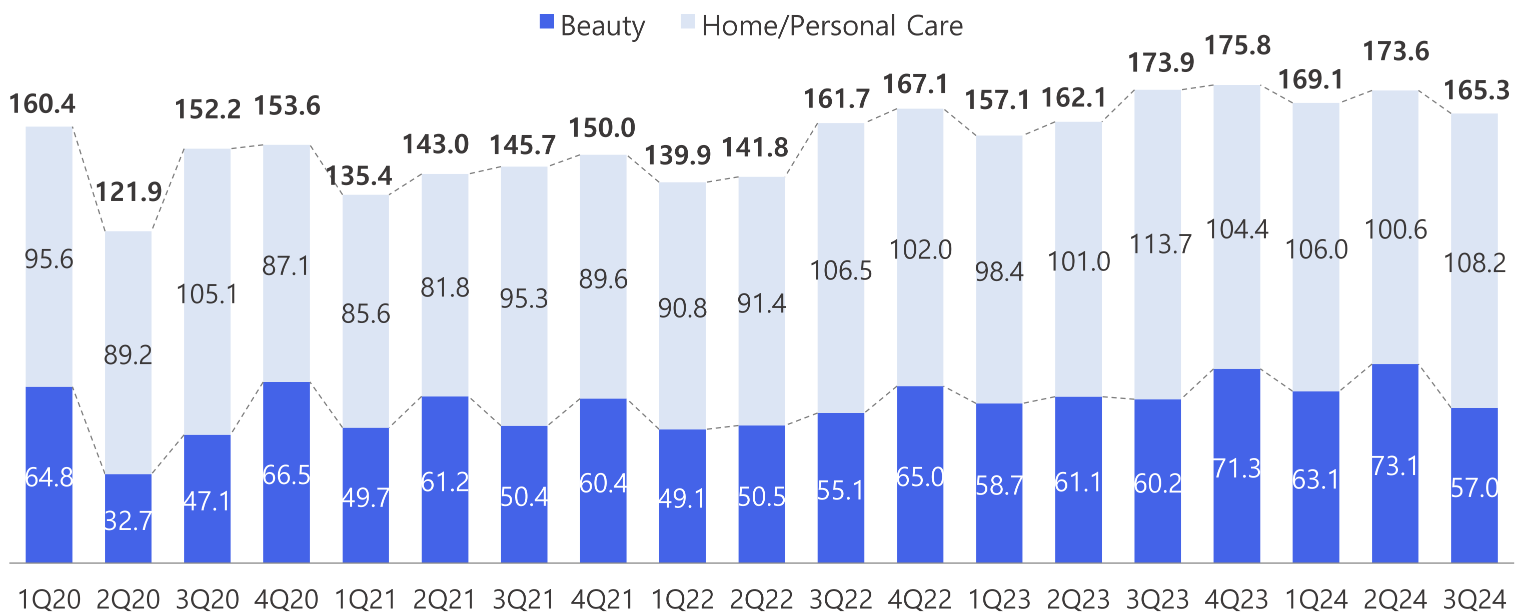
Type	2023. 3Q	2024. 3Q
Revenue	**173,904**	**165,280**
Gross profit	80,952	74,782
SG&A	62,597	65,231
Operation profit	**18,355**	**9,551**
Other gain / loss	(1,585)	(2,001)
Profit before tax	16,770	7,550
Tax expense	4,010	1,856
Net profit	**12,760**	**5,694**

Appendix. Quarterly Business Performance Trend

3Q24's Consolidated revenue KRW 165.3bn QoQ -4.8%, OP KRW 9.6bn QoQ -45.3%

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	3Q24
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	9.6
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%	5.8%