

The background is a solid dark blue. It features several abstract white line art elements. In the top left, there are large, overlapping, wavy lines that form a sense of depth and movement. In the top center, there is a smaller, more compact, cloud-like shape made of similar wavy lines. In the bottom left, there are more large, flowing, wavy lines that extend towards the center. The overall effect is modern and artistic.

AMORE PACIFIC

3Q 2021 Earnings Release

2021.10.29



CONTENTS

1. 3Q 2021 YTD Earnings Summary
2. 3Q 2021 Earnings Summary
3. Domestic Business
4. Overseas Business
5. A MORE NEWS
6. Financial Summary

AMORE PACIFIC

FORWARD-LOOKING STATEMENTS

As a note, it is suggested to use this material only as a reference, as it contains information and data that are subject to changes without prior notice due to uncertainties, changes in the organizational structure, redefinition of accounting policies, etc., and may cause the actual results to differ from those stated or implied in this material.

3Q 2021 YTD Earnings Summary

AMOREPACIFIC

Revenue up 8.0% to KRW 3.5 trillion, Operating Profit up 108.8% to KRW 317.8 billion

Domestic revenue up 8.9%, operating profit up 53.7%. Overseas revenue up 6.2%, operating profit turned to profit

(Unit: KRW bn)

	2020 3Q YTD	% of Revenue	2021 3Q YTD	% of Revenue	YoY(%)
Revenue ¹⁾	3,275.2	100.0	3,538.4	100.0	+8.0
Domestic	2,090.1	63.8	2,276.8	64.3	+8.9
Cosmetics	1,684.4	51.4	1,903.6	53.8	+13.0
Daily Beauty	405.7	12.4	373.2	10.5	-8.0
Overseas	1,202.5	36.7	1,276.7	36.1	+6.2
	2020 3Q YTD	OP Margin (%)	2021 3Q YTD	OP Margin (%)	YoY(%)
Operating Profit ¹⁾	152.2	4.6	317.8	9.0	+108.8
Domestic	173.1	8.3	266.0	11.7	+53.7
Cosmetics	143.1	8.5	258.0	13.6	+80.3
Daily Beauty	30.1	7.4	8.1	2.2	-73.2
Overseas	-33.7	-2.8	70.3	5.5	Turned to profit
Net Profit	80.8	2.5	235.3	6.6	+191.4

1) Includes intercompany transactions, Aestura's and Cosvision's revenue and operating profit as of September 2021

3Q 2021 Earnings Summary

AMOREPACIFIC

Revenue up 1.9% to KRW 1.1 trillion, Operating Profit down 10.2% to KRW 50.3 billion

Domestic revenue up 7.3%, operating profit up 63.0%. Overseas revenue down 9.2%, operating profit down 56.6%

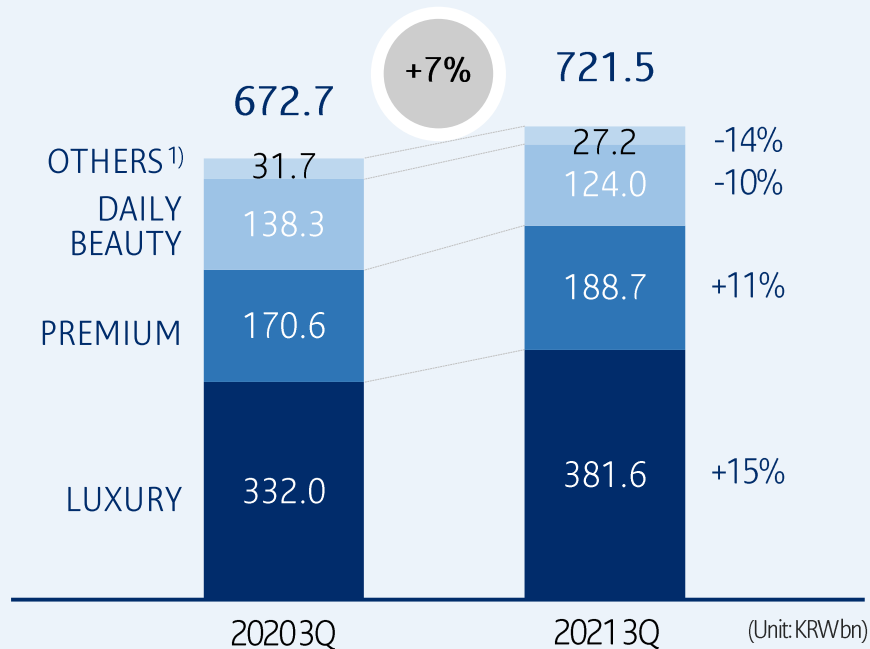
(Unit: KRW bn)

	2020 3Q	% of Revenue	2021 3Q	% of Revenue	YoY(%)
Revenue ¹⁾	1,088.6	100.0	1,108.9	100.0	+1.9
Domestic	672.7	61.8	721.5	65.1	+7.3
Cosmetics	534.3	49.1	597.5	53.9	+11.8
Daily Beauty	138.3	12.7	124.0	11.2	-10.4
Overseas	423.2	38.9	384.1	34.6	-9.2
	2020 3Q	OP Margin (%)	2021 3Q	OP Margin (%)	YoY(%)
Operating Profit ¹⁾	56.0	5.1	50.3	4.5	-10.2
Domestic	36.0	5.4	58.7	8.1	+63.0
Cosmetics	25.5	4.8	57.2	9.6	+124.9
Daily Beauty	10.5	7.6	1.4	1.2	-86.3
Overseas	19.7	4.6	8.5	2.2	-56.6
Net Profit	7.0	0.6	38.5	3.5	+445.6

1) Includes intercompany transactions, Aestura's and Cosvision's revenue and operating profit as of September 2021

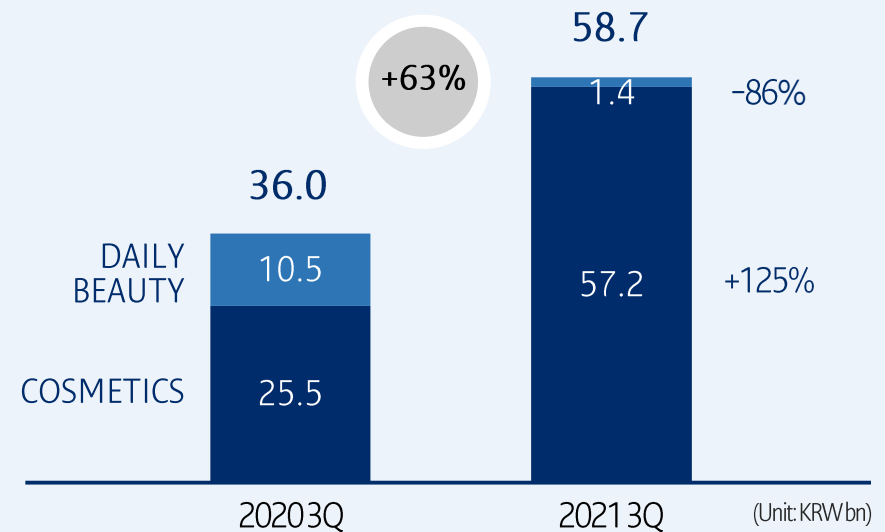
Revenue increased 7%

- Online sales grew around 30%
- Domestic travel retail drove growth of total travel retail revenue (36% of total revenue)
- Traditional channel revenue declined due to restructuring of offline channels, but the decline rate narrowed with stronger sales per store



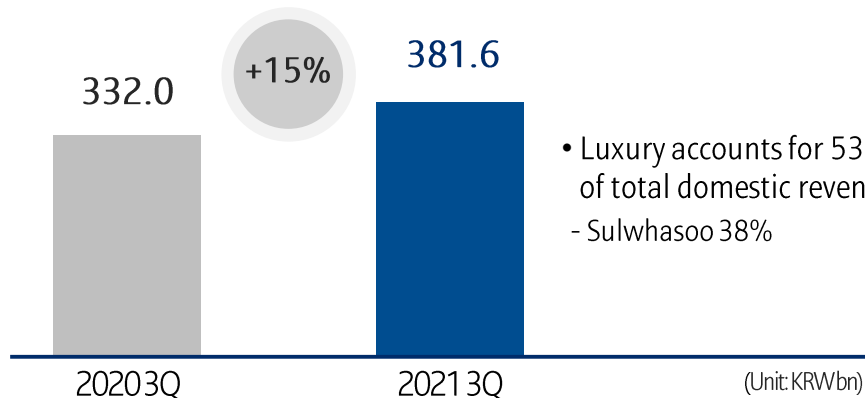
Operating Profit increased 63%

- Cosmetics operating profit increased due to cost saving measures in traditional channels and stronger revenue from growing channels
- Daily Beauty operating profit decreased with reduced sales of high profit brands and increased marketing expense to strengthen its premium line



1) Others: OEM, Rental Income etc.

LUXURY



- Luxury accounts for 53% of total domestic revenue
- Sulwhasoo 38%

- Online channel sales increased for all luxury brands
- Strengthened brand competitiveness by renewing key products and boosting marketing activities
 - Enhanced Sulwhasoo's functional brand equity by renewing 'Concentrated Ginseng Renewing' Line
 - Increased brand attractiveness of Amorepacific's star product by running a pop-up event for customers and launching a limited edition collection ('AbsoluTea Inspiration Collection')
 - Launched 'Black Cushion Couture', a collaboration of Hera and high-end designer brand 'Jaybaek Couture'
- Established leadership as a sustainable brand by promoting environment friendly designs
 - Applied environment friendly packaging to Primera's 'Free & Free' Line renewal
 - Nominated '2021 Korea's Green Product of the Year' for Primera's 'Skin Relief UV Protector EX'



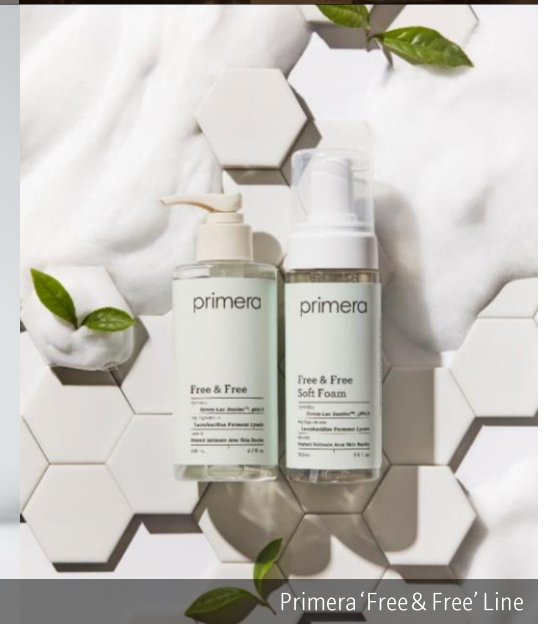
Sulwhasoo 'Concentrated Ginseng Renewing' Line



Amorepacific 'AbsoluTea Inspiration Collection'

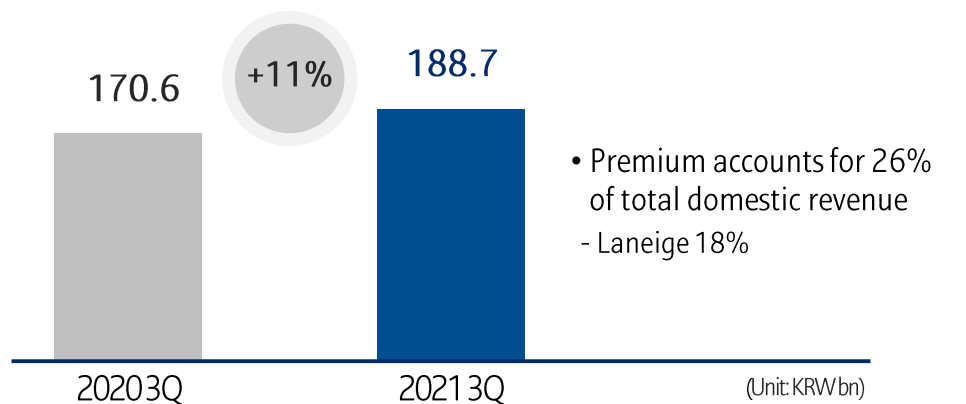


Hera 'Black Cushion Couture'



Primera 'Free & Free' Line

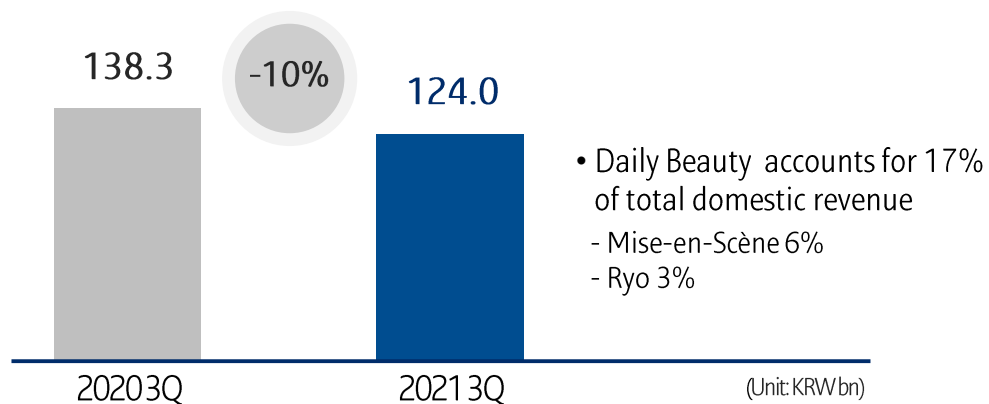
PREMIUM



- Laneige drove overall growth
- Reinforced brand competitiveness by expanding product portfolio of key products
 - Launched Laneige 'Neo Foundation' and 'Neo Powder'
- Enhanced brand attractiveness by launching collaborative, limited edition products
 - Collaborations including Laneige 'Neo Cushion x Maison Kitsune', Mamonde 'Red Energy Recovery Serum x Mardi Mercredi', Hanyul 'Red Rice Essential Skin Softner x Boksoondoga'
- Concentrated on advancing functional products, especially anti-aging lines
 - Renewed Hanyul 'Geuk Jin' Line and launched Mamonde 'Retinol Ampoule Toner'



DAILY BEAUTY

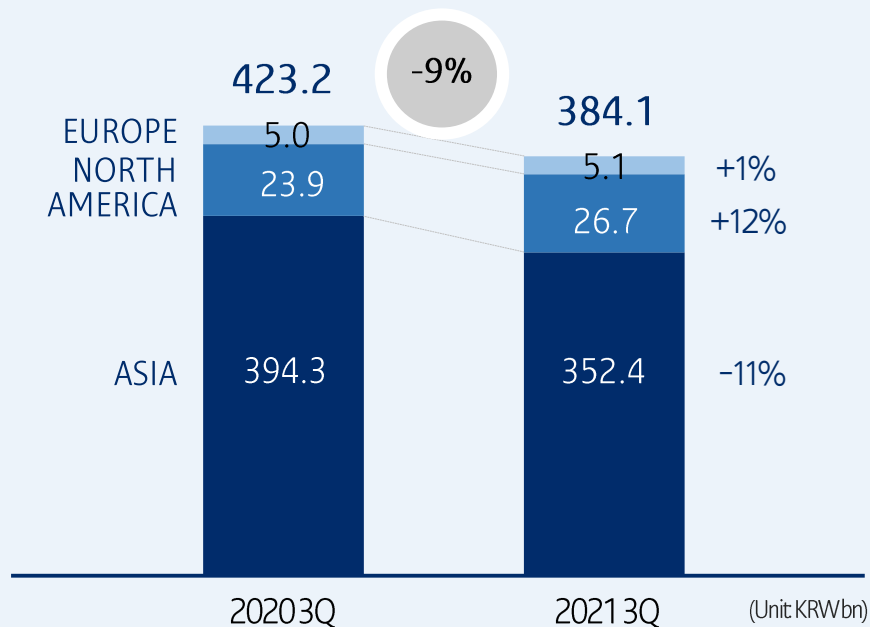


- Sales of premium cleansing/moisturizing products increased, but total revenue declined as Ryo's global e-commerce sales decreased due to Ryo's expansion of local business in the global market
- Domestic e-commerce sales continued to grow by more than 10%
- Focused on developing functional premium lines
 - [Ryo] Continued enhancing premium hair loss care shampoo '1973 Heritage' Line by running promotions with influencers and entering multi-brand shop channels
 - [Mise-en-Scène] Launched 'Skincare Matinée Perfume Shampoo' with advanced scalp care effect and enduring scent
 - [Happy Bath] Expanded product portfolio of 'Skin U' by launching a product line with skincare elements
 - [Illiyoon] Upgraded key product 'Ceramide Ato' Line



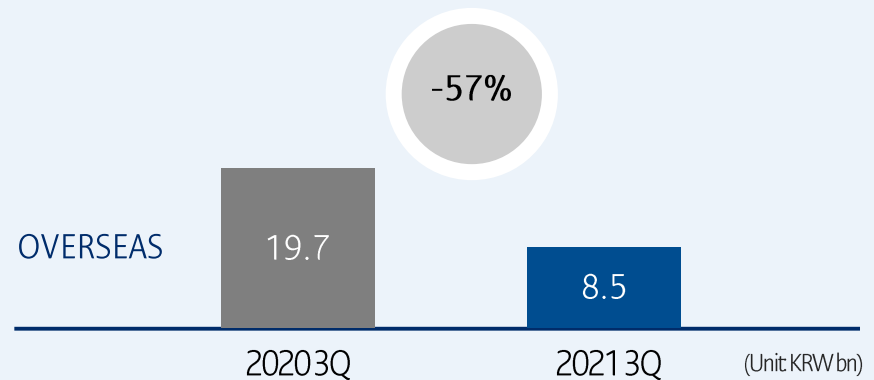
Revenue decreased 9%

- Asia revenue declined by 11% (China sales accounts for more than 70% of Asia sales)
- North America revenue posted 12% growth driven by strong sales of multi-brand shop channels
- Europe revenue increased by 1% with growth in online channel, offsetting the decrease in offline sales



Operating profit decreased 57%

- Asia operating profit decreased due to revenue decline from restructuring of offline stores and COVID19 impact, leading to reduced operating hours and temporary store closures in several countries
- North America operating profit increased with strong growth coming from major brands
- Europe operating profit weakened as a result of increased marketing expense to celebrate Goutal Paris's 40th anniversary



ASIA

- China revenue decreased by more than 10% in local currency
 - Sulwhasoo sales grew around 50% with launch of new high-end product and enhanced product mix
 - Innisfree sales declined due to store closures for streamlining offline channel and adjustment in business structure to improve e-commerce profitability
- Other Asia revenue declined due to temporary store closures and reduced operating hours from COVID19
 - Sulwhasoo sales grew in Thailand and Indonesia, driven by growth from 'Concentrated Ginseng Renewing' Line
 - Online sales posted strong growth in all ASEAN countries



Sulwhasoo 'Concentrated Ginseng Renewing Cream EX' Launch (China, ASEAN)



Laneige 'Neo Cushion' Launch (China)

NORTH AMERICA & EUROPE

- North America revenue increased by 12% with the expansion of both offline and online channels
 - Laneige sales showed strong growth with its successful launch in Sephora at Kohl's
 - Sulwhasoo launched in a new online platform diversifying its online portfolio
- Europe revenue grew from rise in online channel sales
 - Strong online sales of Laneige and Goutal Paris outweighed the decline in offline sales



Ryo 'Ginseng EX Hair Loss Scalp Care Shampoo' (China)



Laneige 'Water Bank Moisture Cream' (North America)

Amorepacific Group declares 2025 Vision at the online metaverse ceremony celebrating the Company's 76th anniversary

At the online metaverse ceremony held on September 3rd to commemorate the Company's 76th anniversary, Chairman and CEO Suh Kyungbae shared the Company's new vision and encouraged Amorepacific members to create a world of 'New Beauty' in which everyone discovers their unique beauty and truly enjoys a happy life



**OUR
VISION**

Live Your
New Beauty

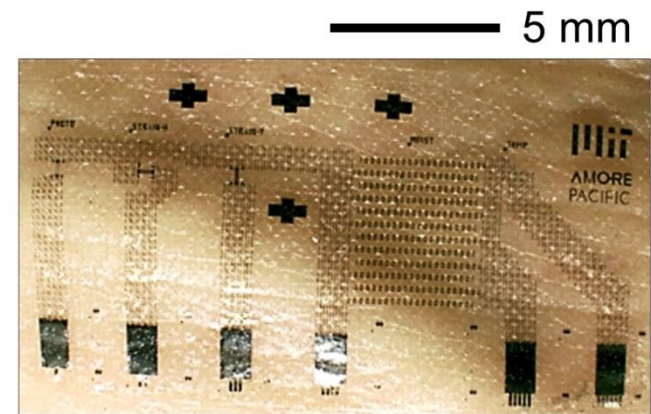
AMORE PACIFIC
X
COSRX

Amorepacific forms a joint strategic partnership with COSRX

Amorepacific acquired 38.4% stake of COSRX in order to strengthen its derma cosmetics portfolio and pursue mutual growth in the global beauty market. The two companies will closely cooperate with each other to share ideas on global beauty market strategy and to create strong synergy in both businesses

Amorepacific and MIT jointly develop a wearable skin monitoring device

In collaboration with MIT (Massachusetts Institute of Technology), Amorepacific developed an ultra-thin wearable skin monitoring device that monitors the skin for an extended amount of time in a stable manner even when the outside environment changes. Amorepacific published the joint achievement in the renowned international journal 'Science Advances'



WINNER
中国消费者喜爱的韩国品牌
2021



Aestura wins the '2021 Korean Brand of the Year' nominated by Chinese Customers

Presented by the Korea Customers Council, Amorepacific's derma beauty brand Aestura ranked first in the ranking for 'Korean Brand of the Year' voted by 1.5 million Chinese customers

Financial Summary

AMOREPACIFIC

Income Statement

(Unit: KRW bn, %)

	2020 3Q		2021 3Q	
	Amount	% of Sales	Amount	% of Sales
Revenue	1,088.6	100.0	1,108.9	100.0
Cost of sales	313.3	28.8	315.3	28.4
Gross Profit	775.4	71.2	793.6	71.6
SG&A Expenses	719.3	66.1	743.3	67.0
Operating Profit	56.0	5.1	50.3	4.5
Non-Operating Profit/Expense	-36.8		3.8	
Profit Before Tax	19.3	1.8	54.1	4.9
Consolidated Net Income	7.0	0.6	38.5	3.5

Statement of Financial Position

(Unit: KRW bn)

	2020.12	2021.09
Assets	5,701.9	6,125.6
Current Assets	1,825.7	2,149.4
Trade receivables	283.8	417.0
Inventories	414.5	525.4
Non-current Assets	3,876.2	3,976.3
Property, Plant and Equipment	2,566.3	2,645.2
Intangible Assets	208.8	202.5
Investments in associates	52.5	55.1
Liabilities	1,237.5	1,281.0
Current Liabilities	965.9	1,050.5
Non-current Liabilities	271.6	230.5
Shareholder's Equity	4,464.4	4,844.6
Capital Stock	34.5	34.5
Retained Earnings	3,847.7	4,025.9
Non-controlling Interest	-35	-4.4