

Amorepacific's Stake Investment of COSRX

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CONTENTS

1

Executive Summary

2

COSRX Financial Summary



1. Executive Summary

Key objective is to reinforce Amorepacific's derma cosmetics portfolio through a strategic partnership with COSRX

Investment Summary

- Amorepacific will acquire 38.4% stake of COSRX
- Amorepacific will obtain a call option to acquire an additional 57.6% stake during year 2024 to 2025

Investment Details

- Issued stocks by COSRX: 500,000 stocks
- Acquired stocks by Amorepacific: 192,000 stocks
- Acquisition method: Cash investment of 180 billion KRW
- Stake ratio post acquisition: 38.4%

COSRX Company Overview

Business

- Founded in 2013
- Produces and sells functional cosmetics
 - Known as a hypoallergenic skincare brand for sensitive skin
 - Sales breakdown by country (as of 2020): ASEAN 35%, North America 30%, Korea 20%, Europe 10%, China 5%

Key Products



- One Step Original Clear Pad



- Acne Pimple Master Patch



- Low pH Good Morning Gel Cleanser

2. COSRX Financial Summary

Income Statement

(Unit: mill KRW)

	2018	2019	2020
Revenue	36,578	47,772	80,253
Cost of sales	20,603	25,106	38,367
Gross Profit	15,975	22,666	41,886
SG&A Expenses	5,795	10,072	19,619
Operating Profit	10,192	12,595	22,267
Non-Operating Profit/Expense	227	206	-848
Profit Before Tax	10,419	12,801	21,419
Consolidated Net Income	8,360	10,363	16,659

Statement of Financial Position

(Unit: mill KRW)

	2018	2019	2020
Assets	22,801	29,439	46,050
Current Assets	21,466	26,429	42,825
Quick Assets	18,153	22,493	28,460
Inventories	3,313	3,936	14,365
Non-current Assets	1,335	3,010	3,225
Property, Plant and Equipment	1,049	696	649
Intangible Assets	0	185	510
Liabilities	7,317	6,081	13,041
Current Liabilities	7,052	5,921	12,619
Non-current Liabilities	265	161	422
Shareholder's Equity	15,485	23,358	33,009
Capital Stock	50	50	50
Retained Earnings	15,435	23,297	34,157