

The background features several abstract, light blue line art patterns. These patterns consist of multiple overlapping, wavy lines that create a sense of depth and movement, resembling stylized clouds or organic forms. The lines are thin and densely packed in some areas, creating a textured effect. The overall aesthetic is clean and modern, with a strong emphasis on geometric and organic shapes.

AMORE PACIFIC

1Q 2021 Earnings Release

2021.4.28



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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.

1Q 2021 Earnings Summary

Revenue up 10.8% to KRW 1.3 trillion, Operating Profit up 189.2% to KRW 176.2 billion

Domestic revenue up 6.9%, operating profit up 44.7%. Overseas revenue up 19.6%, operating profit turned to profit

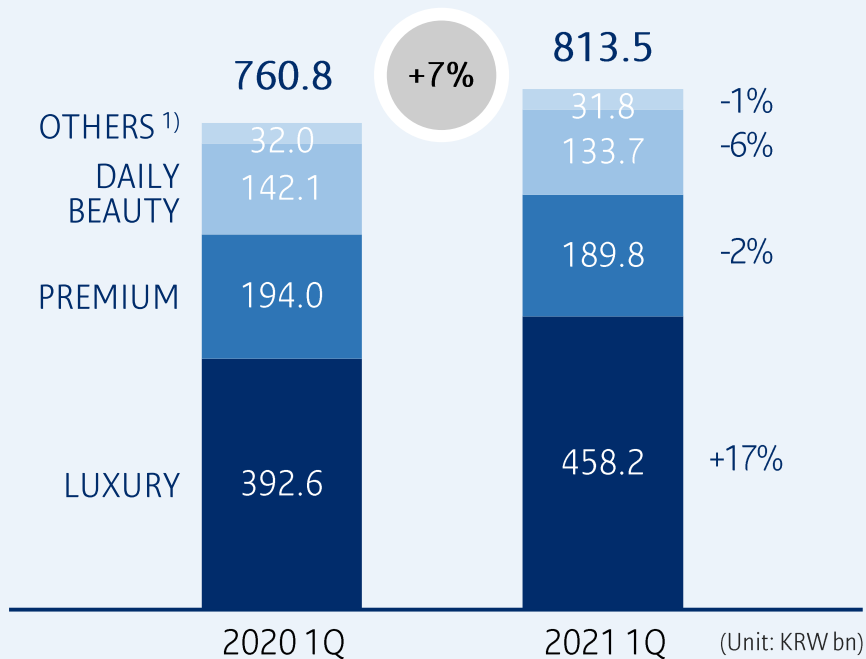
(Unit: KRW bn)

	2020 1Q	% of Revenue	2021 1Q	% of Revenue	YoY(%)
Revenue ¹⁾	1,130.9	100.0	1,252.8	100.0	+10.8
Domestic	760.8	67.3	813.5	64.9	+6.9
Cosmetics	618.6	54.7	679.8	54.3	+9.9
Daily Beauty	142.1	12.6	133.7	10.7	-5.9
Overseas	373.9	33.1	447.4	35.7	+19.6
	2020 1Q	OP Margin (%)	2021 1Q	OP Margin (%)	YoY(%)
Operating Profit ¹⁾	60.9	5.4	176.2	14.1	+189.2
Domestic	86.6	11.4	125.3	15.4	+44.7
Cosmetics	72.4	11.7	116.4	17.1	+60.7
Daily Beauty	14.2	10.0	8.9	6.7	-36.9
Overseas	-32.4	-8.7	52.3	11.7	Turned to profit
Net Profit	67.0	5.9	137.6	11.0	+105.5

1) Includes intercompany transactions

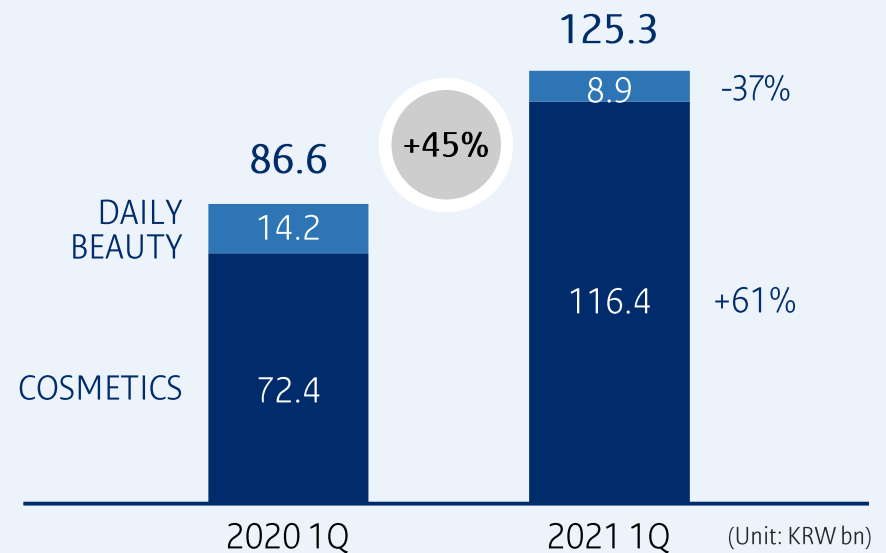
Revenue increased 7%

- Strong online sales growth (over 30%)
- Revenue increased for both domestic and overseas travel retail (37% of total revenue)
- Traditional channel revenue declined due to COVID-19 impact and channel restructuring



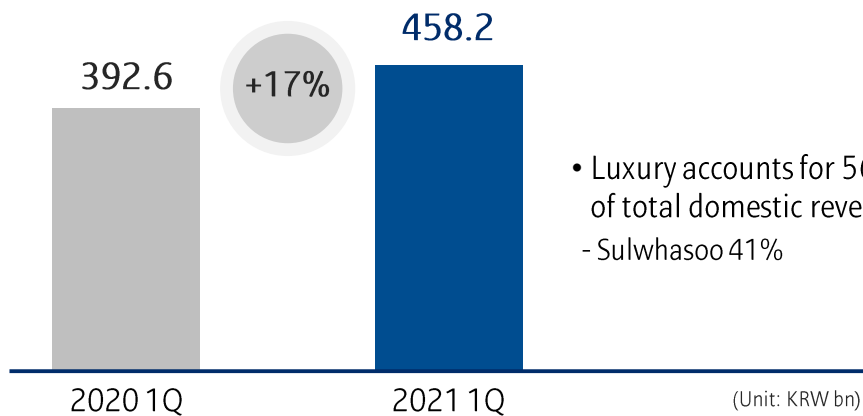
Operating Profit increased 45%

- Cosmetics operating profit improved due to increase in luxury brand mix
- Daily Beauty operating profit decreased due to decline in revenue and increase in A&P expense



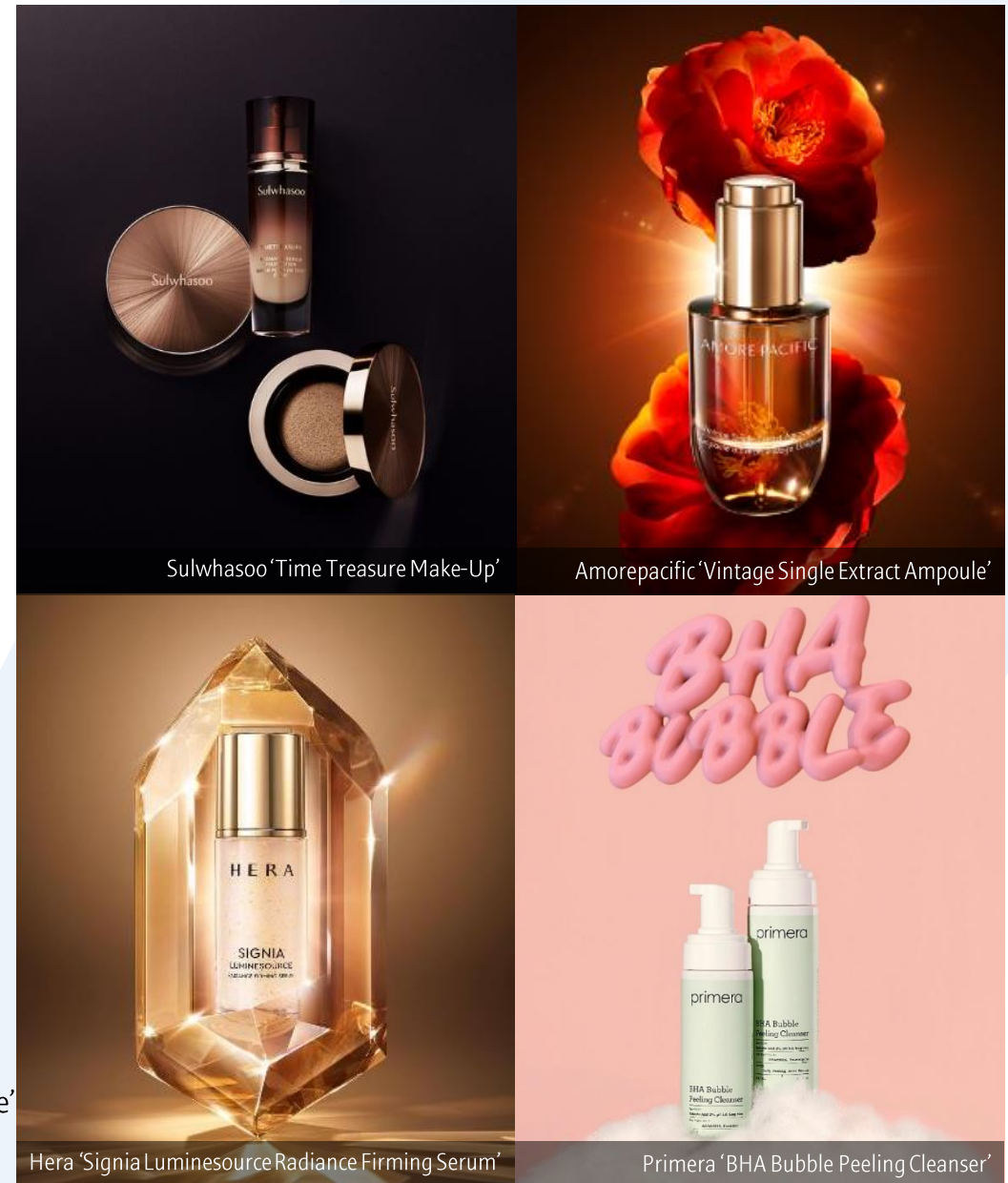
1) Others: OEM, Rental Income etc.

LUXURY



- Luxury accounts for 56% of total domestic revenue
- Sulwhasoo 41%

- Online channel posted strong growth through strengthened relationships with digital platforms and launching online exclusive products
 - Sulwhasoo 'Hand Cream Mini Kit' and Primera 'BHA Bubble Peeling Cleanser'
- Offline channel sales continued to decline
- Focused on developing key category products
 - [Sulwhasoo] Focused on 'Concentrated Ginseng' line and reinforced 'Time Treasure' line's product portfolio
 - [Hera] Strengthened luxury skincare portfolio by launching 'Signia Luminesource'
 - [AP] Expanded customer base through successful launch of 'Vintage Single Extract Ampoule'



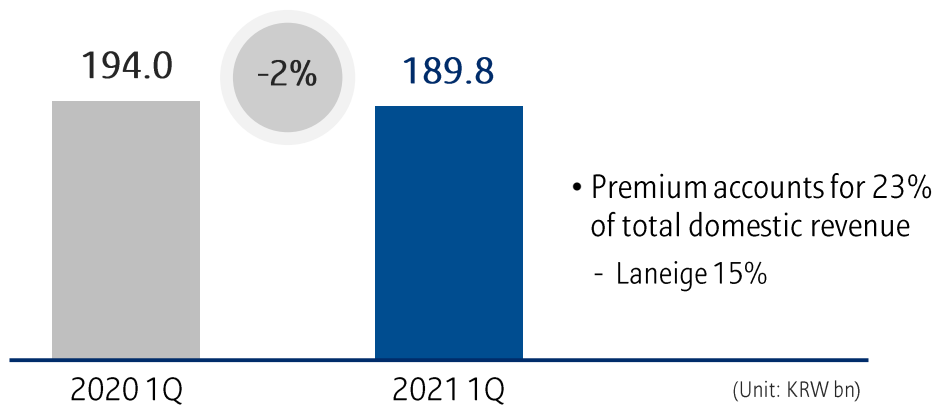
Sulwhasoo 'Time Treasure Make-Up'

Amorepacific 'Vintage Single Extract Ampoule'

Hera 'Signia Luminesource Radiance Firming Serum'

Primera 'BHA Bubble Peeling Cleanser'

PREMIUM



- Offline sales decreased due to social distancing measures
- Online sales grew by double digits and continued strong growth
 - Laneige promoted key products including 'Radian-C Cream'
- Improved brand competitiveness by introducing a new brand and launching innovative products
 - Introduced 'Soluderm', a brand developed in collaboration with a Korean influencer
 - Launched Mamonde 'Probiotics Ceramide Cream' and Hanyul 'Yuja Vita-C™ Serum'



Laneige 'Radian-C Cream'



Mamonde 'Probiotics Ceramide Cream'

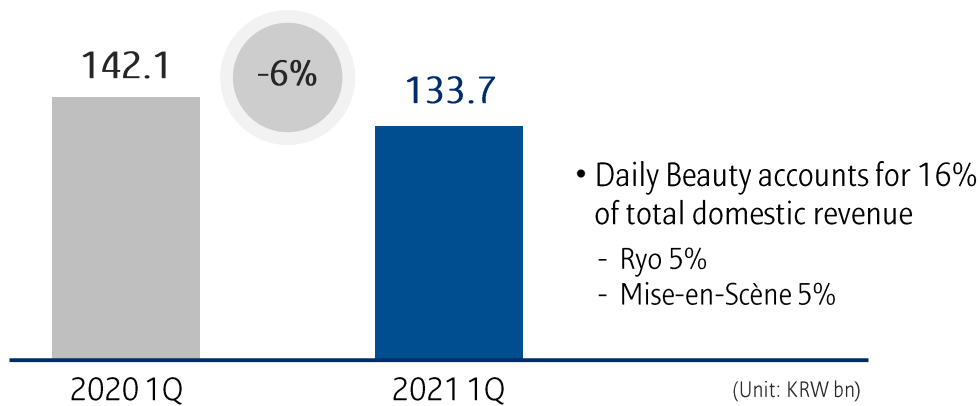


Launched new brand 'Soluderm'



Hanyul 'Yuja Vita-C™ Serum'

DAILY BEAUTY



- Daily Beauty accounts for 16% of total domestic revenue
 - Ryo 5%
 - Mise-en-Scène 5%

- Revenue of major brands, including Ryo and Happy Bath, decreased due to decline in demand for cleansing category
- Online channel continued growth due to increase in revenue from domestic platforms and expansion of global e-commerce sales
- Developed body & haircare portfolio by enhancing premium lines
 - [SkinU] Launched 'Lacto Cream Bubble Wash'
 - [LABO-H] Targeted young consumers by emphasizing its brand concept, premium skin care for the scalp
 - [Illiyoona] Strengthened its derma skincare portfolio by expanding 'Ceramide Ato' line



Ryo 'Heritage Biotin Vita Hair Loss Care' Line

Illiyoona 'Ceramide Ato' Line

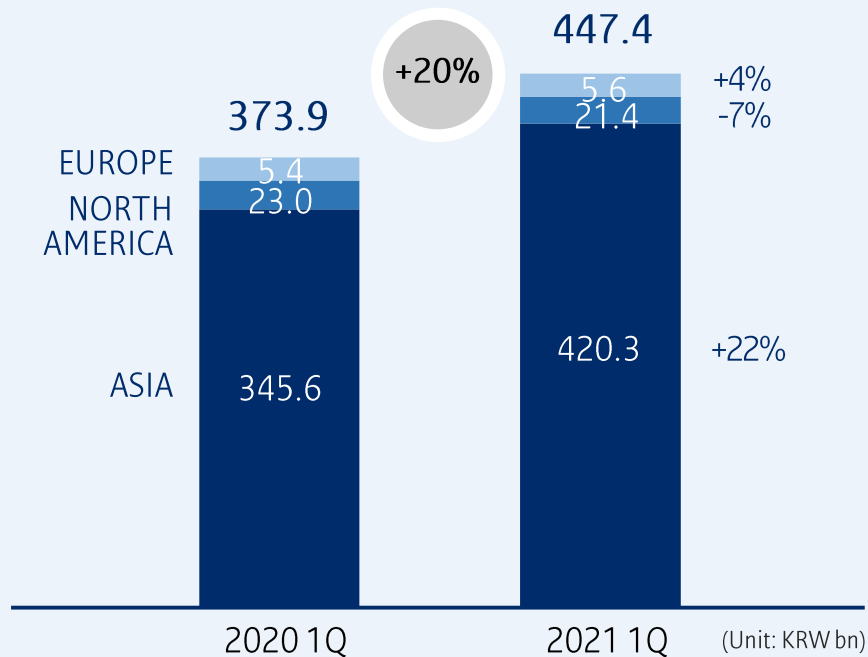


Happy Bath SkinU 'Lacto Cream Bubble Wash'

LABO-H 'Hair Loss Relief Curating Edition Shampoo'

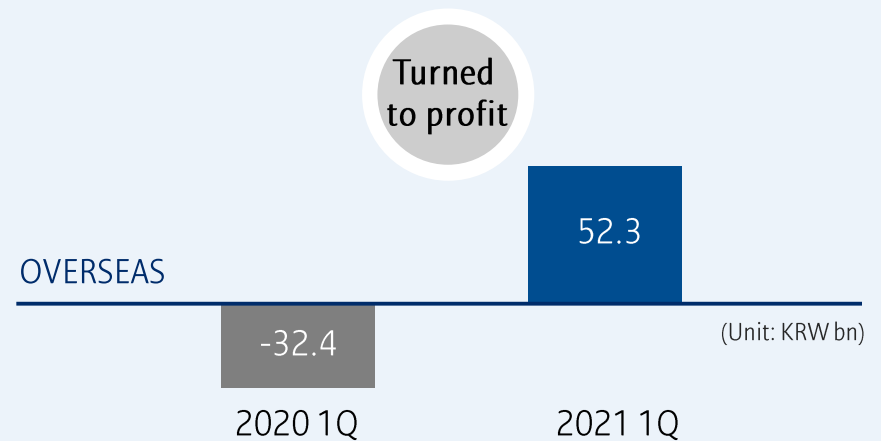
Revenue increased 20%

- China sales showed mid-30% growth in local currency (sales accounted for 70% of Asia sales)
- North America sales declined by 7% due to restructuring of offline stores
- Europe sales grew by 4% from steady growth of major brands
- Online channel continued strong growth in major countries



Operating profit turned to profit

- Asia turned to profit through improvement in channel mix by focusing on the online channel, as well as increase in luxury brand sales
- North America and Europe turned to profit due to improvement in business operation by focusing on profitability



ASIA

- China revenue grew by mid-30% in local currency
 - Online sales grew more than 30% from strong performance of Sulwhasoo especially on Women's Day (March 8th)
 - Focused on nurturing 'Concentrated Ginseng' line
- Other Asia revenue declined due to COVID-19 impact
 - Thailand and Vietnam sales grew due to increase in sales of Sulwhasoo and Laneige
 - Sulwhasoo showed strong growth in ASEAN countries

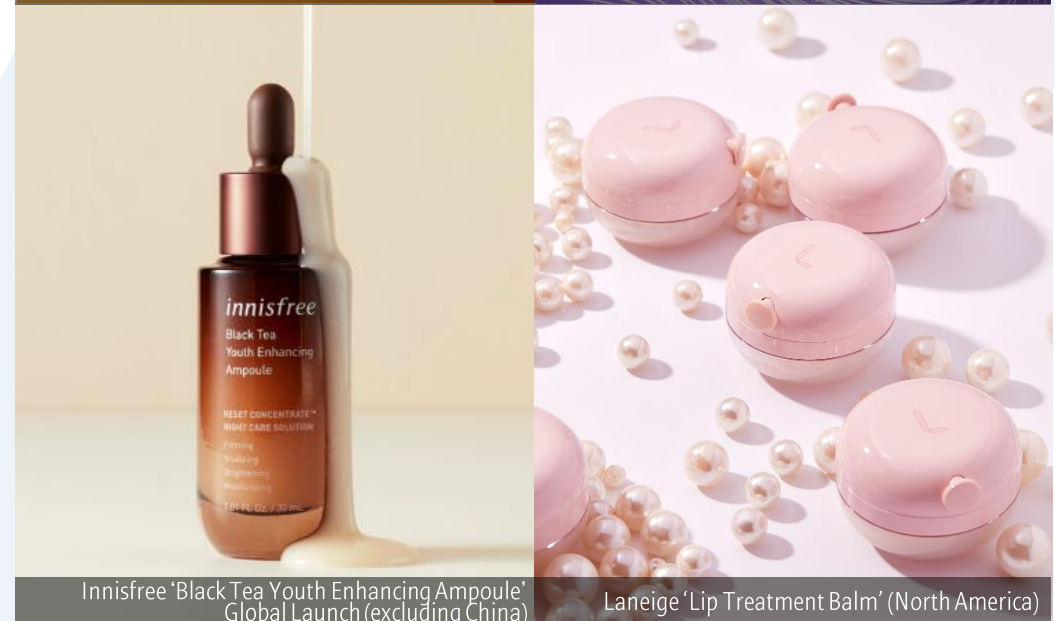


Sulwhasoo 3/8 Women's Day Event (China)

Laneige 'Perfect Renew Youth Retinol' (China)

NORTH AMERICA & EUROPE

- North America revenue declined due to restructuring of offline stores
 - Online sales showed strong growth, including increase in sales from 'Amazon' platform
 - Laneige sales increased due to the successful launch of 'Lip Treatment Balm'
- Europe revenue grew by increasing sales from multi-brand shop channel 'Sephora'
 - Innisfree entered the European market through 'Sephora'



Innisfree 'Black Tea Youth Enhancing Ampoule' Global Launch (excluding China)

Laneige 'Lip Treatment Balm' (North America)

Amorepacific signs Joint Business Plan with eBay

Amorepacific and eBay Korea will join forces to provide a data driven, unique shopping experience to customers as well as customer service and contents tailored to customers' needs



Amorepacific collaborates with Off-White

Amorepacific and global luxury brand Off-White™ co-created a limited-edition collection of skincare products and fashion items 'Protection Box'

Amorepacific is named Innovation Award Honoree at the Consumer Electronics Show 2021

Amorepacific exhibited two CES 2021 Innovation Award Honoree technologies in the Health & Wellness category, the 'Lip Factory by Color Tailor' and 'Formularity'



Sulwhasoo runs a pop-up store showcasing 'Concentrated Ginseng Renewing Serum' in Hainan Sanya CDF mall

As the first project of Amorepacific and CDF's strategic partnership, Sulwhasoo opened a Ginseng Lounge where it hosted a digital live event with KOLs and offered CDF-exclusive 'Concentrated Ginseng Renewing Serum Trial Kit'

Income Statement

(Unit: KRW bn, %)

	2020 1Q		2021 1Q	
	Amount	% of Sales	Amount	% of Sales
Revenue	1,130.9	100.0	1,252.8	100.0
Cost of sales	312.2	27.6	344.4	27.5
Gross Profit	818.6	72.4	908.4	72.5
SG&A Expenses	757.7	67.0	732.1	58.4
Operating Profit	60.9	5.4	176.2	14.1
Non-Operating Profit/Expense	4.6		5.0	
Profit Before Tax	65.6	5.8	181.3	14.5
Consolidated Net Income	67.0	5.9	137.6	11.0

Statement of Financial Position

(Unit: KRW bn, %)

	2020.12	2021.03
Assets	5,701.9	5,745.7
Current Assets	1,825.7	1,947.0
Trade receivables	283.8	364.0
Inventories	414.5	422.8
Non-current Assets	3,876.2	3,798.7
Property, Plant and Equipment	2,566.3	2,532.5
Intangible Assets	208.8	204.1
Investments in associates	52.5	54.2
Liabilities	1,237.5	1,189.4
Current Liabilities	965.9	940.3
Non-current Liabilities	271.6	249.1
Shareholder's Equity	4,464.4	4,556.3
Capital Stock	34.5	34.5
Retained Earnings	3,847.7	3,927.4
Non-controlling Interest	-3.5	-1.1