

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

2Q 2021 Earnings Release

2021.7.28



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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.

1H 2021 Earnings Summary

Revenue up 11.1% to KRW 2.4 trillion, Operating Profit up 178.1% to KRW 267.5 billion

Domestic revenue up 9.7%, operating profit up 51.2%. Overseas revenue up 14.5%, operating profit turned to profit

(Unit: KRW bn)

	2020 1H	% of Revenue	2021 1H	% of Revenue	YoY(%)
Revenue ¹⁾	2,186.6	100.0	2,429.4	100.0	+11.1
Domestic	1,417.5	64.8	1,555.3	64.0	+9.7
Cosmetics	1,150.0	52.6	1,306.1	53.8	+13.6
Daily Beauty	267.4	12.2	249.2	10.3	-6.8
Overseas	779.3	35.6	892.6	36.7	+14.5
	2020 1H	OP Margin (%)	2021 1H	OP Margin (%)	YoY(%)
Operating Profit ¹⁾	96.2	4.4	267.5	11.0	+178.1
Domestic	137.1	9.7	207.4	13.3	+51.2
Cosmetics	117.6	10.2	200.7	15.4	+70.7
Daily Beauty	19.5	7.3	6.6	2.7	-66.2
Overseas	-53.4	-6.9	61.7	6.9	Turned to profit
Net Profit	73.7	3.4	196.8	8.1	+167.1

1) Includes intercompany transactions

2Q 2021 Earnings Summary

AMOREPACIFIC

Revenue up 11.5% to KRW 1.2 trillion, Operating Profit up 158.9% to KRW 91.2 billion

Domestic revenue up 13.0%, operating profit up 62.3%. Overseas revenue up 9.8%, operating profit turned to profit

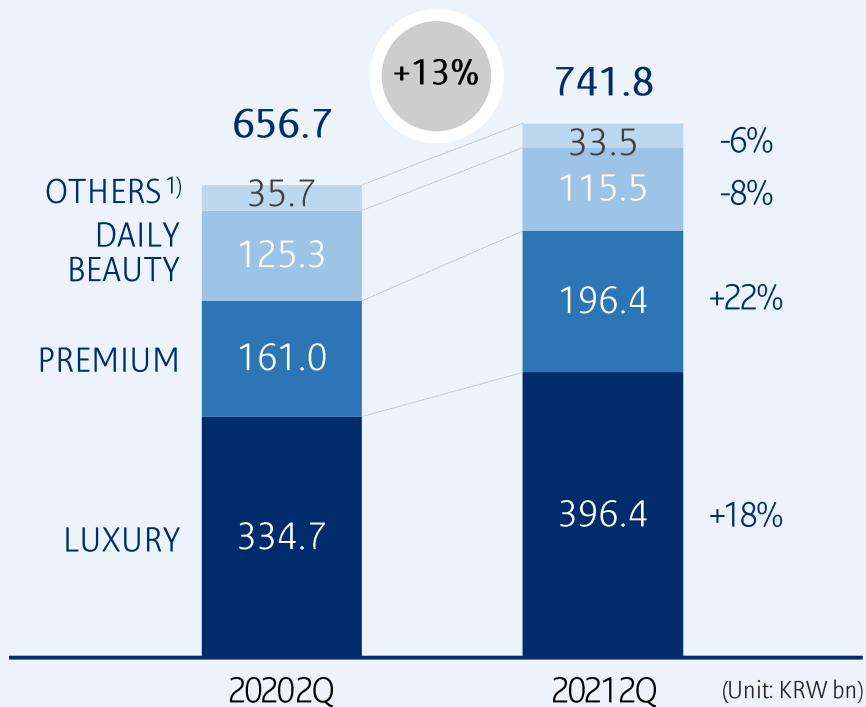
(Unit: KRW bn)

	2020 2Q	% of Revenue	2021 2Q	% of Revenue	YoY(%)
Revenue ¹⁾	1,055.7	100.0	1,176.7	100.0	+11.5
Domestic	656.7	62.2	741.8	63.0	+13.0
Cosmetics	531.4	50.3	626.3	53.2	+17.9
Daily Beauty	125.3	11.9	115.5	9.8	-7.8
Overseas	405.4	38.4	445.2	37.8	+9.8
	2020 2Q	OP Margin (%)	2021 2Q	OP Margin (%)	YoY(%)
Operating Profit ¹⁾	35.2	3.3	91.2	7.8	+158.9
Domestic	50.6	7.7	82.1	11.1	+62.3
Cosmetics	45.2	8.5	84.4	13.5	+86.7
Daily Beauty	5.4	4.3	-2.3	-2.0	Turned to red
Overseas	-21.0	-5.2	9.4	2.1	Turned to profit
Net Profit	6.7	0.6	59.2	5.0	+778.4

1) Includes intercompany transactions

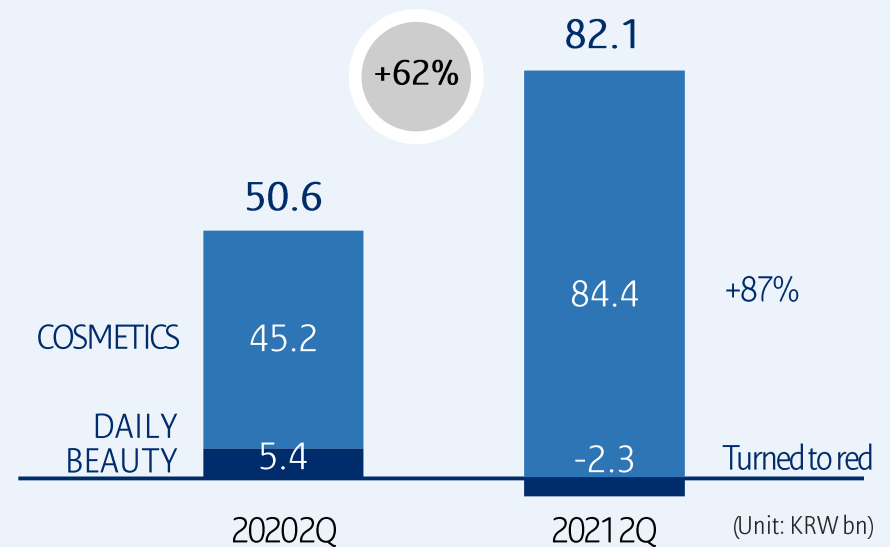
Revenue increased 13%

- Online sales grew by approximately 40%
- Travel retail revenue increased (34% of total revenue)
- Traditional channel revenue declined, but the decline rate narrowed



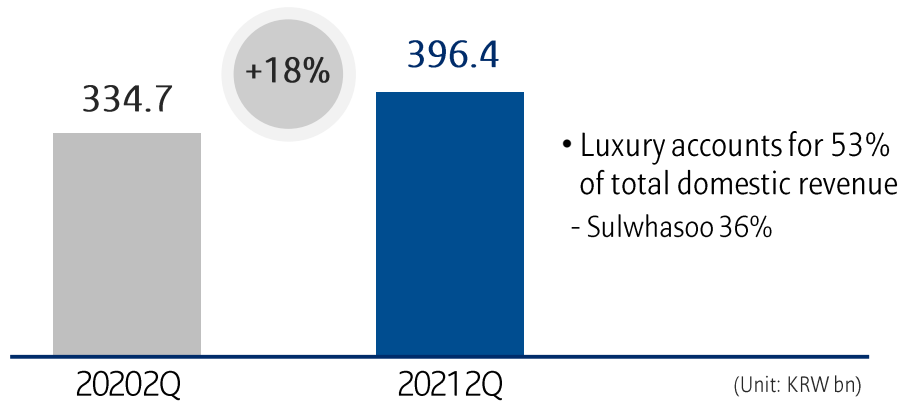
Operating Profit increased 62%

- Cosmetics operating profit increased due to improved traditional channel's operating profit and channel mix
- Daily Beauty turned to red due to increase in marketing expense with the launch of new premium lines



1) Others: OEM, Rental Income etc.

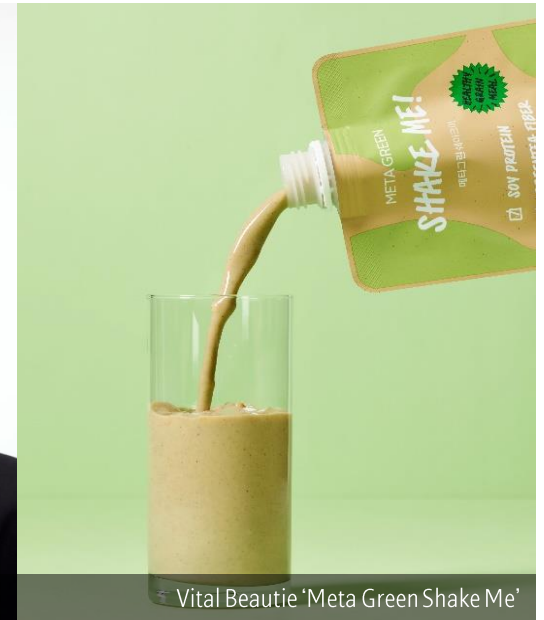
LUXURY



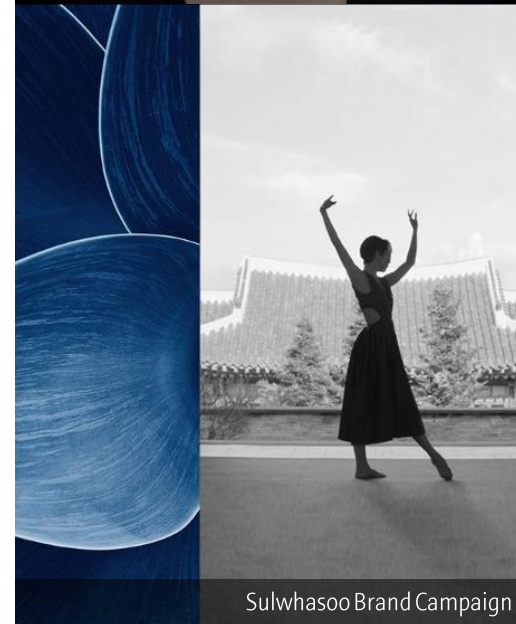
- Online channel posted strong growth due to optimized digital marketing and strengthened relationship with digital platforms
- Product portfolio expanded with renewal of key products and launch of innovative products
 - Hera 'Black Cushion', Vital Beautie 'Meta Green Shake Me'
- Reinforced brand image by communicating brand's core values
 - [Sulwhasoo] Initiated annual brand campaign
 - [AP] Strengthened its position in the luxury segment by promoting 'TIME RESPONSE Intensive Renewal Ampoule'



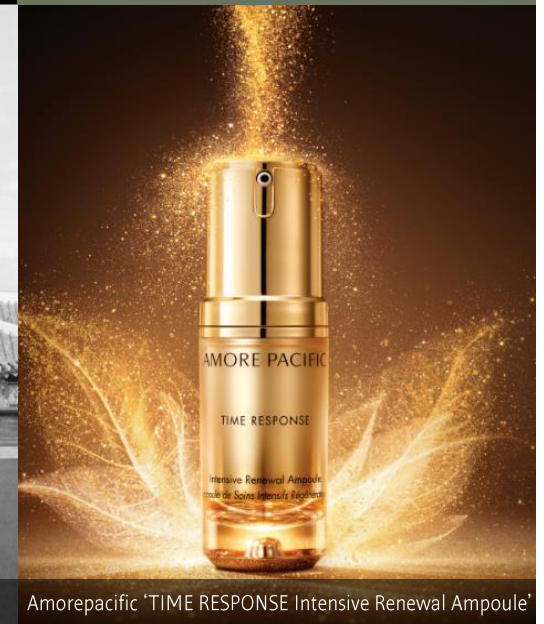
Hera 'Black Cushion'



Vital Beautie 'Meta Green Shake Me'

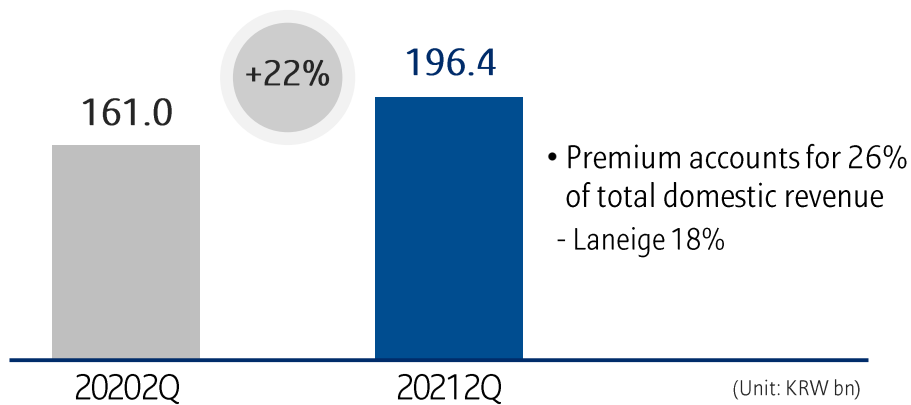


Sulwhasoo Brand Campaign



Amorepacific 'TIME RESPONSE Intensive Renewal Ampoule'

PREMIUM



- Online sales showed strong growth due to increase in sales of major digital platforms
- Reinforced product portfolio through expansion and renewal of key category products
 - [Iope] Renewed 'Bio Conditioning Essence' and launched 'Retinol Expert 0.2%'
 - [Hanyul] Expanded its best selling 'Pure Artemisia' line by launching gel cleanser and serum products
 - [Cube Me] Launched 'Collagen Cube First' and 'Collagen Cube Plus'
- Strengthened brand attractiveness with various collaborations
 - [Laneige] Collaborated with Samsung 'Galaxy Buds Pro' and launched 'Neo Cushion Matte Phantom Violet'
 - [Mamonde] Launched a collaborative campaign with a famous Korean musician and streamed 'Live Concert in Mamonde Garden'



Iope 'Bio Conditioning Essence'



Cube Me 'Collagen Cube First, Collagen Cube Plus'

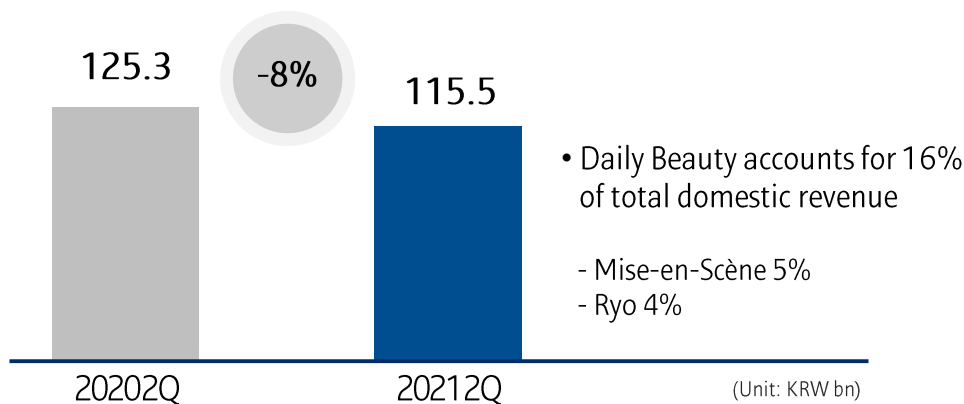


Laneige 'Neo Cushion Matte Phantom Violet'



Hanyul 'Pure Artemisia Calming Water Ampoule Serum'

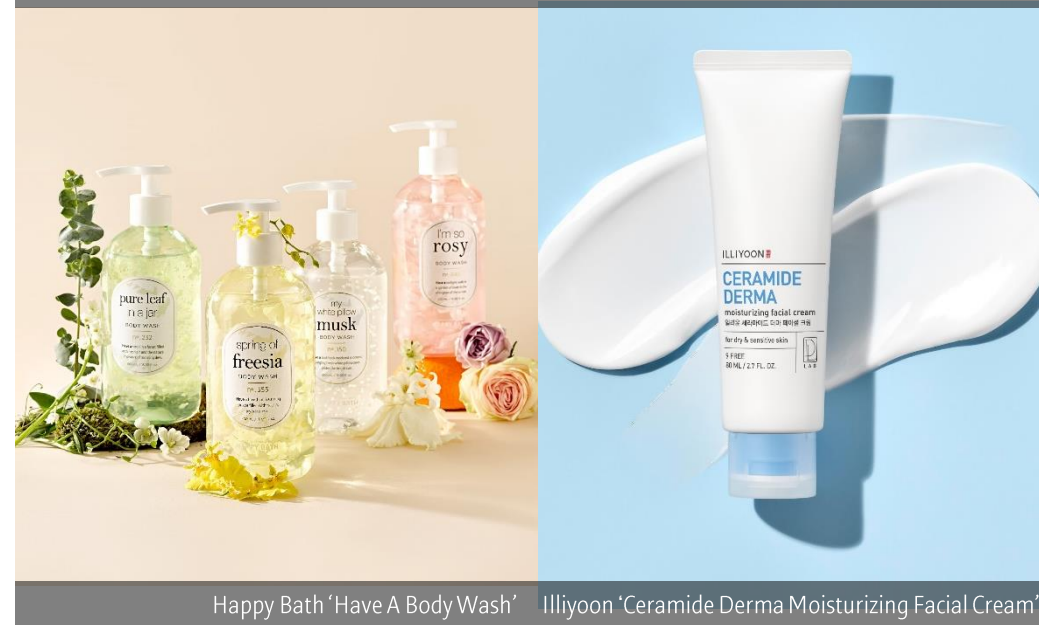
DAILY BEAUTY



• Daily Beauty accounts for 16% of total domestic revenue

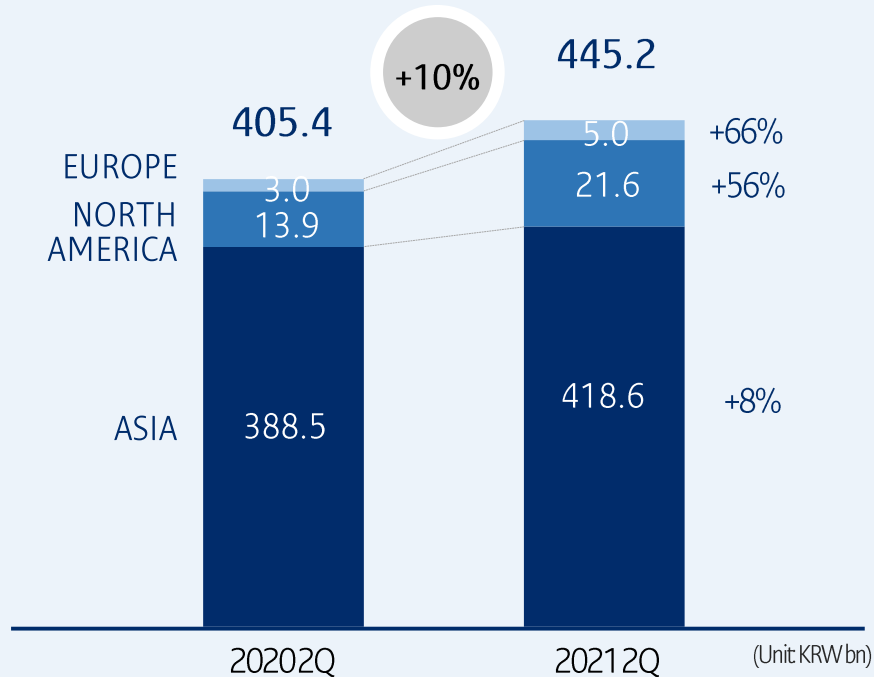
- Mise-en-Scène 5%
- Ryo 4%

- Sales of major brands (Ryo, Happy Bath) decreased due to decline in demand for shampoo and body cleansers
- Domestic online sales continued to grow by double digits
- Focused on developing functional premium line
 - [Ryo] Launched the renewed 'Hair Loss Expert Care Shampoo'
 - [Mise-en-Scène] Launched 'Salon Plus Clinic 10 Essence Pack' for professionals
 - [Happy Bath] Launched the perfumed body wash 'Have A Body Wash'
 - [Illiyoon] Launched 'Ceramide Derma Moisturizing Facial Cream' to respond to the demand in the derma skincare market



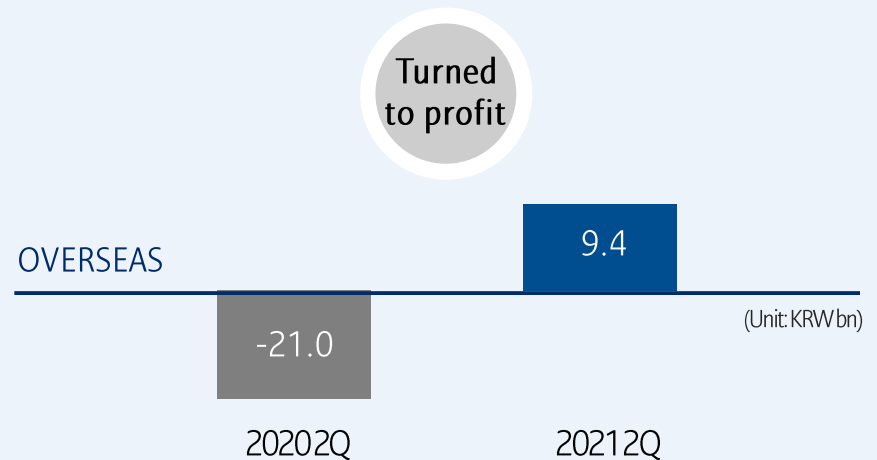
Revenue increased 10%

- Asia revenue showed 8% growth (China sales accounts for more than 70% of Asia sales)
- North America revenue increased by 56% through sales recovery from offline channels
- Europe sales grew by 66% as all of the brands' sales increased
- Online channel continued strong growth in major countries



Operating profit turned to profit

- Asia turned to profit through focus on nurturing Sulwhasoo and growth in online channel
- North America and Europe turned to profit due to increase in sales of major brands and cost savings



ASIA

- China revenue grew by mid-single digit in local currency
 - Sulwhasoo sales increased 60% by focusing on nurturing the 'Concentrated Ginseng' Line
 - Luxury online sales grew by approximately 100%
 - Innisfree sales declined by more than 20% due to store restructuring
- Other Asia revenue increased through brand mix improvement and e-commerce growth
 - Sulwhasoo grew by more than 60% in ASEAN countries due to strengthening marketing message as a functional anti-aging brand
 - Laneige, Innisfree grew by double digits in ASEAN countries



Sulwhasoo Launch of 'Timetreasure Honorstige' (China)



Laneige 'Radian-Cx RICO' Collaboration (China)

NORTH AMERICA & EUROPE

- North America revenue grew from increase in sales of e-commerce and multi-brand shop channels
 - Innisfree online sales posted growth with its launch in Amazon
 - Sulwhasoo posted strong growth in Sephora with 'First Care Activating Serum' gaining popularity
- Europe revenue grew by nurturing growing channels, leading to increase in sales of all brands
 - Innisfree and Laneige gained growth in sales from Europe Sephora
 - Laneige launched in the British online beauty platform 'Cult Beauty'



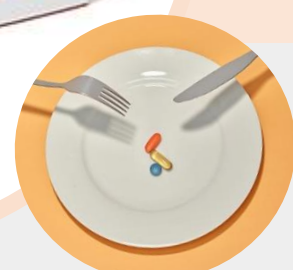
Mamonde 'Vital Vitamin' Renewal (China)



Laneige 'Water Bank Around A Clock Hydration Kit' (N.A.)

Vital Beautie launches a personalized health supplements recommendation and order service

Vital Beautie launched 'MY Vital Beautie' at Amore Store Gwanggyo, where customers can buy small amounts of health supplements customized to their personal health and lifestyle



Amorepacific releases a customized service creating foundation and bath bombs tailored to customer choices

Amorepacific launched 'Base Picker' at Amore-Seongsu and 'Bathbot' at Amore Store Gwanggyo



Amorepacific signs MOU with Hansol Paper to develop eco-friendly packaging technology

The two companies joint forces to develop sustainable, environment friendly packaging and raw materials



Amorepacific invests in HEM, a microbiome research company to strengthen Amorepacific's research on microbiome

Amorepacific's research on microorganism and product development capability will create synergy with HEM's microbiome research

Amorepacific announces five sustainability commitments for 2030, '2030 A MORE Beautiful Promise'

'2030 A MORE Beautiful Promise' is composed of five sustainable management goals under two overarching directions:

- 1) Move Forward Together with Customers and Society
- 2) Coexist Responsibly with Nature



A MORE BEAUTIFUL PROMISE

Move Forward Together with Customers and Society

Amorepacific will continue purpose-driven brand activities that promote sustainable consumption and contribute to a stronger society in ways that enhance our customers' lifestyles

Coexist Responsibly with Nature

Amorepacific will continue to address the climate crisis together with others and seek to coexist in harmony with the natural world around us

Amorepacific establishes the ESG Committee

The Board of Directors created an ESG Committee in April 2021 to strengthen Amorepacific's determination towards sustainable development and establish a sustainable management system

Income Statement

(Unit: KRW bn, %)

	2020 2Q		2021 2Q	
	Amount	% of Sales	Amount	% of Sales
Revenue	1,055.7	100.0	1,176.7	100.0
Cost of sales	300.1	28.4	322.8	27.4
Gross Profit	755.6	71.6	853.9	72.6
SG&A Expenses	720.4	68.2	762.7	64.8
Operating Profit	35.2	3.3	91.2	7.8
Non-Operating Profit/Expense	-16.5		-3.1	
Profit Before Tax	18.7	1.8	88.1	7.5
Consolidated Net Income	6.7	0.6	59.2	5.0

Statement of Financial Position

(Unit: KRW bn)

	2020.12	2021.06
Assets	5,701.9	5,805.8
Current Assets	1,825.7	2,051.1
Trade receivables	283.8	365.0
Inventories	414.5	466.5
Non-current Assets	3,876.2	3,754.8
Property, Plant and Equipment	2,566.3	2,499.1
Intangible Assets	208.8	202.8
Investments in associates	52.5	54.9
Liabilities	1,237.5	1,187.4
Current Liabilities	965.9	945.0
Non-current Liabilities	271.6	242.3
Shareholder's Equity	4,464.4	4,618.5
Capital Stock	34.5	34.5
Retained Earnings	3,847.7	3,987.9
Non-controlling Interest	-3.5	-3.0