



AMOREPACIFIC Group 2016 Earnings Release

- 1 2016 Earnings Summary
- 2 Earnings by Subsidiary
- 3 4Q 2016 Earnings Summary
- 4 Financial Summary
- 5 2017 Business Plan

본 자료는 참고용으로 제작되었으며, 제시된 정보에 중대한 영향을 미칠 수 있는 사건이나 회계 기준의 변경 등에 의해 수정될 수 있습니다.
또한 외부감사인의 감사가 완료되지 않은 상태에서 작성되었으므로 내용 중 일부는 외부감사인의 최종 검토과정에서 변경될 수 있습니다.

Sales up 18.3% to KRW 6.7 trillion, OP up 18.5% to KRW 1.1 trillion

Sales & OP by Division

KRW bn

	2015	2016	YoY(%)
Sales	5,661.2	6,697.6	18.3
Beauty subsidiaries 1)	5,803.1	6,950.4	19.8
Non-beauty subsidiaries 2)	161.7	183.4	13.4
Others 3)	-303.6	-436.2	
	2015	2016	YoY(%)
Operating Profit (OPM)	913.6 (16.1%)	1,082.8 (16.2%)	18.5
Beauty subsidiaries (OPM)	910.8 (15.7%)	1,091.4 (15.7%)	19.8
Non-beauty subsidiaries (OPM)	2.6 (1.6%)	8.9 (4.9%)	237.7
Others	0.1	-17.5	
Net Profit (Margin)	673.9 (11.9%)	811.5 (12.1%)	20.4

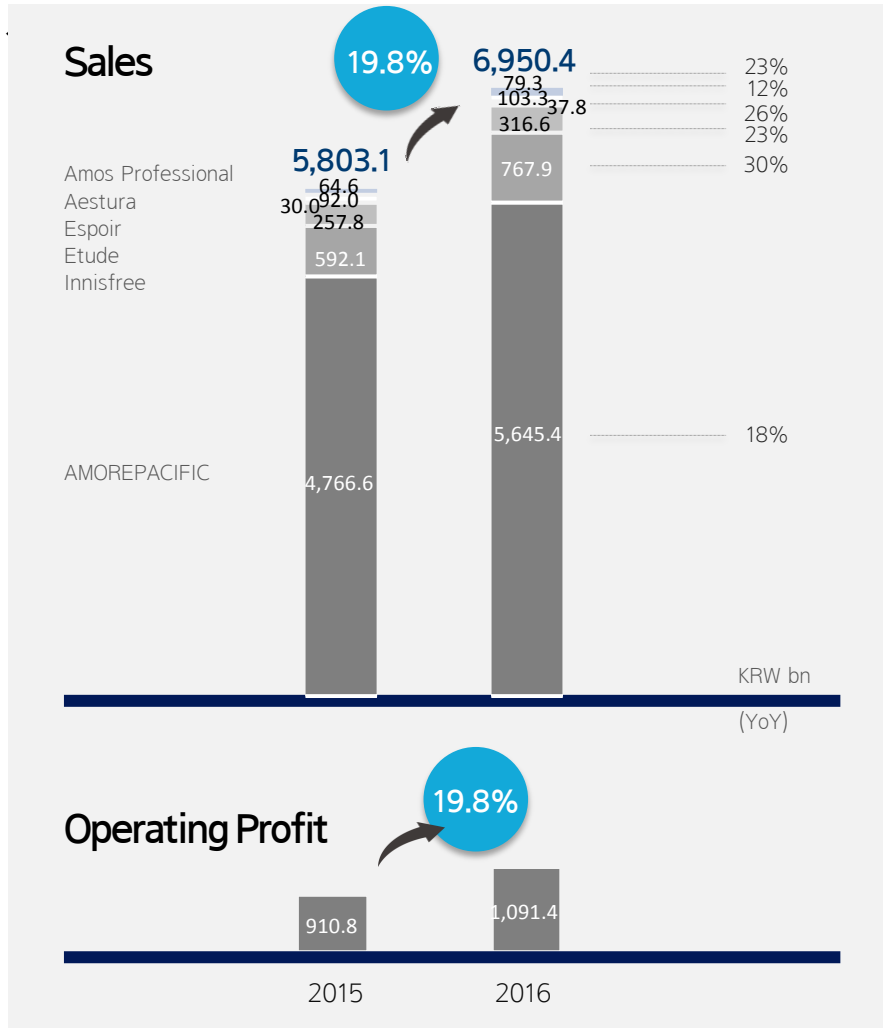
1) Beauty subsidiaries: AMOREPACIFIC, Innisfree, Etude, Espoir, Aestura, Amos Professional

2) Non-beauty Subsidiaries: APG, Pacific Glas, Pacific Package and OSulloc Farm*

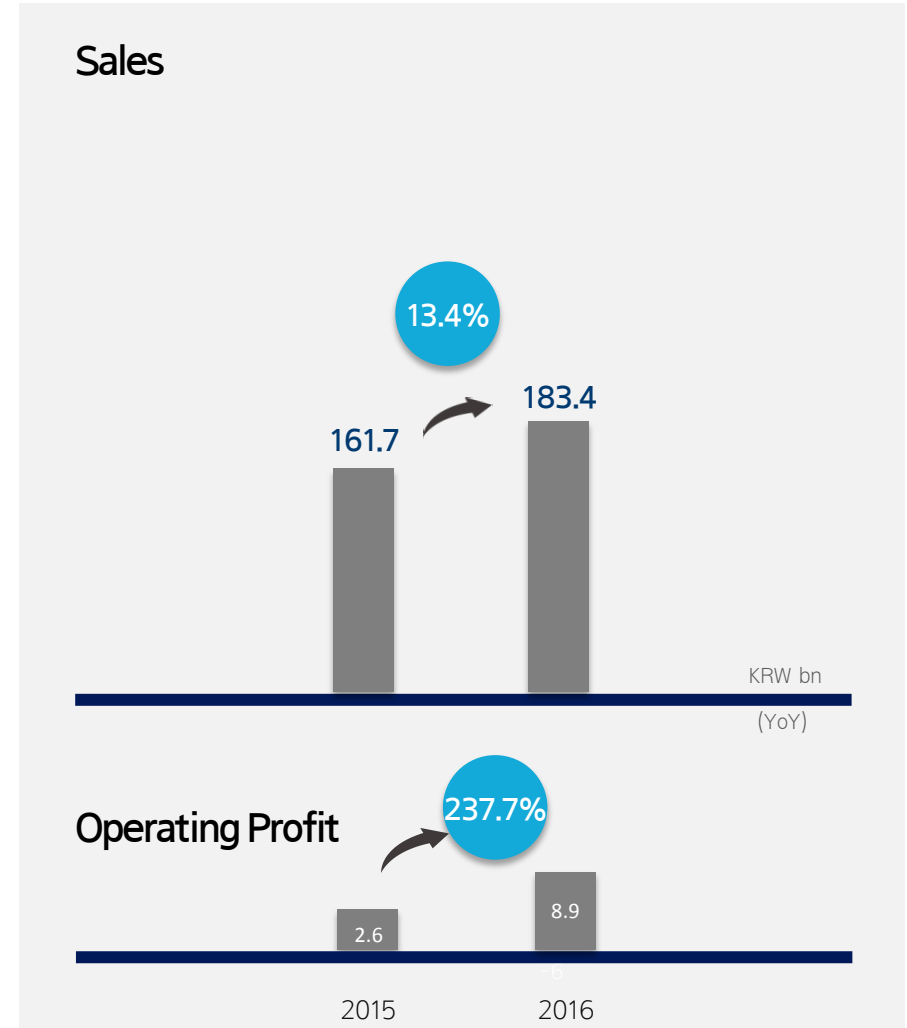
OSulloc Farm*: Former Jangwon Industry

3) Others: Including intercompany transaction

Beauty subsidiaries



Non-Beauty subsidiaries



AMOREPACIFIC Sales +18%, OP +10%

Domestic

- (Luxury) Achieved quality growth by solidifying Sulwhasoo's position as Asia's representative luxury brand, Sulwhasoo enhanced its brand recognition as a holistic beauty brand encompassing Asian beauty values, Hera set the foundation for global expansion by strengthening the leading Seoul trend 'Seoulista' brand story and product lines, travel retail channel achieved solid sales from increased sales of key brands
- (Premium) Strengthened key brands' core values through diverse marketing activities as well as new product launches, Aritaum channel enhanced retail competency by strengthening offline store environment and mobile platform, Digital channel poised for quality growth

Mass & OSulloc

- (Mass) Continued 'premiumization' of the hair and body care category, reorganized quality management process
- (OSulloc) Enhanced OSulloc brand equity through strengthened product competitiveness and channel restructuring

Overseas

- Continued robust sales growth and expanded new stores mainly for the 5 major global champion brands in China and ASEAN region
- North America business revenue grew from key brands through regional and channel expansion, explored growth opportunities through market studies
- Europe business showed revenue growth through increased sales of key products

Innisfree Sales +30%, OP +56%

- Enhanced brand appeal through global brand campaigns (Play Green Festival, Green Christmas Campaign and etc.) and expanded in-store customer experience (stores with cafes, VR zones)
- Robust sales growth from increased sales of Jeju heritage products (Green Tea Seed Serum, Super Volcanic Pore Clay Mask, Orchid Enriched Cream and etc.) and launch of new product lines (Jeju Lava Seawater Essence, My Cushion and etc.)
- Improved profitability with enhanced efficiency of Road shops and sales growth of online and travel retail channel

Etude Sales +23%, OP +1,153%

- Solid sales growth through successful new product launches (Play 101 Stick, Tint My Brows Gel, Berry Delicious Line, and etc.)
- Sharp increase in profitability through sales growth of current stores, robust sales growth from the online and duty free channel, and optimization of distribution channels

	AMOREPACIFIC _ Consolidated		
	2015	2016	YoY
Sales	4,766.6	5,645.4	18%
GP	3,597.2	4,220.7	17%
SG&A expenses	2,824.3	3,372.6	19%
OP	772.9	848.1	10%
Innisfree			
Sales	592.1	767.9	30%
GP	420.8	559.2	33%
SG&A expenses	295.2	362.7	23%
OP	125.6	196.5	56%
Etude			
Sales	257.8	316.6	23%
GP	143.3	191.4	34%
SG&A expenses	140.9	161.9	15%
OP	2.4	29.5	1,153%

Unit:KRW bn

Espoir Sales +26%, Mitigated Losses

- Revenue and profitability improved through robust sales of key products (Nowear Lipstick, Pro Tailor Foundation, Super Definition Face Brush, and etc.)
- Strengthened brand appeal as a professional makeup brand

Aestura Sales +12%, Turned to Black

- Sales growth from increased sales of inner beauty products and key medical beauty brands (Atobarrier)
- Improved profitability through efficient cost management

Amos Professional Sales +23%, OP +22%

- Revenue growth from increased sales of representative Amos products (Feel the Green Tea, Colorgenic True Sync S) and premium hair salon brand Ayunche
- Enhanced brand recognition through diverse marketing activities (Salon Inspiration event, pictorial magazine spreads)

	Espoir		
	2015	2016	YoY
Sales	30.0	37.8	26%
GP	23.1	31.1	35%
SG&A expenses	26.1	32.1	23%
OP	-3.0	-0.9	Mitigated Losses
	Aestura		
	2015	2016	YoY
Sales	92.0	103.3	12%
GP	21.0	22.4	7%
SG&A expenses	21.3	20.3	-5%
OP	-0.3	2.1	Turned to Black
	Amos Professional		
	2015	2016	YoY
Sales	64.6	79.3	23%
GP	36.4	46.4	28%
SG&A expenses	23.2	30.3	31%
OP	13.2	16.1	22%

Unit:KRW bn

Sales up 7.3% to KRW 1.6trillion, OP down 16.5% to KRW 0.1trillion

Sales & OP by Division

KRW bn

YTD	2015 4Q	2016 4Q	YoY(%)
Sales	1,457.6	1,564.3	7.3
Beauty subsidiaries 1)	1,501.9	1,631.6	8.6
Non-beauty subsidiaries 2)	41.9	47.3	13.0
Others 3)	-86.1	-114.6	
	2015 4Q	2016 4Q	YoY(%)
Operating Profit (OPM)	161.0 (11.0%)	134.4 (8.6%)	-16.5
Beauty subsidiaries (OPM)	160.5 (10.7%)	143.8 (8.8%)	-10.4
Non-beauty subsidiaries (OPM)	-0.1 (0.2%)	-2.7 (-5.7%)	Increased Losses
Others	0.6	-6.7	
Net Profit (Margin)	92.0 (6.3%)	88.0 (5.6%)	-4.3

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2) Non-beauty Subsidiaries: APG, Pacific Glas, Pacific Package and OSulloc Farm*

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Income Statement

KRW bn

	2015년		2016년	
Sales	5,661.2	100.0%	6,697.6	100.0%
Gross Profit	4,246.2	75.0%	5,056.7	75.5%
SG&A expenses	3,332.6	58.9%	3,973.9	59.3%
Operating Profit	913.6	16.1%	1,082.8	16.2%
Non-operating Profit/Expenses	8.0		5.5	
Profit before tax	921.6	16.3%	1,088.3	16.2%
Consolidated net income	673.9	11.9%	811.5	12.1%

Statements of Financial Position

KRW bn

	2015.12	2016.12
Assets	6,148.0	7,088.4
Current assets	2,537.9	2,942.6
Non-current assets	3,610.0	4,145.8
Liabilities	1,260.2	1,521.5
Current liabilities	978.5	1,321.1
Non-current liabilities	281.7	200.4
Shareholder's Equity	4,887.8	5,566.9
Capital stock	44.5	44.5
Additional paid-in capital	673.0	673.0
Capital surplus	22.6	22.6
Other components of equity	-146.2	-146.0
Accumulated other comprehensive income	-9.2	-11.9
Retained earnings	1,948.1	2,251.0
Non-controlling interest	2,355.1	2,733.6

Back To Basics

Sales 10% YoY, OP 10% YoY growth target

Global | Digital | Retail

1 Wider Global Presence

2 Higher Digital Capabilities

3 More Sophisticated Retail Channels

4 Greater Brand Singularity

5 More Refined Business Innovation

6 Quality Innovation and High, Sustainable Growth