

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 mesh-like effect. The overall aesthetic is clean, modern, and professional.

AMORE PACIFIC

GROUP

3Q 2021 Earnings Release

2021. 10. 29



CONTENTS

1. 3Q 2021 YTD Earnings Summary

2. 3Q 2021 Earnings Summary

3. Earnings by Subsidiary

- Amorepacific
- Major Subsidiaries

4. A MORE NEWS

5. ESG Activities

6. Financial Summary

AMORE PACIFIC
GROUP

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.

Amorepacific Group 3Q 2021 YTD Earnings Summary

Revenue up 6.5% to KRW 3.9 trillion, Operating Profit up 114.3% to KRW 353.9 billion

Major subsidiary Amorepacific's revenue up 8.0% to KRW 3.54 trillion, operating profit up 108.8% to KRW 317.8 billion

(Unit: KRW bn)

	2020 3Q YTD		2021 3Q YTD		YoY(%)
Revenue	3,668.7		3,905.4		+6.5
Amorepacific ¹⁾	3,275.2		3,538.4		+8.0
Beauty Subsidiaries ²⁾	527.9		495.8		-6.1
Other Subsidiaries ³⁾	233.8		254.6		+8.9
Others ⁴⁾	-368.2		-383.3		-
	2020 3Q YTD	OP Margin (%)	2021 3Q YTD	OP Margin (%)	YoY(%)
Operating Profit	165.2	4.5	353.9	9.1	+114.3
Amorepacific ¹⁾	152.2	4.6	317.8	9.0	+108.8
Beauty Subsidiaries ²⁾	9.5	1.8	26.7	5.4	+181.1
Other Subsidiaries ³⁾	-7.6	-3.2	4.8	1.9	Turned to profit
Others ⁴⁾	11.0	-	4.6	-	-
Net Profit	107.0	2.9	365.1	9.3	+241.3

1) As per Aestura's merger with Amorepacific Corp. on September 1st 2021, Aestura's revenue and operating profit are included in Amorepacific's earnings as of September 2021

2) Beauty Subsidiaries: Innisfree, Aestura*, Etude, Espoir, Amos Professional

* Aestura's revenue and operating profit are excluded from September 2021 since its merger with Amorepacific Corp.

3) Other Subsidiaries: Amorepacific Group, Pacific Glas*, Pacific Package, Osulloc Farm, Osulloc, Cosvision
* Revenue and operating profit for Pacific Glas are not recognized from 2Q 2021 due to partial stake sale

4) Others: Intercompany transactions

Amorepacific Group 3Q 2021 Earnings Summary

Revenue up 0.5% to KRW 1.2 trillion, Operating Profit down 15.3% to KRW 51.7 billion

Major subsidiary Amorepacific's revenue up 1.9% to KRW 1.11 trillion, operating profit down 10.2% to KRW 50.3 billion

(Unit: KRW bn)

	2020 3Q		2021 3Q		YoY(%)
Revenue	1,208.6		1,214.5		+0.5
Amorepacific ¹⁾	1,088.6		1,108.9		+1.9
Beauty Subsidiaries ²⁾	156.0		143.8		-7.8
Other Subsidiaries ³⁾	79.5		75.2		-5.4
Others ⁴⁾	-115.6		-113.4		-
	2020 3Q	OP Margin (%)	2021 3Q	OP Margin (%)	YoY(%)
Operating Profit	61.0	5.0	51.7	4.3	-15.3
Amorepacific ¹⁾	56.0	5.1	50.3	4.5	-10.2
Beauty Subsidiaries ²⁾	-2.4	-1.6	-0.8	-0.6	Mitigated loss
Other Subsidiaries ³⁾	-0.9	-1.2	-0.6	-0.8	Mitigated loss
Others ⁴⁾	8.3	-	2.7	-	-
Net Profit	7.0	0.6	45.5	3.7	+547.0

1) As per Aestura's merger with Amorepacific Corp. on September 1st 2021, Aestura's revenue and operating profit are included in Amorepacific's earnings as of September 2021

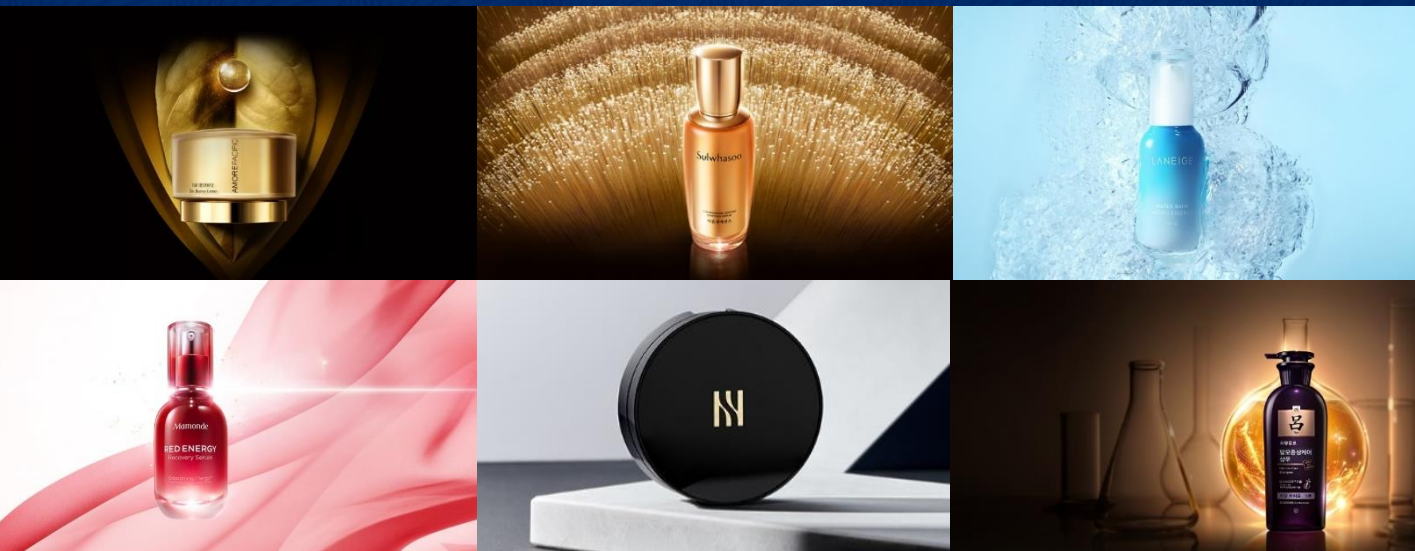
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4) Others: Intercompany transactions

AMOREPACIFIC
GROUP



3Q 2021 Earnings Release

Earnings by Subsidiary

Amorepacific

Amorepacific 3Q 2021 YTD Earnings Summary

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

Amorepacific 3Q 2021 Earnings Summary

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%

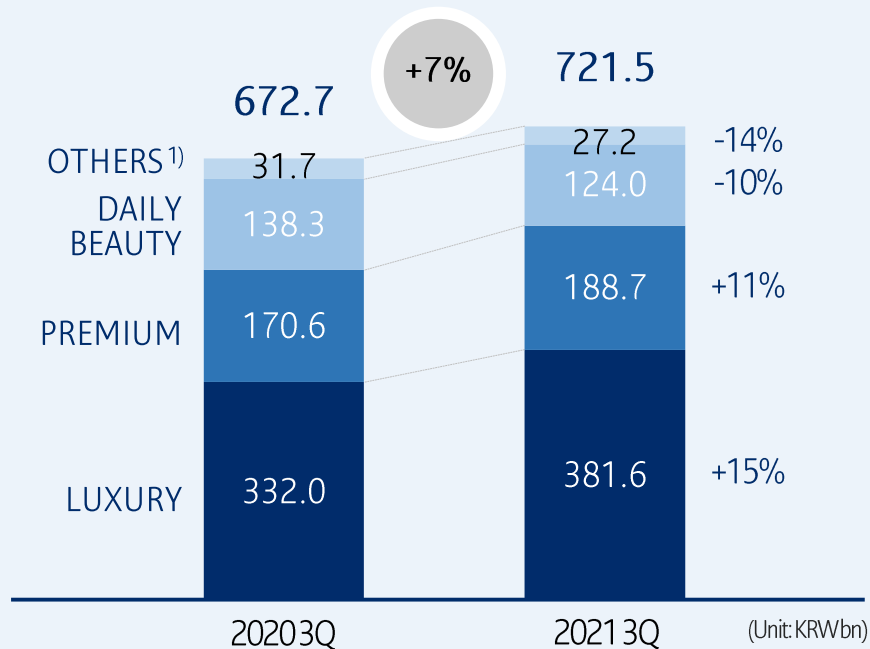
(Unit: KRW bn)

	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

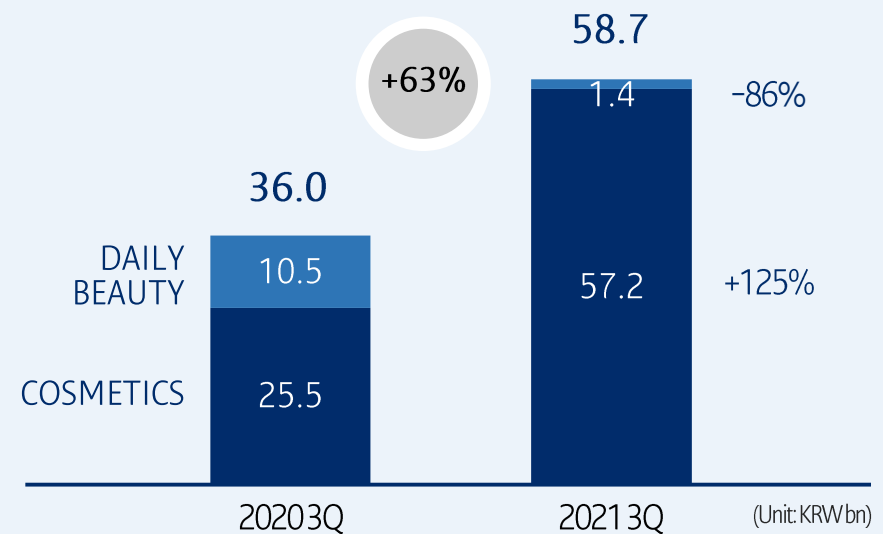
Revenue increased 7%

- 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



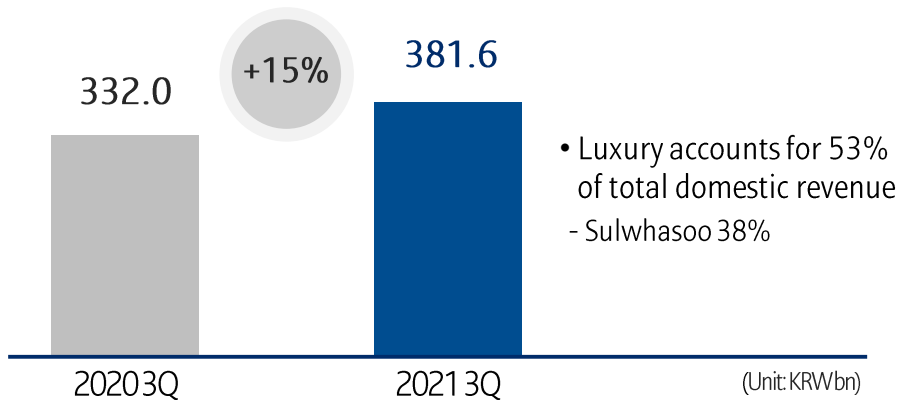
Operating Profit increased 63%

- 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'

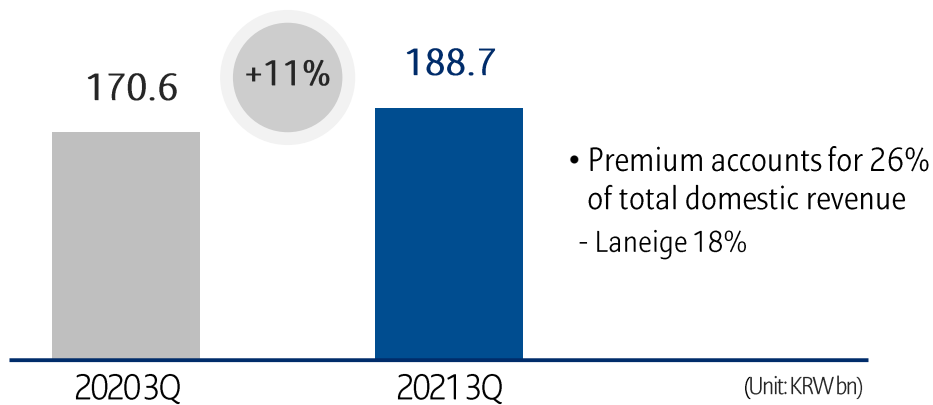


Hera 'Black Cushion Couture'

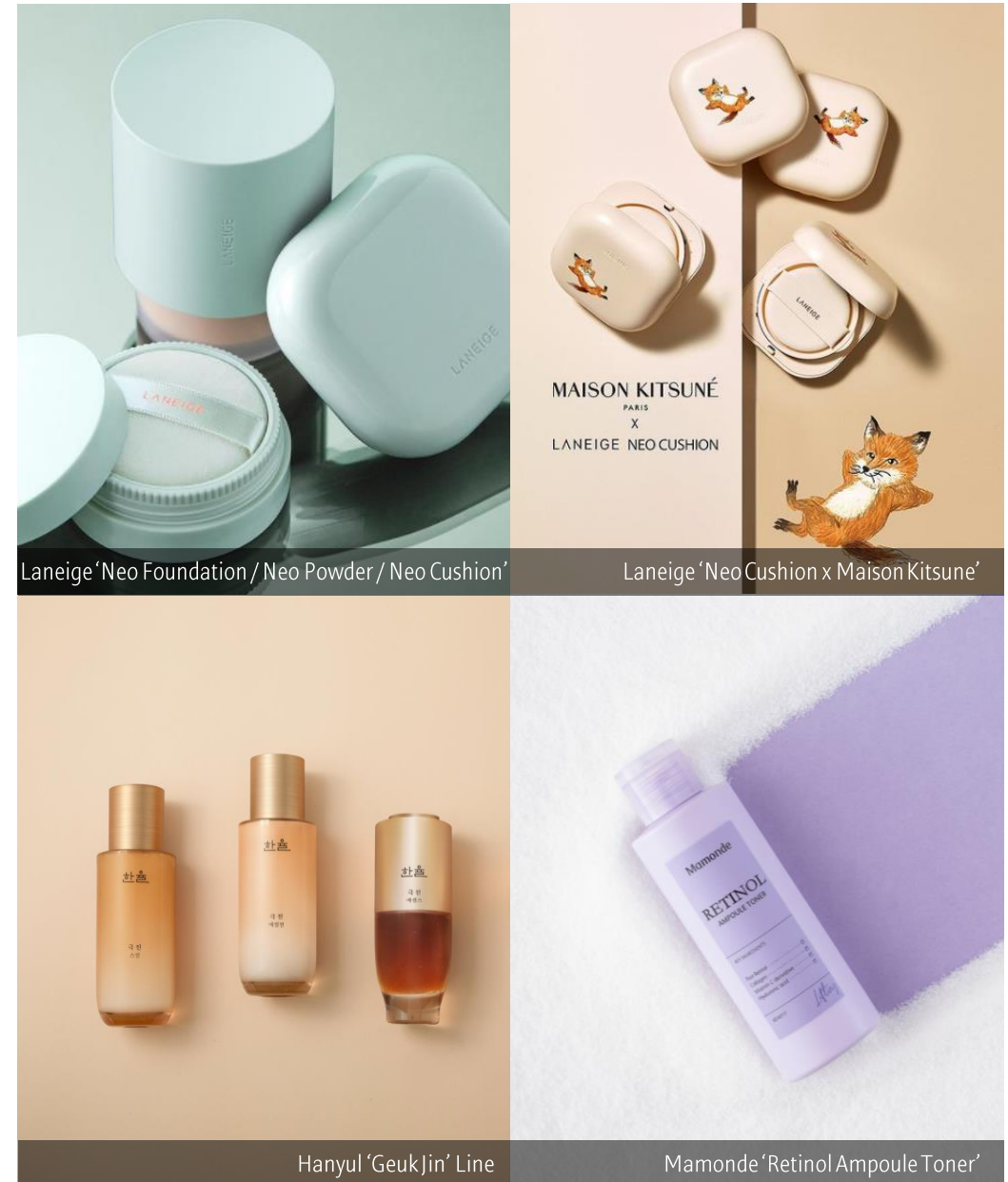


Primera 'Free & Free' Line

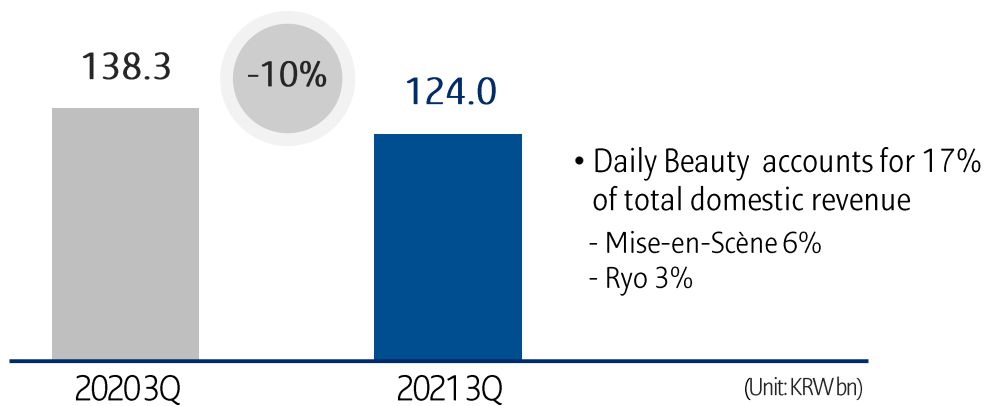
PREMIUM



- 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

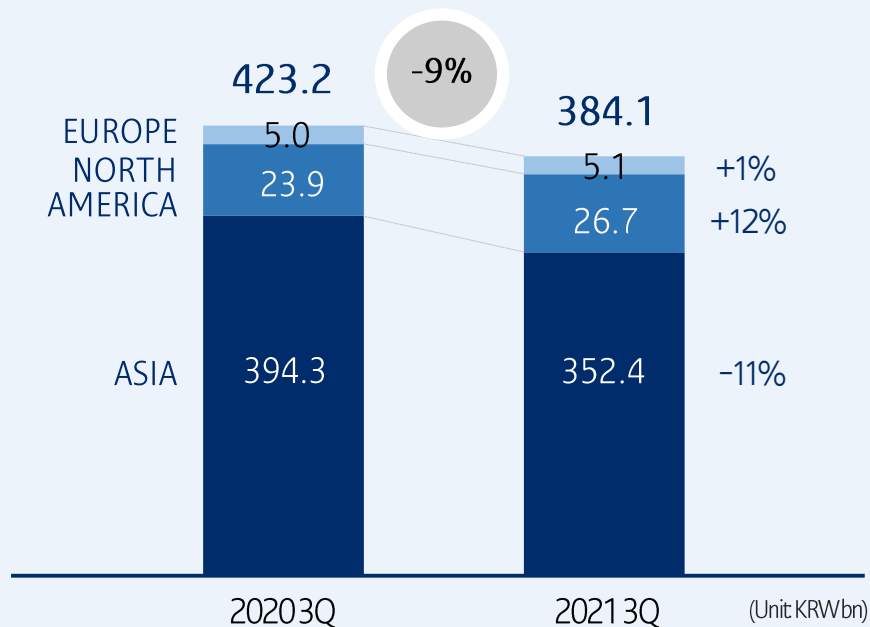


- Sales of premium cleansing/moisturizing products increased, but total revenue declined as Ryo's global e-commerce sales decreased due to Ryo's expansion of local business in the global market
- Domestic e-commerce sales continued to grow by more than 10%
- Focused on developing functional premium lines
 - [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



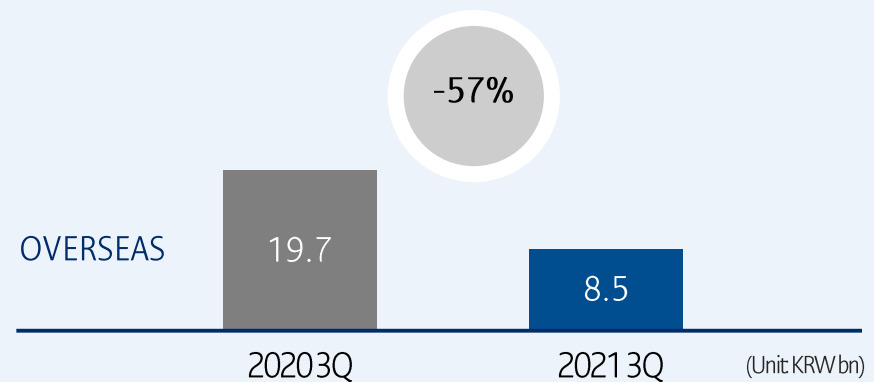
Revenue decreased 9%

- 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



Amorepacific Overseas Business

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)



3Q 2021 Earnings Release

Earnings by Subsidiary
Major Subsidiaries

Major Subsidiaries Earnings

Revenue		(Unit: KRWbn)	
	2020 3Q	2021 3Q	YoY(%)
Innisfree	80.3	72.2	-10.2
Etude	26.6	25.9	-2.6
Espoir	10.2	11.3	+10.5
Amos Professional	17.2	14.3	-16.8
Osulloc	12.8	15.2	+18.5

Operating profit		(Unit: KRWbn)	
	2020 3Q	2021 3Q	YoY(%)
Innisfree	-0.2	-0.0	Mitigated loss
Etude	-5.1	-2.5	Mitigated loss
Espoir	-1.6	0.1	Turned to profit
Amos Professional	3.9	2.8	-26.9
Osulloc	0.4	0.7	+83.5



- Despite growth of third party platform online sales from strengthened relationship with digital platforms, overall revenue declined due to restructuring of offline stores
- Mitigated loss through streamlining of offline channel and increase in online revenue portion



- Sales for e-commerce and multi-brand shop channels increased as a result of reinforced online marketing, but closure of offline stores weakened overall revenue
- Reduction in fixed cost related to store operation mitigated loss



- Overall revenue increased driven by strong sales from e-commerce platform and successful launch of new products
- Turned to profit due to improvement in profit structure of offline channel



- Ayunche sales grew by enhancing product portfolio and strengthening its omni-channel marketing
- Overall revenue and operating profit decreased as a result of focusing more on salon oriented business and closing travel retail counters



- Online sales posted strong growth boosted by sales of Chuseok (Korean Thanksgiving) gift sets and increased live commerce
- Operating profit increased by improvement in channel mix

New Product Launches and Marketing Activities



Etude

Launch of three F/W colors of 'Fixing Tint'
A joint production with Youtube star Jeyu



Espoir

#1 in September Powder Room's cushion category
Launch of 'Pro Tailor Be Glow Cushion All New'



Innisfree

Launch of 'Retinol Cica Repair Ampoule'
High efficacy product for sensitive skin, developed by Innisfree's Green Innovation Lab



Amos Professional

Launch of Ayunche's 'Derma Calming' Line
A clean formula for sensitive scalp



Osulloc

Launch of premium ready-to-drink tea
'Cold Brew Green Tea' and
'Cold Brew Volcanic Oolong Tea'

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



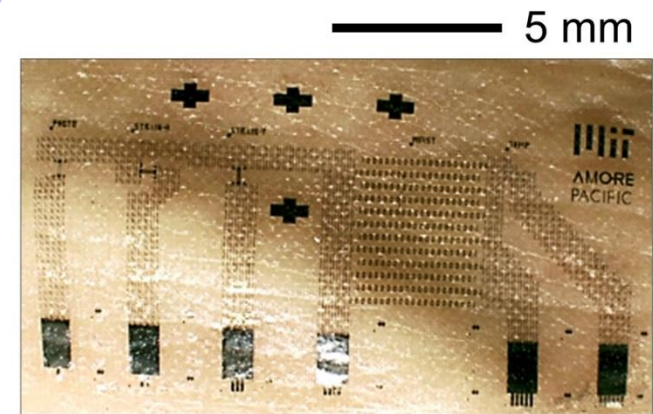
AMOREPACIFIC
X
COSRX

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'

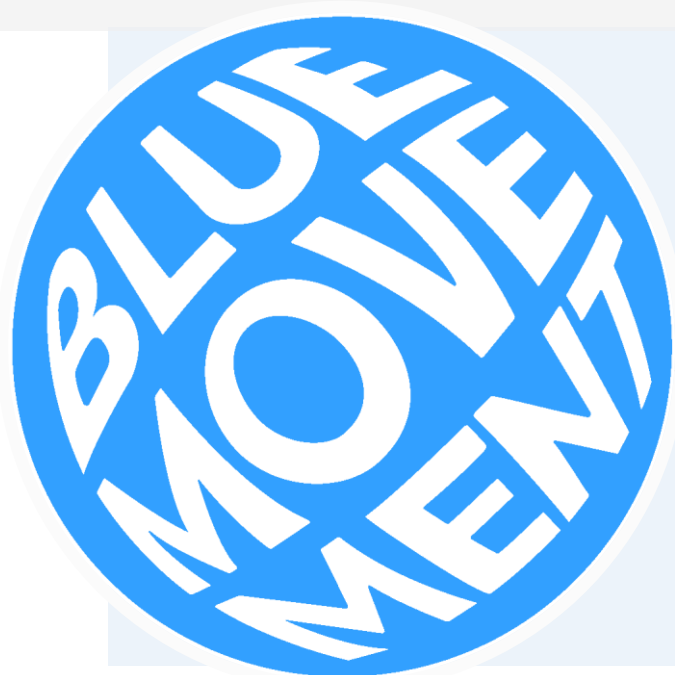


Aestura wins the '2021 Korean Brand of the Year' nominated by Chinese Customers

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

Innisfree announces its new brand philosophy striving for eco-conscious beauty

Under the slogan 'SKIN-LOVING, EARTH-CARING' and announcement of its new brand philosophy, Innisfree declared to transform into an 'ECO-CONSCIOUS BEAUTY BRAND IN JEJU ISLAND,' by pursuing healthful beauty through high efficacy, clean products and by practicing environment friendly actions to reduce environmental impact



Laneige promotes an innovative sustainable campaign, the 'Blue Movement'

Laneige hosted the 'Blue Movement,' a sustainable effort to preserve clean and clear water resources, including running a life style challenge campaign that customers can participate in everyday life as well as initiating a marine protection project with the international non-profit organization WWF (World Wildlife Fund) Korea

Amorepacific Group Financial Summary

Income Statement

(Unit: KRWbn, %)

	2020 3Q		2021 3Q	
	Amount	% of Sales	Amount	% of Sales
Revenue	1,208.6	100.0	1,214.5	100.0
Cost of sales	336.3	27.8	334.3	27.5
Gross Profit	872.3	72.2	880.2	72.5
SG&A Expenses	811.3	67.1	828.5	68.2
Operating Profit	61.0	5.0	51.7	4.3
Non-Operating Profit/Expense	-41.4		11.9	
Profit Before Tax	19.7	1.6	63.6	5.2
Consolidated Net Income	7.0	0.6	45.5	3.7

Statement of Financial Position

(Unit: KRW bn)

	2020.12	2021.09
Assets	7,788.7	8,064.1
Current Assets	2,853.1	3,150.9
Trade receivables	306.7	446.8
Inventories	478.4	571.9
Non-current Assets	4,935.7	4,913.2
Property, Plant and Equipment	3,081.1	2,981.6
Intangible Assets	719.6	711.4
Investments in associates	60.6	94.1
Liabilities	1,516.7	1,461.0
Current Liabilities	1,170.2	1,178.5
Non-current Liabilities	346.5	282.5
Shareholder's Equity	6,272.0	6,603.0
Capital Stock	48.0	48.0
Retained Earnings	2,631.9	2,816.4
Non-controlling Interest	3,022.5	3,264.7