

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 GROUP

**2022 Earnings Release**

2023. 2. 1



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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 FY 2022 Earnings Summary

Revenue down 15.6% to KRW 4.5 trillion, Operating profit down 23.7% to KRW 271.9 billion

Major subsidiary Amorepacific's revenue down 15.0% to KRW 4.1 trillion, operating profit down 37.6% to KRW 214.2 billion

(Unit: KRW bn)

	2021		2022		YoY(%)
<b>Revenue</b>	5,326.1		4,495.0		-15.6
Amorepacific <sup>1)</sup>	4,863.1		4,134.9		-15.0
Beauty Subsidiaries <sup>2)</sup>	605.0		523.8		-13.4
Others <sup>3)</sup>	-142.0		-163.8		-
	2021	OP Margin(%)	2022	OP Margin(%)	YoY(%)
<b>Operating Profit</b>	356.2	6.7	271.9	6.0	-23.7
Amorepacific <sup>1)</sup>	343.4	7.1	214.2	5.2	-37.6
Beauty Subsidiaries <sup>2)</sup>	6.7	1.1	53.1	10.1	+694.3
Others <sup>3)</sup>	6.1	-	4.5	-	-
<b>Net Profit</b>	292.0	5.5	149.2	3.3	-48.9

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

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

3) Other Subsidiaries (Amorepacific Group, Pacific Package\*, Osulloc Farm, Osulloc) and Intercompany transactions

\* Revenue and operating profit for Pacific Package are not recognized from November 2022 due to partial stake sale

# Amorepacific Group 4Q 2022 Earnings Summary

Revenue down 16.7% to KRW 1.2 trillion, Operating profit up 3331.5% to KRW 78.6 billion

Major subsidiary Amorepacific's revenue down 17.9% to KRW 1.08 trillion, operating profit up 122.9% to KRW 57.0 billion

(Unit: KRW bn)

	2021 4Q		2022 4Q		YoY(%)
Revenue	1,420.6		1,183.9		-16.7
Amorepacific	1,324.7		1,087.8		-17.9
Beauty Subsidiaries <sup>1)</sup>	109.2		136.7		+25.2
Others <sup>2)</sup>	-13.3		-40.5		-
	2021 4Q	OP Margin(%)	2022 4Q	OP Margin(%)	YoY(%)
Operating Profit	2.3	0.2	78.6	6.6	+3331.5
Amorepacific	25.6	1.9	57.0	5.2	+122.9
Beauty Subsidiaries <sup>1)</sup>	-20.0	-18.4	20.1	14.7	Turned to profit
Others <sup>2)</sup>	-3.2	-	1.5	-	-
Net Profit	-73.1	-5.1	10.7	0.9	Turned to profit

1) Beauty Subsidiaries: Innisfree, Etude, Espoir, Amos Professional

2) Other Subsidiaries (Amorepacific Group, Pacific Package\*, Osulloc Farm, Osulloc) and Intercompany transactions

\* Revenue and operating profit for Pacific Package are not recognized from November 2022 due to partial stake sale



2022 Earnings Release

Earnings by Subsidiary  
**Amorepacific**

# Amorepacific FY 2022 Earnings Summary

**Revenue down 15.0% to KRW 4.1 trillion, Operating profit down 37.6% to KRW 214.2 billion**

Domestic revenue down 16.1%, operating profit down 27.3%. Overseas revenue down 17.1%, operating profit down 84.3%

(Unit: KRW bn)

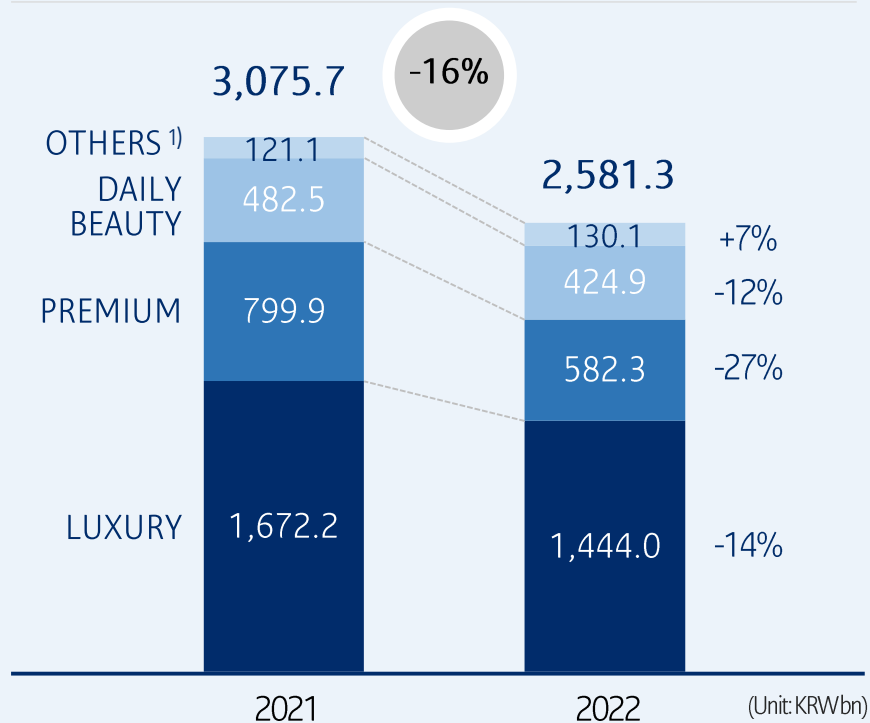
	2021	% of Revenue	2022	% of Revenue	YoY(%)
Revenue <sup>1)</sup>	4,863.1	100.0	4,134.9	100.0	-15.0
Domestic	3,075.7	63.2	2,581.3	62.4	-16.1
Cosmetics	2,593.2	53.3	2,156.4	52.2	-16.8
Daily Beauty	482.5	9.9	424.9	10.3	-11.9
Overseas	1,802.3	37.1	1,493.5	36.1	-17.1
	2021	OP Margin(%)	2022	OP Margin(%)	YoY(%)
Operating Profit <sup>1)</sup>	343.4	7.1	214.2	5.2	-37.6
Domestic	300.0	9.8	218.2	8.5	-27.3
Cosmetics	299.8	11.6	211.2	9.8	-29.6
Daily Beauty	0.2	0.0	7.0	1.6	+3097.2
Overseas	51.8	2.9	8.1	0.5	-84.3
Net Profit	180.9	3.7	129.3	3.1	-28.5

1) Includes intercompany transactions, revenue and operating profit from Aestura and Cosvision as of September 2021

# Amorepacific FY 2022 Domestic Business

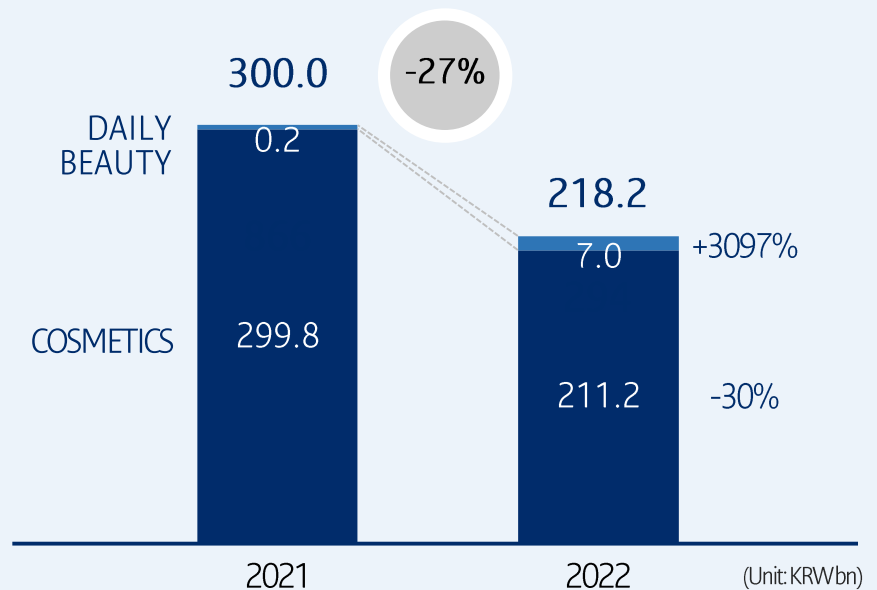
## Revenue declined 16%

- Travel retail channel revenue declined by double digit (22% of total domestic revenue)
- Online sales grew through differentiated online strategy by platforms resulting in #1 market share in cosmetics e-commerce



## Operating profit decreased 27%

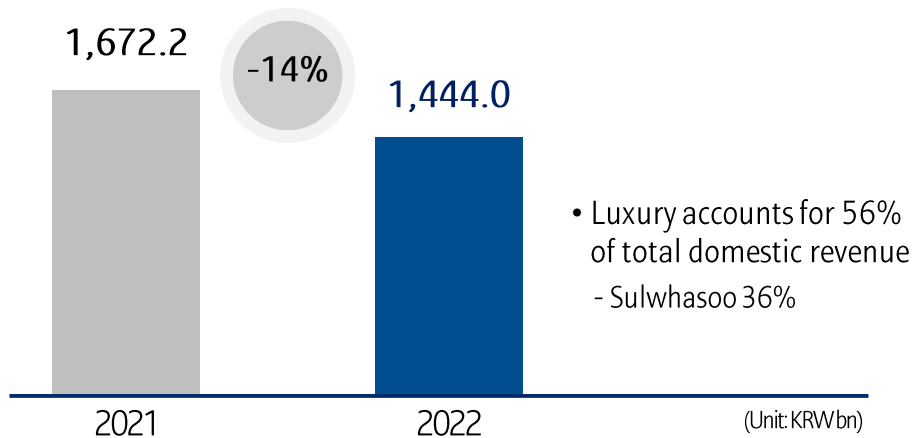
- Cosmetics operating profit decreased due to sales decline in travel retail channel and increase in marketing expense. Pure domestic channel operating profit increased
- Daily Beauty operating profit increased with enhanced product mix from increased revenue of premium lines



1) Others: OEM, Rental Income etc.

# Amorepacific FY 2022 Domestic Business

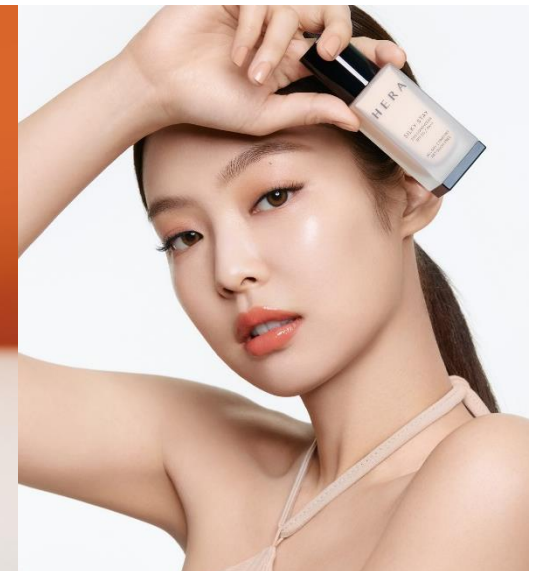
## LUXURY



- Despite decline in travel retail channel revenue, online sales grew by more than 20%
- Solidified foundation of luxury brands through strengthening brand values
  - [Sulwhasoo] Executed rebranding campaign to strengthen brand aspiration
  - [Hera] Communicated '#First, Best' brand message through dance crew campaign
  - [Primera] Reframed brand logo/identity and launched functional line 'AG.VCN™'
  - [Goutal] Renewed brand identity and launched iconic products with brand heritage
- Nurtured inner beauty category based on innovative products
  - [Vital Beautie] Diversified 'Super Collagen' line and reinforced brand activities that validate product quality (Awarded in 'Monde Selection 2022' and selected as 'Korea's Green Product of the Year')



Sulwhasoo 'First Care Activating Serum Limited Edition'



Hera 'Silky Stay 24H Longwear Foundation'



Primera 'Youth Radiance Vitatinol Serum'

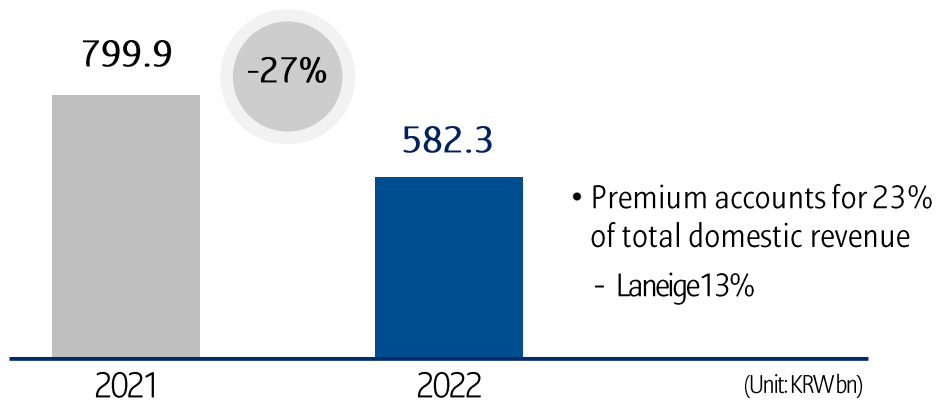


Vital Beautie 'Super Collagen Essence Biotin'

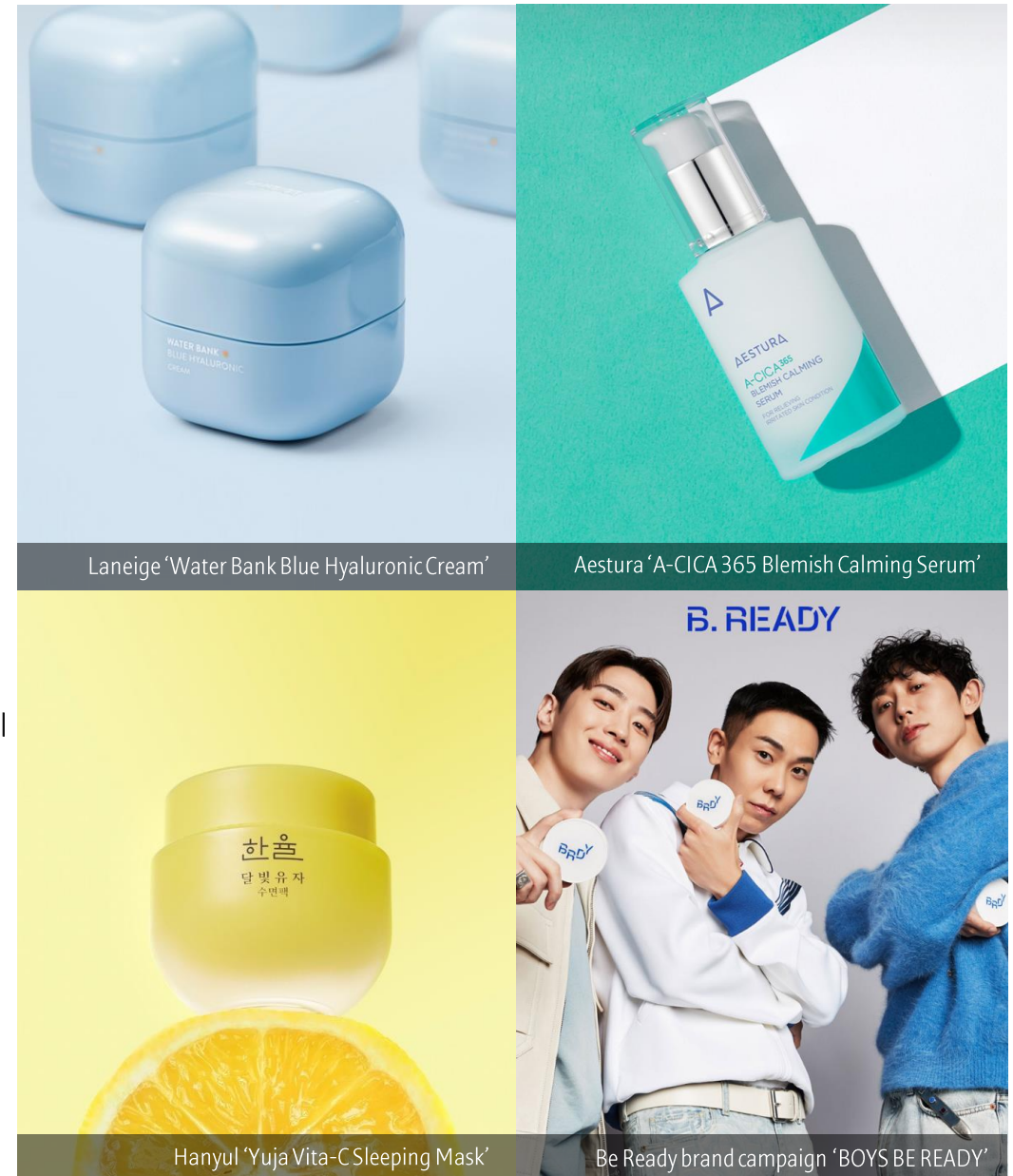


# Amorepacific FY 2022 Domestic Business

## PREMIUM

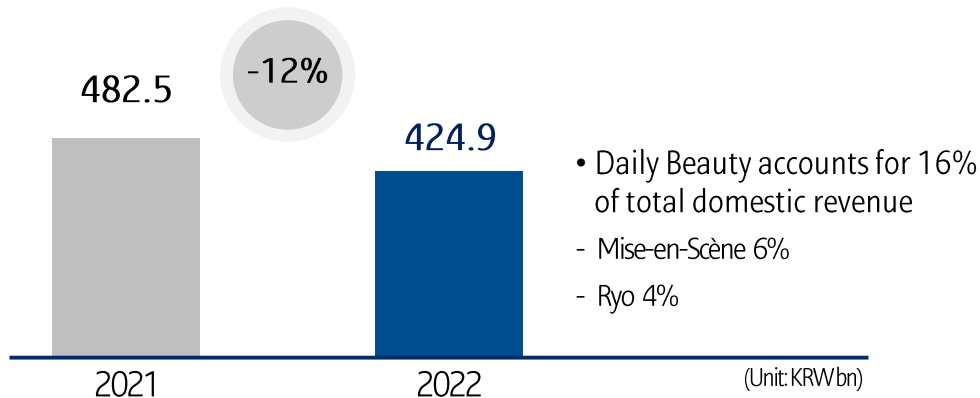


- Despite sales growth in multi-brand shop channel by more than 30%, premium cosmetics sales decreased due to sales decline in travel retail channel
- Enhanced premium brand competitiveness by renewing key products and launching new products
  - [Laneige] Launched 9 products of 'Water Bank Blue Hyaluronic' line with innovative design
  - [Aestura] Launched 'A-CICA 365' line and diversified exclusive products for dermatologists
  - [IOPE] Nurtured functional category by launching 'PDRN Caffeine Shot' ampoule
  - [Hanyul] Renewed steady selling product 'Yuja Vita-C Sleeping Mask'
- Nurtured future growth category such as personalized cosmetics service and makeup category products for men
  - [Laneige] Launched personalized makeup cushion/foundation service 'Bespoke Neo'
  - [Be Ready] Renewed 'Blue Cushion' and executed brand campaign



# Amorepacific FY 2022 Domestic Business

## DAILY BEAUTY



- Daily Beauty accounts for 16% of total domestic revenue
- Mise-en-Scène 6%
- Ryo 4%

- Overall revenue declined due to reorganization of product portfolio, but sales of premium lines increased
- Increased sales mix of high margin products by launching new brand and nurturing premium product categories
  - [Longtake] Successful launch and strong sales from premium lifestyle brand
  - [Mise-en-Scène] Enhanced brand attractiveness by expanding 'Salon 10' category
  - [HappyBath] Increased sales of 'Skin U' moisturizing line that contains hyaluronic acid and panthenol
- Multi-brand shop channel sales grew by reinforcing marketing activities that target millennials and Gen Z customers
  - [LABO-H] Strengthened product category by focusing on premature hair loss, "Clean Beauty", and ESG activities
  - [Illiyoon] Hosted multi-brand shop pop-up event 'Hotel Sensitive'



Launch of Lifestyle Brand 'Longtake'



Mise-en-Scène 'Salon 10'



LABO-H launched paper refill package

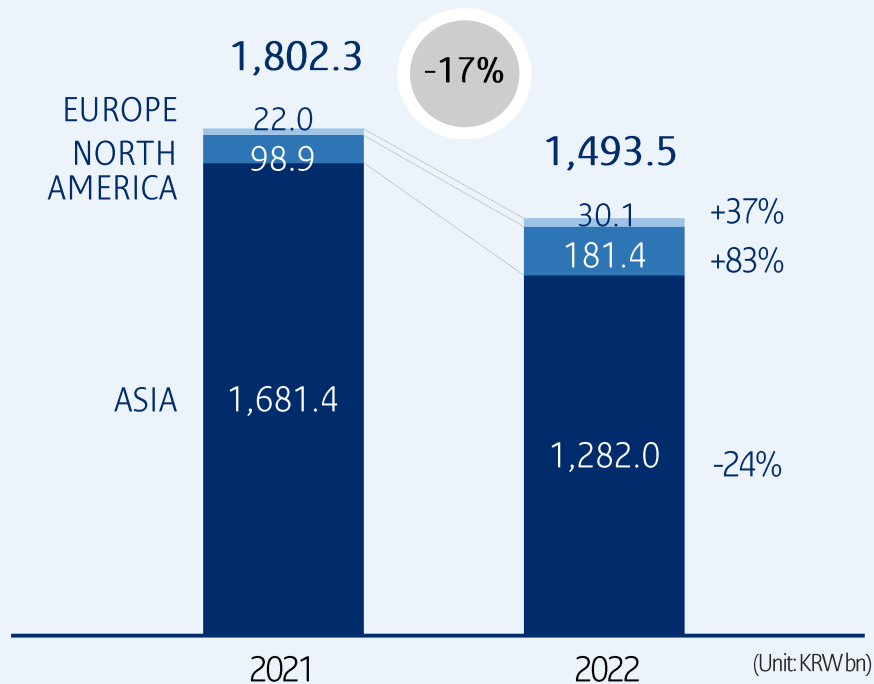


Illiyoon 'Hotel Sensitive' Olive Young Awards & Festa

# Amorepacific FY 2022 Overseas Business

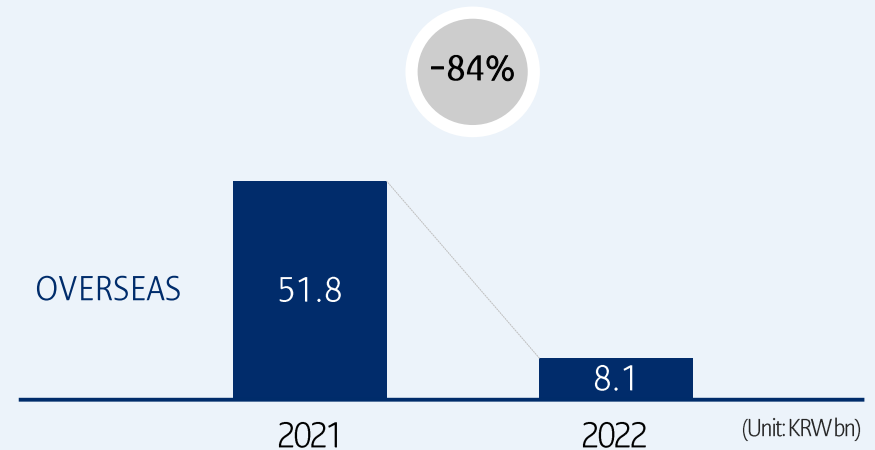
## Revenue declined 17%

- Asia revenue declined by 24%  
(China sales accounts for 60% of Asia sales)
- North America revenue grew by 83% due to strong performance of major brands
- Europe revenue posted 37% growth driven by strong sales of Laneige



## Operating profit decreased 84%

- Other Asia operating profit increased, but total Asia operating profit decreased due to decline in China revenue
- Combined operating profit of North America and Europe increased with strong sales growth



# Amorepacific FY 2022 Overseas Business

## ASIA

- China revenue declined by mid-30% in Korean won
  - Revenue declined due to slowdown in consumption from resurgence of COVID-19, ‘Zero-COVID’ policy and restructuring offline stores of major brands
  - Increased sales mix of key product categories by focusing on marketing of hero products (Sulwhasoo ‘Concentrated Ginseng Renewing’ line, Innisfree ‘Retinol Cica Repair Ampoule’, etc.)
  - Reinforced foundation for future growth through reorganization of product and channel of major brands
- Other Asia revenue increased with solid growth in ASEAN countries
  - Major brands (Sulwhasoo, Laneige, Innisfree) posted strong growth in ASEAN
  - Launched Laneige brand in Japanese retail channel and expanded regional portfolio



Renewal of Sulwhasoo ‘Concentrated Ginseng Renewing Eye Cream’ (China)



Innisfree ‘Retinol Cica Repair Ampoule’ (Global)

## NORTH AMERICA & EUROPE

- North America revenue grew by 83% from robust growth of major brands
  - Major brands expanded growth momentum by increasing brand presence in growth channel (Amazon, Sephora etc.) and reinforcing marketing activities
  - Secured “Clean Beauty” portfolio and enhanced long-term competitiveness of North America business through acquisition of ‘Tata Harper’
- Europe revenue recorded 37% growth driven by Laneige brand
  - Laneige posted solid sales growth in online and multi-brand shop channels
  - Goutal established solid foundation for growth through brand renewal based on its heritage



Laneige ‘Water Bank Blue Hyaluronic’ Line (Global)



Acquisition of luxury “Clean Beauty” brand ‘Tata Harper’ (North America)

# Amorepacific 4Q 2022 Earnings Summary

**Revenue down 17.9% to KRW 1.1 trillion, Operating profit up 122.9% to KRW 57.0 billion**

Domestic revenue down 20.7%, operating profit up 17.9%. Overseas revenue down 16.0%, operating profit turned to profit

(Unit: KRW bn)

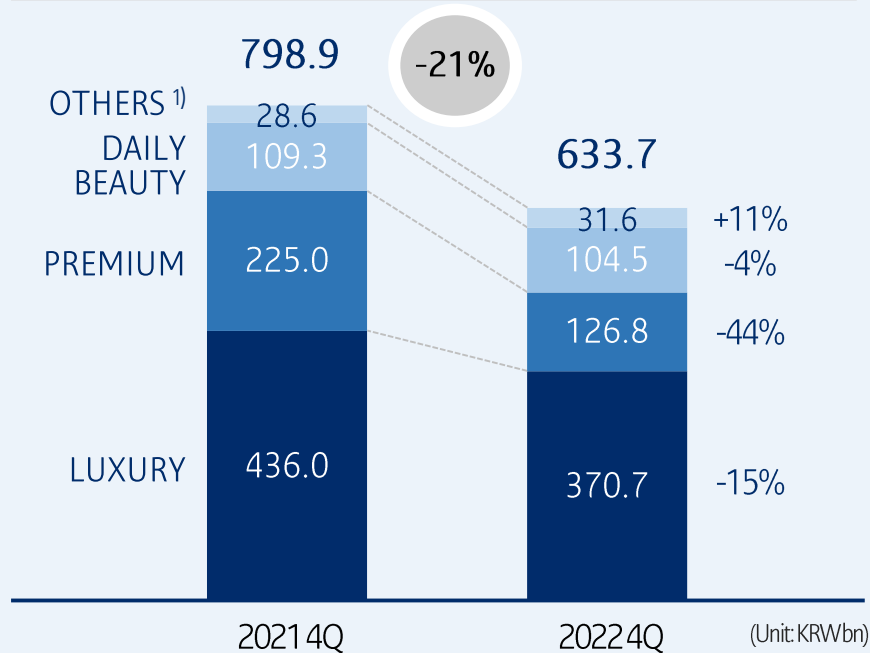
	2021 4Q	% of Revenue	2022 4Q	% of Revenue	YoY(%)
Revenue <sup>1)</sup>	1,324.7	100.0	1,087.8	100.0	-17.9
Domestic	798.9	60.3	633.7	58.3	-20.7
Cosmetics	689.7	52.1	529.2	48.6	-23.3
Daily Beauty	109.3	8.2	104.5	9.6	-4.4
Overseas	525.6	39.7	441.6	40.6	-16.0
	2021 4Q	OP Margin (%)	2022 4Q	OP Margin (%)	YoY(%)
Operating Profit <sup>1)</sup>	25.6	1.9	57.0	5.2	+122.9
Domestic	34.0	4.3	40.1	6.3	+17.9
Cosmetics	41.8	6.1	38.3	7.2	-8.4
Daily Beauty	-7.8	-7.2	1.8	1.7	Turned to profit
Overseas	-18.4	-3.5	17.8	4.0	Turned to profit
Net Profit	-54.4	-4.1	24.6	2.3	Turned to profit

1) Includes intercompany transactions

# Amorepacific 4Q 2022 Domestic Business

## Revenue declined 21%

- Travel retail channel revenue declined by double digit (30% of total domestic revenue)
- New commerce, department store, and multi-brand shop channel revenue grew due to post COVID-19 demand improvement in Korea and channel reorganization
- Despite sales decline in global e-commerce, pure domestic e-commerce sales posted growth



## Operating profit increased 18%

- Despite pure domestic channel turning to profit, cosmetics operating profit decreased due to sales decline in travel retail channel
- Daily Beauty turned to profit due to improved profitability of major brands from reorganization of product portfolio



1) Others: OEM, Rental Income etc.

# Amorepacific 4Q 2022 Domestic Business

## LUXURY

- Enhanced brand aspiration and reinforced foundation of luxury brands
  - Sulwhasoo exhibition ‘Rebloom – Mother Earth, Snow, and Flower’ was sold out during the entire period
  - Hera, Primera, and Vital Beautie brand sales grew by double digit from solid sales of new products
- Pure domestic luxury cosmetics e-commerce grew by double digit
  - Strengthened relationships with major online platforms and posted robust sales growth in Amore Mall

## PREMIUM

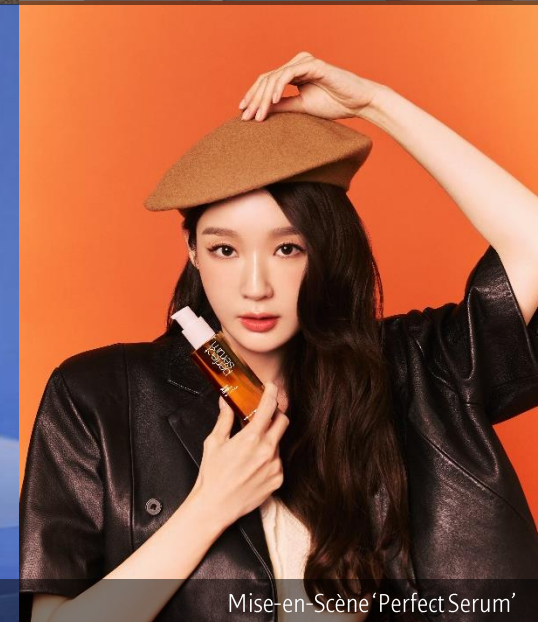
- Strengthened growth foundation of premium brands with diversified e-commerce events
  - Successfully hosted Naver ‘Super Beauty Week’ and Amore Mall ‘Amore Sale Festa’
- Multi-brand shop channel sales posted strong growth by nurturing key product category
  - Aestura ‘Atobarrier 365 cream’ ranked No.1 in the cream category at ‘Olive Young’ (November)
  - Strong sales of Laneige ‘Water Bank Blue Hyaluronic Cream’ and ‘Cream Skin’

## DAILY BEAUTY

- Multi-brand shop channel sales recorded robust growth by enhancing leadership in high functional product category
  - LABO-H shampoo and Illiyoony body care products ranked No.1 at the ‘Olive Young 2022 Awards’
- Strengthened brand communication of key products
  - Mise-en-Scène increased on/offline viral marketing by introducing new brand ambassador of ‘Perfect Serum’ product
  - Enhanced Illiyoony ‘Ceramide Ato’ product awareness of millennials and Gen Z through brand music campaign with singer ‘Meeno’



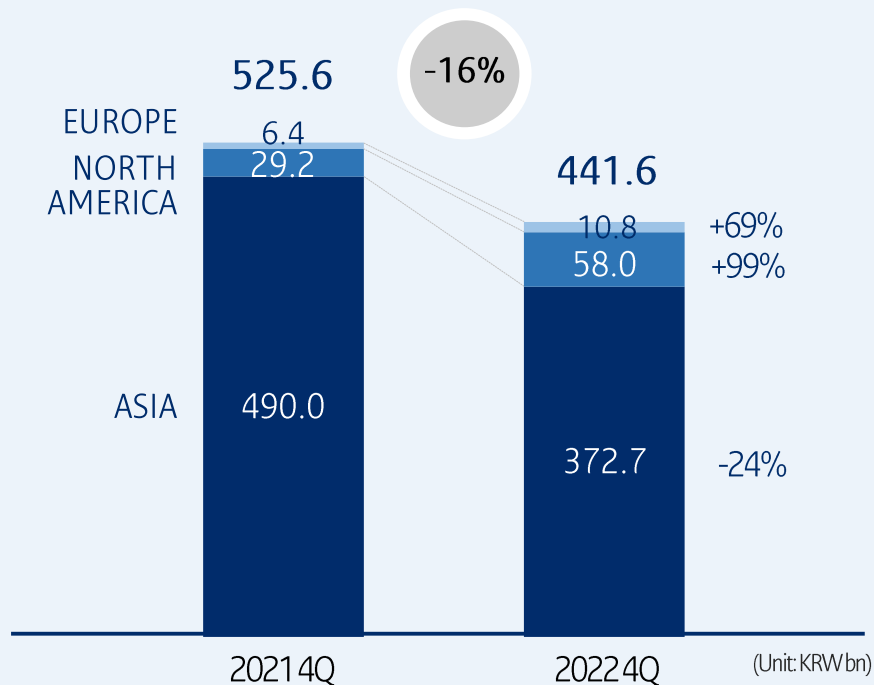
Aestura ‘Atobarrier 365 cream’



# Amorepacific 4Q 2022 Overseas Business

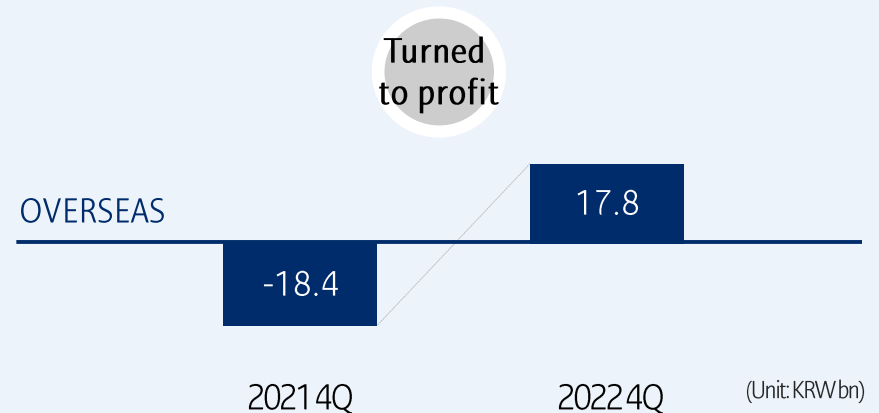
## Revenue declined 16%

- Asia revenue decreased by 24%  
(China sales accounts for 60% of Asia sales)
- North America sales posted 99% growth driven by strong sales growth of existing brands and acquisition of Tata Harper
- Europe revenue grew by 69% with strong sales of Laneige



## Operating profit turned to profit

- Total Asia turned to profit due to improved profitability from cost saving measures in China
- Combined operating profit of North America and Europe increased from strong sales growth





# Amorepacific 4Q 2022 Overseas Business

## ASIA

- China revenue declined by more than 30% in Korean won
  - Despite revenue decline due to offline store restructuring of major brands and weak consumption, profitability of China business improved from cost saving measures
  - Executed 'First Care Activating Serum Limited Edition' campaign with Sulwhasoo local brand ambassador and reinforced key product portfolio ('First Care Activating Serum' and 'Concentrated Ginseng Renewing' line)
  - Innisfree revenue increased with robust growth in online channel
- Other Asia sales growth remained flat
  - Posted double digit growth in ASEAN countries due to border reopening
  - Major brands continued to increase awareness by launching holiday edition collection and collaborative products (Laneige Lip Sleeping Mask)



Sulwhasoo Brand Ambassador 'Jia Song' (China)

Laneige 'BTS x Amorepacific Lip Sleeping Mask Lip & Pop Edition Set' (ASEAN)

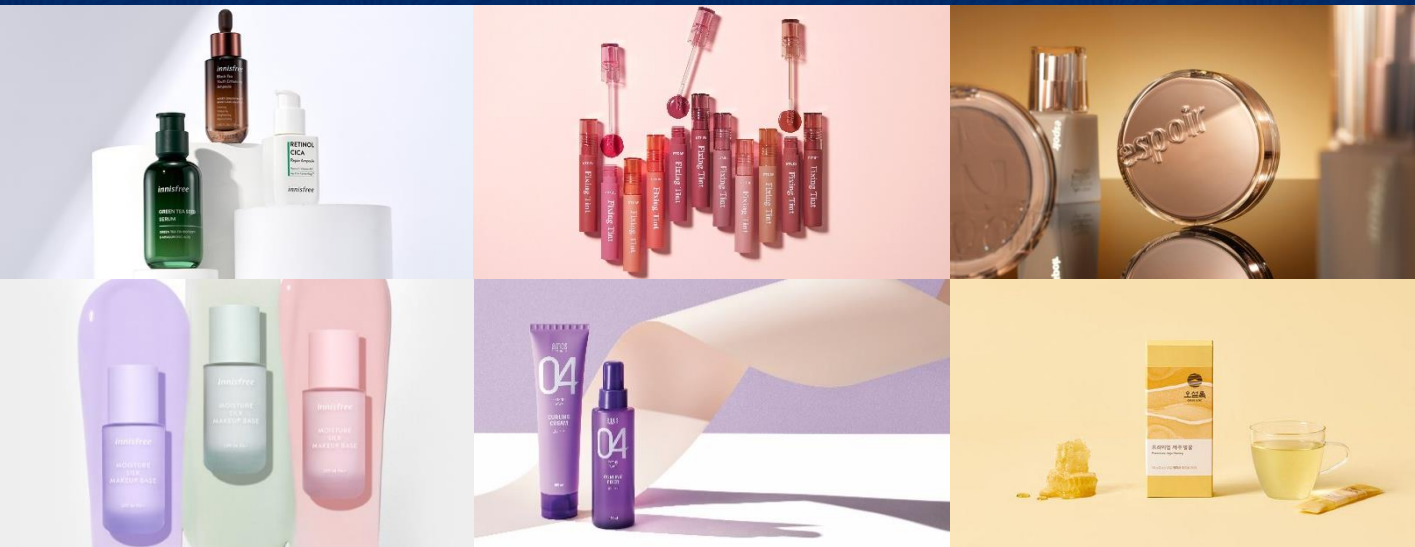
## NORTH AMERICA & EUROPE

- North America revenue increased by 99% due to solid growth of existing brands and acquisition of new brand
  - Laneige posted robust growth driven by strong performance in on/offline events of Sephora and Amazon during holiday season
  - Completed acquisition of 'Tata Harper' and incorporated into North America sales from November
- Europe posted 69% sales growth driven by Laneige brand
  - Laneige revenue grew by double digit with strong sales of holiday set
  - Goutal recorded solid growth in both domestic(France) and export sales



Innisfree 'Green Holiday Edition' (Global)

Laneige 'Holiday Set' (North America/Europe)



2022 Earnings Release

Earnings by Subsidiary  
**Major Subsidiaries**

# FY 2022 Major Subsidiaries Earnings

Revenue		(Unit: KRWbn)	
	2021	2022	YoY(%)
Innisfree	307.2	299.7	-2.4
Etude	105.6	106.0	+0.3
Espoir	46.7	51.6	+10.3
Amos Professional	61.9	66.5	+7.4
Osulloc	65.0	81.4	+25.2

Operating Profit		(Unit: KRWbn)	
	2021	2022	YoY(%)
Innisfree	-1.0	32.4	Turned to profit
Etude	-9.6	5.0	Turned to profit
Espoir	-0.7	2.6	Turned to profit
Amos Professional	11.2	13.1	+17.1
Osulloc	3.2	8.8	+172.3



- Offline revenue declined due to offline store closures but operating income turned to profit with increase in online sales
- Strengthened brand competitiveness by focusing on key functional products such as 'Black Tea Youth Enhancing Ampoule' and 'Retinol Cica Repair Ampoule'



- Sales from multi-brand shops and online channel grew driven by strong performance of collaborative products with YouTube influencers such as 'Hyojin' and 'Director Pi'
- Operating income turned to profit from improvement in channel mix and reduced fixed costs



- Key category sales increased with strengthened portfolio focused on Glow/Matte face makeup products by launching 'Be Glow New Class' and nurturing 'Be Velvet' line
- Operating income turned to profit due to sales growth and offline store restructuring



- Amos Professional revenue grew by expanding in-salon treatment portfolio and strengthening educational/in-salon treatment contents for designers
- Ayunche expanded new salons operated by millennials and Gen Z designers and enhanced brand awareness with diversified customer experience such as hair dye/perm seminars, etc.



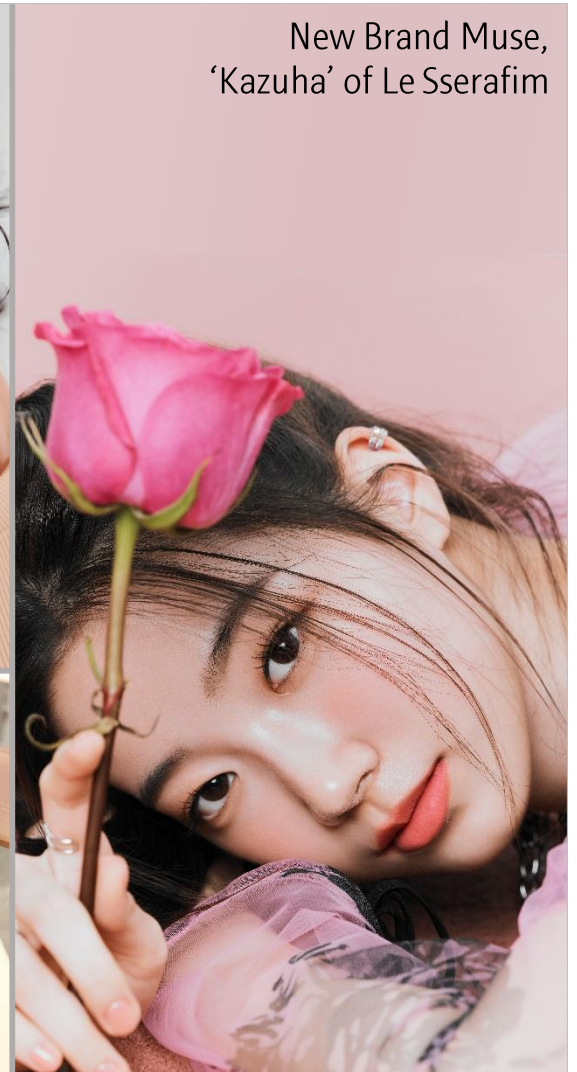
- Revenue and operating profit increased with strong performance of premium tea set
- Reinforced brand attractiveness with strengthened customer experience by providing 'Tea class' and 'Tea Cocktail' in Tea House, a flagship store in Bukchon

# FY 2022 New Product Launches and Marketing Activities

Black Tea Youth Enhancing Ampoule



New Brand Muse, 'Kazuha' of Le Sserafim



Collagen Peptide Firming Ampoule Cream



## Innisfree

Strengthened brand awareness as anti-aging and high functional brand through 'Black Tea Youth Enhancing Ampoule', marketing campaign with 'Nayoung Kim' and 'Arang'. Enhanced leadership as a sustainable brand by launching 'Collagen Peptide Firming Ampoule Cream' with reusable package

## Etude

Launched 'Nudifull Espresso' color of eyeshadow palette, 'Play Color Eyes' Introduced 'Kazuha' of Le Sserafim as a new brand muse

# FY 2022 New Product Launches and Marketing Activities

Protailor Be Glow Cushion  
New Class



**Espoir**

Enhanced face makeup category competitiveness by launching 'Protailor Be Glow New Class' Cushion and Foundation

Amos Professional Curling Fixer  
No.1 in Hair Care category of 'Cosmo Beauty Awards 2022'



Ayunche wins 'Red Dot Design Award 2022' in the Brand & Communication Design category



**Amos Professional**

Enhanced brand image as Amos Curling Fixer ranked No.1 in 'Cosmo Beauty Awards 2022'  
Ayunche wins 'Red Dot Design Award 2022'

Osulloc Tea Stollen



**OSULLOC**

Osulloc Rooibos Moon Light 10ea



**Osulloc**

Launched 'Tea Stollen', holiday season menu  
Reinforced tea product portfolio by launching 'Rooibos Moon Light'

## Amorepacific signs MOU with Asleep to strengthen research on sleep aid supplements

Amorepacific signed a business agreement with Asleep, a SleepTech start-up that diagnoses sleep stages through artificial intelligence, to strengthen research on sleep aid supplements. Aims to develop customized health supplements and cosmetic products based on hyper-personal sleep diagnosis technology.



\* Cosmechip

## Amorepacific wins CES (Consumer Electronics Show) Innovation Awards for 4 consecutive years

Amorepacific received Innovation Awards in 'CES 2023', the world's largest technology and appliance exhibition for 4 consecutive years. Verified its personalization technology as 'Tonework' <sup>1)</sup> received the award in the Robotics category and 'Cosmechip' <sup>2)</sup> received the award in the Home Appliance category.

1) Tonework: a smart manufacturing system solution for customized makeup products using AI and robot arms

2) Cosmechip: a device that designs personalized skincare products by using active chips

## Amorepacific receives the top A score from the Carbon Disclosure Project (CDP)

Amorepacific receives A-rating from Carbon Disclosure Project (CDP), a global non-governmental organization that conducts environmental research, in recognition for its leadership in climate change initiatives and corporate transparency  
Incorporated to “World Index” of Dow Jones Sustainability Index (DJSI) as well

Enhanced its ESG values by securing 3MV of renewable energy per year generated from wind power until 2040 by signing Korea’s first Virtual Purchase Agreement (VPPA)\* with Bukchon Seomo Wind Power, a wind power plant located in Bukchon-ri, Jeju Island



\* Virtual Power Purchase Agreement (VPPA): A type of trading where a company bears the market risk associated with electricity sales from a power plant and receives an energy certificate



## Amorepacific Empathy Foundation opens ‘Bukchon Intermediate House’, a public facility for local residents

Amorepacific Empathy Foundation collaborated with the Seoul Metropolitan Government to establish ‘Bukchon Intermediate House’, a public facility for local residents as part of the rejuvenation project of underused public spaces  
Provides various programs and amenities for residents and visitors of Bukchon  
Aims to realize sustainability goals of Amorepacific by utilizing recycled furniture and fixture, made out of raw materials from empty bottles, for its interior

# Amorepacific Group Financial Summary

## Income Statement

(Unit: KRW bn, %)

	2021		2022	
	Amount	% of Sales	Amount	% of Sales
Revenue	5,326.1	100.0	4,495.0	100.0
Cost of sales	1,461.6	27.4	1,347.8	30.0
Gross Profit	3,864.5	72.6	3,147.2	70.0
SG&A Expenses	3,508.3	65.9	2,875.3	64.0
Operating Profit	356.2	6.7	271.9	6.0
Other Income	73.4		16.5	
Profit Before Tax	429.6	8.1	288.4	6.4
Consolidated Net Income	292.0	5.5	149.2	3.3

## Statement of Financial Position

(Unit: KRW bn)

	2021.12	2022.12
<b>Assets</b>	8,038.1	7,649.4
Current Assets	3,015.5	2,566.4
Trade receivables	312.0	301.0
Inventories	542.8	460.0
Non-current Assets	5,022.7	5,083.0
Property, Plant and Equipment	2,920.0	2,820.7
Intangible Assets	703.4	854.8
Investments in associates	282.3	330.0
<b>Liabilities</b>	1,562.5	1,115.9
Current Liabilities	1,273.3	851.9
Non-current Liabilities	289.2	264.0
<b>Shareholder's Equity</b>	6,475.6	6,533.5
Capital Stock	48.0	48.0
Retained Earnings	2,761.9	2,781.8
Non-controlling Interest	3,169.1	3,189.1