

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 closely spaced, creating a mesh-like effect in some areas. The overall aesthetic is clean, modern, and professional.

AMORE PACIFIC

GROUP

2021 Earnings Release

2022.2.9



CONTENTS

1. FY 2021 Earnings Summary

2. 4Q 2021 Earnings Summary

3. Earnings by Subsidiary

- Amorepacific
- Major Subsidiaries

4. A MORE NEWS

5. ESG Activities

6. Financial Summary

**7. FY 2022 Amorepacific Group
Management Principles**

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 2021 Earnings Summary

Revenue up 8.0% to KRW 5.3 trillion, Operating Profit up 136.4% to KRW 356.2 billion

Major subsidiary Amorepacific's revenue up 9.7% to KRW 4.86 trillion, operating profit up 140.1% to KRW 343.4 billion

(Unit: KRW bn)

	2020		2021		YoY (%)
Revenue	4,930.1		5,326.1		+8.0
Amorepacific ¹⁾	4,432.2		4,863.1		+9.7
Beauty Subsidiaries ²⁾	669.2		605.0		-9.6
Other Subsidiaries ³⁾	326.2		350.6		+7.5
Others ⁴⁾	-497.5		-492.6		-
	2020	OP Margin (%)	2021	OP Margin (%)	YoY (%)
Operating Profit	150.7	3.1	356.2	6.7	+136.4
Amorepacific ¹⁾	143.0	3.2	343.4	7.1	+140.1
Beauty Subsidiaries ²⁾	1.4	0.2	6.7	1.1	+369.4
Other Subsidiaries ³⁾	-4.3	-1.3	1.4	0.4	Turned to profit
Others ⁴⁾	10.6	-	4.7	-	-
Net Profit	22.0	0.4	292.0	5.5	+1224.3

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, Aestura*, Etude, Espoir, Amos Professional

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

3) Other Subsidiaries : Amorepacific Group, Pacific Glas*, Pacific Package, Osulloc Farm, Osulloc, Cosvision

* Pacific Glas's revenue and operating profit are excluded from 2Q 2021 due to its partial stake sale

* Cosvision's revenue and operating profit are excluded from Sep. 2021 due to its transfer as

Amorepacific's subsidiary

4) Others : Intercompany transactions

Amorepacific Group 4Q 2021 Earnings Summary

Revenue up 12.6% to KRW 1.4 trillion, Operating Profit turned to profit at KRW 2.3 billion

Major subsidiary Amorepacific's revenue up 14.5% to KRW 1.32 trillion, operating profit turned to profit at KRW 25.6 billion

(Unit: KRW bn)

	2020 4Q		2021 4Q		YoY (%)
Revenue	1,261.4		1,420.6		+12.6
Amorepacific ¹⁾	1,156.9		1,324.7		+14.5
Beauty Subsidiaries ²⁾	141.4		109.2		-22.8
Other Subsidiaries ³⁾	92.5		96.0		+3.8
Others ⁴⁾	-129.4		-109.3		-
	2020 4Q	OP Margin (%)	2021 4Q	OP Margin (%)	YoY (%)
Operating Profit	-14.5	-1.1	2.3	0.2	Turned to profit
Amorepacific ¹⁾	-9.2	-0.8	25.6	1.9	Turned to profit
Beauty Subsidiaries ²⁾	-8.1	-5.7	-20.0	-18.4	Continued loss
Other Subsidiaries ³⁾	3.3	3.5	-3.4	-3.5	Turned to loss
Others ⁴⁾	-0.5	-	0.2	-	-
Net Profit	-84.9	-6.7	-73.1	-5.1	Mitigated loss

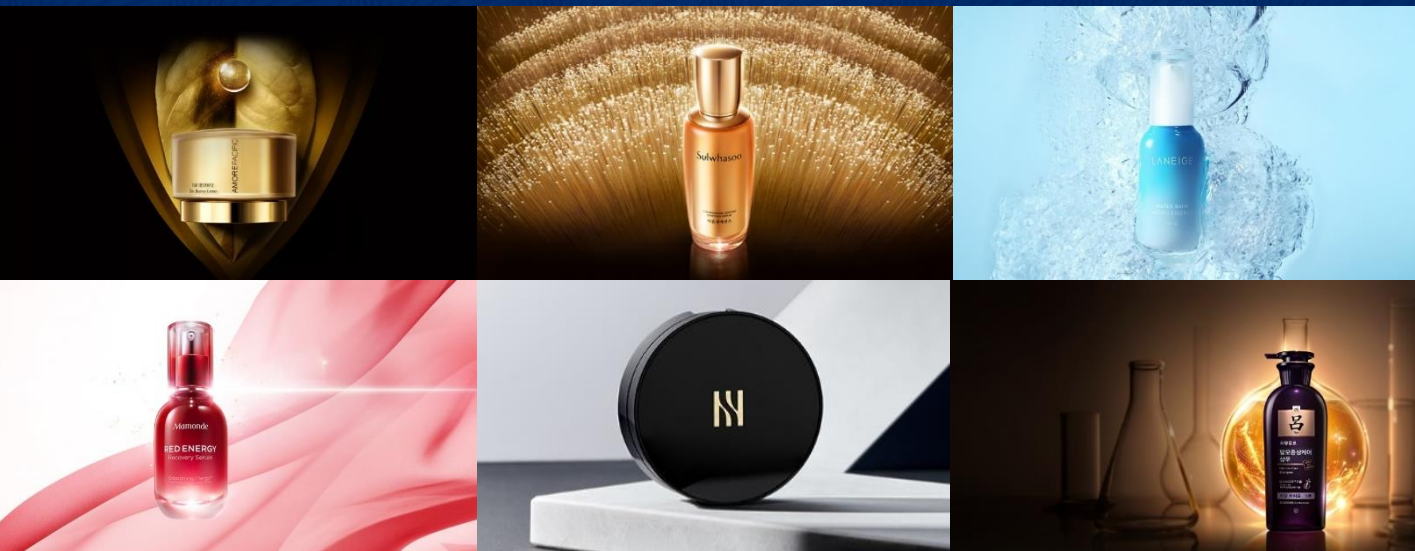
1) As per Aestura's merger with Amorepacific Corp. and Cosvision's transfer as Amorepacific Corp.'s subsidiary on September 1st 2021, Aestura's and Cosvision's revenue and operating profit are included in Amorepacific's earnings as of September 2021

2) Beauty Subsidiaries: Innisfree, Etude, Espoir, Amos Professional
* Aestura's revenue and operating profit are recognized in 4Q 2020

3) Other Subsidiaries: Amorepacific Group, Pacific Package, Osulloc Farm, Osulloc
* Pacific Glas's revenue and operating profit are recognized in 4Q 2020 due to its partial stake sale
* Cosvision's revenue and operating profit are recognized in 4Q 2020

4) Others: Intercompany transactions

AMOREPACIFIC
GROUP



2021 Earnings Release

Earnings by Subsidiary
Amorepacific

Amorepacific FY 2021 Earnings Summary

Revenue up 9.7% to KRW 4.9 trillion, Operating Profit up 140.1% to KRW 343.4 billion

Domestic revenue up 13.6%, operating profit up 156.1%. Overseas revenue up 3.3%, operating profit up 190.4%

(Unit: KRW bn)

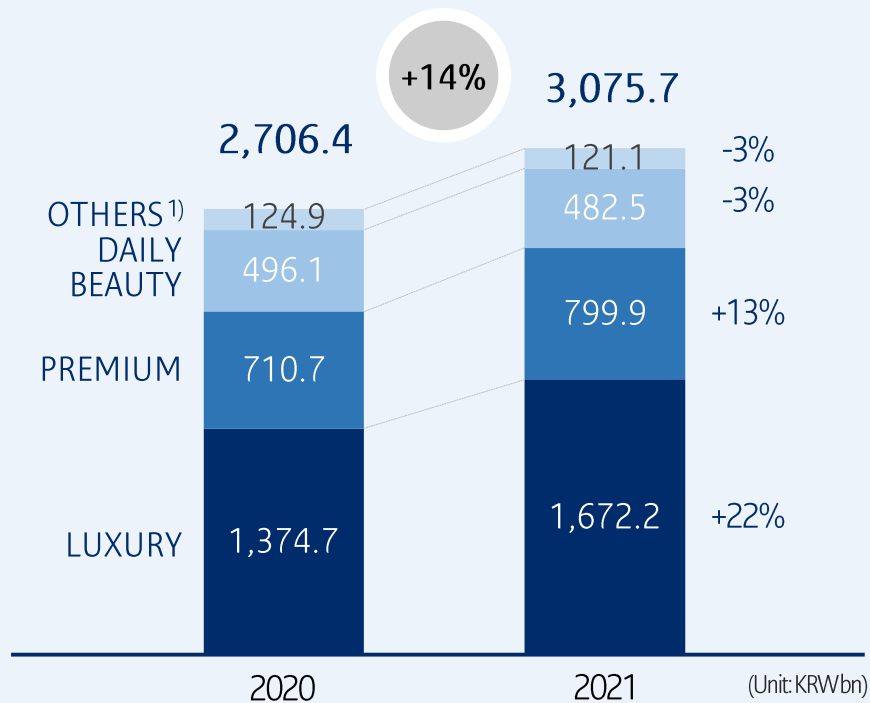
	2020	% of Revenue	2021	% of Revenue	YoY (%)
Revenue ¹⁾	4,432.2	100.0	4,863.1	100.0	+9.7
Domestic	2,706.4	61.1	3,075.7	63.2	+13.6
Cosmetics	2,210.3	49.9	2,593.2	53.3	+17.3
Daily Beauty	496.1	11.2	482.5	9.9	-2.7
Overseas	1,745.3	39.4	1,802.3	37.1	+3.3
	2020	OP Margin (%)	2021	OP Margin (%)	YoY (%)
Operating Profit ¹⁾	143.0	3.2	343.4	7.1	+140.1
Domestic	117.2	4.3	300.0	9.8	+156.1
Cosmetics	112.5	5.1	299.8	11.6	+166.4
Daily Beauty	4.6	0.9	0.2	0.0	-95.3
Overseas	17.9	1.0	51.8	2.9	+190.4
Net Profit	21.9	0.5	180.9	3.7	+727.0

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

Amorepacific FY 2021 Domestic Business

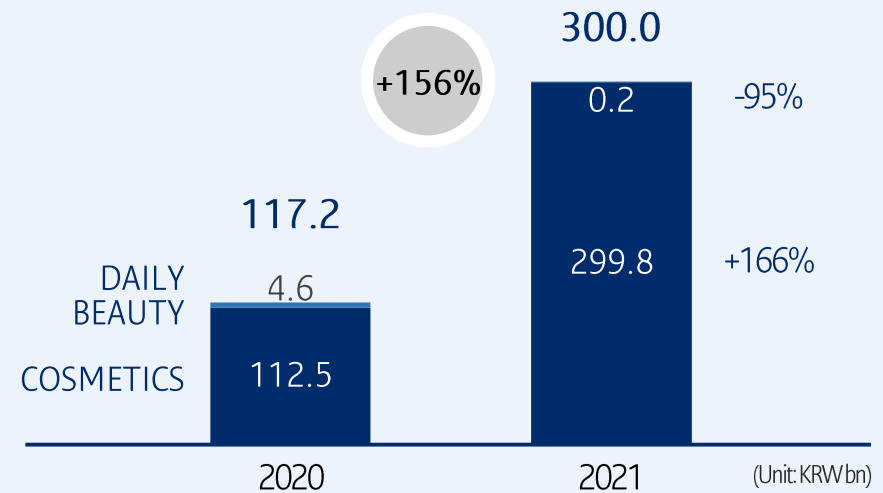
Revenue increased 14%

- Online sales grew around 40%
- Travel retail channel posted growth (37% of total revenue)
- Traditional channels' sales declined due to COVID19 impact and offline restructuring



Operating profit increased 156%

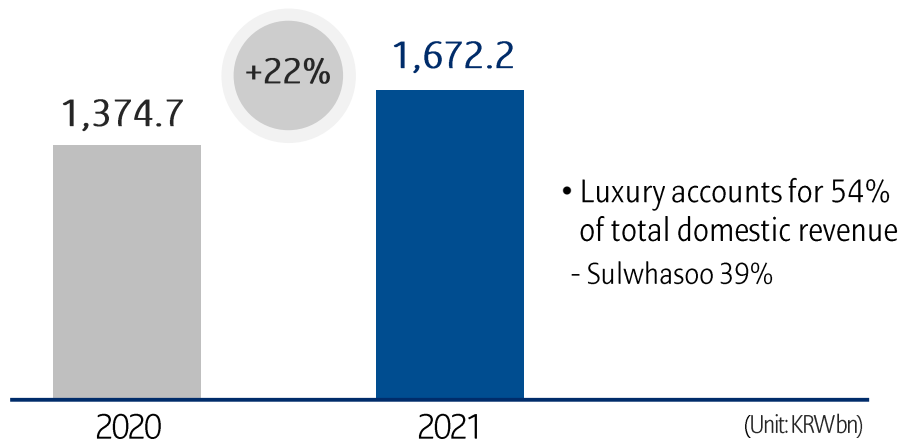
- Cosmetics operating profit increased due to improvement in brand and channel mix as well as improved profit structure of traditional channels
- Daily Beauty operating profit decreased with reduced sales of major brands resulting from focusing on local business abroad as well as increased marketing expense to strengthen its premium line



1) Others: OEM, Rental Income etc.

Amorepacific FY 2021 Domestic Business

LUXURY

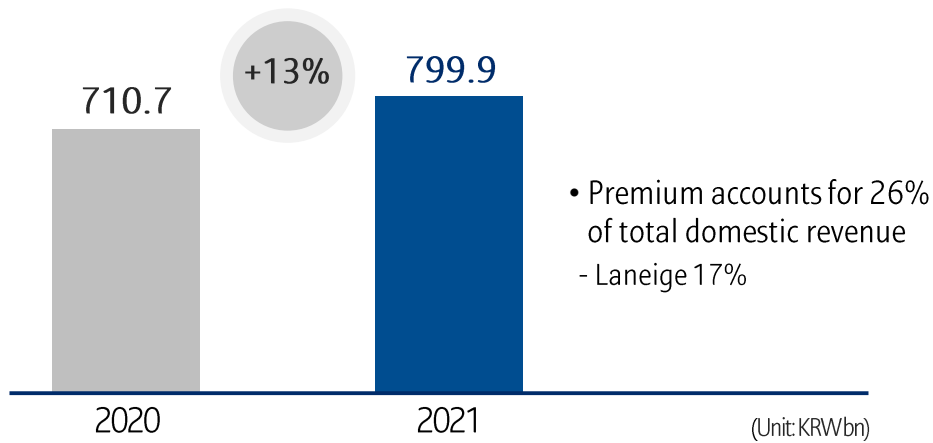


- Online sales drove overall growth
- Strengthened brand competitiveness by focusing on key brands
 - Launched Sulwhasoo 'Concentrated Ginseng Renewing' Line and Hera 'Black Cushion'
- Promoted brands' core value through various marketing activities
 - [Sulwhasoo] Executed a successful brand campaign
 - [Amorepacific] Strengthened positioning as luxury brand by nurturing 'TIME RESPONSE Intensive Renewal Ampoule'
 - [Primera] Reinforced its sustainable brand image by adopting environment friendly packaging



Amorepacific FY 2021 Domestic Business

PREMIUM



- Overall sales grew driven by Laneige and online channel
- Enhanced brand attractiveness by launching new brands and collaborative products
 - Launched Laneige 'Neo Cushion Phantom Violet' (collaboration with Samsung Galaxy Buds Pro) and 'Neo Cushion x Maison Kitsune,'
 - Launched 'Soluderm,' a collaborative brand developed with influencer
- Concentrated on key brands by strengthening product portfolio through expanding new lines and renewing key products
 - Mamonde 'Probiotics Ceramide Cream,' Hanyul 'Yuja Vita-C™ Serum,' Cube Me 'Collagen Cube First' and 'Collagen Cube Plus'



Laneige 'Neo Cushion Phantom Violet'

Laneige 'Neo Cushion x Maison Kitsune'

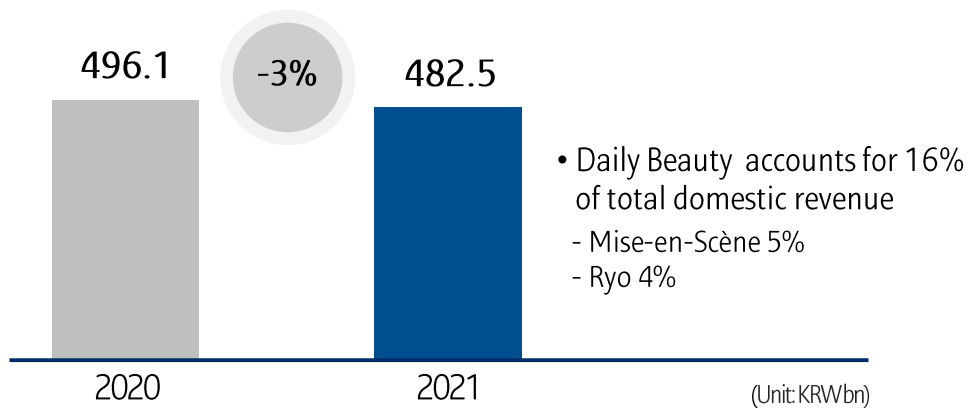


Mamonde 'Probiotics Ceramide Cream'

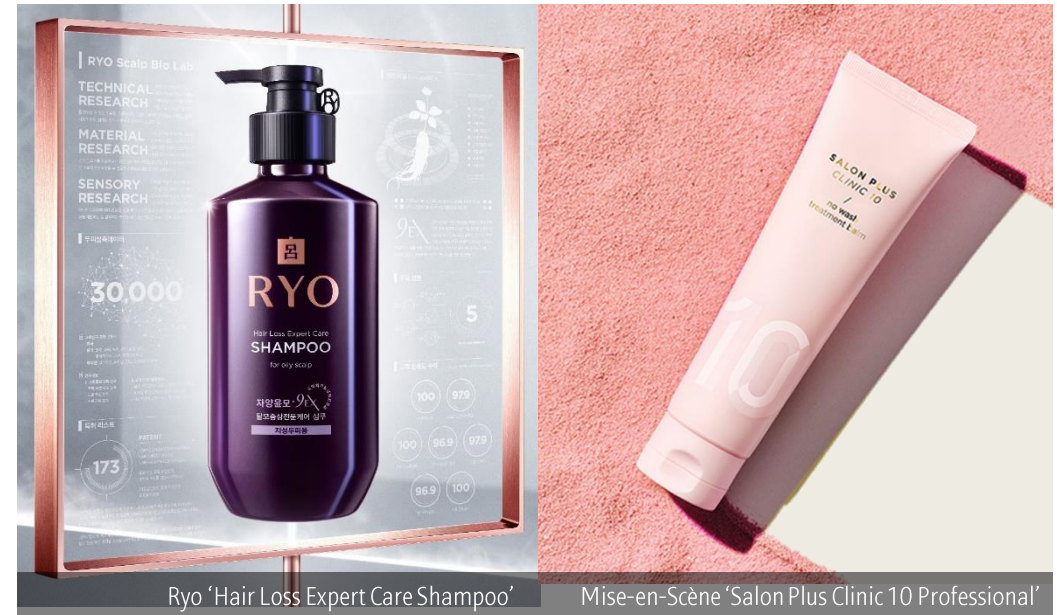
Cube Me 'Collagen Cube First', 'Collagen Cube Plus'

Amorepacific FY 2021 Domestic Business

DAILY BEAUTY



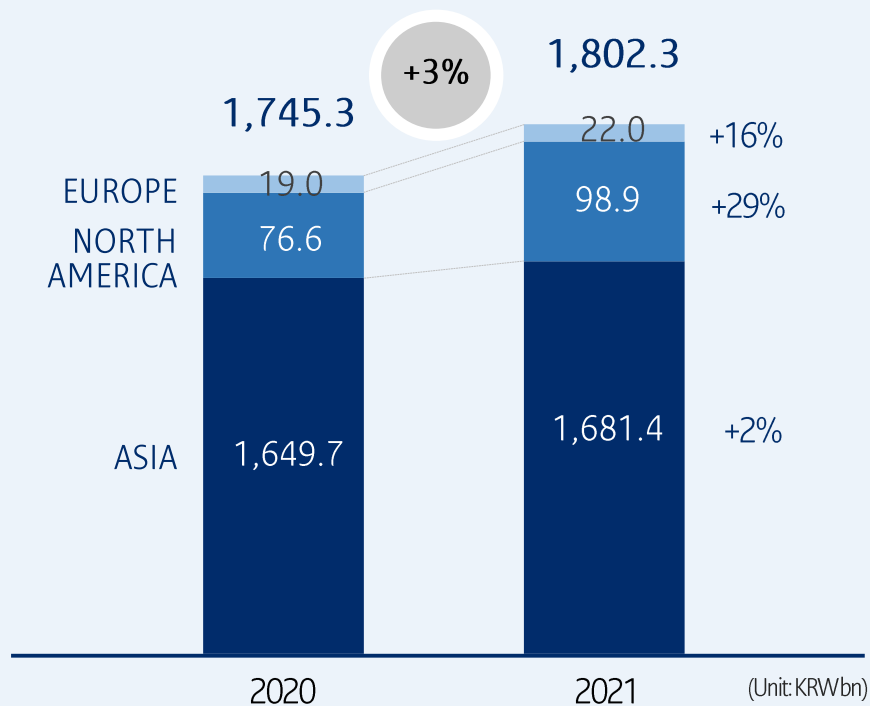
- Sales of functional products grew for all brands with increased focus on premium lines, but overall sales decreased due to decline in global e-commerce sales of major brands resulting from their expansions of local business in the global market
- Pure domestic online sales continued to post double digit growth
- Strengthened functional premium lines
 - [Ryo] Reinforced brand image for hair loss solution and renewed key product line
 - [Mise-en-Scène] Strengthened its professional line 'Salon Plus Clinic 10'
 - [Happy Bath] Expanded products for its high functional line 'Skin U' with enhanced skincare elements
 - [Illiyoon] Upgraded 'Ceramide Ato' line with increased soothing effect and improved efficacy



Amorepacific FY 2021 Overseas Business

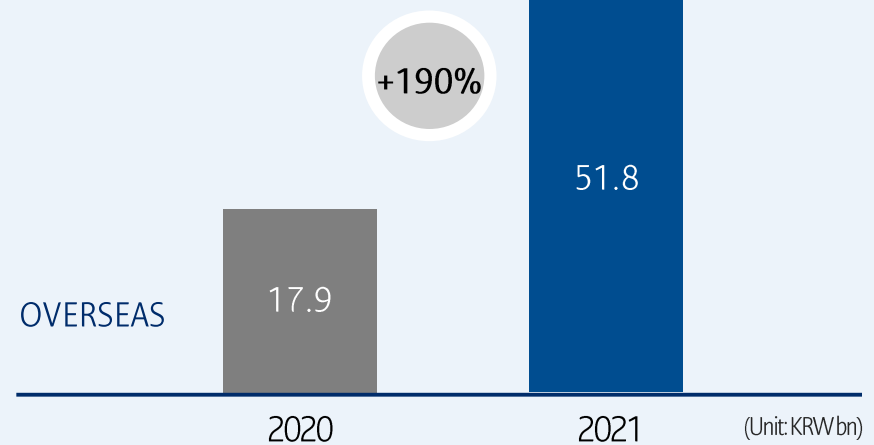
Revenue increased 3%

- Asia revenue increased by 2% (China sales accounts for more than 70% of Asia sales)
- North America revenue posted 29% growth driven by strong growth of multi-brand shop channel
- Europe revenue grew 16% with expanded brand portfolio



Operating profit increased 190%

- Asia operating profit increased with improved brand mix of luxury brand and restructuring of offline stores
- North America and Europe operating profit combined had increased with growth in online channel and cost saving measures



Amorepacific FY 2021 Overseas Business

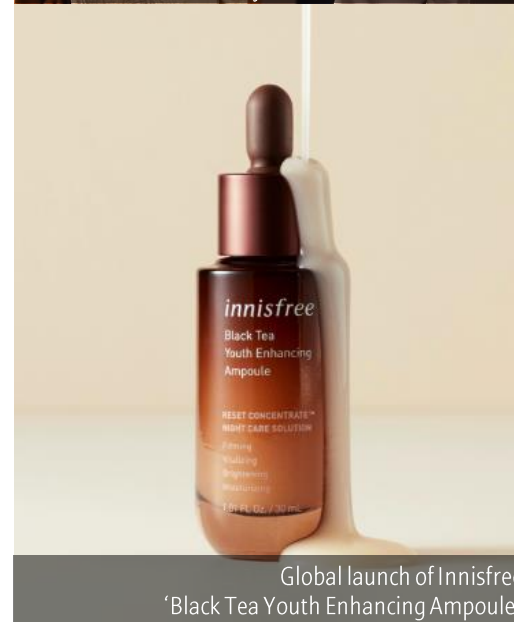
ASIA

- China revenue increased by single digit
 - Sulwhasoo sales grew around 50% with strong online sales resulting from promotion of high-end lines as well as elevated brand image by participating in intangible cultural heritage events
 - Laneige sales grew by double digit due to enhanced functional skincare portfolio and strengthened partnerships with online platforms
- Asia revenue declined due to offline channel restructuring, temporary store closures and reduced operating hours from COVID19
 - Sulwhasoo sales grew more than 20% in South East Asia countries by reinforcing its anti-aging category



NORTH AMERICA & EUROPE

- North America revenue posted strong growth by diversifying its online and offline channels
 - Online sales grew with the launch of Laneige and Innisfree in Amazon and Sulwhasoo in a new e-commerce platform
 - Increased customer base by launching Laneige and Innisfree in Sephora at Kohl's
- Europe revenue grew with improved brand and channel mix
 - Launched Laneige in a new e-commerce platform and Innisfree in Sephora
 - Enhanced brand attractiveness of Goutal Paris through brand renewal and strengthened promotions



Amorepacific 4Q 2021 Earnings Summary

Revenue up 14.5% to KRW 1.3 trillion, Operating Profit turned to profit, KRW 25.6 billion

Domestic revenue up 29.6%, operating profit turned to profit. Overseas revenue down 3.2%, operating profit turned to loss

(Unit: KRW bn)

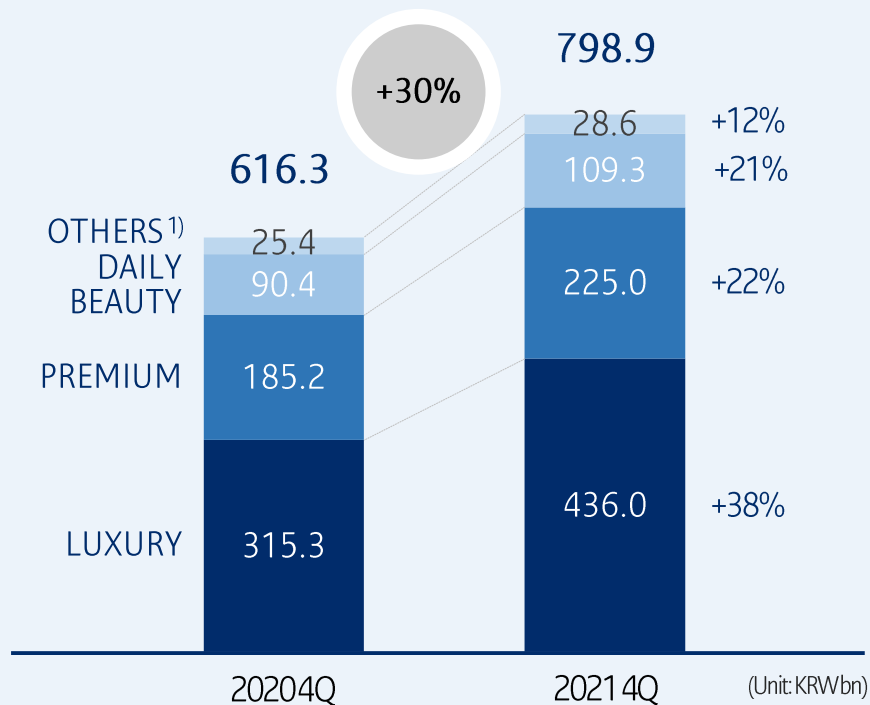
	2020 4Q	% of Revenue	2021 4Q	% of Revenue	YoY (%)
Revenue ¹⁾	1,156.9	100.0	1,324.7	100.0	+14.5
Domestic	616.3	53.3	798.9	60.3	+29.6
Cosmetics	526.0	45.5	689.7	52.1	+31.1
Daily Beauty	90.4	7.8	109.3	8.2	+20.9
Overseas	542.8	46.9	525.6	39.7	-3.2
	2020 4Q	OP Margin (%)	2021 4Q	OP Margin (%)	YoY (%)
Operating Profit ¹⁾	-9.2	-0.8	25.6	1.9	Turned to profit
Domestic	-56.0	-9.1	34.0	4.3	Turned to profit
Cosmetics	-30.5	-5.8	41.8	6.1	Turned to profit
Daily Beauty	-25.5	-28.2	-7.8	-7.2	Mitigated loss
Overseas	51.6	9.5	-18.4	-3.5	Turned to loss
Net Profit	-58.9	-5.1	-54.4	-4.1	Mitigated loss

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

Amorepacific 4Q 2021 Domestic Business

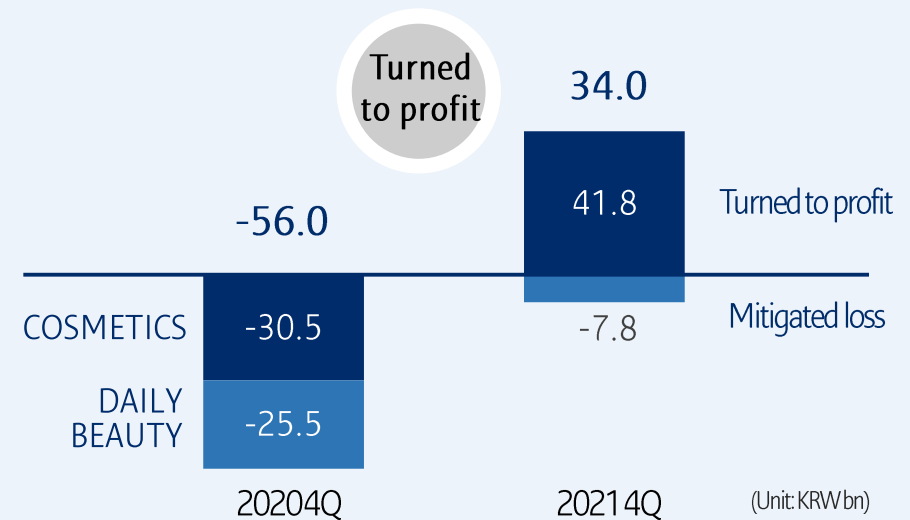
Revenue increased 30%

- Online sales grew more than 50%
- Travel retail channel growth driven by domestic travel retail (43% of total revenue)
- Traditional channels turned to growth with offline stores posting growth



Operating profit turned to profit

- Cosmetics operating profit increased due to low base from last year's retirement program, improvement in channel mix and cost saving measures in traditional channels
- Daily Beauty mitigated loss with increased sales of high profit brands and premium lines



1) Others: OEM, Rental Income etc.

Amorepacific 4Q 2021 Domestic Business

LUXURY

- Online sales of all brands increased due to strengthened relationships with online platforms and custom marketing
 - Actively participated in online promotions such as Brand Day
 - Strengthened live commerce and gift market business
- Reinforced product portfolio through renewal of key lines and launch of new products
 - Renewed Sulwhasoo 'Essential Comfort' line and launched Primera 'Organience Watery Essence'

PREMIUM

- Strengthened leadership in functional category by expanding anti-aging lines
 - Launched Iope 'Super Vital Cream Bio Potential' and enlarged customer base
 - Launched Mamonde 'Bakuchiol Retinol Cream' which added growth momentum

DAILY BEAUTY

- Enhanced functional premium product portfolio
 - Launched Ryo 'Hair Loss Expert Care Shampoo (Jeju Breeze/Seoul Sunset),' perfume line for hair care loss
 - Launched Mise-en-Scène 'Skincare Matinée Perfume Shampoo' Tubé Rose
- Posted growth in online sales with differentiated digital marketing by platform
 - Labo-H received '2021 Korea Advertising Award' for best performance marketing



Sulwhasoo 'Essential Comfort' Line



Primera 'Organience Watery Essence'



Iope 'Super Vital Cream Bio Potential'

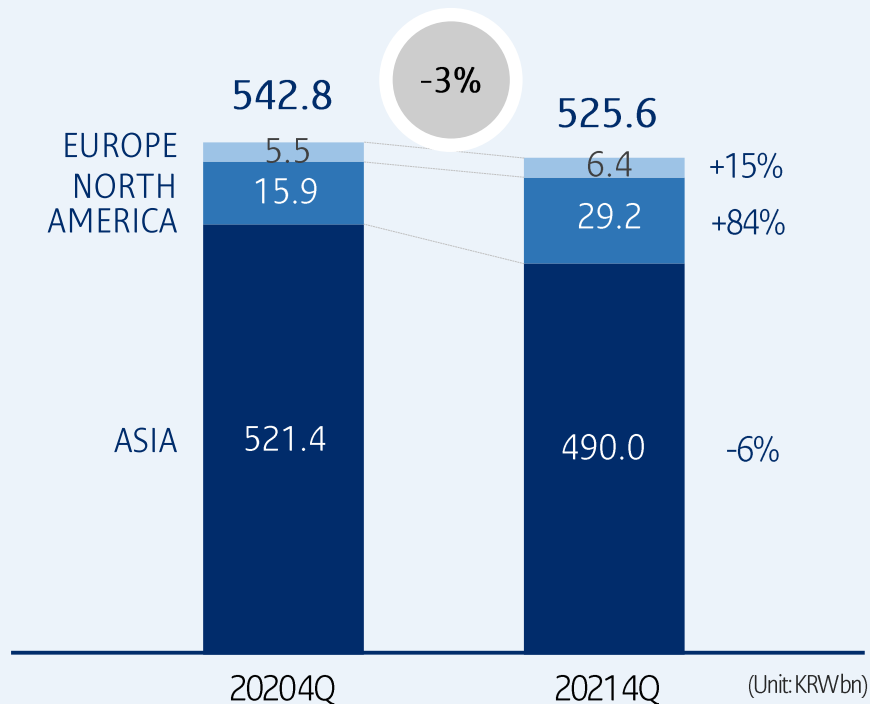


Ryo 'Hair Loss Expert Care Shampoo' SeoulSunset

Amorepacific 4Q 2021 Overseas Business

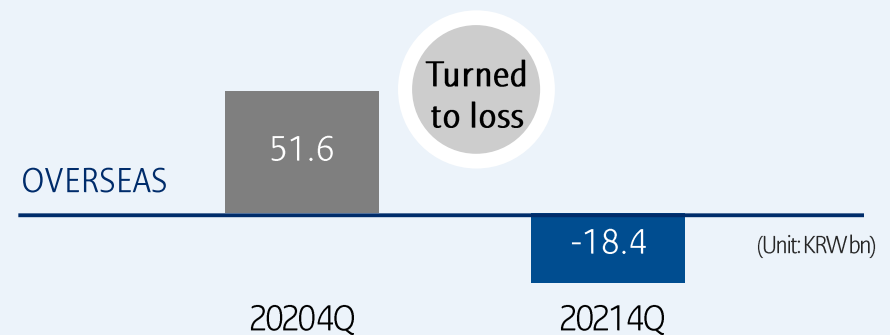
Revenue decreased 3%

- Asia revenue declined by 6% (China sales accounts for 70% of Asia sales)
- North America revenue posted 84% growth driven by strong sales of major brands from growth channels
- Europe revenue grew by 15% with increase of Goutal Paris and e-commerce sales



Operating profit turned to loss

- Asia operating profit turned to loss due to restructuring of offline stores and increased advertising and promotion cost
- North America and Europe operating profit combined increased with sales growth of major brands and improved profit structure



Amorepacific 4Q 2021 Overseas Business

ASIA

- China revenue decreased about 10% in Korean won
 - Sulwhasoo sales grew more than 30% with strong sales of 'Concentrated Ginseng Renewing' line during Double 11 and enhanced product mix focused on high end products
 - Innisfree sales declined by double digit due to offline restructuring and shift in product mix
- Other Asia revenue increased driven by strong e-commerce business
 - Sulwhasoo sales posted double digit growth from strong sales of 'Concentrated Ginseng Renewing' products in South East Asia
 - Expanded multi-brand shop channel in South East Asia



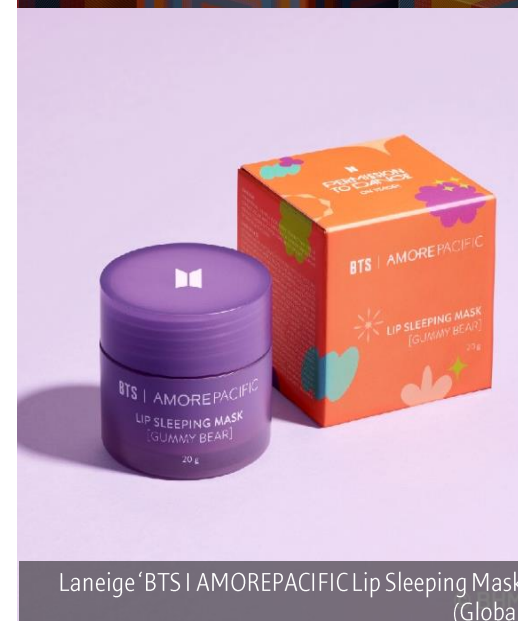
Sulwhasoo 'Concentrated Ginseng Renewing' line's strong performance during Double 11 (China)



Laneige 'Neo Cushion' Chinese New Year Limited Edition (China)

NORTH AMERICA & EUROPE

- North America revenue increased with strong sales of major brands
 - 'BTS I AMOREPACIFIC Lip Sleeping Mask' enhanced Laneige's brand awareness and boosted sales
 - Sulwhasoo sales grew driven by strong sales of 'First Care Activating Serum' in Sephora
- Europe revenue grew with enhanced brand awareness of major brands in both online and offline channels
 - Laneige sales posted growth in UK e-commerce platform
 - Goutal Paris offline sales increased with holiday promotions and celebration of its 40th anniversary



Laneige 'BTS I AMOREPACIFIC Lip Sleeping Mask' (Global)



Goutal Paris 'Une Forêt D'Or Scented Candle' Limited Edition (Global)



2021 Earnings Release

Earnings by Subsidiary
Major Subsidiaries

FY 2021 Major Subsidiaries Earnings

Revenue		(Unit: KRWbn)	
	2020	2021	YoY (%)
Innisfree	348.6	307.2	-11.9
Etude	111.3	105.6	-5.1
Espoir	42.5	46.7	+10.0
Amos Professional	67.9	61.9	-8.8
Osulloc	47.7	65.0	+36.2

Operating Profit		(Unit: KRWbn)	
	2020	2021	YoY (%)
Innisfree	7.0	-1.0	Turned to red
Etude	-18.0	-9.6	Mitigated loss
Espoir	-2.3	-0.7	Mitigated loss
Amos Professional	14.3	11.2	-21.3
Osulloc	0.1	3.2	+3386.3



- Online sales grew with strengthened product portfolio focused on high functional products and growth in major online platforms, but overall revenue decreased due to restructuring of offline channel
- Operating profit turned to loss with increase in COGS ratio due to sales decline



- Despite increase in online and multi-brand shop channels sales with enhanced content base promotions, overall revenue declined due to streamlining of offline business
- Mitigated loss with improved channel mix resulting from increased revenue portion of online sales as well as reduction in fixed cost of closed stores



- Overall revenue increased with reinforced positioning in facial make-up by expanding 'Pro Tailor' cushion portfolio and launching new products
- Mitigated loss by improving channel mix through strengthened relationship with digital platforms and closure of offline stores

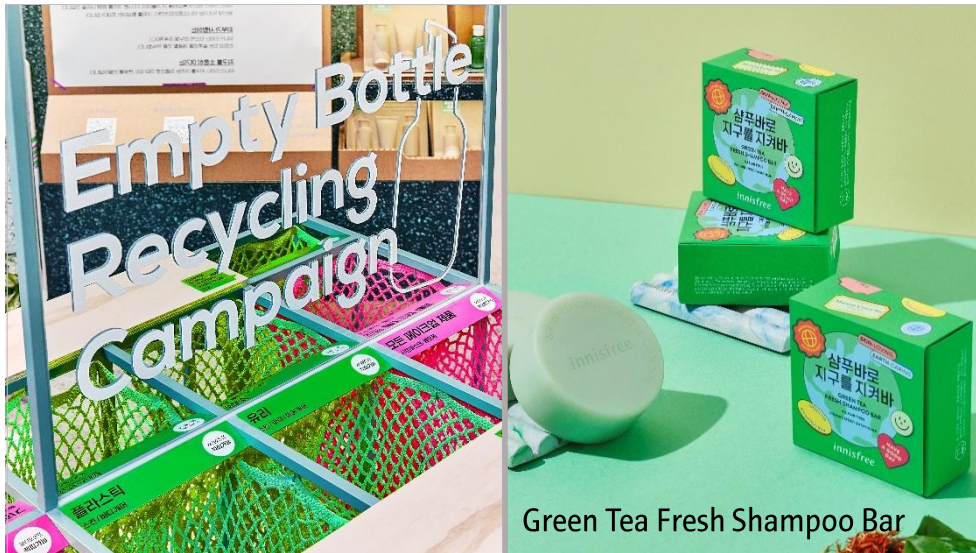


- Ayunche posted strong growth with new launches and enhanced marketing of Ayunche Mall targeting MZ generation hair designers
- Overall revenue and operating profit declined due to reduction of travel retail business to build a salon oriented business and marketing investment in renewing Ayunche brand



- Overall revenue and operating profit increased driven by strong online sales and reinforced positioning in the gift market
- Enhanced customer experience and brand attractiveness by opening a flagship store in Bukchon

FY 2021 New Product Launches and Marketing Activities



Green Tea Fresh Shampoo Bar

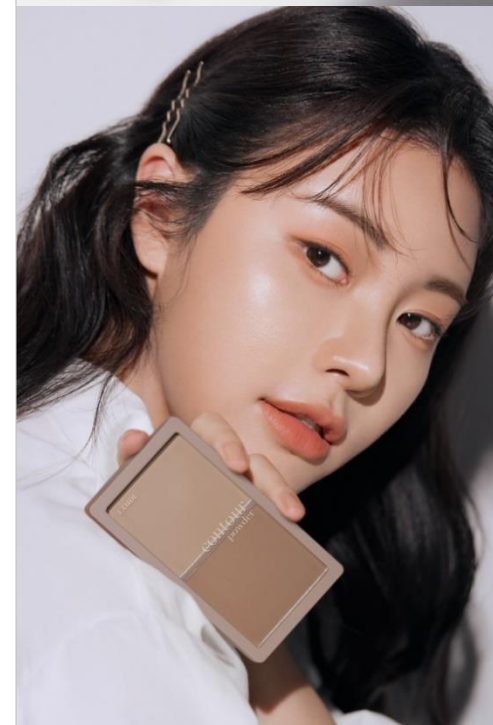


Innisfree

Reinforced leadership as an environment friendly brand through sustainability activities
 Launched Innisfree's first shampoo bar 'Green Tea Fresh Shampoo Bar'



Contour Powder



Etude

Enhanced brand attractiveness towards MZ customers through various collaborations with influencers
 'HYOJIN x Contour Powder', 'Leo J x Play Color Eyes #Casa Fig'

FY 2021 New Product Launches and Marketing Activities



Espoir

Strengthened product portfolio through new launches of cushion products
Reinforced positioning in facial make-up market



Amos Professional

Eco-chic solution for professional hair designers
Renewed Ayunche brand and launched Ayunche Mall



O Thank You Tea Box



Osulloc

Strengthened positioning in gift market with strong sales of gift sets, including 'Premium Tea Collection'

Etude builds joint partnership and signs MOU with Tik Tok

Through a joint partnership with global short video platform Tik Tok, Etude plans to strengthen its beauty community and run various collaborative projects ranging from marketing/advertisement, global business, and 'Pink Tok,' a Beauty Creators program. Etude is the first Korean beauty brand to produce creators within Tik Tok, and will enhance its brand awareness and customer reach out through various beauty content.



Sulwhasoo and Osulloc open flagship stores in Bukchon, providing customers an unique offline experience

In Bukchon, where past and present coexist, Sulwhasoo and Osulloc opened an attractive space filled with history and tradition. The two flagship stores provide exclusive products and services that customers can enjoy only at the flagship stores.

Amorepacific signs business agreement with SK E&S for supply of renewable energy to achieve carbon neutrality

Amorepacific signed a 'renewable energy supply business agreement for carbon neutrality' with global energy company SK E&S. Amorepacific has secured a stable supply of renewable energy until 2030, thereby building the foundation for accelerating the fulfillment of its promises for sustainability management and achievement of RE100.

The two companies also agreed to create a joint investment plan to revitalize the renewable energy market and to join forces to propose ways to improve systems and policies that can lead more companies to use renewable energy.



Amorepacific successfully runs a global Pink Ribbon campaign 'Pink Run+'

The 'Pink Run,' a concerted campaign between Amorepacific and Korea Breast Cancer Foundation to enhance public awareness of breast health, began in 2001 for 21 years.

Due to COVID19, 'Pink Run' was operated as an individual race from 2020, where participants can participate in the event wherever and whenever they want through the global running application 'STRAVA.' More than 48,000 participants from 164 countries participated the campaign by certifying their 5km race via the app.

Donations will be spent on low income breast cancer patients.



Amorepacific Group Financial Summary

Income Statement

(Unit: KRWbn, %)

	2020		2021	
	Amount	% of Sales	Amount	% of Sales
Revenue	4,930.1	100.0	5,326.1	100.0
Cost of sales	1,371.1	27.8	1,461.6	27.4
Gross Profit	3,559.0	72.2	3,864.5	72.6
SG&A Expenses	3,408.3	69.1	3,508.3	65.9
Operating Profit	150.7	3.1	356.2	6.7
Non-Operating Profit/Expense	-119.4		73.4	
Profit Before Tax	31.3	0.6	429.6	8.1
Consolidated Net Income	22.0	0.4	292.0	5.5

Statement of Financial Position

(Unit: KRW bn)

	2020.12	2021.12
Assets	7,788.7	8,038.1
Current Assets	2,853.1	3,015.5
Trade receivables	306.7	312.0
Inventories	478.4	542.8
Non-current Assets	4,935.7	5,022.7
Property, Plant and Equipment	3,081.1	2,920.0
Intangible Assets	719.6	703.4
Investments in associates	60.6	282.3
Liabilities	1,516.7	1,562.5
Current Liabilities	1,170.2	1,273.3
Non-current Liabilities	346.5	289.2
Shareholder's Equity	6,272.0	6,475.6
Capital Stock	48.0	48.0
Retained Earnings	2,631.9	2,761.9
Non-controlling Interest	3,022.5	3,163.6

“Winning Together”

1

Winning Brands

- Ultra focus on engine products
- Re-branding
- Enhance market and customer insights
- Expand New Beauty business

2

Digital Transformation

- Upgrade content quality and quantity
- Develop fan-base community
- Innovate business model with digital

3

Restructuring

- Rebalance global business
- Enhance ESG management
- Profitability centered restructuring
- Adopt Amorepacific Management System