

# Q1 '22 Earnings Results

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May 16<sup>th</sup>, 2022

(available on [http://www.orionworld.com/ENG/company/ir04\\_2\\_list.asp](http://www.orionworld.com/ENG/company/ir04_2_list.asp))

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# Q1 '22 Summary of Financial Results



## Overview of Q1 '22 Performance

(unit: KRW 100mn, %)

	Q1'21	Q1'22
<b>Sales</b>	6,020 	6,532 
<b>Operating Profit (%)</b>	1,019 (16.9%) 	1,086 (16.6%) 
<b>EBITDA (%)</b>	1,350 (22.4%) 	1,443 (22.1%) 
<b>Earnings per Share (KRW)</b>	1,811 	1,944 

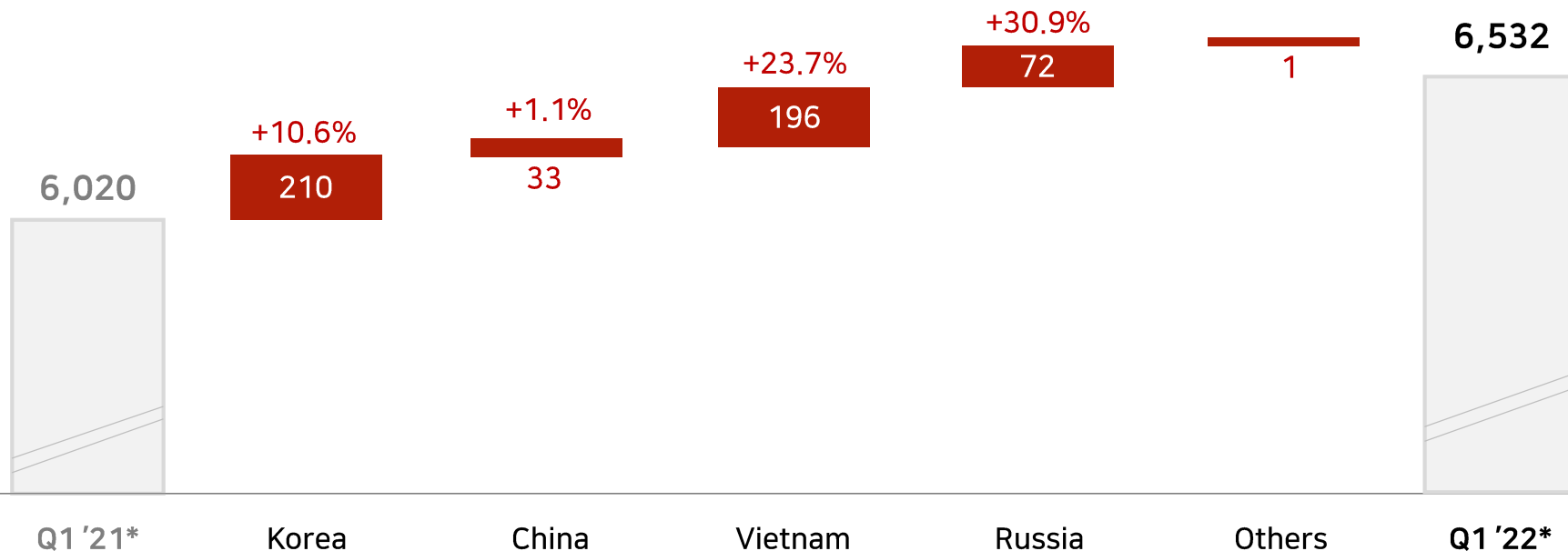
## Q1 '22 Highlights

- ✓ Maintaining a resilient growth over the regions
  - Korea +10%, China +1%, Vietnam +23%, Russia +30%
  - Elevated demand for CMR, healthy categories
- ✓ Ongoing input cost pressure
- ✓ **Continuing cost saving measures**
  - optimizing 3<sup>rd</sup>-party staffs, reducing A&P cost
  - Data-based Inventory management, etc.
- ✓ Generating sufficient cash from operating activities
- ✓ Enhancing shareholder value by strengthening profit-oriented management

# Q1 '22 Consolidated Results \_ Sales



(unit: KRW 100mn, %)



Growth rate by Category %					
Pie	↑ 5.0%	▼ 10.0%	↑ 24.5%	↑ 23.3%	• [Russia] New product roll-outs
Gum, Candy, Chocolate	↑ 17.7%	↑ 35.9%	↑ 511.3%	-	• [Vietnam] Expanding 'Boom Jelly'
Biscuit	↑ 6.0%	↑ 6.4%	▼ 24.6%	↑ 31.4%	• [China] Diversifying brand portfolio
Snack	↑ 3.7%	↑ 3.3%	↑ 45.7%	-	• [China] New product roll-out (O! Sweet Potato)
Others	↑ 45.0%	-	▼ 2.2%	-	• [Korea] Launching new line-up in mineral water
Domestics**	+8.5%	+1.1%	+21.9%	+24.9%	

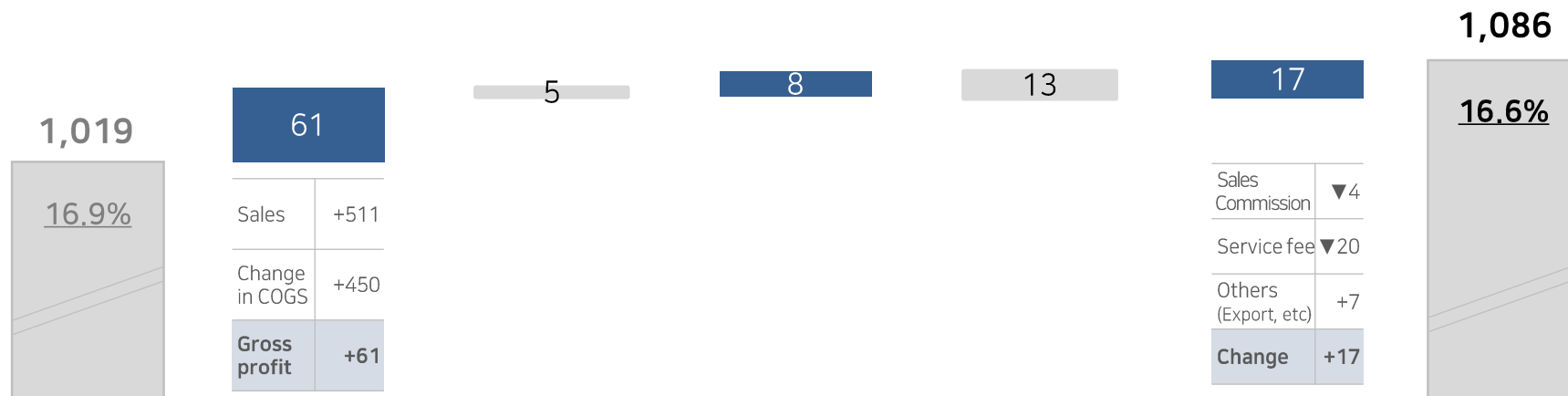
\* Consolidated figures

\*\* Based on the domestic growth %

# Q1 '22 Consolidated Results \_ Operating Profit (%)



(unit: KRW 100mn, %)



Q1 '21(\*)

Gross Profit(\*)

Salary

Advertisement

Logistics(\*)

Others  
(Commission, etc.)

Q1 '22(\*)

## % vs. Sales (yoy bp)

	Gross Profit	Salary	Advertisement	Logistics	Others	Q1 '22
Korea	42.2% (▼536bp)	12.1% (▼195bp)	0.9% (▼19bp)	4.2% (+13bp)	9.5% (▼113bp)	-
China	38.9% (▼64bp)	9.5% (+10bp)	1.6% (▼18bp)	1.9% (▼60bp)	9.7% (▼77bp)	-
Vietnam	37.2% (▼101bp)	9.1% (▼89bp)	0.4% (▼39bp)	3.2% (+40bp)	6.3% (+65bp)	-
Russia	29.7% (▼361bp)	5.3% (▼135bp)	0.2% (+5bp)	6.7% (+62bp)	4.6% (▼4bp)	-
Total(*)	39.3% (▼232bp)	10.2% (▼79bp)	1.1% (▼23bp)	3.1% (▼6bp)	8.2% (▼92bp)	16.6% (▼31bp)

\* Consolidated base

## Sales

(unit: KRW 100mn, %)



+10.6%

1,988

2,197

Q1 '21

Q1 '22

Category(domestics)	yoy %	Proportion %
Pie	+5.0%	19.2%
Gum, Candy, Chocolate	+17.7%	9.8%
Biscuit	+6.0%	21.2%
Snack	+3.7%	38.1%
CMR, healthy category	+31.5%	10.1%
Others (mineral water)	+45.0%	1.6%
<b>Domestics</b>	<b>+8.5%</b>	<b>100.0%</b>

- Delivering a double-digit growth in all channels due to elevated demand in at-home consumption and improved mobility
  - MT channel +13% (warehouse type, CVS, etc), TT channel +4%
  - Strong growth in Pie and CMR category
- [Outlook in Q2] Expanding CMR and healthy category**

## Operating Profit

(unit: KRW 100mn, %)

353

17.8%

342

15.5%

Q1 '21

Q1 '22

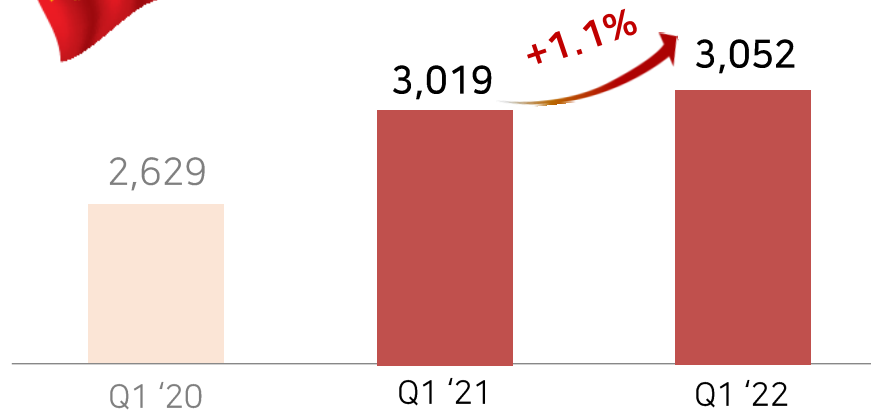
	vs. Sales (yoy bp)	Remarks
COGS	57.8% (+536bp)	<ul style="list-style-type: none"> <li>Reflection of input cost inflation (egg(liquid), oils, flour, etc.)</li> <li>- Q1'22 MFC%: +450bp (FY2021 +150bp)</li> </ul>
Operating Expense	26.7% (▼314bp)	<ul style="list-style-type: none"> <li>Continued to focus on <b>profitability</b></li> <li>- optimizing sales staffs(MD staff)</li> </ul>

# Q1 '22 Financial Results\_China



## Sales

(unit: KRW 100mn, %)

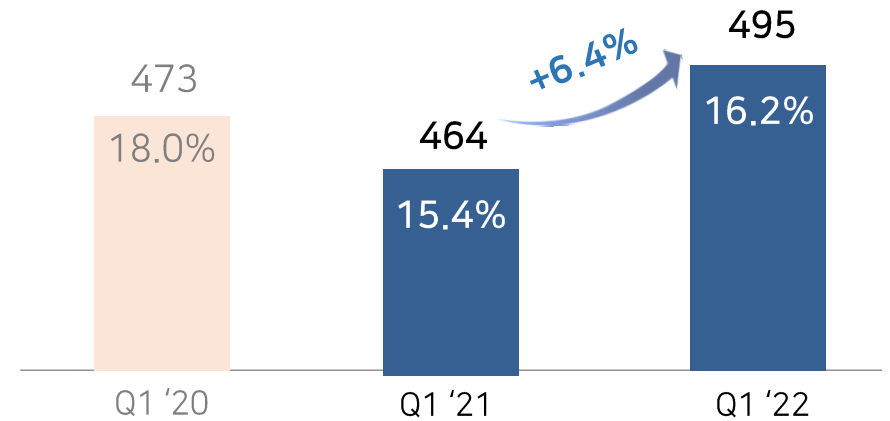


Category(domestics)	yoy %	Proportion %
Pie	▼10.0%	33.3%
Gum, Candy, Chocolate	+35.9%	7.9%
Biscuit	+6.4%	14.8%
Snack	+3.3%	43.3%
<b>Domestics</b>	<b>+1.1%</b>	<b>100.0%</b>

- Retail consumption disrupted by lockdown (Beijing, Shanghai, etc)
  - Minimizing the impact of lockdown by securing logistics and assuring normal production operation in all factories
- Adjustment of shipment in LNY Holiday to prevent inventory risk
- **[Outlook in Q2]** Expanding into new channels (O2O platform, etc)
- **[Outlook in Q2]** Expanding new product launch (pie, snack, jelly)

## Operating Profit

(unit: KRW 100mn, %)



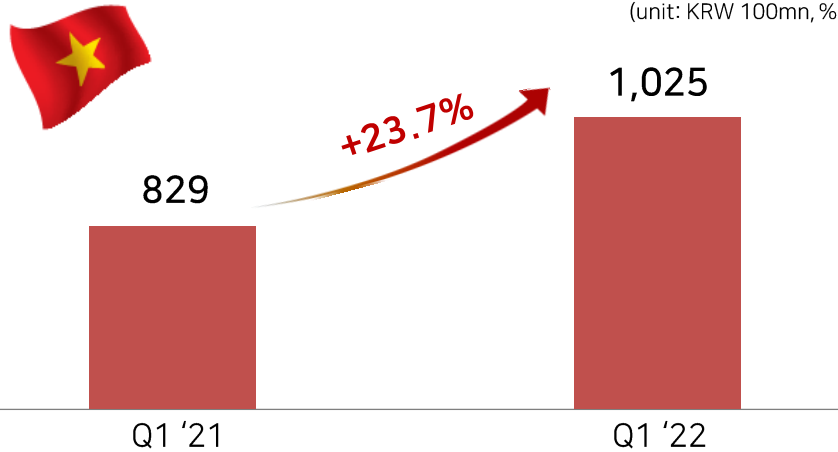
-	vs. Sales (yoy bp)	Remarks (bn won)
COGS	61.1% (+64bp)	<ul style="list-style-type: none"> <li>• Despite of input cost inflation, continuing cost efficiency strategy                             <ul style="list-style-type: none"> <li>- Q1'22 MFC% +170bp (Jan. 350bp, Feb. ▼380bp, Mar. ▼40bp)</li> </ul> </li> <li>• Part of SG&amp;A commission re-classified as sales deduction                             <ul style="list-style-type: none"> <li>- e-commerce operating commission 1.1bn</li> </ul> </li> </ul>
Operating Expense	22.7% (▼145bp)	<ul style="list-style-type: none"> <li>• Optimizing the number of warehouse</li> <li>• E-commerce operation commission re-classified as sales deduction</li> <li>• Minimizing non-essential A&amp;P cost</li> </ul>

# Q1 '22 Financial Results\_ Vietnam



## Sales

(unit: KRW 100mn, %)

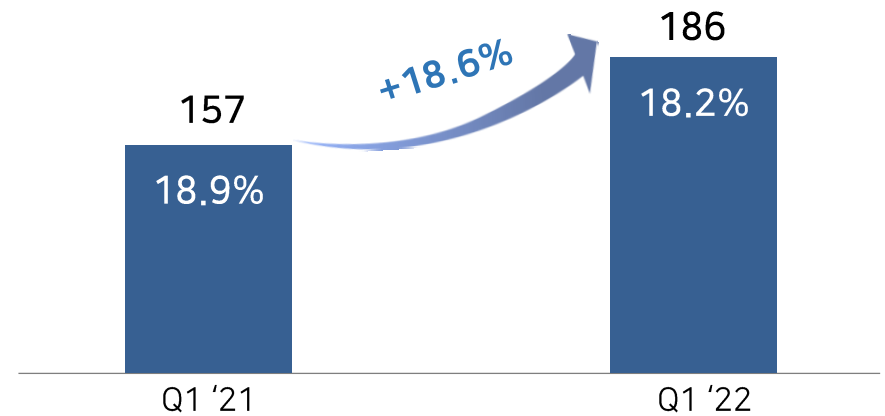


Category(domestics)	yoy %	Proportion %
Pie	+24.5%	45.1%
Gum, Candy, Chocolate	+511.3%	2.5%
Biscuit	▼6.4%	11.1%
Snack	+45.7%	34.4%
Gift Sets	▼2.2%	6.9%
<b>Domestics</b>	<b>+21.9%</b>	<b>100.0%</b>

- Increase in consumer demand for **meal replacement category**
  - C'est bon(packaged cake), An(Rice cracker), Chocopie
- New product line-up (Chocopie 'com', An 'potato cheese')
- **[Outlook in Q2]** Continuous M/S growth by portfolio expansion
  - Snack : Flavor extension(potato), launching new product in pallets snack
  - Expanding into new categories (Granola, layer cakes, etc)

## Operating Profit

(unit: KRW 100mn, %)

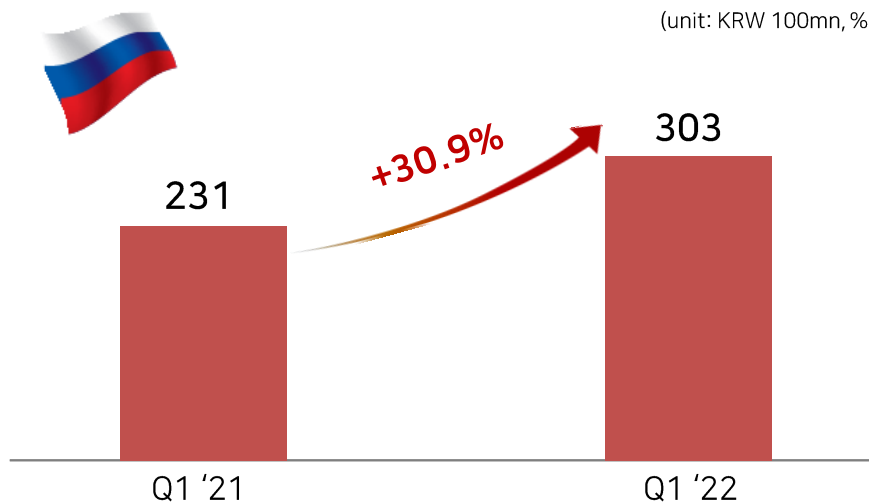


-	vs. Sales (yoy bp)	Remarks
COGS	62.8% (+101bp)	<ul style="list-style-type: none"> <li>• <b>Inflationary pressure</b> from raw materials and utilities                             <ul style="list-style-type: none"> <li>- Flours, sugar, packaging, gas, etc.</li> <li>- COVID related cost included</li> </ul> </li> <li>• Part of promotion re-classified as sales deduction</li> </ul>
Operating Expense	19.0% (▼24bp)	<ul style="list-style-type: none"> <li>• Reducing advertisement expense</li> <li>• Leverage effect from increased sales (volume)</li> </ul>



## Sales

(unit: KRW 100mn, %)

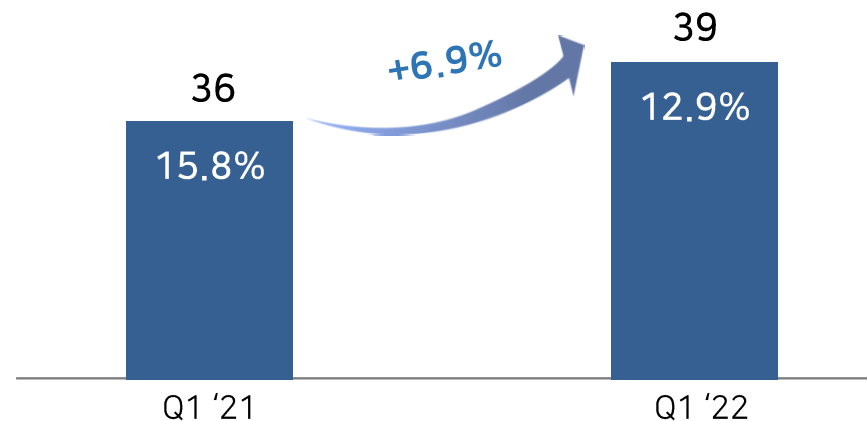


Category(domestics)	yoy %	Proportion %
Pie	+23.3%	78.5%
Biscuit	+31.4%	21.5%
Domestics	+24.9%	100.0%

- Continued to diversify product portfolio
  - 13 flavors in Chocopie, Crack-it, Chocoboy mango
- Driving a strong growth in export (Q1 +68%, '21 +44%)
- Price hike effective as of Apr. 1<sup>st</sup> (by 20% in all channels)
- [Outlook in Q2]** New production plant to be completed in 1H

## Operating Profit

(unit: KRW 100mn, %)



-	vs. Sales (yoy bp)	Remarks
COGS	70.3% (+361bp)	<ul style="list-style-type: none"> <li>Price Increase in raw materials - sugar, flour, cocoa powder, etc. (MFC%: +620bp)</li> </ul>
Operating Expense	16.8% (▼72bp)	<ul style="list-style-type: none"> <li>Maintaining cost mitigation measures</li> <li>Increase in logistics cost due to volume increase</li> </ul>

# Q1'22 Financial position and Subsidiaries Summary



## Financial Position

(unit : 100mil KRW, %)

-	Q4'20	Q4'21	Q1'22
<b>Assets</b>	<b>26,654</b>	<b>31,233</b>	<b>31,420</b>
Current	7,975	11,462	11,672
Non-current	18,679	19,771	19,748
<b>Liabilities</b>	<b>7,679</b>	<b>8,329</b>	<b>7,783</b>
Current	3,455	5,239	4,598
Non-current	4,224	3,090	3,186
<b>Capital</b>	<b>18,975</b>	<b>22,905</b>	<b>23,637</b>
<b>Total Assets</b>	<b>26,654</b>	<b>31,233</b>	<b>31,420</b>

## ■ Key Financial Index

<b>Debt Ratio(%)</b>	<b>40.5%</b>	<b>36.4%</b>	<b>32.9%</b>
<b>Net Cash</b>	<b>2,140</b>	<b>4,928</b>	<b>5,966</b>
Borrowings	2,322	2,316	1,854
Cash Equiv.	4,462	7,243	7,821
<b>Interest Coverage (x)</b>	<b>51x</b>	<b>58x</b>	<b>76x</b>

## Change in Subsidiaries (Consolidated)

No.	Subsidiaries (Investee)	Investor	Q4'20	Q4'21	Q1'22
1	Orion Corp.	Orion Holdings	0	0	0
2	Pan Orion Corp.	Orion Corp.	0	0	0
3	Orion Food Co.	Pan Orion Corp.	0	0	0
4	Orion Food Shanghai	Pan Orion Corp.	0	0	0
5	Orion Food Guangzhou	Pan Orion Corp.	0	0	0
6	Orion Food Shen Yang	Pan Orion Corp.	0	0	0
7	Orion(Bei Tun) Agro Processing Co.,Ltd	Orion Food Co.	0	-	-
8	Orion Argo Co., Ltd.	Orion Food Co.	0	0	0
9	Orion Agro DuoLun Co.	Orion Food Co.	0	0	0
10	LangFang Green Eco Packaging Co.	Orion Food Co.	0	0	0
11	Orion Food Vina Co.	Orion Corp.	0	0	0
12	Orion Int'l Euro LLC	Orion Corp. Pan Orion	0	0	0
13	Orion Nutritionals Limited	Orion Corp.	0	0	0
14	Orion F&B US, Inc.	Orion Corp.	-	0	0

\*Q1 '22 : 3bn KRW Recapitalization for Orion Nutritionals Limited (190mil INR)

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## II. Consolidated I/S \_ Q1 '22



(Unit: KRW bn)

Classification	Q1'22	Q1'21	B/W (%)	Note
<b>Sales</b>	<b>653.2</b>	<b>602.0</b>	<b>8.5%</b>	. Korea(21), China(3.3), Vietnam(19.6), Russia(7.2)
C.O.G.S	396.4	351.4	12.8%	. Higher commodity prices (sugar, flour, palm oil, etc)
(%)	60.7%	58.4%	2.3%p	- Converted to 'sales discount' : product promotion (Vietnam), E-commerce commission (China)
G.P	256.7	250.6	2.5%	
(%)	39.3%	41.6%	-2.3%p	
SG&A	148.2	148.6	-0.3%	. Salary(↑ 0.5), A&P(↓ 0.8), Logistics(↑ 1.3), Service fee(↓ 2.4), etc(↑ 0.9)
(%)	22.7%	24.7%	-2.0%p	- Part of Commission expense classified as 'sales discount' (IFRS compliance)
<b>Operating Profit</b>	<b>108.6</b>	<b>101.9</b>	<b>6.5%</b>	
<b>(%)</b>	<b>16.6%</b>	<b>16.9%</b>	<b>-0.3%p</b>	
Net Other Income	-0.5	-1.3	-63.7%	
Other Income	2.0	1.2	70.3%	. Korea: Recovery of impairment loss on intangible asset
Other Expense	2.5	2.5	-0.8%	
Net Finance Income	4.1	1.6	152.4%	
Finance Income	5.9	3.6	64.5%	. Interest income
Finance Expense	1.7	1.9	-10.3%	
Equity Method Income	0.3	0.2	62.0%	
<b>Profit before CIT</b>	<b>112.5</b>	<b>102.4</b>	<b>9.8%</b>	
Corporate Income Tax	35.3	30.7	14.7%	
<b>Continued operations N.I</b>	<b>77.2</b>	<b>71.7</b>	<b>7.7%</b>	
<b>(%)</b>	<b>11.8%</b>	<b>11.9%</b>	<b>-0.1%p</b>	
Discontinued operations N.P	0.0	0.0	-	
<b>Net Income</b>	<b>77.2</b>	<b>71.7</b>	<b>7.7%</b>	
<b>(%)</b>	<b>11.8%</b>	<b>11.9%</b>	<b>-0.1%p</b>	
N.I (ex. minority interest)	76.8	71.6	7.3%	
<b>(%)</b>	<b>11.8%</b>	<b>11.9%</b>	<b>-0.1%p</b>	

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# I. Sales Breakdown \_ Korea



(Unit: KRW 100mn)

Category	Q1'22	Q1'21	Q1 B/W	Q1 Growth (%)	Q1 Portion	Note (Q1 Growth Brand)
Pie	38	36	1.8	5.0%	19.2%	. Chocopie Strawberry(new), Sweet-filled Pancake Pie, Custard 30P
Biscuit	42	39	2.4	6.0%	21.1%	. Soft Chocochip, Marine-boy strawberry(new), Yegam
Snack	75	72	2.7	3.7%	38.1%	. OIPotato Creamy chilies(new), Turtle-chip Sweet Vanilla(new)
Gum/Candy	13	12	1.2	10.3%	6.5%	. Market O Minty(new), My-gummy grape
Chocolate	6	5	1.7	35.9%	3.3%	. Miz-ball, chocolate with hazelut and granola
CMR/ Healthy fuctional	20	15	4.7	31.5%	10.1%	. Market O Nature (granola cereal, bar, Potato stick) . Dr. You (protein/energy bar, gummy, gummy ball), etc
Others	3.2	2.2	1.0	45.0%	1.6%	. Jeju mineral water, premium mineral water with immune booster (new), etc.
<b>Domestics</b>	<b>196</b>	<b>181</b>	<b>15.5</b>	<b>8.5%</b>	<b>100.0%</b>	
Exports	16	12	3.7	31.0%		. U.S.A , Japan, China
F&B Restaurant	1.4	1.2	0.2	15.1%		. Marekt O restaurants

# I. I/S Breakdown \_ Korea



(Unit: KRW mn)

Classification	Q1'22	Q1'21	(%)	Note(vs. Q1'21)
Sales	219,739	198,761	10.6%	. Growth driven by at-home consumption increase and improved mobility condition
COGS	126,928	104,163	21.9%	
(%)	57.8%	52.4%	5.4%p	. Inflation on commodity prices
G.P	92,810	94,598	-1.9%	
(%)	42.2%	47.6%	-5.4%p	
SG&A	58,663	59,311	-1.1%	
(%)	26.7%	29.8%	-3.1%p	
Salaries	26,540	27,882	-4.8%	. Optimization of sales staff, reduction in incentives
(%)	12.1%	14.0%	-2.0%p	
A&M	1,987	2,176	-8.7%	
(%)	0.9%	1.1%	-0.2%p	
Delivery	9,194	8,067	14.0%	. Sales volume Increase, Logistics price increase
(%)	4.2%	4.1%	0.1%p	
Depreciation&Amortization	2,039	2,181	-6.5%	
(%)	0.9%	1.1%	-0.2%p	
Sales Commission	4,547	4,018	13.2%	. Increase in e-commerce commission
(%)	2.1%	2.0%	0.0%p	
Service fee	7,283	7,659	1.3%	. Optimization of MD staffs
(%)	3.3%	3.9%	-0.5%p	
Others	7,073	7,328	-3.5%	
(%)	3.2%	3.7%	-0.5%p	
O.P	34,147	35,287	-3.2%	
(%)	15.5%	17.8%	-2.2%p	
Other Income	1,443	666	116.5%	. Recovery of impairment loss on intangible asset
(%)	0.7%	0.3%	0.3%p	
Other Expense	1,521	949	60.3%	. Impairment loss on intangible asset
(%)	0.7%	0.5%	0.2%p	
O.P (IFRS)	34,069	35,005	-2.7%	
(%)	15.5%	17.6%	-2.1%p	
Finance Income	827	145	469.1%	
(%)	0.4%	0.1%	0.3%p	
Finance Expense	1,374	1,525	-9.9%	. Reduction of corporate bond (60 billion KRW)
(%)	0.6%	0.8%	-0.1%p	
N.I before Corporate income tax	33,523	33,626	-0.3%	
(%)	15.3%	16.9%	-1.7%p	
Corporate income tax	7,812	7,932	-1.5%	
(%)	3.6%	4.0%	-0.4%p	
Net Income	25,711	25,693	0.1%	
(%)	11.7%	12.9%	-1.2%p	

## II. Sales Breakdown \_ China



(Unit: KRW 100mn)

Category	Q1'22	Q1'21	Q1 B/W	Q1 Growth (%)	Q1 Portion	Note (Q1 Growth Brand)
Pie	1,016	1,128	-112	-10.0%	33.3%	. Disrupted by regional lockdown and stores closing
Gum	101	78	23	29.0%	3.3%	. Xylitol gum
Candy	140	99	41	41.3%	4.6%	. Gummy with Octopus ink(new), Guozhi-guoshin Rich (new)
Biscuit	452	425	27	6.4%	14.8%	. Marine-boy choco, chocoboy
Snack	1,319	1,277	42	3.3%	43.3%	. Yatoudou(Oh! Potato), Haouyochi(Swing Chip)
Others	18	7	11	159.5%	0.6%	. Jeju mineral water, etc
Domestics	3,046	3,015	32	1.1%	100.0%	
Exports	6	4	2	38.9%		

(Unit: CNH 100mn)

Category	Q1'22	Q1'21	Q1 B/W	Q1 Growth (%)	Q1 Portion	Note (Q1 Growth Brand)
Pie	5.4	6.6	-1.2	-18.4%	33.3%	
Gum	0.5	0.5	0.1	17.0%	3.3%	
Candy	0.7	0.6	0.2	28.1%	4.6%	
Biscuit	2.4	2.5	-0.1	-3.5%	14.8%	
Snack	7.0	7.4	-0.5	-6.4%	43.3%	
Others	0.1	0	0	-	0.6%	
Domestics	16.1	17.5	(1.5)	-8.4%	100.0%	. Q1'22 FX(KRW/RUB): 10.3%
Exports	0.03	0.02	0.006	26.0%		

Q1'22      Q1'21      Q1 Growth (%)

ForEx      189.6      172.0      10.3%



## II. I/S Breakdown \_ China (KRW)



(Unit: KRW mn)

Classification	Q1'22	Q1'21	(%)	Note(vs. Q1'21)
Sales	305,196	301,859	1.1%	. Affected by regional lockdown, closing stores, inventory controls
COGS	186,555	182,575	2.2%	. Inflation in major raw materials (shortening oil, frying oil, etc)
(%)	61.1%	60.5%	0.6%p	
G.P	118,641	119,284	-0.5%	
(%)	38.9%	39.5%	-0.6%p	
SG&A	69,172	72,793	-5.0%	
(%)	22.7%	24.1%	-1.5%p	
Salaries	28,955	28,356	2.1%	. Salary increase
(%)	9.5%	9.4%	0.1%p	
A&M	4,804	5,296	-9.3%	. '21: leaflets advertisement
(%)	1.6%	1.8%	-0.2%p	
Delivery	5,799	7,532	-23.0%	. Decrease in sales volume, optimization of warehouse logistics
(%)	1.9%	2.5%	-0.6%p	
Depreciation&Amortization	2,659	2,309	15.1%	. Depreciation for automated warehouse
(%)	0.9%	0.8%	0.1%p	
Sales Commission	2,354	3,399	-30.7%	. Part of Sales commission for e-commerce converted to 'sales discount'
(%)	0.8%	1.1%	-0.4%p	
Service fee	11,452	12,870	-11.0%	. Reduction in rent for warehouse (optimization of warehouse)
(%)	3.8%	4.3%	-0.5%p	
Others	13,149	13,030	0.9%	. taxes and dues, IT maintenance, etc
(%)	4.3%	4.3%	0.0%p	
O.P	49,469	46,491	6.4%	
(%)	16.2%	15.4%	0.8%p	
Other Income	348	359	-3.0%	
(%)	0.1%	0.1%	0.0%p	
Other Expense	552	1,340	-58.8%	. Disposal of idle(non-operating) equipment
(%)	0.2%	0.4%	-0.3%p	
O.P (IFRS)	49,264	45,510	8.2%	
(%)	16.1%	15.1%	1.1%p	
Finance Income	3,106	2,250	38.0%	. Increase in interest income
(%)	1.0%	0.7%	0.3%p	
Finance Expense	511	764	-33.1%	. Decrease in interest expense
(%)	0.2%	0.3%	-0.1%p	
N.I before Corporate income tax	51,859	46,997	10.3%	
(%)	17.0%	15.6%	1.4%p	
Corporate income tax	16,508	14,329	15.2%	
(%)	5.4%	4.7%	0.7%p	
Net Income	35,351	32,668	8.2%	
(%)	11.6%	10.8%	0.8%p	

## II. I/S Breakdown \_ China (Local Currency)



(Unit: CNH mn)

Classification	Q1'22	Q1'21	(%)	Note(vs. Q1'21)
<b>Sales</b>	<b>1,609</b>	<b>1,756</b>	<b>-8.3%</b>	Q1'22 FX(KRW/CNH): +10.3%
COGS	984	1,062	-7.4%	
(%)	61.1%	60.5%	0.6%p	
G.P	626	694	-9.8%	
(%)	38.9%	39.5%	-0.6%p	
SG&A	365	423	-13.8%	
(%)	22.7%	24.1%	-1.5%p	
Salaries	153	165	-7.4%	
(%)	9.5%	9.4%	0.1%p	
A&M	25	31	-17.7%	
(%)	1.6%	1.8%	-0.2%p	
Delivery	31	44	-30.2%	
(%)	1.9%	2.5%	-0.6%p	
Depreciation&Amortization	14	13	4.4%	
(%)	0.9%	0.8%	0.1%p	
Sales Commission	12	20	-37.2%	
(%)	0.8%	1.1%	-0.4%p	
Service fee	60	75	-19.3%	
(%)	3.8%	4.3%	-0.5%p	
Others	69	76	-8.5%	
(%)	4.3%	4.3%	0.0%p	
<b>O.P</b>	<b>261</b>	<b>270</b>	<b>-3.5%</b>	
<b>(%)</b>	<b>16.2%</b>	<b>15.4%</b>	<b>0.8%p</b>	
Other Income	2	2	-12.1%	
(%)	0.1%	0.1%	0.0%p	
Other Expense	3	8	-62.6%	
(%)	0.2%	0.4%	-0.3%p	
O.P (IFRS)	260	265	-1.8%	
(%)	16.1%	15.1%	1.1%p	
Finance Income	16	13	25.2%	
(%)	1.0%	0.7%	0.3%p	
Finance Expense	3	4	-39.4%	
(%)	0.2%	0.3%	-0.1%p	
N.I before Corporate income tax	273	273	0.1%	
(%)	17.0%	15.6%	1.4%p	
Corporate income tax	87	83	4.5%	
(%)	5.4%	4.7%	0.7%p	
<b>Net Income</b>	<b>186</b>	<b>190</b>	<b>-1.9%</b>	
<b>(%)</b>	<b>11.6%</b>	<b>10.8%</b>	<b>0.8%p</b>	

### III. Sales Breakdown \_ Vietnam



(Unit: KRW 100mn)

Category	Q1'22	Q1'21	Q1 B/W	Q1 Growth (%)	Q1 Portion	Note (Q1 Growth Brand)
Pie	429	344	84	24.5%	45.1%	. Custard 'Com'(new), C'est Bon(packaged cake)
Biscuit	106	141	-35	-24.6%	11.1%	. Goute Hot Seed
Snack	328	225	103	45.7%	34.4%	. An 'Potato Cheese'(new)
Gum,Candy	23	4	20	511.3%	2.5%	. Boom Jelly(new)
Gift set	65	67	-1	-2.2%	6.9%	. Gift-sets for LNY new holiday (tet)
Domestics	951	781	171	21.9%	100.0%	
Exports	71	48	23.5	49.2%		. Saudi Arabia, Indonesia, etc

(Unit: VND 100mn)

Category	Q1'22	Q1'21	Q1 B/W	Q1 Growth (%)	Q1 Portion	Note (Q1 Growth Brand)
Pie	8,105	7,132	974	13.7%	45.1%	
Biscuit	2,005	2,911	-907	-31.1%	11.1%	
Snack	6,196	4,657	1,539	33.1%	34.4%	
Gum,Candy	443	79	364	458.2%	2.5%	
Gift set	1,237	1,385	-148	-10.7%	6.9%	
Domestics	17,986	16,164	1,822	11.3%	100.0%	. Q1'22 FX(KRW/RUB): 9.5%
Exports	1,347	989	358	36.2%		

	Q1'22	Q1'21	Q1 Growth (%)
ForEx	0.0529	0.0483	9.5%

### III. I/S Breakdown \_ Vietnam (KRW)



(Unit: KRW mn)

Classification	Q1'22	Q1'21	(%)	Note(vs. Q1'21)
<b>Sales</b>	<b>102,467</b>	<b>82,854</b>	<b>23.7%</b>	. Volume increase in Package Cake and Snack, new prodcut roll-outs
COGS	64,398	51,234	25.7%	. Price increase on major raw materials(Palm oil, sugar, film case, etc)
(%)	62.8%	61.8%	1.0%p	- '22: product promotion converted to 'sales discount'
G.P	38,069	31,620	20.4%	
(%)	37.2%	38.2%	-1.0%p	
SG&A	19,446	15,922	22.1%	
(%)	19.0%	19.2%	-0.2%p	
Salaries	9,341	8,294	12.6%	. Salary increase
(%)	9.1%	10.0%	-0.9%p	
A&M	379	631	-40.0%	. '21: online ads for new products
(%)	0.4%	0.8%	-0.4%p	
Delivery	3,239	2,292	41.3%	. Increase on sales volume, direct sales distribution
(%)	3.2%	2.8%	0.4%p	
Depreciation&Amortization	303	203	49.1%	
(%)	0.3%	0.2%	0.1%p	
Sales Commission	708	619	14.3%	
(%)	0.7%	0.7%	-0.1%p	
Service fee	3,027	2,164	39.9%	. Increase in royalty fee
(%)	3.0%	2.6%	0.3%p	
Others	2,449	1,719	42.5%	. COVID related cost
(%)	2.4%	2.1%	0.3%p	
<b>O.P</b>	<b>18,623</b>	<b>15,698</b>	<b>18.6%</b>	
(%)	<b>18.2%</b>	<b>18.9%</b>	<b>-0.8%p</b>	
Other Income	119	96	23.0%	
(%)	0.1%	0.1%	0.0%p	
Other Expense	86	154	-44.1%	
(%)	0.1%	0.2%	-0.1%p	
O.P (IFRS)	18,655	15,641	19.3%	
(%)	18.2%	18.9%	-0.7%p	
Finance Income	2,056	1,278	60.8%	. Increase in interest income
(%)	2.0%	1.5%	0.5%p	
Finance Expense	28	14	93.8%	
(%)	0.0%	0.0%	0.0%p	
N.I before Corporate income tax	20,683	16,905	22.3%	
(%)	20.2%	20.4%	-0.2%p	
Corporate income tax	3,673	3,010	22.0%	
(%)	3.6%	3.6%	0.0%p	
<b>Net Income</b>	<b>17,010</b>	<b>13,895</b>	<b>22.4%</b>	
(%)	<b>16.6%</b>	<b>16.8%</b>	<b>-0.2%p</b>	

### III. I/S Breakdown \_ Vietnam (Local Currency)



(Unit: VND bn)

Classification	Q1'22	Q1'21	(%)	Note(vs. Q1'21)
<b>Sales</b>	<b>1,937</b>	<b>1,715</b>	<b>12.9%</b>	. Q1'22 FX(KRW/VND): +9.5%
COGS	1,217	1,061	14.8%	
(%)	62.8%	61.8%	1.0%p	
G.P	720	655	9.9%	
(%)	37.2%	38.2%	-1.0%p	
SG&A	368	330	11.5%	
(%)	19.0%	19.2%	-0.2%p	
Salaries	177	172	2.8%	
(%)	9.1%	10.0%	-0.9%p	
A&M	7	13	-45.2%	
(%)	0.4%	0.8%	-0.4%p	
Delivery	61	47	29.1%	
(%)	3.2%	2.8%	0.4%p	
Depreciation&Amortization	6	4	36.1%	
(%)	0.3%	0.2%	0.1%p	
Sales Commission	13	13	4.4%	
(%)	0.7%	0.7%	-0.1%p	
Service fee	57	45	27.7%	
(%)	3.0%	2.6%	0.3%p	
Others	46	36	30.1%	
(%)	2.4%	2.1%	0.3%p	
<b>O.P</b>	<b>352</b>	<b>325</b>	<b>8.3%</b>	
<b>(%)</b>	<b>18.2%</b>	<b>18.9%</b>	<b>-0.8%p</b>	
Other Income	2	2	12.3%	
(%)	0.1%	0.1%	0.0%p	
Other Expense	2	3	-48.9%	
(%)	0.1%	0.2%	-0.1%p	
O.P (IFRS)	353	324	8.9%	
(%)	18.2%	18.9%	-0.7%p	
Finance Income	39	26	46.8%	
(%)	2.0%	1.5%	0.5%p	
Finance Expense	1	0	77.0%	
(%)	0.0%	0.0%	0.0%p	
N.I before Corporate income tax	391	350	11.7%	
(%)	20.2%	20.4%	-0.2%p	
Corporate income tax	69	62	11.4%	
(%)	3.6%	3.6%	0.0%p	
<b>Net Income</b>	<b>322</b>	<b>288</b>	<b>11.8%</b>	
<b>(%)</b>	<b>16.6%</b>	<b>16.8%</b>	<b>-0.2%p</b>	

# IV. Sales Breakdown \_ Russia



(Unit: KRW 100mn)

Category	Q1'22	Q1'21	Q1 B/W	Q1 Growth (%)	Q1 Portion	Note (Q1 Growth Brand)
Pie (Chocopie)	196	159	37	23.3%	78.5%	. Expanding Chocopie Line-up (12 --> 13 flavors)
Original	145	107	38	35.5%	58.0%	
Jam Pie	37	42	-5	-11.1%	14.8%	. Black currant, Mango, Cherry, Raspberry, Apple-cinamon, Cranberry, Straberry(new)
Dark-pie, Chocochip	14	11	4	35.3%	5.7%	
Biscuit	54	41	13	31.4%	21.5%	. Crack it, Chocoboy(original, mango, caramel, black currant)
Domestics	250	200	50	24.9%	100.0%	
Exports	53	31	21	68.6%		. Mongol, Kazakhstan, Uzbekistan, etc

(Unit: RUB mn)

Category	Q1'22	Q1'21	Q1 B/W	Q1 Growth (%)	Q1 Portion	Note (Q1 Growth Brand)
Pie (Chocopie)	1,396	1,064	331.9	31.2%	78.5%	
Original	1,031	715	315.9	44.2%	58.0%	
Jam Pie	264	279	-15.0	-5.4%	14.8%	
Darkpie, Chocochip	37	71	-34.0	-48.2%	2.1%	
Biscuit	381	273	108.5	39.8%	21.5%	
Domestics	1,777	1,337	440	32.9%	100.0%	. Q1'22 FX(KRW/RUB): -6%
Exports	374	209	166	79.4%		

	Q1'22	Q1'21	Q1 Growth (%)
ForEx	0.1406	0.1496	-6.0%

# IV. I/S Breakdown \_ Russia (KRW)



(Unit: KRW mn)

Classification	Q1'22	Q1'21	(%)	Note(vs. Q1'21)
Sales	30,272	23,119	30.9%	Strong growth driven by diversifying product portfolio
COGS	21,281	15,418	38.0%	Price increase on raw materials(sugar, flour, cocoa powder, etc)
(%)	70.3%	66.7%	3.6%p	
G.P	8,991	7,701	16.7%	
(%)	29.7%	33.3%	-3.6%p	
SG&A	5,092	4,055	25.6%	
(%)	16.8%	17.5%	-0.7%p	
Salaries	1,604	1,537	4.4%	Increase in salary
(%)	5.3%	6.6%	-1.3%p	
A&M	63	37	69.0%	
(%)	0.2%	0.2%	0.0%p	
Delivery	2,017	1,396	44.5%	Increase on sales volume, inflation on transportation cost
(%)	6.7%	6.0%	0.6%p	
Depreciation&Amortization	60	63	-4.3%	
(%)	0.2%	0.3%	-0.1%p	
Sales Commission	0	0	-	
(%)	0.0%	0.0%	0.0%p	
Service fee	932	630	47.9%	Increase in royalty fee
(%)	3.1%	2.7%	0.4%p	
Others	416	392	6.1%	
(%)	1.4%	1.7%	-0.3%p	
O.P	3,899	3,646	6.9%	
(%)	12.9%	15.8%	-2.9%p	
Other Income	64	88	-27.6%	
(%)	0.2%	0.4%	-0.2%p	
Other Expense	294	33	801.9%	Loss on foreign currency transactions
(%)	1.0%	0.1%	0.8%p	
O.P (IFRS)	3,668	3,701	-0.9%	
(%)	12.1%	16.0%	-3.9%p	
Finance Income	173	305	-43.1%	
(%)	0.6%	1.3%	-0.7%p	
Finance Expense	127	59	113.7%	Interest expense due to borrowing incurred
(%)	0.4%	0.3%	0.2%p	
N.I before Corporate income tax	3,715	3,947	-5.9%	
(%)	12.3%	17.1%	-4.8%p	
Corporate income tax	699	846	-17.5%	
(%)	2.3%	3.7%	-1.4%p	
Net Income	3,016	3,100	-2.7%	
(%)	10.0%	13.4%	-3.4%p	

# IV. I/S Breakdown \_ Russia (Local Currency)



(Unit: RUB mn)

Classification	Q1'22	Q1'21	(%)	Note(vs. Q1'21)
Sales	2,212	1,736	27.4%	Q1'22 FX(KRW/RUB): -6.0%
COGS	1,521	1,117	36.2%	
(%)	68.8%	64.3%	4.5%p	
G.P	690	620	11.4%	
(%)	31.2%	35.7%	-4.5%p	
SG&A	349	303	15.2%	
(%)	15.8%	17.4%	-1.7%p	
Salaries	98	117	-15.9%	
(%)	4.4%	6.7%	-2.3%p	
A&M	4	5	-18.3%	
(%)	0.2%	0.3%	-0.1%p	
Delivery	149	98	52.3%	
(%)	6.7%	5.6%	1.1%p	
Depreciation&Amortization	4	4	3.2%	
(%)	0.2%	0.2%	0.0%p	
Sales Commission	0	0	-	
(%)	0.0%	0.0%	0.0%p	
Service fee	55	48	13.8%	
(%)	2.5%	2.8%	-0.3%p	
Others	38	31	24.3%	
(%)	1.7%	1.8%	0.0%p	
O.P	342	317	7.8%	
(%)	15.5%	18.3%	-2.8%p	
Other Income	5	0	1559.3%	
(%)	0.2%	0.0%	0.2%p	
Other Expense	4	2	132.7%	
(%)	0.2%	0.1%	0.1%p	
O.P (IFRS)	342	315	8.5%	
(%)	15.5%	18.2%	-2.7%p	
Finance Income	8	6	33.3%	
(%)	0.4%	0.3%	0.0%p	
Finance Expense	-3	4	-169.1%	
(%)	-0.1%	0.2%	-0.4%p	
N.I before Corporate income tax	353	317	11.4%	
(%)	16.0%	18.3%	-2.3%p	
Corporate income tax	70	65	7.8%	
(%)	3.2%	3.8%	-0.6%p	
Net Income	283	252	12.3%	
(%)	12.8%	14.5%	-1.7%p	