



LocknLock

# 2022 Management Performance Report



## Disclaimer

This document has been prepared by Lock & Lock, Co., Ltd. (“the Company”) to provide shareholders and potential investors with financial and operational information about the Company. This document is an advance report, and the financial information included in the document has yet to undergo independent verification by an external auditor and is subject to revision upon completion of the Company’s closing and audit processes. This document contains forward-looking statements that discuss expectations, future events, and projections of the Company’s financial condition and operational outcomes, using terms such as “project,” “outlook,” “plan,” “expect,” etc. This document is presented solely to provide information regarding the Company and is subject to change without notice.

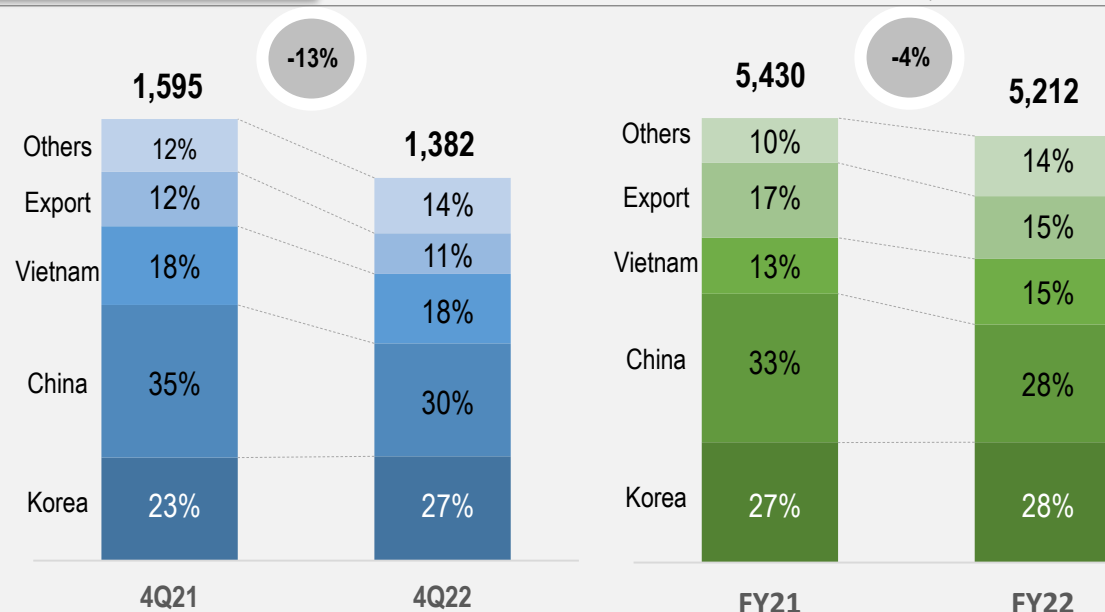


# 2022 Q4 and Full-Year Performance

# Company-wide Performance Summary

## Sales

(Unit: KRW 100 million)



## Profit or Loss

(Unit: KRW 100 million)

Classification	Q4		Full-year	
	Amount	YoY(%)	Amount	YoY(%)
Sales	1,382	-13%	5,212	-4%
Operating Income	-18	Turnaround to Deficit	23	-93%
Net Income	-219	Turnaround to Deficit	-154	Turnaround to Deficit

[Note] 4Q21 operating income of 12.2 bn & net income of 2 bn,  
2021 operating income of 32.5 bn & net income of 16.2 bn (unit: KRW)

## Q4 Performance Summary

- Weak demand due to sluggish market conditions in China**  
Sales for 4Q22 decreased by 13% YoY to KRW 138.2 bn due to the weak demand caused by the spread of COVID-19 and economic recession in China
- Reflecting one-off costs**  
Operating income and net income decreased by KRW 14 bn and KRW 23.9 bn year-on-year, respectively, affected by impairment of goodwill and assets and increased one-off costs such as allowance provision, etc. due to extraordinary circumstances throughout the year

## Full-Year Performance Summary

- Continued solid growth momentum in the Southeast Asia market**  
Sales in 2022 only decreased by 4% YoY to KRW 521.2 bn by minimizing the sales decline based on the solid growth momentum in the market despite the unfavorable business environment (Sales in SE Asia market increased by 16% YoY)
- Increased production cost burden due to high FX rate and raw material prices**  
Operating income and net income decreased by KRW 30.2 bn and 31.5 bn, respectively, owing to the increased one-off costs in 4Q22 and production cost burden affected by a steady rise in the FX rate and raw material prices in 2022
- Expanding online & beverageware business**  
Responding in a timely manner to changes in the market environment and consumer spending trends, the beverageware business has expanded and the online market growth has been maintained in every country excluding China

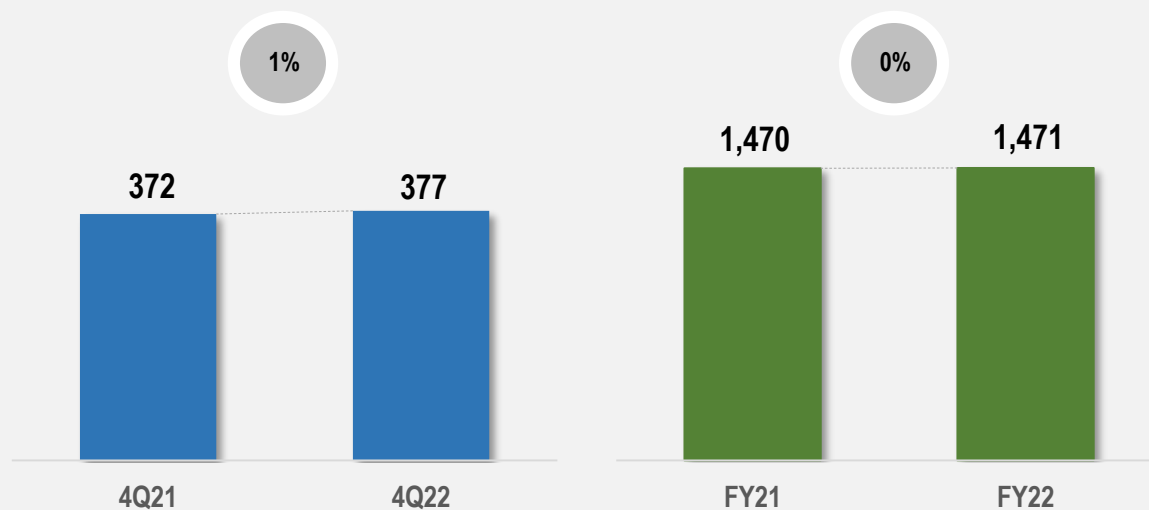
Online: KRW 83.3 bn → KRW 97.7 bn (YoY +17%)

Beverageware: 52.4 bn → KRW 78.6 bn (YoY +50%)

# Korea

## Sales

(Unit: KRW 100 million)



(Unit: KRW million)

Classification	Q4		Full-year	
	Amount	YoY(%)	Amount	YoY(%)
Food containers	16,577	16%	59,345	2%
Beverageware	10,033	15%	32,970	33%
Cookware	5,863	-23%	29,621	-2%
Small appliances	2,611	-30%	13,082	-37%
Others	2,595	-8%	12,034	-8%
<b>Total</b>	<b>37,679</b>	<b>1%</b>	<b>147,052</b>	<b>0%</b>

## Q4 Performance Summary

### Continued growth in food container and beverageware sales

Sales of food containers and beverageware, which are growing businesses, showed continued growth in 4Q22 thanks to the strategic operation of sales channels aligned with the changing market environment

## Full-Year Performance Summary

### Strengthening product competitiveness and brand power of beverageware

Achieved a 33% year-on-year growth in beverageware sales by strengthening product competitiveness and brand power centered around the Metro series of products

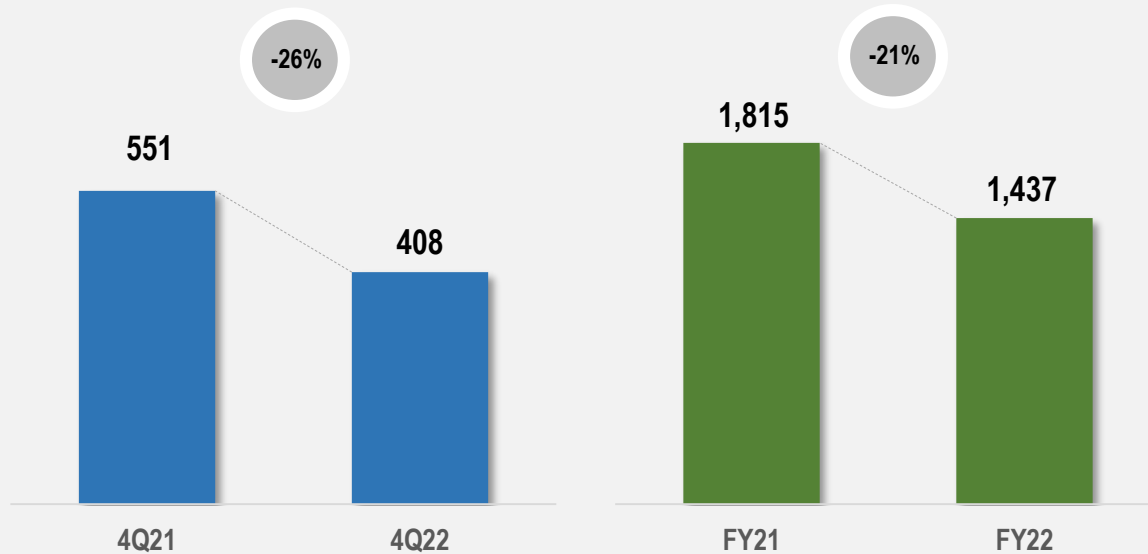
### Strategically reorganizing the mix of sales channels with a focus on profitability

The Company's profit structure has been improved to respond to changing FX rates and increasing raw material prices. In particular, home shopping channels for small appliances sales have been strategically downscaled. Total sales in Korea increased by 12% from the previous year excluding home shopping channels

# China

## Sales

(Unit: KRW 100 million)



(Unit: KRW million)

Classification	Q4		Full-year	
	Amount	YoY(%)	Amount	YoY(%)
Food containers	9,563	-4%	35,084	-6%
Beverageware	22,676	-30%	76,919	-24%
Cookware	2,120	-29%	9,005	-24%
Small appliances	3,893	-43%	13,240	-27%
Others	2,567	-18%	9,412	-26%
<b>Total</b>	<b>40,819</b>	<b>-26%</b>	<b>143,660</b>	<b>-21%</b>

## Q4 Performance Summary

### Decrease in sales due to the rapid spread of COVID-19

The consumer goods market in China was hit by the rapid spread of COVID-19 caused by Beijing's sudden change in pandemic strategy. In particular, sales in December decreased by 42% from the previous year

### Maintaining brand ranking & market competitiveness

- Although sales saw a downturn due to the market factors in China, the brand sales ranking remains stable in the major online shopping mall (Tmall)
- Ranked 1st and 3rd in the food container and tumbler sales category, respectively, on Tmall for Singles' Day

## Full-Year Performance Summary

### Continued impact of the COVID-19 pandemic

Sales were affected across all categories by the continued impact of COVID-19, decreasing by 21% year-on-year (YoY -29% in 2Q22, YoY -26% in 4Q22)

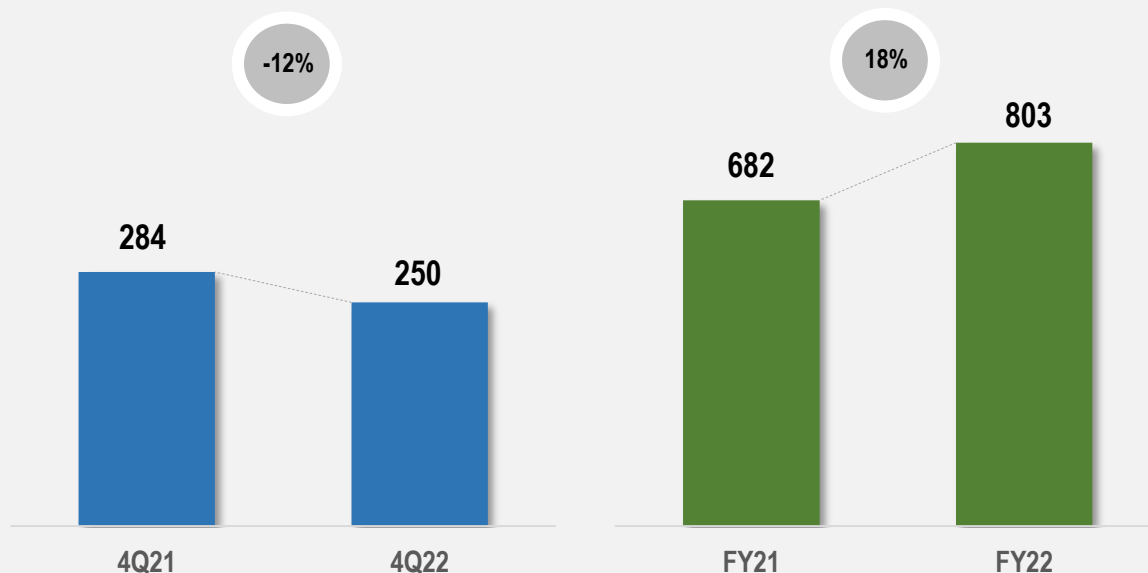
### Sales growth in the emerging live commerce market

Sales channels were reorganized in response to market factors as a way to establish the foundation for qualitative growth in the future, and remarkable sales growth was achieved through the live commerce markets (e.g. a 237% increase on TikTok Shop)

# Vietnam

## Sales

(Unit: KRW 100 million)



(Unit: KRW million)

Classification	Q4		Full-year	
	Amount	YoY(%)	Amount	YoY(%)
Food containers	1,852	-14%	6,980	5%
Beverageware	7,581	49%	22,995	77%
Cookware	3,647	-2%	11,159	21%
Small appliances	7,985	-43%	27,049	-9%
Others	4,001	14%	12,113	27%
<b>Total</b>	<b>25,066</b>	<b>-12%</b>	<b>80,296</b>	<b>18%</b>

## Q4 Performance Summary

### Decrease in YoY sales due to base effect

Sales in 4Q22 decreased by 12% YoY while increasing by **38%** from the previous quarter due to the base effect caused by the easing of lockdown measures in 4Q21

### Beverageware growth continues

Sales continued to grow in 4Q22, centered around the popular product “Motorcycle Tumbler (V1),” which led to a sales increase of **49%** YoY

## Full-Year Performance Summary

### Strengthening growth momentum as a brand leading tumbler trends

- Product competitiveness has strengthened with the continuous launch of products aligned with market trends including tumblers for motorcycles, which resulted in a sales increase of **77%** YoY in beverageware
- Meanwhile, sales of small appliances showed a slight decline with the saturation of the market for air fryers, the previous hit product, and the delay in the release of new products to replace them

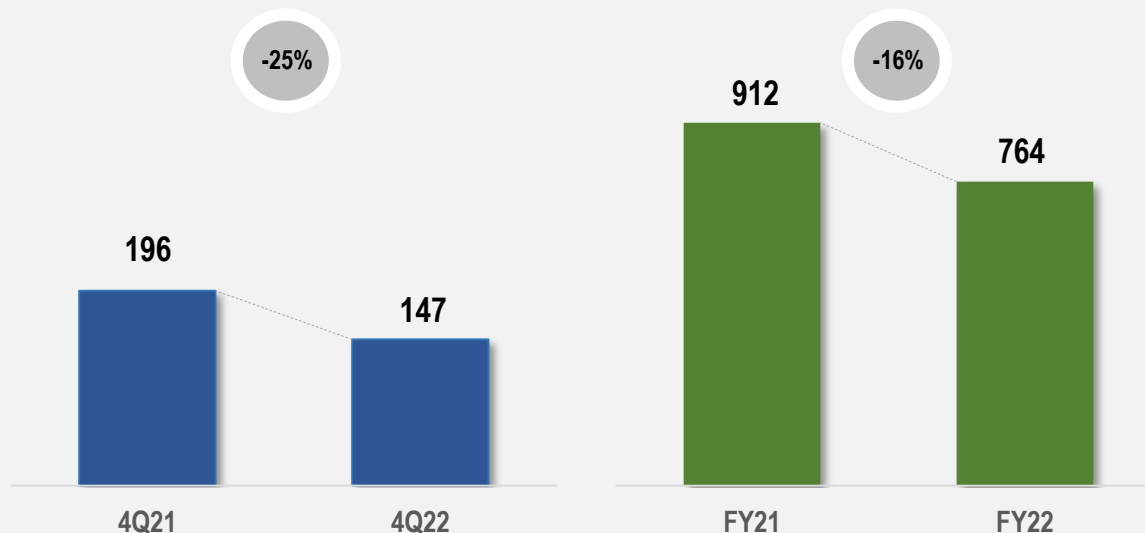
### Stable growth across all offline/online sales channels based on brand power and product competitiveness

Both offline and online sales increased based on the Company’s unrivaled market position as a premium brand in the Vietnam market  
(Continued growth in sales by store 33%, hypermarket 20%, online 10%)

# Export

## Sales

(Unit: KRW 100 million)



(Unit: KRW million)

Classification	Q4		Full-year	
	Amount	YoY(%)	Amount	YoY(%)
Americas	5,476	-20%	29,702	-30%
Europe	1,104	-79%	11,831	-42%
Asia	5,079	51%	18,858	38%
Others	2,990	-29%	16,048	9%
<b>Total</b>	<b>14,650</b>	<b>-25%</b>	<b>76,439</b>	<b>-16%</b>

## Q4 Performance Summary

- Increased inventory for large-scale customers in the Americas & Europe**  
 New sales declined due to an inventory increase by QVC, a large-scale customer in the Americas & Europe
- Diversifying product categories**  
 Total sales increased by strengthening the bewerageware business based on superior product quality developed from container-centered business operations (an increase of 205% YoY)

## Full-Year Performance Summary

- Sales decrease in major developed markets due to diminished consumer confidence**  
 Sales decreased as local demand diminished due to inflation and a rise in logistics costs in major developed markets in the Americas & Europe
- Increased growth in the Asia market centered around bewerageware**  
 Sales increased by **38%** in the Asia market centered around Taiwan by strengthening product lineups specialized to each region and leading market trends



# Condensed Financial Statements

## Consolidated Income Statement

(Unit: KRW 100 million)

	2021		2022	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
<b>Sales</b>	<b>5,430</b>		<b>5,212</b>	
Cost of goods sold	3,104	57.2%	3,130	60.1%
<b>Gross Profit</b>	<b>2,326</b>	<b>42.8%</b>	<b>2,082</b>	<b>39.9%</b>
Selling, general and administrative expenses	2,001	36.8%	2,059	39.5%
<b>Operating Income</b>	<b>325</b>	<b>6.0%</b>	<b>23</b>	<b>0.4%</b>
Financial income/expense	29	0.5%	34	0.6%
Other net non-operating income	-112	-2.1%	-139	-2.7%
<b>Profit before Income Tax</b>	<b>243</b>	<b>4.5%</b>	<b>-82</b>	<b>-1.6%</b>
Income tax expense	81	1.5%	72	1.4%
<b>Net Income</b>	<b>162</b>	<b>3.0%</b>	<b>-154</b>	<b>-3.0%</b>

## Consolidated Balance Sheet

(Unit: KRW 100 million)

	2021	2022
<b>Total Assets</b>	<b>8,297</b>	<b>7,085</b>
Current assets	5,420	4,423
Cash <sup>[1]</sup>	2,170	1,586
Other current assets	1,335	1,005
Inventories	1,916	1,831
Non-current assets	2,877	2,662
Properties, plants, and equipment	1,977	1,799
Intangible assets	333	161
Right-of-use assets	430	551
Other non-current assets	137	152
<b>Total Liabilities</b>	<b>1,358</b>	<b>1,064</b>
Current liabilities	1,013	689
Non-current liabilities	345	375
<b>Total Shareholders' Equity</b>	<b>6,940</b>	<b>6,021</b>
Paid-in capital	275	275
Capital surplus	3,148	3,148
Others	(176)	35
Retained earnings	3,691	2,561
Non-controlling interests	2	2
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>8,297</b>	<b>7,085</b>

[1] Cash &amp; cash equivalent and short-term financial instruments

**E.O.D**

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