

# Silicon2

## 2025 2Q IR BOOK

No.1 Worldwide K-Beauty Platform

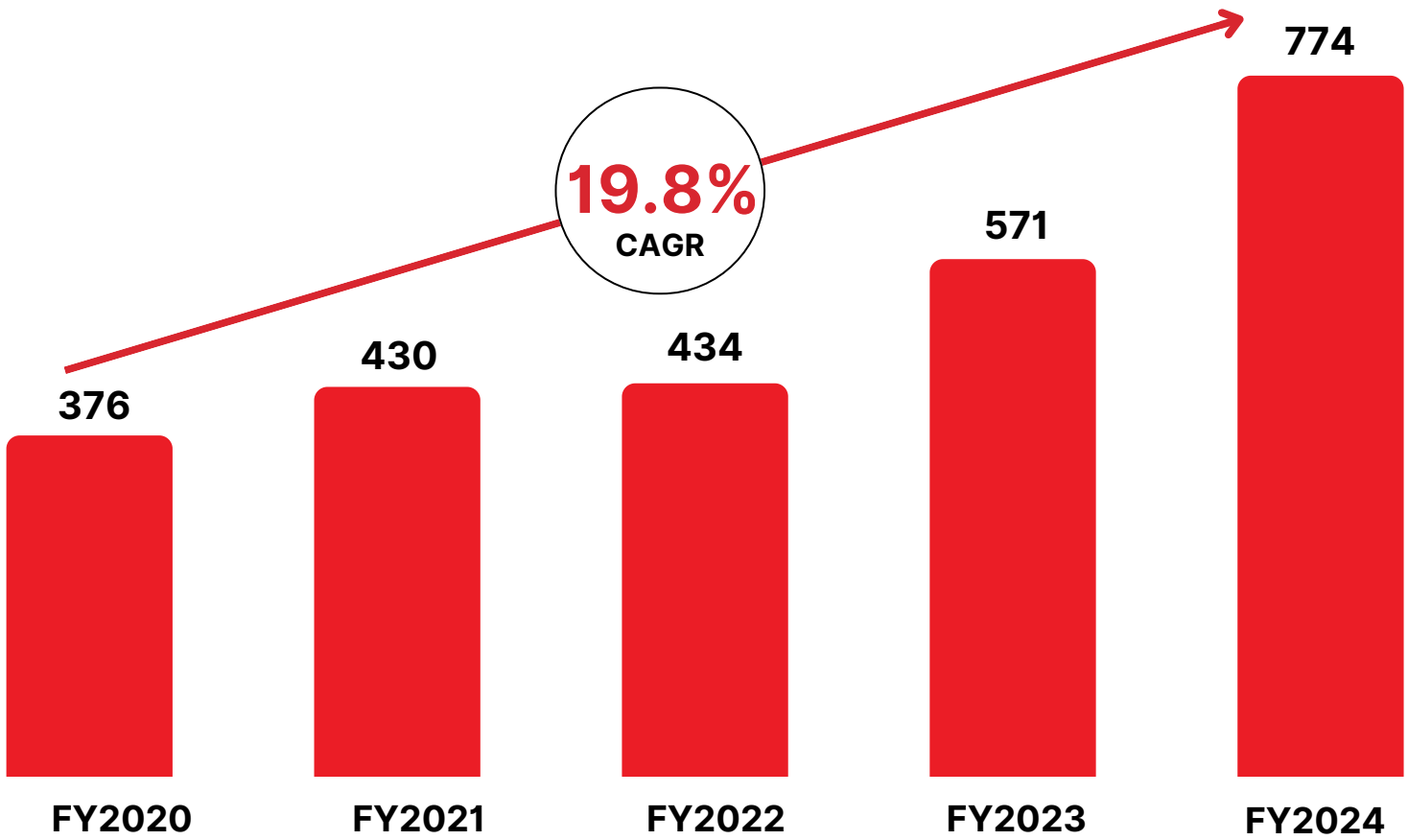
Silicon2 Co., Ltd.



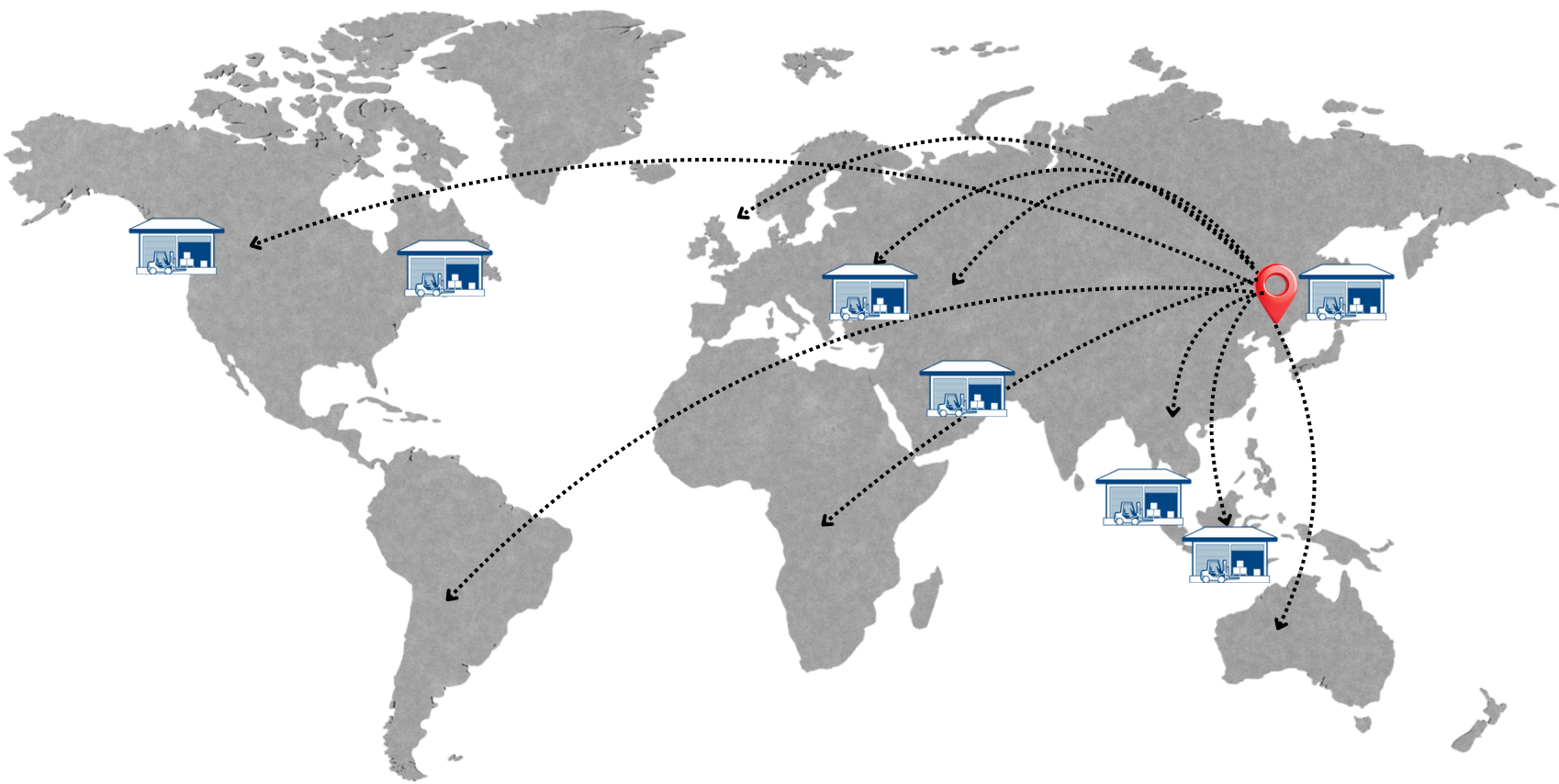
# K-Beauty's Global Expansion

✓ **Export Volume from Korea to Global Markets (Excluding China)**

(Unit : US\$ mn)

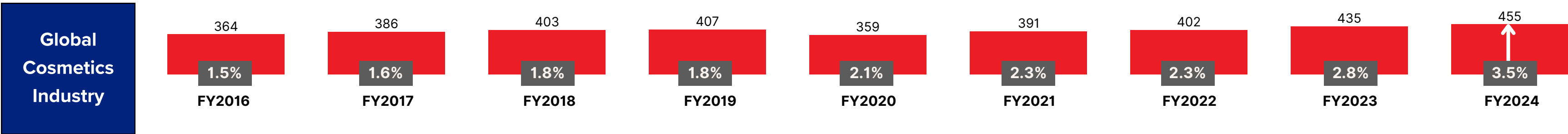


Warehouse<sup>(1)</sup>



✓ **K-Beauty Accounts for 3.5%Rate<sup>(2)</sup> of the Global Beauty Market**

(Unit : US\$ bn)

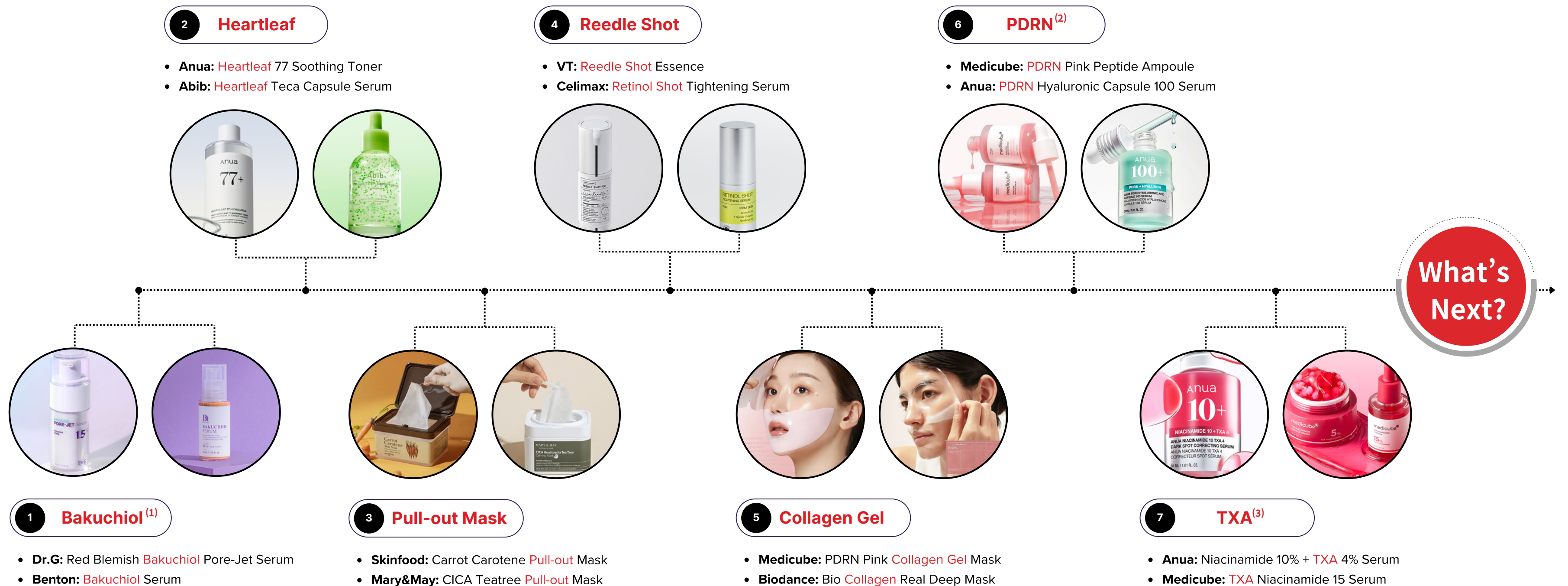


Source: Korea Cosmetic Industry Institute, Euromonitor, Korea Customs Service

(1) Silicon2 operates inhouse warehouse across Korea, US (New Jersey & California), Poland, Indonesia, Malaysia and UAE (2) K-beauty market size is calculated by multiplying the wholesale export value by 2.5 to estimate the retail value

# K-Beauty: Leading Global Beauty trends

- South Korea is **the most trend-sensitive country** in the world
- Beyond K-Pop and K-Food, Korea is the **fastest in shaping and spreading K-Beauty trends**



(1) Plant-derived cosmetics ingredient used as natural alternative to retinol for anti-aging, skin-brightening effect (2) Polydeoxyribonucleotide is a bioactive compound extracted for salmon or trout sperm cells used for tissue regeneration

(3) Tranexamic Acid is a synthetic amino acid derivative with skin-brightening and anti-pigmentation properties

# K-Beauty's Success Formula

01

## Production



- **5,000+** OEM/ODM/OBM manufacturers in Korea
- **Brand Launch** possible **within 1-3 Months**
- **Flexible MOQ** → Lower Cost & Inventory Risk
- Intense Competition → Foster **Innovation & Market Expansion**



**Kolmar** **COSMECCA**

**COSMAX**

02

## Distribution



- **Heavy reliance on China** led to margin erosion for **1<sup>st</sup> Generation** K-Beauty era 🇨🇳



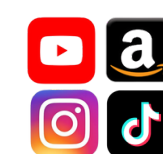
- **2nd Generation:** Diversified Markets & Global Networks
- **Silicon2** bridges critical distribution gaps, enabling **sustainable scale-up** for emerging brands

03

## Marketing



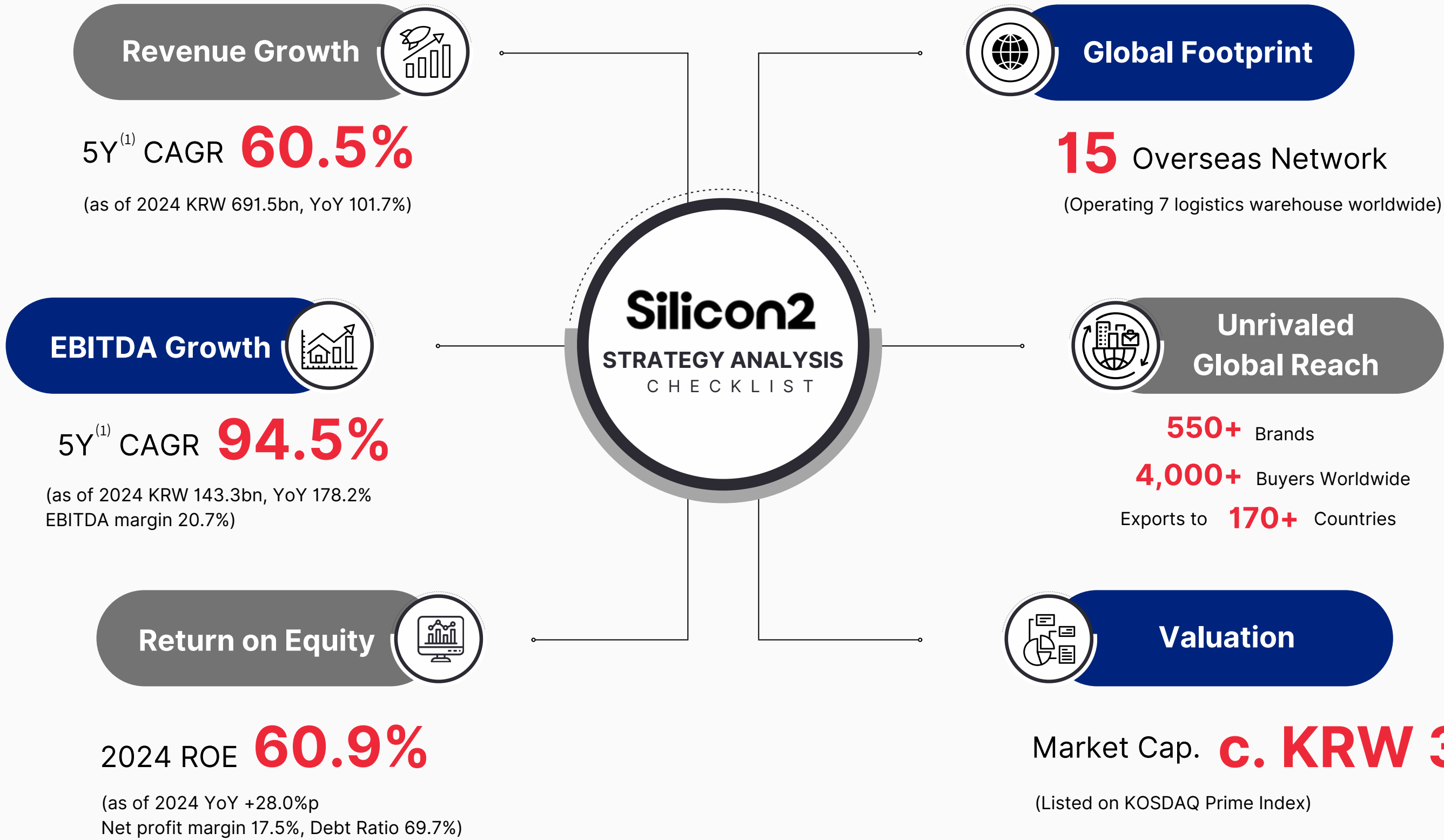
- **Branding + Supply Marketing Synergy**
- Successful Viral Case: **TirTir, ELROEL, Medicube**



TIRTIR ELROEL medicube



Silicon2 at a Glance



(1) FY2019 -FY2024

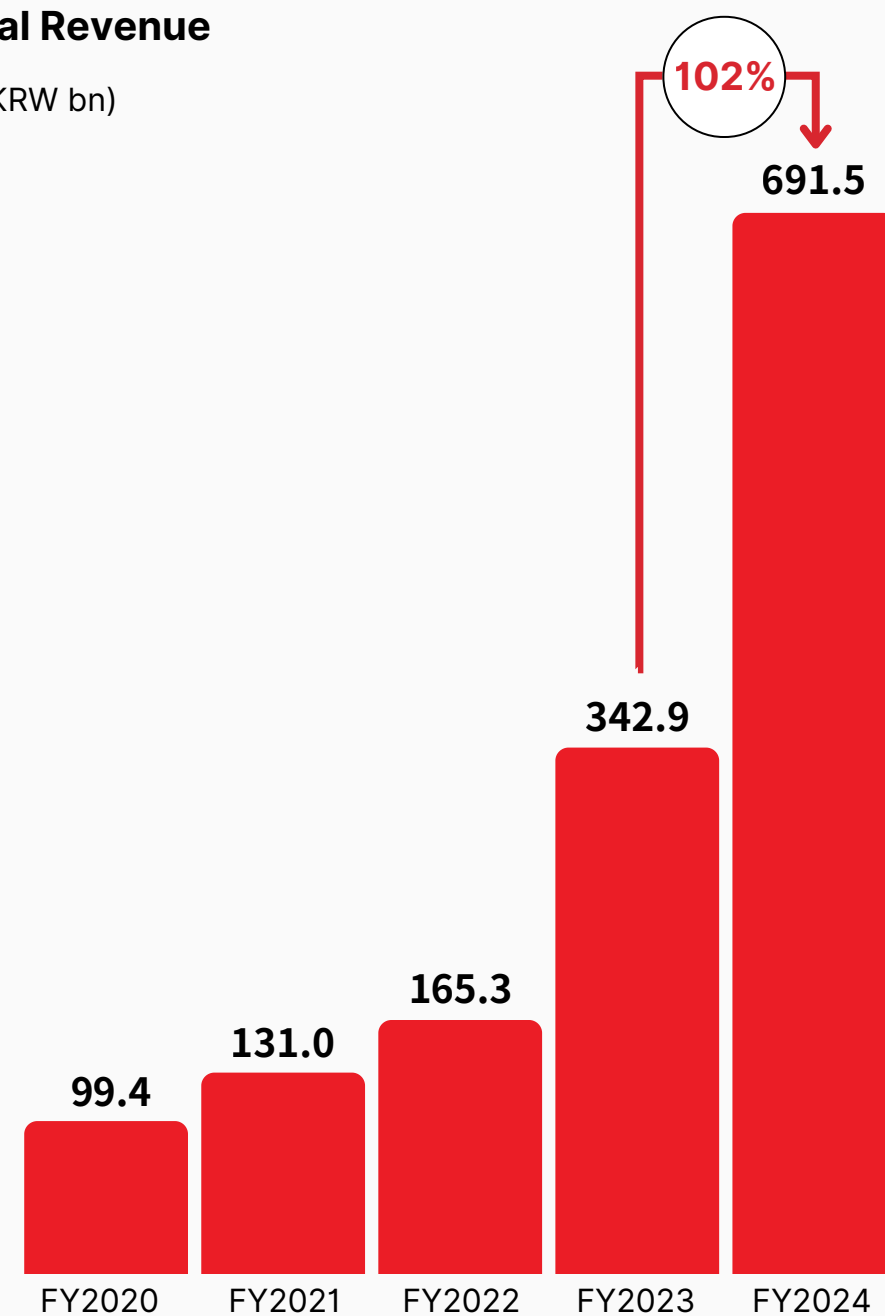
# Superb Financial Performance

## ✓ Annual Revenue Trends

- Sales have reached record highs each year, with FY2024 revenue at **KRW 691.5bn**, representing **102% YoY growth**
- Consolidated EBITDA for 2Q'25 stood at **KRW 54.3bn**, driving an EBITDA margin improvement from **20% to 21% QoQ**

### ● Annual Revenue

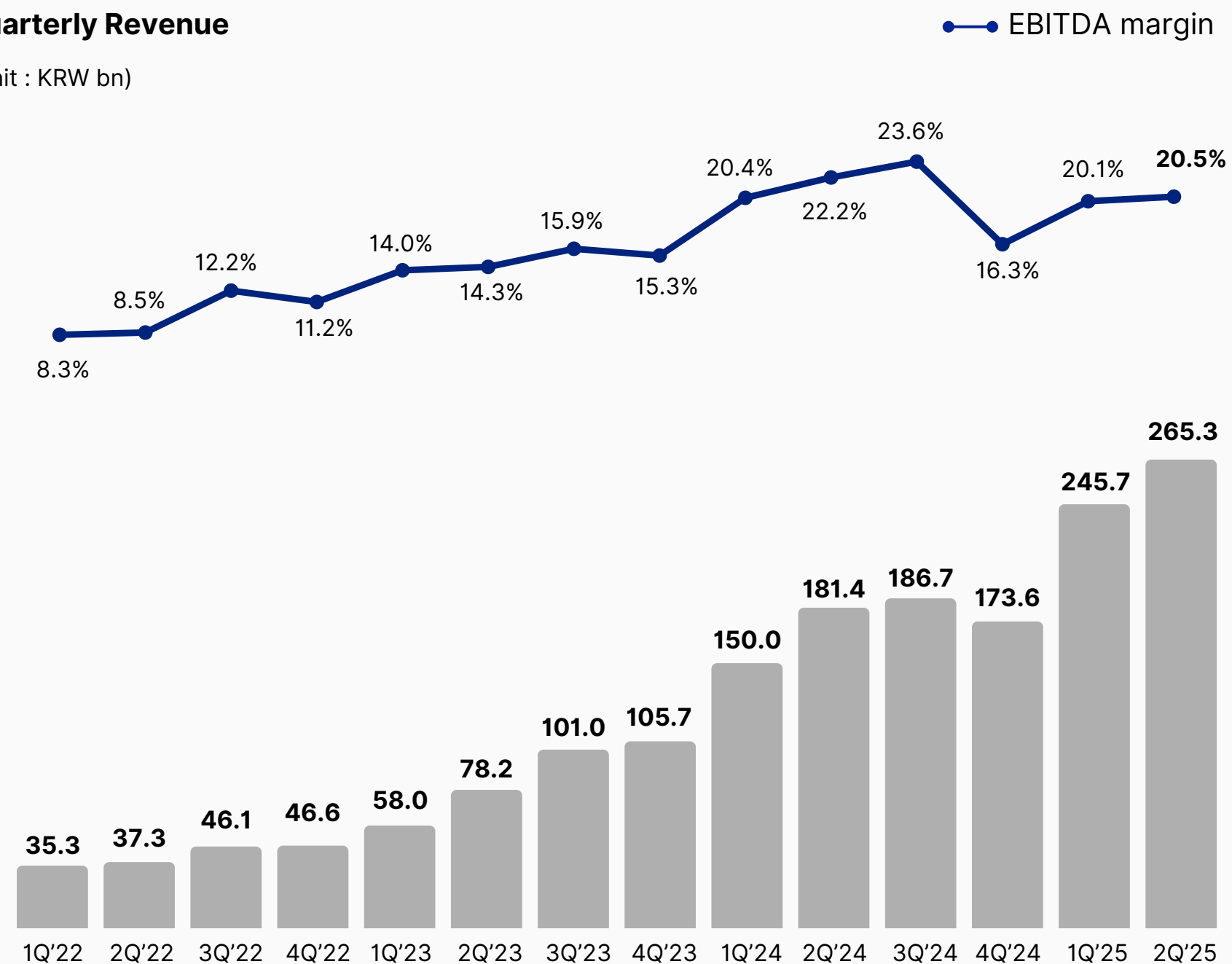
(Unit : KRW bn)



## ✓ Quarterly Financial Performance

### ● Quarterly Revenue

(Unit : KRW bn)

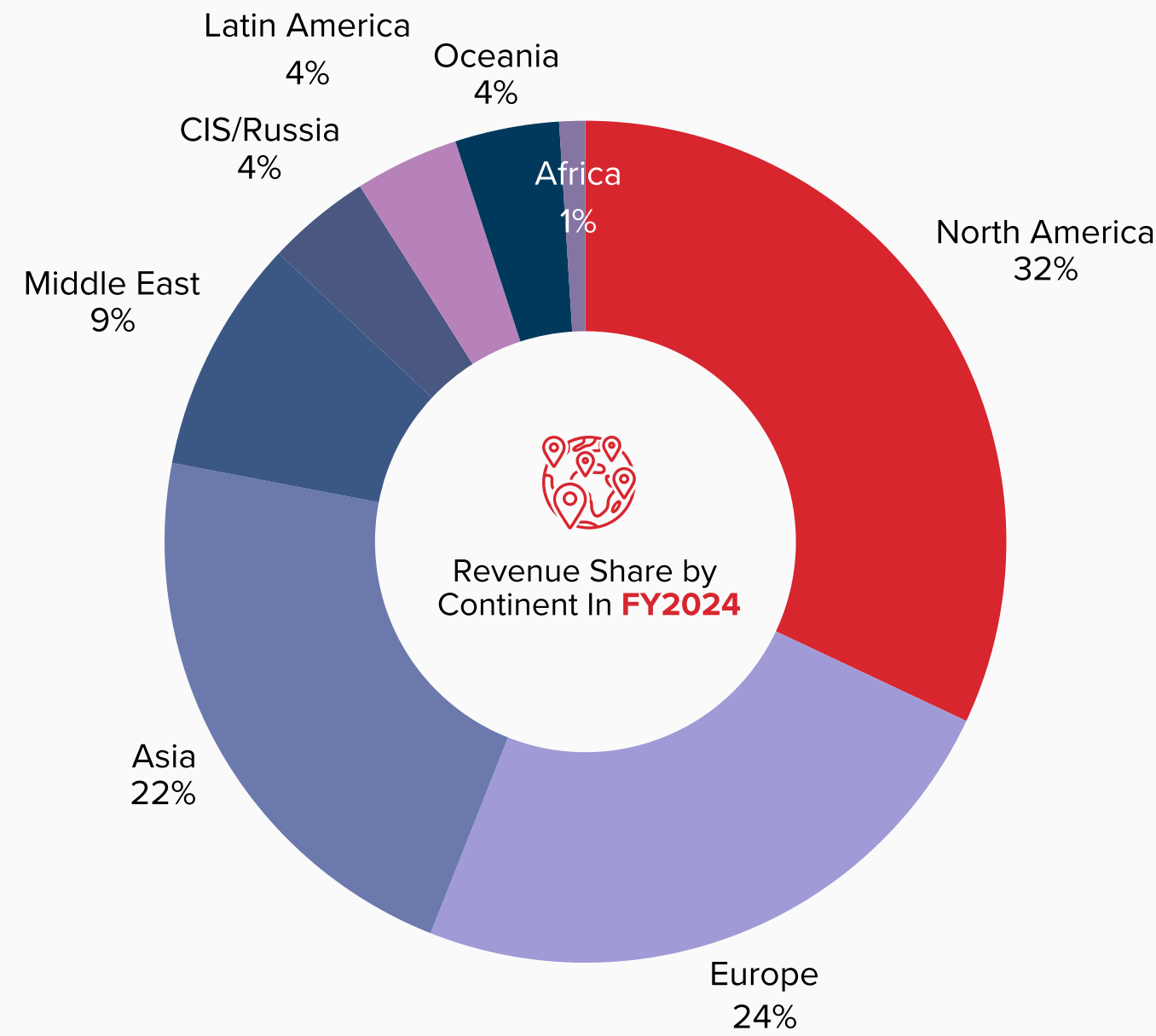


# Quarterly Results - Revenue Breakdown by Region

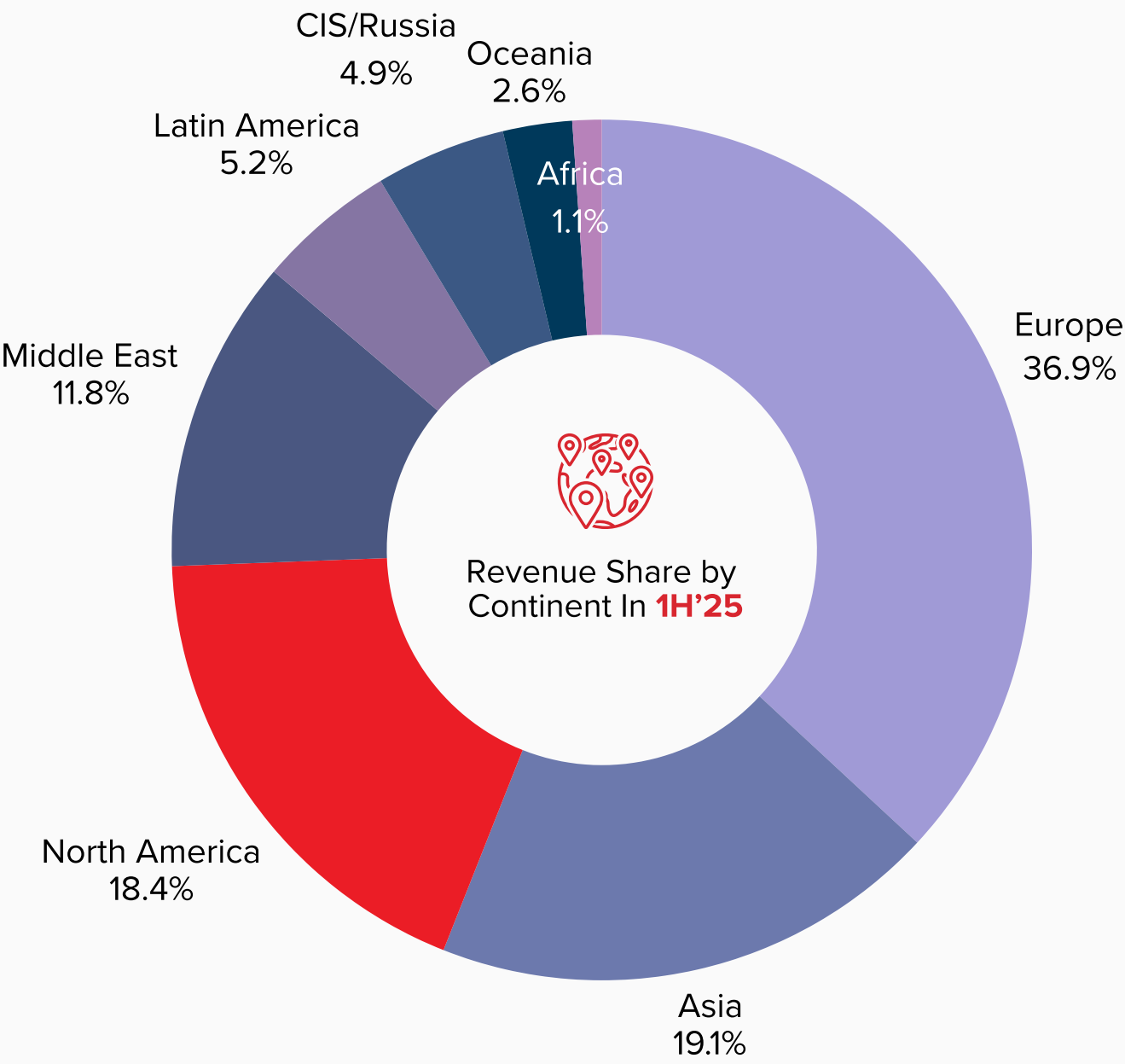
## ✓ FY2024 & 1H'25 Revenue Breakdown by Region

• By diversifying market presence across regions, Silicon2 can mitigate reliance on any single market while benefiting from regional K-Beauty tailwinds

### • FY2024



### • 1H'25



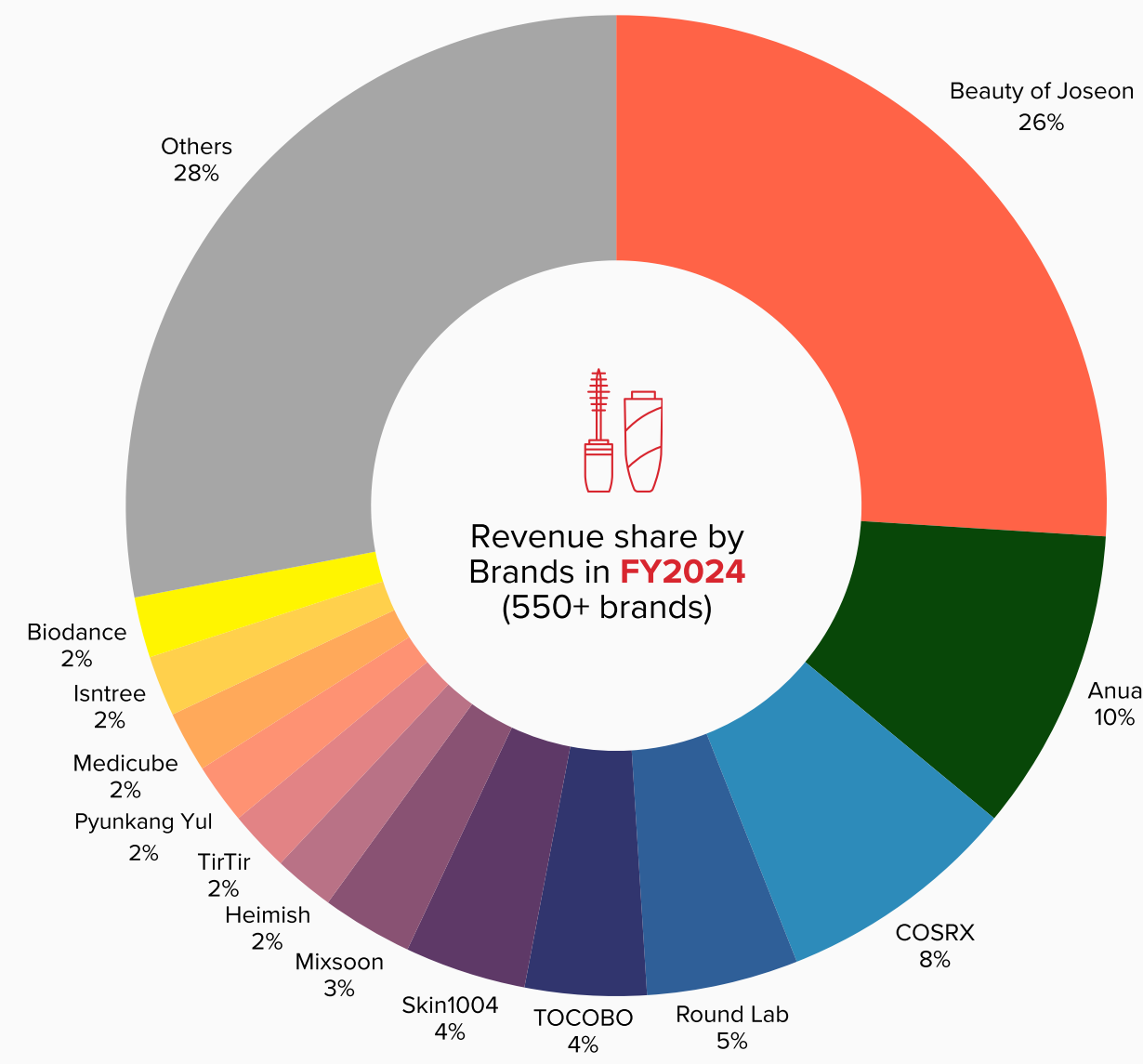
\*Source: Company Data

# Quarterly Results - Revenue Breakdown by Brand

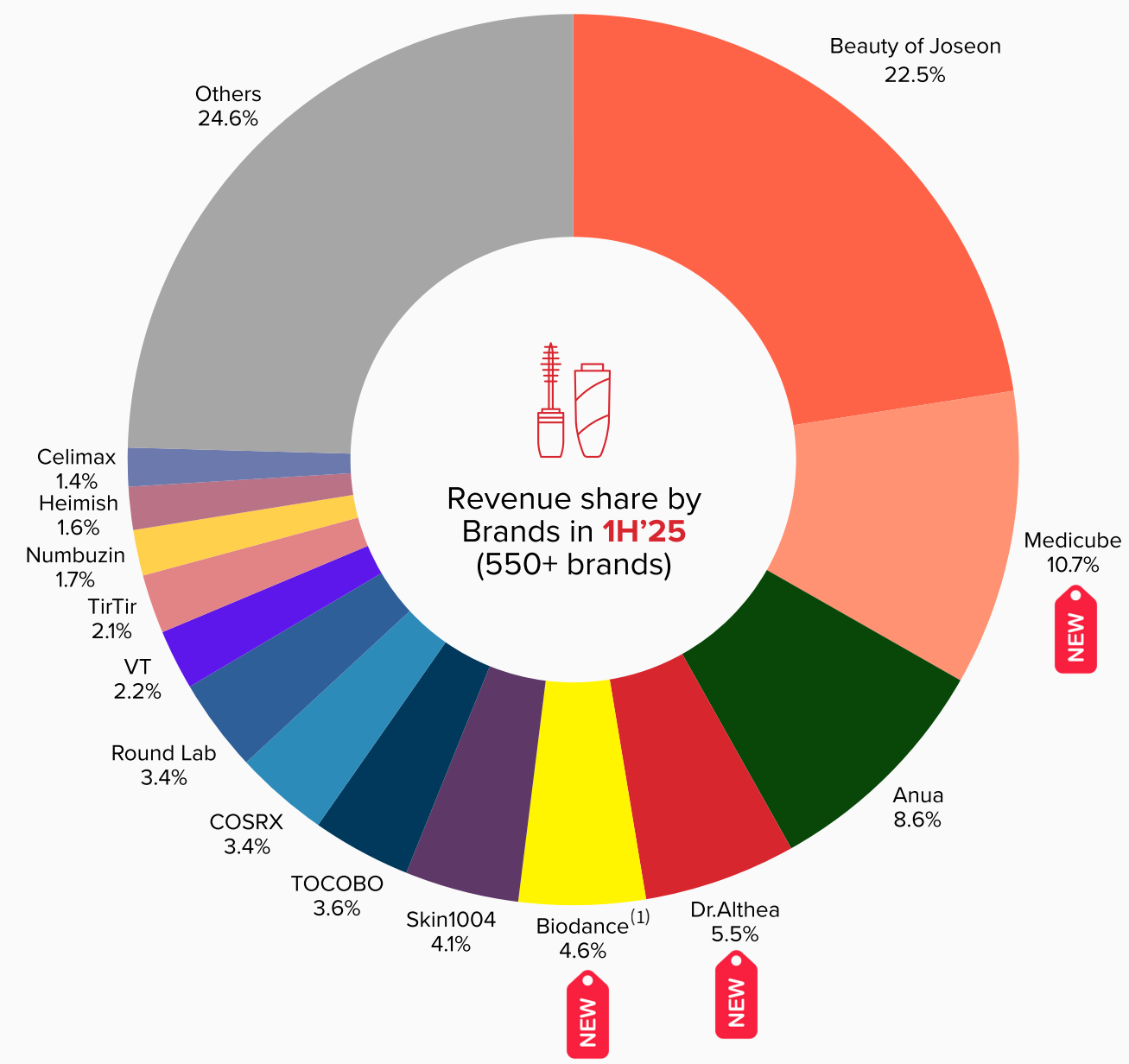
## ✓ FY2024 & 1H'25 Revenue Breakdown by Brand

• With a portfolio of over 550 brands, Silicon2 can minimize dependence on any single brand and mitigate brand attrition risks, enabling stable and sustainable growth

### • FY2024



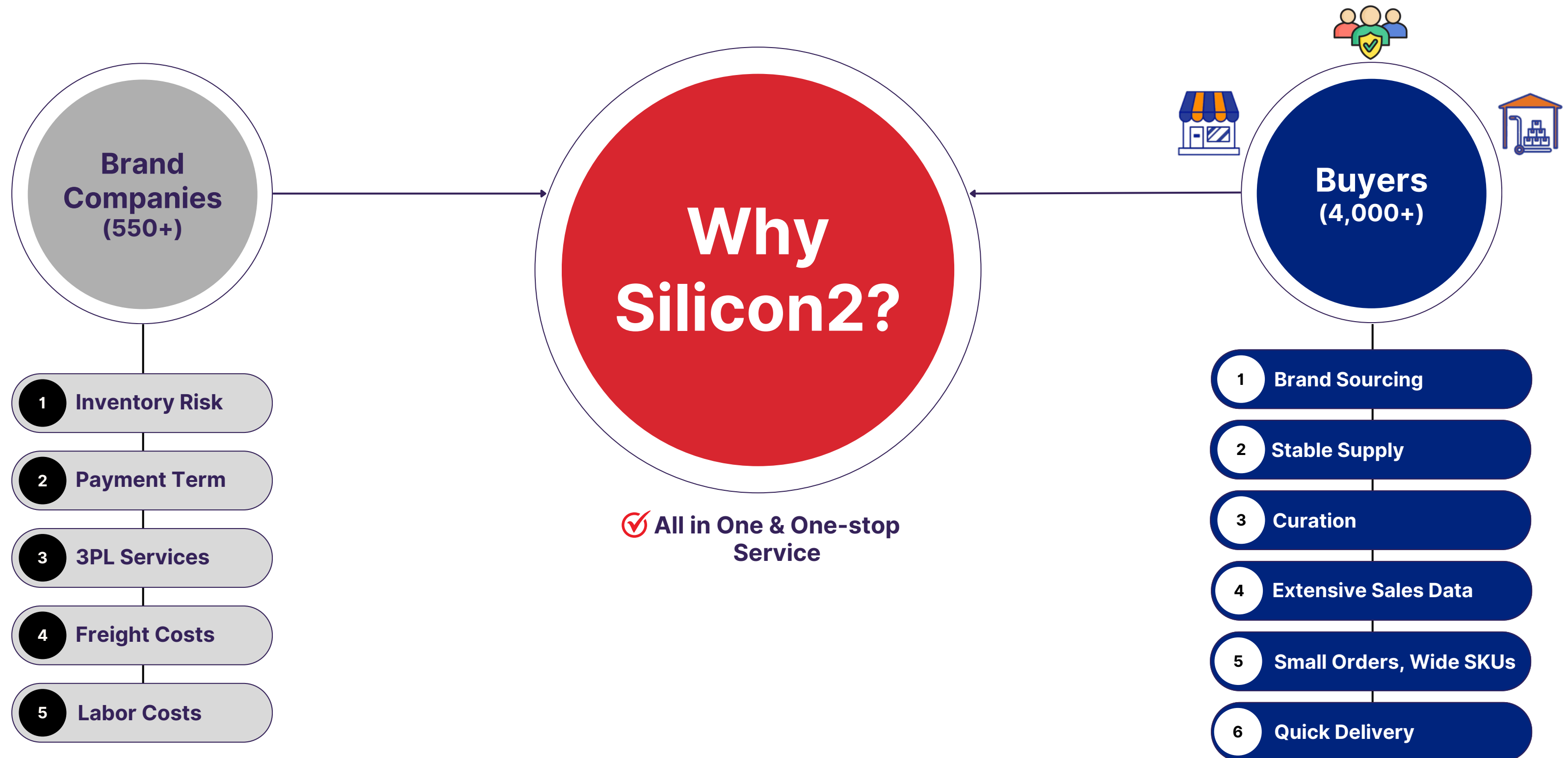
### • 1H'25



\*Source: Company Data  
(1) Newly Added to Top 10 Brand List

# Dominant Market Position with Competitive Edge

- Delivering a **comprehensive integrated solution** for brand partners, covering the full distribution process - from 3PL logistics to freight payment
- Establishing a unique market position with **advanced services** and sophisticated operations



# Strategic Growth Roadmap

## ✓ Overseas Corporate Expansion Strategy

Focused investment in local warehouse and sales team

- Facilitate quick cosmetic shipments based on demand
- Expand **global network** – established **UAE & Mexico** subsidiaries in 2025, with continued overseas subsidiary expansion planned



## ✓ Channel Marketing Strategy

Leverage Stylekorean's SNS channels to boost brand popularity and expand

- Support K-Beauty brands as a risk-free, high-volume vendor
- Strengthen brand presence through targeted marketing and **content collaboration**

## ✓ Key Retailer Penetration Strategy

Target core regional retailers and lead regional K-Beauty penetration

- Drive K-Beauty penetration via major local channels
- Expand **Moida** offline stores to raise awareness and create demand through supply



## ✓ Equity Investment Strategy

Investment in high potential K-Beauty brands to drive growth and platform retention

- Use in-depth K-Beauty insights for brand selection
- Increase adoption of Silicon2 Platform

# Quarterly Results - Income Statement

## ✓ 2Q'25 Summary of Income Statement (Consolidated Basis)

(Unit : KRW bn)

Item	2Q'25	2Q'24	YoY %	1Q'25	QoQ %
Revenue	265.3	181.4	46.3%	245.7	8.0%
COGS	177.9	119.8	48.6%	168.0	5.9%
(%)	67.1%	66.0%		68.4%	
Gross Profit	87.3	61.6	41.8%	77.7	12.5%
(%)	32.9%	34.0%		31.6%	
SG&A Expenses	35.2	22.7	55.2%	29.9	17.5%
(%)	13.3%	12.5%		12.2%	
Operating Profit	52.2	38.9	34.0%	47.7	9.3%
(%)	19.7%	21.5%		19.4%	
Financial Income	10.9	3.8		8.0	
Financial Expenses	(20.4)	(2.6)		(8.6)	
Other Income	0.1	0.1		0.0	
Other Expenses	(0.7)	(0.2)		(0.0)	
Equity Method Profit(Loss)	1.7	1.2		1.0	
Net Income Before Income Tax	43.8	41.2	6.4%	48.2	(9.0)%
(%)	16.5%	22.7%		19.6%	
Income Tax Expense	8.2	7.9		9.4	
Net Profit	35.6	33.3	6.7%	38.8	(8.2)%
(%)	13.4%	18.4%		15.8%	
EBITDA	54.3	40.3	34.6%	49.5	9.7%
(%)	20.5%	22.2%		20.1%	

1H'25	1H'24	YoY %
511.0	331.3	54.2%
346.0	219.1	57.9%
67.7%	66.1%	
165.0	112.2	47.1%
32.3%	33.9%	
65.1	43.8	48.6%
12.7%	13.2%	
99.9	68.4	46.1%
19.6%	20.6%	
19.0	7.6	
(29.0)	(3.8)	
0.2	0.1	
(0.7)	(0.2)	
2.7	0.9	
92.0	73.0	26.0%
18.0%	22.0%	
17.7	14.1	
74.4	58.9	26.3%
14.6%	17.8%	
103.8	70.9	46.3%
20.3%	21.4%	

### • Sales Revenue

- Reached **KRW 265.3bn** in Q2, achieving **46.3% YoY** and **8.0% QoQ**
- Continued growth following the rebound in the U.S. market and steady sales growth of the European subsidiary

### • Gross Profit & Operating Profit

- Gross profit margin rose by **1.3%p QoQ** to **32.9%**
- Operating profit reached KRW 52.2 billion, achieving **34.0% YoY** and **9.3% QoQ**

### • Net Profit

- 2Q'25 net profit recorded **KRW 35.6bn**, up **6.7% YoY** but down **8.2% QoQ**

# Quarterly Results - SG&A

## ✓ 2Q'25 Summary of SG&A Expenses (Consolidated Basis)

(Unit : KRW bn)

Item	2Q'25	2Q'24	YoY %	1Q'25	QoQ %
Salaries	6.8	5.0	35.7%	7.6	(10.1)%
(as % of revenue)	2.6%	2.8%		3.1%	
Employee benefits	0.3	0.3	14.2%	0.5	(30.9)%
(as % of revenue)	0.1%	0.2%		0.2%	
Fees	7.8	7.5	4.1%	6.7	15.8%
(as % of revenue)	2.9%	4.1%		2.7%	
Transportation Costs	7.8	3.7	109.4%	5.7	36.4%
(as % of revenue)	2.9%	2.0%		2.3%	
Advertising Expenses	5.1	1.5	238.8%	3.4	50.6%
(as % of revenue)	1.9%	0.8%		1.4%	
Depreciation & Amortization	2.1	1.4	51.7%	1.7	20.5%
(as % of revenue)	0.8%	0.8%		0.7%	
Rent	0.7	0.1	544.3%	0.5	46.0%
(as % of revenue)	0.3%	0.1%		0.2%	
Other	4.6	3.1	45.7%	3.8	19.0%
(as % of revenue)	1.7%	1.7%		1.6%	

1H'25	1H'24	YoY %
14.4	9.5	50.6%
2.8%	2.9%	
0.9	0.6	50.7%
0.2%	0.2%	
14.5	16.1	(9.8%)
2.8%	4.9%	
13.5	6.4	111.5%
2.6%	1.9%	
8.4	3.1	173.0%
1.6%	0.9%	
3.8	2.5	51.7%
0.8%	0.8%	
1.2	0.2	642.7%
0.2%	0.0%	
8.4	5.4	55.2%
1.6%	1.6%	

### • Salaries (Including Retirement Benefits)

- Executed **KRW 6.8bn**, representing **35.7% YoY** and **(10.1)% QoQ**
- Number of employees<sup>(1)</sup> increased from **254** to **296**, while the ratio to sales remained relatively stable at **2.6%**

### • Fees

- **KRW 7.8 billion** incurred, up **4.1% YoY** and **15.8% QoQ**
- Continued increase in fulfillment platform fees such as Shopee & Lazada

### • Transportation Costs

- Higher freight costs due to U.S. tariff impact
- Test shipment sent to Dubai subsidiary for customs clearance procedure
- Increase in container volume driven by European sales growth

### • Advertising & Other Expenses

- Increase in advertising and influencer marketing expenses due to StyleKorean's 10th anniversary event

(1) As of June 30, 2025

# Quarterly Results - Balance Sheet

## ✓ 2Q'25 Summary of Balance Sheet (Consolidated Basis)

(Unit : KRW bn)

Item	2022	2023	2024	1H'25
<b>Assets</b>				
Current Assets	73.2	136.4	297.1	431.1
Cash and Short-Term Financial Assets	36.2	32.2	86.0	94.1
Accounts Receivable	6.1	21.3	42.2	59.6
Inventories	28.6	78.5	145.9	246.6
Other Current Assets	2.3	4.4	22.9	30.7
Non-Current Assets	56.0	78.9	160.7	162.0
Investment Assets	10.7	16.2	22.2	24.6
Tangible and Intangible Assets	44.2	59.9	117.2	115.5
Other Non-Current Assets	1.2	2.8	21.2	22.0
<b>Total Assets</b>	<b>129.2</b>	<b>215.3</b>	<b>457.8</b>	<b>593.1</b>
<b>Liabilities</b>				
Current Liabilities	28.6	74.2	189.3	112.6
Accounts Payable	1.1	0.5	1.4	14.9
Borrowings and Lease Liabilities	21.1	57.8	148.7	61.3
Other Current Liabilities	6.4	15.9	39.3	36.4
Non-Current Liabilities	4.2	6.1	6.8	123.0
Borrowings and Lease Liabilities	4.0	6.0	6.5	72.7
Other Non-Current Liabilities	0.2	0.2	0.4	50.3
<b>Total Liabilities</b>	<b>32.8</b>	<b>80.3</b>	<b>196.2</b>	<b>235.6</b>
<b>Equity</b>				
Issued Capital	30.2	30.3	30.5	30.7
Capital Surplus	29.6	30.2	30.8	31.2
Retained Earnings	32.8	70.8	191.5	265.6
Other Equity	3.8	3.7	8.7	30.1
<b>Total Equity</b>	<b>96.4</b>	<b>135.0</b>	<b>261.6</b>	<b>357.5</b>
<b>Debt Ratio</b>	<b>34.1%</b>	<b>59.5%</b>	<b>75.0%</b>	<b>65.9%</b>

### • Accounts Receivable

- Declined from **KRW 62.9bn** in the previous quarter to **KRW 59.6 bn**
- Accounts receivable turnover days decreased from **26 days ('24)** to **21 days (1H'25)**

### • Inventory & Tangible/Intangible Assets

- Inventory reached **KRW 246.6bn**, up 69.0% compared to 2024, to secure inventory in line with U.S. market recovery and steady European growth
- Inventory turnover days rose from **103 days ('24)** to **108 days (1H'25)**, reflecting higher stock levels in preparation for the summer demand surge (notably sunscreens) and the planned launch of Dubai subsidiary operations

### • Liabilities & Equity

- The 1Q'25 capital raise facilitated partial repayment of short-term borrowings, resulting in an improvement in financial stability
- Despite the increase in debt from RCS issuance, robust performance drove a reduction in the debt ratio from 75.0% to 65.9%

# Quarterly Results - Revenue by Region

## ✓ 2Q'25 Revenue by Region

(Unit : KRW bn)

Item	2Q'25	2Q'24	YoY %	1Q'25	QoQ %	1H'25	1H'24	YoY %
Europe	107.3	44.4	141.6%	81.3	32.0%	188.6	72.7	159.3%
(as % of revenue)	40.4%	24.5%		33.1%		36.9%	22.0%	
Asia	44.7	37.4	19.3%	52.9	(15.6)%	97.6	74.5	31.0%
(as % of revenue)	16.8%	20.6%		21.5%		19.1%	22.5%	
North America	48.9	62.4	(21.5)%	45.2	8.2%	94.1	119.1	(21.0)%
(as % of revenue)	18.4%	34.4%		18.4%		18.4%	36.0%	
Middle East	28.0	14.5	92.4%	32.3	(13.4)%	60.3	24.4	146.6%
(as % of revenue)	10.5%	8.0%		13.2%		11.8%	7.4%	
Latin America	13.9	6.3	122.2%	12.4	12.0%	26.3	10.0	163.6%
(as % of revenue)	5.2%	3.5%		5.1%		5.2%	3.0%	
CIS Countries	12.8	8.5	50.6%	12.0	6.1%	24.8	14.6	69.7%
(as % of revenue)	4.8%	4.7%		4.9%		4.9%	4.4%	
Oceania	6.7	6.2	8.8%	6.8	(0.5)%	13.5	12.2	10.5%
(as % of revenue)	2.5%	3.4%		2.8%		2.6%	3.7%	
Africa	3.0	1.7	78.7%	2.7	10.9%	5.7	3.6	59.6%
(as % of revenue)	1.1%	0.9%		1.1%		1.1%	1.1%	
<b>Total</b>	<b>265.3</b>	<b>181.4</b>	<b>46.3%</b>	<b>245.7</b>	<b>8.0%</b>	<b>511.0</b>	<b>331.3</b>	<b>54.2%</b>

### • Europe

- 2Q'25 sales in Europe recorded **KRW 107.3bn**, achieving **141.6% YoY** and **32.0% QoQ**, maintaining strong growth momentum

### • Middle East

- 2Q'25 sales in the Middle East reached **KRW 28.0bn**, **92.4% YoY** but down **(13.4)% QoQ**
- Performance was weighed down by customs clearance delays and weakened consumer sentiment due to regional conflict, with **significant growth expected upon resolution**

### • North America (U.S. & Canada)

- 2Q'25 North America sales reached **KRW 48.9bn**, down **(21.5)% YoY** but up **8.2% QoQ**, showing continued recovery since Q1
- Despite tariff issues, sales in the U.S. market alone grew by more than **15.7%**
- B2B exports projected to expand, driven by Silicon2's **tariff advantages** versus alternative B2C-centric routes