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# 2Q. 2023

## Result Summary

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Aug. 16. 2023

 iMarketKorea

# Disclaimer

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- This document is provided for the convenience of investors only, financial information of this document may be changed by the audit.
- This document contains that are not historical in nature but concern future results and business plans, strategies and objectives, and other matters that may be deemed to be “forward-looking statements”.
- iMarketKorea cannot guarantee that any forward-looking statement will be realized although iMarketKorea does believe that its assumptions underlying its forward-looking statements are reasonable.
- Achievement of future results is subject to risks and uncertainties, which could cause iMarketKorea’s results to differ materially from those which are presented.

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# 1. Result Summary (consolidated)

 2Q Result : Sales KRW 842.7 bn (-0.6% QoQ, -2.0% YoY) / OP KRW 13.7 bn (+0.3% QoQ, -3.5% YoY)

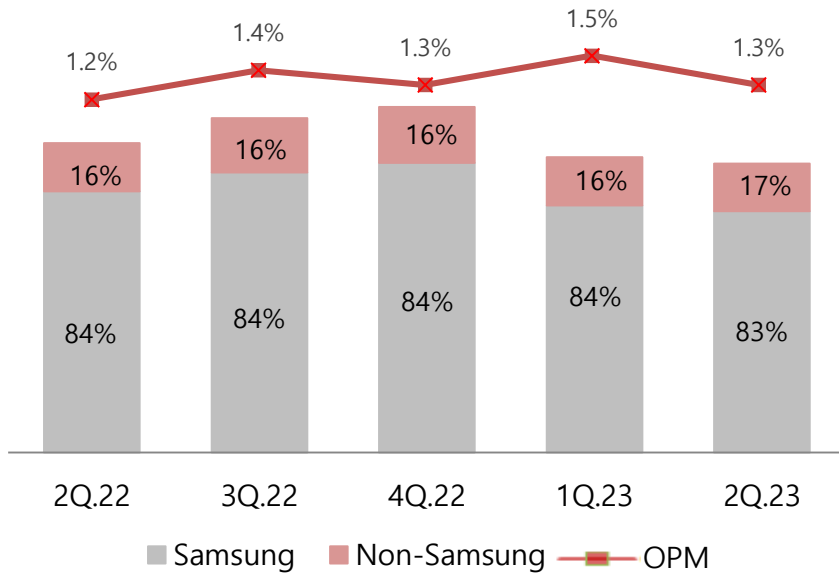
Unit : KRW mn	2Q 23	1Q 23	QoQ	2Q 22	YoY
<b>Sales</b>	<b>842,659</b>	<b>847,776</b>	<b>-0.6%</b>	<b>859,450</b>	<b>-2.0%</b>
IMK	598,427	611,237	-2.1%	640,542	-6.6%
Overseas Subsidiaries	47,653	44,269	+7.6%	50,607	-5.8%
Allen Care	164,006	157,082	+4.4%	131,991	+24.3%
Other Subsidiaries	25,106	42,655	-41.4%	45,819	-45.2%
<b>Gross profits</b>	<b>38,954</b>	<b>37,682</b>	<b>+3.4%</b>	<b>39,413</b>	<b>-1.2%</b>
Selling and Administrative Expenses	25,259	24,034	+5.1%	25,223	+0.1%
<b>Operating profits</b>	<b>13,694</b>	<b>13,649</b>	<b>+0.3%</b>	<b>14,190</b>	<b>-3.5%</b>
Pre-tax profits	2,873	9,311	-69.1%	11,513	-75.0%
<b>Net profits</b>	<b>2,667</b>	<b>6,468</b>	<b>-58.8%</b>	<b>7,871</b>	<b>-66.1%</b>

※ Overseas Subsidiaries : IMA, IMV, IMX, IMF, IME

※ Other Subsidiaries: I Logistics, IIC Company, Qubridge, Guardian, DAYLI Next Wave Bio Healthcare Fund, Value Point, IM technology

## 2. Result Summary (separate)

2Q Result : Sales KRW 598.4 bn (-2.1% QoQ, -6.6% YoY) / OP KRW 8.4 bn (+8.1% QoQ, -6.1% YoY)



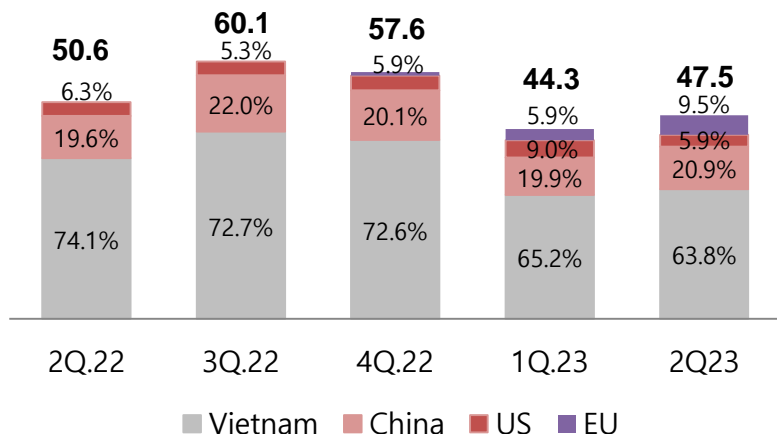
- **Samsung : Sales KRW 499.5 bn (-2.3% QoQ, -7.7% YoY)**  
- Decrease in sales of MRO, Raw & Subsidiary materials (QoQ, YoY)
- **Non-Samsung : Sales KRW 98.9 bn (-0.8% QoQ, -0.7% YoY)**  
- Decrease in sales of MRO (QoQ, YoY)

Unit: KRW bn	2023				2022				
	1Q	2Q	QoQ	YoY	1Q	2Q	3Q	4Q	Total
<b>Sales</b>	<b>611.2</b>	<b>598.4</b>	<b>-2.1%</b>	<b>-6.6%</b>	<b>630.7</b>	<b>640.5</b>	<b>692.1</b>	<b>715.6</b>	<b>2,679.0</b>
Samsung	511.5	499.5	-2.3%	-7.7%	498.4	540.9	579.7	599.6	2,218.6
Non-Samsung	99.7	98.9	-0.8%	-0.7%	132.3	99.6	112.4	116.0	460.4

### 3. Overseas Subsidiaries

2Q Result : Sales KRW 47.5 bn / OL KRW 0.2 bn

(Unit : KRW bn)

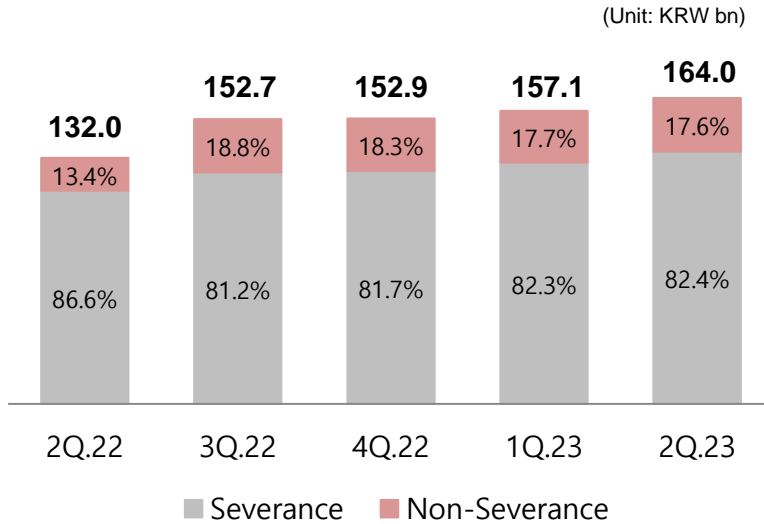


- **Vietnam : Sales KRW 30.3 bn (+4.9% QoQ, -19.2% YoY)**
  - Decrease in sales due to deteriorating market conditions of customers
- **China : Sales KRW 9.9 bn (+12.3% QoQ, -0.4% YoY)**
  - Recovery in sales to previous year's level after decrease in sales in 1<sup>st</sup> quarter
- **US : Sales KRW 2.8 bn (-29.2% QoQ, -11.2% YoY)**
  - Decrease in sales due to deteriorating market conditions of customers (QoQ , YoY)
- **EU : Sales KRW 4.5 bn (+73.5% QoQ)**
  - Providing MRO service to Samsung SDI Hungary

Unit: KRW bn		2023				2022				
		1Q	2Q	QoQ	YoY	1Q	2Q	3Q	4Q	Total
Vietnam	Samsung	21.3	20.4	-4.3%	-19.1%	22.1	25.2	32.3	33.9	113.5
	Non-Samsung	7.6	9.9	+30.4%	-19.4%	12.3	12.3	11.4	7.9	43.9
	<b>Total</b>	<b>28.9</b>	<b>30.3</b>	<b>+4.9%</b>	<b>-19.2%</b>	<b>34.4</b>	<b>37.5</b>	<b>43.7</b>	<b>41.8</b>	<b>157.4</b>
China	Samsung	4.3	4.4	+3.1%	-16.1%	5.7	5.2	5.0	4.7	20.5
	Non-Samsung	4.5	5.5	+21.0%	+17.1%	6.1	4.7	8.2	6.9	26.0
	<b>Total</b>	<b>8.8</b>	<b>9.9</b>	<b>+12.3%</b>	<b>-0.4%</b>	<b>11.8</b>	<b>9.9</b>	<b>13.2</b>	<b>11.6</b>	<b>46.5</b>
US		4.0	2.8	-29.2%	-11.2%	3.2	3.2	3.2	3.4	13.0
EU		2.6	4.5	+73.5%	-	-	0.0	0.0	0.8	0.8
<b>Total</b>		<b>44.3</b>	<b>47.5</b>	<b>+7.3%</b>	<b>-6.1%</b>	<b>49.4</b>	<b>50.6</b>	<b>60.1</b>	<b>57.6</b>	<b>217.7</b>

## 4. AllenCare

2Q Result : Sales 164.0 bn / OP KRW 7.7 bn



- **Severance : Sales KRW 135.1 bn (+4.5% QoQ, +18.2% YoY)**
  - Stable sales growth from Severance hospital
- **Non-Severance : Sales KRW 28.9 bn (+4.1% QoQ, +63.2% YoY)**
  - Sales increase from pharmaceutical distributors and new clients (QoQ , YoY)

Unit: KRW bn	2023				2022				
	1Q	2Q	QoQ	YoY	1Q	2Q	3Q	4Q	Total
Sales	157.1	164.0	+4.4%	+24.3%	123.6	132.0	152.7	152.9	561.2
Severance	129.3	135.1	+4.5%	+18.2%	108.9	114.3	124.0	124.9	472.0
Non-Severance	27.8	28.9	+4.1%	+63.2%	14.7	17.7	28.7	28.1	89.2
OP	7.5	7.7	+2.4%	+20.7%	5.7	6.4	7.2	7.2	26.6
OPM(%)	4.8%	4.7%	-0.1%p	-0.1%p	4.7%	4.8%	4.7%	4.7%	4.7%

## 5. Other Subsidiaries

□ 2Q Result : Sales KRW 40.4 bn / OL KRW 0.4 bn

Unit : KRW mn		2Q 23	1Q 23	QoQ	2Q 22	YoY
IIC Company	Sales	14,963	14,667	+2.0%	10,794	+38.6%
	OP	307	336	-8.5%	65	+375.3%
Qubridge	Sales	14,252	16,296	-12.5%	17,611	-19.1%
	OP	47	49	-4.6%	-85	Turn around
Value Point	Sales	7,371	8,316	-11.4%	7,700	-4.3%
	OP	-535	591	Turn red	608	Turn red
I Logistics	Sales	3,015	3,139	-4.0%	3,484	-13.5%
	OP	68	67	+1.7%	241	-71.5%
IM technology	Sales	755	158	+378.5%	289	+160.9%
	OP	-263	-498	Sustained losses	-370	Sustained losses
DAYLI Next Wave Bio Healthcare Fund	Sales	-	-	-	-	-
	OP	-42	-39	Sustained losses	-41	Sustained losses
Guardian	Sales	-	79	-100%	5,940	-100%
	OP	-11	37	Turn red	-277	Sustained losses



## Appendix 1 Company Introduction

Originally created as Samsung Electronics Internet venture, Samsung affiliates invested in us before we were transformed into an MRO supplier for the Samsung Group (providing supplies to Samsung manufacturing companies). In 2005, we began offering our services to non-Samsung affiliates and then listed in 2010. In 2011, Samsung sold its 48.7% stake in iMarketKorea to Interpark Holdings Consortium (includes Woori PE (11.5%)).

### Company Profile

<b>Company Name</b>	iMarketKorea Inc
<b>Controlling Shareholder</b>	Gradiant Corporation
<b>Date of Foundation</b>	December 8, 2000
<b>Date of IPO</b>	July 30, 2010
<b>CEO</b>	Nam In bong
<b>Paid in Capital</b>	KRW 18.2 billion
<b># of Employees</b>	426 (As of the end of 2Q 2023)
<b>Website</b>	www.imarketkorea.com

### Ownership

<b>Gradiant Corporation</b>	<b>43.1%</b>
Samsung Electronics and 4 affiliates	8.7%
National Pension Service	3.4%
Baring Asset Management Korea Limited	2.5%
Treasury Stocks	5.9%
Others	36.4%
<b>Total</b>	<b>100.0%</b>

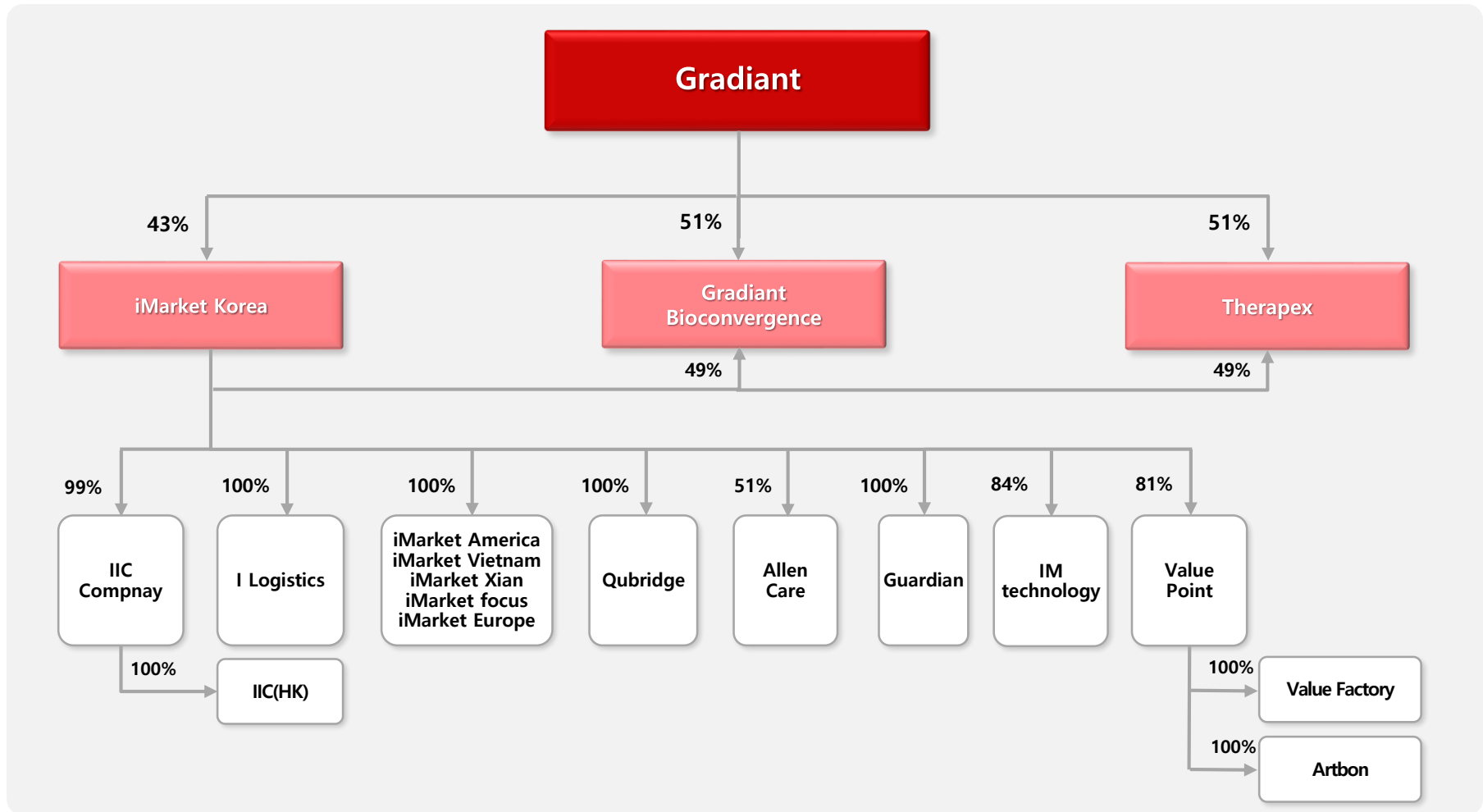
(As of June 30, 2023)

※ National Pension Service's ownership is based on Dec 31, 2022

※ Baring Asset Management Korea Limited's ownership is based on Dec 31, 2022

## Appendix 2 Organization

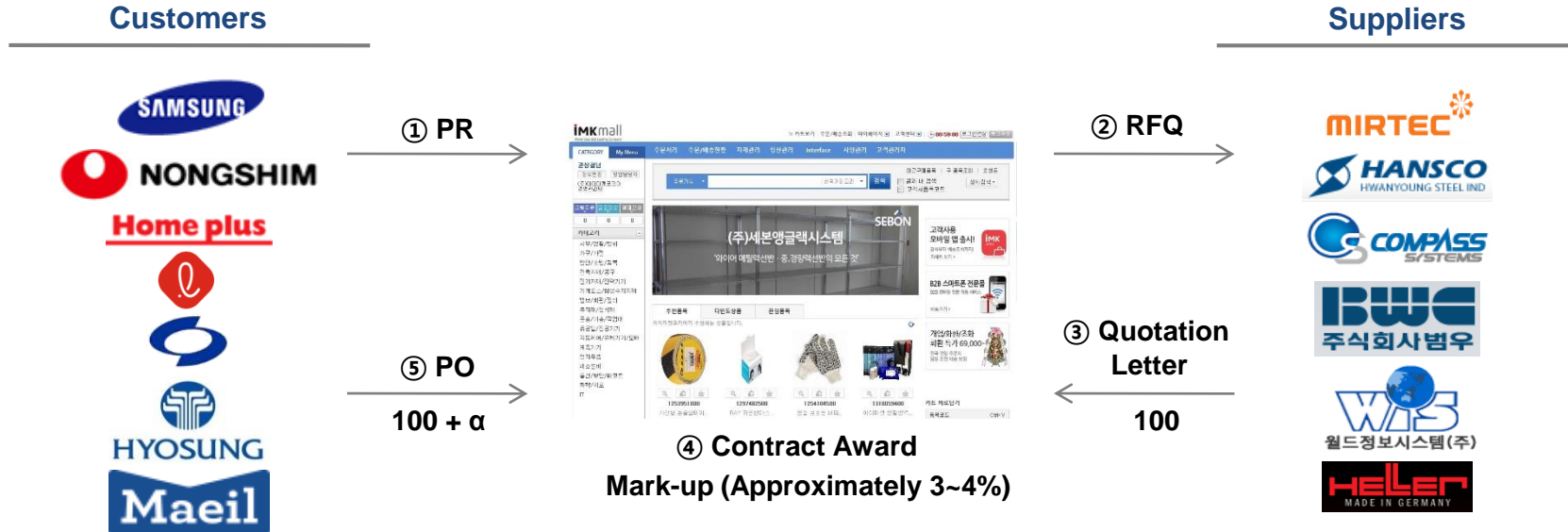
### Gradiant Corporate Structure



Source: As of December 31, 2022

# Appendix 3 Business Model

We handle everything related to procurement, which includes our procurement services for domestic and overseas customers



• **New large customers in 2023 :**

- 1) SAMWOO Co.,Ltd. 2) H GREEN POWER INC.

• **New large customers in 2022 :**

- 1) Haevichi Hotels&Resorts Co.,Ltd. 2) SEKONIX Co.,LTD. etc

• **New large customers in 2021 :**

- 1) ECOPRO GEM CO.,LTD. 2) SEEGENE, INC. 3) SAMPYO Industry 4) SAMPYO Cement Co.,Ltd. 5) SP Nature Co.,Ltd. 6) SHINSEGAE FOOD Inc. etc

# Appendix 4 Product Line-Up

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We provide a comprehensive procurement service covering all materials, small MRO units, and distribution of hard-to-get materials and equipment

## Industrial Supplies (80%)

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<b>Machinery</b> <ul style="list-style-type: none"><li>▪ Rubber products</li><li>▪ Bearings and Belts</li><li>▪ Welders and Consumables</li><li>▪ General Tools</li><li>▪ Parts</li></ul>	<b>Electric Facilities</b> <ul style="list-style-type: none"><li>▪ Pipes, Steel valves</li><li>▪ Valves, Bolts</li><li>▪ Lamps</li><li>▪ Work benches, Storage cabinets</li><li>▪ Filters, etc.</li></ul>	<b>Petrochemical</b> <ul style="list-style-type: none"><li>▪ Water and Waste water treatment agents</li><li>▪ Fuel and Lubricants</li><li>▪ Chemical Appliances</li><li>▪ Gas, etc.</li></ul>
<b>Automation/ Electronic Control</b> <ul style="list-style-type: none"><li>▪ Measuring Instrument</li><li>▪ Industrial Machines</li><li>▪ Motors</li><li>▪ Barcodes, Marking Machines, etc.</li></ul>	<b>Construction Supplies</b> <ul style="list-style-type: none"><li>▪ Steel Bar</li><li>▪ Cold Rolled Coil</li><li>▪ Carpet Tile</li><li>▪ Finishing Materials</li></ul>	<b>Raw and Subsidiary Materials</b> <ul style="list-style-type: none"><li>▪ Production Materials</li><li>▪ Transport Materials</li><li>▪ Electronic Parts</li><li>▪ Packing Materials</li><li>▪ Equipment, etc.</li></ul>

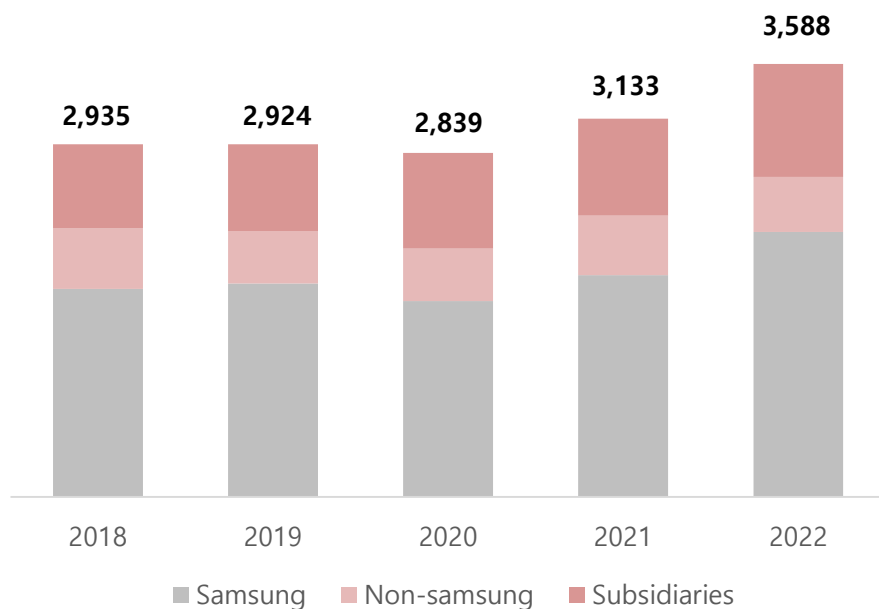
## General Supplies (20%)

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<b>Office Supplies</b> <ul style="list-style-type: none"><li>▪ Copying Papers</li><li>▪ Office Products</li><li>▪ Health Machines</li></ul>	<b>IT</b> <ul style="list-style-type: none"><li>▪ Ink, Toner</li><li>▪ Computer</li><li>▪ Communication Devices, etc.</li></ul>
<b>Household Items</b> <ul style="list-style-type: none"><li>▪ Cleaning Products</li><li>▪ Food &amp; Confectionaries</li></ul>	<b>Printed Matters</b> <ul style="list-style-type: none"><li>▪ Brochures</li><li>▪ Envelopes and Name Cards</li></ul>
<b>Safety Supplies</b> <ul style="list-style-type: none"><li>▪ Uniforms</li><li>▪ Safety Goods</li></ul>	<b>Furniture</b> <ul style="list-style-type: none"><li>▪ Furniture</li><li>▪ Home Appliances</li></ul>

## Appendix 5 Historical Earnings

(Unit: KRW bn)



Unit: KRW bn	2018	2019	2020	2021	2022
Samsung	1,742	1,787	1,638	1,855	2,219
Non-Samsung	507	439	442	498	460
<b>Sub-total (Separated)</b>	<b>2,249</b>	<b>2,226</b>	<b>2,080</b>	<b>2,353</b>	<b>2,679</b>
Subsidiaries	695	727	799	814	947
<b>Total (Consolidated)</b>	<b>2,935</b>	<b>2,924</b>	<b>2,839</b>	<b>3,133</b>	<b>3,588</b>

- **Total sales decreased due to reduced sales to Non-Samsung clients in 2019**
  - Growth in sales due to increased volume of some Samsung clients
  - Reduction in sales of low profit customers
  - Stable sales growth in Allen care
- **Decrease in sales of customers affected by COVID-19 in 2020**
  - Reduction in export sales
  - Reduction in sales due to decreased volume of some Samsung clients
  - Stable sales growth in Allen care
- **Increase in sales of major clients in 2021**
  - Increase in IMK sales due to enlargement in investment from major clients
  - Growth in sales of non-Samsung clients
- **Increase in sales of major clients in 2022**
  - Increase in IMK sales due to enlargement in investment from Samsung clients
  - Allen Care's sales increase from new clients
  - Increased sales of overseas subsidiaries due to improved situation of customers

## Appendix 6 AllenCare

Pharmaceutical distributor for Severance Hospital

Disposed 51% of share to IMK due to the revised law

**IMK acquired AllenCare in order to expand its business into the healthcare market**

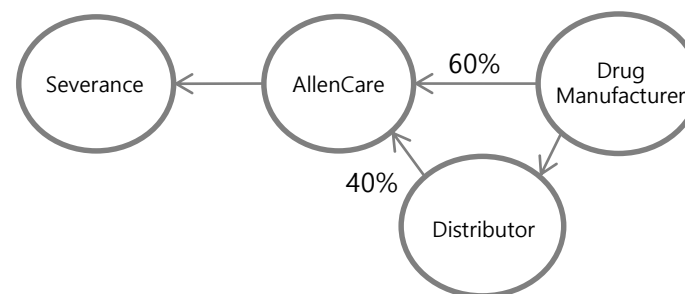
### Company Overview

- 1992 : AllenCare Jejung founded by Yonsei University
- 2012 : Pharmaceutical Affairs Act was revised;
  - Jejung suspended supporting ETC products to Yonsei's Severance Hospital
- 2014 : Yonsei University sold a majority stake to IMK
  - Currently, iMarketKorea holds a 51% stake (rest is owned by Yonsei University)

### Historical Earnings

(Unit: KRW bn)	Sales	Operating Profit
2019	430.3	32.5
2020	474.5	26.3
2021	496.3	23.7
2022	561.2	26.6
2Q.23	164.0	7.7

### Business Model



### Background

1) Normalized business by enhancing IMK's purchasing power and systems.

Acquired in Mar 2014, resumed operations in Apr 2014

2) Supported growth of the new cancer center

3) Reflected amortization costs of intangible assets in IMK's consolidated earnings

(KRW 157.6 bn or KRW 570 mn per month)

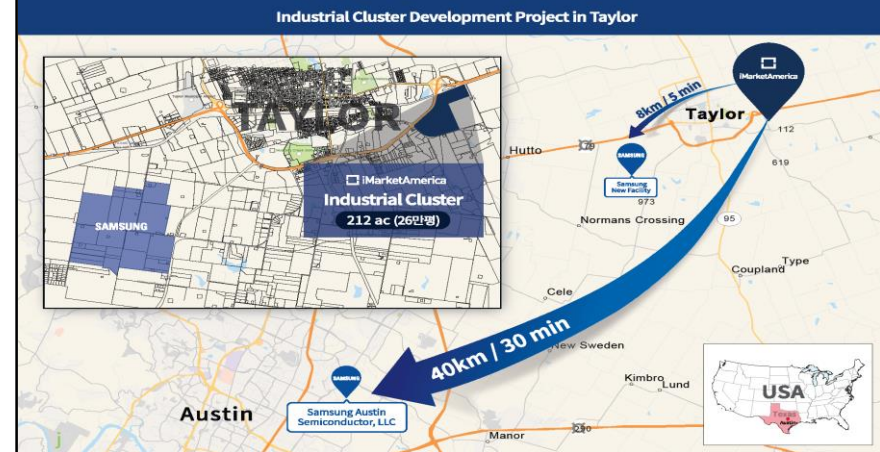
# Appendix 7 Business Plan in State of Texas

- Samsung Electronics semiconductor foundry plant is under construction for the production starting from 2024 in Taylor City, Texas.
- Business-friendly policies in this area continue to attract high-tech companies such as Tesla and Apple to this vicinity (also known as "Silicon Hills")
- iMarketKorea has completed the purchase of 9M sqf of land site by June, to develop an industrial cluster for high-tech industries like semiconductor, EV, etc.

## IMK Promotion Status of Project

- **Purchase of the 1<sup>st</sup> site for the purpose of establishing a distribution center(DEC, 2022)**
  - Secured a Site of about 2 Mil SQF for the creation of Logistics center near Samsung Electronics plant in Taylor City.
- **KOTRA Collaboration Business Briefing and Visit to the Site(Mar, 2023)**
  - Participated in the US investment investigation delegation collaborated with KOTRA, held IMK business briefings, and visited the site.
- **MOU signing ceremony with Taylor City, Participation in U.S. Economic Mission (APR, 2023)**
  - Consultation on Taylor City's cooperation including, but not limiting permits related to industrial cluster development, utility construction, incentives, etc.
  - Participated in high-tech industry forums at the White House through economic missions of the Republic of Korea.
- **Purchase of the 2<sup>nd</sup> site for the purpose of creating a high-tech industrial cluster(JUN, 2023)**
  - Purchase of about 7 Mil SQF land for the purpose of developing and creating industrial clusters specialized for the semiconductor, electric vehicle, and secondary battery industries.

## Projected Investment Site



## View of the Logistics Center



## Taylor City MOU signing ceremony



## Appendix 8 Consolidated Financial Statements

### Balance Sheet

Unit: KRW bn	2Q.23	2022
Current assets	889.7	927.3
Cash and cash equivalents	100.1	132.4
Account receivables	603.0	601.2
Inventories	72.6	71.6
Other current assets	114.0	122.1
Non-current asset	362.4	297.7
Investments	85.6	83.4
Tangible assets	129.7	66.2
Intangible assets	122.8	126.3
Other non-current assets	24.3	21.8
<b>Total Asset</b>	<b>1,252.1</b>	<b>1,225.0</b>
Current liabilities	774.1	757.6
Account payable	649.7	679.1
Other current liabilities	124.4	78.5
Non-current liabilities	76.5	57.2
<b>Total Liabilities</b>	<b>850.6</b>	<b>814.8</b>
Equity attributable to owners	352.9	358.0
Capital stock	18.2	18.2
Other contributed capital	109.7	107.8
Components of other capital	2.1	1.9
Retained earnings	222.9	230.1
Non-controlling interest	48.5	52.2
<b>Total Shareholders' Equity</b>	<b>401.4</b>	<b>410.2</b>

### Income Statement

Unit: KRW bn	2Q.23	2022	2021
Revenue	842.7	3,588.2	3,132.5
Gross Profit	39.0	157.5	146.3
Selling and administrative expenses	25.3	101.2	100.9
Salaries	11.0	43.6	42.1
IT expenses	1.8	7.4	7.7
Commission	2.2	10.1	10.1
Rents	0.8	3.1	3.3
Depreciation	1.4	5.1	4.8
Amortization	2.3	9.8	9.1
Others	5.8	22.1	23.8
Operating Profit	13.7	56.3	45.4
Other Profit	1.7	15.2	8.6
Other expenses	2.3	23.6	8.4
Finance income	1.7	6.9	22.2
Finance expenses	9.3	12.0	2.3
Associates and subsidiaries	-2.6	-5.5	-3.3
Pre-tax Profit	2.9	37.3	62.2
Net Profit	2.7	29.1	44.5



## Appendix 9 Separate Financial Statements

### Balance Sheet

Unit: KRW bn	2Q.23	2022
Current assets	526.0	532.7
Cash and cash equivalents	72.8	86.1
Account receivables	320.2	325.0
Inventories	24.6	25.7
Other current assets	108.4	95.9
Non-current asset	300.6	292.5
Investments	238.7	231.6
Tangible assets	20.0	21.9
Intangible assets	13.5	13.6
Other non-current assets	28.4	25.4
<b>Total Asset</b>	<b>826.6</b>	<b>825.2</b>
Current liabilities	391.5	415.7
Account payable	367.2	385.9
Other current liabilities	24.3	29.8
Non-current liabilities	44.5	24.0
<b>Total Liabilities</b>	<b>436.0</b>	<b>439.7</b>
Paid-in Capital	18.2	18.2
Other Paid-in Capital	108.4	106.6
Earned Surplus	264.0	260.7
<b>Total Equity</b>	<b>390.6</b>	<b>385.5</b>

### Income Statement

Unit: KRW bn	2Q.23	2022	2021
Revenue	598.4	2,679.0	2,353.5
Gross Profit	23.2	94.7	87.6
Selling and administrative expenses	14.9	59.0	58.6
Salaries	7.2	28.4	28.4
IT expenses	1.6	6.7	7.1
Commission	1.3	5.4	5.5
Rents	0.4	1.8	1.9
Depreciation	0.8	2.8	2.6
Amortization	0.5	2.0	1.1
Others	3.1	11.9	12.0
Operating Profit	8.4	35.7	29.0
Other profit	1.6	31.3	17.6
Other expenses	2.4	20.0	9.5
Finance income	1.8	6.1	22.4
Finance expenses	8.8	9.1	1.4
Impairment loss on investments in subsidiaries	-	4.2	-
Pre-tax Profit	0.6	39.8	58.1
Net Profit	1.2	36.3	44.4

Thank you