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**2Q. 2022**

**Result Summary**

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**Aug. 4. 2022**

 **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 859.5 bn (+3.8% QoQ, +7.9% YoY) / OP KRW 14.2 bn (+21.0% QoQ, +13.7% YoY)

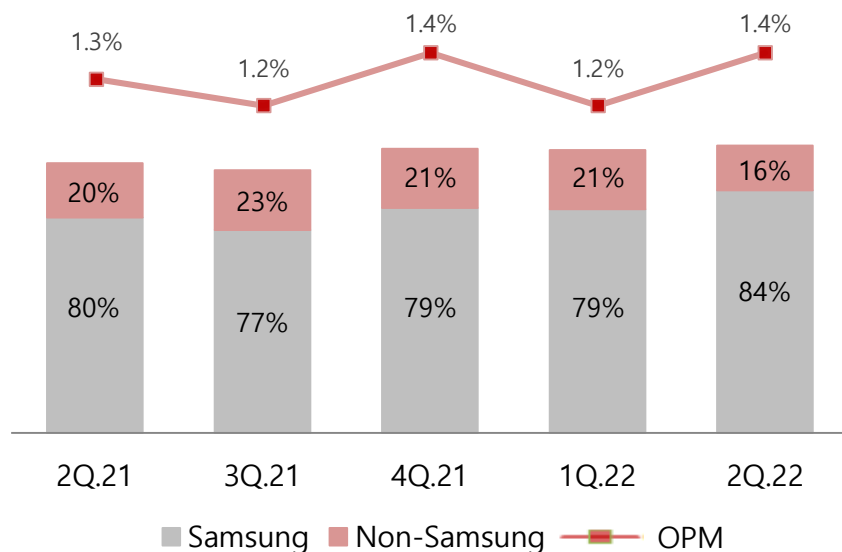
Unit : KRW mn	2Q 22	1Q 22	QoQ	2Q 21	YoY
<b>Sales</b>	<b>859,450</b>	<b>827,939</b>	<b>+3.8%</b>	<b>796,742</b>	<b>+7.9%</b>
IMK	640,542	630,702	+1.6%	601,336	+6.5%
Overseas Subsidiaries	50,607	49,406	+2.4%	44,187	+14.5%
Allen Care	131,991	123,588	+6.8%	121,300	+8.8%
Other Subsidiaries	45,819	33,791	+35.6%	38,571	+18.8%
<b>Gross profits</b>	<b>39,413</b>	<b>36,617</b>	<b>+7.6%</b>	<b>37,265</b>	<b>+5.8%</b>
Selling and Administrative Expenses	25,223	24,892	+1.3%	24,780	+1.8%
<b>Operating profits</b>	<b>14,190</b>	<b>11,725</b>	<b>+21.0%</b>	<b>12,485</b>	<b>+13.7%</b>
Pre-tax profits	11,513	9,962	+15.6%	22,949	-49.8%
<b>Net profits</b>	<b>7,871</b>	<b>6,804</b>	<b>+15.7%</b>	<b>17,124</b>	<b>-54.0%</b>

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

※ Other Subsidiaries: I Logistics, IIC Company, Qubridge, Guardian, DAYLI Next Wave Bio Healthcare Fund, Value Point, V.T.Composite

## 2. Result Summary (separate)

2Q Result : Sales KRW 640.5 bn (+1.6% QoQ, +6.5% YoY) / OP KRW 8.9 bn (+16.7% QoQ, +12.1% YoY)



- **Samsung : Sales KRW 540.9 bn (+8.5% QoQ, +12.7% YoY)**

- Increase in sales of construction materials

- **Non-Samsung : Sales KRW 99.6 bn (-24.7% QoQ, -18.0% YoY)**

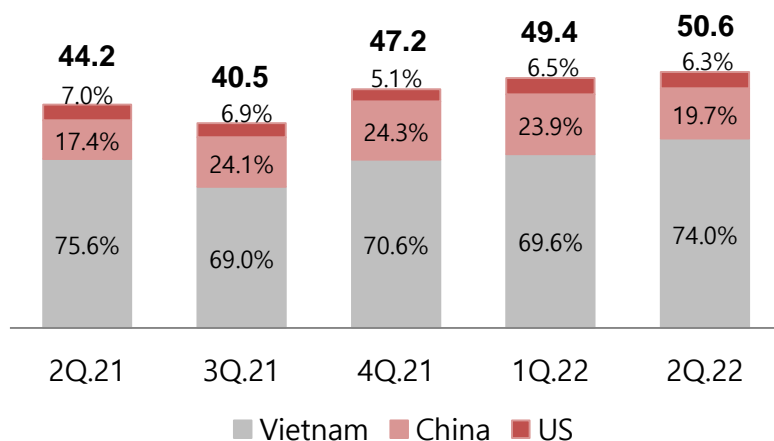
- Decrease in sales of IT products

Unit: KRW bn	2022				2021				
	1Q	2Q	QoQ	YoY	1Q	2Q	3Q	4Q	Total
<b>Sales</b>	<b>630.7</b>	<b>640.5</b>	<b>+1.6%</b>	<b>+6.5%</b>	<b>533.2</b>	<b>601.3</b>	<b>585.6</b>	<b>633.4</b>	<b>2,353.5</b>
Samsung	498.4	540.9	+8.5%	+12.7%	422.0	479.8	452.4	501.4	1,855.6
Non-Samsung	132.3	99.6	-24.7%	-18.0%	111.2	121.5	133.2	132.0	497.9

### 3. Overseas Subsidiaries

2Q Result : Sales KRW 50.6 bn / OP KRW 0.5 bn

(Unit : KRW bn)

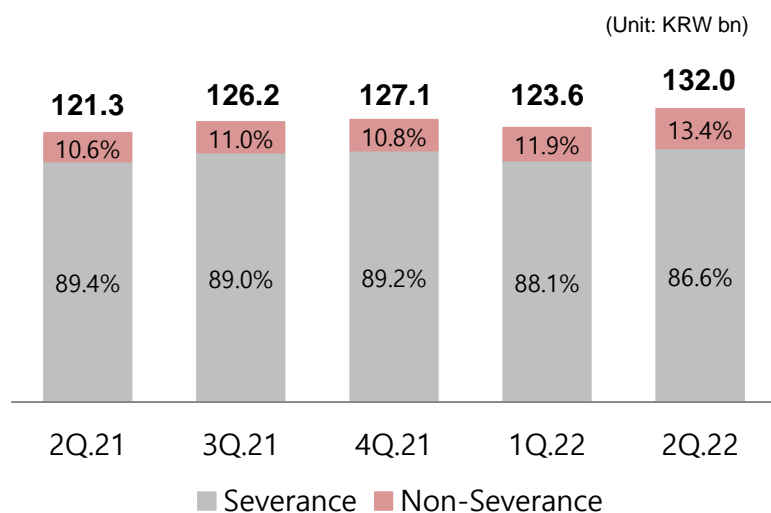


- **Vietnam : Sales KRW 37.5 bn (+9.1% QoQ, +12.4% YoY)**
  - Increase in sales due to improved situation of customers
- **China : Sales KRW 9.9 bn (-15.9% QoQ, +29.1% YoY)**
  - Decreased sales in safety products sales were related to COVID-19 (QoQ)
  - Sales increase of clients' international subsidiaries (YoY)
- **US : Sales KRW 3.2 bn (-1.1% QoQ, +1.7% YoY)**
  - Providing MRO service to Samsung Austin Fab

Unit: KRW bn		2022				2021				
		1Q	2Q	QoQ	YoY	1Q	2Q	3Q	4Q	Total
Vietnam	Samsung	22.1	25.2	+13.9%	+9.1%	19.7	23.1	20.6	23.0	86.4
	Non-Samsung	12.3	12.3	+0.3%	+19.7%	8.0	10.3	7.3	10.3	35.9
	<b>Total</b>	<b>34.4</b>	<b>37.5</b>	<b>+9.1%</b>	<b>+12.4%</b>	<b>27.7</b>	<b>33.4</b>	<b>27.9</b>	<b>33.3</b>	<b>122.3</b>
China	Samsung	5.7	5.2	-8.2%	+25.4%	4.1	4.2	4.8	5.1	18.2
	Non-Samsung	6.1	4.7	-23.2%	+33.3%	2.1	3.5	5.0	6.4	17.0
	<b>Total</b>	<b>11.8</b>	<b>9.9</b>	<b>-15.9%</b>	<b>+29.1%</b>	<b>6.2</b>	<b>7.7</b>	<b>9.8</b>	<b>11.5</b>	<b>35.2</b>
US		3.2	3.2	-1.1%	+1.7%	2.1	3.1	2.8	2.4	10.4
<b>Total</b>		<b>49.4</b>	<b>50.6</b>	<b>+2.4%</b>	<b>+14.5%</b>	<b>36.0</b>	<b>44.2</b>	<b>40.5</b>	<b>47.2</b>	<b>167.9</b>

## 4. AllenCare

2Q Result : Sales 132.0 bn / OP KRW 6.4 bn



- **Severance : Sales KRW 114.3 bn (+5.0% QoQ, +5.4% YoY)**
  - Stable sales growth from Severance hospital
- **Non-Severance : Sales KRW 17.7 bn (+20.2% QoQ, +37.3% YoY)**
  - Sales increase from Chung-Ang Univ. Hospital, pharmaceutical distributors and new clients

Unit: KRW bn	2022				2021				
	1Q	2Q	QoQ	YoY	1Q	2Q	3Q	4Q	Total
Sales	123.6	132.0	+6.8%	+8.8%	121.6	121.3	126.2	127.1	496.3
Severance	108.9	114.3	+5.0%	+5.4%	108.6	108.4	112.4	113.3	442.7
Non-Severance	14.7	17.7	+20.2%	+37.3%	13.0	12.9	13.8	13.8	53.6
OP	5.7	6.4	+11.0%	+8.0%	5.6	5.9	6.3	5.9	23.7
OPM(%)	4.7%	4.8%	+0.1%p	-0.1%p	4.6%	4.9%	5.0%	4.6%	4.8%

## 5. Other Subsidiaries

 2Q Result : Sales KRW 45.8 bn / OP KRW 0.1 bn

Unit : KRW mn		2Q 22	1Q 22	QoQ	2Q 21	YoY
Qubridge	Sales	17,611	16,804	+4.8%	18,476	-4.7%
	OP	-85	-26	Sustained losses	223	Turn red
Guardian	Sales	5,940	5,653	+5.1%	6,016	-1.3%
	OP	-277	-296	Sustained losses	-416	Sustained losses
IIC Company	Sales	10,794	8,247	+30.9%	7,734	+39.6%
	OP	65	-64	Turn around	34	+91.2%
I Logistics	Sales	3,484	3,088	+12.8%	6,345	-45.1%
	OP	241	-240	Turn around	99	+142.6%
DAYLI Next Wave Bio Healthcare Fund	Sales	-	-	-	-	-
	OP	-41	-39	Sustained losses	-38	Sustained losses
Value Point	Sales	7,700	-	-	-	-
	OP	608	-	-	-	-
V.T.Composite	Sales	289	-	-	-	-
	OP	-370	-	-	-	-



## 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>	428 (As of the end of 2Q 2022)
<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	2.3%
Treasury Stocks	5.9%
Others	36.6%
<b>Total</b>	<b>100.0%</b>

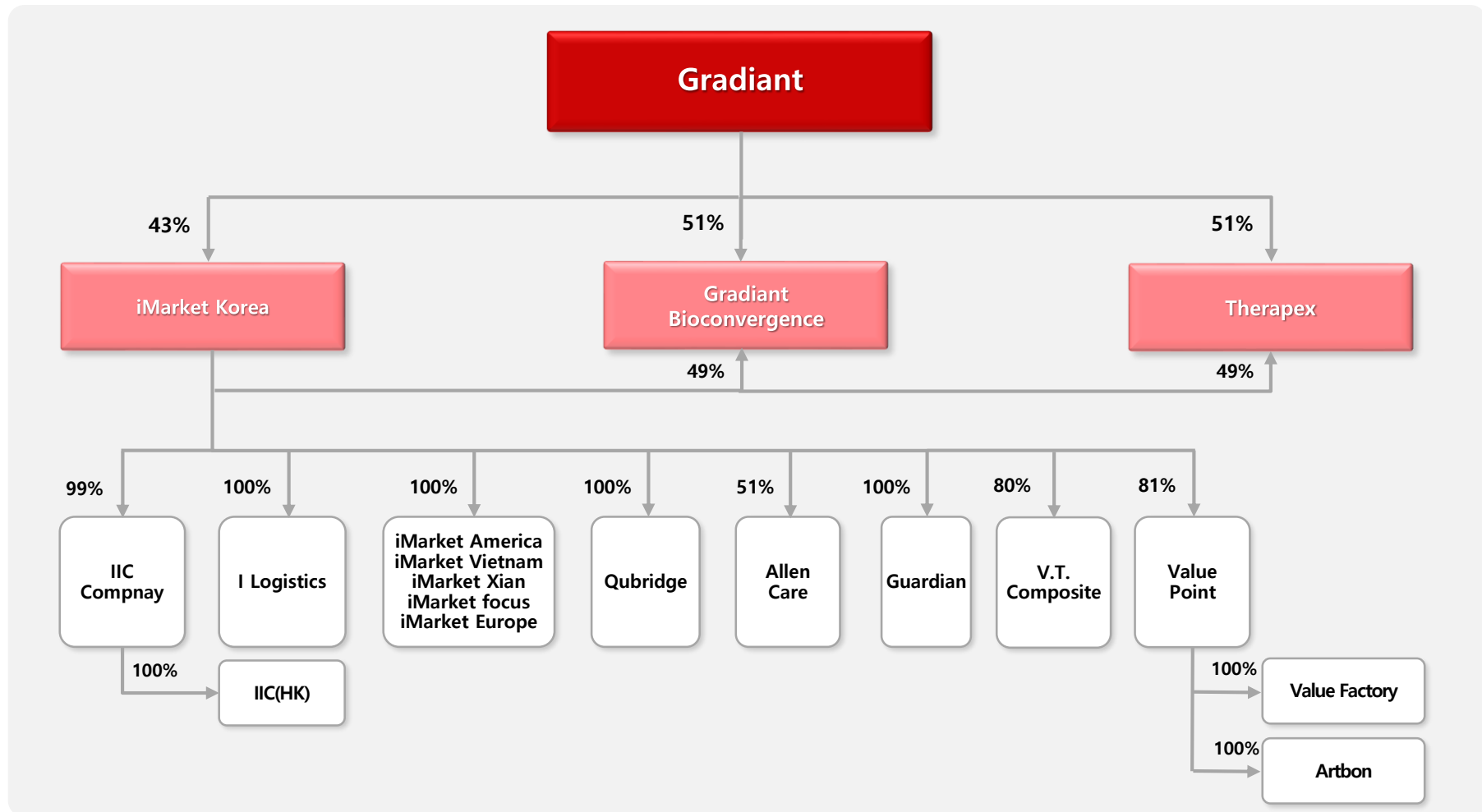
(As of June 30, 2022)

※ National Pension Service's ownership is based on Dec 31, 2021

※ Baring Asset Management Korea Limited's ownership is based on Dec 31, 2021

## Appendix 2 Organization

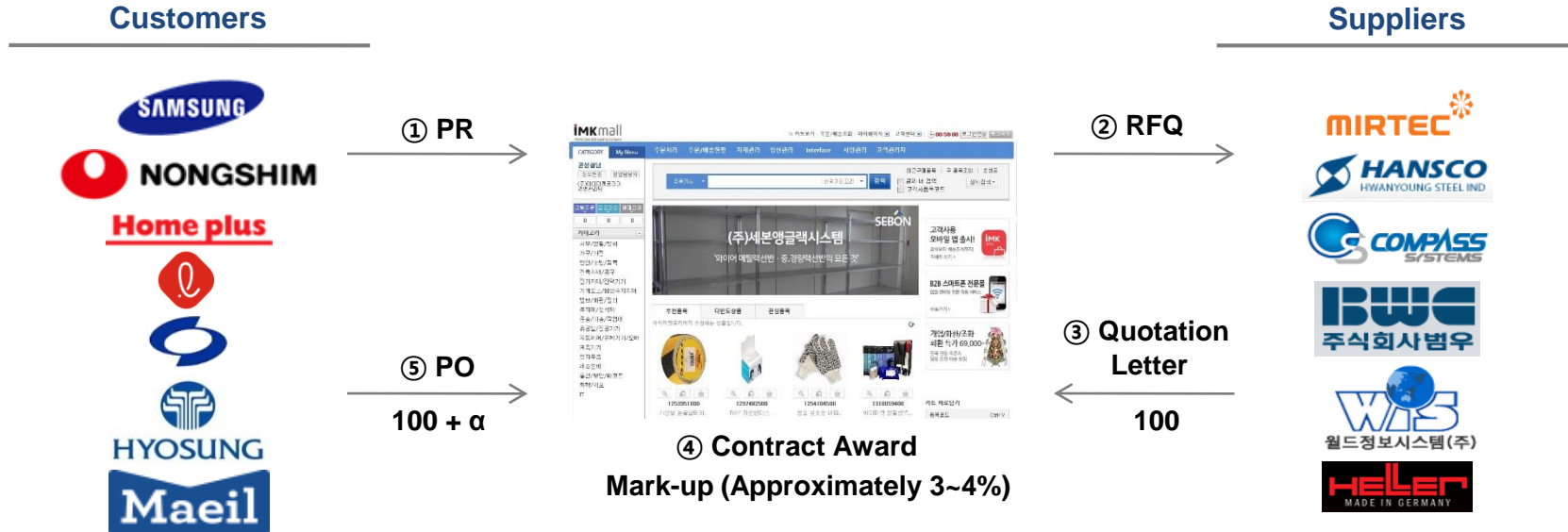
### Gradiant Corporate Structure



Source: As of June 30, 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 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

• **New large customers in 2020 :**

- 1) DONG HWA ENTEC Co.,Ltd., 2) British American Tobacco Korea., etc

• **New large customers in 2019 :**

- 1) SONGWON INDUSTRIAL Co.,Ltd. 2) Hyoseong Electric Co.,Ltd., 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 (79%)

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#### Machinery

- Rubber products
- Bearings and Belts
- Welders and Consumables
- General Tools
- Parts

#### Electric Facilities

- Pipes, Steel valves
- Valves, Bolts
- Lamps
- Work benches, Storage cabinets
- Filters, etc.

#### Petrochemical

- Water and Waste water treatment agents
- Fuel and Lubricants
- Chemical Appliances
- Gas, etc.

#### Automation/ Electronic Control

- Measuring Instrument
- Industrial Machines
- Motors
- Barcodes, Marking Machines, etc.

#### Construction Supplies

- Steel Bar
- Cold Rolled Coil
- Carpet Tile
- Finishing Materials

#### Raw and Subsidiary Materials

- Production Materials
- Transport Materials
- Electronic Parts
- Packing Materials
- Equipment, etc.

### General Supplies (21%)

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#### Office Supplies

- Copying Papers
- Office Products
- Health Machines

#### IT

- Ink, Toner
- Computer
- Communication Devices, etc.

#### Household Items

- Cleaning Products
- Food & Confectionaries

#### Printed Matters

- Brochures
- Envelopes and Name Cards

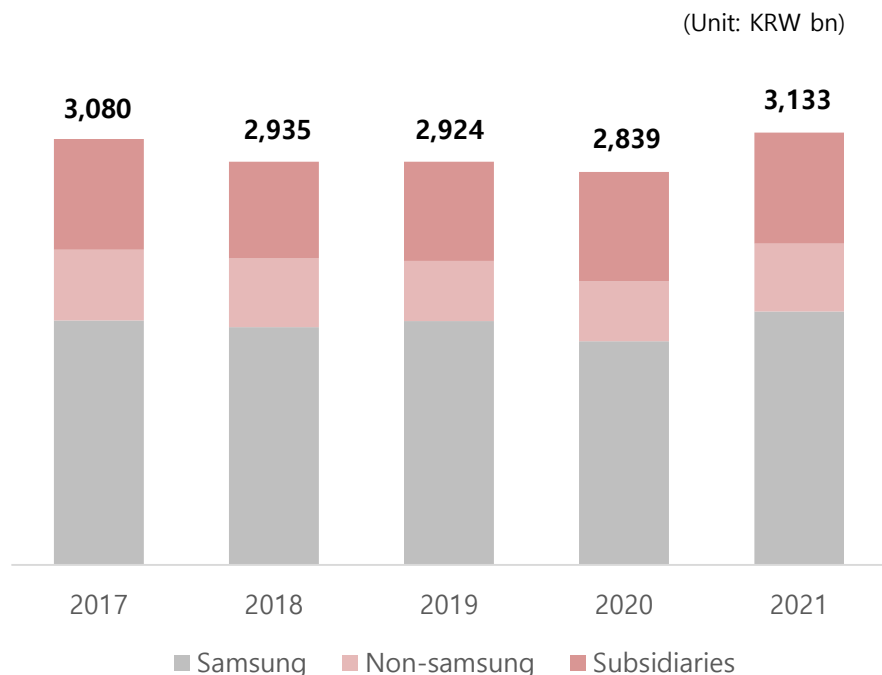
#### Safety Supplies

- Uniforms
- Safety Goods

#### Furniture

- Furniture
- Home Appliances

## Appendix 5 Historical Earnings



- **Total sales decreased due to reduced sales to overseas clients in 2018**

- Decrease in IMV sales due to reduction in investment from SDV
- Reduction in sales of low profit customers
- Stable sales growth in Allen care

- **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 client
- Growth in sales of non-Samsung clients

Unit: KRW bn	2017	2018	2019	2020	2021
Samsung	1,791	1,742	1,787	1,638	1,855
Non-Samsung	517	507	439	442	498
<b>Sub-total (Separated)</b>	<b>2,308</b>	<b>2,249</b>	<b>2,226</b>	<b>2,080</b>	<b>2,353</b>
Subsidiaries	813	705	727	799	814
<b>Total (Consolidated)</b>	<b>3,080</b>	<b>2,935</b>	<b>2,924</b>	<b>2,839</b>	<b>3,133</b>

## 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**

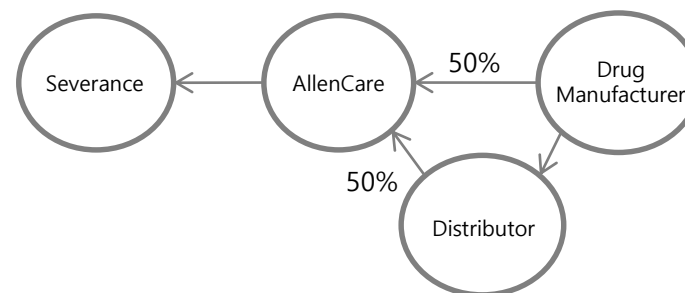
### Company Overview

- 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
2018	376.9	29.0
2019	430.3	32.5
2020	474.5	26.3
2021	496.3	23.7
2Q.22	255.6	12.1

### 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 Consolidated Financial Statements

### Balance Sheet

Unit: KRW bn	2Q.22	2021
Current assets	843.8	834.9
Cash and cash equivalents	60.5	65.3
Account receivables	557.7	526.6
Inventories	88.7	71.7
Other current assets	136.9	171.3
Non-current asset	283.7	285.3
Investments	92.6	104.0
Tangible assets	37.6	29.5
Intangible assets	139.3	133.5
Other non-current assets	14.2	18.3
<b>Total Asset</b>	<b>1,127.5</b>	<b>1,120.2</b>
Current liabilities	663.1	644.5
Account payable	598.4	583.5
Other current liabilities	64.7	61.0
Non-current liabilities	53.2	58.9
<b>Total Liabilities</b>	<b>716.3</b>	<b>703.4</b>
Equity attributable to owners	363.1	364.0
Capital stock	18.2	18.2
Other contributed capital	111.5	111.5
Components of other capital	3.0	1.4
Retained earnings	230.4	232.9
Non-controlling interest	48.1	52.8
<b>Total Shareholders' Equity</b>	<b>411.2</b>	<b>416.8</b>

### Income Statement

Unit: KRW bn	2Q.22	2021	2020
Revenue	1,687.4	3,132.5	2,839.4
Gross Profit	76.0	146.3	142.8
Selling and administrative expenses	50.1	100.9	102.2
Salaries	21.3	42.1	43.7
IT expenses	3.8	7.7	7.4
Commission	5.2	10.1	10.4
Rents	1.5	3.3	3.5
Depreciation	2.4	4.8	4.9
Amortization	5.0	9.1	8.7
Others	10.9	23.8	23.6
Operating Profit	25.9	45.4	40.5
Other Profit	4.9	8.6	11.1
Other expenses	8.2	8.4	10.0
Finance income	3.6	22.2	4.4
Finance expenses	1.8	2.3	6.7
Associates and subsidiaries	-2.9	-3.3	-0.5
Pre-tax Profit	21.5	62.2	38.8
Net Profit	14.7	44.5	28.8

## Appendix 8 Separate Financial Statements

### Balance Sheet

Unit: KRW bn	2Q.22	2021
Current assets	503.0	510.0
Cash and cash equivalents	33.8	42.9
Account receivables	310.4	295.6
Inventories	39.1	31.0
Other current assets	119.7	140.5
Non-current asset	284.6	272.5
Investments	231.7	213.4
Tangible assets	22.4	23.5
Intangible assets	15.3	16.4
Other non-current assets	15.2	19.2
<b>Total Asset</b>	<b>787.6</b>	<b>782.5</b>
Current liabilities	381.2	378.2
Account payable	347.7	343.4
Other current liabilities	33.5	34.8
Non-current liabilities	26.3	29.6
<b>Total Liabilities</b>	<b>407.5</b>	<b>407.8</b>
Paid-in Capital	18.2	18.2
Other Paid-in Capital	106.6	106.6
Earned Surplus	255.3	249.9
<b>Total Equity</b>	<b>380.1</b>	<b>374.7</b>

### Income Statement

Unit: KRW bn	2Q.22	2021	2020
Revenue	1,271.2	2,353.5	2,079.9
Gross Profit	46.3	87.6	78.1
Selling and administrative expenses	29.7	58.6	58.0
Salaries	14.3	28.4	28.8
IT expenses	3.5	7.1	6.8
Commission	3.0	5.5	5.1
Rents	0.9	1.9	1.8
Depreciation	1.3	2.6	2.5
Amortization	1.0	1.1	0.8
Others	5.7	12.0	12.2
Operating Profit	16.6	29.0	20.1
Other profit	13.8	17.6	22.3
Other expenses	8.0	9.5	10.3
Finance income	3.5	22.4	4.5
Finance expenses	1.1	1.4	5.9
Pre-tax Profit	24.8	58.1	30.7
Net Profit	19.4	44.4	24.6



Thank you