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# 1Q. 2023

## Result Summary

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May. 10. 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)

 1Q Result : Sales KRW 847.8 bn (-11.7% QoQ, +2.4% YoY) / OP KRW 13.6 bn (-11.2% QoQ, +16.4% YoY)

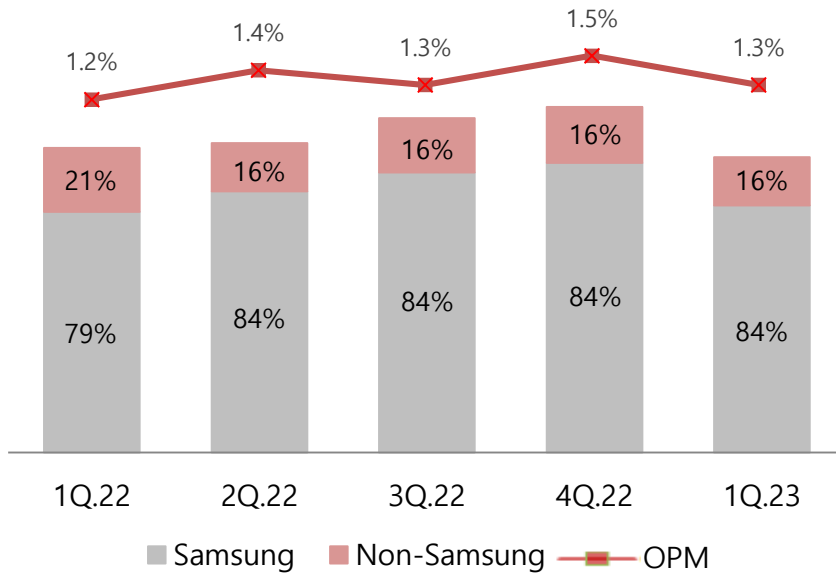
Unit : KRW mn	1Q 23	4Q 22	QoQ	1Q 22	YoY
<b>Sales</b>	<b>847,776</b>	<b>960,436</b>	<b>-11.7%</b>	<b>827,939</b>	<b>+2.4%</b>
IMK	611,237	715,619	-14.6%	630,702	-3.1%
Overseas Subsidiaries	44,269	57,589	-23.1%	49,406	-10.4%
Allen Care	157,082	152,928	+2.7%	123,588	+27.1%
Other Subsidiaries	42,655	44,006	-3.1%	33,791	+26.2%
<b>Gross profits</b>	<b>37,682</b>	<b>42,010</b>	<b>-10.3%</b>	<b>36,617</b>	<b>+2.9%</b>
Selling and Administrative Expenses	24,034	26,634	-9.8%	24,892	-3.4%
<b>Operating profits</b>	<b>13,649</b>	<b>15,377</b>	<b>-11.2%</b>	<b>11,725</b>	<b>+16.4%</b>
Pre-tax profits	9,311	3,358	+177.3%	9,962	-6.5%
<b>Net profits</b>	<b>6,468</b>	<b>6,319</b>	<b>+2.4%</b>	<b>6,804</b>	<b>-4.9%</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)

1Q Result : Sales KRW 611.2 bn (-14.6% QoQ, -3.1% YoY) / OP KRW 7.7 bn (-25.7% QoQ, +1.3% YoY)

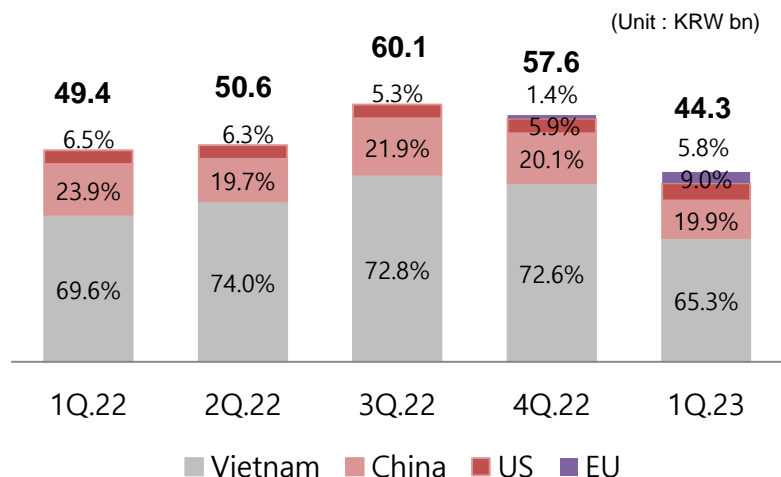


- **Samsung : Sales KRW 511.5 bn (-14.7% QoQ, +2.6% YoY)**
  - Decrease in sales of MRO, Raw & Subsidiary materials, IT products (QoQ)
  - Increase in sales of MRO, construction materials (YoY)
- **Non-Samsung : Sales KRW 99.7 bn (-14.0% QoQ, -24.6% YoY)**
  - Decrease in sales of IT products

Unit: KRW bn	2023			2022				
	1Q	QoQ	YoY	1Q	2Q	3Q	4Q	Total
<b>Sales</b>	<b>611.2</b>	<b>-14.6%</b>	<b>-3.1%</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	-14.7%	+2.6%	498.4	540.9	579.7	599.6	2,218.6
Non-Samsung	99.7	-14.0%	-24.6%	132.3	99.6	112.4	116.0	460.4

### 3. Overseas Subsidiaries

1Q Result : Sales KRW 44.3 bn / OL KRW 0.4 bn

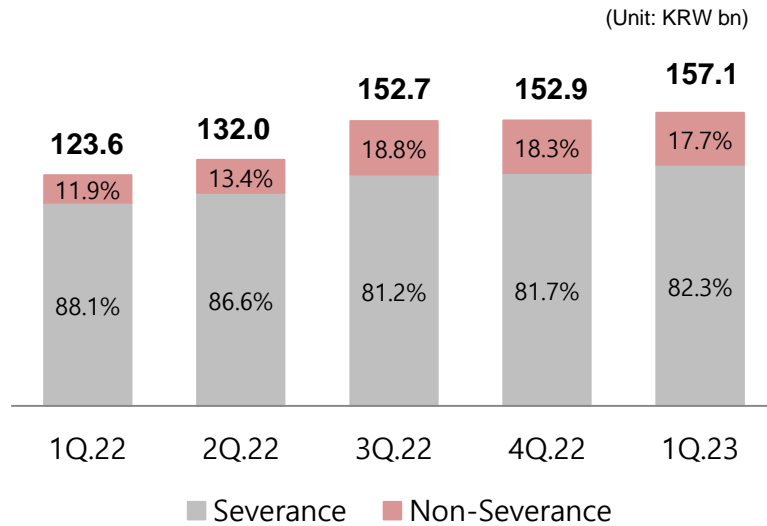


- **Vietnam : Sales KRW 28.9 bn (-30.9% QoQ, -15.9% YoY)**  
- Decrease in sales due to deteriorating market conditions of customers
- **China : Sales KRW 8.8 bn (-23.9% QoQ, -25.4% YoY)**  
- Decrease in sales due to deteriorating market conditions of customers
- **US : Sales KRW 4.0 bn (+16.9% QoQ, +23.9% YoY)**  
- Providing MRO service to Samsung Austin Fab
- **EU : Sales KRW 2.6 bn (+221.0% QoQ)**  
- Providing MRO service to Samsung SDI Hungary

Unit: KRW bn		2023			2022				
		1Q	QoQ	YoY	1Q	2Q	3Q	4Q	Total
Vietnam	Samsung	21.3	-37.2%	-3.7%	22.1	25.2	32.3	33.9	113.5
	Non-Samsung	7.6	-3.9%	-38.0%	12.3	12.3	11.4	7.9	43.9
	<b>Total</b>	<b>28.9</b>	<b>-30.9%</b>	<b>-15.9%</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	-8.3%	-25.3%	5.7	5.2	5.0	4.7	20.5
	Non-Samsung	4.5	-34.3%	-25.6%	6.1	4.7	8.2	6.9	26.0
	<b>Total</b>	<b>8.8</b>	<b>-23.9%</b>	<b>-25.4%</b>	<b>11.8</b>	<b>9.9</b>	<b>13.2</b>	<b>11.6</b>	<b>46.5</b>
US		4.0	+16.9%	+23.9%	3.2	3.2	3.2	3.4	13.0
EU		2.6	+221.0%	-	-	0.0	0.0	0.8	0.8
<b>Total</b>		<b>44.3</b>	<b>-23.1%</b>	<b>-10.4%</b>	<b>49.4</b>	<b>50.6</b>	<b>60.1</b>	<b>57.6</b>	<b>217.7</b>

## 4. AllenCare

1Q Result : Sales 157.1 bn / OP KRW 7.5 bn



- **Severance : Sales KRW 129.3 bn (+3.6% QoQ, +18.8% YoY)**
  - Stable sales growth from Severance hospital
- **Non-Severance : Sales KRW 27.8 bn (-1.0% QoQ, +88.5% YoY)**
  - Decrease in sales of some customers (QoQ)
  - Sales increase from pharmaceutical distributors and new clients (YoY)

Unit: KRW bn	2023			2022				
	1Q	QoQ	YoY	1Q	2Q	3Q	4Q	Total
Sales	157.1	+2.7%	+27.1%	123.6	132.0	152.7	152.9	561.2
Severance	129.3	+3.6%	+18.8%	108.9	114.3	124.0	124.9	472.0
Non-Severance	27.8	-1.0%	+88.5%	14.7	17.7	28.7	28.1	89.2
OP	7.5	+3.8%	+30.9%	5.7	6.4	7.2	7.2	26.6
OPM(%)	4.8%	+0.1%p	+0.1%p	4.7%	4.8%	4.7%	4.7%	4.7%

## 5. Other Subsidiaries

 1Q Result : Sales KRW 42.7 bn / OP KRW 0.5 bn

Unit : KRW mn		1Q 23	4Q 22	QoQ	1Q 22	YoY
Qubridge	Sales	16,296	17,053	-4.4%	16,804	-3.0%
	OP	49	184	-73.4%	-26	Turn around
Guardian	Sales	79	3,968	-98.0%	5,653	-98.6%
	OP	37	-739	Turn around	-296	Turn around
IIC Company	Sales	14,667	10,836	+35.4%	8,247	+77.9%
	OP	336	-34	Turn around	-64	Turn around
I Logistics	Sales	3,139	3,779	-16.9%	3,088	+1.7%
	OP	67	133	-49.9%	-240	Turn around
DAYLI Next Wave Bio Healthcare Fund	Sales	-	-	-	-	-
	OP	-39	-43	Sustained losses	-39	Sustained losses
Value Point	Sales	8,316	8,305	+0.1%	-	-
	OP	591	363	+62.9%	-	-
IM technology	Sales	158	66	+140.2%	-	-
	OP	-498	-551	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>	424 (As of the end of 1Q 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>

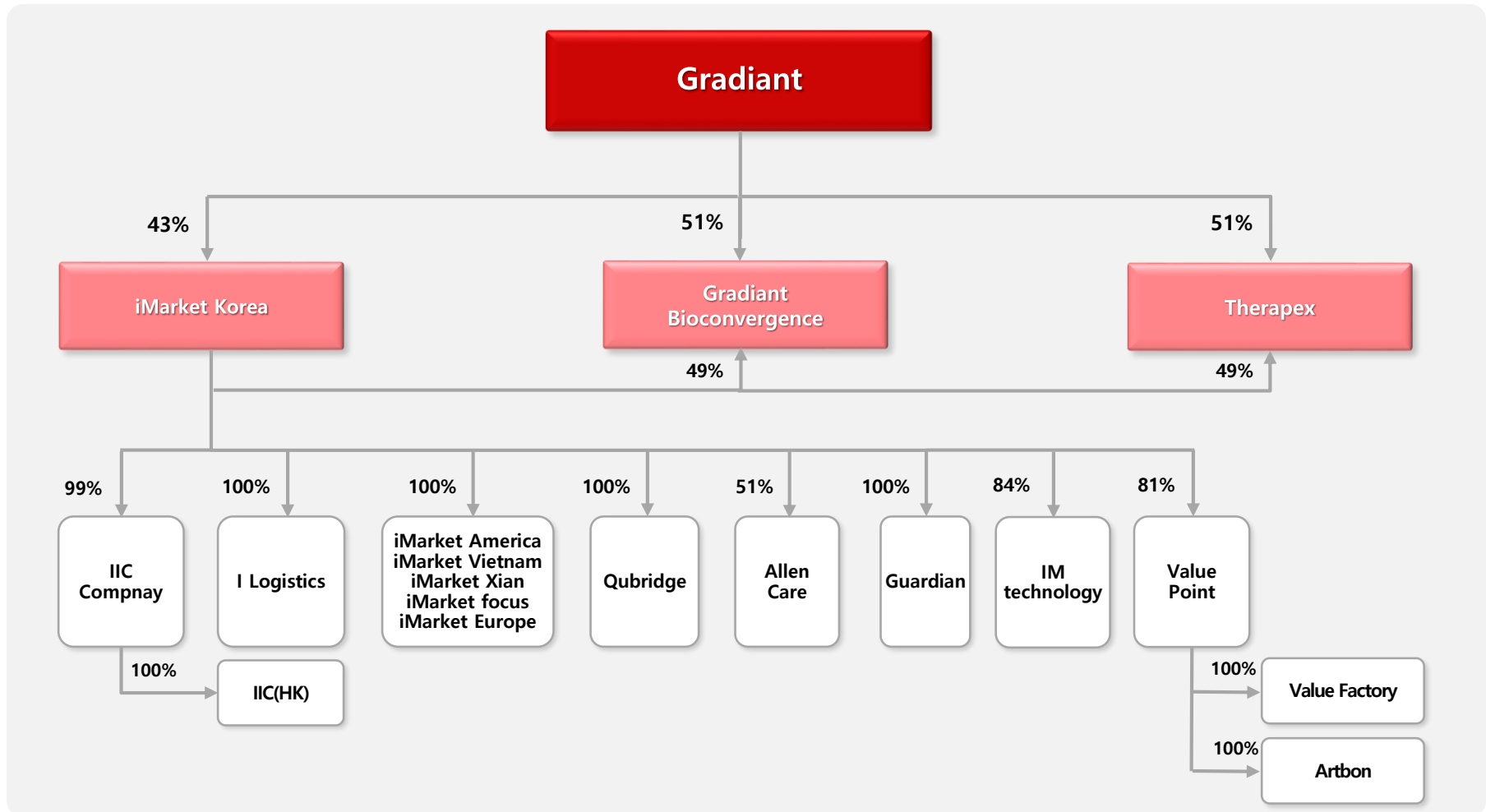
(As of Mar 31, 2023)

※ 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

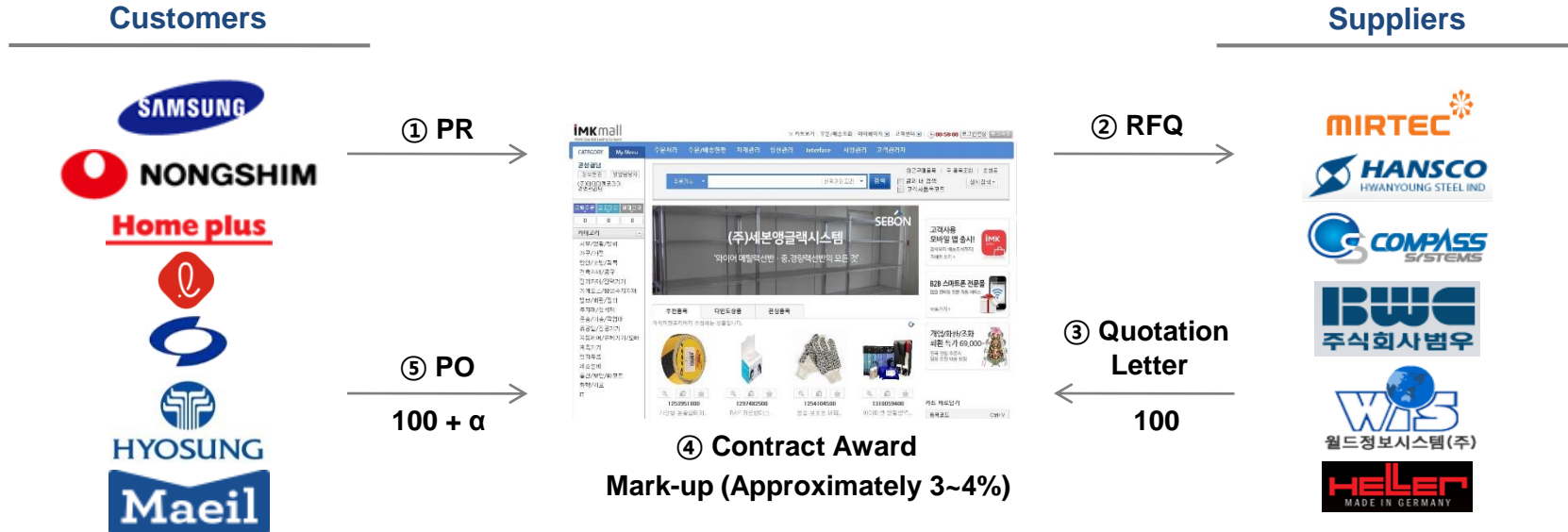
### Gradiant Corporate Structure



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>

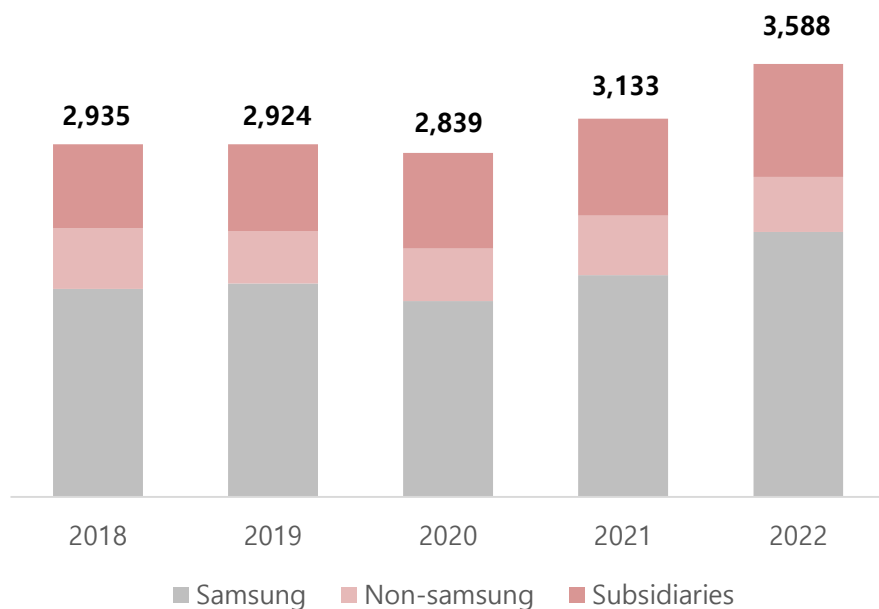
### General Supplies (20%)

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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**

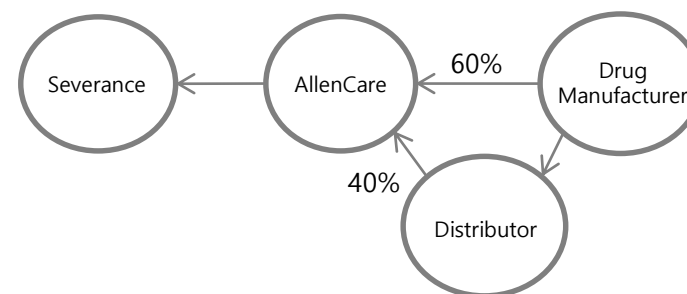
### Company Overview

- 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
1Q.23	157.1	7.5

### 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)

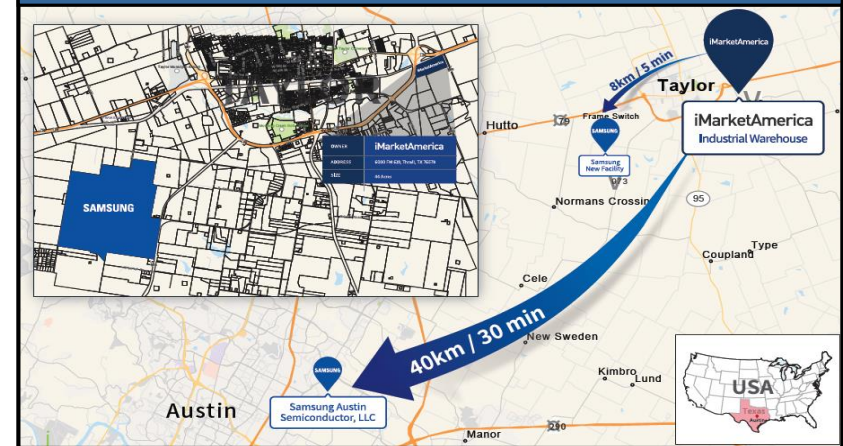
# Appendix 7 Business Plan in State of Texas

- Samsung Electronics announced Nov. 2021 the building of a 2<sup>nd</sup> Foundry plant in Taylor, Texas
- Investment is about \$200 billion, construction is expected to end in the second half of 2024
- IMK is planning to provide logistics and business travel support services for Samsung Elec. and cooperative companies

## IMK Promotion Status of Project

- **Secured a Site for the creation of Logistics center('22.12)**
  - Secured a Site of about 2 million ft<sup>2</sup> for the creation of Logistics center near Samsung plant in Taylor
- **Secured a Site for the Industrial Cluster('23.03)**
  - Global companies have already moved in Texas and related market demands are increasing
  - IMK signed a purchase agreement on an additional site for developing industrial cluster
- **Business Briefing Presentation('23.03)**
  - Introduction of IMK's investment sites and business in Texas to Semiconductor research group with KOTRA
- **IMK signed a MOU with the City of Taylor, Texas, USA('23.04)**
  - Cooperate with each other related in the permitting process, Infra-structure, incentive for developing Taylor Technology Park

## Projected Investment Site



## View of the Logistics Center



## Appendix 8 Consolidated Financial Statements

### Balance Sheet

Unit: KRW bn	1Q.23	2022
Current assets	924.1	927.3
Cash and cash equivalents	88.6	132.4
Account receivables	594.4	601.2
Inventories	82.7	71.6
Other current assets	158.4	122.1
Non-current asset	296.1	297.7
Investments	81.1	83.4
Tangible assets	67.6	66.2
Intangible assets	124.2	126.3
Other non-current assets	23.2	21.8
<b>Total Asset</b>	<b>1,220.2</b>	<b>1,225.0</b>
Current liabilities	762.4	757.6
Account payable	664.0	679.1
Other current liabilities	98.4	78.5
Non-current liabilities	55.9	57.2
<b>Total Liabilities</b>	<b>818.3</b>	<b>814.8</b>
Equity attributable to owners	355.8	358.0
Capital stock	18.2	18.2
Other contributed capital	107.8	107.8
Components of other capital	2.8	1.9
Retained earnings	227.0	230.1
Non-controlling interest	46.1	52.2
<b>Total Shareholders' Equity</b>	<b>401.9</b>	<b>410.2</b>

### Income Statement

Unit: KRW bn	1Q.23	2022	2021
Revenue	847.8	3,588.2	3,132.5
Gross Profit	37.7	157.5	146.3
Selling and administrative expenses	24.1	101.2	100.9
Salaries	10.2	43.6	42.1
IT expenses	1.9	7.4	7.7
Commission	2.0	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	5.5	22.1	23.8
Operating Profit	13.6	56.3	45.4
Other Profit	2.8	15.2	8.6
Other expenses	4.9	23.6	8.4
Finance income	2.9	6.9	22.2
Finance expenses	2.4	12.0	2.3
Associates and subsidiaries	-2.7	-5.5	-3.3
Pre-tax Profit	9.3	37.3	62.2
Net Profit	6.5	29.1	44.5



## Appendix 9 Separate Financial Statements

### Balance Sheet

Unit: KRW bn	1Q.23	2022
Current assets	548.6	532.7
Cash and cash equivalents	62.7	86.1
Account receivables	317.6	325.0
Inventories	36.7	25.7
Other current assets	131.6	95.9
Non-current asset	293.0	292.5
Investments	231.9	231.6
Tangible assets	20.7	21.9
Intangible assets	13.1	13.6
Other non-current assets	27.3	25.4
<b>Total Asset</b>	<b>841.6</b>	<b>825.2</b>
Current liabilities	426.3	415.7
Account payable	393.9	385.9
Other current liabilities	32.4	29.8
Non-current liabilities	23.4	24.0
<b>Total Liabilities</b>	<b>449.7</b>	<b>439.7</b>
Paid-in Capital	18.2	18.2
Other Paid-in Capital	106.6	106.6
Earned Surplus	267.2	260.7
<b>Total Equity</b>	<b>391.9</b>	<b>385.5</b>

### Income Statement

Unit: KRW bn	1Q.23	2022	2021
Revenue	611.2	2,679.0	2,353.5
Gross Profit	21.8	94.7	87.6
Selling and administrative expenses	14.1	59.0	58.6
Salaries	6.6	28.4	28.4
IT expenses	1.7	6.7	7.1
Commission	1.1	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	3.0	11.9	12.0
Operating Profit	7.7	35.7	29.0
Other profit	11.6	31.3	17.6
Other expenses	4.9	20.0	9.5
Finance income	2.5	6.1	22.4
Finance expenses	1.7	9.1	1.4
Impairment loss on investments in subsidiaries	-	4.2	-
Pre-tax Profit	15.2	39.8	58.1
Net Profit	13.8	36.3	44.4

Thank you