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# 2017 & 4Q17 Earnings Release



2018. 2. 2

# Disclaimer

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The financial information in this document are consolidated earnings results based on K-IFRS.

This document is provided for the convenience of investors only, before the external audit on our 2017 and 4Q17 financial results is completed. The audit outcomes may cause some parts of this document to change.

This document may contain “forward-looking statements” – that is, statements related to future, not past, events. In this context, “forward-looking statements” often address our expected future business and financial performance, and often contain words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “seeks” or “will”. “Forward-looking statements” by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties which could adversely or positively affect our future results include:

- The behavior of financial markets including fluctuations in exchange rates, interest rates
- Strategic actions including dispositions and acquisitions
- Unanticipated dramatic developments in our major businesses
- Numerous other matters at the national and international levels which could affect our future results

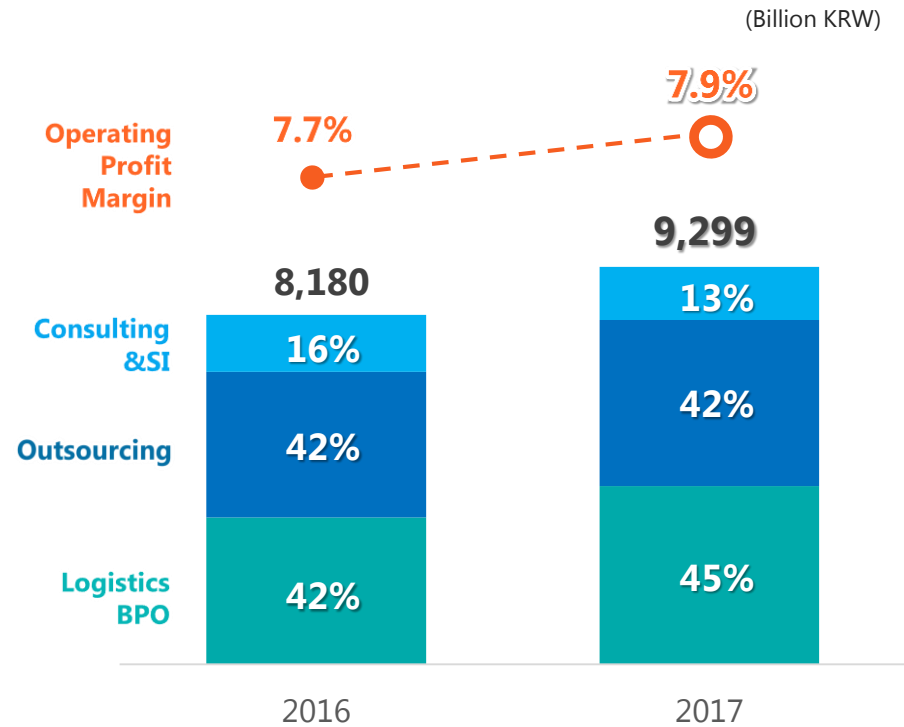
These uncertainties may cause our actual results to be materially different from those expressed in this document.

# 2017 Results

- ▶ Revenue of 9,299 billion KRW, increased by 13.7%
- ▶ Operating profit of 732 billion KRW, increased by 16.7%
- ▶ Net profit of 542 billion KRW, increased by 5.3%

(Billion KRW)

	2016	2017	YoY
<b>Revenue</b>	<b>8,180</b>	<b>9,299</b>	+13.7%
<b>Operating profit</b>	<b>627</b>	<b>732</b>	+16.7%
(%)	7.7%	7.9%	+0.2%p
<b>Profit before Income tax</b>	<b>752</b>	<b>752</b>	-
<b>Net profit</b>	<b>514</b>	<b>542</b>	+5.3%
(%)	6.3%	5.8%	-0.5%p

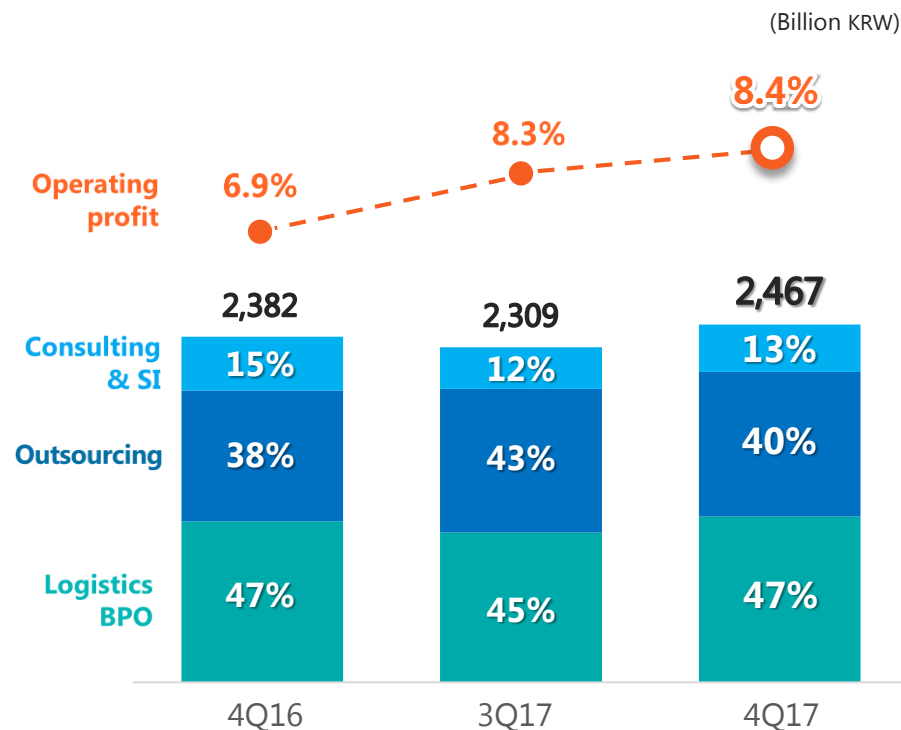


# 4Q17 Results

- ▶ Revenue of 2,467 billion KRW ( +6.8% QoQ, +3.6% YoY )
- ▶ Operating profit of 207 billion KRW ( +7.4% QoQ, +26.2% YoY )
- ▶ Net profit of 159 billion KRW ( +6.4% QoQ, +20.1% YoY )

(Billion KRW)

	4Q17	3Q17	QoQ	4Q16	YoY
<b>Revenue</b>	<b>2,467</b>	<b>2,309</b>	+6.8%	<b>2,382</b>	+3.6%
<b>Operating profit</b>	<b>207</b>	<b>192</b>	+7.4%	<b>164</b>	+26.2%
(%)	8.4%	8.3%	+0.1%p	6.9%	+1.5%
<b>Profit before Income tax</b>	<b>200</b>	<b>207</b>	-3.0%	<b>214</b>	-6.5%
<b>Net Profit</b>	<b>159</b>	<b>149</b>	+6.4%	<b>132</b>	+20.1%
(%)	6.4%	6.5%	-0.1%p	5.5%	+0.9%p

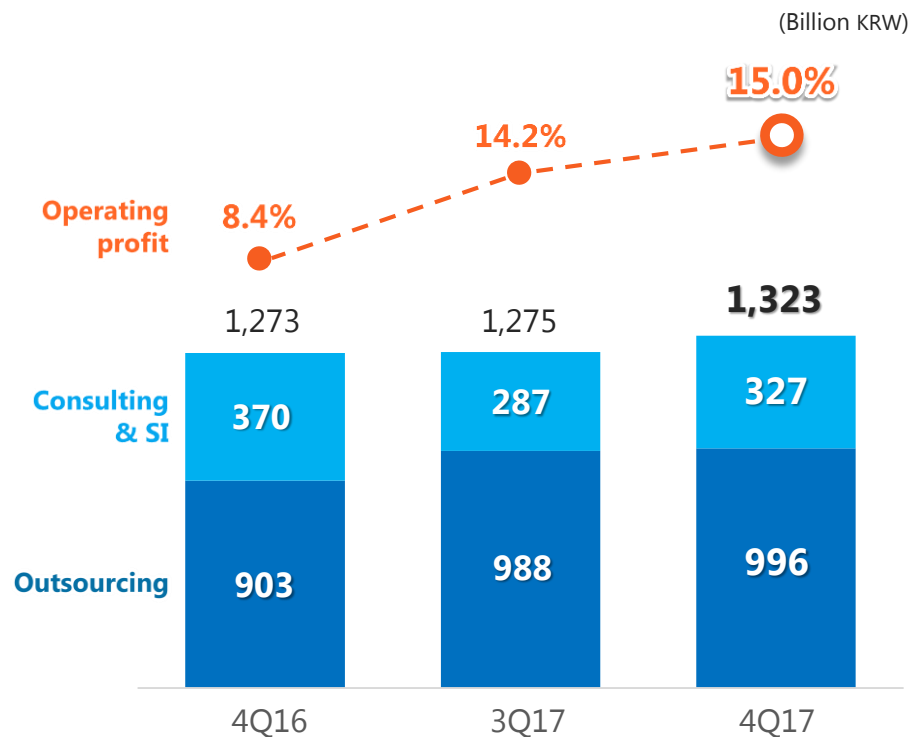


# 4Q17 Results IT Service

- ▶ Revenue of 1,323 billion KRW ( +3.7% QoQ, +4.0% YoY )
  - Revenue increased due to expansion of cloud service and smart factory
- ▶ Operating profit of 198 billion KRW (+9.2% QoQ, +84.1% YoY)
  - Operating profit margin of 15.0% (+0.8%p QoQ, +6.5%p YoY)

(Billion KRW)

	4Q17	3Q17	QoQ	4Q16	YoY
<b>Revenue</b>	<b>1,323</b>	<b>1,275</b>	+3.7%	<b>1,273</b>	+4.0%
Consulting & SI	327	287	+13.8%	370	-11.7%
Outsourcing	996	988	+0.8%	903	+10.4%
<b>Operating profit</b>	<b>198</b>	<b>181</b>	+9.2%	<b>108</b>	+84.1%
(%)	15.0%	14.2%	+0.8%p	8.4%	+6.5%p

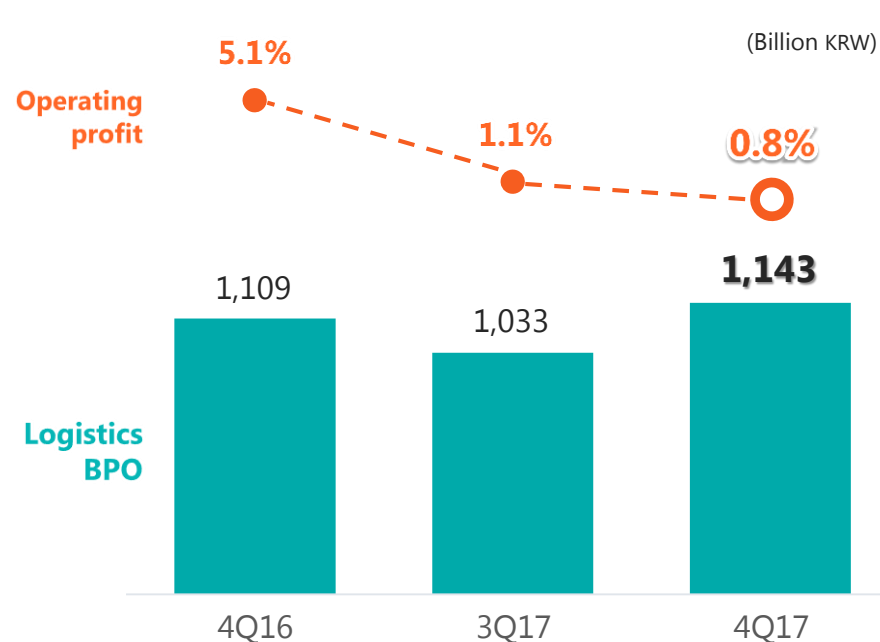


# 4Q17 Results **Logistics BPO**

- ▶ Revenue of 1,143 billion KRW ( +10.6% QoQ, +3.1% YoY )
  - Increase of trading volume in peak season and expansion of external customer business
- ▶ Operating profit of 9 billion KRW ( -21.8% QoQ, -84.7% YoY )
  - Operating profit margin of 0.8% (-0.3%p QoQ, -4.3%p YoY)

(Billion KRW)

	4Q17	3Q17	QoQ	4Q16	YoY
<b>Revenue</b>	<b>1,143</b>	<b>1,033</b>	+10.6%	<b>1,109</b>	+3.1%
<b>Operating profit</b>	<b>9</b>	<b>11</b>	-21.8%	<b>56</b>	-84.7%
(%)	0.8%	1.1%	-0.3%p	5.1%	-4.3%p



# Income Statement

(Billion KRW)	2016	2017				
		1Q	2Q	3Q	4Q	
<b>Revenue</b>	<b>8,180</b>	<b>2,150</b>	2,374	<b>2,309</b>	<b>2,467</b>	<b>9,299</b>
COGS	6,762	1,810	1,990	1,929	2,076	7,804
<b>Gross profit</b>	<b>1,418</b>	<b>340</b>	384	<b>380</b>	<b>391</b>	<b>1,495</b>
Margin (%)	17.3%	15.8%	16.2%	16.4%	15.9%	16.1%
SG&A	791	193	198	187	184	763
<b>Operating profit</b>	<b>627</b>	<b>147</b>	186	<b>192</b>	<b>207</b>	<b>732</b>
Margin (%)	7.7%	6.8%	7.8%	8.3%	8.4%	7.9%
Non-operating gain & loss	125	-3	15	14	-6	20
<b>Profit before income tax</b>	<b>752</b>	<b>144</b>	201	<b>207</b>	<b>200</b>	<b>752</b>
Income tax expense	238	53	58	58	42	210
<b>Net profit</b>	<b>514</b>	<b>91</b>	143	<b>149</b>	<b>159</b>	<b>542</b>
Margin (%)	6.3%	4.2%	6.0%	6.5%	6.4%	5.8%

# Revenue & Operating Profit by Business Segment

(Billion KRW)	2016	2017					
		1Q	2Q	3Q	4Q		
<b>Revenue</b>	<b>8,180</b>	<b>2,150</b>	<b>2,374</b>	<b>2,309</b>	<b>2,467</b>	<b>9,299</b>	
IT Services	4,742	1,222	1,309	1,275	1,323	5,130	
- Consulting&SI	1,332	295	335	287	327	1,244	
- Outsourcing	3,410	927	974	988	996	3,886	
Logistics BPO	3,438	928	1,065	1,033	1,143	4,169	
<b>Operating profit</b>	<b>627</b>	<b>147</b>	<b>186</b>	<b>192</b>	<b>207</b>	<b>732</b>	
IT Services	454	120	160	181	198	659	
Logistics BPO	173	27	26	11	9	73	
<b>Operating profit margin</b>	<b>7.7%</b>	<b>6.8%</b>	<b>7.8%</b>	<b>8.3%</b>	<b>8.4%</b>	<b>7.9%</b>	
IT Services	9.6%	9.8%	12.2%	14.2%	15.0%	12.8%	
Logistics BPO	5.0%	2.9%	2.4%	1.1%	0.8%	1.7%	



# Statement of Financial Position

(Billion KRW)	2013	2014	2015	2016	2017
<b>Asset</b>	<b>5,300</b>	<b>5,546</b>	<b>6,332</b>	<b>6,842</b>	<b>7,278</b>
Current assets	2,929	3,228	3,845	4,548	5,118
Non-current assets	2,371	2,318	2,487	2,294	2,160
<b>Liabilities</b>	<b>1,417</b>	<b>1,332</b>	<b>1,555</b>	<b>1,551</b>	<b>1,558</b>
Current liabilities	1,220	1,118	1,390	1,347	1,325
Non-current liabilities	197	214	165	204	233
<b>Equity</b>	<b>3,883</b>	<b>4,214</b>	<b>4,777</b>	<b>5,291</b>	<b>5,720</b>
Common Stock	39	39	39	39	39
<b>Cash &amp; cash equivalents*</b>	<b>1,071</b>	<b>1,651</b>	<b>1,951</b>	<b>2,456</b>	<b>2,925</b>
<b>Debts &amp; borrowings</b>	<b>53</b>	<b>20</b>	<b>11</b>	<b>7</b>	<b>1</b>
<b>Depreciation &amp; amortization</b>	<b>364</b>	<b>397</b>	<b>390</b>	<b>365</b>	<b>333</b>
<b>CAPEX</b>	<b>302</b>	<b>407</b>	<b>467</b>	<b>182</b>	<b>186</b>

\* Including short-term financial instruments

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