

Samsung SDS
2Q 2022
Earnings Release

Jul 28, 2022



Disclaimer

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 review on our 2Q22 financial results are 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:

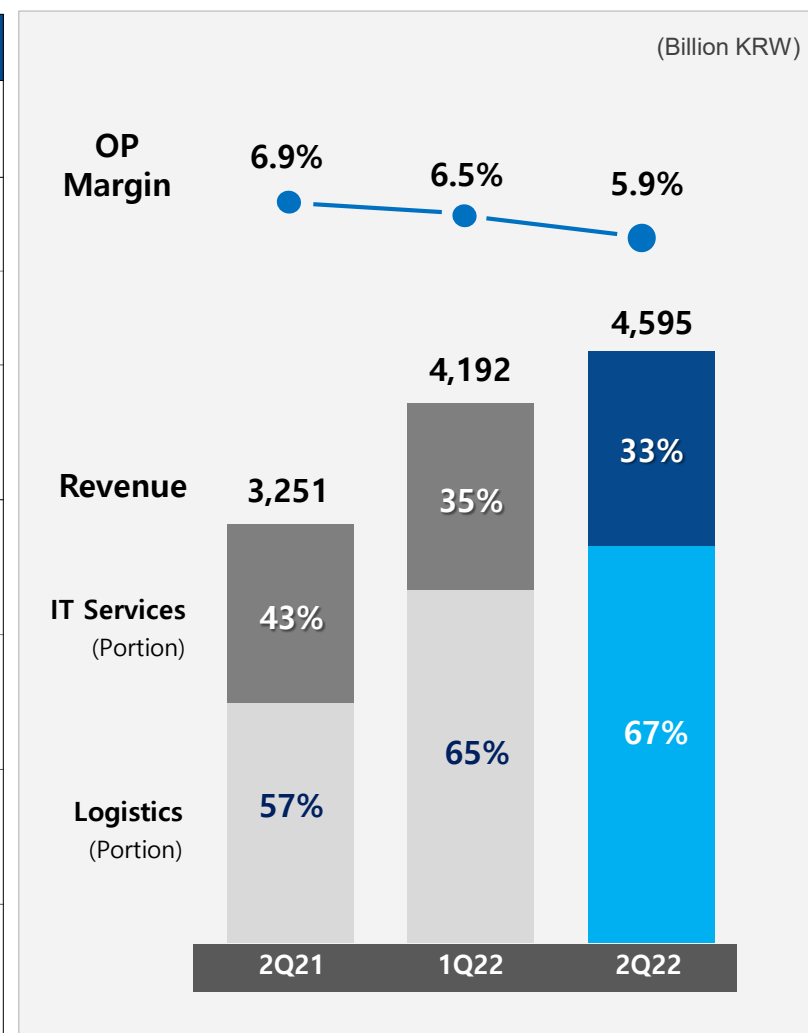
- The behavior of financial markets including fluctuations in exchange rates, interest rates
- Strategic actions including dispositions and acquisitions
- Unanticipated dramatic developments in our major businesses
- Numerous other matters at the national and international levels which could affect our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

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

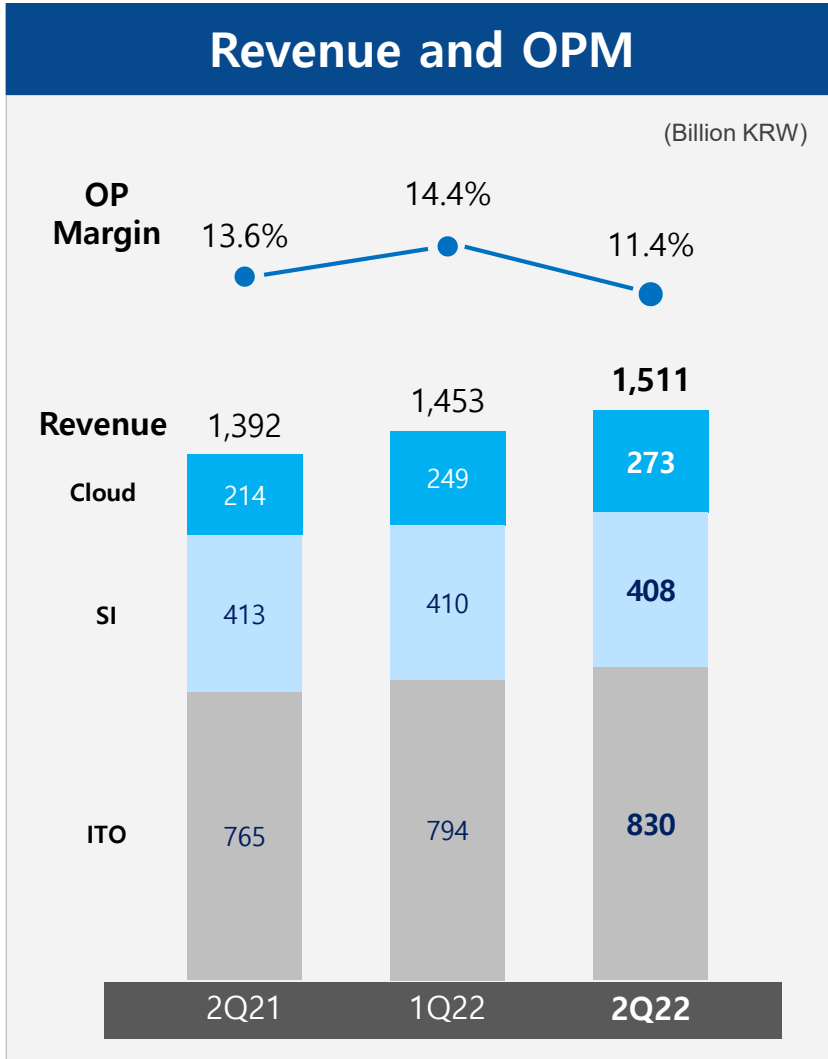
1 2Q22 Earnings Overview

Income Statement

	2Q22	1Q22	QoQ	2Q21	YoY
Revenue	4,595	4,192	+9.6%	3,251	+41.4%
IT Services	1,511	1,453	+4.0%	1,392	+8.6%
Logistics	3,084	2,739	+12.6%	1,859	+65.9%
Operating profit	270	274	-1.3%	225	+20.1%
(%)	(5.9)	(6.5)	(-0.6)	(6.9)	(-1.0)
IT Services	172	209	-17.5%	189	-8.6%
(%)	(11.4)	(14.4)	(-3.0)	(13.6)	(-2.1)
Logistics	98	65	+51.2%	36	+170%
(%)	(3.2)	(2.4)	(+0.8)	(1.9)	(+1.2)
Pre-tax profit	313	294	+6.8%	229	+36.7%
(%)	(6.8)	(7.0)	(-0.2)	(7.1)	(-0.2)
Net Income	273	204	+33.3%	165	+65.4%
(%)	(5.9)	(4.9)	(+1.0)	(5.1)	(+0.9)



2 IT Services



➤ Cloud

- Cloud migration of enterprise system (eg. MIS, CRM)
- Private cloud service for enterprise
- Global HRM SaaS implementation
Human Resources Management
in retail/service and manufacturing industries

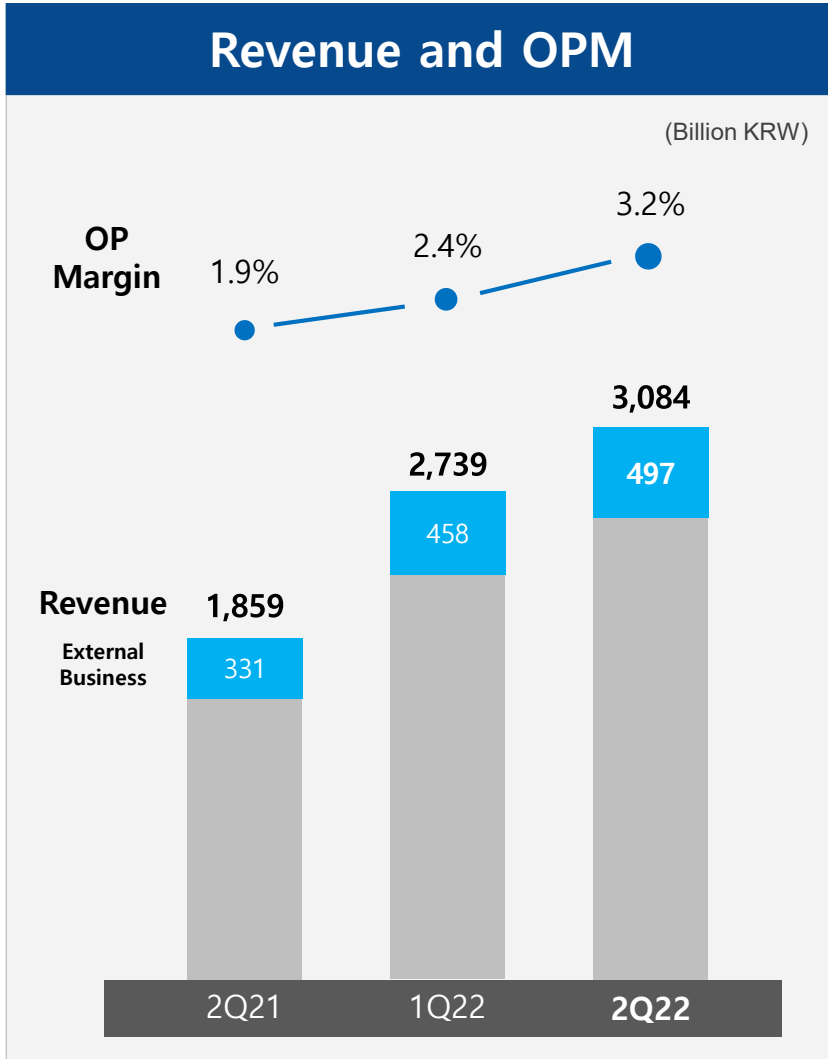
➤ S I

- Next generation ERP' consulting & SI orders
- MES implementation expansion to overseas

➤ ITO

- New IT campus in Pangyo for cloud-based service

3 Logistics



▶ Market Condition

- Oil prices surge due to Ukraine war
- Lockdown in China and Port congestion in U.S. West Coast

▶ Business Diversification

- Logistics service in Pharmaceutical/Biotechnology
- Direct operation in North America warehouse & New customers in Europe warehouse

▶ Digital Forwarding

- Cello Square's launch in China
- Over 1,500 freight owners as members of Cello Square

[Appendix 1] Income Statement

(Billion KRW)

	2021					2022	
	1Q	2Q	3Q	4Q		1Q	2Q
Revenue	3,061	3,251	3,381	3,937	13,630	4,192	4,595
COGS	2,632	2,810	2,950	3,554	11,947	3,700	4,077
Gross Profit	429	441	431	382	1,683	491	518
Margin (%)	14.0%	13.6%	12.8%	9.7%	12.3%	11.7%	11.3%
SG&A	212	216	209	238	875	217	248
Operating Profit	217	225	222	144	808	274	270
Margin (%)	7.1%	6.9%	6.6%	3.7%	5.9%	6.5%	5.9%
Non-operating gain & loss	10	4	25	10	49	20	43
Profit before income tax	227	229	247	155	858	294	313
Income tax expense	68	64	48	44	224	90	40
Net Income	159	165	199	111	633	204	273
Margin (%)	5.2%	5.1%	5.9%	2.8%	4.6%	4.9%	5.9%
Profit attributable to owners of the parent	156	159	193	103	611	198	267

[Appendix 2] Revenue & Operating Profit by Business Segment

(Billion KRW)

	2021					2022	
	1Q	2Q	3Q	4Q		1Q	2Q
Revenue	3,061	3,251	3,381	3,937	13,630	4,192	4,595
IT Services	1,368	1,392	1,379	1,498	5,637	1,453	1,511
SI	427	413	394	455	1,688	410	408
ITO	727	765	765	820	3,078	794	830
Cloud	214	214	220	223	871	249	273
Logistics	1,693	1,859	2,002	2,439	7,993	2,739	3,084
Operating Profit	217	225	222	144	808	274	270
IT Services	185	189	183	108	664	209	172
Logistics	32	36	39	37	144	65	98
OP Margin	7.1%	6.9%	6.6%	3.7%	5.9%	6.5%	5.9%
IT Services	13.5%	13.6%	13.3%	7.2%	11.8%	14.4%	11.4%
Logistics	1.9%	1.9%	1.9%	1.5%	1.8%	2.4%	3.2%

[Appendix 3] Statement of Financial Position

(Billion KRW)

	2017	2018	2019	2020	2021	1Q22	2Q22
Asset	7,278	8,014	9,021	9,155	10,517	10,835	11,370
Current assets	5,118	5,882	6,383	6,581	7,576	7,922	8,118
Non-current assets	2,160	2,132	2,637	2,574	2,941	2,914	3,252
Liabilities	1,558	1,865	2,296	2,296	3,074	3,334	3,528
Current liabilities	1,325	1,575	1,698	1,721	2,370	2,633	2,649
Non-current liabilities	233	290	598	575	703	701	879
Equity	5,719	6,149	6,725	6,859	7,444	7,501	7,842
Capital stock	39	39	39	39	39	39	39
Cash & Cash equivalents	2,925	3,672	3,831	4,194	4,591	4,855	5,004
Debts & Borrowings	1	1	1	1	1	1	0
CAPEX	186	276	378	275	325	86	169
D & A	333	308	441	451	442	117	124
EPS(KRW)	6,856	8,137	9,521	5,733	7,901	2,554	3,455
ROE	9.6%	10.6%	11.4%	6.5%	8.5%	-	-
DPS(KRW)	2,000	2,000	2,400	2,400	2,400	-	-
Payout ratio	29.2%	24.6%	25.2%	41.9%	30.4%	-	-

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