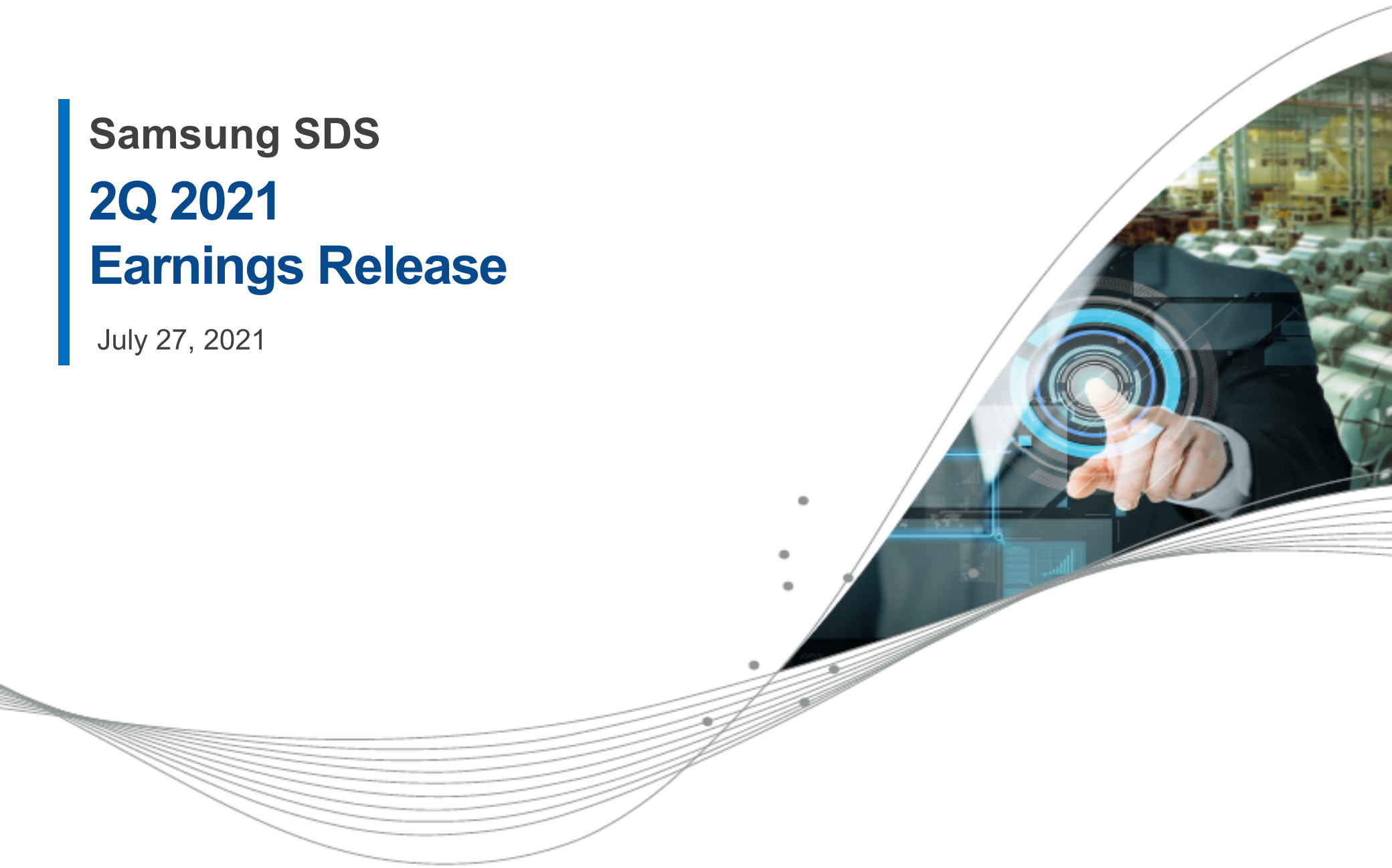


**Samsung SDS**  
**2Q 2021**  
**Earnings Release**

July 27, 2021



# 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 2Q21 financial results are completed. The review 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

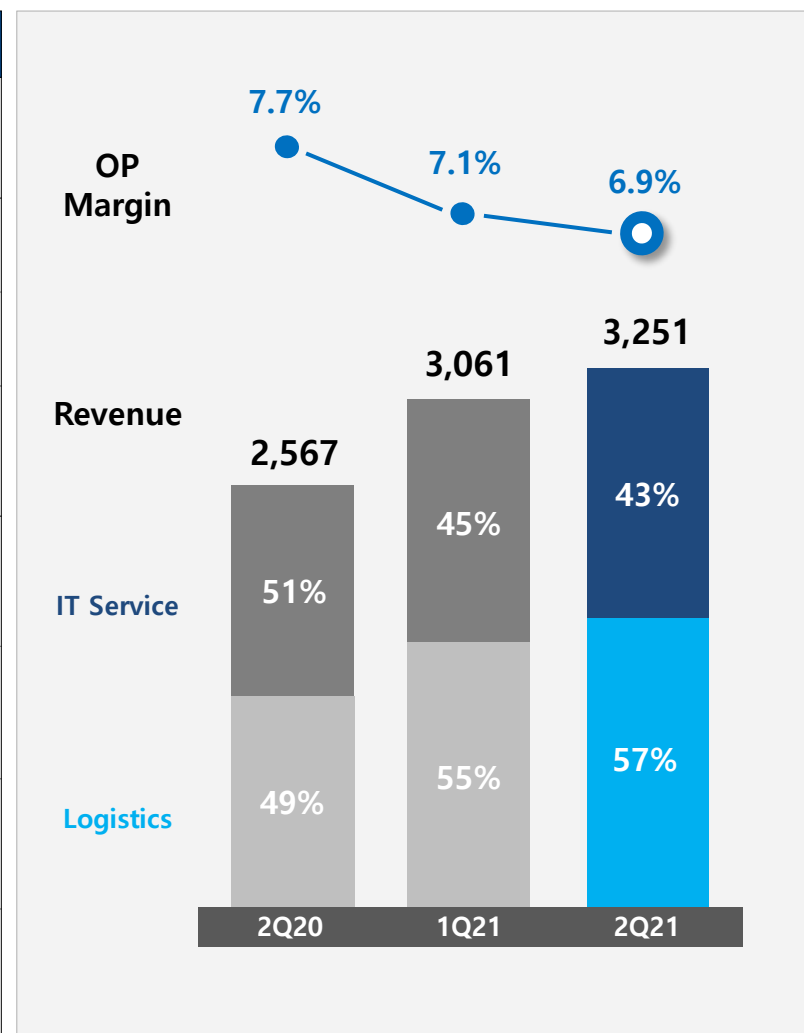
These uncertainties may cause our actual results to be materially different from those expressed in this document.

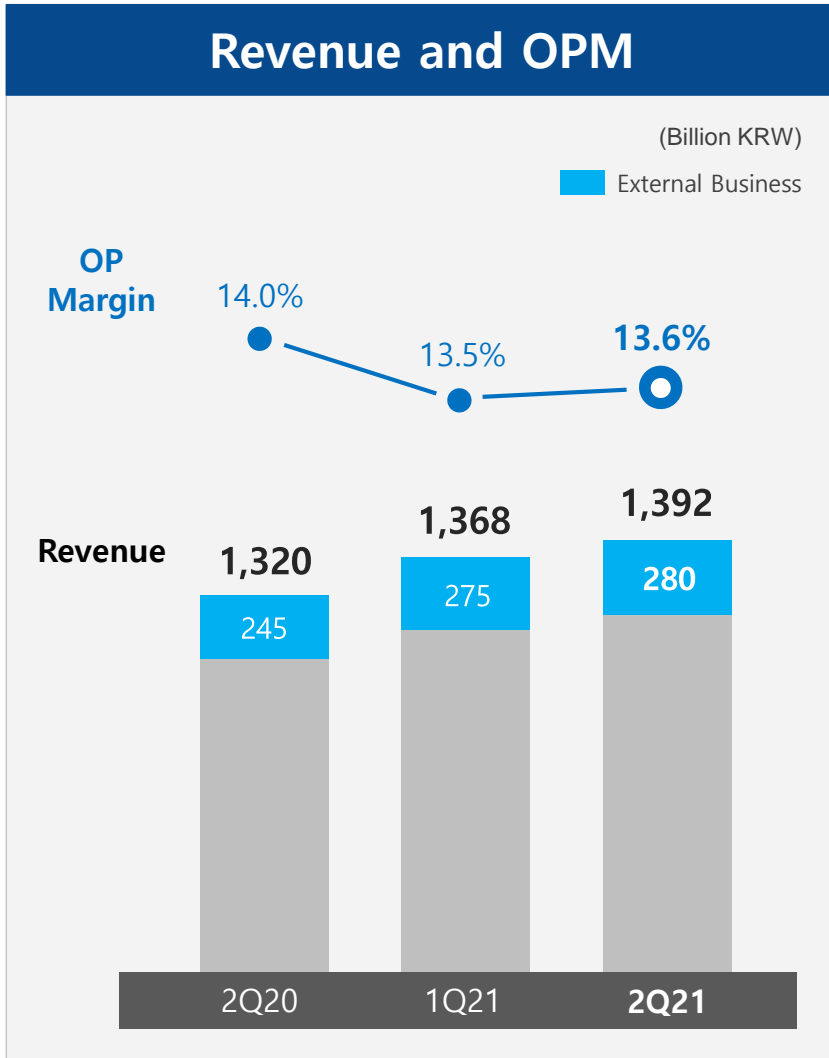
# 1 2Q21 Earnings Overview

## Income Statement

	2Q21	1Q21	QoQ	2Q20	YoY
<b>Revenue</b>	<b>3,251</b>	<b>3,061</b>	<b>+6.2%</b>	<b>2,567</b>	<b>+26.7%</b>
IT Service	1,392	1,368	+1.7%	1,320	+5.5%
Logistics	1,859	1,693	+9.8%	1,247	+49.1%
<b>Operating profit</b>	<b>225</b>	<b>217</b>	<b>+3.5%</b>	<b>197</b>	<b>+14.2%</b>
(%)	(6.9)	(7.1)	-0.2%p	(7.7)	-0.8%p
IT Service	189	185	+2.2%	184	+2.4%
(%)	(13.6)	(13.5)	+0.1%p	(14.0)	-0.4%p
Logistics	36	32	+11.3%	13	+190%
(%)	(1.9)	(1.9)	-	(1.0)	+0.9%p
<b>Pre-tax profit</b>	<b>229</b>	<b>227</b>	<b>+1.3%</b>	<b>211</b>	<b>+9.0%</b>
(%)	(7.1)	(7.4)	-0.3%p	(8.2)	-1.1%p
<b>Net Income</b>	<b>165</b>	<b>159</b>	<b>+4.0%</b>	<b>146</b>	<b>+13.0%</b>
(%)	(5.1)	(5.2)	-0.1%p	(5.7)	-0.6%p

(Billion KRW)





### ▶ 2Q Results

- Cloud : Cloud managed services for enterprise system
- ERP : Diversified industries in ERP business  
(Machinery, Battery, Chemical, Construction, etc)
- Smart factory : Next generation MES in affiliates' production lines
- Solution : EMM sales increase in US/Europe

\* EMM(Enterprise Mobility Management)

### ▶ 2H Outlook & Planning

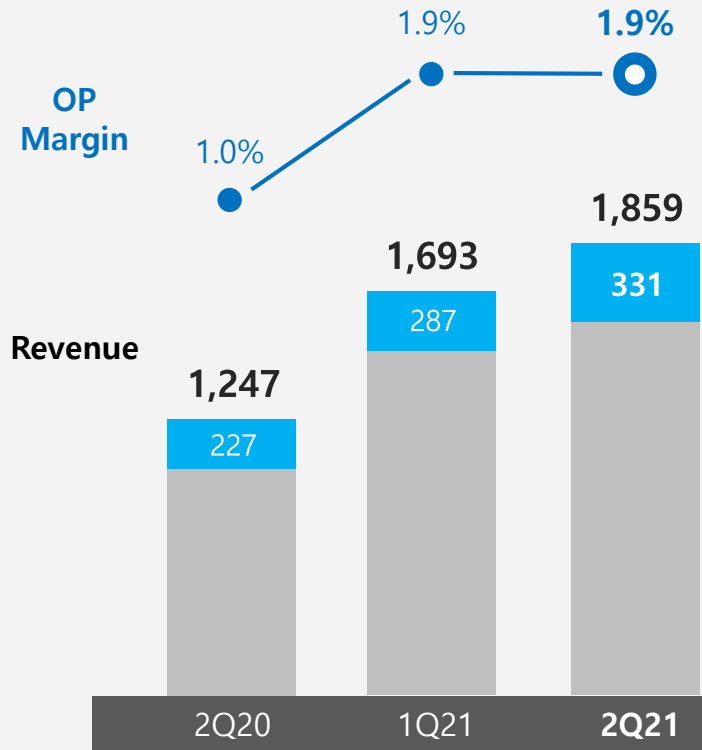
- Recovery of IT investment in cloud services and ERP
- Platform upgrades for enterprise cloud services
- Expansion of ERP business leveraging Samsung ERP reference
- Logistics automation in distribution center and manufacturing plant

# 3 Logistics

## Revenue and OPM

(Billion KRW)

External Business



### ▶ 2Q Results

- Trading Volume : Strong trading volume as TV/HA sales increased
- Freight Charge : High ocean/air freight charge
- External Biz : Major customers' larger sales and new customers

### ▶ 2H Outlook & Planning

- Strong trading volume before year-end shopping season
- High ocean freight charge due to shortage of freight space
- Digital logistics platform expansion through Cello Square

# [Appendix 1] Income Statement

(Billion KRW)	2020					2021	
	1Q	2Q	3Q	4Q		1Q	2Q
<b>Revenue</b>	<b>2,436</b>	<b>2,567</b>	<b>2,968</b>	<b>3,047</b>	<b>11,017</b>	<b>3,061</b>	<b>3,251</b>
COGS	2,053	2,159	2,556	2,560	9,327	2,632	2,810
<b>Gross Profit</b>	<b>383</b>	<b>407</b>	<b>412</b>	<b>487</b>	<b>1,690</b>	<b>429</b>	<b>441</b>
Margin (%)	15.7%	15.9%	13.9%	16.0%	15.3%	14.0%	13.6%
SG&A	212	211	192	203	818	212	216
<b>Operating Profit</b>	<b>171</b>	<b>197</b>	<b>220</b>	<b>284</b>	<b>872</b>	<b>217</b>	<b>225</b>
Margin (%)	7.0%	7.7%	7.4%	9.3%	7.9%	7.1%	6.9%
Non-operating gain & loss	32	14	6	-36	14	10	5
<b>Profit before income tax</b>	<b>203</b>	<b>211</b>	<b>226</b>	<b>248</b>	<b>886</b>	<b>227</b>	<b>229</b>
Income tax expense	233	65	65	71	433	68	65
<b>Net Income</b>	<b>-30</b>	<b>146</b>	<b>161</b>	<b>177</b>	<b>453</b>	<b>159</b>	<b>165</b>
Margin (%)	-	5.7%	5.4%	5.8%	4.1%	5.2%	5.1%
<b>Profit attributable to owners of the parent</b>	<b>-30</b>	<b>144</b>	<b>157</b>	<b>172</b>	<b>444</b>	<b>156</b>	<b>159</b>

## [Appendix 2] Revenue & Operating Profit by Business Segment

(Billion KRW)	2020					2021	
	1Q	2Q	3Q	4Q		1Q	2Q
<b>Revenue</b>	<b>2,436</b>	<b>2,567</b>	<b>2,968</b>	<b>3,047</b>	<b>11,017</b>	<b>3,061</b>	<b>3,251</b>
IT Services	1,286	1,320	1,335	1,374	5,314	1,368	1,392
Business Solution	320	340	356	357	1,372	400	398
Cloud & ITO	966	980	979	1,017	3,942	968	994
Logistics	1,150	1,247	1,633	1,673	5,703	1,693	1,859
<b>Operating Profit</b>	<b>171</b>	<b>197</b>	<b>220</b>	<b>284</b>	<b>872</b>	<b>217</b>	<b>225</b>
IT Services	156	184	186	252	779	185	189
Logistics	15	13	34	32	93	32	36
<b>Operating Profit Margin</b>	<b>7.0%</b>	<b>7.7%</b>	<b>7.4%</b>	<b>9.3%</b>	<b>7.9%</b>	<b>7.1%</b>	<b>6.9%</b>
IT Services	12.2%	14.0%	13.9%	18.4%	14.7%	13.5%	13.6%
Logistics	1.3%	1.0%	2.1%	1.9%	1.6%	1.9%	1.9%

## [Appendix 3] Statement of Financial Position

(Billion KRW)	2016	2017	2018	2019	2020	1Q21	2Q21
<b>Asset</b>	<b>6,842</b>	<b>7,278</b>	<b>8,014</b>	<b>9,021</b>	<b>9,155</b>	<b>9,548</b>	<b>9,918</b>
Current assets	4,548	5,118	5,882	6,384	6,581	6,956	7,161
Non-current assets	2,294	2,160	2,132	2,637	2,574	2,592	2,757
<b>Liabilities</b>	<b>1,551</b>	<b>1,558</b>	<b>1,865</b>	<b>2,296</b>	<b>2,296</b>	<b>2,669</b>	<b>2,834</b>
Current liabilities	1,347	1,325	1,575	1,698	1,721	2,059	2,167
Non-current liabilities	204	233	290	598	575	610	667
<b>Equity</b>	<b>5,291</b>	<b>5,720</b>	<b>6,149</b>	<b>6,725</b>	<b>6,859</b>	<b>6,879</b>	<b>7,084</b>
Capital stock	39	39	39	39	39	39	39
<b>Cash &amp; Cash equivalents</b>	<b>2,456</b>	<b>2,925</b>	<b>3,672</b>	<b>3,831</b>	<b>4,194</b>	<b>4,413</b>	<b>4,430</b>
<b>Debts &amp; Borrowings</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>CAPEX</b>	<b>224</b>	<b>186</b>	<b>276</b>	<b>379</b>	<b>275</b>	<b>47</b>	<b>85</b>
<b>Depreciation &amp; Amortization</b>	<b>365</b>	<b>333</b>	<b>308</b>	<b>441</b>	<b>451</b>	<b>109</b>	<b>109</b>
<b>EPS(KRW)</b>	<b>5,995</b>	<b>6,854</b>	<b>8,134</b>	<b>9,517</b>	<b>5,732</b>	<b>-</b>	<b>-</b>
<b>ROE(%)</b>	<b>9.2%</b>	<b>9.6%</b>	<b>10.6%</b>	<b>11.4%</b>	<b>6.5%</b>	<b>-</b>	<b>-</b>
<b>DPS(KRW)</b>	<b>750</b>	<b>2,000</b>	<b>2,000</b>	<b>2,400</b>	<b>2,400</b>	<b>-</b>	<b>-</b>
Payout ratio	12.5%	29.2%	24.6%	25.2%	41.9%	-	-