

Samsung SDS
4Q 2021
Earnings Release

Jan 27, 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 audit on our 4Q21 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

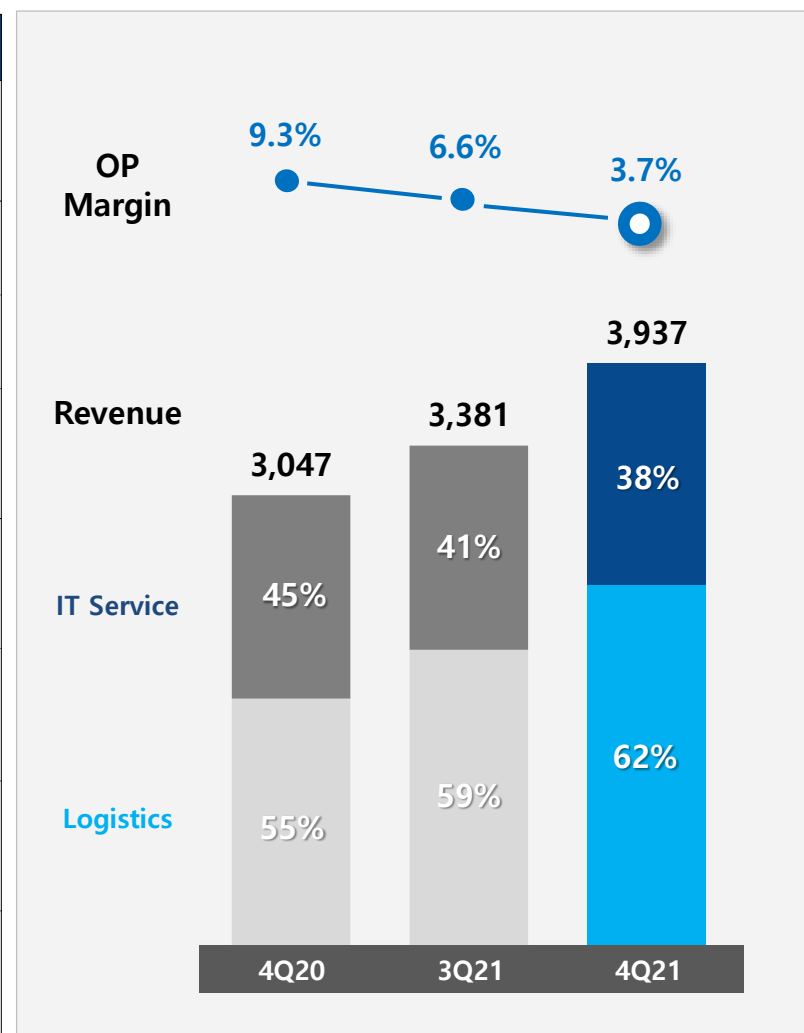
These uncertainties may cause our actual results to be materially different from those expressed in this document.

1 4Q21 Earnings Overview

Income Statement

	4Q21	3Q21	QoQ	4Q20	YoY
Revenue	3,937	3,381	+16.4%	3,047	+29.2%
IT Service	1,498	1,379	+8.6%	1,374	+9.0%
Logistics	2,439	2,002	+21.8%	1,672	+45.8%
Operating profit	144	222	-35.0%	284	-49.2%
(%)	(3.7)	(6.6)	(-2.9)	(9.3)	(-5.7)
IT Service	108	183	-41.1%	252	-57.3%
(%)	(7.2)	(13.3)	(-6.1)	(18.4)	(-11.2)
Logistics	37	39	-6.3%	32	+16.0%
(%)	(1.5)	(1.9)	(-0.4)	(1.9)	(-0.4)
Pre-tax profit	155	247	-37.4%	248	-37.5%
(%)	(3.9)	(7.3)	(-3.4)	(8.1)	(-4.2)
Net Income	111	199	-44.5%	176	-37.2%
(%)	(2.8)	(5.9)	(-3.1)	(5.8)	(-3.0)

(Billion KRW)

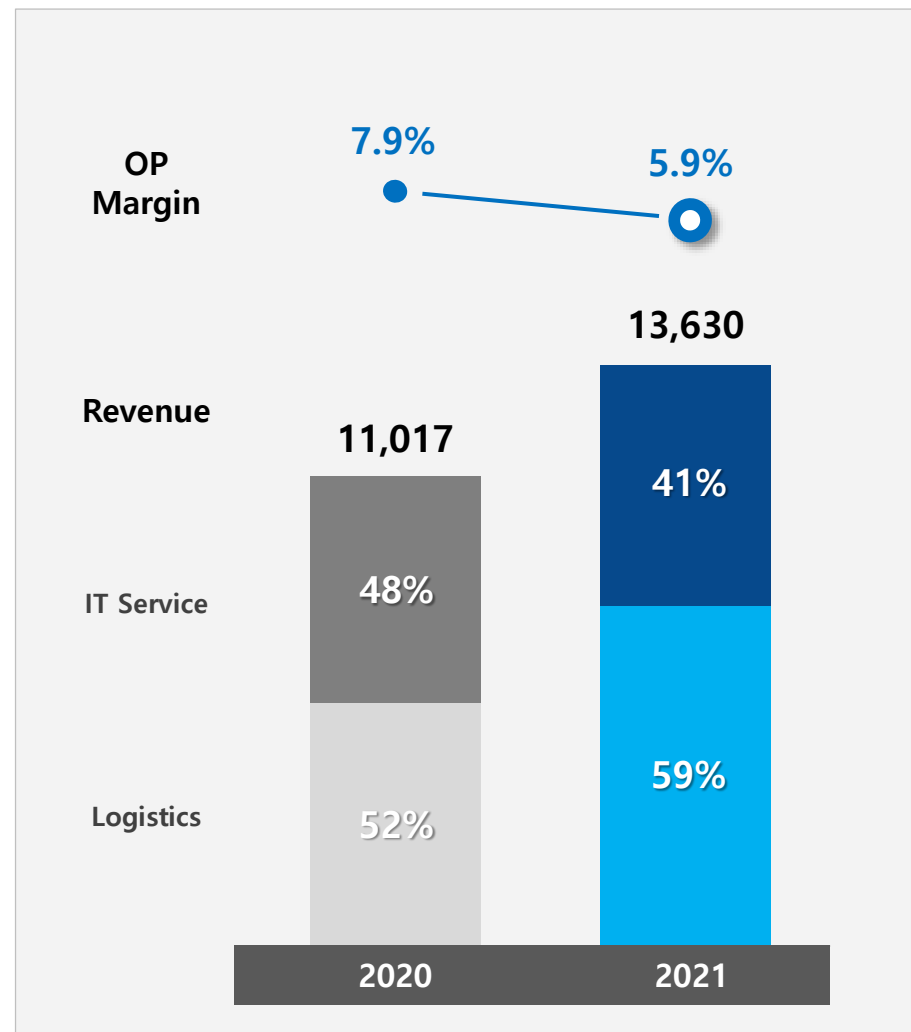


2 2021 Earnings Overview

Income Statement

	2021	2020	YoY
Revenue	13,630	11,017	+24%
IT Service	5,637	5,314	+6.1%
Logistics	7,993	5,703	+40.2%
Operating profit	808	872	-7.3%
(%)	(5.9)	(7.9)	(-2.0)
IT Service	664	779	-14.7%
(%)	(11.8)	(14.7)	(-2.9)
Logistics	144	93	+55.3%
(%)	(1.8)	(1.6)	(+0.2)
Pre-tax profit	858	886	-3.2%
(%)	(6.3)	(8.0)	(-1.8)
Net Income	633	453	+39.8%
(%)	(4.6)	(4.1)	(+0.5)

(Billion KRW)

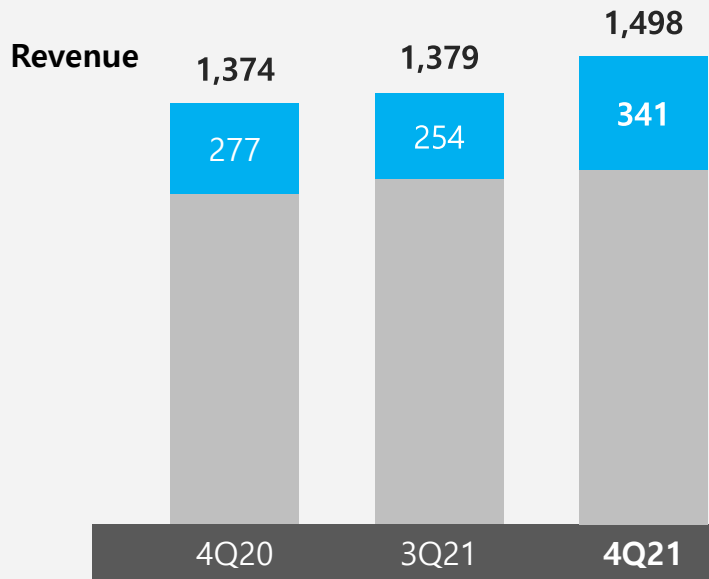
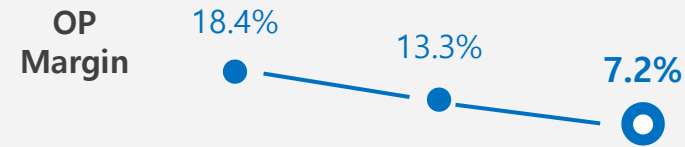


3 IT Services

Revenue and OPM

(Billion KRW)

External Business



▶ 4Q21 Business

- Cloud : HPC cloud services for Semiconductor CAE
- ERP : Launch of 'Next ERP' for Samsung Electronics
- Solution : EMM oversea revenue increased, AICC promoted

▶ 2021 Business

- Cloud : Migration of MIS system to public cloud, Hybrid cloud integration for finance industry
- ERP : External business expansion to diverse industries
- Smart Factory : Implementation of next-generation MES and warehouse automation
- Solution : Collaboration with global SaaS in SCM, CRM

※ CAE: Computer Aided Engineering, EMM: Enterprise Mobile Management, AICC: AI Contact Center

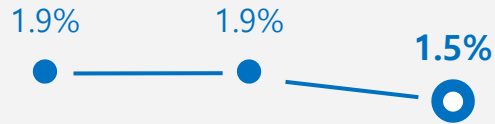
4 Logistics

Revenue and OPM

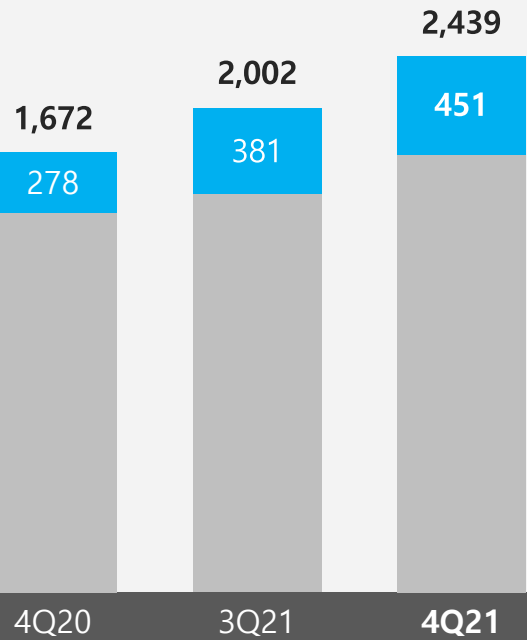
(Billion KRW)

External Business

OP
Margin



Revenue



▶ 4Q21 Business

- Freight Charge : Strong freight charge in Air/Ocean
- Volume : Increased air trading volume due to seasonal demand and ship space shortage
- External Business : Solar and Chemical industries increased

▶ 2021 Business

- Freight Charge : High charge due to supply limitation in Air/Ocean
- Volume : Increased trading volume for IT, TV and Home Appliance
- External Business : High-Tech and Auto Parts industries increased

[Appendix 1] Income Statement

(Billion KRW)	2020					2021				
	1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q	연간
Revenue	2,436	2,567	2,968	3,047	11,017	3,061	3,251	3,381	3,937	13,630
COGS	2,053	2,159	2,556	2,560	9,327	2,632	2,810	2,950	3,554	11,947
Gross Profit	383	407	412	487	1,690	429	441	431	382	1,683
Margin (%)	15.7%	15.9%	13.9%	16.0%	15.3%	14.0%	13.6%	12.8%	9.7%	12.3%
SG&A	212	211	192	203	818	212	216	209	238	875
Operating Profit	171	197	220	284	872	217	225	222	144	808
Margin (%)	7.0%	7.7%	7.4%	9.3%	7.9%	7.1%	6.9%	6.6%	3.7%	5.9%
Non-operating gain & loss	32	14	6	-36	14	10	5	25	10	49
Profit before income tax	203	211	226	248	886	227	229	247	155	858
Income tax expense	233	65	65	71	433	68	65	48	44	224
Net Income	-30	146	161	177	453	159	165	199	111	633
Margin (%)	-	5.7%	5.4%	5.8%	4.1%	5.2%	5.1%	5.9%	2.8%	4.6%
Profit attributable to owners of the parent	-30	144	157	172	444	156	159	193	103	611

[Appendix 2] Revenue & Operating Profit by Business Segment

(Billion KRW)	2020					2021				
	1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q	
Revenue	2,436	2,567	2,968	3,047	11,017	3,061	3,251	3,381	3,937	13,630
IT Services	1,286	1,320	1,335	1,374	5,314	1,368	1,392	1,379	1,498	5,637
Business Solution	320	340	356	357	1,372	400	398	379	439	1,616
Cloud & ITO	966	980	979	1,017	3,942	968	994	1,000	1,058	4,021
Logistics	1,150	1,247	1,633	1,673	5,703	1,693	1,859	2,002	2,439	7,993
Operating Profit	171	197	220	284	872	217	225	222	144	808
IT Services	156	184	186	252	779	185	189	183	108	664
Logistics	15	13	34	32	93	32	36	39	37	144
Operating Profit Margin	7.0%	7.7%	7.4%	9.3%	7.9%	7.1%	6.9%	6.6%	3.7%	5.9%
IT Services	12.2%	14.0%	13.9%	18.4%	14.7%	13.5%	13.6%	13.3%	7.2%	11.8%
Logistics	1.3%	1.0%	2.1%	1.9%	1.6%	1.9%	1.9%	1.9%	1.5%	1.8%

[Appendix 3] Statement of Financial Position

(Billion KRW)	2016	2017	2018	2019	2020	2021
Asset	6,842	7,278	8,014	9,021	9,155	10,517
Current assets	4,548	5,118	5,882	6,384	6,581	7,576
Non-current assets	2,294	2,160	2,132	2,637	2,574	2,941
Liabilities	1,551	1,558	1,865	2,296	2,296	3,074
Current liabilities	1,347	1,325	1,575	1,698	1,721	2,371
Non-current liabilities	204	233	290	598	575	703
Equity	5,291	5,720	6,149	6,725	6,859	7,444
Capital stock	39	39	39	39	39	39
Cash & Cash equivalents	2,456	2,925	3,672	3,831	4,194	4,591
Debts & Borrowings	4	1	1	1	1	1
CAPEX	224	186	276	379	275	325
D & A	365	333	308	441	451	442
EPS(KRW)	5,995	6,854	8,134	9,517	5,732	7,899
ROE(%)	9.2%	9.6%	10.6%	11.4%	6.5%	8.5%
DPS(KRW)	750	2,000	2,000	2,400	2,400	2,400
Payout ratio	12.5%	29.2%	24.6%	25.2%	41.9%	30.4%

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