



Samsung SDS

1Q 2024 Earnings Release

Apr 25, 2024

A graphic consisting of several blue rounded rectangular shapes of varying sizes and colors (light blue, medium blue, dark blue) arranged in a layered, overlapping fashion.

Samsung
Cloud Platform

SAMSUNG SDS

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 1Q24 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. The uncertainties may cause our actual results to be materially different from those expressed in this document.

1 Earnings Overview

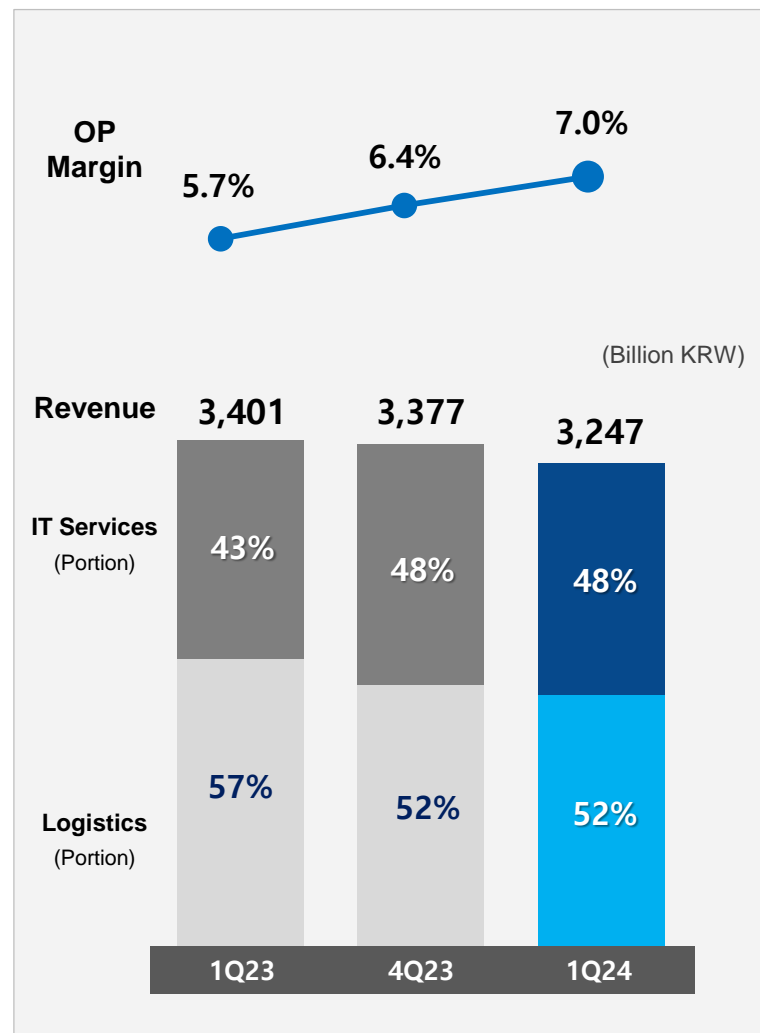
(Billion KRW)

	1Q24	4Q23	QoQ	1Q23	YoY
Revenue	3,247	3,377	-3.8%	3,401	-4.5%
COGS	2,757	2,906	-5.1%	2,961	-6.9%
Gross Profit	490	471	+4.2%	440	+11.4%
Margin(%)	(15.1)	(13.9)	(+1.2%p)	(12.9)	(+2.2%p)
SG&A	264	256	+3.2%	246	+7.6%
Operating Profit	226	215	+5.3%	194	+16.2%
Margin(%)	(7.0)	(6.4)	(+0.6%p)	(5.7)	(+1.3%p)
Non-operating gain & loss	76	5	+1,500%	90	-15.0%
Profit before income tax	302	219	+37.8%	284	+6.4%
Income tax expense	85	73	+16.4%	76	+12.5%
Net Income	217	146	+48.6%	208	+4.1%
Margin(%)	(6.7)	(4.3)	(+2.4%p)	(6.1)	(+0.6%p)
Profit attributable to owners of the parent	211	142	+48.6%	202	+4.2%

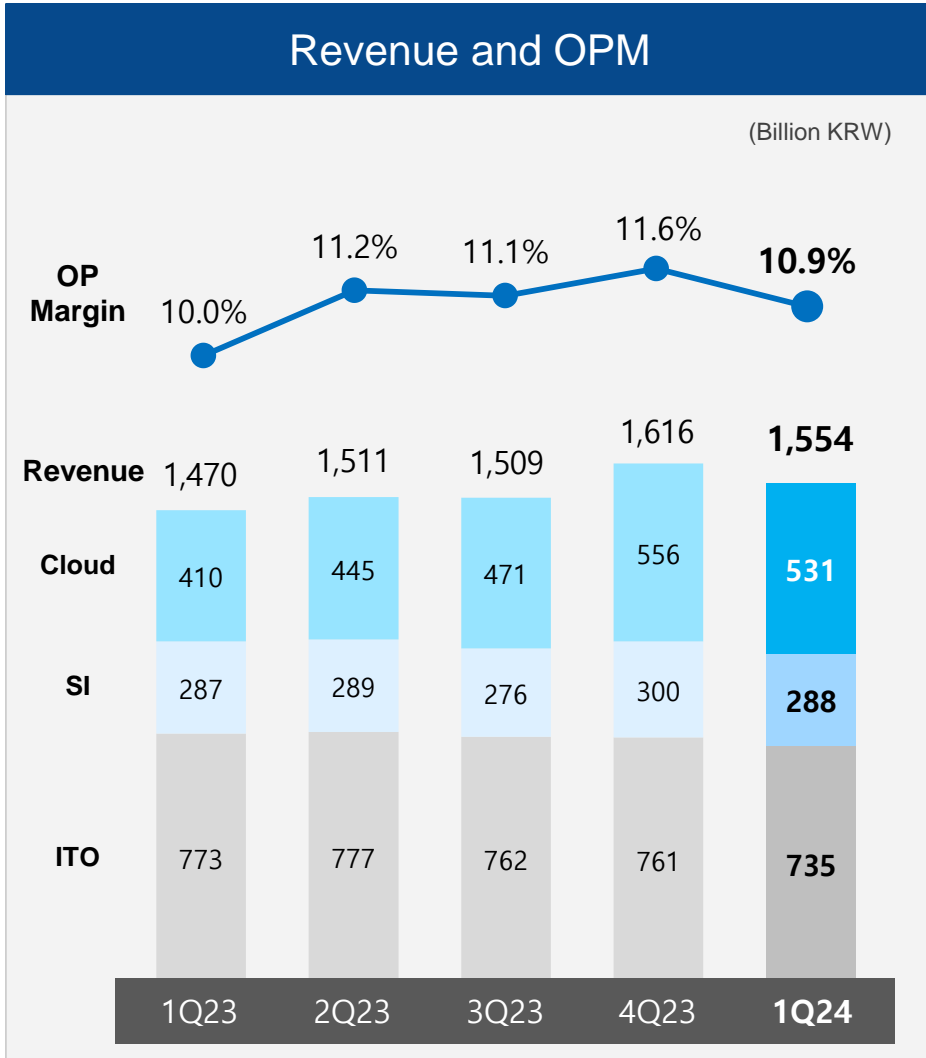
2 Earnings by Business Segment

(Billion KRW)

	1Q24	4Q23	QoQ	1Q23	YoY
Revenue	3,247	3,377	-3.8%	3,401	-4.5%
IT Services	1,554	1,616	-3.9%	1,470	+5.7%
Cloud	531	556	-4.5%	410	+29.5%
SI	288	300	-3.8%	287	+0.4%
ITO	735	761	-3.4%	773	-5.0%
Logistics	1,694	1,761	-3.8%	1,931	-12.3%
Operating profit	226	215	+5.3%	194	+16.2%
(%)	(7.0)	(6.4)	(+0.6%p)	(5.7)	(+1.3%p)
IT Services	170	187	-9.3%	147	+15.7%
(%)	(10.9)	(11.6)	(-0.7%p)	(10.0)	(+0.9%p)
Logistics	56	27	+105%	47	+17.9%
(%)	(3.3)	(1.6)	(+1.7%p)	(2.5)	(+0.8%p)



3 IT Services



[IT Services]

- Revenue : 1,554 Bn KRW (YoY +5.7%, QoQ -3.9%)

> Cloud

- Revenue : 531 Bn KRW (YoY +29%, QoQ -4.5%)
- CSP : HPC service revenue increase, GPU server capacity expansion
- MSP : Cloud migration/implementation in Public/Financial sectors

> SI

- Revenue : 288 Bn KRW (YoY +0.4%, QoQ -3.8%)
- Next generation ERP expansion (Energy/Pharma/F&B)

> ITO

- Revenue : 735 Bn KRW (YoY -5.0%, QoQ -3.4%)

SI : System Integration, ITO : IT Outsourcing
 CSP : Cloud Service Provider, MSP : Managed Service Provider
 HPC : High Performance Computing, GPU : Graphics Processing Unit
 ERP : Enterprise Resource Planning

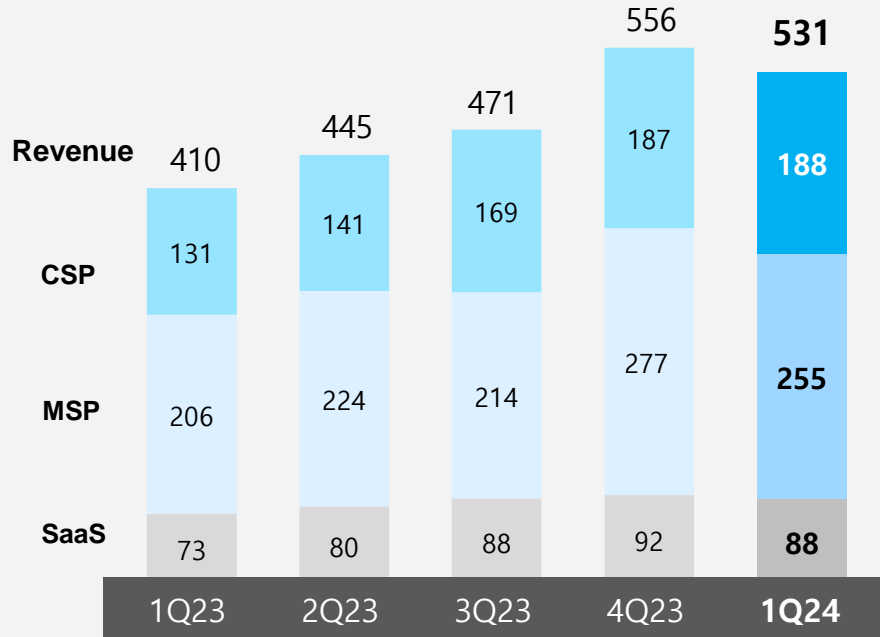
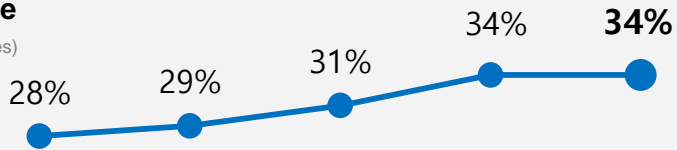
4 IT Services - Cloud

Revenue and Cloud share

(Billion KRW)

Cloud share

(Cloud / IT Services)



[Cloud]

- Revenue : 531 Bn KRW (YoY +29%, QoQ -4.5%)

▶ CSP

- Revenue : 188 Bn KRW (YoY +44%, QoQ +0.7%)
- HPC service revenue increase
- GPU server capacity expansion, GPUaaS(GPU as a Service) start

▶ MSP

- Revenue : 255 Bn KRW (YoY +23%, QoQ -7.9%)
- Cloud migration/implementation in Public/Financial sectors
- Cloud-based next generation SCM business contract

▶ SaaS

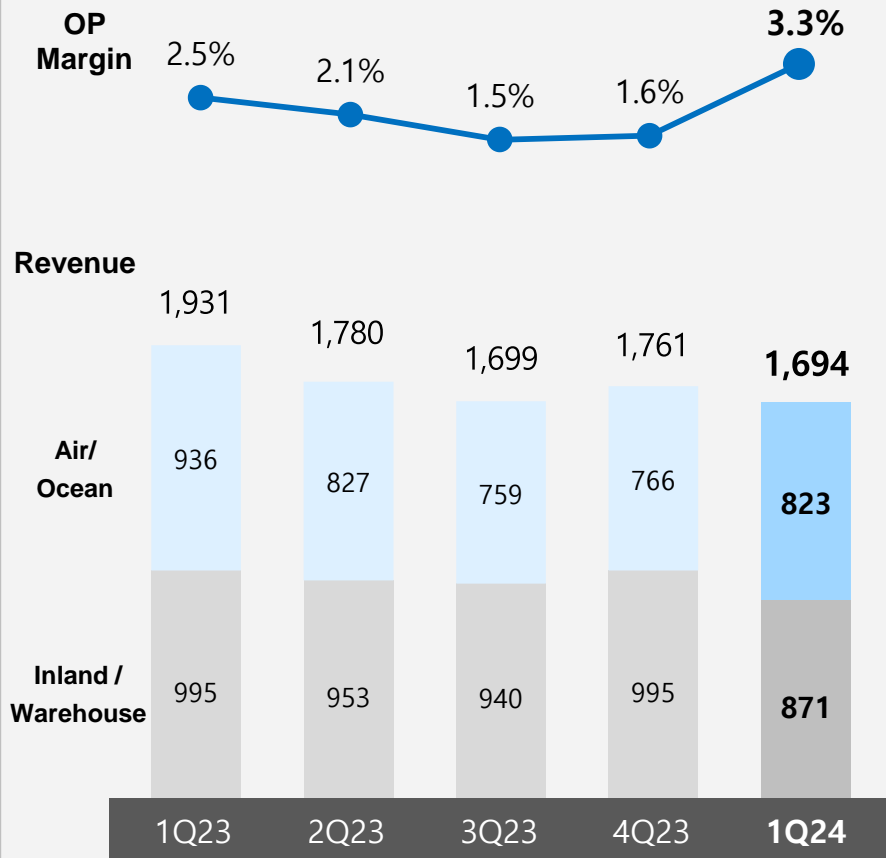
- Revenue : 88 Bn KRW (YoY +21%, QoQ -4.5%)

CSP : Cloud Service Provider, MSP : Managed Service Provider
 SaaS : Software as a Service, HPC : High Performance Computing
 GPU : Graphics Processing Unit, GPUaaS : GPU as a Service
 SCM : Supply Chain Management

5 Logistics

Revenue and OPM

(Billion KRW)



[Logistics]

- Revenue : 1,694 Bn KRW (YoY -12%, QoQ -3.8%)

▶ Air / Ocean transport

- Revenue : 823 Bn KRW (YoY -12%, QoQ +7.4%)
- Air : Freight volume increase including strong customer sales
- Ocean : Geopolitical risks driven freight charge spike

▶ Inland transport / Warehouse operation

- Revenue : 871 Bn KRW (YoY -13%, QoQ -12%)
- Inland transport : Seasonal volume decrease

▶ Cello Square

- Revenue : 255 Bn KRW (YoY +381%, QoQ +6%)
- Membership : 12,200 companies (YoY +133%, QoQ +10%)

[Appendix 1] Income Statement

SAMSUNG SDS

(Billion KRW)

	2022	2023					2024
		1Q	2Q	3Q	4Q		1Q
Revenue	17,235	3,401	3,291	3,208	3,377	13,277	3,247
COGS	15,334	2,961	2,848	2,766	2,906	11,481	2,757
Gross Profit	1,901	440	443	442	471	1,796	490
Margin (%)	11.0%	12.9%	13.5%	13.8%	13.9%	13.5%	15.1%
SG&A	984	246	237	249	256	988	264
Operating Profit	916	194	206	193	215	808	226
Margin (%)	5.3%	5.7%	6.3%	6.0%	6.4%	6.1%	7.0%
Non-operating gain & loss	216	90	33	50	5	177	76
Profit before income tax	1,132	284	239	243	219	986	302
Income tax expense	2	76	69	66	73	284	85
Net Income	1,130	208	170	177	146	701	217
Margin (%)	6.6%	6.1%	5.2%	5.5%	4.3%	5.3%	6.7%
Profit attributable to owners of the parent	1,100	202	173	176	142	693	211

[Appendix 2] Revenue & Operating Profit by Business Segment

SAMSUNG SDS

(Billion KRW)

	2022	2023					2024
		1Q	2Q	3Q	4Q	1Q	
Revenue	17,235	3,401	3,291	3,208	3,377	13,277	3,247
IT Services	5,968	1,470	1,511	1,509	1,616	6,106	1,554
Cloud	1,163	410	445	471	556	1,881	531
SI	1,484	287	289	276	300	1,151	288
ITO	3,322	773	777	762	761	3,074	735
Logistics	11,267	1,931	1,780	1,699	1,761	7,171	1,694
Operating Profit	916	194	206	193	215	808	226
IT Services	632	147	169	167	187	670	170
Logistics	284	47	37	26	27	138	56
OP Margin	5.3%	5.7%	6.3%	6.0%	6.4%	6.1%	7.0%
IT Services	10.6%	10.0%	11.2%	11.1%	11.6%	11.0%	10.9%
Logistics	2.5%	2.5%	2.1%	1.5%	1.6%	1.9%	3.3%

[Appendix 3] Statement of Financial Position

SAMSUNG SDS

(Billion KRW)

	2020	2021	2022	2023	1Q24
Asset	9,155	10,517	11,952	12,321	12,457
Current assets	6,581	7,576	8,006	8,160	8,255
Cash ¹⁾	4,194	4,591	5,030	5,491	5,424
A/R	1,510	1,919	1,652	1,482	1,473
Non-current assets	2,574	2,941	3,947	4,161	4,202
Tangible assets	1,116	1,179	1,520	1,654	1,689
Intangible assets	737	715	713	819	818
Liabilities	2,296	3,074	3,485	3,345	3,414
Current liabilities	1,721	2,370	2,493	2,392	2,432
A/P	574	822	676	693	583
Accrued expenses	541	815	1,029	805	820
Debts & Borrowings	1	1	-	-	-
Non-current liabilities	575	703	992	954	982
Equity	6,859	7,444	8,467	8,976	9,044
Capital stock	39	39	39	39	39

¹⁾ Cash and Cash equivalents, Short-term financial instruments, etc.

[Appendix 4] Investments & Dividends

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(Billion KRW)

	2022	2023					2024
		1Q	2Q	3Q	4Q	1Q	
Cash¹⁾	5,030	5,101	4,946	5,141	5,491	5,491	5,424
CAPEX	671	109	79	100	216	503	116
D & A²⁾	324	95	97	99	105	395	85
EBITDA	1,484	384	350	352	333	1,419	398
EBITDA Margin (%)	8.6%	11.3%	10.6%	11.0%	9.9%	10.7%	12.3%
EPS(KRW)	14,218	2,618	2,232	2,281	1,835	8,965	2,726
Excl. one-off factors ³⁾	10,565						
ROE (%)	14.2%	9.8%	8.3%	8.3%	6.6%	8.2%	9.7%
DPS(KRW)	3,200	-	-	-	-	2,700	-
Payout ratio (%)	22.5%	-	-	-	-	30.1%	-
Excl. one-off factors ³⁾	30.3%						

¹⁾ Cash and Cash equivalents, Short-term financial instruments, etc.

²⁾ Depreciation expense of Lease assets is excluded.

³⁾ In 2022, Corporate tax expense deduction (KRW 164 Bn) due to the winning of second trial with NTS,

Corporate tax expense deduction due to reduction of deferred tax liabilities appropriation related to subsidiaries

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