

# SAMSUNG SDS

## 2Q 2024 Earnings Release

Jul 25, 2024



# 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 2Q24 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

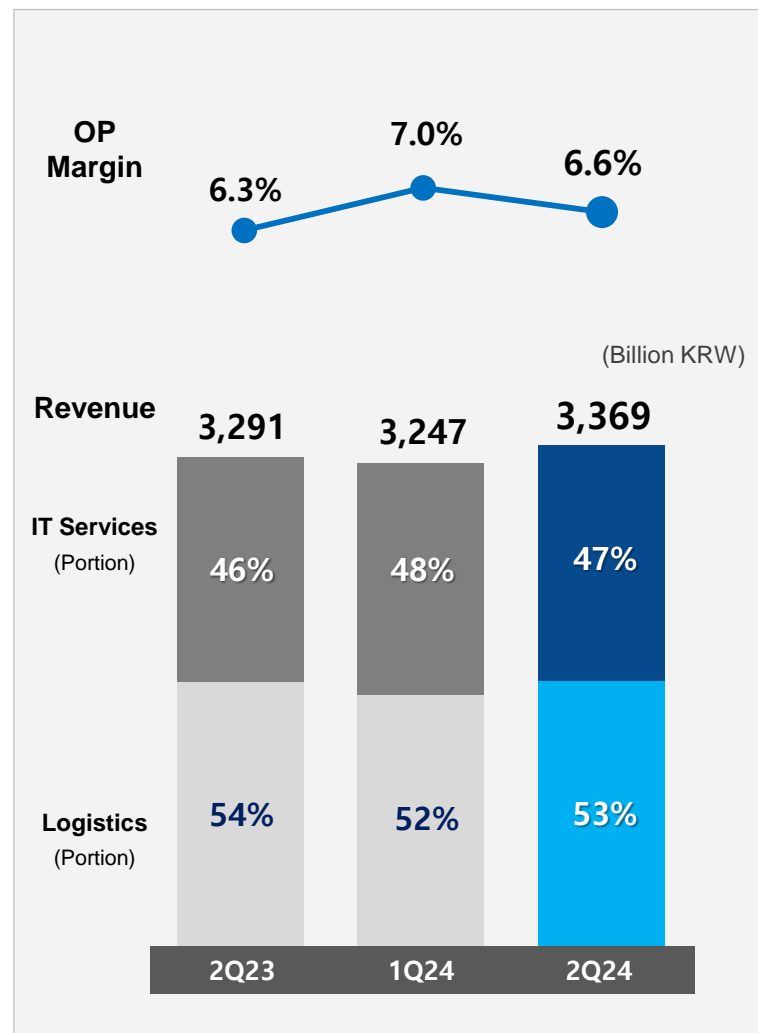
(Billion KRW)

	2Q24	1Q24	QoQ	2Q23	YoY
<b>Revenue</b>	<b>3,369</b>	<b>3,247</b>	<b>+3.7%</b>	<b>3,291</b>	<b>+2.4%</b>
COGS	2,869	2,757	+4.1%	2,847	+0.8%
<b>Gross Profit</b>	<b>500</b>	<b>490</b>	<b>+1.9%</b>	<b>443</b>	<b>+12.7%</b>
Margin(%)	(14.8)	(15.1)	(-0.3%p)	(13.5)	(+1.3%p)
SG&A	279	264	+5.4%	237	+17.5%
<b>Operating Profit</b>	<b>221</b>	<b>226</b>	<b>-2.2%</b>	<b>206</b>	<b>+7.1%</b>
Margin(%)	(6.6)	(7.0)	(-0.4%p)	(6.3)	(+0.3%p)
Non-operating gain & loss	43	76	-43.5%	33	+31.8%
<b>Profit before income tax</b>	<b>264</b>	<b>302</b>	<b>-12.6%</b>	<b>239</b>	<b>+10.4%</b>
Income tax expense	74	85	-13.8%	69	+7.2%
<b>Net Income</b>	<b>191</b>	<b>217</b>	<b>-12.2%</b>	<b>170</b>	<b>+11.8%</b>
Margin(%)	(5.7)	(6.7)	(-1.0%p)	(5.2)	(+0.5%p)
<b>Profit attributable to owners of the parent</b>	<b>177</b>	<b>211</b>	<b>-16.3%</b>	<b>173</b>	<b>+2.3%</b>

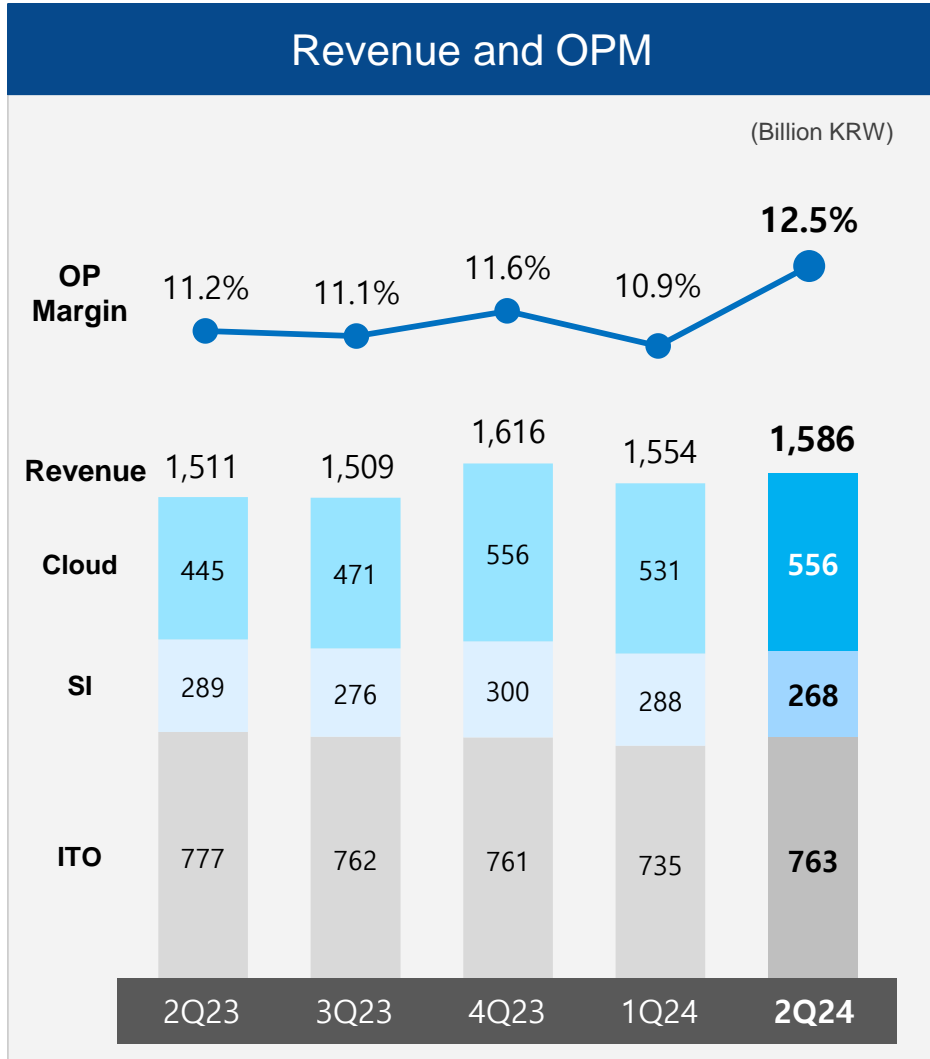
## 2 Earnings by Business Segment

(Billion KRW)

	2Q24	1Q24	QoQ	2Q23	YoY
<b>Revenue</b>	<b>3,369</b>	<b>3,247</b>	<b>+3.7%</b>	<b>3,291</b>	<b>+2.4%</b>
IT Services	1,586	1,554	+2.7%	1,511	+5.0%
Cloud	556	531	+4.8%	445	+25.1%
SI	268	288	-7.1%	289	-7.3%
ITO	763	735	+3.8%	777	-1.9%
Logistics	1,783	1,694	+5.3%	1,780	+0.1%
<b>Operating profit</b>	<b>221</b>	<b>226</b>	<b>-2.2%</b>	<b>206</b>	<b>+7.1%</b>
(%)	(6.6)	(7.0)	(-0.4%p)	(6.3)	(+0.3%p)
IT Services	198	170	+16.6%	169	+17.3%
(%)	(12.5)	(10.9)	(+1.6%p)	(11.2)	(+1.3%p)
Logistics	23	56	-59.0%	38	-38.9%
(%)	(1.3)	(3.3)	(-2.0%p)	(2.1)	(-0.8%p)



# 3 IT Services



## [ IT Services ]

- Revenue 1,586 Bn KRW (YoY +5.0%, QoQ +2.1%)

### > Cloud

- Revenue 556 Bn KRW (YoY +25%, QoQ +4.8%)
- CSP : HPC and GPU service expansion
- SaaS : EMM solution revenue increase

### > SI

- Revenue 268 Bn KRW (YoY -7.3%, QoQ -7.1%)
- Next generation ERP expansion  
in Electronics, CPG, Heavy industry sectors

### > ITO

- Revenue 763 Bn KRW (YoY -1.9%, QoQ +3.8%)

SI : System Integration, ITO : IT Outsourcing, CSP : Cloud Service Provider  
HPC : High Performance Computing, GPU : Graphics Processing Unit,  
SaaS : Software as a Service, EMM : Enterprise Mobility Management  
ERP : Enterprise Resource Planning

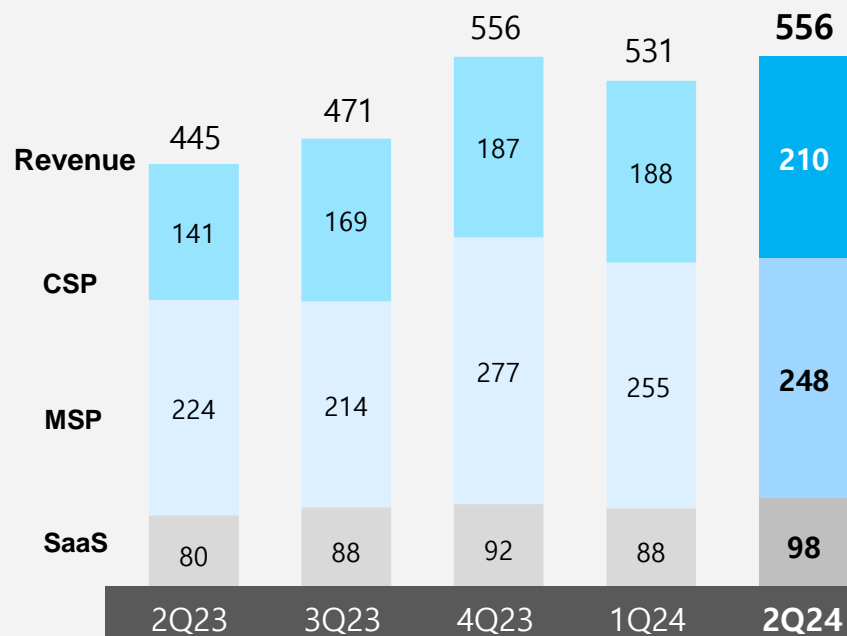
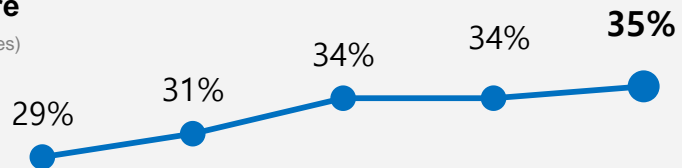
# 4 IT Services - Cloud

## Revenue and Cloud share

(Billion KRW)

### Cloud share

(Cloud / IT Services)



## [ Cloud ]

- Revenue 556 Bn KRW (YoY +25%, QoQ +4.8%)

### ➤ CSP

- Revenue 210 Bn KRW (YoY +49%, QoQ +11%)
- HPC service demand expanded
- GPU service for Generative AI increased

### ➤ MSP

- Revenue 248 Bn KRW (YoY +11%, QoQ -2.6%)
- New orders of Gen. AI and Data-platform in Financial sector

### ➤ SaaS

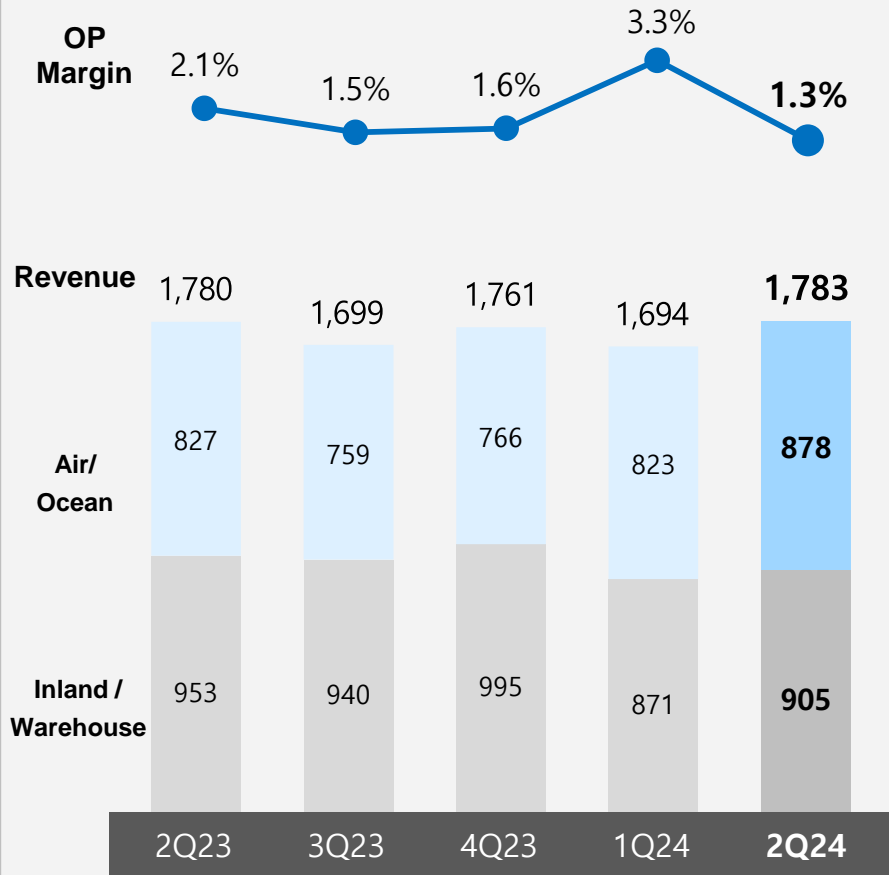
- Revenue 98 Bn KRW (YoY +23%, QoQ +12%)
- EMM solution revenue increase

HPC : High Performance Computing, MSP : Managed Service Provider  
EMM : Enterprise Mobility Management

# 5 Logistics

## Revenue and OPM

(Billion KRW)



## [ Logistics ]

- Revenue 1,783 Bn KRW (YoY +0.1%, QoQ +5.3%)

### ▶ Air / Ocean transport

- Revenue 878 Bn KRW (YoY +6.2%, QoQ +6.7%)
- Ocean : Global freight rate increase
- Air : Seasonal freight volume decrease

### ▶ Inland transport / Warehouse operation

- Revenue 905 Bn KRW (YoY -5.1%, QoQ +3.9%)
- Inland transport : North and Latin America volume increase

### ▶ Cello Square

- Revenue 285 Bn KRW (YoY +151%, QoQ +12%)
- Membership : 14,800 companies (YoY +104%, QoQ +21%)

# [Appendix 1] Income Statement

SAMSUNG SDS

(Billion KRW)

	2022	2023					2024	
		1Q	2Q	3Q	4Q		1Q	2Q
<b>Revenue</b>	<b>17,235</b>	<b>3,401</b>	<b>3,291</b>	<b>3,208</b>	<b>3,377</b>	<b>13,277</b>	<b>3,247</b>	<b>3,369</b>
COGS	15,334	2,961	2,848	2,766	2,906	11,481	2,757	2,869
<b>Gross Profit</b>	<b>1,901</b>	<b>440</b>	<b>443</b>	<b>442</b>	<b>471</b>	<b>1,796</b>	<b>490</b>	<b>500</b>
Margin (%)	11.0%	12.9%	13.5%	13.8%	13.9%	13.5%	15.1%	14.8%
SG&A	984	246	237	249	256	988	264	279
<b>Operating Profit</b>	<b>916</b>	<b>194</b>	<b>206</b>	<b>193</b>	<b>215</b>	<b>808</b>	<b>226</b>	<b>221</b>
Margin (%)	5.3%	5.7%	6.3%	6.0%	6.4%	6.1%	7.0%	6.6%
Non-operating gain & loss	216	90	33	50	5	177	76	43
<b>Profit before income tax</b>	<b>1,132</b>	<b>284</b>	<b>239</b>	<b>243</b>	<b>219</b>	<b>986</b>	<b>302</b>	<b>264</b>
Income tax expense	2	76	69	66	73	284	85	74
<b>Net Income</b>	<b>1,130</b>	<b>208</b>	<b>170</b>	<b>177</b>	<b>146</b>	<b>701</b>	<b>217</b>	<b>191</b>
Margin (%)	6.6%	6.1%	5.2%	5.5%	4.3%	5.3%	6.7%	5.7%
<b>Profit attributable to owners of the parent</b>	<b>1,100</b>	<b>202</b>	<b>173</b>	<b>176</b>	<b>142</b>	<b>693</b>	<b>211</b>	<b>177</b>



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

SAMSUNG SDS

(Billion KRW)

	2022	2023					2024	
		1Q	2Q	3Q	4Q		1Q	2Q
<b>Revenue</b>	<b>17,235</b>	<b>3,401</b>	<b>3,291</b>	<b>3,208</b>	<b>3,377</b>	<b>13,277</b>	<b>3,247</b>	<b>3,369</b>
IT Services	5,968	1,470	1,511	1,509	1,616	6,106	1,554	1,586
Cloud	1,163	410	445	471	556	1,881	531	556
SI	1,484	287	289	276	300	1,151	288	268
ITO	3,322	773	777	762	761	3,074	735	763
Logistics	11,267	1,931	1,780	1,699	1,761	7,171	1,694	1,783
<b>Operating Profit</b>	<b>916</b>	<b>194</b>	<b>206</b>	<b>193</b>	<b>215</b>	<b>808</b>	<b>226</b>	<b>221</b>
IT Services	632	147	169	167	187	670	170	198
Logistics	284	47	37	26	27	138	56	23
<b>OP Margin</b>	<b>5.3%</b>	<b>5.7%</b>	<b>6.3%</b>	<b>6.0%</b>	<b>6.4%</b>	<b>6.1%</b>	<b>7.0%</b>	<b>6.6%</b>
IT Services	10.6%	10.0%	11.2%	11.1%	11.6%	11.0%	10.9%	12.5%
Logistics	2.5%	2.5%	2.1%	1.5%	1.6%	1.9%	3.3%	1.3%

# [Appendix 3] Statement of Financial Position

SAMSUNG SDS

(Billion KRW)

	2020	2021	2022	2023	1Q24	2Q24
<b>Asset</b>	<b>9,155</b>	<b>10,517</b>	<b>11,952</b>	<b>12,321</b>	<b>12,457</b>	<b>12,682</b>
Current assets	6,581	7,576	8,006	8,160	8,255	8,437
Cash <sup>1)</sup>	4,194	4,591	5,030	5,491	5,424	5,468
A/R	1,510	1,919	1,652	1,482	1,473	1,573
Non-current assets	2,574	2,941	3,947	4,161	4,202	4,245
Tangible assets	1,116	1,179	1,520	1,654	1,689	1,744
Intangible assets	737	715	713	819	818	817
<b>Liabilities</b>	<b>2,296</b>	<b>3,074</b>	<b>3,485</b>	<b>3,345</b>	<b>3,414</b>	<b>3,407</b>
Current liabilities	1,721	2,370	2,493	2,392	2,432	2,411
A/P	574	822	676	693	583	695
Accrued expenses	541	815	1,029	805	820	918
Debts & Borrowings	1	1	-	-	-	-
Non-current liabilities	575	703	992	954	982	996
<b>Equity</b>	<b>6,859</b>	<b>7,444</b>	<b>8,467</b>	<b>8,976</b>	<b>9,044</b>	<b>9,275</b>
Capital stock	39	39	39	39	39	39

<sup>1)</sup> Cash and Cash equivalents, Short-term financial instruments, etc.

# [Appendix 4] Investments & Dividends

SAMSUNG SDS

(Billion KRW)

	2022	2023					2024	
		1Q	2Q	3Q	4Q	1Q	2Q	
<b>Cash<sup>1)</sup></b>	5,030	5,101	4,946	5,141	5,491	5,491	5,424	5,468
<b>CAPEX</b>	671	109	79	100	216	503	116	142
<b>D &amp; A<sup>2)</sup></b>	324	95	97	99	105	395	85	87
<b>EBITDA</b>	1,484	384	350	352	333	1,419	398	364
EBITDA Margin (%)	8.6%	11.3%	10.6%	11.0%	9.9%	10.7%	12.3%	10.8%
<b>ROE (%)</b>	14.2%	9.8%	8.3%	8.3%	6.6%	8.2%	9.7%	8.0%
<b>EPS(KRW)</b>	14,218	2,618	2,232	2,281	1,835	8,965	2,726	2,283
Excl. one-off factors <sup>3)</sup>	10,565							
<b>DPS(KRW)</b>	3,200	-	-	-	-	2,700	-	-
Payout ratio (%)	22.5%	-	-	-	-	30.1%	-	-
Excl. one-off factors <sup>3)</sup>	30.3%							

<sup>1)</sup> Cash and Cash equivalents, Short-term financial instruments, etc.

<sup>2)</sup> Depreciation expense of Lease assets is excluded.

<sup>3)</sup> 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

# **SAMSUNG SDS**

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