

# SAMSUNG SDS

## 3Q 2024 Earnings Release

Oct 30, 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 3Q24 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

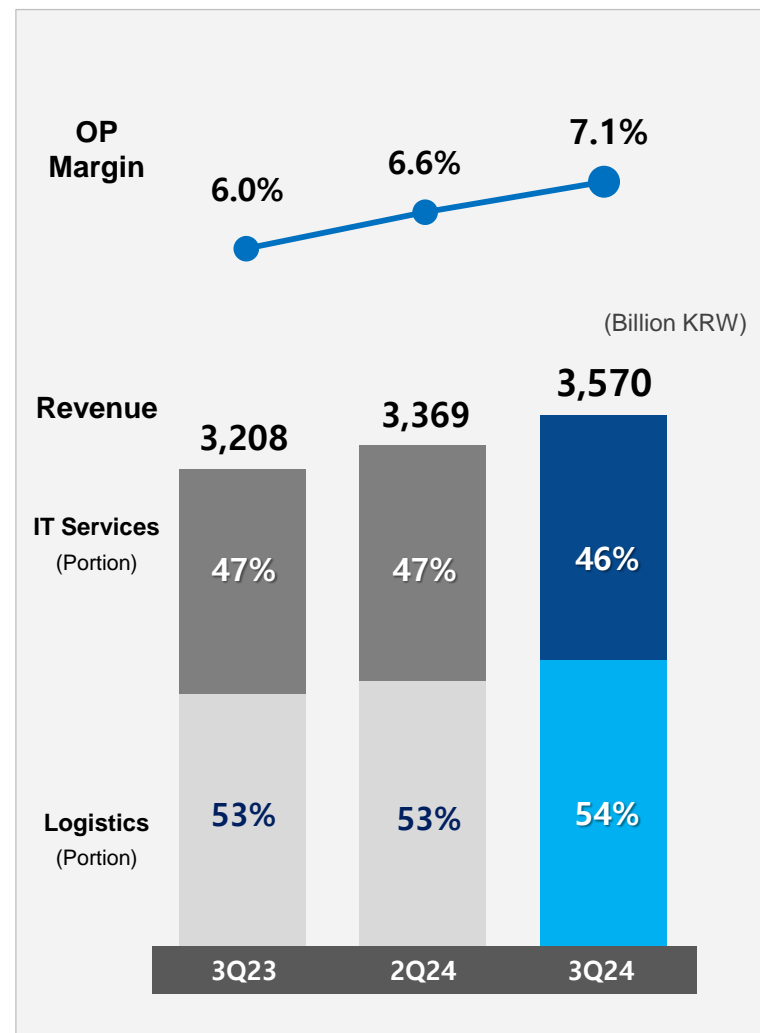
(Billion KRW)

	3Q24	2Q24	QoQ	3Q23	YoY
<b>Revenue</b>	<b>3,570</b>	<b>3,369</b>	<b>+6.0%</b>	<b>3,208</b>	<b>+11.3%</b>
COGS	3,054	2,869	+6.4%	2,766	+10.4%
<b>Gross Profit</b>	<b>516</b>	<b>500</b>	<b>+3.3%</b>	<b>442</b>	<b>+16.7%</b>
Margin(%)	(14.5)	(14.8)	(-0.3%p)	(13.8)	(+0.7%p)
SG&A	263	279	-5.6%	249	+5.7%
<b>Operating Profit</b>	<b>253</b>	<b>221</b>	<b>+14.4%</b>	<b>193</b>	<b>+31.0%</b>
Margin(%)	(7.1)	(6.6)	(+0.5%p)	(6.0)	(+1.1%p)
Non-operating gain & loss	2	43	-94.7%	50	-95.4%
<b>Profit before income tax</b>	<b>255</b>	<b>264</b>	<b>-3.4%</b>	<b>243</b>	<b>+5.0%</b>
Income tax expense	69	74	-5.9%	66	+4.3%
<b>Net Income</b>	<b>186</b>	<b>191</b>	<b>-2.5%</b>	<b>177</b>	<b>+5.2%</b>
Margin(%)	(5.2)	(5.7)	(-0.5%p)	(5.5)	(-0.3%p)
<b>Profit attributable to owners of the parent</b>	<b>180</b>	<b>177</b>	<b>+1.7%</b>	<b>176</b>	<b>+1.9%</b>

## 2 Earnings by Business Segment

(Billion KRW)

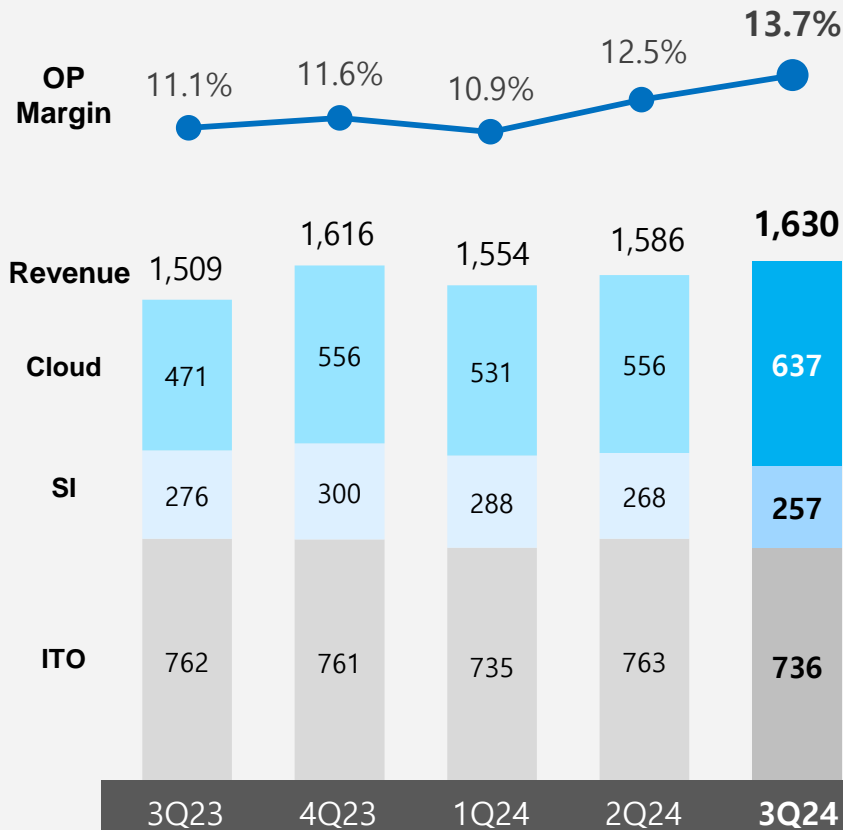
	3Q24	2Q24	QoQ	3Q23	YoY
<b>Revenue</b>	<b>3,570</b>	<b>3,369</b>	<b>+6.0%</b>	<b>3,208</b>	<b>+11.3%</b>
IT Services	1,630	1,586	+2.7%	1,509	+8.0%
Cloud	637	556	+14.6%	471	+35.3%
SI	257	268	-4.2%	276	-7.0%
ITO	736	763	-3.5%	763	-3.5%
Logistics	1,940	1,783	+8.8%	1,699	+14.2%
<b>Operating profit</b>	<b>253</b>	<b>221</b>	<b>+14.4%</b>	<b>193</b>	<b>+31.0%</b>
(%)	(7.1)	(6.6)	(+0.5%p)	(6.0)	(+1.1%p)
IT Services	223	198	+12.6%	167	+33.1%
(%)	(13.7)	(12.5)	(+1.2%p)	(11.1)	(+2.6%p)
Logistics	30	23	+30.0%	26	+16.9%
(%)	(1.5)	(1.3)	(+0.2%p)	(1.5)	(+0.03%p)



# 3 IT Services

## Revenue and OPM

(Billion KRW)



### [ IT Services ]

- Revenue 1,630 Bn KRW (YoY +8.0%, QoQ +2.7%)

#### ➤ Cloud

- Revenue 637 Bn KRW (YoY +35%, QoQ +15%)
- CSP : Higher utilization in HPC and GPU
- MSP : Generative AI and SCM service implementation  
Cloud migration in Finance and Manufacturing

#### ➤ SI

- Revenue 257 Bn KRW (YoY -7.1%, QoQ -4.2%)

#### ➤ ITO

- Revenue 736 Bn KRW (YoY -3.5%, QoQ -3.5%)

SI : System Integration, ITO : IT Outsourcing  
 CSP : Cloud Service Provider, HPC : High Performance Computing  
 GPU : Graphics Processing Unit, MSP : Managed Service Provider  
 SCM : Supply Chain Management

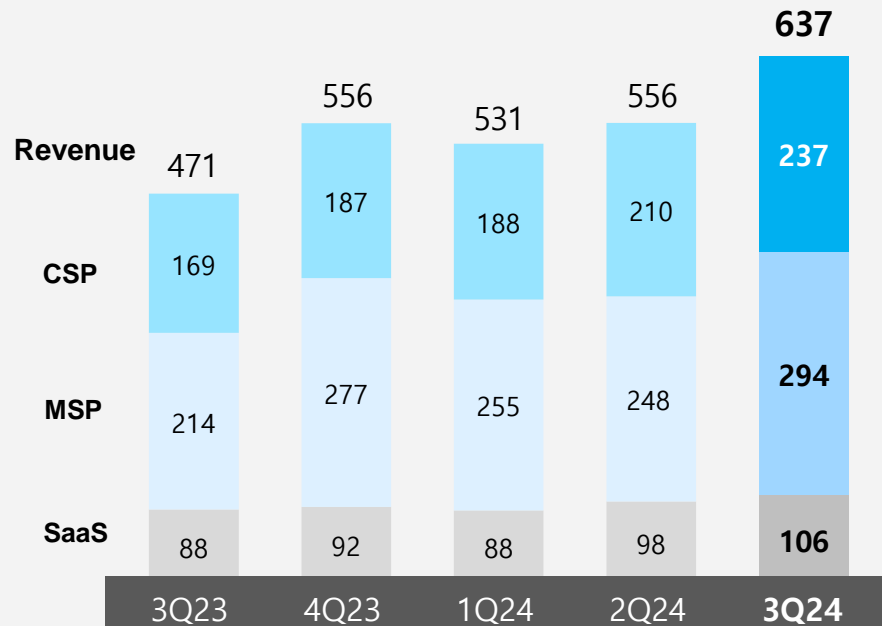
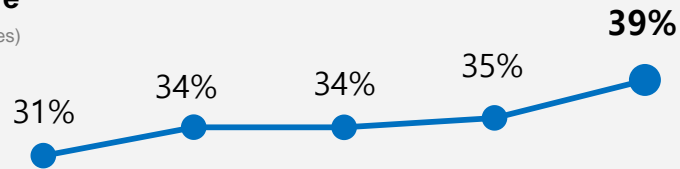
# 4 IT Services - Cloud

## Revenue and Cloud share

(Billion KRW)

### Cloud share

(Cloud / IT Services)



## [ Cloud ]

- Revenue 637 Bn KRW (YoY +35%, QoQ +15%)

### ▶ CSP

- Revenue 237 Bn KRW (YoY +41%, QoQ +13%)
- HPC revenue increased due to higher utilization
- GPUaaS for Generative AI expanded

### ▶ MSP

- Revenue 294 Bn KRW (YoY +38%, QoQ +19%)
- FabriX, Generative AI platform, for enterprises accelerated
- Cloud migration in Finance and Manufacturing
- ERP and SCM implementation

### ▶ SaaS

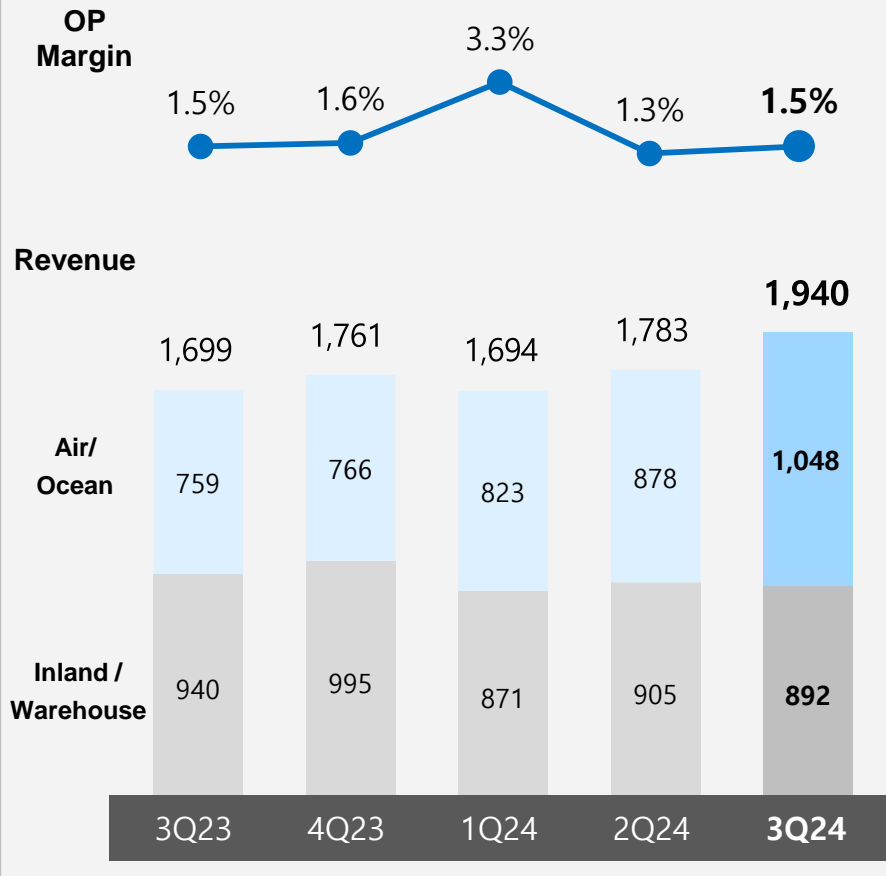
- Revenue 106 Bn KRW (YoY +20%, QoQ +7.7%)

SaaS : Software as a Service, GPUaaS : GPU as a Service  
 ERP : Enterprise Resource Planning, SCM : Supply Chain Management

# 5 Logistics

## Revenue and OPM

(Billion KRW)



## [ Logistics ]

- Revenue 1,940 Bn KRW (YoY +14%, QoQ +8.8%)

### ▶ Air / Ocean transport

- Revenue 1,048 Bn KRW (YoY +38%, QoQ +19%)
- Ocean transport revenue increased by higher freight rate

### ▶ Inland transport / Warehouse operation

- Revenue 892 Bn KRW (YoY -5.0%, QoQ -1.3%)
- Inland transport revenue decreased due to lower oil prices

### ▶ Cello Square

- Revenue 320 Bn KRW (YoY +112%, QoQ +12%)
- Membership : 17,900 companies (YoY +87%, QoQ +21%)

# [Appendix 1] Income Statement

SAMSUNG SDS

(Billion KRW)

	2022	2023					2024		
		1Q	2Q	3Q	4Q		1Q	2Q	3Q
<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>	<b>3,570</b>
COGS	15,334	2,961	2,848	2,766	2,906	11,481	2,757	2,869	3,054
<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>	<b>516</b>
Margin (%)	11.0%	12.9%	13.5%	13.8%	13.9%	13.5%	15.1%	14.8%	14.5%
SG&A	984	246	237	249	256	988	264	279	263
<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>	<b>253</b>
Margin (%)	5.3%	5.7%	6.3%	6.0%	6.4%	6.1%	7.0%	6.6%	7.1%
Non-operating gain & loss	216	90	33	50	5	177	76	43	2
<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>	<b>255</b>
Income tax expense	2	76	69	66	73	284	85	74	69
<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>	<b>186</b>
Margin (%)	6.6%	6.1%	5.2%	5.5%	4.3%	5.3%	6.7%	5.7%	5.2%
<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>	<b>180</b>



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

SAMSUNG SDS

(Billion KRW)

	2022	2023					2024		
		1Q	2Q	3Q	4Q		1Q	2Q	3Q
<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>	<b>3,570</b>
IT Services	5,968	1,470	1,511	1,509	1,616	6,106	1,554	1,586	1,630
Cloud	1,163	410	445	471	556	1,881	531	556	637
SI	1,484	287	289	276	300	1,151	288	268	257
ITO	3,322	773	777	762	761	3,074	735	763	736
Logistics	11,267	1,931	1,780	1,699	1,761	7,171	1,694	1,783	1,940
<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>	<b>253</b>
IT Services	632	147	169	167	187	670	170	198	223
Logistics	284	47	37	26	27	138	56	23	30
<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>	<b>7.1%</b>
IT Services	10.6%	10.0%	11.2%	11.1%	11.6%	11.0%	10.9%	12.5%	13.7%
Logistics	2.5%	2.5%	2.1%	1.5%	1.6%	1.9%	3.3%	1.3%	1.5%

# [Appendix 3] Statement of Financial Position

SAMSUNG SDS

(Billion KRW)

	2020	2021	2022	2023	1Q24	2Q24	3Q24
<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>	<b>12,803</b>
Current assets	6,581	7,576	8,006	8,160	8,255	8,437	8,576
Cash <sup>1)</sup>	4,194	4,591	5,030	5,491	5,424	5,414	5,364
A/R	1,510	1,919	1,652	1,482	1,473	1,573	1,784
Non-current assets	2,574	2,941	3,947	4,161	4,202	4,245	4,227
Tangible assets	1,116	1,179	1,520	1,654	1,689	1,744	1,736
Intangible assets	737	715	713	819	818	817	821
<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>	<b>3,410</b>
Current liabilities	1,721	2,370	2,493	2,392	2,432	2,411	2,404
A/P	574	822	676	693	583	695	618
Accrued expenses	541	815	1,029	805	820	918	941
Debts & Borrowings	1	1	-	-	-	-	-
Non-current liabilities	575	703	992	954	982	996	1,006
<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>	<b>9,393</b>
Capital stock	39	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	3Q
<b>Cash<sup>1)</sup></b>	5,030	5,101	4,946	5,141	5,491	5,491	5,424	5,414	5,364
<b>CAPEX</b>	671	109	79	100	216	503	116	142	90
<b>D &amp; A<sup>2)</sup></b>	324	95	97	99	105	395	85	87	86
<b>EBITDA</b>	1,484	384	350	352	333	1,419	398	364	355
EBITDA Margin (%)	8.6%	11.3%	10.6%	11.0%	9.9%	10.7%	12.3%	10.8%	9.9%
<b>ROE (%)</b>	14.2%	9.8%	8.3%	8.3%	6.6%	8.2%	9.7%	8.0%	8.0%
<b>EPS(KRW)</b>	14,218	2,618	2,232	2,281	1,835	8,965	2,726	2,283	2,323
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**

[www.samsungsds.com](http://www.samsungsds.com)