

---

---

**3Q. 2019**

**Result Summary**

---

---

Nov. 07. 2019

**iMARKETKOREA**

# Disclaimer

---

- This document is provided for the convenience of investors only, financial information of this document may be changed by the audit.
- This document contains that are not historical in nature but concern future results and business plans, strategies and objectives, and other matters that may be deemed to be “forward-looking statements”.
- iMarketKorea cannot guarantee that any forward-looking statement will be realized although iMarketKorea does believe that its assumptions underlying its forward-looking statements are reasonable.
- Achievement of future results is subject to risks and uncertainties which could cause iMarketKorea’s results to differ materially from those which are presented.

# Contents

---

<b>1. Result Summary (consolidated)</b>	-----	<b>3</b>
<b>2. Result Summary (separate)</b>	-----	<b>4</b>
<b>3. Overseas Subsidiaries</b>	-----	<b>5</b>
<b>4. AllenCare</b>	-----	<b>6</b>
<b>5. Other Subsidiaries</b>	-----	<b>7</b>
<b>6. Appendix</b>	-----	<b>8</b>

# 1. Result Summary (consolidated)

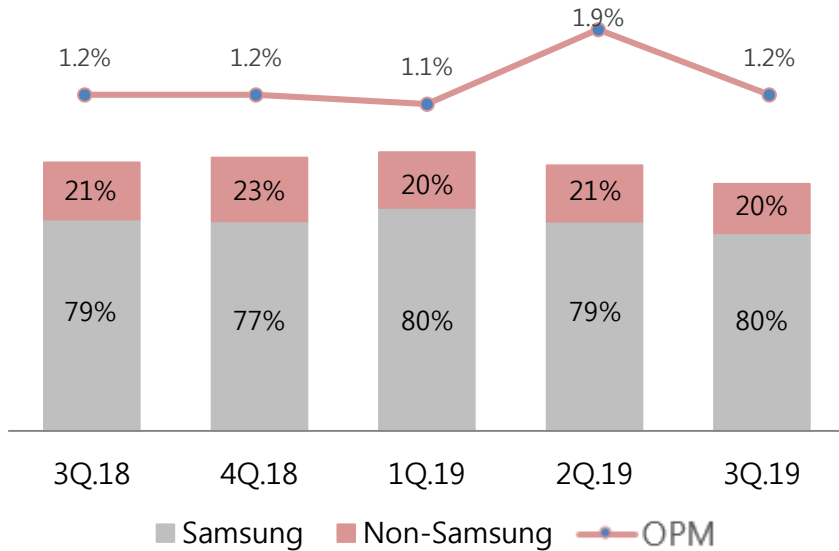
♥ 3Q Result : Sales KRW 697.5 bn (-3.9% QoQ, -4.5% YoY) / OP KRW 12.4 bn (-21.6% QoQ, +15.4% YoY)

Unit : KRW mn	3Q 19	2Q 19	QoQ	3Q 18	YoY
<b>Sales</b>	<b>697,477</b>	<b>725,654</b>	<b>-3.9%</b>	<b>730,623</b>	<b>-4.5%</b>
IMK	517,973	556,702	-7.0%	562,515	-7.9%
Overseas Subsidiaries	39,111	30,512	+28.2%	32,875	+19.0%
Allen Care	109,770	107,112	+2.5%	96,629	+13.6%
Other Subsidiaries	37,506	38,526	-2.6%	44,800	-16.3%
<b>Gross profits</b>	<b>38,335</b>	<b>43,135</b>	<b>-11.1%</b>	<b>38,838</b>	<b>-1.3%</b>
Selling and Administrative Expenses	25,902	27,272	-5.0%	28,066	-7.7%
<b>Operating profits</b>	<b>12,433</b>	<b>15,863</b>	<b>-21.6%</b>	<b>10,771</b>	<b>+15.4%</b>
Pre-tax profits	12,267	15,929	-23.0%	12,159	+0.9%
<b>Net profits</b>	<b>8,940</b>	<b>11,181</b>	<b>-20.0%</b>	<b>8,552</b>	<b>+4.5%</b>

※ Overseas Subsidiaries : IMA, IMV, IMX, IMF / Other Subsidiaries: Interpark-Logistics, Interpark-International, Interpark-Qubridge, Guardian

## 2. Result Summary (separate)

♥ 3Q Result : Sales KRW 518.0 bn (-7.0% QoQ, -7.9% YoY) / OP KRW 6.3 bn (-41.6% QoQ, -5.6% YoY)

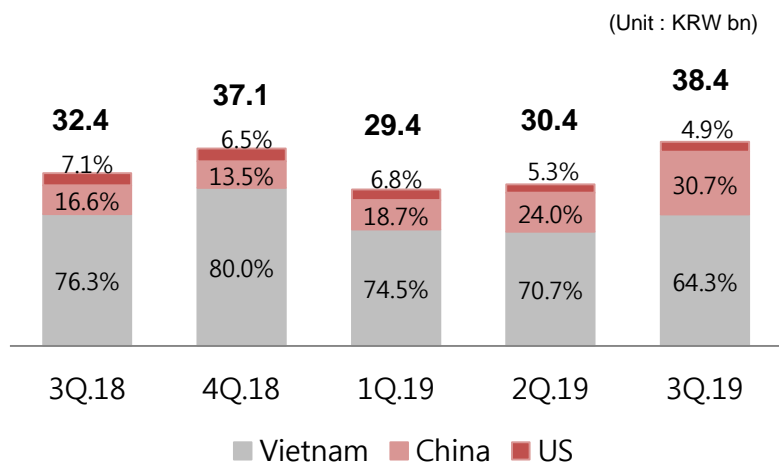


- **Samsung : Sales KRW 414.2 bn (-5.5% QoQ, -6.6% YoY)**
  - Decrease in sales of construction materials and IT products (YoY)
  - Decrease in sales of overseas exports related to Samsung (QoQ)
- **Non-Samsung : Sales KRW 103.8 bn (-12.2% QoQ, -12.8% YoY)**
  - Reduction in sales of low profit customers (YoY)
  - Decrease in sales of construction materials and Raw & Subsidiary Materials (QoQ)

Unit: KRW bn	2019					2018				
	1Q	2Q	3Q	QoQ	YoY	1Q	2Q	3Q	4Q	합계
<b>Sales</b>	<b>584.4</b>	<b>556.7</b>	<b>518.0</b>	<b>-7.0%</b>	<b>-7.9%</b>	<b>521.2</b>	<b>592.1</b>	<b>562.5</b>	<b>573.0</b>	<b>2,248.9</b>
Samsung	467.4	438.4	414.2	-5.5%	-6.6%	391.3	467.8	443.5	439.1	1,741.7
Non-Samsung	117.0	118.3	103.8	-12.2%	-12.8%	129.9	124.3	119.0	133.9	507.1

### 3. Overseas Subsidiaries

♥ 3Q Result : Sales KRW 38.4 bn / OP KRW 0.2 bn



- **Vietnam : Sales KRW 24.7 bn (+14.7% QoQ, -0.7% YoY)**  
- Increase in sales due to improved operation rate of major customers and new item proposals (QoQ)
- **China : Sales KRW 11.8 bn (+62.5% QoQ, +119.8% YoY)**  
- Increase in sales of Samsung subsidiaries in China
- **US : Sales KRW 1.9 bn (+17.9% QoQ, -17.1% YoY)**  
- MRO service in progress to Samsung Austin Semicon

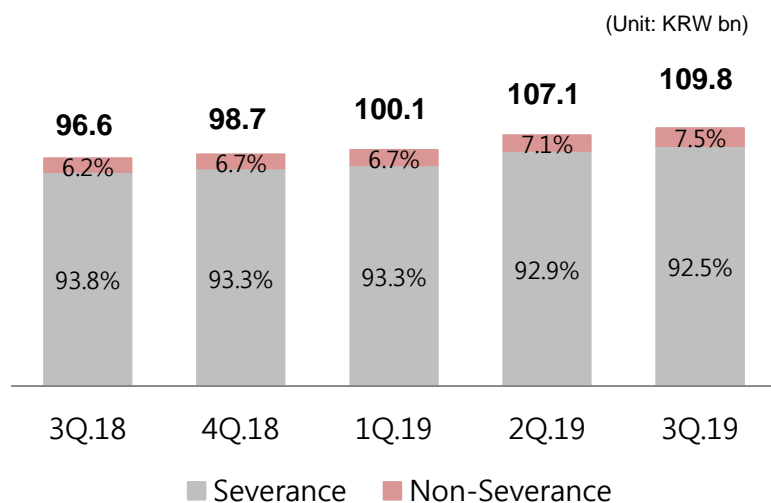
Unit: KRW bn		2019					2018				
		1Q	2Q	3Q	QoQ	YoY	1Q	2Q	3Q	4Q	합계
Vietnam	Samsung	16.1	14.3	17.8	+24.2%	-7.0%	23.5	21.7	19.1	23.7	88.0
	Non-Samsung	5.8	7.2	6.9	-4.2%	+20.5%	8.1	6.6	5.7	5.9	26.3
	<b>Total</b>	<b>21.9</b>	<b>21.5</b>	<b>24.7</b>	<b>+14.7%</b>	<b>-0.7%</b>	<b>31.6</b>	<b>28.2</b>	<b>24.8</b>	<b>29.7</b>	<b>114.3</b>
China	Samsung	3.5	4.8	8.6	+81.1%	+188.5%	2.6	3.0	3.0	3.2	11.8
	Non-Samsung	2.0	2.5	3.2	+27.6%	+34.2%	4.0	4.6	2.4	1.8	12.8
	<b>Total</b>	<b>5.5</b>	<b>7.3</b>	<b>11.8</b>	<b>+62.5%</b>	<b>+119.8%</b>	<b>6.7</b>	<b>7.5</b>	<b>5.4</b>	<b>5.0</b>	<b>24.6</b>
US		2.0	1.6	1.9	+17.9%	-17.1%	3.2	2.3	2.3	2.4	10.2
<b>Total</b>		<b>29.4</b>	<b>30.4</b>	<b>38.4</b>	<b>+26.4%</b>	<b>+18.1%</b>	<b>41.5</b>	<b>38.1</b>	<b>32.4</b>	<b>37.1</b>	<b>149.1</b>

※ Subsidiaries establishment date – IMA : June 2012, IMV : March 2013, IMX : July 2013, IMF : April 2014

## 4. AllenCare

### ♥ 3Q Result : Sales 109.8 bn / OP KRW 8.5 bn

Solid earnings and healthy cash-flow thanks to stable business-model in pharmaceutical distribution industry



- **Severance : Sales KRW 101.6 bn (+2.1% QoQ, +12.2% YoY)**
  - Continuous sales growth from Severance hospital
- **Non-Severance : Sales KRW 8.2 bn (+7.5% QoQ, +35.2% YoY)**
  - Sales increase from Chung-Ang Univ. Hospital and pharmaceutical distributors

Unit: KRW bn	2019					2018				
	1Q	2Q	3Q	QoQ	YoY	1Q	2Q	3Q	4Q	합계
Sales	100.1	107.1	109.8	+2.5%	+13.6%	90.5	91.0	96.6	98.7	376.9
Severance	93.4	99.5	101.6	+2.1%	+12.2%	86.1	85.1	90.6	92.1	353.9
Non-Severance	6.7	7.6	8.2	+7.5%	+35.2%	4.5	5.8	6.0	6.6	23.0
OP	7.7	8.3	8.5	+2.5%	+11.0%	6.9	7.1	7.6	7.4	29.0
OPM(%)	7.7%	7.7%	7.7%	-	-0.2%	7.7%	7.8%	7.9%	7.5%	7.7%

※ Due to regulations on retail transactions between relatives, medical supplies business of AllenCare was ceased in June 2012. After IMK acquired AllenCare in Mar. 2014. AllenCare resumed its business.

## 5. Other Subsidiaries

♥ 3Q Result : Sales KRW 37.5 bn / OL KRW 0.6 bn

Unit: KRW mn		3Q 19	2Q 19	QoQ	3Q 18	YoY
Interpark Qubridge	Sales	16,085	14,862	+8.2%	17,278	-6.9%
	OP	-114	-213	Sustained losses	-392	Sustained losses
Guardian	Sales	6,452	6,011	+7.3%	6,146	+5.0%
	OP	-419	-494	Sustained losses	-580	Sustained losses
Interpark International	Sales	8,444	10,955	-22.9%	10,444	-19.1%
	OP	-260	-360	Sustained losses	-24	Sustained losses
Interpark Logistics	Sales	6,525	6,698	-2.6%	6,913	-5.6%
	OP	144	10	+1,362.0%	88	+64.9%



## Appendix 1 Company Introduction

Originally created as Samsung Electronics Internet venture, Samsung affiliates invested in us before we were transformed into an MRO supplier for the Samsung Group (providing supplies to Samsung manufacturing companies). In 2005, we began offering our services to non-Samsung affiliates and then listed in 2010. In 2011, Samsung sold its 48.7% stake in iMarketKorea to Interpark Holdings Consortium (includes Woori PE (11.5%)).

### Company Profile

<b>Company Name</b>	iMarketKorea Inc
<b>Controlling Shareholder</b>	Interpark Holdings Corporation
<b>Date of Foundation</b>	December 8, 2000
<b>Date of IPO</b>	July 30, 2010
<b>CEO</b>	Nam In bong
<b>Paid in Capital</b>	KRW 18.2 billion
<b># of Employees</b>	441 (As of the end of 3Q 2019)
<b>Website</b>	www.imarketkorea.com

### Ownership

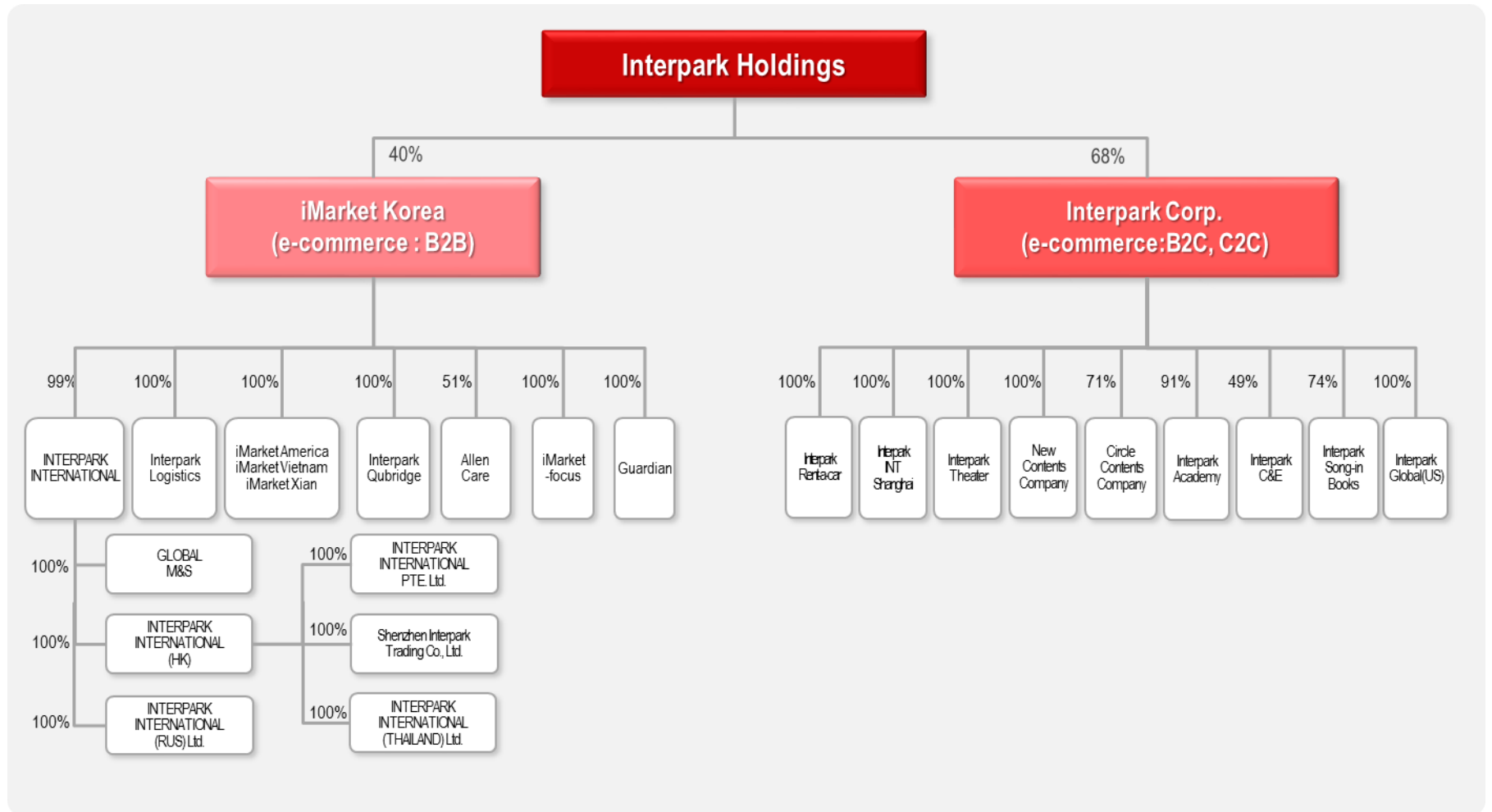
<b>Interpark Holdings Corporation</b>	<b>40.05%</b>
Samsung Electronics and 4 affiliates	8.10%
Baring Asset Management Korea Limited	6.86%
National Pension Service	7.11%
Treasury Stocks	8.16%
Others	29.72%
<b>Total</b>	<b>100.00%</b>

(As of Sep 30, 2019)

※ National Pension Service's ownership is based on equity disclosure on July 3, 2019

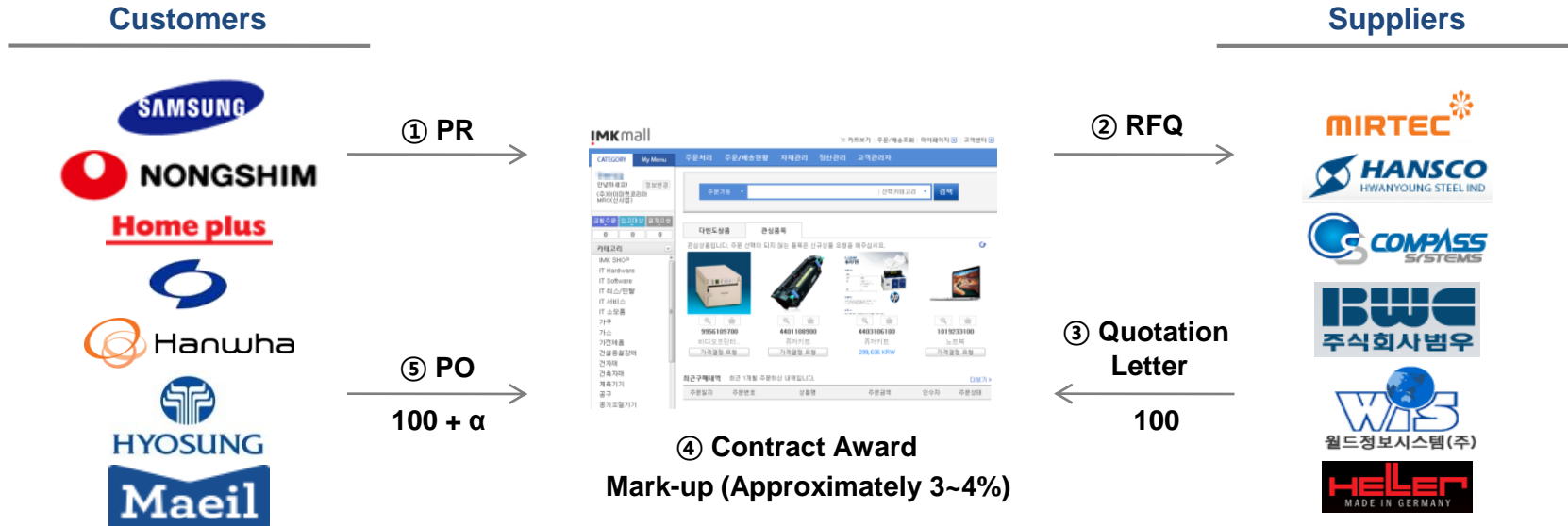
# Appendix 2 Organization

## Interpark Corporate Structure



# Appendix 3 Business Model

We handle everything related to procurement. We provide procurement services for domestic and overseas customers



• **New large customers in 2018 :**

- 1) LOTTE CHILSUNG BEVERAGE CO.,LTD. 2) HYUNDAI ELECTRIC & ENERGY SYSTEMS CO.,LTD. 3) HAPPYCALL CO.,LTD. 4) DODRAM CO.,LTD., etc.

• **New large customers in 2017 :**

- 1) Taekwang group 2) Borg-Warner Inc 3) Environment management cor 4) Ambassador hotel group 5) TS Corporation, etc.

• **New large customers in 2016 :**

- 1) Vilac 2) Kyung-in synthetic corporation 3) SPC Group 4) Hyosung Group 5) Hanwha General Chemical Co., Ltd., etc

# Appendix 4 Product Line-Up

---

We provide a comprehensive procurement service covering all materials, small MRO units, and distribution of hard-to-get materials and equipment

## Industrial Supplies (82%)

---

### Machinery

- Rubber products
- Bearings and Belts
- Welders and Consumables
- General Tools
- Parts

### Electric Facilities

- Pipes, Steel valves
- Valves, Bolts
- Lamps
- Work benches, Storage cabinets
- Filters, etc.

### Petrochemical

- Water and Waste water treatment agents
- Fuel and Lubricants
- Chemical Appliances
- Gas, etc.

### Automation/ Electronic Control

- Measuring Instrument
- Industrial Machines
- Motors
- Barcodes, Marking Machines, etc.

### Construction Supplies

- Steel Bar
- Cold Rolled Coil
- Carpet Tile
- Finishing Materials

### Raw and Subsidiary Materials

- Production Materials
- Transport Materials
- Electronic Parts
- Packing Materials
- Equipment, etc.

## General Supplies (18%)

---

### Office Supplies

- Copying Papers
- Office Products
- Health Machines

### IT

- Ink, Toner
- Computer
- Communication Devices, etc.

### Household Items

- Cleaning Products
- Food & Confectionaries

### Printed Matters

- Brochures
- Envelops and Name Cards

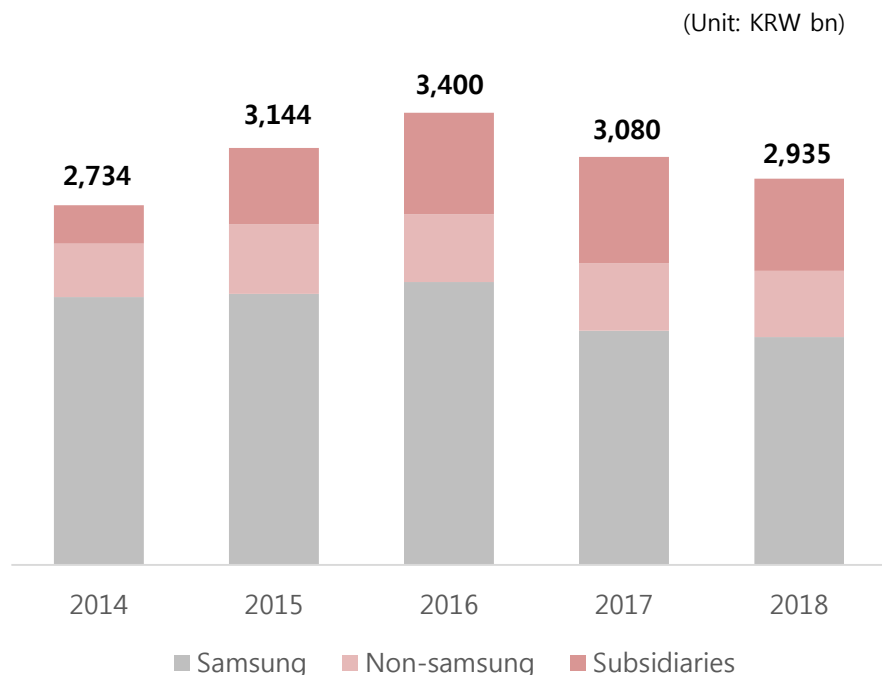
### Safety Supplies

- Uniforms
- Safety Goods

### Furniture

- Furniture
- Home Appliances

## Appendix 5 Historical Earnings



Unit: KRW bn	2014	2015	2016	2017	2018
Samsung	2,049	2,072	2,163	1,791	1,742
Non-Samsung	407	533	520	517	507
<b>Sub-total (Separated)</b>	<b>2,456</b>	<b>2,605</b>	<b>2,683</b>	<b>2,308</b>	<b>2,249</b>
Subsidiaries	294	583	776	813	705
<b>Total (Consolidated)</b>	<b>2,734</b>	<b>3,144</b>	<b>3,400</b>	<b>3,080</b>	<b>2,935</b>

- **Sales to AllenCare and sales from Vietnam rose in 2015**
  - Steady growth from MRO business thanks to Non-Samsung
  - Normalization of AllenCare business
  - Dramatic Growth from Vietnam business
- **External growth from overseas subsidiaries in 2016**
  - Sales growth thanks to healthy sales growth in Samsung affiliates in the second half
  - Growth in IMV, IMF thanks to adopting TOS business model
  - Stable sales growth in Allen care
- **Sales decreased from reduced sales to captive clients in 2017**
  - Sales to Samsung decreased due to the drop of guaranteed sales
  - Growth in IMV thanks to investment in SDV
- **Sales decreased from reduced sales to overseas clients in 2018**
  - Decrease in IMV sales due to reduction in investment from SDV
  - Reduction in sales of low profit customers
  - Stable sales growth in Allen care

## Appendix 6 AllenCare

Pharmaceutical distributor for Severance Hospital

Disposed 51% of share to IMK due to the revised law

**Acquired AllenCare in order to expand its business into the healthcare market**

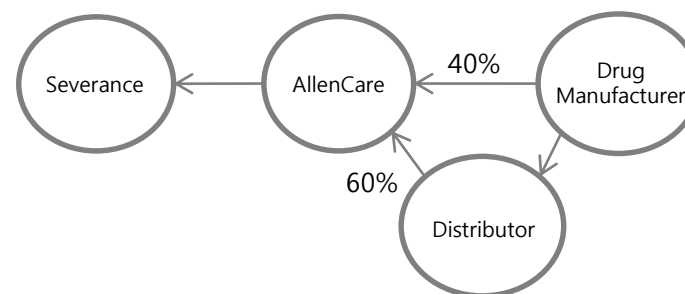
### Company Overview

- 1992 : AllenCare Jejung founded by Yonsei University
- 2012 : Pharmaceutical Affairs Act was revised;
  - Jejung suspended supporting ETC products to Yonsei's Severance Hospital
- 2014 : Yonsei University sold a majority stake to IMK
  - Currently, iMarketKorea holds a 51% stake (rest is owned by Yonsei University)

### Historical Earnings

(Unit: KRW bn)	Sales	Operating Profit
2015	280.5	27.1
2016	315.1	30.7
2017	342.6	28.9
2018	376.9	29.0
3Q.19	317.0	24.4

### Business Model



### Background

1) Normalized business by enhancing IMK's purchasing power and systems.

Acquired in Mar 2014, resumed operations in Apr 2014

2) Supported growth of the new cancer center

3) Reflected amortization costs of intangible assets in IMK's consolidated earnings

(KRW 157.6 bn or KRW 570 mn per month)

※ From 2012, the government prohibited hospitals from getting medical supplies from related parties

## Appendix 7 Consolidated Financial Statements

### Balance Sheet

Unit: KRW bn	3Q.19	2018
Current assets	814.1	865.1
Cash and cash equivalents	62.1	87.2
Account receivables	462.3	447.0
Inventories	72.9	129.6
Other current assets	216.8	201.3
Non-current asset	246.7	213.2
Investments	43.0	30.0
Tangible assets	41.7	13.0
Intangible assets	153.8	162.1
Other non-current assets	8.3	8.2
<b>Total Asset</b>	<b>1,060.7</b>	<b>1,078.3</b>
Current liabilities	560.1	604.1
Account payable	508.5	554.6
Other current liabilities	51.6	49.5
Non-current liabilities	68.3	32.6
<b>Total Liabilities</b>	<b>628.4</b>	<b>636.7</b>
Equity attributable to owners	373.9	379.5
Capital stock	18.2	18.2
Other contributed capital	95.3	105.6
Components of other capital	-0.3	-1.4
Retained earnings	260.7	257.1
Non-controlling interest	58.5	62.0
<b>Total Shareholders' Equity</b>	<b>432.3</b>	<b>441.5</b>

### Income Statement

Unit: KRW bn	3Q.19	2018	2017
Revenue	2,170.9	2,935.2	3,080.5
Gross Profit	121.0	153.9	155.5
Selling and administrative expenses	81.6	117.7	121.5
Salaries	31.3	41.6	43.1
IT expenses	5.6	7.3	7.1
Commission	9.4	15.1	15.1
Rents	4.2	8.7	9.8
Depreciation	3.4	2.0	2.1
Amortization	8.8	12.6	12.1
Others	19.0	30.4	32.2
Operating Profit	39.3	36.2	34.0
Other Profit	6.2	13.9	14.2
Other expenses	9.7	14.6	21.7
Finance income	6.8	2.4	3.5
Finance expenses	3.0	0.6	0.6
Losses in associates and subsidiaries	-0.4	2.6	-
Pre-tax Profit	39.0	34.7	29.3
Net Profit	26.6	20.7	15.7

## Appendix 8 Separate Financial Statements

### Balance Sheet

Unit: KRW bn	3Q.19	2018
Current assets	535.5	587.0
Cash and cash equivalents	48.7	66.8
Account receivables	255.6	256.5
Inventories	32.8	89.5
Other current assets	198.3	174.3
Non-current asset	195.8	160.5
Investments	154.1	133.2
Tangible assets	27.7	10.7
Intangible assets	8.6	10.3
Other non-current assets	5.5	6.2
<b>Total Asset</b>	<b>731.3</b>	<b>747.5</b>
Current liabilities	314.5	364.5
Account payable	290.6	346.6
Other current liabilities	23.9	17.8
Non-current liabilities	33.8	1.4
<b>Total Liabilities</b>	<b>348.3</b>	<b>365.9</b>
Paid-in Capital	18.2	18.2
Other Paid-in Capital	90.4	100.7
Earned Surplus	274.4	262.8
<b>Total Equity</b>	<b>383.0</b>	<b>381.6</b>

### Income Statement

Unit: KRW bn	3Q.19	2018	2017
Revenue	1,659.1	2,248.9	2,307.9
Gross Profit	69.5	85.2	84.2
Selling and administrative expenses	46.1	63.1	66.2
Salaries	20.3	24.4	25.0
IT expenses	5.3	7.4	7.1
Commission	4.9	7.5	7.4
Rents	2.5	4.1	4.6
Depreciation	1.4	1.2	1.2
Amortization	2.3	4.0	3.9
Others	9.3	14.6	17.1
Operating Profit	23.4	22.0	18.0
Other profit	18.5	17.2	25.8
Other expenses	9.8	7.3	12.2
Finance income	5.7	8.6	4.6
Finance expenses	1.9	0.8	0.3
Losses in associates and subsidiaries	-	13.3	-
Pre-tax Profit	35.9	26.5	23.0
Net Profit	27.1	18.1	14.6



Thank you