
4Q. 2019

Result Summary

Feb. 12. 2020

iMarketKorea

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- 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.

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1. Result Summary (consolidated)

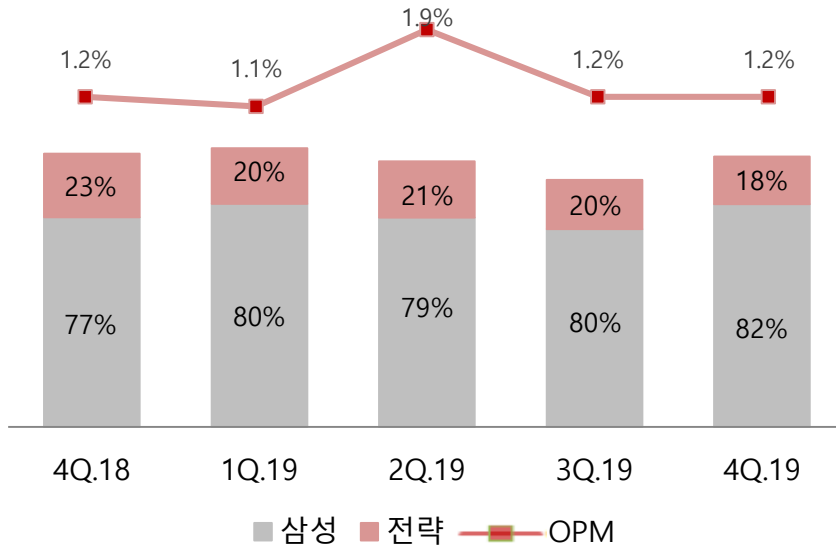
♥ 4Q Result : Sales KRW 752.9 bn (+7.9% QoQ, +2.0% YoY) / OP KRW 12.7 bn (+2.1% QoQ, +16.8% YoY)

Unit : KRW mn	4Q 19	3Q 19	QoQ	4Q 18	YoY	2019	YoY
Sales	752,888	697,477	+7.9%	738,004	+2.0%	2,923,788	-0.4%
IMK	567,049	517,973	+9.5%	573,041	-1.0%	2,226,138	-1.0%
Overseas Subsidiaries	40,486	38,479	+5.2%	37,109	+9.1%	138,914	-6.8%
Allen Care	113,323	109,770	+3.2%	98,748	+14.8%	430,283	+14.2%
Other Subsidiaries	41,241	37,506	+10.0%	43,257	-4.7%	157,626	-19.2%
Gross profits	39,293	38,335	+2.5%	38,667	+1.6%	160,305	+4.2%
Selling and Administrative Expenses	26,600	25,902	+2.7%	27,797	-4.3%	108,266	-8.0%
Operating profits	12,693	12,433	+2.1%	10,870	+16.8%	52,039	+43.7%
Pre-tax profits	3,076	12,267	-74.9%	7,964	-61.4%	42,120	+21.2%
Net profits	-824	8,940	Turn red	2,450	Turn red	25,788	+24.4%

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

2. Result Summary (separate)

♥ 4Q Result : Sales KRW 567.0 bn (+9.5% QoQ, -1.0% YoY) / OP KRW 6.9 bn (+8.9% QoQ, -2.8% YoY)

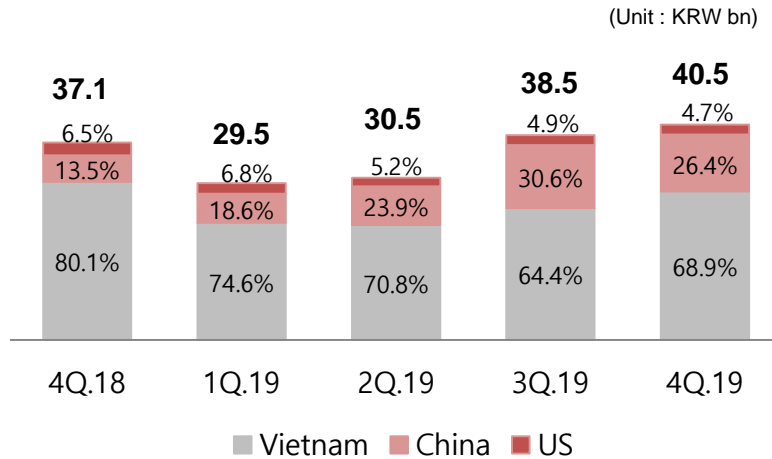


- **Samsung : Sales KRW 466.8 bn (+12.7% QoQ, +6.3% YoY)**
 - Increase in sales of MRO (YoY)
 - Increase in sales of MRO and IT products (QoQ)
- **Non-Samsung : Sales KRW 100.2 bn (-3.4% QoQ, -25.1% YoY)**
 - Reduction in sales of low profit customers (YoY)
 - Decrease in sales of IT products and Raw & Subsidiary Materials (QoQ)

Unit: KRW bn	2019								2018	
	1Q	2Q	3Q	4Q	QoQ	YoY	Total	YoY	4Q	Total
Sales	584.4	556.7	518.0	567.0	+9.5%	-1.0%	2,226.1	-1.0%	573.0	2,248.9
Samsung	467.4	438.4	414.2	466.8	+12.7%	+6.3%	1,786.7	2.6%	439.1	1,741.7
Non-Samsung	117.0	118.3	103.8	100.2	-3.4%	-25.1%	439.4	-13.4%	133.9	507.1

3. Overseas Subsidiaries

♥ 4Q Result : Sales KRW 40.5 bn / OP KRW 0.4 bn



- **Vietnam : Sales KRW 27.9 bn (+12.5% QoQ, -4.8% YoY)**
 - Increase in sales of construction materials (QoQ)
 - Decrease in sales due to SDV's steady investment (YoY)
- **China : Sales KRW 10.7 bn (-9.8% QoQ, +108.2% YoY)**
 - Decrease in sales of Samsung subsidiaries in China (QoQ)
 - Increase in sales of Korean company's subsidiaris in China (YoY)
- **US : Sales KRW 1.9 bn (+2.9% QoQ, -19.9% YoY)**
 - MRO service in progress to Samsung Austin Semicon

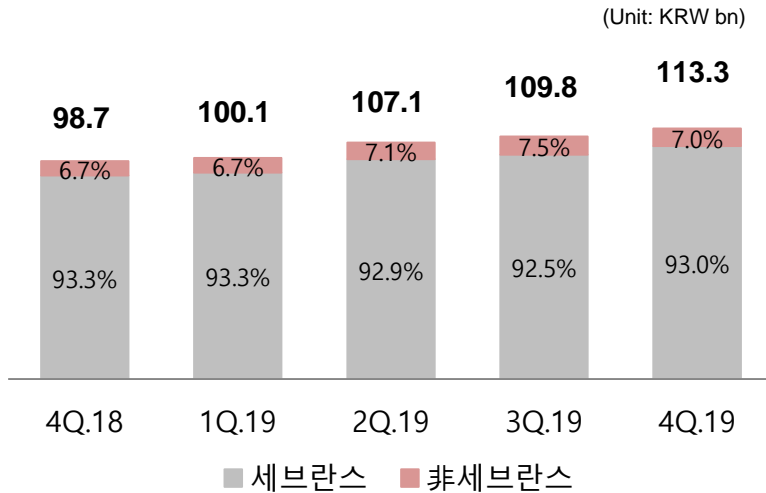
구분		2019							2018		
		1Q	2Q	3Q	4Q	QoQ	YoY	Total	YoY	4Q	Total
Vietnam	Samsung	16.1	14.4	17.9	20.3	+13.5%	-13.7%	68.7	-22.0%	23.7	88.0
	Non-Samsung	5.9	7.2	6.9	7.6	+9.9%	+31.7%	27.6	+5.0%	5.9	26.3
	Total	22.0	21.6	24.8	27.9	+12.5%	-4.8%	96.3	-15.8%	29.7	114.3
China	Samsung	3.5	4.7	8.6	6.8	-20.8%	+105.6%	23.6	+99.3%	3.2	11.8
	Non-Samsung	2.0	2.5	3.2	3.8	+19.7%	+113.1%	11.6	-9.6%	1.8	12.8
	Total	5.5	7.3	11.8	10.7	-9.8%	+108.2%	35.2	+42.8%	5.0	24.6
US		2.0	1.6	1.9	1.9	+2.9%	-19.9%	7.5	-26.5%	2.4	10.2
Total		29.5	30.5	38.5	40.5	+5.2%	+9.9%	138.9	-6.8%	37.1	149.1

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

4. AllenCare

♥ 4Q Result : Sales 113.3 bn / OP KRW 8.1 bn

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



- **Severance : Sales KRW 105.4 bn (+3.7% QoQ, +14.4% YoY)**
 - Continuous sales growth from Severance hospital
- **Non-Severance : Sales KRW 8.0 bn (-2.5% QoQ, +19.9% YoY)**
 - Sales increase from Chung-Ang Univ. Hospital and pharmaceutical distributors

Unit: KRW bn	2019								2018	
	1Q	2Q	3Q	4Q	QoQ	YoY	Total	YoY	4Q	Total
Sales	100.1	107.1	109.8	113.3	+3.2%	+14.8%	430.3	+14.2%	98.7	376.9
Severance	93.4	99.5	101.6	105.4	+3.7%	+14.4%	399.9	+13.0%	92.1	353.9
Non-Severance	6.7	7.6	8.2	8.0	-2.5%	+19.9%	30.4	+32.4%	6.6	23.0
OP	7.7	8.3	8.5	8.1	-4.7%	+9.4%	32.5	+12.0%	7.4	29.0
OPM(%)	7.7%	7.7%	7.7%	7.1%	-0.6%p	-0.4%p	7.6%	-0.1%p	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

♥ 4Q Result : Sales KRW 41.2 bn / OL KRW 0.4 bn

Unit: KRW mn		4Q 19	3Q 19	QoQ	4Q 18	YoY
Interpark Qubridge	Sales	18,779	16,085	+16.8%	19,069	-1.5%
	OP	82	-114	Turn around	-204	Turn around
Guardian	Sales	6,815	6,452	+5.6%	6,188	+10.1%
	OP	-542	-419	Sustained losses	-586	Sustained losses
Interpark International	Sales	9,058	8,444	+7.3%	11,460	-21.0%
	OP	-109	-260	Sustained losses	-323	Sustained losses
Interpark Logistics	Sales	6,590	6,525	+1.0%	6,542	+0.7%
	OP	157	144	+8.9%	13	+1,077.6%

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

Company Name	iMarketKorea Inc
Controlling Shareholder	Interpark Holdings Corporation
Date of Foundation	December 8, 2000
Date of IPO	July 30, 2010
CEO	Nam In bong
Paid in Capital	KRW 18.2 billion
# of Employees	448 (As of the end of 4Q 2019)
Website	www.imarketkorea.com

Ownership

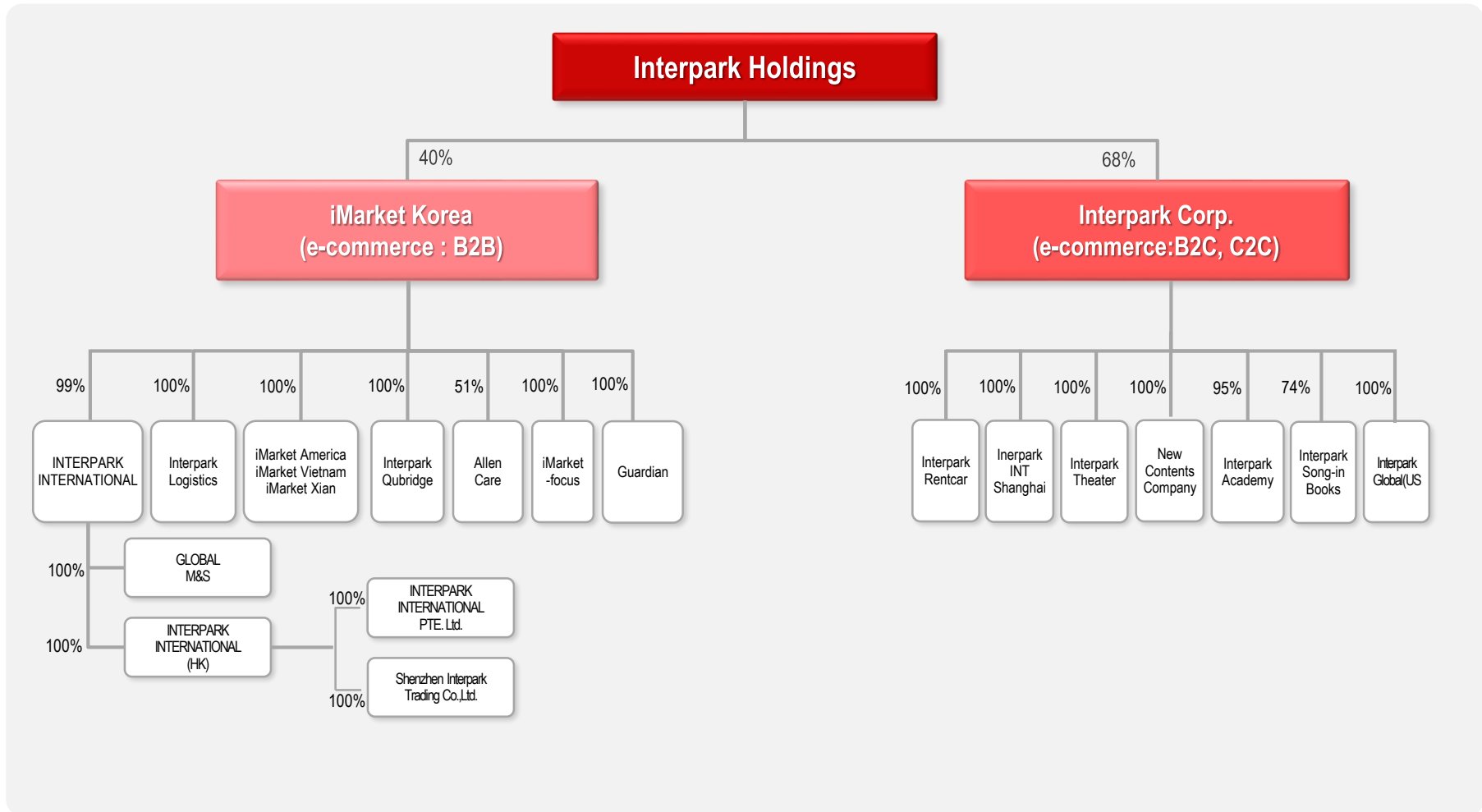
Interpark Holdings Corporation	40.08%
Samsung Electronics and 4 affiliates	8.10%
Baring Asset Management Korea Limited	6.19%
National Pension Service	7.11%
Treasury Stocks	9.36%
Others	29.16%
Total	100.00%

(As of Dec 30, 2019)

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

Appendix 2 Organization

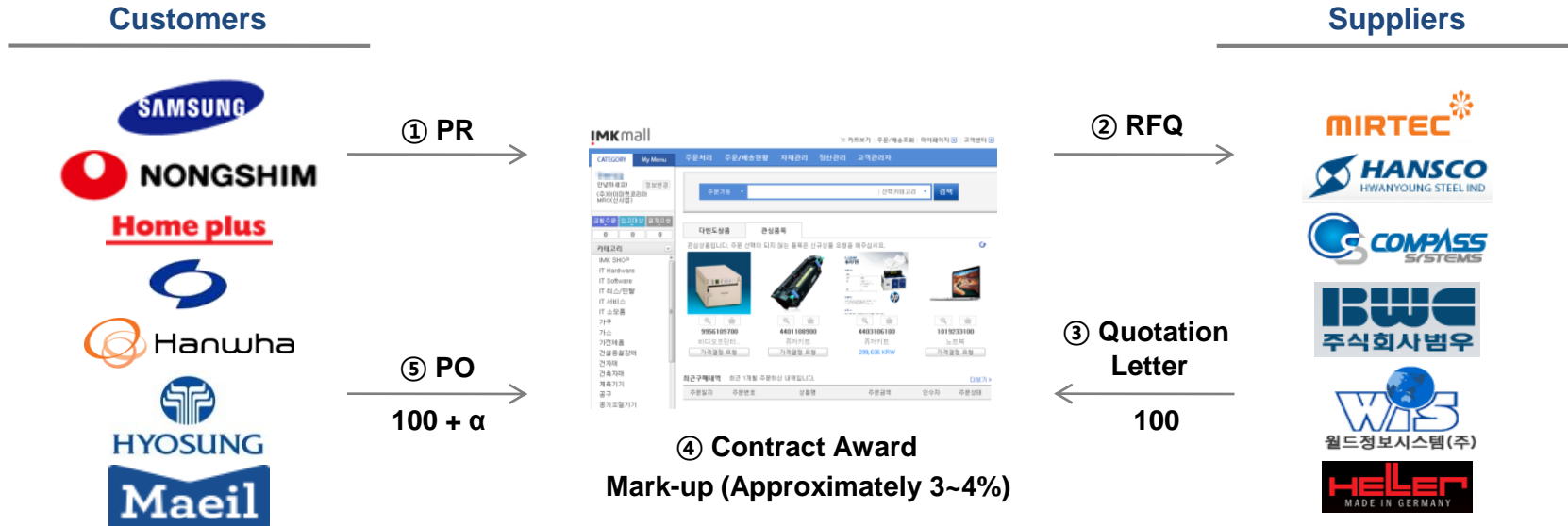
Interpark Corporate Structure



Source: As of Dec 31, 2019

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

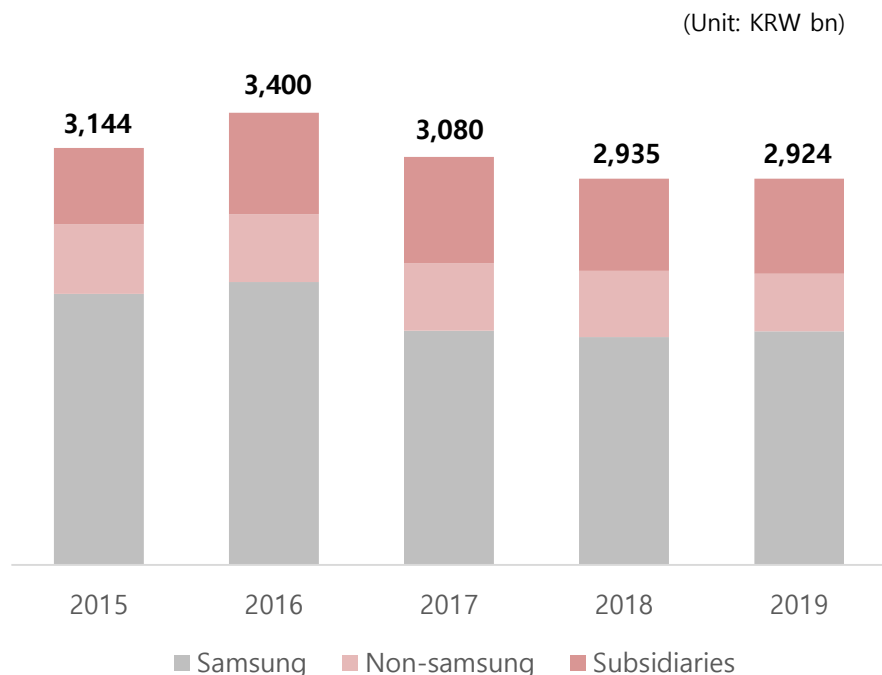
Industrial Supplies (80%)

<p>Machinery</p> <ul style="list-style-type: none"> ▪ Rubber products ▪ Bearings and Belts ▪ Welders and Consumables ▪ General Tools ▪ Parts 	<p>Electric Facilities</p> <ul style="list-style-type: none"> ▪ Pipes, Steel valves ▪ Valves, Bolts ▪ Lamps ▪ Work benches, Storage cabinets ▪ Filters, etc. 	<p>Petrochemical</p> <ul style="list-style-type: none"> ▪ Water and Waste water treatment agents ▪ Fuel and Lubricants ▪ Chemical Appliances ▪ Gas, etc.
<p>Automation/ Electronic Control</p> <ul style="list-style-type: none"> ▪ Measuring Instrument ▪ Industrial Machines ▪ Motors ▪ Barcodes, Marking Machines, etc. 	<p>Construction Supplies</p> <ul style="list-style-type: none"> ▪ Steel Bar ▪ Cold Rolled Coil ▪ Carpet Tile ▪ Finishing Materials 	<p>Raw and Subsidiary Materials</p> <ul style="list-style-type: none"> ▪ Production Materials ▪ Transport Materials ▪ Electronic Parts ▪ Packing Materials ▪ Equipment, etc.

General Supplies (20%)

<p>Office Supplies</p> <ul style="list-style-type: none"> ▪ Copying Papers ▪ Office Products ▪ Health Machines 	<p>IT</p> <ul style="list-style-type: none"> ▪ Ink, Toner ▪ Computer ▪ Communication Devices, etc.
<p>Household Items</p> <ul style="list-style-type: none"> ▪ Cleaning Products ▪ Food & Confectionaries 	<p>Printed Matters</p> <ul style="list-style-type: none"> ▪ Brochures ▪ Envelops and Name Cards
<p>Safety Supplies</p> <ul style="list-style-type: none"> ▪ Uniforms ▪ Safety Goods 	<p>Furniture</p> <ul style="list-style-type: none"> ▪ Furniture ▪ Home Appliances

Appendix 5 Historical Earnings



Unit: KRW bn	2015	2016	2017	2018	2019
Samsung	2,072	2,163	1,791	1,742	1,787
Non-Samsung	533	520	517	507	439
Sub-total (Separated)	2,605	2,683	2,308	2,249	2,226
Subsidiaries	583	776	813	705	727
Total (Consolidated)	3,144	3,400	3,080	2,935	2,924

- **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

- **Sales decreased from reduced sales to Non-Samsung clients in 2019**

- Growth in sales due to increased volume of some Samsung clients
- 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

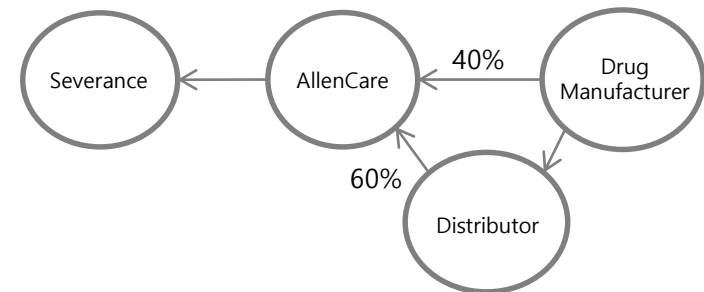
Company Overview

- 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
2019	430.3	32.5

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	2019	2018
Current assets	869.1	865.1
Cash and cash equivalents	99.4	87.2
Account receivables	471.7	447.0
Inventories	58.4	129.6
Other current assets	239.6	201.3
Non-current asset	227.7	213.2
Investments	34.2	30.0
Tangible assets	41.8	13.0
Intangible assets	140.9	162.1
Other non-current assets	10.9	8.2
Total Asset	1,096.9	1,078.3
Current liabilities	604.7	604.1
Account payable	547.9	554.6
Other current liabilities	56.8	49.5
Non-current liabilities	65.7	32.6
Total Liabilities	670.3	636.7
Equity attributable to owners	366.1	379.5
Capital stock	18.2	18.2
Other contributed capital	90.8	105.6
Components of other capital	-0.8	-1.4
Retained earnings	258.0	257.1
Non-controlling interest	60.5	62.0
Total Shareholders' Equity	426.5	441.5

Income Statement

Unit: KRW bn	2019	2018	2017
Revenue	2,923.8	2,935.2	3,080.5
Gross Profit	160.3	153.9	155.5
Selling and administrative expenses	108.3	117.7	121.5
Salaries	42.4	41.6	43.1
IT expenses	7.3	7.3	7.1
Commission	12.3	15.1	15.1
Rents	5.5	8.7	9.8
Depreciation	4.3	2.0	2.1
Amortization	11.2	12.6	12.1
Others	25.3	30.4	32.2
Operating Profit	52.0	36.2	34.0
Other Profit	8.4	13.9	14.2
Other expenses	21.9	14.6	21.7
Finance income	7.9	2.4	3.5
Finance expenses	3.8	0.6	0.6
Losses in associates and subsidiaries	0.6	2.6	-
Pre-tax Profit	42.1	34.7	29.3
Net Profit	25.8	20.7	15.7

Appendix 8 Separate Financial Statements

Balance Sheet

Unit: KRW bn	2019	2018
Current assets	580.4	587.0
Cash and cash equivalents	83.7	66.8
Account receivables	262.4	256.5
Inventories	19.8	89.5
Other current assets	214.5	174.3
Non-current asset	181.8	160.5
Investments	134.3	133.2
Tangible assets	30.3	10.7
Intangible assets	8.3	10.3
Other non-current assets	8.8	6.2
Total Asset	762.1	747.5
Current liabilities	359.6	364.5
Account payable	328.7	346.6
Other current liabilities	30.9	17.8
Non-current liabilities	33.4	1.4
Total Liabilities	393.0	365.9
Paid-in Capital	18.2	18.2
Other Paid-in Capital	85.9	100.7
Earned Surplus	265.0	262.8
Total Equity	369.1	381.6

Income Statement

Unit: KRW bn	2019	2018	2017
Revenue	2,226.1	2,248.9	2,307.9
Gross Profit	91.1	85.2	84.2
Selling and administrative expenses	60.9	63.1	66.2
Salaries	27.5	24.4	25.0
IT expenses	7.0	7.4	7.1
Commission	6.6	7.5	7.4
Rents	3.0	4.1	4.6
Depreciation	2.0	1.2	1.2
Amortization	2.5	4.0	3.9
Others	12.4	14.6	17.1
Operating Profit	30.2	22.0	18.0
Other profit	19.9	17.2	25.8
Other expenses	10.5	7.3	12.2
Finance income	7.7	8.6	4.6
Finance expenses	2.9	0.8	0.3
Losses in associates and subsidiaries	16.0	13.3	-
Pre-tax Profit	28.5	26.5	23.0
Net Profit	17.5	18.1	14.6

Thank you