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**1Q. 2020**

**Result Summary**

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**May. 8. 2020**

**iMarketKorea**

# Disclaimer

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- 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.

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# 1. Result Summary (consolidated)

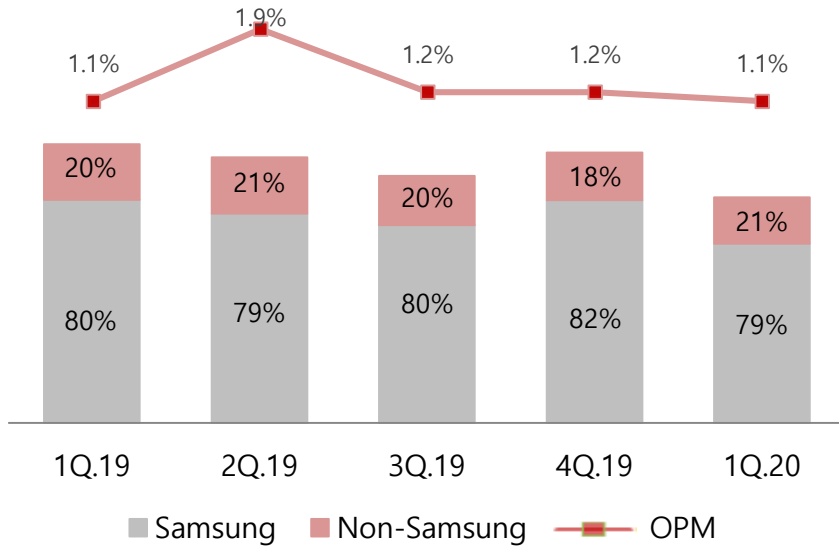
♥ 1Q Result : Sales KRW 658.5 bn (-12.5% QoQ, -11.9% YoY) / OP KRW 11.7 bn (-7.6% QoQ, +6.1% YoY)

Unit : KRW mn	1Q 20	4Q 19	QoQ	1Q 19	YoY
<b>Sales</b>	<b>658,472</b>	<b>752,888</b>	<b>-12.5%</b>	<b>747,769</b>	<b>-11.9%</b>
IMK	472,544	567,049	-16.7%	584,415	-19.1%
Overseas Subsidiaries	37,637	40,486	-7.0%	28,599	+27.7%
Allen Care	114,921	113,323	+1.4%	100,077	+14.8%
Other Subsidiaries	43,729	41,241	+6.0%	40,352	+8.4%
<b>Gross profits</b>	<b>37,342</b>	<b>39,293</b>	<b>-5.0%</b>	<b>39,541</b>	<b>-5.6%</b>
Selling and Administrative Expenses	25,619	26,600	-3.7%	28,491	-10.1%
<b>Operating profits</b>	<b>11,723</b>	<b>12,693</b>	<b>-7.6%</b>	<b>11,050</b>	<b>+6.1%</b>
Pre-tax profits	11,612	3,076	+277.5%	10,848	+7.0%
<b>Net profits</b>	<b>6,903</b>	<b>-824</b>	<b>Turn around</b>	<b>6,491</b>	<b>+6.4%</b>

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

## 2. Result Summary (separate)

♥ 1Q Result : Sales KRW 472.5 bn (-16.7% QoQ, -19.1% YoY) / OP KRW 5.1 bn (-25.2% QoQ, -18.4% YoY)

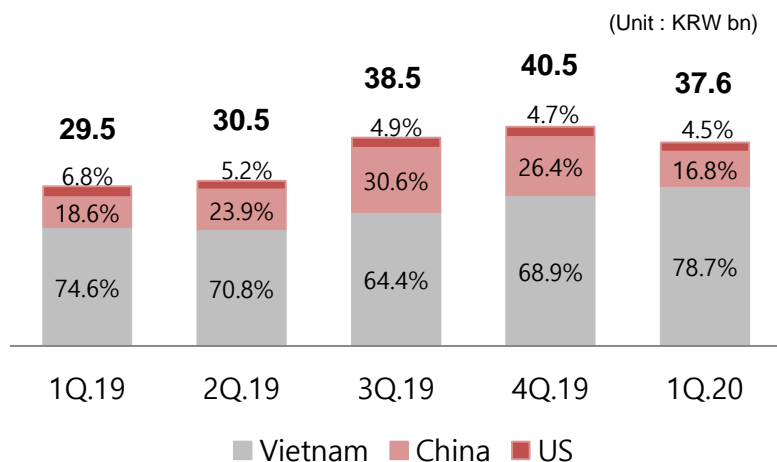


- **Samsung : Sales KRW 375.6 bn (-19.5% QoQ, -19.6% YoY)**
  - Decrease in sales of construction materials and MRO (QoQ)
  - Decrease in sales of construction materials (YoY)
- **Non-Samsung : Sales KRW 97.0 bn (-3.2% QoQ, -17.1% YoY)**
  - Decrease in sales due to changes in the business environment of some customers (QoQ)
  - Decrease in sales of steel materials and IT products (YoY)

Unit: KRW bn	2020			2019				
	1Q	QoQ	YoY	1Q	2Q	3Q	4Q	Total
<b>Sales</b>	<b>472.5</b>	<b>-16.7%</b>	<b>-19.1%</b>	<b>584.4</b>	<b>556.7</b>	<b>518.0</b>	<b>567.0</b>	<b>2,226.1</b>
Samsung	375.6	-19.5%	-19.6%	467.4	438.4	414.2	466.8	1,786.7
Non-Samsung	97.0	-3.2%	-17.1%	117.0	118.3	103.8	100.2	439.4

### 3. Overseas Subsidiaries

♥ 1Q Result : Sales KRW 37.6 bn / OL KRW 0.1 bn



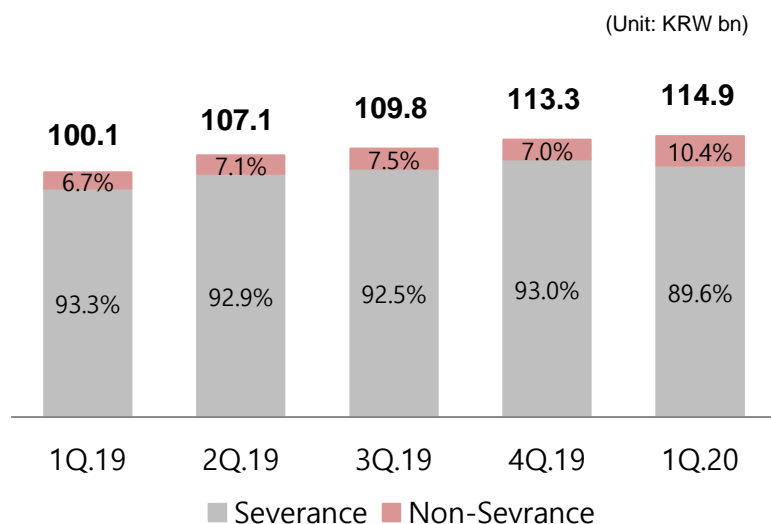
- **Vietnam : Sales KRW 29.6 bn (+6.7% QoQ, +34.3% YoY)**
  - Increase in sales due to SDV's facility investment
  - Decrease in sales of some customers affected by COVID-19
- **China : Sales KRW 6.3 bn (-40.6% QoQ, +16.1% YoY)**
  - Decrease in sales of major customers due to COVID-19
  - Increase in sales of Korean company's subsidiaries in China (YoY)
- **US : Sales KRW 1.7 bn (-11.1% QoQ, -15.7% YoY)**
  - MRO service in progress to Samsung Austin Semicon

Unit: KRW bn		2020			2019				
		1Q	QoQ	YoY	1Q	2Q	3Q	4Q	Total
Vietnam	Samsung	21.6	+6.7%	+34.3%	1631	14.4	17.9	20.3	68.7
	Non-Samsung	7.9	+4.5%	+35.4%	5.9	7.2	6.9	7.6	27.6
	<b>Total</b>	<b>29.6</b>	<b>+6.1%</b>	<b>+34.6%</b>	<b>22.0</b>	<b>21.6</b>	<b>24.8</b>	<b>27.9</b>	<b>96.3</b>
China	Samsung	3.0	-56.1%	-14.1%	3.5	4.7	8.6	6.8	23.6
	Non-Samsung	3.3	-13.1%	+69.2%	2.0	2.5	3.2	3.8	11.6
	<b>Total</b>	<b>6.3</b>	<b>-40.6%</b>	<b>+16.1%</b>	<b>5.5</b>	<b>7.3</b>	<b>11.8</b>	<b>10.7</b>	<b>35.2</b>
<b>US</b>		<b>1.7</b>	<b>-11.1%</b>	<b>-15.7%</b>	<b>2.0</b>	<b>1.6</b>	<b>1.9</b>	<b>1.9</b>	<b>7.5</b>
<b>Total</b>		<b>37.6</b>	<b>-7.0%</b>	<b>+27.7%</b>	<b>29.5</b>	<b>30.5</b>	<b>38.5</b>	<b>40.5</b>	<b>138.9</b>

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

## 4. AllenCare

♥ 1Q Result : Sales 114.9 bn / OP KRW 8.2 bn



- **Severance : Sales KRW 102.9 bn (-2.3% QoQ, +10.2% YoY)**
  - Continuous sales growth from Severance hospital
  - Decrease in sales due to COVID-19 (QoQ)
- **Non-Severance : Sales KRW 12.0 bn (+51.1% QoQ, +79.9% YoY)**
  - Increase in sales of new customer (Ewha Medical Center)

Unit: KRW bn	2020			2019				
	1Q	QoQ	YoY	1Q	2Q	3Q	4Q	Total
Sales	114.9	+1.4%	+14.8%	100.1	107.1	109.8	113.3	430.3
Severance	102.9	-2.3%	+10.2%	93.4	99.5	101.6	105.4	399.9
Non-Severance	12.0	+51.1%	+79.9%	6.7	7.6	8.2	8.0	30.4
OP	8.2	+0.8%	+6.5%	7.7	8.3	8.5	8.1	32.5
OPM(%)	7.1%	-	-0.6%p	7.7%	7.7%	7.7%	7.1%	7.6%

※ 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

♥ 1Q Result : Sales KRW 43.7 bn / OP KRW 0.2 bn

Unit: KRW mn		1Q 20	4Q 19	QoQ	1Q 19	YoY
Interpark Qubridge	Sales	19,327	18,779	+2.9%	15,619	+23.7%
	OP	167	82	+102.4%	-275	Turn around
Guardian	Sales	6,513	6,815	-4.4%	5,542	+17.5%
	OP	-273	-542	Sustained losses	-164	Sustained losses
Interpark International	Sales	10,402	9,058	+14.8%	12,099	-14.0%
	OP	380	-109	Turn around	76	+403.2%
Interpark Logistics	Sales	7,488	6,590	+13.6%	7,092	+5.6%
	OP	-73	157	Turn red	-257	Sustained losses



## 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>	449 (As of the end of 1Q 2020)
<b>Website</b>	www.imarketkorea.com

### Ownership

<b>Interpark Holdings Corporation</b>	<b>40.09%</b>
Samsung Electronics and 4 affiliates	8.10%
Baring Asset Management Korea Limited	6.19%
National Pension Service	8.13%
Treasury Stocks	10.69%
Others	26.80%
<b>Total</b>	<b>100.00%</b>

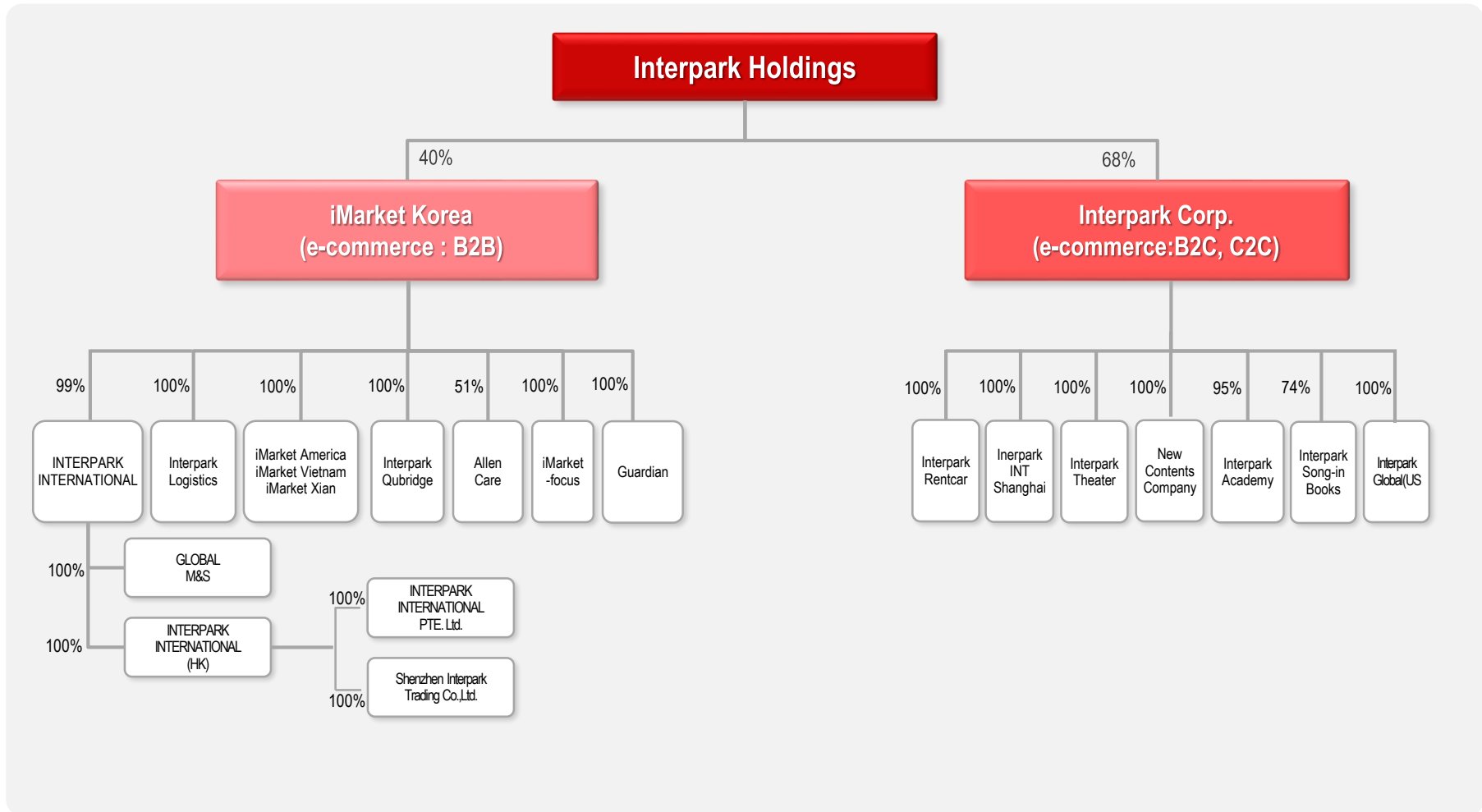
(As of March 31, 2020)

※ National Pension Service's ownership is based on equity disclosure on April 3, 2020

※ Baring Asset Management Korea Limited's ownership is based on equity on December 31, 2019

# Appendix 2 Organization

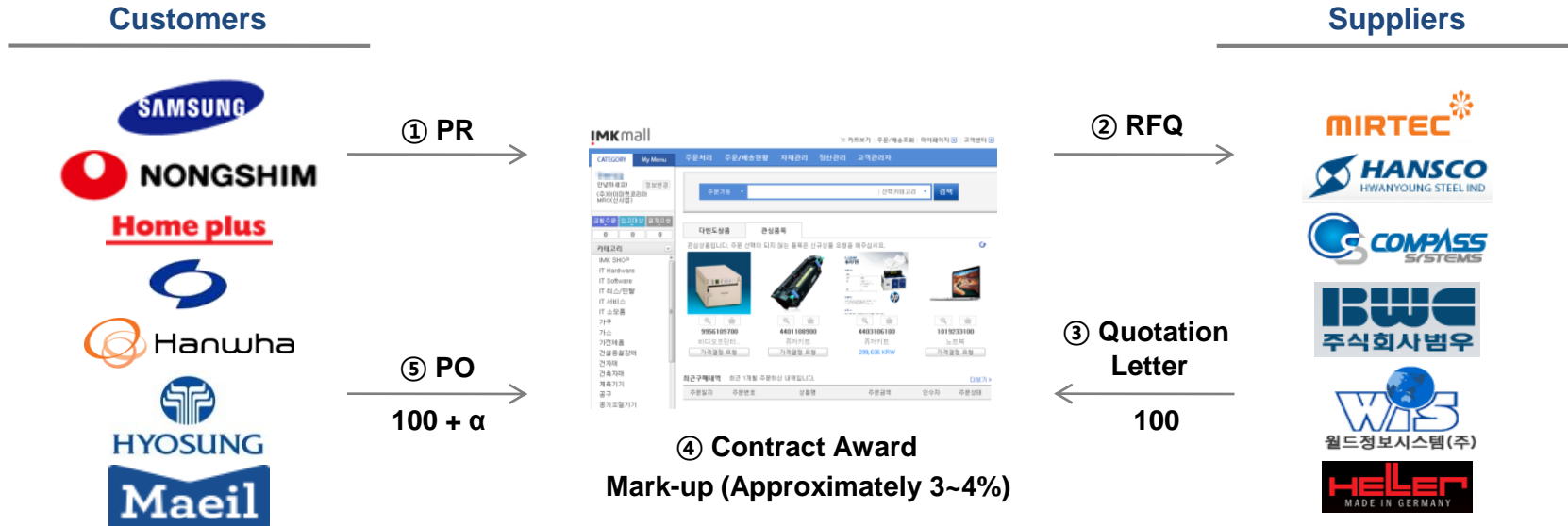
## Interpark Corporate Structure



Source: As of December 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 2019 :**

- 1) SONGWON INDUSTRIAL Co.,Ltd. 2)Hyoseong Electric Co.,Ltd., etc

• **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.

# Appendix 4 Product Line-Up

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

## Industrial Supplies (80%)

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### 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 (20%)

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### 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

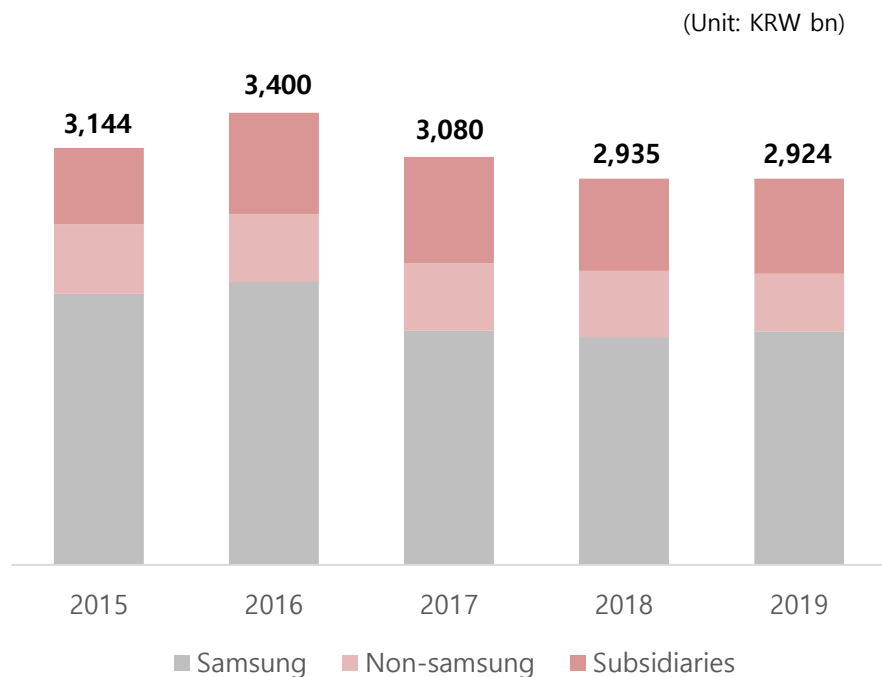
### Safety Supplies

- Uniforms
- Safety Goods

### Furniture

- Furniture
- Home Appliances

## Appendix 5 Historical Earnings



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

- **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

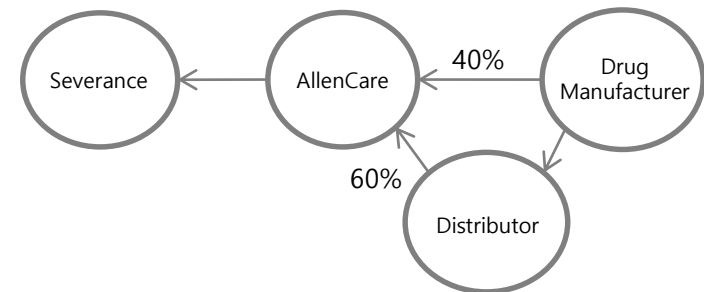
- 1992 : AllenCare Jejung founded by Yonsei University
- 2012 : Pharmaceutical Affairs Act was revised;
  - Jejung suspended supporting ETC products to Yonsei's Severance Hospital
- 2014 : Yonsei University sold a majority stake to IMK
  - Currently, iMarketKorea holds a 51% stake (rest is owned by Yonsei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

## Historical Earnings

(Unit: KRW bn)	Sales	Operating Profit
2016	315.1	30.7
2017	342.6	28.9
2018	376.9	29.0
2019	430.3	32.5
1Q.20	114.9	8.2

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

## 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)

## Appendix 7 Consolidated Financial Statements

### Balance Sheet

Unit: KRW bn	1Q.20	2019
Current assets	861.1	869.1
Cash and cash equivalents	67.3	99.4
Account receivables	470.6	471.7
Inventories	75.4	58.4
Other current assets	247.7	239.6
Non-current asset	224.1	227.7
Investments	37.0	34.2
Tangible assets	37.9	41.8
Intangible assets	138.9	140.9
Other non-current assets	10.3	10.9
<b>Total Asset</b>	<b>1,085.2</b>	<b>1,096.9</b>
Current liabilities	623.1	604.7
Account payable	532.1	547.9
Other current liabilities	91.0	56.8
Non-current liabilities	63.5	65.7
<b>Total Liabilities</b>	<b>686.6</b>	<b>670.3</b>
Equity attributable to owners	347.8	366.1
Capital stock	18.2	18.2
Other contributed capital	86.8	90.8
Components of other capital	0.2	-0.8
Retained earnings	242.7	258.0
Non-controlling interest	50.8	60.5
<b>Total Shareholders' Equity</b>	<b>398.6</b>	<b>426.5</b>

### Income Statement

Unit: KRW bn	1Q.20	2019	2018
Revenue	658.5	2,923.8	2,935.2
Gross Profit	37.3	160.3	153.9
Selling and administrative expenses	25.6	108.3	117.7
Salaries	10.2	42.4	41.6
IT expenses	1.8	7.3	7.3
Commission	3.1	12.3	15.1
Rents	0.9	5.5	8.7
Depreciation	1.2	4.3	2.0
Amortization	2.1	11.2	12.6
Others	6.2	25.3	30.4
Operating Profit	11.7	52.0	36.2
Other Profit	3.1	8.4	7.5
Other expenses	4.3	21.9	13.6
Finance income	1.5	7.3	8.1
Finance expenses	0.6	3.2	0.8
Associates and subsidiaries	0.2	-0.6	-2.6
Pre-tax Profit	11.6	42.1	34.7
Net Profit	6.9	25.8	20.7

## Appendix 8 Separate Financial Statements

### Balance Sheet

Unit: KRW bn	1Q.20	2019
Current assets	569.6	580.4
Cash and cash equivalents	49.7	83.7
Account receivables	258.0	262.4
Inventories	32.0	19.8
Other current assets	229.9	214.5
Non-current asset	179.5	181.8
Investments	136.8	134.3
Tangible assets	26.7	30.3
Intangible assets	8.0	8.3
Other non-current assets	7.9	8.8
<b>Total Asset</b>	<b>749.1</b>	<b>762.1</b>
Current liabilities	357.0	359.6
Account payable	304.9	328.7
Other current liabilities	52.1	30.9
Non-current liabilities	33.1	33.4
<b>Total Liabilities</b>	<b>390.2</b>	<b>393.0</b>
Paid-in Capital	18.2	18.2
Other Paid-in Capital	82.0	85.9
Earned Surplus	258.8	265.0
<b>Total Equity</b>	<b>358.9</b>	<b>369.1</b>

### Income Statement

Unit: KRW bn	1Q.20	2019	2018
Revenue	472.5	2,226.1	2,248.9
Gross Profit	19.4	91.1	85.2
Selling and administrative expenses	14.2	60.9	63.1
Salaries	6.5	27.5	24.4
IT expenses	1.7	7.0	7.4
Commission	1.6	6.6	7.5
Rents	0.4	3.0	4.1
Depreciation	0.6	2.0	1.2
Amortization	0.2	2.5	4.0
Others	3.1	12.4	14.6
Operating Profit	5.1	30.2	22.0
Other profit	15.8	19.9	17.2
Other expenses	4.0	10.5	7.3
Finance income	1.4	7.7	8.6
Finance expenses	0.3	2.9	0.8
Associates and subsidiaries	-	-16.0	-13.3
Pre-tax Profit	18.1	28.5	26.5
Net Profit	13.4	17.5	18.1



Thank you