

---

---

**2Q. 2020**

**Result Summary**

---

---

**Aug. 06. 2020**

**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)

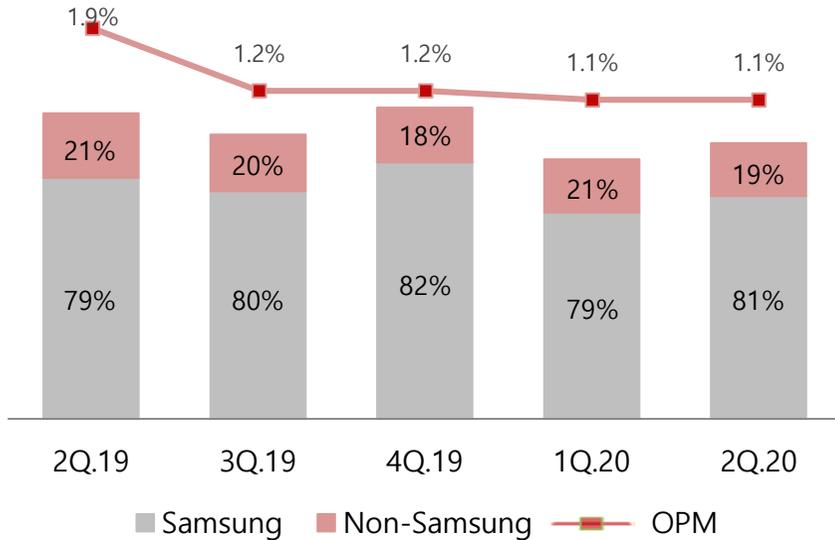
♥ 2Q Result : Sales KRW 689.9 bn (+4.8% QoQ, -4.9% YoY) / OP KRW 10.7 bn (-9.1% QoQ, -32.8% YoY)

| Unit : KRW mn                       | 2Q 20          | 1Q 20          | QoQ          | 2Q 19          | YoY           |
|-------------------------------------|----------------|----------------|--------------|----------------|---------------|
| <b>Sales</b>                        | <b>689,914</b> | <b>658,472</b> | <b>+4.8%</b> | <b>725,654</b> | <b>-4.9%</b>  |
| IMK                                 | 502,443        | 472,544        | +6.3%        | 556,702        | -9.7%         |
| Overseas Subsidiaries               | 41,207         | 37,965         | +8.5%        | 30,512         | +35.3%        |
| Allen Care                          | 116,842        | 114,921        | +1.7%        | 107,112        | +9.1%         |
| Other Subsidiaries                  | 40,492         | 43,729         | -7.4%        | 38,526         | +5.1%         |
| <b>Gross profits</b>                | <b>35,946</b>  | <b>37,342</b>  | <b>-3.7%</b> | <b>43,135</b>  | <b>-16.7%</b> |
| Selling and Administrative Expenses | 25,293         | 25,619         | -1.3%        | 27,272         | -7.3%         |
| <b>Operating profits</b>            | <b>10,653</b>  | <b>11,723</b>  | <b>-9.1%</b> | <b>15,863</b>  | <b>-32.8%</b> |
| Pre-tax profits                     | 8,258          | 11,612         | -28.9%       | 15,929         | -48.2%        |
| <b>Net profits</b>                  | <b>7,155</b>   | <b>6,903</b>   | <b>+3.6%</b> | <b>11,181</b>  | <b>-36.0%</b> |

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

## 2. Result Summary (separate)

♥ 2Q Result : Sales KRW 502.4 bn (+6.3% QoQ, -9.7% YoY) / OP KRW 5.5 bn (+6.8% QoQ, -49.2% YoY)

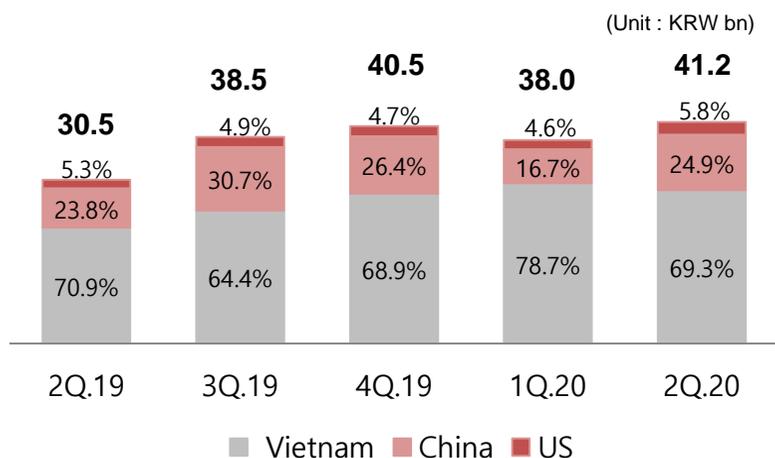


- **Samsung : Sales KRW 405.9 bn (+8.1% QoQ, -7.4% YoY)**
  - Decrease in sales of construction materials and Raw & Subsidiary Materails (QoQ)
  - Decrease in sales of construction materials and IT products (YoY)
- **Non-Samsung : Sales KRW 96.5 bn (-0.5% QoQ, -18.4% YoY)**
  - Decrease in sales due to changes in the business environment of some customers (YoY)

| Unit: KRW bn | 2020         |              |              |              | 2019         |              |              |              |                |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
|              | 1Q           | 2Q           | QoQ          | YoY          | 1Q           | 2Q           | 3Q           | 4Q           | Total          |
| <b>Sales</b> | <b>472.5</b> | <b>502.4</b> | <b>+6.3%</b> | <b>-9.7%</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        | 405.9        | +8.1%        | -7.4%        | 467.4        | 438.4        | 414.2        | 466.8        | 1,786.7        |
| Non-Samsung  | 97.0         | 96.5         | -0.5%        | -18.4%       | 117.0        | 118.3        | 103.8        | 100.2        | 439.4          |

### 3. Overseas Subsidiaries

♥ 2Q Result : Sales KRW 41.2 bn / OP KRW 0.2 bn



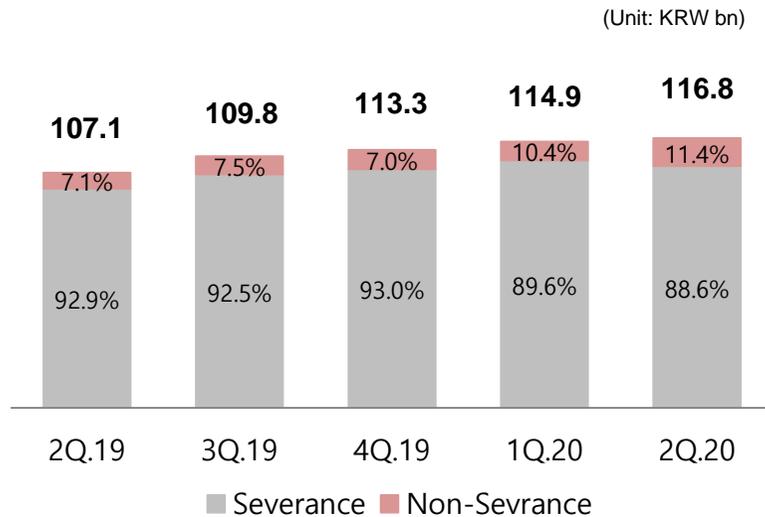
- **Vietnam : Sales KRW 28.6 bn (-4.4% QoQ, +32.2% YoY)**
  - Increase in sales due to SDV's facility investment
  - Decrease in sales of some customers affected by COVID-19
- **China : Sales KRW 10.2 bn (+61.6% QoQ, +41.2% YoY)**
  - Increased sales in safety products sales were related to COVID-19
- **US : Sales KRW 2.4 bn (+36.5% QoQ, +48.9% YoY)**
  - MRO service in progress to Samsung Austin Semicon
  - Increased sales in safety products sales were related to COVID-19

| Unit: KRW bn |              | 2020        |             |               |               | 2019        |             |             |             |              |
|--------------|--------------|-------------|-------------|---------------|---------------|-------------|-------------|-------------|-------------|--------------|
|              |              | 1Q          | 2Q          | QoQ           | YoY           | 1Q          | 2Q          | 3Q          | 4Q          | Total        |
| Vietnam      | Samsung      | 21.9        | 21.7        | -0.8%         | +50.6%        | 16.1        | 14.4        | 17.9        | 20.3        | 68.7         |
|              | Non-Samsung  | 8.0         | 6.9         | -14.0%        | -4.5%         | 5.9         | 7.2         | 6.9         | 7.6         | 27.6         |
|              | <b>Total</b> | <b>29.9</b> | <b>28.6</b> | <b>-4.4%</b>  | <b>+32.2%</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         | 3.8         | +28.0%        | -19.2%        | 3.5         | 4.7         | 8.6         | 6.8         | 23.6         |
|              | Non-Samsung  | 3.4         | 6.4         | +91.7%        | +155.2%       | 2.0         | 2.5         | 3.2         | 3.8         | 11.6         |
|              | <b>Total</b> | <b>6.4</b>  | <b>10.2</b> | <b>+61.6%</b> | <b>+41.2%</b> | <b>5.5</b>  | <b>7.3</b>  | <b>11.8</b> | <b>10.7</b> | <b>35.2</b>  |
| US           |              | 1.7         | 2.4         | +36.5%        | +48.9%        | 2.0         | 1.6         | 1.9         | 1.9         | 7.5          |
| <b>Total</b> |              | <b>38.0</b> | <b>41.2</b> | <b>+8.5%</b>  | <b>+35.3%</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

♥ 2Q Result : Sales 116.8 bn / OP KRW 6.7 bn



- **Severance : Sales KRW 103.5 bn (+0.6% QoQ, +4.0% YoY)**
  - Continuous sales growth from Severance hospital
- **Non-Severance : Sales KRW 13.3 bn (+11.0% QoQ, +75.7% YoY)**
  - Sales increase from Chung-Ang Univ. Hospital and pharmaceutical distributors
  - Increase in sales of new customer (YoY)

| Unit: KRW bn  | 2020  |       |        |        | 2019  |       |       |       |       |
|---------------|-------|-------|--------|--------|-------|-------|-------|-------|-------|
|               | 1Q    | 2Q    | QoQ    | YoY    | 1Q    | 2Q    | 3Q    | 4Q    | Total |
| Sales         | 114.9 | 116.8 | +1.7%  | +9.1%  | 100.1 | 107.1 | 109.8 | 113.3 | 430.3 |
| Severance     | 102.9 | 103.5 | +0.6%  | +4.0%  | 93.4  | 99.5  | 101.6 | 105.4 | 399.9 |
| Non-Severance | 12.0  | 13.3  | +11.0% | +75.7% | 6.7   | 7.6   | 8.2   | 8.0   | 30.4  |
| OP            | 8.2   | 6.7   | -18.1% | -19.3% | 7.7   | 8.3   | 8.5   | 8.1   | 32.5  |
| OPM(%)        | 7.1%  | 5.7%  | -1.4%p | -2.0%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

♥ 2Q Result : Sales KRW 40.5 bn / OL KRW 0.03 bn

| Unit: KRW mn            |       | 2Q 20  | 1Q 20  | QoQ              | 2Q 19  | YoY              |
|-------------------------|-------|--------|--------|------------------|--------|------------------|
| Interpark Qubridge      | Sales | 17,557 | 19,327 | -9.2%            | 14,862 | +18.1%           |
|                         | OP    | 117    | 167    | -29.7%           | -213   | Turn around      |
| Guardian                | Sales | 6,885  | 6,513  | +5.7%            | 6,011  | +14.5%           |
|                         | OP    | -221   | -273   | Sustained losses | -494   | Sustained losses |
| Interpark International | Sales | 9,370  | 10,402 | -9.9%            | 10,955 | -14.5%           |
|                         | OP    | 223    | 380    | -41.4%           | -360   | Turn around      |
| Interpark Logistics     | Sales | 6,680  | 7,488  | -10.8%           | 6,698  | -0.3%            |
|                         | OP    | -150   | -73    | Sustained losses | 10     | In the red       |

## 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>          | 451 (As of the end of 2Q 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                       | 12.46%         |
| Others                                | 25.03%         |
| <b>Total</b>                          | <b>100.00%</b> |

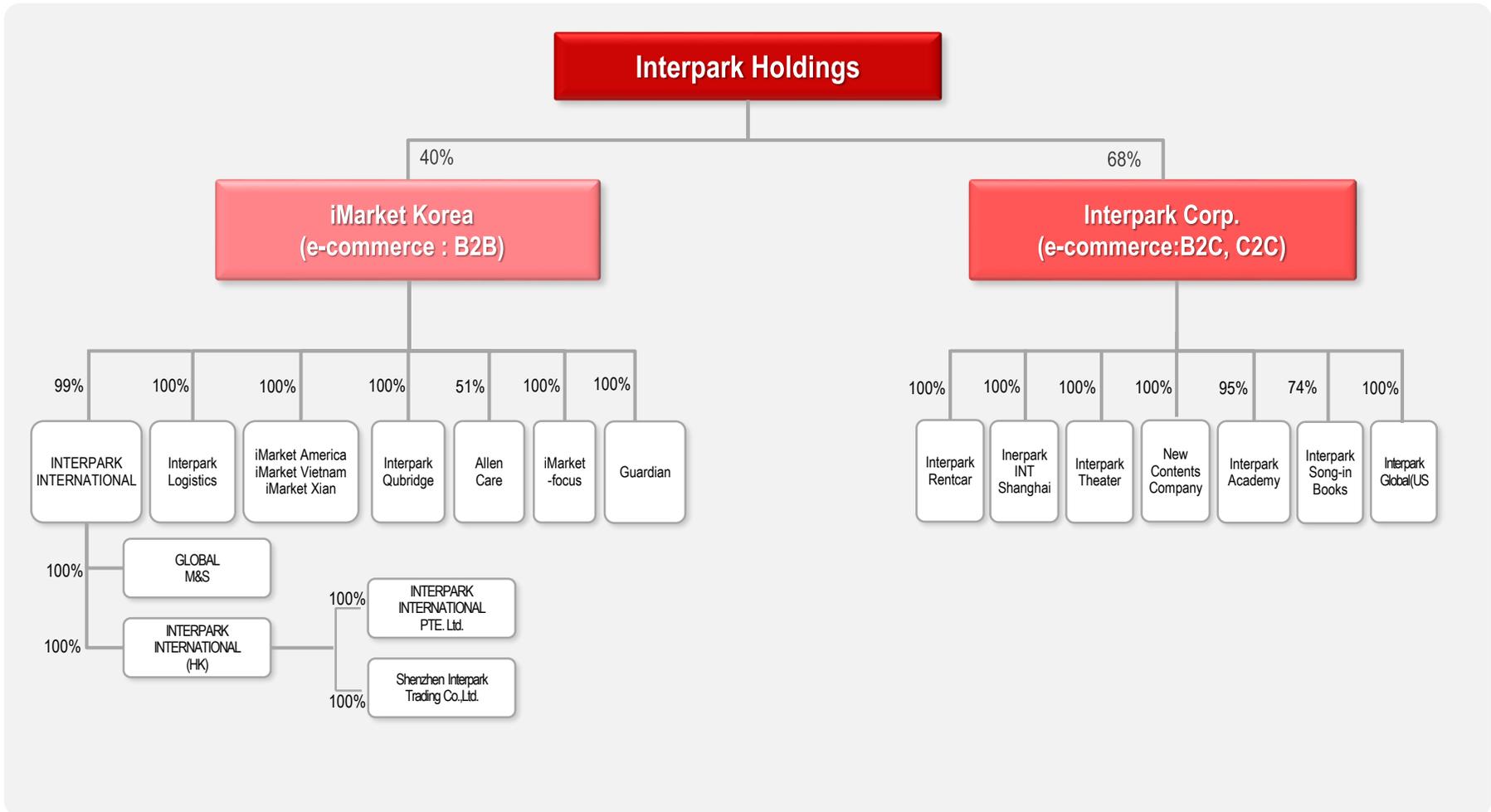
(As of June 30, 2020)

※ 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

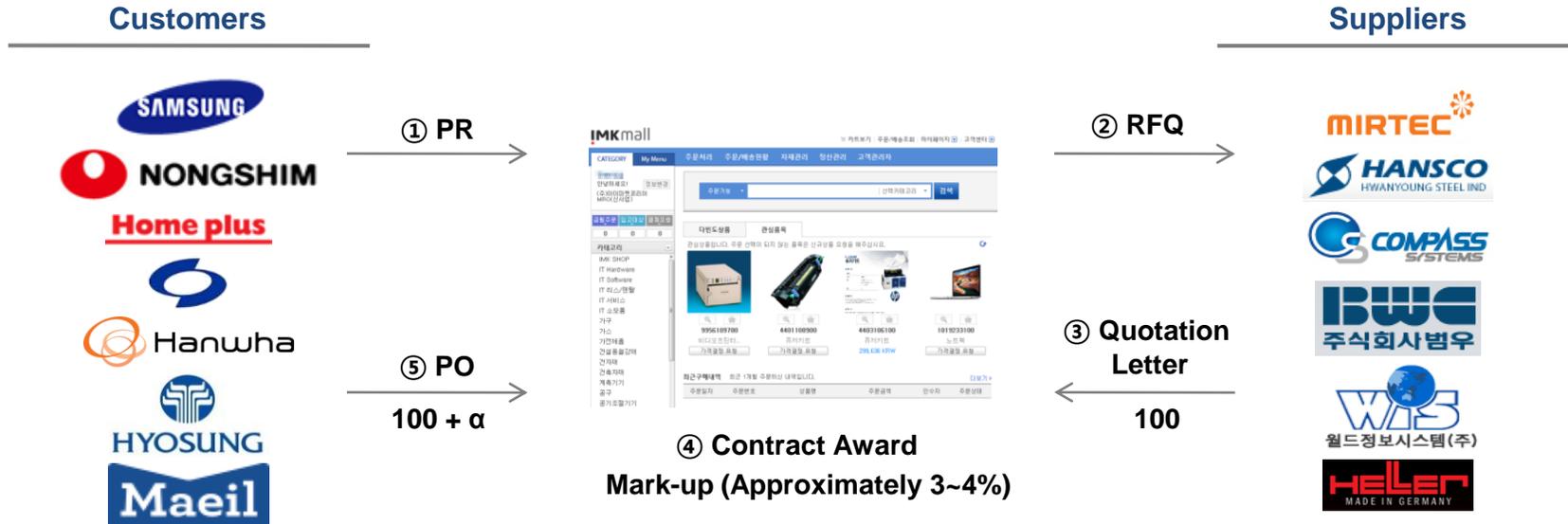
## Interpark Corporate Structure



Source: As of December 31, 2019

# Appendix 3 Business Model

We handle everything related to procurement, which includes our procurement services for domestic and overseas customers



- **New large customers in 2020 :**

- 1) DONG HWA ENTEC Co.,Ltd., etc

- **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.

# 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%)

---

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

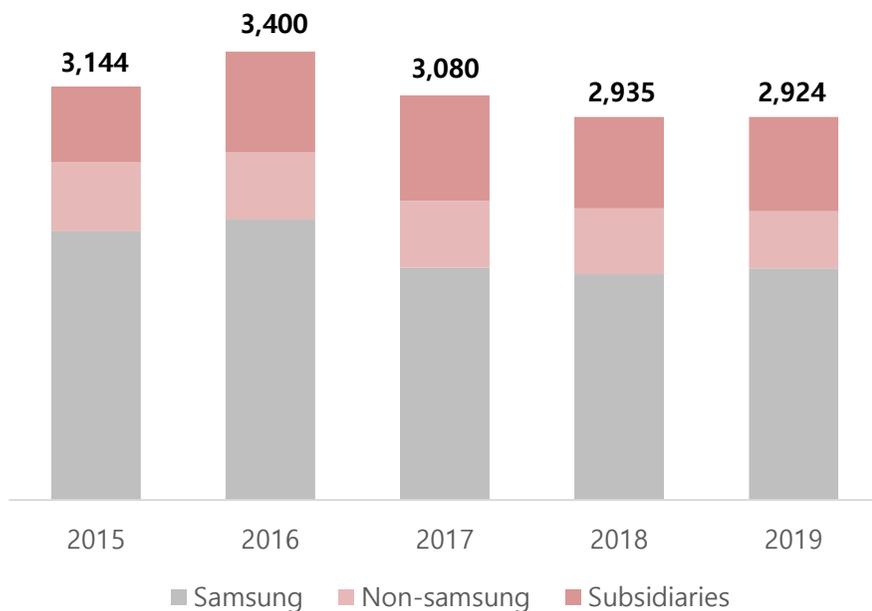
## General Supplies (20%)

---

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

## Appendix 5 Historical Earnings

(Unit: KRW bn)



- **External growth from overseas subsidiaries in 2016**

- Total sales growth thanks to healthy sales growth in Samsung affiliates in the 2H 2016
- Growth in IMV, IMF thanks to adopting TOS business model
- Stable sales growth in Allen care

- **Total sales decreased due to 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

- **Total sales decreased due to 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

- **Total sales decreased due to 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

| 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> |

## Appendix 6 AllenCare

Pharmaceutical distributor for Severance Hospital

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

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

### Company Overview

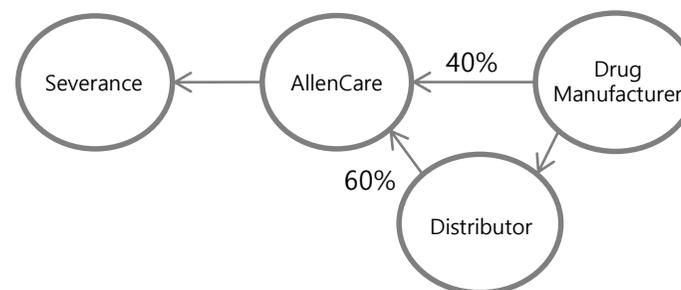
- 1992 : AllenCare Jejung founded by Yonsei University
- 2012 : Pharmaceutical Affairs Act was revised;
  - Jejung suspended supporting ETC products to Yonsei's Severance Hospital
- 2014 : Yonsei University sold a majority stake to IMK
  - Currently, iMarketKorea holds a 51% stake (rest is owned by Yonsei 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             |
| 2Q.20          | 231.8 | 14.8             |

※ 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                      | 2Q.20          | 2019           |
|-----------------------------------|----------------|----------------|
| Current assets                    | 806.3          | 869.1          |
| Cash and cash equivalents         | 57.0           | 99.4           |
| Account receivables               | 482.8          | 471.7          |
| Inventories                       | 73.2           | 58.4           |
| Other current assets              | 193.3          | 239.6          |
| Non-current asset                 | 222.0          | 227.7          |
| Investments                       | 36.9           | 34.2           |
| Tangible assets                   | 37.6           | 41.8           |
| Intangible assets                 | 136.9          | 140.9          |
| Other non-current assets          | 10.6           | 10.9           |
| <b>Total Asset</b>                | <b>1,028.3</b> | <b>1,096.9</b> |
| Current liabilities               | 565.6          | 604.7          |
| Account payable                   | 511.8          | 547.9          |
| Other current liabilities         | 53.8           | 56.8           |
| Non-current liabilities           | 63.4           | 65.7           |
| <b>Total Liabilities</b>          | <b>629.0</b>   | <b>670.3</b>   |
| Equity attributable to owners     | 346.8          | 366.1          |
| Capital stock                     | 18.2           | 18.2           |
| Other contributed capital         | 80.6           | 90.8           |
| Components of other capital       | -0.0           | -0.8           |
| Retained earnings                 | 248.0          | 258.0          |
| Non-controlling interest          | 52.5           | 60.5           |
| <b>Total Shareholders' Equity</b> | <b>399.3</b>   | <b>426.5</b>   |

### Income Statement

| Unit: KRW bn                        | 2Q.20   | 2019    | 2018    |
|-------------------------------------|---------|---------|---------|
| Revenue                             | 1,348.4 | 2,923.8 | 2,935.2 |
| Gross Profit                        | 73.3    | 160.3   | 153.9   |
| Selling and administrative expenses | 50.9    | 108.3   | 117.7   |
| Salaries                            | 20.8    | 42.4    | 41.6    |
| IT expenses                         | 3.8     | 7.3     | 7.3     |
| Commission                          | 5.6     | 12.3    | 15.1    |
| Rents                               | 1.7     | 5.5     | 8.7     |
| Depreciation                        | 2.9     | 4.3     | 2.0     |
| Amortization                        | 4.3     | 11.2    | 12.6    |
| Others                              | 11.8    | 25.3    | 30.4    |
| Operating Profit                    | 22.4    | 52.0    | 36.2    |
| Other Profit                        | 4.0     | 8.4     | 7.5     |
| Other expenses                      | 6.2     | 21.9    | 13.6    |
| Finance income                      | 2.7     | 7.3     | 8.1     |
| Finance expenses                    | 3.2     | 3.2     | 0.8     |
| Associates and subsidiaries         | 0.2     | -0.6    | -2.6    |
| Pre-tax Profit                      | 19.9    | 42.1    | 34.7    |
| Net Profit                          | 14.1    | 25.8    | 20.7    |

## Appendix 8 Separate Financial Statements

### Balance Sheet

| Unit: KRW bn              | 2Q.20        | 2019         |
|---------------------------|--------------|--------------|
| Current assets            | 526.7        | 580.4        |
| Cash and cash equivalents | 46.5         | 83.7         |
| Account receivables       | 266.2        | 262.4        |
| Inventories               | 30.7         | 19.8         |
| Other current assets      | 183.3        | 214.5        |
| Non-current asset         | 179.6        | 181.8        |
| Investments               | 136.6        | 134.3        |
| Tangible assets           | 27.0         | 30.3         |
| Intangible assets         | 7.8          | 8.3          |
| Other non-current assets  | 8.2          | 8.8          |
| <b>Total Asset</b>        | <b>706.3</b> | <b>762.1</b> |
| Current liabilities       | 315.7        | 359.6        |
| Account payable           | 288.9        | 328.7        |
| Other current liabilities | 26.8         | 30.9         |
| Non-current liabilities   | 33.2         | 33.4         |
| <b>Total Liabilities</b>  | <b>348.9</b> | <b>393.0</b> |
| Paid-in Capital           | 18.2         | 18.2         |
| Other Paid-in Capital     | 75.7         | 85.9         |
| Earned Surplus            | 263.4        | 265.0        |
| <b>Total Equity</b>       | <b>357.3</b> | <b>369.1</b> |

### Income Statement

| Unit: KRW bn                        | 2Q.20 | 2019    | 2018    |
|-------------------------------------|-------|---------|---------|
| Revenue                             | 975.0 | 2,226.1 | 2,248.9 |
| Gross Profit                        | 39.0  | 91.1    | 85.2    |
| Selling and administrative expenses | 28.3  | 60.9    | 63.1    |
| Salaries                            | 13.4  | 27.5    | 24.4    |
| IT expenses                         | 3.5   | 7.0     | 7.4     |
| Commission                          | 2.9   | 6.6     | 7.5     |
| Rents                               | 0.9   | 3.0     | 4.1     |
| Depreciation                        | 1.2   | 2.0     | 1.2     |
| Amortization                        | 0.4   | 2.5     | 4.0     |
| Others                              | 6.0   | 12.4    | 14.6    |
| Operating Profit                    | 10.6  | 30.2    | 22.0    |
| Other profit                        | 16.5  | 19.9    | 17.2    |
| Other expenses                      | 4.8   | 10.5    | 7.3     |
| Finance income                      | 2.7   | 7.7     | 8.6     |
| Finance expenses                    | 2.8   | 2.9     | 0.8     |
| Associates and subsidiaries         | -     | -16.0   | -13.3   |
| Pre-tax Profit                      | 22.2  | 28.5    | 26.5    |
| Net Profit                          | 18.0  | 17.5    | 18.1    |

Thank you