

Samsung C&T 2Q 2020 Earnings Release

July 2020

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The figures in this document are consolidated earnings estimates based on K-IFRS.

Please be advised that this document is provided solely for the purpose of investor convenience. It was prepared before the completion of the external auditor's review, and therefore is subject to change during this process.

2Q 2020 Earnings Release Summary

- 2Q 2020 operating profit was KRW 238.2bn, up KRW 91.2bn QoQ on the back of E&C and BioLogics' performance improvements, Fashion's return to profit, etc.
- 2Q new orders of KRW 2.7tn include Banpo 1-3/Shinbanpo 15 reconstruction and high-tech (1H cumulative KRW 5.3tn). Company will seek to achieve annual target (KRW 11.1tn) through winning repeat orders and expanding product offerings in its existing markets, while adjusting to changes in environment from COVID-19

[Key Financial Indicators]

	2018	2019	1H20
EBITDA ¹⁾	2.92tn (9.4%) ^{2) 3)}	2.09tn (6.8%)	1.09tn (7.7%)
Total Debt	4.52tn	3.42tn	3.78tn
Debt/Equity (%)	88%	72%	78%

1) EBITDA : Pre-tax profit + Interest expense + Depreciation cost

2) EBITDA margin : EBITDA / Sales

3) One time gain of approx. KRW 1tn realized in 2018 via proceeds from sale of Seocho building, disposable gain from Biogen's call option exercise, Hanwha General Chemical share valuation profit, etc.

1. Samsung C&T Results (K-IFRS Consolidated)

(KRW billion)

	2Q20	1Q20	Change		2Q19	Change
			2Q20	1Q20		
Sales	7,223	6,960	+263		7,972	(749)
E & C	2,842	2,642	+200		3,152	(310)
T & I	3,017	3,158	(141)		3,565	(548)
Fashion	377	357	+20		416	(39)
Leisure	130	74	+56		224	(94)
F & B*	550	522	+28		537	+13
BioLogics**	308	207	+101		78	+230
Gross profit	794	857	(63)		893	(99)
SG&A	556	710	(154)		672	(116)
Operating profit	238	147	+91		221	+17
E & C	148	124	+24		158	(10)
T & I	13	23	(10)		27	(14)
Fashion	1	(31)	+32		10	(9)
Leisure	(30)	(39)	+9		22	(52)
F & B*	36	19	+17		31	+5
BioLogics**	70	51	+19		(27)	+97
Non-operating profit	114	244	(130)		75	+39
Financial profit	(18)	24	(42)		(23)	+5
Equity method investment	57	2	+55		15	+42
Pre-tax profit	391	416	(25)		287	+104
Net profit	221	347	(126)		207	+14
└ Controlling	189	322	(133)		220	(31)

⁴ * Welstory : 100% Subsidiary, ** BioLogics : 43.4% Subsidiary

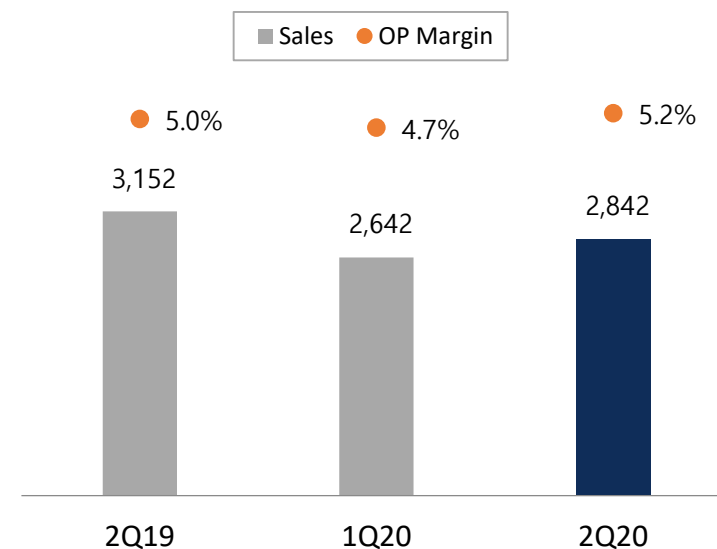
2. Analysis by Business Group : Engineering & Construction

(KRW billion)

	2Q20	1Q20	Change	2Q19	Change
Sales	2,842	2,642	+200	3,152	(310)
Building	1,834	1,609	+225	2,243	(409)
Civil	375	544	(169)	439	(64)
Plant	567	449	+118	405	+162
Domestic	1,945	1,671	+274	2,226	(281)
Overseas	897	971	(74)	926	(29)
Gross profit	295	281	+14	260	+35
Operating profit	148	124	+24	158	(10)

※ The sales indicated above includes sales from others

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- Both sales and operating profit grew QoQ, driven by progress in high-tech/plant projects

New Orders

(KRW billion)

	1H20	1H20 Backlog
Total	5,328	27,042
Building	3,791	15,027
Civil	260	3,544
Plant	1,211	8,377
Domestic	3,103	14,087
Overseas	2,225	12,955

※ 2Q20 new orders: Banpo 1-3 Reconstruction (809bn), Pyeongtaek semiconductor phase 2 (690bn), Shinbanpo 15 Reconstruction (240bn), etc.

※ Total includes orders for landscaping (1H20 66.1bn / Backlog 94.4bn)

2. Analysis by Business Group : Trading & Investment, Fashion

Trading & Investment

(KRW billion)

	2Q20	1Q20	Change	2Q19	Change
	Sales	3,017	3,158	(141)	3,565
Chemicals & Industrial Materials	1,096	1,076	+20	1,135	(39)
Steel	822	1,091	(269)	1,100	(278)
Energy & Metal	979	802	+177	1,112	(133)
Living Industrial etc.	120	189	(69)	218	(98)
Gross profit	108	249	(141)	238	(130)
Operating profit	13	23	(10)	27	(14)

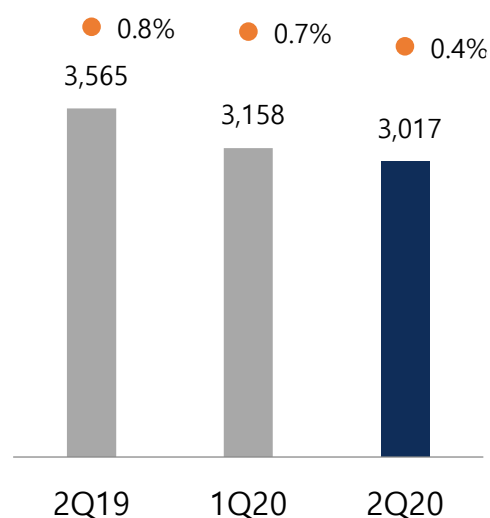
Fashion

(KRW billion)

	2Q20	1Q20	Change	2Q19	Change
	Sales	377	357	+20	416
Operating profit	1	(31)	+32	10	(9)

Trading & Investment

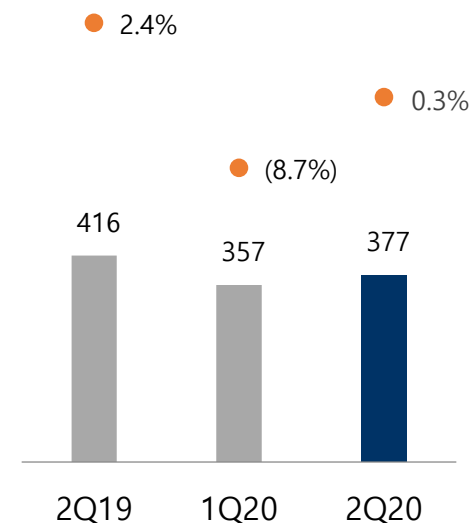
■ Sales ● OP Margin



- Sales and operating profit fell QoQ as demand and commodity prices weakened from COVID-19

Fashion

■ Sales ● OP Margin



- Sales and operating profit declined YoY on slowdown in consumption caused by pandemic situation
- QoQ improvement was driven by strong summer product sales amid partial recovery of consumer confidence

2. Analysis by Business Group : Leisure, F&B , BioLogics

Leisure

(KRW billion)

	2Q20	1Q20	Change	2Q19	Change
Sales	130	74	+56	224	(94)
OP profit	(30)	(39)	+9	22	(52)

F&B

(KRW billion)

	2Q20	1Q20	Change	2Q19	Change
Sales	550	522	+28	537	+13
OP profit	36	19	+17	31	+5

* Welstory : 100% Subsidiary

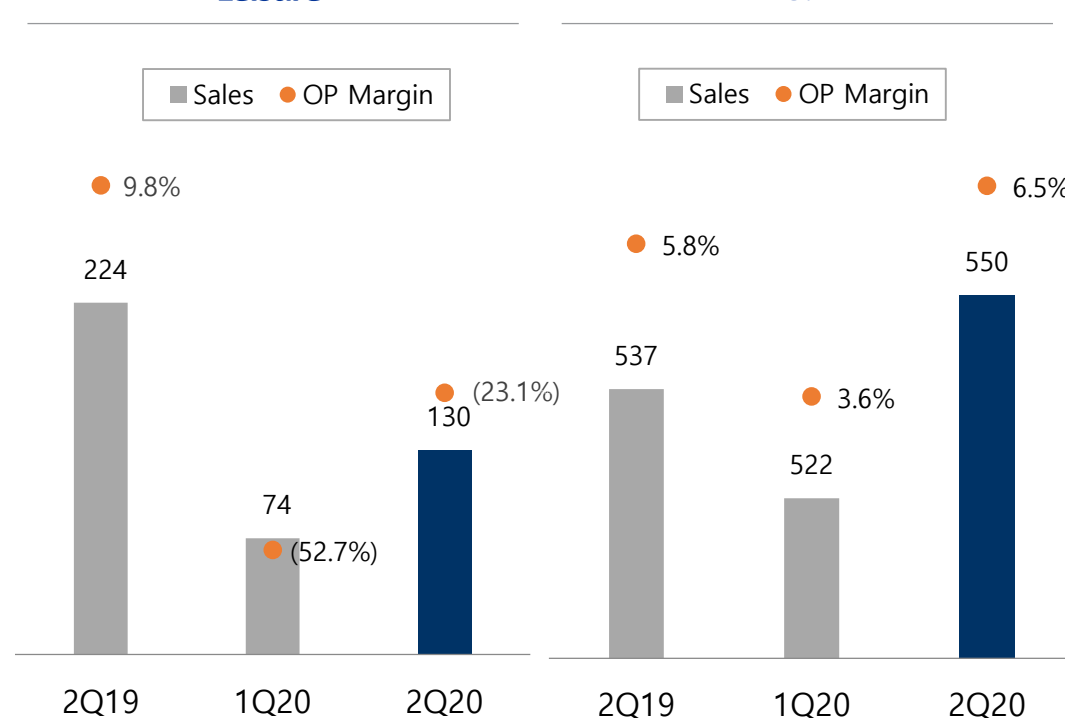
BioLogics

(KRW billion)

	2Q20	1Q20	Change	2Q19	Change
Sales	308	207	+101	78	+230
OP profit	70	51	+19	(27)	+97

* BioLogics : 43.4% Subsidiary

Leisure



- QoQ performance improved on back of seasonality and easing of social distancing; YoY performance continued downward trend as public avoided crowded venues

- Performance improvement was driven by steady demand for food services from businesses/offices, cost reduction efforts, etc.

Appendix 1. Statement of Financial Position (K-IFRS Consolidated)

(KRW billion)

	2Q20	1Q20	End of 2019	
			Change	Change
Assets	44,850	42,407	+2,443	(1,056)
Current	13,162	12,635	+527	+1,408
└ C&CE*	4,092	3,655	+437	+726
Non current	31,688	29,772	+1,916	(2,464)
Liabilities	19,601	18,820	+781	+387
Current	11,930	11,494	+436	+1,000
Non current	7,671	7,326	+345	(613)
※ Total debt	3,781	3,737	+44	+364
Equity	25,249	23,587	+1,662	(1,443)
Controlling	22,554	20,912	+1,642	(1,542)
Non controlling	2,695	2,675	+20	+99
Debt/Equity (%)	78%	80%	(2%p)	+6%p

* C&CE : Cash and cash equivalents + Short-term financial instruments, etc.

Appendix 2. Statement of Cash Flow (K-IFRS Consolidated)

(KRW billion)

	2Q20	1Q20	2019
Cash (Beginning of period)	2,861	2,704	2,903
Cash flows from operating activities	+784	+8	+771
Net profit	+221	+347	+1,048
Changes in operating assets and liabilities	(22)	(214)	(713)
Others	+585	(125)	+436
Cash flows from investing activities	(46)	(192)	+607
Changes in tangible/intangible assets	(53)	(49)	(350)
Changes in financial assets/equities	(78)	(147)	+600
Others	+85	+4	+357
Cash flows from financing activities	(313)	+341	(1,577)
Changes in borrowings	+71	+278	(1,137)
Others	(384)	+63	(440)
Increase in cash	+425	+157	(199)
Cash (End of period)	3,286	2,861	2,704

