

Samsung C&T 1Q 2020 Earnings Release

April 2020

(Contents)

1. Samsung C&T results
 2. Analysis by business group
- Appendix. Financial statement key highlights



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.

1Q 2020 Earnings Release Summary

1Q20 operating profit was KRW 147bn:

Fashion and Leisure businesses underperformed due to the off-season effect coupled with COVID-19, but E&C and T&I businesses posted earnings similar to the previous quarter as they were relatively less affected by the coronavirus

1Q New Orders: UAE Fujairah F3 combined cycle power plant, high-tech projects, etc. totaled approx. KRW 2.6tn, and the company seeks to achieve its annual target (11.1tn), while responding to external risks such as COVID-19

[Key Financial Indicators]

	2018	2019	1Q20
EBITDA ¹⁾	2.92tn (9.4%) ^{2) 3)}	2.09tn (6.8%)	551.4bn (7.9%)
Total Debt	4.52tn	3.42tn	3.74tn
Debt/Equity (%)	88%	72%	80%

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 from Seocho building sale, disposable gain from Biogen's call option exercise, Hanwha General Chemical share valuation profit, etc.

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

(KRW in billions)

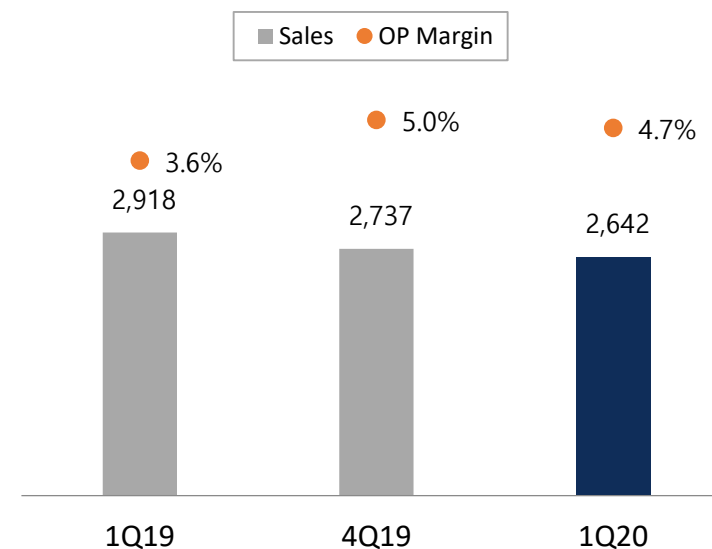
	1Q20	4Q19	1Q19	
			Change	Change
Sales	6,960	7,698	(738)	(397)
E & C	2,642	2,737	(95)	(276)
T & I	3,158	3,440	(282)	(113)
Fashion	357	485	(128)	(100)
Leisure	74	183	(109)	(29)
F & B*	522	540	(18)	+39
BioLogics**	207	313	(106)	+82
Gross profit	857	1,157	(300)	+44
SG&A	710	833	(123)	+2
Operating profit	147	325	(178)	+42
E & C	124	136	(12)	+20
T & I	23	20	+3	(9)
Fashion	(31)	30	(61)	(38)
Leisure	(39)	23	(62)	(14)
F & B*	19	20	(1)	(3)
BioLogics**	51	96	(45)	+86
Non-operating profit	244	114	+130	-
Financial profit	24	(12)	+36	+29
Equity method investment	2	73	(71)	(4)
Pre-tax profit	416	499	(83)	+66
Net profit	347	353	(6)	+125
└ Controlling	322	334	(12)	+73

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

2. Analysis by Business Group : Engineering & Construction

(KRW in billions)

	1Q20	4Q19	Change	1Q19	Change
Sales	2,642	2,737	(95)	2,918	(276)
Building	1,609	1,698	(89)	2,252	(643)
Civil	544	541	+3	405	+139
Plant	449	450	(1)	211	+238
Domestic	1,671	1,666	+5	2,120	(449)
Overseas	971	1,071	(100)	798	+173
Gross profit	281	310	(29)	241	+40
Operating profit	124	136	(12)	104	+20



- Revenue and operating profit declined QoQ due to completion of high-tech projects, etc.

New Orders

(KRW in billions)

	1Q20	1Q20 Backlog
Total	2,615	27,084
Building	1,222	14,345
Civil	203	3,757
Plant	1,167	8,898
Domestic	876	13,767
Overseas	1,739	13,317

※ 1Q20 new orders: UAE Fujairah F3 combined cycle power plant (1.2tn), Pyeongtaek semiconductor phase 2 (700bn), Hanoi R&D center in Vietnam (187bn), etc.

※ Total new orders include orders for landscaping (1Q20 22.7bn / Backlog 84.1bn)

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

Trading & Investment

(KRW in billions)

	1Q20	4Q19	Change	1Q19	Change
Sales	3,158	3,440	(282)	3,271	(113)
Chemicals & Industrial Materials	1,076	1,059	+17	1,175	(99)
Steel	1,091	838	+253	1,016	+75
Energy & Metal	802	1,245	(443)	858	(56)
Living Industrial etc.	189	298	(109)	222	(33)
Gross profit	249	292	(43)	238	+11
Operating profit	23	20	+3	32	(9)

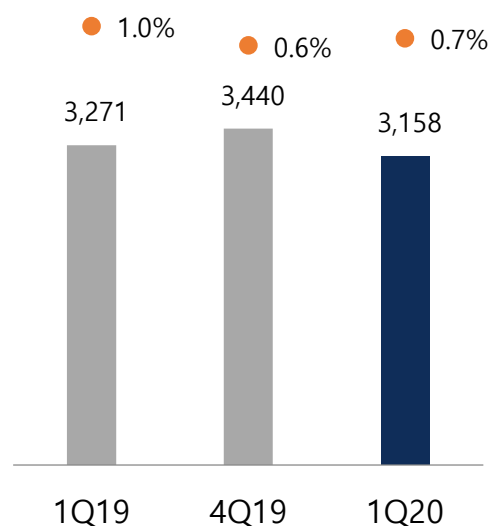
Fashion

(KRW in billions)

	1Q20	4Q19	Change	1Q19	Change
Sales	357	485	(128)	457	(100)
Operating profit	(31)	30	(61)	7	(38)

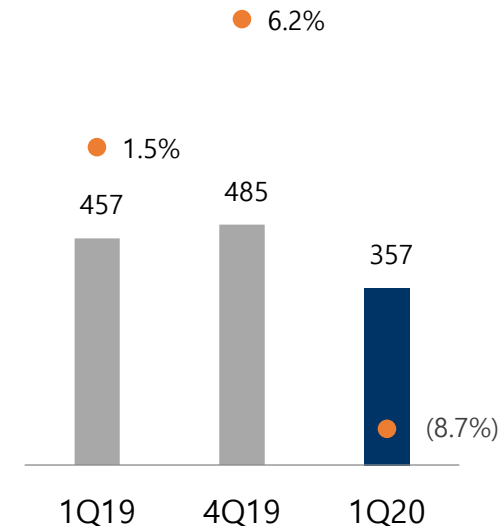
Trading & Investment

■ Sales ● OP Margin



Fashion

■ Sales ● OP Margin



- Sales declined QoQ due to a decrease in trading volume of metals such as copper, but operating profit grew slightly on sales increase of chemicals and steel

- Sales and operating profit declined as consumer sentiment fell amid COVID-19 pandemic

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

Leisure

(KRW in billions)

	1Q20	4Q19	Change	1Q19	Change
Sales	74	183	(109)	103	(29)
OP profit	(39)	23	(62)	(25)	(14)

F&B

(KRW in billions)

	1Q20	4Q19	Change	1Q19	Change
Sales	522	540	(18)	483	+39
OP profit	19	20	(1)	22	(3)

* Welstory : 100% Subsidiary

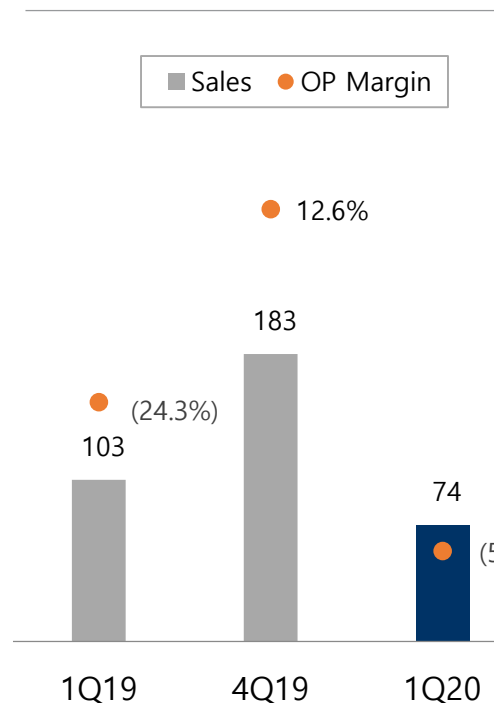
BioLogics

(KRW in billions)

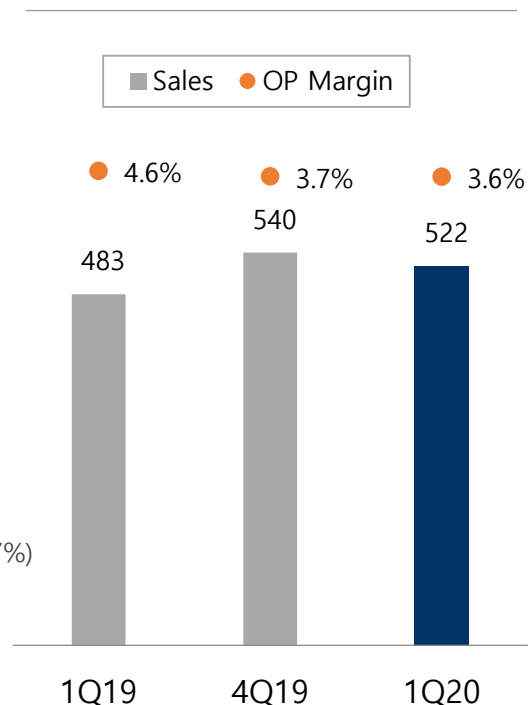
	1Q20	4Q19	Change	1Q19	Change
Sales	207	313	(106)	125	+82
OP profit	51	96	(45)	(35)	+86

* BioLogics : 43.4% Subsidiary

Leisure



F&B



- The number of park visitors fell with people avoiding crowded areas amid COVID-19
- While venues that are vulnerable to external risks such as hospitals/hotels showed weak performance, the overall impact of coronavirus was limited with sales growth at businesses/offices: in-office dining increased as the number of external events diminished

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

(KRW in billions)

	1Q20	End of 2019	Change	End of 2018	Change
Assets	42,407	45,906	(3,499)	42,407	-
Current	12,635	11,754	+881	13,671	(1,036)
└ C&CE*	3,655	3,366	+289	4,082	(427)
Non current	29,772	34,152	(4,380)	28,736	+1,036
Liabilities	18,820	19,214	(394)	19,858	(1,038)
Current	11,494	10,860	+634	13,017	(1,523)
Non current	7,326	8,354	(1,028)	6,841	+485
※ Total debt	3,737	3,417	+320	4,517	(780)
Equity	23,587	26,692	(3,105)	22,549	+1,038
Controlling	20,912	24,096	(3,184)	19,947	+965
Non controlling	2,675	2,596	+79	2,602	+73
Debt/Equity (%)	80%	72%	+8%p	88%	(8%p)

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

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

(KRW in billions)

	1Q20	2019	2018
Cash (Beginning of period)	2,704	2,903	2,993
Cash flows from operating activities	+18	+771	+1,678
Net profit	+347	+1,048	+1,748
Working capital increase/decrease	(214)	(713)	(469)
Others	(115)	+436	+399
Cash flows from investing activities	(204)	+607	+168
New investment	(424)	(1,710)	(1,915)
Disposal & others	220	+2,317	+2,083
Cash flows from financing activities	+343	(1,577)	(1,936)
Repayment of borrowings at both HQ and subsidiaries	+278	(1,137)	(1,545)
Others	+65	(440)	(391)
Increase in cash	+157	(199)	(90)
Cash (End of period)	2,861	2,704	2,903

