



LOTTE DATA COMMUNICAITON

Investor Relations

2021 1Q Earnings Release

2021. 5.



Digital Platform Leader
for Intelligent Enterprise

Disclaimer

This financial information in this document are consolidated earnings results based on K-IFRS.

This document is provided for the convenience of investors only, before the external review on our 1Q21 financial results are completed. The review outcomes may cause some parts of this document to change.

This document may contain “forecasted information” – that is, statements related to future, not past, events. In this context “forecasted information” often address our expected future business and financial performance, and often contain words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “seeks” or “will”

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01

Business Performance

1.1. FY2021 1Q Income Statement

1.2. FY2021 1Q Analysis

- SM business

- SI business

1.3. Financial Statement

02

Business Outlook

1.1

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FY2021 1Q Income Statement (Consolidated)

2020

구분	1Q	4Q	Annual
Sales	1,975	2,117	8,495
Gross Profit	137	184	689
Operating Profit	60	100	388
%	3.0%	4.7%	4.6%
Net Profit	49	70	299
%	2.5%	3.3%	3.5%

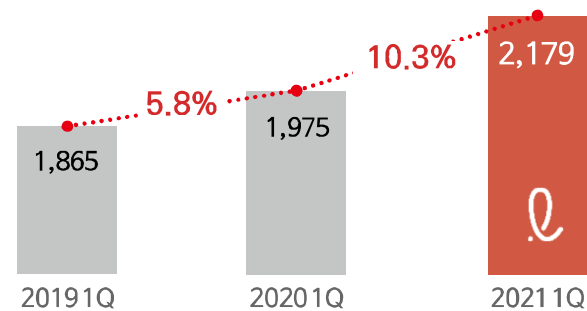
2021

(UNIT : 100 million of KRW)

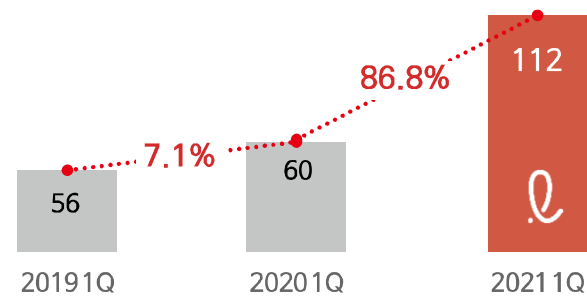
1Q	QoQ	YoY
<u>2,179</u>	2.9%	<u>10.3%</u>
183	-0.2%	34.4%
<u>112</u>	11.9%	<u>86.8%</u>
5.1%	0.4%p	2.1%p
<u>125</u>	78.9%	<u>154.8%</u>
5.7%	2.4%p	3.2%p

(UNIT : 100 million of KRW)

3Years 1Q Sales



3Years 1Q Operating Profit

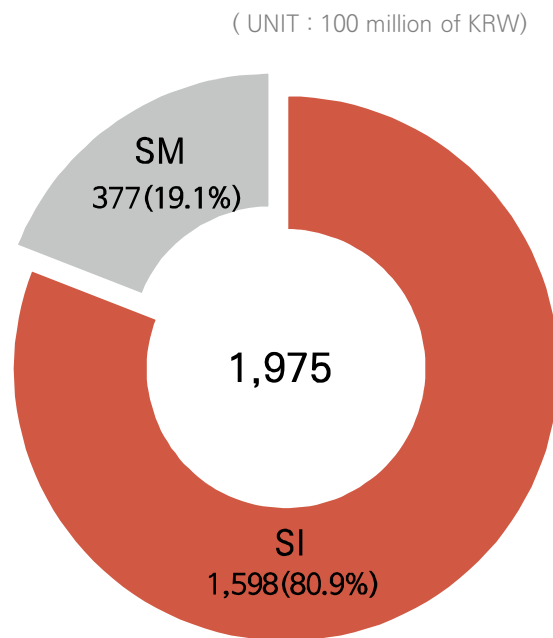


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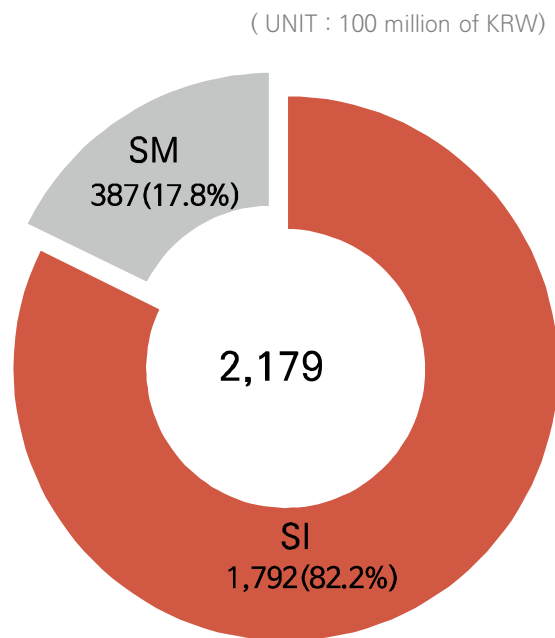
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FY2021 1Q Analysis _SI, SM business

2020 1Q Sales



2021 1Q Sales



Sales Analysis

■ SM

- SM Service price increase

■ SI

- DT : There were Large-scale projects such as Smart Factory, Smart logistics
- IBS :Lotte Academy, Theme park Project
- ASP : Cloud, Cloud based ASP Sales increase
- External business : Increase sales due to winning Hi-Pass project order

Outlook

- DT business sales expected to increase : Smart Logistics, Smart Factory, etc.
- Large-scale projects in progress Next Generation ERP, MyData, etc.

1.3

Investor Relations 2021

FY2021 1Q Financial Statement(Consolidated)

(UNIT : 100 million of KRW)

Category	2019	Ratio	2020	Ratio	2021 1Q	Ratio
Assets	6,967	100.0%	6,495	100.0%	5,721	100.0%
Cash & Cash equivalent	1,497	21.5%	378	5.8%	352	6.1%
Liabilities	3,063	44.0%	2,362	36.4%	1,567	27.4%
Borrowings	61	0.9%	42	0.6%	36	0.6%
Equity	3,904	56.0%	4,133	63.6%	4,154	72.6%
Capital stock	770	11.0%	770	11.9%	770	13.5%
D/E Ratio	78.4%		57.1%		37.7%	

※ Assets(Liabilities) decrease reason : Decrease due to the sale of mobile gift certificates 630 100 million of KRW



01

Business Performance

02

Business Outlook

1. Company Overview
2. Digital Transformation
3. Smart City
4. ESG Management

Digital Platform Leader
for Intelligent Enterprise

Company Overview

CEO	Rho Junhyung	Capital Stock	77.0 Billion KRW
Date of Establishment	December 28, 1996 ※ Corporate Split-off (November 2017), Merge of HIT, LDCC(July, 2019)	No. of Employees	2,720 (2021.3.31)
Listed Date	Listed on the KOSPI (2018. 7. 27)	Industry Area	IT System Implementation & Software Development, etc.
Performance	Sales 849.5 Billion KRW, Operating profit 38.8 Billion KRW (Consolidated)	Business Field	IT Consulting, IT System Integration & Operation, IT Solution, IoT, Cloud, Big data, Mobile, AI, Convergence Security, etc.

Main Workplaces

4 data centers for

ITO·SM, Cloud, Digital Transformation

Seoul Integrated Data Center



- 59 group companies including Lotte Shopping

Dajeon Disaster Recovery Center



- Back-up duplexing

Yongin IT Outsourcing Center



- Global Cloud firm, bank etc.







Yongin Global Cloud Center










- Global Cloud firm, etc.





Governance · ESG

Category				
The largest shareholder	LOTTE Corporation(Share : 65.0%)			
Overseas corporation	Vietnam, Indonesia, India			
Category	2021	2020	2019	
ESG	ESG Rankings 3th (WHO's GOOD)	A (KCGS) AA (SUSTINVEST) ESG Leaders 150 Index	Unlisted on the KOSPI	
CSV ETC	—	Selected excellent enterprise in job employment	Rated 'Good' On the Shared Index in assessment	

Category	Contents	
Smart Factory	<p>Automation plant with improved IoT data-driven Production efficiency</p> <ul style="list-style-type: none"> • Key Features <ul style="list-style-type: none"> – DAS/SCADA : DATA collection, Monitoring – MES : Production plan, Performance management – S&OP : Demand forecast • Reference <ul style="list-style-type: none"> : A Area Factory application and expansion 	<p>▪ Smart Factory Total Service</p> <div> <div> <p>1. Design & Engineering</p> <ul style="list-style-type: none"> • Performance centric design • Facility layout  </div> <div> <p>2. Transport Facility</p> <ul style="list-style-type: none"> • Conveyor, vertical carrier • Unmanned device(AGV, RGV, etc.)  </div> </div> <div> <div> <p>3. Production Automation</p> <ul style="list-style-type: none"> • Design, build, install, Start-up • Interworking between Facilities  </div> <div> <p>4. SCADA</p> <ul style="list-style-type: none"> • Sensor applying & data collection • Facility status monitoring  </div> </div> <div> <div> <p>5. Information System</p> <ul style="list-style-type: none"> • Manufacturing Execution System • Controller system  </div> <div> <p>6. Integrate Control</p> <ul style="list-style-type: none"> • Integrated monitoring system • Predictive fault management  </div> </div>
	<p>Effectiveness of Application</p> <ul style="list-style-type: none"> • Optimize Inventory <ul style="list-style-type: none"> : Increased demand prediction accuracy minimizes loss of sales opportunities and long-term inventory disposal • Increase Productivity <ul style="list-style-type: none"> : Improving production efficiency and raw material yield by improving comprehensive facility efficiency • Cost savings <ul style="list-style-type: none"> : Reduce facility maintenance and operational costs 	

Category	Contents
Smart Logistics	<p>Standard Platform based Logistics Optimization</p> <ul style="list-style-type: none"> -Logistics BPO Platform : Optimize logistics by base/resource through demand forecasting <p>Logistics Automation Total Service</p> <ul style="list-style-type: none"> - Automation Facilities : Facility automation integration services(Control, Monitoring, Predictive fault, etc.) <p>JNDK MOU</p>  <ul style="list-style-type: none"> • JNDK(Established in June, 2005) - Technology : Automation Facility Control Solution - Reference : Coupang, KOREA Post, LGL etc.
	<p>■ Smart Logistics Total Service</p> <div> <div> <p>1. Design & Engineering</p> <ul style="list-style-type: none"> • Performance centric design • Facility layout design  </div> <div> <p>2. Transport Facility</p> <ul style="list-style-type: none"> • Conveyor, vertical carrier • Unmanned device(AGV, RGV, etc.)  </div> </div> <div> <div> <p>3. Automatic warehouse</p> <ul style="list-style-type: none"> • Design, build, install, Start-up • Rack and stacker construction  </div> <div> <p>4. Automatic sorting machine</p> <ul style="list-style-type: none"> • Classifier by customer/vehicle • Image recognition devices  </div> </div> <div> <div> <p>5. Information System</p> <ul style="list-style-type: none"> • WCS(Warehouse control System) • WMS(Warehouse Management System)  </div> <div> <p>6. Integrated control</p> <ul style="list-style-type: none"> • Integrated monitoring system • Predictive fault management  </div> </div>

■ Non-Face Payment System

Category	Product	Features
Mart		Self-scan, Payment
Convenience Store		Self-payment, Responding to Customer
Cinema, Theme park		Mobile reservation, Self-payment
Retail store		Product Search, Voice Search, Card-only Payment

■ E-Commerce

-Shopping Platform

HomeShopping WYD

※ Creator based
Video Commerce
Platform

※ Video Upload, Editing,
Product Purchase
Connection

※ Key Platforms

Category	Contents
BDP (Big Data Platform)	Data Collection, Analysis
VCP (Video Contents)	Video Registration, Editing
SCP (Size Recommendation)	3D Size Recommendation

iTOO

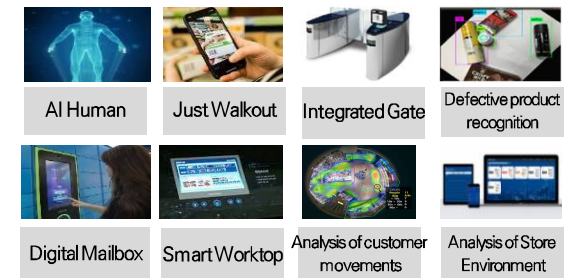
※ Product
recommendation services
through Big Data

※ Best recommendation
by customer propensity
and body type




■ DT LAB



※ Introduction Technology (Example)



- New technology and commercialization verification
- Promoting the proliferation of small store-oriented technologies

Category	Contents	
IBS (Intelligent Building)	<p>IoT sensor-based intelligence, automated building solution</p> <ul style="list-style-type: none"> • Scope of business : Automatic building control, Integrated Control, Home IoT, Smart media, Broadcasting system, etc. • Reference : Lotte World Tower, Lotte Center Hanoi, Wonju U-City, etc. 	<p>■ Key Project in progress</p> <div>    </div> <div> <p>Lotte Academy</p> <p>Theme Park</p> <p>Vietnam Lotte Mall</p> </div> <div> <ul style="list-style-type: none"> • period : 2020 ~ 2021 • period : 2020 ~ 2021 • period : 2020 ~ 2023 </div>
Railway · Transportation	<p>Proceed with SOC projects such as Railway, Transportation</p> <ul style="list-style-type: none"> • Railway <ul style="list-style-type: none"> – Signal-Communication : Basic system for train operation – AFC : Automatic Fare Collection – Railway MIS : Stable train operation, management and services • Transportation <ul style="list-style-type: none"> – High-pass : Single-lane, multi-lane automated billing Solution – C-ITS : Next Generation Transportation System – Self-driving : Sejong City Self-driving pilot project operation 	<p>■ Major project</p> <div> <p>Order Completed</p> <ul style="list-style-type: none"> • Multi-lane high-pass system project • Subway signal interface • High-speed railway LTE-R Business • Light rail communication construction • Urban Railway system development </div> <div> <p>Proposal Plan</p> <ul style="list-style-type: none"> • A Subway signal system • B Subway smart AFC • C Subway signal interface • D Subway communication facilities • E Airport operational communications facilities </div>

ESG

ESG Research agency WHO'S GOOD conducted an ESG survey of 37 companies in the field of data communication field, Lotte Data Communication ranked 3rd after reflecting ESG risk

Before ESG Risk Reflection		After ESG Risk Reflection	
Rate	Corporate	Rate	Corporate
1 st	SAMSUNG SDS	1 st	SAMSUNG SDS
2 nd	SK TELECOM	2 nd	HYUNDAI AUTOEVER
3 rd	KT	3 rd	LOTTE DATA COMMUNICATION
4 th	NAVER	4 th	SK TELECOM
5 th	HYUNDAI AUTOEVER	5 th	POSCO ICT

① KCGS ESG Evaluation Total A Grade

② SUSTINVEST ESG Evaluation AA Grade

③ WHO'S GOOD ESG Rankings 3rd

➡ Excellent evaluation based KRX ESG Leaders 150 Index included

ESG-Related Business



Building Energy Usage Status Integrated Management
IoT-based energy-saving solutions

Reference : Building A , Tower B , etc.

Energy Management Solution (EMS)



Greenhouse gas emission trading
Energy integrated management solution

Reference : 25companies including Lotte Hotel

Lotte Environment Energy Total Solution (LETS)

