

# YoungLimWon Soft Lab

INVESTOR RELATIONS 2024



## Disclaimer

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This material is not prepared for the purpose of recommending investment but enhancing investors' understanding and providing various information that can be used as a reference for making investment decisions. However, at the present time, the future matters including the company's plans, estimates, and projections may differ from actual results, and the company cannot guarantee the accuracy and the completeness of all information. Therefore, the investment decisions with reference to this document must be made solely under the investor's own judgment and responsibility and the company does not take any responsibility for the results of any investment activities conducted based on the contents of this document. In other words, these data cannot be used as the proof of the legal responsibility for the results of investors' investment under any circumstances.

## CEO message



Younglimwon Soft Lab has been focused on enhancing its competitiveness in the ERP(Enterprise Resource Planning) business for over 30 years. Now, it has grown to a point where it can compete with global ERP companies, not just domestic, and is confident that it will continue to sustain this growth trajectory in the future.

Since the successful launch of its industry-specific customized ERP, 'K-System Ace,' in 2021, it has secured stable sales based on the steady demand. Moving forward, it plans to expand into the mid-sized enterprise ERP market and improve profitability through AI ERP, establishing itself as a true package software company.

In the cloud product sector, Younglimwon Soft Lab is accelerating its market penetration with differentiated solutions unique to Younglimwon, such as 'EverTime/EverPayroll' and 'AI Business Analysis.'

YoungLimWon Soft Lab does not neglect to explore and discover new business opportunities. It continues to launch new IT solutions such as 'Flextudio,' which allows companies to quickly and easily develop mobile apps without extensive development skills or design resources; 'EverAsk,' a platform that can innovate corporate culture; and 'EverOnOne,' a DX(Digital Transformation) convergence software. Additionally, it is gradually expanding its business through collaborations with leading enterprise management solutions.

Younglimwon Soft Lab's overseas business achievements, particularly in Japan and Indonesia, are also becoming evident. It has formed strategic partnerships with leading software companies in Japan and embarked on an ERP implementation project for a mid-sized company producing global brand sports shoes in Indonesia. Using this momentum, it aims to firmly establish Younglimwon Soft Lab as a specialized ERP company in the global market.

Younglimwon Soft Lab extends its deepest gratitude to all who have provided continuous encouragement and support, enabling the growth of Younglimwon Soft Lab.

CEO Young-Bum Kwon



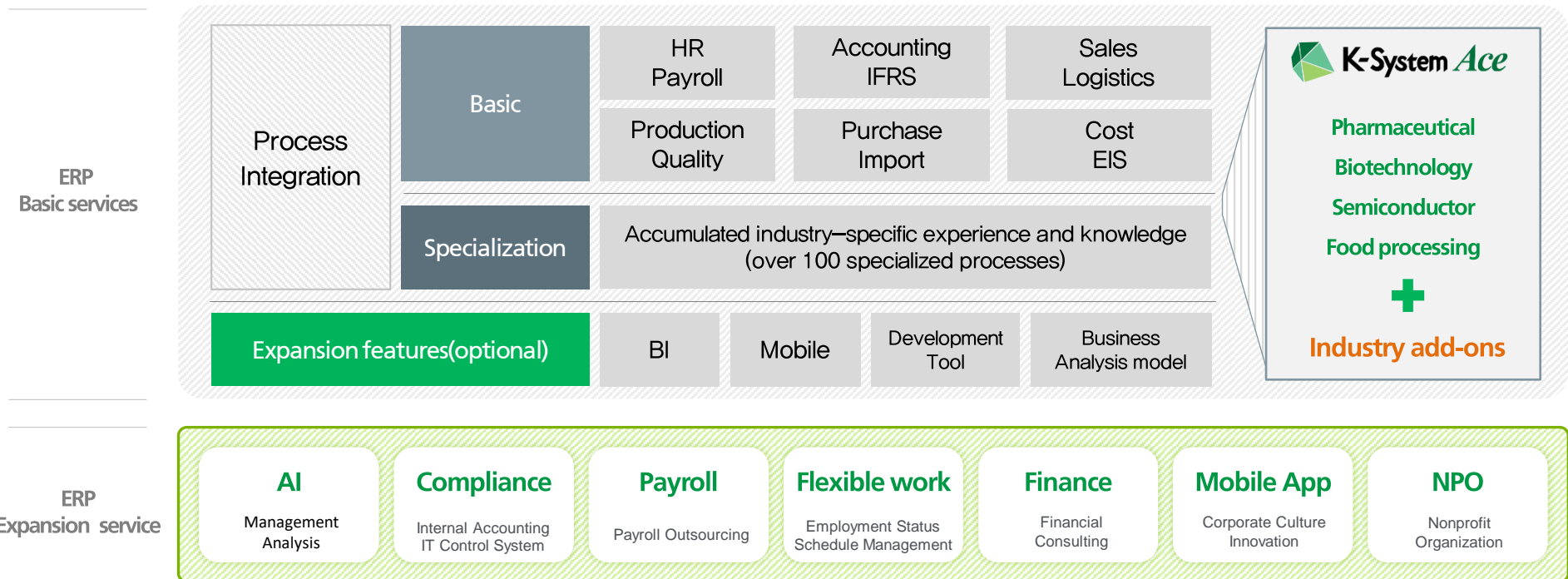
# Needs of ERP

The essence of digital transformation is ERP!  
ERP is the core of enterprise information systems

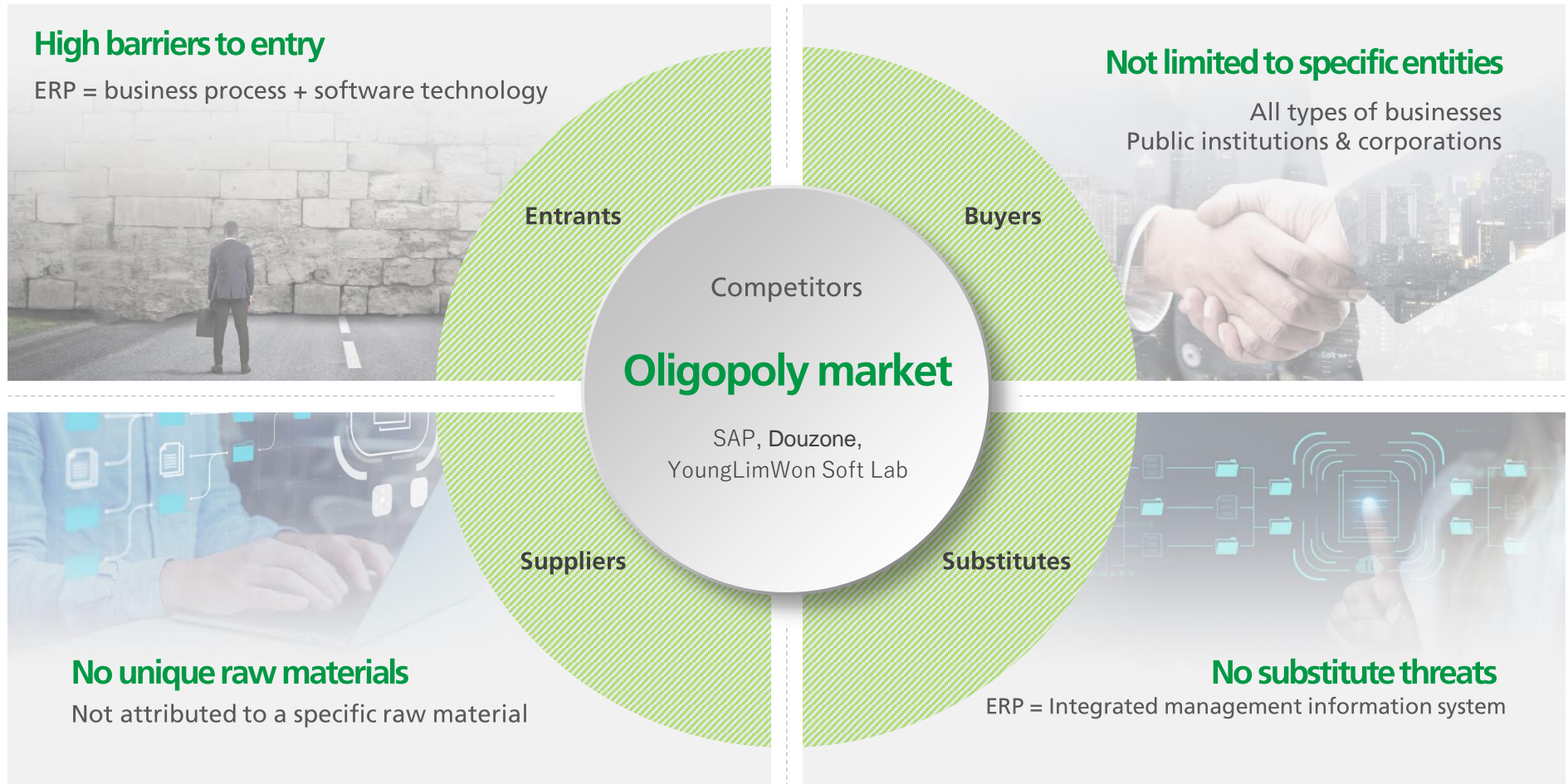
## ERP

Real-time sharing of all company data to integrated corporate management processes

### Enterprise Resource Planning



# Characteristics of the ERP market



\* Source: Michael Porter' s industrial structure analysis model

## Growth rate of the ERP market(1)

### YoungLimWon Soft Lab has achieved a growth rate exceeding that of the overall ERP market

95% of new customers at YoungLimWon Soft Lab are customers who have already used ERP  
 Maintaining competitiveness in the market with trust and reputation built up over 30-year foundation

(Unit: KRW 100 million)

YoungLimWon Soft Lab Annual performance	2019	2020	2021	2022	2023	CAGR
Revenue	379.8	438.7	477.0	575.2	555.1	10.0%
YOY growth rate	24.9%	15.5%	8.7%	20.6%	-3.5%	
Operating profit margin rate	11.2%	9.7%	9.1%	11.1%	5.2%	

※ Source: YoungLimWon Soft Lab

YoungLimWon Soft Lab Net-new ERP revenue	2020	2021	2022	2023	CAGR
Revenue	233.7	260.0	313.1	307.7	9.6%
The share to total market revenue	5.3%	5.5%	6.1%	5.5%	
Korea ERP market revenue(IDC)	4,391.8	4,751.2	5,131.8	5,590.8	8.4%

※ Source: IDC Korea

Annual ERP performance forecast	2023	2024(F)	2025(F)	2026(F)	2027(F)	2028(F)
Korea ERP market size	5,590.8	6,192.8	6,725.6	7,191.6	7,575.2	7,849.7
YOY growth rate		10.8%	8.6%	6.9%	5.3%	3.6%
CAGR	7.0%					

※ Source: IDC 2H23

## Growth rate of the ERP market(2)

### YoungLimWon Soft Lab Ranked 3rd among domestic ERP annual performance announcements

Since 2021, YoungLimWon Soft Lab has maintained its 3rd place in market share.

(Unit: KRW million)

Companies	2021		2022		2023	
	ERP Market	%	ERP Market	%	ERP Market	%
SAP	112,651	23.7%	109,711	21.4%	114,431	20.5%
Douzone Bizon	88,440	18.6%	86,091	16.8%	92,582	16.6%
Younglimwon Softlab	25,959	5.5%	31,309	6.1%	30,767	5.5%
Oracle	18,575	3.9%	20,547	4.0%	21,848	3.9%
Bizentro	13,867	2.9%	14,821	2.9%	15,050	2.7%
Microsoft	8,229	1.7%	9,140	1.8%	10,906	2.0%
Others	207,404	43.7%	241,557	47.1%	273,496	48.9%
Total		475,125		513,176		559,080



# The share of maintenance business

Of the total revenue, the share of the recurring revenue from "maintenance and cloud" exceeds 42%

Securing business stability through repeated inflow of stable maintenance profit  
 Providing R&D investment for new products and services

(Unit: 1,000 KRW)

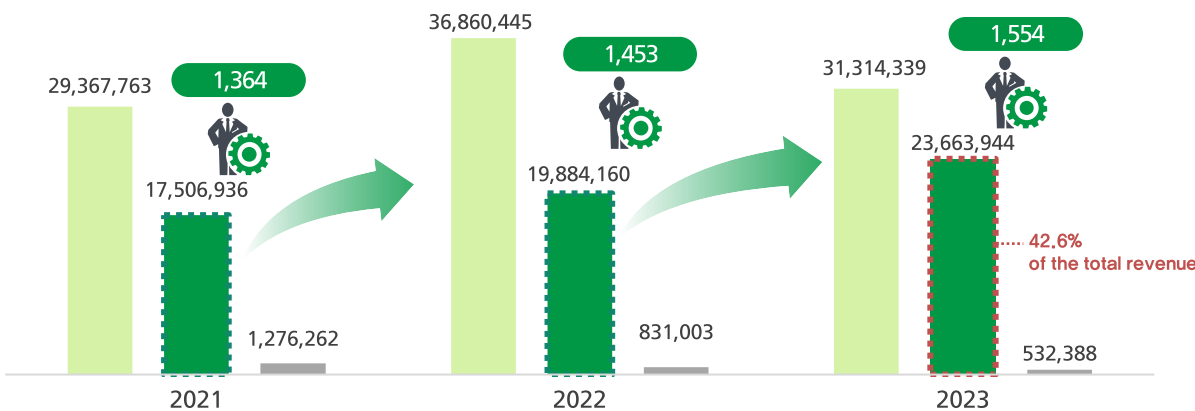
Category	2021		2022		2023	
	Sales	%	Sales	%	Sales	%
On-premise ERP	29,367,763	61.6%	36,860,445	64.1%	31,314,339	56.4%
Cloud ERP	1,846,280	3.9%	2,464,803	4.3%	3,443,067	6.2%
Maintenance*	15,660,656	32.8%	17,419,357	30.3%	20,220,877	36.4%
Product	831,003	1.7%	784,328	1.3%	532,388	1.0%
Total Amount	47,705,702	100.0%	57,528,932	100.0%	55,510,670	100.0%

\* including additional customization

■ On-premise ERP 
 ■ Product  
■ Cloud ERP& Maintenance

No. of maintenance customers

(Unit: 1,000 KRW)



## Stable profit structure

### Customer inflow



Continuous inflow of **100+** new customers annually

### Profitability of maintenance revenue



**6-month** average conversion period from free to paid service

**10-year** average maintenance contract duration

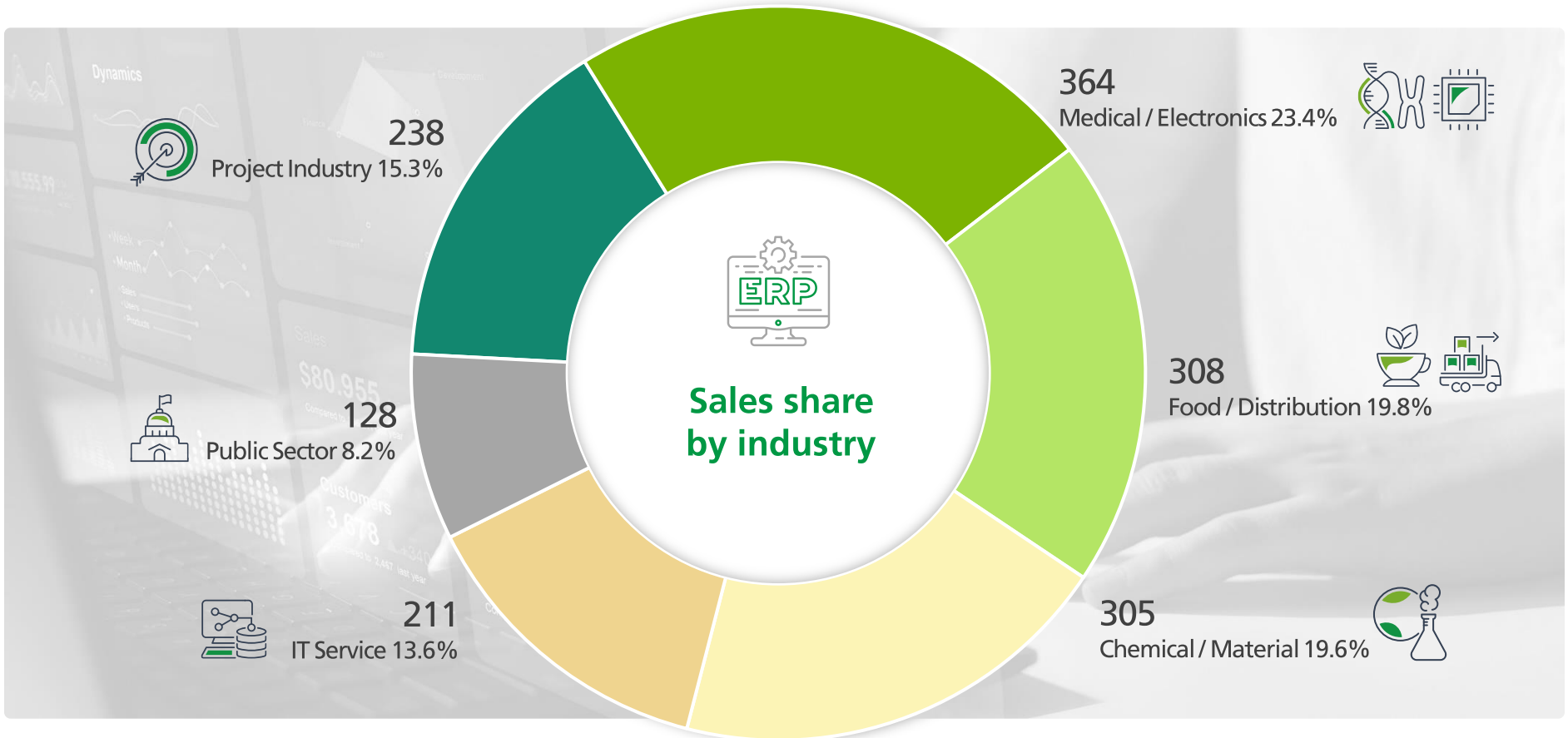
**15%** of licensing and development revenues flowing annually

**80%** approx. operating margin to maintenance revenue



# The revenue splits

Maintain a stable portfolio with an equal share of the revenue across diverse industries



# Major customers by vertical



Electrical/  
Electronics/  
Battery



IT Service



Semiconductor  
Equipment



Food  
Processing



Pharmaceutical/  
Biotechnology



Automobile



Chemical



Public Sector



Financial  
Others



Manufacturing/  
Distribution



Global


# Main business area

## Customized ERP & cloud ERP business for targeted customers



Main business

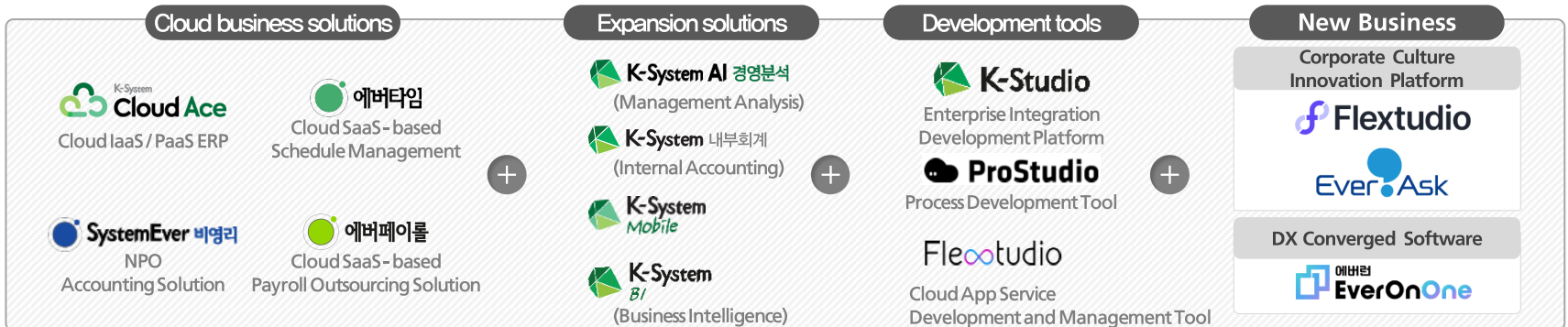


Target customers

Mid-sized businesses ~  
Conglomerate  
Revenue 30~300 BWon

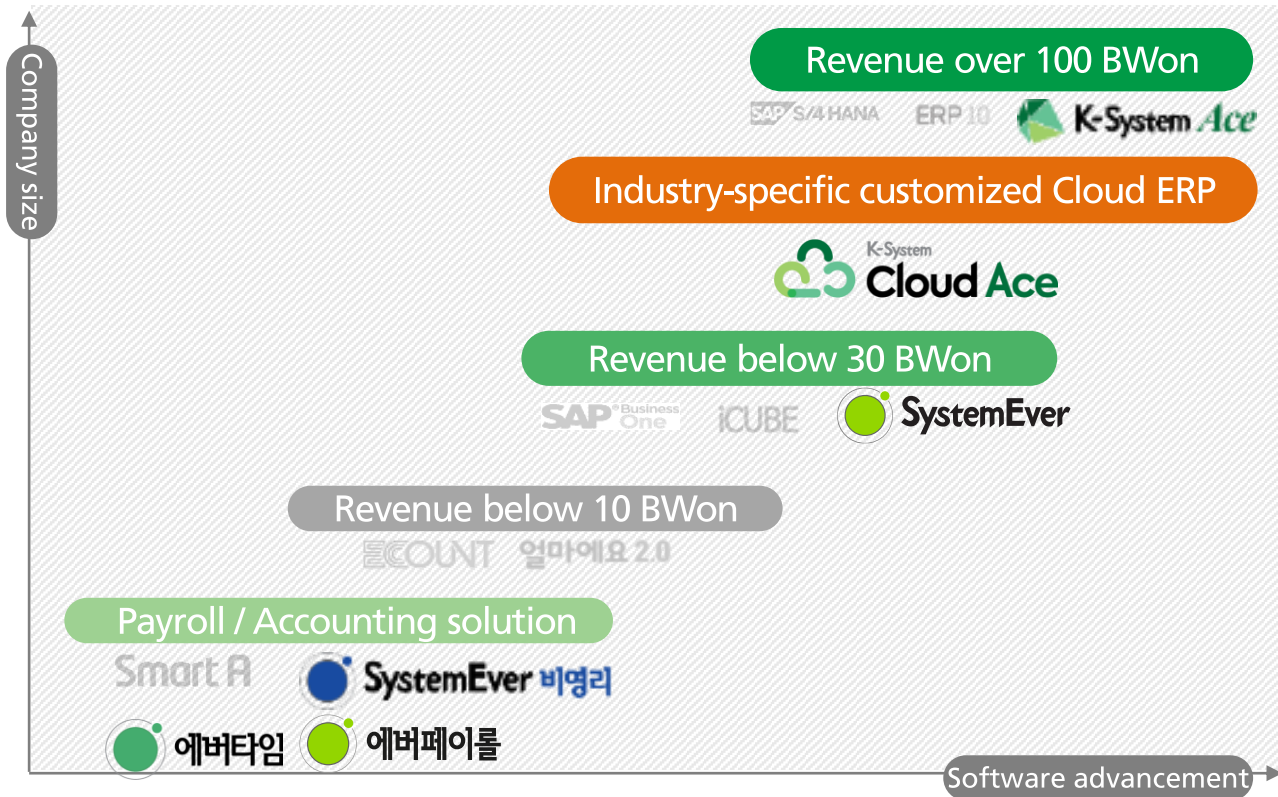
Small-and-medium-sized business  
Revenue 10 ~30 BWon

Extended business area



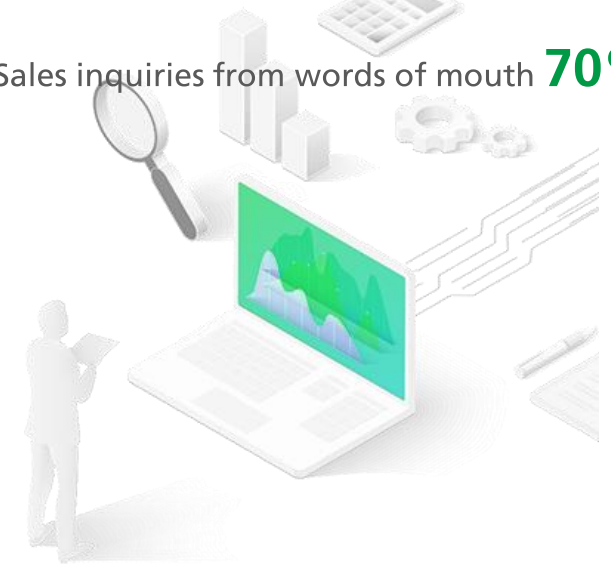
# Positioning of the ERP market

Providing a variety of ERP products that fit different enterprise sizes



## B2B Market :

- Enterprise centered
- Reputation significantly impacting on awareness
- Sales inquiries from words of mouth **70%**



# Differentiations among the main products



(Unit: KRW)

Product	Customization	Type	Company size	Up-Front	Recurring revenue	Remarks
K-System Ace	Full	On-Premise (IaaS)	Over 100 BWon	License, Consulting, Customization	Monthly fee for maintenance	License : Consulting : Customization = 40 : 30 : 30 approx. Usual project size: 300 ~600 MWon Monthly fee for maintenance: 2 ~ 3 MWon
K-System Cloud Ace	5MM or less	IaaS / PaaS	30 ~ 100 BWon	Consulting, Customization	Monthly fee	Consulting + Customization: 50 ~ 100 MWon Monthly fee: 2 ~ 2.75 MWon
SystemEver	1MM or less	SaaS	10 ~ 30 BWon	Consulting, Little Customization	Monthly fee	Consulting: 1~10 MWon Monthly fee: 0.4 ~1.2 MWon(0.7 MWon avg.)

# Evolution of YoungLimWon ERP

## Substantial revenue growth benefitted from products enhancement and ERP importance in Digital Transportation

2008~2015

### Market expansion with 'K-System Genuine'

- Expanding target customers whose revenue size to 30~300 BWon
- 40~50 new customers per year on average
- Laying the groundwork for future business with cloud ERP platform

2016~2020

### Revenue growth of Industry-specific customized ERP

- + - Accelerating sales of 'K-System Genuine'
- + - Launch 'K-System Ace'
- Expansion of active sales force
- Development of new products
- Revenue growth from 25 to 44 BWon
- Increasing the operating profit from 1.1 to 4.1 BWon

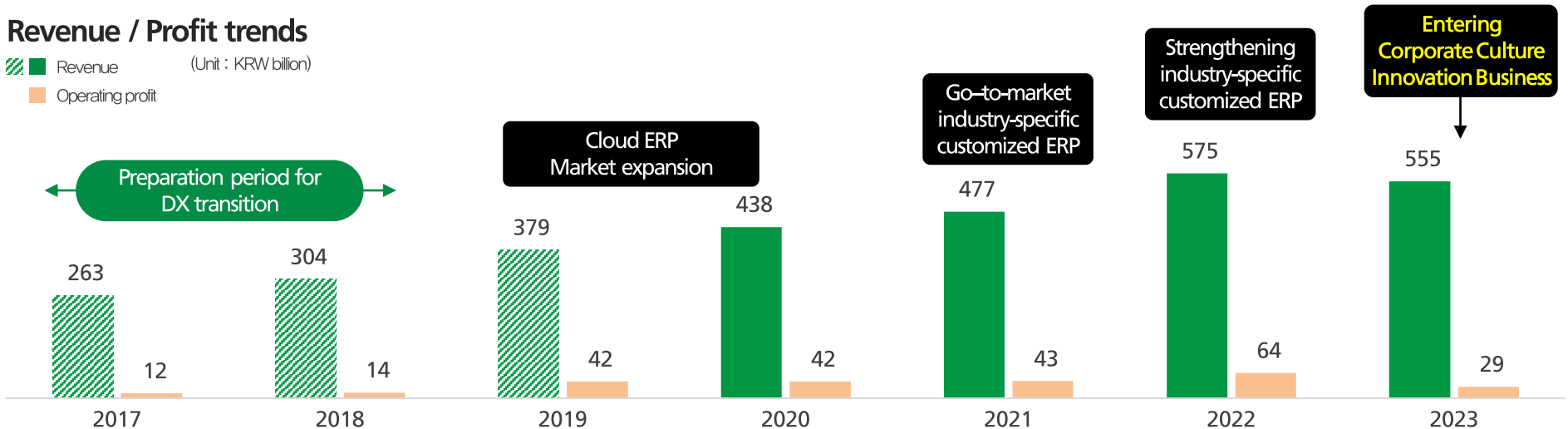
2021~

### Investment for future growth

- Expansion of professional workforce,
- + product enhancement
- Expansion of 'K-System Ace' industry models
- Strengthening domestic/overseas marketing of cloud ERP 'SystemEver'
- Launching cloud version of ERP 'K-System Ace' industry-specific customized
- Entering a corporate culture business

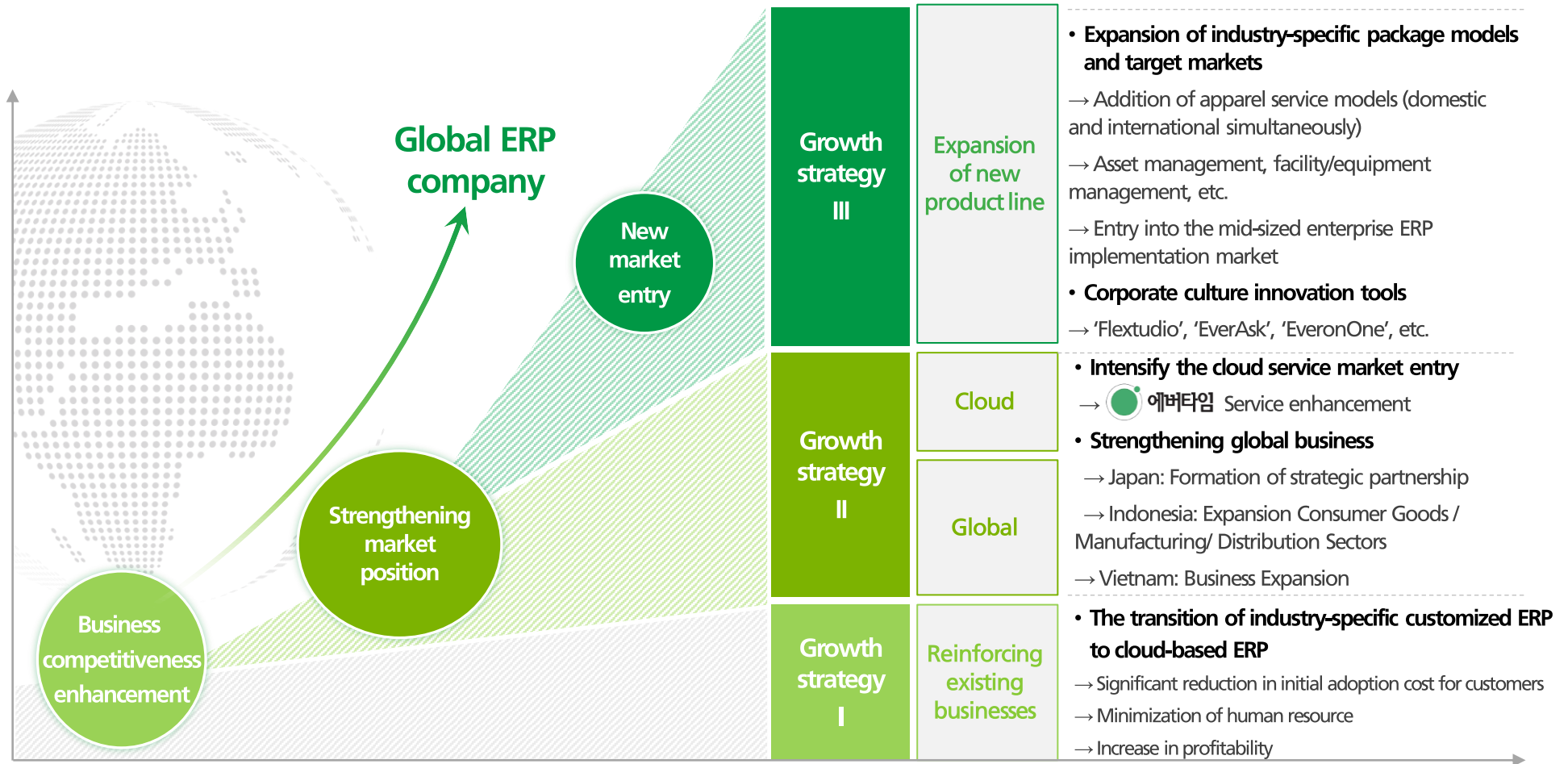
### Revenue / Profit trends

■ Revenue (Unit : KRW billion)  
■ Operating profit



# Growth strategy plan

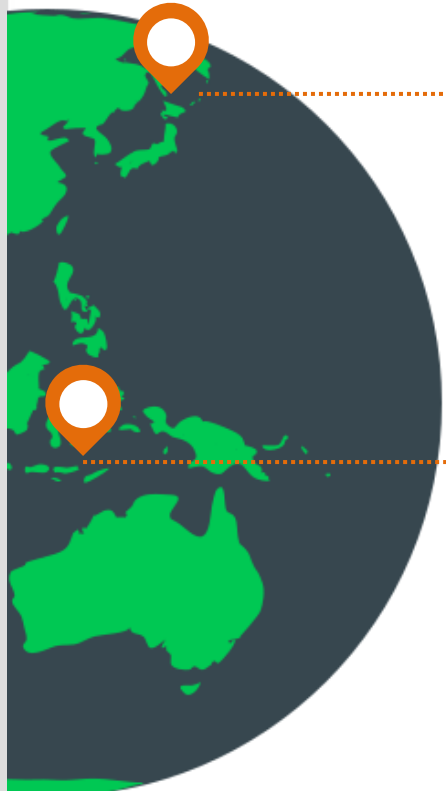
Leap to a global ERP company through the implementation of a strategic growth roadmap



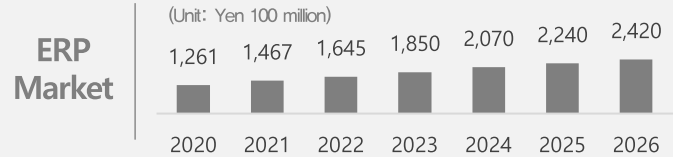


# Actively pursuing global business

## Expansion into the Asian Market with Japan and Indonesia as Key Hubs



### Japan



The Japanese ERP market is growing with around 30,000 global small and medium-sized enterprises.  
(2020 ~ 2026 CAGR projected at 11.5%)

Main business | Business Partnership with a leading software specialist company in Japan

Planning to develop and market new services leveraging Younglimwon Soft Lab's solutions

※ Source: ITR [ITR Market View: ERP Market 2023]

### Indonesia

ERP Market | Driven by the ESG management trend of global companies, consumer goods manufacturers in Indonesia are beginning to implement ERP systems

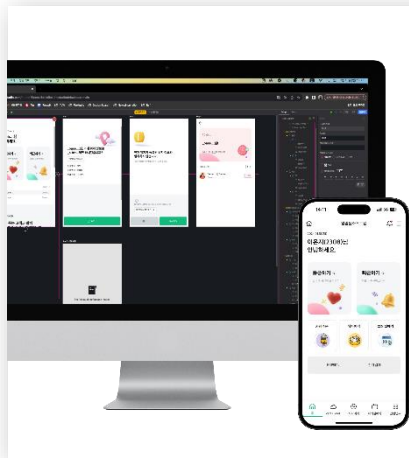
Main business | Progressing with ERP implementation in consumer goods manufacturers serving global shoe brands

Anticipating a leading case of ERP implementation in a global sportswear subcontracting company in Southeast Asia

## New business - Corporate culture innovation tools "Flextudio, EverOnOne, EverAsk, EverTime"

### Launch mobile development tool service based on accumulated cloud and mobile technology know-how

Uncovering new growth drivers through the development of innovative corporate culture services



**Flextudio**

A Low-code SaaS platform that enables the development and operation of mobile applications required for DX

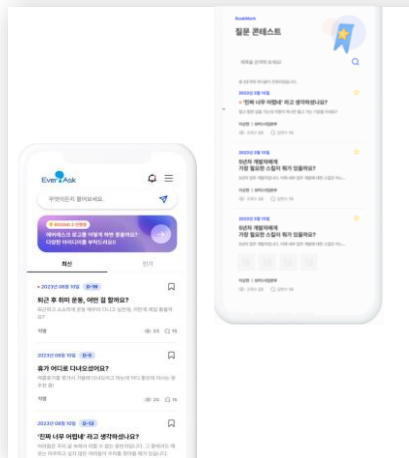
**"Flextudio"**



**에버원 EverOnOne**

Integrated view SaaS that connects and displays various enterprise software in a single view


**"EverOnOne"**



**EverAsk**

A Platform for driving corporate culture innovation through 'open Q&A' and collaborative brainstorming

**"EverAsk"**



**에버타임 EverTime**

A SaaS solution for integrated management of various attendance and payroll processes, supporting management information based on quantitative measurement

**"EverTime"**

# Appendix

- 01. Company overview
- 02. Consolidated summary financial statement
- 03. Industry-specific customized ERP 'K-System Ace'



# Company overview

## Company profile

Company name	YoungLimWon Soft Lab Co.,Ltd
CEO	Kwon, Young Bum
Establishment date	May 22, 1993
Capital	KRW 40.65 Bil(as of the end of 2023)
Business area	Software development & Supply
No. of employees	375(as of the end of 2023)
HQ address	583 Yangcheon ro, Gangseo gu , Seoul, Korea
Official homepage	www.ksystem.co.kr

## Mission & Vision

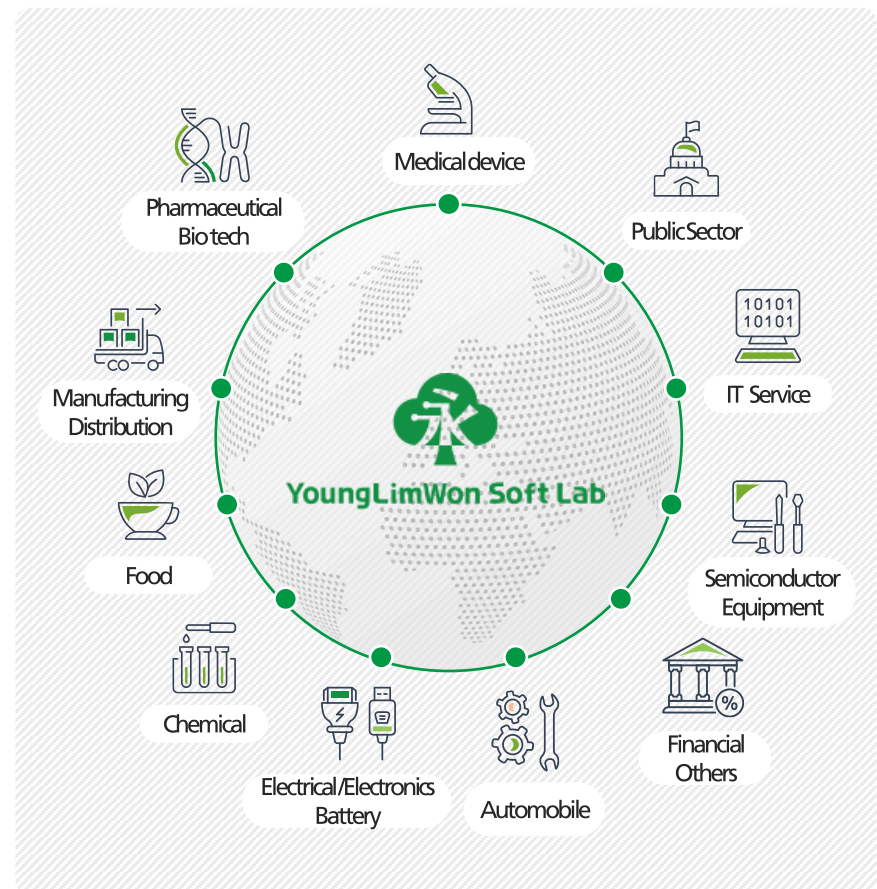
### Mission

We provide the best solutions and impressive services to help our customer companies improve their management, lead the Asian market, and ultimately expand globally.

### Vision

We contribute to the development of humanity by helping customer companies innovate as the number one ERP company in Asia.

## Industries



## Consolidated summary financial statement

### The consolidated financial statement

(Unit: KRW million)

Category	2021	2022	2023
Current assets	37,720	44,035	41,077
Non-current assets	18,344	17,333	17,903
<b>Total assets</b>	<b>56,063</b>	<b>61,368</b>	<b>58,979</b>
Current liabilities	9,125	12,981	10,744
Non-current liabilities	9,549	4,651	3,777
<b>Total liabilities</b>	<b>18,674</b>	<b>17,632</b>	<b>14,521</b>
Capital	4,066	4,066	4,066
Additional paid-in capital / retained earnings	19,420	19,420	19,420
Accumulated earnings / retained earnings	14,502	21,339	22,671
<b>Total equity</b>	<b>37,390</b>	<b>43,736</b>	<b>44,458</b>

### The consolidated income statement

(Unit: KRW million)

Category	2021	2022	2023
<b>Sales revenue</b>	<b>47,706</b>	<b>57,529</b>	<b>55,511</b>
Cost of goods sold (COGS)	25,308	30,587	28,783
<b>Gross profit</b>	<b>22,398</b>	<b>26,942</b>	<b>26,727</b>
Selling and administrative expenses (SG&A)	18,060	20,529	23,837
<b>Operating profit</b>	<b>4,338</b>	<b>6,413</b>	<b>2,891</b>
Other income/expenses	(86)	(32)	(24)
Financial income/expenses	275	435	843
Continuing business income before income tax	4,930	7,162	4,257
<b>Net income</b>	<b>4,937</b>	<b>7,149</b>	<b>3,769</b>

## Industry-specific customized ERP 'K-System Ace' (1)



K-System Ace is a customized industry-specific ERP based on YoungLimWon Soft Lab's technology and know-how accumulated over 30 years and designed flexibly to suit the processes of various industries.

Expansion of specialized industries

### Specialized process

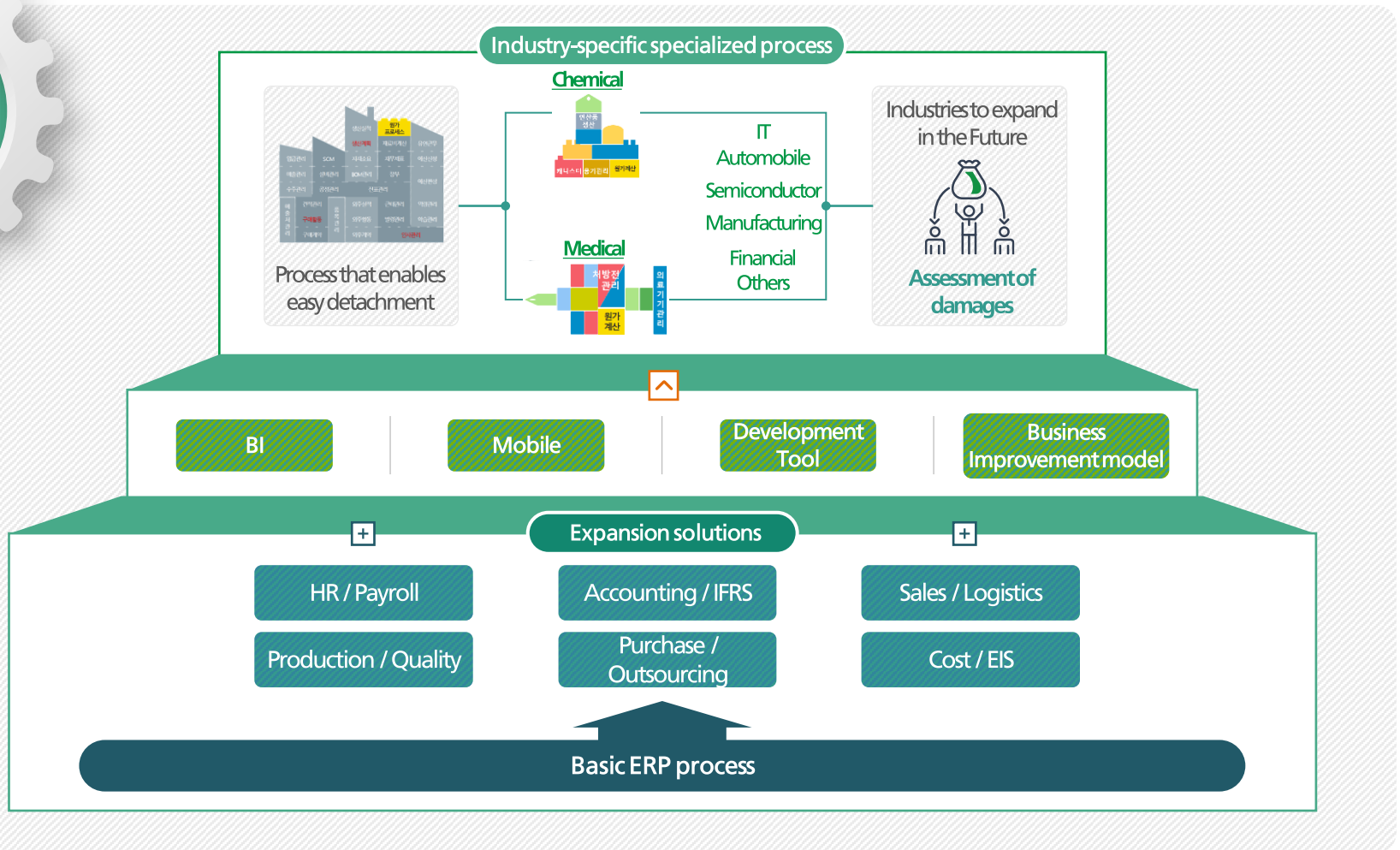
Detachable ERP model designs specialized for each industry

### Industry-specific professional organizations

Experts with knowledge and know-how throughout the entire process



# Industry-specific customized ERP 'K-System Ace' (2)



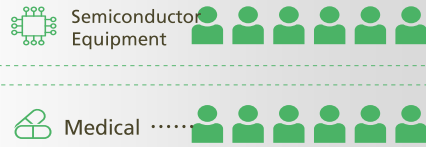


# Industry-specific customized ERP 'K-System Ace' (3)

Industry-specific professional organizations

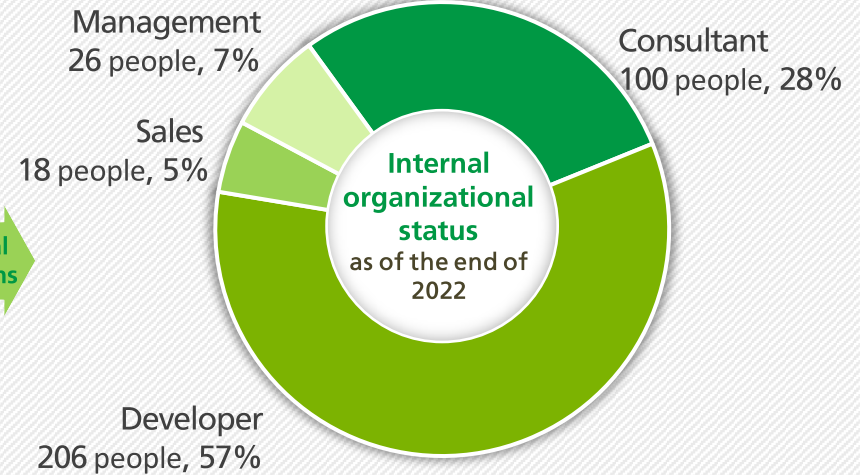
Organized by industry based on understanding of the overall process

Industry specific experts

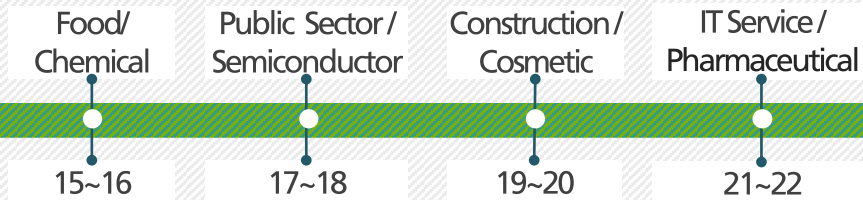


Minimizing communication costs  
Improving project quality

Professional organizations



Strengthening ERP products and sales in line with market-leading industry trends



Executing key projects in line with industry trends

# YoungLimWon Soft Lab Co.,Ltd.

Making your business better