

# KT 2020 Earnings Release

February 9, 2021 | Investor Relations



# Disclaimer

This presentation has been prepared by KT Corp.(the “Company”) in accordance with K-IFRS. This presentation contains forward-looking statements, which are subject to risks, uncertainties, and assumptions. This presentation is being presented solely for your information and is subject to change without notice. No presentation or warranty, expressed or implied, is made and no reliance should be placed on the accuracy, actuality, fairness, or completeness of the information presented.

The Company has applied new accounting standard of K-IFRS 1115 as of Jan 1<sup>st</sup>, 2018 and K-IFRS 1116 ‘Leases’ as of Jan 1<sup>st</sup>, 2019. There are no obligation to apply the new standard to previous financial statements.

The Company, its affiliates or representatives accept no liability whatsoever for any losses arising from any information contained in the presentation. This presentation does not constitute an offer or invitation to purchase or subscribe for any shares of the Company, and no part of this presentation shall form the Basis of or be relied upon in connection with any contract or commitment.

Any decision to purchase shares of the Company could be made solely on the Basis of information, which has been publicly filed with the Securities and Exchange Commission or the Korea Stock Exchange and distributed to all investors. The contents of this presentation may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

If you have any related questions to this material, please contact IR department.

Tel : +82-2-3495-3557, 3254, 3564, 5344

Fax : +82-2-3495-5917

**1** **KT Change Story**

**2** **Financial Highlights**

---

**3** **Business Overview**

---

**4** **Appendix**

---

# 1 2020 Highlights

## Financial

(unit: KRW)

Earnings growth with expansion of growth business and profitability improvement in core business

Service Revenue  
(Consolidated)

**20.8** tr. (YoY +0.4%)

Service Revenue  
(KT separate)

**15.1** tr. (YoY +1.0%)

Operating Profit  
(Consolidated)

**1.18** tr. (YoY +2.1%)

Operating Profit  
(KT separate)

**0.88** tr. (YoY +17.4%)

## Business

Balanced growth in both Telco and Non-Telco businesses,  
Transforming business structure for future growth

KT separate

Service revenue up over KRW 15tr.

- ✓ AI/DX grew 11.8% over year
  - ✓ IPTV grew 7.7% over year
  - ✓ Mobile service grew 2.3%\* over year
- (\*Adjusted Membership point accountings)

Group restructuring & Strategic investment

- ✓ K bank capital increase
- ✓ Hyundai HCN acquisition
- ✓ KTH-KT mhow's merger

 bank

  
현대 HCN



## Shareholder

Share buyback with strong confidence to improve corporate value &  
50% Payout ratio

FY2020  
DPS

KRW **1,350** (YoY +22.7%)

Share  
Buyback

KRW **300** bn.

## 2 2021 Management Plan

The year of transforming into Digico(Digital Platform Company) from Telco

# Digico

### B2B biz

#### Growth Acceleration

---

DX<sup>1</sup> Acceleration based on  
ABC<sup>2</sup> capabilities  
Focus on Digital New Deal

### Platform biz

#### Establishing Growth Basis

---

Restructuring group portfolio  
Nurturing platform business  
capabilities

### Cash Cow

#### Enhancing Profitability

---

High value subs base expansion  
Efficient cost execution

\*1:DX(Digital Transformation)

2: ABC(AI, Big Data, Cloud)

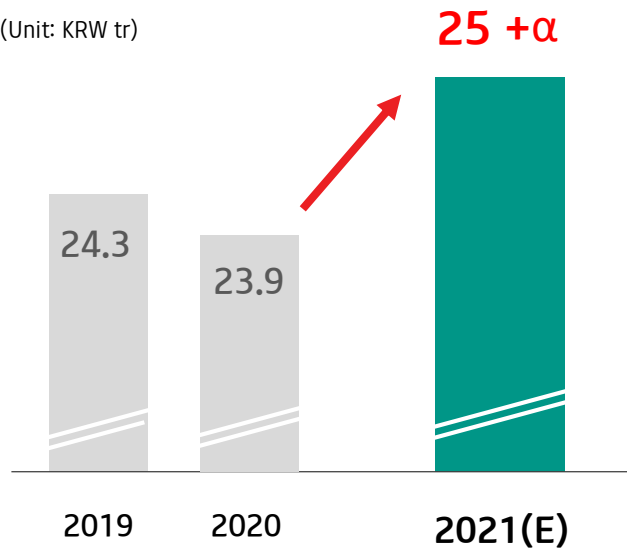
### 3 2021 Guidance

Focusing on service revenue growth via transforming into 'Digico'

#### ✓ Total Revenue(consolidated)

“ More than 25 Trillion won ”

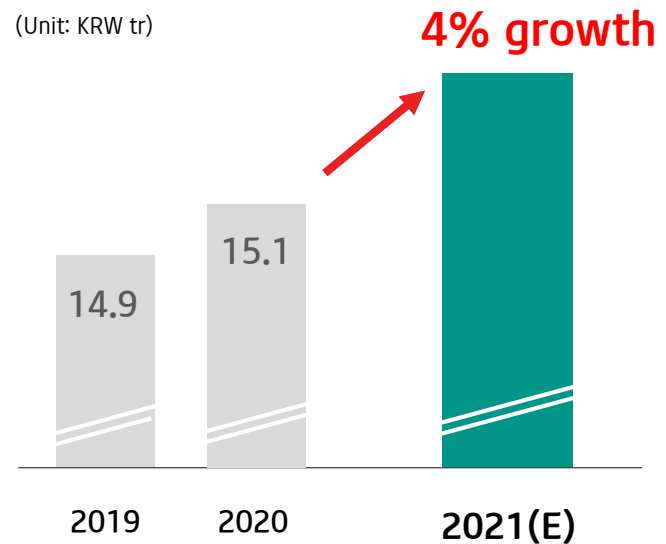
(Unit: KRW tr)



#### ✓ Service Revenue(KT separate)

“ More than 4% growth ”

(Unit: KRW tr)



---

**1**    **KT Change Story**

**2**    **Financial Highlights**

**3**    **Business Overview**

---

**4**    **Appendix**

---

# 1 Income Statement

- Service revenue increased YoY, whereas total revenue down -1.7% YoY due to decrease in Handset sales and Finance/Real estate revenues
- Total Operating income up +2.1% YoY with efficient cost spending

(Unit: KRW bn)

	4Q19	3Q20	4Q20	QoQ	YoY	2019	2020	YoY
<b>Operating Revenue</b>	<b>6,195.5</b>	<b>6,001.2</b>	<b>6,207.3</b>	<b>3.4%</b>	<b>0.2%</b>	<b>24,342.0</b>	<b>23,916.7</b>	<b>-1.7%</b>
Service Revenue	5,289.8	5,240.0	5,302.5	1.2%	0.2%	20,770.0	20,846.1	0.4%
Handset Revenue	905.7	761.2	904.7	18.9%	-0.1%	3,572.0	3,070.5	-14.0%
<b>Operating Expense</b>	<b>6,038.7</b>	<b>5,708.8</b>	<b>6,040.5</b>	<b>5.8%</b>	<b>0.0%</b>	<b>23,182.5</b>	<b>22,732.6</b>	<b>-1.9%</b>
<b>Operating Income</b>	<b>156.7</b>	<b>292.4</b>	<b>166.8</b>	<b>-42.9%</b>	<b>6.4%</b>	<b>1,159.5</b>	<b>1,184.1</b>	<b>2.1%</b>
Margin	2.5%	4.9%	2.7%	-2.2%p	0.2%p	4.8%	5.0%	0.2%p
Margin*	3.0%	5.6%	3.1%	-2.5%p	0.1%p	5.6%	5.7%	0.1%p
<b>Non-op. Income/Loss</b>	<b>-132.0</b>	<b>22.0</b>	<b>-181.1</b>	<b>Turn Red</b>	<b>Deficit Increased</b>	<b>-183.3</b>	<b>-209.0</b>	<b>Deficit Increased</b>
<b>Income before taxes</b>	<b>24.7</b>	<b>314.3</b>	<b>-14.3</b>	<b>Turn Red</b>	<b>Turn Red</b>	<b>976.2</b>	<b>975.1</b>	<b>-0.1%</b>
<b>Net Income</b>	<b>-10.2</b>	<b>230.1</b>	<b>39.1</b>	<b>-83.0%</b>	<b>Turn Black</b>	<b>665.9</b>	<b>703.4</b>	<b>5.6%</b>
Margin	-0.2%	3.8%	0.6%	-3.2%p	0.8%p	2.7%	2.9%	0.2%p
<b>EBITDA</b>	<b>1,078.4</b>	<b>1,197.1</b>	<b>1,072.8</b>	<b>-10.4%</b>	<b>-0.5%</b>	<b>4,789.1</b>	<b>4,818.4</b>	<b>0.6%</b>
Margin	17.4%	19.9%	17.3%	-2.6%p	-0.1%p	19.7%	20.1%	0.4%p

※ OP Margin\* = Operating Income/Service Revenue



## 2 Operating Expenses

(Unit: KRW bn)

	4Q19	3Q20	4Q20	QoQ	YoY	2019	2020	YoY
<b>Operating Expenses</b>	<b>6,038.7</b>	<b>5,708.8</b>	<b>6,040.5</b>	<b>5.8%</b>	<b>0.0%</b>	<b>23,182.5</b>	<b>22,732.6</b>	<b>-1.9%</b>
Labor Cost	1,001.8	1,082.3	1,053.8	-2.6%	5.2%	3,951.1	4,123.7	4.4%
General Expense	2,571.2	2,386.9	2,435.4	2.0%	-5.3%	9,791.1	9,425.1	-3.7%
- Depreciation	921.6	904.8	906.0	0.1%	-1.7%	3,629.5	3,634.3	0.1%
Cost of Service Provided	798.9	823.9	860.6	4.5%	7.7%	2,955.3	3,276.7	10.9%
Selling Expense	499.5	614.3	682.6	11.1%	36.6%	2,277.9	2,435.8	6.9%
Cost of Handset sold	1,167.3	801.4	1,008.1	25.8%	-13.6%	4,207.1	3,471.2	-17.5%

### • Selling Expense (KT Separate)

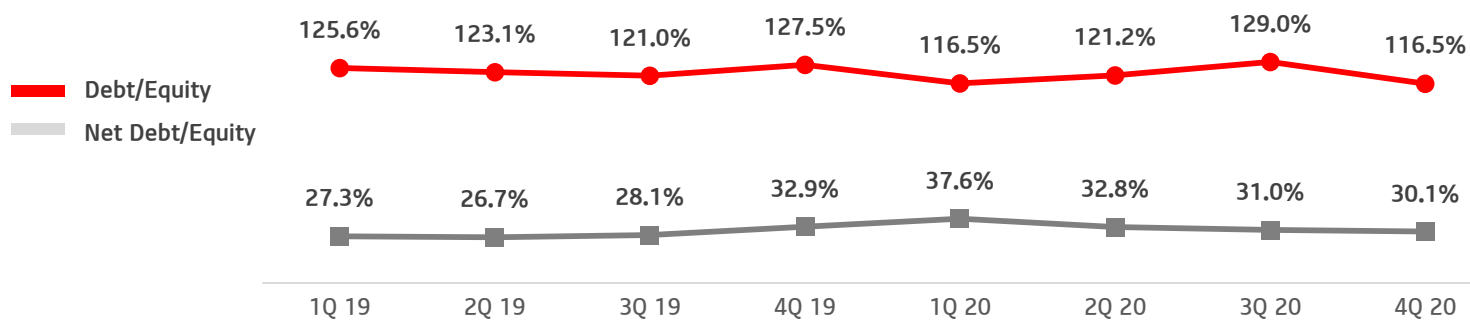
(Unit: KRW bn)

	4Q19	3Q20	4Q20	QoQ	YoY	2019	2020	YoY
Selling Expense	566.0	641.9	686.3	6.9%	21.3%	2,379.6	2,523.0	6.0%

### 3 Financial Position

(Unit: KRW bn)

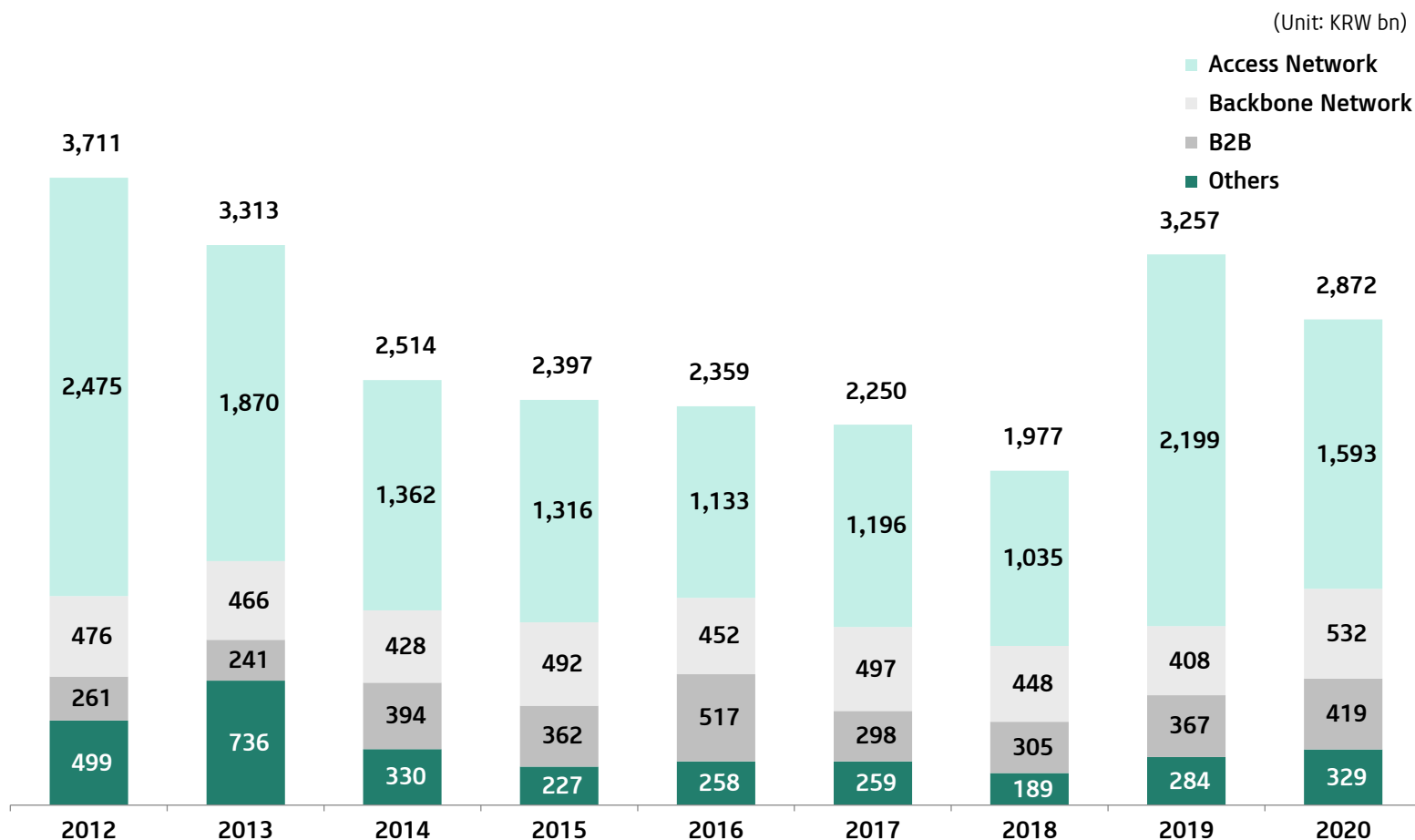
	4Q 19	3Q 20	4Q 20	QoQ	YoY
<b>Assets</b>	<b>34,540.1</b>	<b>35,860.5</b>	<b>33,662.3</b>	<b>-6.1%</b>	<b>-2.5%</b>
Cash & Cash Equivalents	2,305.9	2,990.9	2,634.6	-11.9%	14.3%
<b>Liabilities</b>	<b>19,356.6</b>	<b>20,204.0</b>	<b>18,110.9</b>	<b>-10.4%</b>	<b>-6.4%</b>
Borrowings	7,298.9	7,850.9	7,316.1	-6.8%	0.2%
<b>Equity</b>	<b>15,183.5</b>	<b>15,656.5</b>	<b>15,551.4</b>	<b>-0.7%</b>	<b>2.4%</b>
Capital Stock	1,564.5	1,564.5	1,564.5	0.0%	0.0%
<b>Net Debt</b>	<b>4,993.0</b>	<b>4,860.0</b>	<b>4,681.5</b>	<b>-3.7%</b>	<b>-6.2%</b>
Debt / Equity	127.5%	129.0%	116.5%	-12.5%p	-11.0%p
Net Debt / Equity	32.9%	31.0%	30.1%	-0.9%p	-2.8%p



## 4 CAPEX

- CAPEX total 2.87 trillion won executed in 2020

- Access Network 1,592.6bn, Backbone Network 531.8bn, B2B communications 418.7bn, others 328.9bn



---

**1**    **KT Change Story**

---

**2**    **Financial Highlights**

**3**    **Business Overview**

**4**    **Appendix**

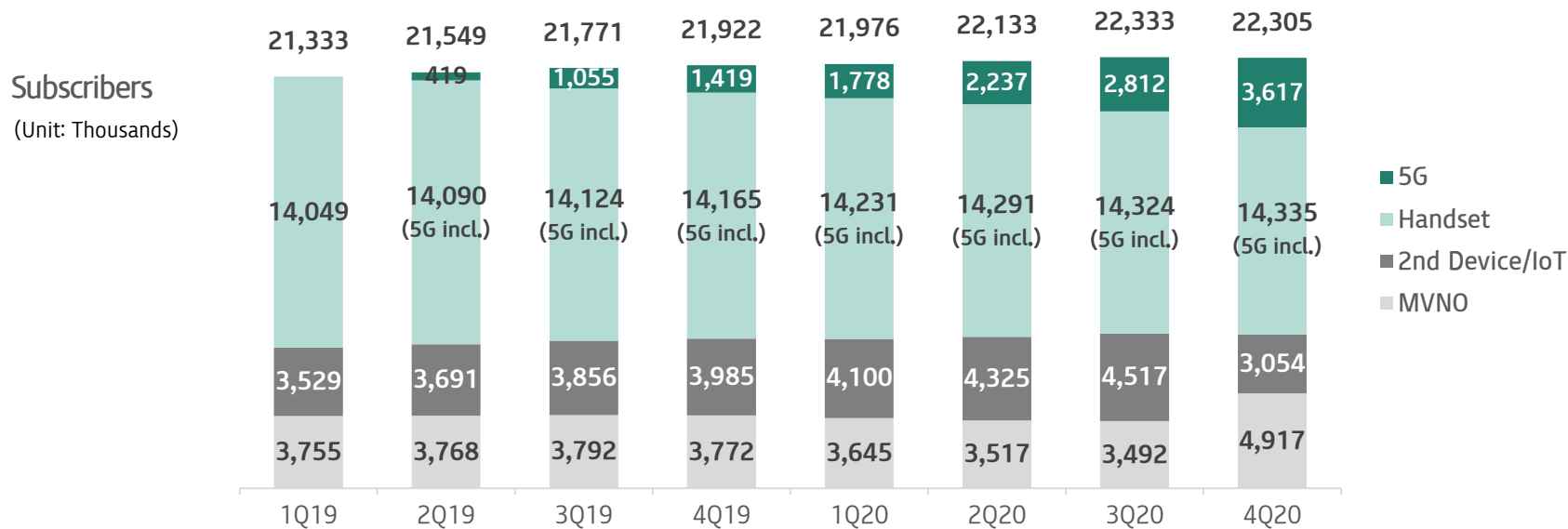
---

# 1 KT - Wireless

- Wireless service revenue up +1.6% YoY with 5G subscribers growth
- Total number of 5G subscribers recorded 3.62 million(25% of Handset subscribers)

(Unit: KRW bn)

	4Q19	3Q20	4Q20	QoQ	YoY	2019	2020	YoY
Wireless	1,705.4	1,742.1	1,733.4	-0.5%	1.6%	6,847.1	6,933.8	1.3%
Service	1,607.1	1,636.2	1,658.5	1.4%	3.2%	6,442.7	6,542.7	1.6%
Interconnection	98.3	105.9	74.9	-29.3%	-23.8%	404.4	391.1	-3.3%



## 2 KT - Fixed Line/IPTV

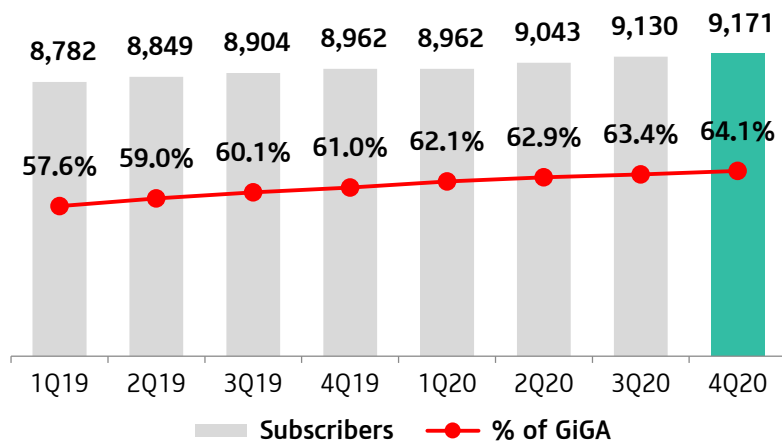
- Telephony revenue down -7.3% YoY and Broadband revenue maintained last year's level despite interconnection rates decrease
- IPTV revenue up +7.7% YoY with consistent subs growth and platform revenue growth

(Unit: KRW bn)

	4Q19	3Q20	4Q20	QoQ	YoY	2019	2020	YoY
Telephony	382.5	369.2	351.5	-4.8%	-8.1%	1,580.5	1,465.5	-7.3%
Broadband	498.8	498.7	503.3	0.9%	0.9%	2,002.1	2,001.2	0.0%
IPTV	410.2	459.3	438.6	-4.5%	6.9%	1,599.5	1,723.2	7.7%

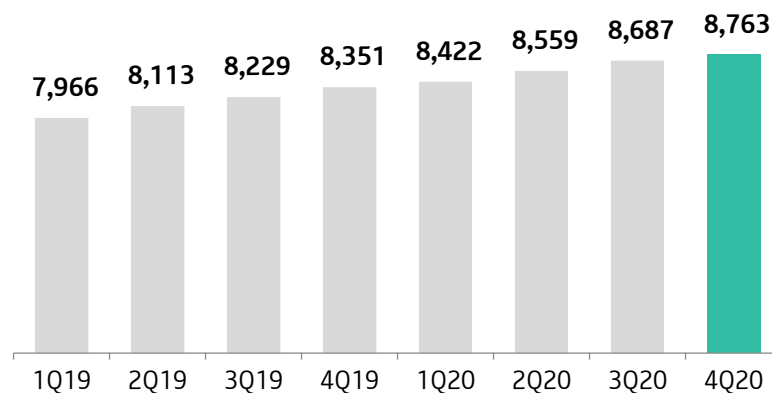
### Broadband Subscriber

(Unit: Thousands)



### IPTV Subscriber

(Unit: Thousands)



※ Number of IPTV subscribers above deviates from MSIT's released figure below following IPTV law  
 - Number of KT pay TV subscriber is 7,588,574 in 1H 2020 (6 month average)

### 3 KT - B2B and others

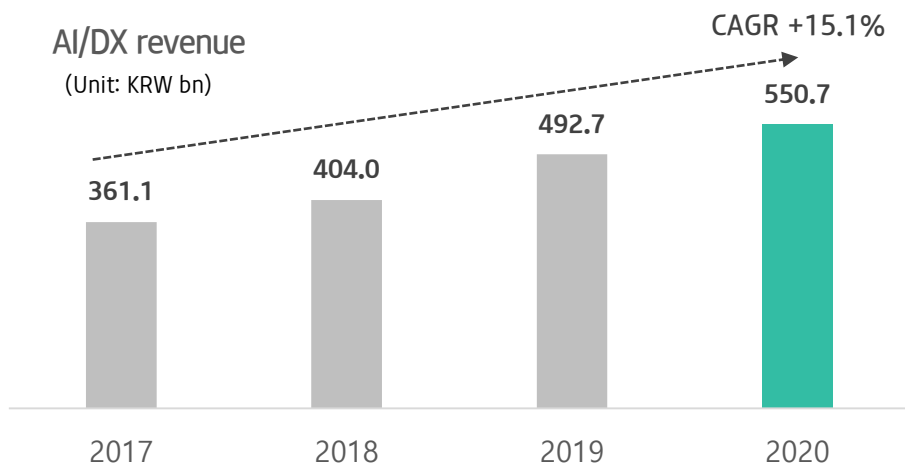
- B2B revenue up +2.0% YoY with increasing demands in IDC business and Cloud business expansion

(Unit: KRW bn)

	4Q19	3Q20	4Q20	QoQ	YoY	2019	2020	YoY
<b>B2B</b>	725.9	690.3	<b>707.9</b>	2.5%	-2.5%	2,719.1	<b>2,774.0</b>	2.0%
Corporate Fixed Line	268.9	266.9	<b>266.8</b>	0.0%	-0.8%	1,064.3	<b>1,068.7</b>	0.4%
Corporate IT/Solution	316.2	288.7	<b>302.1</b>	4.6%	-4.5%	1,162.1	<b>1,154.7</b>	-0.6%
AI/DX	140.8	134.7	<b>138.9</b>	3.1%	-1.4%	492.7	<b>550.7</b>	11.8%
<b>Real estate</b>	45.6	45.4	<b>50.8</b>	12.0%	11.4%	182.7	<b>185.2</b>	1.4%
<b>Handset revenue</b>	837.8	715.5	<b>804.5</b>	12.4%	-4.0%	3,273.7	<b>2,796.5</b>	-14.6%

#### AI/DX revenue

(Unit: KRW bn)



#### B2B business breakdown

Corp. Lines	Line lease, Kernet
Corp. IT/Solution	SI, Global ICT, Energy, Video security, etc.
AI/DX	IDC, Cloud, bizmeka, AI Platform, Block chain, Smart mobility, etc.

## 4 Major subsidiaries

- BC card and KT Estate revenues down -4.2% and -24.9% YoY, respectively, due to COVID-19 causing slump in credit cards and rental business
- Contents subsidiaries revenue up +9.6% YoY with volume growth in both music distribution and T-Commerce

### Subsidiaries Revenue

(Unit: KRW bn)

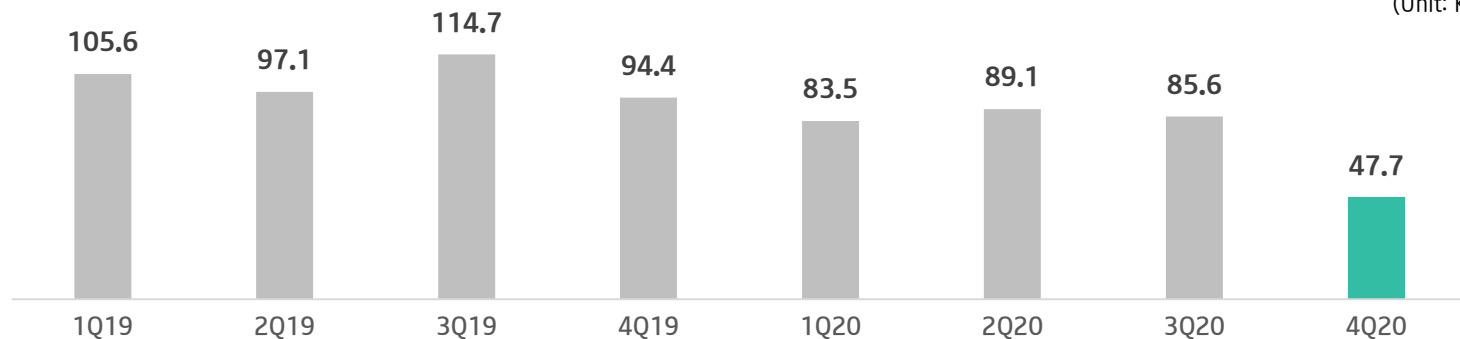
	4Q19	3Q20	4Q20	QoQ	YoY	2019	2020	YoY
BC card	921.4	863.4	856.4	-0.8%	-7.1%	3,536.5	3,386.4	-4.2%
Skylife	167.4	176.6	176.5	-0.1%	5.4%	694.6	698.7	0.6%
Contents subsidiaries	189.1	194.0	218.1	12.4%	15.3%	704.2	772.0	9.6%
KT estate	129.8	76.2	77.2	1.3%	-40.6%	485.3	364.4	-24.9%

※ “Storywiz,” specialized in web fiction/web cartoon contents, included in Contents subsidiaries since 2Q 2020

※ KT estate : Revenue decreased about KRW 46 bn due to transferring of FM(facility management) unit to KT Telecop in August 2020.

### OP contribution by subsidiaries in total

(Unit: KRW bn)





---

**1**    **KT Change Story**

---

**2**    **Financial Highlights**

---

**3**    **Business Overview**

---

**4**    **Appendix**

# 1 K-IFRS Income Statement

(Unit: KRW bn)

Consolidated	1Q 19	2Q 19	3Q 19	4Q 19	2019	1Q 20	2Q 20	3Q 20	4Q 20	2020	KT Separate	1Q 19	2Q 19	3Q 19	4Q 19	2019	1Q 20	2Q 20	3Q 20	4Q 20	2020
Operating revenue	5,834.4	6,098.5	6,213.7	6,195.5	24,342.0	5,831.7	5,876.5	6,001.2	6,207.3	23,916.7	Operating revenue	4,334.3	4,558.5	4,705.7	4,606.2	18,204.7	4,429.1	4,339.6	4,520.5	4,590.0	17,879.2
Service revenue	5,055.5	5,225.2	5,199.6	5,289.8	20,770.0	5,107.0	5,196.6	5,240.0	5,302.5	20,846.1	Service revenue	3,645.4	3,751.3	3,765.9	3,768.5	14,931.0	3,749.0	3,743.2	3,805.0	3,785.5	15,082.8
Handset revenue	778.9	873.3	1,014.1	905.7	3,572.0	724.7	679.9	761.2	904.7	3,070.5	Handset revenue	688.9	807.3	939.8	837.8	3,273.7	680.1	596.4	715.5	804.5	2,796.5
Operating expense	5,432.3	5,810.3	5,901.2	6,038.7	23,182.5	5,448.6	5,534.7	5,708.8	6,040.5	22,732.6	Operating expense	4,037.8	4,367.4	4,508.0	4,543.8	17,457.0	4,129.5	4,086.9	4,313.7	4,470.9	17,001.0
Service expense	4,568.7	4,791.0	4,744.3	4,871.4	18,975.4	4,574.2	4,747.4	4,907.4	5,032.4	19,261.4	Service expense	3,325.3	3,493.6	3,504.9	3,543.2	13,867.0	3,368.7	3,444.5	3,571.2	3,605.2	13,989.7
Labor cost	983.8	1,006.1	959.4	1,001.8	3,951.1	1,003.9	983.7	1,082.3	1,053.8	4,123.7	Labor cost	543.6	573.7	528.5	537.5	2,183.2	555.1	535.4	629.2	548.1	2,267.8
General expense	2,327.1	2,459.3	2,433.5	2,571.2	9,791.1	2,259.5	2,343.3	2,386.9	2,435.4	9,425.1	General expense	1,595.7	1,671.8	1,690.7	1,791.8	6,749.9	1,613.2	1,656.0	1,692.1	1,756.3	6,717.7
Cost of svc provided	685.6	711.7	759.1	798.9	2,955.3	759.2	833.0	823.9	860.6	3,276.7	Cost of svc provided	588.1	618.4	649.0	688.2	2,543.6	609.0	617.6	592.6	592.9	2,412.1
Selling expense	572.2	613.9	592.3	499.5	2,277.9	551.6	587.4	614.3	682.6	2,435.8	Selling expense	598.0	629.7	636.7	525.7	2,390.2	591.4	635.5	657.3	707.9	2,592.1
Cost of device sold	863.6	1,019.3	1,156.9	1,167.3	4,207.1	874.4	787.3	801.4	1,008.1	3,471.2	Cost of device sold	712.5	873.8	1,003.1	1,000.6	3,590.1	760.8	642.4	742.5	865.7	3,011.5
Operating income	402.1	288.2	312.5	156.7	1,159.5	383.1	341.8	292.4	166.8	1,184.1	Operating income	296.4	191.1	197.7	62.4	747.7	299.6	252.7	206.8	119.1	878.2
N-OP income (loss)	-4.4	-4.7	-42.2	-132.0	-183.3	-15.9	-34.0	22.0	-181.1	-209.0	N-OP income (loss)	100.7	-1.8	-99.5	-124.0	-124.5	134.2	-28.0	14.5	-185.6	-64.9
N-OP income	181.5	199.2	208.4	94.7	683.8	290.5	85.3	157.5	306.5	839.9	N-OP income	271.7	179.4	195.2	60.1	706.4	389.0	82.2	95.3	282.7	849.2
N-OP expense	186.5	199.1	252.3	225.9	863.8	302.9	114.5	140.4	509.1	1,067.0	N-OP expense	170.9	181.2	294.7	184.1	830.9	254.8	110.2	80.8	468.4	914.1
Equity Method (G/L)	0.7	-4.8	1.7	-0.9	-3.3	-3.5	-4.8	4.9	21.5	18.0											
Income bf tax	397.7	283.5	270.3	24.7	976.2	367.2	307.9	314.3	-14.3	975.1	Income bf tax	397.2	189.4	98.2	-61.5	623.2	433.8	224.7	221.3	-66.5	813.3
Income tax	138.0	80.5	57.0	34.9	310.3	140.6	100.3	84.2	-53.4	271.7	Income tax	104.5	49.7	25.8	14.8	194.8	113.8	58.9	58.1	-83.0	147.8
Net income	259.8	203.0	213.3	-10.2	665.9	226.6	207.6	230.1	39.1	703.4	Net income	292.6	139.7	72.4	-76.3	428.4	320.0	165.8	163.2	16.5	665.5
NI contribution to KT	231.1	173.9	189.7	21.0	615.8	208.3	176.6	203.4	69.7	658.0											
EBITDA	1,309.5	1,191.3	1,209.8	1,078.4	4,789.1	1,295.8	1,252.6	1,197.1	1,072.8	4,818.4	EBITDA	1,108.1	997.7	999.3	871.7	3,976.9	1,113.5	1,063.3	1,010.0	925.3	4,112.1
EBITDA Margin	22.4%	19.5%	19.5%	17.4%	19.7%	22.2%	21.3%	19.9%	17.3%	20.1%	EBITDA Margin	25.6%	21.9%	21.2%	18.9%	21.8%	25.1%	24.5%	22.3%	20.2%	23.0%

## 2 K-IFRS Balance Sheet

(Unit: KRW bn)

Consolidated	1Q 19	2Q 19	3Q 19	4Q 19	1Q 20	2Q 20	3Q 20	4Q 20
<b>Assets</b>	<b>33,247.8</b>	<b>33,469.4</b>	<b>33,661.3</b>	<b>34,540.1</b>	<b>32,631.0</b>	<b>34,003.4</b>	<b>35,860.5</b>	<b>33,662.3</b>
<b>Current assets</b>	<b>12,396.1</b>	<b>11,818.3</b>	<b>11,716.7</b>	<b>12,020.3</b>	<b>10,887.2</b>	<b>12,480.5</b>	<b>14,215.2</b>	<b>11,154.2</b>
Cash & cash equi.	2,765.0	2,250.1	2,128.4	2,305.9	1,627.1	2,942.2	2,990.9	2,634.6
Trade & other rec	4,129.5	4,364.8	4,108.2	4,177.6	4,121.3	4,159.9	4,272.5	3,840.2
Inventories	646.4	607.6	636.2	665.5	634.7	640.6	851.9	534.6
Other current asset	4,855.2	4,595.7	4,843.9	4,871.2	4,504.1	4,737.8	6,099.9	4,144.7
- Prepaid_Contract cost	1,106.3	1,165.2	1,318.5	1,389.5	1,362.5	1,378.4	1,379.9	1,345.7
- Contract assets	330.9	377.8	430.6	409.8	393.7	391.2	382.9	392.3
<b>Non-current assets</b>	<b>20,851.8</b>	<b>21,651.1</b>	<b>21,944.6</b>	<b>22,519.8</b>	<b>21,743.8</b>	<b>21,522.9</b>	<b>21,645.3</b>	<b>22,508.2</b>
Trade & other rec	690.4	867.9	943.6	991.9	996.7	1,123.4	1,060.6	1,128.3
Tangible assets	12,811.1	13,192.8	13,349.7	13,785.3	13,497.4	13,454.5	13,773.5	14,206.1
Other current assets	7,350.3	7,590.4	7,651.3	7,742.6	7,249.7	6,945.0	6,811.2	7,173.7
- Prepaid_Contract cost	364.4	403.5	460.3	459.8	461.3	456.9	466.4	458.2
- Contract assets	94.1	111.3	126.5	147.3	147.2	161.6	176.5	194.2
<b>Liabilities</b>	<b>18,509.4</b>	<b>18,464.8</b>	<b>18,430.1</b>	<b>19,356.6</b>	<b>17,559.4</b>	<b>18,629.6</b>	<b>20,204.0</b>	<b>18,110.9</b>
<b>Current liabilities</b>	<b>9,926.8</b>	<b>9,908.1</b>	<b>9,973.8</b>	<b>10,184.6</b>	<b>9,171.5</b>	<b>9,894.9</b>	<b>11,479.1</b>	<b>9,192.5</b>
Trade & other payables	7,264.0	7,980.9	7,709.7	7,597.5	6,524.1	6,601.7	8,255.6	6,210.1
Short-term borrowings	1,149.0	583.6	915.7	1,185.7	1,271.3	1,652.3	1,546.0	1,418.1
Others	1,513.8	1,343.6	1,348.4	1,401.4	1,376.2	1,640.9	1,677.5	1,564.3
- Contract liabilities	302.9	304.4	304.1	313.6	314.6	315.5	316.3	327.1
<b>Non-current liabilities</b>	<b>8,582.5</b>	<b>8,556.7</b>	<b>8,456.4</b>	<b>9,171.9</b>	<b>8,387.9</b>	<b>8,734.7</b>	<b>8,724.9</b>	<b>8,918.4</b>
Trade & other payables	1,132.7	1,110.0	1,125.6	1,082.2	801.7	811.1	810.0	807.5
Long-term borrowings	5,641.1	5,673.2	5,492.6	6,113.1	6,015.6	6,335.3	6,304.9	5,898.0
Others	1,808.7	1,773.5	1,838.2	1,976.5	1,570.6	1,588.3	1,610.0	2,212.9
- Contract liabilities	44.3	42.7	45.0	52.0	58.5	51.5	52.2	57.1
<b>Equity</b>	<b>14,738.5</b>	<b>15,004.6</b>	<b>15,231.1</b>	<b>15,183.5</b>	<b>15,071.6</b>	<b>15,373.8</b>	<b>15,656.5</b>	<b>15,551.4</b>
Retained earnings	11,269.5	11,438.9	11,627.4	11,633.8	11,575.1	11,936.1	12,139.8	12,155.4

KT Separate	1Q 19	2Q 19	3Q 19	4Q 19	1Q 20	2Q 20	3Q 20	4Q 20
<b>Assets</b>	<b>26,837.7</b>	<b>26,959.8</b>	<b>27,076.4</b>	<b>28,212.7</b>	<b>27,069.1</b>	<b>27,578.0</b>	<b>28,185.5</b>	<b>28,027.9</b>
<b>Current assets</b>	<b>7,307.3</b>	<b>7,052.4</b>	<b>6,961.4</b>	<b>7,235.2</b>	<b>6,884.5</b>	<b>7,451.4</b>	<b>8,102.4</b>	<b>7,155.7</b>
Cash & cash equi.	1,750.1	1,394.9	1,189.2	1,328.4	754.1	1,422.1	1,911.6	1,541.2
Trade & other rec	3,357.8	3,451.0	3,300.9	3,231.0	3,490.2	3,372.7	3,473.7	3,127.0
Inventories	446.4	404.8	437.6	477.1	439.4	459.5	649.4	353.3
Other current asset	1,753.1	1,801.7	2,033.7	2,198.7	2,200.8	2,197.1	2,067.7	2,134.2
- Prepaid_Contract cost	1,134.5	1,210.6	1,368.1	1,432.1	1,408.2	1,431.6	1,432.8	1,406.9
- Contract assets	300.2	339.1	384.4	382.2	359.2	349.7	338.2	343.4
<b>Non-current assets</b>	<b>19,530.4</b>	<b>19,907.4</b>	<b>20,115.0</b>	<b>20,977.4</b>	<b>20,184.6</b>	<b>20,126.6</b>	<b>20,083.1</b>	<b>20,872.2</b>
Trade & other rec	641.7	806.4	888.0	1,063.4	954.4	1,063.8	1,001.3	1,080.3
Tangible assets	10,656.7	10,914.5	11,092.4	11,448.0	11,284.6	11,250.6	11,502.2	11,999.7
Other current assets	8,232.0	8,186.5	8,134.5	8,466.0	7,945.6	7,812.2	7,579.6	7,792.2
- Prepaid_Contract cost	351.4	398.9	457.0	444.2	448.8	446.0	454.7	454.8
- Contract assets	84.0	101.4	112.5	95.8	93.6	98.6	106.5	118.8
<b>Liabilities</b>	<b>14,099.7</b>	<b>14,076.5</b>	<b>14,122.0</b>	<b>15,319.4</b>	<b>14,133.3</b>	<b>14,466.5</b>	<b>14,877.7</b>	<b>14,824.4</b>
<b>Current liabilities</b>	<b>6,283.8</b>	<b>6,238.7</b>	<b>6,471.1</b>	<b>6,801.3</b>	<b>6,486.4</b>	<b>6,562.1</b>	<b>6,980.9</b>	<b>6,608.0</b>
Trade & other payables	4,472.4	5,118.4	5,006.4	5,062.3	4,560.1	4,130.9	4,613.6	4,568.4
Short-term borrowings	948.5	380.4	744.7	1,052.5	1,168.5	1,539.3	1,381.4	1,228.8
Others	862.9	739.9	720.0	686.5	757.8	891.9	985.9	810.8
- Contract liabilities	302.1	306.7	304.2	314.5	316.7	316.0	319.7	316.8
<b>Non-current liabilities</b>	<b>7,815.9</b>	<b>7,837.8</b>	<b>7,650.9</b>	<b>8,518.1</b>	<b>7,646.9</b>	<b>7,904.4</b>	<b>7,896.8</b>	<b>8,216.4</b>
Trade & other payables	1,524.9	1,476.1	1,454.2	1,817.1	1,061.2	1,051.7	996.8	1,512.9
Long-term borrowings	5,502.7	5,549.0	5,371.1	5,975.5	5,854.5	6,082.7	6,080.7	5,717.0
Others	788.3	812.6	825.6	725.5	731.2	770.0	819.3	986.5
- Contract liabilities	41.4	40.1	42.4	49.1	55.5	49.9	50.9	54.6
<b>Equity</b>	<b>12,738.0</b>	<b>12,883.3</b>	<b>12,954.3</b>	<b>12,893.3</b>	<b>12,935.8</b>	<b>13,111.5</b>	<b>13,307.8</b>	<b>13,203.5</b>
Retained earnings	10,741.7	10,880.2	10,952.9	10,866.6	10,919.6	11,084.8	11,249.0	11,233.7

### 3 Subscribers

Wireless	1Q 19	2Q 19	3Q 19	4Q 19	1Q 20	2Q 20	3Q 20	4Q 20	QoQ	YoY
Subscribers (Unit: Thousands) <sup>1)</sup>										
<b>Total</b>	<b>21,333</b>	<b>21,549</b>	<b>21,771</b>	<b>21,922</b>	<b>21,976</b>	<b>22,133</b>	<b>22,333</b>	<b>22,305</b>	<b>-0.1%</b>	<b>1.7%</b>
<b>Net additions</b>	<b>213</b>	<b>216</b>	<b>222</b>	<b>150</b>	<b>55</b>	<b>157</b>	<b>200</b>	<b>-28</b>	<b>N/A</b>	<b>N/A</b>
<b>Gross additions</b>	<b>1,181</b>	<b>1,133</b>	<b>1,077</b>	<b>1,067</b>	<b>938</b>	<b>1,030</b>	<b>1,033</b>	<b>999</b>	<b>-3.3%</b>	<b>-6.4%</b>
<b>Deactivation<sup>2)</sup></b>	<b>968</b>	<b>917</b>	<b>855</b>	<b>917</b>	<b>884</b>	<b>873</b>	<b>833</b>	<b>1,026</b>	<b>23.2%</b>	<b>12.0%</b>
<b>Churn rate</b>	<b>1.5%</b>	<b>1.4%</b>	<b>1.3%</b>	<b>1.4%</b>	<b>1.3%</b>	<b>1.3%</b>	<b>1.2%</b>	<b>1.5%</b>	<b>0.3%p</b>	<b>0.1%p</b>
<b>LTE</b>	<b>17,393</b>	<b>17,383</b>	<b>17,169</b>	<b>17,153</b>	<b>17,035</b>	<b>16,954</b>	<b>16,774</b>	<b>16,174</b>	<b>-3.6%</b>	<b>-5.7%</b>
<b>5G</b>		<b>419</b>	<b>1,055</b>	<b>1,419</b>	<b>1,779</b>	<b>2,237</b>	<b>2,813</b>	<b>3,619</b>	<b>28.7%</b>	<b>155.0%</b>
<b>LTE+5G Penetration rate</b>	<b>81.5%</b>	<b>82.6%</b>	<b>83.7%</b>	<b>84.7%</b>	<b>85.6%</b>	<b>86.7%</b>	<b>87.7%</b>	<b>88.7%</b>	<b>1.0%p</b>	<b>4.0%p</b>
<b>ARPU (KRW)<sup>3)</sup></b>	<b>31,490</b>	<b>31,727</b>	<b>31,906</b>	<b>31,341</b>	<b>31,773</b>	<b>31,393</b>	<b>31,620</b>	<b>31,946</b>	<b>1.0%</b>	<b>1.9%</b>

Note 1) Subscribers: MSIT's new guidelines for subscriber disclosure (Retroactively applied from 1Q14, MVNO included)

Note 2) Deactivation: Mandatory deactivation included

Note 3) ARPU = Wireless revenue\* / Wireless subscribers\*\*

\* Wireless revenue(3G, LTE, 5G, IoT included): Revenue of Voice and Data usage (Interconnection/Subscription fee excluded), VAS, Contract/ Bundled Discounts, and etc. included

\*\* Wireless subscribers: Based on MSIT's guidelines for average billed subscribers in quarter

Fixed Line/IPTV	1Q 19	2Q 19	3Q 19	4Q 19	1Q 20	2Q 20	3Q 20	4Q 20	QoQ	YoY
Subscribers (Unit: Thousands)										
<b>Telephony</b>	<b>14,830</b>	<b>14,554</b>	<b>14,386</b>	<b>14,185</b>	<b>14,033</b>	<b>13,863</b>	<b>13,732</b>	<b>13,582</b>	<b>-1.1%</b>	<b>-4.2%</b>
<b>PSTN</b>	<b>11,489</b>	<b>11,343</b>	<b>11,192</b>	<b>11,052</b>	<b>10,898</b>	<b>10,736</b>	<b>10,594</b>	<b>10,449</b>	<b>-1.4%</b>	<b>-5.5%</b>
<b>VoIP</b>	<b>3,340</b>	<b>3,211</b>	<b>3,194</b>	<b>3,133</b>	<b>3,135</b>	<b>3,127</b>	<b>3,138</b>	<b>3,133</b>	<b>-0.1%</b>	<b>0.0%</b>
<b>Broadband</b>	<b>8,782</b>	<b>8,849</b>	<b>8,904</b>	<b>8,962</b>	<b>8,962</b>	<b>9,043</b>	<b>9,130</b>	<b>9,171</b>	<b>0.5%</b>	<b>2.3%</b>
<b>IPTV (OTV+OTS)</b>	<b>7,966</b>	<b>8,113</b>	<b>8,229</b>	<b>8,351</b>	<b>8,422</b>	<b>8,559</b>	<b>8,687</b>	<b>8,763</b>	<b>0.9%</b>	<b>4.9%</b>

※ Number of IPTV subscribers above deviates from MSIT's released figure below following IPTV law

- Number of KT pay TV subscriber is 7,588,574 in 1H 2020 (6 month average)

**kt**