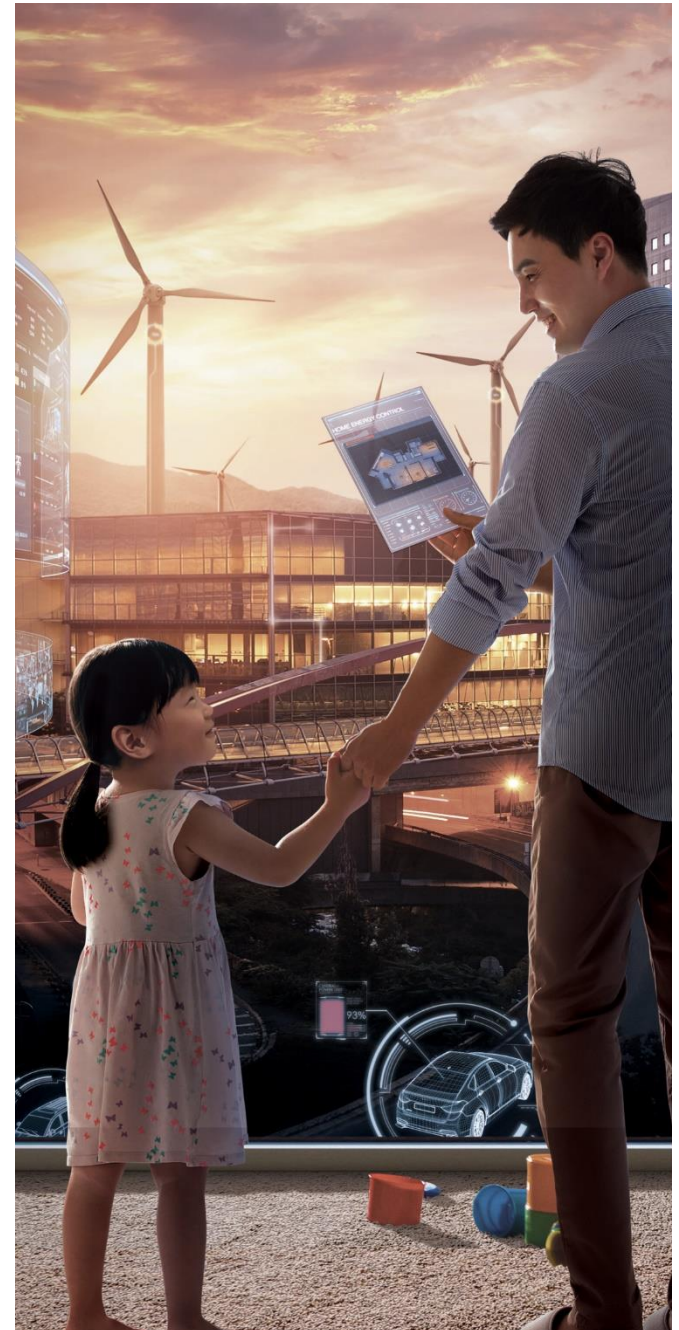


KT 1Q21 Earnings Release

2021. 5. 11 | 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 1st, 2018 and K-IFRS 1116 ‘Leases’ as of Jan 1st, 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 1Q21 Highlights

2 Financial Highlights

3 Business Overview

4 Appendix

1 1Q21 Highlights

Financial

(unit: KRW)

Revenue and OP improved with balanced growth in Telco and Digital Platform Business

Service Revenue
(Consolidated)

6,029.4 bn. (YoY + 3.4%)

Service Revenue
(KT separate)

4,574.5 bn. (YoY + 3.3%)

Operating Profit
(Consolidated)

444.2 bn. (YoY +15.4%)

Operating Profit
(KT separate)

366.0 bn. (YoY +21.4%)

Business

Digital platform businesses expansion and Group business portfolio Restructuring for the growth

Digital platform business expansion & Telco business competency enhancement



✓ B2B growth continued with 'Un-tact' (Contact-free culture) increase

- AI/DX(IDC, Cloud) Rev. grew YoY +7.5%
- Accelerate DX Service offering(AICC, C-ITS etc.)



✓ Telco fundamental enhanced

- Mobile ARPU YoY turnaround
- Broadband subs net adds of 100k (The largest net adds M/S in 1Q21)

Group restructuring & Strategic investment continued for future growth



✓ K bank accelerated growth with capital increase

- Total deposit Dec. '20 5 tr. ▶ Apr. '21 12 tr.



✓ KT StudioGenie established

- Share acquisition of Storywiz and SkyLife TV



✓ Strategic investment in 'banksalad'



✓ Acquisition of 'altimedia'

1 1Q21 Highlights

2 Financial Highlights

3 Business Overview

4 Appendix

1 Income Statement

- Total revenue increased YoY +3.4% with balanced growth in both Telco and Digital platform business
- Operating income increased YoY +15.4% with efficient cost spending

(Unit: KRW bn)

	1Q20	4Q20	1Q21	QoQ	YoY
Operating Revenue	5,831.7	6,207.3	6,029.4	-2.9%	3.4%
Service Revenue	5,107.0	5,302.5	5,230.4	-1.4%	2.4%
Handset Revenue	724.7	904.7	799.1	-11.7%	10.3%
Operating Expense	5,446.9	6,045.5	5,585.2	-7.6%	2.5%
Operating Income	384.8	161.7	444.2	174.7%	15.4%
Margin	6.6%	2.6%	7.4%	4.8%p	0.8%p
Margin*	7.5%	3.0%	8.5%	5.4%p	1.0%p
Non-op. Income/Loss	-17.0	-178.0	24.0	Turn Black	Turn Black
Income before taxes	367.8	-16.3	468.2	Turn Black	27.3%
Net Income	227.2	37.2	326.5	777.8%	43.7%
Margin	3.9%	0.6%	5.4%	4.8%p	1.5%p
EBITDA	1,297.2	1,067.1	1,345.3	26.1%	3.7%
Margin	22.2%	17.2%	22.3%	5.1%p	0.1%p

※ OP Margin* = Operating Income/Service Revenue

2 Operating Expenses

(Unit: KRW bn)

	1Q20	4Q20	1Q21	QoQ	YoY
Operating Expenses	5,446.9	6,045.5	5,585.2	-7.6%	2.5%
Labor Cost	1,003.9	1,053.8	1,024.2	-2.8%	2.0%
General Expense	2,257.7	2,440.5	2,320.7	-4.9%	2.8%
- Depreciation	912.4	905.4	901.2	-0.5%	-1.2%
Cost of Service Provided	759.2	860.6	757.4	-12.0%	-0.2%
Selling Expense	551.6	682.6	614.4	-10.0%	11.4%
Cost of Handset sold	874.4	1,008.1	868.5	-13.8%	-0.7%

• Selling Expense (KT Separate)

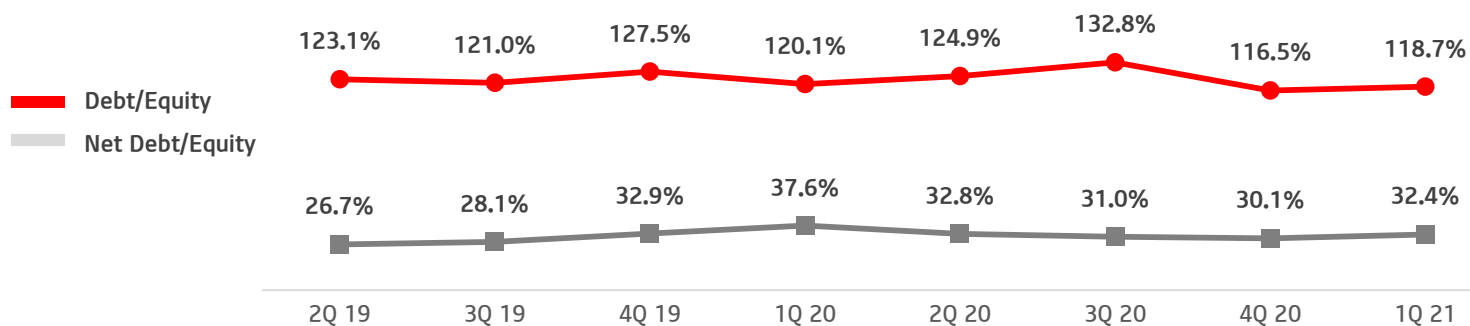
(Unit: KRW bn)

	1Q20	4Q20	1Q21	QoQ	YoY
Selling Expense	575.8	686.3	631.0	-8.1%	9.6%

3 Financial Position

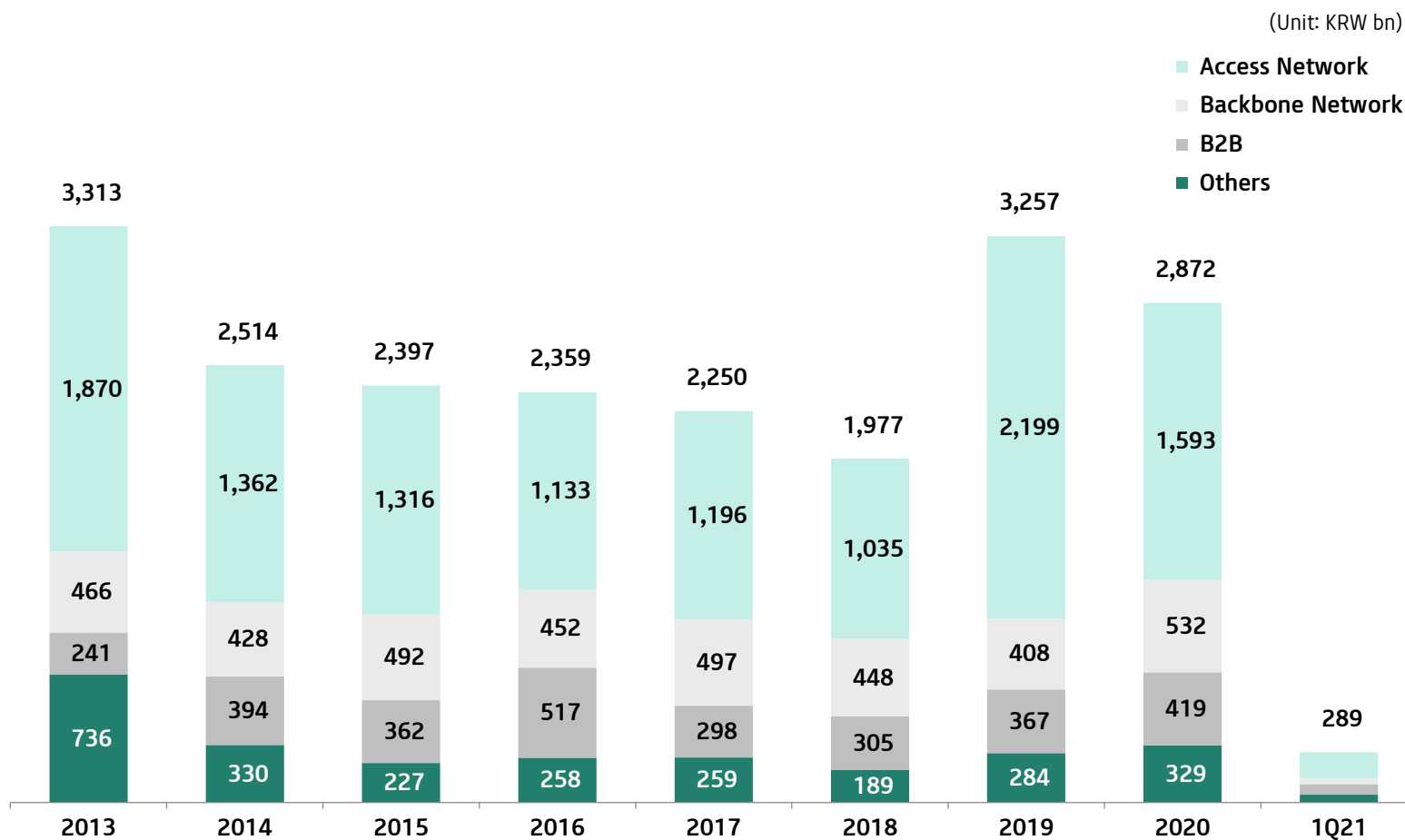
(Unit: KRW bn)

	1Q20	4Q20	1Q21	QoQ	YoY
Assets	33,167.9	33,662.5	33,547.6	-0.3%	1.1%
Cash & Cash equivalents	1,627.1	2,634.6	2,753.1	4.5%	69.2%
Liabilities	18,099.2	18,111.1	18,209.7	0.5%	0.6%
Borrowings	7,286.9	7,316.3	7,724.6	5.6%	6.0%
Equity	15,068.8	15,551.4	15,337.9	-1.4%	1.8%
Capital Stock	1,564.5	1,564.5	1,564.5	0.0%	0.0%
Net Debt	5,659.8	4,681.7	4,971.6	6.2%	-12.2%
Debt / Equity	120.1%	116.5%	118.7%	2.2%p	-1.4%p
Net Debt / Equity	37.6%	30.1%	32.4%	2.3%p	-5.2%p



4 CAPEX

- CAPEX executed 289.4 bn won in 1Q21
 - Access Network 149.7 bn, Backbone Network 34.2 bn, B2B communications 61.1 bn, others 44.4 bn



1 1Q21 Highlights

2 Financial Highlights

3 Business Overview

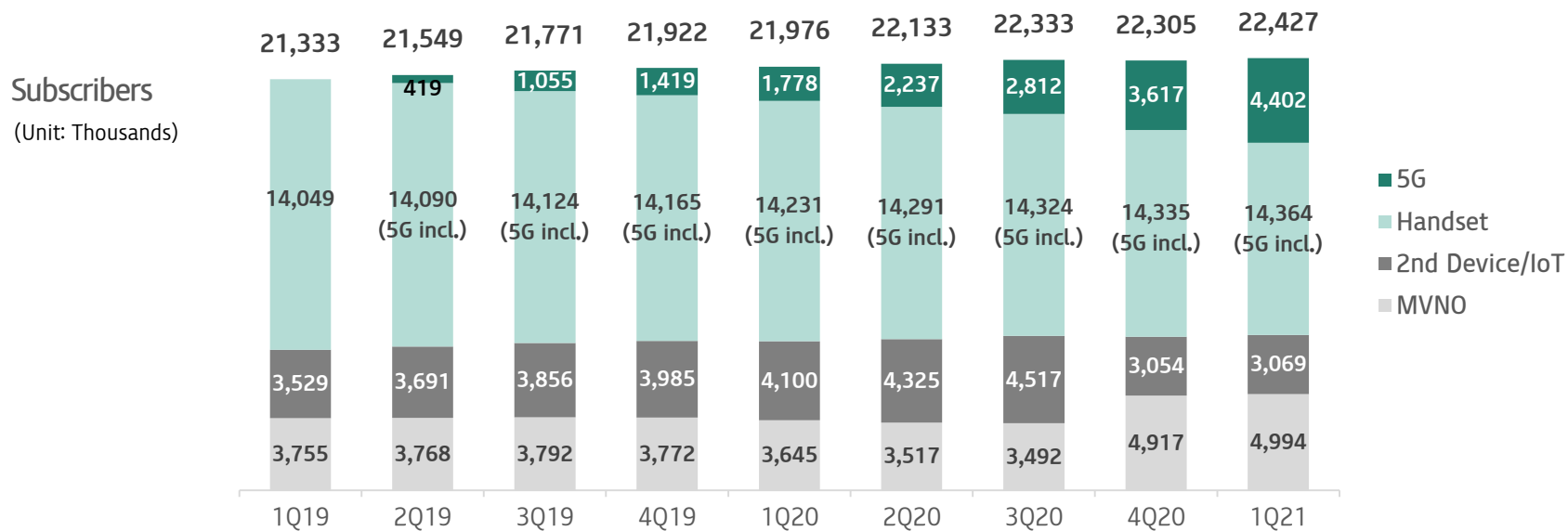
4 Appendix

1 KT - Wireless

- Wireless service revenue up +2.2% YoY with 5G subscribers growth
- Total number of 5G subscribers recorded 4.4 million(30.7% of Handset subscribers)

(Unit: KRW bn)

	1Q20	4Q20	1Q21	QoQ	YoY
Wireless	1,735.7	1,733.4	1,770.7	2.1%	2.0%
Service	1,632.4	1,658.5	1,667.6	0.5%	2.2%
Interconnection	103.3	74.9	103.1	37.6%	-0.2%



2 KT - Fixed Line/IPTV

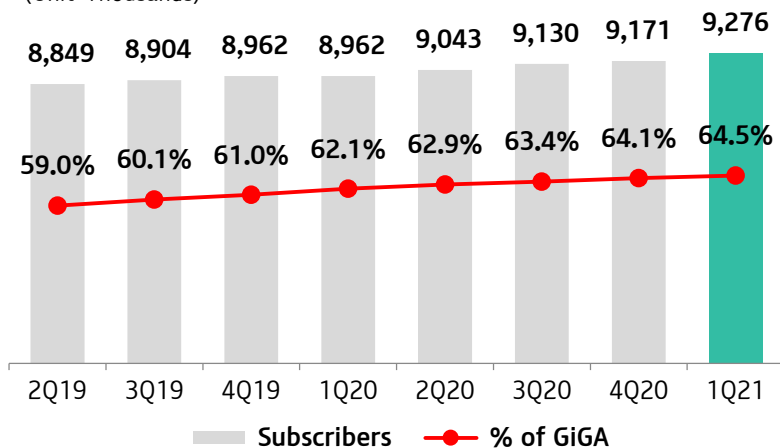
- Telephony revenue decline mitigated (YoY -0.3%), Broadband revenue maintained last year's level despite interconnection rates decrease
- IPTV revenue up +6.8% YoY with consistent subs growth and platform revenue growth

(Unit: KRW bn)

	1Q20	4Q20	1Q21	QoQ	YoY
Telephony	378.4	355.1	377.3	6.2%	-0.3%
Broadband	502.5	503.3	503.2	0.0%	0.1%
IPTV	417.7	438.6	446.2	1.7%	6.8%

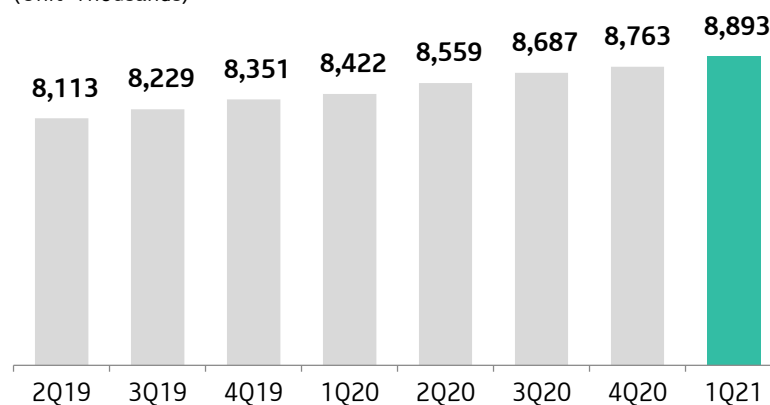
Broadband Subscriber

(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

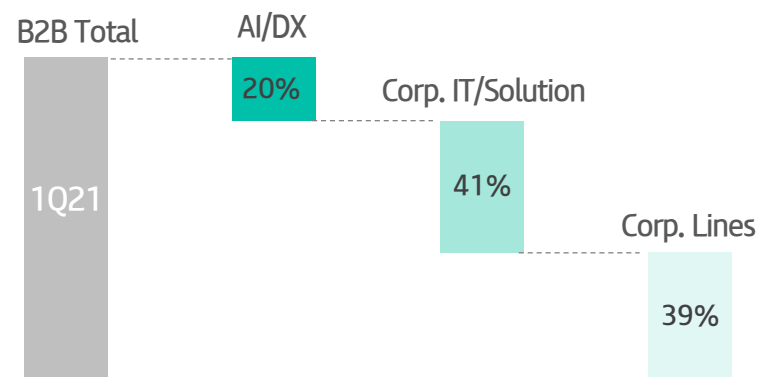
- B2B revenue up +2.3% with balanced growth in all sub businesses, AI/DX including IDC/Cloud revenue up +7.5% YoY

(Unit: KRW bn)

	1Q20	4Q20	1Q21	QoQ	YoY
B2B	668.9	704.3	684.2	-2.8%	2.3%
Corporate Fixed Line	267.5	266.8	269.3	0.9%	0.7%
Corporate IT/Solution	276.2	308.8	280.4	-9.2%	1.5%
AI/DX	125.2	128.6	134.5	4.6%	7.5%
Real estate	45.8	50.8	41.3	-18.8%	-9.9%
Handset revenue	680.1	804.5	751.6	-6.6%	10.5%

※ Most of Bizmeka revenue, which was in AI/DX, transferred to Corp. IT/Solution due to the decision of business termination and reallocation (Retrospectively reflected in revenue of FY2020)

B2B business breakdown



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

4 Major subsidiaries

- BC card partly recovered from COVID-19 slump and its revenue grew YoY +5.0% with the increase of credit card transaction
- Contents subsidiaries revenue up +12.2% YoY with volume growth in both music distribution and T-Commerce

Subsidiaries Revenue

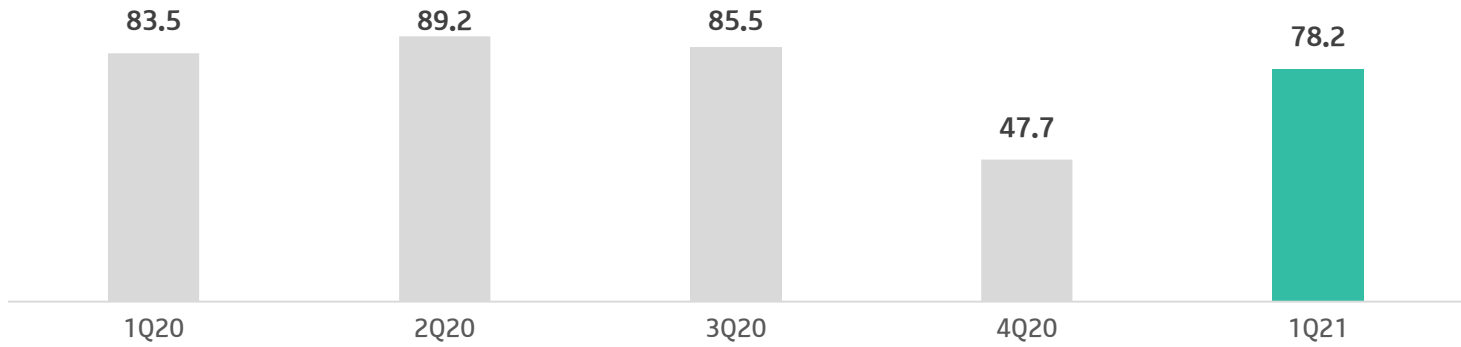
(Unit: KRW bn)

	1Q20	4Q20	1Q21	QoQ	YoY
BC card	799.4	856.4	839.5	-2.0%	5.0%
Skylife	167.9	176.5	166.9	-5.4%	-0.6%
Contents subsidiaries	177.9	218.1	199.6	-8.5%	12.2%
KT estate	106.7	77.2	62.6	-18.8%	-41.3%

※ Contents subsidiaries : Storywiz(2Q20), KT Studio Genie(1Q21) added
 ※ KT estate : transferred its FM(facility management) unit to KT Telecop in August 2020

OP contribution by subsidiaries in total

(Unit: KRW bn)



1 1Q21 Highlights

2 Financial Highlights

3 Business Overview

4 Appendix

1 K-IFRS Income Statement

(Unit: KRW bn)

Consolidated	1Q 20	2Q 20	3Q 20	4Q 20	2020	1Q 21	KT Separate	1Q 20	2Q 20	3Q 20	4Q 20	2020	1Q 21
Operating revenue	5,831.7	5,876.5	6,001.2	6,207.3	23,916.7	6,029.4	Operating revenue	4,429.1	4,339.6	4,520.5	4,590.0	17,879.2	4,574.5
Service revenue	5,107.0	5,196.6	5,240.0	5,302.5	20,846.1	5,230.4	Service revenue	3,749.0	3,743.2	3,805.0	3,785.5	15,082.8	3,822.9
Handset revenue	724.7	679.9	761.2	904.7	3,070.5	799.1	Handset revenue	680.1	596.4	715.5	804.5	2,796.5	751.6
Operating expense	5,446.9	5,533.0	5,707.2	6,045.5	22,732.6	5,585.2	Operating expense	4,127.7	4,085.3	4,312.0	4,476.1	17,001.0	4,208.5
Service expense	4,572.5	4,745.7	4,905.7	5,037.5	19,261.4	4,716.8	Service expense	3,367.0	3,442.9	3,569.5	3,610.3	13,989.7	3,443.8
Labor cost	1,003.9	983.7	1,082.3	1,053.8	4,123.7	1,024.2	Labor cost	555.1	535.4	629.2	548.1	2,267.8	569.0
General expense	2,257.7	2,341.6	2,385.3	2,440.5	9,425.1	2,320.7	General expense	1,611.5	1,654.4	1,690.4	1,761.4	6,717.7	1,644.8
Cost of svc provided	759.2	833.0	823.9	860.6	3,276.7	757.4	Cost of svc provided	609.0	617.6	592.6	592.9	2,412.1	584.4
Selling expense	551.6	587.4	614.3	682.6	2,435.8	614.4	Selling expense	591.4	635.5	657.3	707.9	2,592.1	645.6
Cost of device sold	874.4	787.3	801.4	1,008.1	3,471.2	868.5	Cost of device sold	760.8	642.4	742.5	865.7	3,011.5	764.7
Operating income	384.8	343.5	294.0	161.7	1,184.1	444.2	Operating income	301.4	254.3	208.5	114.0	878.2	366.0
N-OP income (loss)	-17.0	-34.2	20.1	-178.0	-209.0	24.0	N-OP income (loss)	133.1	-28.2	12.6	-182.5	-64.9	86.3
N-OP income	291.8	87.6	157.8	302.7	839.9	245.0	N-OP income	390.3	84.4	95.6	278.9	849.2	289.3
N-OP expense	305.4	116.8	142.6	502.2	1,067.0	226.7	N-OP expense	257.2	112.5	82.9	461.4	914.1	203.0
Equity Method (G/L)	-3.5	-4.8	4.9	21.5	18.0	5.7							
Income bf tax	367.8	309.4	314.2	-16.3	975.1	468.2	Income bf tax	434.5	226.2	221.1	-68.5	813.3	452.2
Income tax	140.6	100.3	84.2	-53.4	271.7	141.7	Income tax	113.8	58.9	58.1	-83.0	147.8	117.8
Net income	227.2	209.1	229.9	37.2	703.4	326.5	Net income	320.7	167.2	163.0	14.5	665.5	334.4
NI contribution to KT	208.9	178.1	203.3	67.7	658.0	302.6							
EBITDA	1,297.2	1,254.7	1,199.3	1,067.1	4,818.4	1,345.3	EBITDA	1,114.9	1,065.4	1,012.3	919.6	4,112.1	1,173.6
EBITDA Margin	22.2%	21.4%	20.0%	17.2%	20.1%	22.3%	EBITDA Margin	25.2%	24.6%	22.4%	20.0%	23.0%	25.7%

2 K-IFRS Balance Sheet

(Unit: KRW bn)

Consolidated	1Q 20	2Q 20	3Q 20	4Q 20	1Q 21
Assets	33,167.9	34,572.2	36,449.2	33,662.5	33,547.6
Current assets	10,881.6	12,474.5	14,211.2	11,154.2	11,567.1
Cash & cash equi.	1,627.1	2,942.2	2,990.9	2,634.6	2,753.1
Trade & other rec	4,121.3	4,159.9	4,272.5	3,840.2	4,029.5
Inventories	634.7	640.6	851.9	534.6	591.9
Other current asset	4,498.5	4,731.8	6,095.9	4,144.7	4,192.6
- Prepaid_Contract cost	1,362.5	1,378.4	1,379.9	1,345.7	1,310.8
- Contract assets	393.7	391.2	382.9	392.3	415.8
Non-current assets	22,286.4	22,097.7	22,237.9	22,508.4	21,980.5
Trade & other rec	996.7	1,123.4	1,060.6	1,128.5	945.3
Tangible assets	13,497.4	13,454.5	13,773.5	14,206.1	13,877.4
Other current assets	7,792.3	7,519.8	7,403.8	7,173.7	7,157.8
- Prepaid_Contract cost	461.3	456.9	466.4	458.2	448.2
- Contract assets	147.2	161.6	176.5	194.2	209.4
Liabilities	18,099.2	19,199.7	20,794.0	18,111.1	18,209.7
Current liabilities	9,205.2	9,961.4	11,535.4	9,192.5	9,271.5
Trade & other payables	6,524.1	6,601.7	8,255.6	6,210.1	5,969.6
Short-term borrowings	1,271.3	1,667.3	1,546.0	1,418.1	1,449.0
Others	1,409.9	1,692.4	1,733.8	1,564.3	1,853.0
- Contract liabilities	314.6	315.5	316.3	327.1	321.2
Non-current liabilities	8,893.9	9,238.3	9,258.6	8,918.6	8,938.2
Trade & other payables	801.7	811.1	810.0	807.5	690.4
Long-term borrowings	6,015.6	6,320.3	6,304.9	5,898.2	6,275.7
Others	2,076.6	2,106.9	2,143.8	2,212.9	1,972.1
- Contract liabilities	58.5	51.5	52.2	57.1	50.0
Equity	15,068.8	15,372.5	15,655.1	15,551.4	15,337.9
Retained earnings	11,572.3	11,933.2	12,138.4	12,155.4	12,113.9

KT Separate	1Q 20	2Q 20	3Q 20	4Q 20	1Q 21
Assets	27,606.1	28,146.8	28,774.1	28,027.9	27,693.7
Current assets	6,878.9	7,445.4	8,098.4	7,155.7	7,287.3
Cash & cash equi.	754.1	1,422.1	1,911.6	1,541.2	1,564.4
Trade & other rec	3,490.2	3,372.7	3,473.7	3,127.0	3,353.6
Inventories	439.4	459.5	649.4	353.3	349.8
Other current asset	2,195.2	2,191.1	2,063.7	2,134.2	2,019.6
- Prepaid_Contract cost	1,408.2	1,431.6	1,432.8	1,406.9	1,398.9
- Contract assets	359.2	349.7	338.2	343.4	351.1
Non-current assets	20,727.2	20,701.3	20,675.7	20,872.2	20,406.4
Trade & other rec	954.4	1,063.8	1,001.3	1,080.3	898.9
Tangible assets	11,284.6	11,250.6	11,502.2	11,999.7	11,725.9
Other current assets	8,488.2	8,387.0	8,172.2	7,792.2	7,781.6
- Prepaid_Contract cost	448.8	446.0	454.7	454.8	445.1
- Contract assets	93.6	98.6	106.5	118.8	125.6
Liabilities	14,673.1	15,036.5	15,467.8	14,824.4	14,681.3
Current liabilities	6,520.1	6,613.7	7,037.2	6,608.0	6,563.9
Trade & other payables	4,593.9	4,182.5	4,670.0	4,568.4	4,409.4
Short-term borrowings	1,168.5	1,539.3	1,381.4	1,228.8	1,204.5
Others	757.8	891.9	985.9	810.8	950.0
- Contract liabilities	316.7	316.0	319.7	316.8	325.0
Non-current liabilities	8,153.0	8,422.8	8,430.5	8,216.4	8,117.4
Trade & other payables	1,567.3	1,570.2	1,530.5	1,512.9	1,206.2
Long-term borrowings	5,854.5	6,082.7	6,080.7	5,717.0	5,973.1
Others	731.1	769.9	819.3	986.5	938.1
- Contract liabilities	55.5	49.9	50.9	54.6	54.1
Equity	12,933.0	13,110.2	13,306.3	13,203.5	13,012.4
Retained earnings	10,916.8	11,083.6	11,247.5	11,233.7	11,221.4

3 Subscribers

Wireless	1Q 20	2Q 20	3Q 20	4Q 20	1Q 21	QoQ	YoY
Subscribers (Unit: Thousands) ¹⁾							
Total	21,976	22,133	22,333	22,305	22,427	0.5%	2.1%
Net additions	55	157	200	-28	122	N/A	123.4%
Gross additions	938	1,030	1,033	999	1,165	16.7%	24.2%
Deactivation ²⁾	884	873	833	1,026	1,043	1.7%	18.1%
Churn rate	1.3%	1.3%	1.2%	1.5%	1.6%	0.1%p	0.3%p
LTE	17,035	16,954	16,774	16,174	15,739	-2.7%	-7.6%
5G	1,779	2,237	2,813	3,619	4,404	21.7%	147.6%
LTE+5G Penetration rate	85.6%	86.7%	87.7%	88.7%	89.8%	1.1%p	4.2%p
ARPU (KRW)³⁾	31,773	31,393	31,620	31,946	32,003	0.2%	0.7%

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 20	2Q 20	3Q 20	4Q 20	1Q 21	QoQ	YoY
Subscribers (Unit: Thousands)							
Telephony	14,033	13,863	13,732	13,582	13,460	-0.9%	-4.1%
PSTN	10,898	10,736	10,594	10,449	10,311	-1.3%	-5.4%
VoIP	3,135	3,127	3,138	3,133	3,149	0.5%	0.4%
Broadband	8,962	9,043	9,130	9,171	9,276	1.1%	3.5%
IPTV (OTV+OTS)	8,422	8,559	8,687	8,763	8,893	1.5%	5.6%

※ 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