



**kt skylife**

# **2019 3Q Earnings Release**

**Investor Relations | Nov. 1. 2019**

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# 1. Business Overview - Subscriber

3Q Gross additions 111K, Churn 134K, Net loss 23K

3Q Total subscribers 4.22million (Satellite 2.59million, OTS 1.63million)



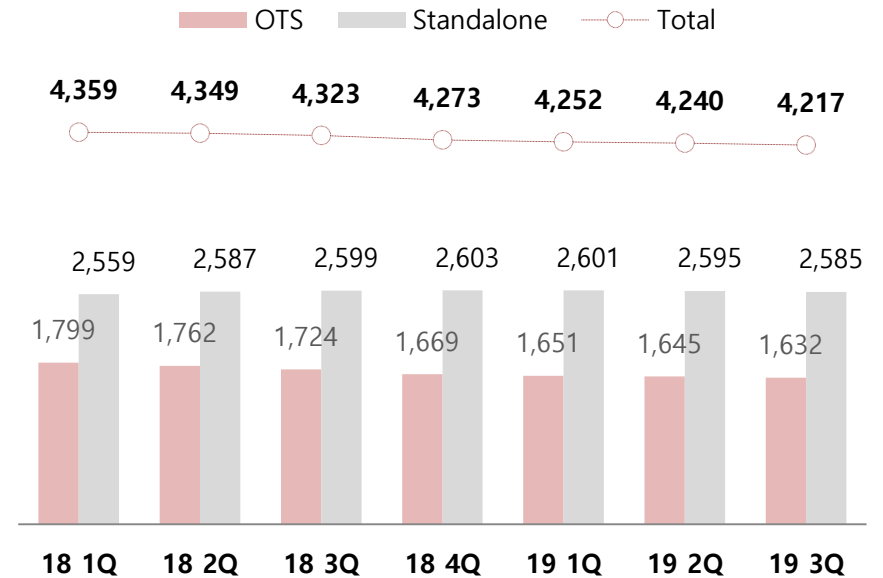
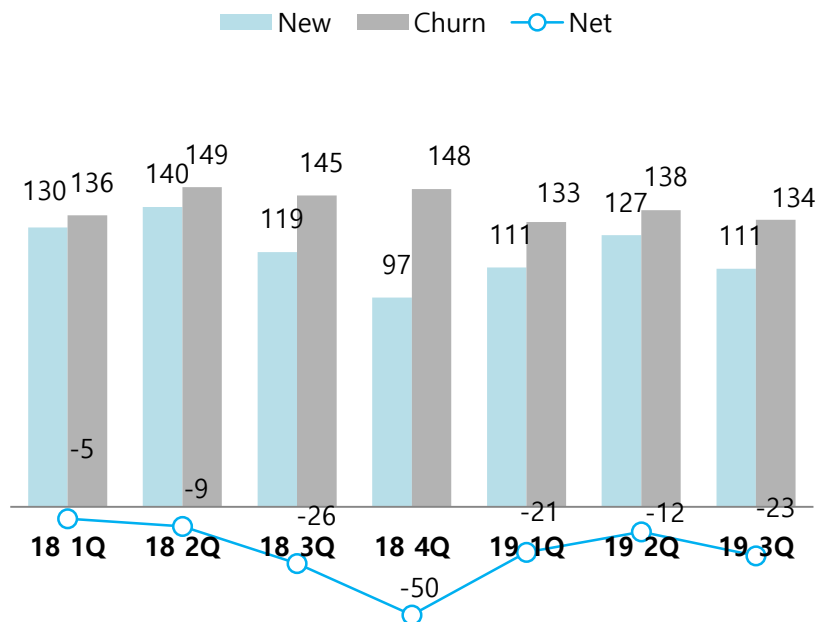
Subscriber Gross Additions & Churn



Total Subscribers

(Units: thousands)

(Units: thousands)



※ The number of subscribers (as of the second half of 2018) that MSIT announced is 3.23million.

# 1. Business Overview – UHD & Internet

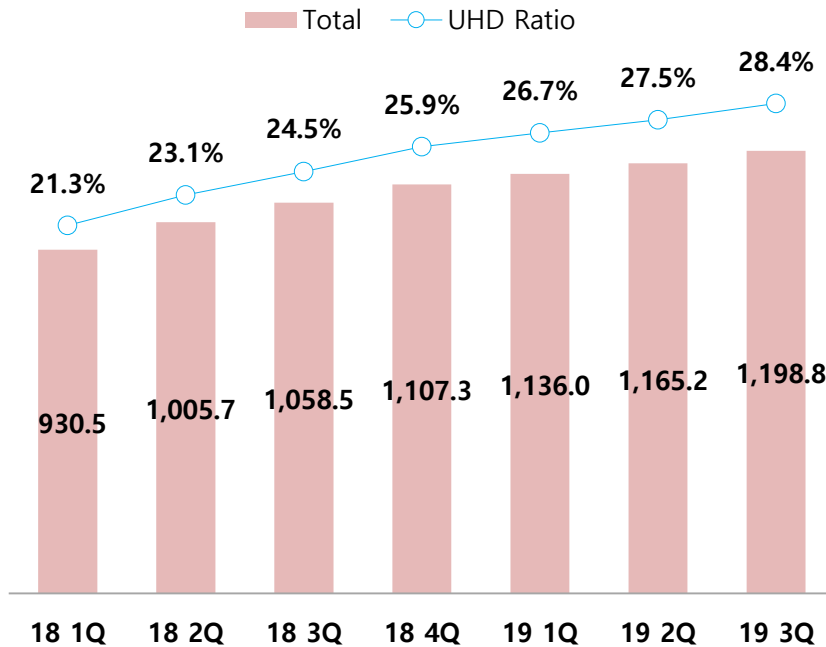
3Q UHD Net additions 34k, UHD 1,199k subscribers (28.4% of total subscribers)

3Q Internet Net additions 16k, Internet 88k subscribers



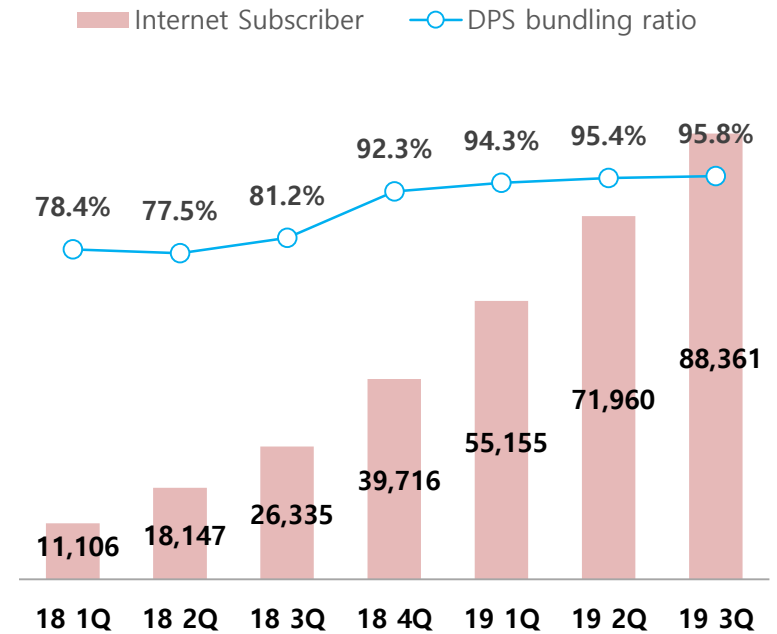
UHD Total Subscribers

(Units: thousands)



Internet Total Subscribers

(Units: thousands)



※DPS bundling ratio is the portion out of new internet activation

## 2. Financial Highlights – Operating Revenue

Operating revenue increased (YoY +5.5bn, +3.3%) to total KRW 172.8bn (QoQ 7.4bn, 4.5%)

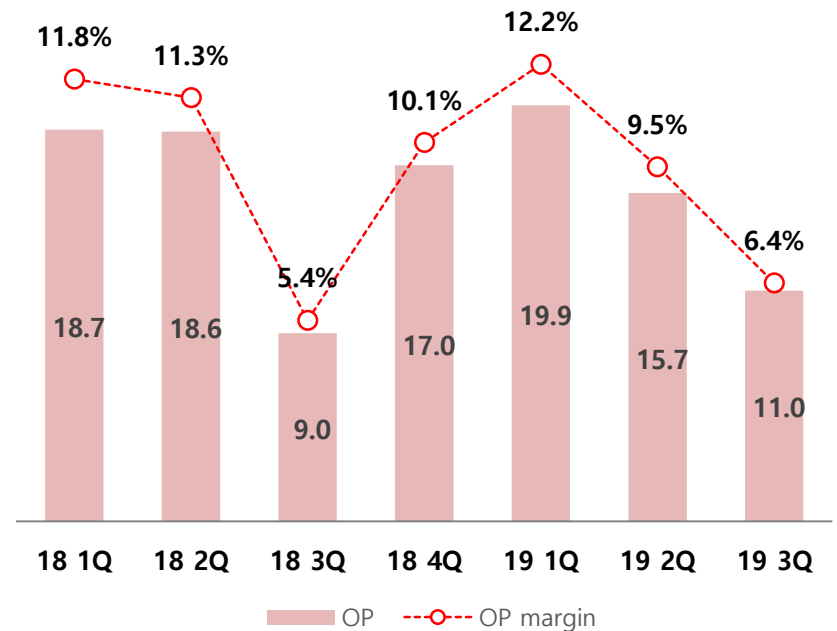
- YoY : Other revenue up by KRW 7.1bn, due to the internet subscriber increase, etc.
- QoQ : The service & platform revenue increase on 2Q base effects and other revenue increase

### Operating Revenue

(\* K-IFRS Non-consolidated, Units: KRW in billions)



(\* K-IFRS Non-consolidated, Units: KRW in billions)



## 2. Financial Highlights – Operating Expense

**Operating expense increased (YoY +3.5bn, +2.2%) to total KRW 161.8bn (QoQ +12.1bn, +8.1%)**

- YoY : Network, contents and other G&A cost up by KRW 8.5bn
- QoQ : Network, contents and other G&A cost up by KRW 14.5bn

### Operating Expense

(\* K-IFRS Non-consolidated, Units: KRW in billions)

**Operating expense KRW 161.8**

**billon YoY +2.2%**

- Network : additional usage of Mugunghwa 7 satellite YoY +2.7%
- Content : PP payment increase YoY +4.4%
- G&A : Broadcasting & Comm. Development Fund payment and cost related to the new business up by YoY +12.2%

	FY 2018				FY 2019				YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q			
<b>Network</b>	11.0	11.0	11.6	11.8	11.6	11.6	11.9	2.7%	2.8%	
<b>Content</b>	30.5	30.4	30.5	33.1	31.9	31.4	31.8	4.4%	1.4%	
<b>Marketing</b>	35.5	38.4	39.6	35.5	34.0	38.2	36.5	-8.0%	-4.6%	
<b>D&amp;A</b>	20.3	20.2	20.0	19.3	19.4	18.8	18.1	-9.4%	-3.4%	
<b>G&amp;A</b>	42.2	45.6	56.6	51.2	45.8	49.7	63.4	12.2%	27.7%	
<b>Total</b>	139.5	145.6	158.3	150.8	142.7	149.7	161.8	2.2%	8.1%	

## 2. Financial Highlights – Profit

### Operating profit KRW 11.0bn, Net profit KRW 8.8bn, EBITDA KRW 29.1bn

- YoY : O.P.(+2.0bn, +22.5%) up by the D&A and marketing expense decline and N.P.(+2.4bn, +38.9%) up
- QoQ : O.P.(-4.7bn, -29.8%) down by 'Broadcasting & Comm. Development Fund' payment , N.P.(-3.1bn, -25.7%) down



(\* K-IFRS Non-consolidated, Units: KRW in billions)

	FY 2018					FY 2019					
	1Q	2Q	3Q	4Q	Annual	1Q	2Q	3Q	YoY	QoQ	Annual
<b>Operating Revenue</b>	158.2	164.2	167.3	167.8	657.5	162.6	165.3	<b>172.8</b>	3.3%	4.5%	5,006.5
<b>Operating Expense</b>	139.5	145.6	158.3	150.8	594.2	142.7	149.7	<b>161.8</b>	2.2%	8.1%	4,540.9
<b>Operating Profit</b>	18.7	18.6	9.0	17.0	63.3	19.9	15.7	<b>11.0</b>	22.5%	-29.8%	465.6
<b>Margin (%)</b>	11.8%	11.3%	5.4%	10.1%	9.6%	12.2%	9.5%	<b>6.4%</b>	1.0%p	-3.1%p	9.3%
<b>Net Profit</b>	15.6	15.0	6.4	14.0	51.0	13.7	11.9	<b>8.8</b>	38.9%	-25.7%	344.8
<b>Margin (%)</b>	9.9%	9.1%	3.8%	8.3%	7.8%	8.5%	7.2%	<b>5.1%</b>	1.3%p	-2.1%p	6.9%
<b>EBITDA</b>	39.0	38.8	29.0	36.3	143.1	39.2	34.4	<b>29.1</b>	0.5%	-15.4%	1,027.9
<b>Margin (%)</b>	24.6%	23.6%	17.3%	21.6%	21.8%	24.1%	20.8%	<b>16.9%</b>	-0.5%p	-4.0%p	20.5%



# Appendix – Income Statement

(\* K-IFRS Non-consolidated, Units: KRW in billions)

	FY 2018					FY 2019				
	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	YoY	QoQ
<b>Operating Revenue</b>	<b>158.2</b>	<b>164.2</b>	<b>167.3</b>	<b>167.8</b>	<b>657.5</b>	<b>162.6</b>	<b>165.3</b>	<b>172.8</b>	<b>3.3%</b>	<b>4.5%</b>
Service	81.8	83.1	81.4	81.5	327.8	80.4	78.8	80.4	-1.2%	2.0%
Platform	54.6	56.1	58.9	63.7	233.4	57.0	56.1	58.0	-1.6%	3.4%
Cost-offset	0.9	1.3	1.3	1.3	4.8	1.3	1.6	1.5	19.7%	-5.6%
Others	20.9	23.7	25.7	21.3	91.6	23.9	28.8	32.8	27.8%	14.2%
<b>Operating Expense</b>	<b>139.5</b>	<b>145.6</b>	<b>158.3</b>	<b>150.8</b>	<b>594.2</b>	<b>142.7</b>	<b>149.7</b>	<b>161.8</b>	<b>2.2%</b>	<b>8.1%</b>
Satellite Rental	11.0	11.0	11.6	11.8	45.4	11.6	11.6	11.9	2.7%	2.8%
Contents	30.5	30.4	30.5	33.1	124.5	31.9	31.4	31.8	4.4%	1.4%
Marketing	35.5	38.4	39.6	35.5	149.0	34.0	38.2	36.5	-8.0%	-4.6%
Installation	10.2	10.3	10.0	9.4	40.0	8.7	9.9	9.2	-8.0%	-7.1%
Ad. & Sales promotion	3.5	5.6	6.8	5.8	21.7	3.2	5.5	5.6	-16.6%	3.2%
Sales commission	21.8	22.5	22.9	20.2	87.3	22.1	22.8	21.6	-5.5%	-5.4%
<b>D&amp;A</b>	<b>20.3</b>	<b>20.2</b>	<b>20.0</b>	<b>19.3</b>	<b>79.8</b>	<b>19.4</b>	<b>18.8</b>	<b>18.1</b>	<b>-9.4%</b>	<b>-3.4%</b>
Depreciation	19.4	19.4	19.2	18.7	76.8	18.8	18.2	17.6	-8.6%	-3.3%
Amortization	0.8	0.8	0.8	0.6	3.0	0.6	0.6	0.5	-28.9%	-7.0%
<b>G&amp;A</b>	<b>42.2</b>	<b>45.6</b>	<b>56.6</b>	<b>51.2</b>	<b>195.5</b>	<b>45.8</b>	<b>49.7</b>	<b>63.4</b>	<b>12.2%</b>	<b>27.7%</b>
Service expenses	7.6	8.2	8.2	8.1	32.2	8.1	8.1	8.0	-2.4%	-0.6%
Fee expenses	3.3	3.5	12.4	4.1	23.3	3.7	3.8	12.7	2.5%	232.2%
cost of Ads sales	5.3	8.1	7.6	7.4	28.4	7.0	7.3	7.4	-2.8%	1.8%
Others	26.0	25.7	28.3	31.5	111.5	27.0	30.5	35.3	24.6%	15.7%
<b>EBITDA</b>	<b>39.0</b>	<b>38.8</b>	<b>29.0</b>	<b>36.3</b>	<b>143.1</b>	<b>39.2</b>	<b>34.4</b>	<b>29.1</b>	<b>0.5%</b>	<b>-15.4%</b>
<b>(EBITDA margin)</b>	<b>24.6%</b>	<b>23.6%</b>	<b>17.3%</b>	<b>21.6%</b>	<b>21.8%</b>	<b>24.1%</b>	<b>20.8%</b>	<b>16.9%</b>	<b>-0.5%p</b>	<b>-4.0%p</b>
<b>Operating profit</b>	<b>18.7</b>	<b>18.6</b>	<b>9.0</b>	<b>17.0</b>	<b>63.3</b>	<b>19.9</b>	<b>15.7</b>	<b>11.0</b>	<b>22.5%</b>	<b>-29.8%</b>
<b>(OP margin)</b>	<b>11.8%</b>	<b>11.3%</b>	<b>5.4%</b>	<b>10.1%</b>	<b>9.6%</b>	<b>12.2%</b>	<b>9.5%</b>	<b>6.4%</b>	<b>18.6%</b>	<b>-32.8%</b>
Non-operating profit	0.7	1.2	0.9	0.7	3.5	1.1	1.3	1.5	72.7%	19.3%
Non-operating expense	0.5	1.3	2.8	2.2	6.9	1.4	2.7	3.2	11.2%	18.8%
Financial profit	1.7	1.5	1.5	3.0	7.6	1.7	1.9	1.9	30.2%	1.7%
Financial expense	0.4	0.2	0.1	0.1	0.8	0.1	0.1	0.1	-23.2%	-12.2%
<b>Profit before income tax</b>	<b>20.2</b>	<b>19.7</b>	<b>8.4</b>	<b>18.5</b>	<b>66.8</b>	<b>21.2</b>	<b>16.1</b>	<b>11.2</b>	<b>33.4%</b>	<b>-30.4%</b>
Income tax	4.5	4.8	2.0	4.5	15.8	7.5	4.2	2.3	16.1%	-43.7%
<b>Net profit</b>	<b>15.6</b>	<b>15.0</b>	<b>6.4</b>	<b>14.0</b>	<b>51.0</b>	<b>13.7</b>	<b>11.9</b>	<b>8.8</b>	<b>38.9%</b>	<b>-25.7%</b>

# Appendix – Statement of Financial Position

(\* K-IFRS Non-consolidated, Units: KRW in billions)

	FY 2018				FY 2019				
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	YoY	QoQ
<b>Assets</b>	<b>839.2</b>	<b>775.5</b>	<b>792.9</b>	<b>797.8</b>	<b>825.7</b>	<b>792.5</b>	<b>798.0</b>	<b>0.6%</b>	<b>0.7%</b>
Current Assets	349.2	309.9	319.2	288.6	292.0	247.6	324.0	1.5%	30.9%
Cash & cash equivalents	181.9	136.8	131.7	119.9	123.8	92.4	168.8	28.1%	82.6%
Non-current Assets	490.0	465.6	473.7	509.2	533.7	544.9	474.0	0.0%	-13.0%
Property, Plant & Equipment	265.8	263.9	259.7	255.9	248.6	238.3	231.4	-10.9%	-2.9%
Intangible Assets	40.5	40.0	38.6	38.8	38.3	37.9	36.6	-5.2%	-3.5%
<b>Liabilities</b>	<b>214.6</b>	<b>136.1</b>	<b>147.4</b>	<b>138.9</b>	<b>169.9</b>	<b>126.2</b>	<b>123.1</b>	<b>-16.5%</b>	<b>-2.5%</b>
Current Liabilities	185.2	105.9	117.5	107.2	136.4	107.3	105.1	-10.6%	-2.1%
Debt	60.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Non-current Liabilities	29.5	30.2	29.8	31.7	33.5	18.9	18.0	-39.7%	-4.7%
Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
<b>Shareholders' Equity</b>	<b>624.5</b>	<b>639.4</b>	<b>645.5</b>	<b>658.9</b>	<b>655.8</b>	<b>666.3</b>	<b>674.9</b>	<b>4.6%</b>	<b>1.3%</b>
Capital Stock	119.6	119.6	119.6	119.6	119.6	119.6	119.6	0.0%	0.0%
Capital Surplus	161.1	161.1	161.1	161.1	161.1	161.1	161.1	0.0%	0.0%
Accumulated Profit	350.5	365.4	371.5	384.7	381.5	392.0	400.7	7.9%	2.2%
<b>D/E Ratio</b>	<b>34%</b>	<b>21%</b>	<b>23%</b>	<b>21%</b>	<b>26%</b>	<b>19%</b>	<b>18%</b>	<b>-4.6%p</b>	<b>-0.7%p</b>
Net Cash	121.9	136.8	131.7	119.9	123.8	92.4	168.8	28.1%	82.6%

# Appendix – Consolidated Financial Statements

Consolidated operating revenue KRW 182.3bn, Operating profit KRW 12.6bn, Net profit KRW 10.2bn

- 3Q skylifeTV's Profit : O.P KRW 1.6bn, N.P KRW 0.7bn



## Consolidated Income Statement

(\* K-IFRS consolidated, Units: KRW in billions)

	FY 2018					FY 2019				
	1Q	2Q	3Q	4Q	Annual	1Q	2Q	3Q	YoY	QoQ
Operating Revenue	166.0	172.4	174.8	177.6	690.8	170.7	174.2	182.3	4.3%	4.7%
Operating Expense	146.7	152.8	164.4	160.2	624.1	149.6	157.1	169.7	3.2%	8.0%
Operating Profit	19.3	19.6	10.4	17.4	66.7	21.1	17.1	12.6	20.9%	-26.1%
Net Profit	15.6	16.6	8.4	11.4	52.0	14.3	18.0	10.2	20.8%	-43.5%



## Consolidated Statement of Financial Position

(\* K-IFRS consolidated, Units: KRW in billions)

	FY 2018				FY 2019				
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	YoY	QoQ
<b>Assets</b>	<b>857.4</b>	<b>794.8</b>	<b>813.5</b>	<b>816.0</b>	<b>846.6</b>	<b>819.7</b>	<b>825.9</b>	<b>1.5%</b>	<b>0.8%</b>
Current Assets	357.2	319.9	329.5	301.7	307.5	269.3	344.6	4.6%	28.0%
Cash & cash equivalents	44.2	25.2	52.4	31.7	71.0	38.2	52.2	-0.2%	36.8%
Non-current Assets	500.2	474.9	484.0	514.3	539.0	550.4	481.3	-0.6%	-12.6%
P.P.E	279.2	277.0	272.7	268.5	261.0	250.4	243.3	-10.8%	-2.9%
Intangible Assets	67.5	65.3	63.8	61.2	60.1	59.3	59.1	-7.4%	-0.4%
<b>Liabilities</b>	<b>226.7</b>	<b>147.6</b>	<b>158.0</b>	<b>149.8</b>	<b>183.1</b>	<b>139.7</b>	<b>136.0</b>	<b>-14.0%</b>	<b>-2.7%</b>
Current Liabilities	191.2	111.7	122.5	112.4	143.4	117.7	114.5	-6.5%	-2.7%
Debt	61.0	1.0	0.0	0.0	0.0	3.4	4.0	-	16.1%
Non-current Liabilities	35.5	35.8	35.6	37.4	39.7	22.0	21.4	-39.8%	-2.5%
Debt	3.2	3.2	3.3	3.3	3.4	0.0	0.0	-	0.0%
<b>Shareholder's Equity</b>	<b>630.6</b>	<b>647.3</b>	<b>655.4</b>	<b>666.2</b>	<b>663.5</b>	<b>680.0</b>	<b>690.0</b>	<b>5.3%</b>	<b>1.5%</b>
Capital Stock	119.6	119.6	119.6	119.6	119.6	119.6	119.6	0.0%	0.0%
Capital Surplus	161.1	161.1	161.1	161.1	161.1	161.1	161.1	0.0%	0.0%
Accumulated Profit	350.1	366.6	374.5	385.1	382.3	397.6	407.5	8.8%	2.5%



## skylifeTV Non-Consolidated Income Statement

(\* K-IFRS Non-consolidated, Units: KRW in billions)

	FY 2018					FY 2019				
	1Q	2Q	3Q	4Q	Annual	1Q	2Q	3Q	YoY	QoQ
Operating Revenue	12.9	13.3	13.5	14.1	53.8	12.9	13.8	15.0	10.7%	8.7%
Operating Profit	0.6	1.0	1.4	0.3	3.3	1.2	1.3	1.6	10.0%	25.9%
Net Profit	0.4	0.7	1.2	-0.4	1.8	0.8	5.0	0.7	-36.1%	-85.3%

※ Share ratio over skylifeTV : 77.7% (in common stock)

# Appendix – Subscriber Fact Sheet

			FY 2017					FY 2018					FY 2019		
			1Q	2Q	3Q	4Q	Annual	1Q	2Q	3Q	4Q	Annual	1Q	2Q	3Q
Subs.	Broad casting	Total	4,362,260	4,375,515	4,379,339	4,364,021	4,364,021	4,358,527	4,349,399	4,323,077	4,272,666	4,272,666	4,251,544	4,239,905	4,217,188
		Standard alone	2,380,616	2,434,039	2,485,209	2,526,791	2,526,791	2,559,125	2,587,183	2,599,017	2,603,413	2,603,413	2,600,734	2,594,770	2,585,436
		OTS	1,981,644	1,941,476	1,894,130	1,837,230	1,837,230	1,799,402	1,762,216	1,724,060	1,669,253	1,669,253	1,650,810	1,645,135	1,631,752
		New	128,584	141,961	144,748	129,753	545,046	130,122	139,561	118,622	97,481	485,786	111,411	126,502	110,903
		Churn	126,269	128,873	141,028	145,273	541,443	135,731	148,785	145,040	147,982	577,538	132,683	138,200	133,677
		-Ratio	2.90%	2.95%	3.22%	3.32%	12.41%	3.11%	3.42%	3.34%	3.44%	13.37%	3.11%	3.26%	3.16%
		UHD	558,188	654,529	750,742	848,257	848,257	930,463	1,005,657	1,058,458	1,107,262	1,107,262	1,135,998	1,165,164	1,198,824
		-Ratio	12.8%	15.0%	17.1%	19.4%	19.4%	21.3%	23.1%	24.5%	25.9%	25.9%	26.7%	27.5%	28.4%
	Internet		-	-	2,018	5,953	5,953	11,106	18,147	26,335	39,716	39,716	55,155	71,960	88,361
Net Adds	Broad casting		2,369	13,255	3,824	- 15,318	4,130	- 5,494	- 9,128	- 26,322	- 50,411	- 91,355	- 21,122	- 11,639	-22,717
	Internet		-	-	2,018	3,935	5,953	5,153	7,041	8,188	13,381	33,763	15,439	16,805	16,401

※ The number of subscribers (as of the second half of 2018) that MSIT announced is 3.23million.

이 종목의 더 많은 IR정보 [확인하기](#)

**IR GO** 주주와 기업을 연결하고 응원합니다.