

# LG Uplus

2Q19 Earnings Release

August 9<sup>th</sup>, 2019

# Disclaimer

As of January 1, 2010 we adopted the Korean International Financial Reporting Standards (K-IFRS).

The aforementioned forward-looking statements are influenced by changes in the management environment and relative events, and by their nature, these statements refer to uncertain circumstances. Consequently, due to these uncertainties, the Company's actual future results may differ materially from those expressed or implied by such statements.

We applied new accounting standard of 'K-IFRS 1115' as of Jan 1st, 2018 and K-IFRS 1116 'Leases' is effective for annual periods beginning on or after January 1, 2019. That said, there are no obligation to apply the new standard to previous financial statements.

The information contained herein should not be utilized for any legal purposes in regards to investors' investment results. The Company hereby expressly disclaims any and all liability for any loss or damage resulting from the investors' reliance on the information contained herein.

In addition, the information contained herein has been prepared in advance, prior to being audited by external auditors, solely for the convenience of investors of the Company, and is subject to change in the process of final auditing by external auditors.

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## Income Statements (Consolidated)

(Unit : KRW in billion)

Classification	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	YoY	QoQ
<b>Revenue</b>	<b>2,979.9</b>	<b>2,980.7</b>	<b>2,991.9</b>	<b>3,172.5</b>	<b>3,020.4</b>	<b>3,199.6</b>	<b>+7.3%</b>	<b>+5.9%</b>
Service Revenue	2,270.1	2,343.2	2,325.6	2,405.6	2,314.3	2,378.0	+1.5%	+2.8%
Handset Revenue	709.9	637.6	666.2	766.9	706.0	821.6	+28.9%	+16.4%
<b>Expenses</b>	<b>2,792.3</b>	<b>2,769.7</b>	<b>2,763.7</b>	<b>3,068.4</b>	<b>2,825.7</b>	<b>3,051.1</b>	<b>+10.2%</b>	<b>+8.0%</b>
<b>Operating Income</b>	<b>187.7</b>	<b>211.1</b>	<b>228.1</b>	<b>104.1</b>	<b>194.6</b>	<b>148.6</b>	<b>Δ29.6%</b>	<b>Δ23.7%</b>
<i>OP Margin<sup>1)</sup></i>	6.3%	7.1%	7.6%	3.3%	6.4%	4.6%	Δ2.4%p	Δ1.8%p
<i>OP Margin<sup>2)</sup></i>	8.3%	9.0%	9.8%	4.3%	8.4%	6.2%	Δ2.8%p	Δ2.2%p
Non-operating Balance	(25.7)	(22.0)	(20.3)	(14.7)	(19.0)	(16.3)	Δ26.1%	Δ14.4%
<b>Income Before Tax</b>	<b>162.0</b>	<b>189.0</b>	<b>207.9</b>	<b>89.4</b>	<b>175.6</b>	<b>132.3</b>	<b>Δ30.0%</b>	<b>Δ24.7%</b>
<b>Net Income</b>	<b>115.5</b>	<b>137.1</b>	<b>153.8</b>	<b>75.3</b>	<b>132.6</b>	<b>98.5</b>	<b>Δ28.1%</b>	<b>Δ25.7%</b>
<i>Net Income Margin<sup>3)</sup></i>	3.9%	4.6%	5.1%	2.4%	4.4%	3.1%	Δ1.5%p	Δ1.3%p
<b>EBITDA</b>	<b>604.1</b>	<b>626.3</b>	<b>640.3</b>	<b>532.2</b>	<b>689.9</b>	<b>651.1</b>	<b>+4.0%</b>	<b>Δ5.6%</b>
<i>EBITDA Margin<sup>4)</sup></i>	20.3%	21.0%	21.4%	16.8%	22.8%	20.3%	Δ0.7%p	Δ2.5%p
<i>EBITDA Margin<sup>5)</sup></i>	26.6%	26.7%	27.5%	22.1%	29.8%	27.4%	+0.7%p	Δ2.4%p

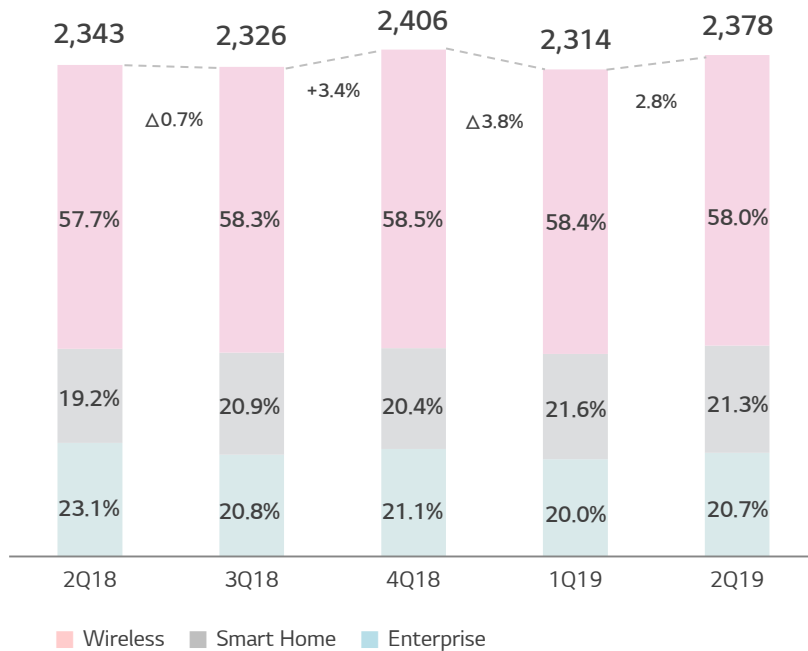
1) Operating Income/Revenue 2) Operating Income/Service Revenue 3) Net Income/Revenue

4) EBITDA/Revenue 5) EBITDA/Service Revenue

## Service Revenue/Operating Income (Consolidated)

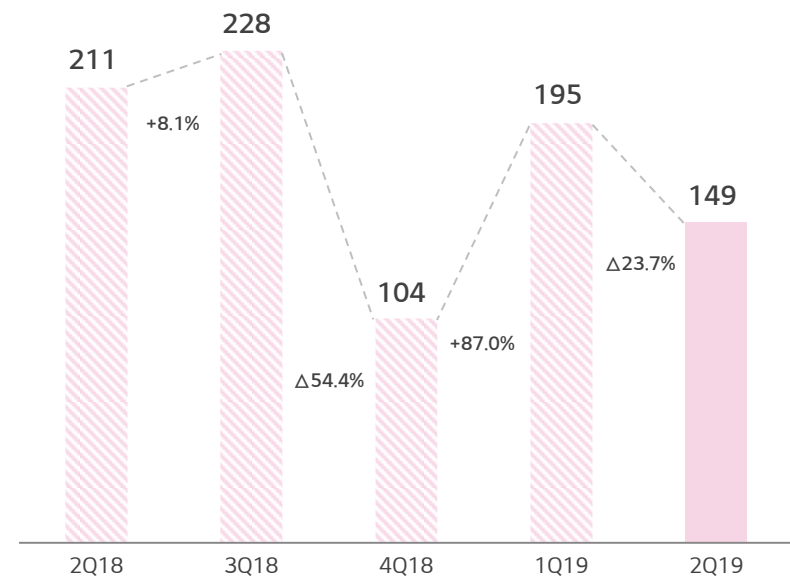
### Service Revenue

(Unit : KRW in billion)



### Operating Income

(Unit : KRW in billion)



## Balance Sheets (Consolidated)

(Unit : KRW in billion)

Classification	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	YoY	QoQ
<b>Total Assets</b>	<b>13,612.0</b>	<b>13,243.2</b>	<b>13,059.8</b>	<b>13,939.9</b>	<b>14,418.0</b>	<b>14,749.3</b>	<b>+11.4%</b>	<b>+2.3%</b>
Current Assets	4,909.2	4,646.4	4,515.5	4,247.2	4,685.9	4,419.4	△4.9%	△5.7%
Cash & Cash Equivalents <sup>1)</sup>	528.9	667.9	335.1	399.9	417.8	416.7	△37.6%	△0.3%
Non-current Assets	8,702.7	8,596.8	8,544.3	9,692.7	9,732.0	10,329.9	+20.2%	+6.1%
Property, Plant and Equipment	6,378.6	6,271.3	6,199.4	6,465.8	6,736.6	7,136.1	+13.8%	+5.9%
Intangible Assets	897.7	842.1	782.9	1,705.7	1,626.3	1,548.3	+83.9%	△4.8%
<b>Total Liabilities</b>	<b>7,134.7</b>	<b>6,628.5</b>	<b>6,291.8</b>	<b>7,086.6</b>	<b>7,607.2</b>	<b>7,837.6</b>	<b>+18.2%</b>	<b>+3.0%</b>
Current Liabilities	4,191.8	3,761.0	3,625.3	3,833.0	4,281.1	4,543.3	+20.8%	+6.1%
Short-term Borrowings	15.0	15.0	15.0	10.0	10.0	10.0	△33.3%	+0.0%
Current Portion of LT Debt	929.2	905.0	930.6	884.8	848.5	854.8	△5.5%	+0.7%
Non-current Liabilities	2,942.9	2,867.5	2,666.6	3,253.6	3,326.1	3,294.4	+14.9%	△1.0%
Corporate Bond etc <sup>2)</sup>	2,371.3	2,290.4	2,072.1	2,076.3	2,222.3	2,135.2	△6.8%	△3.9%
<b>Total Shareholders' Equity</b>	<b>6,477.3</b>	<b>6,614.8</b>	<b>6,767.9</b>	<b>6,853.4</b>	<b>6,810.8</b>	<b>6,911.7</b>	<b>+4.5%</b>	<b>+1.5%</b>
Retained Earnings	3,064.1	3,200.9	3,354.3	3,447.2	3,404.5	3,503.0	+9.4%	+2.9%
Net Debt	2,786.7	2,542.5	2,682.5	2,571.2	2,663.0	2,583.3	+1.6%	△3.0%
<b>Net Debt to Equity Ratio<sup>3)</sup></b>	<b>43.0%</b>	<b>38.4%</b>	<b>39.6%</b>	<b>37.5%</b>	<b>39.1%</b>	<b>37.4%</b>	<b>△1.1%p</b>	<b>△1.7%p</b>
<b>Total Liabilities to Equity Ratio<sup>4)</sup></b>	<b>110.1%</b>	<b>100.2%</b>	<b>93.0%</b>	<b>103.4%</b>	<b>111.7%</b>	<b>113.4%</b>	<b>+13.2%p</b>	<b>+1.7%p</b>

1) Cash & Cash Equivalents : Cash & Cash Equivalents + Short term AFS financial assets + Financial Institution Deposit

2) Corporate Bond etc : Corporate Bond + Long-term borrowings

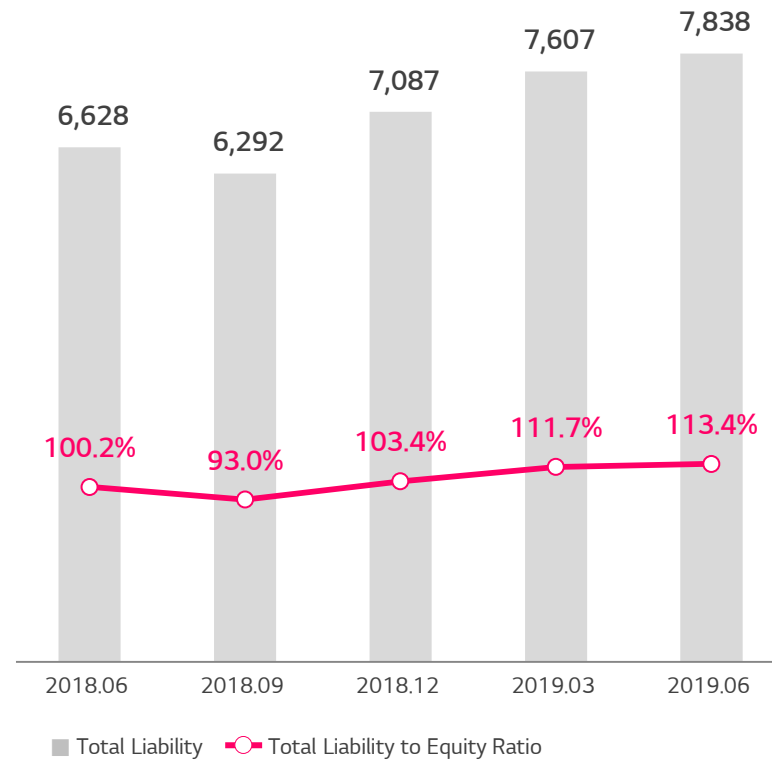
3) Net Debt to Equity Ratio : Net Debt/Total Shareholders' Equity

4) Total Liabilities to Equity Ratio : Total Liabilities/Total Shareholders' Equity

## Financial Ratio (Consolidated)

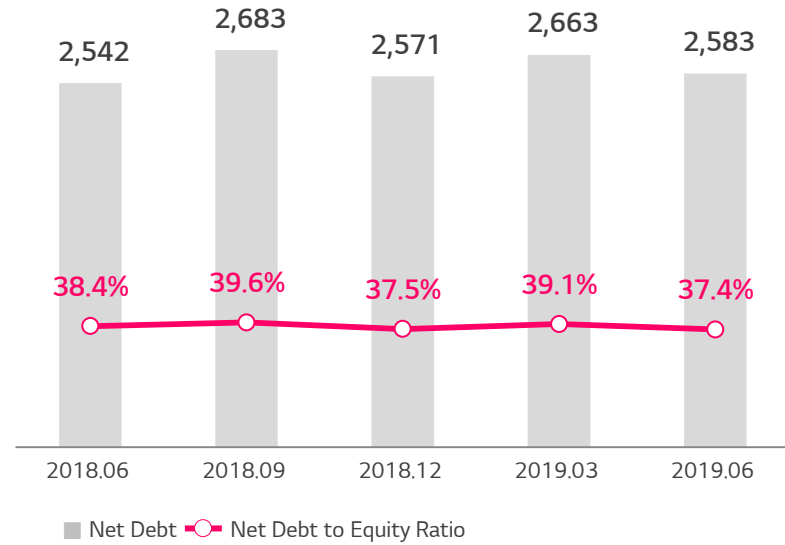
### Total Liability to Equity Ratio

(Unit : KRW in billion)



### Net Debt to Equity Ratio

(Unit : KRW in billion)



## Wireless

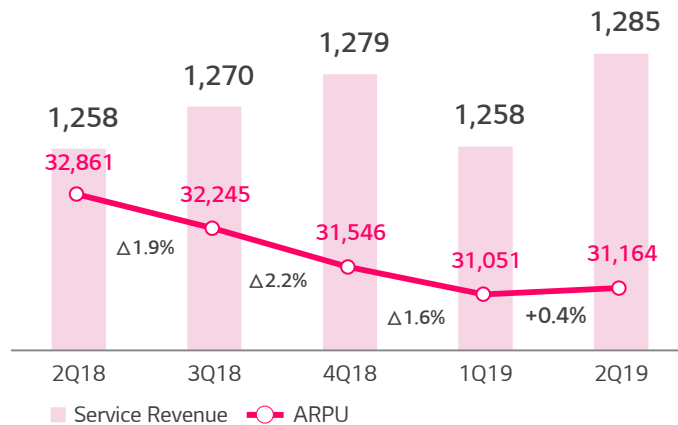
(Unit: KRW in billion, Thousands)

Classification	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	YoY	QoQ
<b>Wireless Revenue<sup>1)</sup></b>	<b>1,334.6</b>	<b>1,341.3</b>	<b>1,350.8</b>	<b>1,411.5</b>	<b>1,344.7</b>	<b>1,374.1</b>	<b>+2.4%</b>	<b>+2.2%</b>
Service Revenue	1,254.0	1,257.5	1,269.6	1,278.8	1,258.2	1,284.7	+2.2%	+2.1%
Interconnection	80.6	83.8	81.2	132.7	86.6	89.3	+6.6%	+3.2%
<b>Wireless Subscribers<sup>2)</sup></b>	<b>13,410</b>	<b>13,678</b>	<b>13,971</b>	<b>14,128</b>	<b>14,398</b>	<b>14,694</b>	<b>+7.4%</b>	<b>+2.1%</b>
Total Net Adds	228	267	294	156	270	296	+10.7%	+9.3%
MNO Net Adds <sup>3)</sup>	168	201	239	125	176	200	Δ0.3%	+13.5%
MVNO Net Adds	59	67	55	31	94	96	+43.7%	+1.5%

- 1) Wireless Revenue : Subsidiary MVNO revenue adjusted  
Service Revenue : Monthly fee+Usage Charges+VAS+Revenue Discount+Data
- 2) Subscribers : MSIT's new subscriber disclosure basis including RASS
- 3) YoY increase if the impact of closing public military phone account is excluded

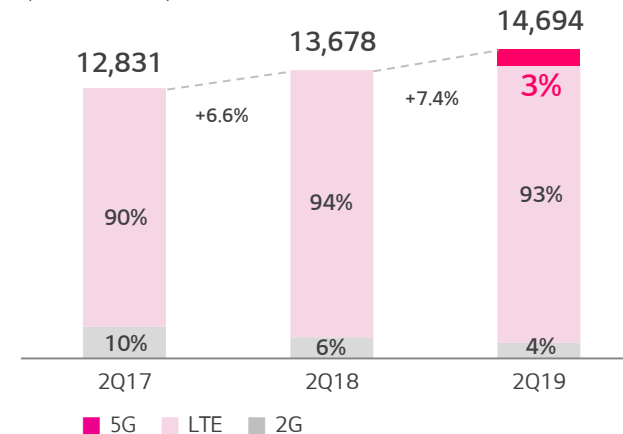
### Revenue

(Unit : KRW in billion, won)



### Subscribers Mix

(Unit : thousands)





## Smart Home

(Unit: KRW in billion, Thousands)

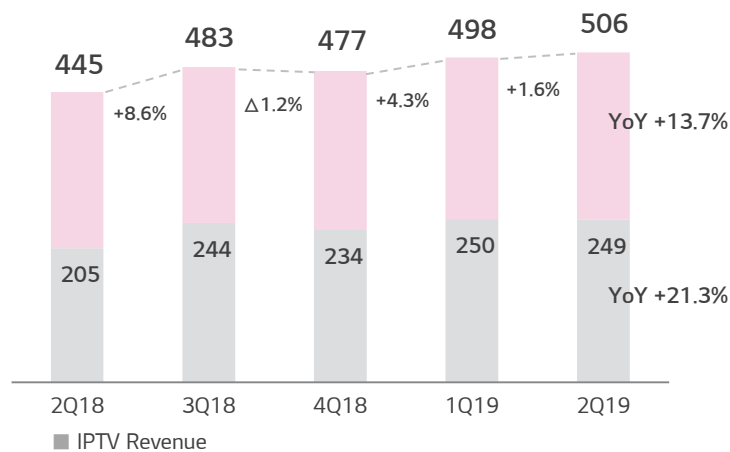
Classification	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	YoY	QoQ
<b>Smart Home Revenue</b>	<b>440.7</b>	<b>444.6</b>	<b>483.1</b>	<b>477.2</b>	<b>497.9</b>	<b>505.7</b>	<b>+13.7%</b>	<b>+1.6%</b>
IPTV	202.1	205.5	244.2	233.6	250.2	249.2	+21.3%	Δ0.4%
Broadband	183.8	185.3	187.1	190.4	195.9	205.6	+11.0%	+4.9%
VoIP	54.9	53.9	51.8	53.2	51.8	50.9	Δ5.5%	Δ1.7%
<b>Smart Home Subscribers</b>								
IPTV <sup>1)</sup>	3,672	3,790	3,908	4,019	4,149	4,241	+11.9%	+2.2%
Broadband <sup>2)</sup>	3,881	3,946	4,010	4,038	4,111	4,170	+5.7%	+1.4%
VoIP	4,095	4,060	4,019	3,981	3,942	3,901	Δ3.9%	Δ1.0%

1) IPTV : STB subscriber base

2) Broadband : Including corporate subscribers from Aug. 2015

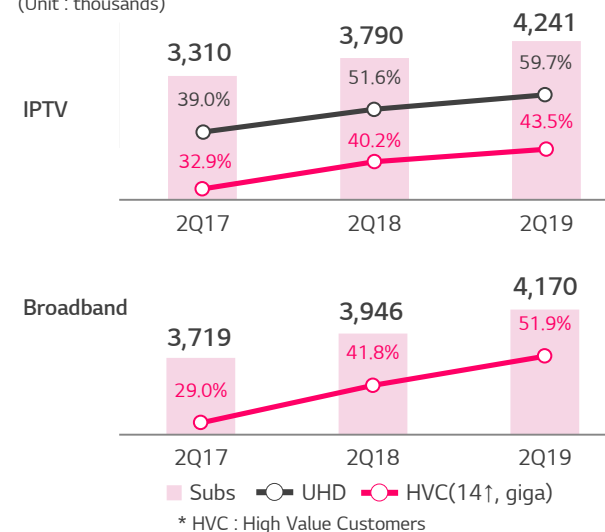
### Revenue

(Unit : KRW in billion)



### HVC (cum.)

(Unit : thousands)



## Enterprise

(Unit: KRW in billion)

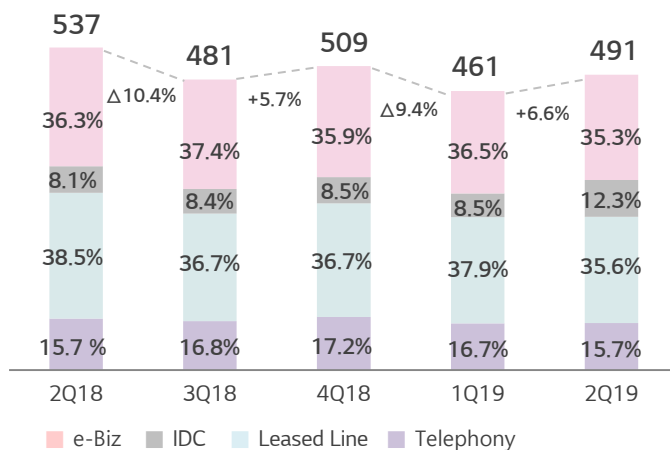
Classification	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	YoY	QoQ
<b>Enterprise Revenue</b>	<b>482.2</b>	<b>537.4</b>	<b>481.3</b>	<b>508.5</b>	<b>460.9</b>	<b>491.2</b>	<b>Δ 8.6%</b>	<b>+6.6%</b>
e-Biz*	189.0	195.0	180.0	182.7	168.3	173.6	Δ 11.0%	+3.1%
IDC	35.6	43.6	40.4	43.0	39.1	60.2	+38.2%	+54.1%
Leased Line	172.6	207.0	176.6	186.7	174.7	174.9	Δ 15.5%	+0.1%
Telephony	82.7	84.6	80.7	87.5	76.8	77.2	Δ 8.7%	+0.5%

\* e-Biz : Payment, SMS etc

\* Equipment revenue is included

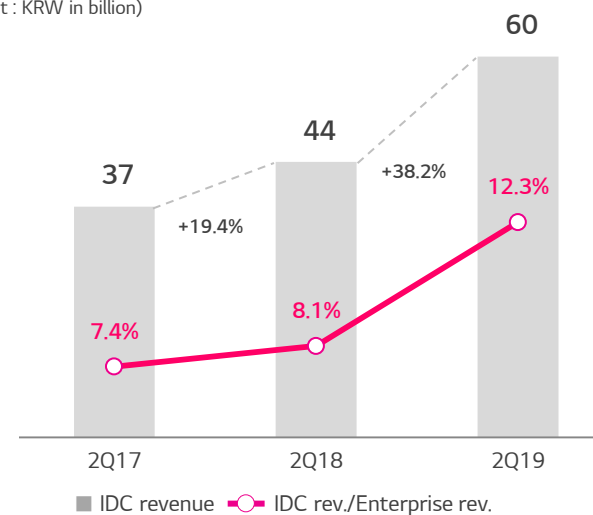
### Revenue

(Unit : KRW in billion)



### IDC Revenue

(Unit : KRW in billion)



## Expenses

(Unit : KRW in billion)

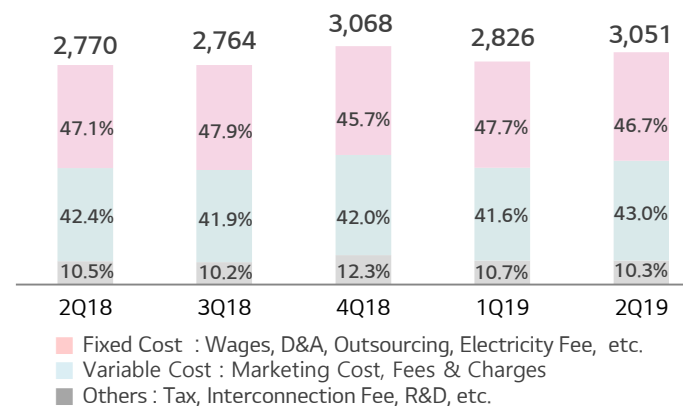
Classification	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	YoY	QoQ
<b>Operating Expenses</b>	<b>2,792.3</b>	<b>2,769.7</b>	<b>2,763.7</b>	<b>3,068.4</b>	<b>2,825.7</b>	<b>3,051.1</b>	<b>+10.2%</b>	<b>+8.0%</b>
Wages	265.5	247.4	276.3	307.3	305.3	308.8	+24.8%	+1.2%
Depreciation	356.4	355.9	353.8	362.5	418.4	424.6	+19.3%	+1.5%
Amortization	60.1	59.3	58.3	65.6	76.9	77.9	+31.3%	+1.3%
Telecom Circuit Rent	51.2	48.6	49.6	50.8	47.3	48.6	+0.0%	+2.8%
Rental	83.6	79.6	78.6	84.3	19.5	20.4	△74.4%	+4.8%
Outsourcing	83.5	100.9	88.9	70.8	59.1	62.4	△38.2%	+5.6%
Electricity Fee	44.0	43.1	50.9	46.6	47.6	46.8	+8.6%	△1.6%
Repair Expense	30.6	41.4	38.1	41.3	31.4	35.9	△13.3%	+14.3%
Fees & Charges	365.1	372.3	371.3	400.9	364.6	379.6	+2.0%	+4.1%
Sales Commission	420.5	420.5	420.3	440.6	427.4	442.6	+5.3%	+3.6%
Advertising	61.0	70.3	63.3	76.5	70.3	85.9	+22.2%	+22.3%
Cost of Handset Sold	741.7	711.7	703.7	845.4	733.3	892.6	+25.4%	+21.7%
Others	36.2	38.5	40.3	45.0	40.9	38.9	+1.0%	△4.8%

YoY +10.2% QoQ +8.0%

- Wages : Up 24.8% YoY and 1.2% QoQ from account replacement with outsourcing by direct employment of trust company staff
- Depreciation : Up 19.3% YoY and 1.5% QoQ from K-IFRS16 'Leases' and 5G investment
- Amortization : Up 31.3% YoY and 1.3% QoQ from depreciated 5G spectrum
- Advertising : Up 22.2% YoY and 22.3% QoQ from increased 5G advertisement

## Expenses

(Unit : KRW in billion)



# Marketing Cost

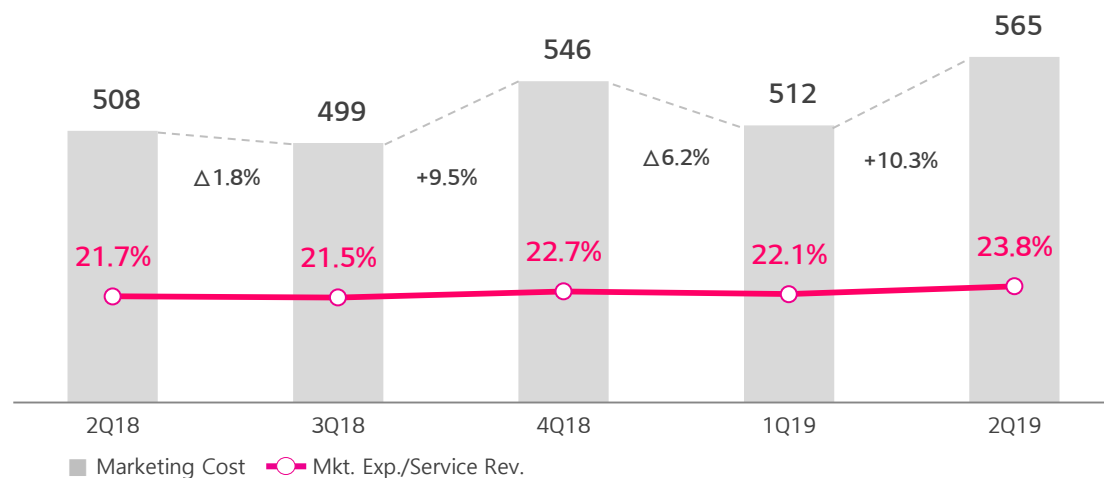
(Unit : KRW in billion)

Classification	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	YoY	QoQ
<b>Total Marketing Exp.</b>	<b>513.4</b>	<b>508.0</b>	<b>498.9</b>	<b>546.1</b>	<b>512.2</b>	<b>564.8</b>	<b>+11.2%</b>	<b>+10.3%</b>
Mkt Exp / Service Rev.	22.6%	21.7%	21.5%	22.7%	22.1%	23.8%	+2.1%p	+1.6%p

\* Mkt. Exp. = Sales Commission + Adv. - Profit from Handset Sales

## Quarterly

(Unit : KRW in billion)



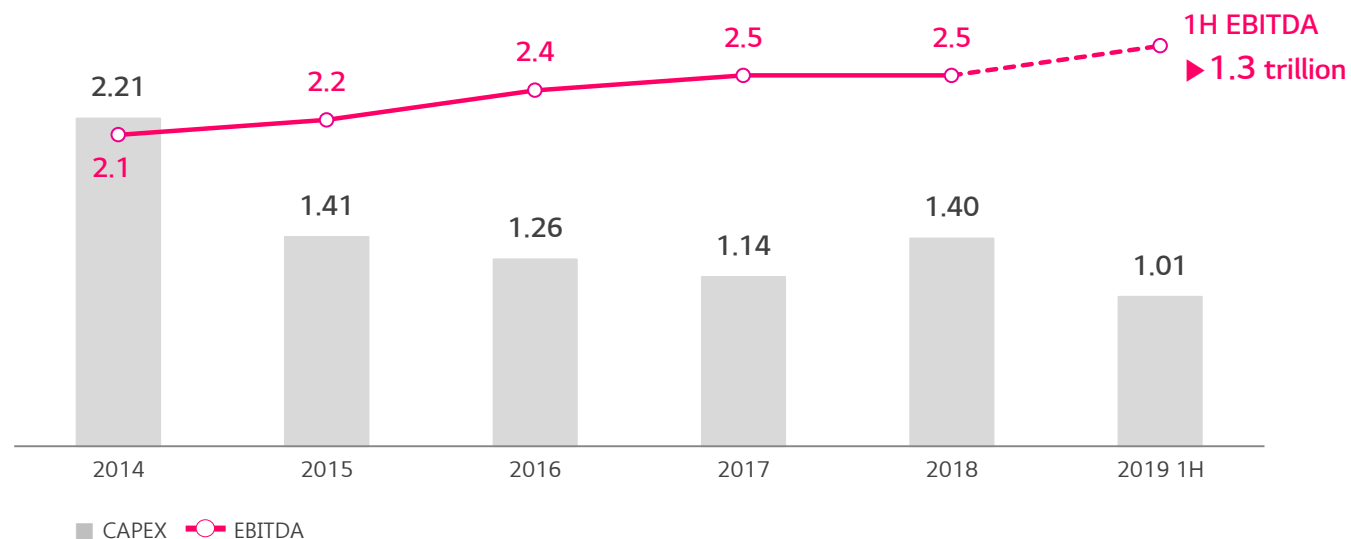
## CAPEX

(Unit: KRW in billion)

Classification	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	YoY	QoQ
<b>CAPEX</b>	<b>205.4</b>	<b>259.8</b>	<b>291.1</b>	<b>640.9</b>	<b>276.8</b>	<b>730.0</b>	<b>+181.0%</b>	<b>+163.7%</b>
Wireless Network	26.1	38.7	32.1	243.4	93.8	456.1	+1,078.4%	+386.2%
Wireline Network	69.1	124.4	193.9	258.7	111.5	176.0	+41.5%	+57.8%
Others (IT, etc)	110.2	96.7	65.1	138.8	71.5	97.9	+1.2%	+36.9%

## Yearly

(Unit : KRW in trillion)



## Appendix (Consolidated)

									(Unit : KRW in billion)								
Classification	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	YoY	QoQ	Classification	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	YoY	QoQ
<b>Revenue</b>	<b>2,979.9</b>	<b>2,980.7</b>	<b>2,991.9</b>	<b>3,172.5</b>	<b>3,020.4</b>	<b>3,199.6</b>	<b>+7.3%</b>	<b>+5.9%</b>	Current Assets	4,909.2	4,646.4	4,515.5	4,247.2	4,685.9	4,419.4	Δ4.9%	Δ5.7%
Service Revenue	2,270.1	2,343.2	2,325.6	2,405.6	2,314.3	2,378.0	+1.5%	+2.8%	Cash and Cash Equivalents	507.6	646.6	313.9	378.6	390.5	389.1	Δ39.8%	Δ0.4%
Other Revenue	5.7	5.7	5.7	6.1	5.5	4.5	Δ20.7%	Δ17.7%	Short-term Loans & Accounts Receivables	2,381.0	2,036.0	2,353.2	1,949.1	2,352.0	2,004.1	Δ1.6%	Δ14.8%
Handset Revenue	709.9	637.6	666.2	766.9	706.0	821.6	+28.9%	+16.4%	Inventories	436.3	421.6	339.2	455.1	406.6	403.8	Δ4.2%	Δ0.7%
<b>Expense</b>	<b>2,792.3</b>	<b>2,769.7</b>	<b>2,763.7</b>	<b>3,068.4</b>	<b>2,825.7</b>	<b>3,051.1</b>	<b>+10.2%</b>	<b>+8.0%</b>	Other Current Assets	1,584.3	1,542.3	1,509.1	1,464.4	1,536.9	1,622.5	+5.2%	+5.6%
Wages	265.5	247.4	276.3	307.3	305.3	308.8	+24.8%	+1.2%	Non Current Assets	8,702.7	8,596.8	8,544.3	9,692.7	9,732.0	10,329.9	+20.2%	+6.1%
Depreciation	356.4	355.9	353.8	362.5	418.4	424.6	+19.3%	+1.5%	Available for Sales Securities	37.3	36.7	39.2	33.1	37.5	41.2	+12.3%	+9.9%
Amortization	60.1	59.3	58.3	65.6	76.9	77.9	+31.3%	+1.3%	Property, Plant and Equipment	6,378.6	6,271.3	6,199.4	6,465.8	6,736.6	7,136.1	+13.8%	+5.9%
Telecom Circuit Rent	51.2	48.6	49.6	50.8	47.3	48.6	+0.0%	+2.8%	Intangible Assets	897.7	842.1	782.9	1,705.7	1,626.3	1,548.3	+83.9%	Δ4.8%
Rental	83.6	79.6	78.6	84.3	19.5	20.4	Δ74.4%	+4.8%	Long-term Loans & Long Trade Receivables	659.5	726.3	792.7	754.9	612.3	809.0	+11.4%	+32.1%
Outsourcing	83.5	100.9	88.9	70.8	59.1	62.4	Δ38.2%	+5.6%	Investment in Properties	38.7	38.6	36.4	35.6	30.5	30.3	Δ21.4%	Δ0.5%
Electricity Fee	44.0	43.1	50.9	46.6	47.6	46.8	+8.6%	Δ1.6%	Other Non-current Assets	690.9	681.8	693.6	697.7	688.9	764.9	+12.2%	+11.0%
Repair Expense	30.6	41.4	38.1	41.3	31.4	35.9	Δ13.3%	+14.3%	<b>Total Assets</b>	<b>13,612.0</b>	<b>13,243.2</b>	<b>13,059.8</b>	<b>13,939.9</b>	<b>14,418.0</b>	<b>14,749.3</b>	<b>+11.4%</b>	<b>+2.3%</b>
Interconnection	135.6	129.0	124.4	184.4	128.6	132.4	+2.6%	+2.9%	Current Liabilities	4,191.8	3,761.0	3,625.3	3,833.0	4,281.1	4,543.3	+20.8%	+6.1%
Settlement	21.8	22.1	21.2	22.2	21.5	22.2	+0.5%	+3.2%	Accounts Payable & Other Payables	3,290.5	3,007.3	2,999.2	3,137.6	3,168.7	3,672.0	+22.1%	+15.9%
Fees & Charges	365.1	372.3	371.3	400.9	364.6	379.6	+2.0%	+4.1%	Other Liabilities	901.3	753.6	626.1	695.4	1,112.4	871.2	+15.6%	Δ21.7%
Sales Comission	420.5	420.5	420.3	440.6	427.4	442.6	+5.3%	+3.6%	Non-current Liabilities	2,942.9	2,867.5	2,666.6	3,253.6	3,326.1	3,294.4	+14.9%	Δ1.0%
Advertising	61.0	70.3	63.3	76.5	70.3	85.9	+22.2%	+22.3%	Bond payable, Long-term debt & etc	2,637.0	2,556.1	2,337.8	2,983.6	2,912.2	2,825.1	+10.5%	Δ3.0%
Cost of Handsets Sold	741.7	711.7	703.7	845.4	733.3	892.6	+25.4%	+21.7%	Other Liabilities	305.9	311.4	328.8	270.0	413.9	469.3	+50.7%	+13.4%
Handset purchase	723.1	654.8	681.5	795.9	720.6	857.9	+31.0%	+19.1%	<b>Total Liabilities</b>	<b>7,134.7</b>	<b>6,628.5</b>	<b>6,291.8</b>	<b>7,086.6</b>	<b>7,607.2</b>	<b>7,837.6</b>	<b>+18.2%</b>	<b>+3.0%</b>
Etc	18.7	56.9	22.2	49.5	12.8	34.7	Δ39.1%	+171.8%	Shareholders' Equity	6,477.1	6,614.6	6,767.8	6,853.2	6,810.7	6,911.6	+4.5%	+1.5%
Ordinary R&D Expense	14.3	13.5	16.6	14.4	13.7	14.4	+6.5%	+4.4%	Capital Stock	2,574.0	2,574.0	2,574.0	2,574.0	2,574.0	2,574.0	+0.0%	+0.0%
Taxes & Dues	21.2	15.6	8.0	10.0	20.0	17.1	+9.7%	Δ14.3%	Capitall Surplus	836.9	836.9	836.9	836.9	836.9	836.9	+0.0%	+0.0%
Others	36.2	38.5	40.3	45.0	40.9	38.9	+1.0%	Δ4.8%	Retained Earnings	3,064.1	3,200.9	3,354.3	3,447.2	3,404.5	3,503.0	+9.4%	+2.9%
<b>Operating Income</b>	<b>187.7</b>	<b>211.1</b>	<b>228.1</b>	<b>104.1</b>	<b>194.6</b>	<b>148.6</b>	<b>Δ29.6%</b>	<b>Δ23.7%</b>	Accumulated Other Comprehensive Income	2.1	2.9	2.6	Δ4.8	Δ4.7	Δ2.3	Δ181.9%	Δ50.4%
<b>Non-operating Income</b>	<b>25.2</b>	<b>23.5</b>	<b>15.4</b>	<b>25.0</b>	<b>20.2</b>	<b>25.0</b>	<b>+6.4%</b>	<b>+23.6%</b>	Non-controlling Interest	0.2	0.1	0.1	0.1	0.1	0.1	Δ19.8%	Δ6.7%
Interest Income	8.6	8.5	7.7	9.5	9.0	8.4	Δ1.3%	Δ6.9%	<b>Total Shareholders' Equity</b>	<b>6,477.3</b>	<b>6,614.8</b>	<b>6,767.9</b>	<b>6,853.4</b>	<b>6,810.8</b>	<b>6,911.7</b>	<b>+4.5%</b>	<b>+1.5%</b>
<b>Non-operating Expense</b>	<b>50.8</b>	<b>45.6</b>	<b>35.7</b>	<b>39.7</b>	<b>39.3</b>	<b>41.3</b>	<b>Δ9.3%</b>	<b>+5.2%</b>	<b>Total Liabilities and Shareholders' Equity</b>	<b>13,612.0</b>	<b>13,243.2</b>	<b>13,059.8</b>	<b>13,939.9</b>	<b>14,418.0</b>	<b>14,749.3</b>	<b>+11.4%</b>	<b>+2.3%</b>
Interest Expense	27.0	25.6	24.8	24.0	28.8	26.0	+1.2%	Δ9.8%									
<b>Income Before Tax</b>	<b>162.0</b>	<b>189.0</b>	<b>207.9</b>	<b>89.4</b>	<b>175.6</b>	<b>132.3</b>	<b>Δ30.0%</b>	<b>Δ24.7%</b>									
Income Tax	46.5	52.0	54.1	14.1	43.0	33.8	Δ35.0%	Δ21.5%									
<b>Net Income</b>	<b>115.5</b>	<b>137.1</b>	<b>153.8</b>	<b>75.3</b>	<b>132.6</b>	<b>98.5</b>	<b>Δ28.1%</b>	<b>Δ25.7%</b>									

## Appendix (Separate)

(Unit : KRW in billion)

(Unit : KRW in billion)

Classification	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	YoY	QoQ	Classification	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	YoY	QoQ	
<b>Revenue</b>	<b>2,974.2</b>	<b>2,972.0</b>	<b>2,983.8</b>	<b>3,166.8</b>	<b>3,009.5</b>	<b>3,189.4</b>	<b>+7.3%</b>	<b>+6.0%</b>	Current Assets	4,829.8	4,570.0	4,418.9	4,172.1	4,611.9	4,346.8	Δ4.9%	Δ5.7%	
Service Revenue	2,263.3	2,335.2	2,317.6	2,399.3	2,304.4	2,370.2	+1.5%	+2.9%	Cash and Cash Equivalents	451.2	589.8	235.0	319.3	339.1	336.7	Δ42.9%	Δ0.7%	
Other Revenue	8.6	8.5	8.6	9.0	8.4	7.4	Δ13.1%	Δ11.6%	Short-term Loans & Accounts Receivables	2,374.0	2,029.6	2,349.2	1,946.9	2,341.5	1,993.5	Δ1.8%	Δ14.9%	
Handset Revenue	710.9	636.9	666.2	767.5	705.1	819.2	+28.6%	+16.2%	Inventories	435.0	420.5	338.1	452.1	404.1	401.8	Δ4.4%	Δ0.6%	
<b>Expense</b>	<b>2,783.9</b>	<b>2,762.8</b>	<b>2,754.6</b>	<b>3,060.8</b>	<b>2,811.1</b>	<b>3,037.2</b>	<b>+9.9%</b>	<b>+8.0%</b>	Other Current Assets	1,569.6	1,530.2	1,496.6	1,453.8	1,527.2	1,614.8	+5.5%	+5.7%	
Wages	214.5	201.3	226.9	251.3	254.4	256.2	+27.3%	+0.7%	Non Current Assets	8,790.8	8,687.1	8,644.0	9,783.0	9,818.0	10,417.0	+19.9%	+6.1%	
Depreciation	356.1	355.6	353.5	362.2	418.0	424.2	+19.3%	+1.5%	Available for Sales Securities	29.4	30.3	30.2	26.4	27.3	30.6	+1.1%	+12.3%	
Amortization	58.8	58.4	57.5	64.9	76.2	77.4	+32.6%	+1.5%	Property, Plant and Equipment	6,289.6	6,182.1	6,110.1	6,376.2	6,646.5	7,048.0	+14.0%	+6.0%	
Telecom Circuit Rent	51.3	48.7	49.7	50.9	47.3	48.7	+0.0%	+2.8%	Intangible Assets	887.7	832.6	774.3	1,696.9	1,618.3	1,541.3	+85.1%	Δ4.8%	
Rental	83.5	79.5	78.6	84.2	19.4	20.4	Δ74.4%	+4.8%	Long-term Loans & Long Trade Receivables	658.6	725.4	791.9	754.1	611.3	807.9	+11.4%	+32.2%	
Outsourcing	137.8	152.2	142.4	129.1	112.6	116.5	Δ23.5%	+3.4%	Investment in Properties	124.9	125.1	122.4	122.0	116.1	115.3	Δ7.8%	Δ0.7%	
Electricity Fee	44.0	43.1	50.9	46.6	47.6	46.8	+8.6%	Δ1.6%	Other Non-current Assets	800.6	791.5	815.2	807.4	798.5	873.9	+10.4%	+9.4%	
Repair Expense	30.5	41.4	38.0	41.2	31.3	35.8	Δ13.4%	+14.3%	<b>Total Assets</b>	<b>13,620.7</b>	<b>13,257.1</b>	<b>13,063.0</b>	<b>13,955.1</b>	<b>14,429.8</b>	<b>14,763.8</b>	<b>+11.4%</b>	<b>+2.3%</b>	
Interconnection	135.6	129.1	124.5	184.4	128.7	132.4	+2.6%	+2.9%	Current Liabilities	4,179.0	3,751.0	3,604.5	3,822.1	4,265.6	4,528.7	+20.7%	+6.2%	
Settlement	21.8	22.1	21.2	22.2	21.5	22.2	+0.5%	+3.2%	Accounts Payable & Other Payables	3,273.3	2,992.1	2,974.2	3,122.7	3,150.7	3,655.9	+22.2%	+16.0%	
Fees & Charges	364.0	369.6	369.1	400.2	362.0	377.7	+2.2%	+4.3%	Other Liabilities	905.7	758.9	630.2	699.4	1,114.9	872.8	+15.0%	Δ21.7%	
Sales Comission	416.6	416.2	416.9	437.2	422.4	439.0	+5.5%	+3.9%	Non-current Liabilities	2,918.2	2,845.0	2,642.4	3,237.3	3,306.7	3,273.5	+15.1%	Δ1.0%	
Advertising	60.1	69.6	62.2	75.4	68.8	84.2	+21.0%	+22.5%	Accounts Payable & Other Payables	2,637.0	2,556.1	2,337.8	2,983.6	2,912.2	2,825.1	+10.5%	Δ3.0%	
Cost of Handsets Sold	742.3	711.6	702.7	846.3	730.9	889.9	+25.1%	+21.8%	Other Liabilities	281.2	288.8	304.6	253.7	394.5	448.4	+55.2%	+13.7%	
Handset purchase	723.6	654.7	680.5	796.8	718.1	855.2	+30.6%	+19.1%	<b>Total Liabilities</b>	<b>7,097.3</b>	<b>6,595.9</b>	<b>6,246.8</b>	<b>7,059.4</b>	<b>7,572.3</b>	<b>7,802.2</b>	<b>+18.3%</b>	<b>+3.0%</b>	
Etc	18.7	56.9	22.2	49.5	12.8	34.7	Δ39.1%	+171.8%	Shareholders' Equity	6,523.4	6,661.2	6,816.1	6,895.7	6,857.6	6,961.6	+4.5%	+1.5%	
Ordinary R&D Expense	14.7	14.8	17.2	15.4	14.6	15.0	+1.1%	+2.5%	Capital Stock	2,574.0	2,574.0	2,574.0	2,574.0	2,574.0	2,574.0	+0.0%	+0.0%	
Taxes & Dues	19.6	14.0	6.3	8.1	18.1	15.4	+9.9%	Δ14.9%	Capitall Surplus	829.1	828.9	828.8	828.7	828.7	828.7	Δ0.0%	+0.0%	
Others	32.8	35.8	37.0	41.1	37.2	35.5	Δ0.9%	Δ4.7%	Retained Earnings	3,118.3	3,255.3	3,410.5	3,497.7	3,459.5	3,561.3	+9.4%	+2.9%	
<b>Operating Income</b>	<b>190.3</b>	<b>209.2</b>	<b>229.2</b>	<b>106.0</b>	<b>198.3</b>	<b>152.2</b>	<b>Δ27.3%</b>	<b>Δ23.3%</b>	Accumulated Other Comprehensive Income	2.1	3.0	2.9	-	4.6	-	Δ2.3	Δ177.9%	Δ49.7%
<b>Non-operating Income</b>	<b>24.9</b>	<b>23.2</b>	<b>15.2</b>	<b>22.3</b>	<b>19.6</b>	<b>23.9</b>	<b>+3.0%</b>	<b>+22.4%</b>	<b>Total Shareholders' Equity</b>	<b>6,523.4</b>	<b>6,661.2</b>	<b>6,816.1</b>	<b>6,895.7</b>	<b>6,857.6</b>	<b>6,961.6</b>	<b>+4.5%</b>	<b>+1.5%</b>	
Interest Income	8.4	8.3	7.5	9.2	8.7	8.1	Δ1.9%	Δ7.0%	<b>Total Liabilities and Shareholders' Equity</b>	<b>13,620.7</b>	<b>13,257.1</b>	<b>13,063.0</b>	<b>13,955.1</b>	<b>14,429.8</b>	<b>14,763.8</b>	<b>+11.4%</b>	<b>+2.3%</b>	
<b>Non-operating Expense</b>	<b>50.3</b>	<b>43.4</b>	<b>35.1</b>	<b>46.3</b>	<b>37.9</b>	<b>40.7</b>	<b>Δ6.2%</b>	<b>+7.4%</b>										
Interest Expense	26.9	25.5	24.7	23.9	28.7	25.9	+1.4%	Δ9.9%										
<b>Income Before Tax</b>	<b>164.9</b>	<b>189.0</b>	<b>209.3</b>	<b>82.0</b>	<b>179.9</b>	<b>135.4</b>	<b>Δ28.4%</b>	<b>Δ24.8%</b>										
Income Tax	46.4	51.7	53.8	16.6	42.9	33.6	Δ35.1%	Δ21.7%										
<b>Net Income</b>	<b>118.5</b>	<b>137.3</b>	<b>155.5</b>	<b>65.5</b>	<b>137.1</b>	<b>101.8</b>	<b>Δ25.9%</b>	<b>Δ25.7%</b>										

## Subscribers

(Unit: subscribers in thousand, KRW)

Classification	1Q17	2Q17	3Q17	4Q17	2017	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	YoY	QoQ
<b>Wireless Subscribers<sup>1)</sup></b>	<b>12,647</b>	<b>12,831</b>	<b>13,033</b>	<b>13,183</b>	<b>13,183</b>	<b>13,410</b>	<b>13,678</b>	<b>13,971</b>	<b>14,128</b>	<b>14,128</b>	<b>14,398</b>	<b>14,694</b>	<b>7.4%</b>	<b>2.1%</b>
Net Addition	157	184	202	149	692	228	267	294	156	945	270	296	10.7%	9.3%
<b>5G Subscribers<sup>1)</sup></b>												<b>387</b>		
<b>LTE Subscribers<sup>1)</sup></b>	<b>11,263</b>	<b>11,556</b>	<b>11,861</b>	<b>12,138</b>	<b>12,138</b>	<b>12,439</b>	<b>12,789</b>	<b>13,113</b>	<b>13,336</b>	<b>13,336</b>	<b>13,684</b>	<b>13,650</b>	<b>6.7%</b>	<b>-0.3%</b>
<b>LTE,5G Penetration Rate (%)</b>	<b>89.1%</b>	<b>90.1%</b>	<b>91.0%</b>	<b>92.1%</b>	<b>92.1%</b>	<b>92.8%</b>	<b>93.5%</b>	<b>93.9%</b>	<b>94.4%</b>	<b>94.4%</b>	<b>95.0%</b>	<b>95.5%</b>	<b>2.0%p</b>	<b>0.5%p</b>
CDMA	1,383	1,275	1,172	1,044	1,044	971	889	859	792	792	714	657	-26.1%	-8.0%
MVNO	483	489	519	556	556	615	682	737	768	768	863	958	40.6%	11.1%
<b>Churn Rate (%)</b>	<b>1.8%</b>	<b>1.8%</b>	<b>1.8%</b>	<b>1.9%</b>	<b>1.8%</b>	<b>1.6%</b>	<b>1.5%</b>	<b>1.5%</b>	<b>1.7%</b>	<b>1.6%</b>	<b>1.5%</b>	<b>1.7%</b>	<b>0.1%p</b>	<b>0.2%p</b>
New adds	848	858	894	896	3,496	854	894	918	875	3,540	903	1,023	14.5%	13.3%
Churn	692	674	692	746	2,804	626	626	624	718	2,595	614	689	10.1%	12.3%
<b>Service ARPU<sup>2)</sup></b>	<b>35,400</b>	<b>35,743</b>	<b>35,316</b>	<b>34,630</b>	<b>35,268</b>	<b>33,250</b>	<b>32,861</b>	<b>32,245</b>	<b>31,546</b>	<b>32,452</b>	<b>31,051</b>	<b>31,164</b>	<b>-5.2%</b>	<b>0.4%</b>
<b>Service ARPU (MVNO Incl.)</b>	<b>34,614</b>	<b>35,010</b>	<b>34,614</b>	<b>33,872</b>	<b>34,523</b>	<b>32,382</b>	<b>31,937</b>	<b>31,375</b>	<b>30,731</b>	<b>31,567</b>	<b>30,150</b>	<b>30,119</b>	<b>-5.7%</b>	<b>-0.1%</b>

1) Subscribers : MSIT's new subscriber disclosure basis, "line-based subscriber number" including RASS (Adjusted from 1Q14)

2) Old Accounting basis(K-IFRS 1018) until 4Q17, 'K-IFRS 1115' basis since 1Q18)

Service ARPU (incl. CDMA+LTE and wireless IoT) : Including telephony and data(excl. Interconnection, sign-up fee) + VAS + revenue discount(contract and combined discount)

Wireless Subscribers (incl. CDMA+LTE and wireless IoT) : MSIT's average subscriber of quarter basis

(Unit : Subs in Thousand)

Classification	1Q17	2Q17	3Q17	4Q17	2017	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	YoY	QoQ
<b>IPTV(STB)<sup>1)</sup></b>	<b>3,194</b>	<b>3,310</b>	<b>3,429</b>	<b>3,539</b>	<b>3,539</b>	<b>3,672</b>	<b>3,790</b>	<b>3,908</b>	<b>4,019</b>	<b>4,019</b>	<b>4,149</b>	<b>4,241</b>	<b>11.9%</b>	<b>2.2%</b>
Net Addition	133	116	120	110	478	132	119	117	111	479	130	92	-22.8%	-29.7%
<b>VoIP<sup>2)</sup></b>	<b>4,330</b>	<b>4,276</b>	<b>4,205</b>	<b>4,149</b>	<b>4,149</b>	<b>4,095</b>	<b>4,060</b>	<b>4,019</b>	<b>3,981</b>	<b>3,981</b>	<b>3,942</b>	<b>3,901</b>	<b>-3.9%</b>	<b>-1.0%</b>
Net Addition	-40	-54	-71	-57	-222	-54	-36	-41	-38	-168	-39	-41	16.1%	7.0%
<b>Broadband<sup>3)</sup></b>	<b>3,672</b>	<b>3,719</b>	<b>3,768</b>	<b>3,815</b>	<b>3,815</b>	<b>3,881</b>	<b>3,946</b>	<b>4,010</b>	<b>4,038</b>	<b>4,038</b>	<b>4,111</b>	<b>4,170</b>	<b>5.7%</b>	<b>1.4%</b>
Net Addition	61	47	49	47	204	65	66	64	28	222	73	59	-10.0%	-18.9%
<b>PSTN Subscribers<sup>4)</sup></b>	<b>514</b>	<b>508</b>	<b>512</b>	<b>510</b>	<b>510</b>	<b>502</b>	<b>506</b>	<b>520</b>	<b>530</b>	<b>530</b>	<b>517</b>	<b>515</b>	<b>1.7%</b>	<b>-0.4%</b>
Net Addition	15	-6	4	-2	11	-8	4	14	10	20	-13	-2	-158.2%	-83.6%

1) IPTV subscribers : Set-top box subscribers (Adjusted from 1Q15) 2) VoIP subscribers : Retail + Corporate subscribers

3) Broadband : MSIT's new subscriber disclosure basis (Including corporate subscribers from 3Q15)

4) PSTN Subscribers : Retail(Retail VoIP callforwarding) + Corporate subscribers



[ir@lguplus.co.kr](mailto:ir@lguplus.co.kr)

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Ian Yoo

070-4080-4104

Julie Lee

070-4080-1370

Jeff Lee

070-4080-0043



이 종목의 더 많은 IR정보 [확인하기](#)

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