

# kakao

February 2020 | Investor Relations



## Disclaimer

Financial information contained in this document is based on consolidated K-IFRS that have not been audited by an auditor: therefore, the information and financial data contained in this document are subject to change upon an independent auditor's audit.

The company does not make any representation or accept liability, as to the accuracy or completeness of the information contained in this material. The format and contents of this document are subject to change for future filings and reports. Kakao is not liable for providing future updates on all figures included in this document.

# Table of Contents

<b>Kakao Ecosystem</b>	<b>4</b>
<b>Kakao Business</b>	<b>12</b>
Talk Biz	13
Mobility	16
Techfin(Pay)	17
Techfin(Bank)	18
Music	19
Game	20
Paid Content	21
IP Business(M)	22
IP Business(IX)	23
<b>Financial Overview</b>	<b>24</b>

# **Kakao ecosystem**

Kakao business

Financial overview



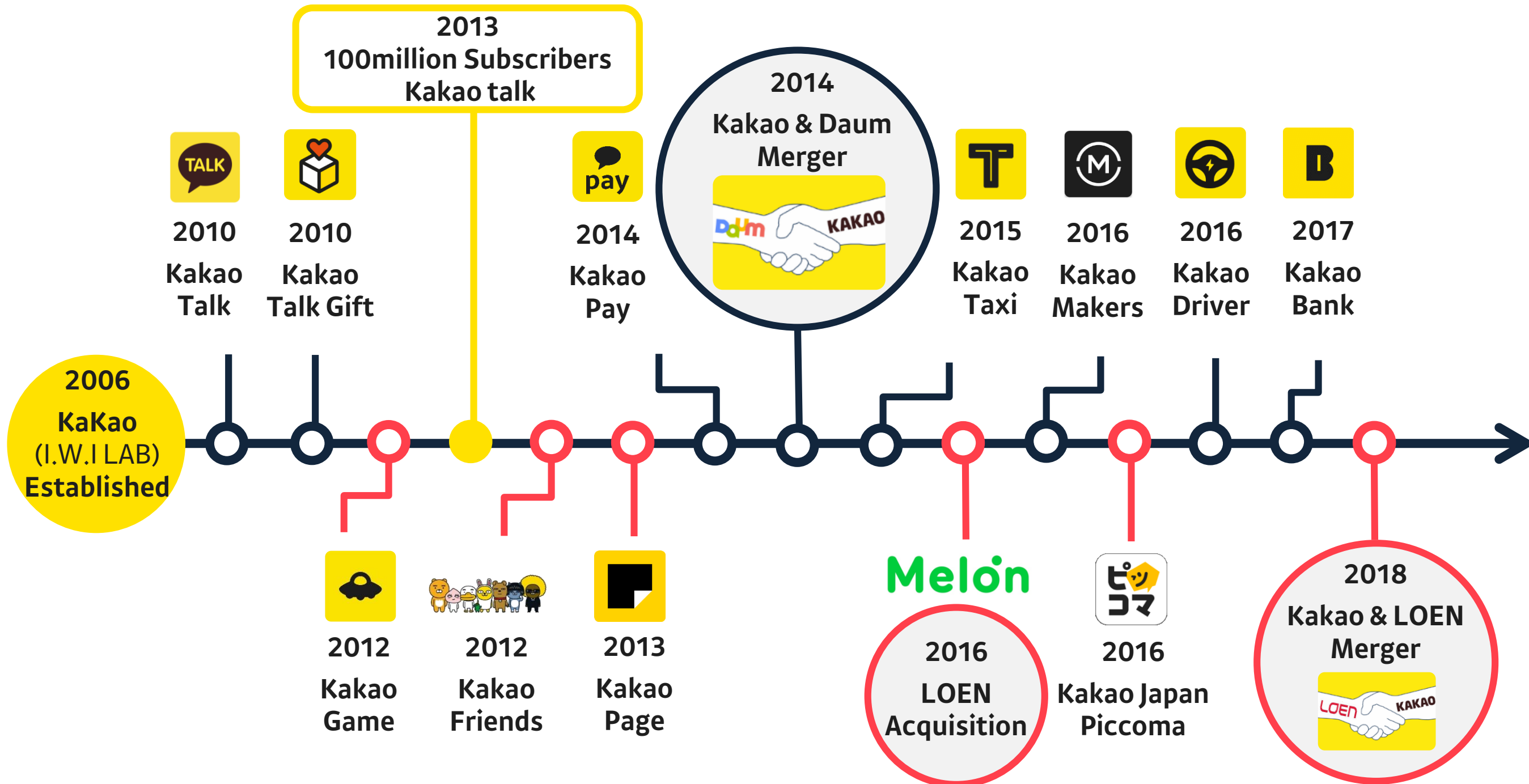
## “Connect Everything”

Innovating the way we connect for a better tomorrow



# History

## ● Interactive Business Platform



## ● Content Ecosystem & Global Expansion

**Kakao M**  
Spin off

# Undisputed Market Leader



**No1. Mobile Messenger Service in Korea**  
45 Million MAU in Korea  
96% Market Share  
87% Population Penetration



**#1 Brand Power**  
Across 220 Industries in Korea



**Most Admired Workplace**  
Among Top 100 Companies in Korea by Market Cap.



**#1 Social Contribution Index**  
Among the 57 Largest Conglomerate Groups in Korea



## Kakao Talk Monthly Active Users



Average of monthly MAUs. Global includes domestic MAUs (000).



# Kakao Ecosystem

# kakao

## Interactive Business Platform

## Content Ecosystem & Global Expansion



### Advertising

#### Talk board Launch

Leverage Talk Board as an Entry Point

“Meaningful Relationship Extension”



### Commerce

#### Kakao Commerce

Talk Based Transactional Business Model

“Explosive Growth & Business Model Expansion”



### Mobility

#### Unrivaled Positioning

No.1 Mobility Application

“Multimodal Platform with All-Inclusive Transportation Needs”



### Tech-Fin

#### Leading Tech-Fin

Innovation in Mobile Finance

“Reshaping the Korean Financial Industry”



### AI / Blockchain

#### Sustained Growth for Future

Expanding Kakao i & Blockchain Main Net

“Future Growth Engine”



### Game

#### Global Game Company

Development Capabilities for Casual to Hard-core Genre

“Competitive Edge to be a Formidable Player”



### Web Literature

#### #1 App

The Largest Number of Original IPs

“Aggressive Global Expansion via Unique Business Model”



### Music / Video

#### Dominant Platform

Music Streaming & Downloads

“One-of-a-Kind Business Model with Superior Profitability”



### IP Business

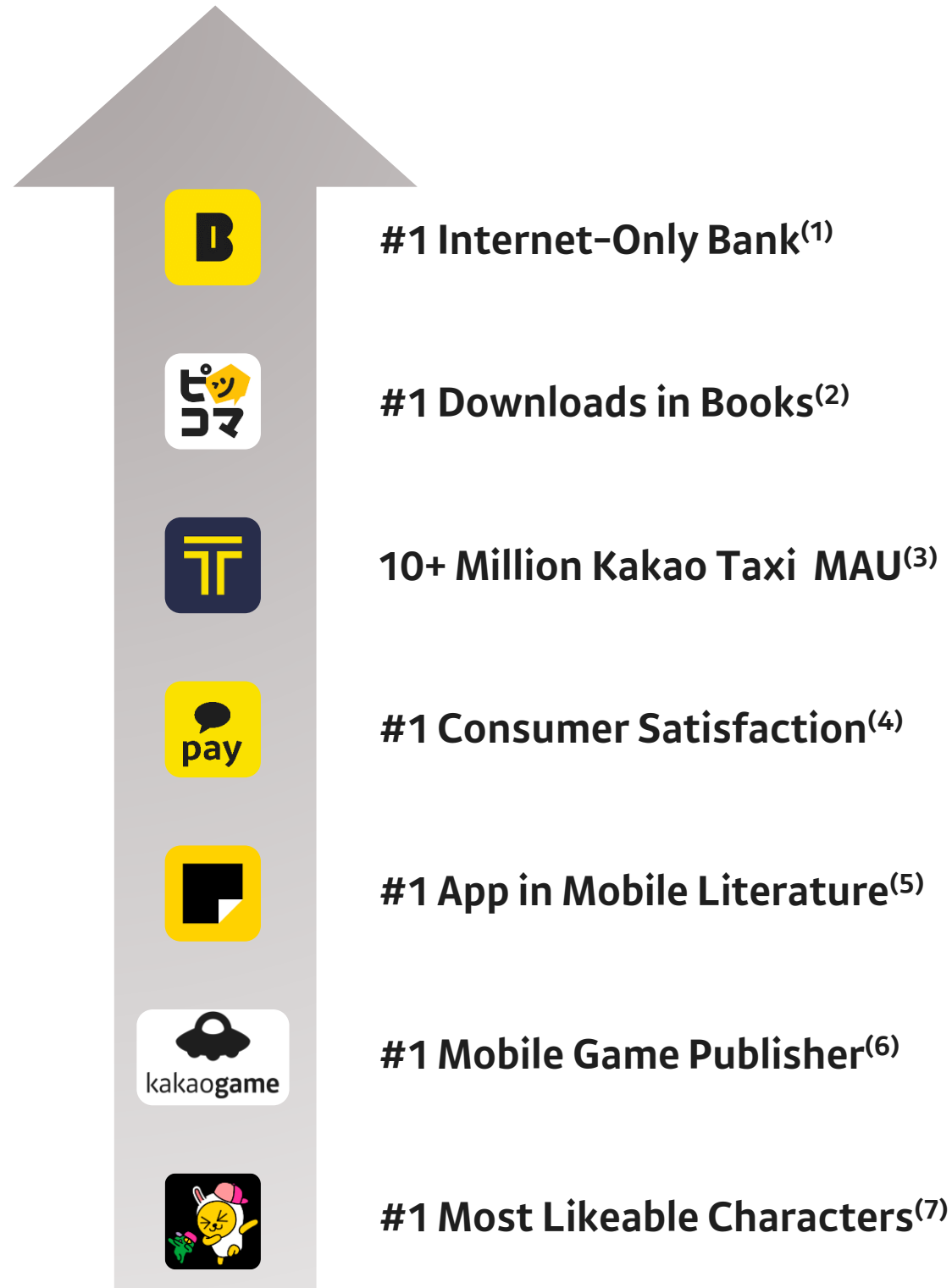
#### #1 Characters

Most Likeable among Koreans

“Cash & Loyalty Generator Through IP”



# Repeatable Success Formula


















## Unique Success Factors for New Businesses:

- ✓ Large User Base Encompassing an Entire Nation
- +
- ✓ Kakao's Nationwide Following Ensuring Success of New Service Launches
- +
- ✓ Unrivalled Access and Insight to User Data
- +
- ✓ Minimal User Acquisition Costs

Notes: (1) In terms of asset size. (2) In terms of Japan App Store Books category. (3) Source: Kakao Mobility (4) Survey by Korea Consumer Board, Consumer satisfaction for mobile payment (5) Based on app downloads. (6) App Annie. Based on number of games in Top 100 on App Store in Korea in terms of grossing. (7) Korea Creative Content Agency survey

# Global Strategic Partnerships

	 Kakao Mobility	 Kakao Page	 Kakao Pay	 Kakao Games	 Kakao Bank
Kakao's Stake <sup>1)</sup>	69.3%	63.6%	60.9%	60.4%	33.5%
Strategic Partner				 ACEVILLE  KRAFTON	    
Investment Amounts (KRW bn)	500 Jun. 2017	125 Dec. 2016 24 Jul. 2019	230 Feb. 2017	140 Feb. 2018	1,188

1) Latest filings

# Company Management

## Kakao Founder & Chairman



**Brian Kim**  
“Korean Web Pioneer”  
By Forbes Asia

**1998** Founder & CEO



One of the first online game portals globally  
\* Merged with NAVER (in 2000)

**2001** CEO



#1 Search portal in Korea

**2009** Founder & Chairman



#1 Mobile messaging app company in Korea  
\*Merged with Daum (in 2014)

## Kakao CEO



Mason Yeo



Sean Joh

## Key Subsidiaries

### Kakao Games



Nkay Namkoong



Leo Cho



Alex Ryu



Alex Ryu

### Kakao Mobility

### Kakao Pay

### Kakao Page

### Kakao Japan

### Kakao M



Joy Lee



Jay Kim



Stephan Kim

Kakao ecosystem

**Kakao business**

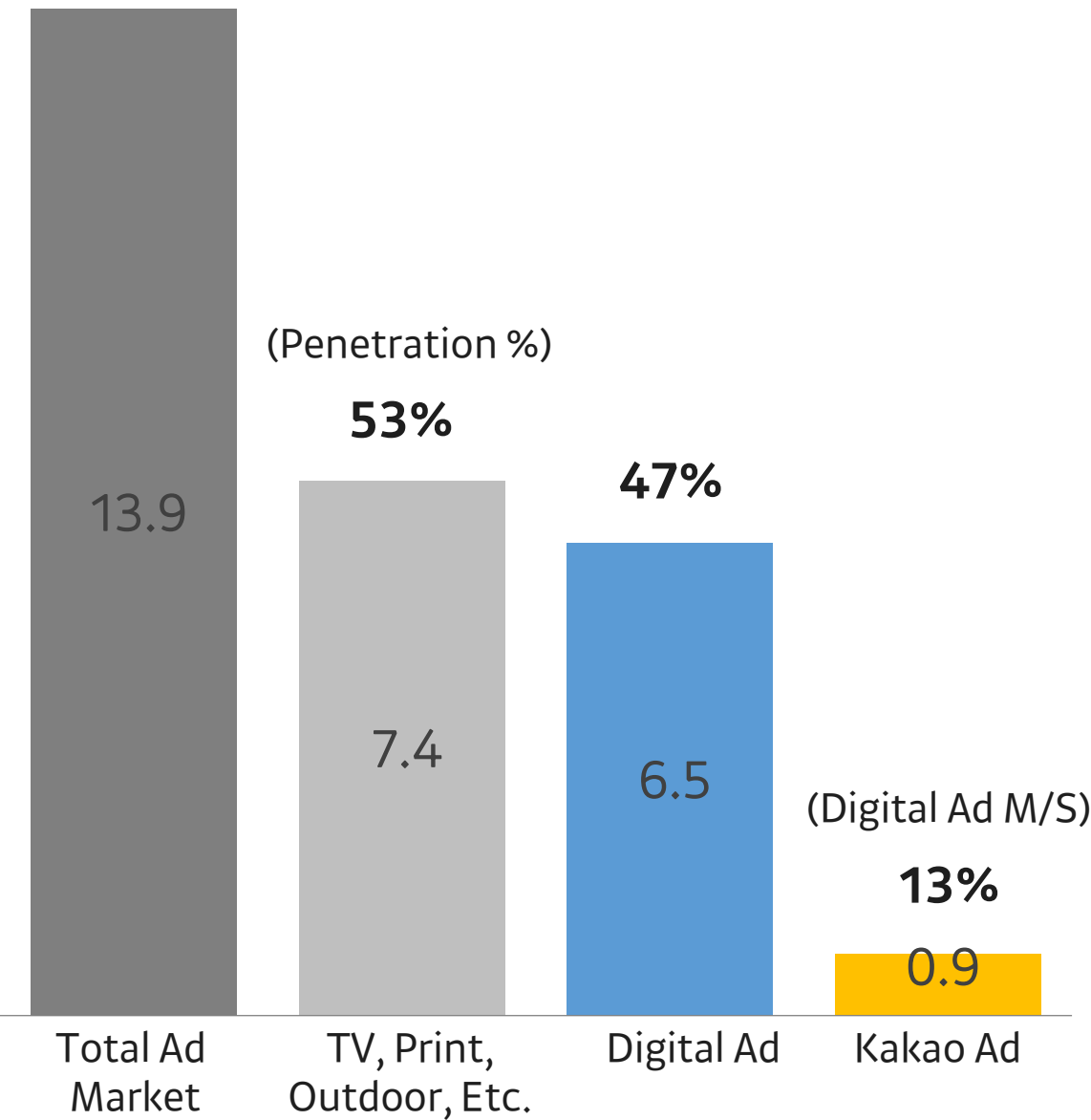
Financial overview

# Paradigm Shift in Advertising Industry

## Significant Growth Opportunity in Kakao Talk as a Biz Platform

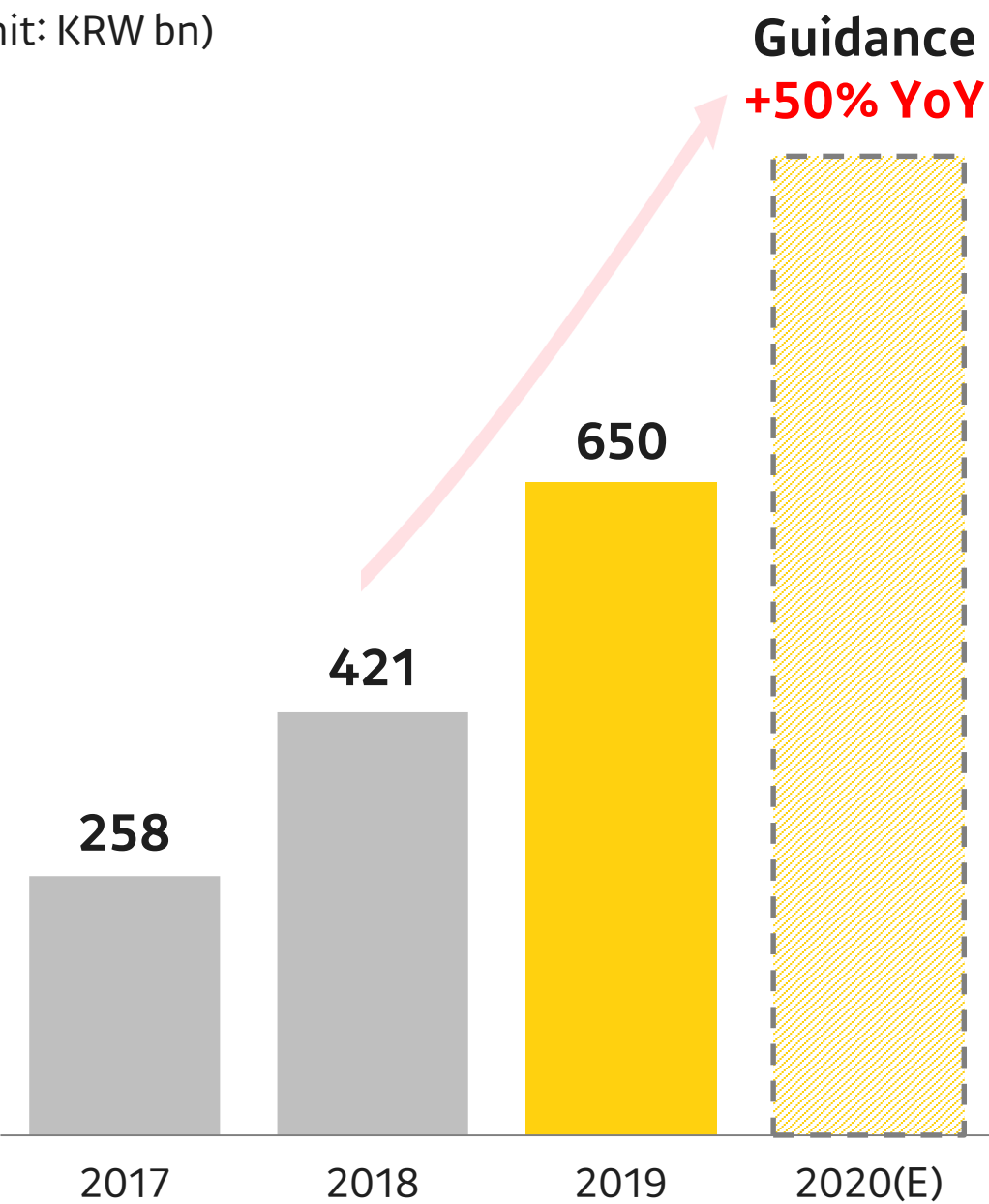
Ad Market Size (2018)

(Unit: KRW trn, %)



Talk Biz Revenue

(Unit: KRW bn)



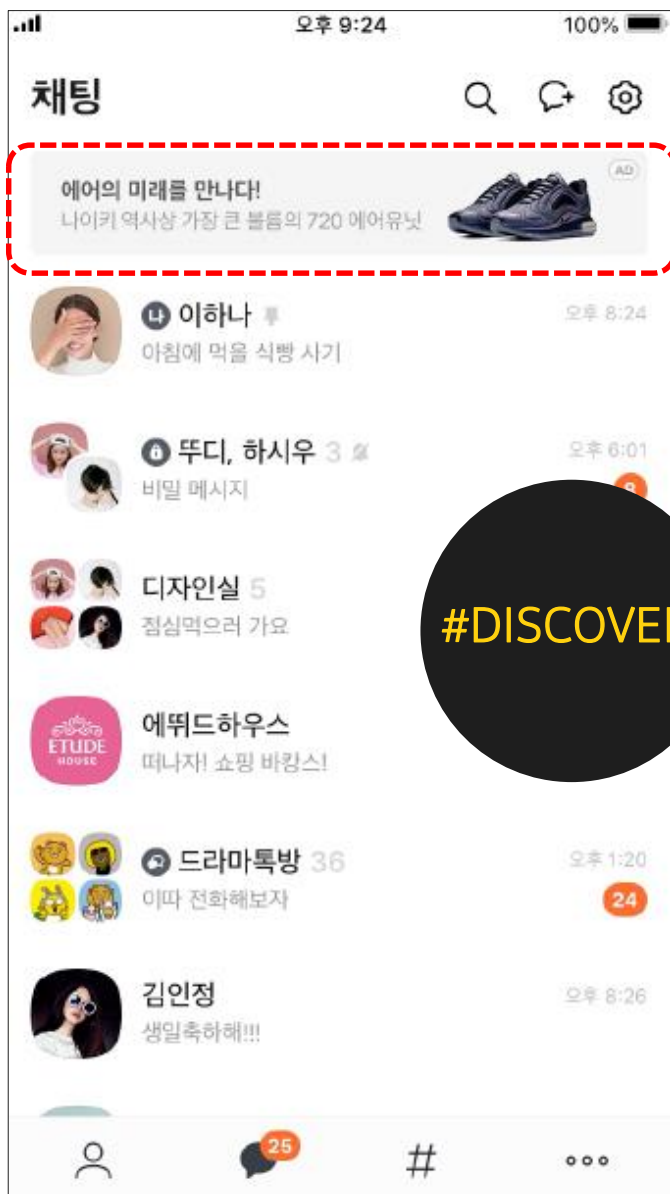
1) Kakao Ad includes Talk biz advertising and Portal Biz Revenue in FY2019



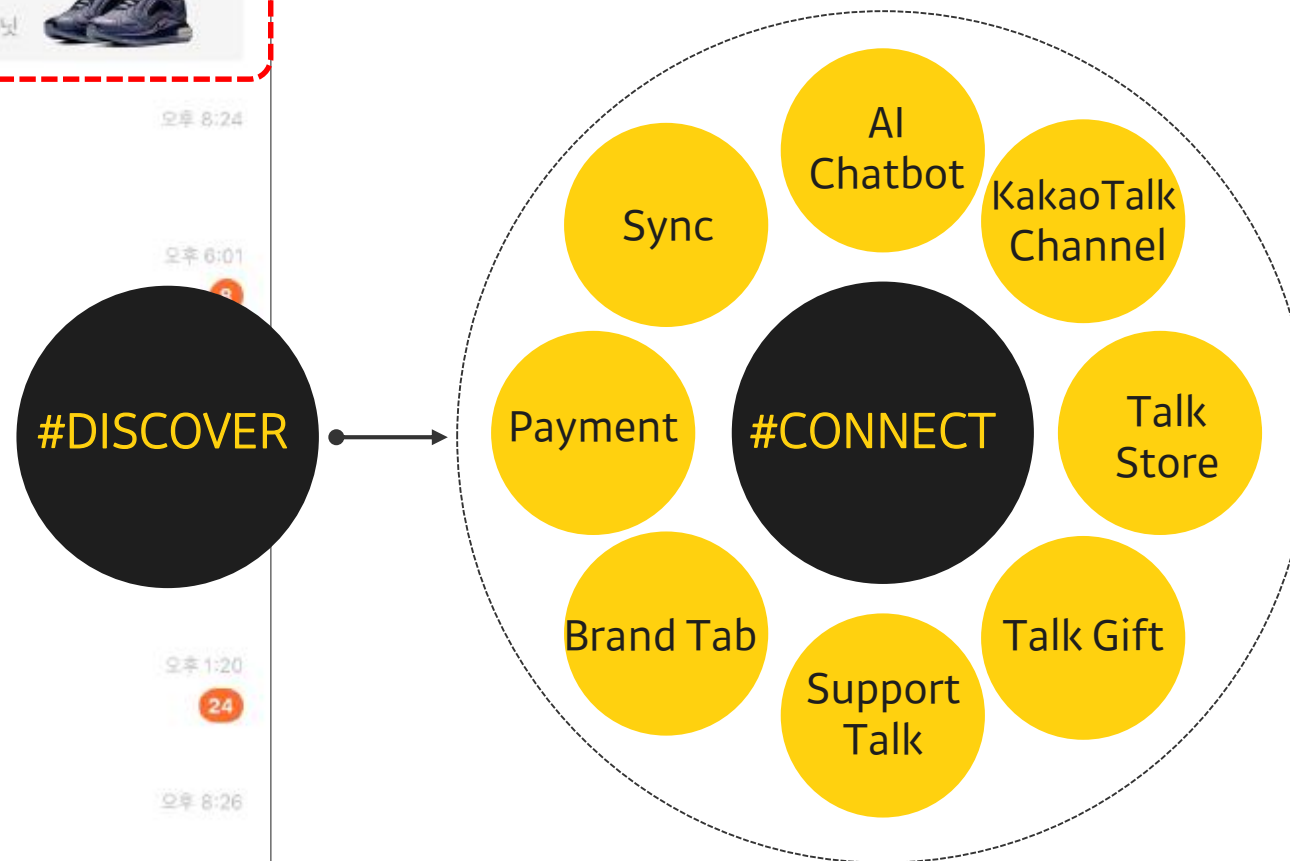
# Talk Biz Advertising(Talk Board)

## Talk Board, a New Innovative Way to Connect 45million Mega Traffic

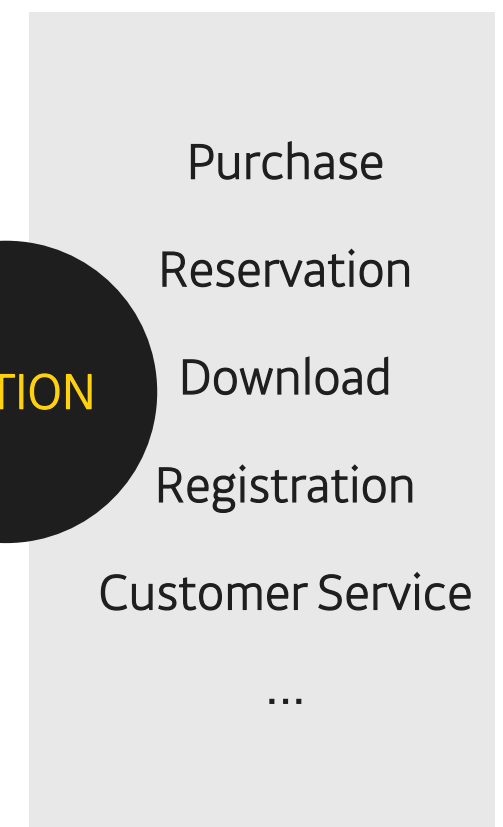
Chat list tab is where users spend the most time



Users can get recommendations of their interests



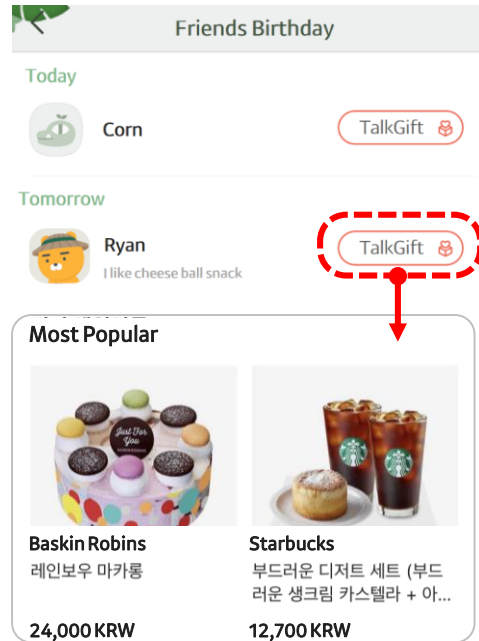
Users may fulfill any actions that wish to take



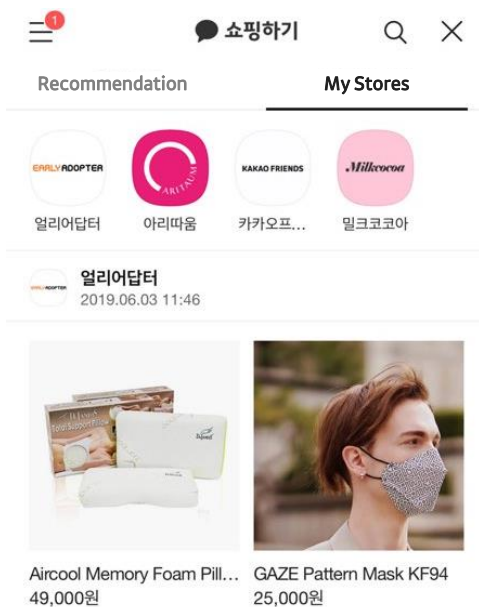
# Talk Biz Commerce

## From Leveraging the Social Graph to any Talk-based Transactions

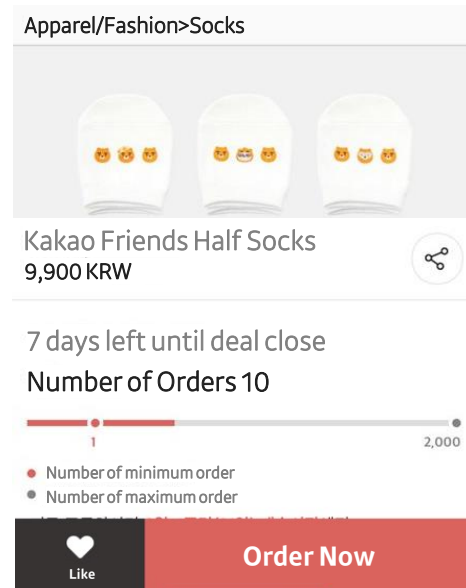
### Talk Gift



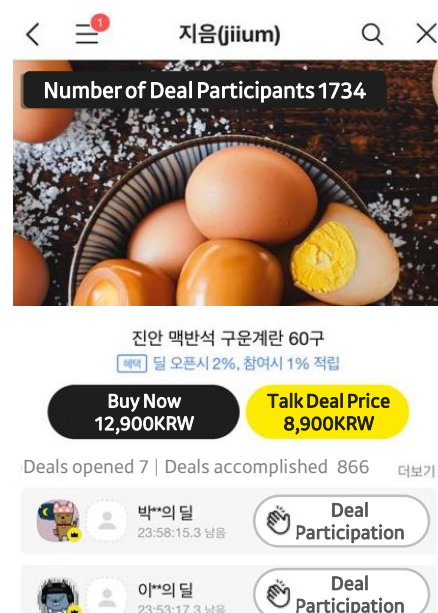
### Talk Store



### Kakao Makers



### Talk Deal



### TalkBoard will revolutionize daily commerce experience



## Multimodal Platform with All-Inclusive Transportation Needs



### Kakao T Key Indices

**10mn+**  
MAU

Dominant Traffic

**25mn+**  
Registered  
Users

70+% of economically  
active population

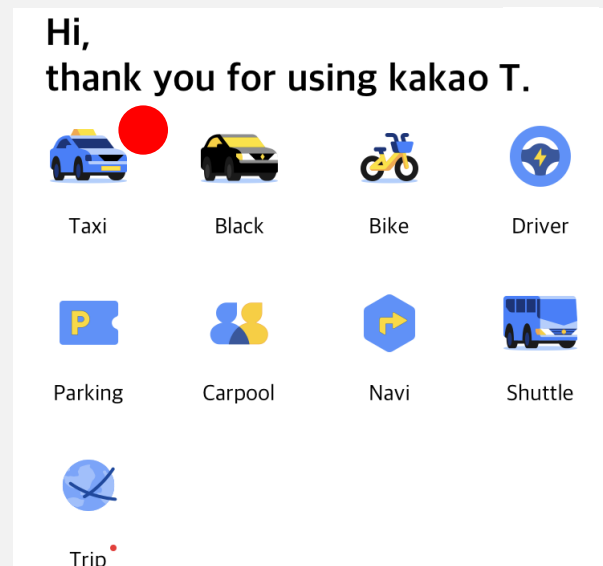
**2.9mn+**  
Peak Daily  
Taxi-Hailing  
Orders

Based on large user  
base and registered  
taxi driver base

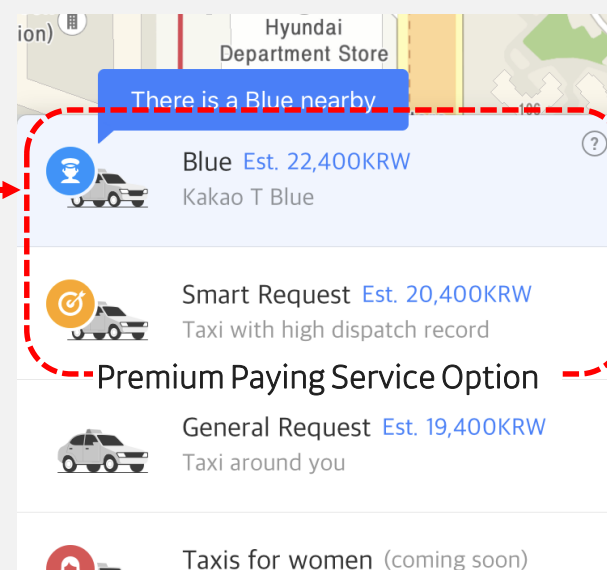
**9.6mn+**  
Credit Card  
Registrants

Ready to Pay Users  
(As of Dec 2019)

### Kakao T Application



### Taxi Service Option



### Creating a Kakao's Own Mobility Ecosystem thru Partnerships



### Kakao T Blue

Expanding the service coverage  
in the regional area

## No.1 All-Encompassing Daily Financial Platform



### Kakao Pay Key Indices

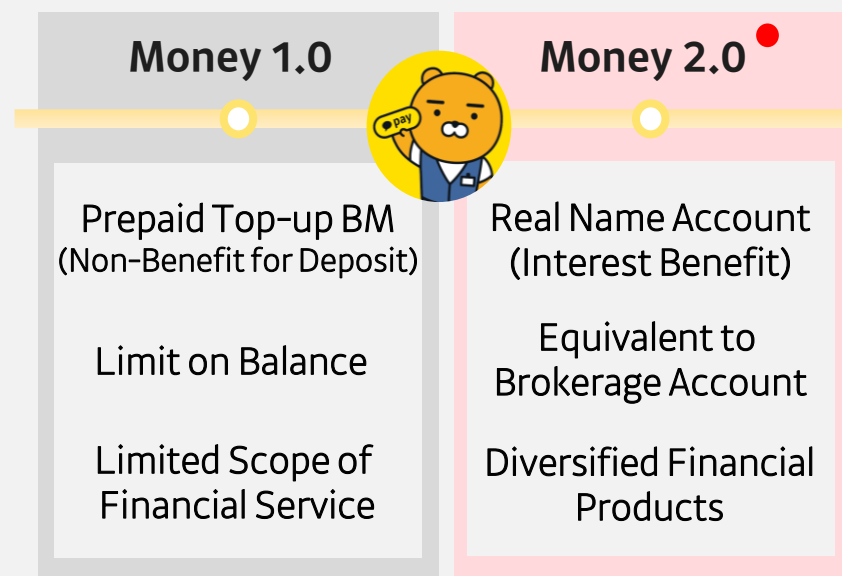
**30mn+**  
Accumulated  
Members

**20mn+**  
MAU

**W48trn+**  
FY2019 GMV

+140% YoY  
(FY18 Total GMV KRW20trn)

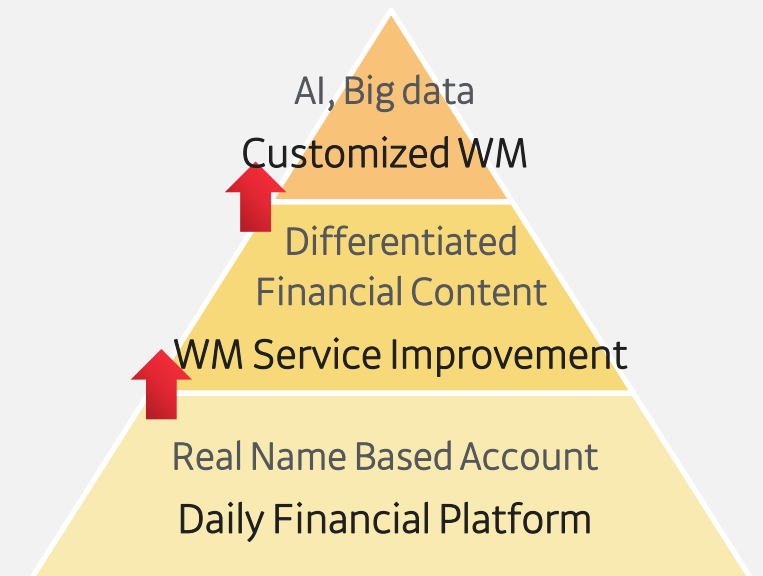
### Money 2.0 Strategy



### Kakao Pay Money Upgrade



### Creating New Investment Culture





## No.1 Internet-Only Bank with Innovation



### Kakao Bank Key Indices

**W1.8trn**  
Capital

Capital Increase  
W500bn Nov. 2019

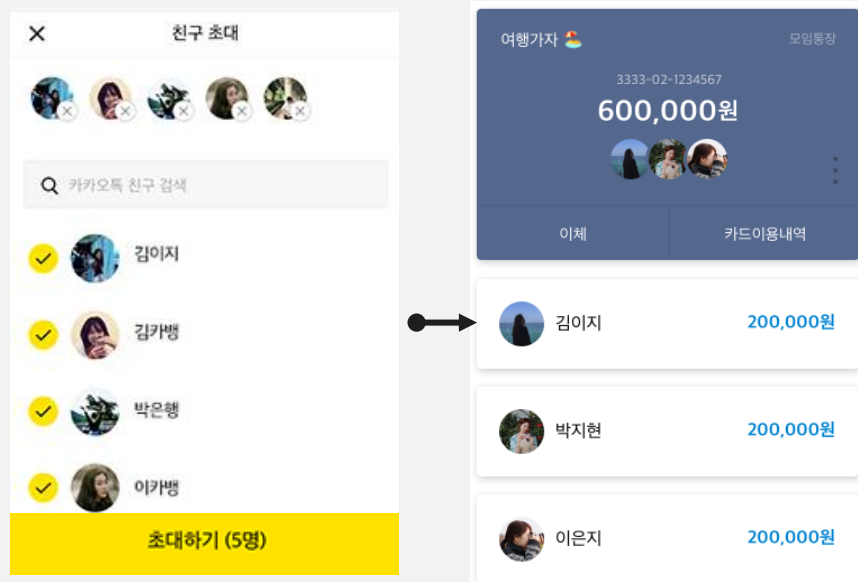
**11mn+**  
(# of Clients)  
Accounts

**W20.7trn**  
Deposits  
4Q19

**W14.9trn**  
Credit Loans  
4Q19

**W15.4bn**  
3Q19 Accum.  
Net Income

### Kakao Bank Moim Service(Dec 2018)



### Pioneering a New Market Frontier



Offering 1trn+ Mid-priced Loans in 2019  
(Equivalent to 110% of total mid-priced loan in 2018)

**개인사업자 사이트대출**

**바쁜 사업자를 위한  
제1금융권 신용대출**

최대한도	최저금리	중도상환해약금
2천만원	연3.48%	면제

※ 최저금리 등 자세한 사항은 카카오뱅크 앱에서 확인하세요.

복잡한 서류 제출 없이  
스마트폰에서 간편하게

- 1 한도/금리 조회
- 2 사업자/소득 정보 확인
- 3 모바일 대출 계약서 작성
- 4 대출 실행

### Platform Business Expansion



카카오뱅크 증권사 계좌 개설

한국투자증권 계좌를  
카카오뱅크에서  
간편하게

카카오뱅크 증권사 계좌 개설  
한국투자증권 계좌를 카카오뱅크에서  
간편하게

1) Moim service: Kakao Talk-based group banking account



## # 1 Digital Music Platform with Unparalleled Market Presence



### Melon Key Indices

**5.02mn+**  
Paying  
Subscribers

7mn Unique Visitor  
Dominant Traffic

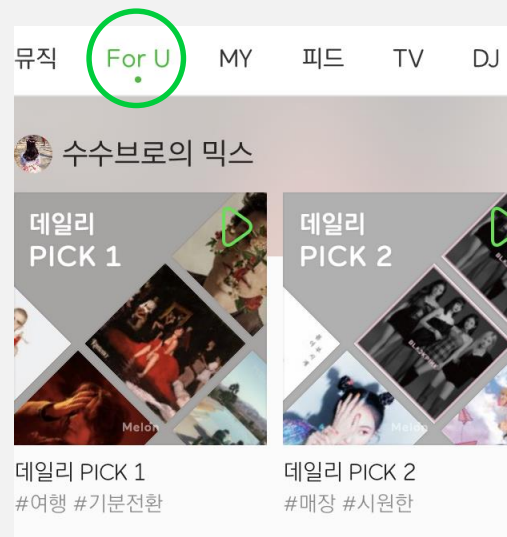
**40mn+**  
Song Library

Largest Music Content

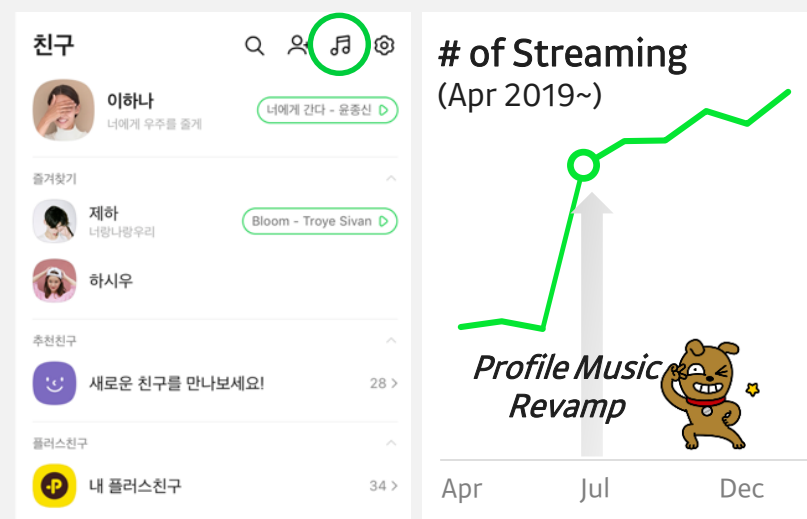
**99mn+**  
Playlists

More personalized,  
customized functions

### Customized Curation Melon DJ, FOR U

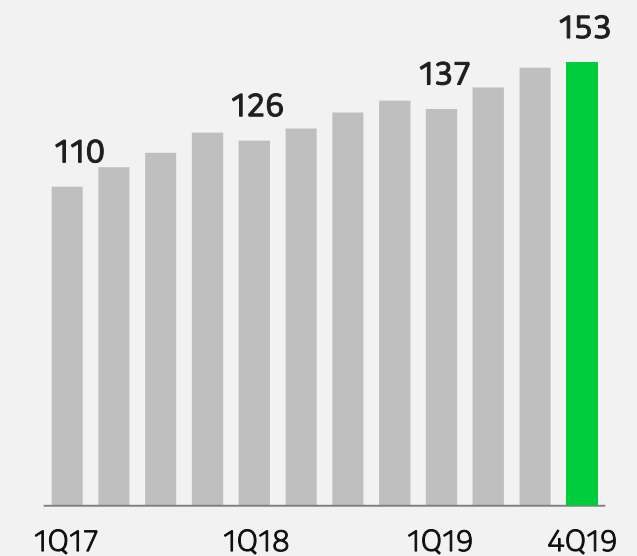


### Increased Streaming Trend thru Talk Music



### Music Revenue<sup>1)</sup>

(Unit: W bn)



1) Music revenue includes Melon, kakao music, digital music distribution and ticket

Multi-Platform Game Company encompassing PC and mobile



Game Key Indices

**1,100+**  
Publishing

20mn+ MAU  
No.1 Mobile Game Platform

**No.1**  
Publisher

Multi-platform Game Service Encompassing PC and Mobile

**Global Potential**

Going Global  
Leveraging Proven IPs

Game Marketing Platform

20mn+ MAU

10mn+ Kakao Talk Channel

Publishing Game Line-up

MOBILE	 Princess connect! Re:dive	 TERA Classic	 Legendary Moonlight Sculptor
PC	 PUBG	 POE	 A:IR 2020(E)

Global Business Expansion

**Partnership**

Expansion in overseas publishing thru global partnerships

**Development**

In company development expertise

**XLGAMES**

Casual Game Development

 Friends Racing	 Friends Town	 Allstar Smash
--------------------	------------------	-------------------

# Paid Content (Web Literature)

## Growth through Innovative Business Model and Original IPs



### Paid Content Key Indices

**W430bn**  
Global GMV  
in 2019

+47% YoY  
(W290bn in 2018)

**7,000+**  
Original IPs

The Largest # of  
Original IPs

**+130%**  
Piccoma  
GMV Growth

The Fastest Growing  
Manga Platform  
in Japan

### Accelerating K-Content Distribution

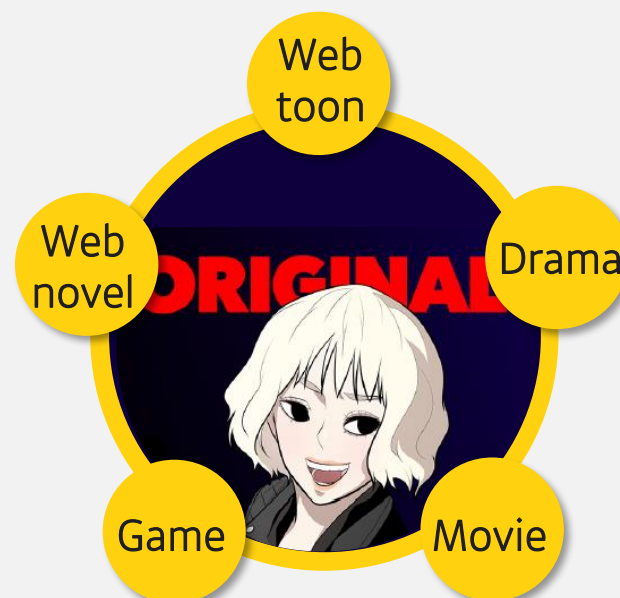


Indonesia  
Kakaopage Global

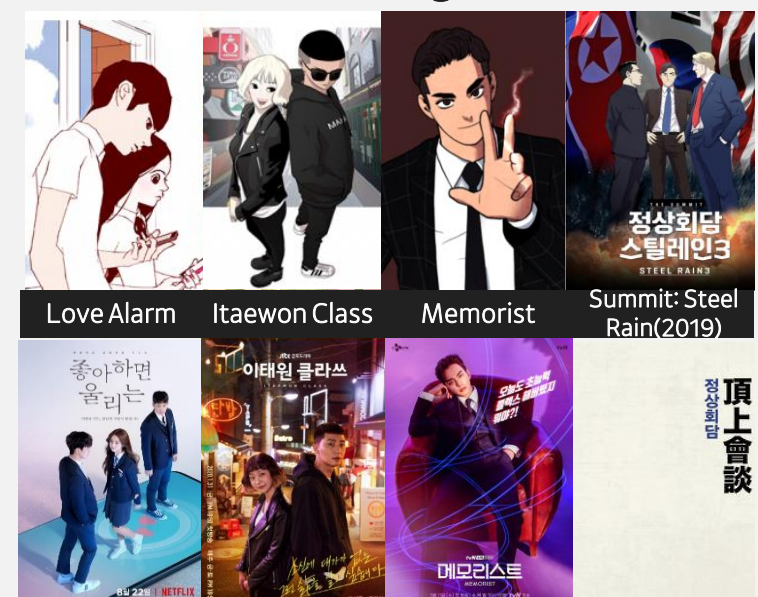


Kakao Japan  
Piccoma

### Story IP Value & Utilization Up



### Secondary Video Content based on Original IPs



## Transforming into a Leading Global Content Provider

### Kakao M Key Indices

**No.1**  
Music  
Distribution

Stable Cash Flow

**W80bn+**  
Investment  
in K-pop

Annual Investment in  
Music Distribution  
Business

**17mn+**  
1theK  
Subscriber

No.1 K-pop  
YouTube Channel

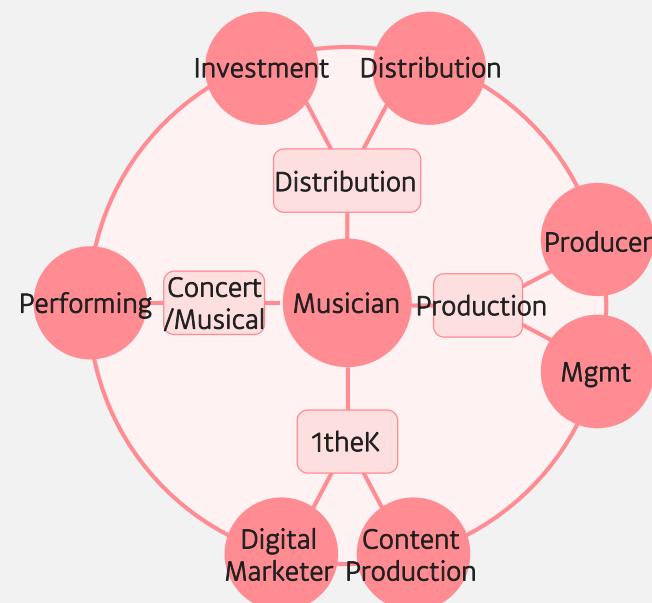
**90+**  
Musician

4 Music Labels

**150+**  
Actors&  
Actresses

Korea's Largest  
Talent Pool

### Kakao M's Music Business Portfolio



### Vertical Integration in Content Production



### Content Production Capability

#### Talent Pool

Competitive  
casting power

#### Production

Mega Monster,  
in-house  
production studio

#### Story IP

Original IPs from  
Kakao Page and  
Piccoma

#### Key Creator

Top-notch  
producers with  
the expertise



## Successfully Expanded into a Full-Fledged IP Business Player

### Kakao Friends IP



**KAKAO FRIENDS**

### Going Global



Japan | Tokyo Omotesando store open(Dec. 2018)



China | Tmall(domestic & global), JD.com

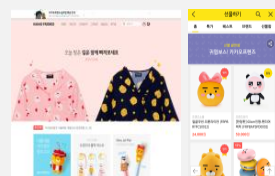


North America | Amazon

#### Merchandising

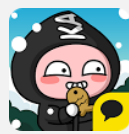


Offline Stores



Online Stores

#### Game



Friends Popcorn



Friends Marble



Friends Sachung



Friends Pop

#### Licensing



LOUIS VUITTON



Kiehl's  
SINCE 1851



VANS  
"OFF THE WALL"

### Flagship & Global Stores



GangNam  
July 2016



HongDae  
November 2016



Busan  
August 2017



Japan Tokyo  
Omotesando  
December 2018

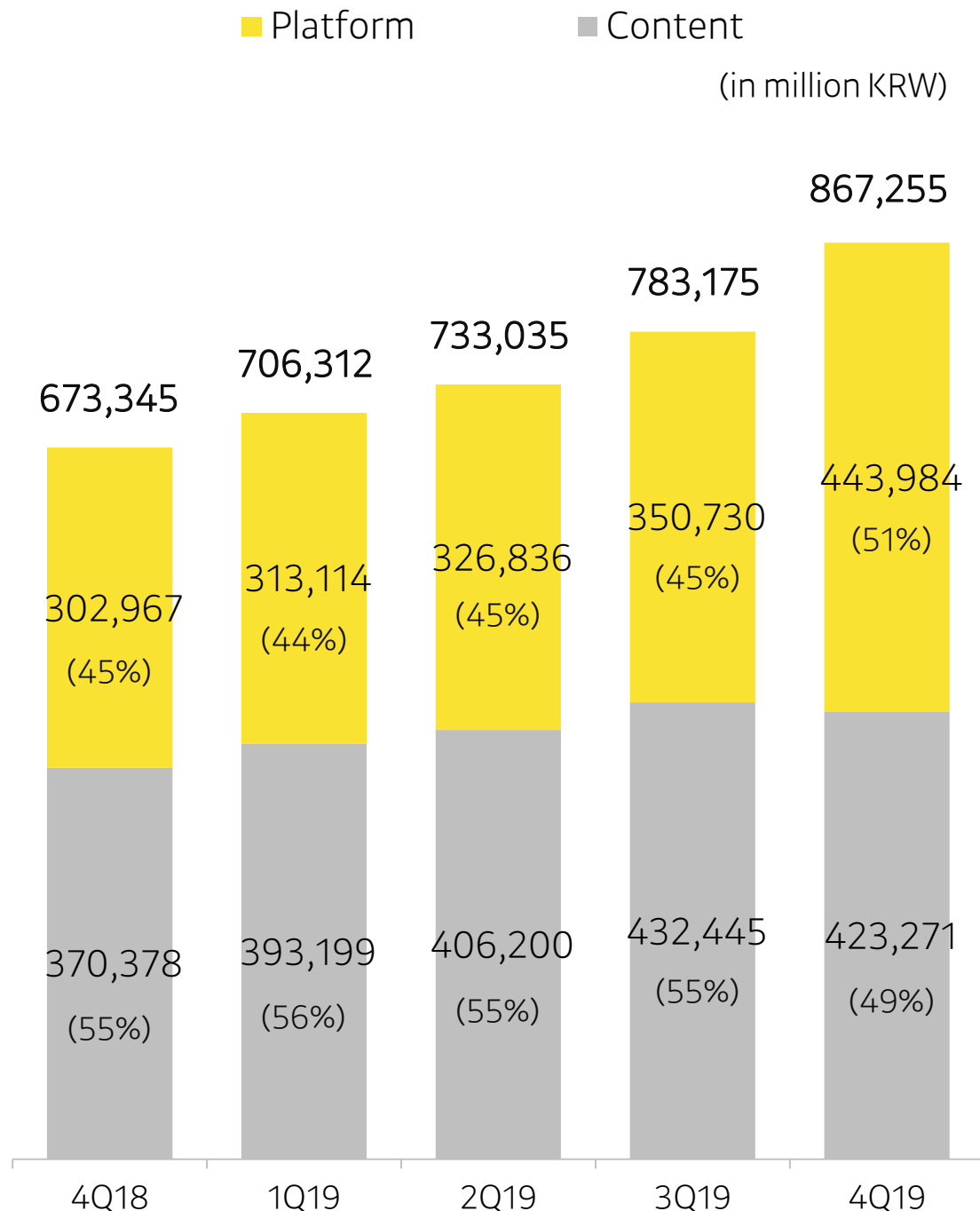


Kakao ecosystem  
Kakao business  
**Financial overview**

# Total Revenue

4Q Total Revenue YoY +29% / QoQ +11%

Platform 51%, Content 49% <sup>1)</sup>



Revenue Breakdown		
Platform	Talk Biz	KakaoTalk(KakaoTalk Channel, #Tab, Talk Store, etc.) Talk Gift Shop, Kakao Makers KakaoTalk Brand/B2C Emoticon New BM in KakaoTalk (Talk board, Chat Bot, etc.)
	Portal Biz	Daum PC Daum Mobile Other subsidiaries' ad Kakao Story/Style/Page
	New Biz	Mobility, Pay Misc. (Other Subsidiaries)
Content	Game	Mobile PC Kakao VX
	Music	Melon Kakao Music Digital music distribution Ticket
	Paid Content	Kakao Page Daum Webtoon Piccoma <sup>1)</sup>
	IP Business and Others	Kakao IX Kakao M (Excluding digital music distribution)

<sup>1)</sup> Due to Kakao Japan's adoption of K-IFRS, the total annual adjustment for FY2019 (₩54.4bn) were reflected into Piccoma's 4Q19 revenue.

[Before the change] Total revenue growth YoY +37% / QoQ +18%, platform accounts for 48%, business 52%

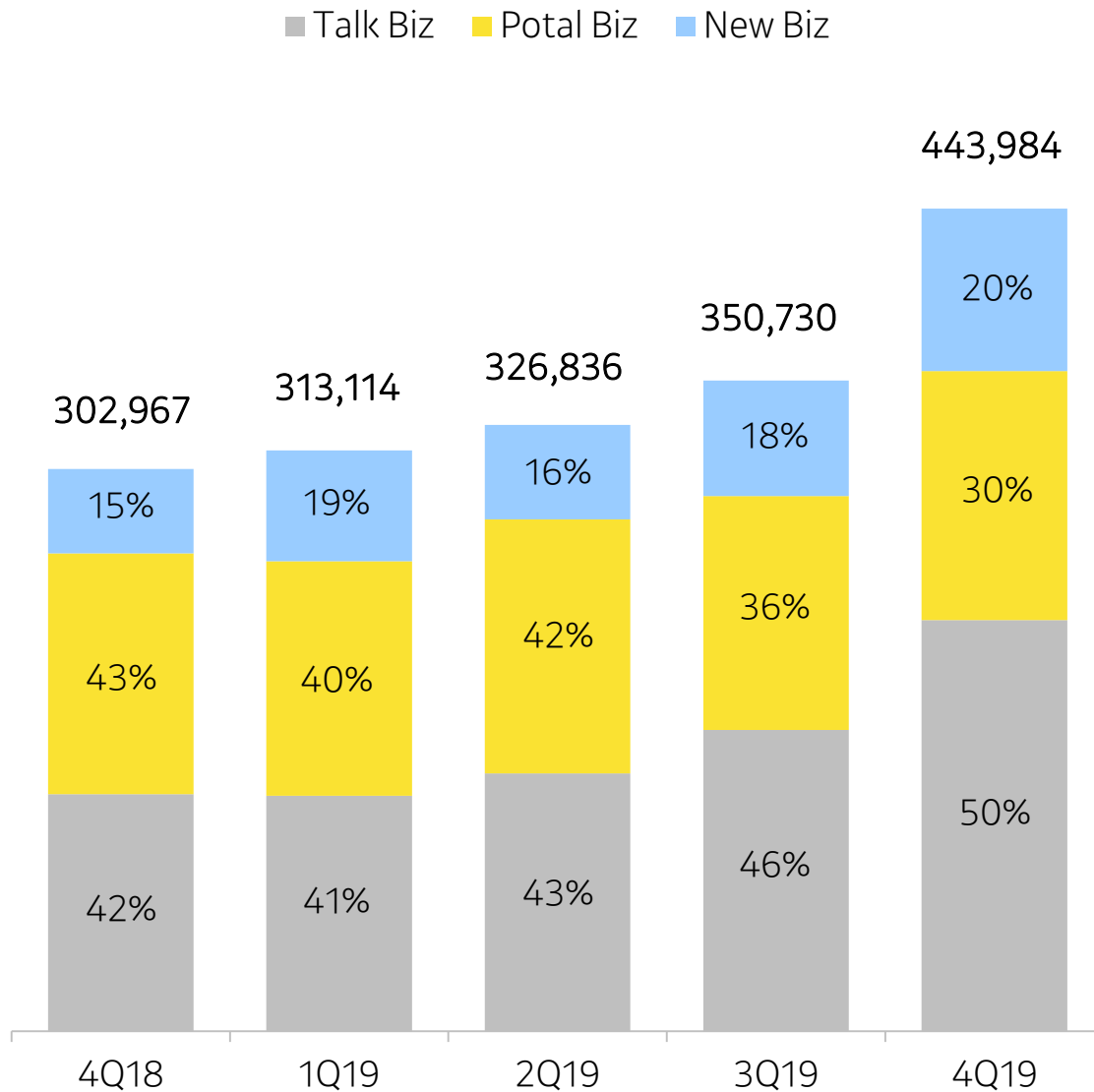
# Platform / Content

Platform YoY +47% / QoQ +27%

Content YoY +14% / QoQ -2% <sup>1)</sup>

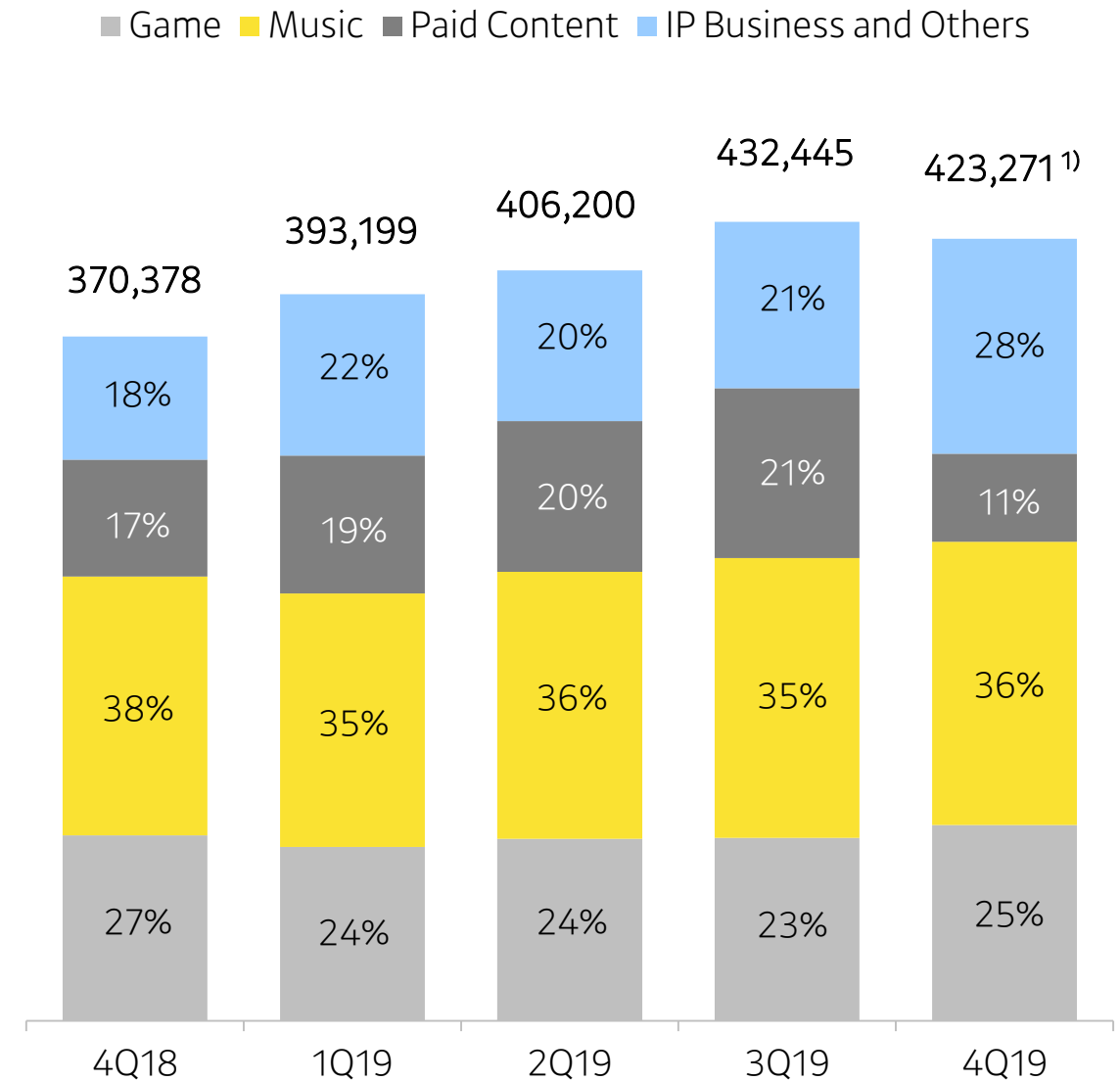
## Platform

(in million KRW)



## Content

(in million KRW)



1) [Before the change] Content revenue W477,695mn, YoY +29%/ QoQ +10%

Platform | Talk Biz Portal Biz New Biz

Talk Biz YoY +73% / QoQ +36%

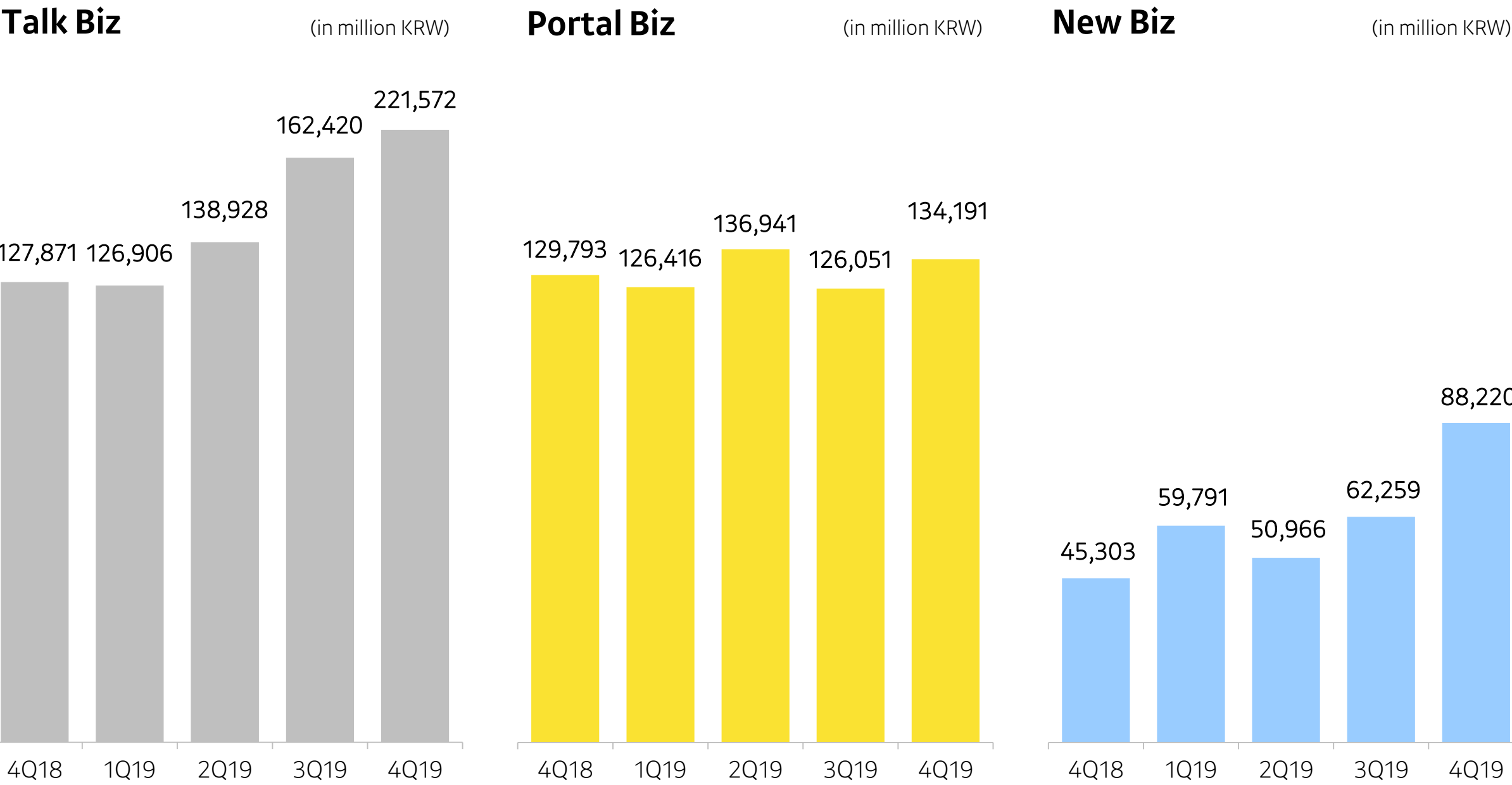
Portal Biz YoY +3% / QoQ +6%

New Biz YoY +95% / QoQ +42%

High revenue growth thanks to Talk board expansion and record high commerce GMV

YoY growth on adoption of new ad platform Kakao Moment

Accelerated growth on the back of monetization efforts from pay and mobility



# Content | Game Music

Game YoY +6% / QoQ +7%

Revenue growth on the back of new mobile game title launches

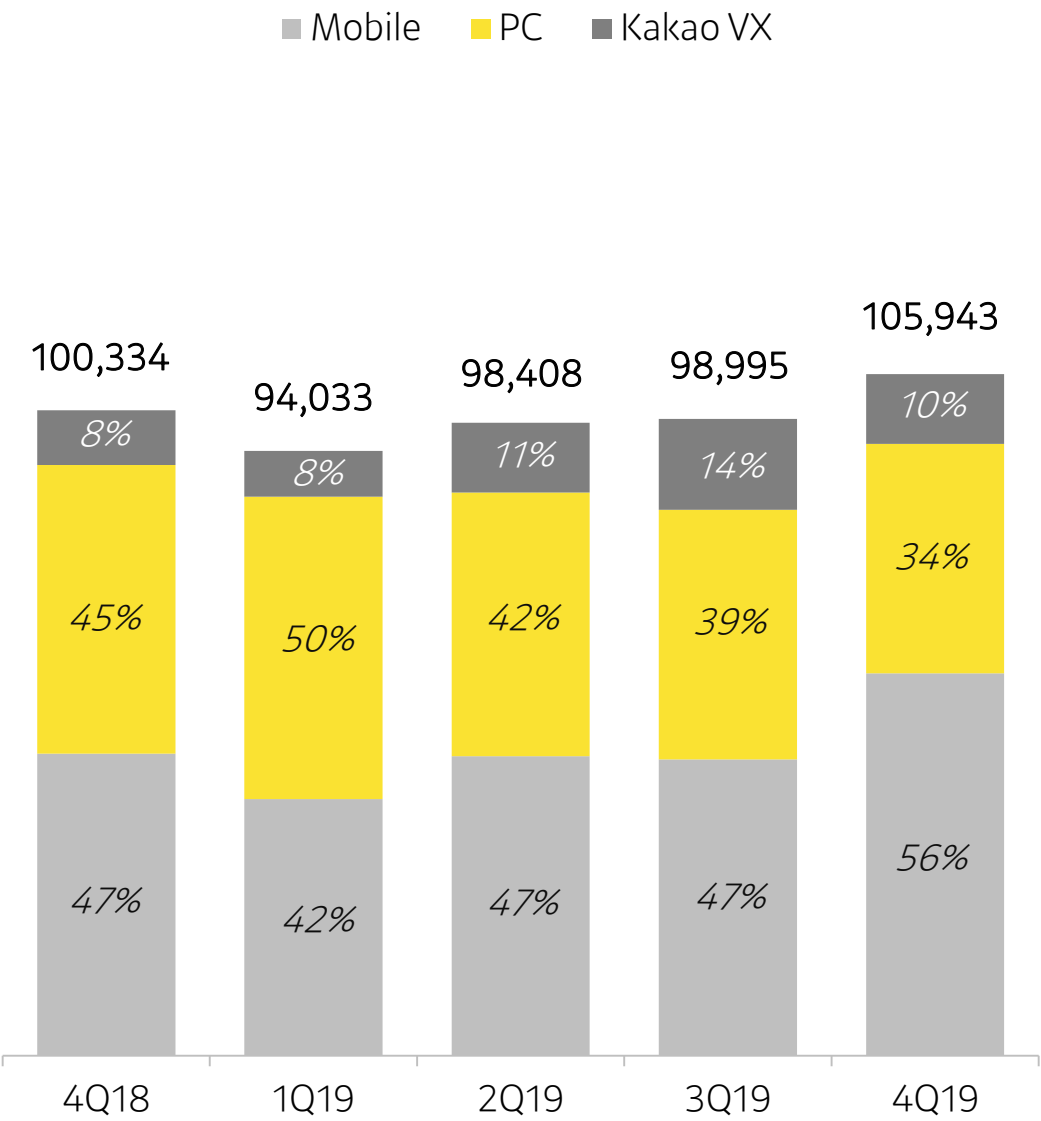
└ Mobile +27%(y)/+29%(q), PC -21%(y)/-8%(q), Kakao VX 28%(y)/ -23%(q)

Music YoY +9% / QoQ +1%

Stable growth continued owing to service quality improvement

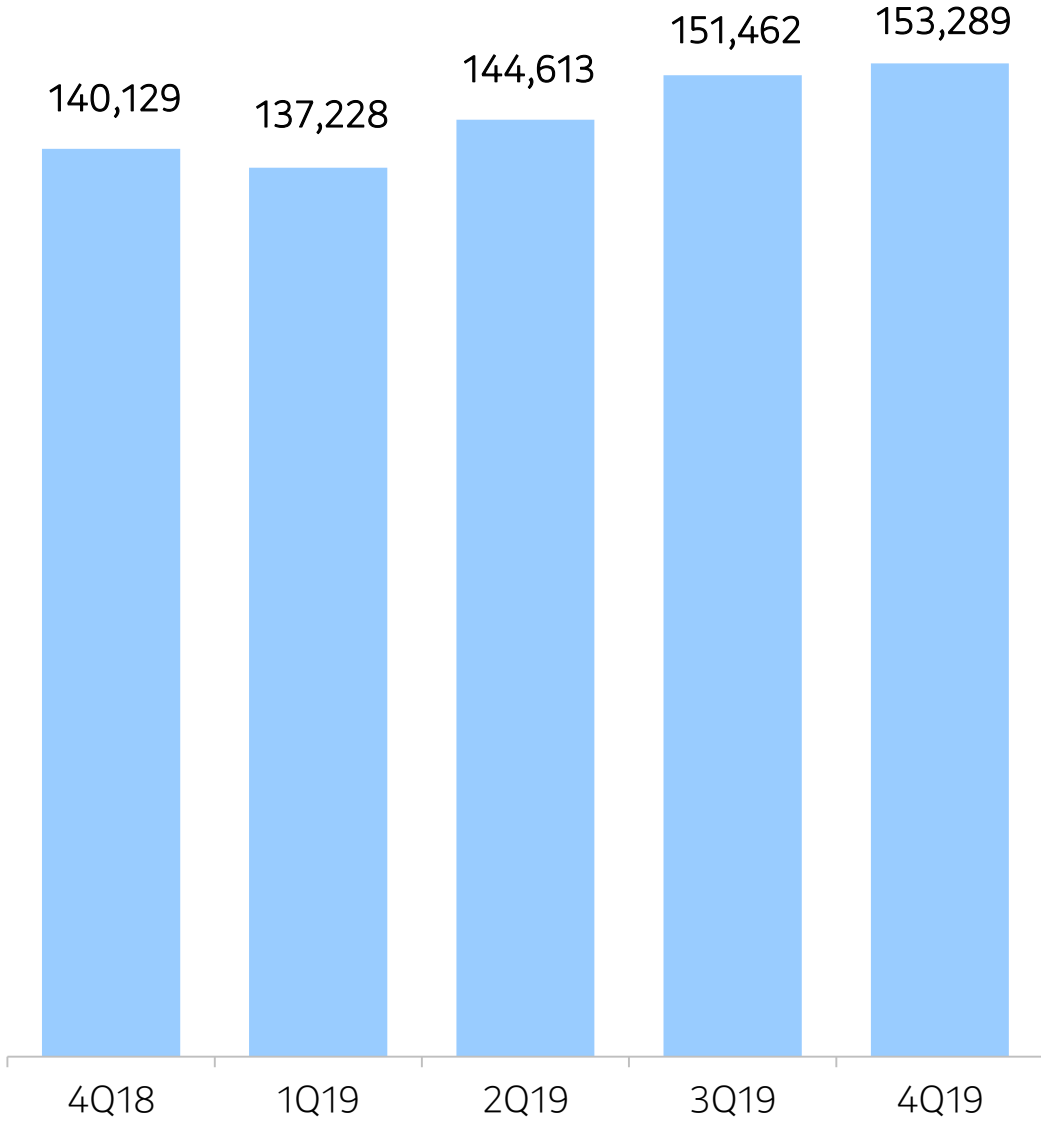
## Game

(in million KRW)



## Music

(in million KRW)





# Content | Paid Content IP Business and Others

Paid Content YoY -25% / QoQ -48% <sup>1)</sup>

└ Kakao Page +33%(y)/+5%(q), Piccoma -183%(y)/-143%(q)

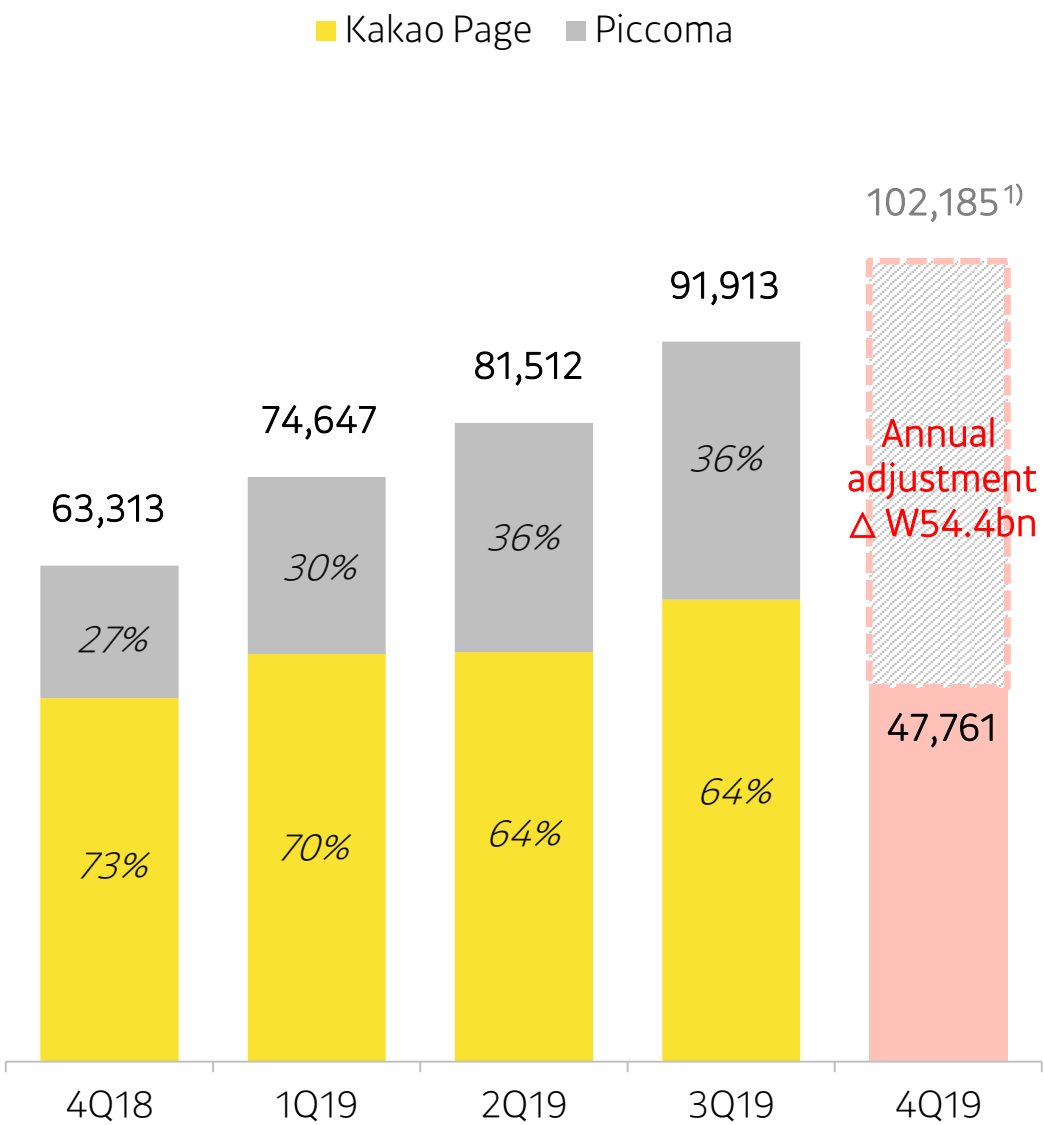
Annual adjustment of ΔW54.4bn into 4Q due to Kakao Japan's K-IFRS adoption. Excl. adjustment, both Kakao page and Piccoma saw historical high revenue.

IP Business and Others YoY +75% / QoQ +29%

Kakao M's business portfolio expansion and Kakao Friends IP Business revenue growth

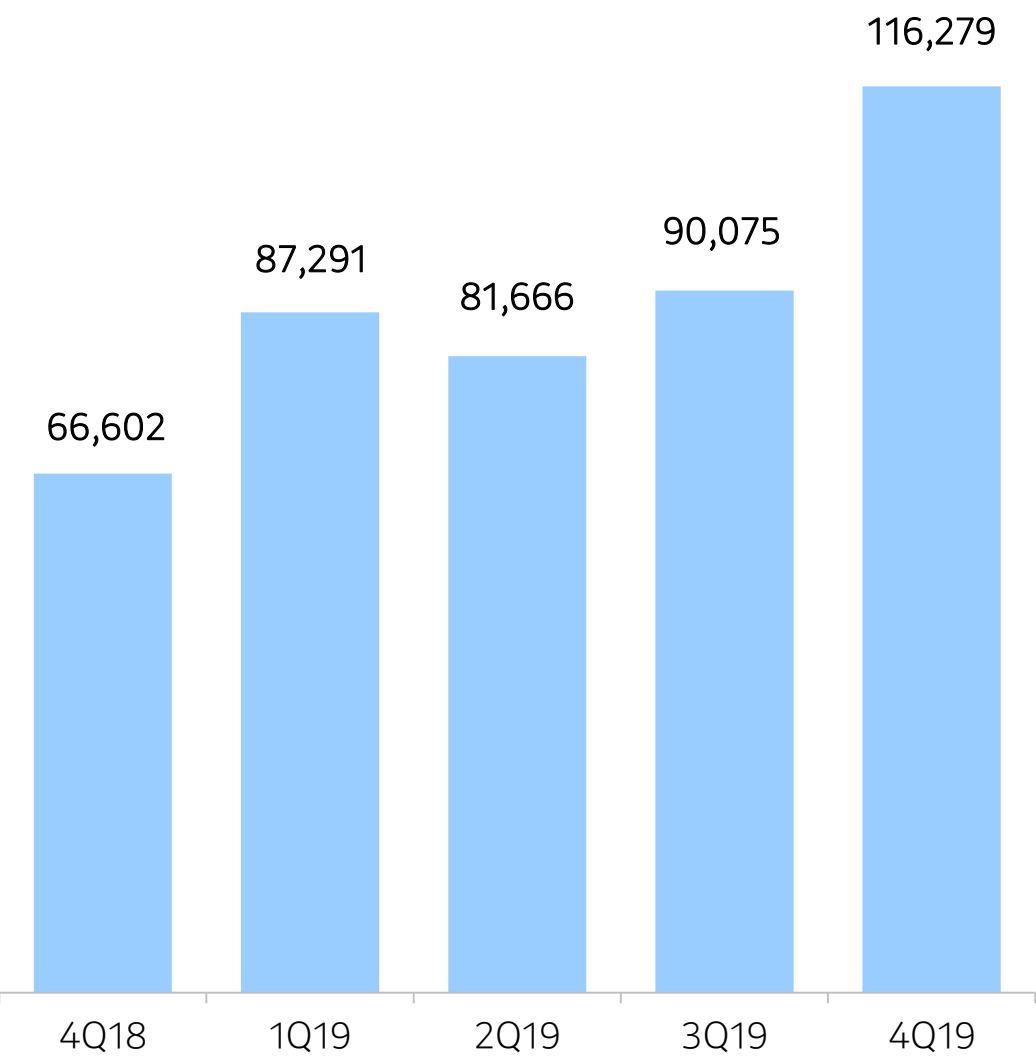
## Paid Content

(in million KRW)



## IP Business and Others

(in million KRW)



1) [Before the change] Paid content revenue W102,185mn. Kakao page accounts for 61%, Piccoma 39%. Piccoma revenue growth YoY +138%, QoQ +23%

# Earnings Summary

(in million KRW)

	4Q18	3Q19	4Q19	Chg.		2018	2019	Chg.
				YoY	QoQ			YoY
Total Revenue	673,345	783,175	867,255	29%	11%	2,416,992	3,089,778	28%
Platform	302,967	350,730	443,984	47%	27%	1,039,315	1,434,663	38%
Talk Biz	127,871	162,420	221,572	73%	36%	421,141	649,827	54%
Portal Biz	129,793	126,051	134,191	3%	6%	495,429	523,599	6%
New Biz	45,303	62,259	88,220	95%	42%	122,744	261,237	113%
Content	370,378	432,445	423,271	14%	-2%	1,377,678	1,655,115	20%
Game	100,334	98,995	105,943	6%	7%	416,960	397,379	-5%
Music	140,129	151,462	153,289	9%	1%	532,850	586,592	10%
Paid Content	63,313	91,913	47,761	-25%	-48%	218,407	295,833	35%
IP Business and Others	66,602	90,075	116,279	75%	29%	209,461	375,311	79%
Operating Expenses	669,052	724,093	787,853	18%	9%	2,344,044	2,883,171	23%
Operating Profit	4,293	59,082	79,402	1,750%	34%	72,949	206,607	183%
Margin (%)	0.6%	7.5%	9.2%	8.5%pt	1.6%pt	3.0%	6.7%	3.7%pt
Net Profit	-28,639	51,454	-439,832	-	-	15,889	-339,821	-
Controlling Interests	-969	55,717	-420,188	-	-	47,886	-298,185	-
Non-controlling Interests	-27,670	-4,263	-19,644	-	-	-31,997	-41,637	-

# Operating Expenses

(in million KRW)

	4Q18	3Q19	4Q19	Chg.		2018	2019	Chg.
				YoY	QoQ			YoY
Operating Expenses	669,052	724,093	787,853	18%	9%	2,344,044	2,883,171	23%
Labor Cost	158,323	177,401	205,178	30%	16%	541,852	701,750	30%
Cost of Revenue	306,867	355,005	359,770	17%	1%	1,079,489	1,387,302	29%
Outsourcing / Infrastructure	87,804	79,145	106,783	22%	35%	314,379	360,283	15%
Marketing Expense	55,741	36,840	41,505	-26%	13%	187,314	151,229	-19%
Depreciation and Amortization Cost	38,193	60,746	56,392	48%	-7%	138,113	220,641	60%
Misc.	22,124	14,955	18,224	-18%	22%	82,897	61,967	-25%

# Profits

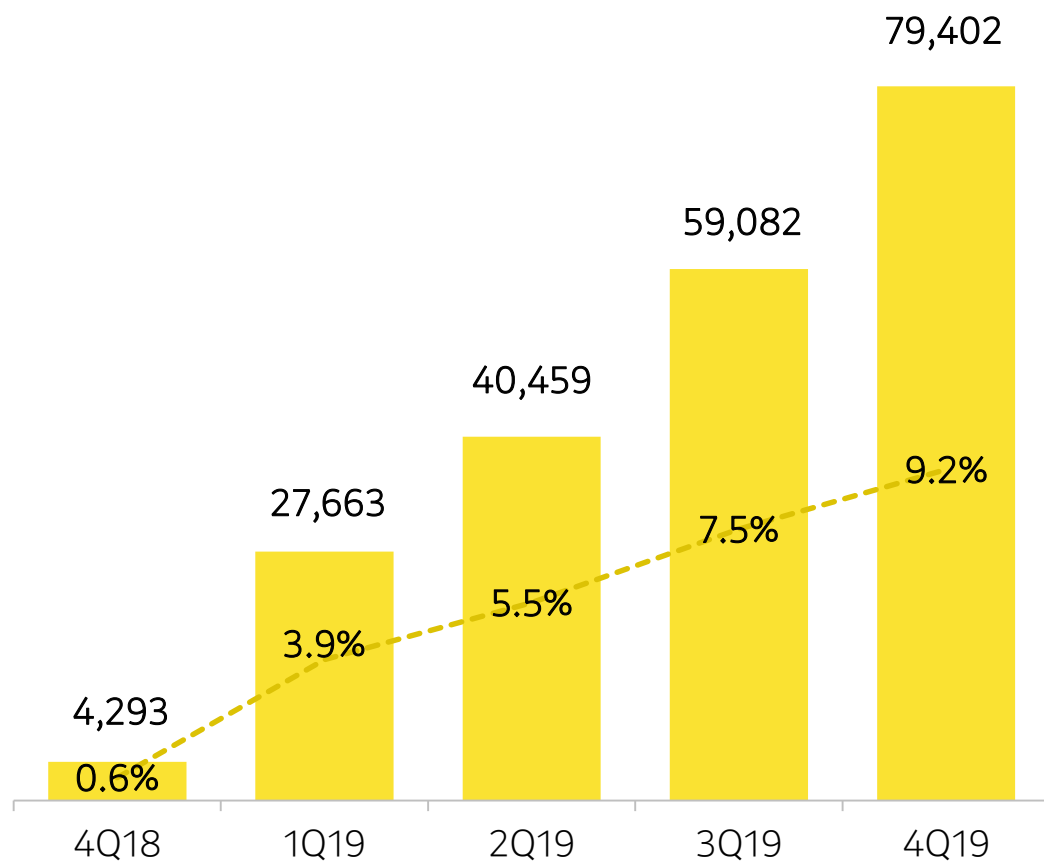
Operating Profit YoY +1,750% / QoQ +34%

Net Loss W439.8bn

Record high operating profit thanks to solid revenue growth from both existing and new businesses and cost control efforts.  
However, turned into net loss due to the one-time recognition of impairment losses on intangible assets.

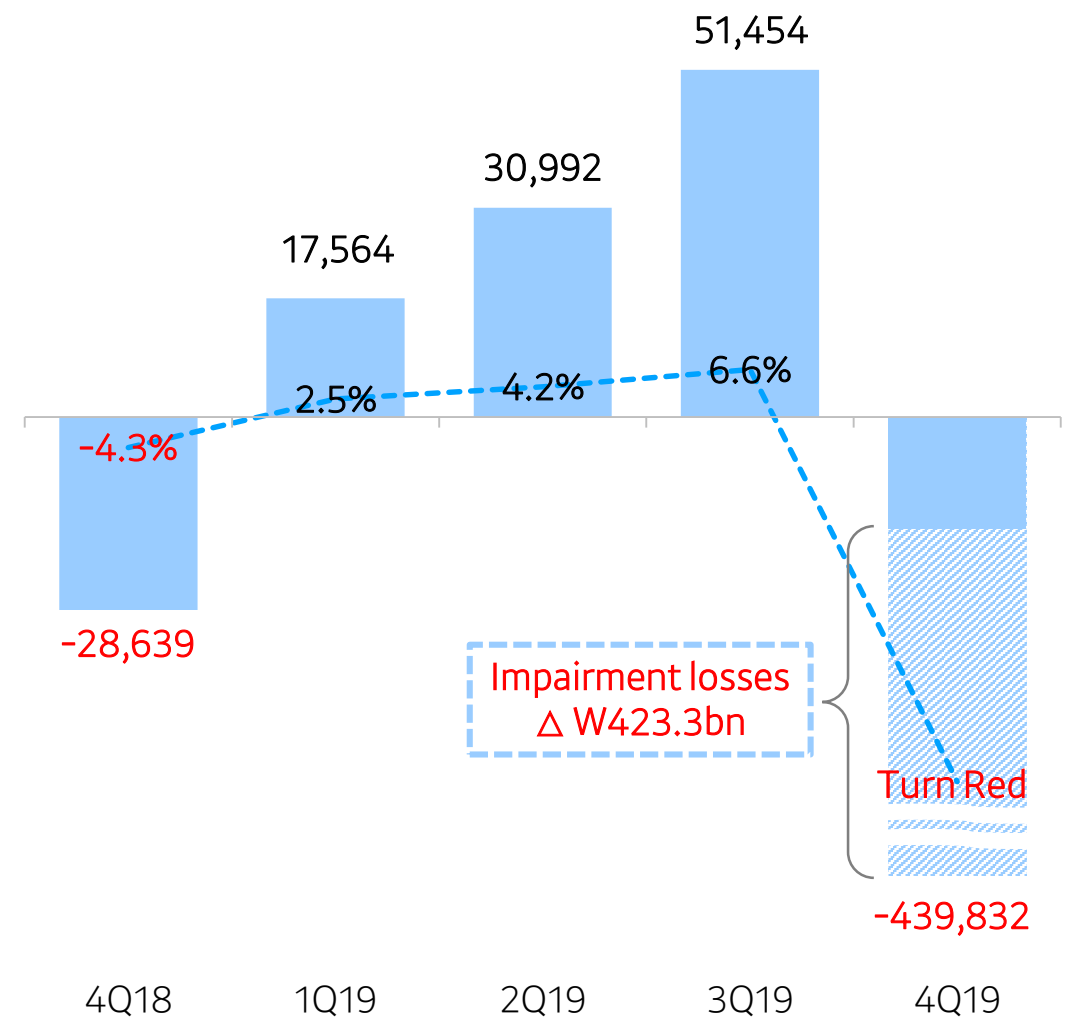
## Operating Profit(Ratio)

(in million KRW)



## Net Profit(Ratio)

(in million KRW)



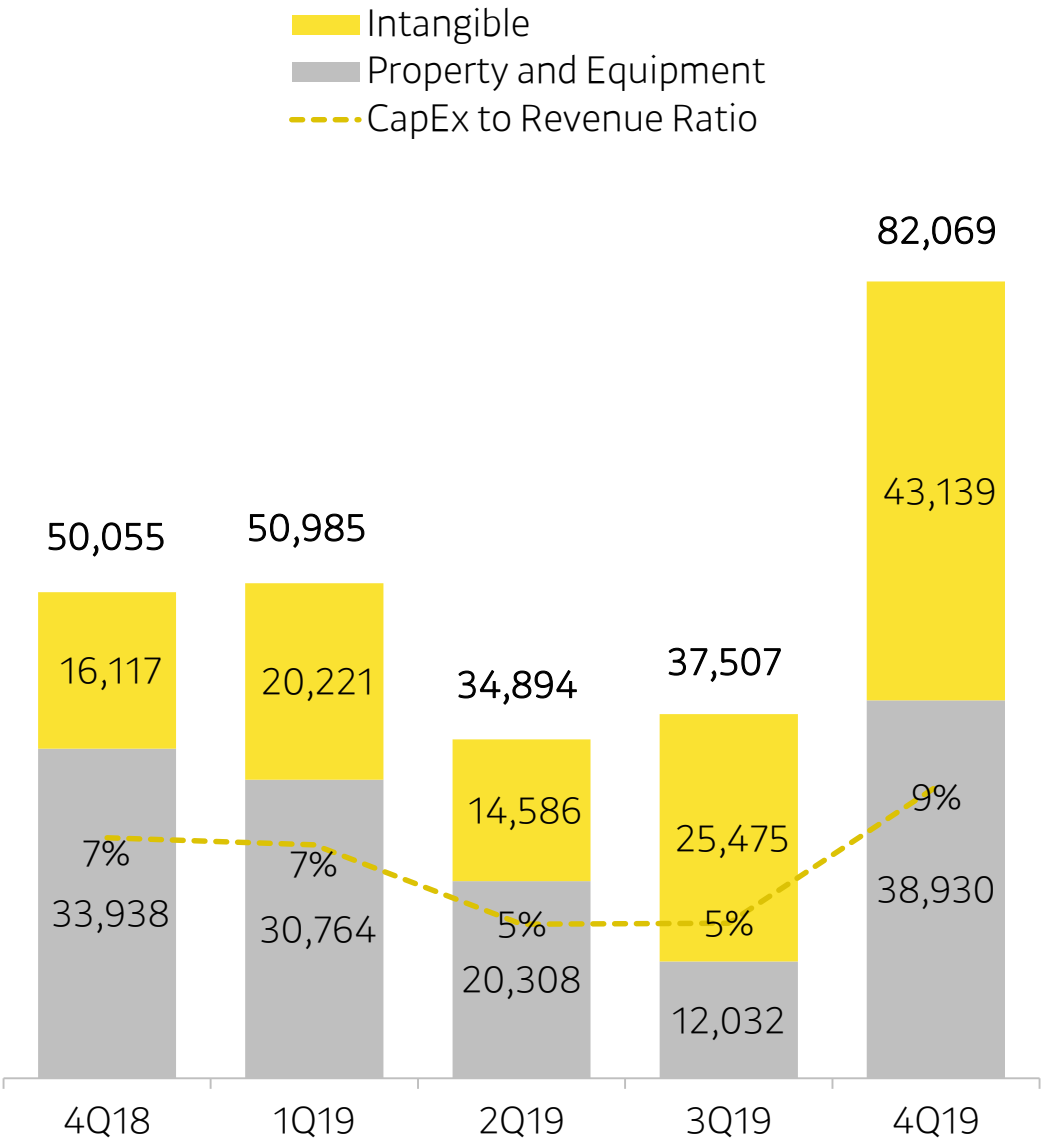
# CapEx / Employees

CapEx YoY +64% / QoQ +119%

Employees YoY +1,327 / QoQ +485

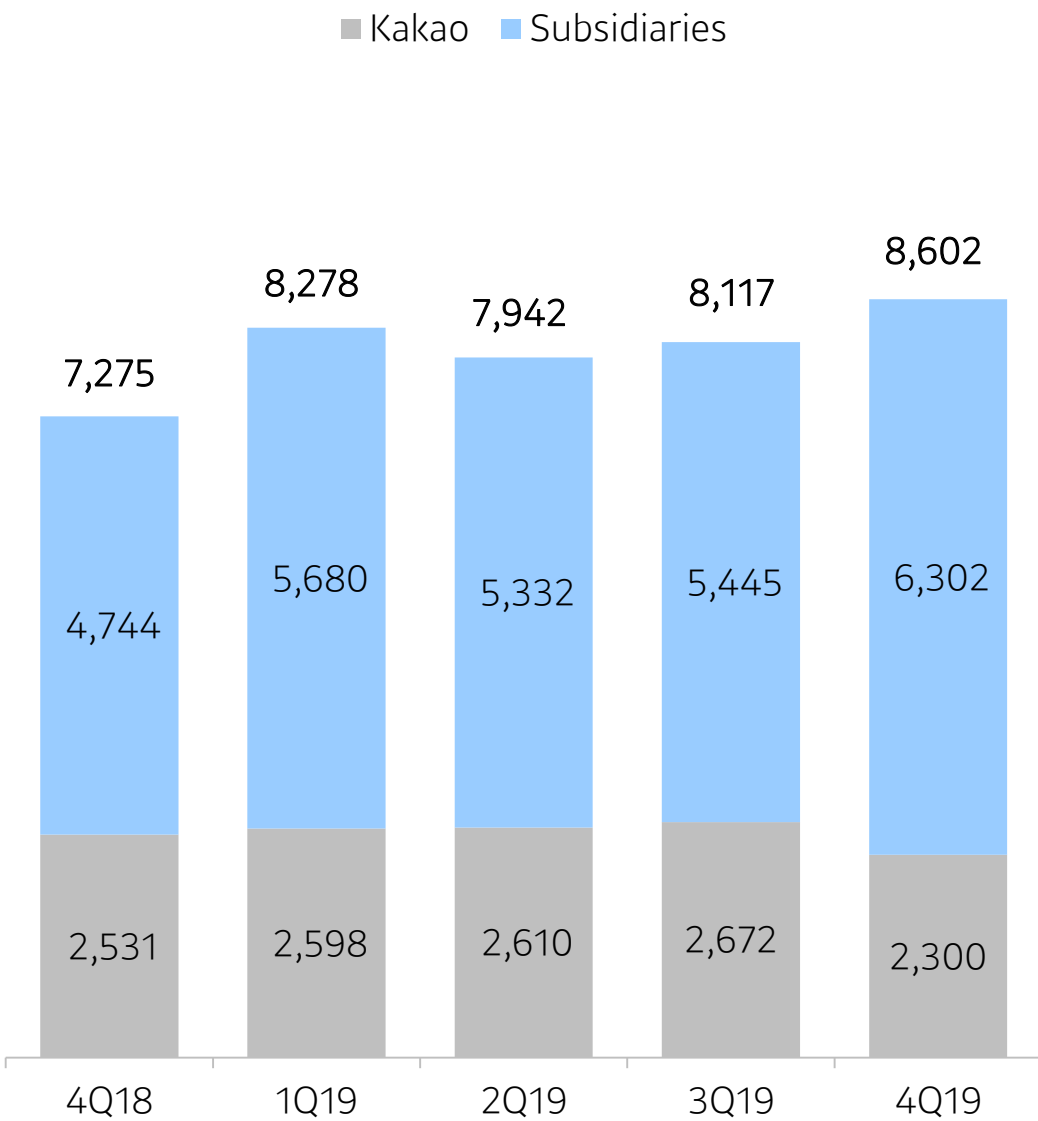
## CapEx

(in million KRW)



## Employees

(# of people)



# Consolidated Financial Statements Summary

Consolidated Income Statement					
(in million KRW)	4Q18	1Q19	2Q19	3Q19	4Q19
<b>Total Revenue</b>	<b>673,345</b>	<b>706,312</b>	<b>733,035</b>	<b>783,175</b>	<b>867,255</b>
Platform	302,967	313,114	326,836	350,730	443,984
Talk Biz	127,871	126,906	138,928	162,420	221,572
Portal Biz	129,793	126,416	136,941	126,051	134,191
New Biz	45,303	59,791	50,966	62,259	88,220
Content	370,378	393,199	406,200	432,445	423,271
Game	100,334	94,033	98,408	98,995	105,943
Music	140,129	137,228	144,613	151,462	153,289
Paid Content	63,313	74,647	81,512	91,913	47,761
IP Business and Others	66,602	87,291	81,666	90,075	116,279
<b>Operating Expenses</b>	<b>669,052</b>	<b>678,649</b>	<b>692,577</b>	<b>724,093</b>	<b>787,853</b>
Labor Cost	158,323	160,127	159,044	177,401	205,178
Cost of Revenue	306,867	330,644	341,883	355,005	359,770
Outsourcing / Infrastructure	87,804	89,930	84,424	79,145	106,783
Marketing Expense	55,741	32,947	39,937	36,840	41,505
Depreciation and Amortization Cost	38,193	50,142	53,360	60,746	56,392
Misc.	22,124	14,859	13,928	14,955	18,224
<b>Operating Profit</b>	<b>4,293</b>	<b>27,663</b>	<b>40,459</b>	<b>59,082</b>	<b>79,402</b>
Margin (%)	0.6%	3.9%	5.5%	7.5%	9.2%
Other Non-Operating Income	21,676	8,837	13,463	30,070	28,891
Other Non-Operating Expenses	33,536	16,048	10,955	12,193	481,782
Financial Income	44,077	22,801	13,319	30,091	15,458
Financial Expenses	27,918	5,729	13,770	9,359	25,851
Equity-method Income	-20,361	2,988	11,052	-8,844	-26,339
<b>Profit before Income Tax</b>	<b>-11,769</b>	<b>40,512</b>	<b>53,567</b>	<b>88,847</b>	<b>-410,220</b>
Income Tax	16,870	22,948	22,575	37,392	29,611
<b>Net Profit</b>	<b>-28,639</b>	<b>17,564</b>	<b>30,992</b>	<b>51,454</b>	<b>-439,832</b>
Controlling Interests	-969	27,512	38,775	55,717	-420,188
Non-controlling Interests	-27,670	-9,948	-7,782	-4,263	-19,644
EBITDAR <sup>1)</sup>	42,486	77,806	93,819	119,829	135,795

Consolidated Statement of Financial Position			
(in million KRW)	2017.12.31	2018.12.31	2019.12.31
<b>Current Assets</b>	<b>1,993,096</b>	<b>2,858,950</b>	<b>2,886,571</b>
Cash and Cash Equivalents	1,116,793	1,247,013	1,918,225
S-T Financial Instruments	394,152	924,215	207,767
Account Receivable	179,238	193,669	156,897
Other Current Financial Assets	134,343	207,656	303,162
Other Current Assets	168,570	286,397	300,521
<b>Non-Current Assets</b>	<b>4,356,332</b>	<b>5,100,592</b>	<b>5,899,857</b>
Investments in Associates and Joint Ventures	161,950	305,188	976,359
Tangible Assets	271,044	314,812	349,818
Intangible Assets	3,689,582	3,865,265	3,549,512
Other Non-current Assets	233,756	615,327	1,024,168
<b>Total Assets</b>	<b>6,349,428</b>	<b>7,959,542</b>	<b>8,786,429</b>
<b>Current Liabilities</b>	<b>1,040,863</b>	<b>2,039,196</b>	<b>2,571,953</b>
Account Payable and Other payable	280,380	460,813	627,577
Short-term Borrowings	174,372	609,480	448,691
Income Tax Payable	115,123	71,040	147,904
Other Current Liabilities	470,989	897,863	1,347,781
<b>Non-Current Liabilities</b>	<b>800,745</b>	<b>293,188</b>	<b>447,367</b>
Long-term Borrowings	620,808	44,995	66,197
Deferred Income Tax Liabilities	139,502	151,228	63,739
Other Non-Current Liabilities	40,435	96,965	317,430
<b>Total Liabilities</b>	<b>1,841,609</b>	<b>2,332,385</b>	<b>3,019,320</b>
Paid-in Capital	34,004	41,744	43,161
Capital Surplus	3,603,587	4,647,543	5,061,115
Other Accumulated Earnings	-6,026	1,492	7,238
Accumulated Other Comprehensive Income	-4,968	-7,329	-15,382
Retained Earnings	402,542	453,400	145,433
Minority Interest	478,681	490,307	525,544
<b>Total Equity</b>	<b>4,507,820</b>	<b>5,627,158</b>	<b>5,767,109</b>
<b>Total Liabilities &amp; Equity</b>	<b>6,349,428</b>	<b>7,959,542</b>	<b>8,786,429</b>

1) EBITDAR: Rent expenses are included in lease amortization from 1Q 2019 (EBITDA till FY2018)



# Financial Statements Summary (Kakao only)

Income Statement					
(in million KRW)	4Q18	1Q19	2Q19	3Q19	4Q19
<b>Total Revenue</b>	<b>385,046</b>	<b>331,522</b>	<b>361,961</b>	<b>388,482</b>	<b>431,506</b>
<b>Operating Expenses</b>	<b>344,574</b>	<b>296,869</b>	<b>316,612</b>	<b>338,958</b>	<b>364,968</b>
Labor Cost	83,431	66,316	66,071	78,716	85,082
Cost of Revenue	164,786	151,260	162,666	168,150	188,654
Outsourcing / Infrastructure	50,438	45,234	47,056	45,549	43,023
Marketing Expense	12,875	2,184	4,844	5,054	14,338
Depreciation and Amortization Cost	25,810	28,277	31,438	36,881	29,058
Misc.	7,234	3,599	4,537	4,608	4,814
<b>Operating Profit</b>	<b>40,472</b>	<b>34,654</b>	<b>45,348</b>	<b>49,524</b>	<b>66,538</b>
<i>Margin (%)</i>	<i>10.5%</i>	<i>10.5%</i>	<i>12.5%</i>	<i>12.7%</i>	<i>15.4%</i>
Other Non-Operating Income	2,359	1,006	1,344	3,915	4,699
Other Non-Operating Expenses	26,873	13,664	12,060	6,482	440,649
Financial Income	16,795	13,638	12,494	31,625	35,602
Financial Expenses	18,552	3,995	4,446	2,505	22,995
<b>Profit before Income Tax</b>	<b>14,201</b>	<b>31,639</b>	<b>42,680</b>	<b>76,076</b>	<b>-356,805</b>
Income Tax	15,117	10,435	16,543	9,391	-1,560
<b>Net Profit</b>	<b>-915</b>	<b>21,204</b>	<b>26,137</b>	<b>66,686</b>	<b>-355,245</b>
EBITDAR <sup>1)</sup>	66,282	62,930	76,787	86,405	95,596

Statement of Financial Position			
(in million KRW)	2017.12.31	2018.12.31	2019.12.31
<b>Current Assets</b>	<b>632,508</b>	<b>1,261,480</b>	<b>1,034,252</b>
Cash and Cash Equivalents	388,574	250,920	647,121
S-T Financial Instruments	14,834	601,712	15,590
Account Receivable	77,955	71,333	94,991
Other Current Assets	151,145	337,515	276,549
<b>Non-Current Assets</b>	<b>4,324,369</b>	<b>4,941,359</b>	<b>5,467,921</b>
Investments in Associates, Subsidiaries and Joint Ventures	2,368,582	1,496,538	2,212,394
Tangible Assets	208,084	236,016	248,311
Intangible Assets	1,620,416	2,875,510	2,458,575
Other Non-current Assets	127,287	333,295	548,641
<b>Total Assets</b>	<b>4,956,878</b>	<b>6,202,839</b>	<b>6,502,173</b>
<b>Current Liabilities</b>	<b>948,931</b>	<b>1,250,706</b>	<b>1,442,082</b>
Account Payable and Other payable	163,318	404,760	686,650
Short-term Borrowings	378,088	564,921	429,063
Income Tax Payable	81,507	59,204	115,121
Other Current Liabilities	326,018	221,821	211,247
<b>Non-Current Liabilities</b>	<b>450,237</b>	<b>200,790</b>	<b>183,829</b>
Long-term Borrowings	392,974	39,939	39,965
Deferred Income Tax Liabilities	28,992	126,350	16,768
Other Non-Current Liabilities	28,271	34,501	127,095
<b>Total Liabilities</b>	<b>1,399,168</b>	<b>1,451,496</b>	<b>1,625,910</b>
Paid-in Capital	34,004	41,744	43,161
Capital Surplus	3,036,434	4,096,216	4,462,250
Other Accumulated Earnings	-6,026	35,547	41,293
Accumulated Other Comprehensive Income	-4,472	-1,606	-2,897
Retained Earnings	497,769	579,442	332,457
<b>Total Equity</b>	<b>3,557,710</b>	<b>4,751,343</b>	<b>4,876,263</b>
<b>Total Liabilities &amp; Equity</b>	<b>4,956,878</b>	<b>6,202,839</b>	<b>6,502,173</b>

1) EBITDAR: Rent expenses are included in lease amortization from 1Q 2019 (EBITDA till FY2018)

**Thank You**

