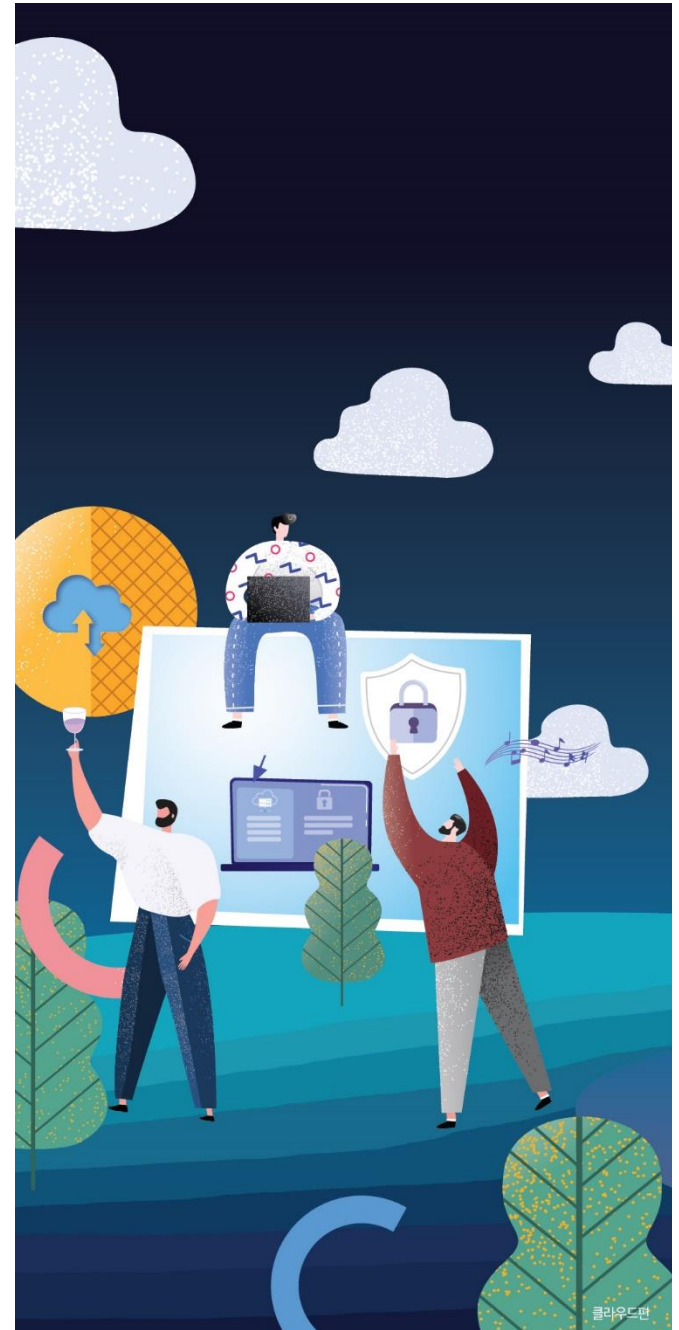


KT 2Q22 Earning Release

2022. 8. 10 | Investor Relations

DIGICO **KT**



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 2Q22 Highlights

2 Financial Highlights

3 Business Overview

4 Appendix

1 2Q22 Highlights

Financial

Consolidated

Revenue **6,312.2** bn. (YoY +4.7%)

Operating Profit **459.2** bn. (YoY -3.5%)

KT Separate

Revenue **4,517.8** bn. (YoY +0.9%)

Operating Profit **303.5** bn. (YoY -13.6%)

Operations

Growth Portfolio integration underpinned by DIGICO/B2B

DIGICO Accelerating B2B DX orders growth

- 1H22 B2B orders won by ^{KRW} 1.9 tr, +33% YoY
- 1H22 B2B rev. recorded ^{KRW} 2.1 tr, +5.5% YoY

Continuing double-digit growth of Cloud/IDC

- Cloud/IDC(incl. kt cloud) rev. up +11.4% YoY

TELCO Stable growth with premium subs adds

- 5G subs reached to 7.48m, 54% of total subs
- Wireless revenue up +1.4% YoY

New growth momentum enhancement in Media·Content, Finance and etc.

Contents All-round cooperation with CJ ENM

- Integration of Seezn-Tving to strengthen OTT competitiveness

Contents biz in full-fledged operation strengthening Media capabilities

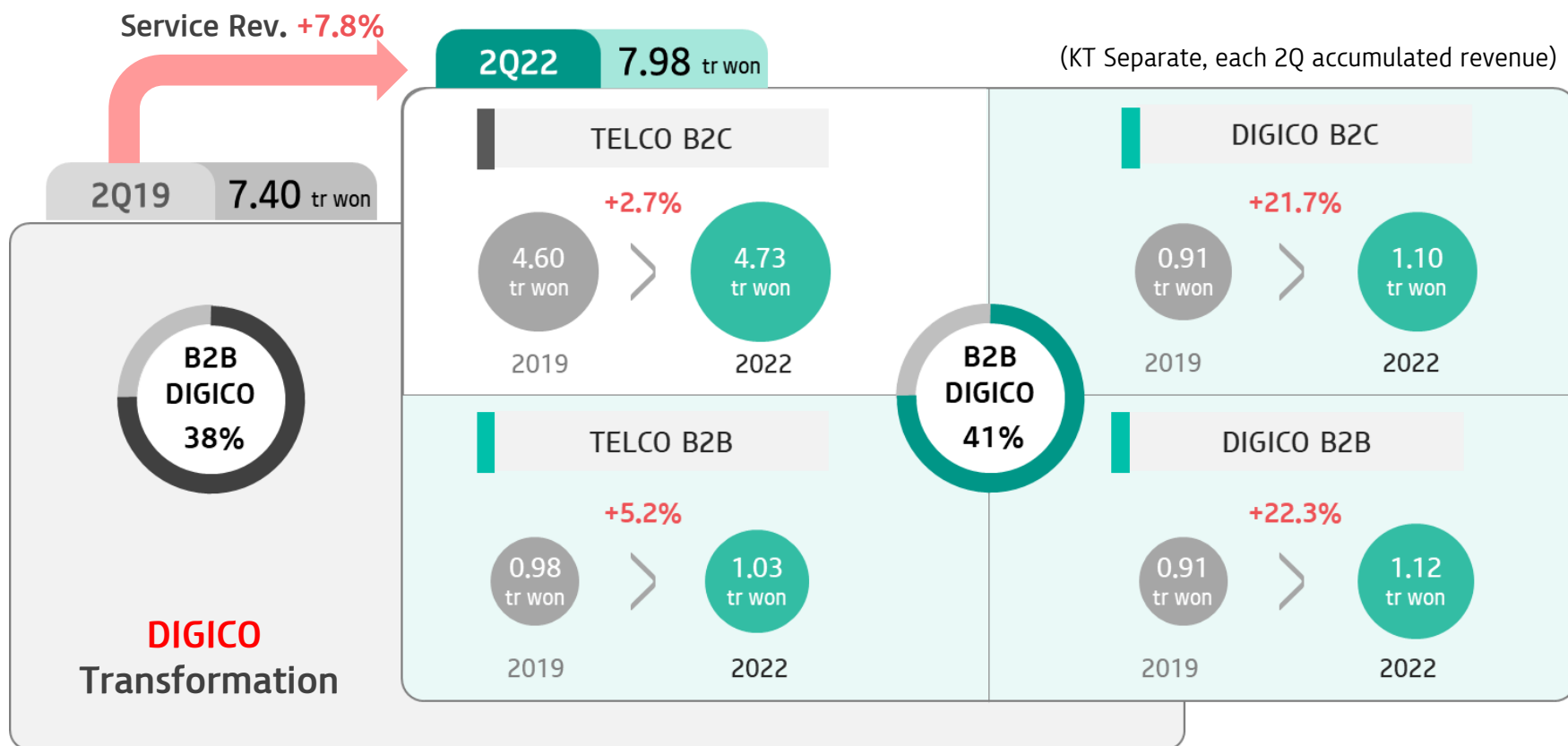
- ENA original 『Extraordinary Attorney Woo』 hits
- Highlight 『contents-channel-platform』 value-chain

Finance Growing trend of K Bank OP-indicators

- Deposit(12.2tr) +8% YoY / Loan(8.7tr) +72% YoY
- Clients 7.83m +26.4% YoY

2 DIGICO Transformation

- Expand growth portfolio and accelerate service revenue growth through DIGICO transformation
- B2B/DIGICO revenue portion target to 50% by 2025



※Cloud/IDC rev.(including kt cloud) reflected in total service rev. and DIGICO B2B

1 2Q22 Highlights

2 Financial Highlights

3 Business Overview

4 Appendix

1 Income Statement

- Revenue increased +4.7% YoY solidifying growth portfolio and leading DX transformation
- Operating income decreased -3.5% YoY due to one off labor cost and increase in general expenses

(Unit: KRW bn)

	2Q21	1Q22	2Q22	QoQ	YoY
Operating Revenue	6,027.6	6,277.7	6,312.2	0.5%	4.7%
Service Revenue	5,336.8	5,565.5	5,670.5	1.9%	6.3%
Handset Revenue	690.9	712.2	641.7	-9.9%	-7.1%
Operating Expense	5,551.8	5,651.1	5,853.0	3.6%	5.4%
Operating Income	475.8	626.6	459.2	-26.7%	-3.5%
Margin	7.9%	10.0%	7.3%	-2.7%p	-0.6%p
Margin*	8.9%	11.3%	8.1%	-3.2%p	-0.8%p
Non-op. Income/Loss	46.8	15.6	80.5	417.1%	71.9%
Income before taxes	522.7	642.2	539.7	-16.0%	3.2%
Net Income	370.8	455.4	363.4	-20.2%	-2.0%
Margin	6.2%	7.3%	5.8%	-1.5%p	-0.4%p
EBITDA	1,373.2	1,518.3	1,387.2	-8.6%	1.0%
Margin	22.8%	24.2%	22.0%	-2.2%p	-0.8%p

※ OP Margin* = Operating Income/Service Revenue

2 Operating Expenses

(Unit: KRW bn)

	2Q21	1Q22	2Q22	QoQ	YoY
Operating Expenses	5,551.8	5,651.1	5,853.0	3.6%	5.4%
Labor Cost	1,025.5	1,040.4	1,120.9	7.7%	9.3%
General Expense	2,380.9	2,471.0	2,560.2	3.6%	7.5%
- Depreciation	897.3	891.7	928.0	4.1%	3.4%
Cost of Service Provided	795.0	799.6	863.0	7.9%	8.6%
Selling Expense	608.4	573.2	606.0	5.7%	-0.4%
Cost of Handset sold	741.9	766.9	703.0	-8.3%	-5.2%

▪ Selling Expense (KT Separate)

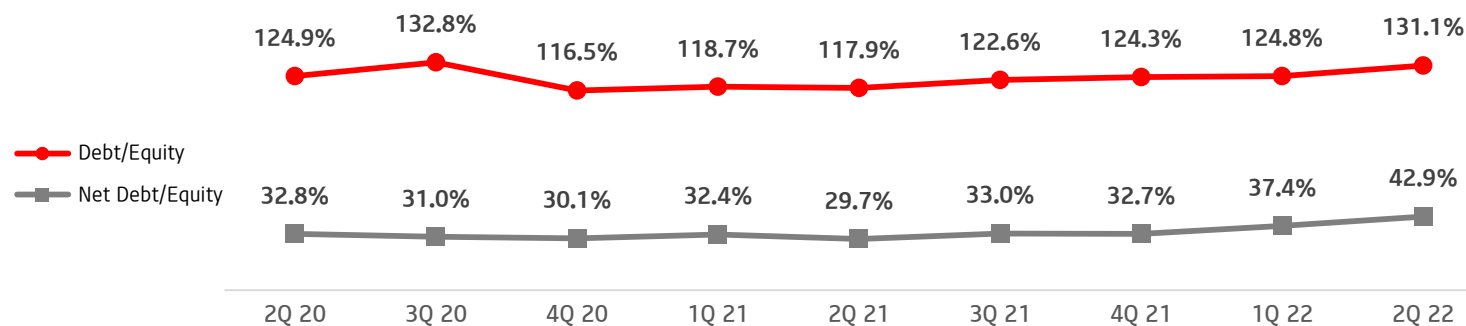
(Unit: KRW bn)

	2Q21	1Q22	2Q22	QoQ	YoY
Selling Expense	641.8	613.2	657.4	7.2%	2.4%

3 Financial Position

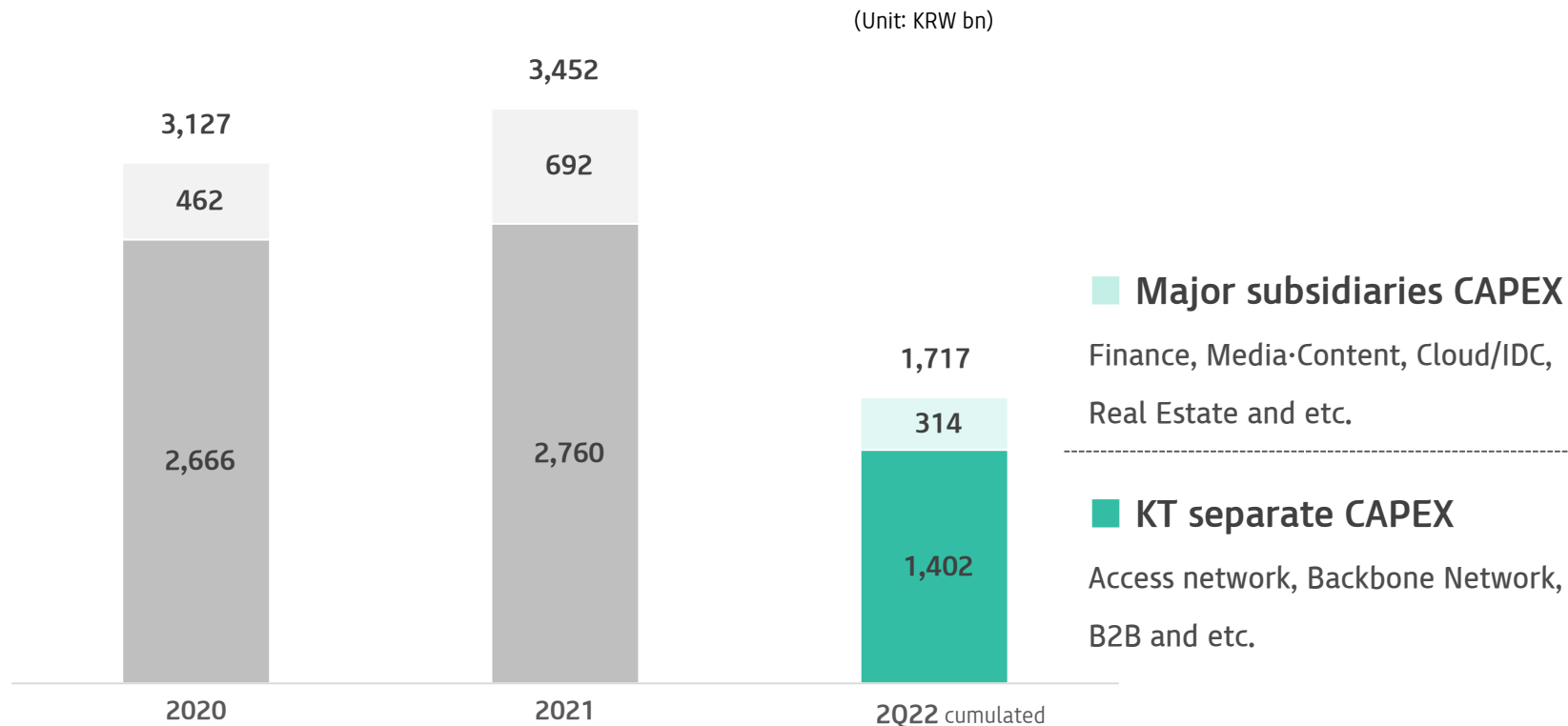
(Unit: KRW bn)

	2Q21	1Q22	2Q22	QoQ	YoY
Assets	34,139.0	37,301.1	39,066.3	4.7%	14.4%
Cash & Cash equivalents	3,097.0	2,682.2	2,821.7	5.2%	-8.9%
Liabilities	18,475.2	20,707.3	22,161.7	7.0%	20.0%
Borrowings	7,755.7	8,894.9	10,074.5	13.3%	29.9%
Equity	15,663.8	16,593.8	16,904.6	1.9%	7.9%
Capital Stock	1,564.5	1,564.5	1,564.5	0.0%	0.0%
Net Debt	4,658.7	6,212.7	7,252.8	16.7%	55.7%
Debt / Equity	117.9%	124.8%	131.1%	6.3%p	13.2%p
Net Debt / Equity	29.7%	37.4%	42.9%	5.5%p	13.2%p



4 CAPEX

- CAPEX executed KRW 1,402.2 bn for KT separate and KRW 314.4 bn for major subsidiaries in 1H22



※ Cloud/IDC related investment in 2020 and 2021 are retroactively reflected in subsidiaries CAPEX

1 2Q22 Highlights

2 Financial Highlights

3 Business Overview

4 Appendix

1 KT - Telco B2C

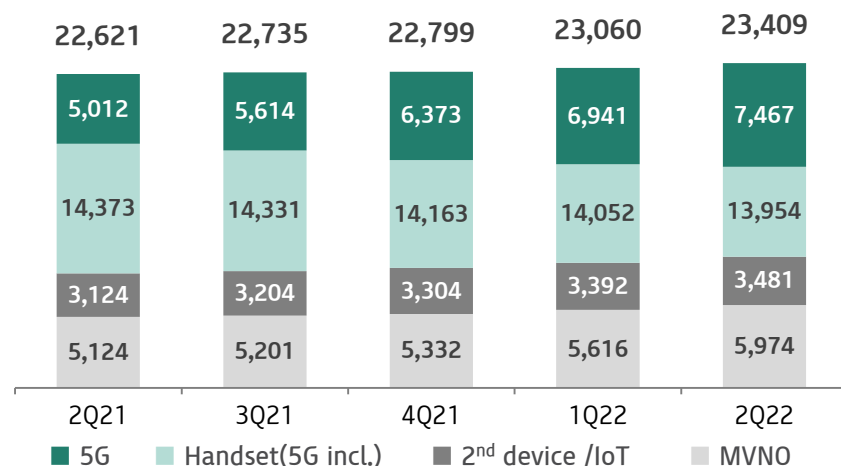
- Telco B2C revenue up +1.6% with mobile/broadband quality subs growth
- Leading Mobile revenue growth, 5G subs reached to about 54% of total handset subs

(Unit: KRW bn)

	2Q21	1Q22	2Q22	QoQ	YoY
Telco B2C	2,334.8	2,353.5	2,371.9	0.8%	1.6%
Wireless	1,519.6	1,537.6	1,550.3	0.8%	2.0%
Broadband	582.0	591.1	596.3	0.9%	2.5%
Telephony	233.2	224.8	225.3	0.2%	-3.4%

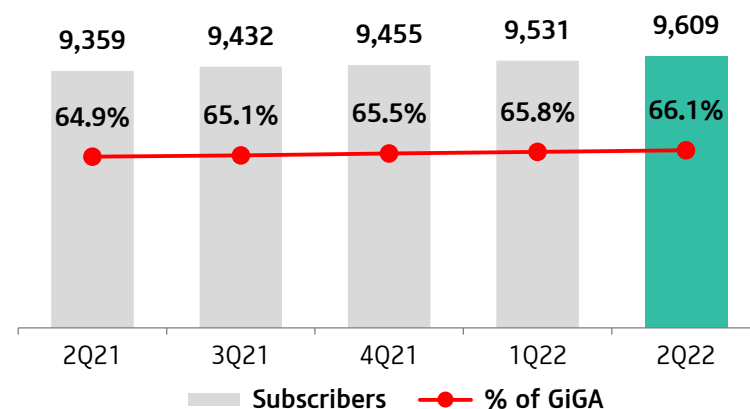
Wireless Subscribers

(Unit: Thousands)



Broadband Subscribers

(Unit: Thousands)



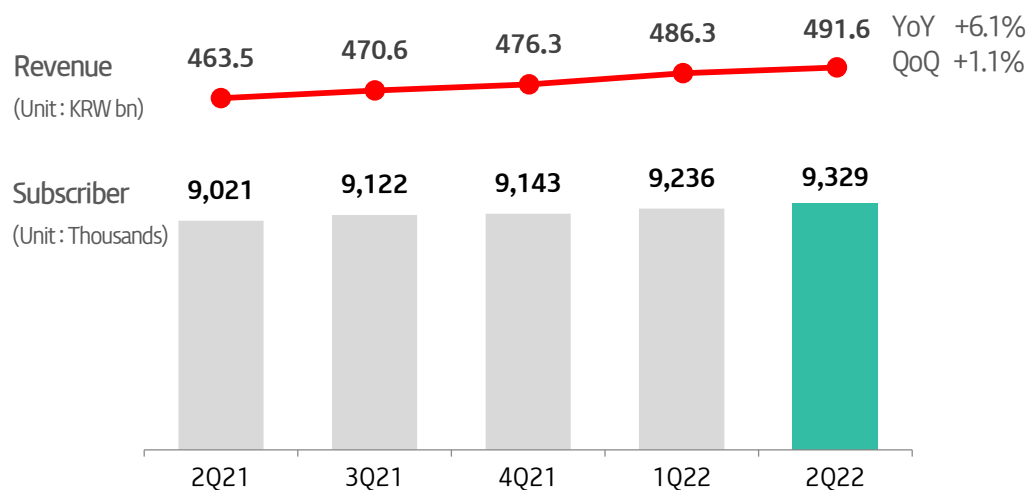
2 KT - DIGICO B2C

- DIGICO B2C revenue up +2.0% YoY based on balanced growth of media and mobile platform biz
- IPTV revenue up +6.1% YoY with consistent IPTV subs and platforms revenue growth

(Unit: KRW bn)

	2Q21	1Q22	2Q22	QoQ	YoY
DIGICO B2C	543.6	549.3	554.4	0.9%	2.0%
Media	492.8	496.0	500.8	1.0%	1.6%
Mobile Platform	50.8	53.3	53.7	0.6%	5.6%

IPTV



※ Number of IPTV subscribers above deviates from MSIT's released figure below following IPTV law
 - Number of KT pay TV subscriber is 8,396,249 in 2H 2021 (6 month average)

DIGICO B2C

Media	IPTV
	***Seezn OTT
	Media and etc.
Mobile Platform	*Finance Platform
	**Contents Market
	IoT

* Finance Platform : Mobile payment, Authentication, Fintech and etc.

** Contents Market : App market payment, One-store, Contents distribution and etc.

*** Seezn OTT : Acquired by Studio Genie in 3Q21

3 KT - TELCO B2B

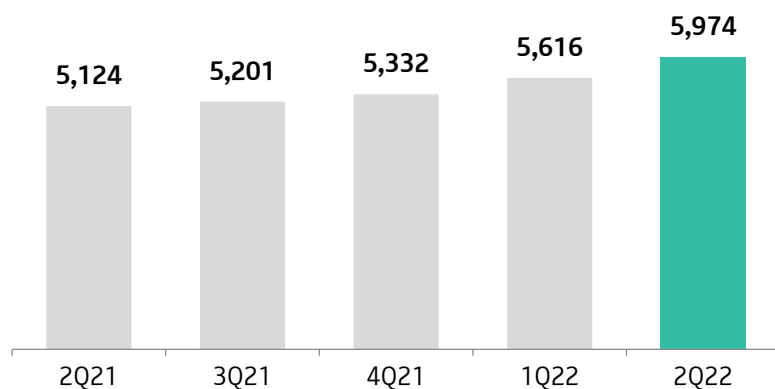
- Corporate broadband/data revenue up +5.9% YoY based on data traffic and premium service growth
- Corporate telephony revenue up +8.9% with growth of Communication DX and MVNO subscribers

(Unit: KRW bn)

	2Q21	1Q22	2Q22	QoQ	YoY
Telco B2B	496.0	519.7	529.9	2.0%	6.8%
Corp. BB/data	336.6	341.5	356.4	4.4%	5.9%
Corp. telephony	159.4	178.3	173.5	-2.7%	8.9%

MVNO Subscriber

(Unit: Thousands)



TELCO B2B

Corp. Broadband/Data	Leased Line, KORNET, VPN
	Global Data, Wholesale
	Internet Exchange
Corp. Telephony	MVNO
	Corporate Telephony
	Corporate Intelligent Network

4 KT - DIGICO B2B

- Though B2B DX areas like AICC, Smart mobility and others are growing, DIGICO B2B revenue decreased by 2.4% YoY due to kt cloud establishment
- Including kt cloud revenue, DIGICO B2B revenue up +17.4% YoY to KRW 578.6

(Unit: KRW bn)

	2Q21	1Q22	2Q22	QoQ	YoY
DIGICO B2B	492.9	539.6	481.0	-10.9%	-2.4%
Enterprise DX	269.4	262.5	304.3	15.9%	12.9%
Cloud/IDC	108.8	124.4	23.5	-81.1%	-78.4%
AI/New Biz	73.3	107.4	108.5	1.1%	48.1%
Real Estate	41.4	45.4	44.7	-1.5%	7.9%

※ Cloud/IDC revenue including kt cloud

	2Q21	1Q22	2Q22	QoQ	YoY
Cloud/IDC	108.8	124.4	121.1	-2.7%	11.4%

DIGICO B2B

Enterprise DX	Enterprise Messaging
	Managed, Enterprise IoT
	Global ICT
	ICT and etc.
Cloud/IDC	Cloud
	IDC

AI/ New Biz	AICC, AI Robot
	Smart Mobility
	Smart Space solution
	Blockchain, Energy, Video Security
Real Estate	New Biz and etc.

5 Major subsidiaries

- BC card revenue up +9.3% with increased credit card transaction volume and new biz expansion
- Contents subsidiaries revenue up +34.7% with full-fledged operation of Contents biz and growth of digital ads, T-commerce and others

Major Subsidiaries

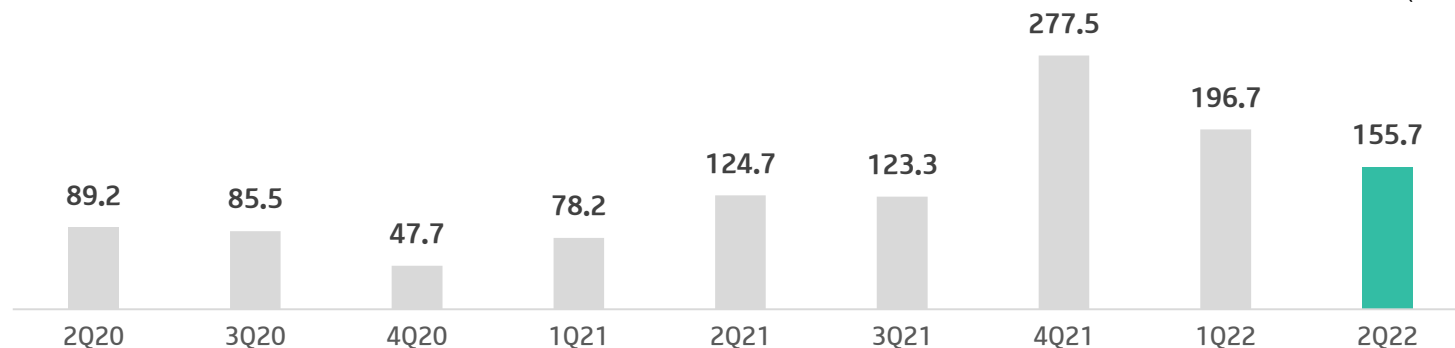
(Unit: KRW bn)

	2Q21	1Q22	2Q22	QoQ	YoY
BC card	906.8	902.2	991.2	9.9%	9.3%
Skyline	175.1	240.8	254.2	5.6%	45.2%
Contents Subsidiaries	211.8	270.4	285.3	5.5%	34.7%
KT Estate	66.8	150.5	97.7	-35.1%	46.3%
kt cloud	-	-	129.7	N/A	N/A

※ Contents Subsidiaries : Nasmedia(PlayD incl.), KT alpha, KT Studiogenie(Genie music, Storywiz, KT Seezn and others incl.)

OP Contribution from subsidiaries

(Unit: KRW bn)



1 2Q22 Highlights

2 Financial Highlights

3 Business Overview

4 Appendix

1 K-IFRS Income Statement

(Unit: KRW bn)

Consolidated	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	KT Separate	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22
Operating revenue	6,027.6	6,217.4	6,623.6	6,277.7	6,312.2	Operating revenue	4,478.8	4,664.7	4,669.5	4,608.4	4,517.8
Service revenue	5,336.8	5,402.4	5,758.1	5,565.5	5,670.5	Service revenue	3,867.3	3,920.1	3,892.7	3,962.1	3,937.3
Handset revenue	690.9	815.0	865.5	712.2	641.7	Handset revenue	611.5	744.6	776.8	646.2	580.5
Operating expense	5,551.8	5,835.0	6,254.1	5,651.1	5,853.0	Operating expense	4,127.6	4,405.6	4,577.5	4,178.5	4,214.3
Service expense	4,809.8	4,955.6	5,285.3	4,884.2	5,150.1	Service expense	3,531.7	3,662.8	3,743.2	3,516.0	3,655.4
Labor cost	1,025.5	1,090.0	1,076.1	1,040.4	1,120.9	Labor cost	567.1	629.3	542.7	549.3	605.8
General expense	2,380.9	2,447.7	2,601.2	2,471.0	2,560.2	General expense	1,714.9	1,763.9	1,863.6	1,692.8	1,719.4
Cost of svc provided	795.0	835.8	987.0	799.6	863.0	Cost of svc provided	594.9	634.4	649.2	646.4	660.2
Selling expense	608.4	582.0	620.9	573.2	606.0	Selling expense	654.9	635.2	687.7	627.4	670.0
Cost of device sold	741.9	879.4	968.8	766.9	703.0	Cost of device sold	595.9	742.8	834.3	662.5	558.9
Operating income	475.8	382.4	369.4	626.6	459.2	Operating income	351.2	259.1	92.0	429.9	303.5
N-OP income (loss)	46.8	97.9	137.9	15.6	80.5	N-OP income (loss)	50.2	50.2	66.4	99.2	23.0
N-OP income	145.6	307.6	335.8	223.2	445.1	N-OP income	148.6	279.9	268.1	268.7	359.1
N-OP expense	126.8	273.8	216.1	204.0	385.7	N-OP expense	98.4	229.7	201.7	169.6	336.0
Equity Method (G/L)	28.1	64.1	18.2	-3.6	21.0						
Income bf tax	522.7	480.3	507.2	642.2	539.7	Income bf tax	401.4	309.3	158.3	529.1	326.5
Income tax	151.9	142.6	82.9	186.8	176.3	Income tax	104.6	80.6	27.8	138.1	302.1
Net income	370.8	337.7	424.4	455.4	363.4	Net income	296.8	228.7	130.6	391.0	24.4
NI contribution to KT	338.8	310.9	404.6	409.8	313.1						
EBITDA	1,373.2	1,277.5	1,283.5	1,518.3	1,387.2	EBITDA	1,159.4	1,061.1	891.8	1,217.1	1,070.9
EBITDA Margin	22.8%	20.5%	19.4%	24.2%	22.0%	EBITDA Margin	25.9%	22.7%	19.1%	26.4%	23.7%

2 K-IFRS Balance Sheet

(Unit: KRW bn)

Consolidated	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22
Assets	34,139.0	35,831.2	37,159.3	37,301.1	39,066.3
Current assets	11,695.3	11,897.4	11,858.4	12,189.9	12,563.7
Cash & cash equi.	3,097.0	3,088.9	3,019.6	2,682.2	2,821.7
Trade & other rec	3,785.5	4,156.5	3,869.8	4,074.7	3,857.6
Inventories	474.1	406.6	514.1	1,406.5	513.3
Other current asset	4,338.8	4,245.3	4,454.8	4,026.4	5,371.2
- Prepaid_Contract cost	1,279.0	1,291.8	1,305.0	1,304.2	1,316.8
- Contract assets	441.5	482.8	510.6	522.9	551.9
Non-current assets	22,443.6	23,933.8	25,301.0	25,111.3	26,502.5
Trade & other rec	958.5	814.3	809.4	671.6	670.3
Tangible assets	13,627.3	13,720.8	14,464.9	14,272.6	14,540.4
Other current assets	7,857.8	9,398.7	10,026.7	10,167.0	11,291.8
- Prepaid_Contract cost	447.7	472.4	496.3	486.8	514.8
- Contract assets	219.5	230.8	234.5	225.5	242.8
Liabilities	18,475.2	19,733.7	20,592.1	20,707.3	22,161.7
Current liabilities	8,325.7	9,381.3	10,072.4	9,883.5	11,070.8
Trade & other payables	5,741.7	6,155.8	6,641.4	6,548.3	6,545.1
Short-term borrowings	945.9	1,588.2	1,731.4	1,583.7	2,773.7
Others	1,638.1	1,637.3	1,699.6	1,751.6	1,752.1
- Contract liabilities	288.5	270.4	274.6	276.1	274.8
Non-current liabilities	10,149.5	10,352.4	10,519.7	10,823.7	11,090.9
Trade & other payables	1,178.9	1,082.7	1,338.8	1,061.8	1,070.6
Long-term borrowings	6,809.8	6,807.9	6,706.3	7,311.3	7,300.9
Others	2,160.8	2,461.8	2,474.7	2,450.7	2,719.4
- Contract liabilities	43.9	43.7	49.1	44.7	35.0
Equity	15,663.8	16,097.5	16,567.2	16,593.8	16,904.6
Retained earnings	12,506.1	12,821.7	13,287.4	13,234.9	13,551.0

KT Separate	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22
Assets	28,203.4	28,607.5	29,362.4	29,305.6	30,169.5
Current assets	7,254.5	7,533.0	7,167.0	7,443.7	7,352.7
Cash & cash equi.	1,926.7	1,829.5	1,708.7	1,496.0	1,592.4
Trade & other rec	3,069.8	3,430.9	3,092.4	3,326.0	3,135.9
Inventories	262.2	186.6	289.3	333.6	238.7
Other current asset	1,995.9	2,086.1	2,076.6	2,288.0	2,385.7
- Prepaid_Contract cost	1,347.9	1,360.9	1,381.5	1,383.2	1,394.1
- Contract assets	390.2	428.3	450.3	459.1	484.6
Non-current assets	20,948.9	21,074.5	22,195.3	21,861.9	22,816.8
Trade & other rec	906.8	760.2	750.8	608.6	595.2
Tangible assets	11,511.7	11,463.6	12,021.1	11,806.6	11,405.0
Other current assets	8,530.4	8,850.7	9,423.4	9,446.7	10,816.5
- Prepaid_Contract cost	442.5	461.7	486.2	476.3	499.1
- Contract assets	149.7	163.8	169.4	164.3	184.3
Liabilities	14,877.6	15,016.2	15,497.5	15,509.5	16,405.9
Current liabilities	5,767.9	6,419.4	6,968.7	6,910.1	7,580.4
Trade & other payables	3,987.6	4,240.0	4,792.1	4,631.1	4,603.9
Short-term borrowings	823.8	1,196.0	1,338.2	1,267.7	1,990.4
Others	956.4	983.4	838.4	1,011.3	986.2
- Contract liabilities	295.3	281.7	286.4	280.5	288.8
Non-current liabilities	9,109.7	8,596.8	8,528.8	8,599.4	8,825.5
Trade & other payables	1,874.9	1,731.6	1,958.0	1,644.4	1,651.9
Long-term borrowings	6,265.5	5,947.2	5,611.4	6,007.6	6,048.3
Others	969.3	918.1	959.4	947.4	1,125.2
- Contract liabilities	44.2	44.0	47.9	44.6	45.5
Equity	13,325.8	13,591.3	13,864.9	13,796.1	13,763.6
Retained earnings	11,517.5	11,746.6	11,931.5	11,859.8	11,882.2

3 Subscribers

Wireless	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	QoQ	YoY
Subscribers (Unit: Thousands) ¹⁾							
Total	22,621	22,735	22,799	23,060	23,409	1.5%	3.5%
Net additions	194	114	64	261	349	33.7%	80.0%
Gross additions	1,041	986	1,064	1,039	1,010	-2.8%	-3.0%
Deactivation²⁾	847	871	1,000	778	661	-15.1%	-22.0%
Churn rate	1.3%	1.3%	1.5%	1.1%	0.9%	-0.2%p	-0.4%p
LTE	15,504	15,161	14,662	14,454	14,357	-0.7%	-7.4%
5G	5,014	5,617	6,378	6,949	7,479	7.6%	49.2%
LTE+5G Penetration rate	90.7%	91.4%	92.3%	92.8%	93.3%	0.5%p	2.6%p
ARPU (KRW)³⁾	31,429	31,815	31,825	32,308	32,446	0.4%	3.2%

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 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 (IoT/M2M excluded)

Fixed Line/IPTV	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	QoQ	YoY
Subscribers (Unit: Thousands)							
Telephony	13,329	13,218	13,096	12,969	12,842	-1.0%	-3.7%
PSTN	10,169	10,037	9,905	9,768	9,634	-1.4%	-5.3%
VoIP	3,159	3,180	3,191	3,201	3,208	0.2%	1.5%
Broadband	9,359	9,432	9,455	9,531	9,609	0.8%	2.7%
IPTV (OTV+OTS)	9,021	9,122	9,143	9,236	9,329	1.0%	3.4%

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

- Number of KT pay TV subscriber is 8,396,249 in 2H 2021 (6 month average)

