

# KT 2Q24 Earnings Release

2024. 8. | 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.

If you have any questions related to this material, please contact the IR department.

**Tel: +82-70-4193-4036**

# Contents

**1** 2Q24 Highlights

2 Business Overview

---

3 Appendix

---

# 1-1 2Q24 Highlights

## Consolidated

- **Continued rev. growth of KT and core subsidiaries**
  - 2Q24 Rev. KRW 6.55 tr. due to the growth in telco/real estate/IDC · Cloud etc.
- **OP decreased -14.3% YoY due to economic slowdown and decline of the content market**
  - 2Q24 OP contribution recorded KRW 0.14 tr. (YoY -19.9%)
  - Core subsidiaries continued to grow.

## Separate

- **Service rev. continues to exceed KRW 4tr. with balanced growth of B2C/B2B businesses**
  - 2Q24 service rev. KRW 4.05tr. (YoY 0.7%)
- **OP decreased -12.0% YoY due to early wage negotiation**
  - 2Q24 OP KRW 0.36tr. reflecting wage negotiation results
  - OP\* increased by restructuring low-margin businesses excl. impact of wage negotiation

\*OP(Separate) 423.3bn (YoY +3.9%), OP(Consolidated) 558.4bn (YoY -3.1%) excluding impact of wage negotiation results

(Unit: KRW bn)

Consolidated	2Q23	1Q24	2Q24	QoQ	YoY
Operating Rev.	6,547.5	6,654.6	6,546.4	-1.6%	0.0%
Operating Exp.	5,971.4	6,148.1	6,052.4	-1.6%	1.4%
Operating Income	576.1	506.5	494.0	-2.5%	-14.3%
Net Income	432.5	393.0	410.5	4.5%	-5.1%
EBITDA	1,505.3	1,480.2	1,460.2	-1.4%	-3.0%

(Unit: KRW bn)

Separate	2Q23	1Q24	2Q24	QoQ	YoY
Operating Rev.	4,487.4	4,694.8	4,548.3	-3.1%	1.4%
Operating Exp.	4,079.9	4,301.0	4,189.5	-2.6%	2.7%
Operating Income	407.5	393.8	358.8	-8.9%	-12.0%
Net Income	305.0	354.0	314.5	-11.2%	3.1%
EBITDA	1,190.0	1,199.1	1,162.9	-3.0%	-2.3%

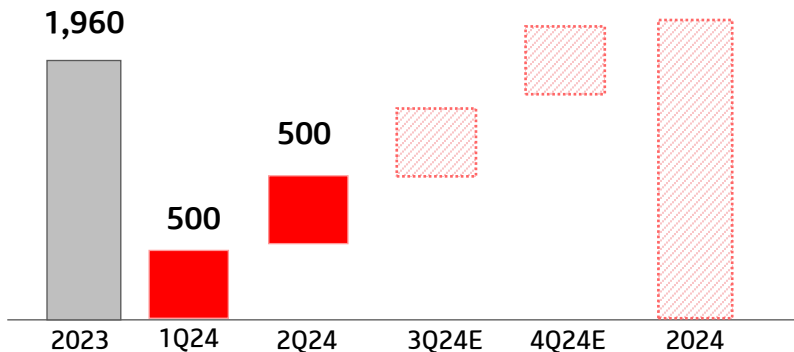
# 1-2 Shareholder Return

'24.2Q quarterly dividend determined at W500 and additional cancellation of 2% of total issued shares

## Quarterly Dividend

Quarterly dividend introduced in 2024  
at W500 per share  
for the first and second quarter

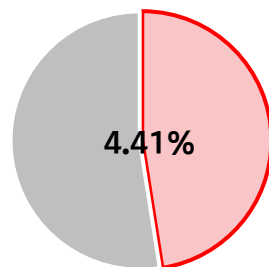
■ Dividend Per Share (Unit: KRW)



## Treasury shares

Cancellation of 2% of total issued shares  
from treasury shares (4.41% before cancellation)

■ Proportion of Treasury Shares

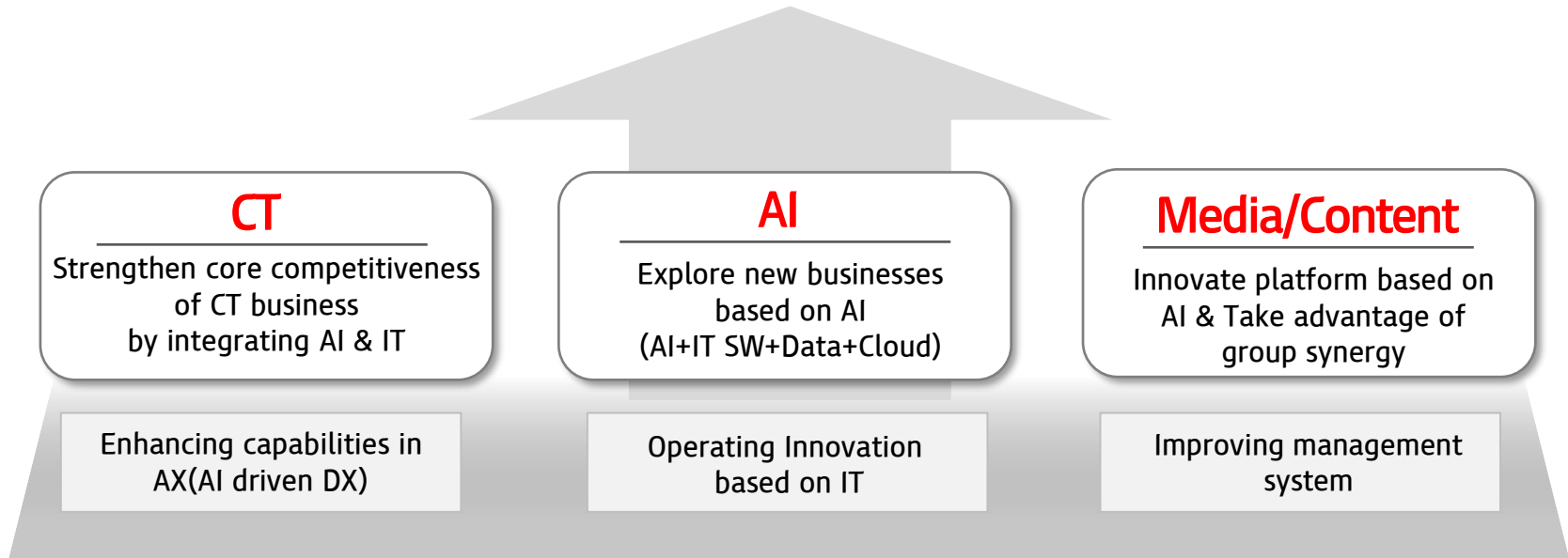


In May 2024,  
2% shares cancelled  
from treasury shares  
(5.14mn shares)

※ Total issued shares: 252,021,685(As of June 2024 after cancellation) 5

## 1-3 Management Strategy

# Transform to 'AICT Company'



# Contents

---

1 2Q24 Highlights

**2 Business Overview**

3 Appendix

---

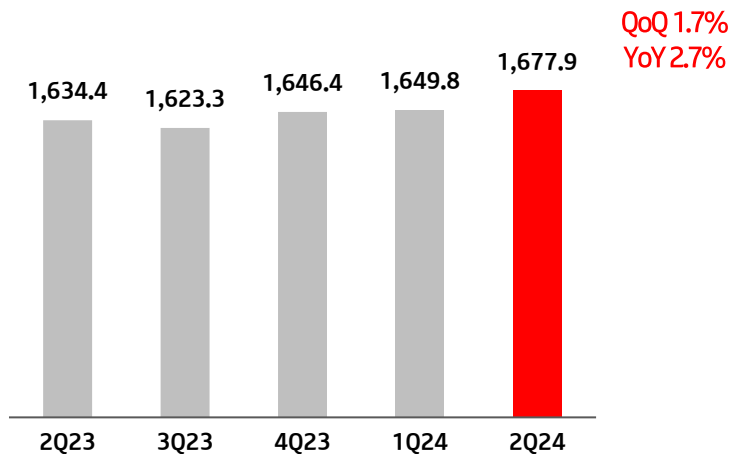
## 2-1 KT - Wireless

Wireless service revenue up 2.7% YoY with increased 5G penetration and roaming revenue

Enhanced customer service with 5G online-only plans and OTT subscription choices, etc.

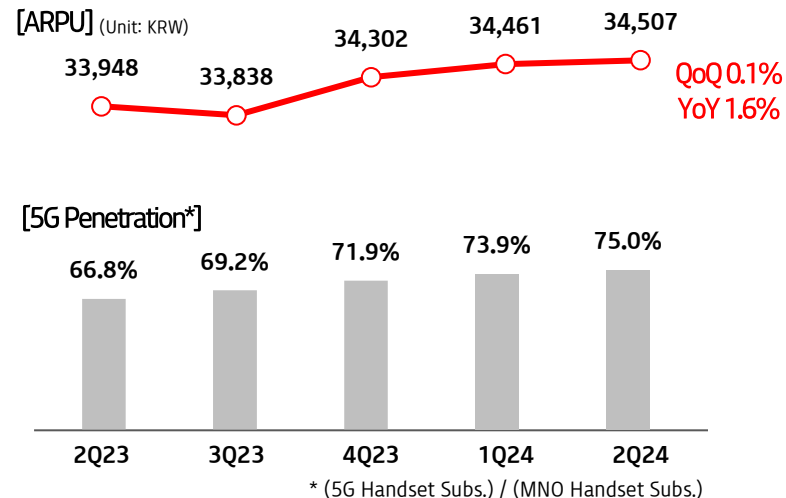
### 2Q24 Performance

Service Rev. (Unit: KRW bn.)



### Highlights

ARPU & 5G Penetration



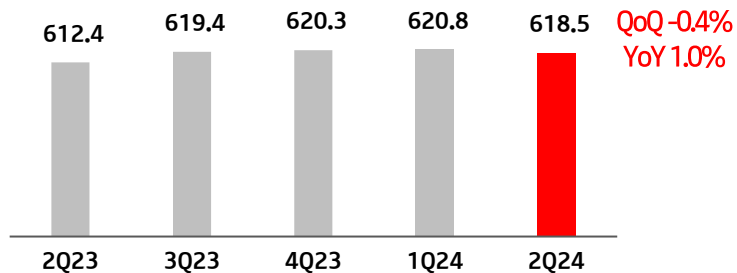


## 2-2 KT - Fixed Line

Broadband revenue up 1.0% YoY, Media revenue up 0.9% YoY led by increasing premium subscribers

### Broadband

Service Rev. (Unit: KRW bn.)



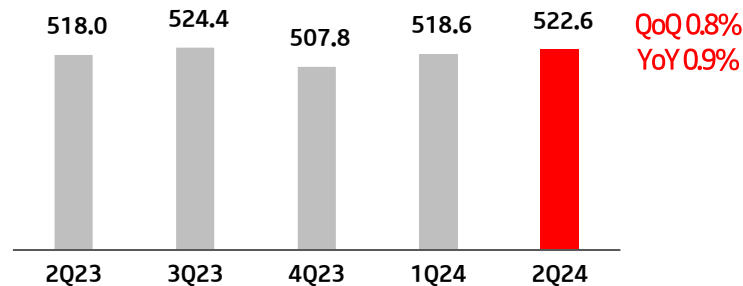
Subscribers (Unit: Thousands)

	2Q23	3Q23	4Q23	1Q24	2Q24	YoY
Total	9,812	9,810	9,827	9,862	9,899	0.9%
GiGA %*	67.6%	68.0%	68.3%	68.5%	68.7%	1.1%p

\* (Cumulative GiGA Subs.) / (Total Broadband Subs.)

### Media

Service Rev. (Unit: KRW bn.)



Subscribers (Unit: Thousands)

	2Q23	3Q23	4Q23	1Q24	2Q24	YoY
Total	9,470	9,430	9,409	9,418	9,423	-0.5%
15K↑ %*	29.8%	30.7%	31.6%	31.6%	32.8%	3.0%p

\* (Cumulative 15K ↑ Subs.) / (Total IPTV Mass Subs.)

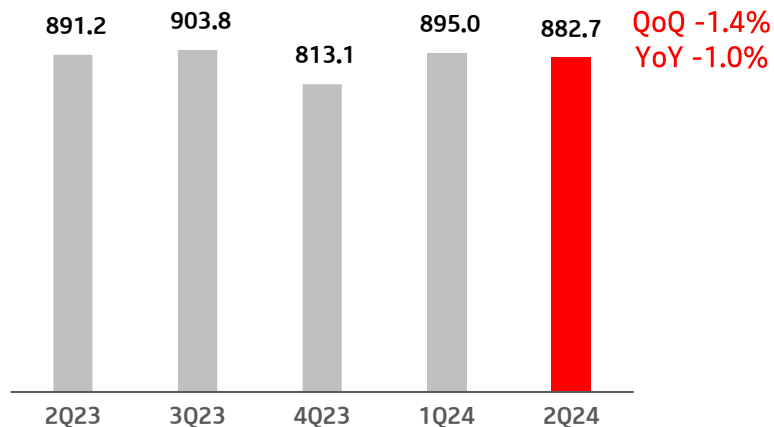
## 2-3 KT - B2B Services

B2B Service revenue down 1.0% YoY due to restructuring low-profit businesses

Continued sustainable growth with 'focus on streamlining low-margin businesses' and 're-designing business structure'

### 2Q24 Performance

Rev. (Unit: KRW bn.)



### Streamlining Businesses

#### Principle & Direction

[Principle] Driving essential and sustainable growth

#### Selection and Focus

- Streamlining low-margin biz.  
- Solar Energy, Digital logistics, etc.

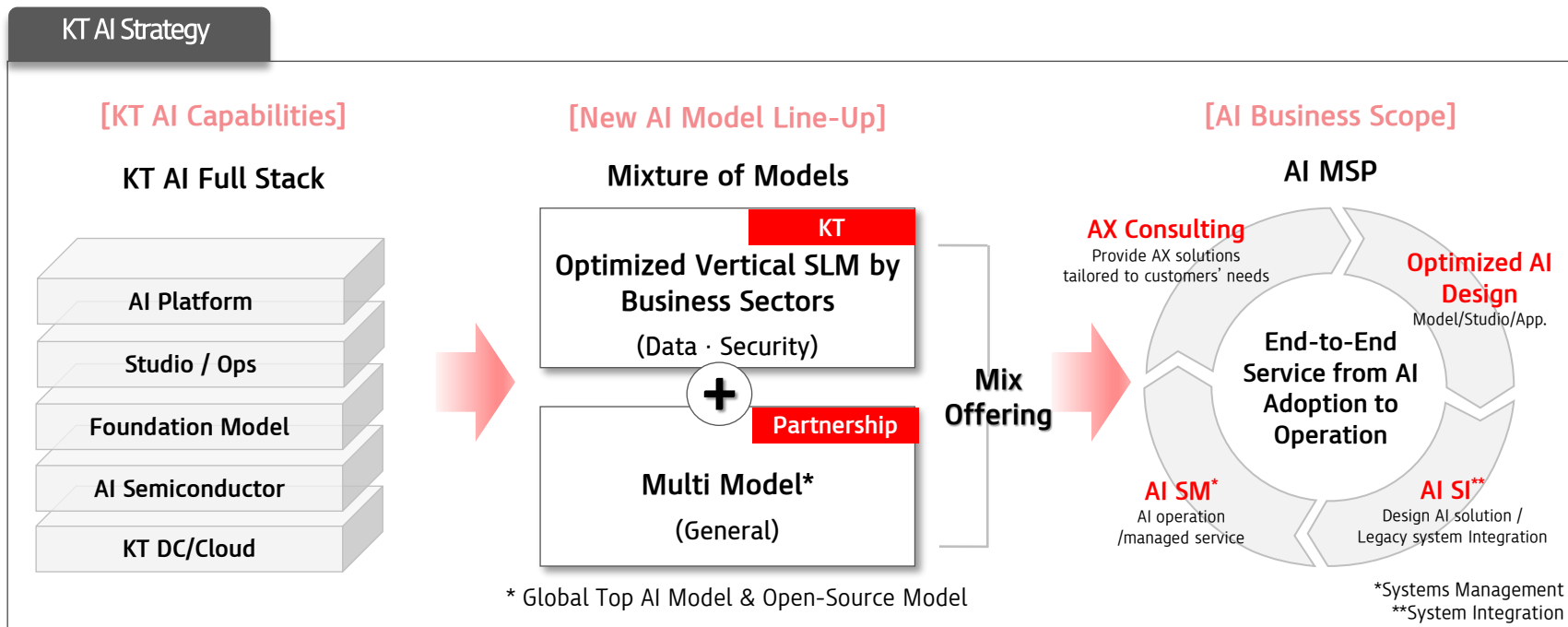
#### Re-design Biz. structure

- On-premise → Service Model  
- AICC, Robot, etc.

## 2-4 AI Strategy

(Model Line-Up) Strengthen business competitiveness based on 'Mix Offering' of Vertical SLM + Multi Model

(Business) Provide end-to-end AI services as an AI MSP by utilizing AI capabilities and global partnerships



## 2-5 KT - AI Partnership

(Background) Explore domestic AI market with mutual synergy based on global-level tech. and strong B2B customer base

(Partnership Area) Full-scale collaboration in AI/Cloud/IT including Korean language models and talent development

### Background

#### Win- Win Strategic Partnership



Trusted by  
public and financial customers  
as a telecom service provider



Leading AI market with global  
top models. Needs for a  
breakthrough for Korean market

### Areas

1

Co-development and  
commercialization for  
Korean AI/Cloud model

2

Industry-specialized  
Korean sLM/sMM\*

3

Joint GTM\*\*  
for Korean Market

4

Talent development &  
Strengthening capabilities

\*sLM : small Language Model, sMM: small Multi-modal Model

\*\*GTM : Go-to-Market

# 2-6 kt cloud

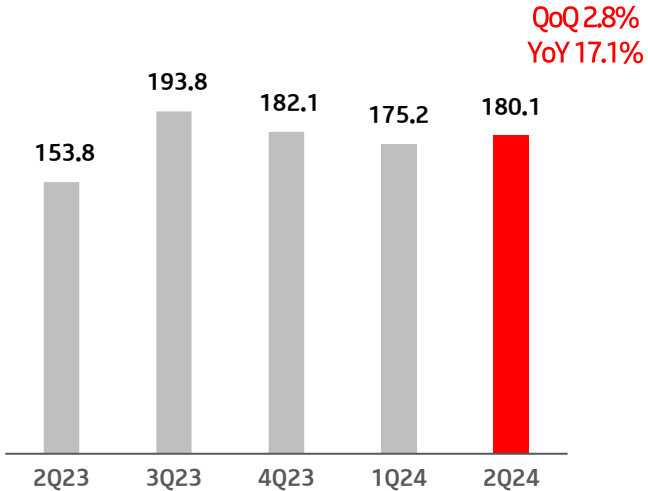
(Data Center) Continued high growth trend due to increased DC rev. from global customers and expansion of DBO\*

(Cloud) Revenue up due to renewal of existing public customers and increased CDN traffic

\*DBO(Design-Build-Operate) : a project where a single contractor is appointed to design, build and operate a data center project for a certain period, \*\* CDN : Content Delivery Network

## 2Q24 Performance

Rev. (Unit: KRW bn.)

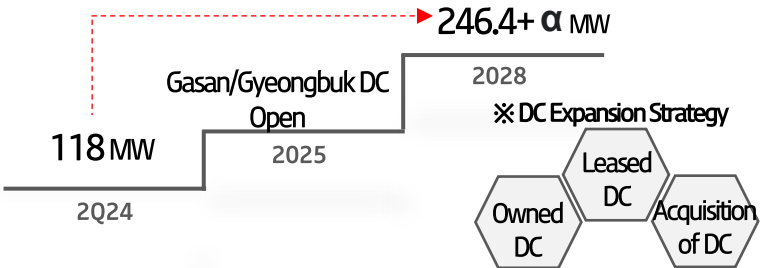


## Highlights

### Performance

- DC**
  - Rev. increase due to move-in of major global CPs in Yongsan IDC
  - Increase in DBO business (Gasan, Gyeongbuk, etc.)
- Cloud**
  - Sustained competitive advantage in public sector through successful retention of expired customers
  - Rev. up by increased CDN traffic of portals and gaming companies

### DC Capacity (by IT load capacity)



## 2-7 Finance

(BC Card) Profits enhanced with efficient cost control and strengthen financial soundness by increasing secured assets (e.g. mortgages)

(K bank) Growth continued due to solid deposit/loan/client base. Improved profits with cost stabilization

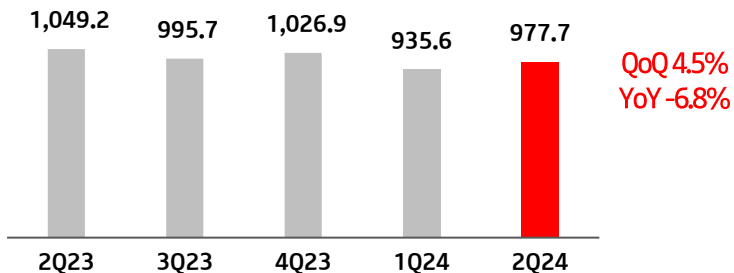
### BC Card

- **Rev. declined due to transaction volume slowdown under macroeconomic conditions**
  - 2Q24 Rev. KRW 978bn (YoY -6.8%)
- **Improved profitability by stabilizing costs such as processing expenses and allowance for bad debts**

### K bank

- **Continued profit improvement with cost stabilization on solid deposit, loan, and client base**
  - 2Q24 OP KRW 35.2bn (YoY 139.0%)
- **Preparing for IPO within 2024**
  - Preliminary listing review(June 2024)→ Target IPO for 2H24

### BC Card Rev. (Unit: KRW bn.)



### K bank Performance

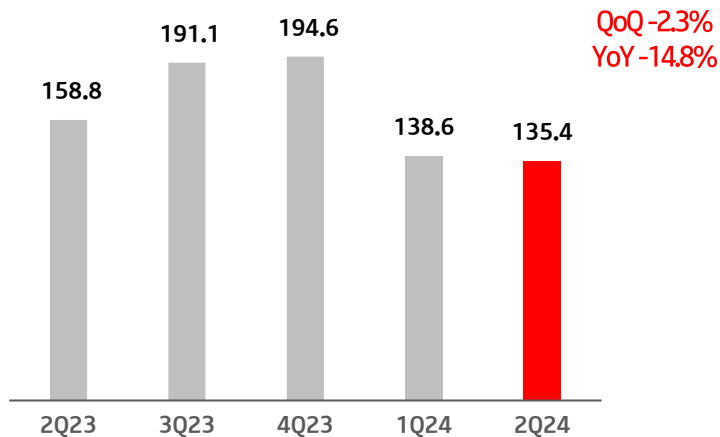
	2Q23	3Q23	4Q23	1Q24	2Q24	YoY
Deposit (KRW tn.)	17.4	17.2	19.1	24.0	21.9	25.6%
Loan (KRW tn.)	12.7	12.8	13.9	14.8	15.7	23.4%
Client (in mn)	890	916	953	1,033	1,147	28.8%

## 2-8 Media/Content

Rev. decreased -14.8% YoY due to the advertising market downturn and decline in the number of aired content  
Increased ENA channel competitiveness and advertisement revenue with original contents

### 2Q24 Performance

Content Subsidiaries\* Rev. (Unit: KRW bn.)



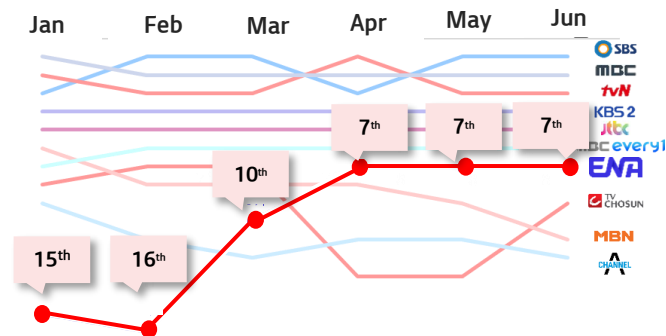
\*Content Subsidiaries : Nasmedia(PlayD incl.), KT Studiogenie(Genie music, Storywiz, and others incl.)

### 1H24 Performance

## ENA, Ranked 7<sup>th</sup> in channel viewership

New original program settled → 2040 target audience viewership uptrend

### [1H24 Channel viewership rankings by month]



## 2-9 Real Estate

kt estate revenue up 7.1% YoY with continued growth in hotel business and solid office rental service

### 2Q24 Performance

- **Strong hotel business and continued growth in office rental**

- kt estate, 2Q24 Rev. increased 7.1% YoY

※ Major asset status

408 Offices, 7 sites of rental housing, 4 sites of hotel

### FY24 Strategy

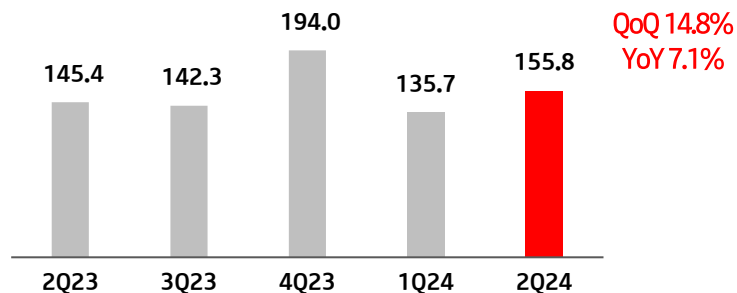
- **Diversified asset portfolio including office · rental housing · hotel**

- **Major development project in Seoul scheduled for completion in 2025**

- (APT) 631units/ (Hotel) 150 rooms

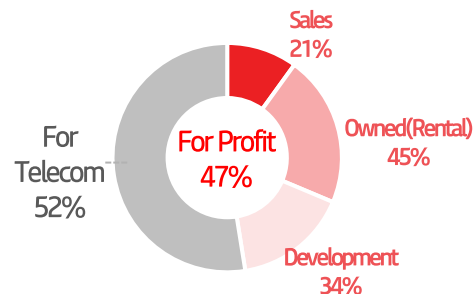
- (Rental housing) 282rooms / (Office) 1mn ft<sup>2</sup>/ (Shopping mall) 1.1 mn ft<sup>2</sup>

kt estate rev. (Unit: KRW bn.)

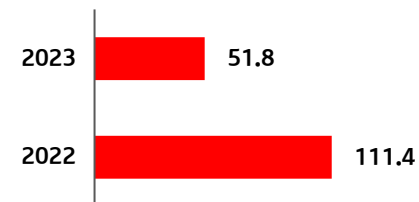


### KT Group Real Estate Status

[Sort by holding purposes]



[Profit from selling properties] (Unit: KRW bn.)

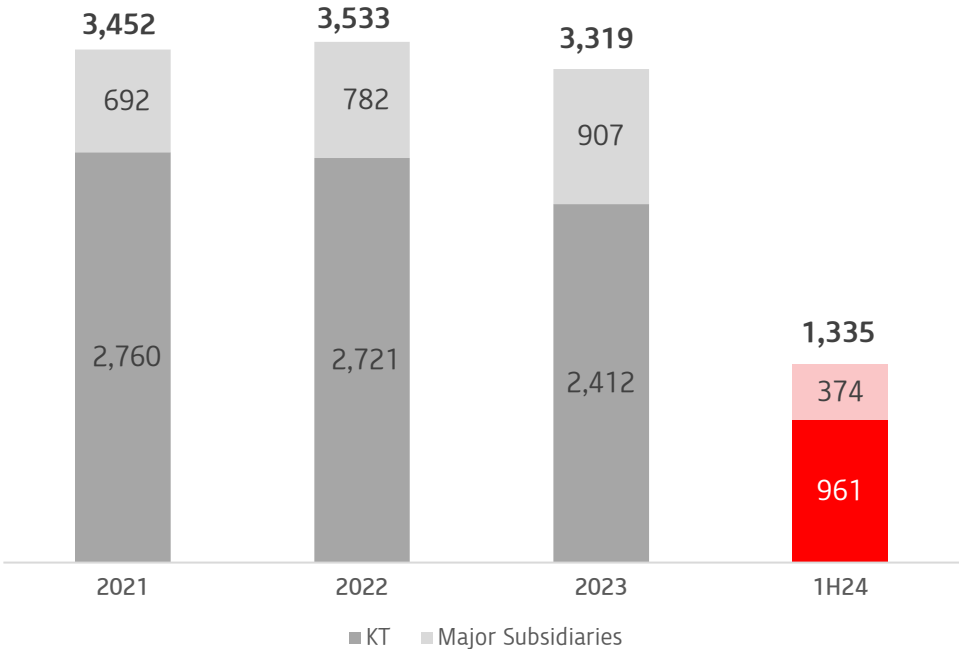




# 2-10 CAPEX

'24 2Q Cumulative Capex Execution : KRW 960.9bn (KT Separate), KRW 374.1 bn (Major Subsidiaries)

(Unit: KRW bn)



## ■ Major Subsidiaries' CAPEX

Includes Finance, Media, Cloud/IDC, Real Estate and etc.

## ■ KT Separate CAPEX

Access network, Backbone Network, B2B and etc.

# Contents

---

1 2Q24 Highlights

---

2 Business Overview

3 Appendix

# 1 K-IFRS Income Statement

(Unit: KRW bn)

Consolidated	2Q23	3Q23	4Q23	1Q24	2Q24	KT Separate	2Q23	3Q23	4Q23	1Q24	2Q24
<b>Operating revenue</b>	<b>6,547.5</b>	<b>6,697.4</b>	<b>6,687.6</b>	<b>6,654.6</b>	<b>6,546.4</b>	<b>Operating revenue</b>	<b>4,487.4</b>	<b>4,673.0</b>	<b>4,592.0</b>	<b>4,694.8</b>	<b>4,548.3</b>
Service revenue	5,834.4	5,842.5	5,720.2	5,722.7	5,776.6	Service revenue	4,018.6	4,020.0	3,941.2	4,040.6	4,048.0
Sale of goods	713.1	855.0	967.4	931.9	769.8	Handset revenue	468.8	653.0	650.8	654.2	500.3
<b>Operating expense</b>	<b>5,971.4</b>	<b>6,375.5</b>	<b>6,422.0</b>	<b>6,148.1</b>	<b>6,052.4</b>	<b>Operating expense</b>	<b>4,079.9</b>	<b>4,479.5</b>	<b>4,395.7</b>	<b>4,301.0</b>	<b>4,189.5</b>
Cost of Service	5,118.8	5,331.5	5,372.9	5,101.2	5,178.9	Cost of Service	3,618.7	3,808.8	3,707.7	3,624.7	3,696.8
Labor cost	1,131.5	1,191.0	1,157.8	1,100.9	1,213.2	Labor cost	583.2	634.6	530.5	540.7	631.3
General expense	2,690.6	2,732.8	2,843.7	2,674.2	2,708.3	General expense	1,745.5	1,828.6	1,925.0	1,777.1	1,804.2
Cost of service	662.8	784.5	725.5	726.5	656.6	Cost of service	638.7	695.2	594.2	673.2	630.6
Selling expense	633.9	623.2	645.9	599.6	600.8	Selling expense	651.3	650.4	657.9	633.7	630.7
<b>Cost of Goods sold</b>	<b>852.6</b>	<b>1,044.0</b>	<b>1,049.1</b>	<b>1,046.9</b>	<b>873.5</b>	<b>Cost of Devices sold</b>	<b>461.2</b>	<b>670.6</b>	<b>688.1</b>	<b>676.3</b>	<b>492.6</b>
<b>Operating income</b>	<b>576.1</b>	<b>321.9</b>	<b>265.6</b>	<b>506.5</b>	<b>494.0</b>	<b>Operating income</b>	<b>407.5</b>	<b>193.5</b>	<b>196.3</b>	<b>393.8</b>	<b>358.8</b>
<b>N-OP income (loss)</b>	<b>-28.0</b>	<b>28.4</b>	<b>-277.6</b>	<b>22.5</b>	<b>62.7</b>	<b>N-OP income (loss)</b>	<b>-12.8</b>	<b>34.7</b>	<b>-91.6</b>	<b>72.4</b>	<b>50.3</b>
N-OP income	185.5	255.0	105.8	323.1	325.8	N-OP income	161.2	226.7	50.0	309.0	260.0
N-OP expense	219.5	223.7	340.7	310.9	260.1	N-OP expense	174.0	192.0	141.6	236.6	209.7
Equity Method (G/L)	6.0	-2.8	-42.7	10.2	-3.0						
<b>Income bf tax</b>	<b>548.1</b>	<b>350.3</b>	<b>-12.0</b>	<b>529.0</b>	<b>556.7</b>	<b>Income bf tax</b>	<b>394.6</b>	<b>228.2</b>	<b>104.8</b>	<b>466.1</b>	<b>409.2</b>
Income tax	115.6	62.0	29.7	136.0	146.2	Income tax	89.6	17.6	7.0	112.1	94.7
<b>Net income</b>	<b>432.5</b>	<b>288.3</b>	<b>-41.7</b>	<b>393.0</b>	<b>410.5</b>	<b>Net income</b>	<b>305.0</b>	<b>210.6</b>	<b>97.8</b>	<b>354.0</b>	<b>314.5</b>
NI contribution to KT	394.5	264.3	54.4	375.5	393.1						
<b>EBITDA</b>	<b>1,505.3</b>	<b>1,259.9</b>	<b>1,279.2</b>	<b>1,480.2</b>	<b>1,460.2</b>	<b>EBITDA</b>	<b>1,190.0</b>	<b>979.9</b>	<b>1,031.5</b>	<b>1,199.1</b>	<b>1,162.9</b>
EBITDA Margin	23.0%	18.8%	19.1%	22.2%	22.3%	EBITDA Margin	26.5%	21.0%	22.5%	25.5%	25.6%

## 2 K-IFRS Balance Sheet

(Unit: KRW bn)

Consolidated	2Q23	3Q23	4Q23	1Q24	2Q24
<b>Assets</b>	<b>39,756.0</b>	<b>43,974.8</b>	<b>42,710.0</b>	<b>42,710.0</b>	<b>43,144.4</b>
<b>Current assets</b>	<b>11,405.7</b>	<b>15,520.6</b>	<b>14,518.2</b>	<b>14,997.4</b>	<b>15,175.2</b>
Cash & cash equivalents	1,805.5	3,110.4	2,879.6	3,000.7	3,786.7
Trade & other receivables	3,933.1	4,515.4	4,287.3	4,571.4	4,161.7
Inventories	636.9	707.4	912.3	899.1	964.0
Other current asset	5,030.1	7,187.3	6,438.9	6,526.2	6,262.7
- Prepaid_Contract cost	1,269.5	1,270.3	1,252.1	1,249.2	1,233.6
- Contract assets	565.8	590.7	581.8	620.4	611.1
<b>Non-current assets</b>	<b>28,350.3</b>	<b>28,454.1</b>	<b>28,191.8</b>	<b>27,712.6</b>	<b>27,969.2</b>
Trade & other rec	490.7	406.0	451.7	381.2	398.4
Tangible assets	14,675.6	14,669.9	14,872.1	14,585.7	14,591.7
Other current assets	13,184.0	13,378.2	12,868.1	12,745.7	12,979.1
- Prepaid_Contract cost	480.4	486.0	475.4	465.1	471.4
- Contract assets	236.8	248.7	240.1	229.3	226.3
<b>Liabilities</b>	<b>21,302.3</b>	<b>25,253.1</b>	<b>24,148.9</b>	<b>24,127.8</b>	<b>24,162.5</b>
<b>Current liabilities</b>	<b>9,862.9</b>	<b>13,478.5</b>	<b>13,147.5</b>	<b>14,046.1</b>	<b>14,095.2</b>
Trade & other payables	6,225.9	9,264.6	8,054.9	8,282.4	8,052.3
Short-term borrowings	2,105.6	2,368.7	3,058.6	3,538.6	3,595.0
Others	1,531.4	1,845.2	2,033.9	2,225.1	2,447.9
- Contract liabilities	264.1	245.2	229.2	239.3	231.2
<b>Non-current liabilities</b>	<b>11,439.4</b>	<b>11,774.6</b>	<b>11,001.4</b>	<b>1,0081.7</b>	<b>10,067.3</b>
Trade & other payables	818.5	856.0	819.6	554.1	556.2
Long-term borrowings	7,930.4	7,940.8	7,159.6	6,612.8	6,555.6
Others	2,690.5	2,977.9	3,022.3	2,914.8	2,955.4
- Contract liabilities	39.3	37.2	49.6	48.7	43.6
<b>Equity</b>	<b>18,453.7</b>	<b>18,721.7</b>	<b>18,561.1</b>	<b>18,582.2</b>	<b>18,981.9</b>
Retained earnings	14,404.0	14,570.7	14,494.4	14,361.5	14,452.7

KT Separate	2Q23	3Q23	4Q23	1Q24	2Q24
<b>Assets</b>	<b>29,592.2</b>	<b>30,814.8</b>	<b>30,308.9</b>	<b>30,334.8</b>	<b>30,464.8</b>
<b>Current assets</b>	<b>6,172.5</b>	<b>7,505.4</b>	<b>7,088.6</b>	<b>7,578.4</b>	<b>7,451.7</b>
Cash & cash equi.	625.7	1,477.3	1,242.0	1,331.6	1,722.5
Trade & other rec.	3,018.4	3,425.8	3,190.3	3,546.3	3,097.6
Inventories	260.1	276.6	368.1	310.3	404.1
Other current asset	2,268.4	2,325.6	2,288.2	2,390.2	2,227.5
- Prepaid_Contract cost	1,351.6	1,360.3	1,340.2	1,335.4	1,312.5
- Contract assets	500.3	527.0	535.8	540.2	548.6
<b>Non-current assets</b>	<b>23,419.6</b>	<b>23,309.4</b>	<b>23,220.4</b>	<b>22,756.4</b>	<b>23,013.1</b>
Trade & other rec	402.8	322.1	370.7	298.8	321.1
Tangible assets	11,276.3	11,288.5	11,492.8	11,214.3	11,264.4
Other current assets	10,775.2	10,753.0	10,380.2	10,281.4	10,472.9
- Prepaid_Contract cost	469.8	478.7	464.2	451.9	453.8
- Contract assets	196.3	227.5	219.1	207.4	204.1
<b>Liabilities</b>	<b>14,817.5</b>	<b>15,831.4</b>	<b>15,265.4</b>	<b>15,335.6</b>	<b>15,166.7</b>
<b>Current liabilities</b>	<b>6,153.7</b>	<b>6,925.2</b>	<b>6,957.5</b>	<b>7,477.8</b>	<b>7,315.1</b>
Trade & other payables	4,253.7	5,021.2	4,459.0	4,864.3	4,694.7
Short-term borrowings	1,131.5	1,173.8	1,725.2	1,914.9	1,789.5
Others	768.6	730.2	773.3	698.5	830.8
- Contract liabilities	235.1	222.6	223.9	227.0	206.9
<b>Non-current liabilities</b>	<b>8,663.8</b>	<b>8,906.2</b>	<b>8,307.9</b>	<b>7,857.9</b>	<b>7,851.6</b>
Trade & other payables	1,331.9	1,337.9	1,364.8	1,074.2	1,063.8
Long-term borrowings	6,205.6	6,497.5	5,834.7	5,652.2	5,675.7
Others	1,126.3	1,070.8	1,108.4	1,131.5	1,112.0
- Contract liabilities	33.8	32.4	35.8	36.0	26.4
<b>Equity</b>	<b>14,774.7</b>	<b>14,983.4</b>	<b>15,043.5</b>	<b>14,999.2</b>	<b>15,298.1</b>
Retained earnings	12,429.0	12,541.3	12,544.4	12,390.5	12,404.2

### 3 Subscribers

K-IFRS / Separate

(Unit: Thousands)

Wireless Subscribers	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24	QoQ	YoY
<b>Total</b>	<b>24,621</b>	<b>24,903</b>	<b>24,897</b>	<b>24,834</b>	<b>24,904</b>	<b>0.3%</b>	<b>1.1%</b>
- MNO	17,643	17,735	17,759	17,743	17,770	0.2%	0.7%
- MVNO	6,978	7,168	7,138	7,091	7,134	0.6%	2.2%
5G Handset <sup>1)</sup>	9,117	9,408	9,722	9,948	10,093	1.5%	10.7%
Churn rate <sup>2)</sup>	1.0%	1.1%	1.1%	1.1%	1.0%	-0.1%p	0.0%p
ARPU (KRW) <sup>3)</sup>	33,948	33,838	34,302	34,461	34,507	0.1%	1.6%

1) 5G Handset : Retroactively applied from 1Q23 based on the change of subscriber disclosure criteria by the MSIT (excludes 5G 2<sup>nd</sup> Device and 5G IoT)

2) Churn rate : Based on MNO subscribers (excludes IoT)

3) ARPU = Wireless revenue\* / Wireless subscribers\*\*

\* Wireless revenue(3G, LTE, 5G incl.): Revenue of Voice/Data usage (Interconnection/Subscription fee exc.), VAS, Contract/ Bundled Discounts, and etc. incl.

\*\* Wireless subscribers: Based on MSIT's guidelines for average billed subscribers in quarter (IoT/M2M exc.)

(Unit: Thousands)

Fixed Line Subscribers	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24	QoQ	YoY
<b>Telephony</b>	<b>12,310</b>	<b>12,184</b>	<b>12,035</b>	<b>11,903</b>	<b>11,748</b>	<b>-1.3%</b>	<b>-4.6%</b>
- PSTN	9,089	8,960	8,820	8,673	8,526	-1.7%	-6.2%
- VoIP	3,221	3,225	3,215	3,230	3,222	-0.2%	0.1%
<b>Broadband</b>	<b>9,812</b>	<b>9,810</b>	<b>9,827</b>	<b>9,862</b>	<b>9,899</b>	<b>0.4%</b>	<b>0.9%</b>
<b>IPTV (GTV+GTS)</b>	<b>9,470</b>	<b>9,430</b>	<b>9,409</b>	<b>9,418</b>	<b>9,423</b>	<b>0.1%</b>	<b>-0.5%</b>

※ Number of IPTV subscribers above differs from MSIT figures that follow the IPTV law

- Number of KT pay TV subscribers in 2H 2023 is 8,827,392 (6-month average)

**kt**