

KT 2024 Earnings Release

2025. 2. | Investor Relations



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2	Corporate Value-Up Plan
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1-1 FY2024 Highlights

Financials

Record high annual revenue since listing driven by CT, real estate, AX

(Unit: KRW)

<u>Cons.</u>	Revenue	26,431.2bn (YoY +0.2%)	<u>Sep.</u>	Revenue	18,579.7bn (YoY +1.1%)
	Operating Profit	809.5bn (YoY -50.9%)		Operating Profit	346.5bn (YoY -70.8%)

* Excluding one-off expenses (KT: 986.3bn, Subsidiaries: 16bn)

OP(Separate) 1,332.8bn (YoY +12.4%), OP(Consolidated) 1,811.8bn (YoY +9.8%)

Shareholder Return

Dividend

KRW 500 per share^{4Q24}

FY2024 Total DPS 2,000 won

(Record date: Feb.28, 2025)

Share Buyback & Cancellation

KRW 250 bn

(Cancellation TBC, considering foreign limits)

Business Strategy

AICT Company Transformation

B2B AX Growth through
strategic partnership with Microsoft

CT/Media innovation based on AX

Business performance &
management system improvement

Innovation in tech capability
(incl. AI specialists)

FY2025 Guidance

**Consolidated Revenue
Over KRW 28 tr.**

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2-1 FY2028 Financial Target and Action Plans



FY2028 Target

Consolidated ROE 9% ~ 10%

Action Plan

AI/IT Rev. Up 3x^{of 2023}

Consolidated OP Margin 9%

Liquidate Non-Core Assets

Total ^{KRW}1tr. Share
Buyback&Cancellation

『Transform into AICT Company』

Innovate core business with AICT,
Attain top-tier AI/Cloud capabilities

『Increase Profitability』

Enhance OP through
streamlining low-profit businesses

『Increase Resources
for Capital Allocation』

Liquidate non-core assets and
idle real estate

『Additional Share
Buyback&Cancellations』

Enhance capital efficiency
through additional returns

Strategy

Integrate AICT into Core Biz. ^{Telco, Media, NW, IT}, Accelerate Growth of B2B AX and Revamp Management Structure

2-2 FY2024 Key Achievements

Accelerate transformation into AICT company through strategic partnership with Microsoft

Improve profitability through rationalizing cost structure and low-margin businesses

AICT Transformation

Business Strategic partnership with Microsoft

- Jointly develop secure public cloud and Korea-customized AI model
- Internalize AICT capabilities (ex. fostering AX experts)

Workforce Innovation of Workforce Structure

- Workforce innovation through the establishment of infra management companies
- Strengthen AX consulting functions

Capability Enhancement of IT capabilities

- Merged 'KT NexR' to secure IT experts
- Strengthen employee IT training

Business and Asset Value Enhancement

Low Margin Businesses

Streamlining

Businesses with insufficient competitiveness

- **[High Cost]** Robots, AI Hotel/Parking lot...
- **[Uncompetitive]** Healthcare, Logistics solutions...
- **[Heavy Capex]** Fuel cells, Solar energy...

Profitability Improvement

Businesses with growth potential

- **[Cost Reduction]** AICC, A'Cen, Edu-platform...
- **[Investment Rationalization]** Smart city, Environment IoT...

Non-Core Assets

Securities

Optimize Investment Portfolio

- **[Sale] Subsidiaries:** lolap, kt healthcare...

Marketable Securities: Webcash, Fadu...

- **[Merge]** 'NexR-KT', 'kt linkus-kt service'

Real Estate

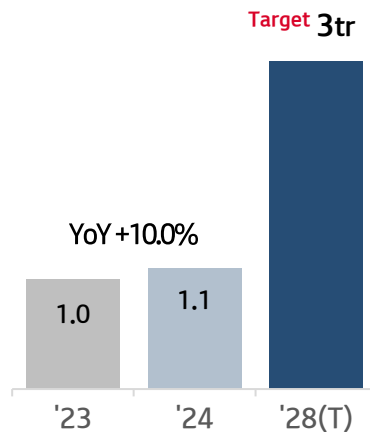
Sell/Develop Idle Real Estate Assets

- **[Sale]** Assets with limited holding value
- **[Development]** Maximization of real estate value

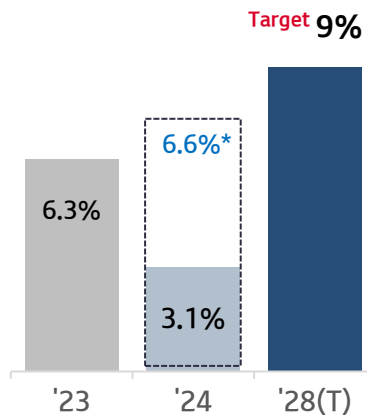
2-3 FY2024 Value-Up Implementation

Through transformation into AICT, AI/IT revenue increased by double digits, and both OP margin and ROE improved

AI/IT Revenue (Unit: KRW)

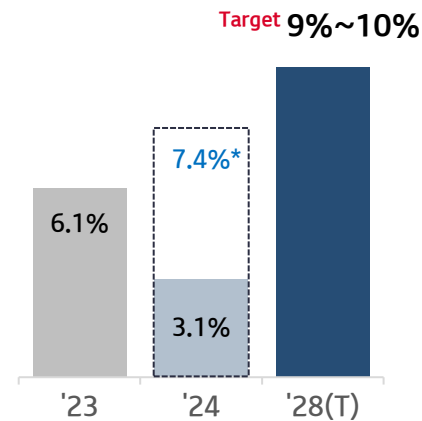


OP Margin consolidated



* one-off expenses adjusted

ROE



* one-off expenses adjusted

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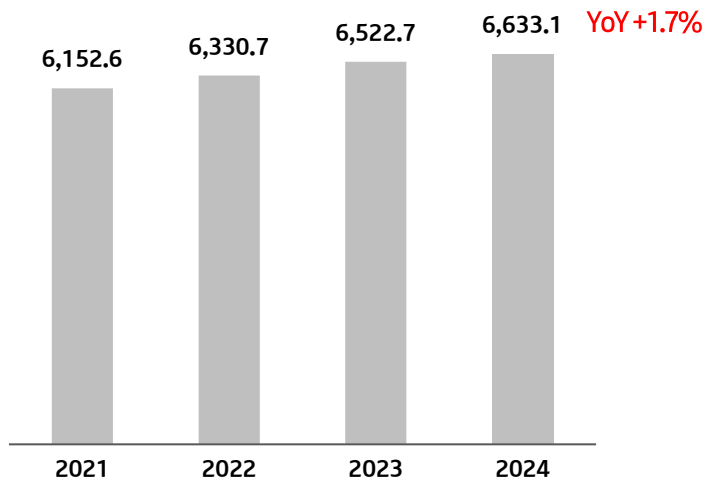
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3-1 KT - Wireless

Wireless service revenue up +1.7% YoY with increased 5G penetration and MVNO/roaming rev.

FY2024 Performance

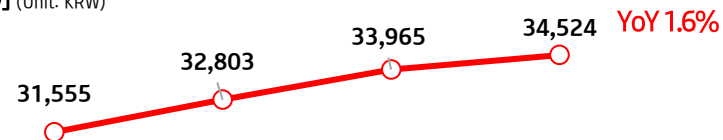
Service Rev. (Unit: KRW bn.)



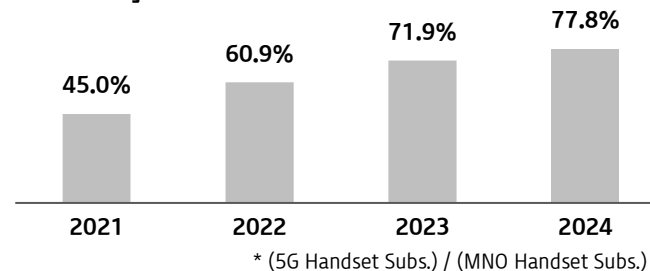
Highlights

ARPU & 5G Penetration

[ARPU] (Unit: KRW)



[5G Penetration*]

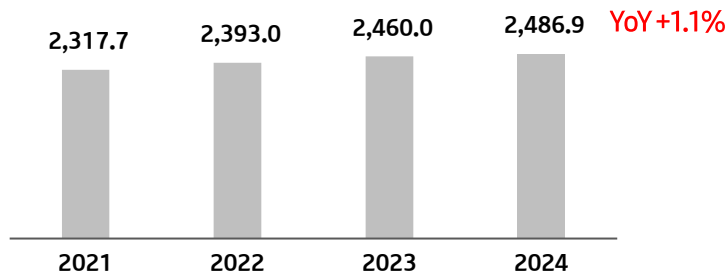


3-2 KT - Fixed Line

Broadband rev. up +1.1%, Media rev. up +1.2% YoY due to the expansion in premium plans and net subscriber additions

Broadband

Service Rev. (Unit: KRW bn.)



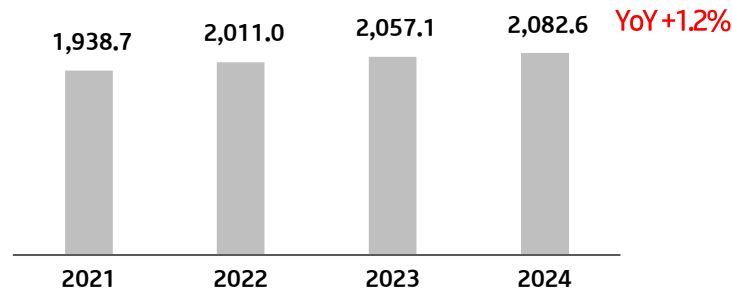
Subscribers (Unit: Thousands)

	2021	2022	2023	2024	YoY
Total	9,455	9,727	9,827	9,956	1.3%
GiGA %*	65.5%	66.9%	68.3%	69.2%	0.8%p

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

Media

Service Rev. (Unit: KRW bn.)



Subscribers (Unit: Thousands)

	2021	2022	2023	2024	YoY
Total	9,143	9,432	9,409	9,449	0.4%
15K↑ %*	24.4%	28.1%	31.6%	32.5%	0.9%p

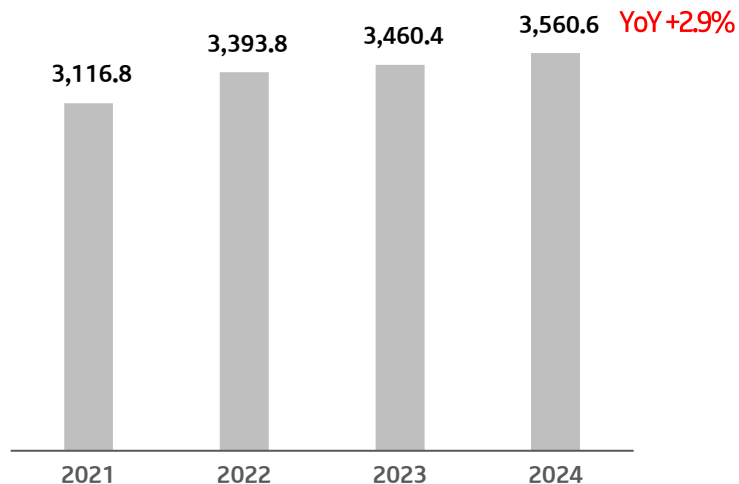
* (Cumulative 15K ↑ Subs.) / (Total IPTV Mass Subs.)

3-3 KT - B2B Services

B2B Service rev. +2.9% YoY with focus on service-based businesses despite streamlining low-profit businesses

FY2024 Performance

Rev. (Unit: KRW bn.)



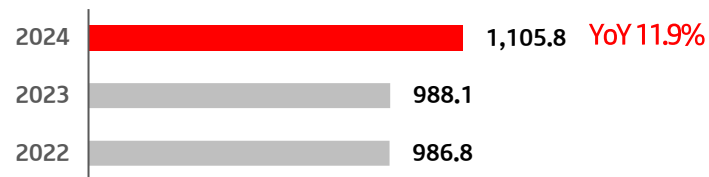
Highlights

Corp. Broadband/Data Rev. (Unit: KRW bn.)



※ Corp. Broadband/Data : Leased line, KorNet, VPN, Global Data

AI/IT Rev. (Unit: KRW bn.)



※ AI/IT : AX platform-based including AICC, IoT, Multi/Hybrid Cloud, Smart Mobility

3-4 KT - AI Partnership

Laying groundwork for B2B AX business growth starting with the launch of secure public cloud and Korea-customized AI model based on Microsoft strategic partnership

Significance of Partnership



Focus on
AX(AI driven DX)
leveraging the latest
AI technologies

Long-term partnerships
that enable sustainable
growth and innovation

Focus on **execution/
capabilities/ecosystem** to
secure competitive
advantage in AX tech.

FY25 Key Plans

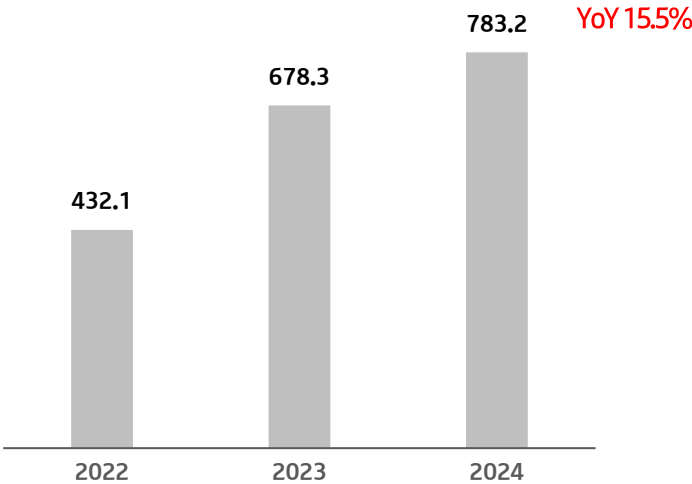
- '25.Jan ○ Commence Azure, M365 sales to the 30 strategic customers(incl. large companies) and public customers
- '25.Feb ○ Establishment of AX specialized organization
- '25.Mar ○ Launch **KT Secure Public Cloud** and start collaborative marketing with MS^(consulting/design/operation)
- '25.Jun ○ Launch **Korean AI model (Custom GPT 4o-K)**

3-5 kt cloud

kt cloud rev. +15.5% YoY, due to strong demand for data centers and increased CDN(Content Delivery Network) traffic

FY2024 Performance

Rev. (Unit: KRW bn.)



Highlights

Performance

- DC** - Continued revenue growth from global clients
- Increase in DBO business (Gasan, Gyeongbuk, etc.)
- Cloud** - Sustained competitive advantage in public sector through successful retention of major customers

DC Capacity (as of the end of FY24)

	Metropolitan Area	Non-Metropolitan Area
# of DC (incl. CDC)	7 (incl. Mokdong, Yongsan)	9 (incl. Gimhye, Songjeong)
Capacity (by IT load capacity)	Total 130.2MW	

3-6 Finance

(BC Card) Profitability improved with PLCC*(*Private Labeled Credit Card) expansion and platform revenue growth despite declined transaction volume

(K bank) Profit improved due to continued loan/deposit growth and cost stabilization by strengthening loan portfolio

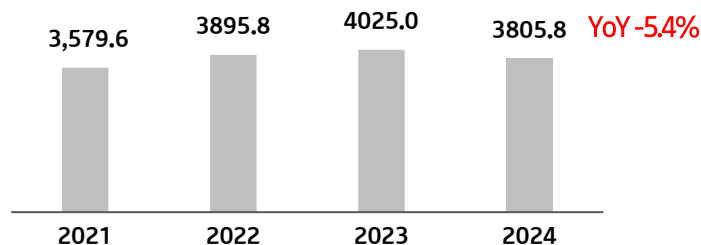
BC Card

- Rev. decreased due to the declined transaction volume impacted by economic recession
 - FY24 Rev. KRW 3,805.8bn (YoY -5.4%)
- OP increased significantly through cost control

K bank

- Continued profit improvement based on solid growth of deposit/loan/client and cost stabilization
- Record high operating profit through loan portfolio improvement
 - FY24 Operating profit up YoY +742.6%

BC Card Rev. (Unit: KRW bn.)



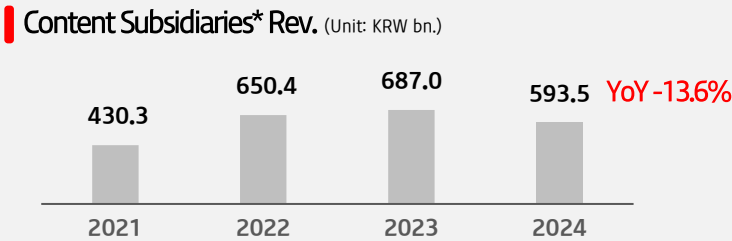
K bank Performance

	2021	2022	2023	2024	YoY
Deposit (KRW tn.)	11.3	14.6	19.1	28.6	49.7%
Loan (KRW tn.)	7.1	10.8	13.8	16.3	18.1%
Client (in mn)	717	849	953	1,274	33.7%

3-7 Media/Content

Content subsidiaries revenue down -13.6% YoY due to fewer content episodes aired and slump in the advertising market

FY2024 Performance



FY2025 Strategy

- Profitability improvement through non-captive expansion
- Reduction of production costs through AI utilization
- Optimization of content supply/distribution portfolio

2024 KT Original Content Key Performance



Disney+
World Wide Release



No. 1 viewership in
Mon -Tue Drama



#1 in
same time slot



Genie TV
Original



#4 in non-drama
search response



Netflix
streaming

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

3-8 Real Estate

Rev. +1.7% YoY due to steady growth of hotel and office rentals

FY2024 Performance

- Strong hotel business and continued growth in office rental

– kt estate, FY24 rev. increased 1.7% YoY

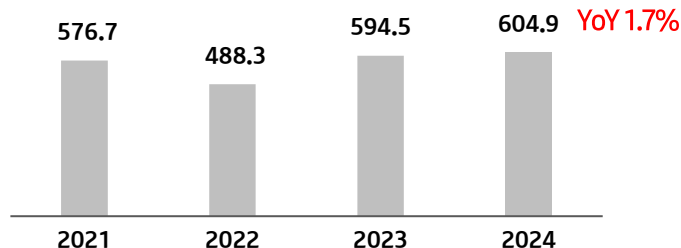
※ Major asset status

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

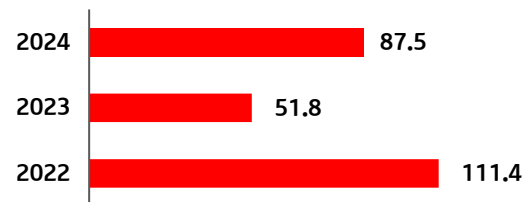
FY2025 Strategy

- Diversified asset portfolio including office · rental housing · hotel
- Major development project in Seoul scheduled for completion in the 1st half of 2025
 - (APT) 631units/ (Hotel) 150 rooms
 - (Rental housing) 282rooms / (Office) 1mn ft²/ (Shopping mall) 1.1 mn ft²

kt estate rev. (Unit: KRW bn.)



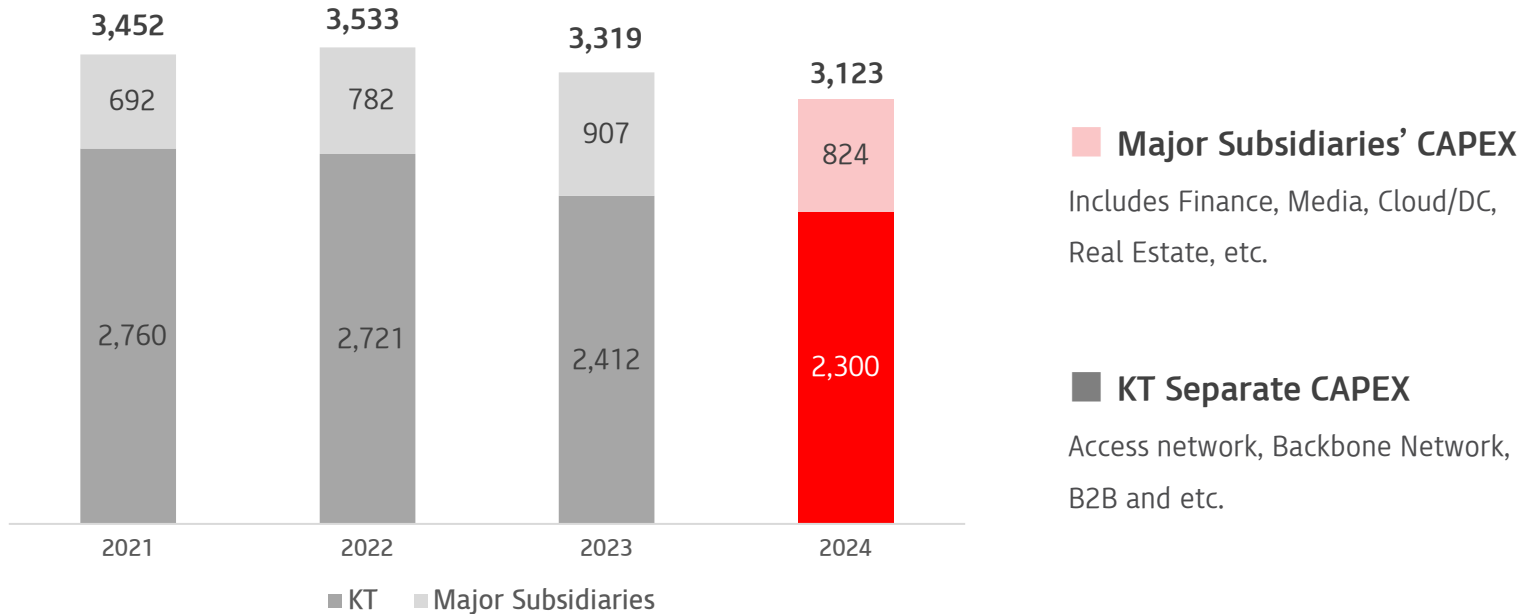
Profit by selling properties (Unit: KRW bn.)



3-9 CAPEX

- FY2024 Total CAPEX Execution: KRW 2,299.9bn (KT Separate), KRW 823.5bn (Major Subsidiaries)

(Unit: KRW bn.)



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1 K-IFRS Income Statement

(Unit: KRW bn)

Consolidated	4Q23	1Q24	2Q24	3Q24	4Q24	2023	2024	KT Separate	4Q23	1Q24	2Q24	3Q24	4Q24	2023	2024
Operating revenue	6,687.7	6,654.6	6,546.4	6,654.6	6,575.6	26,376.3	26,431.2	Operating revenue	4,592.0	4,694.8	4,548.3	4,765.0	4,571.6	18,371.4	18,579.7
Service revenue	5,720.2	5,722.7	5,776.6	5,752.0	5,754.7	22,994.7	23,005.9	Service revenue	3,941.2	4,040.6	4,048.0	4,069.0	3,995.8	15,932.4	16,153.4
Sale of goods	967.4	931.9	769.8	902.7	820.9	3,381.6	3,425.2	Handset revenue	650.8	654.2	500.3	696.0	575.8	2,439.0	2,426.3
Operating expense	6,422.0	6,148.1	6,052.4	6,190.5	7,230.7	24,726.5	25,621.7	Operating expense	4,395.7	4,301.0	4,189.5	4,426.1	5,316.6	17,186.0	18,233.2
Cost of Service	5,372.9	5,101.2	5,178.9	5,111.6	6,256.7	20,814.4	21,648.3	Cost of Service	3,707.7	3,624.7	3,696.8	3,688.7	4,713.8	14,626.7	15,724.0
Labor cost	1,157.8	1,100.9	1,213.2	1,118.3	2,189.6	4,549.4	5,622.0	Labor cost	530.5	540.7	631.3	534.6	1,545.1	2,278.5	3,251.7
General expense	2,843.7	2,674.2	2,708.3	2,692.6	2,791.2	10,871.1	10,866.2	General expense	1,925.0	1,777.1	1,804.2	1,832.7	1,905.9	7,219.6	7,320.0
Cost of service	725.5	726.5	656.6	699.8	667.5	2,890.0	2,750.4	Cost of service	594.2	673.2	630.6	685.6	620.0	2,529.7	2,609.4
Selling expense	645.9	599.6	600.8	600.8	608.4	2,503.9	2,409.6	Selling expense	657.9	633.7	630.7	635.7	642.8	2,598.8	2,542.9
Cost of Goods sold	1,049.1	1,046.9	873.5	1,078.9	974.0	3,912.1	3,973.4	Cost of Devices sold	688.1	676.3	492.6	737.3	602.8	2,559.3	2,509.0
Operating income	265.6	506.5	494.0	464.1	-655.1	1,649.8	809.5	Operating income	196.3	393.8	358.8	338.9	-745.0	1,185.4	346.5
N-OP income (loss)	-277.6	22.5	62.7	45.0	-321.9	-325.7	-191.8	N-OP income (loss)	-91.6	72.4	50.3	69.2	-101.5	-30.1	90.3
N-OP income	105.8	323.1	325.8	35.8	589.7	788.6	1,274.5	N-OP income	50.0	309.0	260.0	32.5	538.7	703.0	1,140.1
N-OP expense	340.7	310.9	260.1	-11.1	915.0	1,070.9	1,474.8	N-OP expense	141.6	236.6	209.7	-36.7	640.2	733.1	1,049.8
Equity Method (G/L)	-42.7	10.2	-3.0	-1.9	3.3	-43.4	8.6								
Income bf tax	-11.9	529.0	556.7	509.1	-977.1	1,324.1	617.7	Income bf tax	104.8	466.1	409.2	408.0	-846.5	1,155.3	436.8
Income tax	29.7	136.0	146.2	125.9	-240.4	335.4	167.7	Income tax	7.0	112.1	94.7	98.2	-228.1	222.0	76.9
Net income	-41.7	393.0	410.5	383.2	-736.6	988.7	450.1	Net income	97.8	354.0	314.5	309.8	-618.5	933.3	359.9
NI contribution to KT	54.5	375.5	393.0	357.3	-622.6	1,009.9	503.3								
EBITDA	1,279.2	1,480.2	1,460.2	1,428.9	318.0	5,459.9	4,687.2	EBITDA	1,031.5	1,199.1	1,162.9	1,144.8	70.4	4,368.7	3,577.2
EBITDA Margin	19.1%	22.2%	22.3%	21.5%	4.8%	20.7%	17.7%	EBITDA Margin	22.5%	25.5%	25.6%	24.0%	1.5%	23.8%	19.3%

2 K-IFRS Balance Sheet

(Unit: KRW bn)

Consolidated	4Q23	1Q24	2Q24	3Q24	4Q24
Assets	42,710.0	42,710.0	43,144.4	42,750.4	41,880.0
Current assets	14,518.2	14,997.4	15,175.2	15,197.0	14,252.0
Cash & cash equivalents	2,879.6	3,000.7	3,786.7	3,953.9	3,729.5
Trade & other receivables	4,287.3	4,571.4	4,161.7	4,304.2	3,987.3
Inventories	912.3	899.1	964.0	903.2	940.2
Other current asset	6,438.9	6,526.2	6,262.7	6,035.7	5,595.0
- Prepaid_Contract cost	1,252.1	1,249.2	1,233.6	1,236.7	1,233.6
- Contract assets	581.8	620.4	611.1	625.6	577.4
Non-current assets	28,191.8	27,712.6	27,969.2	27,553.4	27,628.0
Trade & other rec	451.7	381.2	398.4	357.0	381.8
Tangible assets	14,872.1	14,585.7	14,591.7	14,509.1	14,825.8
Other current assets	12,868.1	12,745.7	12,979.1	12,687.3	12,420.4
- Prepaid_Contract cost	475.4	465.1	471.4	485.2	504.6
- Contract assets	240.1	229.3	226.3	225.3	223.4
Liabilities	24,148.9	24,127.8	24,162.5	23,564.0	23,850.4
Current liabilities	13,147.5	14,046.1	14,095.2	14,644.5	13,841.8
Trade & other payables	8,054.9	8,282.4	8,052.3	7,712.9	7,361.8
Short-term borrowings	3,058.6	3,538.6	3,595.0	4,358.7	3,904.8
Others	2,033.9	2,225.1	2,447.9	2,572.9	2,575.2
- Contract liabilities	229.2	239.3	231.2	230.6	226.4
Non-current liabilities	11,001.4	10,081.7	10,067.3	8,919.5	10,008.7
Trade & other payables	819.6	554.1	556.2	573.4	578.4
Long-term borrowings	7,159.6	6,612.8	6,555.6	5,409.9	6,615.9
Others	3,022.3	2,914.8	2,955.4	2,936.2	2,814.3
- Contract liabilities	49.6	48.7	43.6	48.7	46.9
Equity	18,561.1	18,582.2	18,981.9	19,186.4	18,029.5
Retained earnings	14,494.4	14,361.5	14,452.7	14,675.2	13,812.8

KT Separate	4Q23	1Q24	2Q24	3Q24	4Q24
Assets	30,308.9	30,334.8	30,464.8	29,957.1	29,528.9
Current assets	7,088.6	7,578.4	7,451.7	7,447.7	6,892.6
Cash & cash equi.	1,242.0	1,331.6	1,722.5	1,608.7	1,540.6
Trade & other rec	3,190.3	3,546.3	3,097.6	3,275.6	2,904.8
Inventories	368.1	310.3	404.1	264.6	224.7
Other current asset	2,288.2	2,390.2	2,227.5	2,298.8	2,222.5
- Prepaid_Contract cost	1,340.2	1,335.4	1,312.5	1,318.3	1,308.8
- Contract assets	535.8	540.2	548.6	542.0	521.1
Non-current assets	23,220.4	22,756.4	23,013.1	22,509.4	22,636.3
Trade & other rec	370.7	298.8	321.1	278.2	309.1
Tangible assets	11,492.8	11,214.3	11,264.4	11,185.6	11,477.7
Other current assets	11,356.9	11,243.3	11,427.6	11,045.6	10,849.5
- Prepaid_Contract cost	464.2	451.9	453.8	475.3	493.4
- Contract assets	219.1	207.4	204.1	201.7	198.2
Liabilities	15,265.4	15,335.6	15,166.7	14,513.1	15,075.7
Current liabilities	6,957.5	7,477.8	7,315.1	8,074.9	7,600.2
Trade & other payables	4,459.0	4,864.3	4,694.7	4,421.5	4,552.8
Short-term borrowings	1,725.2	1,914.9	1,789.5	2,860.3	2,434.2
Others	773.3	698.5	830.8	793.0	613.2
- Contract liabilities	223.9	227.0	206.9	210.5	208.4
Non-current liabilities	8,307.9	7,857.9	7,851.6	6,438.2	7,475.5
Trade & other payables	1,364.8	1,074.2	1,063.8	1,010.2	979.4
Long-term borrowings	5,834.7	5,652.2	5,675.7	4,290.7	5,437.7
Others	1,108.4	1,131.5	1,112.0	1,137.3	1,058.4
- Contract liabilities	35.8	36.0	26.4	32.9	34.5
Equity	15,043.5	14,999.2	15,298.1	15,444.1	14,453.2
Retained earnings	12,544.4	12,390.5	12,404.2	12,579.2	11,750.9

3 Subscribers

K-IFRS / Separate

(Unit: Thousands)

Wireless Subscribers	4Q 23	1Q 24	2Q 24	3Q 24	4Q 24	QoQ	YoY
Total	24,897	24,834	24,904	25,199	26,132	3.7%	5.0%
- MNO	17,759	17,743	17,770	17,997	18,950	5.3%	6.7%
- MVNO	7,138	7,091	7,134	7,203	7,182	-0.3%	0.6%
5G Handset¹⁾	9,722	9,948	10,093	10,251	10,400	1.4%	7.0%
Churn rate²⁾	1.1%	1.1%	1.0%	1.0%	1.1%	0.1%	0.0%
ARPU (KRW)³⁾	34,302	34,461	34,507	34,560	34,567	0.0%	0.8%

1) 5G Handset : Retroactively applied from 1Q23 based on the change of subscriber disclosure criteria by the MSIT (excludes 5G 2nd 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	4Q 23	1Q 24	2Q 24	3Q 24	4Q 24	QoQ	YoY
Telephony	12,035	11,903	11,748	11,616	11,475	-1.2%	-4.7%
- PSTN	8,820	8,673	8,526	8,395	8,264	-1.6%	-6.3%
- VoIP	3,215	3,230	3,222	3,222	3,211	-0.4%	-0.1%
Broadband	9,827	9,862	9,899	9,928	9,956	0.3%	1.3%
IPTV (GTV+GTS)	9,409	9,418	9,423	9,440	9,449	0.1%	0.4%

※ 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)

