

KT 3Q25 Earnings Release

2025. 11. | Investor Relations



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1-1 3Q25 Highlights

Financials

Operating profit increased, driven by real estate PJT*, CT and group portfolio growth

Cons. Rev. **7,126.7bn** (YoY +7.1%)
OP** **538.2bn** (YoY +16.0%)

Sep. Rev. **5,109.0bn** (YoY +7.2%)
OP** **340.9bn** (YoY +0.6%)

*Gwangjin-gu Lotte Eastpole Apartment

**Operating profit up 26.2% YoY consolidated / 14.6% YoY separate, excluding one-off wage negotiation cost(KRW 47.5bn)

Hacking Incidents

✓ Customer compensation measures

- USIM replacement for total KT subscribers
- 368 subs. affected by unauthorized micropayments
: Full reimbursement (Total KRW 240mn)
- 22,227 subs. affected by illegal base station connections
: Compensation package (incl. cancellation fee waivers)

✓ Measures to prevent recurrence

- Strengthened micro base station and mgmt. system
- Real-time fraud^{abnormal payments} monitoring system
- Abnormal access/device-change blocking system^{FDS}
- Investment of KRW 1tn. over five years for security

Strengthening AX Biz

✓ Launched multi-AI models

- KT developed Mi:dm 2.0 /MS collab.^{SOTA K} / Open-source^{Llama K}

✓ New products based on MS partnership

- GPUaaS^{Sep.10}, Secure Public Cloud^{4Q}

✓ Opened 'KT Innovation Hub' (Oct. 20)

- Tailored AX consulting by KT-MS experts

Shareholder Return

✓ 3Q25 dividend (Payment Nov. 20)

- DPS KRW 600 ('25 YTD KRW 1,800)

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2-1 FY2028 Financial Target and Action Plans

AICT Company

2028 Target

Consolidated ROE 9% ~ 10%

AICT Transformation

AI/IT Rev. Share Up 3x of 2023

Attain top-tier AI/Cloud capabilities by global big tech partnership

Secure Profitability

Consolidated OP Margin 9%

Enhance OP through streamlining low-profit biz

Asset Optimization

Non-Core Asset Liquidation

Liquidate non-core assets and idle real estate

Additional Shareholder Return

KRW 1tr. Share Buyback

Enhance capital efficiency through additional returns

Progress [2024~3Q25 YTD]

Strengthened AX capability with strategic partnership
(AI model SOTA, Palantir partnership)

Improved business and cost structure
(Low-margin 39biz, KRW 50bn)

Monetized non-core assets
(Profit KRW 82.4bn, Cash KRW 275.7bn)

'25 Share buyback KRW 250bn
(Cancellation will be executed in consideration of foreign ownership limits)

Strategy Integrate AI into core biz. Telco, Media, NW, IT, accelerate growth of B2B AX and revamp mgmt. structure

2-2 AICT Transformation

Enhancing AI/IT capabilities and driving AICT transformation via global big tech partnerships and IT modernization

AICT Transformation | AI/IT Rev. Share Up 3x of 2023

AI/IT Sales Contribution*



Strategic Direction

Expanding industry-specific AI services through partnership with global big tech companies

FY25 Performance



Launched SOTA K, Palantir

Deployed AI platform at KT
an its domestic distribution

Public

· Identifying new opportunities aligned with national AI/Cloud policy

Finance

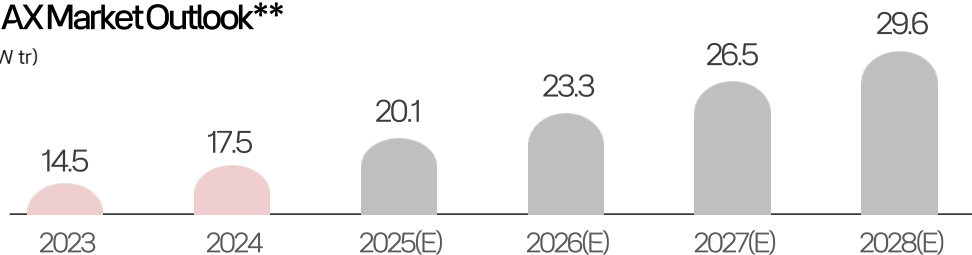
· Developing the financial sector's AI adoption with specialized AI agents

Corp.

· Providing tailored AI consulting and models via KT-MS AI experts

Korea AX Market Outlook**

(Unit: KRW tr)



*AI/IT Sales Contribution based on KT separate service rev.

**Korea AX Market: Reconstructed based on "Korea AI Market Outlook"('23.04), "Whole Cloud Market Size" ('24.08)

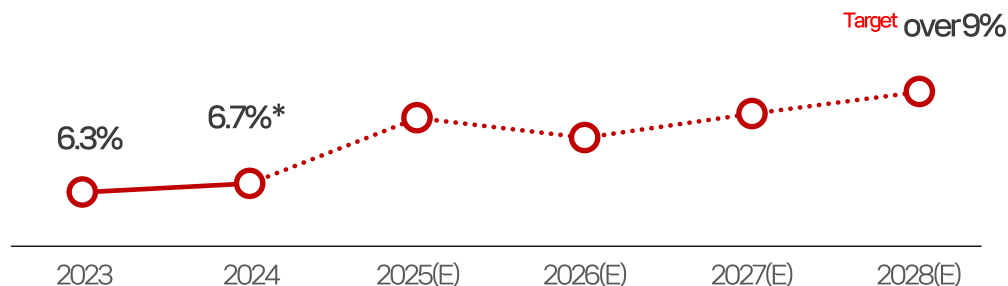
2-3 Streamline low-margin businesses

Complete a growth-oriented business portfolio by 2028 through AICT transformation and streamlining of low-profit businesses

Improving Margin

Consolidated OP Margin 9%

Consolidated OPM



FY25 Performance

Streamlined 23 businesses with low growth potential, limited competences

- Healthcare, Logistics solutions, Solar energy, etc.

Revamped profit model of 16 businesses

- Smart city, AICC, C-ITS, etc.

Strategic Direction

Continue rationalization for margin improvement

Target

- Low-profit biz with limited potential
- High-cost biz without competency
- Biz with low value for AICT

Action

- Cease operation by 2025 (No revenue or costs from 2026)
- Gradual exit by contract terms

Impact

- Improving OP of KRW 50bn in 2025

*Excluding one-off costs (approx. KRW 1tr)

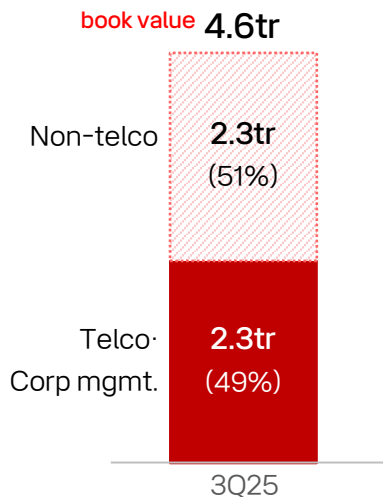
2-4 Asset Efficiency

Enhance asset efficiency through telecom facility optimization and monetization of non-core real estate

Asset Monetization | Monetizing Non-core Real Estate

Status of Real Estate Assets

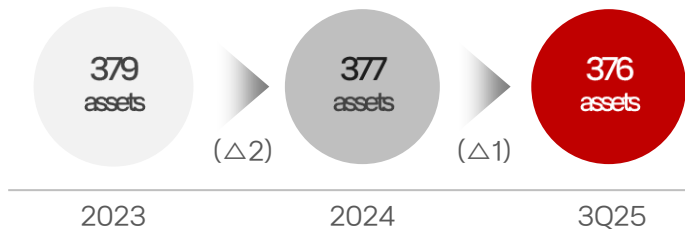
(KT and kt estate book value)



Develop or divest assets based on feasibility



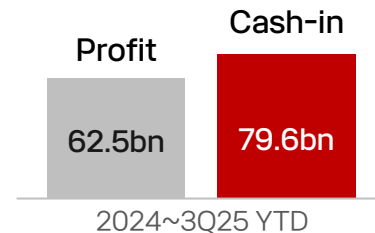
Unlock idle assets via telco sites optimization



Strategic Direction

Ongoing monetization of non-core real estate assets

Progress · Sales of small idle properties



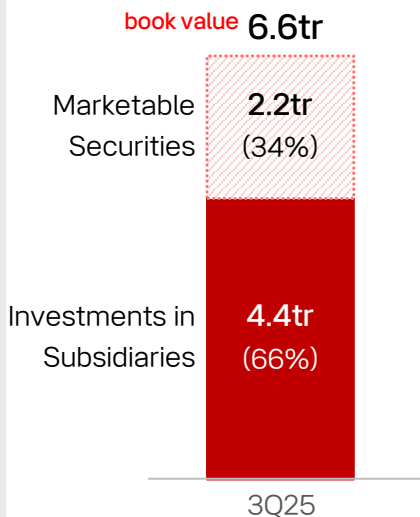
2-4 Asset Efficiency

Monetize investment assets considering purpose, profitability, and strategic value, and use proceeds for capital allocation

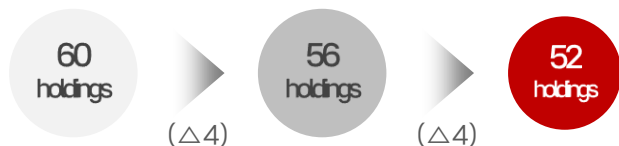
Asset Monetization | Divestment of Non-essential Investment Assets

Status of Investment Assets

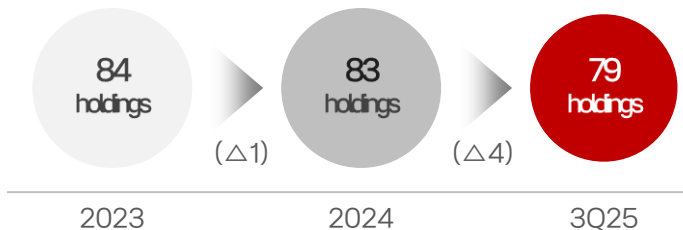
(KT standalone book value)



Sell marketable securities with diminished strategic relevance



Optimize group portfolio for sustainable growth

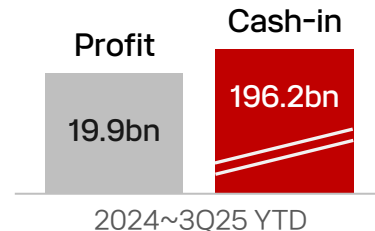


Strategic Direction

Ongoing portfolio optimization considering financial-strategic value

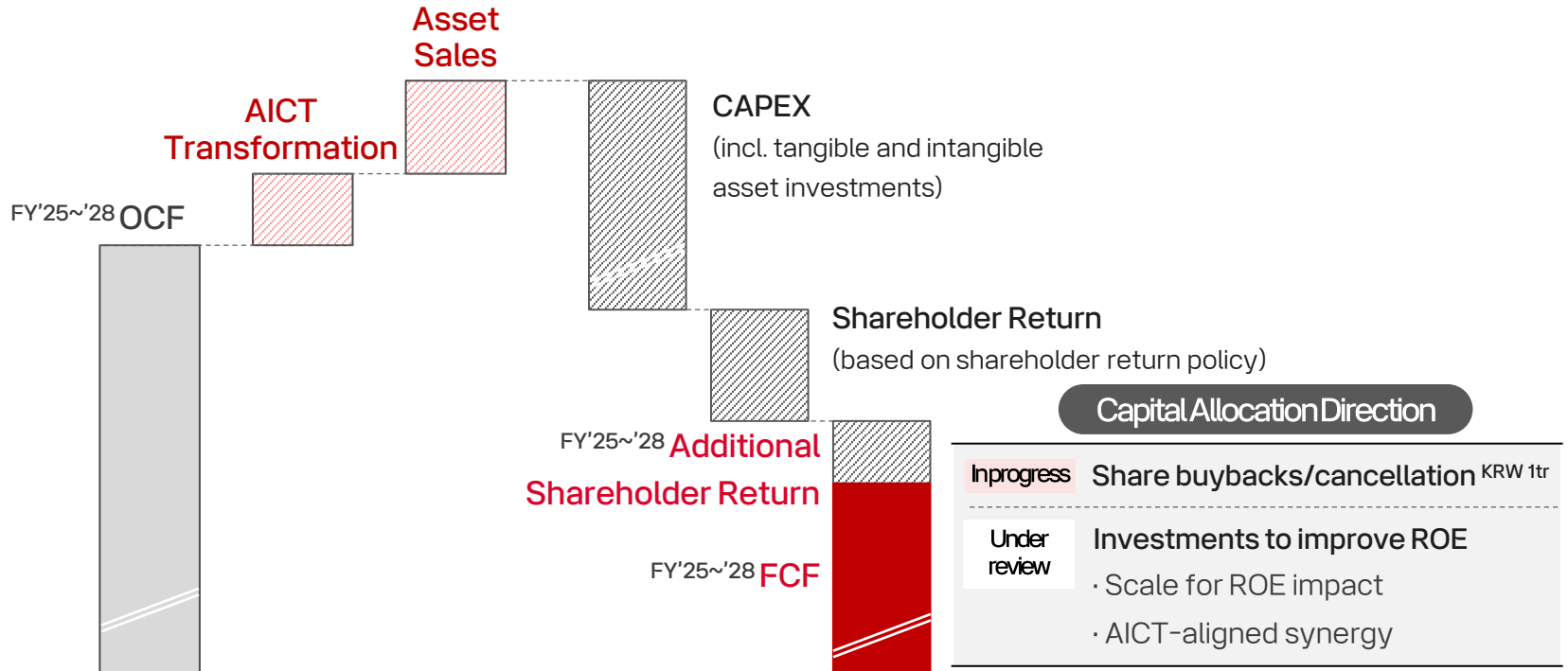
Progress

- Δ8 marketable securities
- Δ5 subsidiaries
(6 new, 7 sold, 2 merged, 2 liquidated)



2-5 Capital Allocation

Boost free cash flow via profits from AICT transformation and non-core asset sales; invest KRW 1tr^{FY'25~'28} in buybacks, cancellations, and strategic investments to enhance ROE



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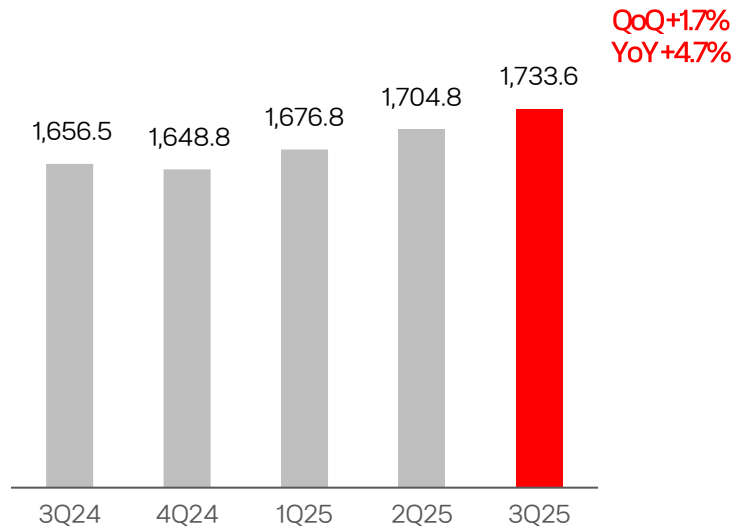
4 Appendix

3-1 KT – Wireless

Wireless service revenue +4.7% YoY with increased subscribers(5G Penetration 80.7%)

3Q25 Performance

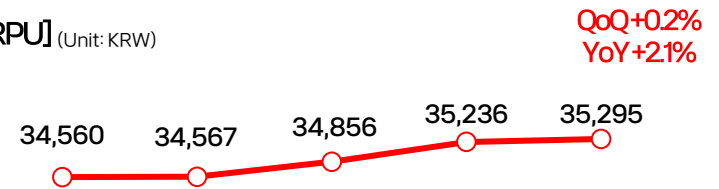
Service Rev. (Unit: KRW bn)



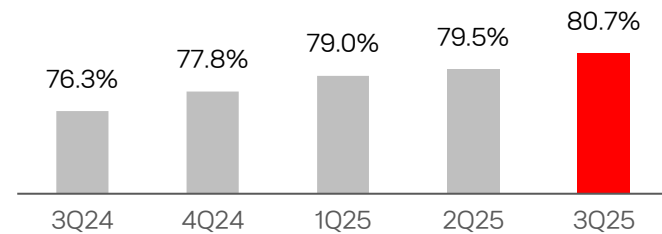
Highlights

ARPU & 5G Penetration

[ARPU] (Unit: KRW)



[5G Penetration*]



* (5G Handset Subs.) / (MNO Handset Subs.)

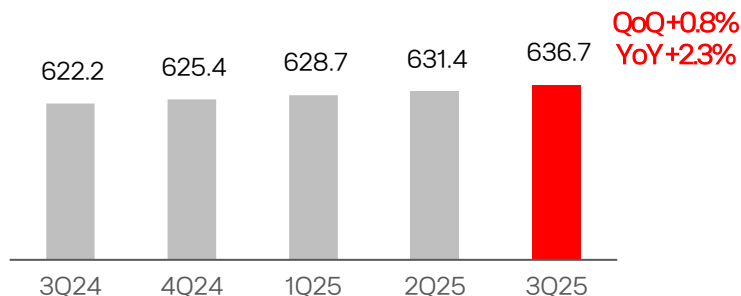
3-2 KT – Fixed Line

Broadband rev. +2.3% YoY via GiGA growth and value-added services expansion

Media revenue up 3.1% YoY backed by IPTV subscriber net adds and premium plans uptake

Broadband

Rev. (Unit: KRW bn)



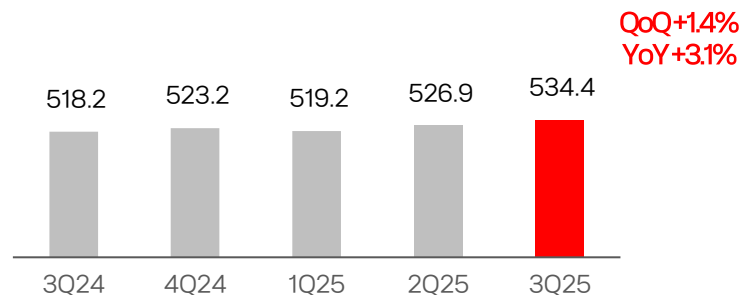
Subscribers (Unit: Thousands)

	3Q24	4Q24	1Q25	2Q25	3Q25	YoY
Total	9,928	9,956	9,984	10,073	10,135	2.1%
GiGA %*	68.9%	69.2%	69.4%	69.7%	70.0%	1.0%p

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

Media

Rev. (Unit: KRW bn)



Subscribers (Unit: Thousands)

	3Q24	4Q24	1Q25	2Q25	3Q25	YoY
Total	9,440	9,449	9,438	9,490	9,520	0.8%
16.5K↑ %*	32.2%	32.5%	32.8%	33.4%	33.8%	1.6%p

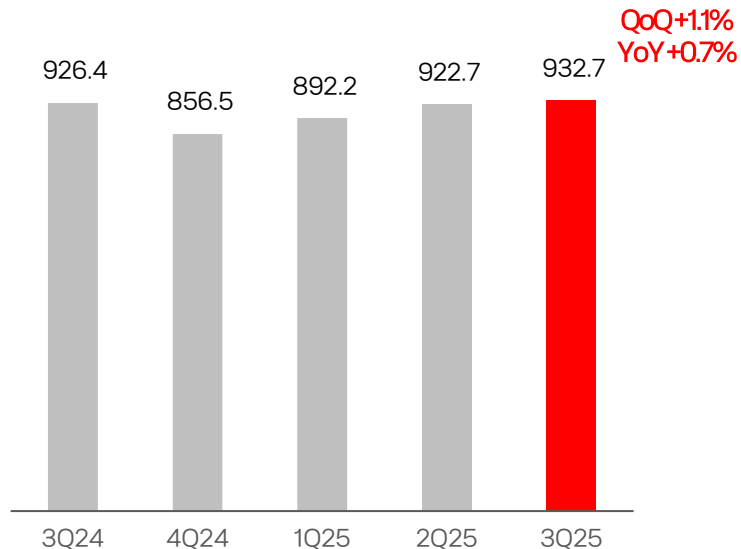
* (Cumulative 16.5K ↑ Subs.) / (Total IPTV Mass Subs.)

3-3 KT – B2B Services

B2B services rev. +0.7% YoY, driven by growth in corporate telecom businesses, despite continued streamlining of low-margin businesses

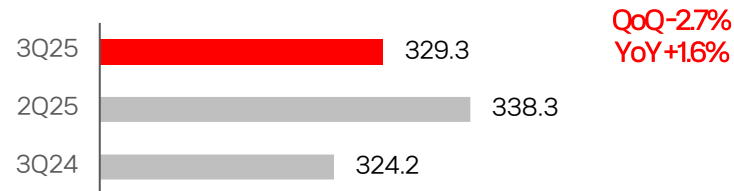
3Q25 Performance

Rev. (Unit: KRW bn)



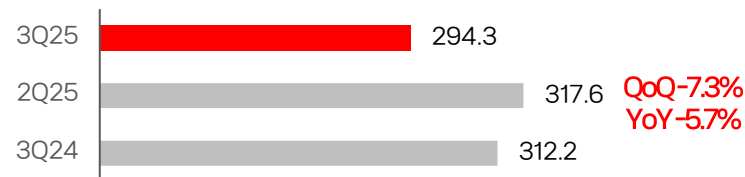
Highlights

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



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

AI/IT Rev. (Unit: KRW bn)



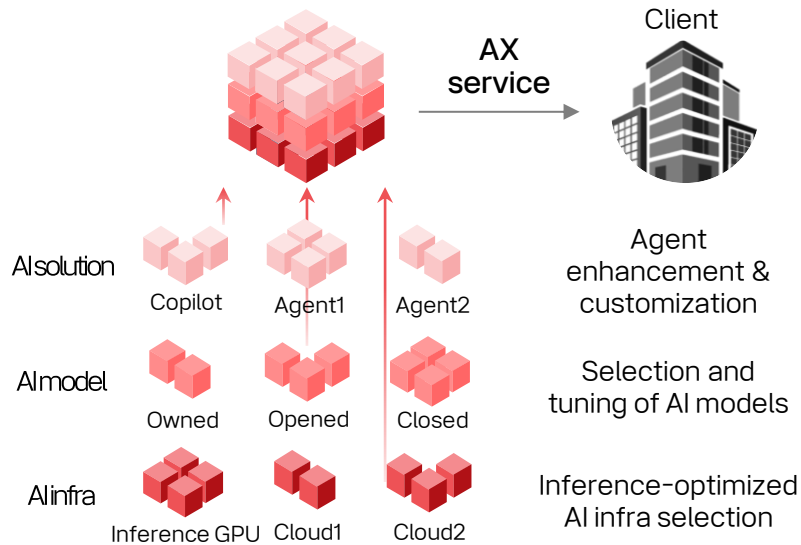
※ AI/IT: AX platform-based including AICC, IoT, Multi/Hybrid Cloud, Smart Mobility

3-4 KT – AI Strategy

Built a foundation for AX business growth through new products and new order acquisitions based on the partnership with MS

AI Strategy

Deliver optimized AX services by industry and company



AX Acceleration

3Q25 Performance

- Launched MS-partnered products: K GPUaaS^{9/10}, SOTA K^{9/29}
- Secured POCs and new wins in key sectors^{IT, finance, education, etc.}

New Business Timeline

- '25.Jan ○ Commenced Azure, M365 sales to 30 priority clients and the public sector
- '25.Mar ○ Launched AX Delivery Center
- '25.Jun ○ Started collaborative marketing with MS Strategic partnership with Palantir
- '25.Sep ○ Launched K GPUaaS*, SOTA K**
- '25.Oct ○ Opened KT Innovation Hub
- '25.4Q ○ **Launch of KT Secure Public Cloud**

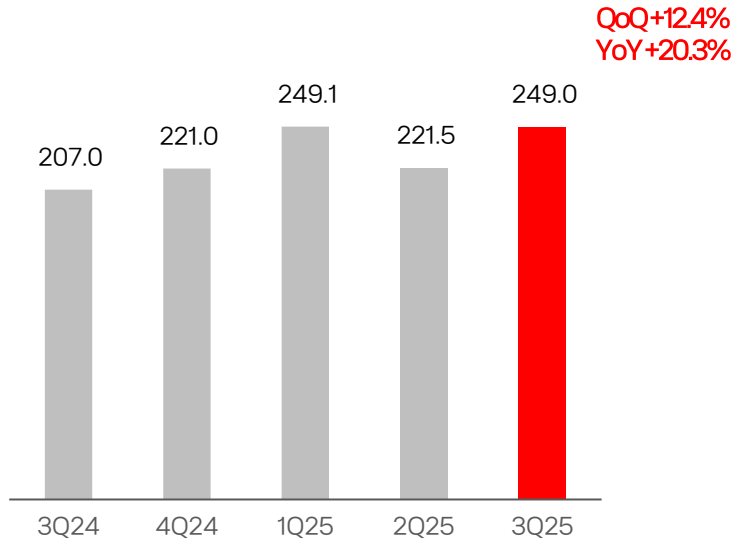
*GPUaaS: GPU-as-a-Service **SOTA K: State Of The Art

3-5 kt cloud

kt cloud rev. up 20.3% YoY driven by DC colocation growth and public sector AI cloud wins

3Q25 Performance

Rev. (Unit: KRW bn)



Highlights

Performance

DC

- Growth by usage expansion of global clients and new deals with new enterprises
- Securing new DC capacity for CSP and local demand

Cloud

- Rev. growth from public HPC* program
- Strengthened foundation for growth through GPUaaS expansion across public and private sectors

DC Capacity (as of the end of 3Q25)

	Metropolitan Area	Non-metropolitan Area
# of DC (incl. CDC)	8 (incl. Mokdong, Yongsan)	8 (incl. Gimhae, Songjeong)

3-6 Finance

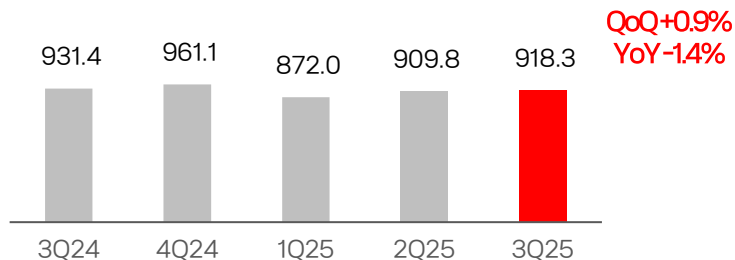
(BC Card) Proprietary card profit turned positive, but profit down from Smatro's early retirement program
 (K bank) Earnings declined due to the high base effect from NPL disposals, despite growth in loans and AUM

BC Card

- **Rev. declined due to lower merchant fee revenue despite increase purchases consumer coupon**
 - 3Q25 Rev. KRW 918.3bn(QoQ +0.9%, YoY -1.4%)
- **Profit declined due to Smatro's ERP¹ despite the improved profit of its proprietary cards**
 - 3Q25 OP KRW 33.0bn(QoQ -28.4%, YoY -7.2%)

1)Early Retirement Program

BC Card Rev. (Unit: KRW bn)



K bank

- **Earnings declined due to high base effect from NPL² disposals, despite loan and AUM growth**
 - 3Q25 OP KRW 20.7bn(QoQ -70.3%, YoY -42.5%)
- **Decision to restart IPO process**
 - Plan to disclose timing to the market once confirmed

2)Non-Performing Loan

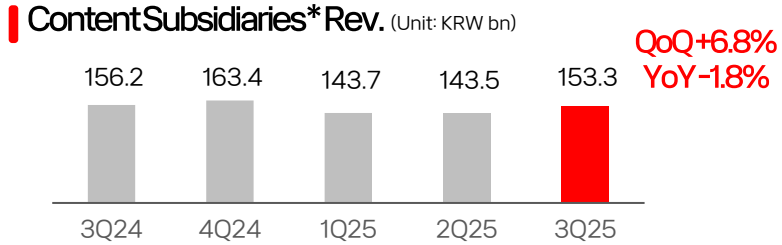
K bank Performance

	3Q24	4Q24	1Q25	2Q25	3Q25	YoY
Deposit (KRW tr)	22.0	28.6	27.8	26.8	30.4	38.5%
Loan (KRW tr)	16.2	16.3	16.9	17.4	17.9	10.3%
Client (10K)	1,205	1,274	1,363	1,413	1,497	24.3%

3-7 Media/Content

Content subsidiaries rev. down slightly due to PlayD divestment despite growth from kt Millie's Library and kt Nasmedia

3Q25 Performance



FY25 Key Plans

- Optimizing content creation/distribution portfolio
- Reducing production costs utilizing AI
- Adopting AI agent to improve customer experience and build win-win model

FY25 KT Original Content Production Plan



'Mother and Mom'
('25.03)



'New Recruit3'
('25.04)



'Tastefully Yours'
('25.05)



'My Troublesome Star'
('25.08)



'Ms. Incognito'
('25.09)

Targeting 7
original content
releases

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

3-8 Real Estate

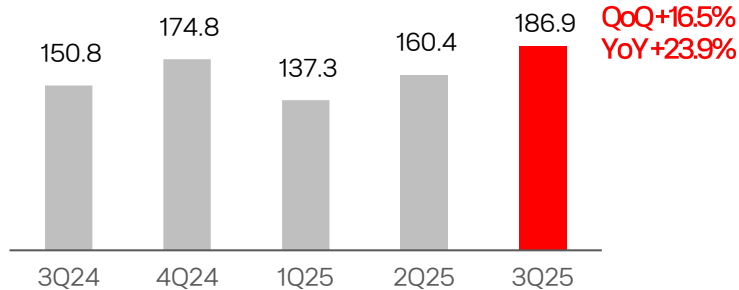
kt estate rev. +23.9% YoY, supported by growth in hotel business and new development* project

*Daejeon HR Center

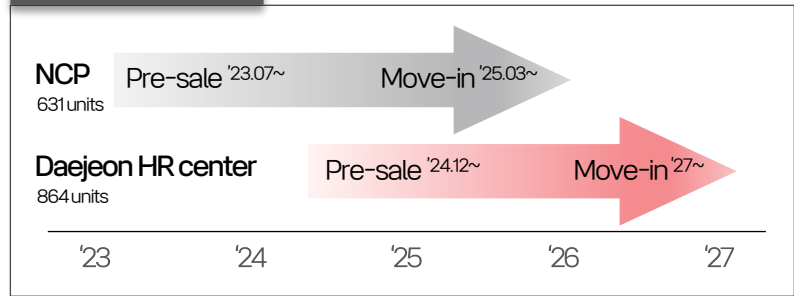
ktestate

- Diversified asset portfolio across office, rental housing, and hotels
- Recurring sales from development of owned assets

ktestate Rev. (Unit: KRW bn)

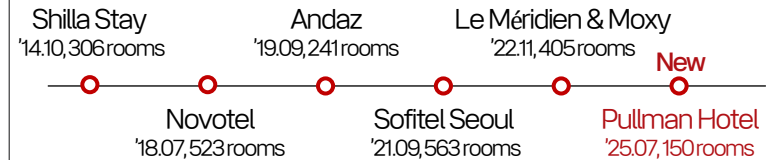


APT Development



Hotel Ownership

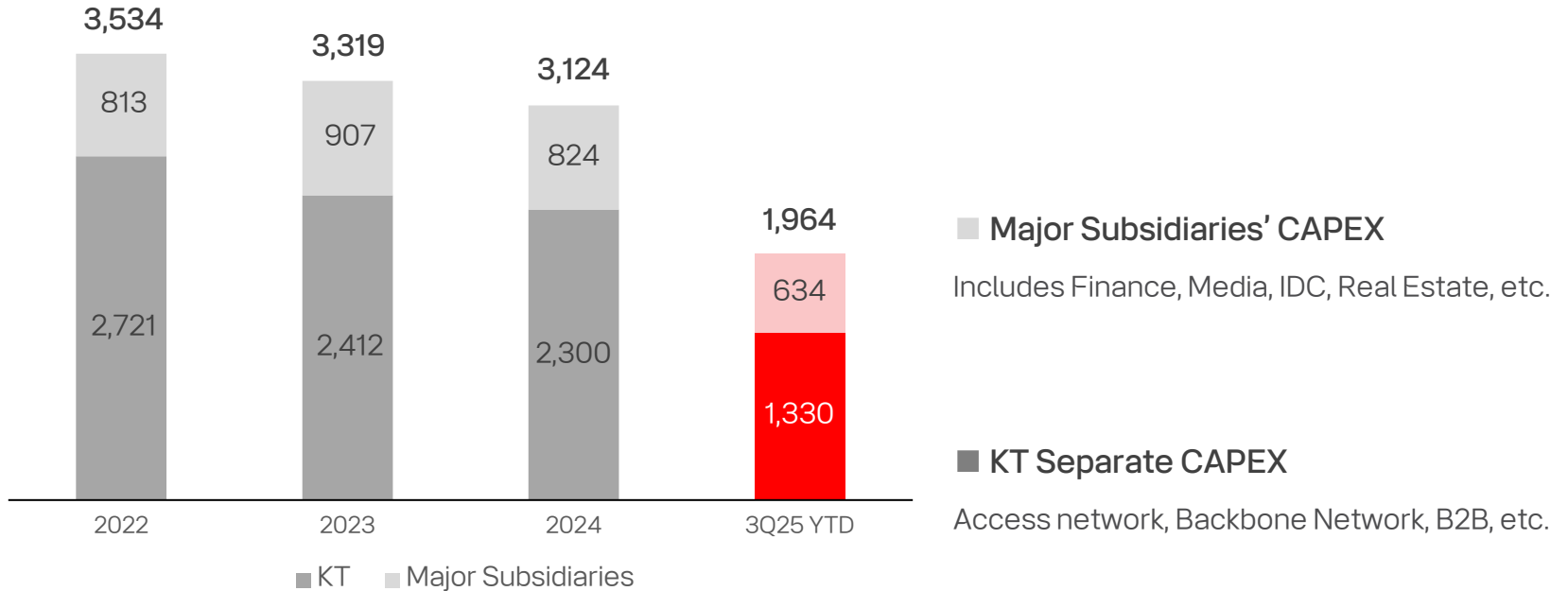
- 6 hotels owned by KT and kt estate



3-9 CAPEX

3Q25 YTD CAPEX execution: KRW 1,329.5bn(KT separate), KRW 634.2bn(Major subsidiaries)

(Unit: KRW bn)



3-10 Governance

Initiated CEO candidate pool discussion on Nov. 4, officially launching the next CEO appointment process

Next CEO Appointment

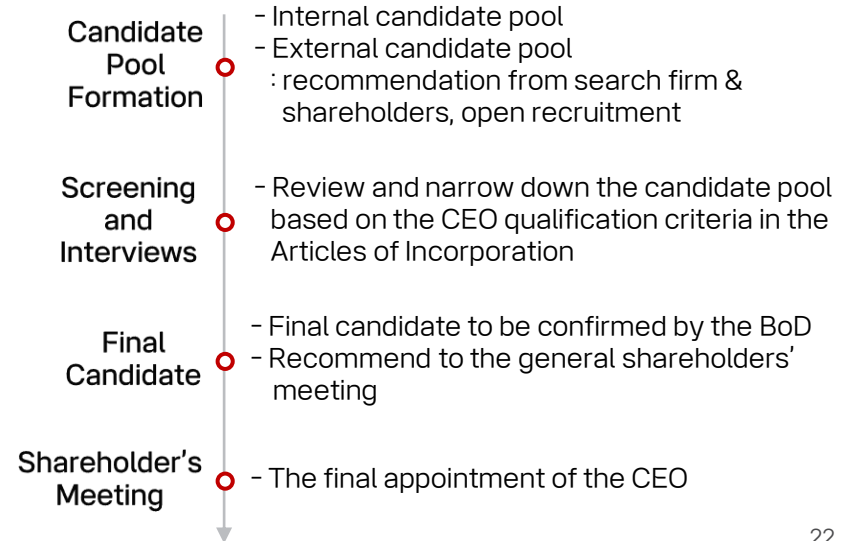
CEO Candidate Recommendation Committee

- Composition: all 8 outside directors
- Role: Formation and evaluation of CEO candidate pool
- Plan: Select final candidate within 2025

CEO Candidate Pool Formation

- External professional organizations
- Open recruitment: November 5th ~16th
- Shareholder of $\geq 0.5\%$ shares for ≥ 6 months recommendations
- Internal candidates under relevant internal regulations

KT CEO Appointment Process



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1 K-IFRS Income Statement

(Unit: KRW bn)

Consolidated	3Q24	4Q24	1Q25	2Q25	3Q25	KT Separate	3Q24	4Q24	1Q25	2Q25	3Q25
Operating revenue	6,654.6	6,575.6	6,845.1	7,427.4	7,126.7	Operating revenue	4,765.0	4,571.6	4,682.0	4,772.8	5,109.0
Service revenue	5,752.0	5,754.7	5,700.4	5,817.8	5,920.8	Service revenue	4,069.0	3,995.8	4,044.5	4,131.7	4,179.9
Sale of goods	902.7	820.9	1,144.7	1,609.6	1,205.9	Sale of goods	696.0	575.8	637.5	641.1	929.1
Operating expense	6,190.5	7,230.7	6,156.3	6,412.6	6,588.6	Operating expense	4,426.1	5,316.6	4,281.9	4,304.1	4,768.1
Cost of Service	5,111.5	6,256.7	5,114.1	5,129.9	5,304.6	Cost of Service	3,688.7	4,713.8	3,620.7	3,677.4	3,837.8
Labor cost	1,118.3	2,189.6	1,121.8	1,119.4	1,167.6	Labor cost	534.6	1,545.1	460.2	463.0	492.8
General expense	2,692.6	2,791.2	2,655.8	2,639.7	2,725.9	General expense	1,832.7	1,905.9	1,875.7	1,856.0	1,956.7
Cost of service	699.7	667.5	738.4	755.8	778.5	Cost of service	685.6	620.0	647.5	690.6	707.4
Selling expense	600.8	608.4	598.0	615.1	632.6	Selling expense	635.7	642.8	637.4	667.8	680.9
Cost of Goods sold	1,079.0	974.0	1,042.3	1,282.6	1,283.9	Cost of Goods sold	737.3	602.8	661.2	626.7	930.3
Operating income	464.1	-655.1	688.8	1,014.8	538.2	Operating income	338.9	-745.0	400.1	468.7	340.9
N-OP income (loss)	45.0	-354.9	23.1	-39.9	55.3	N-OP income (loss)	69.2	-134.5	48.2	-46.2	39.3
N-OP income	35.8	611.5	199.1	351.4	132.7	N-OP income	32.5	538.7	158.2	317.6	72.6
N-OP expense	-11.1	969.7	167.9	407.1	74.2	N-OP expense	-36.7	673.2	110.0	363.9	33.2
Equity Method (G/L)	-1.9	3.3	-8.2	15.7	-3.3						
Income bf tax	509.1	-1,010.1	711.8	974.9	593.4	Income bf tax	408.0	-879.5	448.3	422.5	380.2
Income tax	125.9	-240.4	145.0	241.6	148.2	Income tax	98.2	-228.1	82.9	64.5	90.5
Net income	383.2	-769.6	566.8	733.3	445.3	Net income	309.8	-651.4	365.4	358.0	289.7
NI contribution to KT	357.3	-655.6	539.8	687.9	391.5						
EBITDA	1,428.9	318.0	1,657.4	1,990.7	1,503.9	EBITDA	1,144.8	70.4	1,210.6	1,281.7	1,153.8
EBITDA Margin	21.5%	4.8%	24.2%	26.8%	21.1%	EBITDA Margin	24.0%	1.5%	25.9%	26.9%	22.6%

2 K-IFRS Balance Sheet

(Unit: KRW bn)

Consolidated	3Q24	4Q24	1Q25	2Q25	3Q25	KT Separate	3Q24	4Q24	1Q25	2Q25	3Q25
Assets	42,750.4	41,880.0	42,185.6	42,193.3	43,012.8	Assets	29,957.1	29,528.9	29,041.0	29,008.7	29,049.2
Current assets	15,197.0	14,251.9	14,458.5	14,385.4	15,123.6	Current assets	7,447.7	6,892.6	7,016.3	7,022.2	7,127.8
Cash & cash equivalents	3,953.9	3,716.7	3,133.0	3,794.4	3,890.3	Cash & cash equivalents	1,608.7	1,540.6	1,150.6	1,419.9	1,095.5
Trade & other receivables	4,304.2	3,987.3	4,217.8	3,955.6	4,215.7	Trade & other receivables	3,275.6	2,904.8	3,209.5	2,958.1	3,186.5
Inventories	903.2	940.2	853.9	443.9	443.8	Inventories	264.6	224.7	190.2	166.7	155.2
Other current asset	6,035.7	5,607.8	6,253.8	6,191.5	6,573.7	Other current asset	2,298.8	2,222.5	2,465.9	2,477.5	2,690.7
- Prepaid Contract cost	1,236.7	1,233.6	1,325.3	1,304.0	1,450.7	- Prepaid Contract cost	1,318.3	1,308.8	1,405.7	1,389.3	1,549.9
- Contract assets	625.6	577.4	597.9	744.2	805.2	- Contract assets	542.0	521.1	521.4	667.8	707.8
Non-current assets	27,553.4	27,628.0	27,727.1	27,808.0	27,889.2	Non-current assets	22,509.4	22,636.3	22,024.7	21,986.5	21,921.4
Trade & other rec	357.0	381.8	336.3	378.3	422.1	Trade & other rec	278.2	309.1	241.1	278.9	319.9
Tangible assets	14,509.1	14,825.8	14,398.1	14,226.4	14,121.1	Tangible assets	11,185.6	11,477.7	11,068.3	10,913.7	10,748.7
Other current assets	12,687.3	12,420.4	12,992.7	13,203.3	13,346.0	Other current assets	10,116.8	9,953.2	9,856.6	9,941.2	10,028.4
- Prepaid Contract cost	485.2	504.6	462.3	631.5	629.2	- Prepaid Contract cost	475.3	493.4	454.8	625.6	624.1
- Contract assets	225.3	223.4	208.3	146.1	173.2	- Contract assets	201.7	198.2	182.3	116.1	140.1
Liabilities	23,564.0	23,883.4	23,847.3	23,316.2	23,752.8	Liabilities	14,513.1	15,108.7	14,409.3	14,165.6	13,986.4
Current liabilities	14,644.5	13,874.7	13,134.6	12,123.5	12,223.6	Current liabilities	8,074.9	7,633.2	7,265.4	7,074.7	6,539.8
Trade & other payables	7,712.9	7,394.8	6,952.5	7,077.7	7,770.5	Trade & other payables	4,421.5	4,585.8	4,258.8	4,459.9	4,545.4
Short-term borrowings	4,358.7	3,904.8	3,649.1	2,934.3	2,454.1	Short-term borrowings	2,860.3	2,434.2	2,263.0	1,895.4	1,310.4
Others	2,572.9	2,575.2	2,533.0	2,111.4	1,999.0	Others	793.0	613.2	743.6	719.5	684.1
- Contract liabilities	230.6	226.4	244.1	330.3	228.1	- Contract liabilities	210.5	208.4	217.8	204.8	198.3
Non-current liabilities	8,919.5	10,008.7	10,712.7	11,192.7	11,529.2	Non-current liabilities	6,438.2	7,475.5	7,144.0	7,090.9	7,446.6
Trade & other payables	573.4	578.4	372.4	383.7	386.6	Trade & other payables	1,010.2	979.4	672.0	666.8	649.8
Long-term borrowings	5,409.9	6,615.9	7,520.5	7,815.9	8,078.2	Long-term borrowings	4,290.7	5,437.7	5,417.6	5,184.4	5,499.5
Others	2,936.2	2,814.3	2,819.9	2,993.2	3,064.4	Others	1,137.3	1,058.4	1,054.4	1,239.7	1,297.2
- Contract liabilities	48.7	46.9	48.4	36.6	33.4	- Contract liabilities	32.9	34.5	37.5	28.0	27.3
Equity	19,186.4	17,996.5	18,338.3	18,877.1	19,259.9	Equity	15,444.1	14,420.2	14,631.7	14,843.1	15,062.8
Retained earnings	14,675.2	13,779.8	14,197.4	14,739.9	14,986.2	Retained earnings	12,579.2	11,717.9	11,965.0	12,156.4	12,301.6

3 Subscribers

K-IFRS / Consolidated

Wireless Subscribers	3Q24	4Q24	1Q25	2Q25	3Q25	QoQ	YoY
Total	25,199	26,132	26,445	27,491	28,328	3.0%	12.4%
- MNO	17,997	18,950	19,186	19,842	20,271	2.2%	12.6%
- MVNO	7,203	7,182	7,259	7,649	8,057	5.3%	11.9%
5G Handset ¹	10,251	10,400	10,552	10,866	11,048	1.7%	7.8%
Churn rate ²	1.0%	1.1%	1.0%	1.0%	1.2%	0.2%p	0.2%p
ARPU(KRW)³	34,560	34,567	34,856	35,236	35,295	0.2%	2.1%

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, etc. incl.

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

Fixed Line Subscribers	3Q24	4Q24	1Q25	2Q25	3Q25	QoQ	YoY
Telephony	11,616	11,475	11,320	11,175	11,039	-1.2%	-5.0%
- PSTN	8,395	8,264	8,122	7,988	7,851	-1.7%	-6.5%
- VoIP	3,222	3,211	3,198	3,186	3,188	0.0%	-1.1%
Broadband	9,928	9,956	9,984	10,073	10,135	0.6%	2.1%
IPTV (GTV+GTS)	9,440	9,449	9,438	9,490	9,520	0.3%	0.8%

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

- Number of KT pay TV subscribers in 2H24 is 8,987,351(6-month average)

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