

KT 1Q26 Earnings Release

2026. 5. | Investor Relations



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1-1 1Q26 Highlights

Financials

OP declined due to high prior-year base from real estate project*

Cons. Revenue **6,778.4bn** (YoY -1.0%)
 OP **482.7bn** (YoY -29.9%)

Sep. Revenue **4,834.6bn** (YoY +3.3%)
 OP **313.9bn** (YoY -21.5%)

*Gwangjin-gu Lotte Eastpole Apartment

Management Strategy

- ✓ **Build customer trust and growth foundation**
 - Advance Cyber security / Network Infra / IT Infra
- ✓ **Secure AX growth drivers**
 - Industry-specific AX / Hyper-personalized AX / Future growth AX
- ✓ **Execute Value-up plan**

FY 26-28 Shareholder Return Policy

- ✓ **Resource:** 50% of adjusted net income (KT separate)
- ✓ **Method:** Cash dividend, share buyback & cancellation
- ✓ **Adjustments:** Non-cash and non-recurring items
- ✓ **FY26 Guidance:** Minimum KRW 2,400 per share

Shareholder Return

Tax Benefits

Separate taxation on dividend income

1Q26 DPS¹

KRW 600

Share Buyback/ Cancellation²

KRW 250bn
(FY26 Value up plan)

1)Record date('26.5.27), Payment('26.6.11), 2)Trust contract for acquisition of treasury share('26.03.10~'26.9.9)

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2-1 FY2028 Financial Target and Action Plans

AX Platform 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 [2024~1Q26 YTD]

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

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

Monetized non-core assets
(Profit KRW 87.5bn, Cash KRW 290.4bn)

'26 Share buyback KRW 250bn
(FY25 KRW 250bn share buyback completed*)

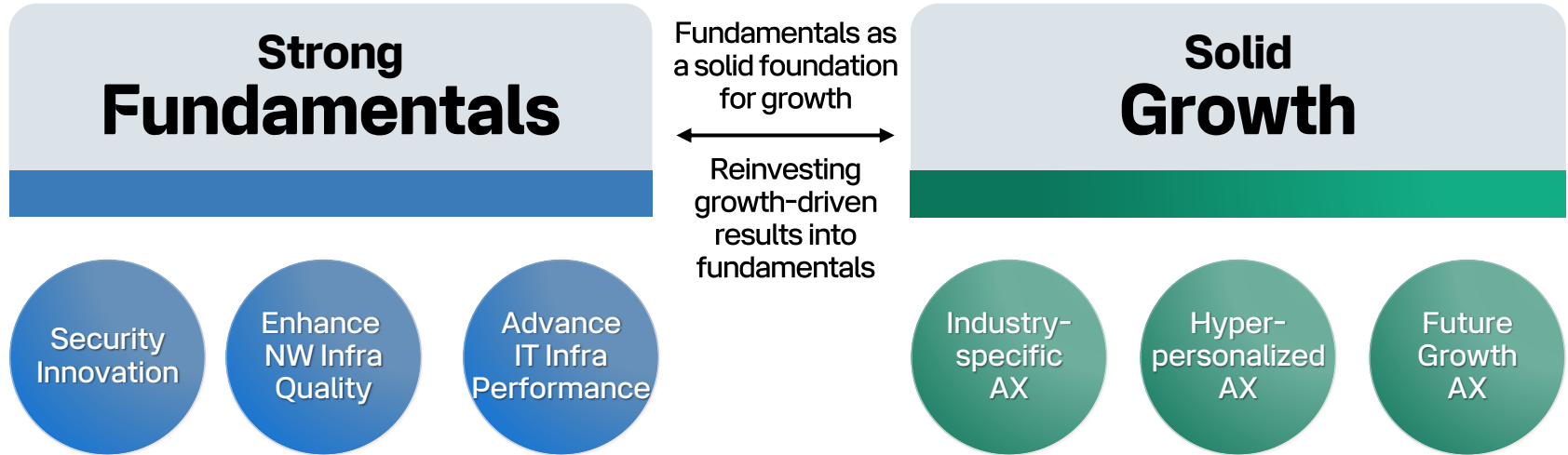
Strategy

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

*Cancellation will be executed in consideration of foreign ownership limits

2-2 Management Direction

AX Platform Company



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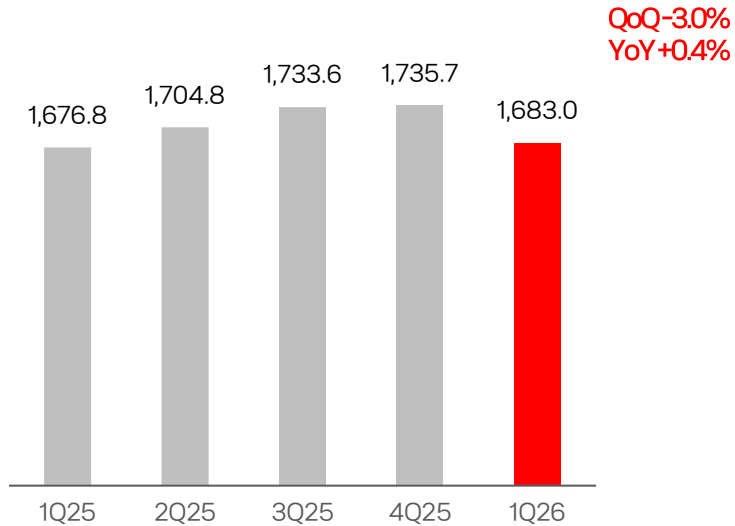
4 Appendix

3-1 KT – Wireless

Wireless service rev. +0.4% YoY with subscriber trends returning to net additions after penalty waiver period.
Enhancing profitability through personalized AX and stronger digital distribution channels

Performance

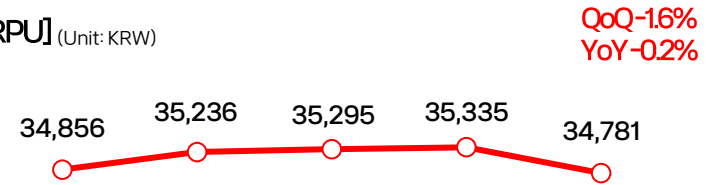
Service Rev. (Unit: KRW bn)



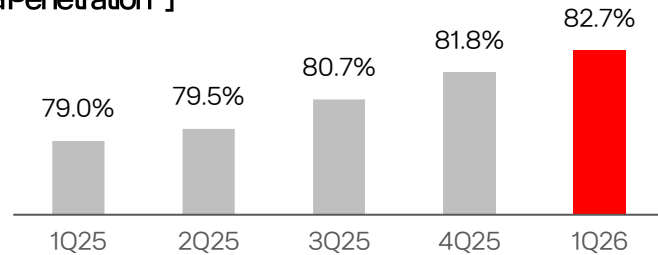
Highlights

ARPU & 5G Penetration

[ARPU] (Unit: KRW)



[5G Penetration*]



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

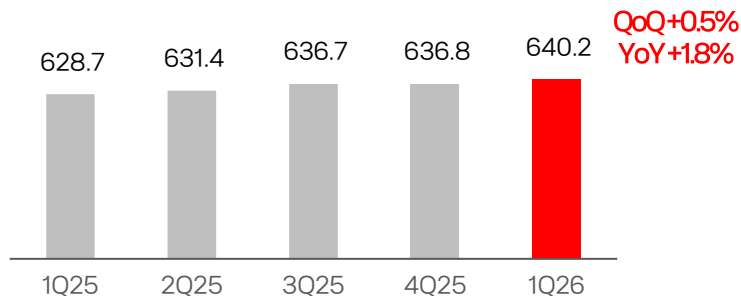
3-2 KT – Fixed Line

Broadband rev. +1.8% YoY via GiGA growth and value-added services expansion

Media revenue up 1.3% YoY backed by IPTV subscriber net adds and premium plans uptake

Broadband

Rev. (Unit: KRW bn)



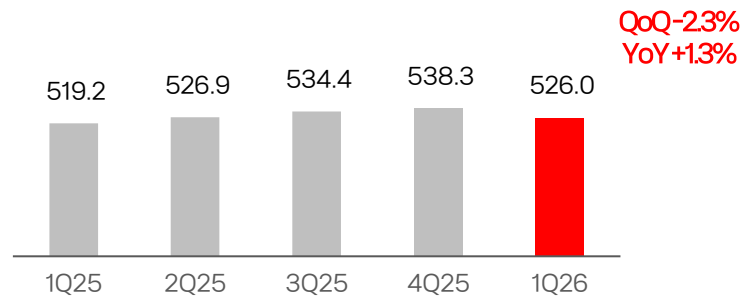
Subscribers (Unit: Thousands)

	1Q25	2Q25	3Q25	4Q25	1Q26	YoY
Total	9,984	10,073	10,135	10,170	10,188	2.0%
GiGA %*	69.4%	69.7%	70.0%	70.1%	70.1%	0.7%p

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

Media

Rev. (Unit: KRW bn)



Subscribers (Unit: Thousands)

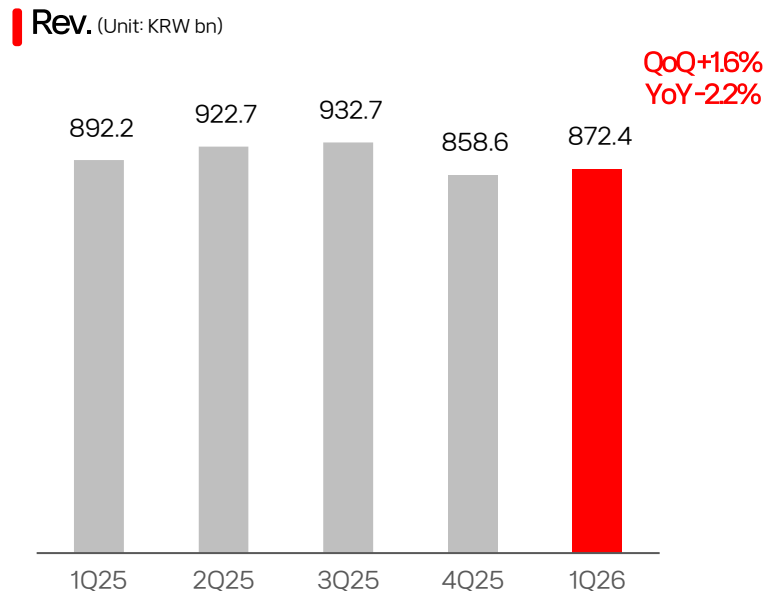
	1Q25	2Q25	3Q25	4Q25	1Q26	YoY
Total	9,438	9,490	9,520	9,533	9,520	0.9%
16.5K↑ %*	32.8%	33.4%	33.8%	34.1%	34.2%	1.4%p

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

3-3 KT – B2B Services

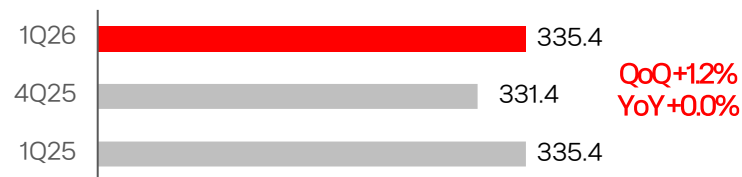
B2B services rev. -2.2% YoY due to the completion of large-scale DBO projects and streamlining of low-margin businesses

Performance



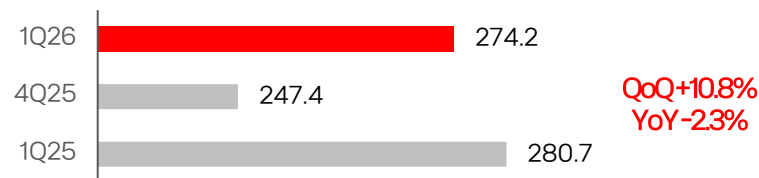
Highlights

Corp. Broadband/Data Rev.

 (Unit: KRW bn)


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

AI/IT Rev.

 (Unit: KRW bn)


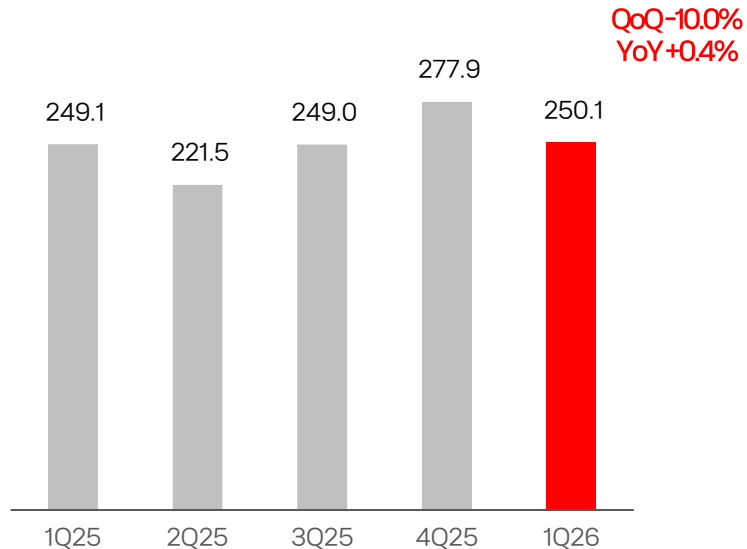
※ AI/IT: AX platform-based including AICC, IoT, Multi/Hybrid Cloud, Smart Mobility

3-4 kt cloud

kt cloud revenue flat YoY: increased DC utilization and cloud orders neutralizing last year's one-time gain

Performance

Rev. (Unit: KRW bn)



Highlights

Performance

DC

- Colocation rev. grew, but overall sales declined due to completion of large-scale DBO pjts (Gyeongbuk/Gasan)
- Securing new DC capacity for CSP and local demand

Cloud

- Rev. surged on public cloud transition and AI project wins
- Strengthened foundation for growth through GPUaaS expansion across public and private sectors

DC Capacity (as of the end of 1Q26)

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

3-5 Finance

(BC Card) Expansion of high-quality lending reduced credit loss provisions, driving operating profit growth
 (K bank) OP surged on loan growth and NIM improvement, IPO-driven capital inflow strengthened fundamentals

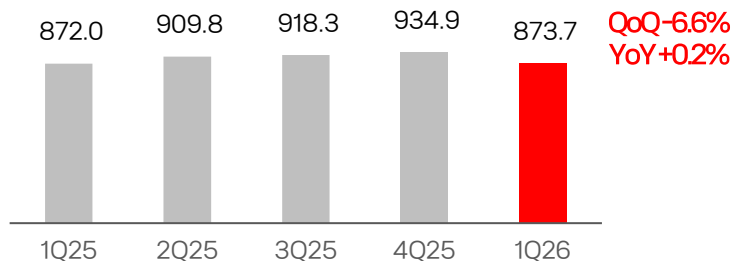
BC Card

- **Rev. flat YoY as lower transaction volume offset proprietary card business expansion**
 - 1Q26 Rev. KRW 873.7bn(QoQ -6.6%, YoY +0.2%)
- **OP increased on lower provisions following expansion of high-quality loan asset**
 - 1Q26 OP KRW 45.0bn(QoQ +128.7%, YoY +25.7%)

K bank

- **Earnings improved on loan growth and NIM improvement**
 - 1Q26 OP KRW 32.4bn(QoQ +194.6%, YoY +108.0%)
- **IPO inflow improved BIS ratio and lending headroom**
 - Improved BIS ratio by recognizing 2021 capital increase as equity

BC Card Rev. (Unit: KRW bn)



K bank Performance

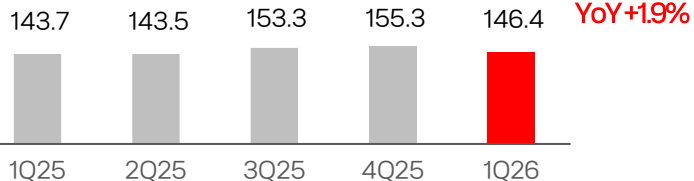
	1Q25	2Q25	3Q25	4Q25	1Q26	YoY
Deposit (KRW tr)	27.8	26.8	30.4	28.4	28.2	+1.5%
Loan (KRW tr)	16.9	17.4	17.9	18.4	18.8	+10.7%
Client (10K)	1,363	1,413	1,497	1,553	1,607	+17.9%

3-6 Media/Content

Content subsidiaries posted slight revenue growth, supported by steady growth at both kt Studiogenie and kt Nasmedia

Performance

Content Subsidiaries* Rev. (Unit: KRW bn)



FY26 Key Plans

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

FY26 KT Original Content Production Plan



'Honour'
'26.02



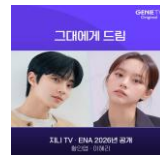
'Climax'
'26.03



'The Scarecrow'
'26.04



'Doctor on the Edge'
'26.06



'Dream to You'
'26.07

Releases
targeted at or
above YoY levels

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

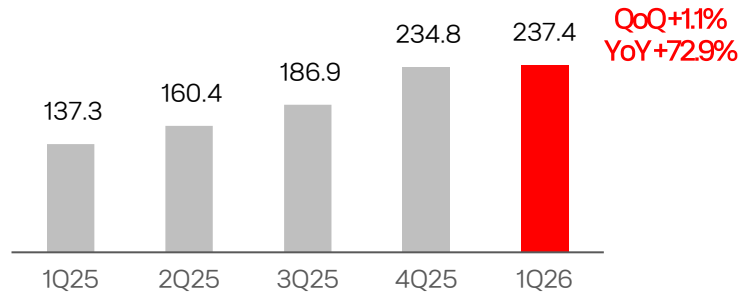
3-7 Real Estate

kt estate rev. +72.9% YoY, driven by hotel business growth and expanded revenue recognition from Daejeon apartment sales

ktestate

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

ktestate Rev. (Unit: KRW bn)

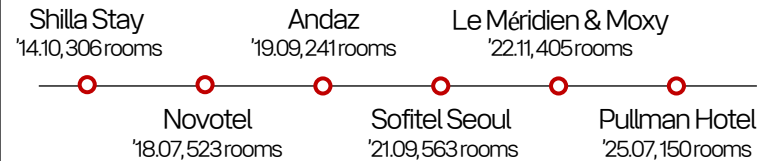


APT Development



Hotel Ownership

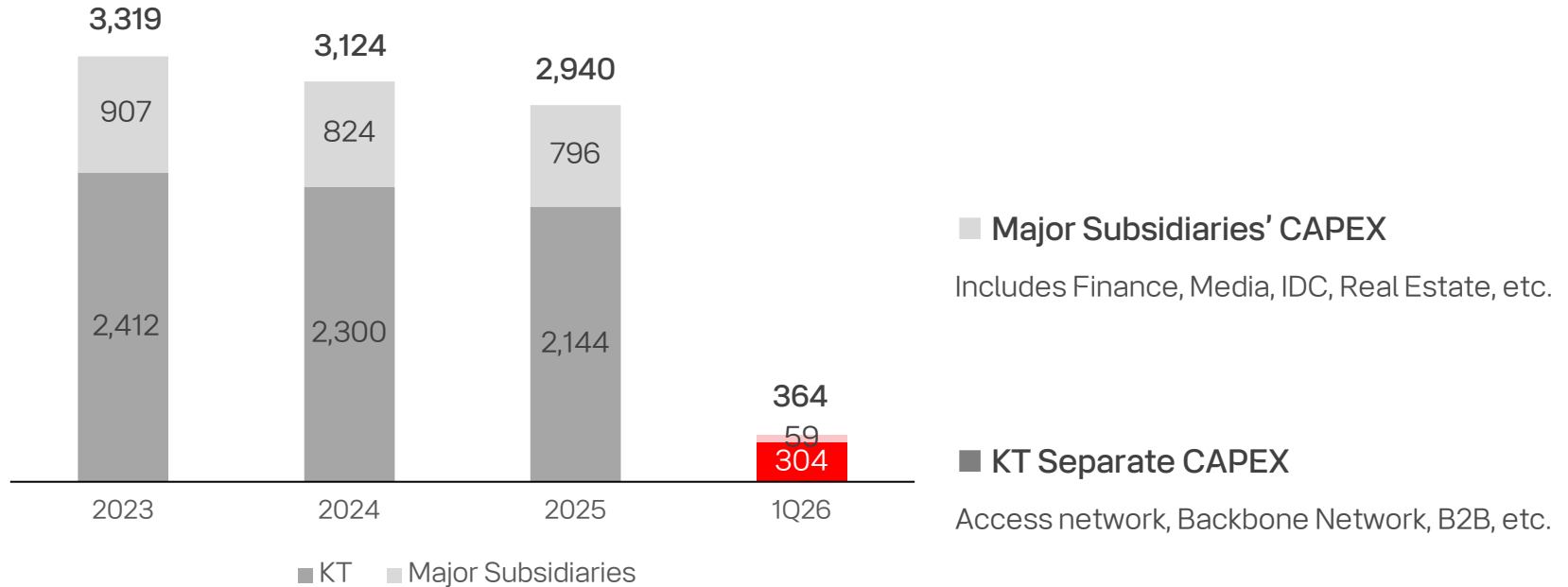
- 6 hotels owned by KT and kt estate



3-8 CAPEX

1Q26 YTD CAPEX execution: KRW 304.2bn(KT separate), KRW 59.5bn(Major subsidiaries)

(Unit: KRW bn)



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1 K-IFRS Income Statement

(Unit: KRW bn)

Consolidated	1Q25	2Q25	3Q25	4Q25	1Q26	KT Separate	1Q25	2Q25	3Q25	4Q25	1Q26
Operating revenue	6,845.1	7,427.4	7,126.7	6,845.0	6,778.4	Operating revenue	4,682.0	4,772.8	5,109.0	4,760.2	4,834.6
Service revenue	5,700.4	5,817.8	5,920.8	5,949.4	5,733.4	Service revenue	4,044.5	4,131.7	4,179.9	4,122.5	4,069.1
Sale of goods	1,144.7	1,609.6	1,205.9	895.6	1,045.0	Sale of goods	637.5	641.1	929.1	637.7	765.5
Operating expense	6,156.3	6,412.6	6,588.6	6,617.7	6,295.7	Operating expense	4,281.9	4,304.1	4,768.1	4,664.9	4,520.7
Cost of Service	5,114.1	5,129.9	5,304.6	5,548.9	5,165.6	Cost of Service	3,620.7	3,677.4	3,837.8	4,042.6	3,721.5
Labor cost	1,121.8	1,119.4	1,167.6	1,184.0	1,173.9	Labor cost	460.2	463.0	492.8	431.9	497.0
General expense	2,655.8	2,639.7	2,725.9	2,788.9	2,592.7	General expense	1,875.7	1,856.0	1,956.7	2,052.3	1,866.7
Cost of service	738.4	755.8	778.5	701.2	746.3	Cost of service	647.5	690.6	707.4	656.5	658.3
Selling expense	598.0	615.1	632.6	874.8	652.7	Selling expense	637.4	667.8	680.9	901.9	699.5
Cost of Goods sold	1,042.3	1,282.6	1,283.9	1,068.7	1,130.2	Cost of Goods sold	661.2	626.7	930.3	622.4	799.2
Operating income	688.8	1,014.8	538.2	227.3	482.7	Operating income	400.1	468.7	340.9	95.3	313.9
N-OP income (loss)	23.1	-39.9	55.3	-89.5	29.8	N-OP income (loss)	48.2	-46.2	39.3	-4.3	101.4
N-OP income	199.1	351.4	132.7	264.5	365.9	N-OP income	158.2	317.6	72.6	217.8	378.9
N-OP expense	167.9	407.1	74.2	367.7	342.9	N-OP expense	110.0	363.9	33.2	222.2	277.5
Equity Method (G/L)	-8.2	15.7	-3.3	13.7	6.9						
Income bf tax	711.8	974.9	593.4	137.9	512.5	Income bf tax	448.3	422.5	380.2	90.9	415.3
Income tax	145.0	241.6	148.2	46.5	124.2	Income tax	82.9	64.5	90.5	42.2	75.3
Net income	566.8	733.3	445.3	91.5	388.3	Net income	365.4	358.0	289.7	48.7	340.0
NI contribution to KT	539.8	687.9	391.5	111.7	352.2						
EBITDA	1,657.4	1,990.7	1,503.9	1,197.3	1,440.0	EBITDA	1,210.6	1,281.7	1,153.8	900.2	1,110.6
EBITDA Margin	24.2%	26.8%	21.1%	17.5%	21.2%	EBITDA Margin	25.9%	26.9%	22.6%	18.9%	23.0% ₁₈

2 K-IFRS Balance Sheet

(Unit: KRW bn)

Consolidated	1Q25	2Q25	3Q25	4Q25	1Q26	KT Separate	1Q25	2Q25	3Q25	4Q25	1Q26
Assets	42,185.6	42,193.3	43,012.8	42,948.6	43,510.0	Assets	29,041.0	29,008.7	29,049.2	29,677.6	30,116.3
Current assets	14,458.5	14,385.4	15,123.6	13,977.5	14,527.1	Current assets	7,016.3	7,022.2	7,127.8	7,212.5	7,521.4
Cash & cash equivalents	3,133.0	3,794.4	3,890.3	3,507.0	2,860.1	Cash & cash equivalents	1,150.6	1,419.9	1,095.5	1,585.9	1,268.9
Trade & other receivables	4,217.8	3,955.6	4,215.7	3,963.7	4,192.1	Trade & other receivables	3,209.5	2,958.1	3,186.5	2,915.7	3,220.9
Inventories	853.9	443.9	443.8	416.1	537.5	Inventories	190.2	166.7	155.2	94.3	173.4
Other current asset	6,253.8	6,191.5	6,573.7	6,090.7	6,937.4	Other current asset	2,465.9	2,477.5	2,690.7	2,616.6	2,858.2
- Prepaid Contract cost	1,325.3	1,304.0	1,450.7	1,484.6	1,445.5	- Prepaid Contract cost	1,405.7	1,389.3	1,549.9	1,583.8	1,557.2
- Contract assets	597.9	744.2	805.2	764.9	754.8	- Contract assets	521.4	667.8	707.8	630.0	613.4
Non-current assets	27,727.1	27,808.0	27,889.2	28,971.0	28,982.9	Non-current assets	22,024.7	21,986.5	21,921.4	22,465.1	22,594.9
Trade & other rec	336.3	378.3	422.1	463.1	453.5	Trade & other rec	241.1	278.9	319.9	362.9	352.8
Tangible assets	14,398.1	14,226.4	14,121.1	14,258.5	13,862.1	Tangible assets	11,068.3	10,913.7	10,748.7	10,932.3	10,563.9
Other current assets	12,992.7	13,203.3	13,346.0	14,249.5	14,667.3	Other current assets	9,856.6	9,941.2	10,028.4	10,357.6	10,868.1
- Prepaid Contract cost	462.3	631.5	629.2	614.5	679.4	- Prepaid Contract cost	454.8	625.6	624.1	595.2	658.5
- Contract assets	208.3	146.1	173.2	261.4	302.8	- Contract assets	182.3	116.1	140.1	226.8	258.7
Liabilities	23,847.3	23,316.2	23,752.8	23,490.6	23,516.4	Liabilities	14,409.3	14,165.6	13,986.4	14,451.0	14,361.4
Current liabilities	13,134.6	12,123.5	12,223.6	11,692.8	12,642.1	Current liabilities	7,265.4	7,074.7	6,539.8	6,862.3	7,478.4
Trade & other payables	6,952.5	7,077.7	7,770.5	6,868.7	6,933.6	Trade & other payables	4,258.8	4,459.9	4,545.4	4,592.5	4,515.9
Short-term borrowings	3,649.1	2,934.3	2,454.1	2,499.5	3,531.8	Short-term borrowings	2,263.0	1,895.4	1,310.4	1,323.8	2,018.1
Others	2,533.0	2,111.4	1,999.0	2,324.5	2,176.8	Others	743.6	719.5	684.1	946.0	944.4
- Contract liabilities	244.1	330.3	228.1	207.8	205.6	- Contract liabilities	217.8	204.8	198.3	185.7	186.8
Non-current liabilities	10,712.7	11,192.7	11,529.2	11,797.8	10,874.3	Non-current liabilities	7,144.0	7,090.9	7,446.6	7,588.7	6,883.0
Trade & other payables	372.4	383.7	386.6	328.3	295.6	Trade & other payables	672.0	666.8	649.8	622.1	544.2
Long-term borrowings	7,520.5	7,815.9	8,078.2	8,286.0	7,304.8	Long-term borrowings	5,417.6	5,184.4	5,499.5	5,744.9	5,006.6
Others	2,819.9	2,993.2	3,064.4	3,183.5	3,273.9	Others	1,054.4	1,239.7	1,297.2	1,221.7	1,332.2
- Contract liabilities	48.4	36.6	33.4	31.9	33.5	- Contract liabilities	37.5	28.0	27.3	24.8	29.0
Equity	18,338.3	18,877.1	19,259.9	19,458.0	19,993.6	Equity	14,631.7	14,843.1	15,062.8	15,226.6	15,754.9
Retained earnings	14,197.4	14,739.9	14,986.2	14,964.3	15,174.5	Retained earnings	11,965.0	12,156.4	12,301.6	12,219.9	12,417.4

3 Subscribers

K-IFRS / Consolidated

Wireless Subscribers	1Q25	2Q25	3Q25	4Q 25	1Q 26	QoQ	YoY
Total	26,445	27,491	28,328	28,985	29,162	0.6%	10.3%
- MNO	19,186	19,842	20,271	20,618	20,413	-1.0%	6.4%
- MVNO	7,259	7,649	8,057	8,368	8,749	4.6%	20.5%
5G Handset ¹	10,552	10,866	11,048	11,156	11,070	-0.8%	4.9%
Churn rate ²	1.0%	1.0%	1.2%	1.0%	1.7%	0.7%p	0.7%p
ARPU(KRW)³	34,856	35,236	35,295	35,335	34,781	-1.6%	-0.2%

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	1Q25	2Q25	3Q25	4Q 25	1Q26	QoQ	YoY
Telephony	11,320	11,175	11,039	10,890	10,740	-1.4%	-5.1%
- PSTN	8,122	7,988	7,851	7,716	7,578	-1.8%	-6.7%
- VoIP	3,198	3,186	3,188	3,174	3,161	-0.4%	-1.1%
Broadband	9,984	10,073	10,135	10,170	10,188	0.2%	2.0%
IPTV (GTV+GTS)	9,438	9,490	9,520	9,533	9,520	-0.1%	0.9%

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

- Number of KT pay TV subscribers in 1H25 is 9,028,900(6-month average)

kt