KT 2Q26 Earnings Release

2026. 8. | Investor Relations

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2	Corporate Strategy
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1-1 2Q26 Highlights

Financials

OP declined due to prior-year base(real estate pjt.*), while achieving QoQ turnaround

Cons.	Revenue	6,679.6bn (QoQ -1.5%, YoY -10.1%)	Sep.	Revenue	4,523.5bn (QoQ -6.4%, YoY -5.2%)
	Operating Profit	648.3bn (QoQ +34.3%, YoY -36.1%)		Operating Profit	313.9bn (QoQ +23.9%, YoY -17.0%)

*Gwangjin-gu Lotte Eastpole Apartment

Management Strategy

Transform into AX Platform Company

Asia AX connectivity Hub

Demand –driven expansion by 2031 of AIDC capacity(+1 GW) & Subsea cable(+90 Tbps)

AX growth drivers

B2B Industry specific AX/
B2C Hyper-personalized AX / Future growth AX

'Zero Trust'-based Cyber security & IT

Governance Integration / Prevention Framework / Workforce expansion / External expert collaboration

Network infrastructure

Enhancement of network quality & capacity / Advancing future network technologies

Value-up & Shareholder Return

Value-up plan	Announced progress &plan(Aug.12)	2Q26 DPS[1]	KRW 600	Share Buyback/ Cancellation[2]	KRW 250bn (FY26 Value up plan)

1)Record date('26.7.29), Payment('26.8.13), 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%

AX	Enhance Profitability	Asset Optimization	Additional Shareholder Return
AX Revenue Up 2x of 2025	**Consolidated OP Margin 9%+**	**Non-core asset liquidation**	**KRW 1tr. Share Buyback**
Expand AI Infrastructure (AIDC, Subsea cable) Drive AX innovation and future growth	Enhance profitable structure through streamlining low-profit biz. and cost reduction by AX	Accelerate liquidation of non-core assets (Idle real estate, investment assets, etc.)	Enhance capital efficiency through additional share buyback and cancellation

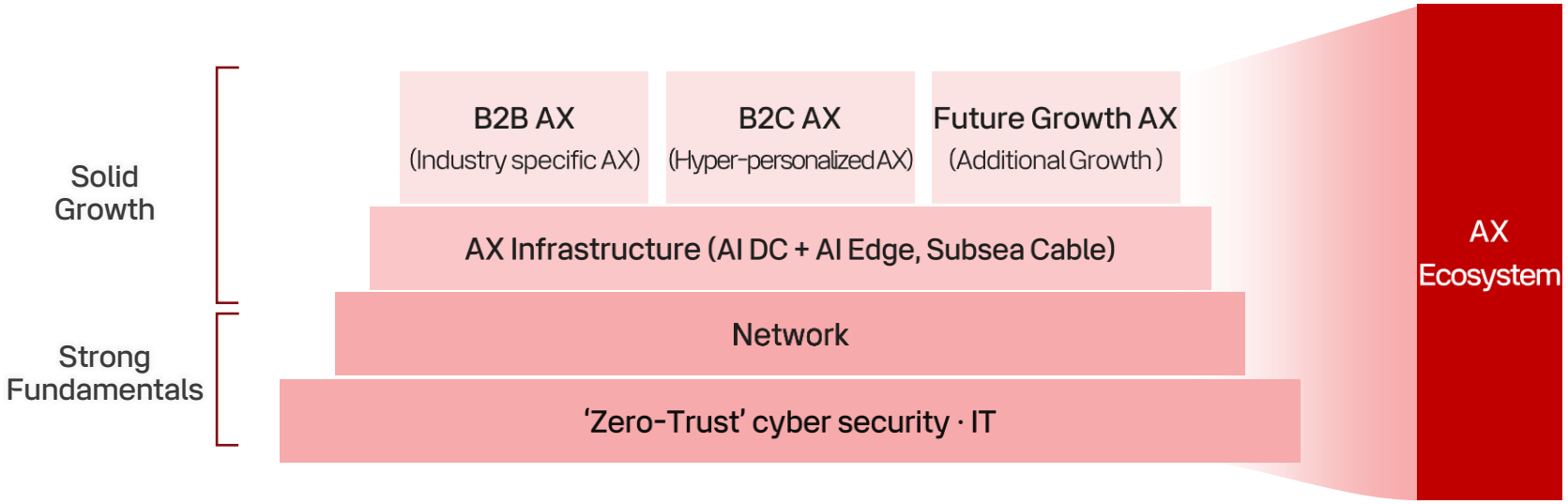
Strategy Drive solid growth through AX Infrastructure/services based on strong fundamentals cyber security, IT, network

2-2 AX

Drive solid growth through AX Infrastructure/services based on strong fundamentals cyber security, IT, network

Strategy

Transform into 『AX Platform Company』 through AX innovation and growth

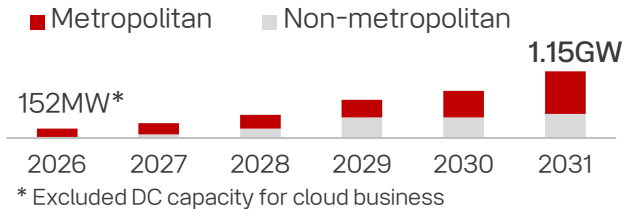


2-2 AX

Target 2x+ up AX revenue of 2025 by 2028, through expanding AI Infra AIDC, Subsea cable and service innovation

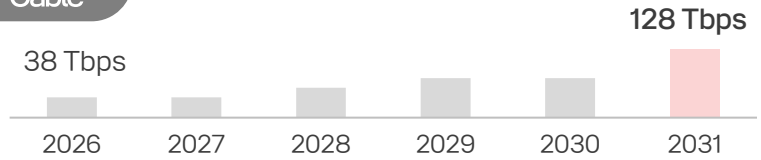
AX Infra·Service

AI DC AI DC +1GW investment based on actual demand



* Excluded DC capacity for cloud business

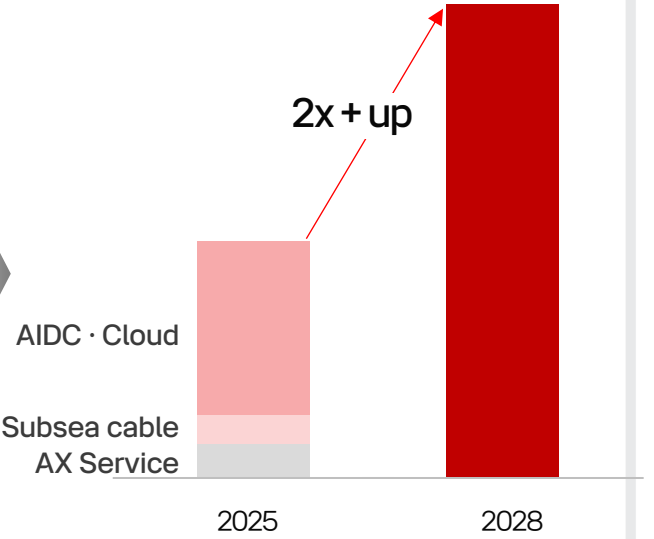
Subsea Cable Subsea cable +90Tbps for global AI traffic



AX Service Continuous partnership with global big tech & Industry-specific AX for B2B businesses

Agentic AI	Sovereign AI	Physical AI
Finance sector AX	Public sector AX	Manufacturing / healthcare sector AX

AX revenue target

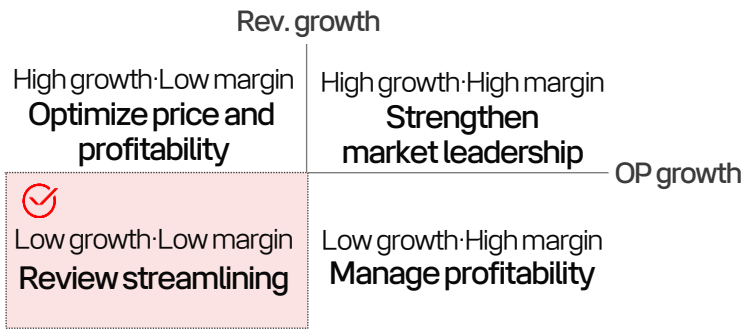


2-3 Enhance Profitability

Enhance profitability by streamlining low-profit/low-growth businesses and reducing costs through AX

Strategy

Streamlining Complete planned items, identifying additional items



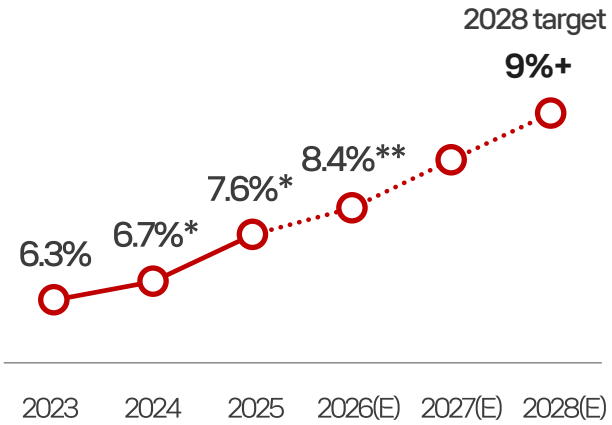
Cost Reduction Enhance efficiency through AX Integration

Customer Mgmt.
VOC analysis/ CS assistance

Service activation · A/S
Real-time engineer scheduling

Network Operation
AI based equipment control

Consolidated OPM



* One-off adjustments : ('24)labor restructuring cost KRW 0.9 tr., ('25)Customer appreciation package KRW 0.2 tr. and real-estate PJT. KRW 0.6 tr.
** 1H26 accumulated OPM

2-4 Asset Optimization

Liquidate non-core assets for capital allocation, considering purpose and strategic value

Status of Assets

(Unit : KRW tr.)



Real estate KRW4.6tr. (KT+kt estate)

- Telco. assets KRW2.3tr. (375 units) MV KRW9.4tr.
- Non-Telco. assets KRW2.3 tr.(44 units) MV KRW5.7tr.

Marketable securities KRW3.3tr.

- Finance KRW 1.1tr., Mobility KRW1.8tr., AX KRW0.2tr., etc. KRW0.2tr.

Subsidiaries shares KRW4.4tr.

- Finance KRW 0.6tr., Media/Contents KRW0.8tr., AX KRW0.9tr., Real estate KRW1.1tr. Telecommunication KRW0.8tr., etc. KRW0.1tr.

Strategy

ROE improvement

Restructuring business portfolio centered on AX	Additional Shareholders return
↑ Growth	↑ Capital optimization

Capital allocation

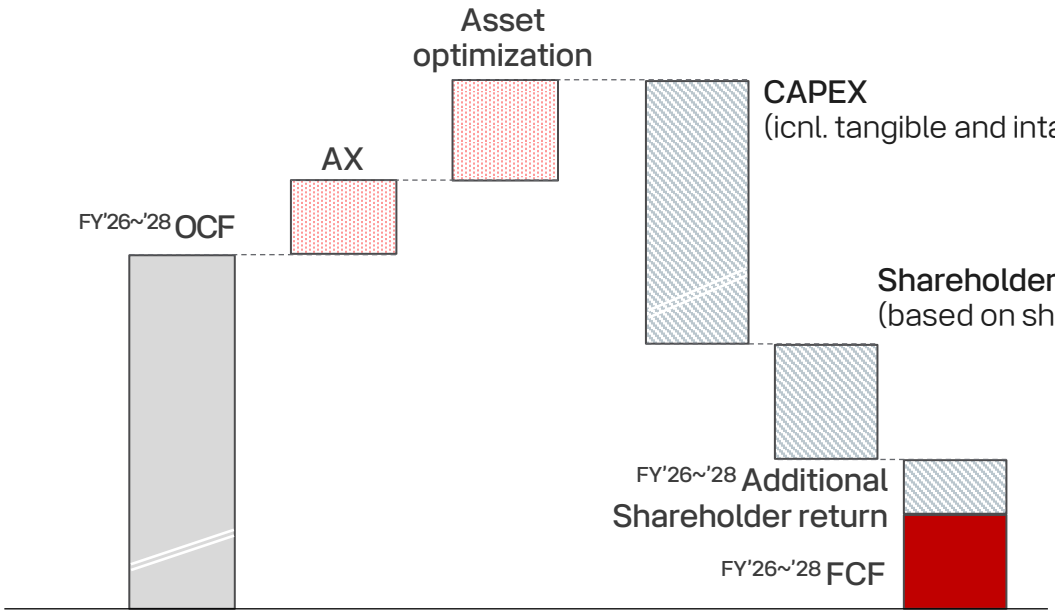
↑ Asset efficiency & turnover improvement

Accelerate non-core asset optimization

2-4 Capital allocation

Enhance FCF through stable operating cash flow, AX growth, and non-core asset optimization

Improve ROE through strategic capital allocation[Cash dividend, Share buyback/cancellation, inorganic investment, etc.]



Capital Allocation Direction

In Progress	Share buyback/cancellation (KRW 750bn. '26~'28)
Under review	Investments to improve ROE • Review financial structure, business strategy and synergy

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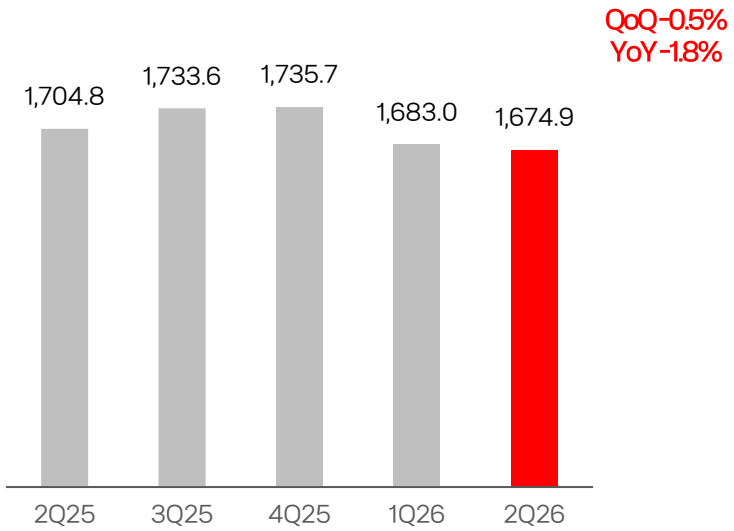
3-1 KT – Wireless

Service revenue down -1.8% YoY, reflecting the impact of the customer appreciation program'26.02~07 and subs. churn during the penalty waiver period (5G penetration : 83.2%)

Enhancing profitability through personalized AX and stronger digital distribution channel

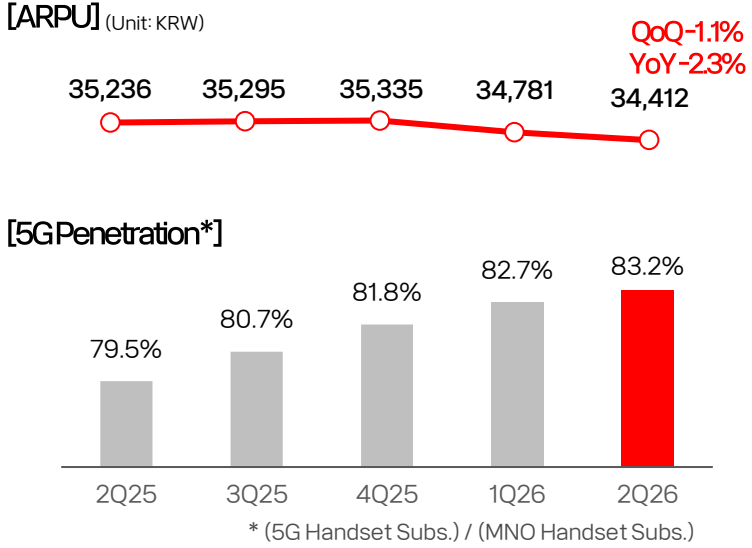
Performance

Service Rev. (Unit: KRW bn)



Highlights

ARPU & 5G Penetration



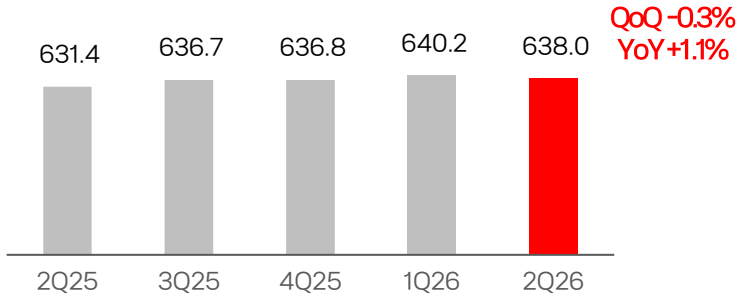
3-2 KT – Fixed Line

Broadband : +1.1% YoY rev. growth, due to increase in GiGA subs. and value-added services

Media : -0.5% YoY rev. decline, as weaker advertising and PPV* revenue offset IPTV subs.

Broadband

Rev. (Unit: KRW bn)



Subscribers (Unit: Thousands)

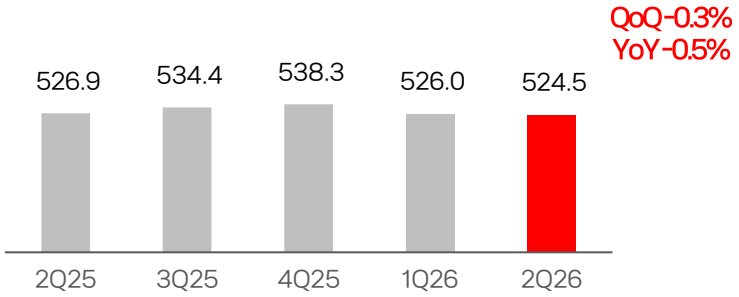
	2Q25	3Q25	4Q25	1Q26	2Q26	YoY
Total	10,073	10,135	10,170	10,188	10,231	1.6%
GiGA %*	69.7%	70.0%	70.1%	70.1%	70.2%	0.5%p

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

*PPV : Pay-Per-View

Media

Rev. (Unit: KRW bn)



Subscribers (Unit: Thousands)

	2Q25	3Q25	4Q25	1Q26	2Q26	YoY
Total	9,490	9,520	9,533	9,520	9,544	0.6%
16.5K↑ %*	33.4%	33.8%	34.1%	34.2%	34.1%	0.7%p

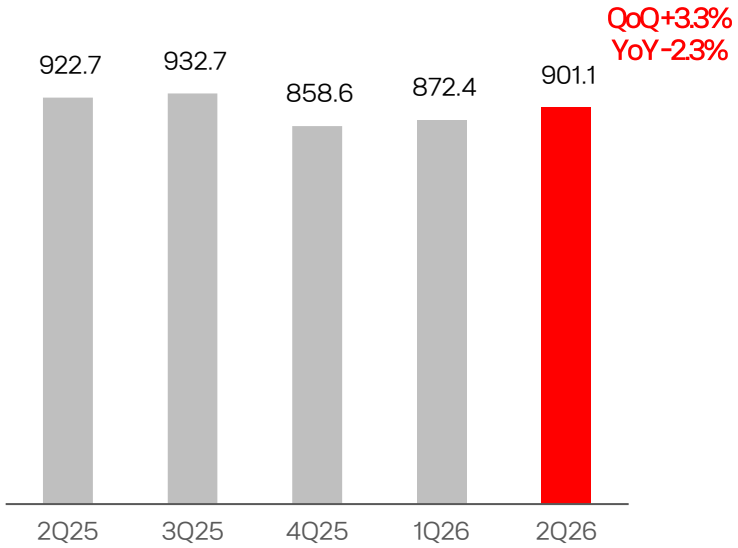
* (Cumulative 16.5K ↑ Subs.) / (Total IPTV Mass Subs.)

3-3 KT – B2B Services

Rev. -2.3% YoY due to the prior-year base(Design&Build), while achieving QoQ turnaround driven by balanced growth in AX and corporate telecom business

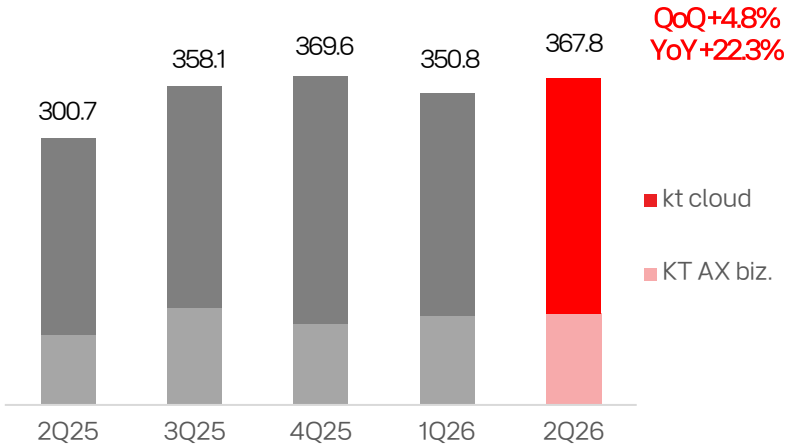
Performance

Rev. (Unit: KRW bn, KT seperate)



Highlights

AX Rev. (Unit: KRW bn, KT+KT Cloud)



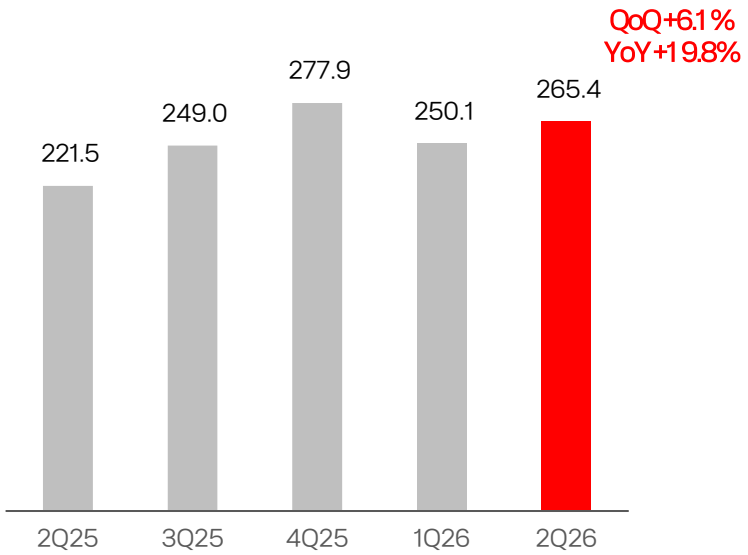
※ KT AX biz. : Subsea cable, AICC, AI/IT service, etc.

3-4 kt cloud

Revenue +19.8% YoY driven by higher DC Gasan,'25.11 utilization and expansion of Design & Build business

Performance

Rev. (Unit: KRW bn)



Highlights

Performance

DC
- Rev. growth driven by colocation revenue and new design & build projects
- New AIDC to be launched '27, West side of Gyeonggi-do Province

Cloud
- Rev. increased by growing public sector cloud migration pjt.
- Strengthened foundation for growth through GPUaaS expansion across public and private sectors

DC Capacity (as of the end of 2Q26)

	Metropolitan Area	Non-metropolitan Area
# of DC (incl. CDC)	9 (incl. Gasan, Mokdong, Yongsan)	4 (incl. Daejeon, Songjeong)

3-5 Finance

(BC Card) OP increased by expansion of loan and proprietary business, and one-off gain
(K bank) OP declined due to the prior-year base(NPL sales) despite loan growth and NIM improvement

BC Card

- **Rev. increased due to growth in loan/card biz. and increased Paybook biz.**
  - 2Q26 Rev. KRW930.7bn.(QoQ +6.5%, YoY +2.3%)
- **OP hike on one-off profit[1] and growth in Paybook biz.**
  - 2Q26 OP KRW54.1bn(QoQ +20.3%, YoY +17.4%)

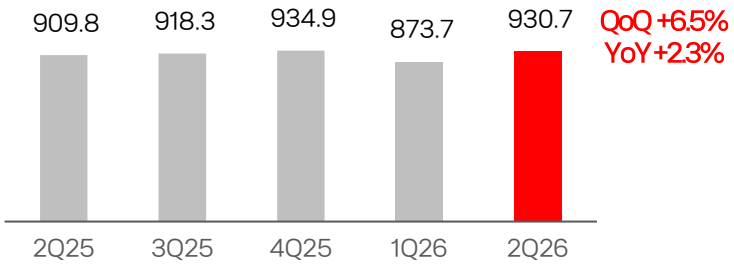
1) Real estate REITs asset sales

K Bank

- **OP declined due to prior-year base (NPL[2] sales)**
  - 2Q26 OP KRW27.0bn.(QoQ -16.8%, YoY -61.4%)
- **IPO inflow improved BIS ratio ('25 14.5% -> '26.6 19.9%) and lending headroom**
  - Improved BIS ratio by recognizing 2021 capital (increase as equity)

2)NPL : Non-Performing Loan

BC Card Rev. (Unit: KRW bn)



K bank Performance

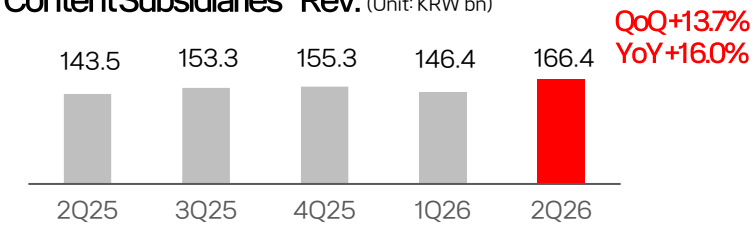
	2Q25	3Q25	4Q25	1Q26	2Q26	YoY
Deposit (KRW tr)	26.8	30.4	28.4	28.2	26.6	-0.5%
Loan (KRW tr)	17.4	17.9	18.4	18.8	19.8	+13.9%
Client (10K)	1,413	1,497	1,553	1,607	1,645	+16.4%

3-6 Media/Content

Rev. +16.0% YoY, supported by balanced growth of content subsidiaries (kt Studiogenie, kt Nasmedia, etc.)

Performance

Content Subsidiaries* Rev. (Unit: KRW bn)



Subsidiaries Highlights

- kt Studiogenie : Rev. growth driven by premium content(The Scarecrow / Doctor on the Edge) and increased non-captive business
- kt genie music : Strong performance in distribution of CJ ENM soundtracks
- kt Millie : Subscriber growth through telecom partnership
- kt Nasmedia : Double-digit growth in OOH* and OTT advertising billings

*OOH : Out-of-Home

FY26 KT Original Content Production Plan



'Honour'
'26.02 (concluded)



'Climax'
'26.03 (concluded)



'The Scarecrow'
'26.04 (concluded)



'Doctor on the Edge'
'26.06 (concluded)



'Dream to You'
'26.07 (On Air)

Releases targeted at or above YoY levels

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

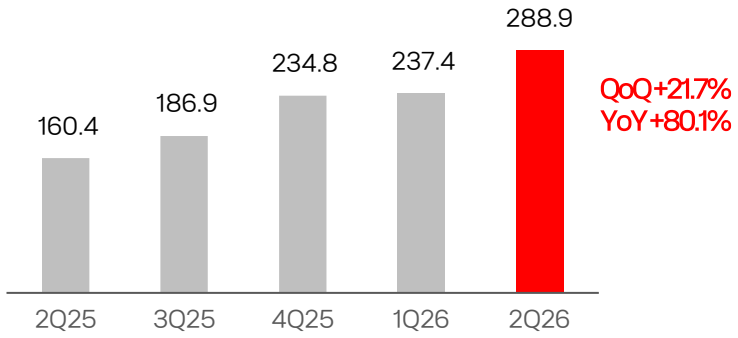
3-7 Real Estate

kt estate rev. +80.1% YoY, driven by hotel business growth and expanded revenue recognition from Daejeon apartment sales

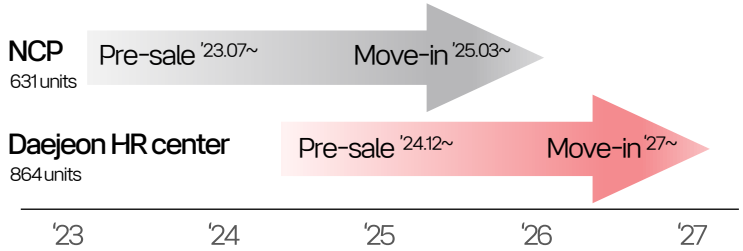
kt estate

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

kt estate Rev. (Unit: KRW bn)



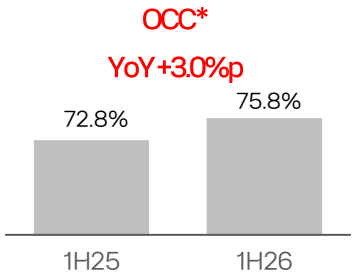
APT Development



Hotel Ownership & Occupancy rate

Owned 6 hotels in Seoul

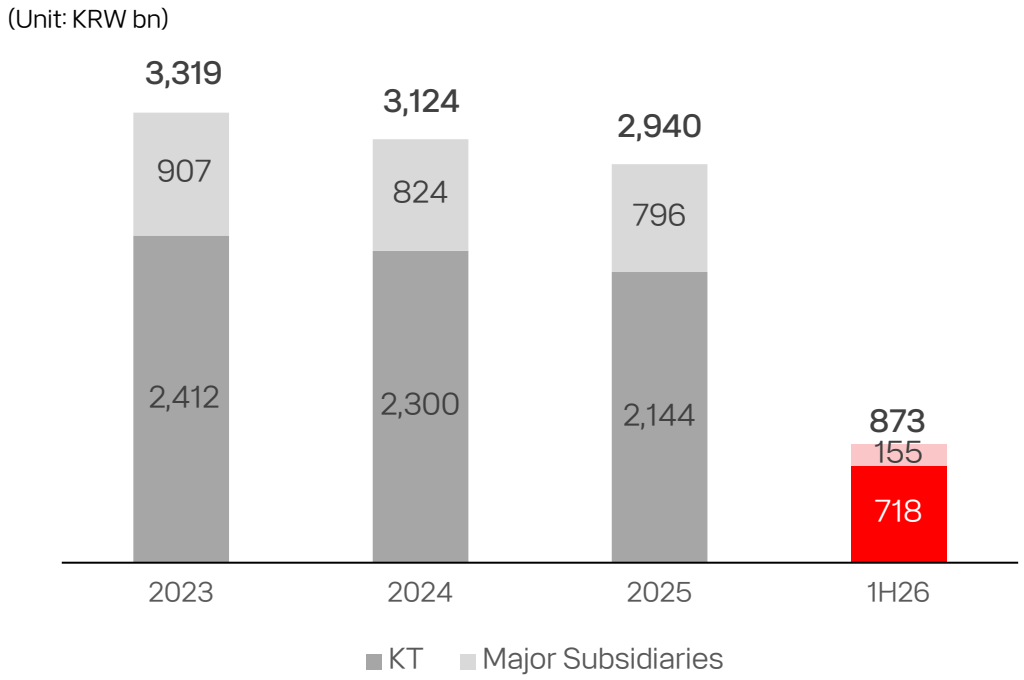
- Shilla Stay ('14.10)
- Novotel ('18. 7)
- Andaz ('19. 9)
- Sofitel Seoul ('21. 9)
- Le Méridien & Moxy('22. 11)
- Pullman('25. 7)



* OCC : Occupancy Rate

3-8 CAPEX

1H26 YTD CAPEX execution: KRW 718.0bn(KT separate), KRW 154.8bn(Major subsidiaries)



Major Subsidiaries' CAPEX

Includes Finance, Media, IDC, Real Estate, etc.

KT Separate CAPEX

Access network, Backbone Network, B2B, etc.

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1 K-IFRS Income Statement

(Unit: KRW bn)

Consolidated	2Q25	3Q25	4Q25	1Q26	2Q26
Operating revenue	**7,427.4**	**7,126.7**	**6,845.0**	**6,778.4**	**6,679.9**
Service revenue	5,817.8	5,920.8	5,949.4	5.733.4	5,922.9
Sale of goods	1,609.6	1,205.9	895.6	1.045.0	757.0
Operating expense	**6,412.6**	**6,588.6**	**6,617.7**	**6.295.7**	**6,031.6**
Cost of Service	5,129.9	5,304.6	5,548.9	5.165.6	5,235.8
Labor cost	1,119.4	1,167.6	1,184.0	1.173.9	1,173.9
General expense	2,639.7	2,725.9	2,788.9	2.592.7	2,596.0
Cost of service	755.8	778.5	701.2	746.3	813.9
Selling expense	615.1	632.6	874.8	652.7	651.9
Cost of Goods sold	**1,282.6**	**1,283.9**	**1,068.7**	**1.130.2**	**795.8**
Operating income	**1,014.8**	**538.2**	**227.3**	**482.7**	**648.3**
N-OP income (loss)	**-39.9**	**55.3**	**-89.5**	**29.8**	**-2.2**
N-OP income	351.4	132.7	264.5	365.9	254.0
N-OP expense	407.1	74.2	367.7	342.9	284.4
Equity Method (G/L)	15.7	-3.3	13.7	6.9	28.3
Income bf tax	**974.9**	**593.4**	**137.9**	**512.5**	**646.1**
Income tax	241.6	148.2	46.5	124.2	165.5
Net income	**733.3**	**445.3**	**91.5**	**388.3**	**480.6**
NI contribution to KT	687.9	391.5	111.7	352.2	440.1
EBITDA	**1,990.7**	**1,503.9**	**1,197.3**	**1.440.0**	**1,589.4**
EBITDA Margin	26.8%	21.1%	17.5%	21.2%	23.8%

KT Separate	2Q25	3Q25	4Q25	1Q26	2Q26
Operating revenue	**4,772.8**	**5,109.0**	**4,760.2**	**4,834.6**	**4,523.5**
Service revenue	4,131.7	4,179.9	4,122.5	4,069.1	4,079.3
Sale of goods	641.1	929.1	637.7	765.5	444.2
Operating expense	**4.304.1**	**4,768.1**	**4,664.9**	**4,520.7**	**4,134.5**
Cost of Service	3.677.4	3,837.8	4,042.6	3,721.5	3,719.3
Labor cost	463.0	492.8	431.9	497.0	494.0
General expense	1.856.0	1,956.7	2,052.3	1,866.7	1,855.4
Cost of service	690.6	707.4	656.5	658.3	668.0
Selling expense	667.8	680.9	901.9	699.5	701.8
Cost of Goods sold	**626.7**	**930.3**	**622.4**	**799.2**	**415.2**
Operating income	**468.7**	**340.9**	**95.3**	**313.9**	**389.0**
N-OP income (loss)	**-46.2**	**39.3**	**-4.3**	**101.4**	**-9.1**
N-OP income	317.6	72.6	217.8	378.9	227.7
N-OP expense	363.9	33.2	222.2	277.5	236.7
Income bf tax	**422.5**	**380.2**	**90.9**	**415.3**	**380.0**
Income tax	64.5	90.5	42.2	75.3	94.7
Net income	**358.0**	**289.7**	**48.7**	**340.0**	**285.3**
EBITDA	**1.281.7**	**1,153.8**	**900.2**	**1,110.6**	**1,171.7**
EBITDA Margin	26.9%	22.6%	18.9%	23.0%	25.9%

2 K-IFRS Balance Sheet

(Unit: KRW bn)

Consolidated	2Q25	3Q25	4Q25	1Q26	2Q26
Assets	**42,193.3**	**43,012.8**	**42,948.6**	**43,510.0**	**44,685.0**
Current assets	**14,385.4**	**15,123.6**	**13,977.5**	**14,527.1**	**14,821.6**
Cash & cash equivalents	3,794.4	3,890.3	3,507.0	2,860.1	3,049.8
Trade & other receivables	3,955.6	4,215.7	3,963.7	4,192.1	4,109.3
Inventories	443.9	443.8	416.1	537.5	625.7
Other current asset	6,191.5	6,573.7	6,090.7	6,937.4	7,036.9
- Prepaid Contract cost	1,304.0	1,450.7	1,484.6	1,445.5	1,416.4
- Contract assets	744.2	805.2	764.9	754.8	735.6
Non-current assets	**27,808.0**	**27,889.2**	**28,971.0**	**28,982.9**	**29,863.4**
Trade & other rec	378.3	422.1	463.1	453.5	492.6
Tangible assets	14,226.4	14,121.1	14,258.5	13,862.1	13,695.9
Other current assets	13,203.3	13,346.0	14,249.5	14,667.3	15,674.9
- Prepaid Contract cost	631.5	629.2	614.5	679.4	666.6
- Contract assets	146.1	173.2	261.4	302.8	279.9
Liabilities	**23,316.2**	**23,752.8**	**23,490.6**	**23,516.4**	**24,253.7**
Current liabilities	**12,123.5**	**12,223.6**	**11,692.8**	**12,642.1**	**13,162.5**
Trade & other payables	7,077.7	7,770.5	6,868.7	6,933.6	6,781.3
Short-term borrowings	2,934.3	2,454.1	2,499.5	3,531.8	4,179.5
Others	2,111.4	1,999.0	2,324.5	2,176.8	2,201.7
- Contract liabilities	330.3	228.1	207.8	205.6	183.0
Non-current liabilities	**11,192.7**	**11,529.2**	**11,797.8**	**10,874.3**	**11,091.2**
Trade & other payables	383.7	386.6	328.3	295.6	613.5
Long-term borrowings	7,815.9	8,078.2	8,286.0	7,304.8	7,091.3
Others	2,993.2	3,064.4	3,183.5	3,273.9	3,386.5
- Contract liabilities	36.6	33.4	31.9	33.5	29.0
Equity	**18,877.1**	**19,259.9**	**19,458.0**	**19,993.6**	**20,431.3**
Retained earnings	14,739.9	14,986.2	14,964.3	15,174.5	15,470.0

KT Separate	2Q25	3Q25	4Q25	1Q26	2Q26
Assets	**29,008.7**	**29,049.2**	**29,677.6**	**30,116.3**	**30,444.5**
Current assets	**7,022.2**	**7,127.8**	**7,212.5**	**7,521.4**	**7,181.9**
Cash & cash equivalents	1,419.9	1,095.5	1,585.9	1,268.9	1,210.4
Trade & other receivables	2,958.1	3,186.5	2,915.7	3,220.9	2,906.4
Inventories	166.7	155.2	94.3	173.4	270.7
Other current asset	2,477.5	2,690.7	2,616.6	2,858.2	2,794.5
- Prepaid Contract cost	1,389.3	1,549.9	1,583.8	1,557.2	1,526.1
- Contract assets	667.8	707.8	630.0	613.4	604.1
Non-current assets	**21,986.5**	**21,921.4**	**22,465.1**	**22,594.9**	**23,262.6**
Trade & other rec	278.9	319.9	362.9	352.8	395.3
Tangible assets	10,913.7	10,748.7	10,932.3	10,563.9	10,402.1
Other current assets	9,941.2	10,028.4	10,357.6	10,868.1	11,685.4
- Prepaid Contract cost	625.6	624.1	595.2	658.5	636.4
- Contract assets	116.1	140.1	226.8	258.7	257.7
Liabilities	**14,165.6**	**13,986.4**	**14,451.0**	**14,361.4**	**14,444.4**
Current liabilities	**7,074.7**	**6,539.8**	**6,862.3**	**7,478.4**	**7,411.2**
Trade & other payables	4,459.9	4,545.4	4,592.5	4,515.9	4,240.6
Short-term borrowings	1,895.4	1,310.4	1,323.8	2,018.1	2,279.7
Others	719.5	684.1	946.0	944.4	890.9
- Contract liabilities	204.8	198.3	185.7	186.8	162.8
Non-current liabilities	**7,090.9**	**7,446.6**	**7,588.7**	**6,883.0**	**7,033.1**
Trade & other payables	666.8	649.8	622.1	544.2	838.2
Long-term borrowings	5,184.4	5,499.5	5,744.9	5,006.6	4,725.0
Others	1,239.7	1,297.2	1,221.7	1,332.2	1,470.0
- Contract liabilities	28.0	27.3	24.8	29.0	25.0
Equity	**14,843.1**	**15,062.8**	**15,226.6**	**15,754.9**	**16,000.1**
Retained earnings	12,156.4	12,301.6	12,219.9	12,417.4	12,609.8

3 Subscribers

K-IFRS / Consolidated

Wireless Subscribers	2Q 25	3Q 25	4Q 25	1Q 26	2Q 26	QoQ	YoY
Total	27,491	28,328	28,985	29,162	29,501	1.2%	7.3%
- MNO	19,842	20,271	20,618	20,413	20,453	0.2%	3.1%
- MVNO	7,649	8,057	8,368	8,749	9,048	3.4%	18.3%
5G Handset[1]	10,866	11,048	11,156	11,070	11,147	0.7%	2.6%
Churn rate[2]	1.0%	1.2%	1.0%	1.7%	0.9%	-0.8%p	-0.1%p
ARPU(KRW)[3]	35,236	35,295	35,335	34,781	34,412	-1.1%	-2.3%

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	2Q 25	3Q 25	4Q 25	1Q 26	2Q 26	QoQ	YoY
Telephony	11,174	11,039	10,890	10,739	10,603	-1.3%	-5.1%
- PSTN	7,988	7,851	7,716	7,578	7,447	-1.7%	-6.8%
- VoIP	3,186	3,188	3,174	3,161	3,156	-0.2%	-1.0%
Broadband	10,073	10,135	10,170	10,188	10,231	0.4%	1.6%
IPTV (GTV+GTS)	9,490	9,520	9,533	9,520	9,544	0.2%	0.6%

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

- Number of KT pay TV subscribers in 2H25 is 9,123,463(6-month average)

