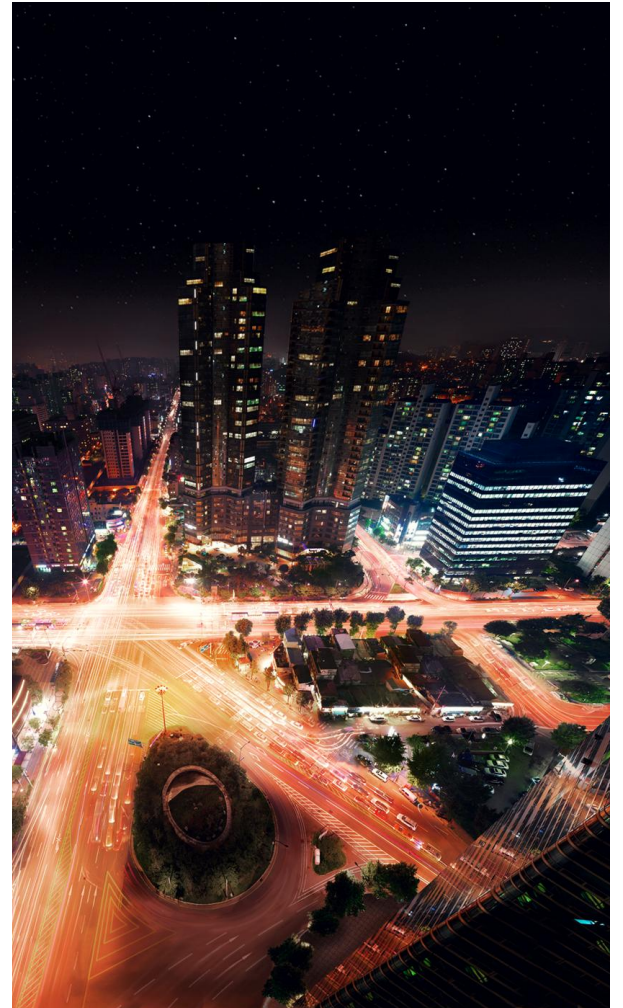


# KT Corporate Value-Up Plan

2025. 11 | KT Corporation



# Disclaimer

This presentation has been prepared by KT Corp. ("the Company") to explain the Corporate Value-Up Plan.

All information regarding the Company's management and financial performance has been prepared in accordance with K-IFRS standards. 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. The Company does not guarantee the accuracy or completeness of such forward-looking statements and assumes no obligation to update this document for future developments or new information.

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

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FY2028 Financial Target and Action Plans

# AICT Company

2028 Target **Consolidated ROE 9% ~ 10%**

<b>AICT Transformation</b> AI/IT Rev. Share Up 3x of 2023	<b>Secure Profitability</b> Consolidated OP Margin 9%	<b>Asset Optimization</b> Non-Core Asset Liquidation	<b>Additional Shareholder Return</b> KRW 1tr. Share Buyback
Attain top-tier AI/Cloud capabilities by global big tech partnership	Enhance OP through streamlining low-profit biz	Liquidate non-core assets and idle real estate	Enhance capital efficiency through additional returns
<b>Progress [2024~3Q25 YTD]</b> Strengthened AX capability with strategic partnership (AI model SOTAK, Palantir partnership)	Improved business and cost structure (Low-margin 39 biz, KRW 50bn)	Liquidated non-core assets (Profit KRW82.4bn, Cash KRW275.7bn)	'25 Share buyback KRW 250bn (Cancellation will be executed considering foreign ownership limit)

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

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## Company Overview

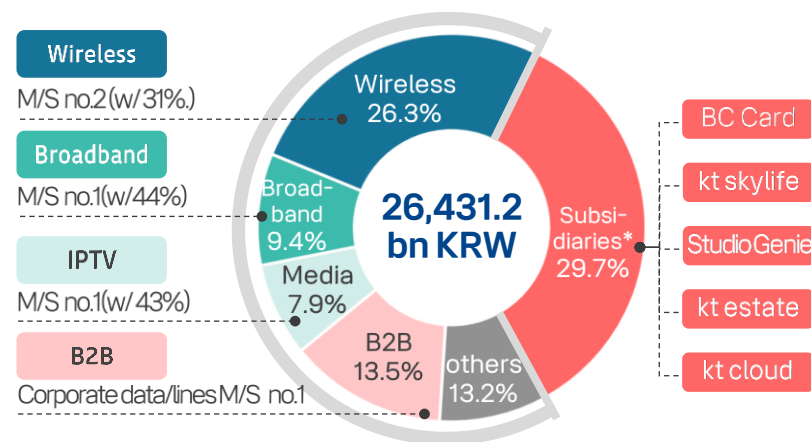
<b>Name of Company</b>	KT Corporation
<b>CEO</b>	Young-Shub Kim
<b>No. of Employees</b>	14,512 (as of '25.06.30, KT Separate)
<b>Industry</b>	Telecommunications
<b>Date of Incorporation</b>	December 10, 1981
<b>Date of KOSPI Listing</b>	December 23, 1998
<b>No. of Subsidiaries</b>	78 (Excluding KT) (As of '25.6.30)
<b>Credit Rating</b>	A- (S&P), A3 (Moody's), A (Fitch), AAA(KIS Rating), AAA(Korea Rating)
<b>ESG Rating</b>	A+ (KCGS**), AA (Sustainvest) A (Korea ESG Research Institute)

## Business Overview

(FY2024)

KT Separate revenue  
KRW 18,579.7bn

Subsidiaries' revenue  
KRW 13,256.2bn



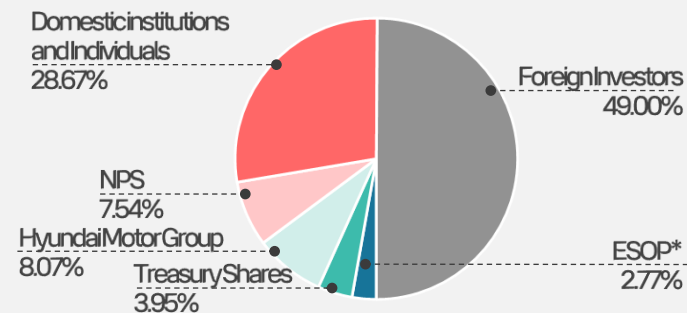
\*Subsidiaries' revenue share excludes internal transactions

\*\*KCGS: Korea Institute of Corporate Governance and Sustainability

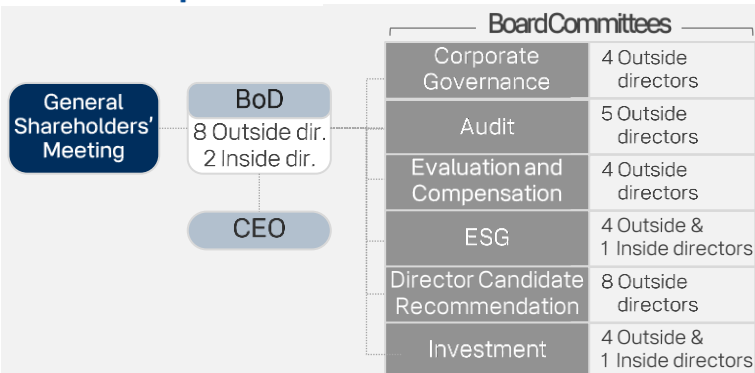
## Shareholder Composition

as of Jun. 30, 2025

Total issued shares: 252,021,685



## Board Composition



\*ESOP: Employee Stock Ownership Plan

\*\*DCRC: Director Candidate Recommendation Committee

## KT Corporate Governance Model

Transparent and independent governance structure led by the Board of directors

Independence of BoD	Independence in Board composition and operation	<ul style="list-style-type: none"> <li>80% of outside directors, and separation of CEO and chairman</li> <li>Corporate Governance, Audit, Evaluation and Compensation, and Director Candidate Recommendation committees are composed of all outside directors</li> </ul>
	Transparency in appointment process of outside directors	<ul style="list-style-type: none"> <li>Operation of Director Candidate Recommendation Committee</li> <li>Utilization of Professional Institutions for evaluating candidates</li> </ul>
	Special authority to outside directors	<ul style="list-style-type: none"> <li>Assessment of CEO management contracts and recommendation for CEO dismissal</li> <li>Determination of CEO and inside directors' compensation</li> </ul>
Enhancement of Shareholder Value	Shareholder Return	<ul style="list-style-type: none"> <li>Implementation of share buybacks/cancellations and quarterly dividends</li> </ul>
	Shareholder Rights	<ul style="list-style-type: none"> <li>Adoption of cumulative and written &amp; electronic voting</li> <li>Timely disclosure of corporate information</li> </ul>
	Shareholder Protection	<ul style="list-style-type: none"> <li>Control of internal transactions and self-dealing</li> </ul>
Responsible Management of Professional Executive	CEO Appointment and Management Contract	<ul style="list-style-type: none"> <li>CEO candidate recommended by BoD and DCRC**, and appointed by shareholder resolution</li> <li>The BoD enters into a management contract with appointed CEO and conducts an annual performance evaluation</li> </ul>
	Remuneration and others	<ul style="list-style-type: none"> <li>CEO compensation based on management performance</li> </ul>

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## Market evaluation

AICT transformation and value-up plan drove 55% market cap growth (as of Sep. 30) compared to early 2023, with ownership remaining full at 49%

## KT's Market Cap. Trends



※ Stock price (closing) from 2023 to 2025: highest KRW 58,400 (July 15, 2025), lowest KRW 29,000 (January 16, 2023)

## Financial Performance

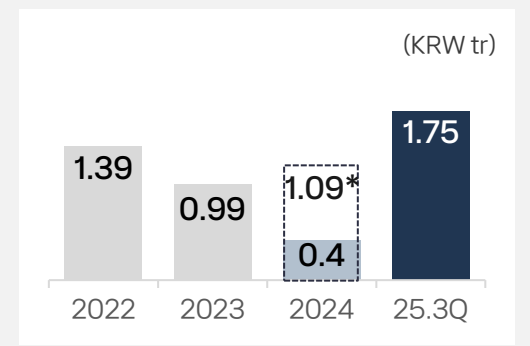
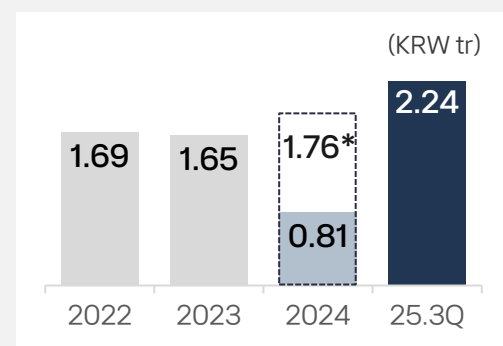
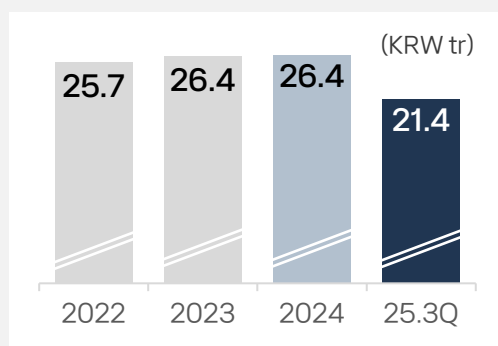
KT continued stable profit growth through business structure optimization, including AICT restructuring and streamlining of low-profit/non-core businesses

### Revenue

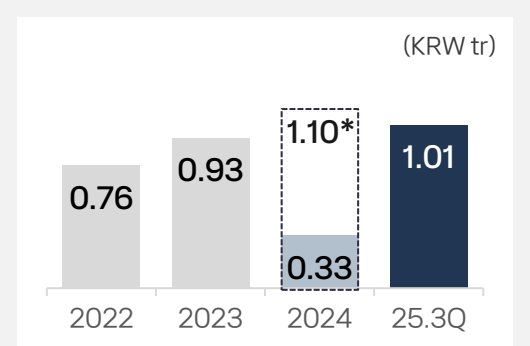
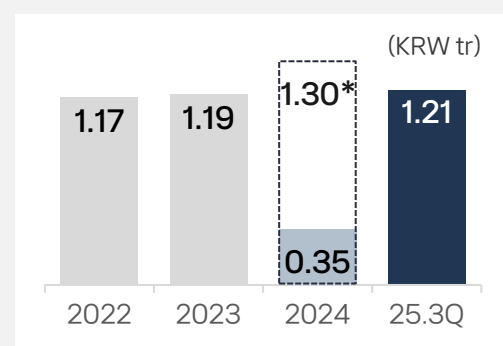
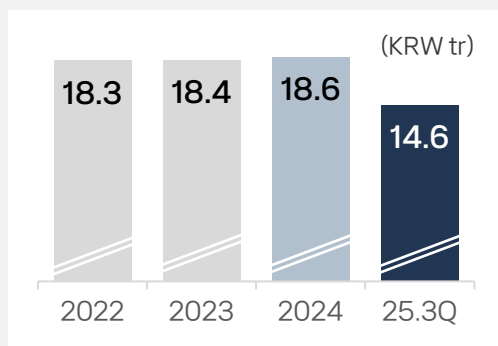
### Operating Profit

### Net Profit

Con.



Sep.



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

## Value-up Progress

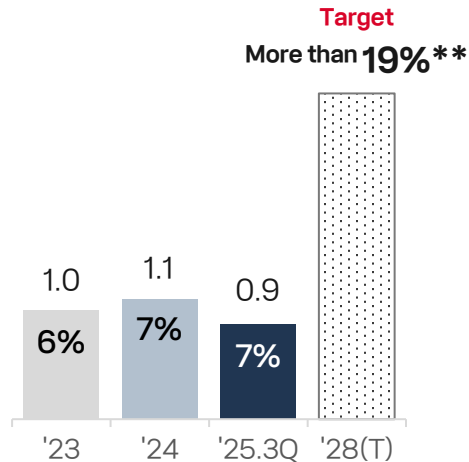
Excluding one-off expenses in 2024, consolidated ROE is 6.9%; KT aims for 9–10% mid-term ROE by increasing the share of AI/IT revenue, enhancing profitability, and improving capital efficiency

FY2023 ROE 6.1%

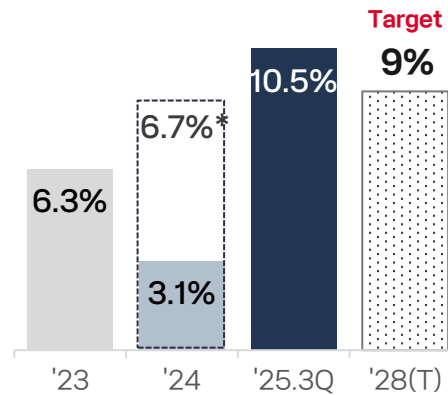
FY2024 ROE 6.9%\*(2.9%)

### AI/IT Revenue %

(KRW tr)

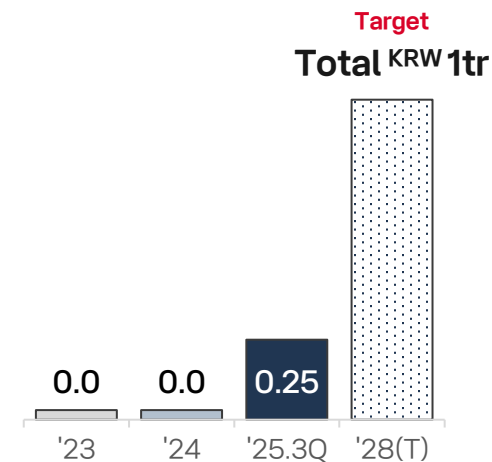


### Consolidated OP Margin



### Additional Share buybacks/Cancellations

(KRW tr)



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

\*\* as a portion of service revenue on a KT separate basis

## Valuation Metrics

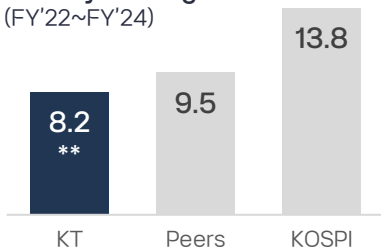
Although PER, PBR, and ROE have all shown an improving trend in 2024, the company remains undervalued compared to domestic peers and the KOSPI

### PER

PER has shown a positive trend; however, the stock continues to trade relatively at a discount

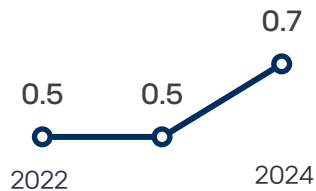


Recent 3-year Avg. (FY'22~FY'24)



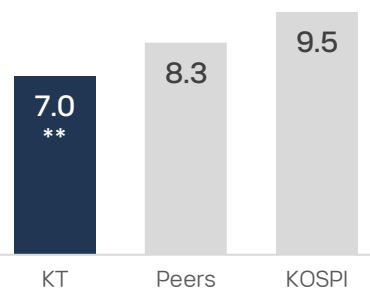
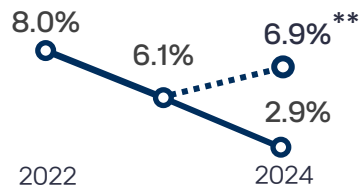
### PBR

Although PBR improved by 20% in 2024, KT remains undervalued relative to its net asset value (PBR at 1x)



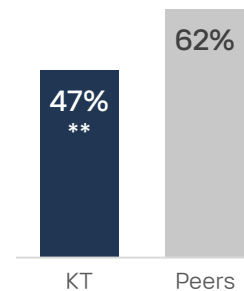
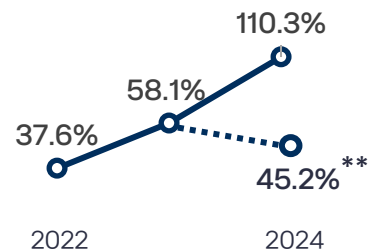
### ROE

ROE has underperformed relative to peers and KOSPI



### Shareholder Return ratio\*

Shareholder return ratio is around 50%, slightly below the level of domestic peers



\* Source : Bloomberg(PER,PBR), KRX Market Data System(ROE)

\*Shareholder return ratio: (Cash dividends + Share buybacks/cancellations)/ Consolidated net income attributable to owners of the Parent company

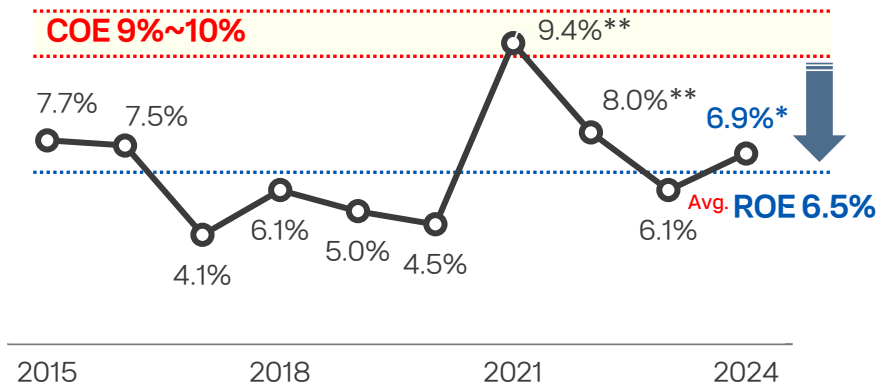
\*\* excluded one-off expenses(of about KRW 1 tr) in 2024

## ROE Analysis

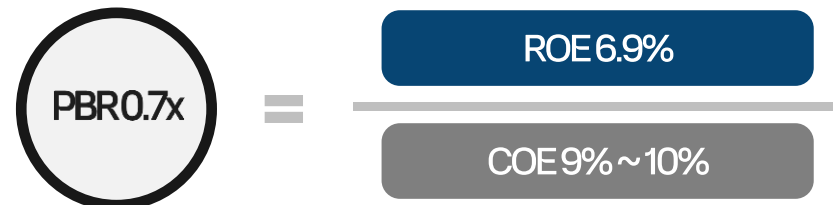
COE, reflecting market expected return, is in the range of 9%–10%, while ROE excluding one-offs in 2024 stands at 6.9%; ROE has been improving since value-up plan but remains below the COE

### ROE – COE Analysis

ROE remains lower than the COE



### Value-up direction



Corporate value can be enhanced by improving ROE through measures such as strengthening profitability and optimizing capital efficiency

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

\*\*Reflecting one-off gains: KRW 362.4 bn from REITs sales and dividend income in 2021, and KRW 215.7 bn from 'Seezn' sales in 2022

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## Target Setting

2028 ROE target remains at 9%~10% considering cost of equity (COE),  
Sustain AI/IT growth, margin improvement, asset sales, and buybacks to achieve ROE target



### Value enhancement direction

Enhance value by achieving ROE above COE

Enhancing Plan

**AICT Transformation**

AI/IT rev. share up 3x of 2023

**Margin Improvement**

Consolidated OP margin 9%

**Asset Monetization**

Non-core asset liquidation

**Shareholder Return**

Share buybacks/cancellation<sup>KRW 1tr</sup>

**ROA**

(Net income/Assets)

**Net Margin**

(Net income/Sales)

**Asset Turnover**

(Sales/Assets)

**Financial Leverage**

(Assets/Equity)

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

## AICT Transform

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 partnerships with global big tech companies

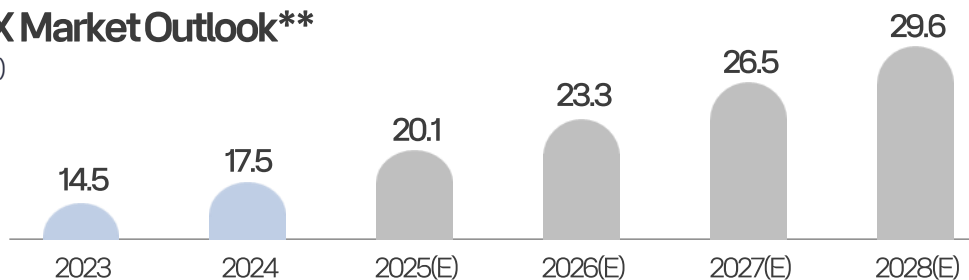


Launched SOTA K, Q Palantir

Deployed AI platform at KT  
an its domestic distribution

#### Korea AX Market Outlook\*\*

(Unit: KRW tr)



#### 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

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

\*\*Source: IDC Korea, "Korea Big Data and Analytics Forecast" ('23.04), "Whole Cloud Forecast" ('24.08)

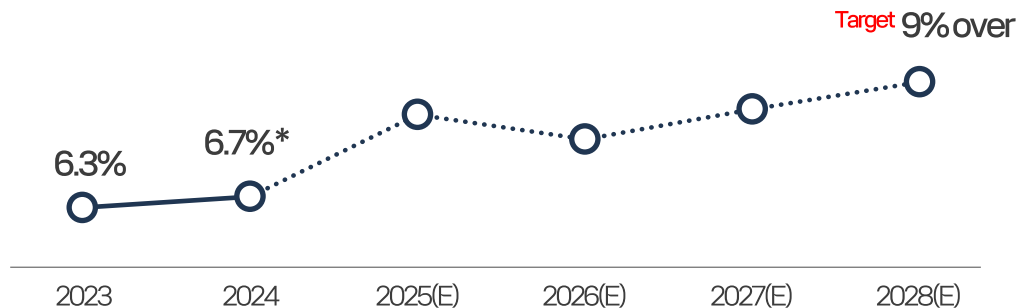
## Streamline low-margin businesses

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

### Margin Improvement

Consolidated OP Margin 9%

### Consolidated OPM



### 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

### 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.

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

## Asset Efficiency

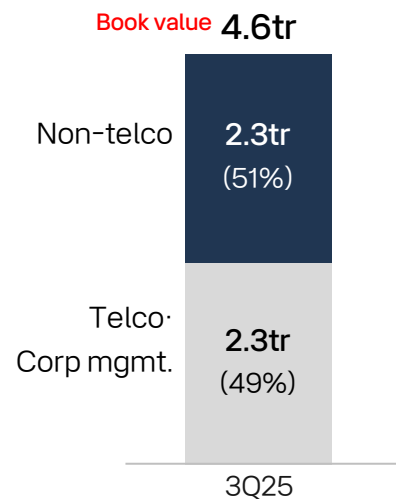
Enhance asset efficiency through telecom facility optimization and monetization of non-core real estate

### Asset Monetization

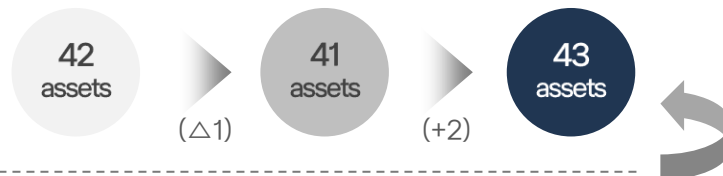
Monetizing non-core real estate

### Status of Real Estate Assets

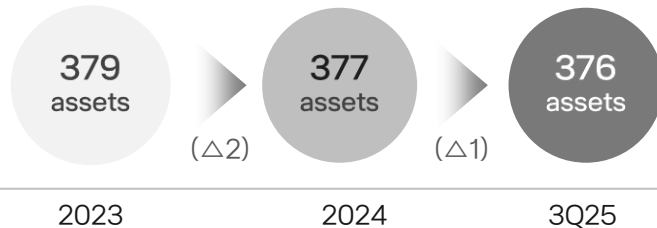
(KT and kt estate book value)



Develop or divest assets based on feasibility



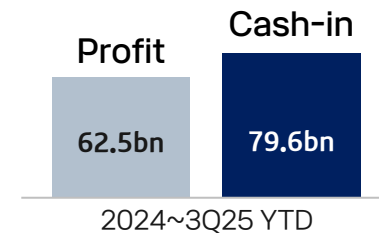
Unlock idle assets via telco sites optimization



### Strategic Direction

Ongoing monetization of non-core real estate assets

**Result** · Sales of small idle properties



## Asset Efficiency

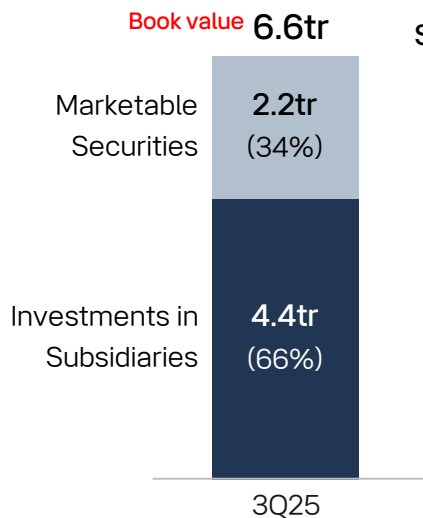
Monetize investment assets considering purpose, profitability, and strategic value, and use proceeds for capital allocation

### Asset Monetization

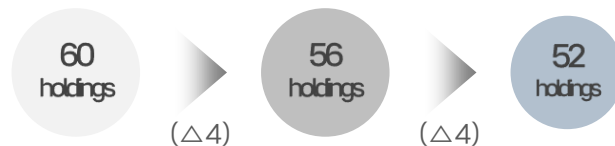
### Divestment of Non-essential Investment Assets

## Status of Investment Assets

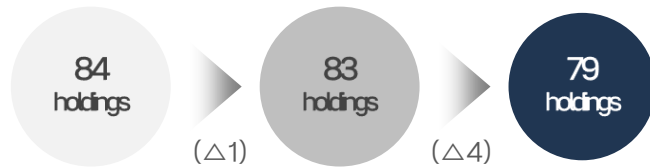
(KT standalone book value)



Sell marketable securities with diminished strategic relevance



Optimize group portfolio for sustainable growth

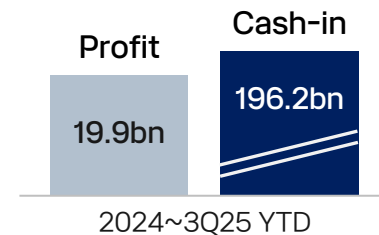


## Strategic Direction

Ongoing portfolio optimization based on strategic/financial value

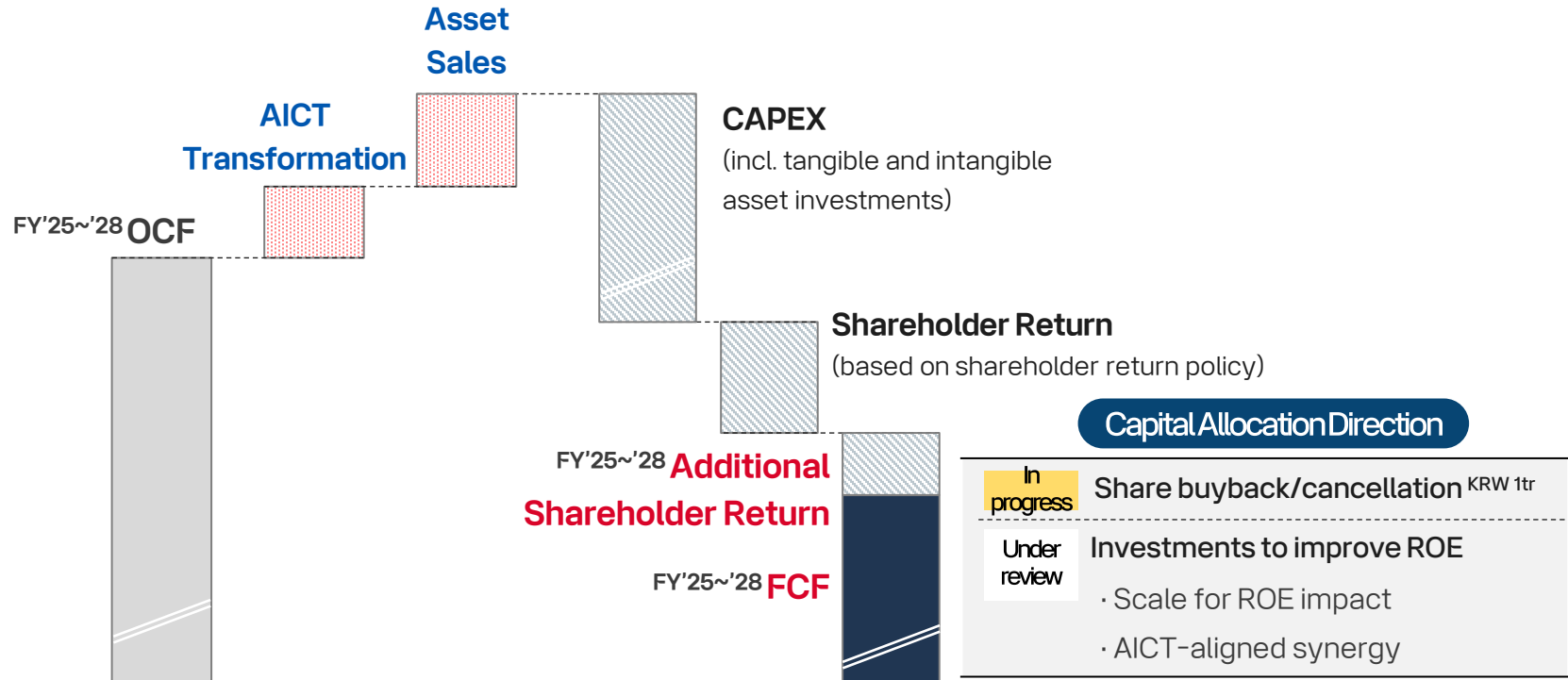
### Result

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



## Capital Allocation

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



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## Governance

Improve processes to establish stable governance structure and strengthen the Board's role in enhancing corporate value



Strengthen  
Transparent management and  
Corporate governance

Reinforce KT Group-wide  
compliance system

### Enhancing Director Appointment Process

### Ensuring Fairness and Transparency in CEO & Outside director appointment process

- Review and selection of director candidates by the Director Candidate Recommendation Committee, composed entirely of outside directors
- Stricter CEO appointment requirements approval of more than 3/5 voting rights present than provisions in the Commercial Act

### Strengthening Internal Control

### Group-wide compliance and risk management

- Establish and operate an integrated risk management system across KT group
- Enhance the identification and inspection of key areas with high compliance risk related to operations

### Enhancing the role of the Board

### Responsible management and Corporate value-up by the Board of Directors

- Promote amendments of the AOI reflecting revisions of the Commercial Act, including the expansion of directors' duty of loyalty
- Conduct periodic reviews of Value-up plan and determine shareholder returns considering cashflow and market expectations
- Strengthen the Board's deliberation function on major capital allocations

## Social/ Environment

Provide a secure and reliable network environment through stronger information security and management; achieve Net Zero by 2050 as a responsible corporate citizen

### Social

Enhance information security and  
Network management

#### Information Security

- Invest KRW 1tr over 5 years for security enhancement
- Reinforce zero-trust and AI-based monitoring
- Increase security workforce through global partnerships
- Continuously reinforce core security frameworks

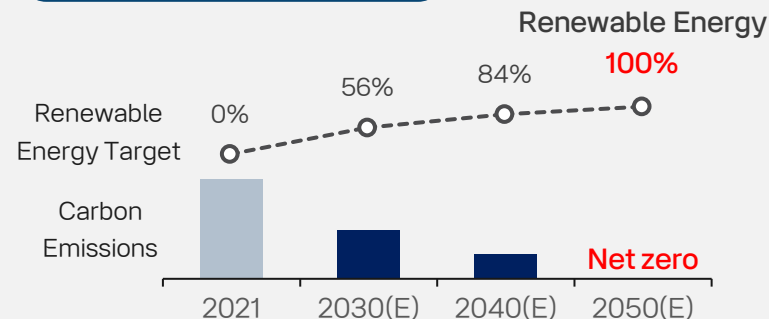
#### Network Management

- IT/NW infra penetration tests and fix vulnerabilities
- Address structural issues in NW security architecture
- Establish integrated IT/NW security roadmap

### Environment

AICT-driven  
environmental leadership

#### 2050 Net Zero RE100



<b>Carbon Neutrality</b>	Transition to Renewable Energy and Improve Energy Efficiency
<b>Climate Capability</b>	Green Innovation & Climate Management Across Value Chain

## IR Activities

Broaden communication with shareholders and market, and improve investor access through transparent, timely disclosures

### 2025 Key IR Activities

Date	Major Activities
Nov '24	Released 『KT Corporate Value-up Plan』
Mar '25	Hosted AGM <sup>with online broadcast</sup>
May '25	Hosted 'KT Corporate Day' led by the CEO
	Released 'Progress Report: KT Corporate Value-up Plan'
	Awarded as an 'Excellent Value-Up Company' by KRX
Jul '25	Hosted 'KT Group IR' event
Sep '25	Participated in 'KCMC 2025' conference hosted by KRX
Nov '25	Reviewed and released 'KT Corporate Value-up Plan'

### Capital Market Communication

Events	2022	2023	2024
Shareholders' meeting (AGM/EGM)	1	3	1
Earnings release	4	4	4
IR meetings	318	311	303
KT Corporate Day <sup>CEO-led</sup>	1	1	1
KT Group IR	1	1	2
Domestic disclosures	72	74	66
Overseas disclosures <sup>US NYSE, Japan</sup>	31	44	42

IR Comm.  
Direction

Board

Strengthen Board-led communication

IR

Continue IR activities <sup>domestic/overseas</sup>

Mgmt

Strengthen Management-led IR comm.

Disclosure

Timely information sharing

**kt**