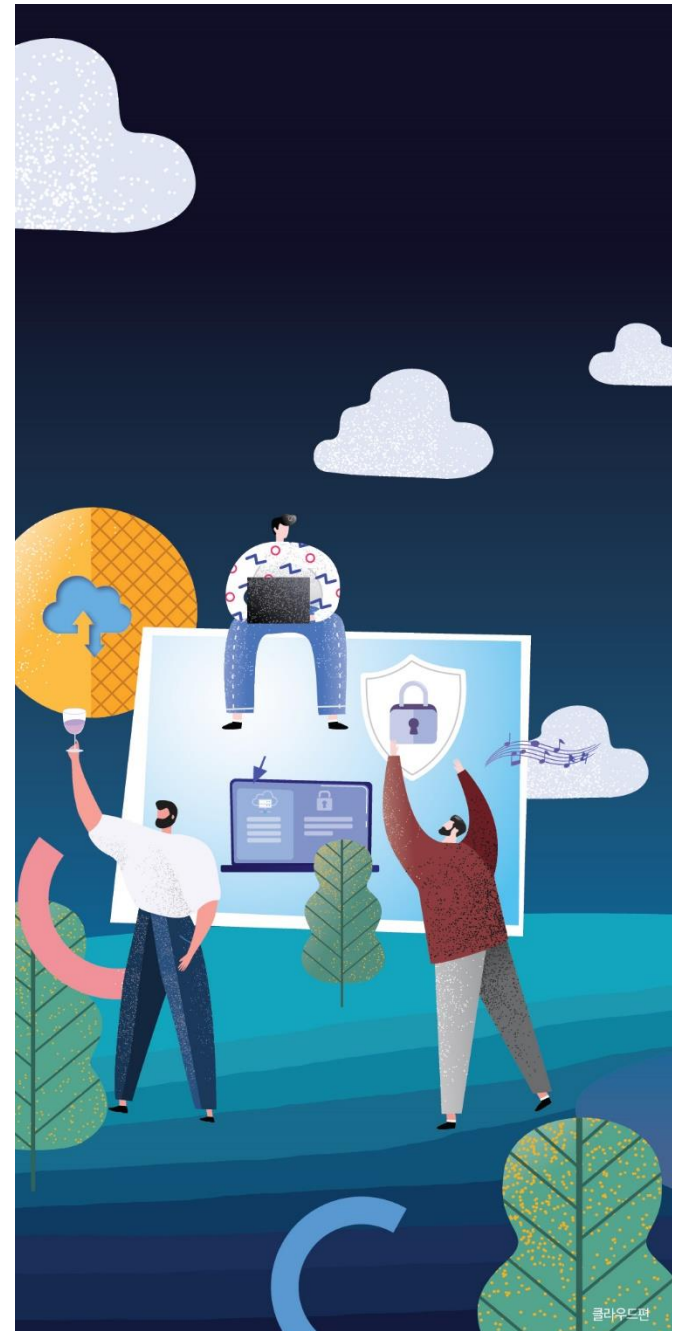


KT 1Q22 Earnings Release

2022. 5. 12 | Investor Relations

DIGICO **KT**



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1 1Q22 Highlights

2 Financial Highlights

3 Business Overview

4 Appendix

1 1Q22 Highlights

Financial

Consolidated	Revenue	6,277.7 bn. (YoY +4.1%)	KT Separate	Revenue	4,608.4 bn. (YoY +0.7%)
	Operating Profit	626.6 bn. (YoY +41.1%)		Operating Profit	429.9 bn. (YoY +17.5%)

Operations

Accelerating DIGICO·B2B growth

DIGICO Accelerating B2B growth by leading DX demand

- DIGICO B2B : YoY +10.5%
- Telco B2B : YoY +7.1%

Continuing Cloud/IDC growth, Launched kt cloud

- Cloud/IDC : YoY +14.7%

TELCO Quantitative & qualitative growth with premium subs. expansion

- 5G subs 6.95m, representing 50% handset subs.
- Wireless revenue : YoY +2.4%

Strengthen new growth portfolio through partnership & cooperation

Contents All-round cooperation with CJ ENM

- Attract 100bn investment for StudioGenie

Accelerating contents biz, Reinforcing media biz competencies

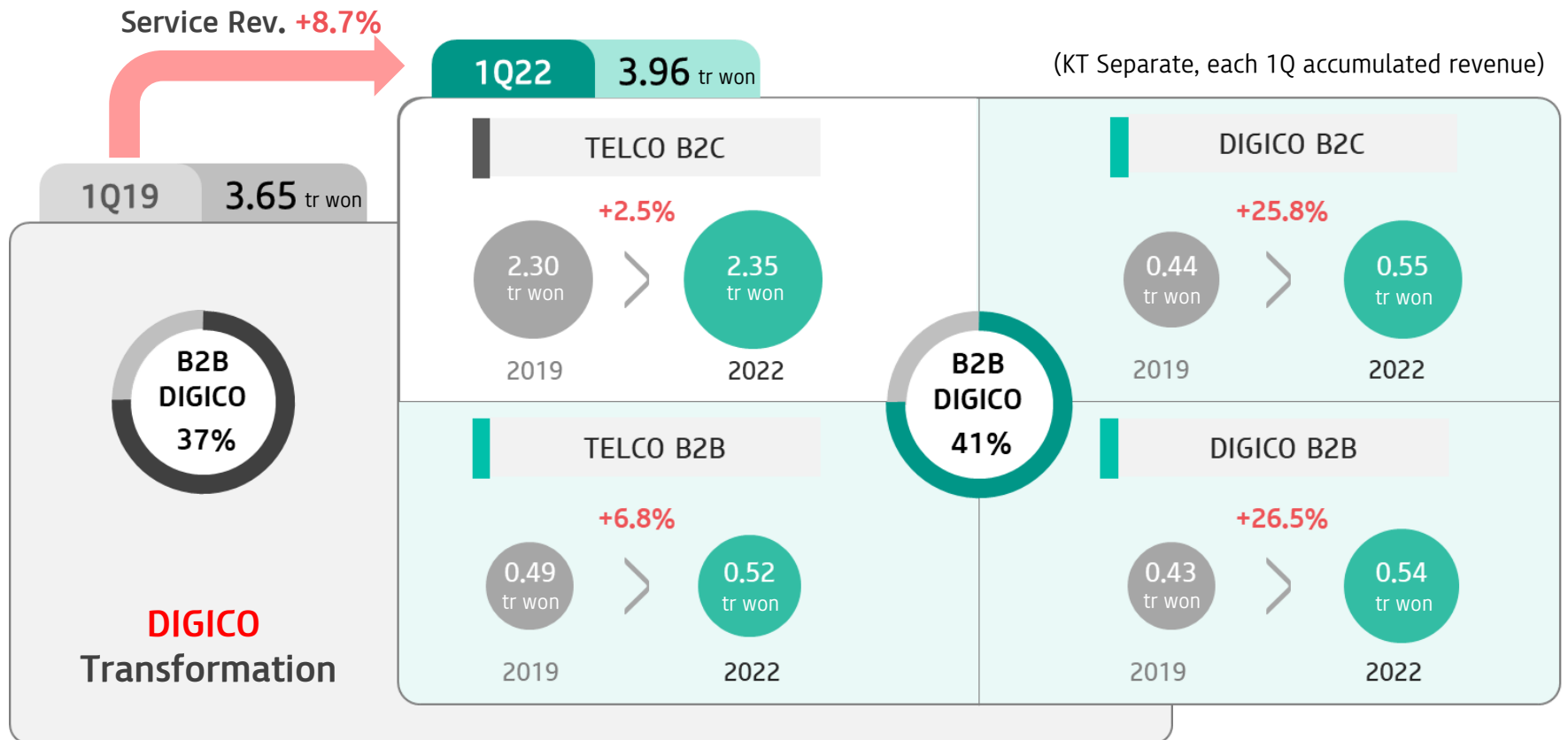
- Announcement of kt StudioGenie lineup
- Rebranding of Sky TV Channel as 『ENA』

Finance K Bank net income expansion, Growth trend of Operating indicator

- Deposits(11.5tr won) YoY +32%/Loan(7.8tr won) YoY +104%

2 DIGICO Transformation

- Expand biz. portfolio and accelerate service revenue growth through DIGICO transformation
- B2B/DIGICO revenue portion target to 50% by 2025, which is currently 40% in 2021



1 1Q22 Highlights

2 Financial Highlights

3 Business Overview

4 Appendix

1 Income Statement

- Operating revenue increased +4.1% YoY with balanced growth in both Telco and DIGICO business
- OP and NI increased +41.1%, +39.5% YoY respectively with visible outcome of DIGICO transformation

(Unit: KRW bn)

	1Q21	4Q21	1Q22	QoQ	YoY
Operating Revenue	6,029.4	6,623.6	6,277.7	-5.2%	4.1%
Service Revenue	5,230.4	5,758.1	5,565.5	-3.3%	6.4%
Handset Revenue	799.1	865.5	712.2	-17.7%	-10.9%
Operating Expense	5,585.2	6,254.1	5,651.1	-9.6%	1.2%
Operating Income	444.2	369.4	626.6	69.6%	41.1%
Margin	7.4%	5.6%	10.0%	4.4%p	2.6%p
Margin*	8.5%	6.4%	11.3%	4.9%p	2.8%p
Non-op. Income/Loss	24.0	137.9	15.6	-88.7%	-35.1%
Income before taxes	468.2	507.2	642.2	26.6%	37.2%
Net Income	326.5	424.4	455.4	7.3%	39.5%
Margin	5.4%	6.4%	7.3%	0.9%p	1.9%p
EBITDA	1,345.3	1,283.5	1,518.3	18.3%	12.9%
Margin	22.3%	19.4%	24.2%	4.8%p	1.9%p

※ OP Margin* = Operating Income/Service Revenue

2 Operating Expenses

(Unit: KRW bn)

	1Q21	4Q21	1Q22	QoQ	YoY
Operating Expenses	5,585.2	6,254.1	5,651.1	-9.6%	1.2%
Labor Cost	1,024.2	1,076.1	1,040.4	-3.3%	1.6%
General Expense	2,320.7	2,601.2	2,471.0	-5.0%	6.5%
- Depreciation	901.2	914.1	891.7	-2.4%	-1.1%
Cost of Service Provided	757.4	987.0	799.6	-19.0%	5.6%
Selling Expense	614.4	620.9	573.2	-7.7%	-6.7%
Cost of Handset sold	868.5	968.8	766.9	-20.8%	-11.7%

▪ Selling Expense (KT Separate)

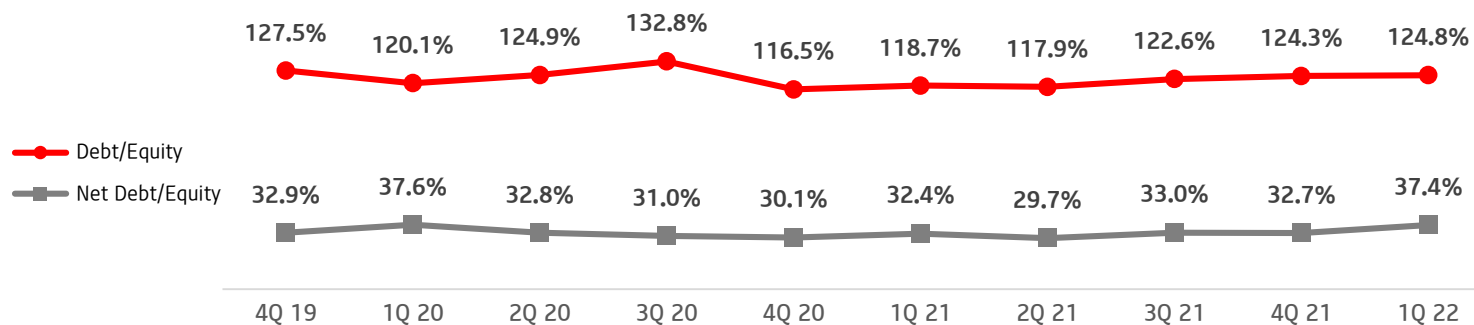
(Unit: KRW bn)

	1Q21	4Q21	1Q22	QoQ	YoY
Selling Expense	631.0	673.9	613.2	-9.0%	-2.8%

3 Financial Position

(Unit: KRW bn)

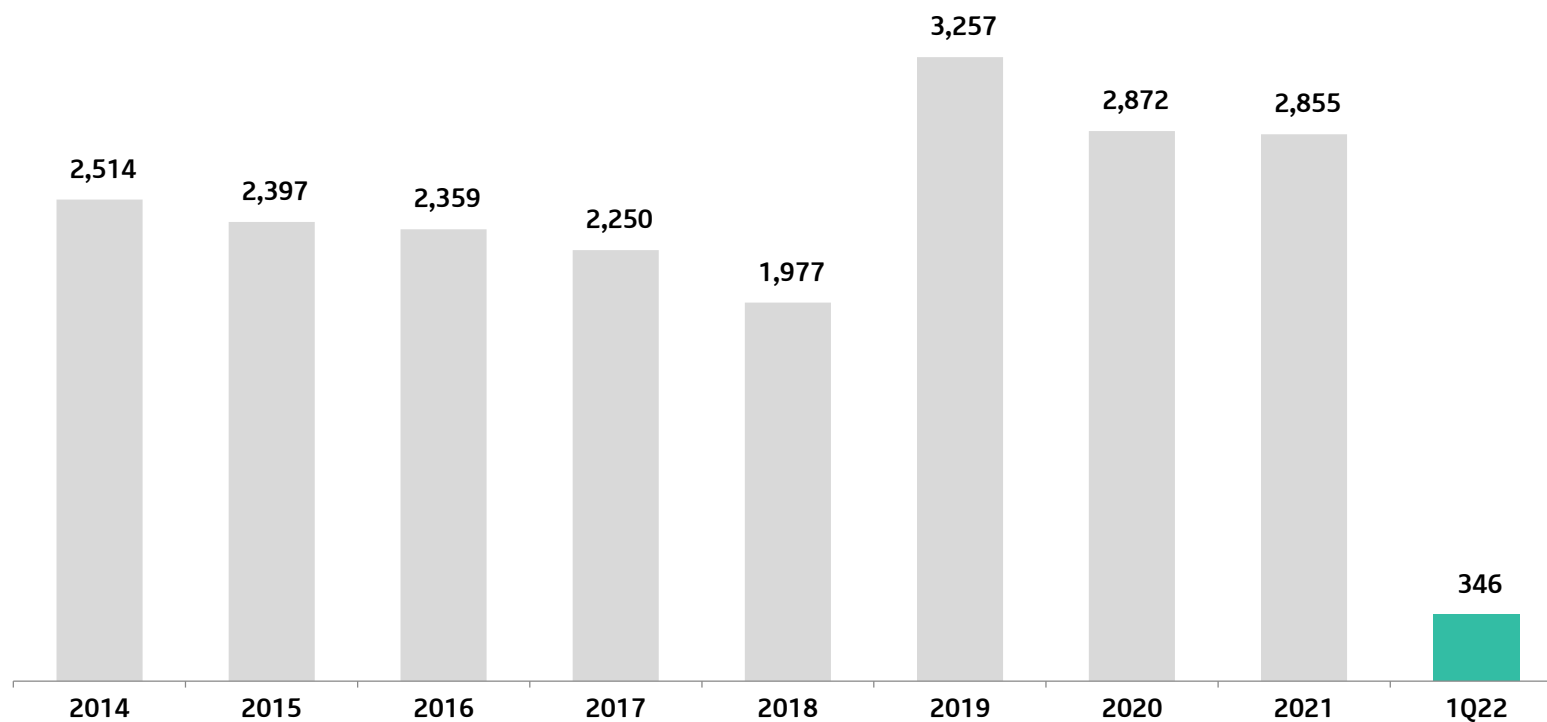
	1Q21	4Q21	1Q22	QoQ	YoY
Assets	33,547.6	37,159.3	37,301.1	0.4%	11.2%
Cash & Cash equivalents	2,753.1	3,019.6	2,682.2	-11.2%	-2.6%
Liabilities	18,209.7	20,592.1	20,707.3	0.6%	13.7%
Borrowings	7,724.6	8,437.7	8,894.9	5.4%	15.1%
Equity	15,337.9	16,567.2	16,593.8	0.2%	8.2%
Capital Stock	1,564.5	1,564.5	1,564.5	0.0%	0.0%
Net Debt	4,971.6	5,418.1	6,212.7	14.7%	25.0%
Debt / Equity	118.7%	124.3%	124.8%	0.5%p	6.1%p
Net Debt / Equity	32.4%	32.7%	37.4%	4.7%p	5.0%p



4 CAPEX

- CAPEX executed KRW 3,464 bn in 1Q22

(Unit: KRW bn)



1 1Q22 Highlights

2 Financial Highlights

3 Business Overview

4 Appendix

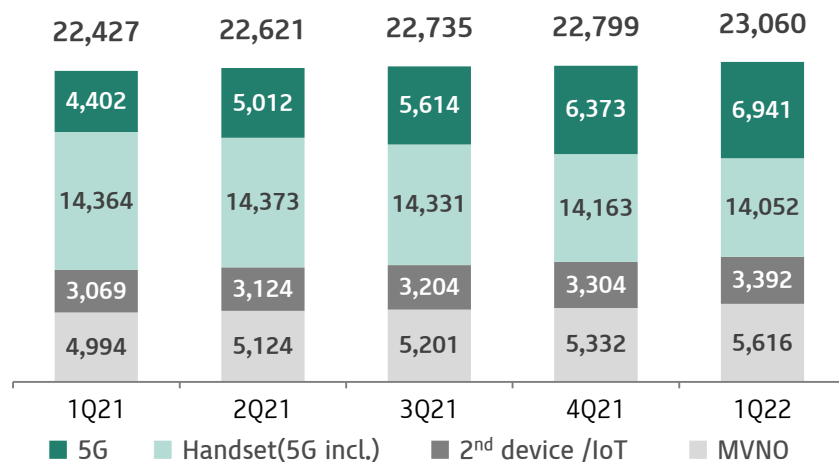
1 KT - Telco B2C

- Telco B2C rev. up +1.2% YoY with premium subs and contents bundle subscription services expansion
- 5G subscribers grow to account for 50% of handset subscribers, driving wireless revenue growth

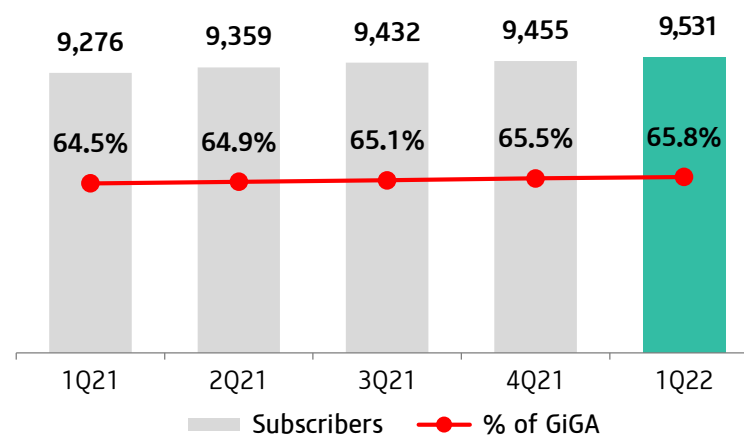
(Unit: KRW bn)

	1Q21	4Q21	1Q22	QoQ	YoY
Telco B2C	2,325.6	2,335.8	2,353.5	0.8%	1.2%
Wireless	1,508.5	1,533.1	1,537.6	0.3%	1.9%
Broadband	576.0	574.8	591.1	2.8%	2.6%
Telephony	241.1	227.9	224.8	-1.4%	-6.8%

Wireless Subscribers (Unit: Thousands)



Broadband Subscribers (Unit: Thousands)



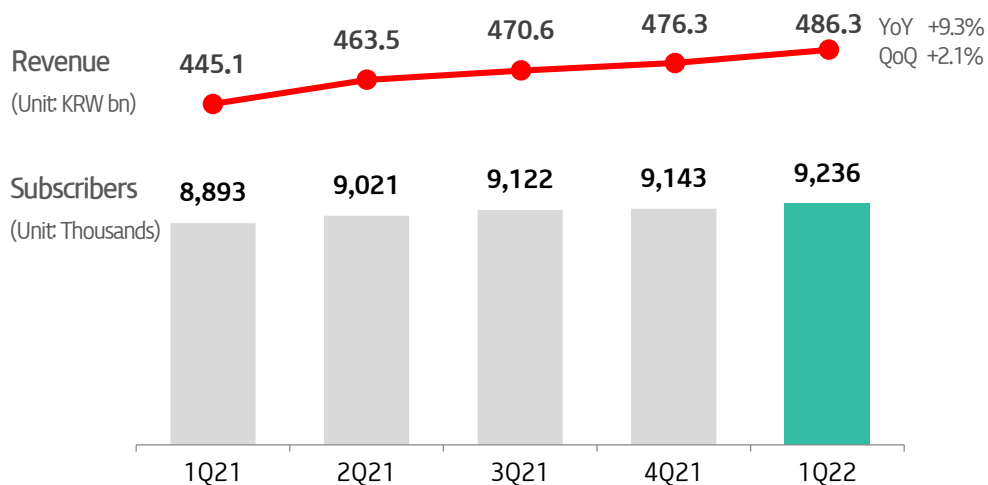
2 KT - DIGICO B2C

- DIGICO B2C rev. up +4.7% YoY with balanced growth in both media and mobile platform business
- IPTV rev. up +9.3% YoY with subs and platform revenue expansion, driving growth of media business

(Unit: KRW bn)

	1Q21	4Q21	1Q22	QoQ	YoY
DIGICO B2C	524.4	537.4	549.3	2.2%	4.7%
Media	473.3	485.9	496.0	2.1%	4.8%
Mobile Platform	51.1	51.5	53.3	3.4%	4.3%

IPTV Biz



※ Number of IPTV subscribers above deviates from MSIT's released figure below following IPTV law
 -Number of KT pay TV subscriber is 8,141,601 in 1H 2021 (6 month average)

DIGICO B2C

Media	IPTV
	Seezn OTT
	Media and etc.
Mobile Platform	*Finance Platform
	**Contents Market
	IoT

* Finance Platform : Mobile payment, Authentication, Fintech and etc.

** Contents Market : App market payment, One-store, Contents distribution and etc.

3 KT - TELCO B2B

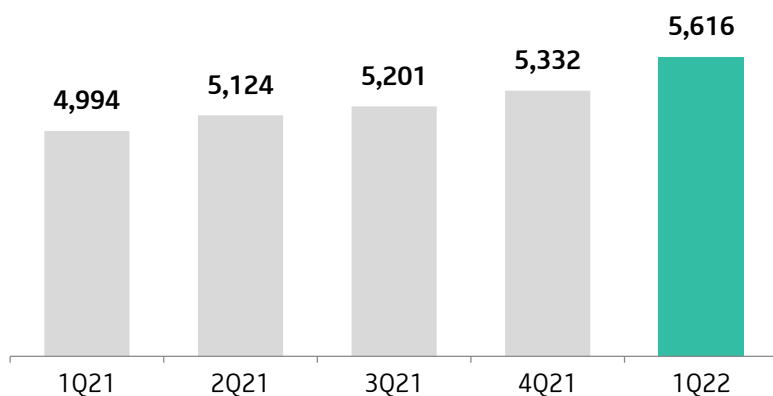
- Corp. BB/data rev. up +3.7% YoY with increased data traffic and demand for high-speed lines
- Corp. Telephony rev. up +14.3% YoY with increased demand for VoIP and telephony DX biz. expansion

(Unit: KRW bn)

	1Q21	4Q21	1Q22	QoQ	YoY
Telco B2B	485.4	500.8	519.7	3.8%	7.1%
Corp. Broadband/Data	329.4	329.9	341.5	3.5%	3.7%
Corp. Telephony	156.0	171.0	178.3	4.3%	14.3%

MVNO Subscribers

(Unit: Thousands)



TELCO B2B

Corp. Broadband/ Data	Leased Line, KORNET, VPN
	Global Data, Wholesale
	Internet Exchange
Corp. Telephony	MVNO
	Corporate Telephony
	Corporate Intelligent Network

4 KT - DIGICO B2B

- DIGICO B2B rev. up +10.5% YoY due to rapid growth of AICC and growing demand for DX
- Cloud/IDC rev. up by +14.7% YoY. Established a company specialized in digital infrastructure, 'kt cloud'

(Unit: KRW bn)

	1Q21	4Q21	1Q22	QoQ	YoY
DIGICO B2B	488.5	518.6	539.6	4.1%	10.5%
Enterprise DX	264.6	261.2	262.5	0.5%	-0.8%
Cloud/IDC	108.5	117.2	124.4	6.2%	14.7%
AI/New Biz	76.3	94.2	107.4	13.9%	40.7%
Real Estate	39.2	45.9	45.4	-1.3%	15.8%

DIGICO B2B

Enterprise DX	Enterprise Messaging
	Managed, Enterprise IoT
	Global ICT
	ICT and etc.
Cloud/IDC	Cloud
	IDC

AI/ New Biz	AICC, AI Robot
	Smart Mobility
	Smart Space solution
	Blockchain, Energy, Video Security
Real Estate	New Biz and etc.

5 Major subsidiaries

- BC card rev. grew +7.5% YoY due to recovery of consumer sentiment
- Contents subsidiaries rev. up +35.5% YoY with business and portfolio expansion

Subsidiaries Revenue

(Unit: KRW bn)

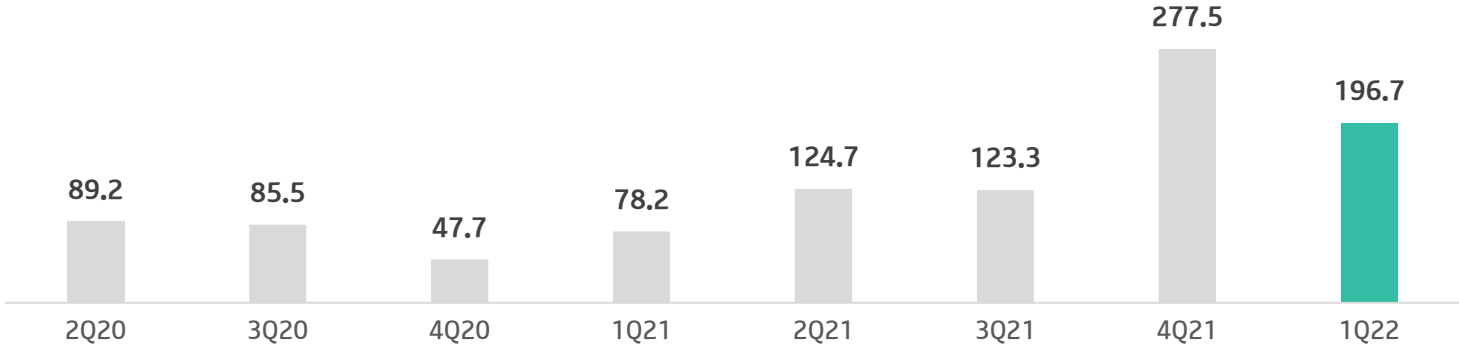
	1Q21	4Q21	1Q22	QoQ	YoY
BC card	839.5	945.2	902.2	-4.5%	7.5%
Skyline	166.9	242.8	240.8	-0.8%	44.2%
Contents subsidiaries	199.6	276.2	270.4	-2.1%	35.5%
KT estate	62.6	336.0	150.5	-55.2%	140.3%

※ BC card : VP, Smartro etc. incl. / KT estate : kt AMC etc. incl.

※ Contents Subsidiaries : Nasmedia(PlayD incl.), KT alpha, KT Studiogenie(Genie music, Storywiz, KT Seezn and others incl.)

OP contribution by subsidiaries in total

(Unit: KRW bn)



1 1Q22 Highlights

2 Financial Highlights

3 Business Overview

4 Appendix

1 K-IFRS Income Statement

(Unit: KRW bn)

Consolidated	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	Consolidated	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22
Operating revenue	6,029.4	6,027.6	6,217.4	6,623.6	6,277.7	Operating revenue	4,574.5	4,478.8	4,664.7	4,669.5	4,608.4
Service revenue	5,230.4	5,336.8	5,402.4	5,758.1	5,565.5	Service revenue	3,824.0	3,867.3	3,920.1	3,892.7	3,962.1
Handset revenue	799.1	690.9	815.0	865.5	712.2	Handset revenue	750.4	611.5	744.6	776.8	646.2
Operating expense	5,585.2	5,551.8	5,835.0	6,254.1	5,651.1	Operating expense	4,208.5	4,127.6	4,405.6	4,577.5	4,178.5
Service expense	4,716.8	4,809.8	4,955.6	5,285.3	4,884.2	Service expense	3,443.8	3,531.7	3,662.8	3,743.2	3,516.0
Labor cost	1,024.2	1,025.5	1,090.0	1,076.1	1,040.4	Labor cost	569.0	567.1	629.3	542.7	549.3
General expense	2,320.7	2,380.9	2,447.7	2,601.2	2,471.0	General expense	1,644.8	1,714.9	1,763.9	1,863.6	1,692.8
Cost of svc provided	757.4	795.0	835.8	987.0	799.6	Cost of svc provided	584.4	594.9	634.4	649.2	646.4
Selling expense	614.4	608.4	582.0	620.9	573.2	Selling expense	645.6	654.9	635.2	687.7	627.4
Cost of device sold	868.5	741.9	879.4	968.8	766.9	Cost of device sold	764.7	595.9	742.8	834.3	662.5
Operating income	444.2	475.8	382.4	369.4	626.6	Operating income	366.0	351.2	259.1	92.0	429.9
N-OP income (loss)	24.0	46.8	97.9	137.9	15.6	N-OP income (loss)	86.3	50.2	50.2	66.4	99.2
N-OP income	245.0	145.6	307.6	335.8	223.2	N-OP income	289.3	148.6	279.9	268.1	268.7
N-OP expense	226.7	126.8	273.8	216.1	204.0	N-OP expense	203.0	98.4	229.7	201.7	169.6
Equity Method (G/L)	5.7	28.1	64.1	18.2	-3.6	Equity Method (G/L)					
Income bf tax	468.2	522.7	480.3	507.2	642.2	Income bf tax	452.2	401.4	309.3	158.3	529.1
Income tax	141.7	151.9	142.6	82.9	186.8	Income tax	117.9	104.6	80.6	27.8	138.1
Net income	326.5	370.8	337.7	424.4	455.4	Net income	334.4	296.8	228.7	130.6	391.0
NI contribution to KT	302.6	338.8	310.9	404.6	409.8	NI contribution to KT					
EBITDA	1,345.3	1,373.2	1,277.5	1,283.5	1,518.3	EBITDA	1,173.6	1,159.4	1,061.1	891.8	1,217.1
EBITDA Margin	22.3%	22.8%	20.5%	19.4%	24.2%	EBITDA Margin	25.7%	25.9%	22.7%	19.1%	26.4%

2 K-IFRS Balance Sheet

(Unit: KRW bn)

Consolidated	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22
Assets	33,547.6	34,139.0	35,831.2	37,159.3	37,301.1
Current assets	11,567.1	11,695.3	11,897.4	11,858.4	12,189.9
Cash & cash equi.	2,753.1	3,097.0	3,088.9	3,019.6	2,682.2
Trade & other rec	4,029.5	3,785.5	4,156.5	3,869.8	4,074.7
Inventories	591.9	474.1	406.6	514.1	1,406.5
Other current asset	4,192.6	4,338.8	4,245.3	4,454.8	4,026.4
- Prepaid_Contract cost	1,310.8	1,279.0	1,291.8	1,305.0	1,304.2
- Contract assets	415.8	441.5	482.8	510.6	522.9
Non-current assets	21,980.5	22,443.6	23,933.8	25,301.0	25,111.3
Trade & other rec	945.3	958.5	814.3	809.4	671.6
Tangible assets	13,877.4	13,627.3	13,720.8	14,464.9	14,272.6
Other current assets	7,157.8	7,857.8	9,398.7	10,026.7	10,167.0
- Prepaid_Contract cost	448.2	447.7	472.4	496.3	486.8
- Contract assets	209.4	219.5	230.8	234.5	225.5
Liabilities	18,209.7	18,475.2	19,733.7	20,592.1	20,707.3
Current liabilities	9,271.5	8,325.7	9,381.3	10,072.4	9,883.5
Trade & other payables	5,969.6	5,741.7	6,155.8	6,641.4	6,548.3
Short-term borrowings	1,449.0	945.9	1,588.2	1,731.4	1,583.7
Others	1,853.0	1,638.1	1,637.3	1,699.6	1,751.6
- Contract liabilities	321.2	288.5	270.4	274.6	276.1
Non-current liabilities	8,938.2	10,149.5	10,352.4	10,519.7	10,823.7
Trade & other payables	690.4	1,178.9	1,082.7	1,338.8	1,061.8
Long-term borrowings	6,275.7	6,809.8	6,807.9	6,706.3	7,311.3
Others	1,972.1	2,160.8	2,461.8	2,474.7	2,450.7
- Contract liabilities	50.0	43.9	43.7	49.1	44.7
Equity	15,337.9	15,663.8	16,097.5	16,567.2	16,593.8
Retained earnings	12,113.9	12,506.1	12,821.7	13,287.4	13,234.9

KT Separate	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22
Assets	27,693.7	28,203.4	28,607.5	29,362.4	29,305.6
Current assets	7,287.3	7,254.5	7,533.0	7,167.0	7,443.7
Cash & cash equi.	1,564.4	1,926.7	1,829.5	1,708.7	1,496.0
Trade & other rec	3,353.6	3,069.8	3,430.9	3,092.4	3,326.0
Inventories	349.8	262.2	186.6	289.3	333.6
Other current asset	2,019.6	1,995.9	2,086.1	2,076.6	2,288.0
- Prepaid_Contract cost	1,372.7	1,347.9	1,360.9	1,381.5	1,383.2
- Contract assets	360.6	390.2	428.3	450.3	459.1
Non-current assets	20,406.4	20,948.9	21,074.5	22,195.3	21,861.9
Trade & other rec	898.9	906.8	760.2	750.8	608.6
Tangible assets	11,725.9	11,511.7	11,463.6	12,021.1	11,806.6
Other current assets	7,781.6	8,530.4	8,850.7	9,423.4	9,446.7
- Prepaid_Contract cost	441.5	442.5	461.7	486.2	476.3
- Contract assets	134.7	149.7	163.8	169.4	164.3
Liabilities	14,681.3	14,877.6	15,016.2	15,497.5	15,509.5
Current liabilities	6,563.9	5,767.9	6,419.4	6,968.7	6,910.1
Trade & other payables	4,409.4	3,987.6	4,240.0	4,792.1	4,631.1
Short-term borrowings	1,204.5	823.8	1,196.0	1,338.2	1,267.7
Others	950.0	956.4	983.4	838.4	1,011.3
- Contract liabilities	316.0	295.3	281.7	286.4	280.5
Non-current liabilities	8,117.4	9,109.7	8,596.8	8,528.8	8,599.4
Trade & other payables	1,206.2	1,874.9	1,731.6	1,958.0	1,644.4
Long-term borrowings	5,973.1	6,265.5	5,947.2	5,611.4	6,007.6
Others	938.1	969.3	918.1	959.4	947.4
- Contract liabilities	50.0	44.2	44.0	47.9	44.6
Equity	13,012.4	13,325.8	13,591.3	13,864.9	13,796.1
Retained earnings	11,221.4	11,517.5	11,746.6	11,931.5	11,859.8

3 Subscribers

Wireless	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	QoQ	YoY
Subscribers (Unit: Thousands) ¹⁾							
Total	22,427	22,621	22,735	22,799	23,060	1.1%	2.8%
Net additions	122	194	114	64	261	310.5%	113.8%
Gross additions	1,165	1,041	986	1,064	1,039	-2.3%	-10.8%
Deactivation²⁾	1,043	847	871	1,000	792	-20.8%	-24.1%
Churn rate	1.6%	1.3%	1.3%	1.5%	1.2%	-0.3%p	-0.4%p
LTE	15,739	15,504	15,161	14,662	14,454	-1.4%	-8.2%
5G	4,404	5,014	5,617	6,378	6,949	9.0%	57.8%
LTE+5G Penetration rate	89.8%	90.7%	91.4%	92.3%	92.8%	0.5%p	3.0%p
ARPU (KRW)³⁾	31,151	31,429	31,815	31,825	32,308	1.5%	3.7%

Note 1) Subscribers: MSIT's new guidelines for subscriber disclosure (Retroactively applied from 1Q14, MVNO included)

Note 2) Deactivation: Mandatory deactivation included

Note 3) ARPU = Wireless revenue* / Wireless subscribers**

* Wireless revenue(3G, LTE, 5G, IoT included): Revenue of Voice and Data usage (Interconnection/Subscription fee excluded), VAS, Contract/ Bundled Discounts, and etc. included

** Wireless subscribers: Based on MSIT's guidelines for average billed subscribers in quarter

Fixed Line/IPTV	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	QoQ	YoY
Subscribers (Unit: Thousands)							
Telephony	13,460	13,329	13,218	13,096	12,969	-1.0%	-3.6%
PSTN	10,311	10,169	10,037	9,905	9,768	-1.4%	-5.3%
VoIP	3,149	3,159	3,180	3,191	3,201	0.3%	1.6%
Broadband	9,276	9,359	9,432	9,455	9,531	0.8%	2.8%
IPTV (OTV+OTS)	8,893	9,021	9,122	9,143	9,236	1.0%	3.9%

※ Number of IPTV subscribers above deviates from MSIT's released figure below following IPTV law
 - Number of KT pay TV subscriber is 8,141,601 in 2H 2020 (6 month average)

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