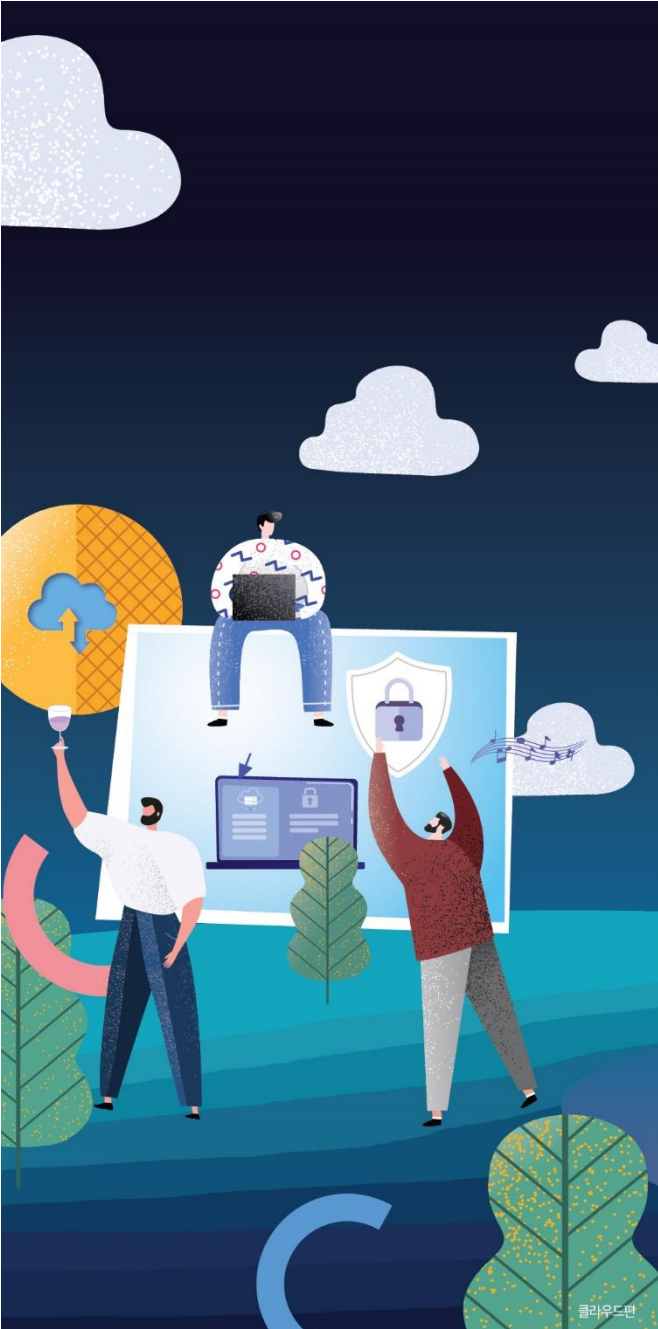


KT 2Q23 Earnings Release

2023. 8. 7 | Investor Relations



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Tel: +82-2-3495-3254, 3262, 3265, 3557, 3558, 3564, 3595, 5339, 5341, 5344

Fax: +82-2-3495-5917

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1 2Q23 Highlights

Financials

Double-digit OP growth through robust fundamentals and improved profitability

Consolidated

Revenue **6,547.5bn** (YoY +3.7%)
Operating Profit **576.1bn** (YoY +25.5%)

KT Separate

Revenue **4,487.4bn** (YoY -0.7%)
Operating Profit **407.5bn** (YoY +34.2%)

(Unit: KRW)

※ Service revenue (separate) exceeds KRW 4tr for the first time after 1Q 2010

Key Performance

Both B2B and B2C continue balanced growth

- B2C, growth through focus on qualitative marketing
- B2B, business expansion through revenue realized from past order intakes and additional orders
 - corp. broadband/data +5.2%(YoY)
 - corp. telephony +12.3%(YoY)

Subsidiaries, growth of core-portfolio accelerates

- **BC Card/K Bank:** Continued expansion of loan business
- **Content:** More originals aired, increased overseas distribution
- **Real estate:** Rev. growth from hotels and APT pre-sales
- **kt cloud:** CAPA expansion after 600bn investment attraction

Corporate Governance

(June) New directors appointed and AoI Amended

- All agendas passed in the 1st EGM held on June 30
- 7 new outside directors appointed (including 3 recommended by shareholders)
- AoI amended to improve CEO/Director appointment process and role of the BoD

(August) CEO to be elected

- Final CEO candidate selected by BoD on August 4
- CEO to be officially elected through 2nd EGM on August 30

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1 Income Statement

- Revenue +3.7% YoY through balanced growth in both B2B/B2C, and core-portfolio-oriented subsidiaries' growth (finance/content/DX)
- Achieved OP of KRW 576.1bn despite inflation (exceeded KRW 1tr in 1H for 2 consecutive years)

(Unit: KRW bn)

	2Q22	1Q23	2Q23	QoQ	YoY
Operating Revenue	6,312.2	6,443.7	6,547.5	1.6%	3.7%
Service Revenue	5,670.5	5,713.9	5,968.6	4.5%	5.3%
Handset Revenue	641.7	729.7	578.9	-20.7%	-9.8%
Operating Expense	5,853.0	5,957.6	5,971.4	0.2%	2.0%
Operating Income	459.2	486.1	576.1	18.5%	25.5%
Margin	7.3%	7.5%	8.8%	1.3%p	1.5%p
Margin*	8.1%	8.5%	9.7%	1.2%p	1.6%p
Non-op. Income/Loss	80.5	-48.5	-28.0	-	-
Income before taxes	539.7	437.6	548.1	25.3%	1.6%
Net Income	363.4	309.6	432.5	39.7%	19.0%
Margin	5.8%	4.8%	6.6%	1.8%p	0.8%p
EBITDA	1,387.2	1,415.5	1,505.3	6.3%	8.5%
Margin	22.0%	22.0%	23.0%	1.0%p	1.0%p

※ OP Margin* = Operating Income/Service Revenue

2 Operating Expenses

(Unit: KRW bn)

	2Q22	1Q23	2Q23	QoQ	YoY
Operating Expenses	5,853.0	5,957.6	5,971.4	0.2%	2.0%
Labor Cost	1,120.9	1,069.1	1,131.5	5.8%	0.9%
General Expense	2,560.2	2,604.0	2,690.6	3.3%	5.1%
- Depreciation	928.0	929.4	929.2	0.0%	0.1%
Cost of Service Provided	863.0	830.2	813.2	-2.1%	-5.8%
Selling Expense	606.0	600.9	633.9	5.5%	4.6%
Cost of Handset sold	703.0	853.3	702.3	-17.7%	-0.1%

▪ Selling Expense (KT Separate)

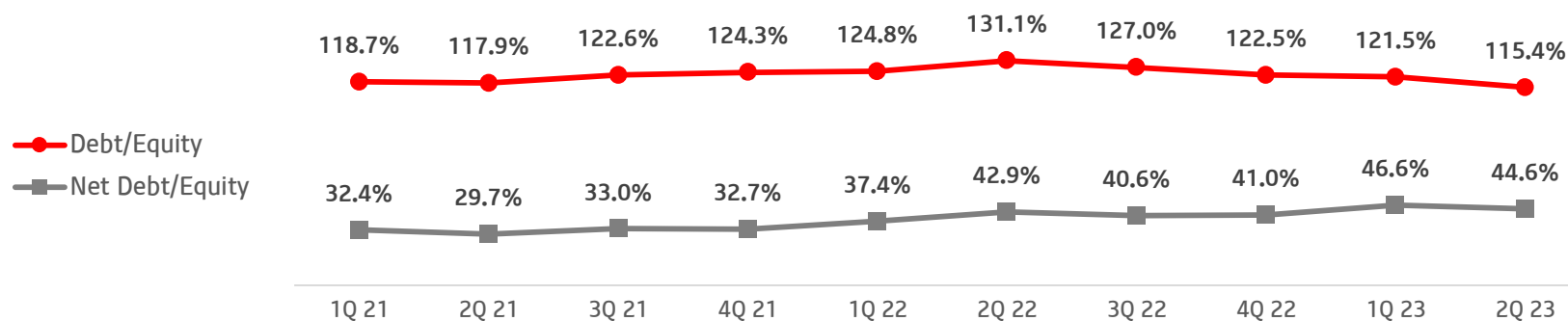
(Unit: KRW bn)

	2Q22	1Q23	2Q23	QoQ	YoY
Selling Expense	657.4	626.1	637.0	1.7%	-3.1%

3 Financial Position

(Unit: KRW bn)

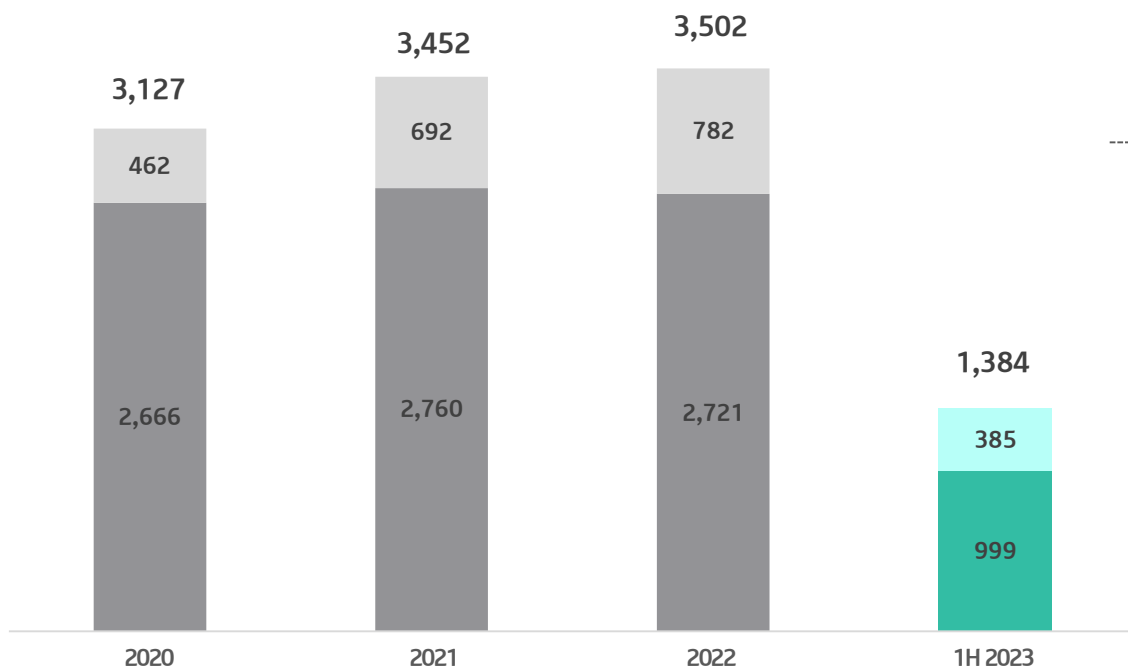
	June 30, 2022	March 31, 2023	June 30, 2023	QoQ	YoY
Assets	39,066.3	40,214.4	39,756.0	-1.1%	1.8%
Cash & Cash equivalents	2,821.7	2,109.2	1,805.5	-14.4%	-36.0%
Liabilities	22,161.7	22,062.4	21,302.3	-3.4%	-3.9%
Borrowings	10,074.5	10,577.1	10,036.0	-5.1%	-0.4%
Equity	16,904.6	18,152.0	18,453.7	1.7%	9.2%
Capital Stock	1,564.5	1,564.5	1,564.5	-	-
Net Debt	7,252.8	8,467.9	8,230.5	-2.8%	13.5%
Debt / Equity	131.1%	121.5%	115.4%	-6.1%p	-15.7%p
Net Debt / Equity	42.9%	46.6%	44.6%	-2.0%p	1.7%p



4 CAPEX

- 1H23 CAPEX execution : KRW 998.5bn(KT separate), KRW 385.3bn(major subsidiaries)

(Unit: KRW bn)



Major subsidiaries CAPEX

Finance, Media·Content, Cloud/IDC, Real Estate and etc.

KT separate CAPEX

Access network, Backbone Network, B2B and etc.

※ Cloud/IDC related investment in 2020 and 2021 are retroactively reflected in subsidiaries' CAPEX

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1 KT - Telco B2C

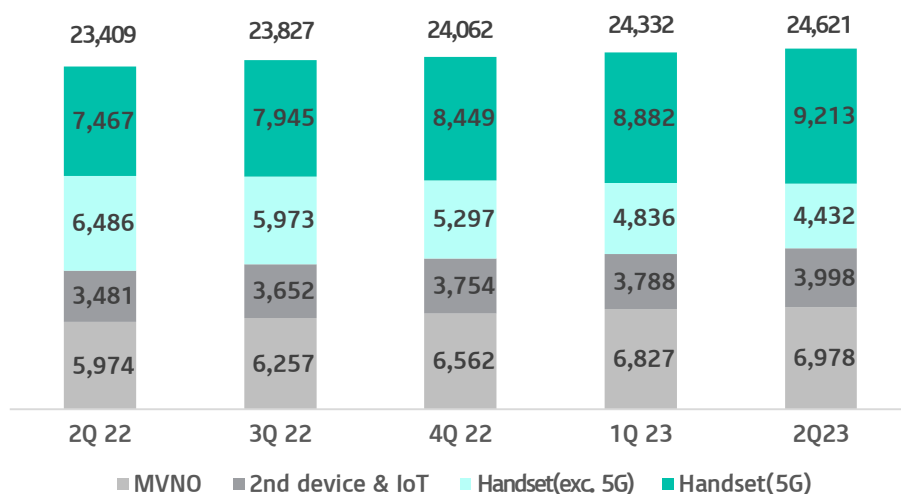
- Revenue +0.8% YoY due to premium mobile/broadband subs acq and growth in roaming service
- 5G penetration ratio reached 68% among handset subs, and GiGA subs proportion reached 68%

(Unit: KRW bn)

	2Q22	1Q23	2Q23	QoQ	YoY
Telco B2C	2,371.9	2,381.1	2,390.2	0.4%	0.8%
Wireless	1,550.3	1,554.8	1,562.0	0.5%	0.8%
Broadband	596.3	607.9	612.4	0.7%	2.7%
Telephony	225.3	218.4	215.8	-1.2%	-4.2%

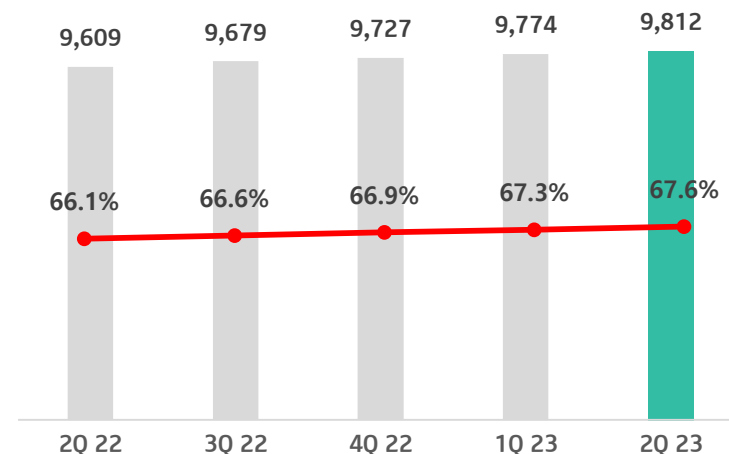
Wireless Subscribers

(Unit: Thousands)



Broadband Subscribers (% of GiGA)

(Unit: Thousands)



2 KT - DIGICO B2C

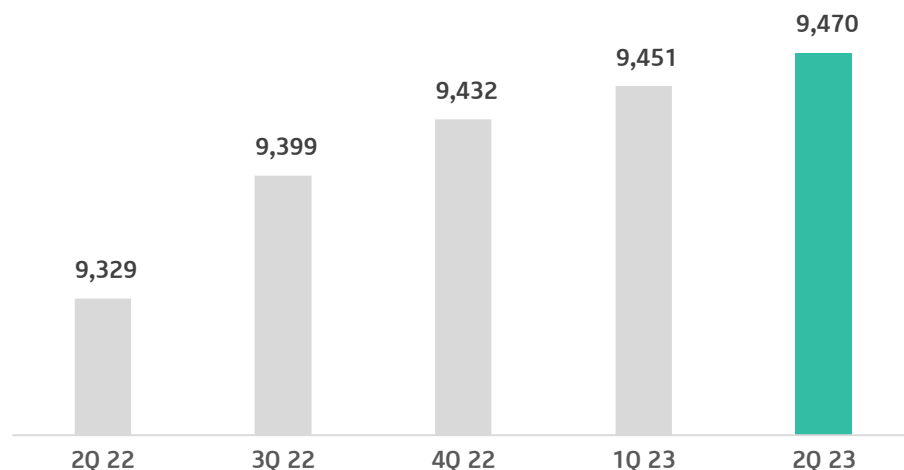
- DIGICO B2C revenue +3.8% YoY based on balanced growth of media and mobile platform businesses
- IPTV revenue +1.2% YoY through expansion of premium subscriber base

(Unit: KRW bn)

	2Q22	1Q23	2Q23	QoQ	YoY
DIGICO B2C	554.4	566.1	575.6	1.7%	3.8%
Media	500.8	506.9	518.0	2.2%	3.4%
Mobile Platform	53.7	59.1	57.7	-2.4%	7.5%

IPTV

(Unit: Thousands)



※ Number of IPTV subscribers above differs from MSIT figures that follow the IPTV law
 - Number of KT pay TV subscribers is 8,783,984 in 2H 2022 (6 month average)

DIGICO B2C

Media	IPTV
	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

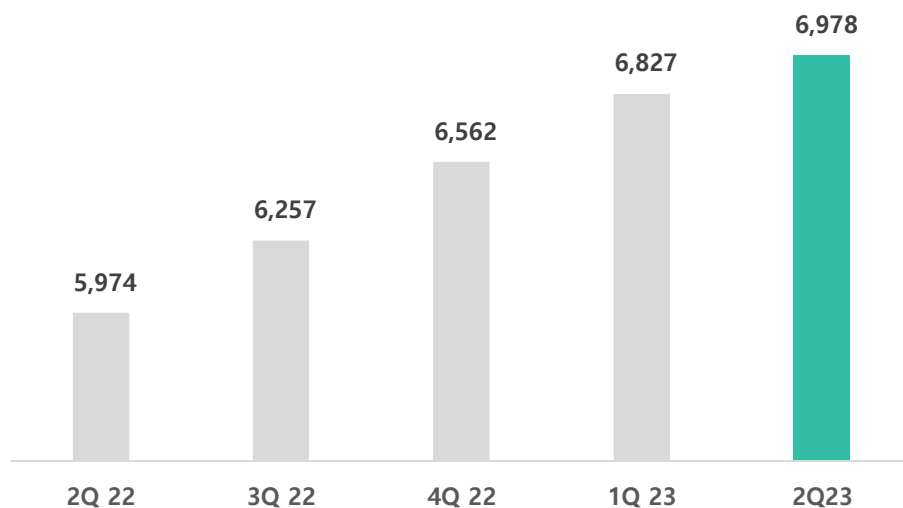
- Corporate broadband/data revenue +5.2% YoY, due to increase in CCTV lines, small & medium CP orders
- Corporate telephony revenue +12.3% YoY centered on high growth of post-paid subscribers of MVNO

(Unit: KRW bn)

	2Q22	1Q23	2Q23	QoQ	YoY
Telco B2B	508.0	540.8	546.9	1.1%	7.6%
Corp. BB/data	334.5	352.9	352.0	-0.3%	5.2%
Corp. telephony	173.5	187.9	194.9	3.7%	12.3%

MVNO Subscribers

(Unit: Thousands)



TELCO B2B

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

4 KT - DIGICO B2B

- Revenue +0.6% YoY through revenue from projects such as M-BcN* and real estate business
- Strong hotel business due to newly opened hotels (Le Méridien & Moxy) and increased tourists

*M-BcN: Military Broadband Convergence Network

(Unit: KRW bn)

	2Q22	1Q23	2Q23	QoQ	YoY
DIGICO B2B	502.9	464.6	505.9	8.9%	0.6%
Enterprise DX	304.3	263.9	308.3	16.9%	1.3%
Cloud/IDC	45.4	38.8	47.5	22.5%	4.6%
AI/New Biz	108.5	112.1	99.4	-11.3%	-8.4%
Real Estate	44.7	49.9	50.7	1.5%	13.4%

DIGICO B2B

Enterprise DX	Enterprise Messaging
	Managed, Enterprise IoT
	Global ICT
	Other ICT
Cloud/IDC	Cloud
	IDC

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

5 Major Subsidiaries

- BC Card revenue +5.9% YoY with increased credit card transactions and expansion of loan business
- kt cloud revenue +18.5% from customer base expansion in both IDC and Cloud businesses
- Subsidiaries' OP contribution of KRW 168.6bn achieved through overall growth and efforts for cost efficiency

Major Subsidiaries consolidated(each subsidiary)

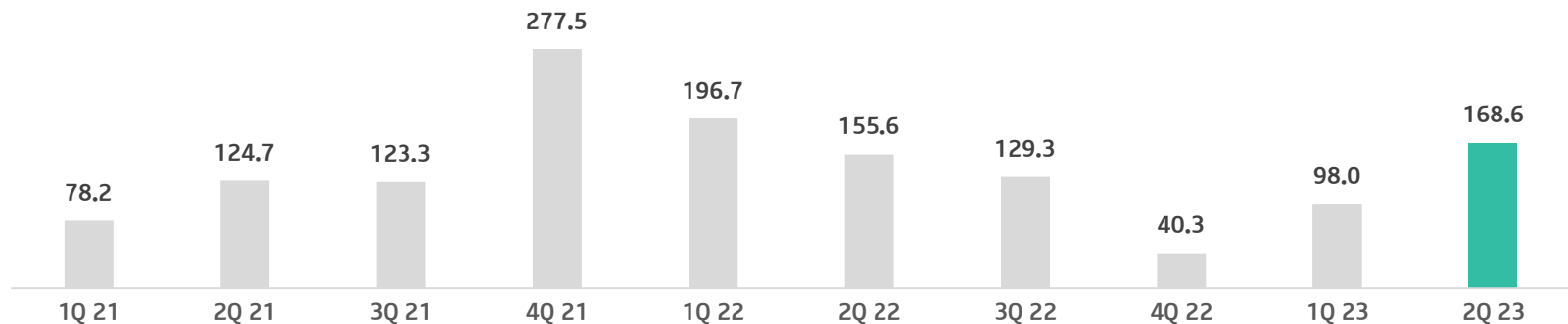
(Unit: KRW bn)

	2Q22	1Q23	2Q23	QoQ	YoY
BC card	991.2	953.2	1,049.2	10.1%	5.9%
Skylife	254.2	254.8	261.3	2.6%	2.8%
Content Subsidiaries	285.3	249.9	268.9	7.6%	-5.8%
KT Estate	97.7	112.8	145.4	28.9%	48.8%
kt cloud	129.7	148.7	153.8	3.4%	18.5%

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

[Subsidiaries' OP Contribution]

(Unit: KRW bn)



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1 K-IFRS Income Statement

(Unit: KRW bn)

Consolidated	2Q 22	3Q 22	4Q22	1Q 23	2Q 23	KT Separate	2Q 22	3Q 22	4Q 22	1Q 23	2Q 23
Operating revenue	6,312.2	6,477.2	6,583.0	6,443.7	6,547.5	Operating revenue	4,517.8	4,590.2	4,572.8	4,619.0	4,487.4
Service revenue	5,670.5	5,744.8	5,705.0	5,713.9	5,968.6	Service revenue	3,937.3	3,944.4	3,923.3	3,952.6	4,018.6
Handset revenue	641.7	732.4	878.0	729.7	578.9	Handset revenue	580.5	645.8	649.5	666.4	468.8
Operating expense	5,853.0	6,024.3	6,431.5	5,957.6	5,971.4	Operating expense	4,214.3	4,266.6	4,461.7	4,230.9	4,080.0
Service expense	5,150.1	5,197.3	5,558.1	5,104.2	5,269.1	Service expense	3,655.4	3,607.9	3,783.7	3,491.5	3,618.7
Labor cost	1,120.9	1,075.3	1,259.3	1,069.1	1,131.5	Labor cost	605.8	535.8	689.7	530.2	583.2
General expense	2,560.2	2,586.0	2,771.2	2,604.0	2,690.6	General expense	1,719.4	1,743.6	1,824.0	1,720.5	1,745.5
Cost of svc provided	863.0	887.6	885.9	830.2	813.2	Cost of svc provided	660.2	666.7	605.1	601.6	638.7
Selling expense	606.0	648.4	641.7	600.9	633.9	Selling expense	670.0	661.8	664.9	639.3	651.3
Cost of device sold	703.0	827.0	873.5	853.3	702.3	Cost of device sold	558.9	658.7	678.0	739.4	461.3
Operating income	459.2	452.9	151.4	486.1	576.1	Operating income	303.5	323.6	111.1	388.1	407.5
N-OP income (loss)	80.5	-13.9	121.8	-48.5	-28.0	N-OP income (loss)	23.0	1.5	-21.1	39.6	-12.8
N-OP income	445.1	515.8	101.6	242.3	185.5	N-OP income	359.1	468.3	-110.8	265.1	161.2
N-OP expense	385.7	520.8	-46.1	287.0	219.5	N-OP expense	336.0	466.8	-89.7	225.5	174.0
Equity Method (G/L)	21.0	-8.9	-25.9	-3.8	6.0						
Income bf tax	539.7	439.0	273.2	437.6	548.1	Income bf tax	326.5	325.1	90.1	427.7	394.7
Income tax	176.3	112.8	30.5	128.0	115.6	Income tax	302.1	84.9	-18.0	107.8	89.6
Net income	363.4	326.2	242.7	309.6	432.5	Net income	24.4	240.3	108.1	319.9	305.1
NI contribution to KT	313.1	297.6	242.0	296.6	394.5						
EBITDA	1,387.2	1,359.7	1,080.8	1,415.5	1,505.3	EBITDA	1,070.9	1,096.5	889.4	1,167.4	1,190.0
EBITDA Margin	22.0%	21.0%	16.4%	22.0%	23.0%	EBITDA Margin	23.7%	23.9%	19.5%	25.3%	26.5%

2 K-IFRS Balance Sheet

(Unit: KRW bn)

Consolidated	2Q 22	3Q 22	4Q 22	1Q 23	2Q 23
Assets	39,066.3	40,651.5	40,980.7	40,214.4	39,756.0
Current assets	12,563.7	13,042.2	12,681.6	12,202.0	11,405.7
Cash & cash equi.	2,821.7	3,095.1	2,449.1	2,109.2	1,805.5
Trade & other rec	3,857.6	4,095.0	3,951.8	4,098.7	3,933.1
Inventories	513.3	675.7	709.2	779.6	636.9
Other current asset	5,371.2	5,176.5	5,571.5	5,214.5	5,030.3
- Prepaid_Contract cost	1,316.8	1,313.5	1,307.2	1,284.2	1,269.5
- Contract assets	551.9	565.8	565.8	560.0	565.8
Non-current assets	26,502.5	27,609.3	28,299.1	28,012.6	28,350.3
Trade & other rec	670.3	578.0	609.4	473.9	490.7
Tangible assets	14,540.4	14,466.0	14,772.2	14,562.2	14,675.6
Other current assets	11,291.8	12,565.2	12,917.5	12,976.5	13,184.0
- Prepaid_Contract cost	514.8	515.8	510.4	484.7	480.4
- Contract assets	242.8	249.3	236.4	232.7	236.8
Liabilities	22,161.7	22,745.9	22,566.0	22,062.4	21,302.3
Current liabilities	11,070.8	10,583.6	10,699.3	10,164.8	9,862.9
Trade & other payables	6,545.1	6,795.4	7,371.0	6,424.7	6,225.9
Short-term borrowings	2,773.7	2,052.0	1,827.0	2,224.2	2,105.6
Others	1,752.1	1,736.3	1,501.2	1,515.9	1,531.4
- Contract liabilities	274.8	251.6	242.4	264.3	264.1
Non-current liabilities	11,090.9	12,162.3	11,866.7	11,897.7	11,439.4
Trade & other payables	1,070.6	1,087.9	1,064.1	833.6	818.5
Long-term borrowings	7,300.9	8,314.6	8,179.6	8,352.9	7,930.4
Others	2,719.4	2,759.8	2,622.9	2,711.2	2,690.5
- Contract liabilities	35.0	34.1	41.7	44.5	39.3
Equity	16,904.6	17,905.6	18,414.7	18,152.0	18,453.7
Retained earnings	13,551.0	13,857.3	14,257.3	14,008.3	14,404.0

KT Separate	2Q 22	3Q 22	4Q 22	1Q 23	2Q 23
Assets	30,169.5	31,055.2	30,417.8	30,386.9	29,592.2
Current assets	7,352.7	7,612.4	6,603.5	6,972.1	6,172.5
Cash & cash equi.	1,592.4	1,645.1	966.3	866.3	625.7
Trade & other rec	3,135.9	3,294.1	3,055.6	3,283.3	3,018.4
Inventories	238.7	300.4	349.9	380.1	260.1
Other current asset	2,385.7	2,372.9	2,231.7	2,442.4	2,268.4
- Prepaid_Contract cost	1,394.1	1,391.1	1,386.3	1,367.2	1,378.0
- Contract assets	484.6	499.5	493.4	488.2	493.4
Non-current assets	22,816.8	23,442.8	23,814.3	23,414.8	23,419.6
Trade & other rec	595.2	485.8	527.0	399.4	402.8
Tangible assets	11,405.0	11,209.0	11,540.2	11,240.4	11,276.3
Other current assets	9,781.6	10,745.3	10,764.1	10,793.7	10,775.2
- Prepaid_Contract cost	499.1	500.7	496.8	476.0	477.6
- Contract assets	184.3	194.2	186.0	183.1	184.9
Liabilities	16,405.9	16,401.5	15,559.7	15,766.5	14,817.5
Current liabilities	7,580.4	6,848.2	6,321.4	6,582.7	6,153.7
Trade & other payables	4,603.9	4,628.6	4,672.6	4,477.0	4,253.7
Short-term borrowings	1,990.4	1,358.0	984.7	1,359.5	1,131.5
Others	986.2	861.6	664.1	746.2	768.6
- Contract liabilities	266.2	249.7	241.0	256.4	235.1
Non-current liabilities	8,825.5	9,553.4	9,238.2	9,183.8	8,663.8
Trade & other payables	1,651.9	1,644.0	1,620.6	1,342.5	1,331.9
Long-term borrowings	6,048.3	6,850.7	6,510.8	6,675.8	6,205.6
Others	1,125.2	1,058.7	1,106.8	1,165.5	1,126.3
- Contract liabilities	34.2	33.1	40.4	43.1	33.8
Equity	13,763.6	14,653.7	14,858.1	14,620.4	14,774.7
Retained earnings	11,882.2	12,121.9	12,347.4	12,123.3	12,429.0

3 Subscribers

Wireless	2Q 22	3Q 22	4Q 22	1Q 23	2Q 23	QoQ	YoY
Subscribers (Unit: Thousands) ¹⁾							
Total	23,409	23,827	24,062	24,332	24,621	1.2%	5.2%
Net additions	349	418	235	270	289	7.2%	-17.2%
Gross additions	1,010	984	990	979	936	-4.4%	-7.3%
Deactivation²⁾	661	566	755	709	647	-8.8%	-2.1%
Churn rate	0.9%	0.8%	1.1%	1.0%	0.9%	-0.1%p	0.0%p
LTE	14,357	14,392	14,261	14,230	14,256	0.2%	-0.7%
5G	7,479	7,962	8,483	8,937	9,278	3.8%	24.0%
LTE+5G Penetration rate	93.3%	93.8%	94.5%	95.2%	95.6%	0.4%p	2.3%p
ARPU (KRW)³⁾	32,446	32,917	33,542	33,771	33,948	0.5%	4.6%

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 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 (IoT/M2M excluded)

Fixed Line/IPTV	2Q 22	3Q 22	4Q 22	1Q 23	2Q 23	QoQ	YoY
Subscribers (Unit: Thousands)							
Telephony	12,842	12,709	12,581	12,445	12,310	-1.1%	-4.1%
PSTN	9,634	9,500	9,376	9,226	9,089	-1.5%	-5.7%
VoIP	3,208	3,209	3,206	3,219	3,221	0.0%	0.4%
Broadband	9,609	9,679	9,727	9,774	9,812	0.4%	2.1%
IPTV (OTV+OTS)	9,329	9,399	9,432	9,451	9,470	0.2%	1.5%

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

- Number of KT pay TV subscribers is 8,783,984 in 2H 2022 (6 month average)

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