

KT

1Q26 Earnings Release

2026. 05. | Investor Relations



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The Company has applied new accounting standard of K-IFRS 115 as of Jan 1st, 2018 and K-IFRS 116 ‘Leases’ as of Jan 1st, 2019. There are no obligation to apply the new standard to previous financial statements.

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

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Contents

1 **1Q26 Highlights**

2 **Financial Highlights**

3 **Business Overview**

4 **Appendix**

1-1 1Q26 Highlights

Financials

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

(Unit: KRW)

Cons.	Revenue	6,778.4bn (YoY -1.0%)	Sep.	Revenue	4,834.6bn (YoY +3.3%)
	Operating Profit	482.7 bn (YoY -29.9%)		Operating Profit	313.9bn (YoY -21.5%)

* Gwangjin-gu Lotte Eastpole Apartment

Management Strategy

AX Platform Company

- ✓ **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
- ✓ **Steady execution of Value-up plan**

FY26-28 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	Qualified High-dividend company	1Q26 Dividend¹	DPS KRW 600	Share buyback /Cancellation²	KRW 250bn (FY26 Value-up Plan)
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1) Record date('26.5.27), Payment('26.6.11), 2) Trust contract for acquisition of treasury shares ('26.03.10~'26.9.9)

Contents

1 **1Q26 Highlights**

2 **Financial Highlights**

3 **Business Overview**

4 **Appendix**

1 Income Statement

- Revenue -1.0% YoY due to slower growth of wireless biz. and base effect of real-estate project
- OP -29.9% YoY due to base effect of real-estate project in 2025 and increased costs

(Unit: KRW bn)

	1Q25	4Q25	1Q26	QoQ	YoY
Operating Revenue	6,845.1	6,845.0	6,778.4	-1.0%	-1.0%
Service Revenue	5,700.4	5,949.4	5,733.4	-3.6%	0.6%
Sale of goods	1,144.7	895.6	1,045.0	16.7%	-8.7%
Operating Expense	6,156.3	6,617.7	6,295.7	-4.9%	2.3%
Operating Income	688.8	227.3	482.7	112.3%	-29.9%
Margin	10.1%	3.3%	7.1%	3.9%p	-2.9%p
Margin ¹	12.1%	3.8%	8.4%	4.6%p	-3.7%p
Non-op. Income/Loss	23.1	-89.5	29.8	Turned to profit	29.4%
Income before taxes	711.8	137.9	512.5	271.7%	-28.0%
Net Income	566.8	91.5	388.3	324.7%	-31.5%
Margin	8.3%	1.3%	5.7%	4.4%p	-2.6%p
EBITDA	1,657.4	1,197.3	1,440.0	20.3%	-13.1%
Margin	24.2%	17.5%	21.2%	3.8%p	-3.0%p

1) OP Margin¹ = Operating Income/Service Revenue

2 Operating Expenses

- Operating expenses +2.3% YoY impacted by higher selling expense and labor cost, despite lower depreciation expense

(Unit: KRW bn)

	1Q25	4Q25	1Q26	QoQ	YoY
Operating Expenses	6,156.3	6,617.7	6,295.7	-4.9%	2.3%
Labor Cost	1,121.8	1,184.0	1,173.9	-0.9%	4.6%
General Expense	2,655.8	2,788.9	2,592.7	-7.0%	-2.4%
- Depreciation	968.7	969.9	957.3	-1.3%	-1.2%
Cost of Service	738.4	701.2	746.3	6.4%	1.1%
Selling Expense	598.0	874.8	652.7	-25.4%	9.1%
Cost of Goods sold	1,042.3	1,068.7	1,130.2	5.8%	8.4%

[Selling Expense (KT Separate)]

(Unit: KRW bn)

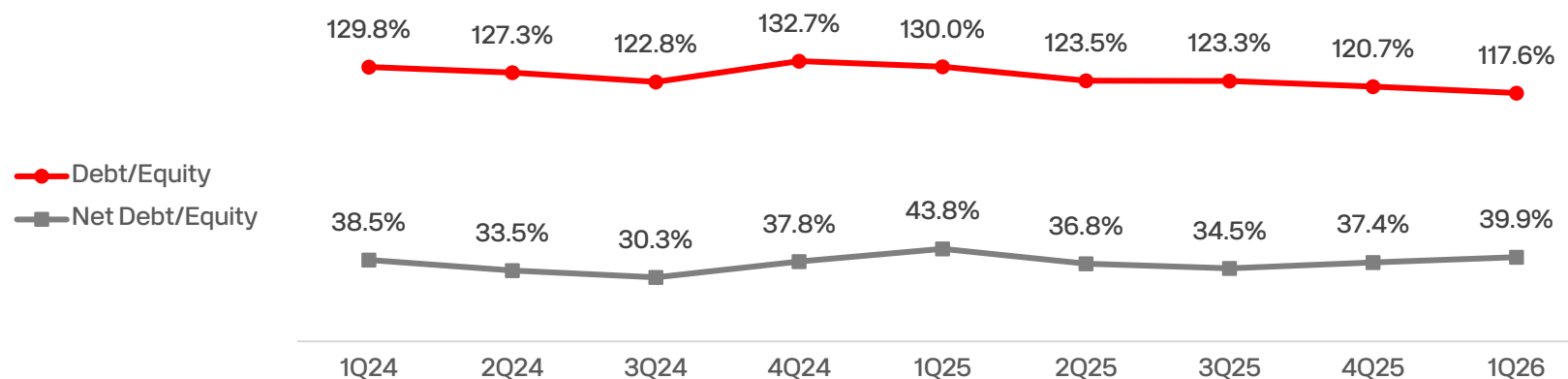
	1Q25	4Q25	1Q26	QoQ	YoY
Selling Expense	625.5	883.8	687.3	-22.2%	9.9%

3 Balance Sheet

- Net debt-to-equity ratio -3.9%p followed by lower borrowings

(Unit: KRW bn)

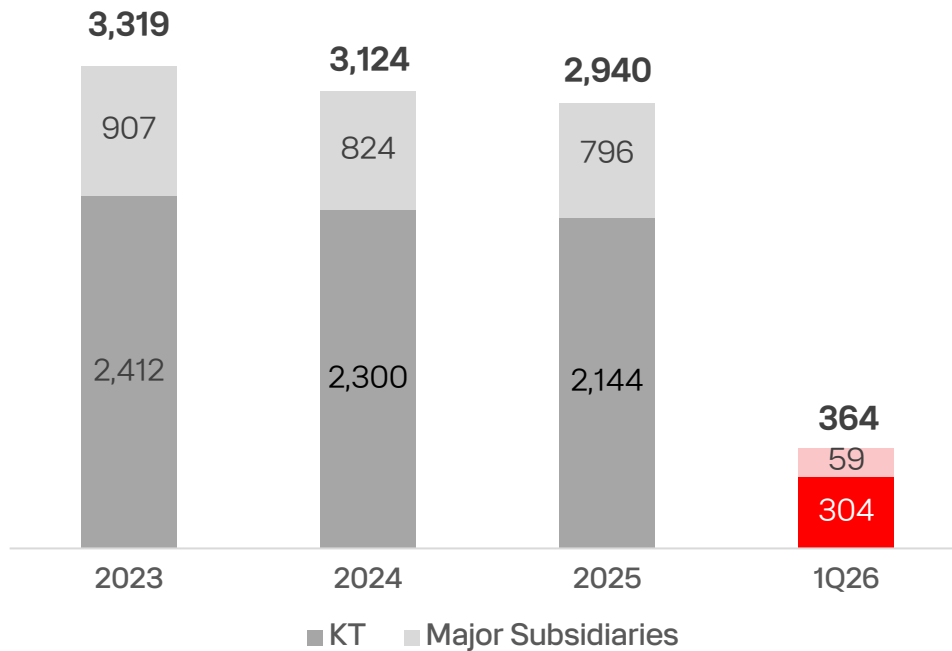
	Mar. 31, 2025	Dec. 31, 2025	Mar. 31, 2026	QoQ	YoY
Assets	42,185.6	42,948.6	43,510.0	1.3%	3.1%
Cash & Cash equivalents	3,133.0	3,507.0	2,860.1	-18.4%	-8.7%
Liabilities	23,847.3	23,490.6	23,516.4	0.1%	-1.4%
Borrowings	11,169.5	10,785.6	10,836.6	0.5%	-3.0%
Equity	18,338.3	19,458.0	19,993.6	2.8%	9.0%
Capital Stock	1,564.5	1,564.5	1,564.5	-	-
Net Debt	8,036.5	7,278.6	7,976.5	9.6%	-0.7%
Debt / Equity	130.0%	120.7%	117.6%	-3.1%p	-12.4%p
Net Debt / Equity	43.8%	37.4%	39.9%	2.5%p	-3.9%p



4 CAPEX

- 1Q26 Total CAPEX Execution : KRW 304.2bn(KT Separate), KRW 59.5bn(Major Subsidiaries)

(Unit: KRW bn)



Major Subsidiaries' CAPEX

Includes Finance, Media, DC/Cloud, Real Estate, etc.

KT Separate CAPEX

Access network, Backbone Network, B2B and etc.

Contents

1 **1Q26 Highlights**

2 **Financial Highlights**

3 **Business Overview**

4 **Appendix**

1 KT - Wireless

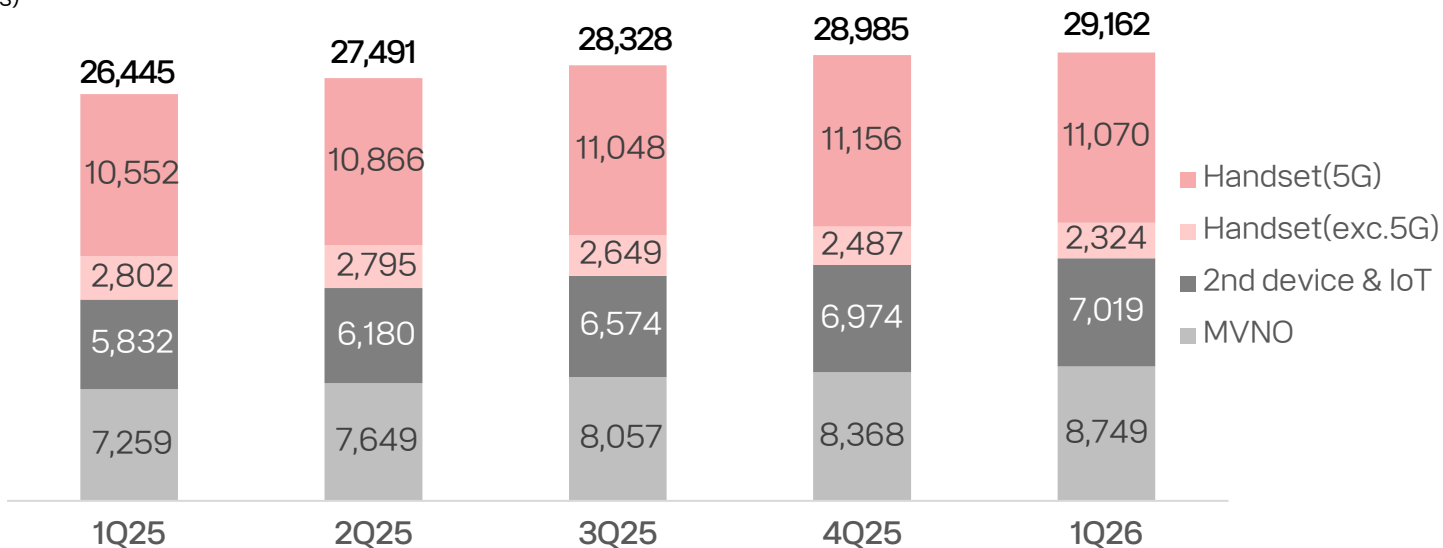
- Wireless service revenue +0.4% YoY with subscriber trends returning to net additions following the early termination fee waiver period (5G penetration 82.7%)
- Enhancing profitability through personalized AX and stronger digital distribution channels

(Unit: KRW bn)

	1Q25	4Q25	1Q26	QoQ	YoY
Wireless	1,753.1	1,811.0	1,757.4	-3.0%	0.2%
Wireless Service	1,676.8	1,735.7	1,683.0	-3.0%	0.4%
Interconnection	76.3	75.3	74.3	-1.3%	-2.5%

Wireless Subscribers

(Unit: Thousands)



2 KT - Fixed Line

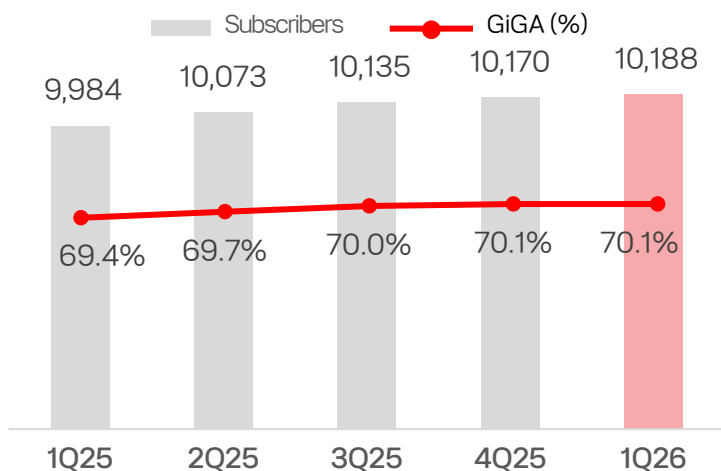
- Broadband rev up +1.8% YoY, due to increase in GiGA subscribers and value-added services
- Media rev. up +1.3% YoY, backed by IPTV net adds and higher uptake of premium plans

(Unit: KRW bn)

	1Q25	4Q25	1Q26	QoQ	YoY
Fixed Line	1,311.7	1,333.0	1,321.6	-0.9%	0.8%
Broadband	628.7	636.8	640.2	0.5%	1.8%
Media	519.2	538.3	526.0	-2.3%	1.3%
Home Telephony	163.8	157.9	155.4	-1.6%	-5.1%

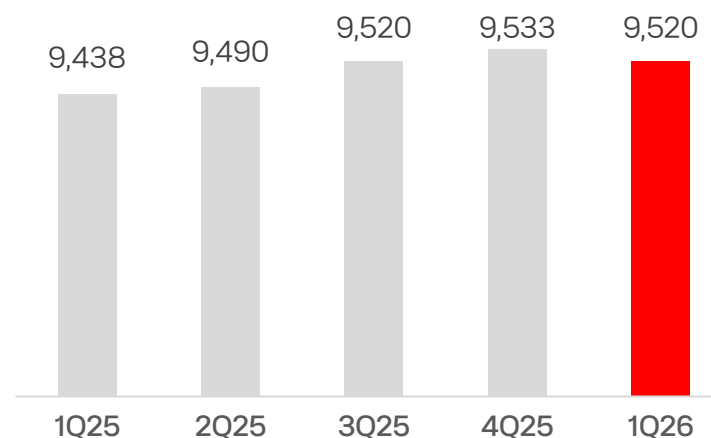
Broadband Subscribers

(Unit: Thousands)



IPTV Subscribers

(Unit: Thousands)



3 KT - B2B Services

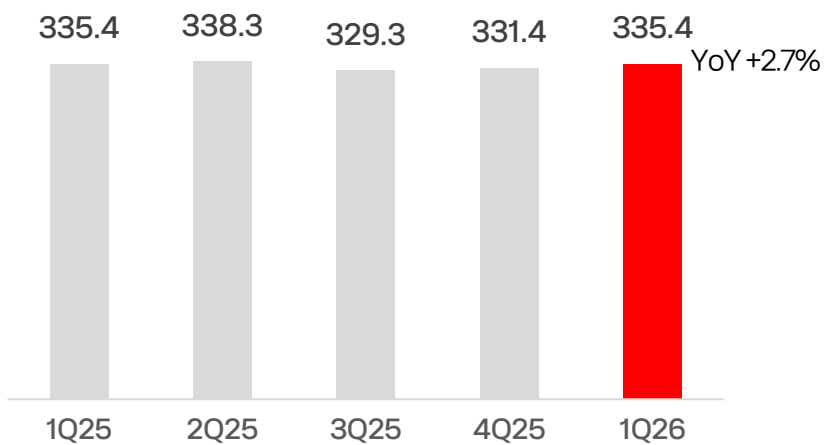
- B2B revenue -2.2% YoY due to ongoing streamlining of low-margin businesses and completion of large-scale DC Design&Build project

(Unit: KRW bn)

	1Q25	4Q25	1Q26	QoQ	YoY
B2B Service	892.2	858.6	872.4	1.6%	-2.2%

Corp. Broadband/Data Revenue

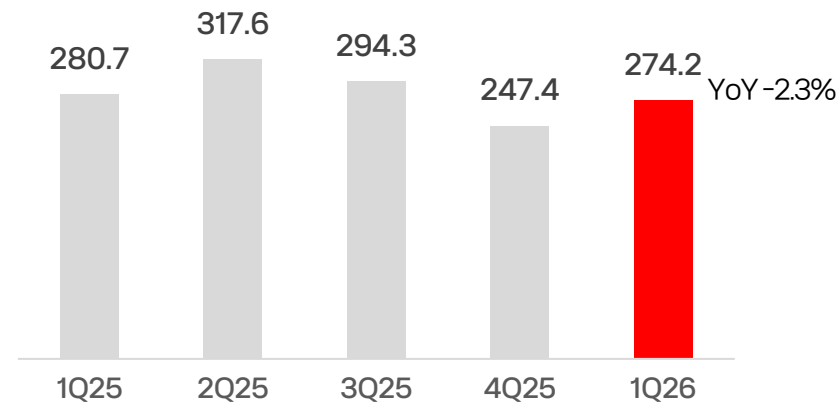
(Unit: KRW bn)



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

Revenue of AI/IT

(Unit: KRW bn)



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

4 Major Subsidiaries

- kt cloud rev. remained flat YoY, as public sector orders and higher occupancy at Gasan DC offset lower DC Design & Build revenue
- kt estate rev. +72.9% YoY supported by growth in hotel business and new development* project

* Daejeon HR Center

Revenue of Major Subsidiaries (consolidated)

(Unit: KRW bn)

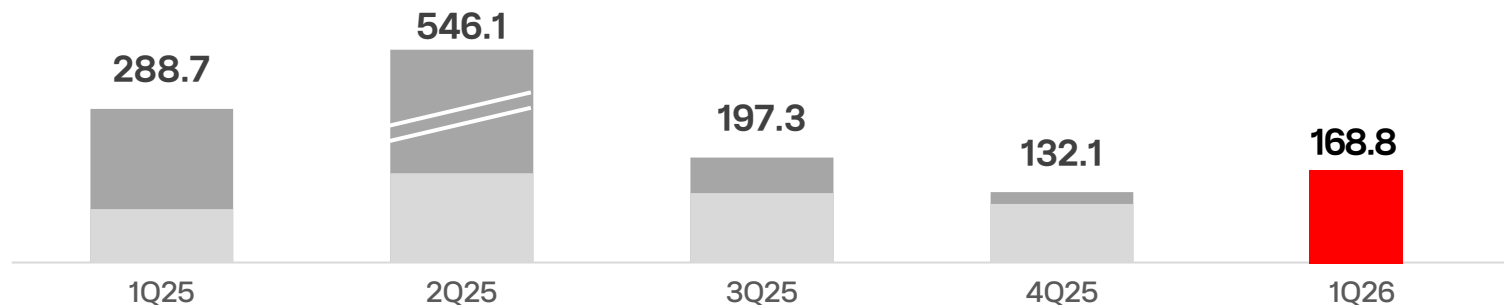
	1Q25	4Q25	1Q26	QoQ	YoY
BC Card	872.0	934.9	873.7	-6.6%	0.2%
kt skylife	242.9	247.4	239.0	-3.4%	-1.6%
Content Subsidiaries*	143.7	155.3	146.4	-5.7%	1.9%
kt cloud	249.1	277.9	250.1	-10.0%	0.4%
kt estate	137.3	234.8	237.4	1.1%	72.9%

*kt nasmedia,kt studiogenie(Genie music, Storywiz, and others incl.)

*Earnings of PlayD was reflected up to 1Q25(disposed on Apr. 3,2025)

Subsidiaries' OP Contribution

(Unit: KRW bn) Excluding one-off(Gwangjin-gu real-estate PJT) gains (proportion)



Contents

1 **1Q26 Highlights**

2 **Financial Highlights**

3 **Business Overview**

4 **Appendix**

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	Handset revenue	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 Devices 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%

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 equi.	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 rec.	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

(Unit: Thousands)

Wireless Subscribers	1Q 25	2Q 25	3Q 25	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 Handset¹⁾	10,552	10,866	11,048	11,156	11,070	-0.8%	4.9%
Churn rate²⁾	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, and etc. incl.

** Wireless subscribers: Based on MSIT's guidelines for average billed subscribers in quarter (IoT/M2M exc.)

(Unit: Thousands)

Fixed Line Subscribers ¹⁾	1Q 25	2Q 25	3Q 25	4Q 25	1Q 26	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 1H 2025 is 9,028,900 (6-month average)

kt