

LGU+ | 2025.09

Non-Deal Roadshow
Key messages

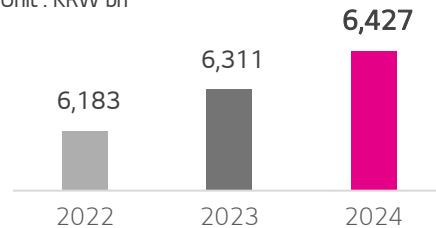
Business and Revenue



Mobile

5G, LTE (MNO/MVNO)

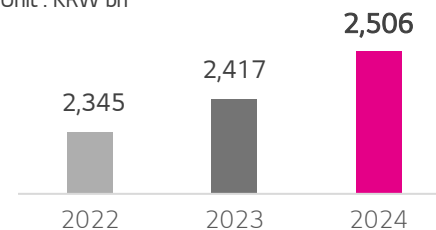
Unit : KRW bn



Smart Home

U+tv (IPTV), U+Internet,
U+Smart Home (AI/IoT)

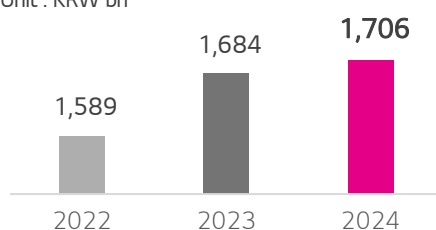
Unit : KRW bn



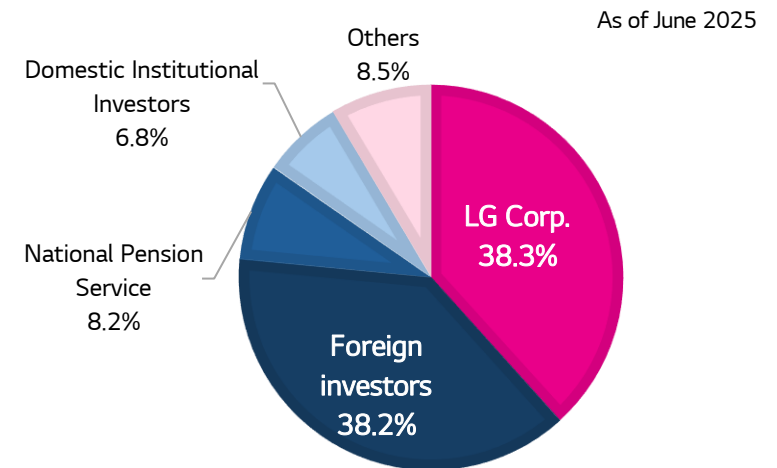
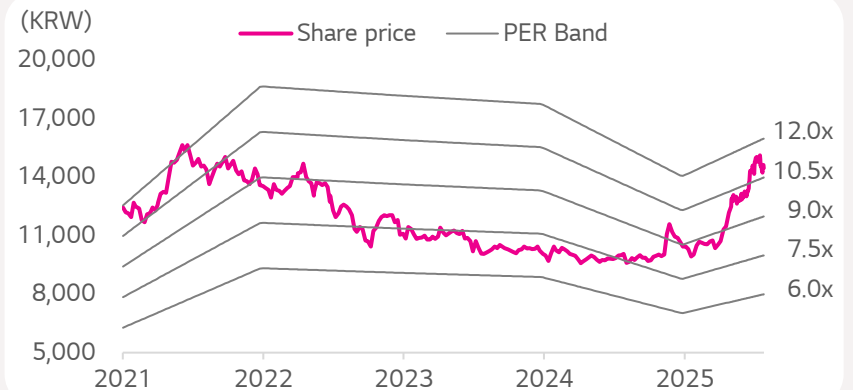
Enterprise Infrastructure

IDC, Enterprise Line,
Enterprise Solution

Unit : KRW bn



Share Price and Shareholders



Summary

Message #1

The primary objective for 2025 is a turnaround in operating profit

- Sluggish earnings in 2023-24 due to reinforcement of AX/DX workforce & higher depreciation from IT system upgrades. From 2025, AX-driven cost optimization and low-margin business restructuring is improving profitability

Message #2

Expanding into high-value AX domains, with our competitive edge in AI infrastructure

- As AI adoption accelerates, we are capitalizing on the high profitability and rapid growth of the IDC business to expand into AX services such as AICC, thereby securing sustainable growth engines

Message #3

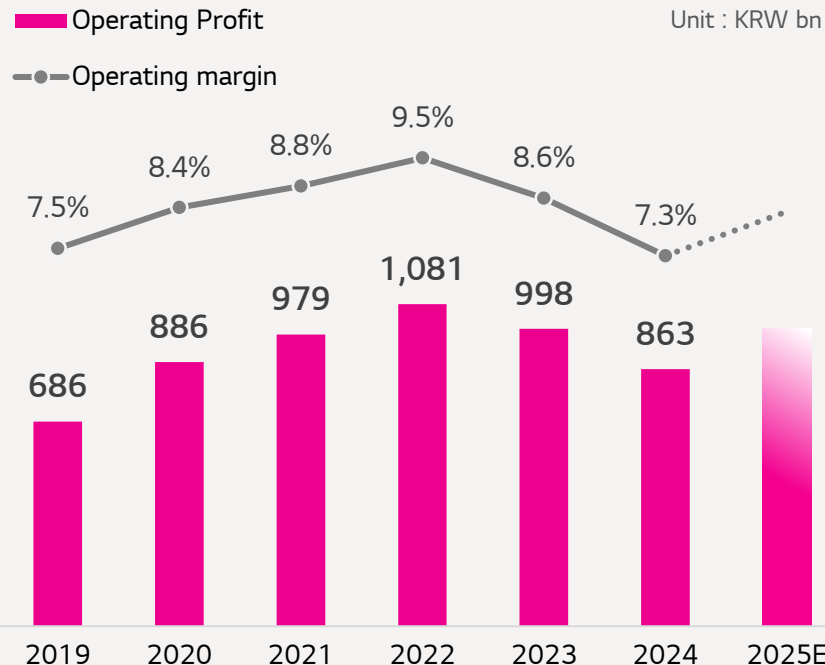
Shareholder returns will be strengthened in line with the 2024 Corporate Value-up Plan

- **[Dividend policy]** A payout ratio of over 40% of separate-basis net profit, with a minimum DPS maintained at the 2024 level (KRW 650) until 2026
- **[+ Share buyback]** Flexible share buyback of up to 20% of separate-basis net profit

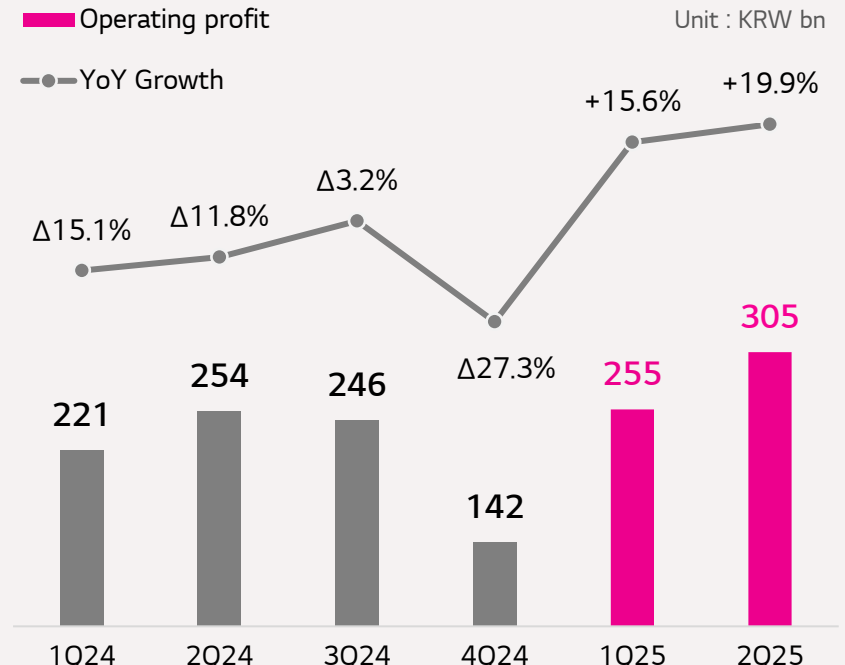
Message ① From 2025, we are on track for a profit turnaround, backed by structural cost competitiveness and mobile subscriber expansions

- Profitability temporarily decline in 2023~24, due to the reinforcement of AX/DX workforce to strengthen AX business competitiveness, as well as increased depreciation expenses stemming from IT system upgrades
- Since the new CEO assumed office at the end of 2024, profit improvement has become evident driven by the restructuring of low-profit businesses and sustained cost optimization efforts led by AX initiatives

Operating Profit & Margin Trend



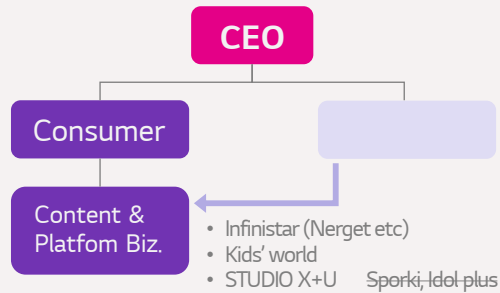
Quarterly Operating Profit & YoY Growth



Streamlining low-margin biz.

- **Strategic selection and concentration**
 - Scale down low-margin and less competitive platform businesses
 - Aim to optimize the business structure through resource reallocation

■ [B2C] Organization restructuring

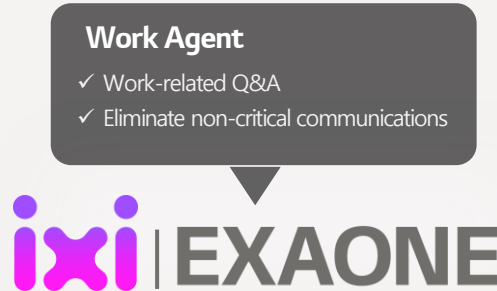


■ [B2B] Portfolio optimization

Biz. unit	Restructuring Plan
Logistics platform	Downsizing to a solution for fleet management service customers
Robot	Phase-out
Metaverse	Repositioning to an AI virtual campus platform
Smart Factory	Phase-out

AX Integration

- **Operational efficiency through digital transformation and AI Utilization**
 - Expanding digital channels is expected to reduce offline stores (284 in 2018 → 91 in 1H25), leading to lower operating costs
 - Enhanced workforce productivity through AI-driven automation in customer service and network management
- **In-house AI Use**



Network

- ✓ Support operational tasks
- ✓ Prevent failures and set up preemptive measures

Customer Service

- ✓ Minimize agent intervention
- ✓ Reduce call duration

Mobile subscriber growth

- **Net additions have surged, fueled by pull-marketing strategies centered on enhanced customer value services**
 - Launched 'ixi-O,' an AI-powered AX product addressing unmet needs like iPhone call recording to maximize customer value
 - Subscriber inflows rose in 2Q (+2.0% QoQ MNO handset subscribers), supported by differentiated service competitiveness amid market turmoil
- **AI-powered Call Solution**

Summarize Call Recordings & Suggest Tasks via AI

- ✓ Downloads call scripts for sharing

Detect Voice Phishing in Real Time

- ✓ Alerts user via voice and pop-up message

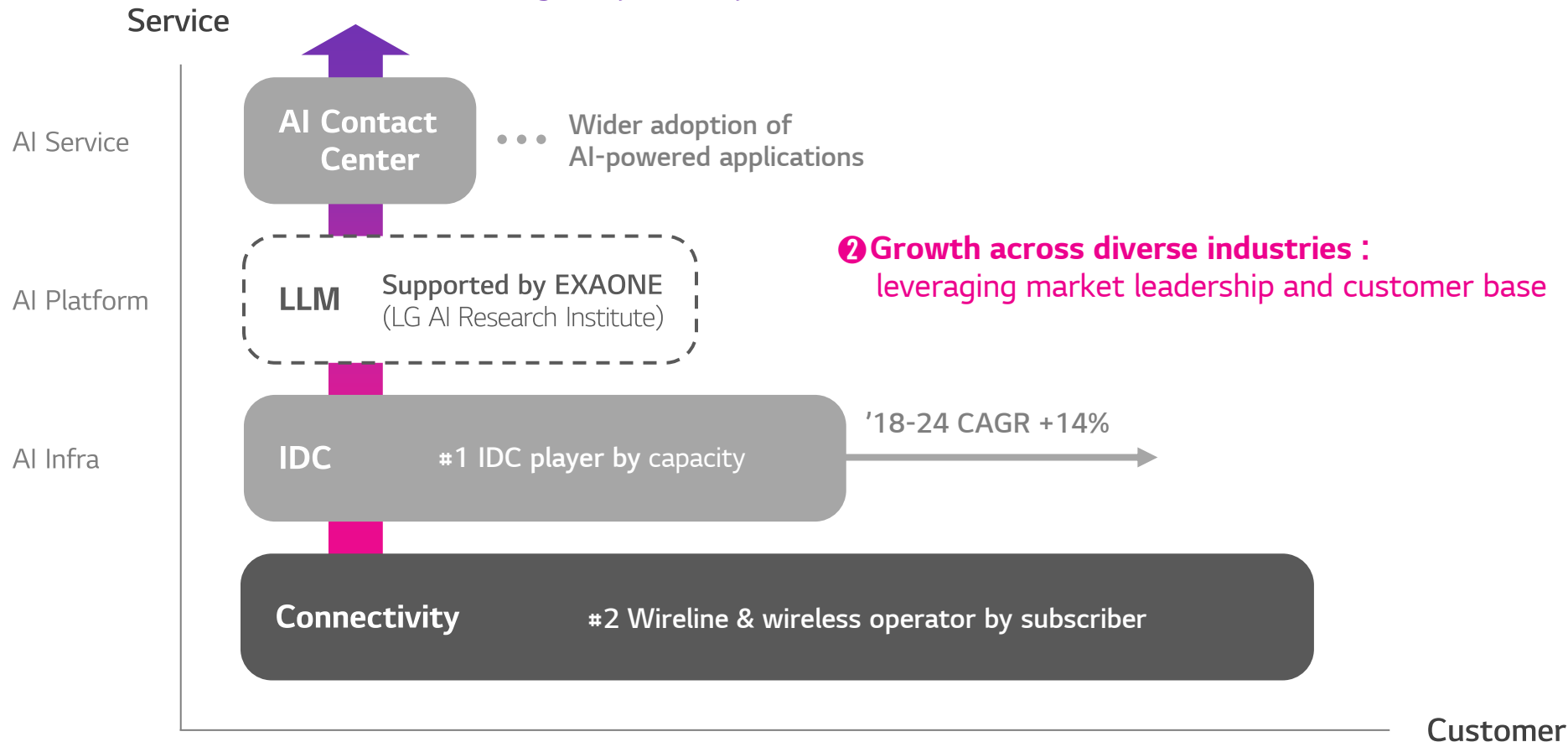


Make Visual Phone Calls

- ✓ Displays call content as text to support multitasking during calls

Answer Calls with AI

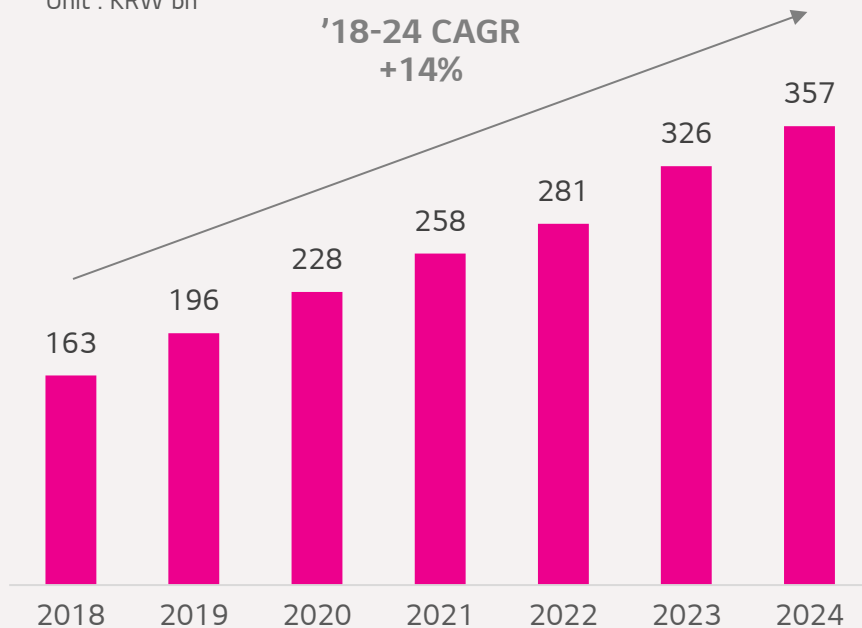
- ✓ (Especially for unknown numbers) Answers call on behalf of the user

Message ② [Growth Strategy] Expanding into high-value AX domains, while solidifying our competitive edge in AI infrastructure**① Expansion along the AI value chain :**
enhancing the product portfolio centered on AX

■ Highlight : IDC Revenue Growth & Strategic Differentiation

**Robust IDC revenue growth,
driven by strong cloud and AI-driven demand**

Unit : KRW bn



Accounting for 3% of service revenue, achieving
an operating margin nearly double the company average

① IDC Competitiveness

- ✓ Owns hyperscale IDCs (Pyeongchon 1, 2 and Paju 1-1)
- ✓ Strong preferences from customers thanks to strategic locations in the Seoul Metropolitan area
- ✓ High energy efficiency : PUE 1.38 at Pyeongchon 1

② Market leadership and stability

- ✓ Longest operating track record in Korea with no major outages, positioning us as the #1 IDC operator
- ✓ Differentiated tenant acquisition capabilities focusing on global CSPs
- ✓ Synergies with telecom services through leased-line sales and AX service expansion

③ Mid-to-long term roadmap

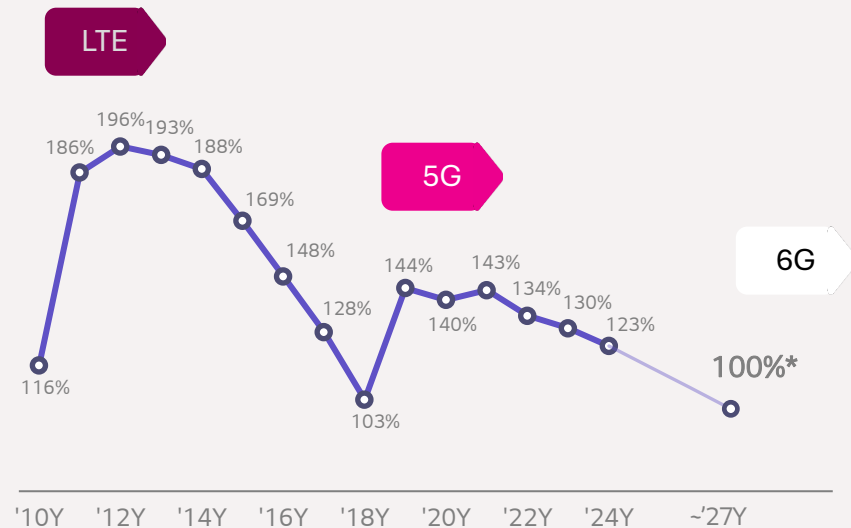
- ✓ Secured IDC pipeline until 2035 by utilizing the Paju site
- ✓ Plan to apply liquid cooling technology from 2027, further advancing infrastructure capabilities

Message ③ Shareholder returns will be strengthened through a flexible share buyback program

- The **target debt ratio is set at 100%** until 6G adoption to enhance financial soundness, with FCF (Free Cash Flow) allocated to shareholder returns after debt repayment
- Taking into consideration of FCF each year, share buyback can amount **up to 20% of separate-basis net profit**, while dividend per share is targeted to increase through the ongoing cancellation of treasury shares
- As announced on July 21st, a full cancellation of treasury shares held has been resolved along with a share repurchase plan amounting to KRW 80 billion for 2025

Target Debt Ratio

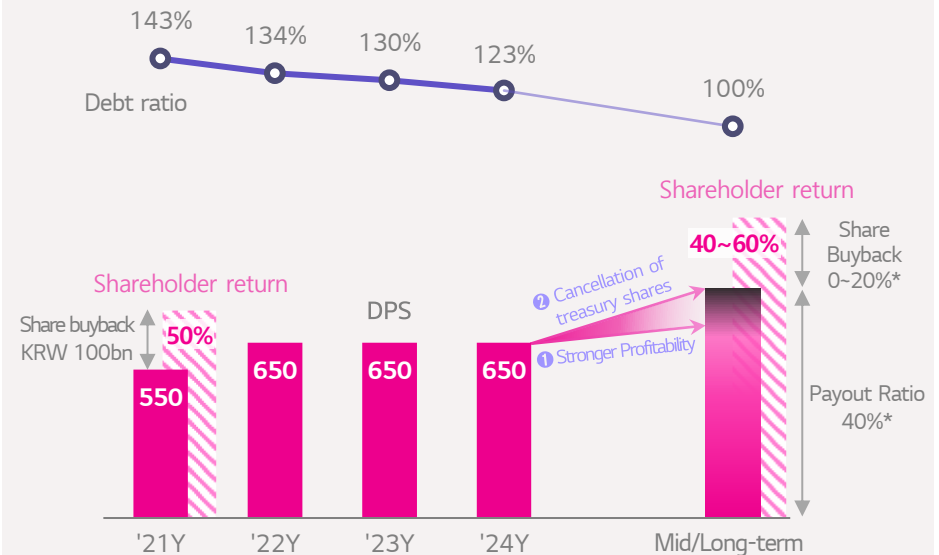
Debt Ratio = Debt / Equity



* Consolidated basis

Shareholder Return Plan

Shareholder Return = (Dividend + Buyback) / Net Profit



* Separate basis

ESG Highlights



Environment

- ✓ On track to achieve Net Zero by 2050, with SBTi-approved near-term targets
- ✓ Eco-friendly IDC (Pyeongchon Mega and 2nd Center)
- ✓ Installed 1,044kW solar PV (photovoltaic) at Daejeon R&D Center



Social

- ✓ Awarded the Minister's Prize from the Ministry of Science and ICT at Korea's top information security awards 2025
- ✓ Acquired international information security certifications*
- ✓ Recognized as 'Best enterprise' in the Shared Growth Index for 10 consecutive years by KCCP**

* ISO 27001, ISMS (Information Security Management System), ISMS-P (ISMS-Personal Information & Privacy)
 ** Korea Commission for Corporate Partnership



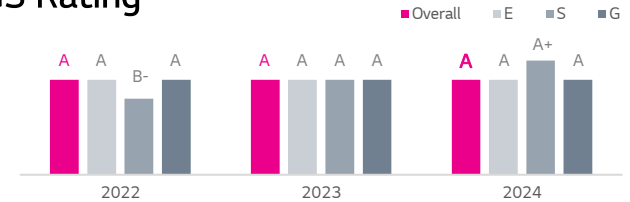
Governance

- ✓ Joined the corporate sustainability initiative, United Nations Global Compact (UNGC)
- ✓ First in domestic telecom industry to publish IFRS S1-S2 reports

ESG Performance



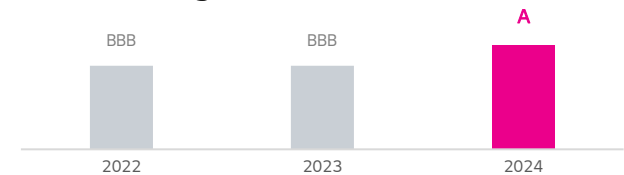
KCGS Rating



* KCGS : Korea Institute of Corporate Governance and Sustainability



MSCI ESG Rating



CDP Climate change

2024 CDP Climate change :

- ✓ 'A' Leadership Band
- ✓ Carbon Management Honours Club

Consolidated BSPL

Unit : KRW bn

	2Q24	1Q25	2Q25	YoY	QoQ	24.1H	25.1H	YoY
Operating Revenue	3,493.7	3,748.1	3,844.4	+10.0%	+2.6%	7,070.7	7,592.5	+7.4%
Service Revenue	2,943.9	2,938.9	3,016.4	+2.5%	+2.6%	5,837.8	5,955.3	+2.0%
Other Revenue	3.9	4.0	4.4	+12.3%	+10.5%	7.7	8.4	+8.3%
Handset Revenue	549.8	809.2	828.0	+50.6%	+2.3%	1,232.9	1,637.1	+32.8%
Operating Expense	3,239.7	3,492.7	3,539.9	+9.3%	+1.4%	6,595.7	7,032.5	+6.6%
Wages	493.9	490.7	486.7	△1.4%	△0.8%	980.9	977.4	△0.4%
Depreciation	547.0	542.0	550.7	+0.7%	+1.6%	1,090.5	1,092.7	+0.2%
Amortization	119.2	123.9	121.9	+2.3%	△1.6%	242.1	245.9	+1.6%
Fees & Charges	429.3	420.2	443.2	+3.2%	+5.5%	840.1	863.4	+2.8%
Sales Commission	509.0	529.8	540.9	+6.3%	+2.1%	1,017.4	1,070.8	+5.2%
Advertising	50.5	50.3	45.5	△10.0%	△9.6%	92.8	95.8	+3.2%
Cost of Handsets sold	562.8	824.3	815.8	+44.9%	△1.0%	1,286.4	1,640.0	+27.5%
Handset Purchase	526.2	795.1	786.6	+49.5%	△1.1%	1,220.4	1,581.7	+29.6%
Etc	36.6	29.2	29.1	△20.5%	△0.2%	66.0	58.3	△11.6%
Other expenses	527.9	511.4	535.1	+1.4%	+4.6%	1,045.5	1,046.5	+0.1%
Operating Income	254.0	255.4	304.5	+19.9%	+19.2%	474.9	559.9	+17.9%
Non-operating Income	46.8	37.3	48.2	+2.9%	+29.1%	89.1	85.5	△4.1%
Interest Income	17.3	17.5	14.0	△19.1%	△19.9%	31.5	31.5	+0.2%
Non-operating Expense	96.3	92.2	80.4	△16.5%	△12.8%	193.8	172.6	△10.9%
Interest Expense	71.3	68.4	65.2	△8.5%	△4.8%	141.6	133.6	△5.6%
Income before Tax	204.5	200.5	272.3	+33.1%	+35.8%	370.3	472.8	+27.7%
Income Tax	39.9	38.1	55.2	+38.4%	+45.1%	75.3	93.3	+23.9%
Net Income	164.6	162.5	217.1	+31.9%	+33.6%	295.0	379.6	+28.6%

	2024.12	2025.06	Vs. 2024
Current Assets	5,263.9	5,417.8	+2.9%
Cash and Cash Equivalents	965.3	954.6	△1.1%
Accounts Receivables	1,979.1	2,009.7	+1.5%
Inventories	252.3	211.5	△16.2%
Non-Current Assets	14,443.8	14,049.0	△2.7%
Property, Plant and Equipment	10,709.0	10,396.8	△2.9%
Intangible assets	1,804.6	1,610.3	△10.8%
Long-term Accounts Receivable	501.8	486.2	△3.1%
Total Assets	19,707.7	19,466.8	△1.2%
Current Liabilities	5,116.3	4,989.1	△2.5%
Accounts Payable & Other Payables	2,284.4	2,441.2	+6.9%
Short-term debt & etc	1,805.2	1,559.2	△13.6%
Non-Current Liabilities	5,823.1	5,463.7	△6.2%
Bond Payables, Long-term debt	4,489.4	4,311.8	△4.0%
Total Liabilities	10,939.4	10,452.8	△4.4%
Shareholder's Equity	8,556.0	8,807.3	+2.9%
Capital Stock	2,574.0	2,574.0	-
Treasury Stock	(100.0)	(100.0)	-
Capital Surplus	871.5	871.5	-
Retained Earnings	5,204.0	5,466.1	+5.0%
Accumulated other comprehensive income	6.6	(4.2)	△163.5%
Non-controlling Interest	212.4	206.7	△2.7%
Total Shareholders' Equity	8,768.4	9,014.0	+2.8%
Total Liabilities and Shareholders' Equity	19,707.7	19,466.8	△1.2%

※ Non-controlling interest : LGHV effect

Separate BSPL

Unit : KRW bn

	2Q24	1Q25	2Q25	YoY	QoQ	24.1H	25.1H	YoY
Operating Revenue	3,228.2	3,442.6	3,496.4	+8.3%	+1.6%	6,551.0	6,939.0	+5.9%
Service Revenue	2,730.3	2,728.7	2,798.0	+2.5%	+2.5%	5,412.5	5,526.7	+2.1%
Other Revenue	8.1	8.0	7.9	Δ2.7%	Δ1.5%	16.2	15.9	Δ1.7%
Handset Revenue	497.9	713.9	698.4	+40.3%	Δ2.2%	1,138.6	1,412.3	+24.0%
Operating Expense	2,975.8	3,181.9	3,185.8	+7.1%	+0.1%	6,077.5	6,367.6	+4.8%
Wages	371.6	367.1	358.7	Δ3.5%	Δ2.3%	733.0	725.9	Δ1.0%
Depreciation	520.1	519.3	527.8	+1.5%	+1.6%	1,037.1	1,047.0	+1.0%
Amortization	109.0	115.7	113.7	+4.3%	Δ1.7%	221.8	229.4	+3.4%
Fees & Charges	371.3	362.0	385.2	+3.7%	+6.4%	725.6	747.2	+3.0%
Sales Commission	493.8	504.7	517.5	+4.8%	+2.5%	986.8	1,022.1	+3.6%
Advertising	43.1	42.5	37.0	Δ14.3%	Δ12.9%	79.2	79.5	+0.3%
Cost of Handsets sold	522.8	745.8	705.0	+34.9%	Δ5.5%	1,212.9	1,450.8	+19.6%
Handset Purchase	486.2	716.6	675.9	+39.0%	Δ5.7%	1,146.9	1,392.5	+21.4%
Etc	36.6	29.2	29.1	Δ20.5%	Δ0.2%	66.0	58.3	Δ11.6%
Other expenses	544.0	524.9	540.9	-0.6%	3.0%	1,081.0	1,065.8	Δ1.4%
Operating Income	252.4	260.7	310.7	+23.1%	+19.2%	473.6	571.4	+20.7%
Non-operating Income	39.7	35.8	42.1	+5.8%	+17.5%	82.7	77.8	Δ5.9%
Interest Income	12.7	13.0	9.2	Δ27.7%	Δ29.2%	22.7	22.1	Δ2.5%
Non-operating Expense	90.6	85.1	74.4	Δ17.9%	Δ12.5%	182.0	159.5	Δ12.4%
Interest Expense	66.8	63.3	59.9	Δ10.3%	Δ5.3%	133.0	123.2	Δ7.4%
Income before Tax	201.5	211.5	278.3	+38.1%	+31.6%	374.3	489.8	+30.9%
Income Tax	38.3	37.6	55.2	+44.0%	+46.7%	75.8	92.8	+22.5%
Net Income	163.2	173.8	223.1	+36.7%	+28.3%	298.5	396.9	+33.0%

	2024.12	2025.06	vs.2024
Current Assets	4,656.4	4,807.5	+3.2%
Cash and Cash Equivalents	735.5	668.1	Δ9.2%
Accounts Receivables	1,760.8	1,797.0	+2.1%
Inventories	194.0	193.5	Δ0.3%
Non-Current Assets	14,076.9	13,698.6	Δ2.7%
Property, Plant and Equipment	10,185.7	9,905.6	Δ2.7%
Intangible assets	1,358.4	1,171.7	Δ13.7%
Long-term Accounts Receivable	322.4	291.5	Δ9.6%
Total Assets	18,733.3	18,506.1	Δ1.2%
Current Liabilities	4,725.0	4,554.4	Δ3.6%
Accounts Payable & Other Payables	2,080.4	2,228.0	+7.1%
Short-term debt & etc	1,685.2	1,369.4	Δ18.7%
Non-Current Liabilities	5,380.0	5,048.7	Δ6.2%
Bond Payables, Long-term debt	4,150.0	4,002.5	Δ3.6%
Total Liabilities	10,105.0	9,603.1	Δ5.0%
Capital Stock	2,574.0	2,574.0	-
Treasury Stock	(100.0)	(100.0)	-
Capital Surplus	823.9	823.9	-
Retained Earnings	5,338.8	5,613.4	+5.1%
Accumulated other comprehensive income	(8.4)	(8.3)	Δ0.2%
Total Shareholders' Equity	8,628.4	8,903.0	+3.2%
Total Liabilities and Shareholders' Equity	18,733.3	18,506.1	Δ1.2%

Factsheet

Unit : Thousands, KRW

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	YoY	QoQ
Wireless Subscribers¹⁾	26,265	27,223	27,873	28,515	29,075	29,917	+9.9%	+2.9%
Net adds	1,169	957	651	641	561	842	△ 12.1%	+50.1%
Activations	2,195	1,977	1,682	1,701	1,678	2,165	+9.5%	+29.0%
Deactivations	1,026	1,019	1,032	1,059	1,117	1,323	+29.8%	+18.4%
MNO	19,231	19,837	20,120	20,368	20,513	20,930	+5.5%	+2.0%
Handset	10,949	10,945	10,946	10,940	10,957	11,180	+2.1%	+2.0%
5G(Handset, device) ²⁾	7,187	7,413	7,686	7,952	8,532	8,930	+20.5%	+4.7%
MNO Churn rate (%)	1.18%	1.12%	1.07%	1.05%	1.09%	1.06%	△ 0.07%p	△ 0.03%p
MVNO	7,034	7,386	7,753	8,147	8,562	8,987	+21.7%	+5.0%
IoT³⁾	11,185	12,071	12,571	13,086	13,425	13,645	+13.0%	+1.6%
MNO Service ARPU(excluded IoT)	35,278	35,089	35,341	35,356	35,523	35,688	+1.7%	+0.5%
MNO Service ARPU(included IoT) ⁴⁾	24,420	23,871	23,526	23,855	23,085	23,253	△ 2.6%	+0.7%
Wireless Service ARPU(MNO+MVNO)	19,675	19,152	18,915	18,730	18,078	18,110	△ 5.4%	+0.2%

1) Subscribers : MSIT's new subscriber disclosure basis

2) Change in Ministry of Science and ICT statistics criteria: From 1Q25, 5G subscriptions are based on active USIMs on the 5G network, instead of confirmed 5G device upgrades.

3) Included Home IoT subscribers

4) Service ARPU (incl. CDMA,LTE,5G IoT) : Including telephony and data(excl. Interconnection, sign-up fee) + VAS + revenue discount(contract and combined discount) / Excluding MVNO related revenue
Wireless subscribers (inc. CDMA,LTE,5G and IoT) : MSIT's average subscriber of quarter basis

Unit : Thousands

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	YoY	QoQ
IPTV(STB)¹⁾	5,479	5,518	5,554	5,576	5,611	5,699	+3.3%	+1.6%
Net Addition	34	39	36	22	35	89	+125.9%	+155.3%
VoIP²⁾	3,266	3,209	3,175	3,108	3,098	3,087	△ 3.8%	△ 0.3%
Net Addition	-41	-57	-34	-67	-10	-10	-	-
Broadband³⁾	5,218	5,269	5,313	5,353	5,396	5,479	+4.0%	+1.6%
Net Addition	57	51	44	40	42	84	+64.0%	+97.7%
PSTN⁴⁾	456	453	445	445	442	439	△ 3.1%	△ 0.7%
Net Addition	-3	-3	-9	0	-3	-3	-	-

1) IPTV subscribers : Set-top box subscribers(Adjusted from 1Q15) 2) VoIP subscribers : Retail and Corporate subscribers

3) Broadband : Including corporate subscribers from 3Q15 / changed broadband calculation standard and retroactively applied it from 1Q22

4) PSTN subscribers : Retail(Retail VoIP call forwarding) and Corporate subscribers

End of Documents

