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2025.11

IR Key messages

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Disclaimer

The aforementioned forward-looking statements are influenced by changes in the management environment and relative events, and by their nature, these statements refer to uncertain circumstances.

Consequently, due to these uncertainties, the Company's actual future results may differ materially from those expressed or implied by such statements.

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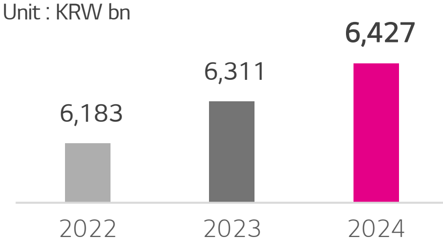
In addition, the information contained herein has been prepared in advance, prior to being audited by external auditors, solely for the convenience of investors of the Company, and is subject to change in the process of final auditing by external auditors.

Business and Revenue

Mobile

5G, LTE (MNO/MVNO)

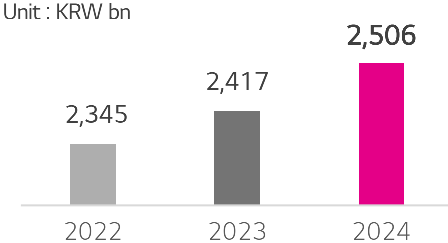
Unit : KRW bn



Smart Home

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

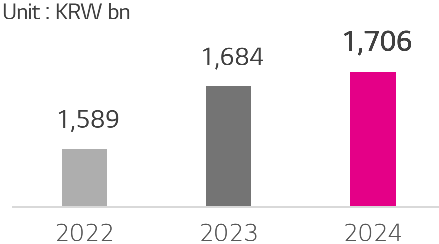
Unit : KRW bn



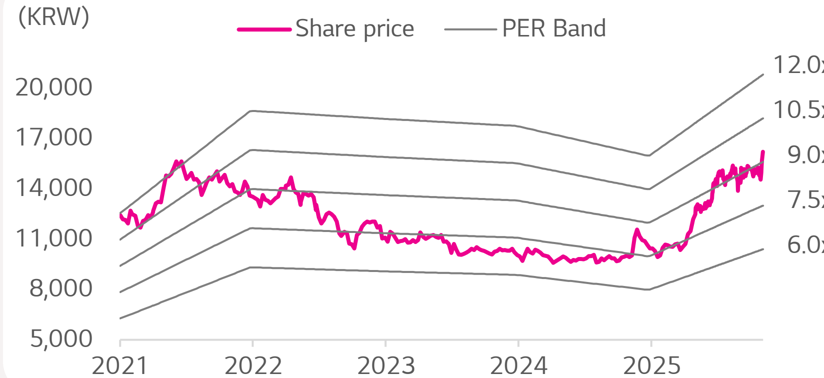
Enterprise Infrastructure

IDC, Enterprise Line, Enterprise Solution

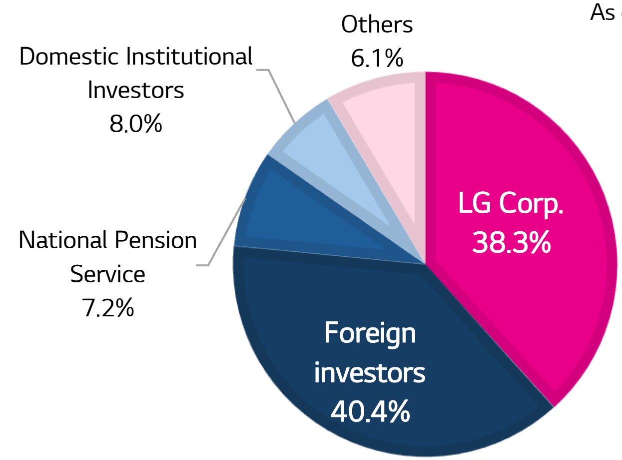
Unit : KRW bn



Share Price and Shareholders



As of Sept 2025



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

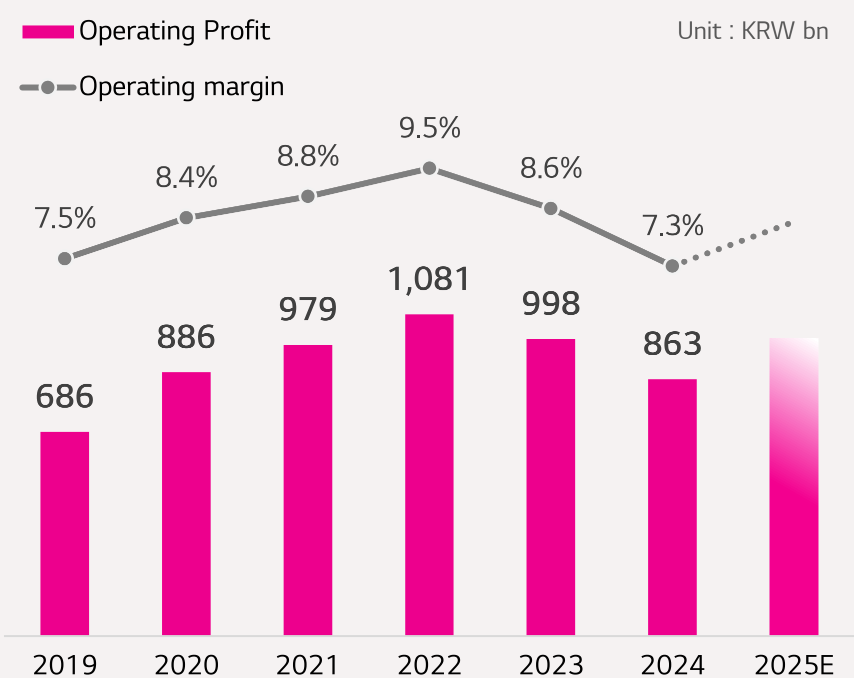
Shareholder returns will be strengthened in line with the 2024 Corporate Value-up Plan

- **[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

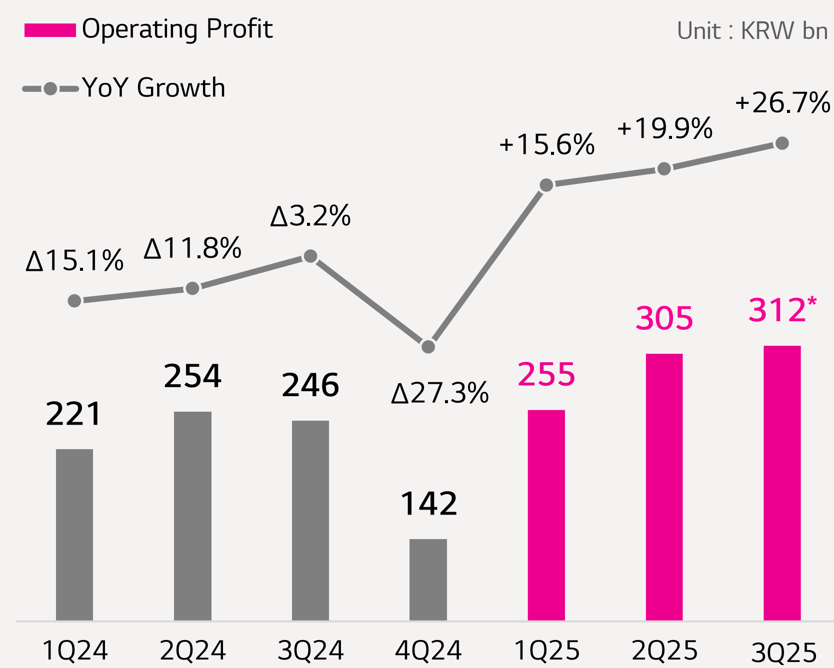
Message ➊ From 2025, we are on track for a profit turnaround, backed by structural cost competitiveness and mobile subscriber expansions

- Profitability temporarily declined 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



* Adjusted operating income basis

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

CEO

Consumer

Content & Platform Biz.

- Infinistar (Nerget etc)
- Kids' world
- STUDIO X+U ~~Sporki, Idol plus~~

[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

Work Agent

- ✓ Work-related Q&A
- ✓ Eliminate non-critical communications

ixi | EXAONE

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

ixi O

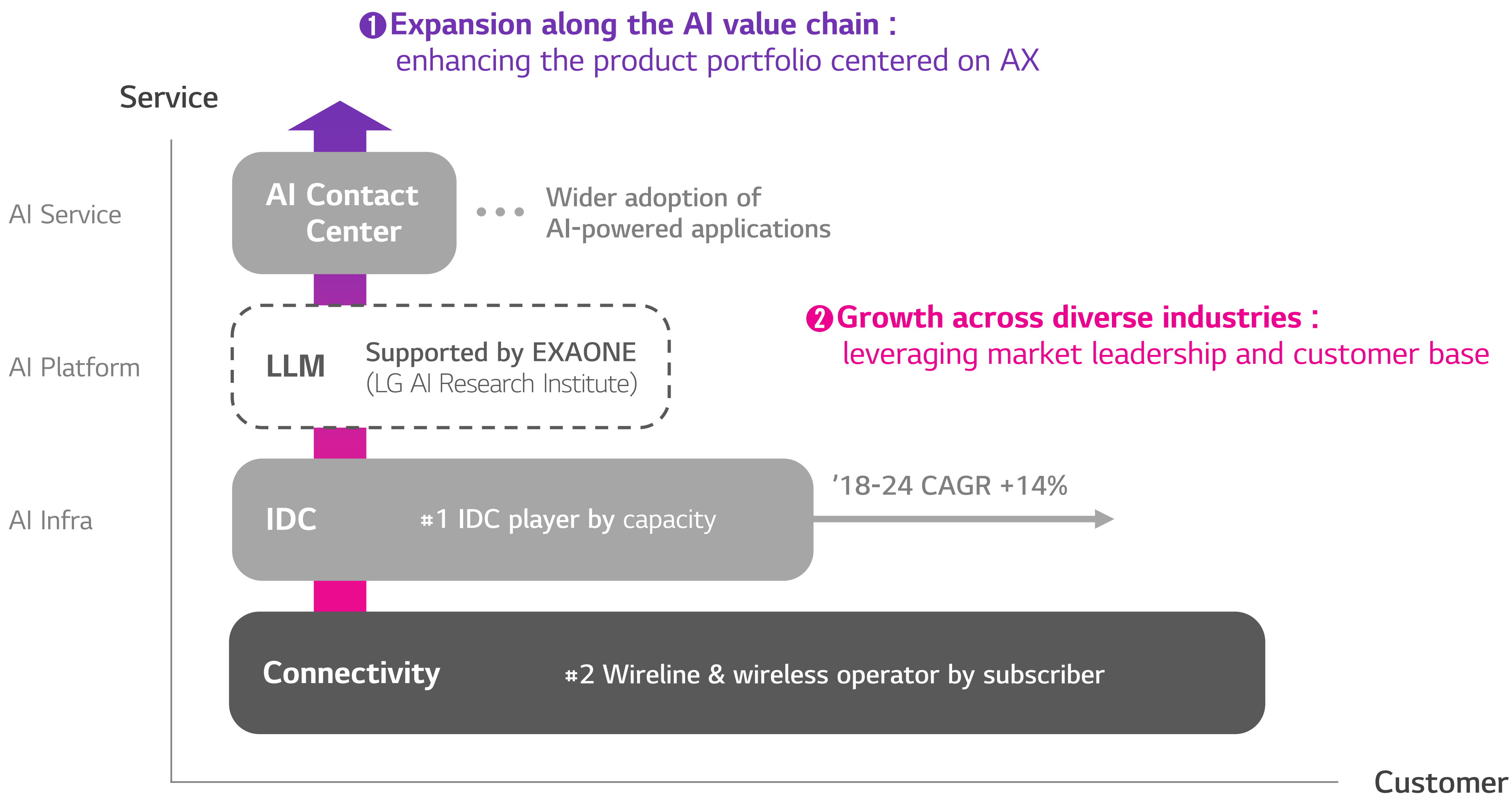
Make Visual Phone Calls

- ✓ 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 ❷ [Growth Strategy] Expanding into high-value AX domains, while solidifying our competitive edge in AI infrastructure



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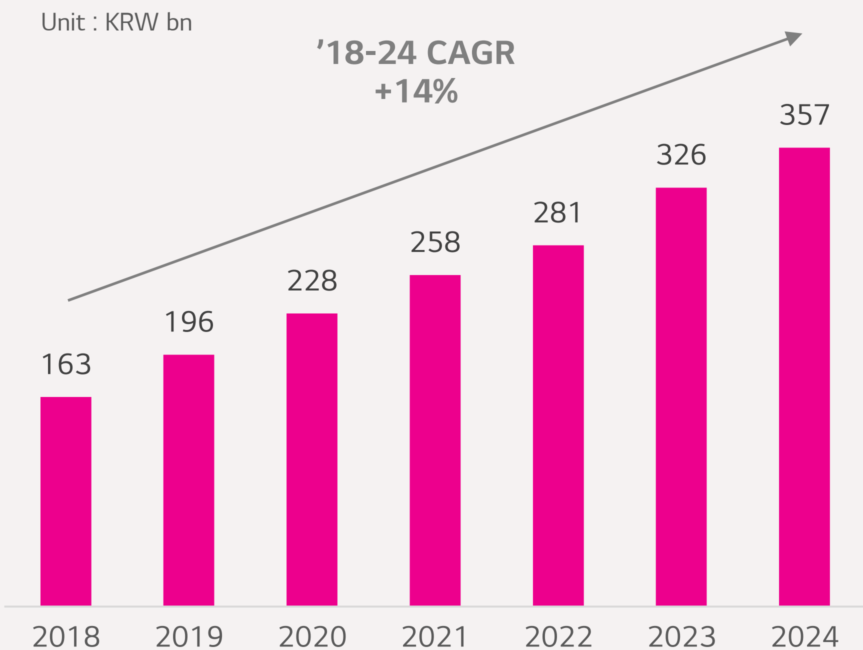
Highlight : IDC Revenue Growth & Strategic Differentiation

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



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

❶ 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

❷ 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

❸ 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

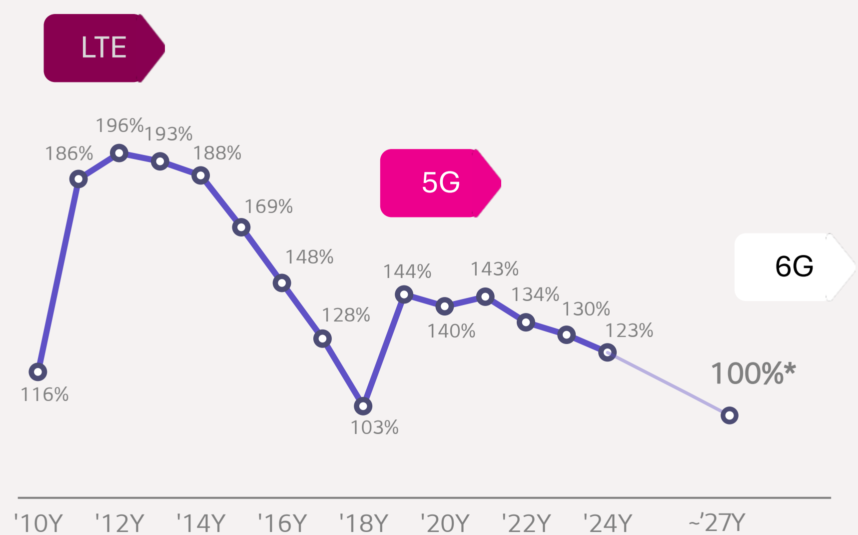
Message ❸ Shareholder returns will be strengthened through a flexible share buyback program

- 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

☞ DPS upside expected in 2025 from reduced free float, with stronger dividend visibility in 2026 supported by operational earnings improvement

Target Debt Ratio

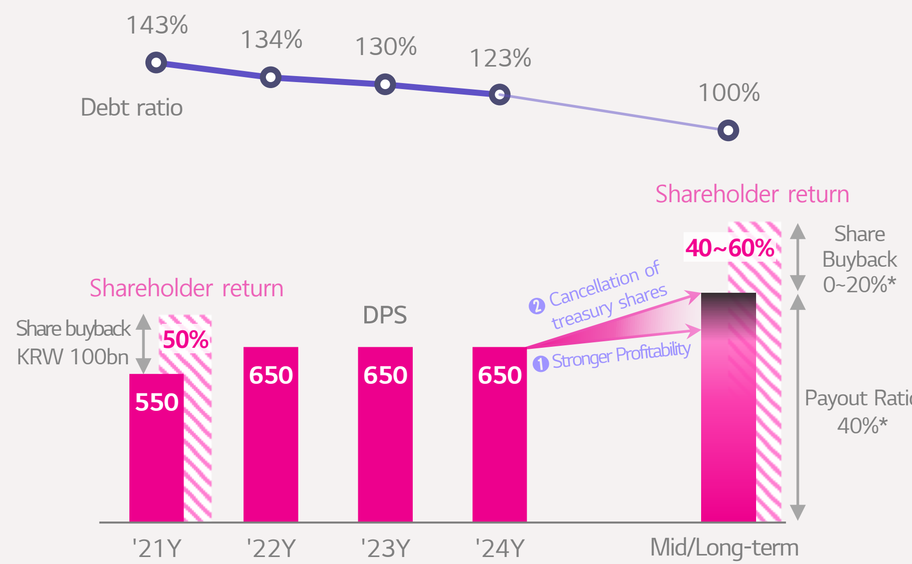
Debt Ratio = Debt / Equity



* Consolidated basis

Shareholder Return Plan

Shareholder Return = (Dividend + Buyback) / Net Profit



* Separate basis

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Consolidated BSPL

Unit : KRW bn

	3Q24	2Q25	3Q25	YoY	QoQ	3Q24 cumulative	3Q25 cumulative	YoY
Operating Revenue	**3,801.3**	**3,844.4**	**4,010.8**	**+5.5%**	**+4.3%**	**10,872.0**	**11,603.3**	**+6.7%**
Service Revenue	2,990.4	3,016.4	3,116.6	+4.2%	+3.3%	8,828.2	9,072.0	+2.8%
Other Revenue	3.8	4.4	3.7	△4.1%	△16.9%	11.5	12.0	+4.2%
Handset Revenue	810.9	828.0	894.2	+10.3%	+8.0%	2,043.8	2,531.3	+23.9%
Operating Expense	**3,555.3**	**3,539.9**	**3,849.2**	**+8.3%**	**+8.7%**	**10,151.0**	**10,881.7**	**+7.2%**
Wages	481.9	486.7	631.2	+31.0%	+29.7%	1,462.8	1,608.7	+10.0%
Depreciation	551.9	550.7	549.2	△0.5%	△0.3%	1,642.4	1,641.9	△0.0%
Amortization	122.7	121.9	120.5	△1.8%	△1.2%	364.7	366.3	+0.4%
Fees & Charges	457.5	443.2	468.6	+2.4%	+5.7%	1,297.6	1,332.0	+2.7%
Sales Commission	526.5	540.9	577.1	+9.6%	+6.7%	1,543.9	1,647.9	+6.7%
Advertising	59.9	45.5	53.0	△11.6%	+16.4%	152.7	148.8	△2.6%
Cost of Handsets sold	833.5	815.8	881.8	+5.8%	+8.1%	2,119.9	2,521.9	+19.0%
Handset Purchase	789.2	786.6	855.3	+8.4%	+8.7%	2,009.6	2,437.1	+21.3%
Etc	44.3	29.1	26.5	△40.1%	△9.0%	110.3	84.8	△23.1%
Other expenses	521.5	535.1	567.8	+8.9%	+6.1%	1,567.0	1,614.3	+3.0%
Operating Income	**246.0**	**304.5**	**161.7**	**△34.3%**	**△46.9%**	**721.0**	**721.6**	**+0.1%**
Non-operating Income	**35.9**	**48.2**	**41.7**	**+15.9%**	**△13.5%**	**125.1**	**127.1**	+1.6%
Interest Income	21.9	14.0	12.1	△44.8%	△14.0%	53.4	43.6	△18.3%
Non-operating Expense	**86.0**	**80.4**	**98.5**	**+14.5%**	**+22.6%**	**279.8**	**271.1**	**△3.1%**
Interest Expense	67.8	65.2	61.8	△8.8%	△5.2%	209.4	195.4	△6.7%
Income before Tax	**196.0**	**272.3**	**104.8**	**△46.5%**	**△61.5%**	**566.3**	**577.6**	**+2.0%**
Income Tax	61.1	55.2	55.7	△8.8%	+0.9%	136.3	149.0	+9.3%
Net Income	**134.9**	**217.1**	**49.1**	**△63.6%**	**△77.4%**	**429.9**	**428.7**	**△0.3%**

	2024.12	2025.09	Vs. 2024
Current Assets	**5,263.9**	**5,693.4**	**+8.2%**
Cash and Cash Equivalents	965.3	665.0	△31.1%
Accounts Receivables	1,979.1	2,379.7	+20.2%
Inventories	252.3	273.4	+8.4%
Non-Current Assets	**14,443.8**	**13,895.8**	**△3.8%**
Property, Plant and Equipment	10,709.0	10,275.7	△4.0%
Intangible assets	1,804.6	1,525.2	△15.5%
Long-term Accounts Receivable	501.8	479.4	△4.5%
Total Assets	**19,707.7**	**19,589.2**	**△0.6%**
Current Liabilities	**5,116.3**	**5,081.2**	**△0.7%**
Accounts Payable & Other Payables	2,284.4	2,620.0	+14.7%
Short-term debt & etc	1,805.2	1,490.8	△17.4%
Non-Current Liabilities	**5,823.1**	**5,561.6**	**△4.5%**
Bond Payables, Long-term debt	4,489.4	4,370.9	△2.6%
Total Liabilities	**10,939.4**	**10,642.8**	**△2.7%**
Shareholder's Equity	**8,556.0**	**8,740.0**	**+2.1%**
Capital Stock	2,574.0	2,574.0	+0.0%
Treasury Stock	(100.0)	(26.3)	△73.7%
Capital Surplus	871.5	871.5	+0.0%
Retained Earnings	5,204.0	5,313.8	+2.1%
Accumulated other comprehensive income	6.6	7.0	+5.9%
Non-controlling Interest	212.4	206.4	△2.8%
Total Shareholders' Equity	**8,768.4**	**8,946.4**	**+2.0%**
Total Liabilities and Shareholders' Equity	**19,707.7**	**19,589.2**	**△0.6%**

※ Non-controlling interest : LGHV effect

Separate BSPL

Unit : KRW bn

	3Q24	2Q25	3Q25	YoY	QoQ	3Q24 cumulative	3Q25 cumulative	YoY
Operating Revenue	**3,496.3**	**3,496.4**	**3,713.5**	**+6.2%**	**+6.2%**	**10,047.4**	**10,652.5**	**+6.0%**
Service Revenue	2,777.2	2,798.0	2,893.0	+4.2%	+3.4%	8,189.6	8,419.7	+2.8%
Other Revenue	8.0	7.9	7.9	△1.1%	△0.3%	24.2	23.8	△1.5%
Handset Revenue	719.2	698.4	820.4	+14.1%	+17.5%	1,857.7	2,232.7	+20.2%
Operating Expense	**3,243.1**	**3,185.8**	**3,557.0**	**+9.7%**	**+11.7%**	**9,320.5**	**9,924.6**	**+6.5%**
Wages	358.8	358.7	501.5	+39.8%	+39.8%	1,091.8	1,227.3	+12.4%
Depreciation	524.5	527.8	529.4	+0.9%	+0.3%	1,561.6	1,576.4	+0.9%
Amortization	111.9	113.7	112.4	+0.4%	△1.2%	333.8	341.8	+2.4%
Fees & Charges	392.6	385.2	409.3	+4.3%	+6.3%	1,118.1	1,156.5	+3.4%
Sales Commission	503.1	517.5	550.4	+9.4%	+6.4%	1,489.9	1,572.6	+5.5%
Advertising	51.8	37.0	44.7	△13.6%	+20.9%	131.0	124.2	△5.2%
Cost of Handsets sold	759.8	705.0	832.0	+9.5%	+18.0%	1,972.7	2,282.8	+15.7%
Handset Purchase	715.5	675.9	805.5	+12.6%	+19.2%	1,862.4	2,198.0	+18.0%
Etc	44.3	29.1	26.5	△40.1%	△9.0%	110.3	84.8	△23.1%
Other expenses	540.5	540.9	577.3	6.8%	6.7%	1,621.6	1,643.1	+1.3%
Operating Income	**253.3**	**310.7**	**156.5**	**△38.2%**	**△49.6%**	**726.8**	**727.9**	**+0.1%**
Non-operating Income	**47.1**	**42.1**	**33.2**	**△29.5%**	**△20.9%**	**129.8**	**111.1**	**△14.4%**
Interest Income	16.6	9.2	7.3	△55.7%	△20.0%	39.3	29.5	△25.0%
Non-operating Expense	**80.5**	**74.4**	**90.3**	**+12.2%**	**+21.3%**	**262.5**	**249.7**	**△4.8%**
Interest Expense	63.3	59.9	56.7	△10.4%	△5.4%	196.3	179.9	△8.4%
Income before Tax	**220.0**	**278.3**	**99.5**	**△54.8%**	**△64.3%**	**594.2**	**589.2**	**△0.8%**
Income Tax	62.2	55.2	54.3	△12.7%	△1.6%	137.9	147.1	+6.6%
Net Income	**157.8**	**223.1**	**45.2**	**△71.4%**	**△79.8%**	**456.3**	**442.1**	**△3.1%**

	2024.12	2025.09	vs.2024
Current Assets	**4,656.4**	**5,083.9**	**+9.2%**
Cash and Cash Equivalents	735.5	395.1	△46.3%
Accounts Receivables	1,760.8	2,159.2	+22.6%
Inventories	194.0	260.4	+34.2%
Non-Current Assets	**14,076.9**	**13,524.7**	**△3.9%**
Property, Plant and Equipment	10,185.7	9,796.2	△3.8%
Intangible assets	1,358.4	1,090.6	△19.7%
Long-term Accounts Receivable	322.4	269.2	△16.5%
Total Assets	**18,733.3**	**18,608.5**	**△0.7%**
Current Liabilities	**4,725.0**	**4,653.8**	**△1.5%**
Accounts Payable & Other Payables	2,080.4	2,421.4	+16.4%
Short-term debt & etc	1,685.2	1,300.9	△22.8%
Non-Current Liabilities	**5,380.0**	**5,140.3**	△4.5%
Bond Payables, Long-term debt	4,150.0	4,061.5	△2.1%
Total Liabilities	**10,105.0**	**9,794.1**	**△3.1%**
Capital Stock	2,574.0	2,574.0	+0.0%
Treasury Stock	(100.0)	(26.3)	△73.7%
Capital Surplus	823.9	823.9	+0.0%
Retained Earnings	5,338.8	5,450.3	+2.1%
Accumulated other comprehensive income	(8.4)	(7.4)	△11.4%
Total Shareholders' Equity	8,628.4	8,814.4	+2.2%
Total Liabilities and Shareholders' Equity	18,733.3	18,608.5	△0.7%

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Factsheet

Unit : Thousands, KRW

	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	YoY	QoQ
Wireless Subscribers[1]	**27,223**	**27,873**	**28,515**	**29,075**	**29,917**	30,259	+8.6%	+1.1%
Net adds	957	651	641	561	842	342	△47.5%	△59.4%
Activations	1,977	1,682	1,701	1,678	2,165	1,918	+14.0%	△11.4%
Deactivations	1,019	1,032	1,059	1,117	1,323	1,577	+52.8%	+19.2%
MNO	**19,837**	**20,120**	**20,368**	**20,513**	**20,930**	**21,204**	+5.4%	+1.3%
Handset	10,945	10,946	10,940	10,957	11,180	**11,224**	+2.5%	+0.4%
5G(Handset, USIM)[2]	7,413	7,686	7,952	8,532	8,930	**9,155**	+19.1%	+2.5%
MNO Churn rate (%)	1.12%	1.07%	1.05%	1.09%	1.06%	1.32%	+0.25%p	+0.26%p
MVNO	**7,386**	**7,753**	**8,147**	**8,562**	**8,987**	**9,055**	+16.8%	+0.8%
IoT[3]	**12,071**	**12,571**	**13,086**	**13,425**	**13,645**	**13,734**	+9.2%	+0.7%
MNO Service ARPU(excluded IoT)	35,089	35,341	35,356	35,523	35,688	36,118	+2.2%	+1.2%
MNO Service ARPU(included IoT)[4]	23,871	23,526	23,855	23,085	23,253	23,510	△0.1%	+1.1%
Wireless Service ARPU(MNO+MVNO)	19,152	18,915	18,730	18,078	18,110	18,212	△3.7%	+0.6%

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

	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	YoY	QoQ
IPTV(STB)[1]	5,518	5,554	5,576	5,611	5,699	5,739	+3.3%	+0.7%
Net Addition	39	36	22	35	89	39	+9.7%	△55.5%
VoIP[2]	3,209	3,175	3,108	3,098	3,087	3,065	△3.5%	△0.7%
Net Addition	-57	-34	-67	-10	-10	-23	-	-
Broadband[3]	5,269	5,313	5,353	5,396	5,479	5,541	+4.3%	+1.1%
Net Addition	51	44	40	42	84	62	+40.3%	△26.2%
PSTN[4]	453	445	445	442	439	428	△3.7%	△2.5%
Net Addition	-3	-9	0	-3	-3	-11	-	-

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