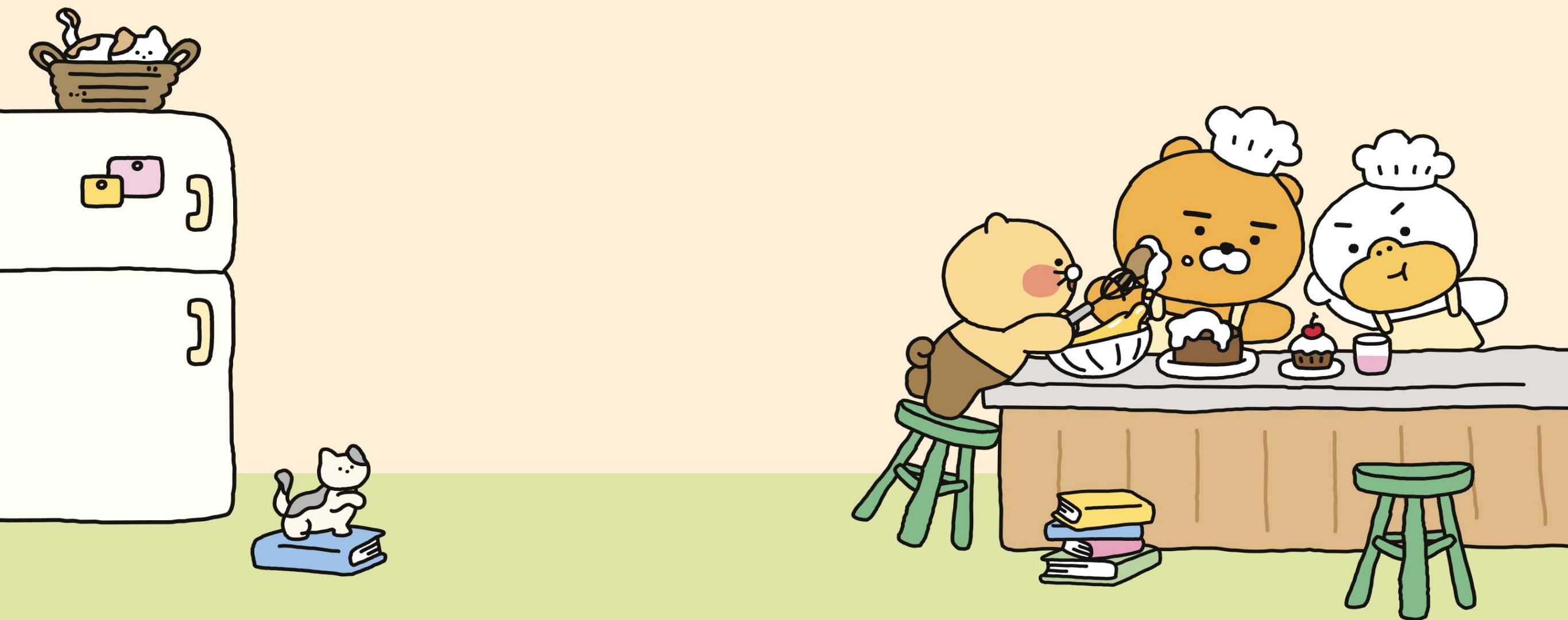


kakao

Q3 2024 Earnings Results

2024. 11. 7 | Kakao Investor Relations



Disclaimer

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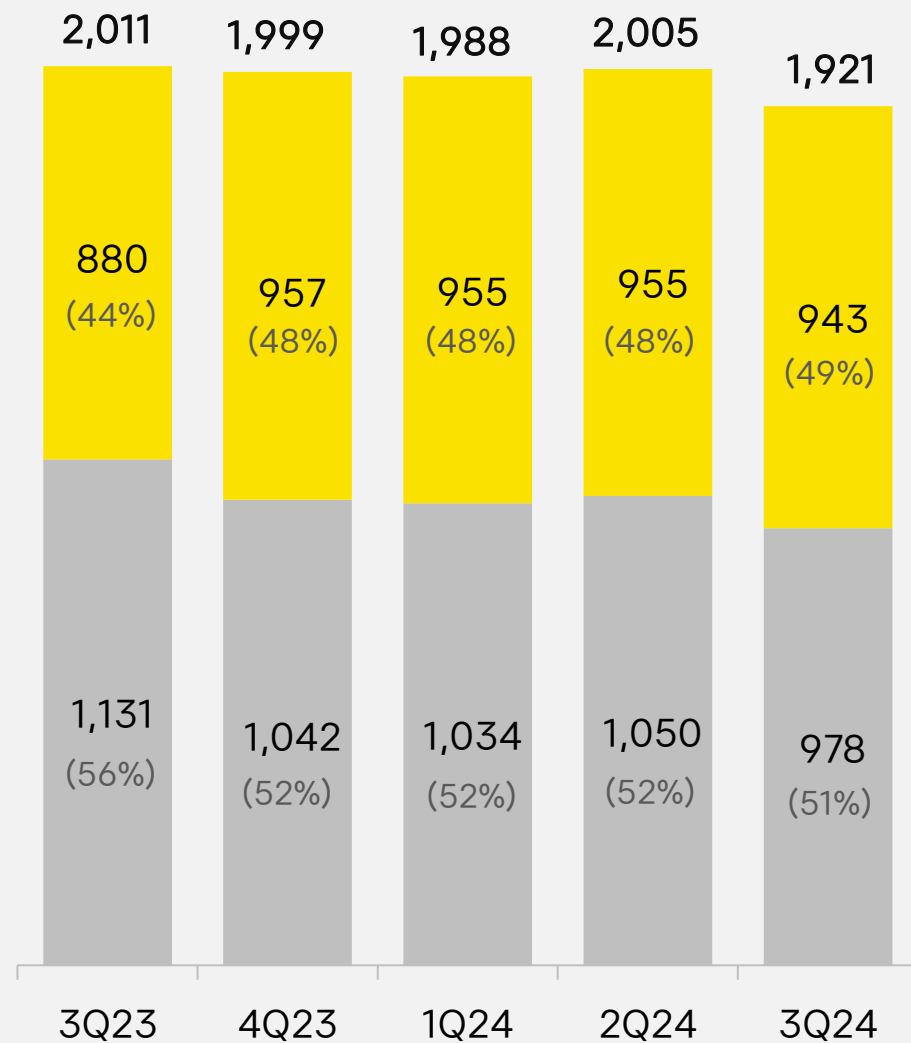
Revenue

Q3 Revenue -4% YoY / -4% QoQ

Q3 Mix : Platform 49%, Content 51%

(in bn KRW)

■ Platform ■ Content



Revenue Breakdown		
Platform	Talk Biz	Advertising : Talk DA (Bizboard / New DA) Business Messaging, Subscription
	Portal Biz	Commerce : Gift, Store, Makers, Kakao Friends Online
	Platform-Others	Daum PC / Mobile Kakao Story / Style / Page Other Subsidiaries' Ad
Content	Game	Mobility Pay Enterprise Healthcare Other Subsidiaries
	Music	Mobile PC Other
	Story	SM Entertainment Melon Digital Music Distribution Album Distribution Music Production
	Media	Entertainment Piccoma
		Video Production Talent Agency

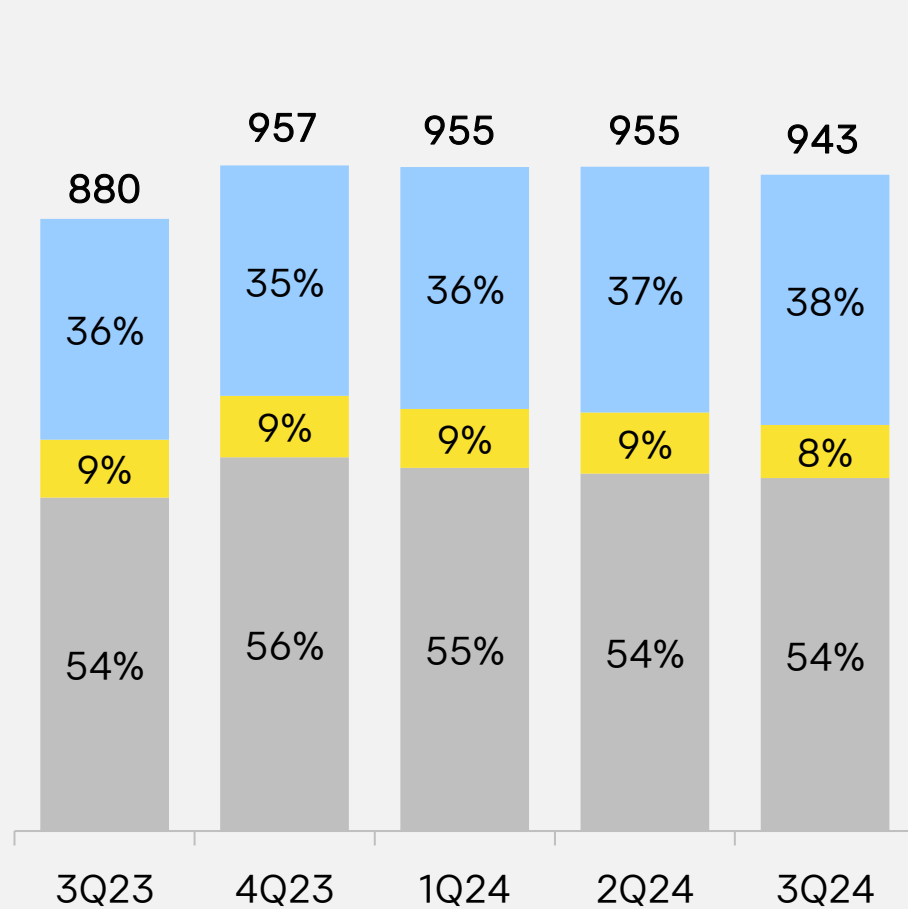
Revenue

Platform

3Q24 +7% YoY, -1% QoQ

(in bn KRW)

■ Talk Biz ■ Portal Biz ■ Platform-Others

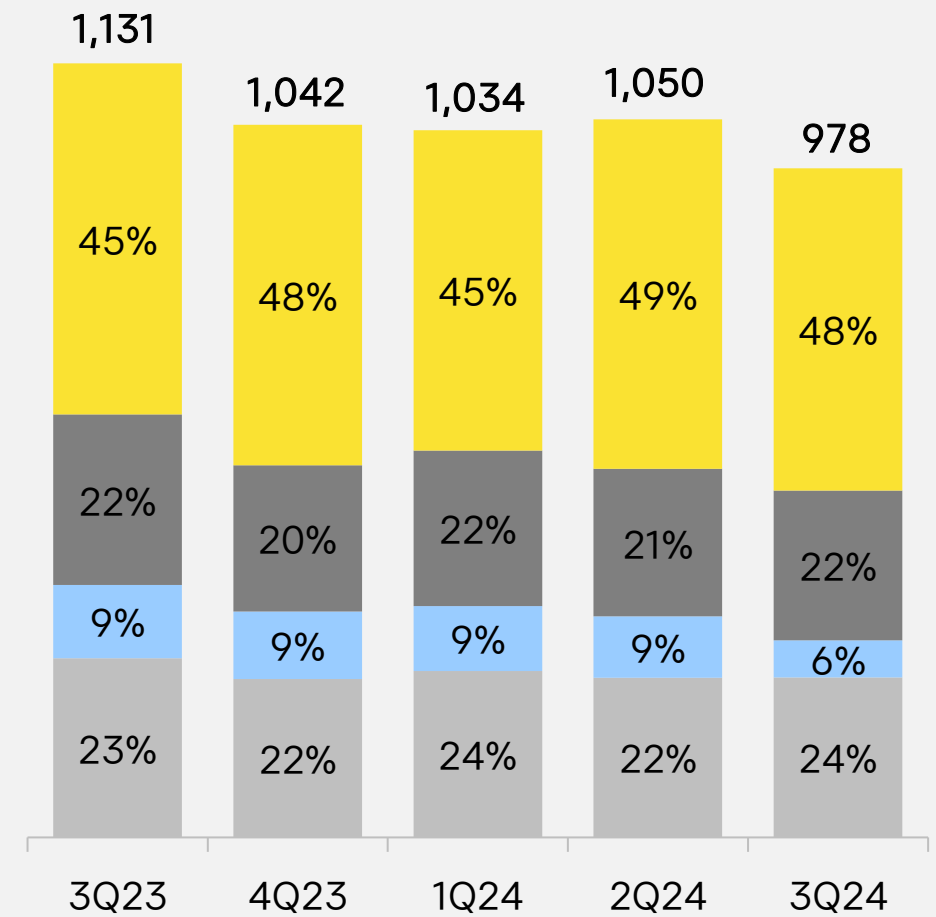


Content

3Q24 -14% YoY, -7% QoQ

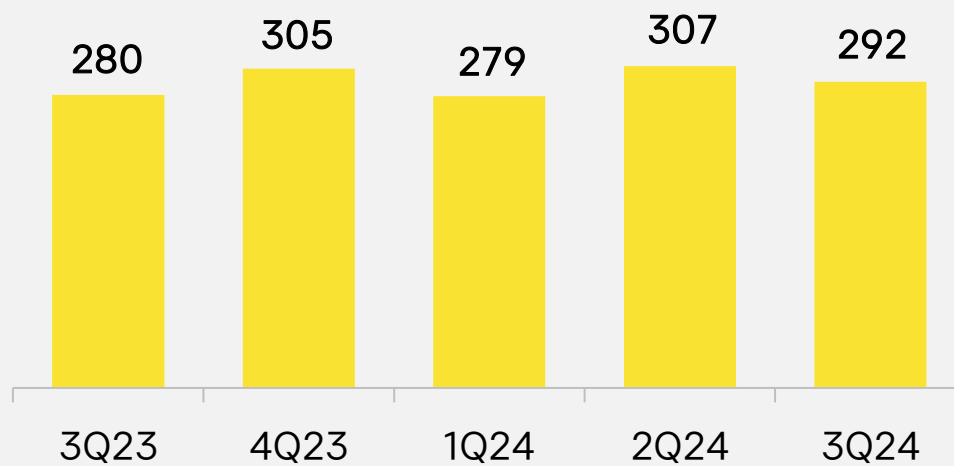
(in bn KRW)

■ Game ■ Media ■ Story ■ Music



Advertising

(in bn KRW)

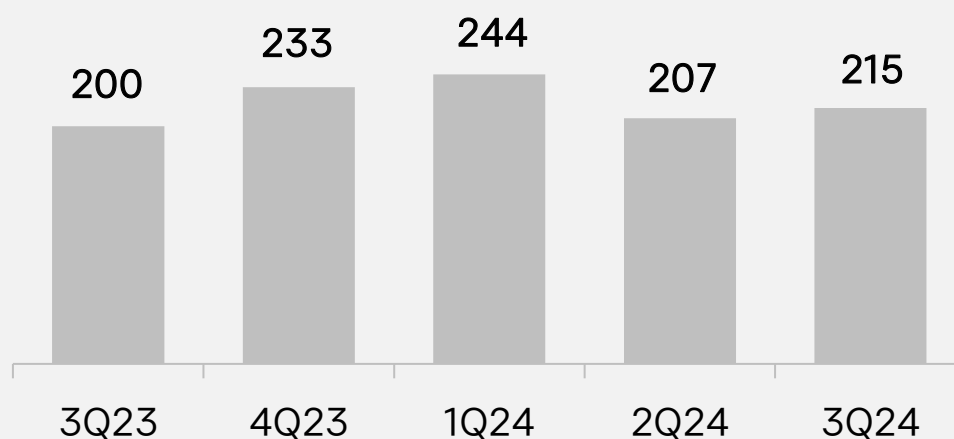


3Q24 +4% YoY, -5% QoQ

- (YoY) ① Business Messaging +21%, continuous increase in the number of paying advertisers and channel friends ② Total DA -1%, delayed recovery in the advertising market
- (QoQ) Strong growth in business messaging offset weak seasonality in DA

Commerce

(in bn KRW)



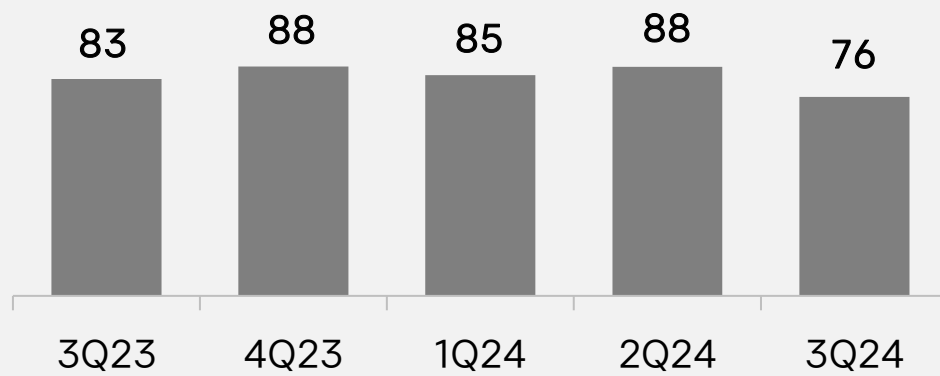
3Q24 +8% YoY, +4% QoQ

- Total Commerce GMV : 2.5 tn KRW (+5% YoY)
- (YoY) Gift GMV +6% led by increase in self-gifting purchases, Gift Revenue +10% due to full reflection of 1P Chuseok revenue in September
- (QoQ) Enhanced Chuseok-tailored gift curation and high seasonality

Platform | Portal, Others

Portal Biz

(in bn KRW)

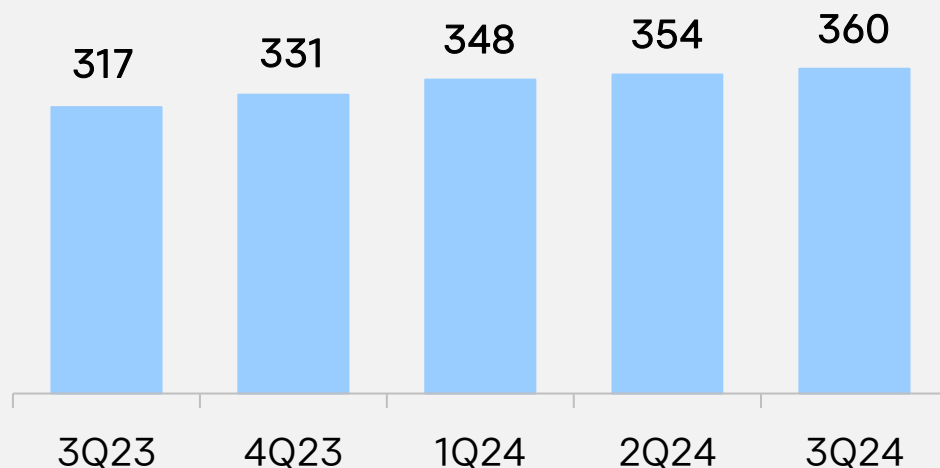


3Q24 -8% YoY, -13% QoQ

- (YoY) Decrease in user activity
- (QoQ) Low seasonality and slowdown in ad spending by commerce sector advertisers

Platform-Others

(in bn KRW)

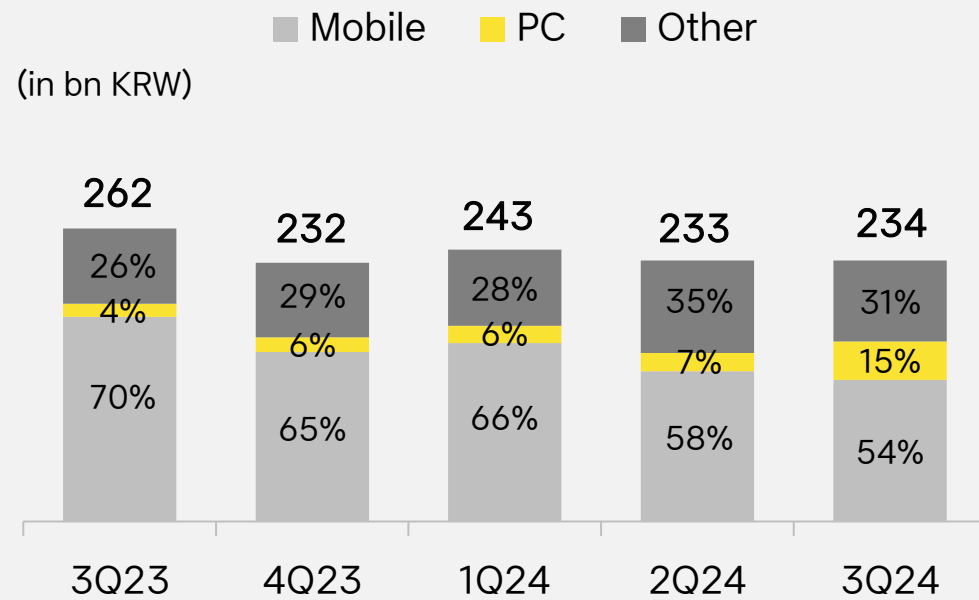


3Q24 +13% YoY, +2% QoQ

- **Mobility** : High demand during Chuseok and monsoon season
- **Pay** : TPV 42.2 tn KRW, +17% YoY driven by double-digit TPV growth across all services, recorded positive EBITDA for two consecutive quarters

Content | Game, Music

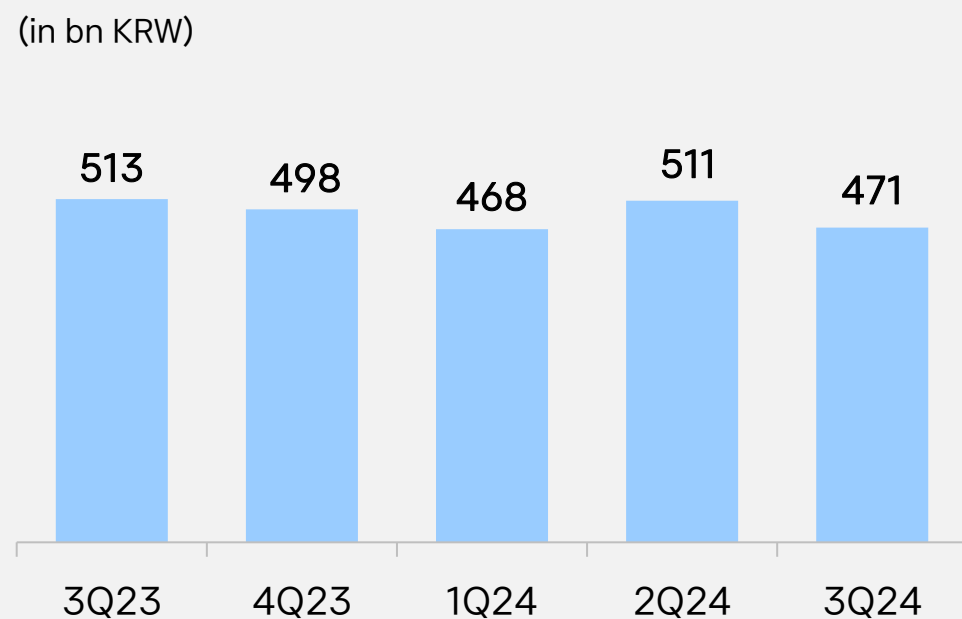
Game



3Q24 -11% YoY, +0.1% QoQ

- (YoY) Absence of new titles
- (QoQ) Revenue destabilization of external publishing titles, despite solid performance of the main titles
- Focusing on laying foundation for turnaround with major title releases in 2025

Music

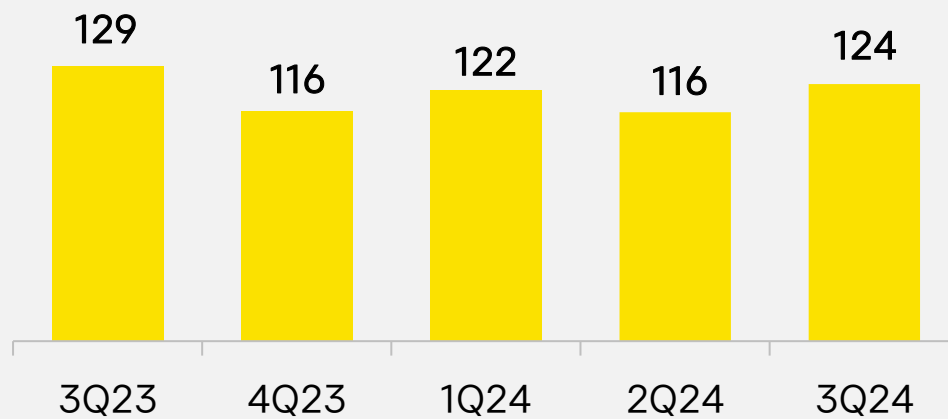


3Q24 -8% YoY, -8% QoQ

- (Label) High base effects of album sales, despite solid performance of the anchor IP concerts
- (Distribution) Strengthened global distribution network and domestic music IP library
- (Melon) Maintained stable revenue

Piccoma

(in bn KRW)

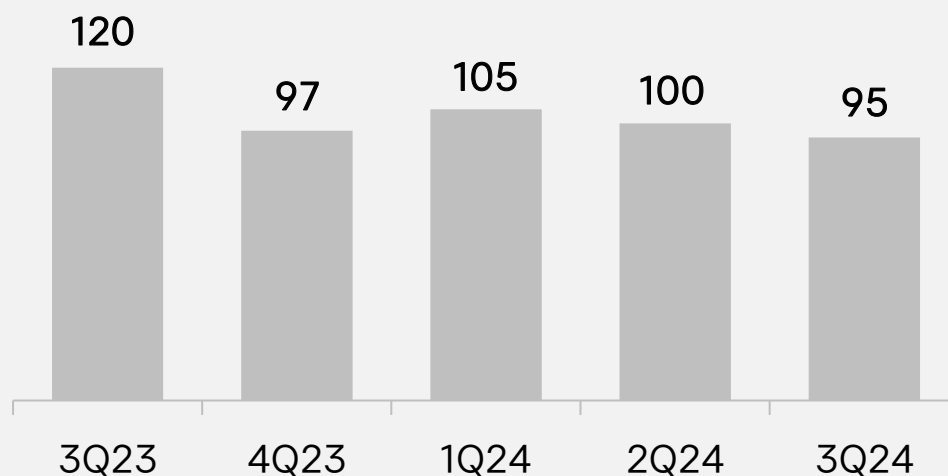


3Q24 -4% YoY, +7% QoQ

- (in Yen) Revenue -3% YoY, +0.3% QoQ, GMV +1% YoY, +5% QoQ
- (YoY) Change in IP mix
- (QoQ) Flat revenue growth due to continued promotion, In KRW, revenue increased due to high yen fx effect
- 3Q24, Record-high GMV in yen

Entertainment

(in bn KRW)

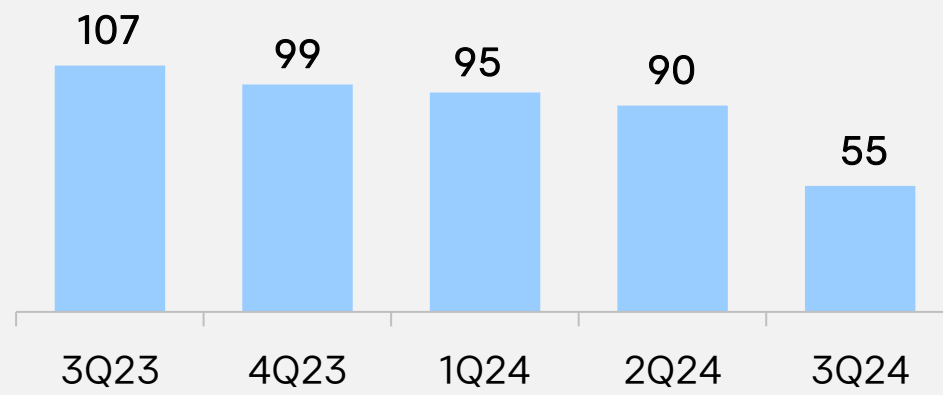


3Q24 -21% YoY, -5% QoQ

- (YoY) Kakao Webtoon rebranding effect and high base due to differences in the timing of mega IP releases
- (QoQ) Impact of Kakao Webtoon rebranding
- 'Focusing on the Core', strengthened selective focus strategy by ending services in Taiwan and Indonesia

Media

(in bn KRW)



3Q24 -49% YoY, -39% QoQ

- (YoY) High Base effect from concentrated production line-up in 2H23
- (QoQ) Slowdown in media market and delays in internal production schedules

Earnings Summary

(in bn KRW)	3Q23	2Q24	3Q24	YoY	QoQ
Total Revenue	2,011	2,005	1,921	-4%	-4%
Platform	880	955	943	7%	-1%
Talk Biz	479	514	507	6%	-1%
Portal Biz	83	88	76	-8%	-13%
Platform-Others	317	354	360	13%	2%
Content	1,131	1,050	978	-14%	-7%
Game	262	233	234	-11%	0.1%
Music	513	511	471	-8%	-8%
Story	249	216	219	-12%	1%
Media	107	90	55	-49%	-39%
OPEX	1,887	1,871	1,791	-5%	-4%
Operating Profit	124	134	131	5%	-3%
<i>OPM</i>	6.2%	6.7%	6.8%	0.6%p	0.1%p
Net Profit	37	87	79	113%	-10%
Controlling Interests	21	101	106	407%	4%
Non-controlling Interests	16	-14	-27	TR	CR
<i>NPM</i>	1.8%	4.3%	4.1%	2.3%p	-0.3%p

Operating Expenses

(in bn KRW)	3Q23	2Q24	3Q24	YoY	QoQ
Operating Expenses	1,887	1,871	1,791	-5%	-4%
Labor	468	481	459	-2%	-5%
Cost of Revenue	849	797	748	-12%	-6%
Outsourcing & Infrastructure	199	196	194	-2%	-0.7%
Marketing	105	108	105	0.9%	-3%
Depreciation & Amortization	198	207	211	6%	2%
Misc.	69	82	74	8%	-10%

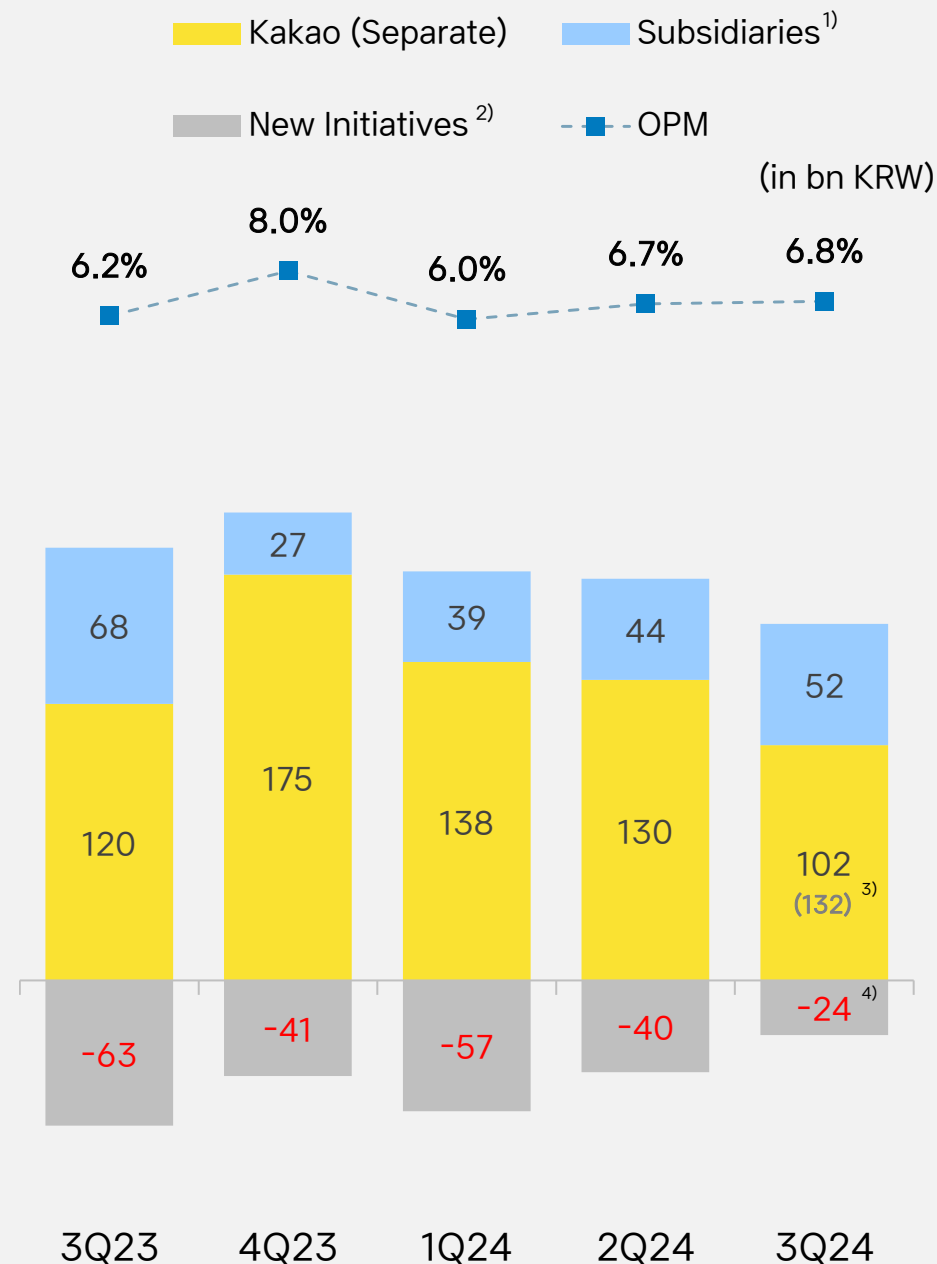
3Q Analysis

- Labor (YoY/QoQ) Maintained conservative head-count and decrease in other labor cost including incentives
- Cost of Rev. (YoY/QoQ) Due to delays in media production schedules and decrease in content revenue
- Outsourcing & Infrastructure (YoY/QoQ) Reduce in outsourcing fees related to content division
- Marketing (YoY) Increase in marketing activities by Kakao Piccoma in response to intensified competition in the Japanese digital comics market
(QoQ) Excluding Kakao Piccoma, maintained efficient marketing execution across Kakao Group
- Depreciation & Amortization (YoY/QoQ) Increase in investment in AI and machinery related to self-owned and newly leased data centers

Profits

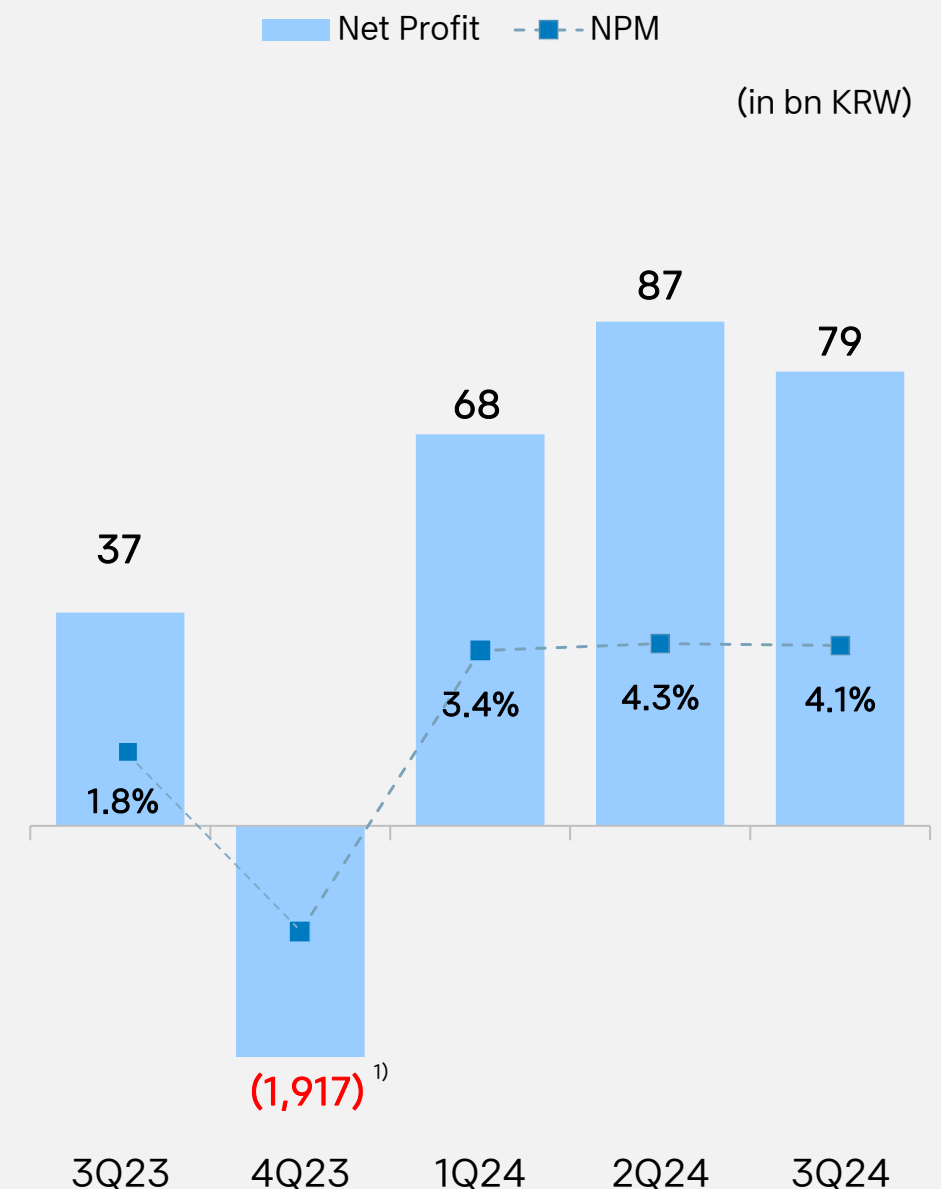
Operating Profit(M)

3Q24 +5% YoY, -3% QoQ



Net Profit(M)

3Q24 +113% YoY, -10% QoQ



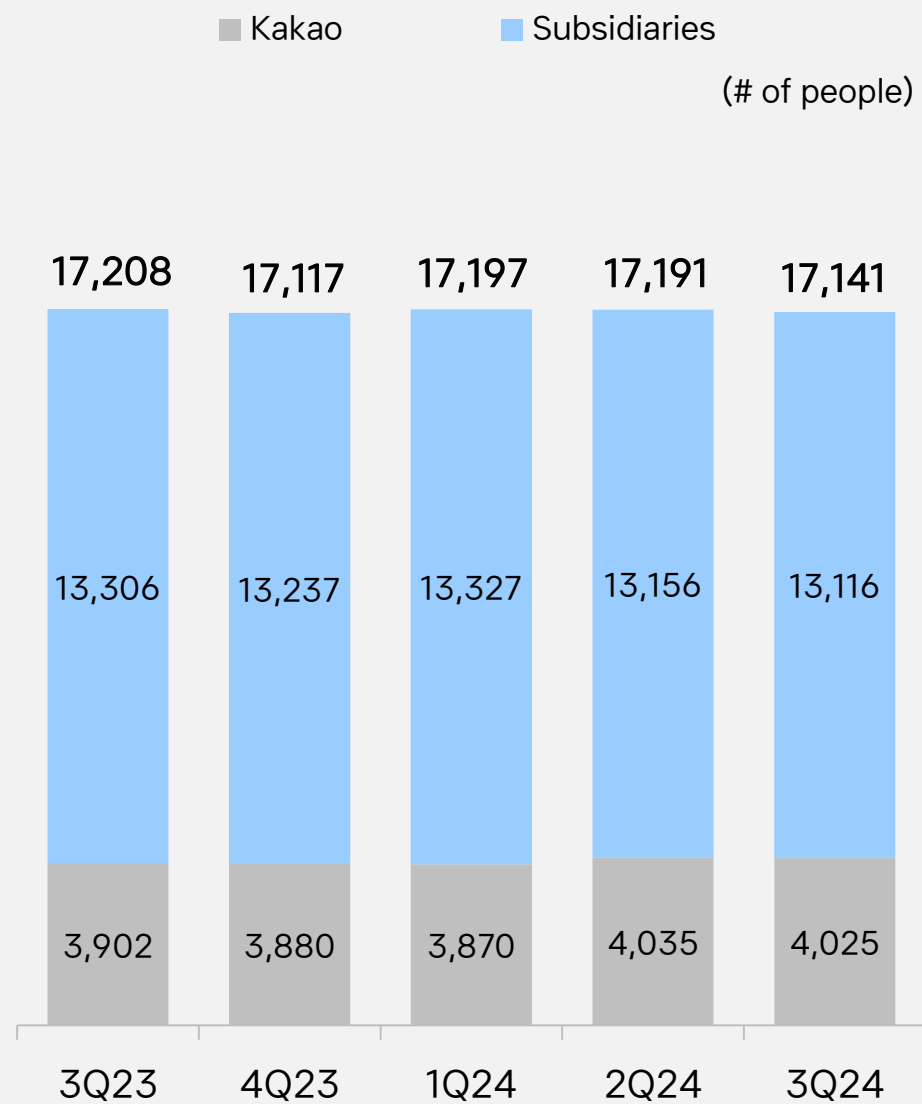
1) Subsidiaries: All business segments except Kakao & New Initiatives (includes consolidation adjustments)
 2) New Initiatives: Kakao Enterprise, Kakao Brain, Kakao Healthcare
 3) Excluding the impact of Kakao Brain, standalone OP is 131.9bn
 4) Includes one-off operating loss of 3.2bn from Kakao Brain's remaining biz

1) 4Q23 : Net loss due to impairment of goodwill (1.5 tn) and PPA impairment (311 bn)

Employees / CapEx

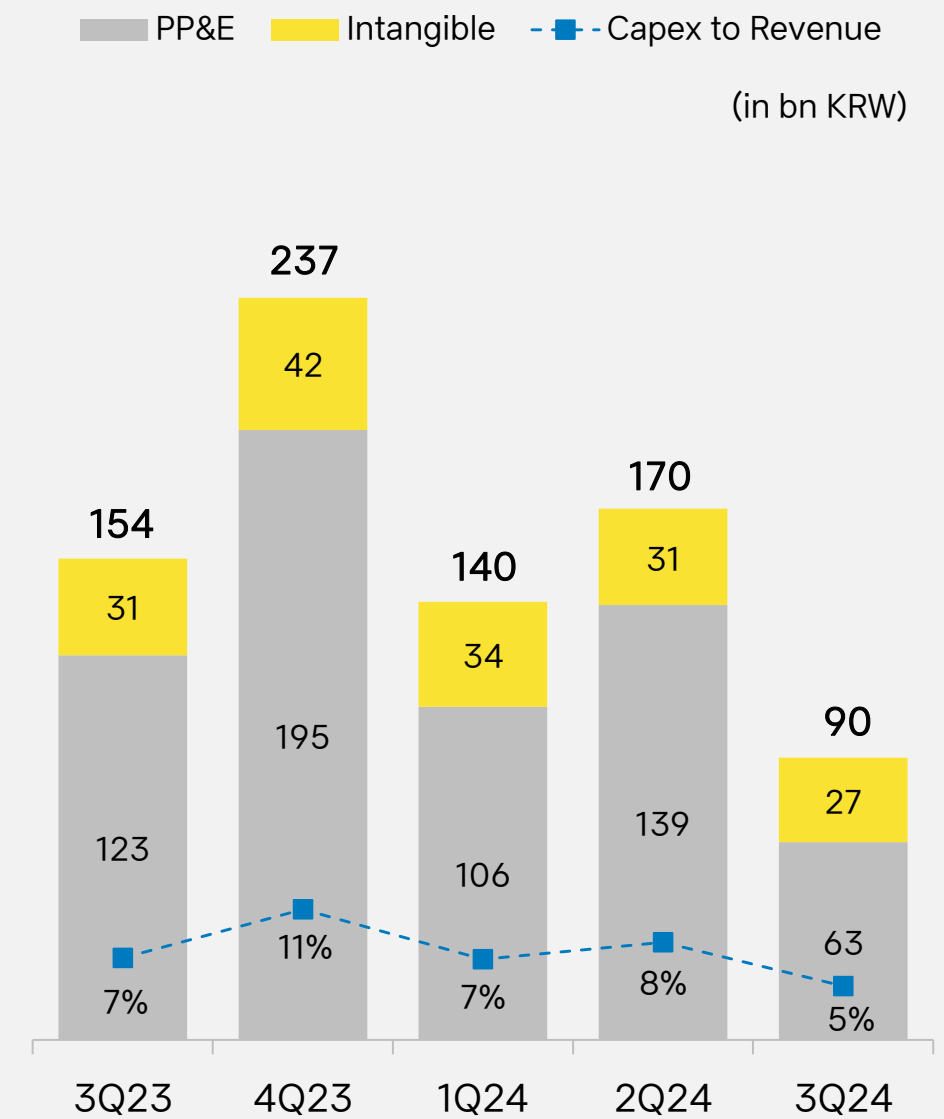
Employees

Maintain conservative hiring -67 YoY, -50 QoQ



CapEx

YoY/QoQ decline due to the base effect from last year's in-house data center construction and AI investments in 1H24



- 1) PP&E : Assets under construction related to data centers and machinery such as server networks
- 2) Intangible : Goodwill and other intangible assets including video production and distribution rights of story content

ESG Activities

카카오 공정거래 자율준수 공동 서약

Joint Pledge for Fair Trade Compliance

- Conducted a 'Fair Trade Compliance Joint Pledge Ceremony' with Kakao and five affiliates to establish a compliance system
- Commitments to prevent violations of fair-trade laws, with training to embed a culture of fair-trade compliance



Announcement of Kakao Group Slogan : 'Closer with Kakao'

- Unified individual affiliate mutual growth programs under a single group-wide communication effort to foster synergy
- Carried out programs such as 'Dangol Project', 'Senior Digital School', 'Kakao Tech Bootcamp'



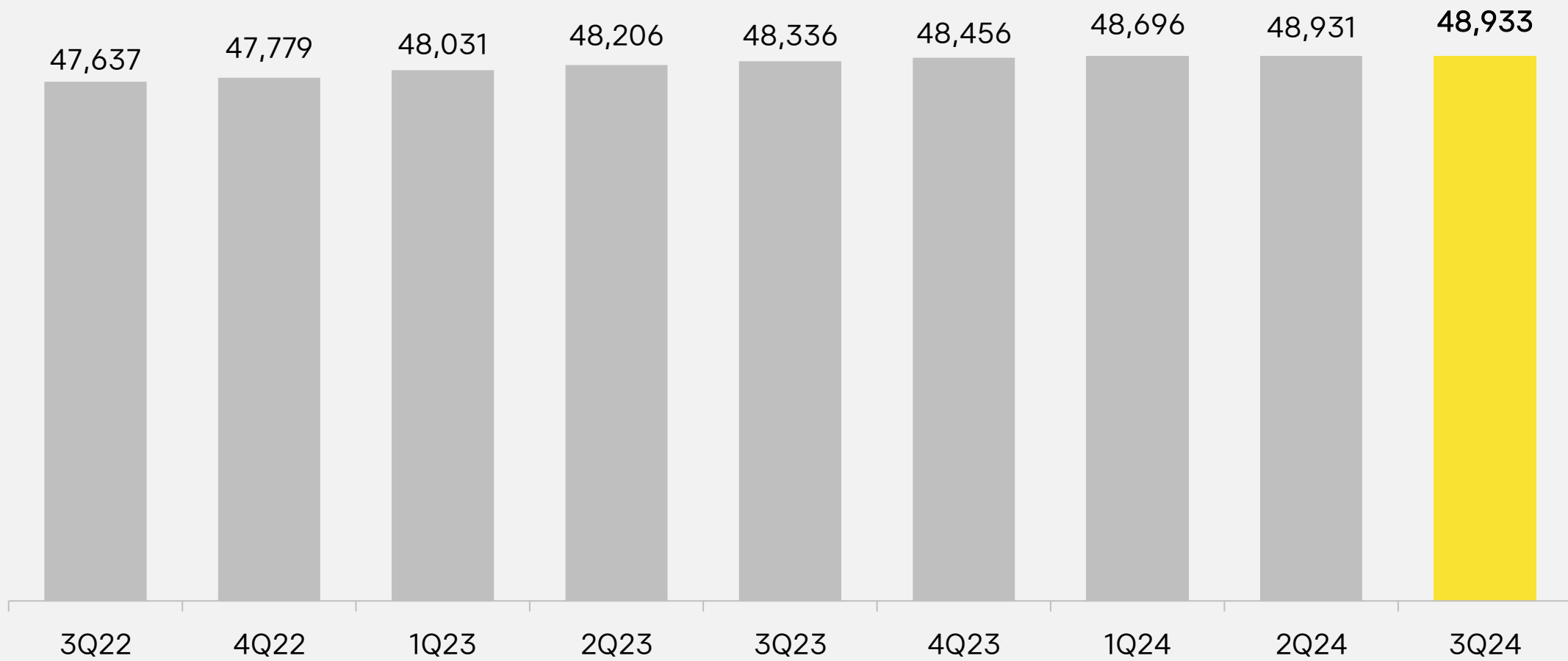
Support for Digital Transformation of SMB

- Signed partnership agreement with 11 local governments for 'Dangol Street' project in 15 commercial districts
- 25.7 bn KRW in support for 66,000 recipients through Talk Channel Message Support Fund

Kakao Talk MAU

Monthly Active Users in Korea grew by +60K YoY, +2K QoQ

(in thousands)



Korea	47,637	47,779	48,031	48,206	48,336	48,456	48,696	48,931	48,933
Global	53,561	53,483	53,390	53,453	53,556	53,571	53,760	54,195	54,198

Average of monthly MAUs. Global includes domestic MAUs.

Thank You

