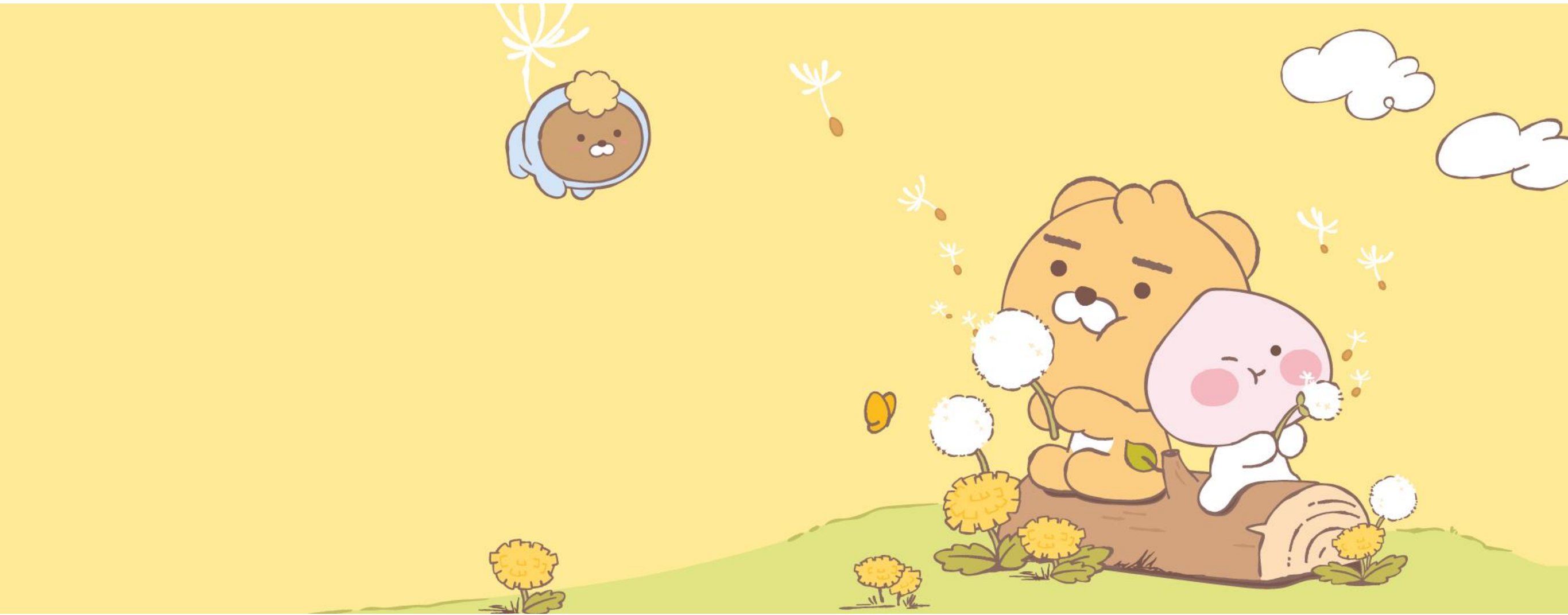


# Q1 2021 Earnings Results

2021. 5. 6 | Kakao Investor Relations



# Disclaimer

Financial information contained in this document is based on consolidated K-IFRS that have not been audited by an independent auditor.

Therefore, the information and financial data of Kakao and its subsidiaries (the “Company”, or “Kakao”) contained in this document are subject to change upon an independent auditor’s audit.

The Company does not make any representation or accept liability, as to the accuracy or completeness of the information contained in this material.

The format and contents of this document are subject to change for future filings and reports. Kakao is not liable for providing future updates on all figures included in this document.

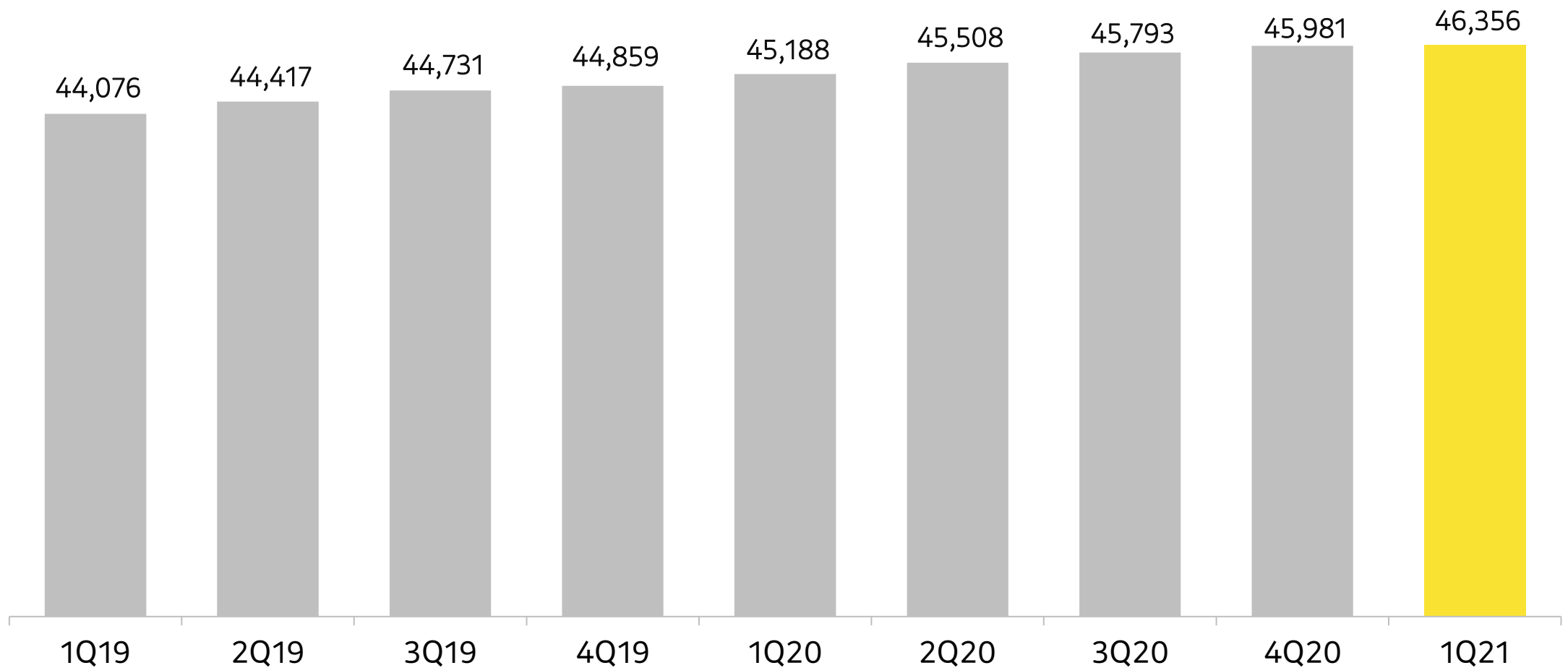
Therefore, this presentation contained herein should not be utilized for any legal purposes in regards to investors’ investment results. The Company hereby expressly disclaims any and all liability for any loss or damage resulting from the investors’ reliance on the information contained herein.

# KakaoTalk Monthly Active Users



Monthly Active Users in Korea grew by +1.2M YoY, +380K QoQ

(in thousands)



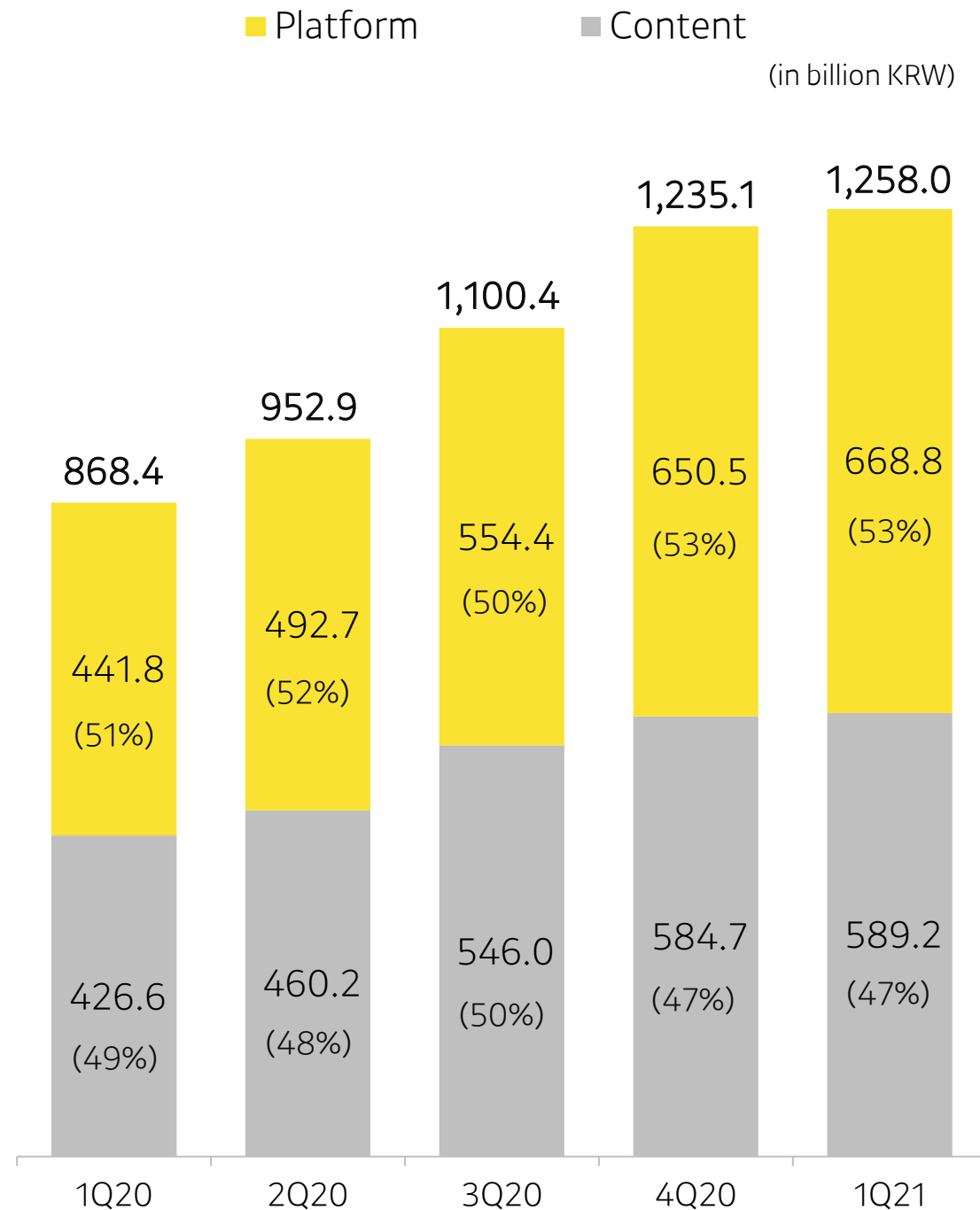
	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21
Korea	44,076	44,417	44,731	44,859	45,188	45,508	45,793	45,981	46,356
Global	50,548	50,882	51,374	51,495	51,768	52,133	52,299	52,223	52,976

Average of monthly MAUs. Global includes domestic MAUs.

# Revenue

Q1 Revenue YoY +45% / QoQ +2%

Mix - Platform 53% : Content 47%



Revenue Breakdown		
Platform	Talk Biz	KakaoTalk Ad (Bizboard, Talk Channel, Emoticon, etc.) Talk Commerce (Talk Gift, Talk Store, Makers, etc.)
	Portal Biz	Daum PC Daum Mobile Kakao Story/Style/Page Other Subsidiaries' Ad
	New Biz	Mobility Pay Enterprise Misc. (Other Subsidiaries)
Content	Game	Mobile PC Kakao VX
	Music	Melon Digital music distribution Kakao Music Ticket
	Paid Content	Kakao Page Daum Webtoon Piccoma
	IP Business and Others	Kakao Friends Kakao M (Excluding digital music distribution)

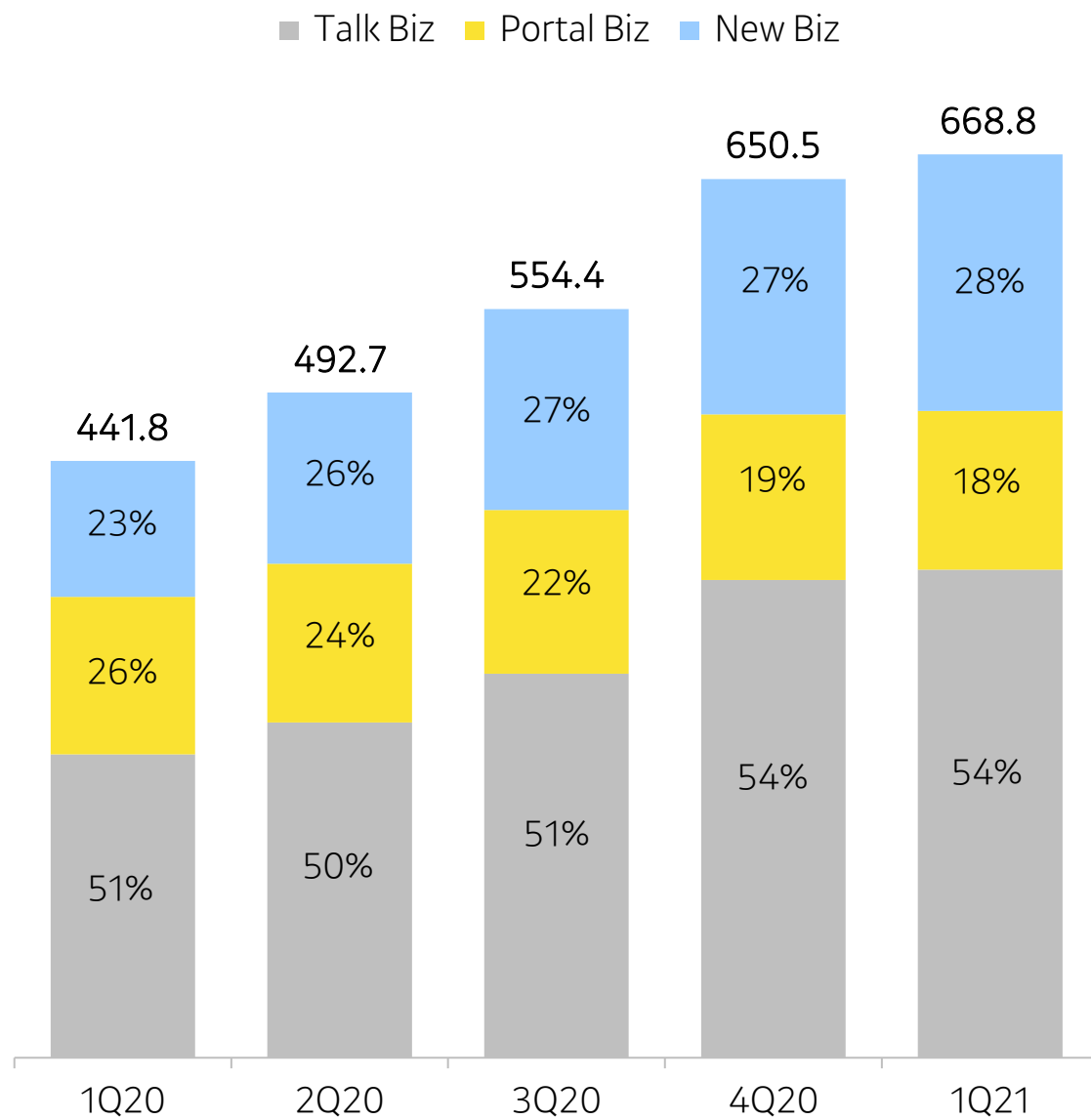
# Platform / Content

Platform YoY +51% / QoQ +3%

Content YoY +38% / QoQ +1%

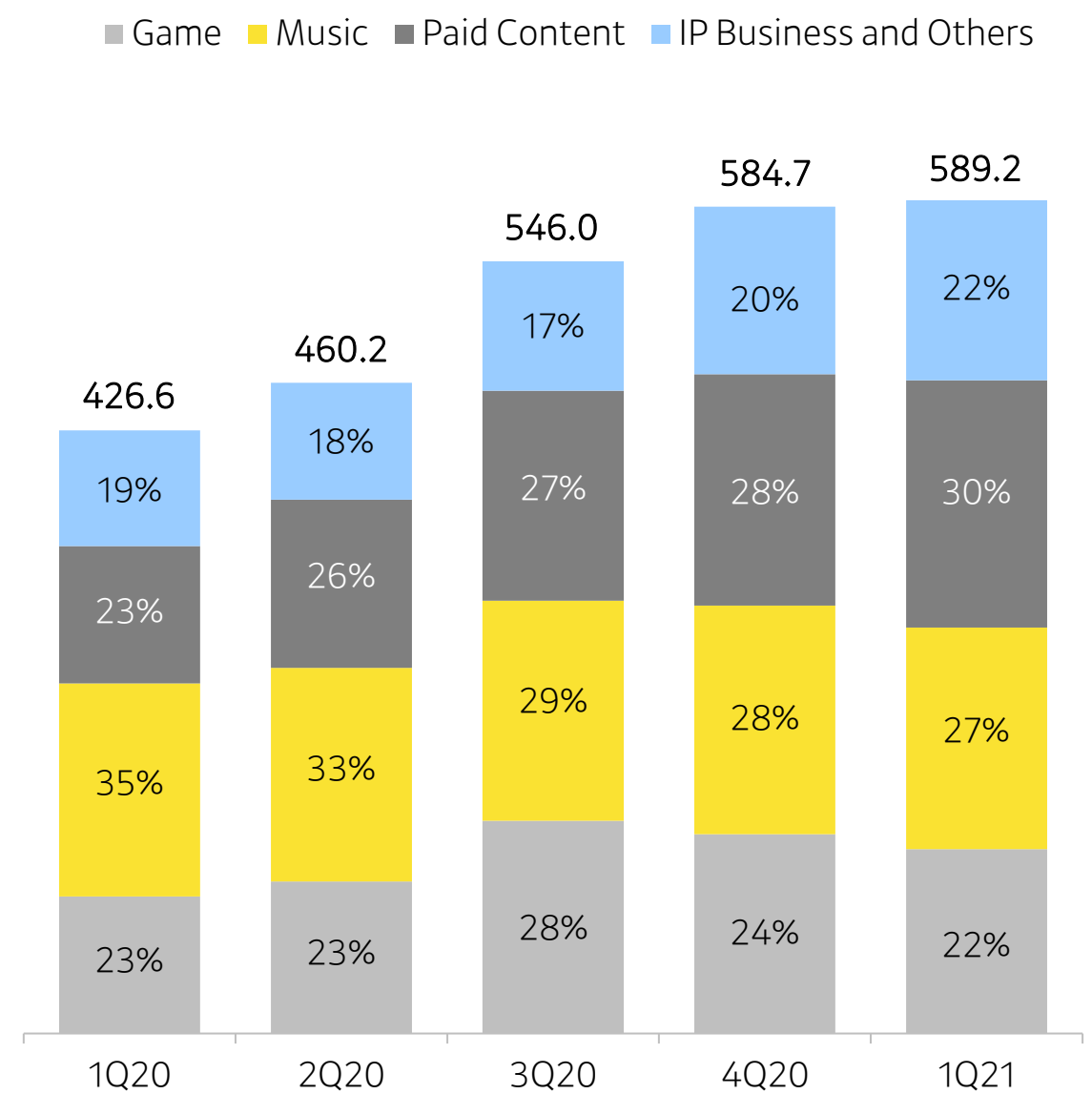
## Platform

(in billion KRW)



## Content

(in billion KRW)



# Platform | Talk Biz Portal Biz New Biz

Talk Biz YoY +61% / QoQ +2%

Portal Biz YoY +1% / QoQ -4%

New Biz YoY +89% / QoQ +9%

Growth of message ad. partially offsetting off-peak seasonality of Advertisement segment and GMV growth across the commerce platform

On quarter decline due to weak seasonality

T-blue franchise expansion of Mobility, and growth of payment and financial service segments of Pay

## Talk Biz

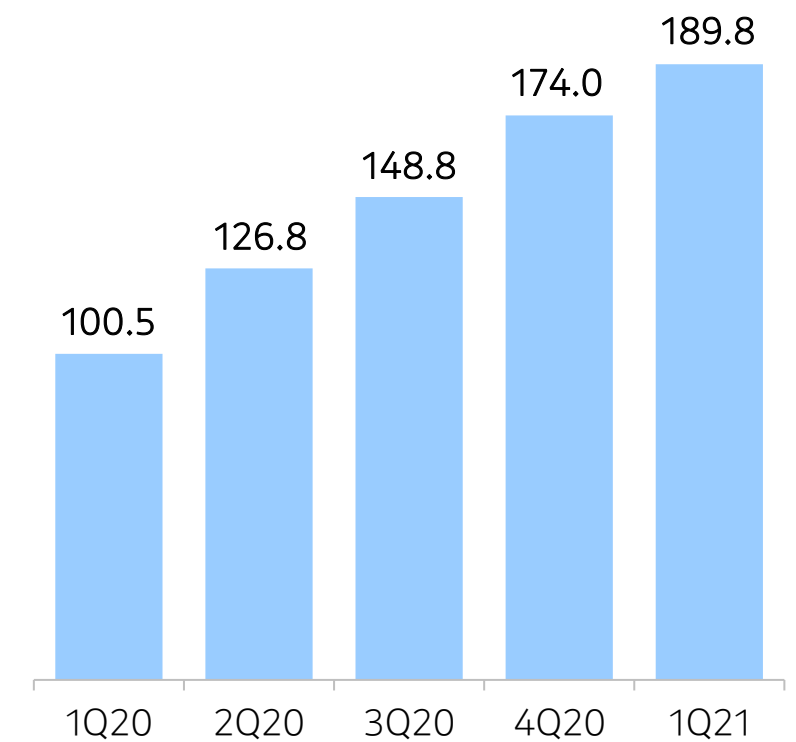
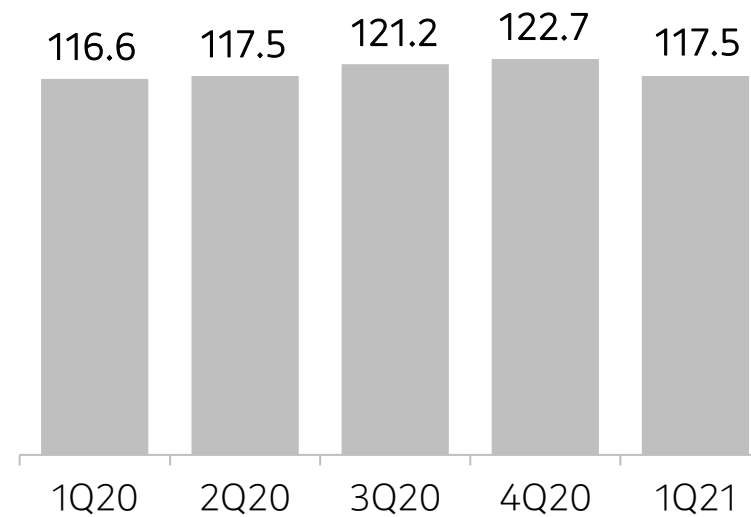
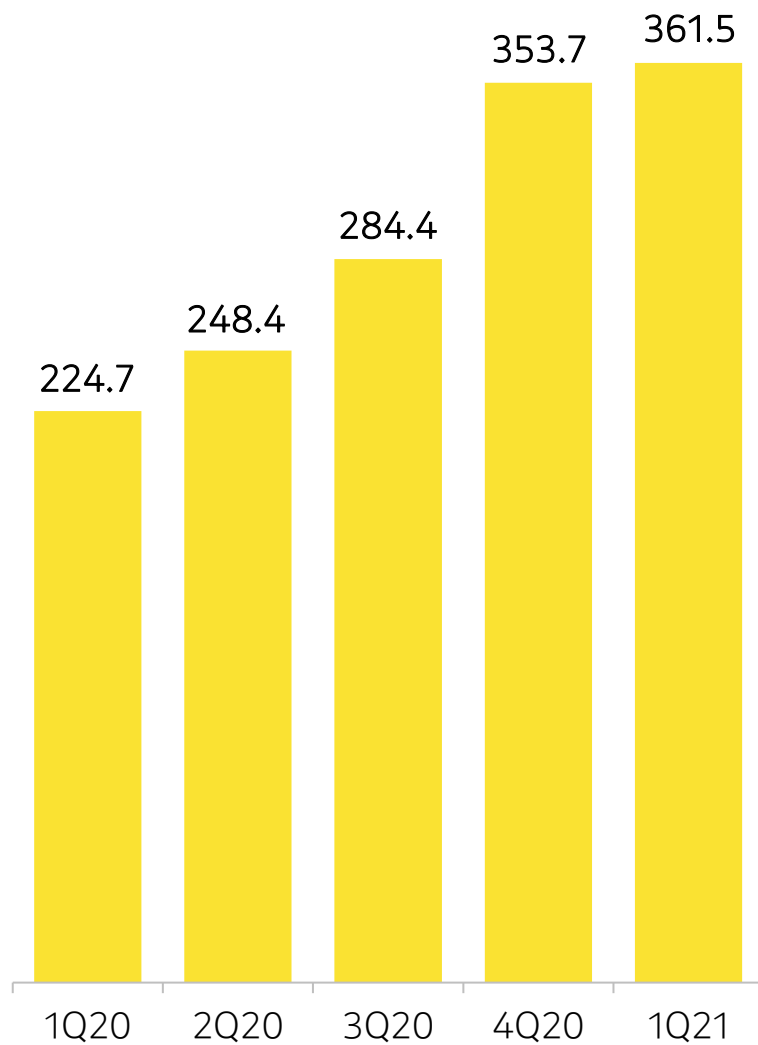
(in billion KRW)

## Portal Biz

(in billion KRW)

## New Biz

(in billion KRW)



# Content | Game Music

Game YoY +35% / QoQ -7%

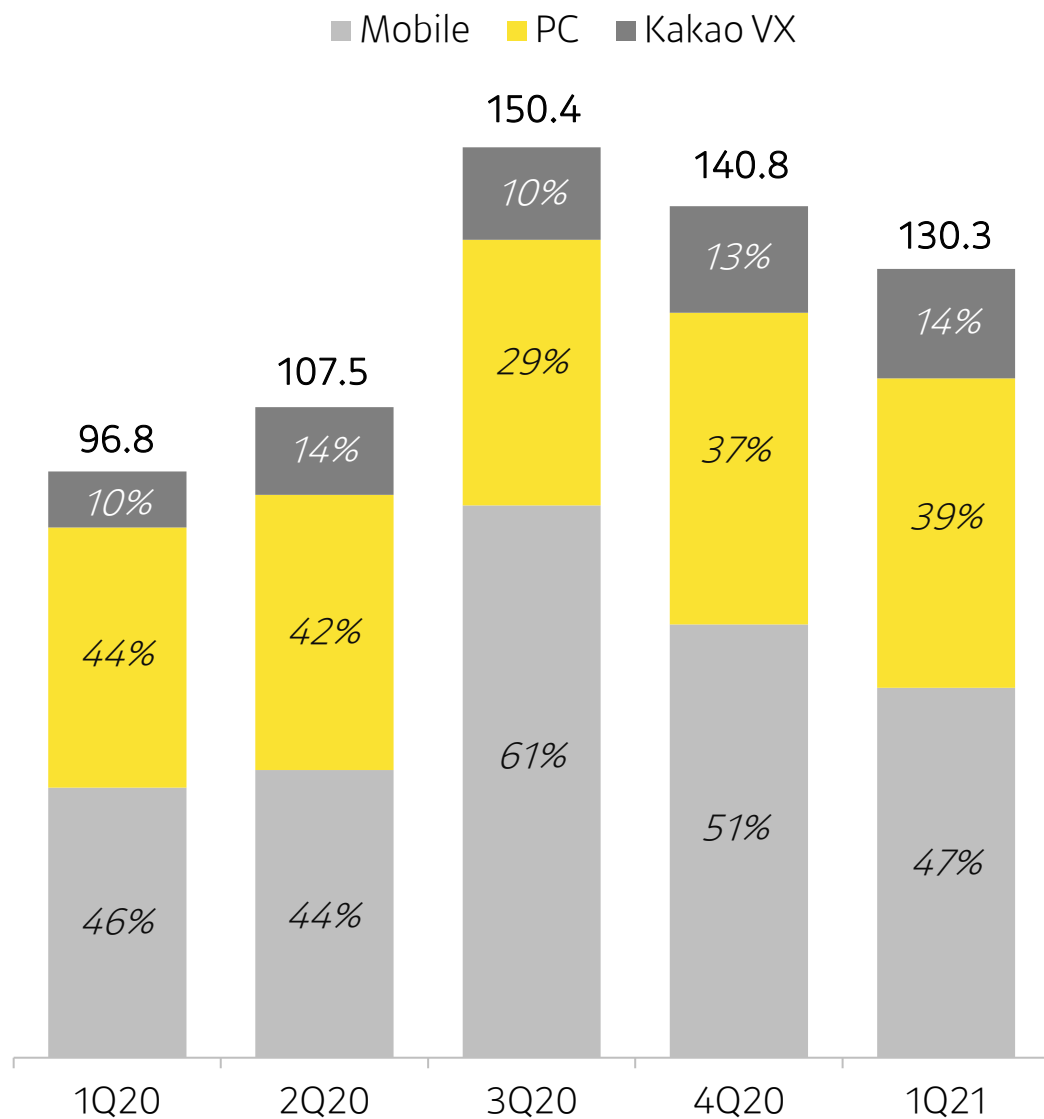
Music YoY +4% / QoQ -3%

On-year growth thanks to revenue stabilization of new game 'Elyon', outweighing overseas service termination of 'Black Desert'

Steady revenue trend with solid paying user base of more than 5 million

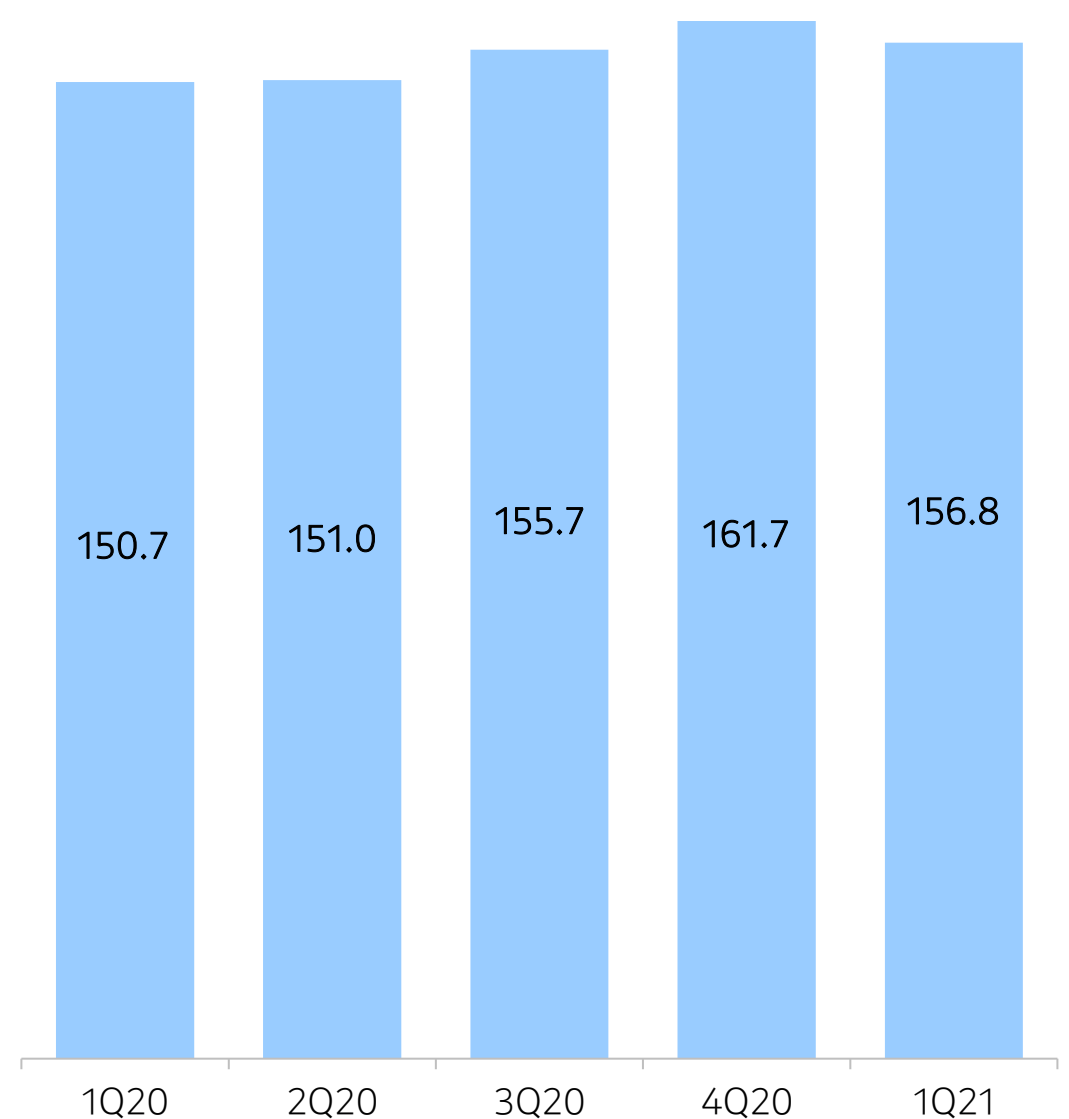
## Game

(in billion KRW)



## Music

(in billion KRW)



# Content | Paid Content IP Business and Others

Paid Content YoY +80% / QoQ +7%

↳ Kakao Page +20% (y) / -0.1% (q), Piccoma +226% (y) / +14% (q)

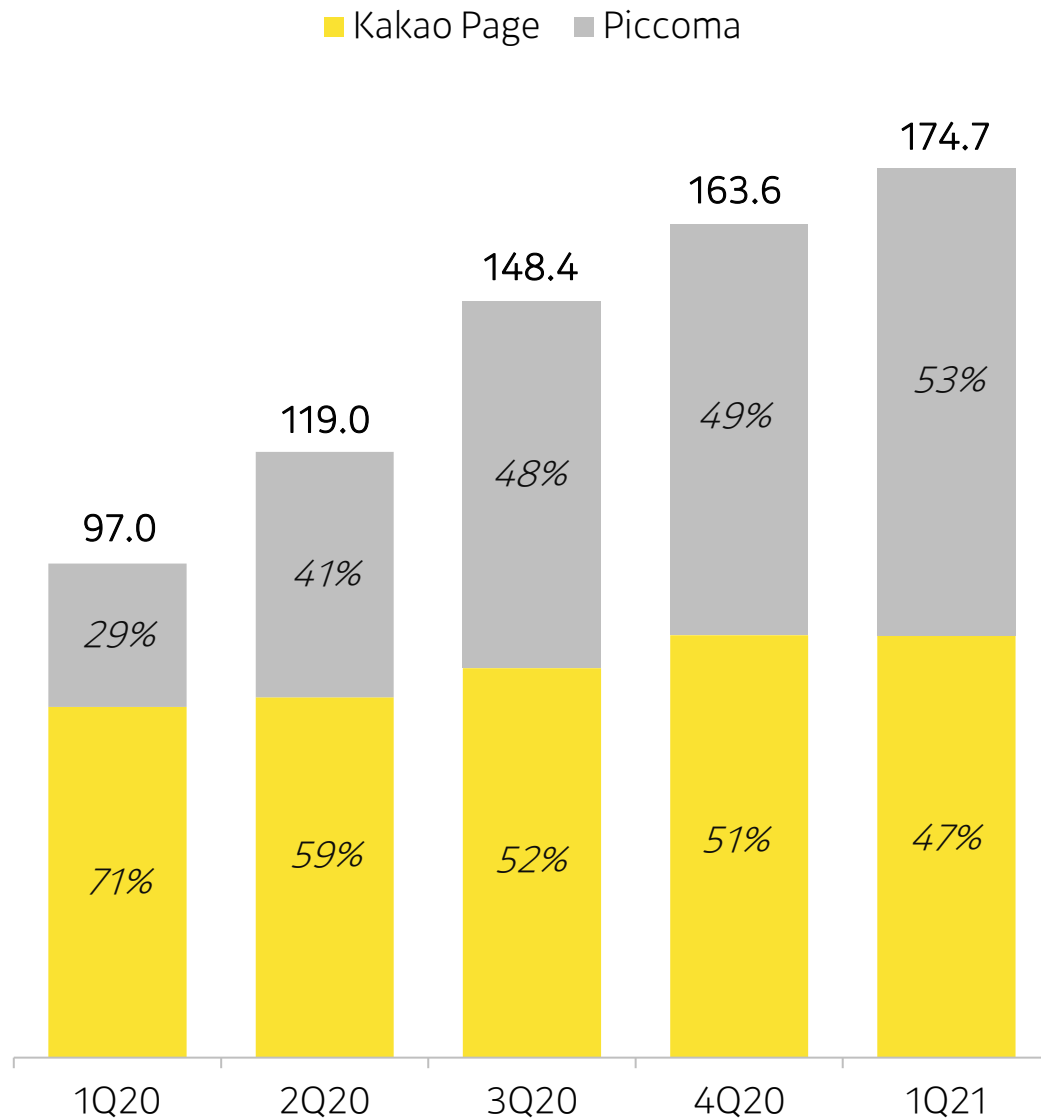
IP Biz and Others YoY +55% / QoQ +7%

Global GMV expansion of both Kakao Page and Piccoma

Sales increase of video production and solid offline music distribution sales

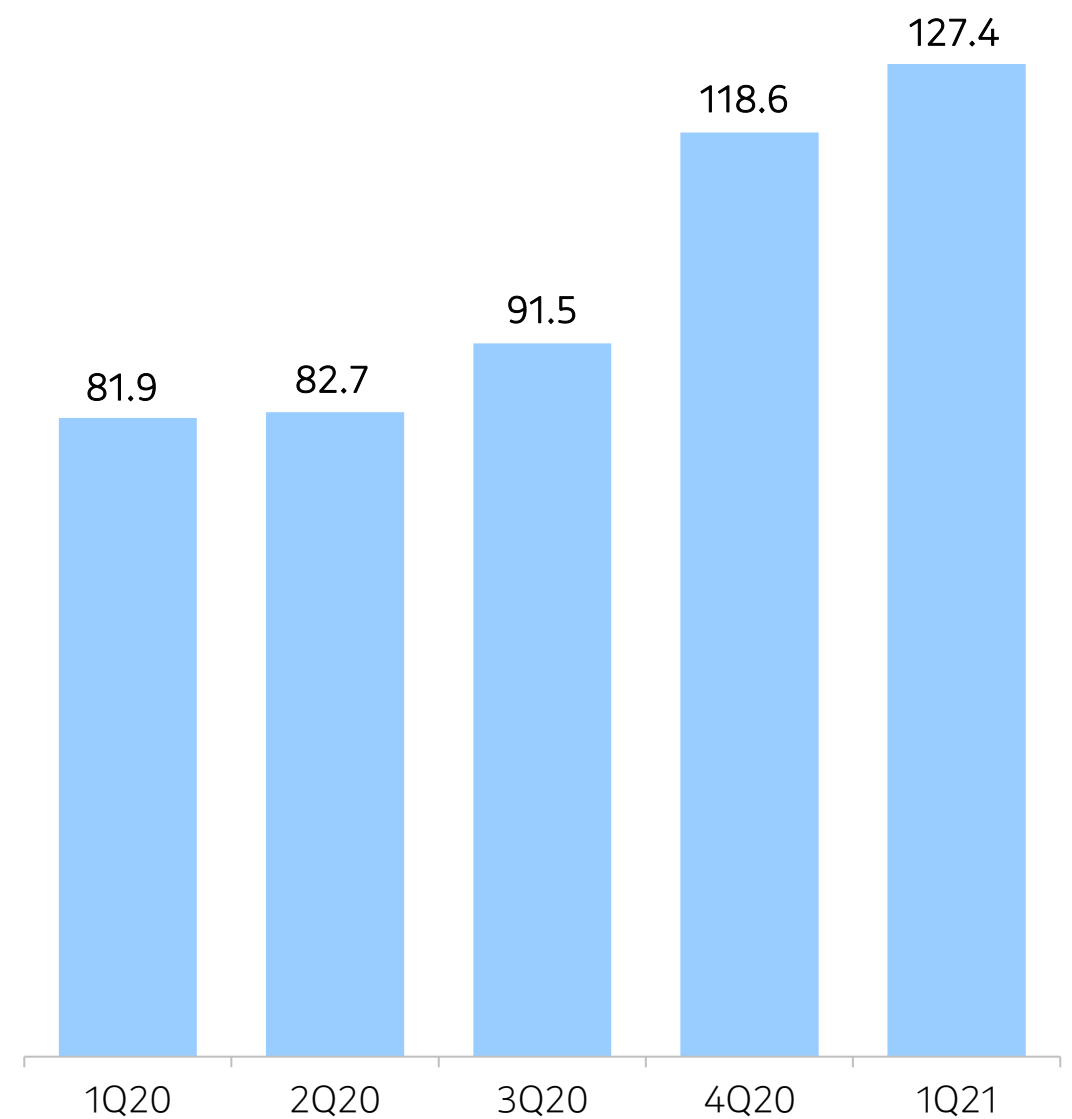
## Paid Content

(in billion KRW)



## IP Business and Others

(in billion KRW)





# Earnings Summary - 2021 Q1

(in billion KRW)

	1Q20	4Q20	1Q21	Change	
				YoY	QoQ
Total Revenue	868.4	1,235.1	1,258.0	45%	2%
Platform	441.8	650.5	668.8	51%	3%
Talk Biz	224.7	353.7	361.5	61%	2%
Portal Biz	116.6	122.7	117.5	1%	-4%
New Biz	100.5	174.0	189.8	89%	9%
Content	426.6	584.7	589.2	38%	1%
Game	96.8	140.8	130.3	35%	-7%
Music	150.7	161.7	156.8	4%	-3%
Paid Content	97.0	163.6	174.7	80%	7%
IP Business and Others	81.9	118.6	127.4	55%	7%
Operating Expenses	780.2	1,085.5	1,100.4	41%	1%
Operating Profit	88.2	149.7	157.5	79%	5%
<i>Margin (%)</i>	10.2%	12.1%	12.5%	2.4%pt	0.4%pt
Net Profit	79.9	-195.5	239.9	200%	Turn-to-Profit
Controlling Interests	77.5	-189.1	224.5	190%	Turn-to-Profit
Non-controlling Interests	2.4	-6.4	15.3	529%	Turn-to-Profit

# Operating Expenses - 2021 Q1

(in billion KRW)

	1Q20	4Q20	1Q21	Change	
				YoY	QoQ
Operating Expenses	780.2	1,085.5	1,100.4	41%	1%
Labor Cost	198.7	265.7	292.9	47%	10%
Cost of Revenue	381.7	491.5	493.0	29%	0%
Outsourcing / Infrastructure	92.1	145.1	144.5	57%	-0%
Marketing Expense	29.9	87.5	67.2	125%	-23%
Depreciation and Amortization Cost	58.7	78.2	79.2	35%	1%
Misc.	19.1	17.4	23.6	24%	36%

# Profits

Operating Profit YoY +79% / QoQ +5%

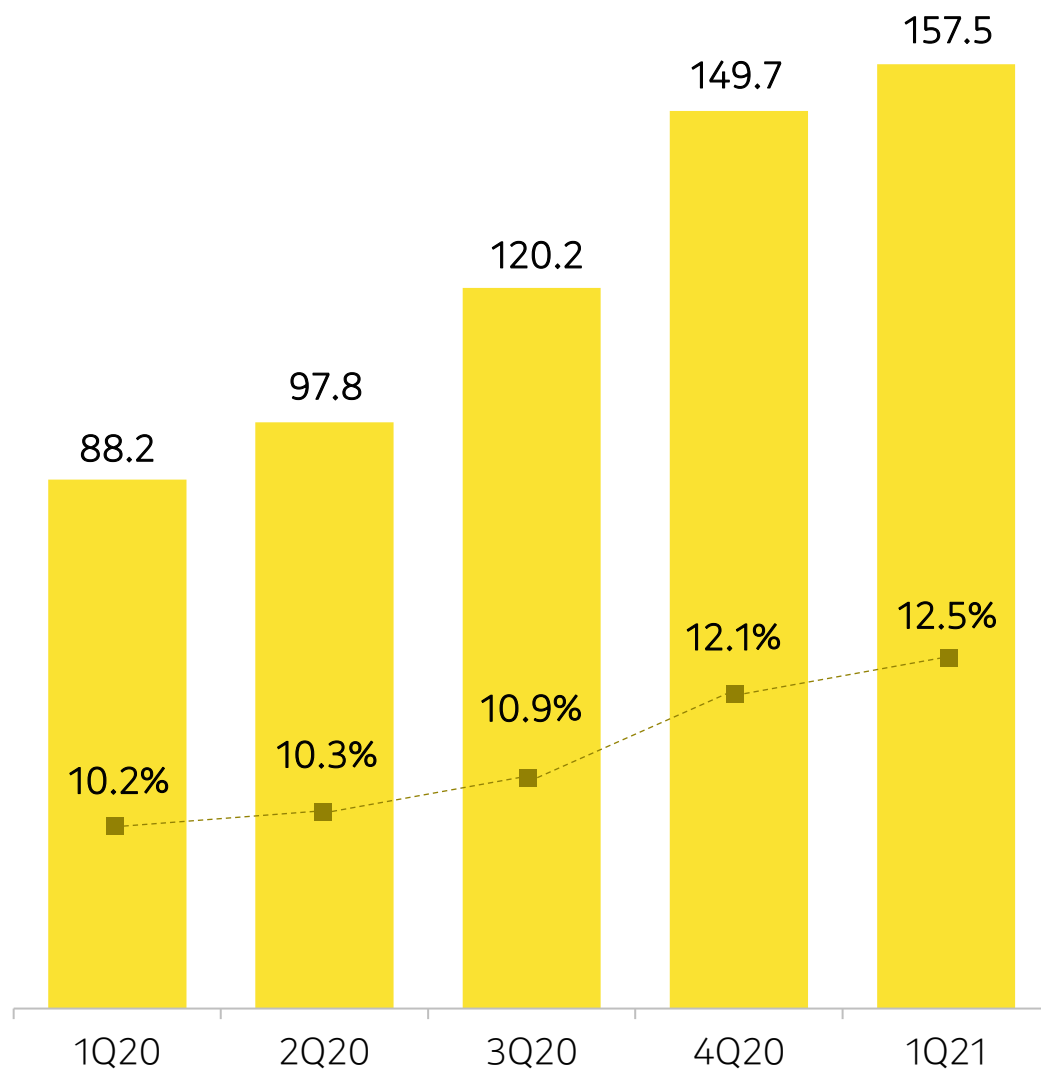
Net Profit YoY +200%

Solid top-line growth of core biz and bottom-line improvement of new biz

Improvement of both OP and equity-method income

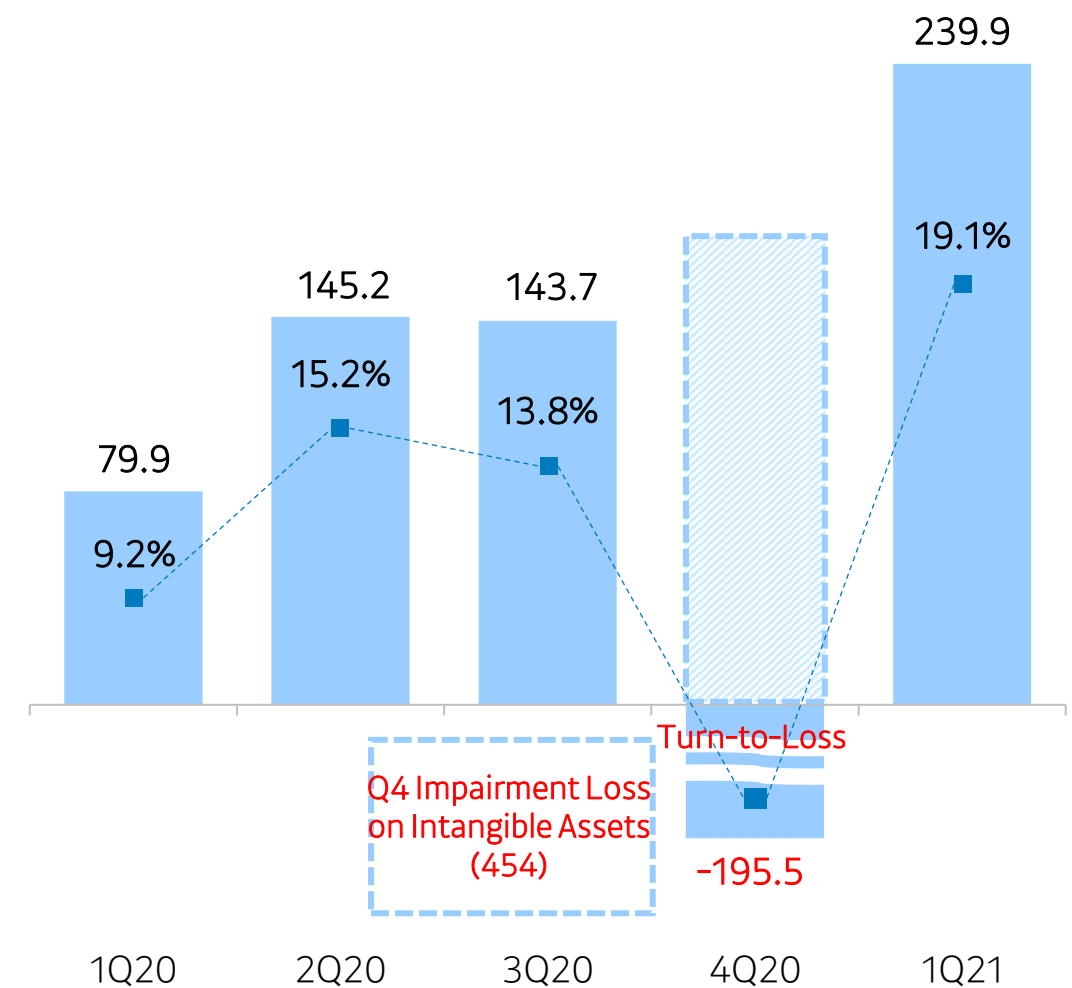
## Operating Profit(M)

(in billion KRW)



## Net Profit(M)

(in billion KRW)



# CapEx / Employees

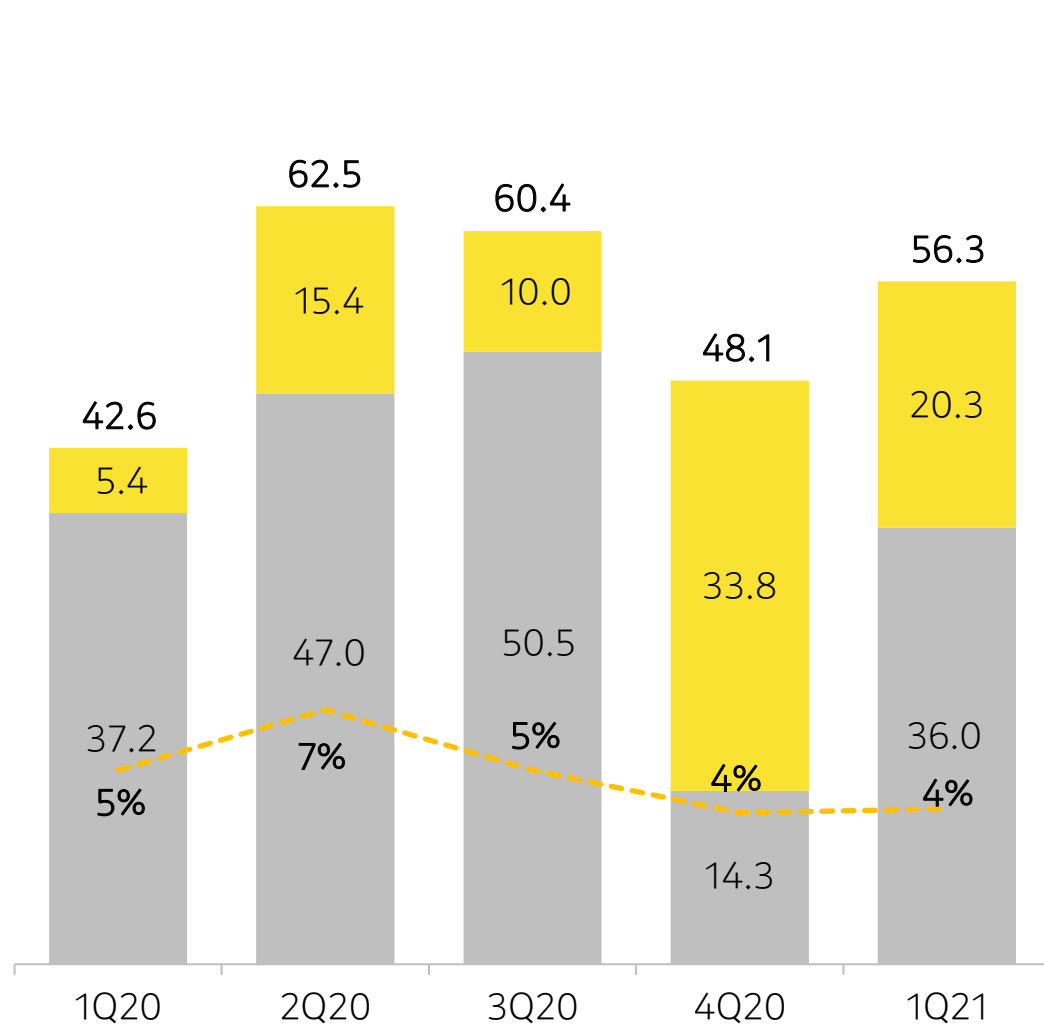
CapEx YoY +32% / QoQ +17%

Employees YoY +1,860 / QoQ +500

## CapEx

(in billion KRW)

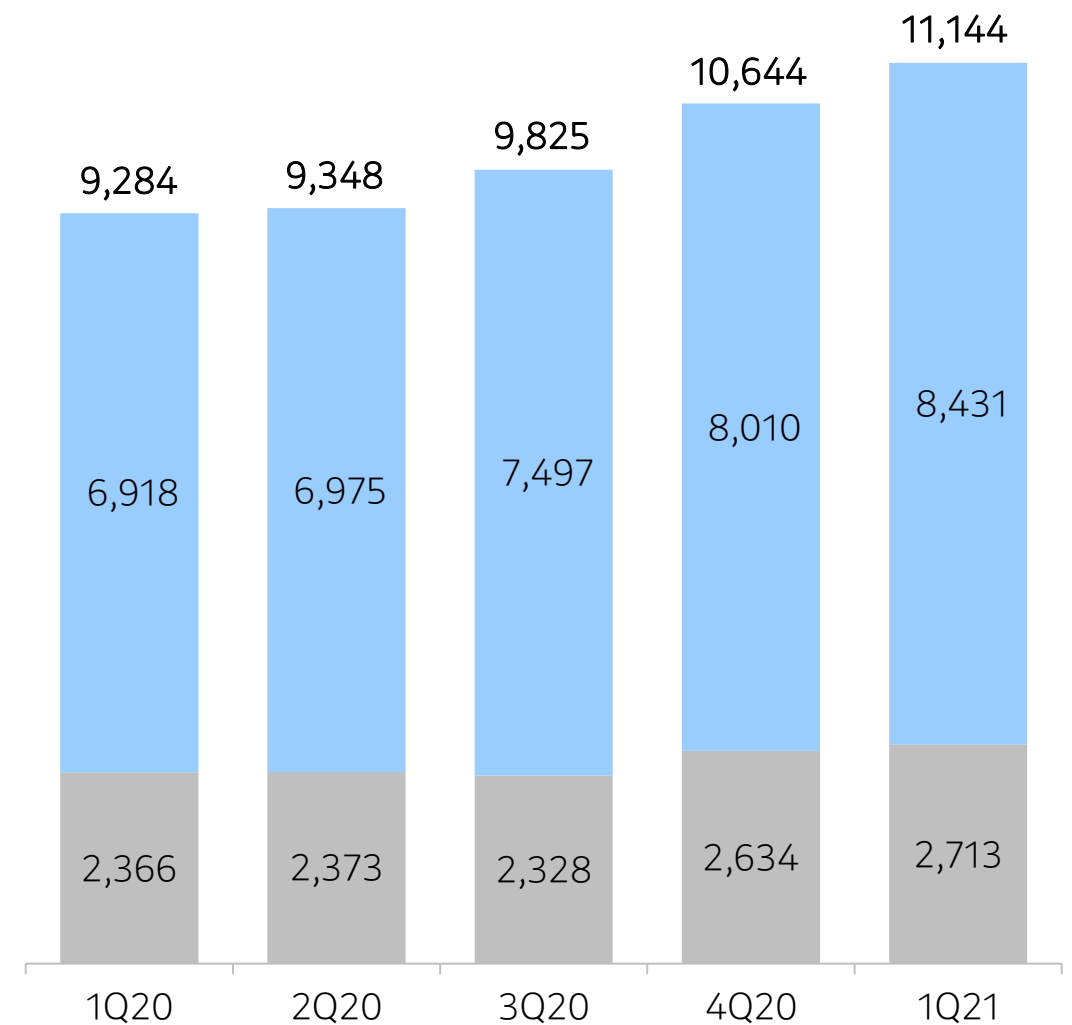
■ PP&E ■ Intangible - - - CapEx to Revenue



## Employees

(# of people)

■ Kakao ■ Subsidiaries



# Financial Statements Summary – Consolidated

Income Statement					
(in billion KRW)	1Q20	2Q20	3Q20	4Q20	1Q21
<b>Total Revenue</b>	<b>868.4</b>	<b>952.9</b>	<b>1,100.4</b>	<b>1,235.1</b>	<b>1,258.0</b>
Platform	441.8	492.7	554.4	650.5	668.8
Talk Biz	224.7	248.4	284.4	353.7	361.5
Portal Biz	116.6	117.5	121.2	122.7	117.5
New Biz	100.5	126.8	148.8	174.0	189.8
Content	426.6	460.2	546.0	584.7	589.2
Game	96.8	107.5	150.4	140.8	130.3
Music	150.7	151.0	155.7	161.7	156.8
Paid Content	97.0	119.0	148.4	163.6	174.7
IP Business and Others	81.9	82.7	91.5	118.6	127.4
<b>Operating Expenses</b>	<b>780.2</b>	<b>855.1</b>	<b>980.2</b>	<b>1,085.5</b>	<b>1,100.4</b>
Labor Cost	198.7	216.5	239.3	265.7	292.9
Cost of Revenue	381.7	409.5	463.7	491.5	493.0
Outsourcing / Infrastructure	92.1	106.6	113.9	145.1	144.5
Marketing Expense	29.9	38.5	76.3	87.5	67.2
Depreciation and Amortization Cost	58.7	61.6	66.8	78.2	79.2
Misc.	19.1	22.3	20.3	17.4	23.6
<b>Operating Profit</b>	<b>88.2</b>	<b>97.8</b>	<b>120.2</b>	<b>149.7</b>	<b>157.5</b>
<i>Margin (%)</i>	<i>10.2%</i>	<i>10.3%</i>	<i>10.9%</i>	<i>12.1%</i>	<i>12.5%</i>
Other Non-Operating Income	21.7	100.7	48.0	181.9	54.4
Other Non-Operating Expenses	9.5	14.6	17.6	504.3	6.6
Financial Income	36.8	21.3	37.4	120.6	47.9
Financial Expenses	15.9	2.0	12.2	42.6	69.7
Equity-method Income	5.3	0.9	3.8	-1.3	135.1
<b>Profit before Income Tax</b>	<b>126.6</b>	<b>204.1</b>	<b>179.6</b>	<b>-96.0</b>	<b>318.7</b>
Income Tax	46.7	58.9	35.9	99.4	78.8
<b>Net Profit</b>	<b>79.9</b>	<b>145.2</b>	<b>143.7</b>	<b>-195.5</b>	<b>239.9</b>
Controlling Interests	77.5	139.8	127.5	-189.1	224.5
Non-controlling Interests	2.4	5.5	16.2	-6.4	15.3
EBITDAR <sup>1)</sup>	147.8	159.1	185.2	226.1	236.7

Statement of Financial Position			
(in billion KRW)	2019.12.31	2020.12.31	2021.3.31
<b>Current Assets</b>	<b>2,829.7</b>	<b>4,462.9</b>	<b>5,207.9</b>
Cash and Cash Equivalents	1,918.2	2,877.5	2,833.2
S-T Financial Instruments	207.8	694.1	726.2
Account Receivable	157.2	247.4	275.4
Other Current Financial Assets	252.5	225.1	237.1
Other Current Assets	294.0	418.9	1,136.1
<b>Non-Current Assets</b>	<b>5,907.6</b>	<b>6,987.4</b>	<b>7,421.6</b>
Investments in Associates and Joint Ventures	978.9	1,504.4	1,921.7
Tangible Assets	349.8	430.7	447.4
Intangible Assets	3,548.4	3,351.6	3,340.7
Other Non-current Assets	1,030.4	1,700.8	1,711.8
Finance Assets	-	503.6	884.7
<b>Total Assets</b>	<b>8,737.3</b>	<b>11,954.0</b>	<b>13,514.2</b>
<b>Current Liabilities</b>	<b>2,433.3</b>	<b>2,929.6</b>	<b>3,032.6</b>
Account Payable and Other payable	578.6	836.0	914.8
Short-term Borrowings	448.6	188.4	207.1
Income Tax Payable	68.3	112.1	111.4
Other Current Liabilities	1,337.8	1,793.1	1,799.3
<b>Non-Current Liabilities</b>	<b>563.8</b>	<b>1,166.1</b>	<b>1,798.1</b>
Non-Current Finance Lease Obligations	165.0	273.3	276.6
Deferred Income Tax Liabilities	141.1	249.0	312.3
Other Non-Current Liabilities	350.5	643.8	1,209.2
Finance Assets	-	430.6	806.3
<b>Total Liabilities</b>	<b>2,997.1</b>	<b>4,526.2</b>	<b>5,637.0</b>
Paid-in Capital	43.2	44.3	44.4
Capital Surplus	5,043.2	5,833.1	5,903.5
Other Accumulated Earnings	7.2	18.6	34.6
Accumulated Other Comprehensive Income	-16.4	86.6	132.0
Retained Earnings	148.2	316.3	542.6
Minority Interest	514.8	1,128.8	1,220.1
<b>Total Equity</b>	<b>5,740.1</b>	<b>7,427.7</b>	<b>7,877.2</b>
<b>Total Liabilities &amp; Equity</b>	<b>8,737.3</b>	<b>11,954.0</b>	<b>13,514.2</b>

1) EBITDAR: Rental expenses are included in lease amortization from Q1 2019 (EBITDA till FY2018)

# Financial Statements Summary – Parent

Income Statement					
(in billion KRW)	1Q20	2Q20	3Q20	4Q20	1Q21
<b>Total Revenue</b>	406.6	415.1	449.5	508.0	490.9
<b>Operating Expenses</b>	341.2	359.4	377.1	401.5	414.1
Labor Cost	68.7	71.8	81.6	85.8	102.9
Cost of Revenue	191.8	200.2	211.3	210.1	214.9
Outsourcing / Infrastructure	42.7	50.0	43.1	55.8	55.4
Marketing Expense	3.1	4.0	5.0	7.5	3.4
Depreciation and Amortization Cost	30.8	28.5	30.8	37.6	32.1
Misc.	4.2	4.8	5.3	4.7	5.3
<b>Operating Profit</b>	65.4	55.7	72.4	106.5	76.7
<i>Margin (%)</i>	16.1%	13.4%	16.1%	21.0%	15.6%
Other Non-Operating Income	2.0	1.1	21.3	23.1	3.3
Other Non-Operating Expenses	10.1	9.1	5.1	394.5	1.2
Financial Income	29.5	5.1	2.8	22.8	37.6
Financial Expenses	3.4	2.4	1.5	16.8	17.5
<b>Profit before Income Tax</b>	83.4	50.4	90.0	-258.9	98.9
Income Tax	27.7	16.3	12.9	25.9	20.3
<b>Net Profit</b>	55.7	34.1	77.1	-284.8	78.6
<b>EBITDAR<sup>1)</sup></b>	97.1	84.4	103.1	144.5	26.5

1) EBITDAR: Rental expenses are included in lease amortization from 1Q 2019 (EBITDA till FY2018)

Statement of Financial Position			
(in billion KRW)	2019.12.31	2020.12.31	2021.3.31
<b>Current Assets</b>	1,014.0	1,782.4	1,871.4
Cash and Cash Equivalents	647.1	1,356.9	992.5
S-T Financial Instruments	15.6	65.5	65.5
Account Receivable	95.0	120.5	106.2
Other Current Assets	256.3	239.5	707.3
<b>Non-Current Assets</b>	5,470.3	5,563.1	5,689.0
Investments in Associates, Subsidiaries and Joint Ventures	2,212.4	2,393.4	2,398.7
Tangible Assets	248.3	272.1	278.9
Intangible Assets	2,458.6	2,106.2	2,103.2
Other Non-current Assets	551.1	791.3	908.3
<b>Total Assets</b>	6,484.4	7,345.5	7,560.4
<b>Current Liabilities</b>	1,371.0	1,421.6	1,401.7
Account Payable and Other payable	686.7	1,035.7	1,031.3
Short-term Borrowings	429.1	58.0	40.0
Income Tax Payable	38.1	49.8	66.0
Other Current Liabilities	217.1	278.1	264.4
<b>Non-Current Liabilities</b>	255.1	598.5	643.2
Non-Current Finance Lease Obligations	88.6	121.9	120.9
Deferred Income Tax Liabilities	88.0	108.2	134.1
Other Non-Current Liabilities	78.4	368.3	388.1
<b>Total Liabilities</b>	1,626.1	2,020.1	2,044.9
Paid-in Capital	43.2	44.3	44.4
Capital Surplus	4,462.3	4,986.9	5,026.9
Other Accumulated Earnings	41.3	18.6	34.6
Accumulated Other Comprehensive Income	-2.9	66.5	134.7
Retained Earnings	314.5	209.2	274.9
<b>Total Equity</b>	4,858.3	5,325.4	5,515.6
<b>Total Liabilities &amp; Equity</b>	6,484.4	7,345.5	7,560.4

# Thank You

