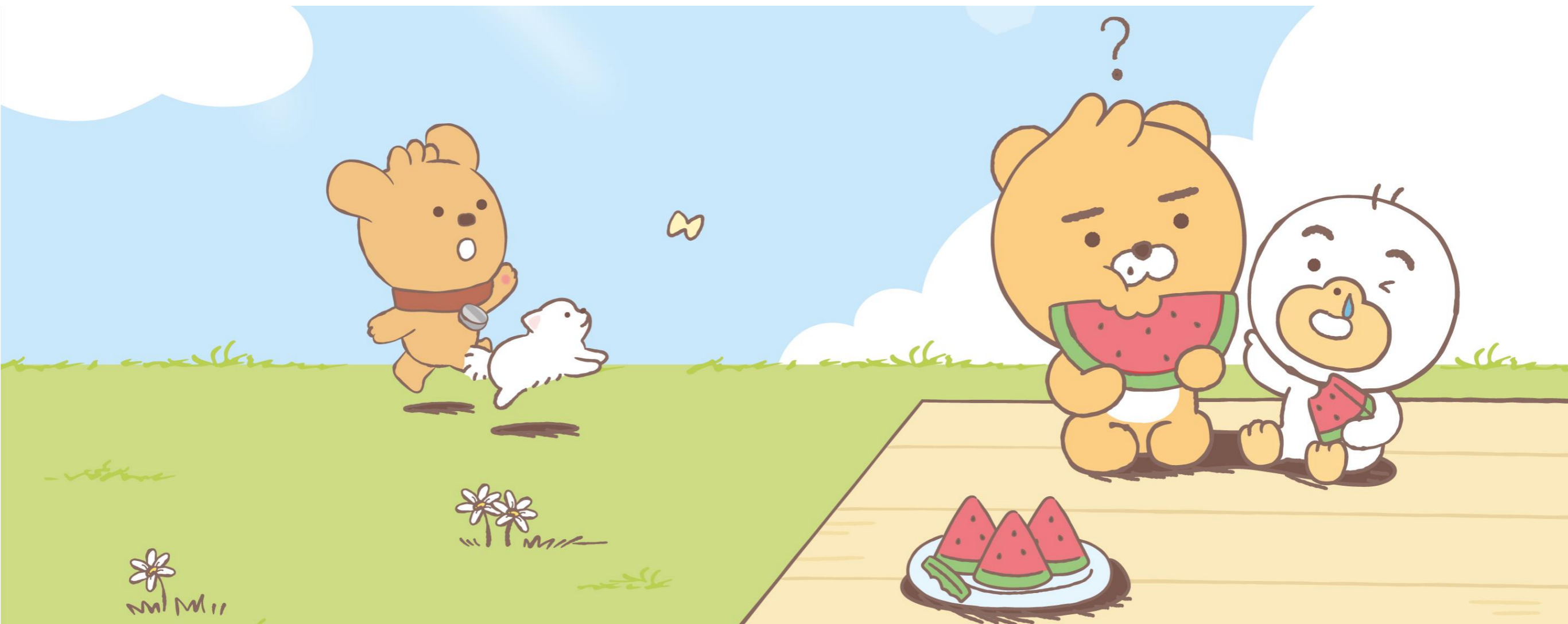


# Q2 2021 Earnings Results

2021. 8. 6 | Kakao Investor Relations



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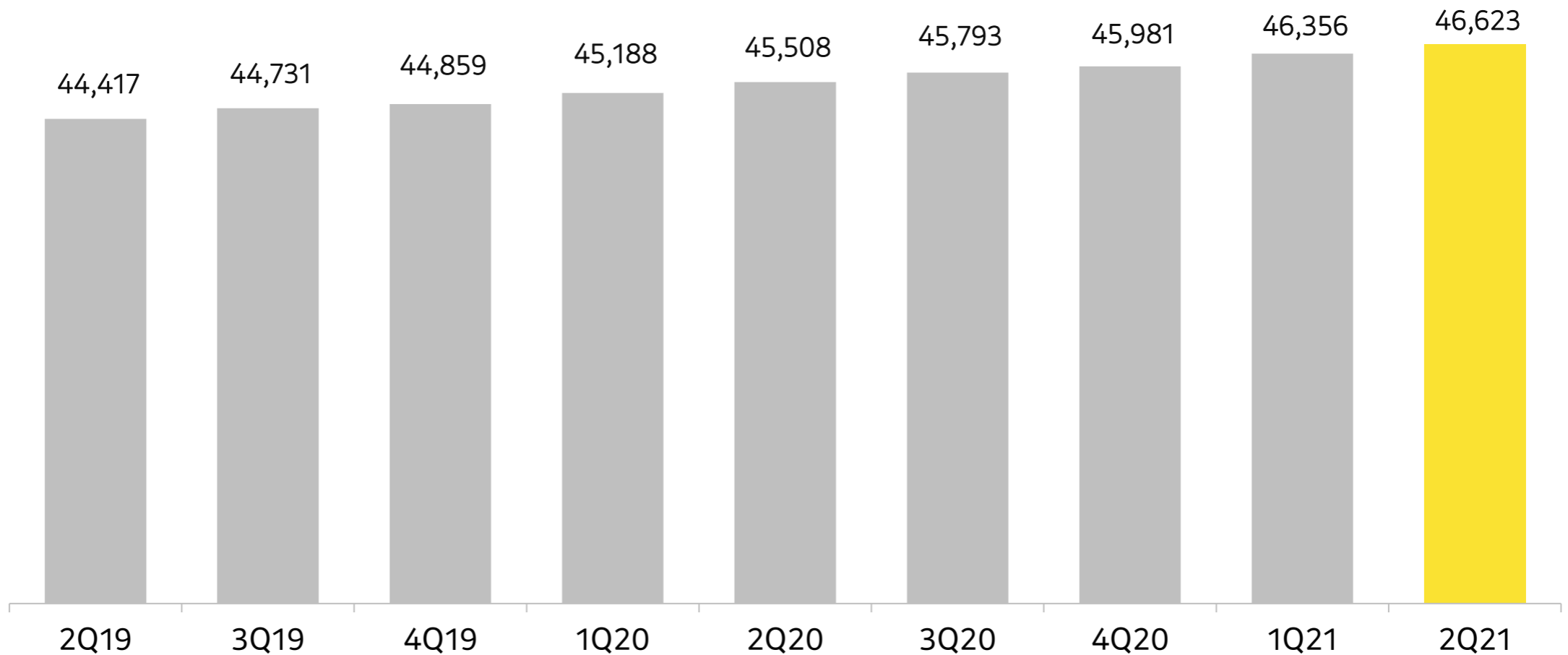
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# KakaoTalk Monthly Active Users



Monthly Active Users in Korea grew by +1.1M YoY, +270K QoQ

(in thousands)



Korea	44,417	44,731	44,859	45,188	45,508	45,793	45,981	46,356	46,623
Global	50,882	51,374	51,495	51,768	52,133	52,299	52,223	52,976	53,808

Average of monthly MAUs. Global includes domestic MAUs.

# Change in Revenue Breakdown

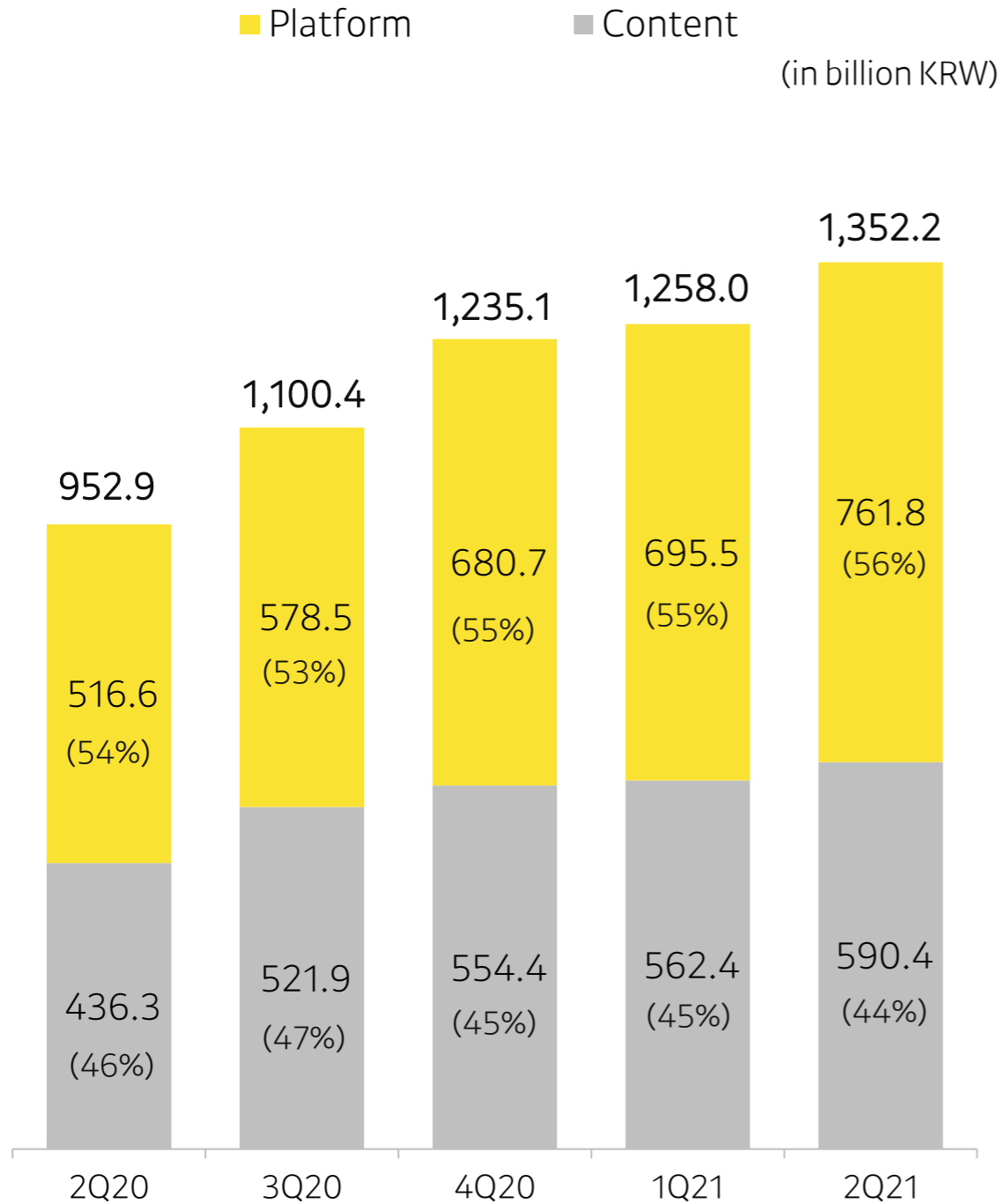
Kakao Corp. decided to change the revenue breakdown in order to better reflect the most up-to-date corporate structure after mergers and splits in H1 2021.

Pre-Change			Post-Change		
Platform	Talk Biz	KakaoTalk Ad (Bizboard, Talk Channel, Emoticon, etc.) Talk Commerce (Talk Gift, Talk Store, Makers, etc.)	Talk Biz	Advertisement - Bizboard, Talk channel, Emoticon	Commerce - Gift, Store, Makers, <a href="#">Kakao Friends Online</a>
	Portal Biz	Daum PC Daum Mobile Kakao Story/Style/Page Other Subsidiaries' Ad	Portal Biz	Daum PC / Mobile Kakao Story / Style / Page Other Subsidiaries' Ad	
	New Biz	Mobility Pay Enterprise Misc. (Other Subsidiaries)	<a href="#">Platform-Others</a>	Mobility, Pay, Enterprise, Other Subsidiaries, <a href="#">Kakao Friends-Others</a>	
Content	Game	Mobile PC Kakao VX	Game	Mobile, PC, Kakao VX	
	Music	Melon Digital music distribution Kakao Music Ticket	Music	Melon, Digital Music Distribution, <a href="#">Album Distribution</a> , <a href="#">Music Production</a>	
	Paid Content	Kakao Page Daum Webtoon Piccoma	<a href="#">Story</a>	Page(Page, Kakao Webtoon, IP Distribution) Piccoma	
	IP Business and Others	Kakao Friends Kakao M (Excluding digital music distribution)	<a href="#">Media</a>	<a href="#">Video Production</a> , <a href="#">Talent Agency</a>	

# Revenue

Q2 Revenue YoY +42% / QoQ +7%

Mix - Platform 56% : Content 44%



Revenue Breakdown		
Platform	Talk Biz	Advertisement - Bizboard, Talk channel, Emoticon
		Commerce - Gift, Store, Makers, Kakao Friends Online
	Portal Biz	Daum PC / Mobile Kakao Story / Style / Page Other Subsidiaries' Ad
	Platform-Others	Mobility, Pay, Enterprise, Other Subsidiaries, Kakao Friends-Others
Content	Game	Mobile, PC, Kakao VX
	Music	Melon, Digital Music Distribution, Album Distribution, Music Production
	Story	Page(Page, Kakao Webtoon, IP Distribution) Piccoma
	Media	Video Production, Talent Agency

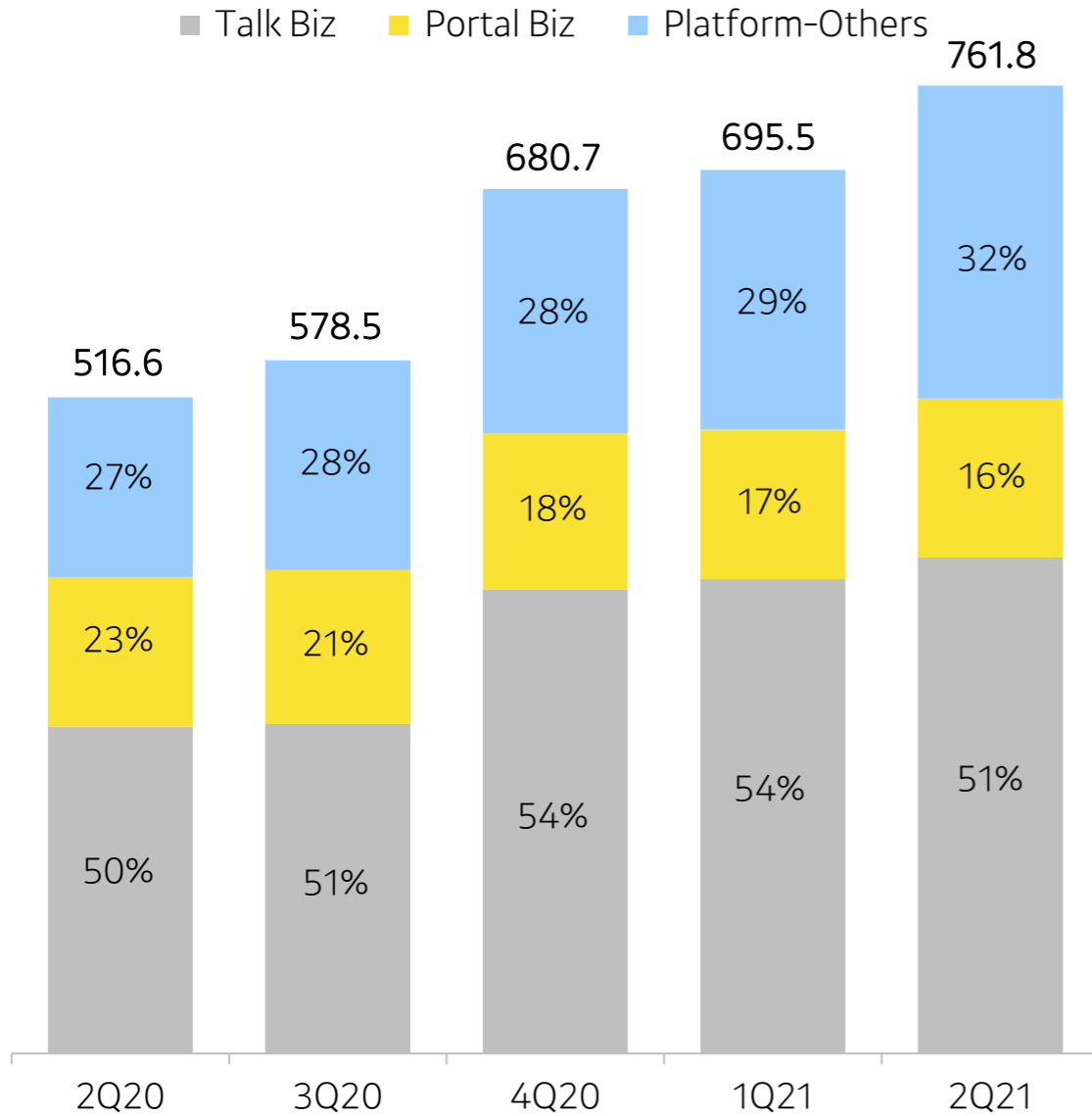
# Platform / Content

Platform YoY +47% / QoQ +10%

Content YoY +35% / QoQ +5%

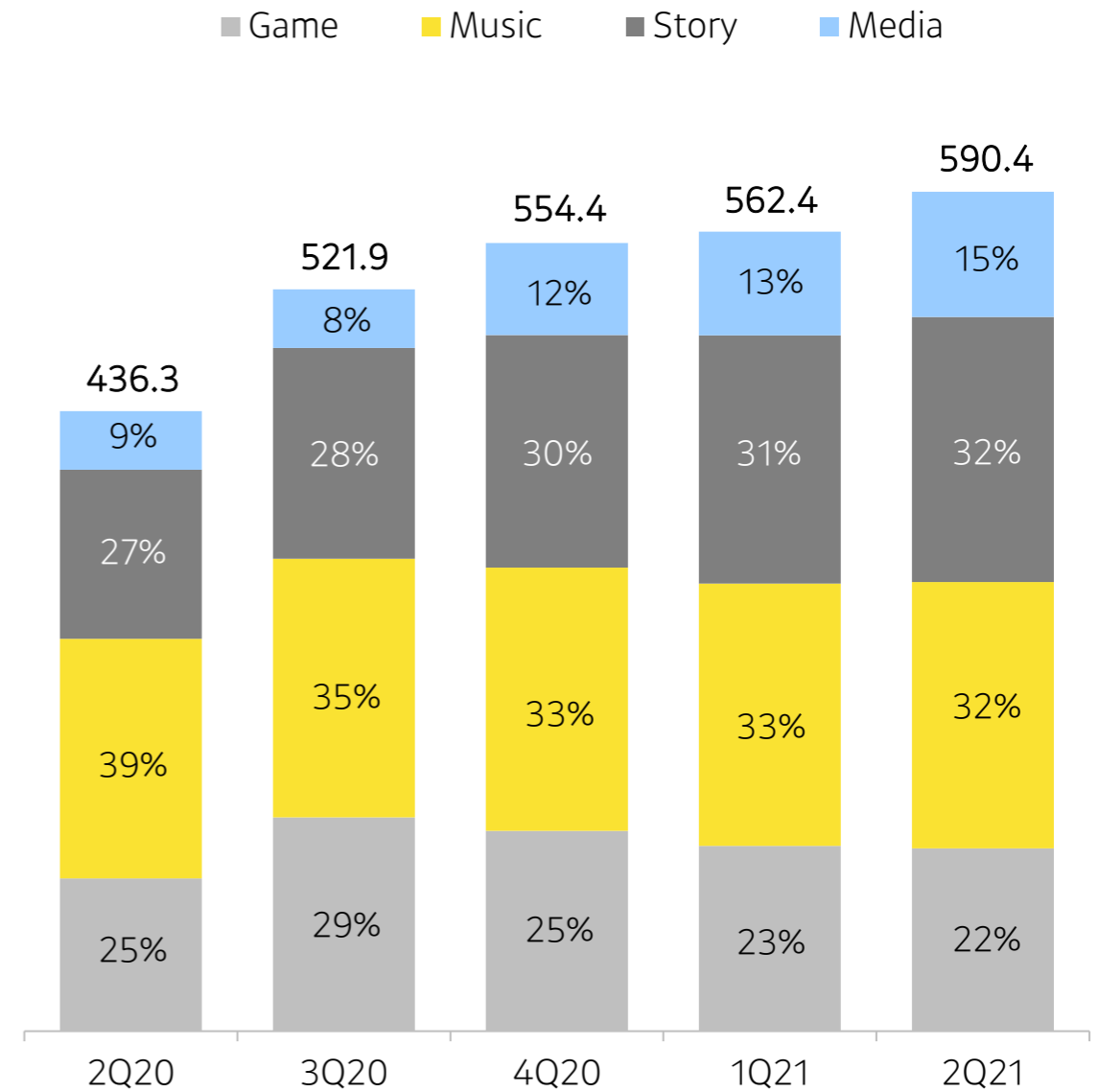
## Platform

(in billion KRW)



## Content

(in billion KRW)



# Platform | Talk Biz Portal Biz Platform-Others

Talk Biz YoY +52% / QoQ +5%

Portal Biz YoY +7% / QoQ +7%

Others YoY +73% / QoQ +20%

Record-high quarterly revenue led by virtuous cycle effect established around Bizboard, Talk Channel and Notification Talk

Favorable seasonality and expansion of DA spaces

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

## Talk Biz

(in billion KRW)

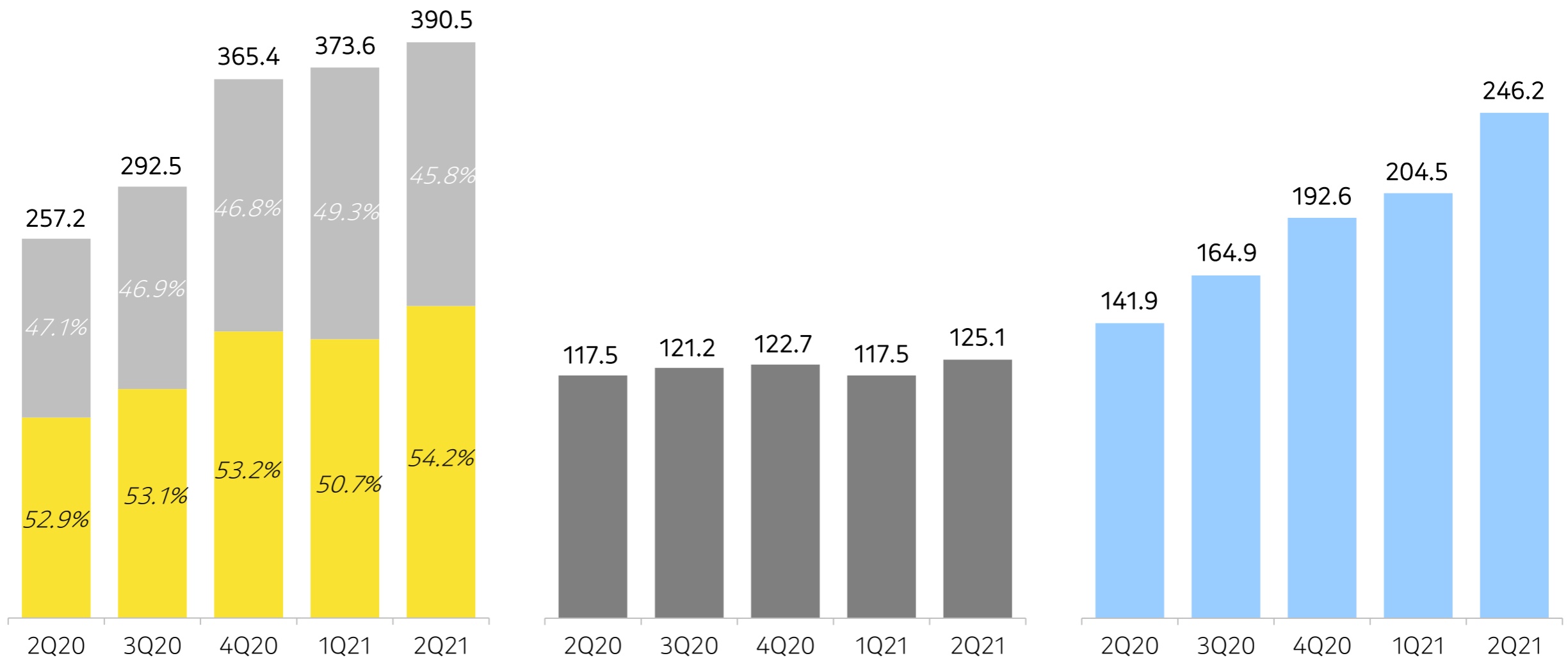
## Portal Biz

(in billion KRW)

## Others

(in billion KRW)

■ Advertisement ■ Commerce



# Content | Game Music

Game YoY +20% / QoQ -1%

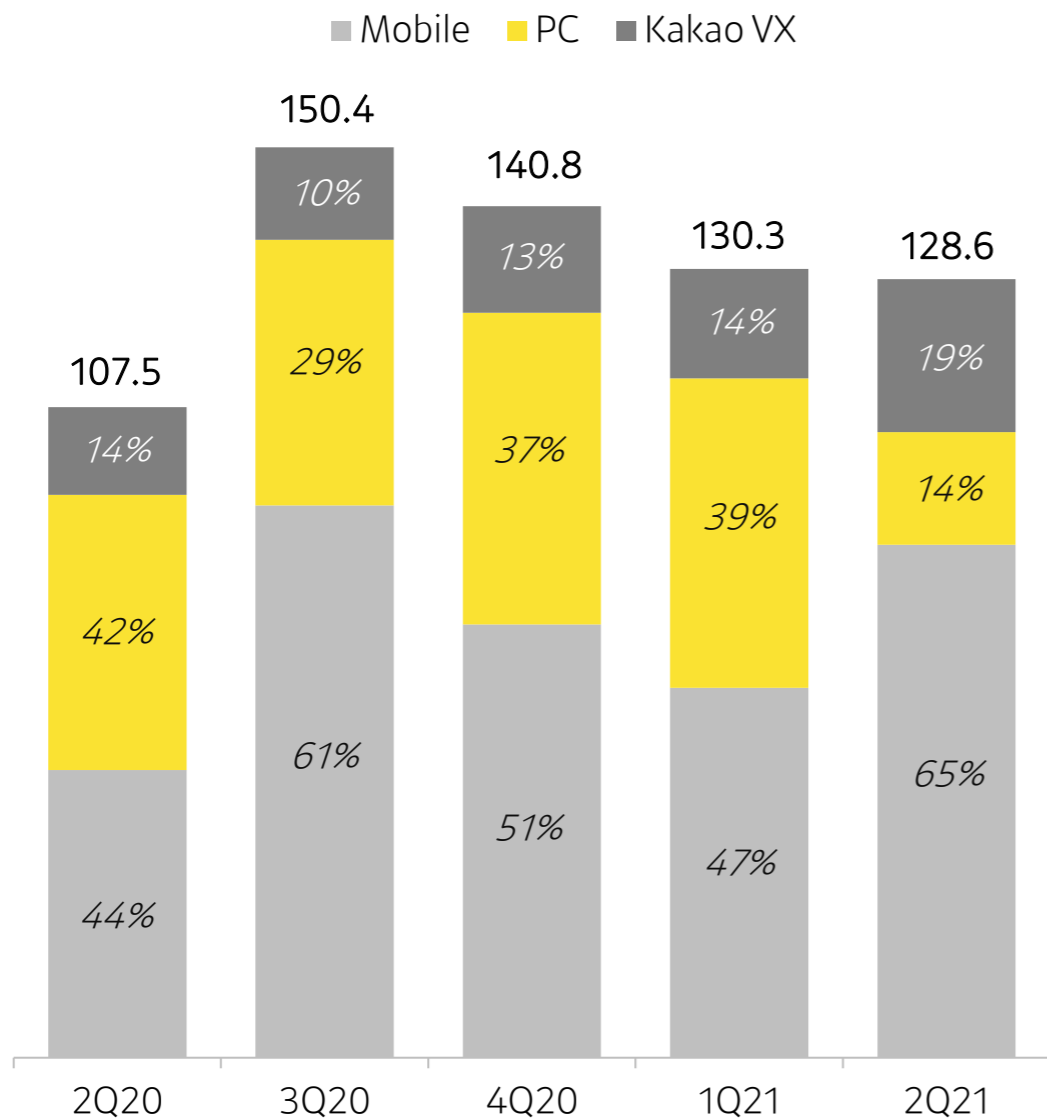
Music YoY +11% / QoQ +2%

Service termination of overseas PC game offset by launch effect of mobile game 'Odin'

Solid sales of digital music/album distribution along with steady paying user base of more than 5 million of Melon

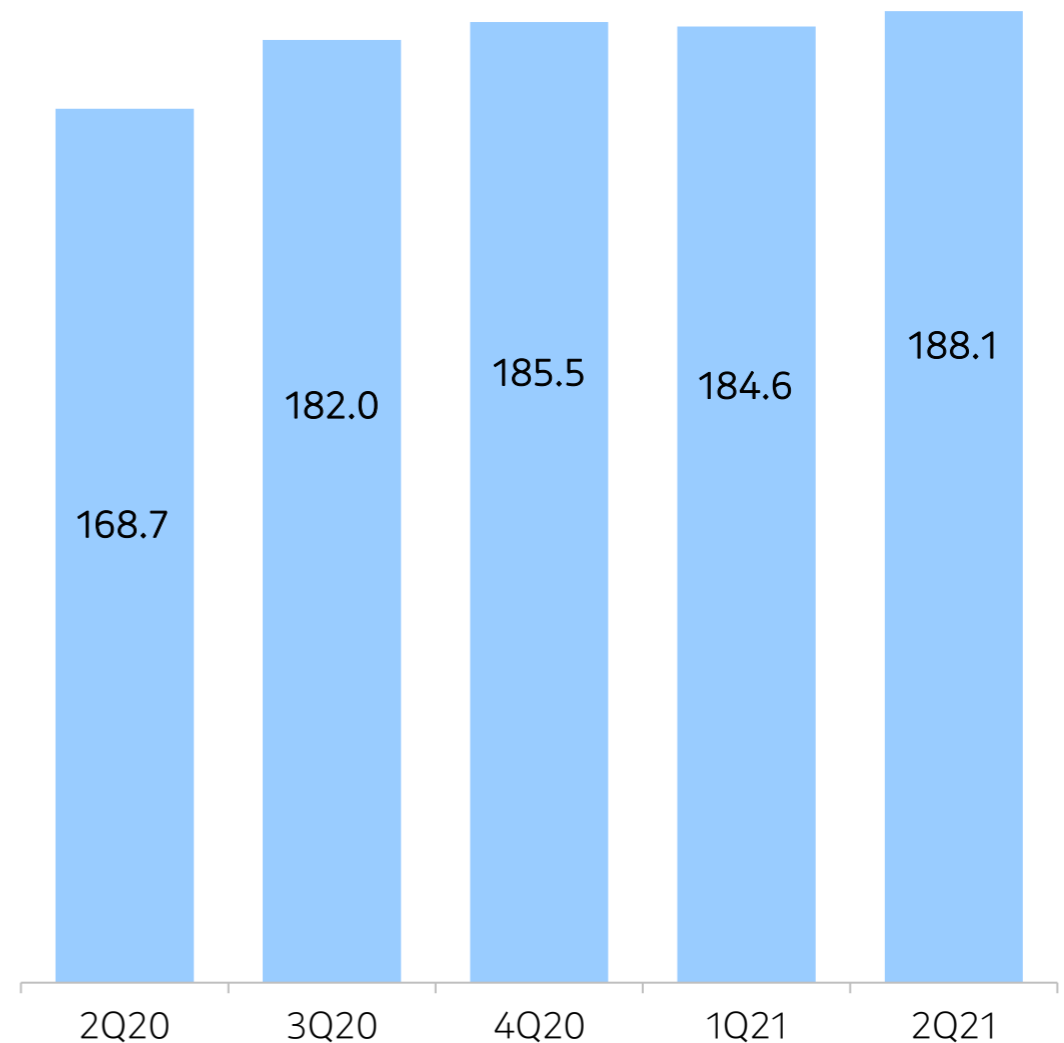
## Game

(in billion KRW)



## Music

(in billion KRW)





# Content | Story Media

Story YoY +57% / QoQ +7%

└ Page +20% (y) / +2% (q), Piccoma +110% (y) / +11% (q)

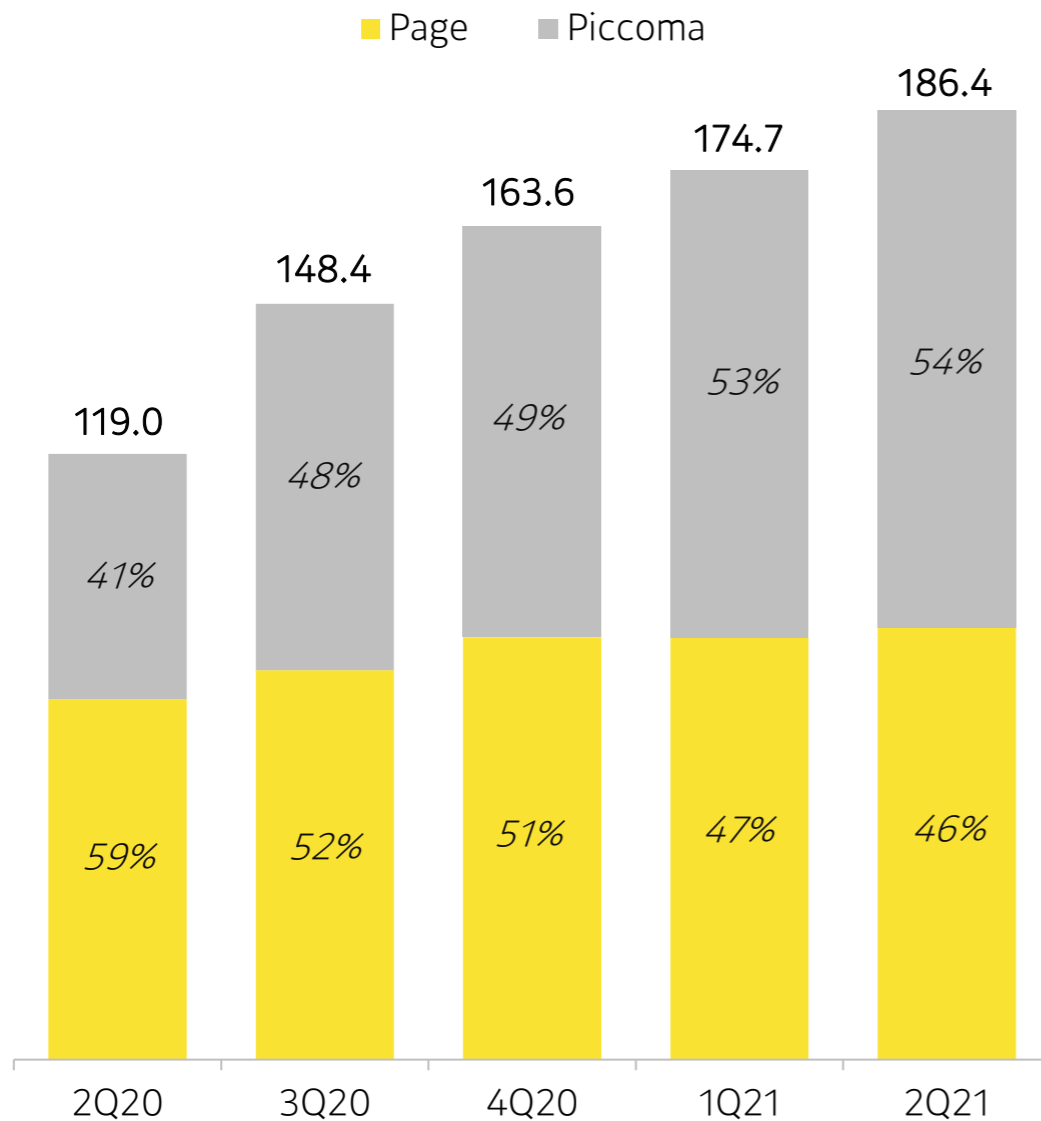
Media YoY +112% / QoQ +20%

Rapid GMV growth of Piccoma and global IP distribution expansion Of Kakao Entertainment

Drama and movie line-up expansion and increased revenue of talent agency

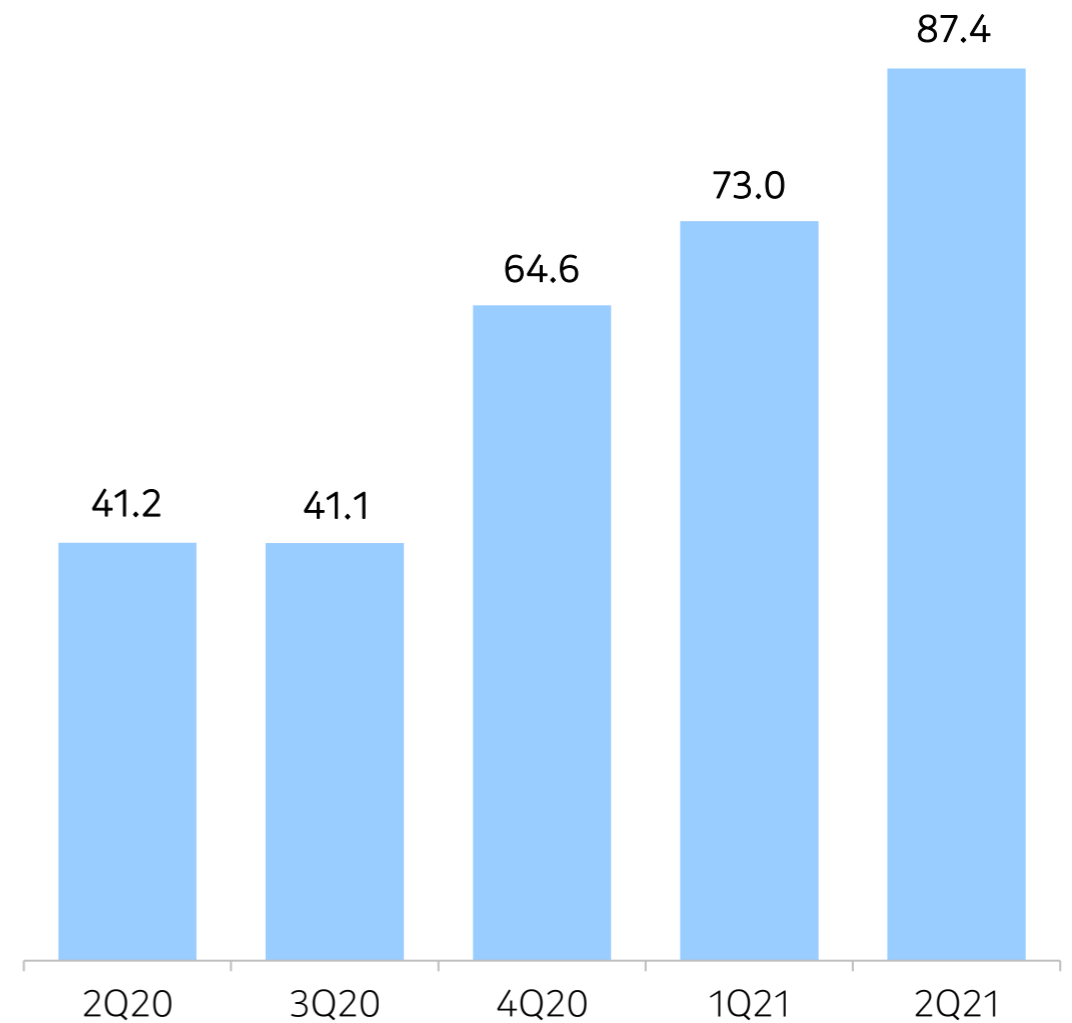
## Story

(in billion KRW)



## Media

(in billion KRW)



# Earnings Summary - Q2 2021

(in billion KRW)

	2Q20	1Q21	2Q21	Change	
				YoY	QoQ
Total Revenue	952.9	1,258.0	1,352.2	42%	7%
Platform	516.6	695.5	761.8	47%	10%
Talk Biz	257.2	373.6	390.5	52%	5%
Portal Biz	117.5	117.5	125.1	7%	7%
Platform - Others	141.9	204.5	246.2	73%	20%
Content	436.3	562.4	590.4	35%	5%
Game	107.5	130.3	128.6	20%	-1%
Music	168.7	184.6	188.1	11%	2%
Story	119.0	174.7	186.4	57%	7%
Media	41.2	72.9	87.4	112%	20%
Operating Expenses	855.1	1,100.4	1,189.6	39%	8%
Operating Profit	97.8	157.5	162.6	66%	3%
<i>Margin (%)</i>	10.3%	12.5%	12.0%	1.7%pt	-0.5%pt
Net Profit	145.2	239.9	315.9	118%	32%
Controlling Interests	139.8	224.5	311.7	123%	39%
Non-controlling Interests	5.5	15.3	4.3	-20%	-71%

# Operating Expenses - Q2 2021

(in billion KRW)

	2Q20	1Q21	2Q21	Change	
				YoY	QoQ
Operating Expenses	855.1	1,100.4	1,189.6	39%	8%
Labor Cost	216.5	292.9	301.0	39%	3%
Cost of Revenue	409.5	493.0	530.3	29%	8%
Outsourcing / Infrastructure	106.6	144.5	164.9	55%	14%
Marketing Expense	38.5	67.2	91.1	136%	36%
Depreciation and Amortization Cost	61.6	79.2	78.8	28%	0%
Misc.	22.3	23.6	23.4	5%	-1%

# Profits

Operating Profit YoY +66% / QoQ +3%

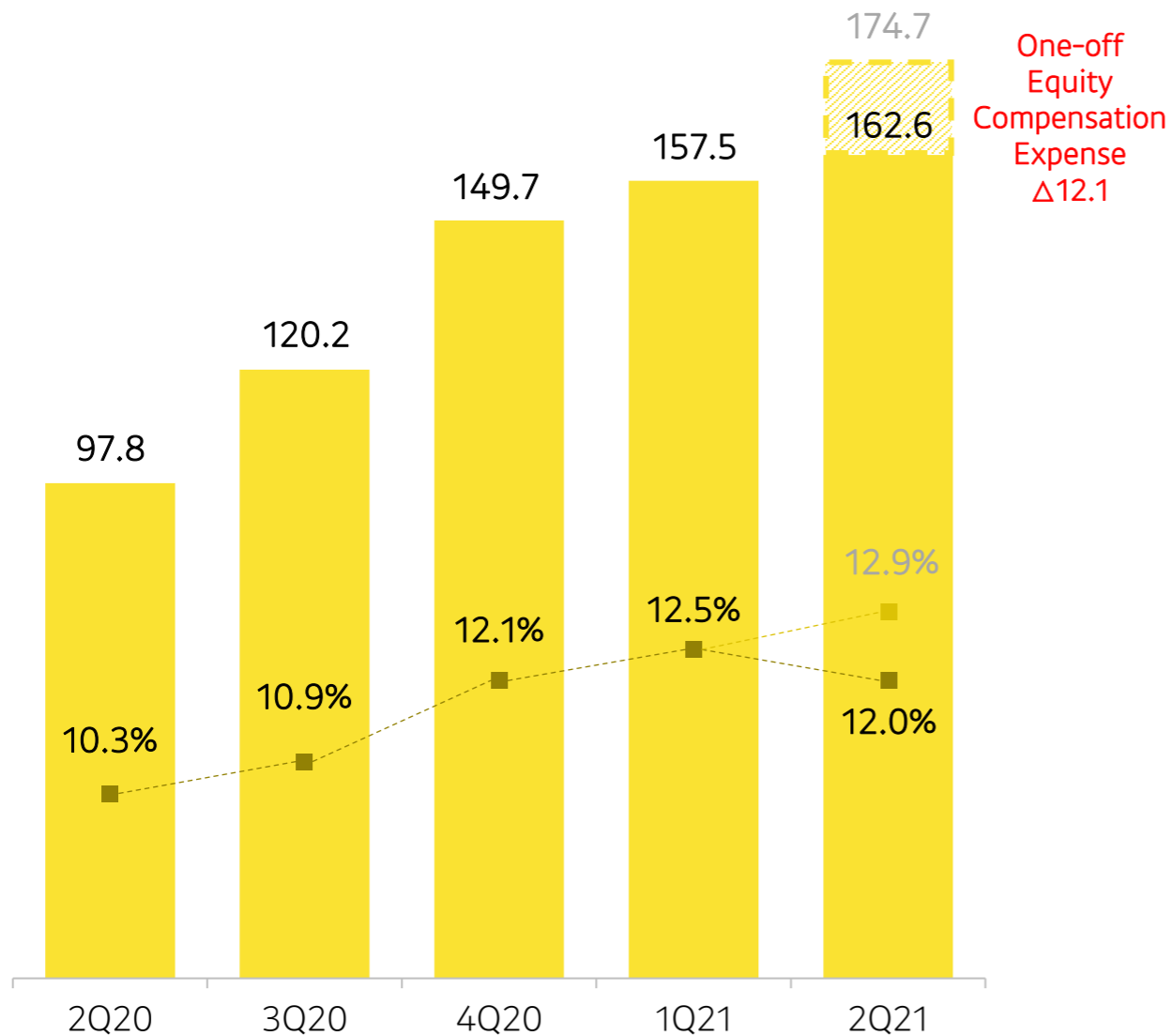
Improved OP thanks to solid top-line growth of core biz and continued enhancement of profitability, despite one-off labor cost headwind

Net Profit YoY +118% / QoQ +32%

Improvement of both OP and equity-method income (Dunamu, Kakao Bank)

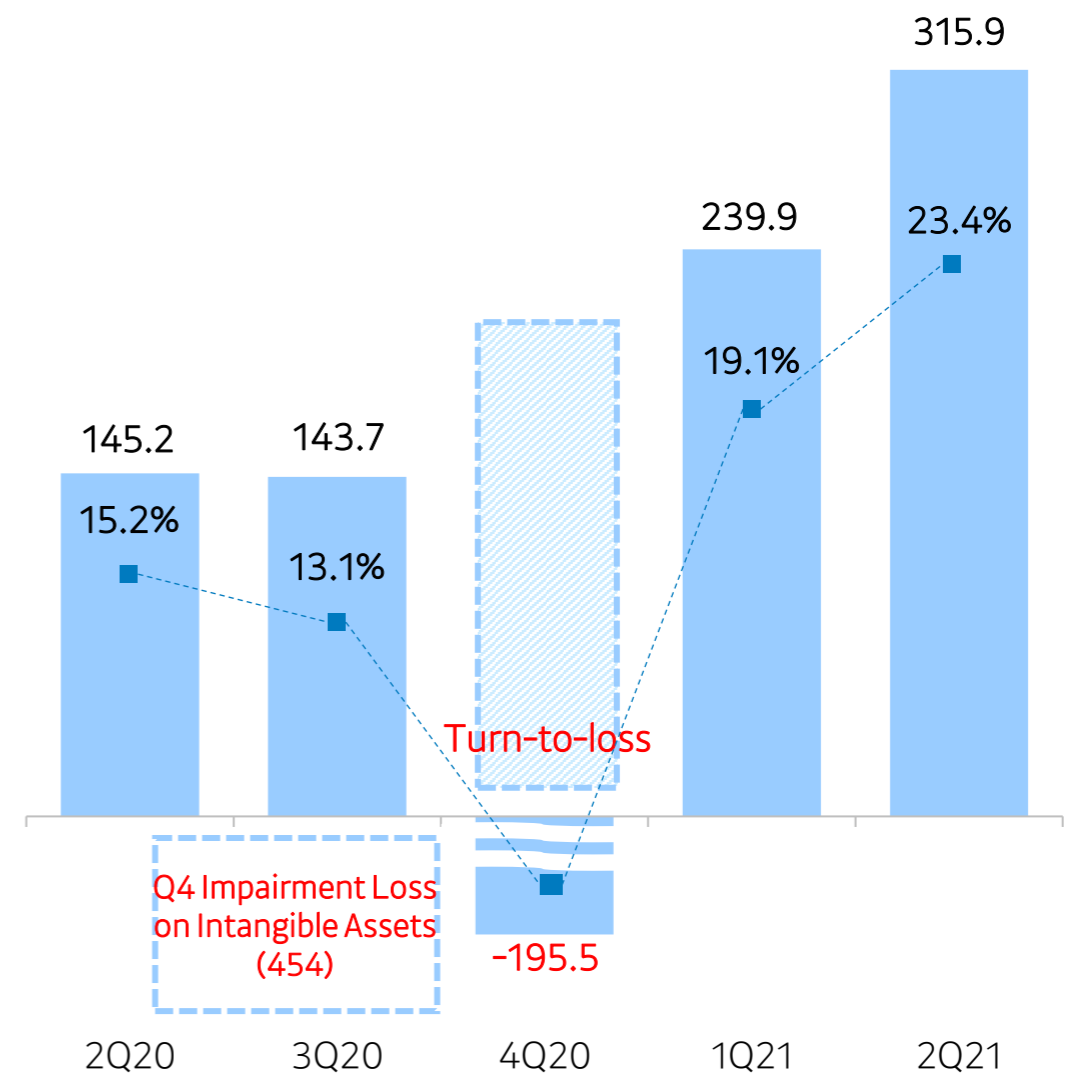
## Operating Profit(M)

(in billion KRW)



## Net Profit(M)

(in billion KRW)



# CapEx / Employees

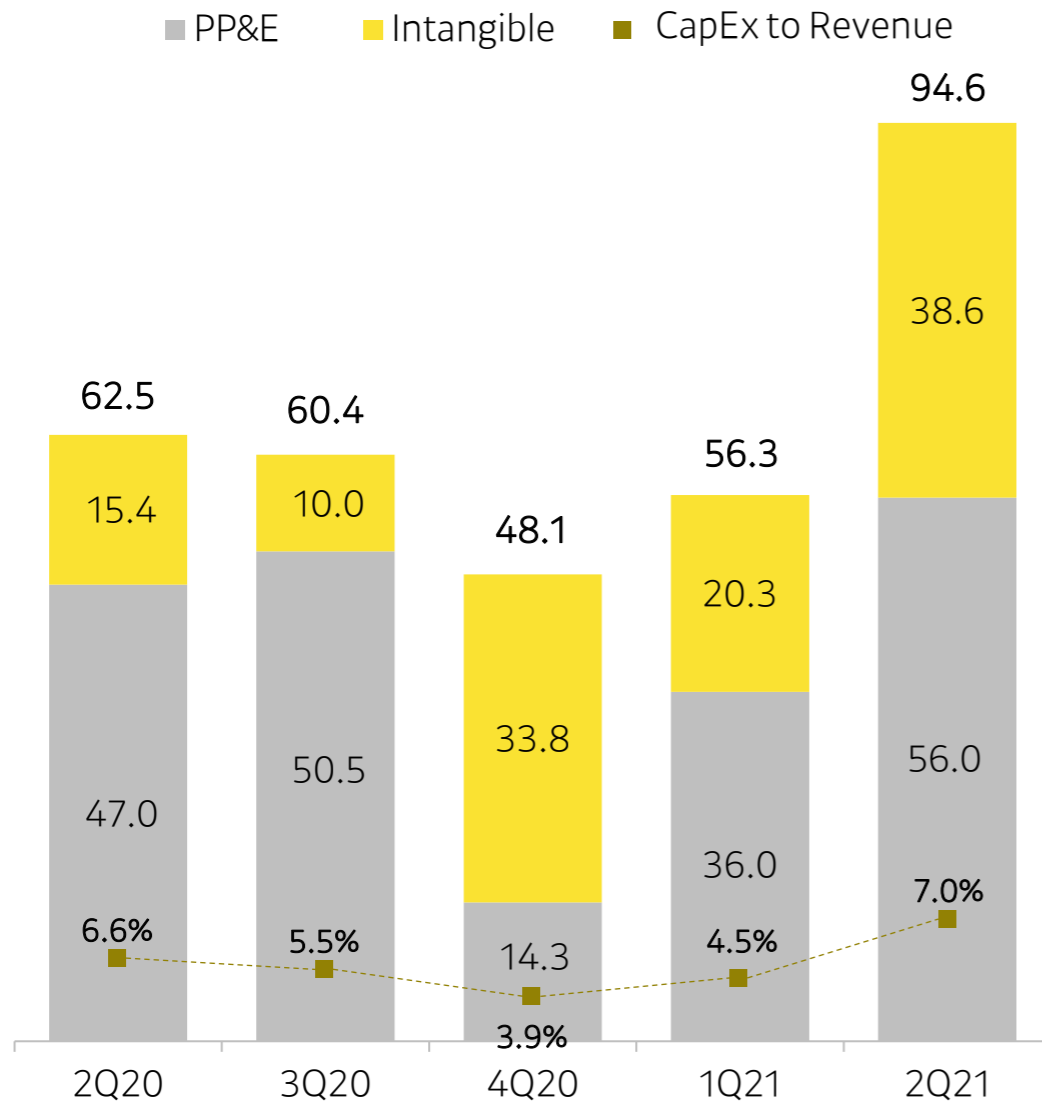
CapEx YoY +55% / QoQ +72%

Employees YoY +2,788 / QoQ +922

Increase in other intangible asset due to incorporation of newly-consolidated subsidiaries

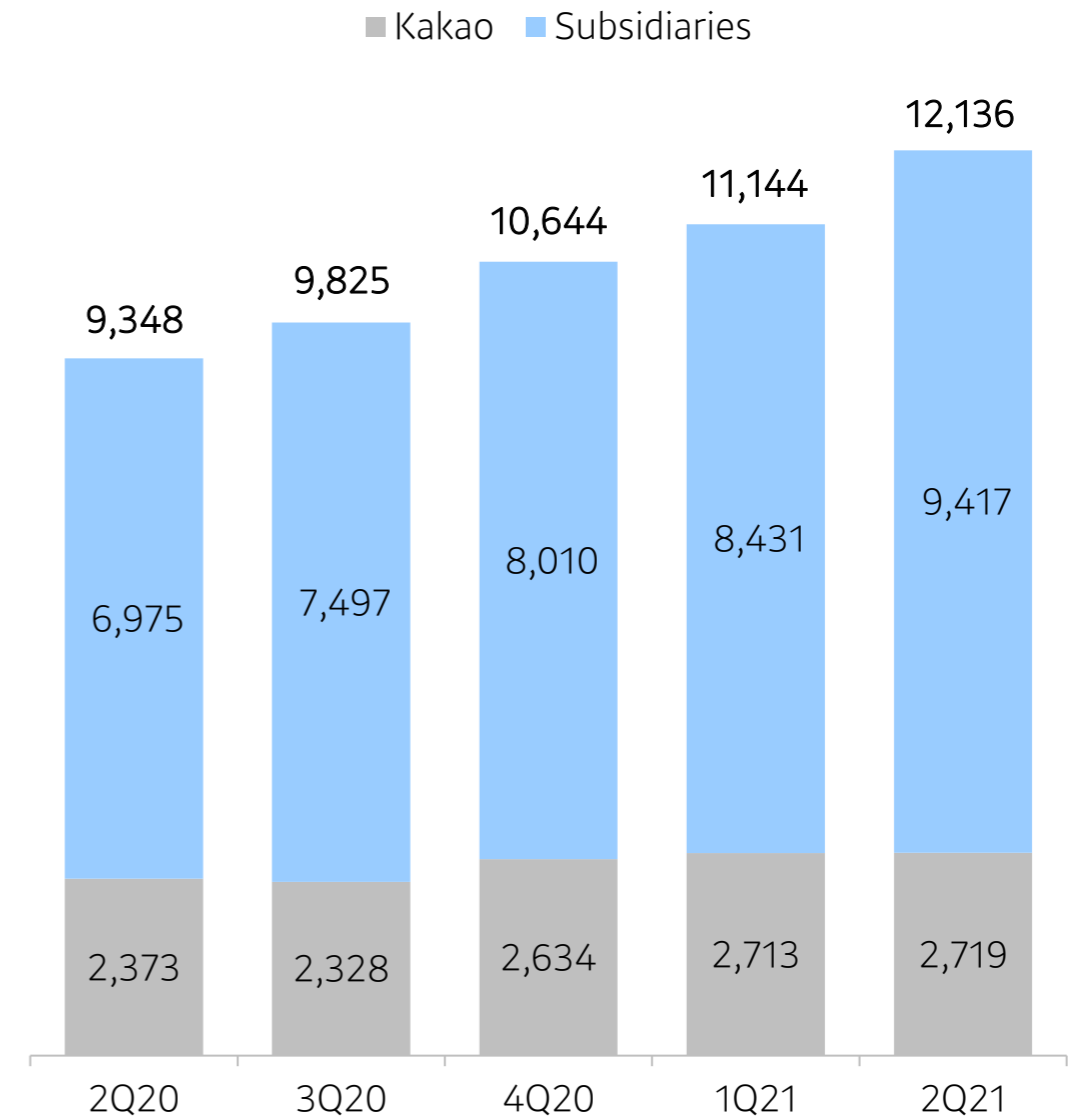
## CapEx

(in billion KRW)



## Employees

(# of people)



# Financial Statements Summary – Consolidated

Income Statement					
(in billion KRW)	2Q20	3Q20	4Q20	1Q21	2Q21
<b>Total Revenue</b>	<b>952.9</b>	<b>1,100.4</b>	<b>1,235.1</b>	<b>1,258.0</b>	<b>1,352.2</b>
Platform	516.6	578.5	680.7	695.5	761.8
Talk Biz	257.2	292.5	365.4	373.6	390.5
Portal Biz	117.5	121.2	122.7	117.5	125.1
New Biz	141.9	164.9	192.6	204.5	246.2
Content	436.3	521.9	554.4	562.4	590.4
Game	107.5	150.4	140.8	130.3	128.6
Music	168.7	182.0	185.5	184.6	188.1
Paid Content	119.0	148.4	163.6	174.7	186.4
IP Business and Others	41.2	41.1	64.6	72.9	87.4
<b>Operating Expenses</b>	<b>855.1</b>	<b>980.2</b>	<b>1,085.5</b>	<b>1,100.4</b>	<b>1,189.6</b>
Labor Cost	216.5	239.3	265.7	292.9	301.0
Cost of Revenue	409.5	463.7	491.5	493.0	530.3
Outsourcing / Infrastructure	106.6	113.9	145.1	144.5	164.9
Marketing Expense	38.5	76.3	87.5	67.2	91.1
Depreciation and Amortization Cost	61.6	66.8	78.2	79.2	78.8
Misc.	22.3	20.3	17.4	23.6	23.4
<b>Operating Profit</b>	<b>97.8</b>	<b>120.2</b>	<b>149.7</b>	<b>157.5</b>	<b>162.6</b>
<i>Margin (%)</i>	<i>10.3%</i>	<i>10.9%</i>	<i>12.1%</i>	<i>12.5%</i>	<i>12.0%</i>
Other Non-Operating Income	100.7	48.0	181.9	54.4	66.1
Other Non-Operating Expenses	14.6	17.6	504.3	6.6	19.2
Financial Income	21.3	37.4	120.6	47.9	18.3
Financial Expenses	2.0	12.2	42.6	69.7	64.7
Equity-method Income	0.9	3.8	-1.3	135.1	186.7
<b>Profit before Income Tax</b>	<b>204.1</b>	<b>179.6</b>	<b>-96.0</b>	<b>318.7</b>	<b>349.8</b>
Income Tax	58.9	35.9	99.4	78.8	33.8
<b>Net Profit</b>	<b>145.2</b>	<b>143.7</b>	<b>-195.5</b>	<b>239.9</b>	<b>315.9</b>
Controlling Interests	139.8	127.5	-189.1	224.5	311.7
Non-controlling Interests	5.5	16.2	-6.4	15.3	4.3
EBITDAR <sup>1)</sup>	159.1	185.2	226.1	236.7	241.0
Adjusted EBITDAR <sup>1)</sup>	170.2	199.9	237.0	258.2	279.6

Statement of Financial Position			
(in billion KRW)	2019.12.31	2020.12.31	2021.6.30
<b>Current Assets</b>	<b>2,829.7</b>	<b>4,462.9</b>	<b>6,241.8</b>
Cash and Cash Equivalents	1,918.2	2,877.5	3,014.2
S-T Financial Instruments	207.8	694.1	1,109.6
Account Receivable	157.2	247.4	306.6
Other Current Financial Assets	252.5	225.1	254.4
Other Current Assets	294.0	418.8	1,557.0
<b>Non-Current Assets</b>	<b>5,907.6</b>	<b>6,987.4</b>	<b>8,135.6</b>
Investments in Associates and Joint Ventures	978.9	1,504.4	2,129.6
Tangible Assets	349.8	430.7	471.4
Intangible Assets	3,548.4	3,351.6	3,446.1
Other Non-current Assets	1,030.4	1,700.8	2,088.6
Finance Assets	-	503.6	783.2
<b>Total Assets</b>	<b>8,737.3</b>	<b>11,954.0</b>	<b>15,160.6</b>
<b>Current Liabilities</b>	<b>2,433.3</b>	<b>2,929.6</b>	<b>3,163.9</b>
Account Payable and Other payable	578.6	836.0	983.7
Short-term Borrowings	448.6	188.4	192.3
Income Tax Payable	68.3	112.1	78.3
Other Current Liabilities	1,337.8	1,793.1	1,909.6
<b>Non-Current Liabilities</b>	<b>563.8</b>	<b>1,166.1</b>	<b>1,917.6</b>
Non-Current Finance Lease Obligations	165.0	273.3	307.1
Deferred Income Tax Liabilities	141.1	249.0	392.4
Other Non-Current Liabilities	350.5	643.8	1,218.1
Finance Assets	-	430.6	708.8
<b>Total Liabilities</b>	<b>2,997.1</b>	<b>4,526.2</b>	<b>5,790.3</b>
Paid-in Capital	43.2	44.3	44.5
Capital Surplus	5,043.2	5,833.1	6,525.3
Other Accumulated Earnings	7.2	18.6	44.3
Accumulated Other Comprehensive Income	-16.4	86.6	287.6
Retained Earnings	148.2	316.3	854.6
Minority Interest	514.8	1,128.8	1,614.0
<b>Total Equity</b>	<b>5,740.1</b>	<b>7,427.7</b>	<b>9,370.3</b>
<b>Total Liabilities &amp; Equity</b>	<b>8,737.3</b>	<b>11,954.0</b>	<b>15,160.6</b>

1) EBITDAR: Rental expenses are included in lease amortization from Q1 2019 (EBITDA till FY2018) / Adjusted EBITDAR : included equity compensation expense

# Financial Statements Summary – Parent

Income Statement					
(in billion KRW)	2Q20	3Q20	4Q20	1Q21	2Q21
<b>Total Revenue</b>	<b>415.1</b>	<b>449.5</b>	<b>508.0</b>	<b>490.9</b>	<b>521.4</b>
<b>Operating Expenses</b>	<b>359.4</b>	<b>377.1</b>	<b>401.5</b>	<b>414.1</b>	<b>424.1</b>
Labor Cost	71.8	81.6	85.8	102.9	95.3
Cost of Revenue	200.2	211.3	210.1	214.9	221.6
Outsourcing / Infrastructure	50.0	43.1	55.8	55.4	64.7
Marketing Expense	4.0	5.0	7.5	3.4	4.5
Depreciation and Amortization Cost	28.5	30.8	37.6	32.1	32.1
Misc.	4.8	5.3	4.7	5.3	5.8
<b>Operating Profit</b>	<b>55.7</b>	<b>72.4</b>	<b>106.5</b>	<b>76.7</b>	<b>97.3</b>
<i>Margin (%)</i>	<i>13.4%</i>	<i>16.1%</i>	<i>21.0%</i>	<i>15.6%</i>	<i>18.7%</i>
Other Non-Operating Income	1.1	21.3	23.1	3.3	5.9
Other Non-Operating Expenses	9.1	5.1	394.5	1.2	10.7
Financial Income	5.1	2.8	22.8	37.6	18.4
Financial Expenses	2.4	1.5	16.8	17.5	2.7
<b>Profit before Income Tax</b>	<b>50.4</b>	<b>90.0</b>	<b>-258.9</b>	<b>98.9</b>	<b>108.1</b>
Income Tax	16.3	12.9	25.9	20.3	10.0
<b>Net Profit</b>	<b>34.1</b>	<b>77.1</b>	<b>-284.8</b>	<b>78.6</b>	<b>98.2</b>
EBITDAR <sup>1)</sup>	84.4	103.1	144.5	26.5	144.5

Statement of Financial Position			
(in billion KRW)	2019.12.31	2020.12.31	2021.6.30
<b>Current Assets</b>	<b>1,014.0</b>	<b>1,782.4</b>	<b>1,746.1</b>
Cash and Cash Equivalents	647.1	1,356.9	679.7
S-T Financial Instruments	15.6	65.5	65.5
Account Receivable	95.0	120.5	97.0
Other Current Assets	256.3	239.5	256.4
<b>Non-Current Assets</b>	<b>5,470.3</b>	<b>5,563.1</b>	<b>5,937.9</b>
Investments in Associates, Subsidiaries and Joint Ventures	2,212.4	2,393.4	2,566.6
Tangible Assets	248.3	272.1	283.6
Intangible Assets	2,458.6	2,106.2	2,102.8
Other Non-current Assets	551.1	791.3	984.9
<b>Total Assets</b>	<b>6,484.4</b>	<b>7,345.5</b>	<b>7,684.0</b>
<b>Current Liabilities</b>	<b>1,371.0</b>	<b>1,421.6</b>	<b>1,318.2</b>
Account Payable and Other payable	686.7	1,035.7	997.2
Short-term Borrowings	429.1	58.0	0.0
Income Tax Payable	38.1	49.8	31.6
Other Current Liabilities	217.1	278.1	289.4
<b>Non-Current Liabilities</b>	<b>255.1</b>	<b>598.5</b>	<b>685.8</b>
Non-Current Finance Lease Obligations	88.6	121.9	148.6
Deferred Income Tax	88.0	108.2	140.0
Other Non-Current Liabilities	78.4	368.3	397.2
<b>Total Liabilities</b>	<b>1,626.1</b>	<b>2,020.1</b>	<b>2,004.0</b>
Paid-in Capital	43.2	44.3	44.5
Capital Surplus	4,462.3	4,986.9	5,044.6
Other Accumulated Earnings	41.3	18.6	44.3
Accumulated Other Comprehensive Income	-2.9	66.5	173.7
Retained Earnings	314.5	209.2	373.0
<b>Total Equity</b>	<b>4,858.3</b>	<b>5,325.4</b>	<b>5,680.0</b>
<b>Total Liabilities &amp; Equity</b>	<b>6,484.4</b>	<b>7,345.5</b>	<b>7,684.0</b>

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

# Thank You

