

kakao

Q4 2024 and Annual Earnings Results

2025. 2. 13 | Kakao Investor Relations



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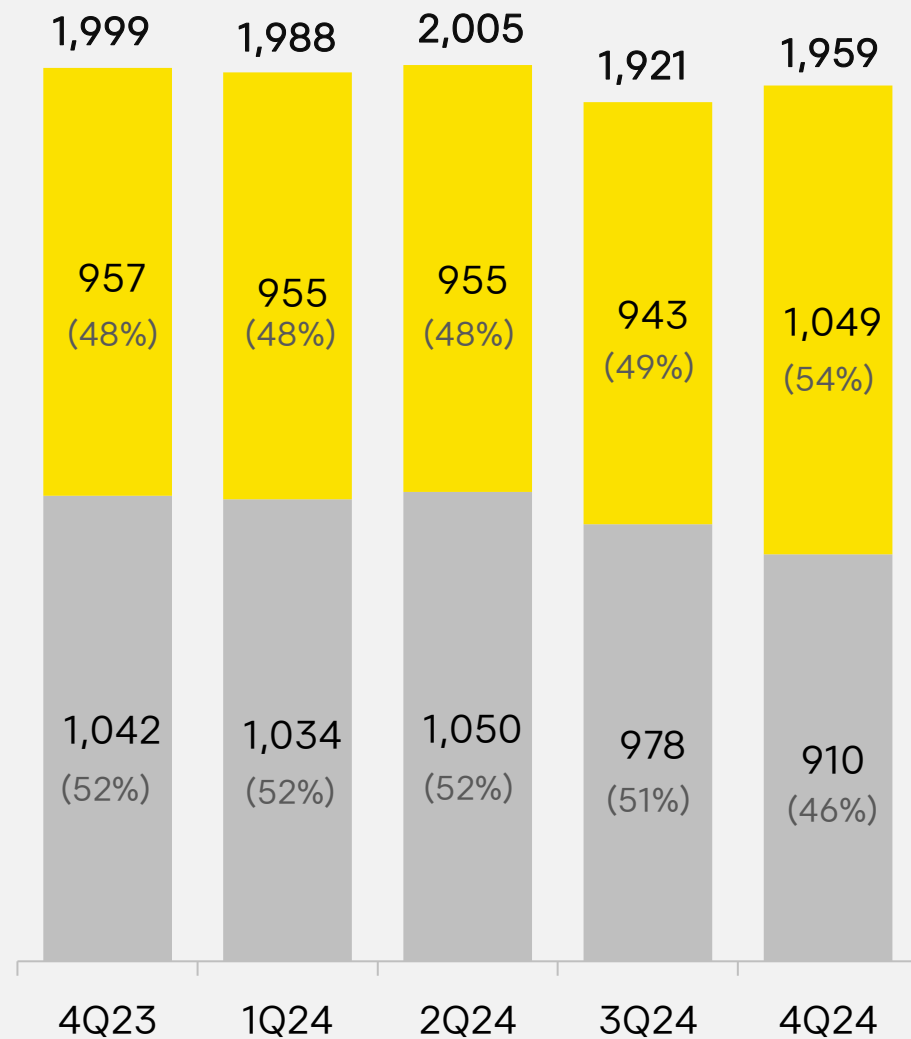
Revenue | 4Q24

Q4 Revenue -2% YoY / +2% QoQ

Q4 MIX : Platform 54%, Content 46%

(in bn KRW)

■ Platform ■ Content



Revenue Breakdown			
Platform	Talk Biz	Advertising : 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 Healthcare Other Subsidiaries
	Content	Game	Mobile PC Other
		Music	SM Entertainment Melon Digital Music Distribution Album Distribution Music Production
Story		Entertainment	
		Piccoma	
Media	Video Production Talent Agency		

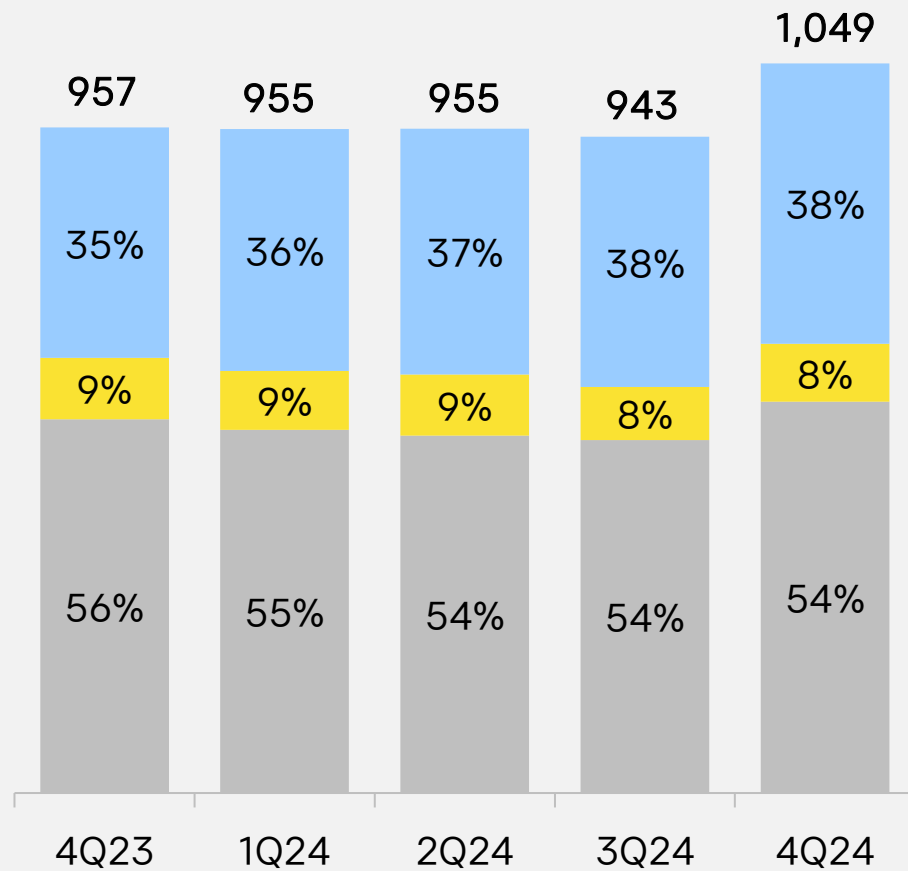
Revenue | 4Q24

Platform

4Q24 +10% YoY, +11% QoQ

(in bn KRW)

■ Talk Biz ■ Portal Biz ■ Platform-Others

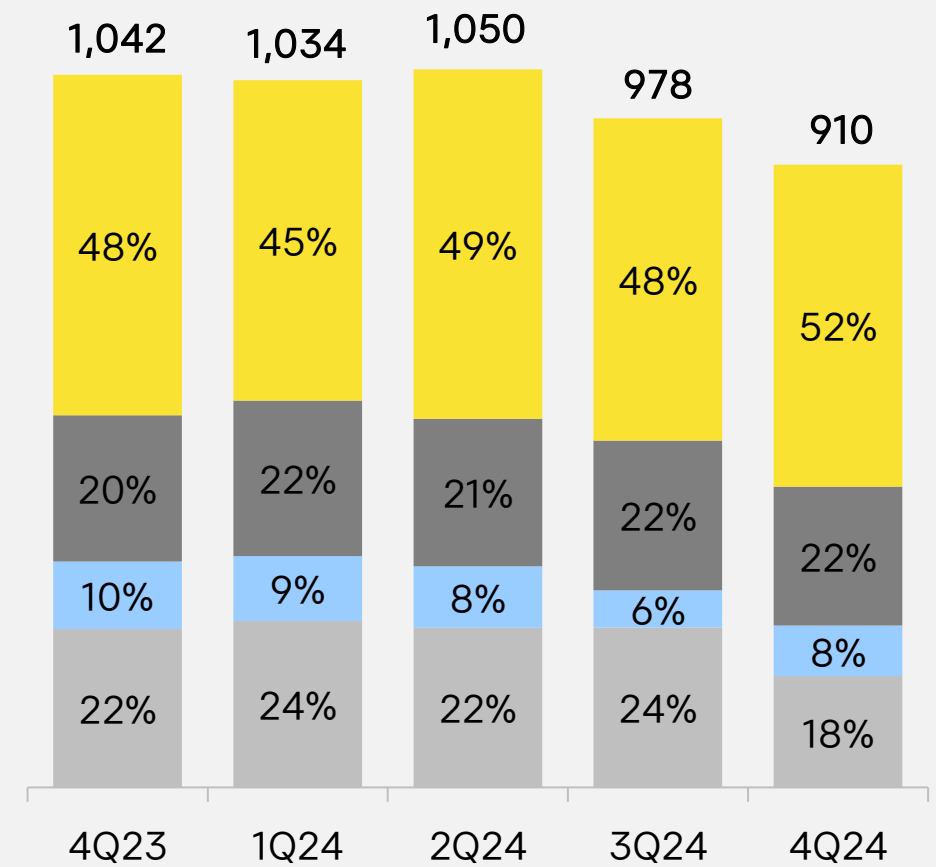


Content

4Q24 -13% YoY, -7% QoQ

(in bn KRW)

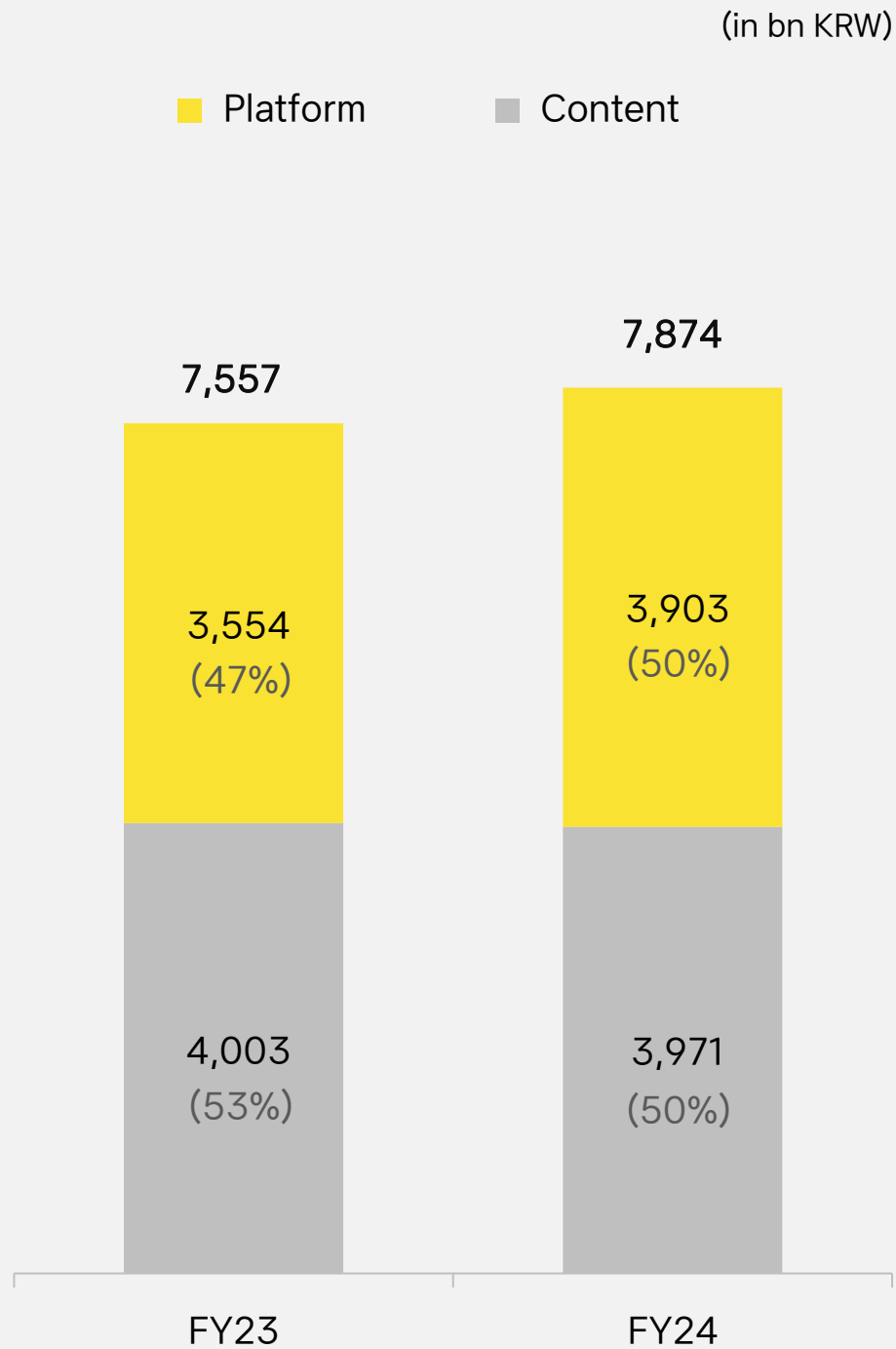
■ Game ■ Media ■ Story ■ Music



Revenue | FY2024

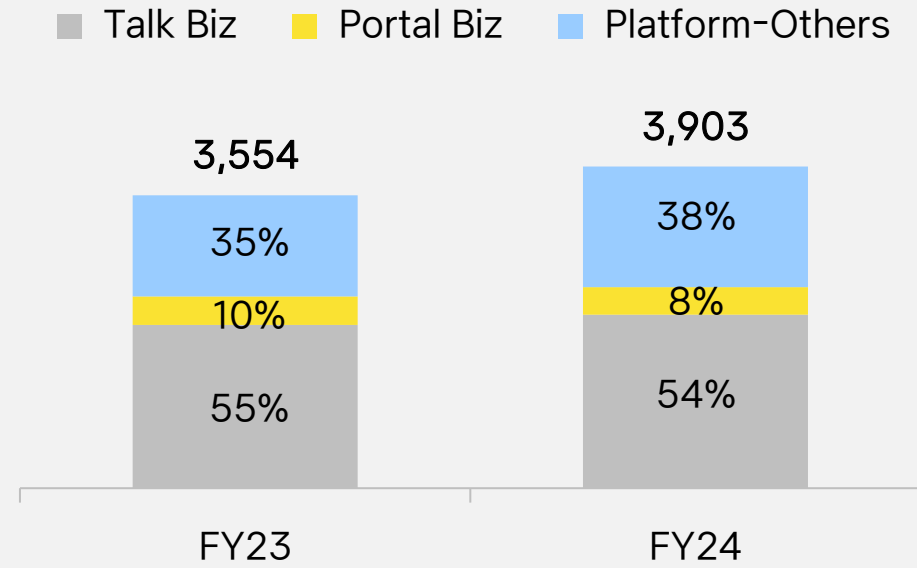
Revenue +4% YoY

FY24 MIX : Platform 50%, Content 50%



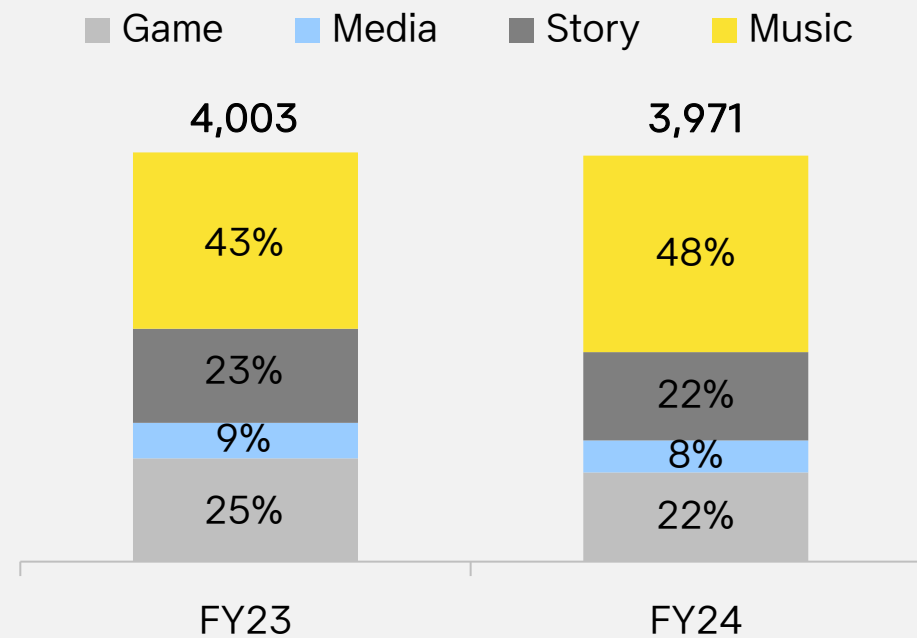
Platform +10% YoY

(in bn KRW)



Content -1% YoY

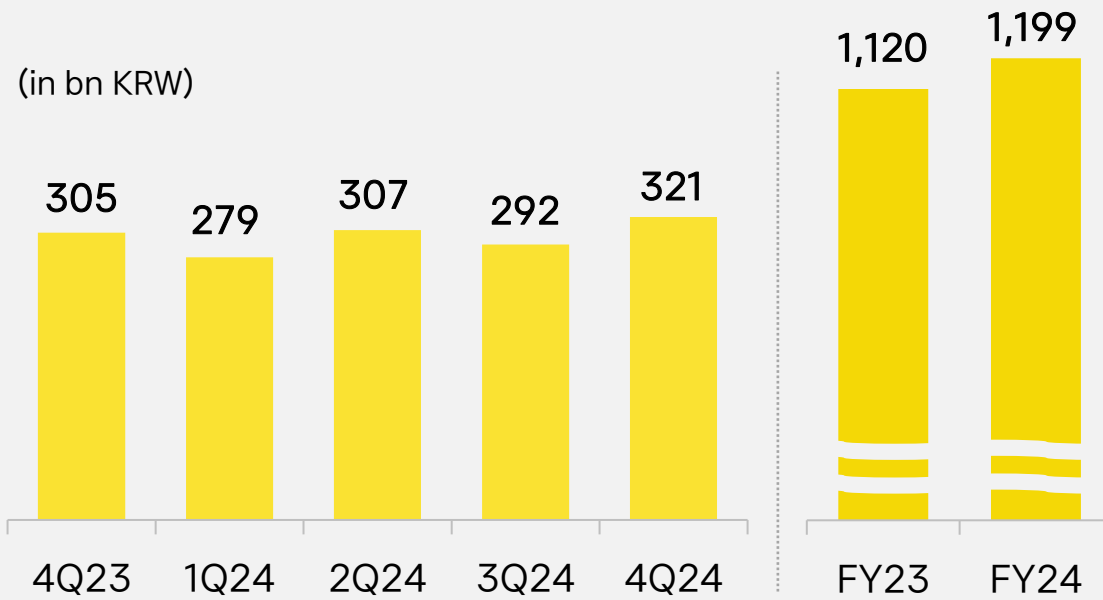
(in bn KRW)



Platform | Talk Biz

Advertising

(in bn KRW)

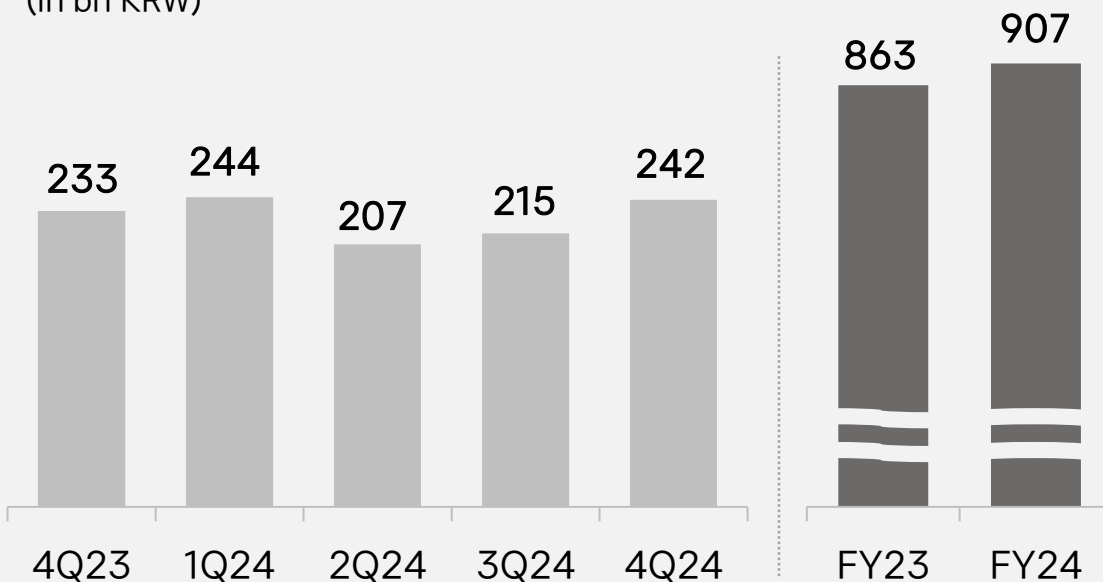


4Q24 +5% YoY, +10% QoQ | FY24 +7% YoY

- (YoY) ① Business Messaging +18%, Increase in the number of paying advertisers in finance and commerce, in addition to rise in message volume
- (YoY) ② Total DA -2%, slow recovery in advertising market
- (QoQ) High seasonality

Commerce

(in bn KRW)



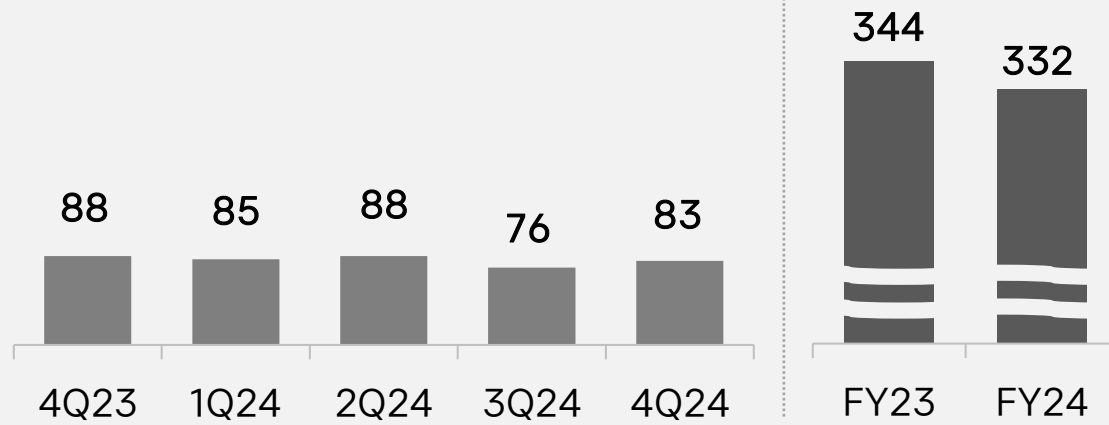
4Q24 +4% YoY, +12% QoQ | FY24 +5% YoY

- Total Commerce GMV: 4Q24 2.7 tn (+3% YoY), FY24 10 tn (+5% YoY)
- (YoY) Self-purchase GMV within Talk Gift +20%
- (QoQ) Enhanced shopping curation and high seasonality

Platform | Portal, Others

Portal Biz

(in bn KRW)

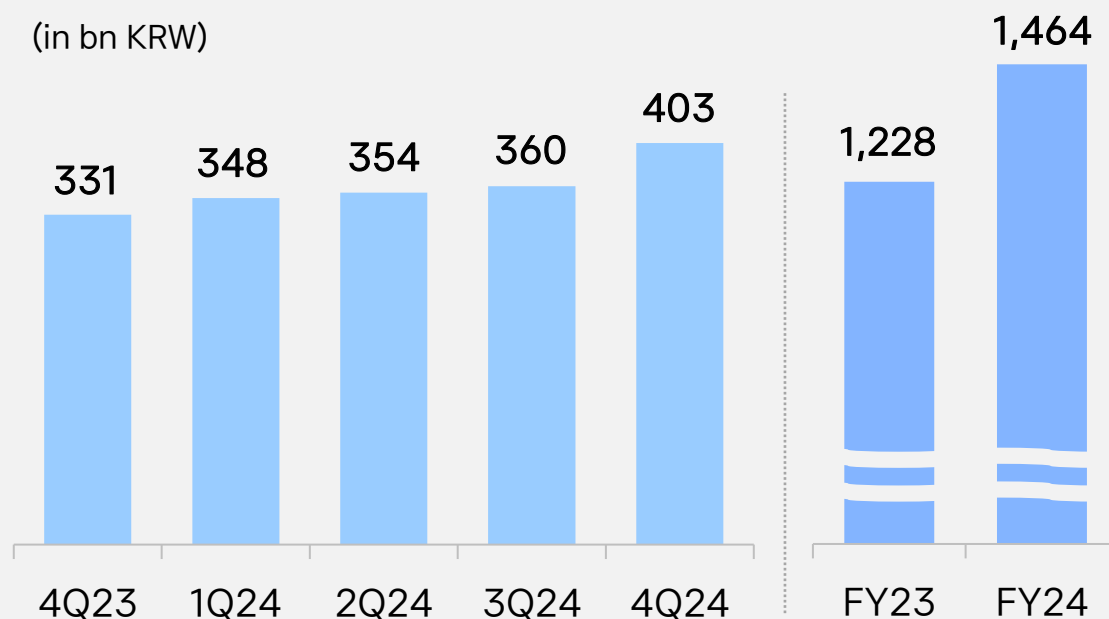


4Q24 -6% YoY, +9% QoQ | FY24 -4% YoY

- (YoY) Decrease in user activity
- (QoQ) High seasonality
- Aiming to enhance user engagement through a full revamp of Daum app and expanded content diversity

Platform-Others

(in bn KRW)

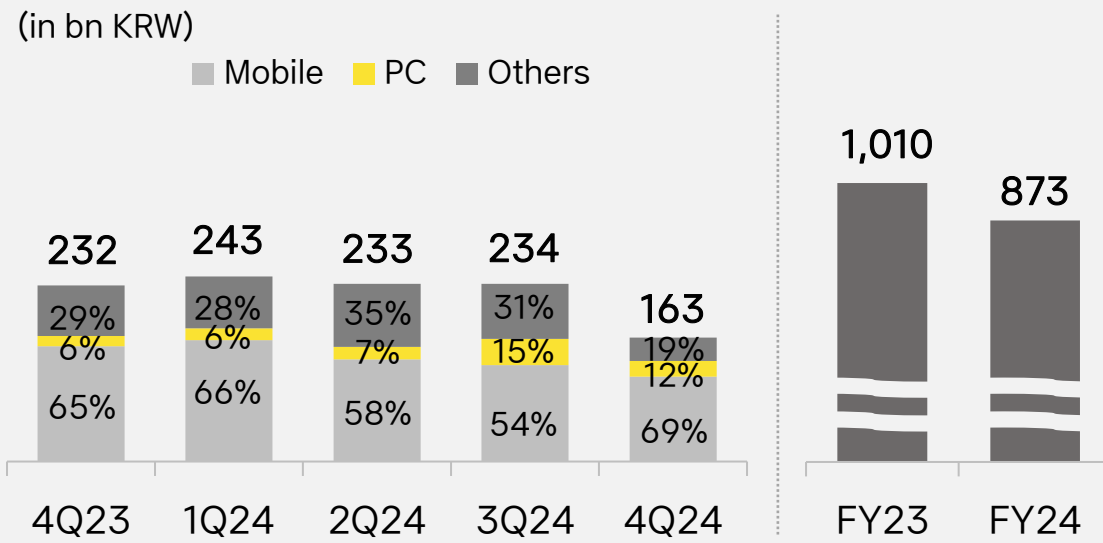


4Q24 +22% YoY, +12% QoQ | FY24 +19% YoY

- **Mobility** : Solid growth across taxi, designated driver, parking and parcel delivery
- **Pay** : Record-high financial service revenue sustaining double-digit growth, first quarterly profit of Pay Securities

Content | Game, Music

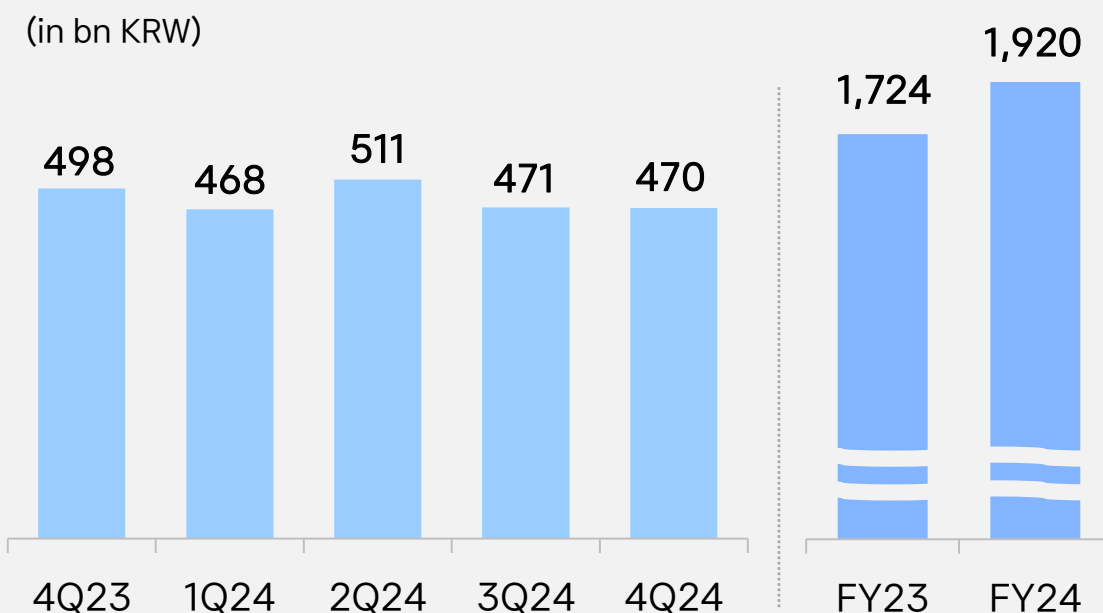
Game



4Q24 -30% YoY / QoQ | FY24 -14% YoY

- (YoY/QoQ) Absence of new titles and continuous decline in non-gaming business
- Ongoing cost-efficiency efforts in 1H, aiming for a turnaround with major IP releases in 2H

Music



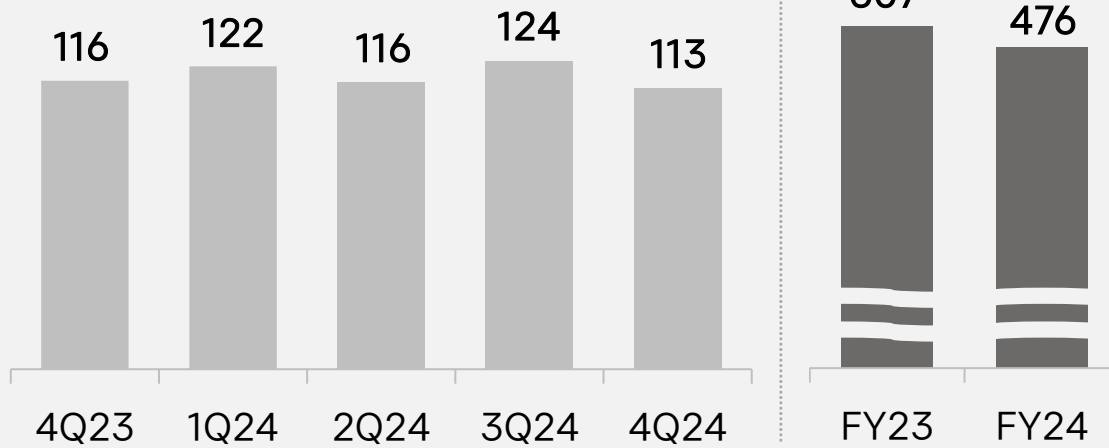
4Q24 -6% YoY, -0.1% QoQ | FY24 +11% YoY

- (Label) Strong album sales and active global performance of the anchor IPs, in line with the previous quarter but declining on-year due to a high base effect
- (Distribution) A solid No.1 market position maintained
- (Melon) Continuous focus on profitability

Content | Story

Piccoma

(in bn KRW)

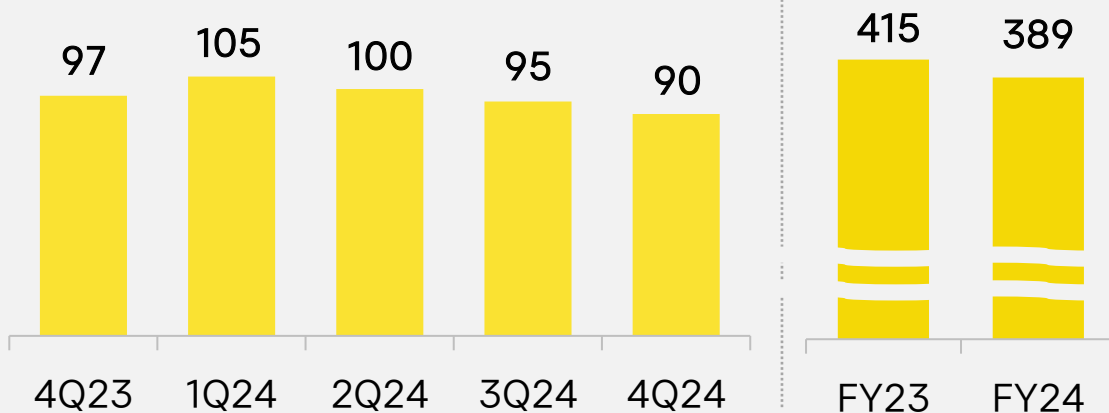


4Q24 -3% YoY, -9% QoQ | FY24 -6% YoY

- (in Yen) GMV +4% YoY, -8% QoQ, Revenue +2% YoY, -5% QoQ
- (YoY) Strong performance from anchor IPs including ‹Solo Leveling : Ragnarok›
- (QoQ) Revenue decline due to low seasonality, but increase in profitability
- No. 1 in total app revenue in Japan for two years

Entertainment

(in bn KRW)

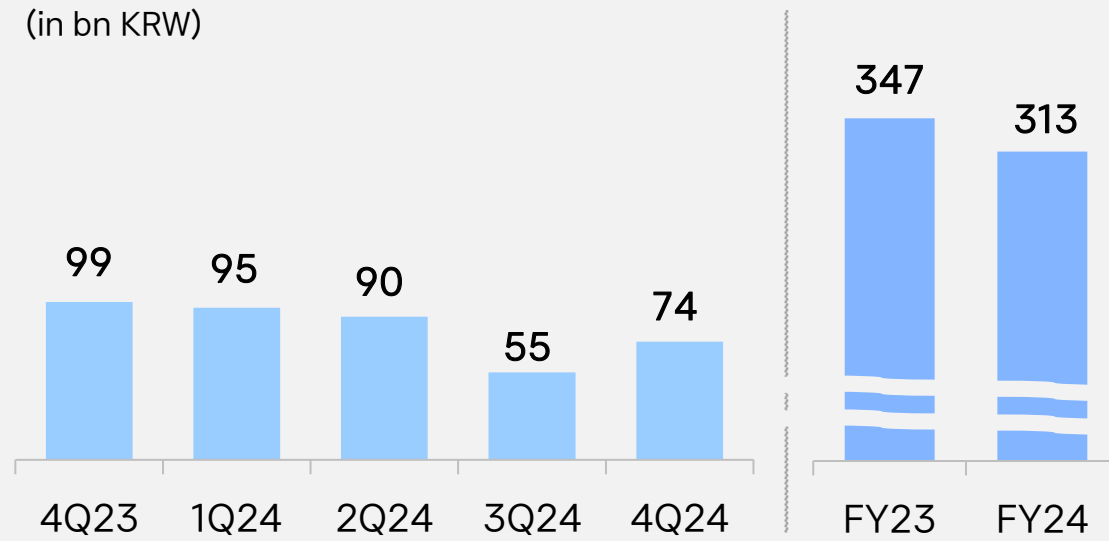


4Q24 -8% YoY, -5% QoQ | FY24 -6% YoY

- (YoY/QoQ) Despite successful secondary adaption releases such as ‹When the Phone Rings›, ‹Light Shop›, external factors intensified traffic concentration on live content

Media

(in bn KRW)



4Q24 -25% YoY, +35% QoQ | FY24 -10% YoY

- (YoY) Slowdown in market led decline in production
- (QoQ) Increase in number of revenue-recognized titles

Earnings Summary

(in bn KRW)	4Q23	3Q24	4Q24	YoY	QoQ	2023	2024	YoY
Total Revenue	1,999	1,921	1,959	-2%	2%	7,557	7,874	4%
Platform	957	943	1,049	10%	11%	3,554	3,903	10%
Talk Biz	538	507	563	5%	11%	1,982	2,106	6%
Portal Biz	88	76	83	-6%	9%	344	332	-4%
Platform-Others	331	360	403	22%	12%	1,228	1,464	19%
Content	1,042	978	910	-13%	-7%	4,003	3,971	-1%
Game	232	234	163	-30%	-30%	1,010	873	-14%
Music	498	471	470	-6%	-0.1%	1,724	1,920	11%
Story	213	219	203	-5%	-7%	922	864	-6%
Media	99	55	74	-25%	35%	347	313	-10%
OPEX	1,838	1,791	1,852	1%	3%	7,096	7,382	4%
Operating Profit	161	131	107	-34%	-18%	461	491	7%
<i>OPM</i>	8.0%	6.8%	5.4%	-2.6%pt	-1.3%pt	6.1%	6.2%	+0.1%pt
Net Profit	(1,917)	79	(277)	CR	TR	(1,817)	(44)	CR
Controlling Interests	(1,112)	106	(132)	CR	TR	(1,013)	149	TB
Non-controlling Interests	(805)	(27)	(145)	CR	CR	(804)	(193)	CR
<i>Net Profit Margin</i>	-	4.1%	-	-	-	-	-	-

Operating Expenses

(in bn KRW)	4Q23	3Q24	4Q24	YoY	QoQ	2023	2024	YoY
Operating Expenses	1,838	1,791	1,852	1%	3%	7,096	7,382	4%
Labor	472	459	467	-1%	2%	1,860	1,886	1%
Cost of Revenue	714	748	744	4%	-1%	2,986	3,108	4%
Outsourcing / Infrastructure	257	194	199	-23%	3%	835	791	-5%
Marketing	104	105	103	-1%	-3%	406	406	-0.04%
Depreciation & Amortization	210	211	246	17%	17%	751	862	15%
Misc.	80	74	94	17%	27%	258	330	28%

4Q Analysis

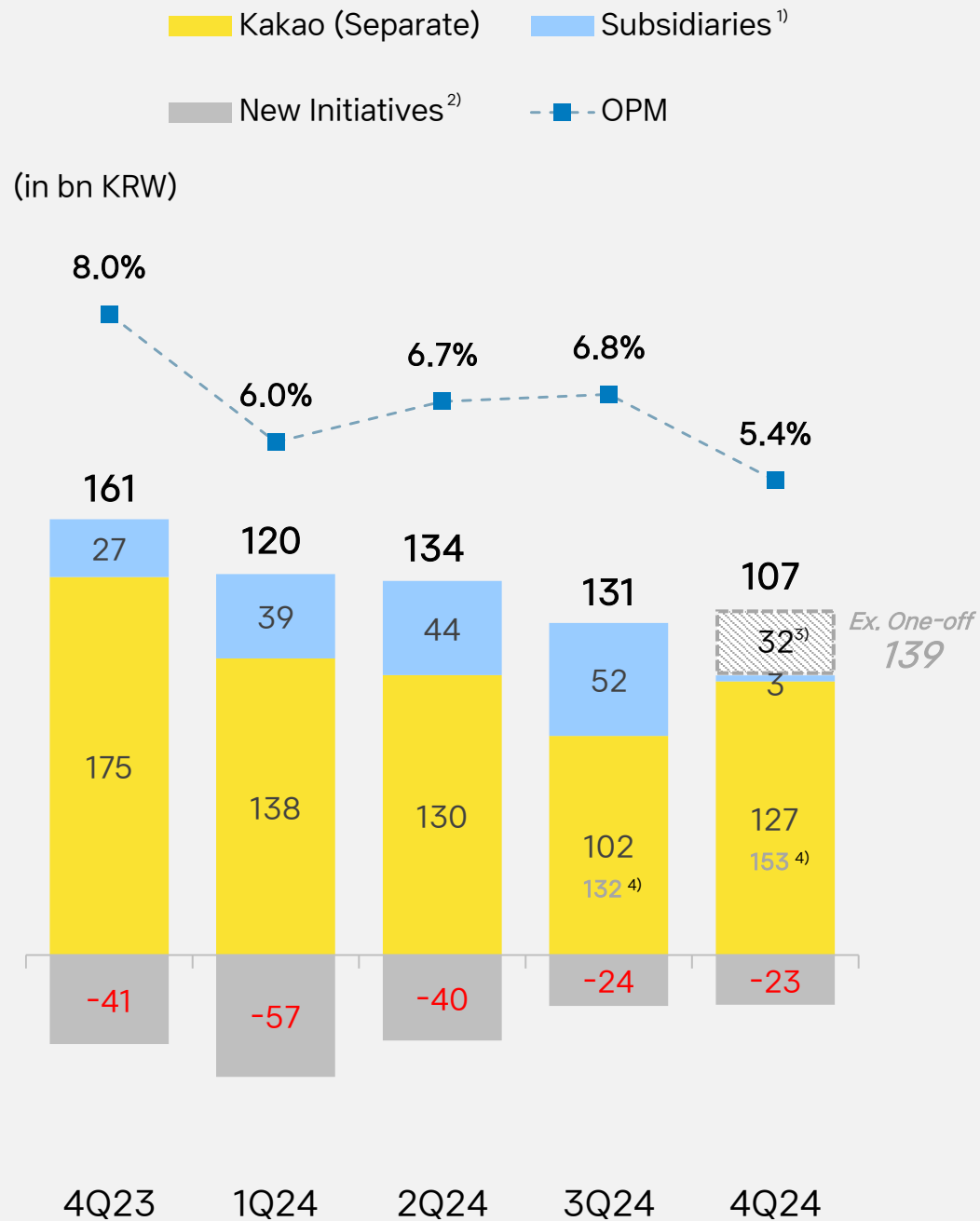
- Labor (YoY/QoQ) Maintained conservative head-count
- Cost of revenue (YoY) Low base effect from SM Entertainment commission fee account reclassification ¹⁾
- Outsourcing / Infrastructure (YoY) High base effect from SM Entertainment commission fee account reclassification ¹⁾
- Marketing (YoY/QoQ) Maintained efficient marketing spend
- Depreciation & Amortization (YoY/QoQ) One-off cost booked by Kakao Pay reclassified from 3Q24 non-operating expenses to operating expenses under bad debt expense

1) Reclassified SM commission fees within the cost of revenue to labor and outsourcing/infrastructure costs, with the full-year impact reflected in 4Q23

Profits

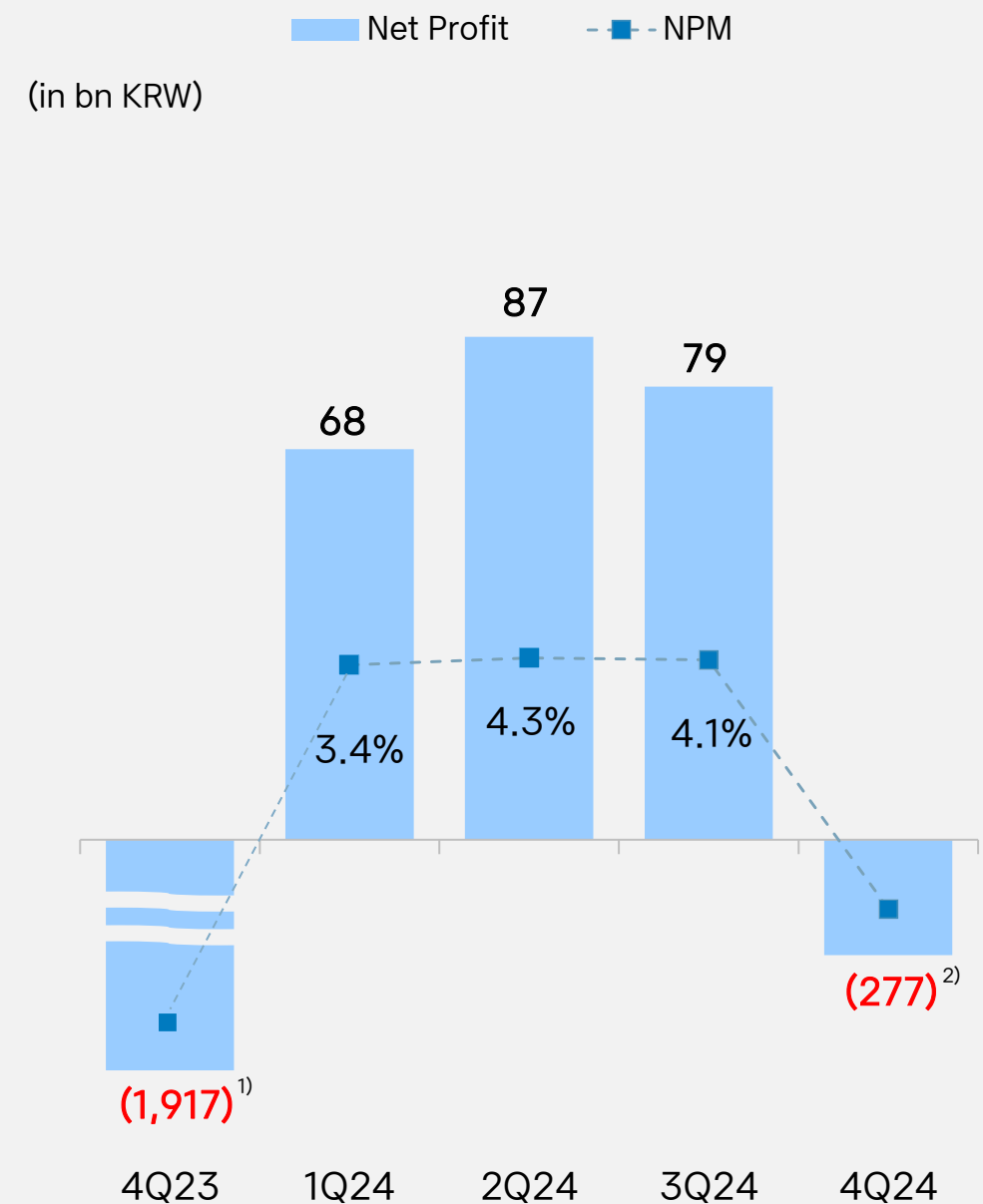
Operating Profit(M)

4Q24 -34% YoY, -18% QoQ



Net Profit(M)

4Q24 CR YoY, TR QoQ



1) Subsidiaries: All business segments ex. Kakao & New Initiatives
 2) New Initiatives: Kakao Enterprise, Kakao Healthcare
 3) 31.5 bn one-off cost booked by Kakao Pay
 4) Kakao standalone operating profit excluding impact of Kakao Brain

1) 4Q23 : Impairment of goodwill (1.4 tn) and PPA impairment (270 bn)
 2) 4Q24 : Impairment of goodwill (227 bn) and equity-method stock impairment losses (80.8 bn)

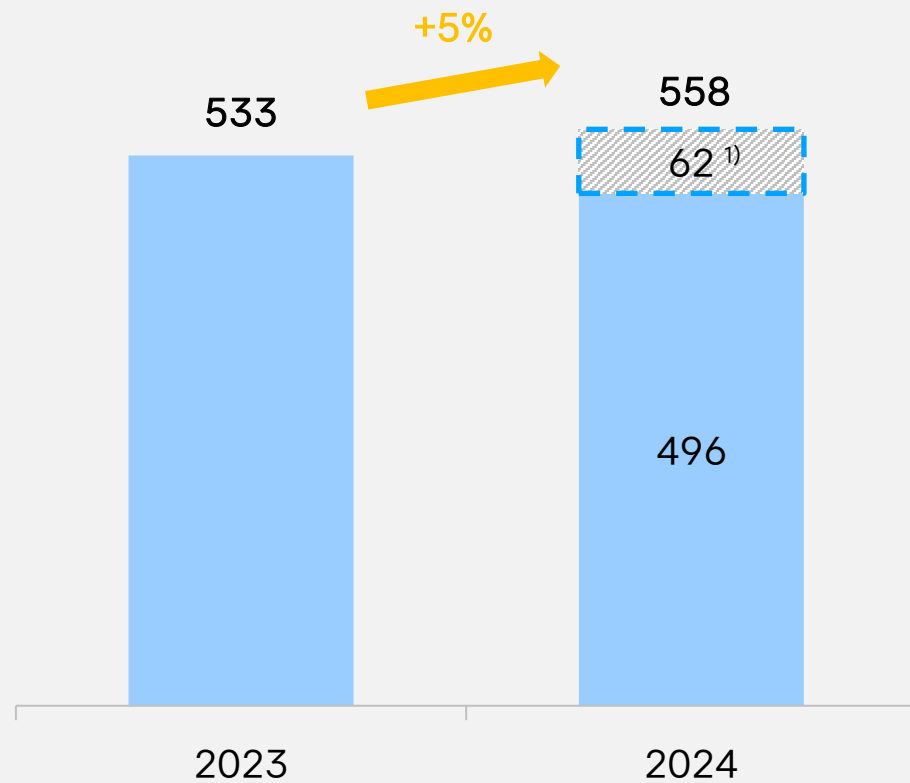
Profits (Core-biz)

Despite active AI investments, solid profits secured through core-biz growth

Separate Operating Profit

(in bn KRW)

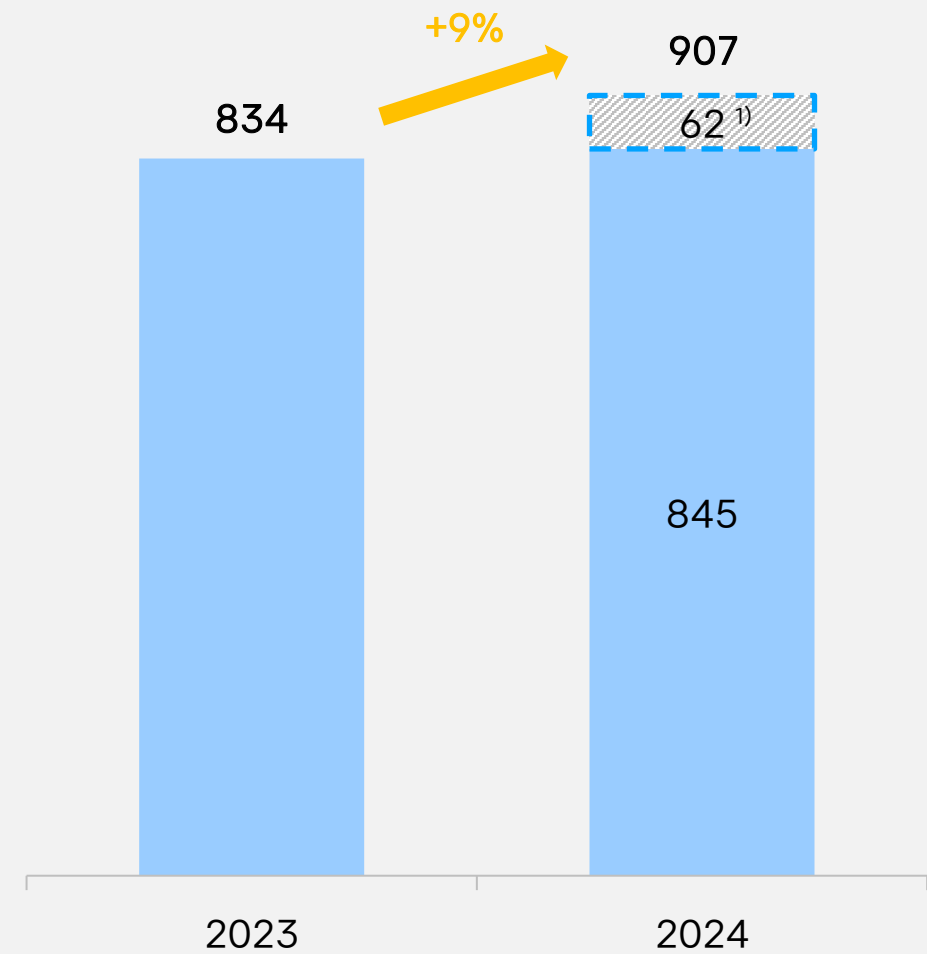
■ Separate Operating Profit ▨ Kakao Brain



Separate Adjusted EBITDAR²⁾

(in bn KRW)

■ Separate EBITDAR ▨ Kakao Brain



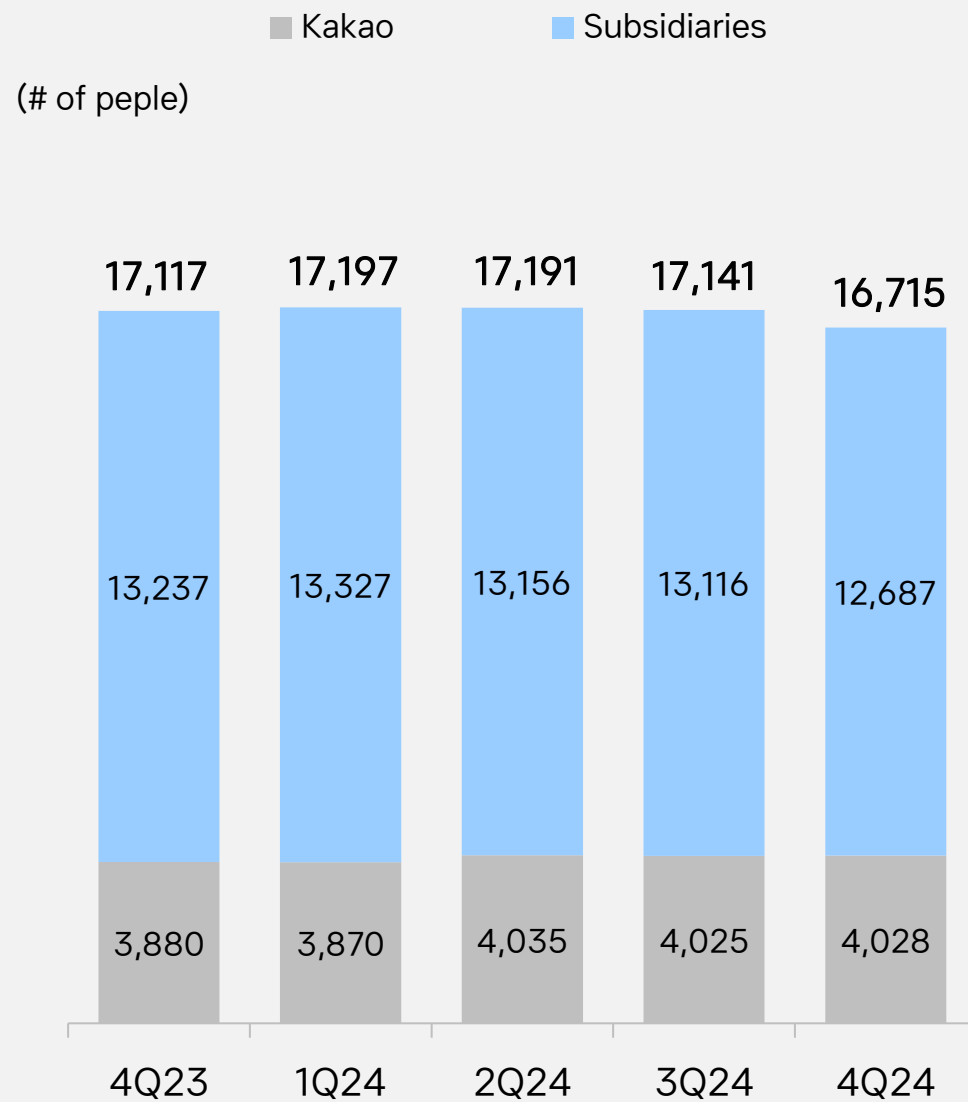
1) Kakao Brain accumulated expenses (62.1bn) from June to Dec 2024

2) Adjusted EBITDAR: EBITDAR + stock-based compensation

Employees / CapEx

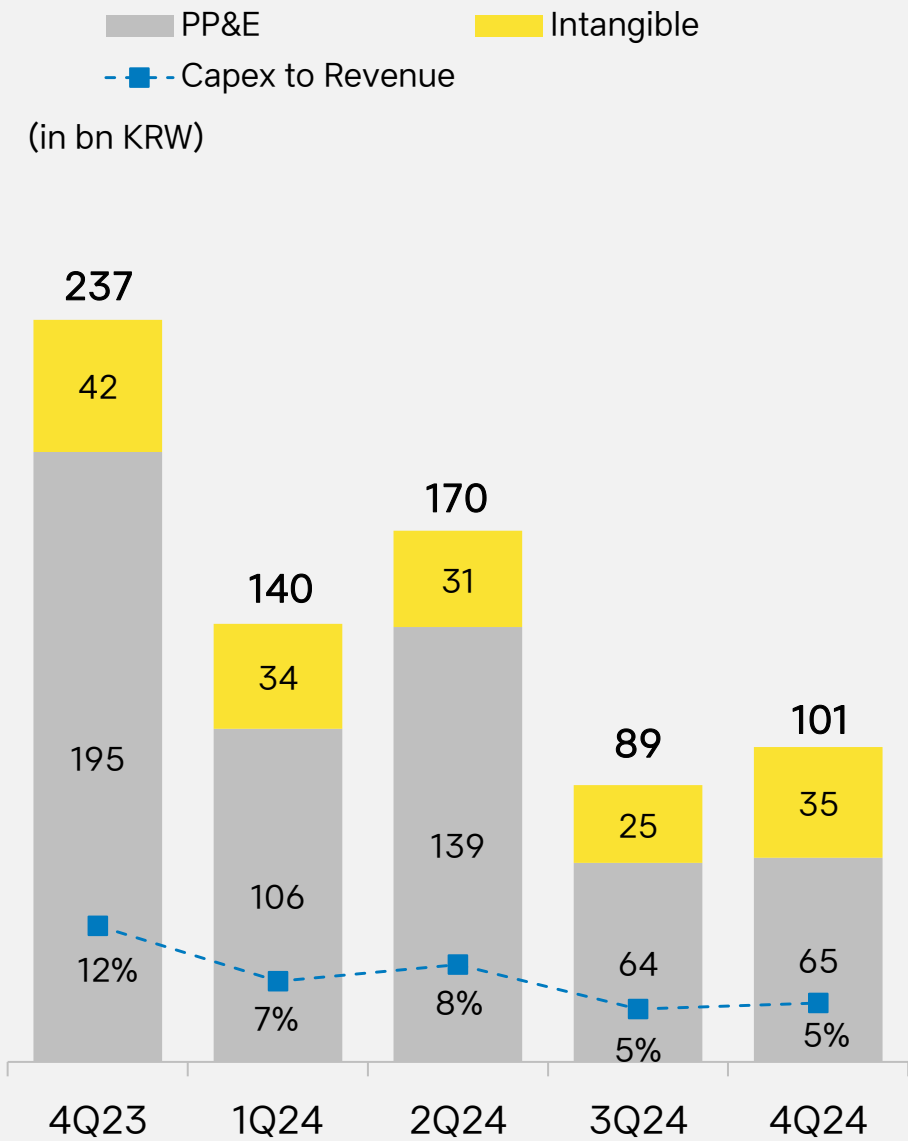
Employees

Subsidiary divestments and conservative hiring -402 YoY, -426 QoQ



CapEx

Impact of in-house data center construction and AI investments -126 bn YoY, Increase in content IP-related intangible assets +12 bn QoQ



- 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



Published 2024 Kakao Group Tech Ethics Report

- Established three key tech ethics policies: New Kakao AI ethics provisions, Core checklist for safe AI, Internal Guideline for generative AI usage
- Executed 40 tech ethics initiatives in 2024, focusing on safety, transparency, fairness, and privacy



Awarded '2024 Korea Co-Growth Grand Prize'

- Provided digital training, Talk Channel messaging support, marketing assistance through 'Dangol Project'
- Supported SMB digital transition, creating 2,800 new Talk Channels and gathering 730k channel friends



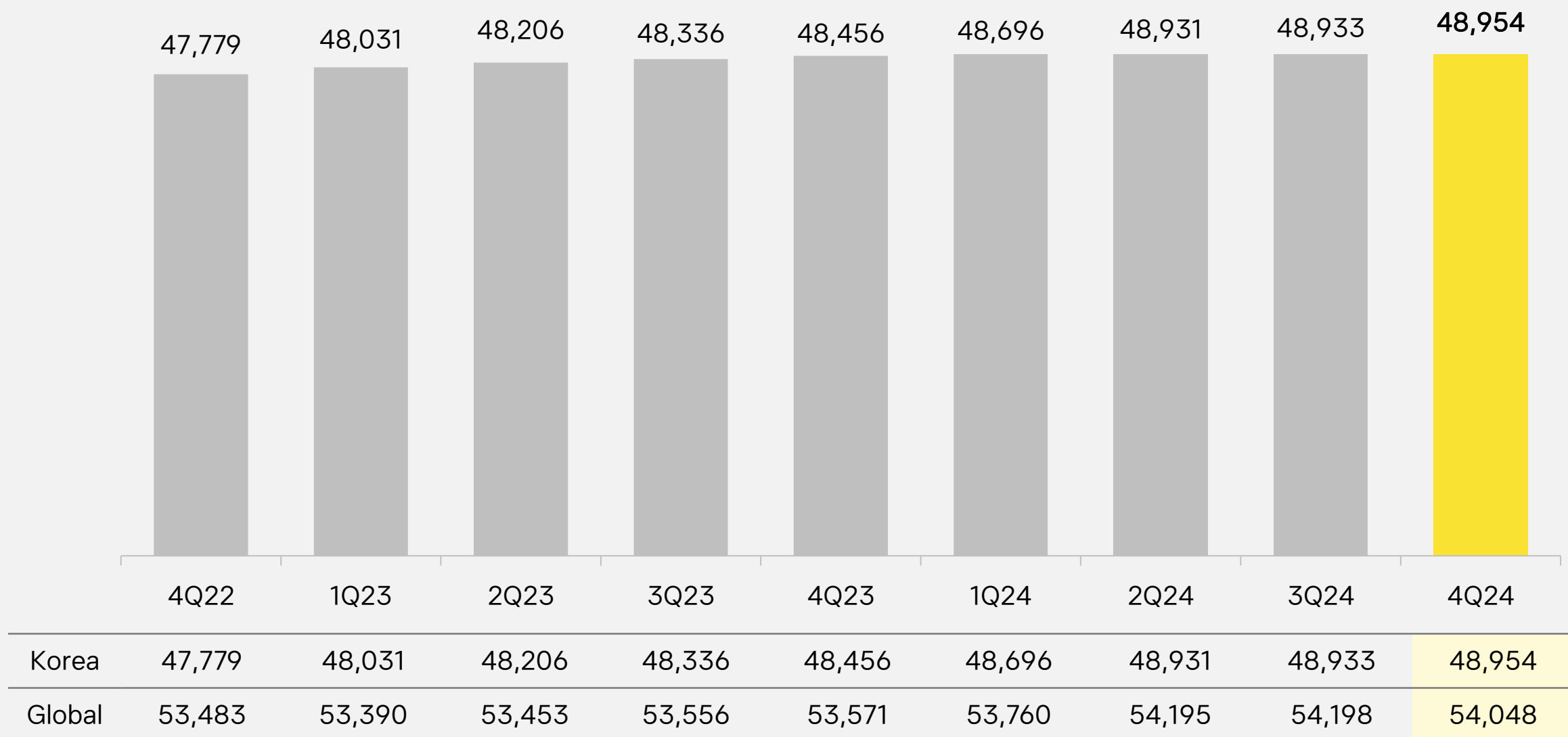
Obtained 'ISO 22301' certification for BCMS

- Global-level business continuity management with proven resilience in incident and disaster response
- Established a robust system for rapid response and recovery in incidents and disasters, from risk identification through service impact analysis to crisis response

KakaoTalk MAU

Maintaining a stable 49 million domestic MAU

(in thousands)



Average of monthly MAUs. Global includes domestic MAUs.

Thank You

