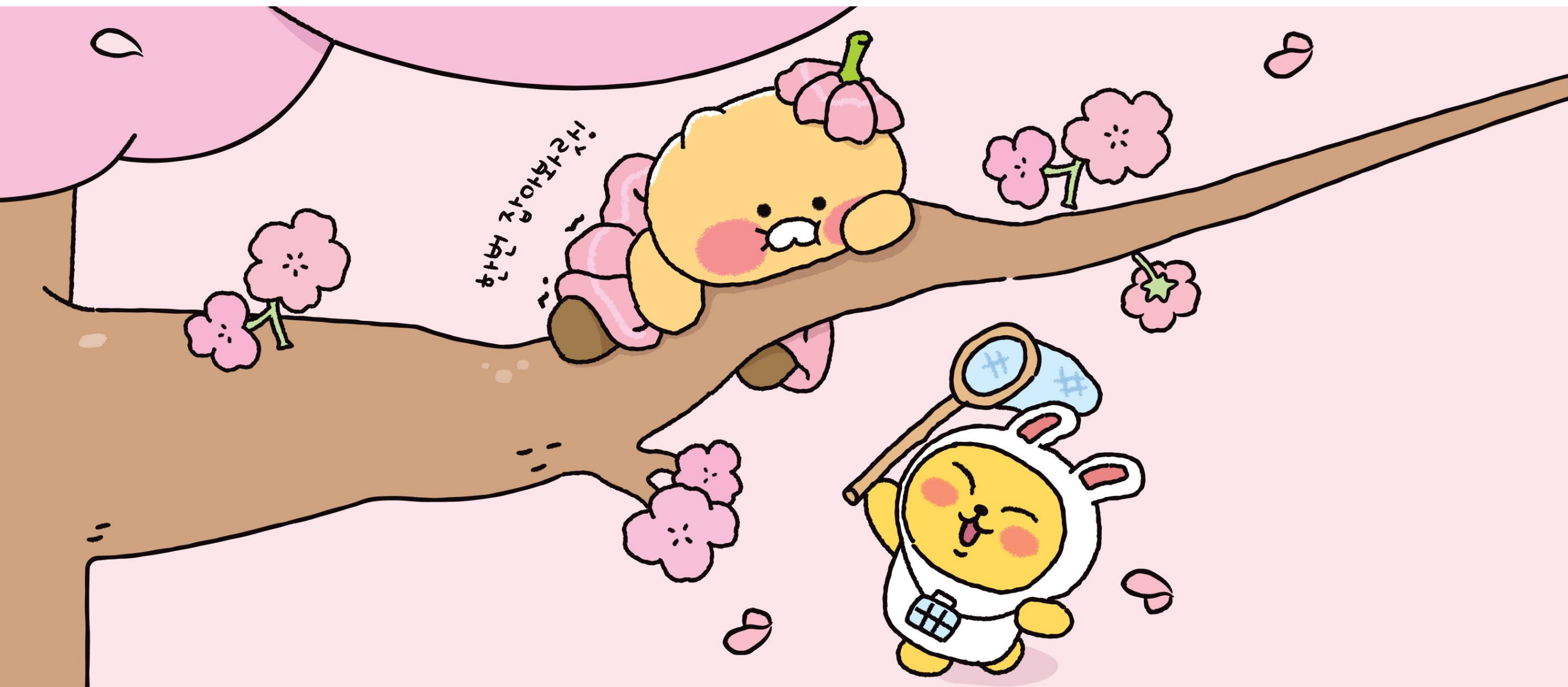


kakao

Q1 2025 Earnings Results

2025. 5. 8 | Kakao Investor Relations



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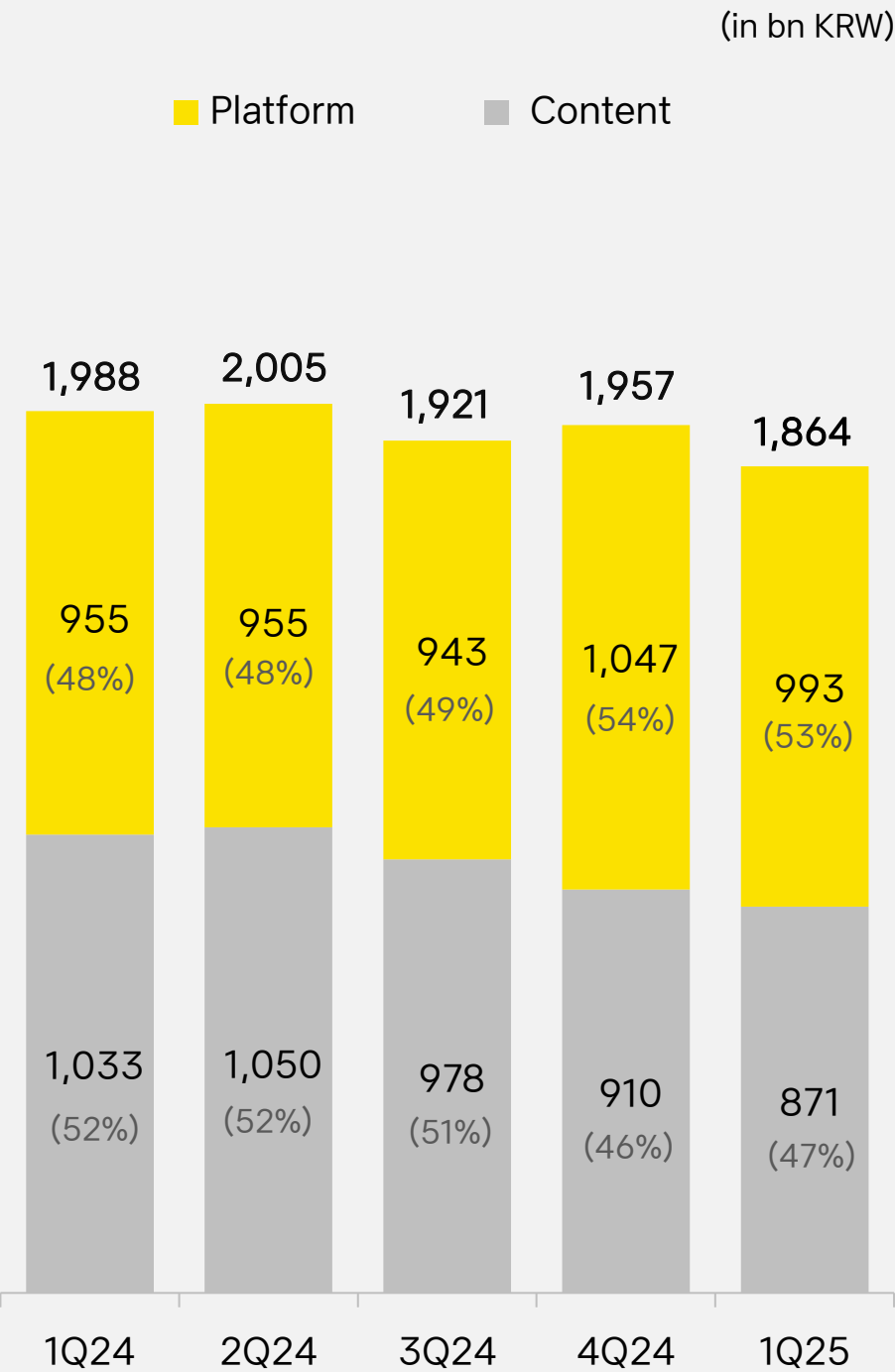
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Revenue

Q1 Revenue -6% YoY / -5% QoQ

Q1 MIX : Platform 53%, Content 47%



Revenue Breakdown		
Platform	Talk Biz	Advertising : Bizboard, Talk Channel, Emoticon
		Commerce : Gift, Store, Kakao Friends Online
	Portal Biz	Daum PC / Mobile Kakao Story / Style / Page Other Subsidiaries' Ad
	Platform- Others	Mobility Pay Enterprise Makers ¹⁾ Healthcare Other Subsidiaries
	Game	Mobile PC Other
	Music	SM Entertainment Melon Digital Music Distribution Album Distribution Music Production
Content	Story	Entertainment
		Piccoma
	Media	Video Production Talent Agency

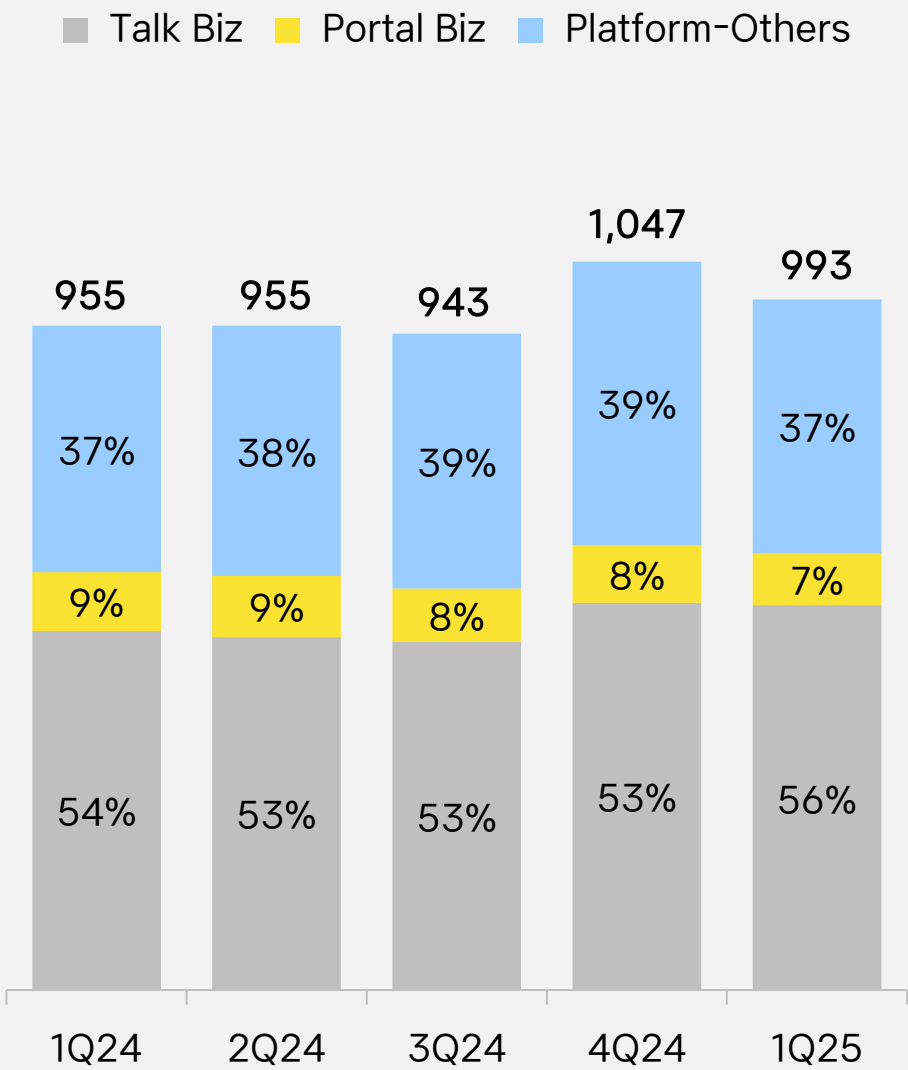
1) Reclassified Makers from Talk Biz/Commerce to Platform-Others from 1Q24

Revenue

Platform

1Q25 +4% YoY, -5 QoQ

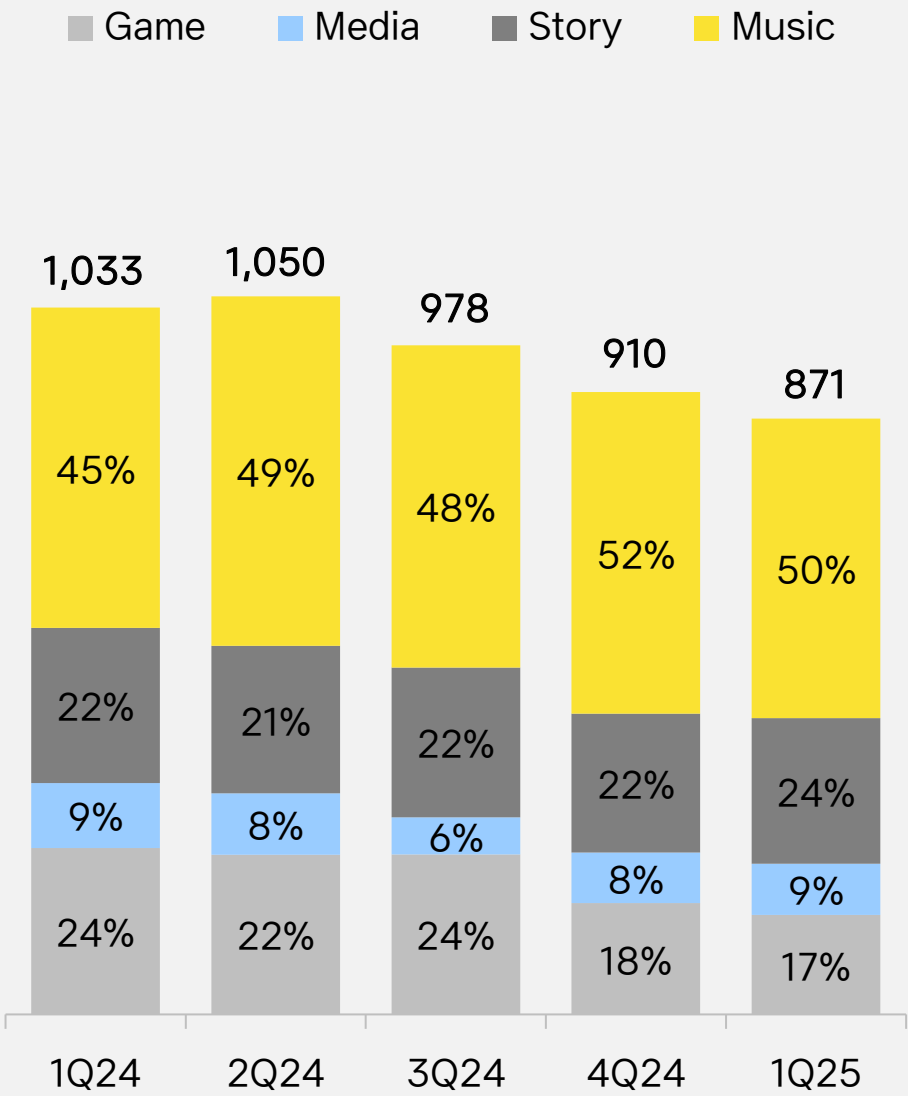
(in bn KRW)



Content

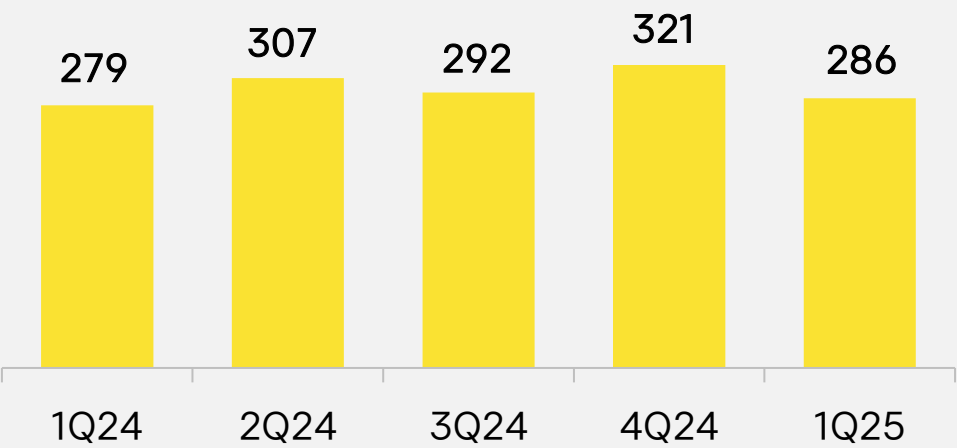
1Q25 -16% YoY, -4% QoQ

(in bn KRW)



Advertising

(in bn KRW)

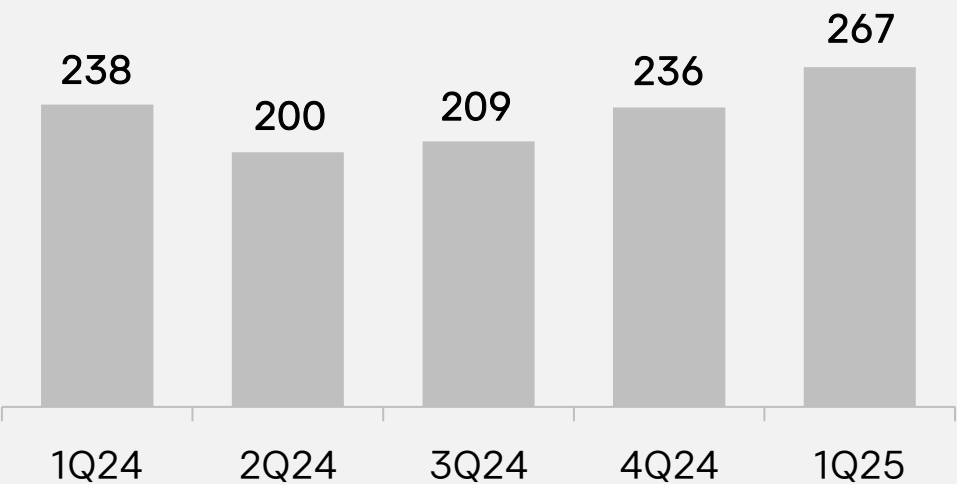


1Q25 +3% YoY, -11% QoQ

- (YoY) Solid performance in business messaging, despite extended Lunar New Year holidays and sluggish commerce/fashion sectors
- (QoQ) Low seasonality

Commerce

(in bn KRW)

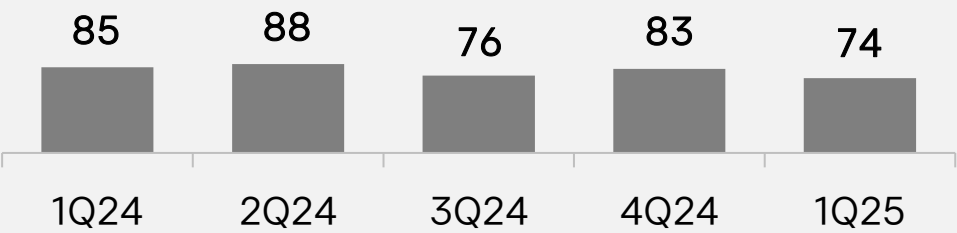


1Q25 +12% YoY, +13% QoQ

- Total Commerce GMV: 2.6tn, +3% YoY, -2% QoQ
- Talk Gift GMV: +4% YoY, +5% QoQ
- (YoY/QoQ) Optimized gift curation for Lunar New Year and expanded self-purchase promotions
- Stronger revenue growth led by increased 1P sales and mix improvement from high-margin Kakao Shopping Live

Portal Biz

(in bn KRW)

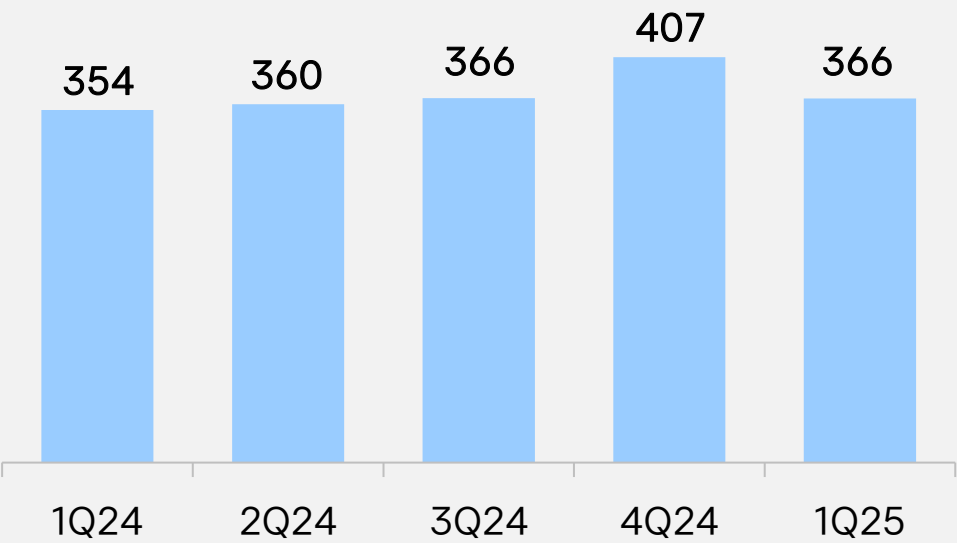


1Q25 -12% YoY, -11% QoQ

- (YoY) Decrease in traffic due to reduced news accessibility after app revamp
- (QoQ) Low seasonality

Platform-Others

(in bn KRW)

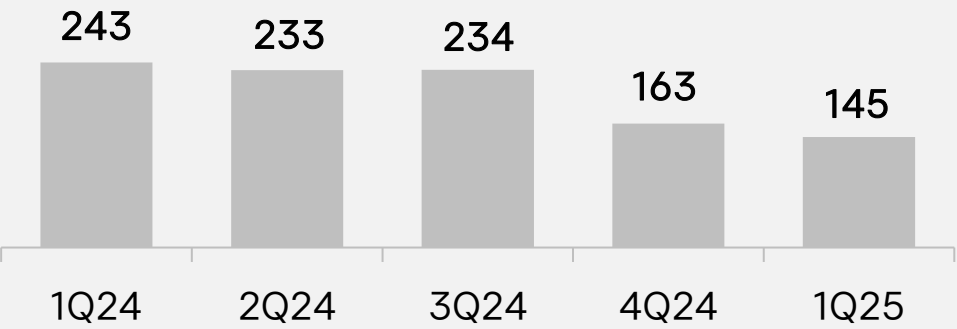


1Q25 +3% YoY, -10% QoQ

- **Mobility** : Domestic travel demand contracted as overseas travel increased during Lunar New Year holidays
- **Pay** : Sustained double-digit revenue growth, first quarterly operating profit driven by Pay Securities and cost optimization

Game

(in bn KRW)

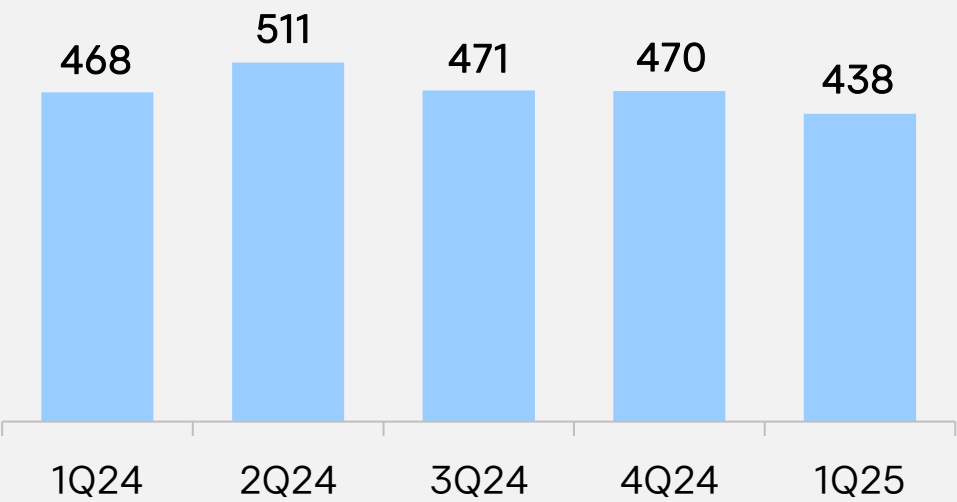


1Q25 -40% YoY , -11% QoQ

- (YoY/QoQ) Low revenue contribution from new titles and revenue decline of existing titles

Music

(in bn KRW)

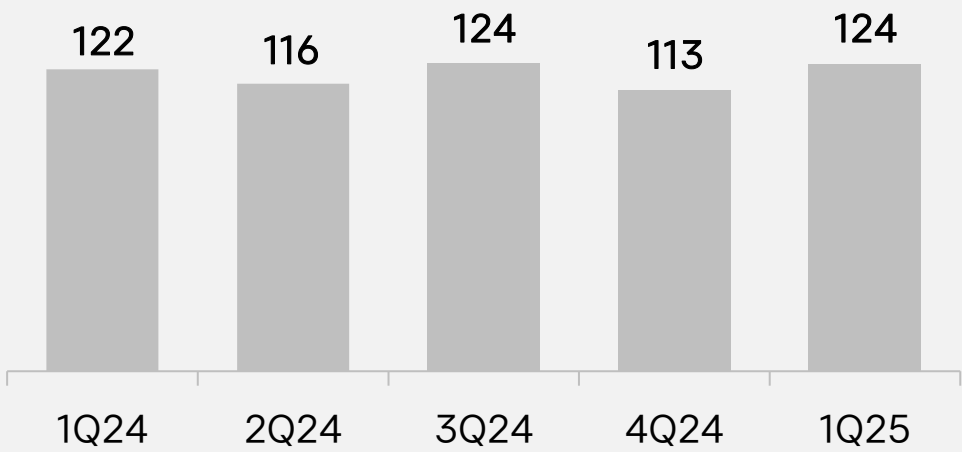


1Q25 -6% YoY, -7% QoQ

- (Label) Enhanced IP line-up with the debut of new K-pop bands despite high-base effect from major IP releases prior year
- (Distribution) Maintained solid No.1 market position
- (Melon) Continuous focus on profitability

Piccoma

(in bn KRW)

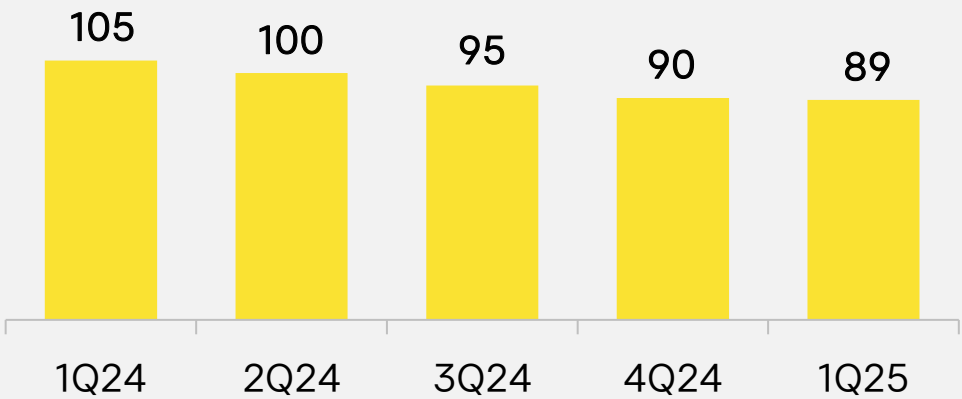


1Q25 +2% YoY, +9% QoQ

- (in JPY) GMV +2% YoY, -1% QoQ
Revenue -2% YoY, +1% QoQ
- (YoY) Decreased revenue due to increase in proportion of net revenue recognizing titles
- (QoQ) Increased paying revenue via efficient marketing
- Double-digit OPM for two consecutive quarters thanks to strategic marketing execution

Entertainment

(in bn KRW)

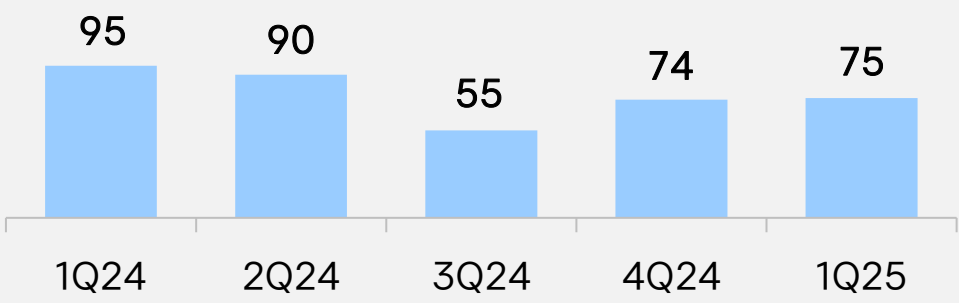


1Q25 -15% YoY, -1% QoQ

- (YoY) Maintained efficient marketing execution
- (QoQ) Thanks to low-base from last quarter and peak seasonality (Lunar New Year)
- Continued IP Enhancement : Web-novel 〈Under the Oaktree〉 and its spin-off launched in April

Media

(in bn KRW)



1Q25 -21% YoY, +2% QoQ

- (YoY) Prolonged industry-wide contraction in programming
- (QoQ) Increase in number of revenue-recognized titles

Earnings Summary

(in bn KRW)	1Q24	4Q24	1Q25	YoY	QoQ
Total Revenue	1,988	1,957	1,864	-6%	-5%
Platform	955	1,047	993	4%	-5%
Talk Biz	516	557	553	7%	-1%
Portal Biz	85	83	74	-12%	-11%
Platform-Others	354	407	366	3%	-10%
Content	1,033	910	871	-16%	-4%
Game	243	163	145	-40%	-11%
Music	468	470	438	-6%	-7%
Story	227	203	213	-6%	5%
Media	95	74	75	-21%	2%
OPEX	1,868	1,882	1,758	-6%	-7%
Operating Profit	120	75	105	-12%	40%
<i>OPM</i>	6.0%	3.9%	5.7%	-0.4%pt	+1.8%pt
Net Profit	68	-395	191	182%	TB
Controlling Interests	74	-225	169	129%	TB
Non-controlling Interests	-6	-170	22	TB	TB
<i>Net Profit Margin</i>	3.4%	-	10.2%	6.8%pt	TB

Operating Expenses

(in bn KRW)	1Q24	4Q24	1Q25	YoY	QoQ
Operating Expenses	1,868	1,882	1,758	-6%	-7%
Labor	479	498	479	-0.02%	-4%
Cost of Revenue	820	654	701	-15%	7%
Outsourcing / Infrastructure	202	288	206	2%	-28%
Marketing	89	103	87	-3%	-16%
Depreciation & Amortization	198	246	206	4%	-16%
Misc.	80	93	79	-1%	-15%

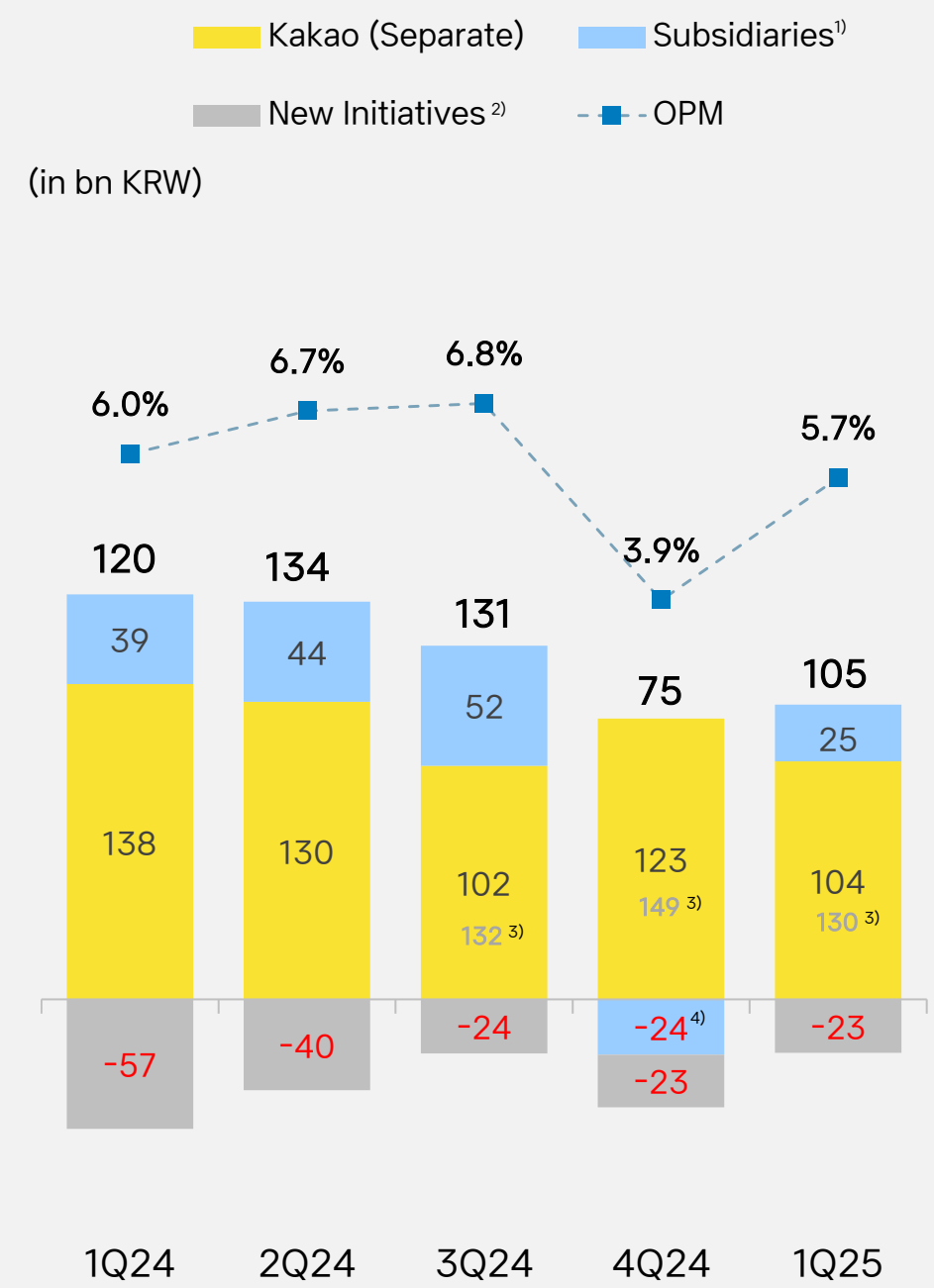
1Q Analysis

- Labor** (YoY) Maintained conservative hiring
 (QoQ) High-base effect from recognition of one-off expense by a subsidiary
- Cost of revenue** (YoY) Decreased content revenue
 (QoQ) Low base effect from SM Entertainment accounting reclassification
 (Cost of Revenue → Outsourcing/Infrastructure)
- Outsourcing / Infrastructure** (QoQ) High base effect from SM Entertainment accounting reclassification
- Marketing** (YoY/QoQ) Maintained efficient marketing spend, notably reduced at Piccoma
- Depreciation & Amortization** (YoY) Increase in investment in AI and machinery related to self-owned and newly leased data centers
 (QoQ) High base effect from One-off bad debt expense (31.5bn) booked by Kakao Pay

Profits

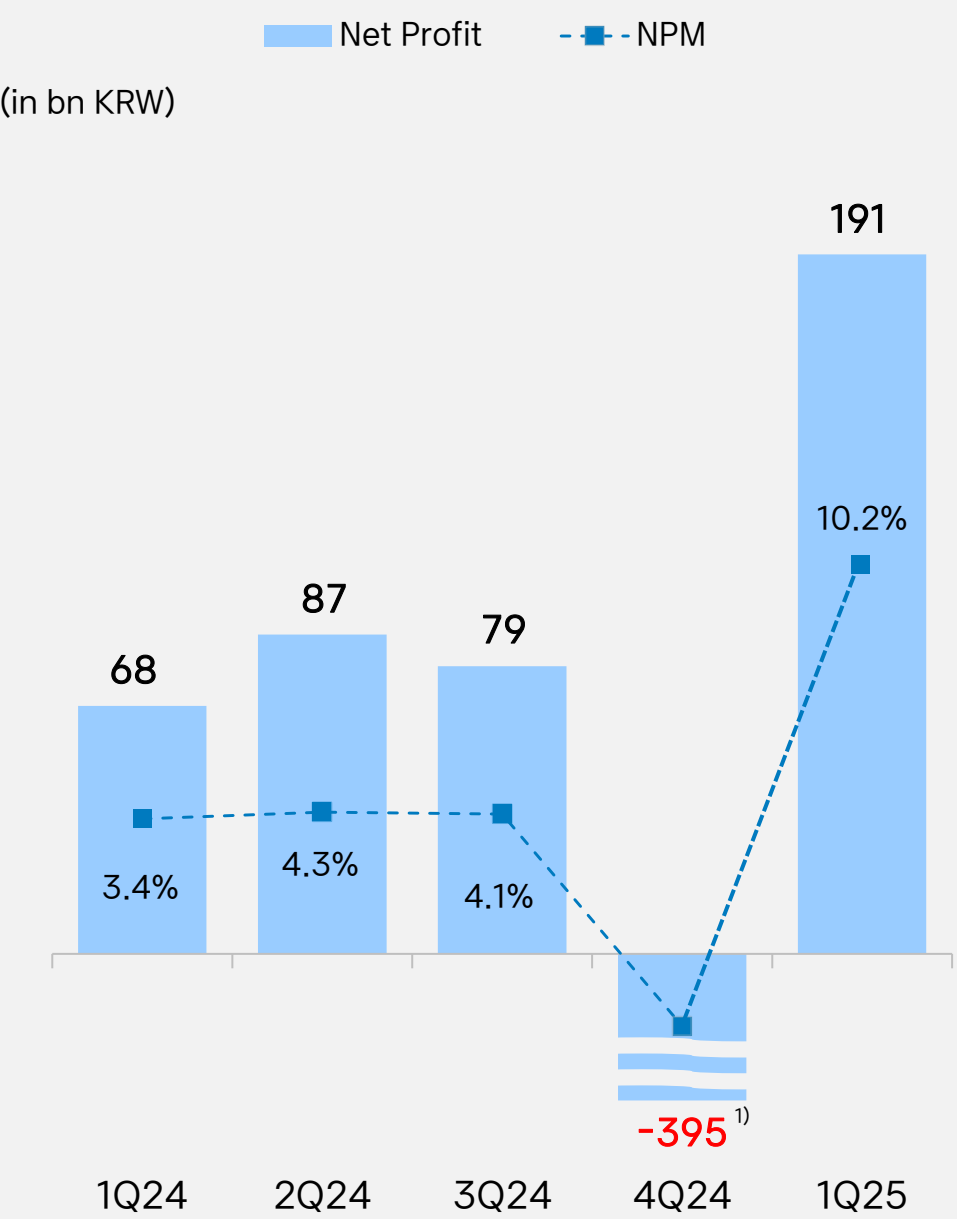
Operating Profit(M)

1Q25 -12% YoY, +40% QoQ



Net Profit(M)

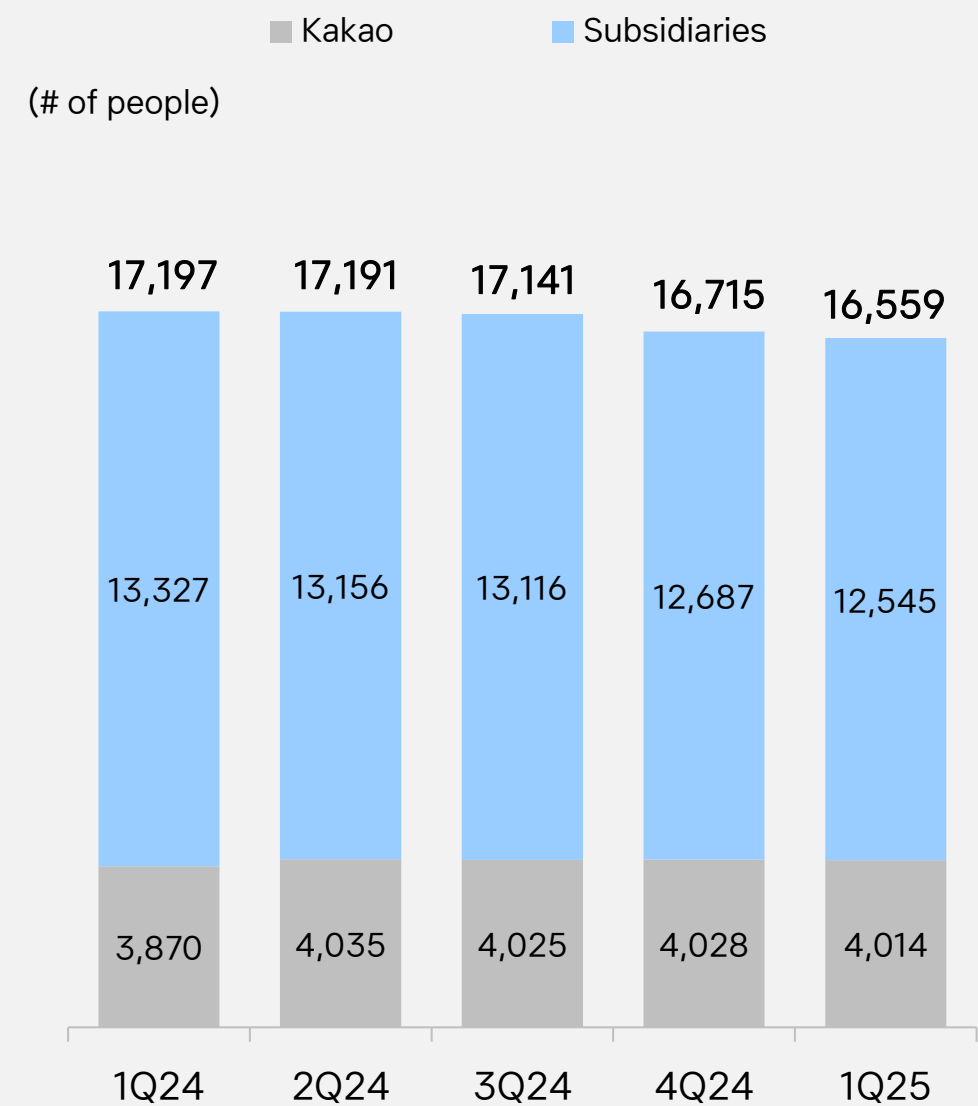
1Q25 +182% YoY, TB QoQ
Gain on equity-method disposal (+53.7bn) of DEARU



Employees / CapEx

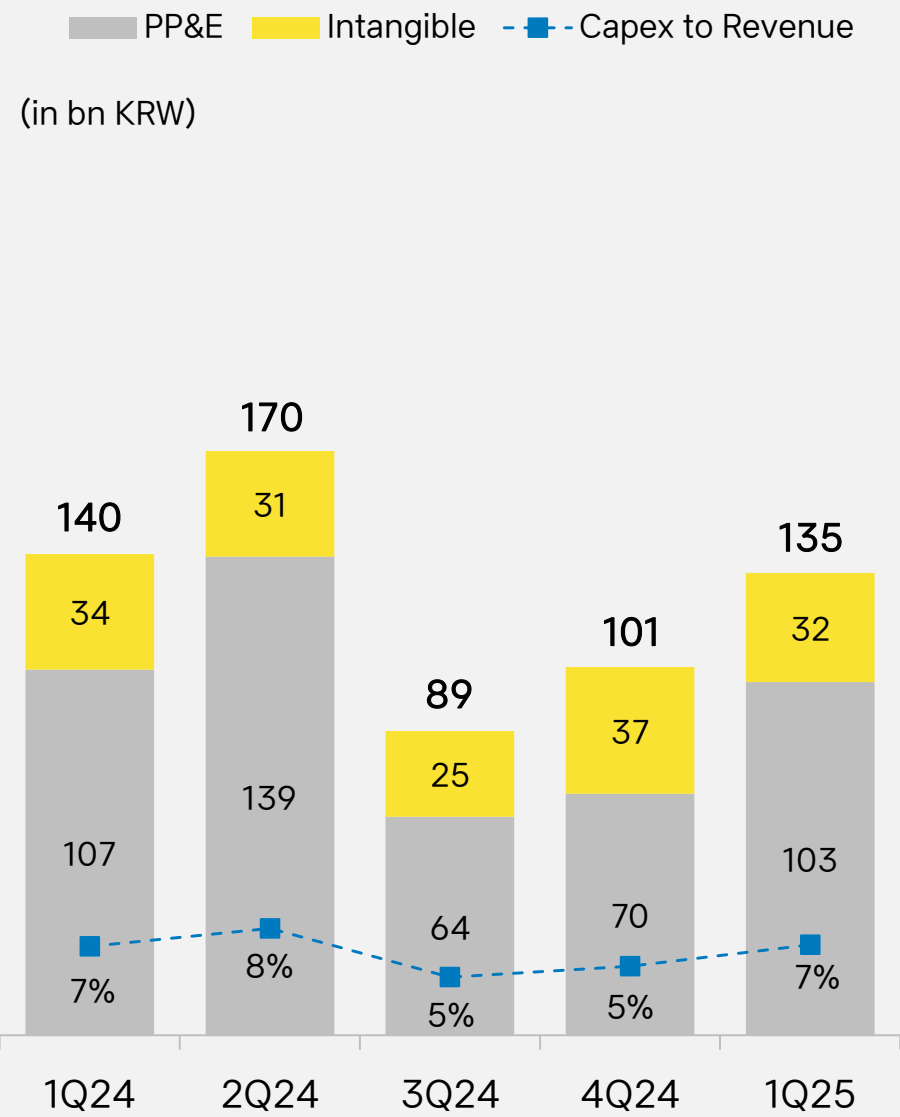
Employees

1Q25 -638 YoY, -156 QoQ
Subsidiary divestments and conservative hiring



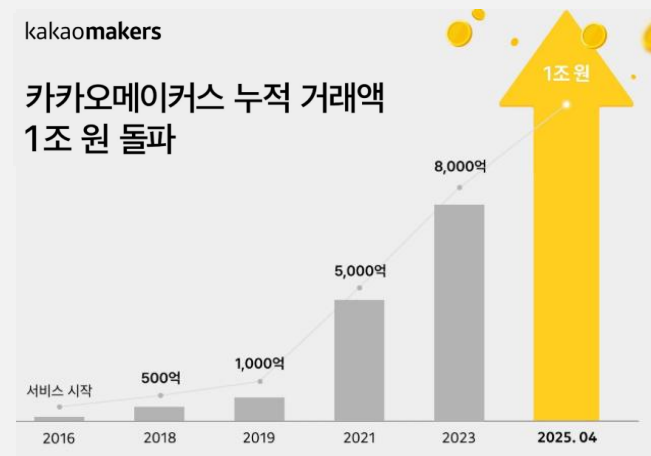
CapEx

1Q25 -5.5bn YoY, +27.4bn QoQ
PP&E increased QoQ due to AI related new services



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



Achieved Top Ratings in Global ESG Assessments

- Received "Leadership A" rating for second straight year in CDP's 2024 Climate assessment
- Ranked in top 1% for third consecutive year in S&P Global's Corporate Sustainability Assessment (CSA)

Kakao Makers Surpasses KRW 1 Trillion in Transactions

- Enabled 36.5M product sales with 8,200+ manufacturers and creators, joined by 3M+ users in group orders
- Driving positive social and environmental change by supporting local farms and upcycling resources into new products

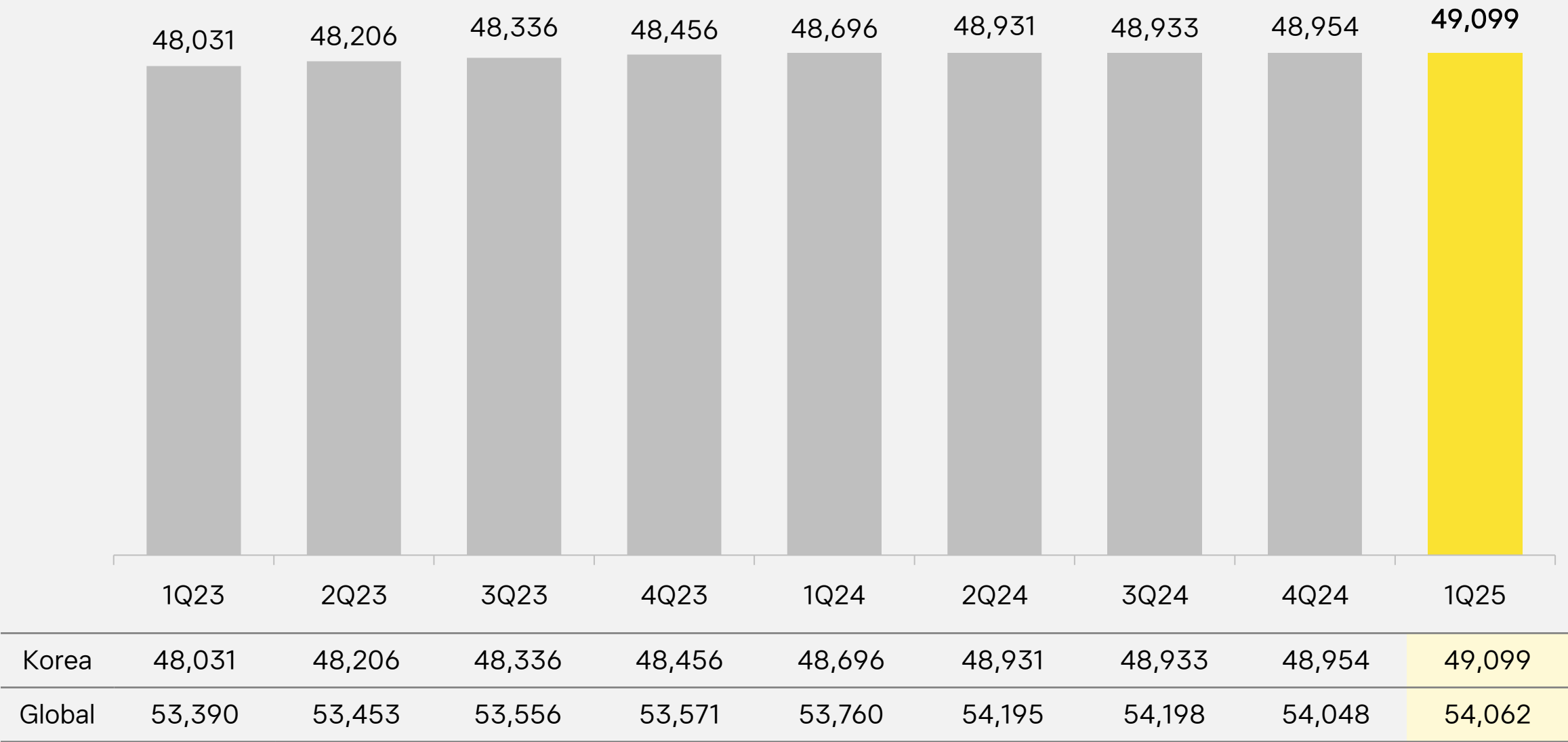
'Kakao Together' Raises KRW 10 Billion for Wildfire Relief

- Emergency fundraising campaign launched for large-scale wildfires in Gyeongnam, Gyeongbuk, and Ulsan
- 1.87 million users joined, and Kakao Corp. pledged to donate KRW 1,000 for every supportive comment

KakaoTalk MAU

Maintaining a stable 49 million domestic MAU

(in thousands)



Average of monthly MAUs. Global includes domestic MAUs.

Thank You

