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Q3 2025 Earnings Results

2025. 11. 7 | Kakao Investor Relations

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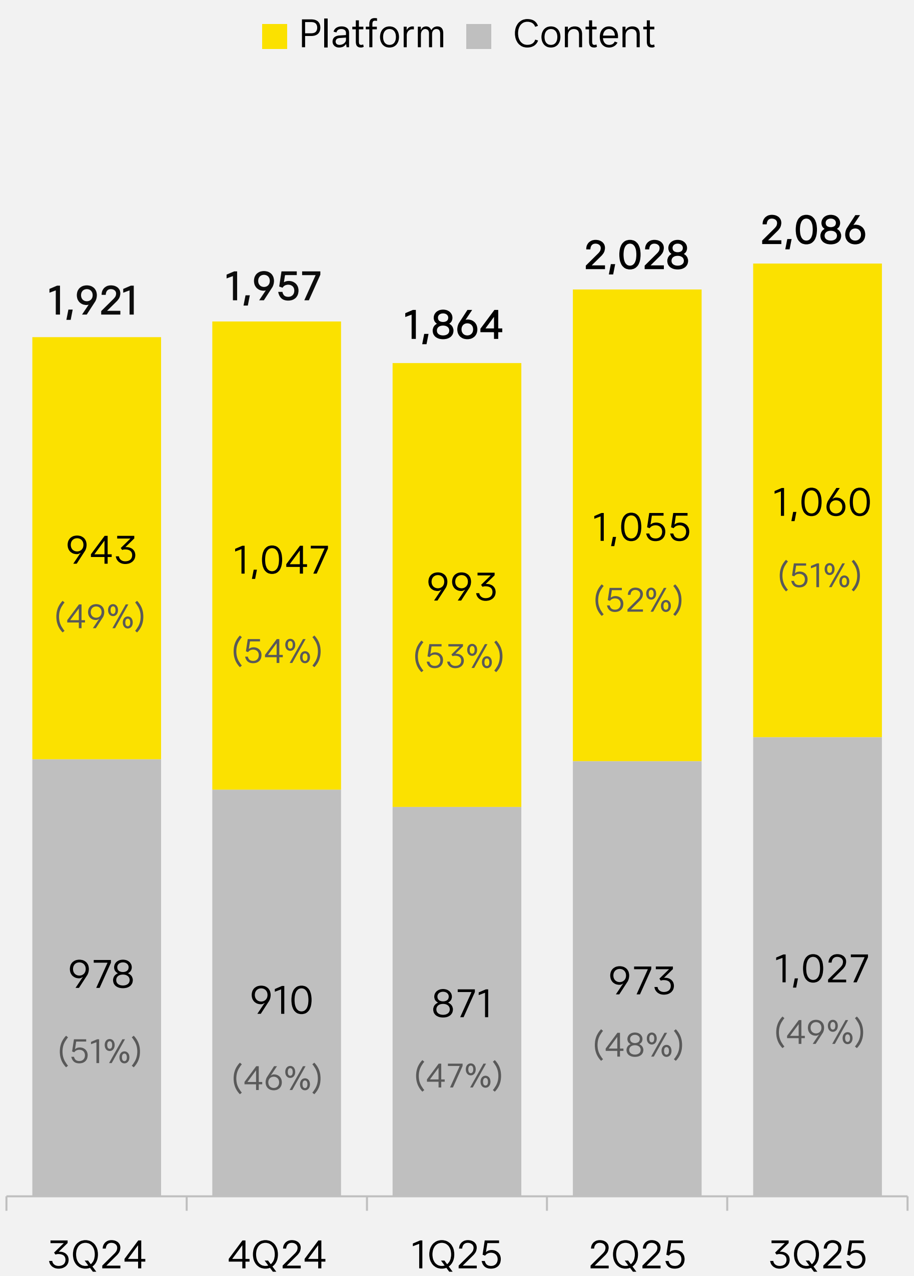
Revenue

Q3 Revenue +9% YoY / +3% QoQ

Q3 MIX : Platform 51%, Content 49%

(in bn KRW)



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

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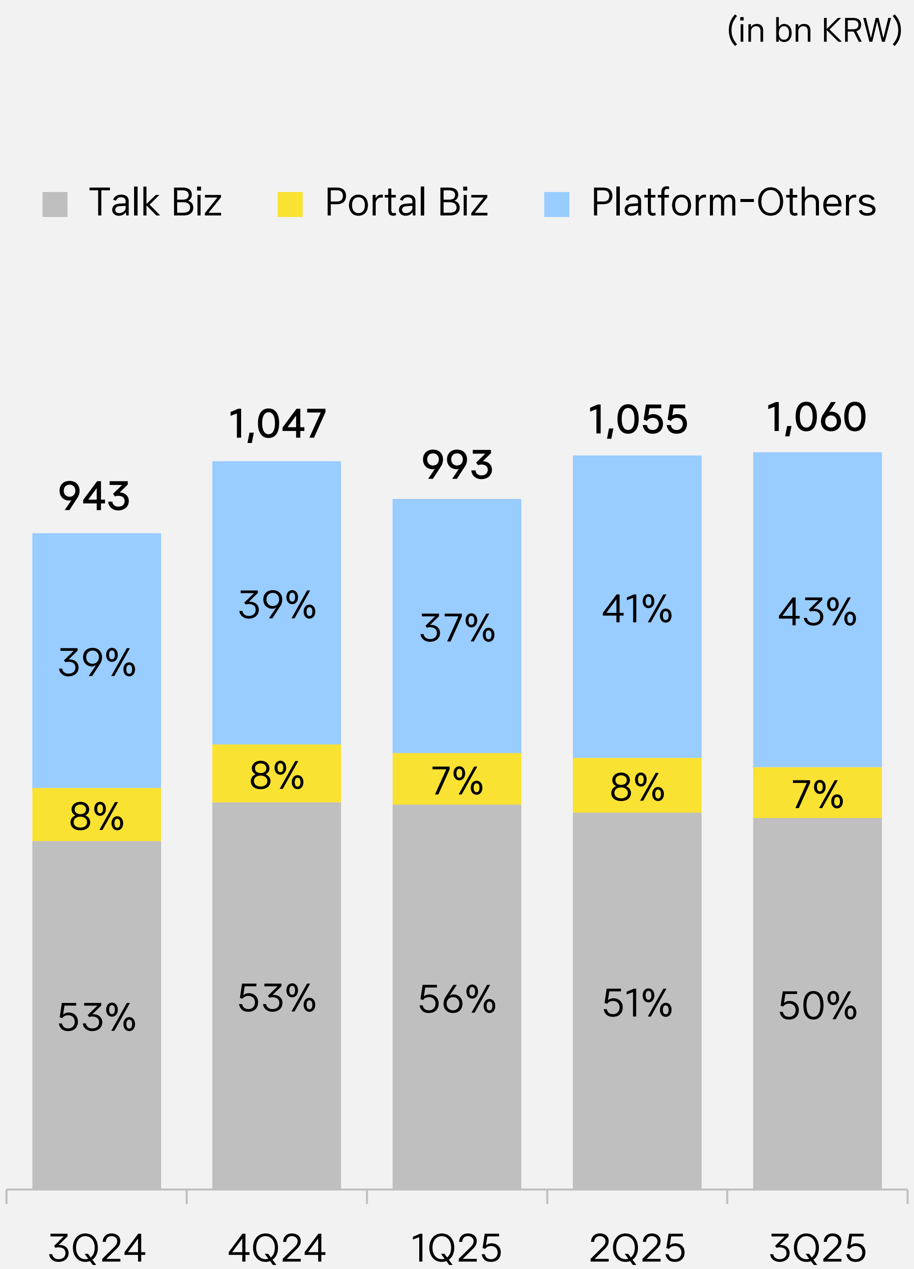
Revenue

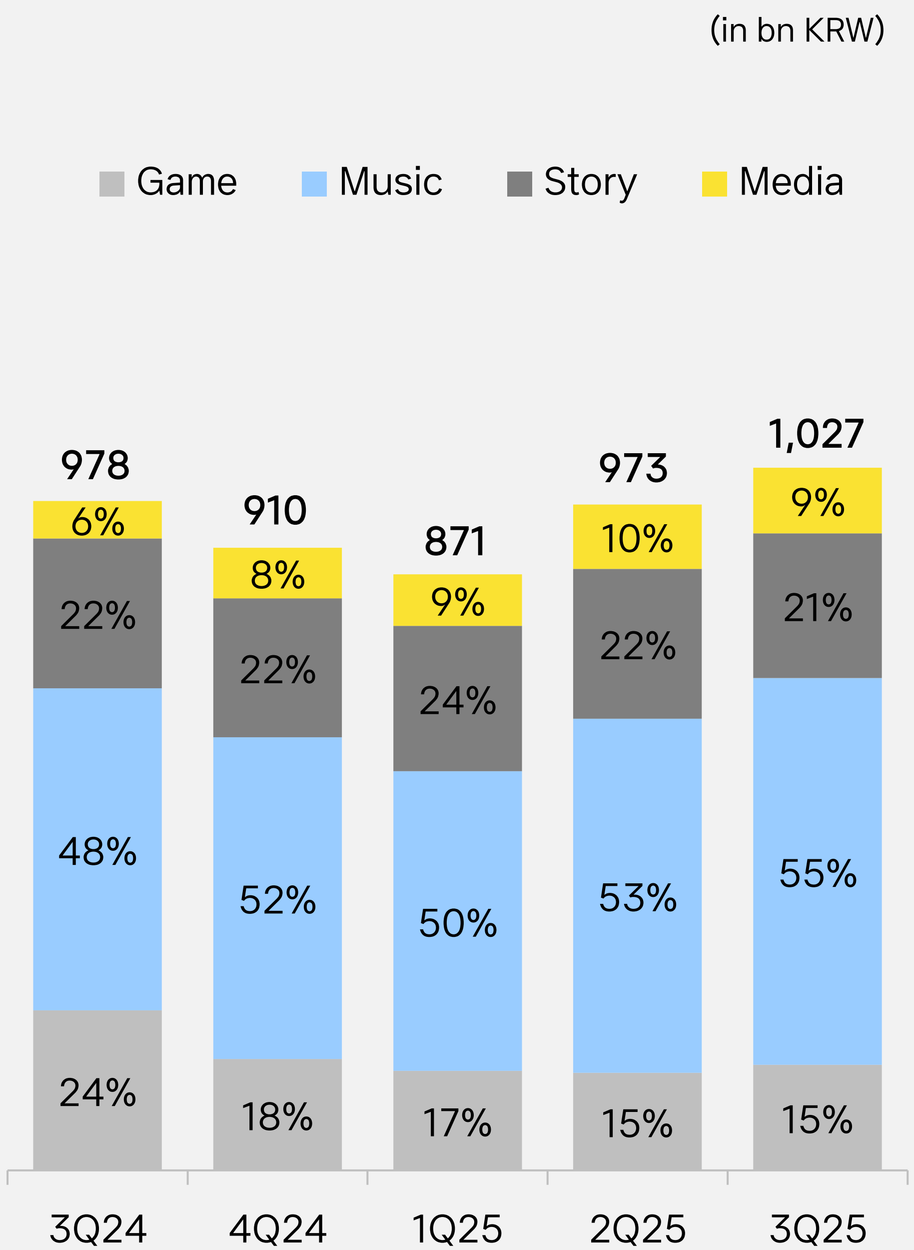
Platform

3Q25 +12% YoY, +0.4% QoQ



Content

3Q25 +5% YoY, +6% QoQ



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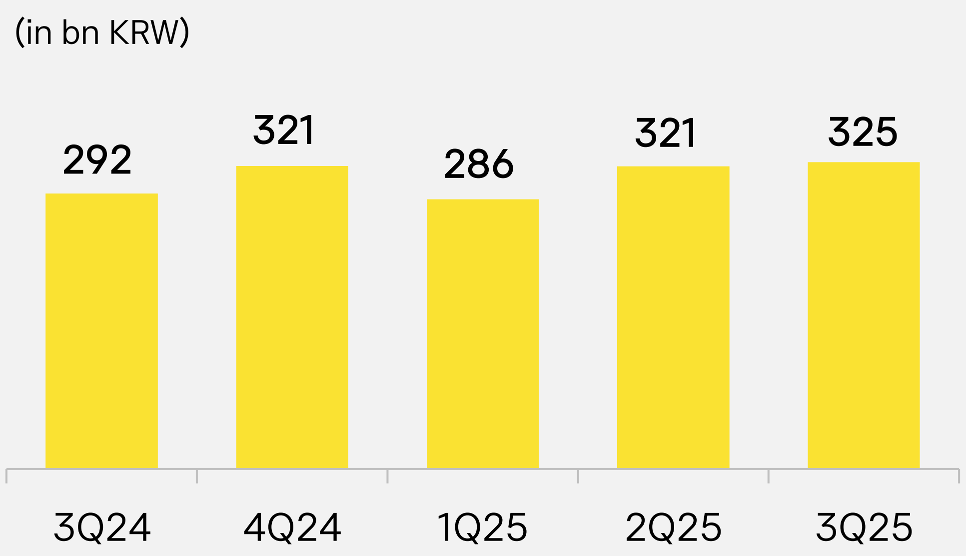
Platform | Talk Biz

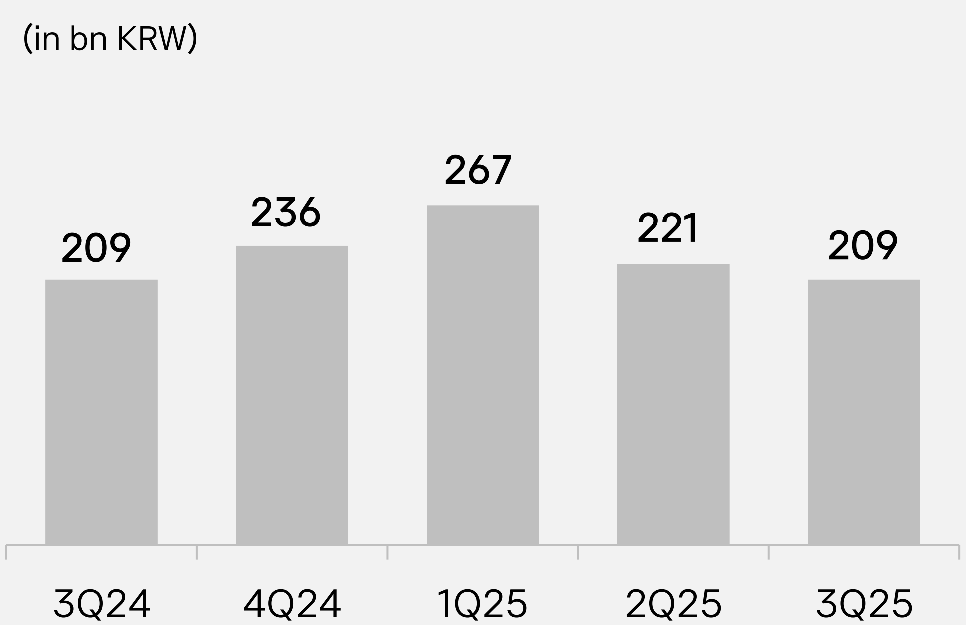
Advertising



3Q25 +11% YoY, +1% QoQ

- **(YoY)** Continued solid growth in Biz Message(+22% YoY), rebound in DA growth(+0.5% YoY) driven by product enhancement
- **(QoQ)** A record-high quarterly revenue of Biz Message, DA growth turned positive for the first time in five quarters

Commerce

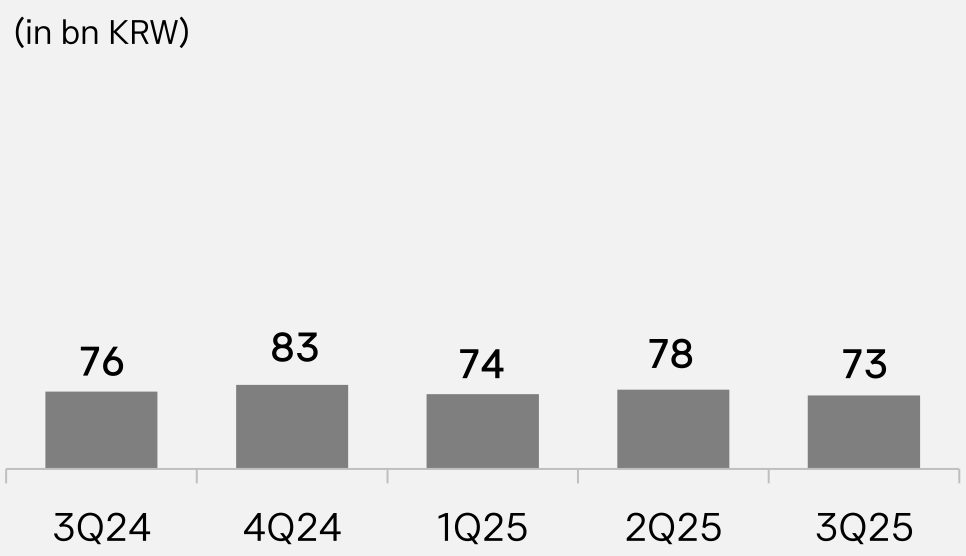


3Q25 -0.1% YoY, -6% QoQ

- **Total Commerce GMV:** 2.5tn, +4% YoY, +1% QoQ
- **Talk Gift GMV:** +1% YoY, +3% QoQ
- **(YoY)** Self-purchase GMV in Talk Gift grew +40% YoY, offsetting the impact of Chuseok seasonality shifted to 4Q
- **(QoQ)** Temporary decline due to timing difference in revenue recognition, as orders placed before Chuseok holidays were delivered in October

Platform | Portal, Others

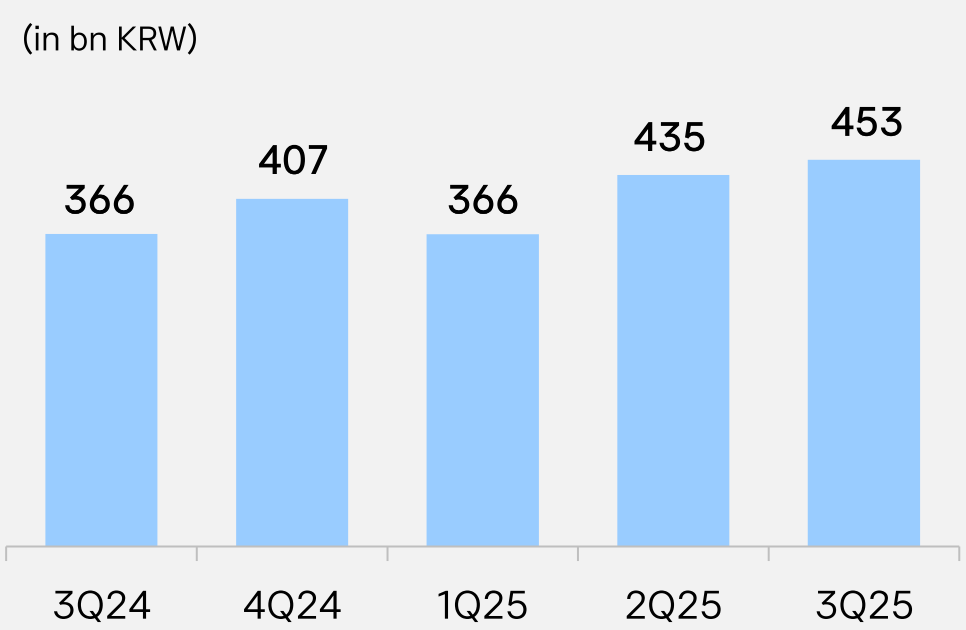
Portal Biz



3Q25 -5% YoY, -7% QoQ

- **(YoY/QoQ)** Decline in search queries due to absence of major events and preparation for establishment of AXZ, new entity

Platform-Others



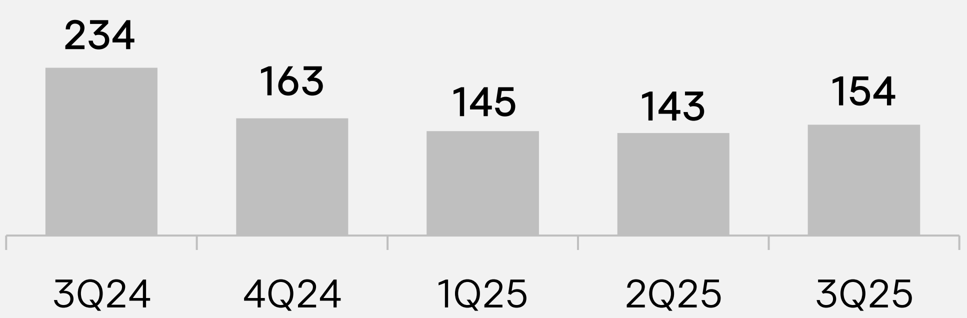
3Q25 +24% YoY, +4% QoQ

- **Mobility :** Solid growth across all segments
- **Pay :** A record-high quarterly operating profit driven by accelerated revenue growth in securities, insurance, and platform services

Content | Game, Music

Game

(in bn KRW)

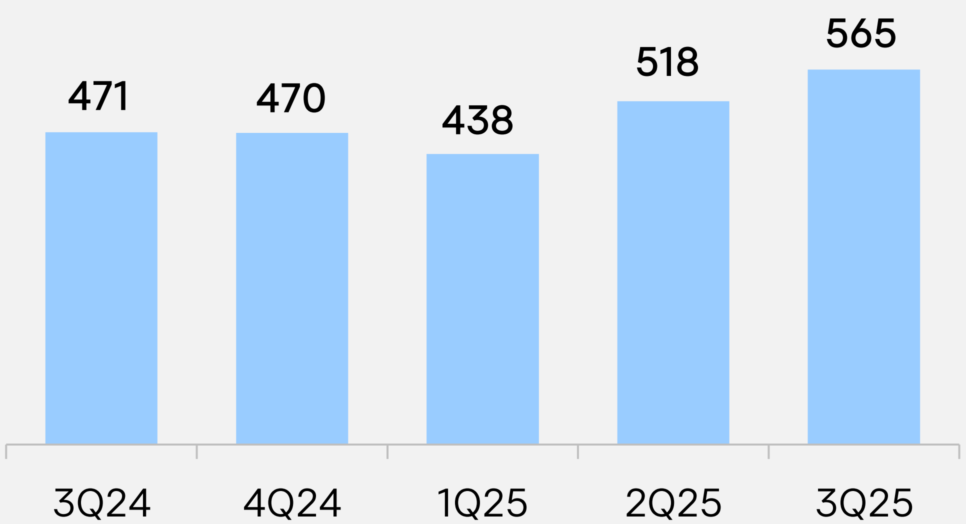


3Q25 -34% YoY, +8% QoQ

- **(YoY)** Prolonged absence of new titles
- **(QoQ)** Content updates of key titles

Music

(in bn KRW)

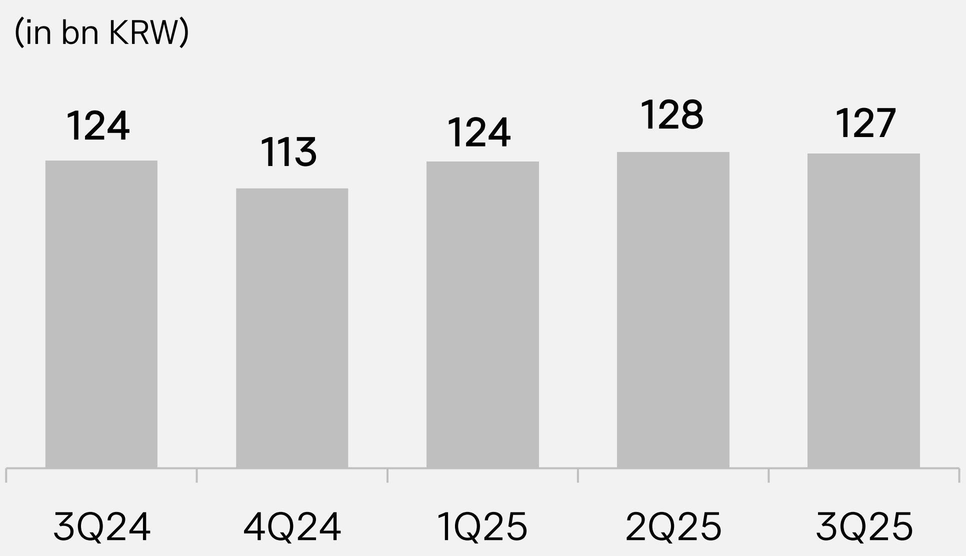


3Q25 +20% YoY, +9% QoQ

- **(Label)** Strong album sales from major artists and increased concert revenue
- **(Distribution)** Maintained solid No.1 market position

Content | Story

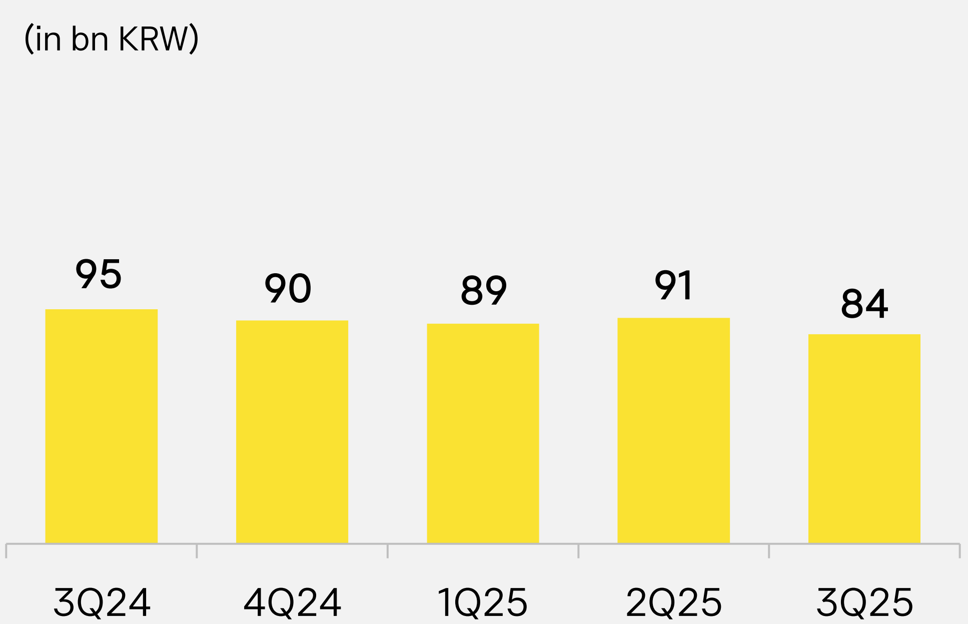
Piccoma



3Q25 +2% YoY, -0.5% QoQ

- **(in JPY)** GMV -4% YoY, +5% QoQ
- **(in JPY)** Revenue +1% YoY, +5% QoQ
- Maintained No.1 in Japan's app market by cumulative revenue, operating profit doubled YoY

Entertainment

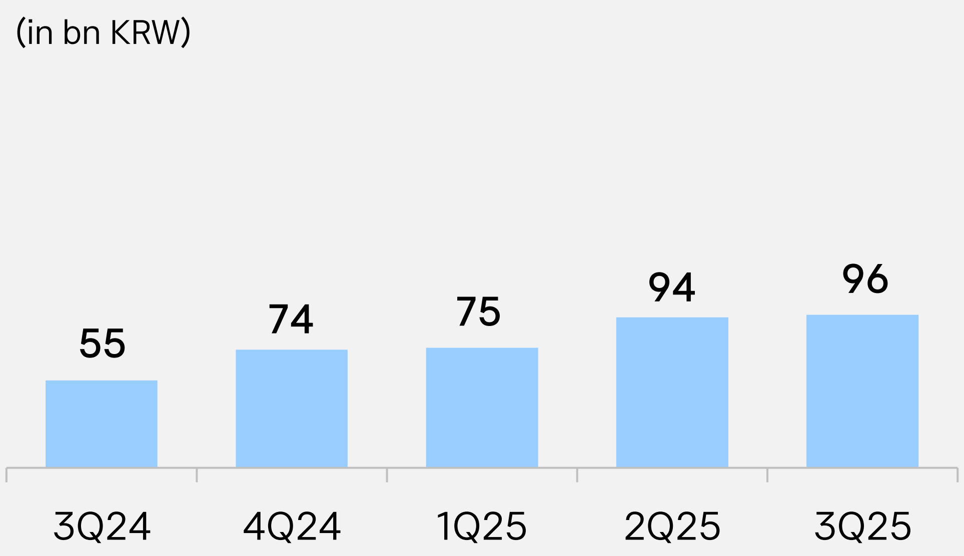


3Q25 -11% YoY, -7% QoQ

- **(YoY/QoQ)** New IP releases backlogged into late September ahead of Chuseok holiday
- Continued focus on profitability and operational efficiency

Content | Media

Media



3Q25 +75% YoY, +2% QoQ

- **(YoY/QoQ)** Increase in number of revenue-recognizing titles and accelerated production progress of ongoing titles

Earnings Summary

(in bn KRW)	3Q24	2Q25	3Q25	YoY	QoQ
Total Revenue	**1,921**	**2,028**	**2,087**	**9%**	**3%**
Platform	**943**	**1,055**	**1,060**	12%	0.4%
Talk Biz	501	542	534	7%	-1%
Portal Biz	76	78	73	-5%	-7%
Platform-Others	366	435	453	24%	4%
Content	**978**	**973**	**1,027**	**5%**	**6%**
Game	234	143	154	-34%	8%
Music	471	518	565	20%	9%
Story	219	219	211	-3%	-3%
Media	55	94	96	75%	2%
OPEX	**1,791**	**1,842**	**1,879**	**5%**	**2%**
Operating Profit	**131**	**186**	**208**	**59%**	**12%**
Operating Profit Margin	*6.8%*	*9.2%*	*10.0%*	*+3.2%pt*	*+0.8%pt*
Net Profit	**79**	**172**	**193**	**146%**	**12%**
Controlling Interests	106	161	125	18%	-23%
Non-controlling Interests	-27	11	68	TB	543%
Net Profit Margin	*4.1%*	*8.5%*	*9.2%*	*+5.2%pt*	*+0.8%pt*

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Operating Expenses

(in bn KRW)	3Q24	2Q25	3Q25	YoY	QoQ
Operating Expenses	1,791	1,842	1,879	5%	2%
Labor	459	489	477	4%	-2%
Cost of Revenue	748	717	748	0%	4%
Outsourcing / Infrastructure	194	233	261	34%	12%
Marketing	105	88	102	-3%	16%
Depreciation & Amortization	211	222	208	-1%	-6%
Misc.	74	93	83	12%	-11%

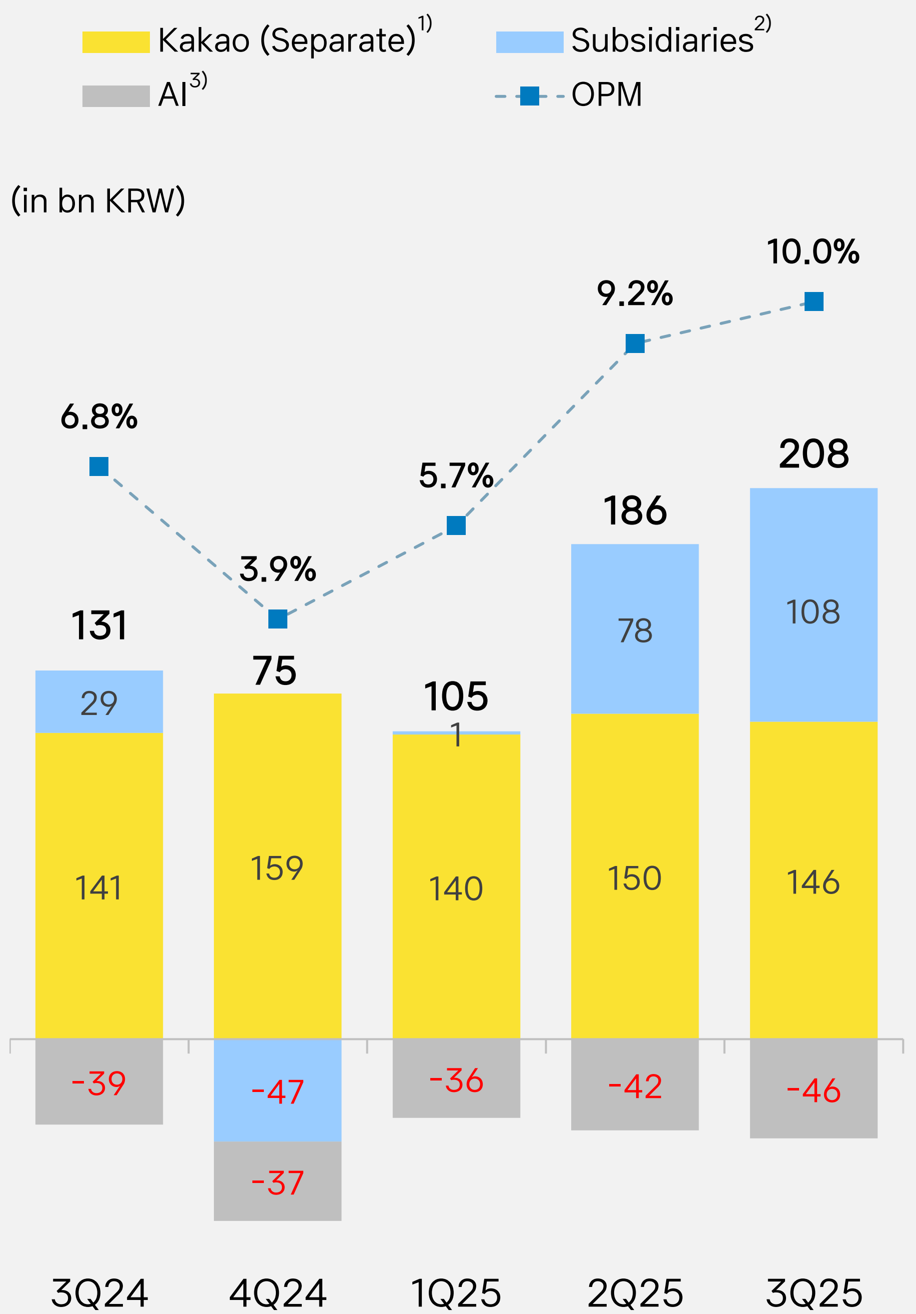
3Q Analysis

- Labor
  (YoY) Increase in incentive payouts reflecting subsidiaries' 1H results and other expenses
  (QoQ) Maintained conservative hiring
- Cost of Revenue
  (YoY) Increase in media production costs offset impact from SM Ent. accounting reclassification
  (Cost of Revenue → Outsourcing/Infrastructure)
  (QoQ) Increase in content-related payments in line with content revenue growth
- Outsourcing / Infrastructure
  (YoY/QoQ) Effect from SM Ent. accounting reclassification and higher infrastructure costs related to AI
- Marketing
  (YoY) Maintained efficient marketing spend
  (QoQ) Expanded strategic marketing by Piccoma
- Depreciation & Amortization
  (QoQ/YoY) Base effect from Kakao Ent. intangible amortization and reversal of bad debt expenses

Profits

Operating Profit(M)

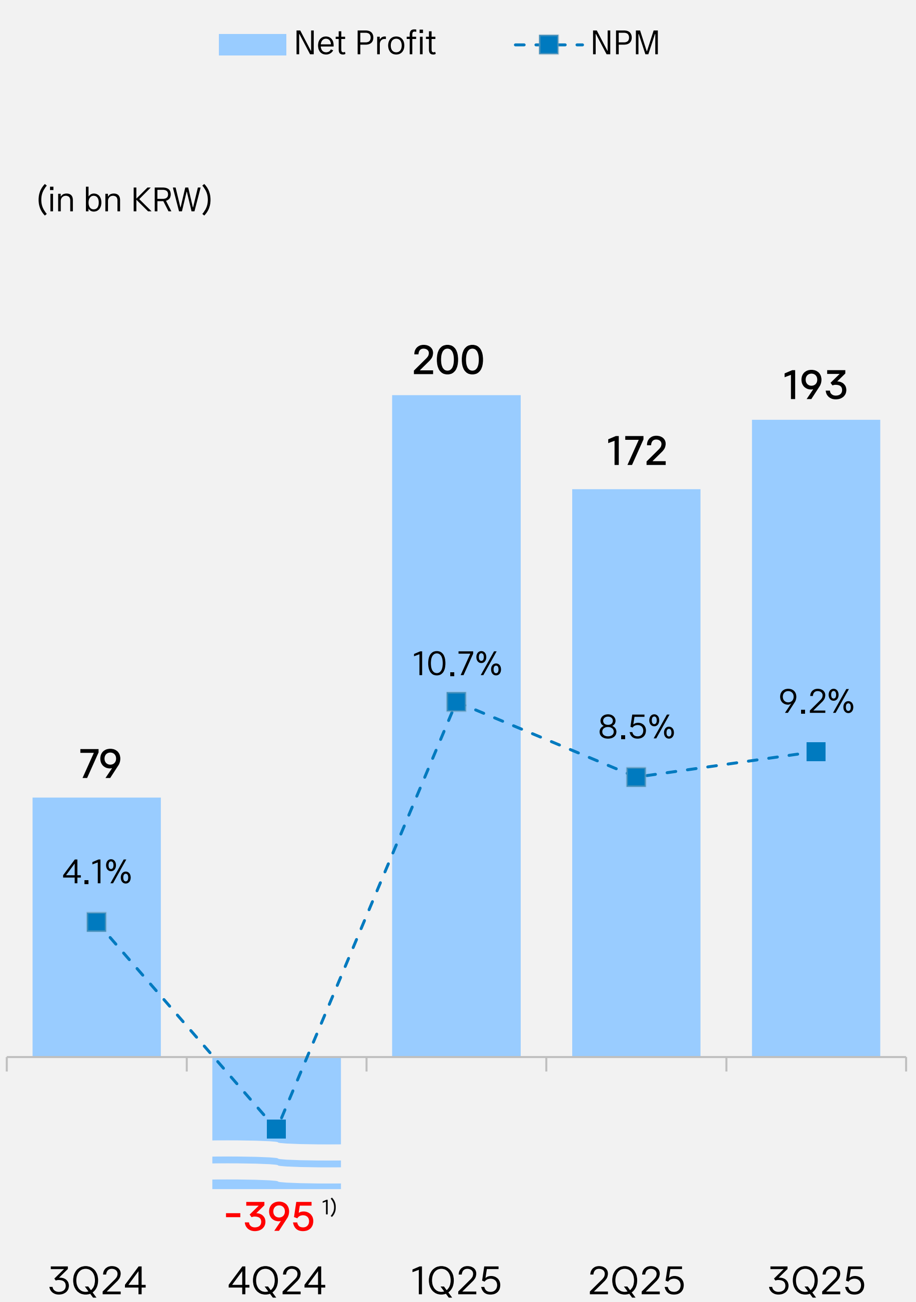
3Q25 +59% YoY, +12% QoQ



1) Kakao (Separate): OP on a separate basis ex. AI Services
2) Subsidiaries: All businesses ex. Kakao (Separate) and AI; incl. internal adj.
3) AI: AI Services within Kakao (Separate)

Net Profit(M)

3Q25 +146% YoY, +12% QoQ



1) 4Q24 : Impairment of goodwill (317.7bn) and equity-method stock impairment losses (98.1bn)

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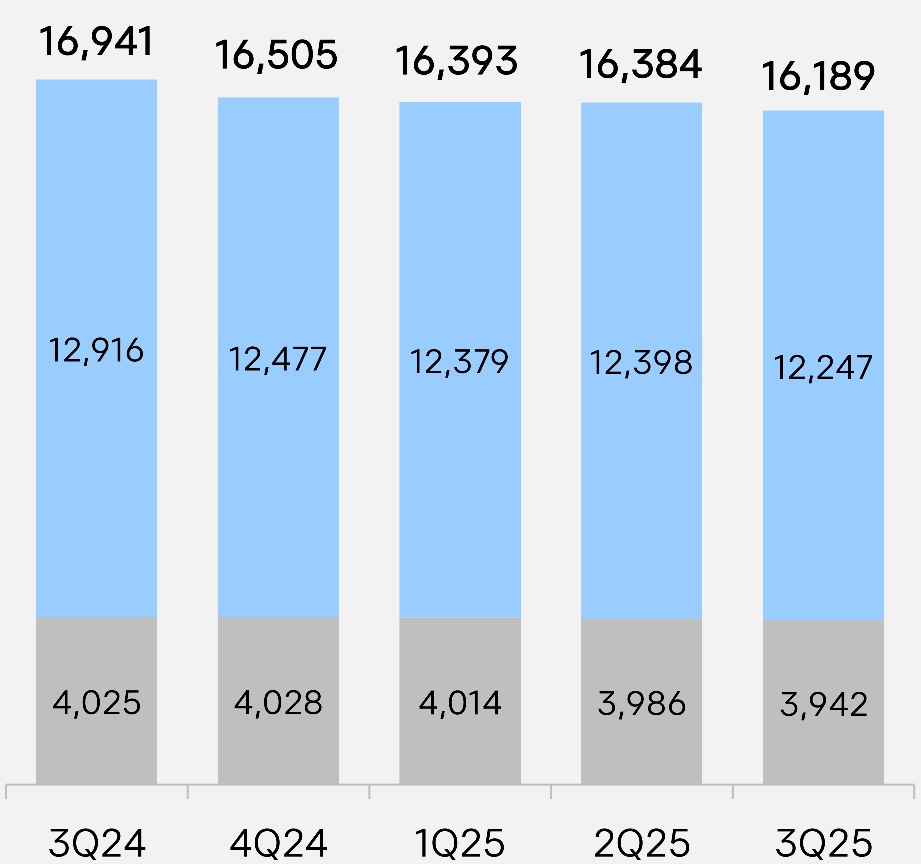
Employees / CapEx

Employees 3Q25 -752 YoY, -195 QoQ

YoY, QoQ Decline due to subsidiary divestments and conservative hiring

Kakao Subsidiaries[1)]

(# of people)



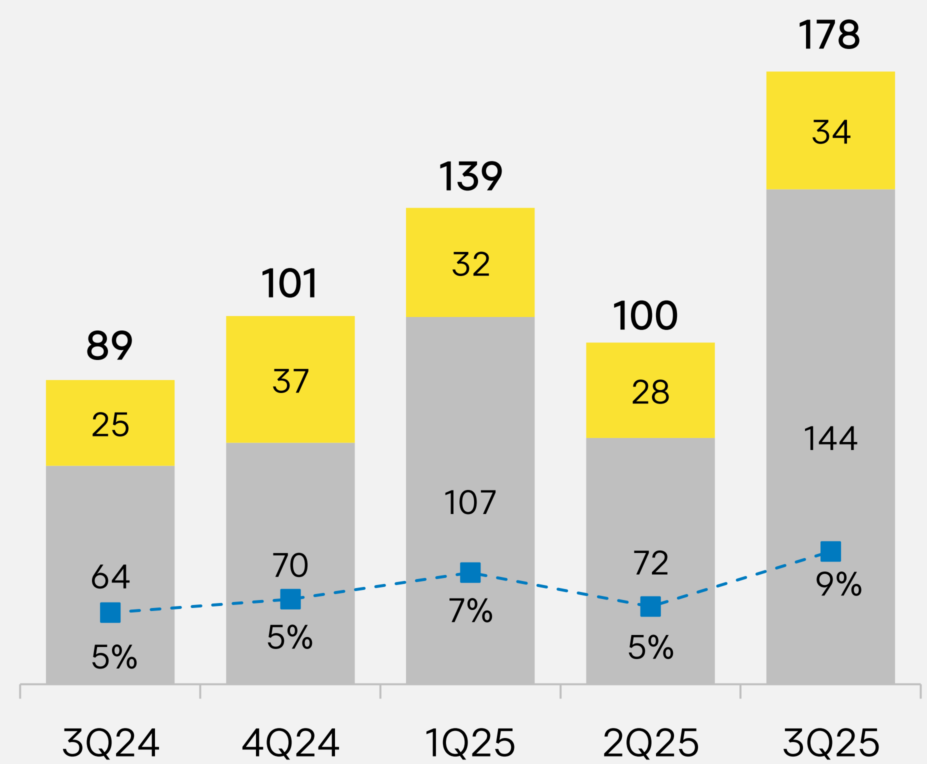
1) Headcount based on 13 key consolidated subsidiaries

CapEx 3Q25 +898 YoY, +789 QoQ

YoY, QoQ Increase in server investments and new asset purchases by subsidiaries

PP&E[1)] Intangible[2)] Capex to Revenue

(in bn KRW)



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

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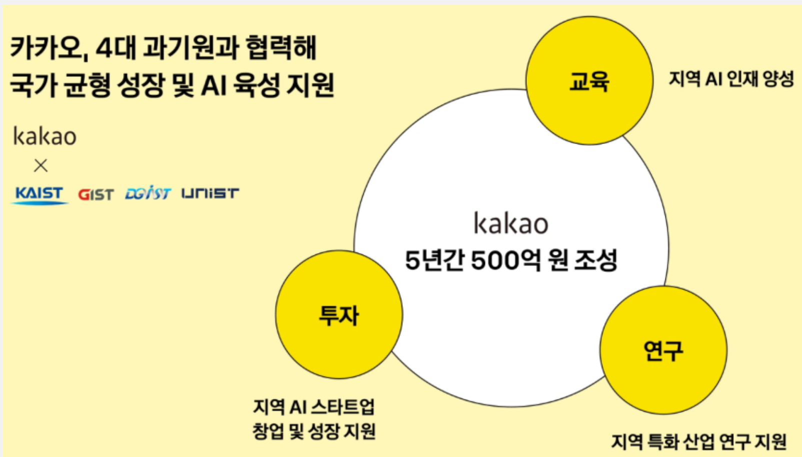
ESG Updates



Regional AI Hubs for Balanced National Growth

- Funding KRW 50bn over five years to build regional AI hubs in collaboration with four leading science & technology institutions
- Fostering local AI ecosystems through talent development, research collaboration, and startup investment support

Publication of Business Impact Report 2025

- Highlighting Kakao's diverse business impacts, including KakaoTalk based use cases, services for SMEs, and AI-powered solutions
- Presenting a clear map that visualizes how partners collaborate and grow within Kakao Group's digital ecosystem

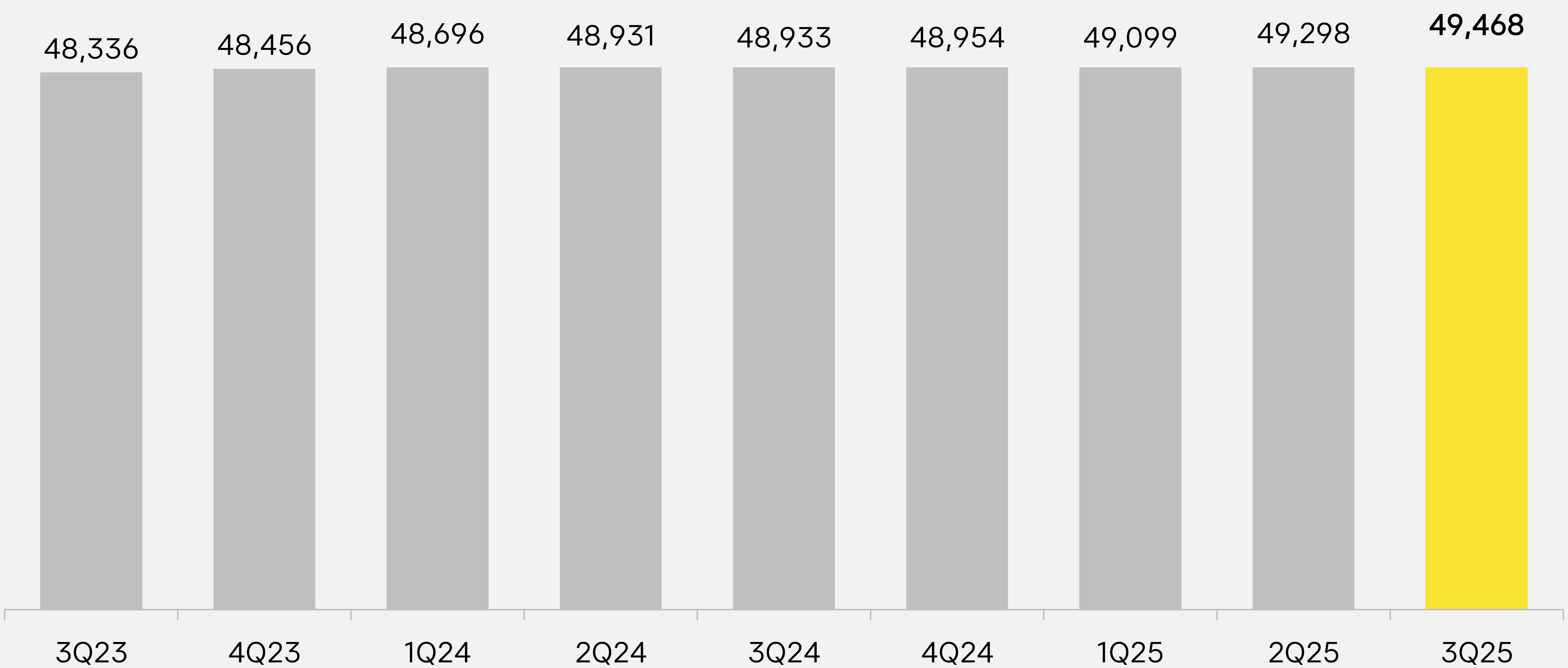
Project Dangol – Campaign to Revitalize Local Businesses

- Expanding SME support to city, county, and district levels nationwide in collaboration with Kakao Group affiliates
- Operating programs such as Dangol Bus (free shuttle service linking local festivals), alongside integrated SME support for digital transformation, finance, and marketing

KakaoTalk MAU

Maintaining a stable 49 million domestic MAU

(in thousands)



	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25
Korea	48,336	48,456	48,696	48,931	48,933	48,954	49,099	49,298	49,468
Global	53,556	53,571	53,760	54,195	54,198	54,048	54,080	54,286	54,500

Average of monthly MAUs. Global includes domestic MAUs.

Thank You