

kakao

# Q1 2026 Earnings Results

2026. 5. 7 | Kakao Investor Relations



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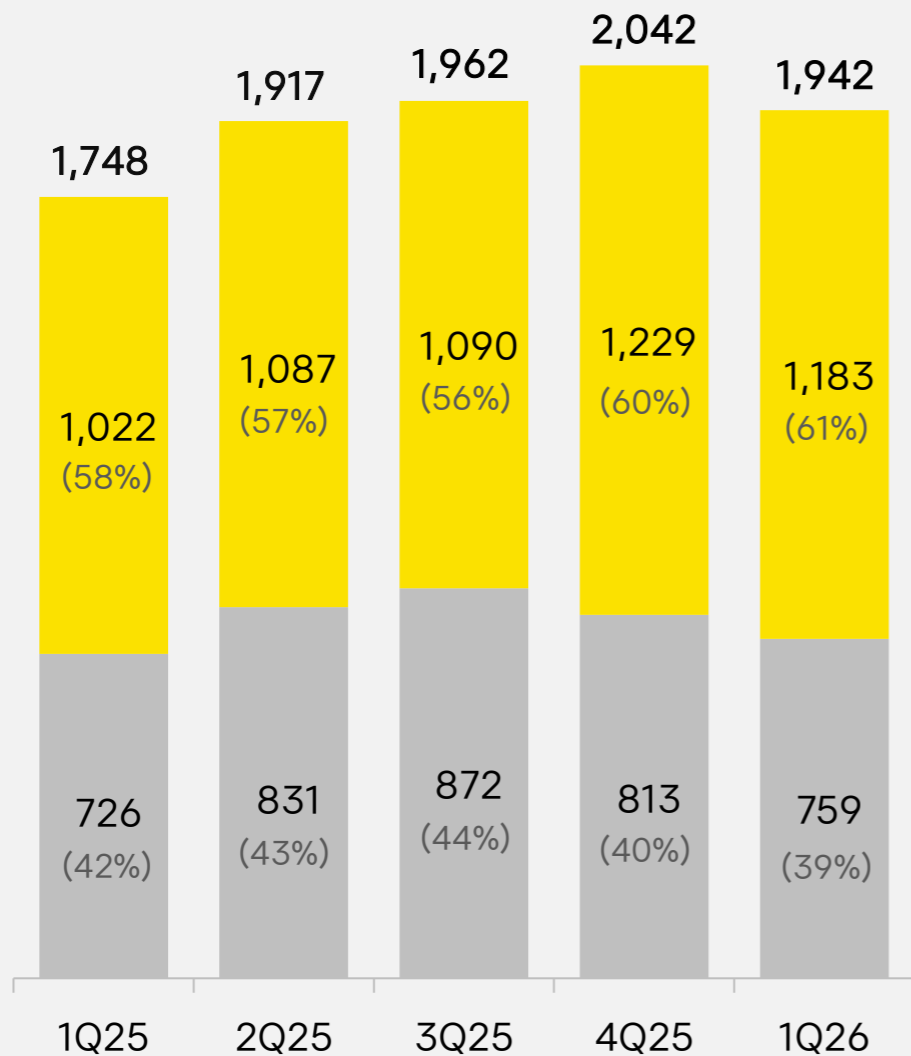
# Revenue | 1Q26

**Q1 Revenue +11% YoY / -5% QoQ**

Q1 MIX : Platform 61%, Content 39%

(in bn KRW)

■ Platform ■ Content



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 Other Subsidiaries
Content	Story	Piccoma Entertainment
	Music	SM Entertainment Melon Digital Music Distribution Album Distribution Music Production
	Media	Video Production Talent Agency

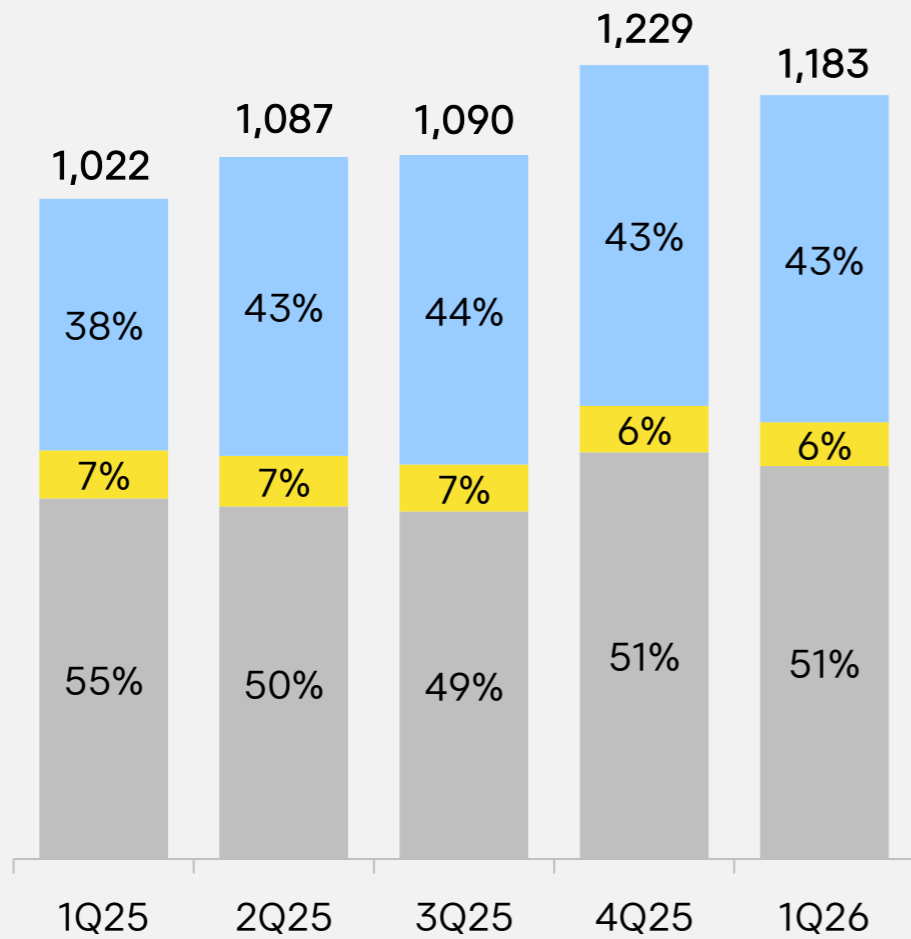
# Revenue

## Platform

1Q26 +16% YoY, -4% QoQ

(in bn KRW)

■ Talk Biz ■ Portal Biz ■ Platform Others

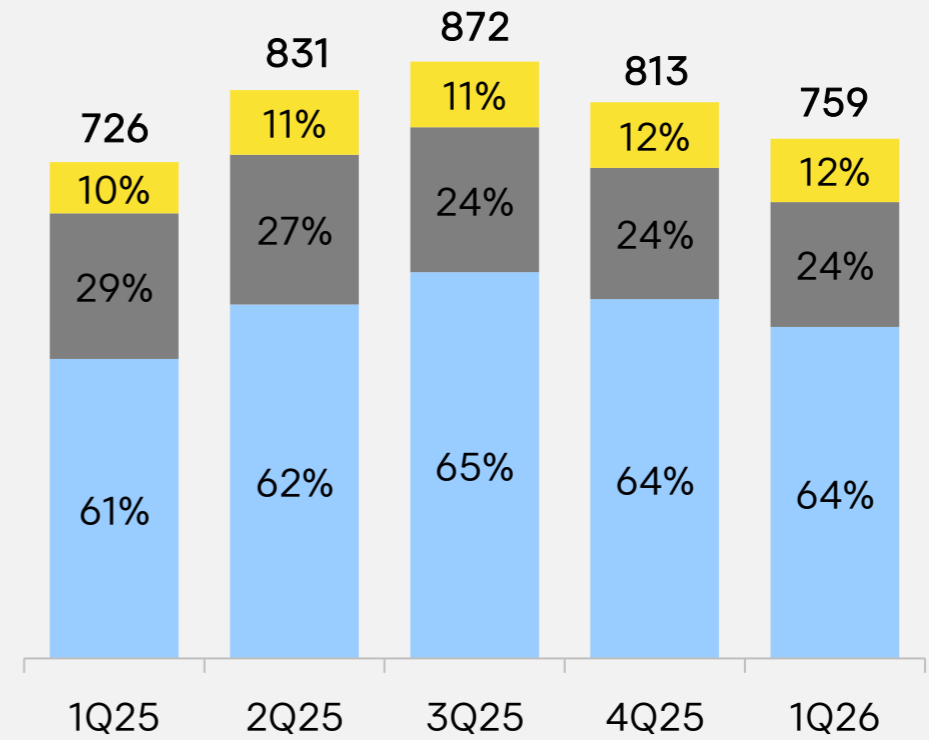


## Content

1Q26 +5% YoY, -7% QoQ

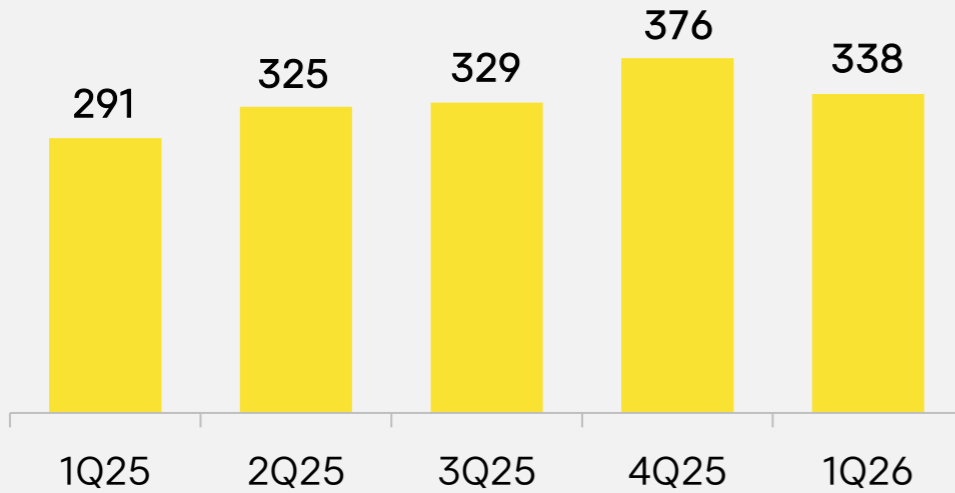
(in bn KRW)

■ Music ■ Story ■ Media



## Advertising

(in bn KRW)

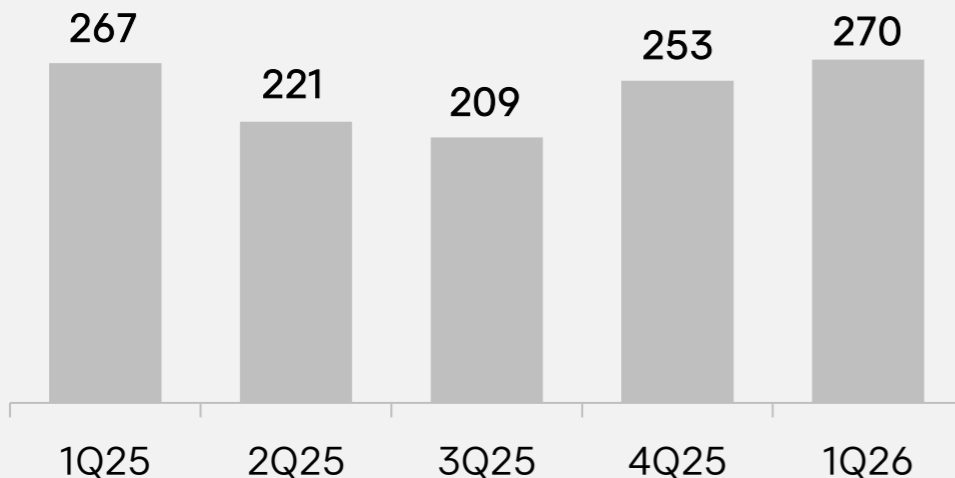


**1Q26 +16% YoY, -10% QoQ**

- (YoY) ① Business Messaging +27%, higher volume from financial advertisers and broader use cases from diversified products
- ② Talk DA +10%, higher SME advertiser demand from expanded inventory and improved efficiency via enhanced ad-tech solutions
- (QoQ) Low seasonality

## Commerce

(in bn KRW)



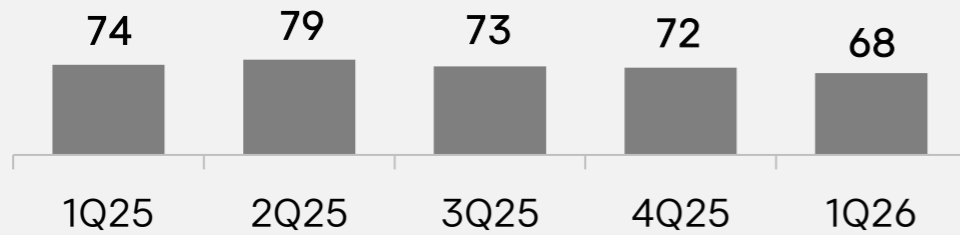
**1Q26 +1% YoY, +7% QoQ**

- Total Commerce GMV : 2.9tn, +10% YoY, -3% QoQ
- Gift GMV: +9% YoY, Flat QoQ
- Store GMV: +18% YoY, +10% QoQ
- (YoY) Solid GMV growth from seasonal products and promotions, with revenue growth limited by partial deferral and intensified promotions
- (QoQ) Increase in 1P on validated demand categories

Platform | Portal, Others

### Portal Biz

(in bn KRW)

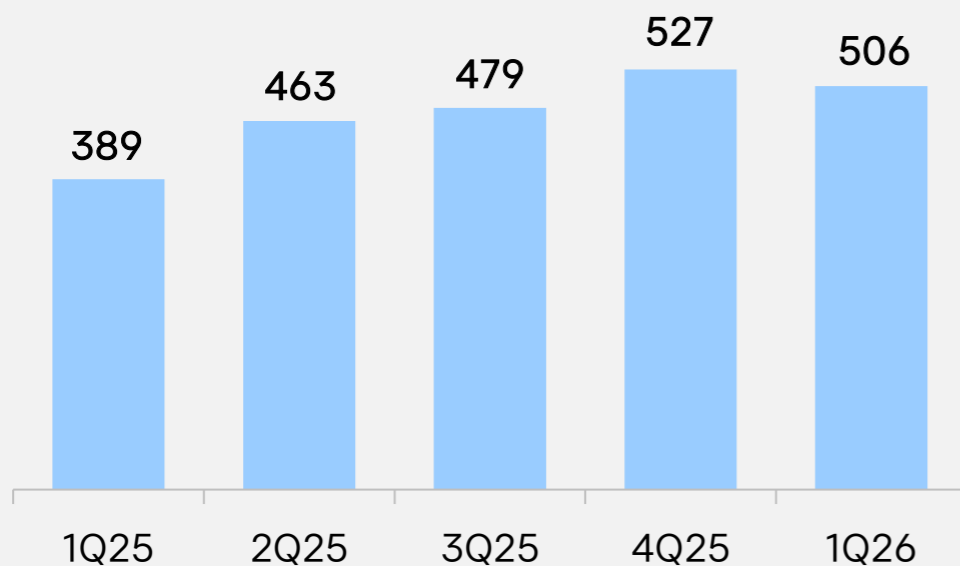


1Q26 -9% YoY, -6% QoQ

- (YoY/QoQ) Decrease in user activity

### Platform-Others

(in bn KRW)

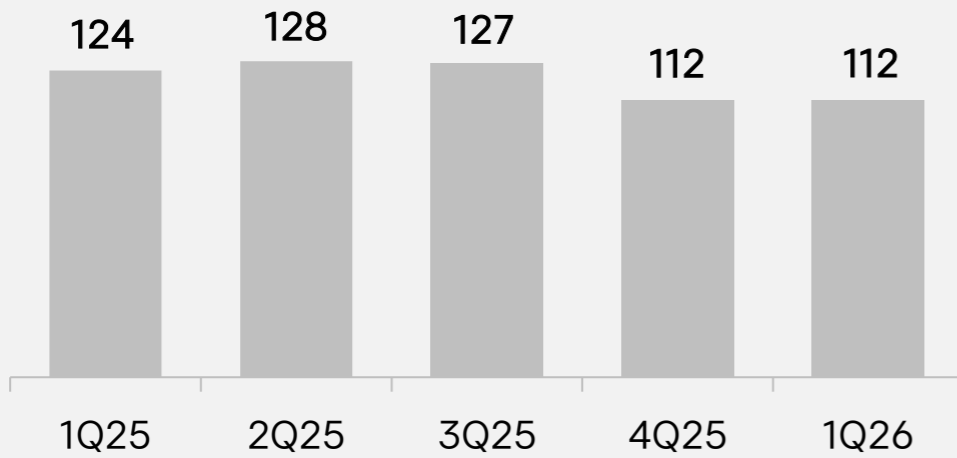


1Q26 +30% YoY, -4% QoQ

- **Mobility** : Solid growth led by taxi, parking, and last mile delivery
- **Pay** : Record high quarterly revenue and operating profit, driven by double-digit revenue growth across all segments

## Piccoma

(in bn KRW)

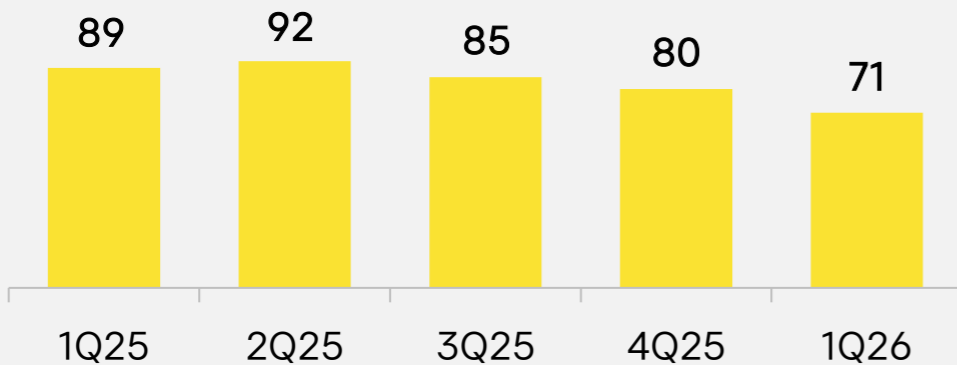


### 1Q26 -10% YoY, Flat QoQ

- (in Yen) GMV -1% YoY, +2% QoQ
- (in Yen) Revenue -9% YoY, Flat QoQ
- (YoY/ QoQ) Slowdown in Japanese manga market due to lack of major blockbuster titles
- Maintained No.1 in cumulative gross revenue in Japan's app market, recorded OPM above 20%

## Entertainment

(in bn KRW)



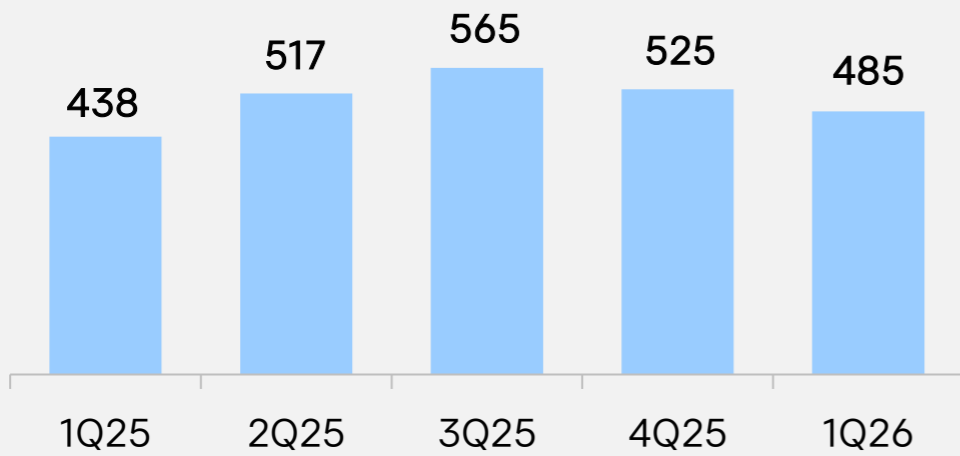
### 1Q26 -20% YoY, -12% QoQ

- (YoY/QoQ) Decrease in GMV across platform and IP distribution

**Content | Music, Media**

**Music**

(in bn KRW)

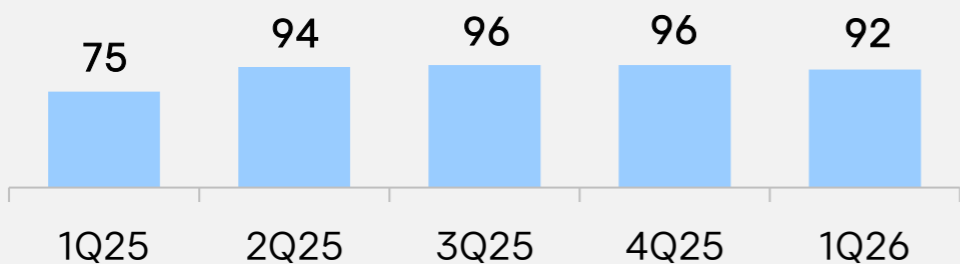


**1Q26 +11% YoY, -8% QoQ**

- (YoY) Strong album sales from anchor IP and expansion of global concert scale
- (QoQ) Impact from high base of MD and licensing revenue in 4Q25

**Media**

(in bn KRW)



**1Q26 +23% YoY, -3% QoQ**

- (YoY) Increase in number of revenue-recognizing titles and production progress

# Earnings Summary

(in bn KRW)	1Q25	4Q25	1Q26	YoY	QoQ
<b>Total Revenue</b>	1,748	2,042	1,942	11%	-5%
<b>Platform</b>	1,022	1,229	1,183	16%	-4%
Talk Biz	559	630	609	9%	-3%
Portal Biz	74	72	68	-9%	-6%
Platform-Others	389	527	506	30%	-4%
<b>Content</b>	726	813	759	5%	-7%
Music	213	192	182	-14%	-5%
Story	438	525	485	11%	-8%
Media	75	96	92	23%	-3%
<b>OPEX</b>	1,621	1,826	1,731	7%	-5%
<b>Operating Profit</b>	127	216	211	66%	-2%
<i>Operating Profit Margin</i>	7.3%	10.6%	10.9%	+3.6%pt	+0.3%pt
<b>Net Profit</b>	200	-47	227	13%	TB
Controlling Interests	172	33	172	Flat	413%
Non-controlling Interests	28	-81	55	94%	TB
<i>Net Profit Margin</i>	11.5%	-	11.7%	+0.2%pt	TB

# Operating Expenses

(in bn KRW)	1Q25	4Q25	1Q26	YoY	QoQ
Operating Expenses	1,621	1,826	1,731	7%	-5%
Labor	426	455	445	5%	-2%
Cost of Revenue	659	740	701	6%	-5%
Outsourcing / Infrastructure	190	238	208	9%	-12%
Marketing	75	109	73	-3%	-34%
Depreciation & Amortization	193	192	197	2%	2%
Misc.	78	92	107	38%	17%

## Q1 Analysis

- Labor** (YoY) Increase reflecting salary adjustments at subsidiaries  
 (QoQ) Base effect from year-end incentive payments
- Cost of Revenue** (YoY) Increase in music IP activities and media production costs  
 (QoQ) Base effect from subsidiary outsourcing costs
- Outsourcing / Infrastructure** (YoY) Increase driven by higher infrastructure demand in platform business  
 (QoQ) Decrease in content production and base effect from one-off costs related to AXZ spin-off
- Marketing** (YoY) Maintained efficient marketing spend  
 (QoQ) Base effect from expanded strategic marketing by Piccoma
- Depreciation & Amortization** (YoY/QoQ) Increase reflecting one-off bad debt expense at subsidiaries and amortization of intangible assets at DearU

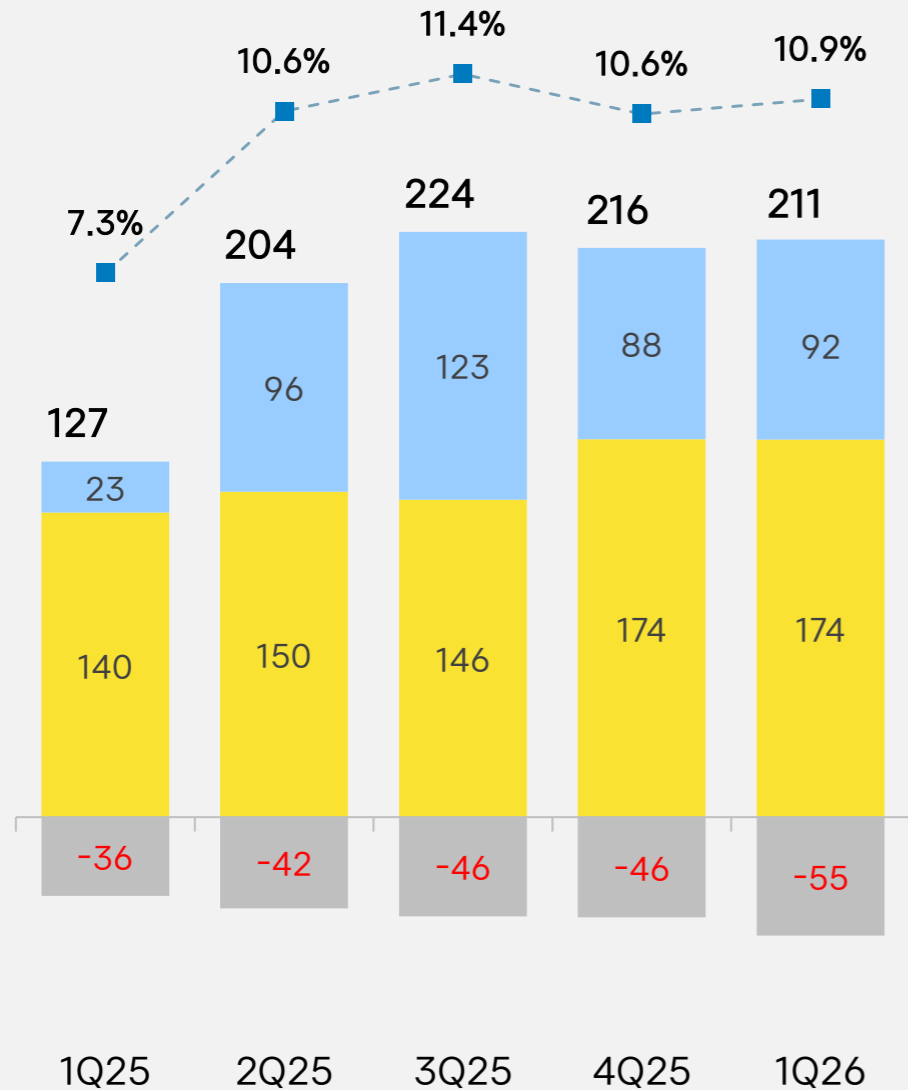
# Profits

## Operating Profit(M)

1Q26 +49% YoY, +3% QoQ

■ Kakao (Separate)<sup>1)</sup>
■ Subsidiaries<sup>2)</sup>
■ AI<sup>3)</sup>
-■- OPM

(in bn KRW)

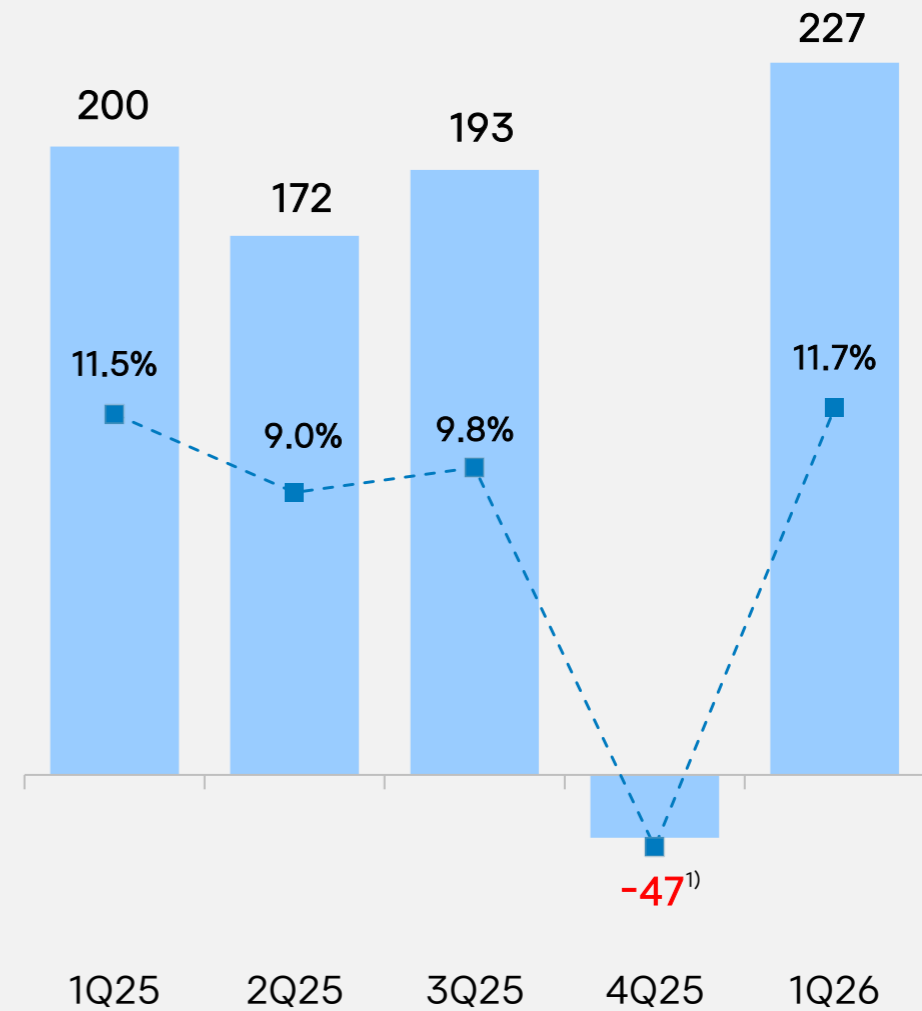


## Net Profit(M)

1Q26 +13% YoY, TB QoQ

■ Net Profit
 -■- NPM

(in bn KRW)



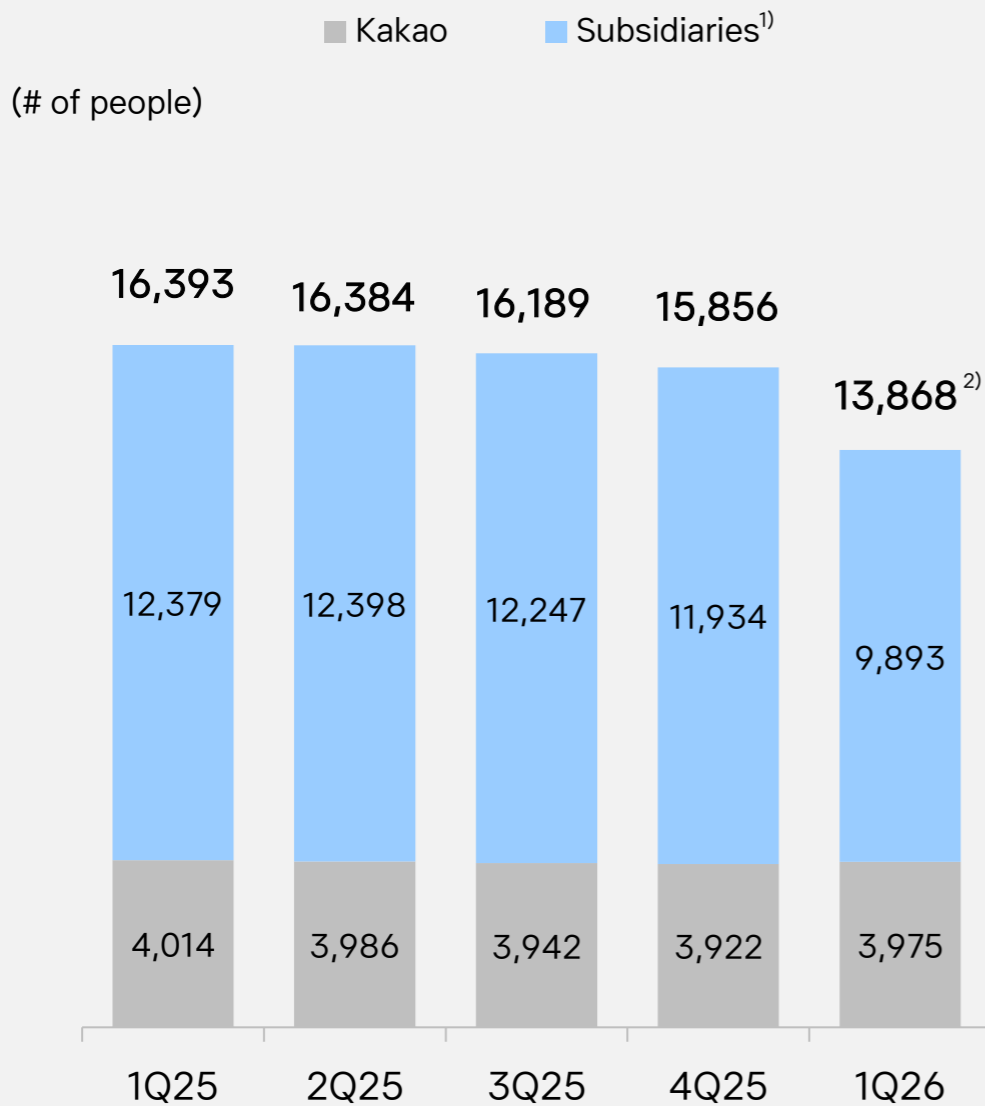
1) Kakao (Separate): OP on a separate basis ex. AI Services  
 2) Subsidiaries: All businesses ex. Kakao (Separate) and AI; incl. internal adj.  
 3) AI: AI Services within Kakao (Separate)

1) 4Q25: Impairment losses of goodwill (128.3bn) and intangible asset (10.5bn)

# Employees / CapEx

## Employees 1Q26 -2,525 YoY, -1,988 QoQ

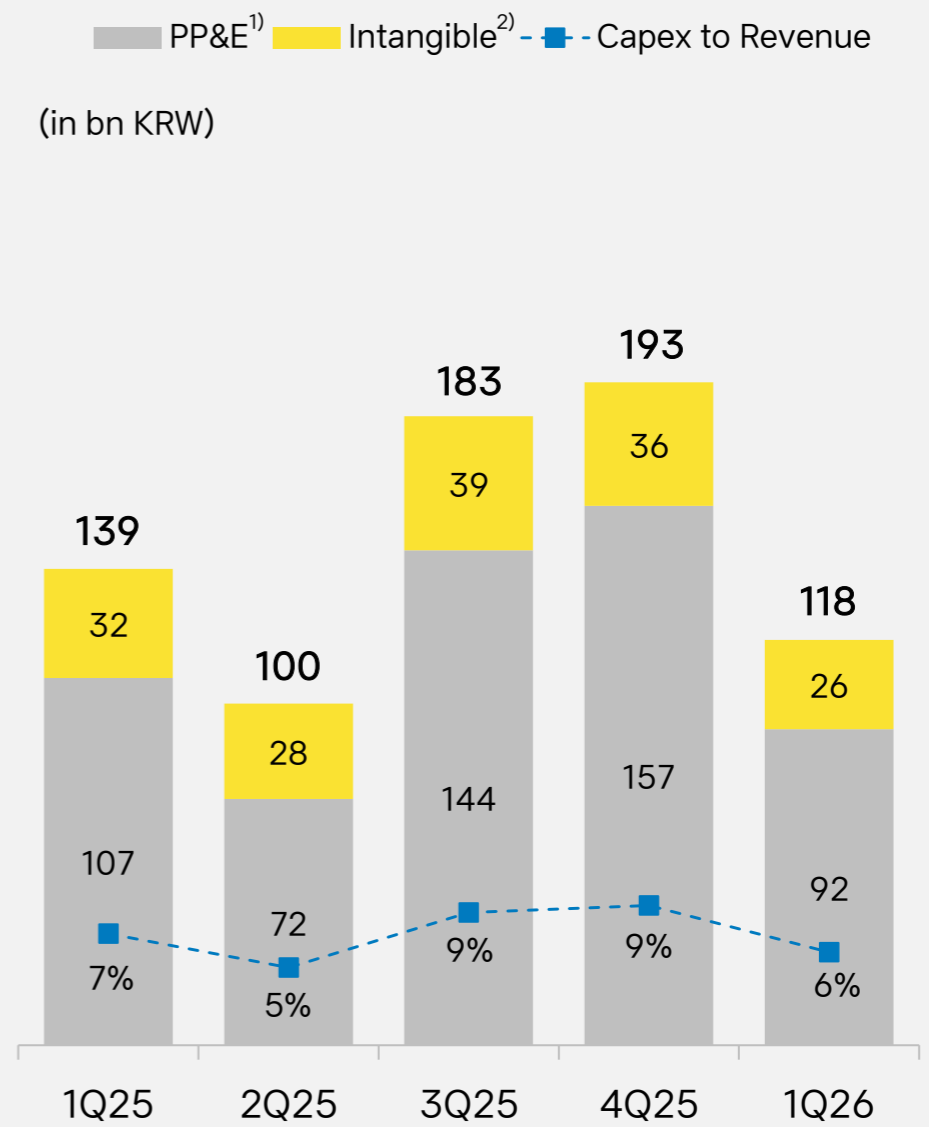
YoY, QoQ Decline due to Kakao Games divestment and conservative hiring



1) Headcount based on key consolidated subsidiaries  
 2) Kakao Games excluded from consolidation starting 1Q26; included in 1Q25-4Q25

## CapEx 1Q26 -21bn YoY, -75bn QoQ

(YoY) High base from prior-year GPU purchases  
 (QoQ) Base effect from subsidiary PPE acquisition



1) PP&E : Construction in progress related to data centers, machinery and equipment  
 2) Intangible : Industrial property rights, membership rights, and other intangible assets

# ESG Activities



## Achieved Top-Tier Global ESG Ratings

- Named 'Industry Leader' in ISS ESG Corporate Rating and achieved a 'Low Risk' rating from Morningstar Sustainalytics
- Ranked Top 5% in S&P Global's CSA and listed in the World Index for 5 consecutive years



## Launched 'Kakao AI Sail' to Foster Regional AI Talent

- Launched 'Kakao AI Sail', a dedicated body to foster regional AI talent and enterprises, supported by a KRW 50bn AI growth fund
- Committed to advance AI talent and startups while accelerating industry-academic AX centered on four major tech institutes



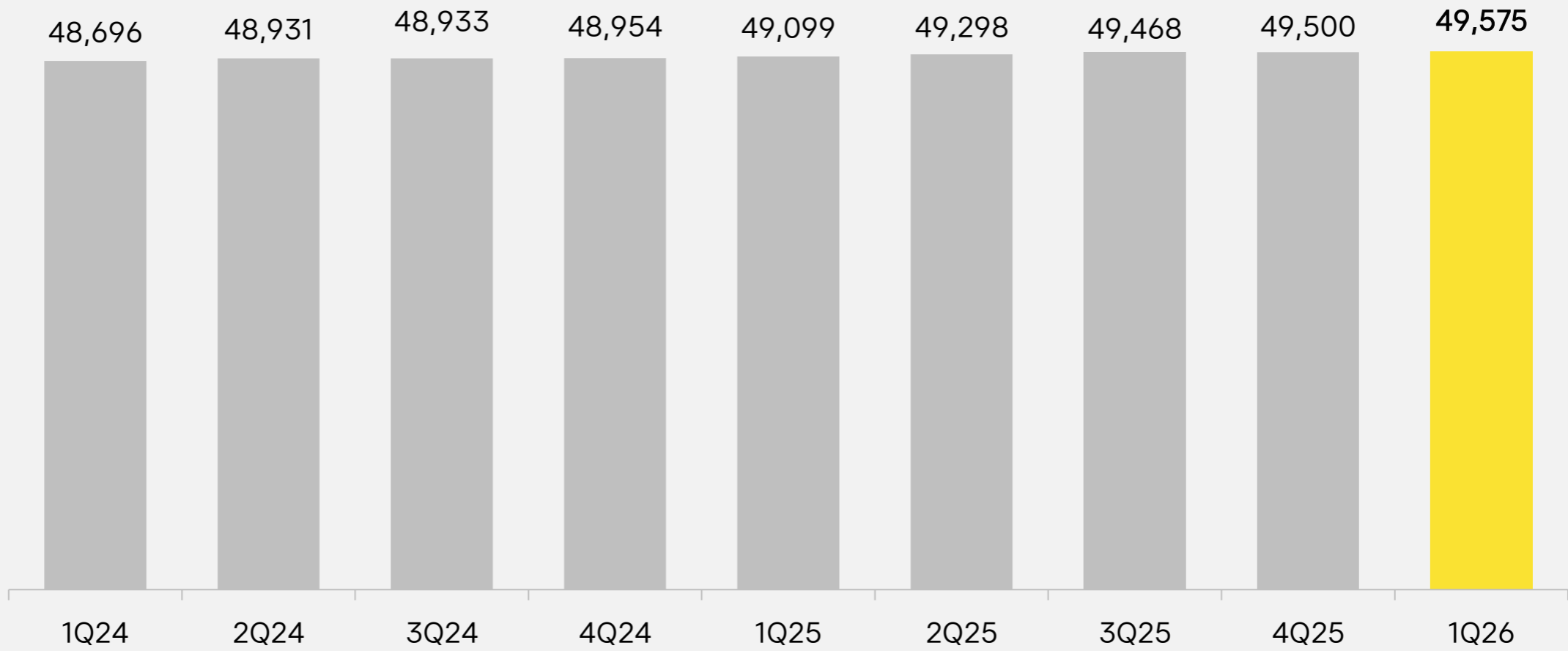
## Presidential Commendation for Advancing Mutual Growth

- Received Presidential Commendation for mutual growth initiatives—including capping mobile gift card commissions—and sustained Fair Trade Compliance Program (CP) efforts
- Committed to further advance corporate compliance by internalizing a prevention-first risk management culture

# KakaoTalk MAU

Maintaining a stable 49 million domestic MAU

(in thousands)



	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26
Korea	48,696	48,931	48,933	48,954	49,099	49,298	49,468	49,500	49,575
Global	53,760	54,195	54,198	54,048	54,080	54,286	54,500	54,501	54,683

Average of monthly MAUs. Global includes domestic MAUs.

# Thank You

