2025 KT&G
CEO Investor Day

KT&G

2025. 09. 23.

Disclaimer

The financial information in this presentation is based on K-IFRS standards.
This presentation and related discussions contain certain forward looking statements related to expected future business, financial performance and/or the industry forecasts which are uncertain.

Therefore, the recipients of this presentation shall be aware of that the forward looking statements set forth herein may not correspond to the actual results.

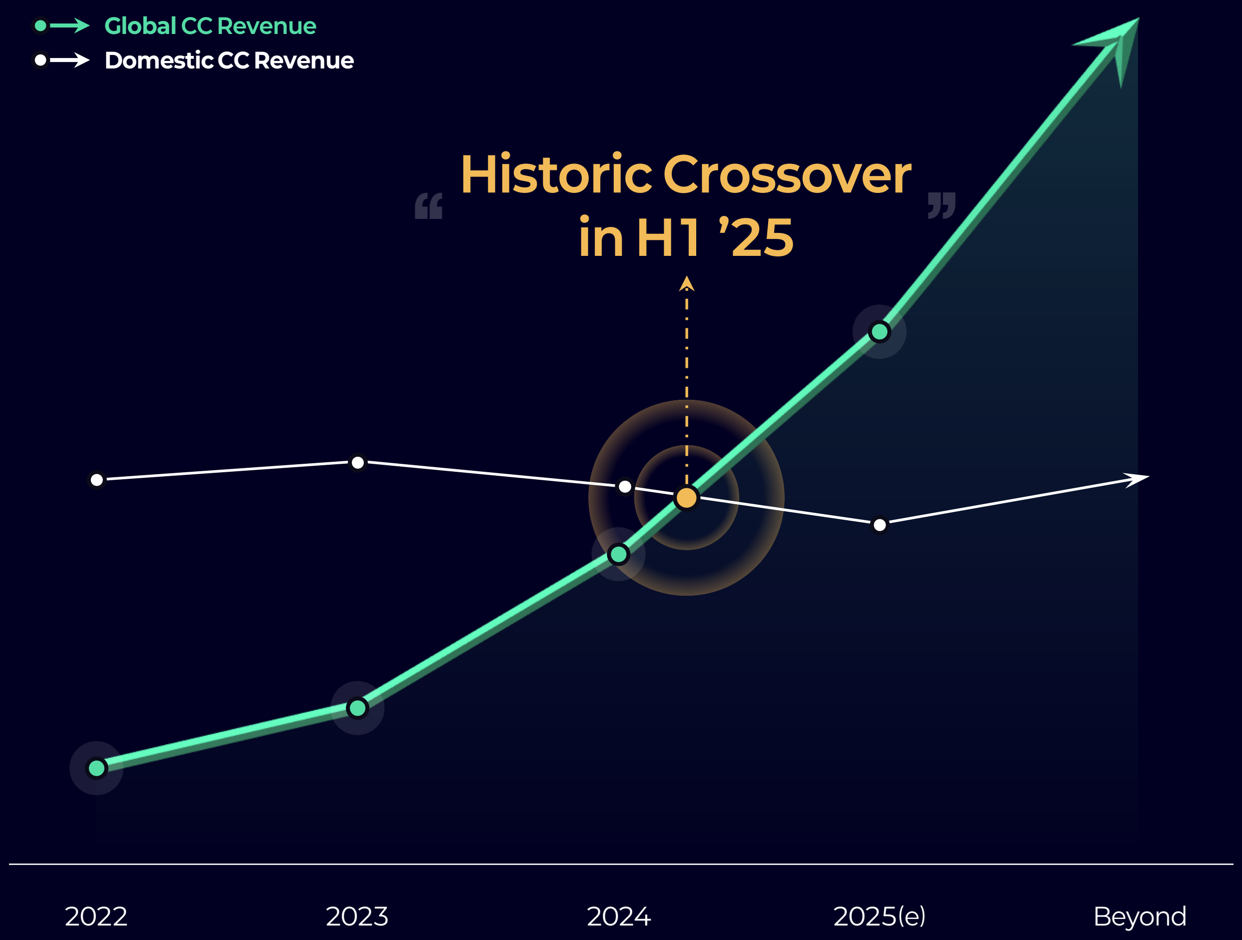
01. Global Growth & Leadership Journey

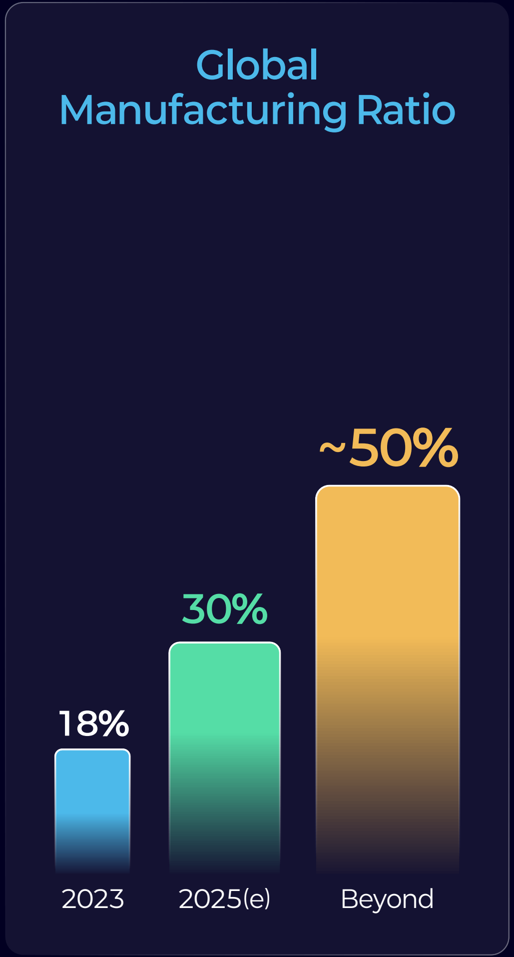
Strong Global CC Growth & Profitability Rebound

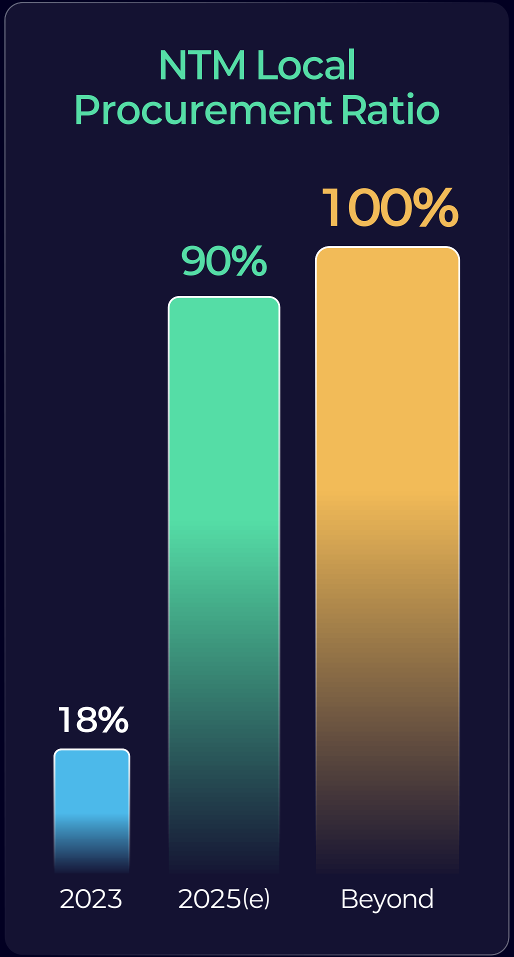
		2020-23 CAGR	2024 vs. PY	2025 H1 vs. 2024 H1
Global CC	Operating Profit *	-22.4%	+60.6%	+127.8%
	Revenue	+4.7%	+28.1%	+41.0%
	ASP	-3.2%	+16.1%	+22.1%
	Volume	+8.2%	+10.3%	+15.5%
KT&G Group	Operating Profit *	-7.5%	+1.8%	+24.1%

* On adjusted operating profit basis

Shift to a Global-Oriented Structure







Reaffirming Capital Market Confidence

Top-tier Global Credit Rating

S&P
A-

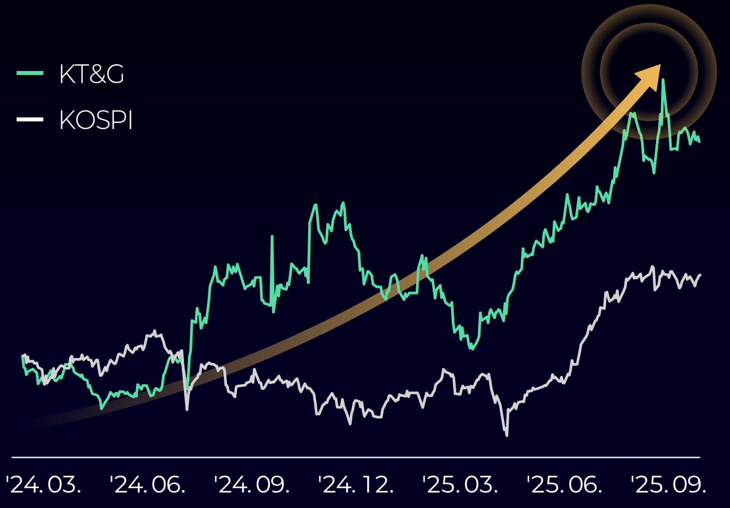
Moody's
A3

Top 3 Domestic Agencies
AAA

All-Time-High Breakout

KT&G Stock Price
+57.4%

KOSPI Outperform
+40.6pp



Best Value-Up

Commended the
FSC Chairman's Award 2025

2025 Outlook : Accelerated Growth

Operating Profit

Double-digit

Growth

Revenue

First 6 Trillion

KRW

Milestone

02. Driving Shareholder Value

Paradigm Shift in Capital Allocation Strategy

Redefining Shareholder Value

ROE > Cost of Equity

Unlocking Corporate Value Premium

ROE

Improved Profitability
Higher Equity Efficiency

TSR

Enhanced
Shareholder Value

Balance in Growth and Return

Net Income

ROIC > Cost of Equity

Growth Investment

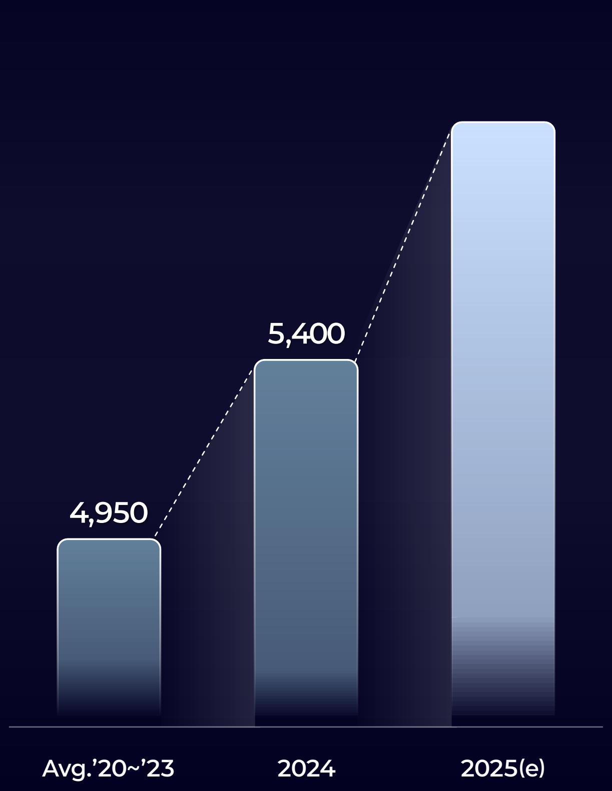
ROIC < Cost of Equity

Shareholder Return

Advancing Shareholder Return

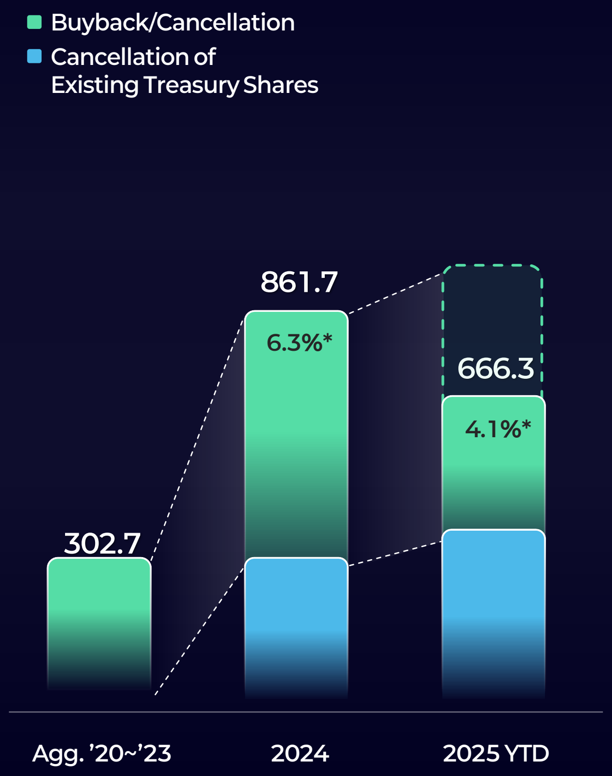
DPS (Dividend Per Share)

(unit : KRW)



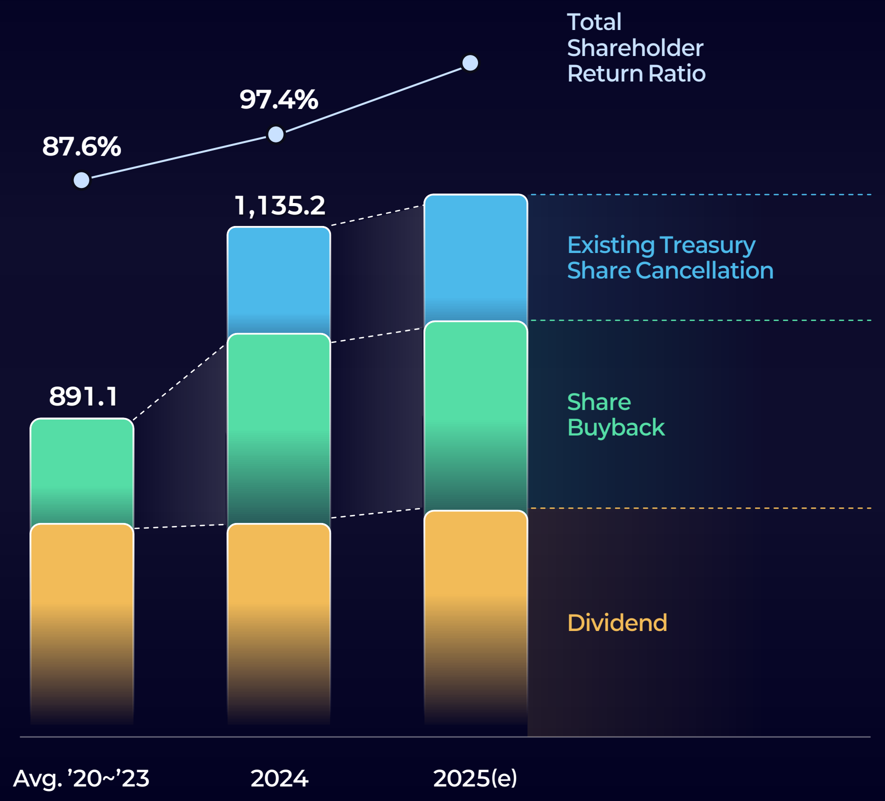
Treasury Share Cancellation

(unit : KRW bn)



Total Scale of Shareholder Return

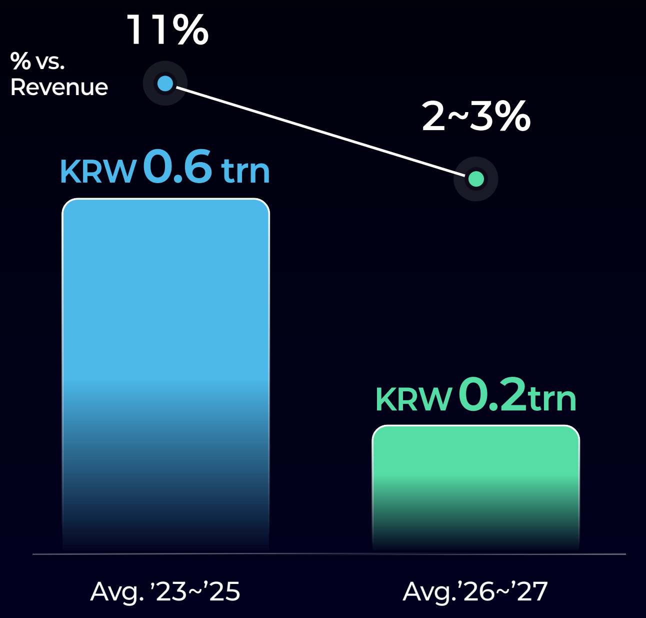
(unit : KRW bn)



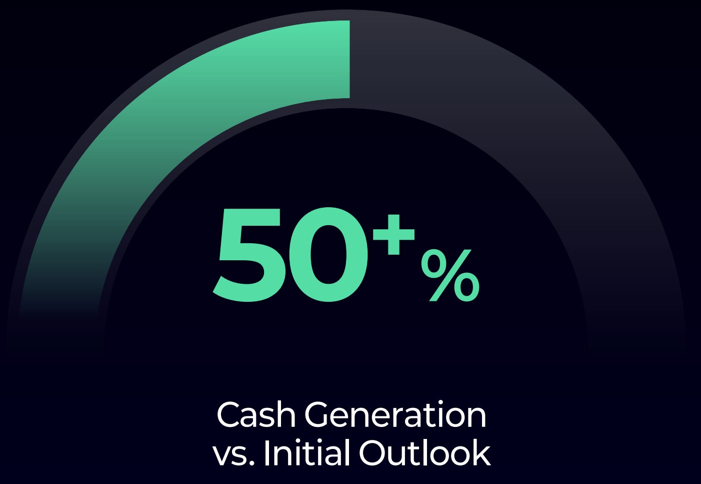
* % of total outstanding shares in end 2023

Stronger Cash Flow, Solid Financial Position

CAPEX Near Completion



Non-core Asset Liquidation



('25(e), % of total cash generation outlook by '27)

Stable Debt Ratio

Upgraded Shareholder Return Principles (2024~2027 cumulative)

Cash Return

Total 3.7 trn +α
(KRW)

Total Shareholder
Return Ratio

100%+
(of Net Income)

Share Buyback

Total 1.3 trn +α
(KRW)

Condition : Undervalued
vs. Intrinsic Value

Timing : Applied Flexibly

Driving DPS Growth Loop

Dividend

Total 2.4 trn +α
(KRW)

DPS : Surpass previous trend

Payout Ratio : Above 50%

Dividend Yield : Minimum Threshold (Internal)

Additional Return +α

Balanced Approach

Dividend & Share Buyback
Dividend & Share Buyback

2025 : Significantly Higher Additional Shareholder Returns

KT&G

Additional (+α) Amount

KRW
276 bn
(+171% vs. PY execution)

Additional Share Buyback/Cancellation

KRW
260 bn
(+KRW 100 bn vs. PY execution)

DPS Increase

KRW
6,000 (for FY 2025)
(300% vs. PY increment)

Total Shareholder Return Ratio

100%+
(of Net Income)

03. New Collaboration for the Next Growth

Global Collaboration with Altria (US No. 1)

Joint Acquisition of **Nicotine Pouch** Manufacturer

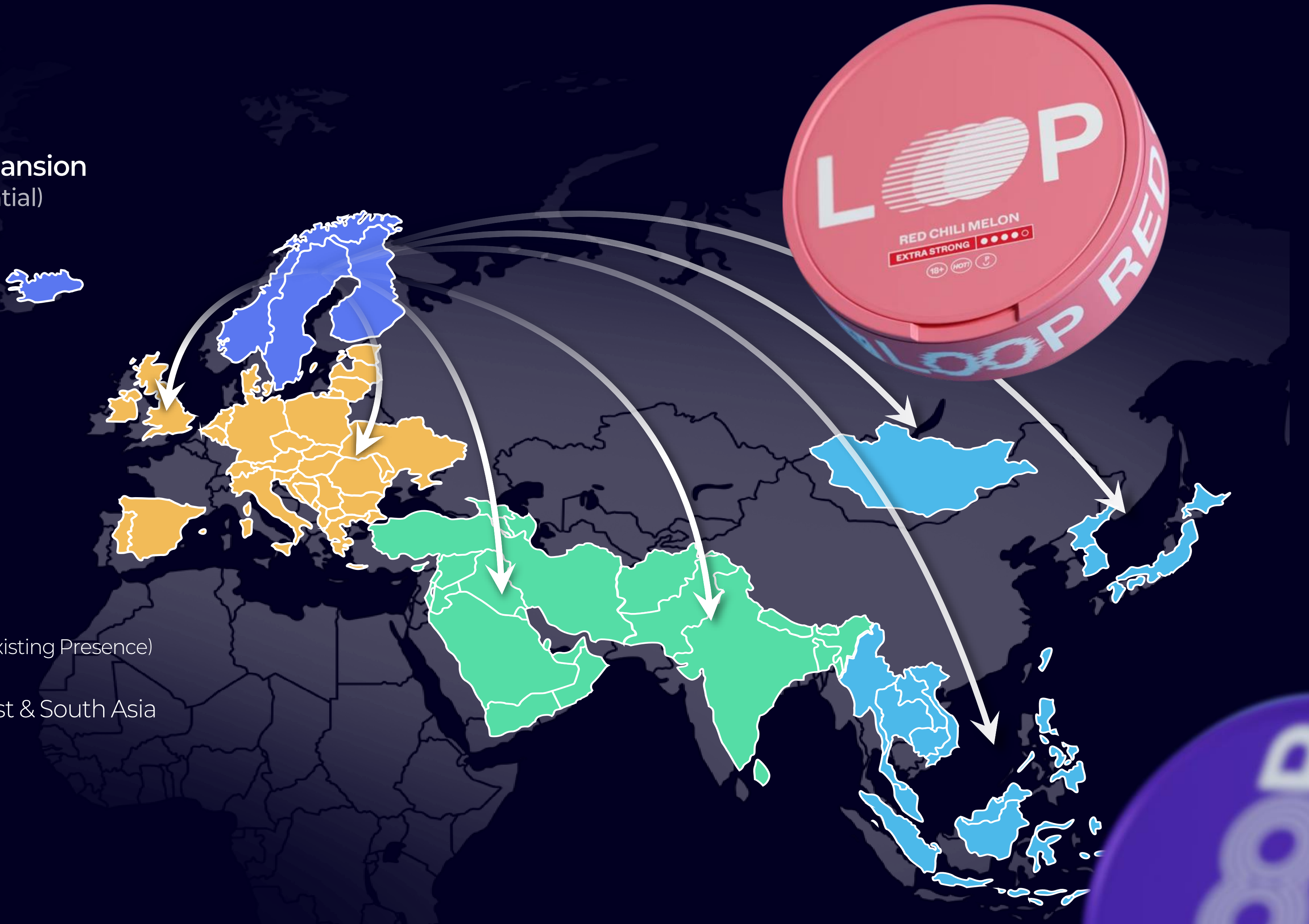
Across-the-Board Collaboration for **Global Nicotine Pouch**

Securing Foothold & Growth Options in Nicotine Pouch

LOOP M/S Status
in Nordic Markets

1st	Iceland
2nd	Sweden
3rd	Norway

Global Expansion Plan (Potential)



- Nordics (Existing Presence)
- Europe
- Middle East & South Asia
- APAC

* Source: External market research, as of the first half of 2025

Global Top-Tier KT&G

Thank you