2026 KT&G Capital Markets Day

COMPOUND 2030

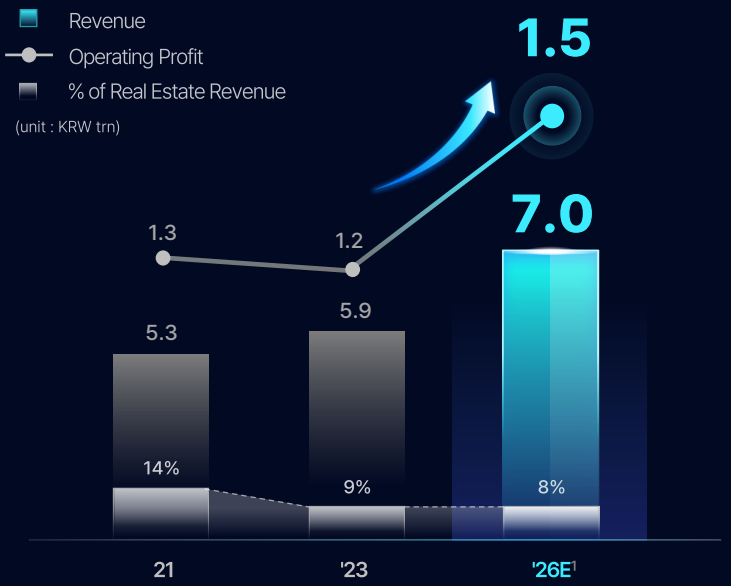
Disclaimer

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.

Shift to Profit

Group Earnings



Record-high Revenue ('26E[1])
KRW 7 trn

Revenue Growth ('23 vs. '26E[1])
+19%

OP Growth ('23 vs. '26E[1])
+28%

1. Based on annual guidance

Delivering on our Commitments

Commitments	Results
International Business-led Growth	% International Revenue of Tobacco Business **50%+**[1] ('25)
Structural Readiness for Profit Enhancement	Overseas Production Capacity **2x**[2] ('24 vs. '26E)
Securing a Future Growth Driver	NGP Revenue Growth **+15%** ('24~'26E CAGR)
Stronger Shareholder Value	Total Shareholder Return Ratio **100%+**[3] ('23~'25 average) Share Count **24%**↓[4] (vs. end '23)

1. Not including other items (semi-products, etc.) under tobacco business
2. CC production capacity
3. Total Shareholder Return Ratio : (Dividend Payout + Share Buyback)/Net Income
4. Assuming treasury shares currently being repurchased as per board resolution of '26. Sept. 22 are fully cancelled (to be complete by end of 2026)

01

Growth Algorithm

Three Growth Engines



International CC

Cash Cow



NGP

Next Growth Pillar



HFF

Multiple Driver

Combustible Cigarette

1 Pricing and Mix

Global No.1 Superslim Brand

ESSE

Market Share[1]
35%+

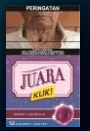
Brand Value[2]
USD 2.1 bn

Strategic ASP Increase

Pricing Headroom
c.20%[3]

×

Mix Improvement via Product Innovation



15% ↑[4]

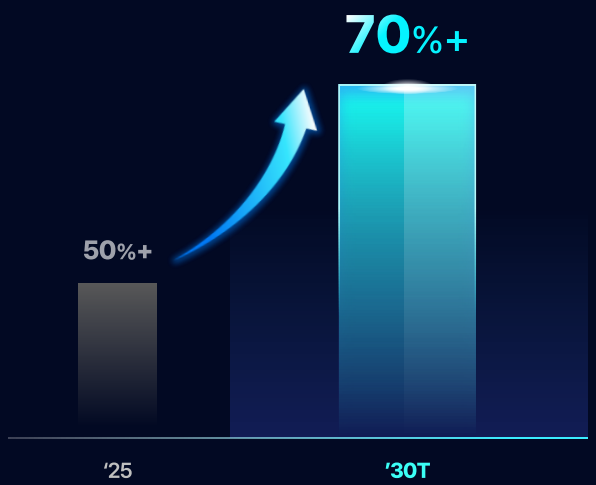
1. Share of super-slim segment (source : Euromonitor)
2. (source: Brand Finance)
3. vs. major peer products within the same segment in key markets including Russia, Taiwan, Japan and Guatemala
4. First capsulated product in the hand-made cigarette segment in Indonesia, RSP 15% higher than previous lineup

Combustible Cigarette

2 Volume Evolution

Broader Market Distribution

Outlet Coverage [1]



Targeting Whitespace

30+ Markets

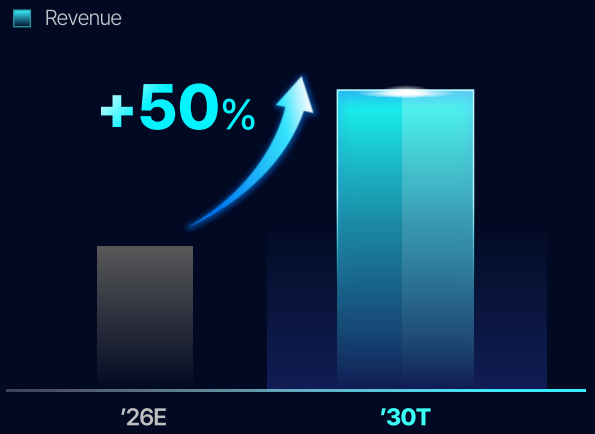
incl. India and Vietnam

(TAM 500 bn+ sticks)

1. Average of 7 key subsidiary markets (Taiwan, Mongolia, Russia, Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan), not including Indonesia

3 Structural Edge

Expanding Subsidiary Business



Economic Manufacturing System

Cost Savings KRW 550 bn+[1]

- % of Overseas Production 70%+[2]
- Cost Reduction Initiatives

International CC Revenue and OP

Double digit %[3]

1. Aggregate cost savings impact across 4 years ('27~'30)
2. vs. CC overseas sales volume
3. '26~'30 CAGR

HNB

1 Innovation Pipeline

1st Gen
SOLID
2017
Inside Heating

2nd Gen
HYBRID
2018
More Vapor
Zero Cleaning

3rd Gen
AIBLE
2022
Multi-Stick
Type

4th Generation
lil Tonino LAMBORGHINI



3 sec
Pre-heating

Ongoing Innovation

Aggregate Patents Granted and Pending
9,500 [1]

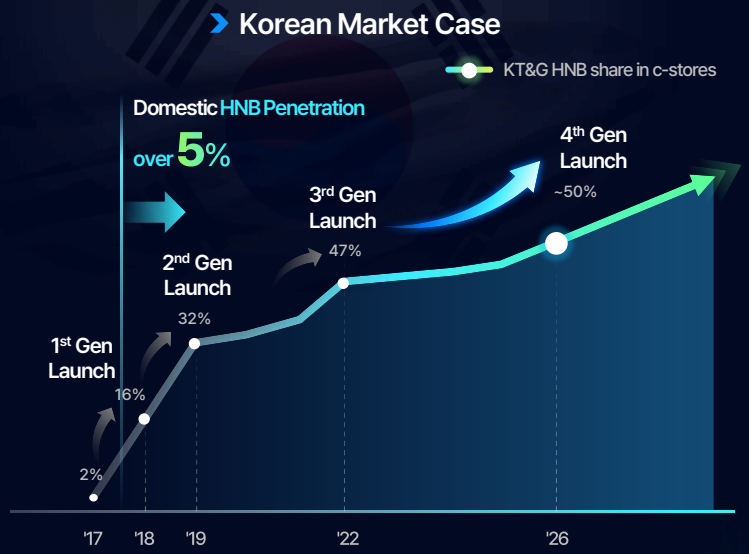
1. As of H1 '26

HNB

2 Multi-Platform Strategy

Segmenting Demand as Market Matures





HNB

2 Two-Track Strategy

Global Partnership

Rapid Rollout of New Platforms

+

Scaling Up Direct Business

Deployment of the Multi-Platform Strategy in

15+ Markets

Hub markets incl. Kazakhstan and Taiwan

Major markets incl. Europe

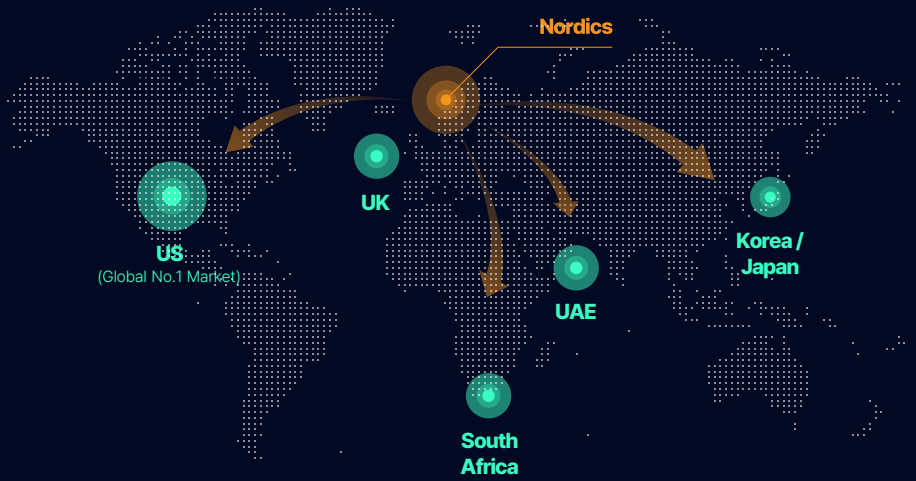
"2030 Global Top 2"

Nicotine Pouch

1 Aspiring for Top 5

Global Expansion

3 Nordic Markets » Key Markets by Region



2030 Aspiration

Global Market Presence
~70 Markets

Largest Nicotine Pouch Market
Entry into US

Global Market Share
5%+
(Global Top 5 Player)

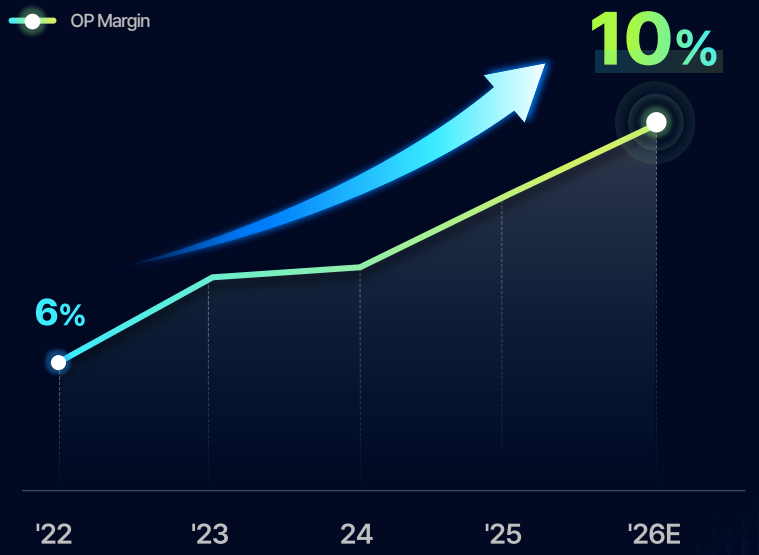
HFF

1 Profit Turnaround

Commitments

- ☑ Larger Online Channel Presence
- ☑ Product Portfolio Efficiency
- ☑ Production Efficiency and Inventory Reduction

Structural Improvement in Fundamentals [1]



1. HFF revenue and operating profit on consolidated financial statement, '26 figures based on annual guidance

HFF

2 Global Growth Opportunity

Growth Strategy

B2B
Expanding Ingredients Business

+

B2C
Launching Localized Formulations

Brand · Raw Material Awareness ↑

Commercialization Partnership with Global Leaders

F&B | Beauty & Wellness

2030 Milestone



Share of Overseas Revenue

30%+

What to Expect by 2030

Financial Performance

Continuous Profit Growth

('26~'30 CAGR)

› Operating Profit

Mid-to-high single digit %

Portfolio Transformation

Portfolio Transformation towards Global · NGP

(2030)

› % Overseas Revenue of CC Business

70%+

› % NGP Revenue of Tobacco Business

30%+

› % Overseas Revenue of HFF Business

30%+

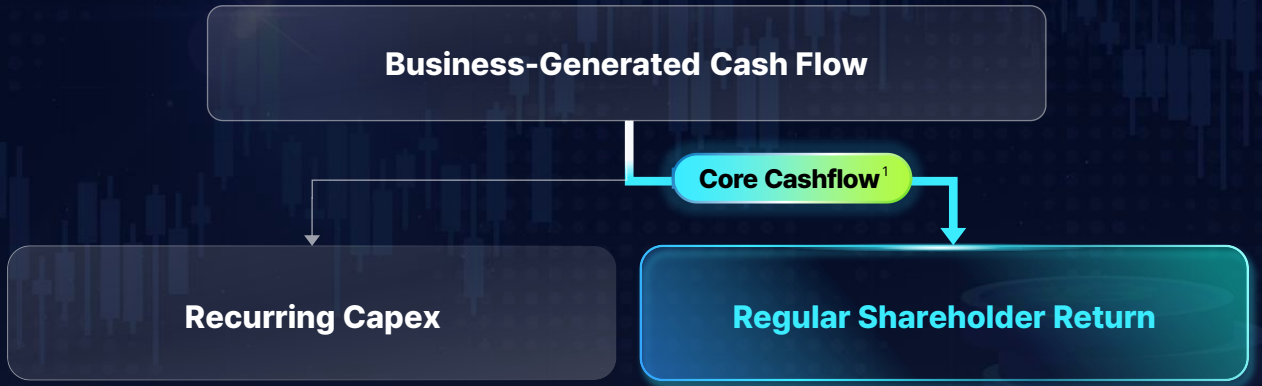
02

Value Algorithm

Disciplined Capital Allocation

Predictable Returns

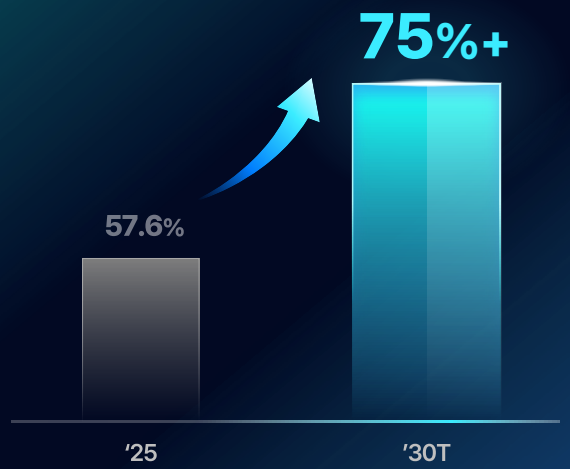
Regular Shareholder Return



1. Core Cash Flow : Actual funds distributable for return on standalone basis (Standalone EBITDA – Tax • Interest – Standalone CAPEX + Improvements in Working Capital + Net Receipts from Subsidiaries)

Improved Regular Shareholder Return

Dividend Payout Ratio



Share Buyback · Cancellation

Agg. '27~'30

KRW 1.2 trn

Shift to Executing
Year-Round Buybacks

Larger Scale, More Upside



1. To be decided flexibly based on market environment, business/financial standing and share price

Compounding Value 2030



1. Target assuming year-end DPS of KRW 6,000 for '26, final dividend to be determined after resolution at the year-end meeting of the board of directors and approval at the AGM for the 40th term
2. Target for '30
3. Target for aggregate '27~'30

Thank You