

2025 KT&G CEO Investor Day



2025.09.23.

Disclaimer

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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.



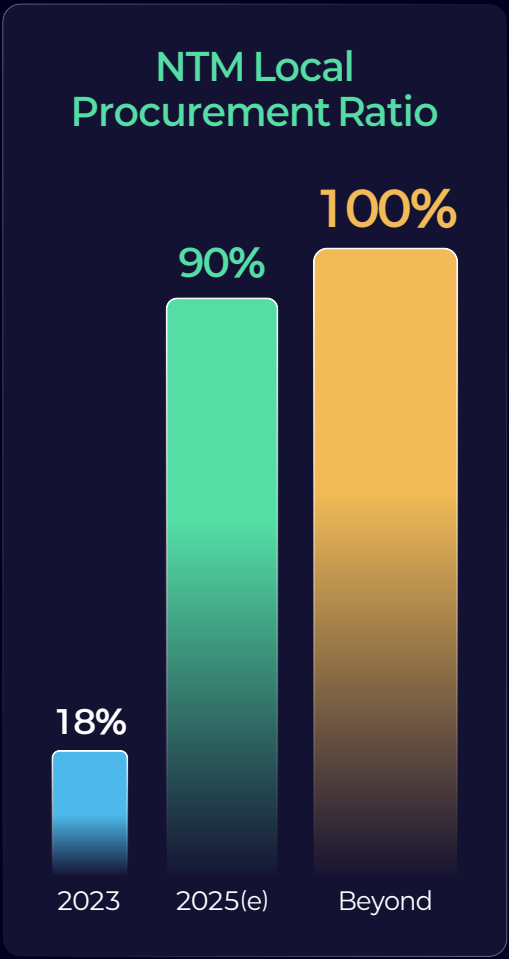
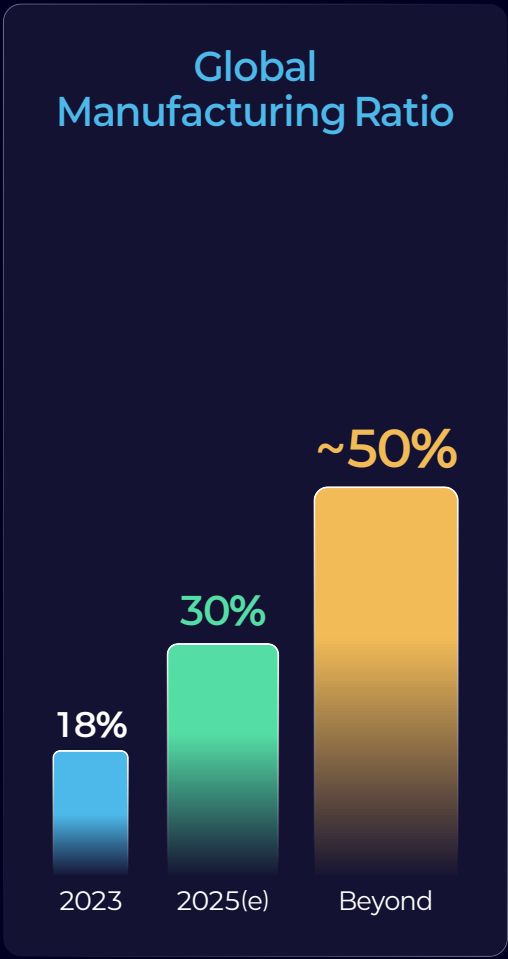
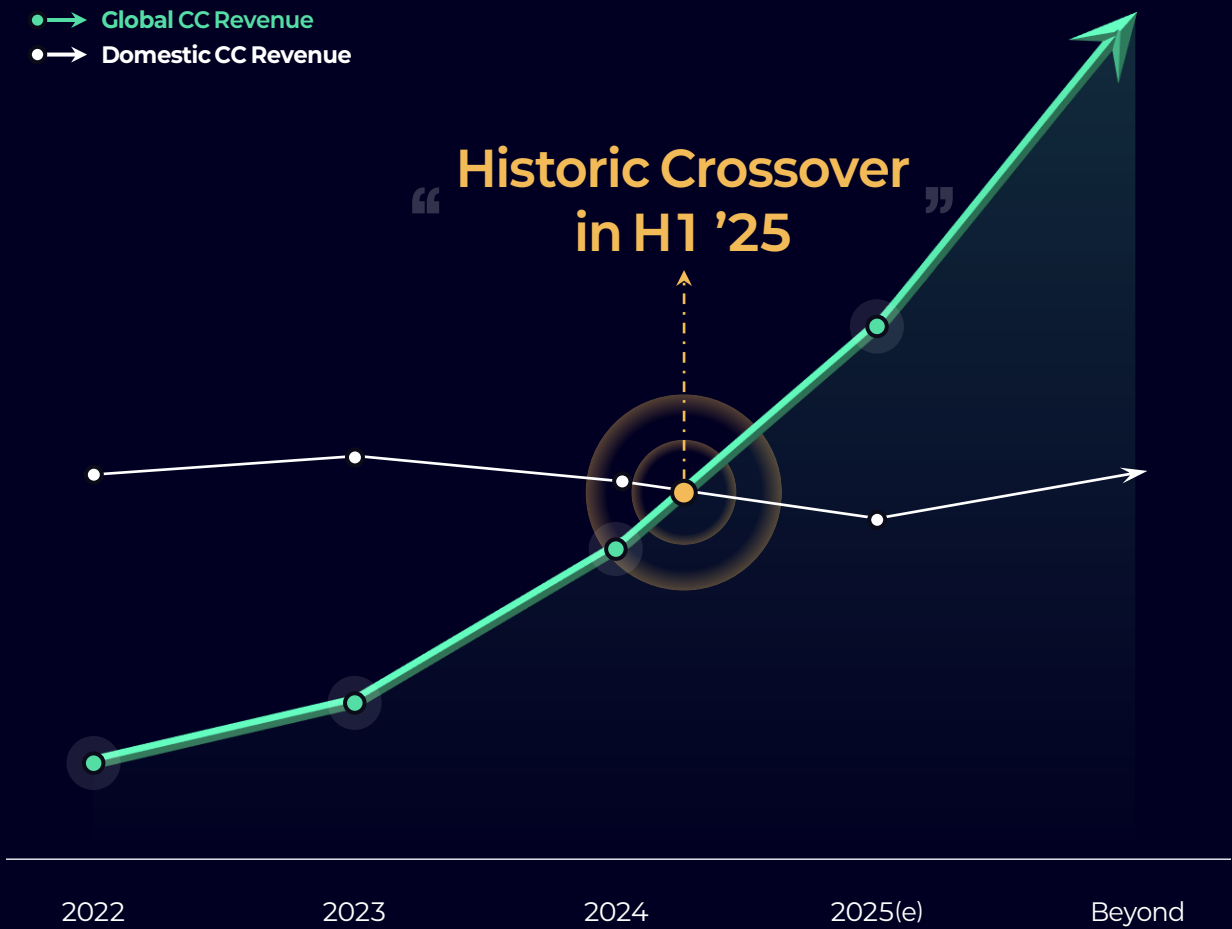
01. **Global Growth &** **Leadership Journey**

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



All-Time-High Breakout



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

$ROE > \text{Cost of Equity}$

Unlocking Corporate Value Premium



Improved Profitability
Higher Equity Efficiency

Enhanced
Shareholder Value

Balance in Growth and Return

Net Income

$ROIC > \text{Cost of Equity}$



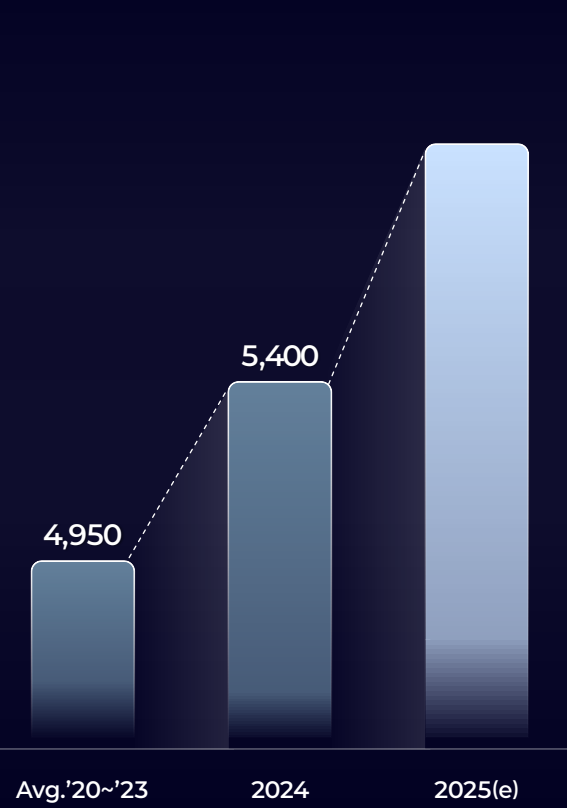
$ROIC < \text{Cost of Equity}$



Advancing Shareholder Return

DPS (Dividend Per Share)

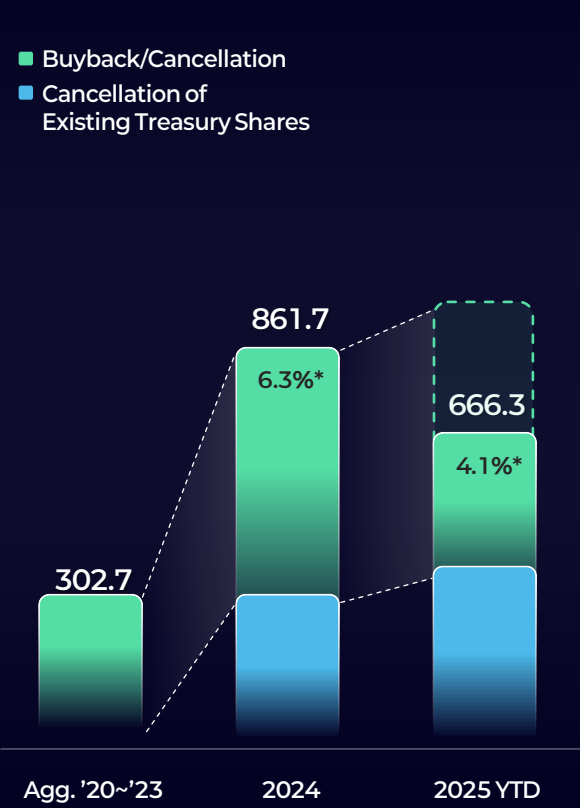
(unit : KRW)



Treasury Share Cancellation

(unit : KRW bn)

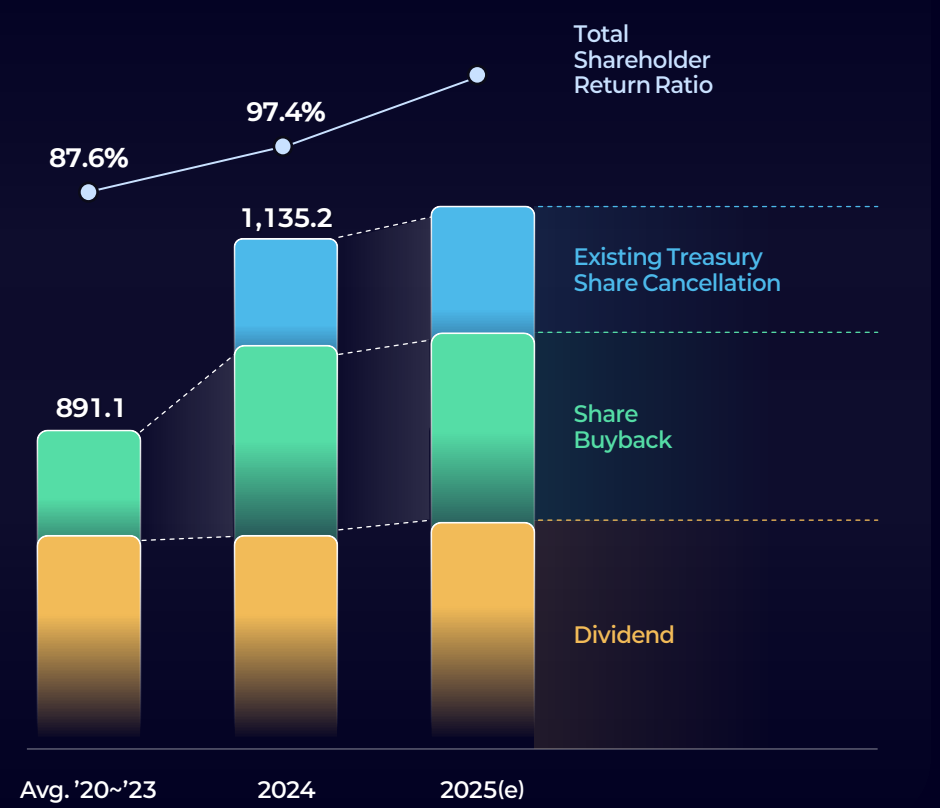
- Buyback/Cancellation
- Cancellation of Existing Treasury Shares



* % of total outstanding shares in end 2023

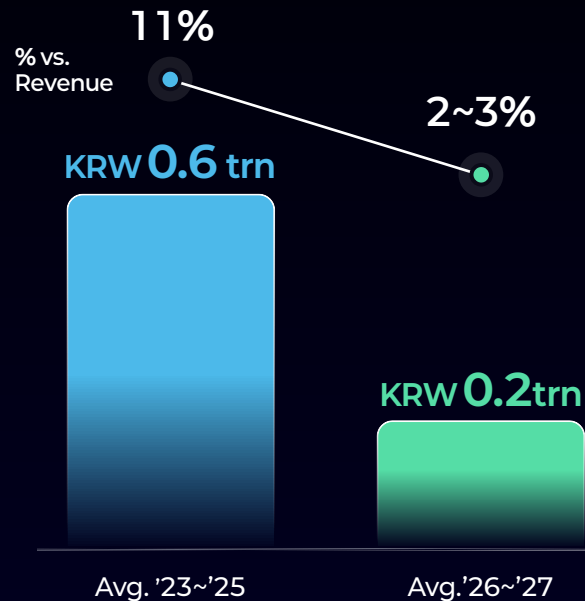
Total Scale of Shareholder Return

(unit : KRW bn)

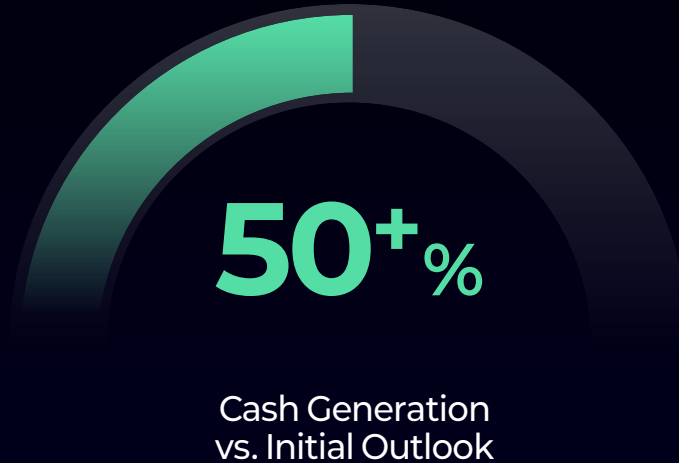


Stronger Cash Flow, Solid Financial Position

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

| Additional (+a) 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)



Altria



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



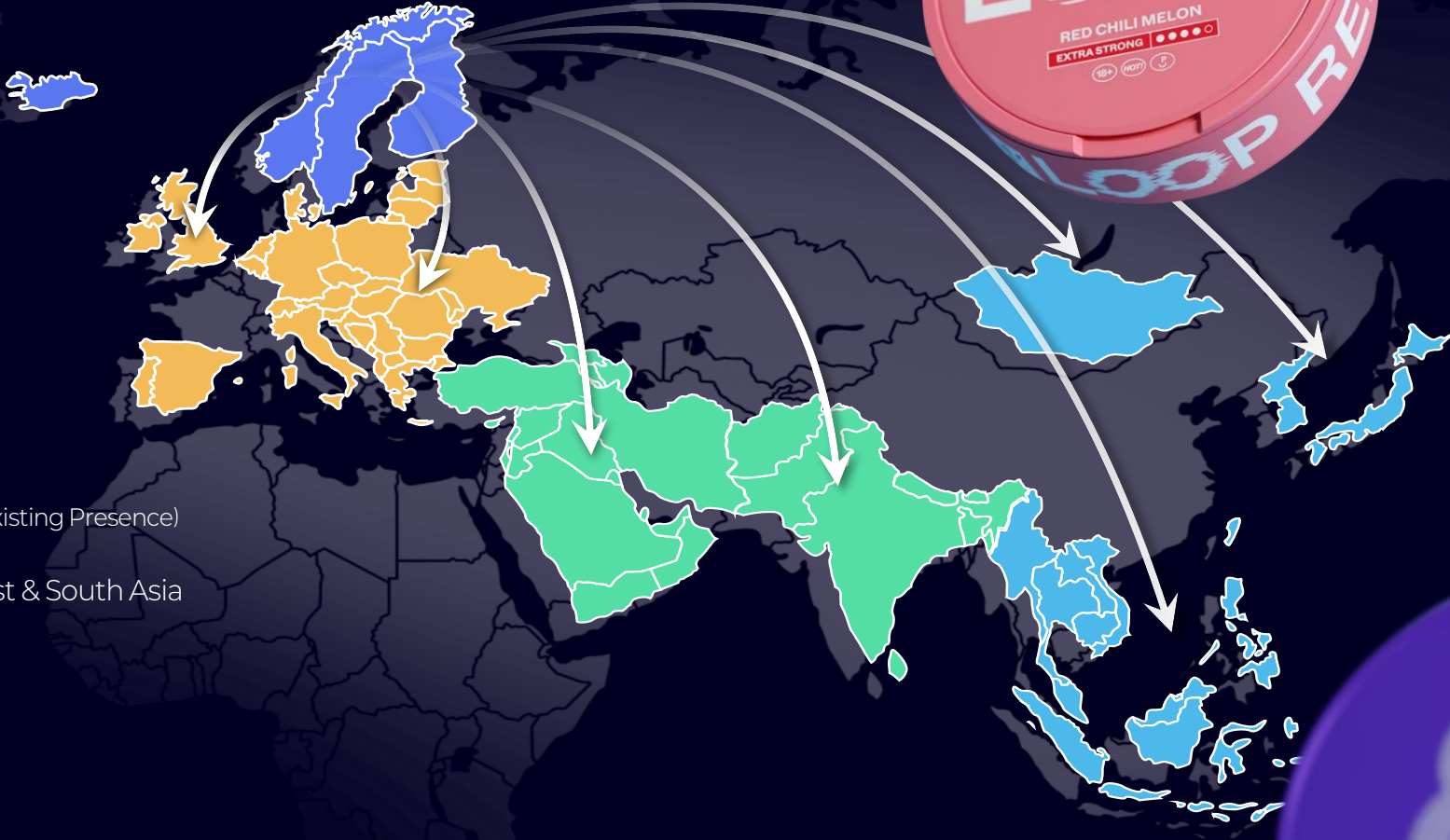
3rd

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

