



KT&G Corporate Value-up Plan

2024.11
INVESTOR RELATIONS



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

**NEW
STRATEGIC
MANAGEMENT**



Key Initiatives



Focusing on strengthening core competitiveness and advancing financial structure

Global Top-tier KT&G



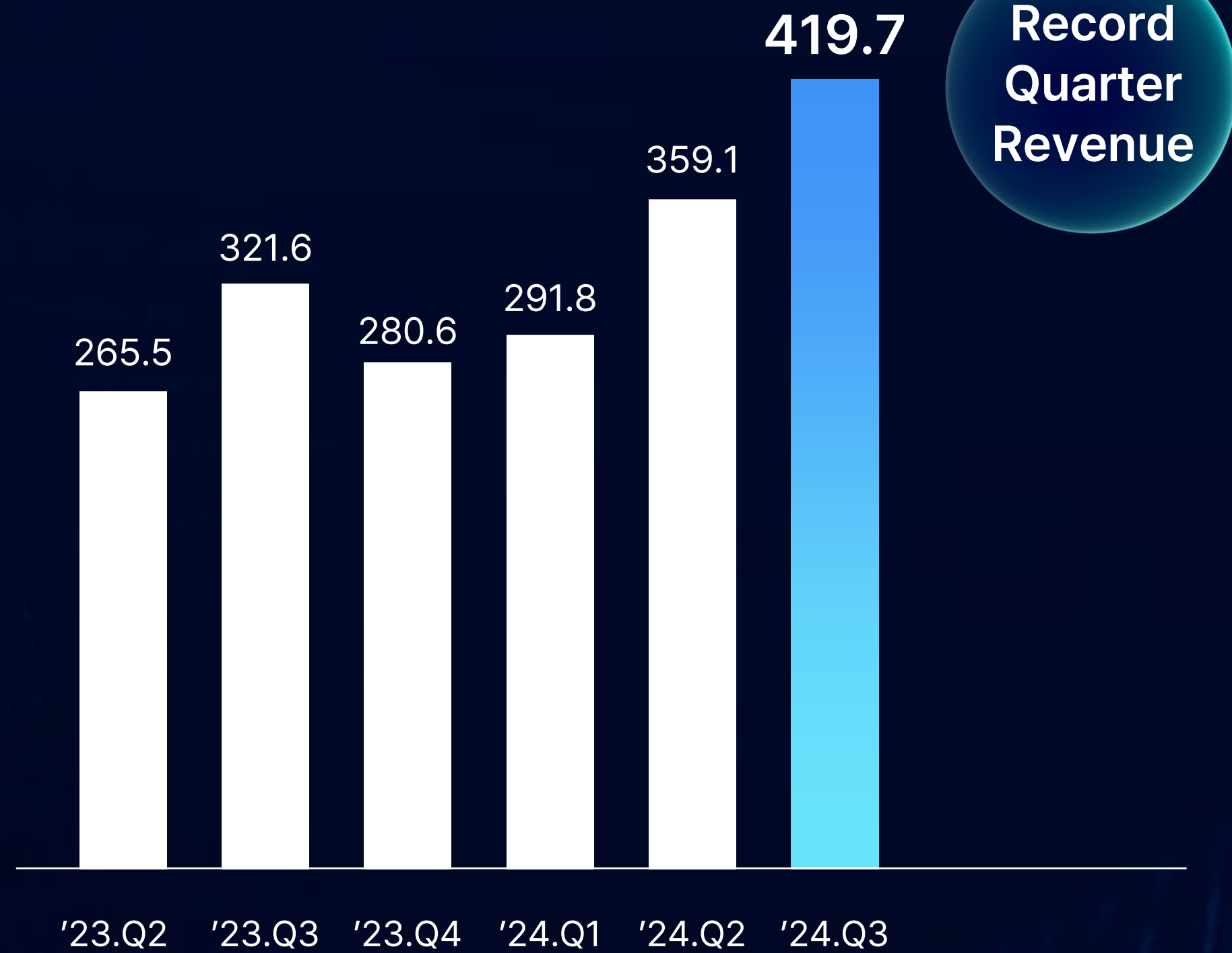
Progress



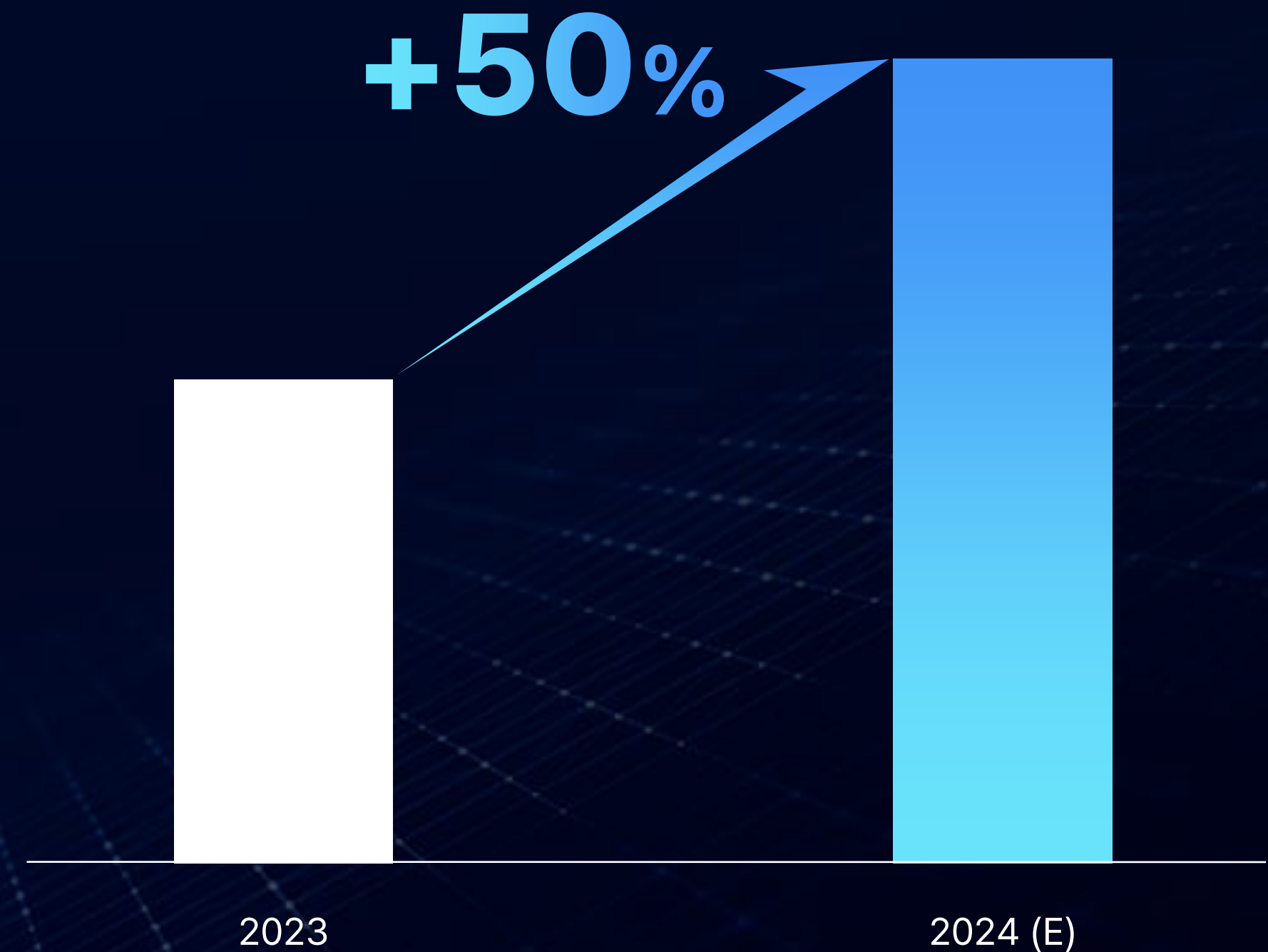
Tangible results generated as drive behind strengthening core competitiveness via global operation takes effect

Global CC Revenue

unit : KRW bn

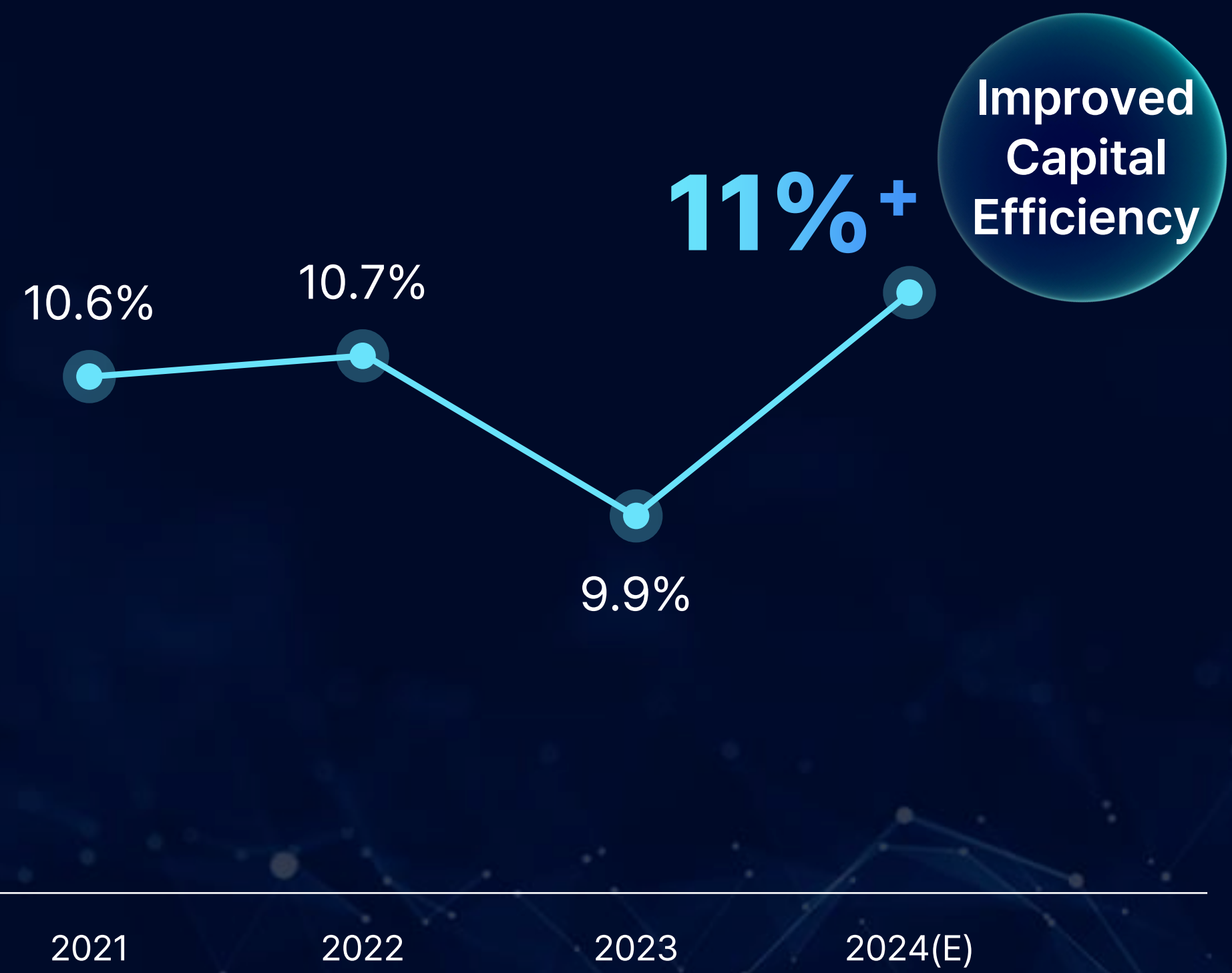


Global Tobacco Operating Profit (CC&NGP)



ROE and share price rising as initiatives led by new leadership bear fruit

ROE



Stock Price



ROE Enhancement Project



Company-wide ROE enhancement project in motion for 15% ROE by 2027

**ROE
15%**

**Profitability
Enhancement**

**Asset
Efficiency**

**Financial
Optimization**

Company-wide ROE Project

M/S↑

**Mark-up
(pricing)**

**Market
Expansion**

**Cost
down**

**Cash flow
(inventory,
receivables ↓)**

**Capacity
(equipment
efficiency)**

**Asset
efficiency**

**Risk
management**

**Subsidiary
(subsidiary
management)**

* ROE calculated on current FX, subject to change depending on FX movement

Core Business Expansion Strategy

A 3-by-3 strategy, segmentizing focal points within the 3 core business pillars, and sophisticating business operations through continued expansion



Business Restructuring

Cash generation via low-yield/non-core asset reshuffling, with resources generated to be used for shareholder return, etc.

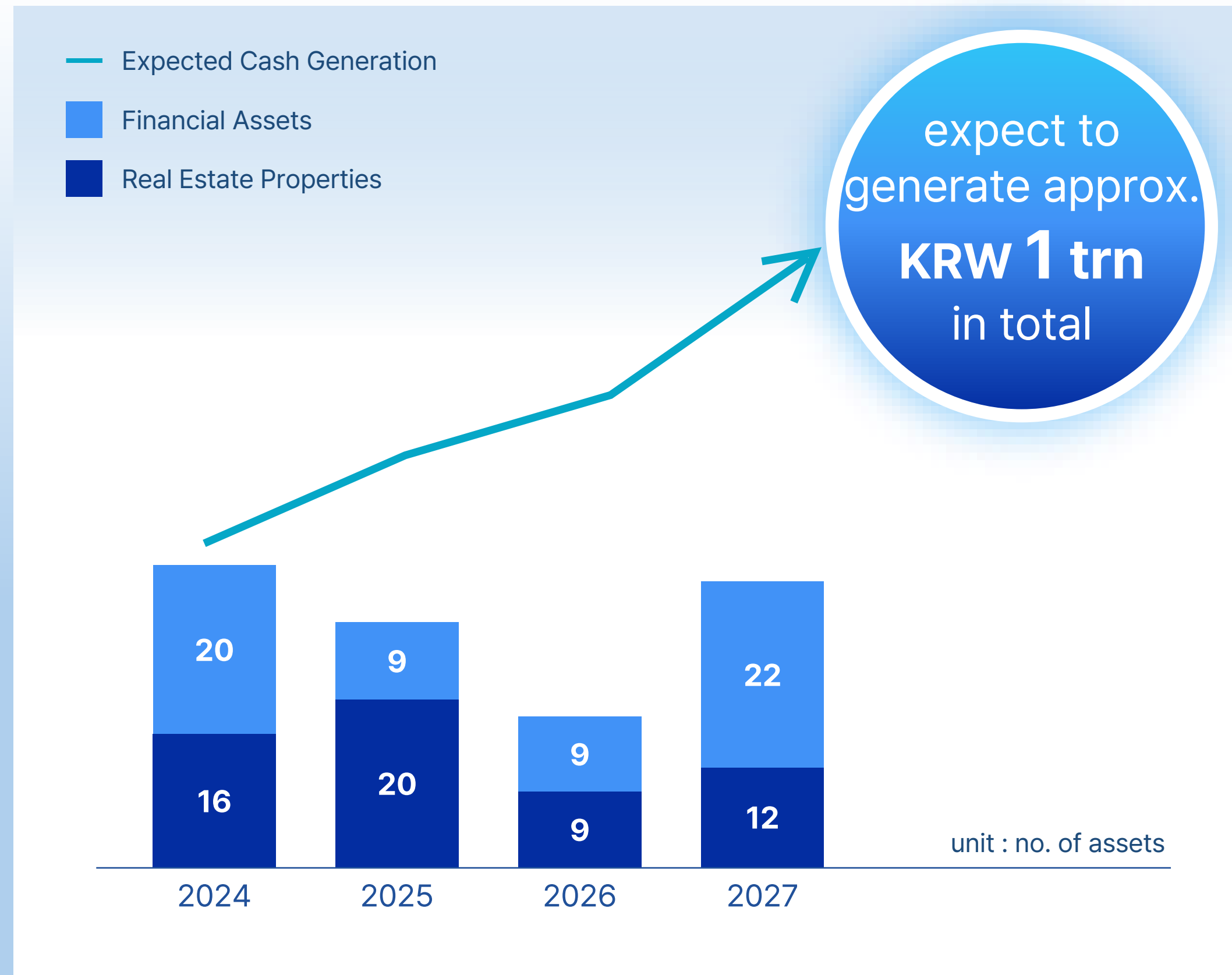
Scope of Asset Reshuffling

57
Real Estate Properties

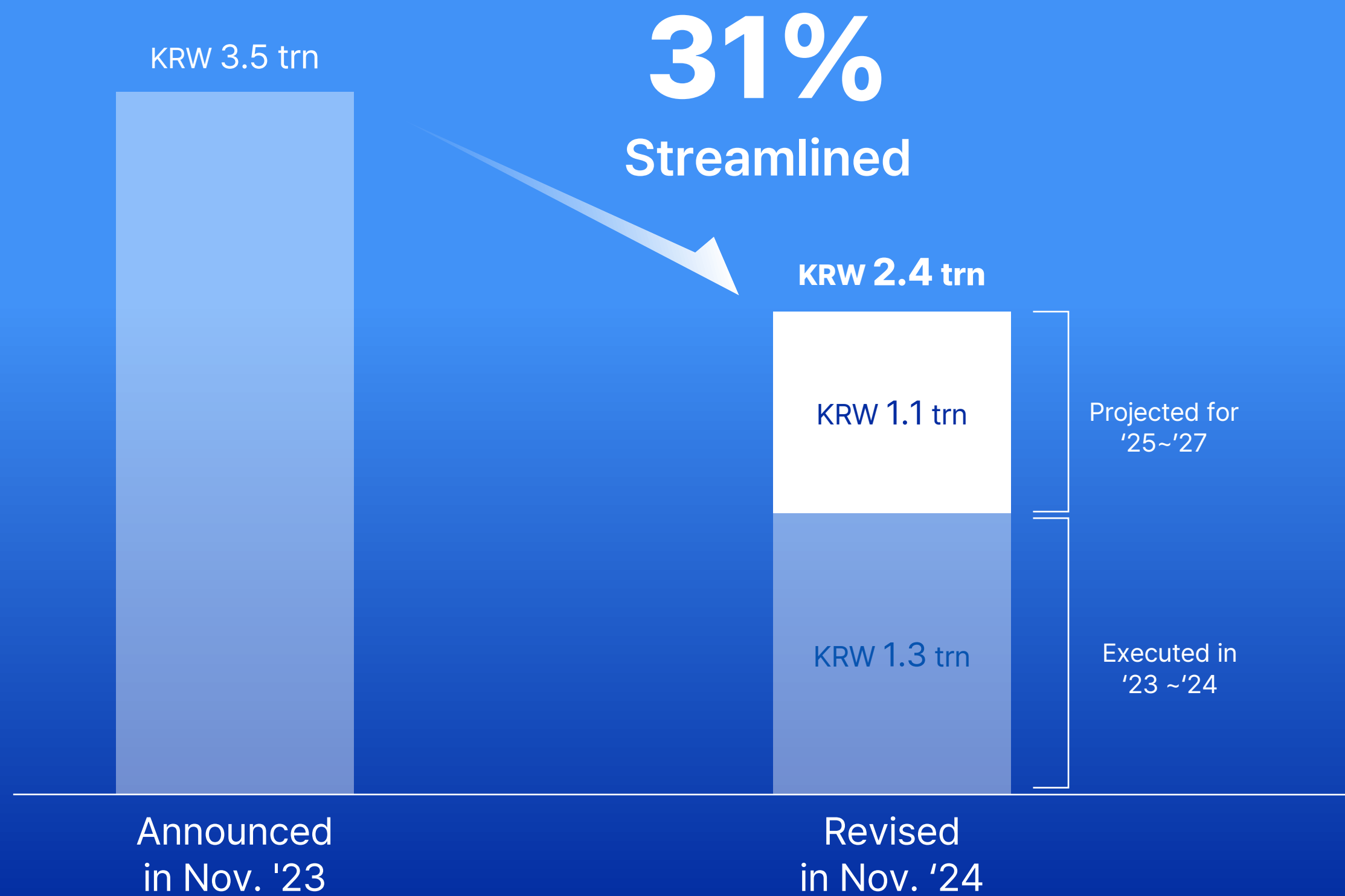
- Low-yield rental buildings
- Commercial properties (non-business)
- Idle properties incl. at local sales functions

60
Financial Assets

- Listed stocks
- Real estate funds
- Startup/venture capital investments



5-year ('23~'27) Investment Plan Innovation



Expected Returns



02

**NEW
SHAREHOLDER
RETURN**

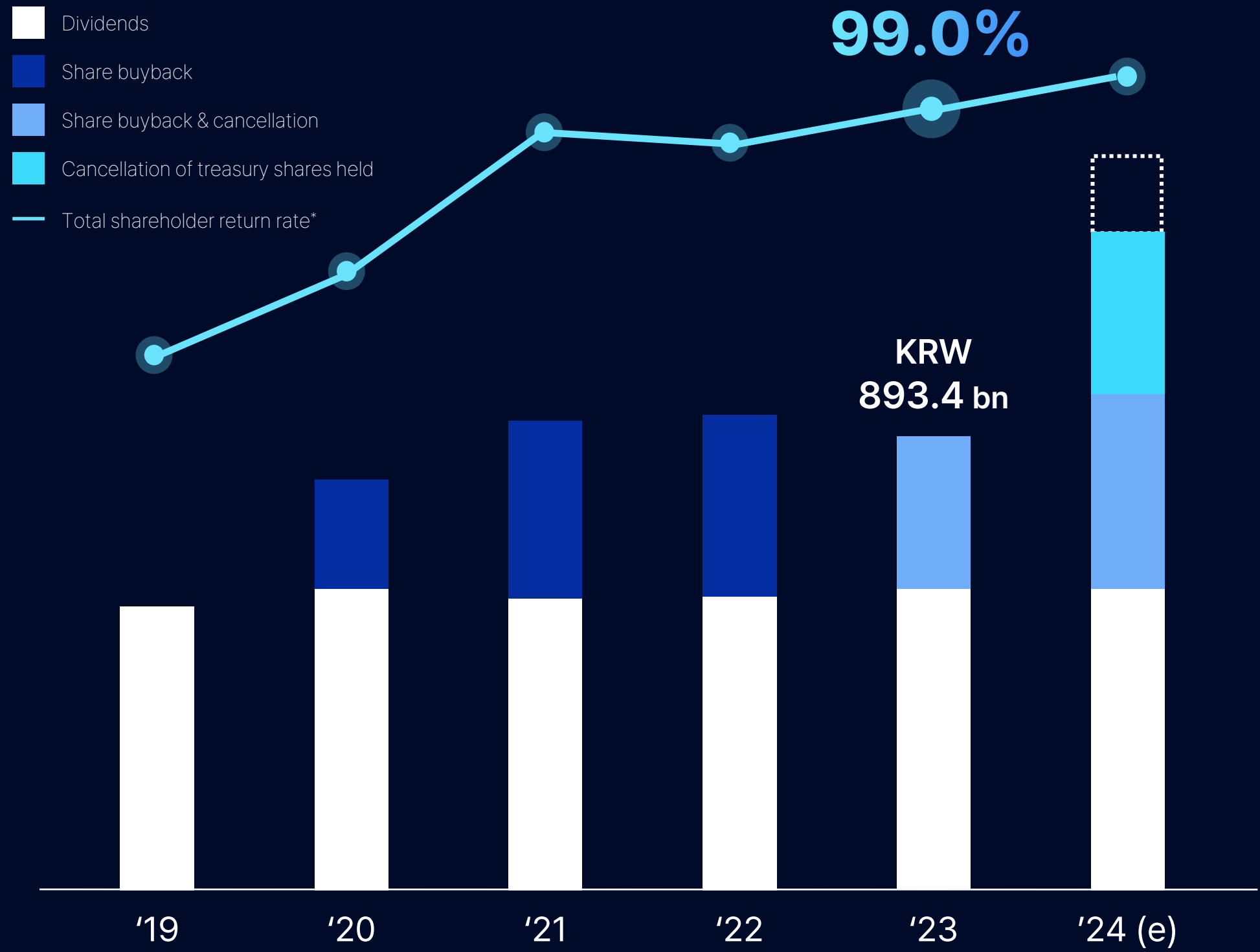


Shareholder Return Performance



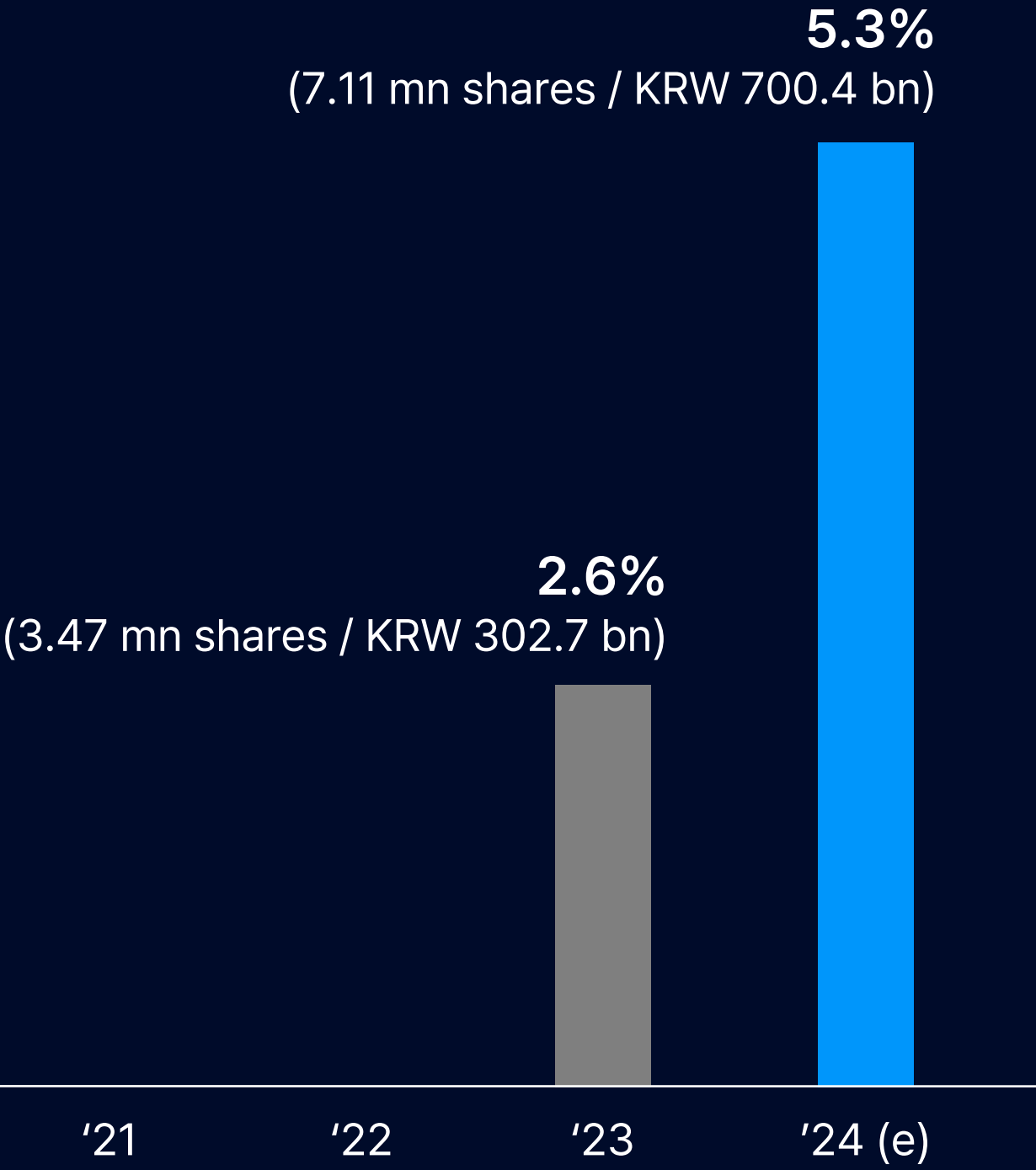
Continuous expansion of top-level shareholder return policy

Shareholder Return History



* total shareholder return rate = (share buyback + dividend) / net income attributable to owners

Share Cancellation (as of Nov '24)



* % of total outstanding shares in YE'23

Upgraded Value-up Plan('24-'27)

Presenting mid-to-long term shareholder return plan for '24-'27, and Additional shareholder return utilizing excess resources from rationalizing non-core assets

Upgraded Mid-to-long Term Shareholder Return Plan

(Previous '24 ~ '26 Plan + Extended to '27)



KT&G 「PLUS α」 Program



Additional Shareholder Return

with excess resources from rationalizing non-core assets



Share Buyback & Cancellation

to be prioritized

Total Share Cancellation(~'27)



* subject to adjustment depending on changes in business environment

* % of total outstanding shares in YE'23

Immediate additional shareholder return utilizing resources from rationalizing non-core assets

FY2024 「PLUS α」 Program



Additional Share Buyback & Cancellation

Value

KRW 150 bn

(utilizing resources from rationalizing 36 non-core assets)

Scale

1.35 mn shares (approx. 1%)

Timeline

To be cancelled before YE

FY2024 Shareholder Return

KRW 1.4 trn
in total*

100%+
total shareholder return rate

6.3%
share cancellation

* including cancellation of treasury shares held

KT&G

Plus (+) α (Alpha)

Value Creation₍₂₀₂₇₎

ROE

15%*

Cash Return

KRW **3.7** trn**

Share Cancellation

approx. **20%+*****

With resources from rationalizing non-core assets

Additional Shareholder Return****

* calculated on current FX, subject to change depending on FX movement
 ** cash dividend and share buyback, not including additional shareholder return
 *** % of total outstanding shares in YE'23
 **** subject to adjustment depending on changes in business environment



Thank you

