

NAVER

1Q25 Earnings Results

2025.5.9

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Earnings summary

- Revenue increased 10.3% YoY driven by solid growth from core search and commerce
- Operating profit grew 15.0% YoY, operating margin up 0.7%p YoY to 18.1%, and adjusted EBITDA margin was up 2.2%p YoY to record 25.2%

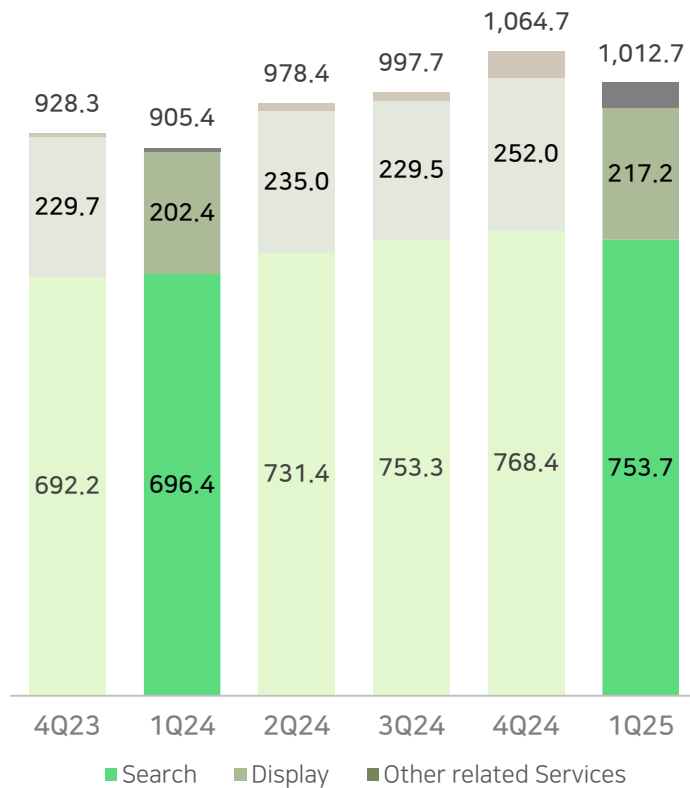
bn KRW	1Q24	2Q24	3Q24	4Q24	1Q25	Y/Y	Q/Q
Revenue	2,526.1	2,610.5	2,715.6	2,885.6	2,786.8	10.3%	-3.4%
Search platform	905.4	978.4	997.7	1,064.7	1,012.7	11.9%	-4.9%
Commerce	703.5	719.0	725.4	775.1	787.9	12.0%	1.6%
Fintech	353.9	368.5	385.1	400.9	392.7	11.0%	-2.0%
Contents	446.3	420.0	462.8	467.3	459.3	2.9%	-1.7%
Enterprise	117.0	124.6	144.6	177.6	134.2	14.7%	-24.4%
Operating expenses	2,086.8	2,137.8	2,190.3	2,343.6	2,281.5	9.3%	-2.7%
Adjusted EBITDA**	581.0	638.4	699.1	745.9	701.0	20.7%	-6.0%
Adjusted EBITDA margin (%)	23.0%	24.5%	25.7%	25.8%	25.2%	2.2%p	-0.7%p
Operating profit	439.3	472.7	525.3	542.0	505.3	15.0%	-6.8%
Operating margin (%)	17.4%	18.1%	19.3%	18.8%	18.1%	0.7%p	-0.7%p
Net profit	555.8	332.1	530.1	514.0	423.7	-23.8%	-17.6%
Net margin (%)	22.0%	12.7%	19.5%	17.8%	15.2%	-6.8%p	-2.6%p

* EBITDA + stock-based compensation

Search platform Search, Display, Other related services

Quarterly Revenue

(bn KRW)



1Q25 YoY 11.9% ↑ / QoQ -4.9% ↓ ¹⁾

Search YoY 8.2% / QoQ -1.9%

Display YoY 7.3% / QoQ -13.8%

- Search ads grew 8.2% YoY helped by expanded search and increased Place ads
- Display ads grew 7.3% YoY through expanded in-feed inventory and enhanced targeting despite macro headwinds
- Optimization of ad slots utilizing AI technology, while blurring the boundaries of traditional ad products, led to overall ad efficiency²⁾
- Revamp of NAVER app scheduled within 2025 targets to further enhance individualization of content and information discovery

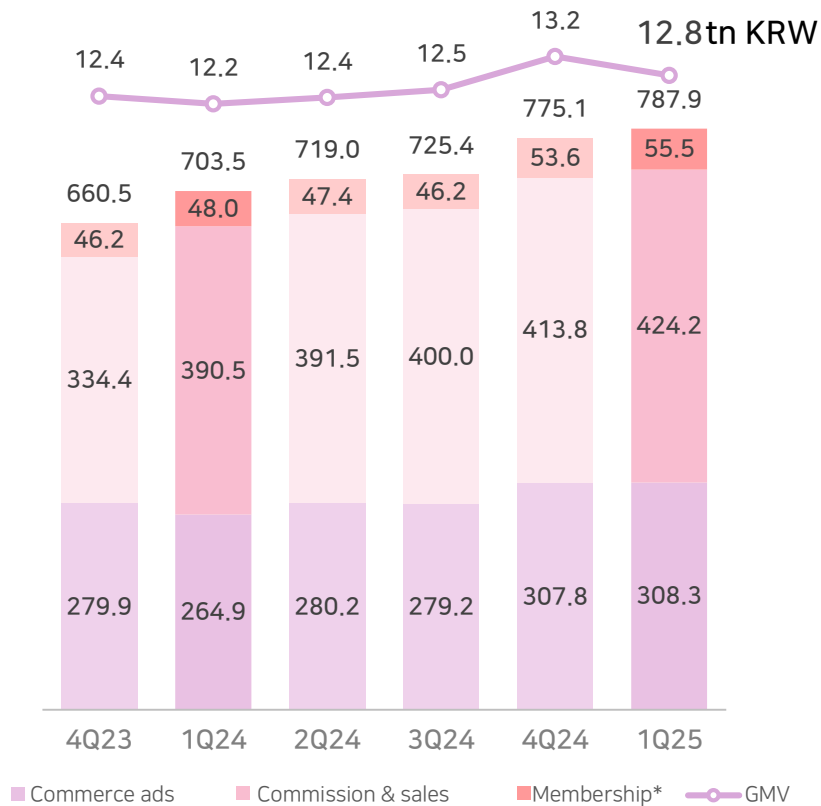
1) Excl. effects of LY related settlement, 1Q search platform revenue grew 8.9% YoY, decreased -4.7% QoQ

2) 1Q total NAVER platform ad revenue(search, display, commerce, finance, Webtoon ads) increased 9.6% YoY, decreased -3.9% QoQ

Commerce Ad, Commission & sales, Membership

Quarterly Revenue

(bn KRW, tn KRW)



*Subscription Revenue

1Q25 YoY 12.0% ↑ / QoQ 1.6% ↑ ¹⁾

Commerce ads YoY 16.4% / QoQ 0.2%

Commission & sales YoY 8.6% / QoQ 2.5%²⁾

Membership YoY 15.4% / QoQ 3.5%

- Commerce revenue grew 12% YoY driven by NAVER Plus Store launch and N Delivery renewal, as well as enhanced personalization and membership services despite macro headwinds
- On-platform GMV grew 10.1% YoY through growth in Smartstore and services
- Commerce ads hit a record high, helped by the launch of NAVER Plus Store, optimization of ad slots, and enhancements in recommended ads

*Amuse excluded from revenue and GMV after deconsolidation in 4Q24

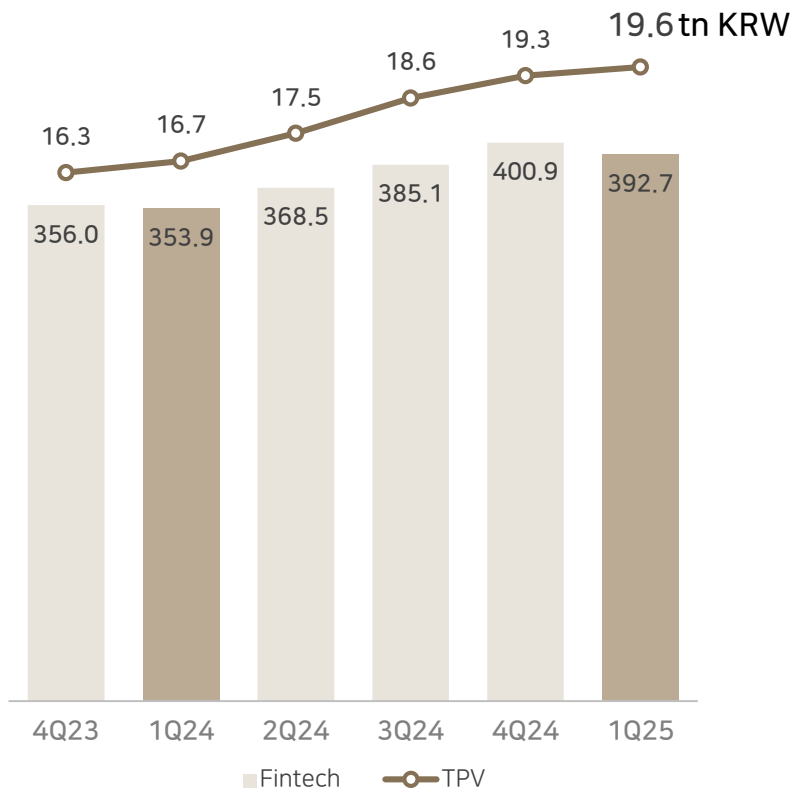
1) Excl. effects of Amuse deconsolidation, 1Q total revenue grew 14.1% YoY

2) Excl. effects from Amuse deconsolidation, 1Q commission & sales revenue grew 12.3% YoY

Fintech Payments, Platform services, etc.

Quarterly Revenue

(bn KRW, tn KRW)



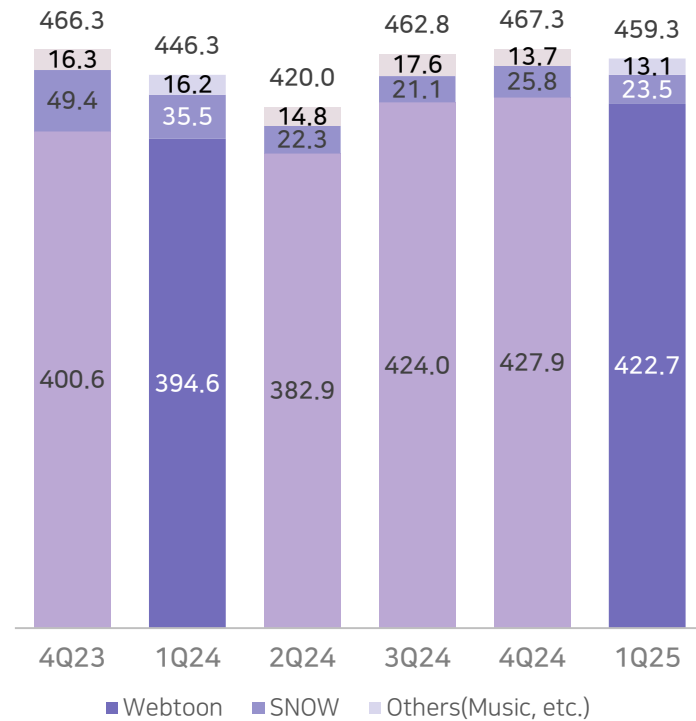
1Q25 YoY 11.0% ↑ / QoQ -2.0% ↓

- 1Q TPV grew 17.4% YoY helped by growth in Smartstore and continued 3rd party ecosystem expansion
- Non-captive TPV grew 23.7% YoY, 4.3% QoQ to 10.2tn KRW
- Launch of NAVER Pay loan comparison service on the Kbank app offers access to loan products from 70 financial institutions
- The launch of securities web trading system(WTS) strengthens financial services offerings within the platform

Contents Webtoon, SNOW, Others

Quarterly Revenue

(bn KRW)



1Q25 YoY 2.9% ↑ / QoQ -1.7% ↓ ¹⁾

Webtoon YoY 7.1% / QoQ -1.2%²⁾

SNOW YoY -33.9% / QoQ -8.9%³⁾

Others YoY -19.1% / QoQ -4.1%

[Webtoon]

- Details will be shared in WEBTOON Entertainment's earnings release scheduled on May 13th

[SNOW]

- The camera app continues to increase paid subscribers with enhanced AI offerings and NAVER Z deconsolidation in March 2024 continues to have an impact

1) Excl. effects of NAVER Z deconsolidation, 1Q Contents revenue grew 6.7% YoY

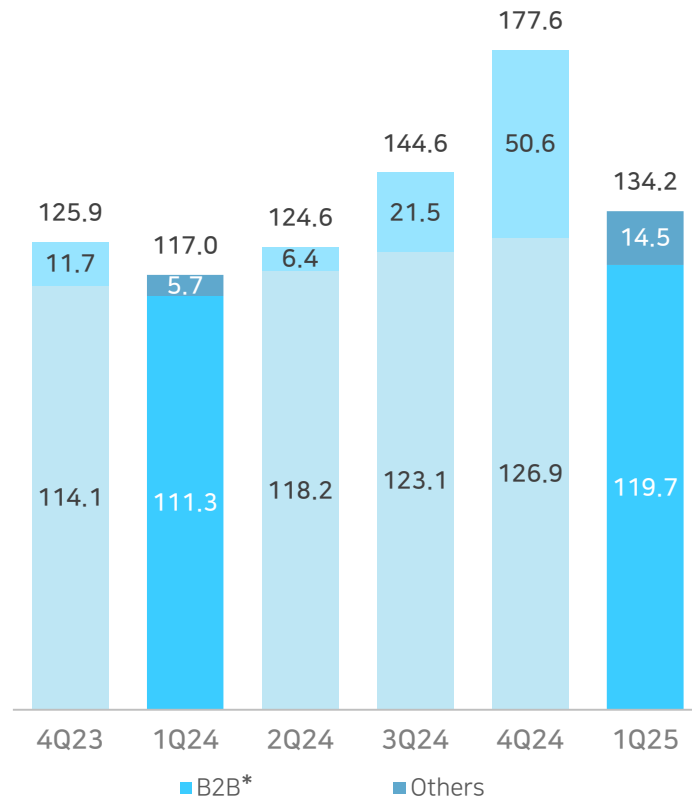
2) Consolidated revenue(KRW) may differ from WEBTOON Ent.'s earnings results

3) Excl. effects of NAVER Z deconsolidation, 1Q SNOW revenue grew 18.4% YoY

Enterprise NCP, Works, LABS, etc.

Quarterly Revenue

(bn KRW)



* B2B : includes revenue from HyperCLOVA X(LLM)

1Q25 YoY 14.7% ↑ / QoQ -24.4% ↓ ¹⁾

B2B YoY 7.5% / QoQ -5.7%

Others YoY 156.2% / QoQ -71.3%²⁾

- Revenue grew 14.7% YoY driven by increase in paid IDs for LINEWORKS
- LINEWORKS grew paid IDs in double-digits for four consecutive quarters(12.7% YoY in 1Q25) and grew revenue 27.0% YoY
- Neurocloud contract to develop AI model specialized for finance and economics was signed with Bank of Korea in 1Q25

1) Excl. effects of LY related settlement, 1Q Enterprise revenue decreased -8.9% QoQ

2) Excl. effects of LY related settlement, 1Q Others revenue decreased -28.6% QoQ

Operating expenses/profit

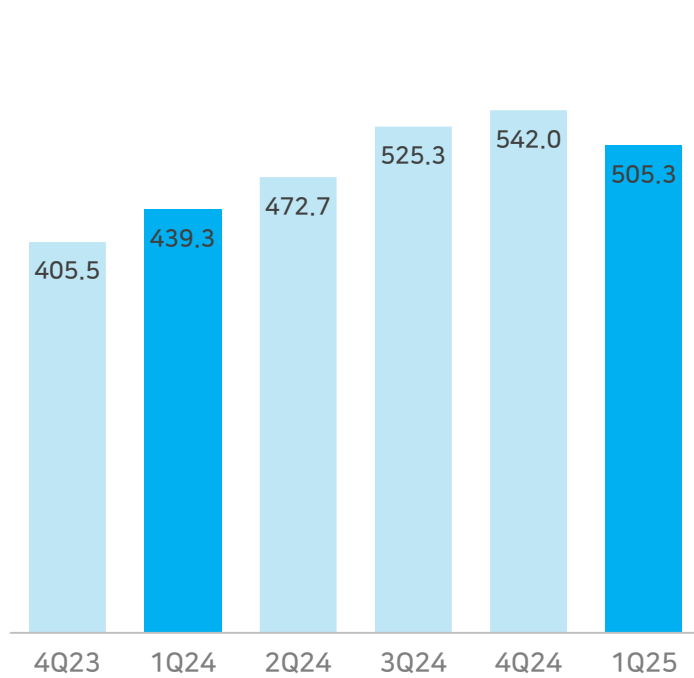
- Development & operations expense was up 8.1% YoY on higher headcount but down -0.2% QoQ with drop in stock compensation expense
- Infrastructure expense rose 11.4% YoY, 2.3% QoQ with increased depreciation on new computing assets including GPUs
- Marketing expense grew 17.1% YoY on increased promotional activities in commerce, fintech, and Webtoon

(bn KRW)	1Q24	2Q24	3Q24	4Q24	1Q25	Y/Y	Q/Q
Operating expenses	2,086.8	2,137.8	2,190.3	2,343.6	2,281.5	9.3%	-2.7%
Development & operations	636.0	682.7	656.9	688.9	687.7	8.1%	-0.2%
└ Labor cost	529.2	573.2	537.1	585.8	573.9	8.4%	-2.0%
└ Others	106.8	109.5	119.7	103.1	113.9	6.6%	10.4%
Partner	913.5	916.6	938.0	1,021.9	974.2	6.7%	-4.7%
Infrastructure	169.9	171.7	178.1	185.1	189.3	11.4%	2.3%
Marketing	367.5	366.8	417.3	447.7	430.2	17.1%	-3.9%
Operating profit	439.3	472.7	525.3	542.0	505.3	15.0%	-6.8%
Operating margin (%)	17.4%	18.1%	19.3%	18.8%	18.1%	0.7%p	-0.7%p
Depreciation & amortization	107.7	111.1	123.4	124.0	129.1	19.9%	4.2%
Stock-based compensation	34.0	54.7	50.4	79.9	66.6	96.1%	-16.7%
Adjusted EBITDA	581.0	638.4	699.1	745.9	701.0	20.7%	-6.0%
Adjusted EBITDA margin (%)	23.0%	24.5%	25.7%	25.8%	25.2%	2.2%p	-0.7%p
Net profit	555.8	332.1	530.1	514.0	423.7	-23.8%	-17.6%
Net margin (%)	22.0%	12.7%	19.5%	17.8%	15.2%	-6.8%p	-2.6%p

Operating profit, adjusted EBITDA

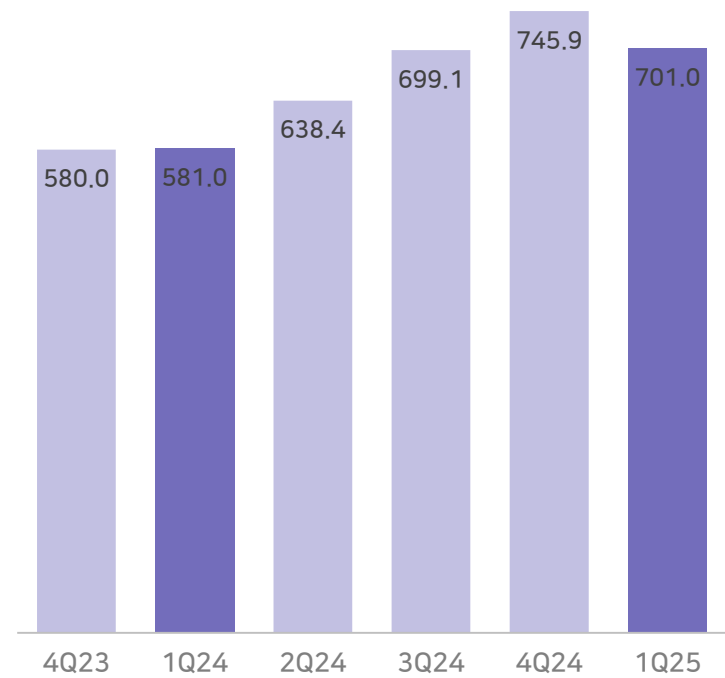
Operating profit

(bn KRW)



Adjusted EBITDA

(bn KRW)



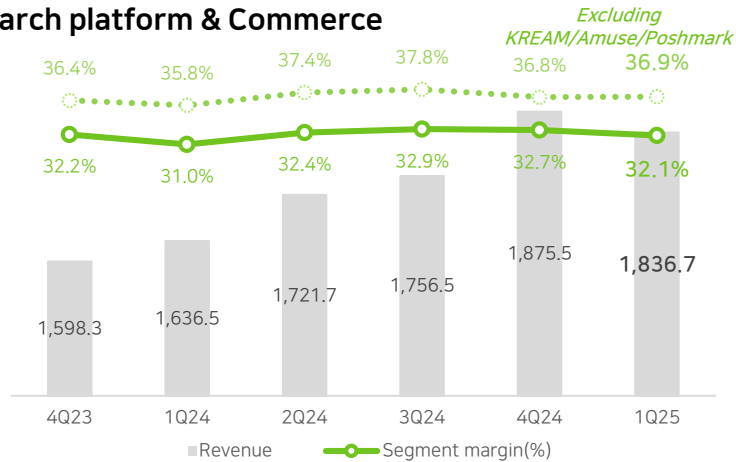
1Q25 P&L by segment

(bn KRW, %)	Reporting segment					Adjustment*	Total (Consolidated)
	Search platform	Commerce	Fintech	Contents	Enterprise		
1Q segment revenue (A)	1,047.1	789.6	436.1	526.2	151.7	(163.9)	2,786.8
- External revenue	1,012.7	787.9	392.7	459.3	134.2	-	2,786.8
- Internal revenue	34.4	1.7	43.3	67.0	17.5	(163.9)	-
1Q Segment profit/loss (B)	589.1		34.9	(39.7)	(70.3)	(8.7)	505.3
1Q segment margin (C) [C = B / A]	32.1%		8.0%	-	-	-	18.1%

* Adjustments: Accounting adjustments including intercompany transactions

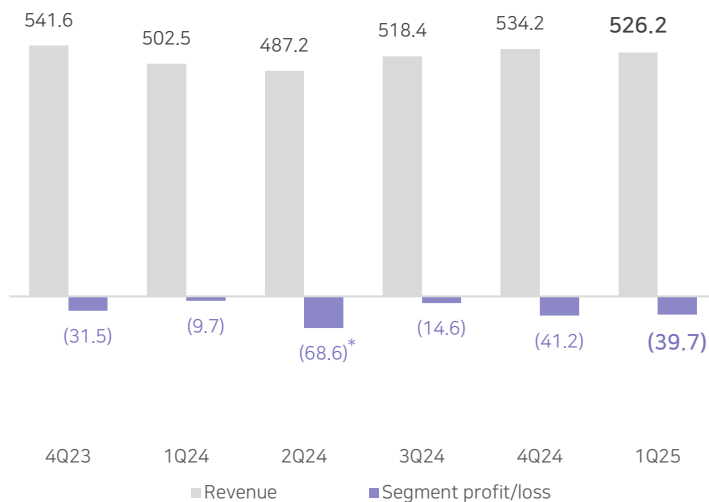
P&L by segment

Search platform & Commerce



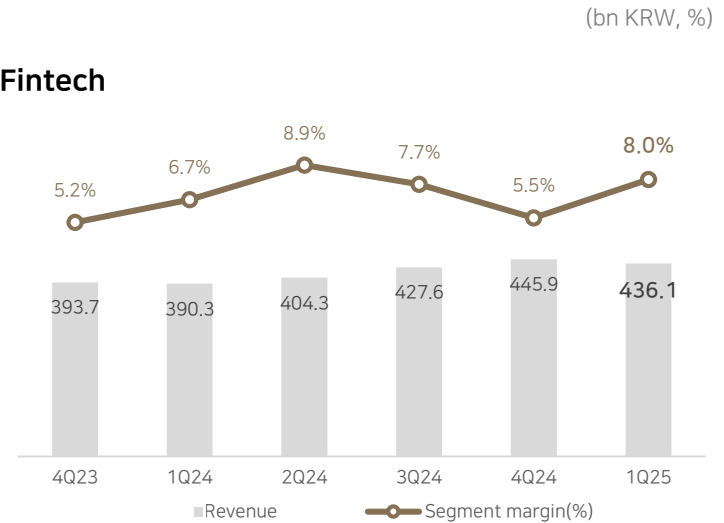
*Excluding Amuse after sale in 4Q24

Contents

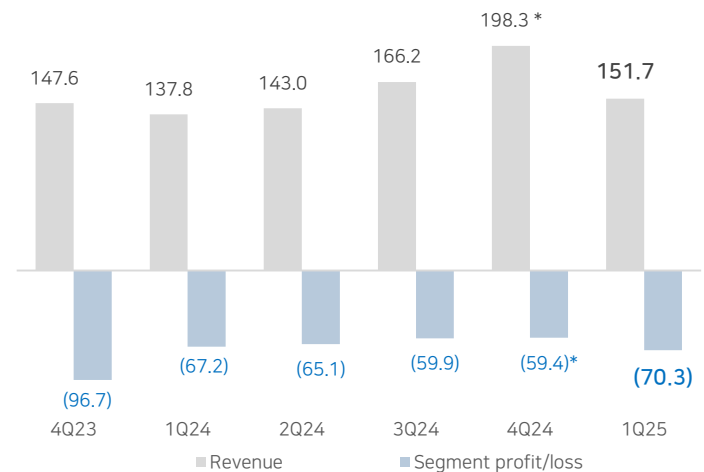


* Reflecting one-time IPO-related costs in Webtoon

Fintech



Enterprise



* Including LY-related settlements

Cash & borrowings, consolidated FCF, direct and indirect investments

Cash & Borrowings

Cash and cash equivalents + Short-term financial instruments

(bn KRW)	3Q24	4Q24	1Q25
NAVER(Separate)	2,997.2	2,815.9	3,300.7
NAVER(Consolidated)	6,874.1	7,055.3	7,490.2

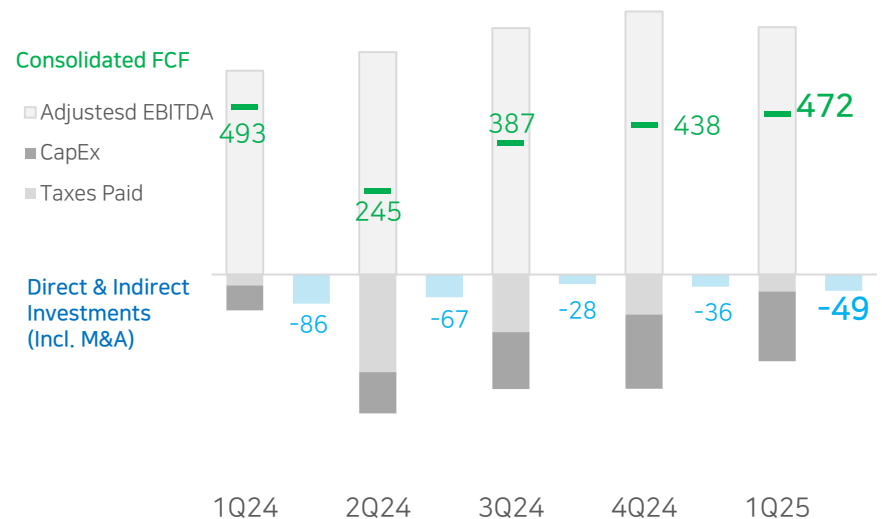
Borrowings / Debentures(Consolidated)

(bn KRW)	3Q24	4Q24	1Q25
Borrowings & debentures	3,354.3	3,205.7	3,258.0
Short-term borrowings	330.0	335.4	1,958.8
Long-term borrowings	3,024.3	2,870.3	1,299.3
Debentures	1,884.1	2,007.3	394.5
Borrowings	1,140.3	863.1	904.8

Consolidated FCF, Direct and Indirect Investments

(bn KRW)

Final dividend paid out in April 16th
(168.4bn KRW in total, 1,130 KRW per share)



* Consolidated FCF : Consolidated operating Income + non-cash expenses - CapEx - taxes paid

Appendix. Net profit

- 1Q net profit decreased 23.8% YoY and 17.6% QoQ
- Other profit/loss reflect base effect from gains from disposal of subsidiaries in 1Q24, including NAVER Z

(bn KRW)	1Q24	2Q24	3Q24	4Q24	1Q25	Y/Y	Q/Q
Operating profit	439.3	472.7	525.3	542.0	505.3	15.0%	-6.8%
Operating margin (%)	17.4%	18.1%	19.3%	18.8%	18.1%	0.7%p	-0.7%p
Non-operating profit/loss	220.9	-5.3	128.0	-0.6	74.8	-66.1%	n/a
Equity method gain/loss	-85.2	89.1	73.6	67.0	-2.7	n/a	n/a
Financial profit/loss	-49.4	-37.3	-14.7	155.8	86.4	n/a	-44.5%
Other profit/loss	355.5	-57.1	69.1	-223.5	-8.9	n/a	n/a
Pre-tax income	660.2	467.4	653.3	541.4	580.1	-12.1%	7.2%
Tax	104.4	135.3	123.2	27.3	156.4	49.9%	472.3%
Net profit	555.8	332.1	530.1	514.0	423.7	-23.8%	-17.6%
Net margin (%)	22.0%	12.7%	19.5%	17.8%	15.2%	-6.8%p	-2.6%p

Thank You