

NAVER

4Q24 Earnings Results

2025.2.7

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Earnings Summary

- Revenue growth accelerated to 13.7% YoY, 6.3% QoQ, driven by core business and LY Corp. related one-off settlement
- Operating profit grew 33.7% YoY, 3.2% QoQ, operating margin was up 2.8%p YoY to 18.8%
- Adjusted EBITDA grew 9 consecutive quarters and operating profit for 8 consecutive quarters

bn KRW	4Q23	3Q24	4Q24	Y/Y	Q/Q	FY2023	FY2024	Y/Y
Revenue*	2,537.0	2,715.6	2,885.6	13.7%*	6.3%*	9,670.6	10,737.7	11.0%
Search Platform*	928.3	997.7	1,064.7	14.7%*	6.7%*	3,589.1	3,946.2	9.9%
Commerce	660.5	725.4	775.1	17.4%	6.9%	2,546.6	2,923.0	14.8%
Fintech	356.0	385.1	400.9	12.6%	4.1%	1,354.8	1,508.4	11.3%
Contents	466.3	462.8	467.3	0.2%	1.0%	1,733.0	1,796.4	3.7%
Cloud*	125.9	144.6	177.6	41.1%*	22.8%*	447.2	563.7	26.1%
Operating Expenses	2,131.5	2,190.3	2,343.6	10.0%	7.0%	8,181.8	8,758.5	7.0%
Adjusted EBITDA***	580.0	699.1	745.9	28.6%	6.7%	2,133.8	2,664.4	24.9%
Adjusted EBITDA Margin (%)	22.9%	25.7%	25.8%	3.0%p	0.1%p	22.1%	24.8%	2.7%p
Operating Profit	405.5	525.3	542.0	33.7%	3.2%	1,488.8	1,979.3	32.9%
Operating Margin (%)**	16.0%	19.3%	18.8%**	2.8%p	-0.6%p	15.4%	18.4%	3.0%p
Net Profit	298.4	530.1	444.1	48.8%	-16.2%	985.0	1,862.1	89.0%
Net Margin (%)	11.8%	19.5%	15.4%	3.6%p	-4.1%p	10.2%	17.3%	7.2%p

* Excl. effects of LY related settlement, overall 4Q revenue grew 11.4% YoY, 4.1% QoQ
(Search Platform revenue grew 11.5% YoY, 3.8% QoQ / Cloud and Future R&D revenue grew 17.0% YoY, 1.9% QoQ)

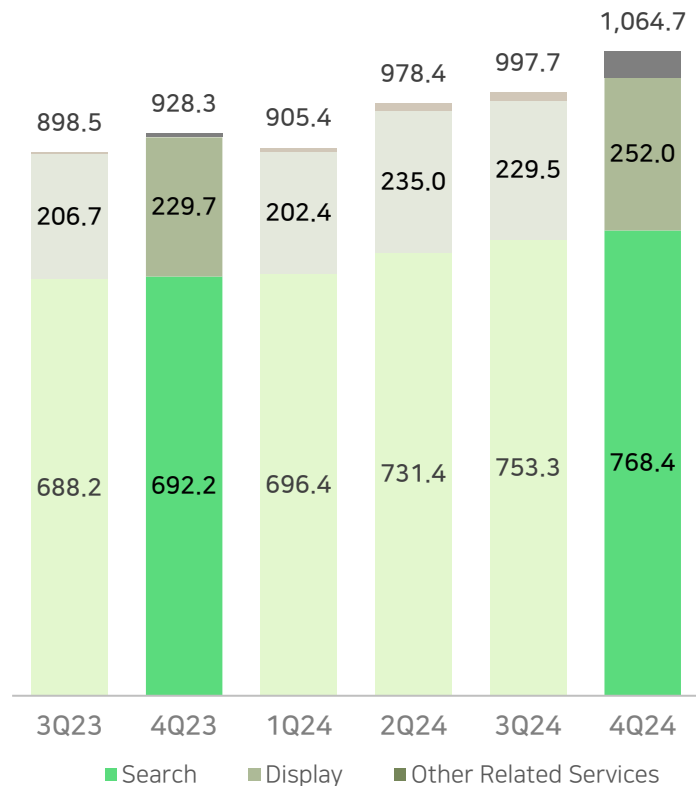
** Excl. effects of LY related settlement, 4Q operating margin is 17.5%

*** EBITDA + stock-based compensation

Search Platform Search, Display, Other Related Services

Quarterly Revenue

(bn KRW)



4Q24 YoY 14.7% ↑ / QoQ 6.7%¹⁾

Search YoY 11.0% / QoQ 2.0%

Display YoY 9.7% / QoQ 9.8%

2024 YoY 9.9% ↑²⁾

- Search ads grew 11.0% YoY boosted by ad product improvement including place ads and external platforms expansion
- Display ads grew 9.7% YoY supported by integration of feeds into sports/entertainment/blog/café verticals while further enhancing targeting
- Plans to strengthen competitiveness by improving ad efficiency through upgrading advertiser tool and external platforms expansion

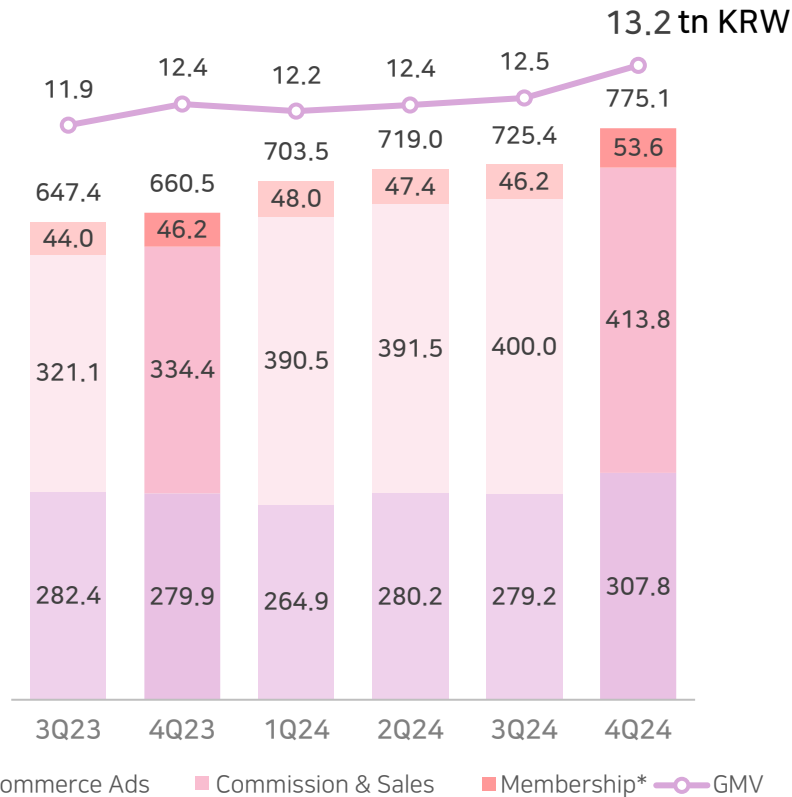
1) Excl. effects of LY related settlement, (recognized under "Others"), 4Q revenue grew 11.5% YoY, 3.8% QoQ

2) Excl. effects of LY related settlement, 2024 revenue grew 9.1% YoY

Commerce Ads, Commission & Sales, Membership

Quarterly Revenue

(bn KRW, tn KRW)



* Subscription revenue

** Smartstore: includes both Smartstores and Brandstores

4Q24 YoY 17.4% ↑ / QoQ 6.9% ↑

Commerce Ads YoY 10.0% / QoQ 10.2%
 Commission & Sales YoY 23.7% / QoQ 3.4%
 Membership YoY 15.9% / QoQ 16.0%

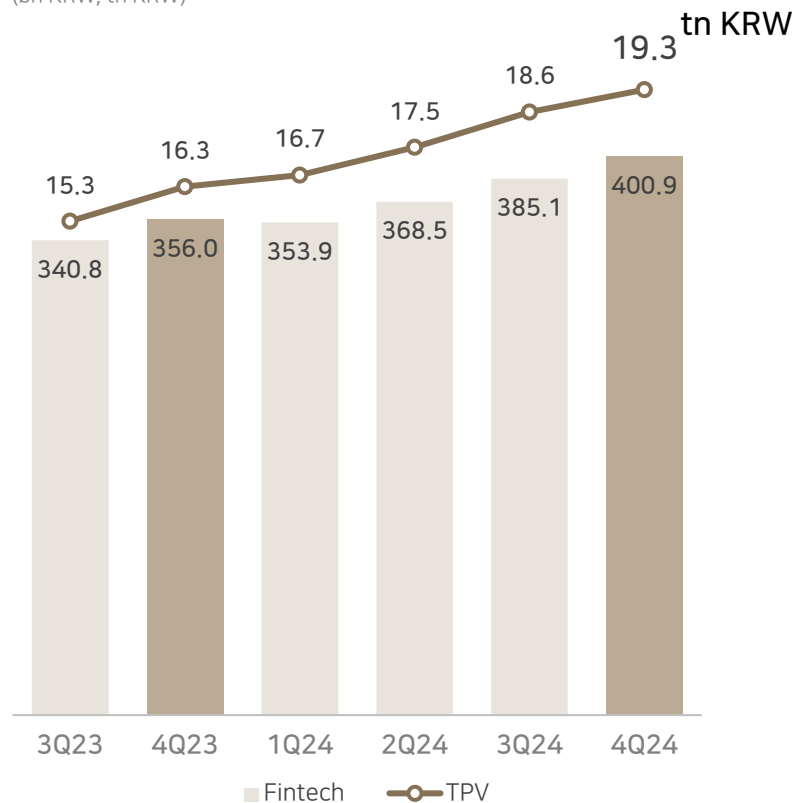
2024 YoY 14.8% ↑

- On-platform GMV grew 11.0% YoY, 5.5% QoQ on discovery shopping experience enhancements in Smartstore** through launch of Plus Store in October and Service GMV increase
- Commerce ads grew on efficiency and profitability increase through UI improvements towards expanding higher efficiency pages, furthering targeted ads, optimizing ad creatives, expanding keyword matches, etc.
- Number of members increased on membership initiatives such as Netflix partnership and addition of delivery benefits, leading to expansion of shopping ecosystem

Fintech Payments, Digital Finance, etc.

Quarterly Revenue

(bn KRW, tn KRW)



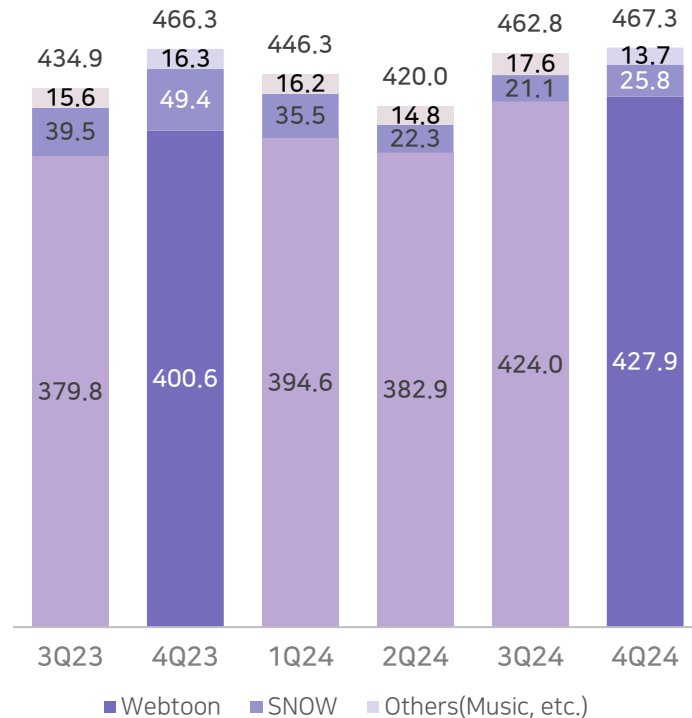
4Q24 YoY 12.6% ↑ / QoQ 4.1% ↑
2024 YoY 11.3% ↑

- 4Q TPV grew 18.3% YoY, 3.7% QoQ to 19.3tn KRW on Smartstore growth and continued expansion of 3rd party ecosystem
- Non-captive TPV grew 27.3% YoY, 2.2% QoQ to 9.8tn KRW
- Platform business continues growth on further expansion of loan/insurance comparison and real estate marketplace services

Contents Webtoon, SNOW, Others

Quarterly Revenue

(bn KRW)



4Q24 YoY 0.2% ↑ / QoQ 1.0% ↑ ¹⁾

Webtoon YoY 6.8% / QoQ 0.9%³⁾

SNOW YoY -47.8% / QoQ 22.1%²⁾

Others YoY -16.3% / QoQ -22.4%

2024 YoY 3.7% ↑

[Webtoon]

- Details will be shared in WEBTOON Entertainment’s earnings release on Feb 25th
- Revenue on a constant currency basis grew approximately 10% YoY*

[SNOW]

- Naver Z deconsolidation effect continues; camera app saw rise in paying subscribers through AI contents offerings

1) Excl. Naver Z deconsolidation effect, 4Q total revenue grew 4.4% YoY, 1.0% QoQ

2) Excl. Naver Z deconsolidation effect, 4Q SNOW revenue fell -15.9% YoY, grew 22.1% QoQ

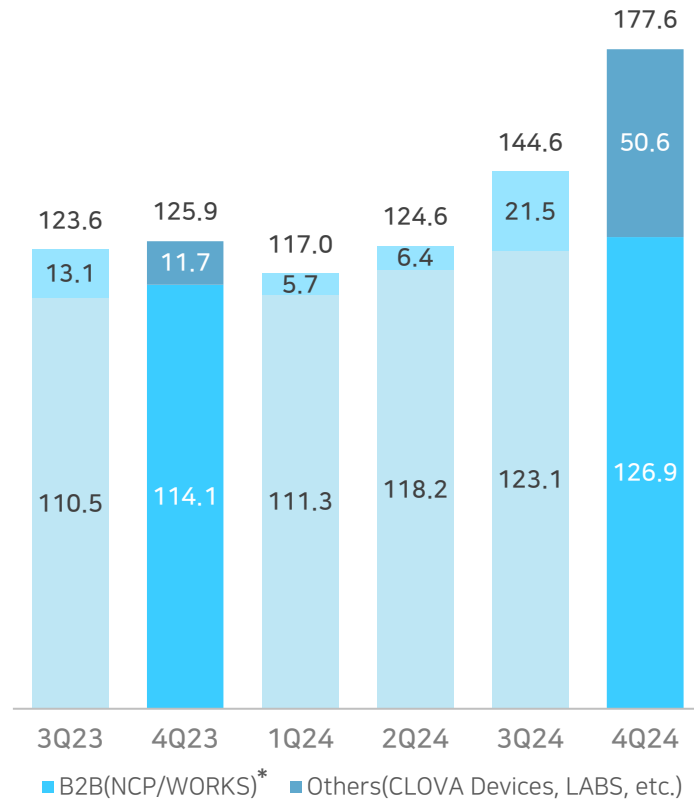
3) Consolidated revenue (KRW) may differ from WEBTOON Entertainment’s preliminary estimated results

*As per WEBTOON Entertainment’s preliminary estimated results

Cloud B2B(NCP/Works), Others(CLOVA Devices/LABS, etc.)

Quarterly Revenue

(bn KRW)



* B2B: includes revenue from HyperCLOVA(LLM)

4Q24 YoY 41.1% ↑ / QoQ 22.8% ↑ ¹⁾

B2B YoY 11.2% / QoQ 3.2%

Others YoY 331.9% / QoQ 135.0%

2024 YoY 26.1% ↑ ²⁾

- B2B revenue grew 11.2% YoY to 126.9bn KRW driven by Neurocloud revenue growth and increase in paid IDs for Line Works
- Number of paid IDs for Line Works grew 14.0% YoY, leading to 27.7% YoY increase in Line Works revenue
- Revenue generation from Saudi digital twin project continues; Neurocloud contract with Korea Hydro & Nuclear signed on December

1) Excl. effects of LY related settlement (recognized under "Others"), 4Q revenue grew 17.0% YoY, 1.9% QoQ

2) Excl. effects of LY related settlement, 2024 revenue grew 19.3% YoY

Operating Expenses/Profit

- Development & operations expense growth was contained to 4.2% YoY, despite increase in stock-based compensations, through improved organization efficiency
- Marketing expense grew 25.6% YoY on increased marketing spend in commerce, fintech, and contents
- Infrastructure expense increased 13.1% YoY with increase in depreciation on new assets

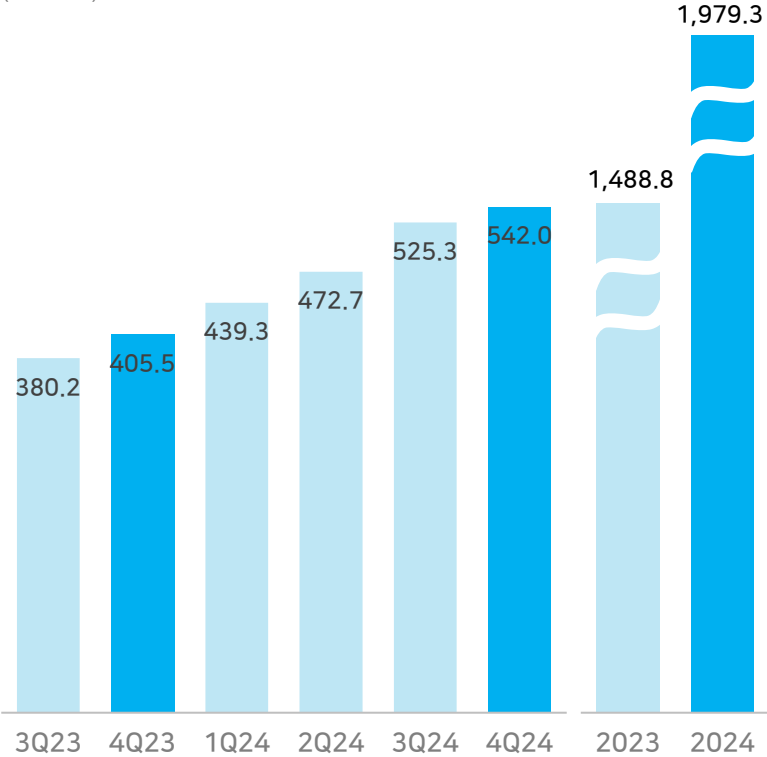
(bn KRW)	4Q23	3Q24	4Q24	Y/Y	Q/Q	FY2023	FY2024	Y/Y
Operating Expenses	2,131.5	2,190.3	2,343.6	10.0%	7.0%	8,181.8	8,758.5	7.0%
Development & Operations	661.5	656.9	688.9	4.2%	4.9%	2,572.7	2,664.4	3.6%
└ Labor cost	560.0	537.1	585.8	4.6%	9.1%	2,175.9	2,225.4	2.3%
└ Others	101.5	119.7	103.1	1.6%	-13.9%	396.8	439.1	10.7%
Partner	949.8	938.0	1,021.9	7.6%	8.9%	3,533.6	3,789.9	7.3%
Infrastructure	163.7	178.1	185.1	13.1%	3.9%	595.7	704.8	18.3%
Marketing	356.5	417.3	447.7	25.6%	7.3%	1,479.8	1,599.4	8.1%
Operating Profit	405.5	525.3	542.0	33.7%	3.2%	1,488.8	1,979.3	32.9%
Operating margin (%)*	16.0%	19.3%	18.8%*	2.8%p	-0.6%p	15.4%	18.4%	3.0%p
Depreciation & Amortization	106.7	123.4	124.0	16.1%	0.5%	373.1	466.1	24.9%
Stock-based compensation	67.7	50.4	79.9	18.0%	58.4%	271.8	219.0	-19.4%
Adjusted EBITDA	580.0	699.1	745.9	28.6%	6.7%	2,133.8	2,664.4	24.9%
Adjusted EBITDA margin (%)	22.9%	25.7%	25.8%	3.0%p	0.1%p	22.1%	24.8%	2.7%p
Net Profit	298.4	530.1	444.1	48.8%	-16.2%	985.0	1,862.1	89.0%
Net margin (%)	11.8%	19.5%	15.4%	3.6%p	-4.1%p	10.2%	17.3%	7.2%p

* Excl. effects of LY related settlement, 4Q operating margin is 17.5%

Operating Income, Adjusted EBITDA

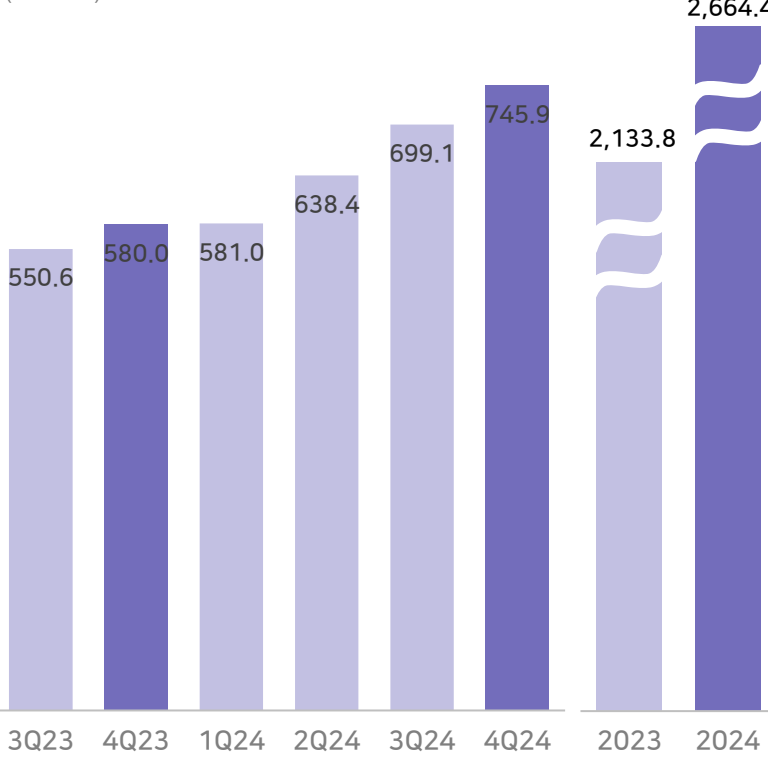
Operating Income*

(bn KRW)



Adjusted EBITDA

(bn KRW)



* Excl. effects from LY contract fees, 4Q Adjusted EBITDA grew 17.0% YoY, 1.9% QoQ

4Q24 P&L by Segment

(bn KRW, %)	Reporting Segment					Adjustment*	Total (Consolidated)
	Search Platform	Commerce	Fintech	Contents	Cloud		
4Q Segment Revenue (A)	1,098.0	777.5	445.9	534.2	198.3	(168.2)	2,885.6
- External revenue	1,064.7	775.1	400.9	467.3	177.6	-	2,885.6
- Internal revenue	33.3	2.4	45.0	66.8	20.7	(168.2)	-
4Q Segment Profit/Loss (B)	614.0		24.6	(41.2)	(59.4)	4.0	542.0
4Q Segment Margin (C) [C = B / A]	32.7%		5.5%	-	-	-	18.8%

* Adjustments: Accounting adjustments including intercompany transactions

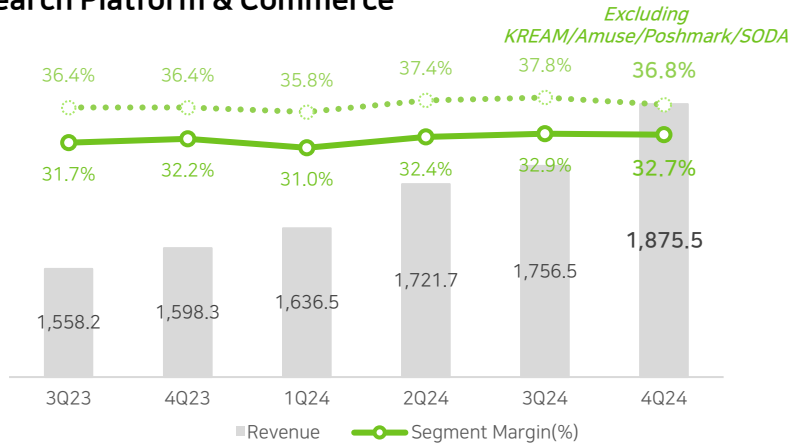
2024 P&L by Segment

(bn KRW, %)	Reporting Segment					Adjustment*	Total (Consolidated)
	Search Platform	Commerce	Fintech	Contents	Cloud		
2024 Segment Revenue (A)	4,064.3	2,926.0	1,668.0	2,042.2	645.3	(608.0)	10,737.7
- External revenue	3,946.2	2,923.0	1,508.4	1,796.4	563.7	-	10,737.7
- Internal revenue	118.1	3.0	159.6	245.8	81.5	(608.0)	-
2024 Segment Profit/Loss (B)	2,257.1		119.6	(134.1)	(251.5)	(11.9)	1,979.3
2024 Segment Margin (C) [C = B / A]	32.3%		7.2%	-	-	-	18.4%

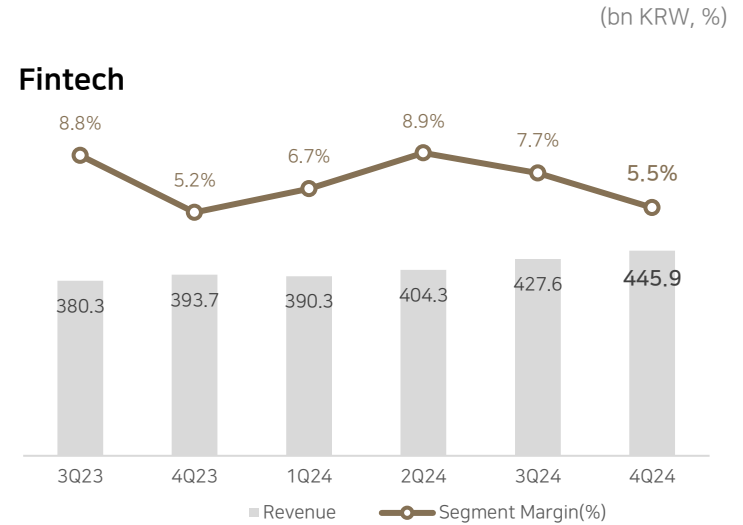
* Adjustments: Accounting adjustments including intercompany transactions

P&L by Segment

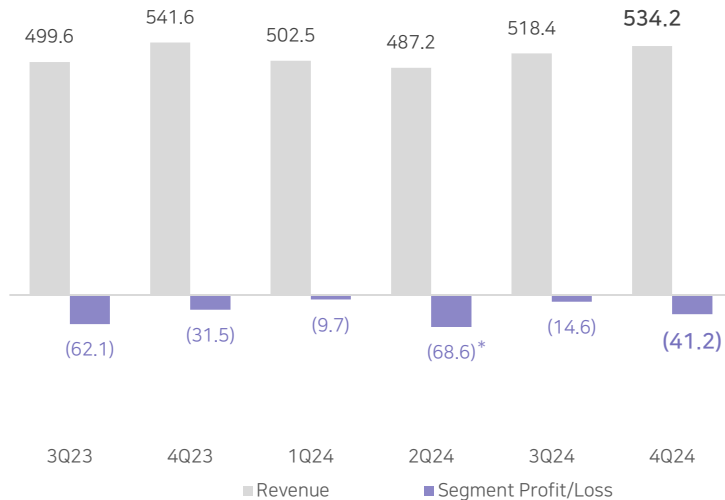
Search Platform & Commerce



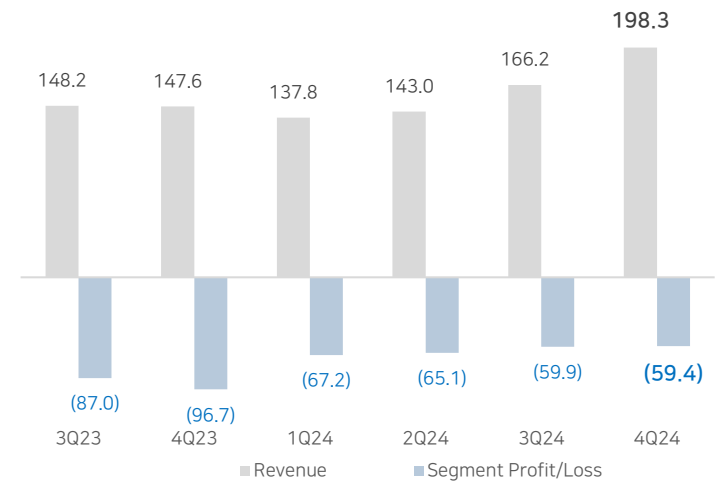
Fintech



Contents*



Cloud



*Reflecting one-time IPO related costs in Webtoon

Cash & Borrowings, Consolidated FCF, Direct and Indirect Investments

Cash & Borrowings

Cash and cash equivalents + Short-term financial instruments

(bn KRW)	2Q24	3Q24	4Q24
Naver(Separate)	1,719.0	2,997.2	2,815.9
Naver(Consolidated)	5,644.0	6,874.1*	7,055.3

* Used 405.1bn KRW out of 809.1bn cash inflow from dividends from AHD for treasury share repurchase in October

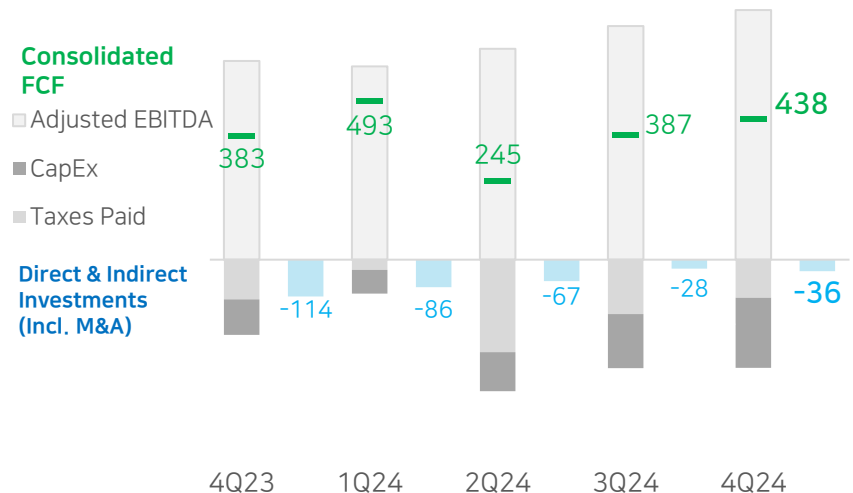
Borrowings / Debentures(Consolidated)

(bn KRW)	2Q24	3Q24	4Q24
Borrowings & Debentures	3,420.2	3,354.3	3,205.7
Short-term Borrowings	392.3	330.0	335.4
Long-term Borrowings	3,027.9	3,024.3	2,870.3
Debentures	1,926.7	1,884.1	2,007.3
Borrowings	1,101.2	1,140.3	863.1

Consolidated FCF, Direct and Indirect Investments

(bn KRW)

Special share buyback and cancellation scheme completed on Nov 13(405.1bn KRW);
To payout year-end dividend of 168.4bn KRW in April after approval at general shareholders' meeting
(Dividend per share 1,130 KRW, 20% of 2-year average FCF)



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

Appendix. Net Profit

- 4Q Net Profit rose 48.8% YoY, while decreasing 16.2% QoQ
- Other profit/loss: reflects FX effects on foreign currency translations of bonds

(bn KRW)	4Q23	3Q24	4Q24	Y/Y	Q/Q	FY2023	FY2024	Y/Y
Operating Profit	405.5	525.3	542.0	33.7%	3.2%	1,488.8	1,979.3	32.9%
Operating margin (%)	16.0%	19.3%	18.8%	2.8%p	-0.6%p	15.4%	18.4%	3.0%p
Non-operating profit/loss	33.7	128.0	-76.6	n/a	n/a	-7.4	66.8	n/a
Equity method gain/loss	51.0	73.6	67.0	31.4%	-8.9%	266.5	36.1	-86.4%
Financial profit/loss	-32.7	-14.7	79.9	n/a	n/a	-79.5	-5.4	93.2%
Other profit/loss	15.3	69.1	-223.5	n/a	n/a	-194.5	36.0	n/a
Pre-tax income	439.2	653.3	465.5	6.0%	-28.8%	1,481.4	2,246.3	51.6%
Tax	140.7	123.2	21.3	-84.8%	-82.7%	496.4	384.2	-22.6%
Net Profit	298.4	530.1	444.1	48.8%	-16.2%	985.0	1,862.1	89.0%
Net Margin (%)	11.8%	19.5%	15.4%	3.6%p	-4.1%p	10.2%	17.3%	7.2%p

Thank You