

**NAVER**

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**3Q25 Earnings Results**

2025.11.5

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# Earnings summary

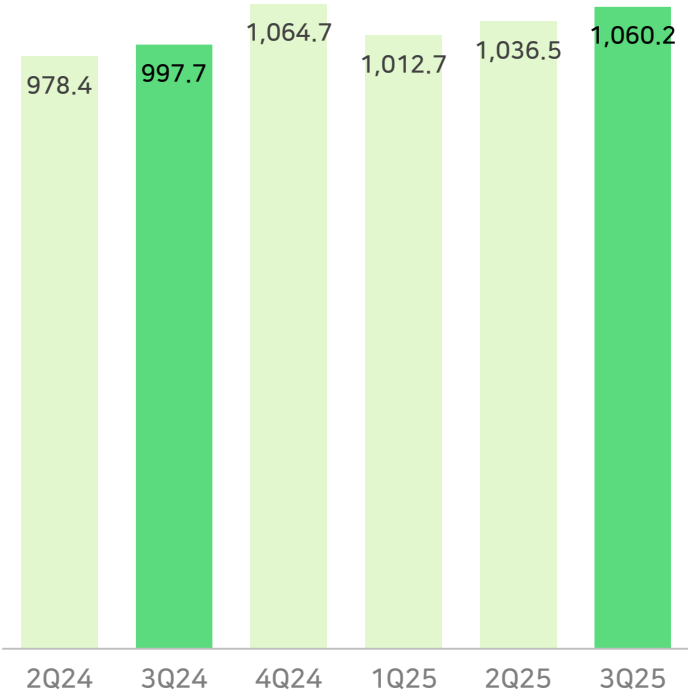
- Revenue growth accelerated to 15.6% YoY on solid growth from ads, commerce, and fintech
- Operating profit grew 8.6% YoY to operating margin of 18.2%

bn KRW	3Q24	4Q24	1Q25	2Q25	3Q25	Y/Y	Q/Q
<b>Revenue</b>	<b>2,715.6</b>	<b>2,885.6</b>	<b>2,786.8</b>	<b>2,915.1</b>	<b>3,138.1</b>	<b>15.6%</b>	<b>7.6%</b>
Search platform	997.7	1,064.7	1,012.7	1,036.5	1,060.2	6.3%	2.3%
Commerce	725.4	775.1	787.9	861.1	985.5	35.9%	14.4%
Fintech	385.1	400.9	392.7	411.7	433.1	12.5%	5.2%
Contents	462.8	467.3	459.3	474.0	509.3	10.0%	7.4%
Enterprise	144.6	177.6	134.2	131.7	150.0	3.8%	13.9%
<b>Operating expenses</b>	<b>2,190.3</b>	<b>2,343.6</b>	<b>2,281.5</b>	<b>2,393.5</b>	<b>2,567.4</b>	<b>17.2%</b>	<b>7.3%</b>
<b>Operating profit</b>	<b>525.3</b>	<b>542.0</b>	<b>505.3</b>	<b>521.6</b>	<b>570.6</b>	<b>8.6%</b>	<b>9.4%</b>
Operating margin (%)	19.3%	18.8%	18.1%	17.9%	18.2%	-1.2%p	0.3%p
<b>Net profit</b>	<b>530.1</b>	<b>514.0</b>	<b>423.7</b>	<b>497.4</b>	<b>734.7</b>	<b>38.6%</b>	<b>47.7%</b>
Net margin (%)	19.5%	17.8%	15.2%	17.1%	23.4%	3.9%p	6.4%p

**Search Platform** search, display, other related services

**Quarterly Revenue**

(bn KRW)



**3Q25 YoY 6.3% ↑ / QoQ 2.3% ↑**

Naver total platform ads YoY 10.5% / QoQ 3.5%

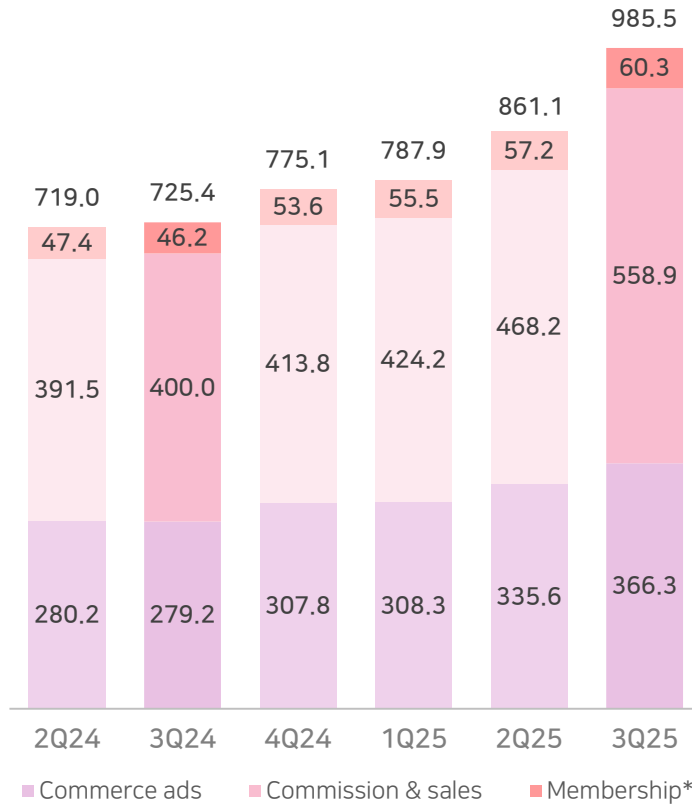
- NAVER total platform ads<sup>1)</sup> grew 10.5% YoY helped by ad efficiency boost from AI and pre-Chuseok holiday demand
- AI-driven optimization resulted in commerce ads driving overall ads growth
- App home revamp, wider exposure of quality UGC like Clip and improved personalization led to higher feed engagement and drove home feed DAU to exceed 10M

1) Total NAVER platform ads include search ads, display ads, commerce ads, fintech ads, and Webtoon ads

# Commerce commerce ad, commission & sales, membership

## Quarterly Revenue

(bn KRW, tn KRW)



\*Subscription Revenue

**3Q25 YoY 35.9% ↑ / QoQ 14.4% ↑ 1)**

Commerce ads YoY 31.2% / QoQ 9.1%

Commission & sales YoY 39.7% / QoQ 19.4%<sup>2)</sup>

Membership YoY 30.5% / QoQ 5.3%

- Smartstore GMV grew 12.3% YoY on enhanced personalization and AI recommendation in NAVER Plus Store app
- Commerce total revenue grew 35.9% YoY helped by Smartstore GMV expansion and higher take-rate
- Plan to continue to drive GMV and traffic through better personalization, expanded N Delivery coverage, and stronger membership benefits

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

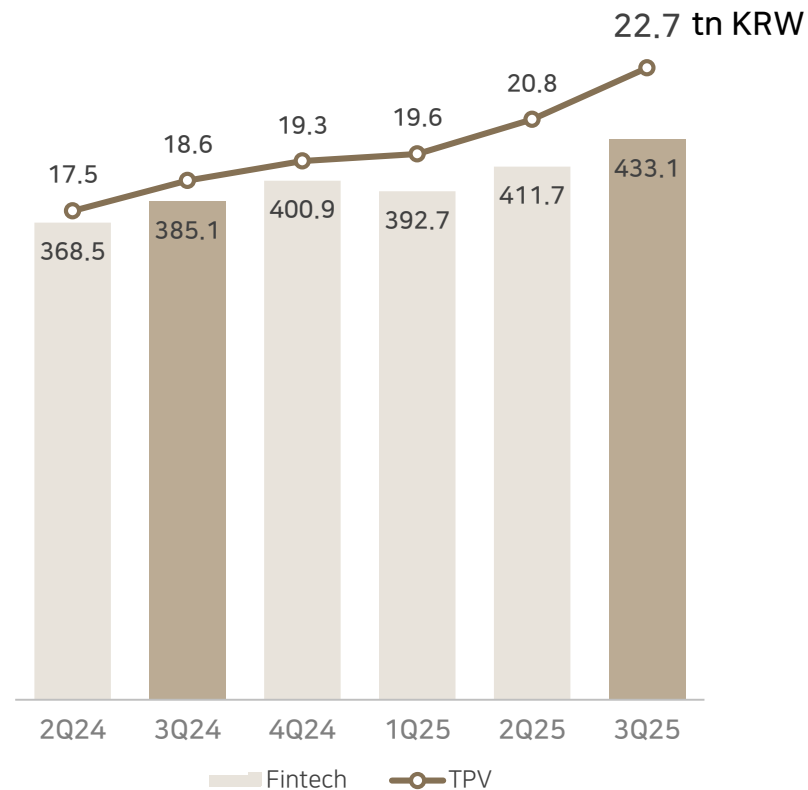
1) Excl. effects of Amuse deconsolidation, 3Q total revenue grew 39.1% YoY

2) Excl. effects of Amuse deconsolidation, 3Q commission & sales revenue grew 45.8% YoY

## Fintech payments, platform services

### Quarterly Revenue

(bn KRW, tn KRW)



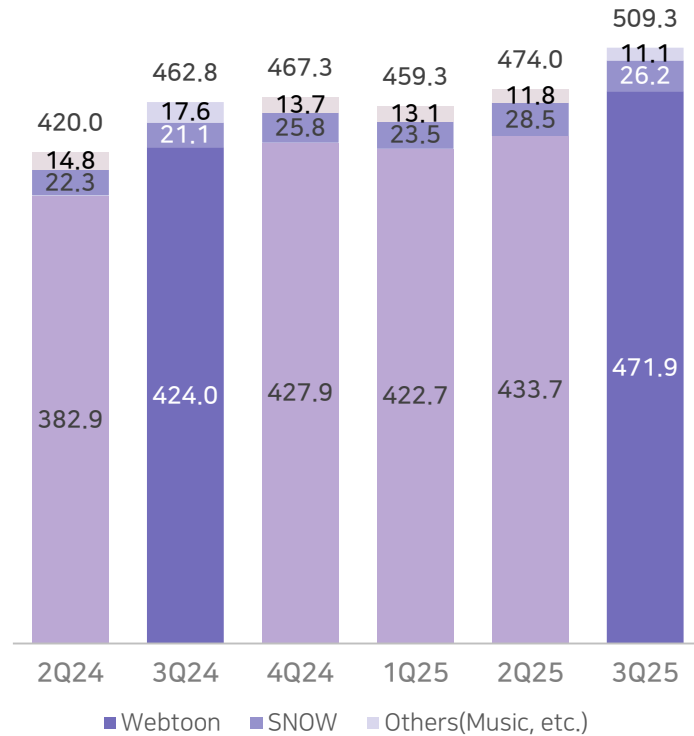
3Q25 YoY 12.5% ↑ / QoQ 5.2% ↑

- 3Q Total Payment Value (TPV) grew 21.7% YoY to 22.7tn KRW boosted by Smartstore growth and continued expansion into 3<sup>rd</sup> party ecosystem
- Non-captive TPV grew 31.2% YoY to 12.5tn KRW
- Acquired 'Security Plus Unlisted' in September, aiming to evolve the business into an integrated platform with enhanced investment accessibility and trust in the OTC market, aligned with national fintech policies

# Contents Webtoon, SNOW

## Quarterly Revenue

(bn KRW)



## 3Q25 YoY 10.0% ↑ / QoQ 7.4% ↑

Webtoon YoY 11.3% / QoQ 8.8%<sup>1)</sup>

SNOW YoY 24.3% / QoQ -7.8%

Others YoY -37.1% / QoQ -6.2%

### [Webtoon]

- Details to be shared in WEBTOON Entertainment’s earnings release on November 12<sup>th</sup>
- Plan to expand user base and secure new IP through Disney collaboration announced in September

### [SNOW]

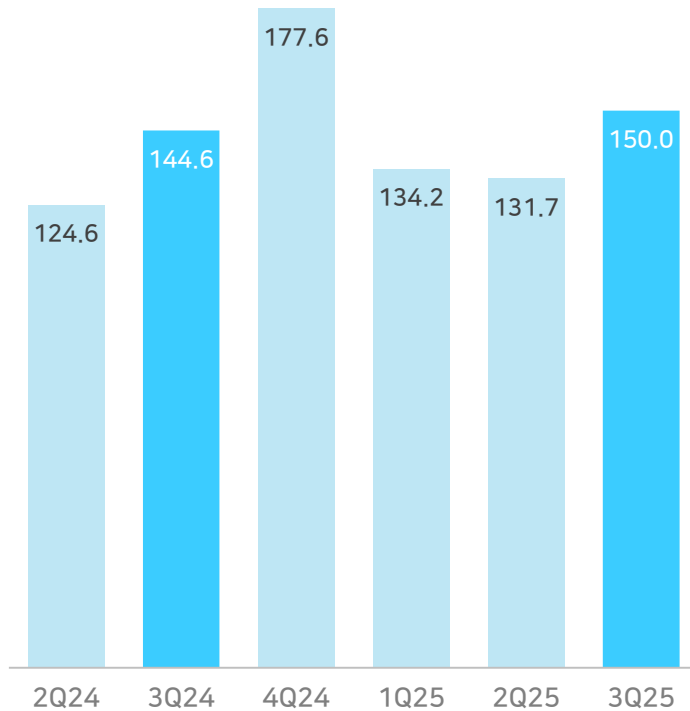
- SNOW revenue grew 24.3% YoY driven by increase in paid subscribers from AI content integration

1) Consolidated revenue(KRW) may differ from WEBTOON Ent.’s earnings results

## Enterprise NCP, Works, LABS

### Quarterly Revenue

(bn KRW)



3Q25 YoY 3.8% ↑ / QoQ 13.9% ↑

- Enterprise revenue grew 3.8% YoY to 150 bn KRW helped by new GPUaaS revenue despite higher base effect of last year's Whalebook one-off revenue
- To capture physical AI opportunities via NVIDIA partnership
- Established JV with Saudi Ministry of Housing to implement Super App and Digital Twin projects. Continues to expand global footprint with Thai sovereign LLM, Morocco AI data center, Saudi New Murabba robotics project, and the launch of LINE WORKS in Taiwan

## Operating expenses/profit

- Development & operations expense was up 14.2% YoY on higher headcount and increased stock compensation expense
- Infrastructure expense rose 22.7% YoY on higher depreciation from computing asset investments
- Marketing expense grew 20.3% YoY on increased promotional activities in commerce, fintech, and Webtoon

(bn KRW)	3Q24	4Q24	1Q25	2Q25	3Q25	Y/Y	Q/Q
<b>Operating expenses</b>	<b>2,190.3</b>	<b>2,343.6</b>	<b>2,281.5</b>	<b>2,393.5</b>	<b>2,567.4</b>	<b>17.2%</b>	<b>7.3%</b>
Development & operations	656.9	688.9	687.7	699.3	749.8	14.2%	7.2%
└ Labor cost	537.1	585.8	573.9	583.3	632.2	17.7%	8.4%
└ Others	119.7	103.1	113.9	116.0	117.6	-1.8%	1.4%
Partner	938.0	1,021.9	974.2	1,014.0	1,097.0	17.0%	8.2%
Infrastructure	178.1	185.1	189.3	197.7	218.6	22.7%	10.5%
Marketing	417.3	447.7	430.2	482.4	502.0	20.3%	4.0%
<b>Operating profit</b>	<b>525.3</b>	<b>542.0</b>	<b>505.3</b>	<b>521.6</b>	<b>570.6</b>	<b>8.6%</b>	<b>9.4%</b>
Operating margin (%)	19.3%	18.8%	18.1%	17.9%	18.2%	-1.2%p	0.3%p
<b>Net profit</b>	<b>530.1</b>	<b>514.0</b>	<b>423.7</b>	<b>497.4</b>	<b>734.7</b>	<b>38.6%</b>	<b>47.7%</b>
Net margin (%)	19.5%	17.8%	15.2%	17.1%	23.4%	3.9%p	6.4%p

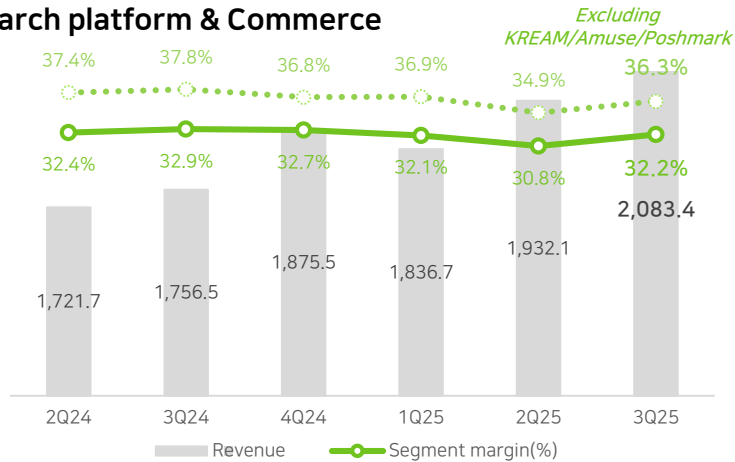
## 3Q25 P&L by segment

(bn KRW, %)	Reporting segment					Adjustment*	Total (Consolidated)
	Search platform	Commerce	Fintech	Contents	Enterprise		
3Q segment revenue (A)	1,096.5	987.0	480.3	572.7	169.8	(168.2)	3,138.1
- External revenue	1,060.2	985.5	433.1	509.3	150.0	-	3,138.1
- Internal revenue	36.3	1.5	47.1	63.5	19.8	(168.2)	-
3Q Segment profit/loss (B)	671.7		33.1	(27.0)	(88.1)	(19.0)	570.6
3Q segment margin (C) [C = B / A]	32.2%		6.9%	-	-	-	18.2%

\* Adjustments: Accounting adjustments including intercompany transactions

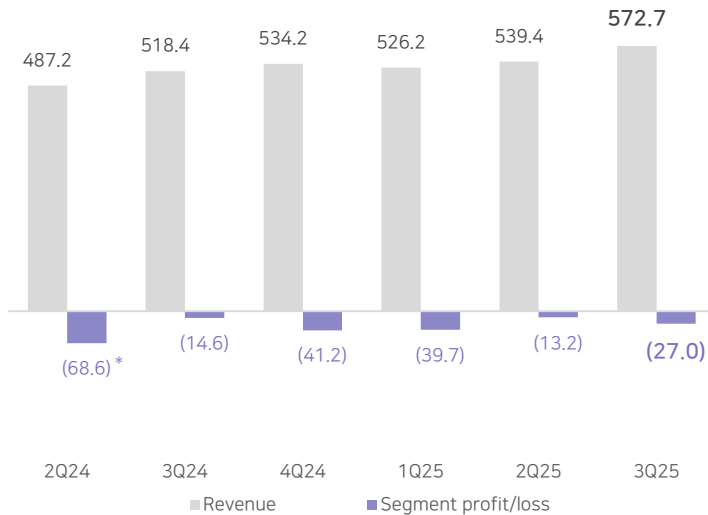
# P&L by segment

## Search platform & Commerce



\*Excluding Amuse after sale in 4Q24

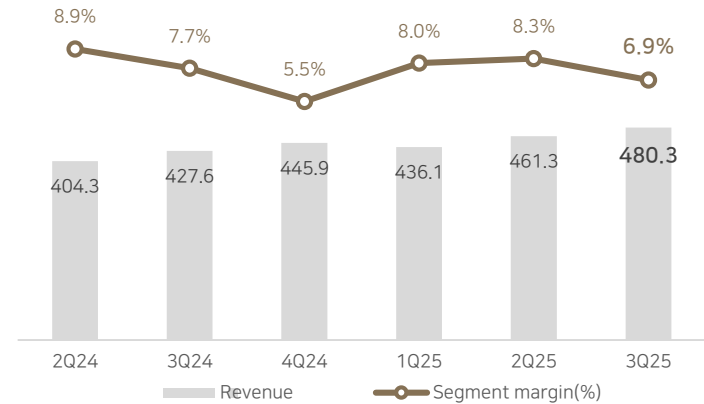
## Contents



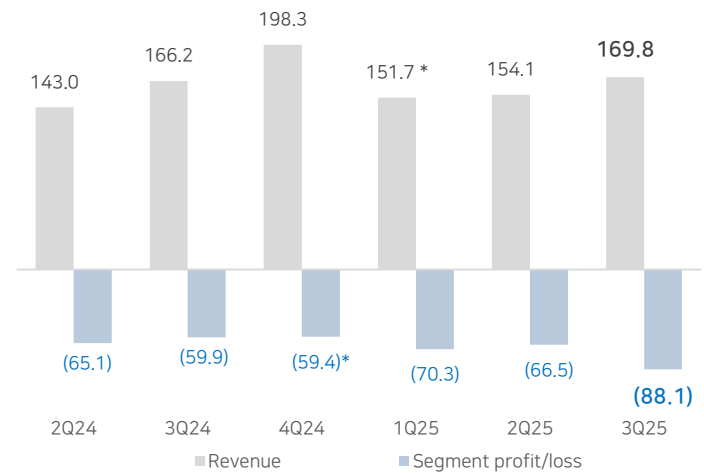
\* Reflecting one-time IPO-related costs in Webtoon

(bn KRW, %)

## Fintech



## Enterprise



\* Including LY-related settlements

# Cash & borrowings, consolidated FCF, direct and indirect investments

## Cash & Borrowings

### Cash and cash equivalents + Short-term financial instruments

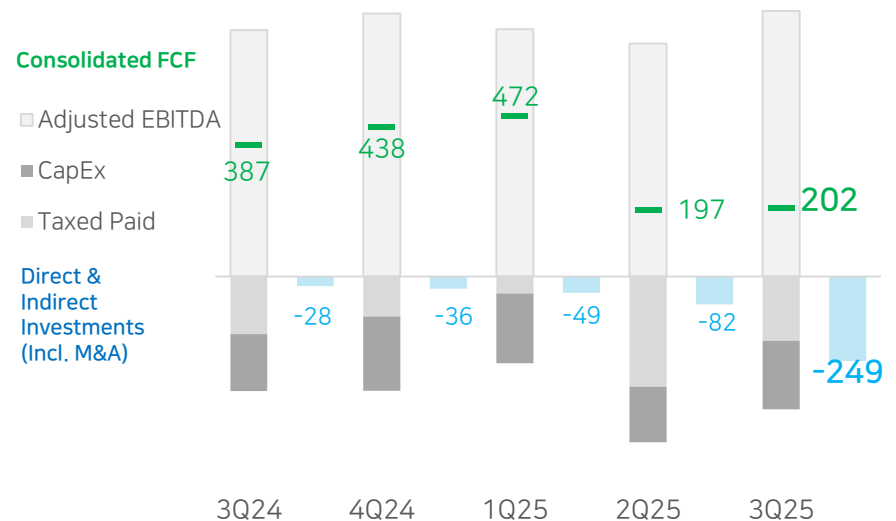
(bn KRW)	1Q25	2Q25	3Q25
NAVER(Separate)	3,300.7	3,081.9	3,643.4
NAVER(Consolidated)	7,490.2	7,547.9	8,091.8
Net Cash <sup>1)</sup>	2,063.6	2,196.7	2,998.5

### Borrowings / Debentures(Consolidated)

(bn KRW)	1Q25	2Q25	3Q25
Borrowings & debentures	3,258.0	3,113.6	2,886.5
Short-term borrowings	1,958.8	1,862.1	1,703.1
Long-term borrowings	1,299.3	1,251.5	1,183.4
Debentures	394.5	386.1	387.3
Borrowings	904.8	865.4	796.1

## Consolidated FCF<sup>2)</sup>, Direct and Indirect Investments

(bn KRW)



1) Net cash: NAVER consolidated C&CE+ Short-term financial instruments - NAVER FINANCIAL cash - Borrowings

2) Consolidated FCF : Consolidated operating Income + Non-cash expenses - CapEx - Taxes paid

## Appendix. Net profit

- 3Q net profit grew 38.6% YoY
- Non-operating profit/loss: Increased equity method gains and rise in financial income

(bn KRW)	3Q24	4Q24	1Q25	2Q25	3Q25	Y/Y	Q/Q
Operating profit	525.3	542.0	505.3	521.6	570.6	8.6%	9.4%
Operating margin (%)	19.3%	18.8%	18.1%	17.9%	18.2%	-1.2%p	0.3%p
Non-operating profit/loss	128.0	-0.6	74.8	162.1	286.2	123.6%	76.6%
Equity method gain/loss	73.6	67.0	-2.7	161.2	276.2	275.2%	71.3%
Financial profit/loss	-14.7	155.8	86.4	-67.9	65.7	n/a	n/a
Other profit/loss	69.1	-223.5	-8.9	68.7	-55.7	n/a	n/a
Pre-tax income	653.3	541.4	580.1	683.6	856.9	31.2%	25.3%
Tax	123.2	27.3	156.4	186.3	122.2	-0.8%	-34.4%
Net profit	530.1	514.0	423.7	497.4	734.7	38.6%	47.7%
Net margin (%)	19.5%	17.8%	15.2%	17.1%	23.4%	3.9%p	6.4%p

**Thank You**