

IR Presentation

August 2021

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Earnings Summary

- Strong performance in all business lines led to 30.4% YoY revenue growth, continuing the five-quarter upward streak
- Portion of non-Search Platform sales exceeded 50% for the first time. Adjusted EBITDA increased 19.5% YoY, reaching another all-time high

(bn KRW)	2Q20	3Q20	4Q20	1Q21	2Q21	Y/Y	Q/Q
Operating Revenue	1,276.0	1,360.8	1,512.6	1,499.1	1,663.5	30.4%	11.0%
Search Platform	678.2	710.1	770.2	752.7	826.0	21.8%	9.7%
Commerce	256.2	285.4	316.8	324.4	365.3	42.6%	12.6%
Fintech	164.7	174.0	201.1	209.5	232.6	41.2%	11.0%
Contents	112.9	115.0	138.9	130.8	144.8	28.2%	10.7%
Cloud	64.1	76.3	85.6	81.7	94.9	48.1%	16.2%
Operating Expenses	968.0	1,069.1	1,188.9	1,210.2	1,327.9	37.2%	9.7%
Operating Income	308.1	291.7	323.8	288.8	335.6	8.9%	16.2%
Adjusted EBITDA*	401.9	389.8	419.2	440.6	480.4	19.5%	9.0%
Net Income	90.7	235.3	384.1	15,314.5	540.6	496.1%	-96.5%

* EBITDA + stock-based compensation

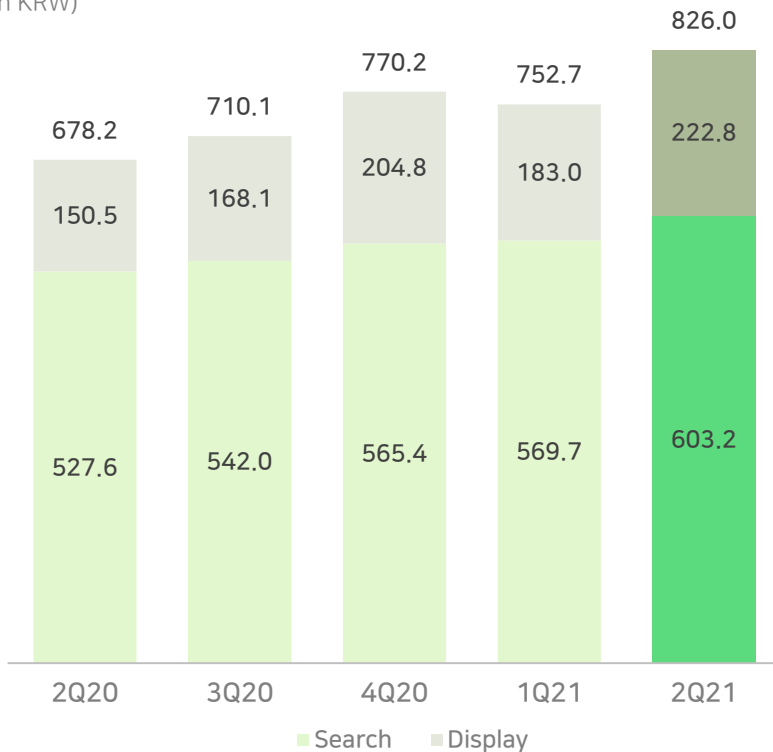
2Q21 YoY 21.8% ↑ / QoQ 9.7% ↑

(Search) YoY 14.3% ↑ / QoQ 5.9% ↑ (Display) YoY 48.0% ↑ / QoQ 21.7% ↑

- Search revenue rose 14.3% YoY as AI tech and UGC enhancement led to improved search quality and ads efficiency
- Display revenue growth remained high at 48.0% YoY from performance ads inventory growth and product upgrades

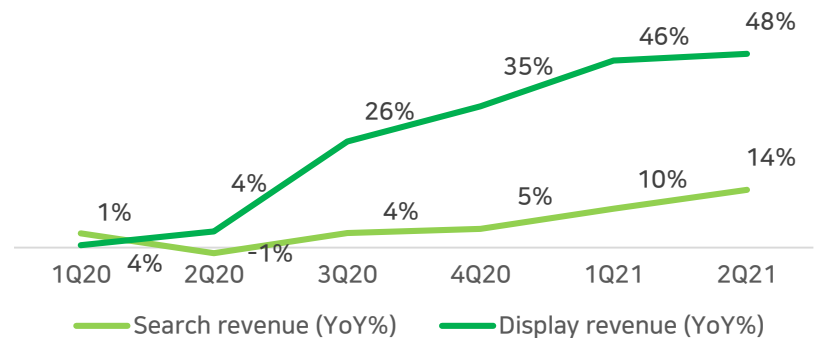
Quarterly Revenue

(bn KRW)



Business Highlights

Performance ads expansion accelerating display revenue growth

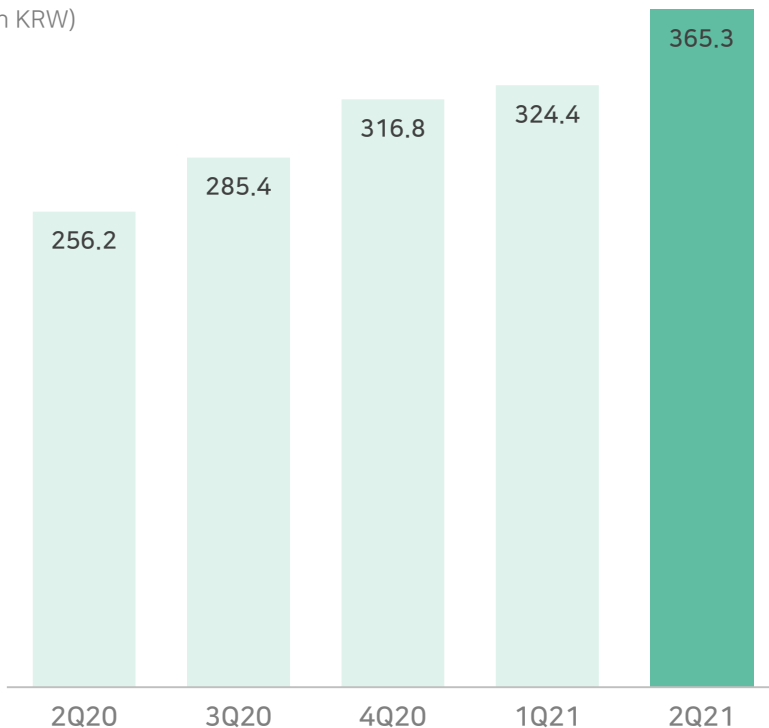


2Q21 YoY 42.6% ↑ / QoQ 12.6% ↑

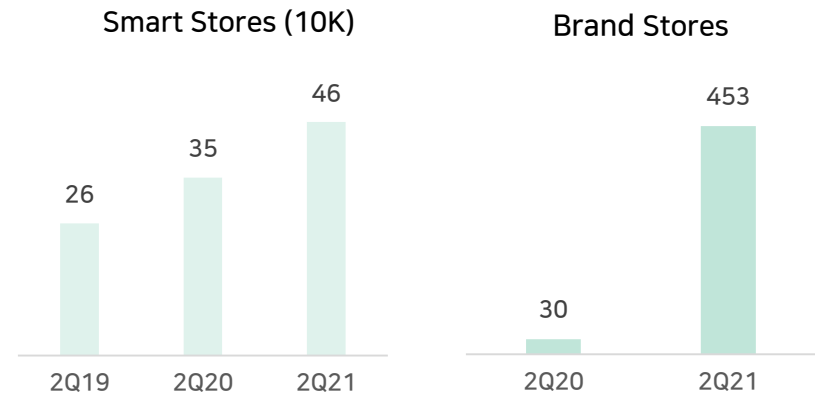
- The number of Brand Stores rose to 450+ with GMV growing 5x YoY
- Launch of Brand Shopping Search Ads in late March drove continued growth in revenue
- Shopping LIVE revenue rose 17x YoY backed by market leading technology and SME pool

Quarterly Revenue

(bn KRW)



Business Highlights



Key Strategies for 2H21

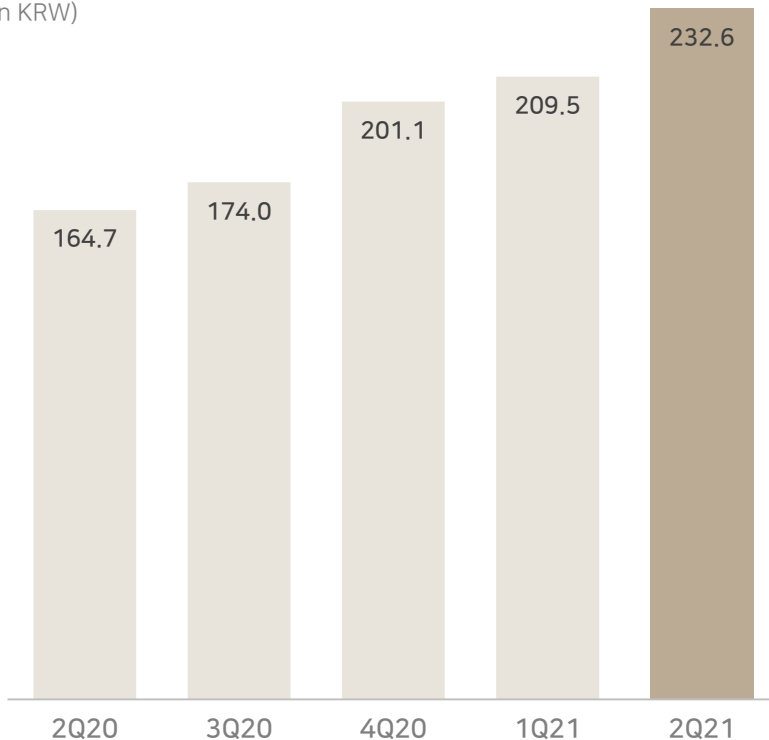
- ✓ Beta test for merchant solutions launched
- ✓ Strengthen NFA & fresh food categories via new partnerships (e.g. CJ Logistics and Emart)
- ✓ Increase global commerce foot print with launch of Smart Store in Japan

2Q21 YoY 41.2% ↑ / QoQ 11.0% ↑

- NAVER Pay GMV grew 47% YoY to 9.1 trillion KRW with continued outside partner expansion, growth of existing account transactions, as well as increased user base and per customer spending
- Beta testing of Pay Later service in 2Q21 has been running smoothly. Official launch to take place after strengthening payment experience and credit assessment capabilities

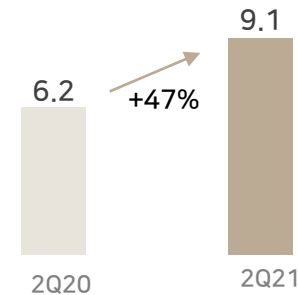
Quarterly Revenue

(bn KRW)

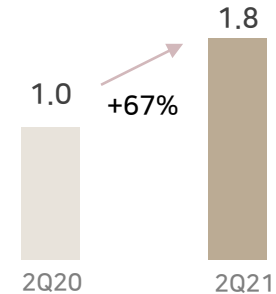


Business Highlights

Naver Pay GMV (trn KRW)



On/offline Pay Merchants (mn)



Expansion of Pay Later & Smart Store Merchant loans

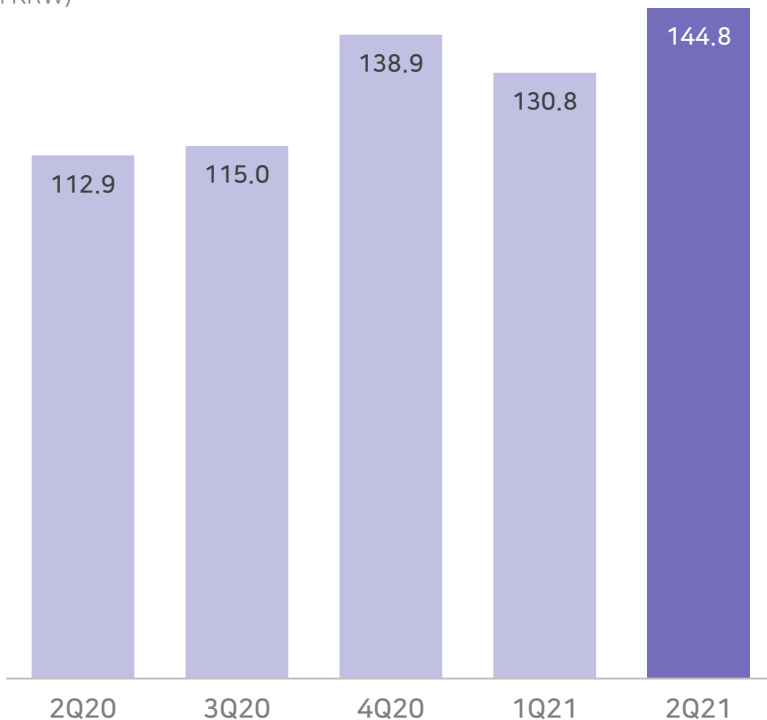
- ✓ Pay Later : To expand user base following beta tests with thin-filers
- ✓ Smart Store Merchant Loan: Added Woori Bank to ease loan eligibility
- ✓ Establishing innovative fintech service portfolios encompassing the entire transaction process

2Q21 YoY 28.2% ↑ / QoQ 10.7% ↑

- Webtoon revenue growth of YoY 52.7% outpaced GMV growth from higher paying user conversion and cross-border content expansion
- Snow revenue more than doubled YoY from introducing camera ads and Zepeto monetization

Quarterly Revenue

(bn KRW)



Business Highlights

Launch of Wattpad/Webtoon studio – start of global IP business



Wattpad WEBTOON Studios

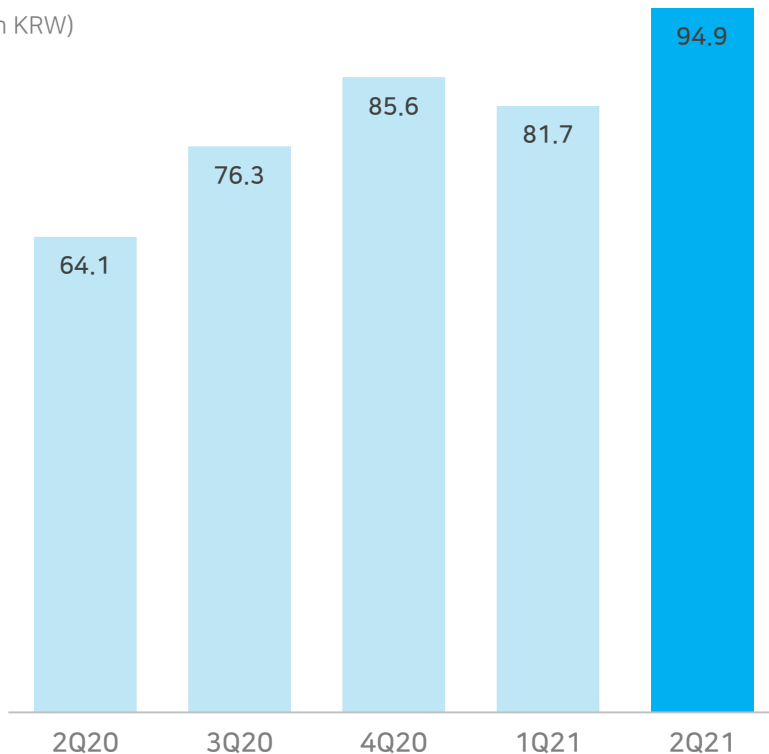
- ✓ #1 story telling platform with over 6 million creators and 167 million users globally
- ✓ Over 1 billion original IP library + KRW 100bn fund launched to improve profitability of the IP business
- ✓ Plan to expand original content line up through collaboration with renowned global IP holders

2Q21 YoY 48.1% ↑ / QoQ 16.2% ↑

- Strong NCP revenue growth continued (77% YoY) from higher cloud conversion demand
- Began in-house test application of next generation B2B solutions including “Hyper Clova (AI model)” and cloud robotics system

Quarterly Revenue

(bn KRW)



Business Highlights

NAVER Cloud's main new contracts

- ✓ First public cloud adopted within the Korean banking sector (NH)
- ✓ Securing Samsung Group references (Samsung Life, Engineering)

Showcasing of the first hyperscale AI in Korea – “NAVER AI NOW”



Operating Expenses/Income

- OP expenses rose 37.2% YoY from higher commission fees, Pay reward points, labor cost and stock-based compensation
- Net income rose 5x YoY due to equity method gains from A Holdings, while it fell QoQ on high base effect from LINE-Z Holdings merger related one-off gains

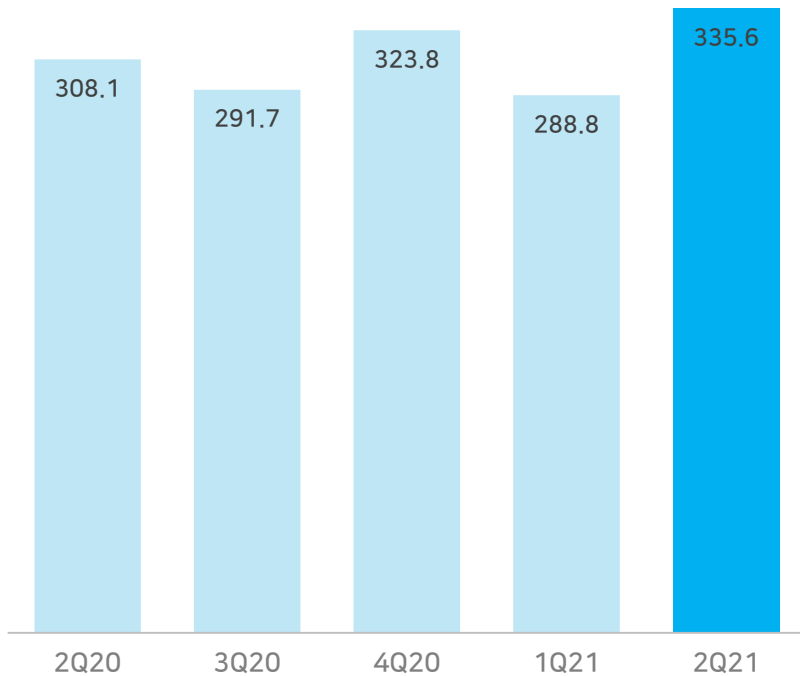
(bn KRW)	2Q20	3Q20	4Q20	1Q21	2Q21	Y/Y	Q/Q
Operating Expenses	968.0	1,069.1	1,188.9	1,210.2	1,327.9	37.2%	9.7%
Development & Operations	289.7	311.7	312.4	374.3	399.6	38.0%	6.8%
Partner	427.5	457.0	534.9	510.0	581.7	36.1%	14.1%
Infrastructure	136.1	144.8	157.9	155.0	170.6	25.3%	10.1%
Marketing	114.7	155.6	183.7	171.0	176.0	53.4%	2.9%
Operating Income	308.1	291.7	323.8	288.8	335.6	8.9%	16.2%
Non-cash expenses	93.8	98.1	95.5	151.8	144.7	54.3%	-4.6%
└ Stock based compensation	29.5	26.4	19.9	70.9	59.0	100.0%	-16.8%
Adjusted EBITDA*	401.9	389.8	419.2	440.6	480.4	19.5%	9.0%
Net Income	90.7	235.3	384.1	15,314.5	540.6	496.1%	-96.5%

* EBITDA + stock-based compensation

Operating Income, Adjusted EBITDA

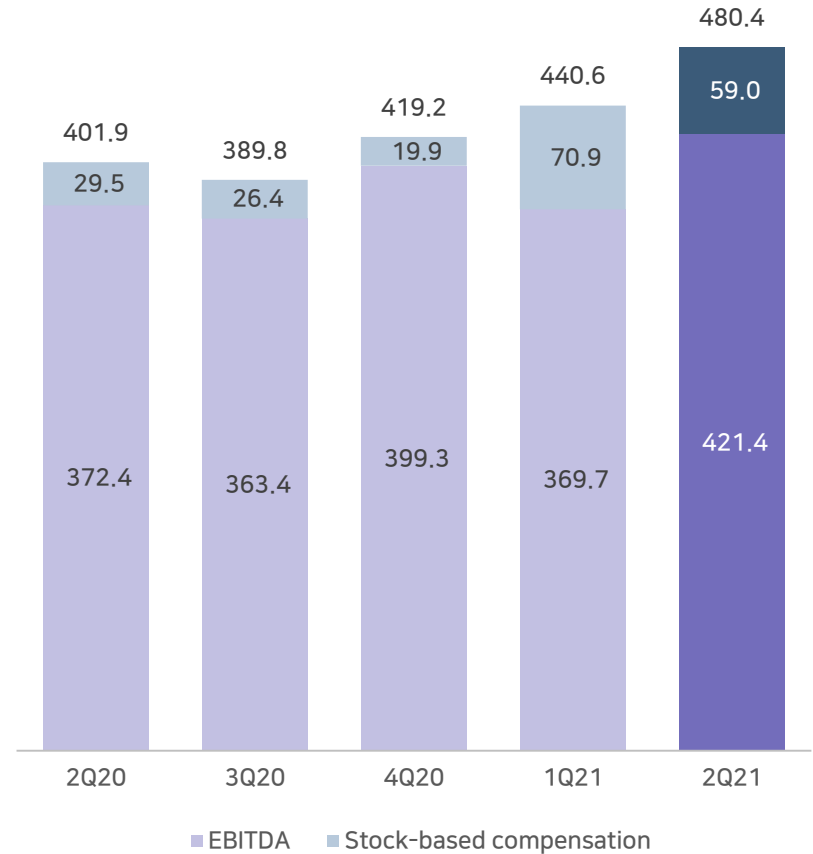
Operating Income

(bn KRW)



Adjusted EBITDA

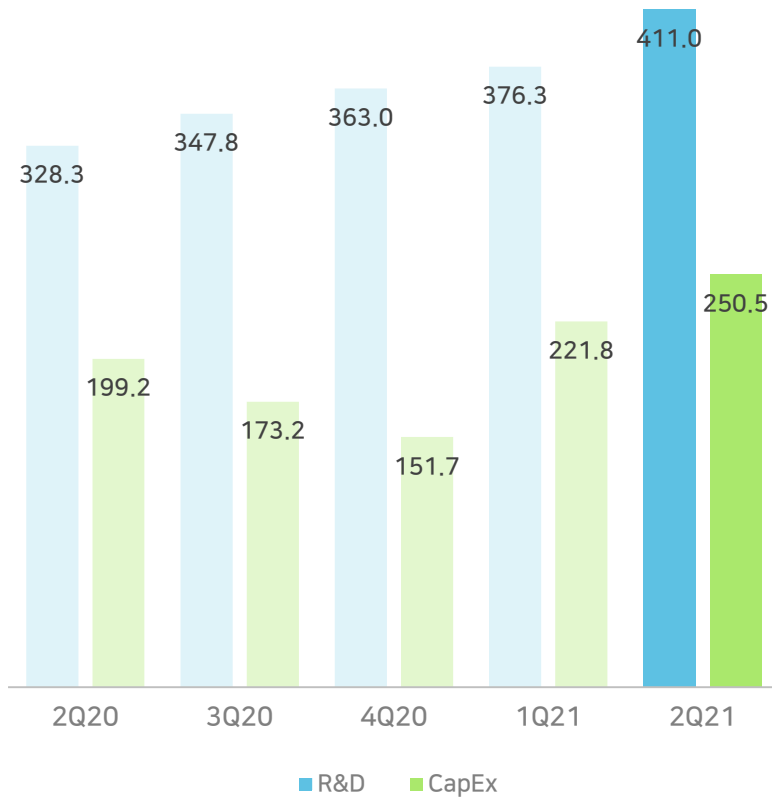
(bn KRW)



R&D/CapEx, Net Income

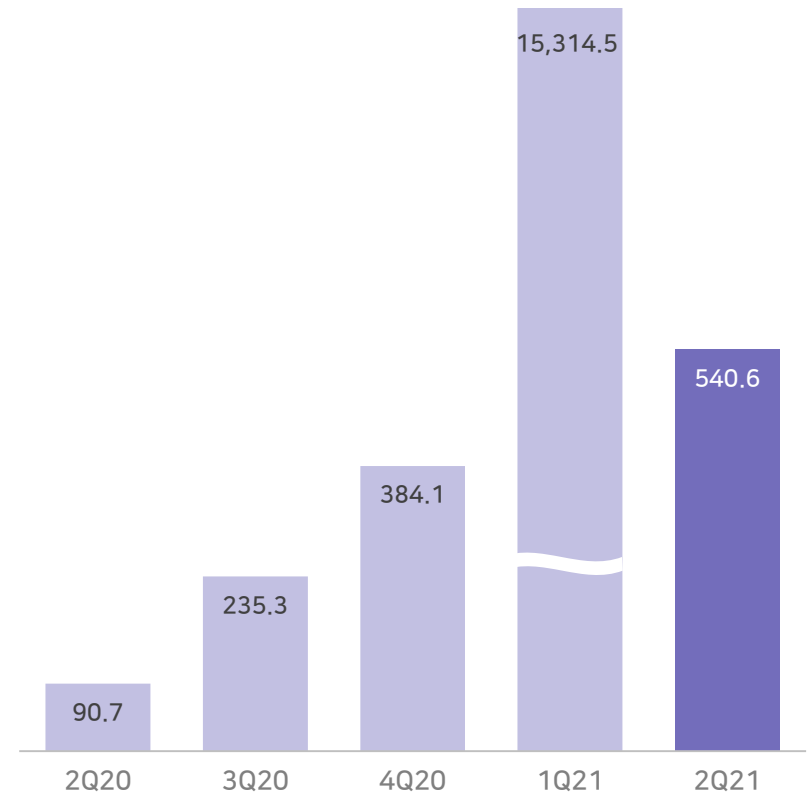
R&D/CapEx

(bn KRW)



Net Income

(bn KRW)



NAVER Fulfillment Alliance launched on July 13th

NAVER

- Data based fulfillment platform designed to meet the needs of 460,000 sellers on NAVER
- Expanding cooperation with new partners to provide diverse set of logistics data tools and services, starting with cold chain and fulfillment specializing on non brands

NAVER Fulfillment Alliance

Necessities
Fast delivery



Online Food
Fresh delivery



SME
Storage to delivery



Dongdaemoon
Fashion Merchandiser



Premium
Luxury packaging



Strategic partnership with CJ Logistics on nationwide same day delivery **NAVER**

NAVER



CJ LOGISTICS

Became the third largest share holder of CJ Logistics with a 7.85% stake on Oct. 2020

Acquired 0.64% stake in Naver also on Oct. 2020



- Expand fulfillment service capacity exclusive to Naver sellers by more than 10x to over 200,000 pyeong (over c661,000 sq m)
- To offer next day delivery to over 150 Brand Stores by year end (priority on categories that require fast delivery such as necessities)
- To expand service to Smart Stores (over 460,000 sellers) next year
- Strategic Smart Logistics Center using Naver's AI, robotics, and latest next generation technology
- Lead eco-friendly logistics with eco-friendly packaging

Financial Statements Summary

Consolidated Income Statement

(mn KRW)	2Q20	3Q20	4Q20	1Q21	2Q21
Operating Revenue	1,276,042	1,360,779	1,512,630	1,499,070	1,663,549
Operating Expenses	967,959	1,069,053	1,188,880	1,210,237	1,327,924
Operating Income	308,083	291,727	323,750	288,833	335,625
Non-operating Revenue	80,380	116,510	334,941	252,271	388,747
Non-operating Expenses	99,189	46,655	96,107	116,208	77,252
Pre-tax Income	289,274	361,582	562,584	424,896	647,120
Tax	93,670	117,610	157,766	110,269	106,568
Net Income from Continuing Operations	195,604	243,972	404,819	314,627	540,552
Net gain/loss from Discontinued Operations	-104,922	-8,629	-20,721	14,999,895	
Net Income	90,682	235,343	384,097	15,314,522	540,552
Controlling Interests	147,263	245,468	424,552	15,310,496	527,653
Non-controlling Interests	-56,581	-10,125	-40,454	4,025	12,899

Consolidated Statement of Financial Position

(mn KRW)	2Q20	3Q20	4Q20	1Q21	2Q21
Current Assets	7,099,070	10,206,941	10,544,659	5,236,989	4,946,302
Assets held for sale		6,535,890	6,660,253		
Non-current Assets	7,593,094	5,245,619	6,469,579	25,194,018	26,748,586
Total Assets	14,692,164	15,452,560	17,014,239	30,431,007	31,694,888
Current Liabilities	4,579,566	7,272,227	7,911,751	3,538,672	3,635,599
Liabilities held for sale		3,730,412	4,675,241		
Non-current Liabilities	2,154,746	768,595	847,355	4,459,144	4,795,592
Total Liabilities	6,734,312	8,040,823	8,759,107	7,997,815	8,431,191
Paid-in Capital	16,481	16,481	16,481	16,481	16,481
Capital Surplus	2,334,872	1,446,115	1,793,273	1,321,026	1,432,457
Other Components of Equity	-1,353,565	-1,236,244	-1,097,350	-1,151,608	-1,080,783
Retained Earnings	5,944,391	6,233,586	6,654,814	21,899,571	22,450,465
Non-controlling Interests	1,015,673	951,800	887,913	347,722	445,076
Total Equity	7,957,851	7,411,737	8,255,132	22,433,192	23,263,697

Income Statement

(mn KRW)	2Q20	3Q20	4Q20	1Q21	2Q21
Operating Revenue	993,667	1,056,140	1,158,862	1,135,808	1,245,246
Operating Expenses	631,532	689,285	772,494	763,814	865,940
Operating Income	362,135	366,855	386,368	371,993	379,307
Non-operating Revenue	43,173	92,083	182,503	113,348	162,254
Non-operating Expenses	59,376	44,557	115,263	74,632	55,946
Pre-tax Income	345,931	414,381	453,608	410,710	485,615
Tax	92,153	112,075	139,833	111,179	111,868
Net Income from Continuing Operations	253,779	302,306	313,775	299,530	373,746
Net gain/loss from Discontinued Operations	-	-	-	-	-
Net Income	253,779	302,306	313,775	299,530	373,746

Statement of Financial Position

(mn KRW)	2Q20	3Q20	4Q20	1Q21	2Q21
Current Assets	912,221	1,685,606	958,003	2,089,381	1,546,778
Non-current Assets	6,293,486	6,030,476	7,865,548	8,682,741	9,950,165
Total Assets	7,205,707	7,716,082	8,823,551	10,772,123	11,496,943
Current Liabilities	917,090	1,023,388	1,269,469	1,435,298	1,180,211
Non-current Liabilities	242,705	247,564	291,955	1,525,012	1,891,369
Total Liabilities	1,159,795	1,270,952	1,561,424	2,960,310	3,071,580
Paid-in Capital	16,481	16,481	16,481	16,481	16,481
Capital Surplus	362,406	362,406	675,892	838,284	949,628
Other Components of Equity	-1,521,006	-1,424,433	-1,233,773	-1,158,420	-981,487
Retained Earnings	7,188,030	7,490,675	7,803,527	8,115,468	8,440,741
Total Equity	6,045,912	6,445,130	7,262,126	7,811,813	8,425,364