COMPANY UPDATE

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KT Cloud (Unlisted)

Korea's leading AI infrastructure company

- KT Cloud, a KT subsidiary, is evolving into an AI, IDC, and cloud-centric comprehensive digital infrastructure provider.
- It operates 16 data centers, including the Gyeongbuk cloud data center and the Gasan AI data center, which opened this year. It plans to open more data centers each year through 2027, adding 60-100 MW of capacity annually.
- The cloud division is actively targeting the public, financial, and manufacturing industries, where security requirements are stringent.

WHAT'S THE STORY?

Company overview: KT separated its cloud and internet data center (IDC) assets to create KT Cloud in Apr 2022. KT is KT Cloud's largest shareholder, with a 93% stake. KT Cloud is now evolving into an AI, IDC, and cloud-centric comprehensive digital infrastructure provider. In 2024, it generated consolidated sales of KRW783.2b (up 15.5% y-y) and an operating profit of KRW52.7b (up 22.5% y-y). Sales over 1Q-3Q25 reached KRW719.6b, equating to 92% of 2024 sales, with sales in 3Q25 alone amounting to KRW249b (up 20.3% y-y). Supported by the expansion of its colocation (data center leasing) business and increased public-sector cloud contract wins, the company has continued to post solid growth.

Further expanding data center business: With global AI demand accelerating, competition is intensifying to secure GPU servers and power infrastructure. KT Cloud currently operates 16 data centers, with rising utilization a key driver of top-line growth. In late May, it opened a cloud data center in Yecheon, Gyeongbuk province. Its Gasan AI data center, which opened in November, is the first commercial data center in the Seoul Metropolitan Area to deploy liquid cooling (DTC) technology. Its total data center capacity is estimated at 163 MW as of end-3Q25. It originally planned to secure 320 MW of data center capacity by 2030, but recently raised its longer-term target to 500 MW. It is broadening its nationwide infrastructure footprint (*eg*, Gasan AI data center, Gyeongbuk cloud data center), with plans to open new data centers each year through 2027, adding capacity of 60-100 MW annually.

(Continued on the next page)

Taking aim at public, financial, and manufacturing cloud markets: As a domestic cloud service provider (CSP), the company is sustaining its growth trajectory through physical infrastructure expansion and the launch of products optimized for regulatory and security requirements—areas where it holds a competitive advantage over global CSPs. In mid-August, it won a public-sector deal to supply GPUs for the Ministry of Science and ICT's and the National IT Industry Promotion Agency's (NIPA) high performance computing support project over September-December, which should help maintain stable growth in its cloud sales. As a cloud managed service provider (MSP), it launched the Secure Public Cloud in collaboration with Microsoft in mid-November. By offering domestic data storage in combination with world-class cloud performance through Microsoft Azure-based cloud services, the company is likely to accelerate its push into the public, financial, and manufacturing industries, where security requirements are stringent.

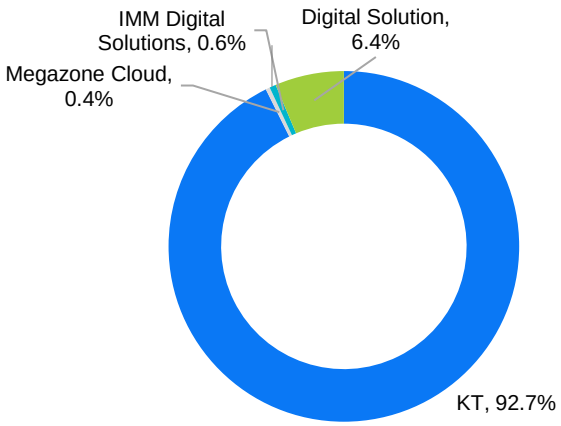
Table 1. KT Cloud's financial result

(KRWb)	2022	2023	YoY (%)	2024	YoY (%)	2025
Sales	**432.1**	**678.3**	***57.0***	**783.2**	**15.5**	***719.6***
Service	413.1	643.7	*55.8*	782.1	21.5	
Product	17.9	33.1	*84.3*	0.3	-99.2	
Real estate lease	1.0	1.5	*47.4*	0.8	-47.5	
Operating costs	**411.2**	**635.3**	***54.5***	**730.4**	**15.0**	
Labor cost	48.7	76.2	*56.4*	86.1	12.9	
Payment commission	186.1	273.6	*47.0*	335.1	22.5	
Depreciation cost	78.0	119.2	*52.8*	128.2	7.6	
Utility cost	67.4	119.2	*76.9*	126.3	5.9	
Other cost	31.0	47.0	*51.5*	54.8	16.7	
Operating profit	**20.8**	**43.1**	***106.7***	**52.7**	**22.5**	
Operating margin (%, %pts)	4.8	6.3	*1.5*	6.7	0.4	
Non-operating profit	-1.5	8.7	*nm*	-2.2	nm	
Pre-tax profit	19.4	51.7	*167.1*	50.5	-2.4	
Corporate tax	4.7	-12.2	*nm*	14.8	nm	
Net profit	14.7	64.0	*334.7*	35.7	-44.2	*47.7*
Net margin (%, %pts)	3.4	9.4	*6.0*	4.6	-4.9	*6.6*

Note: KT Cloud was established by cash and in-kind investment on Apr 1, 2022;
2025 figure is sum of 1Q-3Q;
Includes data center lease business (colocation)

Source: Company data, Samsung Securities

Chart 1. KT Cloud's shareholders



Note: Based on common shares

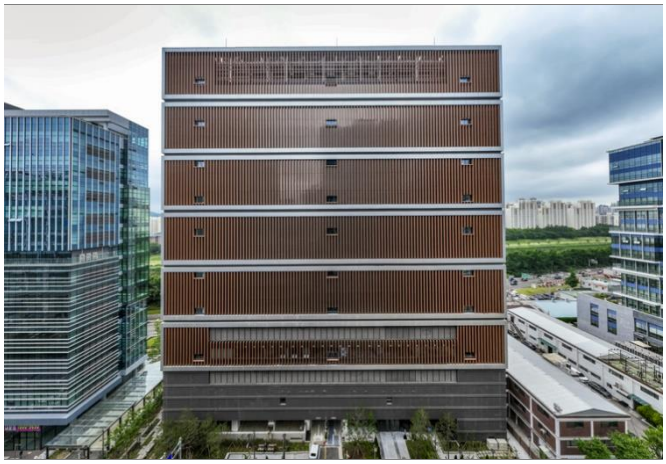
Source: Company data, Dart, Samsung Securities

Table 2. KT Cloud: Consolidated subsidiary Open Could Lab

Company	Stake	(KRWm)	Assets	Debt	Sales	Net income
Open Cloud Lab	100%	2202	1,988.2	499.3	1,636.9	413.3
		2023	4,624.6	1,070.4	7,396.1	2,071.2
		2024	4,573.0	422.6	4,468.2	596.2

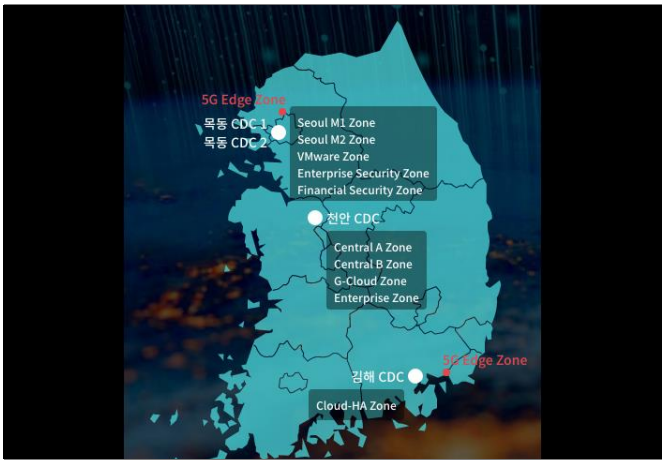
Source: Company data, Dart, Samsung Securities

Chart 2. KT Cloud: Gasan AI DC



Note: Launched in Nov 2025
Source: Company data, Samsung Securities

Chart 3. KT Cloud: Cloud service



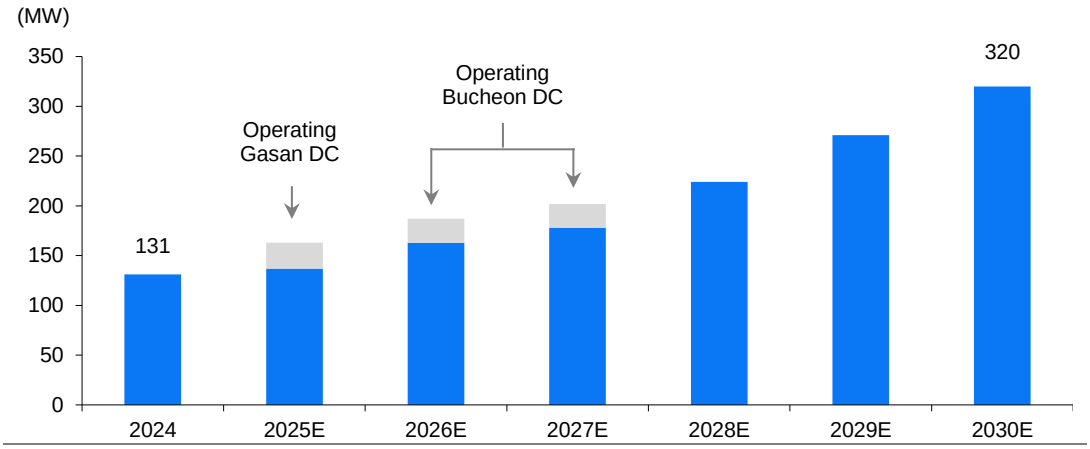
Note: 4 Cloud data center + 12 service zones
Source: Company data, Samsung Securities

Table 3. KT Cloud: Data centers

Category	Location	Note	Capacity
Seoul Metropolitan Area	Bundang		
(9 +)	Ganganam		
	Mokdong 1		
	Yeouido		
	Mokdong 2		
	Yongsan		40 MW
	Namguro		
	Baeksuk		
	Gasan	Launched Nov 5, 2025	26 MW
	Bucheon	Scheduled to launch in 2026	48 MW
Provinces	Cheonan		
(7+)	Gimhae		
	Daejeon		
	Cheonan		
	Cheongju		
	Busan		
	Yecheon	Launched in Jun 2025	

Source: Company data, Samsung Securities

Chart 4. KT Cloud: Data center capacity forecasts



Note: Total data center capacity is 163 MW as of 3Q25;
Plans to add 60-100 MW annually through 2027, bringing total capacity above 500 MW over the longer term

Source: Company data, Samsung Securities

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