



Investor Briefing

Establishment of SKT-Comcast e-Sports JV

SK Telecom

2019. 10. 14

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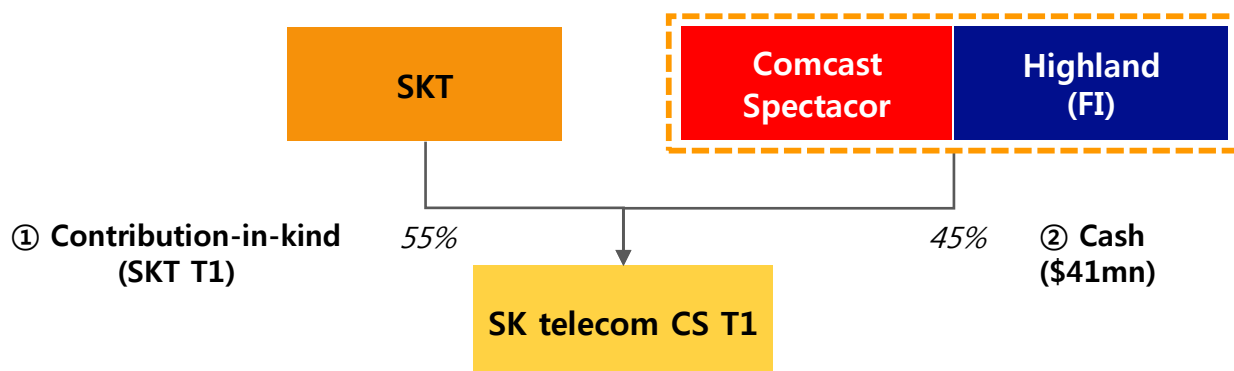
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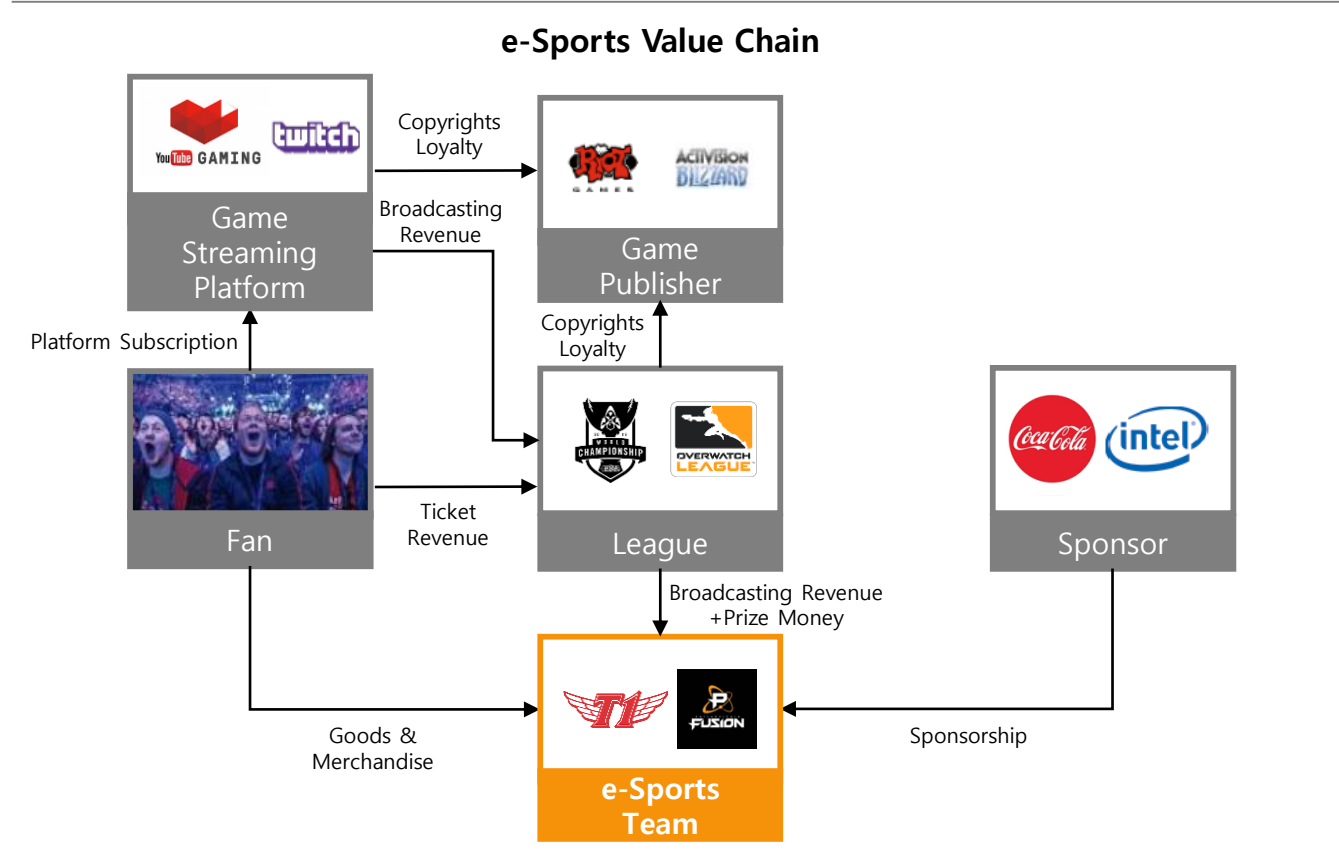
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- **SKT and Comcast established the joint venture 'SK telecom CS T1' for full-fledge operation of e-Sports business(Oct. 8th)**
 - SK telecom T1(the e-Sports team of SKT, 'SKT T1') is esteemed team with the most championship titles in 'League of Legends' as well as its global brand awareness
 - With its global media capabilities, Comcast is the optimal partner for e-Sports business
- **SKT to contribute SKT T1 asset in kind to SK telecom CS T1 / Comcast and Highland(Financial Investor) to invest in cash**
 - Comcast and Highland to invest \$41mn for 45% of SK telecom CS T1
 - Implied value of SK telecom CS T1 is to be \$91mn(Post-money basis)
- **e-Sports is a highly promising industry with a significant growth in viewership**
 - Global e-Sports viewers to grow 12.7% CAGR until 2021
 - Increase in sponsorship and advertisement revenue due to expansion of viewership is leading the growth of e-Sports market
- **With the investment capital, 'SK telecom CS T1' will form a 'global premier e-Sports team' and increase its value through producing and distributing e-Sports contents**
- **SK telecom CS T1 to expand revenue sources via global brand sponsorships and media broadcasting**

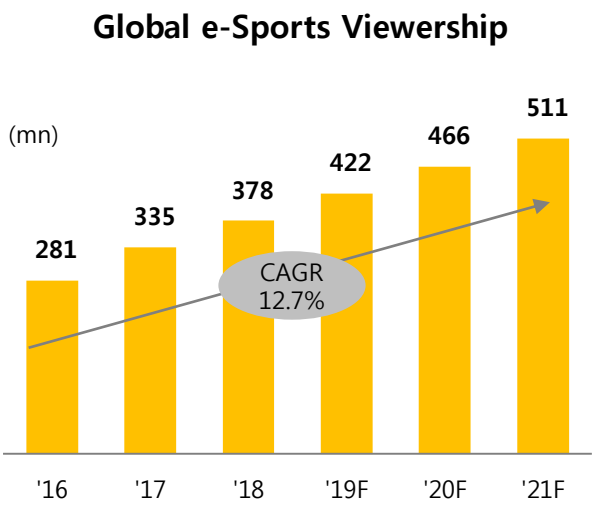
Deal Structure



☐ e-Sports refers to on-line game competition among users and related activities

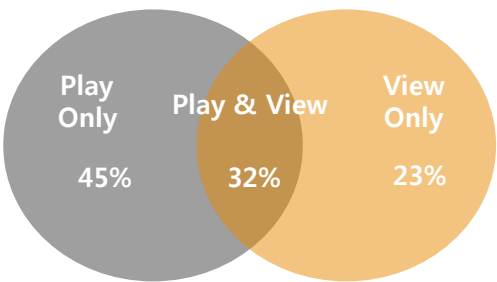


☐ e-Sports viewers are growing as its viewership base expands



Source: Business Insider Intelligence, Newzoo('18)

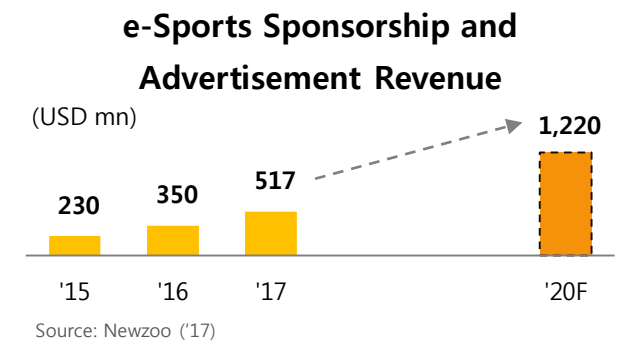
Play/View Proportion of Top 3 Games¹⁾



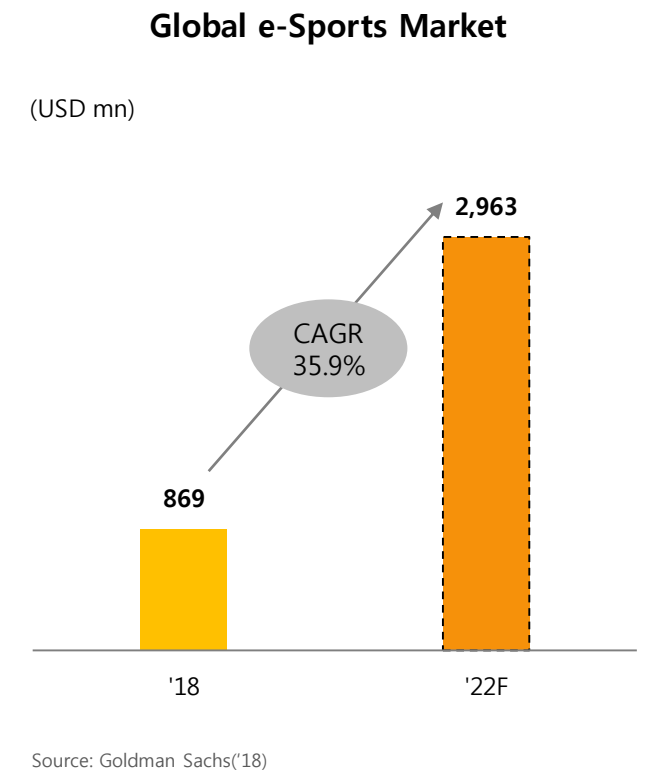
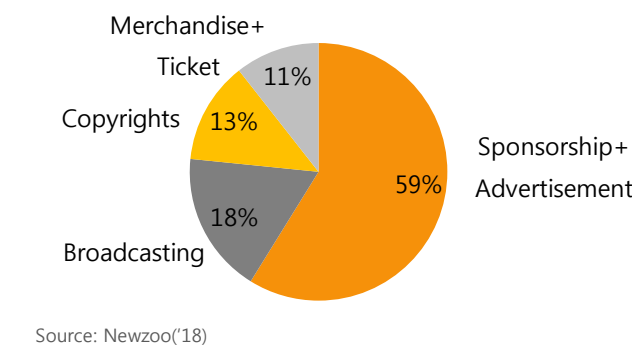
1) League of Legends, Counter-Strike, Dota2

Source : Newzoo('17)

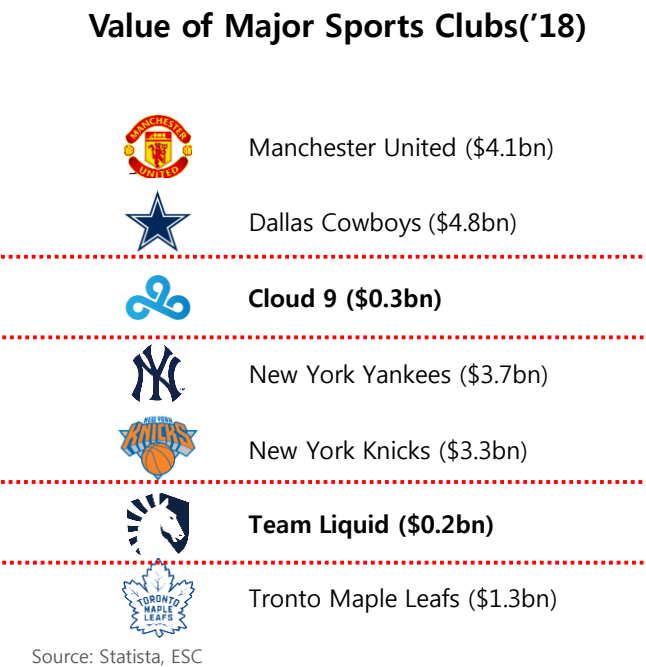
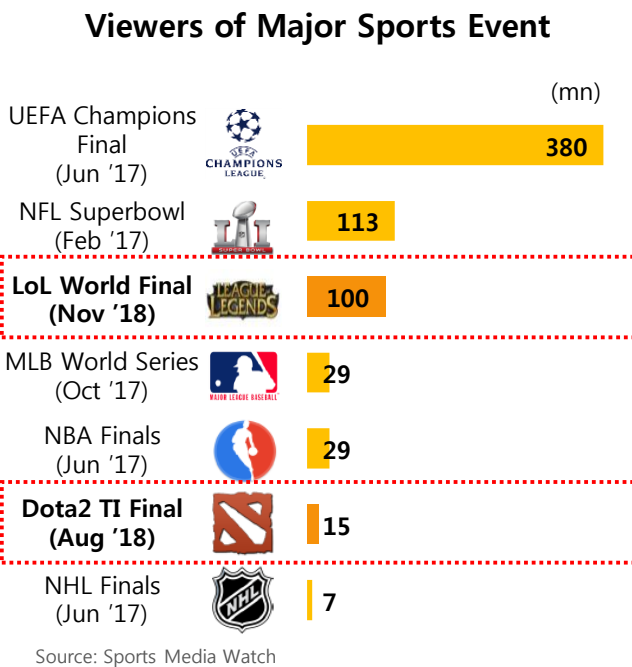
□ e-Sports market is continuously growing through sponsorship and advertisement revenue increase driven by expansion of viewership base



Revenue Breakdown on e-Sports Market



□ Considering the high number of its viewers, e-Sports teams have higher growth potential than traditional sports teams



1. SKT T1

☐ SKT T1 is an esteemed e-Sports team that has shown strong performances

SKT T1 History

'04.Apr : SKT T1 e-Sports Team Established

'04.Apr ~ '16.May : Starcraft Team

'09.Aug ~ '12.Sep : Special Force Team

'13.Dec ~ Current : League of Legends Team

Key Performances

✓ League of Legends(LoL) Team with the Most Championship Titles



Most 'World Championship'3 times ('13, '15, '16)

Most 'MSI' Championship2 times ('16, '17)

Most 'Champions Korea' Championship8 times ('13 ~ '19)

✓ Entering New Popular Games

- Established Hearthstone/PUBG teams ('18)

- ☐ High business potential due to globally top level brand awareness
- SKT T1 has the most Facebook followers among Asian e-Sports teams

- Revenue increased 5 times in the past 4 years¹⁾, driven by growth in streaming

- Revenue growth expected to remain strong on the back of increased in sponsorships
- 1) Excluding prize money, which can be uncertain

e-Sports Team Followers

(Facebook followers, Unit: 10k)

21

27

53

57

61

80

372

146

Optic (US)

G2 (Ger)

TSM (US)

SKT T1

Cloud9 (US)

Liquid (US)

Fnatic (UK)

SKT T1 "Faker"

Source : Facebook(as of Oct.1st, '19)

Viewership for Major Game Events

"SKT T1 games had more viewers than the final"

'18 KeSPA Cup Games	Viewers	Clicks
SKT vs. APK	116K	530K
SKT vs. bbq	152K	480K
SKT vs. DWG (Round of 8)	198K	370K
Gen.G vs. Griffin (Final)	94K	430K

Source : Esports Charts, Youtube(as of Oct.1st, '19)

2. Comcast

- ☐ Comcast has global media and contents capabilities, and operates diverse portfolio in sports business
 - NBC Universal: media/entertainment businesses(NBC, Universal Studio, Dreamworks)
 - SKY: cable TV business in European region(operates No.1 Game channel, Ginx)
 - Comcast Spectacor: sports and related infra businesses(NHL, e-Sports teams, etc.)

Comcast Portfolio

COMCAST		NBCUniversal				sky
\$55bn Revenue \$22bn EBITDA		\$36bn Revenue \$9bn EBITDA				\$20bn Rev. \$3bn EBITDA
Residential		Cable Networks	Broadcast	Film	Parks	Content
 xfinity TV xfinity Voice xfinity Internet xfinity Home						
Business Services & Ads						Distribution
Spectacor & Ventures		Other				Other

* as of 2018

- ☐ Comcast Spectacor operates various successful global e-Sports teams through its 'Spectacor Gaming Division'

Spectacor Gaming Division

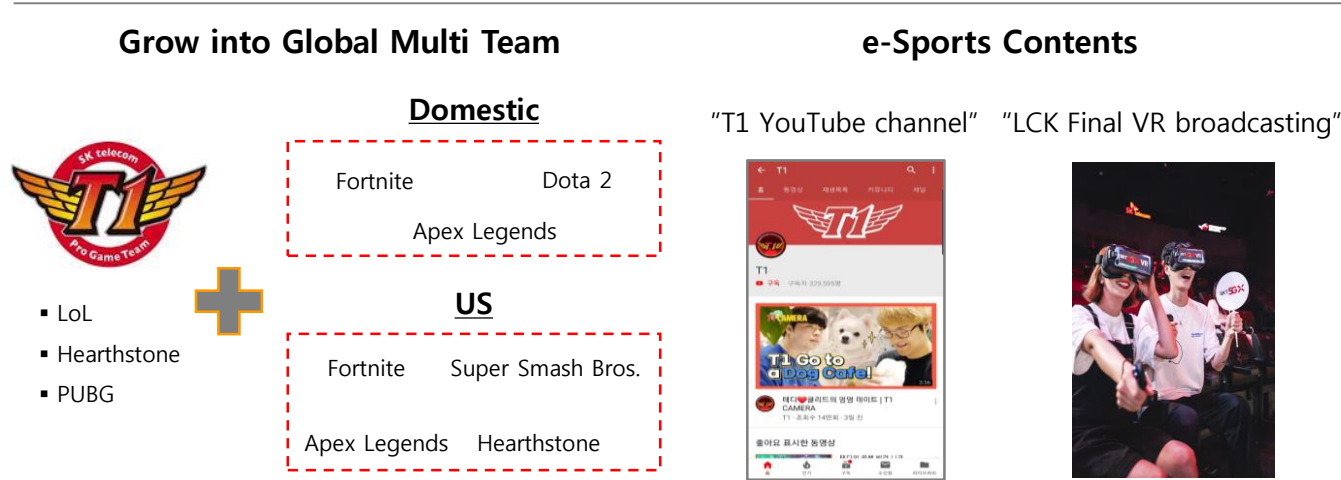
✓ Professional e-Sports Teams Owned by Comcast Spectacor

- Philadelphia Fusion, e-Sports Team in Overwatch League ('18 Overwatch Playoff Runner-up)
- Operates Fortnite, Hearthstone, Super Smash Bros. teams



3. Rationale

- ❑ **Form a premier e-sports team that owns ‘Multi Team’ utilizing the investment capital**
 - Integrate major game teams owned by Comcast
 - Establish new teams for globally successful and popular games
- ❑ **Expansion of business opportunities in media business through producing and distributing e-Sports contents**
 - Produce e-Sports specialized contents, and distribute them via SKT’s media platform and Comcast’s global sports channels



- ❑ **Expand revenue sources with global brand sponsorship and media broadcasting, using e-Sports contents**

