

SK telecom

# CEO Investor Day 2022

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# SKT 2.0

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(CEO Investor day)

## **Content**

- 1. SKT 2.0**
- 2. Business Direction of the  
Five Business Groups**
- 3. Enhancing Shareholder Value**
- 4. End Picture**

After a successful spin-off to maximize shareholder value by unlocking value and clearly defining corporate identity,



2022 marks a new starting line.

### | What the market expects |

#### Stable returns and growth upside

*"The biggest driver for investment in SKT after the spin-off is stable dividend income"*

*"Solid revenue growth expected with 5G migration, with upside potential from stable competition"*

*"SKT is making a fresh start, with the expansion of the new growth businesses and earnings growth expected"*

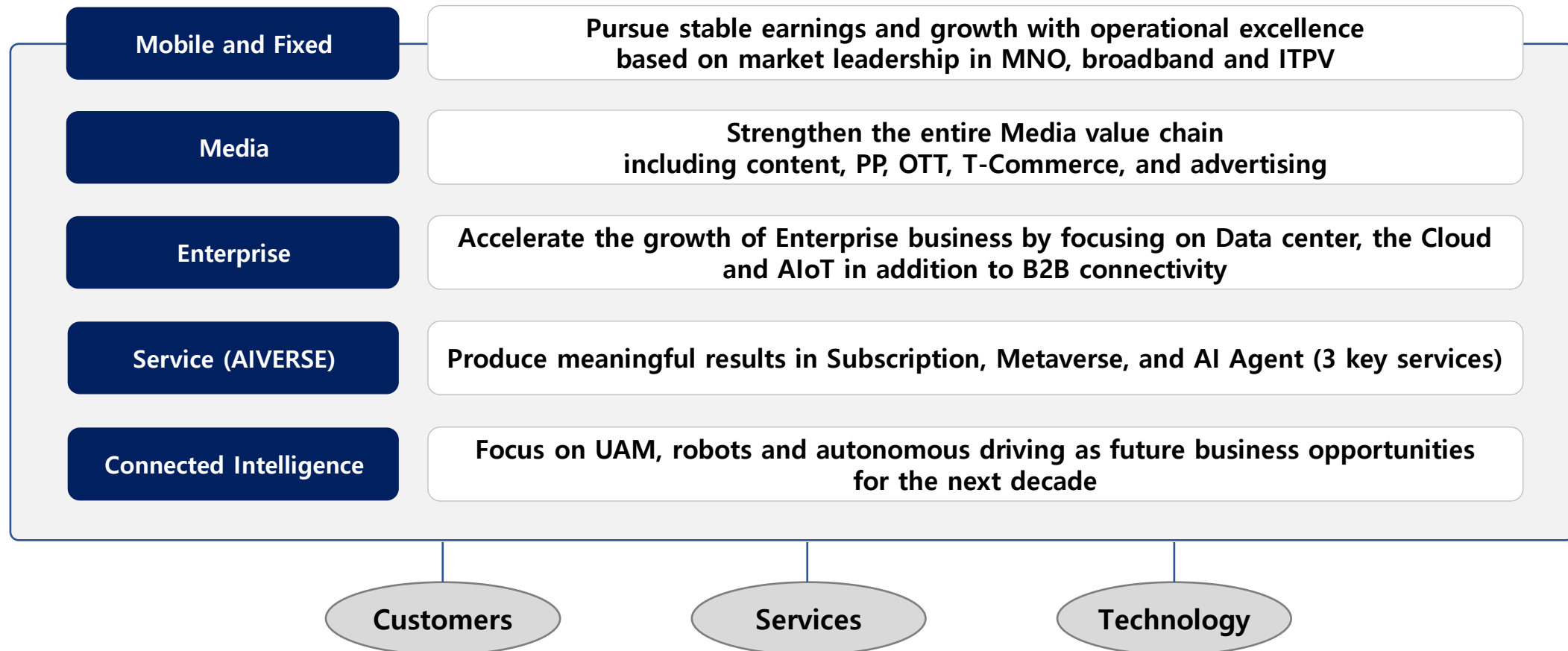
Stability



Growth



**Pursuit of SKT 2.0 to maximize corporate value by re-organizing its business into five business groups and optimizing customers, services and technology for each group**



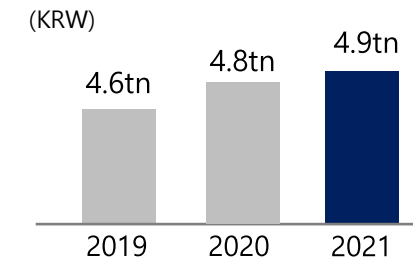
Building resource management and operation systems optimized for each business group

**Mobile & Fixed business remains profitable and growing  
while Media, Enterprise and Service businesses enjoy rapid growth**

	2021 Revenue	Share	CAGR ('19~'21)
<b>Mobile &amp; Fixed</b>	<b>KRW 13.2tn</b>	<b>82%</b>	<b>3%</b>
<b>Media</b>	KRW 1.3tn	8%	26%
<b>Enterprise</b>	KRW 1.4tn	8%	8%
<b>Service(AIVERSE)</b>	KRW 0.2tn	1%	4%
<b>Growth Biz Groups</b>	<b>KRW 2.9tn</b>	<b>18%</b>	<b>15%</b>

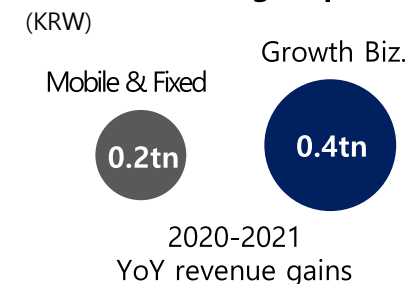
### Mobile & Fixed EBITDA

('19~'21 +0.27tn)



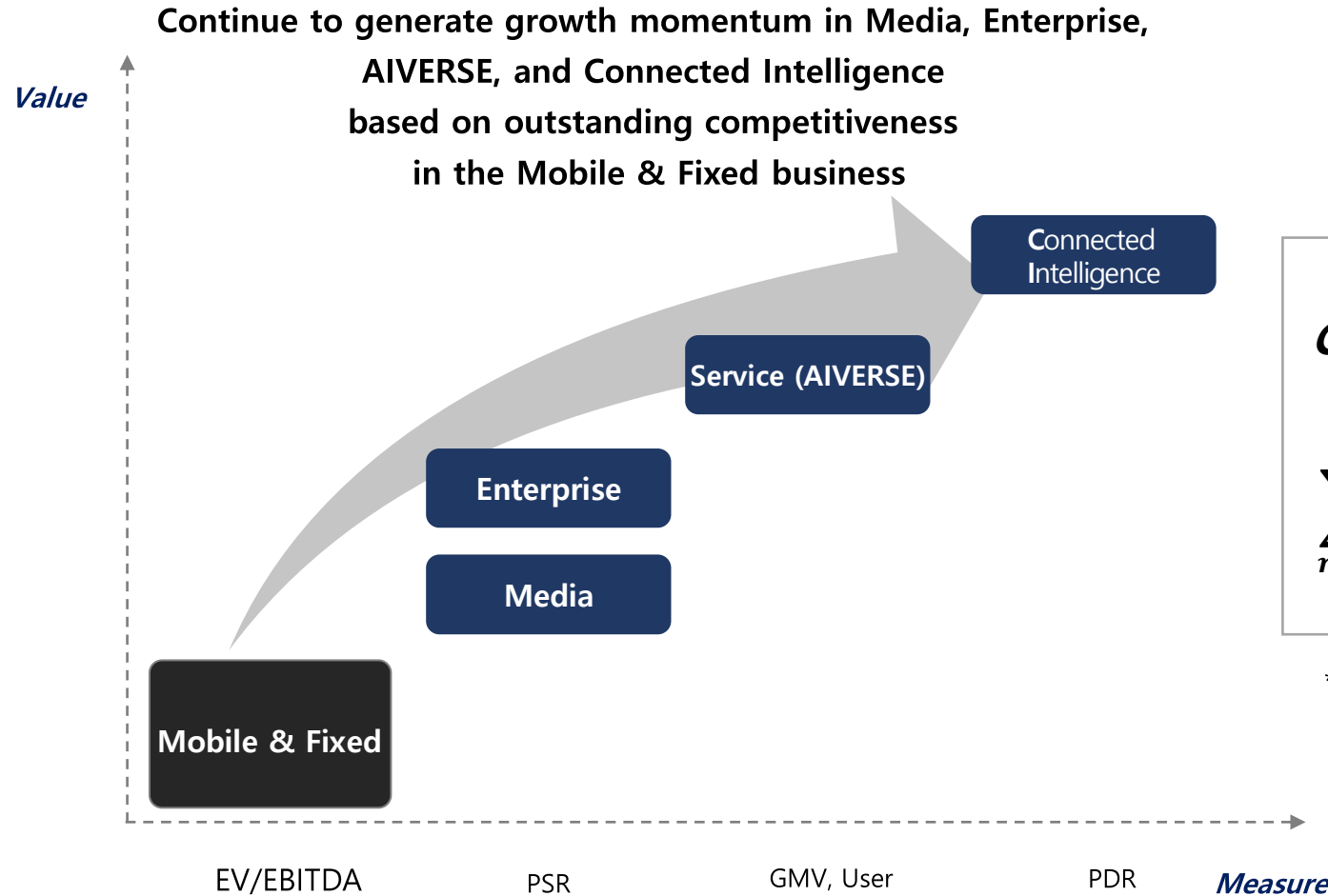
**Stable income growth from  
Mobile & Fixed**

### Revenue growth by business groups



**Growth business YoY  
revenue gains exceeding that  
of mobile & fixed since 2021**

## Maximize total corporate value by developing and implementing growth strategies tailored to each business group



### *Corporate value of SKT 2.0*

$$\sum_{n=1}^5 \text{Value metrics by biz group}^*_n \times \text{multiple}_n$$

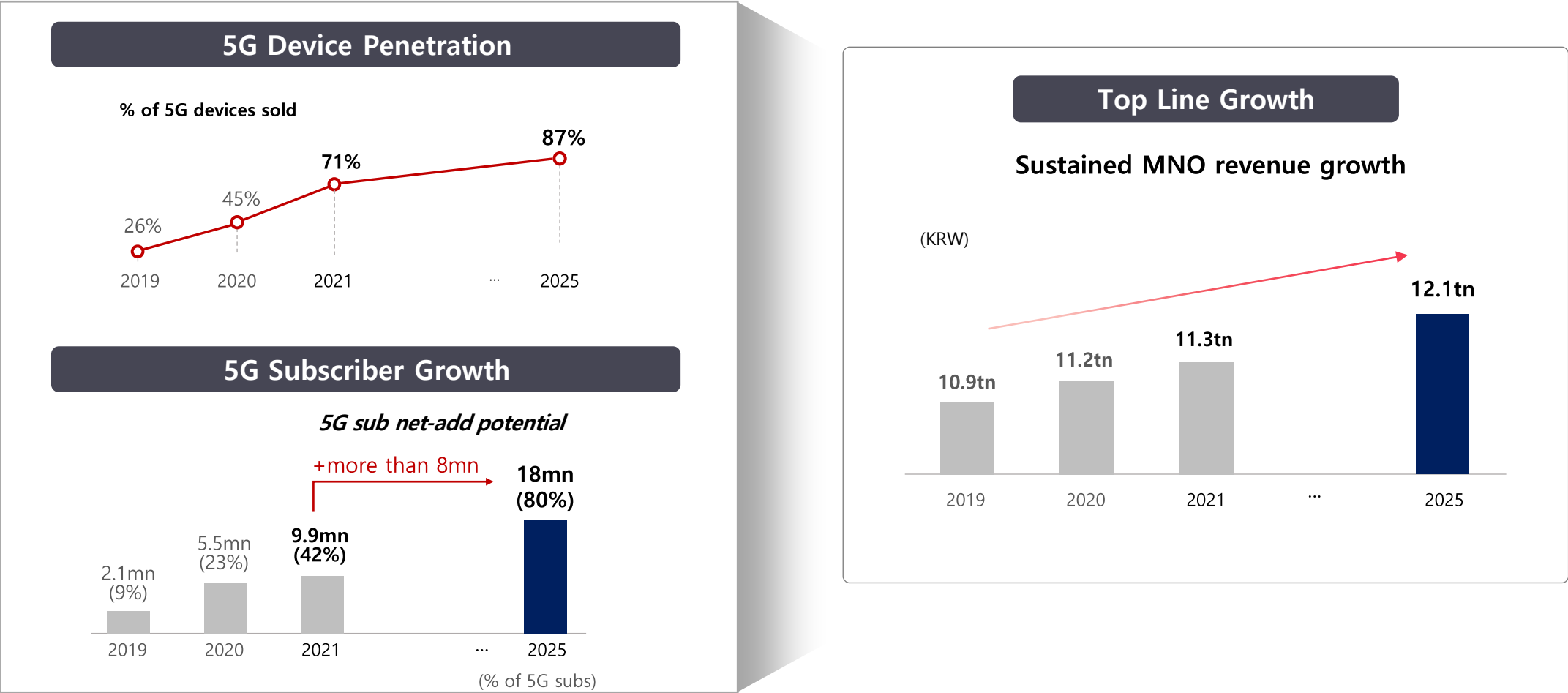
\* EBITDA, Revenue, GMV, User, etc.



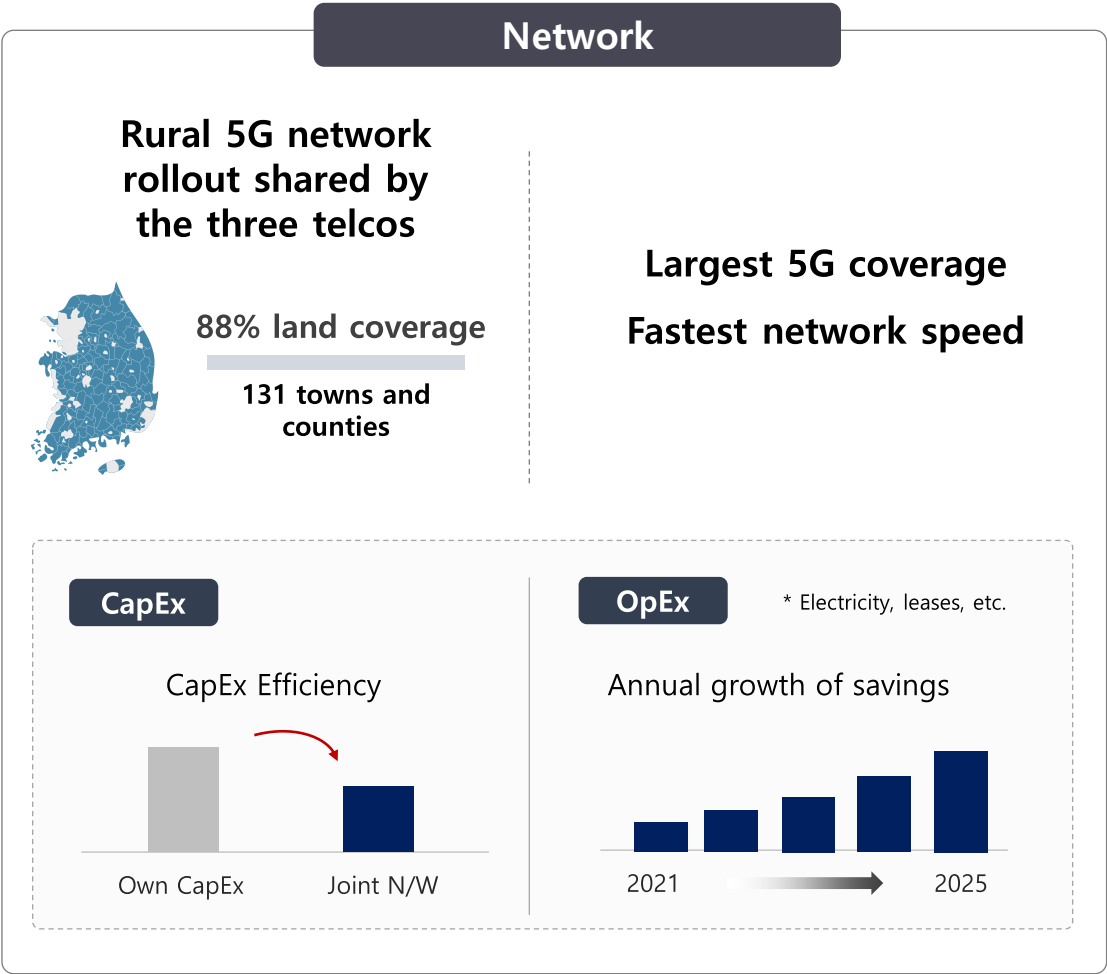
## 2. The Five Business Groups –

### ① Mobile & Fixed

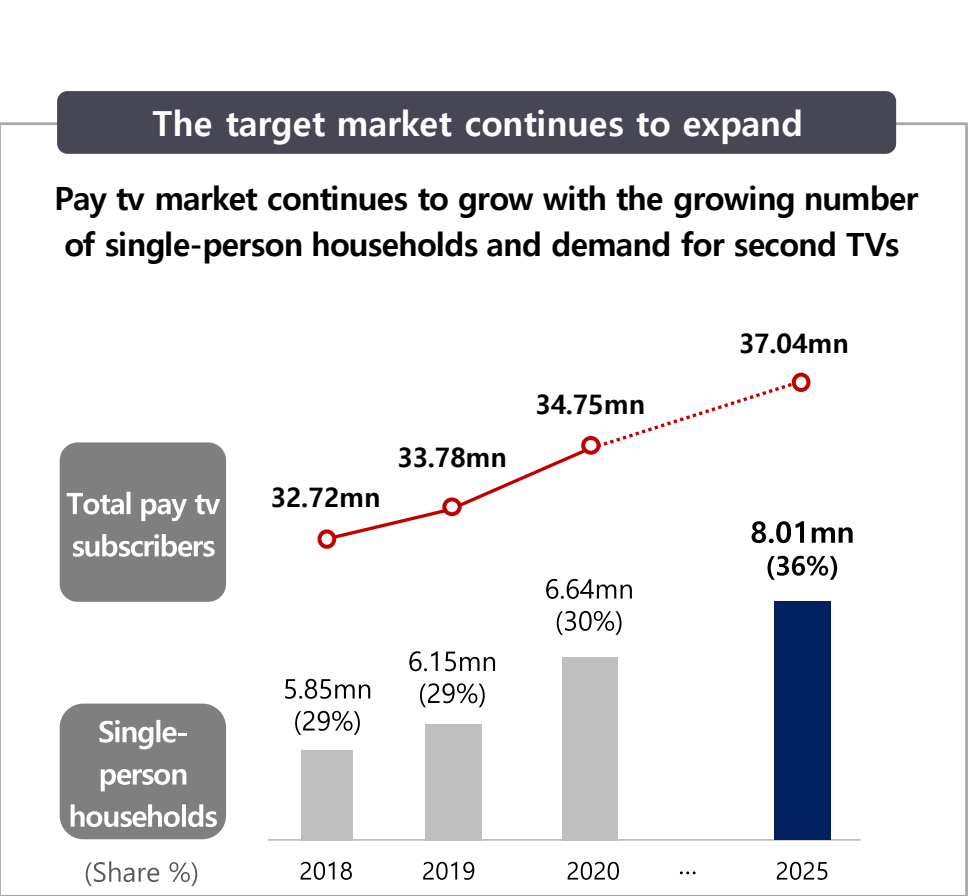
Stable growth trend of MNO revenue through 2025 driven by solid 5G subscriber growth



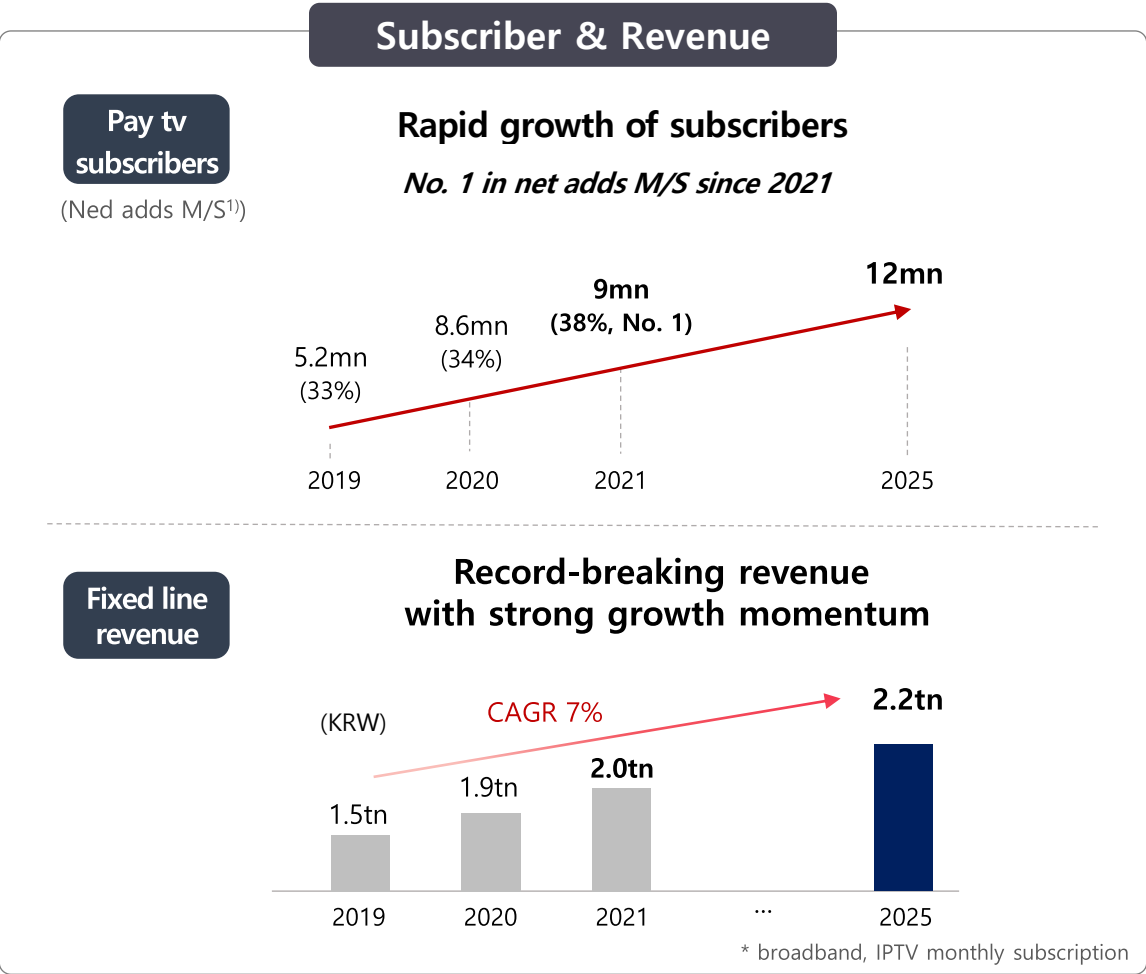
Sustainable margin improvement based on network efficiency and market stabilization



Solid growth trend of fixed line revenue and subscribers  
based on the growth of single-person households and 2<sup>nd</sup> TV market



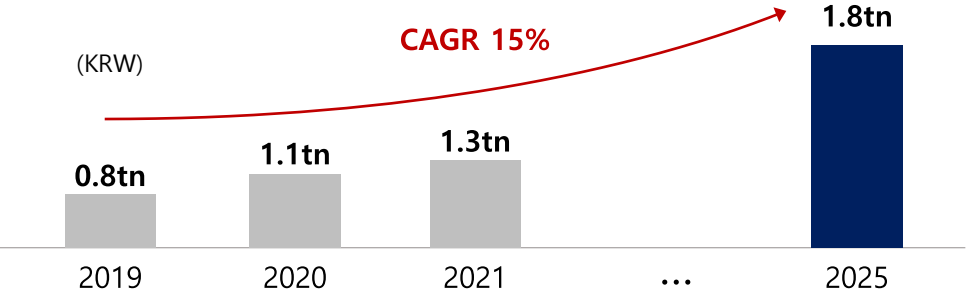
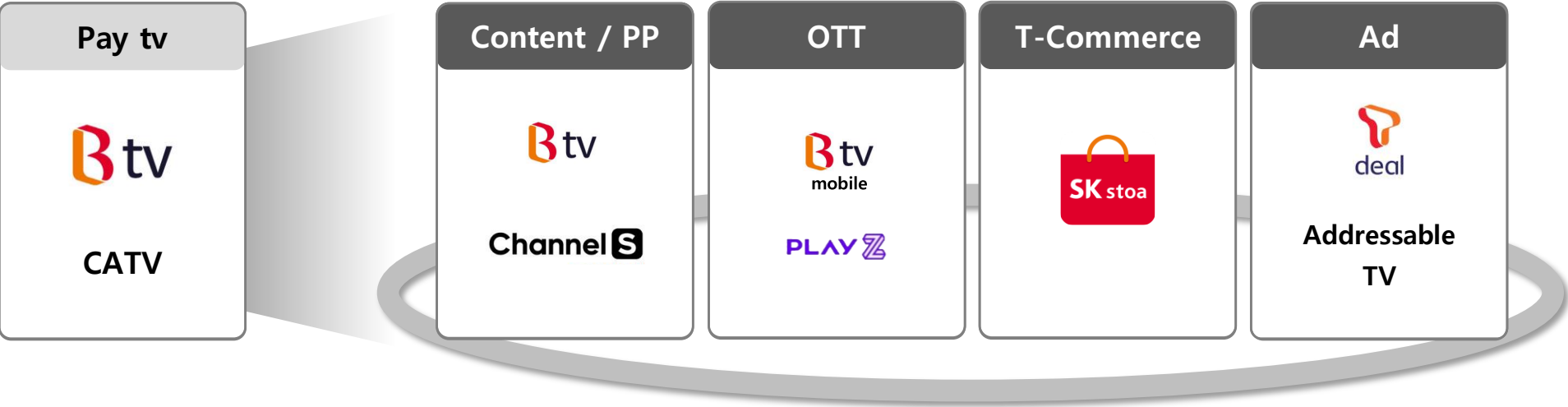
\* Source: Statistics Korea / Korea Communications Commission (2021), OMDIA, a global market research firm (2021)



1) Based on net-adds of 3 IPTV companies, excluding MSOs (Source: IR from 3 telcos, Nov. 2021)

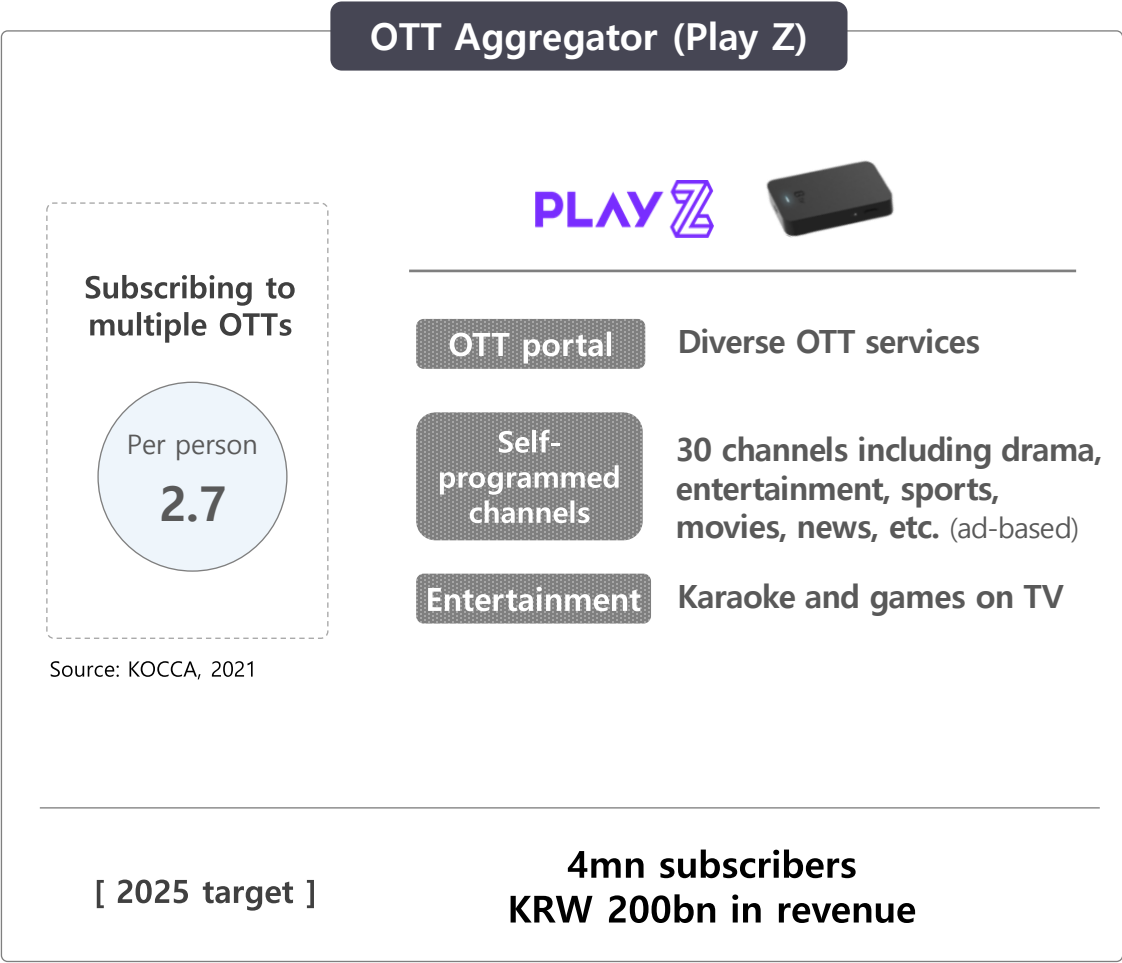
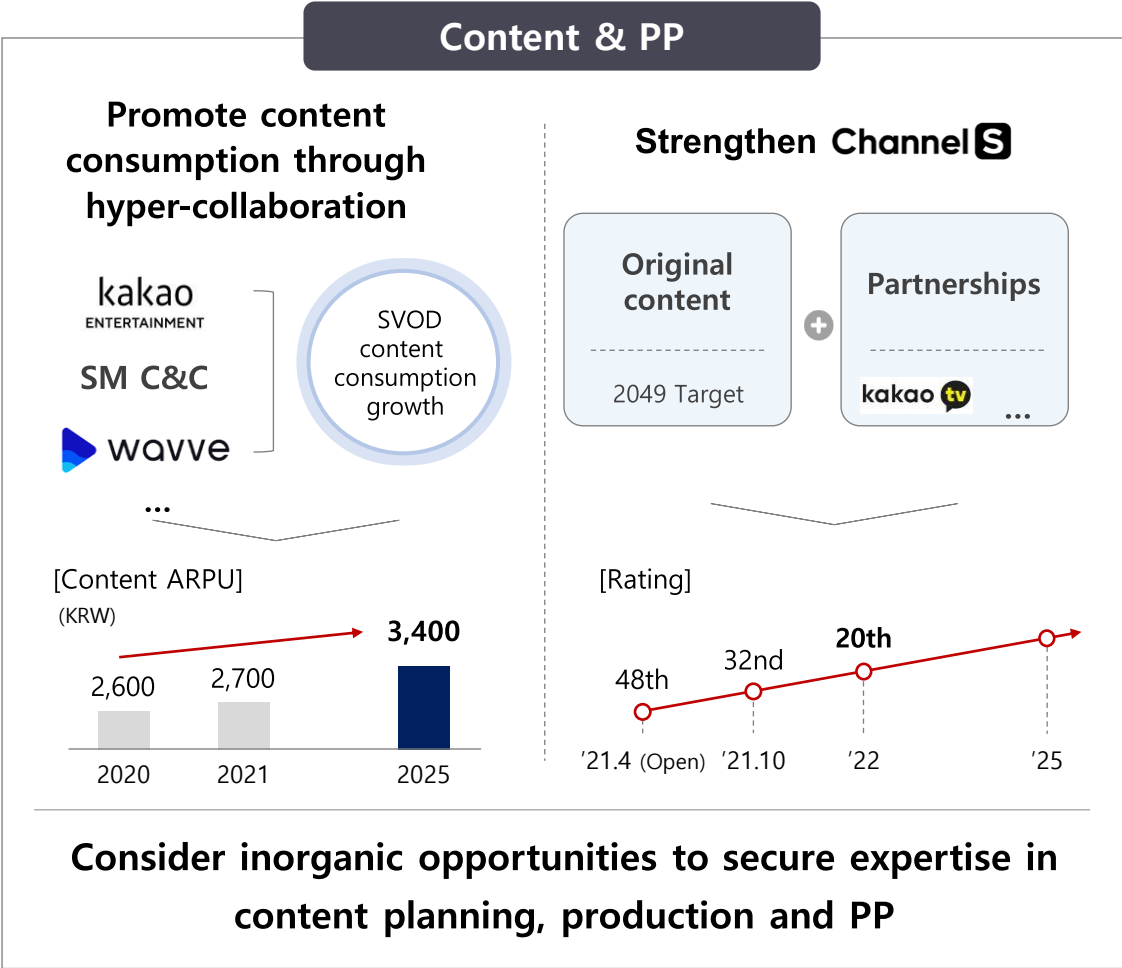
## 2. The Five Business Groups – ② Media

Capitalize on the platform competitiveness gained with pay tv subscriber growth  
to expand into Content, PP, OTT, T-Commerce, and advertising

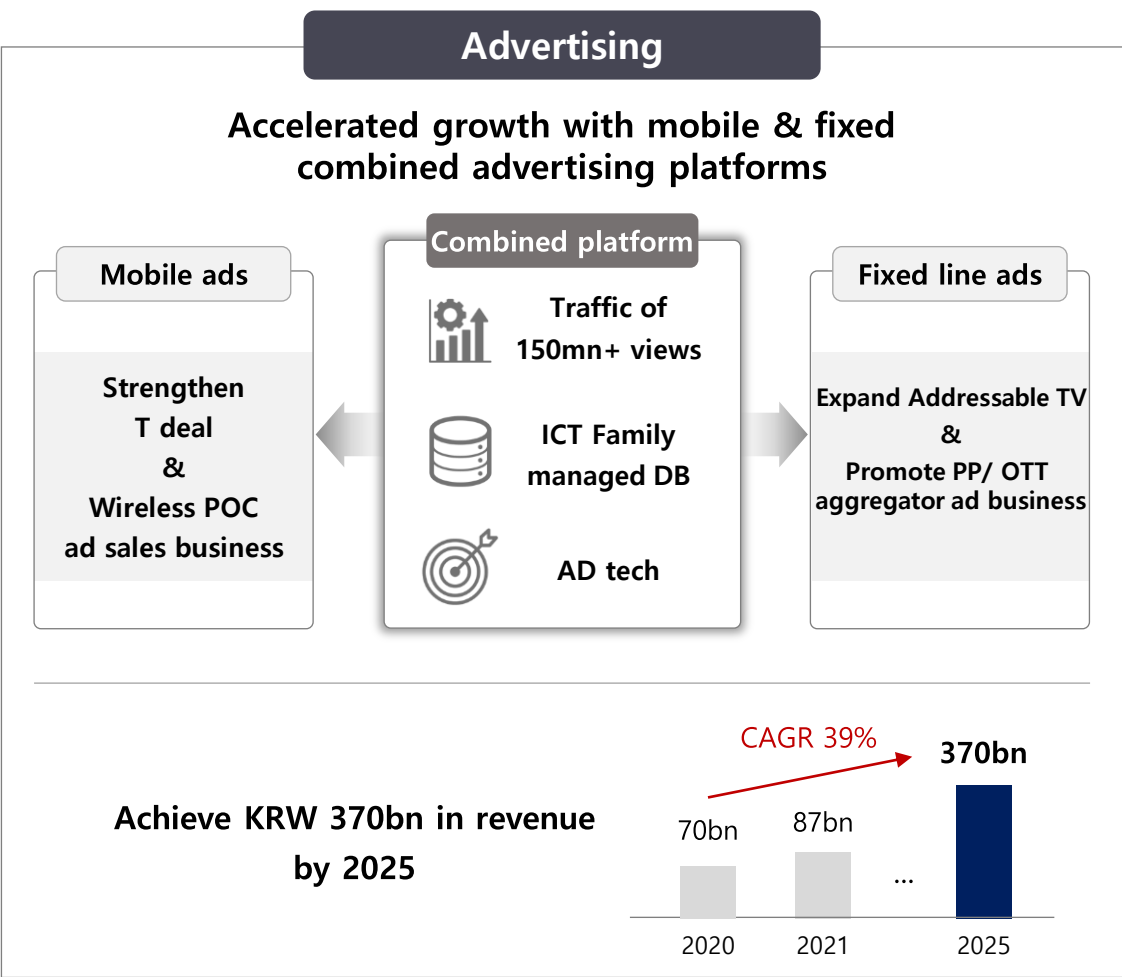
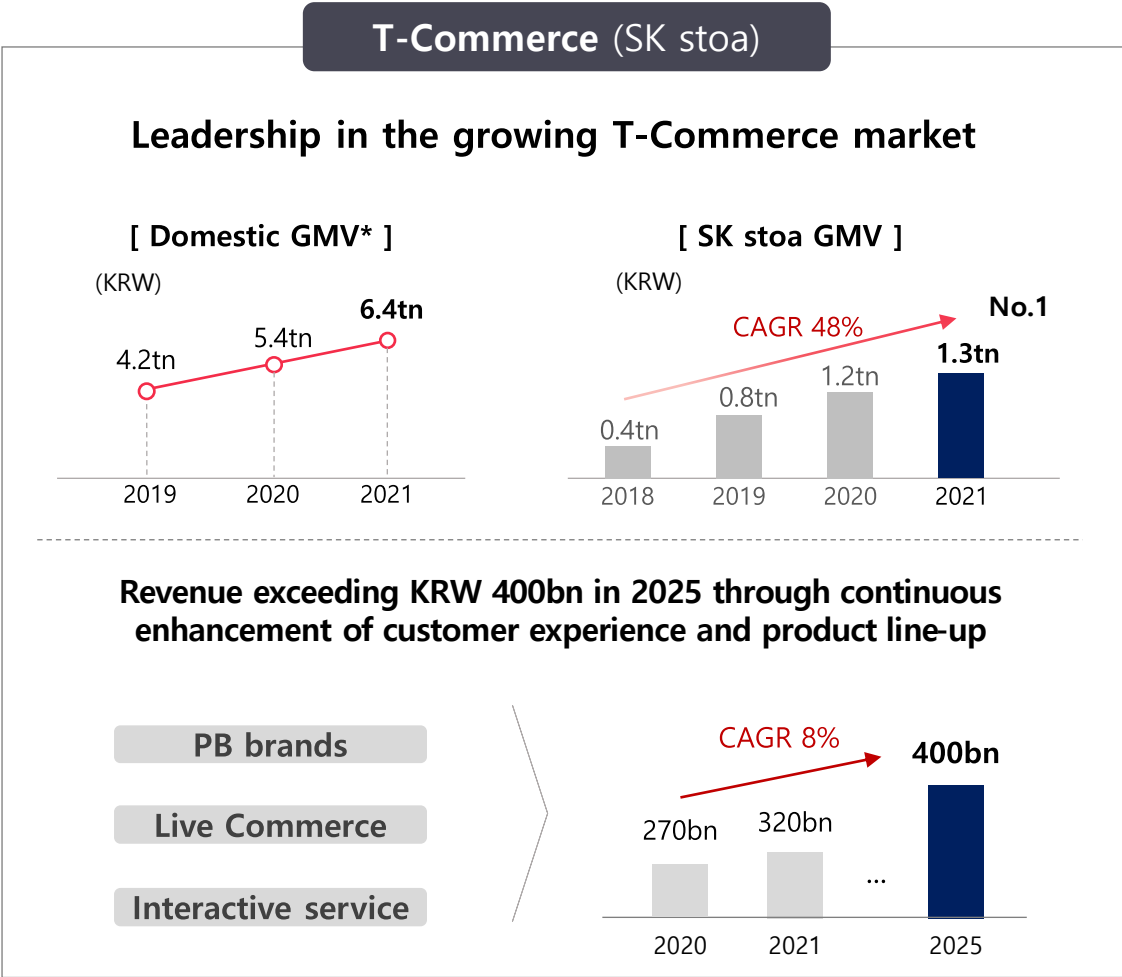


Revenue exceeding KRW 1.8tn in 2025  
in the Media business group  
covering the entire value chain

Strengthen Content and PP capability through hyper-collaboration and inorganic growth and promote OTT Aggregator business actively



Foster T-Commerce and Ad platforms as a new driver of Media business



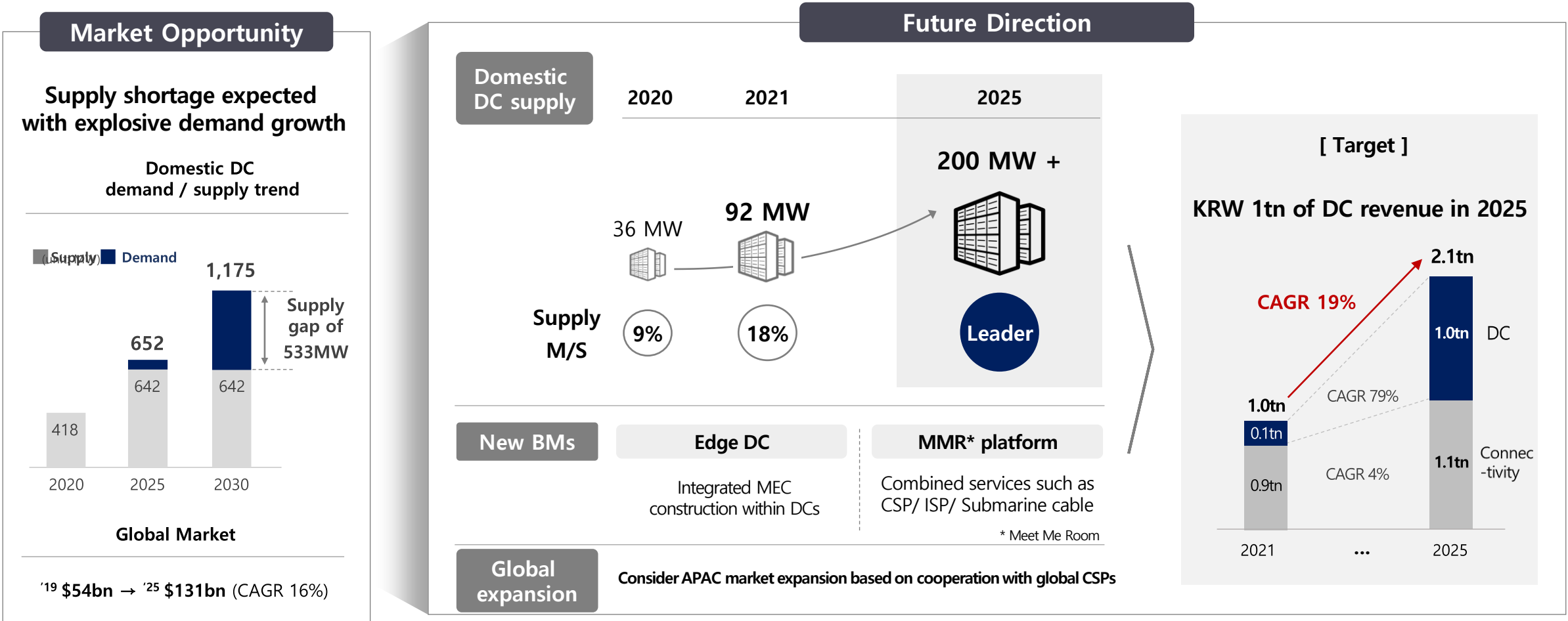
\* Source: Korea T-Commerce Association



## 2. The Five Business Groups –

### ③ Enterprise

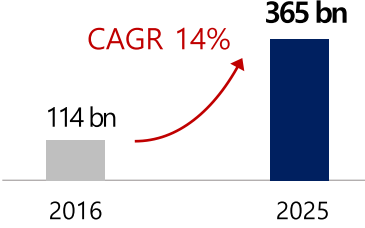
Secure leadership in Korea through aggressive capacity expansion, develop profitable business models, and consider global expansion



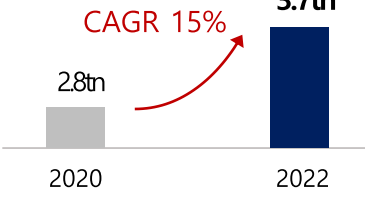
Utilize 5G MEC, MSP, and global hyper-collaboration to expand business in the rapidly growing Cloud market

Market Opportunity

Global Public Cloud market (USD)



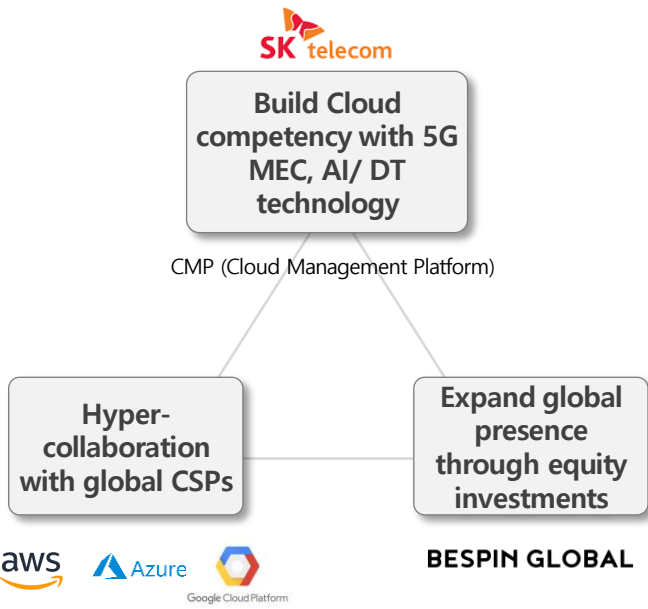
Domestic Cloud market (KRW)



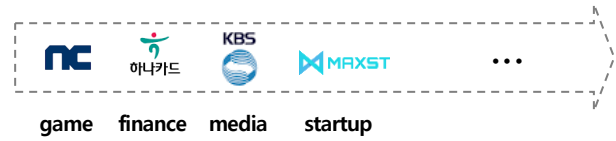
\* Source: Statista, Markets and Markets

Direction and Target

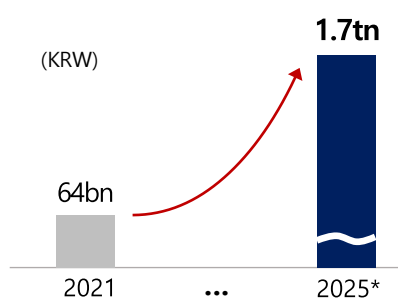
Boost Cloud business through 5G MEC, global hyper-collaboration, and synergy with invested companies



Growing client base

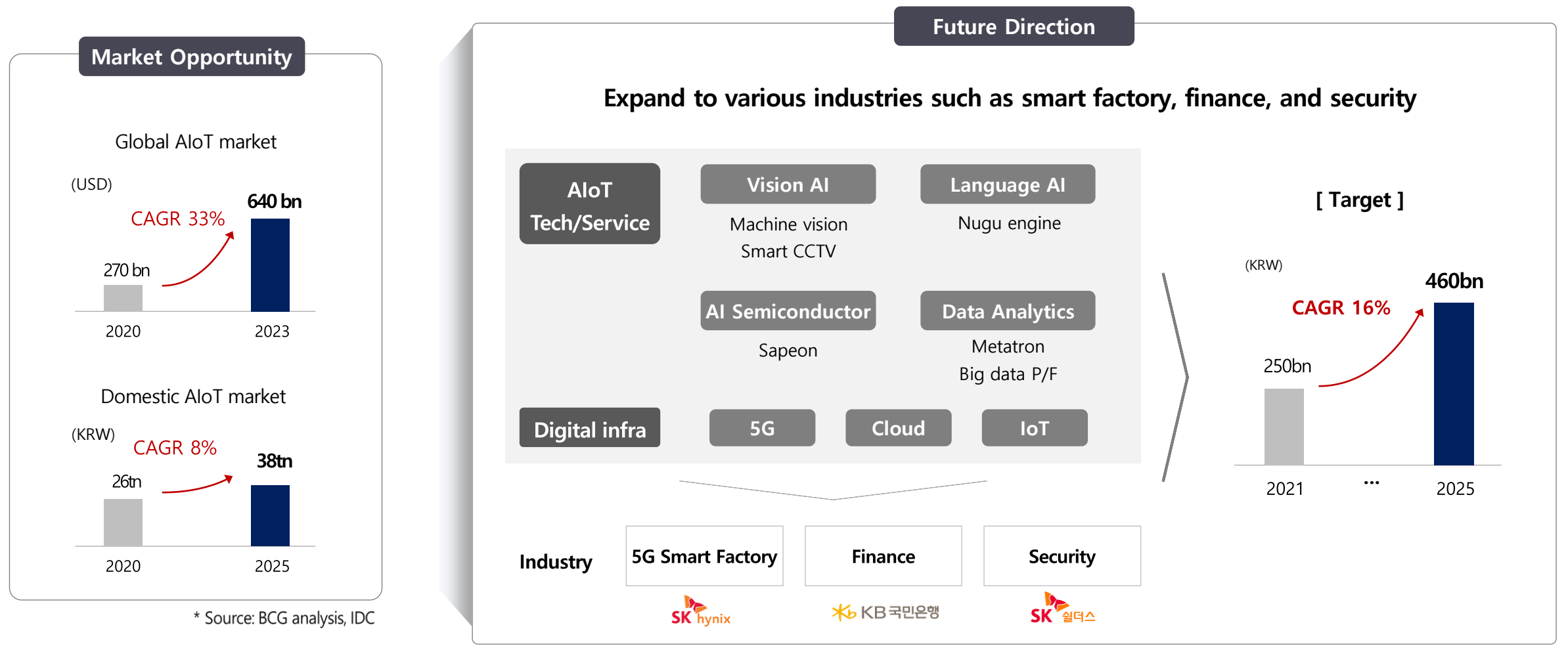


[ Target ]



\* Bespın Global revenue included

Vertical business expansion through the combination of in-house AI technology with digital infrastructure such as 5G and IoT



## 2. The Five Business Groups – ④ AIVERSE

Meaningful milestones ; GMV surpassed KRW 350bn, overseas direct purchase GMV of 11st tripled and service expansion is being driven by the 20s-40s age group & contactless channels

Key Metrics

GMV

KRW 350bn

Revenue

KRW 200bn

11st Overseas Direct Purchase

x3 growth  
(overseas direct purchase)

Universe Pass Subscribers' 11st GMV growth

+KRW 200k  
(per customer)

\* '21.8.31 ~ '22.1.31

Customer Profile

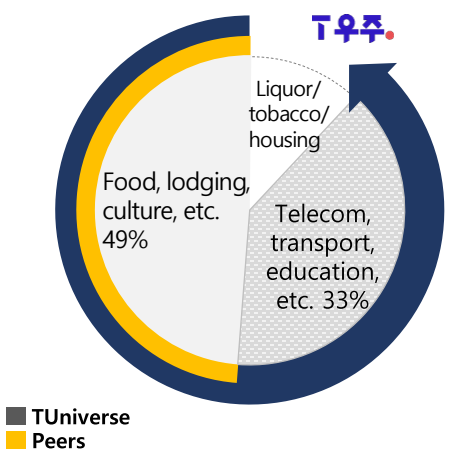
20s-40s age group

72% Vs. 47%  
T Universe SKT mobile

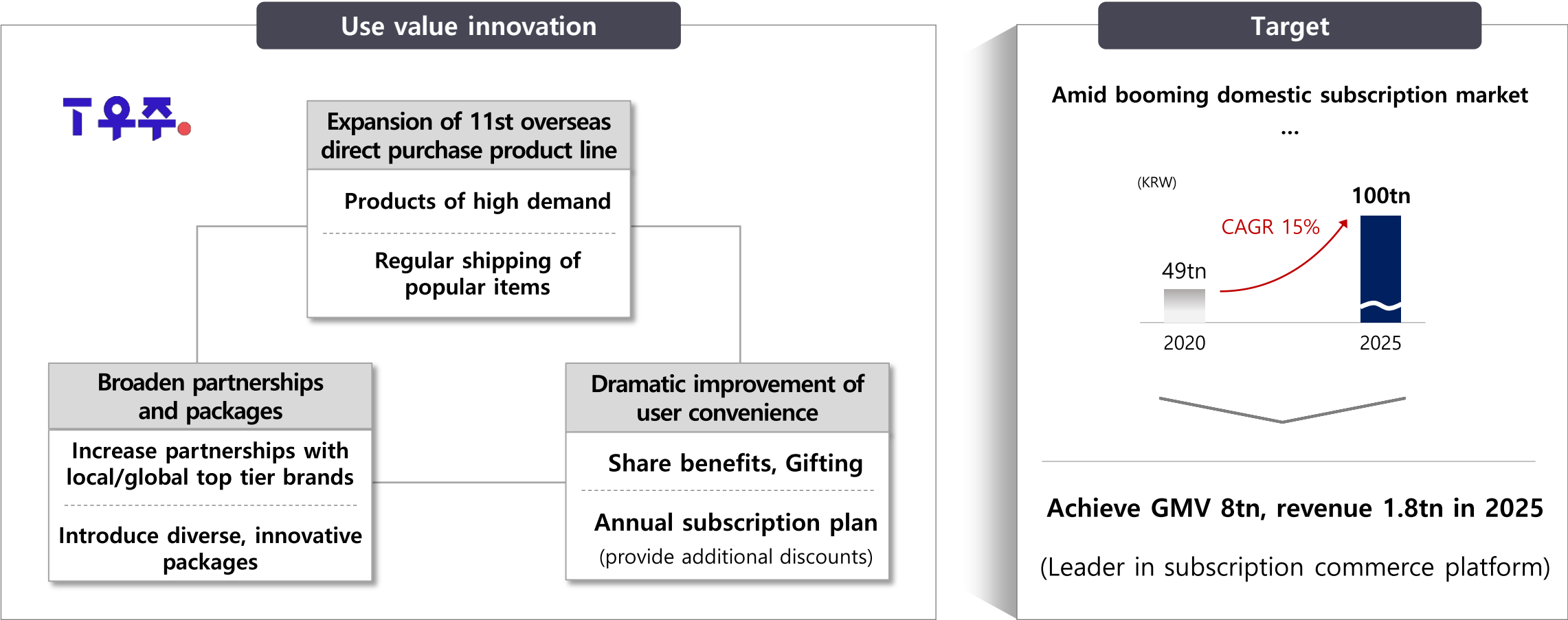
Subscription via contactless channels

53% Vs. 10~20%  
T Universe SKT paid services

「 Coverage ≥ 80% 」 of domestic household expenditures



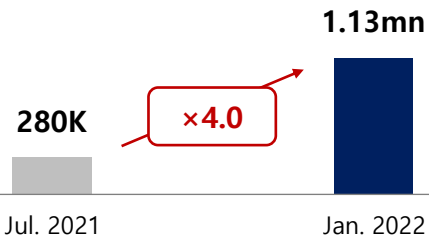
Innovation in use value with competitive product line-up and upgrade  
for convenience to produce meaningful results



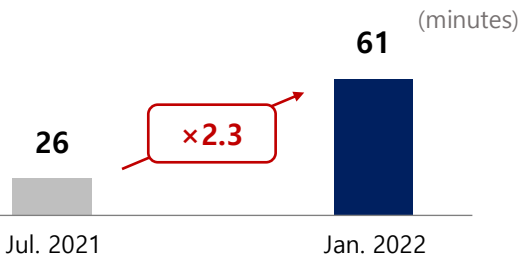
Successful market entry with over 1.1mn MAU and more than 1,500 requests for partnerships

Key Metrics

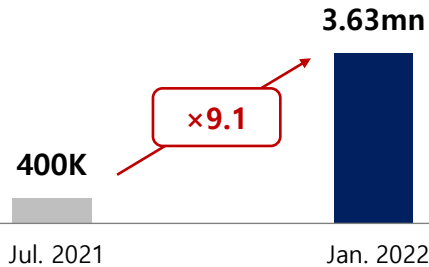
MAU



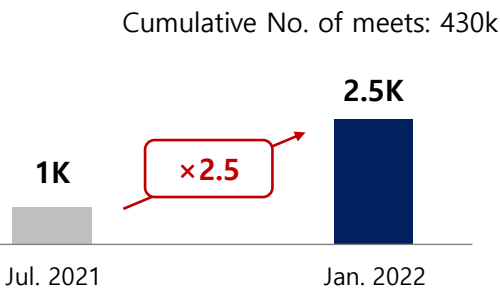
Duration \*



Subscribers



No. of Daily Land ('meet') Generation



Partnerships

Partnership requests from corporates / broadcasters / governments

1,500



World Knowledge Forum

MBC, SBS, JTBC, Tving

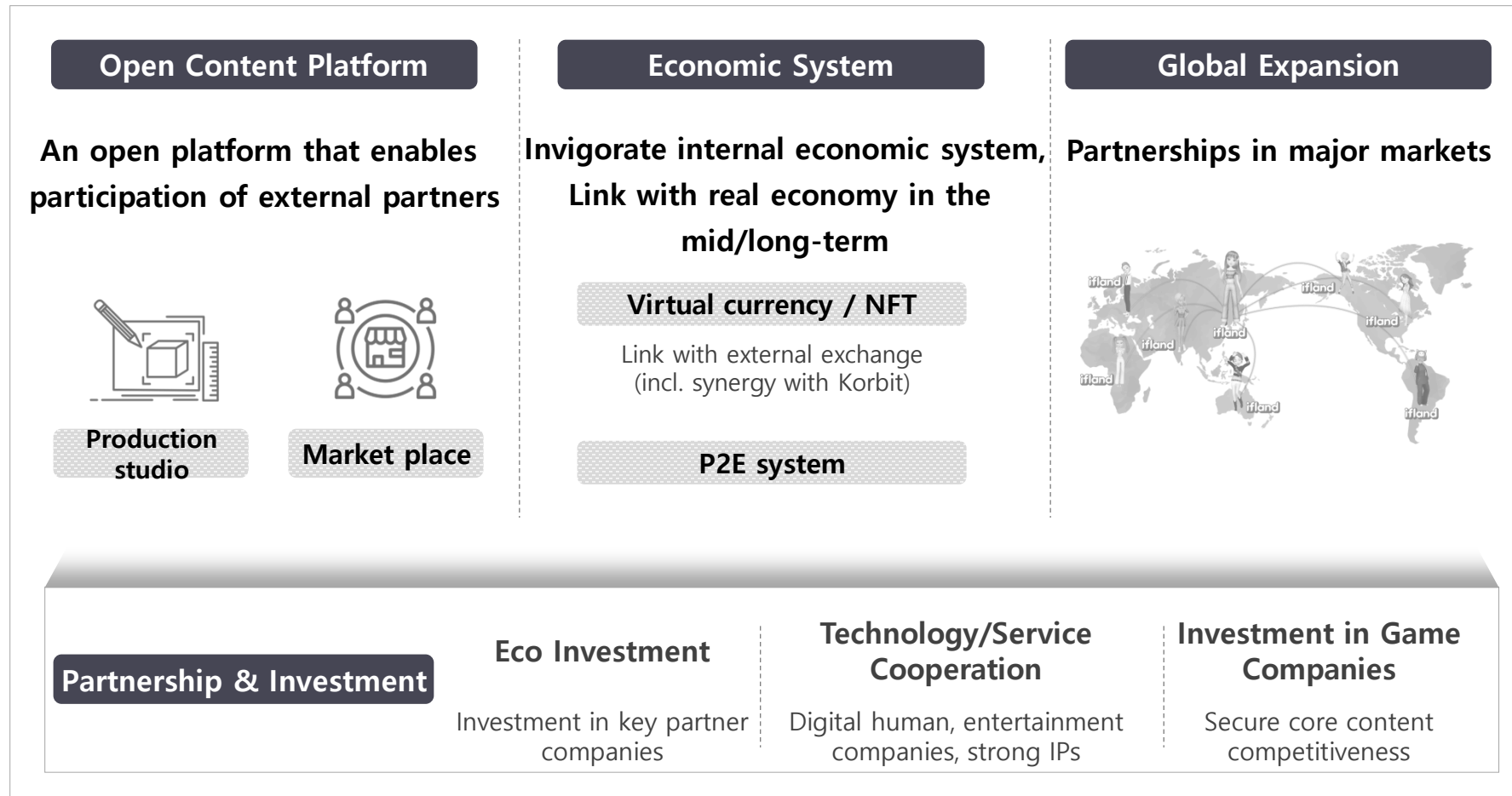
KU, SKKU, SCH Univ.

SEC, KT&G, Binggrae

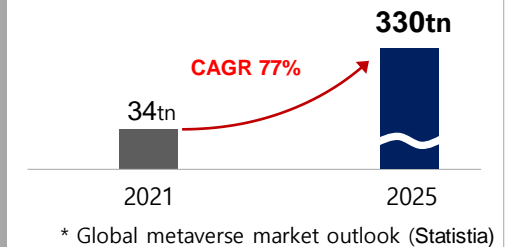
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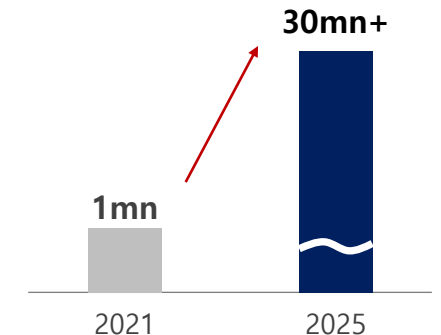
### Build an open platform & economic system and expand strategic partnerships & investment to scale-up business



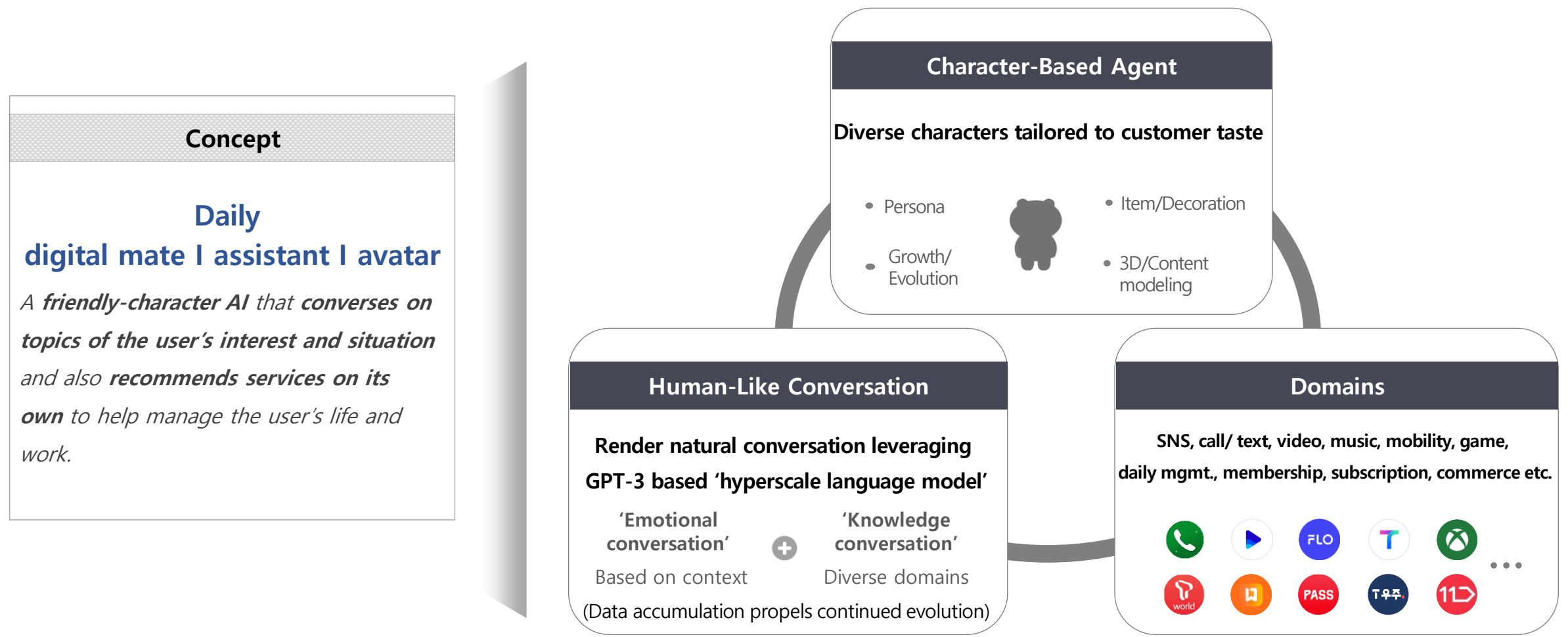
In the rapidly growing metaverse market... (KRW)



Target 30mn+ MAU by 2025



Bundle multiple services to offer a Super App that provides customized AI services based on unprecedented interactions

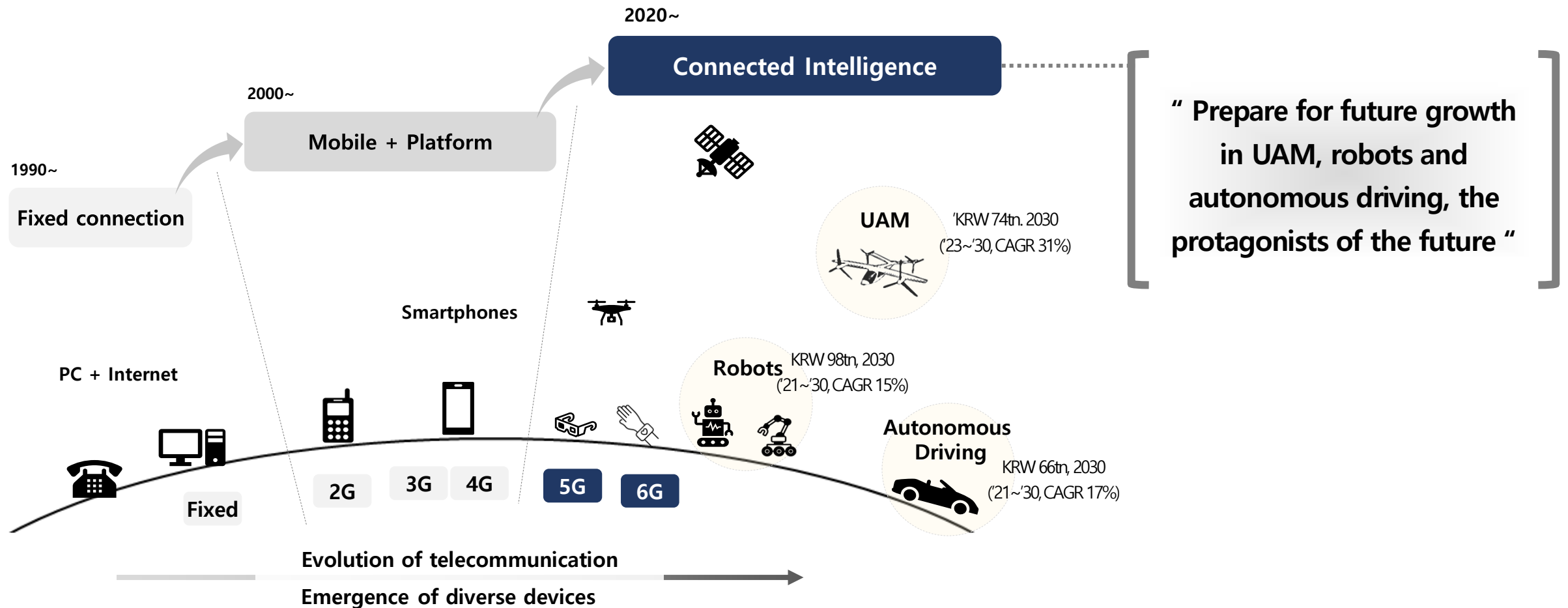


## 2. The Five Business Groups –

### ⑤ Connected Intelligence

## 2. Five Business Groups - ⑤ Connected Intelligence

Offer innovative services such as UAM, robots and autonomous driving by adding intelligence to a diverse array of future devices on top of connectivity, the unique value of telco



Preoccupy the UAM market by leveraging key strengths of SKT including industry top-notch N/W and mobility platforms

Concept

Exponential Growth of Global Market

(KRW)

74tn

CAGR 40%

7tn

2023

2030

Green

Low Carbon

Battery power

Low noise

Quiet as EVs

Reduce Traffic Costs

Traffic cost in Korea: KRW 67tn (2018)

[ traffic costs to GDP ]

Korea	USA	UK	Germany
3.2%	0.9%	0.4%	0.2%

40% cut in travel time can help reduce traffic congestion

Yeouido 5 min Gangnam

Future Direction

As a UAM service provider, SKT will provide end-to-end integrated service; booking – onboarding – flight - ground transport

Service

Vehicle

Infra

SKT alliance

Simultaneously partner with multiple global players (Joby, Hanwha)

Secure maximum vertiport location (Korea Airports Corporation)

First domestic commercialization in 2025

'22

'23~'24

'25

Gov. demo project

Demonstration in open land and urban areas

Secure business license

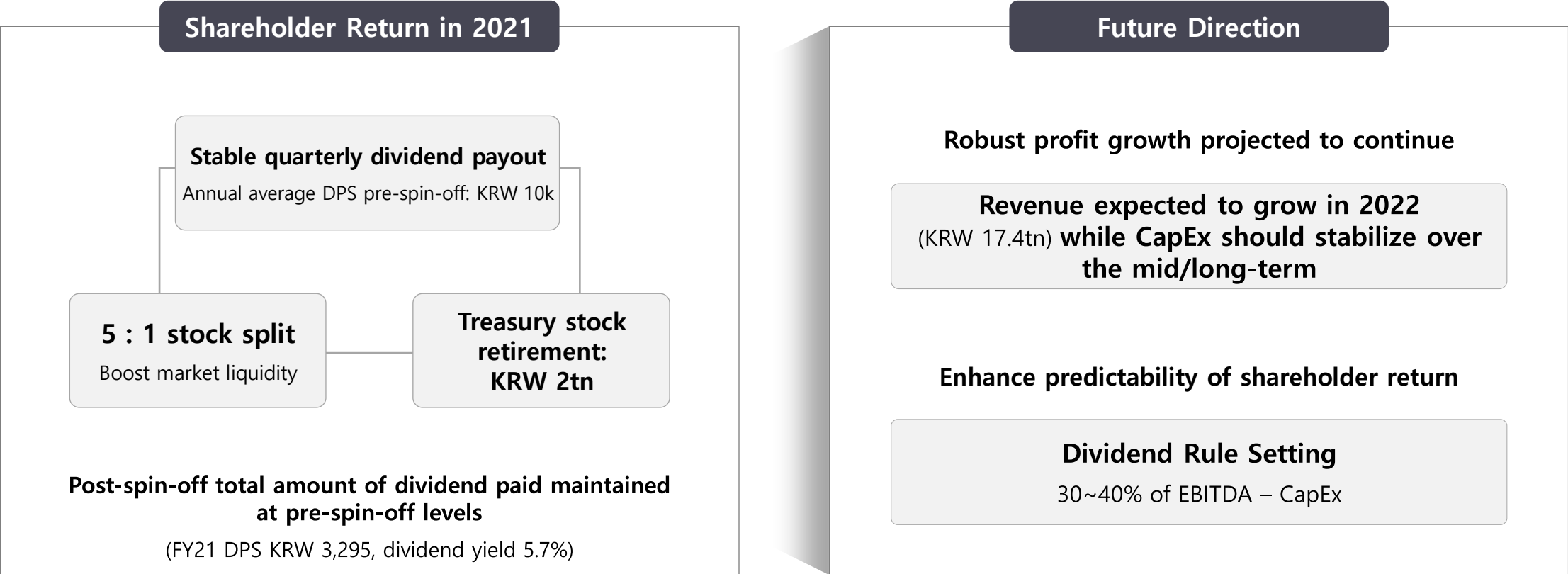
※ Task force team that reports directly to the CEO launched

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### 3. Enhancing Shareholder Value

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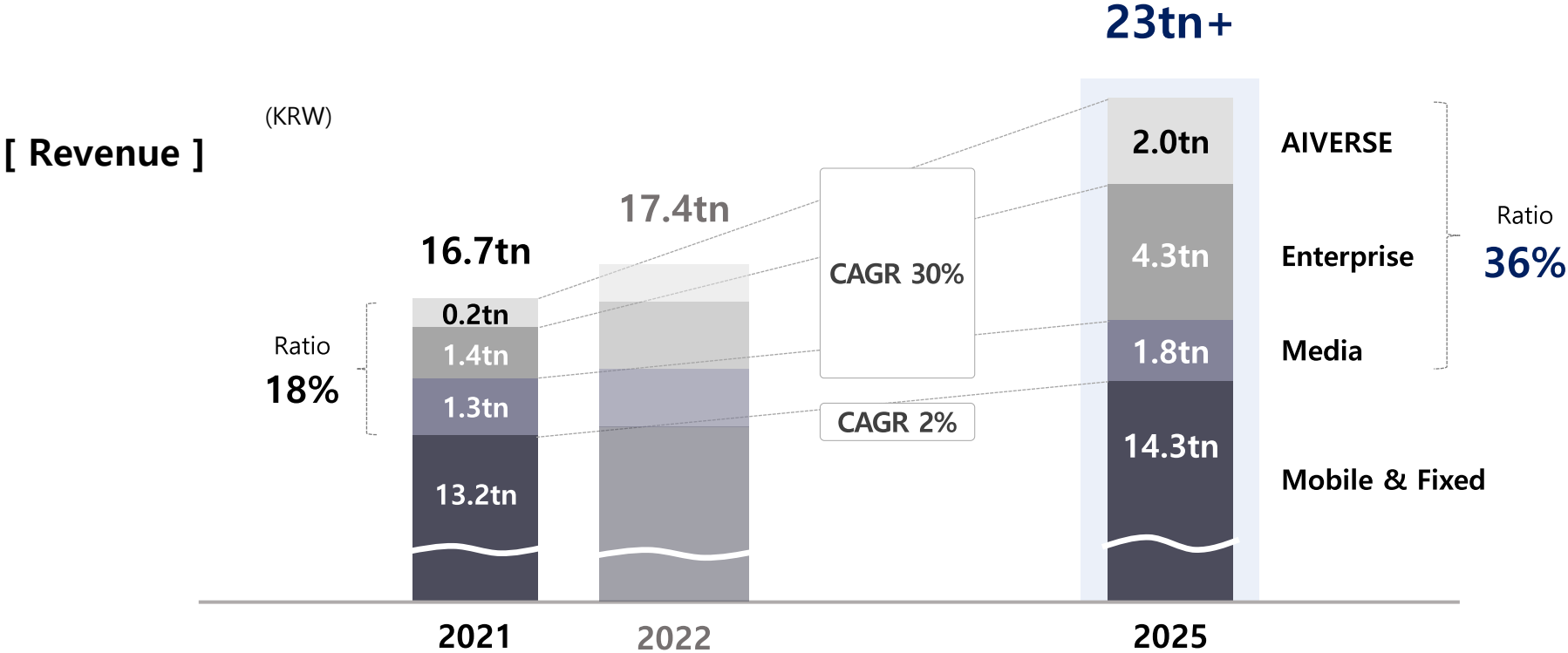
Maintain 'shareholder friendly return policy' driven by robust profits



## 4. End Picture

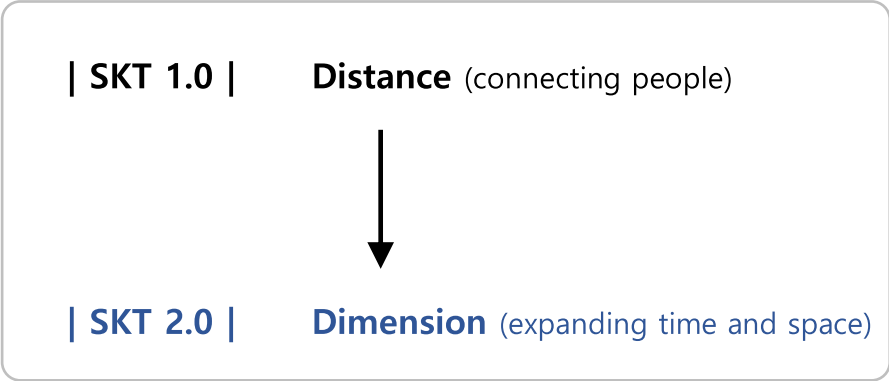


Achieve KRW 23tn in revenue in 2025, driven by profitability and growth of the 5 business groups

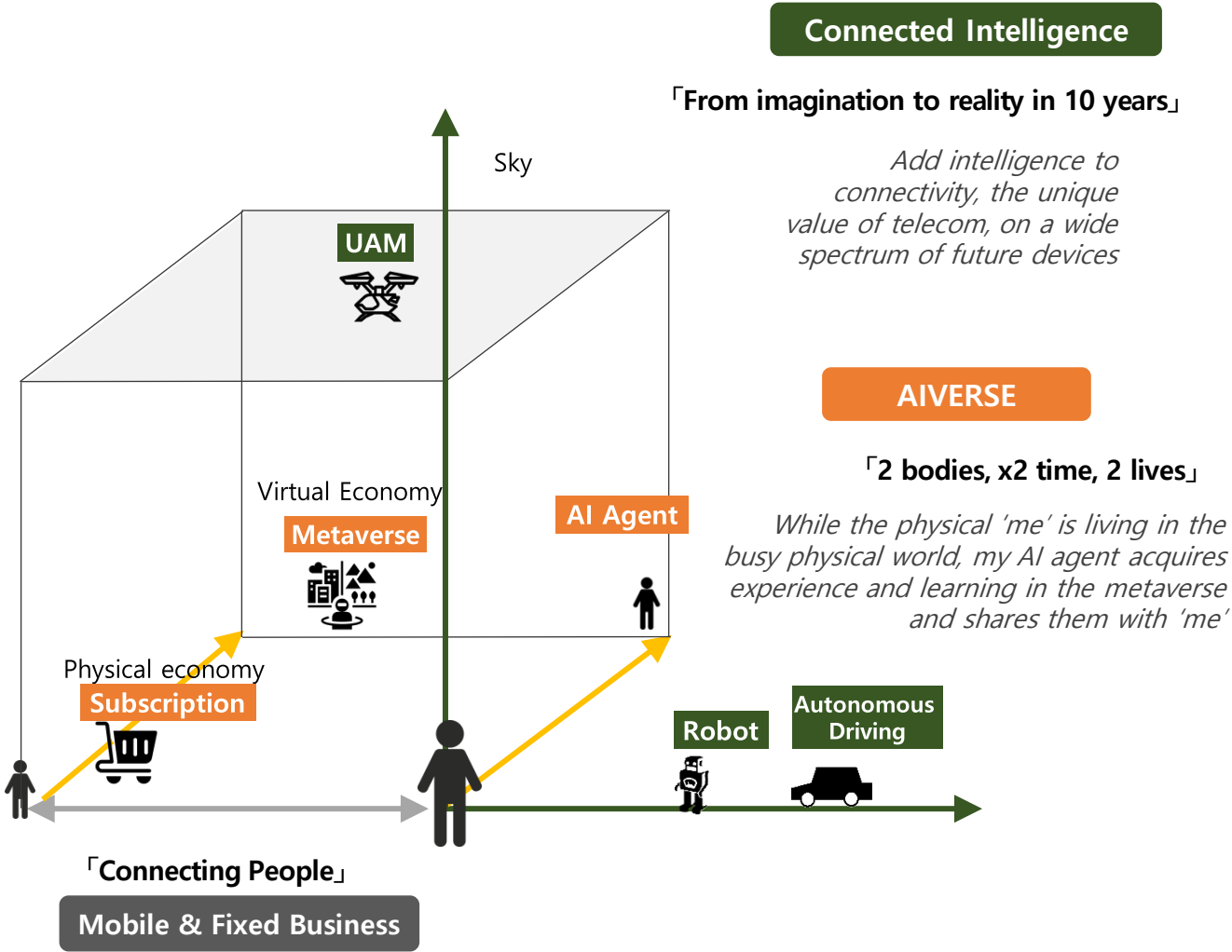


SKT 2.0 Mission

Redefine the business model ‘from distance to dimension’



“ While SKT was born **to connect people**,  
in today’s era of multi-dimensional worlds, including  
the metaverse and diverse universes,  
SKT enables customers to create a ‘new life’ by  
**expanding time and space**”



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