

Investor Briefing

# Earnings for Q2, 2023

2023. 8. 8.



**SK** telecom

# Disclaimer

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## **2Q23 Financial Results**

Business Highlights

Shareholder Return

Appendix



# 2Q23 Financial Results

Consolidated

Continued YoY growth of consolidated earnings thanks to the increase in SKB B2B sales higher Data Center utilization

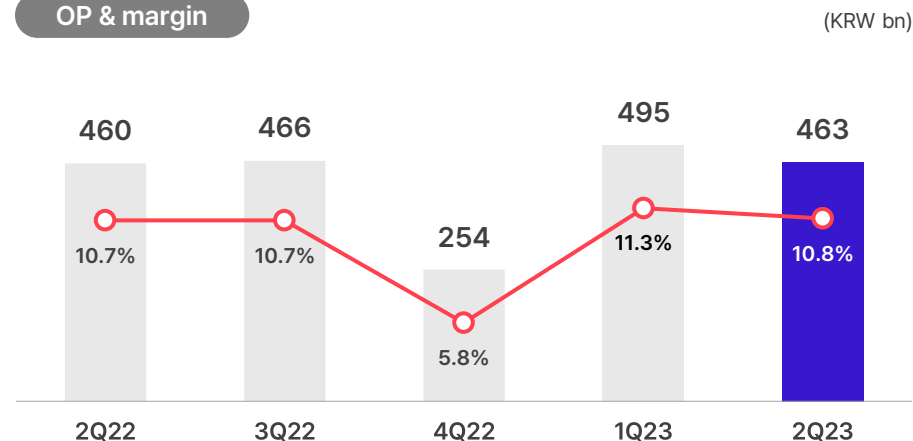
## Consolidated Income Statement

| (KRW bn)           | 2Q23  | 2Q22  | YoY   | 1Q23  | QoQ    |
|--------------------|-------|-------|-------|-------|--------|
| Revenue            | 4,306 | 4,290 | 0.4%  | 4,372 | △1.5%  |
| - SKT              | 3,119 | 3,118 | 0.0%  | 3,117 | 0.1%   |
| - SKB              | 1,068 | 1,033 | 3.4%  | 1,062 | 0.6%   |
| Operating expenses | 3,843 | 3,830 | 0.3%  | 3,877 | △0.9%  |
| Operating income   | 463   | 460   | 0.8%  | 495   | △6.4%  |
| - SKT              | 379   | 381   | △0.5% | 416   | △8.8%  |
| - SKB              | 83    | 78    | 5.8%  | 76    | 8.6%   |
| Net income         | 348   | 258   | 34.8% | 303   | 15.0%  |
| EBITDA             | 1,412 | 1,400 | 0.9%  | 1,428 | △1.1%  |
| CAPEX              | 826   | 806   | 2.4%  | 212   | 290.3% |

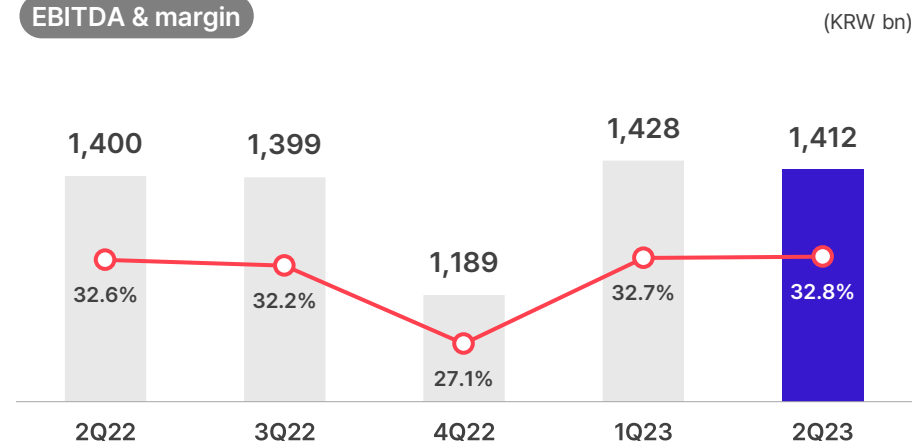
- Consolidated revenue of KRW 4.3tn, up 0.4% YoY**
  - B2B business revenue growth on the back of higher Data Center utilization rates of SKB
  - QoQ decline of 1.5% due to lower handset sales by PS&M amid slow handset retail season
- Consolidated operating income of KRW 463.4bn, up 0.8% YoY**
  - Consolidated operating income grew thanks to SKB revenue growth and cost efficiency despite slight negative impact from higher expenses for SK Stoa
- Consolidated net income of KRW 347.8bn, up 34.8% YoY**
  - Thanks to forward trading profit related to investment in Joby Aviation

## Key Metrics

### OP & margin



### EBITDA & margin



# 2Q23 Financial Results

Non-consolidated

Slower revenue growth due to temporary response to competition but sustained cost stabilization trend

## Non-consolidated Income Statement

| (KRW bn)                     | 2Q23  | 2Q22  | YoY   | 1Q23  | QoQ    |
|------------------------------|-------|-------|-------|-------|--------|
| Revenue                      | 3,119 | 3,118 | 0.0%  | 3,117 | 0.1%   |
| - MNO                        | 2,618 | 2,616 | 0.1%  | 2,627 | △0.3%  |
| - Other                      | 501   | 502   | △0.0% | 490   | 0.4%   |
| Operating expenses           | 2,740 | 2,737 | 0.1%  | 2,702 | 1.4%   |
| - Marketing expense          | 754   | 758   | △0.6% | 757   | △0.4%  |
| - Depreciation <sup>1)</sup> | 716   | 705   | 1.6%  | 705   | 1.5%   |
| Operating income             | 379   | 381   | △0.5% | 416   | △8.8%  |
| Net income                   | 273   | 224   | 21.5% | 422   | △35.4% |
| EBITDA                       | 1,095 | 1,085 | 0.9%  | 1,121 | △2.3%  |

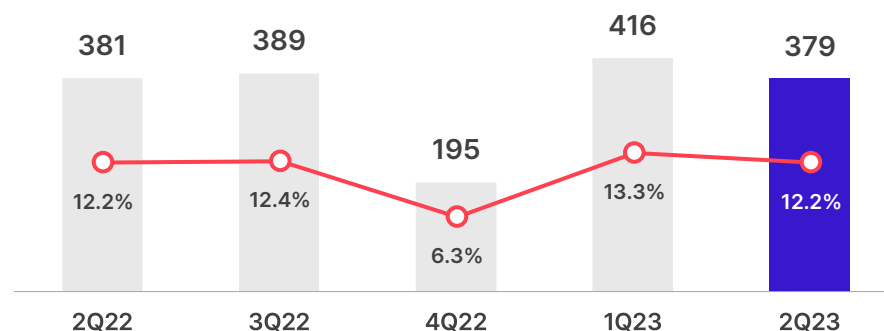
1) R&D related depreciation and amortization included

- **Non-consolidated revenue of KRW 3.12tn, up 0.03% YoY**
  - Continued growth of 5G subscribers and roaming revenue
- **Non-consolidated operating income of KRW 379.1bn, down 0.5% YoY**
  - Marketing expense stabilization trend sustained but a slight increase in depreciation cost
  - QoQ impact of seasonal factors such as advertising expense
- **Non-consolidated net income of KRW 272.8bn, up 21.5% YoY**
  - One-off forward trading profit related to investment in Joby Aviation
  - QoQ decline due to the base effect of dividend income<sup>SKB, etc.</sup>

## Key Metrics

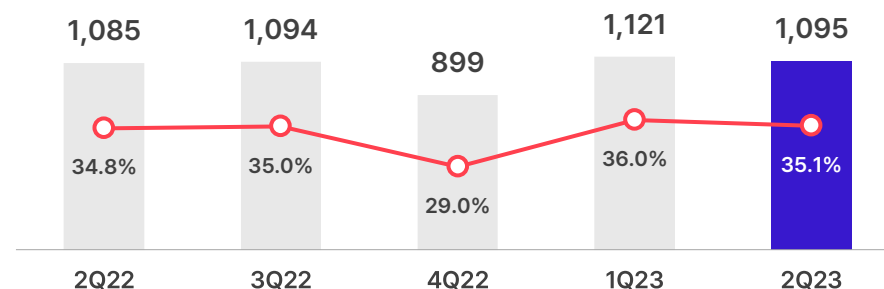
### OP & margin

(KRW bn)



### EBITDA & margin

(KRW bn)



# 2Q23 Financial Results

SK Broadband

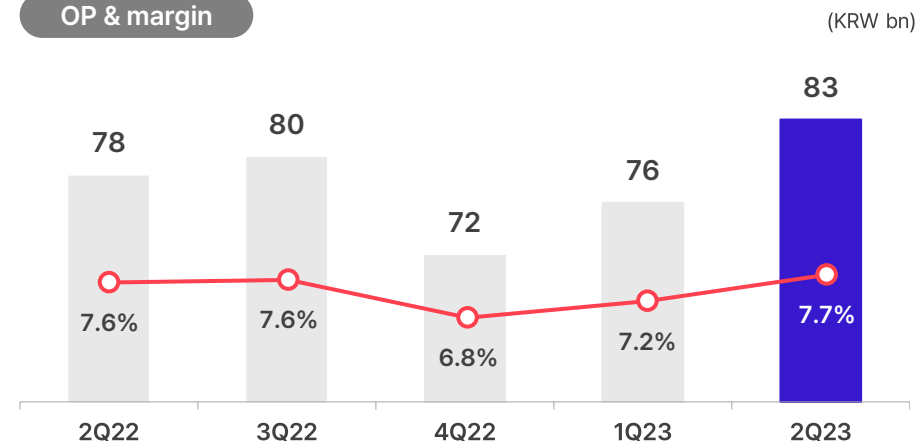
Revenue and profit growth supported by B2C business growth centered on subscribers with higher ARPU and expansion of B2B business

## Consolidated Income Statement

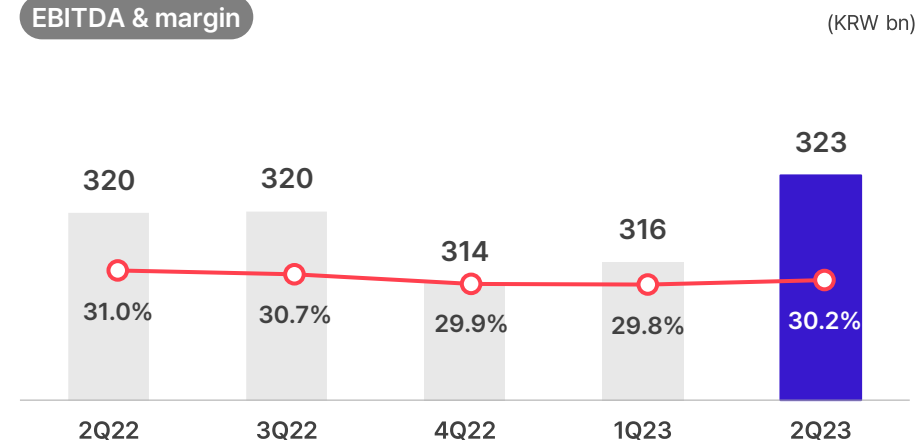
| (KRW bn)           | 2Q23  | 2Q22  | YoY  | 1Q23  | QoQ   |
|--------------------|-------|-------|------|-------|-------|
| Revenue            | 1,068 | 1,033 | 3.4% | 1,062 | 0.6%  |
| - Pay tv           | 474   | 467   | 1.5% | 472   | 0.5%  |
| - Fixed line       | 265   | 257   | 3.4% | 264   | 0.4%  |
| - B2B business     | 329   | 309   | 6.4% | 325   | 1.1%  |
| Operating expenses | 986   | 955   | 3.2% | 985   | 0.0%  |
| Operating income   | 83    | 78    | 5.8% | 76    | 8.6%  |
| Net income         | 58    | 53    | 9.8% | 51    | 14.9% |
| EBITDA             | 323   | 320   | 0.9% | 316   | 2.2%  |

## Key Metrics

### OP & margin



### EBITDA & margin



- **SKB consolidated revenue of KRW 1.07tn, up 3.4% YoY**
  - Continued subscriber growth with No. 1 net add M/S for broadband and IPTV in 1H 2023
  - B2B revenue growth sustained with higher Data Center utilization rates and growing data traffic
- **SKB consolidated operating income of KRW 82.7bn, up 5.8% YoY**
  - Operating income growth on the back of revenue growth and increased share of high-tier subscribers
- **SKB consolidated net income of KRW 58.1bn, up 9.8% YoY**
  - Net income growth thanks to operating income growth

2Q23 Financial Results

## **Business Highlights**

Shareholder Return

Appendix



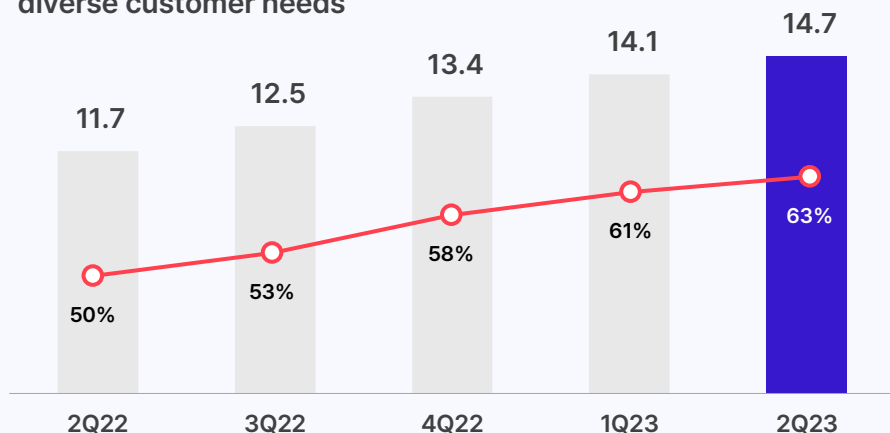
# Business Highlights

Fixed & Mobile

## 5G subscribers & portion

Continuing subscriber growth with new 5G price plans to meet diverse customer needs

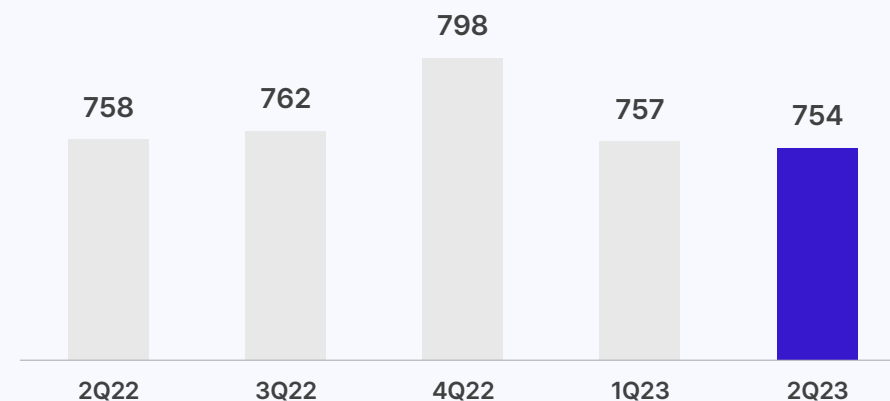
(million)



## Marketing expense

YoY and QoQ decline to maintain a stable trend

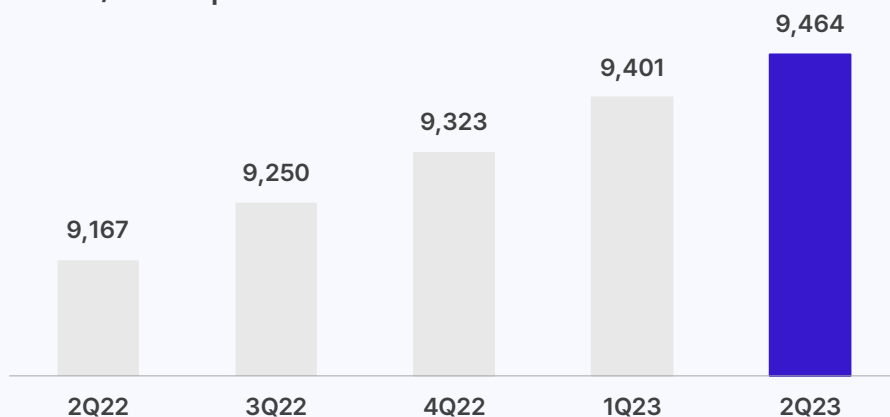
(KRW bn)



## Pay tv subscribers (IPTV + CATV)

Sustained subscriber growth reaching 9.46 million with IPTV net add M/S No. 1 position maintained in 1H 2023

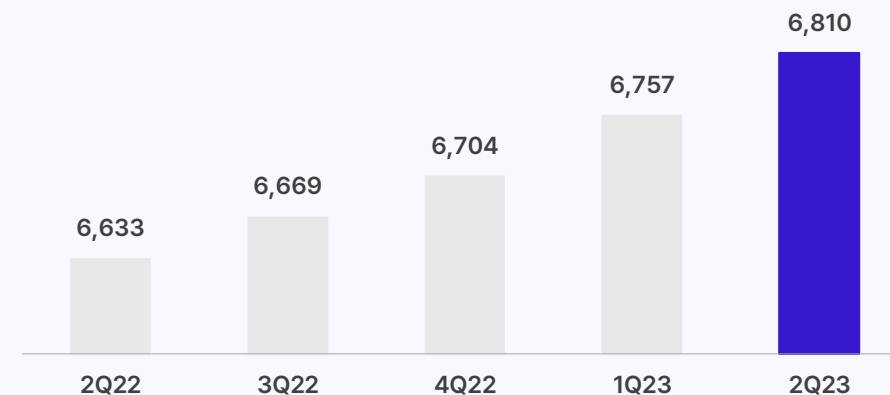
(1,000)



## Broadband subscribers

Broadband subscriber net add M/S No. 1 position in 1H 2023 with 6.81 million subscribers

(1,000)

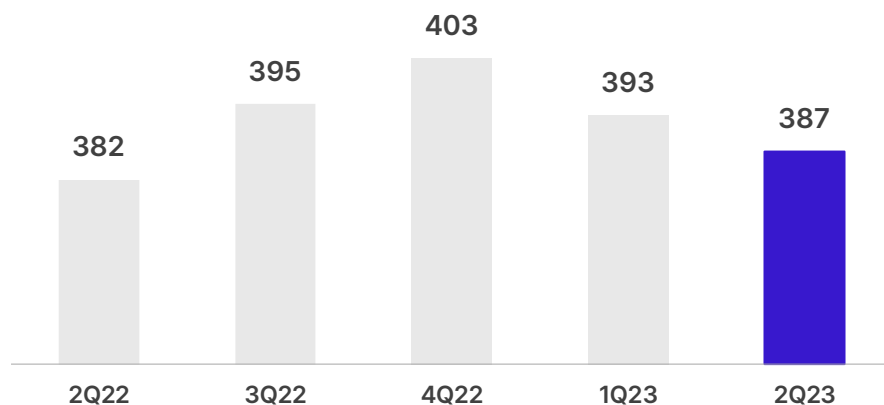


# Business Highlights

## Media

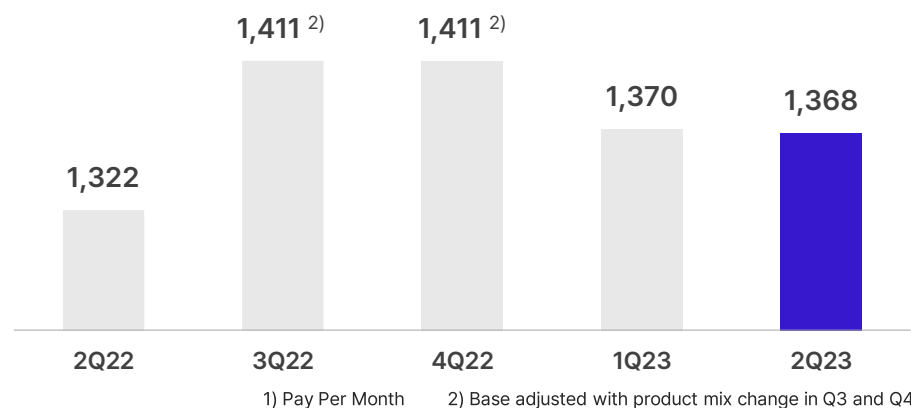
### Media revenue

(KRW bn)



### PPM<sup>1)</sup> subscribers

(1,000)



#### Media revenue of KRW 386.5bn, up 1.2% YoY

- Efforts under way to strengthen the media value chain based on the fixed and mobile subscriber base
- Stable growth with quality media assets, including B tv, SK Stoa and TEAM Studio

#### PPM subscriber base grew 3.5% YoY thanks to content marketing efforts

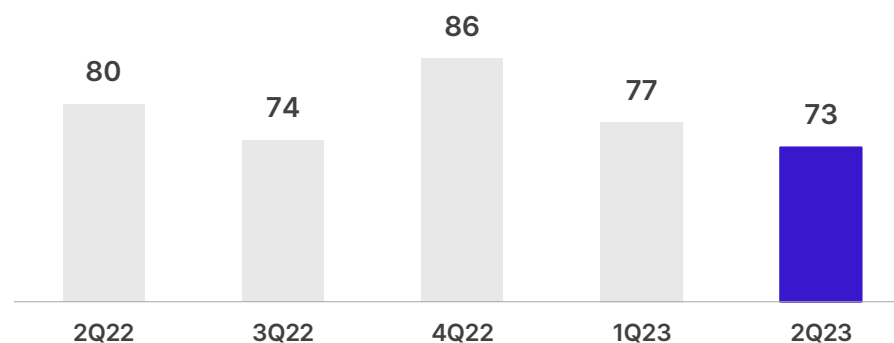
- YoY subscriber growth achieved during the slow season through various efforts such as content marketing and diversification of promotion offerings

#### SK Stoa revenue of KRW 73.1bn, down 8% YoY

- Competitive edge maintained through compelling product offerings and stronger media commerce despite lower consumer spending and TV home shopping downturns amid economic depression

### SK Stoa revenue

(KRW bn)

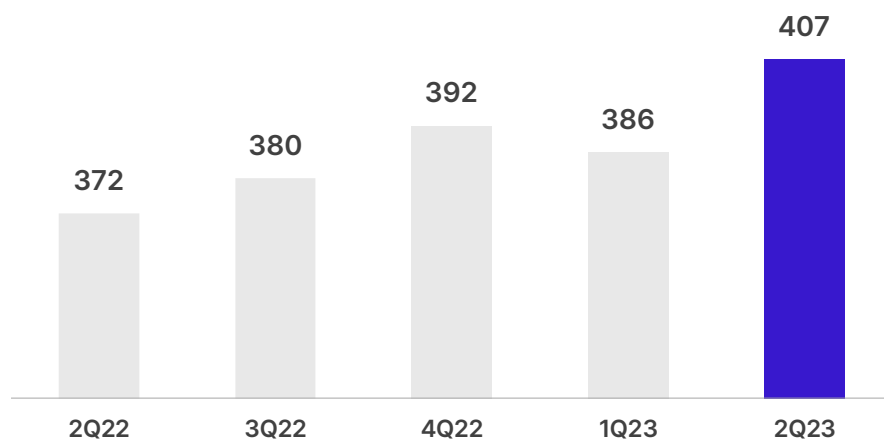


# Business Highlights

Enterprise

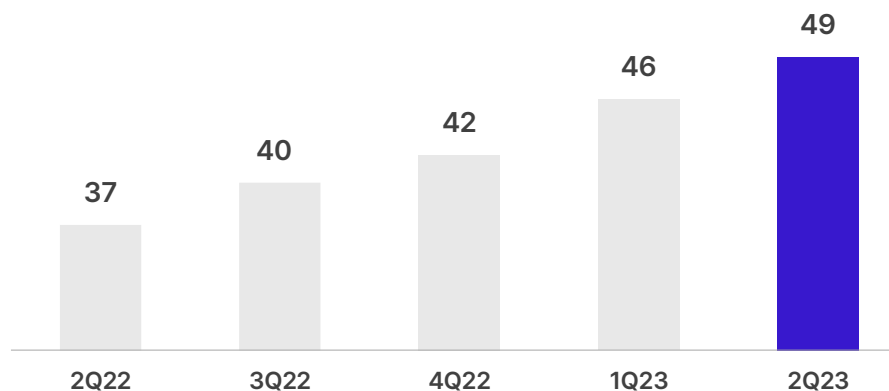
## Enterprise revenue

(KRW bn)



## Data Center revenue

(KRW bn)



- **Enterprise revenue of KRW 407.1bn, up 9.2% YoY**

- Continued scale-up with the opening of Bundang 2 Center and increase in Cloud orders

- **Data Center revenue of KRW 49.4bn, up 33.2% YoY**

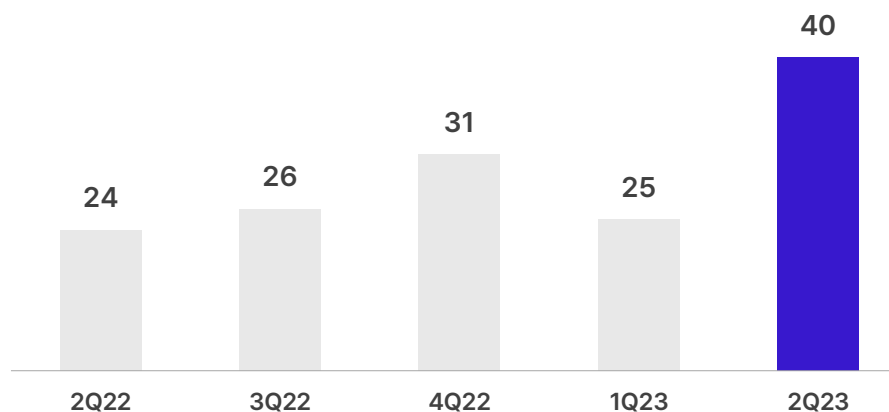
- Continued quarterly growth in revenue on the back of sustained increase in utilization rates of the new Data Centers
- Additional revenue from the new Bundang 2 Center

- **Cloud revenue of KRW 39.8bn, up 67.7% YoY**

- Share of recurring MSP revenue surpassing 90% for five consecutive quarters

## Cloud revenue\*

(KRW bn)

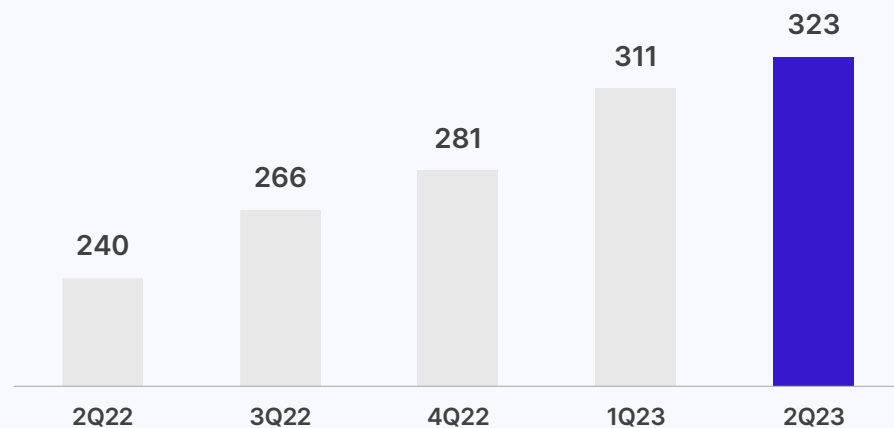


\*Cloud revenue adjusted with Enterprise business re-organization

## Subscription GMV

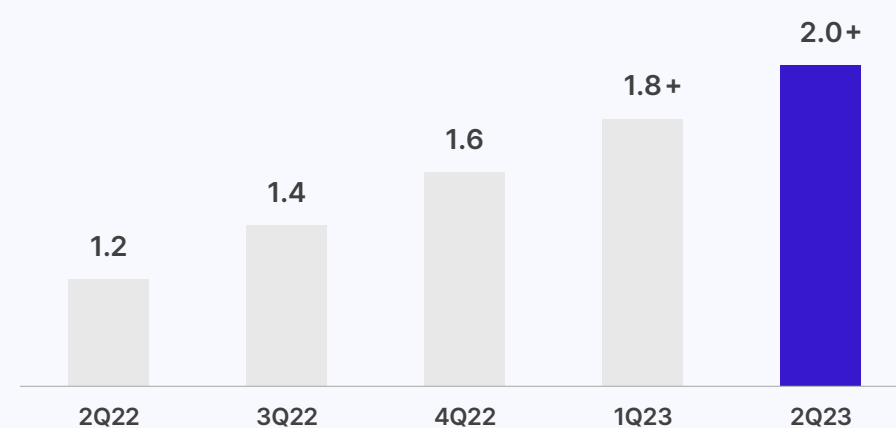
(KRW bn)

\* Recalculated due to changes in GMV basis and addition of businesses



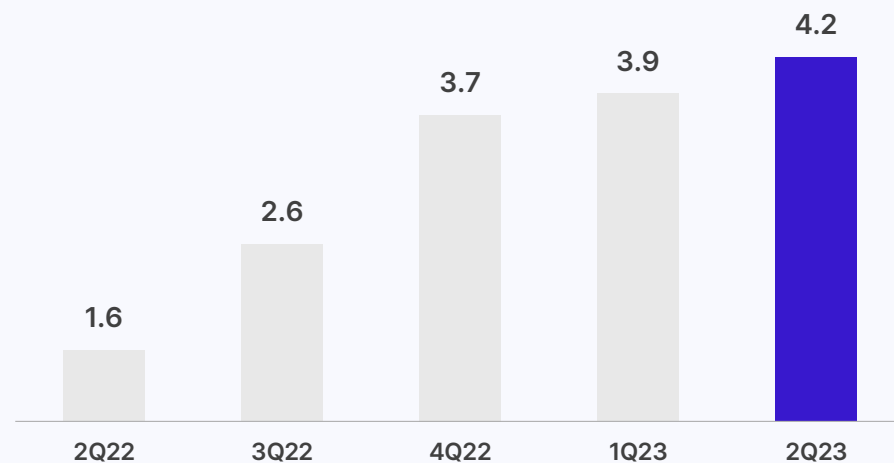
## Subscription subscribers (T universe)

(million)



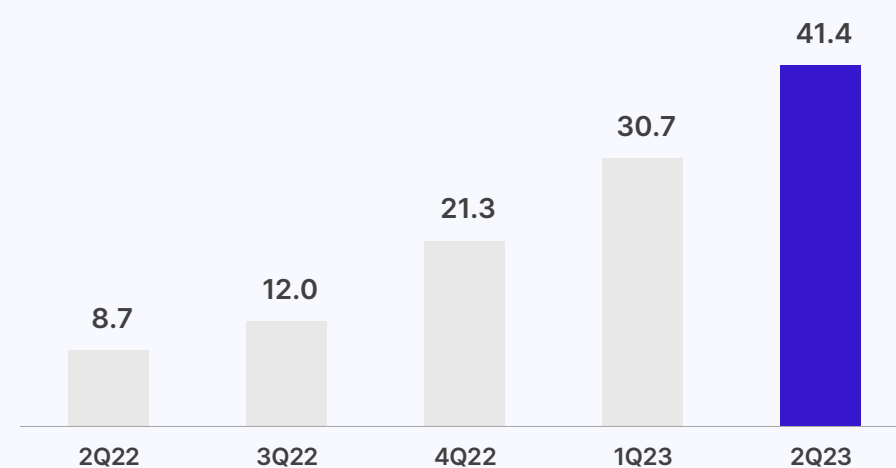
## ifland MAU

(million)



## ifland cumulative downloads

(million)



# Business Highlights

## A Dot service update and direction

Completely revamped A Dot service to expand the spectrum of chat services and strengthen A dot content offerings  
Plan to offer telco-focused services through A dot by linking it with SKT's various MNO points of contact

### Major updates

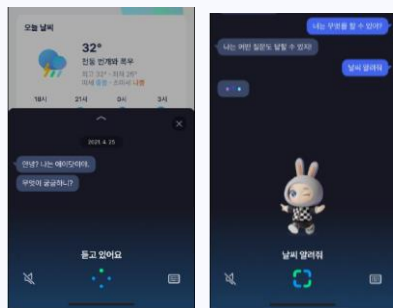
- **Home UX revamped**
  - Use the home screen to recommend and offer features and content that customers need
  - Better accessibility through overall on-boarding process improvement
- **Increased touch points for chats**
  - Launch A Dot Friends, an emotional AI agent, in collaboration with Scatter Lab
  - Add ChatT that utilizes MS Azure OpenAI's ChatGPT model

### Future service directions

- **Service improvement to enjoy conversational AI that is easy to use and friendly**
- **Evolve into an AI communicator by combining generative AI with SKT's core assets, i.e., telephone and telco services, toward becoming an AI assistant**
- **Provide more complete user experience through collaborations and partnerships**

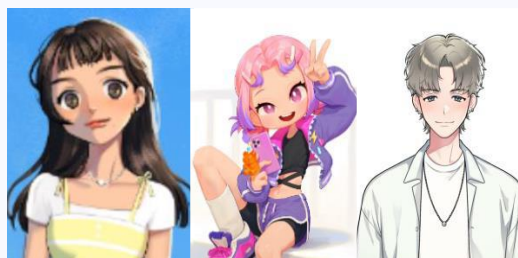
### A dot's conversation features

#### Main Agent



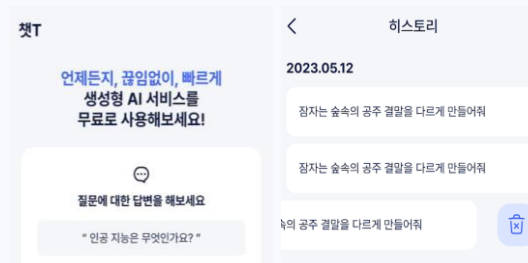
- Voice or text-based chats with upgraded characters

#### A. Friends



- Free-style chats with virtual friends with diverse personas

#### ChatT



- Free offering of generative AI feature based on ChatGPT model

# Business Highlights

## Launch of Global Telco AI Alliance

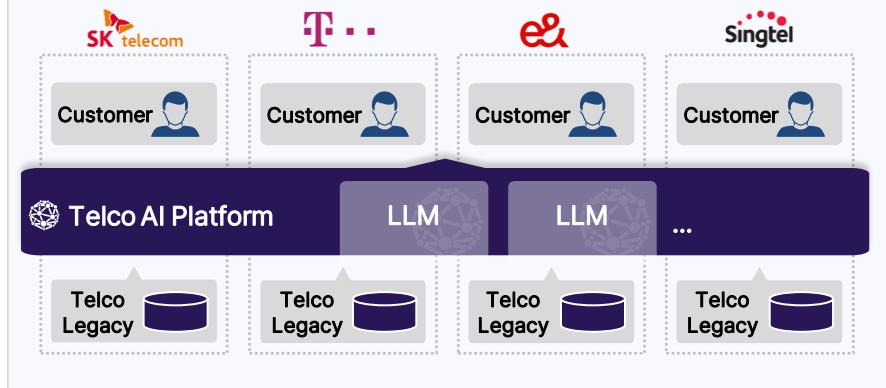
The official launch of the Global Telco AI Alliance to mobilize AI capabilities of global telcos  
To create new business opportunities by developing AI services and Telco AI Platform

### Global Telco AI Alliance members

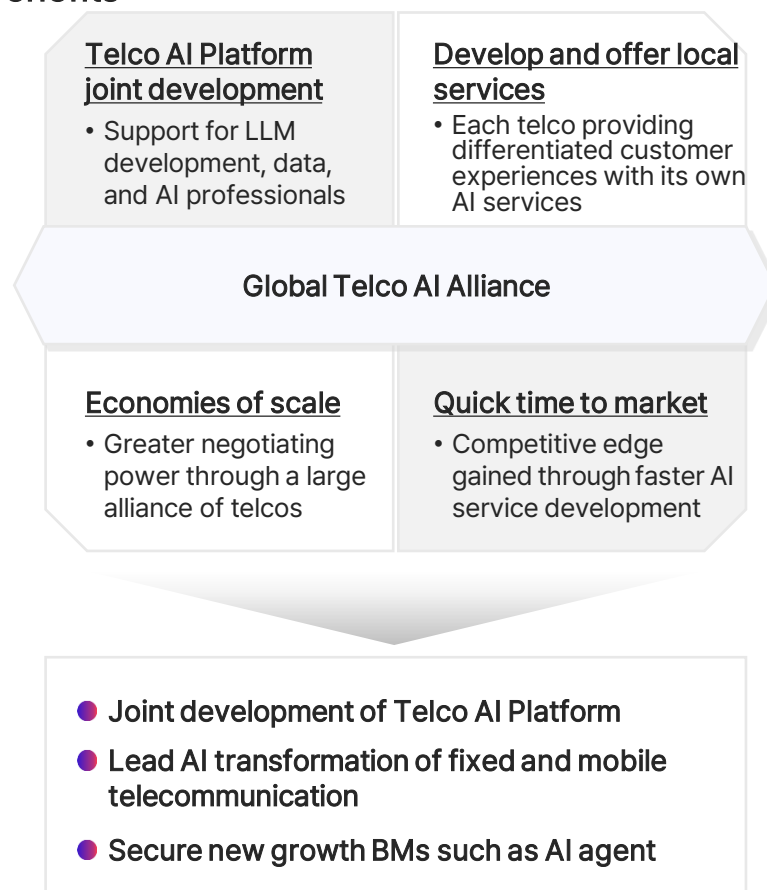


### Telco AI Platform

- Provide essential functions to develop LLM-based AI services
- Allow telcos to develop services quickly
- Serve as a platform for AI transformation of customer services



### Scope of AI business cooperation and expected benefits



# Business Highlights

Equity investment in Anthropic

USD 100m investment in Anthropic that has global top-tier talent and technology in order to develop telco-specific LLM for global AI ecosystem expansion

## Why Anthropic

### 1 Global Top Talent

- A large team of LLM researchers including project leaders in GPT-2/3
- Excellent reputation in the industry

### 2 Market Leading Technology

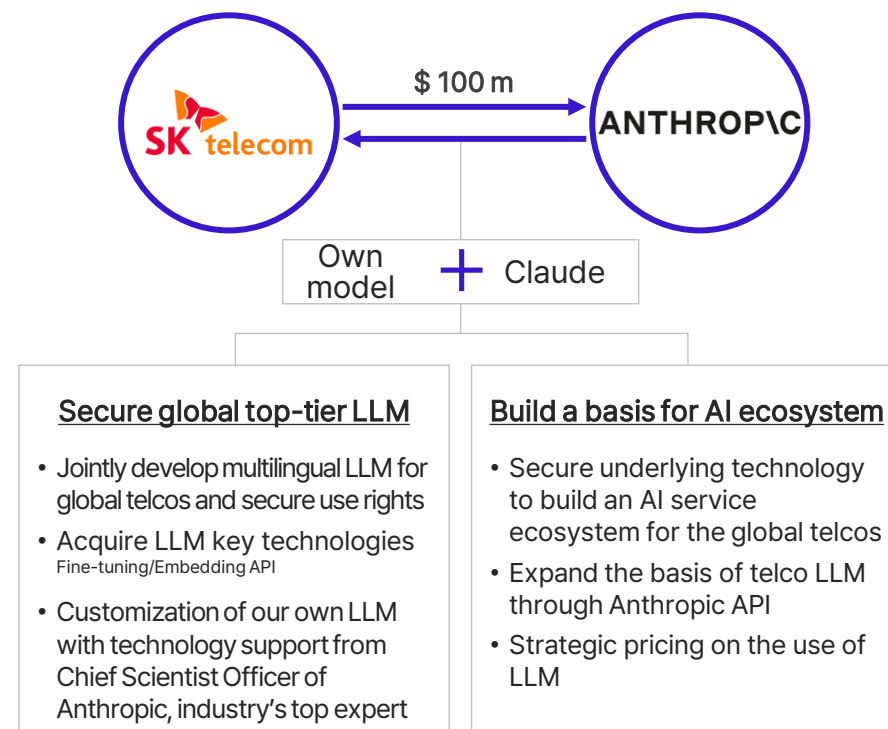
- Launched Claude that boasts similar performance as OpenAI's ChatGPT
- Better performance in several indicators including stability and prompt size (maximum number of words per prompt) despite being a light model <sup>1/3 level</sup>

### 3 Stronger Cooperation

- Determined to create sustainable business synergies based on partnerships
- Extensive customization experiences focused on B2B enterprises

## Investment overview and expected benefits

Expand the technology basis to develop a global LLM by combining SKT's Korean LLM capabilities and Anthropic's global capabilities

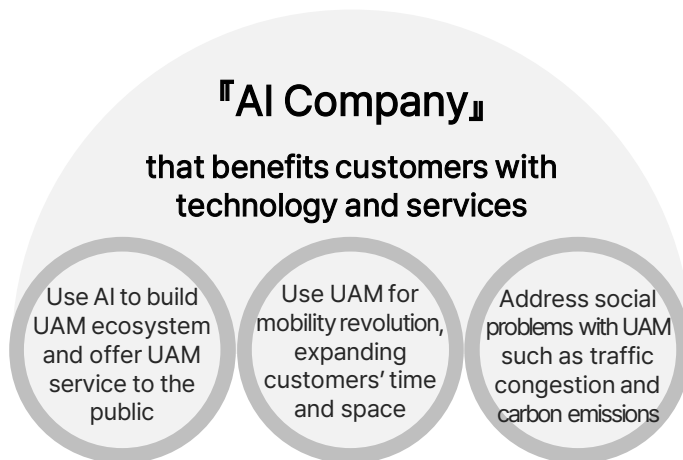


# Business Highlights

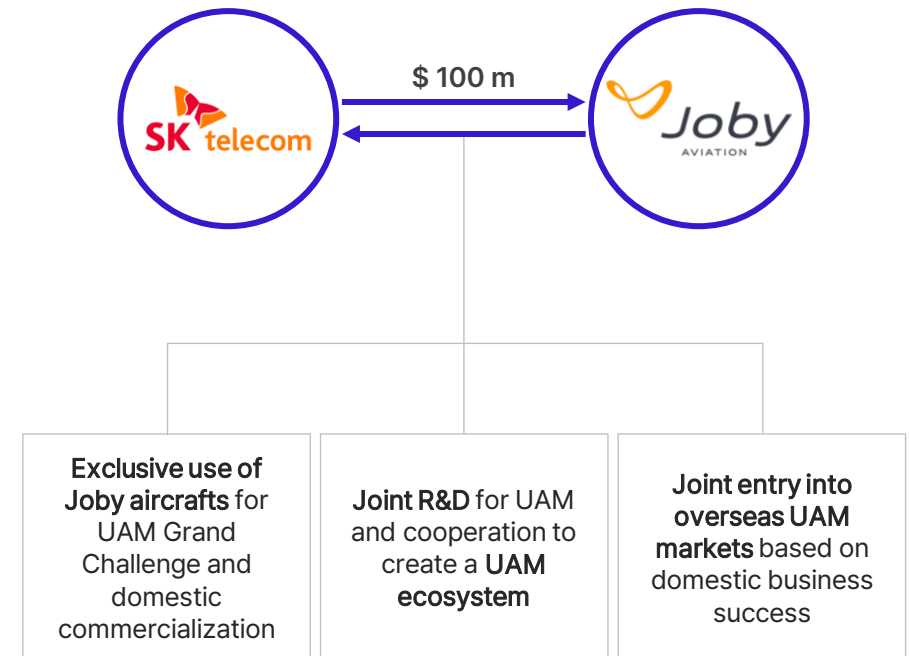
## Equity investment in Joby Aviation

USD 100m investment in Joby Aviation with outstanding technology on UAM aircraft in order to secure UAM business rights and build a cooperative relationship for UAM commercialization

### SKT AI technology & UAM



### Structure of investment and expected synergy



2Q23 Financial Results

Business Highlights

**Shareholder Return**

Appendix



# Shareholder Return

Q2 DPS determined at KRW 830 and decision to purchase treasury shares worth KRW 300bn and cancel KRW 200bn of them to increase shareholder return

## Overview of a trust contract to acquire treasury shares

- Contract amount: KRW 300bn
- Contract period: July 27, 2023 – January 26, 2024
- Purpose of the contract: To enhance shareholder value (partial cancellation)

## Overview of treasury stock cancellation

- Size of cancellation: KRW 200bn
- Date of cancellation: February 5, 2024
- No reduction in capital stock due to cancellation of distributable earnings

## Recent dividend trend

| Category                     | 2020  | 2021                | 2022  |       |       |       |       | 2023  |       |
|------------------------------|-------|---------------------|-------|-------|-------|-------|-------|-------|-------|
|                              |       |                     | 1Q    | 2Q    | 3Q    | 4Q    | Total | 1Q    | 2Q    |
| Total dividend (KRW bn)      | 715.1 | 717.0               | 180.9 | 181.0 | 181.0 | 181.0 | 723.8 | 181.3 | 181.3 |
| DPS <sup>1)</sup> (KRW)      | 2,000 | 3,295 <sup>2)</sup> | 830   | 830   | 830   | 830   | 3,320 | 830   | 830   |
| Dividend yield <sup>3)</sup> | 4.1%  | 5.7%                | 1.4%  | 1.5%  | 1.6%  | 1.7%  | 6.8%  | 1.7%  | 1.7%  |

1) Based on the number of shares after stock split (5:1)

2) Total dividend payouts for 2021 divided by the total outstanding shares as of the end of 2021

3) Dividend yield is the ratio between the DPS and the arithmetic mean of the stock prices for one week that ends two trading days before the dividend record date

2Q23 Financial Results

Business Highlights

Shareholder Return

**Appendix**



### Consolidated Income Statement

| (KRW bn)                                     | 1Q22    | 2Q22    | 3Q22    | 4Q22    | '22년     | 1Q23    | 2Q23    |
|--|---------|---------|---------|---------|----------|---------|---------|
| Operating revenue                            | 4,277.2 | 4,289.9 | 4,343.4 | 4,394.5 | 17,305.0 | 4,372.2 | 4,306.4 |
| Operating expenses                           | 3,844.8 | 3,830.3 | 3,877.9 | 4,140.0 | 15,692.9 | 3,877.4 | 3,843.0 |
| Labor cost                                   | 637.1   | 593.2   | 581.5   | 638.0   | 2,449.8  | 617.6   | 590.8   |
| Commissions paid                             | 1,310.2 | 1,370.9 | 1,384.6 | 1,453.0 | 5,518.8  | 1,356.2 | 1,352.3 |
| Advertising                                  | 49.2    | 54.9    | 53.6    | 94.7    | 252.4    | 43.6    | 49.2    |
| Depreciation <sup>1)</sup>                   | 946.3   | 940.7   | 933.5   | 934.8   | 3,755.3  | 933.3   | 948.8   |
| Network interconnection                      | 189.4   | 185.3   | 180.0   | 160.6   | 715.3    | 172.5   | 167.2   |
| Leased line and frequency usage fees         | 67.6    | 61.1    | 68.9    | 70.8    | 268.4    | 72.0    | 66.9    |
| Cost of goods sold                           | 307.6   | 267.7   | 304.7   | 388.1   | 1,268.1  | 314.2   | 277.3   |
| Others                                       | 337.3   | 356.6   | 371.0   | 399.9   | 1,464.8  | 368.1   | 390.5   |
| Operating income                             | 432.4   | 459.6   | 465.6   | 254.5   | 1,612.1  | 494.8   | 463.4   |
| EBITDA                                       | 1,378.7 | 1,400.3 | 1,399.1 | 1,189.3 | 5,367.4  | 1,428.1 | 1,412.2 |
| EBITDA margin                                | 32.2%   | 32.6%   | 32.2%   | 27.1%   | 31.0%    | 32.7%   | 32.8%   |
| Net profit or loss from non-operating items  | (105.4) | (56.8)  | (103.2) | (110.5) | (375.9)  | (73.9)  | (13.6)  |
| Equity gains or losses                       | (38.4)  | 13.6    | (51.0)  | (5.8)   | (81.7)   | 0.8     | 8.9     |
| Income from continuing operations before tax | 327.0   | 402.8   | 362.4   | 144.0   | 1,236.2  | 420.9   | 449.8   |
| Income from spun-off operations              | -       | -       | -       | -       | -        | -       | -       |
| Consolidated net income                      | 220.3   | 258.1   | 245.6   | 223.7   | 947.8    | 302.5   | 347.8   |
| Majority interests                           | 211.3   | 253.9   | 234.6   | 212.7   | 912.4    | 290.5   | 329.2   |
| Minority interests                           | 9.1     | 4.3     | 11.0    | 11.1    | 35.4     | 12.0    | 18.6    |
| Basic earnings per share (KRW)               | 953     | 1,147   | 1,059   | 959     | 4,118    | 1,314.0 | 1,490   |

\* Reflecting horizontal spin-off in 2021 and minor readjustments made in 2Q22

1) Depreciation and amortization includes R&D related depreciation

### Consolidated Balance Sheet

| (KRW bn)  | 3-31-22    | 6-30-22    | 9-30-22    | 12-31-22   | 3-31-23    | 6-30-23    |
|---|------------|------------|------------|------------|------------|------------|
| Total assets  | 30,574.7   | 30,648.4   | 30,529.8   | 31,308.2   | 30,539.6   | 30,305.6   |
| Current assets  | 6,544.8    | 7,061.2    | 7,318.7    | 7,219.2    | 7,011.5    | 6,706.0    |
| Cash and short-term financial instruments <sup>1)</sup> | 1,386.2    | 1,841.5    | 1,839.0    | 2,119.5    | 1,918.2    | 1,908.2    |
| Accounts receivable                                     | 2,602.3    | 2,593.5    | 2,652.5    | 2,450.4    | 2,368.3    | 2,273.4    |
| Other current assets                                    | 2,556.3    | 2,626.3    | 2,827.2    | 2,649.3    | 2,725.0    | 2,524.4    |
| Non-current assets                                      | 24,029.8   | 23,587.2   | 23,211.1   | 24,089.0   | 23,528.1   | 23,599.6   |
| PP&E and intangible assets                              | 18,330.4   | 18,269.4   | 17,882.1   | 18,747.5   | 18,100.6   | 18,057.4   |
| Investment assets                                       | 3,855.3    | 3,541.5    | 3,472.1    | 3,300.4    | 3,433.6    | 3,528.6    |
| Other non-current assets                                | 1,844.1    | 1,776.4    | 1,856.9    | 2,041.1    | 1,993.8    | 2,013.6    |
| Total liabilities                                       | 18,305.2   | 18,501.8   | 18,232.7   | 19,153.0   | 18,222.8   | 17,911.9   |
| Current liabilities                                     | 6,935.3    | 7,575.9    | 7,429.0    | 8,046.5    | 7,202.9    | 6,659.2    |
| Short-term borrowings                                   | 168.0      | 13.0       | 13.0       | 143.0      | 13.0       | 13.0       |
| Accounts payable  | 2,157.7    | 2,010.1    | 1,520.5    | 2,517.2    | 1,788.8    | 1,713.2    |
| Other current liabilities                               | 4,609.6    | 5,552.9    | 5,895.5    | 5,386.4    | 5,401.1    | 4,933.0    |
| Non-current liabilities                                 | 11,369.9   | 10,925.8   | 10,803.7   | 11,106.5   | 11,019.9   | 11,252.7   |
| Bonds payable & long-term borrowings                    | 7,423.2    | 7,064.7    | 7,015.2    | 7,192.2    | 7,391.6    | 7,667.7    |
| Deferred tax liabilities                                | 978.7      | 862.8      | 849.7      | 763.8      | 842.0      | 825.2      |
| Other non-current liabilities                           | 2,968.0    | 2,998.3    | 2,938.8    | 3,150.5    | 2,786.3    | 2,759.8    |
| Total shareholders' equity                              | 12,269.5   | 12,146.6   | 12,297.1   | 12,155.2   | 12,316.7   | 12,393.7   |
| Common stock and additional paid in capital             | (11,529.5) | (11,519.0) | (11,507.7) | (11,536.6) | (11,515.1) | (11,515.1) |
| Retained earnings                                       | 22,297.1   | 22,376.7   | 22,457.0   | 22,463.7   | 22,549.8   | 22,712.1   |
| Other comprehensive income/loss                         | 738.0      | 500.5      | 556.0      | 391.2      | 488.4      | 388.2      |
| Minority interests                                      | 763.9      | 788.3      | 791.8      | 836.9      | 793.7      | 808.5      |

\* Post spin-off numbers are reflected from the date of the spin-off in 2021

1) Includes cash & cash equivalents and short-term financial instruments

# Appendix

## Financial Statements - Non-consolidated

### Non-consolidated Income Statement

| (KRW bn)                                     | 2021    | 1Q22    | 2Q22    | 3Q22    | 4Q22     | 2022    | 1Q23    |
|--|---------|---------|---------|---------|----------|---------|---------|
| Operating revenue                            | 3,077.4 | 3,118.2 | 3,122.6 | 3,096.3 | 12,414.6 | 3,117.3 | 3,119.2 |
| Mobile service revenue                       | 2,587.1 | 2,615.8 | 2,625.4 | 2,634.4 | 10,462.7 | 2,627.0 | 2,617.9 |
| Interconnection                              | 132.4   | 129.3   | 125.1   | 98.7    | 485.5    | 115.4   | 111.5   |
| Others                                       | 357.9   | 373.1   | 372.2   | 363.2   | 1,466.4  | 374.9   | 389.8   |
| Operating expenses                           | 2,720.5 | 2,737.3 | 2,733.9 | 2,901.7 | 11,093.5 | 2,701.6 | 2,740.1 |
| Labor cost                                   | 291.9   | 237.7   | 214.7   | 248.7   | 993.0    | 233.1   | 216.4   |
| Commissions paid                             | 1,154.7 | 1,177.6 | 1,193.4 | 1,266.4 | 4,792.1  | 1,179.4 | 1,197.9 |
| Marketing commissions                        | 727.7   | 723.5   | 731.1   | 719.1   | 2,901.4  | 729.6   | 718.0   |
| Other commissions                            | 427.0   | 454.1   | 462.3   | 547.3   | 1,890.7  | 449.8   | 479.9   |
| Advertising                                  | 16.9    | 34.9    | 30.6    | 78.9    | 161.3    | 27.0    | 35.9    |
| Depreciation <sup>1)</sup>                   | 713.3   | 704.5   | 705.2   | 704.6   | 2,827.6  | 705.0   | 715.9   |
| Network interconnection                      | 144.0   | 140.4   | 134.2   | 114.0   | 532.6    | 124.8   | 119.0   |
| Leased line                                  | 20.5    | 21.2    | 22.3    | 23.2    | 87.3     | 24.7    | 20.1    |
| Frequency usage fees                         | 25.3    | 25.8    | 26.3    | 26.4    | 103.9    | 26.3    | 25.8    |
| Others                                       | 353.7   | 395.1   | 407.3   | 439.6   | 1,595.6  | 381.3   | 409.2   |
| Operating income                             | 356.9   | 380.9   | 388.7   | 194.6   | 1,321.1  | 415.7   | 379.1   |
| EBITDA                                       | 1,070.3 | 1,085.4 | 1,093.9 | 899.2   | 4,148.7  | 1,120.7 | 1,095.0 |
| EBITDA margin                                | 34.8%   | 34.8%   | 35.0%   | 29.0%   | 33.4%    | 36.0%   | 35.1%   |
| Net profit or loss from non-operating items  | (18.3)  | (52.5)  | 44.0    | (148.1) | (174.9)  | 85.9    | (16.5)  |
| Income from continuing operations before tax | 338.6   | 328.4   | 432.7   | 46.6    | 1,146.3  | 501.6   | 362.6   |
| Net income                                   | 252.0   | 224.5   | 305.1   | 87.9    | 869.5    | 422.2   | 272.8   |

1) Depreciation and amortization includes R&D related depreciation

### Non-consolidated Balance Sheet

| (KRW bn)  | 12-31-21  | 3-31-22   | 6-30-22   | 9-30-22   | 12-31-22  | 3-31-23   |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| Total assets  | 26,090.8  | 25,874.8  | 25,601.1  | 26,432.1  | 25,589.6  | 24,968.9  |
| Current assets  | 4,767.3   | 5,056.4   | 5,189.1   | 5,498.5   | 5,118.4   | 4,563.5   |
| Cash and short-term financial instruments <sup>1)</sup> | 503.3     | 740.7     | 764.5     | 1,387.3   | 872.7     | 749.2     |
| Accounts receivable                                     | 2,106.7   | 2,048.0   | 2,071.1   | 1,852.7   | 1,971.5   | 1,729.8   |
| Other current assets                                    | 2,157.3   | 2,267.7   | 2,353.5   | 2,258.4   | 2,274.2   | 2,084.5   |
| Non-current assets                                      | 21,323.5  | 20,818.5  | 20,412.0  | 20,933.7  | 20,471.2  | 20,405.5  |
| PP&E and intangible assets                              | 13,427.7  | 13,413.8  | 13,030.0  | 13,519.3  | 12,982.2  | 12,825.7  |
| Investment assets                                       | 6,315.5   | 5,924.7   | 5,785.3   | 5,777.3   | 5,863.6   | 5,980.8   |
| Other non-current assets                                | 1,580.2   | 1,480.0   | 1,596.7   | 1,637.0   | 1,625.3   | 1,599.0   |
| Total liabilities                                       | 15,309.5  | 15,367.1  | 15,085.4  | 16,048.7  | 14,900.5  | 14,283.6  |
| Current liabilities                                     | 5,570.8   | 6,031.8   | 5,438.1   | 6,236.1   | 5,283.2   | 4,909.0   |
| Accounts payable  | 1,845.8   | 2,025.2   | 1,364.6   | 2,414.1   | 1,498.0   | 1,661.1   |
| Other current liabilities                               | 3,725.1   | 4,006.6   | 4,073.5   | 3,822.0   | 3,785.2   | 3,247.9   |
| Non-current liabilities                                 | 9,738.6   | 9,335.3   | 9,647.2   | 9,812.6   | 9,617.3   | 9,374.5   |
| Bonds payable & long-term borrowings                    | 6,097.0   | 5,819.5   | 6,162.8   | 6,345.9   | 6,461.2   | 6,307.2   |
| Long-term payables                                      | 1,223.8   | 1,229.0   | 1,234.2   | 1,239.5   | 881.6     | 885.2     |
| Other non-current liabilities                           | 2,417.8   | 2,286.9   | 2,250.3   | 2,227.3   | 2,274.5   | 2,182.1   |
| Total shareholders' equity                              | 10,781.3  | 10,507.7  | 10,515.8  | 10,383.4  | 10,689.1  | 10,685.4  |
| Common stock and additional paid in capital             | (4,468.6) | (4,474.4) | (4,473.0) | (4,476.2) | (4,456.2) | (4,456.2) |
| Retained earnings                                       | 14,672.3  | 14,717.1  | 14,839.6  | 14,691.5  | 14,921.3  | 15,022.6  |
| Other comprehensive income/loss                         | 577.7     | 265.1     | 149.2     | 168.1     | 224.0     | 119.0     |

1) Includes cash & cash equivalents and short-term financial instruments

### Consolidated Income Statement

| (KRW bn)             | 1Q22    | 2Q22    | 3Q22    | 4Q22    | '22년    | 1Q23    | 2Q23    |
|----------------------|---------|---------|---------|---------|---------|---------|---------|
| Operating revenue    | 1,026.0 | 1,032.8 | 1,044.2 | 1,053.3 | 4,156.3 | 1,061.5 | 1,068.3 |
| Operating expenses   | 949.9   | 954.6   | 964.5   | 981.5   | 3,850.6 | 985.3   | 985.6   |
| Labor cost           | 144.0   | 145.8   | 151.0   | 156.3   | 596.9   | 160.6   | 158.1   |
| Marketing expense    | 93.2    | 91.1    | 88.8    | 86.2    | 359.3   | 90.0    | 89.9    |
| Commissions paid     | 285.7   | 290.6   | 290.9   | 297.2   | 1,164.7 | 284.4   | 286.4   |
| Interconnection      | 30.9    | 30.5    | 30.1    | 29.8    | 121.2   | 31.4    | 30.5    |
| NW lease expense     | 30.4    | 31.8    | 33.4    | 34.5    | 130.0   | 34.3    | 34.5    |
| Others               | 120.7   | 122.9   | 129.9   | 134.9   | 508.3   | 144.5   | 145.8   |
| Depreciation         | 245.1   | 241.9   | 240.5   | 242.6   | 970.2   | 240.0   | 240.4   |
| Operating income     | 76.1    | 78.2    | 79.7    | 71.8    | 305.7   | 76.1    | 82.7    |
| EBITDA               | 321.2   | 320.1   | 320.2   | 314.4   | 1,275.9 | 316.1   | 323.1   |
| EBITDA margin        | 31.3%   | 31.0%   | 30.7%   | 29.9%   | 30.7%   | 29.8%   | 30.2%   |
| Non-operating income | (8.8)   | (5.4)   | (6.2)   | (4.9)   | (25.3)  | (9.4)   | (12.0)  |
| Income before tax    | 67.3    | 72.7    | 73.5    | 66.9    | 280.4   | 66.7    | 70.7    |
| Net income           | 50.9    | 52.9    | 55.4    | 58.0    | 217.3   | 50.6    | 58.1    |

### Consolidated Balance Sheet

| (KRW bn)                                | 3-31-22 | 6-30-22 | 9-30-22 | 12-31-22 | 3-31-23 | 6-30-23 |
|---|---------|---------|---------|----------|---------|---------|
| <b>Assets</b>                           | 5,931.6 | 6,103.6 | 6,120.9 | 6,293.9  | 6,448.2 | 6,657.9 |
| <b>Current assets</b>                   | 1,322.7 | 1,530.2 | 1,605.1 | 1,348.3  | 1,614.8 | 1,707.4 |
| Cash & cash equivalents                 | 436.7   | 649.4   | 583.6   | 368.0    | 651.9   | 563.2   |
| Short-term financial instruments        | 10.5    | 20.5    | 39.1    | 10.3     | 10.9    | 167.6   |
| Inventories                             | 22.3    | 24.8    | 24.9    | 20.8     | 17.6    | 11.9    |
| Other current assets                    | 853.1   | 835.5   | 957.5   | 949.2    | 934.3   | 964.8   |
| <b>Non-current assets</b>               | 4,608.9 | 4,573.4 | 4,515.9 | 4,945.6  | 4,833.4 | 4,950.5 |
| Tangible assets                         | 3,013.8 | 2,976.2 | 2,975.1 | 3,116.4  | 3,000.0 | 3,139.0 |
| Real estate investments                 | 8.4     | 8.4     | 8.3     | 29.3     | 29.3    | 28.1    |
| Other intangible assets                 | 765.7   | 745.1   | 728.3   | 740.7    | 727.4   | 705.9   |
| Other non-current assets                | 820.9   | 843.8   | 804.1   | 1,059.2  | 1,076.7 | 1,077.5 |
| <b>Liabilities</b>                      | 3,022.7 | 3,139.1 | 3,072.9 | 3,173.5  | 3,484.4 | 3,631.9 |
| <b>Current liabilities</b>              | 1,243.1 | 1,439.1 | 1,790.8 | 1,707.8  | 1,926.5 | 1,670.1 |
| Accounts payable                        | 639.1   | 742.1   | 775.6   | 849.1    | 962.5   | 849.8   |
| Short-term borrowings and notes payable | 334.2   | 431.0   | 777.5   | 614.5    | 672.5   | 572.4   |
| Other current liabilities               | 269.9   | 265.9   | 237.7   | 244.3    | 291.6   | 247.9   |
| <b>Non-current liabilities</b>          | 1,779.6 | 1,700.0 | 1,282.1 | 1,465.6  | 1,557.9 | 1,961.8 |
| Long-term trade payables                | 3.8     | 3.8     | 0.9     | 0.0      | 0.1     | (0.1)   |
| Long-term borrowings and notes payable  | 1,326.3 | 1,245.2 | 852.4   | 846.3    | 922.5   | 1,308.0 |
| Other non-current liabilities           | 449.5   | 451.0   | 428.9   | 619.3    | 635.3   | 653.9   |
| <b>Equity</b>                           | 2,908.9 | 2,964.6 | 3,048.0 | 3,120.5  | 2,963.8 | 3,026.1 |
| Common stock                            | 2,007.3 | 2,007.3 | 2,007.3 | 2,010.2  | 2,010.2 | 2,010.2 |
| Additional paid in capital              | 645.7   | 645.6   | 645.7   | 657.7    | 657.7   | 657.7   |
| Retained earnings                       | 253.7   | 308.3   | 395.6   | 454.5    | 299.7   | 359.3   |
| Other comprehensive income/loss         | 2.2     | 3.4     | (0.6)   | (2.0)    | (3.9)   | (1.1)   |

### Subscribers

| (Thousands)                     | 2Q21   | 3Q21   | 4Q21   | 1Q22   | 2Q22   | 3Q22   | 4Q22   | 1Q23   | 2Q23   | YoY    | QoQ    |
|---------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| SKT                             |        |        |        |        |        |        |        |        |        |        |        |
| MNO Subscribers <sup>1)</sup>   | 29,383 | 29,422 | 29,696 | 29,832 | 30,250 | 30,440 | 30,452 | 30,552 | 31,159 | 3.0%   | 2.0%   |
| Net adds                        | 74     | 39     | 274    | 136    | 418    | 190    | 12     | 100    | 607    | 45.1%  | 506.8% |
| Activations                     | 777    | 788    | 1,057  | 837    | 1,076  | 914    | 660    | 757    | 1,290  | 19.9%  | 70.5%  |
| Deactivations                   | 702    | 750    | 782    | 701    | 658    | 724    | 648    | 657    | 683    | 3.9%   | 4.0%   |
| Monthly Churn                   | 0.8%   | 0.8%   | 0.9%   | 0.8%   | 0.7%   | 0.8%   | 0.7%   | 0.7%   | 0.7%   | -      | -      |
| Handset subs                    | 23,982 | 23,906 | 23,750 | 23,678 | 23,587 | 23,402 | 23,278 | 23,275 | 23,205 | △1.6%  | △0.3%  |
| LTE subs                        | 20,475 | 19,644 | 18,782 | 17,981 | 17,645 | 17,201 | 16,367 | 15,750 | 15,871 | △10.1% | 0.8%   |
| 5G subs                         | 7,696  | 8,650  | 9,874  | 10,879 | 11,682 | 12,468 | 13,393 | 14,148 | 14,673 | 25.6%  | 3.7%   |
| Total Mobile Subs <sup>2)</sup> | 31,626 | 31,595 | 31,884 | 32,129 | 32,559 | 32,831 | 32,836 | 33,010 | 33,723 | 3.6%   | 2.2%   |
| SKB                             |        |        |        |        |        |        |        |        |        |        |        |
| Pay TV Subscribers              | 8,806  | 8,913  | 9,000  | 9,094  | 9,167  | 9,250  | 9,323  | 9,401  | 9,464  | 3.2%   | 0.7%   |
| IPTV subs                       | 5,920  | 6,035  | 6,137  | 6,246  | 6,328  | 6,416  | 6,504  | 6,592  | 6,648  | 5.1%   | 0.9%   |
| CATV subs                       | 2,886  | 2,878  | 2,863  | 2,848  | 2,839  | 2,834  | 2,819  | 2,809  | 2,815  | △0.8%  | 0.2%   |
| High speed internet             | 6,539  | 6,560  | 6,580  | 6,608  | 6,633  | 6,669  | 6,704  | 6,757  | 6,810  | 2.7%   | 0.8%   |
| CAPEX (KRW bn)                  |        |        |        |        |        |        |        |        |        |        |        |
| SKT+SKB                         | 849    | 509    | 1,423  | 279    | 806    | 458    | 1,492  | 212    | 826    | 2.4%   | 290.3% |

1) Excludes MVNO & other connections

2) Includes MVNO connections, excludes other connections

### ARPU

| (KRW)                      | 2Q21   | 3Q21   | 4Q21   | 1Q22   | 2Q22   | 3Q22   | 4Q22   | 1Q23   | 2Q23   | YoY   | QoQ   |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------|
| <b>ARPU<sup>1)</sup></b>   | 30,446 | 30,670 | 30,740 | 30,401 | 30,656 | 30,633 | 30,495 | 30,101 | 29,920 | △2.4% | △0.6% |
| <b>ARPU including MVNO</b> | 28,395 | 28,600 | 28,820 | 28,492 | 28,706 | 28,636 | 28,495 | 28,120 | 27,683 | △3.6% | △1.6% |

1) Calculation of SKT MNO revenue (2G/3G/LTE/5G and IoT): Includes revenue from voice/data service (excludes activation fees and interconnection revenue), and revenue from additional service, Reflected revenue discount (discounts from contract and product bundling), Excludes MVNO related revenue

Calculation of SKT mobile subscribers (2G/3G/LTE/5G and IoT): Based on MSIT subscriber statistics (average number of billed connections for the quarter)

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