



# Investor Briefing

## 2019. 2Q Results

(K-IFRS, Non-audited)

SK Telecom

August 2, 2019

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## Consolidated Financial Highlights

(KRW bn)	2Q19	2Q18	YoY	1Q19	QoQ
Operating Revenues	4,437.0	4,154.3	6.8%	4,334.9	2.4%
Operating Expenses	4,114.2	3,807.4	8.1%	4,012.3	2.5%
Operating Income	322.8	346.9	△6.9%	322.6	0.1%
Net Income	259.1	914.3	△71.7%	373.6	△30.7%
EBITDA	1,294.2	1,153.6	12.2%	1,254.7	3.2%
EPS (KRW)	3,613	12,863	△71.9%	5,225	△30.9%

## Financial Highlights

□ **Operating Revenue increased by 6.8% YoY and 2.4% QoQ due to the MNO revenue turnaround as well as continued growth of the media and security businesses**

- Greater data usage and higher ARPU as a result of 5G launch led to MNO turnaround
- IPTV led continued growth in media business
- New product launches contributed to revenue growth in security business

□ **Operating income decreased by 6.9% YoY due to decrease in MNO operating income but grew by 0.1% QoQ, thanks to improved earnings of the commerce, media, and security businesses**

- MNO operating income decreased YoY and QoQ due to higher depreciation and amortization costs related to 5G, and increased marketing costs
- Commerce business reached BEP for two consecutive quarters
- Media and security businesses recorded improved operating income based on revenue increase

□ **Net income decreased by 71.7% YoY and 30.7% QoQ due to lower equity method income on SK Hynix**

- Equity method income on SK Hynix in 2Q was KRW 110.9 billion, a 53.2% decrease QoQ

## Biz. Highlights

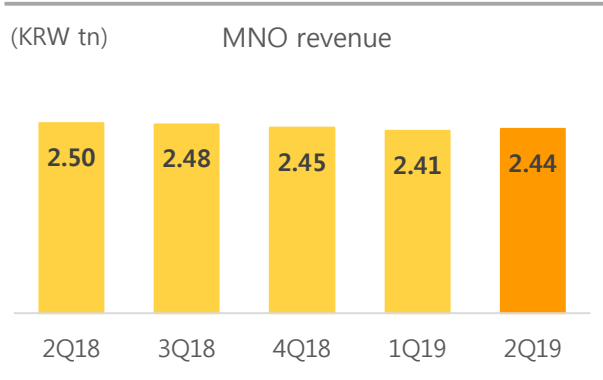
- **Acquired 530k subscribers (as of June 2019) within just three months of world's first 5G commercial launch (April 3)**
  - Two 5G phones offered (Galaxy S10 5G & LG V50 ThinQ)
- **Pursuing "5G Cluster" strategy, which comprises 5G network and innovative services (July 18)**
  - Planning to build four clusters – Service, Commercial area, Summer, and B2B
- **Signed agreement(April 5) for integrated OTT service with three broadcasters; currently attracting new investment and preparing for launch of new OTT brand**
  - Agreement, including acquisition of new shares, signed on integrating SK Broadband's "Oksusu" service with "POOQ," operated by the three broadcasters (April 5)
  - Integrated entity to focus on strengthening contents competitiveness through newly attracted investment
- **SK Broadband has decided on merger of t-broad (April 26) and currently going through relevant approval process; merged company to launch in January 2020**
  - Strengthened platform & content competitiveness expected of merged company, based on over 8 million pay-tv subscribers
  - SKT to hold 74.4% of merged entity
- **Synergy between ADT Caps and SK ICT family in full scale**
  - Launched 'T map Parking operated by ADT Caps' (June 19)
- **Following 11st's reaching BEP, SK stoa also turned a profit**
  - 11st reached BEP for two consecutive quarters based on differentiated service offering including various merchandise planning (Monthly 11<sup>th</sup> Day), and enhanced user convenience (SK pay)
  - SK stoa, the television shopping operator, expanded its business to 'PC mall', on-line commerce, to record rapid growth and also reach BEP



**MNO revenue turned around QoQ driven by handset subscriber growth, data usage increase, and the launch of 5G services**

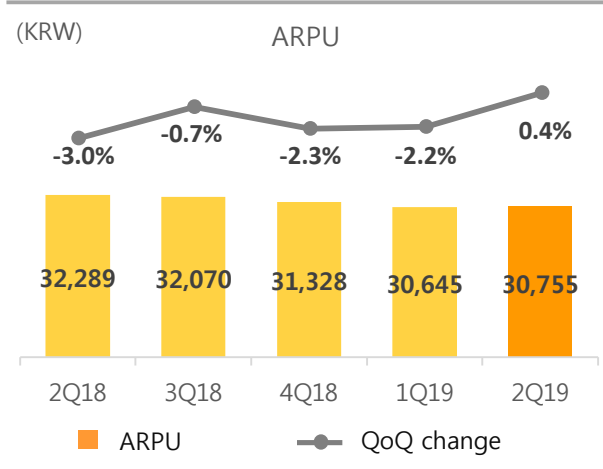
## Revenue

2Q19 MNO revenue was down 2.5% YoY but up 1.0% QoQ. The QoQ increase was on the back of handset subscriber growth, increase in data usage, and the launch of 5G services



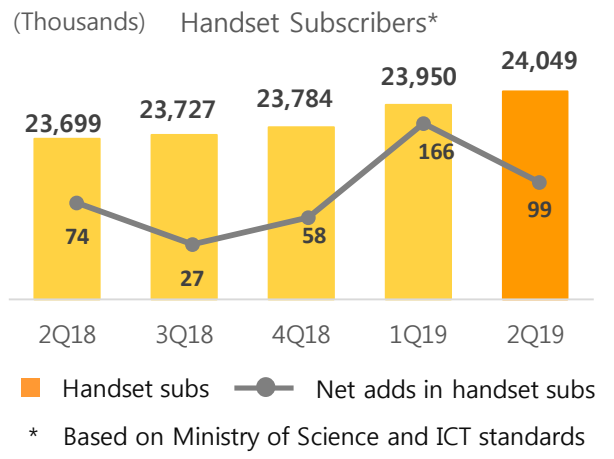
## ARPU

2Q19 ARPU increased 0.4% QoQ on the back of higher data usage and the launch of 5G services. Tariff discount impact led to 4.7% YoY decline in ARPU



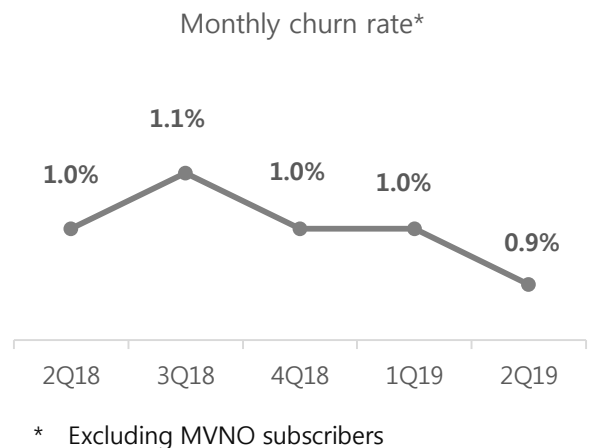
## Subscribers

Data-based new subscriber acquisition strategies led to net adds of 99k in 2Q19



## Churn rate

'Customer Value Innovation Program' and retention-focused market environment drove stable churn rate of 0.9% in 2Q19



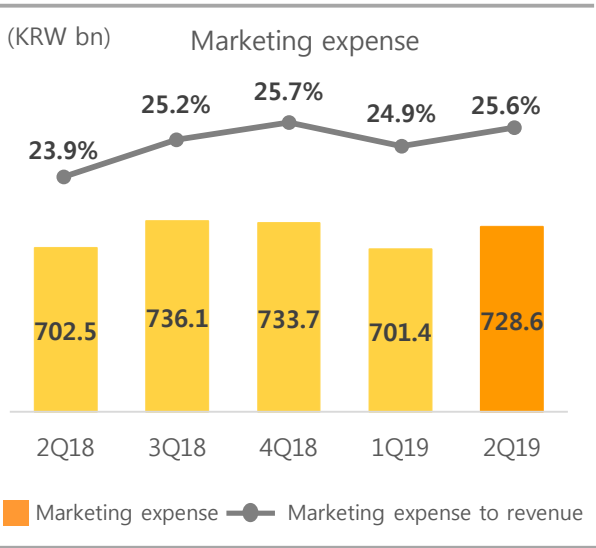


MNO revenue turned around QoQ driven by handset subscriber growth, data usage increase, and the launch of 5G services

Marketing expense

2Q19 marketing expense of KRW728.6bn was up 3.7% YoY and 3.9% QoQ due to the launch of 5G services

2Q19 marketing expense to revenue was 25.6%



2Q19 Highlights

5G Cluster Strategy

Build 5G Clusters with premium network and innovative services

‘5G Boost Park’ will have concentrated network coverage and offer localized services and benefits to help change competition paradigm to be focused on 5G services

Drive industrial innovation by building 5G B2B Cluster and offering 5G edge cloud services

5G Cluster		
	Service Cluster	5G LoL Park, AR Zoo, 5G Stadium
	Commercial area Cluster	10 key commercial areas nationwide
	Summer Cluster	Key beaches nationwide and water parks
	B2B Cluster	Semiconductor plant, Smart City/Office/Hospital

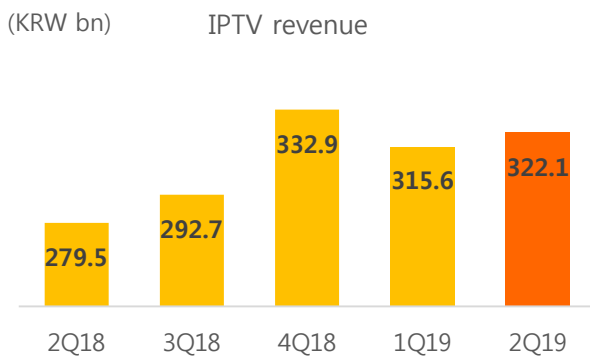


## High-quality growth continued with increase in IPTV premium subscribers and content demand

Integrated OTT launch and t-broad M&A in progress, in order to strengthen competitiveness in media and to increase value

### Revenue

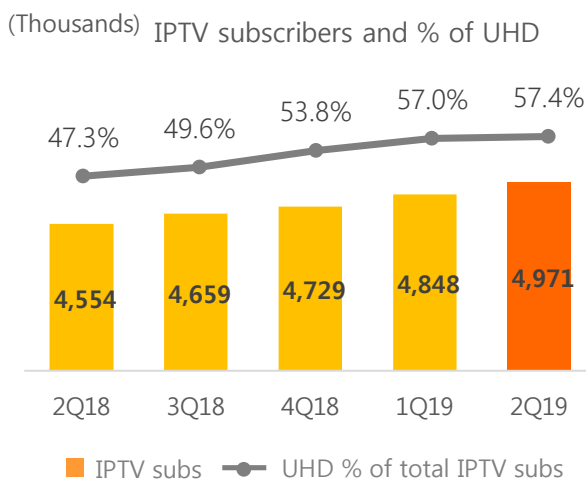
2Q19 IPTV revenue increased 15.2% YoY and 2.1% QoQ driven by increase in subscribers and contents demand



### Subscribers

With net adds of 123k in 2Q19, IPTV subscribers reached 4.97mn

UHD subscriber portion continued to increase and reached 57.4% as of June 2019



### 2Q19 Highlights

#### [1] t-broad M&A

SK Broadband decided to merge with cable system operator t-broad and t-broad Dongdaemun / Korea Digital Cable Media Center (KDMC) (April 26)

SKT will hold 74.4% of the new entity, and Taekwang Industrial, Mirae Asset Daewoo will hold 16.8%, 8.0%, respectively

Expected merger date is in January 2020 upon the approvals of the relevant authorities

#### [2] Integrated OTT

SKT and Content Alliance Platform (POOQ) entered into share subscription agreement and SK Broadband and POOQ entered into business transfer contract (April 5)

Signed investment letter of commitment and due diligence is in progress, in order to secure funding to invest in contents

Preparing to launch new brand for integrated OTT in September

Targeting to become a Korea's signature OTT service with monthly subscription business model offering premium contents and cutting edge media technology experience

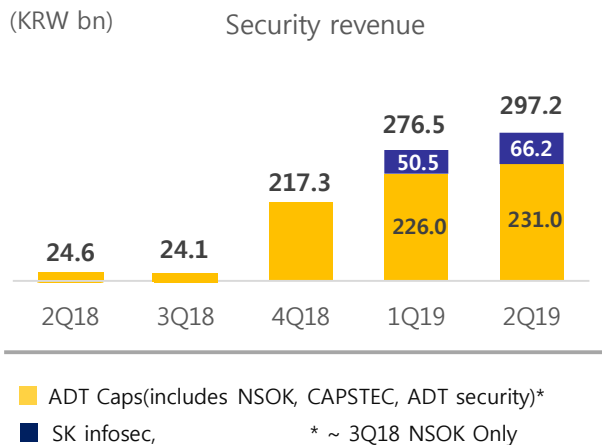




**Security business recorded increase in revenue and operating income driven by diversification of sales channel, and expansion of new services such as home security products and SK ICT family synergy services**

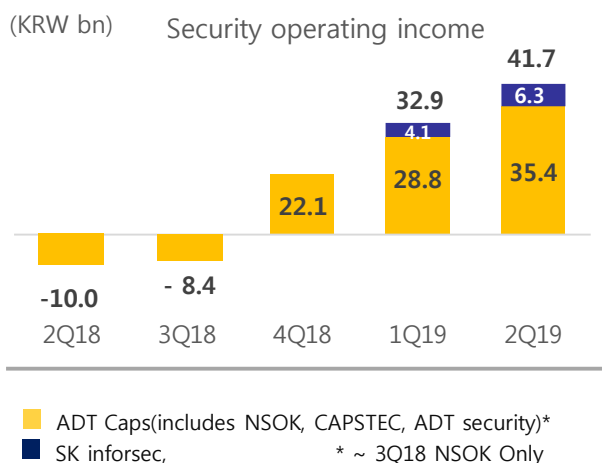
## Revenue

2Q19 revenue was up 7.5% QoQ on the back of diversification of sales channel, expansion of business scopes including home security products, convergent security platforms of SK infosec



## Operating income

2Q19 operating income was up 26.7% QoQ due to revenue growth and improved operational efficiencies after NSOK merger



## 2Q19 Highlights

### [1] 'T map Parking operated by ADT Caps' (June 19)

Launched T map parking service, on-off line connected parking service using T map

ADT Caps will operate the parking lots and offer real-time ICT based safety service connecting the parking lots with surveillance center

### [2] Launched 'CyberGuard Professional', information security solution (May 14)

Developed optimal security service for SMEs, offering customized information security package for the industrial sites

SK infosec to ensure the service quality with its solutions, technology support and maintenances service

### [3] SK infosec released 'Secudium IoT', a cloud based convergence security service (June 19)

Secudium IoT to protect human life and property from accidents and disasters through converging security technology with safety management technology

Secudium IoT collects data from physical security, operations technology as well as internet of things(IoT), and manages threat by analyzing the elements to build integrated security monitoring platform



**Accomplished surplus for two consecutive quarters based on the profitability focused management of 11st and the growth of SK stoa**

## Revenue

Despite the revenue decrease from profitability focused management of 11st, 2Q19 revenue recorded similar level of KRW 193.6bn in YoY and QoQ due to the growth of SK stoa

2Q19 revenue of SK stoa increased by 82% YoY and 13% QoQ driven by strengthened product portfolio based on customer data and improvements in user convenience such as the opening of PC mall

## 2Q19 Highlights

### [1] Monthly 11<sup>th</sup> day

Since its beginning in Feb '19, the Monthly 11<sup>th</sup> day became best shopping festival with sellers from 200 different brands

The promotion provides differentiated shopping experience including purchase opportunity on discounted products through 'Time-deal', as well as variety of exclusive deals and shopping information

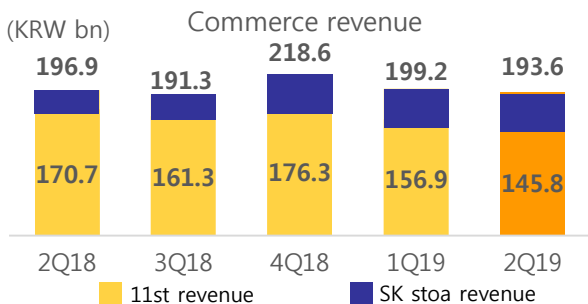
Record-high daily paid customers in June since the beginning of the year

### [2] Launch of SK pay (July 1)

Integrated '11 pay'-payment service of 11st and 'T-pay'-mobile offline payment service, into single payment service-'SK pay'

SK pay is available in over 30 on-line affiliates including 11st, One Store, CJ O Shopping, and over 30 thousand shops including convenient stores, bakeries

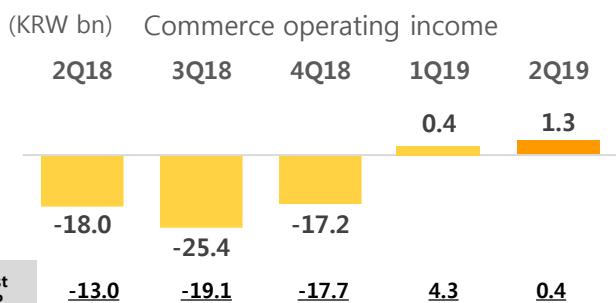
Provides integrated payment environment in both online and offline through partnership expansion with SK ICT Family and credit card companies



\* Sum of earnings from 11st & SK Stoa.  
Pro Forma applied for earnings before split of 11st in '18.9.1

## Operating income

Operating income improved by KRW 19.3bn in YoY due to two consecutive quarterly BEP achievement from 11st and turnaround of SK stoa in terms of profit

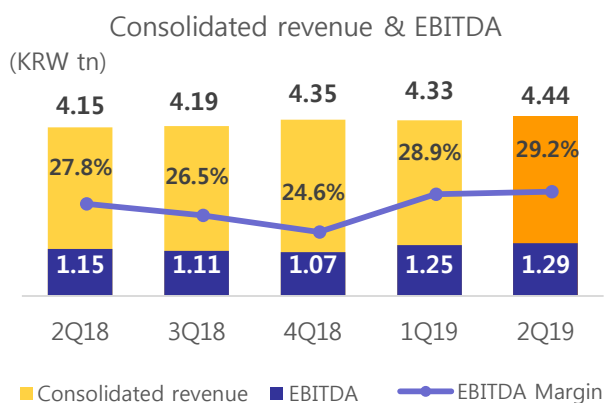


\* Sum of earnings from 11st & SK Stoa.  
Pro Forma applied for earnings before split of 11st in '18.9.1

### Consolidated results

2Q19 revenue increased by 6.8% YoY and 2.4% QoQ thanks to the growth in MNO, media, security

2Q19 EBITDA increased by 12.2% YoY and 3.2% QoQ due to revenue growth of security/media as well as profit improvement of commerce

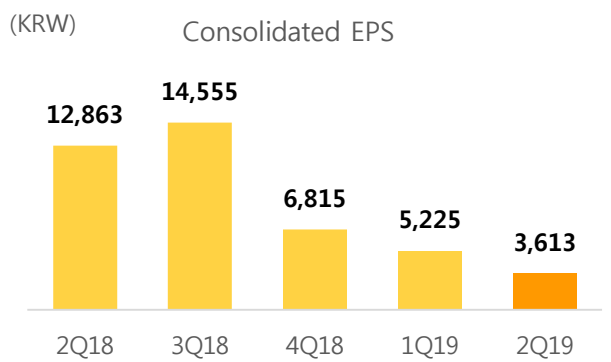


### EPS

Consolidated EPS decreased by 71.9% YoY due to reduced equity method income from SK Hynix

Equity method income from SK Hynix (KRW bn)

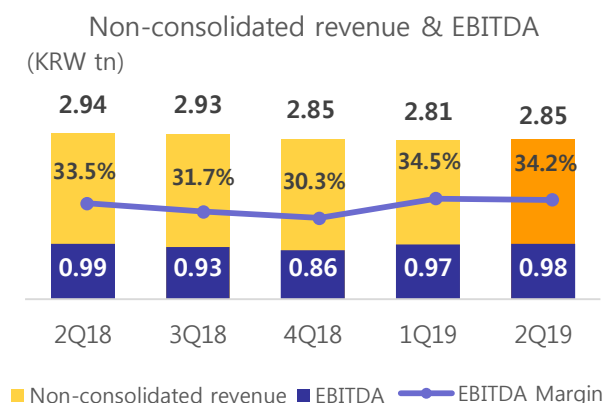
2Q18	3Q18	4Q18	1Q19	2Q19
892.7	981.0	722.0	232.1	110.9



### SKT non-consolidated results

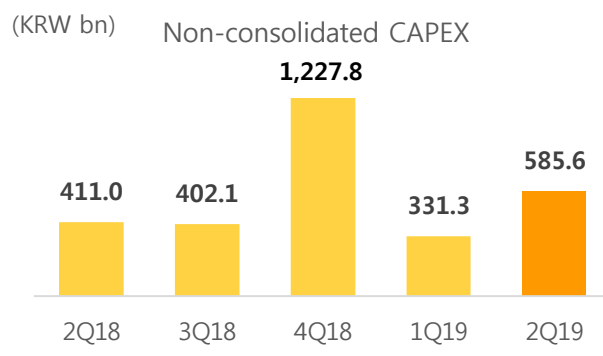
2Q19 revenue increased by 1.3% QoQ due to growth of MNO revenue from the launch of 5G service, despite the YoY decrease due to price discount

2Q19 EBITDA reduced by 1.1% YoY, but increased by 0.5% QoQ through revenue growth and the efforts to efficiently manage other operating expenses



### SKT non-consolidated CAPEX

2Q19 CAPEX recorded KRW 585.6bn, reflecting the YoY increase due to the investment in 5G commercialization



### ◆ Consolidated Income Statement

(KRW bn)	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19
<b>Operating revenue</b>	<b>4,181.5</b>	<b>4,154.3</b>	<b>4,186.4</b>	<b>4,351.7</b>	<b>16,874.0</b>	<b>4,334.9</b>	<b>4,437.0</b>
<b>Operating expenses</b>	<b>3,856.1</b>	<b>3,807.4</b>	<b>3,882.3</b>	<b>4,126.4</b>	<b>15,672.2</b>	<b>4,012.3</b>	<b>4,114.2</b>
Labor cost	550.0	535.6	538.5	664.6	2,288.7	691.0	699.3
Commissions paid	1,262.1	1,216.9	1,266.1	1,257.5	5,002.6	1,273.7	1,256.3
Advertising	100.1	110.5	119.9	138.0	468.5	85.8	104.7
Depreciation <sup>1)</sup>	823.8	806.7	806.8	846.2	3,283.5	932.1	971.4
Network interconnection	215.0	218.8	212.2	162.4	808.4	189.4	187.7
Leased line	41.8	40.4	41.0	34.8	158.1	37.5	35.4
Frequency usage fees	38.8	36.1	38.6	38.2	151.7	33.3	30.8
Cost of goods sold	410.9	399.0	418.3	568.0	1,796.1	377.2	440.1
Others	413.6	443.4	440.9	416.5	1,714.4	392.3	388.5
<b>Operating income</b>	<b>325.5</b>	<b>346.9</b>	<b>304.1</b>	<b>225.3</b>	<b>1,201.8</b>	<b>322.6</b>	<b>322.8</b>
EBITDA	1,149.3	1,153.6	1,110.9	1,071.5	4,485.3	1,254.7	1,294.2
EBITDA margin	27.5%	27.8%	26.5%	24.6%	26.6%	28.9%	29.2%
<b>Net profit or loss from non-operating items</b>	<b>581.5</b>	<b>816.1</b>	<b>997.8</b>	<b>378.7</b>	<b>2,774.2</b>	<b>145.2</b>	<b>30.4</b>
Equity gains or losses	626.6	915.6	992.4	736.2	3,270.9	223.3	136.1
<b>Income from continuing operations before tax</b>	<b>907.0</b>	<b>1,163.0</b>	<b>1,301.9</b>	<b>604.0</b>	<b>3,976.0</b>	<b>467.8</b>	<b>353.2</b>
<b>Consolidated net income</b>	<b>693.4</b>	<b>914.3</b>	<b>1,049.8</b>	<b>474.5</b>	<b>3,132.0</b>	<b>373.6</b>	<b>259.1</b>
Majority interests	695.0	916.7	1,031.4	484.9	3,127.9	379.2	263.4
Minority interests	(1.6)	(2.4)	18.4	(10.4)	4.1	(5.6)	(4.3)
<b>Basic earnings per share(KRW)</b>	<b>9,842</b>	<b>12,863</b>	<b>14,555</b>	<b>6,815</b>	<b>44,075</b>	<b>5,225</b>	<b>3,613</b>

1) Includes R&D related depreciation

### ◆ Non-consolidated Income Statement

(KRW bn)	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19
<b>Operating revenue</b>	<b>2,988.5</b>	<b>2,941.8</b>	<b>2,925.6</b>	<b>2,849.7</b>	<b>11,705.6</b>	<b>2,812.2</b>	<b>2,847.7</b>
Mobile service revenue	2,568.9	2,497.7	2,484.6	2,448.6	9,999.8	2,412.7	2,435.8
Interconnection	150.9	156.1	155.9	102.5	565.3	127.4	132.3
Others	268.8	288.0	285.1	298.6	1,140.5	272.1	279.7
<b>Operating expenses</b>	<b>2,619.3</b>	<b>2,573.6</b>	<b>2,614.9</b>	<b>2,590.4</b>	<b>10,398.1</b>	<b>2,506.5</b>	<b>2,572.5</b>
Labor cost	175.0	158.7	174.8	176.3	684.8	190.1	194.0
Commissions paid	1,132.9	1,085.5	1,112.7	1,123.6	4,454.8	1,076.5	1,089.0
Marketing commissions	712.3	664.5	692.4	672.3	2,741.5	680.3	692.0
Other commissions	420.7	421.0	420.3	451.2	1,713.3	396.2	397.0
Advertising	26.0	38.0	43.7	61.4	169.0	21.1	36.6
Depreciation <sup>1)</sup>	636.2	617.2	615.7	604.4	2,473.5	664.7	699.9
Network interconnection	162.6	167.0	162.3	114.5	606.5	140.4	141.8
Leased line	31.7	32.2	31.6	29.5	125.0	18.9	20.7
Frequency usage fees	38.8	36.1	38.6	38.2	151.7	33.3	30.8
Others	416.0	438.9	435.5	442.5	1,733.0	361.6	359.7
<b>Operating income</b>	<b>369.3</b>	<b>368.2</b>	<b>310.6</b>	<b>259.3</b>	<b>1,307.5</b>	<b>305.7</b>	<b>275.2</b>
EBITDA	1,005.4	985.4	926.3	863.7	3,781.0	970.4	975.1
EBITDA margin	33.6%	33.5%	31.7%	30.3%	32.3%	34.5%	34.2%
<b>Net profit or loss from non-operating items</b>	<b>108.2</b>	<b>(72.3)</b>	<b>(60.7)</b>	<b>(61.4)</b>	<b>(86.2)</b>	<b>455.9</b>	<b>(57.6)</b>
<b>Income from continuing operations before tax</b>	<b>477.5</b>	<b>295.9</b>	<b>249.9</b>	<b>197.9</b>	<b>1,221.2</b>	<b>761.6</b>	<b>217.6</b>
<b>Net income</b>	<b>364.4</b>	<b>219.8</b>	<b>183.3</b>	<b>166.4</b>	<b>933.9</b>	<b>644.0</b>	<b>162.0</b>

1) Includes R&D related depreciation

### ◆ Consolidated Balance Sheet

(KRW bn)	12-31-17	3-31-18	6-30-18	9-30-18	12-31-18	3-31-19	6-30-19
<b>Total assets</b>	<b>33,428.7</b>	<b>36,134.4</b>	<b>36,336.8</b>	<b>38,186.5</b>	<b>42,369.1</b>	<b>43,346.5</b>	<b>42,590.6</b>
<b>Current assets</b>	<b>6,201.8</b>	<b>8,471.3</b>	<b>7,814.3</b>	<b>9,025.6</b>	<b>7,958.8</b>	<b>8,348.7</b>	<b>7,586.0</b>
Cash and short-term financial instruments <sup>1)</sup>	2,171.5	2,482.2	2,287.5	3,108.6	2,589.6	2,783.0	2,199.8
Accounts receivable	3,386.8	3,601.2	3,085.0	3,580.7	2,946.5	3,256.0	3,065.1
Other current assets	643.4	2,387.9	2,441.8	2,336.3	2,422.7	2,309.7	2,321.1
<b>Non-current assets</b>	<b>27,226.9</b>	<b>27,663.1</b>	<b>28,522.5</b>	<b>29,160.9</b>	<b>34,410.3</b>	<b>34,997.7</b>	<b>35,004.6</b>
PP&E and intangible assets	15,646.9	15,018.8	14,830.8	14,628.3	19,170.4	19,457.4	19,386.2
Investment assets	10,426.7	11,161.9	12,070.9	12,838.4	13,477.7	13,718.0	13,689.1
Other non-current assets	1,153.3	1,482.4	1,620.8	1,694.2	1,762.2	1,822.3	1,929.3
<b>Total liabilities</b>	<b>15,399.5</b>	<b>16,146.6</b>	<b>15,428.0</b>	<b>16,015.7</b>	<b>20,019.9</b>	<b>21,227.4</b>	<b>20,160.8</b>
<b>Current liabilities</b>	<b>7,109.1</b>	<b>6,883.7</b>	<b>5,759.3</b>	<b>5,889.8</b>	<b>6,847.6</b>	<b>7,921.6</b>	<b>6,940.8</b>
Short-term borrowings	130.0	30.0	45.9	53.1	80.0	80.0	50.0
Accounts payable	2,438.3	1,743.5	1,805.3	1,735.8	2,477.1	2,435.2	2,342.2
Other current liabilities	4,540.8	5,110.2	3,908.1	4,100.9	4,290.5	5,406.4	4,548.6
<b>Non-current liabilities</b>	<b>8,290.4</b>	<b>9,262.9</b>	<b>9,668.7</b>	<b>10,125.9</b>	<b>13,172.3</b>	<b>13,305.8</b>	<b>13,219.9</b>
Bonds payable & long-term borrowings	5,808.1	6,332.9	6,604.0	6,883.3	8,587.6	8,717.8	8,611.8
Deferred tax liabilities	978.7	1,685.0	1,812.6	1,966.1	2,269.8	2,283.2	2,309.2
Other non-current liabilities	1,503.6	1,245.0	1,252.1	1,276.5	2,314.9	2,304.8	2,298.9
<b>Total shareholders' equity</b>	<b>18,029.2</b>	<b>19,987.8</b>	<b>20,908.8</b>	<b>22,170.8</b>	<b>22,349.3</b>	<b>22,119.1</b>	<b>22,429.8</b>
Common stock and additional paid in capital	240.9	241.4	234.2	551.7	699.8	690.8	699.6
Retained earnings	17,835.9	19,842.4	20,754.7	21,696.9	22,144.5	21,835.8	22,125.7
Other comprehensive income/loss	(234.7)	(292.8)	(283.9)	(356.1)	(373.4)	(285.0)	(297.2)
Minority interests	187.1	196.8	203.8	278.3	(121.6)	(122.5)	(98.3)

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

### ◆ Non-consolidated Balance Sheet

(KRW bn)	12-31-17	3-31-18	6-30-18	9-30-18	12-31-18	3-31-19	6-30-19
<b>Total assets</b>	<b>25,557.5</b>	<b>27,787.3</b>	<b>26,997.5</b>	<b>27,065.1</b>	<b>28,848.0</b>	<b>29,719.4</b>	<b>29,059.6</b>
<b>Current assets</b>	<b>3,768.1</b>	<b>6,087.1</b>	<b>5,343.9</b>	<b>5,517.4</b>	<b>4,679.4</b>	<b>5,170.5</b>	<b>4,600.2</b>
Cash and short-term financial instruments <sup>1)</sup>	974.6	1,380.6	1,135.2	1,137.4	976.8	994.0	817.4
Accounts receivable	2,523.7	2,769.3	2,250.7	2,490.6	1,872.7	2,376.6	1,921.7
Other current assets	269.8	1,937.2	1,958.0	1,889.4	1,829.9	1,799.9	1,861.1
<b>Non-current assets</b>	<b>21,789.4</b>	<b>21,700.2</b>	<b>21,653.6</b>	<b>21,547.7</b>	<b>24,168.6</b>	<b>24,549.0</b>	<b>24,459.4</b>
PP&E and intangible assets	11,318.9	10,774.5	10,555.5	10,344.6	12,260.6	12,448.1	12,381.4
Investment assets	9,877.3	9,884.4	9,916.4	9,940.8	10,600.0	10,780.8	10,638.2
Other non-current assets	593.2	1,041.3	1,181.7	1,262.3	1,308.0	1,320.1	1,439.8
<b>Total liabilities</b>	<b>10,550.1</b>	<b>11,371.9</b>	<b>10,390.3</b>	<b>10,353.3</b>	<b>11,960.5</b>	<b>12,855.3</b>	<b>12,033.2</b>
<b>Current liabilities</b>	<b>4,767.4</b>	<b>4,840.6</b>	<b>3,420.6</b>	<b>3,300.8</b>	<b>4,178.1</b>	<b>5,153.3</b>	<b>4,419.4</b>
Accounts payable	1,867.0	1,381.4	1,410.4	1,238.7	1,782.3	1,798.4	1,725.0
Other current liabilities	2,900.4	3,459.2	2,010.2	2,062.1	2,395.8	3,354.9	2,694.4
<b>Non-current liabilities</b>	<b>5,782.7</b>	<b>6,531.3</b>	<b>6,969.7</b>	<b>7,052.5</b>	<b>7,782.5</b>	<b>7,702.1</b>	<b>7,613.9</b>
Bonds payable & long-term borrowings	4,377.3	4,802.8	5,293.7	5,412.8	5,254.6	5,337.1	5,227.1
Long-term payables	1,328.6	1,036.4	1,040.8	1,045.2	1,939.1	1,527.6	1,533.2
Other non-current liabilities	76.8	692.1	635.2	594.5	588.8	837.4	853.6
<b>Total shareholders' equity</b>	<b>15,007.4</b>	<b>16,415.4</b>	<b>16,607.2</b>	<b>16,711.8</b>	<b>16,887.5</b>	<b>16,864.1</b>	<b>17,026.3</b>
Common stock and additional paid in capital	416.5	416.7	415.6	415.7	460.0	460.1	460.1
Retained earnings	14,512.6	16,008.0	16,224.0	16,317.3	16,467.8	16,433.1	16,622.2
Other comprehensive income/loss	78.3	(9.3)	(32.4)	(21.2)	(40.3)	(29.1)	(56.0)

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

### ◆ Subscribers

(Thousands)	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	YoY	QoQ
MNO subscribers <sup>1)</sup>	26,753	26,880	27,221	27,277	27,382	27,529	27,649	1.6%	0.4%
Net adds	5	127	341	56	105	148	120	-64.8%	-18.6%
Activations	1,102	1,017	1,154	933	964	948	893	-22.6%	-5.8%
Deactivations	1,097	889	813	877	859	800	773	-5.0%	-3.4%
Monthly churn	1.4%	1.1%	1.0%	1.1%	1.0%	1.0%	0.9%	-0.1%p	-0.1%p
Handset subs	23,487	23,625	23,699	23,727	23,784	23,950	24,049	1.5%	0.4%
LTE subs	22,347	22,859	23,432	23,827	24,205	24,578	24,374	4.0%	-0.8%
5G subs							530		
Total mobile subs <sup>2)</sup>	30,195	30,349	30,719	30,771	30,882	31,009	31,019	1.0%	0.0%

High speed internet	5,233	5,277	5,318	5,368	5,405	5,458	5,514	3.7%	1.0%
IPTV subs	4,370	4,464	4,554	4,659	4,729	4,848	4,971	9.2%	2.5%

1) Excludes MVNO & other connections

2) Includes MVNO connections, excludes other connections

### ◆ ARPU

(KRW)	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	YoY	QoQ
ARPU <sup>1)</sup>	34,883	33,299	32,289	32,070	31,328	30,645	30,755	-4.7%	0.4%
ARPU including MVNO	31,014	29,586	28,652	28,454	27,782	27,232	27,403	-4.4%	0.6%

1) Calculation of SK Telecom 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 SK Telecom mobile subscribers (2G/3G/LTE/5G and IoT)

- Based on MSIT subscriber statistics (average number of billed connections for the quarter)

ARPU from 2018 and onward is based on IFRS15.