



Investor Briefing

Results for the FY 2019

(K-IFRS, Non-audited)

SK Telecom

February 7, 2020

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Consolidated Financial Highlights

(KRW bn)	2019	2018	YoY	4Q19	4Q18	YoY	3Q19	QoQ
Operating Revenues	17,743.7	16,874.0	5.2%	4,410.6	4,351.7	1.4%	4,561.2	△3.3%
<i>MNO¹⁾</i>	11,416.2	11,705.6	△2.5%	2,844.7	2,849.7	△0.2%	2,911.5	△2.3%
<i>New Biz.²⁾</i>	5,126.6	4,217.5	21.6%	1,272.0	1,294.8	△1.8%	1,310.3	△2.9%
Operating Expenses	16,633.7	15,672.2	6.1%	4,248.1	4,126.4	2.9%	4,259.1	△0.3%
Operating Income	1,110.0	1,201.8	△7.6%	162.5	225.3	△27.9%	302.1	△46.2%
Net Income	861.9	3,132.0	△72.5%	(45.2)	474.5	N/A	274.4	N/A
EBITDA	5,045.2	4,485.3	12.5%	1,191.3	1,071.5	11.2%	1,305.0	△8.7%
EPS (KRW)	12,144	44,066	△72.4%	(423)	6,815	N/A	3,767	N/A

¹⁾ SK Telecom non-consolidated

²⁾ Sum of SK Broadband, ADT Caps ('18.4Q~), SK Infosec ('19.1Q~), 11st, SK stoa

Financial Highlights

□ Operating revenue for 2019 was up 5.2% YoY driven by New Biz. revenue increase

- New Biz. revenue led by media, security, and commerce increased by 21.6% YoY and exceeded KRW 5tn
- MNO revenue decreased by 2.5% YoY due to tariff discount and membership point adjustment*
 - * Part of marketing expense is deducted from revenue. No impact on operating income.

□ Despite significant earnings improvements in security/commerce businesses, 2019 operating income decreased by 7.6% YoY mainly due to higher 5G investments

- Commerce business reached BEP thanks to differentiated services and cost-cutting efforts YoY + KRW 86.9bn
- Security business earnings recorded significant YoY increase due to additions of ADT Caps and SK Infosec YoY + KRW 104.8bn
- MNO income decreased as depreciation increased due to 5G investments YoY △ KRW 357.4bn

□ Net income for 2019 was down 72.5% YoY due to lower equity method income from SK Hynix

- Equity method income from SK Hynix recorded KRW 416.2bn, a KRW 2.82tn decrease YoY

Biz. Highlights

□ Opened the age of Hyper-Innovation with 5G and launched a variety of 5G services

- Acquired 2.08 mn 5G subscribers by the end of 2019, following the world's first commercialization of 5G in April, 2019
- Launched a variety of 5G services including media ^{5G Max, multi-view, Social VR etc.}, game ^{League of Legends AR/VR broadcasting, VR game Gunjack etc.}, and 5G clusters, that offer premium network and services

□ Discovered new 5G business models through Hyper-Collaboration with global players

- Providing Project xCloud preview with Microsoft, as an exclusive business operating partner. With positive user feedback, inviting more players and adding new games ^{29 games → 85 games} from January, 2020
- Planning to partner with Amazon Web Service in 5G MEC business based on our differentiated technology capabilities in the field of mobile edge computing (MEC), which provides ultra-low-latency crucial to 5G service

□ SK Broadband and t-broad merger expected to be completed in late April, 2020

- Going through the remaining procedures to complete the merger, with government approval acquired in January, 2020. The merged entity will be a media platform player with 8 mn pay TV subscribers

(For details, please refer to the I.B. dated April 30, 2019, 'SKB to merge with t-broad')

<https://www.sktelecom.com/img/eng/presen/20190430/InvestorBriefingSKBtoMergewithTbroadENG.pdf>)

□ wave, the product of Hyper-Collaboration with the three broadcasters, is growing into Korea's leading OTT

- wave unique visitors increased by almost 200% since the start of joint marketing with SKT in April, 2019 and became #1 in Korea
* Based on Dec., 2019 Koreanclick OTT Unique Visitors (#1 wave 2.67mn, #2 Netflix 2.31mn)
- wave attracted external funding of KRW 200bn in Nov., 2019. Plans to invest in original contents

(For details, please refer to the I.B. dated December 13, 2019, 'wave external funding')

<https://www.sktelecom.com/img/eng/presen/20191213/InvestorBriefingwaveExternalFundingEN.pdf>)

□ Security business revenue recorded double-digit growth driven by positive trends in both physical security and information security businesses

- Security business revenue increased 17.4% YoY* to KRW 1.2tn
 - * YoY change calculated based on 2018 revenue including ADT Caps before acquisition by SKT
- ADT Caps is strengthening its foothold in the security business with new AI/DT based product launches including unmanned parking and home security
- SK Infosec earnings also improved based on differentiated level of competitiveness including physical/information convergence security product launches

□ Commerce business turned to profit in 2019 driven by profitability-focused strategy

- 11st recorded KRW 1.4 billion in operating income, as a result of doing away with unhealthy marketing in 2019 and focusing on strengthening service competitiveness and monthly 11th day promotion
- SK stoa also turned to profit and recorded a 68% revenue growth through channel diversification efforts including TV, mobile, and PC

□ ONE store attracted external funding of KRW 100bn, and the implied value of the company is KRW 500bn^{post-money}

- To focus on enhancing competitiveness in mobile game segment with high growth and profitability potential

(For details, please refer to the I.B dated November 13, 2019 'ONE Store External Funding'
<https://www.sktelecom.com/img/eng/presen/20191113/InvestorBriefingOnestoreFundingEN.pdf>)

□ Established e-sports JV 'SK telecom CS T1' with Comcast

- Target to grow SK telecom CS T1 to become a global leading franchise utilizing the strengths of Comcast

(For details, please refer to the I.B dated October 14, 2019 'Establishment of SKT/Compact e-sports JV'
<https://www.sktelecom.com/img/eng/presen/20191014/InvestorBriefingSportsJVENGFN.pdf>)

□ Established a strategic partnership with Kakao, based on openness and cooperation

- Along with a KRW 300 billion share swap agreement, SKT and Kakao laid the foundation for close cooperation in the areas of MNO · commerce · digital content · future ICT

(For details, please refer to the I.B dated October 28, 2019, 'Strategic, Partnership with Kakao'
<https://www.sktelecom.com/img/eng/presen/20191028/InvestorBriefingStrategicPartnershipwithKakaoENFN.pdf>)



SKT 5GX

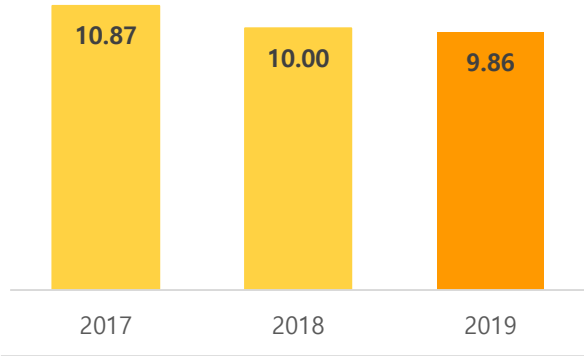
Entered a full-fledged growth phase with increasing 5G subscribers and data usage leading to revenue growth on QoQ basis in 2019

Revenue

(before membership point adjustment)

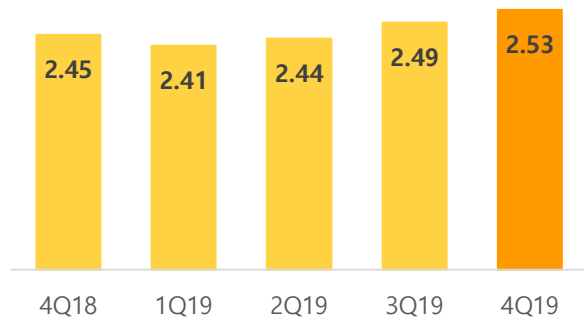
2019 MNO revenue decreased by 1.4% YoY affected by selective tariff discount rate increase ^{20%→25%} from Sep. 2017

(KRW tn) Annual revenue



Due to greater data usage and 5G subscriber growth in 2019, the quarterly revenue in 2019 has turned around from 2Q19 recording 3.2% YoY, 1.6% QoQ increase in 4Q19

(KRW tn) Quarterly revenue

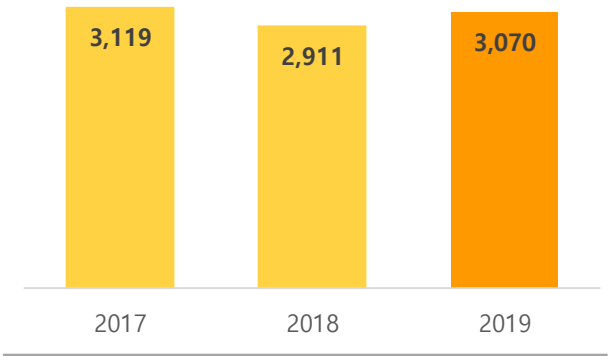


Marketing expense

(before membership point adjustment)

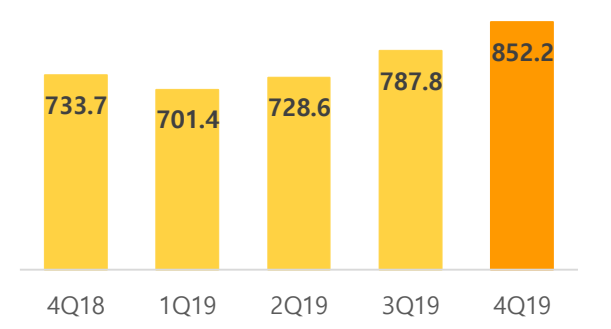
2019 marketing expense increase by 5.5% YoY mainly due to 5G subscriber acquisition costs

(KRW bn) Annual marketing expense



4Q19 marketing expense decreased in terms of size of spending (cash expenditures) QoQ but increased by 8.2% QoQ, and 16.2% YoY basis due to advertising costs and deferred accounting effect

(KRW bn) Quarterly marketing expense

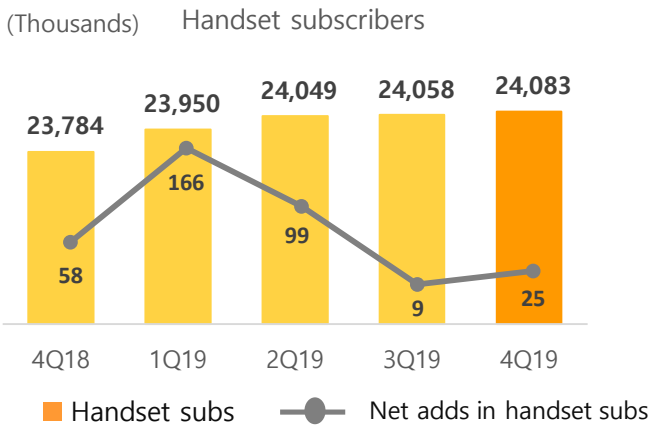




Entered a full-fledged growth phase with increasing 5G subscribers and data usage leading to revenue growth on QoQ basis in 2019

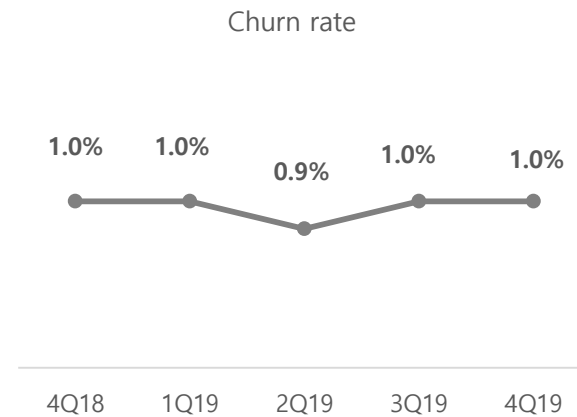
Subscribers

Handset subscribers continued to increase, recording 25k net adds in 4Q19
5G subscriber reached 2.08mn subs



Churn rate

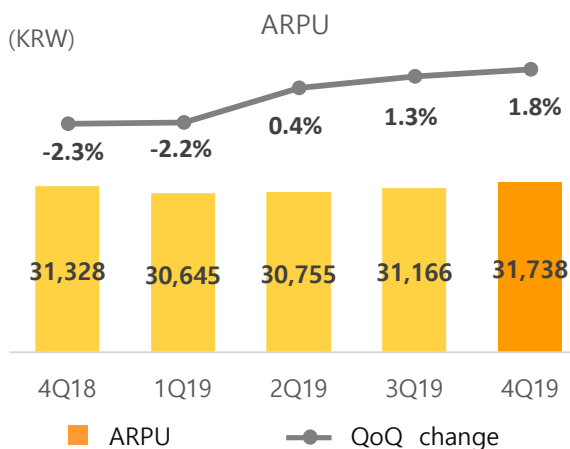
4Q19 churn rate recorded 1.0% , maintaining a stable trend



ARPU

(before membership point adjustment)

4Q19 ARPU increased by 1.3% YoY and 1.8% QoQ at KRW 31,738, due to 5G subscriber and data usage growth



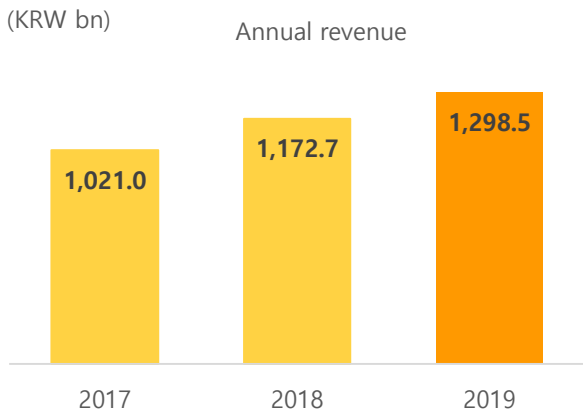
* Excludes MVNO subscribers



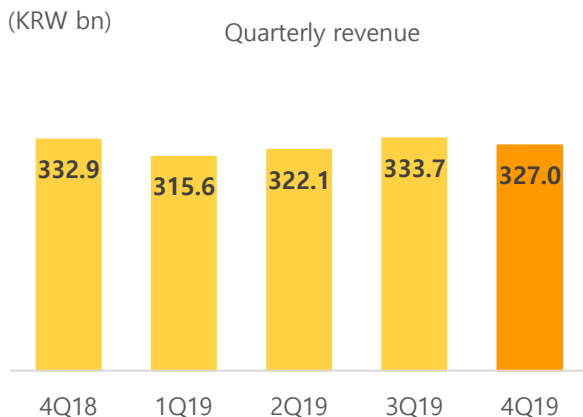
IPTV revenue continued to record above 10% YoY growth in 2019

IPTV revenue

SK Broadband's 2019 IPTV revenue increased 10.7% YoY to KRW 1.30tn driven by growth in IPTV subscribers and UHD subscriber portion

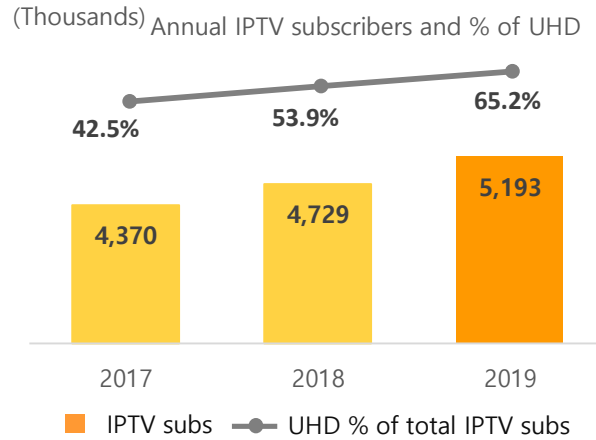


Due to the discontinuation of OTT business, SK Broadband's 4Q19 IPTV revenue declined Δ 1.8% YoY and Δ 2.0% QoQ to KRW 327bn



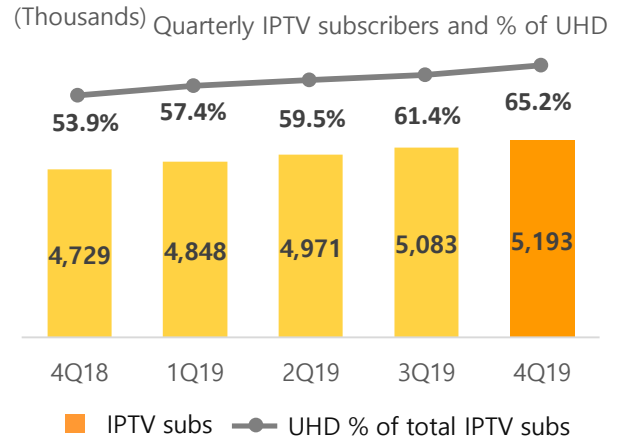
IPTV subscribers

With net adds of 464k in 2019, IPTV subscribers reached 5.19mn
By offering customized experience to customers, net adds increased by 105k YoY



* UHD includes AI set-top box subscribers

4Q19 subscriber net adds recorded 110k
UHD subscriber portion continued to increase and reached 65.2% as of Dec. 2019



* UHD includes AI set-top box subscribers

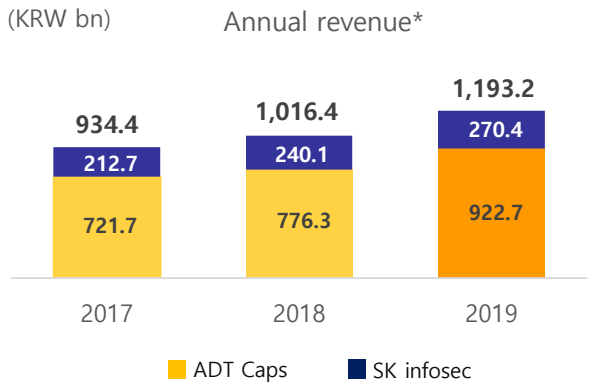


Security business recorded a sound revenue and operating income growth, based on the synergy created with SK ICT Family companies and expansion of New ICT-based new businesses

Revenue

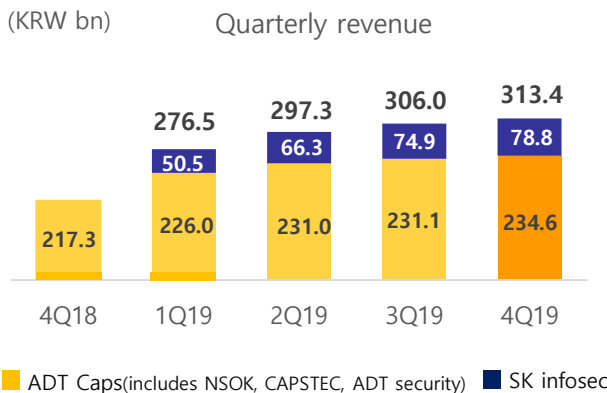
2019 revenue increased by 17.4% YoY due to enhanced products capabilities of CMS*, unmanned parking, home security, and convergent security solutions

* Central Monitoring Service



* 2017~2018 revenue includes ADT caps and SK infosec revenue before the merger

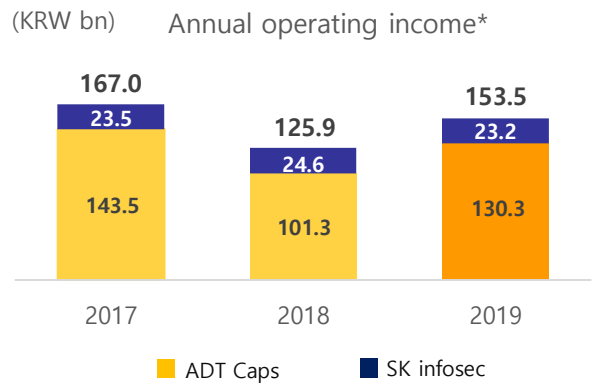
4Q19 security business revenue increased by 2.4% QoQ thanks to increase in ADT Caps' CMS subs net adds and solution sales volume of SK Infosec



■ ADT Caps(includes NSOK, CAPSTEC, ADT security) ■ SK infosec

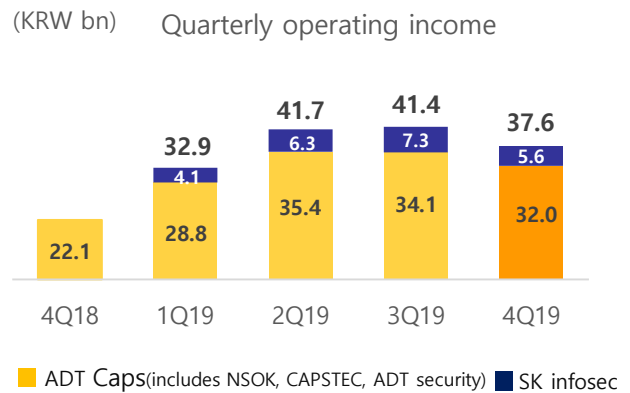
Operating income

2019 operating income increased by 21.9% YoY thanks to increased cost efficiencies after NSOK merger, and synergies in distribution network of SK ICT Family



* 2017~2018 operating income includes ADT caps and SK infosec operating income before the merger

4Q19 operating income decreased with increase in costs related to ADT Caps' and SK infosec's new business expansion



■ ADT Caps(includes NSOK, CAPSTEC, ADT security) ■ SK infosec

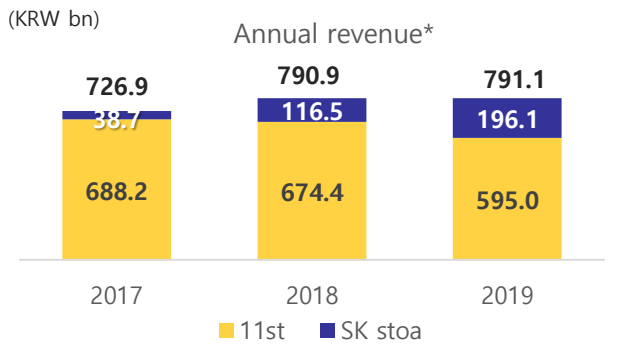


Commerce business achieved both 11st and SK stoa turn to profit in 2019

Revenue

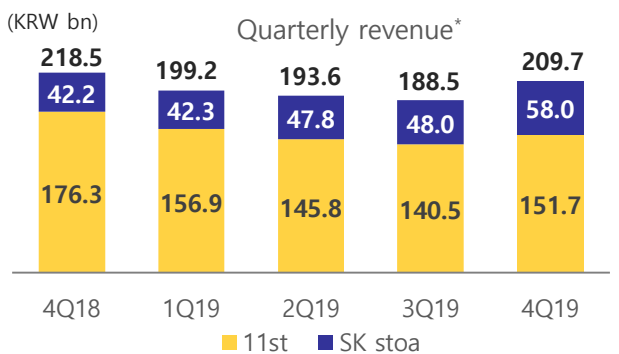
(before 11st membership point adjustment)

Annual revenue recorded KRW 791.1bn, similar to that of the previous year, due to SK stoa achieving a 68.4% YoY revenue growth with channel diversification and product differentiation, while 11st's recorded 11.8% YoY revenue decrease due to direct purchase fade-out



* Includes 11st, SK stoa

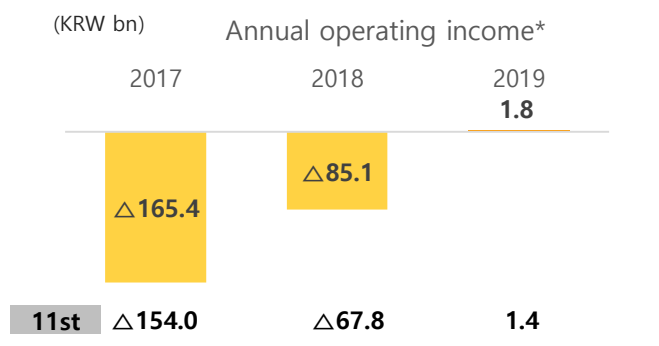
Total revenue for commerce business in 4Q19 recorded a 11.2% QoQ increase to KRW 209.7bn due to on-season effect. 11st and SK stoa recorded 8.0%, 27.0% QoQ revenue increase, respectively



* Includes 11st, SK stoa

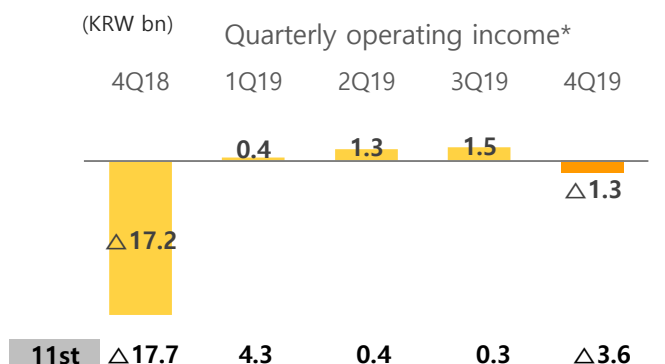
Operating income

In annual terms, commerce business recorded KRW 1.8bn profit thanks to 11st turned to profit recording KRW 1.4bn by successfully improving its business fundamentals, while SK stoa recorded KRW 400mn in profit with increase in sales volume



* Includes 11st, SK stoa

Operating income for 4Q19 recorded Δ KRW 1.3bn loss due to the on-season promotion effect

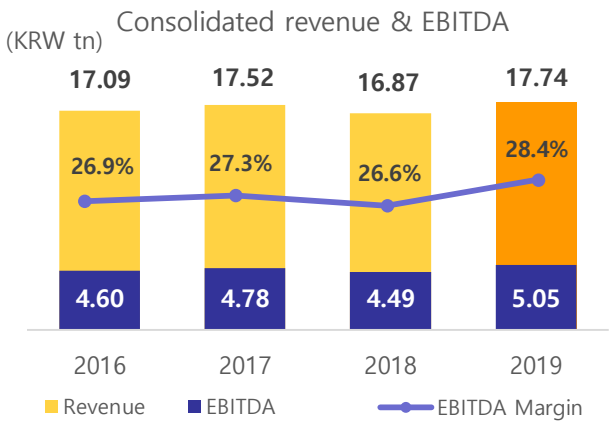


* Includes 11st, SK stoa

Consolidated results

2019 revenue increased by 5.2% YoY due to the MNO revenue turning around from 2Q, driven by increase in 5G subs, and growth from Media, Security businesses

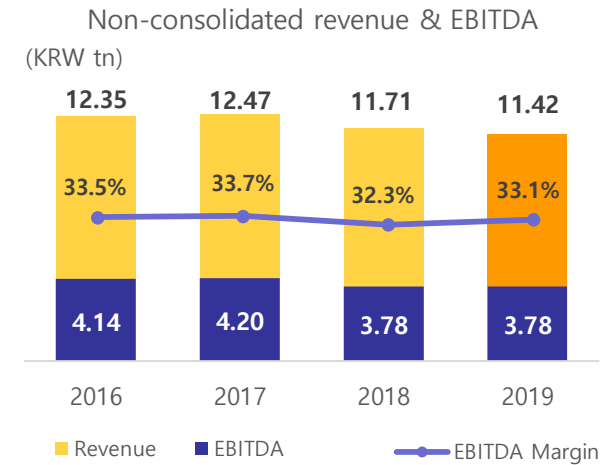
2019 EBITDA increased by 12.5% YoY due to expansion of New Biz. including addition of Security businesses, offsetting decrease in MNO EBITDA



SKT non-consolidated results

2019 revenue was down 2.5% YoY due to tariff discount and membership point adjustment

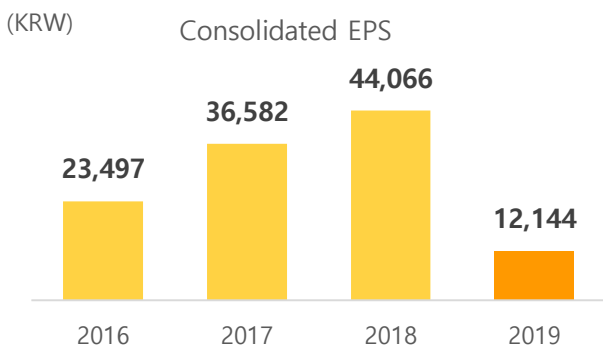
Despite the lower revenue, 2019 EBITDA was flat YoY due to decline in cost items such as other commissions



EPS

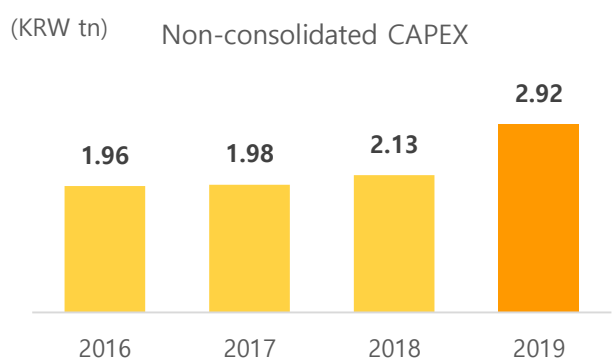
Consolidated EPS decreased by 72.4% YoY due to reduced equity method income from SK Hynix

※ Equity method income from SK Hynix
2018 KRW 3,238bn → 2019 KRW 416bn



SKT non-consolidated CAPEX

2019 CAPEX of KRW 2.92tn was up 37.1% YoY due to investments in 5G coverage expansion



◆ Consolidated Income Statement

(KRW bn)	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	3Q19	4Q19	2019
Operating revenue	4,181.5	4,154.3	4,186.4	4,351.7	16,874.0	4,334.9	4,437.0	4,561.2	4,410.6	17,743.7
Operating expenses	3,856.1	3,807.4	3,882.3	4,126.4	15,672.2	4,012.3	4,114.2	4,259.1	4,248.1	16,633.7
Labor cost	550.0	535.6	538.5	664.6	2,288.7	691.0	699.3	699.4	733.0	2,822.7
Commissions paid	1,262.1	1,216.9	1,266.1	1,257.5	5,002.6	1,273.7	1,256.3	1,302.7	1,169.4	5,002.2
Advertising	100.1	110.5	119.9	138.0	468.5	85.8	104.7	111.2	132.9	434.6
Depreciation ¹⁾	823.8	806.7	806.8	846.2	3,283.5	932.1	971.4	1,002.9	1,028.8	3,935.2
Network interconnection	215.0	218.8	212.2	162.4	808.4	189.4	187.7	183.9	191.3	752.3
Leased line	41.8	40.4	41.0	34.8	158.1	37.5	35.4	32.6	34.0	139.5
Frequency usage fees	38.8	36.1	38.6	38.2	151.7	33.3	30.8	34.5	34.5	133.1
Cost of goods sold	410.9	399.0	418.3	568.0	1,796.1	377.2	440.1	499.4	516.6	1,833.4
Others	413.6	443.4	440.9	416.5	1,714.4	392.3	388.5	392.5	407.6	1,580.7
Operating income	325.5	346.9	304.1	225.3	1,201.8	322.6	322.8	302.1	162.5	1,110.0
<i>EBITDA</i>	1,149.3	1,153.6	1,110.9	1,071.5	4,485.3	1,254.7	1,294.2	1,305.0	1,191.3	5,045.2
<i>EBITDA margin</i>	27.5%	27.8%	26.5%	24.6%	26.6%	28.9%	29.2%	28.6%	27.0%	28.4%
Net profit or loss from non-operating items	581.5	816.1	997.8	378.7	2,774.2	145.2	30.4	47.3	(170.2)	52.7
Equity gains or losses	626.6	915.6	992.4	736.2	3,270.9	223.3	136.1	121.3	(31.1)	449.5
Income from continuing operations before tax	907.0	1,163.0	1,301.9	604.0	3,976.0	467.8	353.2	349.4	(7.8)	1,162.7
Consolidated net income	693.4	914.3	1,049.8	474.5	3,132.0	373.6	259.1	274.4	(45.2)	861.9
Majority interests	695.0	916.7	1,031.4	484.9	3,127.9	379.2	263.4	274.4	(27.1)	889.9
Minority interests	(1.6)	(2.4)	18.4	(10.4)	4.1	(5.6)	(4.3)	-	(18.1)	(28.0)
Basic earnings per share(KRW)	9,842	12,863	14,555	6,815	44,066	5,225	3,613	3,767	(423)	12,144

1) Includes R&D related depreciation

◆ Non-consolidated Income Statement

(KRW bn)	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	3Q19	4Q19	2019
Operating revenue	2,988.5	2,941.8	2,925.6	2,849.7	11,705.6	2,812.2	2,847.7	2,911.5	2,844.7	11,416.2
Mobile service revenue	2,568.9	2,497.7	2,484.6	2,448.6	9,999.8	2,412.7	2,435.8	2,486.4	2,386.7	9,721.6
Interconnection	150.9	156.1	155.9	102.5	565.3	127.4	132.3	126.4	132.8	518.8
Others	268.8	288.0	285.1	298.6	1,140.5	272.1	279.7	298.8	325.2	1,175.8
Operating expenses	2,619.3	2,573.6	2,614.9	2,590.4	10,398.1	2,506.5	2,572.5	2,658.8	2,728.4	10,466.1
Labor cost	175.0	158.7	174.8	176.3	684.8	190.1	194.0	194.5	204.6	783.1
Commissions paid	1,132.9	1,085.5	1,112.7	1,123.6	4,454.8	1,076.5	1,089.0	1,156.4	1,098.1	4,420.0
Marketing commissions	712.3	664.5	692.4	672.3	2,741.5	680.3	692.0	751.7	651.1	2,775.1
Other commissions	420.7	421.0	420.3	451.2	1,713.3	396.2	397.0	404.6	447.0	1,644.9
Advertising	26.0	38.0	43.7	61.4	169.0	21.1	36.6	36.0	60.5	154.1
Depreciation ¹⁾	636.2	617.2	615.7	604.4	2,473.5	664.7	699.9	719.6	743.4	2,827.6
Network interconnection	162.6	167.0	162.3	114.5	606.5	140.4	141.8	137.5	145.4	565.1
Leased line	31.7	32.2	31.6	29.5	125.0	18.9	20.7	20.3	20.8	80.7
Frequency usage fees	38.8	36.1	38.6	38.2	151.7	33.3	30.8	34.5	34.5	133.1
Others	416.0	438.9	435.5	442.5	1,733.0	361.6	359.7	360.0	421.1	1,502.4
Operating income	369.3	368.2	310.6	259.3	1,307.5	305.7	275.2	252.8	116.4	950.1
<i>EBITDA</i>	1,005.4	985.4	926.3	863.7	3,781.0	970.4	975.1	972.4	859.7	3,777.7
<i>EBITDA margin</i>	33.6%	33.5%	31.7%	30.3%	32.3%	34.5%	34.2%	33.4%	30.2%	33.1%
Net profit or loss from non-operating items	108.2	(72.3)	(60.7)	(61.4)	(86.2)	455.9	(57.6)	(49.8)	(113.1)	235.4
Income from continuing operations before tax	477.5	295.9	249.9	197.9	1,221.2	761.6	217.6	203.0	3.3	1,185.5
Net income	364.4	219.8	183.3	166.4	933.9	644.0	162.0	161.1	13.2	980.3

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	9-30-19	12-31-19
Total assets	33,428.7	36,134.4	36,336.8	38,186.5	42,369.1	43,346.5	42,590.6	43,983.8	44,611.6
Current assets	6,201.8	8,471.3	7,814.3	9,025.6	7,958.8	8,348.7	7,586.0	8,086.1	8,102.3
Cash and short-term financial instruments ¹⁾	2,171.5	2,482.2	2,287.5	3,108.6	2,589.6	2,783.0	2,199.8	2,118.7	2,101.5
Accounts receivable	3,386.8	3,601.2	3,085.0	3,580.7	2,946.5	3,256.0	3,065.1	3,236.6	3,136.4
Other current assets	643.4	2,387.9	2,441.8	2,336.3	2,422.7	2,309.7	2,321.1	2,730.8	2,864.4
Non-current assets	27,226.9	27,663.1	28,522.5	29,160.9	34,410.3	34,997.7	35,004.6	35,897.7	36,509.3
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	19,463.2	20,149.9
Investment assets	10,426.7	11,161.9	12,070.9	12,838.4	13,477.7	13,718.0	13,689.1	13,943.9	14,243.5
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	2,490.6	2,115.9
Total liabilities	15,399.5	16,146.6	15,428.0	16,015.7	20,019.9	21,227.4	20,160.8	21,327.1	21,788.1
Current liabilities	7,109.1	6,883.7	5,759.3	5,889.8	6,847.6	7,921.6	6,940.8	7,367.2	7,787.7
Short-term borrowings	130.0	30.0	45.9	53.1	80.0	80.0	50.0	50.0	20.6
Accounts payable	2,438.3	1,743.5	1,805.3	1,735.8	2,477.1	2,435.2	2,342.2	2,581.3	2,964.8
Other current liabilities	4,540.8	5,110.2	3,908.1	4,100.9	4,290.5	5,406.4	4,548.6	4,735.9	4,802.3
Non-current liabilities	8,290.4	9,262.9	9,668.7	10,125.9	13,172.3	13,305.8	13,219.9	13,960.0	14,000.4
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	9,147.0	9,226.0
Deferred tax liabilities	978.7	1,685.0	1,812.6	1,966.1	2,269.8	2,283.2	2,309.2	2,451.4	2,466.3
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	2,361.6	2,308.1
Total shareholders' equity	18,029.2	19,987.8	20,908.8	22,170.8	22,349.3	22,119.1	22,429.8	22,656.6	22,823.5
Common stock and additional paid in capital	240.9	241.4	234.2	551.7	699.8	690.8	699.6	695.8	1,051.1
Retained earnings	17,835.9	19,842.4	20,754.7	21,696.9	22,144.5	21,835.8	22,125.7	22,327.7	22,235.3
Other comprehensive income/loss	(234.7)	(292.8)	(283.9)	(356.1)	(373.4)	(285.0)	(297.2)	(274.9)	(329.6)
Minority interests	187.1	196.8	203.8	278.3	(121.6)	(122.5)	(98.3)	(92.0)	(133.3)

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	9-30-19	12-31-19
Total assets	25,557.5	27,787.3	26,997.5	27,065.1	28,848.0	29,719.4	29,059.6	29,933.4	30,839.4
Current assets	3,768.1	6,087.1	5,343.9	5,517.4	4,679.4	5,170.5	4,600.2	4,754.6	5,011.4
Cash and short-term financial instruments ¹⁾	974.6	1,380.6	1,135.2	1,137.4	976.8	994.0	817.4	427.1	731.3
Accounts receivable	2,523.7	2,769.3	2,250.7	2,490.6	1,872.7	2,376.6	1,921.7	2,097.0	1,987.7
Other current assets	269.8	1,937.2	1,958.0	1,889.4	1,829.9	1,799.9	1,861.1	2,230.5	2,292.4
Non-current assets	21,789.4	21,700.2	21,653.6	21,547.7	24,168.6	24,549.0	24,459.4	25,178.8	25,828.0
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	12,423.4	13,032.3
Investment assets	9,877.3	9,884.4	9,916.4	9,940.8	10,600.0	10,780.8	10,638.2	10,767.4	11,089.2
Other non-current assets	593.2	1,041.3	1,181.7	1,262.3	1,308.0	1,320.1	1,439.8	1,988.0	1,706.5
Total liabilities	10,550.1	11,371.9	10,390.3	10,353.3	11,960.5	12,855.3	12,033.2	12,817.3	13,449.6
Current liabilities	4,767.4	4,840.6	3,420.6	3,300.8	4,178.1	5,153.3	4,419.4	4,645.3	5,057.5
Accounts payable	1,867.0	1,381.4	1,410.4	1,238.7	1,782.3	1,798.4	1,725.0	1,867.8	2,263.9
Other current liabilities	2,900.4	3,459.2	2,010.2	2,062.1	2,395.8	3,354.9	2,694.4	2,777.4	2,793.6
Non-current liabilities	5,782.7	6,531.3	6,969.7	7,052.5	7,782.5	7,702.1	7,613.9	8,172.0	8,392.2
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	5,667.2	5,920.6
Long-term payables	1,328.6	1,036.4	1,040.8	1,045.2	1,939.1	1,527.6	1,533.2	1,538.9	1,544.7
Other non-current liabilities	76.8	692.1	635.2	594.5	588.8	837.4	853.6	965.9	926.9
Total shareholders' equity	15,007.4	16,415.4	16,607.2	16,711.8	16,887.5	16,864.1	17,026.3	17,116.1	17,389.7
Common stock and additional paid in capital	416.5	416.7	415.6	415.7	460.0	460.1	460.1	460.2	460.2
Retained earnings	14,512.6	16,008.0	16,224.0	16,317.3	16,467.8	16,433.1	16,622.2	16,708.1	16,978.8
Other comprehensive income/loss	78.3	(9.3)	(32.4)	(21.2)	(40.3)	(29.1)	(56.0)	(52.2)	(49.3)

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

◆ Subscribers

(Thousands)	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	YoY	QoQ
MNO subscribers ¹⁾	26,880	27,221	27,277	27,382	27,529	27,649	28,142	28,648	4.6%	1.8%
Net adds	127	341	56	105	148	120	493	506	383.4%	2.7%
Activations	1,017	1,154	933	964	948	893	1,329	1,613	67.3%	21.4%
Deactivations	889	813	877	859	800	773	837	1,107	28.8%	32.3%
Monthly Churn	1.1%	1.0%	1.1%	1.0%	1.0%	0.9%	1.0%	1.0%	+0.0%p	+0.0%p
Handset subs	23,625	23,699	23,727	23,784	23,950	24,049	24,058	24,083	1.3%	0.1%
LTE subs	22,859	23,432	23,827	24,205	24,578	24,374	24,114	24,410	0.8%	1.2%
5G subs						530	1,537	2,084		35.6%
Total mobile subs ²⁾	30,349	30,719	30,771	30,882	31,009	31,019	31,268	31,535	2.1%	0.9%
High speed internet	5,277	5,318	5,368	5,405	5,458	5,514	5,566	5,613	3.8%	0.8%
IPTV subs	4,464	4,554	4,659	4,729	4,848	4,971	5,083	5,193	9.8%	2.2%

1) Excludes MVNO & other connections

2) Includes MVNO connections, excludes other connections

◆ ARPU

(KRW)	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	YoY	QoQ
ARPU ¹⁾	33,299	32,289	32,070	31,328	30,645	30,755	31,166	31,738	1.3%	1.8%
ARPU including MVNO	29,586	28,652	28,454	27,782	27,232	27,403	27,952	27,053	-2.6%	-3.2%

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)

ARPU from 2018 and onward is based on IFRS15.