



FOR IMMEDIATE RELEASE

SK Telecom Announces 3Q 2021 Earnings Results

Seoul, Korea, November 10, 2021 - SK Telecom (NYSE:SKM, hereinafter referred to as “SKT”) today announced its earnings for the third quarter of 2021 on a K-IFRS consolidated basis: revenue of KRW 4.968 trillion, operating income of KRW 400.0 billion, and net income of KRW 736.5 billion.

Compared to the same period last year, SKT’s consolidated revenue and operating income increased by 5.0% and 11.7%, respectively, backed by sustained growth of all its business areas including MNO and New ICT businesses.

The MNO business posted revenue of KRW 3.027 trillion, up 2.9% year-on-year (YoY), solidifying its leadership in the telecommunications market. The combined total revenue of SKT’s New ICT Businesses has increased by 6.9% YoY to KRW 1.631 trillion.

Net income grew by 88.0% YoY to KRW 736.5 billion affected by factors including increased equity method gains from SK Hynix.

■Strengthened market leadership with 8.65 million cumulative 5G subscribers and successful launch of new subscription products and metaverse service

The MNO business posted revenue of KRW 3.027 trillion, up 2.9% YoY, and operating income of KRW 319.6 billion, up 21.9% YoY through strengthened leadership in mobile telecommunications business including 5G.

As of the end of September 2021, the number of SKT’s 5G subscribers stood at 8.65 million, increasing by around 950,000 from the previous quarter (end of June). Building on its competitiveness in 5G, SKT plans to strengthen its key business areas including AI and Digital Infrastructure Service.

SK Telecom plans to offer new customer experience through its new subscription service ‘T Universe’ and Metaverse service ‘Ifland,’ while expanding its data center and cloud businesses.

With the aim to position Ifland as the most representative metaverse service in Korea, the company plans to transform Ifland into an open platform where users can take part in creating



a new world, and work with companies of diverse industries, including game and entertainment, to provide greater fun and excitement.

It also plans to lead the subscription-based service market in Korea by offering greater customer value and benefits via expanded T Universe product line-up; and expanding distribution channels specialized for subscription products.

SK Telecom will also strengthen its cloud business by leveraging its differentiated competitiveness in AI/DT such as 5G MEC and dedicated-line infrastructure, while developing new growth drivers by expanding its industrial IoT business targeting companies in manufacturing, security and financial industries.

■ Continued growth of New ICT businesses with SK Broadband surpassing the KRW 1 trillion quarterly revenue mark for the first time and SK Shieldus moving closer to realizing a new ‘Life Care Platform’

New ICT businesses grew by 6.9% YoY driven by the growth of the Media and Convergence Security businesses. The combined total revenue of New ICT businesses took up 32.8% of SKT's total revenue.

Affected by factors including net additions of IPTV subscribers, the Media business continued to grow as its revenue increased by 6.1% to KRW 1.024 trillion, a record-high quarterly revenue. Its operating income grew by 21.3% to KRW 78.6 billion.

SK Broadband secured a total of 8.91 million pay TV subscribers by attracting 115,000 IPTV subscribers in the third quarter, and achieved the highest net additions of cumulative IPTV subscribers in the market for three consecutive quarters this year.

Wavve continued to introduce original content such as “One the Woman” and “The Veil” and reached a record high of 4.43 million monthly active users in September 2021 affected by factors including its exclusive provision of HBO content in Korea.

The Convergence Security (Safety & Care) business saw its revenue grow by 12.4% YoY to reach KRW 397.0 billion, while its operating income expanded by 11.8% YoY to KRW 37.7 billion.

Last month, ADT Caps changed its name to SK Shieldus, which reflects its vision to create a safe environment for each and every member of the society. SK Shieldus aims to expand its



cyber security and new growth businesses so that the combined total revenue of these two businesses will take up 60% of the company's total revenue by 2025.

Despite intensified market competition, the Commerce business reported revenue of KRW 209.5 billion, up 1.4% YoY, backed by the growth of the e-commerce market and its efforts to provide differentiated delivery services.

11st opened Amazon Global Store on its commerce platform 11st and expects to secure market leadership based on innovative services such as free international shipping for T Universe subscribers.

SK Stoa's revenue grew by 15.5% YoY and sustained solid profitability by introducing a wide variety of differentiated products.

T Map Mobility secured growth momentum by launching Safe Chauffeur service, Plus Membership and Pick-up Service. In addition, UT, a joint venture between T Map Mobility and Uber Technologies, began offering its new ride hailing service in November after integrating the T Map Taxi and Uber apps, and is making aggressive efforts to increase its share of the taxi market.

One Store achieved gross merchandise value (GMV) growth for 13 consecutive quarters, and plans to evolve into a global multi-OS content platform.

■ Successful completion of horizontal spin-off marks new beginning for SK Telecom and SK Square

With the completion of a horizontal spin-off, SKT officially launched as two separate companies - an AI and Digital Infrastructure Service company named "SK Telecom" and an semiconductor and ICT investment company "SK Square" - on November 1, 2021.

SK Telecom aims to achieve an annual revenue of KRW 22 trillion in 2025 by strengthening its competitiveness in three key business areas, namely Fixed & Wireless Telecommunications, AI Service, and Digital Infrastructure Service.

SK Square will strive to boost the ICT industry by making bold and proactive investments in areas pertaining to its key business portfolio, which includes semiconductor, media, security and commerce sectors, and thereby triple its net asset value from KRW 26 trillion in 2021 to KRW 75 trillion by 2025.



Based on stable revenue and cash flow, SKT adopted a quarterly dividend at the end of the second quarter to increase the predictability of dividend for its shareholders, and strengthened its shareholder-friendly management by setting forth a mid-to long-term guideline that links dividend payment to its business performance.

By conducting a 5-1 stock split to increase the number of outstanding stocks, shares of SK Telecom and SK Square will become much more accessible to investors when trading recommences on November 29, 2021.

“SK Telecom and SK Square secured a solid foundation for new growth through the successful horizontal spin-off,” said Kim Jin-won, CFO of SKT. “Based on strong market leadership and ceaseless innovations, we will continue to increase our corporate value and evolve into a company admired by customers.”

<Attachment 1> Summary of Consolidated Income Statement (Unit: KRW billion)

Type	3Q 2021	3Q 2020	YoY	2Q 2021	QoQ
Revenue	4,967.5	4,731.4	5.0%	4,818.3	3.1%
Operating Income	400.0	358.0	11.7%	396.6	0.9%
Net Income	736.5	391.8	88.0%	795.7	-7.4%

<Attachment 2> Summary of Non-Consolidated Income Statement (Unit: KRW billion)

Type	3Q 2021	3Q 2020	YoY	2Q 2021	QoQ
Revenue	3,027.4	2,942.2	2.9%	3,021.6	0.2%
Operating Income	319.6	262.2	21.9%	328.4	-2.7%
Net Income	158.4	155.6	1.8%	184.0	-13.9%

<Attachment 3> Revenue per Business (Unit: KRW billion)

Type	3Q 2021	3Q 2020	YoY	2Q 2021	QoQ
MNO	3,027.4	2,942.2	2.9%	3,021.6	0.2%
Media	1,024.4	965.8	6.1%	997.1	2.7%
Safety & Care	397.0	353.3	12.4%	369.8	7.4%



Commerce	209.5	206.6	1.4%	211.0	-0.7%
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About SK Telecom

SK Telecom (NYSE:SKM) is Korea's leading ICT company, driving innovations in fixed & wireless telecommunications, AI service, and digital infrastructure service. Armed with cutting-edge ICT including AI and 5G, the company is ushering in a new level of convergence to deliver unprecedented value to customers. As the global 5G pioneer, SKT is committed to realizing the full potential of 5G through ground-breaking services that can improve people's lives, transform businesses, and lead to a better society.

SKT boasts unrivaled leadership in the Korean mobile market with over 30 million subscribers, which account for nearly 50 percent of the market.

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