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SKT Announces FY 2021 Results

- Posts revenue of KRW 16.749 trillion, operating income of KRW 1.387 trillion, and net income of KRW 2.419 trillion
- Exceeds 10 million cumulative 5G subscribers, achieves the highest net additions of IPTV subscribers in the market, and sustains rapid growth of T-commerce business
- Plans to accelerate innovations by redefining its business and carrying out shareholder-friendly management

Seoul, Korea, February 9, 2022 – SK Telecom (NYSE:SKM, hereinafter referred to as “SKT”) today announced its earnings for the year 2021 on a K-IFRS 16 consolidated basis: revenue of KRW 16.749 trillion, operating income of KRW 1.387 trillion, and net income of KRW 2.419 trillion.

Compared to the previous year, SKT’s consolidated revenue and operating income increased by 4.1% and 11.1%, respectively, driven by the even growth of all business areas including MNO, IPTV and T-commerce. Net income jumped by 61.2% YoY to KRW 2.419 trillion due to increased equity method gains from SK Hynix.

The MNO business further solidified its leadership in the mobile telecommunications market, surpassing 10 million cumulative 5G subscribers in January 2022. For year 2021, its non-consolidated revenue increased by 3.0% YoY to KRW 12.103 trillion and operating income grew by 8.9% YoY to KRW 1.114 trillion.

SK Broadband achieved record high earnings as its revenue increased by 9.0% YoY to KRW 4.049 trillion. Its operating income expanded by 19.4% YoY to stand at KRW 275.6 billion. SK Broadband achieved the highest net additions of IPTV subscribers in the market for three consecutive quarters since the second quarter of 2021.

SK Stoa maintained the No.1 position in the T-commerce market in terms of revenue. It has been growing at an annual average rate of 48% since 2018, posting a Gross Merchandise Volume (GMV) of KRW 1.3 trillion in 2021.



Having announced its vision to transform into an AI & Digital Service Company, SKT will make 2021 a year for opening a new chapter in its history and will begin preparing itself for the next decade.

Building on its strong earnings, SKT will accelerate future growth by redefining its business areas while maintaining shareholder-friendly management. The company has announced five key business groups: Fixed and Mobile Telecommunications, Media, Enterprise, AIVERSE (AI + Universe), and Connected Intelligence.

In the Fixed and Mobile Telecommunications business, SKT will continue to strengthen its competitiveness by creating synergies with SK Broadband based on its solid 5G leadership. In the Media business, the company will expand its platform competitiveness secured through the growth of pay TV subscribers to other areas including content, T-commerce and advertising.

In the Enterprise business, SKT will promote the advancement of its digital infrastructure business by expanding its data centers and entering into the global data center market, and providing cloud services that utilize 5G MEC technology. The company will also expand its smart factory business with AI at the core.

In the AIVERSE business, SKT will keep innovating its subscription-based platform 'T Universe' and metaverse platform 'Ifland', and introduce a new AI-based service.

T Universe made a successful entrance into the market, achieving a GMV of KRW 350 billion in just four months since its launch and fueling a three-fold rise in the cross-border shopping GMV of 11st. In particular, T Universe is witnessing a rapid increase in its subscribers centered around younger generations. At present, subscribers in their 20s to 40s take up 70% of the total. T Universe plans to further improve customer convenience by expanding Amazon product lineup and adding sharing and gifting features.

Surpassing 1.1 million monthly active users (MAU), Ifland is drawing great attention from diverse businesses and organizations, receiving over 1,500 requests for partnerships. Going forward, Ifland plans to continue its growth by opening up the platform to partners, introducing its own economic system, and expanding into overseas markets.

Through the Connected Intelligence business, which focuses on connecting future devices like urban air mobility (UAM) aircrafts, autonomous driving vehicles and robots, SKT will accelerate its innovations and develop new growth drivers for the next decade. The company



is set to lead the UAM market by promoting partnerships with strong global companies like Joby Aviation and taking part in UAM projects led by the Korean Government.

Moreover, SKT will continue its shareholder-friendly management based on its strong financial performance. SKT will set aside 30~40% of “EBITDA minus CapEx” for dividends to increase transparency and predictability in dividend payments, and continue to give out quarterly dividends adopted at the end of second quarter last year.

“In 2021, SKT has sustained even growth across all business areas including MNO, IPTV and T-commerce,” said Ryu Young-sang, CEO of SKT. “This year, we will redefine our business centered around five business groups to accelerate our growth and innovations, and enhance shareholder value to reach an annual revenue of KRW 23 trillion by 2025.”

※ **Attachment 1. Summary of Consolidated Income Statement** (Unit: KRW billion)

Type	Year-on-year			Quarter-on-quarter		
	2021	2020	Change	4Q 2021	3Q 2021	Change
Revenue	16,748.6	16,087.7	4.1%	4,297.8	4,212.6	2.0%
Operating Income	1,387.2	1,248.6	11.1%	226.7	390.6	-42.0%
Net Income	2,419.0	1,500.5	61.2%	314.8	736.5	-57.3%

* The horizontal spin-off is reflected in the figures.

※ **Attachment 2. Summary of Non-Consolidated Income Statement** (Unit: KRW billion)

Type	Year-on-year			Quarter-on-quarter		
	2021	2020	Change	4Q 2021	3Q 2021	Change
Revenue	12,102.8	11,746.6	3.0%	3,073.1	3,027.4	1.5%
Operating Income	1,114.3	1,023.1	8.9%	159.1	319.6	-50.2%
Net Income	1,073.8	758.8	41.5%	265.4	158.4	67.6%

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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