

**SK** telecom

# Investor Briefing

2022 Q2 Results

2022.08.09

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# **What's New?**

2Q22 Financial Results

Business Highlights

Shareholders Return

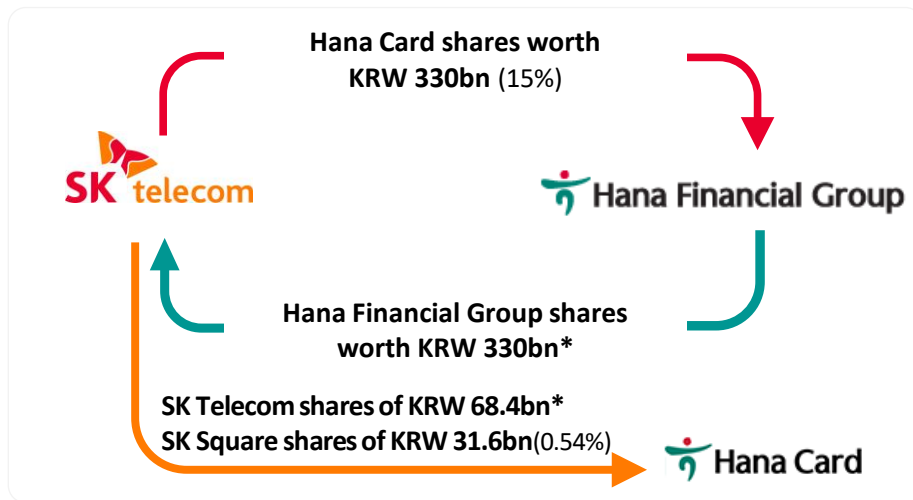
Appendix

# What's New?

## Strategic Partnership with Hana Financial Group

Forged a strategic partnership with Hana Financial Group through a stock swap deal worth over KRW 400bn to carry out new businesses centered on future ICT financial innovation such as digital finance and reinforce growth momentum of the five business groups

### Stock Swap Deal Structure



\* Acquired through a specialized money trust  
(Period: '22.7.28.~'24.1.31.)

### Key Areas of Cooperation

- 1 Digital transformation of finance
- 2 Develop new BMs by combining telecom and finance data
- 3 Joint utilization of the partners' infrastructure
- 4 Joint marketing based on digital technology
- 5 Integrate products and services tailored for the customers
- 6 Expand social roles through ESG cooperation

# What's New?

Launched new 5G price plans <sup>August 5</sup> that reflect various usage patterns to offer more choices and benefits for customers and expand the 5G subscriber base

Name	Monthly price	Data		Benefits			
		Limit	QoS	Smart device	Member-ship VIP	Subscrip-tion*	Damage insurance
<b>Basic<sup>NEW</sup></b>	<b>49,000 won</b>	<b>8 GB</b>	+ up to 400Kbps				
<b>Slim</b>	<b>55,000 won</b>	<b>11 GB<sup>up</sup></b>	+ up to 1Mbps				
<b>Basic Plus<sup>NEW</sup></b>	<b>59,000 won</b>	<b>24 GB</b>	+ up to 1Mbps				
<b>5GX Regular</b>	<b>69,000 won</b>	<b>110 GB</b>	+ up to 5Mbps				
<b>5GX Regular Plus</b>	<b>79,000 won</b>	<b>250 GB</b>	+ up to 5Mbps	One line 50%			
<b>5GX Prime</b>	<b>89,000 won</b>	<b>Unlimited</b>		One line free	<input type="radio"/>	Discount for two choices	
<b>5GX Prime Plus<sup>NEW</sup></b>	<b>99,000 won</b>	<b>Unlimited</b>		Two lines free	<input type="radio"/>	One choice free	<input type="radio"/> [Promotion]
<b>5GX Platinum</b>	<b>125,000 won</b>	<b>Unlimited</b>		Two lines free	<input type="radio"/>	Two choices free	<input type="radio"/> [Promotion]
<b>5G Untact 34<sup>NEW</sup></b>	<b>34,000 won</b>	<b>8 GB</b>	+ up to 400Kbps			[Promotion] 15GB + up to 3Mbps	
<b>5G Untact 38</b>	<b>38,000 won</b>	<b>10 GB</b>	+ up to 1Mbps				
<b>5G Untact 42<sup>NEW</sup></b>	<b>42,000 won</b>	<b>24 GB</b>	+ up to 1Mbps			[Promotion] 40GB + up to 3Mbps	
<b>5G Untact 52</b>	<b>52,000 won</b>	<b>200 GB</b>	+ up to 5Mbps				
<b>5G Untact 62</b>	<b>62,000 won</b>	<b>Unlimited</b>				Membership VIP	

\* Universe pass, wavve, FLO

What's New?



## **2Q22 Financial Results**

Business Highlights

Shareholders Return

Appendix

Stable growth of consolidated revenue and operating income in Q2 on the back of 5G competitiveness and B2B business growth

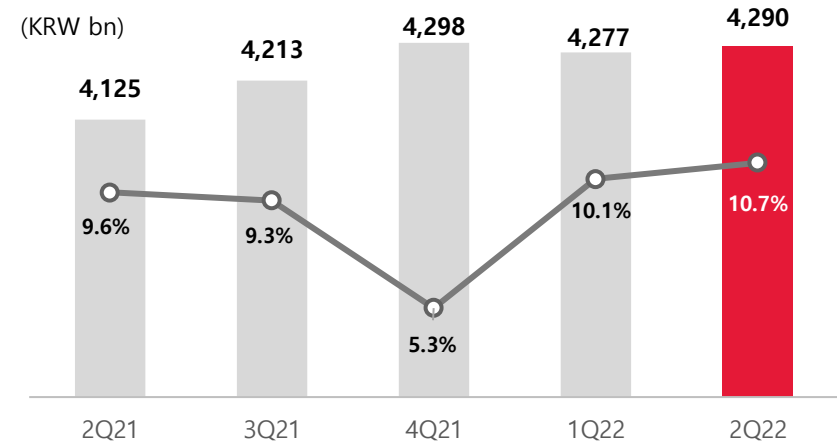
## Consolidated Income Statement

(KRW bn)	2Q22	2Q21	YoY	1Q22	QoQ
<b>Operating revenue</b>	<b>4,290</b>	<b>4,125</b>	<b>4.0%</b>	<b>4,277</b>	<b>0.3%</b>
- SKT	3,118	3,022	3.2%	3,077	1.3%
- SKB	1,033	997	3.6%	1,026	0.7%
<b>Operating expenses</b>	<b>3,830</b>	<b>3,729</b>	<b>2.7%</b>	<b>3,845</b>	<b>△0.4%</b>
<b>Operating income</b>	<b>460</b>	<b>396</b>	<b>16.1%</b>	<b>432</b>	<b>6.3%</b>
- SKT	381	328	16.0%	357	6.7%
- SKB	78	64	21.8%	76	2.8%
<b>Net income</b>	<b>258</b>	<b>796</b>	<b>△67.6%</b>	<b>220</b>	<b>17.2%</b>
- Income from continuing operations	258	441	△41.4%	-	-
- Income from spun-off operations	-	355	-	-	-
<b>EBITDA</b>	<b>1,400</b>	<b>1,345</b>	<b>4.1%</b>	<b>1,379</b>	<b>1.6%</b>

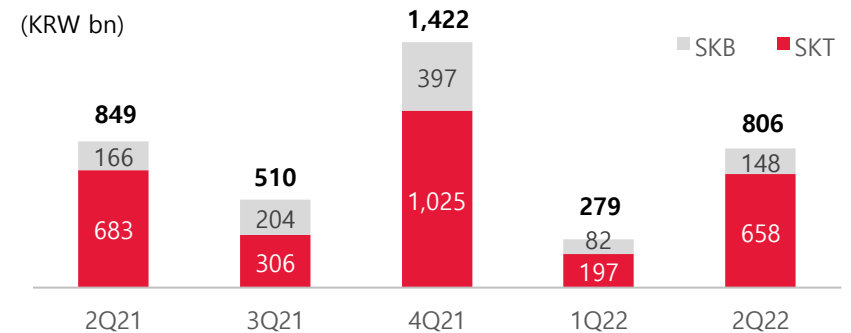
- **Consolidated revenue posted KRW 4.29tn, up 4.0% YoY**
  - Stable growth of SKT and SKB and the addition of a new subsidiary SK m&service
- **Consolidated operating income posted KRW 459.6bn, up 16.1% YoY**
  - Improved profitability with better cost efficiency of SKT and SKB
- **Consolidated net income fell 67.6% YoY to KRW 258.1bn**
  - Impact of excluding equity method income from SK Hynix, caused by horizontal spin-off in 2021

## Key Metrics

### Revenue & Operating Margin



### CAPEX



# 2Q22 Financial Results

Non-consolidated

Continued MNO revenue growth driven by 5G subscriber expansion and roaming revenue recovery as well as cost stabilization

## Non-consolidated Income Statement

(KRW bn)	2Q22	2Q21	YoY	1Q22	QoQ
<b>Operating revenue</b>	<b>3,118</b>	<b>3,022</b>	<b>3.2%</b>	<b>3,077</b>	<b>1.3%</b>
- MNO	2,616	2,561	2.2%	2,587	1.1%
- Other	502	461	9.0%	490	2.5%
<b>Operating expenses</b>	<b>2,737</b>	<b>2,693</b>	<b>1.6%</b>	<b>2,720</b>	<b>0.6%</b>
- Marketing expense	758	805	△5.8%	745	1.9%
- Depreciation <sup>1)</sup>	705	729	△3.4%	713	△1.2%
<b>Operating income</b>	<b>381</b>	<b>328</b>	<b>16.0%</b>	<b>357</b>	<b>6.7%</b>
<b>Net income</b>	<b>224</b>	<b>184</b>	<b>22.0%</b>	<b>252</b>	<b>△10.9%</b>
<b>EBITDA</b>	<b>1,085</b>	<b>1,057</b>	<b>2.6%</b>	<b>1,070</b>	<b>1.4%</b>

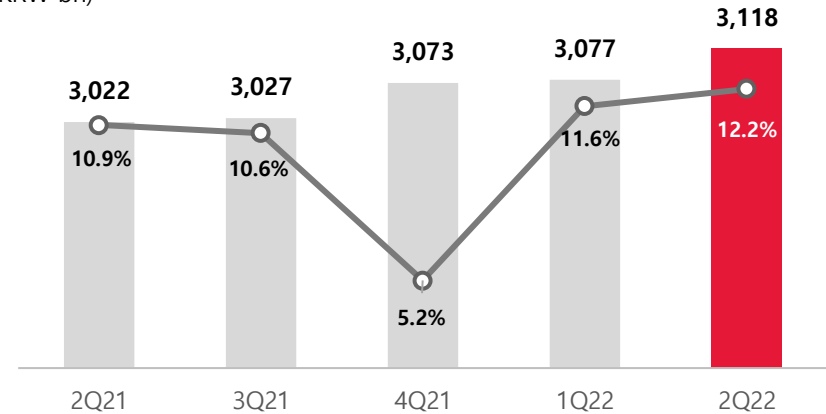
<sup>1)</sup> R&D related depreciation and amortization included

- **Non-consolidated revenue posted KRW 3.12tn, up 3.2% YoY**
  - MNO revenue growth driven by 5G subscriber growth and roaming revenue recovery
  - Growth in other revenues including solutions (implementation service)
- **Non-consolidated operating income posted KRW 380.9bn, up 16.0% YoY**
  - Marketing expenses down YoY but up QoQ due to ad expenses
  - One-off labor cost and outsourced service cost grew but depreciation trend stabilized
- **Non-consolidated net income grew 22.0% YoY**

## Key Metrics

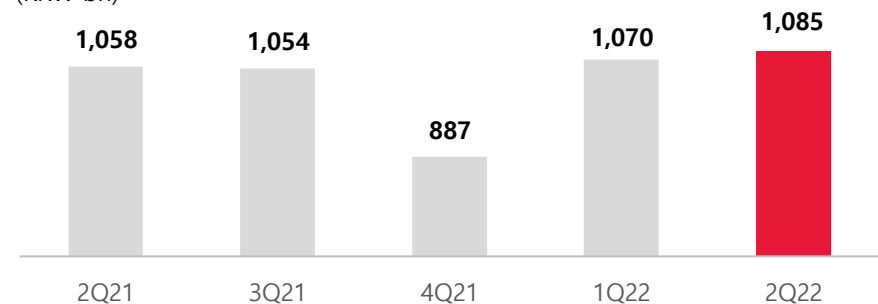
### Revenue & Operating Margin

(KRW bn)



### EBITDA

(KRW bn)





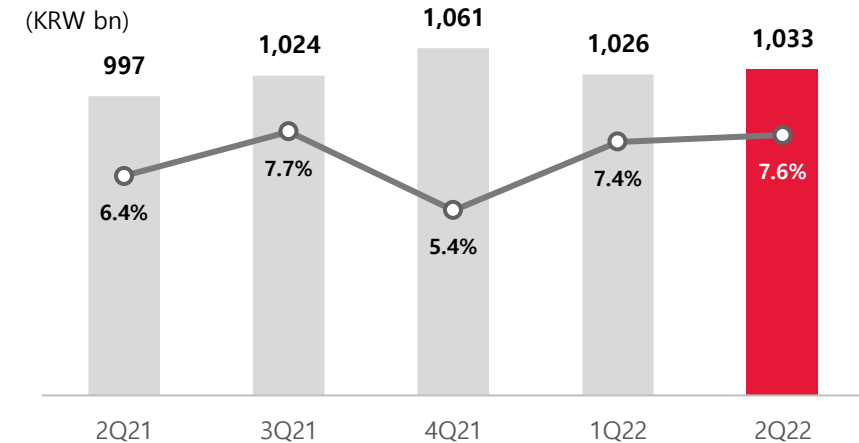
Sustained growth of revenue and operating income in Q2 thanks to the expansion of pay tv and fixed-line subscriber base and solid growth trend of B2B business

## Consolidated Income Statement

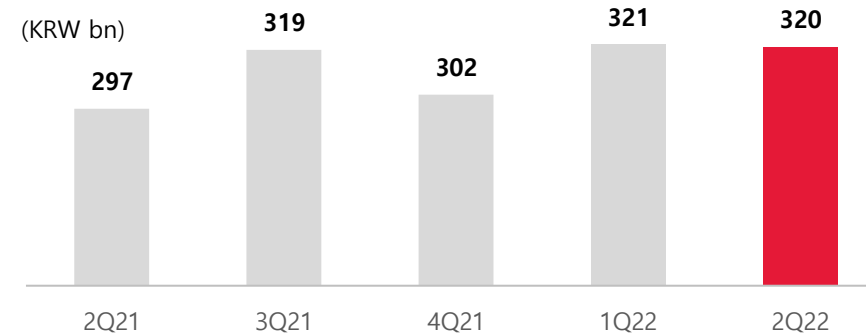
(KRW bn)	2Q22	2Q21	YoY	1Q22	QoQ
<b>Operating revenue</b>	<b>1,033</b>	<b>997</b>	<b>3.6%</b>	<b>1,026</b>	<b>0.7%</b>
- Pay tv	467	455	2.8%	471	△0.7%
- Fixed line	257	253	1.5%	256	0.1%
- B2B business	309	290	6.7%	299	3.3%
<b>Operating expenses</b>	<b>955</b>	<b>933</b>	<b>2.3%</b>	<b>950</b>	<b>0.5%</b>
<b>Operating income</b>	<b>78</b>	<b>64</b>	<b>21.8%</b>	<b>76</b>	<b>2.8%</b>
<b>Net income</b>	<b>53</b>	<b>59</b>	<b>△9.9%</b>	<b>51</b>	<b>3.9%</b>
<b>EBITDA</b>	<b>320</b>	<b>297</b>	<b>7.9%</b>	<b>321</b>	<b>△0.3%</b>

## Key Metrics

### Revenue & Operating margin



### EBITDA



- **SKB consolidated revenue grew 3.6% YoY to KRW 1.03tn**
  - Further growth in new B2B customers and new Data Centers
  - Continued growth of subscriber base with No. 1 in IPTV net-adds M/S in 1H
- **SKB consolidated operating income posted KRW 78.2bn, up 21.8% YoY**
  - Steady operating income uptrend driven by volume growth in terms of B2B business and pay tv subscribers as well as cost stabilization
- **SKB consolidated net income declined 9.9% YoY due to the base effect of one-off gains posted in 2021 Q2**

What's New?

2Q22 Financial Results



**Business Highlights**

Shareholders Return

Appendix

# Business Highlights



## Fixed & Mobile

- **5G subscribers become a majority, taking up 50% of the total handset subscribers**
  - 5G M/S further rose to 47.7%\* in Q2
  - \* Excluding MVNO
- **Q2 marketing expenses fell 5.8% YoY**
  - Sustained declining trend YoY based on efforts to enhance marketing expense efficiency
- **No. 1 IPTV net-adds M/S in 1H**
  - Continued IPTV subscriber growth led the pay tv subscriber base expansion



## Enterprise

- **Enterprise revenue was up 13.8% YoY to KRW 374.3bn**
  - On-track growth in all business areas including Data Center, Cloud and AIoT
- **Sustained growth of Data Center business recorded for 6 consecutive quarters**
  - Continued structural top-line growth on the back of higher operation rates of new Data Centers
- **Cloud revenue grew 133.0% YoY to KRW 26.1bn**
  - Cloud business growth driven by fast-growing MSP revenue with increased recurring sales



## Media

- **Media revenue was up 22.3% YoY to KRW 382.1bn**
  - Pursue growth and value chain expansion by utilizing fixed and wireless subscriber base
- **Increased investments including capital injection for Media S and a joint content sourcing deal**
  - Strengthen original content production by injecting capital to Media S
  - Boost investment and cooperation through a joint content sourcing deal among the three telecom companies
- **T Commerce and Ad business continued to strengthen competitiveness such as AI targeting capability**
  - Focus on high-margin products <sup>SK Stoa</sup>, and expand display ad media such as T membership

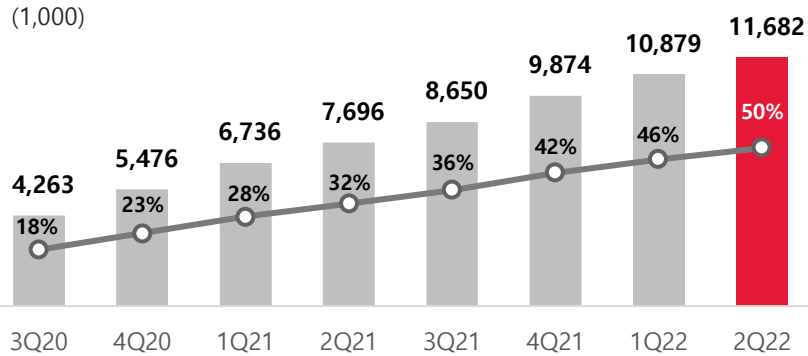


## AIVERSE

- **Subscription GMV reached KRW 260bn in 1H**
  - T universe users reached 1.2 million with noticeable growth of customers in their 20s to 40s
- **ifland focuses on expansion in terms of social, community, and coverage**
  - Well positioned after one year of launch with MAU of 1.63 million and cumulative downloads of 8.7 million
  - In the process of building the ecosystem by expanding social and community functions and service coverage

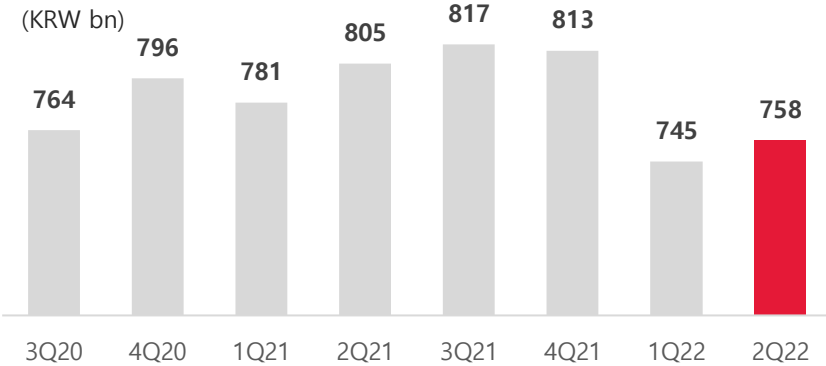
## 5G subscribers & portion

5G subscribers become a majority, accounting for 50% of the total handset subscribers



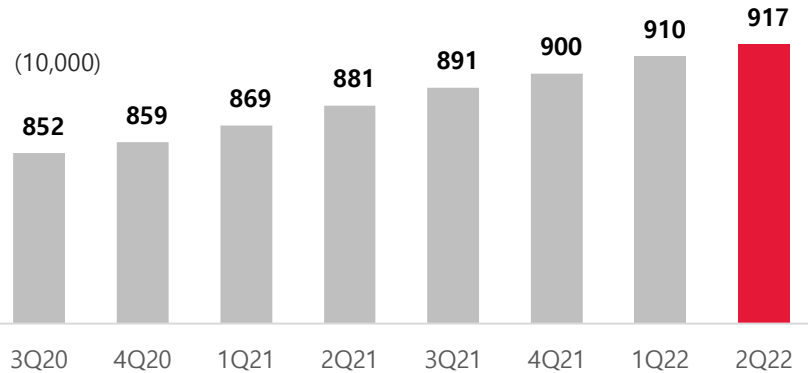
## Marketing expense (based on MNO accounting)

QoQ rise in ad expenses but continued stabilization trend of the overall marketing expenses



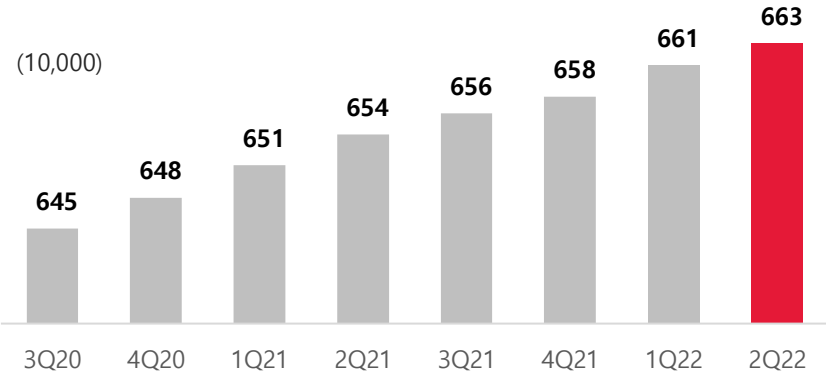
## Pay tv subscribers (IPTV+CATV)

Pay tv subscribers surpassing 9.17 million with continued IPTV subscriber growth



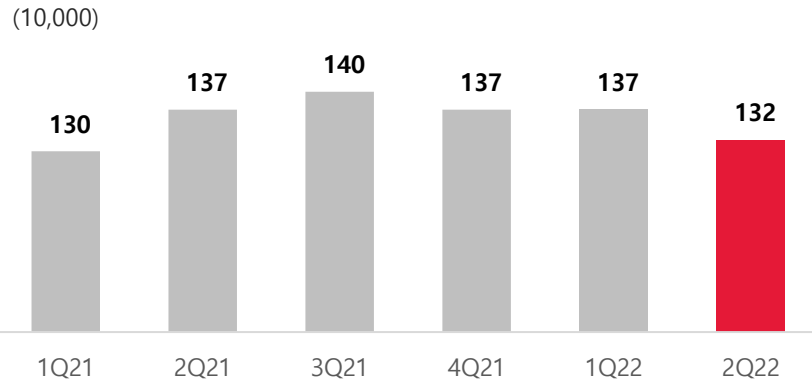
## Broadband subscribers

Continued growth trend centered on Giga subscribers



### PPM\* subscription status

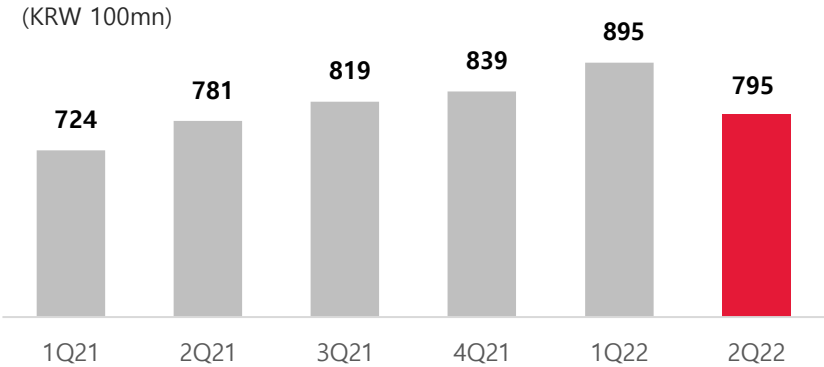
Turn-around expected in 2H with more content offerings



\* Pay Per Month

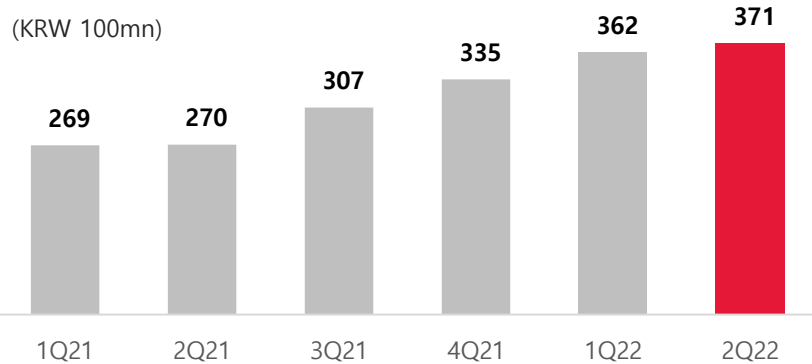
### SK Stoa revenue

Focus on expansion of high-margin product categories and marketing expense efficiency amid growth in offline consumption



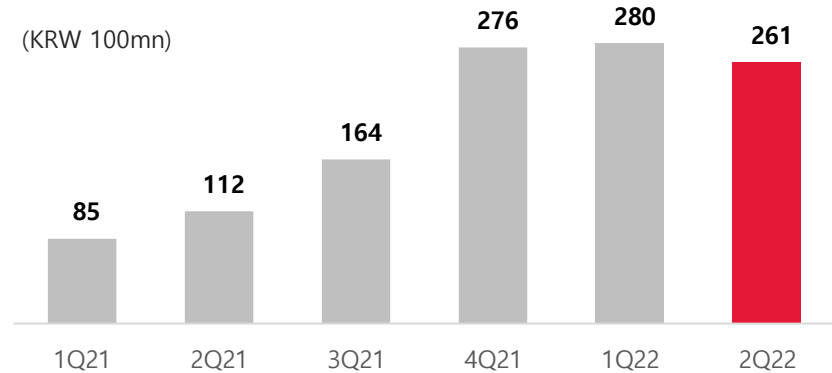
### Data Center revenue

Continued structural growth based on increase in traffic and impact of new Data Centers



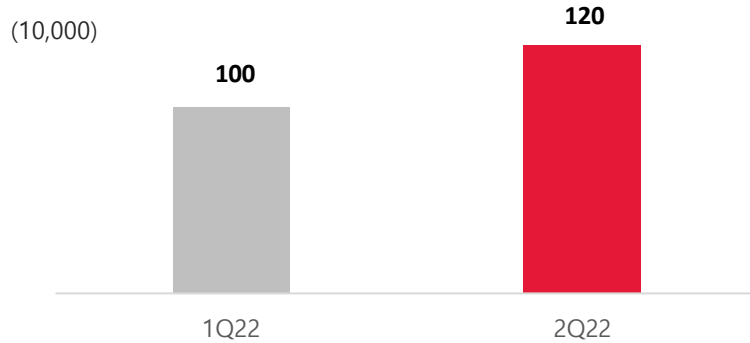
### Cloud revenue

Structural growth continued with MSP performance, but QoQ decline due to the one-off implementation project at the end of last year



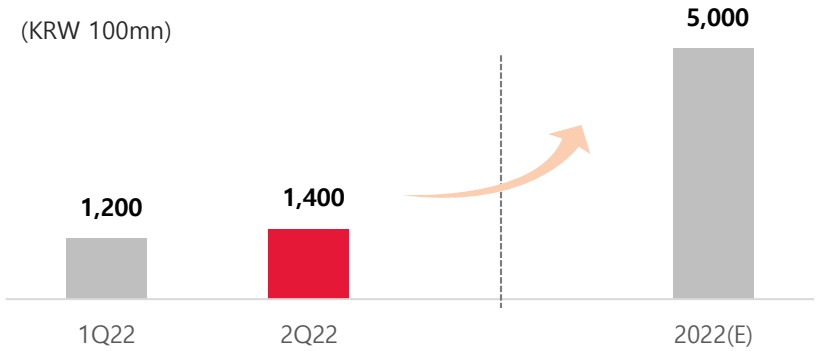
## Subscription subscribers (T universe)

Subscriber growth on track with 1.2mn subscribers in 1H



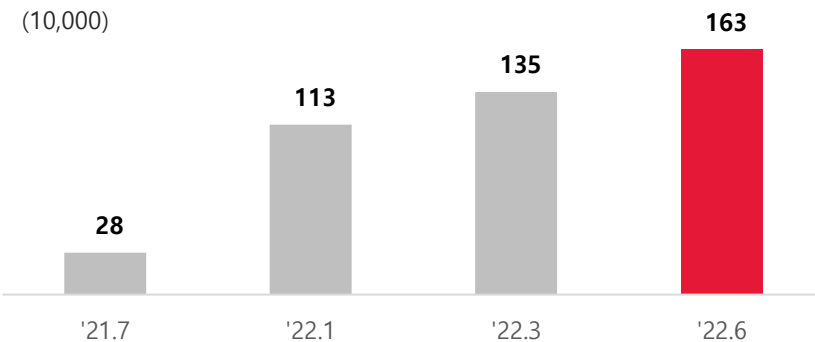
## Subscription GMV

1H GMV at KRW 260bn and on track to achieve the year-end goal of KRW 500bn



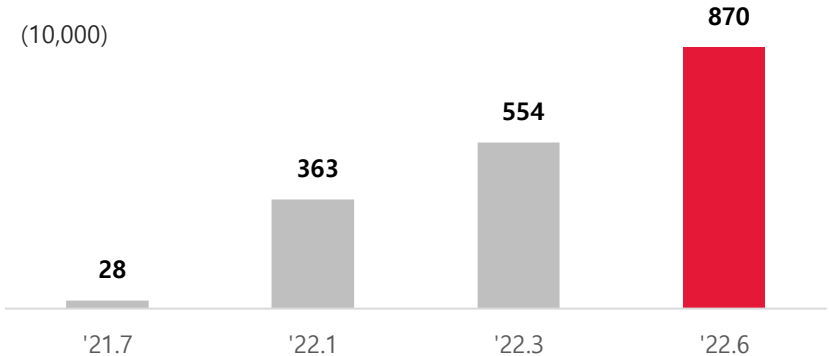
## ifland MAU

Continued growth of user base by offering rich communication experiences through user-organized meet-ups and various events



## ifland cumulative downloads

Establishing itself as a preferred communication platform by creating a new communication culture



What's New?

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**Shareholders Return**

Appendix

# Shareholders Return

Q2 DPS determined at KRW 830 (total: KRW 181bn)

[ Dividend trend]

Category	2020	2021					2022	
		1Q	2Q	3Q	4Q	Total	1Q	2Q
<b>Total dividend</b> (KRW bn)	715.1	-	177.9	177.9	361.2	717.0	180.9	<b>181.0</b>
<b>DPS</b> (KRW) <sup>1)</sup>	2,000	-	500	500	1,660 <sup>2)</sup>	3,295 <sup>3)</sup>	830	<b>830</b>
<b>Dividend yield</b>	4.1%	-	0.8%	0.8%	2.7%	5.7%	1.4%	<b>1.5%</b>

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

2) The total number of shares decreased due to the spin-off (Nov. 1, 2021) but the total dividend size is maintained, thus raising DPS

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



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**Appendix**

## ■ Consolidated Income Statement

(KRW bn)	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22
Operating revenue	4,113.1	4,125.1	4,215.0	4,295.3	16,748.6	4,277.2	4,289.9
Operating expenses	3,738.9	3,729.4	3,822.0	4,071.1	15,361.4	3,844.8	3,830.3
Labor cost	581.0	537.7	538.7	643.4	2,300.8	637.1	593.2
Commissions paid	1,303.3	1,351.2	1,345.3	1,426.4	5,426.1	1,310.2	1,370.9
Advertising	31.1	54.7	61.2	86.4	233.4	49.2	54.9
Depreciation <sup>1)</sup>	944.0	949.2	964.0	962.6	3,819.8	946.3	940.7
Network interconnection	193.9	183.2	184.2	188.3	749.6	189.4	185.3
Leased line and frequency usage fees	74.4	72.8	77.0	86.0	310.1	67.6	61.1
Cost of goods sold	279.4	247.0	310.0	331.1	1,167.4	307.6	267.7
Others	331.8	333.8	341.6	347.0	1,354.2	337.3	356.6
<b>Operating income</b>	<b>374.2</b>	<b>395.7</b>	<b>393.0</b>	<b>224.2</b>	<b>1,387.2</b>	<b>432.4</b>	<b>459.6</b>
EBITDA	1,318.2	1,344.9	1,357.0	1,186.8	5,207.0	1,378.7	1,400.3
EBITDA margin	32.0%	32.6%	32.2%	27.6%	31.1%	32.2%	32.6%
Net profit or loss from non-operating items	112.3	181.8	(33.9)	70.8	331.0	(105.4)	(56.8)
Equity gains or losses	127.7	279.6	29.4	9.6	446.3	(38.4)	13.6
Income from continuing operations before tax	486.5	577.6	359.1	295.0	1,718.2	327.0	402.8
Income from spun-off operations	216.2	355.0	473.0	103.4	1,147.6	-	-
<b>Consolidated net income</b>	<b>572.0</b>	<b>795.7</b>	<b>736.5</b>	<b>314.8</b>	<b>2,419.0</b>	<b>220.3</b>	<b>258.1</b>
Majority interests	558.3	765.8	784.2	299.3	2,407.5	211.3	253.9
Minority interests	13.7	29.9	(47.7)	15.5	11.5	9.1	4.3
<b>Basic earnings per share (KRW)</b>	<b>1,559</b>	<b>2,142</b>	<b>2,194</b>	<b>1,296</b>	<b>7,191</b>	<b>953</b>	<b>1,147</b>

※ 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)	3-31-21	6-30-21	9-30-21	12-31-21	3-31-22	6-30-22
<b>Total assets</b>	<b>47,761.5</b>	<b>50,057.6</b>	<b>51,677.5</b>	<b>30,911.3</b>	<b>30,574.7</b>	<b>30,648.4</b>
<b>Current assets</b>	<b>8,865.2</b>	<b>9,140.9</b>	<b>9,319.6</b>	<b>6,352.7</b>	<b>6,544.8</b>	<b>7,061.2</b>
Cash and short-term financial instruments <sup>1)</sup>	2,580.3	3,058.1	3,066.1	1,381.4	1,386.2	1,841.5
Accounts receivable	3,377.7	3,256.9	3,475.9	2,461.9	2,602.3	2,593.5
Other current assets	2,907.2	2,825.9	2,777.5	2,509.4	2,556.3	2,626.3
<b>Non-current assets</b>	<b>38,896.3</b>	<b>40,916.7</b>	<b>42,357.9</b>	<b>24,558.6</b>	<b>24,029.8</b>	<b>23,587.2</b>
PP&E and intangible assets	20,497.8	20,749.3	20,654.0	18,813.5	18,330.4	18,269.4
Investment assets	16,446.2	18,240.6	19,621.2	3,912.8	3,855.3	3,541.5
Other non-current assets	1,952.3	1,926.8	2,082.8	1,832.3	1,844.1	1,776.4
<b>Total liabilities</b>	<b>23,192.4</b>	<b>23,650.8</b>	<b>24,493.7</b>	<b>18,576.1</b>	<b>18,305.2</b>	<b>18,501.8</b>
<b>Current liabilities</b>	<b>8,099.6</b>	<b>7,821.8</b>	<b>8,380.5</b>	<b>6,960.4</b>	<b>6,935.3</b>	<b>7,575.9</b>
Short-term borrowings	110.0	62.3	61.5	13.0	168.0	13.0
Accounts payable	2,604.6	2,565.0	2,556.2	2,262.4	2,157.7	2,010.1
Other current liabilities	5,384.9	5,194.5	5,762.8	4,685.0	4,609.6	5,552.9
<b>Non-current liabilities</b>	<b>15,092.8</b>	<b>15,829.0</b>	<b>16,113.1</b>	<b>11,615.7</b>	<b>11,369.9</b>	<b>10,925.8</b>
Bonds payable & long-term borrowings	9,613.1	9,780.5	9,632.8	7,390.5	7,423.2	7,064.7
Deferred tax liabilities	2,740.8	3,061.4	3,200.6	941.3	978.7	862.8
Other non-current liabilities	2,738.8	2,987.2	3,279.8	3,283.9	2,968.0	2,998.3
<b>Total shareholders' equity</b>	<b>24,569.1</b>	<b>26,406.8</b>	<b>27,183.8</b>	<b>12,335.1</b>	<b>12,269.5</b>	<b>12,146.6</b>
Common stock and additional paid in capital	684.9	2,871.1	2,871.3	(11,593.2)	(11,529.5)	(11,519.0)
Retained earnings	22,875.8	21,679.4	22,307.1	22,437.3	22,297.1	22,376.7
Other comprehensive income/loss	336.5	952.9	1,090.2	735.2	738.0	500.5
Minority interests	671.9	903.4	915.3	755.8	763.9	788.3

※ 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

### ■ Non-consolidated Income Statement

(KRW bn)	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22
<b>Operating revenue</b>	<b>2,980.7</b>	<b>3,021.6</b>	<b>3,027.4</b>	<b>3,073.1</b>	<b>12,102.8</b>	<b>3,077.4</b>	<b>3,118.2</b>
Mobile service revenue	2,531.8	2,560.6	2,574.9	2,589.8	10,257.1	2,587.1	2,615.8
Interconnection	127.7	126.0	125.7	132.8	512.2	132.4	129.3
Others	321.2	335.0	326.8	350.5	1,333.5	357.9	373.1
<b>Operating expenses</b>	<b>2,673.4</b>	<b>2,693.2</b>	<b>2,707.9</b>	<b>2,914.0</b>	<b>10,988.5</b>	<b>2,720.5</b>	<b>2,737.3</b>
Labor cost	247.5	208.6	209.3	288.4	953.8	291.9	237.7
Commissions paid	1,173.4	1,201.9	1,210.9	1,231.8	4,817.9	1,154.7	1,177.6
Marketing commissions	767.9	784.3	792.8	753.3	3,098.3	727.7	723.5
Other commissions	405.5	417.6	418.1	478.5	1,719.6	427.0	454.1
Advertising	13.2	21.0	24.2	59.6	118.0	16.9	34.9
Depreciation <sup>1)</sup>	723.2	729.1	734.3	727.6	2,914.2	713.3	704.5
Network interconnection	141.3	137.3	137.3	145.5	561.3	144.0	140.4
Leased line	20.8	21.8	22.2	20.9	85.7	20.5	21.2
Frequency usage fees	34.2	32.9	28.6	25.1	120.8	25.3	25.8
Others	319.8	340.6	341.2	415.2	1,416.7	353.7	395.1
<b>Operating income</b>	<b>307.3</b>	<b>328.4</b>	<b>319.6</b>	<b>159.1</b>	<b>1,114.3</b>	<b>356.9</b>	<b>380.9</b>
<i>EBITDA</i>	1,030.5	1,057.5	1,053.9	886.7	4,028.6	1,070.3	1,085.4
<i>EBITDA margin</i>	34.6%	35.0%	34.8%	28.9%	33.3%	34.8%	34.8%
<b>Net profit or loss from non-operating items</b>	<b>273.6</b>	<b>(107.7)</b>	<b>(89.7)</b>	<b>178.8</b>	<b>255.0</b>	<b>(18.3)</b>	<b>(52.5)</b>
<b>Income from continuing operations before tax</b>	<b>580.9</b>	<b>220.6</b>	<b>229.9</b>	<b>338.0</b>	<b>1,369.3</b>	<b>338.6</b>	<b>328.4</b>
<b>Net income</b>	<b>466.0</b>	<b>184.0</b>	<b>158.4</b>	<b>265.4</b>	<b>1,073.8</b>	<b>252.0</b>	<b>224.5</b>

1) Depreciation and amortization includes R&D related depreciation

### ■ Non-consolidated Balance Sheet

(KRW bn)	3-31-21	6-30-21	9-30-21	12-31-21	3-31-22	6-30-22
<b>Total assets</b>	<b>31,787.5</b>	<b>32,710.6</b>	<b>32,167.4</b>	<b>26,389.1</b>	<b>26,090.8</b>	<b>25,878.5</b>
<b>Current assets</b>	<b>5,017.2</b>	<b>4,835.7</b>	<b>4,863.9</b>	<b>4,681.5</b>	<b>4,767.3</b>	<b>5,056.4</b>
Cash and short-term financial instruments <sup>1)</sup>	589.6	599.4	575.8	537.8	503.3	740.7
Accounts receivable	2,082.1	1,975.6	2,110.2	2,027.3	2,106.7	2,048.0
Other current assets	2,345.5	2,260.7	2,177.8	2,116.4	2,157.3	2,267.7
<b>Non-current assets</b>	<b>26,770.2</b>	<b>27,875.0</b>	<b>27,303.6</b>	<b>21,707.6</b>	<b>21,323.5</b>	<b>20,822.1</b>
PP&E and intangible assets	12,621.7	12,771.6	12,594.2	13,828.0	13,427.7	13,413.8
Investment assets	12,654.7	13,656.3	13,150.1	6,317.9	6,315.5	5,924.7
Other non-current assets	1,493.8	1,447.1	1,559.2	1,561.7	1,580.2	1,483.6
<b>Total liabilities</b>	<b>14,507.6</b>	<b>14,705.7</b>	<b>14,555.1</b>	<b>15,526.2</b>	<b>15,309.5</b>	<b>15,370.7</b>
<b>Current liabilities</b>	<b>4,963.6</b>	<b>4,740.3</b>	<b>4,724.2</b>	<b>5,426.5</b>	<b>5,570.8</b>	<b>6,031.8</b>
Accounts payable	1,447.3	1,865.0	1,623.6	2,228.2	1,845.8	2,025.2
Other current liabilities	3,516.4	2,875.3	3,100.6	3,198.2	3,725.1	4,006.6
<b>Non-current liabilities</b>	<b>9,543.9</b>	<b>9,965.4</b>	<b>9,831.0</b>	<b>10,099.7</b>	<b>9,738.6</b>	<b>9,338.9</b>
Bonds payable & long-term borrowings	6,266.5	6,437.2	6,244.1	6,135.4	6,097.0	5,819.5
Long-term payables	926.5	929.8	1,062.8	1,611.0	1,223.8	1,229.0
Other non-current liabilities	2,350.9	2,598.4	2,524.0	2,353.3	2,417.8	2,290.5
<b>Total shareholders' equity</b>	<b>17,279.9</b>	<b>18,005.0</b>	<b>17,612.3</b>	<b>10,862.9</b>	<b>10,781.3</b>	<b>10,507.7</b>
Common stock and additional paid in capital	290.5	2,256.8	2,257.0	(4,545.8)	(4,468.6)	(4,474.4)
Retained earnings	16,488.3	14,707.7	14,688.3	14,770.6	14,672.3	14,717.1
Other comprehensive income/loss	501.1	1,040.5	667.0	638.0	577.7	265.1

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

## ■ Consolidated Income Statement

(KRW bn)	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22
Operating revenue	967.0	997.1	1,024.4	1,060.6	4,049.2	1,026.0	1,032.8
Operating expenses	891.6	932.9	945.8	1,003.3	3,773.6	949.9	954.6
Labor cost	137.4	138.4	140.4	153.7	569.9	144.0	145.8
Marketing expense	80.1	99.8	89.6	116.1	385.5	93.2	91.1
Commissions paid	270.5	282.5	288.1	294.1	1,135.2	285.7	290.6
Interconnection	29.0	31.8	30.6	31.6	123.0	30.9	30.5
NW lease expense	28.3	31.0	28.3	32.3	119.9	30.4	31.8
Others	142.2	141.4	158.4	161.1	603.1	151.8	153.6
Depreciation	204.1	208.0	210.4	214.4	836.9	214.0	211.3
<b>Operating income</b>	<b>75.4</b>	<b>64.2</b>	<b>78.6</b>	<b>57.4</b>	<b>275.6</b>	<b>76.1</b>	<b>78.2</b>
<i>EBITDA</i>	303.5	296.7	319.0	302.0	1,221.3	321.2	320.1
<i>EBITDA margin</i>	31.4%	29.8%	31.1%	28.5%	30.2%	31.3%	31.0%
Non-operating income	(7.4)	9.4	(7.6)	(10.5)	(16.1)	(8.8)	(5.4)
Income before tax	68.0	73.6	71.0	46.9	259.5	67.3	72.7
Net income	49.9	58.7	54.5	35.1	198.3	50.9	52.9

## ■ Consolidated Balance Sheet

(KRW bn)	3-31-21	6-30-21	9-30-21	12-31-21	3-31-22	6-30-22
<b>Assets</b>	<b>5,736.5</b>	<b>5,705.3</b>	<b>6,039.4</b>	<b>5,997.8</b>	<b>5,931.6</b>	<b>6,105.7</b>
<b>Current assets</b>	<b>1,278.4</b>	<b>1,284.9</b>	<b>1,490.3</b>	<b>1,252.9</b>	<b>1,322.7</b>	<b>1,530.2</b>
Cash & cash equivalents	145.1	211.9	315.7	407.7	436.7	649.4
Short-term financial instruments	289.4	259.6	350.2	10.5	10.5	20.5
Inventories	8.3	8.6	16.3	24.2	22.3	24.8
Other current assets	835.7	804.9	808.1	810.5	853.1	835.5
<b>Non-current assets</b>	<b>4,458.1</b>	<b>4,420.4</b>	<b>4,549.1</b>	<b>4,744.9</b>	<b>4,608.9</b>	<b>4,575.5</b>
Tangible assets	3,042.5	3,016.3	3,007.6	3,127.6	3,013.8	2,976.2
Real estate investments	8.6	8.5	8.5	8.5	8.4	8.4
Other intangible assets	789.3	784.5	771.4	790.5	765.7	745.1
Other non-current assets	617.7	611.1	761.6	818.4	820.9	845.9
<b>Liabilities</b>	<b>3,043.7</b>	<b>2,951.8</b>	<b>3,228.0</b>	<b>3,130.2</b>	<b>3,022.7</b>	<b>3,141.2</b>
<b>Current liabilities</b>	<b>1,322.1</b>	<b>1,240.0</b>	<b>1,358.6</b>	<b>1,433.8</b>	<b>1,243.1</b>	<b>1,441.2</b>
Accounts payable	646.1	627.5	666.1	740.8	639.1	744.2
Short-term borrowings and notes payable	403.9	354.0	434.1	454.1	334.2	431.0
Other current liabilities	272.1	258.5	258.5	238.9	269.9	265.9
<b>Non-current liabilities</b>	<b>1,721.7</b>	<b>1,711.8</b>	<b>1,869.4</b>	<b>1,696.4</b>	<b>1,779.6</b>	<b>1,700.0</b>
Long-term trade payables	4.4	4.1	3.9	3.9	3.8	3.8
Long-term borrowings and notes payable	1,386.6	1,376.6	1,403.8	1,255.1	1,326.3	1,245.2
Other non-current liabilities	330.6	331.0	461.7	437.4	449.5	451.0
<b>Equity</b>	<b>2,692.8</b>	<b>2,753.5</b>	<b>2,811.4</b>	<b>2,867.7</b>	<b>2,908.9</b>	<b>2,964.6</b>
Common stock	2,007.3	2,007.3	2,007.3	2,007.3	2,007.3	2,007.3
Additional paid in capital	636.5	635.5	635.5	645.7	645.7	645.6
Retained earnings	44.1	103.6	162.4	205.6	253.7	308.3
Other comprehensive income/loss	4.9	7.1	6.2	9.1	2.2	2.2

## ■ Subscribers

(Thousands)	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	YoY	QoQ
<b>SKT</b>											
MNO Subscribers <sup>1)</sup>	28,932	29,034	29,089	29,308	29,383	29,422	29,696	29,832	30,250	3.0%	1.4%
Net adds	184	101	55	219	74	39	274	136	418	461.6%	207.6%
Activations	953	856	794	956	777	788	1,057	837	1,076	38.5%	28.6%
Deactivations	769	755	739	737	702	750	782	701	658	△6.3%	△6.1%
Monthly Churn	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%	0.9%	0.8%	0.7%	△0.1%p	△0.2%p
Handset subs	24,145	24,123	24,052	24,042	23,982	23,906	23,750	23,678	23,587	△1.6%	△0.4%
LTE subs	23,785	23,230	22,182	21,251	20,475	19,644	18,782	17,981	17,645	△13.8%	△1.9%
5G subs	3,348	4,263	5,476	6,736	7,696	8,650	9,874	10,879	11,682	51.8%	7.4%
Total Mobile subs <sup>2)</sup>	31,440	31,440	31,384	31,520	31,626	31,595	31,884	32,129	32,559	2.9%	1.3%
<b>SKB</b>											
Pay TV Subscribers	8,398	8,522	8,586	8,686	8,806	8,913	9,000	9,094	9,167	4.1%	0.8%
IPTV subs	5,403	5,532	5,657	5,782	5,920	6,035	6,137	6,246	6,328	6.9%	1.3%
CATV subs	2,995	2,990	2,929	2,904	2,886	2,878	2,863	2,848	2,839	△1.6%	△0.3%
High speed internet	6,405	6,445	6,476	6,508	6,539	6,560	6,577	6,608	6,633	1.4%	0.4%
<b>CAPEX (KRW bn)</b>											
SKT	918	245	736	165	683	306	1,025	197	658	△3.7%	233.8%
SKB	182	152	426	55	166	204	397	82	148	△11.3%	79.2%

1) Excludes MVNO & other connections

2) Includes MVNO connections, excludes other connections

## ■ ARPU

(KRW)	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	YoY	QoQ
ARPU <sup>1)</sup>	30,158	30,051	30,269	30,213	30,446	30,669	30,740	30,401	30,656	0.7%	0.8%
ARPU including MVNO	27,701	27,783	28,066	28,124	28,395	28,600	28,820	28,492	28,706	1.1%	0.8%

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)

