

FOR IMMEDIATE RELEASE

SK Telecom Announces 3Q 2022 Earnings Results

- SKT posts revenue of KRW 4.343 trillion, operating income of KRW 465.6 billion, and net income of KRW 245.6 billion
- Fixed and Mobile Telecommunications Business maintains solid market leadership, while new growth businesses such as Media Business, Enterprise Business and AIVERSE Business also achieve tangible results
- . Cumulative revenue of Enterprise Business in 2022 surpasses KRW 1 trillion with the rapid increase in sales of cloud solutions
- . Total GMV of subscription business is expected to reach KRW 550 billion in 2022, while ifland exceeds 12.8 million cumulative users.
- Building on solid performance, SKT is set to enhance shareholder and customer value, while sustaining strong growth.

Seoul, Korea, November 10, 2022 – SK Telecom (NYSE: SKM, hereinafter referred to as “SKT”) today announced its earnings for the third quarter of 2022 on a K-IFRS consolidated basis: revenue of KRW 4.343 trillion, operating income of KRW 465.6 billion, and net income of KRW 245.6 billion.

Compared to the same period last year, SKT’s consolidated revenue and operating income increased by 3% and 18.5%, respectively, thanks to the growth of its Fixed and Mobile Telecommunications Business, as well as new growth businesses including Media and Enterprise. Net income decreased by 66.7% due to factors including the exclusion of equity method gains from SK Hynix.

On a non-consolidated basis, SKT’s revenue rose by 3.1% year-on-year (YoY) to stand at KRW 3.123 trillion, and its operating income expanded by 21.6% YoY to KRW 388.7 billion. Non-consolidated net income grew by 92.6% to KRW 305.1 billion due to one-time gain from sales of its stake in Hana Card.

SK Broadband’s revenue increased by 1.9% YoY to KRW 1.044 trillion, while its operating income expanded by 1.4% to KRW 79.7 billion. It continued to expand its subscriber base by achieving the highest net additions of IPTV subscribers in the market, and its content revenue increased due to improved supply and demand of content.



SKT stated that it is achieving tangible results as its new growth businesses like Media, Enterprise and AIVERSE are sustaining growth based on stable performance of Fixed and Mobile Telecommunications Business.

The Fixed and Mobile Telecommunications Business is sustaining growth centered around SKT's MNO market leadership. The company said that, as of the end of the third quarter, the number of 5G subscribers stood at 12.47 million, taking up 53% of its total mobile subscriber base. In the third quarter, SKT further enhanced its service competitiveness by proactively launching new price plans. SK Broadband (SKB) secured 9.25 million pay TV subscribers as of Q3-end.

The Media Business posted quarterly revenue of KRW 395.6 billion, up 20.6% YoY. It is witnessing improved demand and supply of new content, and will continue to strengthen its advertising and commerce business by utilizing AI technologies.

The Enterprise Business - centered around data center and cloud - sustained its growth, as its quarterly revenue grew by 8.9% YoY to KRW 378.5 billion. Its cumulative revenue until the third quarter this year exceeded KRW 1 trillion. In particular, with increased demand from game, finance and media industries, the cloud business revenue surged by 90.2% YoY, and data center revenue expanded by 31.3% YoY backed by traffic growth.

The AIVERSE Business is on a growth trajectory, centered around 'T Universe' and 'ifland.' Total GMV of the subscription business grew three straight quarters to reach KRW 150 billion in the third quarter, and is expected to achieve total GMV of KRW 550 billion - the target set at the beginning of the year - for the year 2022. Also, as of the end of October 2022, ifland exceeded 12.8 million cumulative users. To promote the global launch of ifland, SKT is actively developing content and working closely with local partners.

The dividend payout for the third quarter of this year has been set at KRW 830 per share, which is the same as those of the first and second quarters. Despite challenges in the internal and external environment, SKT has been continuously paying out quarterly dividends by setting aside 30-40% of EBITDA minus CapEx for its total annual dividend payment.

In 2022, SKT achieved the number one position in the top three customer satisfaction surveys in Korea. The company made efforts to enhance service quality and innovate customer experience by strengthening customer choice through the proactive launch of new 5G price plans and protecting customers from voice phishing through the application of AI technologies.

In October 2022, SKT acquired a 20.77% stake in Konan Technology, an AI solutions company with unrivaled technology. The two companies will discuss detailed measures of cooperation in diverse areas including talent exchange, technology cooperation and market expansion. In particular, the partnership is expected to contribute to advancing SKT's AI service 'A.' and innovating AI-based business models.

Moreover, SKT stated that it will grow into an AI company by innovating its five key business groups with the following three strategies: Redefining its core businesses with AI; innovating relationships with customers through AI services; and sharing AI transformation (AIX) capabilities with others.

"Based on our leadership in the Fixed and Mobile Telecommunications Business, we are achieving tangible results in our new growth businesses including the Media Business and Enterprise Business," said Kim Jin-won, Chief Financial Officer of SKT. "Building on our solid performance, we will make best efforts to increase shareholder value and rise as an AI Company."

※ The conference call in regard to SK Telecom's 3Q 2022 earnings results can be heard via SK Telecom's webpage on Thursday, November 10, from 15:00 Seoul Time.

Link: https://irsvc.teletogogether.com/skt/skt2022Q3_eng.php

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

Type	Year-on-year			Quarter-on-quarter		
	2022 3Q	2021 3Q	Change	2022 3Q	2022 2Q	Change
Revenue	4343.4	4,215	3.0%	4343.4	4,289.9	1.2%
Operating Income	465.6	393	18.5%	465.6	459.6	1.3%
Net Income	245.6	736.5	-66.7%	245.6	258.1	-4.9%

* The horizontal spin-off in 2021 is reflected in the figures.

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

Type	Year-on-year			Quarter-on-quarter		
	2022 3Q	2021 3Q	Change	2022 3Q	2022 2Q	Change
Revenue	3,122.6	3,027.4	3.1%	3,122.6	3,118.2	0.1%
Operating Income	388.7	319.6	21.6%	388.7	380.9	2.0%
Net Income	305.1	158.4	92.6%	305.1	224.5	35.9%

###

About SK Telecom

SK Telecom has been leading the growth of the mobile industry since 1984. Now, it is taking customer experience to new heights by extending beyond connectivity. By placing AI at the core of its business, SK Telecom is rapidly transforming into an AI company. It is focusing on driving innovations in areas of telecommunications, media, AI, metaverse, cloud and connected intelligence to deliver greater value for both individuals and enterprises.

For more information, please contact skt_press@sk.com or visit our LinkedIn page www.linkedin.com/company/sk-telecom.



SK proudly supports Busan's Bid to host the **World EXPO 2030**.