

SKT Announces 2Q 2024 Earnings Results

- ***SKT posts revenue of KRW 4.4224 trillion, operating income of KRW 537.5 billion, and net income of KRW 350.2 billion on a consolidated basis***
- ***Generates a milestone achievement in AI business by strategically targeting the AI Data Center market***
- ***Receives the first order to build AI cloud business amidst continuous enterprise business growth, pushing for full scale up***
- ***Finalizes KRW 830 per share dividend in the second quarter, aiming to achieve optimal balance among investment, financial soundness and shareholder return***

Seoul, August 6, 2024 – SK Telecom (NYSE:SKM, “SKT”) today announced its earnings for the second quarter of 2024 on a K-IFRS consolidated basis: revenue of KRW 4.4224 trillion, operating income of KRW 537.5 billion, and net income of KRW 350.2 billion.

Compared to the same period last year, SKT’s consolidated revenue and operating income increased by 2.7% and 16.0%, respectively, driven by higher performance in the mobile and fixed telecommunications business of SKT and its major affiliates. Enterprise business revenue grew 11% YoY to KRW 434.2 billion, fueled by higher data center utilization and increased cloud orders.

In the second quarter, SKT secured its first AI cloud order from domestic internet service providers. The company plans to scale up its AI cloud business significantly.

On a non-consolidated basis, SKT’s sales reached KRW 3.1915 trillion this quarter, with an operating profit of KRW 450.4 billion and a net profit of KRW 280.3 billion.

SKT’s strategy is to build an AI value chain, including the AI Data Center and AI service, and to secure its business competitiveness based on the second quarter’s strong performance. The company has invested more than \$300 million since last year to secure a new AI growth engine, accelerating the expansion of the company’s global partnership in order to create tangible results in key areas of the AI business.

The data center business recorded a 20.5% YoY revenue growth, backed by a continuous increase in utilization rate. SKT is investing \$200 million in SMART Global Holdings (SGH), a



leading designer and developer of high-performance, high-availability enterprise solutions in the U.S. This aligns with SKT's strategy to evolve and develop its existing data center business into an AI data center, which has recently seen a surge in demand. Both companies have agreed to cooperate in all areas of AI infrastructure, including AI data centers.

The mobile business continued to drive subscriber net additions, securing 16.23 million 5G subscribers by the end of June, with 5G customers making up over 70% of the total user base. SKT also secured 9.6 million pay TV subscribers and 7.05 million broadband subscribers.

In the enterprise sector, revenue from the IoT businesses rose 29% YoY, and the cloud business grew 28% YoY, excluding one-off effects.

The dividend per share for the second quarter was finalized at KRW 830, the same as the first quarter.

"We will enhance profitability and efficiency by consolidating our fixed and wireless businesses performance and will showcase our progress as an AI company in the second half of the year," said Kim Yang-seob, CFO of SKT. "We aim to maximize corporate value and shareholder benefits by balancing growth investment, financial structure improvement and shareholder returns."

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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 with a strong global presence. It is focusing on driving innovations in areas of AI Infrastructure, AI Transformation (AIX) and AI Service to deliver greater value for industry, society, and life.

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

Type	24.2Q	23.2Q	YoY	24.1Q	QoQ
Revenue	4,422.4	4,306.4	2.7%	4,474.6	△1.2%
Operating Income	537.5	463.4	16%	498.5	7.8%
Net Income	350.2	347.8	0.7%	361.9	△3.3%

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

Type	24.2Q	23.2Q	YoY	24.1Q	QoQ
Revenue	3,191.5	3,119.2	2.3%	3,188.7	0.1%
Operating Income	450.4	379.1	18.8%	436.4	3.2%
Net Income	280.3	272.8	2.8%	492.1	△43%