SK telecom

Investor Briefing

Earnings for Q1, 2025

2025. 5. 12.

Disclaimer

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The presentation also includes estimated financial and operational results prepared under K-IFRS without external audit, and some numbers are subject to change after a full audit.

1Q25 Financial Results

| Consolidated

| Consolidated Income Statement

(KRW bn)	1Q25	1Q24	YoY	4Q24	QoQ
Revenue	**4,454**	**4,475**	**△0.5%**	**4,512**	**△1.3%**
SKT	3,167	3,189	△0.7%	3,191	△0.7%
SKB	1,114	1,092	2.0%	1,121	△0.7%
Operating expense	**3,886**	**3,976**	**△2.3%**	**4,257**	**△8.7%**
Operating income	**567**	**498**	**13.8%**	**254**	**123.2%**
SKT	482	436	10.5%	179	169.0%
SKB	96	78	23.0%	102	△6.0%
Net income	**362**	**362**	**△0.1%**	**395**	**△8.4%**
Attributable to owners of the parent company	364	353	3.2%	291	25.3%
EBITDA	**1,465**	**1,429**	**2.5%**	**1,181**	**24.0%**
CapEx	**106**	**317**	**△66.6%**	**1,227**	**△91.4%**

■ **Consolidated revenue of KRW 4.5tn, down 0.5% YoY**
- Amidst continued AI B2B revenue growth, a slight decline in consolidated revenue due to sales of certain subsidiaries

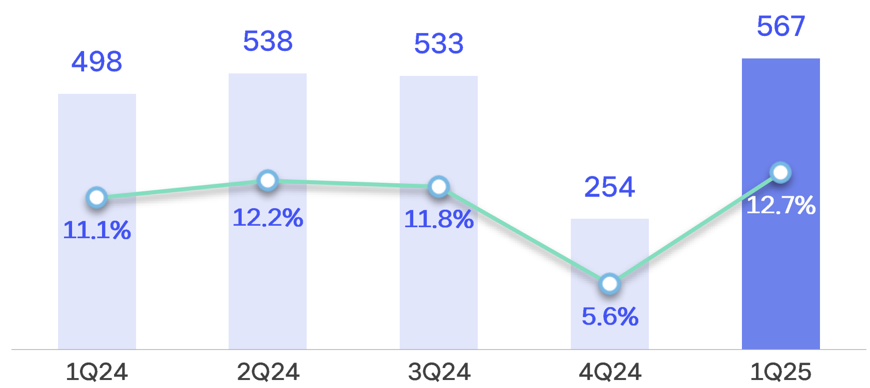
■ **Consolidated operating income of KRW 567.4bn, up 13.8% YoY**
- Impact of business portfolio restructuring

■ **Consolidated net income of KRW 361.6bn, down 0.1% YoY**

| Key Metrics

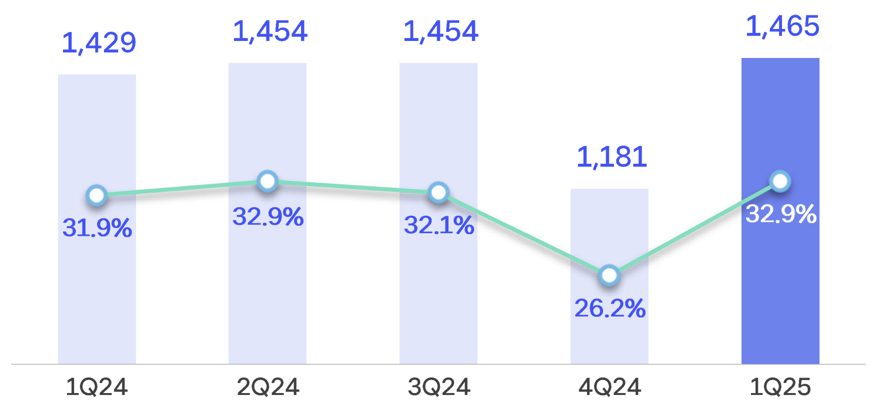
OP & margin

(KRW bn)



EBITDA & margin

(KRW bn)



1Q25 Financial Results

| Non-consolidated Income Statement

(KRW bn)	1Q25	1Q24	YoY	4Q24	QoQ
Revenue	**3,167**	**3,189**	**△0.7%**	**3,191**	**△0.7%**
MNO	2,661	2,664	△0.1%	2,661	0.0%
Other	506	524	△3.5%	530	△4.5%
Operating expense	**2,685**	**2,752**	**△2.4%**	**3,011**	**△10.8%**
Marketing	692	719	△3.9%	747	△7.5%
D&A [1]	661	700	△5.6%	698	△5.3%
Operating income	**482**	**436**	**10.5%**	**179**	**169.0%**
Net income	**475**	**492**	**△3.6%**	**286**	**66.1%**
EBITDA	**1,143**	**1,137**	**0.6%**	**877**	**30.4%**

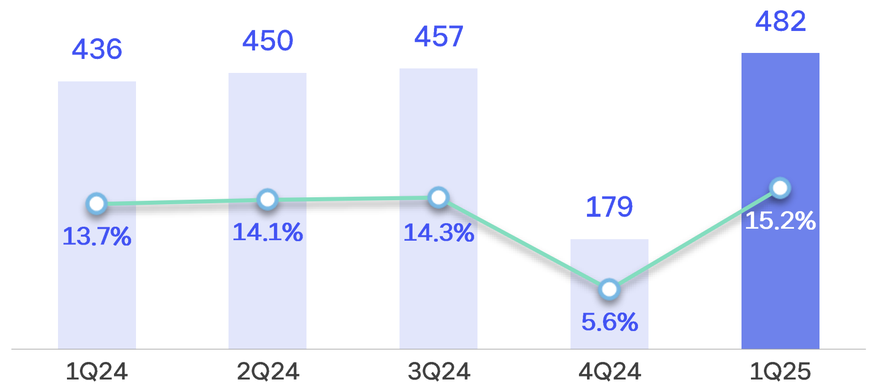
1) R&D related D&A included

- **Non-consolidated revenue of KRW 3.2tn, down 0.7% YoY**
  - Other revenue fell due to a drop in interconnection revenue
- **Non-consolidated operating income of KRW 482.4bn, up 10.5% YoY**
  - Marketing and D&A costs decreased as the 5G market matures
- **Non-consolidated net income of KRW 474.6bn, down 3.6% YoY**
  - Increased corporate tax due to the expiration of special depreciation benefits

| Key Metrics

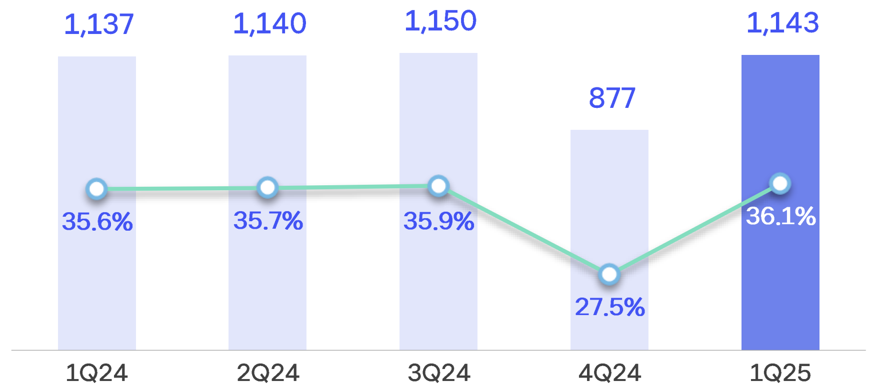
OP & margin

(KRW bn)



EBITDA & margin

(KRW bn)



1Q25 Financial Results

| SKB Income Statement

(KRW bn)	1Q25	1Q24	YoY	4Q24	QoQ
Revenue	**1,114**	**1,092**	**2.0%**	**1,121**	**△0.7%**
Pay tv	478	476	0.4%	485	△1.5%
Fixed line	289	276	4.9%	288	0.6%
B2B	346	340	1.9%	348	△0.6%
Operating expense	**1,018**	**1,014**	**0.4%**	**1,019**	**△0.1%**
Operating income	**96**	**78**	**23.0%**	**102**	**△6.0%**
Net income	**63**	**52**	**21.7%**	**86**	**△29.5%**
EBITDA	**336**	**319**	**5.5%**	**341**	**△1.3%**

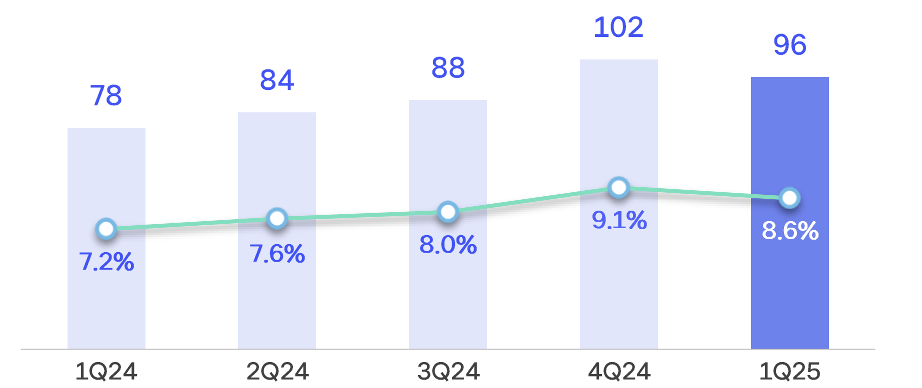
* Include discontinued business

- **Consolidated revenue of KRW 1.1tn, up 2% YoY**
  - IPTV and broadband subscriber growth and B2B revenue growth such as Data Center revenue
- **Consolidated operating income of KRW 96bn, up 23% YoY**
  - Thanks to revenue growth and stabilization of costs
- **Consolidated net income of KRW 63.3bn, up 21.7% YoY**

| Key Metrics

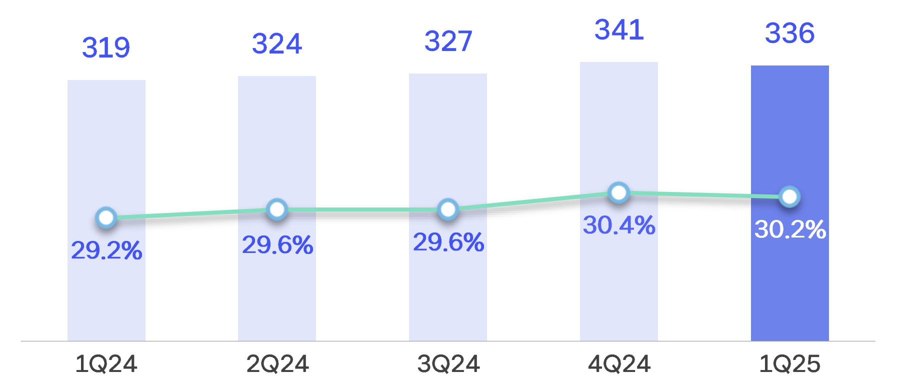
OP & margin

(KRW bn)



EBITDA & margin

(KRW bn)



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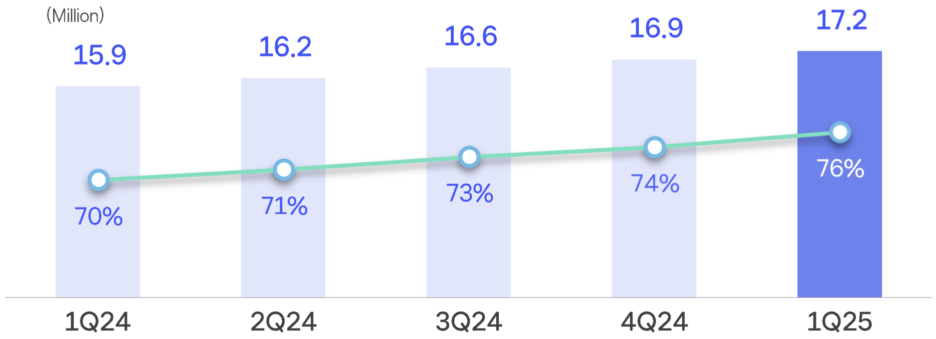
Business Highlights

Mobile

| 5G subscribers & portion

Moderate but stable subscriber growth as the 5G market matures

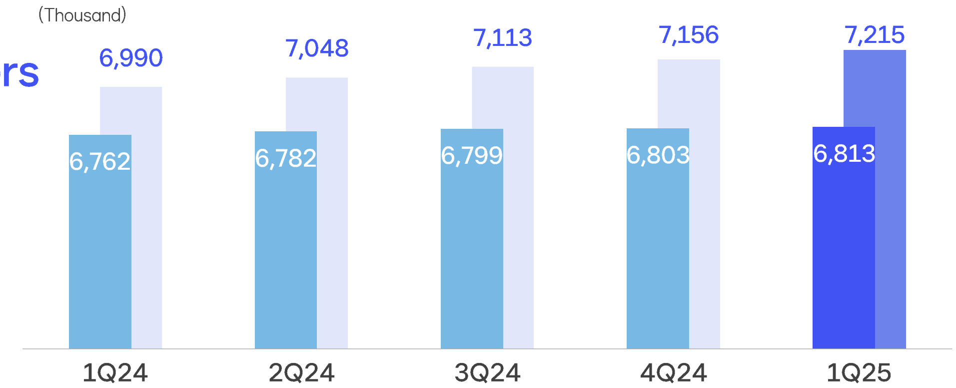


Fixed

| Broadband & IPTV subscribers

Quantitative and qualitative growth of subscribers with the expansion of high-ARPU products such as Giga Internet

IPTV Broadband

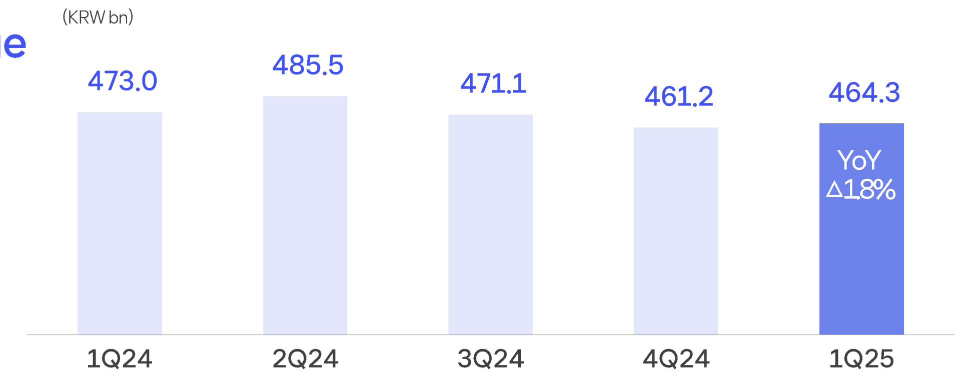


Enterprise

| Telecom-related B2B revenue

Stable revenue growth despite a slight YoY decline in business messaging revenue due to base effect

※ Connectivity (Leased line, IoT), Business messaging service, Payment/authentication, etc.



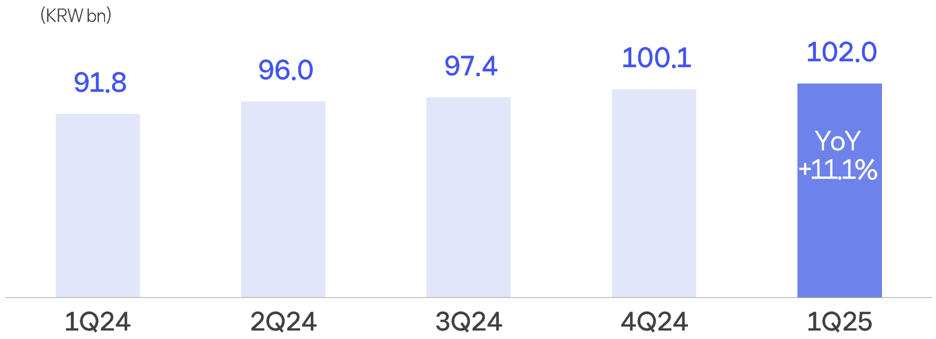
Business Highlights

AI DC

| AI DC revenue

Continued revenue growth with increased utilization and opening of a new Data Center (Yangju)

※ DC, Int'l leased lines, etc.

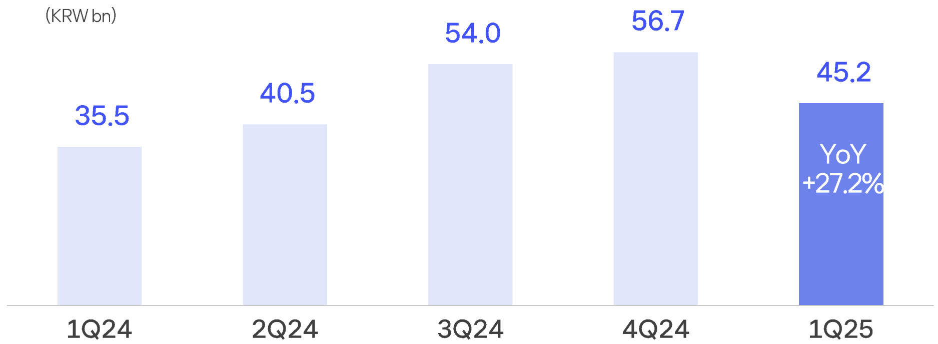


AIX

| AIX revenue

Solid growth of Cloud business and sustained growth of AI B2B sales

※ B2B solutions such as Cloud, AI Vision, and AICC

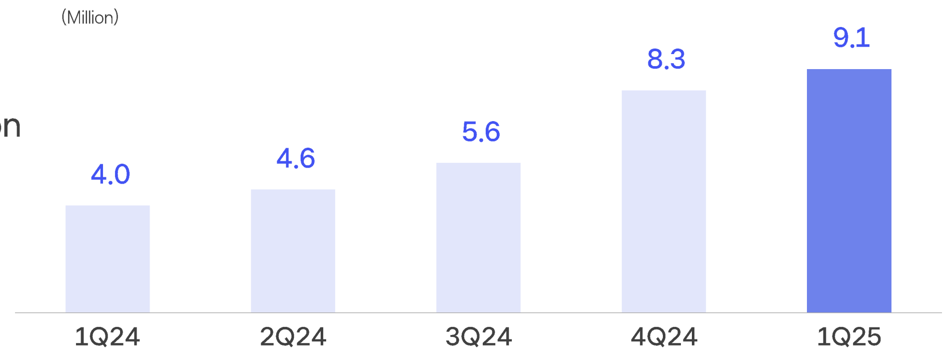


A dot

| Total users

Total user growth thanks to the expansion of AI service experience by adding new LLMs [1)]

[1)] Liner Pro and Perplexity Sonar Pro



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Shareholder Return

| Dividend payment for Q1 2025: KRW 176.7bn in total (DPS of KRW 830)

| Recent Dividend Trend

Category	2022	2023	2024					2025
			1Q	2Q	3Q	4Q	Total	1Q
Total Dividends (KRW bn)[1]	723.8	765.6	176.7	176.7	176.7	223.5	753.6	**176.7**
DPS (KRW)	3,320	3,540	830	830	830	1,050	3,540	**830**
Dividend yield[2]	7.0%	7.1%	1.6%	1.6%	1.5%	1.9%	6.4%	**1.4%**

[1] The total amount of dividend payment has been calculated based on the number of shares entitled to dividends as of the date of the resolution by the BoD, and the actual dividend payment amount is subject to adjustment based on the actual number of outstanding shares as of the record date.

[2] Dividend yield is the ratio of dividend amount per share to the final price formed in the Korean Stock Exchange at the end of each quarter and year-end

※ Shareholder Return Policy (FY2024~2026)

- Total amount of shareholder return: at least 50% of the adjusted net profit for the year on a consolidated basis[3]

[3] Adjusted net profit for the year on a consolidated basis refers to the profit attributable to owners of the parent company excluding consolidated one—off, non-recurring profit and loss.

Consolidated Income Statement

(KRW bn)	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25
Operating revenue	17,608.5	4,474.6	4,422.4	4,532.1	4,511.5	17,940.6	4,453.7
Operating expenses	15,855.3	3,976.1	3,884.9	3,998.9	4,257.4	16,117.2	3,886.3
Labor cost	2,488.2	660.6	624.0	639.4	801.8	2,725.8	671.6
Commissions paid	5,549.9	1,379.6	1,367.2	1,370.1	1,447.5	5,564.3	1,325.1
Advertising	235.8	34.7	36.3	46.7	68.6	186.3	33.9
Depreciation [1]	3,749.7	930.1	916.9	920.6	927.0	3,694.7	897.5
Network interconnection	678.5	176.9	169.5	175.2	171.4	692.9	163.9
Leased line and frequency usage fees	275.5	64.3	67.4	66.1	67.8	265.5	68.2
Cost of goods sold	1,266.4	330.3	288.5	363.7	343.6	1,326.2	327.8
Others	1,611.4	399.6	415.1	417.1	429.8	1,661.5	398.4
Operating income	1,753.2	498.5	537.5	533.3	254.1	1,823.4	567.4
EBITDA	5,502.9	1,428.6	1,454.4	1,453.9	1,181.2	5,518.1	1,464.9
EBITDA margin	31.3%	31.9%	32.9%	32.1%	26.2%	30.8%	32.9%
Net profit or loss from non-operating items	(265.0)	(57.7)	(59.3)	(168.5)	224.0	(61.6)	(59.5)
Equity gains or losses	10.9	4.9	10.5	9.3	297.1	321.8	0.1
Income from continuing operations before tax	1,488.2	440.7	478.2	364.7	478.1	1,761.8	507.9
Consolidated net income	1,145.9	361.9	350.2	280.2	394.8	1,387.1	361.6
Attributable to owners of the parent company	1,093.6	353.0	337.4	268.9	290.9	1,250.2	364.4
Attributable to non-controlling interest	52.3	9.0	12.8	11.3	103.9	136.9	(2.8)
Basic earnings per share (KRW)	4,954	1,636	1,562	1,240	1,342	5,780	1,689

1) Depreciation and amortization includes R&D related depreciation

Consolidated Balance Sheet

(KRW bn)	12-31-23	3-31-24	6-30-24	9-30-24	12-31-24	3-31-25
Total assets	30,119.2	30,296.5	29,451.8	29,472.8	30,515.3	29,920.6
Current assets	6,585.6	7,109.6	6,866.5	7,371.5	7,476.7	7,675.4
Cash and short-term financial instruments	1,749.9	2,073.6	1,793.4	2,237.0	2,347.6	2,511.7
Accounts receivable	2,322.9	2,465.6	2,459.3	2,512.8	2,358.5	2,475.1
Other current assets	2,512.8	2,570.4	2,613.8	2,621.6	2,770.6	2,688.5
Non-current assets	23,533.6	23,186.9	22,585.3	22,101.3	23,038.6	22,245.1
PP&E and intangible assets	17,977.2	17,440.6	16,960.6	16,571.5	16,911.4	16,166.2
Investment assets	3,594.8	3,775.3	3,703.9	3,552.7	4,220.1	4,181.1
Other non-current assets	1,961.7	1,971.0	1,920.8	1,977.1	1,907.1	1,897.8
Total liabilities	17,890.8	17,843.5	16,865.1	16,911.4	18,687.6	17,978.7
Current liabilities	6,994.0	7,258.3	7,076.1	8,127.4	9,224.3	8,730.6
Short-term borrowings	-	-	-	100.0	100.0	300.0
Accounts payable	2,052.9	1,910.6	1,413.6	1,514.1	2,925.5	2,662.9
Other current liabilities	4,941.1	5,347.8	5,662.5	6,513.3	6,198.8	5,767.7
Non-current liabilities	10,896.8	10,585.2	9,789.0	8,784.0	9,463.3	9,248.1
Bonds payable & long-term borrowings	7,421.9	7,416.0	6,700.7	6,071.1	6,566.8	6,601.4
Deferred tax liabilities	832.2	900.2	872.0	810.3	851.2	930.3
Other non-current liabilities	2,642.7	2,269.0	2,216.4	1,902.6	2,045.4	1,716.4
Total shareholders' Equity	12,228.4	12,453.0	12,586.6	12,561.4	11,827.6	11,941.9
Common stock and additional paid in capital	(11,798.2)	(11,587.7)	(11,587.3)	(11,582.0)	(11,924.4)	(11,922.6)
Retained earnings	22,800.0	22,727.9	22,830.5	22,920.9	22,976.1	23,087.3
Accumulated other comprehensive income/loss	387.2	518.0	536.4	403.9	646.9	645.7
Non-controlling interest	839.4	794.8	807.1	818.6	129.0	122.5

Appendix

| Non-consolidated Income Statement

(KRW bn)	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25
Operating revenue	12,589.2	3,188.7	3,191.5	3,203.2	3,190.6	12,774.1	3,167.5
Mobile service revenue	10,553.6	2,664.3	2,673.3	2,671.9	2,660.9	10,670.4	2,661.5
Interconnection	445.2	112.9	108.4	106.2	86.4	413.9	97.5
Others	1,590.4	411.5	409.8	425.1	443.4	1,689.8	408.5
Operating expenses	11,133.4	2,752.3	2,741.1	2,746.2	3,011.3	11,250.9	2,685.1
Labor cost	943.9	265.4	238.6	243.4	392.6	1,140.0	278.0
Commissions paid	4,831.9	1,181.5	1,170.1	1,169.8	1,252.4	4,773.9	1,141.7
Marketing commissions	2,870.6	698.4	690.4	689.8	693.2	2,771.9	671.1
Other commissions	1,961.2	483.1	479.7	480.0	559.3	2,002.0	470.5
Advertising	174.4	21.0	25.1	36.3	54.2	136.7	20.6
Depreciation 1)	2,833.3	700.1	689.6	692.8	697.6	2,780.2	660.9
Network interconnection	490.1	124.6	116.5	116.3	106.4	463.8	108.1
Leased line	86.6	22.8	20.0	23.6	24.5	90.9	23.3
Frequency usage fees	102.5	25.2	27.2	25.3	25.3	103.0	25.2
Others	1,670.6	411.6	454.0	438.6	458.2	1,762.4	427.4
Operating income	1,455.9	436.4	450.4	457.0	179.3	1,523.2	482.4
EBITDA	4,289.2	1,136.5	1,140.0	1,149.8	877.0	4,303.4	1,143.3
EBITDA margin	34.1%	35.6%	35.7%	35.9%	27.5%	33.7%	36.1%
Net profit or loss from non-operating items	(100.9)	130.2	(64.5)	(165.2)	53.4	(46.1)	118.6
Income from continuing operations before tax	1,354.9	566.6	385.9	291.8	232.8	1,477.1	601.0
Net income	1,059.7	492.1	280.3	222.4	285.7	1,280.5	474.6

1) Depreciation and amortization includes R&D related depreciation

| Non-consolidated Balance Sheet

(KRW bn)	12-31-23	3-31-24	6-30-24	9-30-24	12-31-24	3-31-25
Total assets	24,995.9	25,197.2	24,268.5	24,310.3	24,585.6	24,396.8
Current assets	4,703.8	5,160.5	4,851.1	5,317.0	5,242.4	5,729.0
Cash and short-term financial instruments	817.4	1,001.8	754.0	1,152.6	1,244.2	1,418.5
Accounts receivable	1,830.4	2,096.2	1,977.4	2,049.0	1,896.7	2,188.5
Other current assets	2,056.1	2,062.6	2,119.8	2,115.5	2,101.6	2,122.1
Non-current assets	20,292.1	20,036.7	19,417.4	18,993.2	19,343.2	18,667.8
PP&E and intangible assets	12,632.0	12,218.2	11,795.3	11,386.8	11,502.9	10,898.2
Investment assets	6,097.2	6,228.2	6,100.6	6,027.7	6,318.4	6,300.1
Other non-current assets	1,562.9	1,590.3	1,521.4	1,578.7	1,521.9	1,469.5
Total liabilities	14,559.8	14,416.0	13,468.0	13,512.6	13,624.8	13,219.8
Current liabilities	5,505.5	5,731.1	5,478.9	6,310.0	6,240.9	6,044.6
Accounts payable	1,925.6	1,630.3	1,435.9	1,425.5	1,713.0	1,340.1
Other current liabilities	3,579.9	4,100.8	4,043.0	4,884.5	4,527.8	4,704.5
Non-current liabilities	9,054.4	8,684.9	7,989.1	7,202.6	7,383.9	7,175.2
Bonds payable & long-term borrowings	6,057.4	6,017.0	5,391.6	4,995.2	5,155.1	5,273.1
Long-term payables	892.7	533.4	535.6	537.8	540.0	177.6
Other non-current liabilities	2,104.3	2,134.5	2,061.9	1,669.6	1,688.8	1,724.5
Total shareholders' equity	10,436.1	10,781.2	10,800.5	10,797.7	10,960.9	11,177.0
Common stock and additional paid in capital	(4,735.7)	(4,526.7)	(4,526.3)	(4,522.6)	(4,521.3)	(4,521.4)
Retained earnings	15,032.5	15,098.8	15,159.4	15,208.1	15,273.4	15,498.3
Accumulated other comprehensive income/loss	139.3	209.2	167.5	112.1	208.7	200.2

SKB Income Statement

(KRW bn)	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25
Operating revenue	4,279.1	1,091.7	1,093.4	1,104.9	1,121.0	4,411.1	1,113.6
Operating expenses	3,969.9	1,013.7	1,009.8	1,017.0	1,018.8	4,059.4	1,017.6
Labor cost	656.8	170.6	165.5	174.3	172.4	682.8	176.8
Marketing expense	366.6	96.4	100.5	98.2	98.2	393.3	97.2
Commissions paid	1,160.6	296.6	299.2	295.2	297.9	1,188.8	295.3
Interconnection	120.7	31.2	33.2	31.1	30.8	126.4	29.4
NW lease expense	139.2	34.4	35.1	35.3	37.3	142.1	36.9
Others	565.4	143.7	136.4	144.0	143.6	567.6	141.6
Depreciation	960.5	240.8	240.0	239.0	238.7	958.5	240.4
Operating income	309.2	78.1	83.6	87.9	102.2	351.7	96.0
EBITDA	1,269.7	318.9	323.6	326.9	340.8	1,310.2	336.4
EBITDA margin	29.7%	29.2%	29.6%	29.6%	30.4%	29.7%	30.2%
Non-operating income	(55.3)	(10.9)	(1.5)	(15.8)	8.4	(19.8)	(13.2)
Income before tax	253.9	67.2	82.1	72.0	110.6	331.9	82.9
Net income	202.9	52.0	64.2	54.0	85.5	255.8	63.3

* Include discontinued business

SKB Balance Sheet

(KRW bn)	12-31-23	3-31-24	6-30-24	9-30-24	12-31-24	3-31-25
Total assets	6,447.9	6,596.2	6,555.6	6,542.3	6,815.5	6,709.6
Current assets	1,387.4	1,591.2	1,598.5	1,577.4	1,661.6	1,627.8
Cash & cash equivalents	354.2	383.5	555.0	517.5	434.3	570.3
Short-term financial instruments	90.0	218.6	75.8	118.7	204.9	70.5
Inventories	15.4	17.9	19.8	20.9	17.0	16.9
Other current assets	927.8	971.2	947.9	920.3	1,005.4	970.2
Non-current assets	5,060.6	5,005.0	4,957.1	4,964.9	5,153.9	5,081.8
Tangible assets	3,312.3	3,201.5	3,169.5	3,193.4	3,369.5	3,235.2
Real estate investments	25.9	26.2	25.4	24.7	22.2	22.2
Other intangible assets	709.1	696.7	667.9	647.6	642.4	647.5
Other non-current assets	1,013.1	1,080.6	1,094.3	1,099.1	1,119.8	1,176.9
Total liabilities	3,334.7	3,634.6	3,531.6	3,458.7	3,789.4	3,816.6
Current liabilities	1,388.3	1,493.3	1,489.6	1,620.1	1,640.0	1,725.4
Accounts payable	808.2	877.9	762.4	786.4	806.9	881.8
Short-term borrowings and notes payable	372.3	362.2	462.2	572.2	572.3	522.3
Other current liabilities	207.8	253.3	264.9	261.5	260.9	321.3
Non-current liabilities	1,946.4	2,141.3	2,042.1	1,838.7	2,149.3	2,091.2
Long-term trade payables	2.6	2.5	3.1	2.8	2.5	2.2
Long-term borrowings and notes payable	1,305.2	1,399.0	1,309.0	1,075.9	1,411.6	1,308.2
Other non-current liabilities	638.5	739.8	729.9	760.0	735.1	780.8
Total shareholders' equity	3,113.2	2,961.6	3,024.0	3,083.5	3,026.2	2,893.0
Common stock	2,010.2	2,010.2	2,010.2	2,010.2	2,010.2	2,010.2
Additional paid in capital	667.1	667.1	667.1	667.1	668.8	668.8
Retained earnings	443.7	298.8	355.4	409.3	357.8	219.2
Accumulated other comprehensive income/loss	(7.8)	(5.5)	(8.7)	(3.1)	(10.7)	(5.3)

* Include discontinued business

Appendix

| Operating Data

Subcribers

	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	YoY	QoQ
SKT (thousands)											
MNO Subscribers [1]	30,552	31,159	31,168	31,276	31,662	31,710	31,762	31,786	31,885	0.7%	0.3%
(Net adds)	100	607	9	107	387	47	52	24	98	△74.5%	302.2%
Handset subs	23,275	23,205	23,095	22,977	22,882	22,850	22,807	22,736	22,729	△0.7%	△0.0%
Monthly Churn [2]	0.7%	0.7%	0.9%	0.9%	0.9%	0.8%	0.8%	0.8%	0.7%	△0.2%p	△0.1%p
5G subs [2]	14,148	14,673	15,003	15,500	15,932	16,226	16,577	16,917	17,242	8.2%	1.9%
LTE subs [2]	15,750	15,871	7,763	7,159	6,918	6,598	6,264	5,892	5,601	△19.0%	△4.9%
Total Mobile Subs [3]	33,010	33,723	33,657	33,662	34,106	34,187	34,268	34,283	34,469	1.1%	0.5%
SKB (thousands)											
Pay TV Subscribers	9,401	9,464	9,515	9,549	9,588	9,603	9,616	9,608	9,600	0.1%	△0.1%
IPTV subs	6,592	6,648	6,695	6,728	6,762	6,782	6,799	6,803	6,813	0.8%	0.1%
CATV subs	2,809	2,815	2,820	2,821	2,827	2,821	2,817	2,806	2,787	△1.4%	△0.7%
Broadband Subscribers	6,757	6,810	6,871	6,926	6,990	7,048	7,113	7,156	7,215	3.2%	0.8%
CAPEX (KRW bn)											
SKT+SKB	212	826	448	1,256	317	388	461	1,227	106	△66.6%	△91.4%

1) Excludes MVNO & telecom infrastructure management connections (formerly known as other connections)
2) Mobile handset subscribers only, excluding IoT and tablets, due to changes to subscriber statistics of the Ministry of Science and ICT from Q3 2023
3) Includes MVNO connections, excludes telecom infrastructure management connections (formerly known as other connections)

ARPU

	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	YoY	QoQ
ARPU [1]	30,101	29,920	29,917	29,566	29,239	29,298	29,389	29,495	29,202	△0.1%	△1.0%
ARPU including MVNO	28,120	27,683	27,980	27,765	27,649	27,666	27,691	27,627	27,508	△0.5%	△0.4%

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, excluding other connections in handsets from Q3 2023)