

Investor Briefing

Earnings for Q1, 2023

2023. 5. 10.



SK telecom

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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.

1Q23 Financial Results

Business Highlights

Shareholder Return

Appendix



1Q23 Financial Results

Consolidated

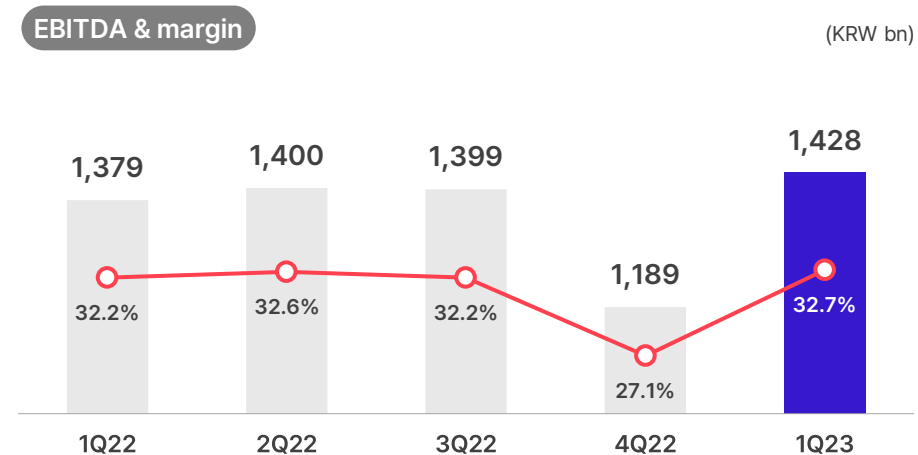
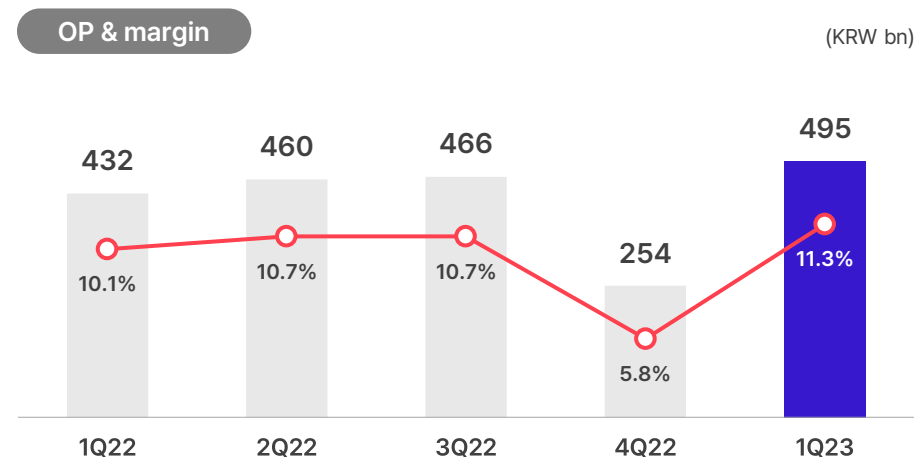
Continued YoY growth thanks to MNO revenue growth of SKT and solid B2B revenue growth of SKB

Consolidated Income Statement

| (KRW bn) | 1Q23 | 1Q22 | YoY | 4Q22 | QoQ |
|--------------------|-------|-------|--------|-------|--------|
| Revenue | 4,372 | 4,277 | 2.2% | 4,394 | Δ0.5% |
| - SKT | 3,117 | 3,077 | 1.3% | 3,096 | 0.7% |
| - SKB | 1,062 | 1,026 | 3.5% | 1,053 | 0.8% |
| Operating expenses | 3,877 | 3,845 | 0.8% | 4,140 | Δ6.3% |
| Operating income | 495 | 432 | 14.4% | 254 | 94.4% |
| - SKT | 416 | 357 | 16.5% | 195 | 113.6% |
| - SKB | 76 | 76 | 0.1% | 72 | 6.0% |
| Net income | 303 | 220 | 37.3% | 224 | 35.2% |
| EBITDA | 1,428 | 1,379 | 3.6% | 1,189 | 20.1% |
| CAPEX | 212 | 278 | Δ23.7% | 1,492 | Δ85.8% |

- Consolidated revenue of KRW 4.4tn, up 2.2% YoY**
 - Sustained revenue growth mainly thanks to 5G and pay tv subscriber growth and revenue growth of B2B businesses including Data Center business
- Consolidated operating income of KRW 494.8bn, up 14.4% YoY**
 - Improved profitability thanks to top-line growth of fixed and mobile business and stabilization of major expenses such as depreciation cost
- Consolidated net income of KRW 302.5bn, up 37.3% YoY**
 - Thanks to the increase in non-operating income including dividend income from invested companies

Key Metrics



1Q23 Financial Results

Non-consolidated

Improved profitability thanks to stabilization of major expenses such as marketing and depreciation costs

Non-consolidated Income Statement

| (KRW bn) | 1Q23 | 1Q22 | YoY | 4Q22 | QoQ |
|------------------------------|-------|-------|--------|-------|--------|
| Revenue | 3,117 | 3,077 | 1.3% | 3,096 | 0.7% |
| - MNO | 2,627 | 2,587 | 1.5% | 2,634 | Δ0.3% |
| - Other | 490 | 490 | - | 462 | 6.1% |
| Operating expenses | 2,702 | 2,720 | Δ0.7% | 2,902 | Δ6.9% |
| - Marketing expense | 757 | 745 | 1.6% | 798 | Δ5.2% |
| - Depreciation ¹⁾ | 705 | 713 | Δ1.2% | 705 | 0.1% |
| Operating income | 416 | 357 | 16.5% | 195 | 113.6% |
| Net income | 422 | 252 | 67.5% | 88 | 380.4% |
| EBITDA | 1,121 | 1,070 | 4.7% | 899 | 24.6% |
| CAPEX | 134 | 197 | Δ32.2% | 1,091 | Δ87.8% |

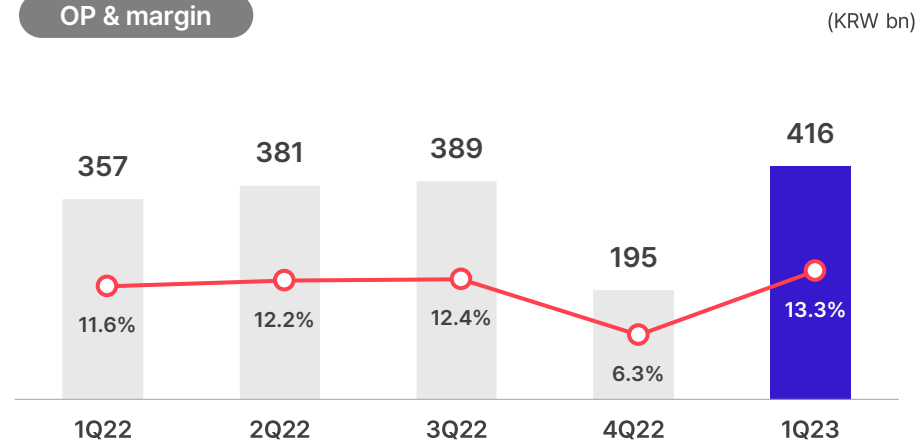
1) R&D related depreciation and amortization included

- **Non-consolidated revenue of KRW 3.12tn, up 1.3% YoY**
 - MNO revenue up 1.5% YoY thanks to roaming revenue recovery and 5G subscriber growth
 - MNO revenue down 0.3% QoQ due to drop in business MMS usage
- **Non-consolidated operating income of KRW 415.7bn, up 16.5% YoY**
 - Stable trend of marketing and depreciation costs
 - Base effect of one-off labor costs incurred in Q1 2022
- **Non-consolidated net income of KRW 422.2bn, up 67.5% YoY**
 - SK Broadband dividend income of KRW 149.5bn recognized*

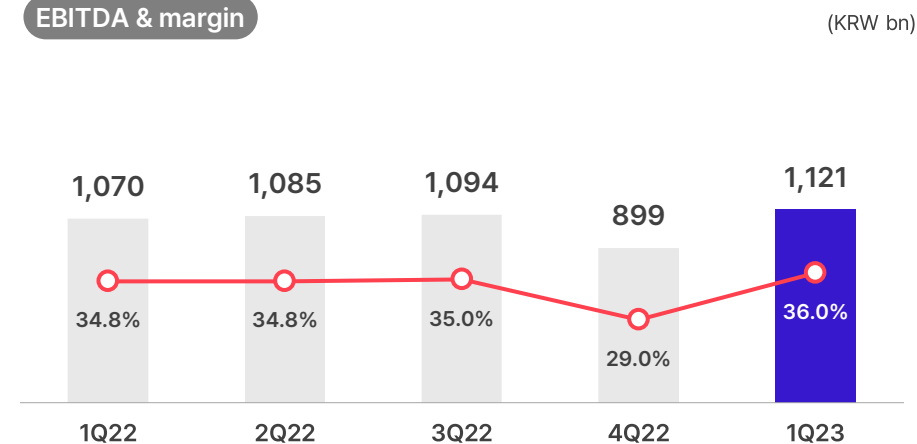
*Subsidiary dividends are not reflected in consolidated income

Key Metrics

OP & margin



EBITDA & margin



1Q23 Financial Results

Revenue improved YoY on the back of solid growth of pay tv subscriber base and strategy to expand the share of broadband

Consolidated Income Statement

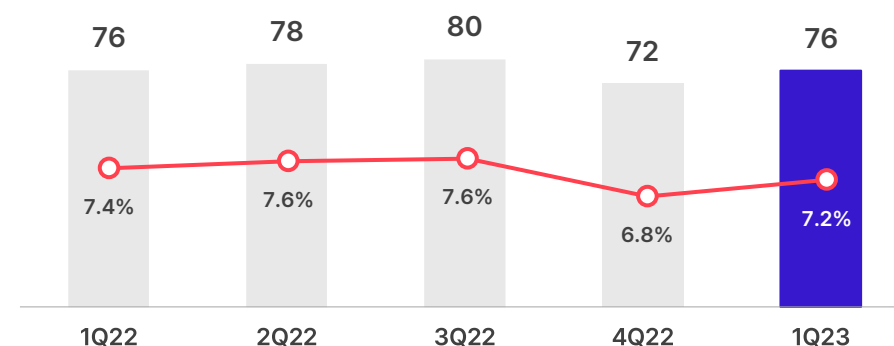
| (KRW bn) | 1Q23 | 1Q22 | YoY | 4Q22 | QoQ |
|--------------------|-------|-------|-------|-------|--------|
| Revenue | 1,062 | 1,026 | 3.5% | 1,053 | 0.8% |
| - Pay tv | 472 | 471 | 0.3% | 468 | 0.9% |
| - Fixed line | 264 | 256 | 3.1% | 272 | Δ2.7% |
| - B2B business | 325 | 299 | 8.6% | 314 | 3.6% |
| Operating expenses | 985 | 950 | 3.7% | 982 | 0.4% |
| Operating income | 76 | 76 | 0.1% | 72 | 6.0% |
| Net income | 51 | 51 | Δ0.8% | 58 | Δ12.9% |
| EBITDA | 316 | 321 | Δ1.6% | 314 | 0.5% |
| CAPEX | 78 | 82 | Δ4.7% | 401 | Δ80.4% |

- **SKB consolidated revenue of KRW 1.06bn, up 3.5% YoY**
 - Sustained subscriber growth with No. 1 net add M/S for broadband and IPTV
 - B2B business revenue growth supported by traffic growth and higher Data Center utilization
- **SKB consolidated operating income of KRW 76.1bn, flat YoY**
 - Similar level YoY despite one-off non-recurring expenses
- **SKB consolidated net income of KRW 50.6bn, flat YoY**
 - Similar level YoY despite higher interest expense on the back of interest rate hikes

Key Metrics

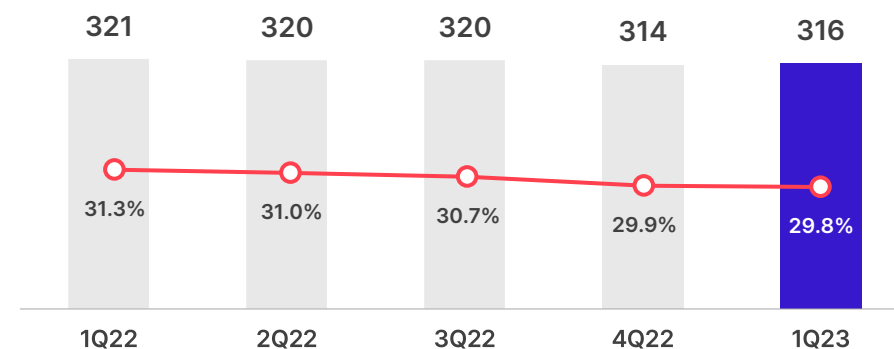
OP & margin

(KRW bn)



EBITDA & margin

(KRW bn)



1Q23 Financial Results

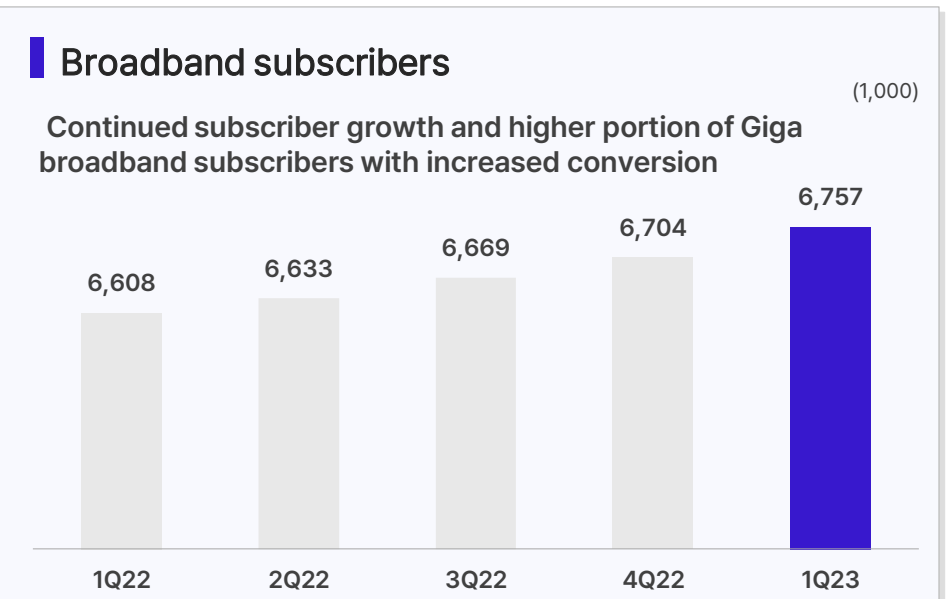
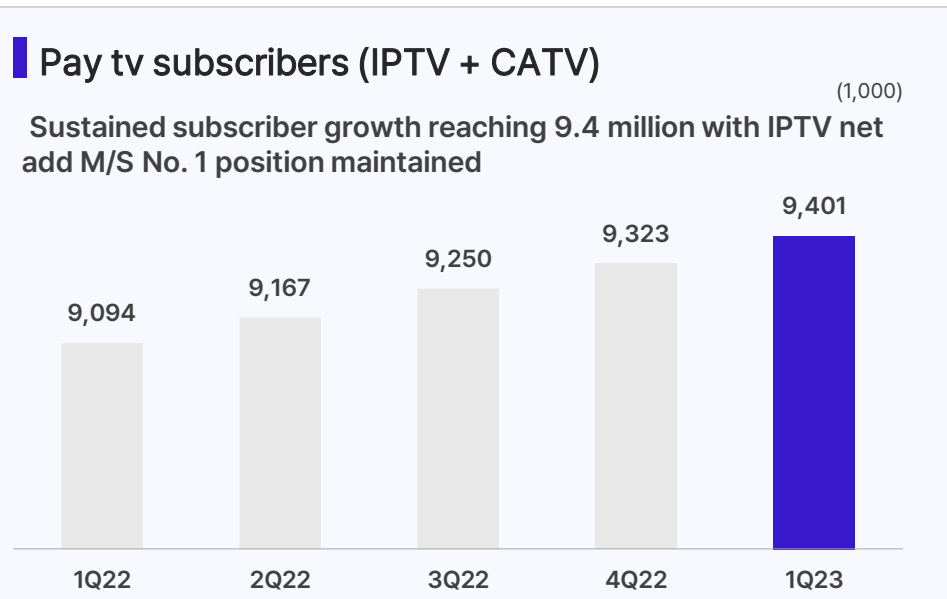
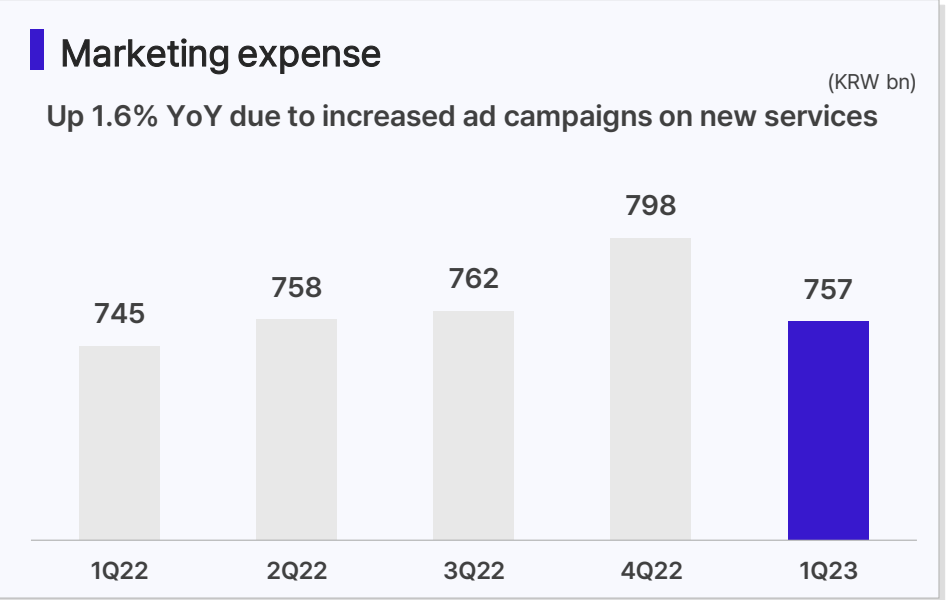
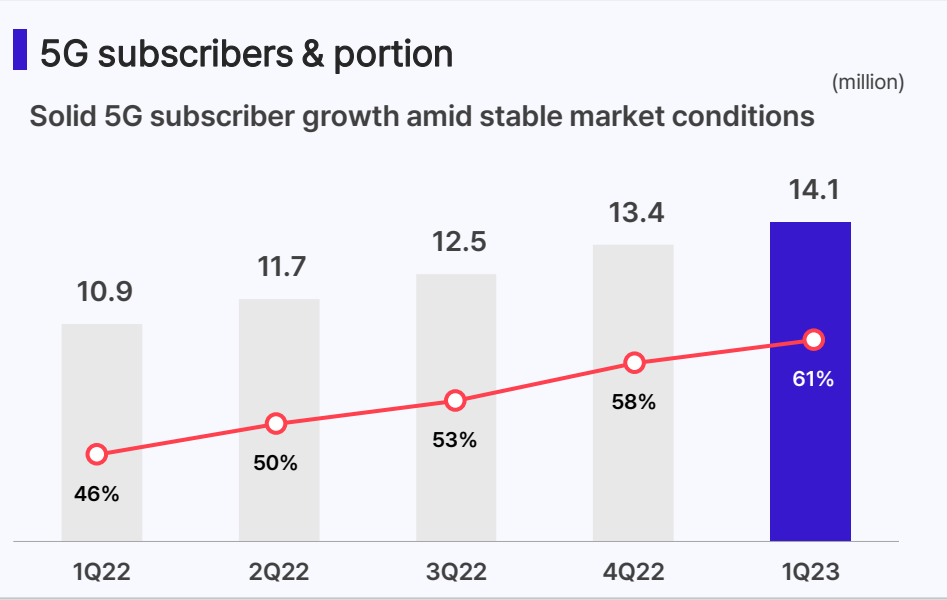
Business Highlights

Shareholder Return

Appendix



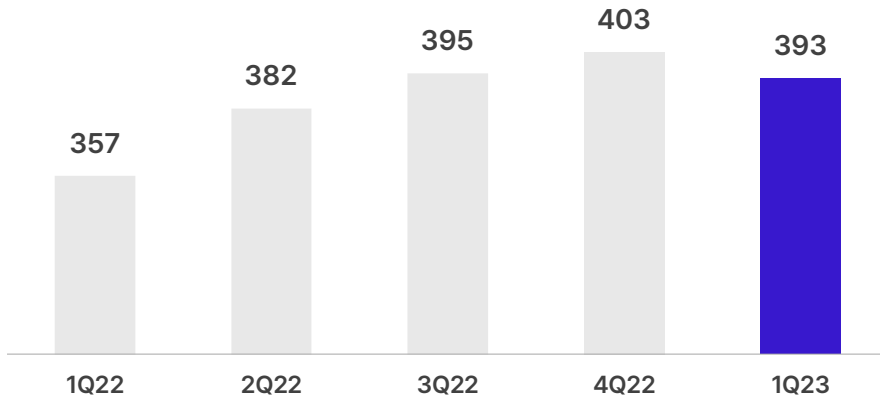
Business Highlights



Business Highlights

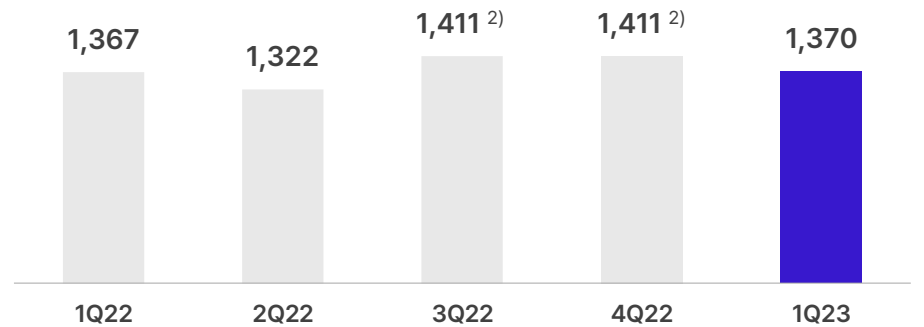
Media revenue

(KRW bn)



PPM¹⁾ subscribers

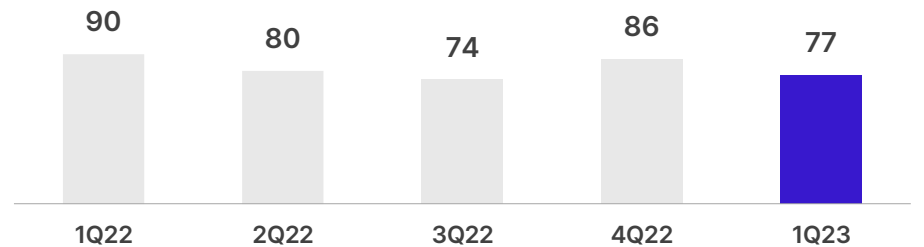
(1,000)



1) Pay Per Month 2) Subscriber counting criteria change

SK Stoa revenue

(KRW bn)



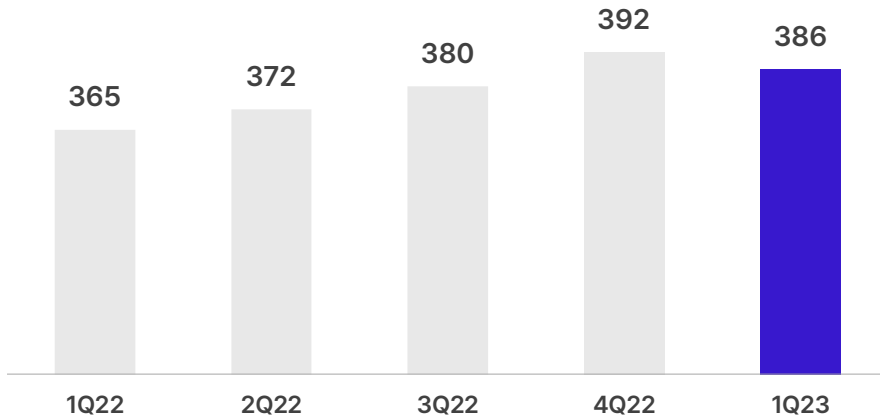
- Q1 Media revenue of KRW 393.2bn, up 10.2% YoY**
 - Overall expansion of media value chain utilizing fixed and mobile subscriber base
 - Enhanced competitiveness in media total package service through better AI targeting in multiple channels
- PPM subscribers remain flat YoY thanks to content diversification efforts**
 - PPM subscriber base retained through product diversification despite slow season in content market
- SK Stoa revenue of KRW 76.7bn, down 14.3% YoY**
 - Competitive edge maintained through expanded portfolio of high margin products and expense efficiency despite sluggish consumption and economic depression

Business Highlights

Enterprise

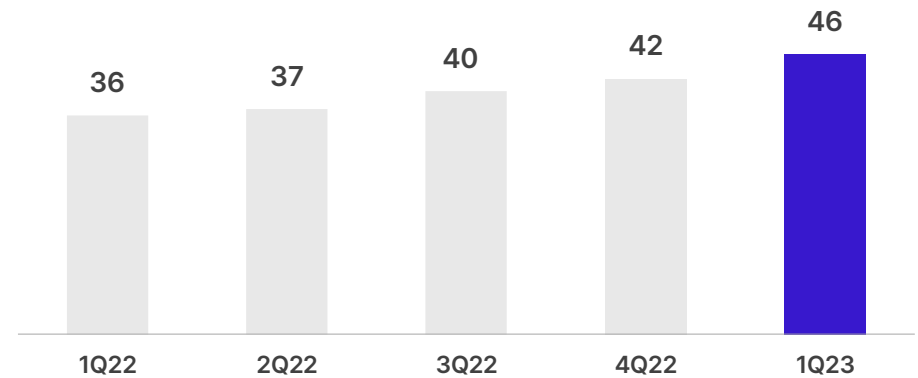
Enterprise revenue

(KRW bn)



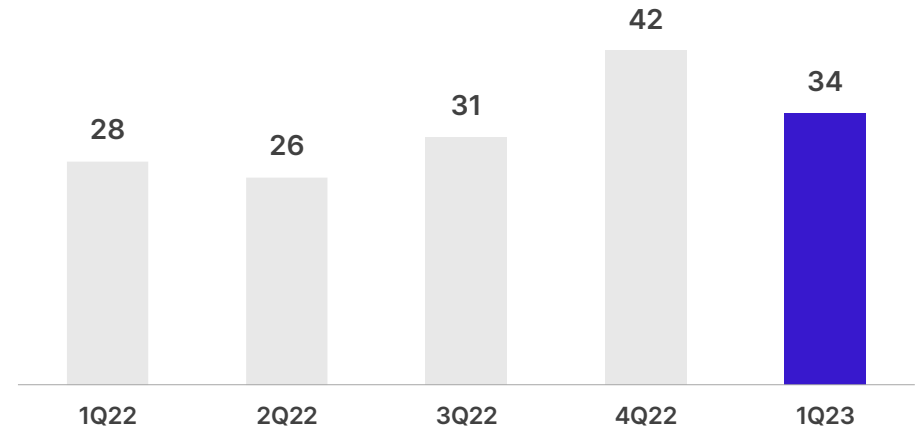
Data Center revenue

(KRW bn)



Cloud revenue

(KRW bn)

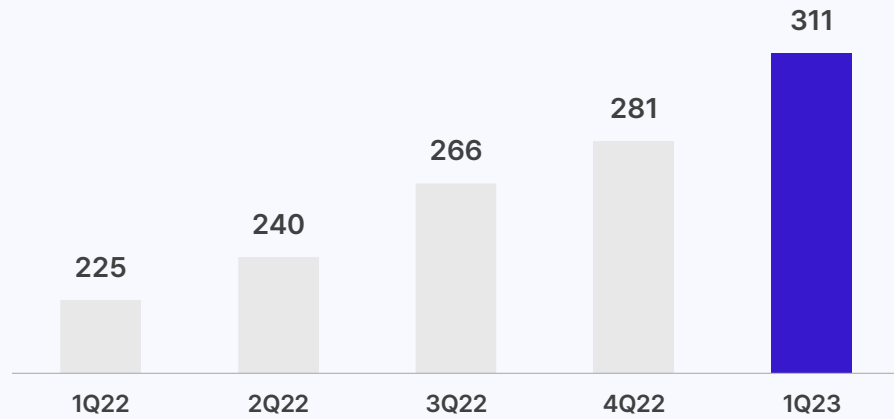


- **Q1 Enterprise revenue of KRW 386.2bn, up 5.8% YoY**
 - Continued revenue scale-up with higher utilization rate of new Data Centers
- **Data Center revenue of KRW 46.4bn, up 28.2% YoY**
 - Continued quarterly increase in utilization rate of new Data Centers thanks to sustained growth of data traffic
 - Additional revenue growth expected in Q2 with the opening of Bundang 2 Center
- **Cloud revenue of KRW 34.2bn, up 22.3% YoY**
 - Share of recurring MSP revenue surpassing 90% for four consecutive quarters, driving Cloud business growth
 - Largest order (approx. KRW 8.1bn) received for AICC since its launch in 2022

Subscription GMV

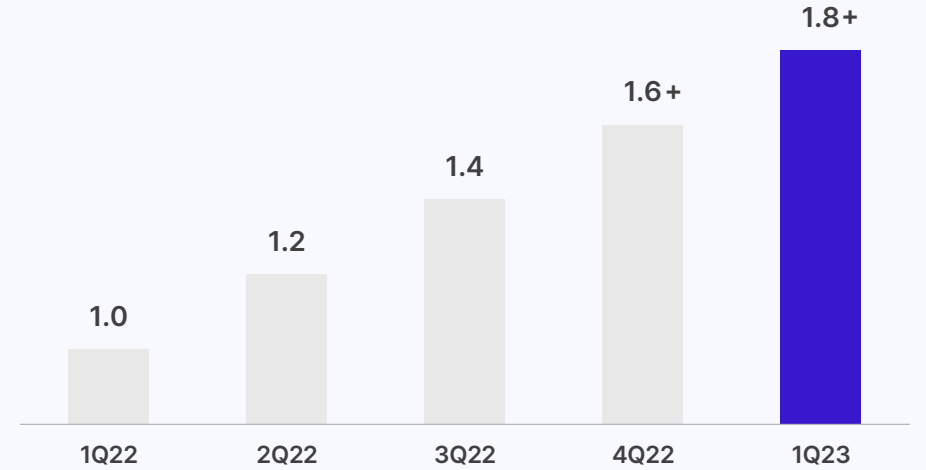
(KRW bn)

* Recalculated due to changes in GMV basis and addition of businesses



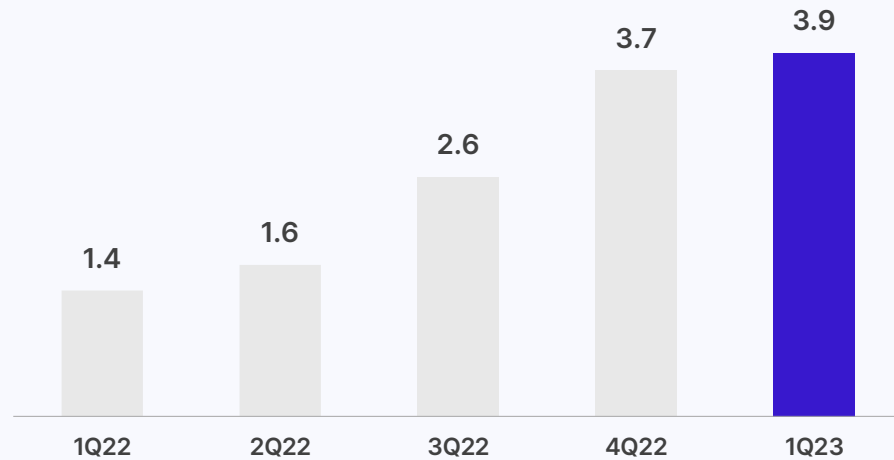
Subscription subscribers (T universe)

(million)



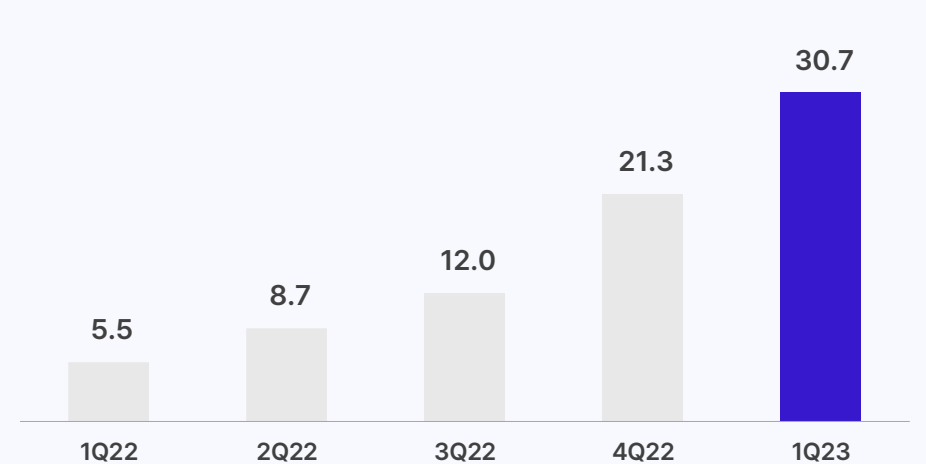
ifland MAU

(million)



Ifland cumulative downloads

(million)



Business Highlights

A dot's strategic partnership with Scatter Lab

Secure core technology through a strategic partnership with Scatter Lab, a leader in emotional AI agent
Cooperate to expand AI ecosystem and global presence with Scatter Lab joining K-AI Alliance led by SKT

Overview of Scatter Lab

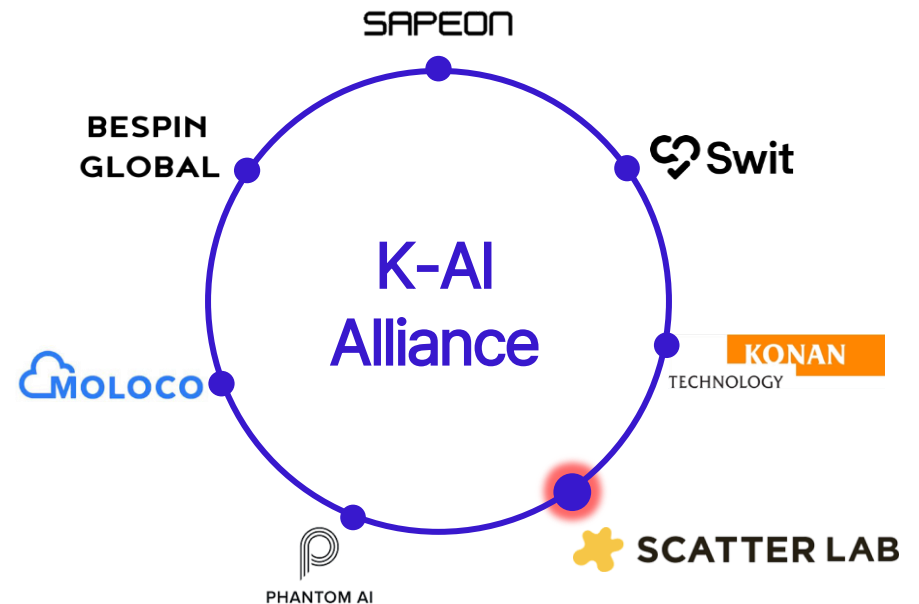
- Developed Lee Luda and Kang Daon that can hold friendly conversations
- Accumulated know-how in planning and development through operation of AI conversation services for years
- Top-tier technology and expertise in empathetic conversational AI service in Korea



Plans to create synergies

- Closely cooperate in all domains of hyperscale AI including the development of emotional conversational AI agents and LLM in knowledge and emotion domains
- Evolve A dot into an agent more human-like than humans through empathetic conversation technology

K-AI Alliance members



Business Highlights

ifland's evolution into a metaverse-type social media

'if home', a personalized 3D space, offers a new type of social space fundamentally different from other social media platforms
Dominate the metaverse social media market and become a globally leading metaverse type social media

Overview of if home

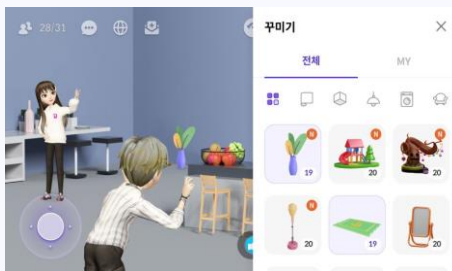
- 3D virtual space that expresses my unique personality
- Record my own stories in the metaverse and share them with friends
- Major social spaces for clubbing, partying, and small chats

Expected benefits of if home

- **Differentiated competitiveness**
 - 3D based social media fundamentally different from the existing 2D based social media platforms
 - Social activities where daily lives and metaverse experiences are accumulated and shared with friends
- **Support active use of service**
 - Strong motivation for users to continue to return to and nurture their homes in earnest
- **Expand the economic system**
 - Plan to link it to an economic system where users can purchase 3D content and functional items

Key features of if home

Create and decorate if home



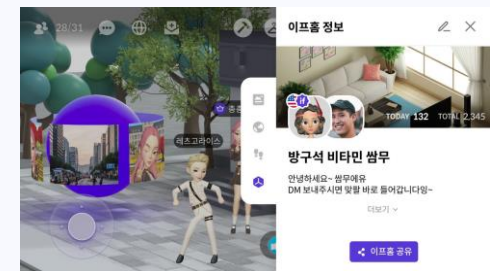
- Decorate my own space
- Design and place flooring, walls and props

Record and share experiences



- Get news on friends
- Give likes and comments on posts and leave a message on the guestbook

Strong social features



- Share if home link
- Invite friends to lands

Business Highlights

Growing partnerships for T universe

Add to the line-up products of partners most preferred by customers through analysis of customers' subscription service usage patterns and lifestyle data

Accelerate the growth of T Universe through partnerships with impactful products

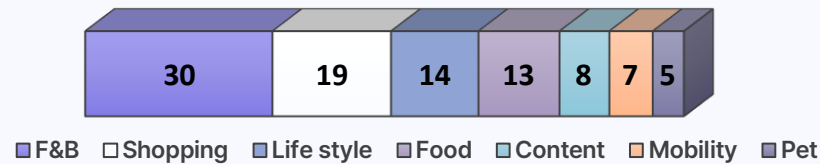
T universe partners

- Grow the list of partners focused on F&B, shopping, and content that subscribers consume frequently

- Number of partners



- Types of partners 1Q23

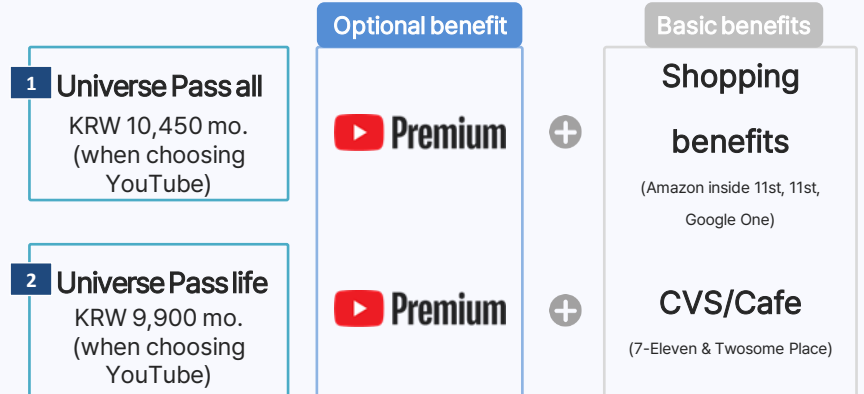


- Key new partners in 2023



A new partnership with YouTube Premium

- Available as an optional benefit for Universe Pass all/life from May
- Expected to provide a momentum for T Universe subscriber growth



* Note: monthly fee for YouTube Premium is KRW 10,450

1Q23 Financial Results

Business Highlights

Shareholder Return

Appendix



Shareholder Return

Q1 DPS determined at KRW 830

Recent dividend trend

| Category | 2020 | 2021 | 2022 | | | | | 2023 |
|------------------------------|-------|---------------------|-------|-------|-------|-------|-------|-------|
| | | | 1Q | 2Q | 3Q | 4Q | Total | 1Q |
| Total dividend (KRW bn) | 715.1 | 717.0 | 180.9 | 181.0 | 181.0 | 181.0 | 723.8 | 181.3 |
| DPS ¹⁾ (KRW) | 2,000 | 3,295 ²⁾ | 830 | 830 | 830 | 830 | 3,320 | 830 |
| Dividend yield ³⁾ | 4.1% | 5.7% | 1.4% | 1.5% | 1.6% | 1.7% | 6.8% | 1.7% |

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

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

3) Dividend yield is the ratio between the DPS and the arithmetic mean of the stock prices for one week that ends two trading days before the dividend record date

1Q23 Financial Results

Business Highlights

Shareholder Return

Appendix



Consolidated Income Statement

| (KRW bn) | 2021 | 1Q22 | 2Q22 | 3Q22 | 4Q22 | 2022 | 1Q23 |
|--|----------------|--------------|--------------|--------------|--------------|----------------|----------------|
| Operating revenue | 16,748.6 | 4,277.2 | 4,289.9 | 4,343.4 | 4,394.5 | 17,305.0 | 4,372.2 |
| Operating expenses | 15,361.4 | 3,844.8 | 3,830.3 | 3,877.9 | 4,140.0 | 15,692.9 | 3,877.4 |
| Labor cost | 2,300.8 | 637.1 | 593.2 | 581.5 | 638.0 | 2,449.8 | 617.6 |
| Commissions paid | 5,426.1 | 1,310.2 | 1,370.9 | 1,384.6 | 1,453.0 | 5,518.8 | 1,356.2 |
| Advertising | 233.4 | 49.2 | 54.9 | 53.6 | 94.7 | 252.4 | 43.6 |
| Depreciation ¹⁾ | 3,819.8 | 946.3 | 940.7 | 933.5 | 934.8 | 3,755.3 | 933.3 |
| Network interconnection | 749.6 | 189.4 | 185.3 | 180.0 | 160.6 | 715.3 | 172.5 |
| Leased line and frequency usage fees | 310.1 | 67.6 | 61.1 | 68.9 | 70.8 | 268.4 | 72.0 |
| Cost of goods sold | 1,167.4 | 307.6 | 267.7 | 304.7 | 388.1 | 1,268.1 | 314.2 |
| Others | 1,354.2 | 337.3 | 356.6 | 371.0 | 399.9 | 1,464.8 | 368.1 |
| Operating income | 1,387.2 | 432.4 | 459.6 | 465.6 | 254.5 | 1,612.1 | 494.8 |
| EBITDA | 5,207.0 | 1,378.7 | 1,400.3 | 1,399.1 | 1,189.3 | 5,367.4 | 1,428.1 |
| EBITDA margin | 31.1% | 32.2% | 32.6% | 32.2% | 27.1% | 31.0% | 32.7% |
| Net profit or loss from non-operating items | 331.0 | (105.4) | (56.8) | (103.2) | (110.5) | (375.9) | (73.9) |
| Equity gains or losses | 446.3 | (38.4) | 13.6 | (51.0) | (5.8) | (81.7) | 0.8 |
| Income from continuing operations before tax | 1,718.2 | 327.0 | 402.8 | 362.4 | 144.0 | 1,236.2 | 420.9 |
| Income from spun-off operations | 1,147.6 | - | - | - | - | - | - |
| Consolidated net income | 2,419.0 | 220.3 | 258.1 | 245.6 | 223.7 | 947.8 | 302.5 |
| Majority interests | 2,407.5 | 211.3 | 253.9 | 234.6 | 212.7 | 912.4 | 290.5 |
| Minority interests | 11.5 | 9.1 | 4.3 | 11.0 | 11.1 | 35.4 | 12.0 |
| Basic earnings per share (KRW) | 7,191 | 953 | 1,147 | 1,059 | 959 | 4,118 | 1,314.0 |

* 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) | 12-31-21 | 3-31-22 | 6-30-22 | 9-30-22 | 12-31-22 | 3-31-23 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Total assets | 30,911.3 | 30,574.7 | 30,648.4 | 30,529.8 | 31,308.2 | 30,539.6 |
| Current assets | 6,352.7 | 6,544.8 | 7,061.2 | 7,318.7 | 7,219.2 | 7,011.5 |
| Cash and short-term financial instruments ¹⁾ | 1,381.4 | 1,386.2 | 1,841.5 | 1,839.0 | 2,119.5 | 1,918.2 |
| Accounts receivable | 2,461.9 | 2,602.3 | 2,593.5 | 2,652.5 | 2,450.4 | 2,368.3 |
| Other current assets | 2,509.4 | 2,556.3 | 2,626.3 | 2,827.2 | 2,649.3 | 2,725.0 |
| Non-current assets | 24,558.6 | 24,029.8 | 23,587.2 | 23,211.1 | 24,089.0 | 23,528.1 |
| PP&E and intangible assets | 18,813.5 | 18,330.4 | 18,269.4 | 17,882.1 | 18,747.5 | 18,100.6 |
| Investment assets | 3,912.8 | 3,855.3 | 3,541.5 | 3,472.1 | 3,300.4 | 3,433.6 |
| Other non-current assets | 1,832.3 | 1,844.1 | 1,776.4 | 1,856.9 | 2,041.1 | 1,993.8 |
| Total liabilities | 18,576.1 | 18,305.2 | 18,501.8 | 18,232.7 | 19,153.0 | 18,222.8 |
| Current liabilities | 6,960.4 | 6,935.3 | 7,575.9 | 7,429.0 | 8,046.5 | 7,202.9 |
| Short-term borrowings | 13.0 | 168.0 | 13.0 | 13.0 | 143.0 | 13.0 |
| Accounts payable | 2,262.4 | 2,157.7 | 2,010.1 | 1,520.5 | 2,517.2 | 1,788.8 |
| Other current liabilities | 4,685.0 | 4,609.6 | 5,552.9 | 5,895.5 | 5,386.4 | 5,401.1 |
| Non-current liabilities | 11,615.7 | 11,369.9 | 10,925.8 | 10,803.7 | 11,106.5 | 11,019.9 |
| Bonds payable & long-term borrowings | 7,390.5 | 7,423.2 | 7,064.7 | 7,015.2 | 7,192.2 | 7,391.6 |
| Deferred tax liabilities | 941.3 | 978.7 | 862.8 | 849.7 | 763.8 | 842.0 |
| Other non-current liabilities | 3,283.9 | 2,968.0 | 2,998.3 | 2,938.8 | 3,150.5 | 2,786.3 |
| Total shareholders' equity | 12,335.1 | 12,269.5 | 12,146.6 | 12,297.1 | 12,155.2 | 12,316.7 |
| Common stock and additional paid in capital | (11,593.2) | (11,529.5) | (11,519.0) | (11,507.7) | (11,536.6) | (11,515.1) |
| Retained earnings | 22,437.3 | 22,297.1 | 22,376.7 | 22,457.0 | 22,463.7 | 22,549.8 |
| Other comprehensive income/loss | 735.2 | 738.0 | 500.5 | 556.0 | 391.2 | 488.4 |
| Minority interests | 755.8 | 763.9 | 788.3 | 791.8 | 836.9 | 793.7 |

* 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) | 2021 | 1Q22 | 2Q22 | 3Q22 | 4Q22 | 2022 | 1Q23 |
|---|----------|---------|---------|---------|---------|----------|---------|
| Operating revenue | 12,102.8 | 3,077.4 | 3,118.2 | 3,122.6 | 3,096.3 | 12,414.6 | 3,117.3 |
| Mobile service revenue | 10,257.1 | 2,587.1 | 2,615.8 | 2,625.4 | 2,634.4 | 10,462.7 | 2,627.0 |
| Interconnection | 512.2 | 132.4 | 129.3 | 125.1 | 98.7 | 485.5 | 115.4 |
| Others | 1,333.5 | 357.9 | 373.1 | 372.2 | 363.2 | 1,466.4 | 374.9 |
| Operating expenses | 10,988.5 | 2,720.5 | 2,737.3 | 2,733.9 | 2,901.7 | 11,093.5 | 2,701.6 |
| Labor cost | 953.8 | 291.9 | 237.7 | 214.7 | 248.7 | 993.0 | 233.1 |
| Commissions paid | 4,817.9 | 1,154.7 | 1,177.6 | 1,193.4 | 1,266.4 | 4,792.1 | 1,179.4 |
| Marketing commissions | 3,098.3 | 727.7 | 723.5 | 731.1 | 719.1 | 2,901.4 | 729.6 |
| Other commissions | 1,719.6 | 427.0 | 454.1 | 462.3 | 547.3 | 1,890.7 | 449.8 |
| Advertising | 118.0 | 16.9 | 34.9 | 30.6 | 78.9 | 161.3 | 27.0 |
| Depreciation ¹⁾ | 2,914.2 | 713.3 | 704.5 | 705.2 | 704.6 | 2,827.6 | 705.0 |
| Network interconnection | 561.3 | 144.0 | 140.4 | 134.2 | 114.0 | 532.6 | 124.8 |
| Leased line | 85.7 | 20.5 | 21.2 | 22.3 | 23.2 | 87.3 | 24.7 |
| Frequency usage fees | 120.8 | 25.3 | 25.8 | 26.3 | 26.4 | 103.9 | 26.3 |
| Others | 1,416.7 | 353.7 | 395.1 | 407.3 | 439.6 | 1,595.6 | 381.3 |
| Operating income | 1,114.3 | 356.9 | 380.9 | 388.7 | 194.6 | 1,321.1 | 415.7 |
| <i>EBITDA</i> | 4,028.6 | 1,070.3 | 1,085.4 | 1,093.9 | 899.2 | 4,148.7 | 1,120.7 |
| <i>EBITDA margin</i> | 33.3% | 34.8% | 34.8% | 35.0% | 29.0% | 33.4% | 36.0% |
| Net profit or loss from non-operating items | 255.0 | (18.3) | (52.5) | 44.0 | (148.1) | (174.9) | 85.9 |
| Income from continuing operations before tax | 1,369.3 | 338.6 | 328.4 | 432.7 | 46.6 | 1,146.3 | 501.6 |
| Net income | 1,073.8 | 252.0 | 224.5 | 305.1 | 87.9 | 869.5 | 422.2 |

1) Depreciation and amortization includes R&D related depreciation

Non-consolidated Balance Sheet

| (KRW bn) | 12-31-21 | 3-31-22 | 6-30-22 | 9-30-22 | 12-31-22 | 3-31-23 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| Total assets | 26,389.1 | 26,090.8 | 25,874.8 | 25,601.1 | 26,432.1 | 25,589.6 |
| Current assets | 4,681.5 | 4,767.3 | 5,056.4 | 5,189.1 | 5,498.5 | 5,118.4 |
| Cash and short-term financial instruments ¹⁾ | 537.8 | 503.3 | 740.7 | 764.5 | 1,387.3 | 872.7 |
| Accounts receivable | 2,027.3 | 2,106.7 | 2,048.0 | 2,071.1 | 1,852.7 | 1,971.5 |
| Other current assets | 2,116.4 | 2,157.3 | 2,267.7 | 2,353.5 | 2,258.4 | 2,274.2 |
| Non-current assets | 21,707.6 | 21,323.5 | 20,818.5 | 20,412.0 | 20,933.7 | 20,471.2 |
| PP&E and intangible assets | 13,828.0 | 13,427.7 | 13,413.8 | 13,030.0 | 13,519.3 | 12,982.2 |
| Investment assets | 6,317.9 | 6,315.5 | 5,924.7 | 5,785.3 | 5,777.3 | 5,863.6 |
| Other non-current assets | 1,561.7 | 1,580.2 | 1,480.0 | 1,596.7 | 1,637.0 | 1,625.3 |
| Total liabilities | 15,526.2 | 15,309.5 | 15,367.1 | 15,085.4 | 16,048.7 | 14,900.5 |
| Current liabilities | 5,426.5 | 5,570.8 | 6,031.8 | 5,438.1 | 6,236.1 | 5,283.2 |
| Accounts payable | 2,228.2 | 1,845.8 | 2,025.2 | 1,364.6 | 2,228.2 | 1,845.8 |
| Other current liabilities | 3,198.2 | 3,725.1 | 4,006.6 | 4,073.5 | 4,007.9 | 3,437.5 |
| Non-current liabilities | 10,099.7 | 9,738.6 | 9,335.3 | 9,647.2 | 9,812.6 | 9,617.3 |
| Bonds payable & long-term borrowings | 6,135.4 | 6,097.0 | 5,819.5 | 6,162.8 | 6,345.9 | 6,461.2 |
| Long-term payables | 1,611.0 | 1,223.8 | 1,229.0 | 1,234.2 | 1,239.5 | 881.6 |
| Other non-current liabilities | 2,353.3 | 2,417.8 | 2,286.9 | 2,250.3 | 2,227.3 | 2,274.5 |
| Total shareholders' equity | 10,862.9 | 10,781.3 | 10,507.7 | 10,515.8 | 10,383.4 | 10,689.1 |
| Common stock and additional paid in capital | (4,545.8) | (4,468.6) | (4,474.4) | (4,473.0) | (4,476.2) | (4,456.2) |
| Retained earnings | 14,770.6 | 14,672.3 | 14,717.1 | 14,839.6 | 14,691.5 | 14,921.3 |
| Other comprehensive income/loss | 638.0 | 577.7 | 265.1 | 149.2 | 168.1 | 224.0 |

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

Consolidated Income Statement

| (KRW bn) | 2021 | 1Q22 | 2Q22 | 3Q22 | 4Q22 | 2022 | 1Q23 |
|----------------------|---------|---------|---------|---------|---------|---------|---------|
| Operating revenue | 4,049.2 | 1,026.0 | 1,032.8 | 1,044.2 | 1,053.3 | 4,156.3 | 1,061.5 |
| Operating expenses | 3,773.6 | 949.9 | 954.6 | 964.5 | 981.5 | 3,850.6 | 985.3 |
| Labor cost | 569.9 | 144.0 | 145.8 | 151.0 | 156.3 | 596.9 | 160.6 |
| Marketing expense | 385.5 | 93.2 | 91.1 | 88.8 | 86.2 | 359.3 | 90.0 |
| Commissions paid | 1,135.2 | 285.7 | 290.6 | 290.9 | 297.2 | 1,164.7 | 284.4 |
| Interconnection | 123.0 | 30.9 | 30.5 | 30.1 | 29.8 | 121.2 | 31.4 |
| NW lease expense | 119.9 | 30.4 | 31.8 | 33.4 | 34.5 | 130.0 | 34.3 |
| Others | 494.4 | 120.7 | 122.9 | 129.9 | 134.9 | 508.3 | 144.5 |
| Depreciation | 945.7 | 245.1 | 241.9 | 240.5 | 242.6 | 970.2 | 240.0 |
| Operating income | 275.6 | 76.1 | 78.2 | 79.7 | 71.8 | 305.7 | 76.1 |
| EBITDA | 1,221.3 | 321.2 | 320.1 | 320.2 | 314.4 | 1,275.9 | 316.1 |
| EBITDA margin | 30.2% | 31.3% | 31.0% | 30.7% | 29.9% | 30.7% | 29.8% |
| Non-operating income | (16.1) | (8.8) | (5.4) | (6.2) | (4.9) | (25.3) | (9.4) |
| Income before tax | 259.5 | 67.3 | 72.7 | 73.5 | 66.9 | 280.4 | 66.7 |
| Net income | 198.3 | 50.9 | 52.9 | 55.4 | 58.0 | 217.3 | 50.6 |

Consolidated Balance Sheet

| (KRW bn) | 12-31-21 | 3-31-22 | 6-30-22 | 9-30-22 | 12-31-22 | 3-31-23 |
|---|----------|---------|---------|---------|----------|---------|
| Assets | 5,997.8 | 5,931.6 | 6,103.6 | 6,120.9 | 6,293.9 | 6,448.2 |
| Current assets | 1,252.9 | 1,322.7 | 1,530.2 | 1,605.1 | 1,348.3 | 1,614.8 |
| Cash & cash equivalents | 407.7 | 436.7 | 649.4 | 583.6 | 368.0 | 651.9 |
| Short-term financial instruments | 10.5 | 10.5 | 20.5 | 39.1 | 10.3 | 10.9 |
| Inventories | 24.2 | 22.3 | 24.8 | 24.9 | 20.8 | 17.6 |
| Other current assets | 810.5 | 853.1 | 835.5 | 957.5 | 949.2 | 934.3 |
| Non-current assets | 4,744.9 | 4,608.9 | 4,573.4 | 4,515.9 | 4,945.6 | 4,833.4 |
| Tangible assets | 3,127.6 | 3,013.8 | 2,976.2 | 2,975.1 | 3,116.4 | 3,000.0 |
| Real estate investments | 8.5 | 8.4 | 8.4 | 8.3 | 29.3 | 29.3 |
| Other intangible assets | 790.5 | 765.7 | 745.1 | 728.3 | 740.7 | 727.4 |
| Other non-current assets | 818.4 | 820.9 | 843.8 | 804.1 | 1,059.2 | 1,076.7 |
| Liabilities | 3,130.2 | 3,022.7 | 3,139.1 | 3,072.9 | 3,173.5 | 3,484.4 |
| Current liabilities | 1,433.8 | 1,243.1 | 1,439.1 | 1,790.8 | 1,707.8 | 1,926.5 |
| Accounts payable | 740.8 | 639.1 | 742.1 | 775.6 | 849.1 | 962.5 |
| Short-term borrowings and notes payable | 454.1 | 334.2 | 431.0 | 777.5 | 614.5 | 672.5 |
| Other current liabilities | 238.9 | 269.9 | 265.9 | 237.7 | 244.3 | 291.6 |
| Non-current liabilities | 1,696.4 | 1,779.6 | 1,700.0 | 1,282.1 | 1,465.6 | 1,557.9 |
| Long-term trade payables | 3.9 | 3.8 | 3.8 | 0.9 | 0.0 | (1.0) |
| Long-term borrowings and notes payable | 1,255.1 | 1,326.3 | 1,245.2 | 852.4 | 846.3 | 922.5 |
| Other non-current liabilities | 437.4 | 449.5 | 451.0 | 428.9 | 619.3 | 635.3 |
| Equity | 2,867.7 | 2,908.9 | 2,964.6 | 3,048.0 | 3,120.5 | 2,963.8 |
| Common stock | 2,007.3 | 2,007.3 | 2,007.3 | 2,007.3 | 2,010.2 | 2,010.2 |
| Additional paid in capital | 645.7 | 645.7 | 645.6 | 645.7 | 657.7 | 657.7 |
| Retained earnings | 205.6 | 253.7 | 308.3 | 395.6 | 454.5 | 299.7 |
| Other comprehensive income/loss | 9.1 | 2.2 | 3.4 | (0.6) | (2.0) | (3.9) |

Subscribers

| (Thousands) | 1Q21 | 2Q21 | 3Q21 | 4Q21 | 1Q22 | 2Q22 | 3Q22 | 4Q22 | 1Q23 | YoY | QoQ |
|---------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| SKT | | | | | | | | | | | |
| MNO Subscribers ¹⁾ | 29,308 | 29,383 | 29,422 | 29,696 | 29,832 | 30,250 | 30,440 | 30,452 | 30,552 | 2.4% | 0.3% |
| Net adds | 219 | 74 | 39 | 274 | 136 | 418 | 190 | 12 | 100 | △26.5% | 702.8% |
| Activations | 956 | 777 | 788 | 1,057 | 837 | 1,076 | 914 | 660 | 757 | △9.6% | 14.6% |
| Deactivations | 737 | 702 | 750 | 782 | 701 | 658 | 724 | 648 | 657 | △6.3% | 1.4% |
| Monthly Churn | 0.8% | 0.8% | 0.8% | 0.9% | 0.8% | 0.7% | 0.8% | 0.7% | 0.7% | △0.1% | - |
| Handset subs | 24,042 | 23,982 | 23,906 | 23,750 | 23,678 | 23,587 | 23,402 | 23,278 | 23,275 | △1.7% | - |
| LTE subs | 21,251 | 20,475 | 19,644 | 18,782 | 17,981 | 17,645 | 17,201 | 16,367 | 15,750 | △12.4% | △3.8% |
| 5G subs | 6,736 | 7,696 | 8,650 | 9,874 | 10,879 | 11,682 | 12,468 | 13,393 | 14,148 | 30.0% | 5.6% |
| Total Mobile Subs ²⁾ | 31,520 | 31,626 | 31,595 | 31,884 | 32,129 | 32,559 | 32,831 | 32,836 | 33,010 | 2.7% | 0.5% |
| SKB | | | | | | | | | | | |
| Pay TV Subscribers | 8,686 | 8,806 | 8,913 | 9,000 | 9,094 | 9,167 | 9,250 | 9,323 | 9,401 | 3.4% | 0.8% |
| IPTV subs | 5,782 | 5,920 | 6,035 | 6,137 | 6,246 | 6,328 | 9,416 | 6,504 | 6,592 | 5.5% | 1.3% |
| CATV subs | 2,904 | 2,886 | 2,878 | 2,863 | 2,848 | 2,839 | 2,834 | 2,819 | 2,809 | △1.4% | △0.3% |
| High speed internet | 6,508 | 6,539 | 6,560 | 6,580 | 6,608 | 6,633 | 6,669 | 6,704 | 6,757 | 2.2% | 0.8% |
| CAPEX (KRW bn) | | | | | | | | | | | |
| SKT | 165 | 683 | 306 | 1,025 | 197 | 658 | 269 | 1,091 | 134 | △32.0% | △87.8% |
| SKB | 55 | 166 | 204 | 397 | 82 | 148 | 189 | 401 | 78 | △4.7% | △80.4% |

1) Excludes MVNO & other connections

2) Includes MVNO connections, excludes other connections

ARPU

| (KRW) | 1Q21 | 2Q21 | 3Q21 | 4Q21 | 1Q22 | 2Q22 | 3Q22 | 4Q22 | 1Q23 | YoY | QoQ |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------|
| ARPU¹⁾ | 30,213 | 30,446 | 30,669 | 30,740 | 30,401 | 30,656 | 30,633 | 30,495 | 30,101 | △1.0% | △1.3% |
| ARPU including MVNO | 28,124 | 28,395 | 28,600 | 28,820 | 28,492 | 28,706 | 28,636 | 28,495 | 28,120 | △1.3% | △1.3% |

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)

SK telecom