

Investor Briefing

# Earnings for Q2, 2023

2023. 8. 8.



**SK** telecom

# Disclaimer

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## 2Q23 Financial Results

Business Highlights

Shareholder Return

Appendix



# 2Q23 Financial Results

Consolidated

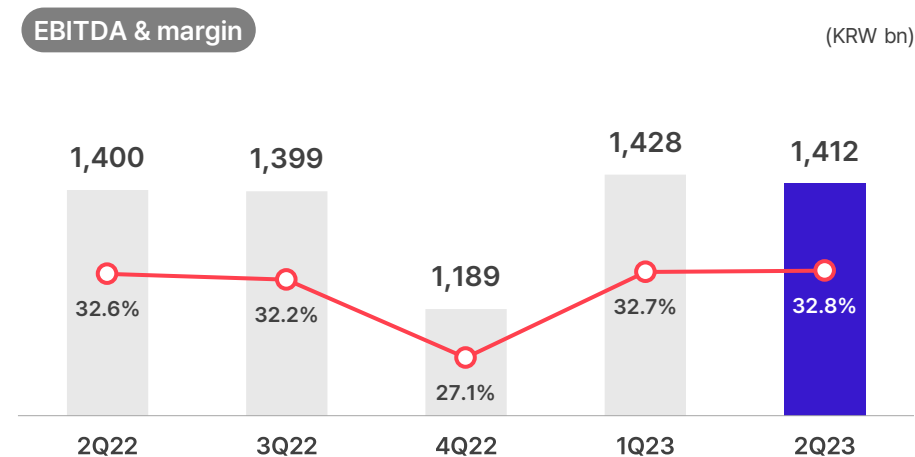
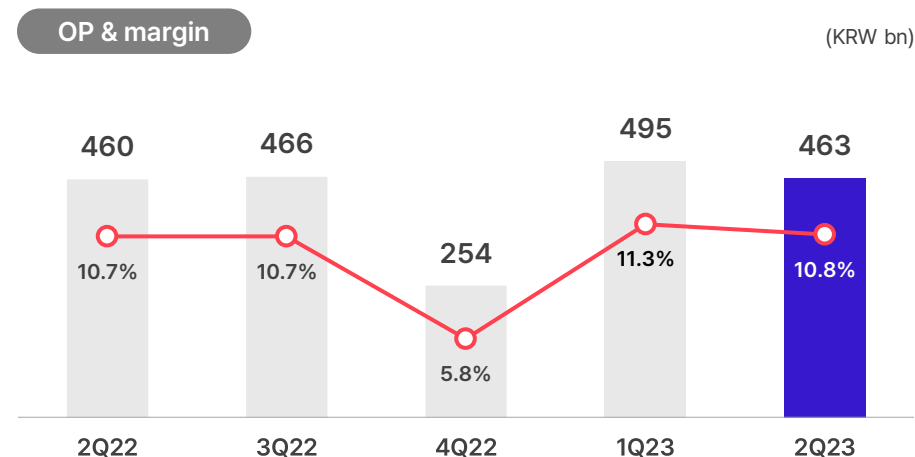
Continued YoY growth of consolidated earnings thanks to the increase in SKB B2B sales higher Data Center utilization

## Consolidated Income Statement

(KRW bn)	2Q23	2Q22	YoY	1Q23	QoQ
Revenue	4,306	4,290	0.4%	4,372	Δ1.5%
- SKT	3,119	3,118	0.0%	3,117	0.1%
- SKB	1,068	1,033	3.4%	1,062	0.6%
Operating expenses	3,843	3,830	0.3%	3,877	Δ0.9%
Operating income	463	460	0.8%	495	Δ6.4%
- SKT	379	381	Δ0.5%	416	Δ8.8%
- SKB	83	78	5.8%	76	8.6%
Net income	348	258	34.8%	303	15.0%
EBITDA	1,412	1,400	0.9%	1,428	Δ1.1%
CAPEX	826	806	2.4%	212	290.3%

- Consolidated revenue of KRW 4.3tn, up 0.4% YoY**
  - B2B business revenue growth on the back of higher Data Center utilization rates of SKB
  - QoQ decline of 1.5% due to lower handset sales by PS&M amid slow handset retail season
- Consolidated operating income of KRW 463.4bn, up 0.8% YoY**
  - Consolidated operating income grew thanks to SKB revenue growth and cost efficiency despite slight negative impact from higher expenses for SK Stoa
- Consolidated net income of KRW 347.8bn, up 34.8% YoY**
  - Thanks to forward trading profit related to investment in Joby Aviation

## Key Metrics



# 2Q23 Financial Results

Non-consolidated

Slower revenue growth due to temporary response to competition but sustained cost stabilization trend

## Non-consolidated Income Statement

(KRW bn)	2Q23	2Q22	YoY	1Q23	QoQ
Revenue	3,119	3,118	0.0%	3,117	0.1%
- MNO	2,618	2,616	0.1%	2,627	Δ0.3%
- Other	501	502	Δ0.0%	490	0.4%
Operating expenses	2,740	2,737	0.1%	2,702	1.4%
- Marketing expense	754	758	Δ0.6%	757	Δ0.4%
- Depreciation <sup>1)</sup>	716	705	1.6%	705	1.5%
Operating income	379	381	Δ0.5%	416	Δ8.8%
Net income	273	224	21.5%	422	Δ35.4%
EBITDA	1,095	1,085	0.9%	1,121	Δ2.3%

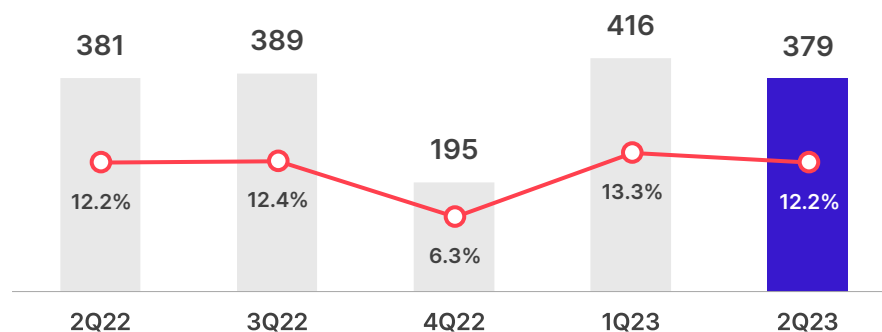
1) R&D related depreciation and amortization included

- **Non-consolidated revenue of KRW 3.12tn, up 0.03% YoY**
  - Continued growth of 5G subscribers and roaming revenue
- **Non-consolidated operating income of KRW 379.1bn, down 0.5% YoY**
  - Marketing expense stabilization trend sustained but a slight increase in depreciation cost
  - QoQ impact of seasonal factors such as advertising expense
- **Non-consolidated net income of KRW 272.8bn, up 21.5% YoY**
  - One-off forward trading profit related to investment in Joby Aviation
  - QoQ decline due to the base effect of dividend income <sup>SKB, etc.</sup>

## Key Metrics

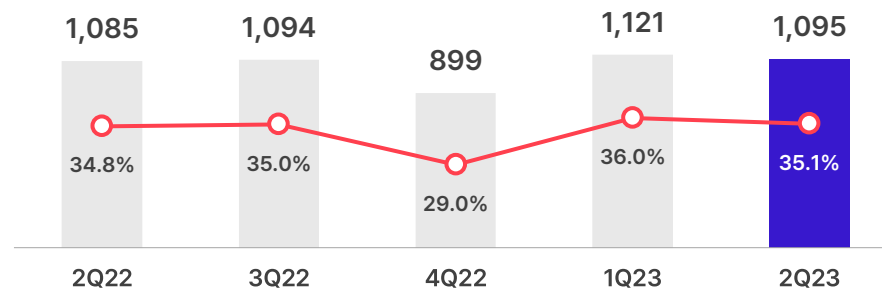
### OP & margin

(KRW bn)



### EBITDA & margin

(KRW bn)



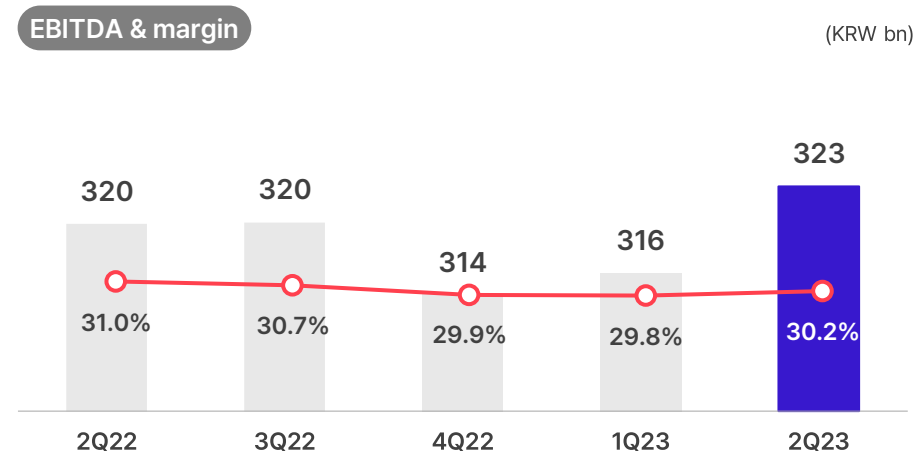
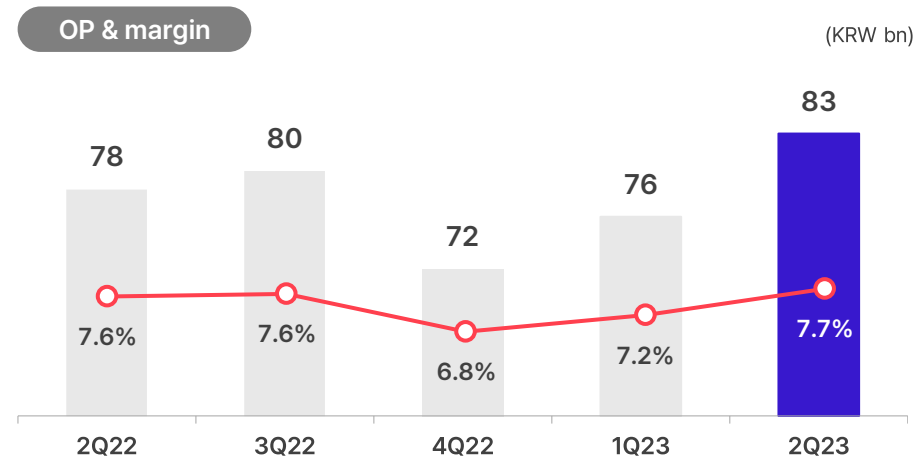
# 2Q23 Financial Results

Revenue and profit growth supported by B2C business growth centered on subscribers with higher ARPU and expansion of B2B business

## Consolidated Income Statement

(KRW bn)	2Q23	2Q22	YoY	1Q23	QoQ
Revenue	1,068	1,033	3.4%	1,062	0.6%
- Pay tv	474	467	15%	472	0.5%
- Fixed line	265	257	3.4%	264	0.4%
- B2B business	329	309	6.4%	325	1.1%
Operating expenses	986	955	3.2%	985	0.0%
Operating income	83	78	5.8%	76	8.6%
Net income	58	53	9.8%	51	14.9%
EBITDA	323	320	0.9%	316	2.2%

## Key Metrics



- **SKB consolidated revenue of KRW 1.07tn, up 3.4% YoY**
  - Continued subscriber growth with No. 1 net add M/S for broadband and IPTV in 1H 2023
  - B2B revenue growth sustained with higher Data Center utilization rates and growing data traffic
- **SKB consolidated operating income of KRW 82.7bn, up 5.8% YoY**
  - Operating income growth on the back of revenue growth and increased share of high-tier subscribers
- **SKB consolidated net income of KRW 58.1bn, up 9.8% YoY**
  - Net income growth thanks to operating income growth

2Q23 Financial Results

**Business Highlights**

Shareholder Return

Appendix

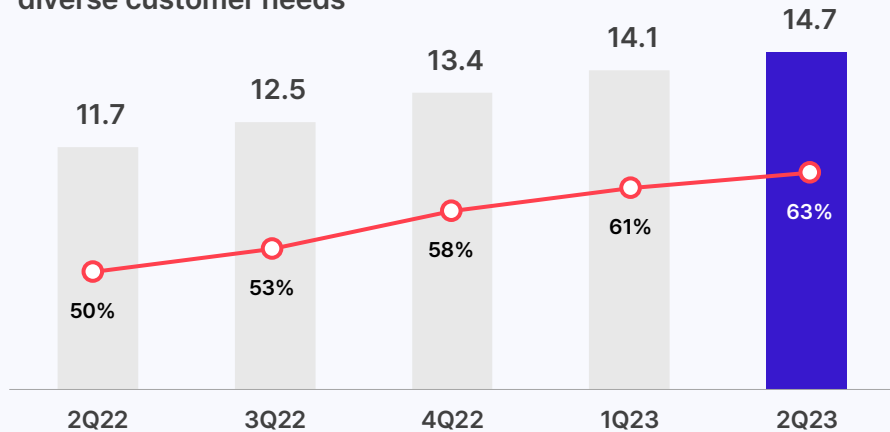


# Business Highlights

## 5G subscribers & portion

Continuing subscriber growth with new 5G price plans to meet diverse customer needs

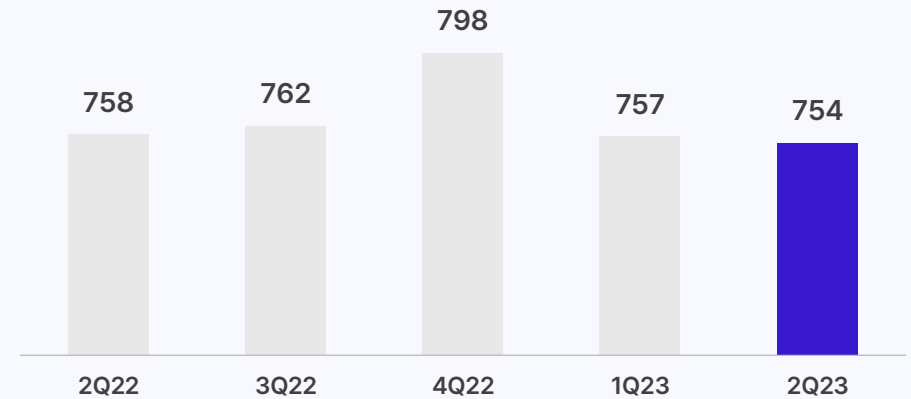
(million)



## Marketing expense

YoY and QoQ decline to maintain a stable trend

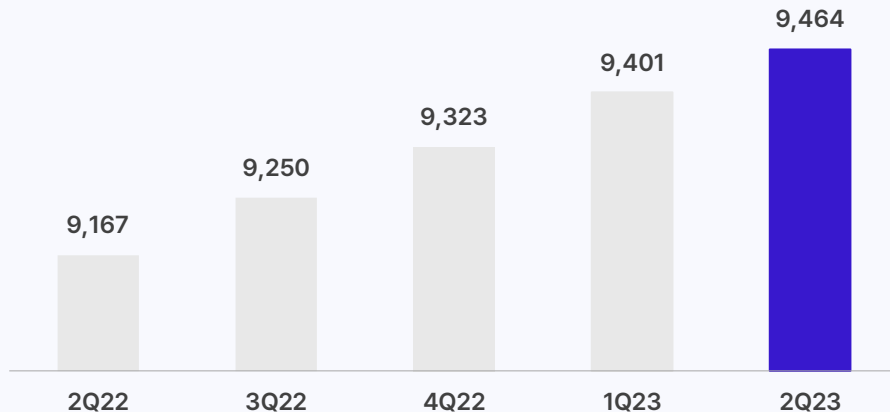
(KRW bn)



## Pay tv subscribers (IPTV + CATV)

Sustained subscriber growth reaching 9.46 million with IPTV net add M/S No. 1 position maintained in 1H 2023

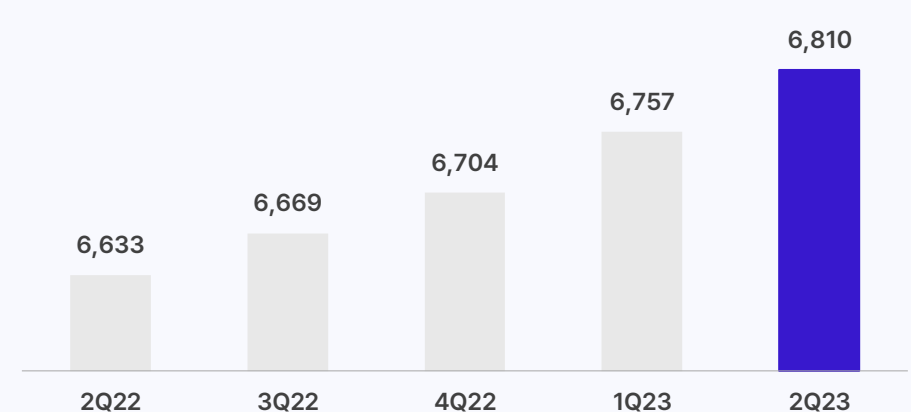
(1,000)



## Broadband subscribers

Broadband subscriber net add M/S No. 1 position in 1H 2023 with 6.81 million subscribers

(1,000)

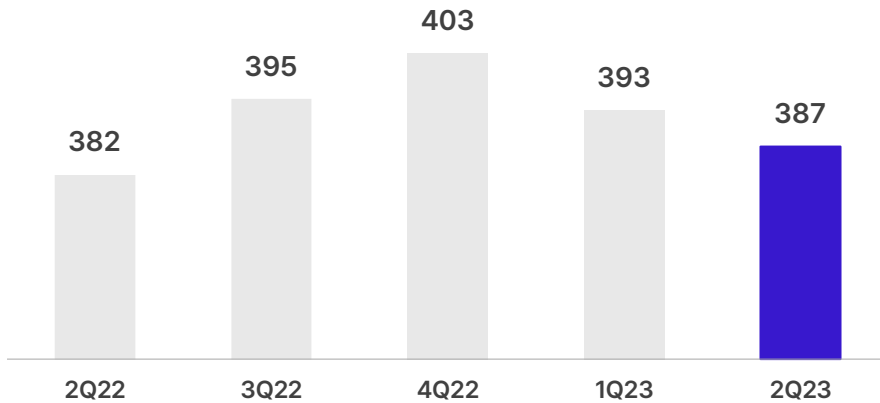




# Business Highlights

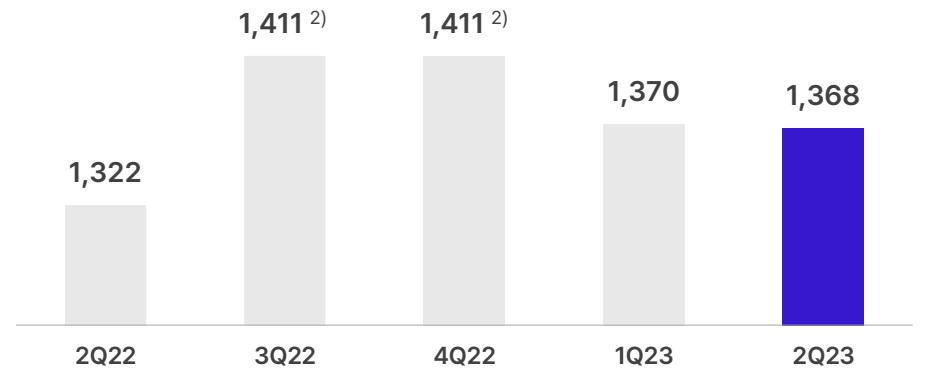
## Media revenue

(KRW bn)



## PPM<sup>1)</sup> subscribers

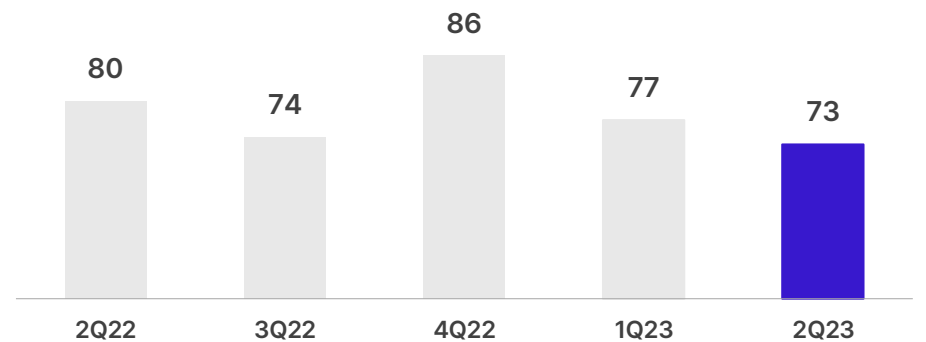
(1,000)



1) Pay Per Month 2) Base adjusted with product mix change in Q3 and Q4

## SK Stoa revenue

(KRW bn)



- **Media revenue of KRW 386.5bn, up 1.2% YoY**

- Efforts under way to strengthen the media value chain based on the fixed and mobile subscriber base
- Stable growth with quality media assets, including B tv, SK Stoa and TEAM Studio

- **PPM subscriber base grew 3.5% YoY thanks to content marketing efforts**

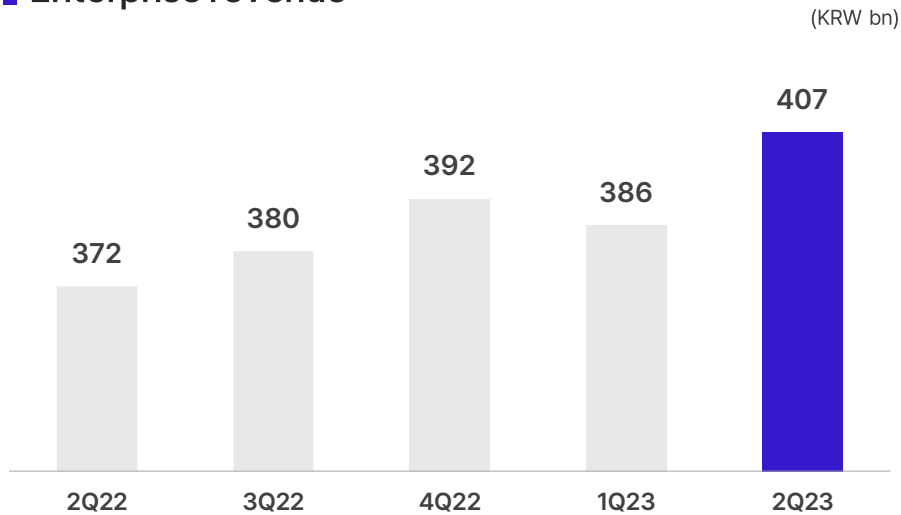
- YoY subscriber growth achieved during the slow season through various efforts such as content marketing and diversification of promotion offerings

- **SK Stoa revenue of KRW 73.1bn, down 8% YoY**

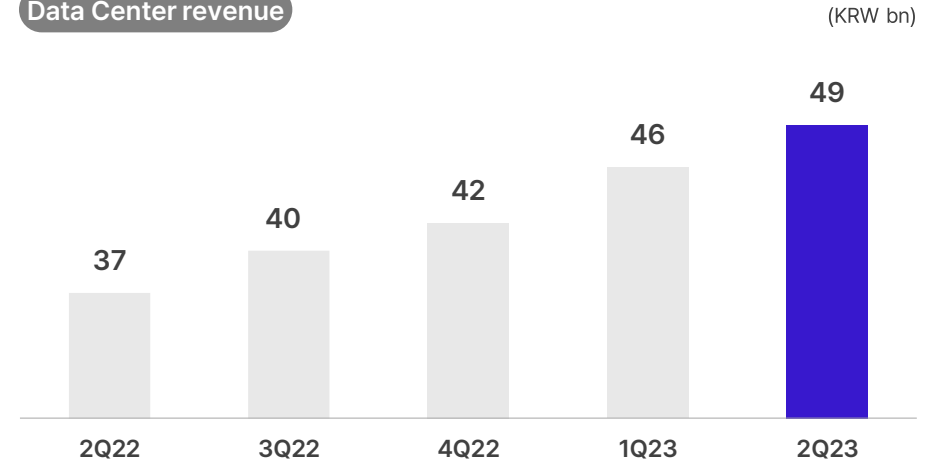
- Competitive edge maintained through compelling product offerings and stronger media commerce despite lower consumer spending and TV home shopping downturns amid economic depression

# Business Highlights

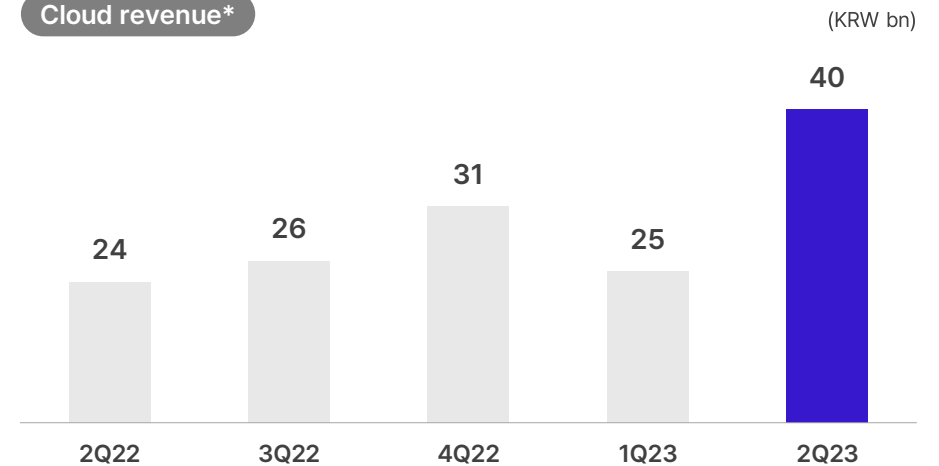
## Enterprise revenue



## Data Center revenue



## Cloud revenue\*



- Enterprise revenue of KRW 407.1bn, up 9.2% YoY**
  - Continued scale-up with the opening of Bundang 2 Center and increase in Cloud orders
- Data Center revenue of KRW 49.4bn, up 33.2% YoY**
  - Continued quarterly growth in revenue on the back of sustained increase in utilization rates of the new Data Centers
  - Additional revenue from the new Bundang 2 Center
- Cloud revenue of KRW 39.8bn, up 67.7% YoY**
  - Share of recurring MSP revenue surpassing 90% for five consecutive quarters

\*Cloud revenue adjusted with Enterprise business re-organization

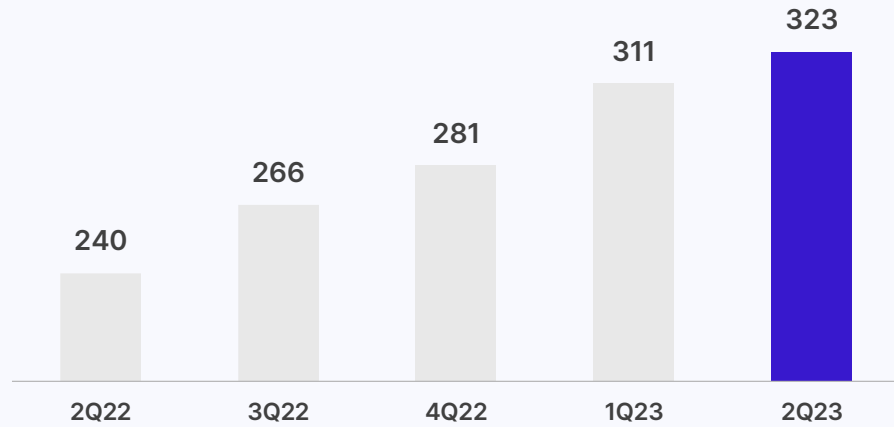
# Business Highlights

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## Subscription GMV

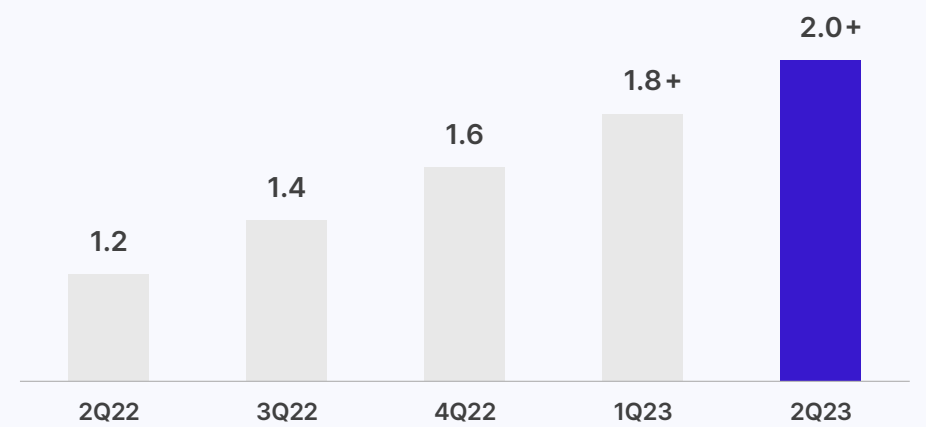
(KRW bn)

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



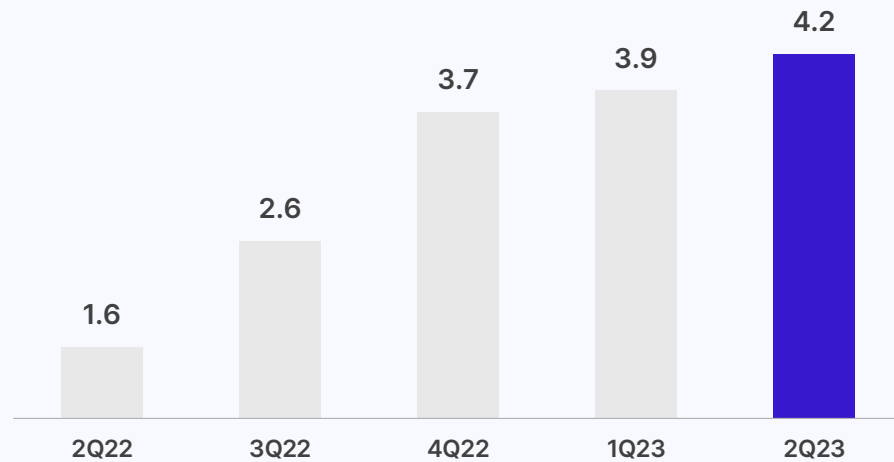
## Subscription subscribers (T universe)

(million)



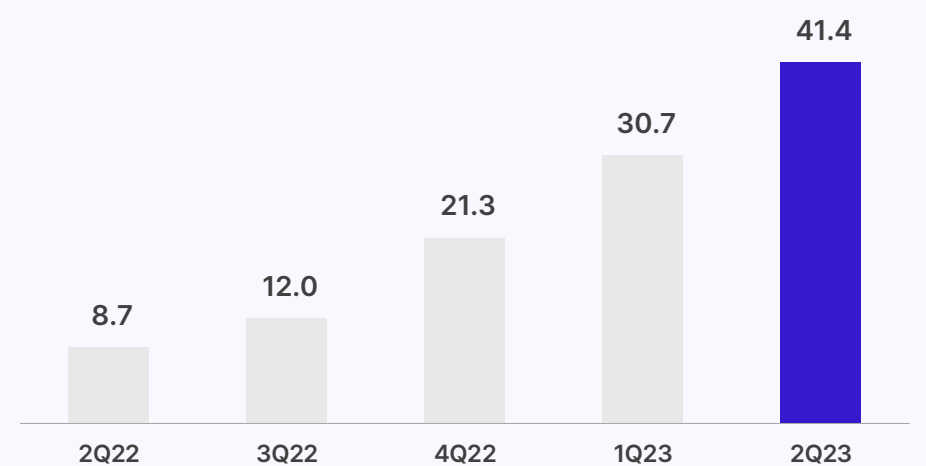
## ifland MAU

(million)



## ifland cumulative downloads

(million)



# Business Highlights

A Dot service update and direction

Completely revamped A Dot service to expand the spectrum of chat services and strengthen A dot content offerings  
Plan to offer telco-focused services through A dot by linking it with SKT's various MNO points of contact

## Major updates

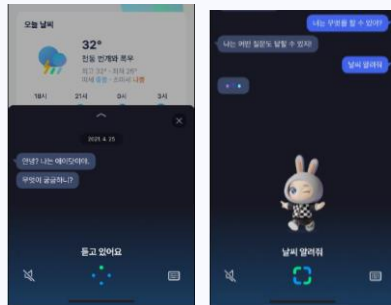
- Home UX revamped
  - Use the home screen to recommend and offer features and content that customers need
  - Better accessibility through overall on-boarding process improvement
- Increased touch points for chats
  - Launch A Dot Friends, an emotional AI agent, in collaboration with Scatter Lab
  - Add ChatT that utilizes MS Azure OpenAI's ChatGPT model

## Future service directions

- Service improvement to enjoy conversational AI that is easy to use and friendly
- Evolve into an AI communicator by combining generative AI with SKT's core assets, i.e., telephone and telco services, toward becoming an AI assistant
- Provide more complete user experience through collaborations and partnerships

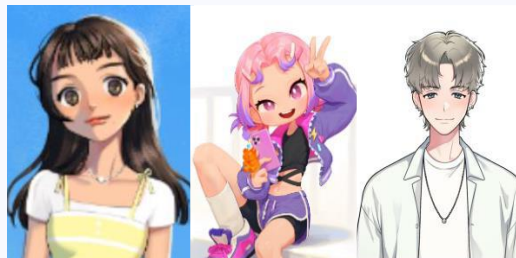
## A dot's conversation features

### Main Agent



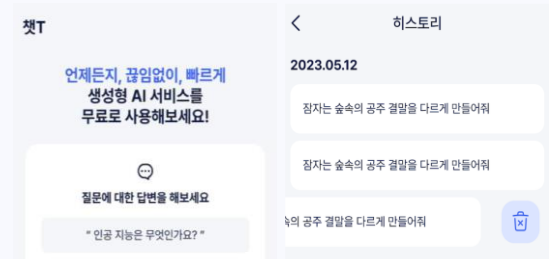
- Voice or text-based chats with upgraded characters

### A. Friends



- Free-style chats with virtual friends with diverse personas

### ChatT



- Free offering of generative AI feature based on ChatGPT model

# Business Highlights

## Launch of Global Telco AI Alliance

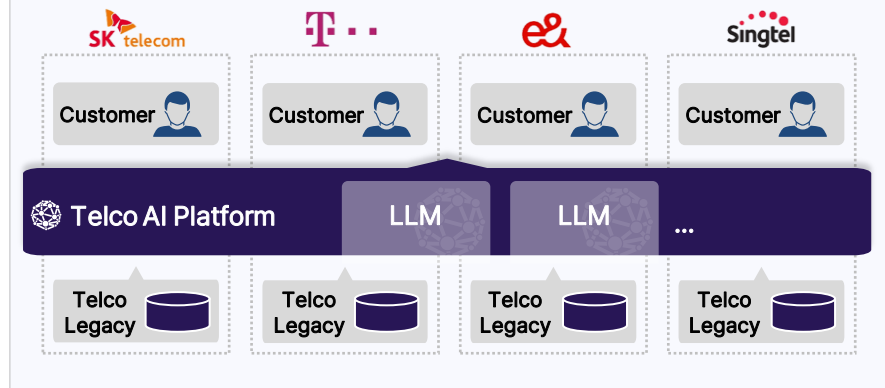
The official launch of the Global Telco AI Alliance to mobilize AI capabilities of global telcos  
To create new business opportunities by developing AI services and Telco AI Platform

### Global Telco AI Alliance members

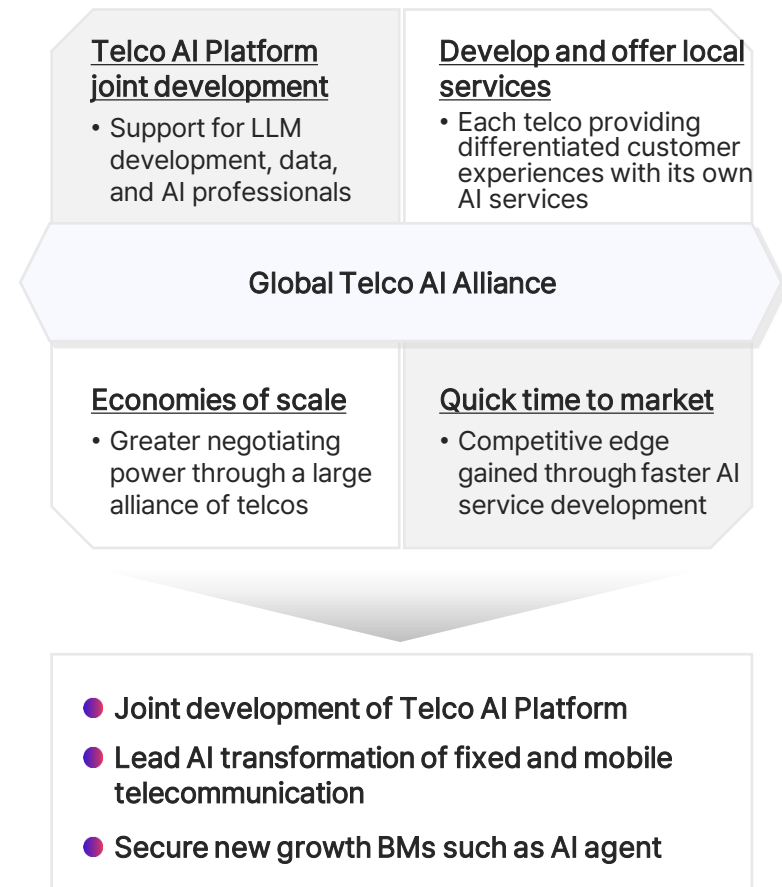


### Telco AI Platform

- Provide essential functions to develop LLM-based AI services
- Allow telcos to develop services quickly
- Serve as a platform for AI transformation of customer services



### Scope of AI business cooperation and expected benefits



# Business Highlights

Equity investment in Anthropic

USD 100m investment in Anthropic that has global top-tier talent and technology in order to develop telco-specific LLM for global AI ecosystem expansion

## Why Anthropic

### 1 Global Top Talent

- A large team of LLM researchers including project leaders in GPT-2/3
- Excellent reputation in the industry

### 2 Market Leading Technology

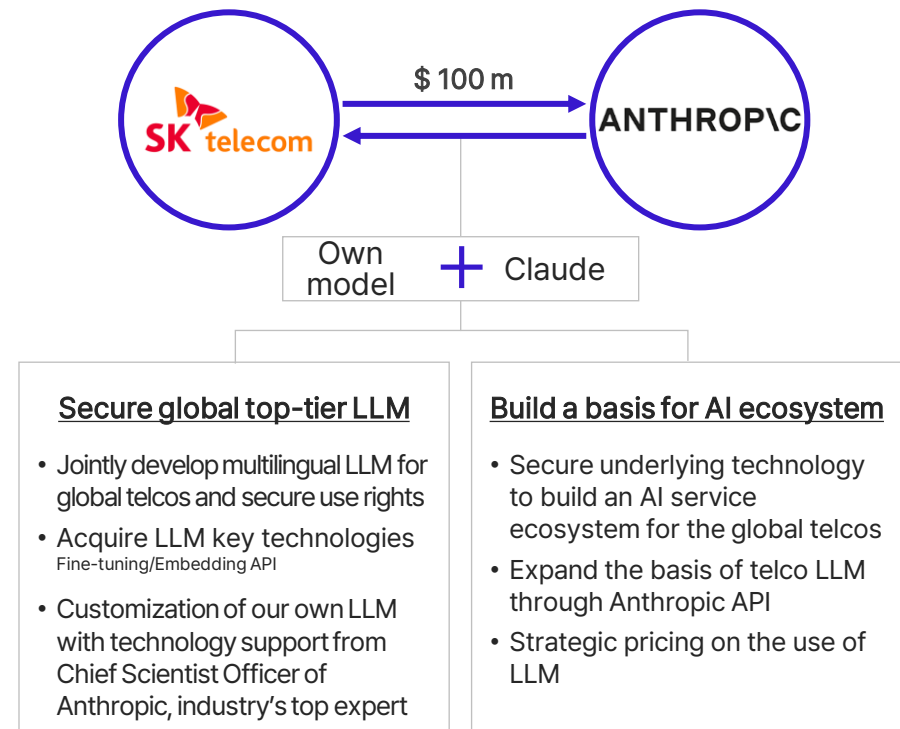
- Launched Claude that boasts similar performance as OpenAI's ChatGPT
- Better performance in several indicators including stability and prompt size (maximum number of words per prompt) despite being a light model <sup>1/3 level</sup>

### 3 Stronger Cooperation

- Determined to create sustainable business synergies based on partnerships
- Extensive customization experiences focused on B2B enterprises

## Investment overview and expected benefits

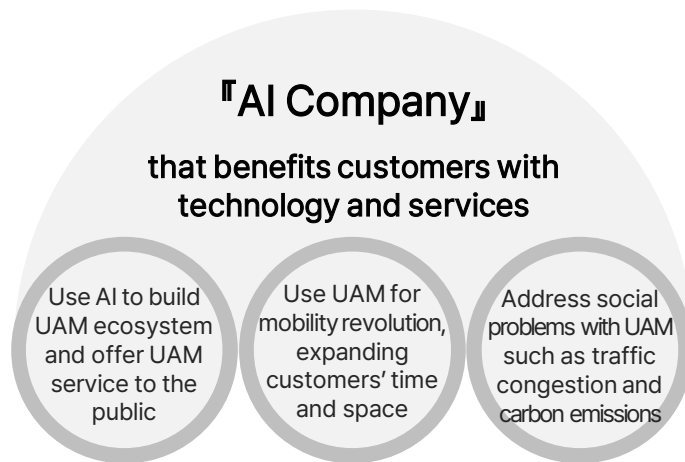
Expand the technology basis to develop a global LLM by combining SKT's Korean LLM capabilities and Anthropic's global capabilities



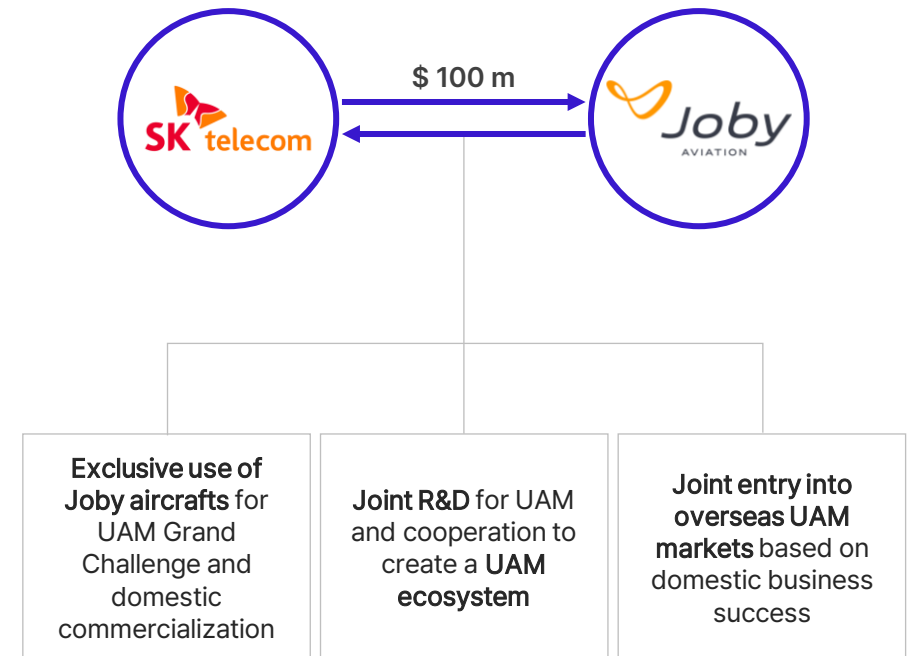
# Business Highlights

USD 100m investment in Joby Aviation with outstanding technology on UAM aircraft in order to secure UAM business rights and build a cooperative relationship for UAM commercialization

## SKT AI technology & UAM



## Structure of investment and expected synergy



2Q23 Financial Results

Business Highlights

**Shareholder Return**

Appendix





# Shareholder Return

Q2 DPS determined at KRW 830 and decision to purchase treasury shares worth KRW 300bn and cancel KRW 200bn of them to increase shareholder return

## Overview of a trust contract to acquire treasury shares

- Contract amount: KRW 300bn
- Contract period: July 27, 2023 – January 26, 2024
- Purpose of the contract: To enhance shareholder value (partial cancellation)

## Overview of treasury stock cancellation

- Size of cancellation: KRW 200bn
- Date of cancellation: February 5, 2024
- No reduction in capital stock due to cancellation of distributable earnings

## Recent dividend trend

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

2Q23 Financial Results

Business Highlights

Shareholder Return

**Appendix**



### Consolidated Income Statement

(KRW bn)	1Q22	2Q22	3Q22	4Q22	'22년	1Q23	2Q23
Operating revenue	4,277.2	4,289.9	4,343.4	4,394.5	17,305.0	4,372.2	4,306.4
Operating expenses	3,844.8	3,830.3	3,877.9	4,140.0	15,692.9	3,877.4	3,843.0
Labor cost	637.1	593.2	581.5	638.0	2,449.8	617.6	590.8
Commissions paid	1,310.2	1,370.9	1,384.6	1,453.0	5,518.8	1,356.2	1,352.3
Advertising	49.2	54.9	53.6	94.7	252.4	43.6	49.2
Depreciation <sup>1)</sup>	946.3	940.7	933.5	934.8	3,755.3	933.3	948.8
Network interconnection	189.4	185.3	180.0	160.6	715.3	172.5	167.2
Leased line and frequency usage fees	67.6	61.1	68.9	70.8	268.4	72.0	66.9
Cost of goods sold	307.6	267.7	304.7	388.1	1,268.1	314.2	277.3
Others	337.3	356.6	371.0	399.9	1,464.8	368.1	390.5
<b>Operating income</b>	<b>432.4</b>	<b>459.6</b>	<b>465.6</b>	<b>254.5</b>	<b>1,612.1</b>	<b>494.8</b>	<b>463.4</b>
EBITDA	1,378.7	1,400.3	1,399.1	1,189.3	5,367.4	1,428.1	1,412.2
EBITDA margin	32.2%	32.6%	32.2%	27.1%	31.0%	32.7%	32.8%
Net profit or loss from non-operating items	(105.4)	(56.8)	(103.2)	(110.5)	(375.9)	(73.9)	(13.6)
Equity gains or losses	(38.4)	13.6	(51.0)	(5.8)	(81.7)	0.8	8.9
Income from continuing operations before tax	327.0	402.8	362.4	144.0	1,236.2	420.9	449.8
Income from spun-off operations	-	-	-	-	-	-	-
<b>Consolidated net income</b>	<b>220.3</b>	<b>258.1</b>	<b>245.6</b>	<b>223.7</b>	<b>947.8</b>	<b>302.5</b>	<b>347.8</b>
Majority interests	211.3	253.9	234.6	212.7	912.4	290.5	329.2
Minority interests	9.1	4.3	11.0	11.1	35.4	12.0	18.6
<b>Basic earnings per share (KRW)</b>	<b>953</b>	<b>1,147</b>	<b>1,059</b>	<b>959</b>	<b>4,118</b>	<b>1,314.0</b>	<b>1,490</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)	3-31-22	6-30-22	9-30-22	12-31-22	3-31-23	6-30-23
<b>Total assets</b>	<b>30,574.7</b>	<b>30,648.4</b>	<b>30,529.8</b>	<b>31,308.2</b>	<b>30,539.6</b>	<b>30,305.6</b>
<b>Current assets</b>	<b>6,544.8</b>	<b>7,061.2</b>	<b>7,318.7</b>	<b>7,219.2</b>	<b>7,011.5</b>	<b>6,706.0</b>
Cash and short-term financial instruments <sup>1)</sup>	1,386.2	1,841.5	1,839.0	2,119.5	1,918.2	1,908.2
Accounts receivable	2,602.3	2,593.5	2,652.5	2,450.4	2,368.3	2,273.4
Other current assets	2,556.3	2,626.3	2,827.2	2,649.3	2,725.0	2,524.4
<b>Non-current assets</b>	<b>24,029.8</b>	<b>23,587.2</b>	<b>23,211.1</b>	<b>24,089.0</b>	<b>23,528.1</b>	<b>23,599.6</b>
PP&E and intangible assets	18,330.4	18,269.4	17,882.1	18,747.5	18,100.6	18,057.4
Investment assets	3,855.3	3,541.5	3,472.1	3,300.4	3,433.6	3,528.6
Other non-current assets	1,844.1	1,776.4	1,856.9	2,041.1	1,993.8	2,013.6
<b>Total liabilities</b>	<b>18,305.2</b>	<b>18,501.8</b>	<b>18,232.7</b>	<b>19,153.0</b>	<b>18,222.8</b>	<b>17,911.9</b>
<b>Current liabilities</b>	<b>6,935.3</b>	<b>7,575.9</b>	<b>7,429.0</b>	<b>8,046.5</b>	<b>7,202.9</b>	<b>6,659.2</b>
Short-term borrowings	168.0	13.0	13.0	143.0	13.0	13.0
Accounts payable	2,157.7	2,010.1	1,520.5	2,517.2	1,788.8	1,713.2
Other current liabilities	4,609.6	5,552.9	5,895.5	5,386.4	5,401.1	4,933.0
<b>Non-current liabilities</b>	<b>11,369.9</b>	<b>10,925.8</b>	<b>10,803.7</b>	<b>11,106.5</b>	<b>11,019.9</b>	<b>11,252.7</b>
Bonds payable & long-term borrowings	7,423.2	7,064.7	7,015.2	7,192.2	7,391.6	7,667.7
Deferred tax liabilities	978.7	862.8	849.7	763.8	842.0	825.2
Other non-current liabilities	2,968.0	2,998.3	2,938.8	3,150.5	2,786.3	2,759.8
<b>Total shareholders' equity</b>	<b>12,269.5</b>	<b>12,146.6</b>	<b>12,297.1</b>	<b>12,155.2</b>	<b>12,316.7</b>	<b>12,393.7</b>
Common stock and additional paid in capital	(11,529.5)	(11,519.0)	(11,507.7)	(11,536.6)	(11,515.1)	(11,515.1)
Retained earnings	22,297.1	22,376.7	22,457.0	22,463.7	22,549.8	22,712.1
Other comprehensive income/loss	738.0	500.5	556.0	391.2	488.4	388.2
Minority interests	763.9	788.3	791.8	836.9	793.7	808.5

\* 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	3,077.4	3,118.2	3,122.6	3,096.3	12,414.6	3,117.3	3,119.2
Mobile service revenue	2,587.1	2,615.8	2,625.4	2,634.4	10,462.7	2,627.0	2,617.9
Interconnection	132.4	129.3	125.1	98.7	485.5	115.4	111.5
Others	357.9	373.1	372.2	363.2	1,466.4	374.9	389.8
<b>Operating expenses</b>	<b>2,720.5</b>	<b>2,737.3</b>	<b>2,733.9</b>	<b>2,901.7</b>	<b>11,093.5</b>	<b>2,701.6</b>	<b>2,740.1</b>
Labor cost	291.9	237.7	214.7	248.7	993.0	233.1	216.4
Commissions paid	1,154.7	1,177.6	1,193.4	1,266.4	4,792.1	1,179.4	1,197.9
Marketing commissions	727.7	723.5	731.1	719.1	2,901.4	729.6	718.0
Other commissions	427.0	454.1	462.3	547.3	1,890.7	449.8	479.9
Advertising	16.9	34.9	30.6	78.9	161.3	27.0	35.9
Depreciation <sup>1)</sup>	713.3	704.5	705.2	704.6	2,827.6	705.0	715.9
Network interconnection	144.0	140.4	134.2	114.0	532.6	124.8	119.0
Leased line	20.5	21.2	22.3	23.2	87.3	24.7	20.1
Frequency usage fees	25.3	25.8	26.3	26.4	103.9	26.3	25.8
Others	353.7	395.1	407.3	439.6	1,595.6	381.3	409.2
<b>Operating income</b>	<b>356.9</b>	<b>380.9</b>	<b>388.7</b>	<b>194.6</b>	<b>1,321.1</b>	<b>415.7</b>	<b>379.1</b>
<i>EBITDA</i>	1,070.3	1,085.4	1,093.9	899.2	4,148.7	1,120.7	1,095.0
<i>EBITDA margin</i>	34.8%	34.8%	35.0%	29.0%	33.4%	36.0%	35.1%
<b>Net profit or loss from non-operating items</b>	<b>(18.3)</b>	<b>(52.5)</b>	<b>44.0</b>	<b>(148.1)</b>	<b>(174.9)</b>	<b>85.9</b>	<b>(16.5)</b>
<b>Income from continuing operations before tax</b>	<b>338.6</b>	<b>328.4</b>	<b>432.7</b>	<b>46.6</b>	<b>1,146.3</b>	<b>501.6</b>	<b>362.6</b>
<b>Net income</b>	<b>252.0</b>	<b>224.5</b>	<b>305.1</b>	<b>87.9</b>	<b>869.5</b>	<b>422.2</b>	<b>272.8</b>

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
<b>Total assets</b>	26,090.8	25,874.8	25,601.1	26,432.1	25,589.6	24,968.9
<b>Current assets</b>	4,767.3	5,056.4	5,189.1	5,498.5	5,118.4	4,563.5
Cash and short-term financial instruments <sup>1)</sup>	503.3	740.7	764.5	1,387.3	872.7	749.2
Accounts receivable	2,106.7	2,048.0	2,071.1	1,852.7	1,971.5	1,729.8
Other current assets	2,157.3	2,267.7	2,353.5	2,258.4	2,274.2	2,084.5
<b>Non-current assets</b>	21,323.5	20,818.5	20,412.0	20,933.7	20,471.2	20,405.5
PP&E and intangible assets	13,427.7	13,413.8	13,030.0	13,519.3	12,982.2	12,825.7
Investment assets	6,315.5	5,924.7	5,785.3	5,777.3	5,863.6	5,980.8
Other non-current assets	1,580.2	1,480.0	1,596.7	1,637.0	1,625.3	1,599.0
<b>Total liabilities</b>	15,309.5	15,367.1	15,085.4	16,048.7	14,900.5	14,283.6
<b>Current liabilities</b>	5,570.8	6,031.8	5,438.1	6,236.1	5,283.2	4,909.0
Accounts payable	1,845.8	2,025.2	1,364.6	2,228.2	1,845.8	1,845.8
Other current liabilities	3,725.1	4,006.6	4,073.5	4,007.9	3,437.5	3,063.3
<b>Non-current liabilities</b>	9,738.6	9,335.3	9,647.2	9,812.6	9,617.3	9,374.5
Bonds payable & long-term borrowings	6,097.0	5,819.5	6,162.8	6,345.9	6,461.2	6,307.2
Long-term payables	1,223.8	1,229.0	1,234.2	1,239.5	881.6	885.2
Other non-current liabilities	2,417.8	2,286.9	2,250.3	2,227.3	2,274.5	2,182.1
<b>Total shareholders' equity</b>	10,781.3	10,507.7	10,515.8	10,383.4	10,689.1	10,685.4
Common stock and additional paid in capital	(4,468.6)	(4,474.4)	(4,473.0)	(4,476.2)	(4,456.2)	(4,456.2)
Retained earnings	14,672.3	14,717.1	14,839.6	14,691.5	14,921.3	15,022.6
Other comprehensive income/loss	577.7	265.1	149.2	168.1	224.0	119.0

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

### Consolidated Income Statement

(KRW bn)	1Q22	2Q22	3Q22	4Q22	'22년	1Q23	2Q23
Operating revenue	1,026.0	1,032.8	1,044.2	1,053.3	4,156.3	1,061.5	1,068.3
Operating expenses	949.9	954.6	964.5	981.5	3,850.6	985.3	985.6
Labor cost	144.0	145.8	151.0	156.3	596.9	160.6	158.1
Marketing expense	93.2	91.1	88.8	86.2	359.3	90.0	89.9
Commissions paid	285.7	290.6	290.9	297.2	1,164.7	284.4	286.4
Interconnection	30.9	30.5	30.1	29.8	121.2	31.4	30.5
NW lease expense	30.4	31.8	33.4	34.5	130.0	34.3	34.5
Others	120.7	122.9	129.9	134.9	508.3	144.5	145.8
Depreciation	245.1	241.9	240.5	242.6	970.2	240.0	240.4
<b>Operating income</b>	<b>76.1</b>	<b>78.2</b>	<b>79.7</b>	<b>71.8</b>	<b>305.7</b>	<b>76.1</b>	<b>82.7</b>
EBITDA	321.2	320.1	320.2	314.4	1,275.9	316.1	323.1
EBITDA margin	31.3%	31.0%	30.7%	29.9%	30.7%	29.8%	30.2%
Non-operating income	(8.8)	(5.4)	(6.2)	(4.9)	(25.3)	(9.4)	(12.0)
Income before tax	67.3	72.7	73.5	66.9	280.4	66.7	70.7
Net income	50.9	52.9	55.4	58.0	217.3	50.6	58.1

### Consolidated Balance Sheet

(KRW bn)	3-31-22	6-30-22	9-30-22	12-31-22	3-31-23	6-30-23
<b>Assets</b>	<b>5,931.6</b>	<b>6,103.6</b>	<b>6,120.9</b>	<b>6,293.9</b>	<b>6,448.2</b>	<b>6,657.9</b>
<b>Current assets</b>	<b>1,322.7</b>	<b>1,530.2</b>	<b>1,605.1</b>	<b>1,348.3</b>	<b>1,614.8</b>	<b>1,707.4</b>
Cash & cash equivalents	436.7	649.4	583.6	368.0	651.9	563.2
Short-term financial instruments	10.5	20.5	39.1	10.3	10.9	167.6
Inventories	22.3	24.8	24.9	20.8	17.6	11.9
Other current assets	853.1	835.5	957.5	949.2	934.3	964.8
<b>Non-current assets</b>	<b>4,608.9</b>	<b>4,573.4</b>	<b>4,515.9</b>	<b>4,945.6</b>	<b>4,833.4</b>	<b>4,950.5</b>
Tangible assets	3,013.8	2,976.2	2,975.1	3,116.4	3,000.0	3,139.0
Real estate investments	8.4	8.4	8.3	29.3	29.3	28.1
Other intangible assets	765.7	745.1	728.3	740.7	727.4	705.9
Other non-current assets	820.9	843.8	804.1	1,059.2	1,076.7	1,077.5
<b>Liabilities</b>	<b>3,022.7</b>	<b>3,139.1</b>	<b>3,072.9</b>	<b>3,173.5</b>	<b>3,484.4</b>	<b>3,631.9</b>
<b>Current liabilities</b>	<b>1,243.1</b>	<b>1,439.1</b>	<b>1,790.8</b>	<b>1,707.8</b>	<b>1,926.5</b>	<b>1,670.1</b>
Accounts payable	639.1	742.1	775.6	849.1	962.5	849.8
Short-term borrowings and notes payable	334.2	431.0	777.5	614.5	672.5	572.4
Other current liabilities	269.9	265.9	237.7	244.3	291.6	247.9
<b>Non-current liabilities</b>	<b>1,779.6</b>	<b>1,700.0</b>	<b>1,282.1</b>	<b>1,465.6</b>	<b>1,557.9</b>	<b>1,961.8</b>
Long-term trade payables	3.8	3.8	0.9	0.0	0.1	(0.1)
Long-term borrowings and notes payable	1,326.3	1,245.2	852.4	846.3	922.5	1,308.0
Other non-current liabilities	449.5	451.0	428.9	619.3	635.3	653.9
<b>Equity</b>	<b>2,908.9</b>	<b>2,964.6</b>	<b>3,048.0</b>	<b>3,120.5</b>	<b>2,963.8</b>	<b>3,026.1</b>
Common stock	2,007.3	2,007.3	2,007.3	2,010.2	2,010.2	2,010.2
Additional paid in capital	645.7	645.6	645.7	657.7	657.7	657.7
Retained earnings	253.7	308.3	395.6	454.5	299.7	359.3
Other comprehensive income/loss	2.2	3.4	(0.6)	(2.0)	(3.9)	(1.1)

### Subscribers

(Thousands)	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	YoY	QoQ
<b>SKT</b>											
MNO Subscribers <sup>1)</sup>	29,383	29,422	29,696	29,832	30,250	30,440	30,452	30,552	31,159	3.0%	2.0%
Net adds	74	39	274	136	418	190	12	100	607	45.1%	506.8%
Activations	777	788	1,057	837	1,076	914	660	757	1,290	19.9%	70.5%
Deactivations	702	750	782	701	658	724	648	657	683	3.9%	4.0%
Monthly Churn	0.8%	0.8%	0.9%	0.8%	0.7%	0.8%	0.7%	0.7%	0.7%	-	-
Handset subs	23,982	23,906	23,750	23,678	23,587	23,402	23,278	23,275	23,205	△1.6%	△0.3%
LTE subs	20,475	19,644	18,782	17,981	17,645	17,201	16,367	15,750	15,871	△10.1%	0.8%
5G subs	7,696	8,650	9,874	10,879	11,682	12,468	13,393	14,148	14,673	25.6%	3.7%
Total Mobile Subs <sup>2)</sup>	31,626	31,595	31,884	32,129	32,559	32,831	32,836	33,010	33,723	3.6%	2.2%
<b>SKB</b>											
Pay TV Subscribers	8,806	8,913	9,000	9,094	9,167	9,250	9,323	9,401	9,464	3.2%	0.7%
IPTV subs	5,920	6,035	6,137	6,246	6,328	6,416	6,504	6,592	6,648	5.1%	0.9%
CATV subs	2,886	2,878	2,863	2,848	2,839	2,834	2,819	2,809	2,815	△0.8%	0.2%
High speed internet	6,539	6,560	6,580	6,608	6,633	6,669	6,704	6,757	6,810	2.7%	0.8%
<b>CAPEX (KRW bn)</b>											
SKT+SKB	849	509	1,423	279	806	458	1,492	212	826	2.4%	290.3%

1) Excludes MVNO & other connections

2) Includes MVNO connections, excludes other connections

### ARPU

(KRW)	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	YoY	QoQ
ARPU <sup>1)</sup>	30,446	30,670	30,740	30,401	30,656	30,633	30,495	30,101	29,920	△2.4%	△0.6%
ARPU including MVNO	28,395	28,600	28,820	28,492	28,706	28,636	28,495	28,120	27,683	△3.6%	△1.6%

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