

SKT Announces 1Q 2024 Earnings Results

- *On a consolidated basis, SKT posts revenue of KRW 4.475 trillion, operating income of KRW 498.5 billion, and net income of KRW 361.9 billion.*
- *Enterprise Business sustained strong growth, becoming a growth engine in SKT's non-telecom space.*
- *SKT plans to focus on creating tangible results in three key areas this year: AI Infrastructure, AI Transformation (AIX), and AI Service.*
- *SKT confirms shareholder return policy for 2024-2026: Returning at least 50% of its adjusted net income on a consolidated basis to shareholders.*

Seoul, Korea, May 8, 2024 – SK Telecom (NYSE:SKM, “SKT”) today announced its earnings for the first quarter of 2024 on a K-IFRS consolidated basis: revenue of KRW 4.475 trillion, operating income of KRW 498.5 billion, and net income of KRW 361.9 billion.

Compared to the same period last year, SKT's consolidated revenue and operating income increased by 2.3% and 0.8%, respectively, backed by even growth of mobile and fixed telecommunications business of SKT and SK Broadband. Net income increased by 19.6% due to higher non-operating income related to investments.

In the first quarter, SKT's enterprise business continued to grow steadily to become a solid growth driver in the non-telecom space, with sales of enterprise AI expanding by more than 10% YoY.

SKT's strategy is to accelerate the execution of its AI Pyramid Strategy and focus on creating concrete results in three key areas this year: AI Infrastructure, AI Transformation (AIX), and AI Service.

In the AI Infrastructure area, which is the foundation of the AI business, the data center business recorded a 26% YoY revenue growth backed by continuous increase in utilization rate. SKT plans to evolve and develop its data center business into the AI data center business, which is witnessing rapid growth in demand.

In the AIX area, the mobile and fixed telecommunications business continued to drive subscriber net additions, securing 15.93 million 5G subscribers, 9.59 million pay TV subscribers and 6.99 million broadband subscribers as of the end of the first quarter. The



enterprise business revenue grew by approximately 10% YoY, with cloud business revenue expanding by around 40% YoY. By developing innovative AI-powered products, SKT plans to foster enterprise AI as the central pillar of its enterprise business.

In the AI Service area, SKT began offering popular call-related features of A. – e.g. call summary, real-time call interpretation, etc. – that were first made available for the iOS version last December to Android users since April 2024. The company will continue to add attractive features to A. to further evolve the service into a truly personalized AI assistant.

SKT's subscription service T Universe has surpassed 2.6 million monthly active users as of the end of the first quarter affected by its YouTube Premium package. The company plans to develop T Universe into a subscription market in the first half of this year, expanding its range of partnerships and further solidifying its position as Korea's leading subscription service.

Meanwhile, SKT recently announced to return at least 50% of its adjusted net income on a consolidated basis to shareholders as its shareholder return policy for the three-year period from this year to 2026. Compared to the previous policy, the guidelines have been revised to remove the upper limit and to share the performance of subsidiaries based on consolidated results. The dividend per share for the first quarter was finalized at KRW 830, the same as the first quarter of last year.

"Our new shareholder return policy reflects our commitment to return more to shareholders as our performance improves," said Kim Yang-seob, CFO of SKT. "We will continue to increase corporate value by solidifying our mobile and fixed telecommunications business, improving profitability and efficiency, and creating tangible results in the AI business."

※ The conference call in regard to SKT's 1Q 2024 earnings results can be heard via SKT's webpage on Wednesday, May 8, from 15:00 Seoul Time.

Link: https://irsvc.teletogether.com/skt/skt2024Q1_eng.php

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.

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

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

Type	24.1Q	23.1Q	YoY	23.4Q	QoQ
Revenue	4,474.6	4,372.2	2.3%	4,527.3	-1.2%
Operating Income	498.5	494.8	0.8%	297.1	67.8%
Net Income	361.9	302.5	19.6%	187.4	93.1%

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

Type	24.1Q	23.1Q	YoY	23.4Q	QoQ
Revenue	3,188.7	3,117.3	2.3%	3,204.3	-0.5%
Operating Income	436.4	415.7	5.0%	254.0	71.8%
Net Income	492.1	422.2	16.6%	114.4	330.2%