

SK Telecom Announces 3Q 2024 Earnings Results

- ***SKT announces revenue of KRW 4.5321 trillion, operating income of KRW 533.3 billion, and net income of KRW 280.2 billion on a consolidated basis***
- ***Company is focused on increasing sales in AI data centers, AI B2B and AI B2C businesses that are expected to quickly generate profits***
- ***AI business thrives as 'A.' (A-DoT) subscriber count surpasses 5.5 million and continues to receive orders for enterprise AI***
- ***Finalizes KRW 830 per share dividend in third quarter, aiming to enhance corporate value through communications and AI core businesses***

Seoul, November 6, 2024 – SK Telecom (NYSE:SKM, “SKT”) today announced its earnings for the third quarter of 2024 on a K-IFRS consolidated basis: revenue of KRW 4.5321 trillion, operating income of KRW 533.3 billion, and net income of KRW 280.2 billion.

Compared to the same period last year, SKT’s consolidated revenue increased by 2.9% thanks to steady growth in roaming and the enterprise sector. Operating income improved by 7.1%, driven by enhanced efficiency through the introduction of artificial intelligence (AI) throughout the company. This improvement was also due to the enhancement in fundamentals resulting from operational improvements (OI).

On a non-consolidated basis, SKT’s sales reached KRW 3.2032 trillion this quarter, with an operating profit of KRW 457.0 billion and a net profit of KRW 222.4 billion.

SKT has been laying the groundwork to transform itself into a global AI company over the past three years by leveraging its company-wide capabilities. This year, as SKT accelerates the creation of an AI revenue model, the company has strategized to speed up its transition by selecting and focusing on three businesses that can quickly generate revenue: AI data centers, AI business-to-business (enterprise business) and AI business to consumer (personal service).

The data center business recorded an 14% YoY revenue growth, backed by a continuous increase in the utilization rate. SKT plans to further increase its business growth rate by evolving and advancing into the AI data center business, which has recently seen a surge in demand.



SKT's data center in Gasan, Seoul, is set to transform into an AI data center and is expected to open in December, with the subscription-based AI cloud service, GPU-as-a-Service (GPUaaS), slated to launch within the year. GPUaaS aims to be a competitive service that enhances GPU accessibility for domestic companies that find it difficult to directly purchase GPU resources.

SKT is also set to open the first and only AIDC testbed in Pangyo, Korea, in December this year. The facility will feature various solutions from SK Group and partners including SK hynix's HBM, the latest AI chips and next-generation liquid cooling solutions. This will serve as a hub for leading technological innovation, showcasing SKT's unparalleled capabilities.

In addition, SKT plans to build a nationwide AI infrastructure as a mid- to long-term strategy. The plan is to evolve into a nationwide AI infrastructure by introducing Edge AI technology to base stations, centered around regional AIDCs and GPUaaS in the metropolitan area. The strategy aims to establish a leading 'AI Infrastructure Superhighway' that connects the entire country, positioning it as a key infrastructure to promote the activation of the AI ecosystem.

Thanks to the expansion of data centers and cloud business, SKT's enterprise business grew by 8% YoY, with the cloud business recording a substantial growth of 30% YoY. The enterprise AI business is also expected to become a core focus of future B2B business, as SKT continues to receive orders from various industries.

The AI personal assistant service, 'A.' (A-DoT), surpassed 5.5 million cumulative subscribers by the end of September, spurred by a major overhaul in August. In October, it was rebranded as 'A. Phone,' incorporating AI features into T-phone, and it is rapidly expanding the scope of AI personal service from phone calls to LLM searches, including the introduction of 'Multi LLM Agent,' the PC version of A-DoT.

The mobile business continued to drive subscriber net additions, securing 16.58 million 5G subscribers by the end of September, with 5G customers constituting more than 73% of the total user base. SKT also secured 9.62 million pay TV subscribers and 7.11 million broadband subscribers. In the third quarter, the number of roaming customers increased by 23% YoY to approximately 1.36 million. This growth was largely driven by the immense popularity of the family roaming service introduced in June last year.



SKT declared the third quarter dividend at KRW 830 per share.

“Our focus is on driving growth in three profitable AI areas, including AI data center, AI B2B and AI B2C businesses,” said Kim Yang-seob, CFO of SKT. “We will continue to enhance corporate value by advancing our two core businesses — telecommunications and AI — while maximizing returns for shareholders.”

※ The conference call in regard to SKT’s 3Q 2024 earnings results can be heard via SKT’s webpage on Wednesday, Nov. 6, from 14:00 KST.

Link: https://irsvc.teletogether.com/skt/skt2024Q3_eng.php

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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.

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	24.3Q	23.3Q	YoY	24.2Q	QoQ
Revenue	4,532.1	4,402.6	2.9%	4,422.4	2.5%
Operating Income	533.3	498.0	7.1%	537.5	△0.8%
Net Income	280.2	308.2	△9.1%	350.2	△20.0%

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

Type	24.3Q	23.3Q	YoY	24.2Q	QoQ
Revenue	3,203.2	3,148.4	1.7%	3,191.5	0.4%
Operating Income	457.0	407.1	12.3%	450.4	1.5%
Net Income	222.4	250.4	△11%	280.3	△20.7%