017670 KS · Telecom Services

SK Telecom

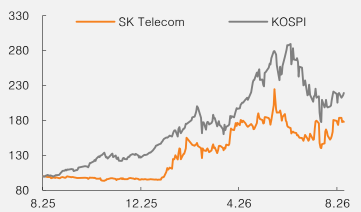
Synergies between SK Horizon and SK Hyper to materialize

Equity Research
August 28, 2026

(Maintain)	Buy
Target price	▲ W150,000
Current price (8/27/26)	W99,100
Upside	51.4%

OP (26F, Wbn)	2,022
Consensus OP (26F, Wbn)	1,962
EPS growth (26F, %)	233.8
Market EPS growth (26F, %)	282.0
P/E (26F, x)	15.6
Market P/E (26F, x)	6.7
KOSPI	6,912.37
Market cap (Wbn)	21,286
Shares (mn)	215
Free float (%)	57.2
Foreign ownership (%)	34.4
Beta (12M)	0.28
52-week low (W)	52,100
52-week high (W)	125,200

(%)	1M	6M	12M
Absolute	1.2	24.2	78.9
Relative	-1.1	12.2	-17.5



Mirae Asset Securities Co., Ltd.

YooJin Choi
choi.yoojin@miraeasset.com

Raise TP by 25% to W150,000; our top pick in the sector

We raise our target price for SK Telecom (SKT) by 25% to W150,000 (from W120,000) and maintain the stock as our sector top pick. Our target price is based on the sum of SKT's operating value (W22.9tr), the value of its stake in Anthropic (W4.3tr), and SK Horizon's operating value (W5.1tr).

We believe SKT is better positioned than its competitors to expand data center capacity aggressively in response to growing demand, supported by: 1) its differentiated full-stack AI capabilities; 2) support from the broader group; and 3) a stable funding base.

Reinforcing its position as Asia's leading data center operator

With SK Hyper now established, we expect the planned launch of SK Horizon to further accelerate SKT's data center expansion, which is already aggressive relative to peers. On Aug. 27, SKT announced plans to establish SK Horizon as a new entity through the spin-off of SK Broadband's data center and submarine cable businesses. SK Broadband will continue to operate its existing fixed-line, media, and enterprise businesses, while SK Horizon is expected to focus on expanding AI data center infrastructure.

SK Horizon will be responsible for eight data centers already in operation—Seocho, two in Ilsan, Bundang, Gasan, Centum, Yangju, and Pangyo—as well as the new data centers scheduled to come online in Ulsan and Guro, representing total capacity of 318MW. We also expect the company to gradually expand its submarine cable infrastructure.

Further submarine cable investments are planned to meet growing traffic demand. SJC2—connecting Japan, Korea, Hong Kong, and Singapore—entered commercial operation in Jul. 2025, while E2A, which will connect the US, Korea, Japan, and Taiwan, should begin commercial operation in 2029. We expect further submarine cable network expansion across Asia going forward.

Unique mix of full-stack AI capabilities, group support, and stable funding

At the same time that profitability in the telecom services business is improving through enhanced cost efficiency, earnings growth from data centers is poised to accelerate. We believe SKT is uniquely positioned to meet steadily rising demand, supported by: 1) its differentiated full-stack AI capabilities; 2) support from the broader group; and 3) a stable funding base. We maintain SKT as our top pick in the sector.

(Dec.)	2024	2025	2026F	2027F	2028F
Revenue (Wbn)	17,941	17,099	17,765	18,159	18,534
OP (Wbn)	1,823	1,073	2,022	2,241	2,522
OP margin (%)	10.2	6.3	11.4	12.3	13.6
NP (Wbn)	1,250	408	1,363	1,548	1,875
EPS (W)	5,810	1,901	6,347	7,205	8,729
ROE (%)	10.8	3.3	10.2	10.7	11.8
P/E (x)	9.5	28.1	15.6	13.8	11.4
P/B (x)	1.0	0.9	1.5	1.4	1.3
Dividend yield (%)	6.4	0.0	3.7	3.9	4.1

Notes: Under consolidated K-IFRS; NP is attributable to owners of the parent
Source: Company data, Mirae Asset Securities Research estimates

Table 1. SKT: TP calculation

	Value	Notes
SKT operating value (Wtr)	**22.9**	
2027-28F avg. EPS (W)	7,967	
Target P/E (x)	13.5	30% premium to 3Y avg.
Shares (mn)	213	
Anthropic stake value (Wtr)	**4.3**	US$965bn valuation; 0.2% stake
SK Horizon value (Wtr)	**5.1**	Based on operating value of W6.3tr; 51% stake and W1.9tr stake sale reflected
Total value (Wtr)	**32.3**	
Fair value/share (W)	151,700	
Target price (W)	**150,000**	Rounded
Current price (W)	99,100	Aug. 27
Upside	51.4%	

Source: Company data, Mirae Asset Securities Research

Table 2. SKT: Development of a comprehensive value chain

	Affiliates	Key roles
Site/development	SK Hyper, SK Chemicals	Site acquisition, business development, shared infrastructure development
Power/fuel	SK Gas, SK Multi Utility	LNG/power supply, operation of power generation infrastructure
Construction/EPC	SK Ecoplant	Data center construction, power/cooling/HVAC infrastructure
Semiconductor materials	SK Hynix	AI chips (incl. HBM), AI compute infrastructure
IT systems	SK AX	System integration, IT/AI infrastructure development
Networks/data center operations	SK Horizon	Data center operations, networking, leased lines/DCI
AI Factory/GPUaaS/ overall management	SKT	Overall management of AI data center business, GPUaaS, AI Factory services

Source: Company data, Mirae Asset Securities Research

Table 3. SK Broadband: Submarine cable business overview

	Southeast Asia-Japan Cable 2 (SJC2)	East Asia To North America (E2A)
Status	In commercial operation	Under development
Route	Korea-Japan-Taiwan-China/Hong Kong SAR-Vietnam-Thailand-Singapore	Korea-Japan-Taiwan-US
Korea landing point	Busan	Busan
Total length	Approx. 10,500km	Approx. 12,500km
Company	SK Broadband	SK Broadband
Capacity	Approx. 9Tbps	Approx. 16Tbps planned
Launch	Jul. 2025	2029

Source: Company data, Mirae Asset Securities Research

SK Telecom (017670 KS)

Income statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Revenue	**17,099**	**17,765**	**18,159**	**18,534**
Cost of revenue	**0**	**0**	**0**	**0**
GP	**17,099**	**17,765**	**18,159**	**18,534**
SG&A expenses	**16,026**	**15,743**	**15,918**	**16,012**
OP (adj.)	**1,073**	**2,022**	**2,241**	**2,522**
OP	**1,073**	**2,022**	**2,241**	**2,522**
Non-operating profit	**-351**	**-171**	**-140**	**24**
Net financial income	-310	-253	-137	-33
Net income from associates	-64	0	0	0
Pretax profit	722	1,851	2,101	2,546
Income tax	347	481	546	662
Profit from continuing operations	375	1,370	1,555	1,884
Profit from discontinued operations	0	0	0	0
NP	**375**	**1,370**	**1,555**	**1,884**
Attributable to owners	408	1,363	1,548	1,875
Attributable to minority interests	-33	6	7	9
Total comprehensive income	**1,905**	**1,370**	**1,555**	**1,884**
Attributable to owners	1,938	1,393	1,582	1,916
Attributable to minority interests	-33	-24	-27	-32
EBITDA	4,663	4,668	4,192	3,960
FCF	1,717	4,078	3,555	3,370
EBITDA margin (%)	27.3	26.3	23.1	21.4
OP margin (%)	6.3	11.4	12.3	13.6
Net margin (%)	2.4	7.7	8.5	10.1

Balance sheet (summarized)

(Wbn)	2025	2026F	2027F	2028F
Current assets	**6,727**	**9,128**	**12,378**	**15,439**
Cash & equivalents	1,490	3,676	6,806	9,753
AR & other receivables	2,265	2,365	2,417	2,467
Inventory	168	174	178	182
Other current assets	2,804	2,913	2,977	3,037
Non-current assets	**23,381**	**20,770**	**18,879**	**17,497**
Investments in associates	2,238	2,326	2,377	2,426
PP&E	11,902	9,256	7,305	5,866
Intangible assets	3,783	3,783	3,783	3,783
Total assets	**30,108**	**29,898**	**31,256**	**32,936**
Current liabilities	**6,530**	**5,230**	**5,343**	**5,450**
AP & other payables	1,688	1,753	1,792	1,829
Short-term financial liabilities	2,035	560	569	578
Other current liabilities	2,807	2,917	2,982	3,043
Non-current liabilities	**10,623**	**10,697**	**10,741**	**10,783**
Long-term financial liabilities	8,713	8,713	8,713	8,713
Other non-current liabilities	1,910	1,984	2,028	2,070
Total liabilities	**17,152**	**15,927**	**16,084**	**16,233**
Equity attributable to owners	**12,863**	**13,872**	**15,067**	**16,588**
Capital stock	30	30	30	30
Capital surplus	1,771	1,771	1,771	1,771
Retained earnings	22,938	23,948	25,142	26,663
Minority interests	**92**	**99**	**106**	**115**
Shareholders' equity	**12,955**	**13,971**	**15,173**	**16,703**

Cash flow statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Operating cash flow	**3,924**	**4,078**	**3,555**	**3,370**
NP	375	1,370	1,555	1,884
Non-cash income/expenses	4,437	3,306	2,559	2,058
Depreciation	3,590	2,647	1,951	1,438
Amortization	0	0	0	0
Other	847	659	608	620
Chg. in working capital	-144	44	33	31
Chg. in AR & other receivables	38	-75	-44	-42
Chg. in inventory	33	-7	-4	-4
Chg. in AP & other payables	213	4	3	2
Income tax	-500	-481	-546	-662
Cash flow from investing activities	**-1,737**	**-22**	**-13**	**-12**
Chg. in PP&E	-1,966	0	0	0
Chg. in intangible assets	-107	0	0	0
Chg. in financial assets	201	-22	-13	-12
Other	135	0	0	0
Cash flow from financing activities	**-2,712**	**-1,846**	**-360**	**-361**
Chg. in financial liabilities	-388	-1,475	10	9
Chg. in equity	0	0	0	0
Dividends	-628	-354	-354	-354
Other	-1,696	-17	-16	-16
Chg. in cash	**-534**	**2,186**	**3,130**	**2,947**
Beginning balance	2,024	1,490	3,676	6,806
Ending balance	1,490	3,676	6,806	9,753

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

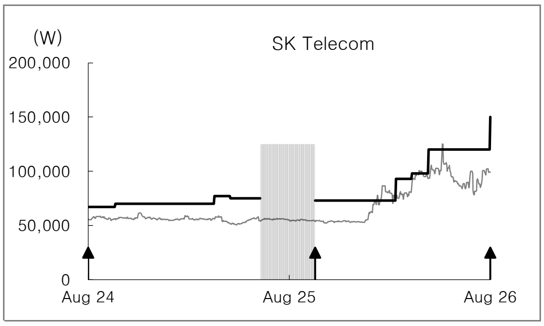
	2025	2026F	2027F	2028F
P/E (x)	28.1	15.6	13.8	11.4
P/CF (x)	2.4	4.6	5.2	5.4
P/B (x)	0.9	1.5	1.4	1.3
EV/EBITDA (x)	4.4	5.7	5.6	5.2
EPS (W)	1,901	6,347	7,205	8,729
CFPS (W)	22,402	21,767	19,151	18,352
BPS (W)	60,299	65,000	70,558	77,641
DPS (W)	0	3,660	3,880	4,110
Dividend payout ratio (%)	94.2	56.8	61.3	60.5
Dividend yield (%)	3.1	4.4	4.6	4.9
Revenue growth (%)	-4.7	3.9	2.2	2.1
EBITDA growth (%)	-15.6	0.1	-10.2	-5.5
OP growth (%)	-41.1	88.4	10.8	12.6
EPS growth (%)	-67.3	233.8	13.5	21.2
AR turnover (x)	8.8	9.1	9.0	9.0
Inventory turnover (x)	90.6	103.9	103.1	103.0
AP turnover (x)	0.0	0.0	0.0	0.0
ROA (%)	1.2	4.6	5.1	5.9
ROE (%)	3.3	10.2	10.7	11.8
ROIC (%)	3.1	9.2	11.6	14.7
Debt-to-equity ratio (%)	132.4	114.0	106.0	97.2
Current ratio (%)	103.0	174.5	231.7	283.3
Net debt-to-equity ratio (%)	69.7	38.1	14.5	-4.5
Interest coverage ratio (x)	2.8	5.8	6.9	7.8

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
SK Telecom (017670)	08/28/26	Buy	150,000
	05/08/26	Buy	120,000
	04/08/26	Buy	98,000
	03/10/26	Buy	93,000
	10/14/25	Buy	73,000
	07/07/25	No Coverage	
	05/13/25	Buy	75,000
	04/14/25	Buy	77,000
	10/16/24	Buy	70,000
	07/19/24	Buy	67,000



Stock ratings		Sector ratings	
Buy	Expected 12-month return: +20% or greater	Overweight	Expected to outperform the market over 12 months
Hold	Expected 12-month return: Greater than -10% and less than +10%	Neutral	Expected to perform in line with the market over 12 months
Sell	Expected 12-month return: -10% or less	Underweight	Expected to underperform the market over 12 months

As of May 12, 2025, the Trading Buy rating category has been removed from our investment rating system.
Stocks expected to deliver a 12-month return between +10% and less than +20% may be rated either Buy or Hold at the discretion of the research analyst.

Rating and TP history: Share price (─), TP (▬), Not Rated (■), Buy (▲), Trading Buy (■), Hold (●), Sell (♦)
* Our investment rating is a guide to the expected return of the stock over the next 12 months.
* Outside of the official ratings of Mirae Asset Securities Co., Ltd., analysts may call trading opportunities should technical or short-term material developments arise.
* The TP was determined by the research analyst through valuation methods discussed in this report, in part based on estimates of future earnings.
* TP achievement may be impeded by risks related to the subject securities and companies, as well as general market and economic conditions.

Ratings distribution and investment banking services

	Buy	Trading Buy	Hold	Sell
Ratings distribution	83.02%	0%	16.35%	0.63%
Investment banking services	86.67%	0%	13.33%	0%

* Based on recommendations in the last 12-months (as of June 30, 2026)

Disclosures
As of the publication date, Mirae Asset Securities Co., Ltd. has acted as a liquidity provider for equity-linked warrants backed by shares of SK Telecom as an underlying asset; other than this, Mirae Asset Securities has no other special interests in the covered companies.

Analyst certification
The research analysts who prepared this report (the "Analysts") are registered with the Korea Financial Investment Association and are subject to Korean securities regulations. They are neither registered as research analysts in any other jurisdiction nor subject to the laws or regulations thereof. Each Analyst responsible for the preparation of this report certifies that (i) all views expressed in this report accurately reflect the personal views of the Analyst about any and all of the issuers and securities named in this report and (ii) no part of the compensation of the Analyst was, is, or will be directly or indirectly related to the specific recommendations or views contained in this report. Mirae Asset Securities Co., Ltd. ("Mirae Asset Securities") policy prohibits its Analysts and members of their households from owning securities of any company in the Analyst's area of coverage, and the Analysts do not serve as an officer, director, or advisory board member of the subject companies. Except as otherwise specified herein, the Analysts have not received any compensation or any other benefits from the subject companies in the past 12 months and have not been promised the same in connection with this report. Like all employees of Mirae Asset Securities, the Analysts receive compensation that is determined by overall firm profitability, which includes revenues from, among other business units, the institutional equities, investment banking, proprietary trading, and private client divisions. At the time of publication of this report, the Analysts do not know or have reason to know of any actual, material conflict of interest of the Analyst or Mirae Asset Securities except as otherwise stated herein.

Disclaimers
This report was prepared by Mirae Asset Securities, a broker-dealer registered in the Republic of Korea and a member of the Korea Exchange. Information and opinions contained herein have been compiled in good faith and from sources believed to be reliable, but such information has not been independently verified and Mirae Asset Securities makes no guarantee, representation or warranty, express or implied, as to the fairness, accuracy, completeness, or correctness of the information and opinions contained herein or of any translation into English from the Korean language. In case of an English translation of a report prepared in the Korean language, the original Korean language report may have been made available to investors in advance of this report.
The intended recipients of this report are sophisticated institutional investors who have substantial knowledge of the local business environment, its common practices, laws, and accounting principles, and no person whose receipt or use of this report would violate any laws or regulations or subject Mirae Asset Securities or any of its affiliates to registration or licensing requirements in any jurisdiction shall receive or make any use hereof.
This report is for general information purposes only and is not and shall not be construed as an offer or a solicitation of an offer to effect transactions in any securities or other financial instruments. The report does not constitute investment advice to any person, and such person shall not be treated as a client of Mirae Asset Securities by virtue of receiving this report. This report does not take into account the particular investment objectives, financial situations, or needs of individual clients. The report is not to be relied upon in substitution for the exercise of independent judgment. Information and opinions contained herein are as of the date hereof and are subject to change without notice. The price and value of the investments referred to in this report and the income from them may depreciate or appreciate, and investors may incur losses on investments. Past performance is not a guide to future performance. Future

returns are not guaranteed, and a loss of original capital may occur. Mirae Asset Securities, its affiliates, and their directors, officers, employees, and agents do not accept any liability for any loss arising out of the use hereof.
Mirae Asset Securities may have issued other reports that are inconsistent with, and reach different conclusions from, the opinions presented in this report. The reports may reflect different assumptions, views, and analytical methods of the analysts who prepared them. Mirae Asset Securities may make investment decisions that are inconsistent with the opinions and views expressed in this research report. Mirae Asset Securities, its affiliates, and their directors, officers, employees, and agents may have long or short positions in any of the subject securities at any time and may make a purchase or sale, or offer to make a purchase or sale, of any such securities or other financial instruments from time to time in the open market or otherwise, in each case either as principals or agents. Mirae Asset Securities and its affiliates may have had, or may be expecting to enter into, business relationships with the subject companies to provide investment banking, market-making, or other financial services as are permitted under applicable laws and regulations.
No part of this document may be copied or reproduced in any manner or form or redistributed or published, in whole or in part, without the prior written consent of Mirae Asset Securities. For further information regarding company-specific information as it pertains to the representations and disclosures in this Appendix 1, please contact compliance@miraeasset.us.com or +1 (212) 407-1000.

Distribution
United Kingdom: This report is being distributed by Mirae Asset Securities (UK) Ltd. in the United Kingdom only to (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), and (ii) high net worth companies and other persons to whom it may lawfully be communicated, falling within Article 49(2)(A) to (E) of the Order (all such persons together being referred to as "Relevant Persons"). This report is directed only at Relevant Persons. Any person who is not a Relevant Person should not act or rely on this report or any of its contents.
United States: Mirae Asset Securities is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This report is distributed in the U.S. by Mirae Asset Securities (USA) Inc., a member of FINRA/SIPC, to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6(b)(4) under the U.S. Securities Exchange Act of 1934, as amended. All U.S. persons that receive this document by their acceptance hereof represent and warrant that they are a major U.S. institutional investor and have not received this report under any express or implied understanding that they will direct commission income to Mirae Asset Securities or its affiliates. Any U.S. recipient of this document wishing to effect a transaction in any securities discussed herein should contact and place orders with Mirae Asset Securities (USA) Inc. Mirae Asset Securities (USA) Inc. accepts responsibility for the contents of this report in the U.S., subject to the terms hereof, to the extent that it is delivered to a U.S. person other than a major U.S. institutional investor. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through Mirae Asset Securities. The securities described in this report may not have been registered under the U.S. Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the U.S. or to U.S. persons absent registration or an applicable exemption from the registration requirements.
Hong Kong SAR: This report is distributed in Hong Kong SAR by Mirae Asset Securities (HK) Limited, which is regulated by the Hong Kong Securities and Futures Commission. The contents of this report have not been reviewed by any regulatory authority in Hong Kong SAR. This report is for distribution only to professional investors within the meaning of Part I of Schedule 1 to the Securities and Futures Ordinance of Hong Kong SAR (Cap. 571, Laws of Hong Kong SAR) and any rules made thereunder and may not be redistributed in whole or in part in Hong Kong SAR to any person.
India: This report is being distributed by Mirae Asset Capital Markets (India) Private Limited ("MACM") in India to the customers based in India and is personal information only for those authorised recipient(s). MACM is inter alia a Securities and Exchange Board of India ("SEBI") registered Research Analyst in India and is not registered outside India. MACM and Mirae Asset, Korea are group entities. MACM makes no guarantee, representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information and opinions contained herein. The user assumes the entire risk of any use made of this information. This report has been provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Recipient must read the entire Appendix 1 to the report carefully for Important Disclosures & Disclaimers.
All other jurisdictions: Customers in all other countries who wish to effect a transaction in any securities referenced in this report should contact Mirae Asset Securities or its affiliates only if distribution to or use by such customer of this report would not violate applicable laws and regulations and not subject Mirae Asset Securities and its affiliates to any registration or licensing requirement within such jurisdiction.

Mirae Asset Securities International Network

Mirae Asset Securities Co., Ltd. (Seoul)
One-Asia Equity Sales Team
Mirae Asset Center 1 Building
26 Eulji-ro 5-gil, Jung-gu, Seoul 04539
Korea

Tel: 82-2-3774-2124

Mirae Asset Securities (HK) Ltd.
Units 8501, 8507-8508, 85/F
International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong SAR
Tel: 852-2845-6332

Mirae Asset Securities (UK) Ltd.
41st Floor, Tower 42
25 Old Broad Street,
London EC2N 1HQ
United Kingdom

Tel: 44-20-7982-8000

Mirae Asset Securities (USA) Inc.
810 Seventh Avenue, 37th Floor
New York, NY 10019
USA

Tel: 1-212-407-1000

Mirae Asset Wealth Management (Brazil) CCTVM
Rua Funchal, 418, 18th Floor, E-Tower Building
Vila Olimpia
Sao Paulo - SP
04551-060
Brazil
Tel: 55-11-2789-2100

PT. Mirae Asset Sekuritas Indonesia
District 8, Treasury Tower Building Lt. 50
Sudirman Central Business District
Jl. Jend. Sudirman, Kav. 52-54
Jakarta Selatan 12190
Indonesia
Tel: 62-21-5088-7000

Mirae Asset Securities (Singapore) Pte. Ltd.
6 Battery Road, #11-01
Singapore 049909
Republic of Singapore

Tel: 65-6671-9845

Mirae Asset Securities (Vietnam) LLC
7F, Saigon Royal Building
91 Pasteur St.
District 1, Ben Nghe Ward, Ho Chi Minh City
Vietnam

Tel: 84-8-3911-0633 (ext.110)

Mirae Asset Securities Mongolia UTsK LLC
#406, Blue Sky Tower, Peace Avenue 17
1 Khoroo, Sukhbaatar District
Ulaanbaatar 14240
Mongolia

Tel: 976-7011-0806

Mirae Asset Investment Advisory (Beijing) Co., Ltd
2401B, 24th Floor, East Tower, Twin Towers
B12 Jianguomenwai Avenue, Chaoyang District
Beijing 100022
China

Tel: 86-10-6567-9699

Beijing Representative Office
2401A, 24th Floor, East Tower, Twin Towers
B12 Jianguomenwai Avenue, Chaoyang District
Beijing 100022
China

Tel: 86-10-6567-9699 (ext. 3300)

Shanghai Representative Office
38T31, 38F, Shanghai World Financial Center
100 Century Avenue, Pudong New Area
Shanghai 200120
China

Tel: 86-21-5013-6392

Ho Chi Minh Representative Office
7F, Saigon Royal Building
91 Pasteur St.
District 1, Ben Nghe Ward, Ho Chi Minh City
Vietnam

Tel: 84-8-3910-7715

Mirae Asset Capital Markets (India) Pvt Ltd
1st Floor, Tower 4, Equinox Business Park,
LBS Marg, Off BKC, Kurla (West), Mumbai - 400 070
India

Tel: 91-22-62661300 / 48821300