



2022. 2Q Earnings Briefing

Aug. 2022

DISCLAIMER

This presentation includes the recent earnings results and business performance of SK Inc. (the “Company”) and its major subsidiaries. It has been prepared for shareholders and investors for information only.

The financial information presented herein is based on K-IFRS. As the forward-looking statements herein reflect the current business environment and the Company’s business strategies, actual developments may differ from those in the statements due to changes in the business environment and Company’s strategies as well as other uncertainties.

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Business Highlights



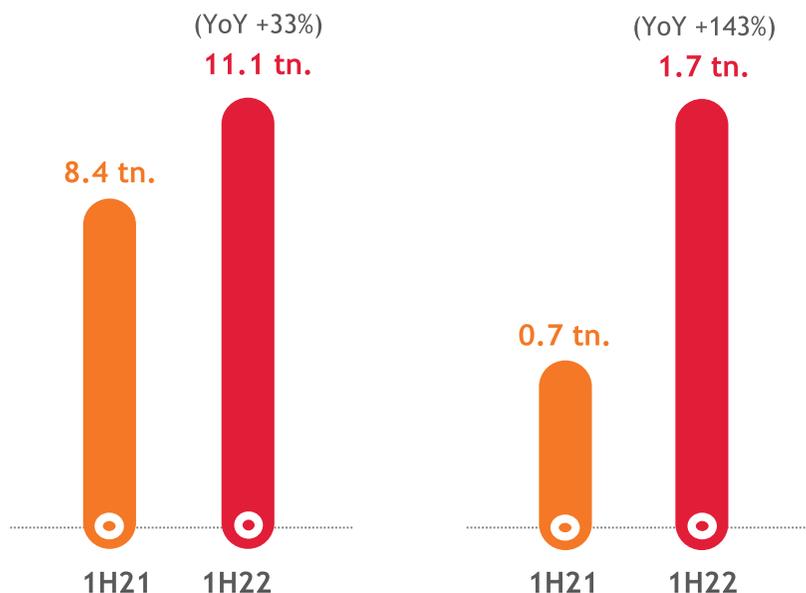
- Announced the interim dividend payment for 5 consecutive years as growth momentum of major unlisted subsidiaries continues in 1H

Total Earnings of Major Unlisted Subsidiaries

- Strong growth in earnings of major unlisted subsidiaries as favorable LNG market environment & robust demand for advanced materials continue

【 Revenue 】

【 Operating Profit 】



Payment of FY22 Interim Dividends

- Announced to pay interim dividends for 5 consecutive years since 2018, in order to enhance shareholder value through growth momentum of core businesses
 - Dividends per share : 1,500 KRW
 - Total payment of dividends : 85 billion KRW
- Plan to increase shareholder return by 2025 by accelerating realization of investment returns (disclosed on Mar. 29, 2022)
 - Ordinary Dividend : $\geq 30\%$ of ordinary dividend received
 - Share Buyback : Utilizing portfolio investment gains (1% or more of market capitalization until 2025)

2Q22 Business Results : Overall

- Record-high quarterly revenue, operating profit, and pretax income on a consolidated basis on strong earnings of SK innovation and E&S, and growth of advanced materials business

| (Unit : tn, KRW) | Revenue | | | Operating Profit | | | Pretax Income | | |
|-------------------|---------|-------|--------|------------------|------|--------|---------------|------|--------|
| | 2Q22 | 1Q22 | QoQ | 2Q22 | 1Q22 | QoQ | 2Q22 | 1Q22 | QoQ |
| Consolidated | 33.33 | 30.76 | 8.3% | 3.58 | 3.05 | 17.2% | 3.40 | 3.38 | 0.7% |
| Separate | 0.64 | 1.05 | △38.6% | 0.09 | 0.58 | △84.6% | △0.24 | 0.80 | TR |
| SK innovation | 19.91 | 16.26 | 22.4% | 2.33 | 1.65 | 41.2% | 2.01 | 1.38 | 46.1% |
| SK Square | 1.53 | 1.32 | 15.7% | 0.51 | 0.38 | 34.0% | 0.53 | 0.51 | 5.6% |
| SK Telecom | 4.29 | 4.28 | 0.3% | 0.46 | 0.43 | 6.3% | 0.40 | 0.33 | 23.2% |
| SK Networks | 2.14 | 2.50 | △14.3% | 0.04 | 0.04 | △13.1% | 0.03 | 0.04 | △34.8% |
| SKC | 1.08 | 1.12 | △3.9% | 0.11 | 0.13 | △17.7% | 0.14 | 0.11 | 29.5% |
| SK Ecoplant | 1.83 | 1.27 | 43.9% | 0.05 | 0.05 | 14.2% | 0.05 | 0.06 | △14.6% |
| SK E&S | 2.15 | 3.56 | △39.6% | 0.45 | 0.64 | △30.3% | 0.45 | 0.69 | △35.6% |
| Materials CIC* | 0.37 | 0.35 | 6.6% | 0.10 | 0.08 | 17.3% | 0.09 | 0.08 | 22.4% |
| SK Siltron | 0.60 | 0.56 | 7.5% | 0.16 | 0.12 | 33.0% | 0.15 | 0.11 | 34.5% |

* For the purpose of providing comparability, the Materials CIC results shown here were prepared internally and are not audited

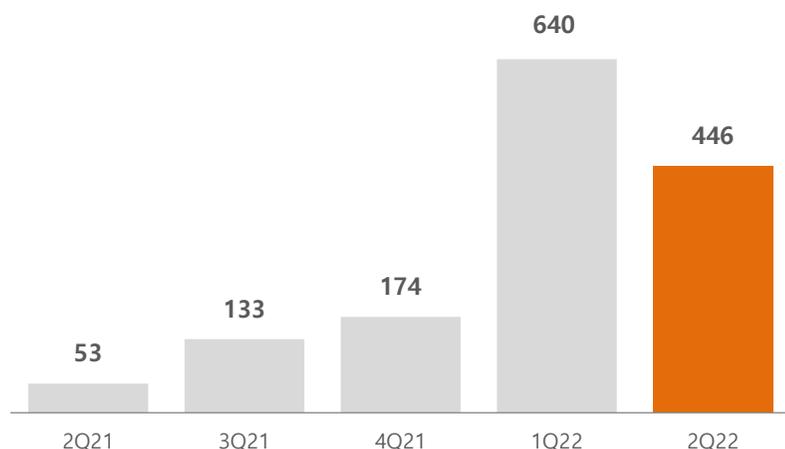
2Q22 Business Results : SK E&S



- Operating profit increased YoY on strong SMP, despite lower power generation volume due to the planned maintenance

SK E&S Operating Profit

(KRW bn)



| | 2Q22 | 2Q21 | YoY | 1Q22 | QoQ |
|-------------------|-------|-------|---------|-------|--------|
| Revenue | 2,151 | 1,499 | +43.5% | 3,564 | △39.6% |
| Operating Profit | 446 | 53 | +739.0% | 640 | △30.3% |
| Income Before Tax | 446 | 46 | +873.8% | 693 | △35.6% |

Highlights

- OP increased +739% YoY as strong SMP and favorable LNG environment continued
 - '22.2Q SMP 157 KRW/kWh (YoY +97.6%, QoQ △13.5%)
 - '22.2Q power generation volume decreased △38.2% QoQ due to the planned maintenance

| Average | 2Q21 | 3Q21 | 4Q21 | 1Q22 | 2Q22 |
|------------------------|------|------|-------|-------|-------|
| SMP (KRW/kWh) | 79.2 | 92.9 | 125.5 | 181.0 | 156.5 |
| Dubai Oil Price (\$/B) | 67.0 | 71.7 | 78.4 | 93.4 | 107.9 |

- 2H SMP to remain elevated stemming from time lag effect due to strong oil prices in 1H

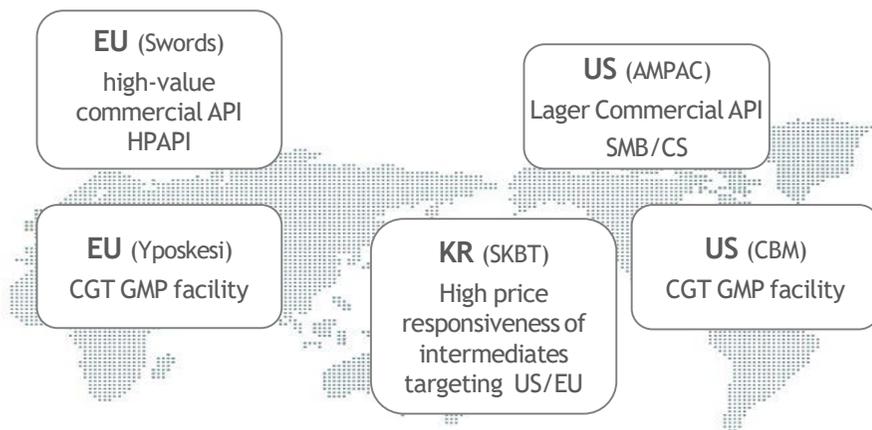
* SMP : System Marginal Price

2Q22 Business Results : SK Pharmteco



■ Securing operational readiness for domestic and overseas facilities amid continued double-digit YoY revenue and operating profit growth

CMO Global Presence



HPAPI: Highly potent active pharmaceutical ingredients

SMB: Simulated moving bed

| (KRW bn) | 2Q22 | 2Q21 | YoY | 1Q22 | QoQ |
|------------------|-------|-------|--------|-------|--------|
| Revenue | 215 | 190 | +13.1% | 226 | △4.8% |
| Operating Profit | 5 | 4 | +16.7% | 15 | △66.4% |
| EBITDA margin | 12.9% | 12.3% | +0.6%p | 16.3% | △3.4%p |

Highlights

- CMO business OP grew +16.7% YoY based on long-term contracts with global big pharmas
- Continue to expand capacity to meet the needs of the customers
 - SKBT KR capacity to increase approx. 40% after construction of M3 in Sejong City (276m³ → 380m³)
 - AMPAC and SKBT IE facilities expansion are also in progress, aiming to increase margins by constantly improving production efficiency
- CGT CMO site commercialization plan on track
 - CGT CMO sites, currently expanding in Europe and the US, are scheduled to prepare and start commercial facilities in 2023
 - SK Pharmteco secured a strong comparative advantage over latecomers through preemptive and large-scale investments

* The SK pharmteco results shown here were prepared internally and are not audited

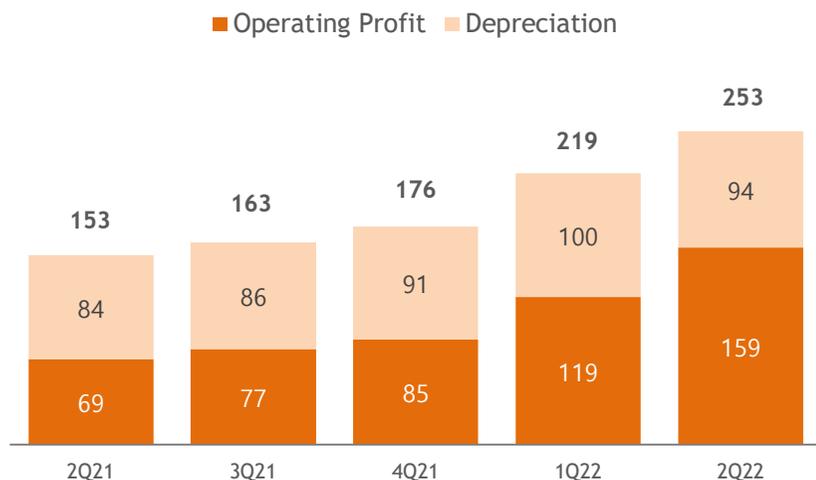
2Q22 Business Results : SK Siltron



Record-high quarterly revenue and operating profit on growing wafer sales and continued price increase

SK Siltron EBITDA

(KRW bn)



| | 2Q22 | 2Q21 | YoY | 1Q22 | QoQ |
|------------------|-------|-------|---------|-------|--------|
| Revenue | 597 | 440 | +35.8% | 555 | +7.5% |
| Operating Profit | 159 | 69 | +129.8% | 119 | +33.0% |
| EBITDA margin | 42.4% | 34.8% | +7.6%p | 39.5% | +2.9%p |

Highlights

- Accelerating growth with increased sales of high-value-added Epi products and a rise in ASP due to tight supply**
 - Revenue +36%, OP +130% YoY
 - EBITDA margin jumped to 40% level on YoY increase in OP and depreciation cost
- Earnings to further improve despite economic uncertainties, based on increased wafer input due to limited semi tech migration**
 - De-bottlenecking of existing facilities to respond to mid-to-long-term demand and LTA-based expansion in progress
- SiC Wafer biz continues rapid revenue growth with increasing shipment of SiC MOSFET wafers for large-scale customers, Expect to start new US fab in '22 (2Q revenue +188% YoY)**

2Q22 Business Results : Materials CIC

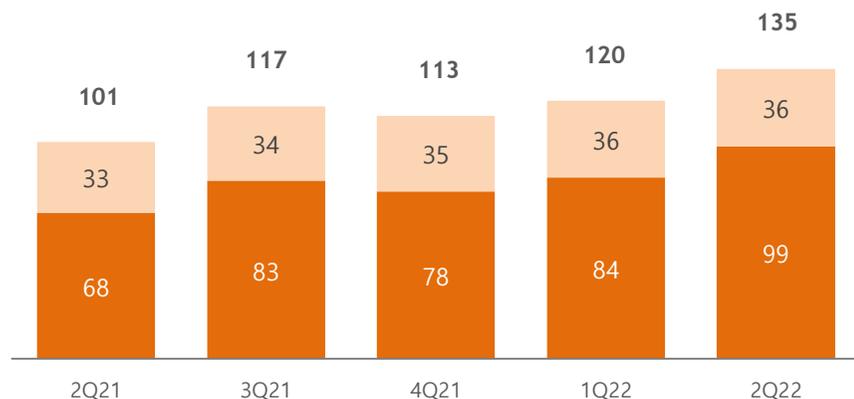


- Record-high quarterly revenue continued from increased sales of high-value new products prompted by constant demand for semiconductor advanced node

Materials CIC EBITDA

(KRW bn)

■ Operating Profit ■ Depreciation



| | 2Q22 | 2Q21 | YoY | 1Q22 | QoQ |
|------------------|-------|-------|--------|-------|--------|
| Revenue | 371 | 280 | +32.5% | 348 | +6.6% |
| Operating Profit | 99 | 68 | +45.3% | 84 | +17.2% |
| EBITDA margin | 36.3% | 35.9% | +0.4%p | 34.4% | +1.9%p |

Highlights

- OP grew by 45% YoY from increased sales of high-value-added materials for advanced node
 - Specialty gas/industrial gas: Sales of all products, including NF3/WF6, increased with ramp-up of customers' new fab
 - Precursor/Etching gas: Sales of next-gen precursor (CpHf) and etching gas (CH3F) continued to rise with semi. tech conversion
 - Photo: Continued profit growth from launching new high-value-added products (SOC) and increasing KrF sales for 3D NAND

[2Q22 Revenue of Major Businesses]

(KRW bn)

| | S/gas (Specialty) | I/gas (Airplus) | Precursor (Trichem) | Etching gas (Showa Denko) | LCO2 (Renewtech) | PR (Performance) | OLED (JNC) | Total |
|------|-------------------|-----------------|---------------------|---------------------------|------------------|------------------|------------|-------|
| 2Q22 | 195 | 63 | 57 | 22 | 12 | 17 | 6 | 371 |
| YoY | +24% | +5% | +66% | +71% | +54% | +157% | +492% | +33% |

- Profit growth expected to continue from increased sales of specialty gas following the operation of new fab by customers

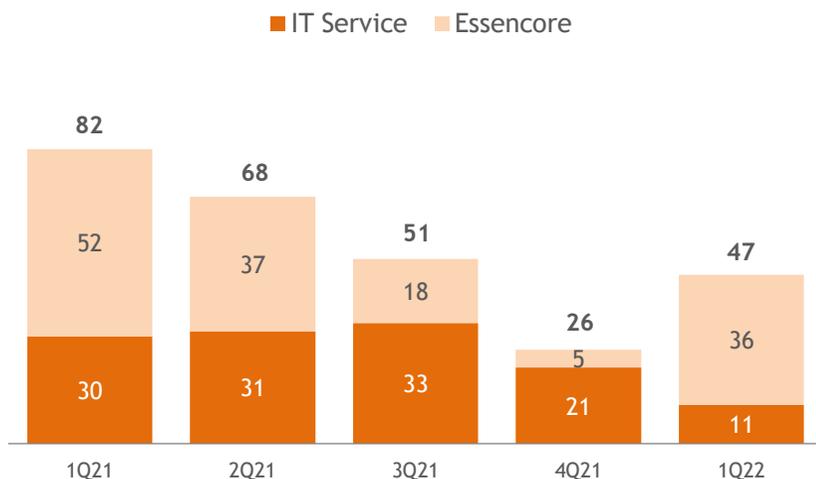
2Q22 Business Results : IT Service (C&C)



Top-line increased YoY from growing cloud demand and increased new projects

IT Services Operating Profit (incl. Essencore)

(KRW bn)



| | 2Q22 | 2Q21 | YoY | 1Q22 | QoQ |
|----------------------------|------|------|--------|------|---------|
| Revenue | 500 | 421 | +19.0% | 412 | +21.6% |
| Operating Profit | 23 | 31 | △24.3% | 11 | +116.7% |
| Income Before Tax | 37 | 28 | +33.6% | △11 | TB |
| Essencore Operating Profit | 27 | 37 | △26.6% | 36 | △24.6% |

* IT service (C&C) results shown here were prepared internally and are not audited.

Highlights

- Quarterly revenue marked KRW 500 bn. with YoY, QoQ growth supported by resumption of IT project orders**
 - Cloud revenue grew +47.5% YoY, driving IT service sales growth
 - Backlog of new IT projects increased +31.1% YoY, pushing up the portion of non-captive sales
- Expecting additional expansion of cloud business and SK on battery-related projects in 2H**
- Essencore's profits declined YoY due to memory chip market slowdown**
 - ASP (△19.1% YoY) and sales volume (△3.5% YoY) declined, while OP margin slowed (YoY △8.2%p) as sales of in-house brand Klevv decreased

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