



Investor Presentation

May 2018

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About SK Group : At a Glance



Group Market Cap

- 2nd largest conglomerate group in Korea in terms of aggregate market capitalization of affiliate companies

[Unit : Bn. KRW]

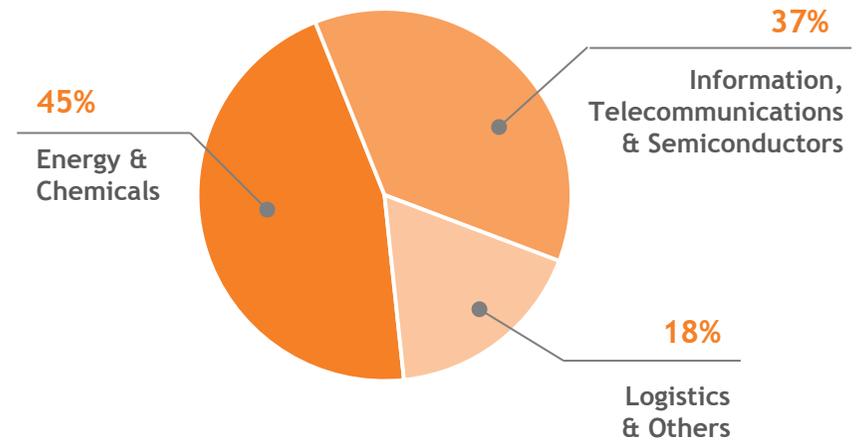
#	Conglomerate	Market Cap.
1	Samsung Group	539,707
2	SK Group	128,966
3	Hyundai Group	107,049
4	Lotte Group	36,757

* As of 2018/4/30

Group Revenue

- Group revenue well-diversified among different set of industries ranging from stable to growing industries

FY2017 Group Revenue
137,527 Bn. KRW



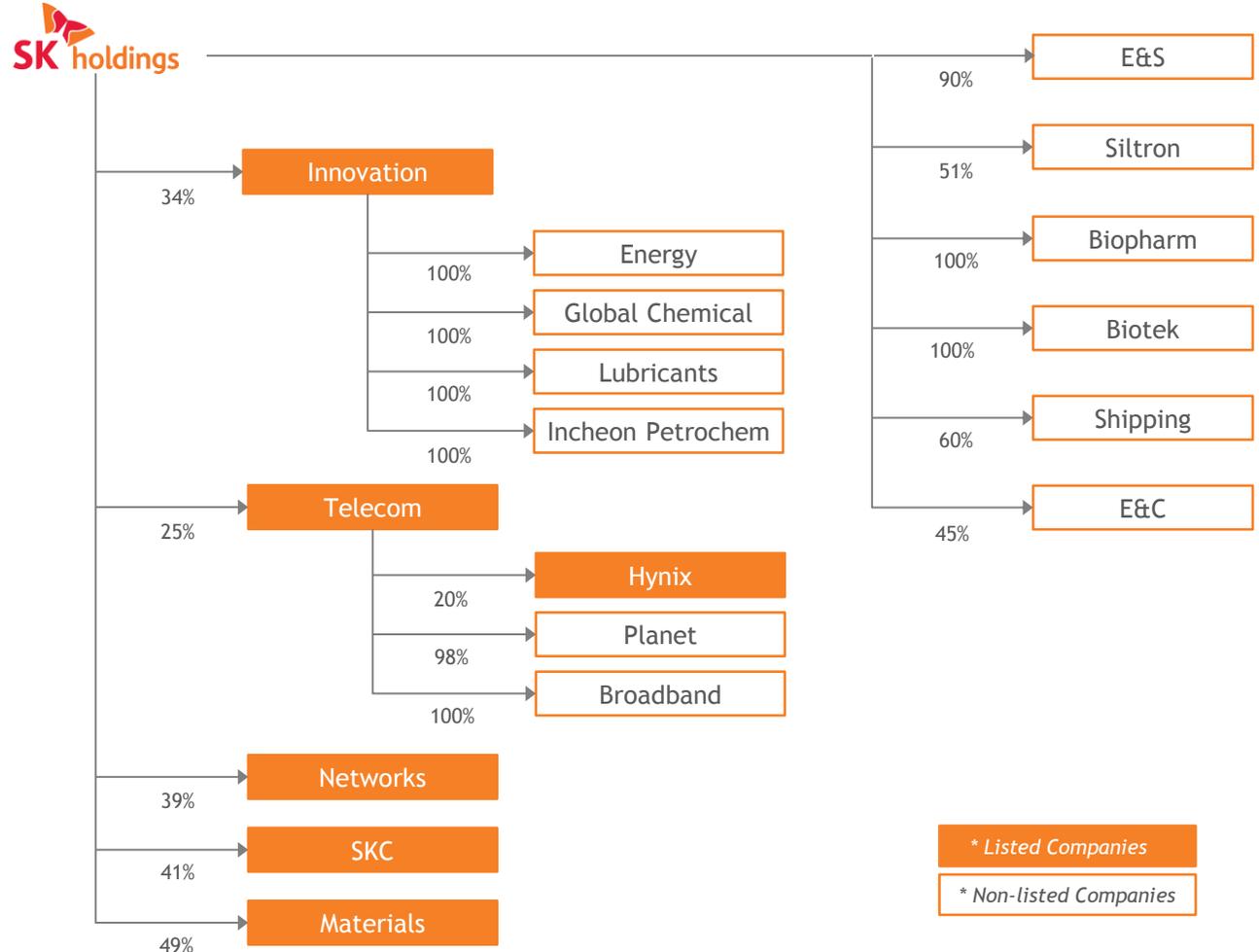
About SK Group : At a Glance



SK Holdings Structure

• Owner & Related Parties	30.9%
• Treasury Stocks	20.7%
• National Pension Service	9.2%

* As of 2017/12/31



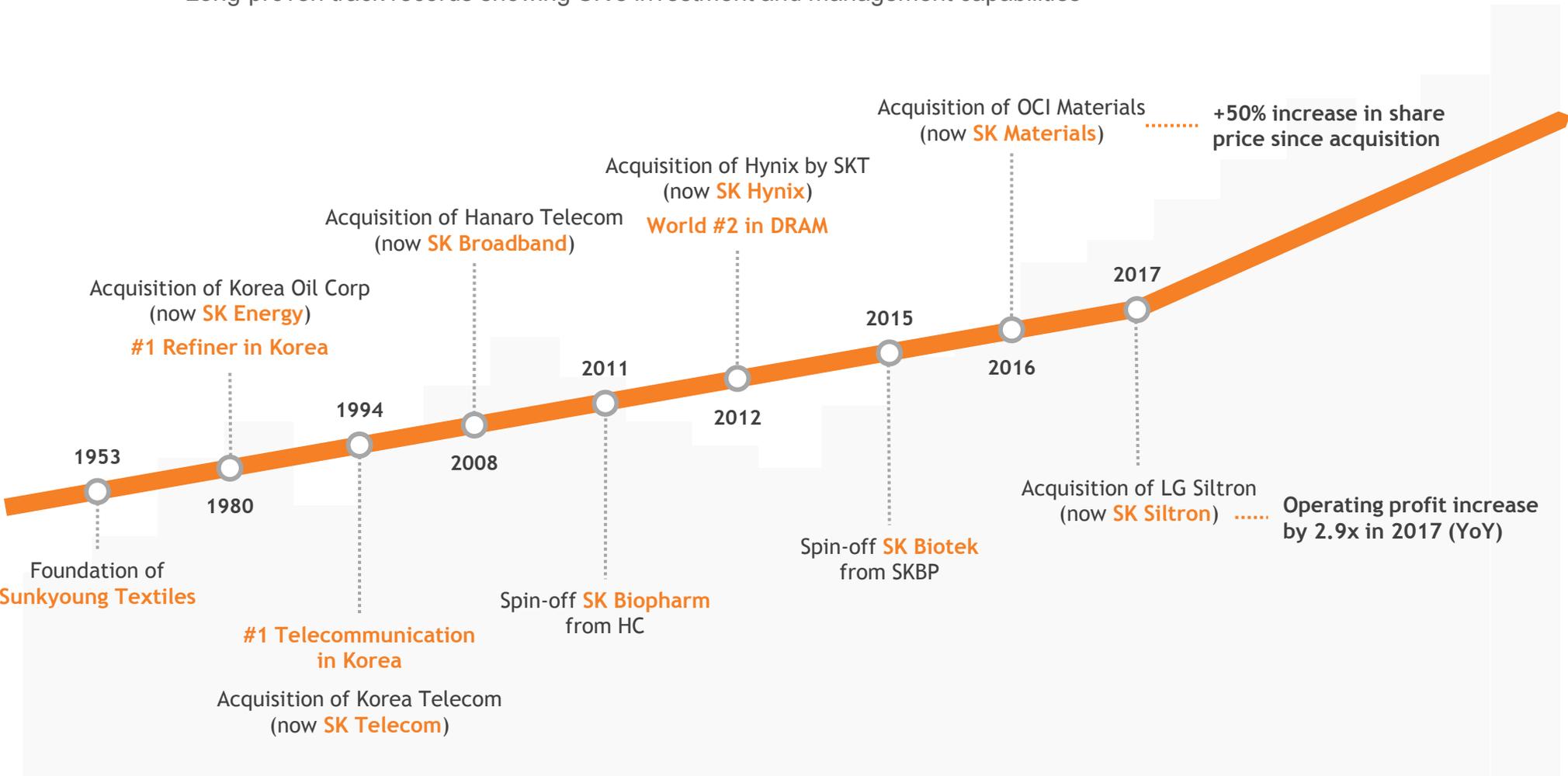
* Listed Companies
 * Non-listed Companies

About SK Group : History



SK Group has long history of growing through persistent and successful acquisitions

- Long-proven track records showing SK's investment and management capabilities



SK Holdings will continue to grow through,



Competitive and well-diversified portfolio,
which creates **strong and sound financial performance**



Continuously **enhancing corporate value** by
investing in **new growth engines**



Focusing on increasing **shareholder value** and
improving **corporate governance**

I. Financial Highlights - Consolidated



Profit more than doubled in 2017 on strong financial performance from competitive portfolios

- All major subsidiaries' profit improved in 2017 (E&S +89%, SKT +60.1%, SKI +25.0%)

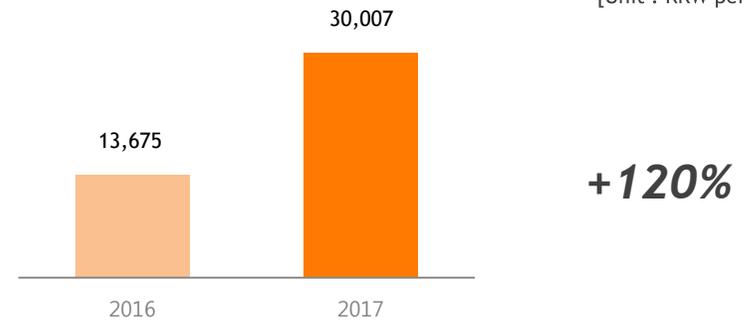
Financial Performance

[Unit : Bn. KRW]

	2016	2017 (YoY)	'18.1Q (YoY)
Revenue	82,730	93,296 (+13%)	24,615
Operating Profit	5,281	5,861 (+11%)	1,581
Pretax Profit (Continuing operation)	4,390	7,442 (+70%)	2,017
Net Profit	2,822	5,066 (+80%)	1,555
- Attributable to Shareholders	766	1,677 (+120%)	661

Earnings per Share

[Unit : KRW per share]



Return on Equity



II. Growth Strategy : Evolving Portfolio

- Building an evolving portfolio through active management of investments, based upon deep understanding and knowledge of industries
 - Unlocking hidden value within growth portfolio to boost corporate value

Core Portfolio

Energy & Chemicals

SK Innovation	SK Trading International
SK Energy	SK Incheon Petrochem
SK Global Chemical	SKC
SK Lubricants	

Information, Telecommunication & Semiconductor

SK Telecom	SK Hynix
SK Broadband	SK Planet

Logistics & Service

SK Networks	SK Magic
SK Shipping	SK E&C



Growth Portfolio

Global LNG

SK E&S	G&P Projects
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Semiconductor Materials

SK Materials	SK Siltron
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Bio Pharmaceutical

SK Biopharmaceutical	SK Biotek
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IT Services & ICT Convergence

C&C Biz.	Essencore	SM Core
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Mobility

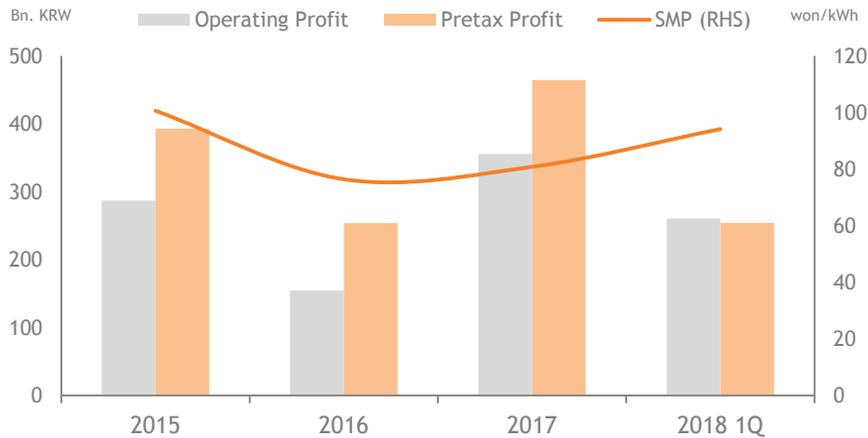
GRAB	TURO	SOCAR
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III. 2018 Value Drivers : SK E&S



Global trend shifting toward LNG opens up new value-creating opportunities

Business Performance



[Unit : Bn. KRW]

	2016	2017 (YoY)	'18.1Q (YoY)
Revenue	4,045	5,535 (+37%)	2,131 (+28%)
Operating Profit	155	356 (+130%)	261 (+60%)
Pretax Profit	254	464 (+83%)	254 (+30%)

Highlights

- Profit rebounded on increased power generation capacity and improving SMP**
 - Paju, Wiryong LNG power plant start-up in 1H17
 - Avg. SMP : 76.4 won/kWh(2016) → 80.8 won/kWh(2017)
- Structural growth on gov't push toward clean energy source**
 - Increased demands for LNG power generation
 - SK benefits from cost advantage through direct LNG sourcing

Midterm Strategy

- Leveraging sourcing expertise to become regional LNG provider**
 - Accelerating LNG value chain expansion through demand aggregation and global LNG sourcing

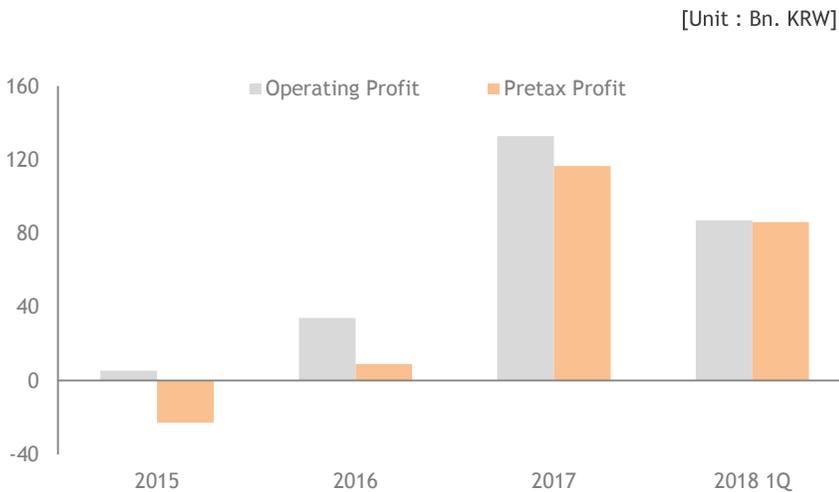
* SMP : System Marginal Price

III. 2018 Value Drivers : SK Siltron



Dramatic market upturn since the acquisition to continue on strong semiconductor demands

Business Performance



	2016	2017 (YoY)	'18.1Q (YoY)
Revenue	836	933 (+12%)	298 (+40%)
Operating Profit	34	133 (+290%)	87 (+373%)
Pretax Profit	9	117 (+1,185%)	86 (+547%)

Highlights

- Growing demands for wafers of all diameters supported by robust demands for semiconductor
- Wafer price recovery to continue on supply shortage
 - Wafer inventory levels of clients remain tight
 - Capacity expansion limited due to difficulties of procuring equipment

Midterm Strategy

- Strengthening competitiveness through debottlenecking and product mix improvement

III. 2018 Value Drivers : SKBP



Striving to become a global leading FIPCO through successful launch of product and pipeline expansion

Current Pipeline

	Name	Description	Ph1	Ph2	Ph3	NDA
Epilepsy	Cenobamate	Partial Generalized	●—————●			
	Carisbamate	Orphan	●————●			
Next CNS	Relenopride	Orphan Neurology	●————●			
	SKL20540	Schizophrenia	●————●			
Sleep	SKL-N05 <i>L/O to Jazz</i>	Sleep Disorder	●—————●			
Others	<i>Various other Research & Developments in progress</i>					

Midterm Strategy

- **Expanding Cenobamate’s market presence**
 - Expecting Cenobamate’s launching over the US in the 2nd half of 2019
 - Direct marketing through leading CSO (Contract Sales Organization)

- **Emerging global CNS Leader**
 - Based on Cenobamate’s success in partial onset seizures, pursuing expansions to other CNS areas and oncology
 - #1 in epilepsy, expanding to neurology, psychiatry

- **Pipeline Expansion and Enterprise Value**
 - Organic and inorganic approaches to broaden pipeline considering various options for financing and IPO

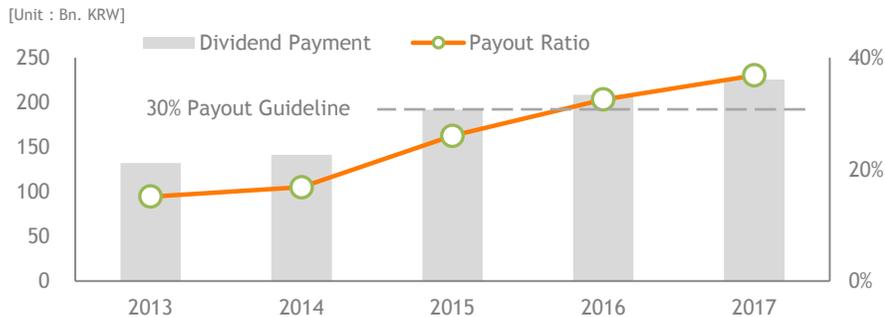
IV. Shareholder Value



Management focus on creating long-term shareholder value

Shareholder Returns

- 2017 Dividend Payout 36.9% / DPS 4,000 KRW/share
- Stock option granted to top executive in 2017



Corporate Governance

- Implementing various methods to protect and enhance shareholder values



Governance Committee within BOD comprised only independent directors



Improving shareholder accessibility and convenience



Adoption of corporate governance charter



Included in DJSI(Dow Jones Sustainability Index) World, Asia-Pacific, Korea since 2012