



2021. 3Q Earnings Briefing

November 2021

DISCLAIMER

This presentation includes the recent earnings results and business performance of SK Inc. (the “Company”) and its major subsidiaries, and it has been prepared to serve shareholders and investors’ information purposes only.

The financial information presented herein is based on K-IFRS. As the forward-looking statements herein reflect 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.

Business Highlights

Strengthened Green portfolio through Plug Power JV and Sustainable Food investments, Announced merger with SK Materials, a foothold to become Global #1 Adv. Materials Co.

Developments in Green Tech.

Hydrogen

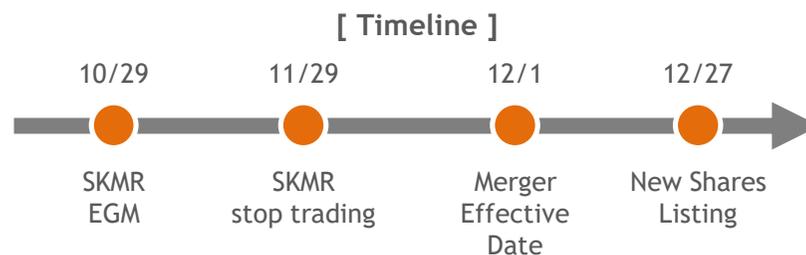
- **Signed a JV agreement with Plug Power**
 - Ownership : E&S 51%, Plug Power 49%
- **Accelerating next phase in hydrogen business**
 - The JV aims to cover integral parts in hydrogen value chain by 1)manufacturing FCs and electrolyzers through “Giga Factory”, 2)operating hydrogen refueling stations, and 3)producing green hydrogen
 - Plans to build domestic R&D center to support & acquire key advanced technologies

S/F*

- **Additional investment into Perfect Day**
 - Cum. Investment : KRW 120bln., ownership 7.4%
- **Signed an MOU with SPC Samlip for joint investments and biz. developments**
 - Plans to strengthen the partnership in areas such as feasibility tests for SK-invested S/F product line-ups

Portfolio Optimization

- **Finished required process of approval for merger with SK materials, Expects to complete the process by early Dec.**
- **Target to become Global #1 Materials Co. through investments in key tech. and establishment of strong portfolio in semicon. and battery sectors**
 - Alliance & cooperation becoming more active among major players as the values of advanced materials technologies surge
 - Expects greater synergy by combining SK Inc.’s investment platform and SK Materials’ strength in manufacturing



* S/F : Sustainable Food

3Q21 Business Results : Overall

- Revenue and OP increased QoQ on the back of rising oil prices and SMP, which resulted in strong operating performance for SK innovation and SK E&S

(Unit : trn, KRW)	Revenue			Operating Income			Pretax Income		
	3Q21	2Q21	QoQ	3Q21	2Q21	QoQ	3Q21	2Q21	QoQ
Consolidated	25.56	23.45	+9.0%	1.56	1.21	+28.2%	1.71	2.14	△19.9%
SK (separate)	0.62	0.47	+31.7%	0.14	0.02	+531.9%	0.08	△0.00	TB
SK innovation	12.30	11.12	+10.6%	0.62	0.51	+22.1%	0.70	0.65	+8.6%
SK telecom	4.97	4.82	+3.1%	0.40	0.40	+0.9%	0.94	1.01	△6.5%
SK networks	2.82	2.54	+10.8%	0.05	0.03	+80.5%	0.04	0.05	△26.1%
SKC	0.89	0.83	+7.2%	0.15	0.14	+8.0%	0.20	0.12	+68.7%
SK ecoplant	1.98	1.83	+8.0%	0.14	0.06	+127.6%	0.12	0.06	+81.5%
SK E&S	1.67	1.50	+11.2%	0.13	0.05	+150.6%	0.16	0.05	+250.9%
SK materials	0.31	0.28	+9.7%	0.08	0.07	+21.4%	0.08	0.12	△33.2%
SK siltron	0.48	0.44	+8.3%	0.08	0.07	+11.6%	0.07	0.06	+19.8%

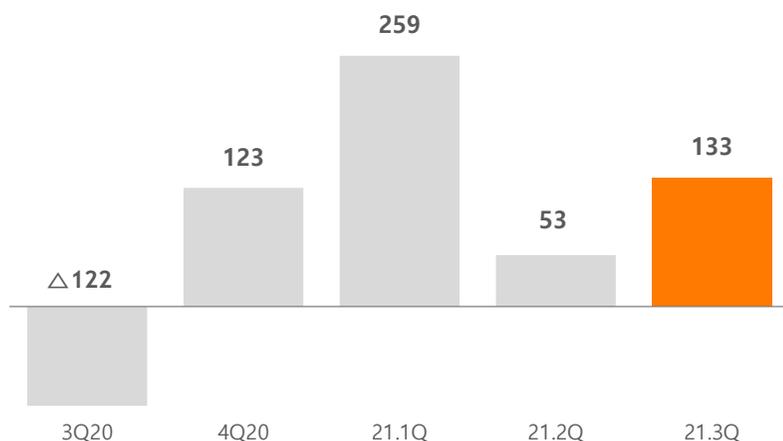
3Q21 Business Results : SK E&S



- Earnings increased QoQ and YoY as profitability of power & LNG business improved on strong oil and natural gas prices

SK E&S Operating Profit

(Unit : bln, KRW)



(bln, KRW)	3Q21	3Q20	YoY	2Q21	QoQ
Revenue	1,668	1,027	+62.4%	1,499	+11.2%
Operating Profit	133	△122	TB	53	+150.5%
Pretax income	161	△73	TB	46	+250.9%

Highlights

- SMP extended its rally on higher oil prices
 - '21.3Q SMP YoY +21.6%, QoQ +17.3%

Average	20.3Q	20.4Q	21.1Q	21.2Q	21.3Q
SMP (₩/kWh)	62.9	55.6	76.5	79.2	92.9
Dubai Oil (\$/B)	42.9	43.9	60.1	67.0	71.7

- Profitability of LNG biz. improved on a surge in natural gas prices
 - Economics of Freeport LNG import and upstream assets recovered
- Earnings to remain robust with further rise in SMP and strong seasonal demand
 - SMP Oct.'21 107.3 KRW/kWh → Nov.'21 ≥120KRW/kWh

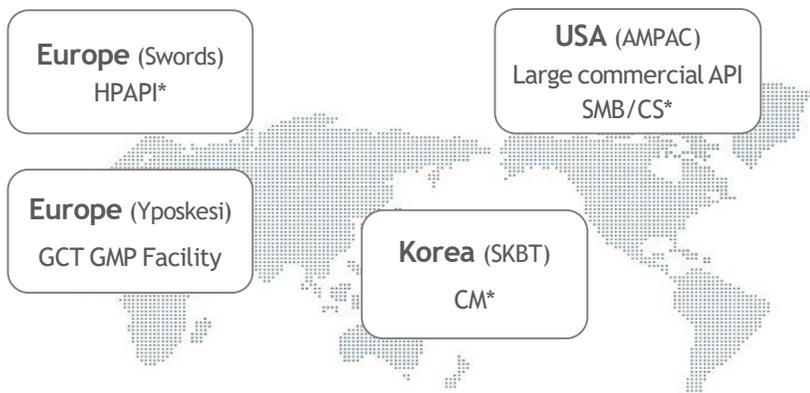
* SMP : System Marginal Price

3Q21 Business Results : SK pharmteco



Improvement in revenue and EBITDA margin continued as sales orders from major customers increased in 2H

Global Presence



* HAAPI: Highly Potent - Active Pharmaceutical Ingredients
SMB: Simulated Moving Bed
CS: Controlled Substances, CM: Continuous Manufacturing

Highlights

- Revenue grew by 10.9% QoQ, evenly across all regions owing to increase in sales volume toward major customers
 - Revenue of core medicine products for diseases such as diabetes & cancer extended growth in 3Q
 - Source of revenue getting diversified with new projects including “PHLOW”
- OP increased YoY 169.0% on top-line growth and operational efficiency upgrade
 - Diversifying portfolio in response to the pandemic
- Securing foothold to become global top-tier CMO by entering into US GCT market
 - Expanding supply chain in the US GCT CMO, the largest pharmaceutical market

(bln, KRW)	3Q21	3Q20	YoY	2Q21	QoQ
Revenue	211	155	+35.7%	190	+10.9%
Operating Profit	11	△3	TB	4	+169.0%
EBITDA	34	16	+108.5%	23	+44.6%

3Q21 Business Results : SK siltron

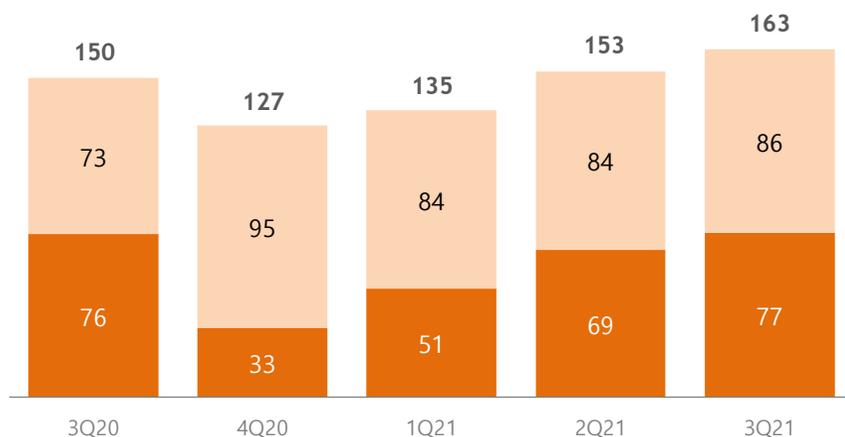


Structural logic demand growth led to record-high revenue for two consecutive quarters

SK siltron OP and EBITDA

(Unit : bln, KRW)

Operating Profit Dep. Cost



(bln, KRW)	3Q21	3Q20	YoY	2Q21	QoQ
Revenue	476	439	+8.4%	440	+8.3%
Operating Profit	77	76	+0.8%	69	+11.6%
EBITDA	163	150	+9.0%	153	+6.8%

Highlights

- Strong ASP & shipments across all products thanks to growth in logic demand and customer base in Asian memory market
- Top-line growth to continue next year based on structural growth of logic industry and disciplined capex trend of suppliers
 - Currently studying a capacity expansion plan considering strong visibility in demand growth
- SiC wafer to serve as upside momentum with rapid growth of EV SiC chip industry
 - Announced a \$300M investment in Michigan on July '21 to strengthen R&D and mass production capabilities

3Q21 Business Results : IT Service (C&C)

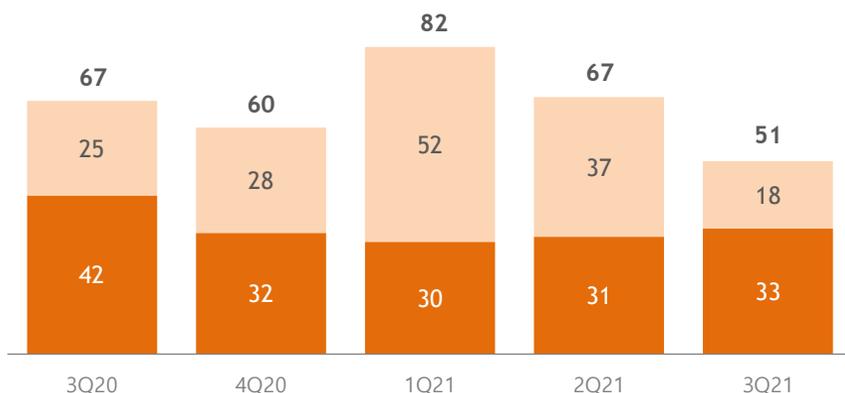


Delivered top-line growth for IT service with favorable environment for cloud business

IT Service Operating Profit (incl. Essencore)

(Unit : bln, KRW)

■ IT Service ■ Essencore



(bln, KRW)	3Q21	3Q20	YoY	2Q21	QoQ
Revenue	456	450	+1.3%	421	+8.3%
Operating Profit	33	42	△21.3%	31	+7.8%
Pretax Income	32	30	+7.7%	28	+15.9%
Essencore Operating Profit	18	25	△29.6%	37	△52.2%

Highlights

- Revenue from cloud biz. increased by 54% YoY, driving top-line growth**
 - Revenue grew QoQ, YoY on cloud biz. expansion
 - OP growth slowed on higher labor costs(YoY +15.2%)
- Positive outlook for 4Q with increase in new projects and high seasonality**
 - 3Q order backlog : KRW 1.5trn(YoY +19%)
- Essencore OP decreased YoY and QoQ due to weak memory spot prices^{*)}**
 - OP decreased by lower sales volume for in-house brand Klevv(QoQ △22.4%) and inventory-related loss

^{*)} Memory spot prices fell △23.9%(QoQ) for DRAM and △6.1%(QoQ) for NAND 7

End of Document