



Investor Presentation

Jan 2022

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■ 'A global investment company' pursuing sustainable development through investments in areas with high growth potential

✓ *What We do*



Investing in the four major domains utilizing deep industry insights and operational excellence to create a global ecosystem

✓ *What We deliver*

Strong & Sustainable Investment Portfolio



Delivering greater value to the shareholders by promoting NAV growth and sharing gains from successful investments

- Targeting the 4 major domains as key areas of focus
- Designing a new ecosystem leveraging the competitive edge of the key anchor assets

 **SK inc. Key Areas of Investment**

	Env. / Social Contribution	NAV KRW 43.0 tn.	Anchor Assets	Investment Assets For New Eco. Design
Bio	✓	10.5 tn. (24%)	SK Biopharmaceuticals, SK Pharmteco	ProteoVant Sciences (Protein Degradar), Standigm, Humming Bird, etc.
Adv. Materials	✓	15.6 tn. (36%)	SK Hynix, SK On, SK Materials	SK Siltron, SKNX/Wason, Solid Energy, SIGNET EV, YPTX
Green	✓	7.3 tn. (17%)	SK E&S, SK Ecoplant	Plug Power, Monolith, Sunrun JV Perfect Day, Nature's Fynder
Digital & Others	✓	9.6 tn. (22%)	SK Telecom	ChinData (Datacenter Solution), ESR, Datarobot, Socar, Grab, etc

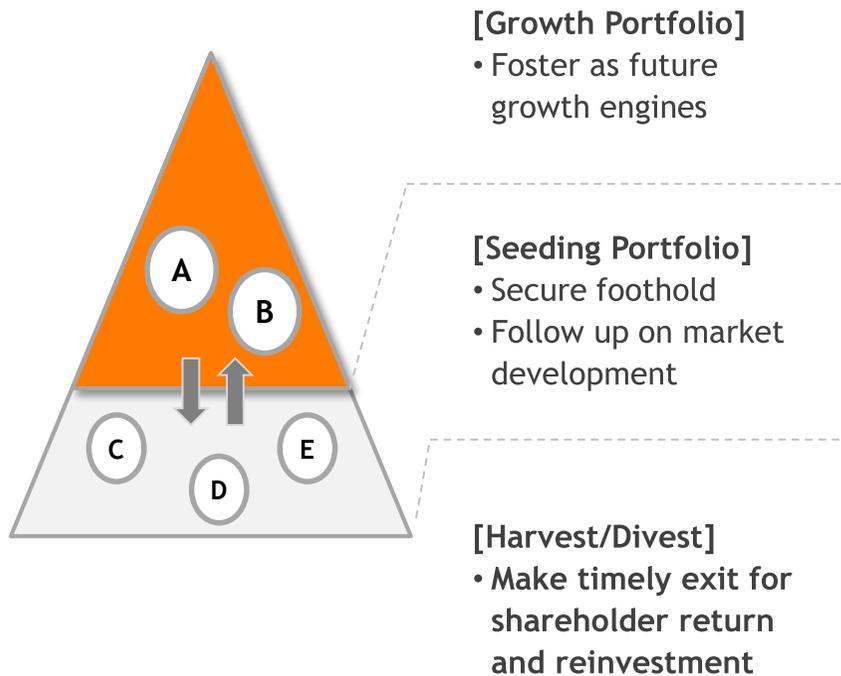
* Average NAV based on recent market research reports

Investment Strategy & Key Strengths



- Creating a strong ecosystem through large scale investments in the 4 major domains
Ensuring investment successes with full utilization of SK group wide resources

Investment Strategy

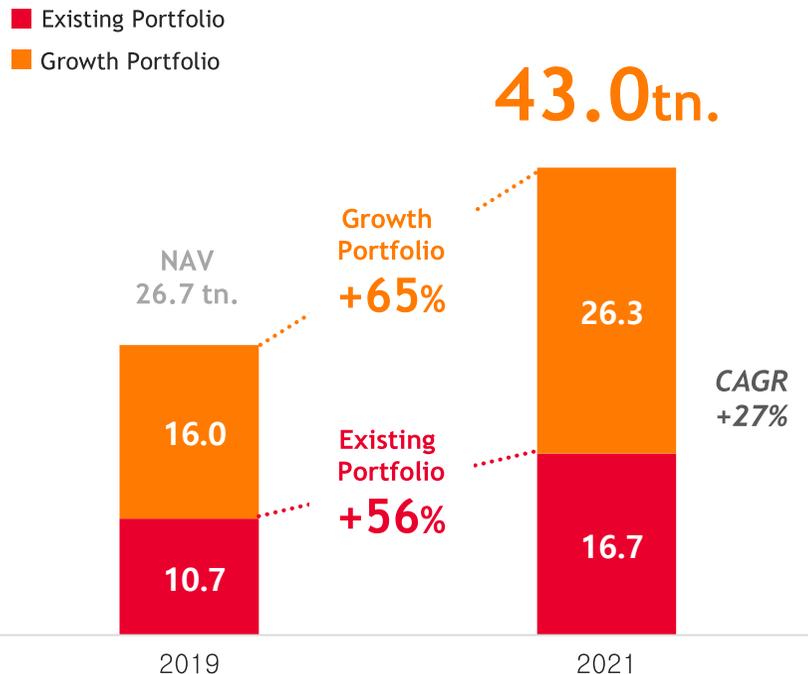


Key Strengths



■ Promoted NAV growth through development of growth portfolio and realization of successful investment gains as an investment company

NAV Growth



Realized Investment Returns

4 cases since 2019

- SK Biopharmaceuticals, G&P(Brazos), ESR, etc.

Cum. Investment gains

2.3 tn. KRW

Internal Rate of Return

27 %

* Average NAV based on market research reports

* excluding SK E&S Investment gain from CGH stake sale

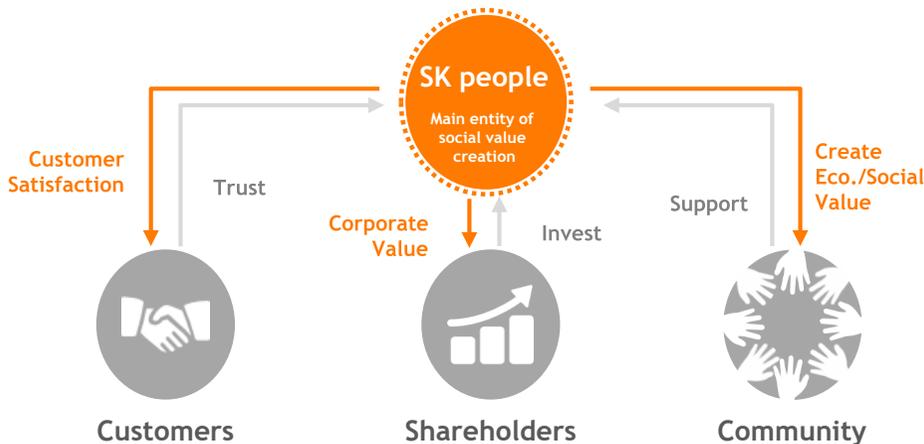
** weighted average IRR based on cum. investment amount

Committed to become a leader in ESG management implementing carbon zero initiatives, social value creation, and upgrade in governance transparency

Environment

- RE100 initiatives & carbon reduction
- Environment-friendly hydrogen ecosystem
- Gradual fade-out of carbon-heavy businesses

Social Value



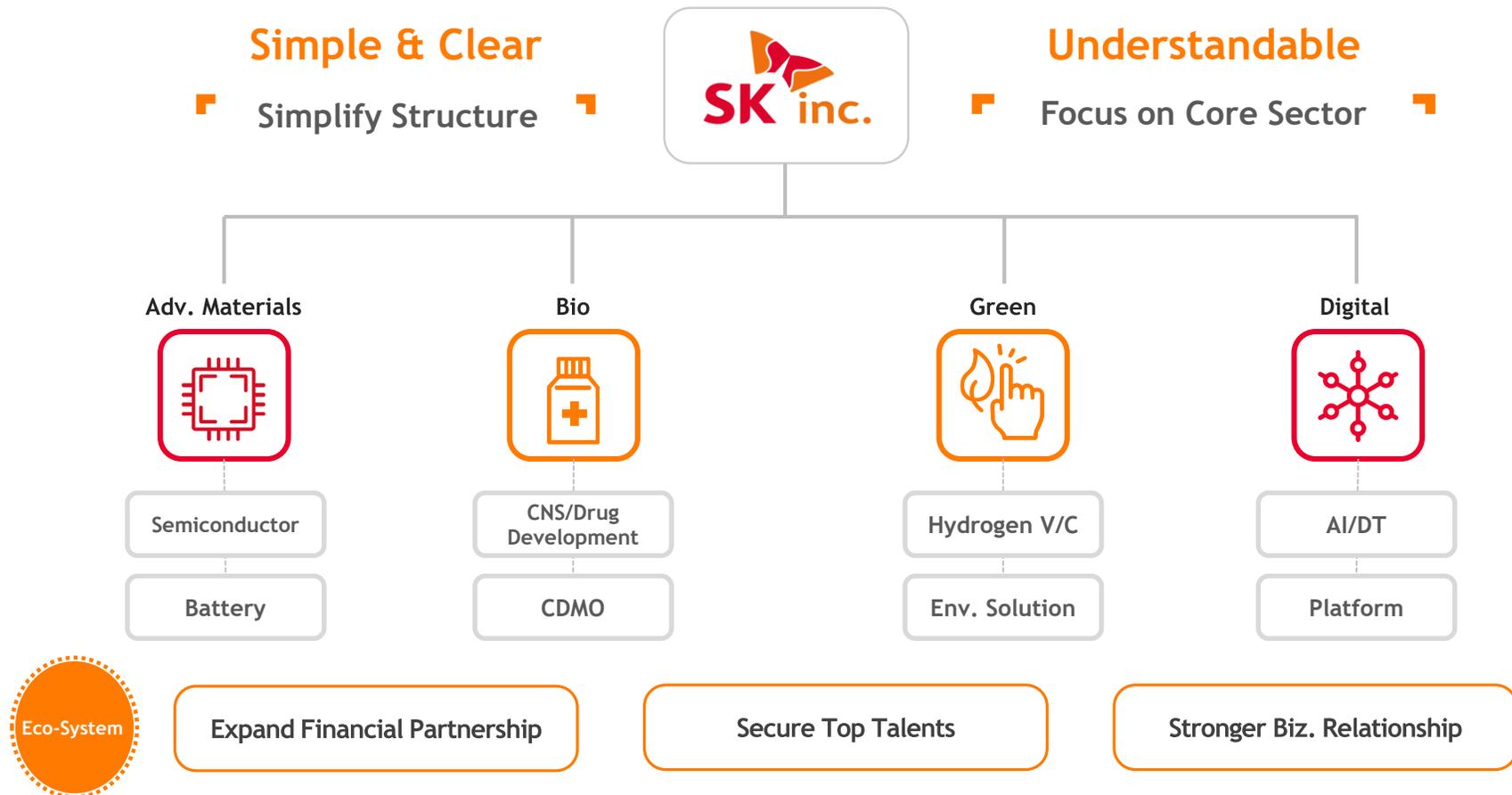
Corporate Governance

- Separated roles of CEO and board chair
- Newly installed ESG committee and Nomination & Compensation* committee
* Functions of 'Independent Director candidate recommendation committee' integrated
- Governance committee consists only of outside directors to assure independence
- Adopted the corporate governance charter, undergoing revision to further strengthen the role of BoD
- Improved shareholder accessibility and engagement
- Included in DJSI World index since 2012
MSCI ESG Rating 'AA'

Upgrade in Corporate Governance Structure



- Establishing optimized corporate governance structure in terms of business ecosystem development, maximization of synergies, and corporate value upgrade



Near-to-Mid-term Momentum

- Advanced Materials Business
- Bio (CDMO) Business
- Shareholder Return Growth
- NAV Growth & Discount Normalization

1. Advanced Materials Business



Enhancing the value of the materials business with a target to become a global top materials provider through key competitive edges from comprehensive product portfolio

Portfolio Expansion

	'16~'17		'18~'22	
Semi-conductor Materials	Specialty Gas	Si Wafer	Photo Materials	Wet Chem.
	Precursor	Etching	OLED Materials	CO2 Cleaning
	Carrier Gas			
Power Semi-conductor			SiC Wafer	SiC Power Semicon.
Battery Materials			Copper Foil	EV Charger
			Li-Metal Cathode	Si-Anode Materials

Business Strategy

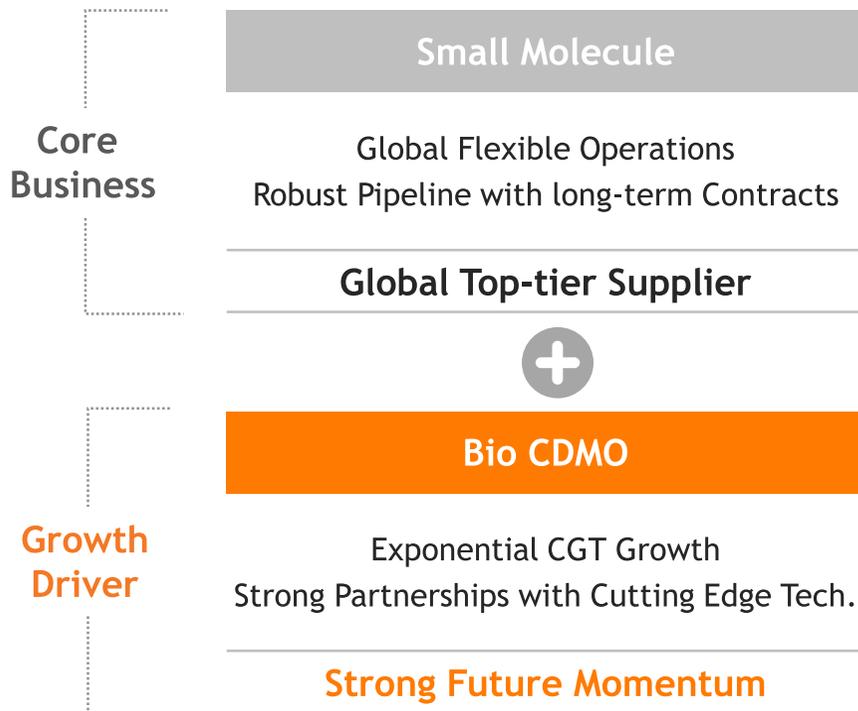
- Target to become global No.1 advanced materials company by 2025
 - Mid-term EBITDA Target : 1.1tn. ('21) → 2.0tn.('23) → 3.4tn. KRW('25)
- Establish robust portfolio in semiconductor, power semiconductor, and battery areas
 - Capacity expansion target by products
 - Specialty Gas(NF3) 12.5KT ('21) → 18KT/yr ('25)
 - SiC Wafer 30K ('21) → 600K/yr ('25)
 - Power Semicon. 2K ('21) → 85K/yr ('25)
- Foster next-generation technology via timely investments
 - Next generation precursor, EUV photo, advanced packaging, and anode & cathode materials

2. Bio (CDMO) Business



- Aiming to become a global top-tier CDMO by 2025 through sustained growth in small molecule APIs and rapid growth in cell & gene therapy

Portfolio Expansion



Business Strategy

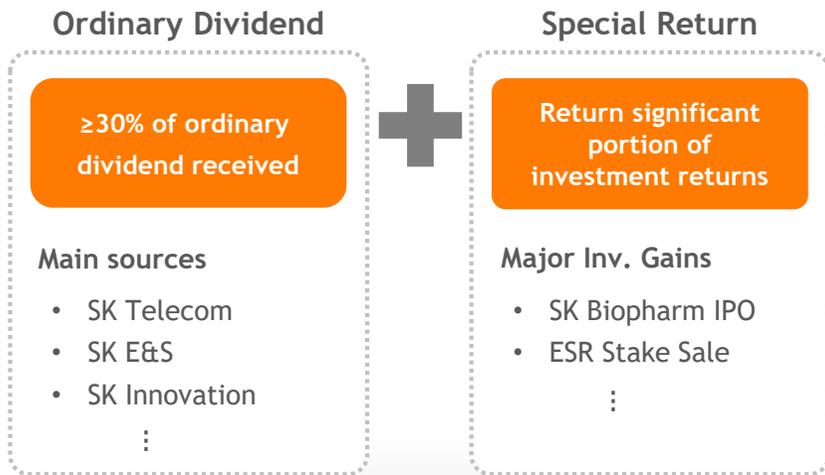
- **Clear financial targets in 2025**
 - Revenue \$2B+, EBITDA margin 25%+
- **Robust pipeline in small molecule APIs, plus preemptive investment in CGT CMO value chain**
 - Strong product portfolio with sustained growth in S/M APIs
 - Actively responding to growing APIs demand for national strategic reserve of essential medicine in US
 - CGT investments: EU - Yposkesi ('21.3), US - CBM ('22.1)
- **Enhance competitiveness as a reliable new drug development partner through organic investment**
 - Strategic capacity expansion to secure flexible operations

3. Shareholder Return Growth



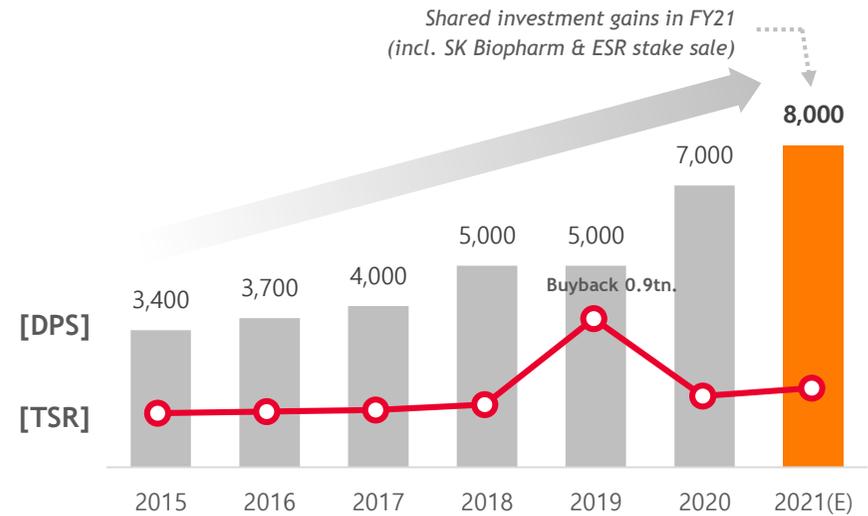
Strengthening shareholder return policy with stable dividend income and successful investment outcomes

Shareholder Return Policy



Increasing shareholder return through virtuous investment cycle

Dividend History



'21 Investment Gains

- SK Biopharm. stake-sale
- ESR stake-sale

Total Gains 1.5tn.

'22 Divestment Pool

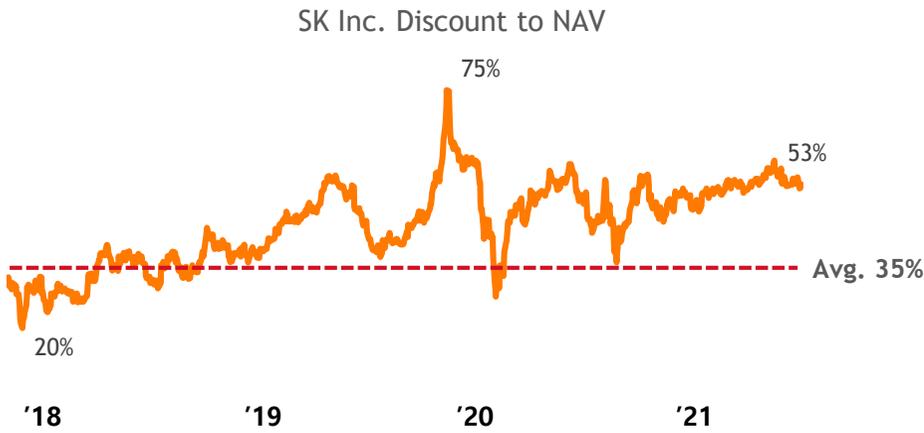
- Grab, Chindata, Solid Energy, ESR, etc

1.5tn. +α

4. NAV Growth & Discount Normalization

- Current level of discount-to-NAV to normalize in the near term, as the non-listed subsidiaries (e.g. pharmteco, siltron) begin to show significant growth

Discount Normalization



- Plans for Discount Reduction**
- From a 'holder' to a 'specialized investor'
 - Strong support from financial society
 - Sustainable dividend policy
 - Upgraded governance system

Target NAV in 2022

	Market NAV* ('21)	Target NAV ('22)
Bio	10.5 tn.	15.1 tn.
Adv. Materials	15.6 tn.	18.6 tn.
Green	7.3 tn.	9.3 tn.
Digital & Others	9.6 tn.	10.1 tn.
Total	43.0 tn.	53.1 tn.

+10.1 tn.

* Average NAV based on recent market research reports

Appendix

- Investment History
- Business Results

Investment History



	2016 ~ 2018	2019	2020	2021
<ul style="list-style-type: none"> ▪ Bio (KRW 2.3 tn) ▪ Adv. Materials (KRW 2.1 tn) ▪ Green (KRW 1.7 tn) 	<ul style="list-style-type: none"> • BMS manufacturing facility in Ireland (CMO) • AMPAC Fine Chemicals (CMO) • SK Materials • SK Siltron • G&P (Eureka) • G&P (Brazos) • Solid Energy (Li-metal battery) 	<ul style="list-style-type: none"> • Wason (Copper-Foil) • G&P (Blue Racer) • Halio (Smart Glass) 	<ul style="list-style-type: none"> • ProteoVant (Protein Degradar) 	<ul style="list-style-type: none"> • Yposkesi (GCT CMO) • Proteovant • CBM (CMO) • SIGNET EV (EV Charger) • YPTX (SiC Chip) • Plug Power (Hydrogen) • Monolith (Turquoise Hydrogen)
Digital & Seed (KRW 1.4 tn)	<ul style="list-style-type: none"> • Grab, SOCAR, TURO • ESR (Logistics Infra.) • Mackage, Alice+Olivia, Rails (Fashion) 		<ul style="list-style-type: none"> • ChinData Group • PerfectDay (Alt. Food) • Belstar Superfreeze 	<ul style="list-style-type: none"> • New Mobility Fund (w/ Geely) • Nature's Fynder (Alt. Food)
Realization / Exit	<ul style="list-style-type: none"> • Encar.com • SK Securities • SK Marine 	<ul style="list-style-type: none"> • ESR (HK IPO) • E&S Paju Energy (49% stake sale) 	<ul style="list-style-type: none"> • Biopharm (IPO) • ESR (4.6% stake sale) • CGH (E&S's 10.3% stake sale) 	<ul style="list-style-type: none"> • Biopharm (10% stake sale)

Business Results



Unit : tn. KRW	Revenue					Operating Profit				
	FY20	1Q21	2Q21	3Q21	FY21(E)	FY20	1Q21	2Q21	3Q21	FY21(E)
SK Inc. (consolidated)	81.81	22.25	23.45	25.56	97.31	△0.16	1.54	1.21	1.56	4.86
SK Inc. (separate)	3.47	0.90	0.47	0.62	-	1.66	0.49	0.02	0.14	-
SK Innovation	34.16	9.24	11.12	12.30	46.51	△2.57	0.50	0.51	0.62	2.36
SK Telecom	18.62	4.78	4.82	4.97	19.10	1.35	0.39	0.40	0.40	1.51
SK Hynix	31.90	8.49	10.32	11.81	42.97	5.01	1.32	2.69	4.17	12.36
SK Networks	10.63	2.75	2.54	2.82	11.05	0.12	0.03	0.03	0.05	0.14
SKC	2.70	0.78	0.83	0.89	3.38	0.19	0.08	0.14	0.15	0.49

* Estimates for FY21 based on market consensus