

2024.3Q

EARNINGS BRIEFING

Nov 2024



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 informational purposes 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 the Company's strategies as well as other uncertainties.

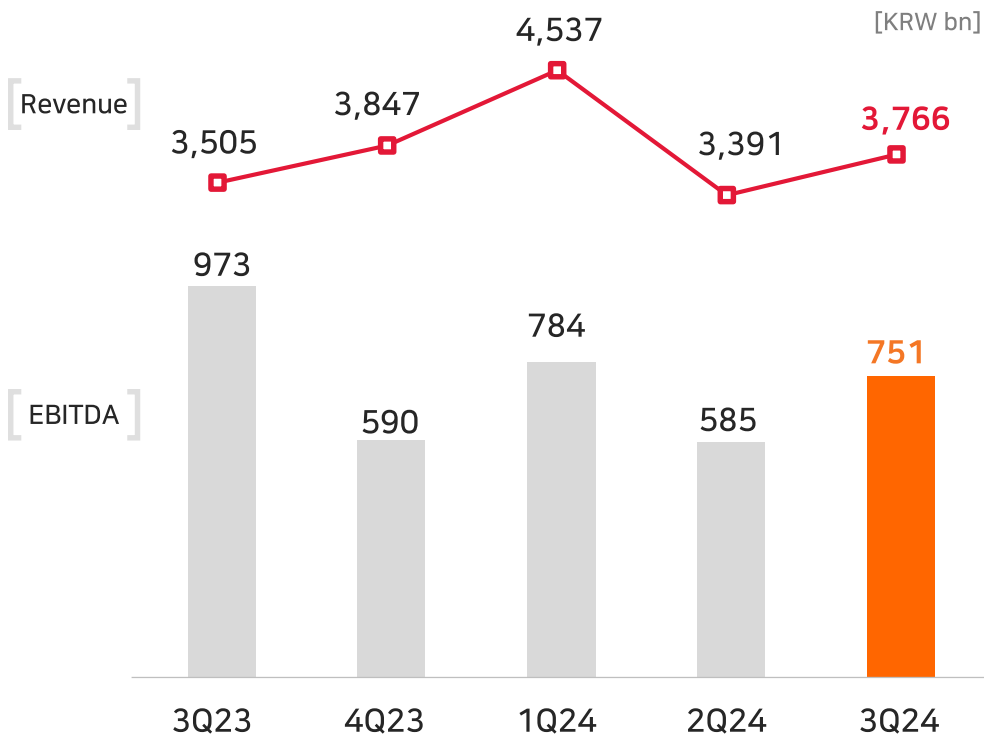
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Combined results of major unlisted companies rose QoQ led by SK siltron and SK E&S Announced Corporate value-up plans focusing on improvement of ROE and shareholder returns

Total Earnings of Major Unlisted Subsidiaries

- Revenue QoQ +11.1%, YoY +7.4%
EBITDA QoQ +28.4%, YoY Δ 22.8%



Corporate value-up plans

1

ROE Improvement

- Mid (8%, '24~'26) · long (10%, '27~)-term ROE targets by enhancing fundamental competitiveness

- To elevate profitability via operational improvement
- To optimize Portfolio via rebalancing and divestment
- To improve financial structure via reduction in debt

[Key Progress]

- P/F optimization through integration* and divestment**
 - * SK innovation - E&S, SK ecoplant - Airplus/Essencore
 - ** Grab, Joyvio, etc.
- Number of subsidiaries: 716 (End of '23) → 660 (End of 3Q24)

2

Enhanced Shareholder Return Plan (FY24 ~ FY26)

- Gradual expansion of shareholder returns at stable, predictable levels

- Minimum annual DPS of KRW 5,000 (Common shares)
- Share buyback/cancellation or extra dividend worth 1~2% of market cap using funds such as proceeds from asset sales

1) SK E&S, SK pharmteco, SK siltron, SK materials CIC combined

2) SK E&S and Airplus will be reflected in the results of SK innovation and SK ecoplant, respectively, starting from November 1

Despite strong semiconductor business, earnings decreased due to weak energy and chemical market conditions

[KRW tn]	Revenue			Operating Profit			Income before Tax		
	3Q24	3Q23	YoY	3Q24	3Q23	YoY	3Q24	3Q23	YoY
Consolidated	30.64	33.22	△7.8%	0.51	2.66	△80.8%	0.95	1.08	△12.0%
Separate	0.74	0.77	△3.9%	0.12	0.19	△36.8%	0.05	0.04	+25.0%
SK innovation	17.66	19.89	△11.2%	△0.42	1.56	Turn to loss	△0.73	1.09	Turn to loss
SK square	0.46	0.53	△13.2%	1.16	△0.56	Turn to profit	1.19	△0.54	Turn to profit
SK telecom	4.53	4.40	+3.0%	0.53	0.50	+6.0%	0.36	0.40	△10.0%
SK networks	2.04	1.79	+14.0%	0.03	0.02	+50.0%	0.01	△0.00	Turn to profit
SKC	0.46	0.38	+21.1%	△0.06	△0.06	N/A	△0.11	△0.09	N/A
SK ecoplant	2.10	2.59	△18.9%	△0.01	0.12	Turn to loss	△0.07	0.07	Turn to loss
SK E&S	2.66	2.57	+3.5%	0.35	0.57	△38.6%	0.30	0.53	△43.4%
Materials CIC	0.34	0.29	+17.2%	0.06	0.05	+20.0%	0.03	0.03	-
SK siltron	0.57	0.47	+21.3%	0.09	0.04	+125.0%	0.09	0.03	+200.0%

1) SK materials CIC results shown here were prepared internally for the purpose of providing comparability and have not been audited

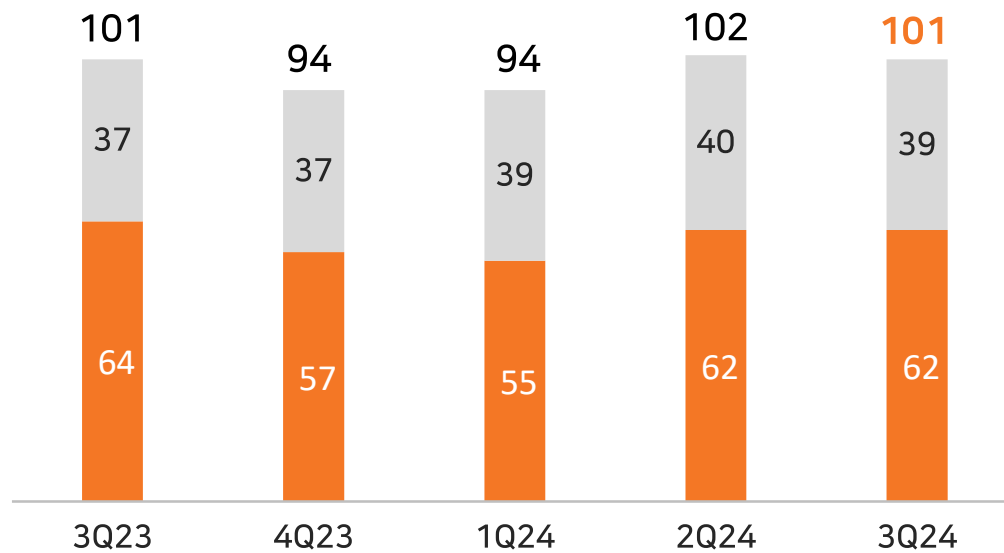
2) SK E&S and Airplus will be reflected in the results of SK innovation and SK ecoplant, respectively, starting from November 1

3) 3Q23 results of SK networks and SKC restated to reflect discontinued operations

Revenue increased YoY from shipment growth of specialty/industrial gases with gradual recovery of market condition

SK materials CIC EBITDA

■ Depreciation [KRW bn]
■ Operating Profit



	3Q24	3Q23	YoY	2Q24	QoQ
Revenue	344	287	+19.9%	335	+2.7%
Operating Profit	62	64	△3.1%	62	-
EBITDA margin	29.3%	35.2%	△5.9%p	30.4%	△1.1%p

Highlights

□ Revenue (YoY +19.9%) increased from higher sales of core products including specialty/industrial gases, precursor and PR

- Specialty/Industrial gas: Higher demand of specialty gas for semi and display, continued growth of industrial gas with M15 Ph2 full operation
- Precursor: Customers' utilization rate recovery led sales growth
- PR : Revenue growth from increased shipments to new customer facilities

□ 4Q profitability expected to improve driven by higher customer utilization and expanded new product portfolio

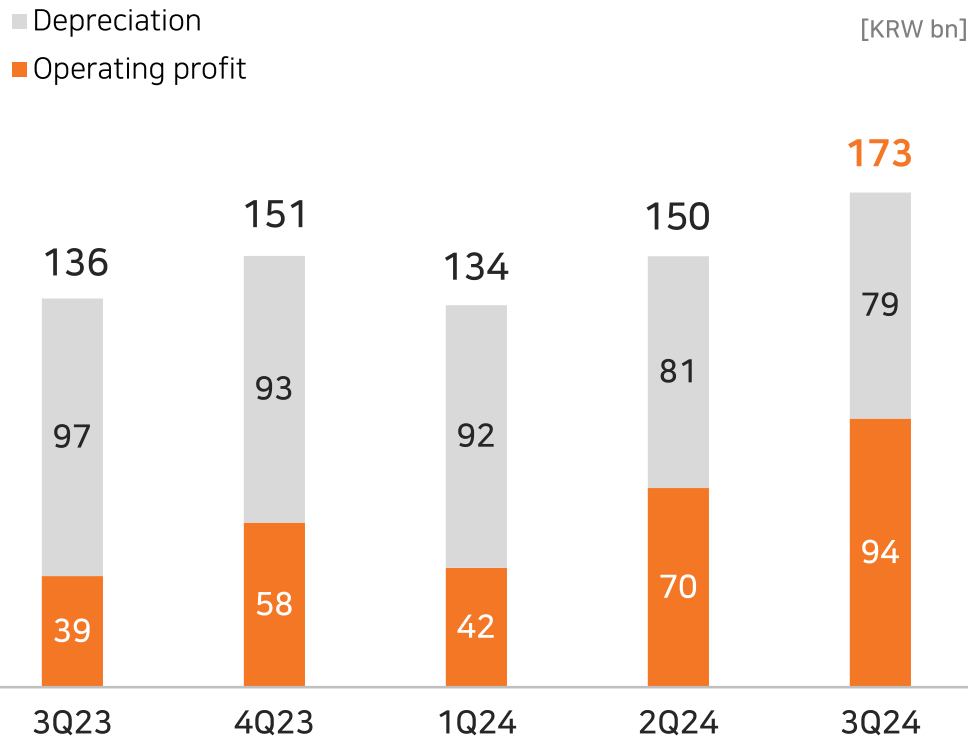
- Specialty gas: Higher M/S and customers' utilization to improve profit
- Precursor/Etching gas: Continued precursor sales growth and mass production of next-gen etching gas (HBr*) to increase profitability
- PR: Expanded product portfolio and greater volumes used at customer sites to lead to sales growth

* HBr : Precise vertical etching gas for 3D NAND and logic

※ Airplus (Industrial gas) will be reflected in the results of SK ecoplant starting from November 1

Earnings recovery accelerating YoY and QoQ with lower wafer inventory amid improving market condition

SK siltron EBITDA



	3Q24	3Q23	YoY	2Q24	QoQ
Revenue	568	469	+21.1%	503	+12.9%
Operating Profit	94	39	+141.0%	70	+34.3%
EBITDA margin	30.4%	29.0%	+1.4%p	29.9%	+0.5%p

Highlights

Revenue (YoY +21.1%) and operating profit (YoY +141.0%) increased with shipment growth of all Si-Wafer products

- Overall shipments grew driven by 300mm wafer
- EBITDA margin rebounded to 30% on the back of revenue growth, cost savings, and favorable exchange rates

4Q sales expected to rise further on higher market demand and customer utilization

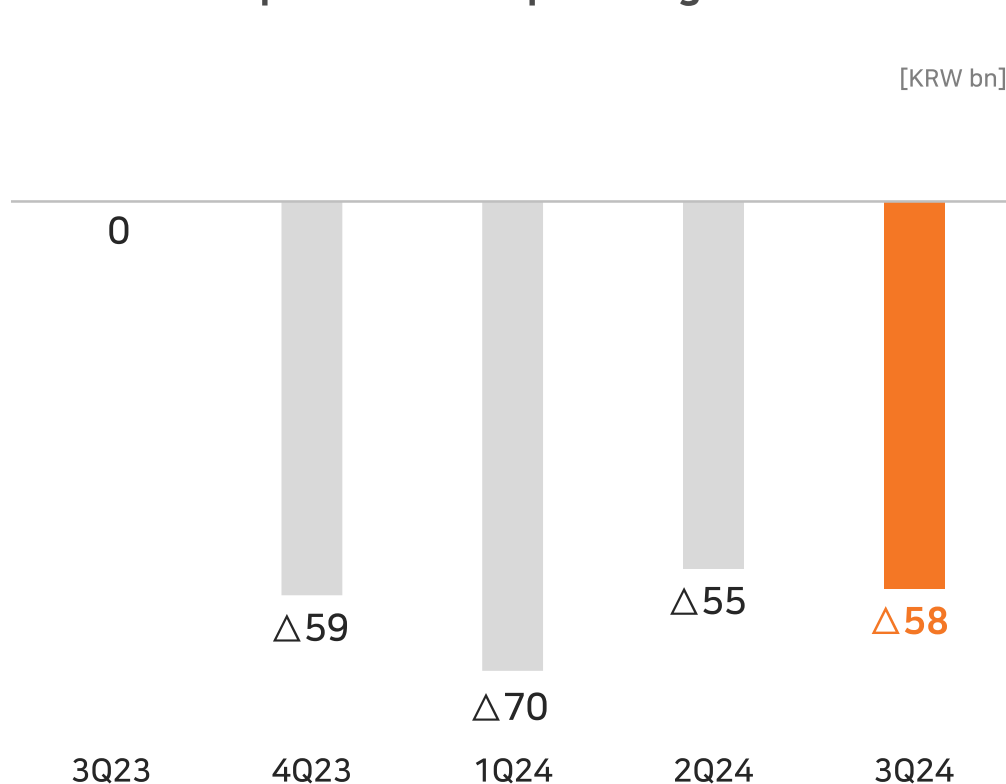
- Expecting continued sales growth by addressing AI chip demand and acquiring new customers
- Accelerating profitability improvement via effective cost management and investment

SiC Wafer (SK siltron CSS) business continues to strengthen core competitiveness through external growth and productivity improvements

- FY24 revenue to increase by over 1.5x (FY23 \$59mn)
- Targeting EBITDA turnaround by year-end

Continued YoY revenue growth driven by robust small molecule CDMO sales and increased CGT facility utilization

SK pharmteco Operating Profit



	3Q24	3Q23	YoY	2Q24	QoQ
Revenue	190	183	+3.8%	224	Δ 15.2%
Operating Profit	58	0	Turn to loss	Δ 55	N/A
EBITDA margin	Δ 10.1%	+13.6%	Δ 23.7%p	Δ 10.7%	+0.6%p

※ SK pharmteco results shown here were prepared internally and have not been audited

Highlights

- CGT facility utilization rate improved following CBM's consolidation (4Q23), leading to revenue growth (YoY +3.8%)

- Small molecule revenue remained at previous year's level despite core product expansion, due to production schedule adjustments by certain clients
- CGT revenue growth continues with expanding viral vector sales

- Strengthening CDMO competitiveness through new peptide/small molecule facility and portfolio diversification

- Planning to construct new facility (Approx. 135.8k ft²) with \$260mn CAPEX to meet growing global peptide demand (Targeting operation by end of '26)

※ Global peptide therapeutics market outlook

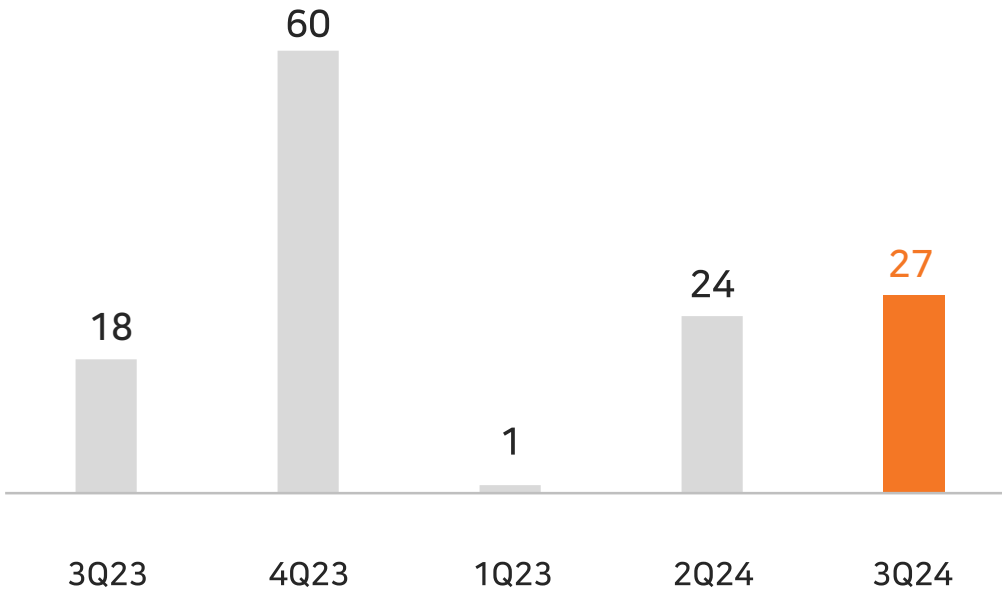
- '23A \$42.5bn → '33E \$101.7bn (CAGR +9%)

* Source: Market.us

Improved revenue and profitability YoY through digital factory and external project expansion

IT Services Operating Profit

[KRW bn]



	3Q24	3Q23	YoY	2Q24	QoQ
Revenue	586	522	+12.3%	632	△7.3%
Operating Profit	27	18	+50.0%	24	+12.5%
EBITDA	49	40	+22.5%	46	+6.5%

※ IT Services (C&C) results shown here were prepared internally and have not been audited

Highlights

Revenue (YoY +12.3%) growth driven by expanded digital factory and cloud business

- Balanced captive/non-captive revenue growth through global expansion, including North American logistics automation and new financial sector projects

Profitability improvement through enhanced per-capita productivity and cost optimization

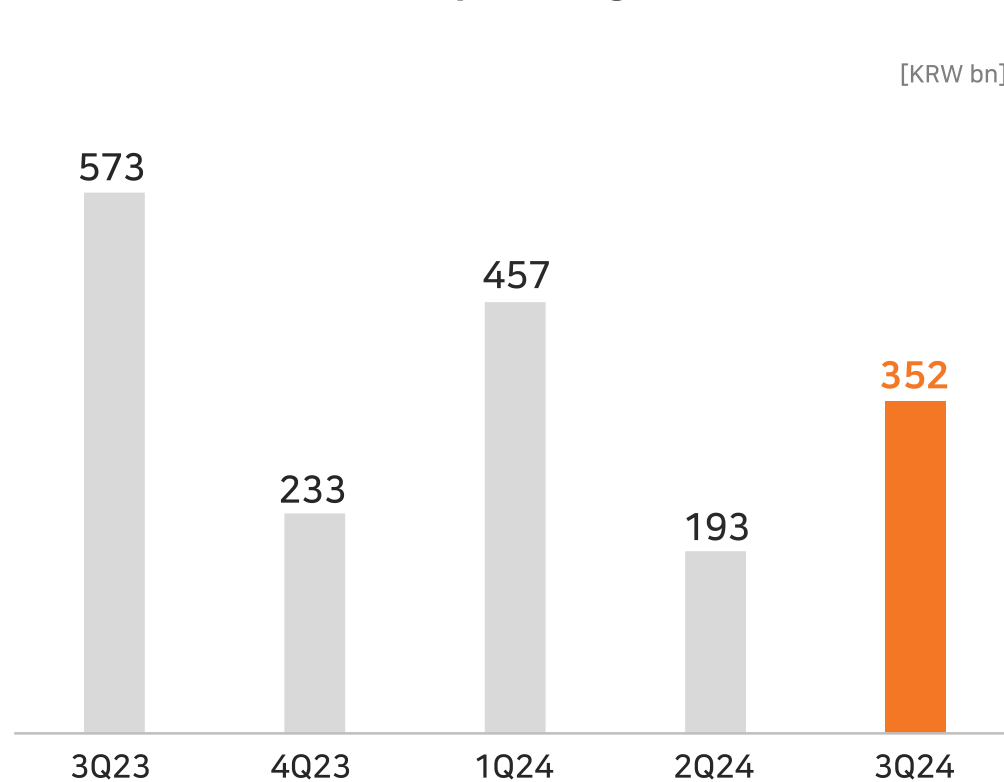
- Quarterly profitability improving through enhanced project margins and reduced SG&A expenses
 - OP Margin: 1Q24 +0.2% → 2Q +3.8% → 3Q +4.6%

Strengthening cloud business competitiveness with expanded financial and public institution projects based on track-record

- Bank of Korea: Secured IT Center construction and relocation project; implementing N/W and security system setup, IT asset transfer etc. (Aug '24)
- Korea Investment & Securities: Secured IT Infrastructure Total Outsourcing Phase 3 project (Sept '24)

Earnings improved QoQ led by SMP recovery and increased power demand

SK E&S Operating Profit



	3Q24	3Q23	YoY	2Q24	QoQ
Revenue	2,663	2,566	+3.8%	2,330	+14.3%
Operating Profit	352	573	△38.6%	193	+82.4%
EBITDA	496	711	△30.2%	341	+45.5%

Highlights

QoQ revenue and operating profit growth, driven by seasonality boosting SMP and generation

- 3Q power generation output: 7,104GWh (QoQ +15.0%)

	3Q23	4Q23	1Q24	2Q24	3Q24
SMP* (KRW/kWh)	147.1	129.4	131.0	126.1	139.0
Dubai oil (\$/B)	86.7	83.6	80.5	84.9	78.6

* SMP: System Marginal Price

YoY operating profit declined due to narrowed distribution margins from LNG price stabilization

- Henry Hub LNG price decreased YoY △18.2%

Utilizing the complete LNG value chain to improve cost efficiency and maintain robust earnings

- With Barossa gas field starting in '25, aiming to cut power generation fuel costs and keep profit steady
- City gas expects steady demand growth for new applications such as hydrogen fuel cells

※ SK E&S will be reflected in the results of SK innovation starting from November 1

[Appendix] Results of Major Unlisted Subsidiaries

[KRW bn]		3Q21	4Q21	FY21	1Q22	2Q22	3Q22	4Q22	FY22	1Q23	2Q23	3Q23	4Q23	FY23	1Q24	2Q24	3Q24
SK materials CIC	Revenue	307	340	1,189	348	371	396	414	1,530	311	303	287	309	1,210	320	335	344
	Operating Profit	83	78	291	84	99	103	92	379	52	41	64	57	213	55	62	62
	EBITDA	117	113	427	120	135	140	126	521	87	78	101	94	356	94	102	101
	<i>EBITDA Margin</i>	<i>38%</i>	<i>33%</i>	<i>36%</i>	<i>34%</i>	<i>36%</i>	<i>35%</i>	<i>30%</i>	<i>34%</i>	<i>28%</i>	<i>26%</i>	<i>35%</i>	<i>30%</i>	<i>29%</i>	<i>29%</i>	<i>30%</i>	<i>29%</i>
SK siltron	Revenue	476	512	1,850	555	597	630	572	2,355	580	492	469	485	2,026	476	503	568
	Operating Profit	77	85	282	119	159	156	131	565	114	70	39	58	281	42	70	94
	EBITDA	163	176	626	219	253	251	235	958	219	170	136	151	676	134	150	173
	<i>EBITDA Margin</i>	<i>34%</i>	<i>34%</i>	<i>34%</i>	<i>39%</i>	<i>42%</i>	<i>40%</i>	<i>41%</i>	<i>41%</i>	<i>38%</i>	<i>35%</i>	<i>29%</i>	<i>31%</i>	<i>33%</i>	<i>28%</i>	<i>30%</i>	<i>30%</i>
SK E&S	Revenue	1,688	2,619	7,960	3,683	2,200	2,485	3,173	11,541	3,394	2,372	2,566	2,835	11,167	3,569	2,330	2,663
	Operating Profit	154	217	724	759	495	450	7	1,711	235	291	573	233	1,331	457	193	352
	EBITDA	308	374	1,238	873	605	574	173	2,225	353	418	711	380	1,863	600	341	496
	<i>EBITDA Margin</i>	<i>18%</i>	<i>14%</i>	<i>16%</i>	<i>24%</i>	<i>28%</i>	<i>23%</i>	<i>5%</i>	<i>19%</i>	<i>10%</i>	<i>18%</i>	<i>28%</i>	<i>13%</i>	<i>17%</i>	<i>17%</i>	<i>15%</i>	<i>19%</i>

1) Materials CIC results shown here were prepared internally for the purpose of providing comparability and have not been audited

2) Results of SK E&S restated to reflect change in accounting treatment of COFF (Constrained-off energy payment, compensation for reducing planned output)

3) SK E&S and Airplus will be reflected in the results of SK innovation and SK ecoplant, respectively, starting from November 1



THANK YOU

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