

2024.2Q

EARNINGS BRIEFING

August 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.

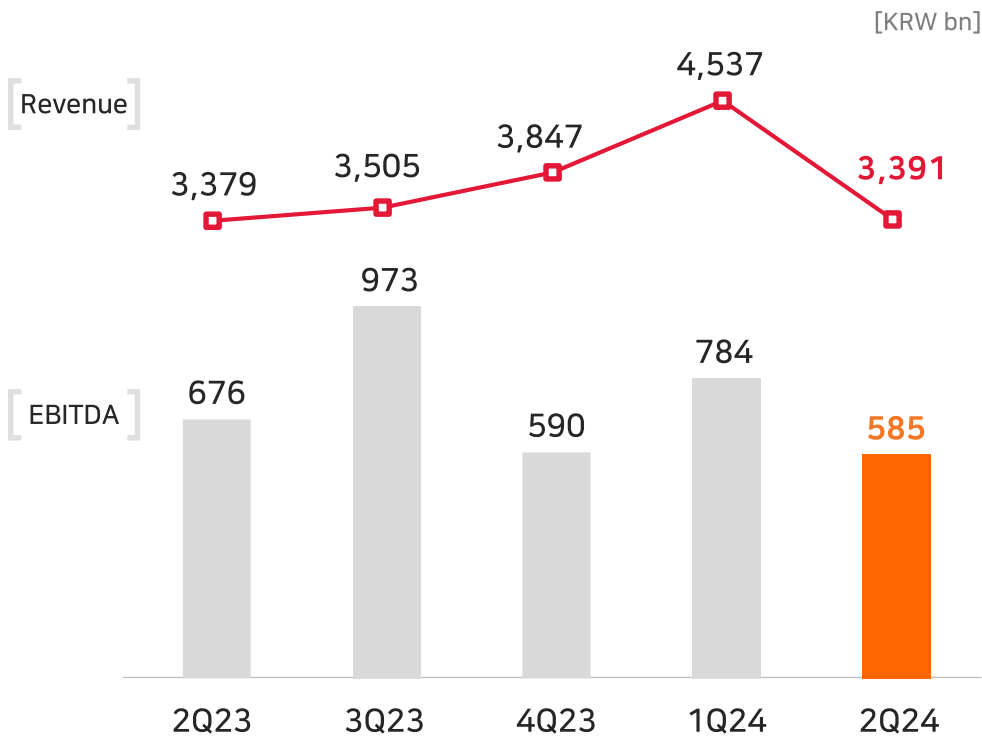
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Combined results of major unlisted companies decreased QoQ due to weak performance at E&S
 Rebalancing conducted to optimize portfolio value, interim dividend implemented for 7 consecutive years

Total Earnings of Major Unlisted Subsidiaries

- Revenue QoQ Δ 25.2%, YoY +0.3%
- EBITDA QoQ Δ 25.4%, YoY Δ 13.5%

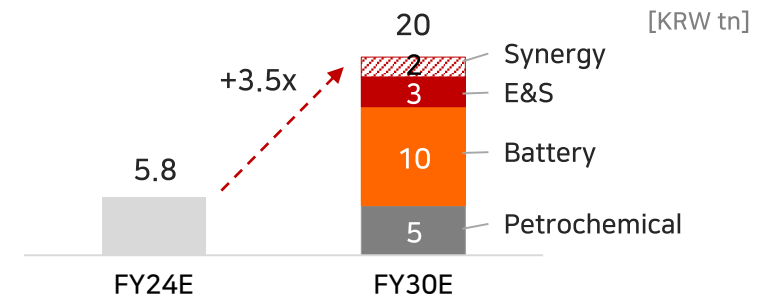


Rebalancing & Shareholder return

1 Portfolio Rebalancing

- Enhancing corporate value of SK Inc. via maximizing business synergies among subsidiaries & securing financial stability
 - By merging SKI and SK E&S, aiming to establish an integrated energy portfolio and securing growth potential

[FY30 EBITDA Target for New Corp.]



- SK ecoplant strengthens Semiconductor & Green portfolio through acquisition of Essencore and SK materials airplus

2 Interim Dividend

- FY24 marks 7th consecutive year of interim dividend implementation
 - DPS: KRW 1,500

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

2) SK E&S's FY23 results restated to reflect change in accounting treatment of COFF (Constrained-off energy payment, compensation for reducing planned output)

Operating profit & income before tax increased due to semiconductor industry turnaround and sound results from ICT business

[KRW tn]	Revenue			Operating Profit			Income before Tax		
	2Q24	2Q23	YoY	2Q24	2Q23	YoY	2Q24	2Q23	YoY
Consolidated	31.20	31.29	△0.3%	0.76	0.69	+10.1%	0.69	△0.24	Turn to profit
Separate	0.80	0.79	+1.3%	0.13	0.11	+18.2%	0.05	△0.23	Turn to profit
SK innovation	18.80	18.73	+0.4%	△0.05	△0.11	N/A	△0.53	△0.26	N/A
SK square	0.47	0.54	△13.0%	0.77	△0.73	Turn to profit	0.76	△0.74	Turn to profit
SK telecom	4.42	4.31	+2.6%	0.54	0.46	+17.4%	0.48	0.45	+6.7%
SK networks	1.69	2.18	△22.5%	0.03	0.06	△50.0%	0.03	0.02	+50.0%
SKC	0.47	0.45	+4.4%	△0.06	△0.04	N/A	△0.15	△0.08	N/A
SK ecoplant	2.20	2.45	△10.2%	0.07	0.13	△46.2%	0.10	0.13	△23.1%
SK E&S	2.33	2.37	△1.7%	0.19	0.29	△34.5%	0.24	0.77	△68.8%
Materials CIC ¹⁾	0.34	0.30	+13.3%	0.06	0.04	+50.0%	0.02	0.02	-
SK siltron	0.50	0.49	+2.0%	0.07	0.07	-	0.06	0.06	-

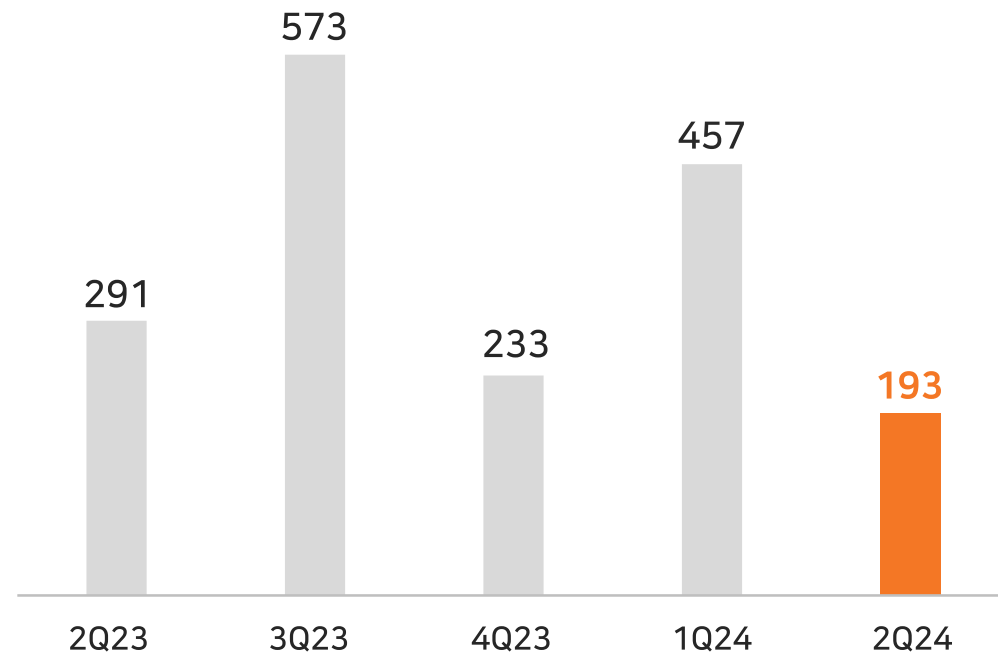
1) SK E&S's FY23 results restated to reflect change in accounting treatment of COFF (Constrained-off energy payment, compensation for reducing planned output)

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

Revenue remained on par YoY from strong LNG distribution business, profits affected by fall in power generation output

SK E&S Operating Profit

[KRW bn]



	2Q24	2Q23	YoY	1Q24	QoQ
Revenue	2,330	2,372	△1.8%	3,569	△34.7%
Operating Profit	193	291	△33.8%	457	△57.8%
EBITDA	341	418	△18.5%	600	△43.1%

Highlights

Revenue fell as SMP weakened, plant underwent maintenance and temporary transmission restrictions, resulting in lower operating profit (YoY △33.8%)

- Stable energy prices lead to lower SMP (YoY △16.5%)
- Q2 power generation output: 6,215 GWh (YoY △7.3%)

	2Q23	3Q23	4Q23	1Q24	2Q24
SMP* (KRW/kWh)	151.1	147.1	129.4	131.0	126.1
Dubai Oil (\$/B)	79.0	86.7	83.6	80.5	84.9

* SMP : System Marginal Price

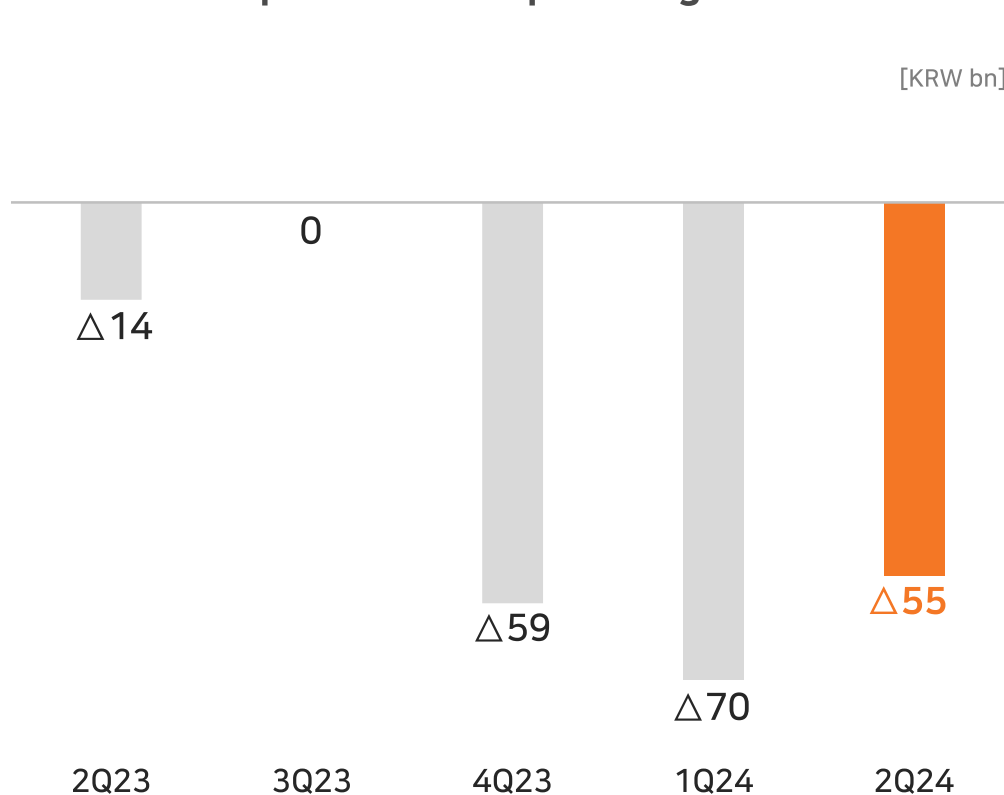
Favorable results expected in 2H as power generation is anticipated to recover while cost competitiveness is maintained

- Output to return to normal level as restrictions are lifted
- Maintaining cost competitiveness through significantly higher proportion of direct LNG sourcing compared to competitors and power generation efficiency

※ SK E&S's FY23 results restated to reflect change in accounting treatment of COFF (Constrained-off energy payment, compensation for reducing planned output)

Revenue growth from higher core product sales at small molecule business and expansion of CGT business

SK pharmteco Operating Profit



	2Q24	2Q23	YoY	1Q24	QoQ
Revenue	224	212	+5.6%	172	+29.9%
Operating Profit	△ 55	△ 14	N/A	△ 70	N/A
EBITDA margin	△ 10.7%	4.9%	△ 15.6%p	△ 25.2%	+14.5%p

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

Highlights

□ Revenue increased (YoY +5.6%) as sales from small molecule CDMO business gradually recovered and CBM results were consolidated (from 4Q24)

- Core products at SKBT Ireland including diabetes treatments recorded higher sales
- Higher utilization rate at CGT lowered the fixed cost burden, leading to decrease in deficits QoQ

□ Anticipating recovery of earnings in 2H as new orders are booked and cost control continues

- Due to delayed development at biotech companies, CGT CDMO growth is lagging projected timeline; earnings to improve as clients resume orders for 2H

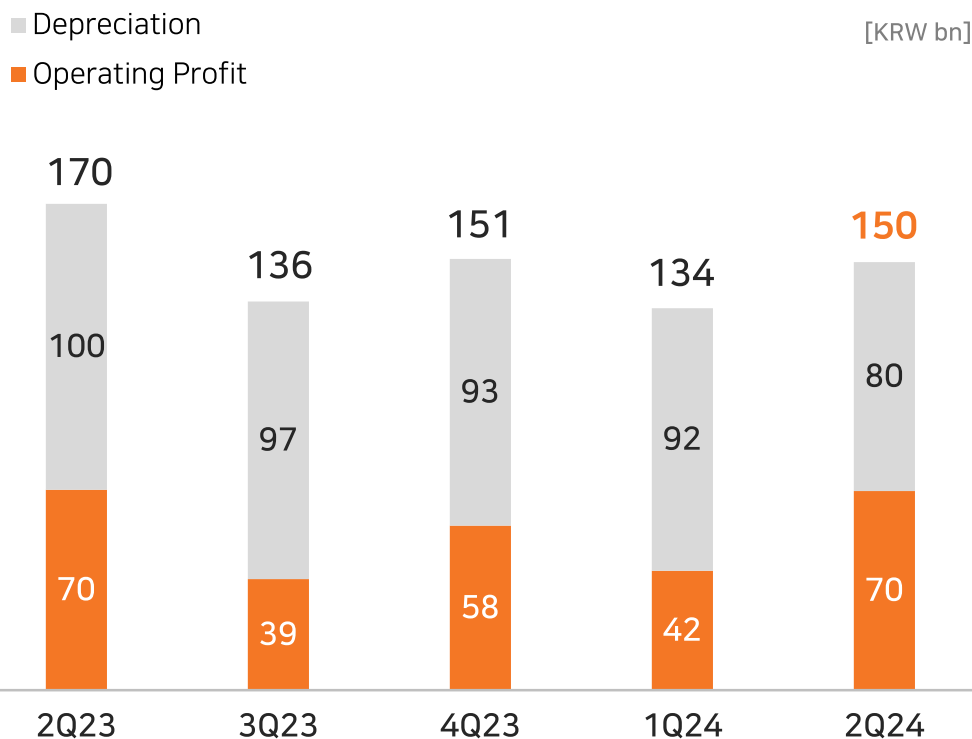
※ Mid-to-long term global CGT CDMO growth*

- Global CGT CDMO market to grow at CAGR of 33% ('23~'29)
- CGT within biopharmaceutical industry: 16% in '23 → 40% in '29

* Source: KoreaBio, Frost&Sullivan

Revenues increased both YoY and QoQ despite the lagging recovery in wafer demand

SK siltron EBITDA



	2Q24	2Q23	YoY	1Q24	QoQ
Revenue	503	492	+2.2%	476	+5.6%
Operating Profit	70	70	Δ0.7%	42	+66.8%
EBITDA margin	29.9%	34.5%	Δ4.6%p	28.1%	+1.8%p

Highlights

Recorded YoY revenue growth (+2.2%) after declining for 5 consecutive quarters, and operating profits jumped 66.8% QoQ

- Decrease in Si-wafer sales due to customers' inventory management offset by growth of SiC wafer business; resulting in revenue increase YoY
- Increase in shipments of 300mm PW and EPI price, effective cost management all led to improved profitability QoQ

Anticipating significant earnings recovery in 2H from wafer shipment increase and further cost management

- With the growth of AI chips industry, customers' inventory depletion and utilization rate hike expected in 2H, leading to higher wafer demand
- Effective material management and investment to accelerate profitability improvement

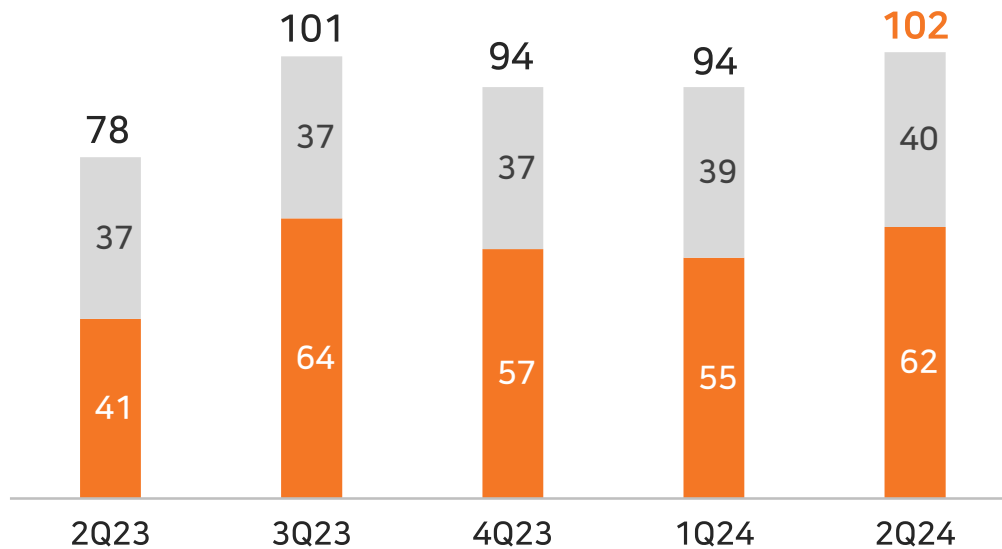
SiC Wafer (SK siltron CSS) business continues to expand and improve productivity despite EV chasm

- FY24 revenue is expected to double YoY (FY23 revenue USD 59mn)
- Targeting quarterly BEP in EBITDA by year-end

As downstream markets gradually recover, earnings improve from sales growth of specialty gases and new high value-added products

SK materials CIC EBITDA

■ Depreciation [KRW bn]
 ■ Operating Profit



	2Q24	2Q23	YoY	1Q24	QoQ
Revenue	335	303	+10.4%	320	+4.5%
Operating Profit	62	41	+51.6%	55	+14.1%
EBITDA margin	30.4%	25.6%	+4.8%p	29.3%	+1.1%p

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

Highlights

□ Revenue (YoY +10.4%) and operating profit (YoY +51.6%) increase from higher sales of core products including specialty/industrial gases and PR

- Specialty/Industrial gas: Revenue growth from NF3 and other specialty gases, and full utilization of the M15 Ph2 industrial gas facility
- Precursor: Customers' DRAM utilization rate recovery led demand hike
- PR : Profitability growth from stronger sales of new products (PMA*)

□ As customers' utilization rate return to pre-downturn level, anticipating growth in overall sales and high value-added products

- Specialty gas: To secure new customers and gain M/S at existing customers to improve profitability
- Precursor: To increase profitability via greater market share and effective cost management
- Etching gas: Mass production of next-generation etching gas (HBr**)
- PR: Expanded product portfolio and greater volumes used at customer sites to lead to sales growth

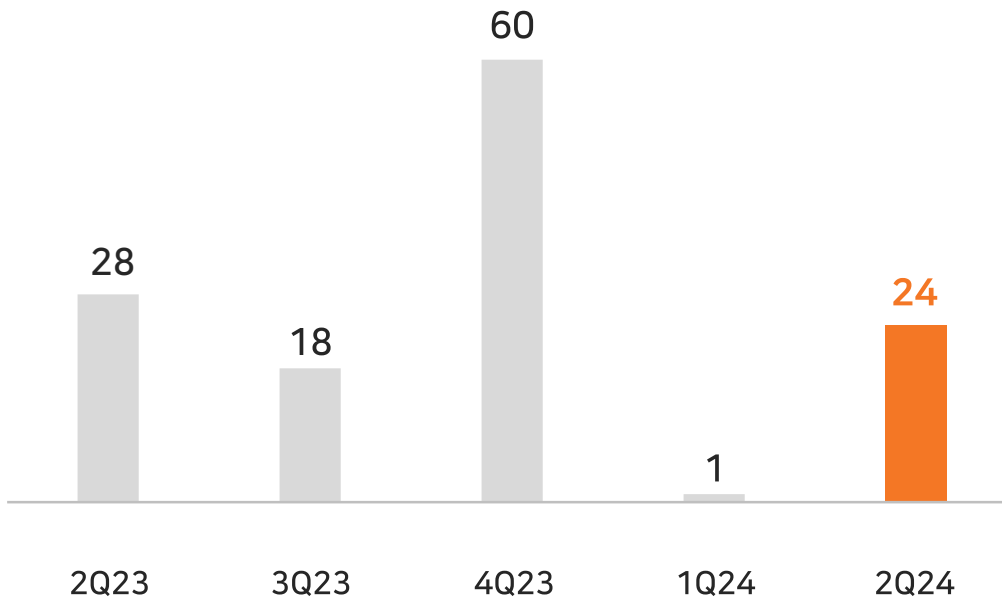
* PMA : Semiconductor thinner material (for PR planarization)

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

Revenues remain stable YoY, supported by new projects and digital factory business

IT Services Operating Profit

[KRW bn]



	2Q24	2Q23	YoY	1Q24	QoQ
Revenue	632	631	+0.2%	548	+15.4%
Operating Profit	24	28	△ 14.9%	1	+2,380.5%
EBITDA	46	51	△ 11.3%	24	+92.1%

Highlights

Recorded stable (YoY +0.2%) revenue as new project growth offset revenue shortfall resulting from completed projects

- Newly recognized revenue from financial · public institution projects
- One-off expense booked in Q1

Anticipating both quantitative & qualitative growth in 2H as businesses expand and cost management shows results

- Revenue increase from digital factory/cloud business including expansion of overseas logistics automation project
- Improve productivity and cost structure to further profitability

Develop new business by applying AI solution competence in DX (Digital Transformation)

- Internally developed B2B AI solution (Solur) and digital RPA platform (Dreago) included in 'AI Intern Service for Financial Institutions' (April '24)
- Application of AI based digital factory platform (iFacts) in manufacturing facility-tailored comprehensive AI forecast/maintenance service (May '24)

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

[Appendix] Results of Major Unlisted Subsidiaries

[KRW bn, %]		2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22	4Q22	FY22	1Q23	2Q23	3Q23	4Q23	FY23	1Q24	2Q24
SK materials CIC	Revenue	280	307	340	1,189	348	371	396	414	1,530	311	303	287	309	1,210	320	335
	Operating Profit	68	83	78	291	84	99	103	92	379	52	41	64	57	213	55	62
	EBITDA	101	117	113	427	120	135	140	126	521	87	78	101	94	356	94	102
	<i>EBITDA Margin</i>	<i>36%</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>
SK siltron	Revenue	440	476	512	1,850	555	597	630	572	2,355	580	492	469	485	2,026	476	503
	Operating Profit	69	77	85	282	119	159	156	131	565	114	70	39	58	281	42	70
	EBITDA	153	163	176	626	219	253	251	235	958	219	170	136	151	676	134	150
	<i>EBITDA Margin</i>	<i>35%</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>
SK E&S	Revenue	1,518	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
	Operating Profit	72	154	217	724	759	495	450	7	1,711	235	291	573	233	1,331	457	193
	EBITDA	180	308	374	1,238	873	605	574	173	2,225	353	418	711	380	1,863	600	341
	<i>EBITDA Margin</i>	<i>12%</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>

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THANK YOU

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