



2022. 3Q Earnings Briefing

Nov. 2022

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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Business Highlights



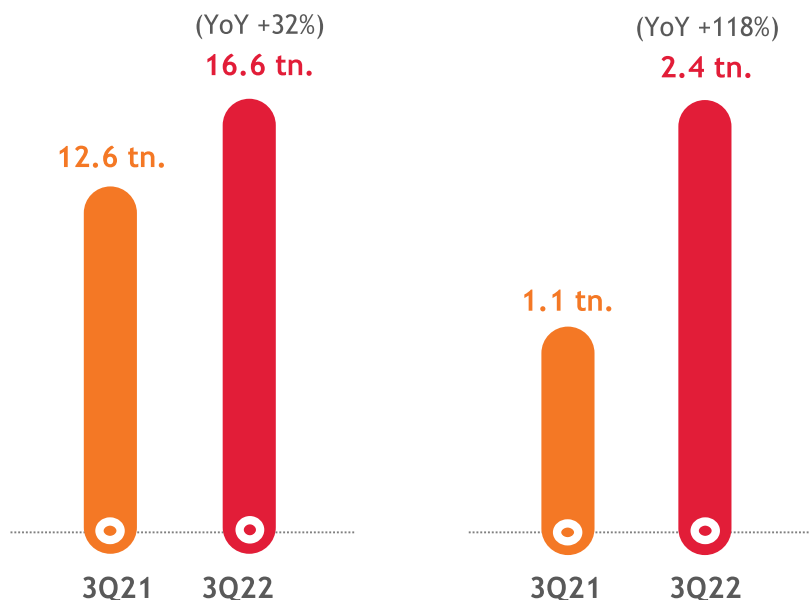
Promoted investment in green areas to accelerate ‘net zero’ initiative, based on earnings growth of the major unlisted subsidiaries

Total Earnings of Major Unlisted Subsidiaries

- YoY Revenue and OP grew by +32% and +118% respectively led by strong earnings from advanced materials and LNG business

【 Revenue 】

【 Operating Profit 】



* E&S, Pharmteco, Siltron, Materials CIC, Ecoplant combined

3Q Green Investment Highlights

Terra-Power

- Joint investment in TerraPower, a next-generation SMR design company
 - Investment amount : \$250M (w/ SK innovation)
- Accelerating ‘net zero’ initiative based on Sodium-cooled Fast Reactor(SFR) technology
 - Secured SFR technology, which is designed to be more economic and safer than other architectures
 - Expecting faster growth in industry size and profitability with the passage of US Inflation Reduction Act

Atom Power

- Acquisition of management rights to Atom Power, an US-based energy solution company
 - Investment amount : \$150M (w/ SK energy)
- Establishing domestic/overseas energy solution platform utilizing SSCB technology
 - Promoting US EV charging biz. based on advanced power load management technology
 - Plan to expand into DERMS solution business including electric power trading

* SMR : Small Modular Reactor, SFR : Sodium-cooled Fast Reactor, SSCB :Solid State Circuit Breaker, DERMS : Distributed Energy Resource Management System

3Q22 Business Results : Overall

Despite record-high quarterly revenue, OP and pretax income decreased QoQ on a consolidated basis as decline in oil prices led to inventory-related losses for SK innovation

(Unit : tn, KRW)	Revenue			Operating Profit			Pretax Income		
	3Q22	2Q22	QoQ	3Q22	2Q22	QoQ	3Q22	2Q22	QoQ
Consolidated	35.93	33.33	7.8%	1.86	3.58	△47.9%	1.42	3.40	△58.1%
Separate	0.64	0.64	-	0.08	0.09	△6.5%	0.10	△0.24	TB
SK innovation	22.75	19.91	14.3%	0.70	2.33	△69.8%	0.30	2.01	△84.9%
SK Square	1.24	1.53	△18.7%	0.17	0.51	△66.7%	0.17	0.53	△68.1%
SK Telecom	4.34	4.29	1.2%	0.47	0.46	1.3%	0.36	0.40	△10.1%
SK Networks	2.48	2.14	15.5%	0.04	0.04	6.8%	0.01	0.03	△53.1%
SKC	0.84	0.76	10.5%	0.04	0.10	△64.8%	△0.03	0.14	TR
SK Ecoplant	1.80	1.83	△1.8%	0.07	0.05	33.3%	0.07	0.05	35.7%
SK E&S	2.42	2.15	12.4%	0.38	0.45	△14.0%	0.33	0.45	△26.4%
Materials CIC*	0.40	0.37	6.7%	0.10	0.10	4.2%	0.10	0.09	6.5%
SK Siltron	0.63	0.60	5.5%	0.16	0.16	△1.4%	0.15	0.15	0.2%

* For the purpose of providing comparability, the Materials CIC results shown here were prepared internally and are not audited

** SKC results reflect adjustment from discontinued business

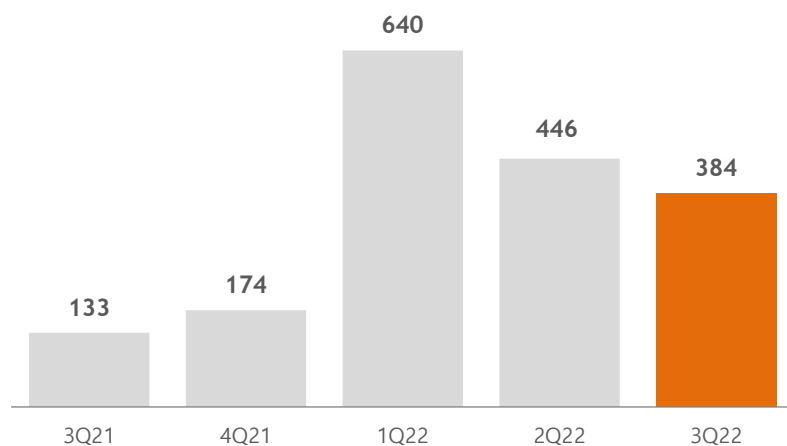
3Q22 Business Results : SK E&S



Earnings improved YoY based on strong SMP and competitiveness across LNG value chain

SK E&S Operating Profit

(KRW bn)



	3Q22	3Q21	YoY	2Q22	QoQ
Revenue	2,419	1,668	+45.0%	2,151	+12.4%
Operating Profit	384	133	+188.2%	446	△14.0%
Income Before Tax	328	161	+104.4%	446	△26.4%

Highlights

- OP increased by +188% YoY on strong SMP and competitiveness in LNG value chain, but decreased by △14% QoQ on Freeport LNG import disruption
- 3Q22 SMP 194 KRW/kWh (+108.6% YoY, +23.8% QoQ)

Average	3Q21	4Q21	1Q22	2Q22	3Q22
SMP (KRW/kWh)	92.9	125.5	181.0	156.5	193.7
Dubai Oil Price (\$/B)	71.7	78.4	93.4	107.9	97.0

- Earnings to remain solid with stronger power demand during the winter season and the restart of Freeport LNG terminal

* SMP : System Marginal Price

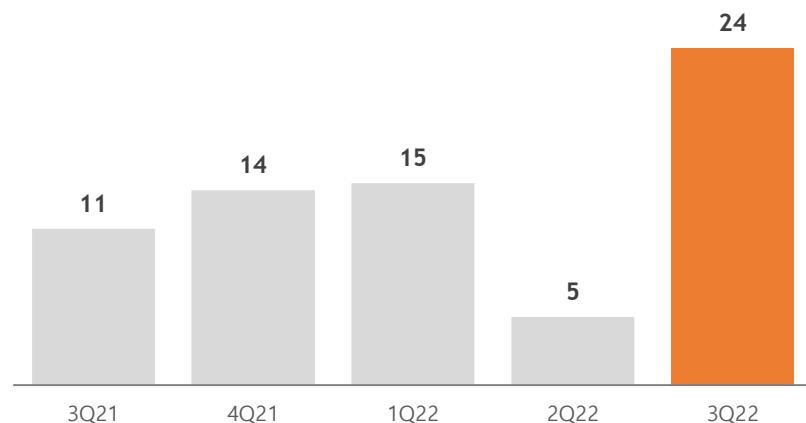
3Q22 Business Results : SK Pharmteco



Competitiveness in API manufacturing improves profitability as global site-wide capacity expansion continues

SK Pharmteco Operating Profit

(KRW bn)



	3Q22	3Q21	YoY	2Q22	QoQ
Revenue	217	211	+2.9%	215	+1.0%
Operating Profit	24	11	+115.9%	5	+398.0%
EBITDA margin	23.9%	16.1%	+7.8%p	12.9%	+11.0%p

Highlights

- OP increased by +116% YoY, from improvement in operations and strong USD**
 - Improved productivity at AMPAC and Sejong plant
- Expansion in production capacity to boost overall growth**
 - Sejong Plant M3 (Sep.'22), M4 under construction (2H23)
 - Yposkesi Plant 2 (1Q23), start operation in FY24
 - CBM to start production of viral vectors in 4Q22, and cell therapy products in FY23
- Global Top 5 small-molecule/CGT CDMO by FY26**
 - Small-molecule CDMO: Secure partnerships and LTAs via technical prowess and track-record
 - CGT CDMO: Building large-scale commercial manufacturing facilities in the US and Europe as a strategy to preemptively establish the company within the industry
 - Expect to benefit from the recent trend of reshoring

* SK Pharmteco results shown here were prepared internally and are not audited

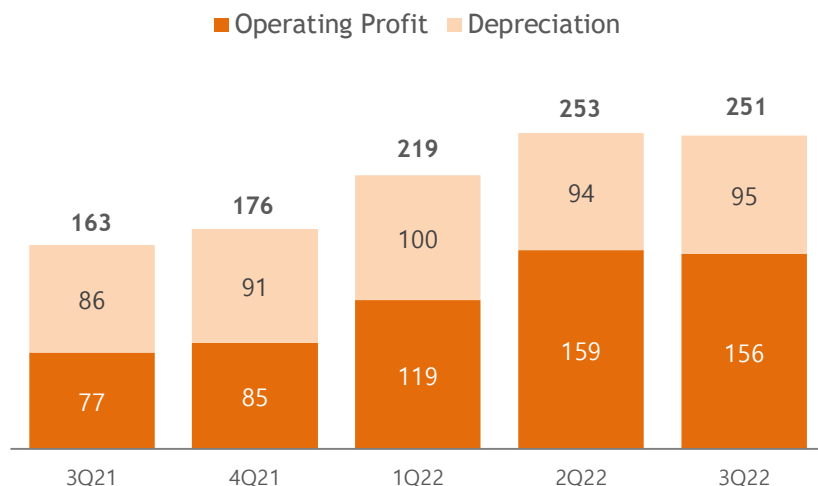
3Q22 Business Results : SK Siltron



- Despite sluggish demand from the downstream market, revenue increased with favorable FX and price conditions

SK Siltron EBITDA

(KRW bn)



Highlights

- Continued solid earnings with positive exchange rate impact and high portion of LTA
 - Revenue +32%, OP +103%, EBITDA +54% YoY
- Despite weak demand, price expected to remain sustained due to limited wafer supply
 - Slower demand for 200mm and 300mm EPI is expected, however, will respond with higher LTA sales
- SiC Wafer, Significant top-line growth expected in 4Q with the start of new plant operation in Michigan, U.S. (3Q cumulative revenue +120% YoY)
 - Capa. as of 2022 Y/E expected to increase by +300% YoY

	3Q22	3Q21	YoY	2Q22	QoQ
Revenue	630	476	+32.3%	597	+5.5%
Operating Profit	156	77	+102.9%	159	△1.4%
EBITDA margin	39.8%	34.2%	+5.6%p	42.4%	△2.6%p

3Q22 Business Results : Materials CIC

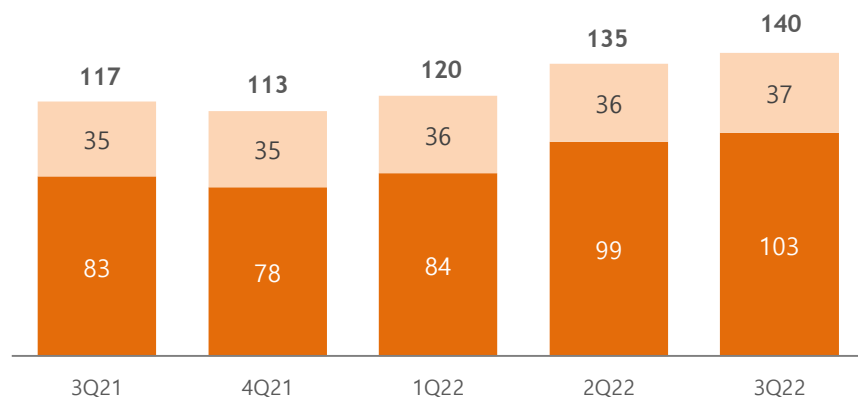


Record-high earnings with robust sales increase of specialty gas and continued growth of high value-added new business

Materials CIC EBITDA

(KRW bn)

■ Operating Profit ■ Depreciation



	3Q22	3Q21	YoY	2Q22	QoQ
Revenue	396	307	+28.9%	371	+6.7%
Operating Profit	103	83	+24.6%	99	+4.2%
EBITDA margin	35.3%	38.2%	△2.9%p	36.3%	△1.0%p

Highlights

- OP grew by +25% YoY with stable sales of specialty gas based on LTA and increased materials demand from semi. technology migration

- Specialty gas/Industrial gas: Expanded revenue growth based on high LTA portion for major products and positive exchange rate impact

- Precursor/etching gas: Continued increase in sales of next-gen precursor (CpHf*) and etching gas (CH3F*) for advanced semi. node

- Photo : Continued profit growth by strengthening product portfolio such as KrF/ I-Line

[3Q22 Revenue of Major Businesses]

(KRW bn)

	S/gas (Materials)	I/gas (Airplus)	Precursor (Trichem)	Etching gas (Showa Denko)	LCO2 (Renewtech)	PR (Performance)	OLED (JNC)	Total
3Q22	206	64	65	25	12	18	5	396
YoY	+26%	+4%	+48%	+40%	+33%	+116%	+78%	+29%

- To maintain No.1 competitiveness in the industry by expanding new high value-added products

* CpHf : Deposition gas for the most advanced DRAM Capacitor
CH3F : Nitride etching gas for 3D NAND

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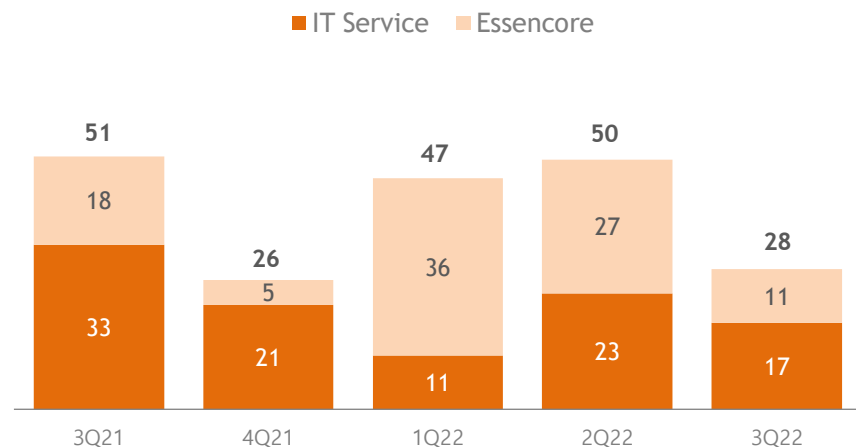
3Q22 Business Results : IT Service (C&C)



Top-line growth continued with new IT projects and strong cloud transformation demands

IT Service Operating Profit (incl. Essencore)

(KRW bn)



	3Q22	3Q21	YoY	2Q22	QoQ
Revenue	513	456	+12.5%	500	+2.5%
Operating Profit	17	33	△47.6%	23	△25.6%
Income Before Tax	13	32	△59.9%	37	△65.0%
Essencore Operating Profit	11	18	△39.4%	27	△60.1%

Highlights

- Revenue increased by +13% YoY, +3% QoQ due to the growth of cloud biz. and new captive IT projects**
 - Achieved high growth in revenue (+36.5% YoY) for cloud biz. with the spread of digital transformation
 - Recognized revenue from new captive plant automation projects
- Strong earnings visibility over the mid-to-long term by winning new projects**
 (3Q cumulative new orders : KRW 1.8 tn, +23.3% YoY)
- Essencore's OP slowed for 2 consecutive quarters due to unfavorable memory spot price and market downturn**
 - OPM(△1.2%p YoY) decreased with weak ASP of DRAM (△ 21.9% YoY) and NAND(△18.5% YoY)

* IT service (C&C) results shown here were prepared internally and are not audited

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