



2022. 1Q Earnings Briefing

May 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 information 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 Company’s strategies as well as other uncertainties.

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Business Highlights

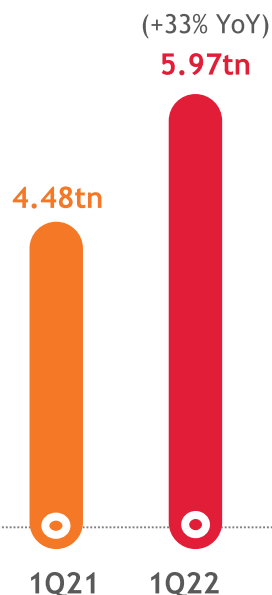


■ Making preemptive investment for sustainable growth based on strong earnings momentum from major unlisted subsidiaries

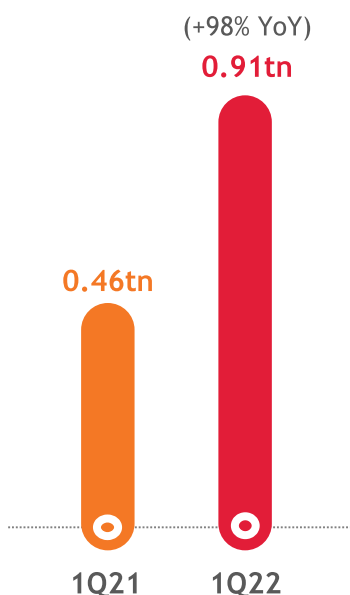
Total Earnings of Major Unlisted Subsidiaries

- Solid performance of SK E&S on strong energy prices, Sharp earnings growth of Siltron and Materials CIC achieved by robust downstream demand

【 Revenue 】



【 Operating Profit 】



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

Investment in SiC (Advanced Materials)

SiC
Wafer
Expansion

- Responding to rapidly growing SiC wafer demand as adoption of high-efficiency/high-voltage SiC chip for EV sharply increases
- Preemptive capa. expansion based on LTA with large customers, Utilizing synergy with Si Wafer MP tech.
 - Major Products : 150mm (current) → 200mm ('23~)
 - '25 Revenue/Capa. target: \$500M / 60K/yr

YPTX
Acquisition

- Acquired controlling stake in YPTX, Korea's sole 150mm SiC Power chip design & manufacturing Co.
 - Total Amount : KRW 120 bn (Stock acquisition KRW 56 bn, Capital increase KRW 64 bn)
 - Current Shareholding 35% → After investment 96%
- To grow into a global leading co. via active value-up
 - Expanding customer-base and production capability taking advantage of Siltron's SiC wafer business
 - '26 Revenue/Capa. target: 0.6tn KRW / 84K/yr

1Q22 Business Results : Overall

Revenue, operating profit, and pretax income soared in 1Q as favorable business conditions for major subsidiaries lead to strong earnings growth

(Unit : trn, KRW)	Revenue			Operating Profit			Pretax Income		
	1Q22	1Q21	YoY	1Q22	1Q21	YoY	1Q22	1Q21	YoY
Consolidated	30.76	22.01	+39.8%	3.05	1.61	+89.3%	3.38	0.97	+248.2%
Separate	1.05	0.90	+17.0%	0.58	0.49	+18.7%	0.80	1.49	△46.4%
SK innovation	16.26	9.40	+72.9%	1.65	0.58	+182.2%	1.38	△0.47	Turn Black
SK Square	1.32	0.96	+37.0%	0.38	0.21	+80.1%	0.51	0.20	+156.0%
SK Telecom	4.28	4.11	+4.0%	0.43	0.37	+15.6%	0.33	0.49	△32.8%
SK Networks	2.50	2.75	△9.2%	0.04	0.03	+64.0%	0.04	0.01	+210.9%
SKC	1.12	0.74	+50.5%	0.13	0.08	+57.6%	0.11	0.09	+21.0%
SK Ecoplant	1.27	1.55	△18.2%	0.05	0.09	△50.9%	0.06	0.08	△26.3%
SK E&S	3.56	2.11	+68.7%	0.64	0.26	+147.0%	0.69	0.28	+151.7%
Materials CIC*	0.35	0.26	+33.1%	0.08	0.06	+35.9%	0.08	0.06	+32.4%
SK Siltron	0.56	0.42	+31.6%	0.12	0.05	+135.3%	0.11	0.04	+160.5%

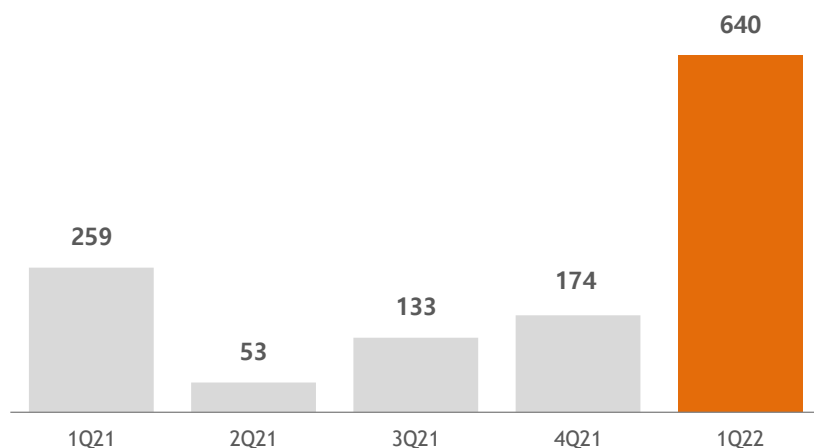
* For the purpose of providing comparability, the Materials CIC results shown here were prepared internally and are not audited

1Q22 Business Results : SK E&S

- Posted record-high quarterly operating profit due to favorable power generation and LNG business. Expect improvement in YoY earnings to continue

SK E&S Operating Profit

(KRW bn)



	1Q22	1Q21	YoY	4Q21	QoQ
Revenue	3,564	2,112	+68.7%	2,575	+38.4%
Operating Profit	640	259	+147.0%	174	+268.9%
Income Before Tax	693	275	+151.7%	181	+282.7%

Highlights

- OP increased +147% YoY and +269% QoQ on strong seasonal demand and higher SMP
 - '22.1Q SMP 181 KRW/kWh (YoY +137%, QoQ +44%)
 - City gas sales volume increase (YoY +6%, QoQ +32%)

Average	'21.1Q	21.2Q	21.3Q	21.4Q	22.1Q
SMP (KRW/kWh)	76.5	79.2	92.9	125.5	181.0
Dubai Oil Price (\$/B)	60.1	67.0	71.7	78.4	93.4

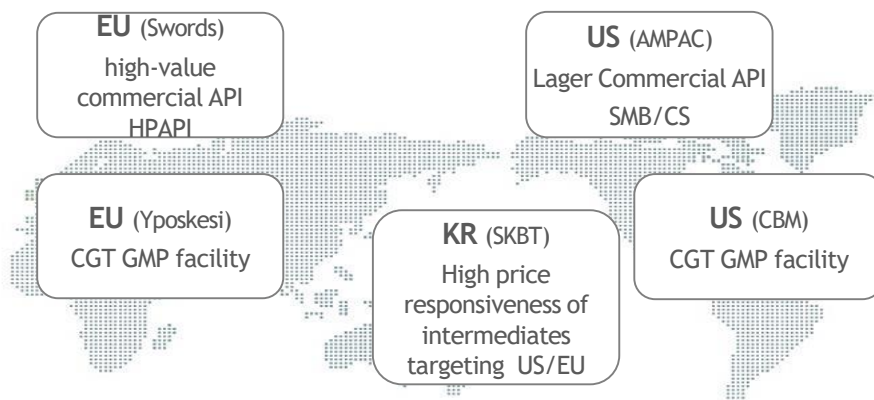
- Earnings to increase sharply on annual basis, thanks to favorable business environment led by strong oil & natural gas prices

* SMP : System Marginal Price

1Q22 Business Results : SK Pharmteco

Proceeding with investment for timely commercialization of CGT CMO business supported by stable earnings in small molecule CMO

CMO Global Presence



HPAPI: Highly potent active pharmaceutical ingredients

SMB: Simulated moving bed

(KRW bn)	1Q22	1Q21	YoY	4Q21	QoQ
Revenue	226	144	+57.0%	231	△2.2%
Operating Profit	15	△0.3	TB	14	+7.1%
EBITDA margin	16.3%	12.5%	+3.8%p	15.8%	+0.5%p

Highlights

- Revenue and profitability growth supported by stable performance based on long-term contracts**
 - Revenue increased +57% YoY led by growth in core products sales including volume for pandemic response and base effects from production schedule adjustment that took place in 2021
- EBITDA margin of small molecule API maintained at 20%, leading stable growth**
 - Reinforcing productivity/profitability with consistent improvement in production efficiency
- Investment in CGT CMO commercialization and PMI in progress**
 - Executing investment to accelerate commercial operations in EU and US
 - Expanding pipeline and sales backlog leveraging integrated marketing

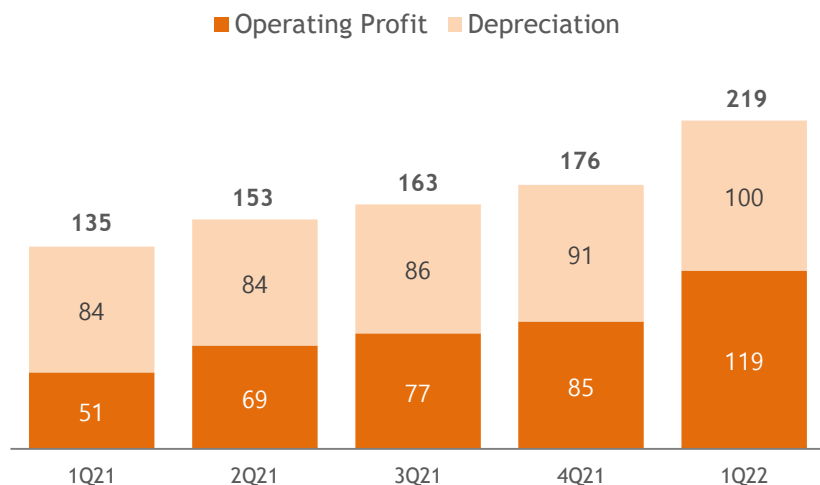
1Q22 Business Results : SK Siltron



Posted record-high quarterly revenue and operating profit on rising ASP prompted by strong demand

SK Siltron EBITDA

(KRW bn)



	1Q22	1Q21	YoY	4Q21	QoQ
Revenue	555	422	+31.5%	512	+8.4%
Operating Profit	119	51	+133.3%	85	+40.0%
EBITDA margin	39.5%	32.0%	+7.5%p	34.4%	+5.1%p

Highlights

- Revenue exceeded 500 bn. KRW for two consecutive quarters and EBITDA margin achieved 40% level**
 - ASP increased for all products on solid demand and limited increase in wafer supply
 - EBITDA margin level improved due to steady increase in OP and depreciation cost
- Earnings expected to continue to grow on strong ASPs and production increase**
 - Market balance to remain tight due to delay in semi. scaling and limited supply increase from wafer makers
 - Plan to respond to demand through timely investments, including de-bottlenecking in supply chain
- Enhancing competitiveness in SiC wafer biz. through productivity improvement and capacity addition, as sales of high value-added Epi-wafer (YoY +214%) and products for MOSFET-usage continue to grow**

1Q22 Business Results : Materials CIC

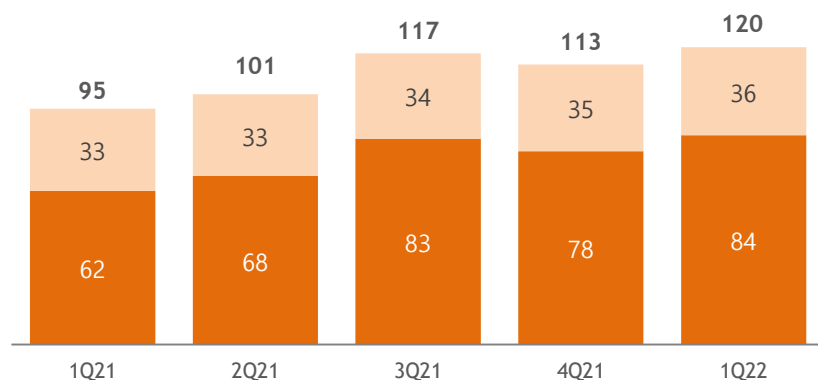


Recorded highest quarterly operating profit by timely capturing demand as favorable market conditions in downstream industries continue

Materials CIC EBITDA

(KRW bn)

■ Operating Profit ■ Depreciation



	1Q22	1Q21	YoY	4Q21	QoQ
Revenue	348	262	+32.8%	340	+2.4%
Operating Profit	84	62	+35.5%	78	+7.7%
EBITDA margin	34.4%	36.2%	△1.8%p	33.2%	+1.2%p

Highlights

- OP grew +35% YoY driven by higher ASP and sales growth in high value-added products amid tight supply-demand balance for core products
 - Specialty gas: Shipments and ASP increased for core products
 - Industrial gas: Sales for new fab of major customers increased
 - Precursor/Etching gas: Precursor(CpHf) shipment increased on DRAM scaling, Secured demand for etching gas(CH3F) via timely capacity expansion
 - LCO2: Sales portion of high value-added products increased (for semiconductor, D/I)
 - PR: Sales of KrF/I-line to Korean/Chinese customers increased

[1Q22 Revenue of Major Products]

(KRW bn)

	S/gas (Materials)	I/gas (Airplus)	Precursor (Trichem)	E/gas (Showadenko)	LCO2 (Renewtech)	PR (Performance)	OLED (JNC)	Total
1Q22	196	61	42	24	8	11	6	348
YoY	+29%	+4%	+40%	+173%	+25%	+92%	N/A	+33%

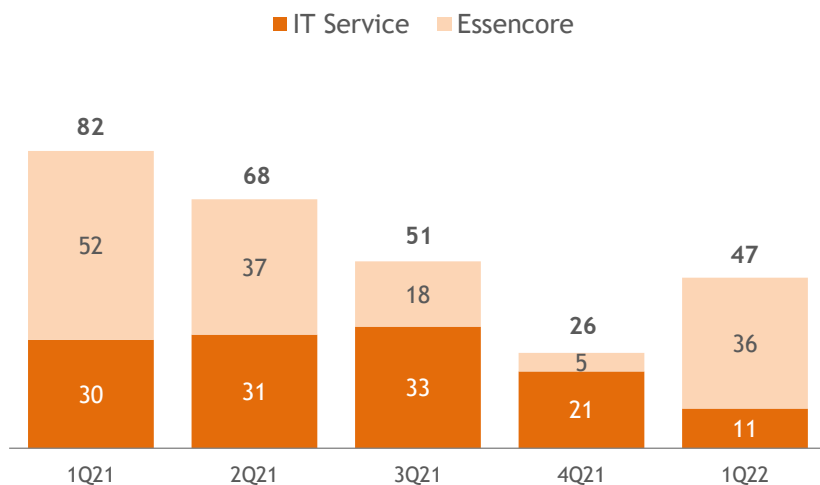
- Earnings to continue to gain positive momentum as customer/product-base expand along with favorable downstream market condition

1Q22 Business Results : IT Services (C&C)

Recorded top-line increase YoY supported by new projects and cloud business expansion

IT Services Operating Profit (incl. Essencore)

(KRW bn)



	1Q22	1Q21	YoY	4Q21	QoQ
Revenue	412	392	+4.9%	522	△21.1%
Operating Profit	11	30	△63.5%	21	△48.8%
Income Before Tax	△11	69	TR	18	TR
Essencore Operating Profit	36	52	△30.5%	5	+588.5%

Highlights

- Revenue increased YoY with resumption of delayed IT projects**
 - Started to realize public projects won in 1H21 in revenue
 - Backlog of new large IT projects increasing since 2Q22
- Cloud revenue increased +4% YoY on continued growth in cloud conversion demand, including expansion of platform-based DT business**
- Essencore's YoY profits slowed due to the memory semiconductor market slowdown**
 - OP decreased YoY due to a drop in ASP (△6%) and sales volume (△6%), but improved QoQ backed by a rebound in the spot market

* The IT services results shown here were prepared internally and are not audited

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