

2022.4Q

EARNINGS BRIEFING

March 2023



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.

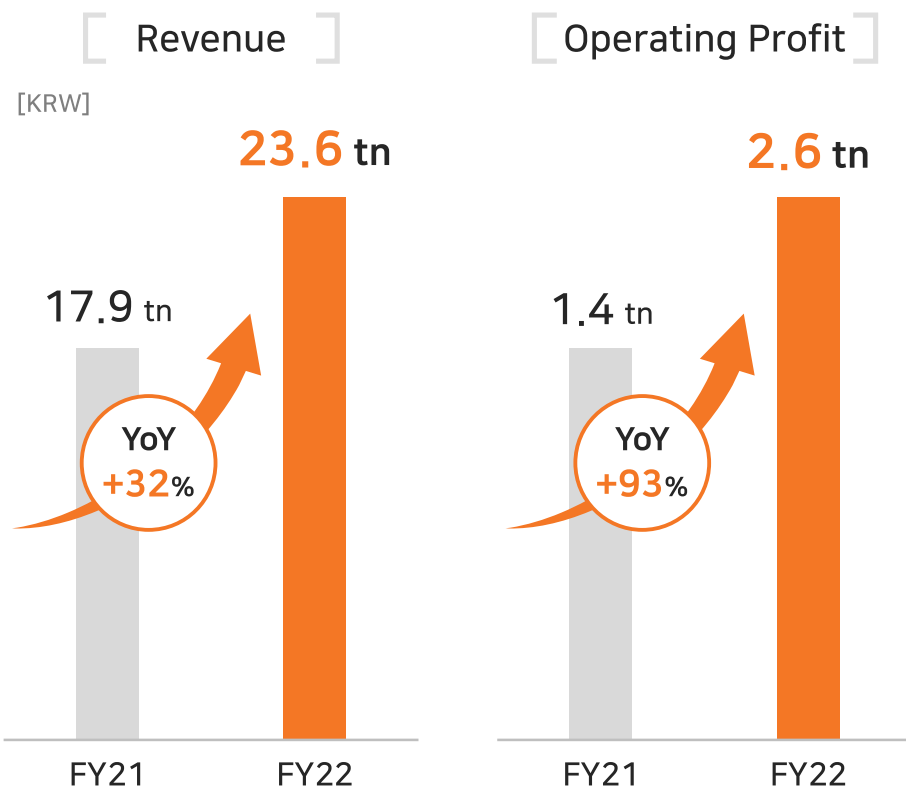
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FY22 earnings of major unlisted subsidiaries increased significantly as growth continued, TSR on a growing trend in line with mid-to-long-term shareholder return policy

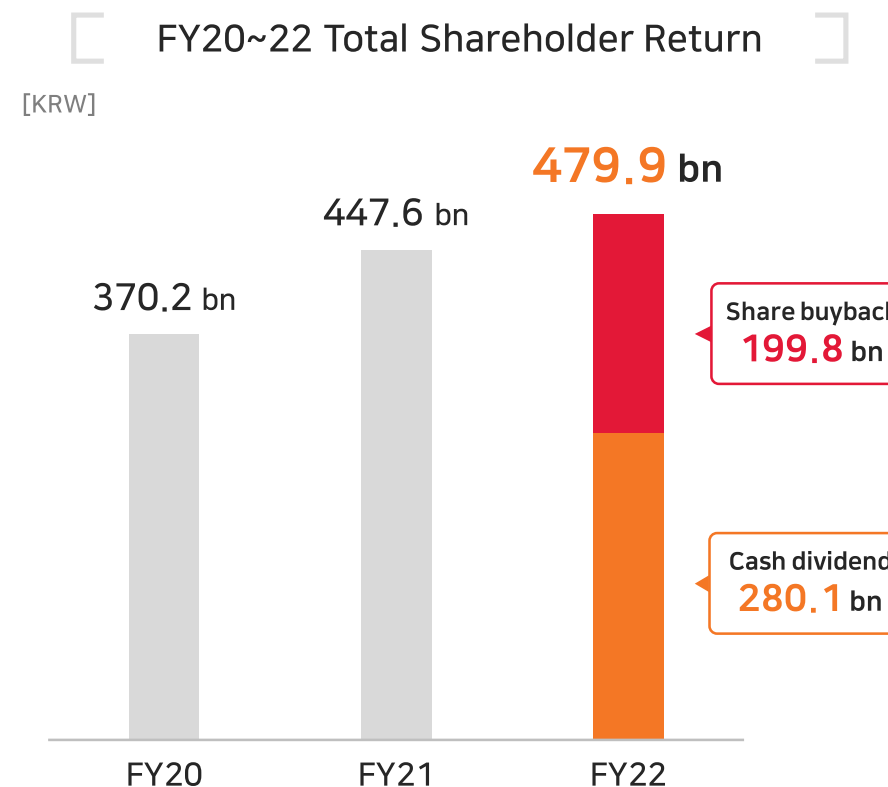
Total Earnings of Major Unlisted Subsidiaries

- FY22 Revenue & OP grew by +32% & +93% YoY from favorable LNG market conditions and growth of Advanced Materials business



Total Shareholder Return (TSR)

- FY22 TSR increased +7% YoY in line with share buyback-focused shareholder return policy



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

Consolidated revenue and operating profit increased as strong energy prices bolstered results at SK innovation and SK E&S

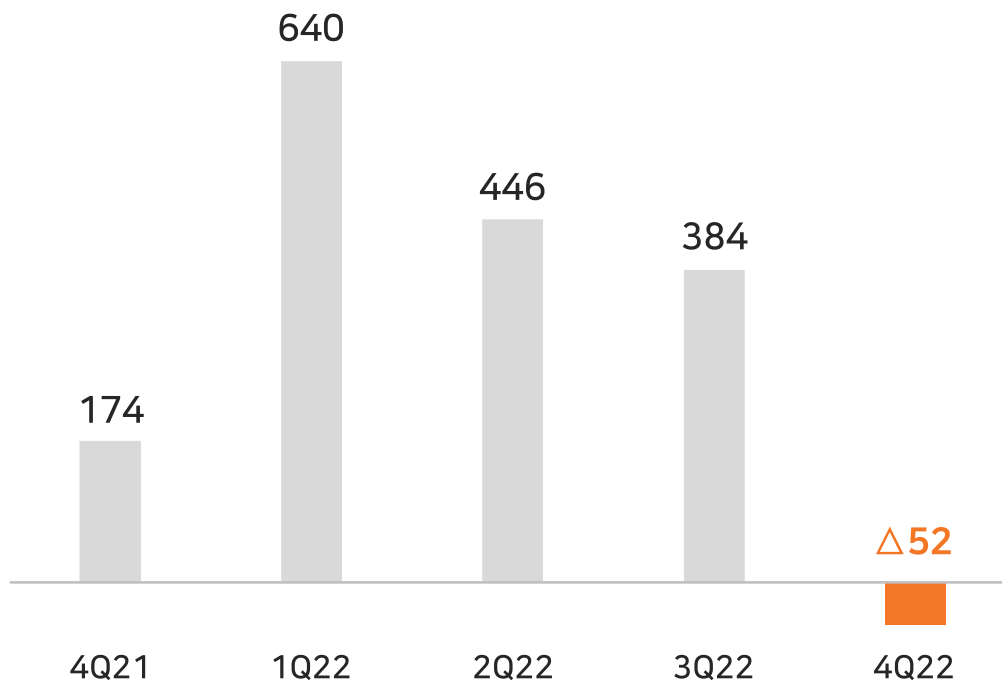
[KRW tn]	Revenue						Operating Profit						Income before Tax					
	1Q22	2Q22	3Q22	4Q22	FY21	FY22	1Q22	2Q22	3Q22	4Q22	FY21	FY22	1Q22	2Q22	3Q22	4Q22	FY21	FY22
Consolidated	30.76	33.33	36.58	33.88	97.20	134.55	3.05	3.58	1.90	-0.53	4.86	8.00	3.38	3.40	1.44	-2.32	5.98	5.91
Separate	1.05	0.64	0.64	1.03	2.75	3.37	0.58	0.09	0.08	0.35	0.83	1.11	0.80	-0.24	0.10	-0.21	1.96	0.45
SK innovation	16.26	19.91	22.75	19.14	46.85	78.06	1.65	2.33	0.70	-0.76	1.74	3.92	1.38	2.01	0.30	-0.83	0.82	2.86
SK square	1.32	1.53	1.24	0.42	1.15	4.51	0.38	0.51	0.17	-0.90	0.42	0.16	0.51	0.53	0.17	-1.11	0.37	0.10
SK telecom	4.28	4.29	4.34	4.39	16.75	17.30	0.43	0.46	0.47	0.25	1.39	1.61	0.33	0.40	0.36	0.14	1.72	1.24
SK networks	2.50	2.14	2.48	2.55	11.02	9.67	0.04	0.04	0.04	0.03	0.12	0.15	0.04	0.03	0.01	0.00	0.11	0.08
SKC	1.12	1.08	0.83	0.11	2.26	3.14	0.13	0.11	0.04	-0.06	0.40	0.22	0.11	0.14	-0.03	-0.06	0.39	0.16
SK ecoplant	1.27	1.83	1.80	2.66	6.22	7.55	0.05	0.05	0.07	-0.01	0.15	0.16	0.06	0.05	0.07	-0.12	0.20	0.06
SK E&S	3.56	2.15	2.42	3.11	7.85	11.25	0.64	0.45	0.38	-0.05	0.62	1.42	0.69	0.45	0.33	-0.14	0.66	1.32
Materials CIC*	0.35	0.37	0.40	0.41	1.19	1.53	0.08	0.10	0.10	0.10	0.29	0.38	0.08	0.09	0.10	0.53	0.33	0.80
SK siltron	0.56	0.60	0.63	0.57	1.85	2.35	0.12	0.16	0.16	0.13	0.28	0.56	0.11	0.15	0.15	0.12	0.24	0.53

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

Despite strong 4Q average SMP, recorded operating loss due to higher power generation costs

SK E&S Operating Profit

[KRW bn]



	FY22	FY21	YoY	4Q22	3Q22	QoQ
Revenue	11,249	7,855	+143.2%	3,114	2,419	+28.7%
Operating Profit	1,419	619	+229.2%	Δ52	384	-
EBITDA	2,224	1,238	+79.7%	218	556	Δ60.8%

* SMP : System Marginal Price

Highlights

- 4Q recorded operating losses from higher LNG costs and lower earnings of natural gas upstream businesses

- Freeport terminal LNG import hiatus impact
- Weaker earnings from US-Australia natural gas assets

- Achieved record-high annual OP in FY22 on favorable LNG market conditions & strong SMP

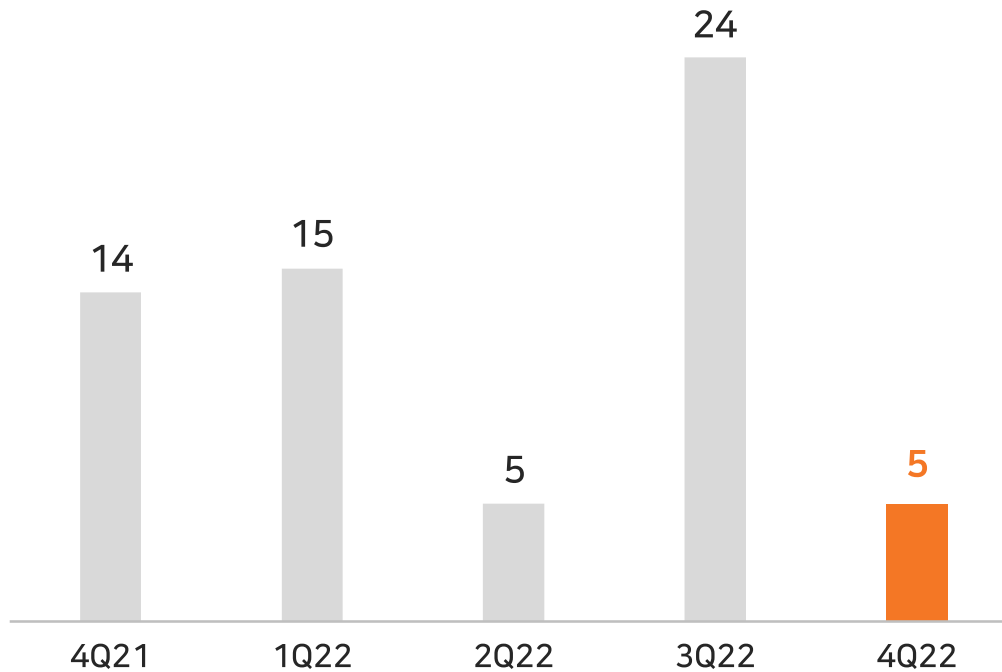
	4Q21	1Q22	2Q22	3Q22	4Q22
SMP (KRW/kWh)	125.5	181.0	156.5	193.7	254.1
Dubai Oil Prices (\$/B)	78.4	93.4	107.9	97.0	84.9

- Restart of Freeport LNG operations and opening of new Yeosu power plant to contribute to earnings in FY23

Annual earnings reached record high level in FY22, FY23 to see expansion of both small molecule·CGT CMO businesses

SK pharmteco Operating Profit

[KRW bn]



	FY22	FY21	YoY	4Q22	3Q22	QoQ
Revenue	907	775	+17.0%	249	217	+14.8%
Operating Profit	49	29	+69.0%	5	24	Δ79.1%
EBITDA margin	15.8%	14.4%	+1.4%p	11.0%	23.9%	Δ12.9%p

Highlights

Large commercial product-focused pipeline expansion led to stable growth in FY22

| FY22 Revenue +17.0% YoY, Operating profit +69.0% YoY

- Core products including drugs for cancer treatment, diabetes and pandemic-response steered top-line growth

Preemptive capacity expansion and inspection/due diligence underway to meet customer demands

- Capacity expansion in US/Europe/KR
→ Upon completion of M3 at SKBT in FY22, total small molecule capacity increased by +11% YoY
- 40 agencies & clients have completed inspections/due diligence

Commercial expansion ongoing at Yposkesi, full-scale operations to contribute to earnings

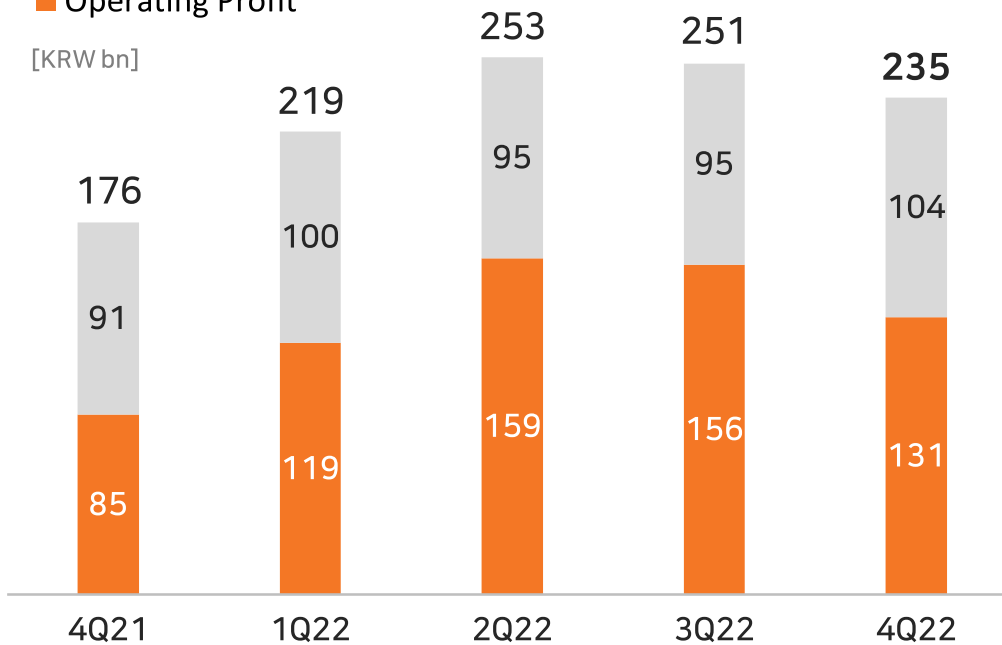
- Expansion to be completed in FY23, operations to start in FY24 post-inspections

High volume of LTAs led to stable results in the midst of slowing demand from chipmakers

SK siltron EBITDA

■ Depreciation
■ Operating Profit

[KRW bn]



	FY22	FY21	YoY	4Q22	3Q22	QoQ
Revenue	2,355	1,850	+27.3%	572	630	△9.2%
Operating Profit	565	282	+100.6%	131	156	△16.4%
EBITDA margin	40.7%	33.9%	+6.8%p	41.0%	39.8%	+1.2%p

Highlights

Market conditions led to weaker quarterly earnings, but maintained YoY growth

| 4Q22 Revenue +12% YoY, EBITDA +33% YoY

- Revenue decreased (△9% QoQ) as sales of 200mm and EPI products waned
- Profitability less affected as pricing remained stable

With demand from chipmakers expected to slow in FY23, focusing on maintaining stable results through LTAs and improved productivity

- Planning to increase 300mm Si wafer production for LTA shipment and improve cost-efficiency to mitigate the effects of weaker demand

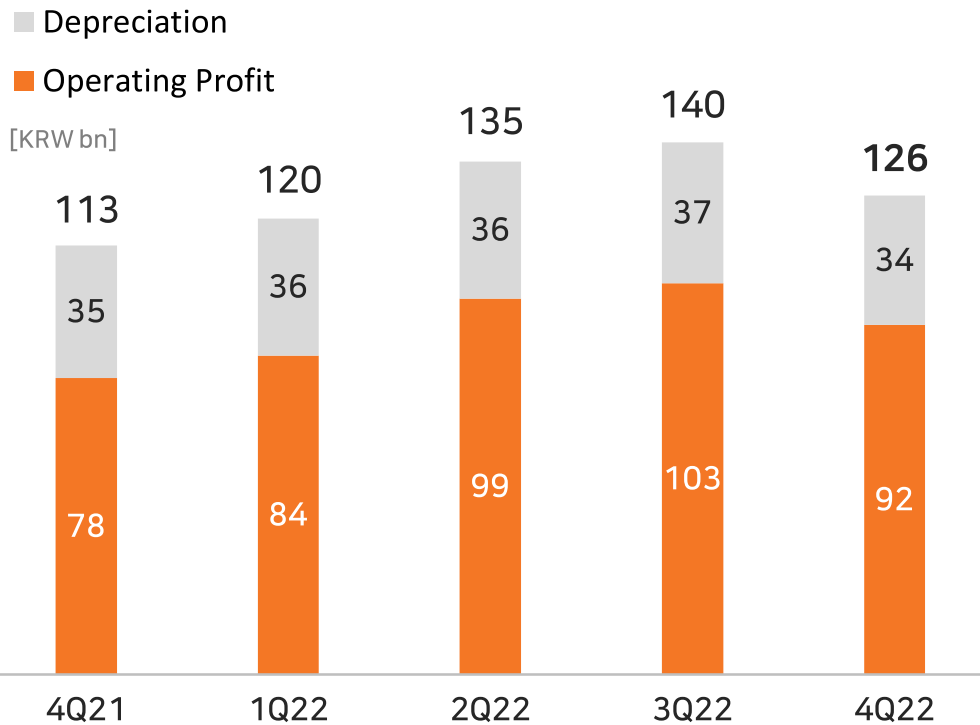
SiC Wafer (SK siltron CSS US) : Anticipating significant top-line growth with the completion of the new Michigan plant in FY22, and start of full-scale production in FY23

- In FY23, revenue expected to more than triple YoY

※ As strong demand in SiC and tight supply conditions continue, have secured orders for product shipment

Driven by core product LTAs and increase in high value-added product offerings, Materials CIC achieved record quarterly revenue despite slow demand

Materials CIC EBITDA



	FY22	FY21	YoY	4Q22	3Q22	QoQ
Revenue	1,530	1,189	+28.7%	414	396	+4.6%
Operating Profit	379	291	+30.2%	92	103	△10.4%
EBITDA margin	34.1%	35.9%	+1.8%p	30.5%	35.3%	△4.8%p

Highlights

Revenues from specialty gas LTAs and new products led to robust quarterly results

| 4Q22 Revenue +22% YoY, EBITDA +12% YoY

- Specialty/ industrial gas : Sales of LTA-based NF_3/WF_6 remained stable whereas sales of rare gas (i.e. Xe^*) and supercritical CO_2 increased
- Precursor/etching gas : Demand from semiconductor tech migration led to strong sales in precursor ($CpHf^*$) and etching gas (CH_3F^*)

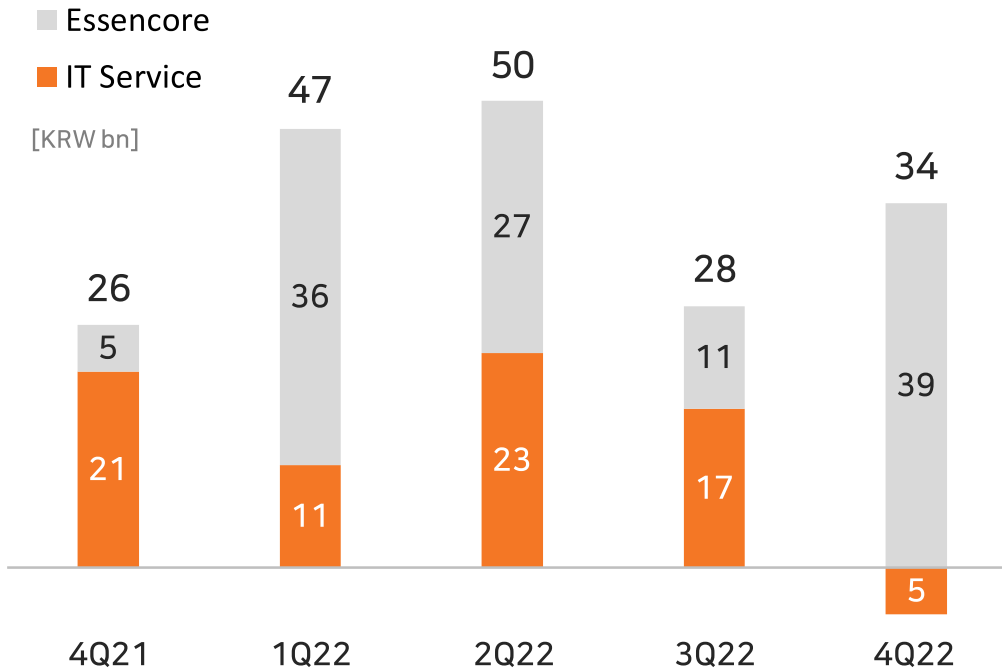
Both new and existing products to contribute to stable growth in FY23

- Specialty gas/industrial gas : increase cost-efficiency and market share to maintain stable growth despite lower downstream demand
- CO_2 : sales of supercritical CO_2 for semiconductors expected to increase
- Etching gas/ Precursor/ Photo : commercialization of next-generation etching gas (HBr^*), expansion of precursor ($CpHf$) customer base, increase in sales of all photo products
- Commercialization of Si-C anode material products

* Xe : Gas to improve the straightness of PR in photo processes
 $CpHf$: Deposition gas for the most advanced DRAM Capacitor
 CH_3F : Nitride etching gas for 3D NAND
 HBr : Etching gas for advanced technology

Cloud business expansion led revenue growth achieved throughout FY22, to focus on both top-line growth and profitability in FY23

IT Services Operating Profit | Incl. Essencore



	FY22	FY21	YoY	4Q22	3Q22	QoQ
Revenue	2,056	1,790	+14.9%	632	513	+23.2%
Operating Profit	90	115	△21.4%	39	17	+129.4%
Income before Tax	53	105	△49.8%	4	13	△69.2%
Essencore Operating Profit	68	112	△38.8%	△5	11	-

Highlights

IT service revenue recorded stable growth with the increase in cloud-related projects

| FY22 Revenue +14.9% YoY

- Cloud revenue increased by +45.4% YoY

Global expansion in digital factory projects and other biz to reinforce growth in FY23

- Aim to achieve mid-to-long term growth and profitability via global battery projects, etc.
- Profitability to improve as effects of tech salary hike diminish

Essencore results show high correlation to semiconductor cycle

- Weaker DRAM (△29.1% YoY) and NAND (△26.8% YoY) ASPs led to drop in both revenue and operating profit

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

Quarterly Results of Materials CIC*, SK siltron, SK E&S

단위 : 십억원, %		1Q20	2Q20	3Q20	4Q20	FY20	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22	4Q22	FY22
Materials CIC*	Revenue	212	227	247	268	955	262	280	307	340	1,189	348	371	396	414	1,530
	Operating Profit	53	57	62	62	234	62	68	83	78	291	84	99	103	92	379
	EBITDA	84	88	93	94	359	95	101	117	113	427	120	135	140	126	521
	<i>EBITDA Margin</i>	40%	39%	38%	35%	38%	36%	36%	38%	33%	36%	34%	36%	35%	30%	34%
SK siltron	Revenue	408	426	439	428	1,701	422	440	476	512	1,850	555	597	630	572	2,355
	Operating Profit	53	87	76	33	249	51	69	77	85	282	119	159	156	131	565
	EBITDA	123	158	150	127	559	135	153	163	176	626	219	253	251	235	958
	<i>EBITDA Margin</i>	30%	37%	34%	30%	33%	32%	35%	34%	34%	34%	39%	42%	40%	41%	41%
SK E&S	Revenue	2,020	1,137	1,027	1,566	5,750	2,112	1,499	1,668	2,575	7,855	3,564	2,151	2,419	3,114	11,249
	Operating Profit	238	3	-122	123	241	259	53	133	174	619	640	446	384	-52	1,419
	EBITDA	347	105	-25	265	642	367	172	300	399	1,133	860	590	556	218	1,933
	<i>EBITDA Margin</i>	16%	8%	-3%	16%	11%	16%	10%	17%	14%	14%	21%	25%	20%	5%	17%

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THANK YOU

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