

2024.4Q

# EARNINGS BRIEFING

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Mar 2025



# 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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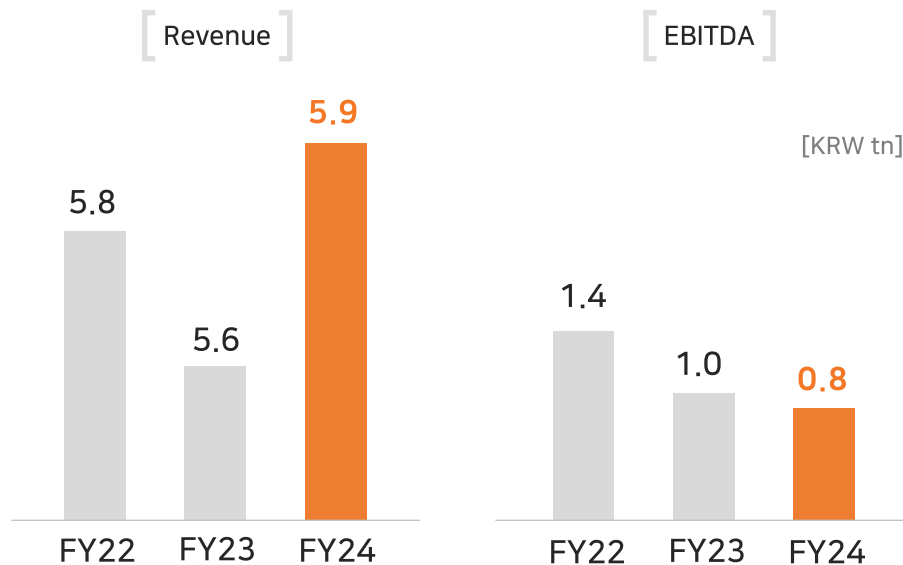


## Combined revenue of major unlisted companies grew YoY, with improving revenue and EBITDA in FY25 In FY24, DPS increased to KRW 7,000 in line with mid-to-long term shareholder return plan

### Total Earnings of Major Unlisted Subsidiaries and the In-house Business

**FY24 Revenue +6.4%, EBITDA  $\Delta$  11.5% YoY**

- In FY24, total revenue grew YoY while EBITDA decreased due to SK pharmteco's losses following CBM consolidation
- In FY25, continued revenue growth expected with EBITDA improvement from reduced losses at SK pharmteco and enhanced profitability at SK materials · SK siltron · SK C&C

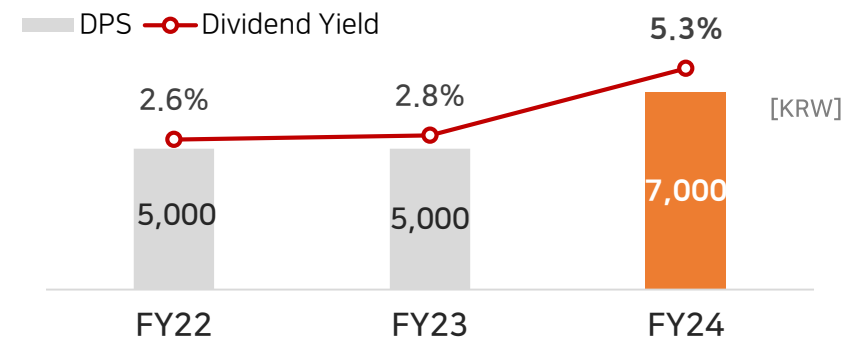


### Annual DPS Expansion

#### Dividend Performance

**FY24 common share dividend increased +40% YoY to KRW 7,000 per share**

- Interim DPS of KRW 1,500 (Paid on Aug 30, '24)
- Year-end DPS set at KRW 5,500 - funded by pre-allocating gains from the sale of SK specialty (Record date: Apr 1, '25)



#### [ Shareholder Return Plan (FY24~26) ]

- 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 pharmteco, SK siltron, SK materials CIC, SK C&C combined

2) SK E&S, Airplus, SK specialty excluded from the total earnings of major unlisted subsidiaries

3) SK materials CIC results represent the simple sum of subsidiaries excluding SK specialty and Airplus

## Income before tax turned to profit driven by robust earnings of semiconductor related business, despite challenging energy, chemical and battery market conditions

[KRW tn]	Revenue						Operating Profit						Income before Tax					
	1Q24	2Q24	3Q24	4Q24	FY23	FY24	1Q24	2Q24	3Q24	4Q24	FY23	FY24	1Q24	2Q24	3Q24	4Q24	FY23	FY24
<b>Consolidated</b>	<b>33.03</b>	<b>31.20</b>	<b>30.64</b>	<b>29.82</b>	<b>128.80</b>	<b>124.69</b>	<b>1.54</b>	<b>0.76</b>	<b>0.51</b>	<b>△0.45</b>	<b>4.75</b>	<b>2.36</b>	<b>1.13</b>	<b>0.69</b>	<b>0.95</b>	<b>△1.67</b>	<b>△0.85</b>	<b>1.10</b>
Separate	1.24	0.80	0.74	<b>0.93</b>	4.14	<b>3.71</b>	0.61	0.13	0.12	<b>0.14</b>	1.55	<b>1.00</b>	0.47	0.05	0.05	<b>△1.12</b>	0.44	<b>△0.55</b>
SK innovation	18.86	18.80	17.66	<b>19.40</b>	77.29	<b>74.72</b>	0.62	△0.05	△0.42	<b>0.17</b>	1.90	<b>0.32</b>	0.02	△0.53	△0.73	<b>△1.14</b>	0.93	<b>△2.38</b>
SK square	0.50	0.47	0.46	<b>0.48</b>	2.28	<b>1.91</b>	0.32	0.77	1.16	<b>1.66</b>	△2.34	<b>3.91</b>	0.35	0.76	1.19	<b>1.54</b>	△2.60	<b>3.84</b>
SK telecom	4.47	4.42	4.53	<b>4.52</b>	17.61	<b>17.94</b>	0.50	0.54	0.53	<b>0.25</b>	1.75	<b>1.82</b>	0.44	0.48	0.36	<b>0.48</b>	1.49	<b>1.76</b>
SK networks	2.48	1.69	2.04	<b>1.85</b>	7.45	<b>7.66</b>	0.06	0.03	0.03	<b>0.04</b>	0.08	<b>0.11</b>	0.02	0.03	0.01	<b>△0.01</b>	0.01	<b>0.03</b>
SKC	0.42	0.47	0.46	<b>0.37</b>	1.49	<b>1.72</b>	△0.08	△0.06	△0.06	<b>△0.08</b>	△0.21	<b>△0.28</b>	△0.13	△0.15	△0.11	<b>△0.26</b>	△0.40	<b>△0.66</b>
SK ecoplant	2.06	2.20	2.10	<b>2.95</b>	8.93	<b>9.32</b>	0.06	0.07	△0.01	<b>0.12</b>	0.17	<b>0.23</b>	0.07	0.10	△0.07	<b>△0.15</b>	△0.08	<b>△0.05</b>
Materials CIC	0.08	0.09	0.10	<b>0.10</b>	0.30	<b>0.36</b>	0.01	0.02	0.02	<b>0.02</b>	0.05	<b>0.08</b>	0.01	0.02	0.01	<b>0.03</b>	0.04	<b>0.07</b>
SK siltron	0.48	0.50	0.57	<b>0.58</b>	2.03	<b>2.13</b>	0.04	0.07	0.09	<b>0.11</b>	0.28	<b>0.32</b>	0.04	0.06	0.09	<b>0.10</b>	0.25	<b>0.29</b>

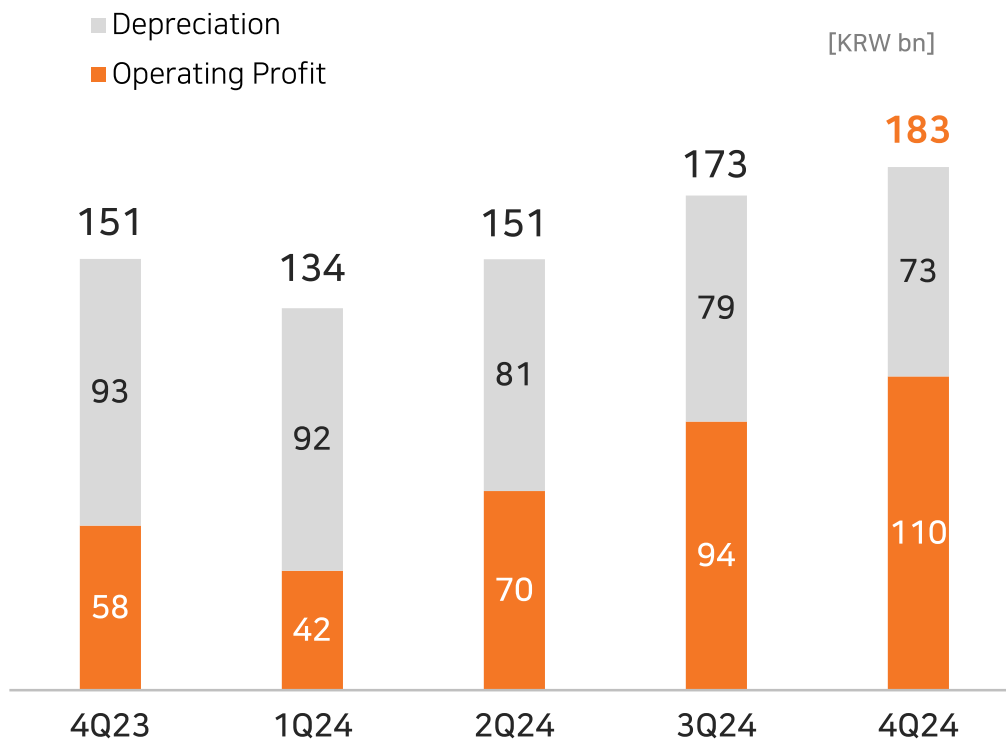
1) SK innovation and SK ecoplant include the results of SK E&S and Airplus, respectively, from November 1, 2024

2) FY23 results fro SK networks and SKC have been restated to reflect discontinued operations, while 1Q24 and 2Q24 results do not reflect discontinued operations

3) Materials CIC results represent the simple sum of subsidiaries excluding SK specialty and Airplus, and have not been audited

## Annual profit improved on strong shipment growth for high-end semiconductor product FY25 growth expected via LTA sales expansion, customer diversification, and cost reductions

### SK siltron EBITDA



	FY24	FY23	YoY	4Q24	3Q24	QoQ
Revenue	2,127	2,026	+5.0%	580	568	+2.1%
Operating Profit	316	281	+12.5%	110	94	+17.0%
EBITDA margin	30.1%	33.4%	Δ3.3%p	31.6%	30.5%	+1.1%p

### Highlights

□ In FY24, revenue (YoY +5.0%) and OP (YoY +12.5%) grew from sales increase across all Si-wafer products

- Customer utilization rates improved from early in 2024, boosting 2H Si-wafer sales and earnings
- In 4Q, 300mm PW Si-wafer shipments grew, while enhanced SiC wafer productivity reduced QoQ losses

□ In FY25, profit to improve through strong AI semiconductor demand, broadening of customer portfolio, and cost optimization

- Si-wafer shipment to grow from increasing AI semiconductor demand, higher customer utilization of high-end products, and new customer acquisition
- Profitability to strengthen through ongoing operational improvements and disciplined CAPEX management

□ SiC Wafer (SK siltron CSS) to solidify long-term growth momentum via customer collaboration, productivity gains, and technological advances

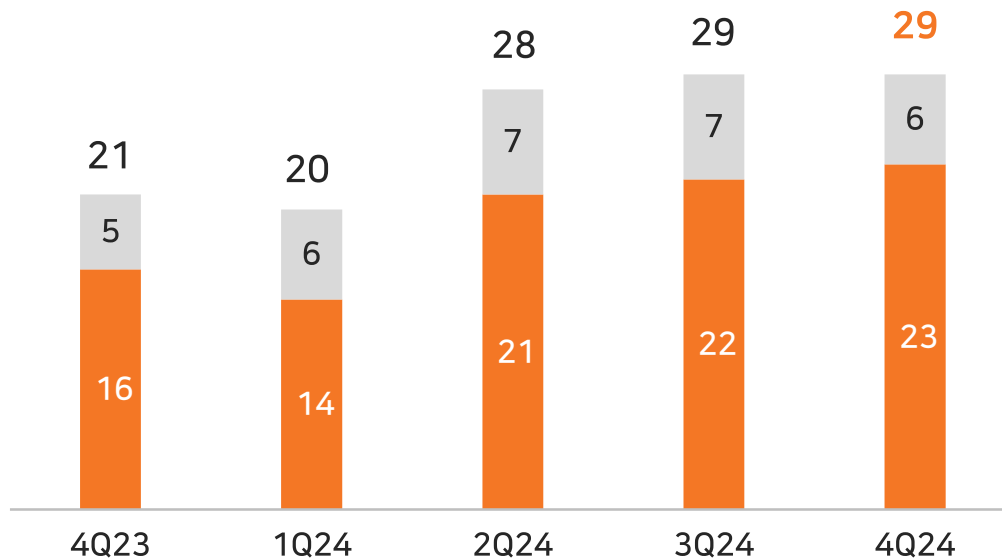
- Targeting >50% YoY revenue growth in FY25
- 200mm mass production set in FY25, EBITDA turnaround expected in 2H

Annual revenue and operating profit improved on stronger new product sales in 2H24  
 FY25 performance to improve through accelerated growth and cost competitiveness

## SK materials CIC EBITDA

■ Depreciation  
 ■ Operating Profit

[KRW bn]



	FY24	FY23	YoY	4Q24	3Q24	QoQ
Revenue	357	298	+19.6%	94	96	△1.7%
Operating Profit	79	51	+55.3%	23	22	+5.3%
EBITDA margin	29.6%	24.1%	+5.5%p	30.8%	29.4%	+1.4%p

### Highlights

■ In FY24, revenue (YoY +19.6%) and OP (YoY +55.3%) increased through product diversification and productivity gains despite delayed market recovery

- Precursor: Improved profitability from new customer supply and expanded sales volume
- Etching gas: Next-gen supply (HBr\*) Initiated (Dec. 2024)
- PR: Sales growth driven by customers' new fab operations
- Display: Growth in shipments to China and cost reduction

■ In FY25, solid growth expected via continued expansion of value-added product portfolios and cost reductions

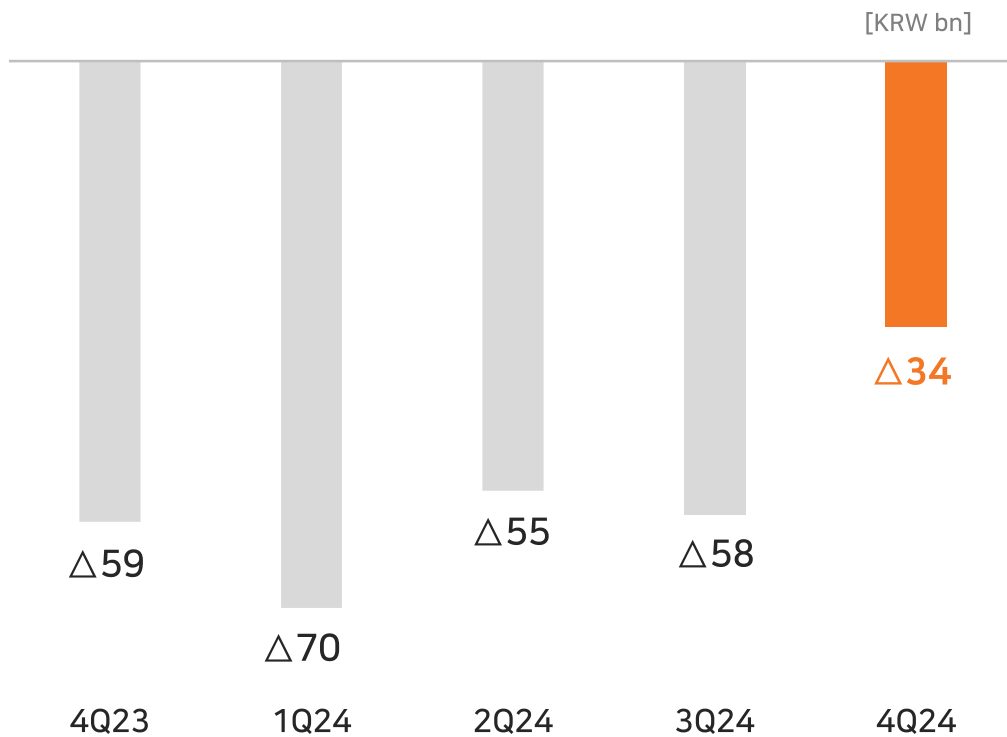
- Precursor: Raw material diversification, process improvements, and new customer acquisition
- Etching gas: HBr\* sales and customer base expansion to boost profit
- PR: Revenue growth via expanded product portfolio and customer base
- Display: Accelerating development of high-value product (TADF\*\*)

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

\*\* TADF (Thermally Activated Delayed Fluorescence): High-efficiency, high-resolution OLED materials

Small molecule · CGT CDMO revenue grew YoY on supply expansion of core products  
 FY25 Revenue to grow driven by stronger customer partnerships and rising CGT CDMO demand

## SK pharmteco Operating Profit



	FY24	FY23	YoY	4Q24	3Q24	QoQ
Revenue	850	806	+5.5%	264	190	+27.9%
Operating Profit	Δ217	Δ92	N/A	Δ34	Δ58	N/A
EBITDA margin	Δ9.9%	1.1%	Δ11.0%p	0.8%	Δ10.1%	+10.9%p

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

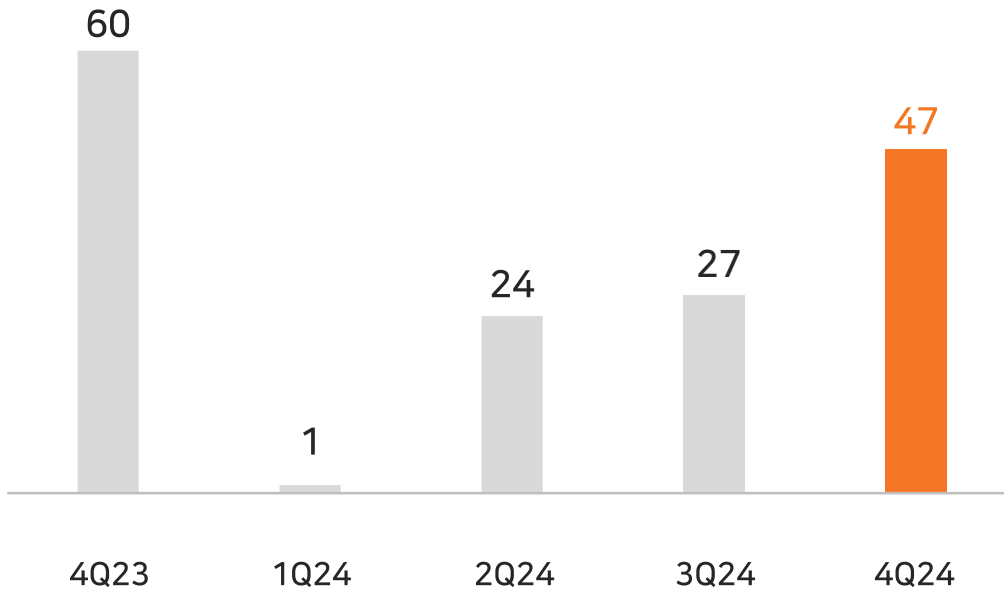
## Highlights

- ▣ **In FY24, top-line growth driven by stable supply of core small molecule CDMO products and the CBM acquisition ('23.4Q) benefits**
    - Overall deficits widened on initial CGT losses in FY24, despite revenue growth from key small molecule products (oncology, diabetes) and CBM
    - Balanced growth in small molecule and CGT CDMO businesses drove revenue growth (QoQ +27.9%), while lower fixed costs reduced losses
  
  - ▣ **In FY25, revenue growth and profitability improvement expected through big pharma partnerships and operational improvements**
    - Small molecule: Expanding strategic partnerships by leveraging a strong track record
    - CGT: Profitability to improve through proactive capacity expansion and operational improvements amid growing demand
    - Enhancing business competitiveness by expanding high-growth new modalities such as peptides
- ※ US FDA approvals of CGT drugs continue to increase  
 ('20: 1 case → '21: 2 cases → '22: 5 cases → '23: 7 cases → '24: 8 cases)

Revenue grew YoY, driven by higher DX (Digital Transformation) and cloud-related orders  
 FY25 growth expected through new AI service projects driving both revenue and profitability

## IT Service Operating Profit

[KRW bn]



	FY24	FY23	YoY	4Q24	3Q24	QoQ
Revenue	2,564	2,415	+6.1%	798	586	+36.0%
Operating Profit	99	114	Δ13.0%	47	27	+105.3%
EBITDA margin	7.3%	8.4%	Δ1.1%p	8.6%	8.4%	+0.2%p

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

## Highlights

### In FY24, robust revenue growth driven by new DX projects and cloud business

- Annual revenues increased YoY with new projects in financial · manufacturing sectors
- Seasonal project completion impacted quarterly sequential growth

### Enhancing margins through efficiency gains and cost optimization initiatives

	1Q24	2Q24	3Q24	4Q24
OP margin	0.2%	3.8%	4.6%	5.9%

### In FY25, growth projected via financial · public sector projects and AI business expansion

- Key projects expected to generate revenue include: Hana Bank Corporate Banking and Marketing Digitalization, National Procurement Service Platform Operations
- Active AI business development across sectors: Market Prediction AI, AI Contact Center, AI-Powered Digital Factory Solutions



# [Appendix] Results of Major Unlisted Subsidiaries

[KRW bn]		1Q22	2Q22	3Q22	4Q22	FY22	1Q23	2Q23	3Q23	4Q23	FY23	1Q24	2Q24	3Q24	4Q24	FY24
SK materials CIC	Revenue	83	102	113	132	430	90	75	60	74	298	79	88	96	94	357
	Operating Profit	22	33	37	29	120	14	12	10	16	51	14	21	22	23	79
	EBITDA	27	38	43	35	143	19	17	15	21	72	21	28	28	29	106
	<i>EBITDA Margin</i>	32%	37%	38%	27%	33%	21%	22%	25%	28%	24%	26%	32%	29%	31%	30%
SK siltron	Revenue	555	597	630	572	2,355	580	492	469	485	2,026	476	503	568	580	2,127
	Operating Profit	119	159	156	131	565	114	70	39	58	281	42	70	94	110	316
	EBITDA	219	253	251	235	958	219	170	136	151	676	134	150	173	183	640
	<i>EBITDA Margin</i>	39%	42%	40%	41%	41%	38%	35%	29%	31%	33%	28%	30%	30%	32%	30%
SK C&C	Revenue	412	500	513	632	2,056	462	631	522	801	2,415	548	632	586	798	2,564
	Operating Profit	11	23	17	39	90	7	28	18	60	114	1	24	27	47	99
	EBITDA	32	47	44	64	187	30	51	40	82	203	24	46	49	68	187
	<i>EBITDA Margin</i>	8%	9%	9%	10%	9%	6%	8%	8%	10%	8%	4%	7%	8%	9%	7%

※ Materials CIC results represent the simple sum of subsidiaries excluding SK specialty and Airplus, and have not been audited



# THANK YOU

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