



SK Innovation **2025 1Q Earnings Release**

April 2025 | Investor Relations

Disclaimer

This presentation contains forward-looking statements with respect to financial conditions, results of operations and business of SK Innovation, and plans and objectives of the management of SK Innovation.

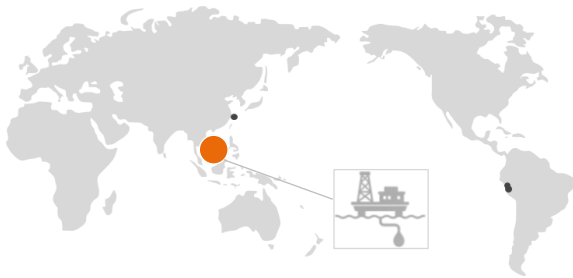
Statements that are not historical facts, including statements about SK Innovation's beliefs and expectations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of SK Innovation to be materially different from any future results or performance expressed or implied by such forward-looking statements.

Financial results for 1Q 2025 are subject to change according to the audit by the external independent auditor.

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SK Eathon completes successful crude oil test production at an offshore block in Vietnam, expected for higher growth and profitability



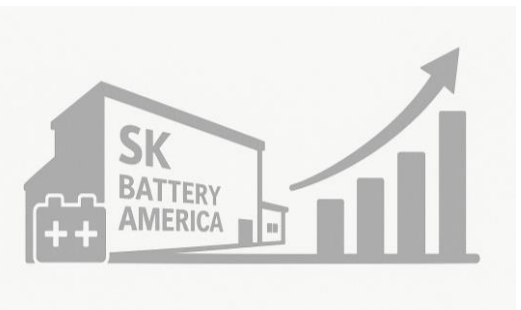
- » Successful test production of crude oil at Vietnam Block 15-2/17 (up to 10 thousand barrel per day)
- » With other exploration and development projects underway in various regions, revenue and profit are expected to be enhanced

SK On secures new battery orders, targeting mid to long-term growth and profitability through customer diversification



- » Signed a battery supply agreement with Nissan for 1 million EVs, 99.4GWh
- » Discussions are ongoing with existing and new customers for additional orders, and profitability improvement and accelerated growth expected through customer portfolio expansion

Notable utilization rate increase in the US battery plant, with expectation on strengthened profitability



- » With the acceleration of localization by OEMs, a sharp increase in US utilization rate and sales volume is forecasted
- » SK On aims to enhance profitability through higher sales volume and cost reduction from improved operational efficiency

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Key Business Results

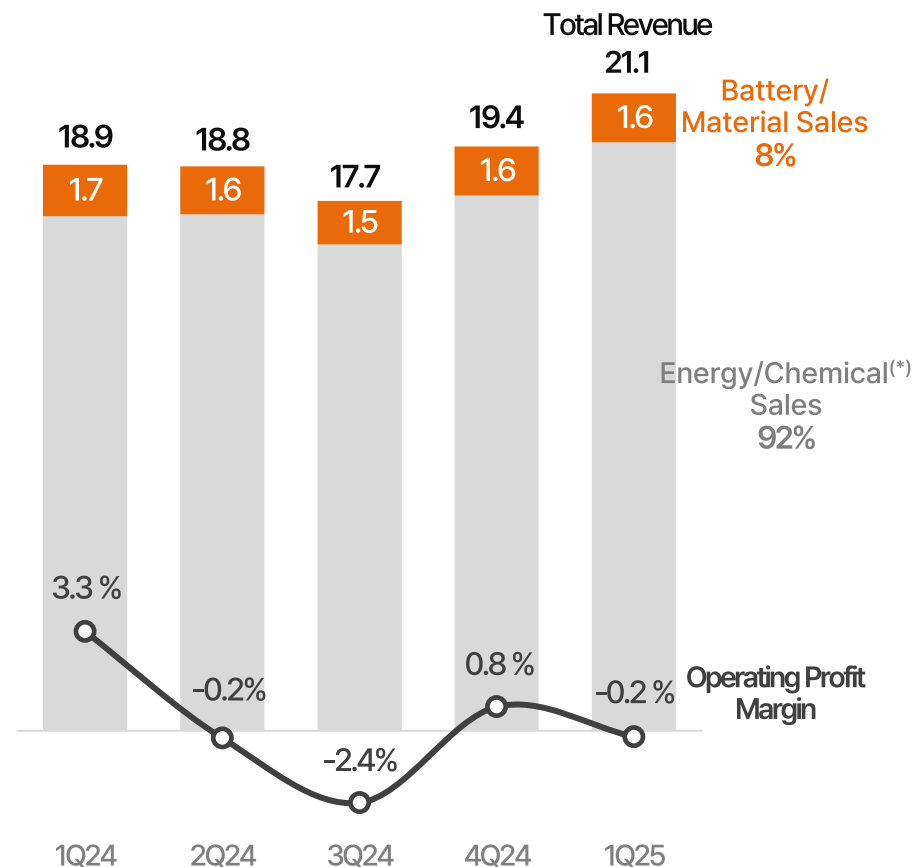
> Financial Result

(Unit KRW in Billion)

Type	'24.4Q	'25.1Q	QoQ	FY 2024
Revenue	19,405.7	21,146.6	+1,740.9	74,717.0
Operating Profit	159.9	-44.6	-204.5	315.5
EBITDA	873.2	751.6	-121.6	2,764.0
Non-Operating Profit	-1,300.8	-287.8	+1,013.0	-2,695.3
Profit Before Tax	-1,140.8	-332.4	+808.4	-2,379.8

> Financial Highlights

(Unit: KRW in Trillion)



(*) SKE, SKTI, SKET, SKIPC, SKGC, SKEN, SKEO, SKI E&S, SKI Staff, etc.

Key Financial Results

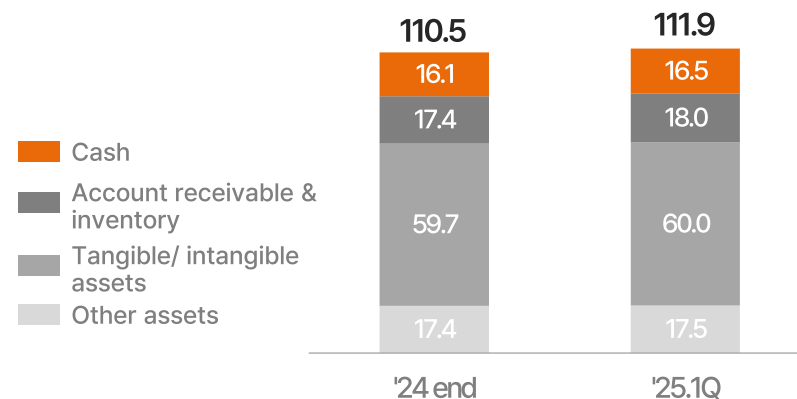
> Balance Sheet

(Unit: KRW in Billion)

Type	'24 end	'25.1Q	vs '24 end
Assets	110,530.1	111,895.0	+1,364.9
- Cash, etc.	16,101.0	16,471.7	+370.7
- Account receivable	7,038.0	7,582.7	+544.7
- Inventory	10,335.6	10,430.0	+94.4
- Tangible & intangible assets	59,657.2	59,952.4	+295.2
Liabilities	70,881.2	75,441.0	+4,559.8
- Account payable	9,912.1	9,462.6	-449.5
- Debt	44,627.6	49,324.8	+4,697.2
Shareholder's equity	39,648.9	36,454.0	-3,194.9
Debt/Equity	179%	207%	+28%pt
Net Debt	28,526.6	32,853.1	+4,326.5

> Asset Composition

(Unit: KRW in Trillion)



> Liabilities & Equity Composition

(Unit: KRW in Trillion)

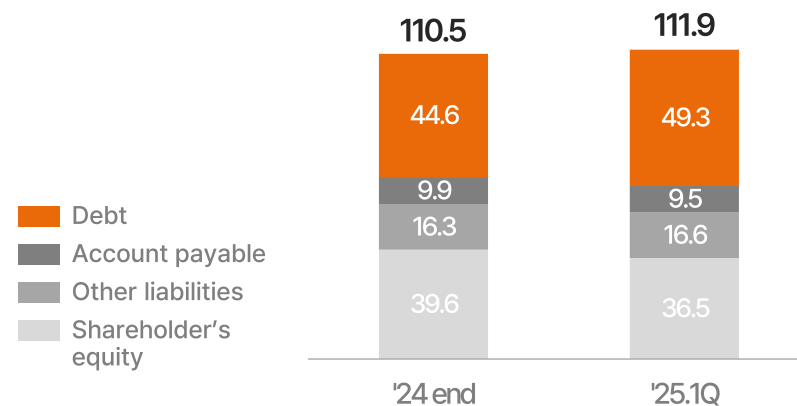
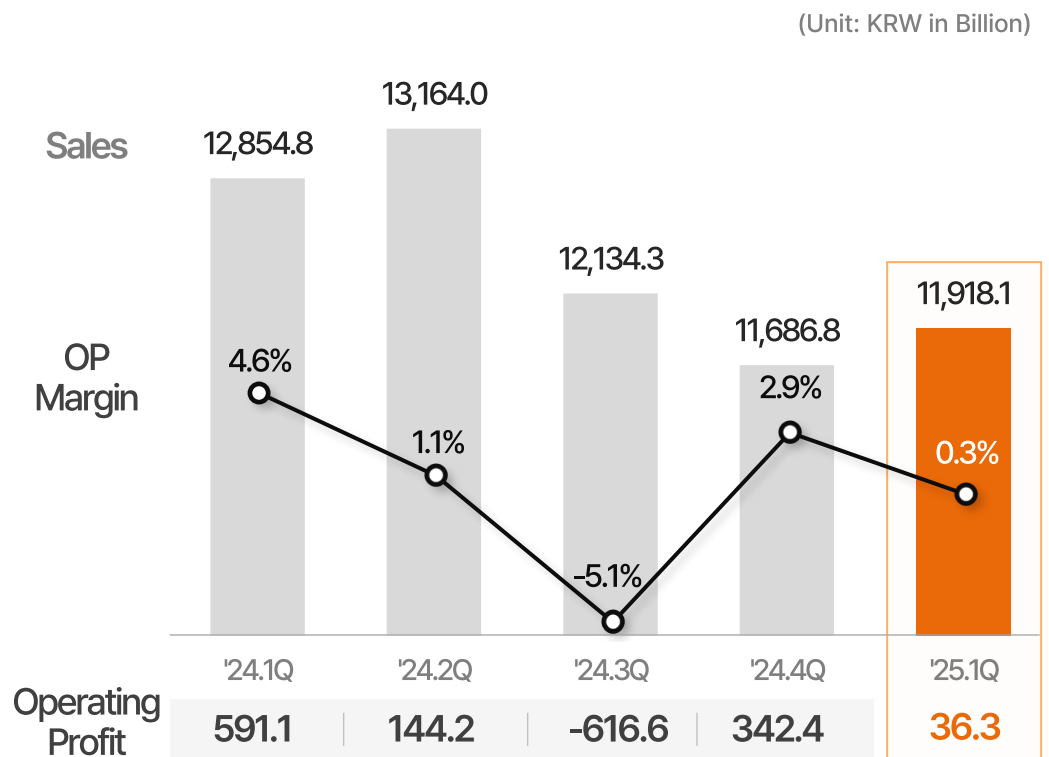


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Operating profit **declined by KRW 306.1 bn** QoQ due to **lower oil prices and weaker refining margins**



Includes SKE, SKTI, SKIPC, SKET's petrochemical business performance

Financial Highlights & Outlook



1Q Highlights

Operating profit decreased QoQ due to concerns over global economic slowdown, eased OPEC+ production cuts, and increased output in Africa and the Middle East



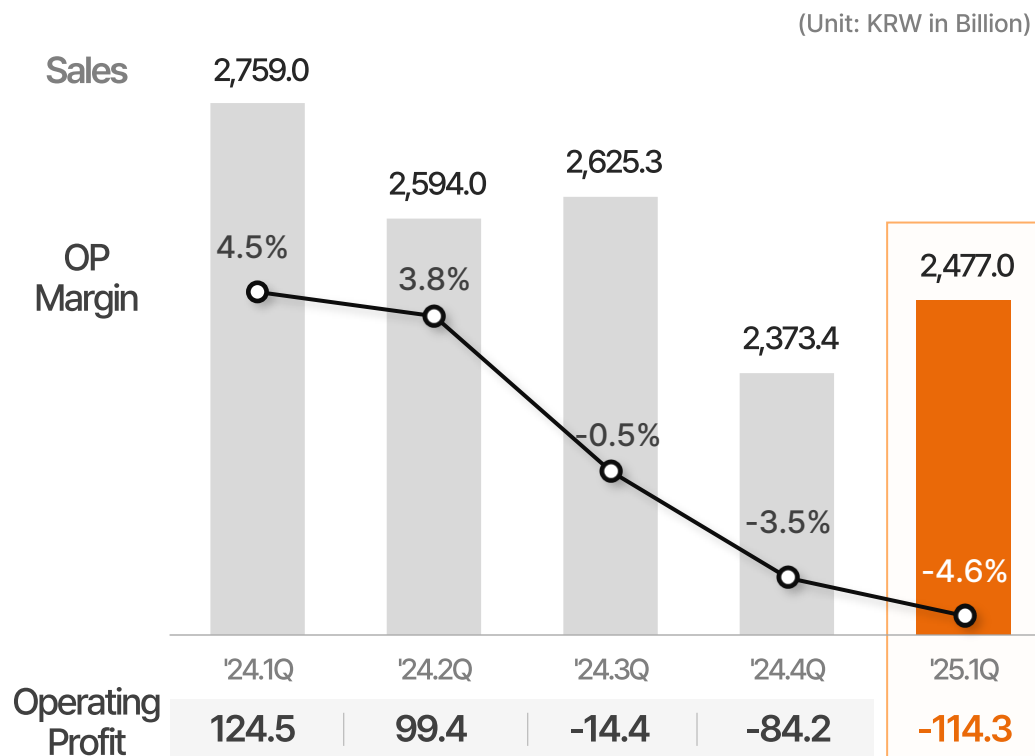
2Q Outlook

While concerns over an economic downturn persists, **refining margins are expected to gradually recover** with the onset of the driving season and increased cooling demand

Oil price & Product crack

Oil price & Crack (\$/B)	'24.4Q	'25.1Q	QoQ
Dubai Quarter Average	73.6	76.9	+3.3
Dubai Last Month of Quarter Average	73.2	72.5	-0.7
Gasoline	6.5	6.0	-0.5
Diesel	15.1	14.3	-0.8
Kerosene	14.8	13.2	-1.6

Spread improvement remains limited, resulting in **continued operating loss**



Financial Highlights & Outlook



1Q Highlights

Continued spread weakness led to **operating losses**



2Q Outlook

Aromatic	Despite reduced PX supply and start-up of new PTA facilities expected in the region in H2, spread recovery is expected to remain limited due to ongoing macro uncertainties
Polymer	Despite concerns over long-term supply increases, spread is expected to improve due to declining naphtha prices

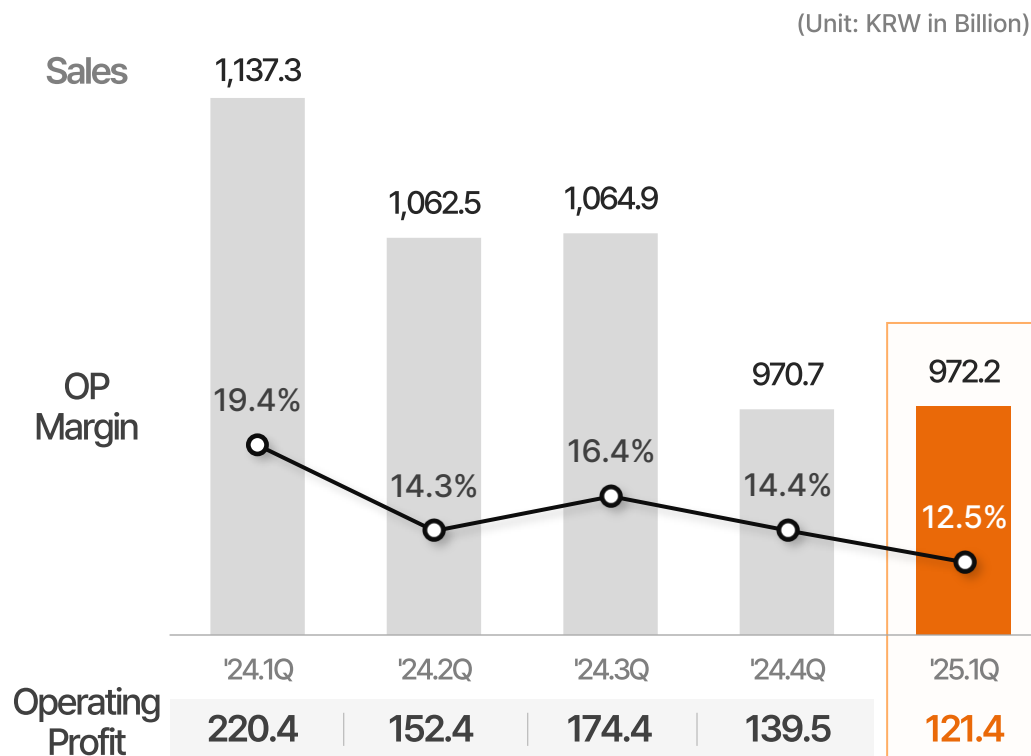
➤ Spread by Product

Spread (\$/MT)	'24.4Q	'25.1Q	QoQ
PX	187	203	+16
BZ	245	219	-26
PE	272	250	-22
PP	258	261	+3

➤ Average PX Utilization Rate

Utilization Rate	'24.4Q	'25.1Q
PX(Ulsan)	71%	71%
PX(Incheon)	74%	67%

Operating profit **decreased by KRW 18.1 bn**
QoQ due to **lower margins and sales volume**



Financial Highlights & Outlook



1Q Highlights

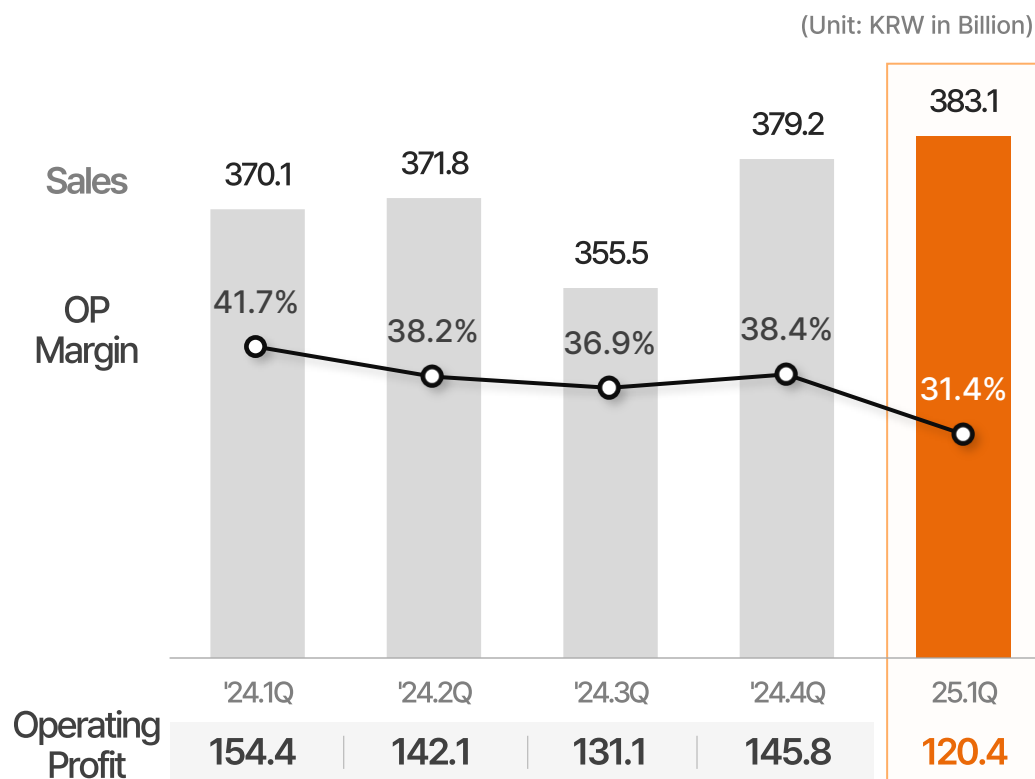
Due to lower margins and sales volume caused by slowdown in major global economies, **operating profit decreased QoQ**



2Q Outlook

Despite the impact of new capacity additions, steady demand is expected to **sustain stable profitability**

Operating profit **dropped by KRW 25.4 bn** QoQ due to reduced sales volume



1Q Highlights

Operating profit declined QoQ
due to decreased gas sales volume

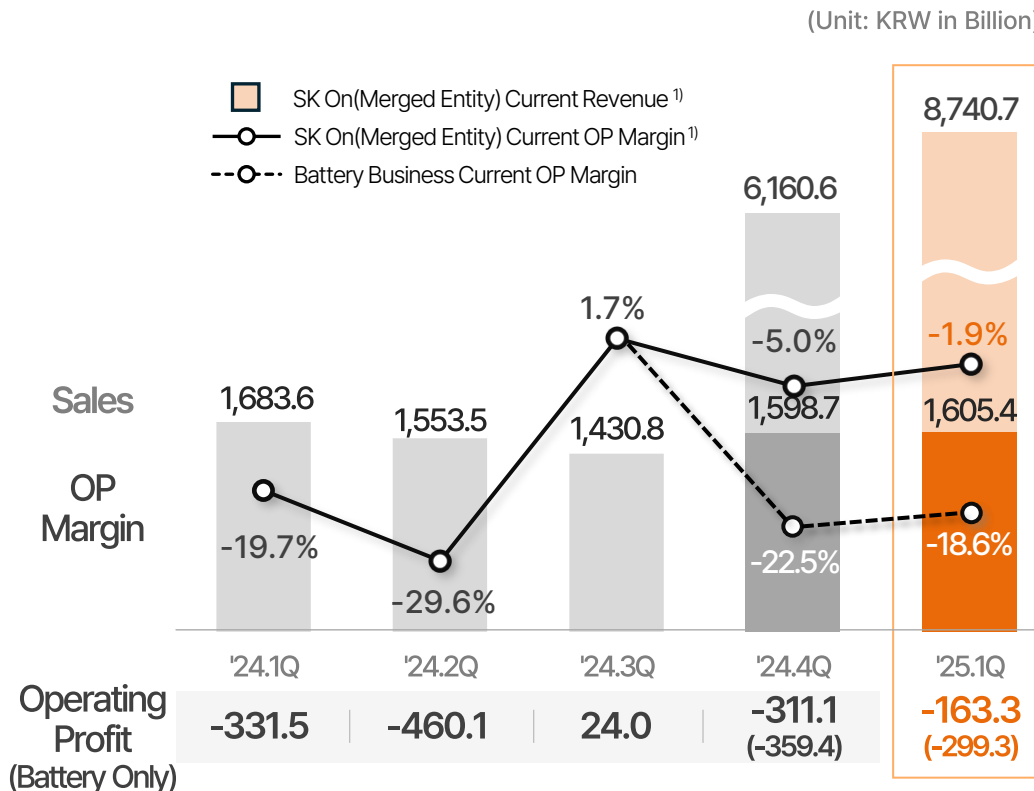
Unit: 1Kbbl	'24.4Q	'25.1Q
Sales volume	6,626	5,929
% of Oil	40%	44%

Benchmark

Category	'24.4Q	'25.1Q	QoQ
Brent (\$/B)	74.7	75.7	+1.0
WTI (\$/B)	70.2	71.5	+1.3
NBP(\$/mmbtu)	13.9	14.3	+0.4

* NBP: National Balancing Point (European natural gas exchange)

Despite uncertainties in the EV market,
operating loss narrowed due to
higher sales volume



1) SK On and SKTI merged on Nov. 1, 2024 and SK Enterm merged on Feb. 1, 2025
The consolidated financials excluding intercompany transactions within SK Innovation may differ from SK On's (Merged Entity) actual performance

Financial Highlights & Outlook



1Q Highlights

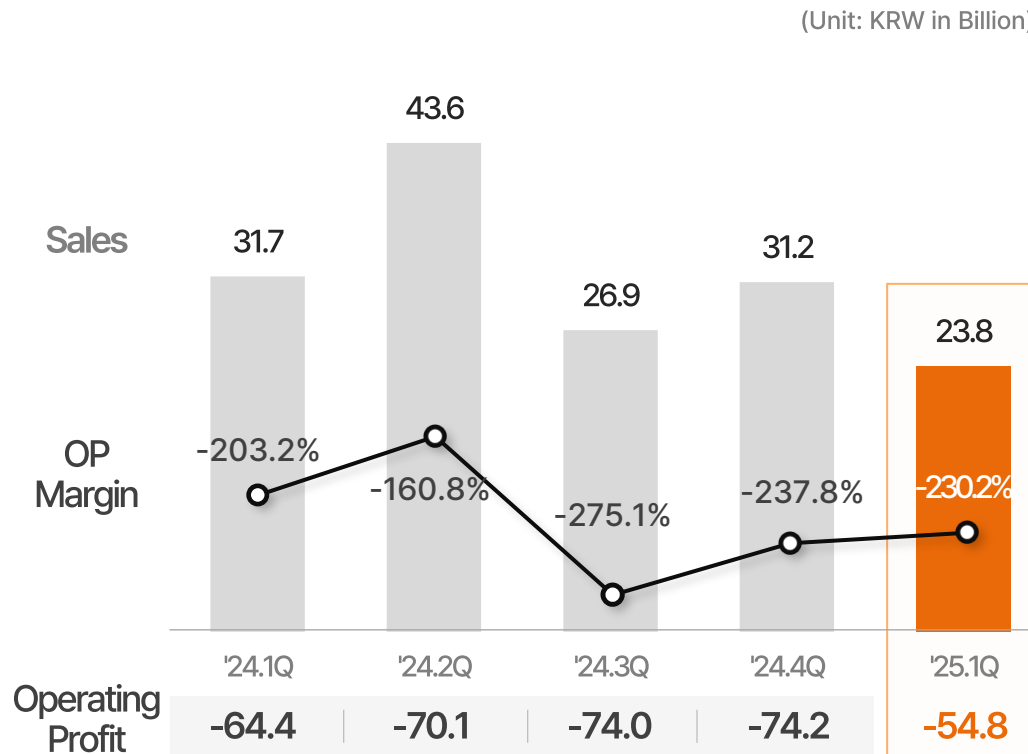
Operating loss reduced backed by
increased sales, driven by the US



2Q Outlook

Despite concerns over a slowdown in the
EV market due to U.S. Tariff policies,
increase in North American Hyundai sales
expected to **maintain sustained growth**
throughout 2025

Operating loss **improved by KRW 19.4bn** due to **sales growth** and the **base effect of one-off costs** in the previous quarter



Financial Highlights & Outlook



1Q Highlights

Profitability improved QoQ

due to higher sales and the base effect of one-time costs

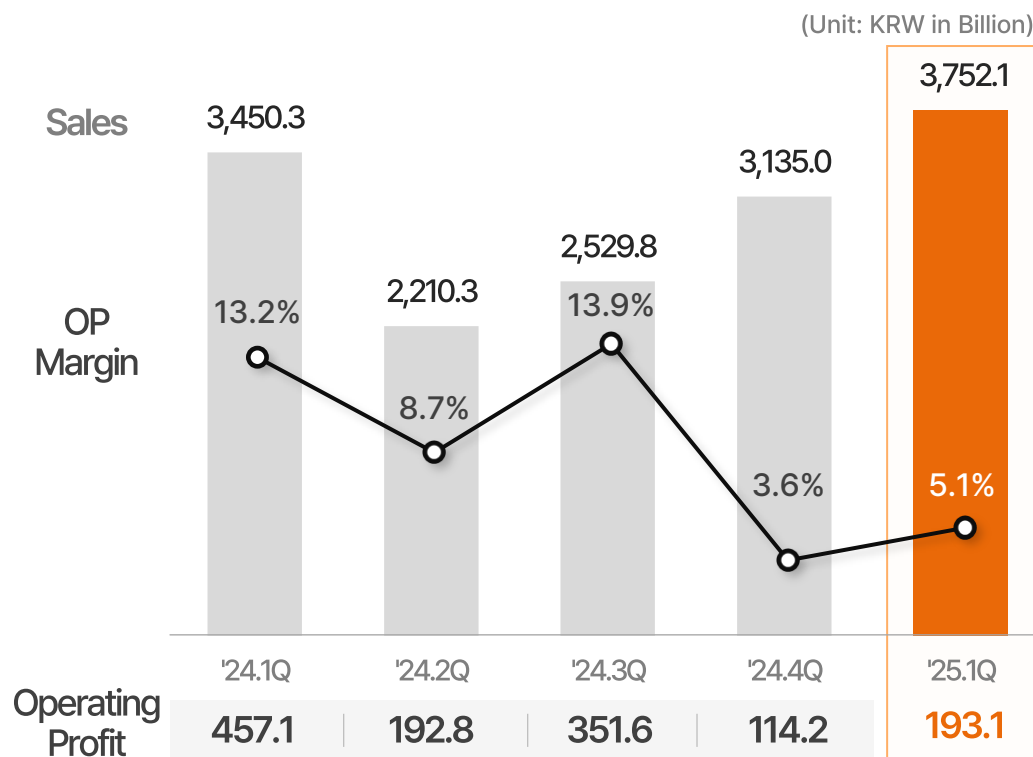


2Q Outlook

Meaningful sales growth expected QoQ

due to expanded sales to key customers and the start of base film sales to North America

Operating profit **rose by KRW 78.9 bn** QoQ
on higher city gas sales from winter heating
demand



※ '24.1Q~'24.4Q results are recalculated figures based on the merged entity

Financial Highlights & Outlook



1Q Highlights

Operating profit increased QoQ

fueled by higher city gas sales
driven by winter heating demand



2Q Outlook

QoQ Operating profit decline is expected

due to the seasonal off-peak and preemptive
maintenance for stable operations amid
high-electricity demand

Key Benchmark

Type	'24.4Q	'25.1Q	QoQ
JCC (\$/B)	78.5	79.8	+1.3
HHP (\$/mmbtu)	2.8	3.7	+0.9
JKM (\$/mmbtu)	13.5	14.7	+1.2
SMP (KRW/kWh)	113.3	113.5	+0.2

* JCC: Japan Crude Cocktail
HHP: Henry Hub Price
JKM: Japan Korea Marker
SMP: System Marginal Price

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Business Performance (Excluding intercompany transactions)

(Unit: KRW in Billion)

Type	Revenue			Operating Profit		
	'24.4Q	'25.1Q	QoQ	'24.4Q	'25.1Q	QoQ
Refining ¹⁾	11,686.8	11,918.1	+231.3	342.4	36.3	-306.1
Petrochem ²⁾	2,373.4	2,477.0	+103.6	-84.2	-114.3	-30.1
Lubricants	970.7	972.2	+1.5	139.5	121.4	-18.1
E&P ³⁾	379.2	383.1	+3.9	145.8	120.4	-25.4
Battery	1,598.7	1,605.4	+6.7	-359.4	-299.3	+60.1
Materials ⁴⁾	31.2	23.8	-7.4	-74.2	-54.8	+19.4
E&S	2,353.7	3,752.1	+1,398.4	123.4	193.1	+69.7
Others ⁵⁾	12.0	14.9	+2.9	-73.4	-47.4	+26.0
Total	19,405.7	21,146.6	+1,740.9	159.9	-44.6	-204.5

1) Refining | SKE, SKTI, SKET, SKIPC's petroleum businesses

2) Petrochem | SKGC, SKIPC's petrochemical businesses

3) E&P | Includes the performance of the Peru 88 and 56 blocks currently attributed to SKI

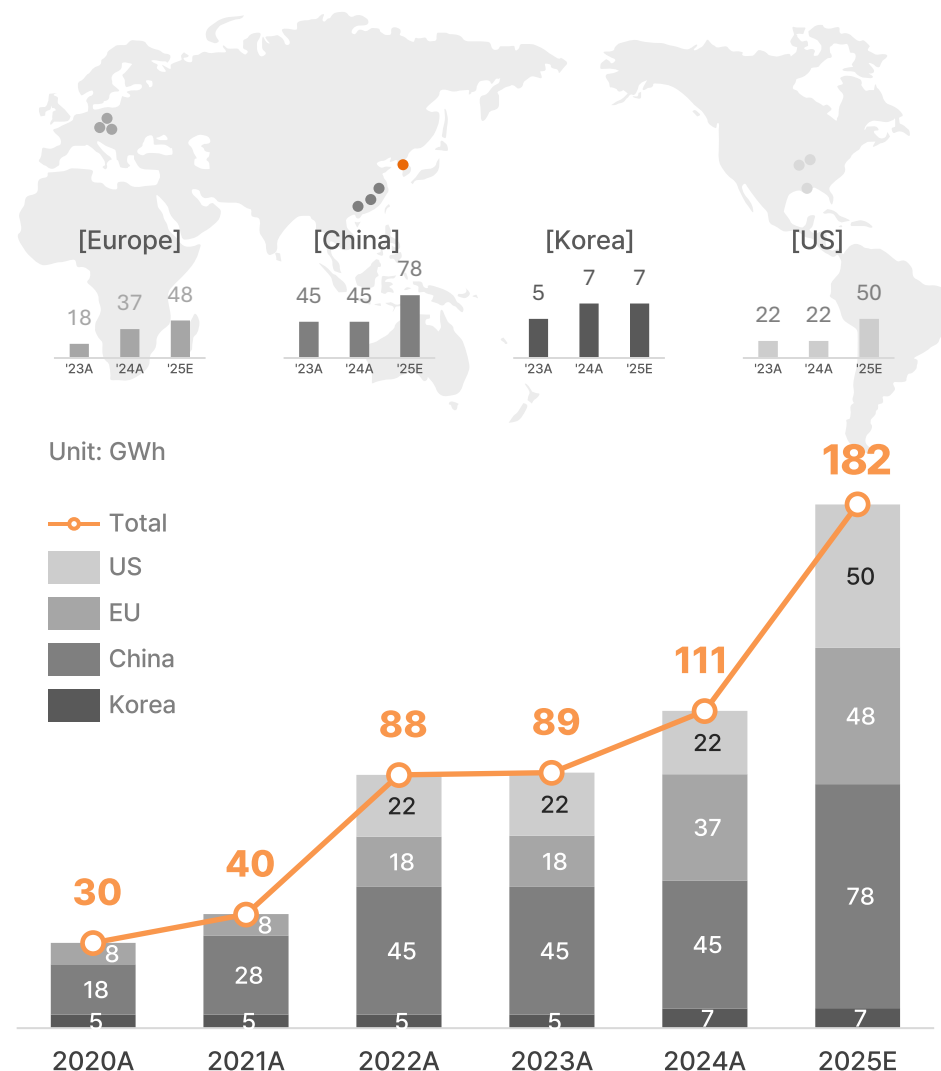
4) Materials | Reflects SKI's consolidated financial data excluding internal transactions and thus differs from SKIET's performance

5) Others | Staff, etc.

Battery Production Capacity

Existing sites

Region	Plant	Capacity (GWh)	Commercial Production
Korea	Korea Plant (Seosan Bld 1/2)	7.0	3Q18
	Korea Plant (Seosan Bld 3)	14.0	2026
Europe	Hungary Plant No.1 (Komarom)	7.5	1Q20
	Hungary Plant No.2 (Komarom)	10.0	1Q22
	Hungary Plant No.3 (Ivancsa)	30.0	2Q24
US	US Plant No.1 (Georgia)	10.0	1Q22
	US Plant No.2 (Georgia)	12.0	4Q22
	BlueOvalSK (Kentucky/Tennessee)	127.0	2025
	HMG North America JV (Georgia)	35.0	2026
China	BEST JV (Changzhou)	7.5	2Q20
	EUE JV (Huizhou)	10.0	1Q21
	SKOJ JV Bld 1+2 (Yancheng)	27.0	1Q21
	SKOY (Yancheng)	33.0	2025



SKI E&S(LNG)

(*) Based on the company's shareholding

Region	Key Blocks	Output*	Production
Australia	Caldita-Barossa gas fields	130Mton(per annum)	4Q25
US	Woodford gas field	110Mton(per annum)	3Q14
Vietnam	15-1/05 Block	N/A	2026(E)
	15-1 Block	3,300 B/D	4Q03
	15-2/17 Block	N/A	Exploration ongoing
	16-2 Block	N/A	Exploration ongoing
China	17/03 Block	10,100 B/D	2Q23
Peru	88 Block	8,900 B/D 131MMscf/D (Gas)	2004~
	56 Block	1,900 B/D 47MMscf/D (Gas)	2008~
Libya	NC174 Block	250 B/D	2Q04
Malaysia	SK427 Block	N/A	Exploration ongoing
	KETAPU Cluster	N/A	Exploration ongoing

