SK Innovation
2025 2Q Earnings Release

July 2025 | Investor Relations

Disclaimer

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Financial results for 2Q 2025 are subject to change according to the audit by the external independent auditor.

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SK Innovation Corporate Value Enhancement Strategy

Biz Portfolio Restructuring

"Accelerating growth" and strengthening competitiveness in electrification

SK On–SK Enmove Merger

Biz Synergy

2030 EBITDA KRW 200B + α

Profit increase through shared customers and cross-selling

SK Enmove Products → Sales → SK Enmove Customers

SK Enmove Products → New Sales → SK On Customers

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Entering new market based on 「Immersion Cooling + Battery」 Package

Expanding battery business through packaged solutions

Immersion Cooling + EV Battery / ESS Battery

Financial Synergy

Strengthening SK On's financial foundation through EBITDA and capital enhancement

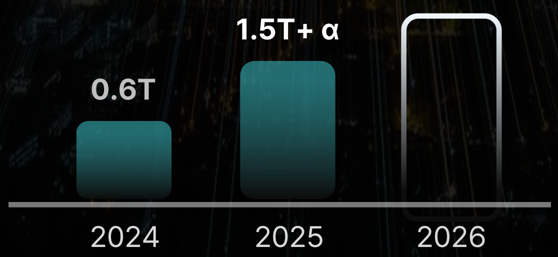
Enhancing Financial Soundness

"Proactively" strengthening financial soundness for stable growth

Net Debt Reduction through Capital Reinforcement

Asset Optimization

Expanding debt reduction through active divestment and non-core asset securitization



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Capital Raising

Proactive capital raising to secure a stable financial structure

2025
KRW 8T
Capital

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Key Business Results

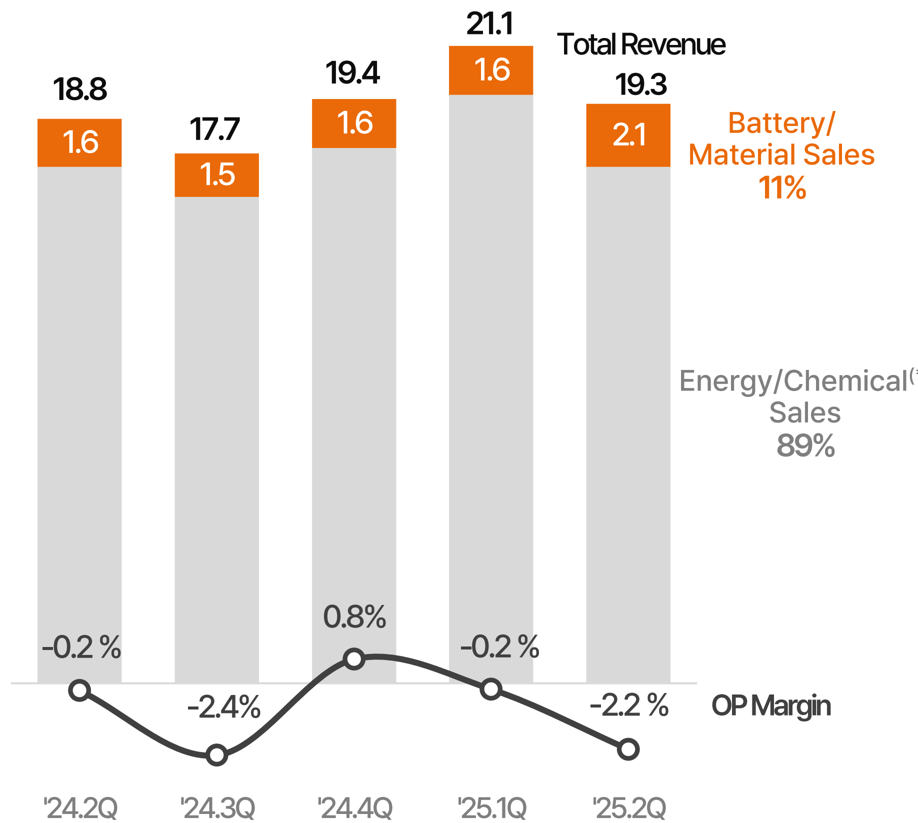
Financial Result

(Unit: KRW in Billion)

Type	'25.1Q	'25.2Q	QoQ	FY 2024
Revenue	21,146.6	19,306.6	*-1,840.0*	74,717.0
Operating Profit	-44.6	-417.6	*-373.0*	315.5
EBITDA	751.6	378.4	*-373.2*	2,764.0
Non-Operating Profit	-287.8	-843.2	*-555.4*	-2,695.3
Profit Before Tax	-332.4	-1,260.8	*-928.4*	-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

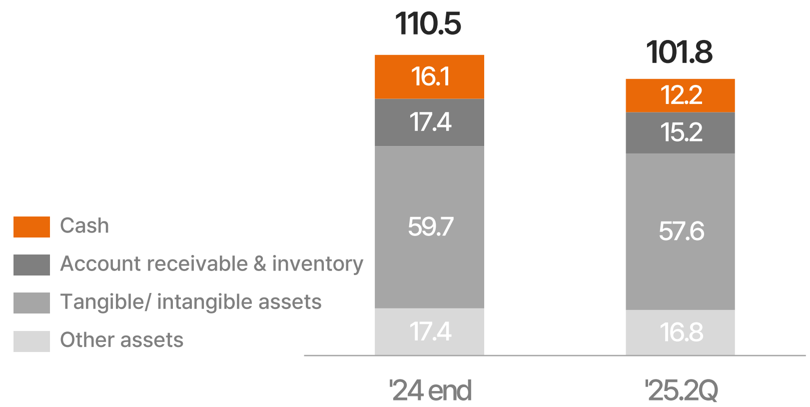
Balance Sheet

(Unit : KRW in Billion)

Type	'24 end	'25.2Q	vs '24 end
Assets	**110,530.1**	**101,817.3**	***-8,712.8***
- Cash, etc.	16,101.0	12,191.5	*-3,909.5*
- Account receivable	7,038.0	5,987.0	*-1,051.0*
- Inventory	10,335.6	9,244.3	*-1,091.3*
- Tangible & intangible assets	59,657.2	57,603.3	*-2,053.9*
Liabilities	**70,881.2**	**68,175.1**	***-2,706.1***
- Account payable	9,912.1	7,176.4	*-2,735.7*
- Debt	44,627.6	45,449.9	*+822.3*
Shareholder's equity	**39,648.9**	**33,642.2**	***-6,006.7***
Debt/Equity	179%	203%	*+24%pt*
Net Debt	**28,526.6**	**33,258.4**	***+4,731.8***

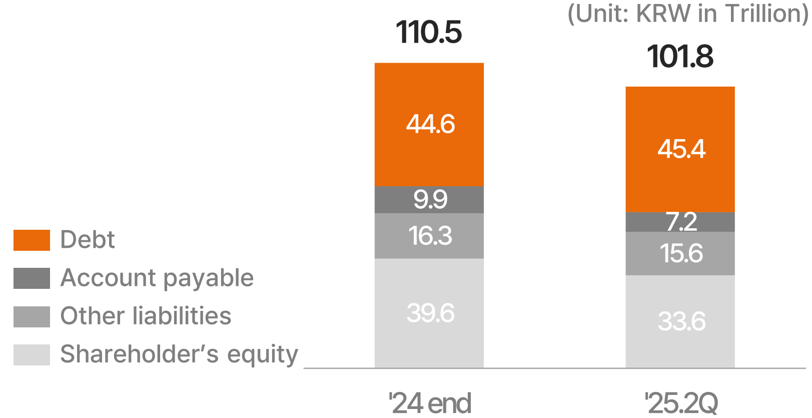
Asset Composition

(Unit: KRW in Trillion)



Liabilities & Equity Composition

(Unit: KRW in Trillion)



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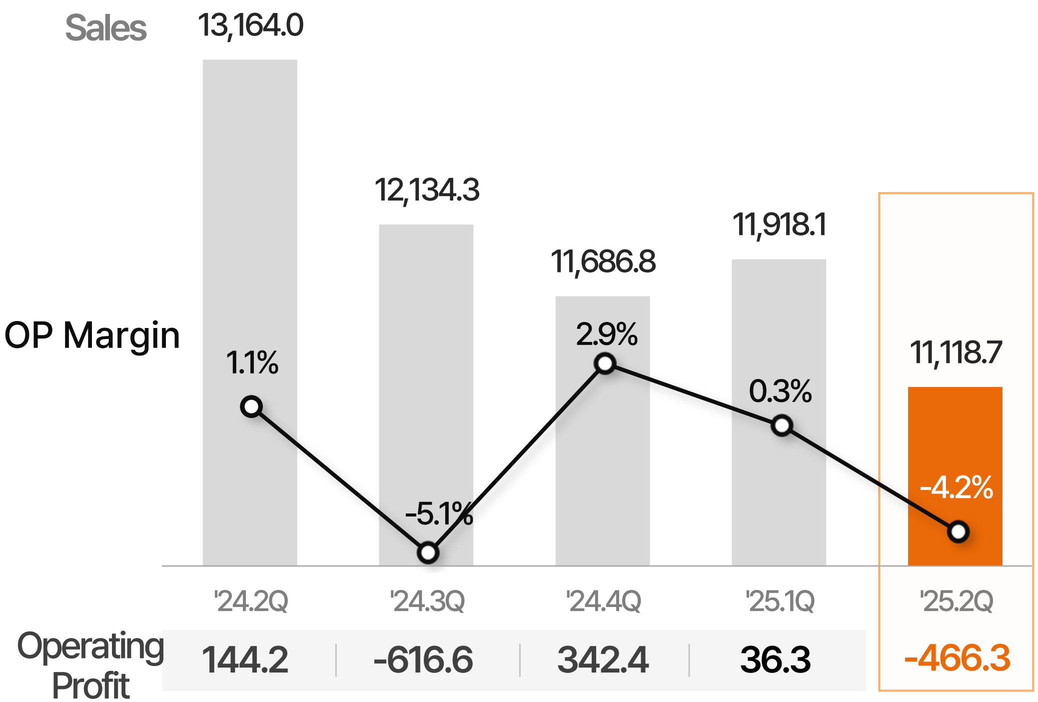
Despite recovery in refining margins, operating profit **decreased by KRW 502.6 billion** QoQ due to **declines in oil prices and exchange rates**

(Unit: KRW in Billion)



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

Financial Highlights & Outlook

2Q Financial Highlights

Operating profit declined QoQ due to lower oil prices and F/X rates, driven by US tariff policy, OPEC+'s shift to increase production and geopolitical volatility

3Q Market Outlook

Refining margins are expected to sustain improvement, supported by rising product demand amid eased tariff risks and tight regional and global supply

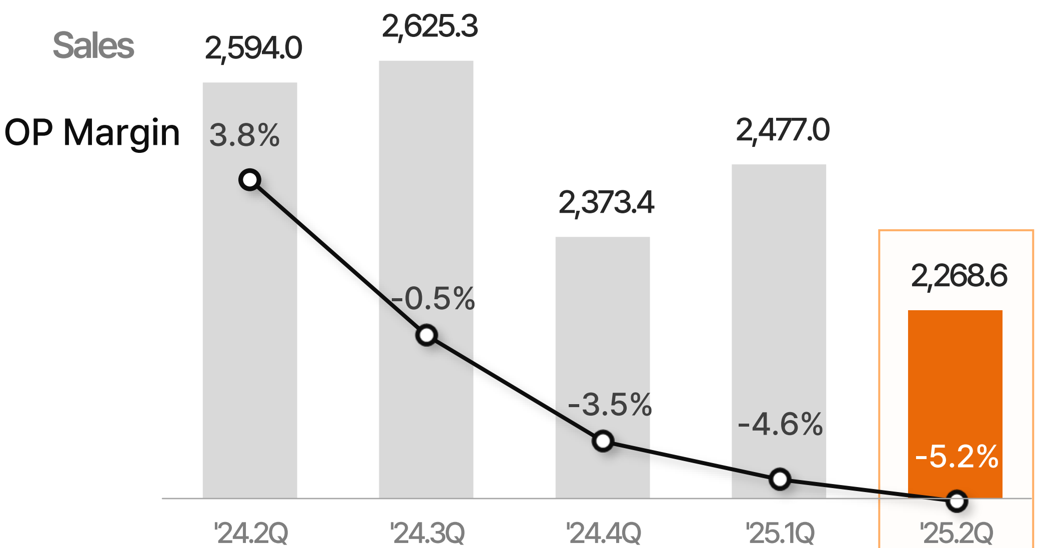
Oil price & Product Crack

Oil price & Crack ($/B)	'25.1Q	'25.2Q	QoQ
Dubai Quarter Average	76.9	66.9	-10.0
Dubai Last Month of Quarter Average	72.5	69.3	-3.2
Gasoline	6.0	9.9	+3.9
Diesel	14.3	15.8	+1.5
Kerosene	13.2	14.2	+1.0

Petrochemical

Despite improvement in the Olefin spread, **operating loss persisted** due to a decline in the BZ spread and scheduled PX turnaround

(Unit: KRW in Billion)



	'24.2Q	'24.3Q	'24.4Q	'25.1Q	'25.2Q
Operating Profit	99.4	-14.4	-84.2	-114.3	-118.6

Financial Highlights & Outlook

2Q Financial Highlights

Operating loss incurred due to a decline in the BZ spread and scheduled PX turnaround

3Q Market Outlook

Aromatic	**Spread is expected to weaken** due to PX plant operation, seasonal slowdown in polyester demand, and increased BZ supply
Olefin	**Spread is expected to weaken** due to decreased regional downstream product demand and tariff uncertainties

Spread by Product

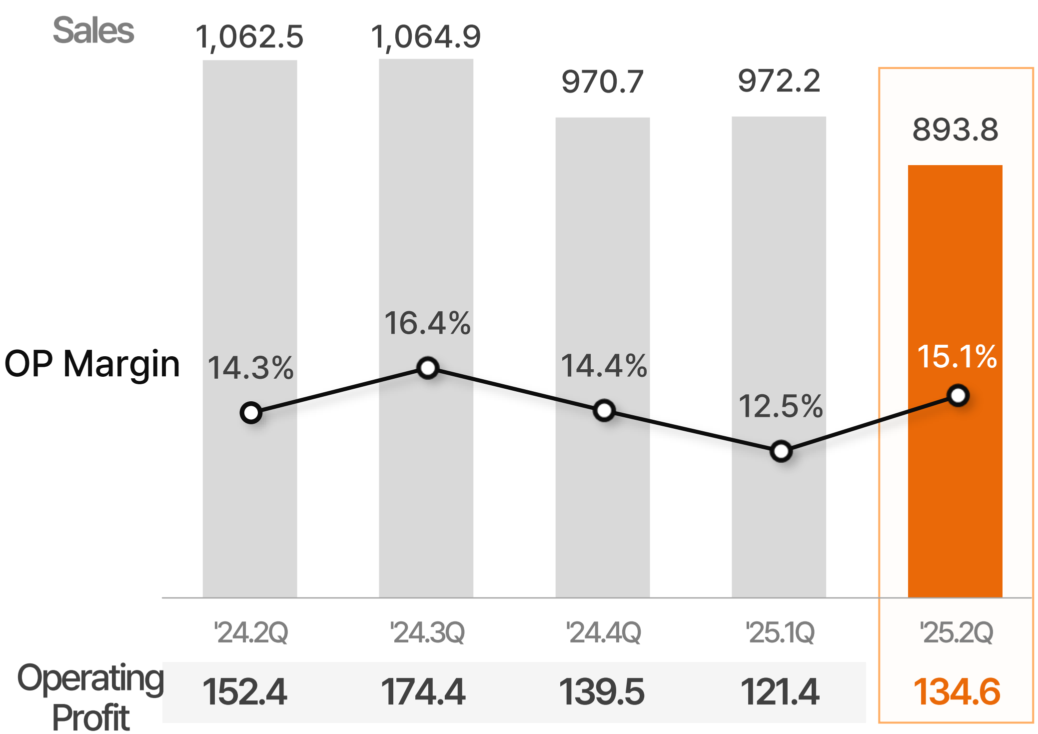
Spread ($/MT)	'25.1Q	'25.2Q	QoQ
PX	203	230	27
BZ	219	152	- 67
PE	250	275	25
PP	261	328	67

Average PX Utilization Rate

Utilization	'25.1Q	'25.2Q
PX(Ulsan)	71%	33%
PX(Incheon)	67%	63%

Operating profit **increased by KRW 13.2 billion QoQ**, driven by **firm selling prices and lower costs**

(Unit: KRW in Billion)



Financial Highlights & Outlook

2Q Financial Highlights

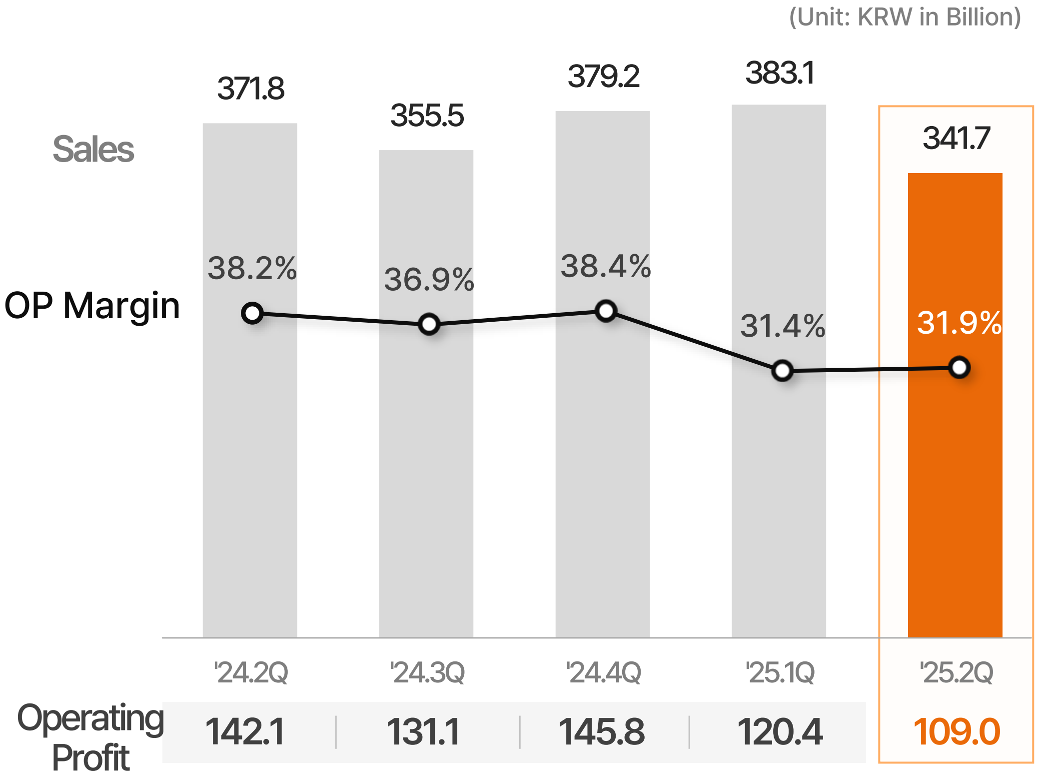
Operating profit increased QoQ as solid selling prices and lower costs from declining oil prices led to margin improvements

3Q Market Outlook

Supply is expected to rise as major suppliers complete maintenance, but seasonal demand is **projected to support stable profitability**

SK innovation

Operating profit **fell by KRW 11.4 billion** QoQ, **driven by lower oil prices**



Financial Highlights & Outlook

2Q Financial Highlights

Operating profit slipped QoQ
due to declines in oil and gas prices

Unit: 1K bbl	'25.1Q	'25.2Q
Sales volume	5,929	5,946
% of Oil	44%	42%

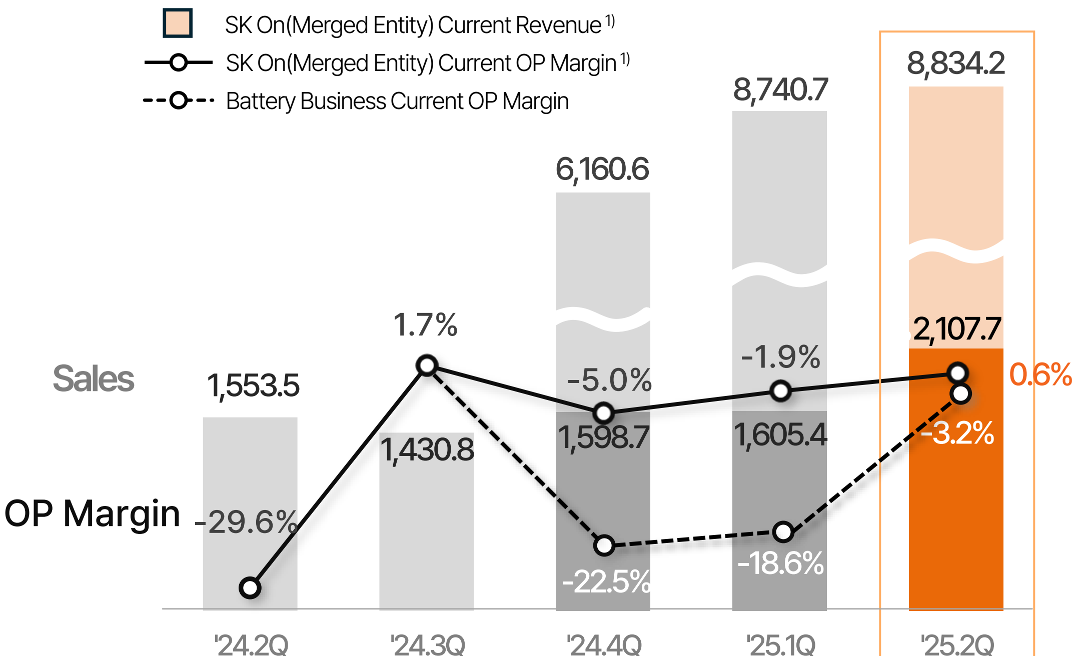
Benchmark

Category	'25.1Q	'25.2Q	QoQ
Brent ($/B)	75.7	67.8	-7.9
WTI ($/B)	71.5	63.9	-7.6
NBP($/mmbtu)	14.3	11.4	-2.9

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

SK On(Merged Entity) **posted a profit** driven by increased utilization rates in the U.S.

(Unit: KRW in Billion)



	'24.2Q	'24.3Q	'24.4Q	'25.1Q	'25.2Q
Operating Profit (Battery)	-460.1	24.0	-311.1 (-359.4)	-163.3 (-299.3)	60.9 (-66.4)

1) SK On completed mergers with SKTI on November 1, 2024, and SK Enterm on February 1, 2025. The consolidated financials exclude intercompany transactions within SK Innovation and therefore differ from SK On's (merged entity) actual performance

Financial Highlights & Outlook

2Q Financial Highlights

Operating profit improved, driven by enhanced utilization rates by promptly responding to increasing demand in the U.S.

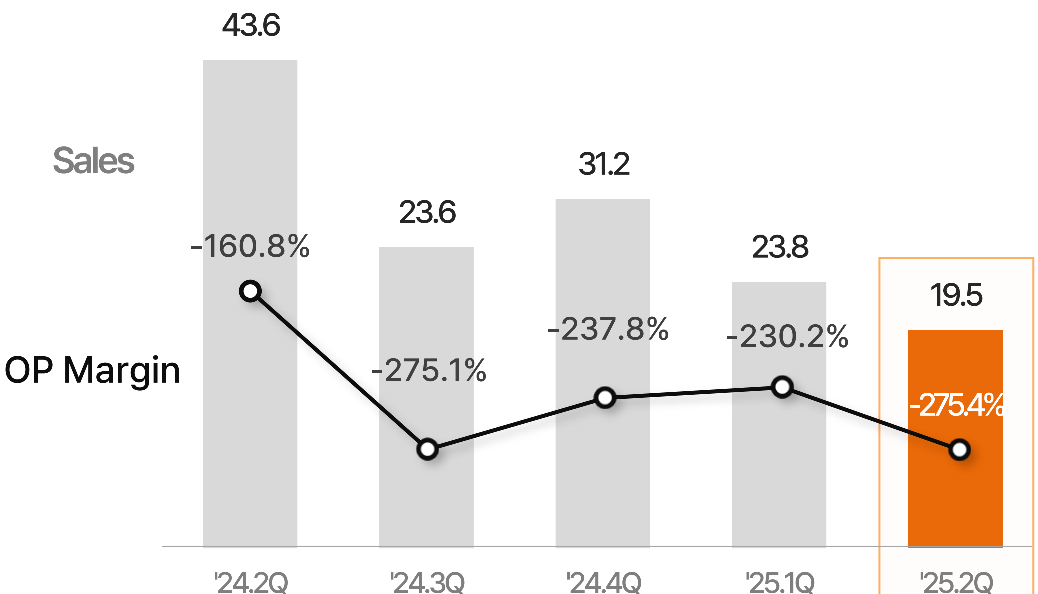
3Q Market Outlook

Despite continued uncertainties from U.S. policies and initial burden from new plants, **aim to defend profitability** through operational efficiency and operation improvement

SK innovation

Operating loss narrowed by KRW 1.1 billion due to higher sales volume

(Unit: KRW in Billion)



	'24.2Q	'24.3Q	'24.4Q	'25.1Q	'25.2Q
Operating Profit	-70.1	-74.0	-74.2	-54.8	-53.7

※ The above results exclude internal transactions within SK Innovation and thus differ from SKIET's consolidated financial statements

※ SKIET's consolidated 2Q 2025 revenue was KRW 82.8 billion, with an operating loss of KRW 53.8 billion (OP margin of -65.0%)

Financial Highlights & Outlook

2Q Financial Highlights

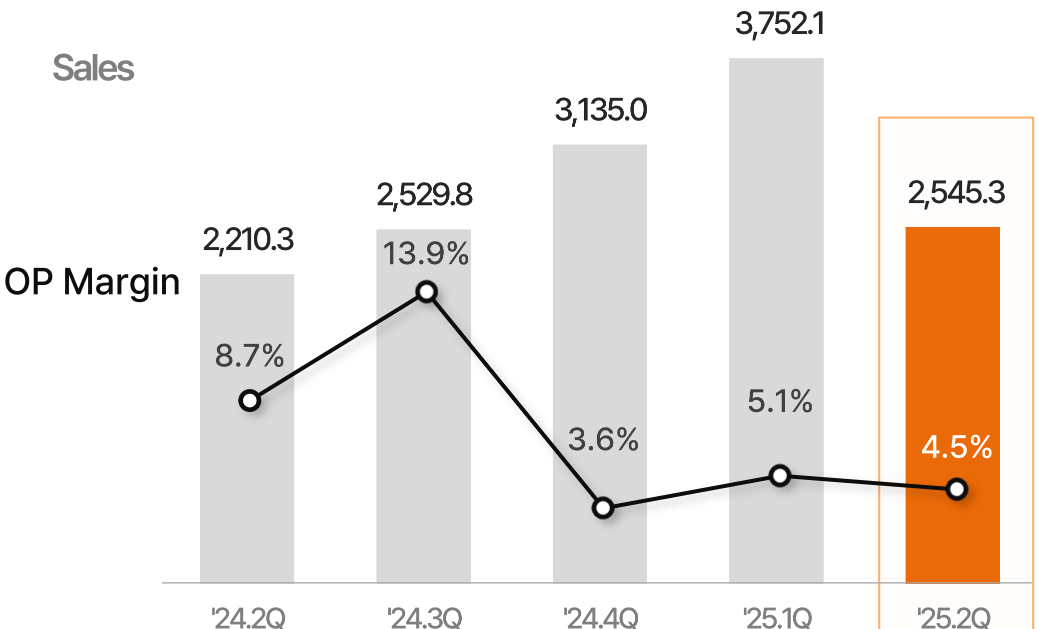
Operating loss decreased QoQ driven by expanded sales of EV and ESS products to major customers

3Q Market Outlook

Gradual performance improvement is anticipated, backed by increased North American sales and continued efforts to expand ESS customer base

Operating profit fell by KRW 78.1 billion QoQ due to the city gas off-season and etc.

(Unit: KRW in Billion)



Operating Profit	192.8	351.6	114.2	193.1	115.0

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

Financial Highlights & Outlook

2Q Financial Highlights

Operating profit declined QoQ due to lower city gas sales with the onset of the seasonal off-peak period

3Q Market Outlook

With SMP typically rising during the summer, **operating profit is expected to increase QoQ**, supported by stronger dispatch competitiveness and higher power plant utilization

Key Benchmark

Type	'25.1Q	'25.2Q	QoQ
JCC ($/B)	78.8	74.1	△4.7
HHP ($/mmbtu)	3.7	3.4	△0.2
JKM ($/mmbtu)	14.7	12.5	△2.1
SMP (KRW/kWh)	113.5	121.2	+7.7

* 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)

SK innovation

(Unit: KRW in Billion)

Type	Revenue			Operating Profit		
	'25.1Q	'25.2Q	QoQ	'25.1Q	'25.2Q	QoQ
Refining[1]	11,918.1	**11,118.7**	*-799.4*	36.3	**-466.3**	*-502.6*
Petrochem[2]	2,477.0	**2,268.6**	*-208.4*	-114.3	**-118.6**	*-4.3*
Lubricants	972.2	**893.8**	*-78.4*	121.4	**134.6**	*+13.2*
E&P[3]	383.1	**341.7**	*-41.4*	120.4	**109.0**	*-11.4*
Battery	1,605.4	**2,107.7**	*502.3*	-299.3	**-66.4**	*+232.9*
Materials[4]	23.8	**19.5**	*-4.3*	-54.8	**-53.7**	*+1.1*
E&S	3,752.1	**2,545.3**	*-1,206.8*	193.1	**115.0**	*-78.1*
Others[5]	14.9	**11.3**	*-3.6*	-47.4	**-71.2**	*-23.8*
Total	21,146.6	**19,306.6**	*-1,840.0*	-44.6	**-417.6**	*-373.0*

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

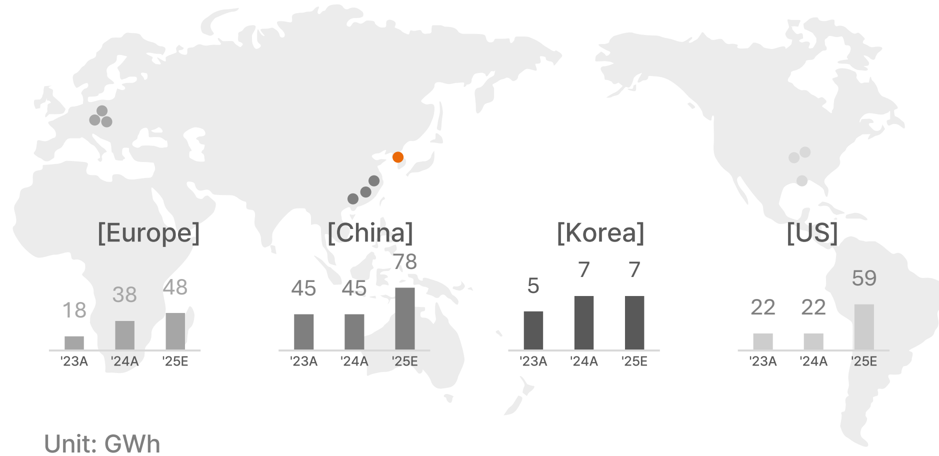
5) Others | Staff, etc.

Battery Production Capacity

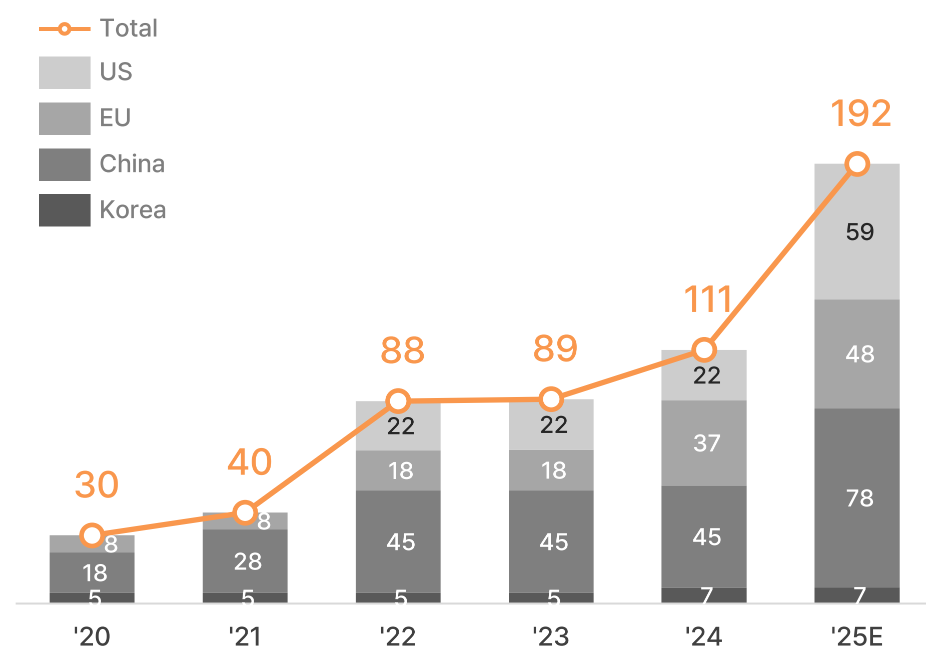
Existing sites

Region	Plant	Capacity (GWh)	Commercial Production
Korea	Korea Plant (Seosan Bld 1/2)	7.0	3Q18
	Korea Plant No.3 (Seosan)	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 No 1)	37.0	3Q25
	BlueOvalSK (Tennessee)	45.0	2026
	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

※ Battery Production based on maximum capacity



Unit: GWh



E&P Update

SKI E&S(LNG)

(*) Based on the company's shareholding

Region	Key Blocks	Output *		Production
Australia	Caldita-Barossa gas fields	1.3 million tons (per annum)		4Q25
US	Woodford gas field	1.1 million tons (per annum)		3Q14
Vietnam	15-1/05 Block	N/A		2026(E)
	15-1 Block	3,100 B/D		4Q03
	15-2/17 Block	N/A		Exploration ongoing
	16-2 Block	N/A		Exploration ongoing
China	17/03 Block	10,000 B/D		2Q23
Peru	88 Block	8,500 B/D	25,000 BOE/D (Gas)	2004~
	56 Block	1,800 B/D	8,000 BOE/D (Gas)	2008~
Libya	NC174 Block	250 B/D		2Q04
Malaysia	SK427 Block	N/A		Exploration ongoing
	KETAPU Cluster	N/A		Exploration ongoing

	(~'24)	(~'27)	(~'30)
Vietnam 16-2	Exploration	Exploration	Development
Malaysia SK427	Exploration	Exploration	Development
Vietnam 15-1/05	Development	Production	Production
Vietnam 15-2/17	Exploration	Development	Production