SK Innovation
2025 3Q Earnings Release

October 2025 | Investor Relations

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Financial results for 3Q 2025 are subject to change according to the audit by the external independent auditor.

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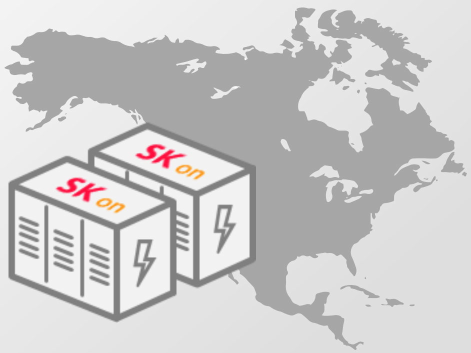
SK On Secures U.S. ESS Supply Contract
Marking an Entry into Global Market



- To supply up to 7.2 GWh to US Flatiron Energy over four years beginning in 2026
- First mass production and supply of LFP batteries; accelerating growth through diversification of product lineup and business portfolio

SK On–SK Enmove Merged Entity
Official Launch on November 1st

- Strengthened financial structure and created synergy to establish a foundation for SK On's self-sustainable growth
- Drive new market entry and business expansion through initiatives such as integrated battery–immersion cooling package projects

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Key Business Results

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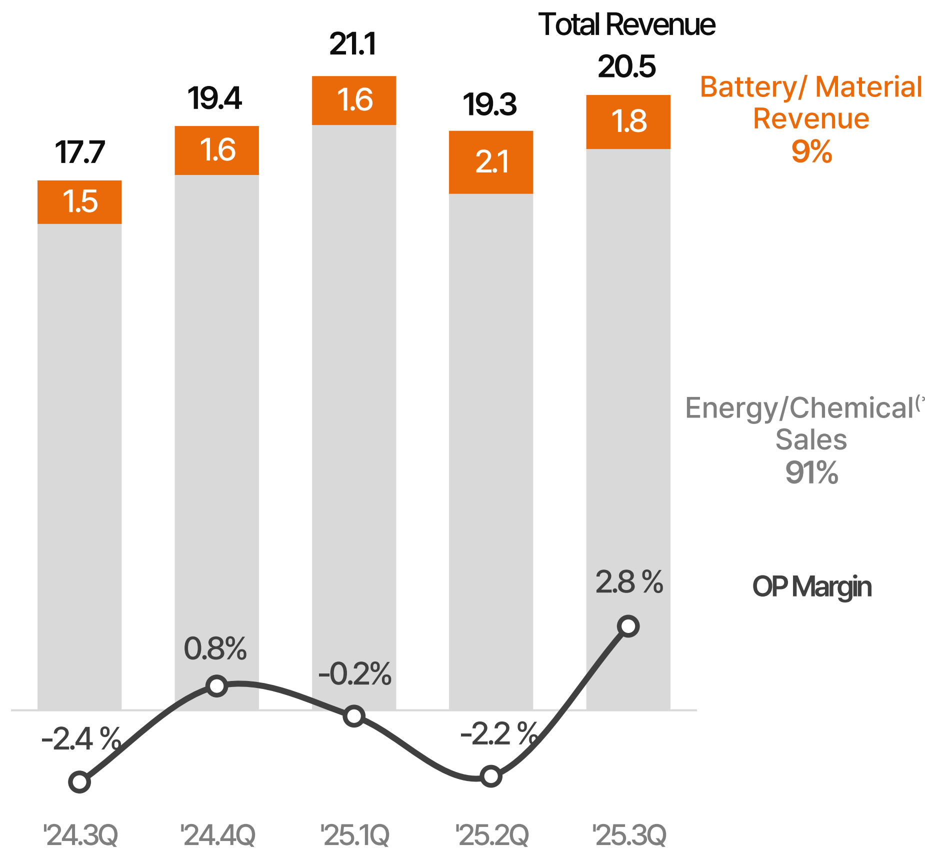
Financial Result

(Unit KRW in Billion)

Type	'25.2Q	'25.3Q	QoQ	FY 2024
Revenue	19,306.6	**20,533.2**	*+1,226.6*	74,717.0
Operating Profit	-417.6	**573.5**	*+991.1*	315.5
EBITDA	379.2	**1,366.8**	*+987.6*	2,764.0
Non-Operating Profit	-843.2	**-504.5**	*+338.7*	-2,695.3
Profit Before Tax	-1,260.8	**69.0**	*+1,329.8*	-2,379.8

Financial Highlights

(Unit: KRW in Trillion)



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

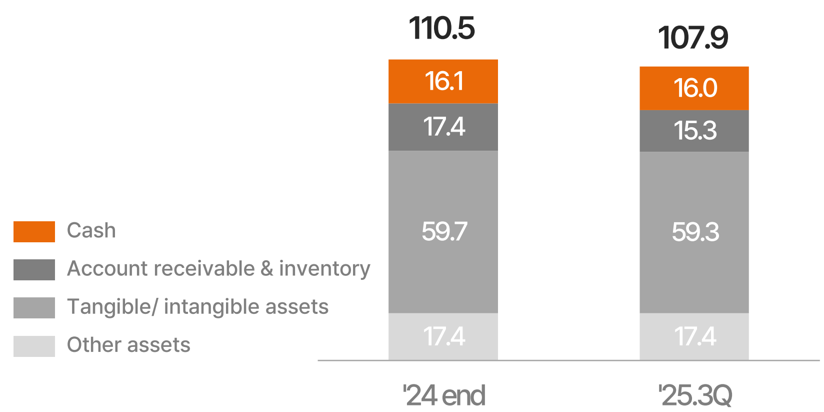
Balance Sheet

(Unit : KRW in Billion)

Type	'24 end	'25.3Q	vs '24 end
Assets	**110,530.1**	**107,898.5**	***-2,631.6***
- Cash, etc.	16,101.0	15,980.3	*-120.7*
- Account receivable	7,038.0	6,105.3	*-932.7*
- Inventory	10,335.6	9,160.3	*-1,175.3*
- Tangible & intangible assets	59,657.2	59,264.6	*-392.6*
Liabilities	**70,881.2**	**69,095.2**	***-1,786.0***
- Account payable	9,912.1	7,349.8	*-2,562.3*
- Debt	44,627.6	44,840.5	*+212.9*
Shareholder's equity	**39,648.9**	**38,803.3**	***-845.6***
Debt/Equity	179%	178%	*-1%pt*
Net Debt	**28,526.6**	**28,860.2**	***+333.6***

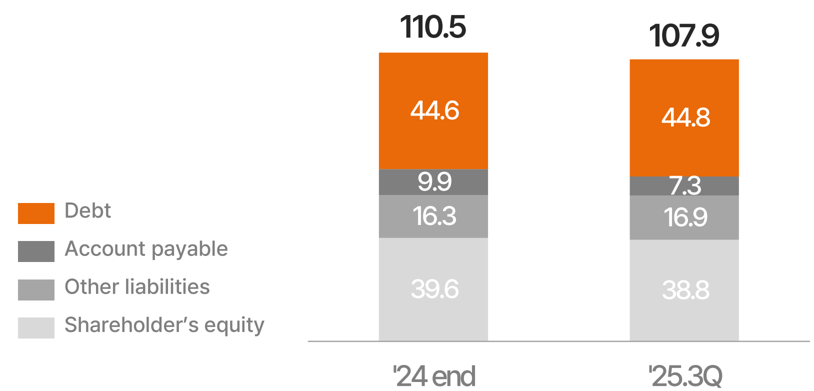
Asset Composition

(Unit: KRW in Trillion)



Liabilities & Equity Composition

(Unit: KRW in Trillion)



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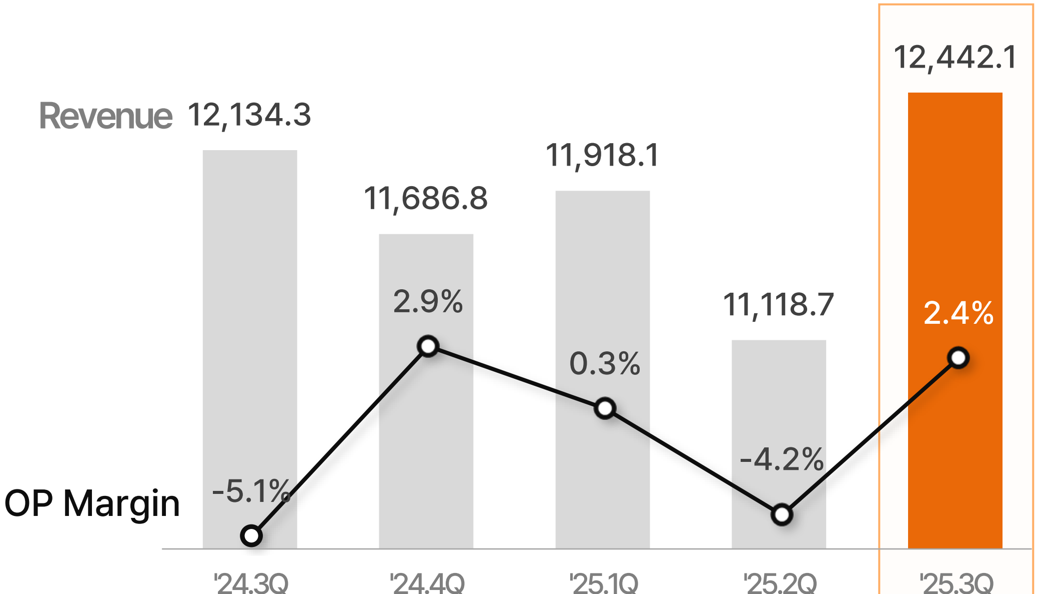
Operating profit **rose KRW 770.5 billion** QoQ, driven by higher margin and oil prices amid U.S. peak demand season

(Unit: KRW in Billion)



	'24.3Q	'24.4Q	'25.1Q	'25.2Q	'25.3Q
Operating Profit	-616.6	342.4	36.3	-466.3	304.2

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

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Financial Highlights & Outlook

3Q Financial Highlights

Operating profit surged QoQ
as refining margin and oil prices rose amid tight crude supply during the U.S. driving season

4Q Market Outlook

Despite inflation concerns and continued OPEC+ production increase, **refining margins and operating profit are expected to remain resilient** amid global supply disruptions and the onset of winter peak demand season

Oil price & Product Crack

Oil price & Crack ($/B)	'25.2Q	'25.3Q	QoQ
Dubai Quarter Average	66.9	69.9	+3.0
Dubai Last Month of Quarter Average	69.3	70.0	+0.7
Gasoline	9.8	8.5	-1.3
Diesel	15.7	18.8	+3.1
Kerosene	14.1	16.1	+2.0

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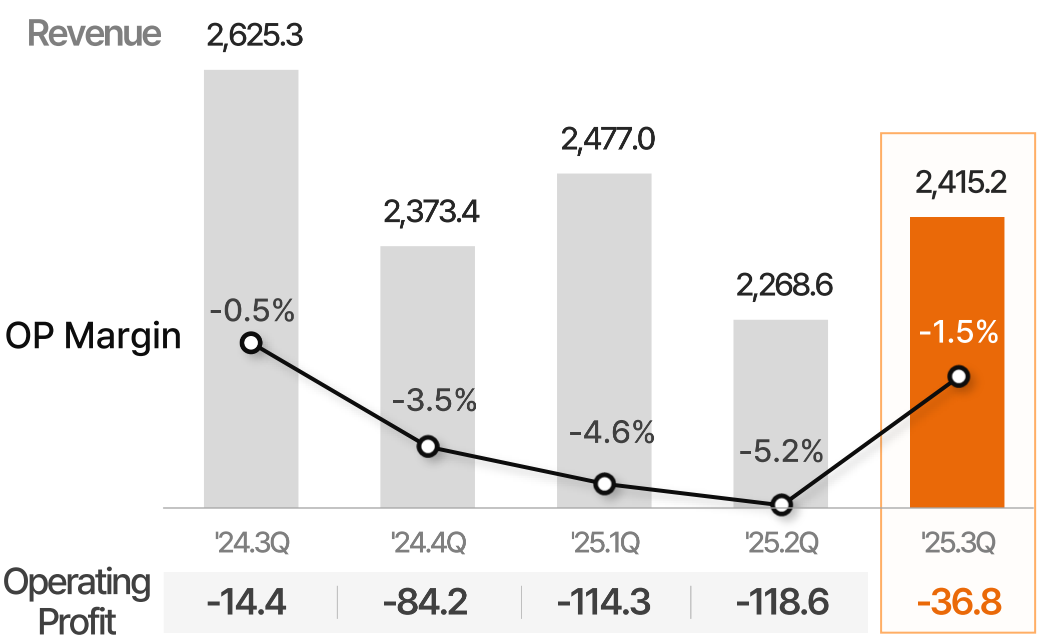
Despite declines in BZ and Olefin spreads, improved PX spread narrowed operating losses

(Unit: KRW in Billion)



Financial Highlights & Outlook

3Q Financial Highlights

Recorded an **operating loss** due to weakened BZ, PE, and PP

4Q Market Outlook

Aromatic	PX supply is expected to decline; however, due to the impact of the US–China trade conflict and new BZ capacity additions, **product spreads are to be subdued**
Olefin	**Spreads expected to decline** as product demand recovery is delayed due to the US–China trade conflict

Spread by Product

Spread ($/MT)	'25.2Q	'25.3Q	QoQ
PX	230	252	+22
BZ	152	137	-15
PE	275	264	-11
PP	328	276	-52

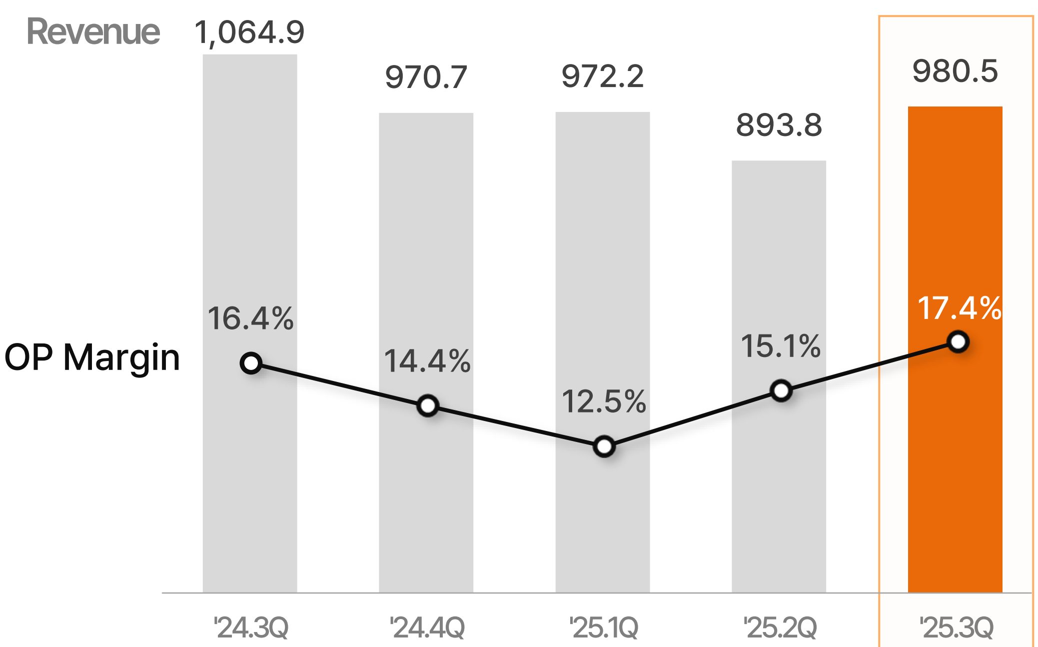
Average PX Utilization Rate

Utilization Rate	'25.2Q	'25.3Q	QoQ
PX(Ulsan)	33%	65%	+32%p
PX(Incheon)	63%	84%	+21%p

Lubricants

Operating profit **rose by KRW 36 billion** QoQ due to the seasonal peak period

(Unit: KRW in Billion)



	'24.3Q	'24.4Q	'25.1Q	'25.2Q	'25.3Q
Operating Profit	174.4	139.5	121.4	134.6	170.6

Financial Highlights & Outlook

3Q Financial Highlights

Operating profit increased QoQ, driven by higher sales volume and inventory gains from rising raw material prices

4Q Market Outlook

Market expected to remain subdued as demand weakens entering the seasonal off-peak period

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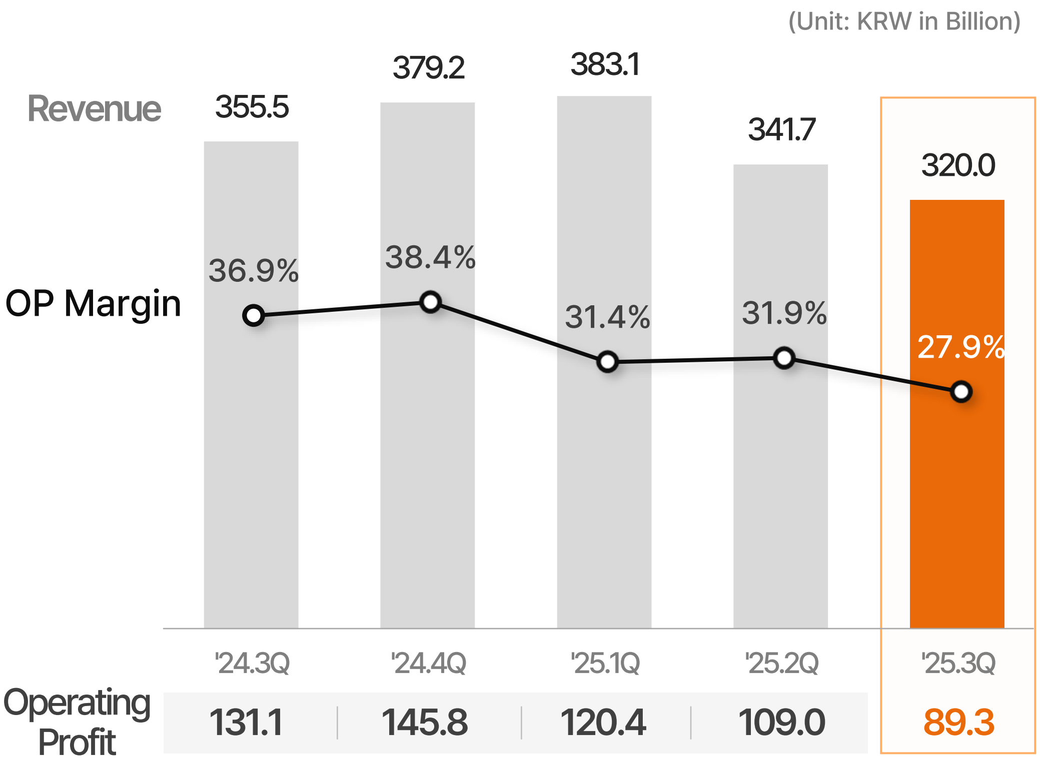
Operating profit **decreased by KRW 19.7 billion** QoQ due to lower gas sales price, etc.



Financial Highlights & Outlook

3Q Financial Highlights

QoQ operating profit declined
due to falling gas sales price and an increased share of gas sales

Unit: 1k bbl	'25.2Q	'25.3Q
Sales volume	5,946	6,338
% of Gas	58%	60%

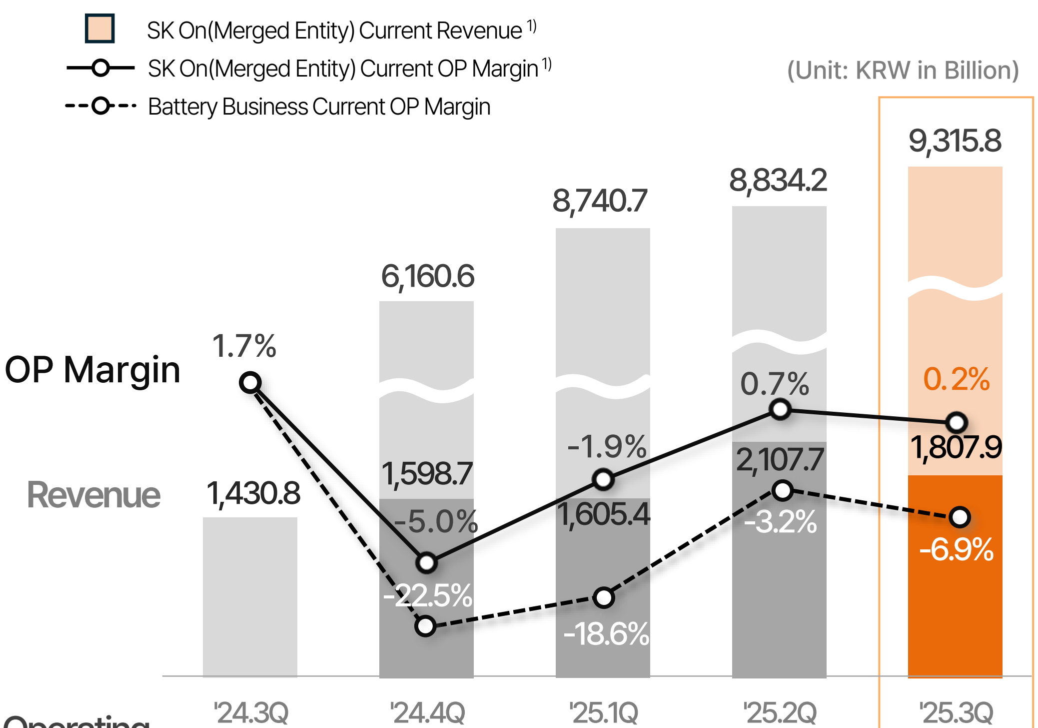
Benchmark

Category	'25.2Q	'25.3Q	QoQ
Brent ($/B)	67.8	69.1	+1.3
WTI ($/B)	63.9	65.0	+1.1
NBP($/mmbtu)	11.4	10.9	-0.5

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

Battery (SK On · SK Trading Int'l · SK Enterm merger basis)

The integrated SK On entity **maintained positive earnings** through increased utilization of European plants and improved cost and operational efficiency



	'24.3Q	'24.4Q	'25.1Q	'25.2Q	'25.3Q
Operating Profit (Battery)	24.0	-311.1 (-359.4)	-163.3 (-299.3)	60.9 (-66.4)	17.9 (-124.8)

1) SK On completed mergers with SK Trading Int'l 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

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Financial Highlights & Outlook

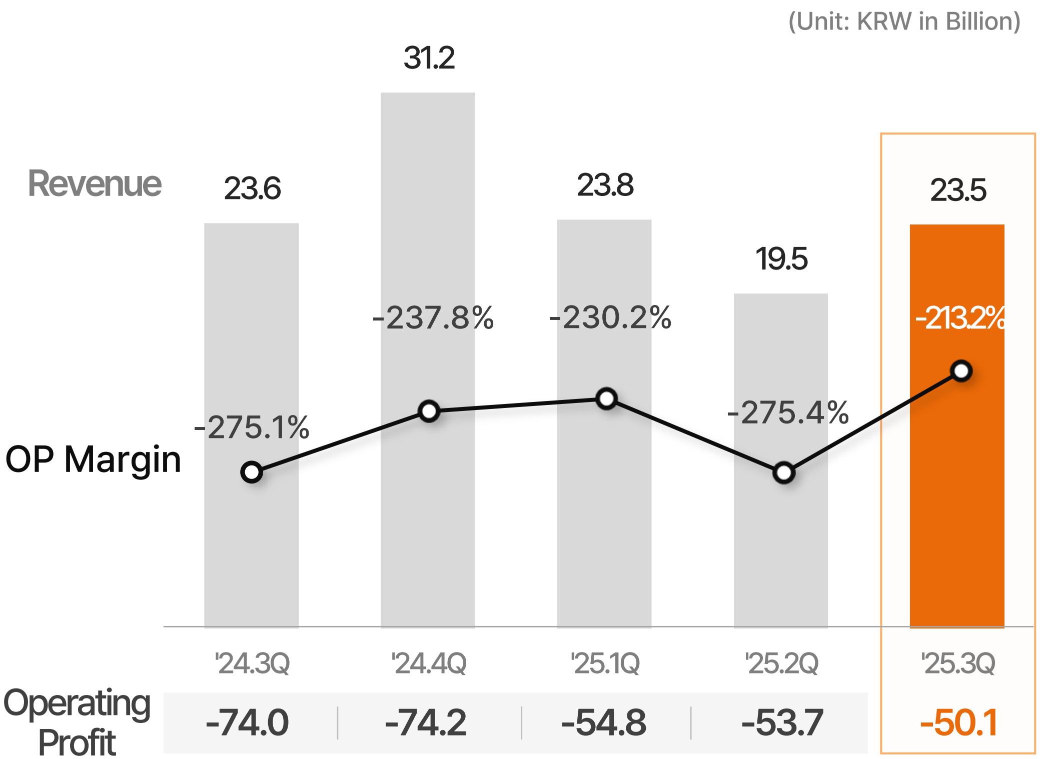
3Q Financial Highlights

Operating profit declined due to lower battery sales, affected by OEM summer breaks and the phase-out of US EV purchase incentives

4Q Market Outlook

While performance is expected to weaken due to soft U.S. demand and initial costs from new plants, **battery business portfolio expansion will accelerate** by strengthening ESS business

Operating loss reduced by KRW 3.6 billion due to cost-reduction efforts



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

※ SKIET's consolidated 3Q 2025 revenue was KRW 79.1 billion, with an operating loss of KRW 47.2 billion (OP margin of -59.7%)

Financial Highlights & Outlook

3Q Financial Highlights

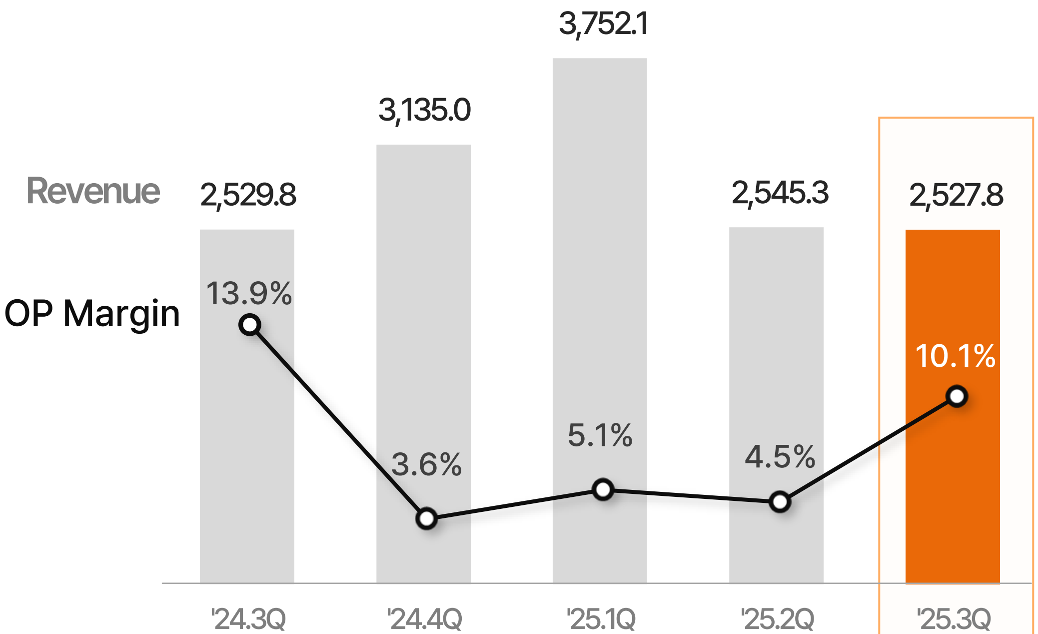
Company-wide cost-cutting efforts **reduced operating losses from the previous quarter**

4Q Market Outlook

Pursue cost improvements and expand ESS-related orders despite growing policy uncertainty in the US

Operating profit increased by **KRW 140.4 billion** QoQ due to higher power plant utilization during the summer season

(Unit: KRW in Billion)



	'24.3Q	'24.4Q	'25.1Q	'25.2Q	'25.3Q
Operating Profit	351.6	114.2	193.1	115.0	255.4

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

Financial Highlights & Outlook

3Q Financial Highlights

Operating profit increased QoQ, driven by high power plant utilization through enhanced competitiveness in cargo delivery during summer season

4Q Market Outlook

Despite expected SMP declines, maintain stable profit generation by **commencing commercial production of the CB Gas Fields and maximizing city gas sales during the winter season**

Key Benchmark

Type	'25.2Q	'25.3Q	QoQ
JCC ($/B)	74.9	72.3	-2.7
HHP ($/mmbtu)	3.4	3.1	-0.3
JKM ($/mmbtu)	12.5	12.5	-
SMP (KRW/kWh)	121.2	114.8	-6.4

* 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)

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(Unit: KRW in Billion)

Type	Revenue			Operating Profit		
	Type	'25.3Q	QoQ	'25.2Q	'25.3Q	QoQ
Refining[1]	11,118.7	**12,442.1**	*+1,323.4*	-466.3	**304.2**	*+770.5*
Petrochemical[2]	2,268.6	**2,415.2**	*+146.6*	-118.6	**-36.8**	*+81.8*
Lubricants	893.8	**980.5**	*+86.7*	134.6	**170.6**	*+36.0*
E&P[3]	341.7	**320.0**	*-21.7*	109.0	**89.3**	*-19.7*
Battery	2,107.7	**1,807.9**	*-299.8*	-66.4	**-124.8**	*-58.4*
Materials[4]	19.5	**23.5**	*+4.0*	-53.7	**-50.1**	*+3.6*
E&S	2,545.3	**2,527.8**	*-17.5*	115.0	**255.4**	*+140.4*
Others[5]	11.3	**16.2**	*+4.9*	-71.2	**-34.3**	*+36.9*
Total	19,306.6	**20,533.2**	*+1,226.6*	-417.6	**573.5**	*+991.1*

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

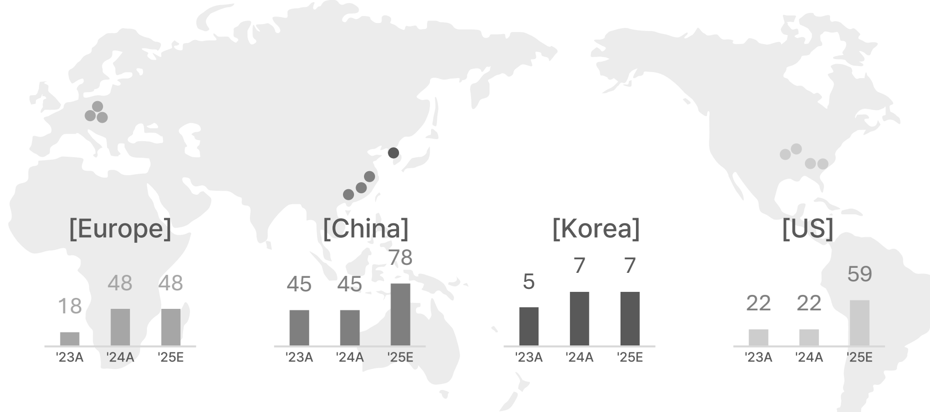
5) Others | Staff, etc.

Battery Production Capacity

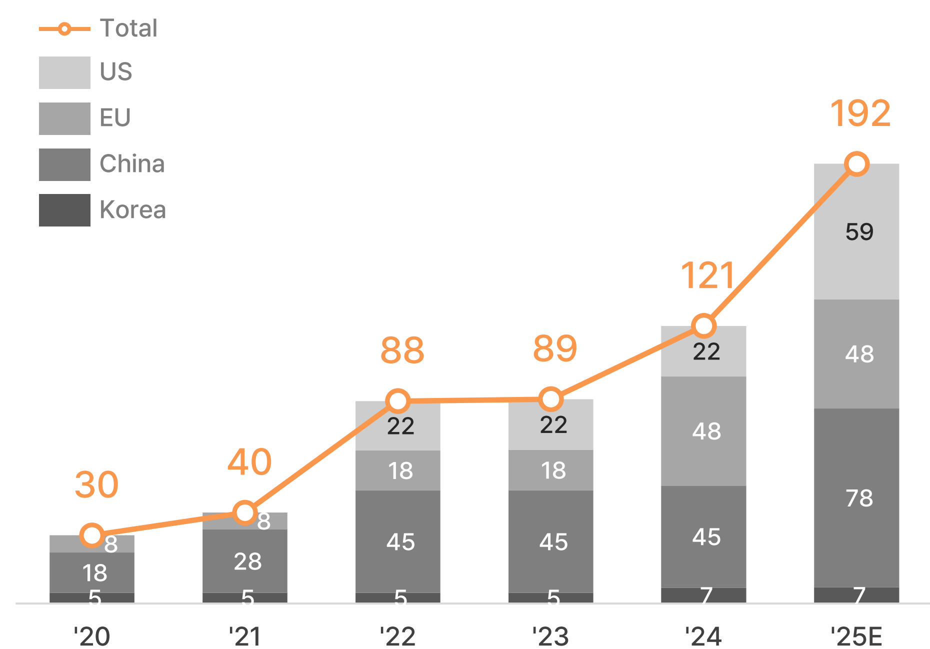
Operating sites

Region	Plant	Capacity(GWh)	Commercial Production
Korea	Korea Plant No. 1 and 2 (Seosan)	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 Plant 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	4Q25

※ Production capacity is calculated on a full-operation bas



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	9,500 B/D		2Q23
Peru	88 Block	8,500 B/D	25,000 BOE/D (Gas)	2004~
	56 Block	2,000 B/D	8,000 BOE/D (Gas)	2008~
Libya	NC174 Block	240 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