



SK Innovation **2025 4Q Earnings Release**

January 2026 | Investor Relations

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Financial results for 4Q '25 are subject to change according to the audit by the external independent auditor.

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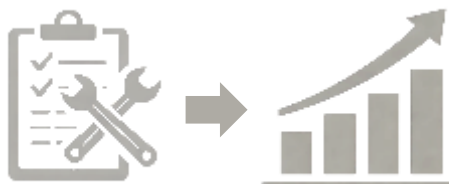
- 1 **Highlights**
- 2 **SK Innovation's Key Initiatives for 2026**
- 3 **Financial Results**
- 4 **Business Highlights**
- 5 **Appendix**

SK On **Strengthens Battery Business Fundamentals** through China and US JV Restructuring



- » Strengthen operational efficiency by securing 100% ownership of SKOJ, one of the joint plants with EVE Energy
- » Operate BlueOval SK Tennessee Plant independently to strengthen agile decision-making and profitability-focused management

Achieve Key Milestones in Portfolio Rebalancing and Aims for **Financial Stability**



- » Enhance competitiveness and financial structure through SK On-SK Enmove merger and non-core asset divestments
- » Continue portfolio rebalancing with financial stability as top priority

First Shipment from Australia CB Gas Field **Strengthens Business Base with Competitive LNG Supply**



- » CB Gas Field ships first LNG cargo, marking the fruition of 14 years of overseas resource development
- » Strengthen the future LNG value chain by securing competitive LNG supply

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Continue to strengthen core competitiveness, improve financial soundness, and drive "Electrification"

Revamp Business Portfolio

Reshape existing business portfolio to enhance core competitiveness

Stabilize Financial Structure

Improve financial soundness via net debt reduction

<Growth Strategy>

"Electrification"

Secure 'end to end' solutions across power generation to consumption

2026 Key Initiatives

- Enhance profitability across refining/petrochem/LNG value chain
- Strengthen financial structure and competitiveness of the battery business
- Reduce net debt through divestment and monetization of non-core assets
- Reinforce financial foundation for stable growth
- Secure diverse power assets based on distributed energy sources, generate power, and offer differentiated power solutions
- Expand the existing LNG and power business globally

Leading the Electrification Era as a 'Total Energy Company'

Expand business model as a power operator

"Total Energy Co."

Growth Strategy of SKI Affiliates

Electrification

Build growth engines **around the power business**, central to the future energy transition

Shift into Power Biz



- ▶ **[Production]** Acquire stable, efficient, and sustainable generation assets for power production
- ▶ **[Consumption]** Provide integrated services including equipment diagnosis, investment, replacement, and O&M for power-intensive industries
- ▶ **[Solution]** Offer differentiated power solutions for large power consumers
 - (Examples) Power Management/Server Cooling/ESS, etc. for AI DC Solution(DCMS), Power Trading Solutions, AI-based Power Trading S/W, etc.

Expand Global LNG V/C



- ▶ **Timely sourcing and expansion of competitive LNG from the US, Southeast Asia, and Australia**
- ▶ **Target high energy demand regions at home and abroad and pursue LNG/ CHP projects**
 - Korea: CHP projects in Yongin Semiconductor Cluster and Namyangju residential area (Total 1.5 GW)
 - Overseas: LNG power generation and electricity supply projects in regions with growing power demand including Vietnam

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Key Business Results

Financial Result *

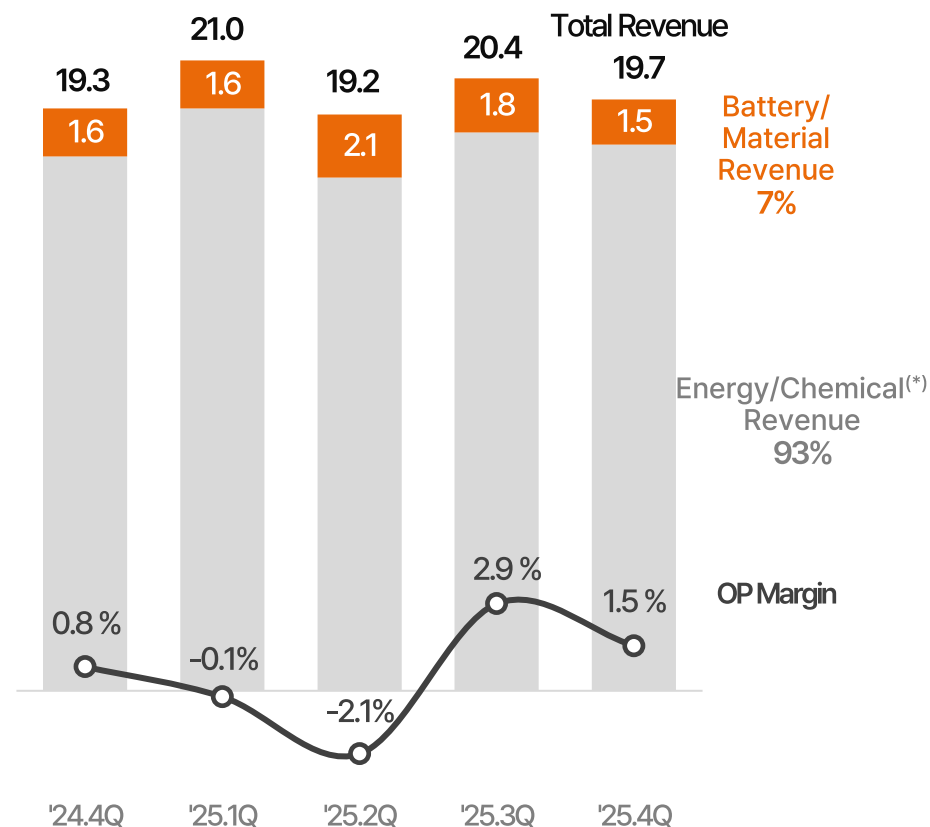
(Unit KRW in Billion)

Type	'25.3Q	'25.4Q	QoQ	FY 2025
Revenue	20,418.8	19,671.3	-747.5	80,296.1
Operating Profit	585.7	294.7	-291.0	448.1
EBITDA	1,409.5	1,123.3	-286.2	3,693.5
Non-Operating Profit	-497.0	-4,657.3	-4,160.3	-6,268.5
Profit Before Tax	88.7	-4,362.6	-4,451.3	-5,820.4

(*) Following the discontinuation and divestment of certain businesses, the related results have been retrospectively restated.

Financial Highlights

(Unit: KRW in Trillion)



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

Key Financial Results



> Balance Sheet*

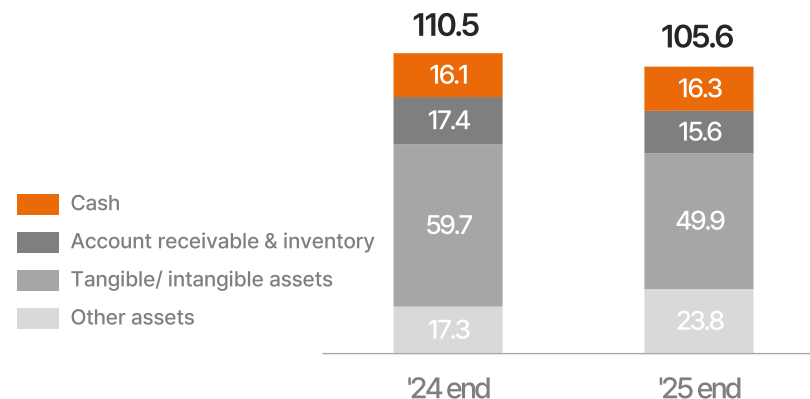
(Unit : KRW in Billion)

Type	'24 end	'25 end	vs '24 end
Assets	110,530.1	105,603.3	-4,926.8
- Cash, etc.	16,101.0	16,344.8	243.8
- Account receivable	7,038.0	6,089.4	-948.6
- Inventory	10,335.6	9,556.5	-779.1
- Tangible & intangible assets	59,657.2	49,861.8	-9,795.4
Liabilities	70,881.2	69,179.4	-1,701.8
- Account payable	9,912.1	9,140.8	-771.3
- Debt	44,627.6	38,855.9	-5,771.7
Shareholder's equity	39,648.9	36,423.9	-3,045.0
Debt/Equity	179%	190%	+11%pt
Net Debt	28,526.6	22,511.0	-6,015.6

(*) Following the discontinuation and divestment of certain businesses, the related results have been retrospectively restated.

> Asset Composition

(Unit: KRW in Trillion)



> Liabilities & Equity Composition

(Unit: KRW in Trillion)

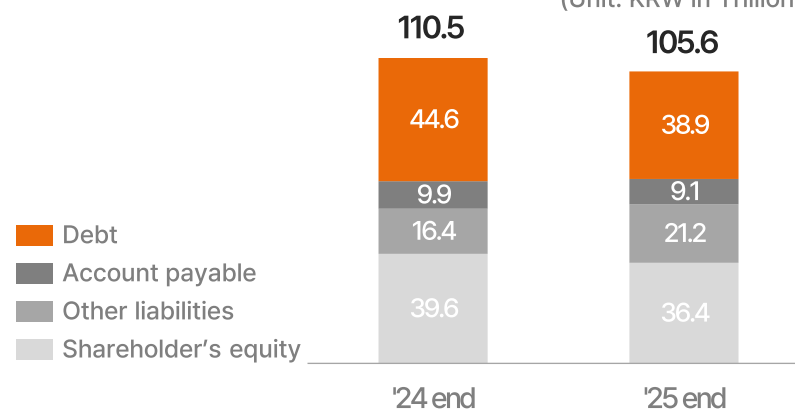
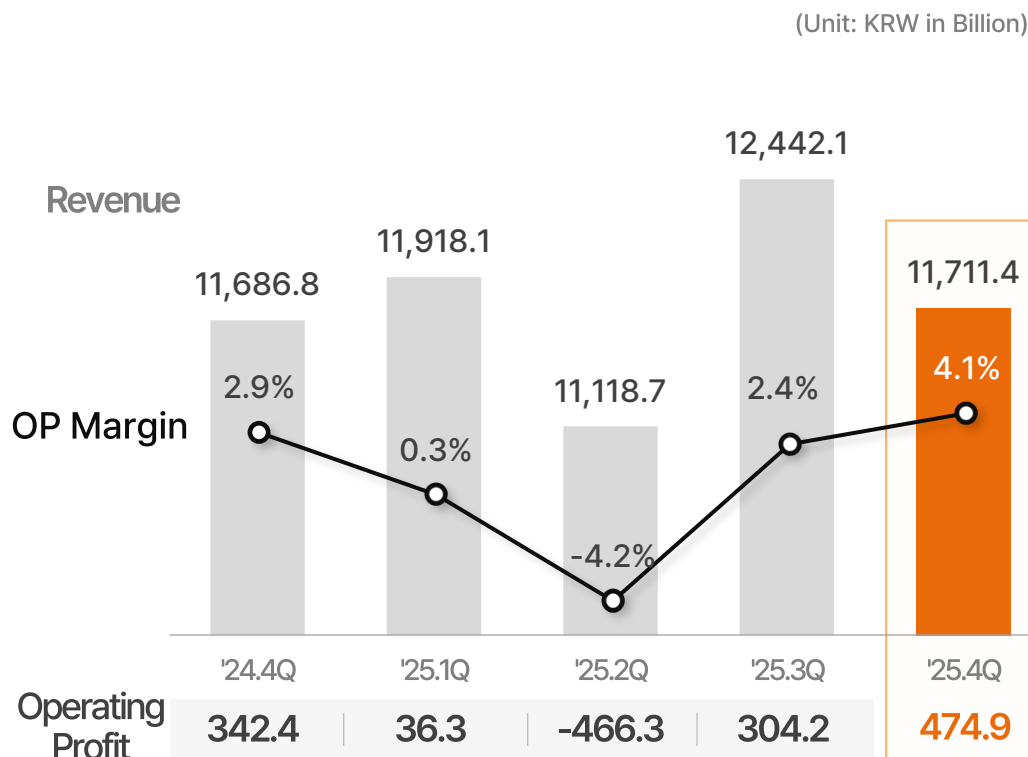


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Operating profit **rose KRW 170.7 billion** QoQ, driven by strong margins amid intensified Russian sanctions



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

Financial Highlights & Outlook



4Q Financial Highlights

Operating profit increased QoQ, supported by sustained middle crack strength amid Ukraine's drone attacks on large scale refineries and intensified sanctions on Russia



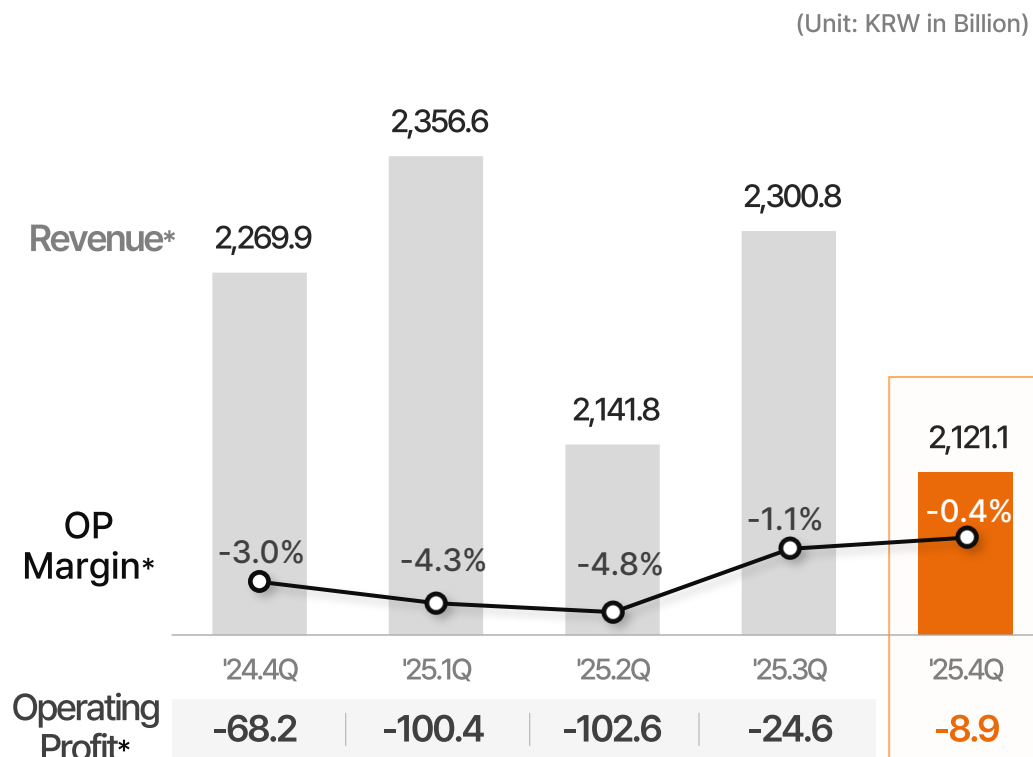
'26 Market Outlook

Crack spreads expected to remain strong, as US low-oil-price policy persists despite fading winter demand and Russia-Ukraine ceasefire hopes

Oil price & Product Crack

Oil price & Crack (\$/B)	'25.3Q	'25.4Q	QoQ
Dubai Quarter Average	69.9	63.9	-6.0
Dubai Last Month of Quarter Average	70.0	62.2	-7.8
Gasoline	8.5	13.9	+5.4
Diesel	18.8	24.8	+6.0
Kerosene	16.1	24.9	+8.8

Operating losses narrowed due to enhanced PX spread resulting from new PTA operations and downstream demands



(*) Following the discontinuation and divestment of certain businesses, the related results have been retrospectively restated.

Financial Highlights & Outlook



4Q Financial Highlights

Operating losses narrowed due to enhanced PX spread resulting from new PTA operations and downstream demands



'26 Market Outlook

Aromatic	PX spread is expected to strengthen decreasing supply due to facility maintenance within the region
Polymer	Spreads are expected to weaken due to naphtha price drop amid new and additionally operating plants

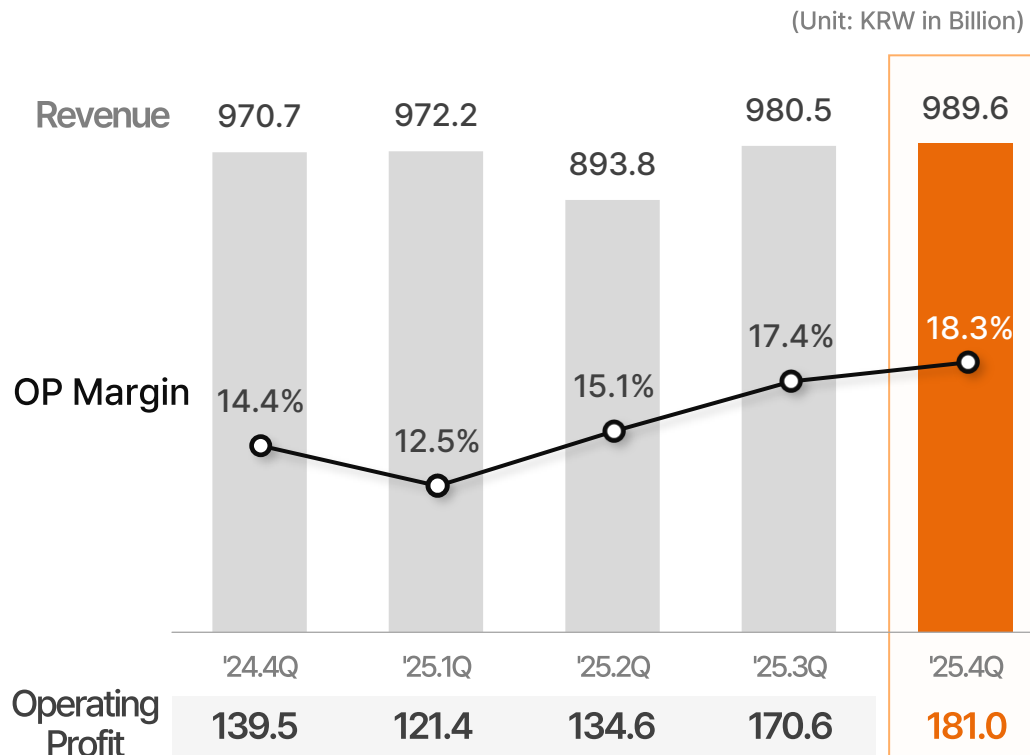
> Spread by Product

Spread (\$/MT)	'25.3Q	'25.4Q	QoQ
PX	252	258	+6
BZ	137	101	-36
PE	264	248	-16
PP	276	221	-55

> Average PX Utilization Rate

Spread (\$/MT)	'25.3Q	'25.4Q	QoQ
PX(Ulsan)	65%	69%	+4%p
PX(Incheon)	84%	83%	-1%p

Operating profit **rose KRW 10.4 billion** QoQ despite off-peak season, driven by higher margins from lower oil prices and optimized production and sales of Gr-III base oil



Financial Highlights & Outlook



4Q Financial Highlights

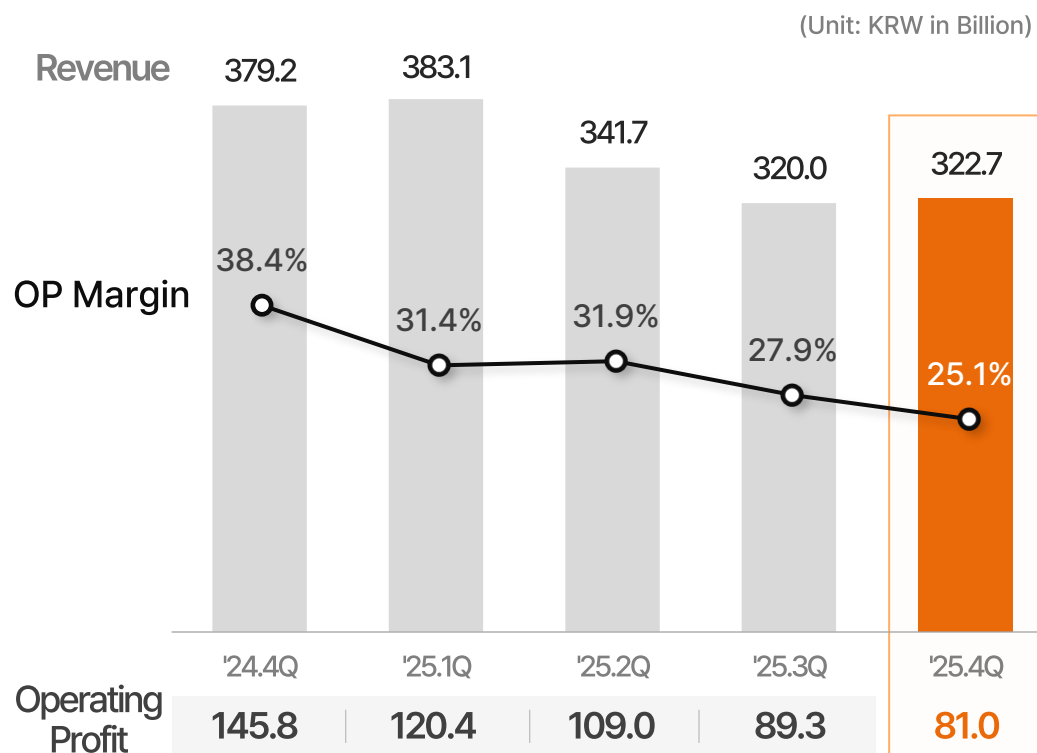
QoQ operating profit increased, supported by higher margins from lower oil prices and efforts to optimize Gr-III base oil production and sales



'26 Market Outlook

Market expected to remain steady with no clear signs of demand growth and intensifying supply competition

Operating profit **decreased KRW 8.3 billion** QoQ,
due to lower oil prices and reduced volume



Financial Highlights & Outlook



4Q Financial Highlights

Operating profit fell QoQ on declining oil prices and weaker sales volume

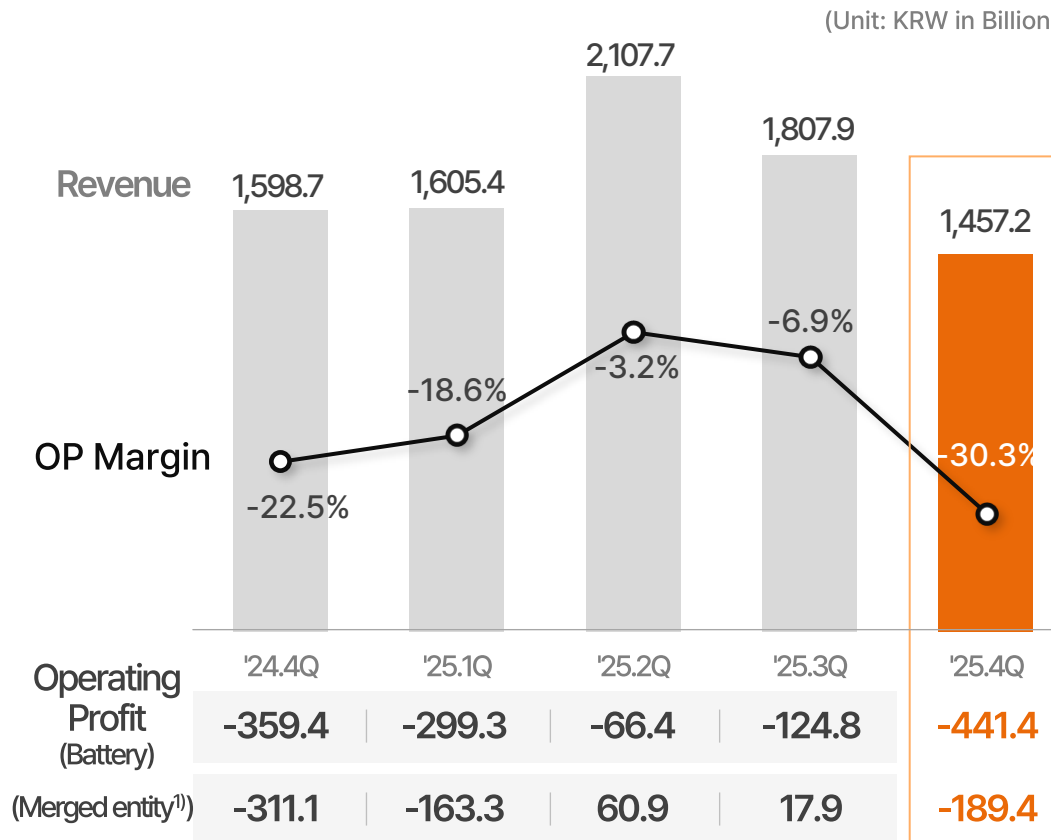
Unit: 1Kbbl	'25.3Q	'25.4Q
Sales volume	6,338	6,224
% of Gas	60%	60%

Benchmark

Category	'25.3Q	'25.4Q	QoQ
Brent (\$/B)	69.1	63.7	-5.4
WTI (\$/B)	65.0	59.2	-5.8
NBP(\$/mmbtu)	10.9	10.4	-0.5

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

Sales declined and **profitability weakened** following the termination of US EV purchase subsidy



1) SK On and SKTI completed their merger on Nov. 1, 2024, SK Entum on Feb. 1, 2025, and SK Enmove on Nov. 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



4Q Financial Highlights

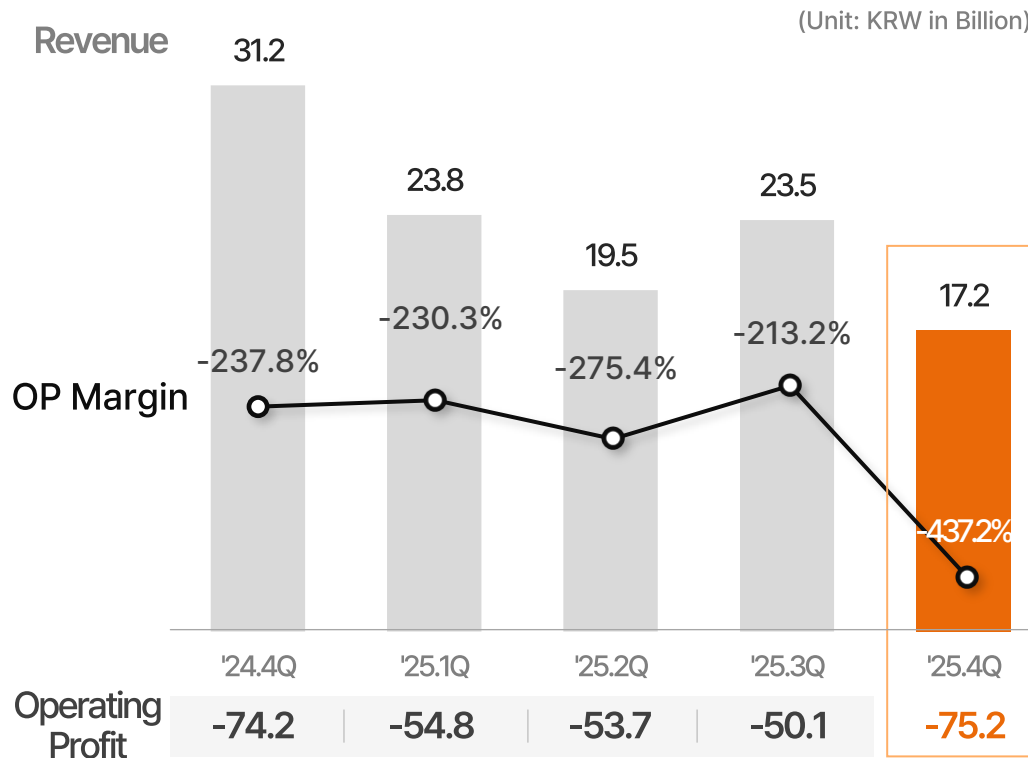
Despite increased volumes in Europe, **operating profit declined** due to lower battery sales in North America



'26 Market Outlook

Despite an unfavorable external environment, the **mid-to-long-term battery portfolio is being reshaped** through portfolio rebalancing and strengthened ESS business capabilities

Sales declined due to the termination of US EV subsidies



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

※ SKIET's consolidated 4Q 2025 revenue was KRW 41.9 billion, with an operating loss of KRW 75.7 billion (OP margin of -180.7%)

Financial Highlights & Outlook



4Q Financial Highlights

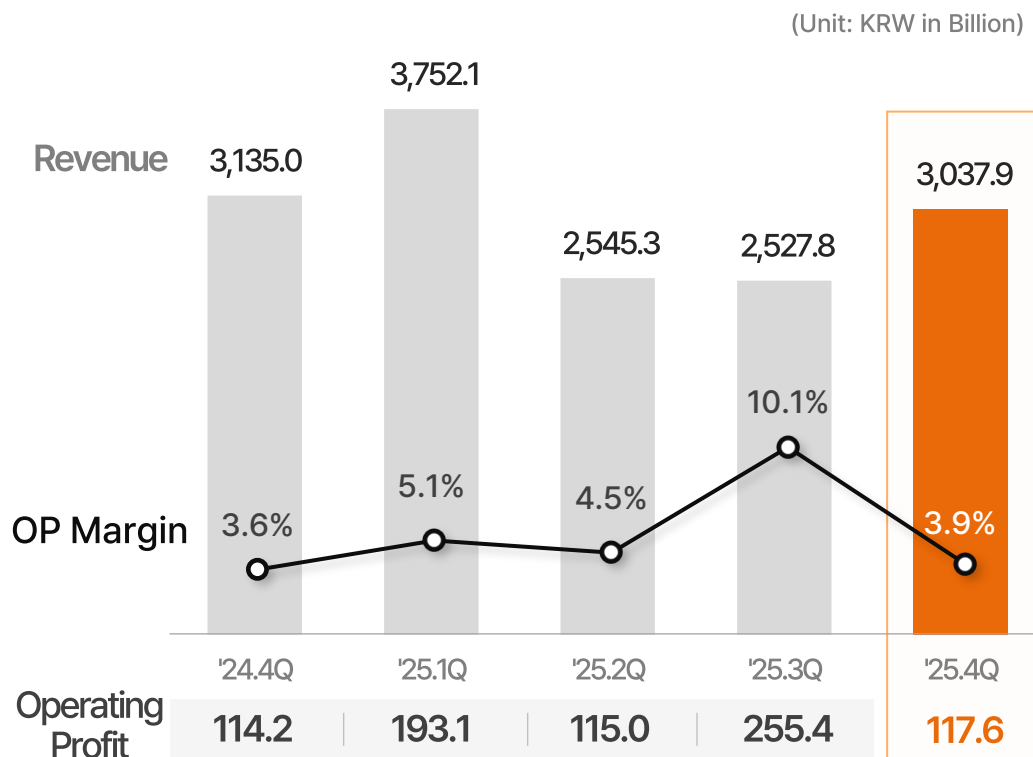
QoQ revenue fell on reduced North American volumes and year-end inventory adjustments



'26 Market Outlook

Diversify customer and product portfolios and improve manufacturing cost structure to strengthen core competitiveness

Operating profit **declined** due to lower SMP,
driven by falling oil prices and reduced electricity
demand during the transitional season



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

Financial Highlights & Outlook



4Q Financial Highlights

Operating profit declined QoQ as SMP fell,
reflecting the full impact of lower oil prices
and reduced electricity demand during
the transitional season



'26 Market Outlook

Aim to achieve stable earnings through
**improved cost competitiveness from
the CB Gas Field** and **reliable
procurement of low-cost LNG volumes**

Key Benchmark

Type	'25.3Q	'25.4Q	QoQ
JCC (\$/B)	72.2	71.2	-1.0
HHP (\$/mmbtu)	3.1	3.5	+0.5
JKM (\$/mmbtu)	12.5	11.2	-1.3
SMP (원/kWh)	114.8	93.7	-21.1

* 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		
	'25.3Q	'25.4Q	QoQ	'25.3Q	'25.4Q	QoQ
Refining ¹⁾	12,442.1	11,711.4	-730.7	304.2	474.9	+170.7
Petrochem ²⁾	2,300.8	2,121.1	-179.7	-24.6	-8.9	+15.7
Lubricants	980.5	989.6	+9.1	170.6	181.0	+10.4
E&P ³⁾	320.0	322.7	+2.7	89.3	81.0	-8.3
Battery	1,807.9	1,457.2	-350.7	-124.8	-441.4	-316.6
Materials ⁴⁾	23.5	17.2	-6.3	-50.1	-75.2	-25.1
E&S	2,527.8	3,037.9	+510.1	255.4	117.6	-137.8
Others ⁵⁾	16.2	14.2	-2.0	-34.3	-34.3	-0.0
Total	20,418.8	19,671.3	-747.5	585.7	294.7	-291.0

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.

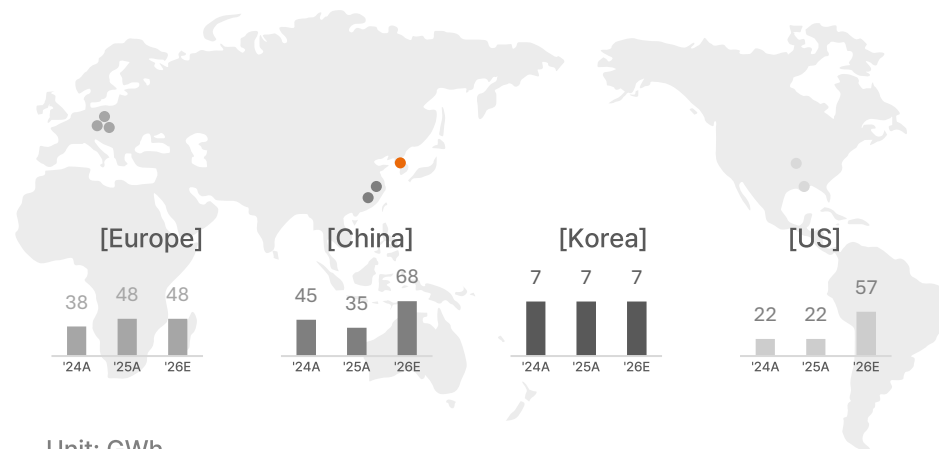
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Battery Production Capacity

Existing sites

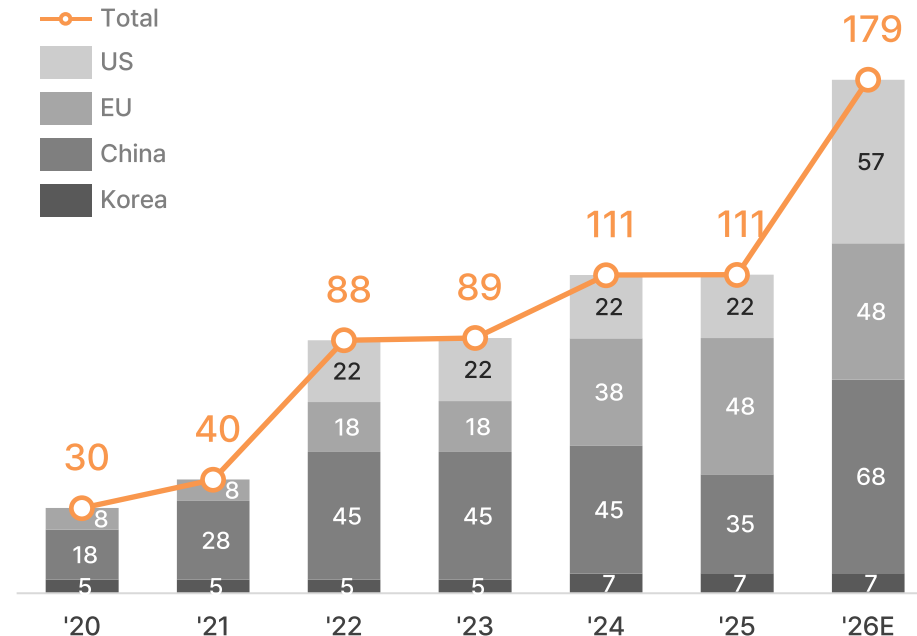
Region	Plant	Capacity((GWh)	Commercial Production
Korea	Korea Plant Bld 1+2 (Seosan)	7.0	3Q18
	Korea Plant No.3 (Seosan)	14.0	TBD
Europe	Hungary Plant No.1 (Komarom)	7.5	1Q20
	Hungary Plant No.2 (Komarom)	10.0	1Q22
	Hungary Plant No.3 (Ivancsa)	30.0	2Q24
US	US Plant No.1 (Georgia)	10.0	1Q22
	US Plant No.2 (Georgia)	12.0	4Q22
	BlueOvalSK (Tennessee)	45.0	2028
	HMG North America JV (Georgia)	35.0	2026
China	BEST JV (Changzhou)	7.5	2Q20
	SKOJ JV Bld 1+2 (Yancheng)	27.0	1Q21
	SKOY (Yancheng)	33.0	2026

* Production capacity is calculated on a full-operation base



Unit: GWh

—○— Total
 ■ US
 ■ EU
 ■ China
 ■ Korea



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)	1Q26
US	Woodford gas field	1.1 million tons (per annum)	3Q14
Vietnam	15-1/05 Block	N/A	2026(E)
	15-1 Block	2,500 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
China	17/03 Block	8,300 B/D ^{25,000 BOE/D (Gas)}	2004~
Peru	88 Block	2,000 B/D ^{8,000 BOE/D (Gas)}	2008~
Libya	NC174 Block	230 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