



**2022. 2Q Earnings Briefing
- Advanced Material Business**

August. 2022

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 information 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 Company’s strategies as well as other uncertainties.

Materials CIC-linked earnings were calculated based on internal standards, which are consolidated SK Siltron earnings to derive the overall earnings of the advanced materials business. Please note that this data has been prepared for investors' understanding and is not audited.

Under no circumstances should this material be considered as evidence of legal responsibility for investors' investment results.

Introduction



- Focusing on semiconductor materials, battery materials, and EV SCM - areas of high mid-long-term growth based on demand for high computing chips and EV Megatrend



Financial Highlights

Revenue and operating profit increased by 35% and 88% YoY with strong demand

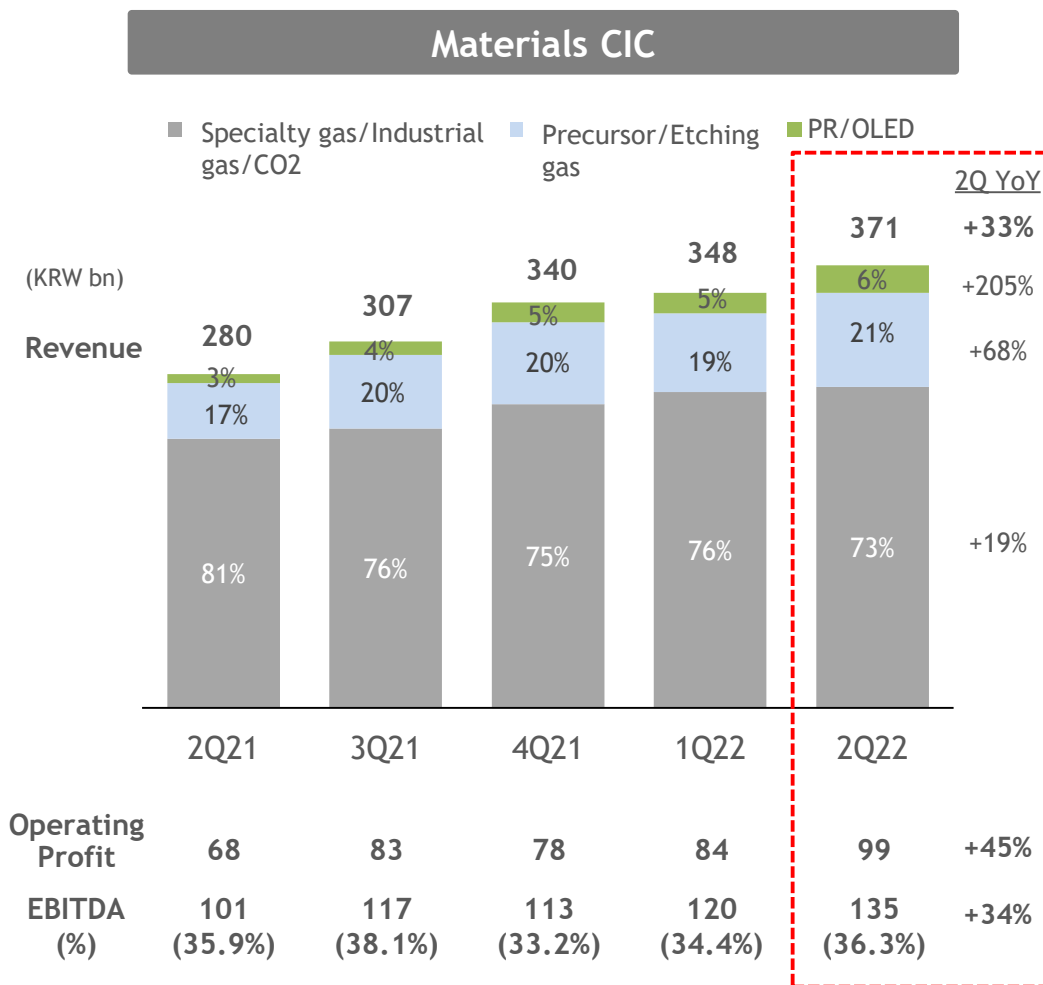
(KRW bn)	2Q22	1Q21	QoQ	2Q21	YoY
Revenue	968	904	+7%	720	+35%
- Materials CIC	371	348	+7%	280	+33%
- SK Siltron	597	555	+7%	440	+36%
Operating Profit	258	204	+26%	137	+88%
- Materials CIC	99	84	+17%	68	+45%
- SK Siltron	159	119	+33%	69	+130%
EBITDA	388	339	+14%	254	+53%
- Materials CIC	135	120	+12%	101	+34%
- SK Siltron	253	219	+15%	153	+66%
Income Before Tax	243	188	+29%	176	+38%

※ Total revenue/operating profit/EBITDA/income before tax is the sum of Materials CIC and SK Siltron results

2Q22 Business Results: Materials CIC



Record-high quarterly revenue continued from increased sales of new high-value-added products, including Precursor and Photo, in addition to solid growth of specialty gas



2Q22, Continued growth in revenue/OP from increased sales of high-value-added materials for advanced semi. node (revenue +33% YoY, OP +45% YoY)

- Specialty gas/Industrial gas: Sales of all products, including NF3/WF6, increased with customers' new fab ramp-up
- Precursor/Etching gas: Sales of next-gen precursor (CpHf*) and etching gas (CH3F*) continued to rise with Semi. tech migration
- Photo: Continued profit growth from launching new high-value-added products (SOC*) and increasing KrF sales for 3D NAND

3Q22, profit growth to continue despite concerns over the semi industry, supported by stable sales increase based on LTAs and capa. expansion

- Etching gas: Revenue growth to accelerate through early Qual process of new etching gas (HBr, complete in Aug. 2022)
- Photo: Profit growth to continue from increased production of cutting-edge products in new Sejong plant and sales growth of new high-value-added products (SOC, etc.)
- CO2: proportion of semiconductor sales to increase, D/I shipment to grow ahead of peak season

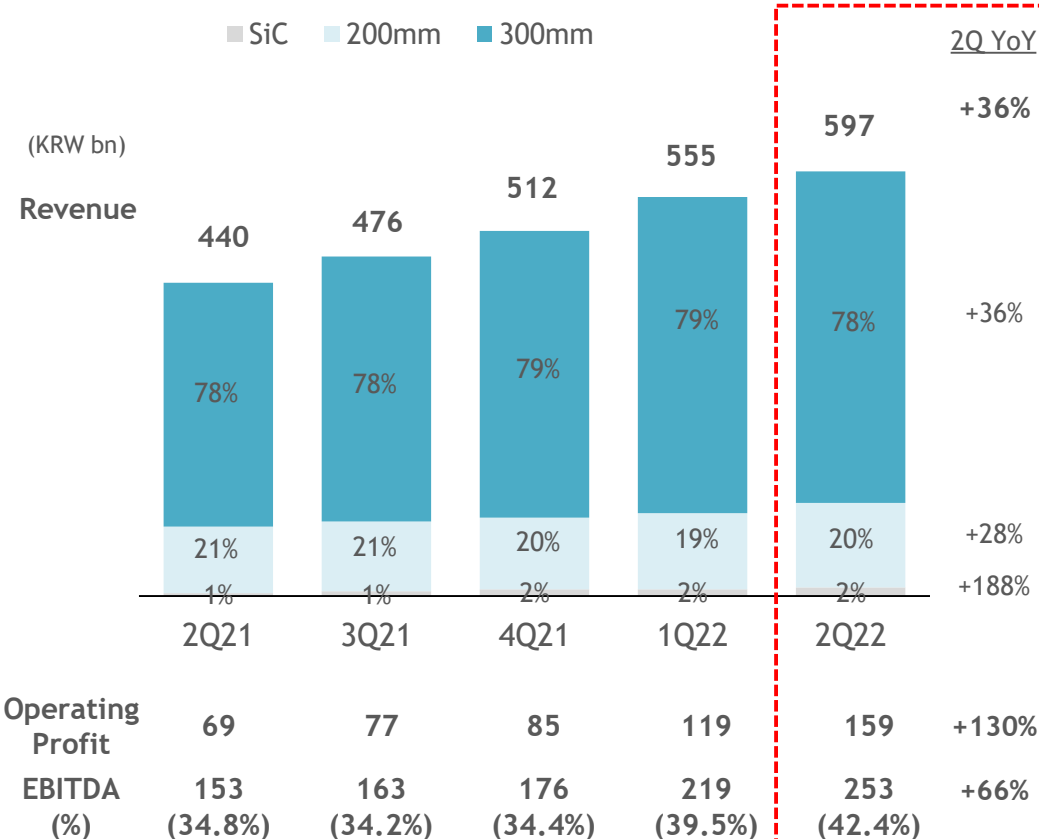
* CpHf: Deposition gas for the most advanced DRAM Capacitor,
 CH3F: Nitride etching gas for 3D NAND
 SOC: Replenish etching resistance/Improve pattern accuracy of PR

2Q22 Business Results: SK Siltron



Record-high quarterly revenue and operating profit with growing wafer sales and continued price increase

SK Siltron



- 2Q22, Revenue and profitability continued rapid growth from increased sales of high-value-added Epi products and a rise in ASP due to tight supply**
 - Revenue +36%, OP +130% YoY
- 3Q22, Earnings to further improve despite economic uncertainties, based on increased wafer input due to limited semi tech migration**
 - De-bottlenecking of existing facilities to respond to mid- to long-term demand and LTA-based expansion in progress
- SiC Wafer (SK Siltron CSS), Continues rapid revenue growth with increasing shipment of SiC MOSFET Wafer targeting large-scale customers (+188% YoY)**
 - Significant top-line growth expected with the operation of a new plant in the US (September)
 - * 2022 Capa expected to increase by 300% vs. 2021

Investment Highlights - ① Semi. Materials Portfolio Expansion

■ To accelerate localization of high-growth/next-gen materials and establishment of a global local supply system

【 Technology Trends and Material Investment Direction】

Technology Trends

- ❑ Faster introduction of new processes/ new materials for manufacturing high-computing chips
- ❑ Rapid electrification of mobility energy with EV increase
- ❑ Higher demand for image sensors, including autonomous driving/VR

Semiconductor Material Investments

- ❑ Expand high-growth/next-gen products
e.g. SiC wafer, EUV/Adv. PKG materials, etc.
- ❑ Rapid localization of core materials
e.g. CIS PR, HBr, next-gen Precursor, etc.
- ❑ Build a global local supply system
- Preoccupy local Fab material demand in global market including the US

Field

Si Wafer

- ❑ [300mm] LTA-based expansion with tight mid-to-long term supply
- End 2025 Capa. expected to increase by 40% compared to end 2021

SiC Wafer

- ❑ [150mm] Large-scale customer LTA based preemptive expansion
- End 2025 Capa. expected to increase by 1,900% compared to end 2021
- ❑ [200mm] Speed up mass production development through strategic collaboration with large-scale customers (end by 2023)

Specialty gas

- ❑ [美 NF3] Set up local value-chain (MOU with Showa Denko)
- ❑ [HBr] Korea's first next-gen etching gas production plant under construction (complete in Aug. 2022)
- ❑ [Precursor] Next-gen precursor development in cooperation with an overseas technology firm

Photo material

- ❑ [EUV PR] Localize next-gen high-added-value/core materials (→ See next page)
- ❑ [CIS PR] Localize exclusive material through collaboration with a technology firm

Adv. PKG material*

- ❑ [Thermal resistance/Heating materials] Acquired 80% of Teraon shares, qualifying toward a global power semiconductor company
- Additional acquisition of and collaboration with companies holding high thermal interface material technology for high performance chips

* Adv. PKG material: Characterized by high thermal resistance/used to protect chips during micro pattern process

Investment Highlights - ② Photo Material Business Value-up



To reinforce core technology competitiveness by building new plants/securing high-value-added product portfolios

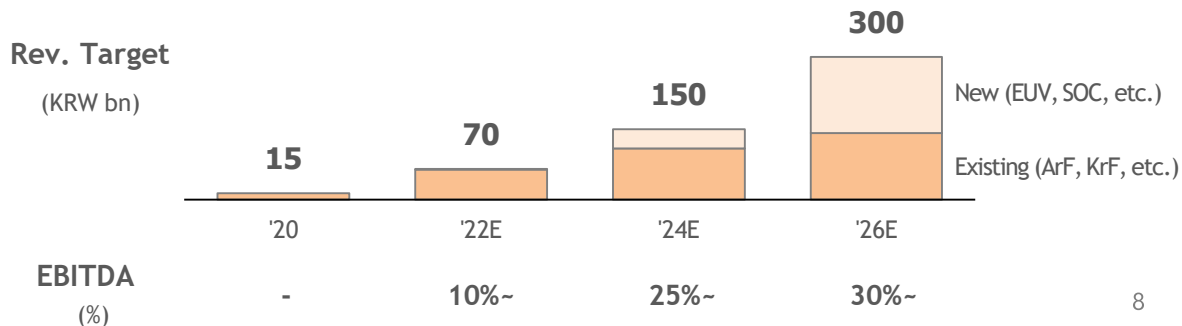
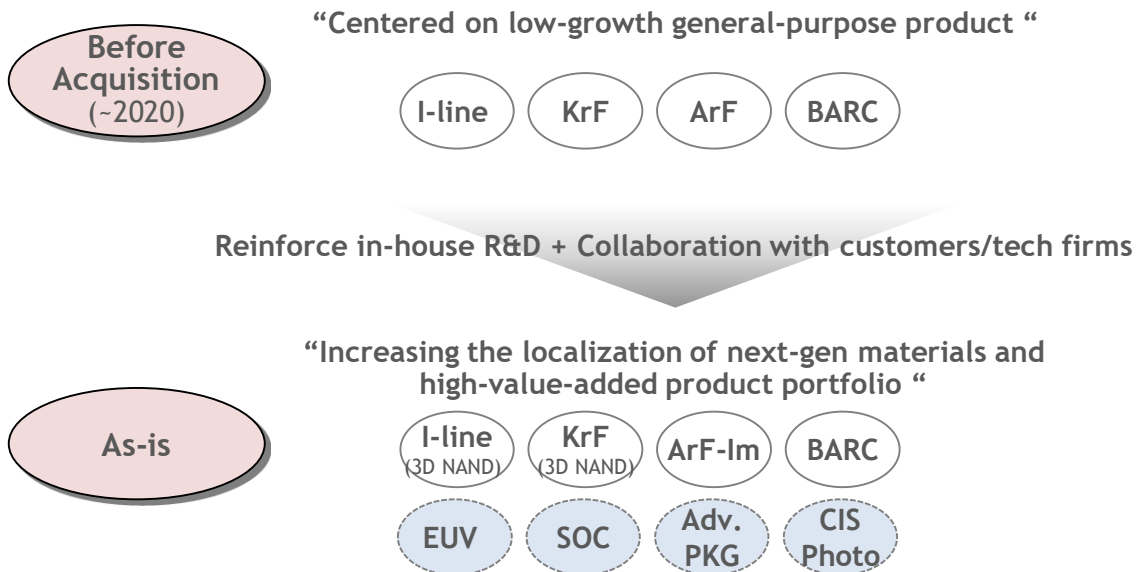
【 Photo Material Business History 】

- '20.2 • Acquired the electronic material business of Kumho Petrochemical
- Established SK Materials Performance
- '21.5 • Launched Thick KrF/i-line for 3D NAND
- '22.3 • Completed construction of Sejong plant and R&D center
- '22.6 • Localized SOC (Spin-on Carbon hard mask)
- End of '22 • Localization of EUV Photo material under way

< Sejong Plant >



Status of High-value-added Product Portfolio



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