

SK chemicals  
2025 1Q Earnings Release



We care for the future.  
**Healthcare, Earthcare**

## Disclaimer

The financial information in this document are consolidated earnings results based on K-IFRS. (Korea International Financial Reporting Standards)

The performance data for Q1 2025 included in this material has been prepared for the convenience of investors and has not yet been reviewed by an external auditor. Therefore, some of the content may change during the accounting review process.

Additionally, please note that the future outlook included in this material is based on the current business environment and the company's management strategy and may change due to future changes in the business environment and strategy adjustments.





1

# Earnings Release

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Company Highlight  
Performance Summary

# 1Q25 Highlight



## Performance

**Revenue 537bn KRW**  
(+40.9% YoY, +4.1% QoQ)

**Operating Profit 24bn KRW**  
(Turned to Profit YoY, QoQ)



## Green Chemicals Business

**Copolyester**  
**additional Growth Strategies**



## Pharma Business

**Co-distribution and**  
**marketing with Viatris**



## Vaccine (SK bioscience)

**IDT Biologika Consolidation**

# Performance Summary

## Consolidated

**Revenue 537bn KRW** (+40.9% YoY, +4.1% QoQ)

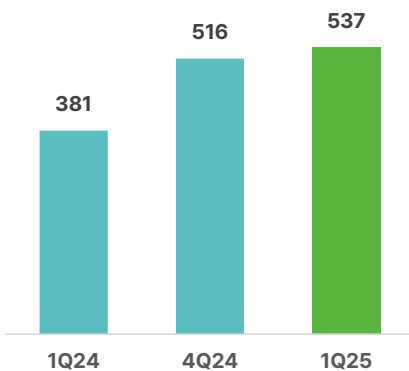
Increase in sales of consolidated subsidiaries and expansion in size due to strong performance in the separate

**Operating Profit 24bn KRW** (Turned to Profit YoY, QoQ)

Transition to profit due to narrowed consolidated subsidiaries losses and strong performance in copolyester business

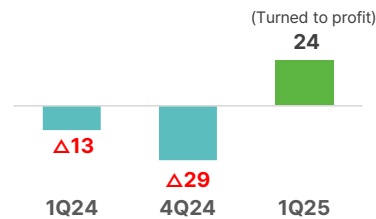
### Revenue

(Unit: billion KRW)



### Operating Profit and Margin

(Unit: billion KRW)



## Separate

**Revenue 347bn KRW** (+9.4% YoY, +0.1% QoQ)

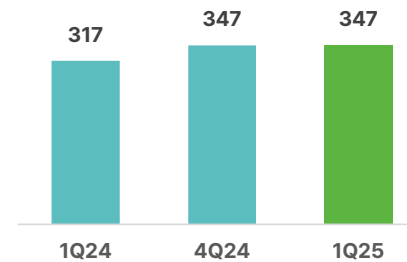
Expansion in size due to strong performance in the copolyester and pharma business

**Operating Profit 37bn KRW** (+98.5% YoY, +16.5% QoQ)

Increase in profit size due to strong performance in the Copolyester business

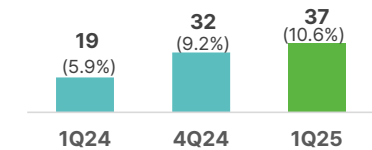
### Revenue

(Unit: billion KRW)



### Operating Profit and Margin

(Unit: billion KRW)





# 2 Performance

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# Performance by Business Unit (1)

## Green Chemicals – Copolyester & Monomer

### 1Q25 Performance

**Revenue** **232bn KRW** (+4.4% YoY, +11.5% QoQ)  
Revenue growth due to improvement of the product portfolio despite global uncertainties

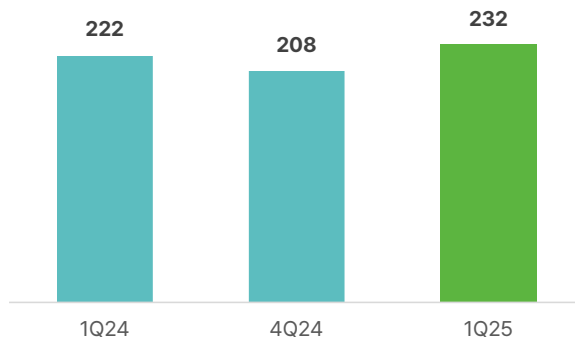
**Operating Profit** **46bn KRW** (+122.3% YoY, +52.3% QoQ)  
Increase in profit size and improvement in profitability due to stabilized raw materials and expansion of high-value product sales

### 2Q25 Outlook

High-Value Portfolio Expansion vs. Uncertainties in Global Dynamics

#### Revenue

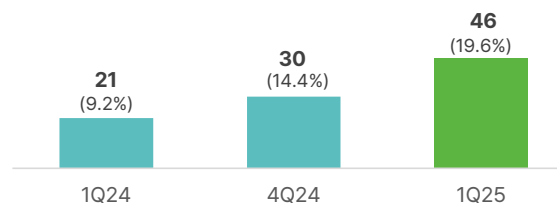
(Unit: billion KRW)



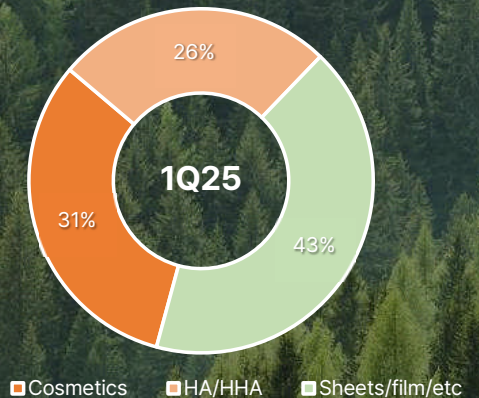
\* Including performance of America/Europe copolyester sales subsidiaries

#### Operating Profit and Margin

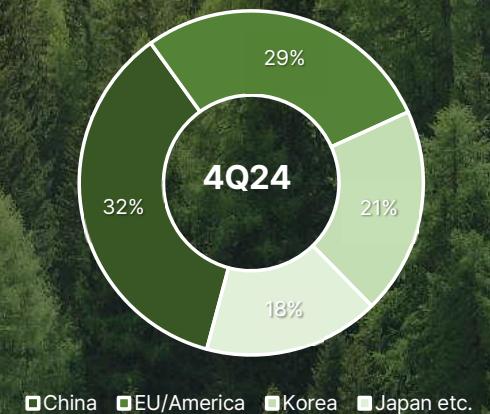
(Unit: billion KRW)



### Sales Volume Proportion by Application



### Sales Volume Proportion by Region



\* Data above only refers to Copolyester sales

# Performance by Business Unit (2)

## Life Science - Pharma

### 1Q25 Performance

**Revenue** **97bn KRW** (+12.6% YoY,  $\Delta$ 8.3% QoQ)

Continuing strong sales  
of key products and distribution

**Operating Profit** **6bn KRW** (+31.0% YoY,  $\Delta$ 8.3% QoQ)

Increase in profit margins  
as sales grow

### 2Q25 Outlook

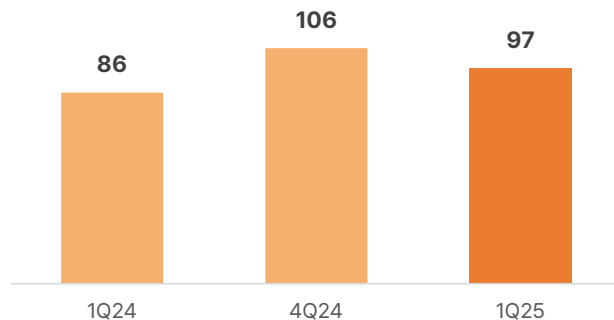
Expansion of  
Distribution

vs.

Increase in  
marketing costs

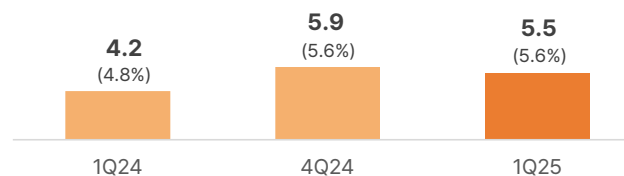
### Revenue

(Unit: billion KRW)

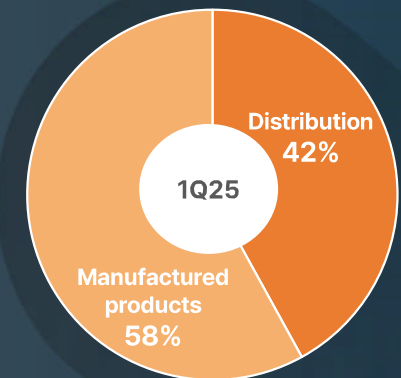


### Operating Profit and Margin

(Unit: billion KRW)



## Revenue Proportion



## Main Products



### Joins

Natural product based  
anti-arthritic treatment



### Ginexin

blood circulation  
disorder treatment &  
Cognitive enhancer



### Rivastigmine patch

Anti-dementia  
treatment patch





# Performance by Business Unit (3)

## Life Science - SK bioscience

### 1Q25 Performance

Revenue **157bn KRW** (+594.0% YoY,  $\Delta$  1.5% QoQ)

Higher SKYVAX Sales and Consolidation of IDT  
Led to YoY Revenue Growth

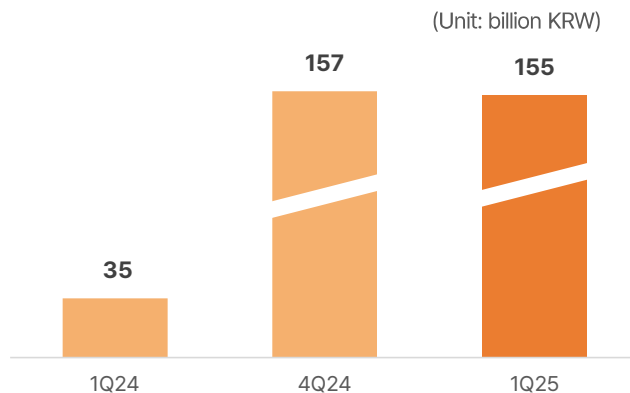
Operating Profit **△15bn KRW** (Loss Continued YoY, QoQ)

Deficit narrowed due to operational optimizations of IDT

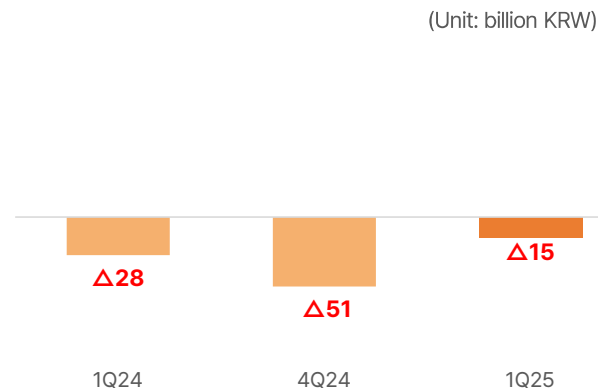
### 2Q25 Outlook

IDT-based  
revenue increase and  
business expansion

Revenue



Operating Profit



## Overview

### SKYVAX

- Expanding global reach through partnership
- SKYCellflu: Export expansion to southern hemisphere
- SKYVaricella: New order of 55 bn KRW from PAHO
- SKYZoster: Continuous demand based on price competitiveness and vaccination convenience

### Vaccine distribution

- Sanofi Vaccines '25 New Product Introduction (Hep A, RSV Antibody)
- Increase in vaccine for infants including NIP

### IDT Biologika

- Turnaround through operational optimization and revenue expansion

### PCV21 (pneumococcal vaccine)

- Multiple Phase 3 Trials Initiated and On-Track for Global Approvals and Market Entry in US, EU, South Korea, Australia etc.
- Andong plant expansion(G2+) for commercial production
- Joint development agreement for NextGen PCV - Total €350M (Upfront+milestone) + Royalty 9

# Business Update

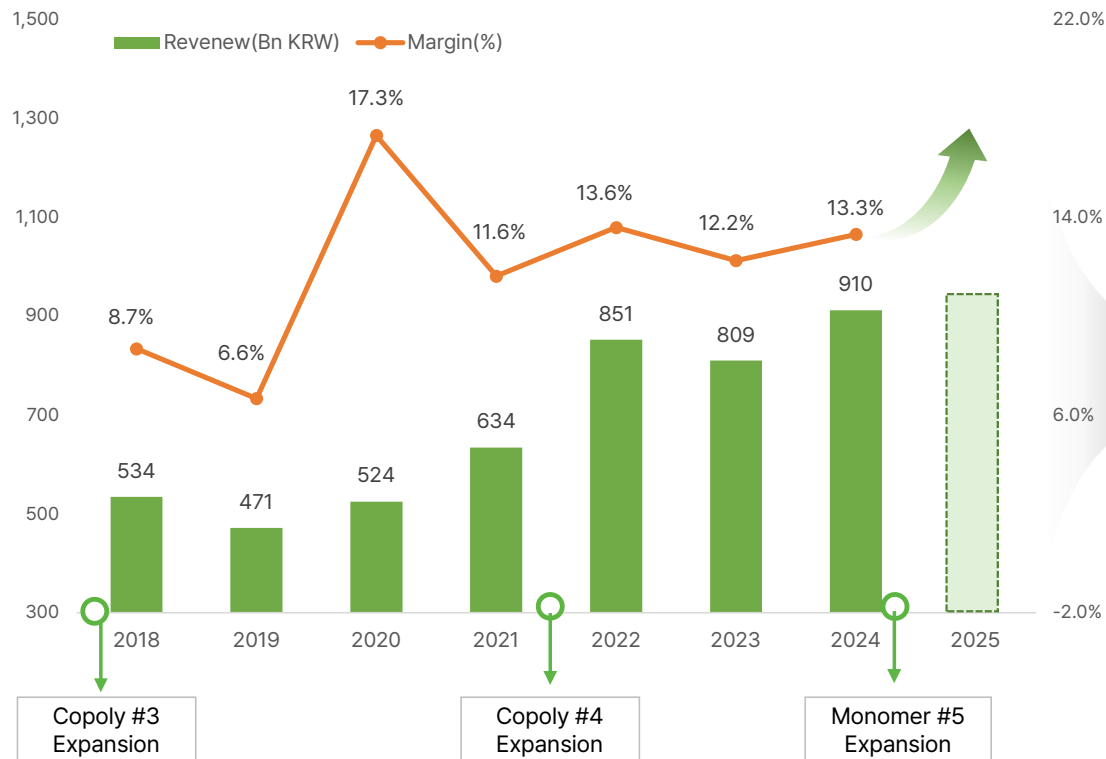
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# Copolyester Growth Strategy

Seek further growth through increased sales of heat resistant, recycled and value-added strategic products

Copolyester & Monomer<sup>1)</sup> Performance Trends



## High-Value Portfolio Expansion

**ECOZEN**

**Opportunity**

- Targeting competitor's core market
- Proactively respond to product substitution opportunities

**Strategy**

- Increase quality and capacity with dedicated facility retrofits (Operation from June, 2025)

**ECOTRIA<sup>®</sup>**

**Opportunity**

- Building a circular economy within each country
- Increase Demand in Recycle Solution

**Strategy**

- Investment in additional CR facilities to meet mid-long term demand expansion (targeted to be operational in early '26)

**SKY GREEN**

**Opportunity**

- Increased regulations on environmental and health issues
- demand for substitution of other materials

**Strategy**

- Customer-centric marketing - Brand Owner Lock-in

<sup>1)</sup> Including performance of America/Europe copolyester sales subsidiaries

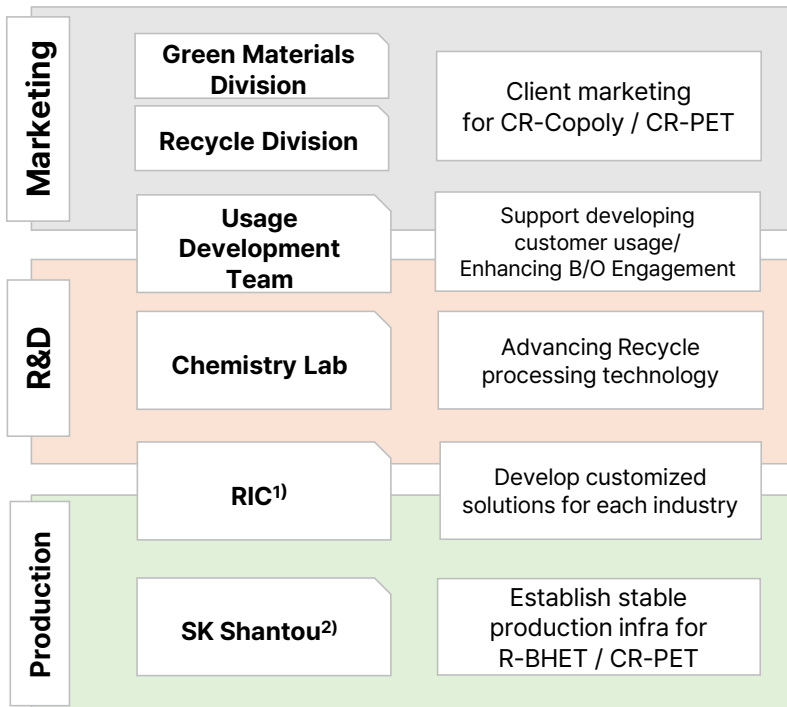


# Recycle Growth Strategy

Drive early results by strengthening organizational alignment around the Recycle business and securing Brand Owner Commitment

## Unite Competency

- Accelerating Recycle competitive edge through organic collaboration between marketing, R&D, and production



## Expand commercialization

- Acquiring Brand Owner Commitment
- Responding to increased Recycle regulatory demands



1) Recycle Innovation Center : targeted to operational by 2026

2) SK Shantou production Capa. : r-bhet 70k tons, CR-PET 50k tons

# New Growth Driver– SKMU Combined Heat and Power Generation (CHP) Plant

Securing competitiveness in the utility business through subsidiary's new power facility expansion,

## Business

### ▪ Business Overview

- Converting to LNG, establishing eco-friendly district energy system
- Stable industrial power and steam supply within the area

### ▪ CAPEX : Approximately 620 Billion KRW

### ▪ Expected Benefits

- Eco-friendly energy transition reflecting carbon-neutral policies.
- Strengthening utility business capabilities.

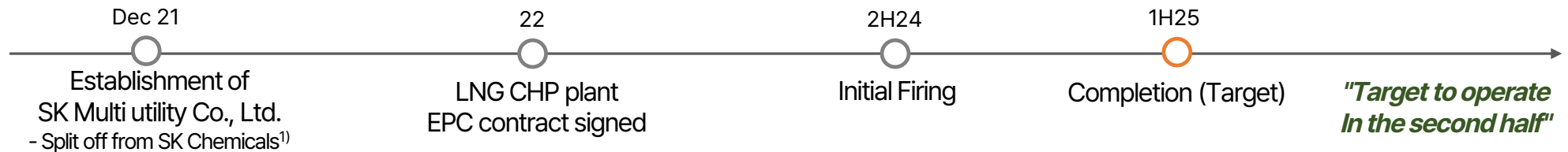
### ▪ Facility Production Capacity

(Existing) Steam : 490t/h , Electricity : 27MW

(New) Steam : 240t/h , Electricity : 300MW



△ Rendering of the new LNG cogeneration plant



1) 100% ownership as of the

# 3 Appendix



Financial Statements

Key Financial Information

Governance and Shareholders

Shareholder Returns



# Financial Statements (Consolidated)

## Balance Sheet

(Unit: billion KRW)

Items	2024	1Q25
<b>Current assets</b>	<b>2,385</b>	<b>2,551</b>
- Current account	1,819	1,933
- Inventory	566	617
<b>Non-current assets</b>	<b>2,983</b>	<b>3,072</b>
- Investment in affiliated companies and joint ventures	10	9
- Tangible property	2,459	2,536
- Intangible property	163	172
- Other Non-current assets	351	355
<b>Total assets</b>	<b>5,368</b>	<b>5,622</b>
<b>Current liabilities</b>	<b>974</b>	<b>1,080</b>
<b>Non-current liabilities</b>	<b>1,360</b>	<b>1,480</b>
<b>Total liabilities</b>	<b>2,334</b>	<b>2,560</b>
<b>Equity attributable to the parent company</b>	<b>2,202</b>	<b>2,216</b>
- Capital stock	99	99
- Consolidated capital surplus	1,240	1,240
- Consolidated other components of equity	△22	△22
- Accumulated other comprehensive income	22	32
- Consolidated earned surplus	862	867
<b>Non-controlling interest</b>	<b>832</b>	<b>846</b>
<b>Total equity</b>	<b>3,034</b>	<b>3,062</b>
<b>Total liabilities and equity</b>	<b>5,368</b>	<b>5,622</b>

## Income Statement

(Unit: billion KRW)

Items	1Q24	2Q24	3Q24	4Q24	1Q25
<b>Revenue</b>	<b>381</b>	<b>414</b>	<b>426</b>	<b>514</b>	<b>537</b>
- Cost of Revenue	296	299	332	412	403
- Gross profit from Revenue	85	115	95	102	134
- Revenue and administrative expenses	97	106	107	131	109
<b>Operating profits</b>	<b>△13</b>	<b>9</b>	<b>-12</b>	<b>-29</b>	<b>24</b>
- Other non-operating income	5	6	1	33	3
- Other non-operating expense	8	7	4	13	2
- Financial income	21	20	23	35	25
- Financial expense	16	20	23	34	30
- Share of profits	0	△0.4	△0.4	△0.1	1
<b>Earnings before interest and taxes</b>	<b>△11</b>	<b>8</b>	<b>△16</b>	<b>△9</b>	<b>20</b>
- Income tax expense	△3	3	△5	△19	△2
<b>Consolidated net income</b>	<b>△8</b>	<b>5</b>	<b>△11</b>	<b>10</b>	<b>21</b>
- Equity attributable to the parent company	△4	9	△4	8	20
- Non-controlling interest	△4	△4	△7	2	1

# Financial Statements (Separate)

## Balance Sheet

(Unit: billion KRW)

Items	2024	1Q25
<b>Current assets</b>	<b>812</b>	<b>866</b>
- Current account	559	552
- Inventory	253	313
<b>Non-current assets</b>	<b>1,294</b>	<b>1,280</b>
- Investment in affiliated companies and joint ventures	444	441
- Tangible property	708	693
- Intangible property	31	36
- Other Non-current assets	110	110
<b>Total assets</b>	<b>2,106</b>	<b>2,146</b>
<b>Current liabilities</b>	<b>708</b>	<b>621</b>
<b>Non-current liabilities</b>	<b>236</b>	<b>336</b>
<b>Total liabilities</b>	<b>944</b>	<b>956</b>
Capital	99	99
Capital surplus	158	158
Other components of equity	△13	△13
Earned surplus	917	945
<b>Total equity</b>	<b>1,161</b>	<b>1,190</b>
<b>Total liabilities and equity</b>	<b>2,106</b>	<b>2,146</b>

## Income Statement

(Unit: billion KRW)

Items	1Q24	2Q24	3Q24	4Q24	1Q25
<b>Revenue</b>	<b>317</b>	<b>345</b>	<b>332</b>	<b>347</b>	<b>347</b>
- Cost of Revenue	246	257	251	254	255
- Gross profit from Revenue	71	88	81	92	92
- Revenue and administrative expenses	53	57	52	61	55
<b>Operating profits</b>	<b>19</b>	<b>31</b>	<b>30</b>	<b>32</b>	<b>37</b>
- Other non-operating income	2	10	0.4	2	2
- Other non-operating expense	7	4	3	10	1
- Financial income	11	12	8	22	13
- Financial expense	12	16	16	22	16
<b>Earnings before interest and taxes</b>	<b>13</b>	<b>33</b>	<b>19</b>	<b>24</b>	<b>34</b>
- Income tax expense	3	8	4	4	7
<b>Net income</b>	<b>9</b>	<b>26</b>	<b>15</b>	<b>20</b>	<b>27</b>

## Key Financial Information (Separate)

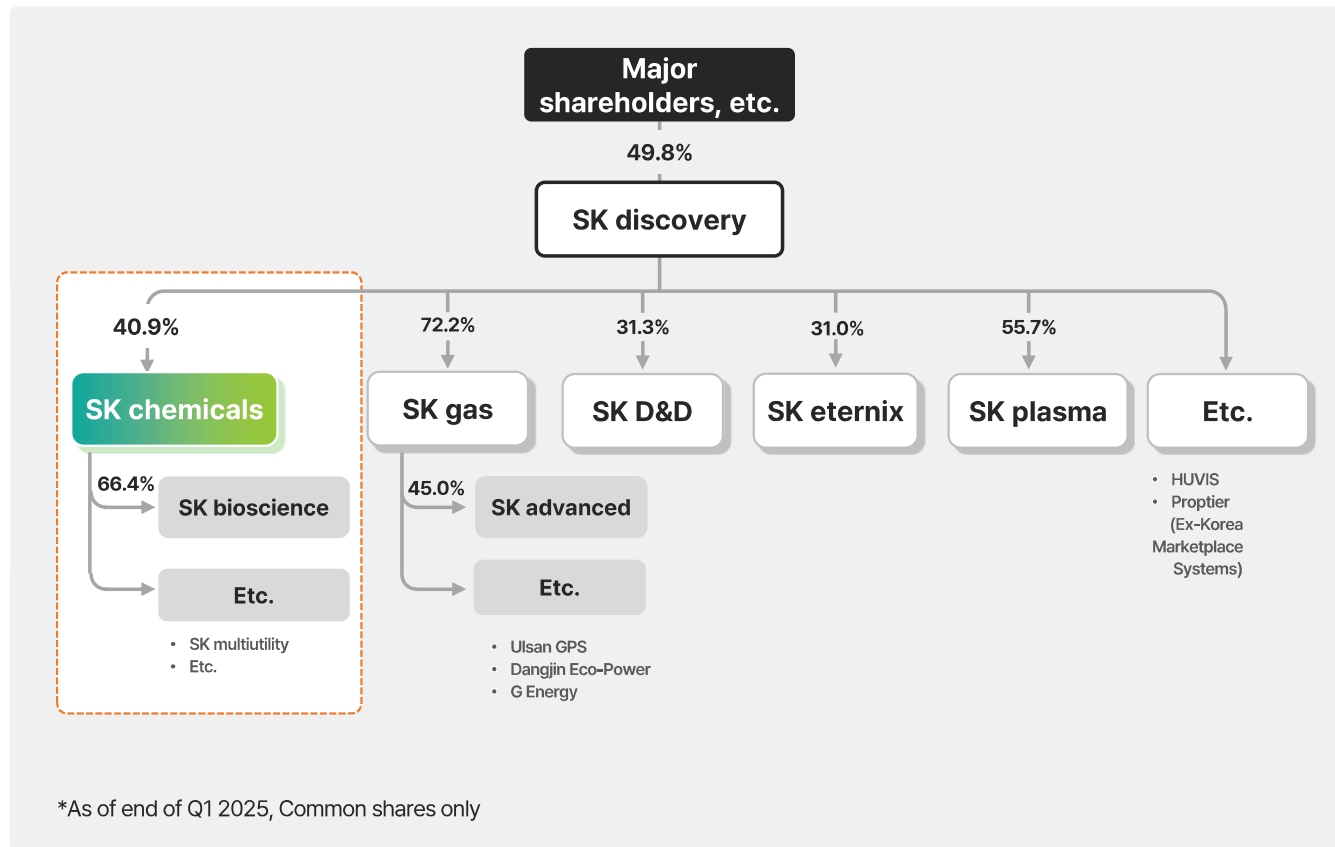
(Unit: billion KRW)

Division	2023					2024					2025
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q
Cash and Cash Equivalents	326	222	215	245	<b>245</b>	250	407	341	177	<b>177</b>	301
Net Debt	387	412	393	360	<b>360</b>	423	414	397	403	<b>403</b>	426
CAPEX	81	24	23	31	<b>159</b>	21	22	16	15	<b>74</b>	10
Debt Ratio	82.9%	71.5%	69.9%	74.0%	<b>74.0%</b>	76.4%	90.3%	81.3%	68.4%	<b>68.4%</b>	80.4%
Current Ratio	128.9%	133.6%	125.7%	103.1%	<b>103.1%</b>	91.5%	112.0%	114.7%	120.5%	<b>120.5%</b>	139.5%
EBITDA	39	34	38	31	<b>141</b>	33	46	44	48	<b>171</b>	38
EBITDA (%)	12.6%	10.4%	11.8%	9.4%	<b>11.0%</b>	10.0%	13.2%	13.3%	14.2%	<b>12.6%</b>	10.9%
ROE	1.5%	0.4%	1.2%	0.6%	<b>3.7%</b>	0.8%	2.2%	1.3%	1.7%	<b>6.1%</b>	2.2%

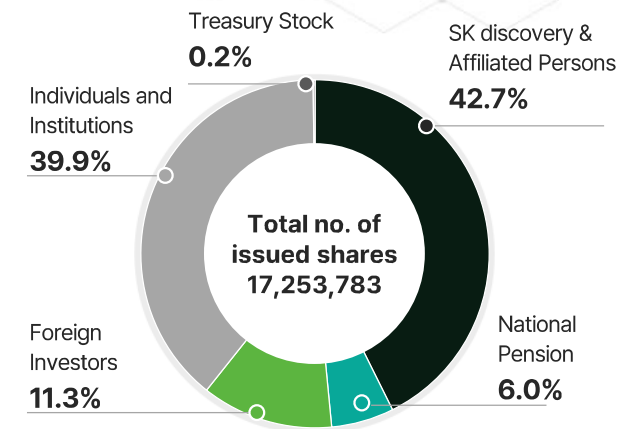


# Governance and Shareholders

## Governance



## Shareholder Composition



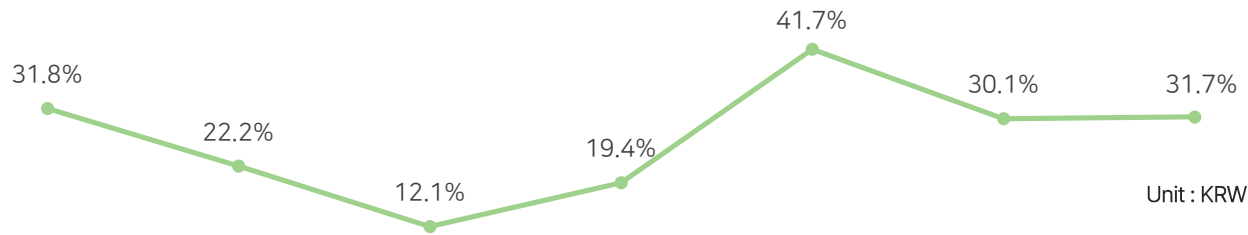
Shareholders Category	No. Shares
SK discovery & Affiliated Persons	7,362,089
National Pension	1,028,558
Foreign Investors	1,947,999
Individuals and Institutions	6,884,280
Treasury Stock	30,857
<b>Total no. of issued shares</b>	<b>17,253,783</b>

\*As of end of Q1 2025, Common shares only

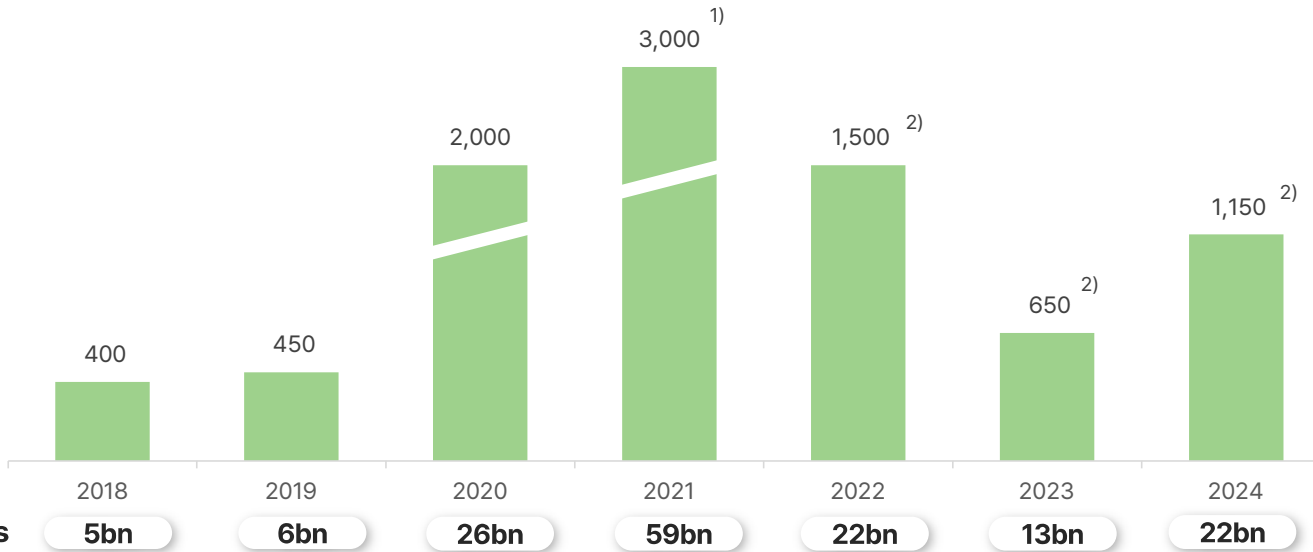
# Shareholder Returns

## Dividend

### Payout Ratio



### DPS (Common Share)



- 1) The amount includes special dividends, with a dividend of 4,500 KRW per share based on the pre-bonus issue in 2021  
 2) Includes interim dividends 400KRW

## Others

**Jun 2017** Retirement of Stock<sup>1)</sup>

**Oct 2021** Announced dividend policy<sup>2)</sup>

**Nov 2021** 50% capital increase without consideration

**Mar 2022** Announced Buy-back of Stock (50 Bn KRW)

**Oct 2022** Retirement of Stock (50 Bn KRW)<sup>3)</sup>

- 1) Retired 1,939,120 common shares (7.9% of the total issued shares)  
 2) Total dividend amount determined at a payout ratio of approximately 30% (based on separate net income excluding non-recurring gains and losses)  
 3) Retired 389,489 common shares

# 4 Business Introduction

A person in a dark suit stands in a futuristic, dark space. The floor is highly reflective, showing the person's silhouette. In the background, numerous vertical white lines of varying heights create a sense of depth and perspective. A large, thick, green abstract shape, resembling a stylized 'L' or a corner, is positioned in the upper right. Faint, wispy white lines trail across the scene, adding to the ethereal atmosphere.

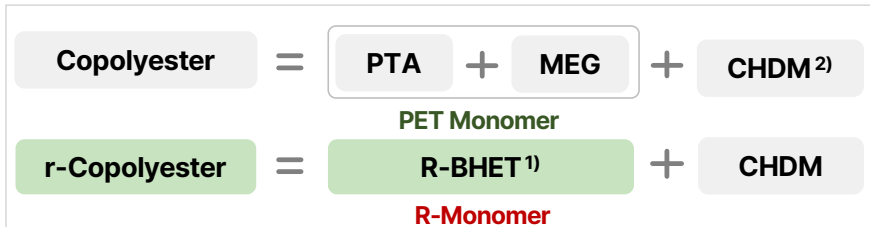
Green Chemicals  
Life Science  
Global Network



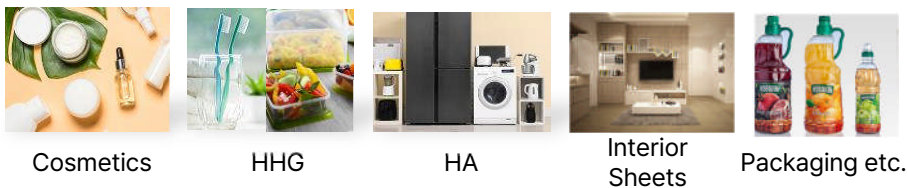
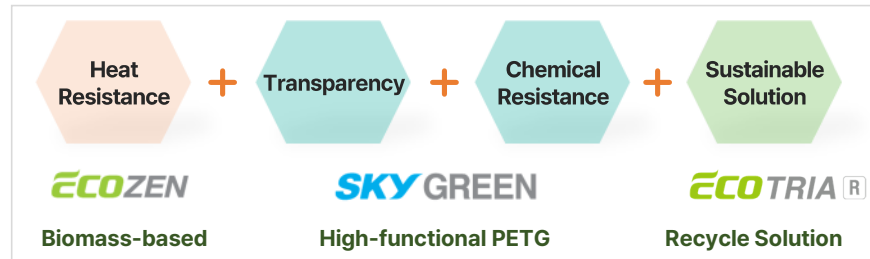
# Business Introduction **Green Chemicals - Copolyester**

## Business Introduction

- Functional PETG replaces PC, PMMA, PVC
- Production Process



- Key Products and Applicability



## Core Strategy

- Virgin : Stable profit through high-value goods/portfolio improvement
- Recycle : Establishing entry barriers through market preemption and property standardization

### Core Tasks and Strategy

#### Preempting CR Copolyester Market

- Expanding Recycle sales by cooperating with Global B/O
- Early customer commitments through MOUs, etc.

#### High-Value Portfolio Expansion

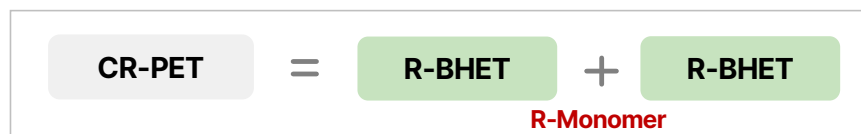
- Targeting High-Value Markets Based on Quality Competency
  - Expanding sales in high-value end-markets (cosmetics/HHG/HA)
  - Leading standardization by securing cosmetics B/O
  - Expanding sales through new applications, replacing other materials
- Expanding Strategic Products/Markets Based on Optimized Facilities
  - Shortening the expansion period of heat-resistant copolyester through early establishment<sup>3)</sup> of dedicated facilities
  - Accelerating M/S expansion through property enhancement and application expansion

1) R-BHET : Recycled bis-(2-hydroxyethyl) terephthalate 2) CHDM : Cyclohexanedimethanol 3) Investment in Modifying Existing Facilities

# Business Introduction **Green Chemicals - Recycle**

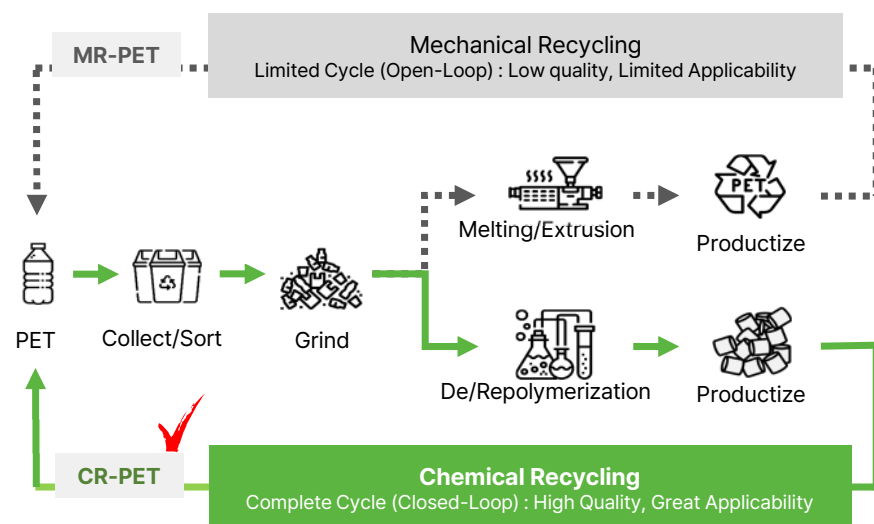
## Business Introduction

### Production Process



### Mechanical Recycling vs. Chemical Recycling Comparison

Choosing Chemical Recycling Method Enables Closed Loop and Sustainability



## Core Strategy

- Securing competency as the 1<sup>st</sup> to commercialize CR-PET in 2023
- Leading the CR-PET market through quality and cost competency

### Core Tasks and Strategy

#### Vertical Integration of Raw Material Supply: Feedstock Innovation

- Internalizing key recycled raw materials (R-BHET) SK Shantou
- Expanding W-PET value chain through extended partnerships

#### Stabilization of SK Shantou and Advancing of HTR Technology

- Price and quality competitiveness of recycled products and expanding R-BHET production capacity
- Purification process improvement → washing process Normalization → HTR Conversion

#### Securing Cost Competitiveness at the Level of MR-PET

- Reduction in production costs: Alleviating customer price resistance and promoting market development

#### Strategic Expansion of CR-PET Sales

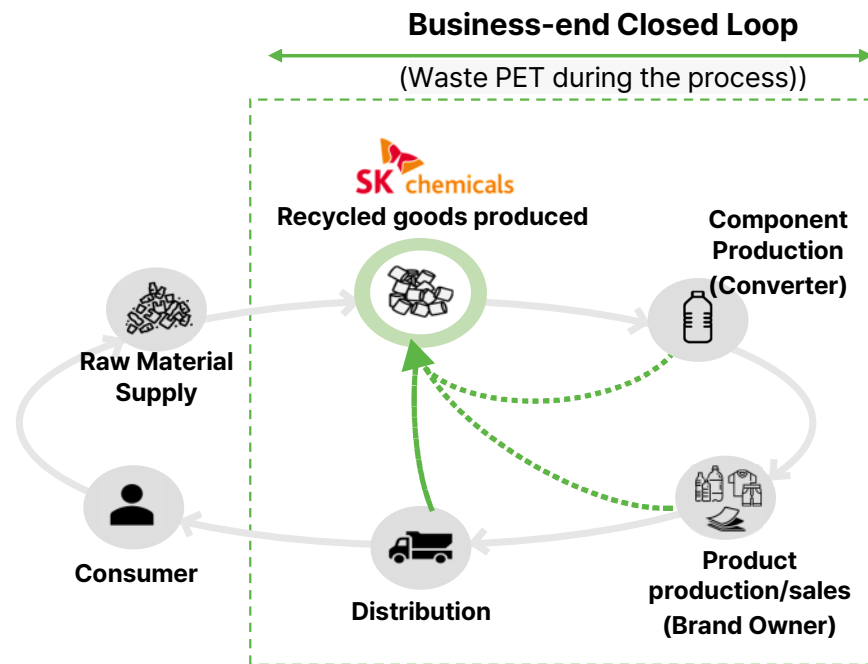
- Securing opportunities in the high-value CR-PET market and mass market based on cost competitiveness

# Business Introduction **Green Chemicals - Circular**

## Business Introduction

- Providing a Closed Loop Solution for Recycling Waste PET Generated During Customers' Production Processes

- Circular Solution



## Core Strategy

- Recycling market is expected to form across various industries due to recycling regulations



EEE  
WEEE<sup>1)</sup>

- Obligated to recover and recycle 55-80% of production volume
- Need to establish a closed loop for consumables generated during the process



Automotive  
ELV<sup>2)</sup>

- Obligation to use easily disassembled designs and recyclable/reusable materials, with 25% of materials from end-of-life vehicles by 2030
- Need to establish a closed loop for waste obtained from end-of-life vehicles



Fashion  
ESPR<sup>3)</sup>

- Obligation for manufacturers to comply with eco-design considering environmental impact and disclose fuel usage during the manufacturing process
- Need to establish a closed loop, prohibiting the disposal of unsold inventory by 2030

... and many other industry needs

1) Waste of Electrical & Electronic Equipment: EU directive on the manufacture/use/disposal of electrical/electronic equipment

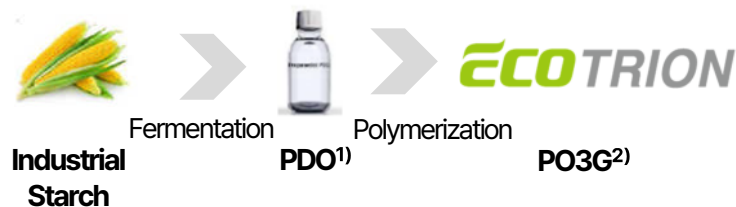
2) End of Life Vehicles Regulation: EU regulation on the recycling/reuse of end-of-life vehicles

3) Eco-design for Sustainable Products Regulation: EU regulation for eco-design of sustainable products

# Business Introduction **Green Chemicals – Other Business**

## BIO Materials

- 100% Eco-Friendly<sup>4)</sup> BIO Material high-Performance Bio-Polyol that Replaces Polyurethane Uses That Are Difficult to Recycle
- Targeting eco-friendly needs by increasing applicability and cost competitiveness



High elastic recovery,  
wear resistance,  
high flexibility

Lower CO<sub>2</sub> Emissions  
Compared to  
PTMEG<sup>5)</sup>

Commercialized in  
February 2022 CAPA:  
5,000 Tons/yr

### ▪ Key Markets and Commercialization Examples



## Functional Materials

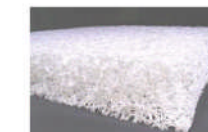
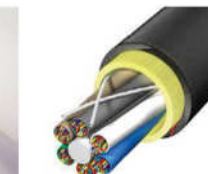
- Polyester-based adhesives and coatings (BON) and TPEE(PEL)
- Eco-friendly needs in various areas: Increased demand for chemical resistance and conversion to recycled products

### ▪ Product Introduction and Applicability

**SKY BON**

**SKY PEL**

- Polyester-based adhesives and coatings
- Can Coating, Pre-coated metal, Hotmelt, Industrial adhesives, etc.
- TPEE<sup>3)</sup>
- Cable Jacket, Industrial tubes, Duct Mesh Chair Monofilament, etc.



1) PDO : Propanediol 2) PO3G : Poly Oxytrimethylene Glycol 3) TPEE: thermoplastic polyester elastomer 4) Eco-friendly refers to products made from biomass  
5) Using Bio-Derived Raw Materials that Reduce Greenhouse Gas Emissions by Approximately 40% Compared to Conventional Petrochemical-Based PTMEG



# Business Introduction Life Science - Pharma

## Business Introduction

- Competitive product portfolio in botanical and synthetic drug market
- Possesses top-level marketing and partnership capabilities domestically

### Main Products

#### Ginexin-F



ginkgo leaf blood circulation and cognitive function enhancer

#### Joins



Natural arthritis treatment

#### Trast



Patch-type arthritis treatment

#### Mvix S



World's first film-type erectile dysfunction treatment

#### Rivastigmine Patch



Patch-type dementia treatment

## Core Strategy

Continuous business expansion through securing growth drivers based on competency

### Mid-term Key Tasks

Strengthening marketing alliance competitiveness

Natural pharmaceutical Product value-up

Expanding Global C(D)MO

Securing R&D growth drivers

### Implementation Strategy

Strengthening strategic partnership and operation optimization

Diversifying raw material sourcing and expanding sales

Exploring new Countries for New CMO opportunities

Expanding to new pipelines and accelerating open Innovation



Exploring New Biz Model

# Global Network

● HQ(1) ● Domestic Plants(3) ● Overseas Offices (2) ● Overseas Plants (3) ● Overseas Corporations(4)



## SK Shantou



- Certification** 2019 r-BHET , CR-PET Plant takeover (Shuye)  
Mar 2023 Acquisition of Tangible Assets (Shuye)
- Construction** r-BHET , CR-PET etc.
- Production Capacity** r-BHET : 70K tons / CR-PET 50K tons Annually

## Ulsan Plant



- Certification** ISO 14001(Environment) / ISO 45001 (Safety and Health) / ISO 9001(Quality)
- Construction** Sept 1989 PTA / DMT Plant completion  
Jan 2001 CHDM / PETG Plant completion  
Feb 2022 PO3G Plant completion
- Products** Copolyester resin, DMT etc.
- Production Capacity** 450K tons Annually <sup>1) 2)</sup>

## Cheongju Plant (S HOUSE)



- Certification** K GMP/ EU GMP(Solid tablets, patches)
- Construction** July 2009 Cheongju plant acquisition  
July 2012 Production building completion  
Mar 2014 Patch building reconstruction
- Products** Solid tablets and patches
- Production Capacity** 760 mil. solid tablets, 66 mil. patch pouches annually

## Andong Plant (L HOUSE)



- Certification** MFDS & EU GMP Certification
- Construction** Dec 2012 Construction Completed
- Products** Flu vaccine, varicella/herpes zoster vaccine, COVID vaccine (CMO/CDMO)
- Production Capacity** Approximately 500 mil. doses annually based on finished products

1) Reflecting operation of new production facility\*(#4) from 15th Jun 2021

2) PETG, DMT etc. total capacity