

SK discovery

Earnings Release

3Q 2024



Disclaimer



The financial information in this document are consolidated earnings results based on K-IFRS.

Forecasts and projections contained herein are based on current business environment and management strategies.

Please note it may differ from actual results, due to uncertainties including changes in the future business environment and unaccounted variables.

We make a better world with a new view.

Beyond the Limits Discover, Connect, Create



***"SK discovery seeks to achieve outstanding results
by rightly performing tasks that are helpful to the world."***

Financial Highlights

* FY23, Consolidated Basis

Assets
KRW **12,251**bn

Operating Profit
KRW **257**bn

Operating Margin
2.9%

Revenue
KRW **8,939**bn

Net Profit
KRW **248**bn

ROE
6.6%



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Overview

After SK chemicals split into SK discovery(holding company) and SK chemicals (operating company), SK discovery was change-listed in January 2018

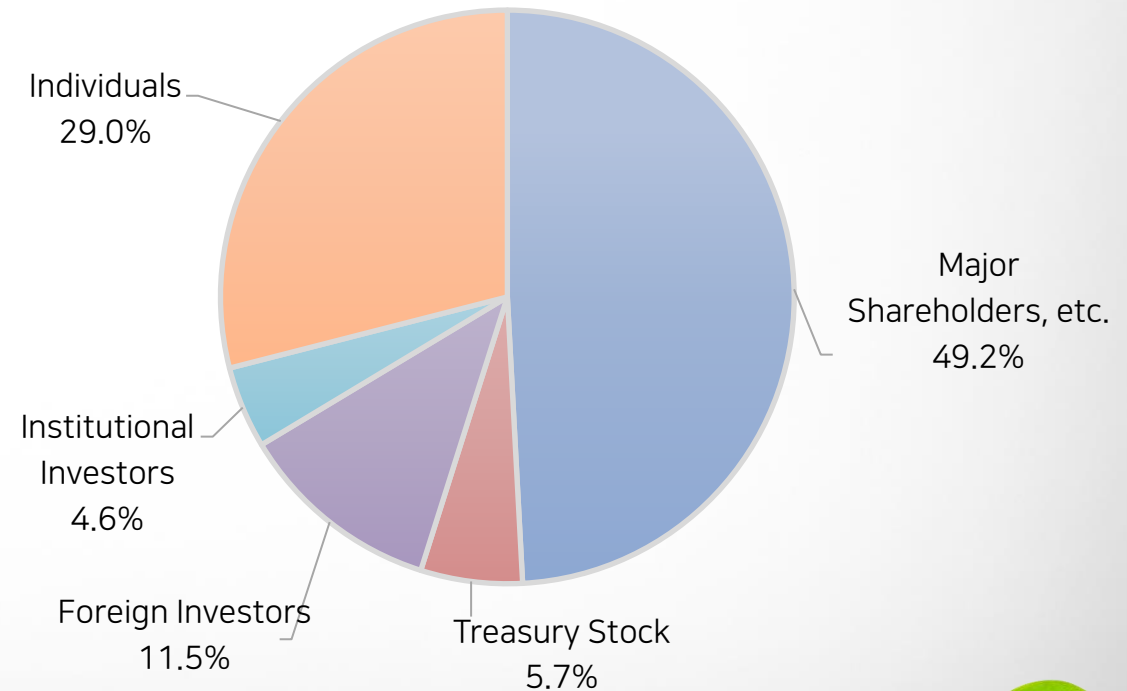
Overview

- Date of Establishment : July 1, 1969
- Date of IPO Listing : June 29, 1976
- Date of Modified Listing : January 5, 2018
- Industry : Activities of holding companies
- CEO : Chang-won Chey, Kwang-hyun Jeon
- Outstanding : 18,785,855 (Common shares)
- Market Cap : KRW 648bn
(As of September 30, 2024, Common shares)

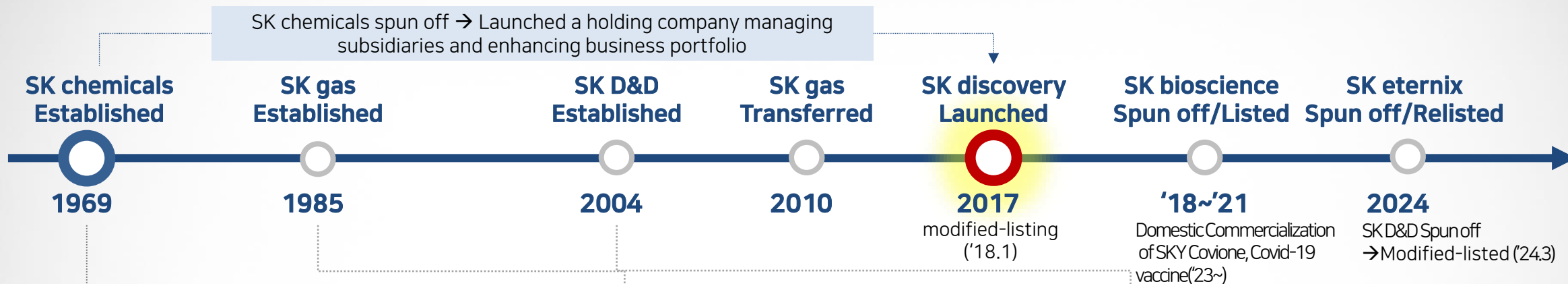
* SK chemicals was re-listed on January 5, 2018

Shareholder Structure

* As of September 30, 2024, Common shares only



History



SK chemicals

- 1969 Established Sunkyong Synthetic Fiber Co., Ltd.
- 1976 Listed on KOSPI
- 1987 Acquired Samshin Pharmaceutical
- 2000 Established Huvis
- 2001 Acquired Dongshin Pharmaceutical
- 2012 Established L House(Andong)
- 2015 Established SK plasma(plasma derivatives)
- 2017 Launched SK discovery, a holding company
- 2018 Spun off the vaccine business sector, SK bioscience
- 2021 SK bioscience was listed on KOSPI







SK gas

- 1985 Established Yugong Gas
- 1997 Listed on KOSPI
- 2007 Established SKGI(a Singapore company)
- 2010 SK chemicals acquired a stake in SK Gas
- 2014 Established SK advanced
- 2014 Entered into coal-fired power plant business through Gosung Green Power
- 2018 Obtained approval for Dangjin Eco-Power's business transition
- 2019 Acquired ownership of Korea Energy Terminal
- 2022 Began construction for UGPS
- 2022 Established LotteSKEneroot, a hydrogen JV

SK D&D

- 2004 Established Aperon
- 2008 Participated in real estate development business
- 2009 Started commercial generation of Solar Power
- 2014 SK gas acquired a stake in SK D&D
- 2014 Started commercial operation of Gasiri Wind power Plant(Jeju-do)
- 2015 Listed on KOSPI
- 2018 Hahn & Co. acquired a stake in SK D&D
- 2021 Entered the fuel cell business
- 2022 Established a physical divestiture of D&D Living Solutions
- 2024 Spun off the renewable energy business

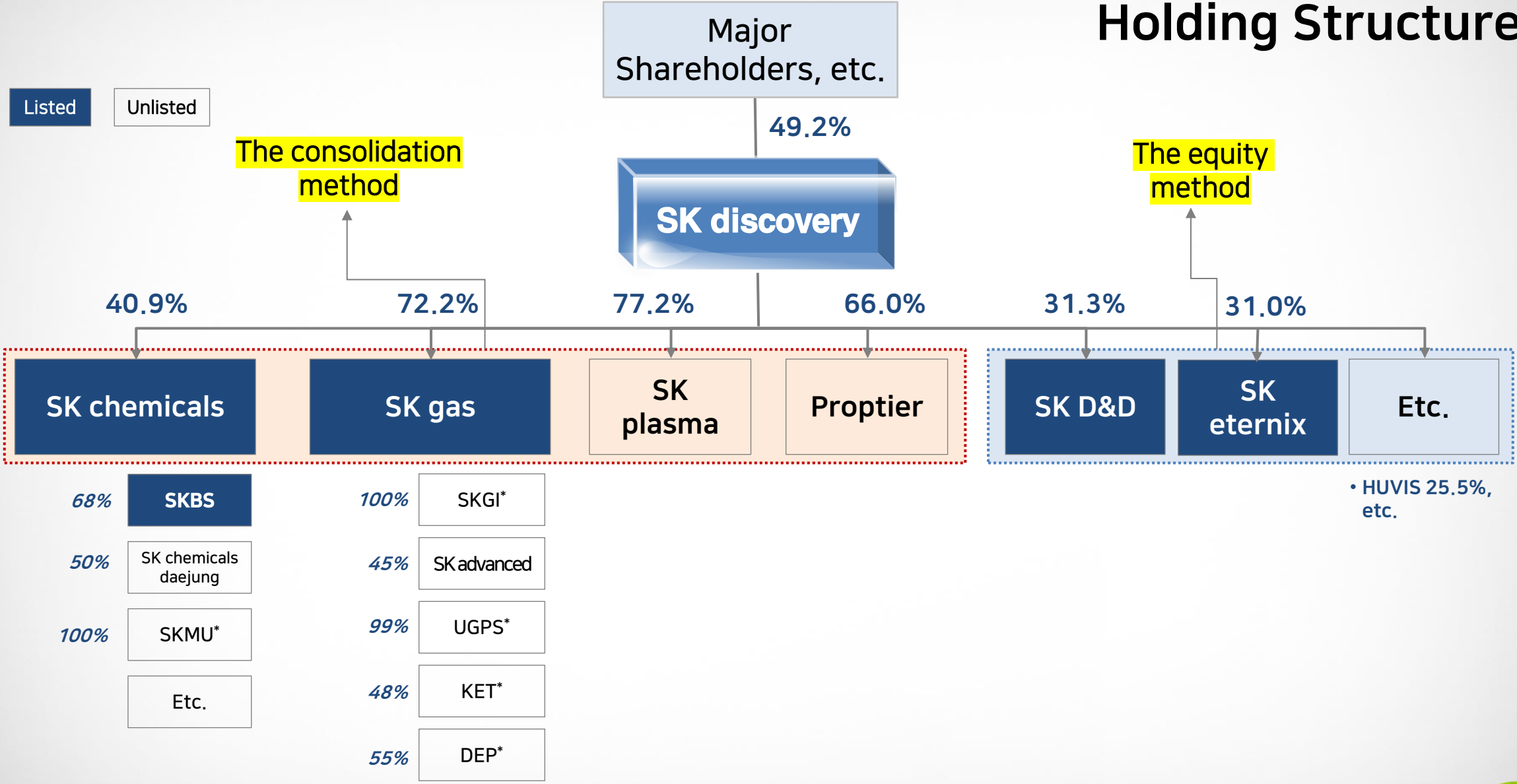
Affiliated Companies

	Business	Market Cap	Financial Results(FY23)
(Unit: KRW bn)		As of Sep. 30, 2024, Common Shares	Revenue/Profit Before Tax(Consolidated)
	Holding Company	648	8,939 / 351
	Green Chemicals + Life Science	880	1,749 / 52
	LPG	1,570	6,992 / 438
	Vaccine	4,256	370 / 7
	Plasma Derivatives	(Unlisted)	173 / Δ4
	Real Estate Development	163	480 / 134*
	Renewable Energy	603	

* Financial results before the split



Holding Structure



※ As of September 30, 2024, Common shares only

* SKMU : SK multiutility, SKGI : SK gas international(Singapore), UGPS : Ulsan Gas Power Station, KET : Korea Energy Terminal, DEP : Dangjin Eco-Power



Financial_Consolidated Basis

Income Statement

(Unit: KRW bn)	FY21	FY22	FY23
Revenue	6,614	8,717	8,939
Operating Profit	74	362	257
Operating Margin(%)	1.1	4.2	2.9
Net Profit	272	534	248
Net Profit Attributable to Equity Holders of the Parent	213	427	191

Balance Sheet

(Unit: KRW bn)	FY21	FY22	FY23
Total Assets	6,882	11,780	12,251
Total Liabilities	3,813	5,827	6,181
Total Equity	3,069	5,953	6,070
ROE Attributable to Equity Holders of the Parent(%)	9.8	16.3	6.6
Debt to Equity Ratio(%)	124	98	102

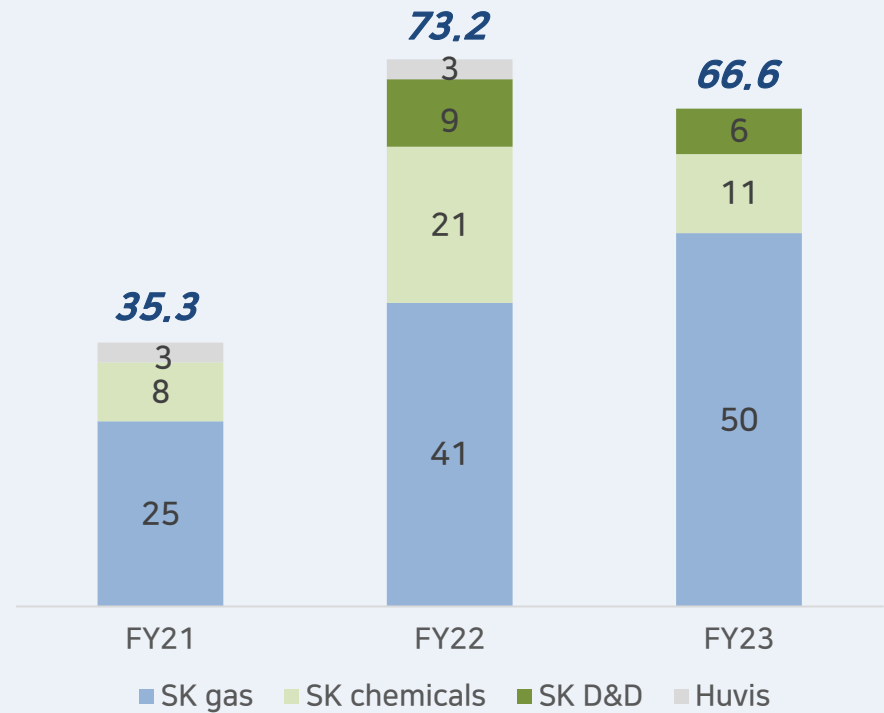


Financial_Separate Basis

(Unit: KRW bn)	FY21	FY22	FY23
Revenue	35	73	67
Operating Profit	22	54	47
Operating Margin(%)	62.5	73.2	70.5
Net Profit	39	163	42
Total Assets	1,562	1,663	1,752
Total Liabilities	605	583	674
Total Equity	956	1,080	1,079
Debt to Equity Ratio(%)	63	54	62

Dividend Income

※SK discovery's separate revenue is entirely from dividend income



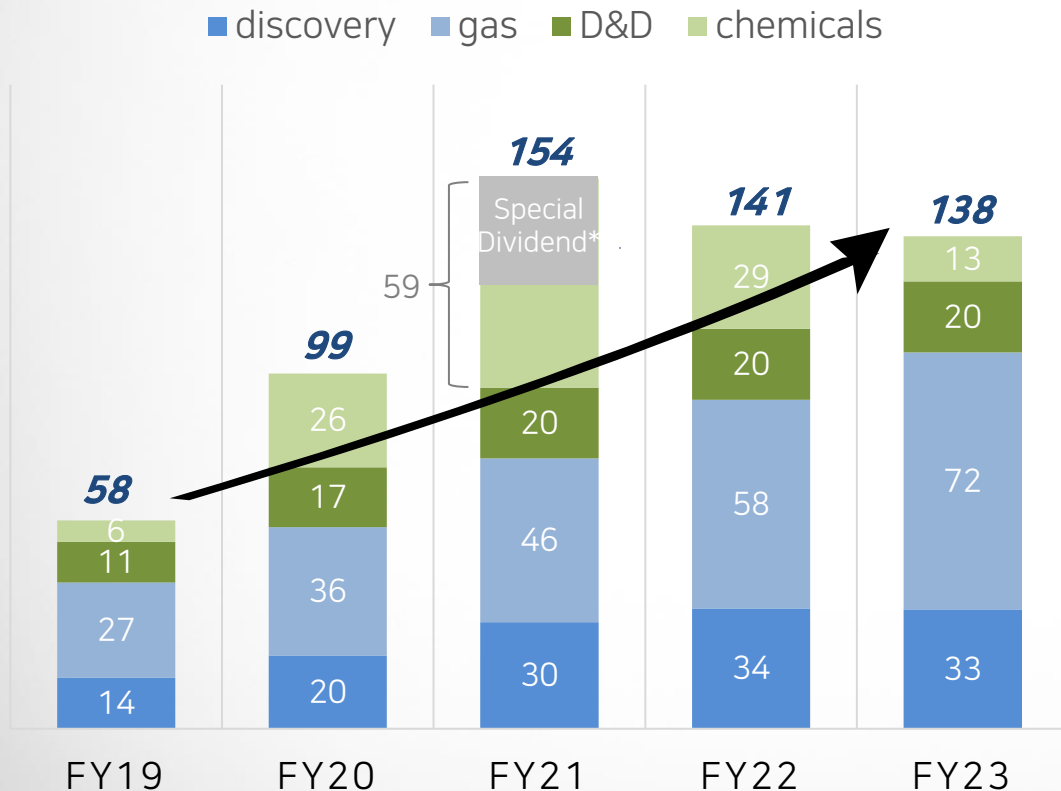
* CASH IN Basis



Shareholder Return

SK discovery paid interim dividends, commenced a share buy-back program and established a new dividend procedure: 'determine the dividend amount first, then set the record date later'

Total Dividends



* A special dividend of SK chemicals in FY21

DPS & Dividend Yield

(Common shares, Unit: KRW)	FY19	FY20	FY21	FY22	FY23
discovery	700 (2.8%)	1,000 (1.5%)	1,500 (3.2%)	1,700 (5.3%)	1,700 (4.3%)
chemicals	450 (0.7%)	2,000 (0.5%)	3,000* (2.0%)	1,500 (1.9%)	650 (1.0%)
gas	3,000 (3.4%)	4,000 (3.8%)	5,100 (3.8%)	6,500 (5.2%)	8,000 (5.3%)
D&D	600 (2.1%)	600 (1.4%)	800 (2.6%)	800 (3.5%)	800 (3.1%)

※ Have paid interim dividends since 2022

Acquisition & Cancellation of Treasury Stock	Plan	<ul style="list-style-type: none"> Announced to acquire & cancel KRW 60bn worth treasury stocks for FY23~25 (9% of issued stocks**) <ul style="list-style-type: none"> -Aims to enhance shareholder value by increasing shareholder returns
	Status	<ul style="list-style-type: none"> Acquired & canceled stock worth KRW 10bn ('23) Acquired stock worth KRW 20bn ('24)

**Common Shares, Sep. 30, 2024 Closing price KRW 34,500 basis

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SK discovery

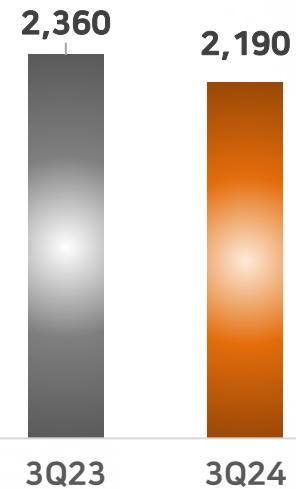
Consolidated net profit reduced YoY due to decrease in net profit of SK chemicals and SK gas, etc.
 Separate net profit reduced YoY due to decrease in dividend income and increase in interest expense

Performance

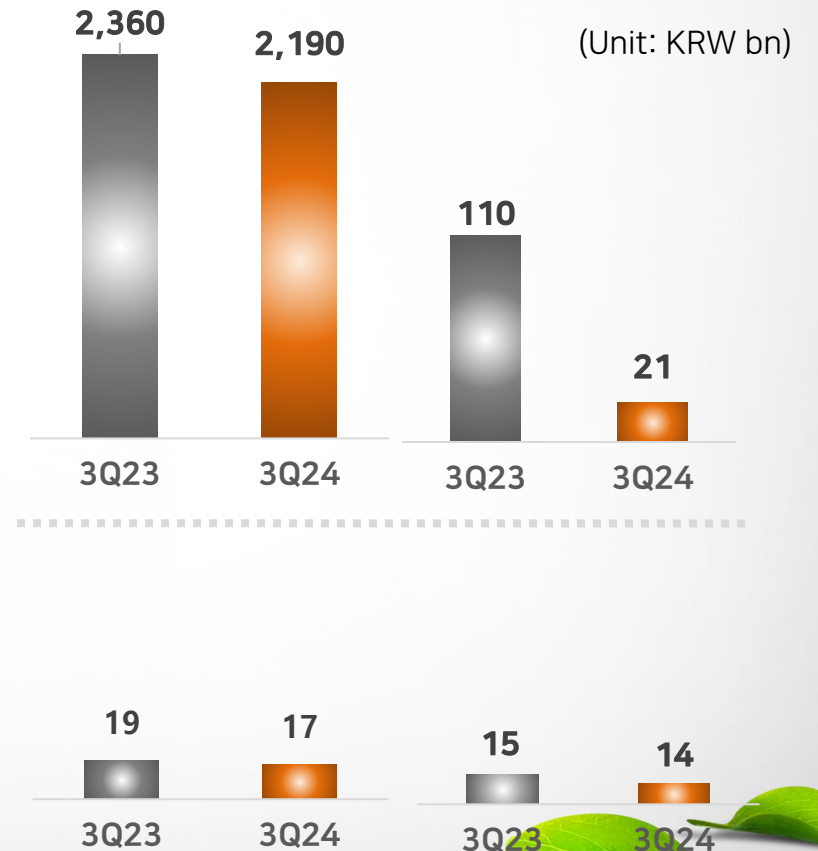
(Unit: KRW bn)

		3Q23	2Q24	3Q24	YoY	QoQ
Consolidated	Revenue	2,360	2,119	2,190	-7.2%	+3.3%
	Operating Profit	110	40	21	-80.9%	-46.8%
	Operating Margin(%)	4.7	1.9	1.0	-3.7%p	-0.9%p
	Net Profit	150	16	38	-74.6%	+134.9%
Separate	Revenue	19	0	17	-9.7%	-
	Operating Profit	15	-4	14	-11.4%	Turned to Profit
	Net Profit	11	-10	6	-44.3%	Turned to Profit

Revenue



Operating Profit



SK chemicals

Consolidated revenue reduced and consolidated profit turned to loss YoY due to expanded losses in consolidated subsidiaries

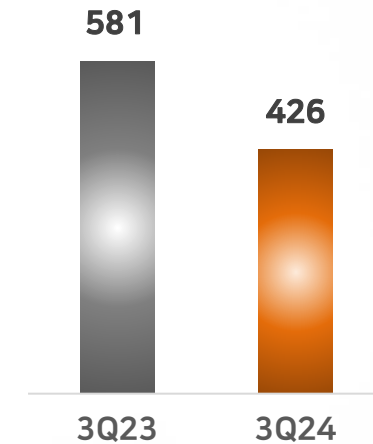
Despite the size reduction in the Pharma biz., separate revenue and profit increased YoY due to Copoly biz.

Performance

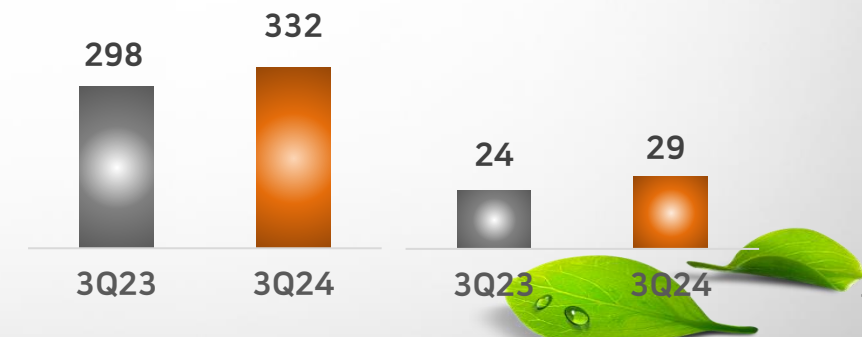
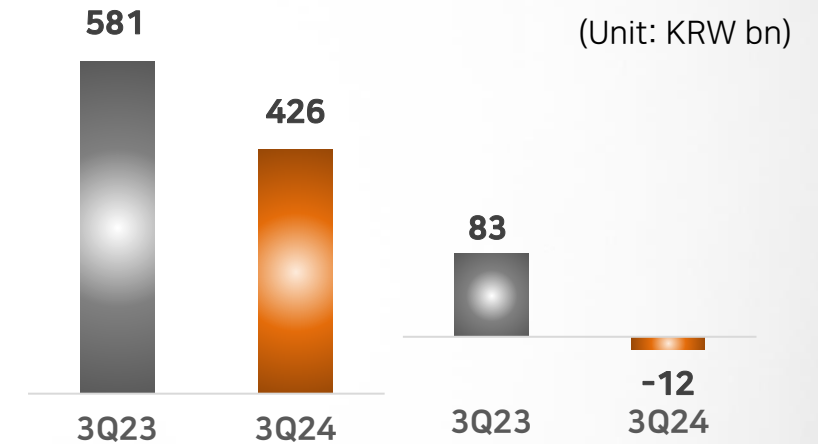
(Unit: KRW bn)

		3Q23	2Q24	3Q24	YoY	QoQ
Consolidated	Revenue	581	414	426	-26.7%	+3.0%
	Operating Profit	83	9	-12	Turned to Loss	Turned to Loss
	Operating Margin(%)	14.3	2.1	Loss	-	-
	Net Profit	62	5	-11	Turned to Loss	Turned to Loss
Separate	Revenue	298	345	332	+11.3%	-3.8%
	Operating Profit	24	31	29	+23.6%	-5.7%
	Operating Margin(%)	8.0	9.1	8.9	+0.9%p	-0.2%p
	Net Profit	14	26	15	+6.6%	-41.7%

Revenue



Operating Profit



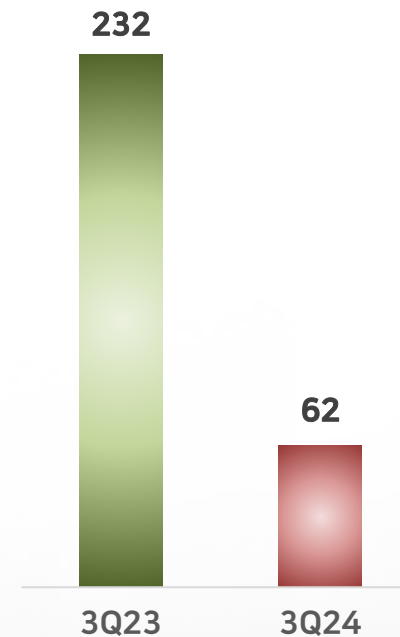
SK bioscience

Consolidated revenue and profit reduced YoY due to Novavax contract termination in the prior year

Performance Consolidated Basis

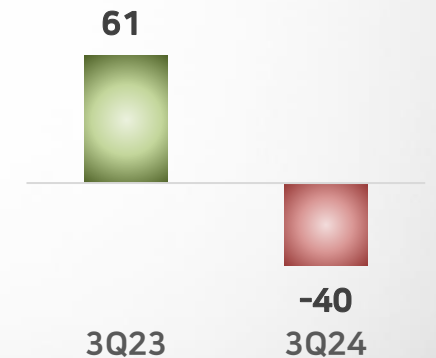
(Unit: KRW bn)	3Q23	2Q24	3Q24	YoY	QoQ
Revenue	232	27	62	-73.4%	+130.2%
Operating Profit	61	-20	-40	Turned to Loss	Loss Continued
Operating Margin(%)	26.3	Loss	Loss	-	-
Net Profit	48	-11	-22	Turned to Loss	Loss Continued

Revenue



Operating Profit

(Unit: KRW bn)



SK gas

Consolidated revenue was maintained YoY due to solid sales performance, but consolidated operating profit slightly decreased YoY due to the prolonged price freeze

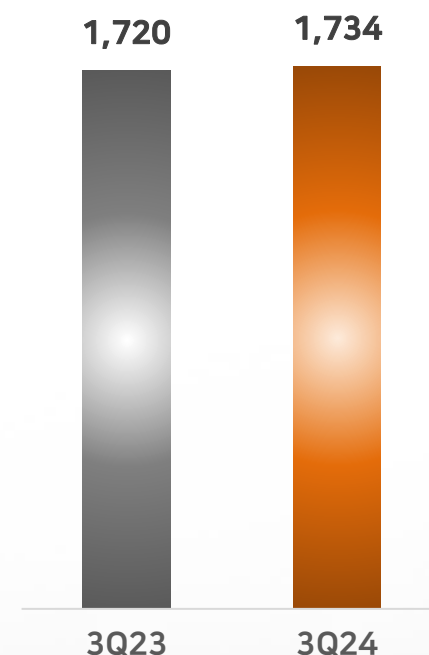
Consolidated net profit reduced YoY due to decrease in the accounting profit from LPG derivatives

*UGPS plans to commence commercial operations by '24, the hydrogen fuel cell power generation biz. has obtained an additional license

Performance Consolidated Basis

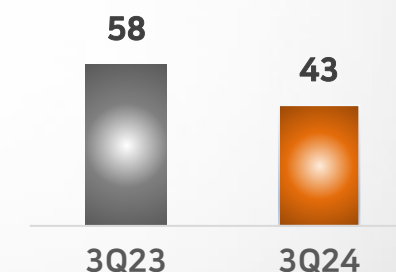
(Unit: KRW bn)	3Q23	2Q24	3Q24	YoY	QoQ
Revenue	1,720	1,651	1,734	+0.8%	+5.0%
Operating Profit	58	47	43	-25.4%	-8.4%
Operating Margin(%)	3.4	2.8	2.5	-0.9%p	-0.4%p
Net Profit	125	38	73	-41.6%	+90.6%

Revenue



Operating Profit

(Unit: KRW bn)



New Shareholder Return Policy

From dividends of FY24, the pay-out will be 25% or more of consolidated net profit attributable to equity holders of the parent & additional shareholder returns based on non-current profit will be considered as well (disclosed on Sep.13, 2023)

SK plasma

Revenue and operating profit increased YoY, operating profit continued surplus for 6 consecutive quarters
 Plasma Derived Medicinal Products plant in Indonesia secured investment from the Indonesian sovereign wealth fund in November 2024, marking the first investment attraction case for a Korean corporation

Performance Consolidated Basis

Main Products

(Unit: KRW bn)	3Q23	2Q24	3Q24	YoY	QoQ	Product	Component	Indication
Revenue	52	45	53	+1.6%	+17.5%	SK Albumin	Albumin	Transporation of various nutrients, detoxification, etc.
Operating Profit	4	1	5	+26.4%	+360.5%	AT-III	AT-III	Prevention of blood clot formation
Operating Margin(%)	7.5	2.4	9.4	+1.8%p	+7.0%p	Liv-Gamma	IVIG	Combination therapy with antibiotics in infectious disease
Net Profit	0.9	-3	0.4	-58.9%	Turned to Profit	Tetabulin SN	TIG	Treatment of tetanus infection



SK D&D / SK eternix

SK D&D : Consolidated revenue and profit increased YoY due to progress of Saenggak Gongjang Guro and Gunpo TRIARTZ

SK eternix : Consolidated revenue increased and profit turned to surplus QoQ due to the delivery of Chligok, Yakmok fuel cell project, etc. (Extra growth is expected from additional fuel cell project)

SK D&D Consolidated Basis

(Unit: KRW bn)	3Q23	2Q24	3Q24	YoY	QoQ
Revenue	40	72	63	+56.1%	-12.8%
Operating Profit	-13	3	3	Turned to Profit	+7.0%
Operating Margin(%)	Loss	3.6	4.4	-	+0.8%p
Net Profit	-13	10	-0.5	Loss Continued	Turned to Loss

SK eternix Consolidated Basis

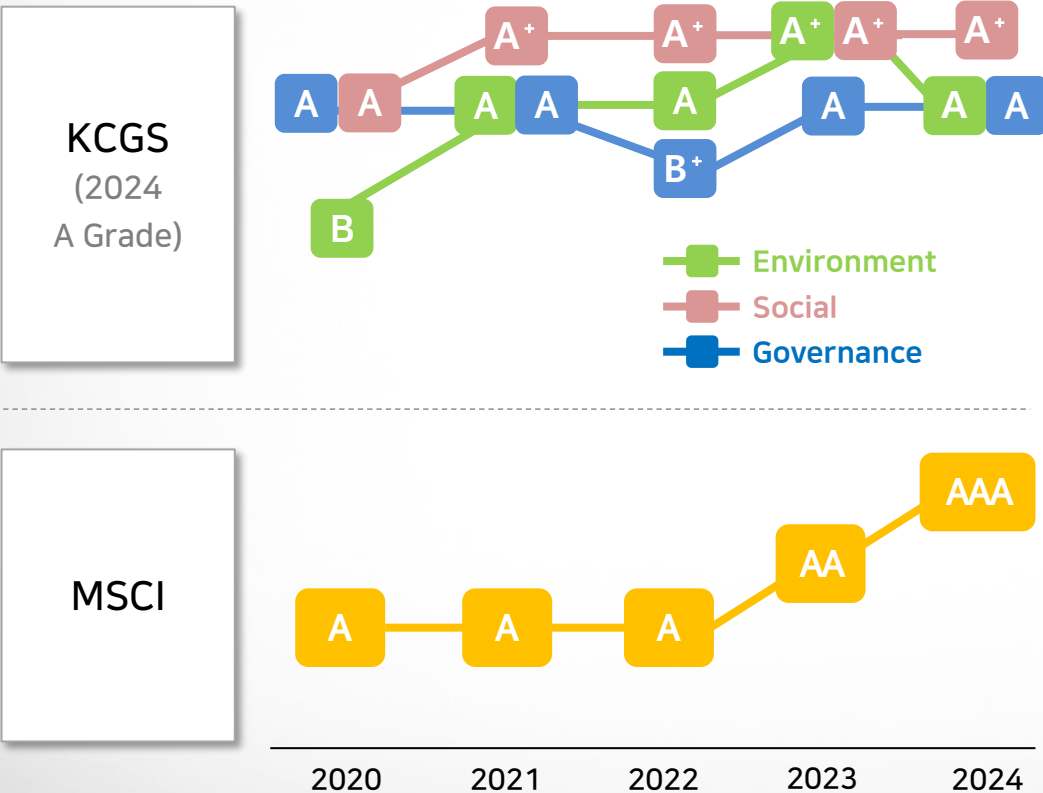
(Unit: KRW bn)	2Q24	3Q24	QoQ
Revenue	14	160	+1,045.3%
Operating Profit	-2	14	Turned to Profit
Operating Margin(%)	Loss	9.0	-
Net Profit	-3	7	Turned to Profit



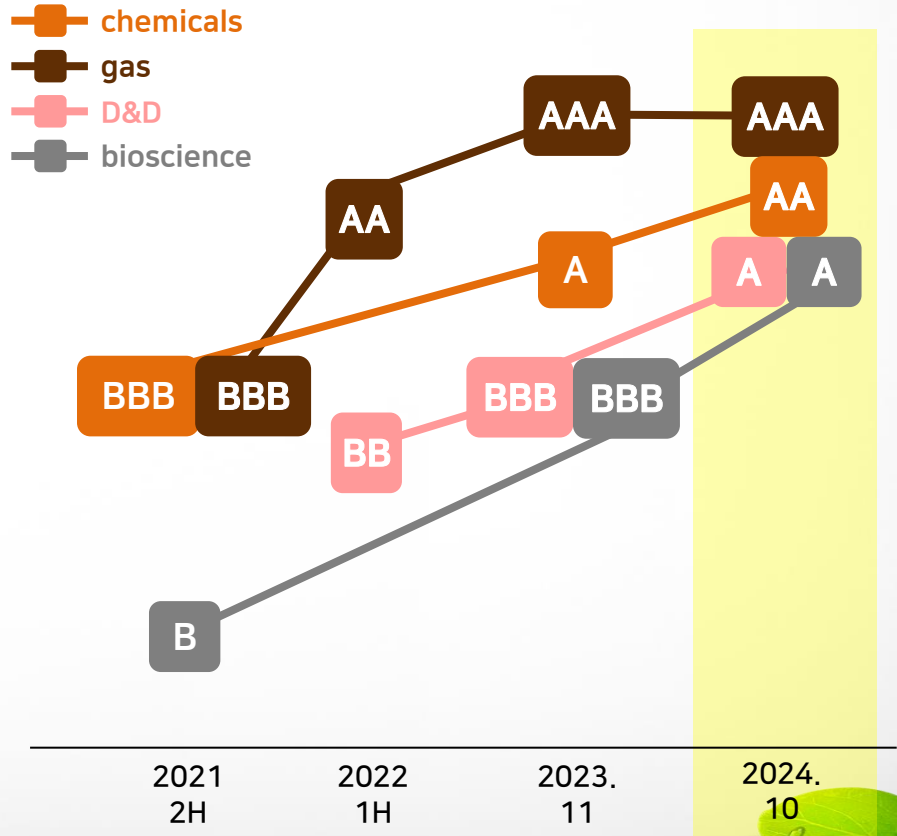
Appendix) ESG Management

Through coordination between affiliates, ESG ratings have improved rapidly
 In March 2024, SK discovery achieved the highest rating of AAA in the MSCI evaluation

Assessment Results for SK discovery*



MSCI Results for Other Affiliates*



※ SK discovery ESG Website ([SK discovery ESG](#))



Appendix) Financial Statements

SK discovery_Consolidated Basis

Income Statement

(Unit: KRW bn)

Items	FY21	FY22	FY23	3Q24	'24 Cum.
Revenue	6,614	8,717	8,939	2,190	6,468
Cost of Revenue	6,236	7,885	7,823	1,953	5,737
Gross profit from Revenue	379	832	1,116	236	730
Operating profit	74	362	257	21	100
<i>Operating margin(%)</i>	<i>1.1</i>	<i>4.2</i>	<i>2.9</i>	<i>1.0</i>	<i>1.5</i>
Other non-operating profit	290	177	94	22	-34
Profit before income tax	365	539	351	43	66
Income tax expense	92	5	103	5	33
Consolidated net profit	272	534	248	38	33
<i>Net profit margin(%)</i>	<i>4.1</i>	<i>6.1</i>	<i>2.8</i>	<i>1.7</i>	<i>0.5</i>
Net profit attributable to equity holders of the parent	213	427	191	37	39

Balance Sheet

(Unit: KRW bn)

Items	FY21	FY22	FY23	3Q24
Current assets	2,802	5,326	5,012	5,712
(Cash and cash equivalents)	189	838	1,016	1,579
Non-current assets	4,080	6,454	7,238	7,708
Total assets	6,882	11,780	12,251	13,420
Current liabilities	1,977	3,283	2,830	3,707
(Short-term borrowings)	1,244	1,645	1,320	1,415
Non-current liabilities	1,835	2,544	3,351	3,609
(Long-term loans)	42	117	827	1,466
Total liabilities	3,813	5,827	6,181	7,317
Equity attributable to equity holders of the parent	2,413	2,819	2,942	2,954
(Capital stock)	112	112	112	112
(Other capital items)	-211	-157	-194	-175
(Retained earnings)	2,512	2,865	3,024	3,018
Non-controlling interest	656	3,134	3,128	3,149
Total equity	3,069	5,953	6,070	6,103

Appendix) Financial Statements

SK discovery_Separate Basis

Income Statement

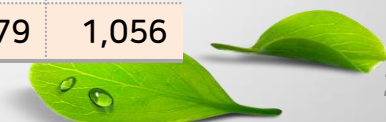
(Unit: KRW bn)

Items	FY21	FY22	FY23	3Q24	'24 Cum.
Revenue	35	73	67	17	62
Cost of revenue	13	20	20	4	11
Operating profit	22	54	47	14	51
<i>Operating margin(%)</i>	<i>62.5</i>	<i>73.2</i>	<i>70.5</i>	<i>78.7</i>	<i>82.5</i>
Other non-operating profit	32	134	4	-9	-22
Profit before income tax	54	187	51	5	30
Income tax expense	16	25	9	-1	0.2
Net profit	39	163	42	6	30
<i>Net profit margin(%)</i>	<i>109.5</i>	<i>222.2</i>	<i>63.1</i>	<i>35.0</i>	<i>47.6</i>

Balance Sheet

(Unit: KRW bn)

Items	FY21	FY22	FY23	3Q24
Current assets	185	47	99	319
(Cash and cash equivalents)	10	7	91	124
Non-current assets	1,376	1,616	1,654	1,475
Total assets	1,562	1,663	1,752	1,794
Current liabilities	455	394	364	491
(Short-term borrowings)	448	290	320	300
Non-current liabilities	151	190	310	247
(Long-term loans)	0	0	0	20
Total liabilities	605	583	674	738
Capital stock	112	112	112	112
Other capital items	-610	-612	-621	-629
Retained earnings	1,455	1,580	1,588	1,573
Total equity	956	1,080	1,079	1,056





Reference Link _ IR Contents of Subsidiaries

 **SK chemicals**

https://www.skchemicals.com/ir/public_list.aspx

 **SK gas**

https://skgas.co.kr/Investment/publicly_IR2_list.html

 **SK bioscience**

https://www.skbioscience.com/kr/ir/stock_03

 **SK D&D**

<https://www.skdnd.com/invest/irsearch.do>

 **SK eternix**

<https://www.sketernix.com/invest/irsearchList.do>

 **SK plasma**

<https://www.skplasma.com/kr>



THANK YOU

