1Q 2021 Earnings Release

April 2021

DISCLAIMER

Financial results for 1Q 2021 are provisional and subject to change according to the outside independent auditors' review.

This presentation contains forward-looking statements that are based on our current expectation, assumptions, estimates and projections about S-OIL and the refinery industry. We caution you not to place undue reliance on any forward-looking statement which may involve various risks and uncertainties.

Please also note that although we believe that the assumptions on which our forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and, as a result, the forward-looking statements based on those assumptions could be incorrect. Except as required by law, we do not undertake to release the results of any revisions of these forward-looking statements to reflect future events or circumstances.

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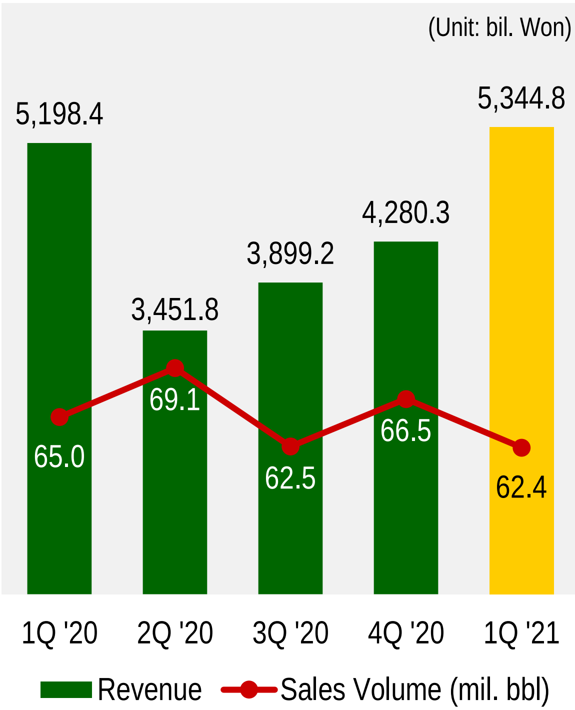
1Q 2021 Financial Result

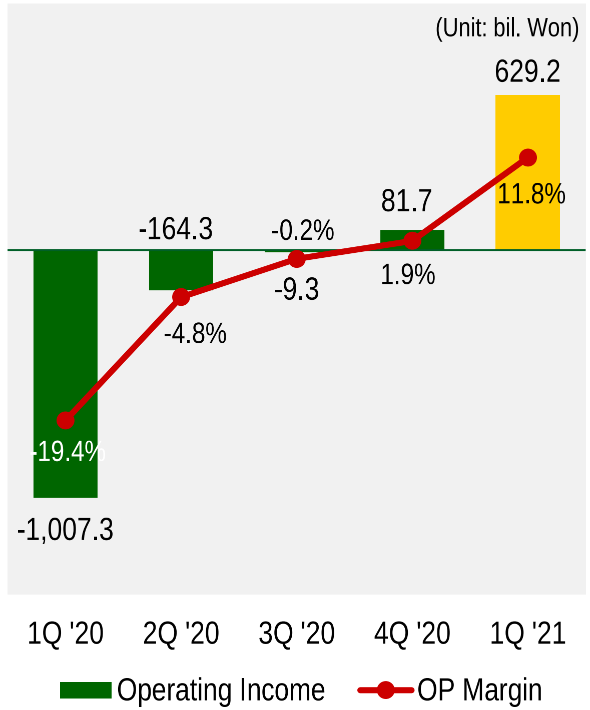
Revenue



Increased 24.9% QoQ due to rise in selling price

- Quarterly average selling price: 30.6%↑, QoQ
- Sales volume: 5.7%↓, QoQ

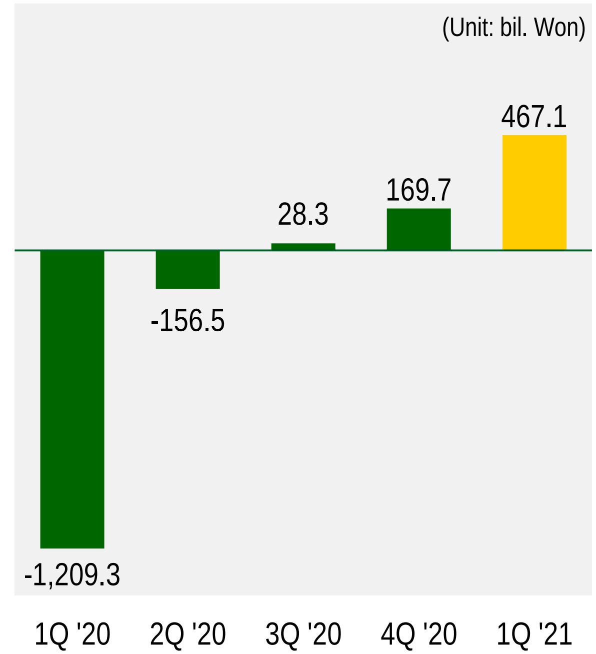
Operating Income



Jumped 548 bil. Won QoQ on increase in products' margin and inventory-related gain

- Increase of products' cracks($, QoQ): Gasoline(2.1/bbl↑), Diesel(1.4/bbl↑), PX (51/ton↑), PO(15/ton↑), LBO(11.8/bbl↑)
- Inventory-related gain: 285 bil. Won (Inventory-related gain in 4Q '20: 67 bil. Won)

Income before Tax

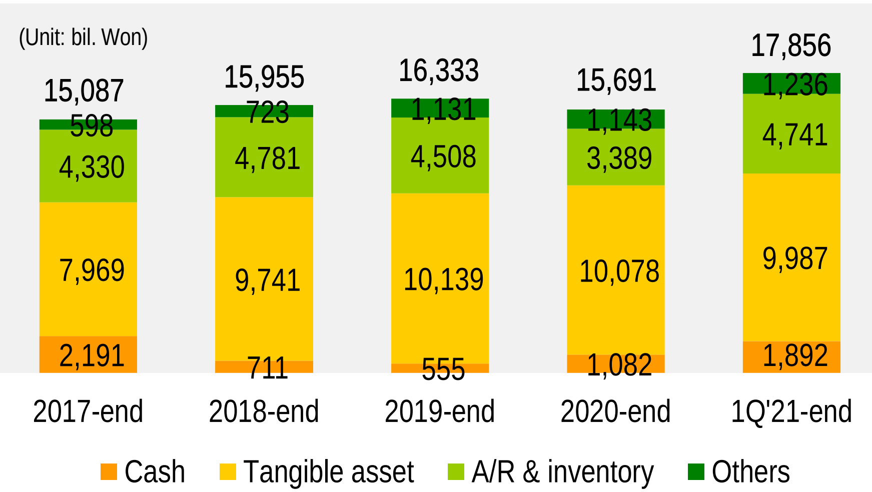


Despite FX loss, extended 297.4 bil. Won QoQ due to increase of OP

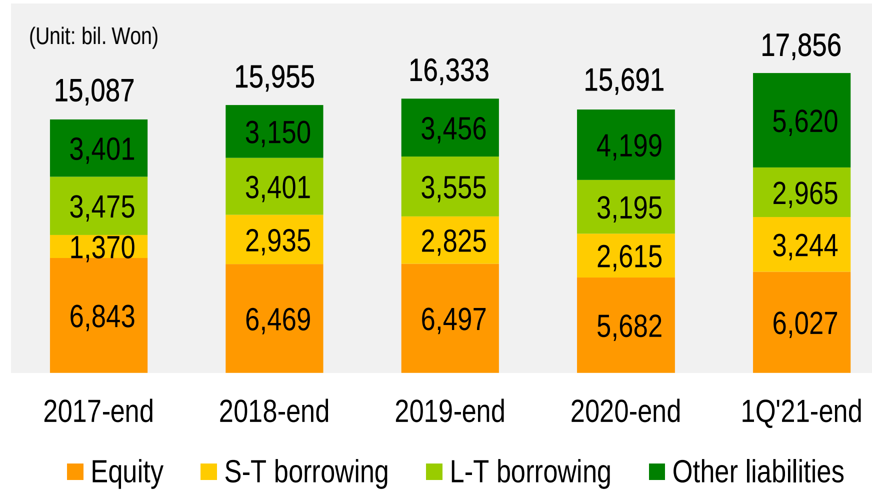
- F/X loss: 110.0 bil. Won (4Q '20 F/X gain: 133.9 bil. Won)
- ₩/$ rate: 1Q-end 1,133.5 (45.5↑, QoQ)

Financial Status

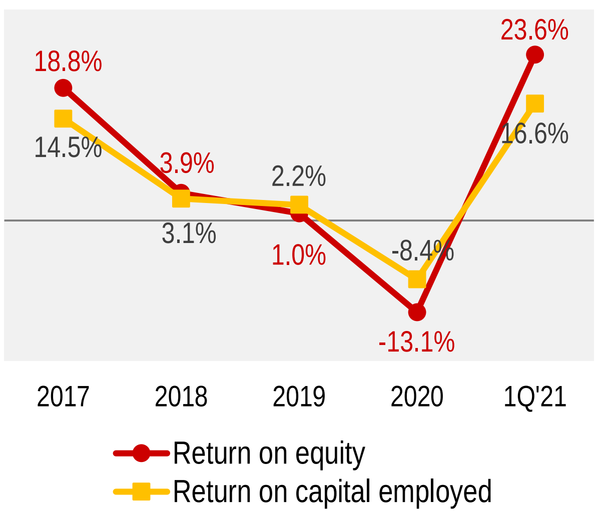
Assets

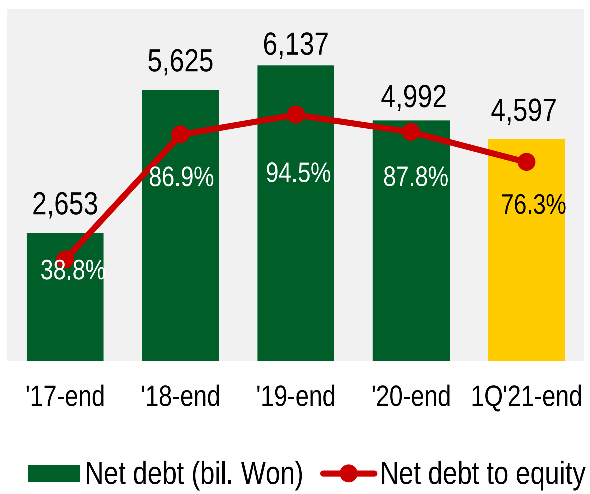


Liabilities & Equities

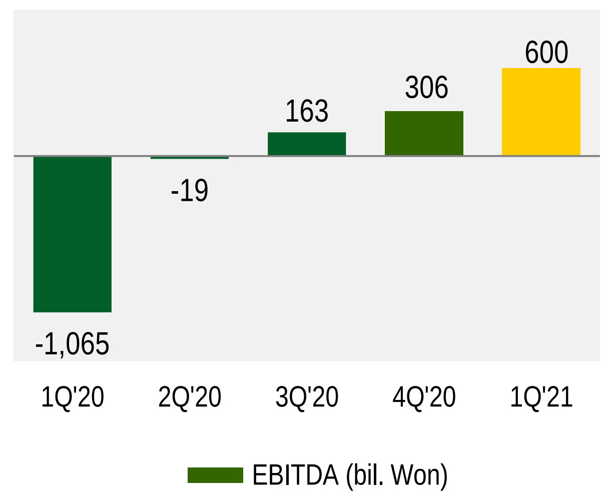


Financial Highlights





- Net debt: Short-term borrowing + Long-term borrowing + Lease obligation - Cash

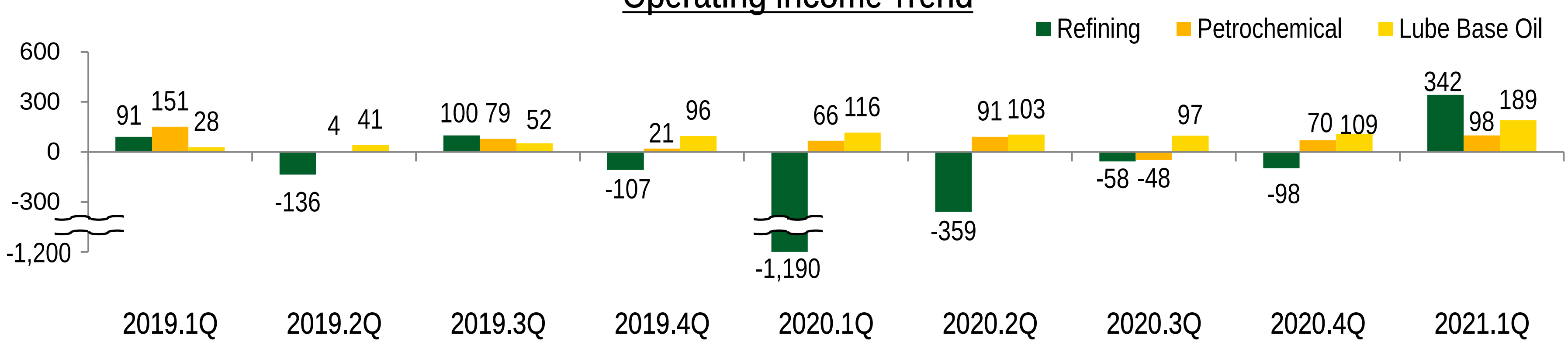


* EBITDA: Income before tax + Net interest expense + Depreciation(Excluding catalyst amortization cost)

Performance by Business Segment

Segment	(Unit: bil. Won)	1Q '21	4Q '20	QoQ	1Q '20	YoY
Refining	Revenue	3,797.4	3,096.2	22.6%↑	3,956.4	-4.0%↓
	Operating Income	342.0	-97.9		-1,190.0	
	(Margin)	*(9.0%)*	*(-3.2%)*		*(-30.1%)*	
Petrochemical	Revenue	1,021.1	822.4	24.2%↑	808.1	26.4%↑
	Operating Income	98.3	70.3	39.7%↑	66.5	47.9%↑
	(Margin)	*(9.6%)*	*(8.6%)*		*(8.2%)*	
Lube Base Oil	Revenue	526.3	361.7	45.5%↑	433.9	21.3%↑
	Operating Income	188.9	109.2	73.0%↑	116.3	62.5%↑
	(Margin)	*(35.9%)*	*(30.2%)*		*(26.8%)*	
Total	Revenue	5,344.8	4,280.3	24.9%↑	5,198.4	2.8%↑
	Operating Income	629.2	81.7	670.4%↑	-1,007.3	
	(Margin)	*(11.8%)*	*(1.9%)*		*(-19.4%)*	

Operating Income Trend

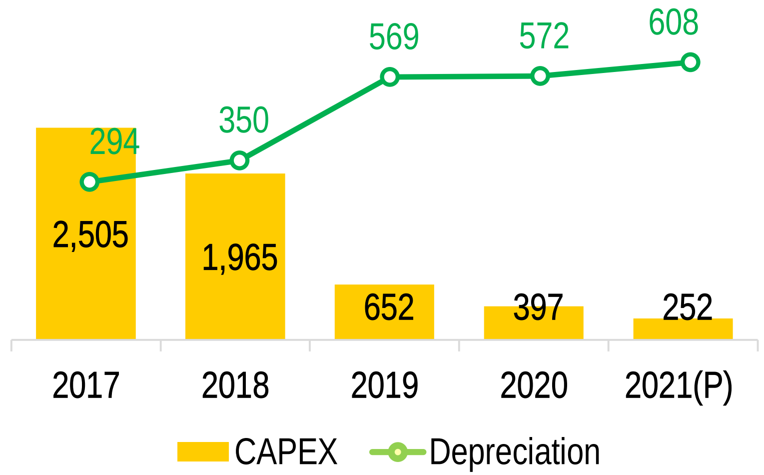


CAPEX & Operation

CAPEX & Depreciation

(Unit: bil. Won)	2020	2021 Plan	1Q '21
Upgrade & Maintenance	361.2	172.0	10.1
Others	36.0	80.3	8.5
Total CAPEX	397.2	252.3	18.5
Depreciation	571.5	607.7	149.8

(Unit: bil. Won)



Maintenances

	2019	2020	1Q '21	2-4Q '21(P)
Refining	#3 CDU CFU	#1 CDU	-	-
	#1,2 RFCC HYC FH	#2 RFCC	-	-
Petrochemical	#2 PX	PP/PO	-	-
Lube Base Oil	HYC SH	#1 HDT	-	-

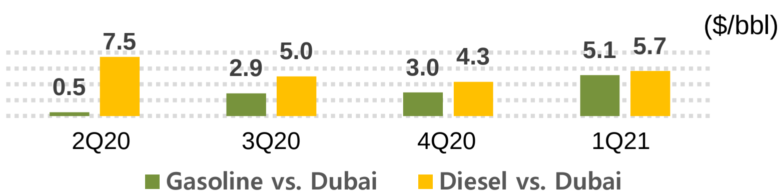
Utilization Rate

	2019	2020	4Q'20	1Q'21
CDU	95.4%	96.1%	100.8%	94.4%
RFCC/HYC	86.8%	91.9%	98.7%	95.5%
PX Plants	75.6%	88.0%	81.6%	96.0%
PP/PO Plants	75.4%	78.0%	94.7%	99.8%
Lube Plants	88.7%	88.4%	98.4%	98.2%

Market Environment & Outlook – Refining

1Q ’21 Market Environment

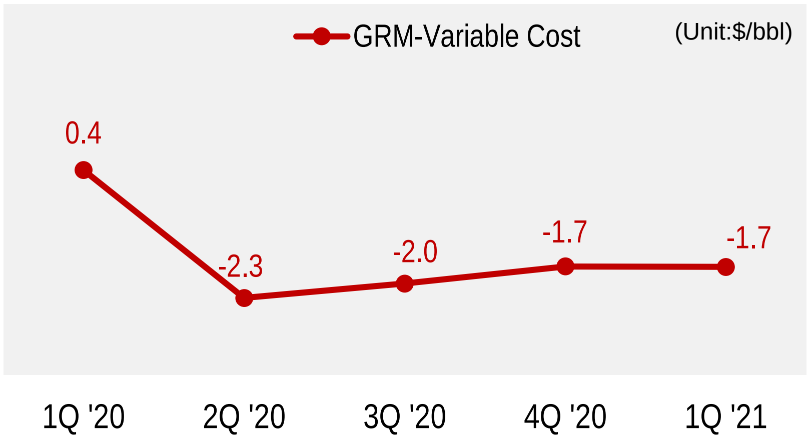
- **Refining margins** remained weak under on-going COVID-19 impact. However spreads of gasoline and diesel (the Company’s main products) continued to increase, showing demand recovery with global rollout of vaccine.



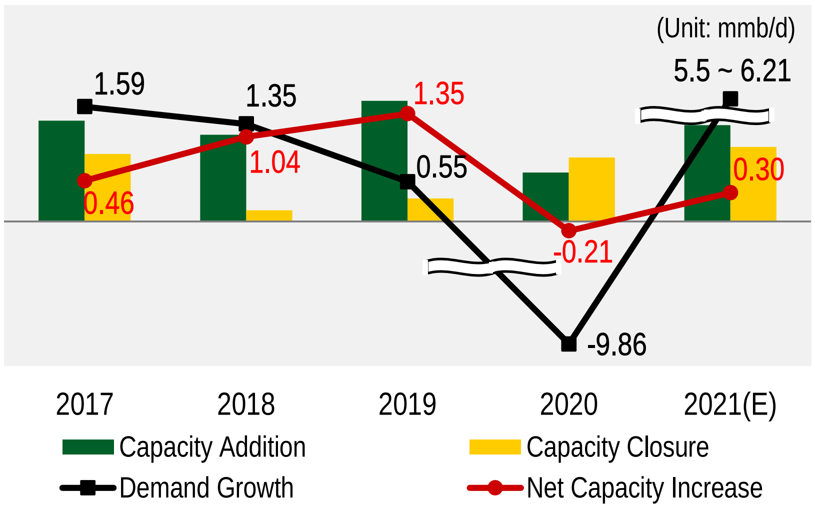
2Q ’21 Outlook

- **Refining margins** are expected to increase due to the economic recovery and increase in mobility following the expansion of vaccinations as well as start of driving season.

Singapore Margin



Global Net Capacity Increase vs. Demand Growth



Source: IEA,OPEC, EIA, FACTS Global Energy, Wood Mackenzie, The Company

Market Environment & Outlook – Polymer

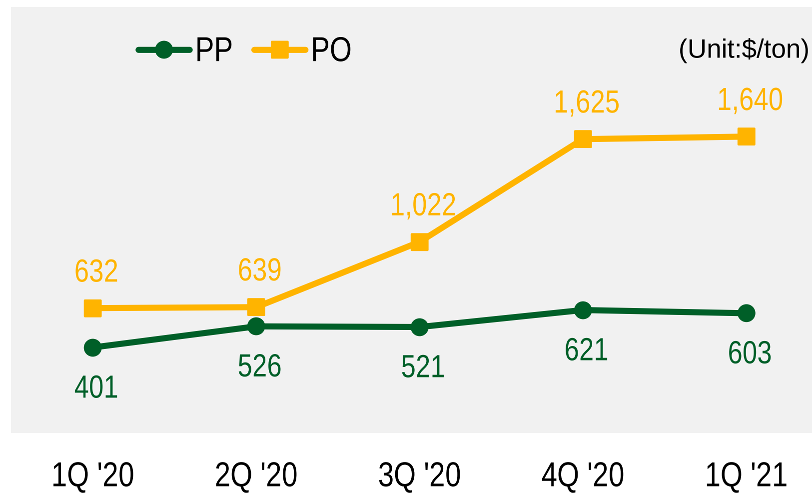
1Q ’21 Market Environment

- **Propylene Oxide(PO) spread** continued to strengthen due to strong polyol demand from automotive and home appliances sectors amid supply tightness by unplanned shutdown in the U.S. and Europe.
- **Polypropylene(PP) spread** maintained healthy level due to unplanned shutdown of PP plants in Europe and the U.S. amid solid demand from packaging, medical and hygiene sectors.

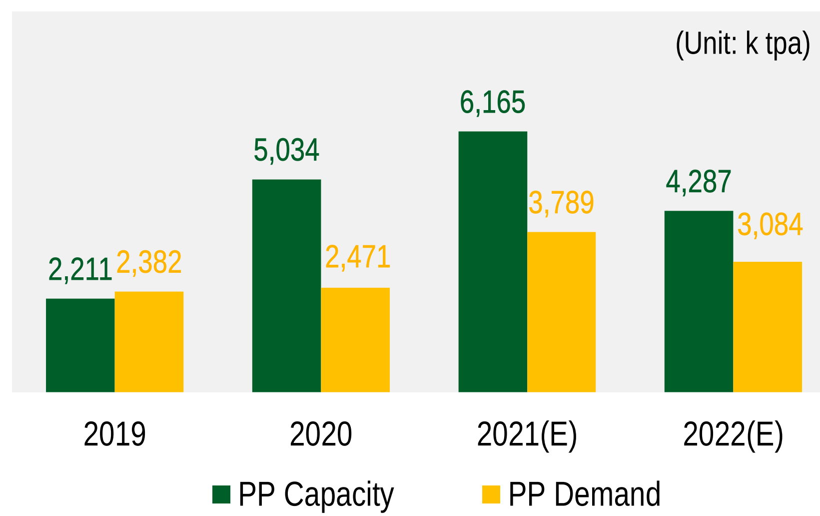
2Q ’21 Outlook

- **PO spread’s** strong trend is expected to continue supported by solid demand.
- **PP spread** is expected to stay at decent level due to strong demand from automotive, packaging, medical sectors.

Product Spread (Vs. Naphtha)



Increase of PP Capacity and Demand (Asia & ME)



Source: ICIS, IHS, The Company

Market Environment & Outlook – Aromatics

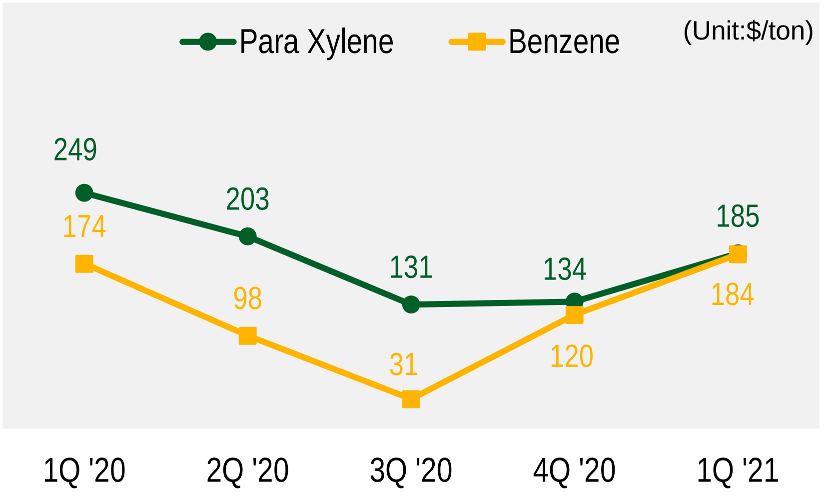
1Q '21 Market Environment

- **Para Xylene spread** improved due to the recovery of downstream demand in the region and supply disruption impacted by planned and unplanned PX plant outages.
- **Benzene spread** increased as demand remained strong, supported by healthy economics for the downstream sector, and plants in the U.S. were in shutdown amid cold snap.

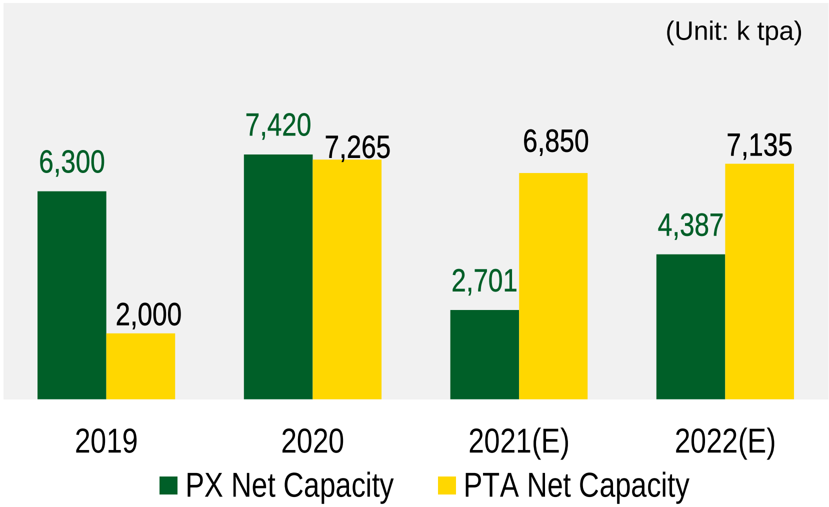
2Q '21 Outlook

- **Para Xylene spread** is expected to further improve as supply-demand balance will remain slightly tight amid sustained demand recovery in downstream sectors.
- **Benzene spread** is expected to increase due to firm downstream demand, lower regional inventories, and strong arbitrage opportunity in U.S. market.

Product Spread (Vs. Naphtha)



PX & PTA Net Capacity Expansion



Source: Wood Mackenzie, IHS, ICIS, The Company

Market Environment & Outlook – Lube Base Oil

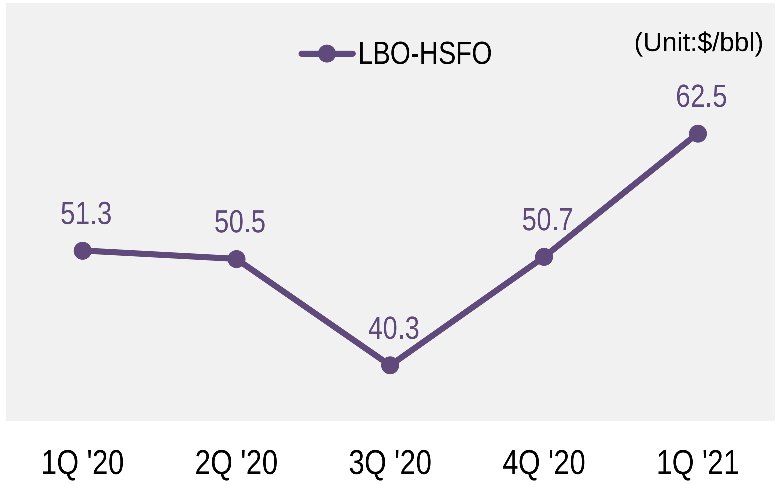
1Q '21 Market Environment

- LBO spread was more strengthened as supply tightness continued due to lower utilization rates of global refineries and regular maintenance of refineries, with demand recovering.

2Q '21 Outlook

- LBO spread is forecast to be robust as the supply shortage is expected to remain intact due to continuous lower run rates of global plants.

Product Spread (Asia)



LBO Capacity Addition

Source: ICIS, Argus, Kline, The Company

Appendix 1

Summarized Income Statement

(Unit: bil. Won)	1Q '21	4Q '20	QoQ	1Q '20	YoY
Revenue	5,344.8	4,280.3	24.9%↑	5,198.4	2.8%↑
Operating Income	629.2	81.7	670.4%↑	-1,007.3	-
(Margin)	(11.8%)	(1.9%)	-	(-19.4%)	-
Finance & Other Income	-163.8	86.3	-	-202.3	-
- Net Interest Gain	*-25.9*	*-30.3*	-	*-42.9*	-
*- Net F/X Gain**	*-110.0*	*133.9*	-	*-141.5*	-
- Others	*-27.9*	*-17.3*	-	*-17.9*	-
Equity Method Gain	1.7	1.7	-	0.2	-
Income before Tax	467.1	169.7	175.2%↑	-1,209.3	-
Net Income	344.7	121.1	184.6%↑	-880.6	-

* Including gain/loss from F/X derivatives for hedging

Appendix 2

Quarterly Trend of Sales by Region

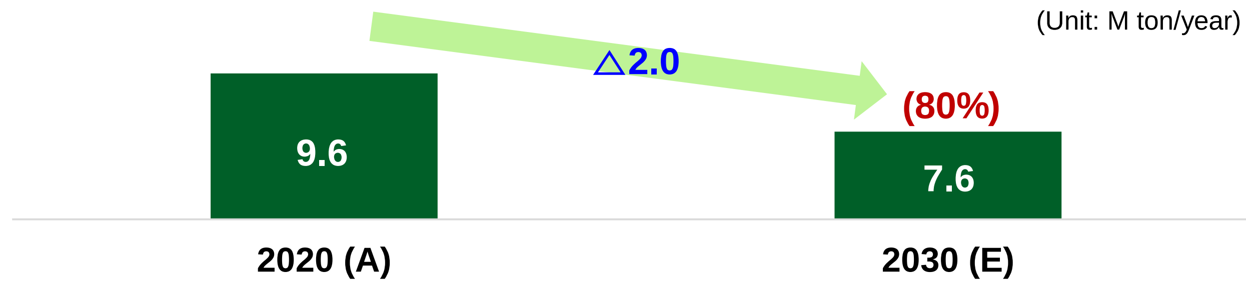
(Unit: k bpd, %)		1Q '20	2Q '20	3Q '20	4Q '20	1Q '21
Sales Total		714	760	679	723	693
- Domestic		340	358	325	364	350
- Export		374	401	354	359	343
(% in export)						
	China	15.3%	31.5%	25.0%	26.8%	27.3%
	Japan	22.9%	16.0%	18.3%	17.3%	24.3%
	Australia	8.8%	14.1%	15.0%	13.2%	13.6%
	USA	10.8%	2.1%	6.6%	11.0%	7.9%
	South East Asia	10.5%	9.9%	12.2%	10.9%	6.7%
	Singapore	14.5%	6.1%	5.2%	2.6%	3.3%
	Taiwan	0.6%	4.8%	2.1%	1.4%	1.3%

Efforts & Activities in ESG management

1. S-OIL's Carbon Reduction Roadmap

S-OIL has set a roadmap to reduce carbon emissions by 20% by 2030 through Green S-OIL Toward Eco-friendly Plant Project.

Target for Carbon Reduction
(Compared to BAU)



2. Efforts & Activities in 1Q

Investment in Eco-friendly facilities in refinery

- Expanded #1 RHDS(Residue Hydro-Desulfurization Unit) from 34,000 to 40,000 b/d to increase the supply of cleaner and more valued products to consumers.
- Installed a VCU (Vapor Combustion Unit) for 19 storage tanks for products, a green facility that prevents hazardous substances from being discharged into the air by capturing and combusting vapors emitting from storage tanks. The Company will install additional VCUs for other storage tanks at the refinery step by step until 2023.

Sealing MOU to supply CO2 as feedstock

- Sealed an MOU with an industrial gas maker, Dong Kwang Chemical, under which the Company will supply off-gas that includes a large amount of CO_2, to Dong Kwang and Dong Kwang will produce dry ice and liquid CO_2 for industrial and food use from the off-gas.
- Through the partnership, S-OIL will be able not only to curb CO_2 emissions by 100k tons per year, but to support the growth of Dong Kwang Chemical by increasing the supply of raw materials required for its capacity expansion.

Appendix 4

Investment in New Business in 1Q

In March, the Company acquired 20% stake in FCI (Fuel Cell Innovations), a SOFC(Solid Oxide Fuel Cell) developer and established a strategic partnership with FCI, thereby gaining a foothold in hydrogen business and responding actively to climate change.

FCI Overview

- ✓ Location : Daejeon (HQ), Pohang (Plant)
- ✓ Business : 1) Engineering service for fuel cell plant
  2) SOFC manufacturing and marketing
- ✓ A joint venture company between Korean parties (50.1%) and Saudi Arabia parties (49.9%)

FCI's Growth Plan

- ✓ To establish production facilities with more than 100 MW capacity investing 100 bil. won through 2027
- ✓ To branch out into the fuel cell business abroad, mainly in the Middle East
- ✓ To expand business area into power generation market and fleet powertrain through portfolio diversification

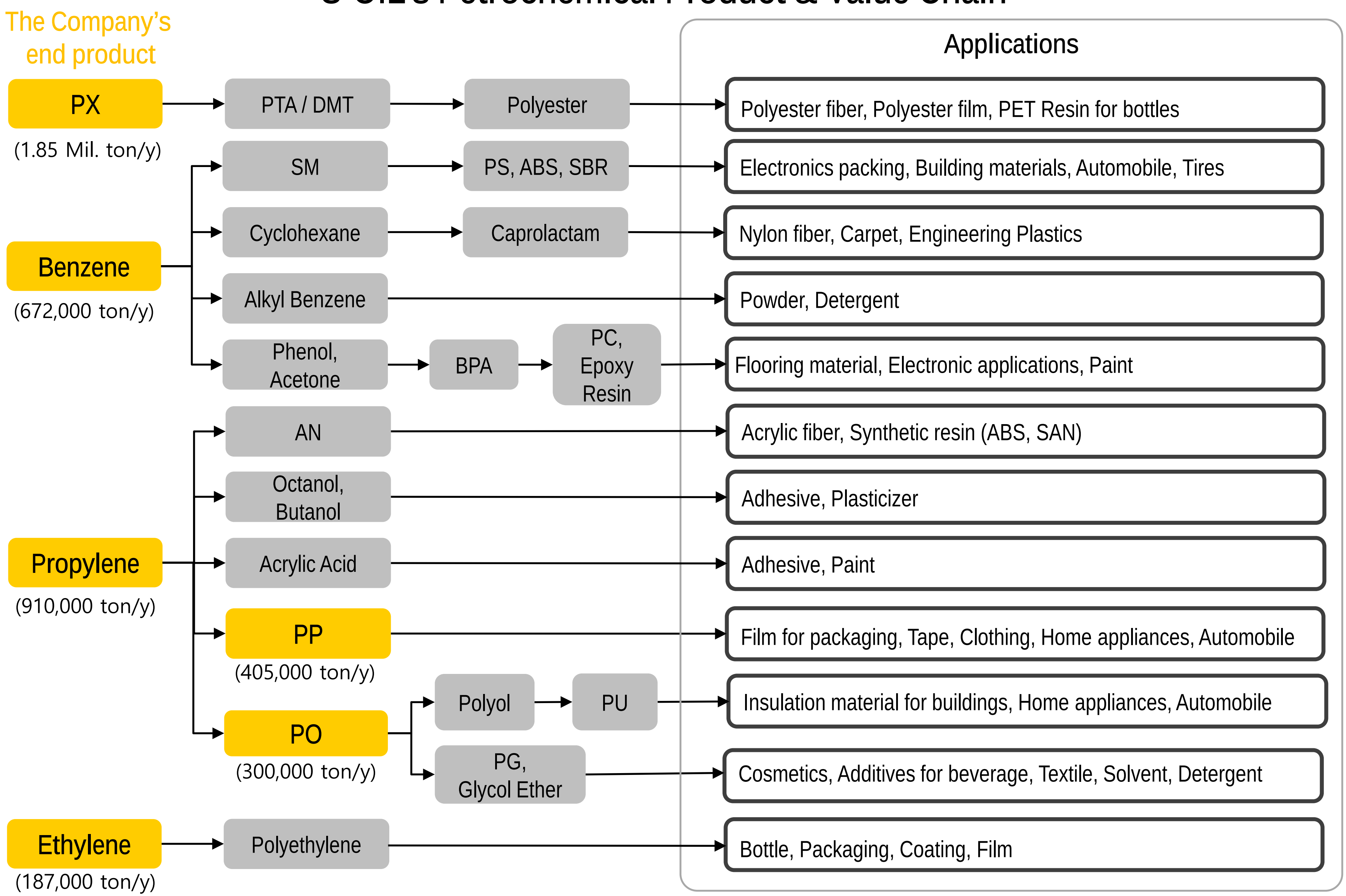
SOFC Business Environment

- ✓ Korea, the biggest and fast-growing fuel cell market in the world, is being extended to SOFC through the government's aggressive and effective plans including introduction of HPS (Hydrogen Portfolio Standard) for fuel cell power generation to promote hydrogen economy.

In addition, the Company will advance into overall hydrogen areas from production to distribution and sales as one of new growth engines.

Appendix 5

S-OIL's Petrochemical Product & Value Chain



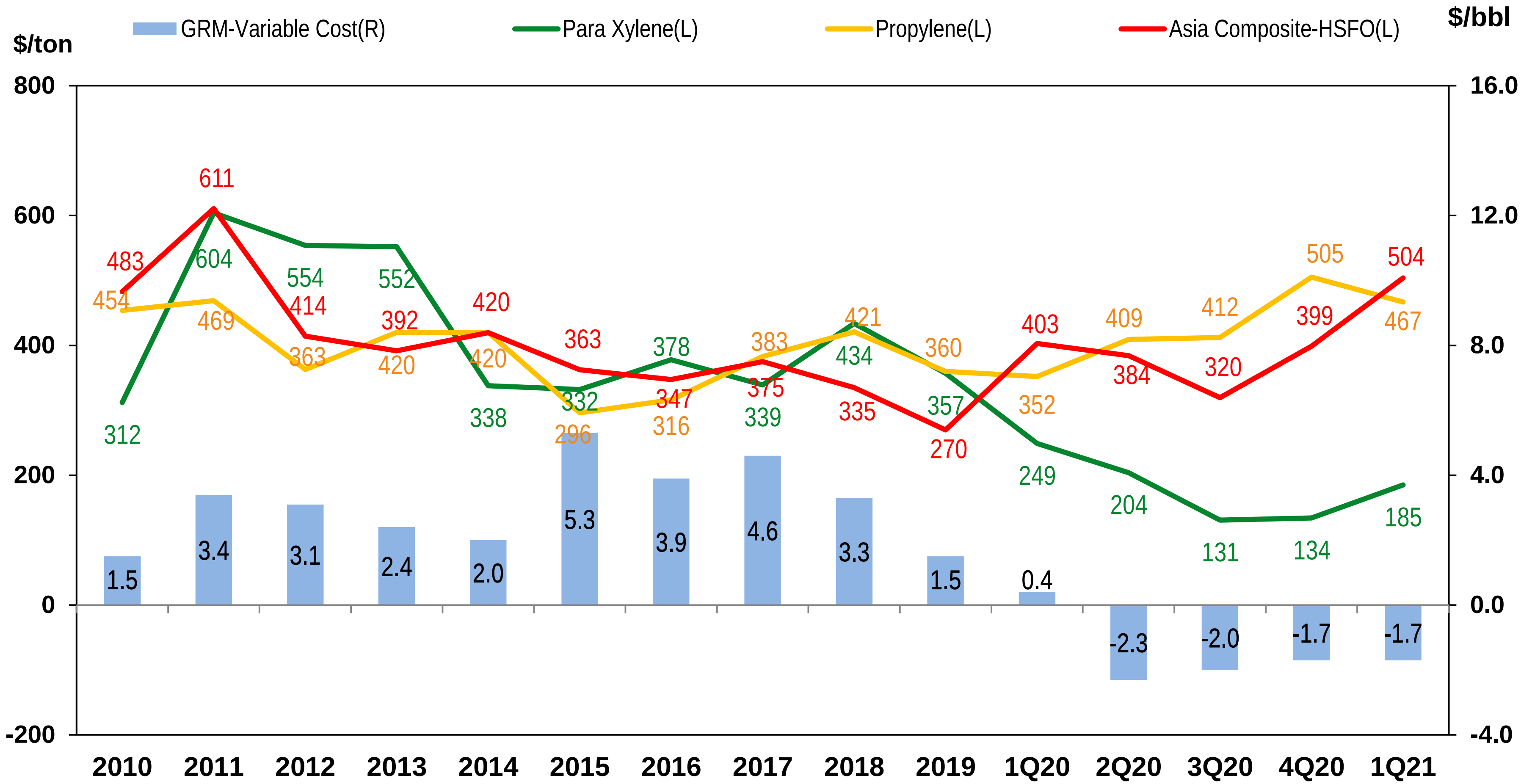
Appendix 6

Long-term Margin Trend

Refining — Singapore Complex Margin

Petrochemical — Product spread (Vs. Naphtha)

Lube base Oil — Product spread



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	1Q20	2Q20	3Q20	4Q20	1Q21
GRM-Variable Cost(R)	1.5	3.4	3.1	2.4	2.0	5.3	3.9	4.6	3.3	1.5	0.4	-2.3	-2.0	-1.7	-1.7
Para Xylene(L)	312	604	554	552	338	332	378	339	434	357	249	204	131	134	185
Propylene(L)	454	469	363	420	420	296	316	383	421	360	352	409	412	505	467
Asia Composite-HSFO(L)	483	611	414	392	420	363	347	375	335	270	403	384	320	399	504

Thank You

S-OIL IR Team

Contact : IRteam@s-oil.com

Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

CORPORATE GOVERNANCE SERVICE A+

S-OIL, the only company named to DJSI World for the 11th consecutive year among Asia Pacific refiners and won 2020 Good ESG Companies award from KCGS.