

S-OIL Corporation Q4 2024 Results

January 2025



Highlights



**260.8 billion Won
Operating Income
in Q4 2024**

Turned the operating income positive in Q4 2024, recording 260.8 billion Won thanks to refining margin improvement



**Favorable Business
Environment with Limited
Capacity Expansion**

A slowdown in new capacity addition from 2025 along with stable demand growth is expected to lead a gradual improvement in refining margin



**GTG (Gas Turbine Generator)
Project**

As part of energy-saving initiatives, GTG project is in progress to reduce utility cost with mechanical completion planned by 2026

DISCLAIMER

Financial results for Q4 2024 are provisional and subject to change according to the outside independent auditors' audit.

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.



Q4 2024 Performance & Outlook

Q4 2024 Financial Result	5	→
Financial Status	6	→
Refining	7	→
Petrochemical	8	→
Lube	9	→

Key Business Update

Favorable Business Environment in 2025	11	→
GTG (Gas Turbine Generator) Project	12	→

Supplementary Information

Q4 2024 Performance & Outlook

- Q4 2024 Financial Result
- Financial Status
- Refining
- Petrochemical
- Lube

Q4 2024 Financial Result

(Unit: bil. Won)	Q4 24	Q3 24	QoQ	Q4 23	2024	2023
Revenue	8,917.1	8,840.6	0.9% ↑	9,829.9	36,637.0	35,726.7
Operating Income	260.8	-414.9	Turn to Profit ↑	-56.4	460.6	1,354.6
(Margin)	2.9%	-4.7%	-	-0.6%	1.3%	3.8%
- Refining	172.9	-573.7	Turn to Profit ↑	-311.3	-245.4	353.5
- Petrochemical	-28.1	5.0	Turn to Minus ↓	33.9	134.8	190.6
- Lube	115.9	153.8	24.7% ↓	221.0	571.2	810.5
Finance & Other Income	-468.7	142.5	-	130.0	-754.7	-222.9
- Net Interest gain	-55.8	-57.8	-	-53.5	-229.2	-180.5
- Net F/X gain*	-415.7	202.1	-	162.3	-541.4	-101.3
- Others	2.7	-1.9	-	21.2	15.9	58.9
Income before tax	-208.0	-272.5	-	73.6	-294.1	1,131.7
Net Income	-102.1	-206.2	-	160.5	-163.4	948.8

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

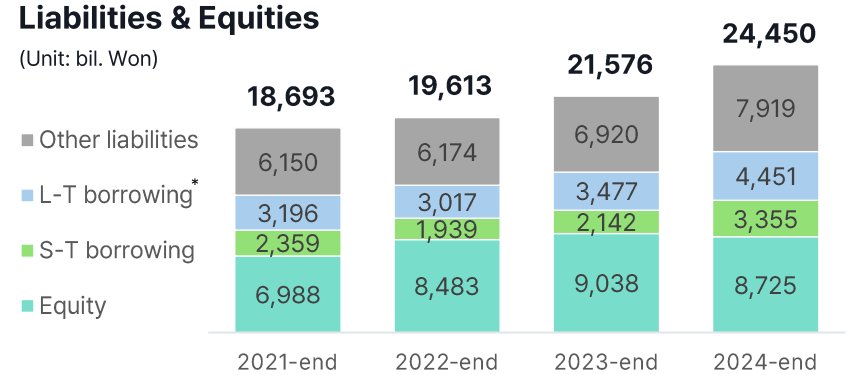
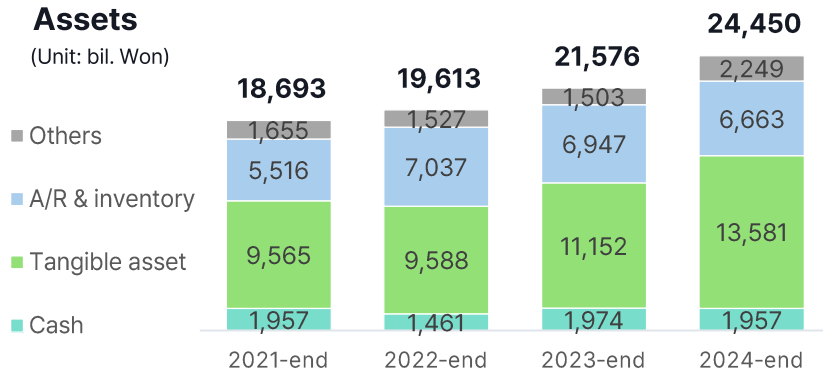
Operating Income

- 260.8 bil. Won in Q4 24
 - Refining segment turned to positive driven by margin improvement
 - Decrease in income for Petrochemical and Lube segment due to seasonal factors and scheduled maintenance
- * Inventory-related impact : +68.0 bil. Won

Income before Tax

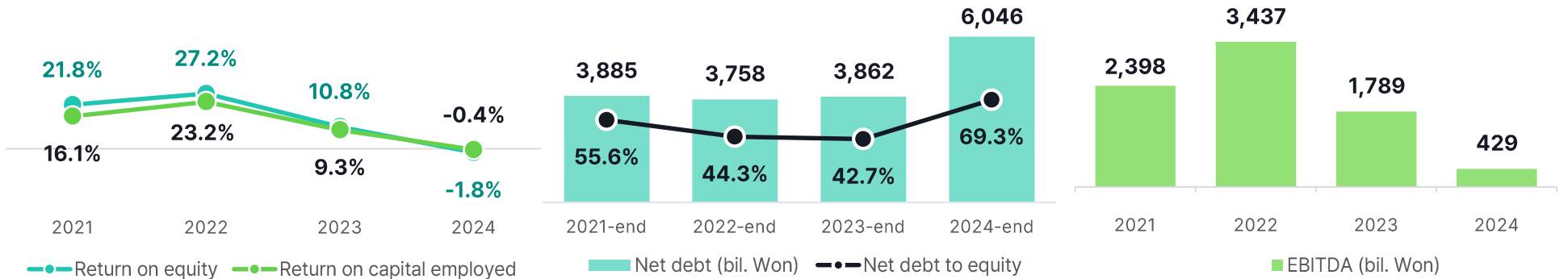
- -208.0 bil. Won in Q4 24
 - FX rate change
 - Q4 24: +150.4 ₩/\$
 - Q3 24: -69.6 ₩/\$

Financial Status



* Current portion of long-term debt included

Financial Highlights

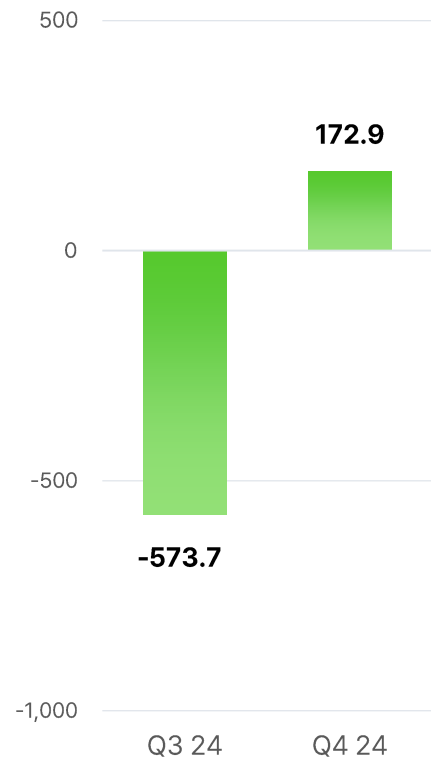


* Net debt: Short-term borrowing + Long-term borrowing + Lease obligation - Cash

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

Refining

Operating Income (Unit: bil. Won)



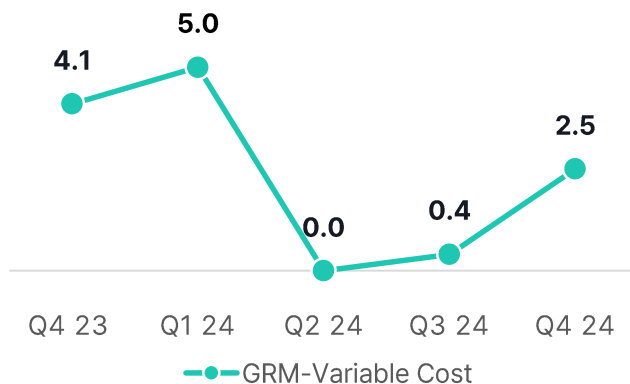
Q4 24 Market Environment

- **Regional refining margin** recovered thanks to reduction in supply by turnaround maintenance at regional refineries and an increase in seasonal demand for heating oil
- **Dubai crude price** remained stable with the strengthening of the US dollar serving as a downward pressure, while expectations of economic stimulus in China helped curb the decline

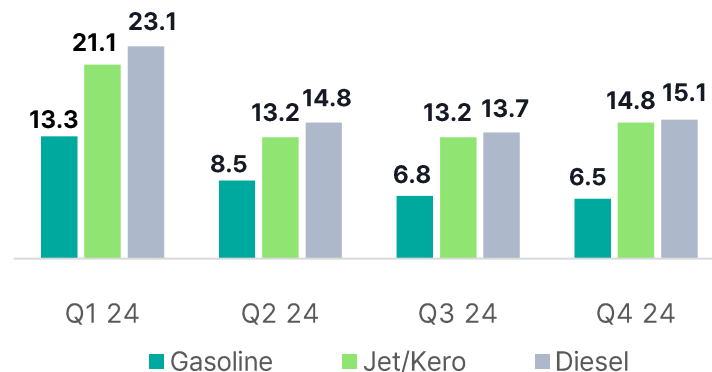
Q1 25 Outlook

- **Regional refining margin** is expected to maintain steady level due to reduced exports from China and increased seasonal demand
 - Transportation fuel demand increase for China's Lunar New Year holiday
 - Gas-to-diesel demand in Europe due to lower gas inventories and higher prices
 - Higher-than-usual turnaround maintenance in China during Jan. ~ Feb.

Singapore Margin (Unit:\$/bbl)

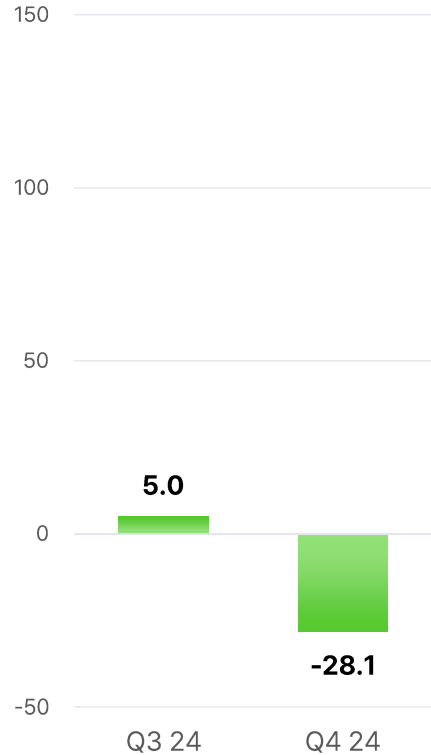


Products Spread over Dubai (Unit:\$/bbl)



Petrochemical

Operating Income (Unit: bil. Won)



Q4 24 Market Environment

Aromatics

- PX and BZ markets weakened due to increased supply driven by slow gasoline blending demand for feedstock aromatics and the start-up of new production facilities in China

Olefin downstream

- PP market slightly improved due to seasonal demand driven by Black Friday and Christmas
- PO market adjusted due to increased supply from restart of facilities and weak downstream demand

Q1 25 Outlook

Aromatics

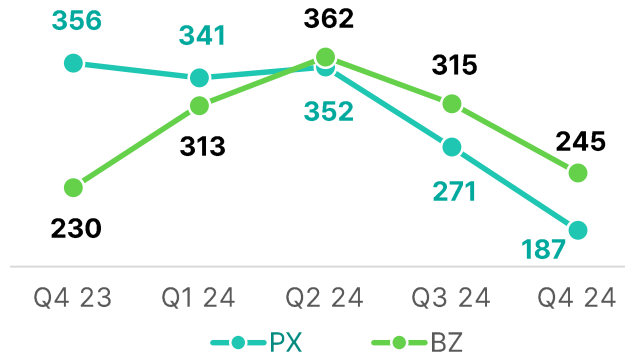
- PX and BZ markets are expected to see additional demand from new downstream facilities, offsetting ample supply, while a recovery in gasoline blending demand may further support the market

Olefin downstream

- PP and PO markets continue to see capacity expansions in China while demand recovery is anticipated from China's economic stimulus measures

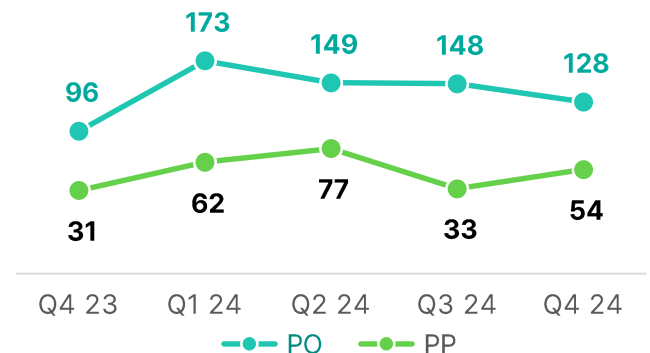
Aromatics Spread over Naphtha

(Unit : \$/ton)



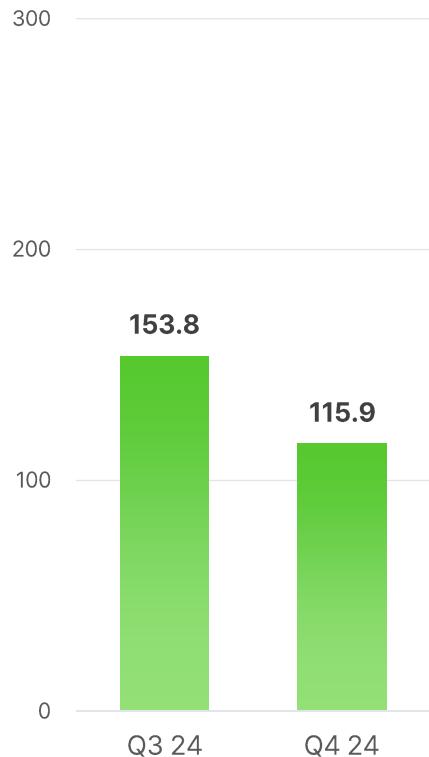
Olefin downstream Spread over Propylene

(Unit : \$/ton)



Lube

Operating Income (Unit: bil. Won)



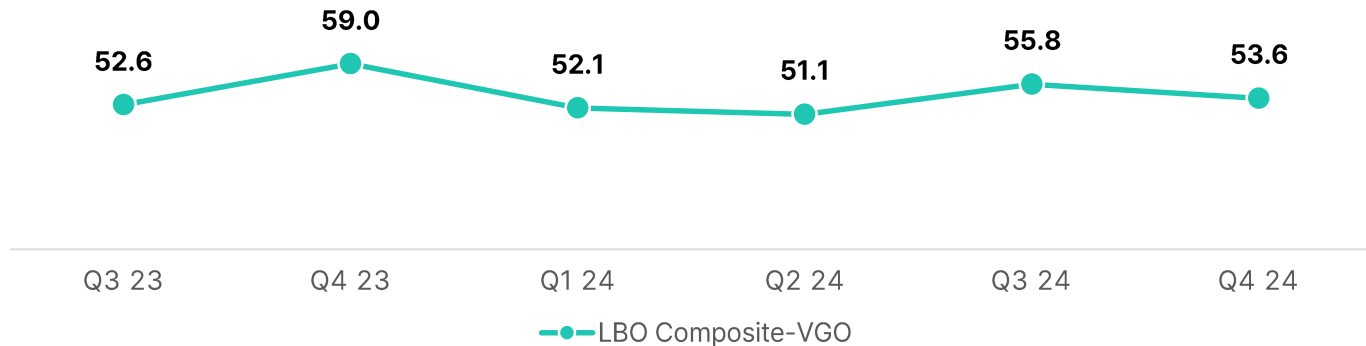
Q4 24 Market Environment

- **LBO spread** slightly declined due to weakened demand during the off-peak season, despite turnaround maintenance at major facilities in US and Europe

Q1 25 Outlook

- **LBO spread** is forecast to improve due to demand recovery during the spring oil change season
 - Further demand rebound is expected driven by Lunar New Year holiday and China's economic stimulus measures

Products Spread (Unit : \$/bbl)



Key Business Update

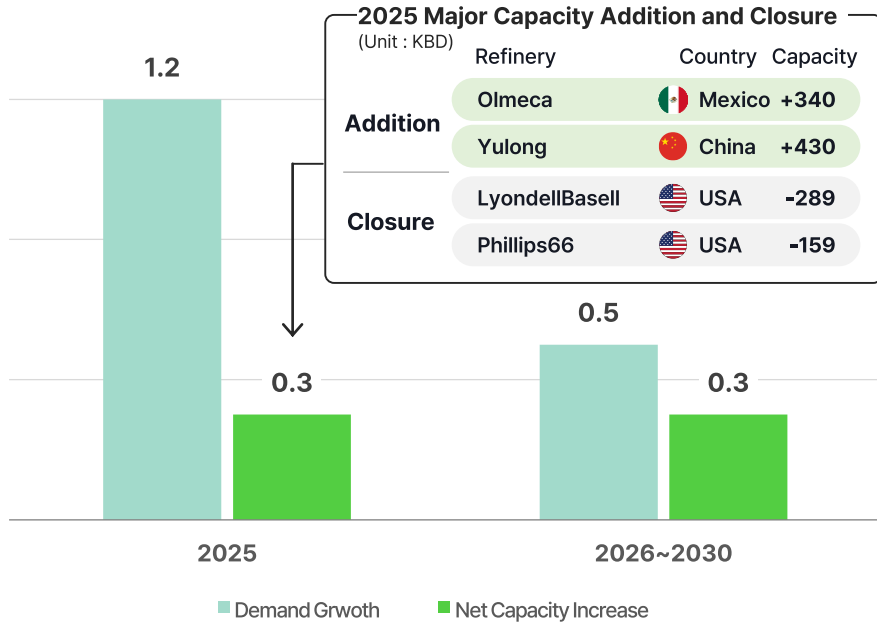
- Favorable Business Environment in 2025
- GTG (Gas Turbine Generator) Project

Favorable Business Environment in 2025

- > Despite global uncertainties, stable oil demand growth is expected due to the robust economic growth of developing countries in Asia and China's economic stimulus measures
- > Limited capacity expansion is expected to continue under stable oil demand growth, leading to a long-term improvement

Global Demand Growth and Net Capacity Increase

(Unit : mil. B/D)



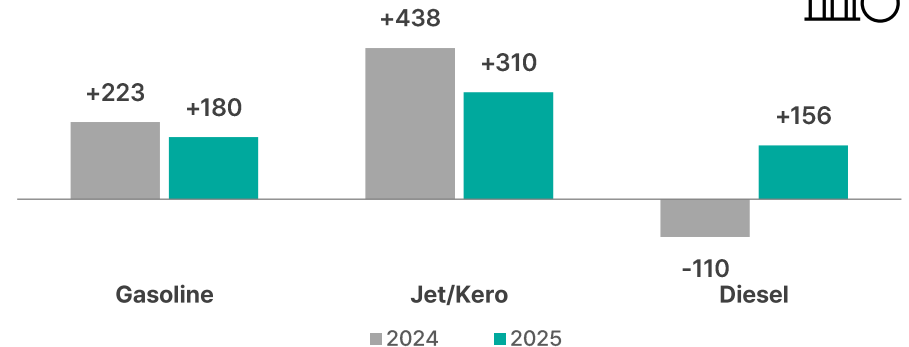
World Economic Growth Outlook* (Unit : %)

	2024	2025	2026	2027	2028
World	3.2	3.3	3.3	3.2	3.1
China	4.8	4.6	4.5	3.6	3.4
India	6.5	6.5	6.5	6.5	6.5
ASEAN-5**	4.5	4.6	4.5	4.5	4.5

* IMF World Economic Outlook, Jan. 2025 / ** Malaysia, Vietnam, Indonesia, Thailand, Philippines

Main Products' Global Demand Growth (YoY)

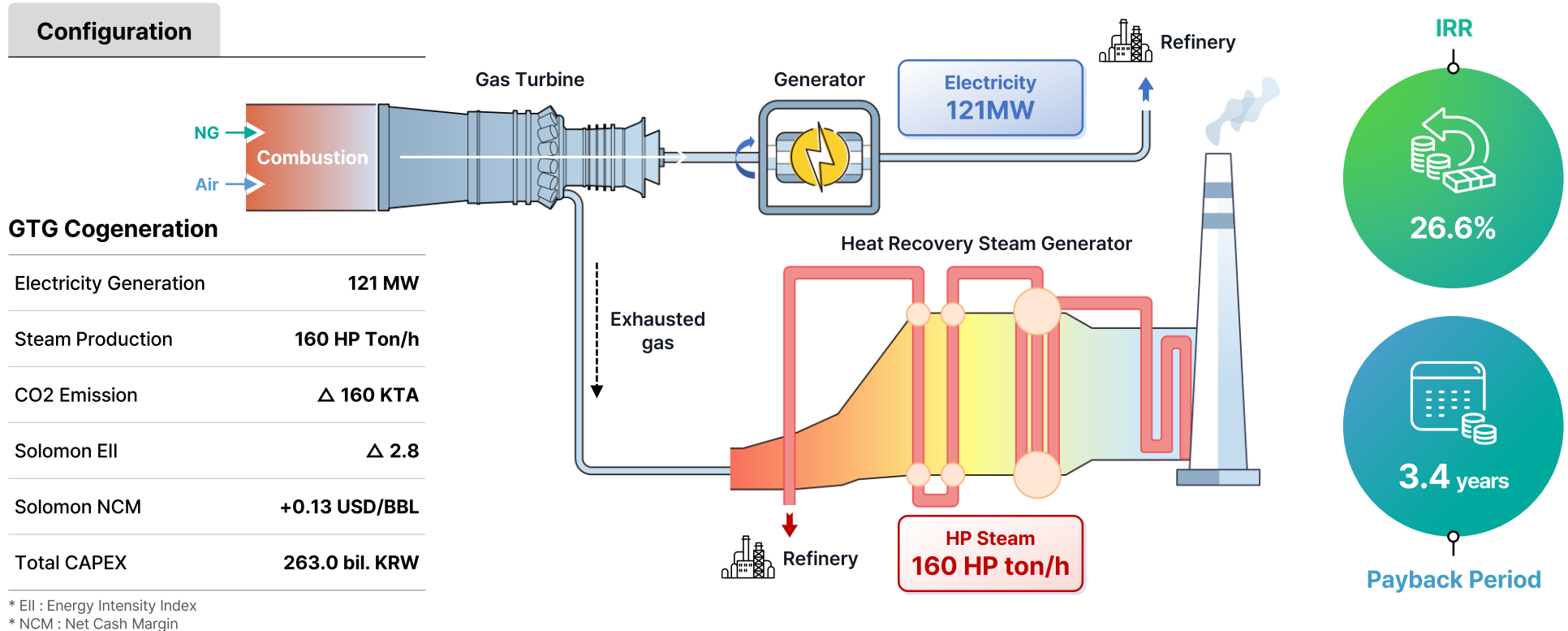
(Unit : KBD)



Source: EIA, OPEC, IHS, FACTS, WoodMac, The Company

GTG (Gas Turbine Generator) Project

- Enhance the Company's key performance indicators and lower operating costs by leveraging high energy efficiency
- Mitigate carbon emissions while addressing escalating domestic electricity rates and electricity demand from Shaheen Project
- EPC work is underway with mechanical completion planned by Dec. 2026, following the final investment decision in Nov. 2024

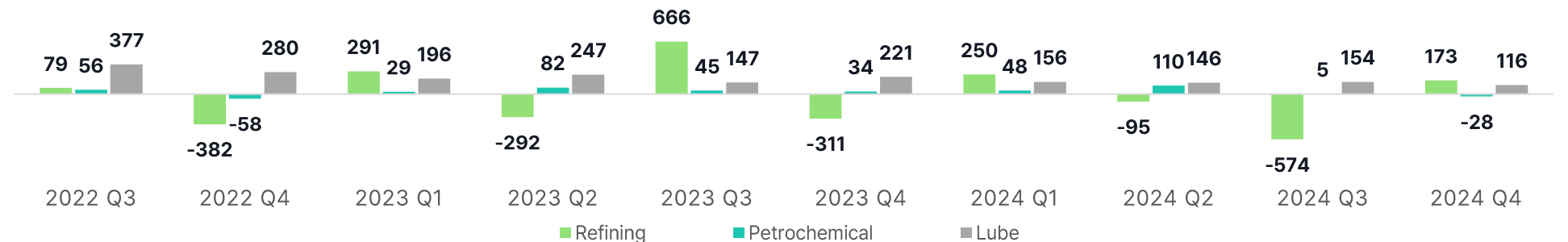


Supplementary Information

Performance by Business Segment

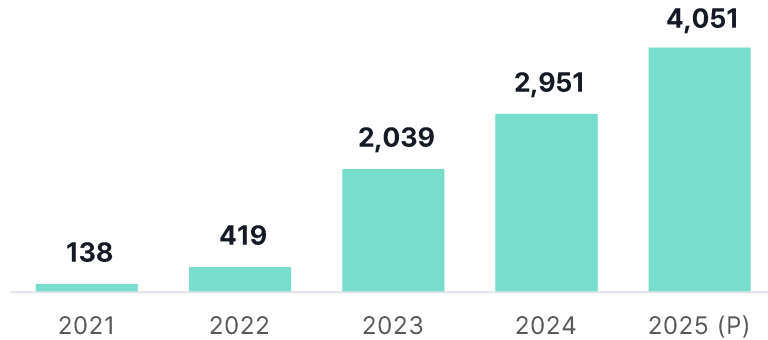
Segment	(Unit: bil. Won)	Q4 24	Q3 24	QoQ	Q4 23	2024	2023
Refining	Revenue	7,013.8	6,894.4	1.7% ↑	7,781.8	28,804.5	28,257.1
	Operating Income	172.9	-573.7	Turn to Profit ↑	-311.3	-245.4	353.5
	(Margin)	2.5%	-8.3%		-4.0%	-0.9%	1.3%
Petrochemical	Revenue	1,096.0	1,201.6	8.8% ↓	1,212.3	4,702.8	4,384.8
	Operating Income	-28.1	5.0	Turn to Minus ↓	33.9	134.8	190.6
	(Margin)	-2.6%	0.4%		2.8%	2.9%	4.3%
Lube	Revenue	807.3	744.6	8.4% ↑	835.8	3,129.7	3,084.9
	Operating Income	115.9	153.8	-24.7% ↓	221.0	571.2	810.5
	(Margin)	14.4%	20.7%		26.4%	18.2%	26.3%
Total	Revenue	8,917.1	8,840.6	0.9% ↑	9,829.9	36,637.0	35,726.7
	Operating Income	260.8	-414.9	Turn to Profit ↑	-56.4	460.6	1,354.6
	(Margin)	2.9%	-4.7%		-0.6%	1.3%	3.8%

Operating Income Trend (Unit: bil. Won)



CAPEX & Operation

CAPEX



(Unit: bil. Won)	2023	2024	2025 (P)
Shaheen Project	1,464	2,607	3,487
Upgrade & Maintenance	437	264	463
Marketing related expenditure	46	42	53
Others	92	38	48
Total CAPEX	2,039	2,951	4,051

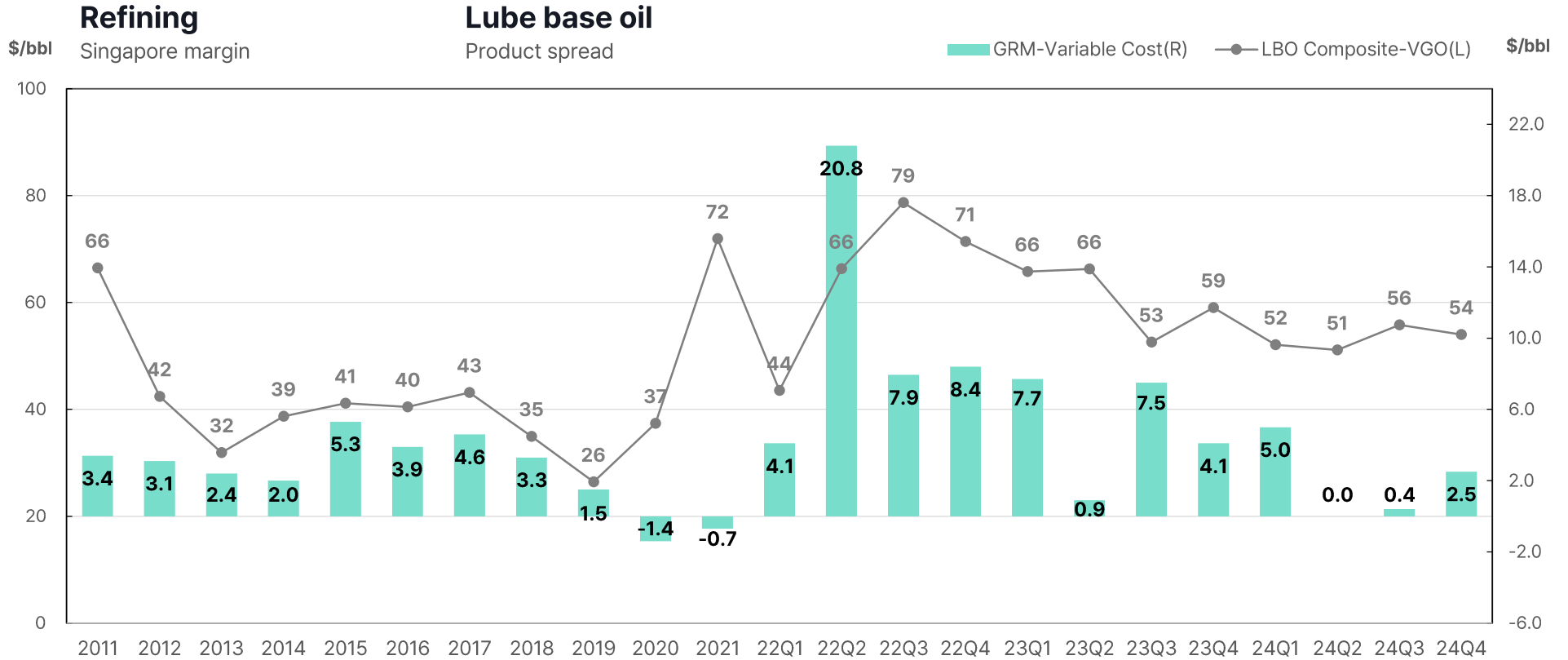
Maintenances

	2022	2023	2024	2025 (P)
Refining	#2 CDU	#3 CDU/CFU	#1 CDU	-
	#1 RFCC	#2 RFCC/HYC	-	#1 RFCC
Petrochemical	#1 PX/PO	#2 PX/PP	-	-
Lube	-	-	#1 Lube	-

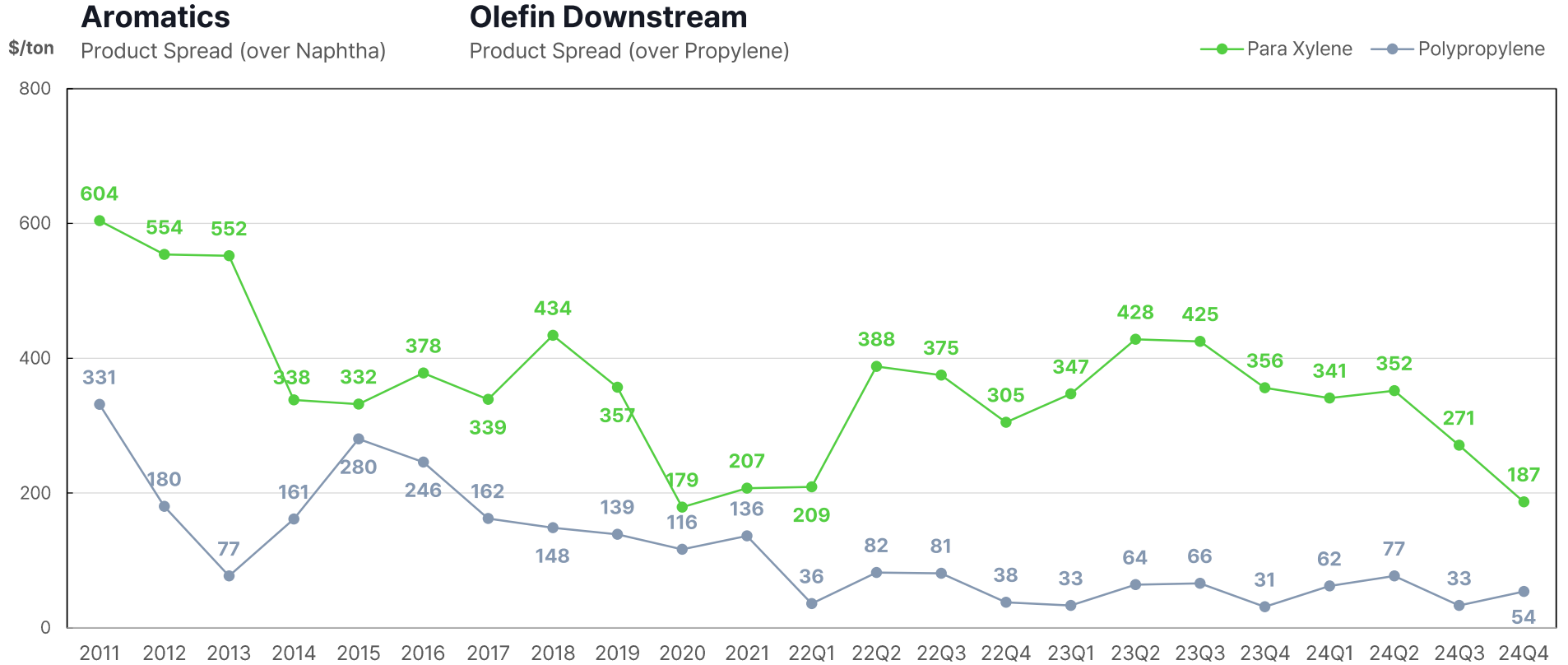
Utilization Rate

	2022	2023	2024	Q4 24
CDU	93%	90%	93%	91%
RFCC/HYC	92%	91%	98%	96%
PX Plants	80%	75%	71%	57%
PP/PO Plants	79%	78%	83%	81%
Lube Plants	95%	88%	96%	91%

Long-term Margin Trend



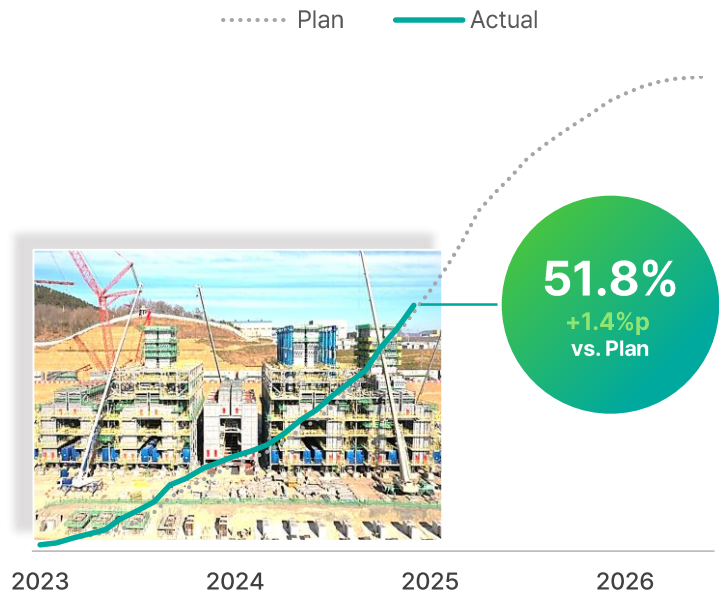
Long-term Margin Trend



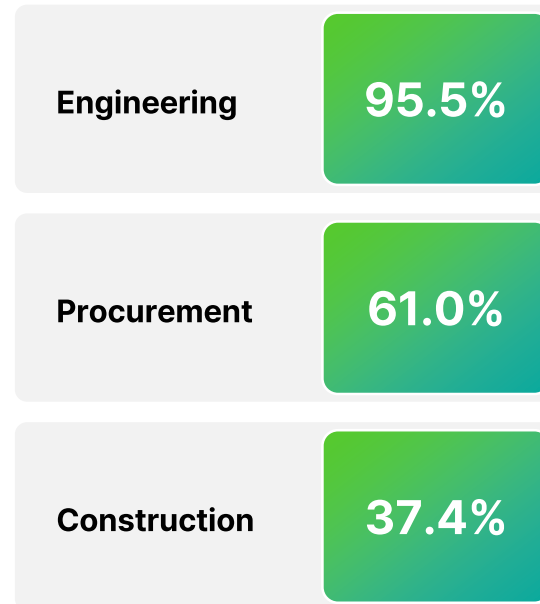
Shaheen Project Progress

- The Company is executing the Shaheen Project to prepare for the energy transition and enhance long-term corporate value
- The Project is progressing smoothly as planned, with a completion rate of 51.8% as of the end of December 2024

Overall Progress (as of Dec 2024)



EPC Progress



Key Activities

- Issuing drawings for construction
-
- Completion of orders for most equipment & materials
 - Manufacturing on schedule with monitoring for timely delivery
-
- Installation underway for 10 cracking heaters, pipe rack modules at steam cracker and aboveground piping
 - Constructing control room & automated warehouse

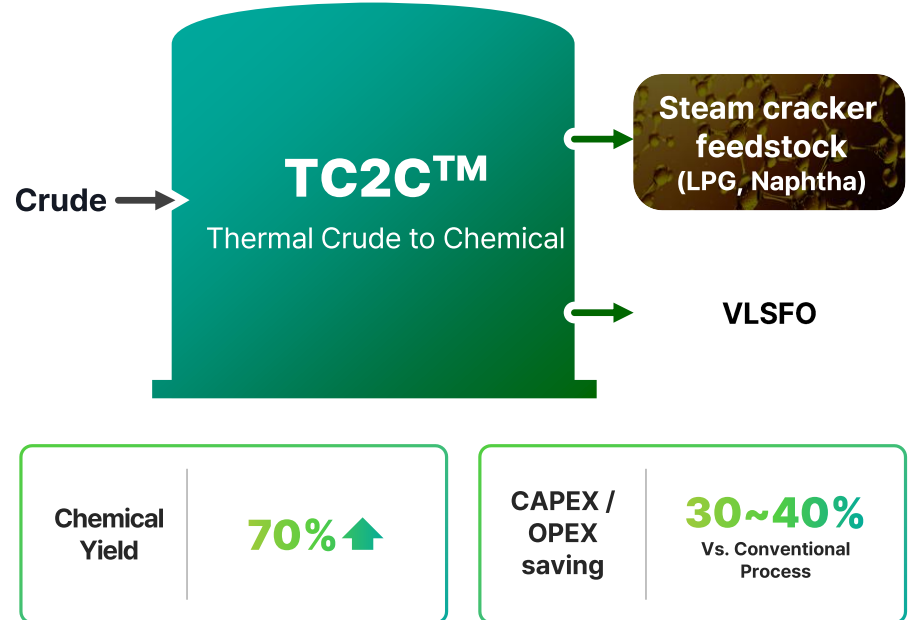
Shaheen Project Competitiveness

- Shaheen Project is a pivotal expansion into chemical business with industry-leading competitiveness, which will enable another leap forward in future profit generation capacity

Core competitiveness

- 1 Refining & chemical integration synergy in feedstock, facility and operation
- 2 New TC2C technology to maximize chemical yield
- 3 Industry-leading energy efficiency and carbon intensity
- 4 1st quartile cost competitiveness in NE Asia

New TC2C Technology



**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM



S-OIL is the first and the only company named to DJSI World for the 15th consecutive year among Asia Pacific refiners.

S-OIL Investor Relations

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