



**FINANCIAL RESULTS**  
*Preliminary, unaudited*

**Q2 & 6 MONTHS  
ENDED JUNE 30**

**2025**

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## About this report

This report contains SONGWON Industrial Group's preliminary, unaudited financial results for the three months (Q2/2025) and six months (HY/2025) ended June 30, 2025.

All the disclosed figures are preliminary and may be subject to change during the review of the condensed interim financial statements by the Group's auditor, KPMG Samjong Accounting Corp. SONGWON Industrial Group will publish condensed interim financial statements for the three and six months ended June 30, 2025, prepared in accordance with the Korean International Financial Reporting Standards ("K-IFRS"). These will be reviewed by the Group auditor by mid-August 2025.

The financial information in this interim report reflects the consolidated figures in million KRW unless otherwise stated.

For further information about SONGWON Industrial Group, please visit: [www.songwon.com](http://www.songwon.com) or write to us at: [ir@songwon.com](mailto:ir@songwon.com).

## Forward-looking statements & information

This preliminary report contains forward-looking statements and information concerning the outlook for our business. These statements are based on current expectations, estimates and projections concerning factors that may affect SONGWON Industrial Group's future performance, including global and regional economic conditions in the regions, major markets and industries where SONGWON does business. As a result, these forward-looking statements and information are subject to uncertainties and risks, many of which are beyond our control. These may cause our actual results to differ materially from the forward-looking information and statements made in this report and possibly affect our ability to achieve any or all of our stated targets. SONGWON Industrial Group believes that the expectations reflected in any forward-looking statement are based upon reasonable assumptions; however, no assurance can be given that these expectations will prove to be correct.

The forward-looking statements contained herein are current only as of the date of this document.

## Key Financial Data

|                       | For the six months ended June 30, |             |         |
|-----------------------|-----------------------------------|-------------|---------|
|                       | Q2 2025                           | Q2 2024     |         |
|                       | Million KRW                       | Million KRW | Δ%      |
| Sales                 | 265,408                           | 273,521     | -3%     |
| Gross profit          | 38,627                            | 45,168      | -14.5%  |
| Gross profit margin   | 14.6%                             | 16.5%       |         |
| Operating profit      | 8,592                             | 16,417      | -47.5%  |
| EBITDA                | 18,066                            | 25,794      | -30.0%  |
| EBITDA margin         | 6.8%                              | 9.4%        |         |
| EBIT                  | 7,818                             | 15,904      | -50.8%  |
| EBIT margin           | 2.9%                              | 5.8%        |         |
| Profit for the period | -1,481                            | 10,575      | -114.0% |
| Total assets          |                                   |             |         |
| Total equity          |                                   |             |         |
| Equity ratio          |                                   |             |         |
| Headcounts            |                                   |             |         |

| For the six months ended June 30, |             |        |
|-----------------------------------|-------------|--------|
| 2025                              | 2024        |        |
| Million KRW                       | Million KRW | Δ%     |
| 541,161                           | 529,273     | 2.2%   |
| 79,370                            | 84,302      | -5.9%  |
| 14.7%                             | 15.9%       |        |
| 19,529                            | 28,547      | -31.6% |
| 40,023                            | 48,009      | -16.6% |
| 7.4%                              | 9.1%        |        |
| 19,361                            | 27,533      | -29.7% |
| 3.6%                              | 5.2%        |        |
| 3,376                             | 17,237      | -80.4% |
| 1,178,694                         | 1,172,320   | 0.5%   |
| 745,440                           | 727,644     | 2.4%   |
| 63.2%                             | 62.1%       |        |
| 981                               | 980         | 0.1%   |

## Sales development

### Divisions

|       | For the three months ended June 30, |             |       |                       |             |       |             |             |       |
|-------|-------------------------------------|-------------|-------|-----------------------|-------------|-------|-------------|-------------|-------|
|       | 2025                                | 2024        |       | 2025                  | 2024        |       | 2025        | 2024        |       |
|       | Industrial Chemicals                |             |       | Performance Chemicals |             |       |             |             |       |
|       | Million KRW                         | Million KRW | Δ%    | Million KRW           | Million KRW | Δ%    | Million KRW | Million KRW | Δ%    |
| Sales | 191,023                             | 206,816     | -7.6% | 74,385                | 66,705      | 11.5% | 265,408     | 273,521     | -3.0% |

  

|       | For the six months ended June 30, |             |       |                       |             |      |             |             |      |
|-------|-----------------------------------|-------------|-------|-----------------------|-------------|------|-------------|-------------|------|
|       | 2025                              | 2024        |       | 2025                  | 2024        |      | 2025        | 2024        |      |
|       | Industrial Chemicals              |             |       | Performance Chemicals |             |      |             |             |      |
|       | Million KRW                       | Million KRW | Δ%    | Million KRW           | Million KRW | Δ%   | Million KRW | Million KRW | Δ%   |
| Sales | 399,152                           | 399,601     | -0.1% | 142,009               | 129,672     | 9.5% | 541,161     | 529,273     | 2.2% |

### Regions

|                         | For the six months ended June 30, |                |              |
|-------------------------|-----------------------------------|----------------|--------------|
|                         | Q2 2025                           | Q2 2024        |              |
|                         | Million KRW                       | Million KRW    | Δ%           |
| Korea                   | 46,107                            | 46,807         | -1.5%        |
| Rest of Asia            | 76,315                            | 73,973         | 3.2%         |
| Europe                  | 68,231                            | 65,119         | 4.8%         |
| North and South America | 59,714                            | 68,487         | -12.8%       |
| Australia               | 1,022                             | 754            | 35.5%        |
| Middle East and Africa  | 14,019                            | 18,381         | -23.7%       |
| <b>Total sales</b>      | <b>265,408</b>                    | <b>273,521</b> | <b>-3.0%</b> |

| For the six months ended June 30, |                |             |
|-----------------------------------|----------------|-------------|
| 2025                              | 2024           |             |
| Million KRW                       | Million KRW    | Δ%          |
| 89,064                            | 95,097         | -6.3%       |
| 158,461                           | 145,929        | 8.6%        |
| 136,626                           | 125,530        | 8.8%        |
| 127,555                           | 128,276        | -0.6%       |
| 2,095                             | 1,763          | 18.8%       |
| 27,360                            | 32,678         | -16.3%      |
| <b>541,161</b>                    | <b>529,273</b> | <b>2.2%</b> |

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## Business development

SONGWON Industrial Group generated consolidated sales of 265,408 Million KRW in the 2<sup>nd</sup> quarter of 2025. When compared to sales achieved in Q2/2024 (273,521 Million KRW), this amounted to a decline in revenue of 3.0%. Profit for the period was -1,481 Million KRW in Q2/2025, down from 10,575 Million KRW in the prior-year period. Year-to-date (YTD), the Group recorded consolidated sales of 541,161 Million KRW, marking a 2.2% increase over H1/2024 (YTD June 2024: 529,273 Million KRW). Reflecting the ongoing impact of margin pressure and increased labor costs following a court ruling in Korea earlier in the year, SONGWON's profit for the period totaled 3,376 Million KRW, marking a decrease compared to the same period of the previous year (H1/2024: 17,237 Million KRW). The Group's gross profit margin stood at 14.6% for Q2/2025 and 14.7% for the six months ended June 30<sup>th</sup>, 2025.

Throughout Q2/2025, subdued global demand, ongoing geopolitical uncertainties and sustained margin pressure across key regions continued. Despite some stabilization in raw material costs, market conditions remained challenging, with customers more cautious and overcapacity persisting in several product segments. Division Industrial Chemicals reported a 7.6% decline in sales, amounting to 191,023 Million KRW, compared to the 2<sup>nd</sup> quarter of 2024 (Q2/2024: 206,816 Million KRW). For the first six months of 2025, the Division achieved sales of 399,152 Million KRW, reflecting a stable year-over-year performance compared to 399,601 Million KRW in HY/2024. In contrast, Division Performance Chemicals recorded a robust 11.5% increase in sales during Q2/2025, reaching 74,385 Million KRW, up from 66,705 Million KRW in the prior-year quarter. In HY/2025, the Division achieved revenues of 142,009 Million KRW, representing 9.5% growth compared to 129,672 Million KRW in the same period of 2024.

In Q2/2025, Division Industrial Chemicals performed in line with expectations amid a difficult market landscape, shaped by weaker global demand as well as intensified competitive pressure and pricing challenges. Polymer Stabilizers faced ongoing headwinds in Q2/2025 from muted global demand, geopolitical uncertainty and U.S. tariff concerns, resulting in lower volumes year-on-year. However, turnover remained close to 2024 levels and overall performance met expectations. In Q2/2025, Fuel and Lubricant Additives recorded lower volumes compared to Q1/2025, following strong demand earlier in the year, supported by improved logistics. Revenue was negatively impacted by reduced raw material costs affecting formula-driven pricing, as well as increased competition in the spot market. Building on the strong momentum from Q1/2025, Coatings delivered comparable performance in Q2 in terms of both volume and net sales. The business continued to outperform market growth, particularly in Europe and Asia, resulting in further market share gains.

Division Performance Chemicals delivered a strong result in Q2/2025, maintaining performance similar to the previous quarter despite ongoing challenges such as the construction and automotive industries showing no signs of recovery. Although Tin Intermediates observed weak demand in Q2/2025, driven by intensified global competition, falling market prices and logistics challenges for European customers, higher tin ingot prices supported revenue. PVC remained under pressure due to aggressive pricing from Chinese

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competitors and volatile customer purchasing behavior. In Q2/2025, Thermoplastic Polyurethanes and Solution Polyurethanes (TPU/SPU) achieved strong profitability supported by stable raw material prices, despite economic recession in both the Korean domestic and global markets, while TPU export sales grew as expected.

## Outlook

In line with expectations, macroeconomic factors such as geopolitical restrictions, US tariffs, regulatory changes and China's slow recovery continue to impact demand throughout Q2/2025. Furthermore, rising uncertainty around US tariffs and volatile FX rates along with increased selling activity from Chinese producers is intensifying competition in key markets, particularly in Asia and Europe. Looking ahead, overall economic growth is expected to decline and demand to remain weaker than projected with continued oversupply exerting ongoing pressure on margins.

As the Group enters the next quarter, it remains optimistic that the measures it has taken to address current challenges, including streamlining production processes and optimizing costs, will drive future revenue and profitability. SONGWON will continue to focus on executing its strategy, monitoring global industry developments and prioritizing customer needs, with confidence in its ability to navigate emerging challenges and maintain supply reliability.