



**FINANCIAL RESULTS**  
*Preliminary, unaudited*

**FIRST QUARTER  
ENDED MARCH 31**

**2025**

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## About this report

This report contains SONGWON Industrial Group's preliminary, unaudited financial results for the three months (Q1/2025) ended March 31, 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 months ended March 31, 2025, prepared in accordance with the Korean International Financial Reporting Standards ("K-IFRS"). These will be reviewed by the Group auditor by mid-May 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 three months ended			
March 31,			
	2025	2024	
	Mil. KRW	Mil. KRW	Δ%
Sales	275,753	255,752	7.8%
Gross profit	40,743	39,134	4.1%
<i>Gross profit margin</i>	14.8%	15.3%	
Operating profit	10,937	12,130	-9.8%
EBITDA	21,957	22,215	-1.2%
<i>EBITDA margin</i>	8.0%	8.7%	
EBIT	11,543	11,629	-0.7%
<i>EBIT margin</i>	4.2%	4.5%	
Profit for the period	4,857	6,662	-27.1%
Total assets	1,191,977	1,125,939	5.9%
Total equity	754,422	711,880	6.0%
<i>Equity ratio</i>	63.3%	63.2%	
Headcounts	984	977	0.7%

## Sales development

### Divisions

For the three months ended									
March 31,									
	2025	2024		2025	2024		2025	2024	
	Industrial Chemicals			Performance Chemicals					
	Mil. KRW	Mil. KRW	Δ%	Mil. KRW	Mil. KRW	Δ%	Mil. KRW	Mil. KRW	Δ%
Sales	208,133	192,785	8.0%	67,620	62,967	7.4%	275,753	255,752	7.8%

### Regions

For the three months ended			
March 31,			
	2025	2024	
	Mil. KRW	Mil. KRW	Δ%
Korea	42,957	48,290	-11.0%
Rest of Asia	82,146	71,956	14.2%
Europe	68,395	60,411	13.2%
North and South America	67,841	59,789	13.5%
Australia	1,073	1,009	6.3%
Middle East and Africa	13,341	14,297	-6.7%
<b>Total sales</b>	<b>275,753</b>	<b>255,752</b>	<b>7.8%</b>

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## Business development

During the 1<sup>st</sup> quarter of 2025, SONGWON Industrial Group achieved consolidated sales of 275,753 Million KRW. Compared to sales for Q1/2024 (255,752 Million KRW), this marked an increase in revenue of 7.8%. In Q1/2025, the Group recorded a gross profit of 40,743 Mil. KRW, a 4.1% increase compared to the gross profit recorded in Q1/2024 (39,134 Million KRW). The Group's net profit for the 1<sup>st</sup> quarter of 2025 amounted to 4,857 Mil. KRW, marking a decline of 27.1% year-on-year (Q1/2024: 6,662 Million KRW), mainly due to margin pressure and increased labor-related costs following a court ruling in Korea that impacted companies operating in the country.

Despite ongoing macroeconomic headwinds and global uncertainties, including trade tensions carried over from 2024 that continued to shape the business climate, SONGWON began 2025 positively. On the back of robust demand throughout Q1/2025, Division Industrial Chemicals achieved consolidated sales of 208,133 Million KRW, marking an increase of 8.0% over the previous year comparable period (Q1/2024: 192,785 Million KRW). In Q1/2025, Division Performance Chemicals recorded increased consolidated sales of 67,620 Million KRW, up 7.4% from Q1/2024 (62,967 Million KRW).

Q1/2025 was a strong quarter for Division Industrial Chemicals, supported by robust demand and partly as a result of the easing of congestion in shipping lanes compared to the previous period. Despite ongoing market pressure, Polymer Stabilizers outperformed Q4/2024 overall, with strong demand positively impacting revenues in the 1<sup>st</sup> quarter of the year. Amid the highly competitive environment, Polymer Stabilizers also expanded market share in Q1/2025 with new business. Compared to the final quarter of 2024, SONGWON's Fuel and Lubricant Additives achieved higher revenues in Q1/2025, supported by strong demand and improved logistics lead times and availability. After the seasonally weak final quarter of 2024, Coatings delivered a robust performance in Q1/2025, with both revenues and volumes up compared to Q4/2024, despite persistent market oversupply and intense price pressure.

In line with expectations, Division Performance Chemicals experienced slow demand in the 1<sup>st</sup> quarter of 2025 due to the Chinese New Year and regional pressures, but demonstrated resilience and delivered a positive result. Tin Intermediates started 2025 slowly in terms of volume and revenue compared to the final quarter of 2024 but showed year-on-year improvement as Q1/2025 progressed. Higher tin ingot prices, favorable foreign exchange rates and new business contributed to stronger sales revenue, improved margins and market share gains. Throughout Q1/2025, PVC's performance continued to be impacted by Korea's sluggish construction market as well as reduced demand and aggressive pricing competition. However, the business noted a slight improvement toward the end of the quarter resulting from good business recovery in Korea and emerging opportunities across various regions. For Thermoplastic Polyurethanes and Solution Polyurethanes (TPU/SPU), the 1<sup>st</sup> quarter of 2025 proved to be challenging, with weaker demand across industries due to the Asian holiday period, as well as economic depression in the domestic market and foreign exchange pressure.

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## Outlook

Looking ahead, SONGWON anticipates market conditions to remain challenging, with intense pricing competition and persistent oversupply continuing throughout the year. While overall demand is still expected to align with earlier industry forecasts, ongoing economic uncertainty, changing global regulations and potential new trade tariffs may further disrupt market dynamics. Customers are also expected to continue facing difficulties in making accurate longer-term forecasts, resulting in volatile order patterns and adding to the overall unpredictability.

Despite these headwinds, SONGWON remains committed to reliably meeting customer needs and intends to continue adapting its operations to the evolving market. Going forward, by applying effective cost management and increasing operational efficiency to enhance competitiveness, SONGWON intends to remain focused on ensuring that the organization is well-positioned for long-term value creation and able to execute its strategic priorities to achieve sustainable growth.