



SONGWON

FINANCIAL RESULTS
Preliminary, unaudited

**Q4 & 12 MONTHS
ENDED DECEMBER 31**

2024

It's all about **the chemistry**[®]

About this report

This report contains SONGWON Industrial Group's preliminary, unaudited financial results for the three months (Q4/2024) and twelve months ended December 31, 2024.

All the disclosed figures are preliminary and may be subject to change during the review of the annual financial statements by the Group's auditor, Ernst & Young Han Young. SONGWON Industrial Group will publish its final audited annual financial statements for the year 2024, prepared in accordance with the Korean International Financial Reporting Standards ("K-IFRS"). These will be audited by the Group auditor by mid-February 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 or write to us at: 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 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

	Q4 2024			Q4 2023			For the twelve months ended December 31,		
	Million KRW	Million KRW	Δ%	2024	2023	Δ%	2024	2023	Δ%
Sales	255,148	245,709	3.8%	1,070,200	1,029,975	3.9%	1,070,200	1,029,975	3.9%
Gross profit	42,403	28,472	48.9%	176,908	149,949	18.0%	176,908	149,949	18.0%
<i>Gross profit margin</i>	16.6%	11.6%		16.5%	14.6%		16.5%	14.6%	
Operating profit	12,104	3,547	241.2%	62,814	58,469	7.4%	62,814	58,469	7.4%
EBITDA	22,689	13,675	65.9%	102,306	97,257	5.2%	102,306	97,257	5.2%
<i>EBITDA margin</i>	8.9%	5.6%		9.6%	9.4%		9.6%	9.4%	
EBIT	12,362	3,979	210.7%	61,494	57,410	7.1%	61,494	57,410	7.1%
<i>EBIT margin</i>	4.8%	1.6%		5.7%	5.6%		5.7%	5.6%	
Profit for the period	13,367	2,893	362.0%	42,096	34,847	20.8%	42,096	34,847	20.8%
Total assets				1,179,014	1,089,744	8.2%	1,179,014	1,089,744	8.2%
Total equity				753,075	705,592	6.7%	753,075	705,592	6.7%
<i>Equity ratio</i>				63.9%	64.7%		63.9%	64.7%	
Headcounts				971	977	-0.6%	971	977	-0.6%

Sales development

Divisions

	2024			2023			2024			2023			For the three months ended December 31,		
	Million KRW	Million KRW	Δ%	Million KRW	Million KRW	Δ%	Million KRW	Million KRW	Δ%	Million KRW	Million KRW	Δ%	Million KRW	Million KRW	Δ%
	Industrial Chemicals						Performance Chemicals								
Sales	183,003	183,636	-0.3%	72,145	62,073	16.2%	255,148	245,709	3.8%	255,148	245,709	3.8%	255,148	245,709	3.8%

	2024			2023			2024			2023			For the twelve months ended December 31,		
	Million KRW	Million KRW	Δ%	Million KRW	Million KRW	Δ%	Million KRW	Million KRW	Δ%	Million KRW	Million KRW	Δ%	Million KRW	Million KRW	Δ%
	Industrial Chemicals						Performance Chemicals								
Sales	798,719	765,743	4.3%	271,481	264,232	2.7%	1,070,200	1,029,975	3.9%	1,070,200	1,029,975	3.9%	1,070,200	1,029,975	3.9%

Regions

	Q4 2024			Q4 2023			2024			2023			For the twelve months ended December 31,		
	Million KRW	Million KRW	Δ%	Million KRW	Million KRW	Δ%	Million KRW	Million KRW	Δ%	Million KRW	Million KRW	Δ%	Million KRW	Million KRW	Δ%
Korea	44,661	48,094	-7.1%	44,661	48,094	-7.1%	184,781	198,256	-6.8%	184,781	198,256	-6.8%	184,781	198,256	-6.8%
Rest of Asia	71,010	76,359	-7.0%	71,010	76,359	-7.0%	300,094	287,729	4.3%	300,094	287,729	4.3%	300,094	287,729	4.3%
Europe	58,272	49,606	17.5%	58,272	49,606	17.5%	251,154	238,094	5.5%	251,154	238,094	5.5%	251,154	238,094	5.5%
North and South America	62,475	52,314	19.4%	62,475	52,314	19.4%	259,982	235,432	10.4%	259,982	235,432	10.4%	259,982	235,432	10.4%
Australia	981	375	161.6%	981	375	161.6%	2,975	2,285	30.2%	2,975	2,285	30.2%	2,975	2,285	30.2%
Middle East and Africa	17,749	18,961	-6.4%	17,749	18,961	-6.4%	71,214	68,179	4.5%	71,214	68,179	4.5%	71,214	68,179	4.5%
Total Sales	255,148	245,709	3.8%	255,148	245,709	3.8%	1,070,200	1,029,975	3.9%	1,070,200	1,029,975	3.9%	1,070,200	1,029,975	3.9%

Business development

In Q4/2024, SONGWON Industrial Group generated consolidated sales of 255,148 Million KRW, 3.8% higher than the consolidated sales achieved in Q4/2023 (245,709 Million KRW). During the final quarter of 2024, the Group's gross profit margin stood at 16.6%, marking a 5.0%-point increase when compared to the same quarter of the previous year (Q4/2023: 11.6%). The Group recorded a net profit of 13,367 Million KRW in Q4/2024, 362.0% up from the previous year's figure of 2,893 Million KRW. For the full year ended December 31, 2024, SONGWON achieved consolidated sales of 1,070,200 Million KRW marking an increase of 3.9% compared to the previous year (FY2023: 1,029,975 Million KRW) and recorded a net profit of 42,096 Million KRW in 2024, marking a 20.8% rise when compared to the full year 2023 (FY2023: 34,847 Million KRW). SONGWON reported a gross profit margin of 16.5% for the financial year, +1.9%-points higher than the gross profit margin recorded in the full year 2023 (FY2023: 14.6%).

As anticipated, complex macroeconomic challenges and ongoing global political tensions that characterized 2023 persisted into 2024. Weak market conditions overall led to a sluggish start for SONGWON and set the tone for the difficult year ahead. Throughout the first half of 2024, geopolitical instability, ongoing supply chain disruption and fluctuating demand created headwinds that impacted the performance of Division Industrial Chemicals and Division Performance Chemicals. However, SONGWON's Divisions delivered a solid result overall for 2024 on the back of the improved demand at the end of Q2/2024 and strong demand in Q3/2024 that offset the weaker 1st and 4th quarters of the year.

In the last quarter of 2024, Division Industrial Chemicals recorded sales of 183,003 Million KRW, a slight decline of 0.3% over the comparable period of the previous year (Q4/2023: 183,636 Million KRW). For FY2024, the Division achieved 798,719 Million KRW in sales, corresponding to an increase of 4.3% over the previous year (FY2023: 765,743 Million KRW). Division Performance Chemicals recorded sales of 72,145 Million KRW, 16.2% higher than the sales achieved in the final quarter of 2023 (Q3/2023: 62,073 Million KRW). The Division's consolidated sales for FY2024 amounted to 271,481 Million KRW, an increase of 2.7% compared to the same reporting period in 2023 (264,232 Million KRW).

For Division Industrial Chemicals, Q4/2024 was characterized by higher supply availability and weakening demand due to customers' traditional end-of-year destocking. Despite fierce price competition in Asia and Europe, Polymer Stabilizers' sales volumes and revenue remained stable in Q4/2024, with a slight 1% increase compared to Q3/2024, driven by strong customer demand. In Q4/2024, SONGWON's Fuel and Lubricant Additives reported lower volumes than in Q3/2024 due to reduced demand and year-end destocking. Nevertheless, on the back of improved logistics lead time and availability, FY2024 revenue equaled the revenue recorded in FY2023. In keeping with the usual seasonality, Q4/2024 was a weak quarter for Coatings in terms of demand. However, due to a change in product mix, the business achieved an increase in both volume and revenue compared to Q3/2024.

The final quarter of the year was similar to the previous one for Division Performance Chemicals, with the

business performing well and achieving higher revenues despite intense price competition across the market. Positively impacted by higher tin ingot prices and stronger operational performance, Tin Intermediates noted a slight recovery in sales and improved revenue in Q4/2024, although volumes remained below expectations due to lower demand. In Q4/2024, both SPU and TPU delivered improved performance compared to the 3rd quarter of the year and surpassed Q4/2023 in both volume and sales, as a result of robust export sales and strong demand in key markets. Despite slowing demand and intense price competition in the 4th quarter of 2024, PVC regained business in Korea, defended its position in existing markets and pursued emerging opportunities.

Outlook

As anticipated, 2024 proved to be another demanding year for the industry. While demand declined in 2023 due to unfavorable conditions in the chemical market and severe price competition, SONGWON saw a gradual, albeit uneven, recovery in demand across segments in 2024. By proactively anticipating market shifts and adapting its strategies, the organization maintained resilience and delivered a strong result for the year.

As SONGWON looks to the year ahead, it anticipates an environment marked by political instability and increased uncertainty in several regions as well as macroeconomic challenges and ongoing supply chain disruptions. For this reason, it remains difficult to accurately foresee what 2025 will bring. Going into the new year, SONGWON will adopt a cautious approach while keeping a close eye on the evolving landscape. Furthermore, the Group intends to continue to exercise financial prudence, expand its competitive advantage and maximize opportunities to achieve resilient growth. It will also continue improving operational processes to achieve higher efficiencies, keeping the organization strongly positioned to successfully navigate upcoming challenges and meet its targets.