



SONGWON reports robust Q3 2021 results

- **Q3/2021 consolidated sales totaled 260,137 Million KRW**
- **The gross profit margin was at 26.3%, 5.5%-points up from Q3/2020 (20.8%)**
- **Net profit Q3/2021 amounted to 20,972 Million KRW**

Ulsan, South Korea – November 12, 2021 – SONGWON Industrial Group (www.songwon.com) today released its financial results for the 3rd quarter of 2021. During Q3/2021, the Group achieved consolidated sales of 260,137 Million KRW marking a 33.2% rise in revenue over sales recorded in the same quarter of the previous year (195,237 Million KRW). The Group reported a net profit of 20,972 Million KRW for the 3rd quarter which was more than double the result achieved in Q3/2020 (8,746 Million KRW).

Year-to-date (YTD), the Group realized consolidated sales of 714,715 Million KRW, representing an 18.3% rise over YTD September 2020 (603,925 Million KRW), and recorded a net profit of 45,109 Million KRW, delivering a 77.9% increase over the same reporting period in the previous year (YTD September 2020: 25,350 Million KRW). In addition, the Group achieved a gross profit margin of 26.3% in Q3/2021 and YTD 23.6% reflecting an increase of 5.5%-points and 3.1%-points, respectively, over the comparable period of the prior year.

In Million KRW	Q3			YTD September		
	2021	2020	Δ%	2021	2020	Δ%
Sales	260,137	195,237	33.2%	714,715	603,925	18.3%
Gross profit	68,507	40,622	68.6%	168,732	123,932	36.1%
<i>Gross profit margin</i>	26.3%	20.8%		23.6%	20.5%	
Operating profit	30,050	15,822	89.9%	69,130	50,055	38.1%
EBITDA	38,964	24,349	60.0%	95,305	76,049	25.3%
<i>EBITDA margin</i>	15.0%	12.5%		13.3%	12.6%	
EBIT	30,468	15,796	92.9%	65,790	50,289	30.8%
<i>EBIT margin</i>	11.7%	8.1%		9.2%	8.3%	
Profit for the period	20,972	8,746	139.8%	45,109	25,350	77.9%

In accordance with expectations, Division Industrial Chemicals performed strongly during Q3/2021. Volumes were in line with Q2/2021 and consolidated sales amounted to 193,345 Million KRW, 33.1% up over the same quarter in 2020 (Q3/2020: 145,300 Million KRW). The higher sales and volumes recorded, particularly in SONGWON's key Polymer Stabilizers business, were mainly driven by the continuing high global demand, especially in the EU and Americas, as well as growth from new customers. Although facing availability challenges surrounding certain raw materials throughout the 3rd quarter, SONGWON was able to avoid any major supply disruptions to customers with its increased stocks and multiple sourcing strategy in place. SONGWON's formula driven price increase for Fuel and Lubricant Additives in Q3/2021 led to higher revenues and the business benefitted from demand recovery following the Force Majeures in Q2/2021. Throughout Q3/2021, the overall positive trend in the coatings industry continued and SONGWON's Coatings business saw positive growth with some market contraction in Asia, mainly in China.

Despite the current high material and logistic costs combined with intense price competition in some of its markets, Division Performance Chemicals also delivered a robust 3rd quarter 2021 with an increase in revenue of 33.8% (Q3/2021: 66,792 Million KRW) compared to Q3/2020 (49,937 Million KRW). With plants running at full capacities, both Tin Intermediates and PVC performed well, generating significantly higher sales than in the 3rd quarter of 2020. Restrictions related to COVID-19 affecting customers in some markets as well as fierce price competition created challenges for Solution Polyurethanes and Thermoplastic Polyurethanes which observed a decline in demand.

In view of the continuing positive momentum seen in Q2/2021 and Q3/2021, SONGWON looks optimistically towards the last 3 months of the year and anticipates stable order volumes until the end of 2021. Nevertheless, SONGWON will remain vigilant and well-prepared to respond quickly as it expects both supply and logistics challenges to be ongoing. Furthermore, the Group sees the market continuing to be concerned about the availability and costs of raw materials and expects pricing to remain volatile. SONGWON will respond by implementing the necessary measures to avoid any negative impacts to supply as well as increasing its capacities to ensure that it can meet the upsurge in demand. In addition to this, SONGWON intends to progress with optimizing its organizational efficiency to overcome the current market headwinds and focusing on the Group's long-term strategic priorities.

The Q3/2021 Report can be downloaded at: www.songwon.com/investors/reports-publications.

About Songwon Industrial Co., Ltd.

A leader in the development, production and supply of specialty chemicals, SONGWON's products touch your life every day, everywhere. Since 1965, we've been driving innovation, partnering for progress and paving the way for a better more sustainable tomorrow with 360° customized solutions.

Headquartered in South Korea, SONGWON is the 2nd largest manufacturer of polymer stabilizers worldwide. With Group companies and world-class manufacturing facilities across the globe, we are dedicated to providing customers in over 60 countries with high-performance products that meet their individual needs and the best levels of service.

For further information, please go to: www.songwon.com.

This press release can be downloaded from www.PressReleaseFinder.com.

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