



SONGWON delivers strong result for FY 2021

- **Sales in 2021 totaled 998,190 Million KRW**
- **Net profit amounted to 71,209 Million KRW for the FY**
- **SONGWON maintained a gross profit margin of 24.5% in 2021**

Ulsan, South Korea – March 2, 2022 – SONGWON Industrial Group (www.songwon.com) today released its financial results for FY 2021. In Q4/2021, revenues continued to grow and totaled 283,475 Million KRW on December 31, 2021, marking a 39.1% increase when compared to the same quarter of 2020 (Q4/2020: 203,843 Million KRW). The net profit of 26,100 Million KRW for Q4/2021 amounted to a record 765.7% rise over the net profit achieved in the final quarter of 2020 (3,015 Million KRW). SONGWON ended 2021 strongly, achieving overall consolidated sales totaling 998,190 Million KRW, 23.6% higher than the previous year (FY 2020: 807,768 Million KRW).

SONGWON had a strong start to FY 2021, despite the global challenges and economic crises caused by the ongoing COVID-19 pandemic. Throughout the year, increasing demand across the Divisions led to sound growth with a notable rise in revenues overall in comparison to FY 2020. Particularly in the final quarter of the year, SONGWON's Divisions delivered solid Q4/2021 results with higher profitability and returns.

In Million KRW	Q4			YTD December		
	2021	2020	Δ%	2021	2020	Δ%
Sales	283,475	203,843	39.1%	998,190	807,768	23.6%
Gross profit	76,293	40,041	90.5%	245,025	163,973	49.4%
<i>Gross profit margin</i>	26.9%	19.6%		24.5%	20.3%	
Operating profit	36,584	17,955	103.8%	105,714	68,010	55.4%
EBITDA	47,647	26,802	77.8%	142,952	102,851	39.0%
<i>EBITDA margin</i>	16.8%	13.1%		14.3%	12.7%	
EBIT	38,729	11,536	235.7%	104,519	61,825	69.1%
<i>EBIT margin</i>	13.7%	5.7%		10.5%	7.7%	
Profit for the period	26,100	3,015	765.7%	71,209	28,365	151.0%

For Division Industrial Chemicals, when compared to Q4/2020, revenues increased by 32.3% in Q4/2021, amounting to 202,611 Million KRW, and sales rose by 19.9% in FY 2021 (735,654 Million KRW) over the previous year (FY 2020: 613,593 Million KRW). For Division Performance Chemicals, Q4/2021 was also strong quarter. The Division achieved a 59.5% increase in sales (80,864 Million KRW) compared to Q4/2020 (50,690 Million KRW) and a significant increase in sales of 35.2% for the year, amounting to 262,536 Million KRW over the same reporting period in 2020 (FY 2020: 194,175 Million KRW).

Division Industrial Chemicals' solid sales performance in Q4/2021 was the result of strong global demand and the limited availability of certain chemical products. The previously implemented price increases across the product portfolio to offset the steep rises in raw materials and shipping costs also positively impacted the result. For SONGWON's key business Polymer Stabilizers, sales volumes doubled in Q4/2021 due to the market's short to balanced supply, high demand in all regions and positive foreign exchange impacts. In Q4/2021, Fuel and Lubricant Additives also performed strongly. The business recorded higher volumes on the back of the overall rise in demand across the industry. The positive performance was further enhanced by force majeure events and the formula driven price increases implemented in the previous quarter which successfully counterbalanced the higher raw material and logistics costs. Q4/2021 was a record quarter for SONGWON's Coatings business. Despite performing strongly above budget, and customers continuing to order in December instead of traditionally de-stocking, price increases were necessary to offset the skyrocketing raw materials prices and vigorous increases in logistics costs.

With increases in revenues and profit well above Q4/2020, SONGWON's Division Performance Chemicals recorded results much higher than initially anticipated in the final quarter of 2021. Tin Intermediates saw signs of higher demand from Asia, particularly in China and also performed strongly during Q4/2021, delivering a solid increase in turnover and margins despite necessary plant maintenance in November impacting sales. SONGWON's PVC business recorded strong growth in Q4/2021 and delivered robust performance with sales significantly above FY 2020 as a result of the improved market particularly in Korea.

Despite facing unprecedented supply bottlenecks, logistics challenges, soaring raw material prices and the emergence of new COVID-19 variants in 2021, executing our strategy has delivered positive financial results and is driving strong momentum moving towards 2022. Looking ahead, SONGWON expects the supply and logistics situation as well as raw material costs and pricing to remain volatile and demand to stay high.

Focusing on ensuring its supply reliability to customers, SONGWON will be expanding capacities to match the high demand, minimizing negative impacts to its supply chain and counterbalancing the escalating costs of materials and logistics. Amid the prevailing uncertainty, it is difficult to predict what FY 2022 will bring and therefore, SONGWON remains cautious with its outlook. However, with strong demand forecasted to continue, SONGWON anticipates that by strengthening its supply chain, driving additional operating efficiencies and continuing to execute its strategy, the Group's positive business performance will continue into FY 2022.

The FY 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.

**For further information,
please contact:**

SONGWON Industrial Group
Christine Hug
Corporate Communications Manager
Walzmühlestrasse 48
CH-8500 Frauenfeld
Switzerland
Tel: +41 52 635 0000
E-mail: marketing@songwon.com

**For editorial inquiries and clippings,
please contact:**

Marketing Solutions
Stephanie Wakkee
Box 6
2950 Kapellen
Belgium
Tel: +32 3 31 30 311
E-mail: swakkee@marketing-solutions.com

Follow us on [LinkedIn](#).

SW246EN0322
Issued on 2 March 2022

It's all about **the chemistry™**

