



SONGWON Industrial Group announces Q1/2019 Financial Results

- Sales in Q1 totaled 190,417 Mil. KRW
- Net profit of 8,777 Mil. KRW recorded
- Gross profit margin at 20.9%

Ulsan, South Korea – May 15, 2019 – SONGWON Industrial Group (www.songwon.com) today announced its audited financial results for Q1/2019. During the first quarter, the Group achieved sales of 190,417 Mil. KRW, with revenue remaining at the same level as recorded for Q1/2018 (Mil. KRW 190,472).

In Million KRW	Q1		
	2019	2018 (restated*)	Δ%
Sales	190,417	190,472	0.0%
Gross profit*	39,713	40,376	-1.6%
Gross profit margin*	20.9%	21.2%	
Operating profit	13,762	15,262	-9.8%
EBITDA	23,089	23,704	-2.6%
EBITDA margin	12.1%	12.4%	
EBIT	13,945	15,433	-9.6%
EBIT margin	7.3%	8.1%	
Profit for the period	8,777	11,537	-23.9%

*Refer to note 2.2 of Q1/2019 Financial Statements

After achieving very good overall results in 2018, SONGWON experienced an unexpectedly slow start in 2019. The slowdown in the global economy perceived in Q4/2018 continued into the first months of 2019. SONGWON Industrial Group recorded revenue in the first three months at the same level as achieved in the previous year, while demand across the industry continued to show volatility. Particularly in the automotive as well as building and construction industry, end consumer demand was down.

In addition, the challenging start to the year also reflected the suboptimal market conditions for chemical industry as a whole. The ongoing US/China trade war and global concern relating to other socio-political areas are clearly having an impact on worldwide demand in general. Higher costs driven by lower capacity utilization in the final quarter of 2018, as well as the higher material costs continued into Q1/2019 which also contributed to a decline in SONGWON's gross profit.

In course of January, the Group was able to achieve fairly reasonable overall performance. However, in February, the Chinese New Year celebrations throughout the month and the traditional closing of businesses in North East Asia for the holiday, impacted results and led to a short-term weakening in performance. However, SONGWON saw performance increase in March due to the positive effect of the USD currency impact combined with the positive effects of the price increases implemented throughout 2018. Amid the challenges in the first months of the year, Songwon Group also identified many underlying positive trends.

SONGWON notes that after the traditional annual period when customers maintain low levels of inventory, Q2 and Q3 are historically strong quarters and usually bring increased demand. Therefore, looking forward, SONGWON anticipates seeing renewed momentum and a gradual increase in the general demand for its products. Remaining committed to its aim of improving profitability, the company will continue to draw upon its key strengths, penetrate markets and capitalize on growth opportunities while exercising the appropriate levels of prudence.

Looking ahead to the next quarters of 2019, the company remains committed to leveraging its leading position and technology strength to accelerate innovation initiatives across SONGWON's core businesses and also to enhancing the Group's overall competitiveness.

The Q1 Report can be downloaded at: www.songwon.com/investors/reports-publications

About Songwon Industrial Co., Ltd.

SONGWON, which was founded in 1965 and is headquartered in Ulsan, South Korea, is a leader in the development, production and supply of specialty chemicals. The second largest manufacturer of polymer stabilizers worldwide, SONGWON operates group companies all over the world, offering the combined benefits of a global framework and readily accessible local organizations. Dedicated experts work closely together with customers to develop tailor-made solutions that meet individual requirements.

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
Giulia Boratto
Leader Global Marketing & Communications
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
Kevin Noels
Box 6
2950 Kapellen
Belgium
Tel: +32 3 31 30 311
E-mail: knoels@marketing-solutions.com

SWPR197EN0519
Issued on 15-May-2019

It's all about **the chemistry™**

