



SONGWON announces Q1/2024 financial results

- **Consolidated sales in Q1 totaled 255,752 Million KRW**
- **Gross profit margin was 15.3%, similar to Q1/2023 (15.4%)**
- **Net profit in Q1/2024 amounted to 6,662 Million KRW**

Ulsan, South Korea – May 14, 2024 – SONGWON Industrial Group (www.songwon.com) today released its financial results for the 1st quarter of 2024. During Q1/2024, the Group achieved consolidated sales of 255,752 Million KRW marking a 4.3% decline in revenue over sales generated in the same quarter of the previous year (Q1/2023: 267,167 Million KRW). SONGWON reported a similar gross profit margin of 15.3% in the first 3 months of the year when compared to the 1st quarter of 2023 (Q1/2023: 15.4%) and a net profit of 6,662 Million KRW (Q1/2023: 10,626 Million KRW).

In Million KRW	Q1		
	2024	2023	Δ%
Sales	255,752	267,167	-4.3%
Gross profit	39,134	41,076	-4.7%
<i>Gross profit margin</i>	15.3%	15.4%	
Operating profit	12,130	18,489	-34.4%
EBITDA	22,215	27,124	-18.1%
<i>EBITDA margin</i>	8.7%	10.2%	
EBIT	11,629	18,742	-38.0%
<i>EBIT margin</i>	4.5%	7.0%	
Profit for the period	6,662	10,626	-37.3%

As anticipated, the challenging global environment persisted into Q1/2024 marked by the complex macroeconomic landscape and ongoing global political tensions from 2023, impacting the industry. Against this backdrop, SONGWON's Divisions faced ongoing headwinds such as competitive pricing pressures and logistic complexities, mirroring the challenges in previous quarters. In the 1st quarter of 2024, Division Industrial Chemicals achieved consolidated sales of 192,785 Million KRW, reflecting a slight decrease in revenue of 1.6 % compared to the 1st quarter of 2023 (Q1/2023: 195,947 Million KRW). Division Performance Chemicals also saw a decline in revenues reporting consolidated sales of 62,967 Million KRW in Q1/2024 with a decrease of 11.6% compared to the same quarter of 2023 (Q1/2023: 71,220 Million KRW).

Throughout Q1/2024, Division Industrial Chemicals navigated challenges including logistical hurdles caused by issues in the Suez and Panama Canals, leading to prolonged distribution times. Intense price competition, particularly from China, along with market saturation from low-priced products and low raw material prices also influenced performance. Despite these hurdles, the division remained resilient, implementing strategies to defend its market share effectively. In Q1/2024, Polymer Stabilizers recorded a rise in sales volumes and revenue compared to Q1/2023, driven partly by customers increasing safety stocks due to longer lead times caused by the current logistics issues. Leveraging SONGWON's reputation for supply reliability, Polymer Stabilizers also secured significant new business. In the 1st quarter of 2024, Fuel and Lubricant Additives faced flat demand and intense price competition, resulting in lower revenues compared to Q1/2023, further exacerbated by lower raw material costs applied to the previously implemented formula pricing. Traditionally a strong quarter for Coatings, the business saw increased demand due to customers building safety stocks in response to the longer lead times caused by logistics disruption.

In Q1/2024, Division Performance Chemicals faced the same global headwinds. Customers' ongoing destocking activities and reduced market demand led to a sluggish start to the year for Tin Intermediates in terms of volume and revenue, despite an upward trend in tin ingot prices. In the 1st quarter of 2024, PVC observed positive market demand, recovery in Korea and strong growth in the EMEA region, signaling promising trends and potential for future improvement despite the current downside in the construction market.

SONGWON anticipates that 2024 will continue to be a challenging year clouded by geopolitical tensions, logistics issues, demand unpredictability and uncertainties surrounding the timing of China's economic rebound. These factors, as well as customers' inability to provide annual projections, have made it difficult for SONGWON to make any accurate market predictions. Nevertheless, the company remains committed to improving profitability by leveraging strengths, implementing strategic measures and expanding globally. Going forward, SONGWON will continue to seize growth opportunities prudently while prioritizing innovation, sustainability and competitiveness across its core businesses.

The Q1/2024 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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