



SONGWON Industrial Group announces Q2/2025 Financial Results

- **Consolidated sales in Q2/2025 totaled 265,408 million KRW**
- **Gross profit margin was 14.6% in the 2nd quarter of 2025**
- **Q2/2025 profit for the period was -1,481 million KRW**

Ulsan, South Korea – August 13, 2025 – Today, SONGWON Industrial Group (www.songwon.com) published its Q2 and HY financial results for the 2025 financial year. Over the quarter, the Group achieved consolidated sales of 265,408 million KRW, marking a decrease in revenue of 3.0% over the same quarter of the previous year (Q2/2024: 273,521 million KRW). Year-to-date (YTD), the Group generated consolidated sales of 541,161 million KRW, representing an increase of 2.2% over YTD June 2024 (529,273 million KRW). Impacted by ongoing margin pressure and increased labor costs following a court decision in Korea earlier in the year, SONGWON recorded a loss of 1,481 million KRW in Q2/2025 and a profit of 3,376 million KRW for H1/2025, down from 10,575 million KRW and 17,237 million KRW, respectively, in the corresponding periods of the previous year. The Group achieved a gross profit margin of 14.6% in Q2/2025 and 14.7% in H1/2025.

In Million KRW	Q2			YTD June		
	2025	2024	Δ%	2025	2024	Δ%
Sales	265,408	273,521	-3.0%	541,161	529,273	2.2%
Gross profit	38,627	45,168	-14.5%	79,370	84,302	-5.9%
<i>Gross profit margin</i>	14.6%	16.5%		14.7%	15.9%	
Operating profit	8,592	16,417	-47.7%	19,529	28,547	-31.6%
EBITDA	18,066	25,794	-30.0%	40,023	48,009	-16.6%
<i>EBITDA margin</i>	6.8%	9.4%		7.4%	9.1%	
EBIT	7,818	15,904	-50.8%	19,361	27,533	-29.7%
<i>EBIT margin</i>	2.9%	5.8%		3.6%	5.2%	
Profit for the period	-1,481	10,575	-114.0%	3,376	17,237	-80.4%

In Q2/2025, SONGWON's Divisions continued to face challenges carried over from the first quarter of the year. Subdued global demand, geopolitical uncertainties and ongoing margin pressure across key regions contributed to a difficult market environment. Despite some stabilization in raw material costs, conditions remained challenging with customers remaining cautious and persistent overcapacity in several product segments. Division Industrial Chemicals reported a drop in revenue of 7.6%, with Q2/2025 sales of 191,019 million KRW compared to 206,816 million KRW in Q2/2024. However, for the first 6 months of 2025, the Division maintained stable year-over-year performance, achieving sales of 399,152 million KRW, compared to HY/2024 (399,601 million KRW). In contrast, Division Performance Chemicals delivered robust performance in Q2/2025, with sales rising 11.5% to 74,389 million KRW and YTD revenues growing 9.5% to 142,009 million KRW.

Division Industrial Chemicals faced a challenging Q2/2025 but performed as anticipated, amid a difficult market shaped by muted global demand, intense competition and persistent pricing pressure. Although Polymer Stabilizers recorded lower volumes year-on-year due to weaker demand, geopolitical uncertainty, particularly surrounding U.S. tariff policies, turnover remained close to 2024 levels and overall performance met expectations. After a strong start to the year, Fuel and Lubricant Additives reported lower volumes compared to Q1/2025 and reduced revenues due to lower raw material costs affecting formula-based pricing as well as intensified spot market competition. Following its strong start to the year, Coatings maintained steady volumes and revenues in Q2/2025, outperforming market growth particularly in Europe and Asia and expanding its market share.

In Q2/2025, Division Performance Chemicals retained its strong performance from the previous quarter, despite the ongoing challenges in the construction and automotive industries. Tin Intermediates experienced weak demand in Q2/2025, impacted by intensified global competition, declining prices and logistics issues in Europe. However, higher tin ingot prices helped support revenue. PVC continued to face pressure from aggressive pricing and unpredictable customer buying patterns. Despite the strained economic conditions, Thermoplastic and Solution Polyurethanes delivered strong profitability supported by stable raw material costs, with TPU export sales growing as anticipated.

Throughout Q2/2025, macroeconomic factors such as geopolitical restrictions, regulatory changes and China's slow recovery continued to impact demand. Additionally, growing uncertainty around US trade policies, fluctuating currencies and increased selling activity from China intensified competition in key markets, particularly in Asia and Europe. Looking ahead, overall economic growth is expected to slow and demand is likely to remain below earlier projections as oversupply continues to pressure margins. Over the next 6 months, SONGWON will continue to monitor global developments and remains confident that it is well-positioned to navigate emerging challenges and maintain reliable supply for its customers.

The Q2/2025 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 one of the world's leading manufacturers of polymer stabilizers. 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.

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