



SONGWON Industrial Group announces Q3/2024 Financial Results

- **Sales amounted to 285,779 Million KRW, a 15.3% increase compared to Q3/2023**
- **Achieved a net profit of 11,492 Million KRW, up 22.6% from Q3/2023**
- **Compared to Q3/2023, the gross profit margin increased by 2.9%-points to 17.6%**

Ulsan, South Korea – November 13, 2024 – SONGWON Industrial Group (www.songwon.com) today published its Q3 financial results for 2024. During the quarter, SONGWON achieved consolidated sales of 285,779 Million KRW and reported a net profit of 11,492 Million KRW. When compared to the sales (Q3/2023: 247,867 Million KRW) and net profit (Q3/2023: 9,372 Million KRW) recorded in the previous year, this marked an increase of 15.3% and 22.6% respectively. For Q3/2024, SONGWON reported a gross profit margin of 17.6%, an increase of 2.9%-points from Q3/2023 (14.7%).

Year-to-date (YTD), the Group recorded consolidated sales of 815,052 Million KRW, up 3.9% from YTD September 2023 (784,266 Million KRW), alongside a net profit of 28,729 Million KRW, reflecting a 10.1% decrease compared to the same period last year (YTD September 2023: 31,954 Million KRW). In the first 9 months of 2024, the Group reported a gross profit margin of 16.5% reflecting a 1%-point increase over the prior year comparable period.

In Million KRW	Q3			YTD September		
	2024	2023	Δ%	2024	2023	Δ%
Sales	285,779	247,867	15.3%	815,052	784,266	3.9%
Gross profit	50,203	36,351	38.1%	134,505	121,477	10.7%
<i>Gross profit margin</i>	17.6%	14.7%		16.5%	15.5%	
Operating profit	22,163	14,443	53.5%	50,710	54,922	-7.7%
EBITDA	31,608	25,005	26.4%	79,617	83,582	-4.7%
<i>EBITDA margin</i>	11.1%	10.1%		9.8%	10.7%	
EBIT	21,599	15,076	43.3%	49,132	53,431	-8.0%
<i>EBIT margin</i>	7.6%	6.1%		6.0%	6.8%	
Profit for the period	11,492	9,372	22.6%	28,729	31,954	-10.1%

Despite the ongoing challenges in the geopolitical and macroeconomic landscape, SONGWON's Divisions recorded revenue growth in the 3rd quarter of 2024 compared to the 3rd quarter of 2023, driven by the increased demand in specific markets. During Q3/2024, both Division Industrial Chemicals and Division Performance Chemicals reported comparable revenue growth, with increases of 15.3% and 15.2% respectively compared to Q3/2023. Division Industrial Chemicals generated sales of 216,115 Million KRW in Q3/2024 (Q3/2023: 187,386 Million KRW) and YTD September 2024, 615,716 Million KRW (YTD September 2023: 582,107 Million KRW) and Division Performance Chemicals recorded sales of 69,664 Million KRW (Q3/2023: 60,481 Million KRW) and YTD September 2024, 199,336 Million KRW (YTD September 2023: 202,159 Million KRW).

Division Industrial Chemicals reported a strong 3rd quarter of the year, supported by high market demand and improved economic conditions. Amid rising supply availability and lower raw material costs, Polymer Stabilizers performed well in Q3/2024, recording revenue and volume growth. On the back of the organization's supply reliability, Polymer Stabilizers also further enhanced SONGWON's market share with new business despite the fiercely competitive landscape. Fuel and Lubricant Additives reported higher revenues in Q3/2024 resulting from the rise in demand and improved logistics situation. Amidst the ongoing excess of supply in the market, Coatings recorded robust sales and enhanced profitability for Q3/2024.

In the face of rising logistics and manufacturing costs and intensive price competition in the market that negatively impacted export sales, Division Performance Chemicals performed well in Q3/2024. Despite low volumes due to sluggish market demand, Tin Intermediates reported a rise in sales, which, along with improved operational efficiency, led to better margins. High freight and manufacturing costs, compounded by aggressive competitive pricing in SEA/SA and MEA, impacted PVC's revenue and volume in the 3rd quarter, but performance improved compared to the previous quarters in 2024. Although stable raw material prices positively impacted profitability, Q3/2024 was challenging for Solution Polyurethanes and Thermoplastic Polyurethanes (TPU/SPU). It recorded a drop in volume primarily resulting from weak TPU export sales due to the economic recession and seasonal fall in demand in Korea.

Looking ahead to Q4/2024, SONGWON sees global supply and logistics challenges continuing, with market prices and margins remaining under pressure. Considering the possibility of a potential slowdown caused by global macroeconomic uncertainty, shifting industry dynamics and customers struggling to provide clear forecasts, it is difficult to accurately predict what Q4/2024 will bring. However, SONGWON will continue prioritizing effective cost management and optimizing its operational efficiency while remaining focused on achieving sustainable and profitable growth by executing its strategic initiatives and fostering long-term value creation.

The Q3/2024 Financial Statements 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.

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

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