



## SONGWON Industrial Group announces solid Financial Results for Q2/2021

- **Consolidated sales in Q2/2021 totaled 232,091 Million KRW**
- **Revenue increased by 17.1% compared to Q2/2020**
- **Gross profit margin was 1.4%-points higher in Q2/2021 than in Q2/2020**
- **Net profit rose by 63.4% over Q1/2021 to total 14,973 Million KRW**

**Ulsan, South Korea – August 13, 2021** – Today, SONGWON Industrial Group ([www.songwon.com](http://www.songwon.com)) published its audited Q2 and half-year financial results for the 2021 financial year. Over the quarter, the Group achieved consolidated sales of 232,091 Million KRW marking a 17.1% increase in revenue over the same quarter of the previous year. Year-to-date (YTD), the Group realized consolidated sales of 454,578 Million KRW, representing an 11.2% rise over YTD June 2020 (408,688 Million KRW), and recorded a net profit of 24,137 Million KRW delivering a 45.4% increase over the same reporting period in the previous year (YTD June 2020: 16,604 Million KRW). In addition, the Group's gross profit margin achieved in Q2/2021 was 22.5% and YTD 22.0% reflecting an increase of 1.4%-points and 1.6%-points over the prior year comparable period.

In Million KRW	Q2			YTD June		
	2021	2020	Δ%	2021	2020	Δ%
Sales	232,091	198,145	17.1%	454,578	408,688	11.2%
Gross profit	52,108	41,768	24.8%	100,225	83,310	20.3%
<i>Gross profit margin</i>	22.5%	21.1%		22.0%	20.4%	
Operating profit	21,737	16,164	34.5%	39,080	34,233	14.2%
EBITDA	30,210	24,710	22.3%	56,341	51,700	9.0%
<i>EBITDA margin</i>	13.0%	12.5%		12.4%	12.7%	
EBIT	22,048	16,043	37.4%	35,322	34,493	2.4%
<i>EBIT margin</i>	9.5%	8.1%		7.8%	8.4%	
Profit for the period	14,973	5,422	176.2%	24,137	16,604	45.4%

Following a solid start to the year, SONGWON Industrial Group observed the increase in demand and revenues throughout Q1 continuing throughout Q2/2021, leading to a robust business performance across its Divisions with both achieving increases in revenues and profitability over the prior year comparable quarter. The overall good result was, in part, supported by the Divisions' timely and imperative price increases which proved effective in offsetting the rises in raw material costs and the higher freight shipping rates.

In Q2/2021, Division Industrial Chemicals generated consolidated sales of 175,711 Million KRW (Q2/2020: 152,636 Million KRW) and for the first six months of the year achieved sales of 339,698 Million KRW (YTD June 2020: 315,138 Million KRW). When compared to Q2 and the first half-year of 2020, the result marks an increase in revenue of 15.1% and 7.8% respectively. SONGWON achieved the positive result on the back of high worldwide demand and also benefited in Q2/2021 from competitors' Force Majeure events which generated additional requests from both existing and new customers. Driven by the recovery in the lubricants market, SONGWON registered high demand particularly for its Fuel and Lubricant Additives. As expected, the 2<sup>nd</sup> quarter of the year was also strong for Coatings due to the anticipated seasonality and the confirmation of the overall positive trend in the coatings industry.

Division Performance Chemicals also performed strongly in Q2/2021, recording a 23.9% increase in sales (56,380 Million KRW) compared to Q2/2020 (45,509 Million KRW). In the first half-year 2021, the Division achieved a 22.8% increase in revenue (114,880 Million KRW) over the comparable reporting period in 2020 (YTD June 2020: 93,550 Million KRW). Throughout the 2<sup>nd</sup> quarter, Division Performance Chemicals was positively impacted by the stable global demand and its previously implemented price increases which led to higher revenues for Tin Intermediates. Subsequently for PVC, margins remained similar to those observed in Q1/2021, despite a weaker market for PVC in Korea and COVID-19 restrictions curbing the opportunities to seek new business. Demand started rising in the final month of Q2/2021, as the price of certain raw materials began decreasing.

Looking towards the coming months, the Group expects demand to remain strong supported by a recovering global economy. SONGWON also anticipates that the negative impacts to logistics and shipping caused by the COVID-19 pandemic will be ongoing for the rest of the year. In response, SONGWON will continue to concentrate on finding beneficial alternatives to ensure the reliable supply to customers with minimum disruption.

At the same time, SONGWON will continue to remain cautious while maintaining its price levels and seeking to commercialize new opportunities to drive business growth. Based on its solid YTD results, the Group is confident that, despite existing uncertainties, it can look positively towards a successful 2<sup>nd</sup> half of the year.

The Q2/2021 Report can be downloaded at: [www.songwon.com/investors/reports-publications](http://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 2<sup>nd</sup> 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](http://www.songwon.com).

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