



SONGWON Industrial Group reports strong Q2 Financial Results

- **Q2/2022 consolidated sales amounted to 342,735 Million KRW**
- **Revenue in Q2/202 increased by 47.7% over Q2/2021**
- **In Q2/2022, the gross profit margin was 1.1%-points higher than Q2/2021**

Ulsan, South Korea – August 12, 2022 – SONGWON Industrial Group (www.songwon.com) today released its financial results for the 2nd quarter ending June 30, 2022. Building on the positive momentum of Q1/2022, the Group achieved consolidated sales of 342,735 Million KRW during Q2/2022 which when compared to Q2/2021, marked a 47.7% rise in revenue. The Group's YTD June 2022 sales revenues (681,168 Million KRW) increased by 49.8% over the June YTD sales generated in 2021 (454,578 Million KRW). During the 6 months of 2022, the Group realized a gross profit margin increase of 5.2%-points to 25.5% compared to June YTD 2021.

In Million KRW	Q2			YTD June		
	2022	2021* (restated)	Δ%	2022	2021* (restated)	Δ%
Sales	342,735	232,091	47.7%	681,168	454,578	49.8%
Gross profit	74,567	48,139	54.9%	173,931	92,445	88.1%
<i>Gross profit margin</i>	21.8%	20.7%		25.5%	20.3%	
Operating profit	54,258	21,737	149.6%	111,453	39,080	185.2%
EBITDA	62,902	30,210	108.2%	128,682	56,341	128.4%
<i>EBITDA margin</i>	18.4%	13.0%		18.9%	12.4%	
EBIT	54,643	22,048	147.8%	112,173	35,322	217.6%
<i>EBIT margin</i>	15.9%	9.5%		16.5%	7.8%	
Profit for the period	38,670	14,973	158.3%	82,097	24,137	240.1%

*restated with IFRS15 adjustment

After a positive start to the year and a strong 1st quarter, SONGWON Industrial Group recorded sound business performance across the Divisions in the 2nd quarter of 2022. Division Industrial Chemicals and Division Performance Chemicals observed high levels of demand Q2/2022 which resulted in another solid quarter with higher profitability and returns.

In line with expectations, global demand remained strong for Division Industrial Chemicals in Q2/2022 resulting in consolidated sales of 260,406 Million KRW (Q2/2021: 175,711 Million KRW) and for the first six months of the year, the Division achieved sales of 509,271 Million KRW (YTD June 2021: 339,698 Million KRW). When compared to Q2 and YTD June 2021, the result marks an increase in revenue of 48.2% and 49.9% respectively. The overall sound result was partly driven by increases in global forecasted volumes on the back of customers aiming to offset potential logistics delays and competitor-related supply issues and also positively impacted by favorable FX developments in all regions.

SONGWON's key business Polymer Stabilizers recorded higher sales despite being negatively affected by lockdowns across Asia and the conflict between Russia and the Ukraine. Fuel and Lubricant Additives also performed strongly, benefiting from customers ordering ahead of normal patterns to counteract logistics delays. As expected, the 2nd quarter of the year was strong for Coatings due to the high demand in Europe, the US and Korea, ongoing industry recovery and the effectiveness of the implemented price increases.

Division Performance Chemicals also performed strongly in the 2nd quarter, registering a 46.0% growth in revenue (Q2/2022: 82,329 Million KRW) compared to Q2/2021 (56,380 Million KRW). YTD June 2022, the Division achieved a 171,897 Million KRW, marking a 49.6% increase in sales compared to YTD June 2021 (114,880 Million KRW). Throughout the 2nd quarter, Division Performance Chemicals also benefited from strong global demand and previously implemented price increases. Tin Intermediates sales were in line with maximum plant output and the price of tin metal rose early in the quarter but dropped back later in the quarter. During Q2/2022, high logistical costs continued to limit PVC sales outside Asia but price increases had a positive impact on profitability. Despite lower volumes, Solution Polyurethanes and Thermoplastic Polyurethanes reported an increase in revenue due to price increases. TPU sales in the wire and cable market increased on the back of the strong demand coming from EMEA, NEA and the US.

Looking forward to the 2nd half of the year and the many uncertainties such as the geopolitical risks, the volatile macroeconomic environment, inflationary pressures, logistical issues, material shortages and the ongoing pandemic, it is not possible to accurately predict what the coming months will bring. SONGWON anticipates that the current high demand for raw materials will continue in the coming months as the global situation continues to push market prices upwards. Amid the current uncertainty, SONGWON will continue closely monitoring global developments and demand levels while following its penetration strategy in key target markets. Based on its strong YTD June results, SONGWON is confident that with its solid business foundation it can continue to reliably supply customers and navigate any emerging challenges.

The Q2/2022 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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