



## SONGWON Industrial Group delivers another solid result for FY 2019

- **Record sales in 2019 totaled 814,340 Mil. KRW**
- **Net profit amounted to 35,008 Mil. KRW for the FY**
- **SONGWON maintained a gross profit margin of 20.4%**

**Ulsan, South Korea – March 05, 2020** – SONGWON Industrial Group ([www.songwon.com](http://www.songwon.com)) today reported its financial results for FY 2019. SONGWON's overall consolidated sales revenues for FY 2019 amounting to 814,340 Mil. KRW which marks a 3.2% increase compared to the consolidated sales for FY 2018 (788,738). After continuing to concentrate on its core business throughout the year, the result achieved in FY 2019 was SONGWON's highest sales result since the company was founded.

In Million KRW	Q4			YTD December		
	2019	2018	Δ%	2019	2018	Δ%
Sales	197,068	196,022	0.5%	814,340	788,738	3.2%
Gross profit	33,900	37,040	-8.5%	166,473	156,156	6.6%
<i>Gross profit margin</i>	17.2%	18.9%		20.4%	19.8%	
Operating profit	8,217	10,168	-19.2%	59,292	54,277	9.2%
EBITDA	16,711	16,821	-0.7%	95,293	86,938	9.6%
<i>EBITDA margin</i>	8.5%	8.6%		11.7%	11.0%	
EBIT	7,739	8,215	-5.8%	58,756	53,148	10.6%
<i>EBIT margin</i>	3.9%	4.2%		7.2%	6.7%	
Profit for the period	6,103	4,974	22.7%	35,008	37,805	-7.4%

In FY 2019, against the backdrop of ongoing geopolitical challenges and macro-economic uncertainty, SONGWON noted weak and volatile demand across the industry as well as fierce competition in certain markets. Despite this challenging environment throughout the year, Division Industrial Chemicals recorded sustainable demand for its products across the regions (particularly MEA) even in Q4/2019, which is a traditionally slow quarter due to customers' usual year-end destocking activities. Overall in FY 2019, SONGWON was successful in achieving an increase in profitability in Division Industrial Chemicals and recorded a revenue growth of 4.7%.

The global slowdown in demand, especially in industries such as automotive and electronics, combined with the year-end destocking had a negative effect on the overall performance of SONGWON Industrial Group's Division Performance Chemicals in 2019. Furthermore, after the downturn in Korea's construction industry in FY 2018, the industry continued to shrink this year leading to a drop in demand and an increase in fierce competition. This also had a detrimental effect on Division Performance Chemicals' results for the year. However, SONGWON successfully offset the loss in PVC stabilizers business by directing its efforts towards capitalizing on solid sales opportunities outside of Korea.

In the course of the year, SONGWON further consolidated its competitive position by focusing on developing an even broader portfolio of high-quality, sustainable solutions. The organization also continued to grow and strengthen its global distributor network in order to facilitate and accelerate the penetration of key markets especially ASEAN – a region which holds promising opportunities. SONGWON's production facilities ran smoothly throughout 2019 at the level needed to meet customers' demands as well as economic requirements. During FY 2019, raw materials remained at stable levels with only some exceptions. Once again this year, the company invested in further automation and plant optimization and the positive impact already recorded in 2019 will continue in the years to come.

Looking ahead, SONGWON expects the challenging environment, political uncertainty and market volatility to persist through FY 2020 which makes demand predictions difficult. In spite of this, the GDP is expected to see higher growth in 2020 and in keeping with this, SONGWON anticipates that demand for its Division Industrial Chemicals will be higher than the GDP, driven by growth particularly in emerging countries. Supported by its expanded distributor network and ongoing collaboration with leading industry partners, SONGWON also expects that the new products launched in 2019, will soon begin to support continued growth.

Going forward, the organization intends to adhere to its ongoing strategy to secure the highest level of operational efficiency by investing in the latest technologies and will remain focused on appropriately managing its global businesses and expenses to improve positions. SONGWON is also committed to increasing its sustainability efforts and its focus on innovation which supports a circular economy. In spite of the ongoing global challenges, SONGWON is convinced that it has built itself a strong competitive position to enable the organization to remain on track and drive its strategy while delivering value for customers and most importantly creating long-term value for all its shareholders.

The FY 2019 Report can be downloaded at:

[www.songwon.com/investors/reports-publications](http://www.songwon.com/investors/reports-publications)

[www.songwon.com/ko/investors/reports-publications](http://www.songwon.com/ko/investors/reports-publications)

### **About Songwon Industrial Co., Ltd.**

SONGWON, which was founded in 1965 and is headquartered in Ulsan, South Korea, is a leader in the development, production and supply of specialty chemicals. The second largest manufacturer of polymer stabilizers worldwide, SONGWON Industrial Group operates companies all over the world, offering the combined benefits of a global framework and readily accessible local organizations. Dedicated experts work closely together with customers to develop tailor-made solutions that meet individual requirements.

For further information, please go to: [www.songwon.com](http://www.songwon.com).

This press release can be downloaded from [www.PressReleaseFinder.com](http://www.PressReleaseFinder.com).

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