



SONGWON Industrial Group releases Financial Results for Q2/2019

- Sales in Q2 totaled 218,467 Mil. KRW
- Net profit amounted to 12,826 Mil. KRW
- The gross profit margin is at 23.7%
- Both EBITDA and EBIT margins increased to 15.0% and to 10.8% respectively

Ulsan, South Korea – August 14, 2019 – Today, SONGWON Industrial Group (www.songwon.com) released its financial results for the second quarter of 2019. The Group reported consolidated sales of 218,467 Mil. KRW, marking a 10.4% increase and also an increased net profit margin of 5.9% for Q2. For the first half of the year, the Group realized consolidated sales of 408,884 Mil. KRW, which is a 5.3% increase, compared to the first six months of 2018 (388,313 Mil. KRW).

In Million KRW	Q2			YTD June		
	2019	2018	Δ%	2019	2018	Δ%
Sales	218,467	197,841	10.4%	408,884	388,313	5.3%
Gross profit	51,860	35,766	45.0%	91,573	76,142	20.3%
<i>Gross profit margin</i>	23.7%	18.1%		22.4%	19.6%	
Operating profit	23,274	11,447	103.3%	37,036	26,709	38.7%
EBITDA	32,799	20,691	58.5%	55,888	44,396	25.9%
<i>EBITDA margin</i>	15.0%	10.5%		13.7%	11.4%	
EBIT	23,540	12,341	90.7%	37,485	27,774	35.0%
<i>EBIT margin</i>	10.8%	6.2%		9.2%	7.2%	
Profit for the period	12,826	8,179	56.8%	21,603	19,716	9.6%

After an unexpectedly slow start to the year 2019, with demand across the industry continuing to show volatility and the market conditions suboptimal for the chemical industry as a whole, SONGWON Industrial Group reported solid results for Q2/2019. Although the economic situation remains challenging with global economic and political uncertainties still acutely present throughout the second quarter, the Group exceeded targets and achieved an increase in core volumes. Traditionally always a robust quarter, the Group noted stronger overall demand for both its divisions Industrial Chemicals, and Performance Chemicals compared to the previous quarter.

Revenues were 5.3% above the same period of the previous year due to the positive impact of the price increases implemented by SONGWON across its portfolio combined with the favorable foreign currencies over the first six months of the year. The organization's optimal cost position in Q2/2019 was supported by SONGWON's manufacturing facilities which all ran smoothly and at high capacity. Due to the organization's effective sourcing strategy involving multiple suppliers, SONGWON remained unaffected by the Chinese raw material tensions and restrictions occurring in Q2/2019. The Group also noted the positive impact from its ongoing investment in the innovation labs at its Technical Innovation Center in Ulsan, Korea especially with regard to the development of more sustainable solutions for the industry.

Looking towards the coming months, SONGWON sees supply and demand continuing to remain balanced and at a similar steady level to that of Q2, despite the pervasive uncertainties across the globe. Going forward, the organization says that it aims to continue concentrating its efforts on building broader and deeper relationships with customers in key markets. At the same time, the Group will continue identifying, as well as commercializing new opportunities, maintaining its achieved price levels and increasing its supply share in the markets SONGWON serves as well as those it wishes to penetrate.

SONGWON believes that the ongoing investment and expertise expansion in its Technology Innovation Center will drive long-term growth across its businesses as well as enhance its ability to create high performance sustainable solutions to meet the increasingly complex needs of its customers in the most rapidly growing segments of the industry. Based on a solid first half of 2019, SONGWON Industrial Group is encouraged by the underlying industry fundamentals and despite remaining cautious about the challenging global economic conditions, it says that it believes that by intensely focusing on advancing its overall strategy of improving the Group's cash flow generation across the cycle and delivering shareholder value, it can look confidently towards a successful second half of the year.

The Q2 Report can be downloaded at: <https://www.songwon.com/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.

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

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