



SONGWON Industrial Group releases Financial Results for Q3/2018

- Sales in Q3 totaled 204,403 Mil. KRW
- Gross profit was 42,974 Mil. KRW
- Net profit amounted to 13,115 Mil. KRW
- EBITDA achieved 12.6% in Q3

Ulsan, South Korea – November 14, 2018 – SONGWON Industrial Group (www.songwon.com) today released its financial results for the 3rd quarter of 2018. In Q3/2018, gross profit amounted to 42,974 Mil. KRW, with sales for the quarter totaling 204,403 Mil. KRW. Profit for the period rose over 2017 by 38.4%, and the Group announced a 12.6% EBITDA for the 3rd quarter of the year.

In Million KRW	Q3			YTD September		
	2018	2017	Δ%	2018	2017	Δ%
Sales	204,403	180,832	13.0%	592,716	542,539	9.2%
Gross profit	42,974	38,621	11.3%	119,116	120,618	-1.2%
<i>Gross profit margin</i>	21.0%	21.4%		20.1%	22.2%	
Operating profit	17,400	14,478	20.2%	44,109	45,966	-4.0%
EBITDA	25,721	23,133	11.2%	70,117	70,723	-0.9%
<i>EBITDA margin</i>	12.6%	12.8%		11.8%	13.0%	
EBIT	17,159	15,031	14.2%	44,933	46,654	-3.7%
<i>EBIT margin</i>	8.4%	8.3%		7.6%	8.6%	
Profit for the period	13,115	9,473	38.4%	32,831	30,036	9.3%

SONGWON reports that market demand remained strong throughout Q3/2018 and was in line with the company's expectations despite some monthly fluctuations. Polymer stabilizer sales exceeded the levels reached in the first two quarters of this year and the organization expects this trend to continue. SONGWON felt the benefits of the favorable foreign exchange throughout Q3, and the positive impact from the globally implemented price increases across the portfolio which have been successfully offsetting the higher costs of key raw materials. For some of its products, SONGWON noted a slight decline in demand related to the typical slowdown during the summer period, customers' traditional destocking activities and scheduled plant shutdowns by large customers in North America.

The Group's manufacturing facilities supported an optimal cost position for the organization by running smoothly and at high utilization rates throughout Q3/2018. In Q3, SONGWON was able to return to its normal level of OPS production after its Pingdu plant in the eastern Chinese province of Shandong was granted government permission to resume manufacturing at the end of an extended period of audits and inspections.

SONGWON anticipates steady market growth to continue particularly for its PS and Lube AO businesses and in the Asian region. The company's location offers a clear strategic advantage with short delivery routes and reliable supply. In the final half of the next quarter, SONGWON expects to see customers make their typical end-of-the-year stock reductions that will bring a moderate temporary slowdown in the otherwise strong demand environment. A possible increase in aggressive price behavior to counteract the decline in demand is also anticipated, but SONGWON believes this will only be a temporary phase.

Moving forward, SONGWON will continue its drive to capitalize on long-term growth opportunities through innovation and to maintain earnings quality for the company, it will focus on cost leadership and operational efficiency.

The Q3 Report can be downloaded at: 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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