



## SONGWON delivers strong Q1/2022 financial results

- **Consolidated sales in Q1 totaled 338,433 Million KRW**
- **Gross profit margin was 29.4%, 7.8%-points higher than Q1/2021 (21.6%)**
- **Net profit increased by 373.9% over Q1/2021 to 43,427 Million KRW**

**Ulsan, South Korea – May 13, 2022** – SONGWON Industrial Group ([www.songwon.com](http://www.songwon.com)) today released its financial results for the 1st quarter of 2022. After a solid end to 2021, SONGWON started the new year strongly with sound growth and increased revenues. In Q1/2022, the Group achieved consolidated sales of 338,433 Million KRW and reported a robust 373.9% increase in net profit (43,427 Million KRW) over the same quarter the previous year (9,164 Million KRW). When compared to the 1st quarter of 2021, the gross profit margin in Q1/2022 increased from 21.6% to 29.4%. In Q1/2022, both EBITDA and EBIT margins increased respectively to 19.4% and to 17.0%.

In Million KRW	Q1		
	2022	2021	Δ%
Sales	338,433	222,487	52.1%
Gross profit	99,364	48,117	106.5%
<i>Gross profit margin</i>	<i>29.4%</i>	<i>21.6%</i>	
Operating profit	57,195	17,343	229.8%
EBITDA	65,780	26,131	151.7%
<i>EBITDA margin</i>	<i>19.4%</i>	<i>11.7%</i>	
EBIT	57,530	13,274	333.4%
<i>EBIT margin</i>	<i>17.0%</i>	<i>6.0%</i>	
Profit for the period	43,427	9,164	373.9%

During Q1/2022, despite the geopolitical uncertainty and challenges created by the ongoing global COVID-19 pandemic, SONGWON's Divisions, Industrial Chemicals and Performance Chemicals delivered solid performances, accelerating revenue growth and profit. In the 1<sup>st</sup> quarter of 2022, Division Industrial Chemicals achieved consolidated sales of 248,865 Million KRW, reflecting a 51.8% increase in revenue compared to the 1<sup>st</sup> quarter of 2021 (Q1/2021: 163,987 Million KRW). Division Performance Chemicals also recorded a strong start to the year, generating consolidated sales of 89,568 Million KRW in Q1/2022, up by 53.1% over the previous year 1<sup>st</sup> quarter (Q1/2021 58,500 Million KRW).

SONGWON's key Polymer Stabilizers business performed strongly in Q1/2022, with revenues and sales volumes increasing on the back of strong demand and the timely price increases implemented in 2021 to counterbalance soaring raw material and logistics costs. SONGWON's Fuel and Lubricant Additives also recorded a strong 1<sup>st</sup> quarter of 2022 with robust demand and due to the ongoing supply shortfalls within the industry contributing to an increase in revenues. Despite the Asian market remaining stagnant, SONGWON saw an upsurge in orders for Coatings products from Korea which positively impacted the Division's overall result in Q1/2022.

In Q1/2022, the previous price increases implemented to offset the escalating price of raw materials led to higher turnover for Tin Intermediates and PVC. High raw material costs coupled with the continuing weak demand and fierce price competition resulted in a very challenging 1<sup>st</sup> quarter for Solution Polyurethanes and Thermoplastic Polyurethanes (TPU). However, SONGWON's competitive pricing formula for TPU used in wire & cable applications proved effective and led to a positive result in Q1/2022.

Although the current macroeconomic volatility makes any accurate predictions related to market development difficult, after a very promising start to the year, SONGWON anticipates seeing further revenue growth and profitability continuing to improve in Q2/2022. The strong Q1/2022 results also underline the effectiveness of the actions SONGWON implemented to mitigate impacts arising from the current global headwinds. These are expected to continue throughout FY2022. Looking ahead, SONGWON will continue to focus on strengthening its foundation, supplying customers and seeking to unlock opportunities to accelerate long-term growth while keeping a close eye on global developments.

The Q1/2022 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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