SONGWON reports strong growth and improved profitability in Q2/2026

- **Q2/2026 consolidated sales increased by 23.8% to 328,509 million KRW**
- **Gross profit margin rose by 9.2 percentage points to 23.8% in Q2/2026**
- **Net profit reached 29,619 million KRW, compared with a net loss in Q2/2025**

Ulsan, South Korea – August 13, 2026 – SONGWON Industrial Group (**www.songwon.com**) today released its financial results for the 2nd quarter and first half of 2026. In Q2/2026, consolidated sales rose by 23.8% year on year to 328,509 million KRW, while net profit reached 29,619 million KRW, compared with a net loss in Q2/2025. For H1/2026, revenues increased by 10.5% to 597,713 million KRW, and the gross profit margin improved by 7.6 percentage points to 22.3%. Net profit rose to 47,710 million KRW.

In Million KRW	Q2			YTD June		
	2026	2025	∆%	2026	2025	∆%
Sales	328,509	265,408	23.8%	597,713	541,161	10.5%
Gross profit	78,083	38,627	102.1%	133,445	79,370	68.1%
Gross profit margin	*23.8%*	*14.6%*		*22.3%*	*14.7%*	
Operating profit	39,811	8,592	363.3%	66,369	19,529	239.8%
EBITDA	50,777	18,066	181.1%	88,388	40,023	120.8%
EBITDA margin	*15.5%*	*6.8%*		*14.8%*	*7.4%*	
EBIT	39,985	7,818	411.4%	66,716	19,361	244.6%
EBIT margin	*12.2%*	*2.9%*		*11.2%*	*3.6%*	
Profit for the period	29,619	-1,481	n.m.*	47,710	3,376	1,313.2%

*Not meaningful due to the turnaround from a net loss in Q2 2025 to a net profit in Q2 2026.

"SONGWON's strong Q2 performance demonstrates our ability to respond effectively in a demanding and rapidly changing market environment. Higher sales volumes, effective pricing and disciplined operational execution drove a substantial improvement in profitability," said Johannes Honegger, Group CFO at SONGWON. "Close collaboration across the organization also enabled us to ensure continuity of supply, respond to changing customer needs and reinforce our position as a reliable partner."

Division Industrial Chemicals reported revenues of 242,504 million KRW in Q2/2026, an increase of 27.0% compared with 191,019 million KRW in Q2/2025. For H1/2026, revenues increased by 8.6% to 433,507 million KRW, compared with 399,152 million KRW in H1/2025. As customers sought to secure additional volumes amid supply chain uncertainty, rising input costs and ongoing conflict in the Middle East, SONGWON's global manufacturing network and integrated supply chain enabled the Division to respond swiftly to increased demand.

Polymer Stabilizers recorded a particularly strong quarter, driven by increased demand and tighter market supply, which contributed to higher volumes, selling prices and margins. Fuel & Lubricant Additives also performed strongly, with demand exceeding expectations and volumes increasing compared with Q1/2026, partly reflecting precautionary customer purchasing. Revenue per kilogram and formula-based pricing remained stable quarter on quarter. Coatings delivered a significant increase in net sales following timely pricing adjustments to offset higher raw material and freight costs, while sales volumes remained broadly stable. Despite disruptions in the Gulf region and the challenging supply environment, the business ensured an uninterrupted supply of key products.

During Q2/2026, Division Performance Chemicals also increased revenues by 15.6% to 86,005 million KRW, compared with 74,389 million KRW in Q2/2025. H1/2026 revenues also rose by 15.6%, reaching 164,206 million KRW compared with 142,009 million KRW in H1/2025. Amid global uncertainty and a complex business environment, Division Performance Chemicals continued to record growth in Q2/2026.

For Tin Intermediates, elevated tin ingot prices supported higher revenues and margins compared with Q1/2026. However, weak demand from automotive and catalyst applications continued to limit sales volumes. Heightened geopolitical uncertainty created additional opportunities for PVC as customers diversified their sourcing and accelerated the qualification of alternative products, which supported higher revenues. For Solution Polyurethanes and Thermoplastic Polyurethanes, Q2/2026 performance was broadly comparable with that of Q1/2026, despite slightly lower sales volumes. Selling price adjustments in response to higher raw material costs increased net sales, while customer pre-ordering to secure supply also supported revenues.

Entering Q3/2026, SONGWON expects business conditions to remain broadly in line with Q2/2026, based on current demand and customer ordering patterns. However, ongoing geopolitical and macroeconomic uncertainty, supply chain disruptions and raw material price volatility are expected to continue impacting customers' ability to forecast their future requirements accurately, making purchasing patterns and market developments difficult to predict and restricting visibility beyond Q3/2026.

During H2/2026, SONGWON will focus on remaining agile, maintaining operational flexibility and ensuring a reliable supply of products to customers. Leveraging its global manufacturing network, integrated supply chain and strong collaborative approach across regions and functions, the Group will respond effectively to market disruptions and evolving customer requirements. Building on its strong H1/2026 performance and solid business foundation, SONGWON is confident that it can address future challenges, strengthen customer relationships and continue creating sustainable value for customers and shareholders.

The Q2/2026 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 one of the world's leading manufacturers of polymer stabilizers. 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**.

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For further information, please contact:
SONGWON Industrial Group
Marcel Romer
Corporate Communications Manager
Walzmühlestrasse 48
CH-8500 Frauenfeld
Switzerland
Tel: +41 52 635 0000
E-mail: marketing@songwon.com

For editorial inquiries and clippings, please contact:
Marketing Solutions
Elena Loseva

2000 Antwerp
Belgium
Tel: +31 612 601 557
E-mail: eloseva@marketing-solutions.com

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