



**SONGWON**

**FINANCIAL RESULTS**  
*Preliminary, unaudited*

**Q3 & 9 MONTHS  
ENDED SEPTEMBER 30**

**2024**

It's all about **the chemistry**<sup>®</sup>

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## About this report

This report contains SONGWON Industrial Group's preliminary, unaudited financial results for the three months (Q3/2024) and nine months ended September 30, 2024.

All the disclosed figures are preliminary and may be subject to change during the review of the condensed interim financial statements by the Group's auditor, Ernst & Young Han Young. SONGWON Industrial Group will publish condensed interim financial statements for the three and nine months ended September 30, 2024, prepared in accordance with the Korean International Financial Reporting Standards ("K-IFRS"). These will be reviewed by the Group auditor by mid-November 2024.

The financial information in this interim report reflects the consolidated figures in Million KRW unless otherwise stated.

For further information about SONGWON Industrial Group, please visit: [www.songwon.com](http://www.songwon.com) or write to us at: [ir@songwon.com](mailto:ir@songwon.com).

## Forward-looking statements & information

This preliminary report contains forward-looking statements and information concerning the outlook for our business. These statements are based on current expectations, estimates and projections concerning factors that may affect SONGWON Industrial Group's future performance, including global and regional economic conditions in the regions, major markets and industries where SONGWON does business. As a result, these forward-looking statements and information are subject to uncertainties and risks, many of which are beyond our control. These may cause our actual results to differ materially from the forward-looking information and statements made in this report and possibly affect our ability to achieve any, or all, of, our stated targets. SONGWON believes that the expectations reflected in any forward-looking statement are based upon reasonable assumptions; however, no assurance can be given that these expectations will prove to be correct.

The forward-looking statements contained herein are current only as of the date of this document.

## Key Financial Data

	Q3 2024			Q3 2023			For the nine months ended September 30,		
	Million KRW	Million KRW	Δ%	2024	2023	Δ%	2024	2023	Δ%
Sales	285,779	247,867	15.3%	815,052	784,266	3.9%			
Gross profit	50,203	36,351	38.1%	134,505	121,477	10.7%			
<i>Gross profit margin</i>	17.6%	14.7%		16.5%	15.5%				
Operating profit	22,163	14,443	53.5%	50,710	54,922	-7.7%			
EBITDA	31,608	25,005	26.4%	79,617	83,582	-4.7%			
<i>EBITDA margin</i>	11.1%	10.1%		9.8%	10.7%				
EBIT	21,599	15,076	43.3%	49,132	53,431	-8.0%			
<i>EBIT margin</i>	7.6%	6.1%		6.0%	6.8%				
Profit for the period	11,492	9,372	22.6%	28,729	31,954	-10.1%			
Total assets				1,183,436	1,147,419	3.1%			
Total equity				732,738	713,835	2.6%			
<i>Equity ratio</i>				61.9%	62.2%				
Headcounts				971	985	-1.4%			

## Sales development

### Divisions

	2024			2023			2024			2023			For the three months ended September 30,		
	Million KRW	Million KRW	Δ%	Million KRW	Million KRW	Δ%	Million KRW	Million KRW	Δ%	Million KRW	Million KRW	Δ%	2024	2023	Δ%
	<b>Industrial Chemicals</b>			<b>Performance Chemicals</b>											
Sales	216,115	187,386	15.3%	69,664	60,481	15.2%	285,779	247,867	15.3%						

	2024			2023			2024			2023			For the nine months ended September 30,		
	Million KRW	Million KRW	Δ%	Million KRW	Million KRW	Δ%	Million KRW	Million KRW	Δ%	Million KRW	Million KRW	Δ%	2024	2023	Δ%
	<b>Industrial Chemicals</b>			<b>Performance Chemicals</b>											
Sales	615,716	582,107	5.8%	199,336	202,159	-1.4%	815,052	784,266	3.9%						

### Regions

	Q3 2024			Q3 2023			2024			2023			For the nine months ended September 30,		
	Million KRW	Million KRW	Δ%	Million KRW	Million KRW	Δ%	Million KRW	Million KRW	Δ%	Million KRW	Million KRW	Δ%	2024	2023	Δ%
Korea	45,023	47,642	-5.5%				140,120	150,162	-6.7%						
Rest of Asia	83,155	67,501	23.2%				229,084	211,370	8.4%						
Europe	67,352	58,903	14.3%				192,882	188,488	2.3%						
North and South America	69,231	55,184	25.5%				197,507	183,118	7.9%						
Australia	231	707	-67.4%				1,994	1,910	4.4%						
Middle East and Africa	20,787	17,930	15.9%				53,465	49,218	8.6%						
<b>Total sales</b>	<b>285,779</b>	<b>247,867</b>	<b>15.3%</b>				<b>815,052</b>	<b>784,266</b>	<b>3.9%</b>						

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## Business development

SONGWON Industrial Group achieved consolidated sales of 285,779 Million KRW during the 3<sup>rd</sup> quarter of 2024, marking a 15.3% increase, compared to sales for Q3/2023 (247,867 Million KRW). Net profit in Q3/2024 amounted to 11,492 Million KRW, corresponding to a 22.6% increase over Q3/2023 (9,372 Million KRW). When compared to Q3/2023, the gross profit margin in Q3/2024 increased by 2.9%-points to 17.6%. The Group realized consolidated sales of 815,052 Million KRW during the nine months ended September 30<sup>th</sup>, 2024, reflecting a 3.9% increase over YTD September 2023 (784,266 Million KRW) and reported a net profit of 28,729 Million KRW representing a 10.1% decrease over the previous year comparable period (YTD September 2023: 31,954 Million KRW).

Although the overall geopolitical and macroeconomic environment remained challenging, SONGWON's Divisions achieved revenue growth in the 3<sup>rd</sup> quarter of 2024 from the 2<sup>nd</sup> quarter, reflecting the rise in demand across certain markets. Compared to consolidated sales in Q3/2023 (187,386 Million KRW), Division Industrial Chemicals reported a rise in revenue of 15.3% in the 3<sup>rd</sup> quarter of 2024 amounting to 216,115 Million KRW and a 5.8% increase in YTD September 2024 sales (615,716 Million KRW) compared to the previous year (YTD September 2023: 582,107 Million KRW). Division Performance Chemicals also recorded a 15.2% growth in revenue during Q3/2024 reporting consolidated sales of 69,664 Million KRW over the prior year comparable quarter (Q3/2023: 60,481 Million KRW). YTD September 2024, Division Performance Chemicals achieved consolidated sales of 199,336 Million KRW, reflecting a 1.4% decline in revenue when compared to the previous year (YTD September 2023: 202,159 Million KRW).

Q3/2024 was a strong quarter for Industrial Chemicals Division driven by robust market demand and improved macro and microeconomic conditions. Despite intensified market pressure due to higher supply availability and lower raw material costs, Polymer Stabilizers performed well in the 3<sup>rd</sup> quarter of 2024 with strong demand positively impacting both revenues and volumes. Amid the highly competitive environment, Polymer Stabilizers also increased SONGWON's market share in Q3/2024 with new business, mainly due to SONGWON's reliability of supply. SONGWON's Fuel and Lubricant Additives achieved higher revenues in Q3/2024 on the back of increased demand and sales were facilitated by the improved logistics situation. Coatings reported strong sales across the portfolio in Q3/2024 and improved profitability despite the current excess supply in the market.

For Division Performance Chemicals, the 3<sup>rd</sup> quarter of 2024 was also strong overall despite headwinds such as higher logistics and manufacturing costs as well as price competition negatively impacting export sales. Tin Intermediates recorded a rise in sales although volumes remained low on the back of weak market demand. It also saw margins improve due to the increased sales prices and enhanced operational efficiency. PVC's performance improved from Q2/2024, but high freight and manufacturing costs as well as intense pricing competition in SEA/SA and MEA impacted revenue and volume. For Solution Polyurethanes and Thermoplastic Polyurethanes (TPU/SPU), the 3<sup>rd</sup> quarter of 2024 proved to be challenging. Despite stable raw material prices enhancing profitability, the business recorded a volume decline compared to the

previous quarter primarily resulting from sluggish TPU export sales linked to the economic recession and the seasonal drop in demand in Korea.

## Outlook

Looking towards the final quarter of the year, SONGWON expects the supply and logistics situation to be ongoing and both market prices and margins to remain under pressure. As uncertainty driven by global macroeconomic conditions and industry dynamics continues to affect the market, there are signs of a potential slowdown in Q4/2024, with customers' outlook remaining unclear as they struggle to get accurate forecasts from their customers. Although this makes predicting future market developments challenging, SONGWON believes that it is well-positioned to successfully navigate the current headwinds it faces. By focusing on clear priorities, the company will ensure effective cost management, enhance operational efficiency and take the necessary steps to enable its businesses to adapt to the evolving market realities. Going forward, SONGWON is confident it can attain sustainable and profitable growth by driving long-term value creation and executing its strategic objectives.