



SONGWON Industrial Group releases Q2/2024 Financial Results

- **Sales totaled 273,521 Million KRW, a 1.6% increase compared to Q2/2023**
- **Achieved net profit of 10,575 Million KRW**
- **Gross profit margin was 16.5%, slightly higher compared to Q2/2023**

Ulsan, South Korea – August 14, 2024 – SONGWON Industrial Group (www.songwon.com) today released its Q2 and HY financial results for 2024. In the 2nd quarter of 2024, SONGWON achieved consolidated sales of 273,521 Million KRW, reflecting a 1.6% increase over Q2/2023 (269,232 Million KRW). Year-to-date (YTD), the Group realized consolidated sales of 529,273 Million KRW, marking a slight decrease of 1.3% over YTD June 2023 (536,399 Million KRW). For YTD June 2024, the Group's gross profit margin was 15.9%, maintaining the same level as the corresponding period in 2023.

In Million KRW	Q2			YTD June		
	2024	2023	Δ%	2024	2023	Δ%
Sales	273,521	269,232	1.6%	529,273	536,399	-1.3%
Gross profit	45,168	44,050	2.5%	84,302	85,126	-1.0%
<i>Gross profit margin</i>	16.5%	16.4%		15.9%	15.9%	
Operating profit	16,417	21,990	-25.3%	28,547	40,479	-29.5%
EBITDA	25,794	31,453	-18.0%	48,009	58,577	-18.0%
<i>EBITDA margin</i>	9.4%	11.7%		9.1%	10.9%	
EBIT	15,904	19,613	-18.9%	27,533	38,355	-28.2%
<i>EBIT margin</i>	5.8%	7.3%		5.2%	7.2%	
Profit for the period	10,575	11,956	-11.6%	17,237	22,582	-23.7%

As anticipated, Q2/2024 was a challenging quarter due to ongoing macroeconomic issues, geopolitical tensions, market price pressures and logistical disruptions. Division Industrial Chemicals reported a 4.0% increase in sales in Q2/2024, reaching 206,816 Million KRW, compared to 198,774 Million KRW in Q2/2023. Additionally, revenues for the first six months of 2024 rose by 1.2%, totaling 399,601 Million KRW, up from the same reporting period of the previous year (YTD June 2023: 394,721 Million KRW). In the 2nd quarter of 2024, Division Performance Chemicals recorded consolidated sales of 66,705 Million KRW, a decline of 5.3% compared to 70,458 Million KRW in Q2/2023. YTD June 2024, the division reported an 8.5% decrease in revenue, totaling 129,672 Million KRW, compared to 141,678 Million KRW for the same period in 2023.

Division Industrial Chemicals performed well during Q2/2024, on the back of increased demand as customers built up safety stocks to counter logistical disruptions from the situation in the Red Sea and Panama Canal. In the face of intense price competition from China, an oversupply of low-priced products and falling raw material prices, the businesses remained resilient, managing SONGWON's market share effectively. For Polymer Stabilizers, Q2/2024 was a strong quarter, with increased sales volumes and revenues compared to Q1. In contrast to the market trend, the business was able to win new customers thanks to SONGWON's well-established reputation for reliable supply. Despite the widespread oversupply in the market, SONGWON's Fuel and Lubricant Additives business saw a rise in demand and reported revenue increases, due to higher volumes that offset the lower raw material costs reflected in the 2024 formula pricing. Coatings' performance in Q2/2024 matched the 1st quarter's strength in volume and net sales, driven by increased customer demand amid concerns over supply bottlenecks caused by current logistics issues.

As expected, the reduced demand in key markets already evident in previous quarters continued to impact SONGWON's Division Performance Chemicals throughout Q2/2024, with the situation further aggravated by shipping disruptions in the Red Sea and intense market pricing pressures. For Tin Intermediates, Q2/2024 was a sluggish quarter in terms of volume and revenue but the business displayed modest improvement compared to Q1. Solution Polyurethanes and Thermoplastic Polyurethanes recorded a weaker 2nd quarter compared to Q1/2024, primarily resulting from low demand in the Korean domestic market and Southeast Asia, along with delayed customer approvals. Persistently weak demand continued to fuel intense competition in Korea. However, PVC performed slightly better in Q2/2024 than in Q1, reporting increased volumes and revenues.

Entering the 3rd quarter of 2024, geopolitical tensions and market uncertainties, including fluctuating demand and an unclear rebound in China, are hampering customers' ability to accurately forecast for the rest of the year. Despite these factors, SONGWON anticipates demand to stay consistent with Q2/2024, driven by customers' response to ongoing logistics issues. As SONGWON looks to the next quarter and the rest of the year, the organization will remain cautious and continue adapting its operations to changing market conditions, focusing on long-term value creation and strategic priorities for sustainable growth. SONGWON is confident that it is well-positioned to continue tackling emerging challenges and reliably supplying its customers.

The Q2/2024 Financial Statements 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.

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

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