



Nov 4, 2022

3Q 2022 Earnings Release

KUMHO PETROCHEMICAL



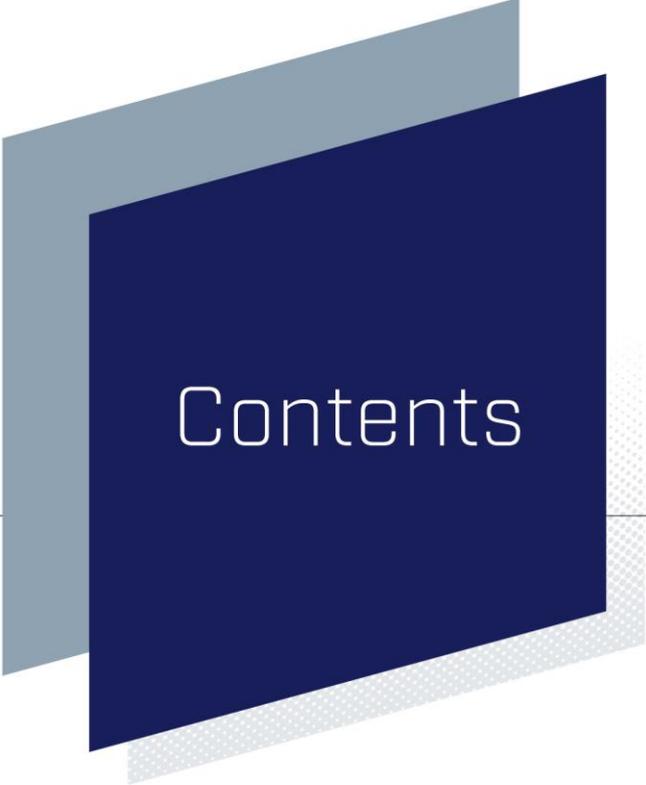
The business result for the 3rd quarter of 2022 is currently under the audit process, however this is presented purely for the purposes of investors' convenience.

Hence, please be advised that some of the contents may be altered in the course of audit.

Forecasts and projections contained in this material are based on current business environments and management strategies, so these may differ from the actual result upon changes and unaccounted variables.



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3Q 2022 Business Results

Income Statements

(Unit: KRW bn)

Classification	22.3Q	22.2Q	QoQ	21.3Q	YoY
Sales	1,887.1	2,243.9	-15.9%	2,236.3	-15.6%
Operating Profit	230.5 (12.2%)	353.9 (15.8%)	-34.9%	625.3 (28.0%)	-63.1%
EBITDA	289.0 (15.3%)	411.2 (18.3%)	-29.7%	680.4 (30.4%)	-57.5%
Pre-tax Income	280.0 (14.8%)	387.4 (17.3%)	-27.7%	733.4 (32.8%)	-61.8%
Net Income	210.8 (11.2%)	286.9 (12.8%)	-26.5%	604.6 (27.0%)	-65.1%
Equity Income	24.2	21.0	15.2%	38.9	-37.8%

* Net Income is based on Controlling interests.

3Q 2022 Business Results

Balance Sheet

(Unit: KRW bn)

Classification	22.3Q	21 (End)	Change
Asset (Cash and equivalents)	7,729.8 (428.0)	8,115.7 (622.9)	-4.8% (-31.3%)
Liabilities (Debt)	2,247.1 (821.2)	3,032.8 (957.7)	-25.9% (-14.3%)
Shareholder's Equity	5,482.7	5,082.9	7.9%
Liabilities/ Equity (%)	41.0%	59.7%	-18.7%p

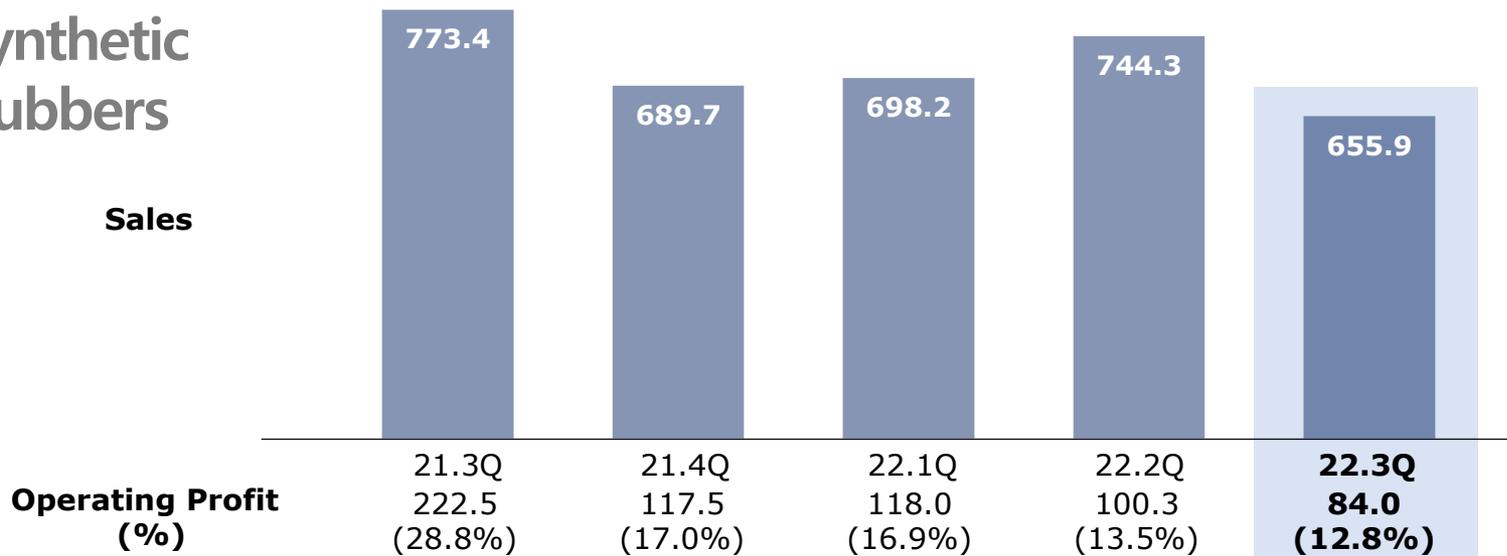
Financial Ratios

Classification	22.3Q	21 (End)	Change
Debt/Equity	15.0%	18.8%	-3.9%p
Net Debt /Equity	7.2%	6.6%	0.6%p
Interest Coverage Ratio (x)	28.9	88.5	-59.7
ROE	22.0%	47.8%	-25.8%p
ROA	14.7%	29.9%	-15.3%p

Divisional Results & Outlook

(Unit: KRW bn)

Synthetic Rubbers



3Q Earnings Review

- Continued efforts to defend profitability based on improved market/product portfolio, despite sluggish demand due to the global economic downturn.
- Profitability maintained by a slight improvement in general purpose rubber spreads for tires due to a drop in BD prices.
- Reduced NB latex sales volume and profitability by adjusting the utilization rate of major Glove companies and managing inventory.

4Q Outlook

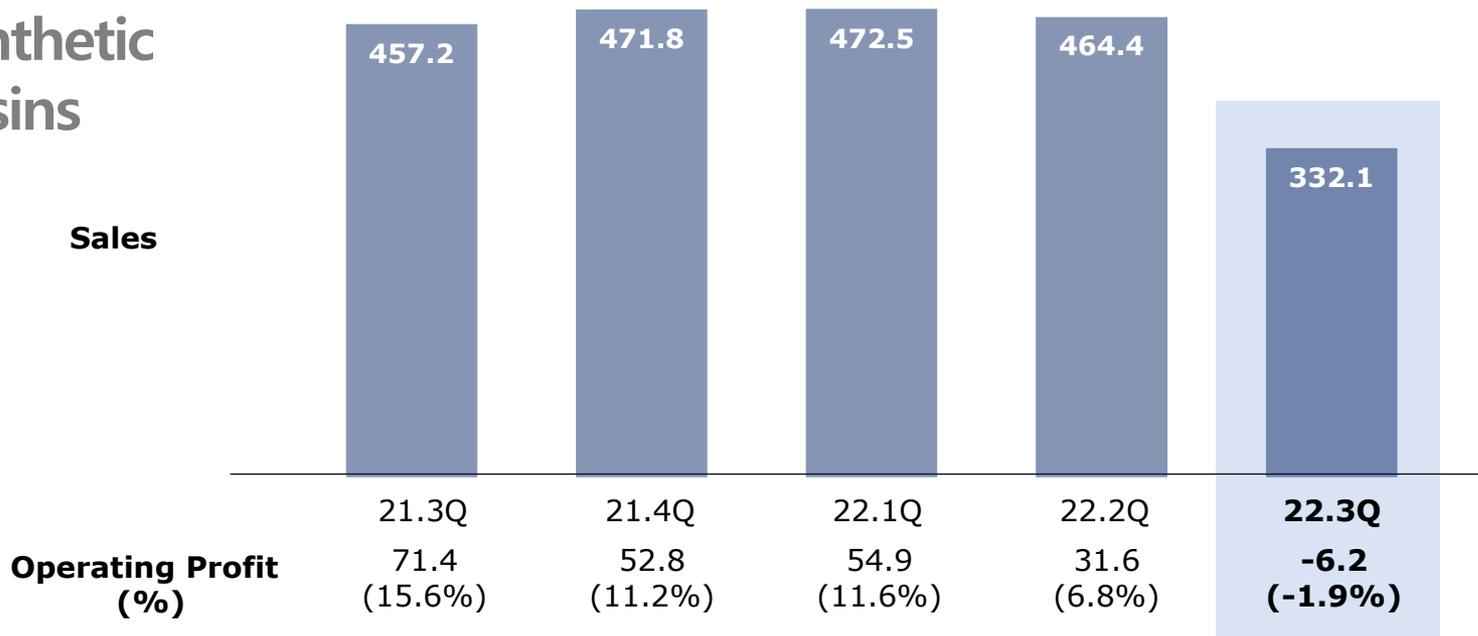
- BD: Market price is expected to decrease due to weak demand of downstream.
- Profitability expected to decrease due to continues sluggish demand and regular maintenance.
- NB Latex demand declines and market price continues to weaken.

Divisional Results & Outlook

(Unit: KRW bn)

Synthetic Resins

Sales



3Q Earnings Review

- Profitability declined due to continued weakness in product prices due to decreased demand in the home appliance market and excessive inventory in the market.

4Q Outlook

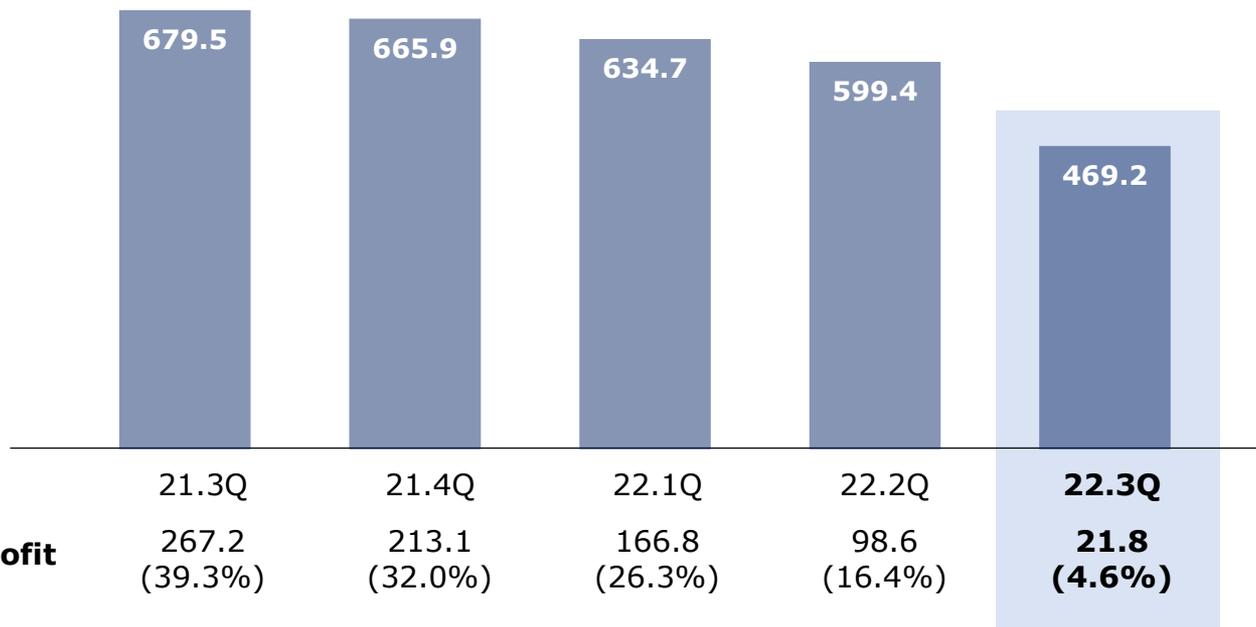
- SM: Price is expected to weaken due to low demand.
- Home appliance/compounding market demand continues to slow due to economic slowdown.

Divisional Results & Outlook

(Unit: KRW bn)

Phenol Derivatives

Sales



3Q Earnings Review

- Profitability decreased as spreads worsened due to declining global demand.

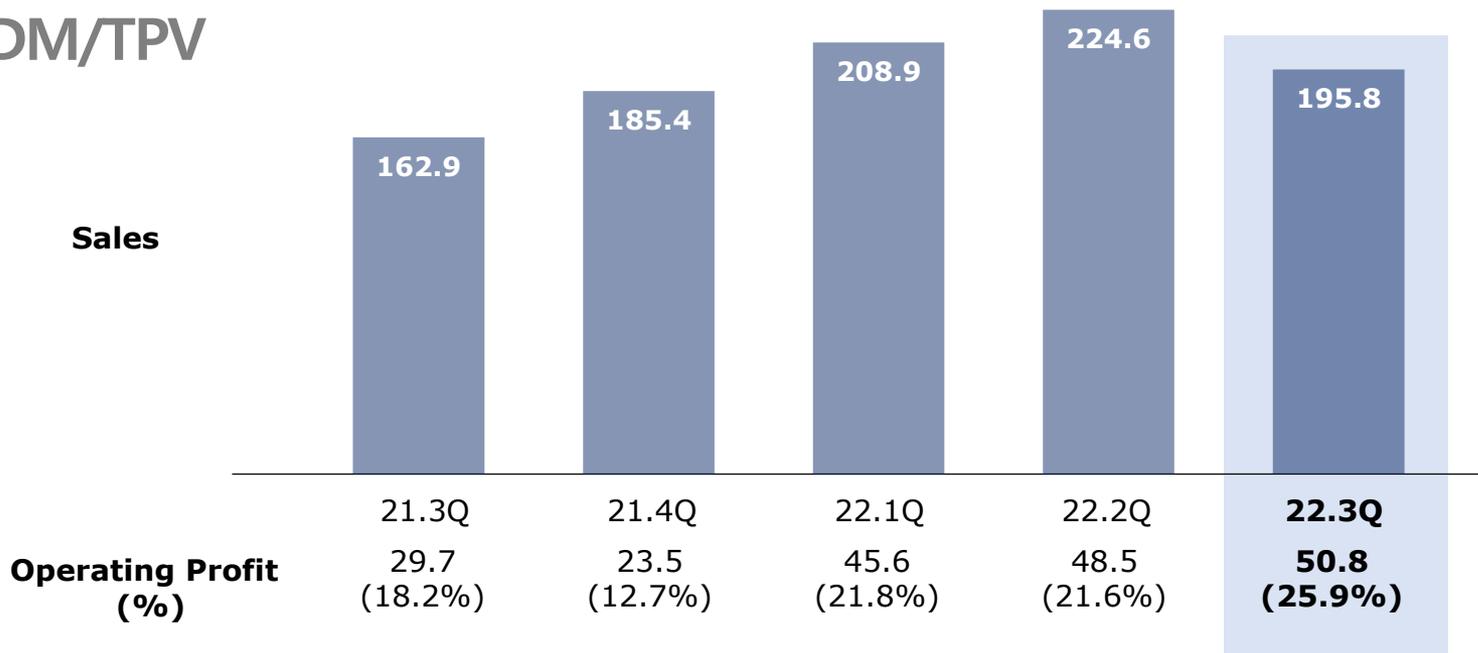
4Q Outlook

- Profitability expected to improve as spreads widen due to regular maintenance of BPA producers in the region.

Divisional Results & Outlook

(Unit: KRW bn)

EPDM/TPV



3Q Earnings Review

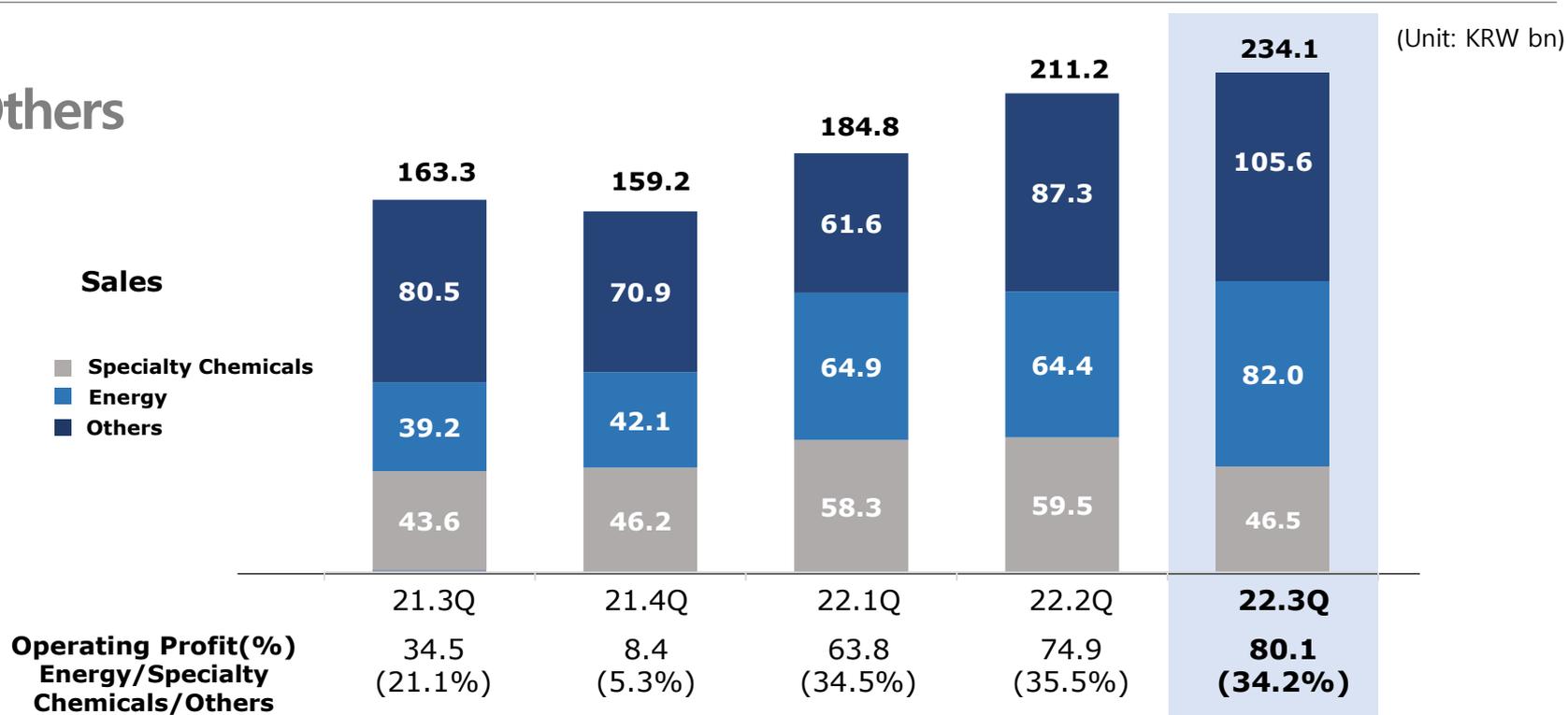
- Maintaining profitability thanks to solid demand from downstream industries.

4Q Outlook

- Profitability expected to decrease slightly compared to the previous quarter due to weak year-end demand.

Divisional Results & Outlook

Others



3Q Earnings Review

- Energy: Profitability improved due to increase in SMP price compared to the previous quarter.

4Q Outlook

- Energy: Profitability expected to be maintained due to SMP increase despite sales volume decrease during regular maintenance period.

APPENDIX

Quarterly Performance

(Unit: KRW bn)

Classification	2021					2022				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Sales	1,854.5	2,199.0	2,236.3	2,172.0	8,461.8	2,199.1	2,243.9	1,887.1		6,330.1
Operating Profit	612.5	753.7	625.3	415.3	2,406.8	449.1	353.9	230.5		1,033.5
Net Interest Expense	7.6	5.8	3.8	4.3	21.5	1.1	1.9	-5.0		-2.0
Equity Income	59.3	55.8	38.9	34.6	188.6	49.3	21.0	24.2		94.5
Pre-tax Income	675.3	789.0	733.4	420.4	2,618.1	503.7	387.4	280.0		1,171.1
Net Income	475.6	583.0	604.6	302.3	1,965.5	373.2	286.9	210.8		870.9

* Net Income is based on Controlling interests.

APPENDIX

Production Capacity (KKPC)

Classification	Product	Capa	Unit	Note	
Synthetic Rubbers	SBR	256,000	MT/Y	Improvement of productivity 7,000MT/Y, 4Q, '22	
	B R	HBR		155,000	Improvement of productivity 7,000MT/Y, 4Q, '22
		LBR		50,000	
	S-SBR	63,000		Completion of Expansion 60,000MT/Y, 4Q, '22	
	NdBR	60,000			
	NBR	92,000		Improvement of productivity 5,000MT/Y, 2Q, '22	
	HSR	10,000			
	NB Latex	710,000		Completion of Expansion 236,000MT/Y, 4Q, '23	
	SB Latex	82,800			
	SBS	144,000			
Total	1,622,800				
Synthetic Resins	PS	264,500	MT/Y	Improvement of productivity 6,500MT/Y, 2Q, '22	
	ABS	250,000		Improvement of productivity 40,000MT/Y, 1Q, '23	
	SAN/Powder	243,000			
	EPS	79,500			
	PPG	151,500			
	Total	988,500			
Specialty Chemicals	Antioxidants	88,800	MT/Y		
Energy	Steam	1,710	T/H		
	Electricity	300	MWH		
BD	Ulsan	90,000	MT/Y		
	Yeosu	147,000			
	Total	237,000			



APPENDIX

Production Capacity (Affiliates)

Classification	Product	Capa	Unit	Note
Kumho P&B Chemicals	Phenol	680,000	MT/Y	
	Acetone	420,000		
	MIBK	60,000		
	Cumene	900,000		
	BPA	450,000		
	Epoxy Resin	273,000		Completion of LP(II) Expansion 60,000MT/Y, 4Q, '23
	Total	2,783,000		
Kumho Mitsui Chemicals	MDI	410,000	MT/Y	Completion of Expansion 200,000MT/Y, 2Q, '24
	Aniline	20,000		
	Total	430,000		
Kumho Polychem	EP(D)M	230,000	MT/Y	Completion of Expansion 10,000MT/Y, 2Q, '22 Completion of Expansion 70,000MT/Y, 4Q, '24
	TPV/KEPA	12,000		
	Total	242,000		



APPENDIX

Sales Breakdown & Export Share by Region

Synthetic Rubbers

Domestic
20%

Export
80%

S.E.Asia	36%
China	20%
S.W.Asia	17%
America	16%
Europe	9%
Others	2%



Synthetic Resins

Domestic
36%

Export
64%

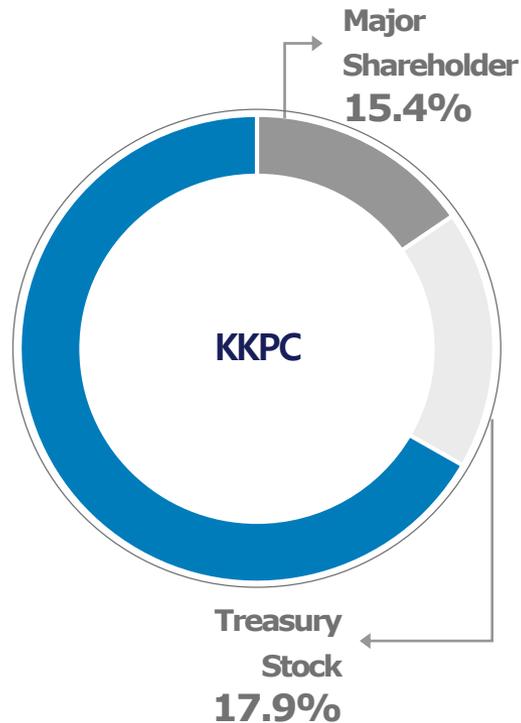
China	33%
Europe	15%
America	15%
S.W.Asia	13%
Africa	13%
S.E.Asia	11%



APPENDIX

Investment Shares & Financial assets at fair value

Financial assets at fair value	
Asiana Airlines	11.0%
Daewoo E&C	3.4%
KDB Life Insurance	0.4%



Investments in Affiliates	
Kumho P&B Chemicals	100.0%
Kumho Polychem	100.0%
Kumho Mitsui Chemicals	50.0%
Kumho Terminal & Logistics	100.0%
Korea Energy Power Plants	96.1%

* As of 30th Sep, 2022.
based on common shares



Thank you

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