



Nov 3, 2023

3Q 2023 Earnings Release

KUMHO PETROCHEMICAL



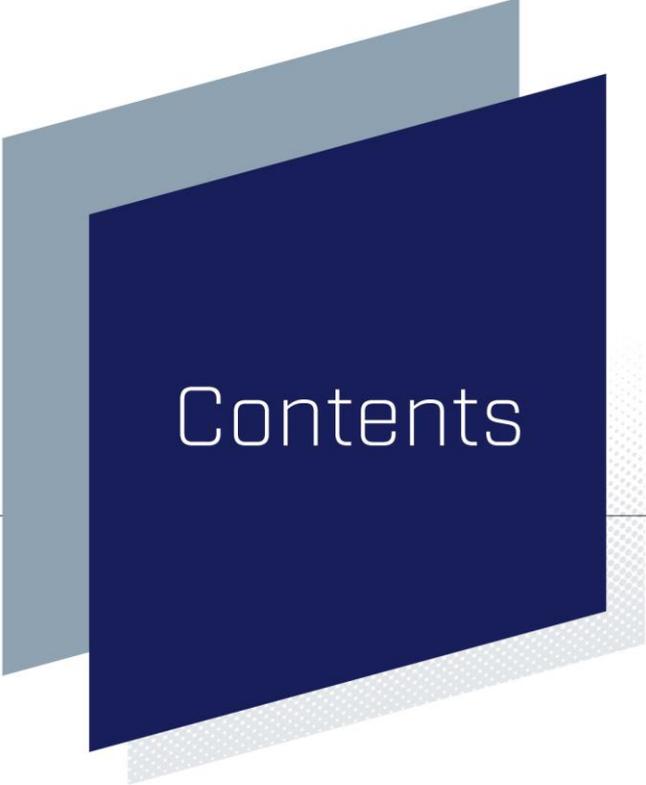
The business result for the 3rd quarter of 2023 is currently under the audit process, however this is presented purely for the purposes of investors' convenience.

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.

A large industrial facility, likely a petrochemical plant, is shown under a blue sky with scattered white clouds. In the foreground, a worker wearing a white hard hat and a dark jacket stands on a metal platform, looking through binoculars. The platform is part of a tall, cylindrical metal structure. In the background, a complex network of pipes, towers, and cranes is visible, extending towards a range of mountains in the distance. The overall scene is bright and clear.

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3Q 2023 Business Results

Income Statements

(Unit: KRW bn)

Classification	23.3Q	23.2Q	QoQ	22.3Q	YoY
Sales	1,507.0	1,578.1	-4.5%	1,887.1	-20.1%
Operating Profit	84.2 (5.6%)	107.9 (6.8%)	-22.0%	230.5 (12.2%)	-63.5%
EBITDA	144.6 (9.6%)	166.8 (10.6%)	-13.3%	289.0 (15.3%)	-50.0%
Pre-tax Income	115.8 (7.7%)	140.5 (8.9%)	-17.6%	280.0 (14.8%)	-58.6%
Net Income	103.6 (6.9%)	117.3 (7.4%)	-11.7%	210.8 (11.2%)	-50.9%
Equity Income	26.5	23.9	10.9%	24.2	9.5%

* Net Income is based on Controlling interests.

3Q 2023 Business Results

Balance Sheet

(Unit: KRW bn)

Classification	23.3Q	22 (End)	Change
Asset (Cash and equivalents)	7,941.4 (604.3)	7,719.2 (567.3)	2.9% (6.5%)
Liabilities (Debt)	2,207.0 (772.8)	2,065.8 (728.8)	6.8% (6.0%)
Shareholder's Equity	5,734.4	5,653.4	1.4%
Liabilities/ Equity (%)	38.5%	36.5%	1.9%p

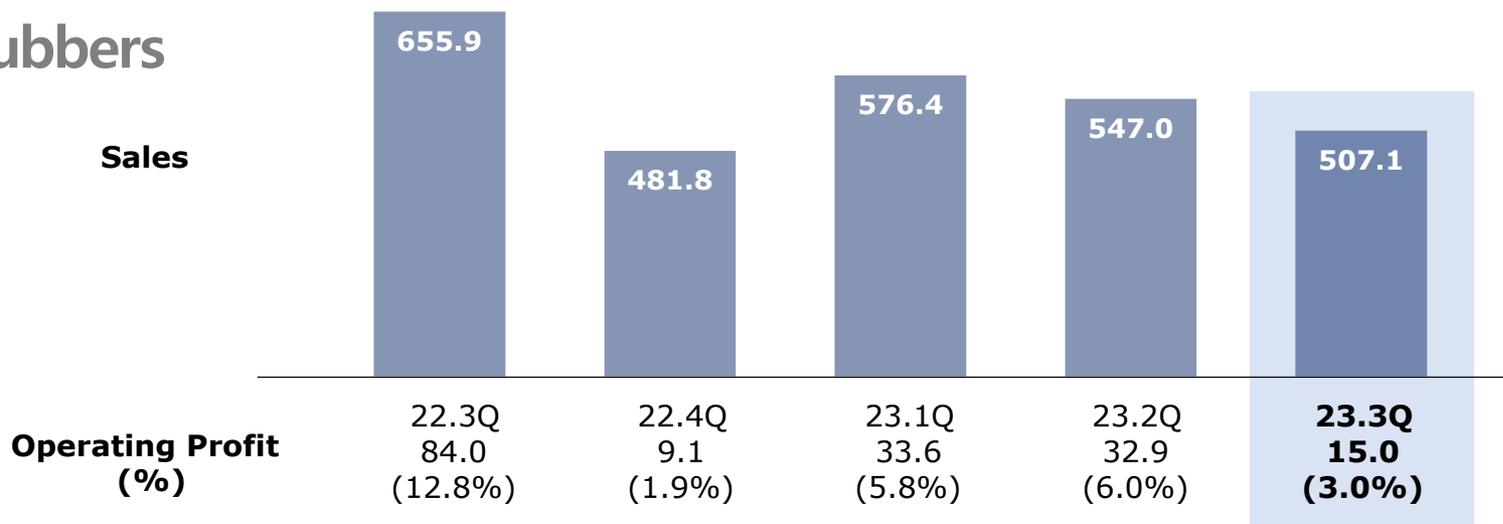
Financial Ratios

Classification	23.3Q	22 (End)	Change
Debt/Equity	13.5%	12.9%	0.6%p
Net Debt /Equity	2.9%	2.9%	0.1%p
Interest Coverage Ratio (x)	12.8	39.3	-26.5
ROE	8.3%	19.1%	-10.8%p
ROA	6.0%	13.0%	-7.0%p

Divisional Results & Outlook

(Unit: KRW bn)

Synthetic Rubbers



3Q Earnings Review

- Due to weak demand in downstream industries, sales price increases was insufficient compared to raw material price increases, and sales and profitability decreased.
- NB Latex profitability declined due to intensifying supplier competition.

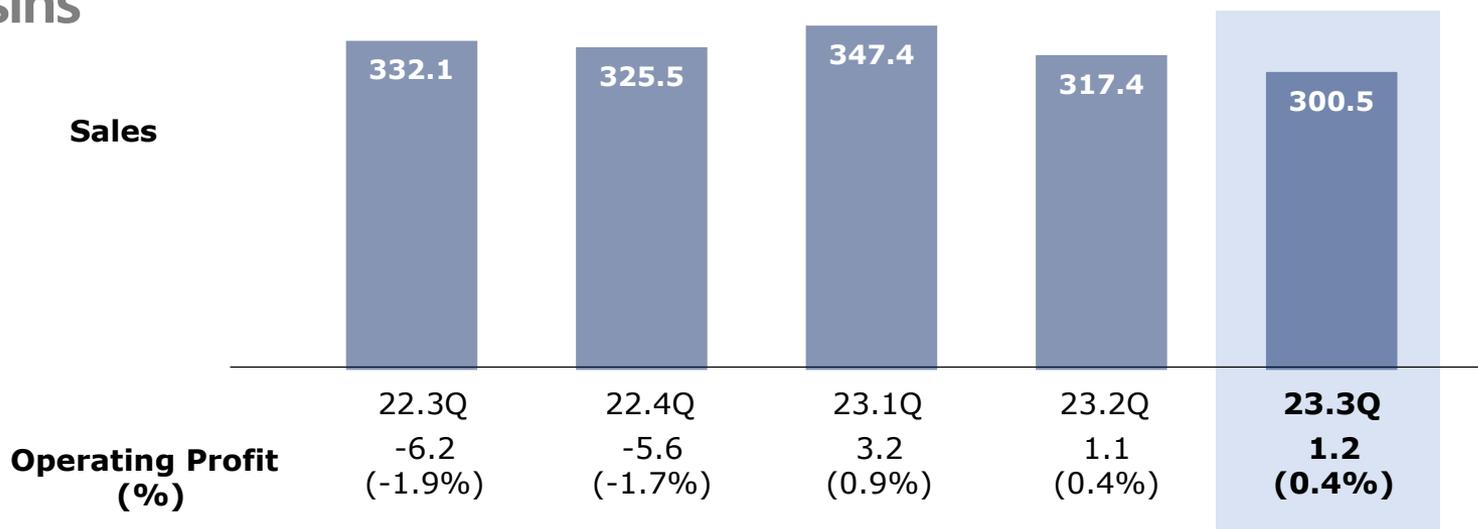
4Q Outlook

- BD: By adjusting the cracker operation rate and increasing light feed input, production is limited, but the price is expected to remain weak due to uncertainty in demand.
- Product demand is expected to continue to be sluggish, but profitability will be improved by strengthening the portfolio by market/product.

Divisional Results & Outlook

(Unit: KRW bn)

Synthetic Resins



3Q Earnings Review

- Product price increases were limited due to sluggish demand and new ABS volume from China.

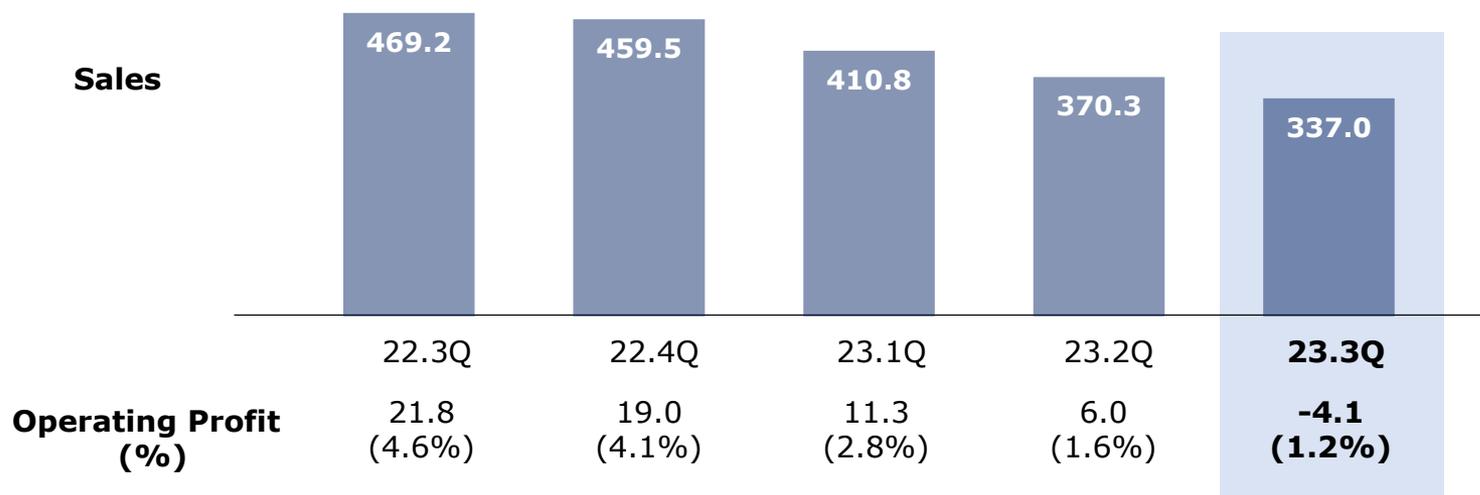
4Q Outlook

- SM: The price is expected to remain weak due to inflow of new factory volumes from China.
- Market prices are expected to weaken due to concerns about economic downturn and sluggish demand.

Divisional Results & Outlook

(Unit: KRW bn)

Phenol Derivatives



3Q Earnings Review

- Decreased sales and profitability due to delayed recovery in demand for major products.

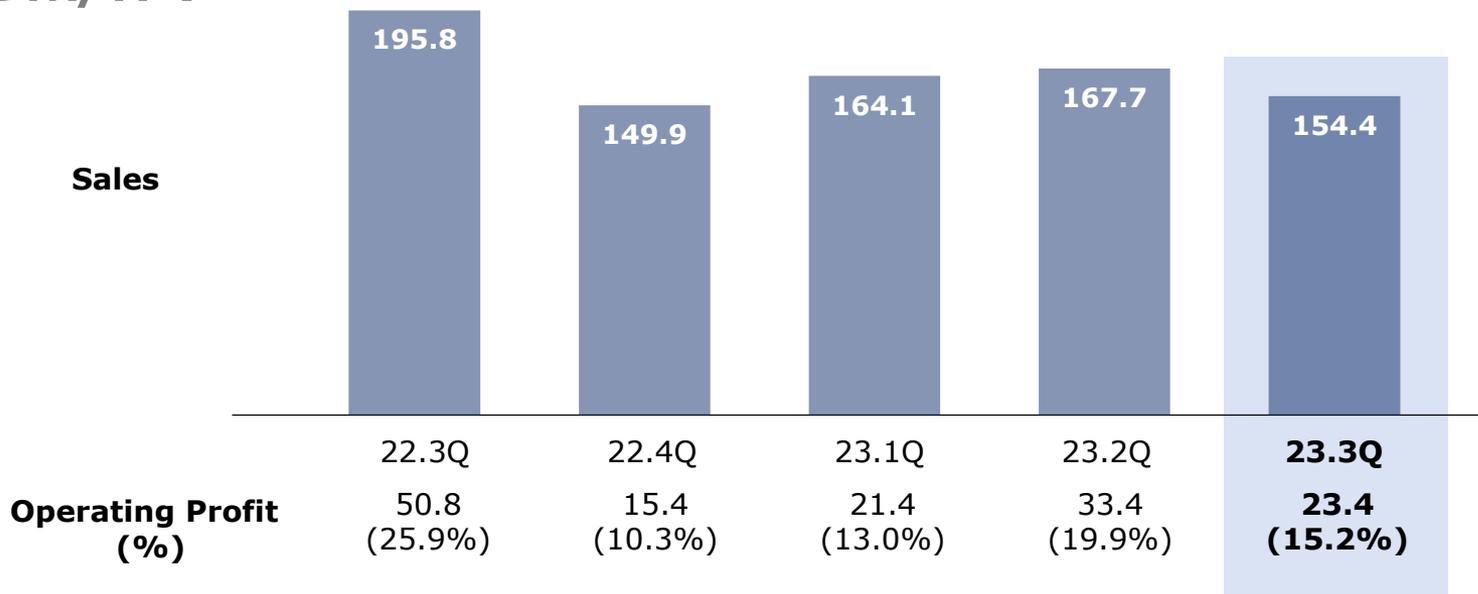
4Q Outlook

- Sales volume is expected to decrease slightly due to regular maintenance, but protect profitability by adjusting sales volume of products.

Divisional Results & Outlook

(Unit: KRW bn)

EPDM/TPV



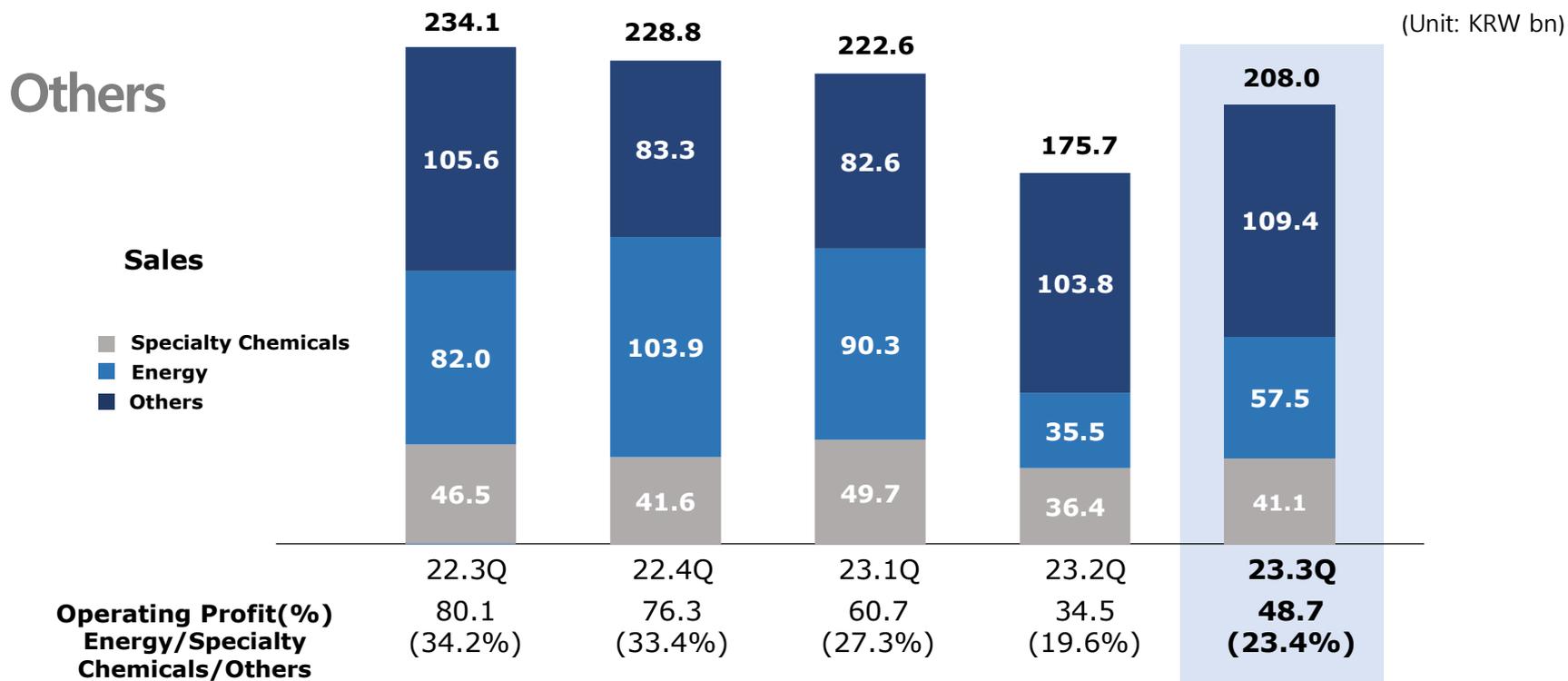
3Q Earnings Review

- Product spreads narrowed due to weak demand during off-season and profitability decreased.

4Q Outlook

- Sales volume will increase compared to the previous quarter, but profitability is expected to slightly decrease due to regular maintenance and operation rate adjustment.

Divisional Results & Outlook



3Q Earnings Review

- Energy: Improved profitability due to increased sales despite a slight decline in SMP.

4Q Outlook

- Energy: Sales volume and profitability are expected to remain similar to the previous quarter.

APPENDIX

Quarterly Performance

(Unit: KRW bn)

Classification	2022					2023				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Sales	2,199.1	2,243.9	1,887.1	1,645.5	7,975.6	1,721.3	1,578.1	1,507.0		4,806.4
Operating Profit	449.1	353.9	230.5	114.2	1,147.7	130.2	107.9	84.2		322.3
Net Interest Expense	1.1	1.9	-5.0	13.3	11.3	-5.2	-0.1	-3.2		-8.5
Equity Income	49.3	21.0	24.2	23.3	117.8	22.0	23.9	26.5		72.4
Pre-tax Income	503.7	387.4	280.0	80.5	1,251.6	168.5	140.5	115.8		424.8
Net Income	373.2	286.9	210.8	154.6	1,025.5	132.6	117.3	103.6		353.5

* Net Income is based on Controlling interests.

APPENDIX

Production Capacity (KKPC)

Classification	Product	Capa	Unit	Note	
Synthetic Rubbers	SBR	263,000	MT/Y	Improvement of productivity 3,000MT/Y, 4Q, '23	
	B R	HBR			162,000
		LBR			50,000
	S-SBR	123,000			
	NdBR	60,000			
	NBR	92,000			
	HSR	10,000			
	NB Latex	710,000			Completion of Expansion 236,000MT/Y, 2Q, '24
	SB Latex	82,800			Improvement of productivity 2,000MT/Y, 4Q, '23
	SBS	144,000			
Total	1,696,800				
Synthetic Resins	PS	264,500	MT/Y		
	ABS	290,000			
	SAN/Powder	237,000			
	EPS	79,500			
	PPG	151,500			
Total	1,022,500				
Specialty Chemicals	Antioxidants	70,800	MT/Y		
Energy	Steam	1,710	T/H		
	Electricity	300	MWH		
BD	Ulsan	90,000	MT/Y		
	Yeosu	147,000			
	계	237,000			



APPENDIX

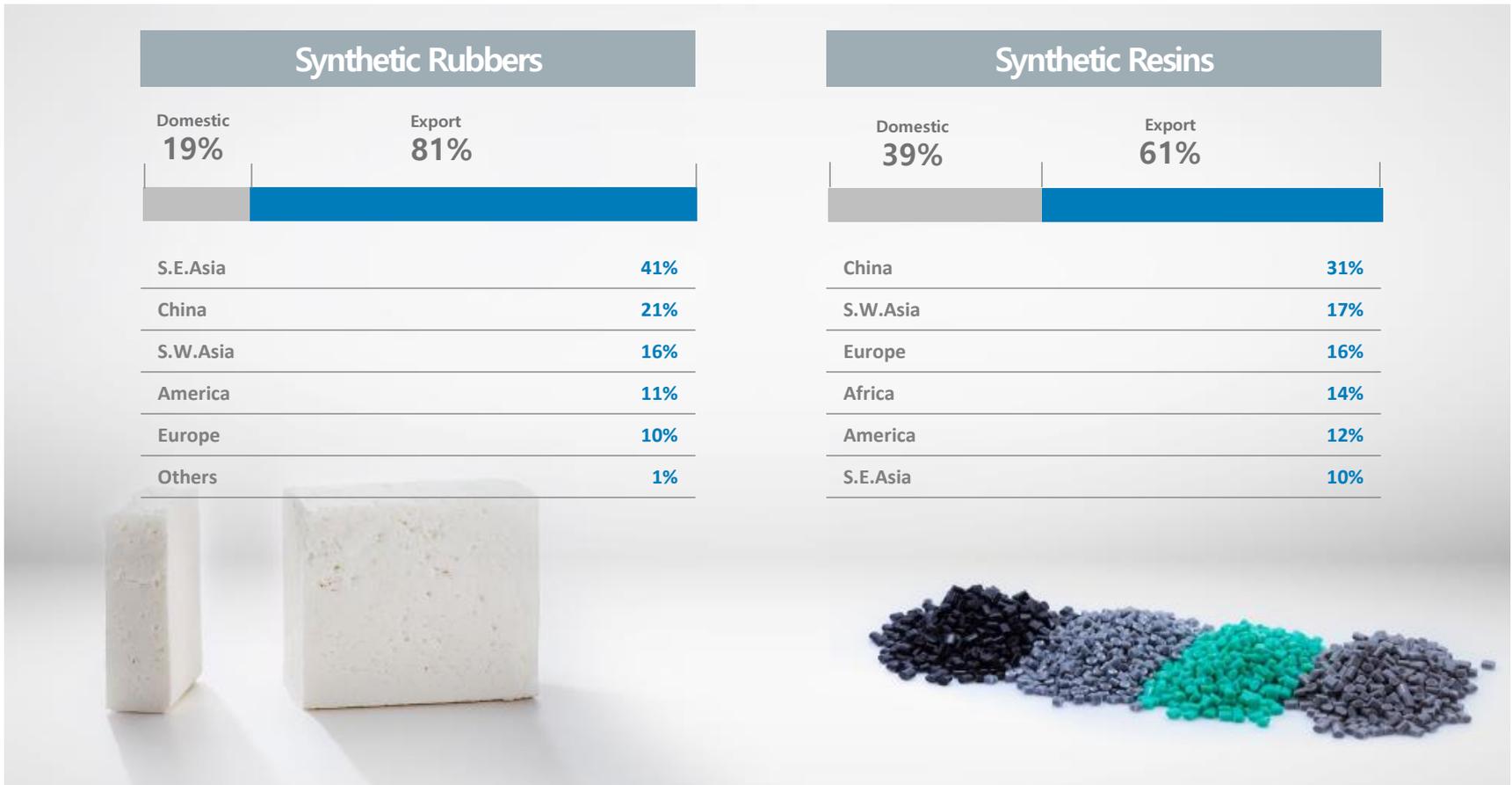
Production Capacity (Affiliates)

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	278,000		Completion of LP(II) Expansion 60,000MT/Y, 1Q, '24
	Total	2,788,000		
Kumho Mitsui Chemicals	MDI	410,000	MT/Y	Completion of Expansion 200,000MT/Y, 3Q, '24
	Aniline	10,000		
	Total	420,000		
Kumho Polychem	EP(D)M	240,000	MT/Y	Completion of Expansion 70,000MT/Y, 4Q, '24
	TPV/KEPA	12,000		
	Total	252,000		



APPENDIX

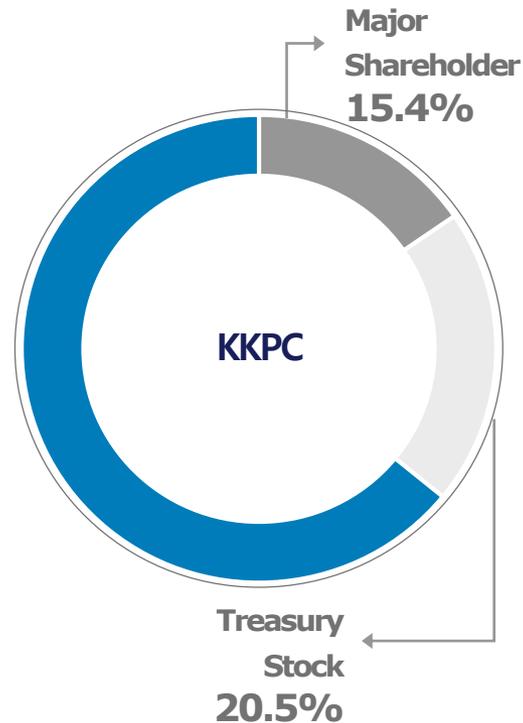
Sales Breakdown & Export Share by Region



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%

* Buy back 766,633 shares (as of 30th Sep, 23) and Cancellation (23rd Oct, 23)

* As of 30th Sep, 2023. based on common shares



Thank you

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