



Nov 6, 2020

3Q 2020 Earnings Release

KUMHO PETROCHEMICAL



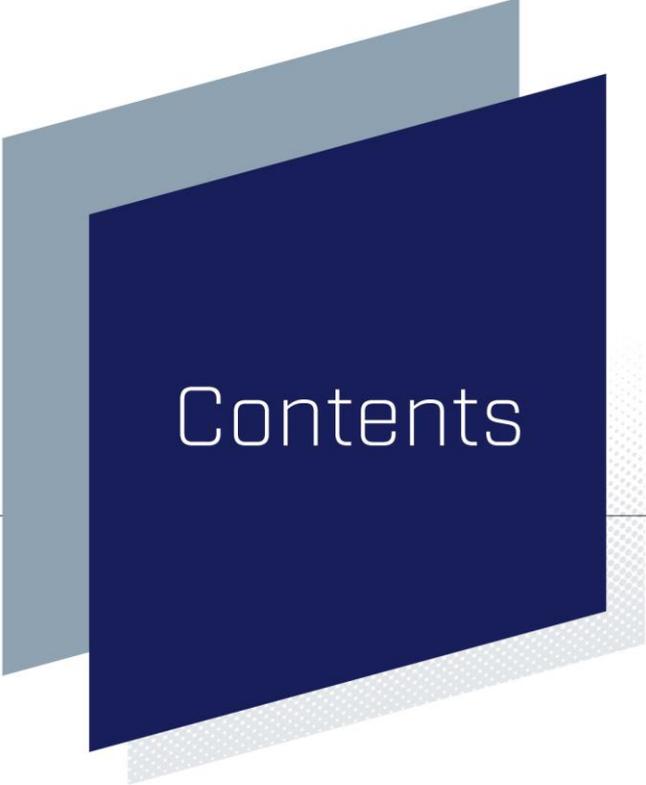
The business result for the 3rd quarter of 2020 is currently under the audit process, however this is presented purely for the purposes of investors' convenience.

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 2020 Business Results

Income Statements

(Unit: KRW bn)

Classification	20.3Q	20.2Q	QoQ	19.3Q	YoY
Sales	1,188.3	1,026.2	15.8%	1,216.5	-2.3%
Operating Profit	213.8 (18.0%)	120.1 (11.7%)	78.0%	68.4 (5.6%)	212.6%
EBITDA	262.4 (22.1%)	169.0 (16.5%)	55.3%	117.7 (9.7%)	122.9%
Pre-tax Income	223.9 (18.8%)	126.6 (12.3%)	76.9%	68.4 (5.6%)	227.3%
Net Income	146.2 (12.3%)	99.8 (9.7%)	46.5%	47.6 (3.9%)	207.1%
Equity Income	18.4	10.1	82.2%	11.3	62.8%

* Net Income is based on Controlling interests.

- Since the business related with Electronic Chemicals has been disposed in 20.1Q, it is classified as discontinued operations, and the financials of same term of last year have been rewritten.

3Q 2020 Business Results

Balance Sheet

(Unit: KRW bn)

Classification	20.3Q	19 (End)	Change
Asset (Cash and equivalents)	4,843.3 (567.6)	4,538.0 (127.8)	6.7% (344.1%)
Liabilities (Debt)	1,929.7 (1,008.1)	1,908.4 (1,104.0)	1.1% (-8.7%)
Shareholder's Equity	2,913.6	2,629.6	10.8%
Liabilities/ Equity (%)	66.2%	72.6%	-6.3%p

Financial Ratios

Classification	20.3Q	19 (End)	Change
Debt/Equity	34.6%	42.0%	-7.4%p
Net Debt /Equity	15.1%	37.1%	-22%p
Interest Coverage Ratio (x)	34.9	8.4	26.5
ROE	18.0%	11.8%	6.1%p
ROA	10.6%	6.4%	4.2%p

Divisional Results & Outlook

Synthetic Rubbers

36.0%
of total sales

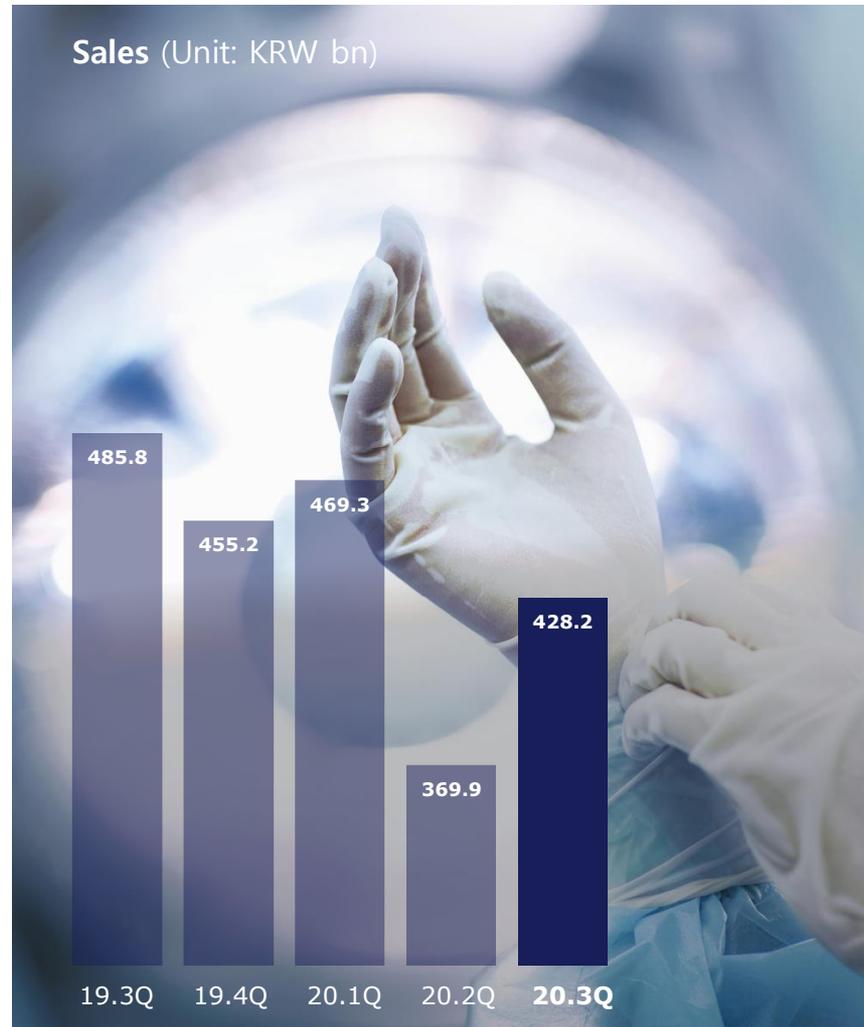


3Q Earnings Review

- Increase in general purpose rubber sales volume and sales thanks to demand recovery in tire industry.
- Secure profitability of NB Latex by increasing demand for hygiene products.

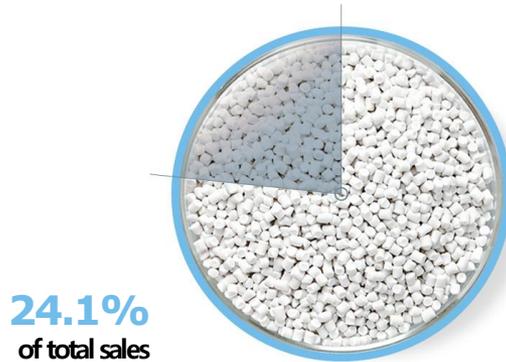
4Q Outlook

- BD: The price is forecasted to be strong due to increased demand for derived products and strong market price.
- Demand for tire and hygiene products is expected to be solid.



Divisional Results & Outlook

Synthetic Resins



3Q Earnings Review

- Improved profitability with bigger spread driven by strong demand of ABS for home appliances/automotive.

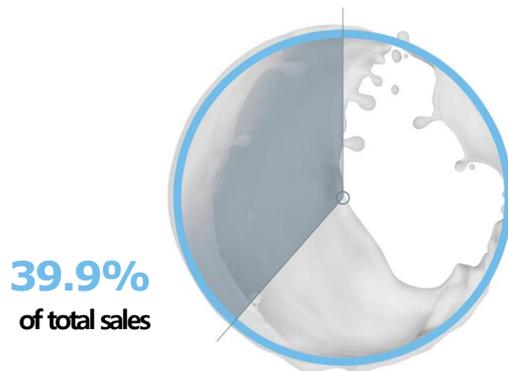
4Q Outlook

- SM: Expected to remain flat after rising prices due to strong demand for derived products and regular maintenance in the region.
- Market price is forecasted to be strong due to continuing solid demand for home appliances and compounding.



Divisional Results & Outlook

Others

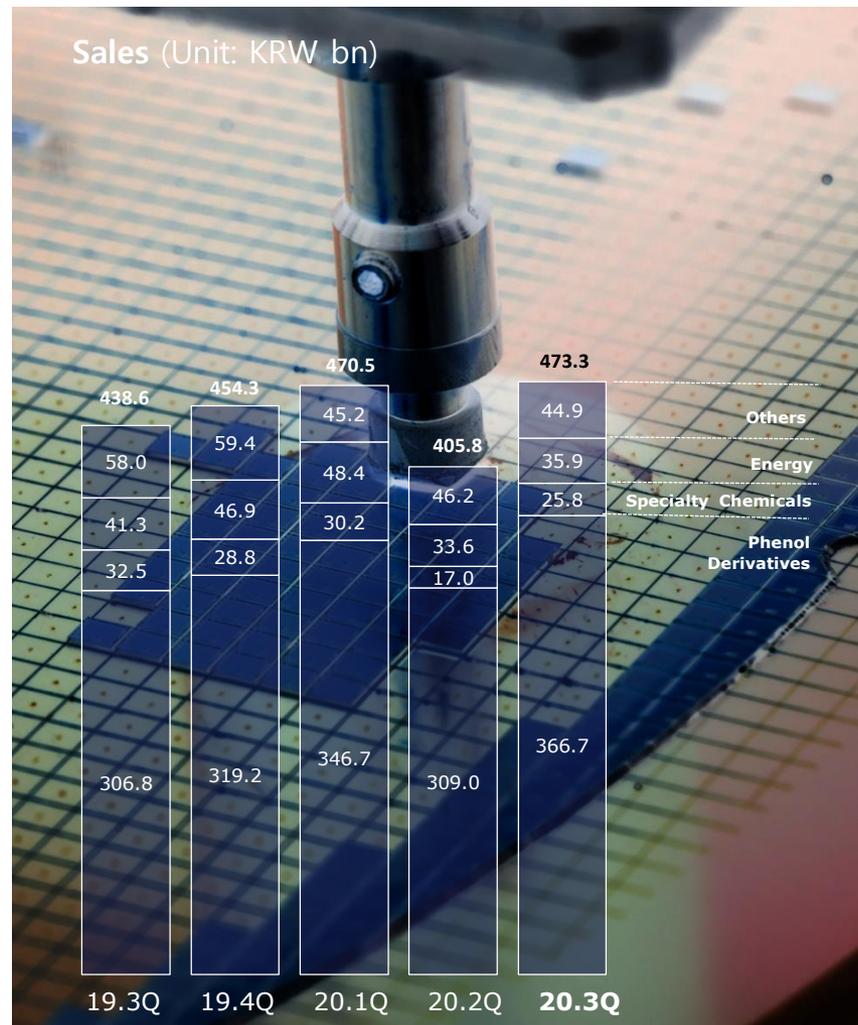


3Q Earnings Review

- Phenol derivatives: Improvement in sales and profitability due to bigger spreads of main products.
- Energy: Increase in sales and profitability after maintenance.

4Q Outlook

- Phenol derivatives: Main products prices are expected to remain solid due to tight supply caused by regular maintenance in the region.
- Energy: Sales will be decreased due to regular maintenance and lower SMP price.



APPENDIX

Quarterly Performance

(Unit: KRW bn)

Classification	2019					2020				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Sales	1,270.7	1,292.8	1,216.5	1,185.7	4,965.7	1,225.5	1,026.2	1,188.3		3,440.0
Operating Profit	143.5	138.1	68.4	15.9	365.9	133.1	120.1	213.8		467.0
Net Interest Expense	14.7	15.2	15.3	3.8	49.0	13.0	6.4	4.4		23.8
Equity Income	10.2	10.4	11.3	7.1	39.0	9.5	10.1	18.4		38.0
Pre-tax Income	142.8	149.7	68.4	16.6	377.5	139.0	126.6	223.9		489.5
Net Income	113.9	115.2	47.6	17.9	294.6	127.5	99.8	146.2		373.5

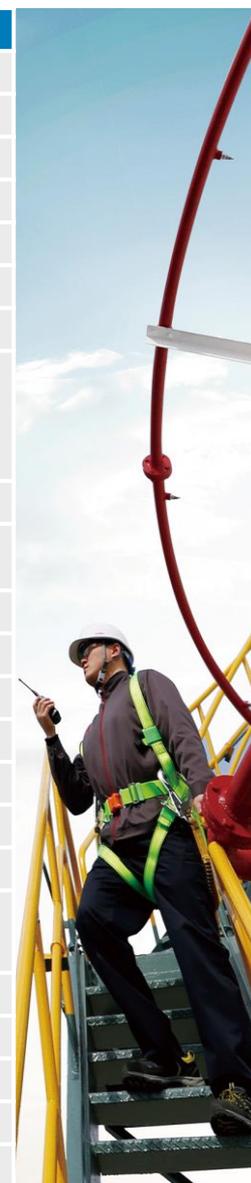
* Net Income is based on Controlling interests.

* Since the business related with Electronic Chemicals has been disposed in 20.1Q, it is classified as discontinued operations, and the financials of same term of last year have been rewritten.

APPENDIX

Production Capacity (KKPC)

Classification	Product	Capa	Unit	Note
Synthetic Rubbers	SBR	256,000	MT/Y	
	BR	HBR		290,000
		LBR		48,000
	S-SBR	63,000		
	NdBR	60,000		
	NBR	87,000		
	HSR	10,000		
	NB Latex	580,000		Completion of Expansion 60,000MT/Y, 4Q, '20 Completion of Expansion 70,000MT/Y, 4Q, '21
	SB Latex	82,800		
	SBS	93,000		Completion of Expansion 45,000MT/Y, 1Q, '21
Total	1,569,800			
Synthetic Resins	PS	252,000	MT/Y	
	ABS	250,000		
	SAN/Pwd	181,000		
	EPS	80,000		
	PPG	144,000		
Total	907,000			
Specialty Chemicals	Antioxidants	88,800	MT/Y	Completion of Expansion 4,900MT/Y, 2Q, '20
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		Completion of AR(Acetone recycle) Expansion 56,000MT/Y, 2Q, '21
	MIBK	60,000		
	Cumene	900,000		
	BPA	450,000		
	Epoxy Resin	207,000		Completion of Expansion 45,000MT/Y, 2Q, '19 Completion of LER(III) Revamping 20,000MT/Y, 3Q, '21
	Total	2,717,000		
Kumho Mitsui Chemicals	MDI	410,000	MT/Y	Completion of Expansion 60,000MT/Y, 2H, '19
	Aniline	20,000		
	Total	430,000		
Kumho Polychem	EP(D)M	220,000	MT/Y	
	TPV/KEPA	12,000		
	Total	232,000		



APPENDIX

Sales Breakdown & Export Share by Region

Synthetic Rubbers

Domestic
13%

Export
87%



S.E.Asia	57%
China	21%
America	6%
Europe	6%
S.W.Asia	9%
Others	1%



Synthetic Resins

Domestic
33%

Export
67%



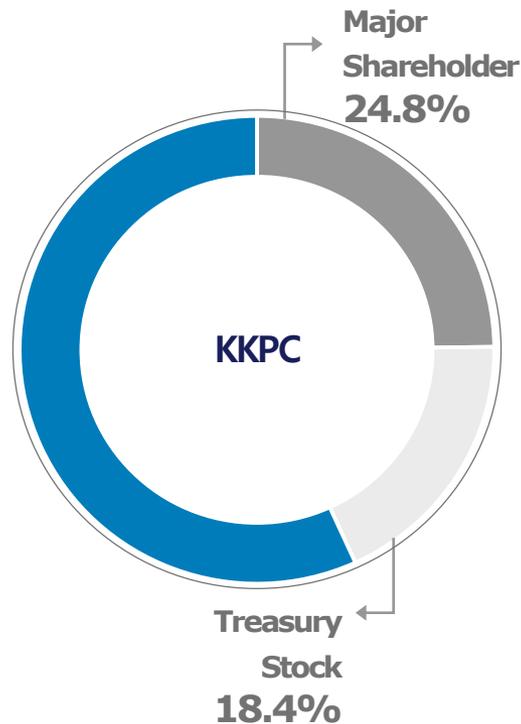
China	39%
Africa	17%
S.W.Asia	15%
S.E.Asia	12%
Europe	10%
America	7%



APPENDIX

Investment Shares & Asset available for sale

Asset available for sale	
Asiana Airlines	11.0%
Daewoo E&C	3.4%
KDB Life Insurance	0.4%



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

* As of 30th Sep, 2020.
based on common shares



Thank you

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