beyond the best

May 4, 2021

1Q 2021 Earnings Release

KUMHO PETROCHEMICAL

The business result for the 1st quarter of 2021 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.

Contents

1Q 2021 Business Results

Income Statements

(Unit: KRW bn)

Classification	21.1Q	20.4Q	QoQ	20.1Q	YoY
Sales	1,854.5	1,369.5	35.4%	1,225.5	51.3%
Operating Profit	612.5 (33.0%)	275.1 (20.1%)	122.6%	133.1 (10.9%)	360.2%
EBITDA	654.1 (35.3%)	301.9 (22.0%)	116.7%	182.1 (14.9%)	259.2%
Pre-tax Income	675.3 (36.4%)	277.4 (20.3%)	143.4%	139.0 (11.3%)	385.8%
Net Income	475.6 (25.6%)	209.4 (15.3%)	127.1%	127.5 (10.4%)	273.0%
Equity Income	59.3	18.4	222.3%	9.5	526.4%

* Net Income is based on Controlling interests.

1Q 2021 Business Results

Balance Sheet

(Unit: KRW bn)

Classification	21.1Q	20 (End)	Change
Asset (Cash and equivalents)	5,681.3 (754.9)	5,027.2 (418.2)	13.0% (80.5%)
Liabilities (Debt)	2,134.3 (915.1)	1,878.0 (860.1)	13.6% (6.4%)
Shareholder's Equity	3,547.0	3,149.2	12.6%
Liabilities/ Equity (%)	60.2%	59.6%	0.5%p

Financial Ratios

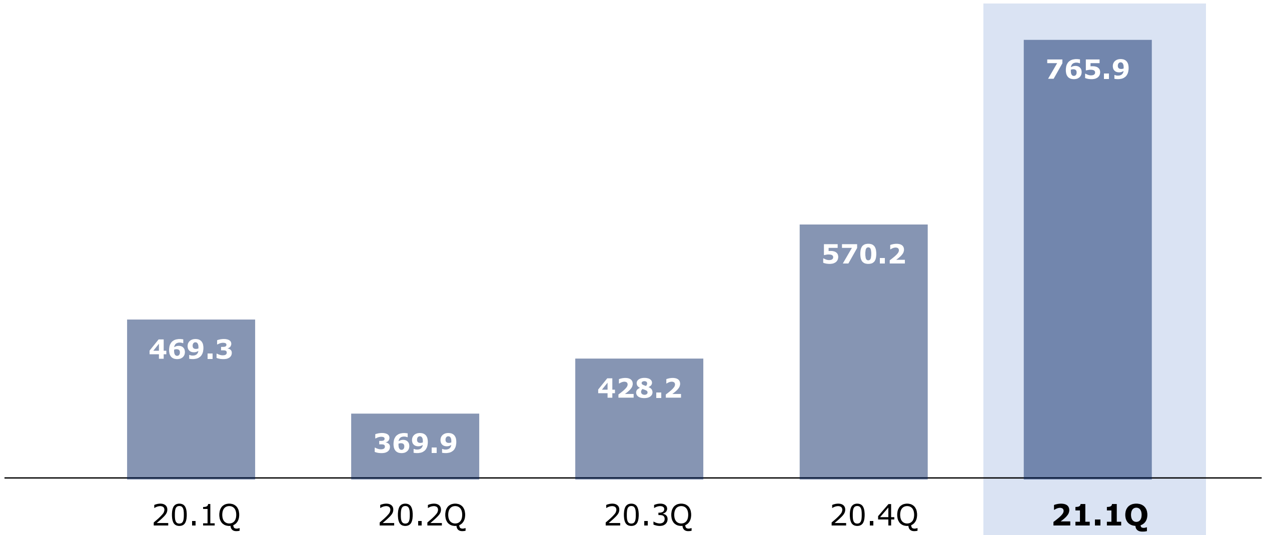
Classification	21.1Q	20 (End)	Change
Debt/Equity	25.8%	27.3%	-1.5%p
Net Debt /Equity	4.5%	14.0%	-9.5%p
Interest Coverage Ratio (x)	119.6	26.5	93.1
ROE	56.8%	20.2%	36.7%p
ROA	35.5%	12.2%	23.3%p

Divisional Results & Outlook

(Unit: KRW bn)

Synthetic Rubbers

Sales



	20.1Q	20.2Q	20.3Q	20.4Q	**21.1Q**
Operating Profit (%)	66.3 (14.1%)	48.3 (13.1%)	89.8 (21.0%)	147.2 (25.8%)	**292.1 (38.1%)**

1Q Earnings Review

- Increased sales and improved profitability due to strong demand for general-purpose products for tires.
- Secure profitability of NB Latex by increasing demand for hygiene products.

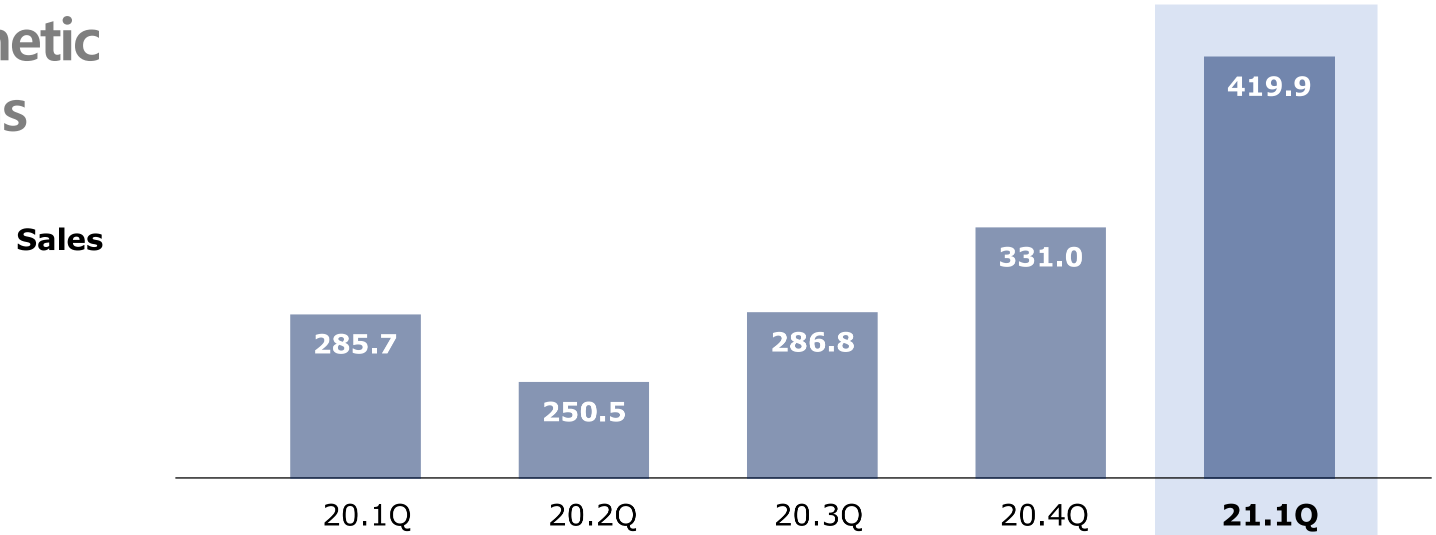
2Q Outlook

- BD: Due to the delay in restarting BD in the US and regular maintenance in the region, the price may turn upward. But the rise is expected to be limited due to new plant operation in the region.
- Stable profitability from robust demand of general purpose rubber and NB Latex.

Divisional Results & Outlook

(Unit: KRW bn)

Synthetic Resins



	20.1Q	20.2Q	20.3Q	20.4Q	**21.1Q**
Operating Profit (%)	26.3 (9.2%)	23.4 (9.3%)	36.3 (12.7%)	32.9 (9.9%)	**89.3 (21.3%)**

1Q Earnings Review

- Improved profitability of ABS due to strong demand from downstream industries.
- Improved profitability of PS from sable demand from delivery containers and disposable items.

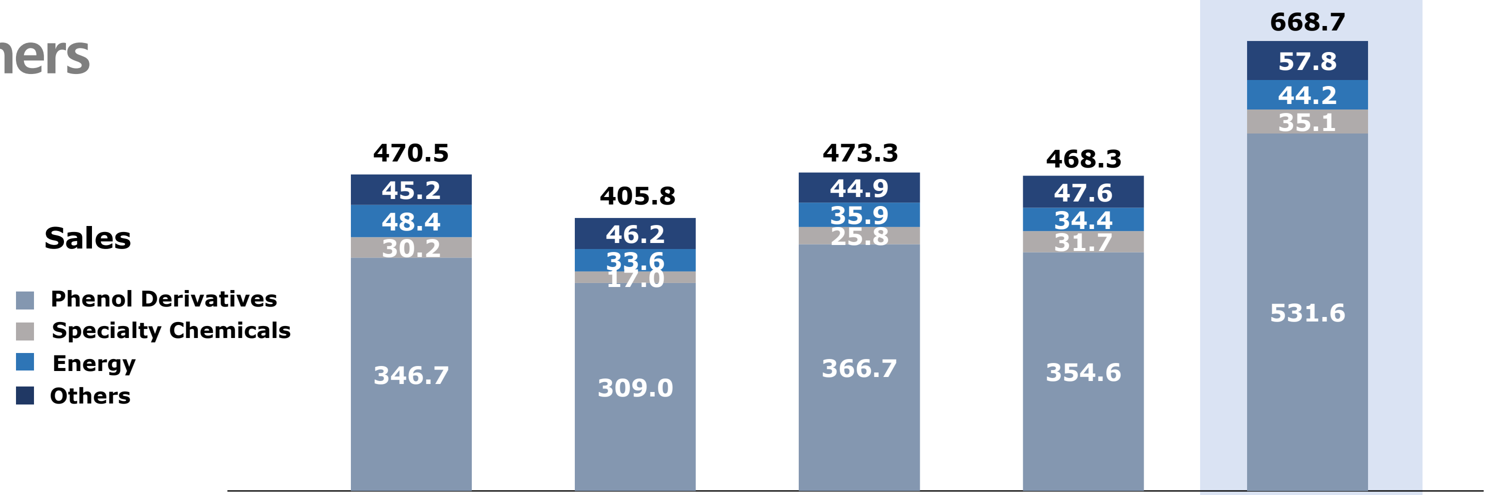
2Q Outlook

- SM: Tight supply is forecasted due to regular maintenance in the region and strong demand.
- Due to peak manufacturing season, ABS/PS demand for home appliance, compounding is expected to be solid.

Divisional Results & Outlook

(Unit: KRW bn)

Others



	20.1Q	20.2Q	20.3Q	20.4Q	**21.1Q**
Operating Profit(%) Phenol Derivatives	13.7 (3.9%)	34.7 (11.2%)	68.7 (18.7%)	93.3 (26.3%)	**193.2 (36.3%)**
Operating Profit(%) Energy/Specialty Chemicals/Others	26.8 (21.6%)	13.7 (14.1%)	19.0 (17.8%)	1.7 (1.5%)	**37.9 (27.6%)**

1Q Earnings Review

- Phenol Derivatives: Achieved higher profitability from strong demand of BPA and Epoxy.
- Energy: Improvement in profitability due to a increase in sales price.

2Q Outlook

- Phenol Derivatives: Stable profitability will be expected due to tight supply and strong demand of BPA and Epoxy.
- Energy: Sales and profitability will be reduced due to regular maintenance in May.

APPENDIX

Quarterly Performance

(Unit: KRW bn)

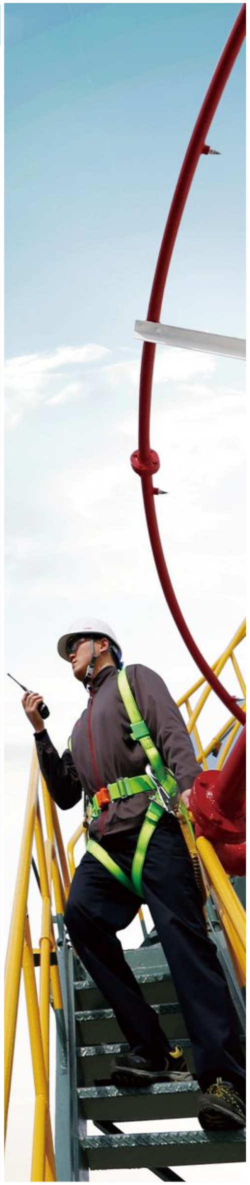
Classification	2020					2021				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Sales	1,225.5	1,026.2	1,188.3	1,369.5	4,809.5	1,854.5				**1,854.5**
Operating Profit	133.1	120.1	213.8	275.1	742.1	612.5				**612.5**
Net Interest Expense	13.0	6.4	4.4	3.0	26.8	7.6				**7.6**
Equity Income	9.5	10.1	18.4	18.4	56.4	59.3				**59.3**
Pre-tax Income	139.0	126.6	223.9	277.4	766.9	675.3				**675.3**
Net Income	127.5	99.8	146.2	209.4	582.9	475.6				**475.6**

* Net Income is based on Controlling interests.

APPENDIX

Production Capacity (KKPC)

Classification	Product		Capa	Unit	Note
Synthetic Rubbers	SBR		256,000	MT/Y	
	BR	HBR	150,000		
		LBR	48,000		
	S-SBR		63,000		
	NdBR		60,000		
	NBR		87,000		
	HSR		10,000		
	NB Latex		640,000		Completion of Expansion 70,000MT/Y, 4Q, '21
	SB Latex		82,800		
	SBS		138,000		Completion of Expansion 45,000MT/Y, 1Q, '21
	Total		**1,534,800**		
Synthetic Resins	PS		252,000	MT/Y	Improvement of productivity 20,000MT/Y, 4Q, '21
	ABS		250,000		
	SAN/Pwd		179,000		
	EPS		80,000		
	PPG		147,000		
	Total		**908,000**		
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		Completion of AR(Acetone recycle) Expansion 56,000MT/Y, June, '21
	MIBK	60,000		
	Cumene	900,000		
	BPA	450,000		
	Epoxy Resin	207,000		Completion of LER(III) Revamping 60,000MT/Y, Dec, '21
	Total	**2,717,000**		
Kumho Mitsui Chemicals	MDI	410,000	MT/Y	Completion of Expansion 200,000MT/Y, Dec, '23
	Aniline	20,000		
	Total	**430,000**		
Kumho Polychem	EP(D)M	220,000	MT/Y	Completion of Debottlenecking 10,000MT/Y, June, '21
	TPV/KEPA	12,000		
	Total	**232,000**		

APPENDIX

Sales Breakdown & Export Share by Region

Synthetic Rubbers

Domestic 11% | Export 89%

S.E.Asia	63%
China	19%
S.W.Asia	8%
America	5%
Europe	4%
Others	1%

Synthetic Resins

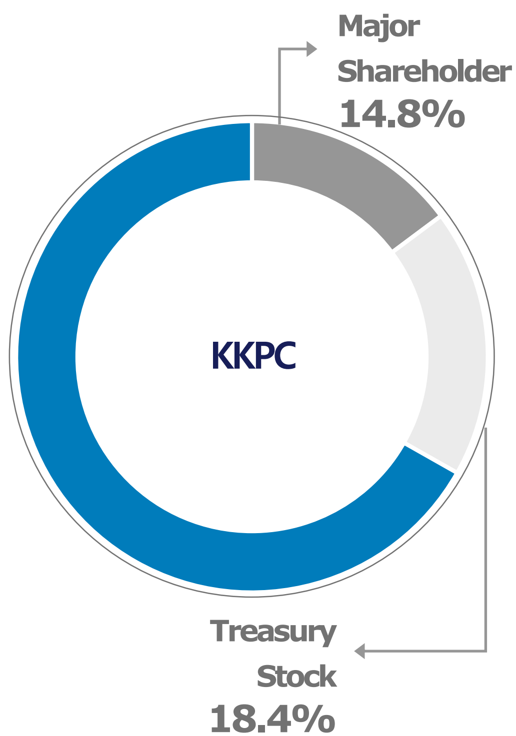
Domestic 28% | Export 72%

China	35%
S.W.Asia	17%
Africa	15%
Europe	12%
America	11%
S.E.Asia	10%

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 31th Mar, 2021.
based on common shares

Thank you