



Aug 6, 2021

2Q 2021 Earnings Release

KUMHO PETROCHEMICAL

The business result for the 2nd 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.

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 a telescope or binoculars. The platform is part of a tall, cylindrical structure. In the background, there are various industrial structures, including pipes, tanks, and cranes, and a body of water is visible. The overall scene is a wide-angle shot of a large-scale industrial operation.

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2Q 2021 Business Results

Income Statements

(Unit: KRW bn)

Classification	21.2Q	21.1Q	QoQ	20.2Q	YoY
Sales	2,199.0	1,854.5	18.6%	1,026.2	114.3%
Operating Profit	753.7 (34.3%)	612.5 (33.0%)	23.1%	120.1 (11.7%)	527.6%
EBITDA	799.0 (36.3%)	654.1 (35.3%)	22.2%	169.0 (16.5%)	372.8%
Pre-tax Income	789.0 (35.9%)	675.3 (36.4%)	16.8%	126.6 (12.3%)	523.2%
Net Income	583.0 (26.5%)	475.6 (25.6%)	22.6%	99.8 (9.7%)	484.2%
Equity Income	55.8	59.3	-5.9%	10.1	452.5%

* Net Income is based on Controlling interests.

2Q 2021 Business Results

Balance Sheet

(Unit: KRW bn)

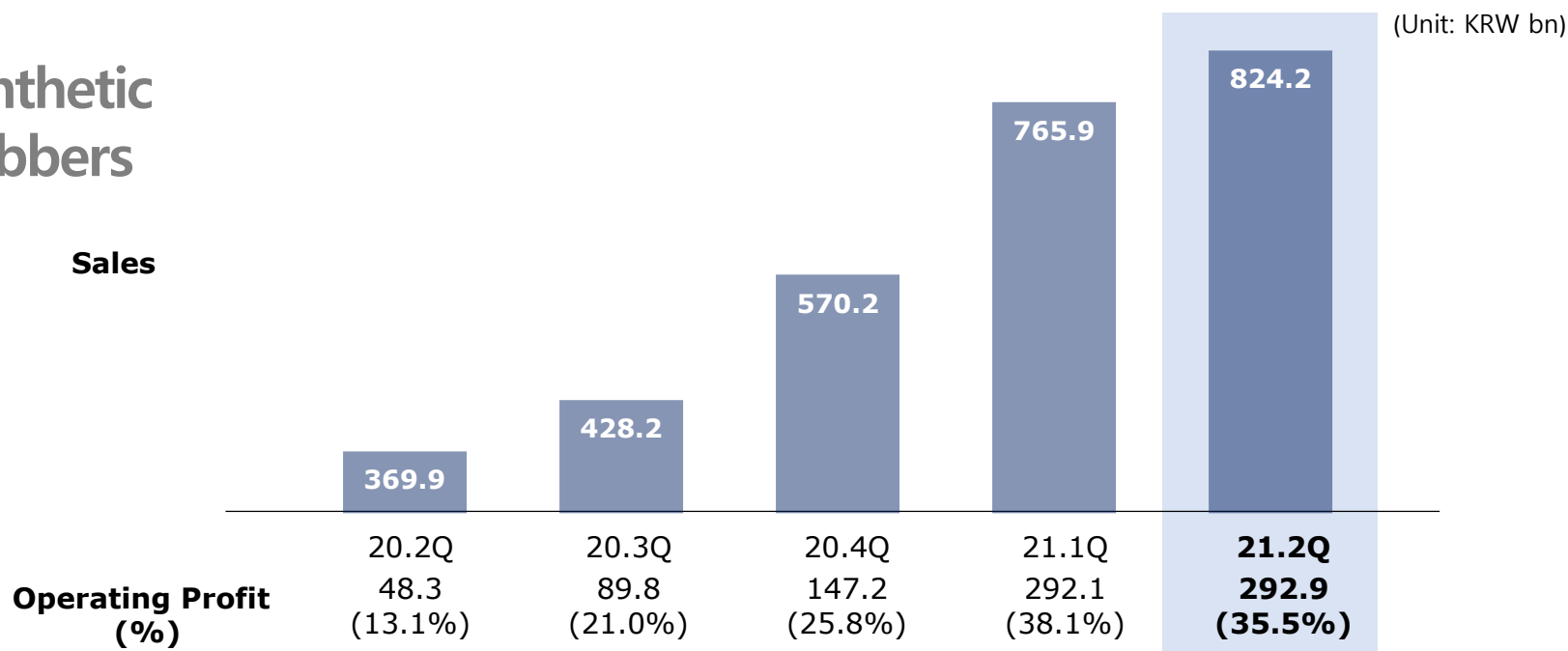
Classification	21.2Q	20 (End)	Change
Asset (Cash and equivalents)	6,821.0 (686.1)	5,027.2 (418.2)	35.7% (64.1%)
Liabilities (Debt)	2,675.7 (932.6)	1,878.0 (860.1)	42.5% (8.4%)
Shareholder's Equity	4,145.3	3,149.2	31.6%
Liabilities/ Equity (%)	64.5%	59.6%	4.9%p

Financial Ratios

Classification	21.2Q	20 (End)	Change
Debt/Equity	22.5%	27.3%	-4.8%p
Net Debt /Equity	5.9%	14.0%	-8.1%p
Interest Coverage Ratio (x)	97.5	26.5	71.0
ROE	58.1%	20.2%	37.9%p
ROA	35.7%	12.2%	23.5%p

Divisional Results & Outlook

Synthetic Rubbers



2Q Earnings Review

- Increased sales and secured profitability by solid demand for NB Latex and improved demand for rubber products for tires following the global economic recovery.

3Q Outlook

- BD: Due to delayed operation of new factories and increased demand in the US, market prices are expected to be strong.
- Temporary decrease in demand due to the strengthening of lockdown measures in S.E Asia and a slight decrease in profitability due to increase in raw materials.
- Sales increase due to conversion of Kumho Polychem as a consolidated corporation (July).

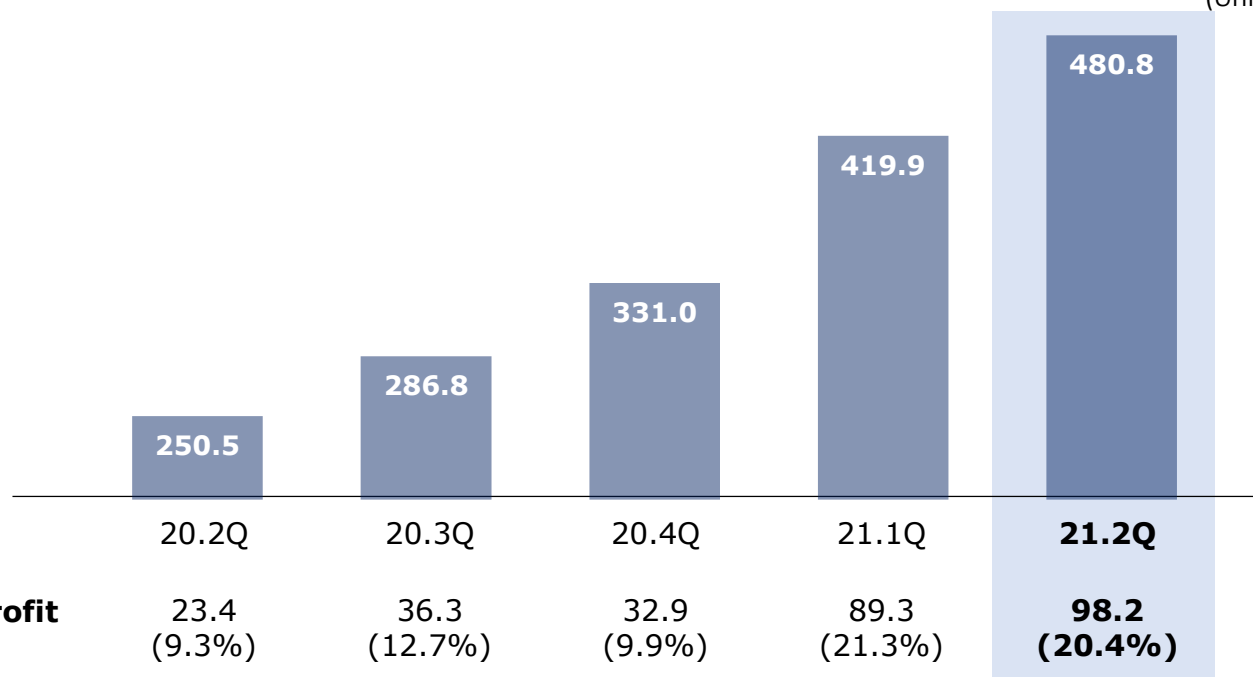
Divisional Results & Outlook

Synthetic Resins

Sales

(Unit: KRW bn)

Operating Profit
(%)



2Q Earnings Review

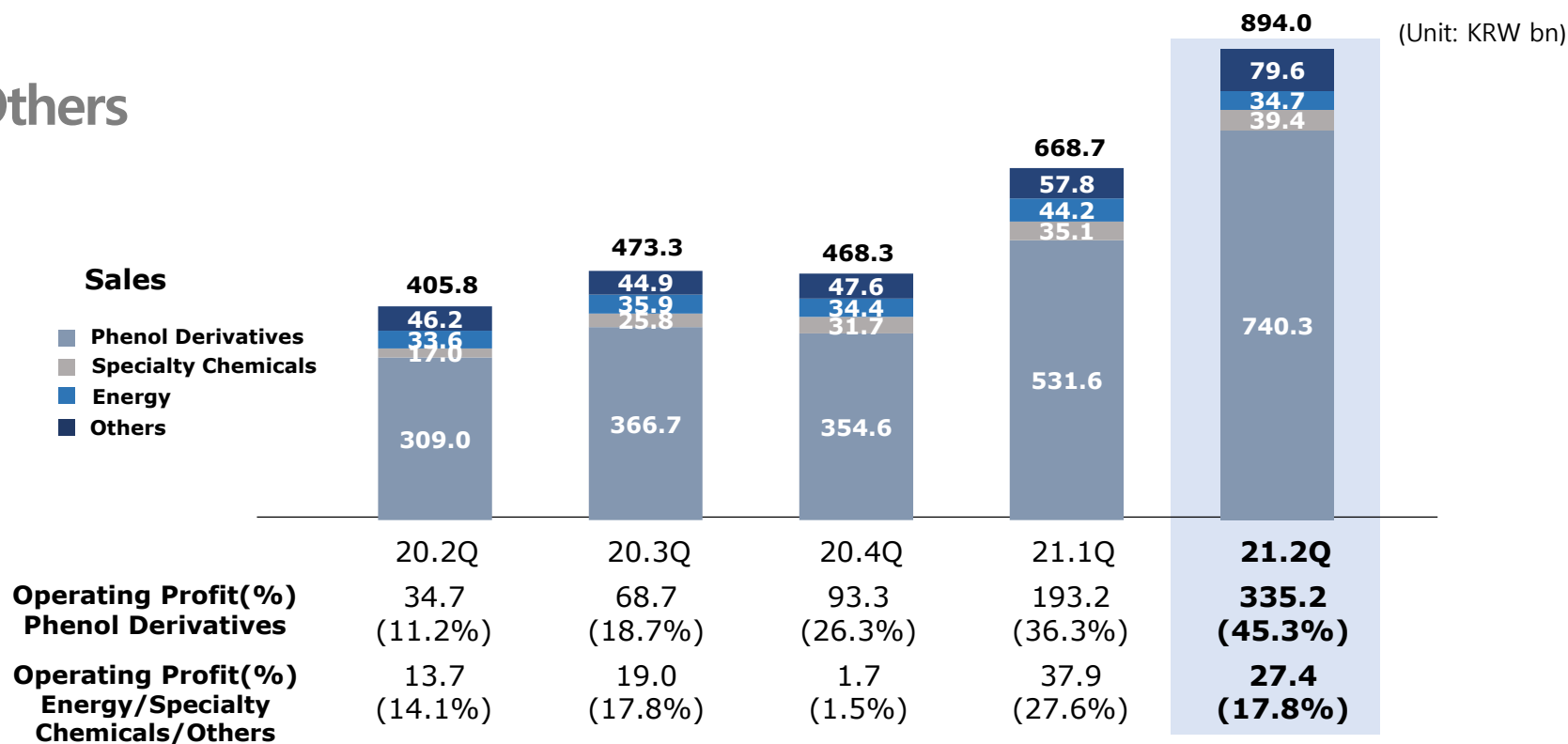
- Maintain ABS/PS product profitability through solid demand from downstream industries and disposable items.

3Q Outlook

- SM: Despite the plan to operate a new plant in China, the decline in price is expected to be limited due to a decrease in US shipments and regular maintenance in the region.
- Reduced demand for some products due to low season.

Divisional Results & Outlook

Others



2Q Earnings Review

- Phenol Derivatives: Achieved higher profitability from strong demand of BPA and Epoxy.
- Energy: Decrease in sales and profitability due to regular maintenance.

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3Q Outlook

- Phenol Derivatives: Although solid demand for BPA, Epoxy is expected, sales and profitability are expected to decrease due to regular maintenance and narrowing of spreads on main products compared to the previous quarter.
- Energy: Sales and profitability will be improved after maintenance.

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	2,199.0			4,053.5
Operating Profit	133.1	120.1	213.8	275.1	742.1	612.5	753.7			1,366.2
Net Interest Expense	13.0	6.4	4.4	3.0	26.8	7.6	5.8			13.4
Equity Income	9.5	10.1	18.4	18.4	56.4	59.3	55.8			115.1
Pre-tax Income	139.0	126.6	223.9	277.4	766.9	675.3	789.0			1,464.3
Net Income	127.5	99.8	146.2	209.4	582.9	475.6	583.0			1,058.6

* Net Income is based on Controlling interests.

APPENDIX

Production Capacity (KKPC)

Classification	Product	Capa	Unit	Note
Synthetic Rubbers	SBR	256,000	MT/Y	
	B R	HBR		
		LBR		
	S-SBR	63,000		Completion of Expansion 60,000MT/Y, 4Q, '22
	NdBR	60,000		
	NBR	87,000		
	HSR	10,000		
	NB Latex	640,000		Completion of Expansion 70,000MT/Y, 4Q, '21 Completion of Expansion 236,000MT/Y, 4Q, '23
	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		Improvement of productivity 40,000MT/Y, 2Q, '22
	SAN/Pwd	179,000		Improvement of productivity 23,000MT/Y, 2Q, '22
	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		



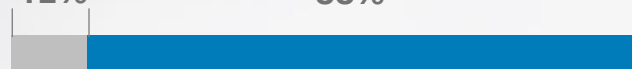
APPENDIX

Sales Breakdown & Export Share by Region

Synthetic Rubbers

Domestic
12%

Export
88%



S.E.Asia	60%
China	20%
S.W.Asia	7%
Europe	6%
America	6%
Others	1%



Synthetic Resins

Domestic
29%

Export
71%



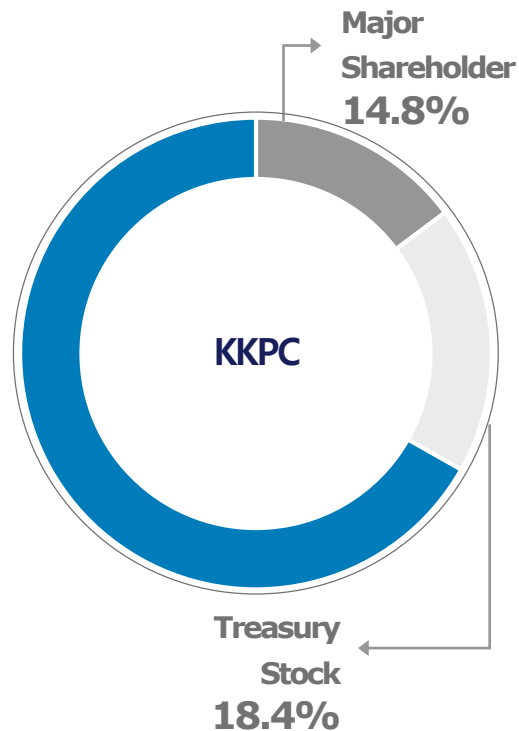
China	37%
Africa	15%
S.W.Asia	13%
America	12%
Europe	12%
S.E.Asia	11%



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 June, 2021.
based on common shares



Thank you

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