



Feb 10, 2022

4Q 2021 Earnings Release

KUMHO PETROCHEMICAL



The business result for the 4th 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 refinery or petrochemical plant, is shown under a blue sky with scattered clouds. In the foreground, a worker in a white hard hat and safety gear stands on a metal platform next to a tall, cylindrical industrial vessel. The background features a complex network of pipes, tanks, and distillation columns, with mountains visible in the distance.

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4Q 2021 Business Results

Income Statements

(Unit: KRW bn)

Classification	21.4Q	21.3Q	QoQ	20.4Q	YoY
Sales	2,172.0	2,236.3	-2.9%	1,369.5	58.6%
Operating Profit	415.3 (19.1%)	625.3 (28.0%)	-33.6%	275.1 (20.1%)	51.0%
EBITDA	472.3 (21.7%)	680.4 (30.4%)	-30.6%	301.9 (22.0%)	56.4%
Pre-tax Income	428.2 (19.7%)	733.4 (32.8%)	-41.6%	277.4 (20.3%)	54.4%
Net Income	310.4 (14.3%)	604.6 (27.0%)	-48.7%	209.4 (15.3%)	48.2%
Equity Income	35.5	389	-8.7%	18.4	92.9%

* Net Income is based on Controlling interests.

4Q 2021 Business Results

Balance Sheet

(Unit: KRW bn)

Classification	21.4Q	20 (End)	Change
Asset (Cash and equivalents)	8,116.9 (622.9)	5,027.2 (418.2)	61.5% (48.9%)
Liabilities (Debt)	3,026.4 (957.7)	1,878.0 (860.1)	61.2% (11.3%)
Shareholder's Equity	5,090.5	3,149.2	61.6%
Liabilities/ Equity (%)	59.5%	59.6%	-0.2%p

Financial Ratios

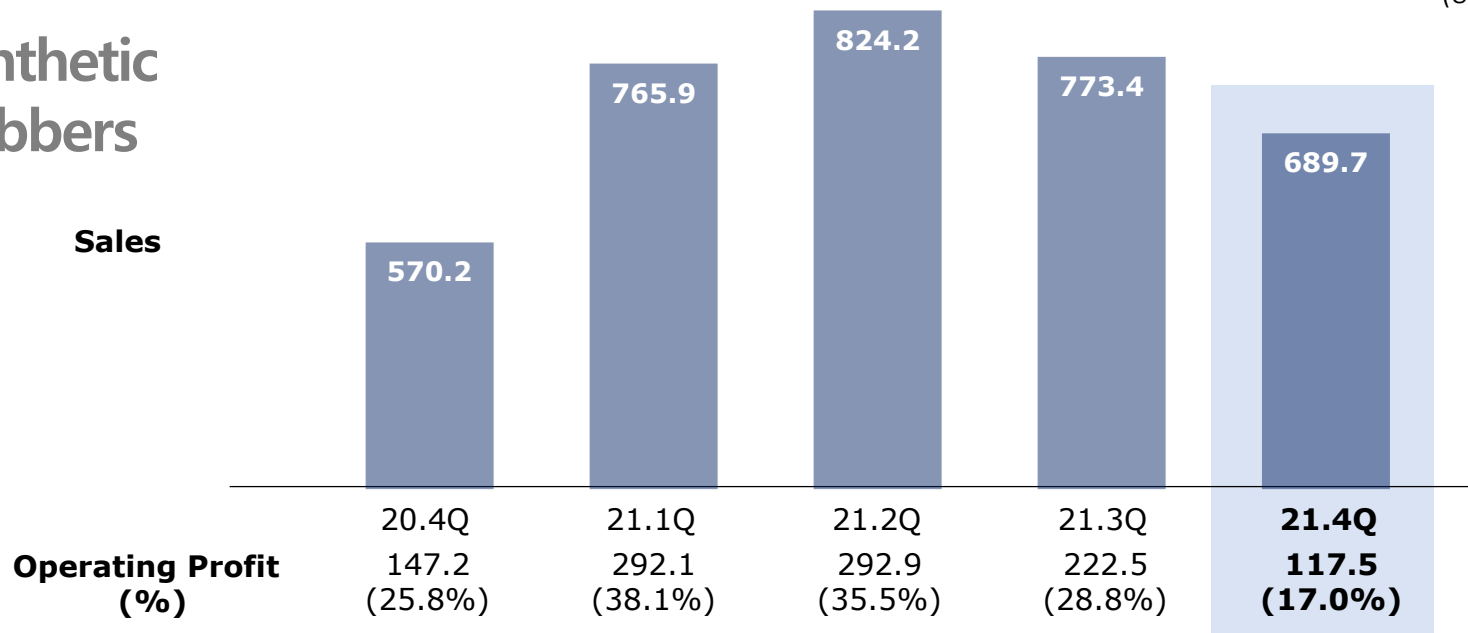
Classification	21.4Q	20 (End)	Change
Debt/Equity	18.8%	27.3%	-8.5%p
Net Debt /Equity	6.6%	14.0%	-7.5%p
Interest Coverage Ratio (x)	88.6	26.5	62.0
ROE	47.9%	20.2%	27.7%p
ROA	30.0%	12.2%	17.8%p

Divisional Results & Outlook

(Unit: KRW bn)

Synthetic Rubbers

Sales



4Q Earnings Review

- The effect of improving general purpose rubber spreads was insignificant due to regular maintenance.
- Profitability declined as intensifying price competition due to increased sales of unsold volume from major competitors after lockdown in Southeast Asia.

'22. 1Q Outlook

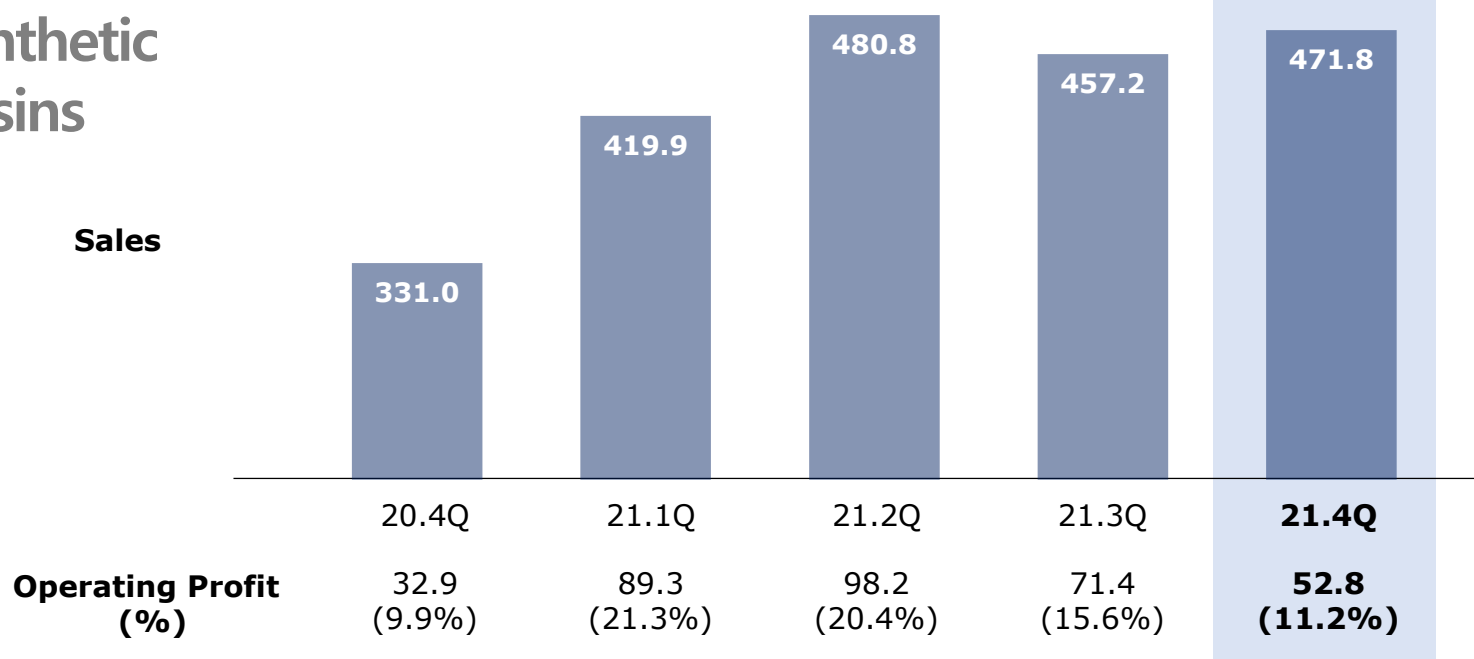
- BD: Asian market prices is expected to rise due to domestic cracker's lower utilization and continued exports to the US.
- Strong demand outlook of general purpose rubber for tires.
- NB Latex market price is weak due to intensifying competition among NB Latex suppliers to secure supply and declining glove selling price.

Divisional Results & Outlook

Synthetic Resins

Sales

(Unit: KRW bn)



4Q Earnings Review

- Profitability decreased due to weak demand in the low season and expectations for a price drop.

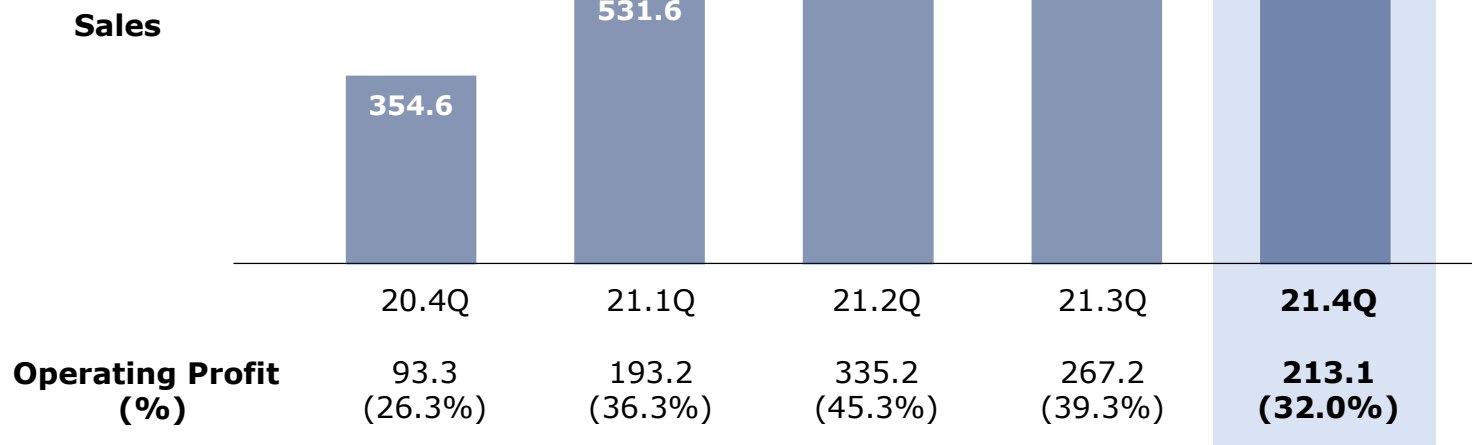
'22. 1Q Outlook

- SM: Despite new factory operations in China, Asian market price is expected to remain strong due to increased regular maintenance and strong upstream prices.
- Major product price is expected to decrease due to weak downstream demand and lower Chinese market prices.

Divisional Results & Outlook

(Unit: KRW bn)

Phenol Derivatives



4Q Earnings Review

- BPA profitability declined due to weak demand of PC and expectations of increased supply in China.

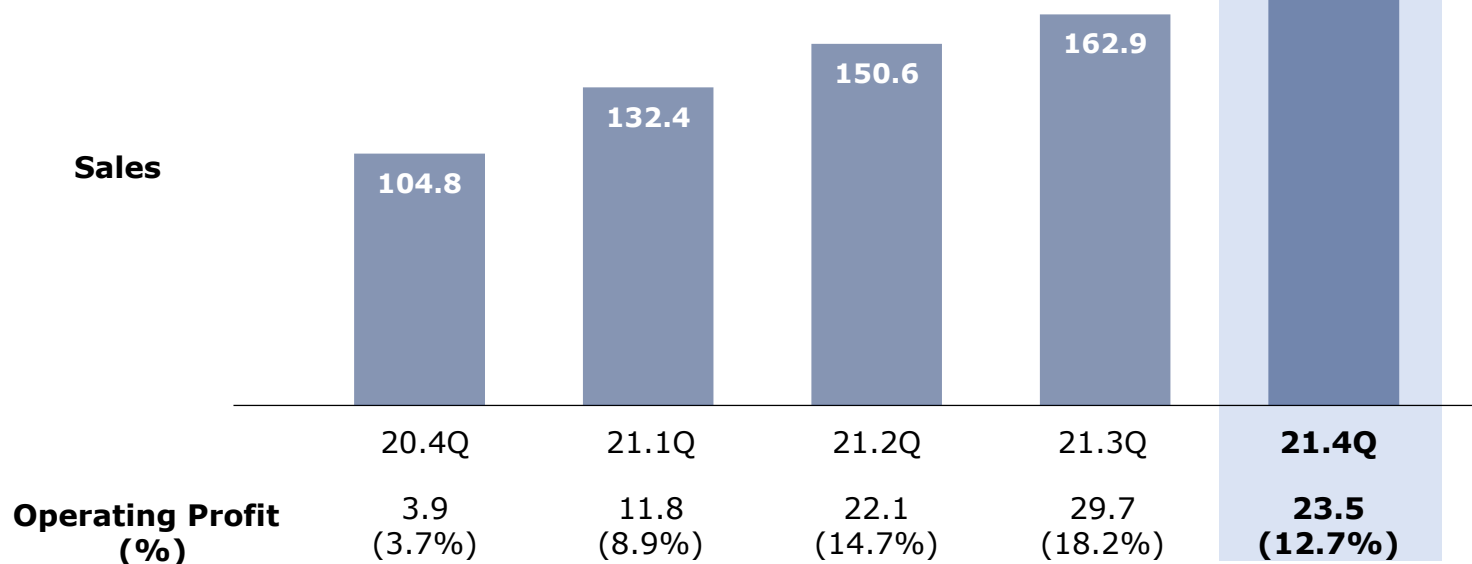
'22. 1Q Outlook

- Profitability is expected to decrease due to reduced BPA spreads and adjusted EPOXY market prices.

Divisional Results & Outlook

(Unit: KRW bn)

EPDM/TPV



4Q Earnings Review

- Profitability decreased due to weak demand in the low season.

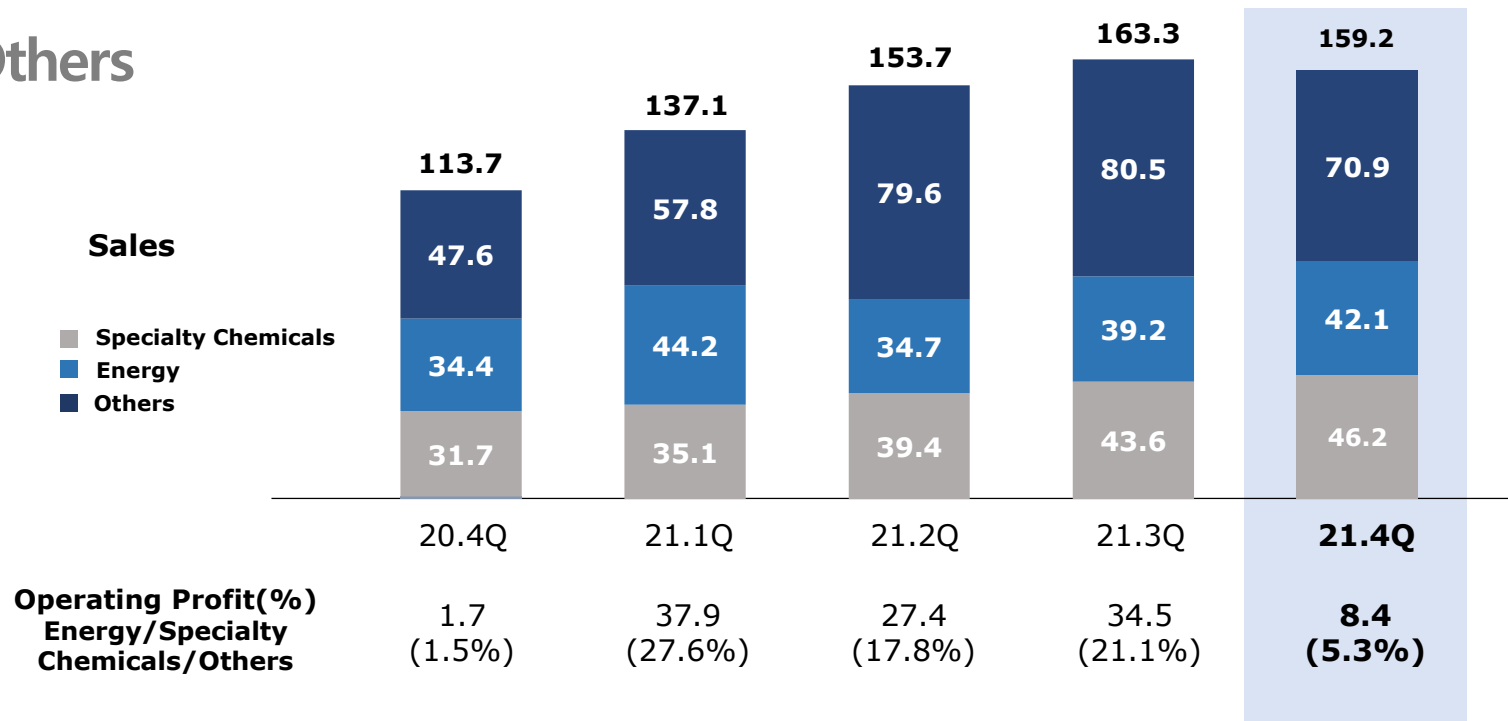
'22. 1Q Outlook

- Profitability is expected to improve due to solid market demand.

Divisional Results & Outlook

(Unit: KRW bn)

Others



4Q Earnings Review

- Energy: Profitability declined due to regular maintenance despite rising SMP price.

'22. 1Q Outlook

- Energy: Sales and profitability will be improved with increased SMP price.

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	2,236.3	2,172.0	8,461.8
Operating Profit	133.1	120.1	213.8	275.1	742.1	612.5	753.7	625.3	415.3	2,406.8
Net Interest Expense	13.0	6.4	4.4	3.0	26.8	7.6	5.8	3.8	4.3	21.5
Equity Income	9.5	10.1	18.4	18.4	56.4	59.3	55.8	38.9	35.5	189.5
Pre-tax Income	139.0	126.6	223.9	277.4	766.9	675.3	789.0	733.4	428.2	2,625.9
Net Income	127.5	99.8	146.2	209.4	582.9	475.6	583.0	604.6	310.4	1,973.6

* 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	710,000		Completion of Expansion 70,000MT/Y, 4Q, '21 Completion of Expansion 236,000MT/Y, 4Q, '23
	SB Latex	82,800		
	SBS	144,000		
	Total	1,617,800		
Synthetic Resins	PS	258,000	MT/Y	
	ABS	250,000		Improvement of productivity 40,000MT/Y, 2Q, '22
	SAN/Pwd	198,000		Improvement of productivity 24,000MT/Y, 2Q, '22
	EPS	79,500		
	PPG	151,500		
	Total	937,000		
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		
	MIBK	60,000		
	Cumene	900,000		
	BPA	450,000		
	Epoxy Resin	218,000		Completion of LER(III) Expansion 60,000MT/Y, 1Q, '22 Completion of LER(IV) Expansion 65,000MT/Y, 3Q, '23
	Total	2,728,000		
Kumho Mitsui Chemicals	MDI	410,000	MT/Y	Completion of Expansion 200,000MT/Y, 4Q, '23
	Aniline	20,000		
	Total	430,000		
Kumho Polychem	EP(D)M	230,000	MT/Y	Completion of Expansion 10,000MT/Y, 2Q, '22
	TPV/KEPA	12,000		
	Total	242,000		



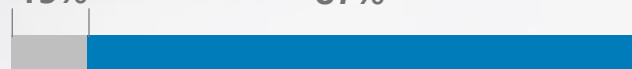
APPENDIX

Sales Breakdown & Export Share by Region

Synthetic Rubbers

Domestic
13%

Export
87%



S.E.Asia	50%
China	21%
S.W.Asia	11%
America	10%
Europe	7%
Others	1%



Synthetic Resins

Domestic
29%

Export
71%



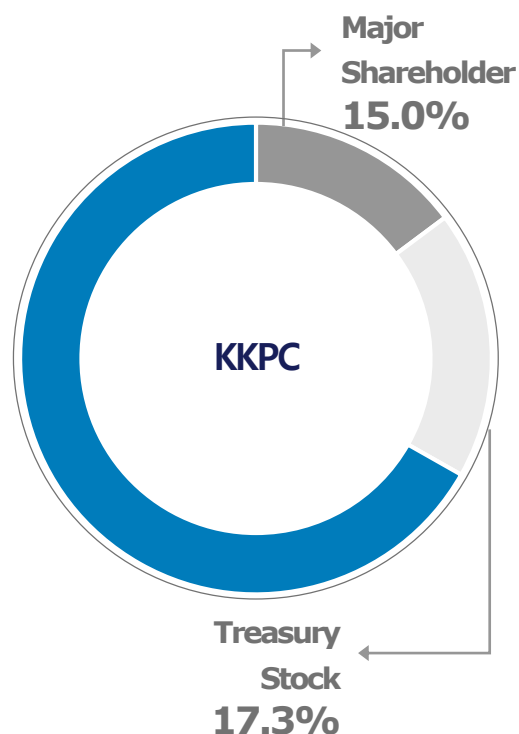
China	37%
Africa	15%
S.W.Asia	13%
America	13%
Europe	12%
S.E.Asia	10%



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 31th Dec, 2021.
based on common shares



Thank you

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