



May 4, 2022

1Q 2022 Earnings Release

KUMHO PETROCHEMICAL



The business result for the 1st quarter of 2022 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 white clouds. In the foreground, a tall, cylindrical metal structure with a spiral staircase and a platform is visible. Two workers wearing hard hats and safety gear are standing on the platform, looking down. The background features a complex network of pipes, tanks, and other industrial structures, with mountains visible in the distance.

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1Q 2022 Business Results

Income Statements

(Unit: KRW bn)

Classification	22.1Q	21.4Q	QoQ	21.1Q	YoY
Sales	2,199.1	2,172.0	1.2%	1,854.5	18.6%
Operating Profit	449.1 (20.4%)	415.3 (19.1%)	8.1%	612.5 (33.0%)	-26.7%
EBITDA	505.6 (23.0%)	472.2 (21.7%)	7.1%	654.1 (35.3%)	-22.7%
Pre-tax Income	503.7 (22.9%)	420.4 (19.4%)	19.8%	675.3 (36.4%)	-25.4%
Net Income	373.2 (17.0%)	302.3 (13.9%)	23.5%	475.6 (25.6%)	-21.5%
Equity Income	49.3	34.6	42.5%	59.3	-16.9%

* Net Income is based on Controlling interests.

1Q 2022 Business Results

Balance Sheet

(Unit: KRW bn)

Classification	22.1Q	21 (End)	Change
Asset (Cash and equivalents)	8,381.1 (840.7)	8,115.7 (622.9)	3.3% (35.0%)
Liabilities (Debt)	3,181.4 (955.2)	3,032.8 (957.7)	4.9% (-0.3%)
Shareholder's Equity	5,199.7	5,082.9	2.3%
Liabilities/ Equity (%)	61.2%	59.7%	1.5%p

Financial Ratios

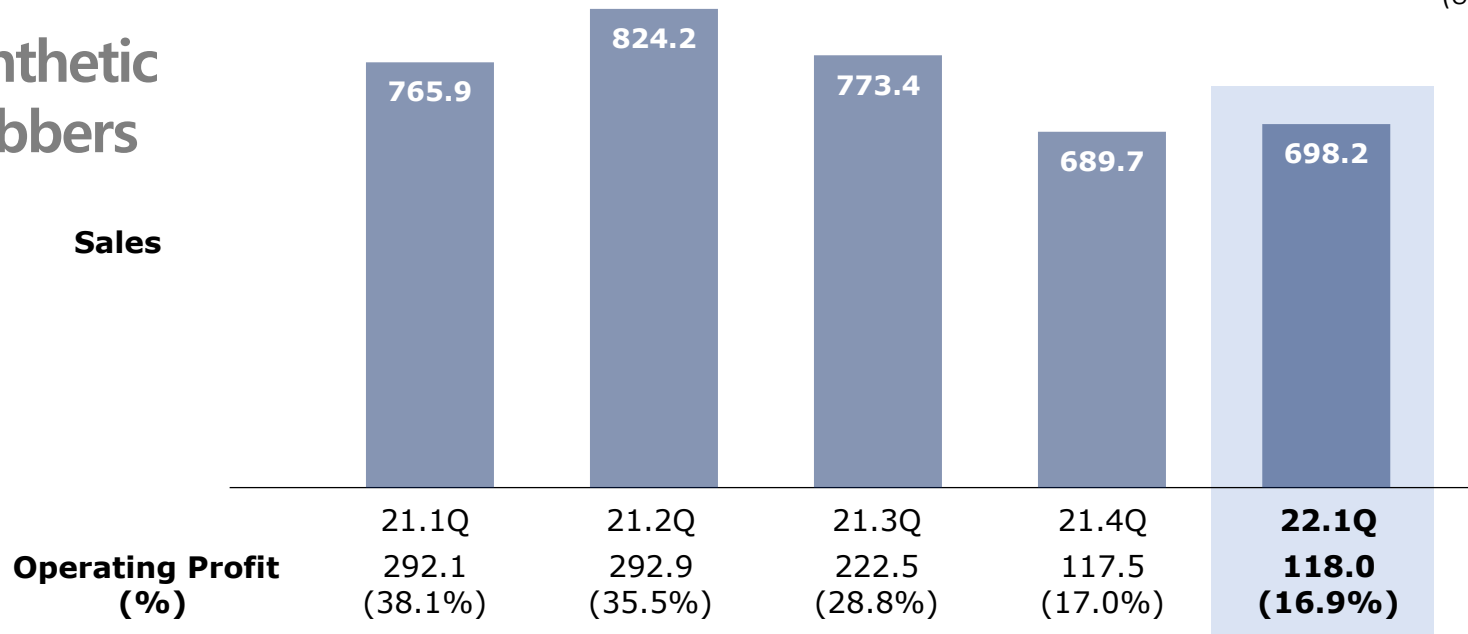
Classification	22.1Q	21 (End)	Change
Debt/Equity	18.4%	18.8%	-0.5%p
Net Debt /Equity	2.2%	6.6%	-4.4%p
Interest Coverage Ratio (x)	59.7	88.5	-28.9
ROE	29.0%	47.8%	-18.7%p
ROA	18.1%	29.9%	-11.8%p

Divisional Results & Outlook

(Unit: KRW bn)

Synthetic Rubbers

Sales



1Q Earnings Review

- Maintaining solid profitability by improving product portfolio despite rising raw material price and weak demand of petrochemical.
- Profitability decreased due to falling price of NB Latex gloves and intensifying competition.

2Q Outlook

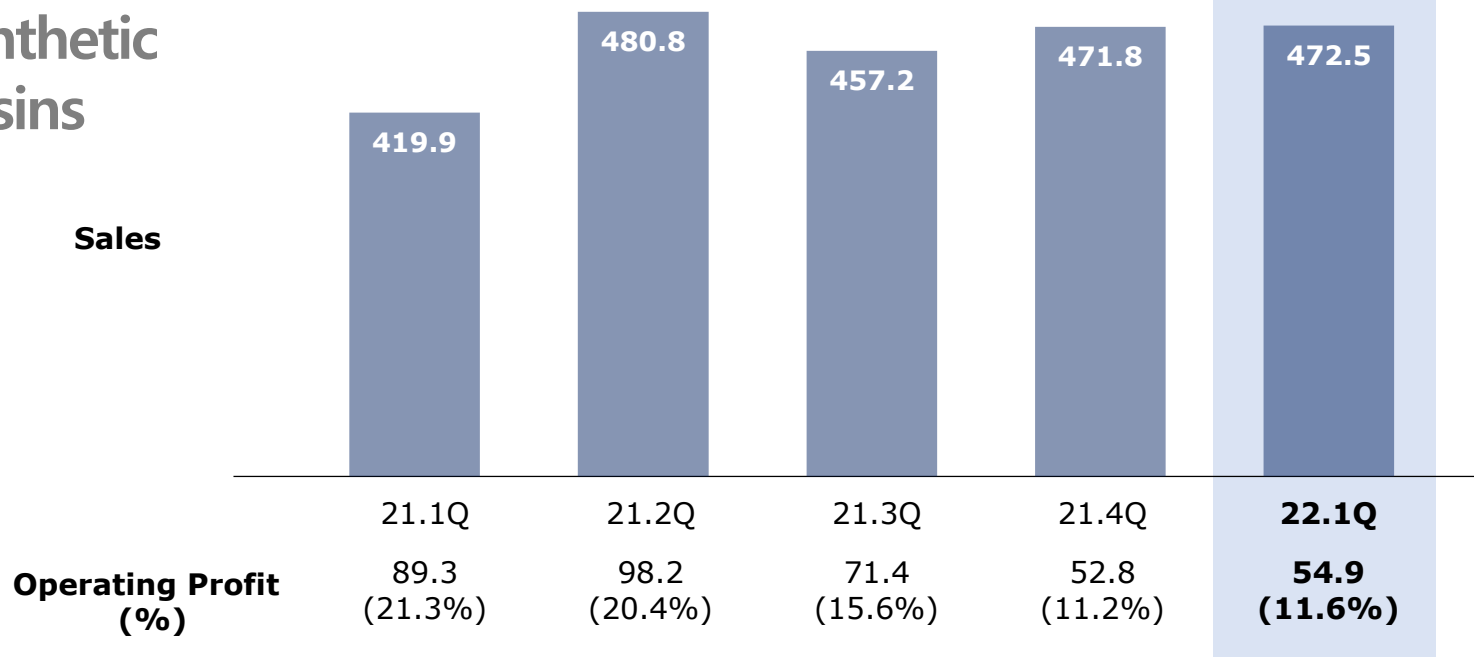
- BD: Asian market price is expected to decrease due to domestic cracker's increased utilization and new plant operation.
- Strong demand outlook of general purpose rubber for tires.
- NB Latex demand declines and market price continues to weaken.

Divisional Results & Outlook

Synthetic Resins

Sales

(Unit: KRW bn)



1Q Earnings Review

- ABS profitability declined due to delayed recovery of real demand at large home appliance makers, but profit improved by raising the PS selling price due to the increase in raw material SM price.

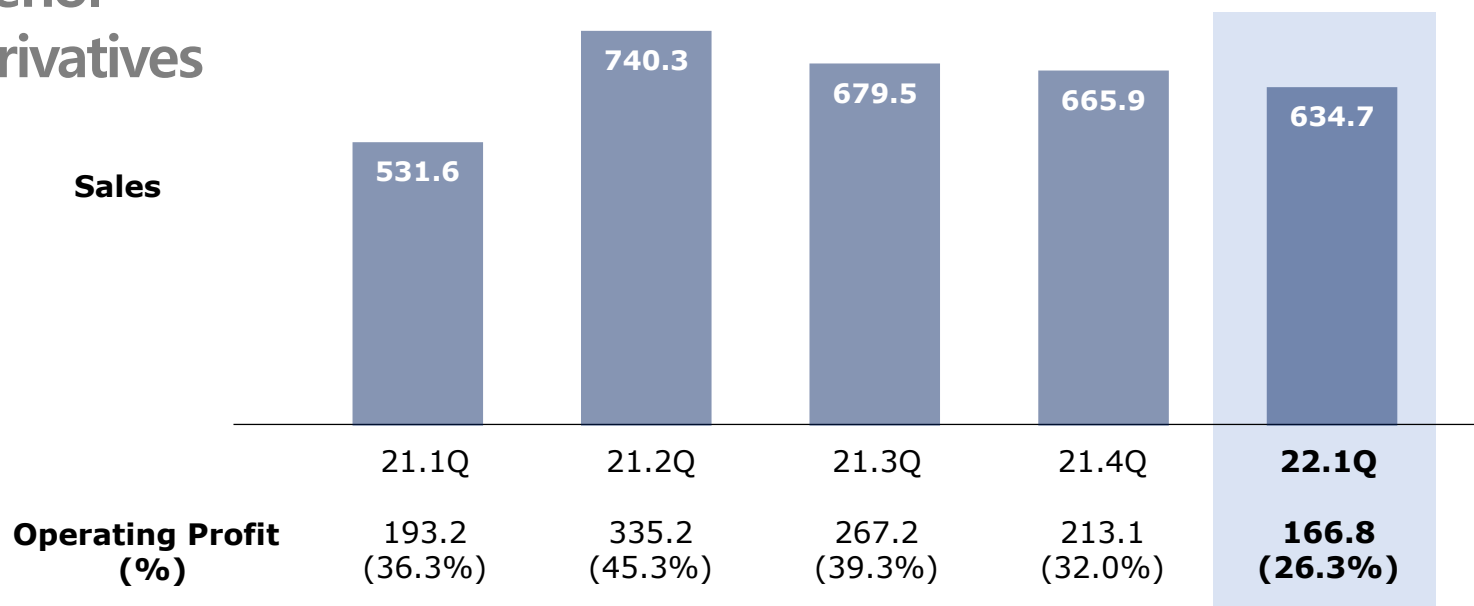
2Q Outlook

- SM: Asian market price is expected to decrease due to new plant operation in China and weak demand of downstream.
- Major product price is expected to decrease due to weak demand for home appliance and compounding.

Divisional Results & Outlook

(Unit: KRW bn)

Phenol Derivatives



1Q Earnings Review

- Profitability declined due to weak demand and narrowed spreads for BPA and EPOXY.

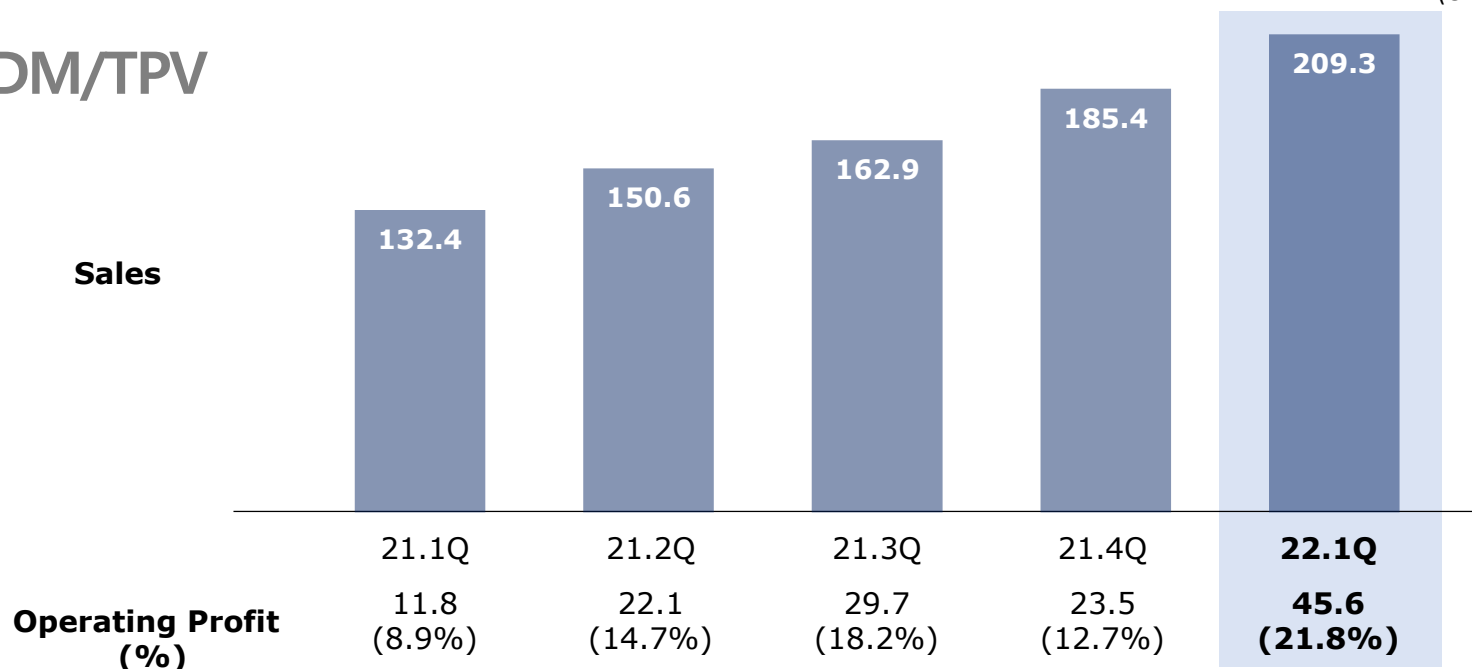
2Q Outlook

- Purchasing sentiment weakened due to continued lockdown in China, market price expected to continue to weaken.

Divisional Results & Outlook

(Unit: KRW bn)

EPDM/TPV



1Q Earnings Review

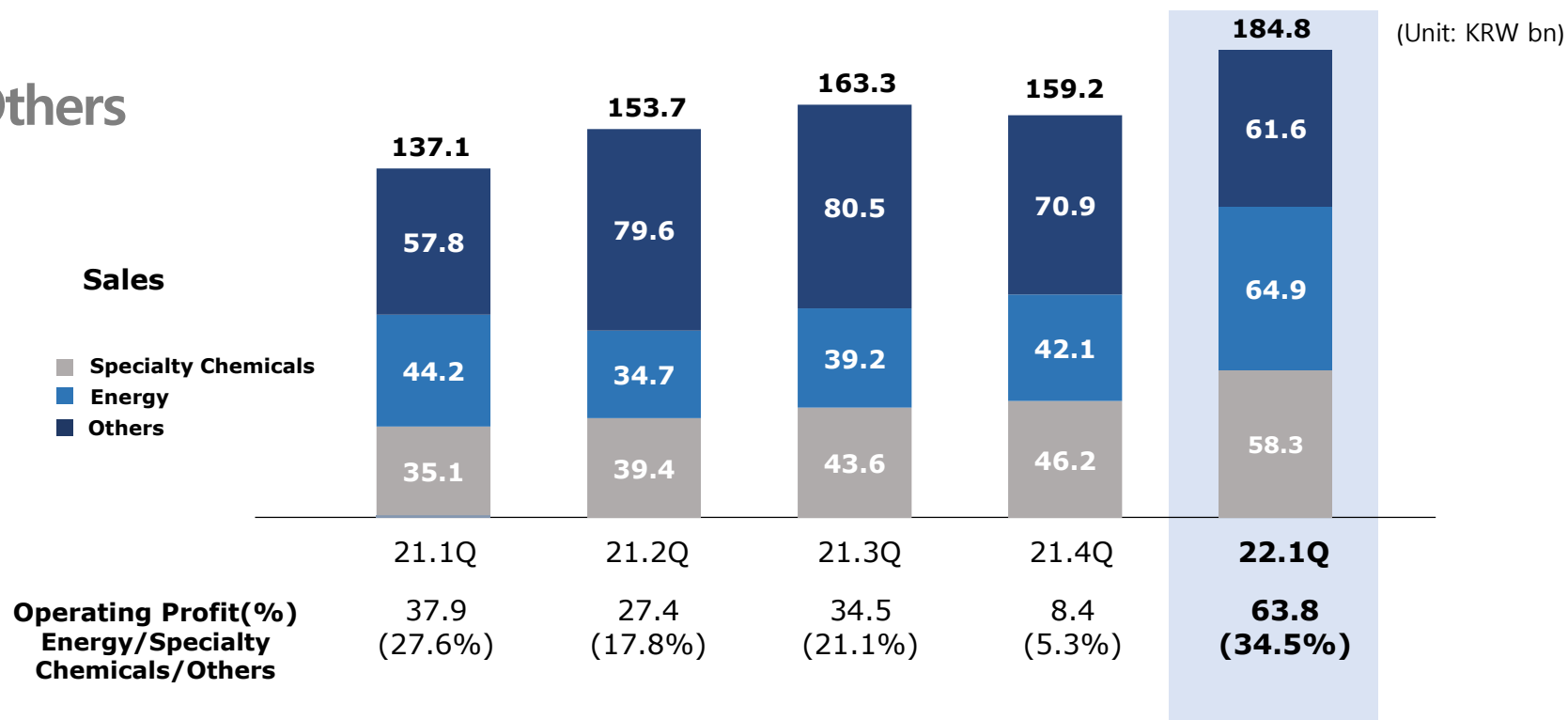
- Increased sales and profitability due to solid demand from downstream industries.

2Q Outlook

- Market price is expected to remain flat despite weak demand in China.

Divisional Results & Outlook

Others



1Q Earnings Review

- Energy: Improvement in profitability due to a increase in sales price.

2Q Outlook

- Energy: Sales and profitability will be slightly reduced due to regular maintenance in May.

APPENDIX

Quarterly Performance

(Unit: KRW bn)

Classification	2021					2022				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Sales	1,854.5	2,199.0	2,236.3	2,172.0	8,461.8	2,199.1				2,199.1
Operating Profit	612.5	753.7	625.3	415.3	2,406.8	449.1				449.1
Net Interest Expense	7.6	5.8	3.8	4.3	21.5	1.1				1.1
Equity Income	59.3	55.8	38.9	34.6	188.6	49.3				49.3
Pre-tax Income	675.3	789.0	733.4	420.4	2,618.1	503.7				503.7
Net Income	475.6	583.0	604.6	302.3	1,965.5	373.2				373.2

* 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		Completion of Expansion 5,000MT/Y, 2Q, '22
	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	273,000		Completion of LER(III) Expansion 60,000MT/Y, 1Q, '22 Completion of LER(IV) Expansion 65,000MT/Y, 4Q, '23
	Total	2,783,000		
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
16%

Export
84%

S.E.Asia	48%
China	20%
S.W.Asia	11%
America	11%
Europe	8%
Others	2%



Synthetic Resins

Domestic
31%

Export
69%

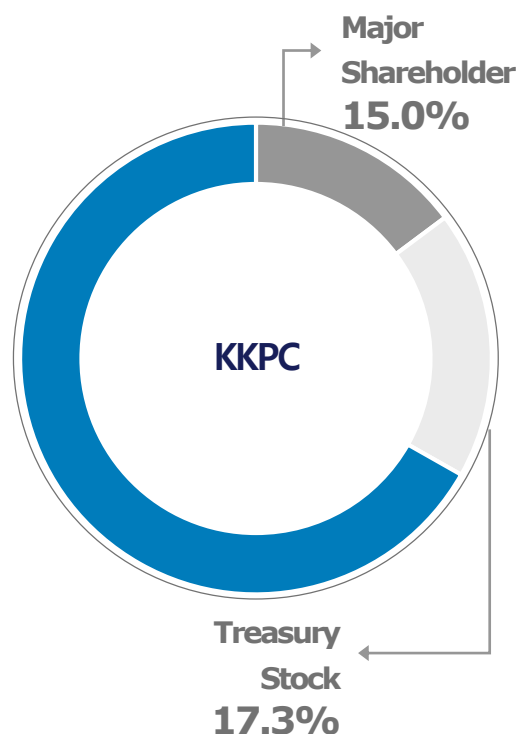
China	34%
S.W.Asia	16%
Africa	14%
Europe	14%
S.E.Asia	12%
America	10%



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 Mar, 2022.
based on common shares



Thank you

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