



Jan 29, 2024

4Q 2023 Earnings Release

KUMHO PETROCHEMICAL



The business result for the 4th quarter of 2023 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 tall, cylindrical metal structure with a spiral staircase and a platform is visible. Two workers wearing white 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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4Q 2023 Business Results

Income Statements

(Unit: KRW bn)

Classification	23.4Q	23.3Q	QoQ	22.4Q	YoY
Sales	1,515.9	1,507.0	0.6%	1,645.5	-7.9%
Operating Profit	36.6 (2.4%)	84.2 (5.6%)	-56.5%	113.8 (6.9%)	-67.8%
EBITDA	98.7 (6.5%)	144.6 (9.6%)	-31.7%	174.6 (10.6%)	-43.5%
Pre-tax Income	61.2 (4.0%)	115.8 (7.7%)	-47.2%	83.3 (5.1%)	-26.5%
Net Income	82.5 (5.4%)	103.6 (6.9%)	-20.4%	149.0 (9.1%)	-44.6%
Equity Income	38.5	26.5	45.3%	30.5	26.2%

- Net Income is based on Controlling interests.
- The previous year's performance is a figure prepared by the company to reflect revisions.
- The above performance may change depending on the external auditor's audit results and the approval process at the annual general meeting of shareholders.

4Q 2023 Business Results

Balance Sheet

(Unit: KRW bn)

Classification	23.4Q	22 (End)	Change
Asset (Cash and equivalents)	7,981.2 (452.4)	7,717.4 (567.3)	3.4% (-20.3%)
Liabilities (Debt)	2,159.8 (825.6)	2,038.1 (728.8)	6.0% (13.3%)
Shareholder's Equity	5,821.4	5,679.3	2.5%
Liabilities/ Equity (%)	37.1%	35.9%	1.2%p

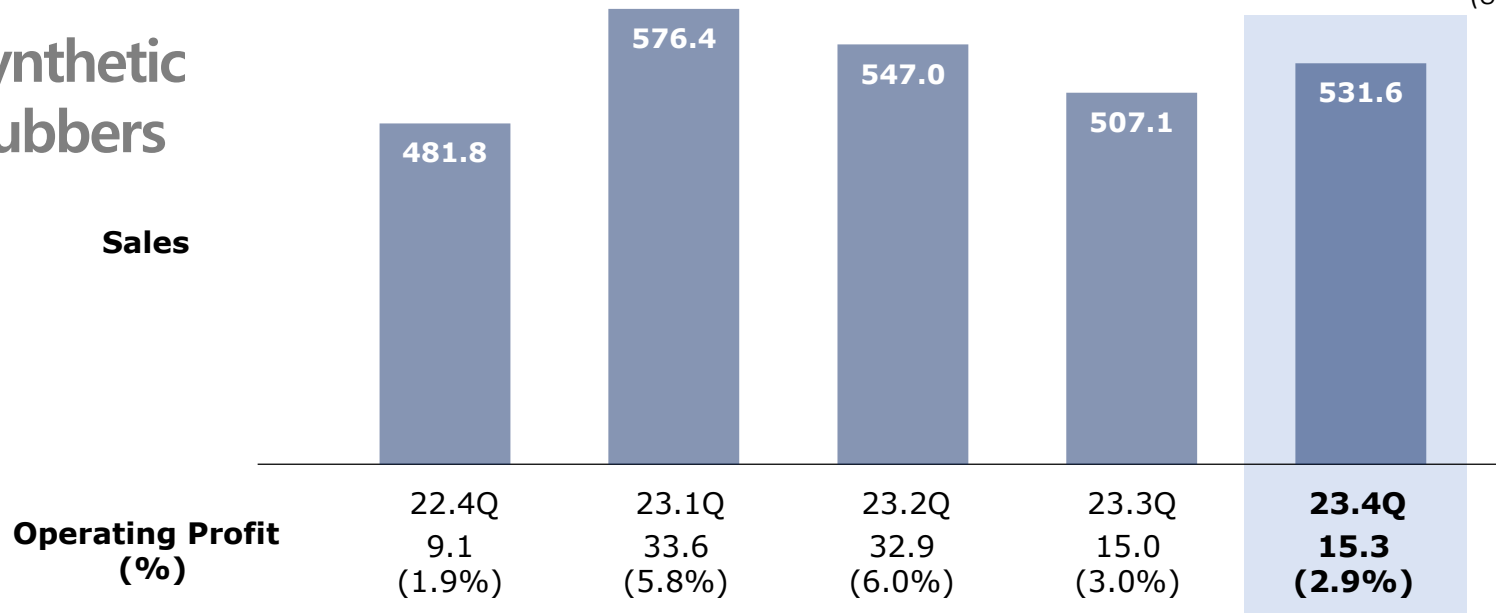
Financial Ratios

Classification	23.4Q	22 (End)	Change
Debt/Equity	14.2%	12.8%	1.3%p
Net Debt /Equity	6.4%	2.8%	3.6%p
Interest Coverage Ratio (x)	11.8	42.5	-30.6
ROE	7.6%	18.9%	-11.3%p
ROA	5.6%	12.9%	-7.3%p

Divisional Results & Outlook

Synthetic Rubbers

(Unit: KRW bn)



4Q Earnings Review

- Despite weak BD price and wait-and-see demand, defended profit by expanding value-added products.
- Glove makers maintained low operation rate and continued competition among NB Latex suppliers to secure sale volume.

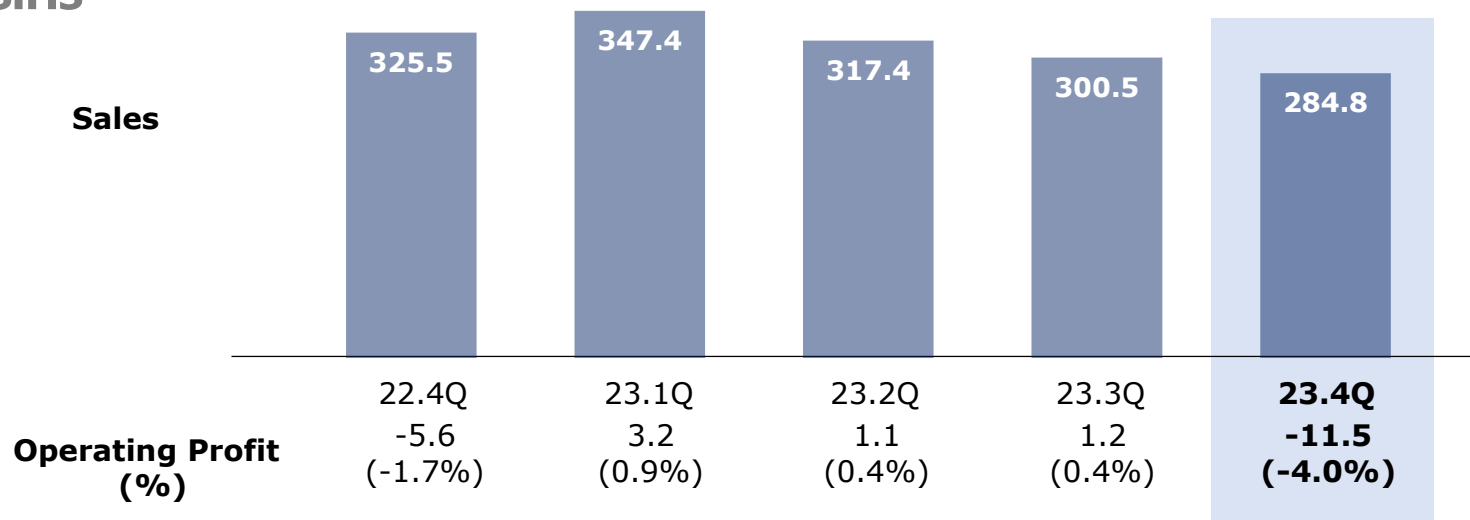
'24. 1Q Outlook

- BD: Market price is expected to be strong due to increased fluctuations in oil price, restrictions on cracker operation rate, and a decrease in inflow from the US and Europe due to increase in ocean freight rates.
- Market price increase is expected to be limited due to continued weak demand for major products, but promoting profit improvement through portfolio adjustment.

Divisional Results & Outlook

(Unit: KRW bn)

Synthetic Resins



4Q Earnings Review

- Profitability declined due to weak raw material price and sluggish demand at the end of the year.

'24. 1Q Outlook

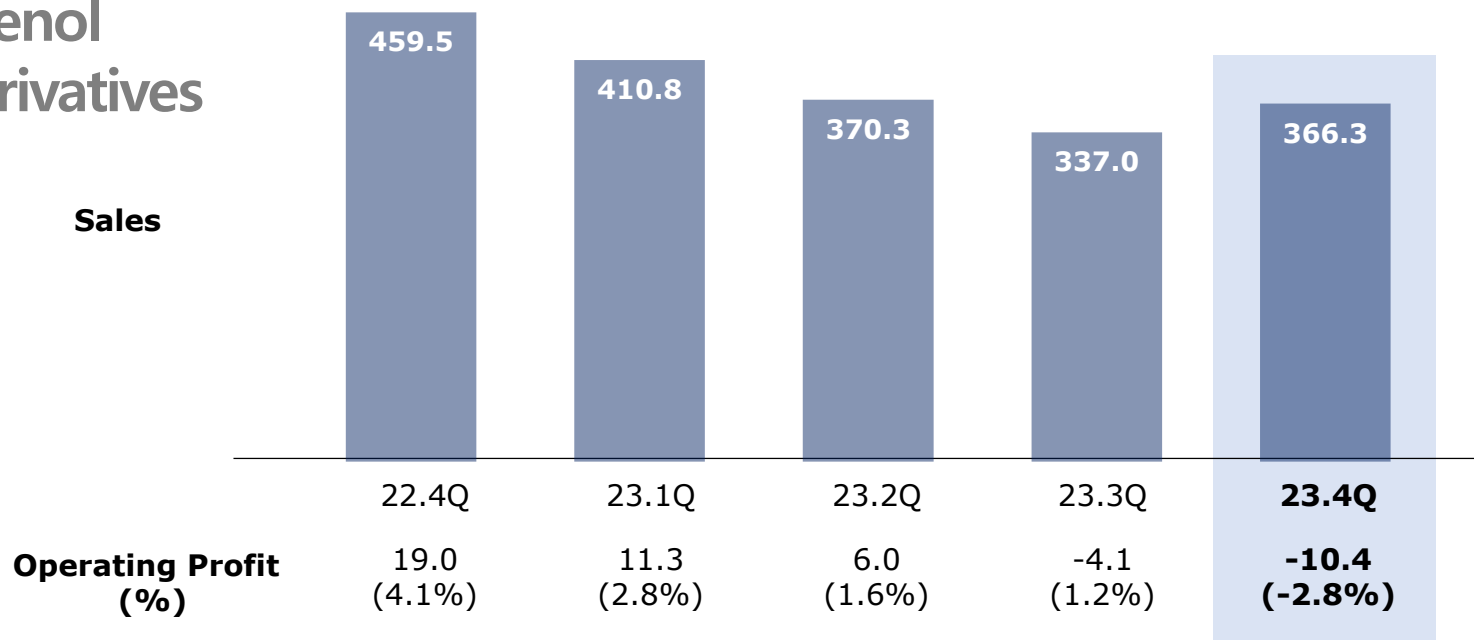
- SM: Market price is expected to remain strong due to strong benzene price and regional production cuts.
- ABS/PS market price rose slightly, but the price increase is limited due to slow demand recovery.

Divisional Results & Outlook

(Unit: KRW bn)

Phenol Derivatives

Sales



4Q Earnings Review

- Profitability decreased due to new phenol line in China, wait-and-see demand and weak BPA price.

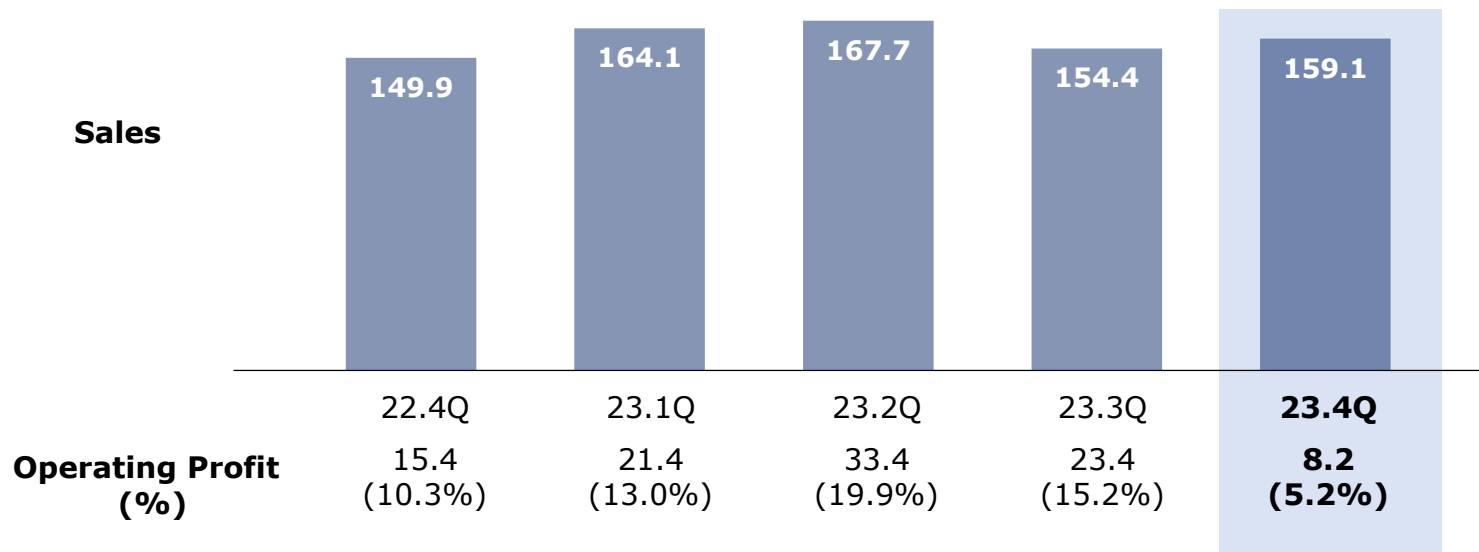
'24. 1Q Outlook

- BPA/EPOXY market price is expected to remain weak due to delayed global demand recovery and prolonged construction recession.

Divisional Results & Outlook

(Unit: KRW bn)

EPDM/TPV



4Q Earnings Review

- Decrease in profitability due to weak demand during the year-end off-season and adjustments in operating rates for major maintenance.

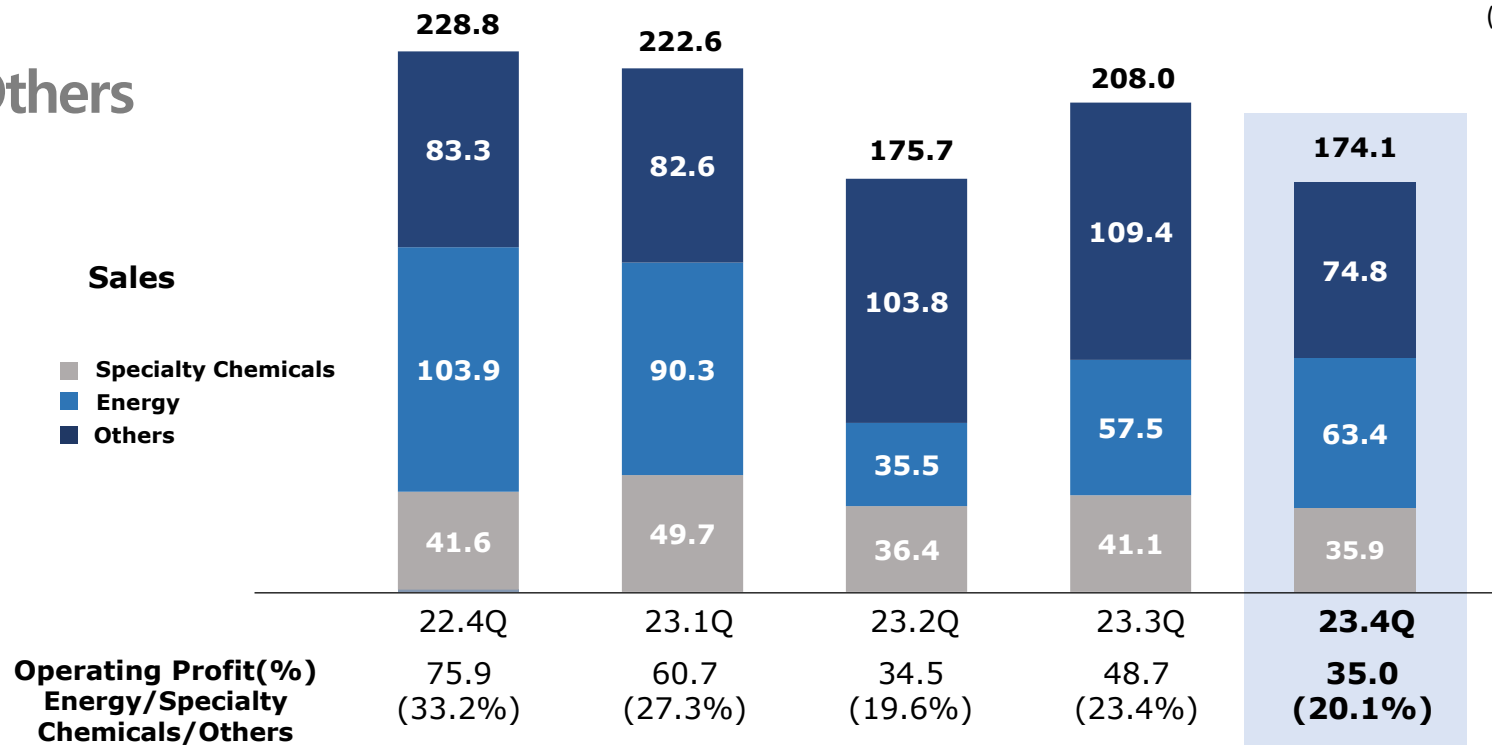
'24. 1Q Outlook

- Profit improvement is expected due to increase in sales volume and operation rate compared to the previous quarter.

Divisional Results & Outlook

(Unit: KRW bn)

Others



4Q Earnings Review

- Energy: Despite the regular maintenance period, maintained profitability due to a slight increase in SMP.

'24. 1Q Outlook

- Energy: Slight increase in sales volume and profitability compared to the previous quarter.

APPENDIX

Quarterly Performance

(Unit: KRW bn)

Classification	2022					2023				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Sales	2,199.1	2,243.9	1,887.1	16,455	7,975.6	1,721.3	1,578.1	1,507.0	1,515.9	6,322.3
Operating Profit	449.1	353.9	230.5	113.8	1,147.3	130.2	107.9	84.2	36.6	358.9
Net Interest Expense	1.1	1.9	-5.0	11.1	9.1	-5.2	-0.1	-3.2	-5.7	-14.2
Equity Income	49.3	21.0	24.2	30.5	125.0	22.0	23.9	26.5	38.5	110.9
Pre-tax Income	503.7	387.4	280.0	83.3	1,254.4	168.5	140.5	115.8	61.2	486.0
Net Income	373.2	286.9	210.8	149.0	1,019.9	132.6	117.3	103.6	82.5	436.0

* Net Income is based on Controlling interests.

APPENDIX

Production Capacity (KKPC)

Classification	Product	Capa	Unit	Note
Synthetic Rubbers	SBR	263,000	MT/Y	
	B R	HBR		Improvement of productivity 3,000MT/Y, 4Q, '23
		LBR		
	S-SBR	123,000		
	NdBR	60,000		
	NBR	92,000		
	HSR	10,000		
	NB Latex	710,000		Completion of Expansion 236,000MT/Y, 2Q, '24
	SB Latex	84,900		Improvement of productivity 2,000MT/Y, 4Q, '23
	SBS	144,000		
	Total	1,701,900		
Synthetic Resins	PS	264,500	MT/Y	
	ABS	290,000		
	SAN/Powder	237,000		
	EPS	79,500		
	PPG	151,500		
	Total	1,022,500		
Specialty Chemicals	Antioxidants	70,800	MT/Y	
Energy	Steam	1,710	T/H	
	Electricity	300	MWH	
BD	Ulsan	90,000	MT/Y	
	Yeosu	147,000		
	계	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	278,000		Completion of LP(II) Expansion 60,000MT/Y, 1Q, '24
	Total	2,788,000		
Kumho Mitsui Chemicals	MDI	410,000	MT/Y	Completion of Expansion 200,000MT/Y, 3Q, '24
	Aniline	10,000		
	Total	420,000		
Kumho Polychem	EP(D)M	240,000	MT/Y	Completion of Expansion 70,000MT/Y, 4Q, '24
	TPV/KEPA	12,000		
	Total	252,000		



APPENDIX

Sales Breakdown & Export Share by Region

Synthetic Rubbers

Domestic
21%

Export
79%

S.E.Asia	44%
China	21%
S.W.Asia	14%
America	11%
Europe	9%
Others	1%



Synthetic Resins

Domestic
38%

Export
62%

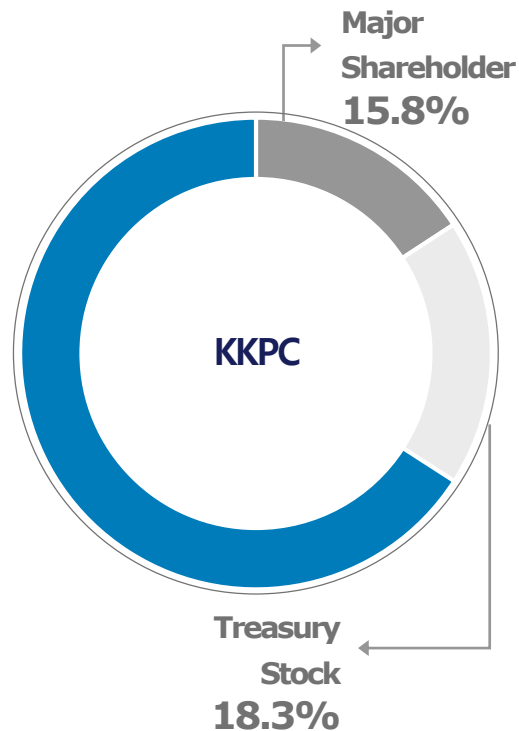
China	32%
S.W.Asia	15%
Europe	15%
Africa	15%
America	12%
S.E.Asia	11%



APPENDIX

Investment Shares & Financial assets at fair value

Financial assets at fair value	
Asiana Airlines	11.0%
Daewoo E&C	3.0%
KDB Life Insurance	0.2%



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, 2023.
based on common shares



Thank you

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