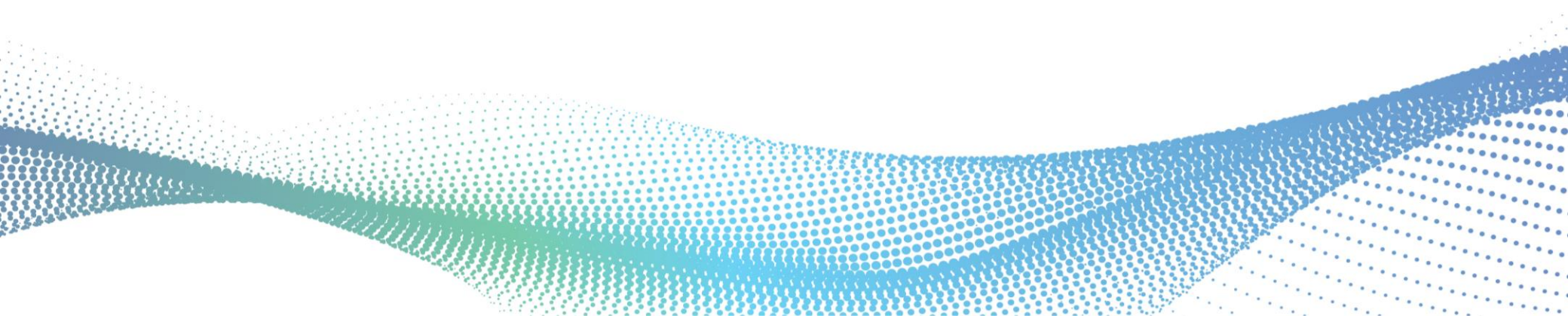


# THIRD QUARTER 2021

Financial Results

HYOSUNG CHEMICAL



## | What's Inside |

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## HYOSUNG CHEMICAL

[3Q 2021 consolidated earnings and past consolidated earnings presented in this presentation are based on K-IFRS accounting standards. Historical data is provided for comparison purposes.](#)

Information in this presentation has not been audited nor reviewed yet, and thus, is subject to change during the audit or review. Forward looking statements have been made with consideration of current status of the business environment and are also subject to change according to changes in the business environment, as well as the company's strategy.

# 3Q 2021 Financial Results

## Quarterly Profit/Loss Statement (Consolidated)

(Unit: Billion KRW)

	3Q 2020	2Q 2021	3Q 2021	QoQ	YoY
Sales Revenue	487.3	619.2	630.6	1.8%	44.2%
Gross Profit	46.5	95.6	58.7	(38.6%)	26.2%
<i>Gross Profit Margin</i>	<i>9.5%</i>	<i>15.4%</i>	<i>9.3%</i>	<i>(6.1%p)</i>	<i>(0.2%p)</i>
Operating Profit	24.9	71.3	32.9	(53.9%)	32.1%
<i>Operating Profit Margin</i>	<i>5.1%</i>	<i>11.5%</i>	<i>5.2%</i>	<i>(6.3%p)</i>	<i>0.1%p</i>
Interest Expense	11.3	7.6	7.4	(2.6%)	(34.5%)
Gain or Loss on Foreign Exchange/Derivatives	(0.4)	(0.1)	(0.5)	Continued Loss	Continued Loss
Income before Tax	13.2	64.1	24.1	(62.4%)	82.6%
Net Profit	6.3	46.8	14.0	(70.0%)	122.2%
Net Profit in Controlling Interest	(12.6)	46.8	14.0	(70.0%)	흑자전환
EBITDA	72.2	117.4	79.5	(32.3%)	10.1%

# 3Q 2021 Financial Results (Continued)

## Balance Sheet (Consolidated)

(Unit : Billion KRW)

	Dec 2020	Jun 2021	Sep 2021	QoQ
Assets	2,417.4	2,650.4	2,933.3	10.7%
Current Assets	435.8	514.6	721.9	40.3%
Cash & Cash Equivalents	65.1	19.4	83.9	332.5%
Non-Current Assets	1,981.6	2,135.8	2,211.4	3.5%
Liabilities	2,015.0	2,147.1	2,400.5	11.8%
Current Liabilities	624.2	680.6	810.1	19.0%
Non-Current Liabilities	1,390.8	1,466.5	1,590.4	8.4%
Equity	402.4	503.3	532.8	5.9%
Debt	1,661.4	1,782.1	1,923.9	8.0%
Net Debt	1,596.3	1,762.7	1,840.0	4.4%
<i>Debt Ratio</i>	<i>500.8%</i>	<i>426.6%</i>	<i>434.8%</i>	<i>8.2%p</i>

## 3Q 2021 Financial Results (Continued)

### Cashflow (Consolidated)

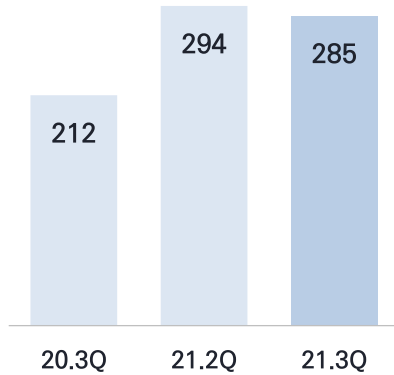
(Unit : Billion KRW)

	Jan to Dec 2020	2Q 2021	3Q 2021	Jan to Sep 2021
Cash Flow from Operations	108.4	30.0	42.2	130.0
Net Income	(11.6)	46.8	14.0	102.7
Depreciation	181.9	46.1	46.6	138.9
Changes in Net Working Capital	(61.9)	(62.9)	(18.4)	(111.6)
Cash Flow from Investing	(477.6)	(53.1)	(119.6)	(373.8)
PP&E and Intangibles	(474.2)	(53.1)	(119.6)	(373.8)
Others	(3.4)	0	0	0
Cash Flow from Financing	318.5	(69.0)	141.8	262.5
Changes in Borrowings	318.5	(69.0)	141.8	262.5
Dividend Payment	0	0	0	0
Cash and Cash Equivalents	(50.7)	(92.1)	64.4	18.7

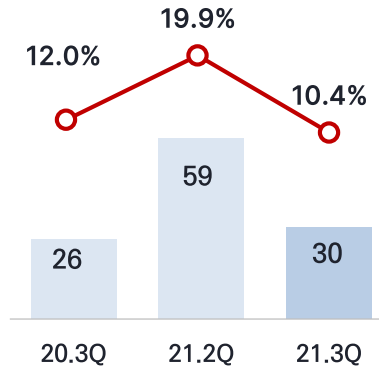
# Financial Performance by Division

## PP/DH (Korea) | Costs associated with fire damage, higher cost of export shipping, more than offsetting better sale of premium-grade

Sales Revenue



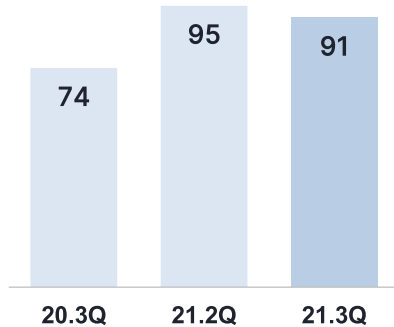
Operating Profit (Margin) Unit: Billion KRW



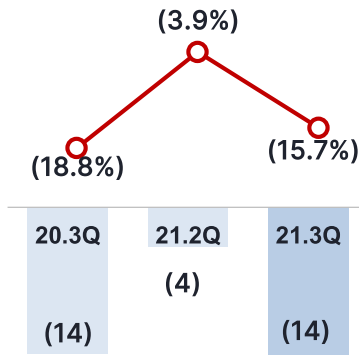
- PP price retreated in tandem with weaker price of PVC for which PP is one of the primary alternatives especially in the area of pipe. Additionally, higher cost of export shipping led to margin squeeze.
- Maintenance outage (scheduled originally for 1Q22) moved up to Sep on account of fire accident, which incurred additional expenses.
- Uptick in key raw material costs (Propane, CP)
- Recovered sales volume for premium-grade products in China

## PP/DH (Vietnam) | Demand plummeted amid COVID Delta surge, down at both volume and ASP

Sales Revenue



Operating Profit (Margin) Unit: Billion KRW



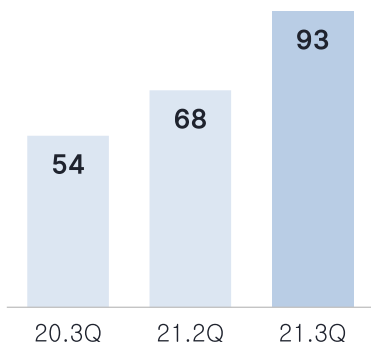
- Successful completion of the new units (PP 300k T/year, DH 600k T/year) doubling the PP production capacity in Vietnam, volume sold declined, however, amid COVID Delta surge
- ASP came down as well due to weaker sale of premium-grade



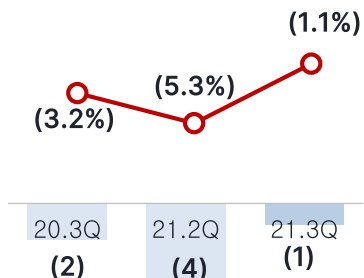
# Financial Performance by Division (Continued)

## TPA | Reduced losses amid improved sales volume following a planned outage in 2Q

### Sales Revenue



### Operating Profit (Margin) Unit: Billion KRW



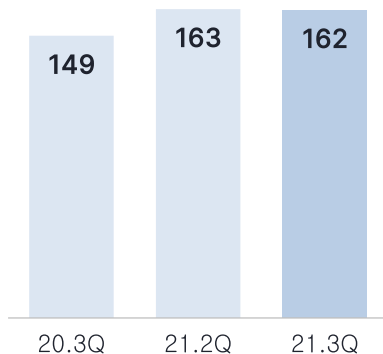
- Non-recurrence of shutdown for maintenance (17days at 2Q) resulted in better volume sold in 3Q

- Steady TPA spread over PX

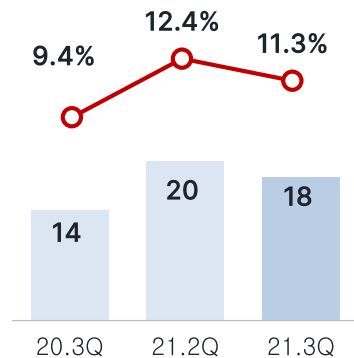
(unit: \$/ton)	20.3Q	21.2Q	21.3Q	QoQ	YoY
TPA-PX Spread	78	95	95	0.0%	21.8%

## Others | Continued benefit from strong IT demands: Semiconductors, Displays for vehicles

### Sales Revenue



### Operating Profit (Margin) Unit: Billion KRW



### <NF3>

- Increased volume sold for specialty gas driven by strong demand from various IT sector; Semiconductors and displays

### <TAC flim>

- Solid OP and Sales driven by strong downstream (display)

### <Flim>

- 3Q sales and OP reduced by one-off expenses incurred from an unplanned maintenance (10 days)

### <POK>

- Lower fixed cost coverage due to better volume sold

## Appendix 1. Quarterly Income Statements by Biz Sector

### Sales Revenue

Unit: Billion KRW

	2018	2019					2020					2021		
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q
PP/DH	983.8	219.8	253.0	247.3	227.2	947.3	210.4	242.1	285.0	270.1	1,007.6	357.1	388.6	375.7
TPA	391.0	102.9	105.8	74.6	69.4	352.7	77.7	51.1	53.8	55.7	238.3	72.7	68.0	92.8
Others	489.1	128.8	129.2	134.0	120.5	512.5	136.7	136.1	148.5	149.9	571.2	161.4	162.6	162.1
Sum	1,864	451.5	488.0	455.9	417.1	1,812.5	424.8	429.3	487.3	475.7	1,817.1	591.2	619.2	630.6

### Operating Margin

Unit: Billion KRW

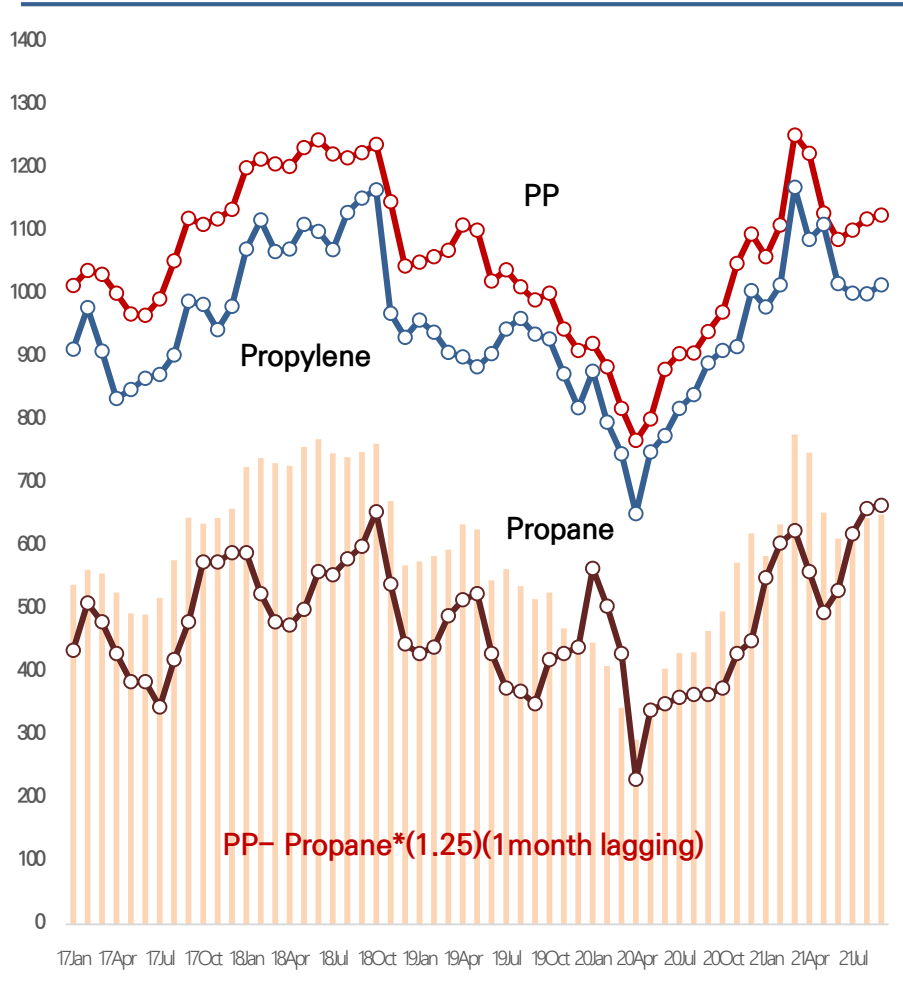
(OPM)	2018	2019					2020					2021		
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q
PP/DH	107.3	21.0	39.6	45.7	27.5	133.8	3.7	(5.3)	11.6	9.5	19.4	43.7	54.7	15.6
	10.9%	9.6%	15.7%	18.5%	12.1%	14.1%	1.8%	(2.2%)	4.1%	3.5%	1.9%	12.2%	14.1%	4.2%
TPA	7.6	2.7	6.8	2.0	(3.4)	8.1	(0.8)	(4.8)	(1.7)	(3.4)	(10.8)	(1.8)	(3.6)	(1.0)
	1.9%	2.6%	6.4%	2.7%	(4.9%)	2.3%	(1.0%)	(9.5%)	(3.2%)	(6.1%)	(4.5%)	(2.5%)	(5.3%)	(1.1%)
Others	(6.9)	1.3	3.2	7.4	0.2	12.1	9.5	13.8	15.0	14.0	52.3	19.2	20.2	18.3
	(1.4%)	1.0%	2.5%	5.5%	0.2%	2.4%	6.9%	10.1%	10.1%	9.3%	9.1%	11.9%	12.4%	11.3%
Sum	108.0	25.0	49.6	55.1	24.3	154.0	12.4	3.6	24.9	20.1	60.9	61.1	71.3	32.9
	5.8%	5.5%	10.2%	12.1%	5.8%	8.5%	2.9%	0.8%	5.1%	4.2%	3.4%	10.3%	11.5%	5.2%



## Appendix 2. Price Trend of Raw Materials

### PP – Propylene – Propane

(unit: \$/ton)



### PX – TPA

(unit: \$/ton)

