

2021.1Q Quarter Earnings Release

Hyosung Chemical

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2021.1Q 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.

I . Income Status

Income Statement (Consolidated)

(Unit: Hundred Million KRW)

	2020.1Q	2020.4Q	2021.1Q (consolidated)	(separated)	QoQ	YoY
Sales Revenue	4,248	4,757	5,912	5,061	1,155	1,664
Gross Profit	352	429	844	833	415	492
(Gross Profit Margin)	(8.3%)	(9.0%)	(14.3%)	(16.5%)	+5.3%p	+6.0%p
Operating Profit	124	201	611	616	410	487
(Operating Profit Margin)	(2.9%)	(4.2%)	(10.3%)	(10.4%)	+6.1%p	+7.4%p
Interest Expense	▲79	▲92	▲82	▲55	10	▲3
Loss due to Foreign Exchange/Derivatives	▲21	0	▲4	▲1	▲4	17
Income before Tax	14	▲21	535	569	556	521
Net Income	11	▲61	419	453	479	408
EBITDA	509	674	1,073	970	399	564

(*) ① Started sales activities for a new Vietnam PP subsidiary from 2020.2Q ② 10 billion won in impairment loss for POK division

II. Financial Status

Statement of Financial Position (Consolidated)

(Unit: Hundred Million KRW)

	2018.12.31	2019.12.31	2020.12.31	2021.03.31	QoQ
Asset	16,533	20,635	24,174	26,883	2,709
Current Asset	4,417	4,461	4,358	5,585	1,227
(Cash&Cash Equivalents)	(793)	(1,158)	(651)	(1,115)	464
Non-Current Asset	12,116	16,174	19,816	21,298	1,482
Liability	12,860	16,088	20,150	22,306	2,155
Current Liability	6,860	4,313	6,242	6,928	685
Non Current Liability	6,000	11,775	13,908	15,378	1,470
Equity	3,673	4,547	4,024	4,578	554
Borrowings	9,831	13,429	16,614	18,511	1,897
Net Borrowings	9,038	12,270	15,963	17,396	1,433
Debt Ratio	(350.1%)	(353.8%)	(500.8%)	(487.3%)	-13.5%p

III. Cash Flow Status

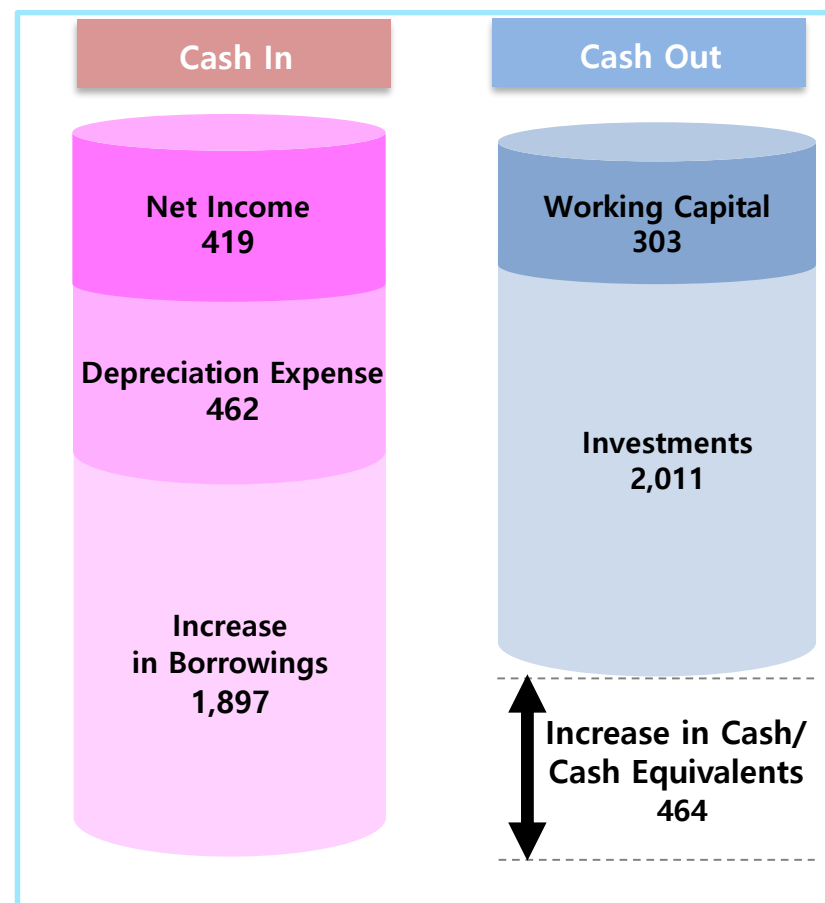
Cash Flow Statement

(Unit: Hundred Million KRW)

Cash Flow from Operations	578
<ul style="list-style-type: none"> ● Retained Earnings 881 <ul style="list-style-type: none"> · Net Income 419 · Depreciation Expense 462 ● A/R, Inventory, A/P, etc ▲303 	
Cash Flow from Investing	▲2,011
<ul style="list-style-type: none"> ● Acquisition of Tangible/Intangible Assets ▲2,011 <ul style="list-style-type: none"> · Hyosung Vina Chemical Co.,Ltd ▲1,908 	
Cash Flow from Financing	1,897
<ul style="list-style-type: none"> ● Increase in Borrowings 1,897 	
Increase/Decrease in Cash	464

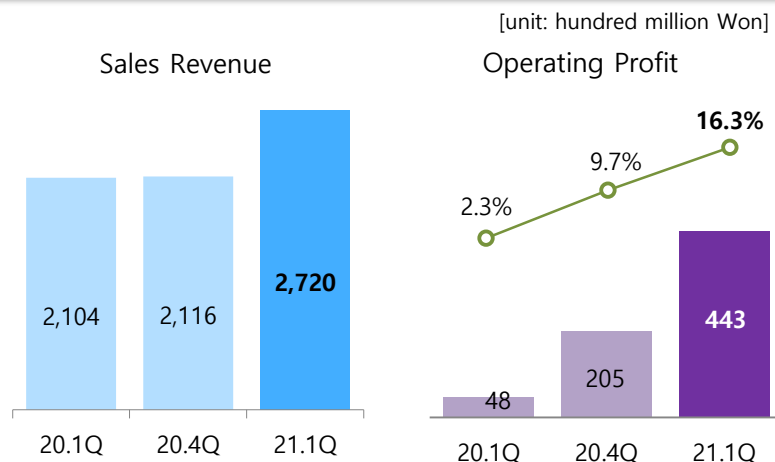
Net Cash Flow

(Unit: Hundred Million KRW)



IV. Performance by Business Division

PP/DH



<PP/DH>

- The premium of PP-specific products such as pipes and medical supplies recovers above the pre-corona level in North America, Europe, and the Middle East
- In particular, in North America, sales volume surged in the aftermath of the February cold wave.
- However, in China, the largest market, amid a slow recovery in sales volume of specialty products, premiums improved compared to the previous quarter, but remained low compared to the previous year..

Vietnam vina Corp. _As the sales volume of specialties increases, the selling price mix rises



[unit: hundred million Won]

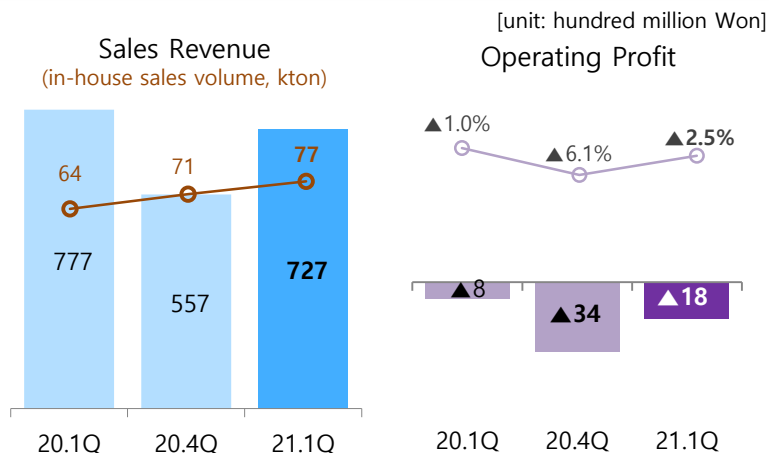
[unit: hundred million Won]

	20.2Q	20.3Q	20.4Q	21.1Q	QoQ
Sales Revenue	443	738	587	851	264
Gross Profit	▲119	▲124	▲90	11	101
(Gross Profit Margin)	(▲26.8%)	(▲16.8%)	(▲15.4%)	(1.3%)	(흑자 전환)
Operating Profit	▲164	▲139	▲110	▲5	105
(Operating Profit Margin)	(▲37.0%)	(▲18.9%)	(▲18.7%)	(▲0.6%)	+ 18.1%
Interest Expense	53	43	37	29	▲8
Income before Tax	▲217	▲177	▲136	▲29	107

	2019	2020	21.1Q	QoQ
Asset	7,822	12,553	14,332	1,779
Current Asset	2,252	1,762	1,741	▲21
(Cash&Cash Equivalents)	(1,146)	(642)	(533)	▲109
Non-Current Asset	5,570	10,791	12,591	1,800
Liability	4,975	9,290	10,962	1,672
(Borrowings)	(4,805)	(8,251)	(10,279)	(2,028)
Equity	2,847	3,263	3,370	107

IV. Performance by Business Division

TPA



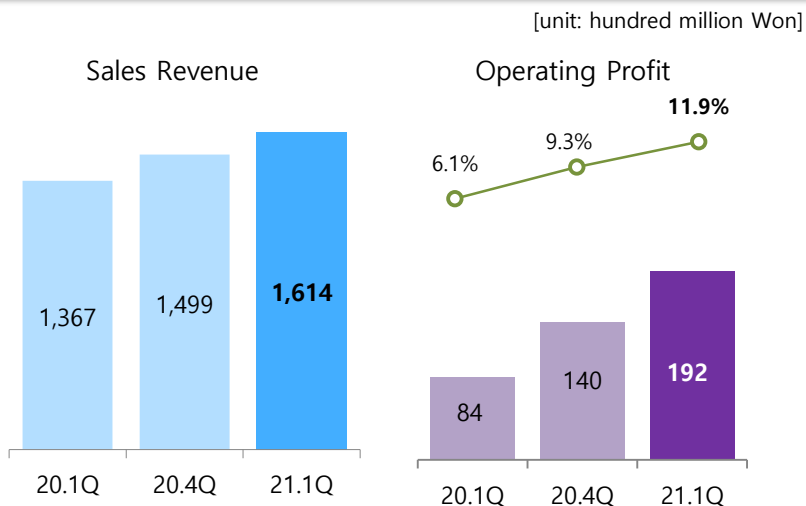
<TPA>

- **Spread improvement due to increased utilization of PET polymerization companies in China and equipment problems of European TPA makers**

(단위:\$/톤)	20.1Q	20.4Q	21.1Q	QoQ	YoY
TPA-PX Spread	92	83	101	(21.7%)	(9.8%)

- **As the group's PET business (ex. PET tire cord) improved, in-house sales volume recovered to the previous year's level**

Others Improved profitability by improving productivity and increasing sales volume



<Flim>

- **Increase in production and sales due to improved yield**

<NF3>

- **The IT industry continued to boom, and the productivity of special gas (F2N2) improved.**

<TAC Flim_LCD polarizer protective film>

- **Display industry continued to boom, and profitability improved more QoQ thanks to basic unit improvement.**

<Polyketone>

- **Improved profitability by reducing fixed cost per unit due to increased sales volume**

Appendix. Quarterly Operating Profit

Quarterly Income Statement

[unit: hundred million Won]

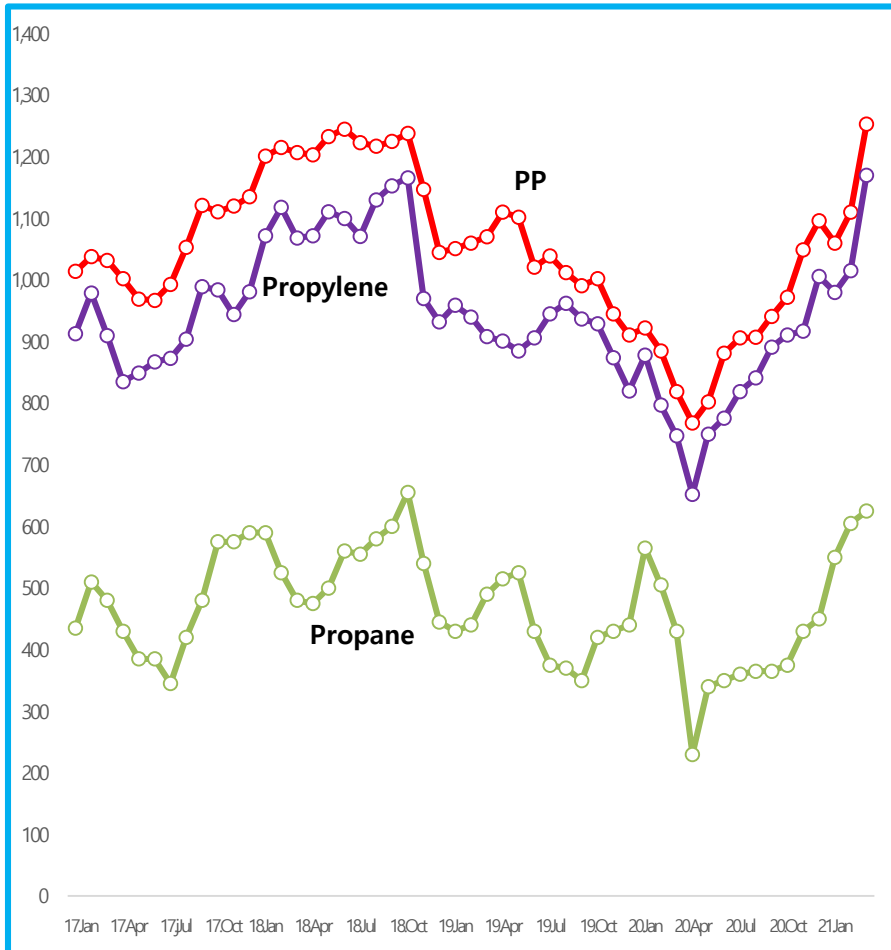
Revenue	2018	2019					2020					2021
		1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q		1Q
PP/DH	9,838	2,198	2,530	2,473	2,272	9,473	2,104	2,421	2,850	2,701	10,076	3,571
TPA	3,910	1,029	1,058	746	694	3,527	777	511	538	557	2,383	727
Others	4,891	1,288	1,292	1,340	1,205	5,125	1,367	1,361	1,485	1,499	5,712	1,614
	18,639	4,515	4,880	4,559	4,171	18,125	4,248	4,293	4,873	4,757	18,171	5,912

Operating Profit (Margin,%)	2018	2019					2020					2021
		1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q		1Q
PP/DH	1,073 (10.9%)	210 (9.6%)	396 (15.7%)	457 (18.5%)	275 (12.1%)	1,338 (14.1%)	37 (1.8%)	▲53 (▲2.2%)	116 (4.1%)	95 (3.5%)	194 (1.9%)	437 (12.2%)
TPA	76 (1.9%)	27 (2.6%)	68 (6.4%)	20 (2.7%)	▲34 (▲4.9%)	81 (2.3%)	▲8 (▲1.0%)	▲48 (▲9.5%)	▲17 (▲3.2%)	▲34 (▲6.1%)	▲108 (▲4.5%)	▲18 (▲2.5%)
Others	▲69 (▲1.4%)	13 (1.0%)	32 (2.5%)	74 (5.5%)	2 (0.2%)	121 (2.4%)	95 (6.9%)	138 (10.1%)	150 (10.1%)	140 (9.3%)	523 (9.1%)	192 (11.9%)
	1,080 (5.8%)	250 (5.5%)	496 (10.2%)	551 (12.1%)	243 (5.8%)	1,540 (8.5%)	124 (2.9%)	36 (0.8%)	249 (5.1%)	201 (4.2%)	609 (3.4%)	611 (10.3%)

Appendix. Flow of Raw Materials

PP – Propylene - Propane

(unit:\$/ton)



PX - TPA

(unit:\$/ton)

