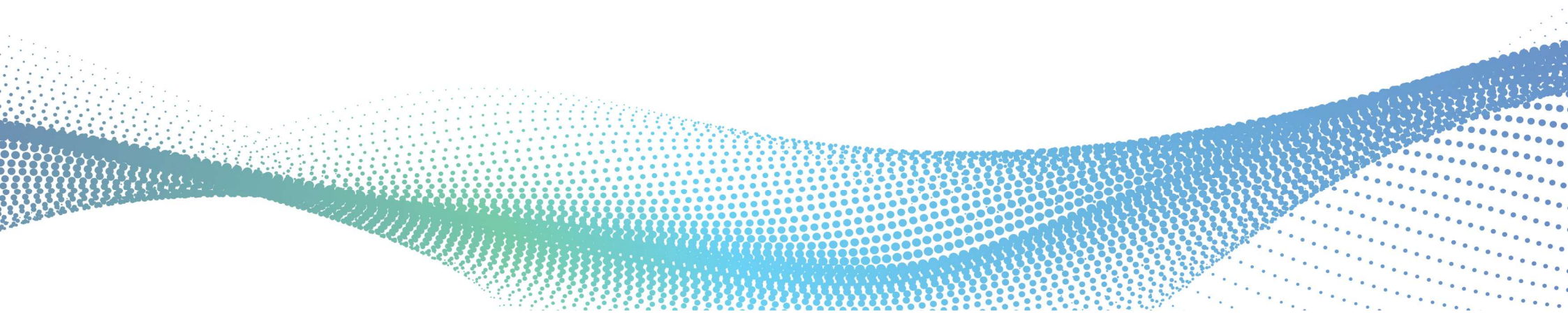


# SECOND QUARTER 2024

Financial Results

HYOSUNG CHEMICAL



## | What's Inside |

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3. Fact Sheet

## HYOSUNG CHEMICAL

[2Q 2024 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.

# 2Q 2024 Financial Results

## Quarterly Profit/Loss Statement (Consolidated)

(Unit: Billion KRW)

	2Q 2023	1Q 2024	2Q 2024	QoQ	YoY
Sales Revenue	723.8	710.4	754.5	6.2%	4.2%
Gross Profit	(74.3)	(7.1)	(23.1)	Continued Loss	Continued Loss
<i>Gross Profit Margin</i>	<i>(10.2%)</i>	<i>(1.0%)</i>	<i>(3.1%)</i>	<i>(2.1%p)</i>	<i>7.1%p</i>
Operating Profit	(103.3)	(34.8)	(50.7)	Continued Loss	Continued Loss
<i>Operating Profit Margin</i>	<i>(14.3%)</i>	<i>(4.9%)</i>	<i>(6.7%)</i>	<i>(1.8%p)</i>	<i>7.6%p</i>
Interest Expense	45.0	43.6	44.2	1.4%	(1.7%)
Gain or Loss on Foreign Exchange/Derivatives	2.5	(1.5)	(1.4)	6.7%	(156%)
Income before Tax	(147.5)	(80.6)	(97.5)	Continued Loss	Continued Loss
Net Profit	(142.4)	(73.9)	(90.1)	Continued Loss	Continued Loss
Net Profit in Controlling Interest	(142.4)	(73.9)	(90.1)	Continued Loss	Continued Loss
EBITDA	(33.6)	12.1	6.7	(44.6%)	119.9%

# 2Q 2024 Financial Results (Continued)

## Balance Sheet (Consolidated)

(Unit : Billion KRW)

	Dec 2023	Mar 2024	Jun 2024	QoQ
Assets	3,115.6	3,313.6	3,349.5	1.1%
Current Assets	710.0	846.4	849.5	0.4%
Cash & Cash Equivalents	52.8	185.8	167.4	(9.9%)
Non-Current Assets	2,405.6	2,467.2	2,500.0	1.3%
Liabilities	3,053.7	3,221.2	3,347.6	3.9%
Current Liabilities	2,147.5	2,557.7	2,911.8	13.9%
Non-Current Liabilities	906.2	663.5	435.8	(34.3%)
Equity	61.8	92.4	1.9	(97.9%)
Debt	2,460.3	2,628.1	2,638.1	0.4%
Net Debt	2,407.5	2,442.3	2,470.7	1.2%
<i>Net Debt to Equity Ratio</i>	<i>3,895.6%</i>	<i>2,643.2%</i>	<i>130,036.8%</i>	<i>127,393.6%p</i>

## 2Q 2024 Financial Results (Continued)

### Cashflow (Consolidated)

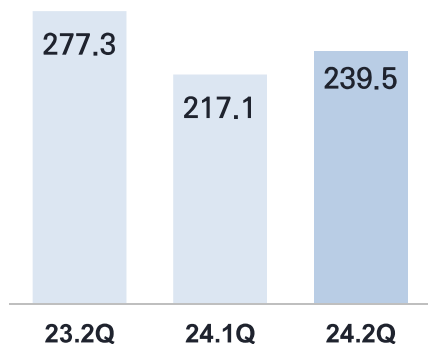
(Unit : Billion KRW)

	2023	1Q 2024	2Q 2024	2024
Cash Flow from Operations	75.4	(22.6)	59.7	37.1
Net Income	(346.9)	(73.9)	(90.1)	(164.0)
Depreciation	260.7	56.6	57.4	114.0
Changes in Net Working Capital, etc.	161.6	(5.3)	92.4	87.1
Cash Flow from Investing	(200.8)	(111.3)	(84.0)	(195.3)
PP&E and Intangibles	(200.8)	(111.3)	(84.0)	(195.3)
Others	0	0	0	0
Cash Flow from Financing	71.4	265.6	5.9	271.5
Changes in Borrowings	(76.5)	167.7	10.0	177.7
Dividend Payment	0	0	0	0
Changes in Cash and Cash Equivalents	(54.0)	131.7	(18.4)	113.3

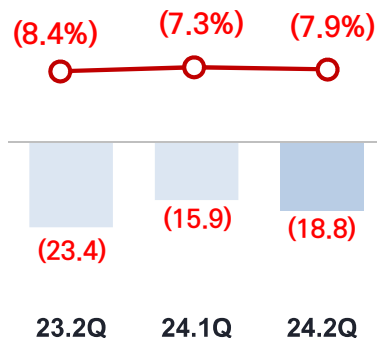
# Financial Performance by Division

PP/DH (Korea) | Decrease in premiums ensued as a result of a rise in ocean freight rates amid increased exports of Chinese products

Sales revenue



Operating Profit (Margin) Unit: Billion KRW



• PP homo(Korea)-Propane(CP)\*1.28 Spread QoQ

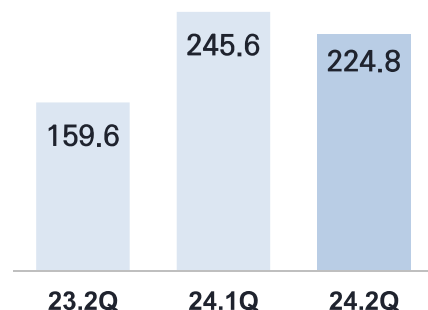
(\$/ton)	23.2Q	24.1Q	24.2Q	QoQ	YoY
PP(homo)	873	872	914	4.8%	4.7%
Propane(CP)	520	627	592	(5.6%)	13.8%
<b>Spread</b>	<b>207</b>	<b>69</b>	<b>156</b>	<b>125.0%</b>	<b>(24.7%)</b>

- The shortage of shipping containers worsened by increased exports of Chinese products due to anticipated tariff hikes by the US and Europe, leading to a rise in ocean freight rates
- PP(homo) price premium: North America, Europe vs. Far East Asia

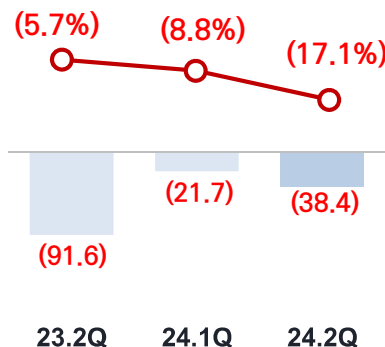
(\$/ton)	Jan.24	Feb.24	Mar.24	Apr.24	May.24	Jun.24
N-America	226	213	131	291	197	188
W-Europe	293	451	541	299	338	249

PP/DH (Vietnam) | Sluggish improvement due to regular maintenance of OL-1 and a rise in ocean freight rates

Sales revenue



Operating Profit (Margin) Unit: Billion KRW



• PP homo(Southeast Asia)-Propane(CP)\*1.15 Spread QoQ

(\$/ton)	23.1Q	23.4Q	24.1Q	QoQ	YoY
<b>Spread</b>	<b>227</b>	<b>219</b>	<b>237</b>	<b>8.2%</b>	<b>4.4%</b>

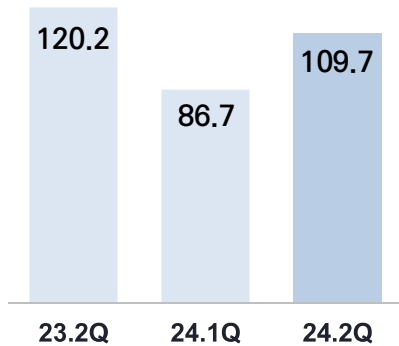
- Continued price competition arisen due to an influx of low-cost products from China into Vietnam
- Shortage of shipping containers stemming from an increase in exports leading to a rise in ocean freight rates



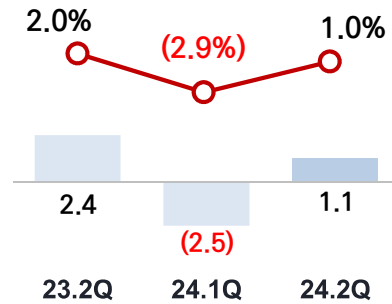
# Financial Performance by Division (Continued)

## TPA | Improved market conditions, higher operating rate

Sales Revenue



Operating Profit (Margin) Unit: Billion KRW



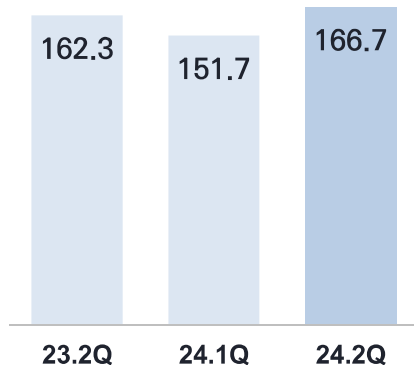
### • TPA-PX (0.665) QoQ, YoY

(\$/ton)	23.2Q	24.1Q	24.2Q	QoQ	YoY
TPA	797	768	772	0.5%	(3.1%)
PX	1,031	1,027	1,040	1.3%	0.9%
Spread	123	96	92	(4.7%)	(25.2%)

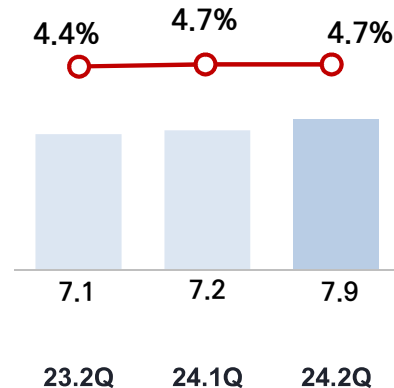
- With the peak season for PET bottle, the polymerization operating rate increased, resulting in a slight improvement in profits.

## Others | Sales increased due to high operating rates of panel manufacturers to secure inventory ahead of second-half events

Sales Revenue



Operating Profit (Margin) Unit: Billion KRW



### 〈NF3〉

- Slight improvement of profit margin as the inventory of memory semiconductor manufacturers return to normal

### 〈TAC film〉

- Sales increased due to expanded operation of panel manufacturers to secure inventory ahead of second-half events

### 〈Film〉

- Continued loss due to increased influx of low-cost Chinese films into the domestic market

### 〈POK (Polyketone)〉

- Continued profitability due to increased exports of automobiles to the North American market and growth in domestic rental sales of eco-friendly appliances



## Appendix 1. Quarterly Operating Segment Performance

### Sales Revenue

Unit: Billion KRW

	2021					2022					2023					2024	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q
PP/DH	35.7	38.9	37.6	35.7	147.9	442.5	447.8	431.7	415.4	1,737.4	432.9	436.9	447.1	443.9	1,760.8	462.7	464.3
TPA	7.3	6.8	9.3	8.9	32.3	94.4	128.7	118.1	111.0	452.2	76.6	120.2	111.0	102.6	410.4	86.7	109.7
Others	16.1	16.2	16.2	16.7	65.2	190.3	189.9	153.1	193.7	727.0	155.5	162.3	150.8	137.4	606.0	151.7	166.7
Sum	59.1	61.9	63.1	61.3	245.4	727.2	766.4	702.9	720.1	2,916.6	665.0	719.4	708.9	683.9	2,777.2	701.1	740.7

### Operating Margin

Unit: Billion KRW

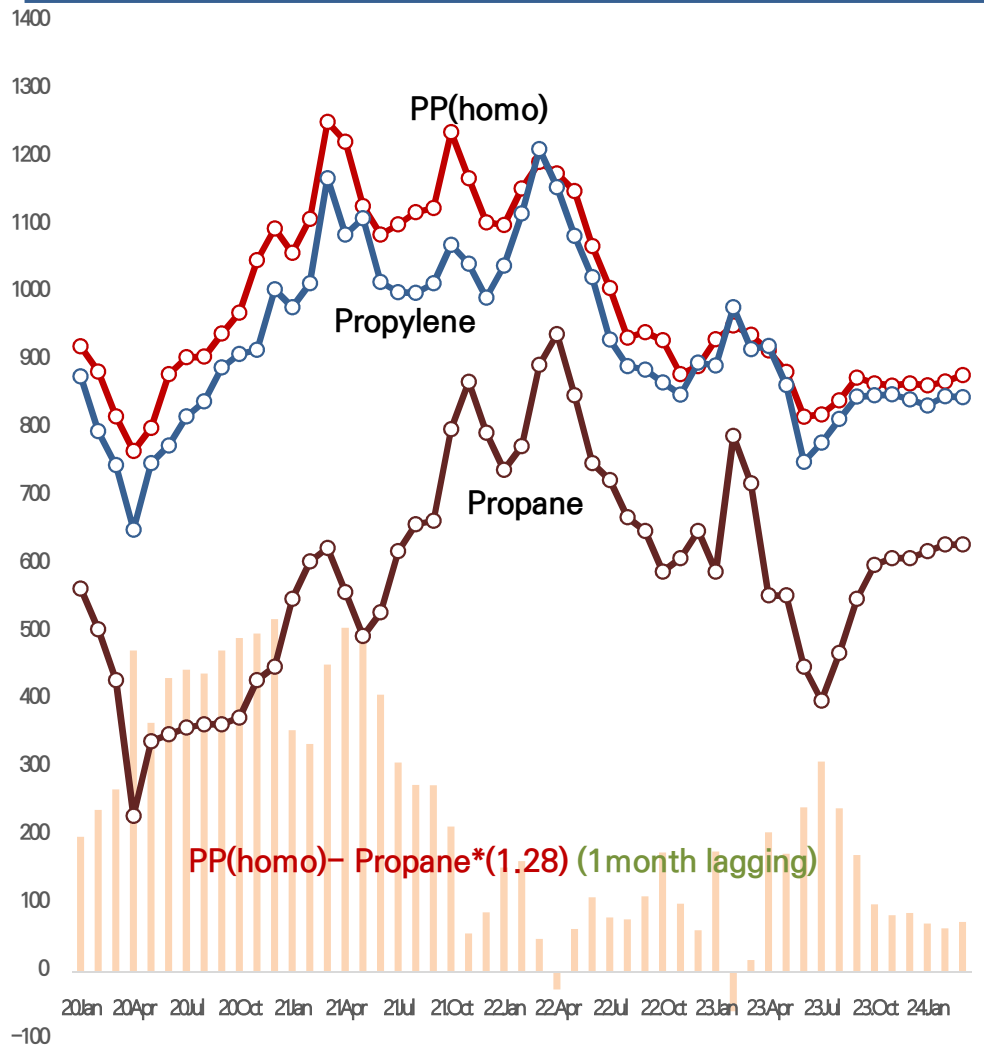
(OPM)	2021					2022					2023					2024	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q
PP/DH	4.4	5.5	1.6	(2.8)	8.6	(54.6)	(94.9)	(139.6)	(86.8)	(375.9)	(44.7)	(115.0)	(10.5)	(27.7)	(197.9)	(37.6)	(57.2)
	12.2%	14.1%	4.1%	(7.8%)	5.8%	(12.3%)	(21.2%)	(32.3%)	(20.9%)	(21.6%)	(10.3%)	(26.3%)	(2.3%)	(6.2%)	(11.2%)	(8.1%)	(12.3%)
TPA	(0.2)	(0.4)	(0.1)	(0.1)	(0.8)	(0.1)	5.2	(0.7)	(7.6)	(3.2)	(5.4)	2.4	(1.1)	(1.6)	(5.7)	(2.5)	1.1
	(2.5%)	(5.3%)	(1.2%)	(1.6%)	(2.4%)	(0.1%)	4.0%	(0.6%)	(3.9%)	0.7%	(7.0%)	2.0%	(1.0%)	(1.2%)	(1.4%)	(2.9%)	1.0%
Others	1.9	2.0	1.8	1.2	7.0	21.6	21.6	0.5	5.7	49.4	2.3	7.1	6.4	(3.5)	12.3	7.2	7.9
	11.9%	12.5%	11.3%	7.4%	10.8%	11.3%	11.4%	0.3%	2.9%	6.8%	1.5%	4.4%	4.2%	(2.5%)	2.0%	4.7%	4.7%
Sum	6.1	7.1	3.3	(1.7)	14.8	(33.2)	(68.1)	(139.8)	(88.7)	(329.8)	(47.8)	(105.5)	(5.2)	(32.8)	(191.3)	(32.9)	(48.2)
	10.3%	11.5%	5.2%	(2.7%)	6.0%	(4.6%)	(8.9%)	(19.9%)	(12.3%)	(11.3%)	(7.2%)	(14.7%)	(0.7%)	(4.8%)	(6.9%)	(4.7%)	(6.5%)



## Appendix 2. Price Trend of Raw Materials

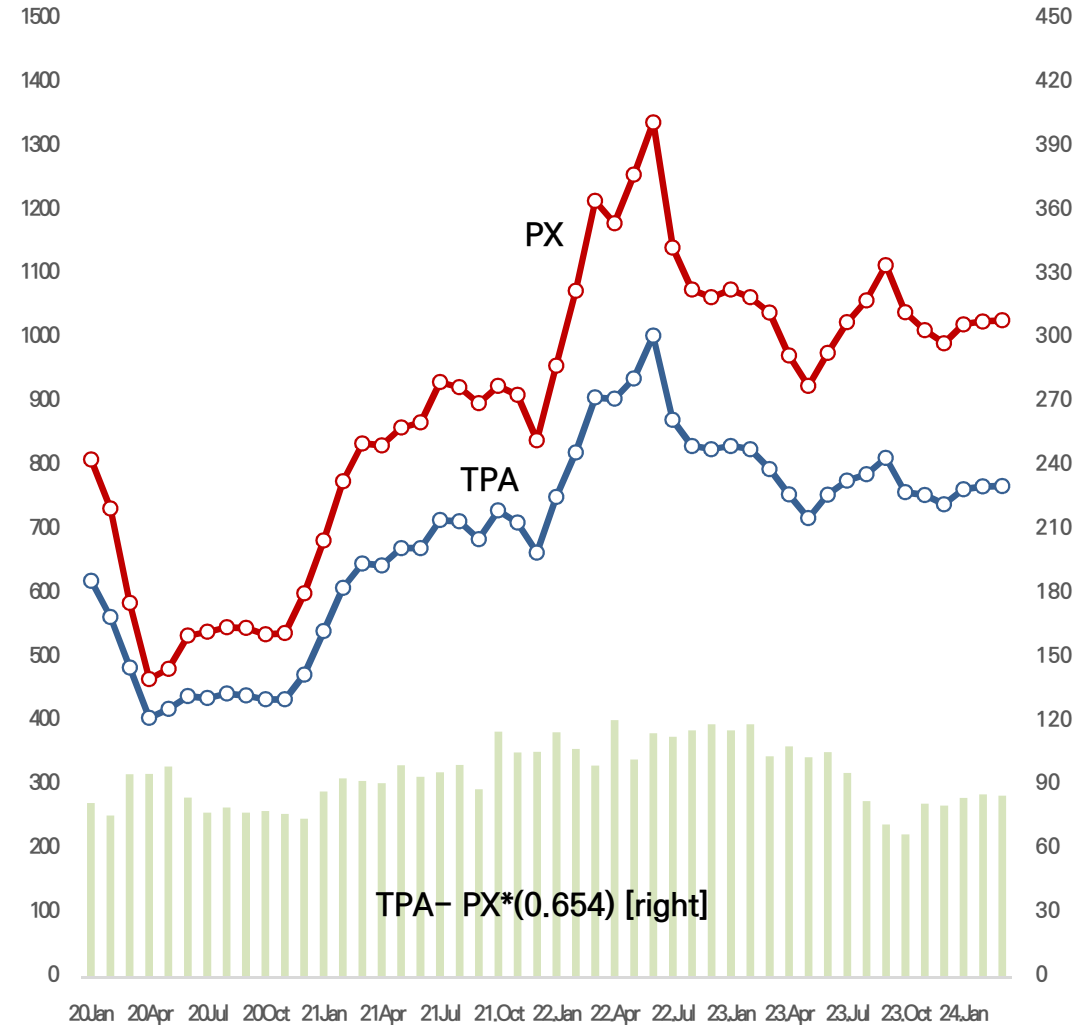
### PP(homo) – Propylene – Propane

(unit: \$/ton)





### PX – TPA

(unit: \$/ton)



## Appendix 3. Fact sheet

Business Model	Industry Backdrop	Growth Strategy
<p>▶ <b>World No1. PP-R(pipe) Provider</b></p> <ul style="list-style-type: none"> <li>- 63% of total revenue (2023)</li> <li>- Key markets: China, Middle East, Turkey, Russia, Europe</li> <li>- PP-R pipe accounts for ~55% of total PP outputs</li> <li>- Key feedstock: Propane</li> <li>- Brand "TOPILENE R200P"</li> </ul>	<p>▶ <b>PP-R Pipe</b></p> <ul style="list-style-type: none"> <li>- <b>Replacing PVC:</b> water pipe, better economics/eco-friendly, more prominent in China/Middle East.</li> <li>- <b>Emerging markets:</b> particularly strong in SE Asia and India</li> <li>- <b>PP(homo):</b> Oversupply in China in 2023 Continued Global PP demand weakness Due to New expansions in China.</li> </ul>	<p>▶ <b>Focus on Low-cost Curve, Volume Gains</b></p> <ul style="list-style-type: none"> <li>- Focus on Premium-grade(e.g. PP-R)</li> <li>- PP/DH: Full capacity run(600kMT/year) in Vietnam</li> <li>- Strategic geographical choice: growth potential in India/SE bypassing trade conflict(high tariff).</li> </ul>
<p>▶ <b>TPA</b></p> <ul style="list-style-type: none"> <li>- 13% of total revenue (2023)</li> <li>- 54% of its revenue stems from group affiliates (2023)</li> <li>- Key feedstock: PX</li> </ul>	<p>▶ <b>NF3 market</b></p> <ul style="list-style-type: none"> <li>- Inventory reduction of semiconductor companies</li> <li>- IT demand is expected to rise</li> </ul>	<p>▶ <b>Tech-related materials</b></p> <ul style="list-style-type: none"> <li>- NF3: per requests from captive customers.</li> </ul>
<p>▶ <b>PET/NY Flim</b></p> <ul style="list-style-type: none"> <li>- 9% of total revenue (2023)</li> <li>- Main use: Food packaging, LCD film protection</li> <li>- Key feedstock: PET chip, NY6 chip</li> </ul>	<p>▶ <b>POK market</b></p> <ul style="list-style-type: none"> <li>- Could be meaningfully big in the future</li> <li>- The lowest CO2 emission across engineering plastics</li> <li>- With carbon-zero campaign: Use CO, a precursor for POK originating from carbon capture facilities.</li> </ul>	<p><b>Management Team</b></p> <p><b>CEO: Kun-Jong LEE</b></p> <ul style="list-style-type: none"> <li>- Ph D in Chemistry</li> <li>- Ex-Director of LCD manufacturing center Samsung Electronics</li> <li>- Ex-CEO at Wonil Materials</li> </ul> 
<p>▶ <b>World No3. NF3 Provider</b></p> <ul style="list-style-type: none"> <li>- Key Customers: SEC, SK-Hynix, LGD, SDI</li> <li>- Key feedstock: Hydrogen Fluoride</li> </ul>	<p><b>Competitive Edges</b></p> <p>▶ Capability to produce eco-friendly EP</p> <p>▶ Trust from returning customers</p> <ul style="list-style-type: none"> <li>- Capacity expansion per request from captive customers</li> <li>- High entry barrier related to the need to deal with toxic materials (e.g. fluoride)</li> </ul>	<p><b>CFO : Bo-Young YOON</b></p> <p>Ex-Head of Finance at Hyosung Corporation</p> 
<p>▶ <b>Polyketon: eco-friendly product</b></p> <ul style="list-style-type: none"> <li>- Brand "POKETONE"</li> <li>- Key feedstock: CO</li> </ul>		
<p>▶ <b>World No3. TAC(Tri-Acetyl Cellulose) Flim Provider</b></p> <ul style="list-style-type: none"> <li>- LCD polarizer(PVA film) protection film</li> </ul>		