



Feb 9, 2021

4Q 2020 Earnings Release

KUMHO PETROCHEMICAL



The business result for the 4th quarter of 2020 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 worker wearing a white hard hat and a dark jacket stands on a metal platform, looking through a telescope or binoculars. The platform is part of a tall, cylindrical structure. In the background, there are various industrial structures, including distillation columns, pipes, and storage tanks. The facility is situated near a body of water, and mountains are visible in the distance.

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4Q 2020 Business Results

Income Statements

(Unit: KRW bn)

Classification	20.4Q	20.3Q	QoQ	19.4Q	YoY
Sales	1,369.5	1,188.3	15.2%	1,181.5	15.9%
Operating Profit	275.1 (20.1%)	213.8 (18.0%)	28.7%	15.4 (1.3%)	1,686.4%
EBITDA	301.9 (22.0%)	262.4 (22.1%)	15.1%	64.6 (5.5%)	367.3%
Pre-tax Income	278.0 (20.3%)	223.9 (18.8%)	24.2%	16.0 (1.4%)	1,637.5%
Net Income	209.1 (15.3%)	146.2 (12.3%)	43.0%	17.9 (1.5%)	1,068.2%
Equity Income	19.0	18.4	3.3%	7.1	167.6%

* Net Income is based on Controlling interests.

- Since the business related with Electronic Chemicals has been disposed in 20.1Q, it is classified as discontinued operations, and the financials of same term of last year have been rewritten.

4Q 2020 Business Results

Balance Sheet

(Unit: KRW bn)

Classification	20.4Q	19 (End)	Change
Asset (Cash and equivalents)	5,023.9 (418.2)	4,538.0 (127.8)	10.7% (227.2%)
Liabilities (Debt)	1,877.4 (860.1)	1,908.4 (1,104.0)	-1.6% (-22.1%)
Shareholder's Equity	3,146.5	2,629.6	19.7%
Liabilities/ Equity (%)	59.7%	72.6%	-12.9%p

Financial Ratios

Classification	20.4Q	19 (End)	Change
Debt/Equity	27.3%	42.0%	-14.6%p
Net Debt /Equity	14.0%	37.1%	-23.1%p
Interest Coverage Ratio (x)	26.5	8.3	18.2
ROE	20.2%	11.8%	8.3%p
ROA	12.2%	6.4%	5.7%p

Divisional Results & Outlook

Synthetic Rubbers

41.6%
of total sales



4Q Earnings Review

- Improved profitability by increasing general purpose rubber demand for tire and spread.
- Secure profitability of NB Latex by increasing demand for hygiene products.

'21. 1Q Outlook

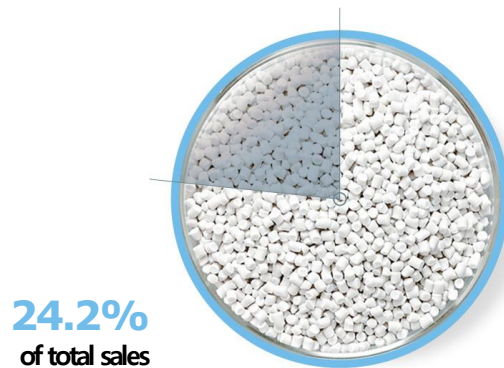
- BD: The price is forecasted to be weak due to new plant operation in the region.
- Demand for tire and hygiene products is expected to be solid.

Sales (Unit: KRW bn)



Divisional Results & Outlook

Synthetic Resins



4Q Earnings Review

- Secured profitability of ABS by solid demand for home appliance/automobile.
- Profitability of PS decreased compared to the previous quarter due to wider fluctuations in raw material (SM).

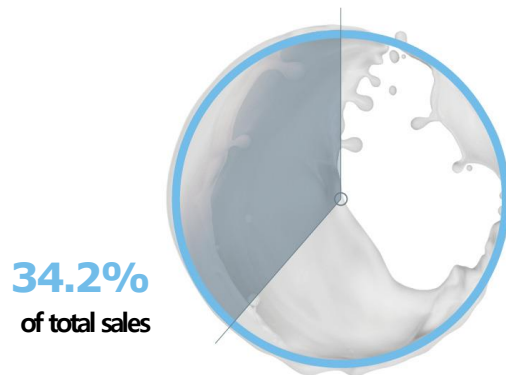
'21. 1Q Outlook

- SM: The price is expected to rise due to regular maintenance in the region and decrease in deep-sea volume inflow due to strong US price.
- Demand for home appliance/automobile is expected to be solid.



Divisional Results & Outlook

Others

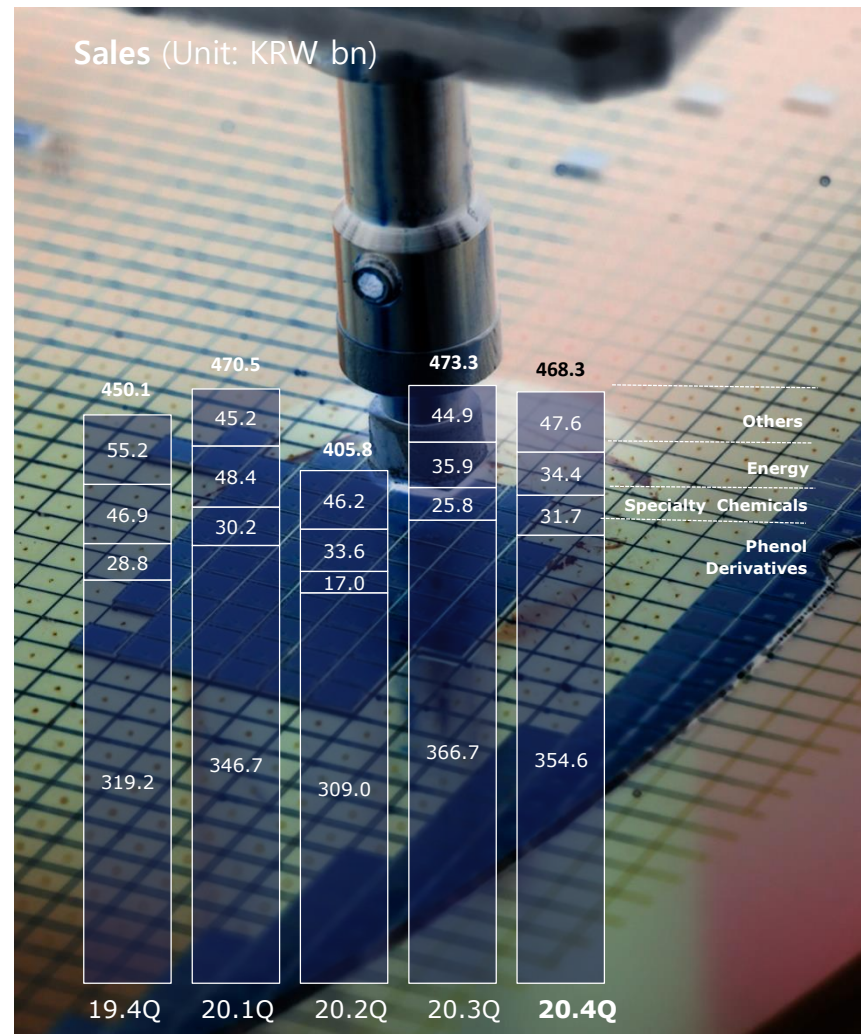


4Q Earnings Review

- Phenol derivatives: Increased profitability by expanding the spread of major products due to tight regional supply.
- Energy: Decline in sales and profitability caused by a drop in the electricity price (SMP).

'21. 1Q Outlook

- Phenol derivatives: Profitability is expected to improve due to regional troubles and increased demand for downstream industries.
- Energy: Sales increase and profitability are expected to improve due to the increase in electricity price (SMP).



APPENDIX

Quarterly Performance

(Unit: KRW bn)

Classification	2019					2020				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Sales	1,270.7	1,292.8	1,216.5	1,181.5	4,961.5	1,225.5	1,026.2	1,188.3	1,369.5	4,809.5
Operating Profit	143.5	138.1	68.4	15.4	365.4	133.1	120.1	213.8	275.1	742.1
Net Interest Expense	14.7	15.2	15.3	3.9	49.1	13.0	6.4	4.4	3.0	26.8
Equity Income	10.2	10.4	11.3	7.1	39.0	9.5	10.1	18.4	19.0	57.0
Pre-tax Income	142.8	149.7	68.4	16.0	376.9	139.0	126.6	223.9	278.0	767.5
Net Income	113.9	115.2	47.6	17.9	294.6	127.5	99.8	146.2	209.1	582.6

* Net Income is based on Controlling interests.

* Since the business related with Electronic Chemicals has been disposed in 20.1Q, it is classified as discontinued operations, and the financials of same term of last year have been rewritten.

APPENDIX

Production Capacity (KKPC)

Classification	Product	Capa	Unit	Note
Synthetic Rubbers	SBR	256,000	MT/Y	
	BR	HBR		
		LBR		
	S-SBR	63,000		
	NdBR	60,000		
	NBR	87,000		
	HSR	10,000		
	NB Latex	640,000		Completion of Expansion 60,000MT/Y, 4Q, '20 Completion of Expansion 70,000MT/Y, 4Q, '21
	SB Latex	82,800		
	SBS	93,000		Completion of Expansion 45,000MT/Y, 1Q, '21
	Total	1,629,800		
Synthetic Resins	PS	252,000	MT/Y	
	ABS	250,000		
	SAN/Pwd	179,000		
	EPS	80,000		
	PPG	147,000		
	Total	908,000		
Specialty Chemicals	Antioxidants	88,800	MT/Y	Completion of Expansion 4,900MT/Y, 2Q, '20
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		Completion of AR(Acetone recycle) Expansion 56,000MT/Y, June, '21
	MIBK	60,000		
	Cumene	900,000		
	BPA	450,000		
	Epoxy Resin	207,000		Completion of Expansion 45,000MT/Y, 2Q, '19 Completion of LER(III) Revamping 60,000MT/Y, Nov, '21
	Total	2,717,000		
Kumho Mitsui Chemicals	MDI	410,000	MT/Y	Completion of Expansion 60,000MT/Y, 2H, '19
	Aniline	20,000		
	Total	430,000		
Kumho Polychem	EP(D)M	220,000	MT/Y	Completion of Debottlenecking 10,000MT/Y, 3Q, '21
	TPV/KEPA	12,000		
	Total	232,000		



APPENDIX

Sales Breakdown & Export Share by Region

Synthetic Rubbers

Domestic
13%

Export
87%

S.E.Asia	64%
China	20%
S.W.Asia	8%
America	4%
Europe	3%
Others	1%



Synthetic Resins

Domestic
32%

Export
68%

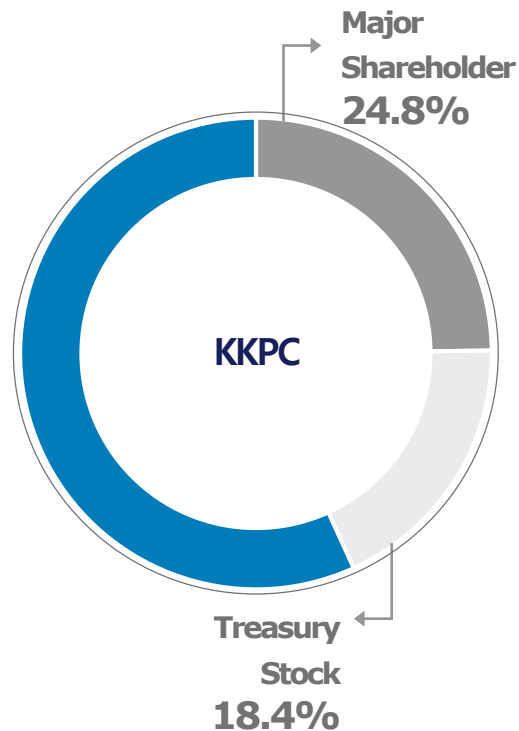
China	39%
Africa	19%
S.W.Asia	14%
America	11%
S.E.Asia	9%
Europe	8%



APPENDIX

Investment Shares & Asset available for sale

Asset available for sale	
Asiana Airlines	11.0%
Daewoo E&C	3.4%
KDB Life Insurance	0.4%



Investments in Affiliates	
Kumho P&B Chemicals	100.0%
Kumho Mitsui Chemicals	50.0%
Kumho Polychem	50.0%
Kumho Terminal & Logistics	100.0%
Korea Energy Power Plants	96.1%

* As of 31th Dec, 2020.
based on common shares



Thank you

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