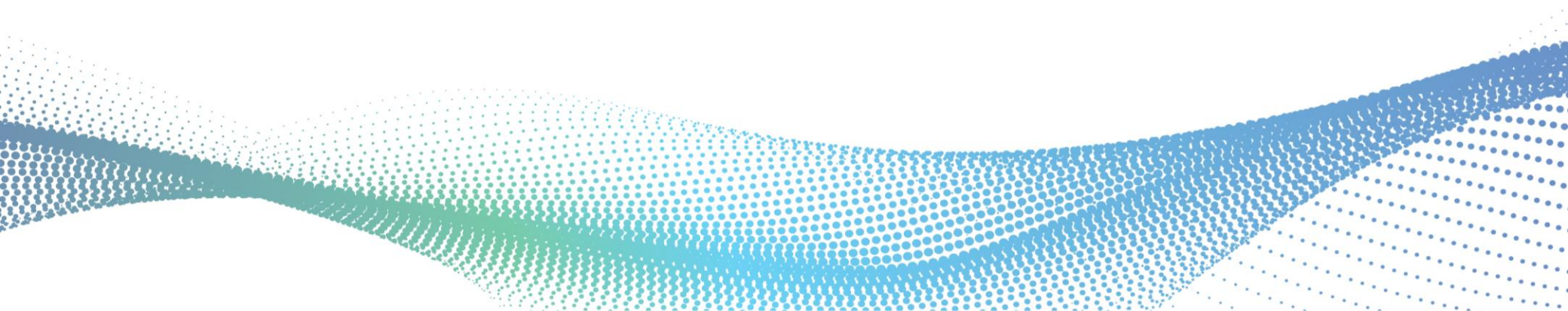


# SECOND QUARTER 2025

Financial Results

HYOSUNG CHEMICAL



# | What's Inside |

2Q 2025 Financial Results ..... 3p

Financial Performance by Segment ..... 6p

Appendix ..... 8p

1. Quarterly Operating Segment Performance
2. Price Trend of Raw Materials
3. Fact Sheet

## HYOSUNG CHEMICAL

2Q 2025 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 2025 Financial Results

## Quarterly Profit/Loss Statement (Consolidated)

(Unit: Billion KRW)

	2Q 2024	1Q 2025	2Q 2025	QoQ	YoY
Sales Revenue	754.5	615.0	617.0	0.3%	(18.2%)
Gross Profit	(23.1)	(34.5)	10.9	Turn to Profit	Turn to Profit
<i>Gross Profit Margin</i>	<i>(3.1%)</i>	<i>(5.6%)</i>	<i>(1.8%)</i>	<i>3.8%p</i>	<i>1.3%p</i>
Operating Profit	(50.7)	(59.7)	(9.0)	Continued Loss	Continued Loss
<i>Operating Profit Margin</i>	<i>(6.7%)</i>	<i>(9.7%)</i>	<i>(1.5%)</i>	<i>8.2%p</i>	<i>5.2%p</i>
Interest Expense	43.2	37.8	25.7	(31.2%)	(41.2%)
Gain or Loss on Foreign Exchange/Derivatives	(0.5)	8.7	(57.7)	Turn to Loss	Continued Loss
Income before Tax	(97.5)	(93.7)	(94.6)	Continued Loss	Continued Loss
Net Profit	(90.1)	374.2	102.4	(72.6%)	Turn to Profit
Net Profit in Controlling Interest	(90.1)	374.2	107.7	(71.2%)	Turn to Profit
EBITDA	6.7	(12.9)	35.9	Turn to Profit	435.8%

## 2Q 2025 Financial Results (Continued)

### Balance Sheet (Consolidated)

(Unit : Billion KRW)

	Dec 2024	Mar 2025	End of Jun 2025	QoQ
Assets	3,272.0	2,826.8	2,734.2	(3.3%)
Current Assets	1,061.5	733.9	766.5	4.4%
Cash & Cash Equivalents	60.7	101.5	100.9	(0.6%)
Non-Current Assets	2,210.6	2,092.8	1,967.7	(6.0%)
Liabilities	3,340.0	2,526.1	2,277.3	(9.9%)
Current Liabilities	3,172.3	2,352.1	2,172.2	(7.7%)
Non-Current Liabilities	167.7	174.0	105.1	(39.6%)
Equity	(68.0)	300.7	456.9	52.0%
Debt	2,711.6	1,990.4	1,838.5	(7.6%)
Net Debt	2,650.9	1,888.9	1,737.6	(8.0%)
<i>Net Debt to Equity Ratio</i>	<i>-%</i>	<i>628.2%</i>	<i>380.3%</i>	<i>(247.9%p)</i>

## 2Q 2025 Financial Results (Continued)

### Cashflow (Consolidated)

(Unit : Billion KRW)

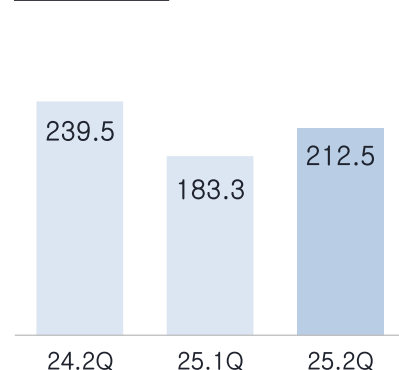
	End of 2023	End of 2024	2Q 2025	(1Q~2Q) 2025
Cash Flow from Operations	75.4	(58.9)	182.8	624.3
Net Income	(345.9)	(100.6)	102.4	476.5
Depreciation	260.7	56.2	44.9	92.1
Changes in Net Working Capital, etc.	161.6	103.3	35.5	47.8
Cash Flow from Investing	(200.8)	(15.7)	168.4	982.5
PP&E and Intangibles	(200.8)	(20.6)	(3.0)	(15.9)
Others	0	0	0	0
Cash Flow from Financing	71.4	64.1	(158.1)	(885.9)
Changes in Borrowings	(76.5)	70.3	(151.9)	(873.1)
Dividend Payment	0	0	0	0
Changes in Cash and Cash Equivalents	(54.0)	(54.9)	(3.3)	51.6

# Financial Performance by Division

## PP/DH (Korea)

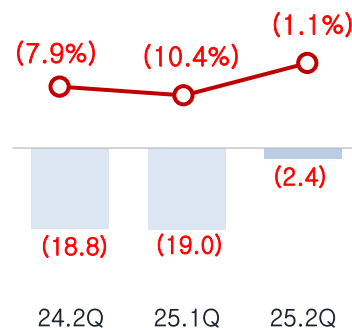
Profitability improved due to higher net selling prices and cost reductions following the completion of maintenance

Sales revenue



Operating Profit (Margin)

Unit: Billion KRW



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

(\$/ton)	24.1Q	24.4Q	25.1Q	QoQ	YoY
PP(homo)	872	887	876	(1.2%)	0.5%
Propane(CP)	627	632	625	(1.1%)	(0.3%)
<b>Spread</b>	<b>69</b>	<b>78</b>	<b>76</b>	<b>(2.6%)</b>	<b>9.4%</b>

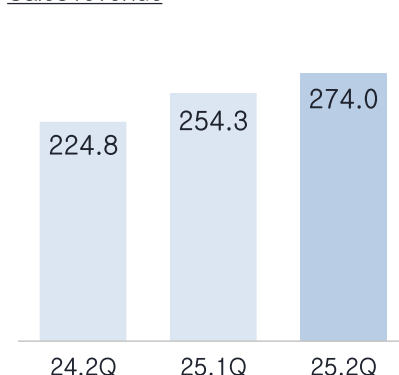
- Improved on the back of higher net selling prices and cost reductions from the completion of scheduled maintenance
- PP(homo) price premium: North America, Europe vs. Far East Asia

(\$/ton)	Jan.25	Feb.25	Mar.25	Apr.25	May.25	Jun.25
N-America	185	197	166	166	183	177
W-Europe	279	356	406	385	331	290

## PP/DH (Vietnam)

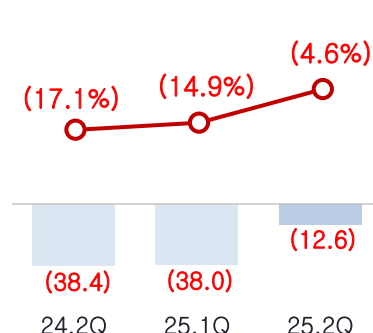
Profitability improved following the completion of scheduled maintenance on the OL-1 facility

Sales revenue



Operating Profit (Margin)

Unit: Billion KRW



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

(\$/ton)	24.2Q	25.1Q	25.2Q	QoQ	YoY
<b>Spread</b>	<b>293</b>	<b>238</b>	<b>223</b>	<b>(6.3%)</b>	<b>(23.9%)</b>

- The completion of scheduled maintenance on the OL-1 facility (Feb 5–Mar 10), combined with a reduction in production costs, contributed to performance improvement

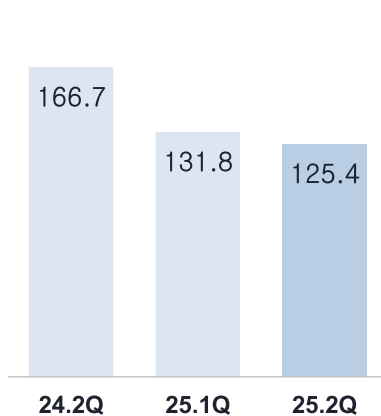


# Financial Performance by Division (Continued)

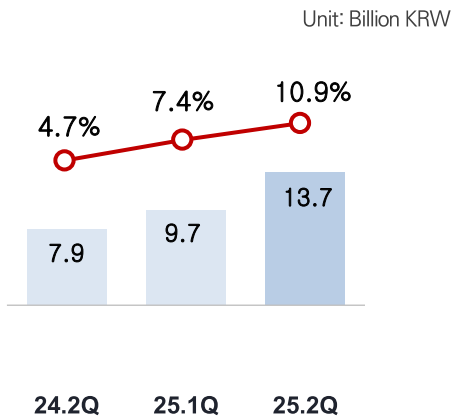
Others

Profitability improved, driven by enhanced productivity and reduced manufacturing costs in the film business unit

Sales Revenue



Operating Profit (Margin)



## <TAC film>

- Demand temporarily increased due to preemptive inventory buildup ahead of tariff hikes; however, as the stocked inventory did not lead to actual consumption, demand softened, limiting the extent of performance improvement

## <Film>

- Declining global oil prices lowered feedstock input costs, leading to cost structure improvement and enhanced performance

## <POK (Polyketone)>

- The slight decline in revenue, driven by a modest drop in the exchange rate, directly impacted operating profit despite stable pricing and higher sales volume

## Appendix 1. Quarterly Operating Segment Performance

### Sales Revenue

Unit: Billion KRW

	2022					2023					2024					2025	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q
PP/DH	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	501.8	525.8	1,954.6	437.6	486.5
Others	190.3	189.9	153.1	193.7	727.0	155.5	162.3	150.8	137.4	606.0	151.7	166.7	166.9	142.3	627.6	131.8	125.4
Sum	632.8	637.7	584.8	609.1	2,464.4	588.4	599.2	597.9	581.3	2,366.8	614.4	631.0	668.7	668.1	2,582.2	569.4	611.9

### Operating Margin

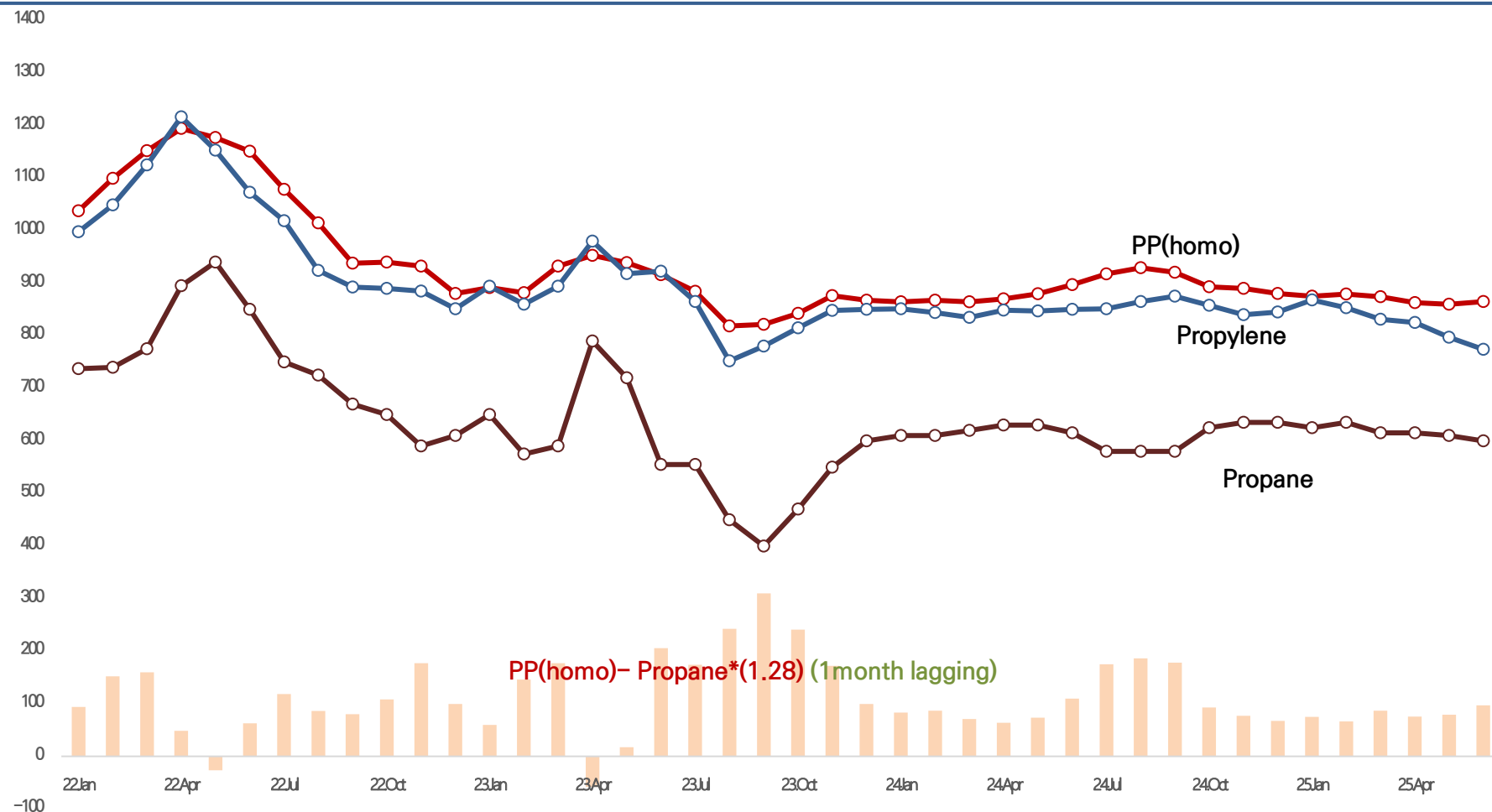
Unit: Billion KRW

(OPM)	2022					2023					2024					2025	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q
PP/DH	(54.6)	(94.9)	(139.6)	(86.8)	(375.9)	(44.7)	(115.0)	(10.5)	(27.7)	(197.9)	(37.6)	(57.2)	(29.8)	(43.8)	(168.4)	(57.0)	(15.0)
	(12.3%)	(21.2%)	(32.3%)	(20.9%)	(21.6%)	(10.3%)	(26.3%)	(2.3%)	(6.2%)	(11.2%)	(8.1%)	(12.3%)	(5.9%)	(8.3%)	(8.6%)	(13.0%)	(3.1%)
Others	21.6	21.6	0.5	5.7	49.4	2.3	7.1	6.4	(3.5)	12.3	7.2	7.9	7.9	3.7	26.7	9.7	13.7
	11.3%	11.4%	0.3%	2.9%	6.8%	1.5%	4.4%	4.2%	(2.5%)	2.0%	4.7%	4.7%	4.7%	2.6%	4.3%	7.4%	10.9%
Sum	(33.1)	(73.3)	(139.1)	(81.1)	(326.6)	(42.4)	(107.9)	(4.1)	(31.2)	(185.6)	(30.4)	(49.3)	(21.9)	(40.1)	(141.7)	(47.3)	(1.3)
	(5.2%)	(11.5%)	(23.8%)	(13.3%)	(13.3%)	(7.2%)	(18.0%)	(0.7%)	(5.4%)	(7.8%)	(4.9%)	(7.8%)	(3.3%)	(6.0%)	(5.5%)	(8.3%)	(0.2%)




## Appendix 2. Price Trend of Raw Materials

### PP(homo) – Propylene – Propane



## Appendix 3. Fact sheet

Business Model	Industry Backdrop	Growth Strategy
<b>▶ World No1. PP-R(pipe) Provider</b> <ul style="list-style-type: none"> <li>- 66% of total revenue (2024)</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>	<b>▶ PP-R Pipe</b> <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 2024</li> </ul> <p>Continued Global PP demand weakness Due to New expansions in China.</p>	<b>▶ Focus on Low-cost Curve, Volume Gains</b> <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>
<b>▶ PET/NY Flim</b> <ul style="list-style-type: none"> <li>- Main use: Food packaging, LCD film protection</li> <li>- Key feedstock: PET chip, NY6 chip</li> </ul>	<b>▶ POK market</b> <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>	
<b>▶ Polyketon: eco-friendly product</b> <ul style="list-style-type: none"> <li>- Brand "POKETONE"</li> <li>- Key feedstock: CO</li> </ul>		
<b>▶ World No3. TAC(Tri-Acetyl Cellulose) Flim Provider</b> <ul style="list-style-type: none"> <li>- LCD polarizer(PVA film) protection film</li> </ul>	<b>Competitive Edges</b> <ul style="list-style-type: none"> <li>▶ Capability to produce eco-friendly EP</li> </ul>	<b>Management Team</b> <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>CFO : Ki-Ho Song</b></p> <p>Head of Finance at Hyosung Chemical</p> 