Investor Relations

Q1 2025 Earning Release

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Q1 2025 Performance

Q1 2025 Performance

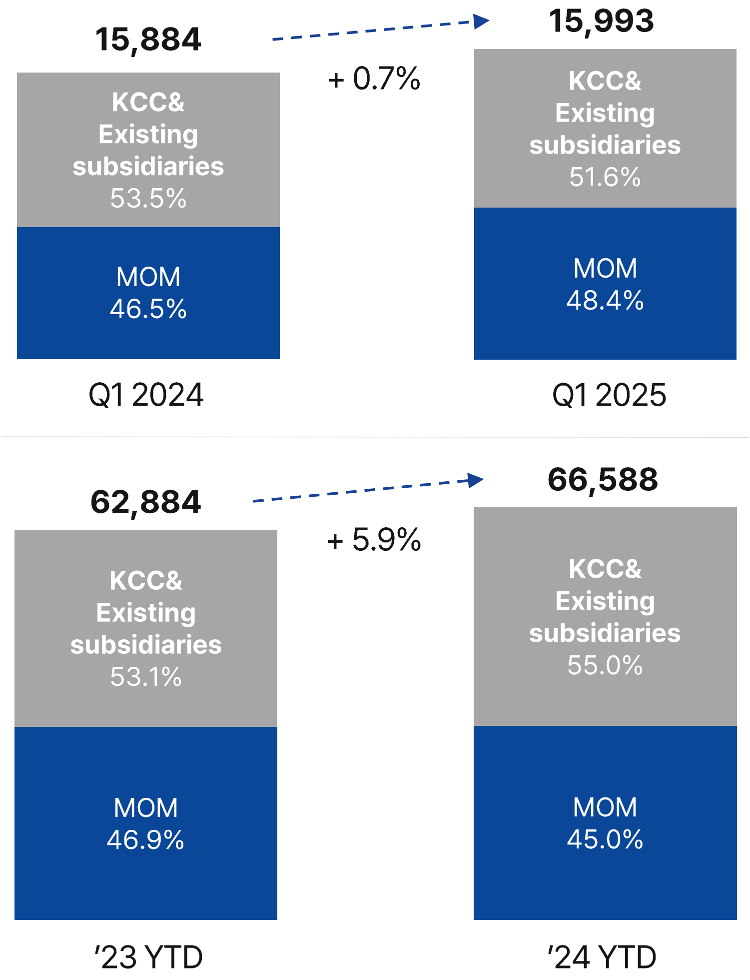
* Unit : 100-Milion KRW

Performance Summary

		Q1 2025	Q4 2024	Q1 2024	*QoQ(%)*	*YoY(%)*
Total	Revenue	**15,993**	16,575	15,884	***-3.5%***	***+0.7%***
	Operating Income	**1,034**	983	1,069	***+5.2%***	***-3.2%***
	Net Profit	**441**	-487	4,582	***Turning into profit***	***-90.4%***
KCC & Existing subsidiaries	Revenue	**8,252**	9,118	8,499	***-9.5%***	***-2.9%***
	Operating Income	**828**	724	1,042	***+14.4%***	***-20.5%***
	Net Profit	**1,230**	-230	5,027	***Turning into profit***	***-75.5%***
MOM	Revenue	**7,741**	7,457	7,385	***+3.8%***	***+4.8%***
	Operating Income	**206**	259	27	***-20.5%***	***+651.3%***
	Net Profit	**-790**	-257	-445	***Continuing the deficit***	***Continuing the deficit***

* The above-mentioned sales(based on external sales) and operating profit were prepared based on the consolidated financial statements.

Trend in the proportion of revenue



Profits & Expenses(Consolidated)

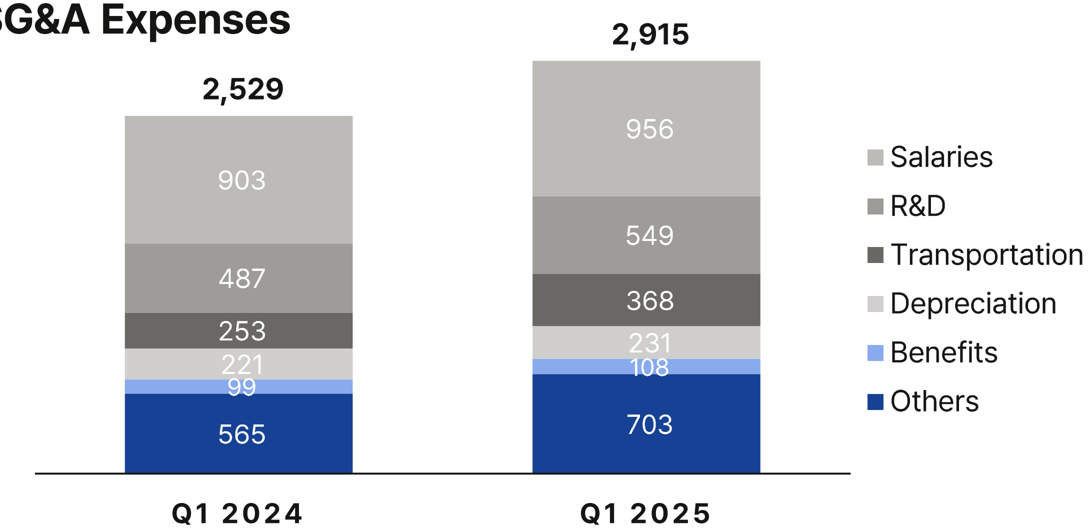
* Unit : 100-Milion KRW

Cost of Sales Ratio

Non-operating Income

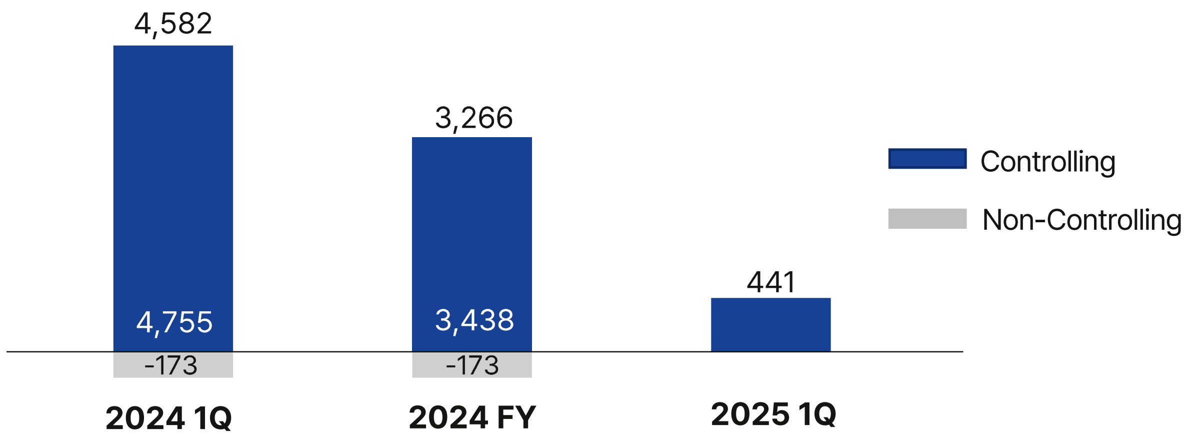
Category	Q1 2024	FY 2024	Q1 20025
Finance Income	5,230	-605	-507
Equity Method	-26	761	61
Others	37	209	165
Total	**5,241**	**365**	**-280**

SG&A Expenses



* Other includes commissions paid, advertising and promotional expenses, etc.

Net Profit



* Since the acquisition of the remaining MOMH shares in May 2024, the existing non-controlling interests have been attributed to the controlling company's shares since Q2 2024.

Borrowings and financial assets

* Unit : 100-Milion KRW

Cash and Borrowing (Consolidated)

Cash & Financial instruments

Category	'24. 1Q	'24. 4Q	'25. 1Q
Cash and Cash equivalents	10,836	5,013	9,065
Short-term financial instruments	5,489	5,101	5,312
Total	**16,326**	**10,115**	**14,378**

Borrowings

Category	'24. 1Q	'24. 4Q	'25. 1Q
Total current Borrowings	17,191	13,801	14,858
Non-current Borrowings	35,575	38,069	41,563
Total	**52,766**	**51,870**	**56,421**

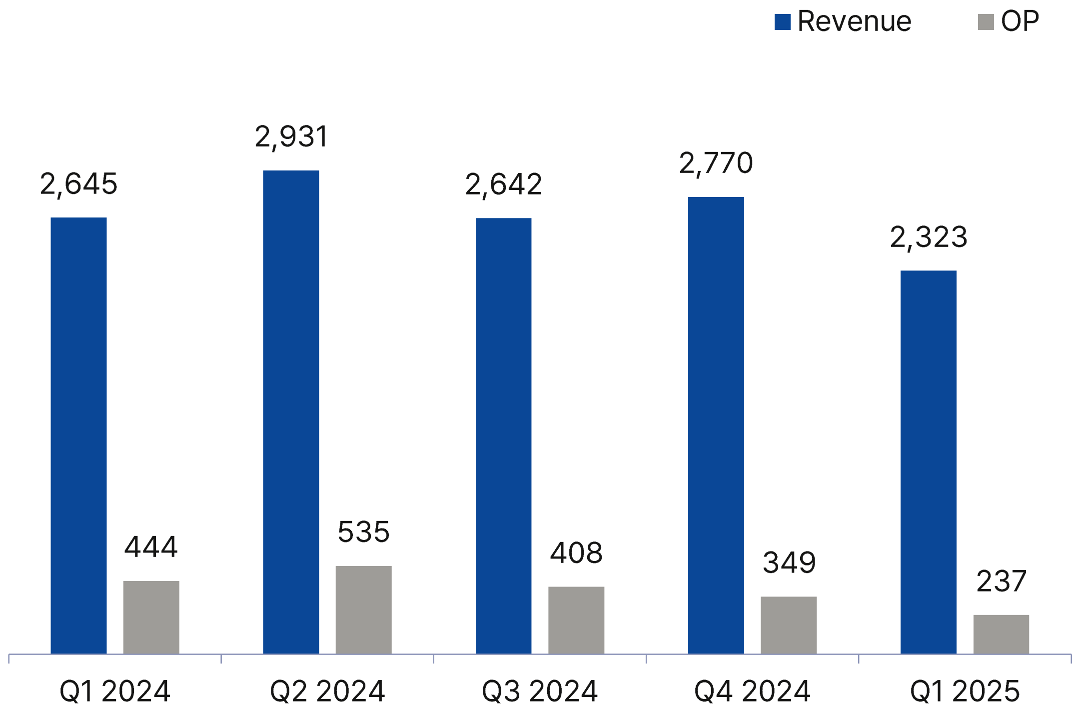
Financial Assets (Base date : March 31, 2025)

Name of Corporation	Shareholding Ratio(%)	Acquisition Price	Current Book Value
SAMSUNG C&T	10.01	10,811	19,884
HD Korea shipbuilding & offshore engineering	3.91	1,730	5,556
HYUNDAI MOBIS	0.001	0.26	2
HDC Holdings	1.79	56	159
HYUNDAI Development Company	2.37	183	313
HYUNDAI Corporation	12.00	311	348
HYUNDAI Corporation Holdings	12.00	254	113
HL D&I Halla	9.78	500	81
HL Holdings	4.59	272	149
Total	**-**	**14,117**	**26,605**

Performances by Business

Building Materials Gypsum Board, Insulation, PVC window etc.

Quarterly Revenue Trends (Unit : 100-million KRW)



Performance and Forecast

Q1 2025

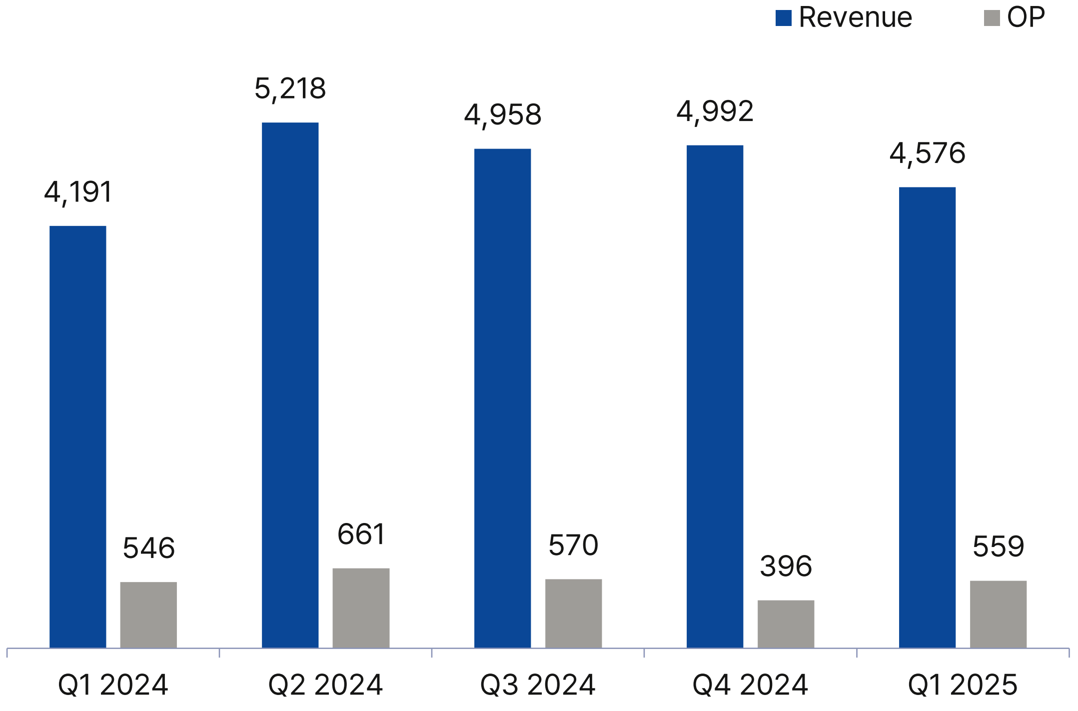
- QoQ Revenue(-16.2%), OP(-32.0%) / YoY Revenue(-12.2%), OP(-46.6%)
- Declining construction market indicators from last year and impact of declining construction orders widens
- Longer-than-normal holidays(fewer business days) exacerbated the contraction

Plan & Forecast (2025)

- (Insulation) Strengthen promotions including new exterior products
- (PVC Window) Continue to promote reconstruction, redevelopment projects
- (Gypsum Board) Strengthened SPEC design for high performance products in anticipation of prolonged demand decline
- (Celling materials) Promote large-sized gypsum tex for commercial facilities
- **(POSITIVE)** ① Expected to recover demand due to government-led development projects and SOC investments after the presidential election
  ② Demand for inorganic insulation securing fire safety in buildings
- **(RISK)** ① Continued uncertainty in the construction industry
  ② Increased production costs due to increased volatility in commodity prices

Coatings Automotive, Marine, Architectural, Industrial etc.

Quarterly Revenue Trends (Unit : 100-million KRW)



Performance and Forecast

Q1 2025

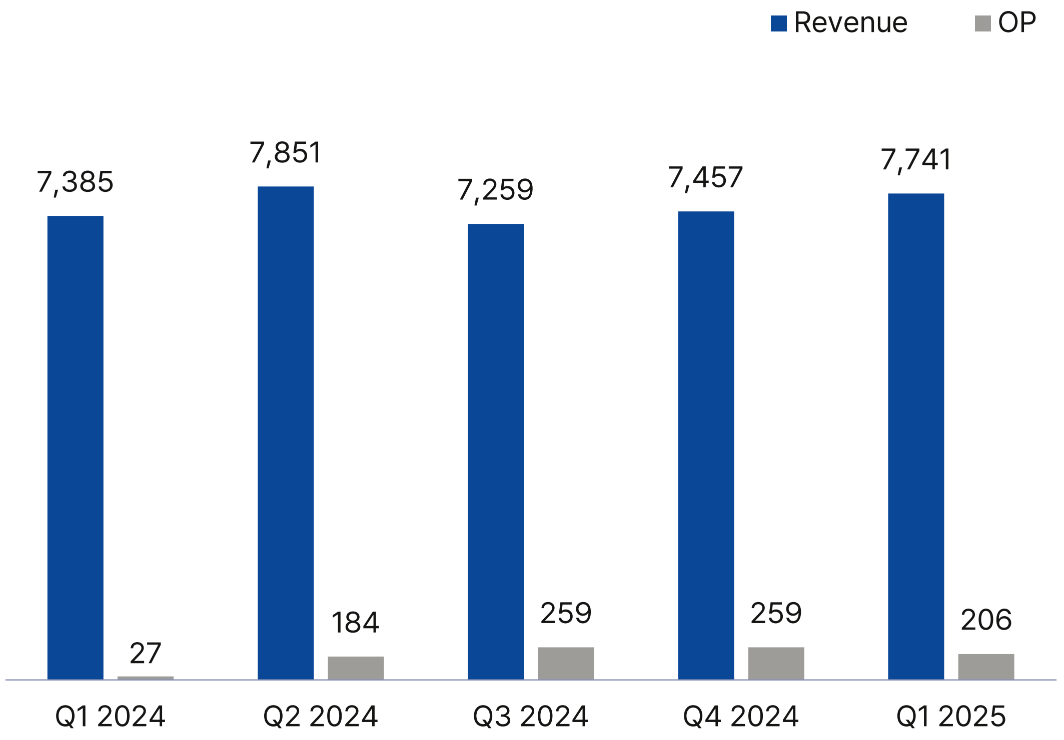
- QoQ Revenue(-8.3%), OP(+41.3%) / YoY Revenue(+9.2%), OP(+2.4%)
- No significant change in domestic market demand, but factors contributing to declining demand for construction coatings
- YoY growth from overseas subsidiaries continued, but volume from China declined sequentially

Plan & Forecast (2025)

- (Automotive) Increase domestic M/S and expand overseas expansion
- (Architectural) Expanding orders for high-tech projects and overseas infrastructure
  Promote sales of high-tech products such as fire-proof coatings
- (Marine) Increasing domestic new-building M/S and overseas repair ship promotions
- (Industrial) Revitalized distribution and promotion of major domestic manufacturers as defense market expands
- **(POSITIVE)** ① Expanding industrial markets and stabilization of commodity volatility
  ② High-value-added product lineup based on market competitiveness
- **(RISK)** Economic slowdowns and volatile raw material prices

Silicone Performance Additives, CS&I, Formulated Specialties etc.

Quarterly Revenue Trends (Unit : 100-million KRW)



Performance and Forecast

Q1 2025

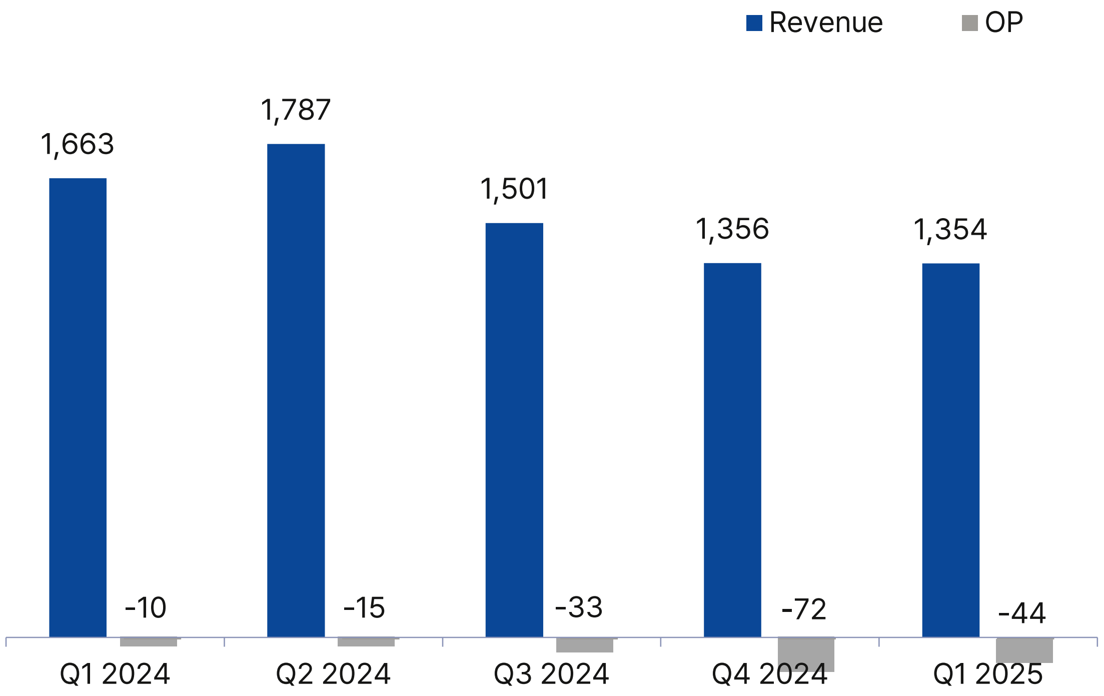
- QoQ Revenue(+3.8%), OP(-20.5%) / YoY Revenue(+4.8%), OP(+651.3%)
- Demand for specialty products remains robust amid macroeconomic slowdown signals
- Limited significant impact from tariff-related policies during the quarter

Plan & Forecast (2025)

- Continued cost improvement by optimizing inventory assets and reducing SG&A costs
- Expand sales and stabilize profitability by focusing on additives (industrial and agricultural), EM, and healthcare among high-value-added products
- Minimizing the impact of reciprocal tariffs through local raw material sourcing and production by location
- **(POSITIVE)** ① Demand for high-value product lines continues to grow
  ② Expecting increased demand in China based on stimulus policies
- **(RISK)** ① macroeconomic uncertainties could lead to a decrease in demand from frontier industries
  ② Siloxane unit costs are likely to remain at low level

Others Materials(A/M, DCB, EMC, Glass Fiber), construction revenue etc.

Quarterly Revenue Trends (Unit : 100-million KRW)



Performance and Forecast

Q1 2025

- QoQ Revenue(-0.1%), OP(Deficit) / YoY Revenue(-18.6%), OP(Deficit)
- Continued efforts to expand the market, including relocating production bases overseas to streamline and increase production of inorganic materials (A/M, DCB)

Plan & Forecast (2025)

- (A/M) Expanding overseas business sites, expanding customers in response to growing global demand for eco-friendly power devices
- (AMB, DCB) Expanding overseas business sites and expanding the market for power modules for EV-related renewable energies
- (EMC) Expected to preempt the market by developing new products for high-performance memory and next-generation power modules
- **(POSITIVE)** Opportunity to expand the market for advanced inorganic materials due to eco-friendly issues (A/M, DCB)
- **(RISK)** Competitors' aggressive entry into the low-end market in China and other countries

Major Issues in 2025

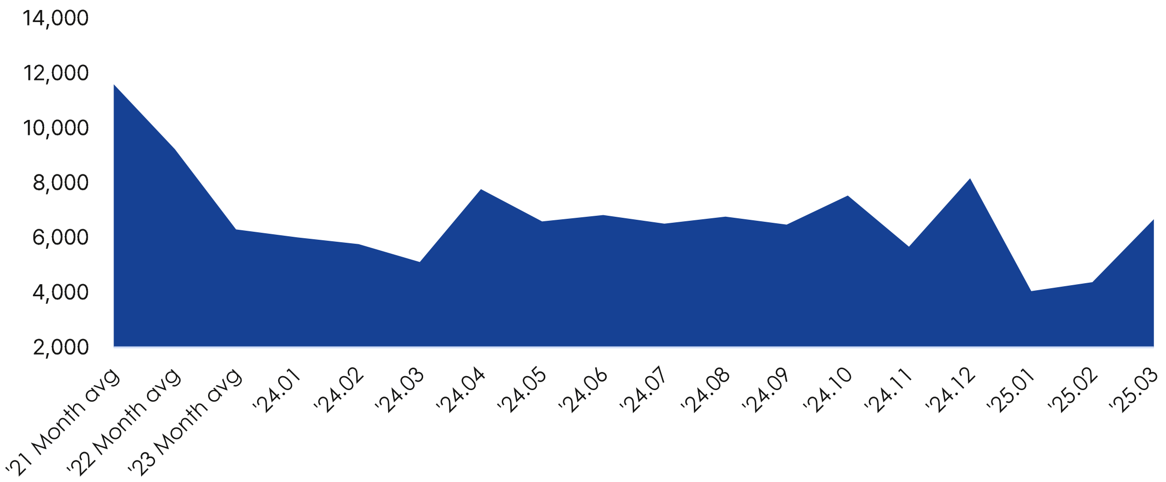
Building Materials preparing for construction recession

- **Market slump prolongs as construction market indicators decline**
  - January *CBSI hit a one-year low of 67.4 (67.4 in Feb / 68.1 in Mar)
  - Housing starts increased in Q1, but remain at 70-80% of historical levels
- **Strategy to gain market advantage by quality and technology**

- Increase profitability by promoting functional gypsum board, KLENZE
- Strategic risk management needed to ensure financial health

* CBSI below 100 indicates that many companies are pessimistic about the construction economy

[Domestic building starts (Units : 1,000 m²)]



Sources : Ministry of Land, Infrastructure and Transport, KOSIS, CERIK

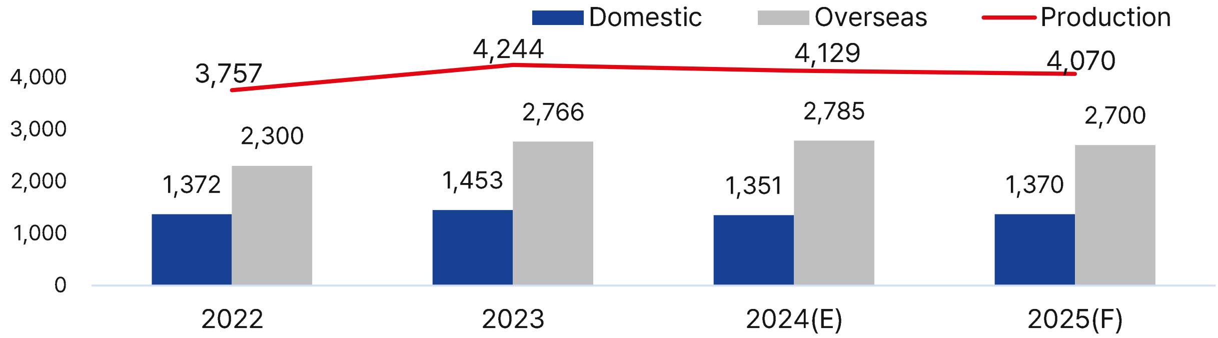
Coating · Silicone Current Status of Domestic & Foreign Automotive Industries

- **Global automotive market expected to grow modestly**
  - Stable demand, driven by robust growth especially in the U.S and Europe
  - Silicone's use in EV is expanding, but there are challenges (EV chasm)
- **Domestic is robust, but uncertainty around tariffs are impacting exports**

[2025 Global Automotive Demand Outlook]

(Units: 1,000cars,%)	2024E	2025F	Difference(%)
Global	91,702	94,713	3.3
U.S.A	16,407	16,866	2.8
Europe	18,334	18,789	2.5
Asia	43,886	45,410	3.5
Middle East, Africa, etc.	13,075	13,648	4.4

[Domestic Automotive Industry Outlook (Unit : 1,000 Cars)]

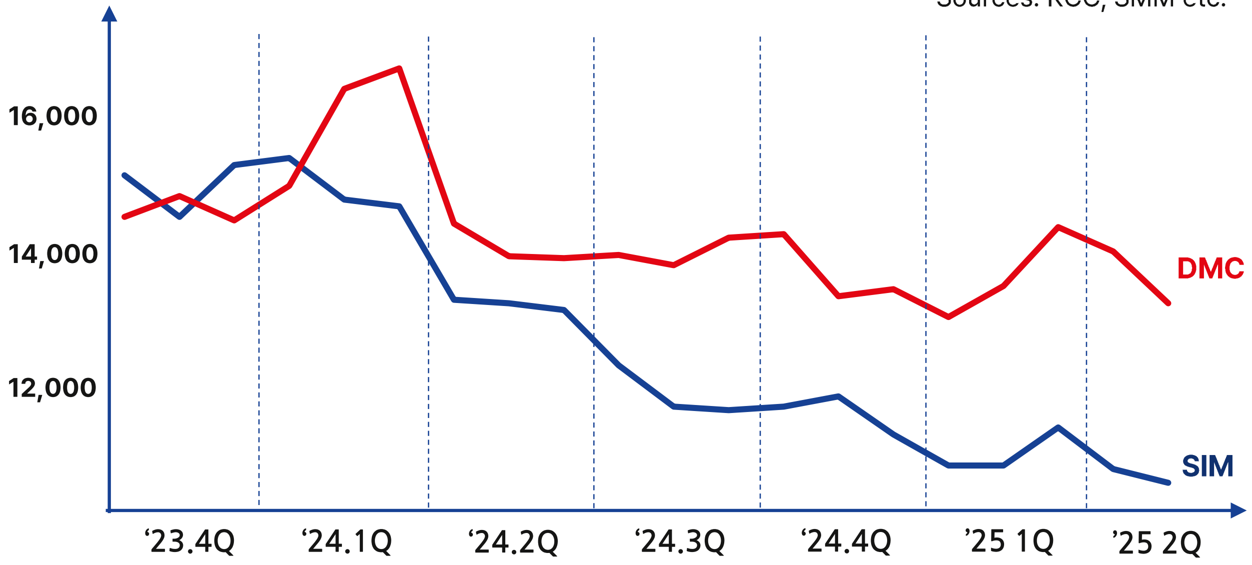


Sources: Kaica etc.

Silicone Trends in raw material prices and production

DMC/Silicone Metal Price in China (CNY/mt)

Sources: KCC, SMM etc.



Macro Environment Remains

Category (Uni t: %)	2024	2025F		2026F	
		2025.03(F)	'24 year-end forecast vs.	2025.03(F)	'24 year-end forecast vs.
World	3.2	3.1	-0.2	3.0	-0.3
G20	3.3	3.1	-0.2	2.9	-0.3
USA	2.8	2.2	-0.2	1.6	-0.5
Euro area	0.7	1.0	-0.3	1.2	-0.3
Germany	-0.2	0.4	-0.3	1.1	-0.1
France	1.1	0.8	-0.1	1.0	0.0
Italy	0.7	0.7	-0.2	0.9	-0.3
Spain	3.2	2.6	+0.3	2.1	+0.1
Japan	0.1	1.1	-0.4	0.2	-0.4
Korea	2.1	1.5	-0.6	2.2	+0.1

Sources: Estimated annual GDP growth for major economies (OECD's report march 2025)

- **DMCs remained relatively robust against declining SIM prices in China**
  - Despite recovery in demand over the past year, oversupply persists
  - Siloxane production cut plan is in sight, with utilization rates declining YoY
- **Prices are under pressure due to temporary absence of demand**
  - Demand from silicone front-end industries (construction, electronics) may increase due to China's stimulus policies

- **Downward revision to OECD annual economic growth (3.2% to 3.1%)**
  - Tariffs and trade measures could negatively impact future growth
- - Recovery in Europe and reshoring in the U.S. may have positive impacts
- **Slower global economic growth and uncertainty coexist**
  - The impact of tariff disputes on global supply chains will need to be reviewed
  - Geopolitical uncertainty could be a factor in the economic slowdown

Appendix.

Q1 2025 Financial Statement

Income Statement (Summary)

(Unit : 100-million KRW)

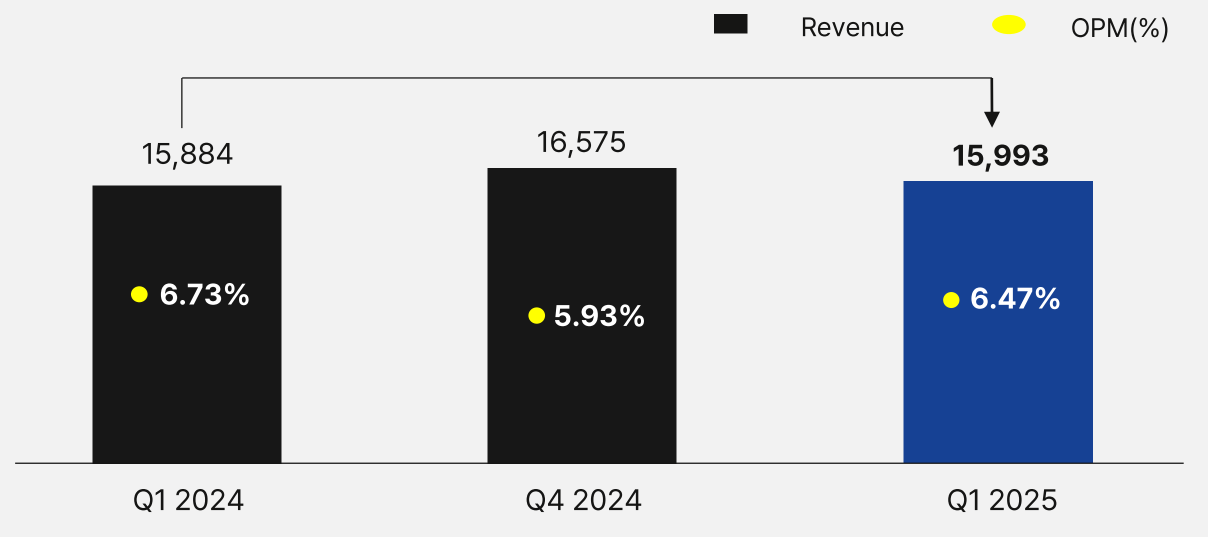
Category	Q1 2025	YoY(%)	Q1 2024	Q4 2024
Revenue	**15,993**	***+0.7%***	15,884	16,575
Cost of sales	**12,044**	***-2.0%***	12,286	12,559
Gross profit	**3,949**	***+9.8%***	3,598	4,016
SG&A	**2,915**	***+15.3%***	2,529	3,033
Operating income	**1,034**	***-3.2%***	1,069	983
Gain(or loss) on equity method	**61**	***Turning into profit***	-26	58
Net financial income	**-507**	***Turning into deficit***	5,230	-2,466
Other non-operating income	**165**	***+348.8%***	37	273
Profit before tax	**754**	***-88.1%***	6,310	-1,152
Net profit	**441**	***-90.4%***	4,582	-487

Key Profitability indicators

구 분		Q1 2025	Q4 2024	Q1 2024
Operating Margin	OP/ Revenue	6.47%	5.93%	6.73%
Interest rate Compensation	OP/ Interest rate	1.31	1.03	1.62

Changes in operating profit

Revenue, Operating profit margin etc.



Q1 2025 Financial Statement

Balance Sheet (Summary)

(Unit : 100-million KRW)

Category	Q1 2025	Compared to	FY 2024
Assets	**150,662**	***+12.4%***	134,063
Current	**44,957**	***+12.5%***	39,945
Non-Current	**105,705**	***+12.3%***	94,118
Liabilities	**88,059**	***+8.2%***	81,403
Current	**32,876**	***+1.8%***	32,309
Non-Current	**55,184**	***+12.4%***	49,094
Equity	**62,602**	***+18.9%***	52,660
Attributable to owners of parent	**62,602**	***+18.9%***	52,660
Non-controlling	**-**	**-**	-

Key Stability indicators

Category	Q1 2025	FY 2024
Current Assets / Current liabilities	136.7%	123.6%
Equity / Total Assets	41.6%	39.3%
Total Borrowings / Total Assets	37.4%	38.7%
Total liabilities / Equity	140.7%	154.6%

※ Reasons for the decrease in debt-to-equity ratio Asset Revaluation

- Liabilities : Deferred tax liabilities 344.3 billion KRW
  + Income tax payable 2.8 billion KRW
- Equity : Asset revaluation surplus (Included in OCI) 907.4 billion KRW
  + Retained earnings 208.1 billion KRW
- Assets : Book value of land and investment properties
  increased by approximately 1.5 trillion KRW

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