



# 2023

# 3Q Earnings Release

November 2023



**IDL**

MAISON GLA

## Disclaimer

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This presentation represents consolidated earnings results in accordance with K-IFRS.

Please advised that this document is provided solely for the purpose of investor convenience. It was prepared before the completion of the external auditor's review, and therefore is subject to change during this process.

These uncertainties may cause our official results to be significantly different from the results recorded and implied in this presentation.

3Q 2023 Earnings Release

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# 1. 3Q Results Highlights



In 3Q, DL Holdings posted KRW 12 bn(QoQ turned to profit) in operating profit, thanks to DL Chemical's performance improvement, Cariflex's sales volume increase and high season impact of DL Energy, despite Kraton's continued losses due to delay in demand recovery

Net profit posted a deficit of KRW -50.9 due to the impact of financial costs, etc.

|                  |         |         |        |         |        |          | (KRW bn) |
|------------------|---------|---------|--------|---------|--------|----------|----------|
|                  | 3Q23    | 2Q23    | Change | 3Q22    | Change | 3Q23 YTD |          |
|                  |         |         |        |         |        |          |          |
| Sales            | 1,264.4 | 1,218.8 | +45.6  | 1,489.8 | -225.4 | 3,770.6  |          |
| Operating Profit | 12.0    | -7.1    | +19.1  | 169.6   | -157.6 | 73.9     |          |
| EBITDA           | 119.4   | 101.4   | +18.0  | 273.7   | -154.3 | 394.9    |          |
| Net Profit       | -50.9   | -89.9   | +39.0  | -36.8   | -14.1  | -164.4   |          |

## 2. 3Q Results (K-IFRS Consolidated)



(KRW bn)

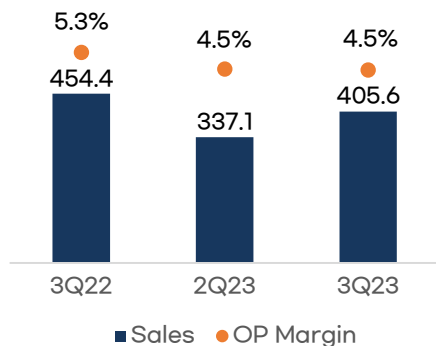
|                                 | 3Q23           | 2Q23           | 3Q22         |                | 3Q23 YTD      |                |
|---------------------------------|----------------|----------------|--------------|----------------|---------------|----------------|
|                                 |                |                |              | Change         |               |                |
| <b>Sales</b>                    | <b>1,264.4</b> | <b>1,218.8</b> | <b>+45.6</b> | <b>1,489.8</b> | <b>-225.4</b> | <b>3,770.6</b> |
| DL(Separate)                    | 5.4            | 8.4            | -3.0         | 5.7            | -0.3          | 94.3           |
| DL Chemical(Separate)           | 405.6          | 337.1          | +68.5        | 454.4          | -48.8         | 1,166.9        |
| Kraton                          | 602.4          | 659.2          | -56.8        | 742.2          | -139.8        | 1,924.5        |
| Cariflex                        | 70.5           | 53.2           | +17.3        | 77.4           | -6.9          | 180.4          |
| DL Energy                       | 37.2           | 18.8           | +18.4        | 52.4           | -15.2         | 100.3          |
| GLAD                            | 27.3           | 26.2           | +1.1         | 27.1           | +0.2          | 74.7           |
| DL Motors                       | 81.1           | 88.2           | -7.1         | 85.2           | -4.1          | 254.9          |
| Others / Consolidated           | 34.9           | 27.7           | +7.2         | 45.4           | -10.5         | -25.4          |
| <b>Operating Profit</b>         | <b>12.0</b>    | <b>-7.1</b>    | <b>+19.1</b> | <b>169.6</b>   | <b>-157.6</b> | <b>73.9</b>    |
| DL(Separate)                    | 1.5            | 3.3            | -1.8         | 0.2            | +1.3          | 81.5           |
| DL Chemical(Separate)           | 18.2           | 15.3           | +2.9         | 24.3           | -6.1          | 49.6           |
| Kraton                          | -65.6          | -46.3          | -19.3        | 74.2           | -139.8        | -102.9         |
| Cariflex                        | 13.6           | 8.6            | +5.0         | 17.3           | -3.7          | 33.4           |
| DL Energy                       | 29.7           | 15.5           | +14.2        | 37.8           | -8.1          | 83.3           |
| GLAD                            | 8.4            | 5.6            | +2.8         | 9.1            | -0.7          | 18.1           |
| DL Motors                       | 0.7            | 1.0            | -0.3         | 0.5            | +0.2          | 1.4            |
| Others / Consolidated           | 5.5            | -10.1          | +15.6        | 6.2            | -0.7          | -90.5          |
| <b>Equity Method Investment</b> | <b>-3.7</b>    | <b>-44.2</b>   | <b>+40.5</b> | <b>-55.9</b>   | <b>+52.2</b>  | <b>-56.8</b>   |
| <b>Net Profit</b>               | <b>-50.9</b>   | <b>-89.9</b>   | <b>+39.0</b> | <b>-36.8</b>   | <b>-14.1</b>  | <b>-164.4</b>  |
| <b>Controlling</b>              | <b>-51.6</b>   | <b>-82.2</b>   | <b>+30.6</b> | <b>-37.0</b>   | <b>-14.6</b>  | <b>-162.5</b>  |

# 3. Consolidated Subsidiaries Results (Chemical)



(KRW bn)

DL  
Chemical  
(Separate)

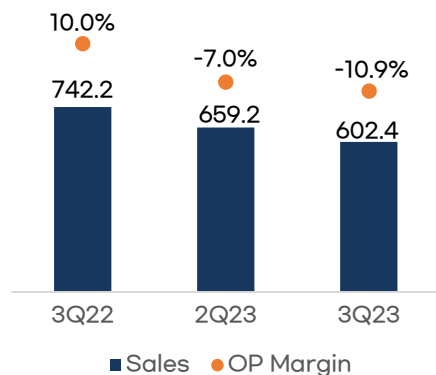


Sales 405.6 (QoQ +20%, YoY -11%)  
 Operating Profit 18.2 (QoQ +19%, YoY -25%) \* EBITDA 34.4

PE's performance improved amid weak global demand due to the development and sales of high value-added products, the base effect of regular maintenance in the previous quarter

PB's earnings declined due to weak demand for lubricants and rising raw material prices

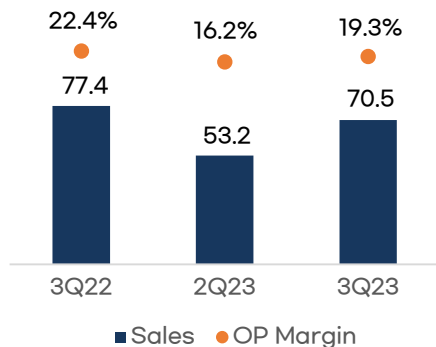
Kraton



Sales 602.4 (QoQ -9%, YoY -19%)  
 Operating Profit -65.6 (QoQ -42%, YoY reverted to loss) \* EBITDA -4.1

Kraton underperformed due to Europe regional demand recovery delays and raw material prices continuing the impact of negative lagging

Cariflex



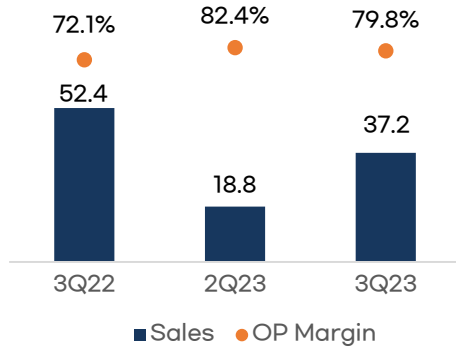
Sales 70.5 (QoQ +33%, YoY -9%)  
 Operating Profit 13.6 (QoQ +58%, YoY -21%) \* EBITDA 22.7

Sales and earnings improved as customer's inventory adjustment entered the final stage

# 3. Consolidated Subsidiaries Results (Non-chemical)



**DL Energy**

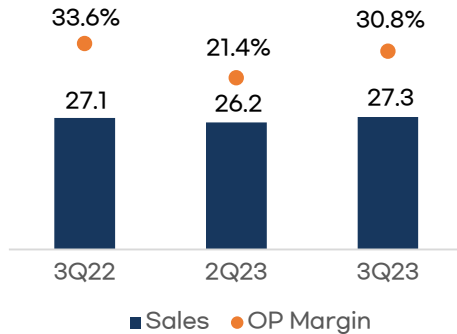


(KRW bn)

|                  |                           |
|------------------|---------------------------|
| Sales            | 37.2 (QoQ +98%, YoY -29%) |
| Operating Profit | 29.7 (QoQ +92%, YoY -21%) |

Strong performance thanks to stable business operations of domestic and overseas assets

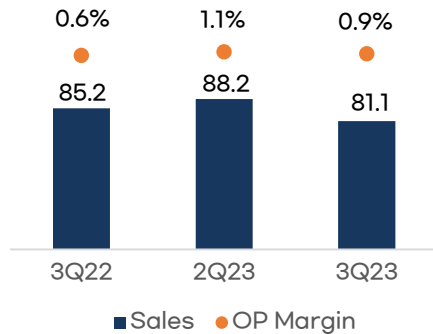
**GLAD**



|                  |                         |
|------------------|-------------------------|
| Sales            | 27.3 (QoQ +4%, YoY +1%) |
| Operating Profit | 8.4 (QoQ +50%, YoY -8%) |

Solid performance due to seasonal peak and increase in foreign tourists and corporate demand

**DL Motors**



|                  |                          |
|------------------|--------------------------|
| Sales            | 81.1 (QoQ -8%, YoY -5%)  |
| Operating Profit | 0.7 (QoQ -30%, YoY +40%) |

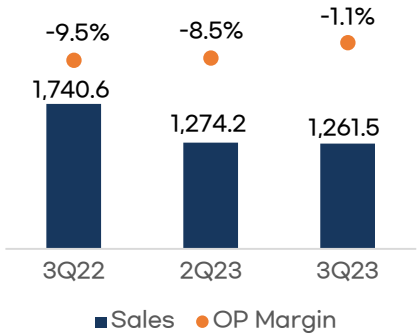
Despite decrease in revenue due to lower selling prices following a drop in raw material prices, maintained prev. quarters OP thanks to cost-saving efforts



# 4. Equity Method Companies Results

(KRW bn)

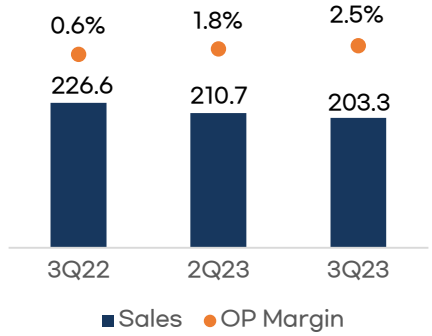
**YNCC**



|                    |                             |
|--------------------|-----------------------------|
| Sales              | 1,261.5 (QoQ -1%, YoY -28%) |
| Operating Profit   | -13.3 (QoQ +88%, YoY +92%)  |
| Equity Method Inv. | -9.7 (QoQ +81%, YoY +85%)   |

Significantly reduced deficit due to input of low-cost raw materials and reversal of inventory valuation losses

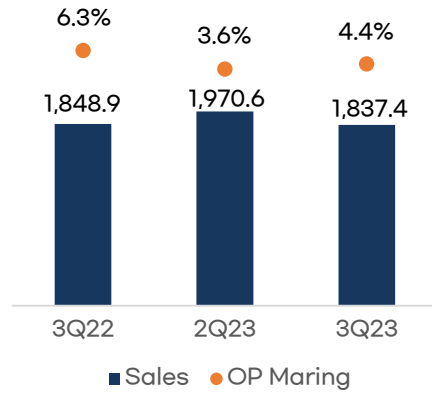
**PMC**



|                    |                           |
|--------------------|---------------------------|
| Sales              | 203.3 (QoQ -4%, YoY -10%) |
| Operating Profit   | 5.0 (QoQ +35%, YoY +257%) |
| Equity Method Inv. | -2.1 (QoQ +16%, YoY +59%) |

Operating profit improved thanks to rise in selling prices due to rising oil prices

**DL E&C**



|                    |                            |
|--------------------|----------------------------|
| Sales              | 1,837.4 (QoQ -7%, YoY -1%) |
| Operating Profit   | 80.4 (QoQ +12%, YoY -31%)  |
| Equity Method Inv. | 9.3 (QoQ -447%, YoY -61%)  |

Amid the continued impact of rising raw material prices and outsourcing costs, operating profit slightly improved due to strong plant projects' progress



# Appendix 1. Financial Status (K-IFRS Consolidated)



(KRW bn)

|                    | 3Q23     | End of 2022 |        | End of 2021 |          |
|--------------------|----------|-------------|--------|-------------|----------|
|                    |          |             | Change |             | Change   |
| Assets             | 12,279.4 | 12,019.0    | +260.4 | 8,180.7     | +4,098.7 |
| Liabilities        | 7,658.1  | 7,401.2     | +256.9 | 3,794.0     | +3,864.1 |
| Equities           | 4,621.3  | 4,617.8     | +3.5   | 4,386.7     | +234.6   |
| Debt/Equity Ratio  | 166%     | 160%        | +6%p   | 86%         | +80%p    |
| Cash & Cash Equiv. | 976.8    | 958.0       | +18.8  | 1,830.1     | -853.3   |
| Debt               | 5,714.1  | 5,234.3     | +479.8 | 2,937.3     | +2,776.8 |
| Net Debt           | 4,737.3  | 4,276.3     | +461.0 | 1,107.2     | +3,630.1 |

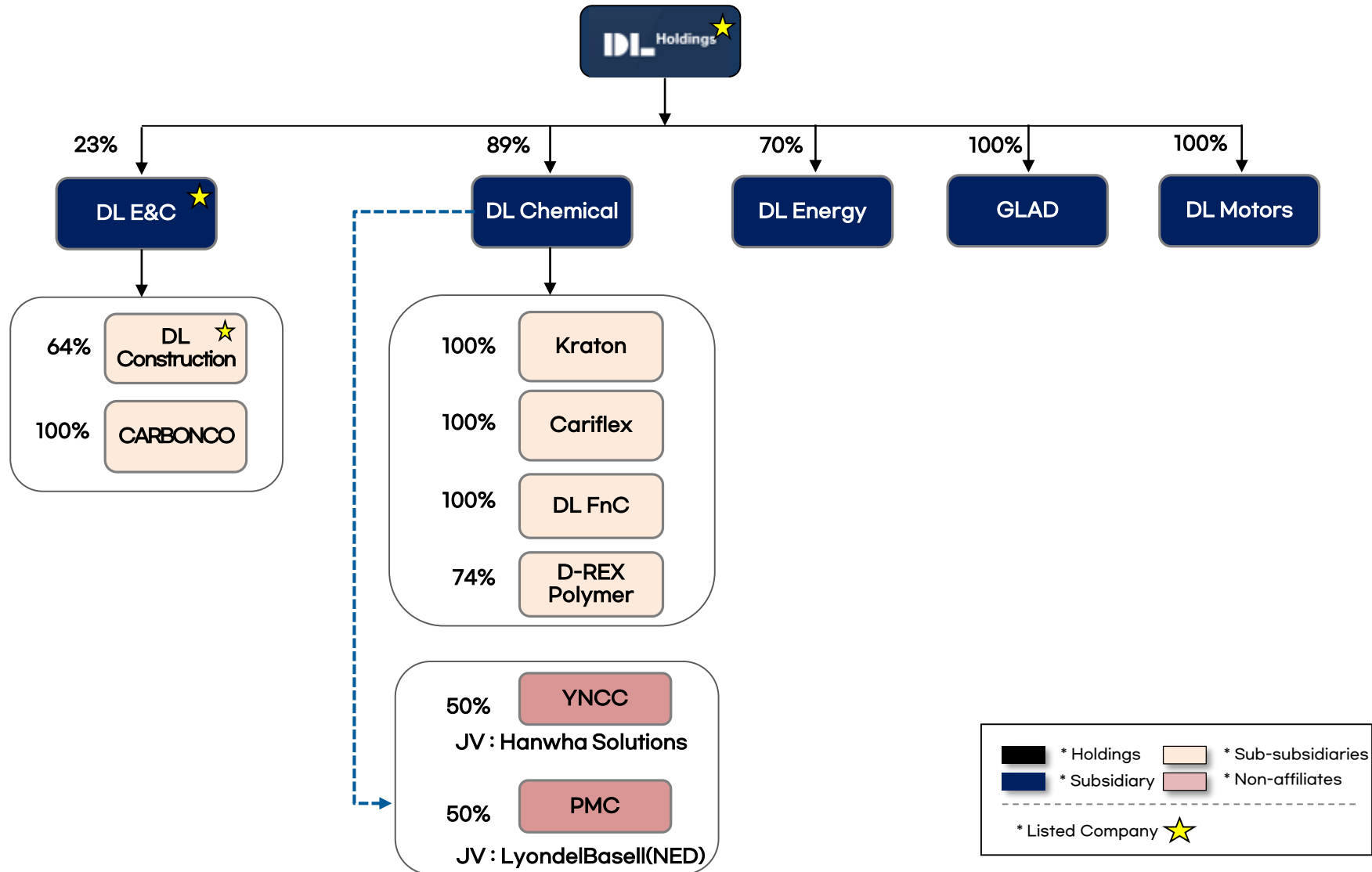
# Appendix 2. Corporate Governance (Common Share)



Holding Company

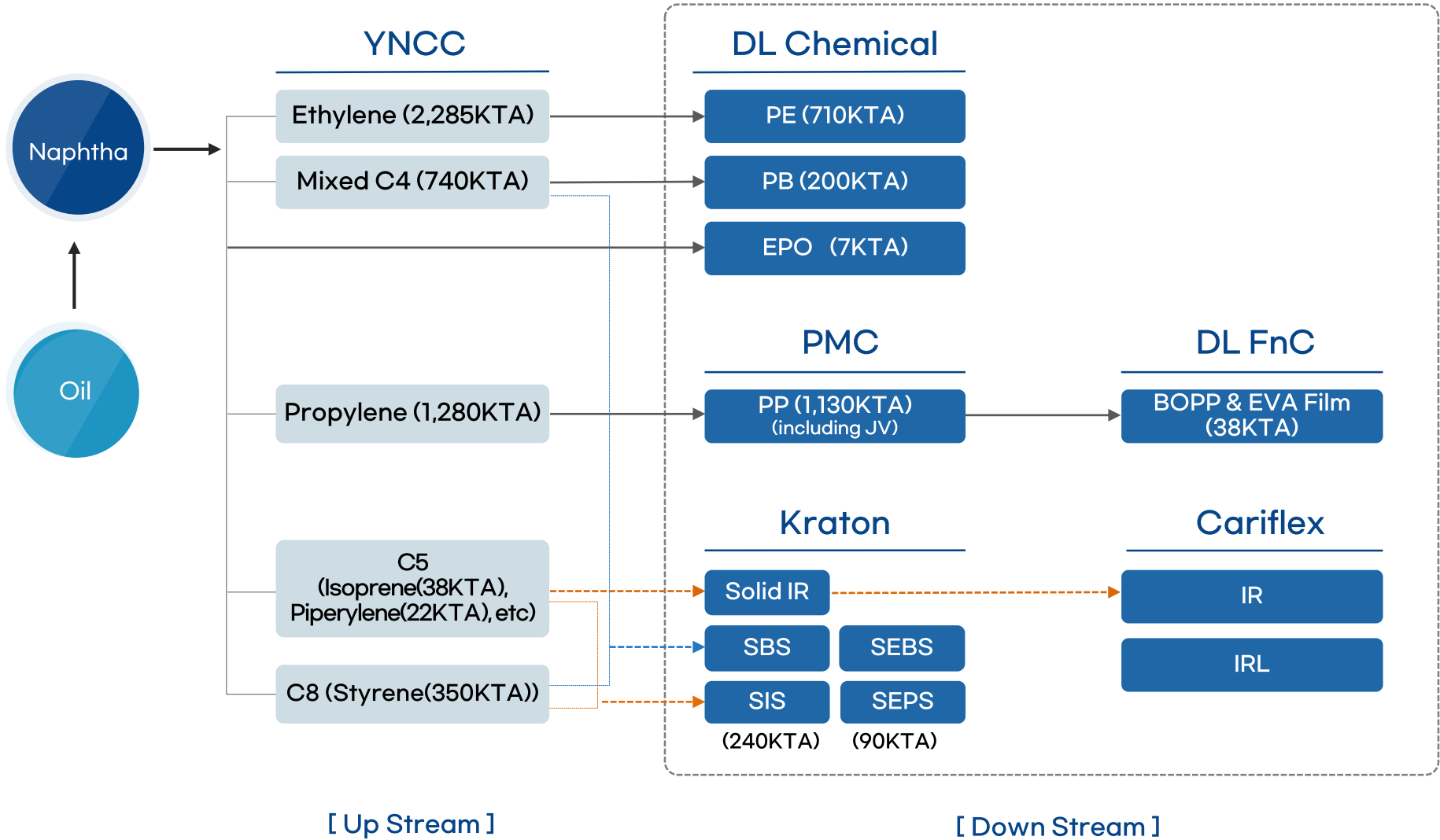
Subsidiaries

Sub-sub-subsidiaries



|                    |              |  |                    |
|--------------------|--------------|--|--------------------|
|                    | * Holdings   |  | * Sub-subsidiaries |
|                    | * Subsidiary |  | * Non-affiliates   |
| -----              |              |  |                    |
| * Listed Company ★ |              |  |                    |

# Appendix 3. DL Chemical Petrochemical Value Chain





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# Thank you

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