

1Q 2024 Earnings Release

2024.4.25



Disclaimer

This report has been prepared by HD Hyundai Oilbank Co., Ltd., indicated as "Company" below, for the purpose of promoting understanding of the company's business activities and it is prohibited to export, copy or redistribute the report.

"Predictive information" contained in this report is information that has not been subjected to individual verification. This refers to information related to future events, such as expected future management status and financial performance of the company. In terms of expressions, vocabulary such as 'prediction', 'forecast', 'plan', 'expectation', '(E)' are included.

The above "forecast information" is influenced by changes in the future business environment and inherently contains uncertainties. As a result of such uncertainties, actual future performance may significantly differ from those stated or implied in the "forecast information".

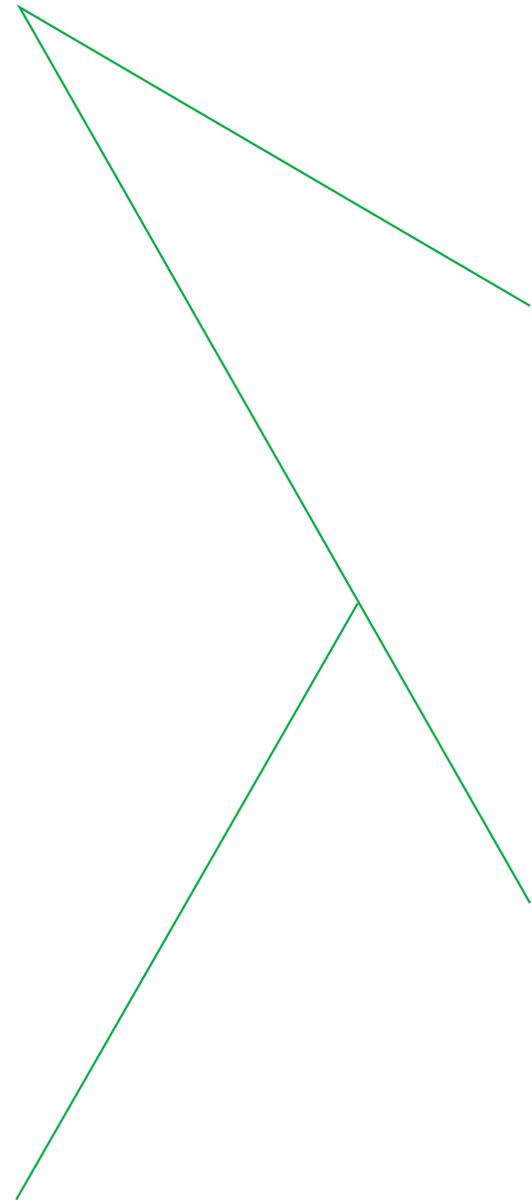
Furthermore, the outlook is based on current market conditions and the direction of the company management. Please be advised that changes may occur due to changes in the market environment and strategies, and are subject to change without notice.

Please note that the Company and its employees do not bear any responsibility for any loss resulting from the use of this material. (Including negligence and other cases)

Please do not copy or distribute this material as it contains the confidential information of the Company

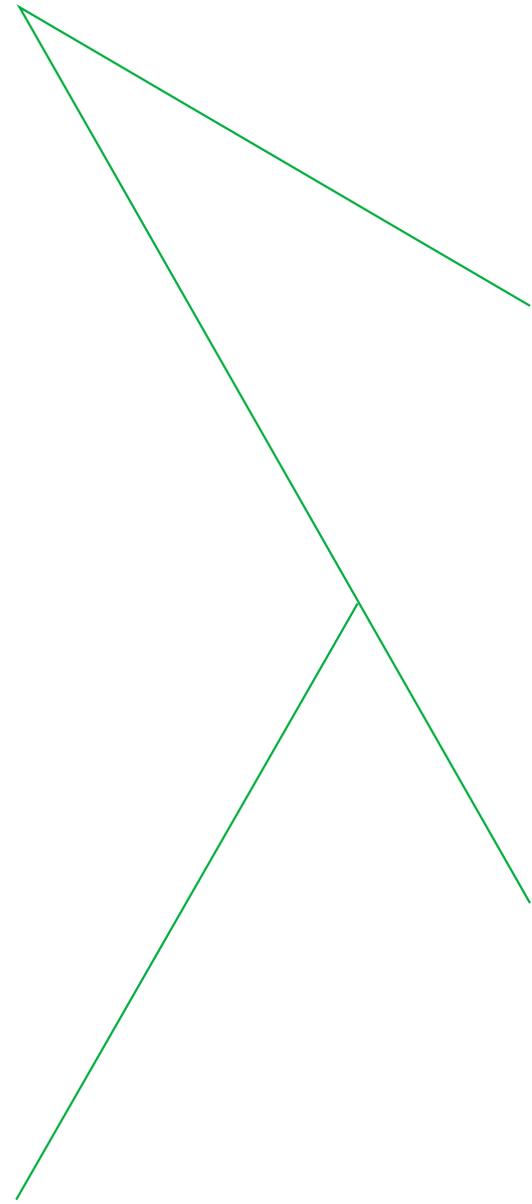
1. 1Q 2024 Earnings

2. Appendix



1. 1Q 2024 Earnings

1. Consolidated Earnings
2. Earnings by Business Segment
3. 1Q 2024 Market Conditions
4. Market Outlook by Business Segment

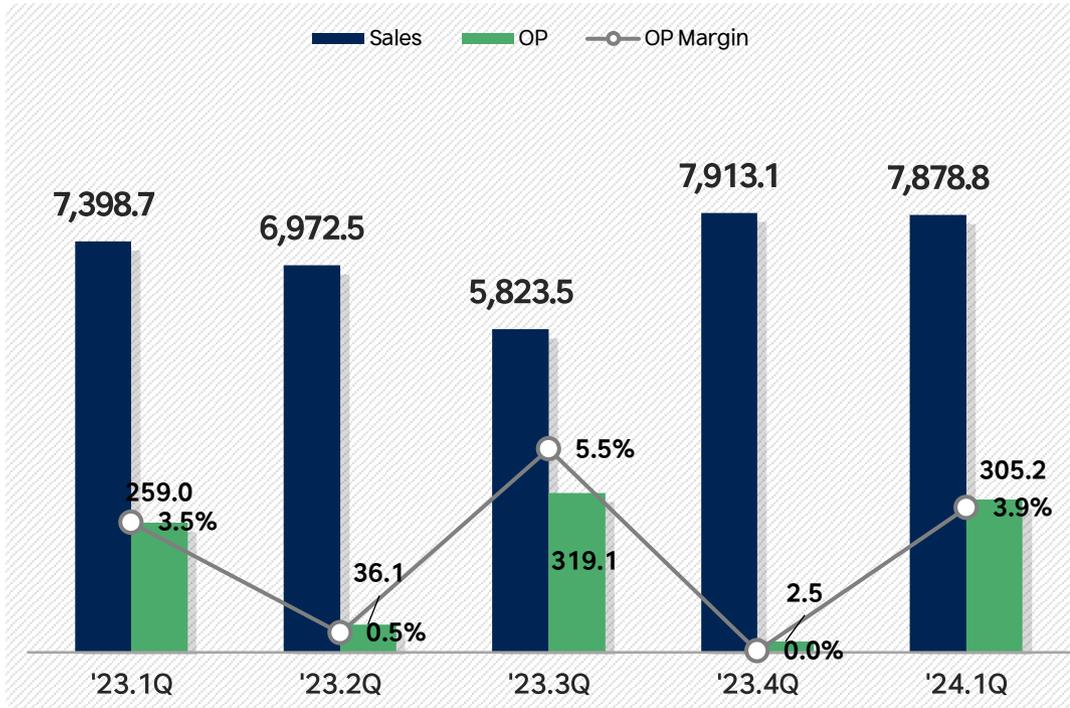


1. Consolidated Earnings

- HD Hyundai Oilbank recorded a consolidated operating profit of KRW 305.2 bn (QoQ +302.7bn) due to the impact of the OPEC+ production cuts extension, resulting in a bullish market, and the strong gasoline market conditions

1Q 2024 Consolidated Earnings

(Unit : KRW bn)



1Q Consolidated OP : KRW 305.2 bn

QoQ +KRW 302.7bn, YoY +KRW 46.2 bn

- Refining margins improved as oil prices turned bullish and gasoline market strengthened
- Oil prices turned bullish as OPEC+ extended production cuts
- Gasoline market strengthened as stockpile demand increased for the seasonal peak

Refining margins improved due to bullish oil and gasoline market conditions

- Oil prices turned bullish due to OPEC+ agreement to extend production cuts and geopolitical risks in the Middle East
Oil prices : 77.3(Dec)→78.8(Jan)→80.9(Feb)→84.2(Mar)\$/B
- Gasoline market strengthened as stockpile demand increased for the U.S. driving season
Gasoline : 7.6(4Q)→13.3(1Q)\$/B

2. Earnings by Business Segment

1Q 2024 Earnings

(Unit : KRW bn)

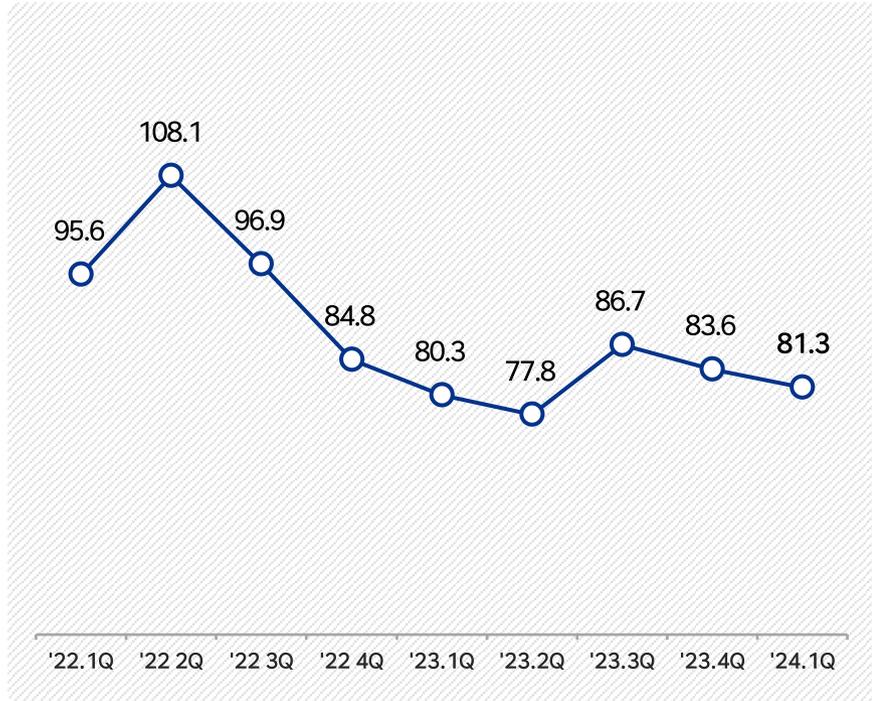
Business	` 24.1Q			` 23.4Q			` 23.1Q		
	Sales	Operating Profit	%	Sales	Operating Profit	%	Sales	Operating Profit	%
Refining	7,559.0	219.2	2.9	7,603.2	-72.9	-1.0	6,797.3	193.4	2.8
Petrochemical	1,799.4	35.6	2.0	1,619.4	-33.9	-2.1	1,727.4	35.5	2.1
Lube Base Oil	312.2	32.4	10.4	318.5	34.7	10.9	379.7	30.8	8.1
Others/Adjustments	-1,791.8	18.0		-1,628.0	74.6		-1,505.7	-0.7	
Consolidated Earnings	7,878.8	305.2	3.9	7,913.1	2.5	0.0	7,398.7	259.0	3.5

3. 1Q 2024 Market Conditions (Refining)

- Oil prices turned bullish compared to the end of last year due to the impact of the OPEC+ production cuts and increased geopolitical risks in the Middle East
- Singapore refining margins rose due to the impact of operational disruptions caused by the winter storm in the U.S. and increased demand for gasoline amid higher stockpiling ahead of the driving season

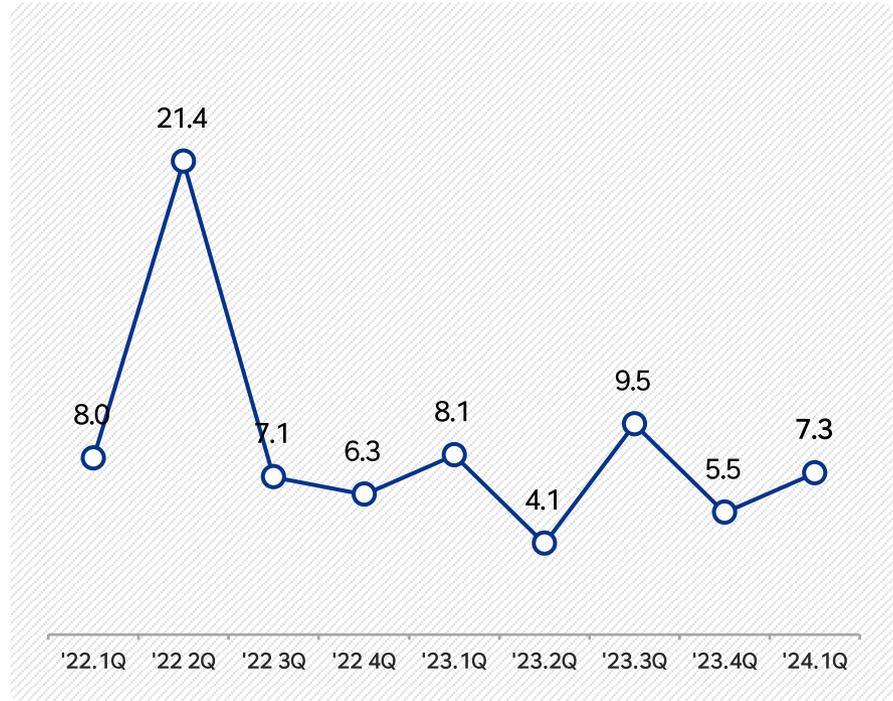
Dubai Oil Price

(Unit : \$/bbl)



Singapore Refining Margin

(Unit : \$/bbl)

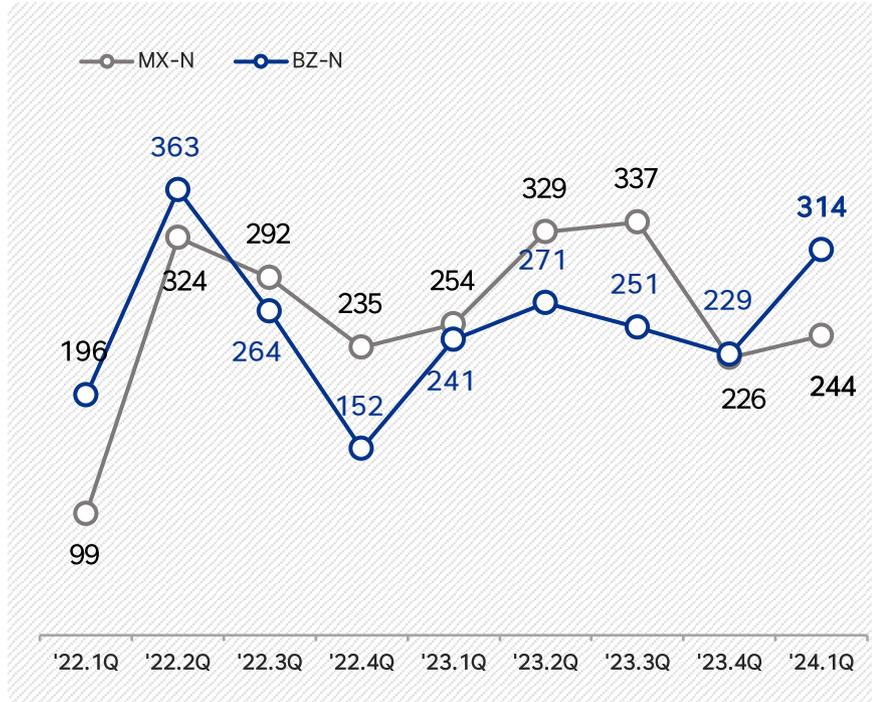


3. 1Q 2024 Market Conditions (Petrochemicals)

- BTX spreads strengthened due to scheduled maintenances at the U.S. refineries and increased demand for gasoline blending ahead of the driving season
- PE/PP spreads weakened due to global economic slowdown and stagnant demand during the Chinese New Year and Ramadan periods

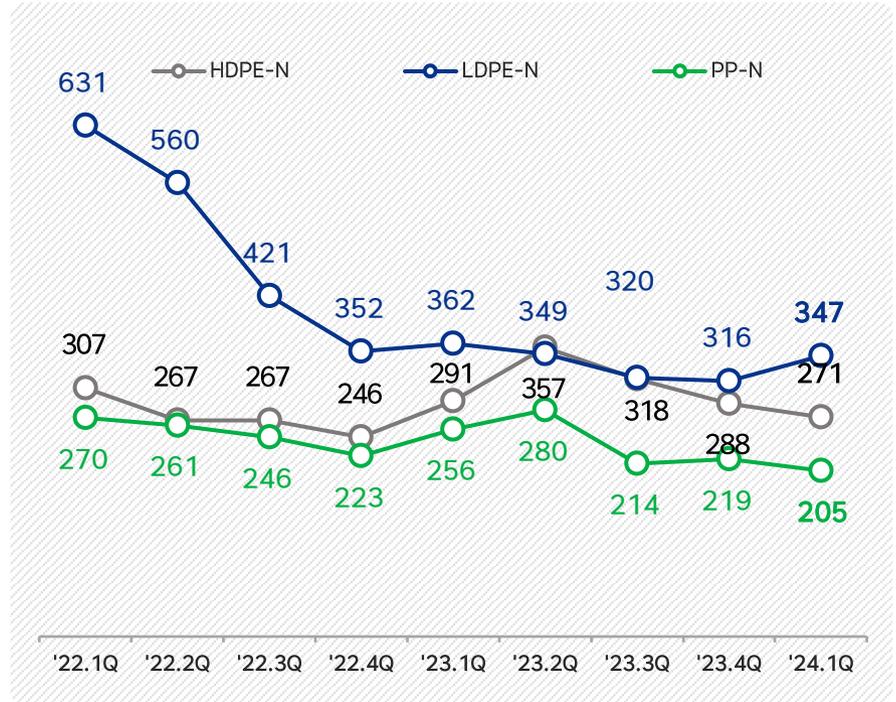
BTX Spread

(Unit : \$/MT)



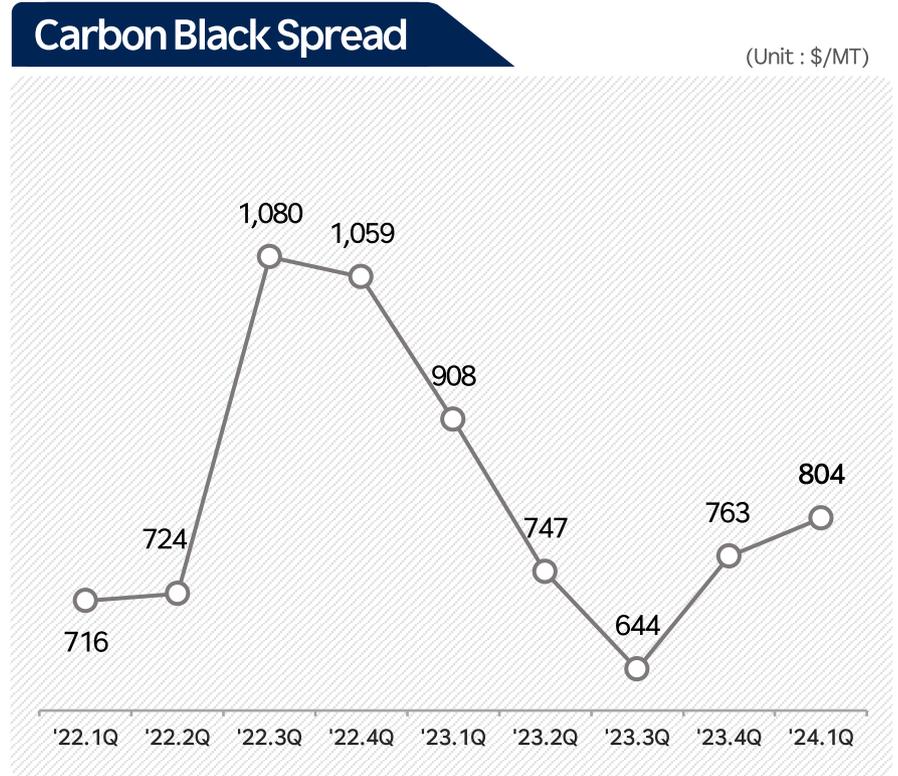
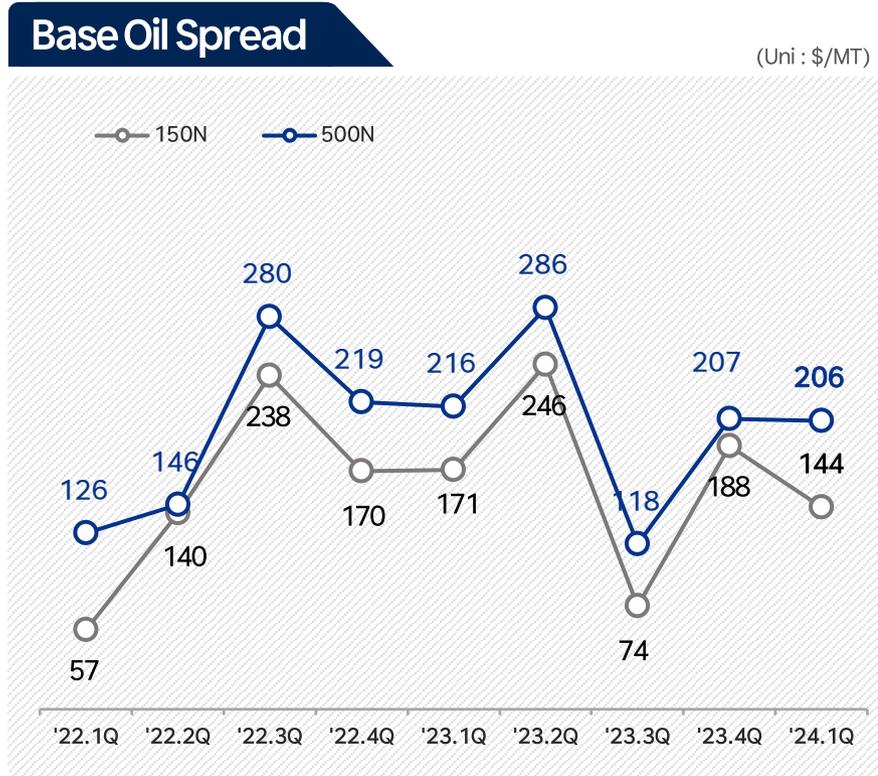
PE/PP Spread

(Unit : \$/MT)



3. 1Q 2024 Market Conditions (Base oil / Carbon Black)

- ✔ Lube base oil spreads remained weak due to subdued demand from key importing countries such as India and China
- ✔ Carbon black spreads remained strong due to improved demand from downstream industries in the region, while raw material prices remained steady



4. Market Outlook by Business Segment

24.2Q Outlook

Refining

- Dubai oil prices expected to remain strong due to sustained production cuts by the OPEC+ countries and increased geopolitical risks
- Gasoline cracks expected to remain bullish due to anticipated increase in mobile demand with the onset of the U.S. driving season
- Kerosene/Diesel cracks expected to remain weak due to the end of the winter heating season and subdued industrial demand amid economic slowdown

Petro-Chemical

- MX spreads expected to remain strong due to scheduled maintenances of MX producers and increased demand for gasoline blending ahead of the driving season
- PE/PP spreads expected to remain strong due to the onset of the manufacturing industry's peak season and demand recovery stemming from China's stimulus measures

Lube Base Carbon Black

- Lube base oil spreads expected to remain strong due to reduced supply from seasonal maintenances and demand recovery from major importing countries such as India and the ME
- Carbon black spreads expected to remain flat as raw material prices increase due to heightened geopolitical risks despite rising product prices

2024 Outlook

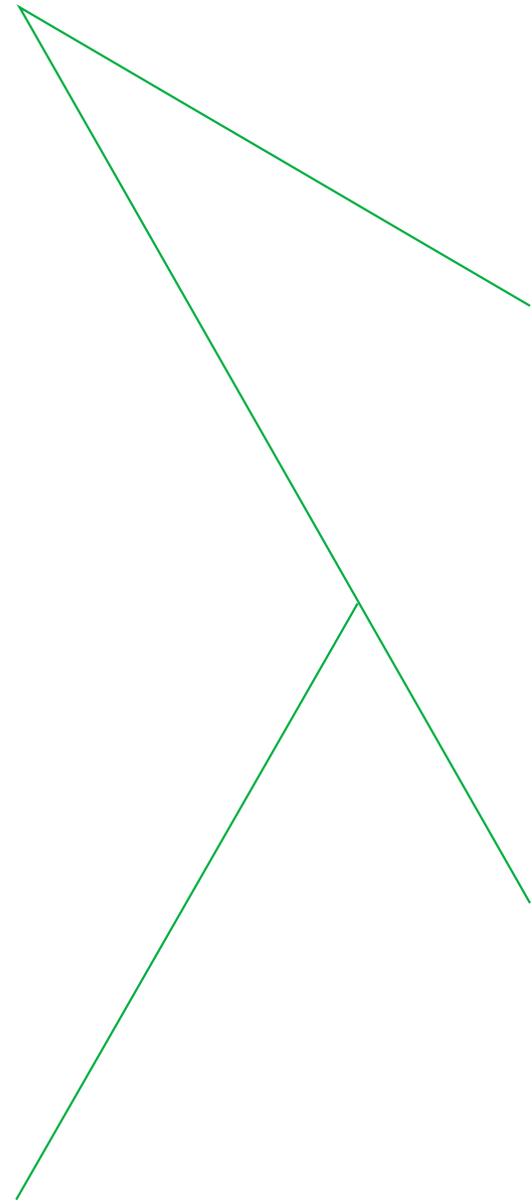
- Dubai oil prices expected to remain above \$80 due to tight supply-demand balance, but the expectation of increased political risks in the Middle East could lead to heightened volatility
- Gasoline cracks expected to maintain a favorable outlook due to sustained demand in the Southern Hemisphere (Australia/NZ) and a tight supply-demand balance
- Kerosene/Diesel cracks expected to face weakened demand due to economic slowdown, but the forecast remains mixed due to potential weather anomalies and geopolitical risks in the ME

- MX spreads expected to stay bullish in the first half of the year due to the peak season for gasoline, while for the second half, a weak trend is anticipated due to decreased demand following the end of driving season and increased supply from China
- PE/PP spreads expected to recover due to increased demand throughout the year resulting from China's stimulus measure, increasing supply simultaneously

- Lube base oil spreads expected to remain weak due to arrival of Indian monsoon season in autumn and weak demand due to off-season
- Carbon black spreads expected to remain flat due to increased geopolitical risks despite continued robust demand in the region

2. Appendix

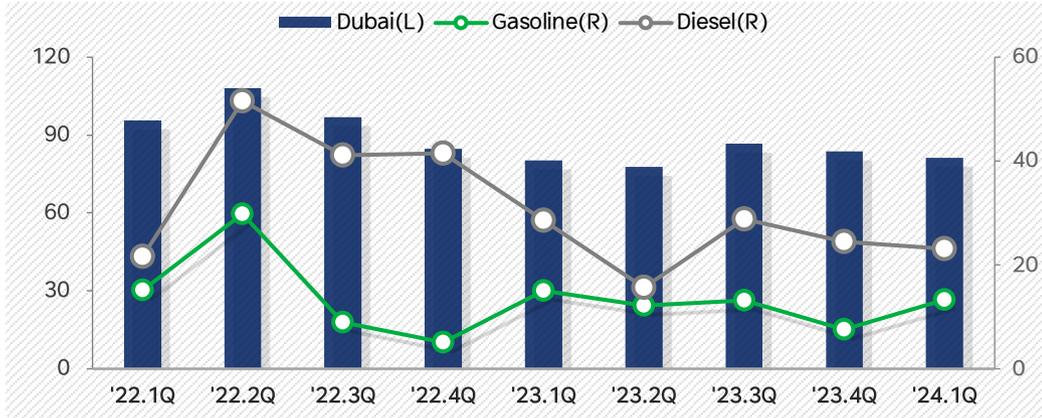
1. HD Hyundai Oilbank
2. HD Hyundai Chemical
3. HD Hyundai Shell Base Oil
4. HD Hyundai OCI
5. HD Financial Ratios
6. HD Financial Statements



1. HD Hyundai Oilbank Key Indicators & Results

Oil Price & Cracks

(Unit : \$/Bbl)



1Q Analysis

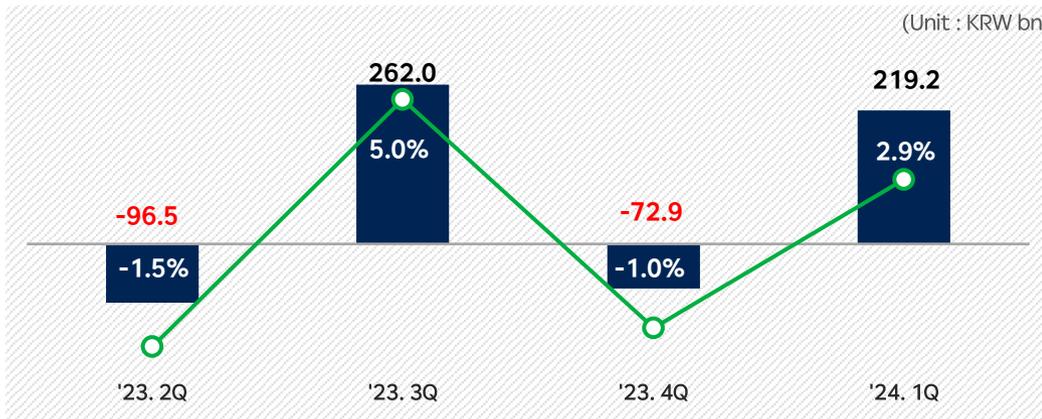
- Oil prices turned bullish compared to the end of last year due to the impact of the OPEC+ production cuts and increased geopolitical risks in the Middle East
- Gasoline cracks turned bullish as stockpile demand increased for the seasonal peak
- Kerosene/Diesel cracks remained bearish due to weak demand for heating oil from mild winter season and economic slowdown

24.2Q Outlook

- Oil prices expected to remain strong due to sustained production cuts by the OPEC+ countries and increased geopolitical risks
- Gasoline cracks expected to remain bullish due to anticipated increase in mobile demand with the onset of the U.S. driving season
- Kerosene/Diesel cracks expected to remain weak due to the end of the winter heating season and subdued industrial demand amid economic slowdown

HD Hyundai Oilbank Operating Income (Separate)

(Unit : KRW bn)



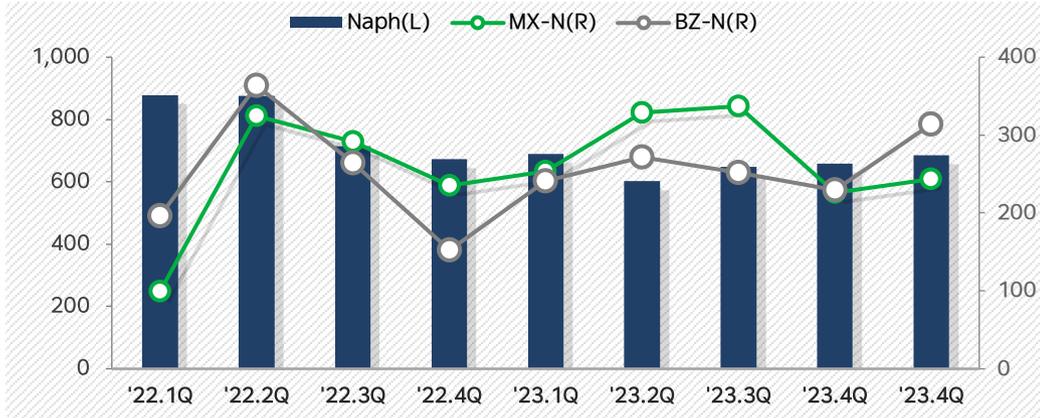
QoQ Analysis

- Operating income increased QoQ due to improved refining margins stemming from bullish oil and gasoline market conditions

2. HD Hyundai Chemical Key Indicators & Results

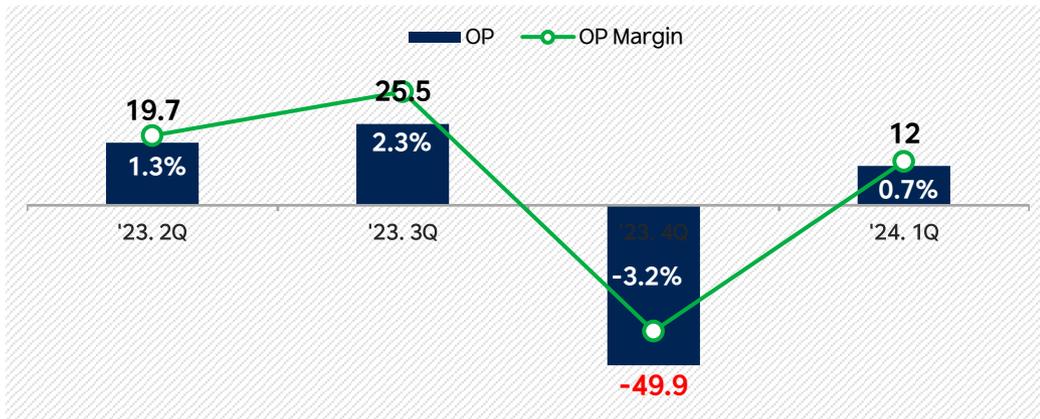
Petrochemical Product Spreads

(Unit : \$/MT)



HD Hyundai Chemical Operating Income

(Unit : KRW bn)



1Q Analysis

- BTX spreads strengthened due to scheduled maintenances at the U.S. refineries and increased demand for gasoline blending ahead of the driving season
- PE/PP spreads weakened due to global economic slowdown and stagnant demand during the Chinese New Year and Ramadan periods

24.2Q Outlook

- MX spreads expected to remain strong due to scheduled maintenances of MX producers and increased demand for gasoline blending ahead of the driving season
- PE/PP spreads expected to remain strong due to the onset of the manufacturing industry's peak season and demand recovery stemming from China's stimulus measures

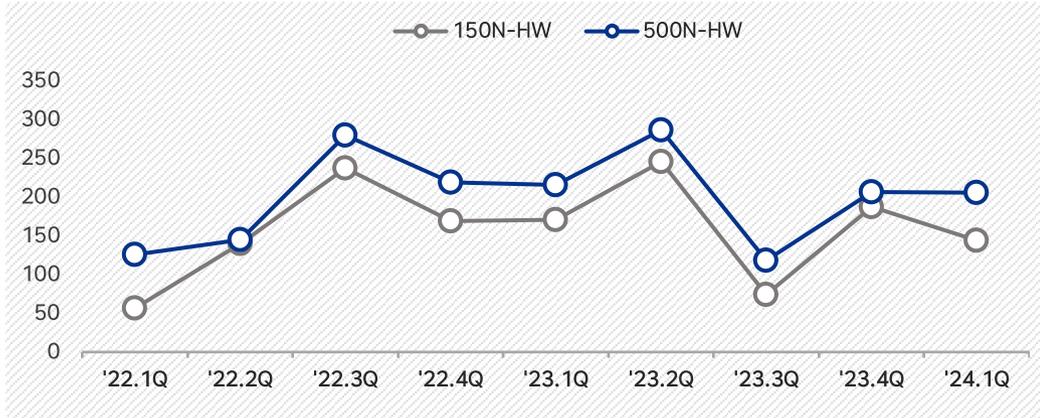
QoQ Analysis

- Operating income increased QoQ due to strengthened aromatic (MX, BZ) spreads

3. HD Hyundai Shell Base Oil Key Indicators & Results

Base Oil Product Spreads

(Unit : \$/MT)



1Q Analysis

- Lube base oil spreads remained weak due to subdued demand from key importing countries such as China despite Chinese New Year

HD Hyundai Shell Base Oil Operating Income

(Unit : KRW bn)



24.2Q Outlook

- Lube base oil spreads expected to remain strong due to reduced supply from seasonal maintenance and demand recovery from major importing countries such as India and the ME

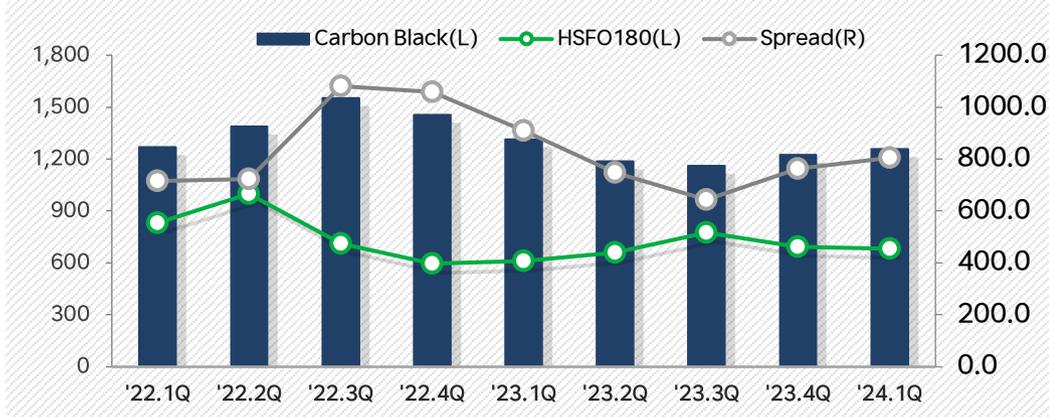
QoQ Analysis

- Operating income decreased QoQ due to weak lube base oil spreads

4. HD Hyundai OCI Key Indicators & Results

Carbon Black Product Spread

(Unit : \$/MT)



1Q Analysis

- Carbon black spreads remained strong due to improved demand from downstream industries in the region, while raw material prices remained steady

HD Hyundai OCI Operating Income

(Unit : KRW bn)



24.2Q Outlook

- Carbon black spreads expected to remain flat as raw material prices increase due to heightened geopolitical risks despite rising product prices

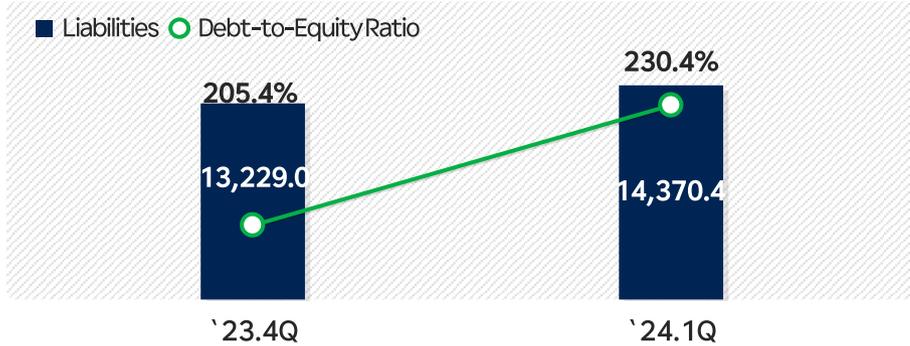
QoQ Analysis

- Operating income increased QoQ due to increases in price and sales volume while raw material price remained flat

5. Financial Ratios

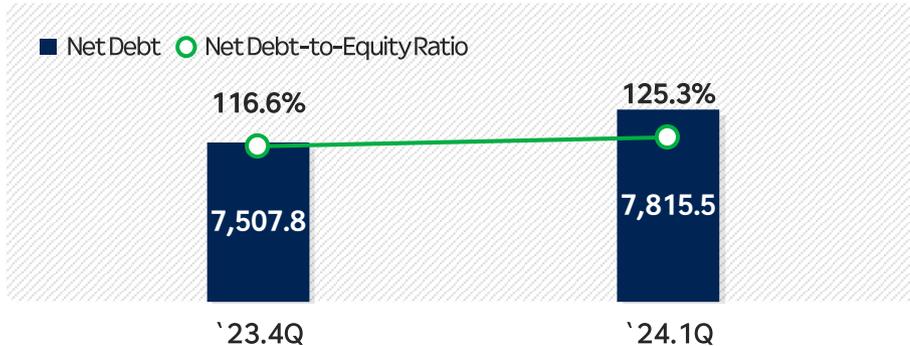
Consolidated Debt-to-Equity Ratio

(Unit : KRW bn)



Consolidated Net Debt-to-Equity Ratio

(Unit : KRW bn)



	Debt-to-Equity Ratio (Separate Basis)		Net Debt-to-Equity Ratio (Separate Basis)	
HD Hyundai Oilbank		200.6%		85.0%
	182.6%		80.6%	
	'23.4Q	'24.1Q	'23.4Q	'24.1Q
HD Hyundai Chemical		228.2%		195.0%
	221.8%		188.6%	
	'23.4Q	'24.1Q	'23.4Q	'24.1Q
HD Hyundai Shell Base Oil		63.8%		13.3%
	35.3%		6.1%	
	'23.4Q	'24.1Q	'23.4Q	'24.1Q
HD Hyundai OCI		18.8%		-4.2%
	17.7%		-10.1%	
	'23.4Q	'24.1Q	'23.4Q	'24.1Q

6-1. Financial Statements – HD Hyundai Oilbank (Consolidated)

Consolidated Income Statement

(Unit : KRW bn)

	1Q24			4Q23	1Q23
		QoQ	YoY		
Sales	7,878.8	-0%	6%	7,913.1	7,398.7
Cost of goods sold	7,400.0	-4%	6%	7,733.6	6,966.0
Gross profit	478.8	167%	11%	179.5	432.7
Operating profit	305.2	12,108%	18%	2.5	259.0
OPM(%)	3.9%			0.0%	3.5%
Non operating Income&expenses	-194.7	-649%	-44%	-26.0	-135.4
Equity method gains	-17.2	T/L	-3,340%	20.9	-0.5
Profit before tax	93.3	T/P	-24%	-2.6	123.1
Income tax	-12.4			8.2	29.6
Net income	105.7	T/P	13%	-10.8	93.5
Controlling interest	88.6	29,433%	-8%	0.3	96.3

Note 1. Consolidated in accordance with K-IFRS

Consolidated Balance Sheet

(Unit : KRW bn)

	`24.1Q	`23.4Q	`23.1Q
Current assets	7,364.0	6,286.1	6,884.9
Cash & cash equivalents	343.4	268.9	694.9
Non-current assets	13,244.2	13,382.9	13,280.1
Total assets	20,608.2	19,669.0	20,165.0
Current liabilities	6,934.1	5,618.3	5,924.2
Non-current liabilities	7,436.3	7,610.7	7,713.2
Total liabilities	14,370.4	13,229.0	13,637.4
Paid-in capital	1,225.4	1,225.4	1,225.4
Others	719.1	714.5	702.9
Retained earnings	3,272.5	3,447.0	3,523.3
Non-controlling interests	1,020.8	1,053.1	1,076.0
Total equity	6,237.8	6,440.0	6,527.6
Total liabilities & equity	20,608.2	19,669.0	20,165.0

6-2. Financial Statements – HD Hyundai Oilbank (Separate)

Income Statement (Separate)

(Unit : KRW bn)

		1Q24		4Q23	1Q23
		QoQ	YoY		
Sales	7,559.0	-1%	11%	7,603.2	6,797.3
Cost of goods sold	7,172.0	-5%	11%	7,514.6	6,440.4
Gross profit	387.0	337%	8%	88.6	356.9
Operating profit	219.2	T/P	13%	-72.9	193.4
OPM(%)	2.9%			-1.0%	2.8%
Non-operating income & expenses	-21.9	T/L	T/L	27.9	38.9
Profit before tax	197.3	T/P	-15%	-45.0	232.3
Income tax	21.7			-11.3	34.0
Net income	175.6	T/P	-11%	-33.7	198.3

Balance Sheet (Separate)

(Unit : KRW bn)

	`24.1Q	`23.4Q	`23.1Q
Current assets	5,969.4	5,264.7	5,591.6
Cash & cash equivalents	89.2	77.6	507.6
Non-current assets	8,810.7	8,868.3	8,868.8
Total assets	14,780.1	14,133.0	14,460.4
Current liabilities	5,469.1	4,771.9	5,176.6
Non-current liabilities	4,393.5	4,360.8	4,211.8
Total liabilities	9,862.6	9,132.7	9,388.4
Paid-in capital	1,225.4	1,225.4	1,225.4
Others	869.4	864.6	862.8
Retained earnings	2,822.7	2,910.3	2,983.8
Total equity	4,917.5	5,000.3	5,072.0
Total liabilities & equity	14,780.1	14,133.0	14,460.4

6-3. Financial Statements – HD Hyundai Chemical (Separate)

Income Statement (Separate)

(Unit : KRW bn)

	1Q24			4Q23	1Q23
		QoQ	YoY		
Sales	1,709.2	11%	4%	1,538.2	1,637.0
Cost of goods sold	1,689.4	7%	4%	1,581.1	1,624.0
Gross profit	19.8	T/P	52%	-42.9	13.0
Operating profit	12.4	T/P	97%	-49.9	6.3
OPM(%)	0.7%			-3.2%	0.4%
Non-operating income & expenses	-65.4	-95%	7%	-33.5	-70.6
Profit before tax	-53.0	36%	18%	-83.4	-64.3
Income tax	-49.1			-10.0	-17.3
Net income	-3.9	95%	92%	-73.4	-47.0

Balance Sheet (Separate)

(Unit : KRW bn)

	`24.1Q	`23.4Q	`23.1Q
Current assets	1,202.5	1,100.9	1,399.6
Cash & cash equivalents	16.4	23.1	31.2
Non-current assets	5,010.3	5,019.5	5,019.0
Total assets	6,212.8	6,120.4	6,418.6
Current liabilities	1,294.2	990.5	906.5
Non-current liabilities	3,025.7	3,227.8	3,492.7
Total liabilities	4,319.9	4,218.3	4,399.2
Paid-in capital	1,520.0	1,520.0	1,520.0
Others	-6.7	-1.5	-1.6
Retained earnings	379.6	383.6	501.0
Total equity	1,892.9	1,902.1	2,019.4

6-4. Financial Statements – HD Hyundai Shell Base Oil (Separate)

Income Statement (Separate)

(Unit : KRW bn)

	1Q24		4Q23	1Q23	
	QoQ	YoY			
Sales	312.2	-2%	-18%	318.5	379.7
Cost of goods sold	277.3	-1%	-20%	281.3	345.6
Gross profit	34.9	-6%	2%	37.2	34.1
Operating profit	32.4	-7%	5%	34.7	30.8
OPM(%)	10.4%			10.9%	8.1%
Non-operating income & expenses	0.5	T/P	67%	-0.5	0.3
Profit before tax	32.9	-4%	6%	34.2	31.1
Income tax	7.5			11.4	7.0
Net income	25.4	11%	5%	22.8	24.1

Balance Sheet (Separate)

(Unit : KRW bn)

	` 24.1Q	` 23.4Q	` 23.1Q
Current assets	214.9	206.4	201.9
Cash & cash equivalents	12.2	29.3	27.4
Non-current assets	246.3	248.3	257.0
Total assets	461.2	454.7	458.9
Current liabilities	126.0	63.2	79.3
Non-current liabilities	53.6	55.4	88.7
Total liabilities	179.6	118.6	168.0
Paid-in capital	13.0	13.0	13.0
Others	119.5	119.4	119.4
Retained earnings	149.1	203.7	158.5
Total equity	281.6	336.1	290.9

