

1Q 2023 Earnings Release



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I. 1Q 2023 Earnings

II. Appendix



I. 1Q 2023 Earnings

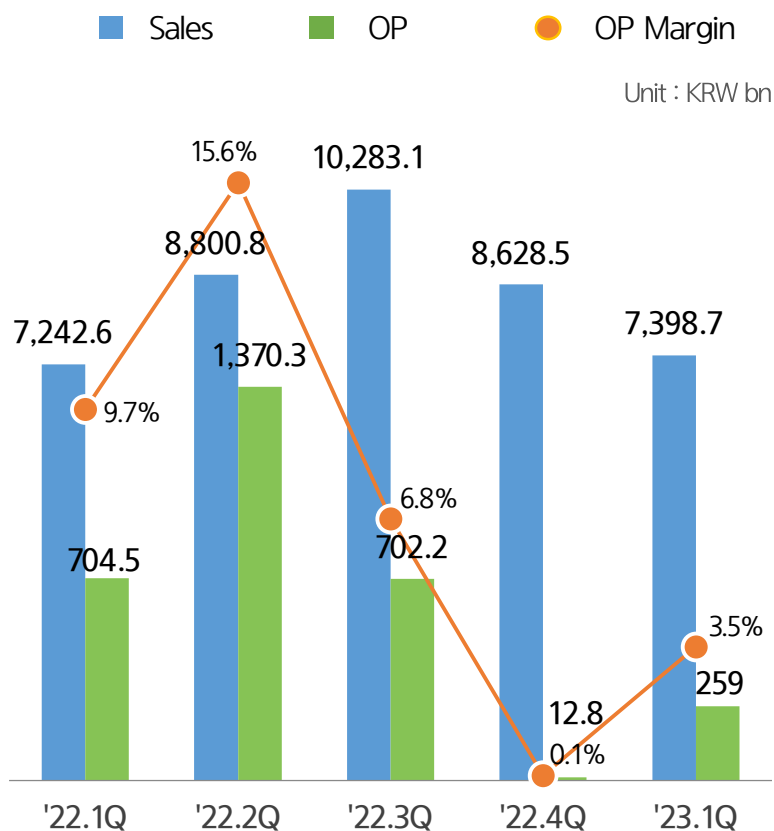
1. Consolidated Earnings
2. Earnings by Business Segment
3. 1Q 2023 Market Conditions
4. Market Outlook by Business Segment



1. Consolidated Earnings

HD Hyundai Oilbank recorded operating profit of KRW 259 bn in 1Q (QoQ + KRW 246.2 bn) resulting from reduction of loss on inventory valuation due to narrowing the decline in oil price and improved gasoline margin

1Q 2023 Consolidated Earnings



- 1Q Consolidated OP : KRW 259 bn**

- 1Q Consolidated OP KRW 259 bn resulting from reduction of loss on inventory valuation due to narrowing the decline in oil price and improved gasoline margin
- QoQ + KRW 246.2 bn
- YoY - KRW 445.5 bn

- Reduction of loss on inventory valuation and improved gasoline margin**

- Reduction of loss on inventory valuation due to narrowing the decline in oil price compared to significant decline on the second half of 2022
- Gasoline crack improved due to demand increased resulting from low inventory level of Gasoline on offshore and expectation for upcoming summer driving season

(QoQ) Gasoline Margin : 9.9 \$/B (5.1 \$/B → 15\$/B)

2. Earnings by Business Segment

1Q 2023 Earnings

Unit : KRW bn

Business	'23.1Q			'22.4Q			'22.1Q		
	Sales	Operating Profit	OP Margin	Sales	Operating Profit	OP Margin	Sales	Operating Profit	OP Margin
Refining	6,797.3	193.4	2.8%	7,921.2	-60.5	-0.8%	6,999.3	665.1	9.5%
Petrochemical	1,727.4	35.5	2.1%	1,973.7	-18.6	-0.9%	1,723.2	36.6	2.1%
Lube Base Oil (Newly consolidated*)	379.7	30.8	8.1%	330.2	29.6	9.0%	261.4	16.4	6.3%
Others/Adjustments	-1,505.7	-0.7		-1,596.5	62.3		-1,741.3	-13.6	
Consolidated Earnings	7,398.7	259	3.5%	8,628.5	12.8	0.1%	7,242.6	704.5	9.7%

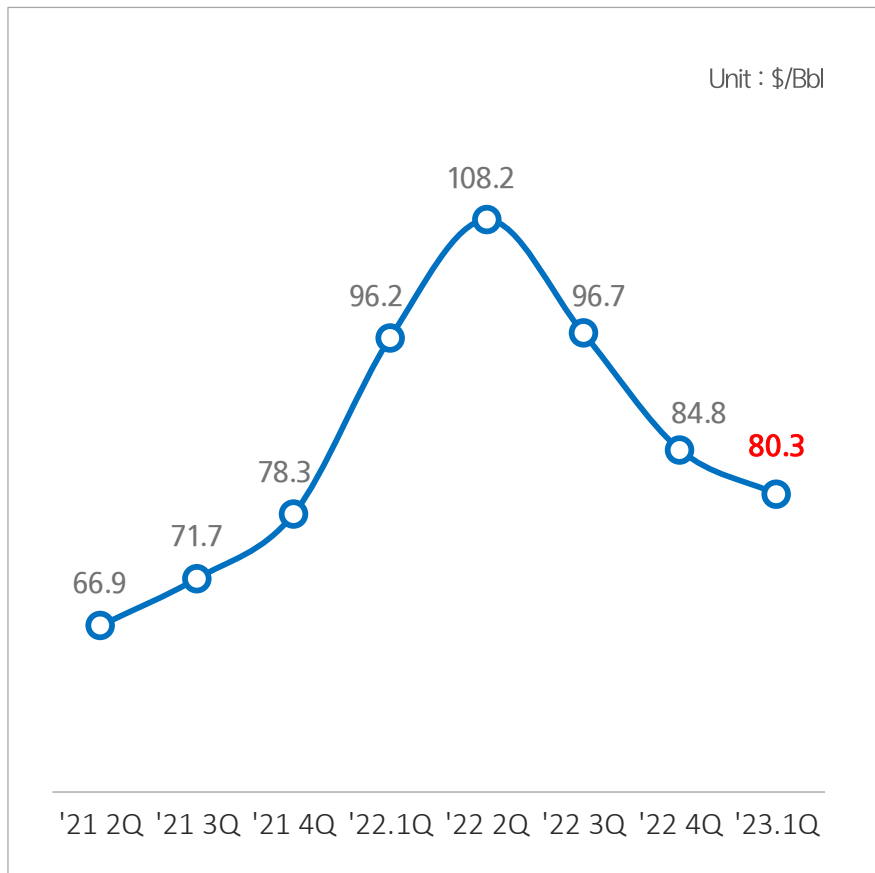
※ Lube base oil business (Hyundai Shell Base Oil, HSB) has been newly consolidated since Nov. 2020

3. 1Q 2023 Market Conditions (Refining)

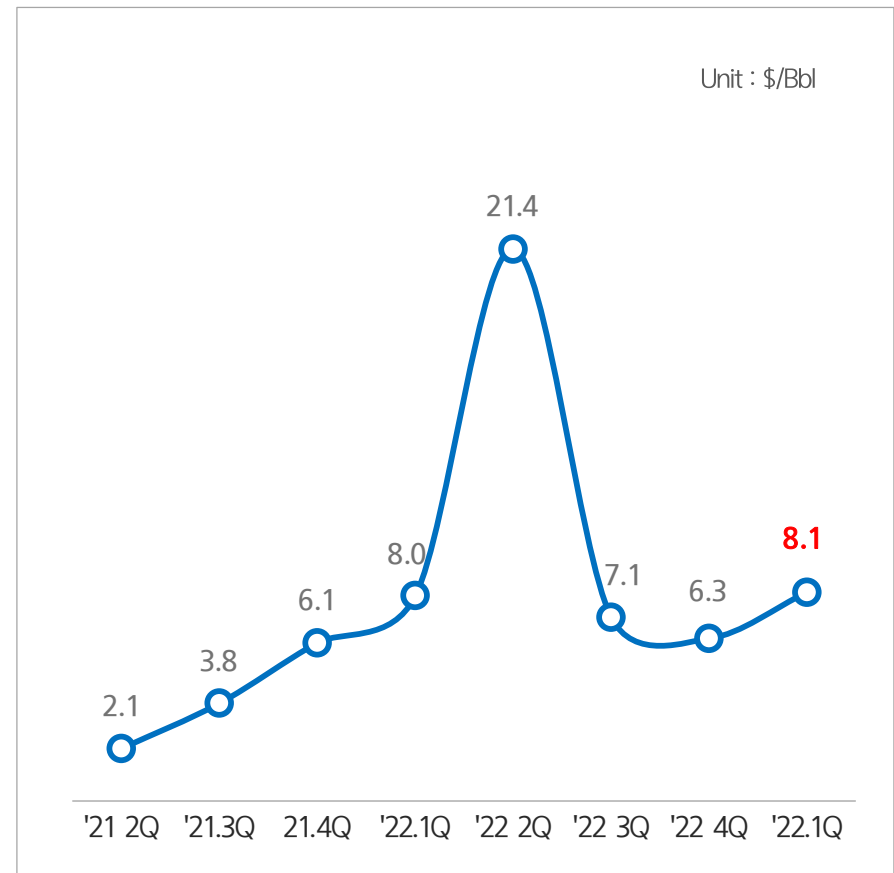
Oil prices declined slightly QoQ resulting from maintained tightening stance by the Federal Reserve Bank and high inventory level of crude oil in the US

Singapore refining margins increased QoQ due to Asian refining company maintenances in spring

Dubai Oil Price



Singapore Refining Margin

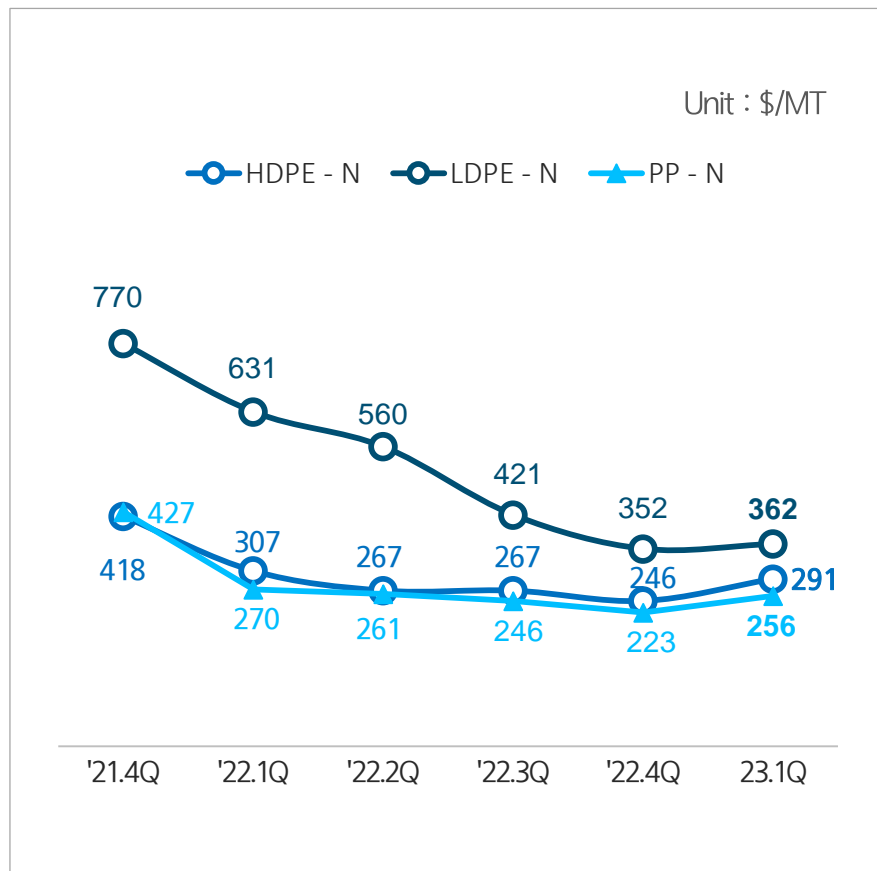


3. 1Q 2023 Market Conditions (Petrochemicals)

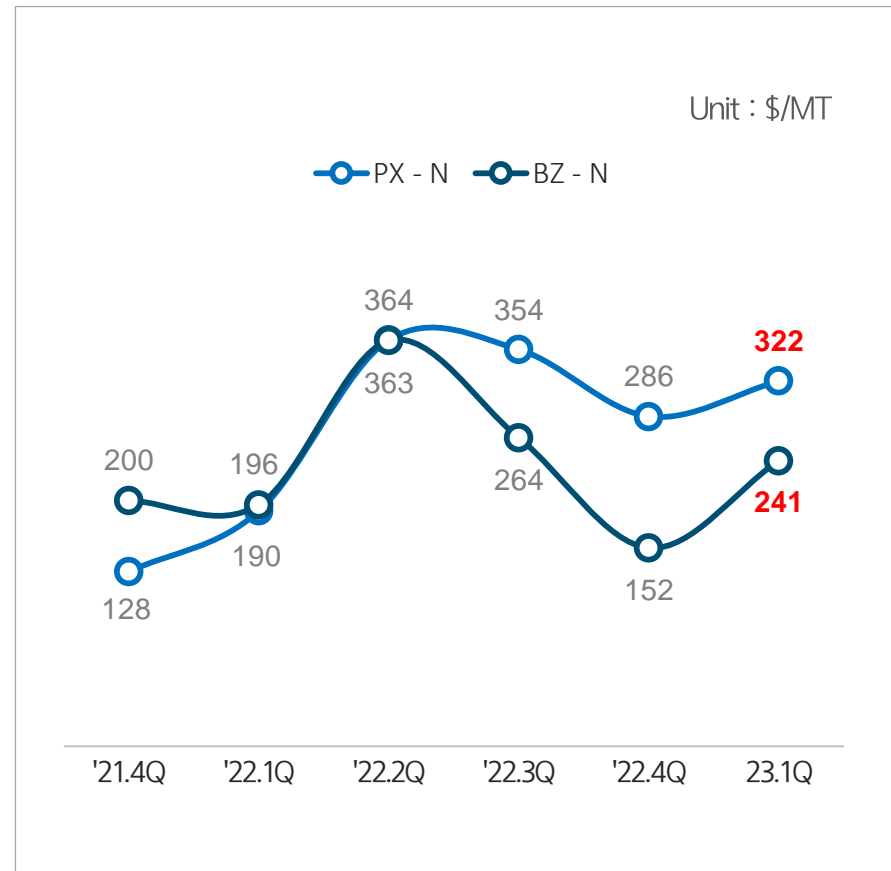
PE/PP spread increased slightly due to declined supply resulting from decreased utilization of petrochemical companies in the region

PX spread improved due to completion of PTA expansions in China (5 Mil Ton) and upcoming Asian PX companies maintenances

PE/PP Spread



BTX Spread

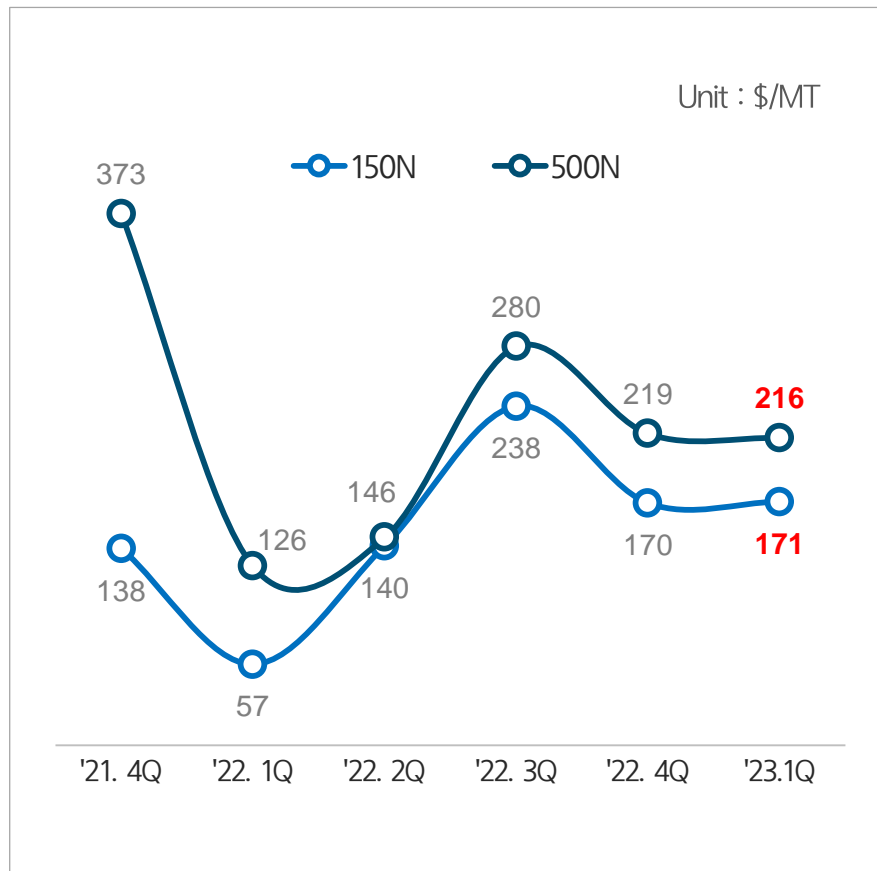


3. 1Q 2023 Market Conditions (Base oil / Carbon Black)

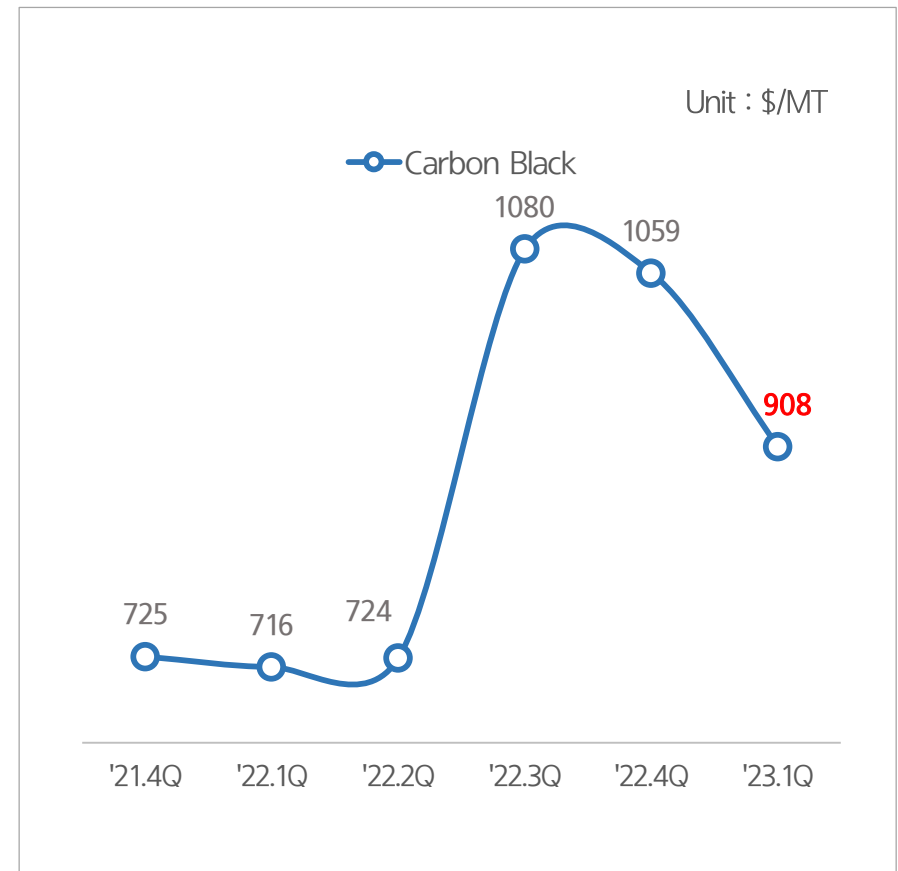
Lube base oil spread remained steady due to supply decline resulting from maintenances in the region despite continued sluggish demand

Carbon black spread declined due to weakened carbon black price and increased raw material prices

Base Oil Spread



Carbon Black Spread



4. Market Outlook by Business Segment

23.2Q Outlook

23.3Q~4Q Outlook

Refining

- Dubai oil prices expected to increase slightly due to OPEC+ production cuts and entry into summer driving season despite concerns over global economic downturn and maintenances in spring
- Gasoline cracks to improve due to upcoming driving season
- Kerosene/Diesel cracks to weaken due to sluggish demand in industrial kerosene/diesel product and concerns over China's export expansion

- Dubai oil prices expected to improve gradually due to OPEC+ production cuts and increase in demand
- Gasoline cracks to weaken due to end of the peak season
- Kerosene/Diesel cracks to weaken due to increase in supply resulting from expansion and decrease in demand with global economic slowdown

Petro-Chemical

- BZ spread to remain flat due to Supply decline resulting from alternative production on Gasoline despite weakened SM market
- PX spread to improve due to PX maintenance schedule in China and entry into summer driving season
- MX spread to improve due to MX maintenance schedule in Japan and increase in gasoline blending demand
- PE/PP spread to weaken slightly due to end of maintenances on offshore despite demand in China

- BZ spread to weaken due to continued SM expansion
- PX spread to recover gradually due to expectation of 2~3% growth rate in polyester market
- MX spread to weaken slightly due to the end of summer driving season
- PE/PP spread to improve gradually due to demand improvement from Chinese economic stimulus policy despite increase in supply resulting from expansion schedule and the end of maintenances

Lube Base --- Carbon Black

- Lube base oil spread to slightly weaken due to increase in supply resulting from the end of maintenances in the region
- Carbon black prices to slightly weaken due to increase in utilization in China

- Lube base oil spread to weaken slightly due to oversupply from the end of maintenances and demand restriction by effects of India monsoon season
- Carbon black spread to remain flat due to expectation to recover oil price gradually

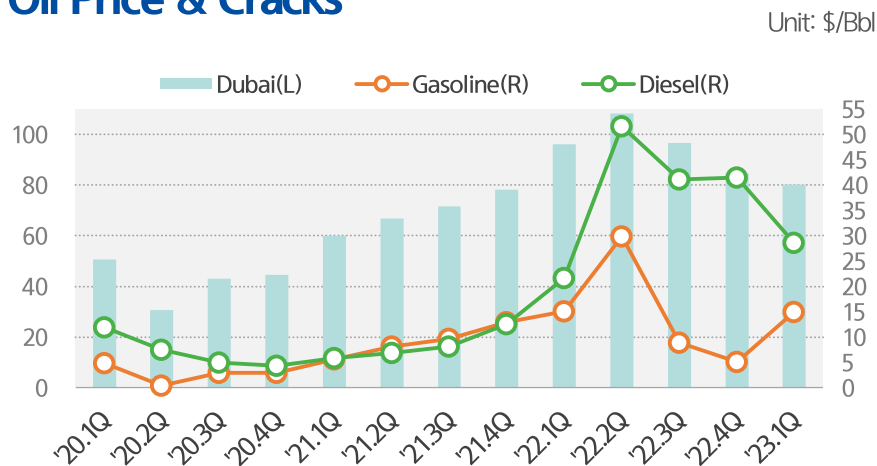
II . APPENDIX

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

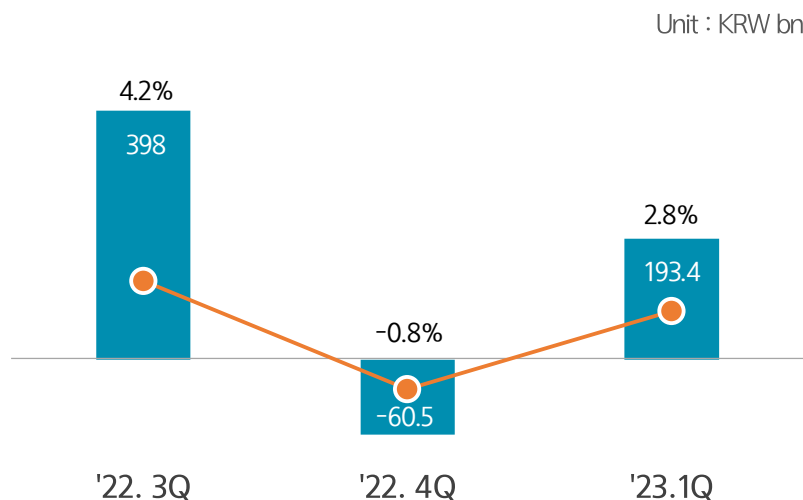


1. HD Hyundai Oilbank Key Indicators & Results

Oil Price & Cracks



HD Hyundai Oilbank Operating Income (Separate)



• 1Q Analysis

- Oil price declined due to global economic downturn and high inventory level of crude oil in US
- Gasoline cracks improved due to demand increased resulting from low inventory level of Gasoline expectation for upcoming summer driving season
- Kerosene/Diesel cracks weakened due to the delay of jet fuel demand recovery and low inventory level in EU

• 23.2Q Outlook

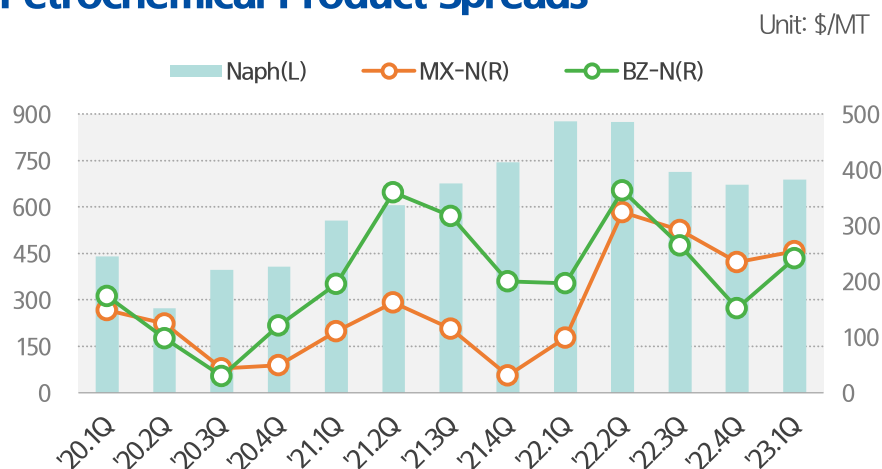
- Oil prices to increase slightly due to OPEC+ production cuts and upcoming summer driving season
- Gasoline cracks to improve due to strong demand by entry into the peak season
- Kerosene/Diesel cracks to weaken due to sluggish demand in industrial kerosene/diesel product and concerns over China's export expansion

• QoQ Analysis

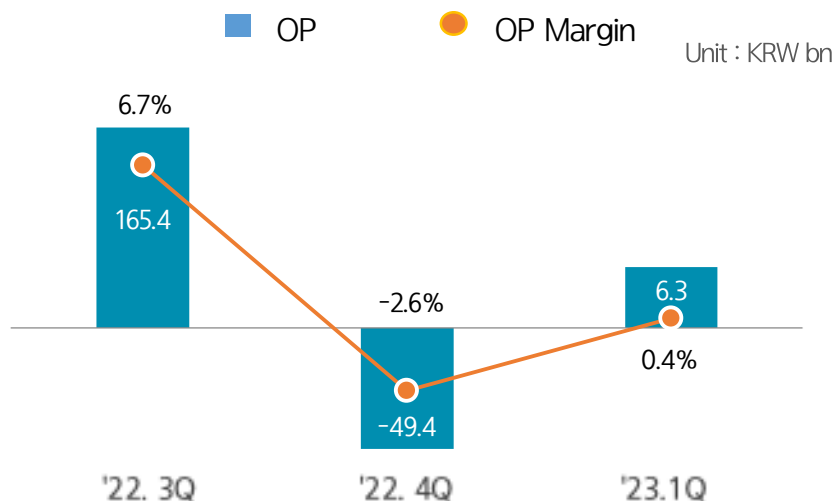
- reduction of loss on inventory valuation due to narrowing the decline in oil price and improved gasoline margin

2. HD Hyundai Chemical Key Indicators & Results

Petrochemical Product Spreads



HD Hyundai Chemical Operating Income



• 1Q Analysis

- MX market remained strong due to increased gasoline blending demand
- PE/PP spread increased slightly due to declined supply resulting from decreased utilization of petrochemical companies in the region

• 23.2Q Outlook

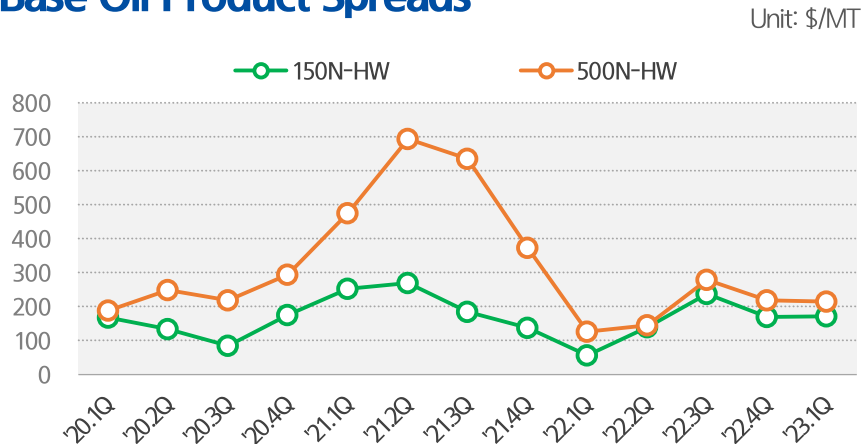
- MX spread to improve due to maintenance schedule in the region
- BTX demand to increase due to increase in gasoline blending demand for summer driving season
- PE, PP margins to weaken slightly due to end of maintenances on offshore despite demand in China

• QoQ Analysis

- Operating profits turn on profit due to improved MX and BZ spread

3. HD Hyundai Shell Base Oil Key Indicators & Results

Base Oil Product Spreads



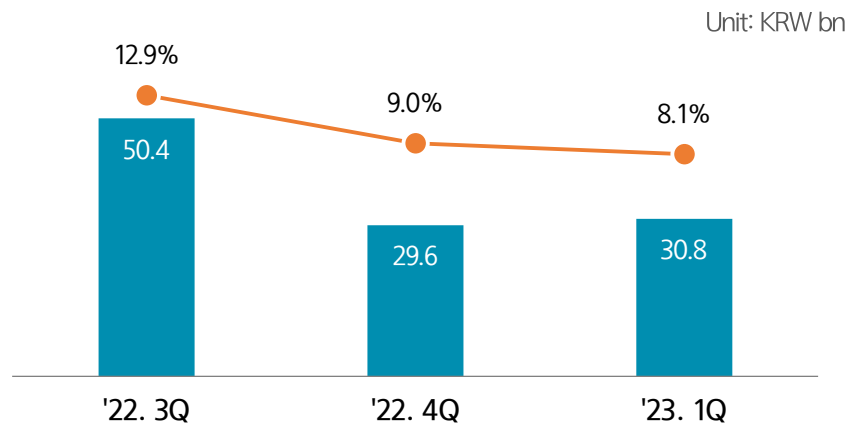
- **1Q Analysis**

- Lube base oil spread remained steady due to supply decline by maintenances in the region despite continued sluggish demand

- **23.2Q Outlook**

- Base oil spread to slightly weaken due to increase in supply resulting from the end of maintenances in the region

HD Hyundai Shell Base Oil Operating Income

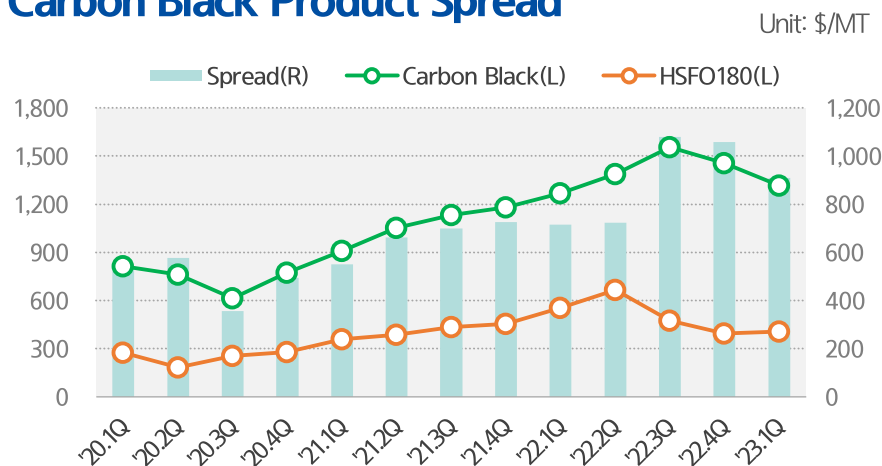


- **QoQ Analysis**

- Operating profit increased slightly due to increase in sales volume despite steady base oil spread

4. HD Hyundai OCI Key Indicators & Results

Carbon Black Product Spread



• 1Q Analysis

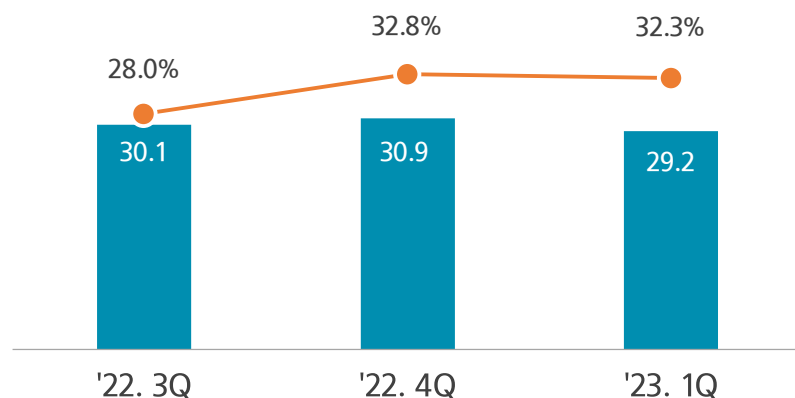
- Carbon black spread declined due to weakened carbon black price and increased raw material prices

• 23.2Q Outlook

- Carbon black spread to weaken due to increase in utilization in China

HD Hyundai OCI Operating Income

Unit : KRW bn



• QoQ Analysis

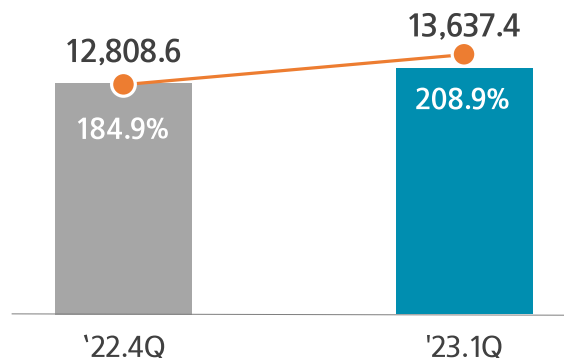
- Operating profit decreased slightly due to increase in sales volume despite weakened carbon black price and increased raw material prices

5. Financial Ratios

Consolidated Financial Ratios

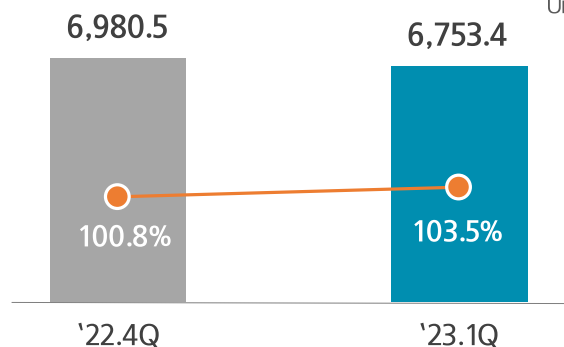
- Debt to Equity Ratio 208.9%

Unit : KRW bn



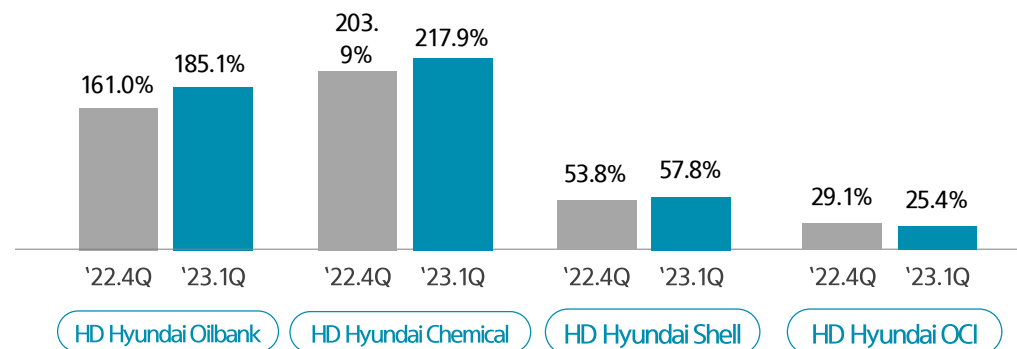
- Net Debt to Equity Ratio 103.5%

Unit : KRW bn

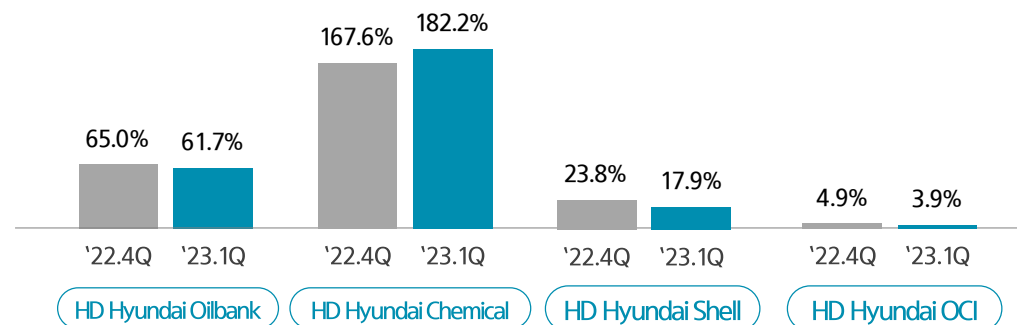


Separate Financial Ratios

- Debt to Equity Ratio



- Net Debt to Equity Ratio



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



Consolidated Income Statement

(Unit : KRW bn)

	'23.1Q			'22.3Q	'21.4Q
		QoQ	YoY		
Sales	7,398.7	(14%)	2%	8,628.5	7,242.6
Cost of goods sold	6,966.0	(17%)	9%	8,419.8	6,390.0
Gross profit	432.7	107%	(49%)	208.7	852.6
Operating profit	259.0	1923%	(63%)	12.8	704.5
OP margin	3.5%	3%	(6%)	0.1%	9.7%
Non operating Income & expenses	(135.4)	T/L	74%	232.8	(77.9)
Equity method gains	(0.5)	(89%)	(98%)	(4.7)	(20.2)
Profit before tax	123.1	(49%)	(80%)	240.9	606.4
Income tax	29.6			39.0	171.7
Net income	93.5	(54%)	(78%)	201.9	434.7
Controlling interest	96.3	(46%)	(77%)	179.8	422.2

Consolidated Balance Sheet

(Unit : KRW bn)

	'23.1Q	'22.4Q	'22.1Q
Current assets	6,884.9	6,366.2	7,618.8
(Cash & cash equivalents)	694.9	134.9	211.6
Non-current assets	13,280.1	13,369.2	12,930.6
Total assets	20,165.0	19,735.4	20,549.4
Current liabilities	5,924.2	5,344.7	7,152.8
(Short-term borrowings)	1,150.8	1,064.9	2,164.3
Non-current liabilities	7,713.2	7,463.9	7,633.2
(Long-term borrowings)	6,297.5	6,050.5	6,107.6
Total liabilities	13,637.4	12,808.6	14,786.0
Paid-in capital	1,225.4	1,225.4	1,225.4
Others	702.9	693.9	658.2
Retained earnings	3,523.3	3,909.1	2,925.1
Non-controlling interests	1,076.0	1,098.4	954.7
Total equity	6,527.6	6,926.8	5,763.4
Total liabilities & equity	20,165.0	19,735.4	20,549.4

Note: Consolidated in accordance with K-IFRS

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



Income Statement (Separate)

Unit : KRW bn

	'22.4Q			'22.3Q	'21.4Q
		QoQ	YoY		
Sales	6,797.3	(14%)	(3%)	7,921.2	6,999.3
Cost of goods sold	6,440.4	(18%)	4%	7,807.0	6,196.3
Gross profit	356.9	213%	(56%)	114.2	803.0
Operating profit	193.4	T/P	(71%)	(60.5)	665.1
OP margin	2.8%	4%	(7%)	(0.8%)	9.5%
Non-operating income & expenses	38.9	12%	25%	34.8	31.1
Profit before tax	232.3	T/P	(67%)	(25.7)	696.2
Income tax	34.0			67.3	175.3
Net income	198.3	T/P	(62%)	(93.0)	520.9

Balance Sheet (Separate)

Unit : KRW bn

	'22.4Q	'22.3Q	'21.4Q
Current assets	5,591.6	5,003.8	6,258.2
(Cash & cash equivalents)	507.6	35.7	64.4
Non-current assets	8,868.8	8,969.3	8,902.0
Total assets	14,460.4	13,973.1	15,160.2
Current liabilities	5,176.6	4,492.6	5,972.7
(Short-term borrowings)	790.0	758.8	1,423.2
Non-current liabilities	4,211.8	4,126.6	4,397.7
(Long-term borrowings)	2,847.4	2,756.2	2,945.5
Total liabilities	9,388.4	8,619.2	10,370.4
Paid-in capital	1,225.4	1,225.4	1,225.4
Others	862.8	860.8	833.2
Retained earnings	2,983.8	3,267.7	2,731.2
Total equity	5,072.0	5,353.9	4,789.8
Total liabilities & equity	14,460.4	13,973.1	15,160.2

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

Income Statement (Separate)

Unit : KRW bn

	'22.4Q			'22.3Q	'21.4Q
		QoQ	YoY		
Sales	1,637.0	(13%)	(0%)	1,879.6	1,642.0
Cost of goods sold	1,624.0	(15%)	0%	1,920.8	1,617.3
Gross profit	13.0	T/P	(47%)	(41.2)	24.7
Operating profit	6.3	T/P	(66%)	(49.4)	18.4
OP margin	0.4%	3%	(1%)	(2.6%)	1.1%
Non-operating income & expenses	(70.6)	T/L	634%	14.7	(9.6)
Profit before tax	(64.3)	85%	T/L	(34.7)	8.8
Income tax	(17.3)			(36.0)	2.1
Net income	(47.0)	T/L	T/L	1.3	6.7

Balance Sheet (Separate)

Unit : KRW bn

	'22.4Q	'22.3Q	'21.4Q
Current assets	1,399.6	1,263.9	1,700.7
(Cash & cash equivalents)	31.2	34.2	60.3
Non-current assets	5,019.0	5,004.7	4,619.1
Total assets	6,418.6	6,268.6	6,319.8
Current liabilities	906.5	880.8	1,357.9
(Short-term borrowings)	345.2	288.9	637.9
Non-current liabilities	3,492.7	3,324.8	3,112.7
(Long-term borrowings)	3,364.4	3,202.8	3,018.6
Total liabilities	4,399.2	4,205.6	4,470.6
Paid-in capital	1,520.0	1,520.0	1,520.0
Others	(1.6)	(4.9)	(20.1)
Retained earnings	501.0	547.9	349.3
Total equity	2,019.4	2,063.0	1,849.2
Total liabilities & equity	6,418.6	6,268.6	6,319.8

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



Income Statement (Separate)

Unit : KRW bn

	'22.4Q			'22.3Q	'21.4Q
		QoQ	YoY		
Sales	379.7	15%	45%	330.2	261.4
Cost of goods sold	345.6	16%	42%	298.0	242.7
Gross profit	34.1	6%	82%	32.2	18.7
Operating profit	30.8	4%	88%	29.6	16.4
OP margin	8.1%	(1%)	2%	9.0%	6.3%
Non-operating income & expenses	0.3	0%	0%	0.1	(0.4)
Profit before tax	31.1	5%	94%	29.7	16.0
Income tax	7.0			17.4	3.7
Net income	24.1	96%	96%	12.3	12.3

Balance Sheet (Separate)

Unit : KRW bn

	'22.4Q	'22.3Q	'21.4Q
Current assets	201.9	214.2	272.7
(Cash & cash equivalents)	27.4	6.7	49.5
Non-current assets	257.0	257.7	247.5
Total assets	458.9	471.9	520.2
Current liabilities	79.3	76.9	195.0
(Short-term borrowings)	9.9	9.9	9.9
Non-current liabilities	88.7	88.2	88.1
(Long-term borrowings)	69.6	69.6	79.5
Total liabilities	168.0	165.1	283.1
Paid-in capital	13.0	13.0	13.0
Others	119.4	119.4	119.4
Retained earnings	158.5	174.4	104.7
Total equity	290.9	306.8	237.1
Total liabilities & equity	458.9	471.9	520.2

※ HSB was included as consolidated subsidiary from Nov 2020 onwards.

