

4Q 2022 Earnings Release

**HYUNDAI
OILBANK**



Disclaimer

This report has been prepared by 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

I. 4Q 2022 Earnings

II. Appendix

I. 4Q 2022 Earnings

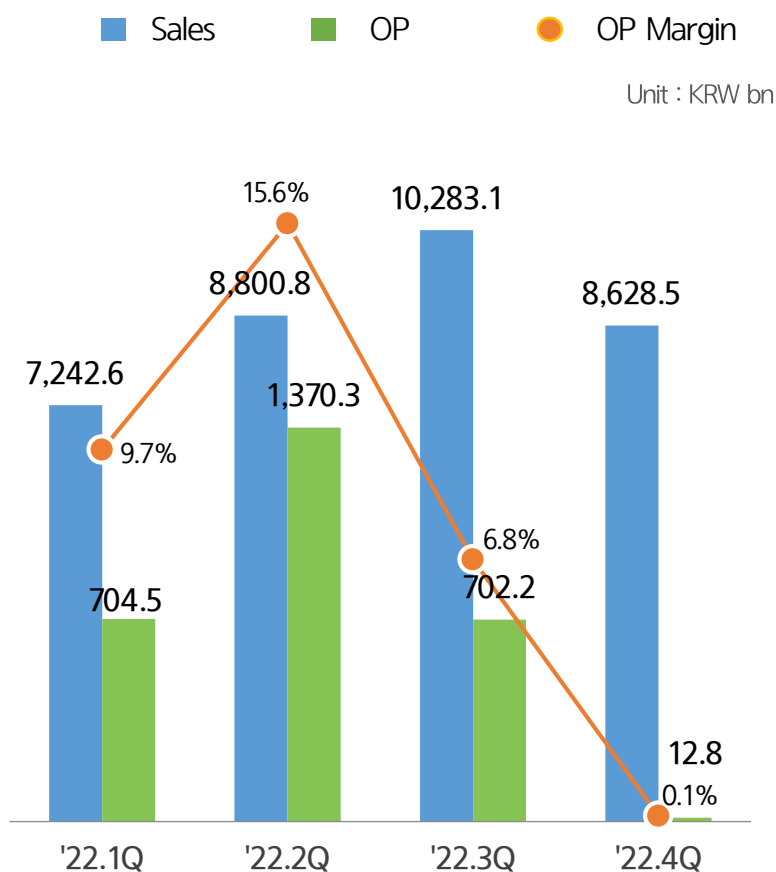
1. Consolidated Earnings
2. Earnings by Business Segment
3. 4Q 2022 Market Conditions
4. Market Outlook by Business Segment



1. Consolidated Earnings

Hyundai Oilbank recorded and operating profit of KRW 12.8 bn in 4Q (QoQ – KRW 689.4 bn) despite weak oil prices and product cracks amid concerns over the global economic downturn and resurgence of COVID -19 in China

4Q 2022 Consolidated Earnings



- 4Q Consolidated OP : KRW 12.8 bn**

- 4Q Consolidated OP KRW 12.8 bn despite weak oil prices and margins due to contraction in demand resulting from global economic downturn and resurgence of COVID -19 in China
- QoQ –KRW 689.4 bn
- YoY –KRW 229.2 bn

- Margins decreased due to weak oil prices and product cracks**

- Oil prices fell due to interest rate hike and retrenchment in developed countries as well as concerns of resurgence of COVID-19 in China
- Gasoline crack declined due to demand contraction resulting from global economic downturn and expansion of Chinese exports
- Kerosene crack remained strong despite weaker winter season demand in Europe than expected but sold jet fuel demand growth (QoQ) Oil Price : -11.9 \$/B, Gasoline : -3.8 \$/B, Kerosene : +1.1 \$/B

2. Earnings by Business Segment

4Q 2022 Earnings

Unit : KRW bn

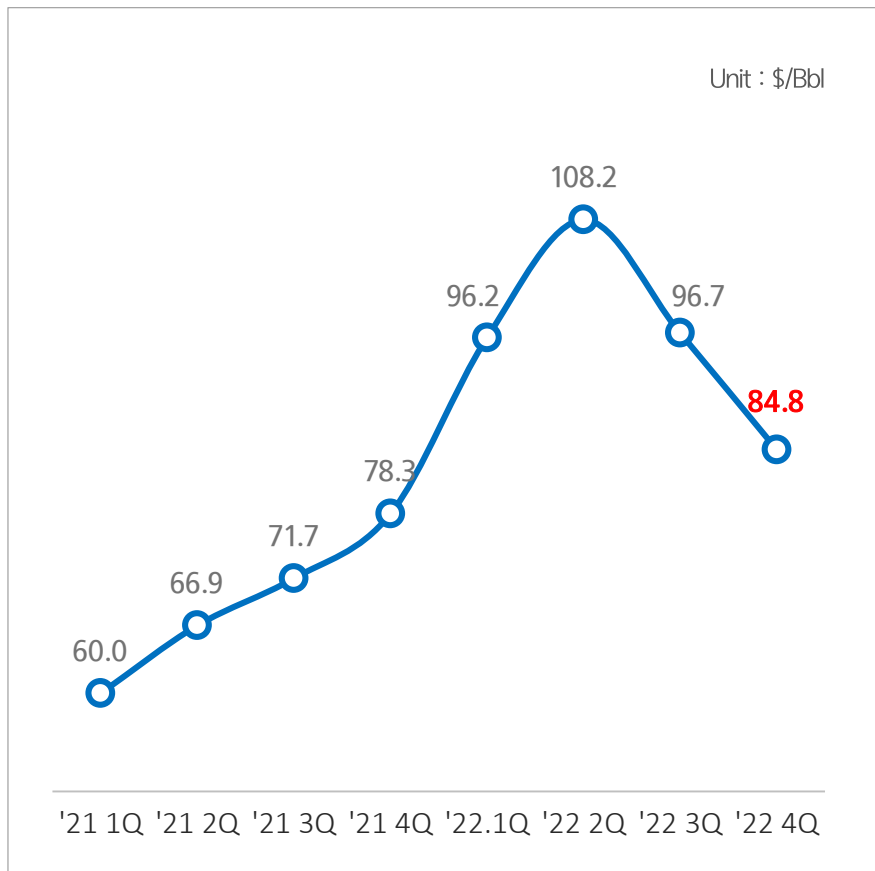
Business	'22.4Q			'22.3Q			'21.4Q		
	Sales	Operating Profit	OP Margin	Sales	Operating Profit	OP Margin	Sales	Operating Profit	OP Margin
Refining	7,921.2	-60.5	-0.8%	9,438.2	398.0	4.2%	6,122.4	200.3	3.3%
Petrochemical	1,973.7	-18.6	-0.9%	2,563.0	195.5	7.6%	1,237.5	-13.7	-1.1%
Lube Base Oil (Newly consolidated*)	330.2	29.6	9.0%	388.7	50.4	13.0%	315.4	46.4	14.7%
Others/Adjustments	-1,596.5	62.3		-2,106.8	58.3		-1,535.9	9.0	
Consolidated Earnings	8,628.5	12.8	0.1%	10,283.1	702.2	6.8%	6,139.5	242.0	3.9%

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

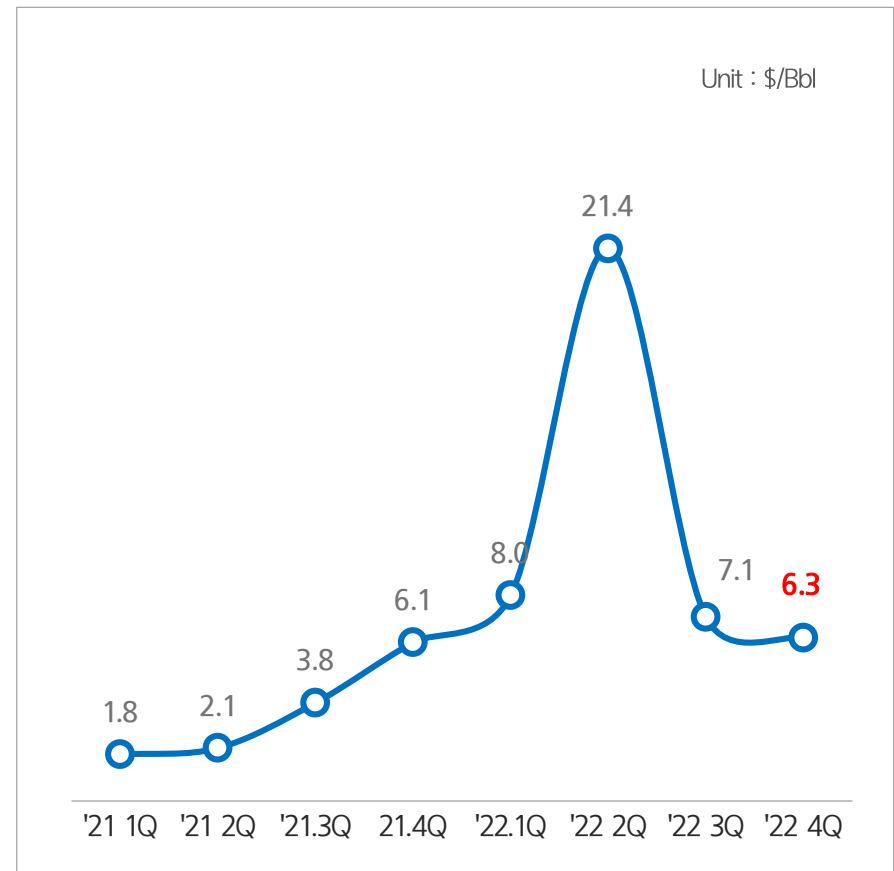
3. 4Q 2022 Market Conditions (Refining)

4Q oil prices fell QoQ resulting from global economic downturn and concerns of resurgence of COVID-19 in China. Singapore refining margins declined slightly QoQ due to continued recovery in demand for jet fuels despite increase of Chinese exports.

Dubai Oil Price



Singapore Refining Margin

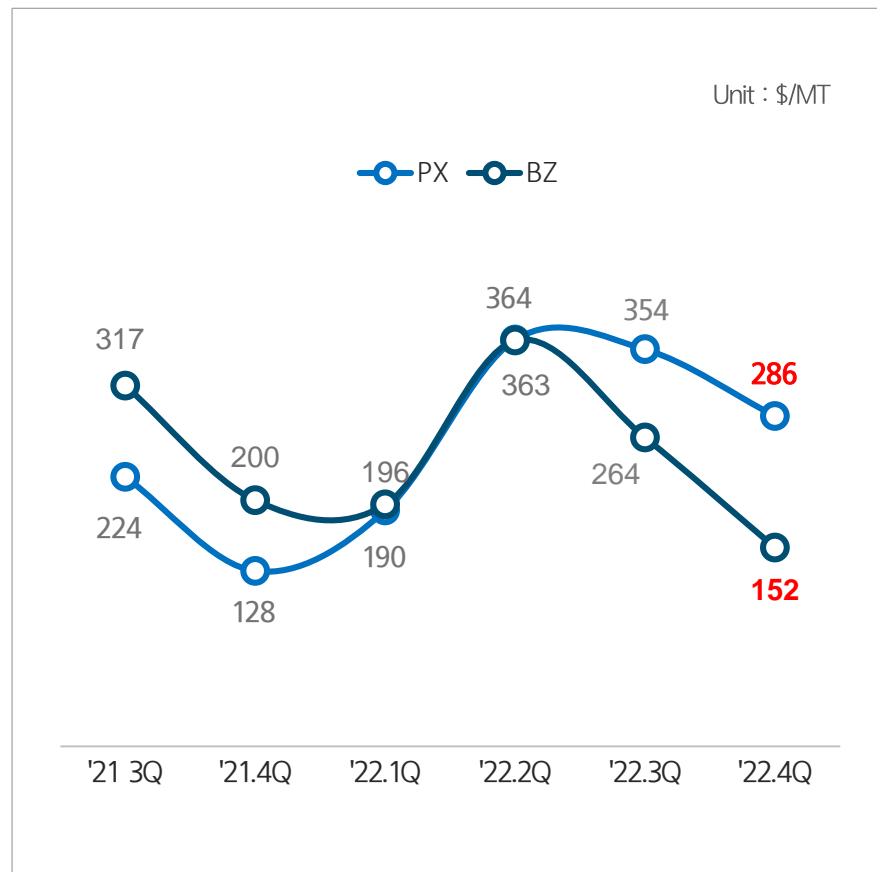


3. 4Q 2022 Market Conditions (Petrochemicals)

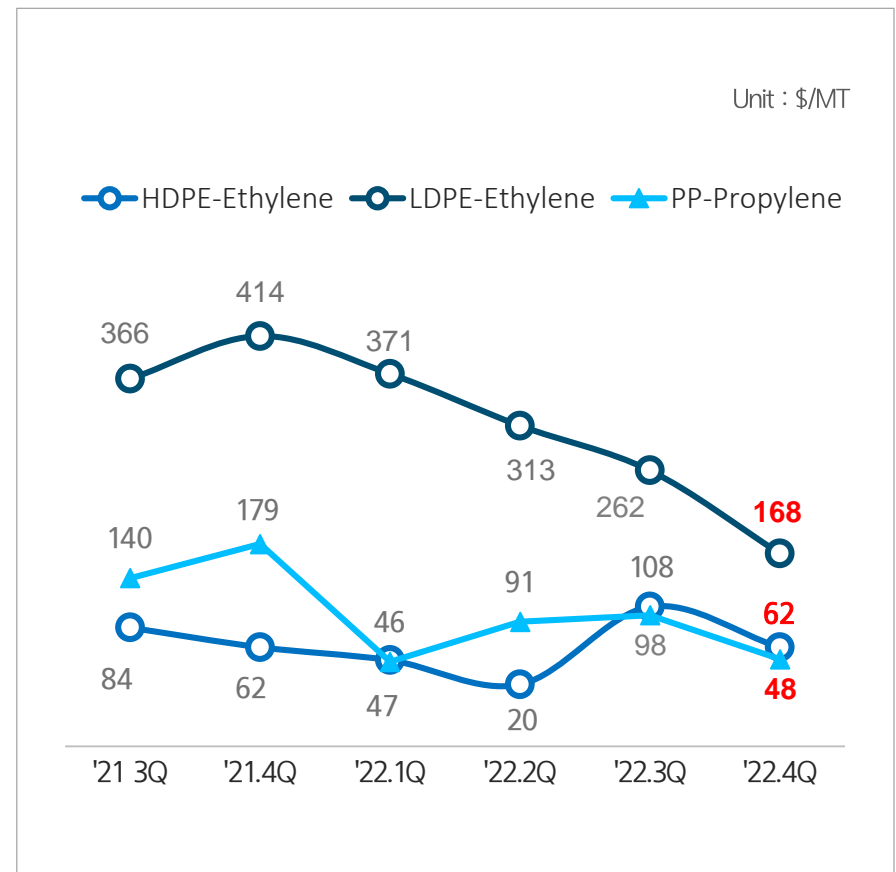
PX margins weakened due to completion of 6.6 mil tons of PX expansions in China but margin reduction was limited due to weak naphtha and low PX utilization rate

PE/PP margins weakened due to increased supply resulting from operations of new facilities in China and decrease in demand from global economic downturn

BTX Margin



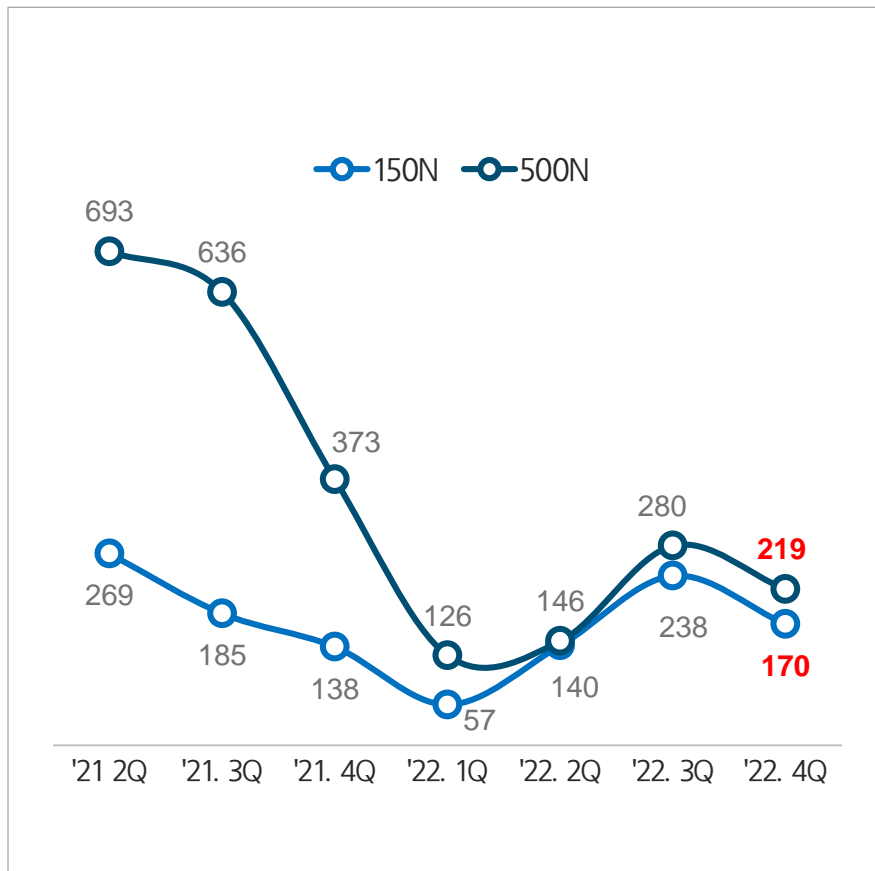
PE/PP Margin



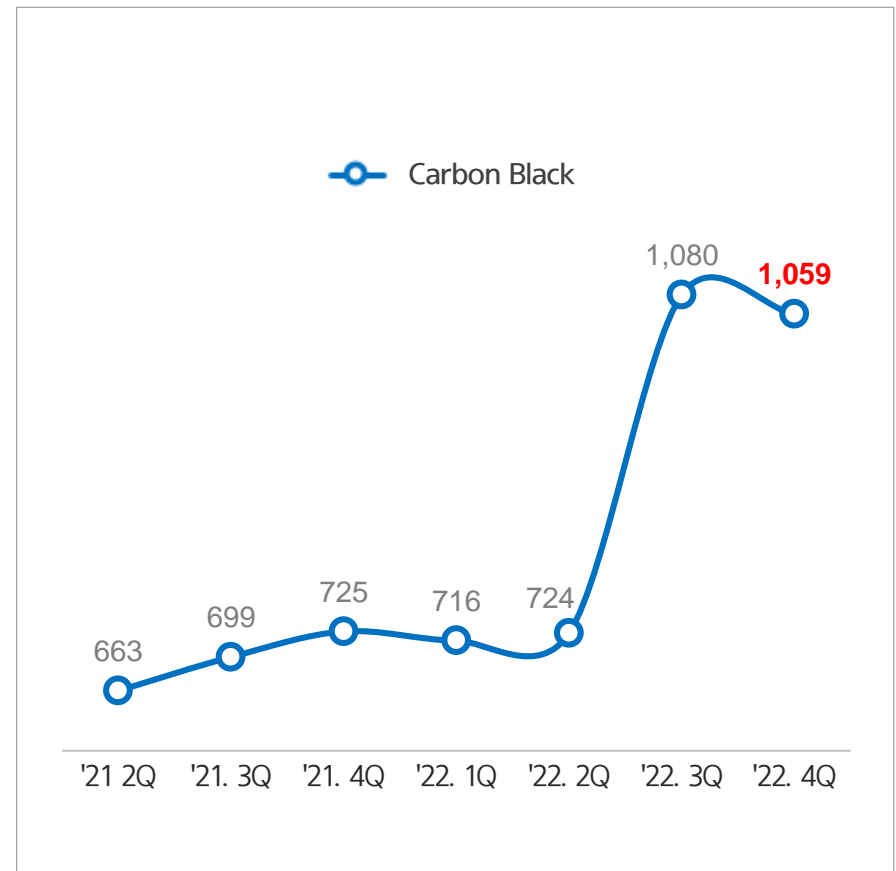
3. 4Q 2022 Market Conditions (Base oil / Carbon Black)

Lube base oil margin weakened due to continued oversupply in regional market resulting from sluggish demand in China
 Carbon black margin declined slightly due to weakened oil prices in the previous quarter but reduction was limited as raw material prices fell as well

Base Oil Margin



Carbon Black Margin



4. Market Outlook by Business Segment

23.1Q Outlook

23.2Q Outlook

Refining

- Dubai oil prices expected to remain flat due to decrease in demand from global economic downturn and supply limitation resulting from OPEC+ production cuts and Russian oil embargo
- Gasoline cracks to improve due to maintenances in spring and entry into driving season
- Kerosene/Gasoil cracks to improve due to Russian oil embargo and rising demand for jet fuels

- Dubai oil prices expected to improve due to China's reopening and increase in demand resulting from summer driving season
- Product cracks to improve due to rise in demand
: Gasoline : \$10~15/B, Kerosene/Gasoil : \$30~35/B

Petro-Chemical

- PX spread to improve due to gradual improvement in polyester demand following reopening in China
- BZ spread to weaken due to high inventory level of BZ and SM in China but reduction will be limited due to troubles in Dow plant in Europe
- PE/PP spread to remain flat as unstable market conditions may continue despite expectations of demand recovery in China

- PX spread to remain flat due to increase in polyester demand and supply increase from PX 1.6 mil ton, PTA 2.5mil ton expansions in 2Q
- BZ spread to recover gradually due to global economic recovery despite high BZ, SM inventories in China
- PE/PP spread to improve due to demand improvement from Chinese reopening and supply restrictions resulting from decreased utilization of petrochemical companies

Lube Base --- Carbon Black

- Lube base oil margins to weaken due to sluggish demand despite supply cut from maintenance of base oil producers
- Carbon black prices to slightly weaken due to weakened oil prices in the previous quarter

- Lube base oil margins to improve due to recovery of base oil demand and increase in supply as maintenance are finished
- Carbon black margins to improve due to increase in demand as economy recovers

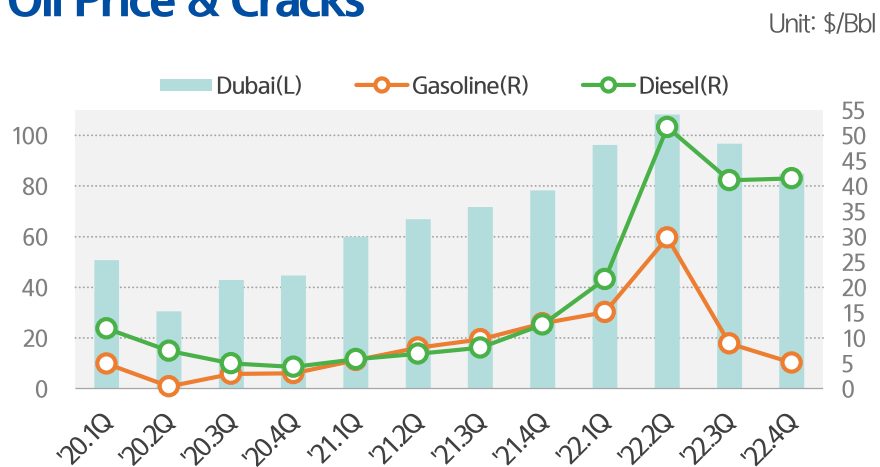
II. APPENDIX

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

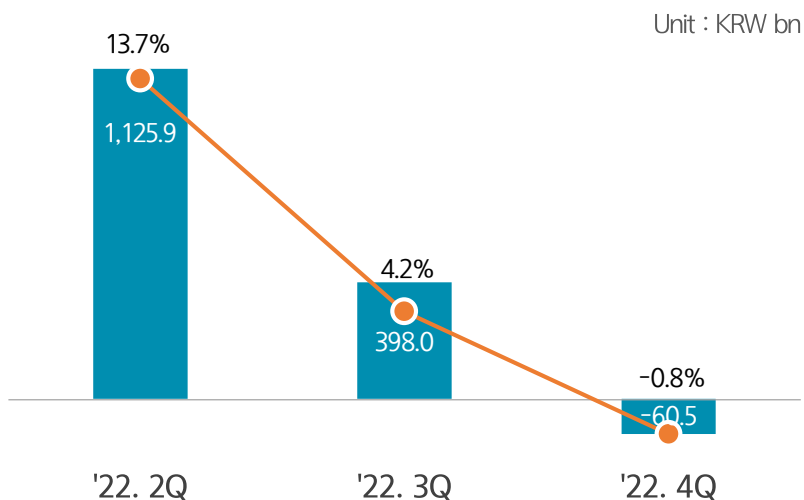


1. Hyundai Oilbank Key Indicators & Results

Oil Price & Cracks



Hyundai Oilbank Operating Income (Separate)



• 4Q Analysis

- Oil price declined due to global economic downturn and concern with resurgence of COVID-19 in China
- Gasoline cracks weakened due to increase of Chinese exports
- Kerosene/Gasoil cracks stayed firm with improvement in jet fuel demand despite increase of Chinese exports

• 23.1Q Outlook

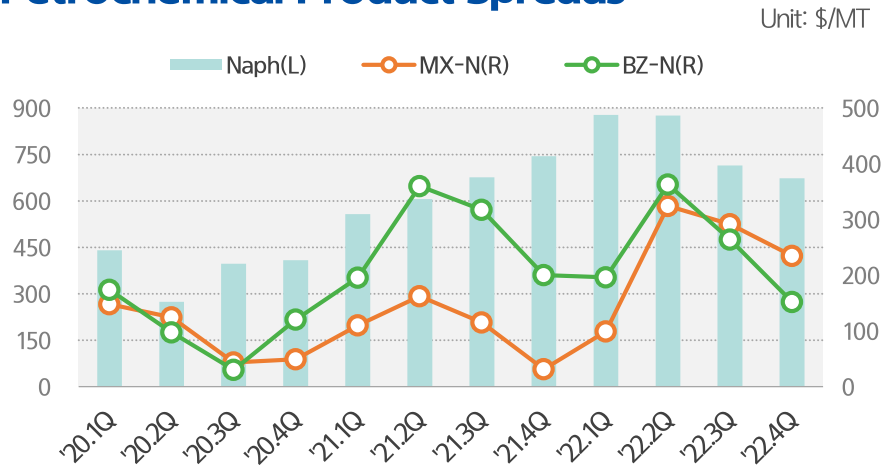
- Oil prices to remain flat due to OPEC+ production cuts and Russian oil embargo
- Gasoline cracks to improve due to maintenances in spring, market expectation toward China reopening and entry into driving season
- Kerosene/Gasoil cracks to improve due to Russian oil embargo and rising demand for jet fuels

• QoQ Analysis

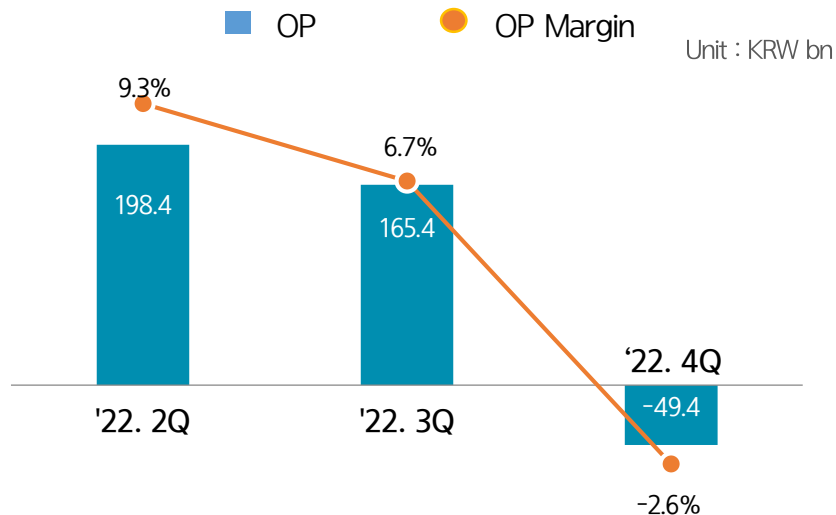
- OP decreased due to inventory effect from falling oil prices

2. Hyundai Chemical Key Indicators & Results

Petrochemical Product Spreads



Hyundai Chemical Operating Income



4Q Analysis

- MX market shifted into wait-and-see attitude for gasoline blending demand
- PE/PP margin weakened due to increased supply from new operations in China and sluggish demand resulting from global economic downturn

23.1Q Outlook

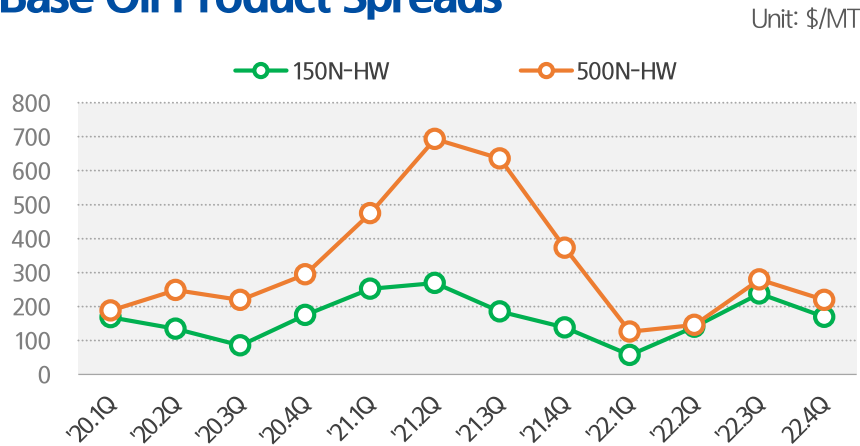
- MX spread to improve due to stockpiling demand for operation after the Lunar new Year and maintenance scheduled in
- BTX demand to increase due to Chinese reopening
- PE, PP margins to stay flat due to unstable market conditions despite demand in China

QoQ Analysis

- Operating profits decreased due to inventory effect from falling oil prices and weakened petrochemical market situations

3. Hyundai Shell Base Oil Key Indicators & Results

Base Oil Product Spreads



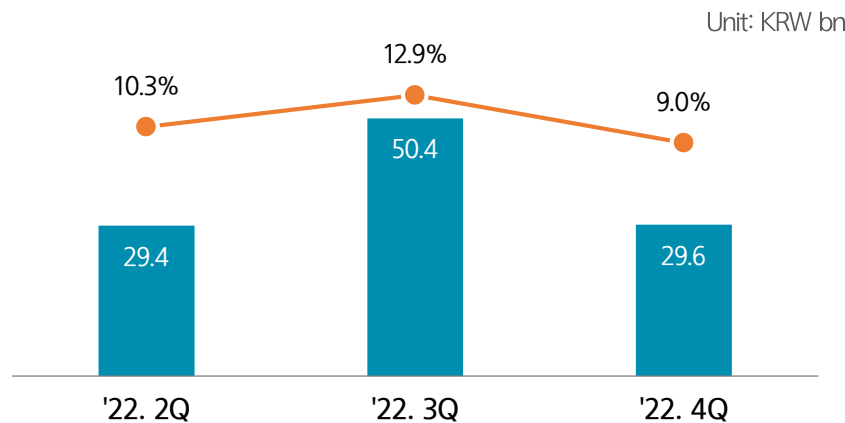
- **4Q Analysis**

- Base oil spread declined due to sluggish demand resulting from concerns about economic recession in countries such as China

- **23.1Q Outlook**

- Base oil spread to slightly weaken due to sluggish global demand despite supply cut from maintenance in 1Q

Hyundai Shell Base Oil Operating Income

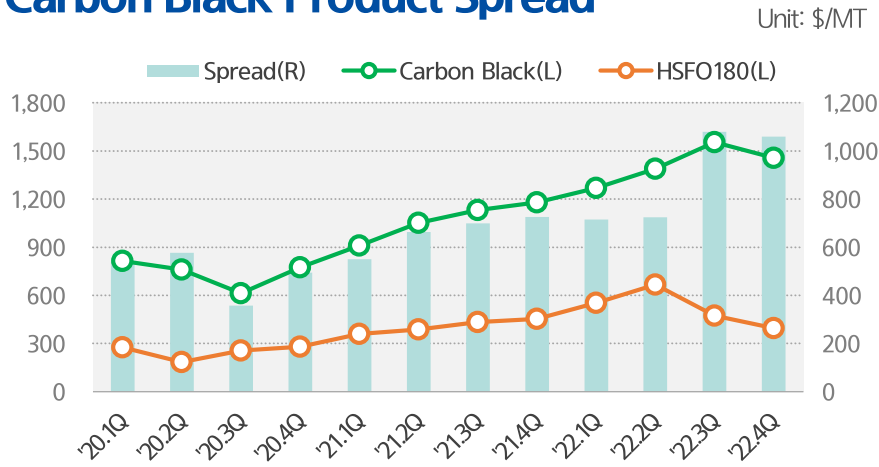


- **QoQ Analysis**

- Base oil spread decreased due to sluggish demand resulting from global economic downturn

4. Hyundai OCI Key Indicators & Results

Carbon Black Product Spread



• 4Q Analysis

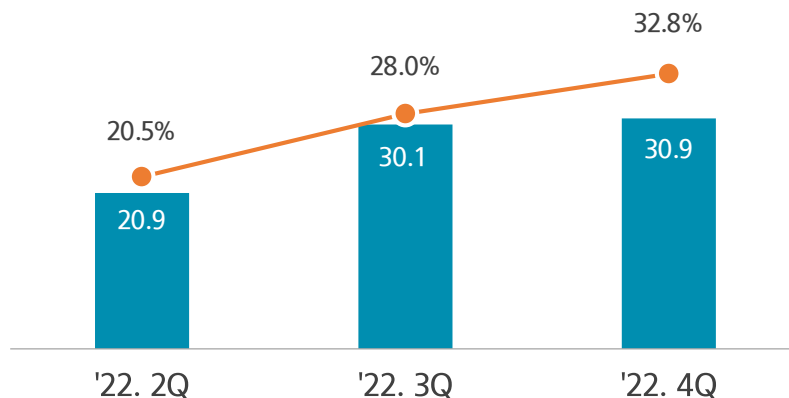
- Carbon black margin declined slightly due to weakened oil prices in the previous quarter but reduction was limited as raw material prices fell as well

• 23.1Q Outlook

- Carbon black prices to slightly weaken due to weakened oil prices in the previous quarter

Hyundai OCI Operating Income

Unit : KRW bn



• QoQ Analysis

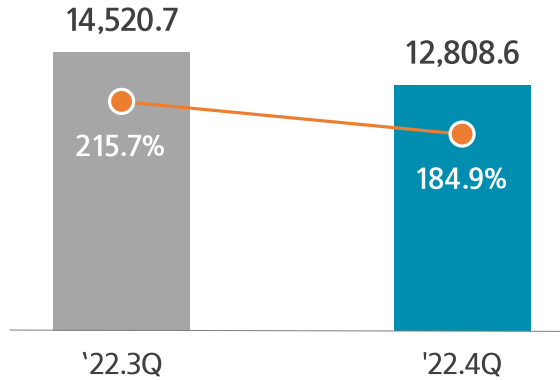
- Operating profit increased slightly due to decrease in costs despite lower spread QoQ

5. Financial Ratios

Consolidated Financial Ratios

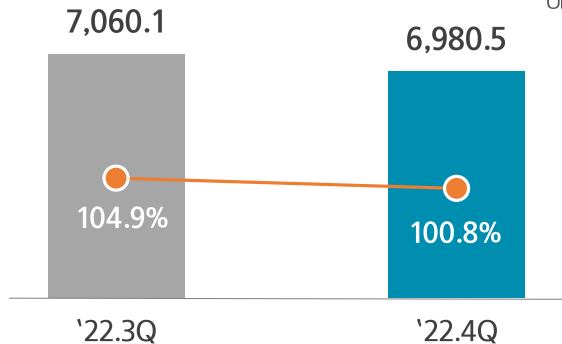
- Debt to Equity Ratio 184.9%

Unit : KRW bn



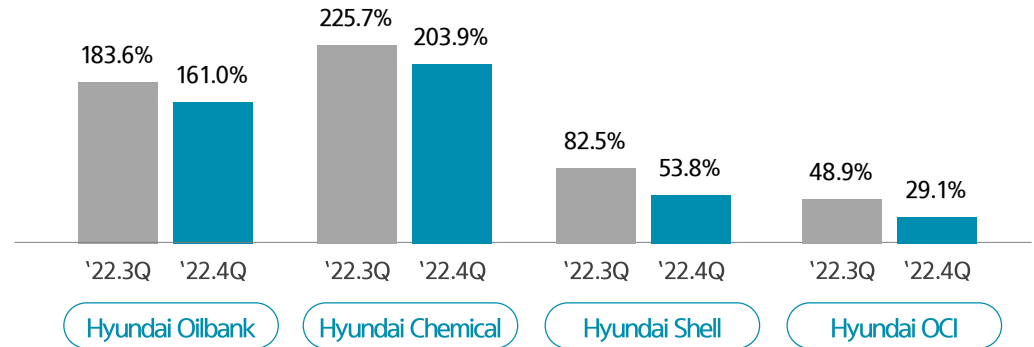
- Net Debt to Equity Ratio 100.8%

Unit : KRW bn

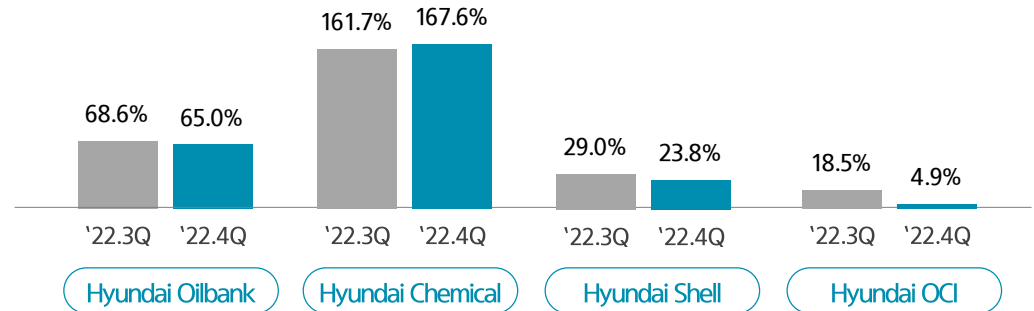


Separate Financial Ratios

- Debt to Equity Ratio



- Net Debt to Equity Ratio



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



Consolidated Income Statement

(Unit : KRW bn)

	'22.4Q			'22.3Q	'21.4Q
		QoQ	YoY		
Sales	8,628.5	(16.1%)	40.5%	10,283.1	6,139.5
Cost of goods sold	8,419.8	(10.5%)	46.5%	9,410.2	5,745.5
Gross profit	208.7	(76.1%)	(47.0%)	872.9	394.0
Operating profit	12.8	(98.2%)	(94.7%)	702.2	242.0
OP margin	0.1%	(6.7%p)	(3.8%p)	6.8%	3.9%
Non operating Income & expenses	232.8			(417.6)	(24.6)
Equity method gains	(4.7)			(30.6)	(13.9)
Profit before tax	240.9	(5.2%)	18.4%	254.0	203.5
Income tax	39.0			75.9	61.9
Net income	201.9	13.4%	42.6%	178.1	141.6

Consolidated Balance Sheet

(Unit : KRW bn)

	'22.4Q	'22.3Q	'21.4Q
Current assets	6,366.2	8,008.6	5,536.9
(Cash & cash equivalents)	134.9	459.3	323.1
Non-current assets	13,369.2	13,245.0	12,652.2
Total assets	19,735.4	21,253.6	18,189.1
Current liabilities	5,344.7	6,823.2	5,238.7
(Short-term borrowings)	1,064.9	1,348.6	1,173.1
Non-current liabilities	7,463.9	7,697.5	7,226.6
(Long-term borrowings)	6,050.5	6,170.8	5,932.8
Total liabilities	12,808.6	14,520.7	12,465.3
Paid-in capital	1,225.4	1,225.4	1,225.4
Others	693.9	714.6	686.8
Retained earnings	3,909.1	3,712.4	2,802.7
Non-controlling interests	1,098.4	1,080.5	1,008.9
Total equity	6,926.8	6,732.9	5,723.8
Total liabilities & equity	19,735.4	21,253.6	18,189.1

Note: Consolidated in accordance with K-IFRS

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

Income Statement (Separate)

Unit : KRW bn

	'22.4Q			'22.3Q	'21.4Q
		QoQ	YoY		
Sales	7,921.2	(16.1%)	29.4%	9,438.2	6,122.4
Cost of goods sold	7,807.0	(12.0%)	35.2%	8,874.0	5,775.7
Gross profit	114.2	(79.8%)	(67.1%)	564.2	346.7
Operating profit	(60.5)	(115.2%)	(130.2%)	398.0	200.3
OP margin	(0.8%)	(5.0%p)	(4.0%p)	4.2%	3.3%
Non-operating income & expenses	34.8			(342.3)	48.0
Profit before tax	(25.7)	(146.1%)	(110.4%)	55.7	248.3
Income tax	67.3			12.1	55.1
Net income	(93.0)	(313.3%)	(148.1%)	43.6	193.2

Balance Sheet (Separate)

Unit : KRW bn

	'22.4Q	'22.3Q	'21.4Q
Current assets	5,003.8	6,412.8	4,284.9
(Cash & cash equivalents)	35.7	113.2	96.4
Non-current assets	8,969.3	8,982.4	8,764.4
Total assets	13,973.1	15,395.2	13,049.3
Current liabilities	4,492.6	5,692.9	4,177.2
(Short-term borrowings)	758.8	1,031.3	751.5
Non-current liabilities	4,126.6	4,274.5	4,283.5
(Long-term borrowings)	2,756.2	2,807.4	3,072.3
Total liabilities	8,619.2	9,967.4	8,460.7
Paid-in capital	1,225.4	1,225.4	1,225.4
Others	860.8	856.2	853.1
Retained earnings	3,267.7	3,346.2	2,510.1
Total equity	5,353.9	5,427.8	4,588.6
Total liabilities & equity	13,973.1	15,395.2	13,049.3

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

Income Statement (Separate)

Unit : KRW bn

	'22.4Q			'22.3Q	'21.4Q
		QoQ	YoY		
Sales	1,879.6	(23.5%)	60.7%	2,455.7	1,169.7
Cost of goods sold	1,920.8	(15.9%)	61.2%	2,283.0	1,191.3
Gross profit	(41.2)	(123.9%)	90.7%	172.7	(21.6)
Operating profit	(49.4)	(129.9%)	87.1%	165.4	(26.4)
OP margin	(2.6%)	(9.4%p)	(0.4%p)	6.7%	(2.3%)
Non-operating income & expenses	14.7			(67.5)	1.5
Profit before tax	(34.7)	(135.4%)	39.4%	97.9	(24.9)
Income tax	(36.0)			25.7	(6.1)
Net income	1.3	(98.2%)	(106.9%)	72.2	(18.8)

Balance Sheet (Separate)

Unit : KRW bn

	'22.4Q	'22.3Q	'21.4Q
Current assets	1,263.9	1,793.4	1,274.2
(Cash & cash equivalents)	34.2	163.8	62.6
Non-current assets	5,004.7	4,958.8	4,456.1
Total assets	6,268.6	6,752.2	5,730.3
Current liabilities	880.8	1,333.2	1,069.1
(Short-term borrowings)	288.9	280.0	386.3
Non-current liabilities	3,324.8	3,346.0	2,802.1
(Long-term borrowings)	3,202.8	3,236.4	2,708.1
Total liabilities	4,205.6	4,679.2	3,871.2
Paid-in capital	1,520.0	1,520.0	1,520.0
Others	-4.9	9.8	-3.4
Retained earnings	547.9	543.2	342.5
Total equity	2,063.0	2,073.0	1,859.1
Total liabilities & equity	6,268.6	6,752.2	5,730.3

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

Income Statement (Separate)

Unit : KRW bn

	'22.4Q			'22.3Q	'21.4Q
		QoQ	YoY		
Sales	330.2	(15.0%)	4.7%	388.7	315.4
Cost of goods sold	298.0	(11.3%)	12.1%	336.0	265.9
Gross profit	32.2	(38.9%)	(34.9%)	52.7	49.5
Operating profit	29.6	(41.3%)	(36.2%)	50.4	46.4
OP margin	9.0%	(4.0%p)	(5.8%p)	12.9%	14.7%
Non-operating income & expenses	0.1			(3.0)	0.4
Profit before tax	29.7	(37.3%)	(36.5%)	47.4	46.8
Income tax	17.4			11.4	11.2
Net income	12.3	(65.8%)	(65.4%)	36.0	35.6

Balance Sheet (Separate)

Unit : KRW bn

	'22.4Q	'22.3Q	'21.4Q
Current assets	214.2	275.9	326.1
(Cash & cash equivalents)	6.7	4.2	112.9
Non-current assets	257.7	261.4	264.0
Total assets	471.9	537.3	590.1
Current liabilities	76.9	157.2	127.2
(Short-term borrowings)	9.9	9.9	9.9
Non-current liabilities	88.2	85.7	88.1
(Long-term borrowings)	69.6	79.6	79.5
Total liabilities	165.1	242.9	215.3
Paid-in capital	13.0	13.0	13.0
Others	119.4	119.3	119.4
Retained earnings	174.4	162.1	242.4
Total equity	306.8	294.4	374.8
Total liabilities & equity	471.9	537.3	590.1

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

Hyundai
Oilbank

