

KRAKATAU POSCO

PT KRAKATAU POSCO

2Q-25 Performance Review

August 2025



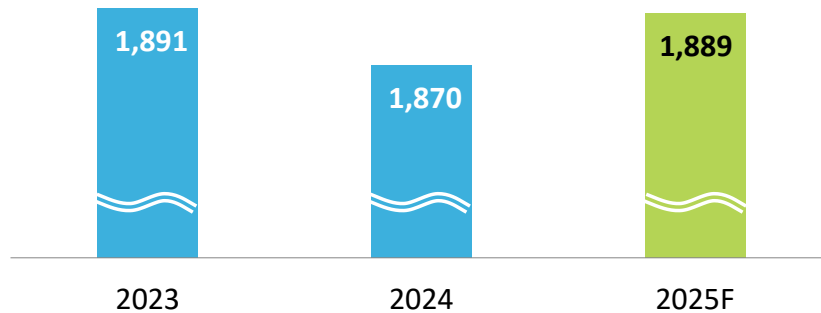
Steel Industry Outlook

1

Global

- ✓ Global steel demand is expected to recover in 2025

World Steel Demand (MMT)



Steel Demand Growth by Region

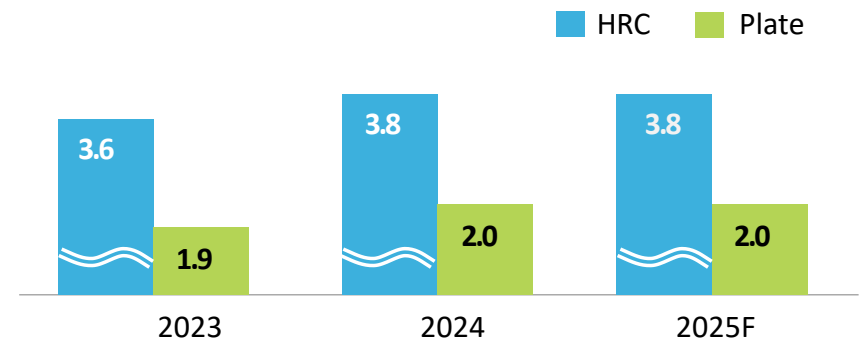
EU	+1.7% YoY growth; driven by favourable investment environment and durable goods consumption, reflecting lower interest rates and less restrictive monetary policies.
India	+6.0% YoY growth; driven by residential, infrastructure, and manufacturing. Import restrictions and a 12% safeguard duty on steel remain in place.
China	△0.8% YoY growth; driven by downturn in construction and structural shift in China's economy.
ASEAN	+4.4% YoY growth; demand forecasted to rebound driven by ongoing construction and infrastructure project in Thailand and expanding capacity in Vietnam.

(source: OECD, May '25)

Domestic

- ✓ HRC and Plate demand similar to 2024

Indonesia HRC and Plate Demand (MMT)



Growth of Steel User Sectors in Indonesia

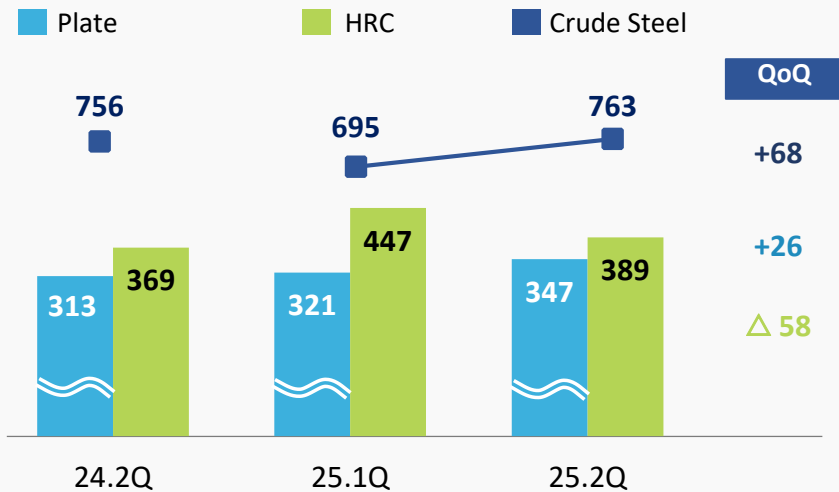
Construction	Growth is expected to be driven by major government projects, including the resumption of the IKN (New Capital City) project and the Dumai–Sei Mangke pipeline.
Oil & Gas	The Oil & Gas sector has shown increased activity, supported by ongoing and upcoming projects such as Papua LNG, Tegal Cilacap, and North Ganai.
Automotive	Recovery within this sector is anticipated, with particular focus on electric vehicles and sustainable transportation.
Shipbuilding	Strong demand in this sector is expected to stem from national coastal protection initiatives

(source: IISIA, Apr '25 & internal forecast)

Production & Sales

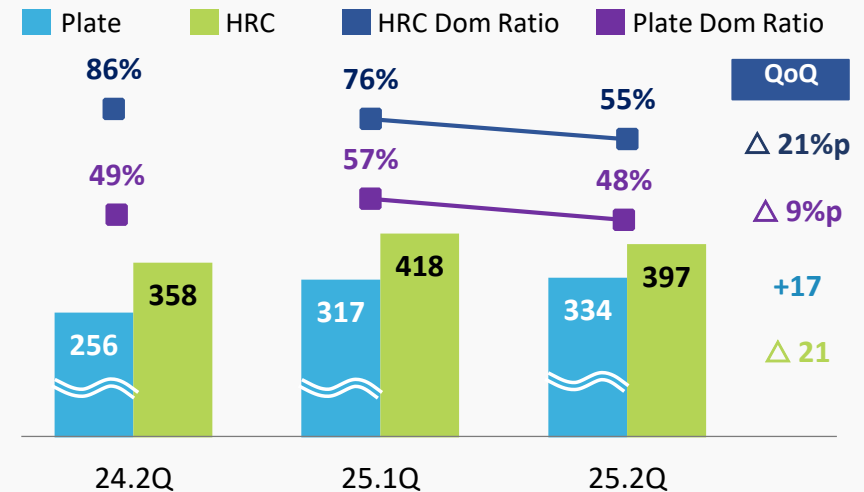
Production

(KMT., %pt)



Sales

(KMT., %pt)



Production

- Crude steel: Productivity increased with crude steel production reaching 763 KMT (+68KMT QoQ).
- Product: Plate production increased, while HRC decreased, aligning with maintenance schedules (Q1 Plate Rolling Plant, Q2 Hot Rolling Plant maintenance).

※ Slab (20KMT) shipment to POSCO HQ.

Sales

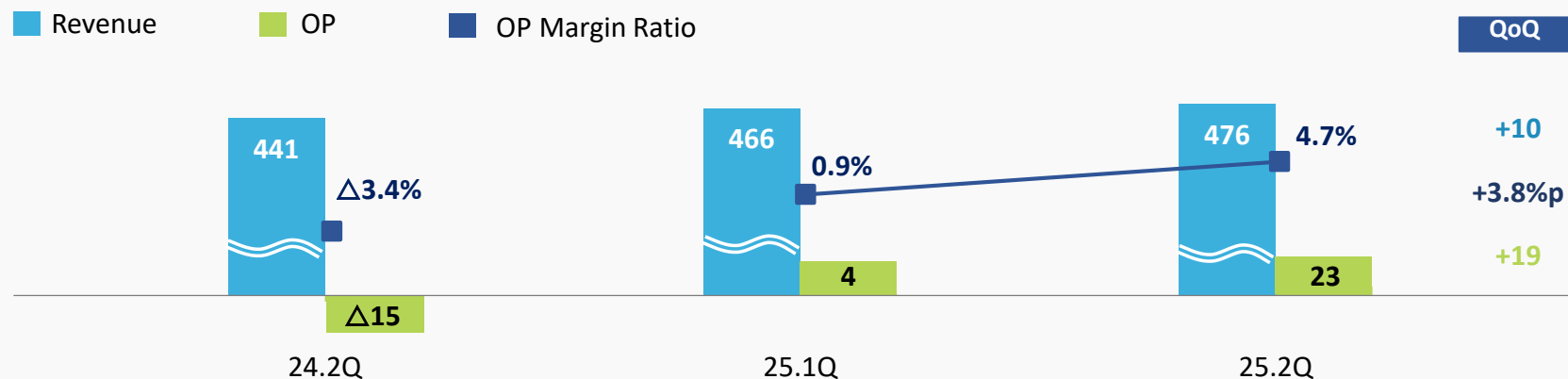
- Due to sluggish domestic demand, export sales was increased targeting regions where the products can command higher prices sales to achieve better profitability
- * Total domestic ratio : [Q1] 68% → [Q2] 50%

Q2 '25 Business Performance

3

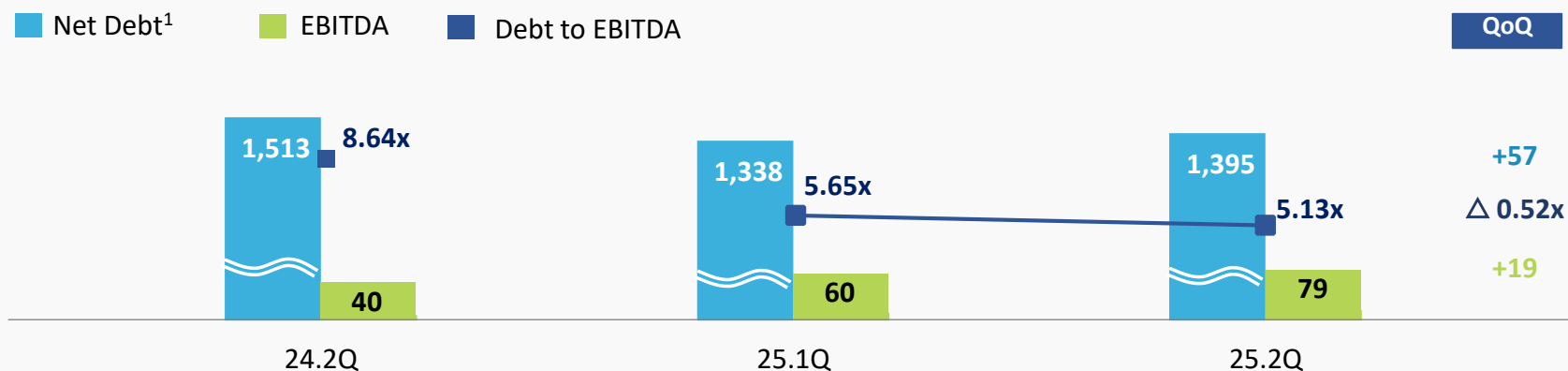
Income

(USD mn., %pt)



Financial Structure

(USD mn., x)


¹ Net Debt : Total Debt – Cash & equivalents

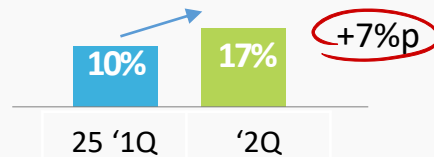
Profitability and Cost Competitiveness Improvement Key Strategy

Sales Improvement

■ High-end products sales expansion

- Replace import products in domestic market and strengthen orders for projects such as infrastructure, etc.
- Production scope expansion of ultra-thin sheets (1.35-1.4mm) and thick sheets (120-200mm)

Strategic Product
Sales (%)

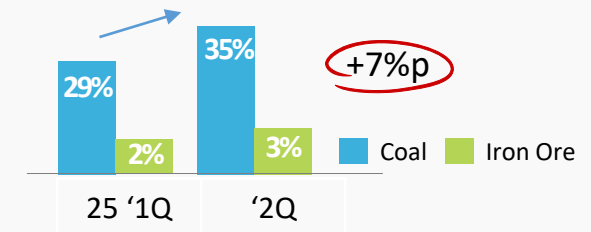


Local Raw Material

■ Low-grade raw materials usage expansion

- Maximize the use of Indonesian coal and low-cost imported coal
- Secure local iron ore mines and stabilize the supply chain, including logistics.

Local Raw
Material (%)

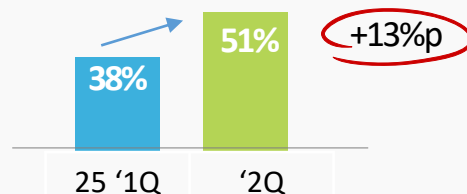


Low Cost Scrap Usage

■ 100% recycling of self-generated Fe-source and expanding the use of low-cost Fe-source

- Expanding use of self-generated Fe-source by strengthening Slag Treatment Facility.

Self-generated low-
cost Fe source (%)

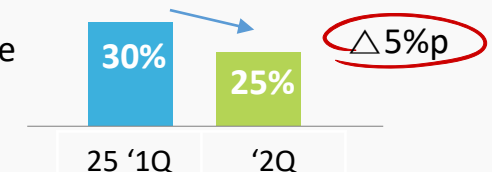


Energy Cost Saving

■ Maximizing energy efficiency and reduce power purchase ratio.

- Maximize power generation through power plant efficiency improvement (from 38% to 41%).

Power Purchase
Ratio (%)



Summarized PTKP Income Statement

5

(USD Mn.)

Category	Q2 '24	Q1 '25	Q2 '25	QoQ
Revenue	441	466	476	+11
Gross Profit	1	20	35	+15
(Gross Profit Ratio)	0.3%	4.3%	7.4%	+3.1%
Selling & Gen Adm. expense	11	15	14	△1
Operating Income	△15	4	23	+19
(Operating Income ratio)	△3.4%	0.9%	4.7%	+3.8%
Finance Cost, Net	34	27	26	△1
Net Income	△49	△23	△3	+20
EBITDA	40	60	79	+19
(EBITDA Margin Ratio)	9.2%	12.9%	16.5%	+3.6%

Summarized PTKP Balance Sheet

6

(USD Mn.)

Category	Q2 '24	Q1 '25	Q2 '25	QoQ
Current Assets	638	582	571	△11
Cash and Cash Equiv.	76	26	33	+7
Trade and other Receivable	133	113	128	+15
Inventory	422	430	394	△36
Non Current Assets	2,309	2,179	2,129	△50
Fixed Assets	2,295	2,166	2,116	△50
Total Assets	2,947	2,761	2,700	△61
Current Liabilities	547	902	846	△56
Non Current Liabilities	1,574	1,086	1,084	△2
※ Bond and Loan	1,373	1,156	1,222	+66
Total Liabilities	2,120	1,989	1,931	△58
Total Equity	827	773	770	△3
※ Debt/EBITDA	8.64	5.65	5.13	△0.52

THANK YOU