KRAKATAU POSCO

PT KRAKATAU POSCO

3Q-25 Performance Review

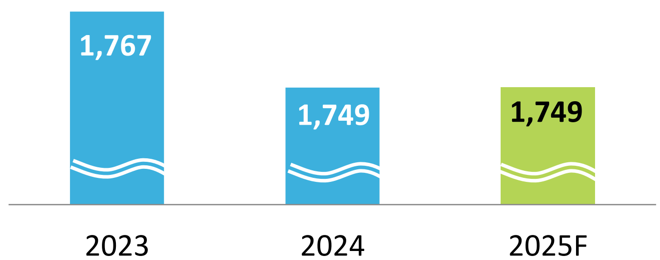
12 November 2025

Steel Industry Outlook

Global

- Global steel demand is expected to remain stable amid trade tensions and economic uncertainties

Word Steel Demand (MMT)



❑ Steel Demand Growth by Region

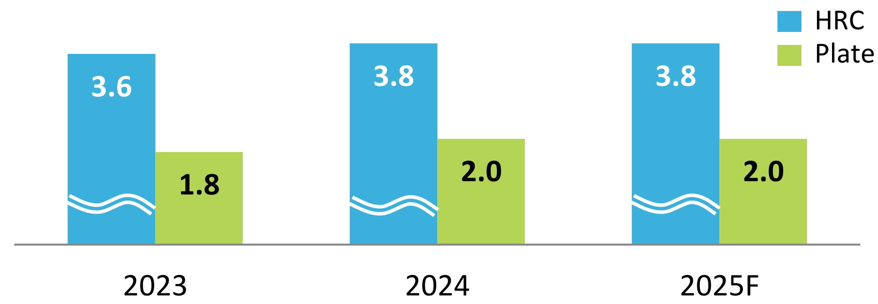
EU	+1.3% YoY growth; driven by higher public construction, increased hybrid electric vehicle (HEV) sales, and recovery in domestic appliance demand.
China	△2.0% YoY growth; Gov't has set measures to address oversupply by cutting crude steel output (~25mil tons until '26), close inefficient furnaces, and curb new capacity additions
India	+8.9% YoY growth; driven by strong government-backed infrastructure programs, urbanization, and manufacturing expansion.
ASEAN	+3.3% YoY growth; supported by ongoing infrastructure development and a gradual recovery in manufacturing sectors, particularly in Vietnam and Thailand.

(source: WSA, Oct '25)

Domestic

- Steel demand is projected to hold steady amid ongoing constraints on government infrastructure budget

Indonesia HRC and Plate Demand (MMT)



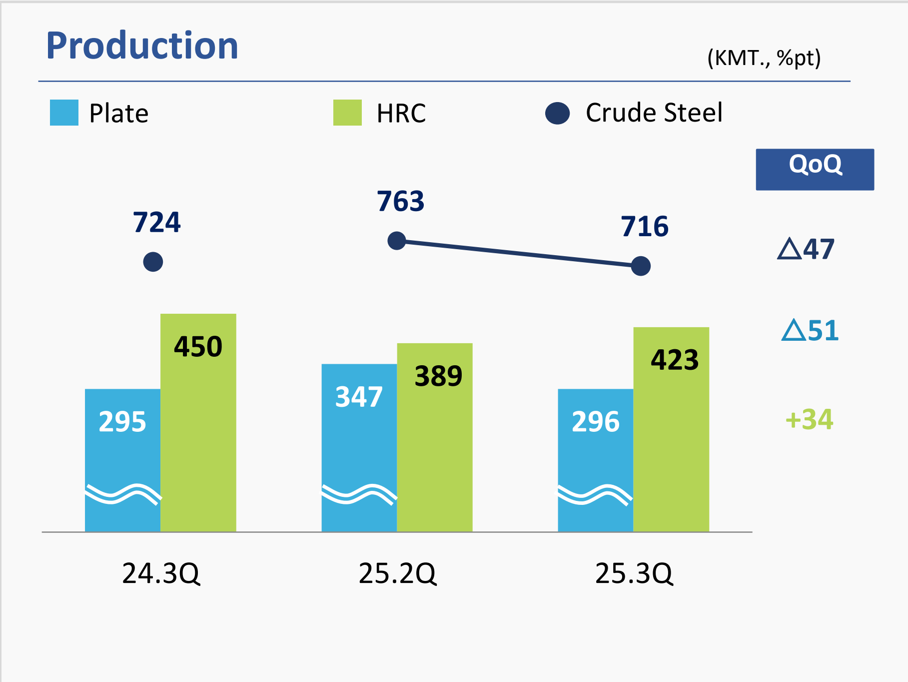
❑ Growth of Steel User Sectors in Indonesia

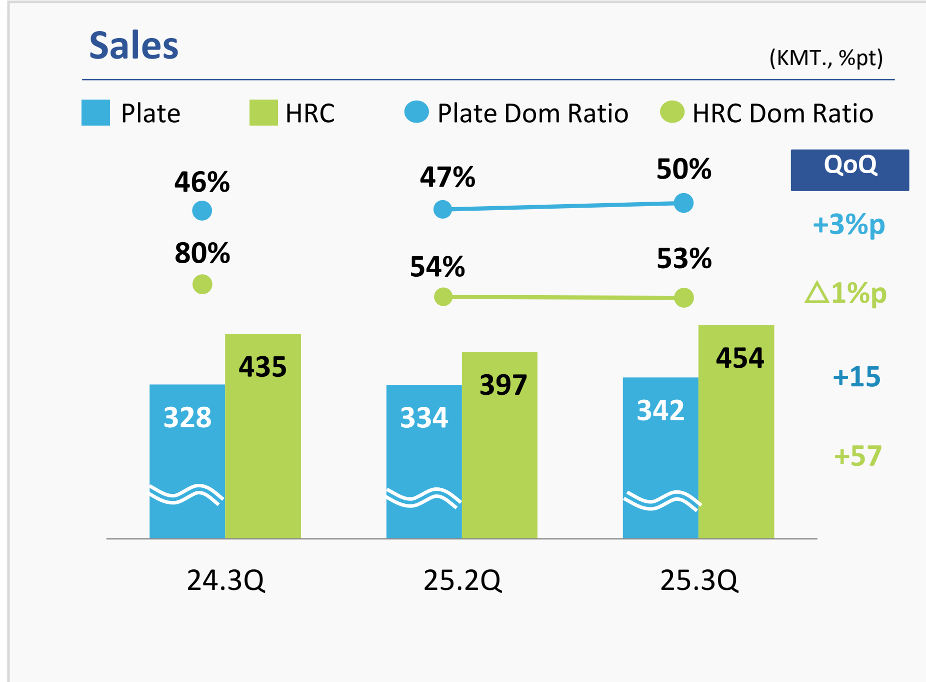
Manufacturing recovers, PMI reached 51.2 in Oct—expanded for 3-consecutive months, supported by orders and employment growth

Construction	'25 infrastructure budget target to reach 94%. Public works (bridge, road, etc) has been accelerating since Q3
Oil & Gas	Refinery maintenance/API grades series stay supported driven by some pipeline and refinery projects such as Dumai-Semangke, Blok Masela, etc
Shipbuilding	Optimist outlook supported by Gov't project of Fishing vessel modernization with demand up to 317KMT from 2026 onward
Automotives	Despite slowdown in domestic demand, industry is supported by export sales reaching 382K units (+10.9% YoY)

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

Production & Sales





Production volume was aligned with increasing maintenance activity

- Crude steel decreased to 716KMT (△47KMT QoQ) following medium repair in Blast Furnace and Steel Making Plant.
- Plate and HRC production quantity aligns with maintenance schedule (HR Plant in Q2 while Plate Rolling in Q3).

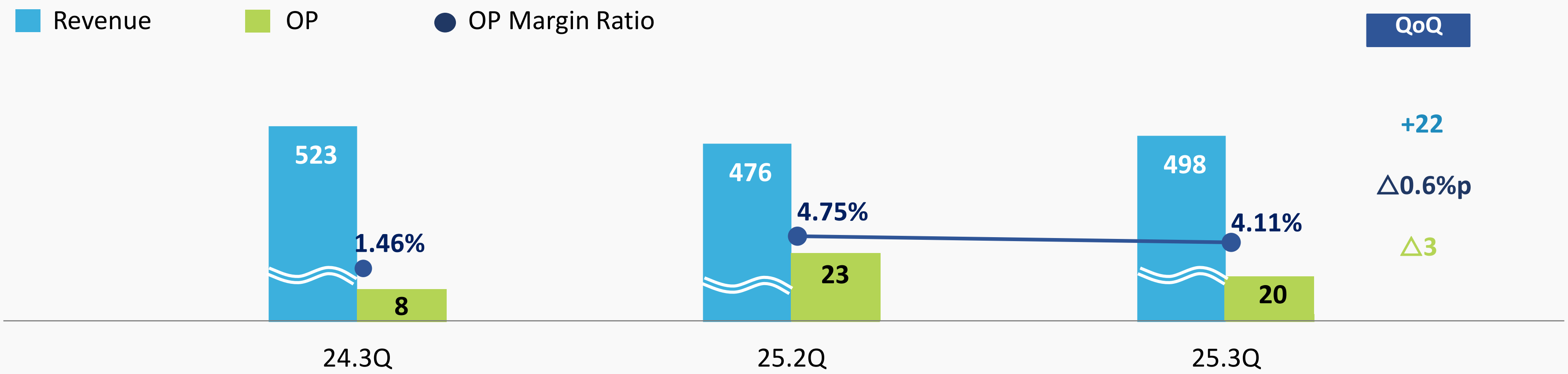
Sales performance improved driven by project recovery from domestic while export were sustained to capture higher profitability opportunities in key regions

- Local sales (Plate & HRC) booked 51% (△2% QoQ). Some project has been progressing, such as Jakarta Light Rail Transit (LRT), refinery maintenance and petroleum-grade steel pipe project.
- Export products were mainly shipped to Europe at 81% (△10% QoQ) followed by SE Asia 8%(+1%QoQ), middle east 2%(+2%QoQ), etc.

Q3 '25 Business Performance

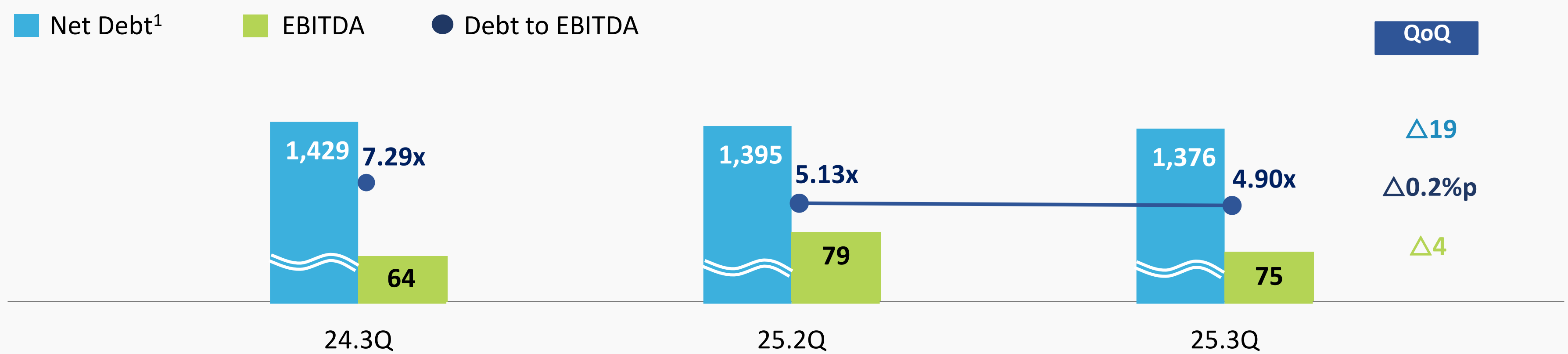
Income

(USD mn., %pt)



Financial Structure

(USD mn., x)



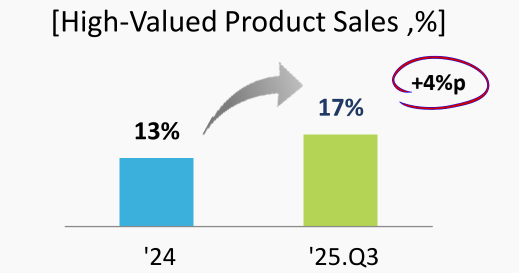
[1] Net Debt : Total Debt – Cash & equivalents

Key Activities

Sales improvement

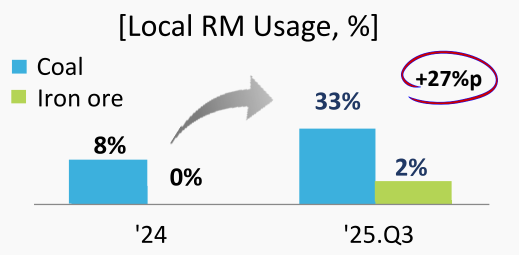
○ **High-end products sales expansion**
- Securing projects such as Jakarta LRT bridge steel, refinery maintenance, and Papua LNG
- Replacing Chinese materials commonly used by wind power and automotive manufacturers
- Expanding product sales of ultra-thin (1.35-1.4mm) and thick sheets (120-200mm)

○ **Collaborate with Gov't to secure domestic infrastructure standard for seismic steel and TKDN (domestic material component) within Batam area (free trade zone)**



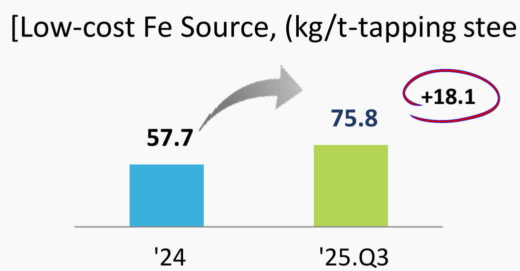
Local Raw Material

○ **Expanding procurement and utilization local and low-cost raw material**
- Maximize the use of Indonesian iron ore and coal, as well as stabilizing the supply chain
- Developing technology that allows low-grade materials utilization without harming production stability
- Secure supply chain financing for local RM suppliers



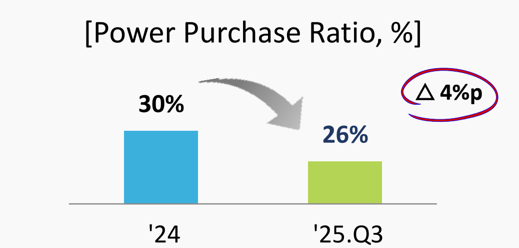
Low-Cost Scrap Usage

○ **100% recycling of self-generated Fe-source and expanding the use of low-cost Fe-source**
- Establish robust moisture prevention system to optimize low cost ferrous source without any safety issue during use
- Provide larger close storage for easy transfer and prevent moisture exposure for HBI Chip, and re-arrangement skull cutting area



Energy Efficiency

○ **Improving energy efficiency through usage maximization of self-generated energy**
- Process efficiency improvement in Main Plants to reduce power & fuel usage
- Improvement boiler efficiency, reduction power usage and increase operation rate in power generation facilities
- Recovery of by-product gas and increase in waste heat recovery steam production



Summarized PTKP Income Statement

(USD Mn.)

Category	Q3 ’24	Q2 ’25	Q3 ’25	QoQ
Revenue	523	476	**498**	+22
Gross Profit	20	35	**35**	-
(Gross Profit Ratio)	3.9%	7.4%	**7.1%**	△0.3%
Selling & Gen Adm. expense	12	14	**12**	△2
Other expense, net	-	△2	**3**	+5
Operating Income	8	23	**20**	△3
(Operating Income ratio)	1.5%	4.7%	**4.1%**	△0.6%
Finance cost, net	34	26	**27**	+1
Net Income	△26	△3	**△7**	△4
EBITDA	64	79	**75**	△4
(EBITDA Margin Ratio)	12.2%	16.5%	**15.2%**	△1.4%

Summarized PTKP Balance Sheet

(USD Mn.)

Category		Q3 '24	Q2 '25	**Q3 '25**	QoQ
Current Assets		661	571	**604**	+33
	Cash and Cash Equiv.	85	33	**25**	△8
	Trade and other Receivable	132	128	**143**	+15
	Inventory	437	394	**417**	+23
Non Current Assets		2,265	2,129	**2,078**	△51
	Fixed Assets	2,250	2,116	**2,065**	△51
Total Assets		2,926	2,700	**2,682**	△18
Current Liabilities		1,032	846	**840**	△6
Non Current Liabilities		1,094	1,084	**1,080**	△4
※*Bond and Loan*		1,297	1,222	**1,201**	△21
Total Liabilities		2,126	1,931	**1,919**	△12
Total Equity		800	770	**763**	△7
※*Debt/EBITDA*		7.29	5.13	**4.90**	△0.23

THANK YOU