

# PT KRAKATAU POSCO

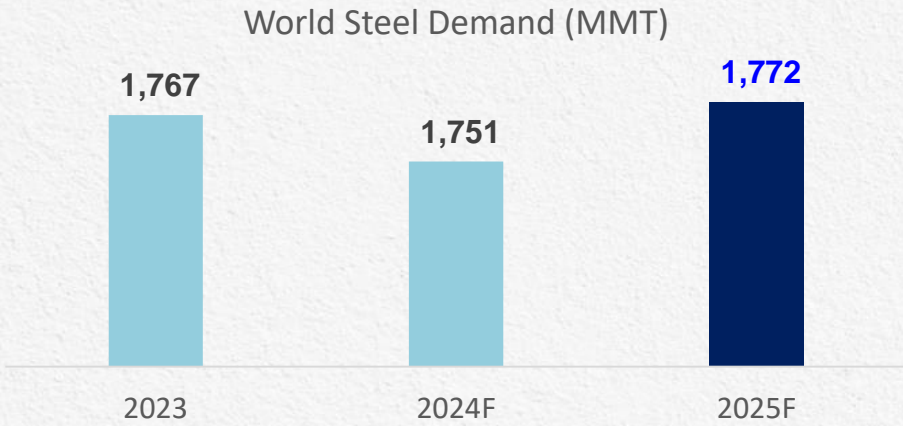
## 1Q-25 Performance Review

May 2025



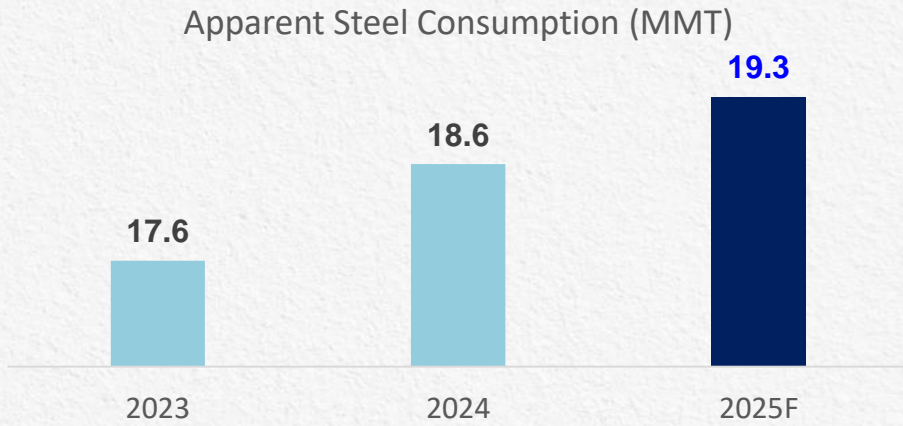
Global

Global steel demand is projected to rebound in 2025



Domestic

Indonesia steel consumption is expected to increase 3.8% vs. '24



Steel Demand Growth by Region

EU	+3.5% y-o-y growth; gradual recovery is expected from recovered construction sector
India	+8.5% y-o-y growth; robust growth mainly fueled by all steel consuming sectors esp. infrastructure
China	△1% y-o-y growth; expected to fall deeper due to prolonged real estate sector downturn
ASEAN	+3.5% y-o-y growth; demand forecasted to rebound driven by infrastructure investments and expansion across multiple steel-consuming sectors

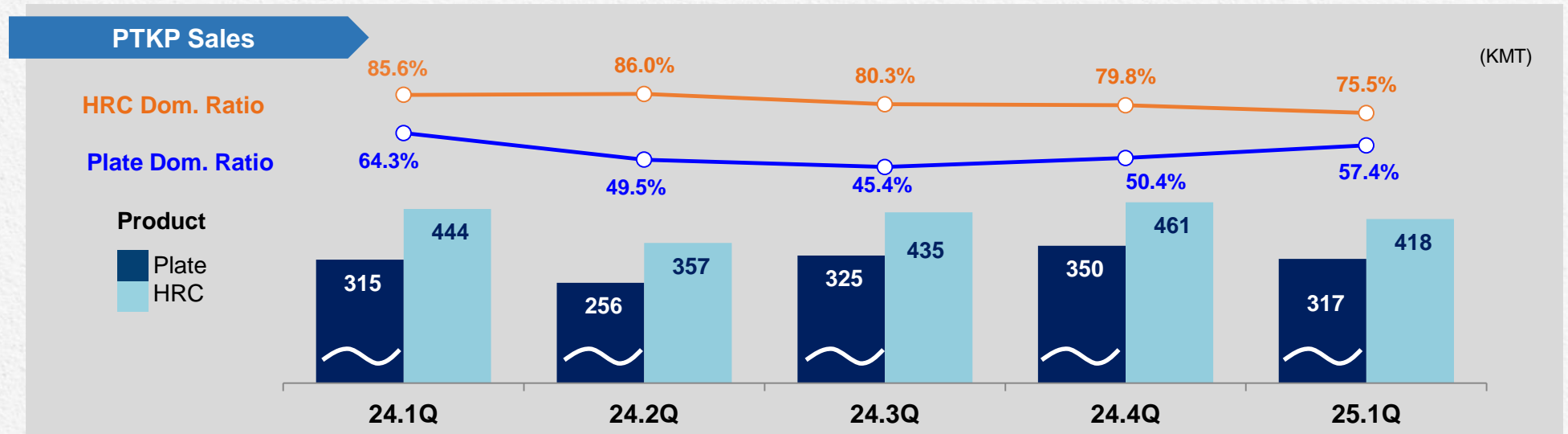
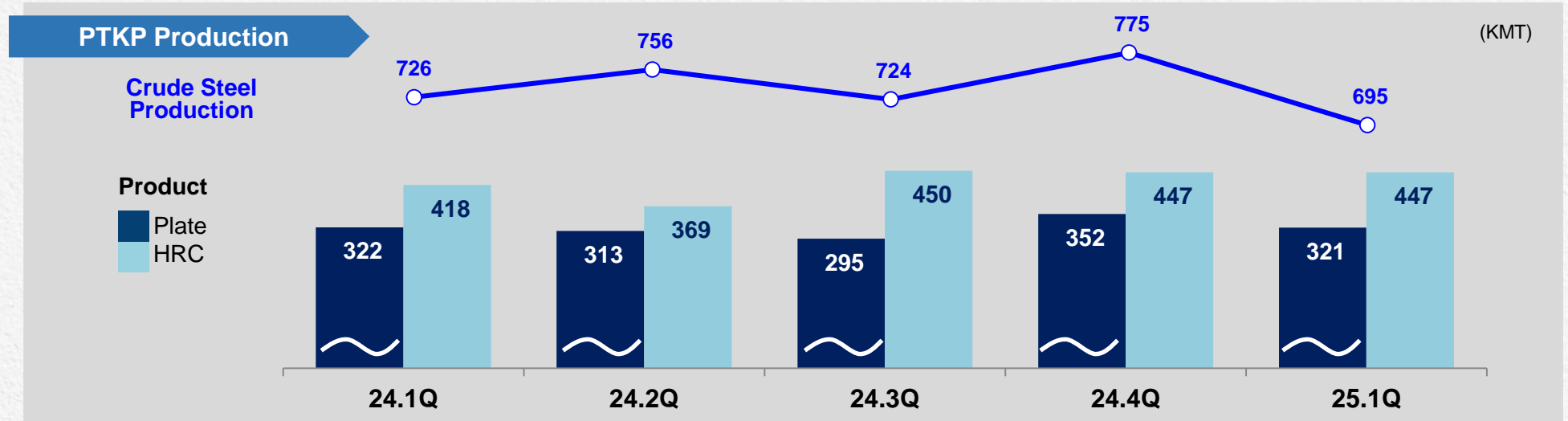
(source: Worldsteel '24. Oct)

Growth of Steel User Sectors in Indonesia

Construction	Growth by 5.48% led by government infrastructure projects, property sector and new industrial areas
Manufacturing	PMI shows uptrend during Q1 '25 indicating production expansion and increased demand
Automotive	Car sales expected to increase (2024: 865KMT → 2025: 900 KMT), followed by steel needs for car production
Property	Construction of 3 million housing units (government strategic project) to increase the absorption of downstream steel products

(source: IISIA '25. Apr)

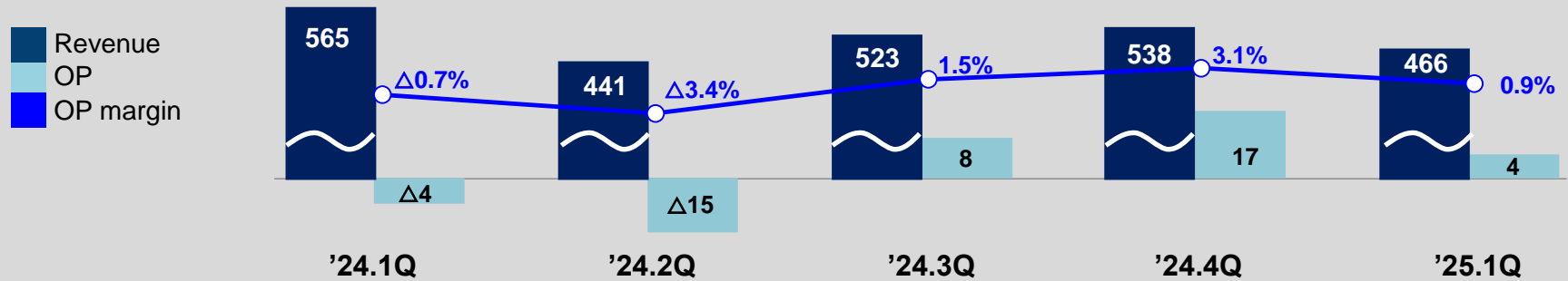




## Income

QoQ

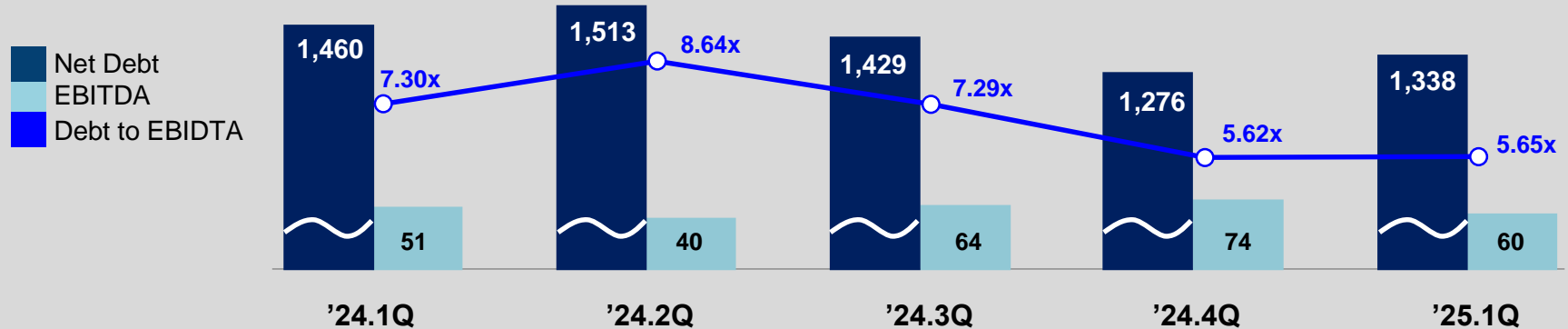
(USD mn)



## Financial Structure

QoQ

(USD mn)



Notes: 1) Net Debt : Total Debt – Cash & equivalents

## Profitability Improvement

### 1 Maximum use of local and low-cost iron ore/ coal

0 → **10%** Iron ore  
8 → **25%** Coal

- Develop mixing technology to adapt with local & low-cost materials
- Discovering new supplier

### 2 Replacement high-priced Fe (iron) sources

68.6 → **82.7 kg/t-s**  
Self/ low-priced Fe sources

- Strengthening processing facility to increase utilization of Fe source material other than scrap (i.e MSB)

### 3 Energy cost savings

30 → **27%**  
Power Purchase Ratio

- Efficiency reinforcement and generator operation rate increase

### 4 Increase sales of Strategic Product

14 → **20%**  
Strategic Product Sales

- Expanding project supply in infrastructure
- Securing contract with major supplier of automotive and heavy equipment

## Prudent Financial Ratio

### Target Leverage and Credit Metrics



Max. **4.5x**  
Debt / EBITDA

Maintain prudent leverage levels and ratios

### Working Capital



<b>AR</b>	Speed up collection through forfeiting
<b>Inventory</b>	Inventory turnover optimization
<b>AP</b>	Supply Chain Finance for Local RM

### Minimum Cash Balance



**\$13Mn**

Daily needs US\$ 6.5Mn  
x  
2D funding period

### Capital Expenditures



**\$34Mn**  
Per Annum

with purpose of maintaining stable Production within capacity 3MMT

## Appendix – Income Statement

(USD million, %)	2023	2024	4Q	1Q 2025
Revenue	2,397	2,067	538	466
Gross Profit	218	73	37	20
(Gross Profit Ratio)	9.1%	3.5%	6.9%	4.3%
SG&A	△41	△61	△28	△15
Other Income, Net	13	△5	8	-
Operating Income	191	6	17	4
(Operating Income ratio)	8.0%	0.3%	3.1%	0.9%
Finance Cost, Net	△140	△130	△32	△27
Net Income	51	△124	△15	△23
EBITDA	410	230	74	60
(EBITDA Margin Ratio)	17.1%	11.1%	13.8%	12.9%



## Appendix – Balance Sheet

(USD million, %)	2023	2024	1Q 2025
<b>Current Assets</b>	<b>629</b>	<b>523</b>	<b>582</b>
Cash and Cash Equiv.	42	18	26
Trade and other Receivable	184	115	113
Inventory	380	380	430
<b>Non Current Assets</b>	<b>2,412</b>	<b>2,231</b>	<b>2,179</b>
Fixed Assets	2,398	2,217	2,166
<b>Total Assets</b>	<b>3,041</b>	<b>2,754</b>	<b>2,761</b>
<b>Current Liabilities</b>	<b>1,022</b>	<b>867</b>	<b>902</b>
<b>Non Current Liabilities</b>	<b>1,109</b>	<b>1,091</b>	<b>1,086</b>
※ Bond and Loan	1,309	1,088	1,162
<b>Total Liabilities</b>	<b>2,131</b>	<b>1,958</b>	<b>1,988</b>
<b>Total Equity</b>	<b>910</b>	<b>796</b>	<b>773</b>
※ Debt/EBITDA	3.73	5.62	5.65

**THANK YOU**