PT KRAKATAU POSCO

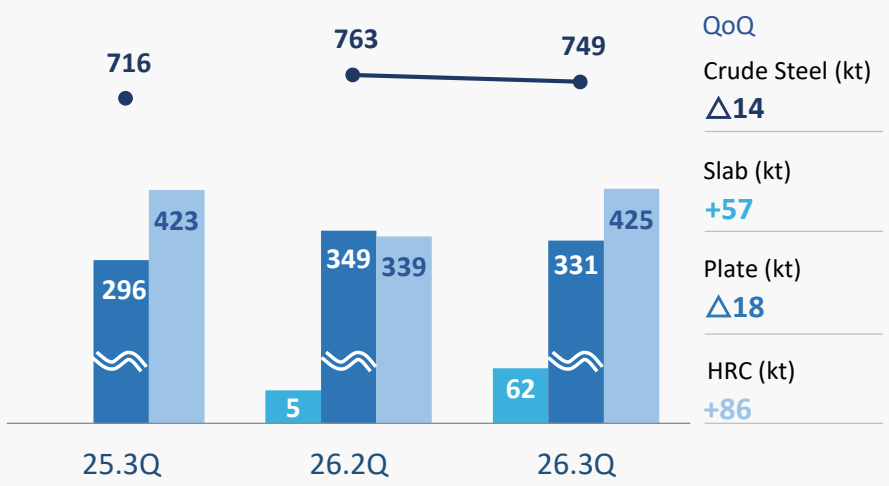
3Q-26 Performance Result

November 30, 2026

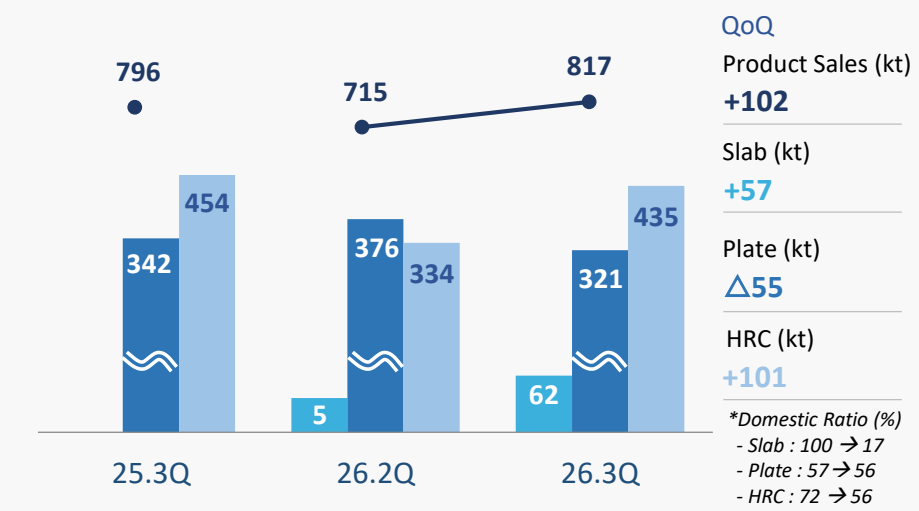
KRAKATAU POSCO

Production & Sales

Production



Sales



☑ **Despite lower crude steel production, total product output increased, driven by recovered HRC and high-margin slab production**

- Crude steel edged down to 749 kt (△14 kt QoQ) due to Blast Furnace (101 hrs), and Steelmaking maintenance (155 hrs) in August.
- Plate decreased slightly following the start of annual maintenance in September, while HRC recovered as operations normalized after 2Q maintenance.

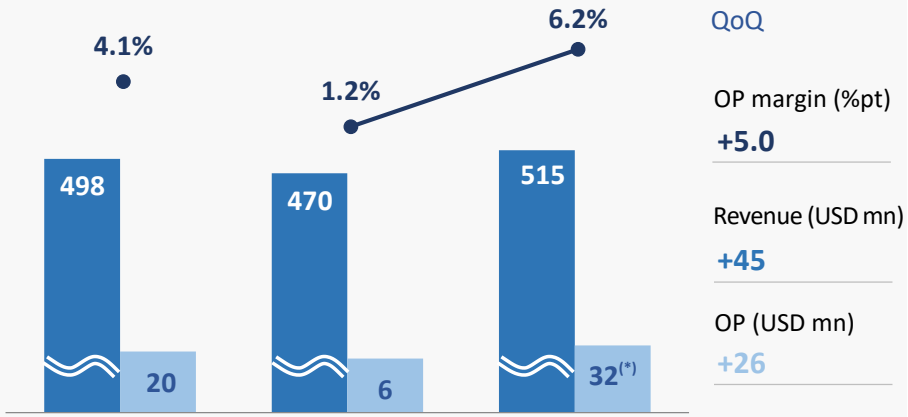
☑ **Overall sales volume grew, supported by expanded high-margin slab sales and increased HRC sales**

- High-margin slab sales expanded through exports to the United States, Thailand, and Spain.
- Despite lower production volumes, high margin plate sales improved in the shipbuilding segment, supported by increased exports to Vietnam.
- KP diversified HRC sales by leveraging POSCO and KS networks in re-roller and pipe segments.

Business Performance

Income

(USD mn., %pt)

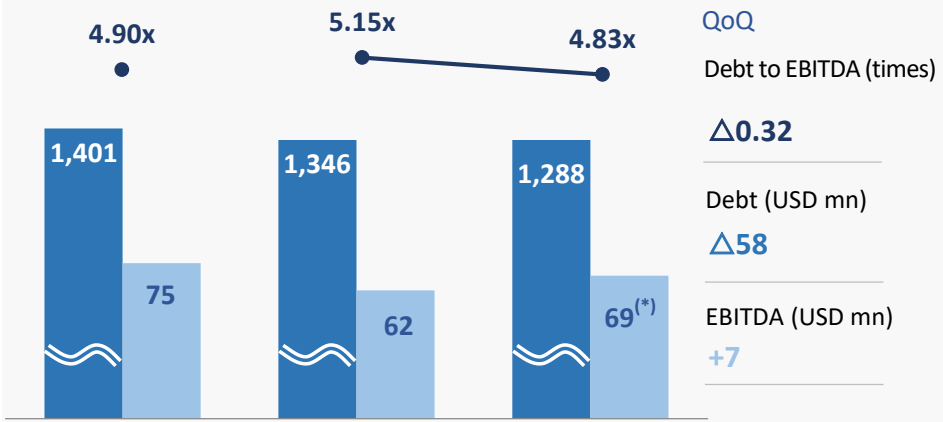


FX loss: USD 2.2mn | *FX loss: USD 4.0mn* | *FX loss: USD 1.8mn*

**Ext. depreciation impact: USD 19 mn*

Financial Structure

(USD mn., times)



[1] *Debt : Global Bond (700) + Borrowing (409) + Lease (179)*

**Adj. EBITDA: excl. inventory depreciation timing +8mn vs. reported EBITDA*

☑ **Profitability improved driven by maximum production, optimized sales mix, and cost-efficiency efforts**

- Revenue increased to USD 515 mn (+USD 45 mn QoQ) driven by stronger sales conditions including expanded high-margin slab sales.
- Operating profit surged on improved sales and cost efficiencies, further strengthened by lower processing costs following an extension of asset useful lives*.
  *maximum useful life range: Machinery 15 → 20 years; Buildings & Structures 20 → 25 years.
- Revenue was squeezed by FX losses of USD 4 mn (USD/IDR Q2: 17,592 → Q3: 17,869)

☑ **Debt-to-EBITDA ratio declined through improved operating profit and working capital management**

- EBITDA increased in line with improved operating profit.
- The Debt-to-EBITDA ratio decreased through optimized working capital management, as inventory levels normalized following earlier maintenance-related stockpiling.

Summarized Income Statement

(USD mn.)

Category	25.3Q	26.2Q	**26.3Q**	QoQ
Revenue	498	470	515	+45
Gross Profit	35	19	42	+23
(Gross Profit Ratio)	7.1%	4.0%	8.2%	+4.2%pt
Selling & Gen Adm. Exp.	12	9	9	-
Other Expense, net	3	4	1	△3
Operating Income	20	6	32	+26
(Operating Income ratio)	4.1%	1.2%	6.2%	+5.0%pt
Finance Cost, net	27	26	26	-
Income Tax Expense	-	3	3	-
Net Income	△7	△24	2	+26
EBITDA	75	62	69*	+7
(EBITDA Margin Ratio)	15.2%	13.1%	13.4%	+0.3%pt

**Adjusted EBITDA: Inventory timing impact +8mn*

Summarized Balance Sheet

(USD mn.)

Category	25.3Q	26.2Q	**26.3Q**	QoQ
Current Assets	604	645	613	△32
Cash and Cash Equiv.	25	13	15	+2
Trade and other Receivable	143	131	130	△1
Inventory	417	448	399	△49
Non Current Assets	2,078	1,918	1,896	△22
Fixed Assets	2,065	1,906	1,884	△22
Total Assets	2,682	2,563	2,509	△54
Current Liabilities	840	1,041	988	△53
Non Current Liabilities	1,080	817	814	△3
※ *Bond and Loan*	1,206	1,164	1,109	△55
Total Liabilities	1,919	1,858	1,802	△56
Total Equity	763	705	707	+2
※ *Debt/EBITDA (times)*	4.90	5.15	4.83	△0.32

THANK YOU