

PT KRAKATAU POSCO

2024 Annual Performance Review

INVESTOR RELATION TEAM

February 2025



Table of Contents

01	Steel Industry	4
02	2024 Performance Overview	6
03	Management Strategy	9
	Appendix	13

Disclaimer

This material has been prepared and distributed to inform shareholders and investors of our management status before the external auditor's audit of 2024 Financial Report results has been completed. Therefore, some of this material may be subject to change during the audit process. This document contains forecast information about the business and financial status and results of operations of the Company and its industry. The forecast information contained an opinion and forecast that involves uncertainties and risks due to circumstances and results that relate to future events, not the past.

Accordingly, due to changes in business environment, business conditions and other risks please note that the contents of this material may differ from the Company's actual operating results. This material is intended as a reference for investors' investment judgment, and the Company expressly or implicitly disclaims any representation or warranty as to the accuracy of this material and its contents.

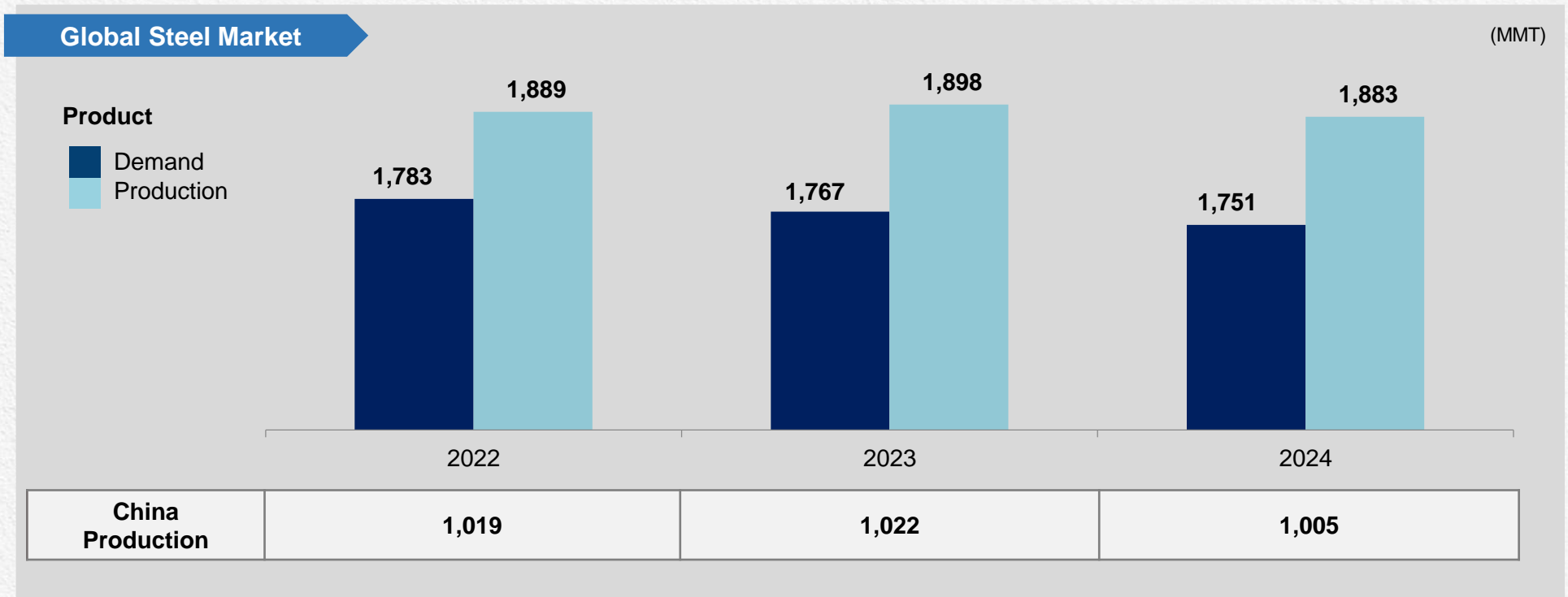
All financial figures presented in this document have been prepared in accordance with the Indonesian local accounting standards, Pernyataan Standar Akuntansi Keuangan (PSAK), which may differ in certain respects from generally accepted accounting principles in other countries, including Generally Accepted Accounting Principles in the United States (U.S. GAAP) and International Financial Reporting Standards (IFRS) applied in other countries.



01

Steel Industry

Global Steel Market situation declined in 2024, mainly because of weakening in the key steel consuming sector



Steel Price

Steel Price (US\$/t)	2022	2023	2024	YoY
	Plate ¹⁾	736	607	
HRC ²⁾	673	564	513	△51

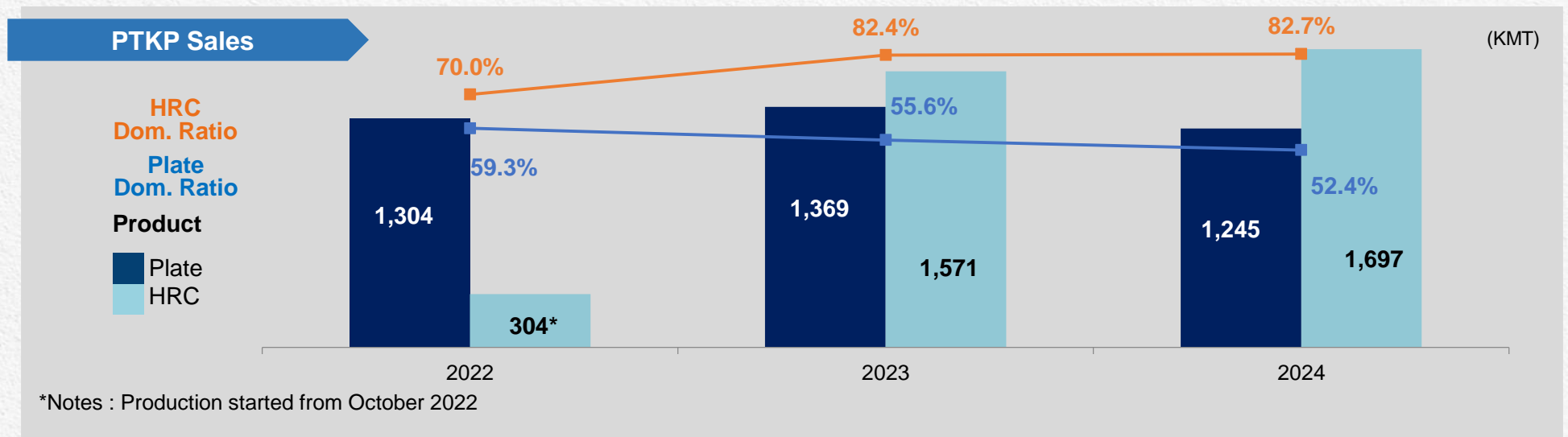
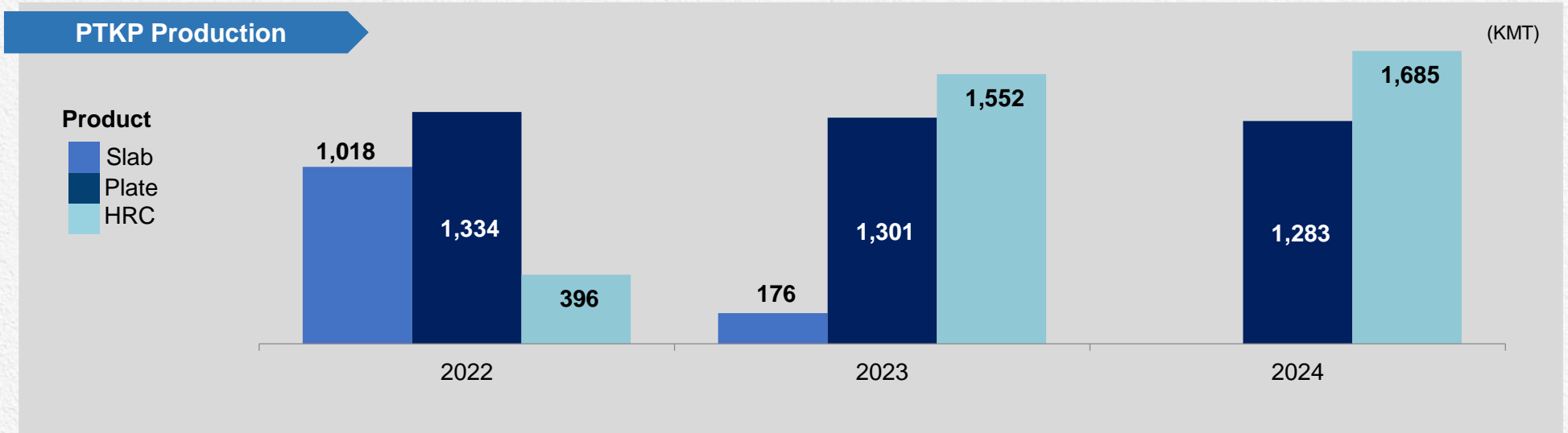
Notes: ¹⁾ East Asia Import (CFR) Dangjin, South Korea; ²⁾ HRC South East Asia Import (CFR);



02

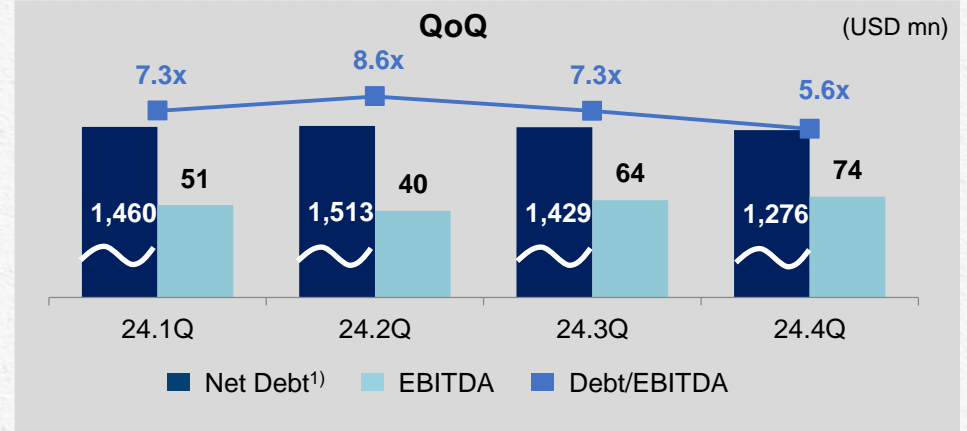
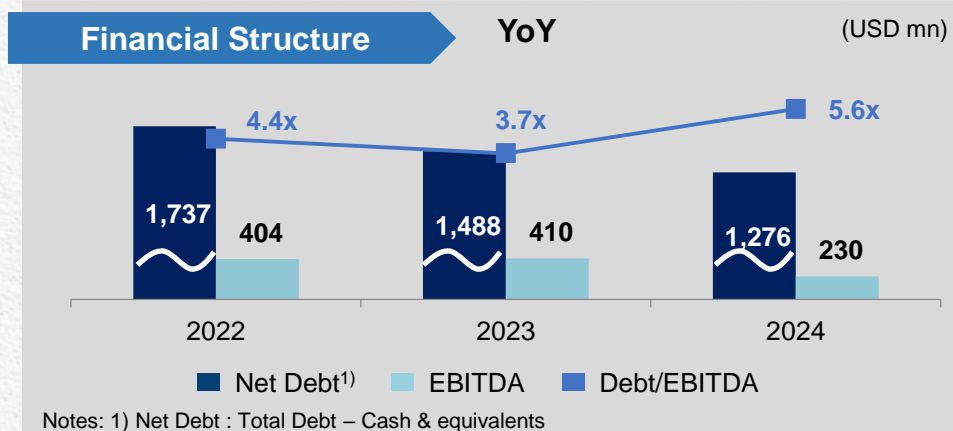
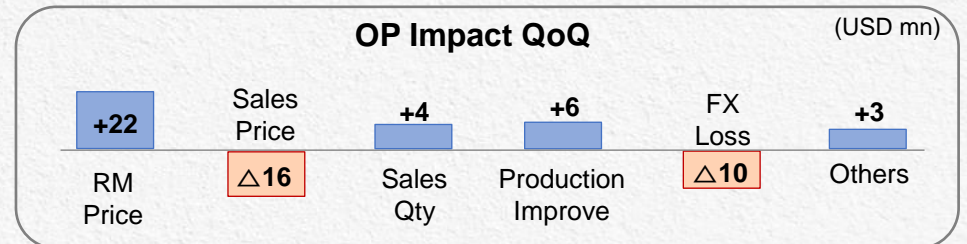
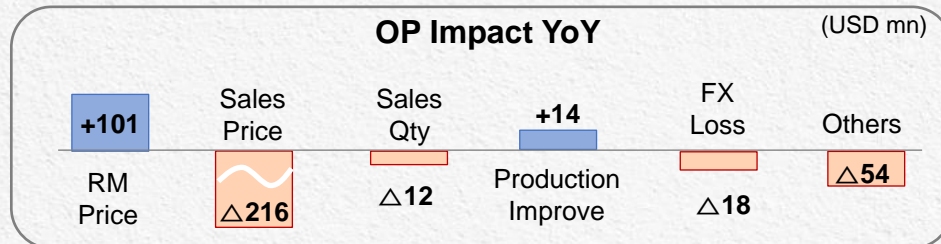
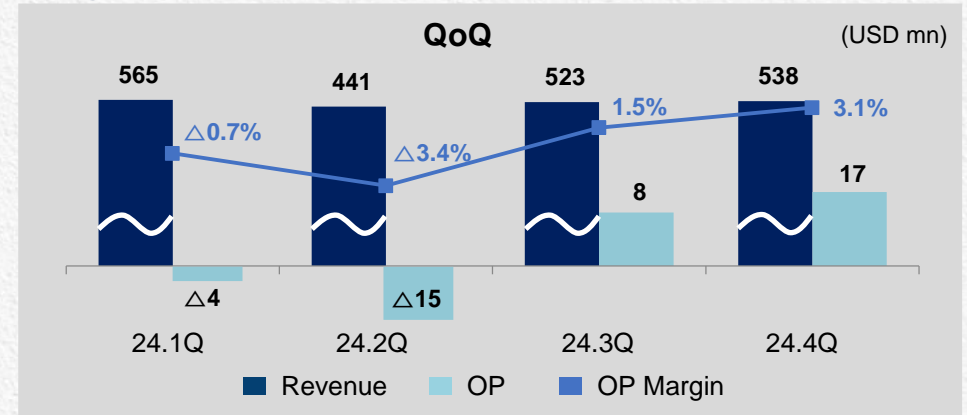
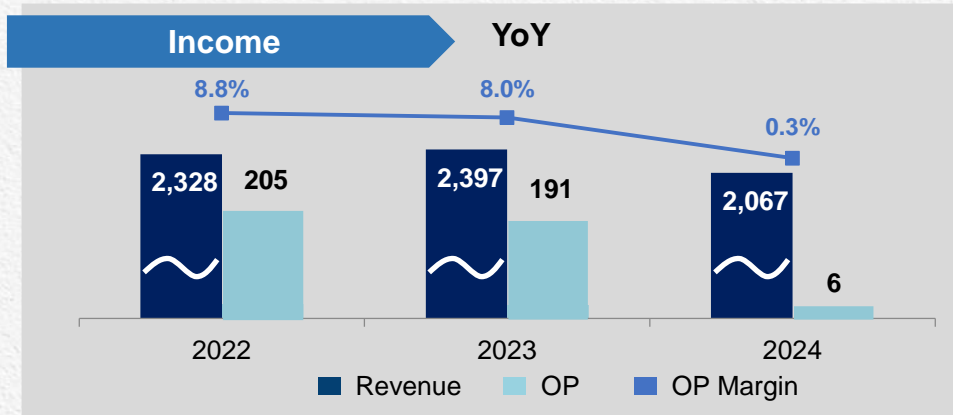
2024 Performance Overview

While the steel industry remain relatively sluggish, Krakatau POSCO continues to maintain stable production and sales



*Notes : Production started from October 2022

Despite the ongoing challenges of weak steel demand, Krakatau POSCO has managed to achieve a positive margin



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



03

Management Strategy

Successfully debt rebalancing in 2024 and establishes favorable loan ratios

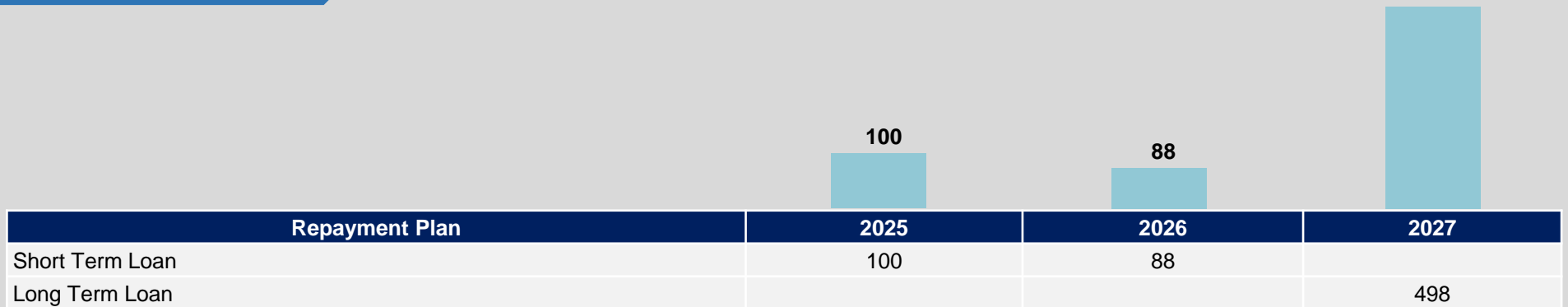
2024 – Debt Rebalancing

(USD mn)

Outstanding Loan	Without Rebalancing		After Rebalancing	
	2024	%	2024	%
Short Term	1,081	100%	188	17%
Senior Facility (due Dec'25)	224	21%		0%
Term Loan (due Sep'25)	680	63%		0%
Working Capital	177	16%	188	17%
Long Term		0%	893	83%
Bond (due Jun'27 & Jun'29)		0%	698	65%
3 years Loan (due Jul'27)		0%	195	18%
TOTAL	1,081	100%	1,081	100%

Debt Maturity

498 (USD mn)



- Here are no long-term loans maturing in 2025~2026, and the repayment/extension/reissuance of bonds for long-term loans maturing in 2027 is planned to be reviewed in the long term.

PTKP strives to Enhance Core Competitiveness Towards the ASEAN No.1 Steel Mill

1 Maximum Use of Low-cost Raw Materials

- Expand the use of locally sourced and low-cost imported raw materials and develop innovative operating technologies
 - (Iron Ore) Resolving the delay in supply, gradual increase in usage
 - (Coal) Flexible use of verified brands and high-sulfur coal from the US
- Replace high-cost purchased scrap by maximizing the use of self/low-cost scrap
 - Enhance slag treatment facilities, increase scrap processing capacity, and maximize the utilization of low-cost fine HBI

2 Product Development and Process Innovation

- Expand low-cost product design to increase market share of general-purpose products and displace low-cost imported products
 - Develop ultra-low-cost steel grades by optimizing the composition and simplifying the production process
- Strengthen strategic product business by increasing sales of high-profit steel and expanding order scope
 - Increase sales of infrastructure Plate, API steel, ultra-thin gauge HRC

3 Improve supply chain structure

- Energy cost reduction through optimizing power consumption and enhancing off-gas power generation
 - Optimize power equipment efficiency, enhance HCR continuous charging rate and decrease natural gas usage for HR plant
- Improve terms of contracts of KPE/KPFM, internalize production facilities. And improve terms of raw material purchase
 - Lower contract prices with KPE/KPFM and improve operational efficiency through internalization. And enhance trade credit terms with P-INT'L

4 Create Barriers for Imported Steel Products

- Reduction of Import License – Propose to continue reducing import license through Ministry of Trade, Industry and Energy
 - ※ Import License is a permission from the Indonesian government to allow manufacturers to import steel
- Continue coordinate with the Indonesian government to impose Anti-Dumping duties on Plate products.
 - HRC Anti-Dumping Extension was announced on January 6, 2025.

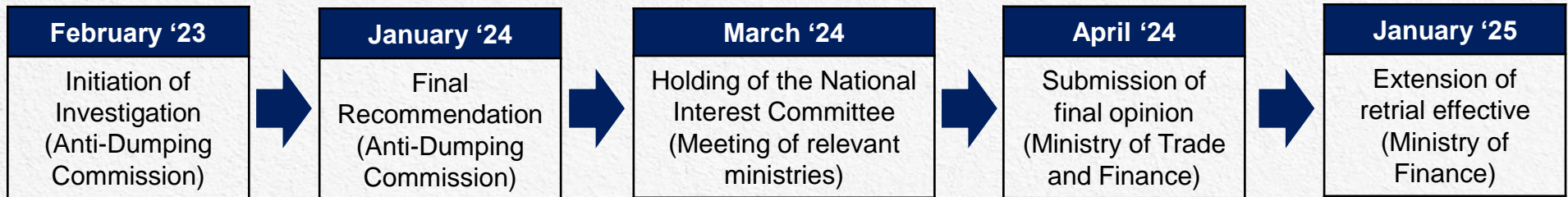
Protect domestic sales from import with implementation of Anti-Dumping

Result of HRC A.D. Sunset Review

- The Anti-dumping regulation of HRC (PMK No 25 Year 2019) was expired on April 2024, request for sunset review was submitted since February 2023 and the final result on the HRC Anti-Dumping Extension was announced on January 6, 2025 (PMK No 103 Year 2024).*
- It is common to announce the extension of the sunset review immediately after it expires, but the announcement was delayed due to the impact of changes in the administrative organization following the presidential election on February 2024.

*PMK: Peraturan Menteri Keuangan/ Minister of Finance Regulation

Sunset Review Progress



Detail of Sunset Review

- Period : January 15, 2025 ~ January 14, 2030 (5 years)
- Tariff : 4.24~20%

Product	Tariff Rate	Target Country
Hot Rolled Coil	4.24~20%	China India Russian Taiwan Thailand



Appendix

Appendix – Income Statement

(USD million, %)	2022	2023	2024	YoY
Revenue	2,328	2,397	2,067	△330
Gross Profit	258	218	73	△145
<i>(Gross Profit Ratio)</i>	11.1%	9.1%	3.5%	△5.6%
SG&A	(37)	(41)	(61)	△21
Other Income, Net	(16)	13	(5)	△19
Operating Income	205	191	6	△185
<i>(Operating Income ratio)</i>	8.8%	8.0%	0.3%	△7.7%
Finance Cost, Net	(100)	(140)	(130)	+10
Net Income	105	51	(124)	△175
EBITDA	404	410	230	△180
<i>(EBITDA Margin Ratio)</i>	17.3%	17.1%	11.1%	△6.0%

(USD million, %)	2022	2023	2024	YoY
Current Assets	888	629	523	△ 106
Cash and Cash Equiv.	20	42	18	△24
Trade and other Receivable	197	184	115	△69
Inventory	582	380	380	-
Non Current Assets	2,592	2,412	2,220	△ 192
Fixed Assets	2,585	2,398	2,206	△ 191
Total Assets	3,480	3,041	2,743	△ 298
Current Liabilities	1,962	1,022	867	△ 156
Non Current Liabilities	659	1,109	1,091	△ 18
※ <i>Bond and Loan</i>	1,526	1,306	1,081	△225
Total Liabilities	2,621	2,131	1,958	△ 174
Total Equity	859	910	785	△ 124
※ <i>Debt/EBITDA</i>	4.4	3.7	5.6	△ 1.9

THANK YOU