

Green Energy & Global Business Pioneer

POSCO International

'24.4Q Earnings Release

('25.2.3.)



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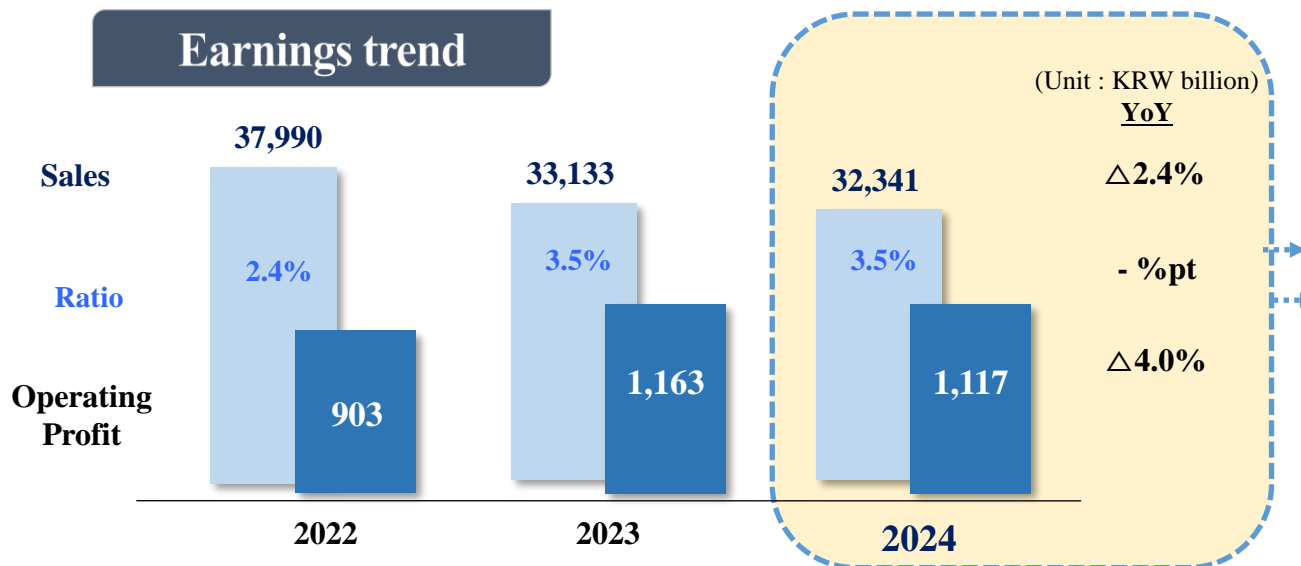
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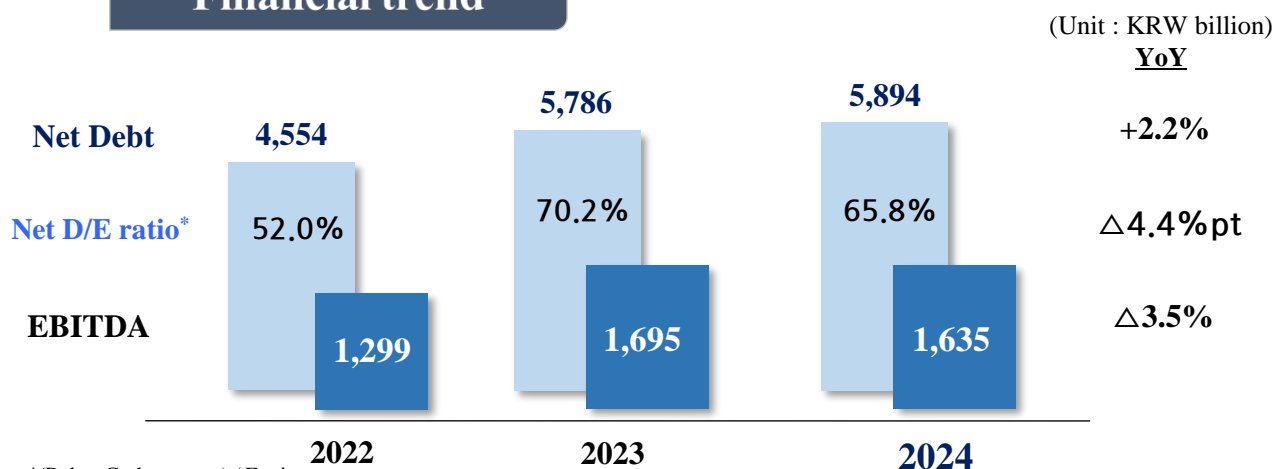
I. '24.4Q Results

Achieved KRW 32.34 trillion in sales & KRW 1.12 trillion in operating profit in 2024

Earnings trend



Financial trend



*(Debt - Cash reserves) / Equity

2024 financial highlights by key business units (KRW billion)

Business unit	Business	Sales	Operating profit
Energy	GAS (E&P)	881	382
	Terminal, power generation	3,160	231
Material	Steel	11,085	155
	Eco-Friendly Material	8,681	111
	Agri bio	3,809	14
Others	Invest. subsidiaries	2,462	55
	Adjustments(Subsidiaries)	2,263	169

Reasons for significant changes in operating profit YoY (KRW billion)

Business unit	Reason	Amount
Energy	Strong performance of Myanmar gas field, impact of terminal expansion	+21
Material	Decline in profitability due to global economic downturn & worsened raw material market conditions	Δ91
Others	Expansion of automotive steel sales boosts N.America trading subsidiary performance	+24

I. '24.4Q Results – Energy

Stable & sustainable profit generation through V/C expansion (Up · Mid · Downstream)

E & P

Biz. Performance

(KRW Billion)		'23	'24	YoY
Myanmar gas field	Sales	615	605	△10
	Operating profit	345	371	+26
SENX	Sales	247	268	+21
	Operating profit	40	40	-

KPI

Sales volume (bcf)	'23	'24	YoY
Myanmar gas field	178	166	△12
SENX	25	25	-

Major Changes

- (Myanmar) Reduction in depreciation expenses due to additional reserve certification & increase in exchange rate
- (SENX) Increased operating expenses due to expansion

Terminal · Power Generation

Biz. Performance

(KRW billion)		'23	'24	YoY
Terminal	Sales	109	127	+18
	Operating profit	35	42	+7
Power Generation	Sales	2,597	2,277	△320
	Operating profit	188	169	△19

KPI

(%)	'23	'24	YoY
Terminal turnover rate	40.3%	54.5%	+14.2
Generation utilization rate	37.4%	40.3%	+2.9

Major Changes

- (Terminal) Profitability improvement through terminal expansion & LNG commissioning
- (Pwr. Gen.) Profit decline due to SMP decrease

I. '24.4Q Results – Material

Efforts to secure stable profit despite challenging market conditions

Material

Biz. Performance

(KRW Billion)		'23	'24	YoY
Steel	Sales	12,174	11,085	△1,089
	Operating profit	222	155	△67
Eco-Friendly Materials	Sales	8,929	8,681	△248
	Operating profit	135	111	△24

Major Changes

- Decline in revenue and profit due to the global economic downturn & worsened commodity market conditions
- Sales decline in related biz. due to EV chasm

EV Motor core

Biz. Performance

(KRW Billion)		'23	'24	YoY
EV Motor core	Sales	396	324	△72
	Operating profit	13	△16	△29

KPI

(10K Units)		'23	'24	YoY
EV Motor core	Domestic sales	147	144	△3
	Overseas sales	41	44	+3
Sum		188	188	-

Major Changes

- Decline in revenue & OP due to continued slowdown in global EV demand
- Maintain sales volume through HEV orders from overseas markets including US

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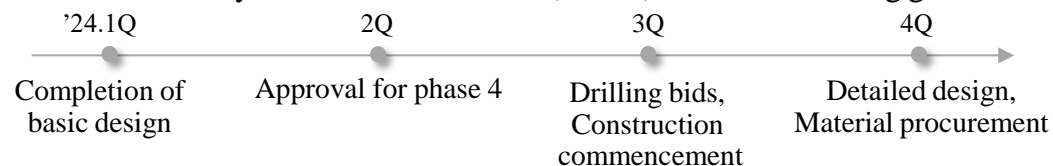
II. Key development – 1) Energy

Secure growth drivers through expansion of upstream reserves & new construction in mid/downstream

Up Stream(E&P)

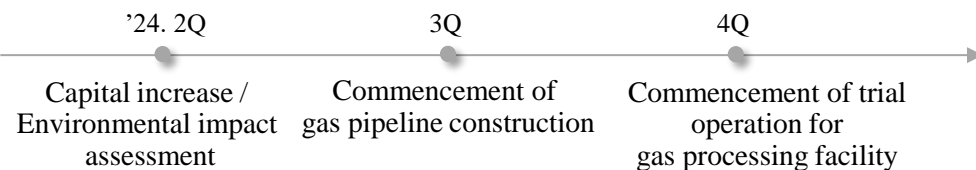
Completion of phase 3 development of Myanmar gas field & initiation of phase 4 development

- Phase 3 : Installation of gas compression platform, **production commenced** ('24.5)
- Phase 4 : Discovery of **additional reserves (0.9 Tcf)** in new and existing gas fields



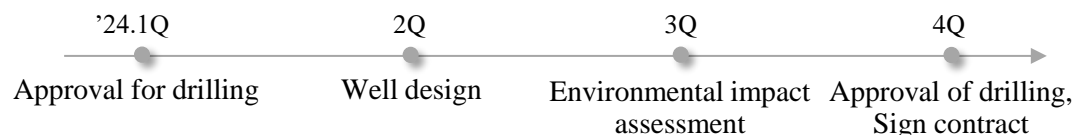
Participation in capital increase for production expansion development of Senex Energy(Australia)

- 3X expansion of natural gas(20→60PJ/Yr)** / Capital increase of approx. KRW 300 B.



Preparation for drilling at Malaysia PM-524

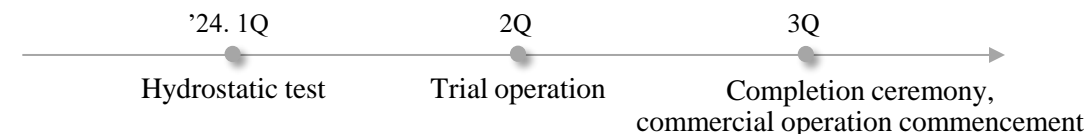
- Identification & approval of the target structure for drilling at well #1**



Mid/Down Stream(Terminal/Pwr. Gen.)

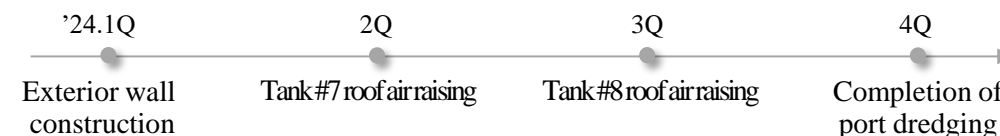
Completion of Gwangyang LNG Terminal 1 (Tank #6)

- Total capacity **730K → 930Kkl**



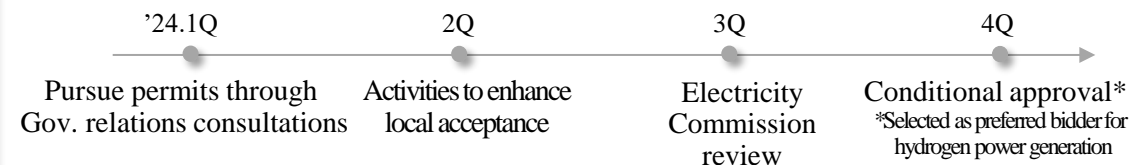
Gwangyang LNG Terminal 2 units 7, 8 construction progress rate approx. 40%

- Total capa. **400Kkl**, 270Kkl dock for vessels, 20Kkl bunkering dock



Acquired approval for replacement of Incheon LNG combined cycle units 3, 4 with hydrogen co-firing power generation (November)

- Capacity of **900MW**



II. Key development – 2) Material

Secure future demand & strengthen position as material supplier though V/C expansion

Mobility

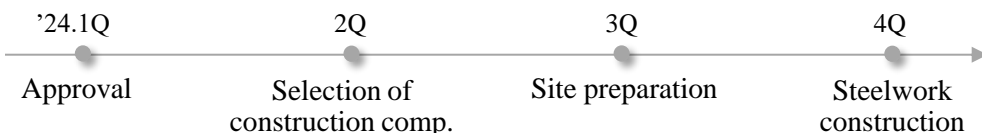
Qualitative advancement of mobility biz. based on P-Group's capability

- Enhance technological competitiveness through collaboration w/ R&D organizations (steel solutions research institute. within P-Group)
- Enhance sales competitiveness through package marketing targeted at global OEMs

Construction of 2nd EV Motor core production plant in Mexico

- Secured production cap. of over 2.5M units for plan 1,2 with total order of 2.3M units by 2030

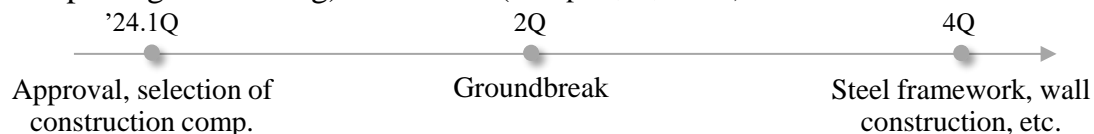
☞ Establish multi-model production system during chasm period by focusing on EV production at plant 1 & HEV production at plant 2



Construction of new EV Motor core plant in Poland

- Securing a production capacity of 1.2 million units/yr, train personnel & develop system for production to begin by the end of '25

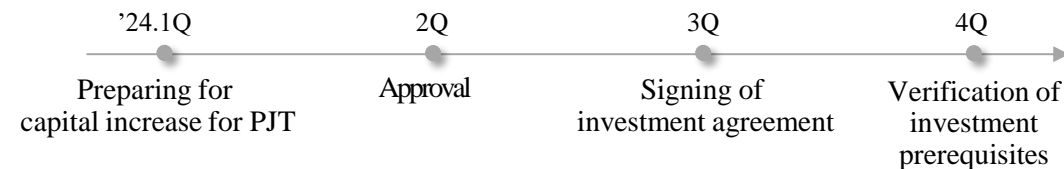
☞ Provide customized solutions (core stacking, low-cost new tech., package marketing) for clients (Comp. B, V, T etc.)



Rechargeable battery materials

Signed investment agreement with Australia's BRM & Tanzania's Mahenge mining project

- Decided to participate in the contract and capital increase (POSCO Group's total stake 19.9%, approx. KRW 58B.)



Material-Bio

Establish operation system for the construction & commercial operation of palm oil refinery in Indonesia (2nd half of '25)

- Palm oil refining cap. of 0.5MMT/yr, P-Int'l 60% stake / investment approx. KRW 300Billion

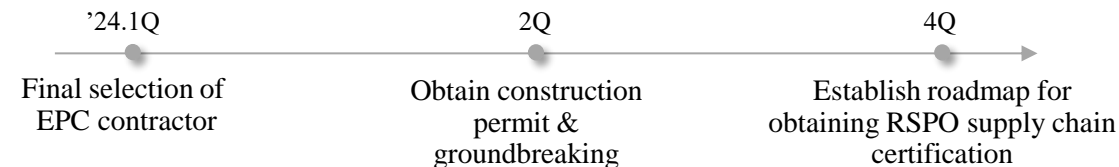


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III. '25 Forecast – 1) Key strategies

Strengthen capabilities & biz. competitiveness to overcome challenges & identify future growth drivers

Energy

Securing a stable and sustainable business foundation

Gas

Biz. expansion through growth of existing operations & acquisition of new assets

- ☑ Optimize gas field operations & increase reserves/product. volumes
- ☑ Acquire new exploration/develop. Assets & commercialize CCS

Enhance pwr. gen. competitiveness & explore next LNG business opportunities

Pwr. Gen.

- ☑ Enhance pwr. Gen. competitiveness through direct procurement & expand overseas biz. Transition to hydrogen co-firing & advancing renewable E. PJTs(wind, solar)

Terminal

Enhance synergy & profitability through strengthening LNG V/C & new biz. expansion

- ☑ Responding to group captive demand & creating synergies across up & downstream V/C
- ☑ Securing new LNG-linked infrastructure (ships/terminals)

Material

Turning crises into opportunities through discovery of new biz. & market development

Steel

Leap forward through biz. model innovation & growth investments

- ☑ Expand domestic/international markets within P-Group
- ☑ Moving beyond simple steel supply & strengthening capabilities within future growth industry V/C
- ☑ Strengthen biz. co-op. based on strategic mill partnership

Strengthen biz. resilience through improved production capabilities & enhanced marketing efforts

Mobility

- ☑ Strengthen package marketing execution by OEMs
- ☑ Enhance global production & order-taking capabilities

Agri-Bio

Expand asset-based biz. & support stabilization of P-Group operations

- ☑ Expand V/C based on expansion of the palm business
- ☑ Entering the biofuel business
- ☑ Strengthen global food procurement foundation
- ☑ Stabilize P-Group's raw material supply chain

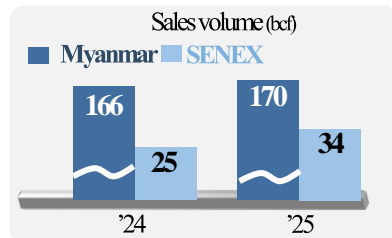
III. '25 Forecast – 2) Biz. Strategies

Promote both quantitative (vol. expansion) & qualitative (V/C expansion, value enhancement) growth across V/C

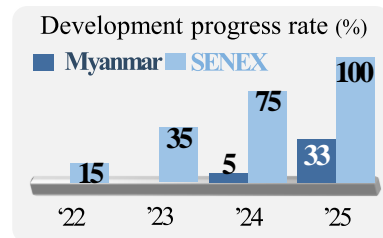
Energy

[Up Stream] Achieve sales & operational goals for existing gas fields along with new acquisitions & exploration

▪ Natural gas sales volume

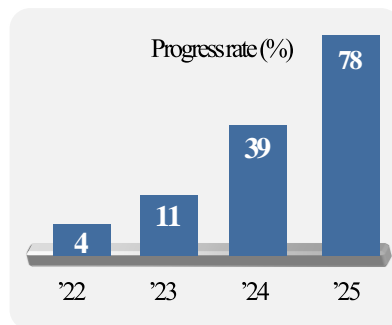


▪ Development progress rate



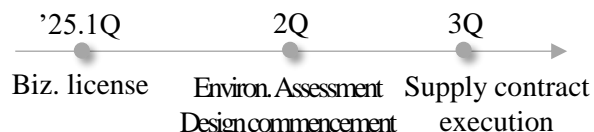
[Mid/Down Stream] Timely execution of unit 7, 8 construction & additional investment in power generation

▪ Construction progress rate for terminal 2 unit 7,8

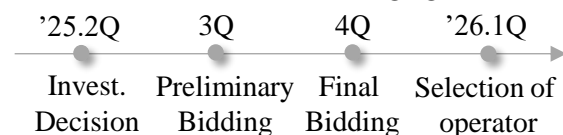


▪ Additional investment in power generation

- Domestic : Direct electricity supply to P-Group through 500MW combined heat & power generation

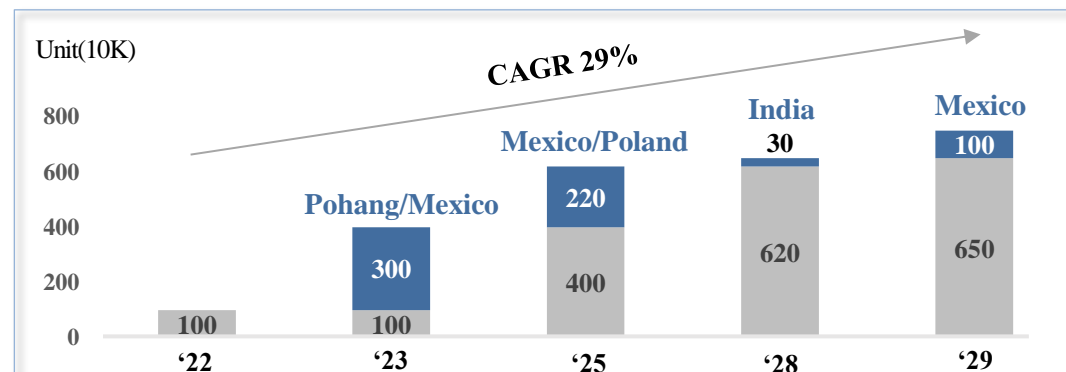


- Oversea (Viet.) : Secure foothold in high-growth LNG market



Material

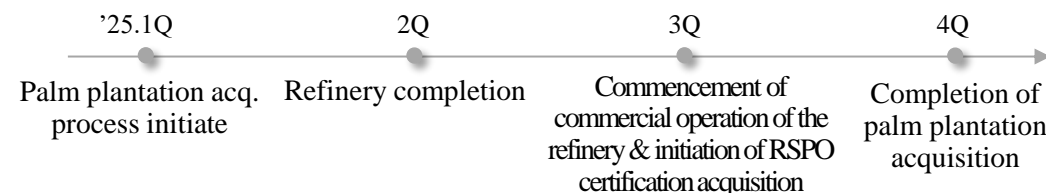
[Mobility] EV Motor core production capacity expansion plan



[Material - Bio] Expansion of V/C through acquisition of palm plantation & stabilization of refinery operations

▪ Palm plantation acq. : Expanding CPO supply capabilities & revenue through acquisition of plantations meeting ESG standards

▪ Refinery : Factory completion & pursuit of RSPO supply chain certification



III. '25 Forecast – 3) Key indicators








	2024		2025 (Forecast)	
 CAPEX (Energy)	KRW 933 Billion	↑ 4%	KRW 966 Billion	* LNG Terminal (export/import), Senex production expansion, Myanmar gas filed stage 3,4, hydrogen blending etc.
 Gas Production	198 Bcf	↑ 9%	215 Bcf	* Myanmar gas field 176 Bcf, Senex Energy 39 Bcf
 Terminal Capacity	930Kkl	↔	930Kkl	* GY Terminal 1 full completion in 24.07. Terminal 2 tank 7,8 expected to be completed by 26.07
 Steel Sales Volume	12MMT	↑ 5%	12.5MMT	* POSCO product Sales quantities 9.64MMT
 CPO Sales Volume	190KMT	↑ 16%	220KMT	* Palm trees entering maturity stage → increase in sales volume
 Grain Import Volume	1.6MMT	↑ 10%	1.8MMT	* Corn, wheat, soybean and etc
 EV Motor Core Sales Volume	1.9M Units	↑ 35%	2.5M Units	* Confirmed orders (Domestic 1.82M units, overseas 0.71M units)

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IV. Corporate Value-up Plan – 1) Key metric & goal setting

Value-up strategy for long-term corporate value enhancement : Mid-term key indicators and targets

Value-up Approach

Stable growth of profit

- Bolster market dominance through the ambitious expansion of existing businesses (energy/agro)
- Generate synergy in alignment with POSCO Group's business leveraging integrated marketing capabilities (steel/mobility)

Efficient use of capital

- Prioritize capital efficiency in investment decision-making and business portfolio management
- Enhance shareholder value through increased shareholder returns

Key Metrics and Goals ('25 ~ '27)

Growth of pre-tax profit : 8% + α in annual average

- Organic Growth : Application of sustainable growth rate of 8%
- Additional growth through M&As and other external resources + α

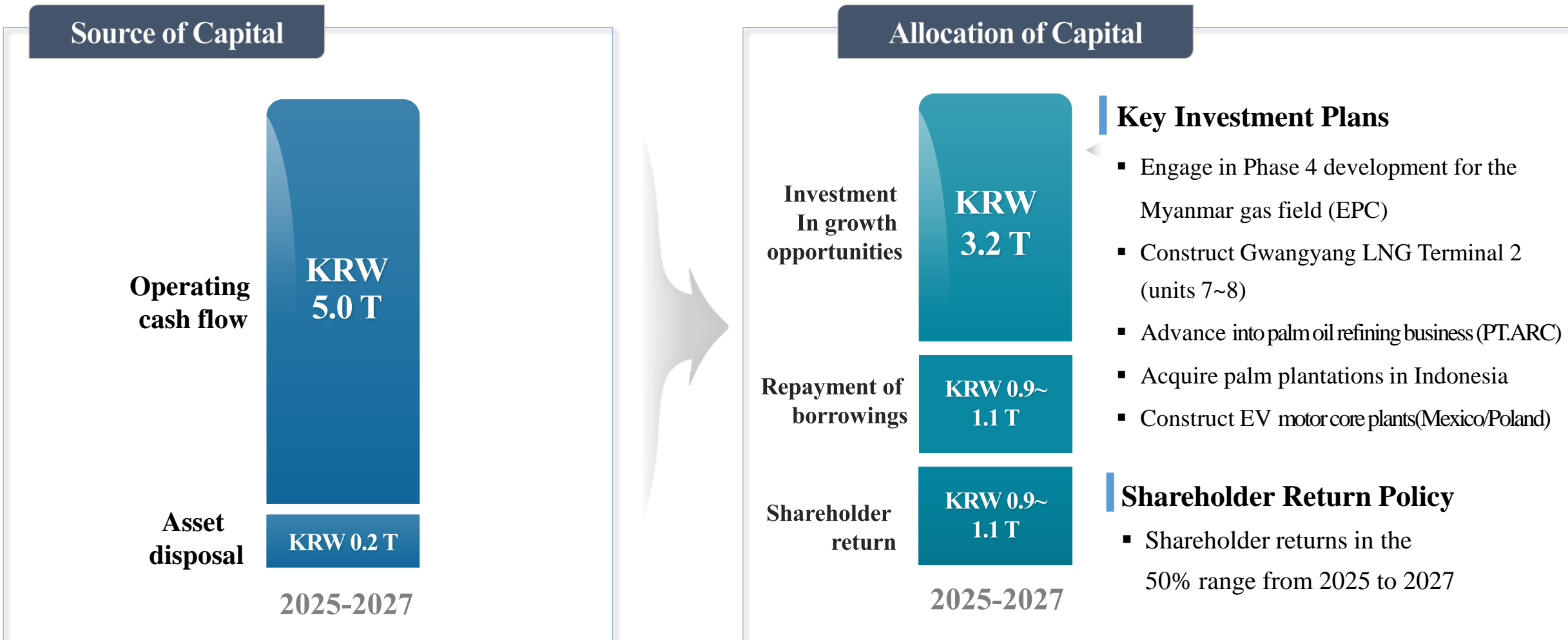
Return on Invested Capital : WACC (8.0%) or above

- WACC : Capital structure based on market capitalization of equity, including cost of equity and cost of debt
- ROIC : Comparison with 5-year cost of equity, estimated WACC exceeding 8.0%

Ensure shareholder return ratio in the 50% range between 2025 and 2027. Introduction of interim dividends from 2025

IV. Corporate Value-up Plan – 2) Capital allocation plans

Maintain financial stability through allocation of operating cash to investments, shareholder returns



Q & A

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2024 Financial Statements

Income Statement

(KRW Billion)	2023	2024	YoY
Sales	33,132.8	32,340.8	△792.0
Operating Profit	1,163.1	1,116.9	△46.2
(Ratio)	3.5%	3.5%	-
Other Profit/Loss	△248.6	△410.3	△161.7
Profit Before Tax	914.5	706.6	△207.9
Income Tax	234.2	203.2	△31.0
Net Income	680.3	503.4	△176.9

Balance Sheet

(KRW Billion)	2023	2024	YoY
Assets	16,617.8	17,336.3	+718.5
Cash & Cash equivalents	1,136.9	1,057.2	△79.7
AR(Net)	4,112.8	4,183.1	+70.3
Liability	9,993.0	9,986.8	△6.2
AP	2,423.1	2,097.7	△325.4
Loan(Net)	5,786.2	5,893.7	+107.5
Stockholder's Equity	6,624.8	7,349.5	+724.7
(Net Debt Ratio)	70.2%	65.8%	△4.4%

*(Debt - Cash reserves) / Equity

사람과 사람을 이어갑니다

ESG경영 선도기업



Thank you