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# POSCO International

## '26.1Q Earnings Release

('26.04.30.)



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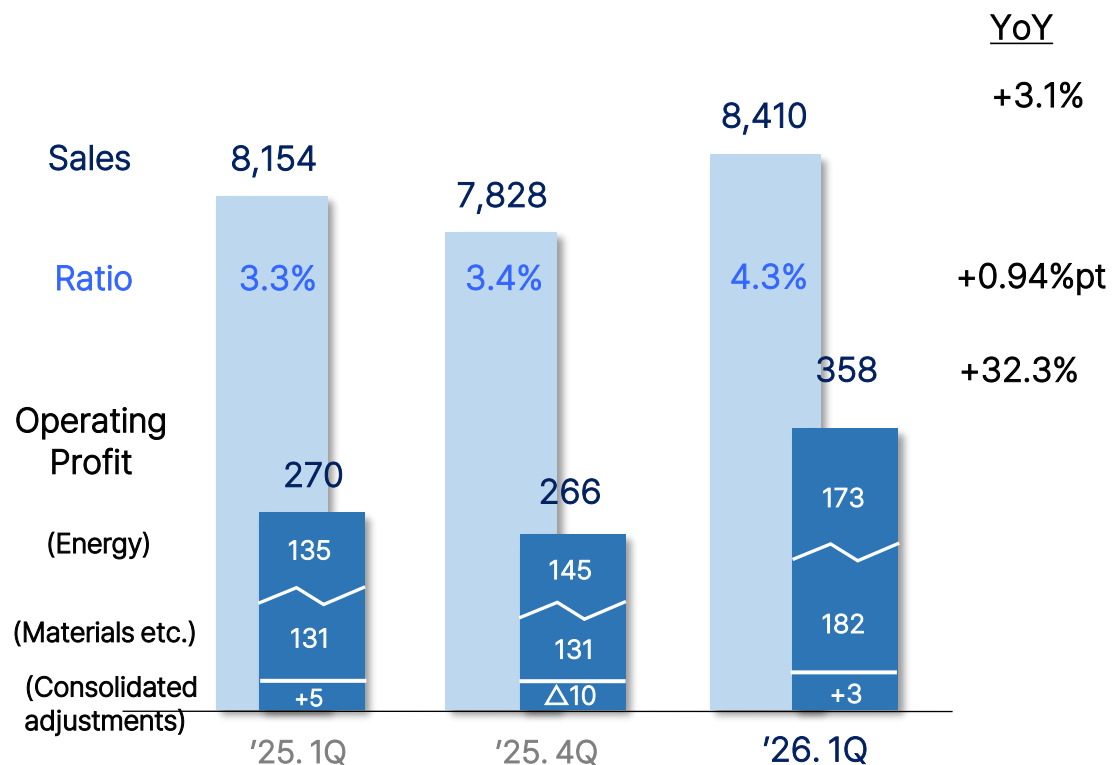


# I. '26.1Q Results

## Earnings trend

Highest quarterly OP since merger via core business stability

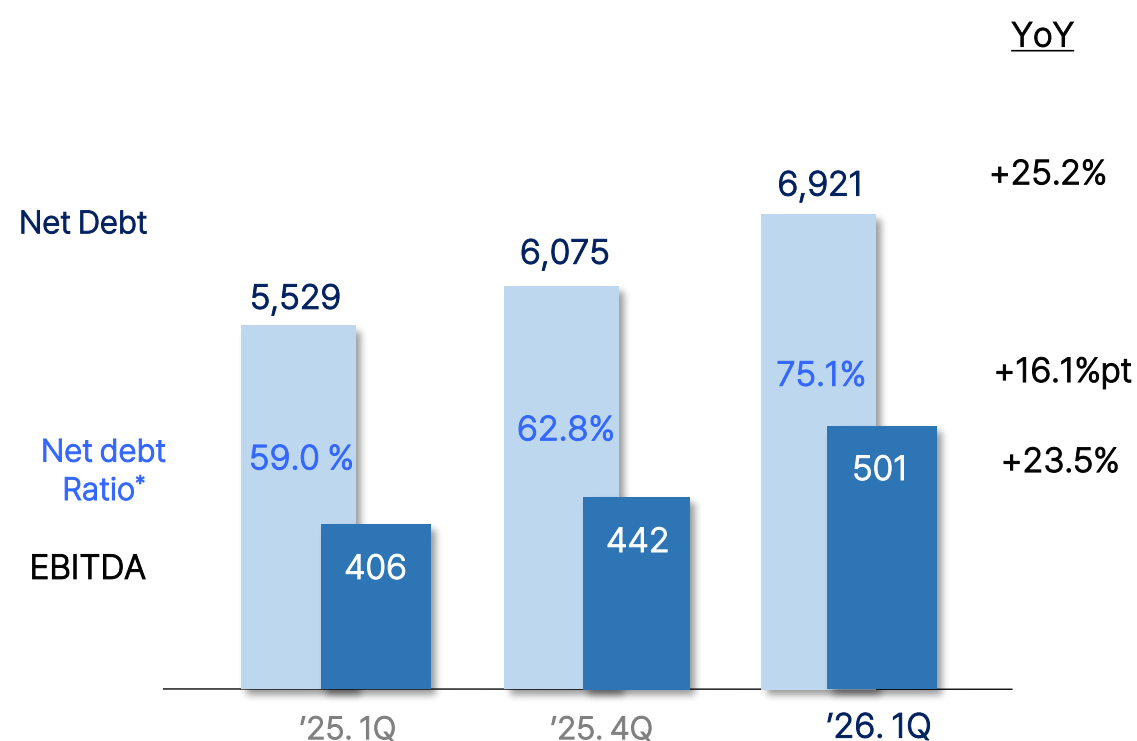
(Unit : KRW Billion)



## Financial trend

Financial stability maintained thru. improved cash generation despite increase in borrowings

(Unit : KRW Billion)



\* (Net Debt - Cash on Hand) / Stockholder's Equity

# I. '26.1Q Results – 2) Energy

Continued earnings stability following SENEX production ramp-up & increased Pwr. gen. utilization

## E & P

### Biz. Performance

(KRW billion)		'25. 1Q	'25. 4Q	'26. 1Q	YoY(%)
Myanmar gas field	Sales	150	144	155	+3.1%
	Operating profit	87	75	86	△1.6%
SENEX	Sales	81	116	123	+51.9%
	Operating profit	10	29	31	+230%

### KPI

Sales volume (bcf)		'25. 1Q	'25. 4Q	'26. 1Q	YoY(%)
Myanmar gas field		46	42	46	-
SENEX		7	10	10	+35.1%

### Summary

- Myanmar : Slight decline in operating profit due to increased operating expenses from planned major facility maintenance
- SENEX : Sales volume and profitability trend upward as production ramp-up takes full effect

## Terminal · Power Generation

### Biz. Performance

(KRW billion)		'25. 1Q	'25. 4Q	'26. 1Q	YoY(%)
Terminal	Sales	28	37	33	+17.3%
	Operating profit	8	10	13	+66.3%
Power Generation	Sales	465	396	455	△2.3%
	Operating profit	34	8	43	+26.3%

### KPI

	'25. 1Q	'25. 4Q	'26. 1Q	YoY(%p)
Terminal leasing capacity(10K Kl)	67.0	70.5	70.5	+5.2%
Generation utilization rate(%)	33.8	33.7	37.6	+3.8%p

### Summary

- Terminal : Expansion of steady rental income driven by updated favorable contract terms with customers
- Pwr. Gen. : Increase in margins driven by improved utilization rates & decline in reserve margins

# I. '26.1Q Results – 3) Material

Earnings growth fueled by stable contributions from core material biz. & profit growth in palm biz.

## Material

### Biz. Performance

(KRW Billion)		'25. 1Q	'25. 4Q	'26. 1Q	YoY(%)
Steel	Sales	3,721	3,373	3,800	+2.1%
	Operating profit	50	35	60	+19.7%
Materials & Bio Resources	Sales	2,239	2,334	2,243	+0.2%
	Operating profit	24	12	20	△18.2%

### Major Changes

- Steel: Sales growth in traction & automotive components driven by early demand capturing prior to the European TRQ system overhaul
- Materials & Bio: Earnings impacted by reduced domestic steel raw material sales, with revenue maintained at YoY levels thru FX gains

## EV Motor core\*

\*POSCO Mobility Solution motor core biz.

### Biz. Performance

(KRW Billion)		'25. 1Q	'25. 4Q	'26. 1Q	YoY(%)
EV Motor core	Sales	83	74	74	△9.8%
	Operating profit	2.7	2.6	2.8	+1.8%

### Summary

- Profit increased due to improved cost structures despite decline in revenue caused by global market conditions.

## Palm

\*Excludes PT.PAR performance  
(Newly consolidated as of November 2025)

### Biz. Performance

(KRW Billion)		'25. 1Q*	'25. 4Q	'26. 1Q	YoY(%)
Palm (Consol)	Sales	719	1,344	1,696	+135.8%
	Operating profit	303	154	334	+10.2%

### Summary

- Increased revenue & profit due to consolidation of the new palm plantation

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## II. Key development – Energy

### Strengthened mid-to-long-term competitiveness by accelerating V/C execution despite of geopolitical volatility

#### Review of energy business exposure to geopolitical risks in the Middle East

##### [UP] Phased reflection of oil price & FX changes in financials

- **Myanmar gas field** : Differential application methods for oil prices & exchange rates, with **earnings reflected in phases**
  - Oil price : Average oil price of the past year applied / FX : Reflected based on each month-end rate.
- **SENEX** : Oil-indexed price structure limited to liquefaction plant volumes (~30%), **resulting in a delay before impacting earnings**
  - Average lagging time of approx. 4 months
  - Domestic volumes (approx. 70%) are linked to Australian CPI

##### [MID/DOWN] Upside opportunities in profitability through LNG trading and power generation.

- **Terminal** : Direct impact on profit and loss is limited due to a biz. structure centered on long-term lease contracts.
  - Minimal biz. impact due to low proportion of Middle Eastern sources in existing contracts
- **Trading** : Upside potential for third-party sales expansion amid rising demand for Middle East alternatives
- **Pwr. Gen.** : Slight margin improvement expected in power generation following the rise in both fuel costs and SMP

#### [UP] Commencement of Phase 4 drilling for the Myanmar gas field development

##### Commencement of Phase 4 drilling operations (February 2026)

- **Drilling and well completion of 4 wells underway**
  - Drillship: Bluewhale I (The world's largest ultra-deepwater drillship)
- Offshore installation and commissioning scheduled after well completion (~End of 2026)
  - Construction completion & first gas production expected in July 2027



#### [MID] Pursue synergies thru LNG trading dedicated entity

##### Operating a specialized LNG trading entity to strengthen midstream capabilities

- Building core functions post-incorporation (as of late 2025)
  - Establishing an operational foundation to conduct independent trading by the first half of the year
- Aiming to establish a virtuous cycle by **sequentially enhancing sourcing competitiveness** and **expanding trading functions** based on advanced entity capabilities

## II. Key development – Material

### Pursue growth thru expansion of supply chain for core materials and optimization of palm V/C

#### [Rare Earth] Strengthening partnerships to establish S/C

##### [UP] Pursuing phased partnerships & investments for S/C develop.

- Signed MoU with Canada Torngat Metals on rare earth S/C (Feb, '26)
  - Supplier diversification via long-term partnerships
- Pursuing joint investments linked to South Asia mines
  - Initial mining-refining pilot investment approved; Scale-up by end 2026
  - JV with local miners and additional feedstock securing by end 2026

##### [MID] Investment under review: rare earth separation & refining

- Domestic R.E separation & refining: equity investment (SEA Feedstock & recycling)
- ReElement(U.S) JV : R.E processing investment under review (1H, '26)

##### [DOWN] Mid-to-long term supply expansion via permanent magnet manufacturing base

- Review of participation in U.S. production site invest. by domestic company (focused on raw material supply / magnet off take rights)
- Global partnership review to secure permanent magnet manufacturing capability (E,'26)

#### [Palm] Equity expansion of PT PAR & refinery commercial readiness

##### [UP] PT.PAR : Equity stake increase (Mar, '26) & PMI-based integration

- Tender offer (MTO) completed; ownership increased from 65.72% to 98.7%
  - KRW 420B deployed for additional share acquisition
- PMI-led integration of plantation business management
  - Org/governance design completed; key function integration on going

##### [MID] Process of preparation for refinery commercial operations

- Preparing for commercial operation of refinery
  - Utility/Key equipment testing and pre-commissioning completed
  - Acquisition of industrial permits, inbound delivery of CPO feedstock for operation (Mar,8KT)
- Refinery commercial production(from Jun) & 2H operational stabilization
  - Commissioning and ramp-up in Apr-May; commercial operation from Jun
  - Acquisition of food/sales related certificate(~3Q), Set up for mass production (2H, '26)

**Q & A**

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# '26.1Q Financial Statements

## Income Statement

(KRW Billion)	2025					1Q26	YoY (%)	
	1Q	2Q	3Q	4Q	Sum			
Sales	8,154	8,144	8,248	7,828	32,374	8,410	+3%	
Operating Profit	S u m	270	314	316	266	1,165	358	+32%
	Material	135	164	119	121	539	184	+36%
	Energy	135	149	197	145	627	173	+28%
(Ratio)	3.3%	3.9%	3.8%	3.4%	3.6%	4.3%	+0.9%p	
Other Profit/Loss	△4	△187	△51	△88	△330	△21	+457%	
Profit Before Tax	267	127	265	177	835	337	+26%	
Income Tax	63	36	55	45	198	60	△5%	
Net Income	204	91	210	133	637	277	+36%	

## Balance Sheet

(KRW Billion)	2025				1Q2026	YoY (%)
	1Q	2Q	3Q	4Q		
Assets	17,328	16,956	17,388	18,753	19,745	+14%
Cash & Cash equivalents	1,210	1,245	1,083	1,172	1,112	△8%
AR(Net)	3,995	3,878	4,175	3,962	4,346	+9%
Liability	10,001	9,686	9,975	10,940	12,013	+20%
AP	2,280	2,226	2,232	2,200	2,125	△7%
Loan(Net)	5,529	5,342	5,338	6,075	6,921	+25%
Stockholder's Equity	7,327	7,270	7,413	7,813	7,732	+6%
(Net Debt Ratio)	59%	56.4%	57.2%	62.8%	75.1%	+16%p

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ESG경영 선도기업



Thank You.