

# Investment Plan\_Palm Business

## -Acquisition of Indonesian Palm Company-

('25.11.24.)

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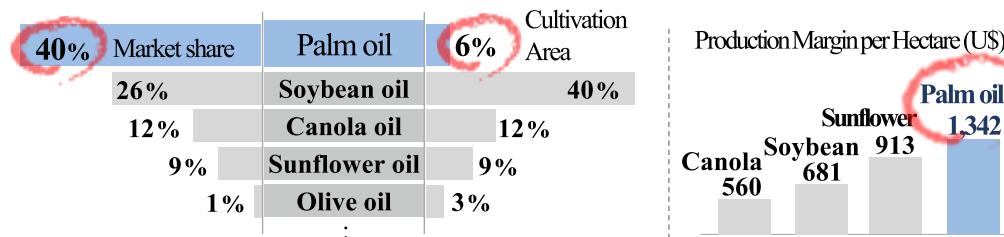


### High-barrier industry with strong profitability & long-term growth potential

#### Profitability

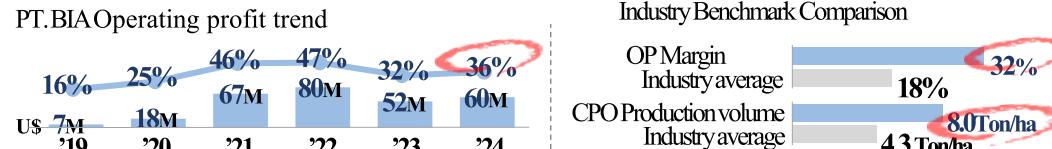
##### - 1<sup>st</sup> in global market share driven by outstanding productivity

- Compared to other oilseeds (canola, soybean, etc.), production is approximately 4–8 times higher, maintaining a 40% market share.



##### - Delivering profitability above industry peers through strong operational capability

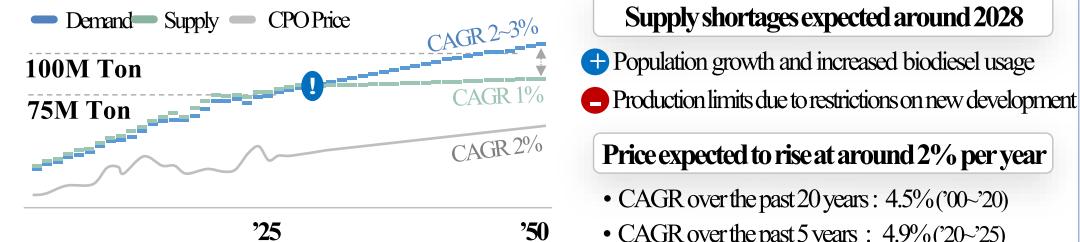
- Operating profit up 233% since ramp-up, margin at 1.8× industry average



#### Growth potential

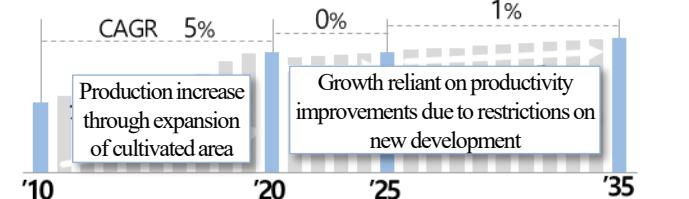
##### - Demand Stability: Solid demand & expansion is expected driven by edible · industrial uses and eco-friendly fuel

- Rising need for SAF feedstocks(POME), population growth & eco-friendly fuel adoption expected to tighten supply



##### - High Entry Barriers : New plantation development restrictions elevate the value of existing plantations

- Global ESG Policies Constrain Supply Growth



Indonesia, Malaysia approx. 85% of production

Indonesia	46 M Ton
Malaysia	19 M Ton
Thailand	3 M Ton
Colombia	2 M Ton
Nigeria	1 M Ton

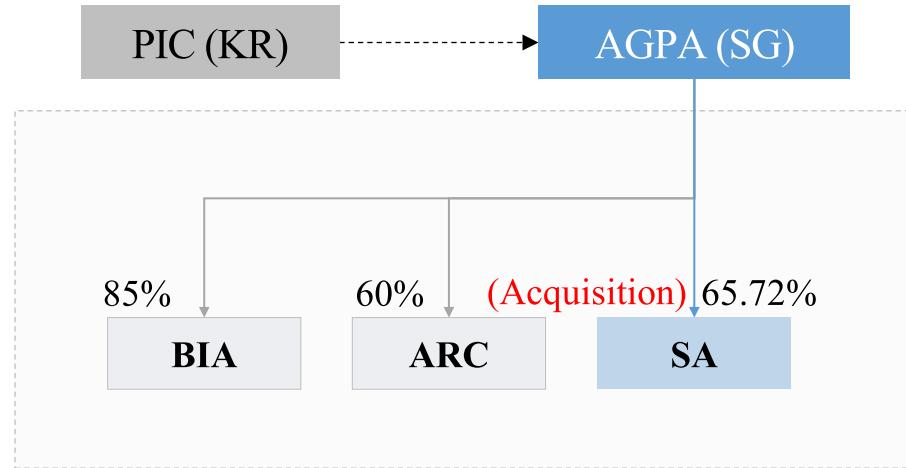
- With upstream value expected to continue rising as a limited resource, timely entry is required based on the Company's global top-tier asset (PT.BIA) operational capabilities and strengthened value chain.

## II. Acquisition Overview and Details

### Expansion of profitability & strengthening of V/C competitiveness through acquisition

#### Acquisition Structure

- Acquisition through Singapore subsidiary AGPA



- Total Investment: USD 567 million for a 65.72% stake

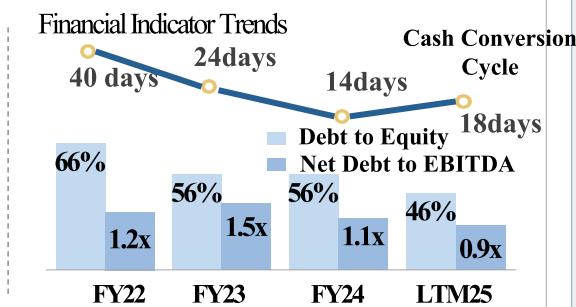
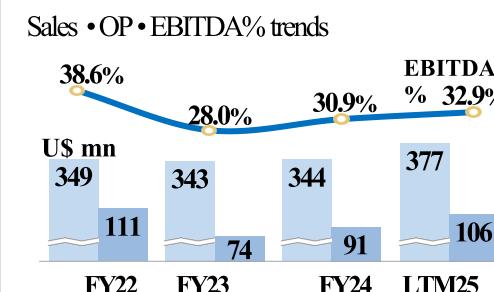
- Investment Target : **65.72% equity in PT Sampoerna Agro\***
- Progress : SPA executed and acquisition completed ('25.11.19.), and remaining minority shareholder Mandatory Tender Offer\* and other follow-up procedures to be carried out

\* Mandatory under local capital market regulations; the acquired stake may increase depending on the outcome of the tender offer

#### Acquisition Details

- Target: Indonesian major palm company, PT Sampoerna Agro

- Founded / Location / Market Capitalization: '93 / (Plantations) Sumatra & Kalimantan / USD 644 million (as of 25.11.13)
- Listed upstream palm company in Indonesia generating a stable EBITDA margin above 30%



- Reason for selection : Stable profit generation based on superior location & seed resources

- Location / Seeds: Located in preferred areas within the main palm belt. Ranked 2nd in seed development and sales in Indonesia.
- ESG : High competitiveness with 100% resource recycling system and application of various eco-friendly farming methods.
- Synergy : Able to achieve annualized even production by offsetting production peaks with PT BIA. Conveniently located to supply the refinery.

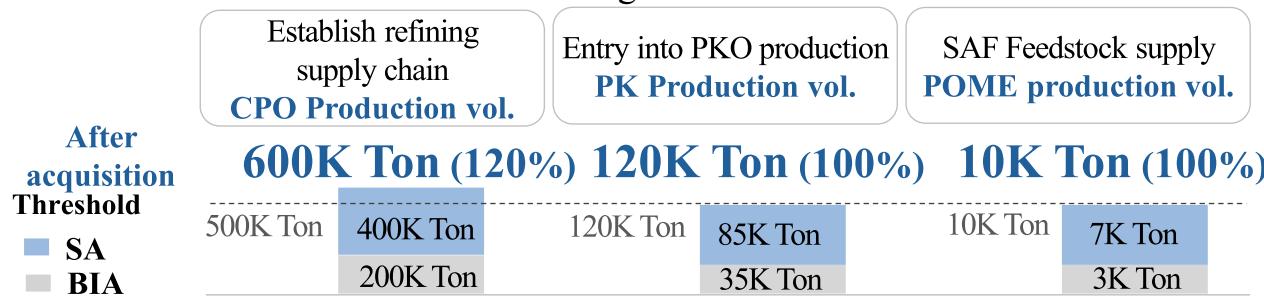
### III. Expected Benefits

#### Become a global major palm company thru. market positioning & synergies (profit 3X by '30)

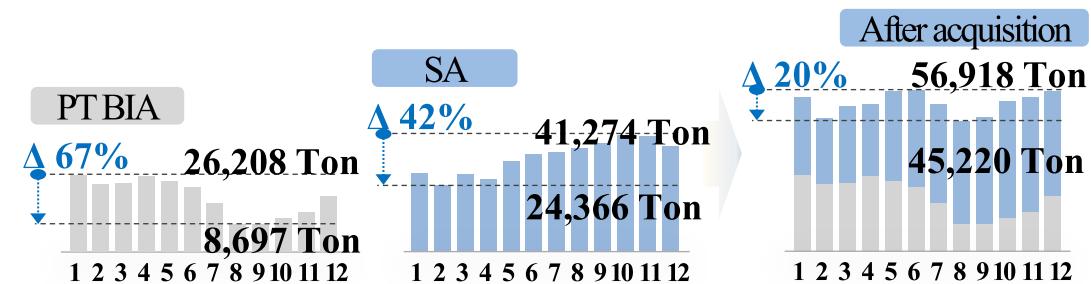
Secure profitability & strengthen market position

##### - Current 200K Tons CPO/KRW 100B OP → '30 target : 700K Tons CPO/ OP 3X → '35 Target 1M Tons CPO / OP 5X

- Upon acquisition, able to become a global major player based on RSPO certified area & achieve market dominance through scale.

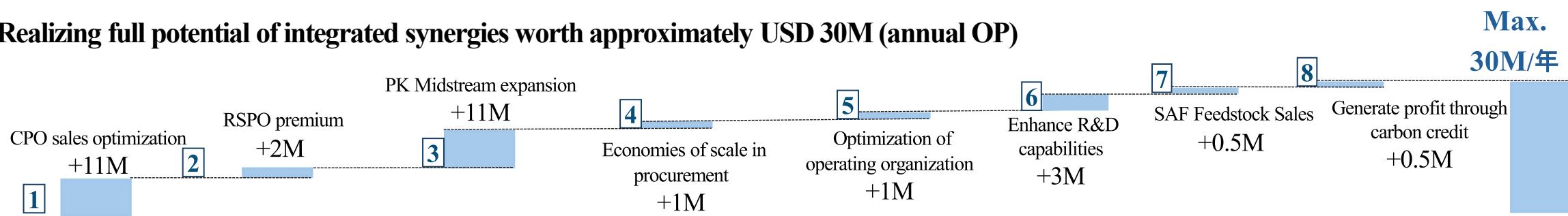


- Strengthen position within the V/C as an expansion hub for existing plantations



Creating synergies through V/C expansion

##### - Realizing full potential of integrated synergies worth approximately USD 30M (annual OP)



사람과 사람을 이어갑니다

ESG경영 선도기업



Thank you

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## Appendix

We Find Answers  
Planet Wide

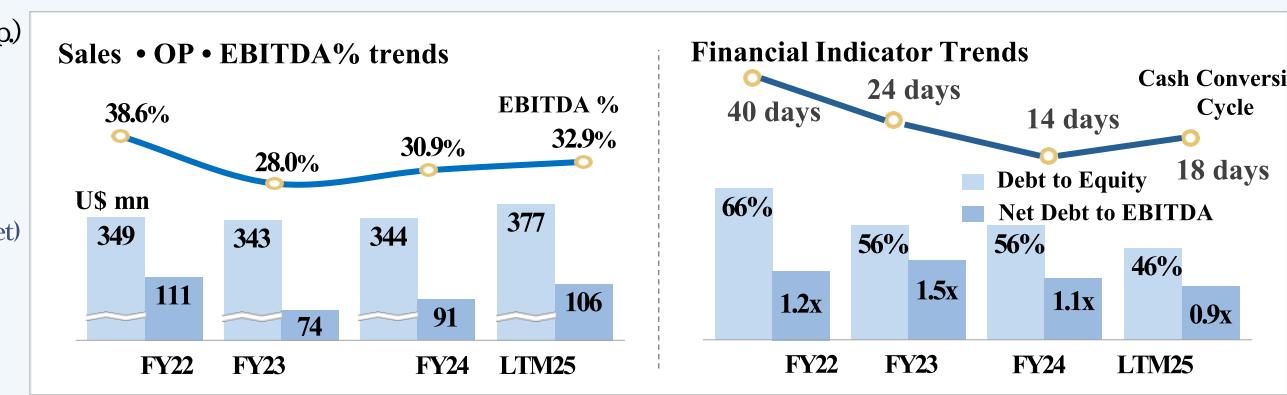
## [Appendix] Summary of the company to be acquired(1/3)

### ○ Indonesian listed upstream palm company consistently generating an EBITDA margin above 30%

- Following the sale of its tobacco business ('05 Philip Morris, U\$ 5.2B) the company had acquired & expanded its palm operations.

However, divestment is underway due to the Group's portfolio restructuring decision

Company Name	PT Sampoerna Agro Tbk (Indonesian listed comp.)
Founded	1993. 6. 7 (# of employees 9,747)
Location	(HQ) Jakarta, (Plantation) Sumatra, Kalimantan
Major Shareholder	Twinwood Family 65.72% (Acquisition target)
Market Capitalization	U\$ 601M (as of '25. 9. 25.)
Key Assets	Palm plantation 128Kha (plasma 46K), Seeds R&D

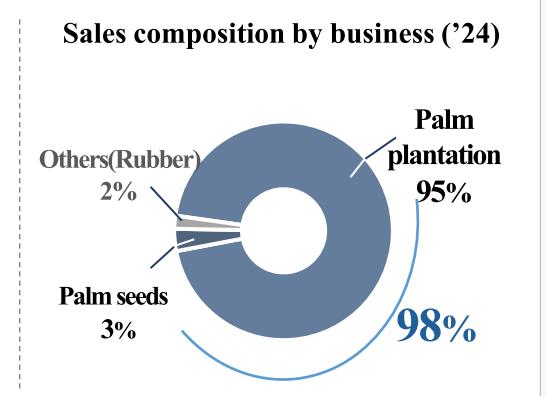


### ○ [Assets held] 128K ha of palm plantations in Sumatra & Kalimantan, 8 CPO Mills, seed R&D center

- Low-productivity rubber plantations (23K ha) are excluded from the acquisition

- 128K Ha of palm plantation, 8 CPO Mills, 1 PKO Mill, seed R&D center
- ※ Other assets : 23K ha of rubber plantations (Hold global environmental certification / development stage, unprofitable business: '24 U\$Δ4M)

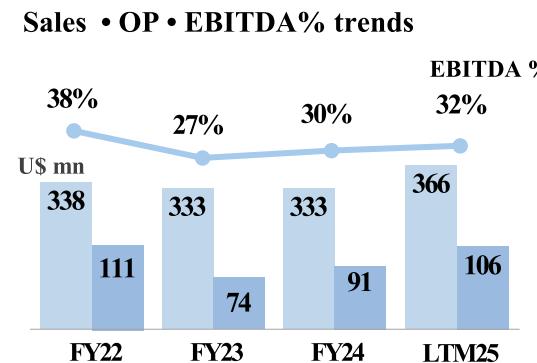
Sumatra	Kalimantan	Seed business
Total area	79 K ha	Total area
<ul style="list-style-type: none"> <li>• Comp. plantation</li> <li>• Plasma</li> </ul>	43 K ha	<ul style="list-style-type: none"> <li>• Comp. plantation</li> <li>• Plasma</li> </ul>
CPO Mill	5 (360t/h)	CPO Mill
	36 K ha	10 K ha
		• 2nd Largest Market Share in Indonesian Seed Market (M/S 15%+, 1 <sup>st</sup> held by state owned comp.)
		• Owns 12 seed varieties + research lab.



## [Appendix] Summary of the company to be acquired(2/3)

### ○ [Plantation] Generate stable profitability above 30% by leveraging productivity above industry average & favorable locations

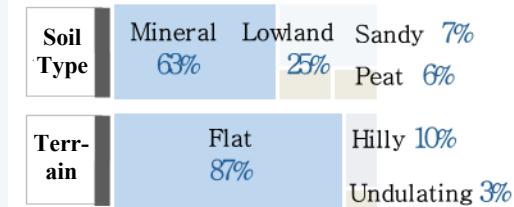
Consistently generating stable profitability above 30% on average



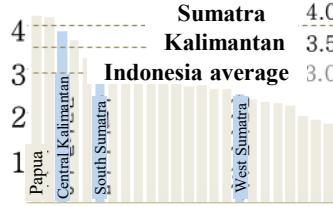
Slightly above average productivity achieved despite diverse soils and terrain in the main palm belt

Maintaining Profitability Through In-House Productivity Improvements and Main Belt Location (Low Transport Costs)  
※ Lowland, sandy soils typically yield 40–60% compared to mineral soils (PT BIA is 100% mineral, flat soils)

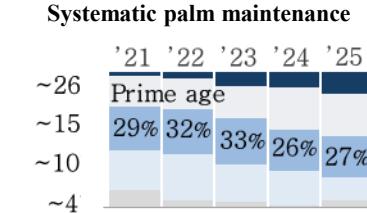
#### Soil Distribution Ratio



#### Average CPO Productivity Comparison

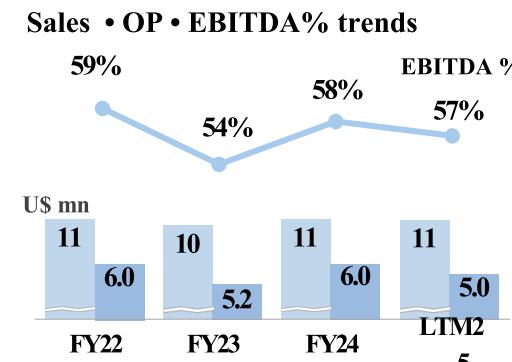


#### Age Distribution of Palm Trees



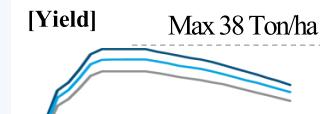
### ○ [Seed] 2nd largest seed developer and seller in Indonesia (approx. 15% m/s) possess suitable varieties & breeding data by soil and climate type

Higher margin Than Plantations Through R&D Operations

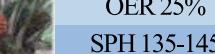


Possessing leading seed R&D capabilities and experience, providing Agronomy Service beyond seed sales (50+ plantations)

#### SJ (Standard – Launched '04)



#### SJ/SK 1



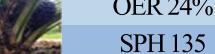
- Top FFB productivity variety
- Stable height management

#### SJ/SK 2



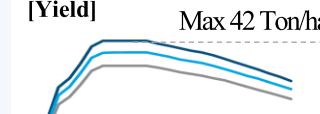
- OER(oil extraction rate) top-performing variety
- Shortleaves for high-density planting

#### SJ/SK 3



- Highest adaptability to environmental conditions
- Suitable for challenging soils (peat)

#### SK (Premium – Launched '20)



#### SJ/SK 4



- Durable variety
- Maintains productivity under stress conditions

#### SJ/SK 5



- Versatile variety suitable for both high-density planting & challenging terrain

#### SJ/SK 6



- Optimized for producing large fruit bunches on flat, mineral soils

## [Appendix] Summary of the company to be acquired(3/3)

