

Implementation Results of Corporate Value-up Plan

Disclaimer

This document has been prepared to provide up-to-date information on the Company's business operations, indicating that certain data included herein may be subject to change during the accounting audit process.

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I Corporate value-up plan overview

“ Value-up targets as of Dec 20, 2024 (2025 ~ 2027) ”

Growth potential

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

- ✓ **Energy/Agro** : Market leadership through core expansion
- ✓ **Steel/Mobility** : Group synergy via integrated marketing

Capital efficiency

ROIC exceed WACC's 8.0%

- ✓ Establishing portfolio management system based on **growth & profitability**
- ✓ Portfolio optimization through **business growth & profitability assessment**

Shareholder return

Shareholder return ratio 50%

- ✓ $(\text{Dividends} + \text{Share cancellations}) \div \text{Net income attributable to owners of the parent}$
- ✓ **Introduction of interim dividends** & change of dividend record date

Governance & investor communication

**Strengthen board roles and
ESG communications**

- ✓ **Conduct outside director NDRs** for direct communication with investors
- ✓ **Expand disclosure of ESG data** including environment & safety

II KPI progress

- 1 Growth
- 2 Capital efficiency
- 3 Shareholder returns
- 4 Investor communication

“ Reinforced core value chains in energy, materials, & agro sectors while solidifying a sustainable growth foundation through strategic investments ”

Key performance highlights of 2025

Growth rate of EBT
Target **8.0% + α**

Pre-tax profit growth rate of **9.6%** in 2025

Organic Growth

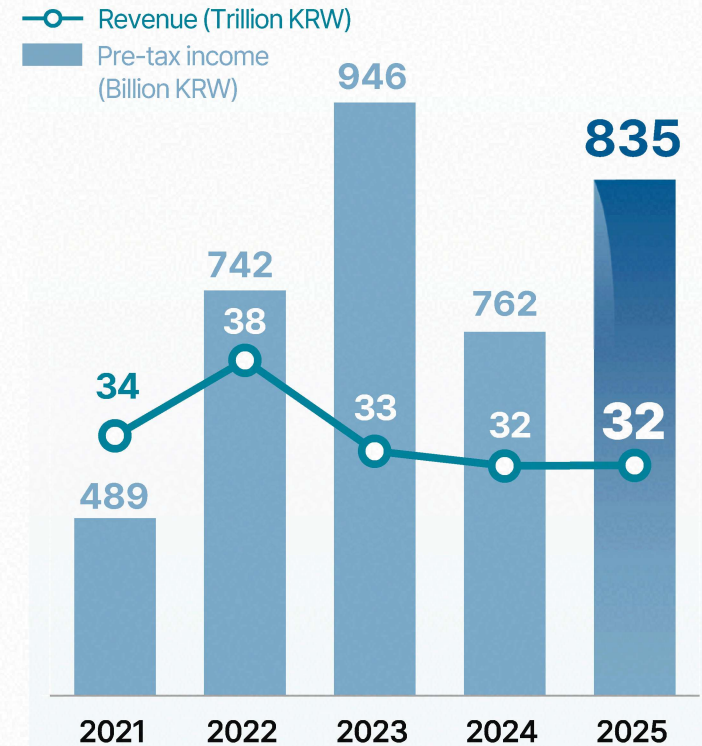
Steel	Expanding sales in the US and EU through "One Team" marketing with POSCO	Group products 10M tons
Mobility	Global production expansion (Mexico & Poland plants)	Motor core sales 2.2M Units
Agro	Palm oil refinery construction & expanded grain handling volume	Grain handling vol. 5.7M Tons
Gas	Myanmar Phase 4 development & Australia Senex production ramp-up	Gas sales volume 124bcf
LNG	Enhanced LNG trading – Specialized entity & dedicated vessels	Secured 1 dedicated LNG carrier
Pwr. Gen	Acquisition of Gwangyang district electricity business license & Units 3-4 modernization	Secured 1 new business license

Inorganic Growth

Growth investment	Palm plantation expansion through acquisition & entry into seed business	Palm plantation area +128K ha
Strategic investment	Participation in Alaska LNG PJT, secured steel supply & LNG off-take rights	Steel 0.25M LNG 1M Tons*

* (Steel) Max sales volume, (LNG) Annual Off-Take

Income status



* Based on annual business report

“ Optimized business portfolio & enhanced capital efficiency through active restructuring based on growth and profitability assessments ”

Capital efficiency enhancement



Target **Over WACC 8.0%**

Achieved consolidated ROIC of 8.7% in 2025

➤ $KRW\ 982B \div 11T\ 278B$
(NOPAT) (2-yr ave invested capital)

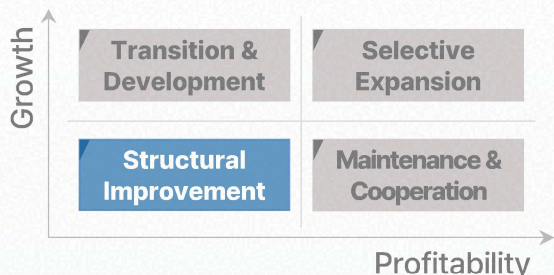
Business restructuring

✔ **Strategic restructuring** of assets within the 'Structural Improvement' segment

Major Divestments

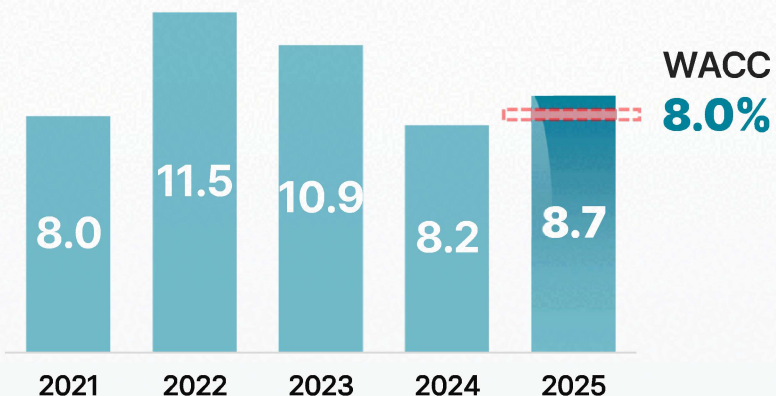
Asset	Business	Rationale	Stake	Value (KRW)
Mong Duong (VN) 2	Coal power	Carbon neutrality	30%	115B
P-Mobility	STS processing	Governance reform	100%	37B
Uzbek Textile	Cotton spinning	Non-core business	100%	24B
Myanmar RPC	Rice processing	Portfolio rebalancing	60%	20B
P-CORE	Motor core	Portfolio rebalancing	51%	19B

* Uzbekistan Textile (Partial Sale), P-Mobility STS (Pending Divestiture)



Consolidated ROIC

Invested Capital Operating Assets (Trade Receivables + Inventory + PPE/ROU Assets) - Operating Liabilities (Trade Payables)
NOPAT Operating Income × (1 - Effective Tax Rate)



Reasons for '24 ROIC decrease

- Decrease in NOPAT: KRW 0.1T impairment loss (Mong Duong)
- Invested Capital : Growth in assets under construction (+0.5T), Expansion of mining rights in Myanmar(+0.2T)

* Based on annual business report

“ Maintaining a strategic balance between future growth investments and shareholder returns, the company reached a 51.3% return ratio in 2025, further bolstered by the implementation of an interim dividend policy ”

⌚ Consistent increase in total dividend '21 KRW 99B → '23 170B → '25 315B

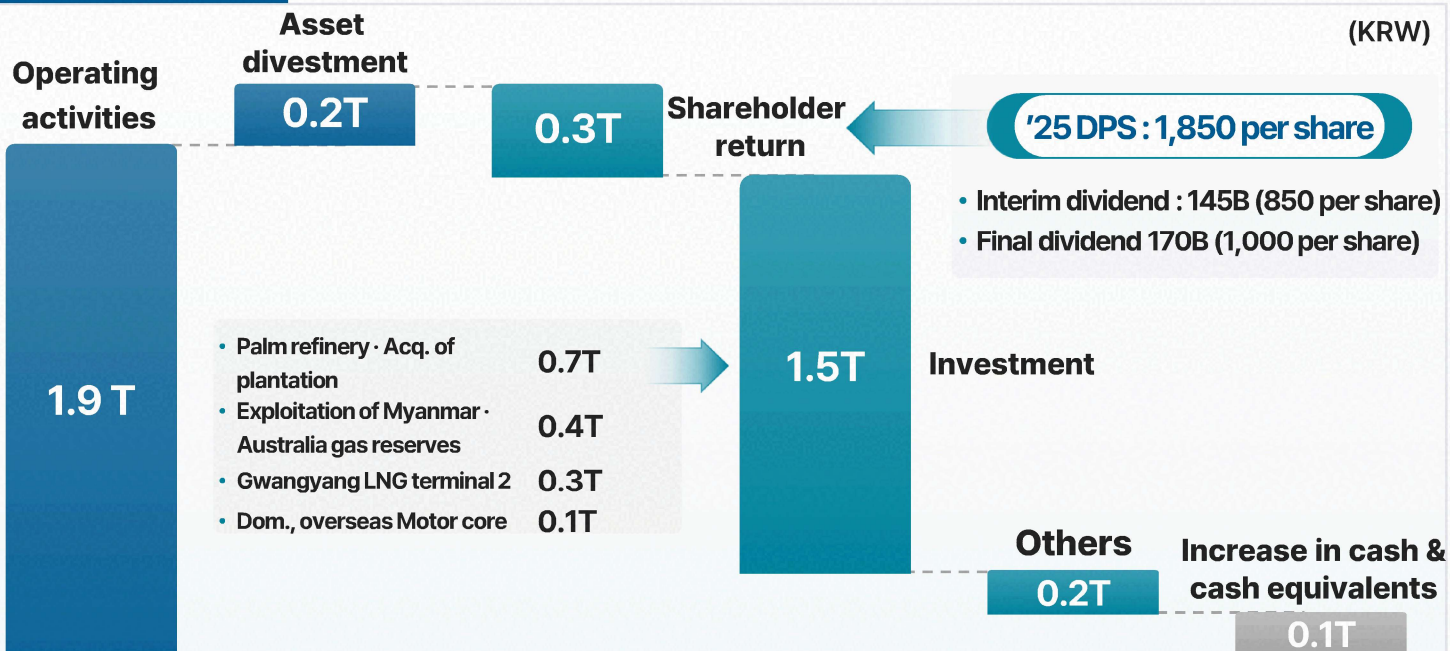
Capital allocation & shareholder return performance

Shareholder return
Target **50%**

Achieved 51.3% shareholder return ratio & commenced interim dividends in 2025

⌚ $KRW\ 315B \div 614B$
(Total dividends) (Consolidated net income)

Capital allocation



* Source: 2025 POSCO International Consolidated statement of cash flows

Total dividend amount



- “ Based on existing communication enhancement plan, we have transparently shared the company's strategic direction & promoted sustainable growth based on trust through active C-level participation & innovative IR strategies ”

Communication Enhancement Plan (2025~2027)

Increase engagement of top management

- ✓ Hold C-level discussions & NDRs joined by Board members
- ✓ Expand Value Day events hosted by senior management
- ✓ Provide full support & participate in discovering anchor investors

Communication diversification & broaden network

- ✓ Ensure swift communication through social media and IR chatbot
- ✓ Broaden network with global investors through peer company annual meetings
- ✓ Secure coverage from new securities firms

Strengthen ESG communications

- ✓ Disclosure of key ESG data including environment & safety
- ✓ Strengthen communication with ESG rating agencies (MSCI, S&P Global etc.)
- ✓ Align top management's compensation system with corporate value

Performance highlights for 2025



Expansion of C-Level IR promotion

- Execution of 34 NDRs & meetings with major domestic & international institutional investors
- First independent director governance NDR conducted in New York

Value Day for core biz. sectors

- Hosted 2 value day events for core biz. including mobility



Diversification of communication channels & networks

- Opening of IR x & LinkedIn channels, implementation of IR-disclosure chatbot
- Expansion of securities analyst coverage(12 → 16 firms)



Strengthen ESG communications

- Disclosure of ESG ratings & due diligence reports on Myanmar & Indonesia palm plantations
- Proactive communication on ESG issues with major rating agencies & investors
- Aligned ESG goals into C-Level performance evaluation & incentives



Received Prime Minister's citation in the comprehensive ESG category at the "2025 Korea Sustainability Awards"

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