POSCO Holdings

Q3 2024

Earnings Release

October 30, 2024

POSCO HOLDINGS

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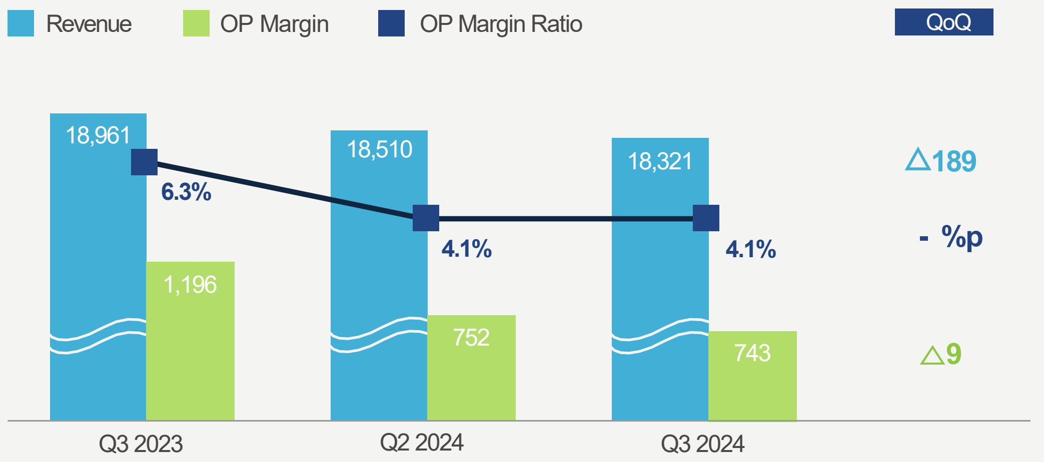
Contents

Q3 '24 Consolidated Performance

Delayed recovery in steel and EV battery materials markets leads to OP similar to previous quarter

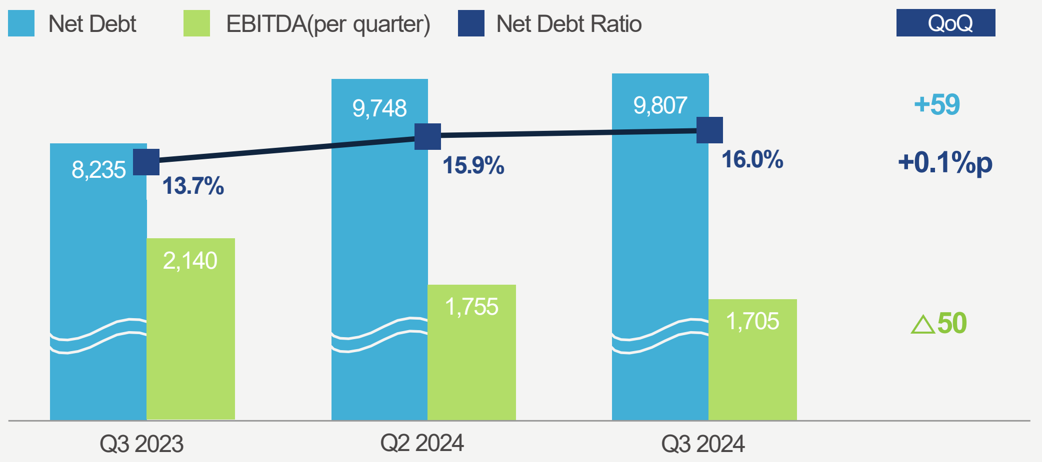
Income

(*KRW* billion, %)



Financial Structure

(*KRW* billion, %)



- Cumulative CAPEX to '24 Q3: (consolidated) *KRW* 6.4 trillion, (separate) *KRW* 0.8 trillion

Performance Before Intercompany Transaction Adjustment

(*KRW* billion)

	Revenue			Operating Profit			Net Profit		
	'23. Q3	'24. Q2	**'24. Q3**	'23. Q3	'24. Q2	**'24. Q3**	'23. Q3	'24. Q2	**'24. Q3**
Steel	15,803	15,449	15,669	853	497	466	555	256	232
POSCO[1]	9,675	9,277	9,479	727	418	438	500	267	257
Overseas Steel	5,089	5,156	5,279	71	20	7	△29	△69	△76
Infrastructure	13,833	14,768	14,202	414	429	449	266	216	299
POSCO International[2]	8,046	8,282	8,356	312	350	357	195	190	238
POSCO E&C[2]	2,438	2,588	2,178	56	45	47	33	21	32
Rechargeable Battery Materials	1,313	947	966	△6	△28	△53	△32	△38	△53
POSCO Future M[2]	1,286	916	923	37	3	1	23	△11	△1

1) POSCO, separate
2) Consolidated, POSCO International performance includes POSCO Energy

POSCO-JSW sign MOU to cooperate in Steel/Battery Materials/Energy Businesses

MOU Purpose	• **Building a strategic partnership in the fields of steel, battery materials and renewable energy, with the objective to achieve mutual growth and leadership in the global industry**
Steel	• **Cooperation in establishing an integrated steel mill and other steel-related operations in India** - To jointly build an **integrated steel mill with at least 5Mt (million ton) capacity** in the state of Odisha or any other state in India - JV follows a **50:50 ownership split** with equal number of directors on the Board
Battery Materials	• **Business cooperation in EV battery materials, such as Lithium Ferro-Phosphate (LFP) and/or Lithium Carbonate (LC) for LFP cathode active materials**
Renewable Energy	• **Collaboration in renewable energy (i.e., solar power project) to meet captive power demand of the integrated JV steel mill**

Upstream business through local partnership to seize growth opportunity

Steel Business Strategy: Upstream-focused global expansion and economically-viable net-zero roadmap

Market Fragmentaion

- Fragmentation of supply chain due to geopolitical risk and trade protectionism
- Growing merits of localization in key markets

Upstream-focused mill with No.1 local partner in growth markets

Enter upstream business
with local partner
in India & the US

India

USA

Global Oversupply

- Surplus in China amidst weak domestic demand
- Limitation of exports to other markets from domestic plant manufacturing

Fundamental structural reform and DX to achieve unrivaled cost competence

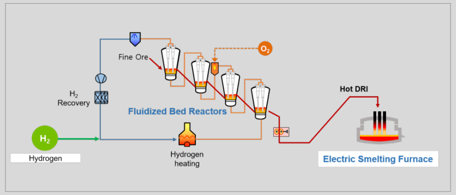
Rationalize low-profit assets
and build the Intelligent Factory
for dramatic productivity enhancement

Rollout of Emissions Regulation

- Emissions treated as trade barriers
- Increasing demand of low carbon products among steel-using industries

Technology leadership tailored to regional net-zero policies & market needs

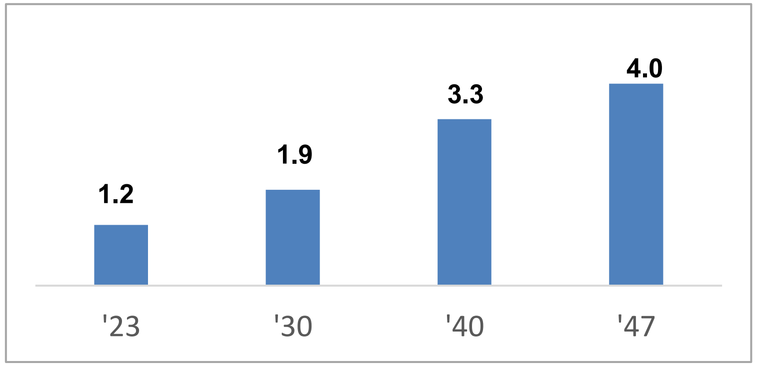
Economically-viable net-zero conversion
by HyREX demo plant operation
and parallel shaft type development



India: Stable profit generation in a fast-growing market through group synergy

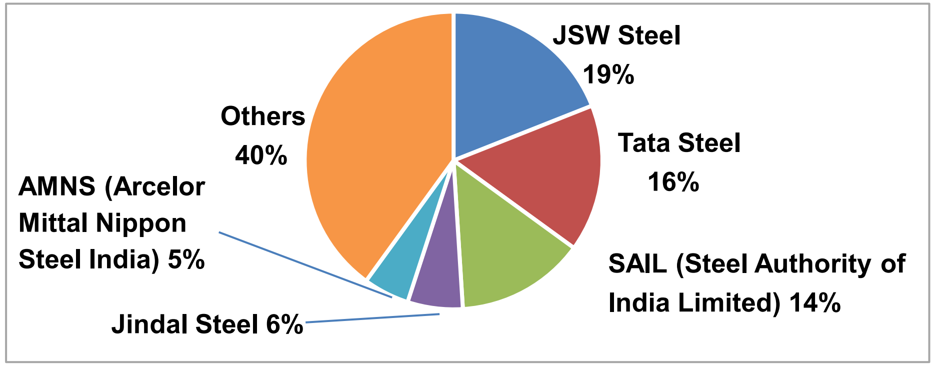
High-Growth Steel Market	• **Steel demand likely to soar on government policy to expand steel production** (190Mt by 2030, CAGR 6.7%) - Establishment of the Ministry of Steel bodes strong push for steel industry (NPS2017: 300Mt crude steel by 2030; Vision2047: 500Mt by 2047) - Import substitution completion by 2030 *Current per capita steel consumption in India: 91kg (World avg. 222, U.S. 279)
Protectionist Policy/Market	• **Oligopolistic market structure and protectionist policies keep out low-cost Chinese imports, allowing stable profit** - Share of the top 5 steel producers in India : 60% (Top 10 in China : 44%), 7.5% tariff on steel imports from China and Vietnam (targeting 10-15% increase)
Iron Ore Reserves	• **Diversified sourcing and availability of low-cost feedstock help to control cost in a fluctuating market**
POSCO Group Synergy	• **Synergy generated with existing downstream business in India** - Sales network exists through captive demand for high-grade steel (P-MH) and at steel processing centers in india - P-MH, leading supplier of top-quality automotive steel in India with 28% M/S in coated automotive steel products (1st place)
Risk Mitigation	• **By building a local supply chain, mitigate potential downstream supply risks triggered by protectionist trade policies**
EV Battery Market	• **With the goal to be global No. 3 auto market and to take EVs to 30% of the Indian market by 2030** (2% in 2023), **secondary battery demand bodes significant growth**

【 Steel Demand Forecast in India (in hundred million) 】



*Source : World Steel Dynamics ('24.6)

【Crude Steel Production by Indian Steelmakers (FY22~23) 】



*Source : JPC (Joint Plant Committee)

JSW Group: Strategically-aligned JV partner to hedge local risks and enter market with speed

Steel

JSW Steel

- **No.1 steelmaker in India (27Mt capacity)**
  - 4 integrated mills in operation in India
  - Capacity expansion by adding new mills (50Mt by 2030)

Mine

JSW Steel

- **Ownership of 13 mines (45% captive iron ore)**
  - Target captive ratio increase to 75%

Automobile/EV

JSW Ventures

- **35% equity in MG Motor India**
  - M/S in Indian EV market('23) : 12% (No.2)

Recycle

LICO Powering Your Future

- **LICO recycling business operating under EAM**
  - Upstream 1.5Kt

* EAM : JSW Group family-owned business (76% equity stake in LICO)

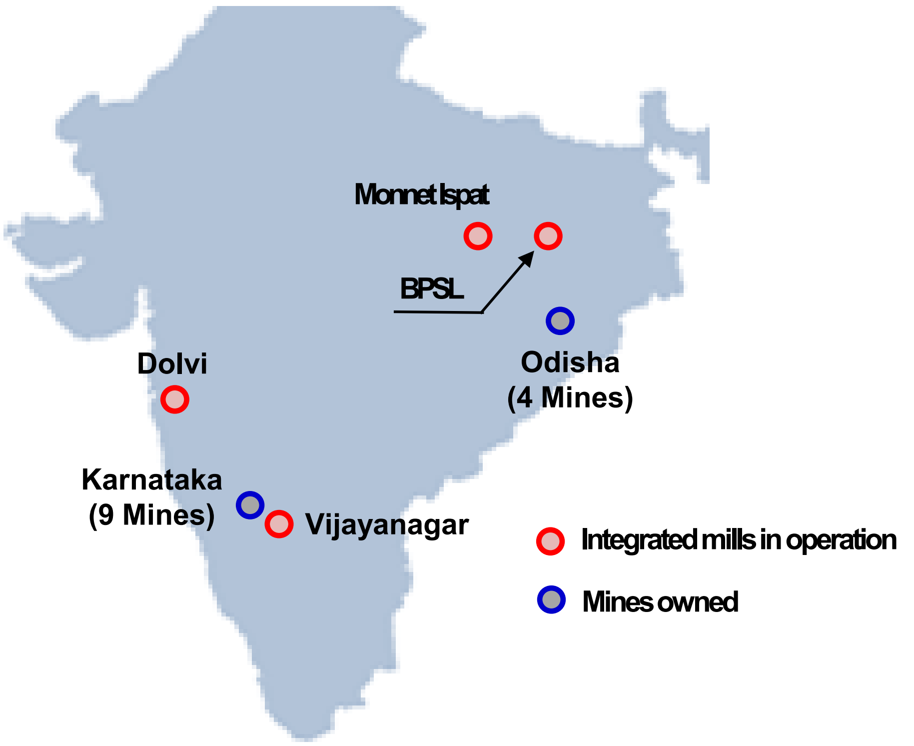
Energy

JSW Energy

- **Power supply to integrated mills**
  - Total power capacity: 13.2GW (9.3GW in renewable energy)

As India's No.1 steelmaker, JSW Group is expanding its business to EV battery and energy sectors

【 JSW Integrated Mills and Mines】



Key Business Activities LiB Materials Business Update

POSCO Argentina: Completion of Brine Lithium Phase 1 Plant Construction (Up/Downstream)

Lithium Project Status

Build Lithium Hydroxide Production Base: 68Kt

1 Brine Lithium (POSCO Argentina Phase 1, 25Kt)

- Plant completion & initial batch production (Aug. '24)
  *Commissioning Ceremony: Oct. 24, '24
- Product certification underway by POSCO Future M and battery makers (Nov. '24) * P- Argentina Phase 2 (25Kt): to be completed by Aug. '25

2 Ore Lithium (P-PLS Plant 1 (21.5Kt), Plant 2 (21.5Kt))

- Plant 1: completion (Nov. '23) → pull in ramp-up ('25.Q1 →'24.E)
  . Agreements with battery and cathode makers (incl. POSCO Future M) to be signed (Nov.'24)
- Plant 2: pilot operation underway → Project completion (Nov. '24)

Other Projects

- **POSCO Silicon Solution completes plant construction (Sept. '24)**
- **POSCO Future M: NCA-dedicated CAM plant (30Kt) completion & initial batch shipment (Oct. '24) in Pohang**

Acquiring Prominent Assets

Explore opportunities to invest in key assets (ex. S. America)

1 Altoandinos Salt Lake Project in Chile

- Shortlist candidate partners; make final selection (Aug. '24)
- Scheduled to announce final partner by '25.Q1

※ Maricunga Salt Lake PJT in Chile
: Bid submission as private partner (Sept. '24)

2 Mahenge Mine Graphite Project in Tanzania

*** Equity stake in Black Rock Mining, owner of the mine**

- 1st Investment (Jun. '21): U$7.5M invested, current equity stake 10.1%
- 2nd Investment (Sept.'24): Agreement made to acquire additional shares
  · Projected shares : 19.9% (P-Holdings and P-INT'L combined)
  · Secure 60Kt off-take of battery-grade graphite ('26.2H) and acquire rights to market non-battery-grade graphite

☞ Availability of US IRA-compliant anode active materials

Restructure to improve capital efficiency through enhanced portfolio management

Project Scope

55 under-performing projects; 70 non-core assets

* Five projects added from 2024 Value Day (Jul. '24): Under-performing projects: 51→55; Non-core assets: 69→70

Restructuring Progress (as of '24.Q3E)

21 projects completed

→ Cumulative cash proceeds of *KRW* 625.4 billion

Under-performing Projects: 5 — **Cumulative cash proceeds of *KRW* 44.2 billion**

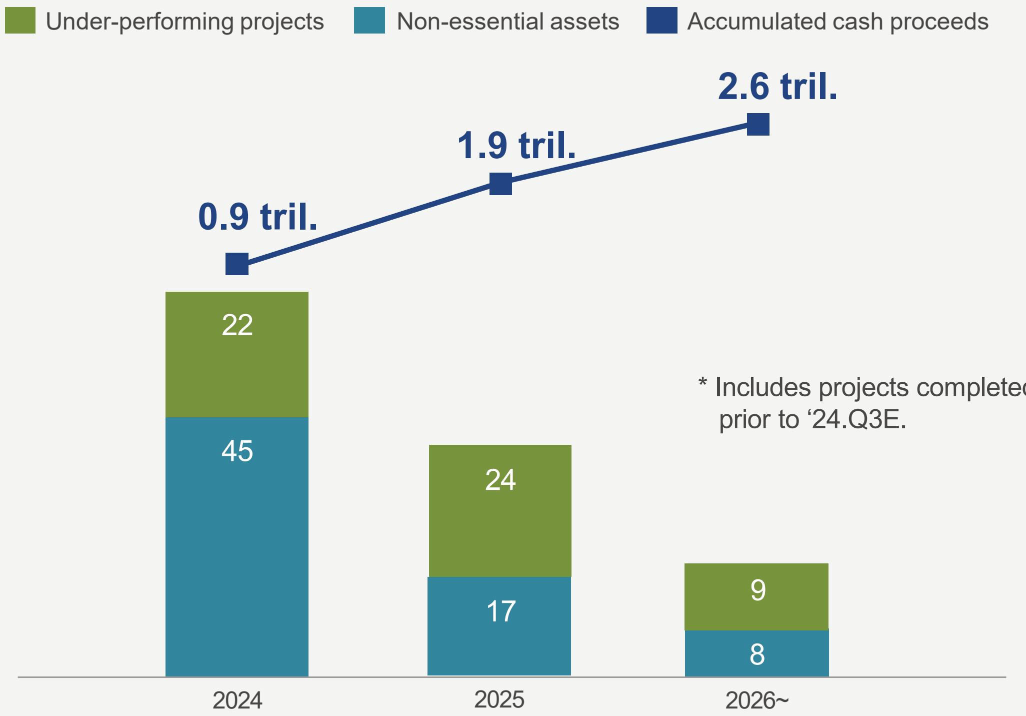
- Divestment of heavy oil power business in Papua New Guinea
- Divestment/Dissolution of low-performing overseas subsidiaries

Non-core Assets: 16 — ***KRW* 581.2 billion**

- 12 shares investments in KB Financial Group and West Seoul Urban Expressway, among others
- 4 non-performing assets, i.e., multi-purpose commercial building

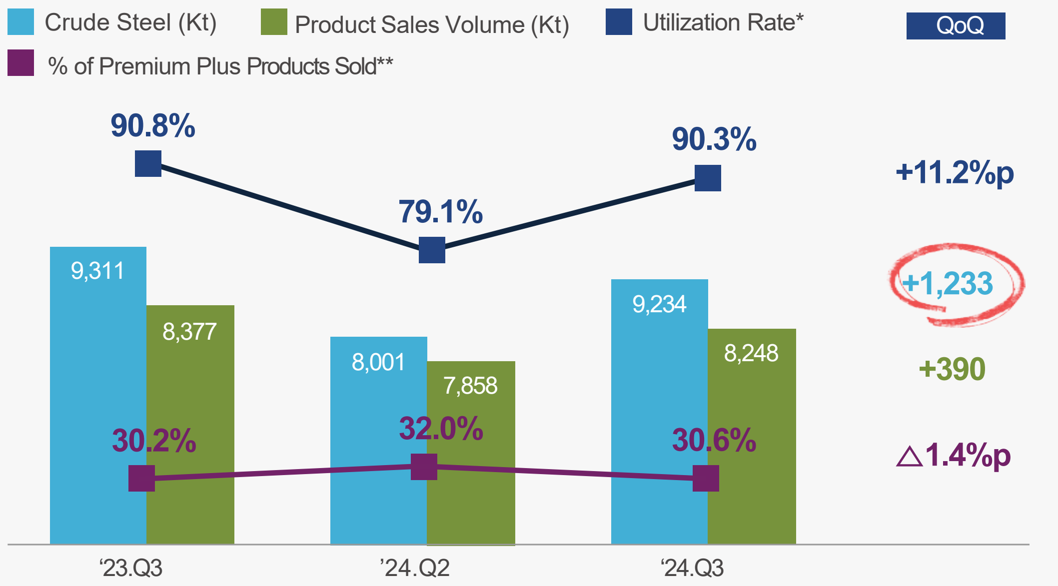
Implementation Schedule to '26E

Completion target is 97% by 2026, with anticipated cash generation of *KRW* 2.6 trillion

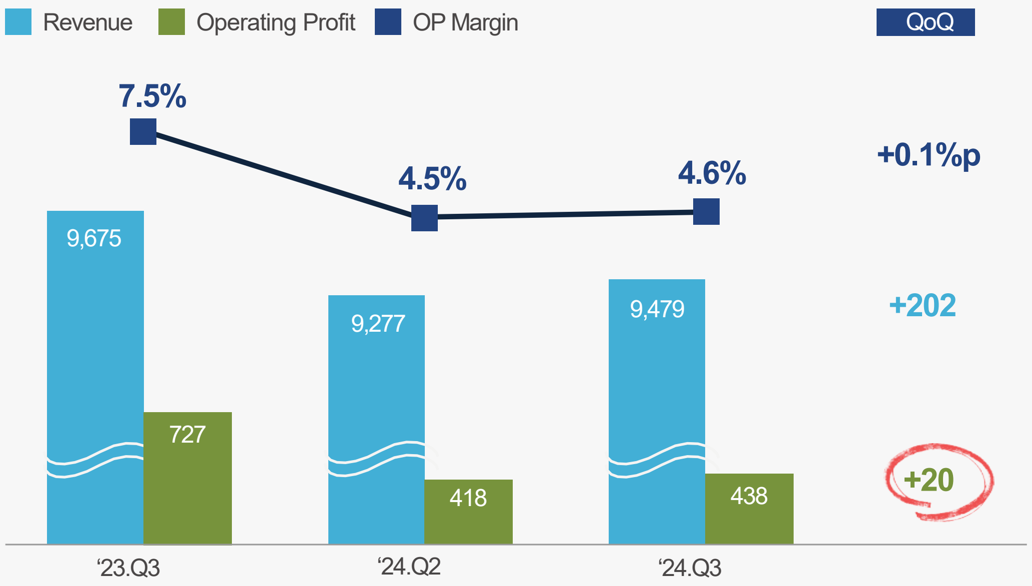


* Includes projects completed prior to '24.Q3E.

Production/Sales



Income

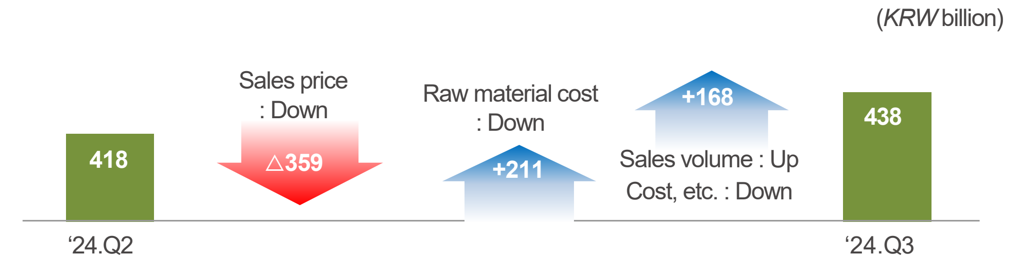


* Utilization Rate : crude steel production / crude steel capacity

** Excludes non-prime and semi-product figures

Production/sales volume grew on the completion of major repairs; OP rose despite mill margin decline resulting from weak demand

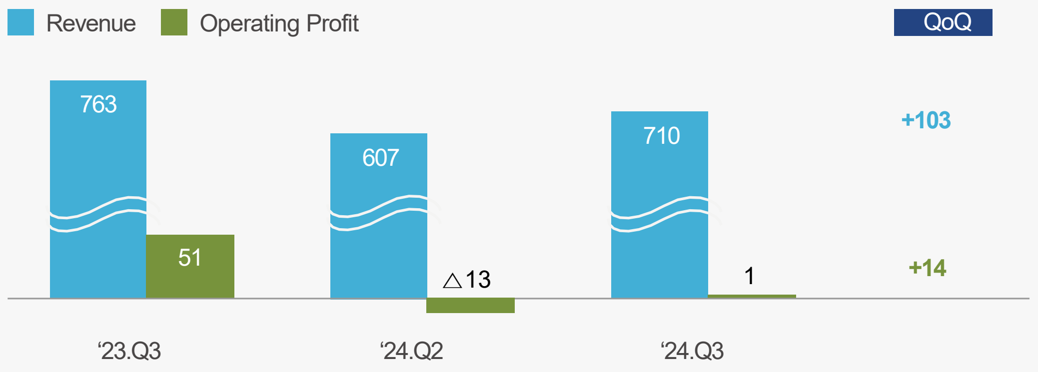
- Sales price (carbon steel) : Q2) *KRW* 1,023k/t → Q3) *KRW* 980k/t (△43)
  - Unit price and FX impact △41, change in product composition (△2)
- Key raw materials input cost (carbon steel): Q2) 100 → Q3) 95 (△5)
  - Q3 unit price : iron ore= 89, coking coal = 95 (Q2 calibrated to 100)
- Production volume recovered in Q3 following refurbishment in Q2; the resulting lower fixed costs led to reduced processing cost



Steel (overseas)

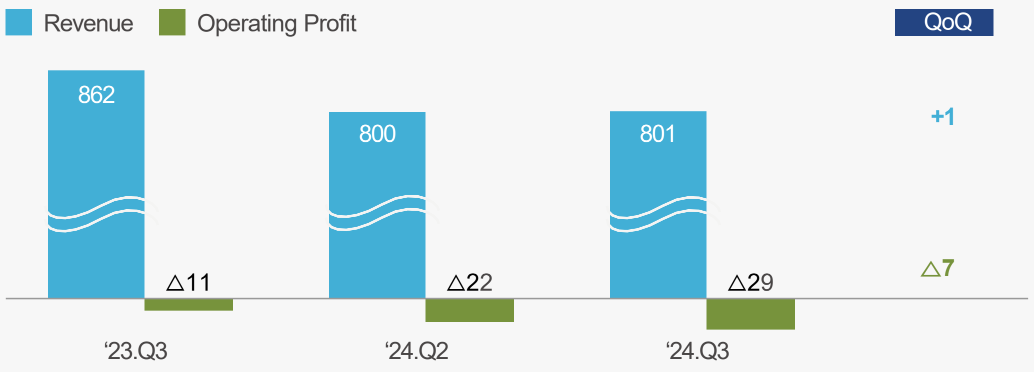
PT. Krakatau POSCO (Indonesia)

(KRW billion)



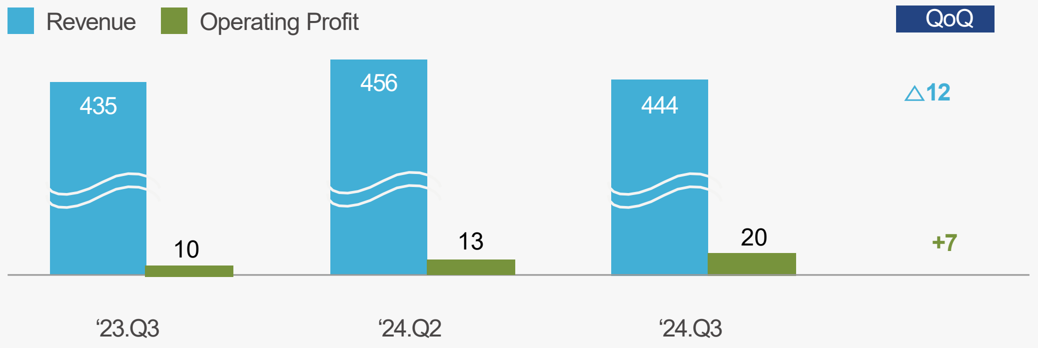
PZSS (China)

(KRW billion)



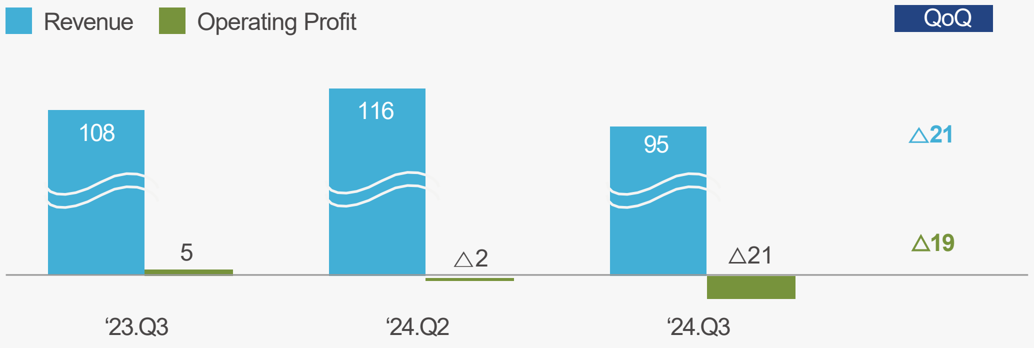
POSCO Maharashtra (India)

(KRW billion)



PY VINA (Vietnam)

(KRW billion)

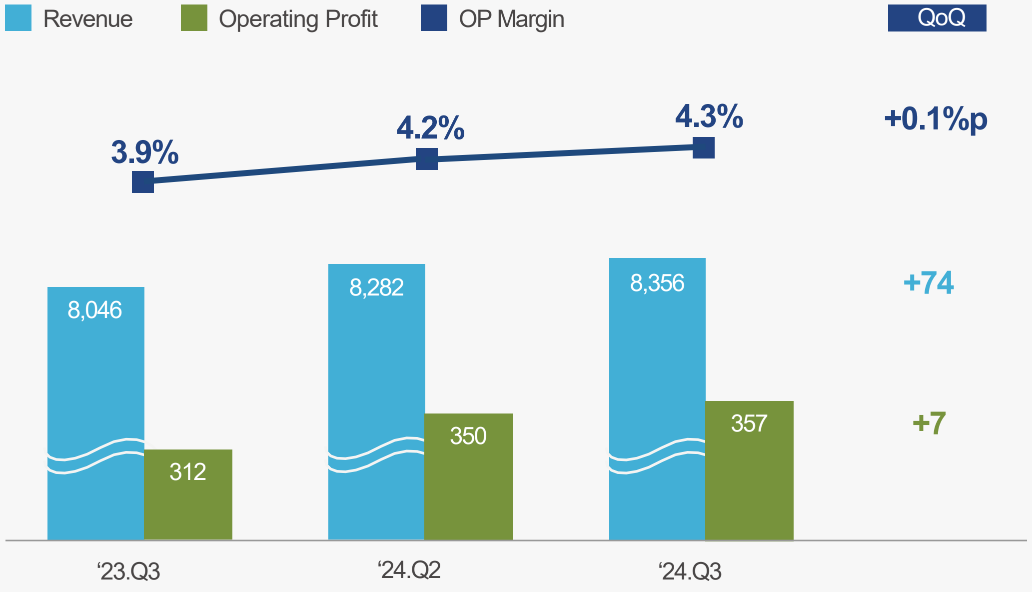


OP declined QoQ due to sustained losses at overseas subsidiaries, i.e., at PZSS, PY VINA

- [PT.KP] Shifted to profit through increased sales of high-margin products (API, +22Kt) and expanded use of low-cost raw materials (local coking coal, +2.5%p)
- [P-Maharashtra] Continued to enhance sales mix focusing on premium automotive steel * Automotive steel sales: 52% (FY 2023 49%)
- [PZSS, PY VINA] Losses grew on sluggish market triggered by weak associated businesses, causing drops in mill margin (PZSS) and sales volume (PY VINA)

Income

(KRW billion, %)



Revenue & OP by Business Division

(KRW billion)

	'23.Q3	'24.Q2	'24.Q3	QoQ
Revenue	8,046	8,282	8,356	+74
Energy[1)]	922	1,084	1,090	+6
Steel Mtrls, etc.[2)]	7,124	7,198	7,266	+68
Operating Profit	312	350	357	+7
Energy[1)]	172	198	198	-
Steel Mtrls, etc.[2)]	140	152	159	+7

1) E&P, LNG power/terminal
2) General steel/eco-friendly material/food trading, consolidated accounts, etc.

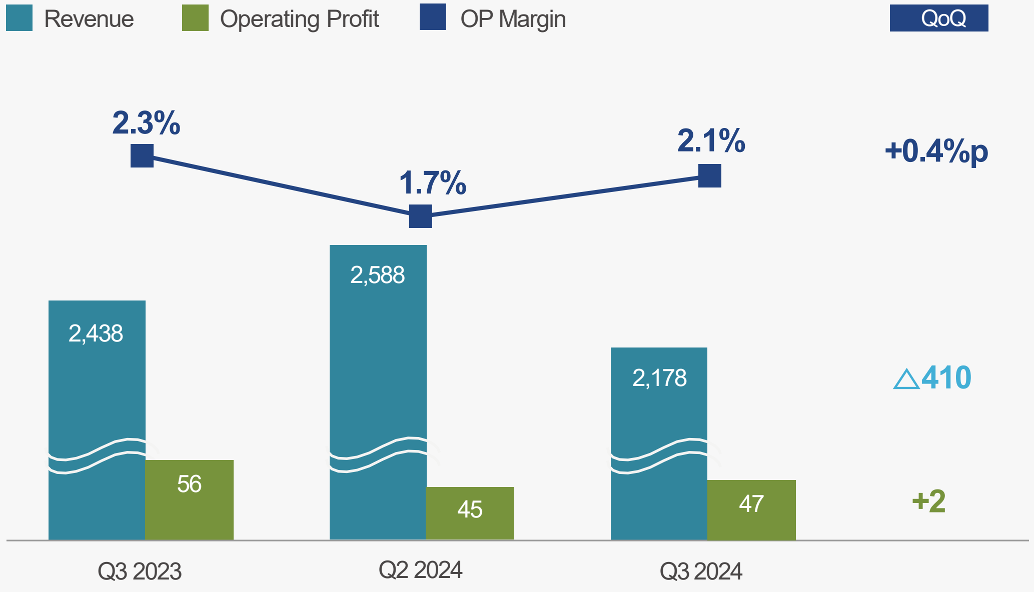
Despite CR* decline from the Myanmar gas field, OP held on SMP growth and power sales from power plants

- [E&P] Despite a drop in CR* (KRW△48B), performance held up owing to reduced depreciation expenses from the re-certification of new reserves (KRW△ 31B, QoQ)
- [Power] OP grew on increased SMP (KRW +13/kwh) and greater energy sales due to a decline in the power reserve in the metropolitan city (KRW+17B, QoQ)
- [LNG/Terminal] OP rose on the impact of previous year's terminal rental fees consolidation in Q3 (KRW +10B, QoQ)

* Cost Recovery : Profit distribution that reimburses investment costs, which predominantly occurs in April, beginning of Myanmar's fiscal year.

Income

(KRW billion, %)



Revenue & OP by Business Division

(*KRW* billion)

	Q3 2023	Q2 2024	Q3 2024	QoQ
Revenue	2,438	2,588	2,178	△410
Plant	733	767	513	△254
Infrastructure	416	375	320	△55
Construction	1,226	1,454	1,266	△188
Consolidated Accounts	63	△8	79	+87
Operating Profit	57	45	47	+2
Plant	7	△39	△41	△2
Infrastructure	9	△4	△3	+1
Construction	37	89	90	+1
Consolidated Accounts	3	△2	1	+3

Despite QoQ sales decline resulting from large project deliveries in Q2, OP grew on profit restoration and sale of unused land

- Q2 sales increased on plant and construction project acceleration; Q3 sales declined due to base effect of projects completed in Q2.
- OP improved owing to profit restoration initiatives (e.g., renegotiated contract price) and sale of unused real estate (+*KRW* 32.9B from land sale)

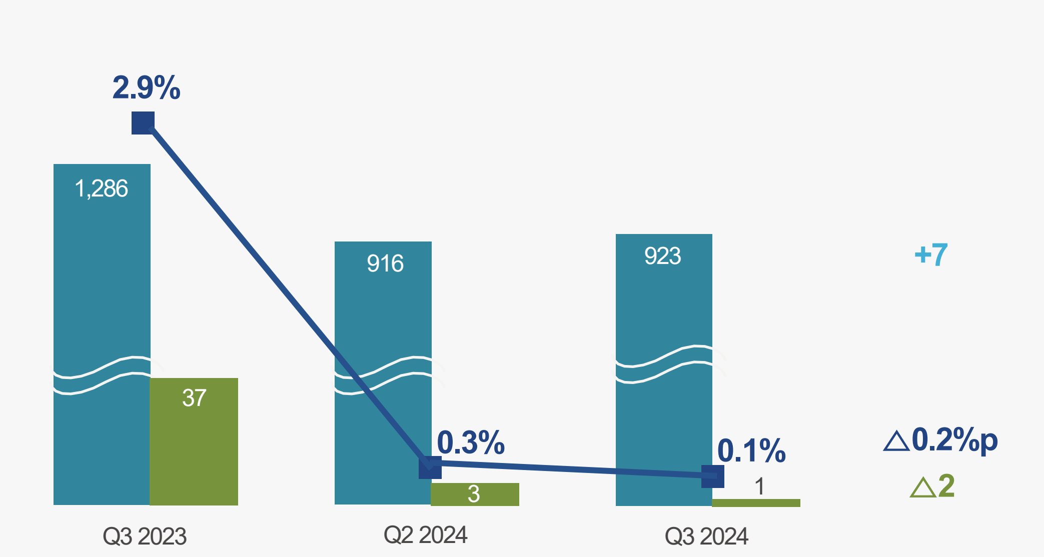
Continue to manage PF risk and sustain sound financials

- Sound financials managed by keeping direct guarantees at industry's lowest, monthly monitoring of PF progress and through loan index enhancement plan

POSCO Future M

Income

(KRW billion, %)



Revenue & OP by Business Division

(KRW billion)

	Q3 2023	Q2 2024	Q3 2024	QoQ
Revenue	1,286	916	923	+7
Energy Mtrl	953	594	583	△11
Base Mtrl	333	322	340	+18
Operating Profit	37	3	1	△2
Energy Mtrl	22	1	△16	△17
Base Mtrl	15	2	17	+15

CAM: Despite sustained robustness in high-Ni sales, inventory valuation loss pushed the balance into a deficit

- Strong sales in NCA, N87 (+49%, +8% QoQ, respectively) / High-Ni share: (Q1) 70% → (Q2) 94% → (Q3) 93%
- Inventory valuation loss: △KRW 22B

AAM: Natural graphite sales decline lowers profits, balanced against the reversal of the artificial graphite inventory valuation loss

- Natatural graphite sales : △3.4Kt, QoQ (△50%)
- Reversal of inventory valuation loss +KRW 4B : artificial graphite +KRW 7B, natural graphite △KRW 3B

Base Mtrl: Lime & chemical sales rose following completion of the BF repair. Refractory OP improved on increased converter repairs

Appendix

- Progress on Battery Materials Plant Construction
- Summarized Income Statement
- Summarized Balance Sheet

Progress on Battery Materials Plant Construction

Material	Company	Project	~2023	2024	2025~
Lithium	POSCO Argentina	Phase I, Brine		**Completion (Aug.)**	
		Phase II, Brine (up-stream)	Completion (Aug.)	**Evaporation pond replenishment (Q4)**	Completion (Q2) → Completion (Q3)
	POSCO Lithium Solution	Phase II, Brine (down-stream)	Completion (Jun.)	Utilities (May)	Completion (Q2)
	POSCO Pilbara Lithium Solution	Lithium Ore	Plant 1 completion (Nov.)	First shipment from Plant 1 (Apr.); Completion (Q3) → Completion (Q4)	
Nickel	SNNC	Fe Removal		Completion (Jan.)	
	POSC	Nickel Refining		Completion (Q3) → **Completion (Q4)**	
	Indonesia JV	Smelting (Matte)	Approval (Apr.); Equity acquisition, Construction commencement (Sept.)		Completion (Q2)
	POSCO CNGR Nickel Solution	Nickel Refining	Approval (May)	Incorporation (Jan.)	Completion (Q2 '26)
Next Generation	POSCO Silicon Solution	SiOx AAM	Approval (Jan.); Civil engineering (Jun.); Utilities (Sept.)	Downstream completion (Apr.); Completion (Sept.)	

Summarized Consolidated Income Statement

(*KRW* billion)

	Q3 '23	Q2 '24	**Q3 '24**	QoQ
Revenue	18,961	18,510	**18,321**	△189
Gross Profit	1,888	1,495	**1,507**	+12
(Gross Margin)	(10.0%)	(8.1%)	**(8.2%)**	+0.1%p
SG&A	691	743	**763**	+20
Operating Profit	1,196	752	**743**	△9
(Operating Margin)	(6.3%)	(4.1%)	**(4.1%)**	-
Profit Before Tax	831	720	**691**	△29
Net Profit	550	546	**497**	△49
Net Profit attributable to Controlling Interest	488	530	**453**	△77
EBITDA	2,140	1,755	**1,705**	△50
(EBITDA Margin)	(11.3%)	(9.5%)	**(9.3%)**	△0.2%p
EPS (KRW)	5,773	6,266	**5,483**	△783
No. of Outstanding Shares (Thousands)	84,571	84,571	**82,624**	△1,947

Summarized Consolidated Balance Sheet

(KRW billion)

		Q3 '23	Q2 '24	Q3 '24	QoQ
Current Assets		48,636	47,182	**44,199**	△2,983
	Cash Balance*	19,694	18,911	**16,104**	△2,807
	Accounts Receivable	11,521	11,405	**10,873**	△532
	Inventories	14,154	13,486	**13,699**	+213
Non-Current Assets		54,384	58,105	**58,103**	△2
	Tangible Assets	34,306	38,146	**38,543**	+397
	Intangible Assets	4,881	4,695	**4,669**	△26
	Other LT Financial Assets	2,778	2,944	**2,777**	△167
Total Assets		103,020	105,287	**102,301**	△2,986
Liabilities		42,691	44,075	**41,097**	△2,978
	Current Liabilities	22,067	23,278	**22,623**	△655
	Non-Current Liabilities	20,624	20,797	**18,474**	△2,323
	※ Total Interest Bearing Debt	27,929	28,660	**25,911**	△2,749
Shareholders' Equity		60,329	61,212	**61,204**	△8
	Controlling Interest	54,729	55,447	**55,303**	△144
Net Debt		8,235	9,748	**9,807**	+59
	Net Debt to Equity (%)	13.7%	15.9%	**16.0%**	+0.1%p

*Cash Balance represents Cash and Cash Equivalents, Short-term Financial Instruments, Short-term Held-for-Trading Securities, Short-term Marketable Securities, and Current Portion of Held-to-Maturity Securities